

Vulcan Steel Limited (“Vulcan”)

ASX and NZX Announcement

6 December 2021

Trading Update & Earnings Upgrade

Vulcan (ASX: VSL, NZX: VSL), an Australasia-wide industrial product distributor and value-added processor today announced a trading update¹ for financial year ending 30 June 2022 (“FY22”).

Vulcan’s overall revenue is up 35% year-on-year (“yoy”) for the five months to 30 November 2021. The Company’s Steel segment revenue lifted 42% yoy while its Metals segment revenue grew 22% yoy during this period.

Overall sales volume recorded an 11% yoy increase for the same period. Steel volume lifted 12% yoy while Metals volume grew 7% yoy during this period.

Following the conclusion of stronger than expected October and November trading and reflecting the volume uncertainty of the December and January holiday period, Vulcan is revising its FY22 earnings forecasts² contained in the Company’s Prospectus to the range outlined below.

In million NZ\$ (before offer costs ⁴)	Pro Forma EBITDA ^{*,3}		Pro Forma NPAT ^{**,3}	
	Post-IFRS 16 ⁵	Pre-IFRS 16 ⁶	Post-IFRS 16 ⁵	Pre-IFRS 16 ⁶
New Guidance Range	174-184	150-160	93-100	97-104
Prospectus	147	123	74	78
Dollar Change ^{***}	27-37	27-37	19-26	19-26
% Upgrade ^{***}	18%-25%	22%-30%	26%-35%	24%-33%

* EBITDA – Earnings Before Interest, Tax, Depreciation and Amortisation

** NPAT – Net Profit After Tax

*** Compared with Prospectus

The Company also notes there will be fewer trading days in the second half of FY22 compared with previous corresponding period in FY21 due to the timing of public holidays and an additional national holiday in New Zealand.

Vulcan’s Managing Director and CEO Rhys Jones said *“Trading has been stronger than anticipated and has been broad-based across all our Australasia business units, especially in October and November as Sydney and Melbourne emerged from COVID-19 restrictions. As an industrial distributor and value-added processor, we remain confident of our ability to maintain our high service level and product availability to meet the needs of our growing and diverse customer base.”*

¹ The trading update is based on provisional management accounts and the final results will be subject to external audit

² Subject to ongoing risks outlined in the Company’s Prospectus lodged on 15 October 2021

³ Pro Forma financial information as described in Vulcan’s Prospectus which was included to enable readers to examine what the Company considers to be its underlying financial performance of the business presented on a consistent basis

⁴ Costs incurred by Vulcan in relation to the public listing of the Company

⁵ New Zealand International Financial Reporting Standard 16 – accounting recognition of right of use assets and corresponding liabilities on leases adopted in FY20

⁶ New Zealand International Accounting Standard 17 – accounting treatment of operating leases and finance leases prior to the introduction of IFRS 16 in FY20

Vulcan expects to release its first half FY22 results on Tuesday 22 February 2022.

ENDS

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This announcement was authorised by Vulcan Board of Directors.

About Vulcan

Founded in 1995, Vulcan is an Australasia-wide industrial product distributor and value-added processor with 29 warehousing, manufacturing, and processing facilities employing over 800 staff across five business divisions in steel, coil, plate, stainless steel and engineering steel.