steel&tube
STRONGER TOGETHER

2025 ANNUAL REPORT

STEEL & TUBE HOLDINGS LIMITED

Our Purpose

TO MAKE LIFE EASIER FOR OUR CUSTOMERS

Dear shareholders

On behalf of the board, we are pleased to present Steel & Tube's Annual Report for the year ended 30 June 2025 (FY25). This report demonstrates how we have delivered on our purpose and advanced our strategic priorities over the past year.

In a challenging economy and trading environment, our team remained focussed on what matters most – making life easier for our customers. As one of New Zealand's leading steel solutions providers, we've continued to support our customers, grown our business and offering, strengthened our foundations, and positioned our business to succeed as market conditions improve.

This report was approved by the Board on 24 August 2025.

Susan Paterson - Chair

Mark Malpass - Chief Executive Officer

CONTENTS

This Annual Report and Financial Statements of Steel & Tube Holdings Limited are prepared in accordance with the New Zealand International Financial Reporting Standards, NZX Listing Rules and Corporate Governance Code and Companies Act 1993. The Annual Report contains certain forward-looking statements with respect to the Company's financial position and operational results. This involves a degree of risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Because of this uncertainty, all forward-looking statements have not been reviewed or reported on by our auditor. Due to rounding, numbers presented throughout the financial statements may not add up precisely to the totals provided.

~13,000
ACTIVE CUSTOMERS

~900
TEAM MEMBERS[1]

6,690
SHAREHOLDERS

118
$KGCO_2E$/TONNE SOLD[2]

steel&tube
STRONGER TOGETHER

OUR BUSINESS

Steel & Tube is a proud New Zealand business and a leader in the steel solutions market.

Our stable of best-in-class businesses are some of this country's leading steel suppliers. We offer New Zealand's most comprehensive range of steel products, services and solutions and are continuing to grow, by adding high-value offerings for our customers.

With expertise across various sectors, we provide our customers with a wide array of products and solutions to meet their unique steel requirements. Serving customers through our nationwide network and online platform, we support them in delivering successful projects and achieving better outcomes.

Our competitive edge lies in our ability to cross-sell our comprehensive product range, leveraging our national reach and diverse offerings across multiple industries.

We source, process, and distribute a wide range of steel and metal products, including fastenings, fire reticulation, rigging, stainless steel, aluminium, engineering steel, and processed plates and sheets. We also offer custom steel solutions for projects such as roofing, ComFlor decking, and reinforcing. This year, we've added market leading galvanizing services to our offer.

At the heart of our success are our people – passionate, innovative, capable and deeply proud of what we do.

32
EMPLOYEE NPS[3]

35
NATIONWIDE SITES

42
CUSTOMER NPS[3]

3.5
SAFETY TRIFR[4]

1 Estimated as at 1 September 2025 (includes Perry Metal Protection – 100 team members and 6 sites). Excludes vacancies and contractors

2 Includes all material emissions under Scope 1 and 2, with Scope 3, except purchased goods and services and employee commute. Emissions kgCO_2e per tonne excludes acquisitions during the year

3 Net Promoter Score. Customer NPS is calculated based on 3 months rolling average

4 TRIFR: Employee Total Recordable Injury Frequency Rate

OUR STRATEGY

Our strategy is grounded in purpose and powered by action – building a diversified and resilient business while capitalising on new avenues of growth.

CORE STRENGTH

We're harnessing our strong foundations to deliver outstanding customer experiences, operational excellence and sustained financial performance.

With a broad product range, nationwide reach, leading digital capabilities and a skilled team, we're positioned to be New Zealand's steel solutions partner of choice.

Sustainability is core to our journey – shaping our actions through environmental responsibility, ethical sourcing and a focus on reducing our carbon footprint.

- + Best-in-class customer experience
- + Cross sell products and services
- + Accelerate shift to digital sales
- + Drive gross margin $/tonne
- + Operating efficiency

GROWTH OF HIGH VALUE PRODUCTS AND SERVICES

We're growing our business by expanding our offering and investing in innovative products and services that deliver real value to our customers.

While organic growth remains our preferred focus, we're open to exploring strategic opportunities in adjacent sectors, where they align with our vision and create meaningful synergies.

By harnessing our deep industry expertise, strong customer relationships and market insight, we'll continue to identify and seize the opportunities that drive sustainable growth.

- + High value products, diversified materials and value-added services
- + Diversify customer segments and build scale
- + Primary focus is on organic investment and M&A in directly adjacent sectors

OUR STRATEGIC ROADMAP

WHAT MATTERS

Creating a Successful and Resilient Business

Committed to Health, Safety, Quality and Environment

A Winning Team and Positive Community Impact

Customer First

OUR PURPOSE

TO MAKE LIFE EASIER FOR OUR CUSTOMERS

OUR VALUES

We Care

We Have Respect

We Are Brave

STRATEGIC GOALS

CUSTOMER
Preferred supplier for steel solutions and products

SHAREHOLDER
Deliver increasing value and returns for our shareholders

GROWTH
Increase value through organic growth and M&A

SUSTAINABILITY
Positive outcomes for our business, our people, our communities and our planet

RESULTS AT A GLANCE

VOLUME
101.7kt
FY24 115.5Kt

NORMALISED OPEX
$69.9m
FY24 $70.1m

REVENUE
$385.4m
FY24 $479.1m

PRODUCT MARGIN %
28.1%
FY24: 29.8%

NORMALISED EBITDA[1]
$2.1m
FY24 $35.8m

NET OPERATING CASH FLOWS
$10.4m
FY24 $42.2m

NORMALISED EBIT[1]
-$21.4m
FY24 $14.5m

INVENTORY
$113.6m
FY24 $121.3m

NPAT/NLAT
-$24.4m
FY24 $2.6m

NET DEBT/CASH
-$36.3m
FY24 $8.7m

Volume (Tonnes 000s)

Gross Margin $/Tonne

Revenue ($m)

[1] Normalised EBITDA and Normalised EBIT have been adjusted to exclude non-trading adjustments of $(4.6)m. More details and reconciliation on page 47

New Products

Launched QBT450 – a modern wide-tray roofing profile

QBT450™

Focus On Efficiency

New Auckland warehousing project completed, delivering increased efficiency and high DIFOTIS scores

Extended Reach

Expanded Kiwi Pipe & Fittings offering into the South Island

Invested & Upgraded

Acquired new rollforming machine in Christchurch; and new purlin machine and folder in Auckland

Right Sized Teams

Right sized teams to match demand; investing in capability in areas that matter

Last Mile

Added 13 trucks (total of 33), providing more control over last mile service, delivery and efficiency

Winning On Relationships

Proven execution and partnership approach driving project wins

Aluminium Growth

Continuing to expand range in response to positive customer demand

Customer Satisfaction

Customer satisfaction NPS 42, above industry average of 32

Significant M&A

Acquisition of Perry Metal Protection, Perry Grating and Waikato Sand Blasting – adding new market leading services to Steel & Tube's offer

CHAIR AND CEO'S REPORT

TĒNĀ KOUTOU

In what has been the most challenging economy since the pandemic and the early 1990s, Steel & Tube has focussed on controlling costs and making life easier for our customers. We operate in a highly cyclical industry, making demand particularly sensitive to changes in the economy. However, through disciplined execution of our strategy and the commitment of our team, we've continued to deliver for our customers.

It is the quality of our people and the excellent service they deliver that differentiates us in the market. That has never been more evident than during the challenges of the past year. Their commitment, adaptability and professionalism has shown across the company, in what has been a difficult environment.

FY25 has reinforced our readiness for the eventual upswing. We have a cost efficient and streamlined business, strong operating leverage, broad sector diversity and a solid market position as a trusted supplier with competitive scale and longstanding customer relationships. We are in a strong position to capitalise quickly and effectively when demand recovers.

High Value Growth

Our dual pathway strategy continues to direct our actions and deliver results. Not only have we continued to strengthen our core, but we have invested in both organic and acquisitive growth over FY25 – further expanding our leading range of steel solutions and businesses.

The acquisition of Perry Metal Protection – a market leader in galvanizing services – was a highlight for the year and reinforces our position as a leader in the steel solutions sector. Integration of Perry's into the group is now mostly complete and already we are seeing benefits, ranging from cross-selling to operational synergies. While it is still early days, the results to date have exceeded our business case expectations.

Mark Malpass
Chief Executive Officer

Susan Paterson
Chair

"

In a very challenging trading environment, we have continued to execute on our strategy – strengthening our core, delivering for customers, and fast-tracking scale through M&A. We are well positioned to capitalise on our expanded offer and strong operating leverage as the economy improves.

"

The Perry's acquisition is a great demonstration of our strategy in action as we look to grow our business. Acquisitions fast-track scale for us, unlocking operating leverage and complementing organic growth. We have a disciplined gated approach to growth investment and every potential acquisition is robustly tested before we decide to proceed.

During the year, we also expanded our range of aluminium products in response to customer demand, extended the reach of Kiwi Pipe & Fittings into the South Island and launched QBT450, our first new roofing profile to market in many years. We have also expanded our inhouse fleet, providing more control over last mile service, delivery and efficiency.

Strengthening the Core

The focus on our core fundamentals – best-in-class customer experience, cost discipline and efficiency – has served us well. We are increasingly being selected as a preferred provider as we support our customers with value-added services while maintaining the quality and delivery reliability they rely on. By deepening relationships with existing customers and cross-selling across our product range, we're growing our share of wallet.

Our operating leverage has improved even further as we've focussed on costs and efficiency. This will drive margin expansion and profit growth when demand returns. The expansion of our product ranges will provide further profitable scale and we are well positioned to capitalise on this as the market recovers.

Trading Conditions

Steel & Tube has broad sector diversity with revenue predominantly generated from the manufacturing, construction and infrastructure sectors. Despite hopes for 2025, the economic recovery so far has been muted.

The high interest rate environment (although now easing), international uncertainty, limited Government spending on infrastructure and social housing, reduced housing demand and job losses, have affected the construction markets and business investment confidence. Manufacturing, which was showing positive signs, has also recently contracted. Infrastructure projects are long term in nature and while there has been some positive sentiment, it has yet to translate into demand for steel. Conversely, the agricultural sector, which is an important market for Steel & Tube, has been a standout over the year, supporting the economy by driving rural incomes, job creation and sector-related manufacturing.

Construction activity has started to stabilise after an extended period of decline and, with around half of all fixed rate mortgages coming up for renewal in the next six months, lower interest rates should benefit disposable income and housing demand. Improved funding conditions and business confidence will also stimulate commercial construction activity and sentiment is lifting with the Government's commitment to starting $6b of infrastructure projects pre-Christmas 2025.

Steel & Tube is well positioned to capitalise on a broad cyclical recovery, with strong operating leverage. The long term economic drivers and trends for our business are positive and indicate a long and robust pipeline of demand for steel products and solutions.

Financial Performance

The challenging economic backdrop and its impact on demand for steel affected volumes, revenue and average selling price in FY25. Volumes were down 12% year on year with sales revenue down 20% to $385.4m as product mix and competitor activity put pressure on selling prices. We started to see some activity lift in 2H25, with upwards momentum in revenue and tonnes per trading day. We remain focussed on driving sales and positioning Steel & Tube to win in the market through customer service excellence and value add.

Volume and pricing impacts were reflected in a decrease in earnings. Normalised EBITDA remained positive at $2.1m although was down year on year. Including non-trading adjustments of $(4.6)m, EBITDA was $(2.5)m, with EBIT of $(26.0)m. The group reported a net loss after tax of $(24.4)m.

Gross margin remains a priority and the strategic focus on higher value products and services, pricing discipline, cost control, and lowering cost to serve will provide leverage upside when activity returns. Product margins were 28.1% (FY24: 29.8%) and gross margins were 18.1% (FY24: 21.7%). Margin recovery is expected as volumes rebound and capacity is better utilised.

The continued cost out programme delivered approximately $7m in annualised direct and operating expense savings in FY25 (FY24: ~$5m), more than offsetting inflationary pressure. Cost initiatives have been focussed on back-office functions, efficiencies and tight control of discretionary spending.

Inventory continues to be managed prudently to ensure best use of working capital, with year end inventory of $113.6m which includes $5.9m related to the new galvanizing business (FY24: $121.3m).

Steel & Tube's long term balance sheet strength has enabled investment in recent growth initiatives, with bank facilities utilised for M&A. Net debt was $36.3m as at 30 June 2025 which included $30m for the Perry's acquisition.

In light of the challenging economic environment, the board has made the prudent decision not to declare a dividend, reflecting our careful stewardship of funds and commitment to preserving financial strength for long-term growth.

Building a Sustainable Business

At Steel & Tube, our commitment runs deeper than just business – it's about building something lasting, resilient and sustainable that creates value not just for our shareholders, but for all our stakeholders. We put our customers, our people and their wellbeing at the heart of everything we do, nurturing a culture where health, safety and quality are non-negotiable.

In the face of ongoing economic pressure, we've had to make difficult choices to ensure the long-term health of the business, including the reduction of roles. These decisions have been made with the future in mind, but not without recognising the real impact they have on people today. We want to acknowledge and thank those team members who have left us for their dedication and hard work.

As governors of the company, we are committed to modelling the values that matter. The board and CEO have, therefore, voluntarily taken a temporary 20% reduction in fees and salary. The leadership team has also agreed to a temporary pay freeze. If we are asking our people to cut back, it's only right that we do so too.

We are supportive of New Zealand's net-zero ambitions by 2050 and are focussed on those things that we can control, from the transport emissions of our fleet to energy use and the reduction of waste produced during manufacturing in our plants. This is a journey for us and we continually look at how we can improve and do business smarter and better.

Steel & Tube is a climate reporting entity and our Climate Related Disclosures report will be released by the end of October 2025. This will be available at: steelandtube.co.nz/sustainability#disclosures.

Outlook

We are very confident in Steel & Tube's ability to capitalise on increasing demand as the economy improves. However, we are conscious of the uncertainty in the current environment.

While there are some modest improvement to activity, we expect headwinds to remain until early 2026, at which time, we expect to see some easing as the benefits of lower interest rates take effect and stimulate confidence, spending and investment. The Government has advised that billions of dollars in Government-backed construction projects are set to get underway across New Zealand before the end of the year, and we are actively working to secure contracts for this work.

We believe that we are well positioned to navigate the current economic cycle and positioned for growth, with strong foundations, balance sheet strength and a committed team. We will continue to focus on our strategy and delivering for our customers.

We would like to thank our staff for their efforts, our suppliers and business partners for their support, as well as our shareholders for their trust and commitment.

Susan Paterson
Chair

Mark Malpass
Chief Executive Officer

THE YOPP HOUSE

Where Award Winning Creativity Meets Performance

Nestled near the shores of Lower Hutt and overlooking the expansive Point Howard, the Yopp house blends curiosity with functionality beautifully.

Designed by Craig & Coltart Architects, this award winning project adapted the original small cottage the owner fell in love with and repurposed it into a modern, creative space that is low maintenance and fit for the severe marine environment for decades to come. Harsh coastal environments with plenty of salt exposure called for careful material selection with precoated aluminium specified to ensure a long-lasting finish against the harsh coastal conditions.

Steel & Tube's QBT450 roofing profile was the answer and was also used to clad the walls that melded the extension to the roof of the existing cottage.

"QBT450 is every architect's dream – a profile that is beautiful to look at, offers a drier and healthier home, and simplifies installation in comparison to traditional standing seam profiles. It is where great design meets performance, which complements this beautiful home and its design brief."

Photography: Yao Liu (top), Paul McCredie (bottom)

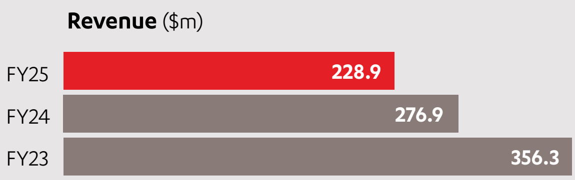
BUSINESS PERFORMANCE

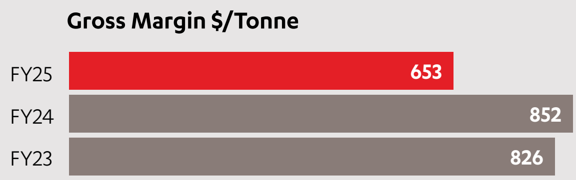
Steel & Tube operates divisions which comprise high quality brands, products and services. Together, these provide our customers with a one-stop steel solution from the ground up.

Distribution

Carbon Products / Stainless Steel / Aluminium / Fire Pipe & Fittings / Rural Products / Fasteners / Chain & Rigging

Products sourced from preferred steel mills and distributed through our national network

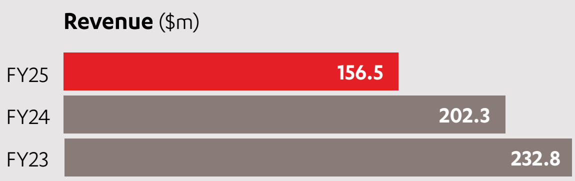


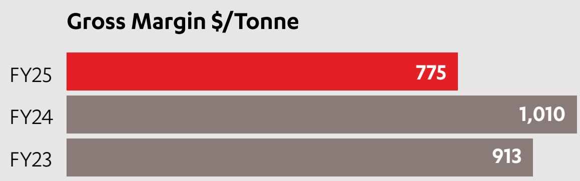


Processing

Roofing / Coil Processing / Purlins / ComFlor / CFDL / Reinforcing / Mesh / Galvanizing / Grating / Sandblasting

Products processed before sale, typically on a contract or project basis, including onsite installation service





DISTRIBUTION

Our Distribution business is broad, with New Zealand's most extensive range of steel products, from fasteners to products used in building services like HVAC and fire suppression systems, to structural steel, stainless steel and aluminium used in all types of manufacturing.

We source products in bulk from preferred qualified steel mills and suppliers and then distribute in smaller quantities to more than 13,000 active customers through our national network.

Demand remained subdued for much of the year, although with encouraging signs of growth starting to emerge in 2H25 – driven by strong momentum in provincial markets with an agriculture and rural led economic recovery. This was seen across our customer base including building and manufacturing. Major cities in the North Island, however, continue to lag behind.

We continue to leverage our strengths – our broad product range, national reach, great service, product expertise and floor to roof one stop solutions – making it easy for customers to source all their steel needs. Customer satisfaction remains high and we continue to cross sell our portfolio and win new customers and business.

We have invested in new and expanded product ranges resulting in significant growth in Aluminium. Stainless steel, Kiwi fire products and chain & rigging all continue to out perform other product categories.

We have also invested in our teams, including our product management and regional leadership teams. Productivity has been a focus and roles have reduced approximately 15% as we have driven better efficiency from digitisation, people and systems.

Looking forward

Encouragingly, we are seeing more enquiries for quotes and tenders and are cautiously optimistic that FY26 will be a stronger year. Our team continues to win new customers, with several larger building projects in the pipeline and due to commence in FY26.

+ David Welsh joined as new GM Distribution in February 2025
+ Aluminium sales up 20% year on year, further expanded range of products
+ Extended reach of Kiwi Pipe & Fittings (fire reticulation) into the South Island, now with a strong presence across the country
+ Chain & Rigging continues to perform well with strong customer confidence in Steel & Tube's onsite mobile service
+ Strengthened the Product Management team and developed new regional leadership structure
+ Introduced new seismic bracing solution in the building services market

General Manager, David Welsh

At Steel & Tube, we're proud to support innovative New Zealand companies with their steel needs.

For over three decades, Steel & Tube has worked with ENI Manufacturing, supplying a wide range of steel solutions from aluminium and stainless steel to a range of fastenings.

ENI Manufacturing delivers high-quality, innovative metal fabrication solutions for a broad range of discerning clients, with work including architectural facades, urban revitalisation, energy sector infrastructure, outdoor shelters and street furniture.

"At ENI Manufacturing, we're not just about cutting-edge technology, we're about relationships. For over 30 years, our partnership with Steel & Tube has helped us bring countless projects to life, like our Shelters in Palmerston North." John Down, Director and Founder, ENI Manufacturing.

REINFORCING

The reinforcing business supplies reinforcing steel, mesh and ComFlor (a leading composite steel decking product). CFDL is the home of ComFlor composite steel decking, providing sales, technical advice and specialised installation services.

Excess market supply in a low demand environment has seen pressure on pricing, however we continue to win on relationships, expertise and a reputation of outstanding project delivery. We have been successful in securing multiple projects under one contract as we focussed on cross selling across our broad range of steel solutions and making life easier for our customers.

Specifiers are increasingly returning to reinforced concrete, as cost-effectiveness and performance take priority over more expensive, non-essential alternatives. At the same time, we continue to support clients seeking sustainable outcomes or certifications by supplying low embodied carbon steel solutions.

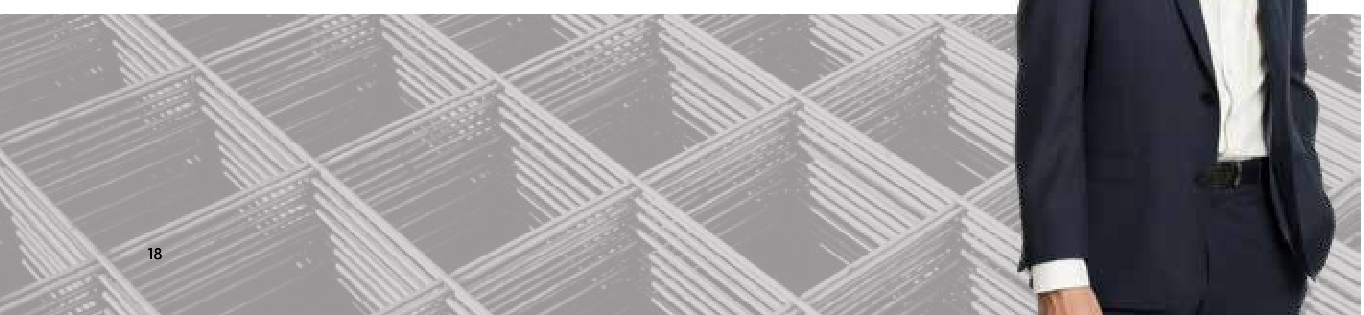
We completed a number of large projects over the year, such as the Waikato Theatre, and while central Government activity stalled, we expect these projects to come back online in FY26.

Looking forward

Reinforcing is utilised at the start of the construction process and we are the supplier for a number of large projects commencing in FY26. We expect to see more projects progress to construction rather than the repricing cycle seen in FY25, and we are well positioned in the market for these.

+ Increasingly delivering multiple steel solutions to one project, in line with our goal to make life easier for our customers
+ Awarded multiple new projects in FY26, including seismic strengthening, commercial construction and work in the energy sector
+ 3D modelling is now embedded in the customer process, and provides a strong point of difference
+ Delivering low embodied carbon steel to meet client demand
+ Successful transition to new software platform, boosting productivity and enhancing collaboration

General Manager, Peter Ensor



ROLLFORMING

The rollforming business comprises roofing and cladding, coil and purlins, and the manufacture of ComFlor composite steel decking.

The significant slowdown in residential and commercial construction impacted demand and drove increasing price competition in FY25. Steel & Tube has remained disciplined in how we price for jobs and we continue to win business based on quality and customer service.

A focus this year has been strengthening our specifications and technical teams, who provide a critical role in planning and winning jobs.

In addition, we have invested in new rollforming machinery in Christchurch, as well as a new state of the art purlin line and a flashing folder that offers leading automation, quality and flexibility, both based in Auckland.

The launch of QBT450 – a modern wide-tray roofing profile – has proven to be very popular amongst architects and designers with a number of installations already underway.

We currently manufacture roofing and cladding in six different locations and are assessing opportunities to expand into other strategic geographical areas, as well as looking to increase our commercial range.

Looking forward

Our focus for FY26 is to capitalise on activity as it returns, particularly in the commercial sector. Demand for purlins is expected to grow ahead of roofing, which is at the end of the construction process.

+ Successful launch of new roofing profile, QBT450, adding a unique offering to the market
+ Investment in new equipment will benefit productivity – increased automation, faster turnaround and increased volumes
+ New purlin line in Auckland to be commissioned in 1Q26 – providing increased volume and reduced lead times
+ Investment in strengthened specifications and technical teams – along with a continued focus on customer-centricity programme

General Manager, Peter Reiber

GALVANIZING

Perry Metal Protection, alongside smaller grating and sandblasting operations, joined the Steel & Tube group in May this year.

Perry Metal Protection – Perry's – is New Zealand's market leader in hot dip galvanizing, a process that coats black steel in molten zinc to prevent rust and corrosion. The result is steel that can last up to seven times longer, even in the toughest conditions.

Steel & Tube and Perry's have highly aligned customer bases, creating cross selling and growth opportunities. For our customers, this means a broader offering from a trusted partner.

Trading conditions over the past year have been very soft across the board, driving increased competition. We remain focussed on service, quality and supporting our customers through the tougher times. This has been reflected in our continuing leadership and market share position.

Our sandblasting and paint business has been bucking the trend, with good volumes in the past few months. Historically, this has been an indicator of a potential pickup in galvanizing activity to come.

Looking Forward

Our customers are expecting a gradual return to normal over the coming 12 months. In addition, the Government investment into infrastructure gives us some confidence, as much of this work requires galvanizing.

+ Market leader in hot dip galvanizing in the New Zealand market
+ Acquired May 2025 for $46.4m
+ Focus on integration into the Steel & Tube group
+ First 3 months' performance is ahead of expectations
+ Perry Metal Protection recertified for ISO 9001 in late 2024 – the only galvanizer in New Zealand to hold this quality accreditation

National Manager, Steve Halse

Building stronger, longer lasting structures

For more than a decade, Aintree has turned to Perry Metal Protection as its trusted partner for hot dip galvanizing. As industrial property developers, Aintree depends on proven materials and finishes to meet the demands of their customers. Perry's galvanizing service plays a vital role in protecting exposed structures, providing the durability, corrosion resistance and quality finish their projects require.

One standout project is the outdoor canopy at Freight Direct in Drury, a 3,817 square metre structure which used more than 68,000kg of hot dip galvanised steel. The result – consistent quality, reliable turnaround and a structure built to last.

This enduring partnership is driven by trust, exceptional service and a shared commitment to creating results that stand the test of time.

WHAT MATTERS

Our goal is clear: to maximise steel's contribution to a sustainable and low emissions society, whilst continuing to grow our business and deliver value to our shareholders.

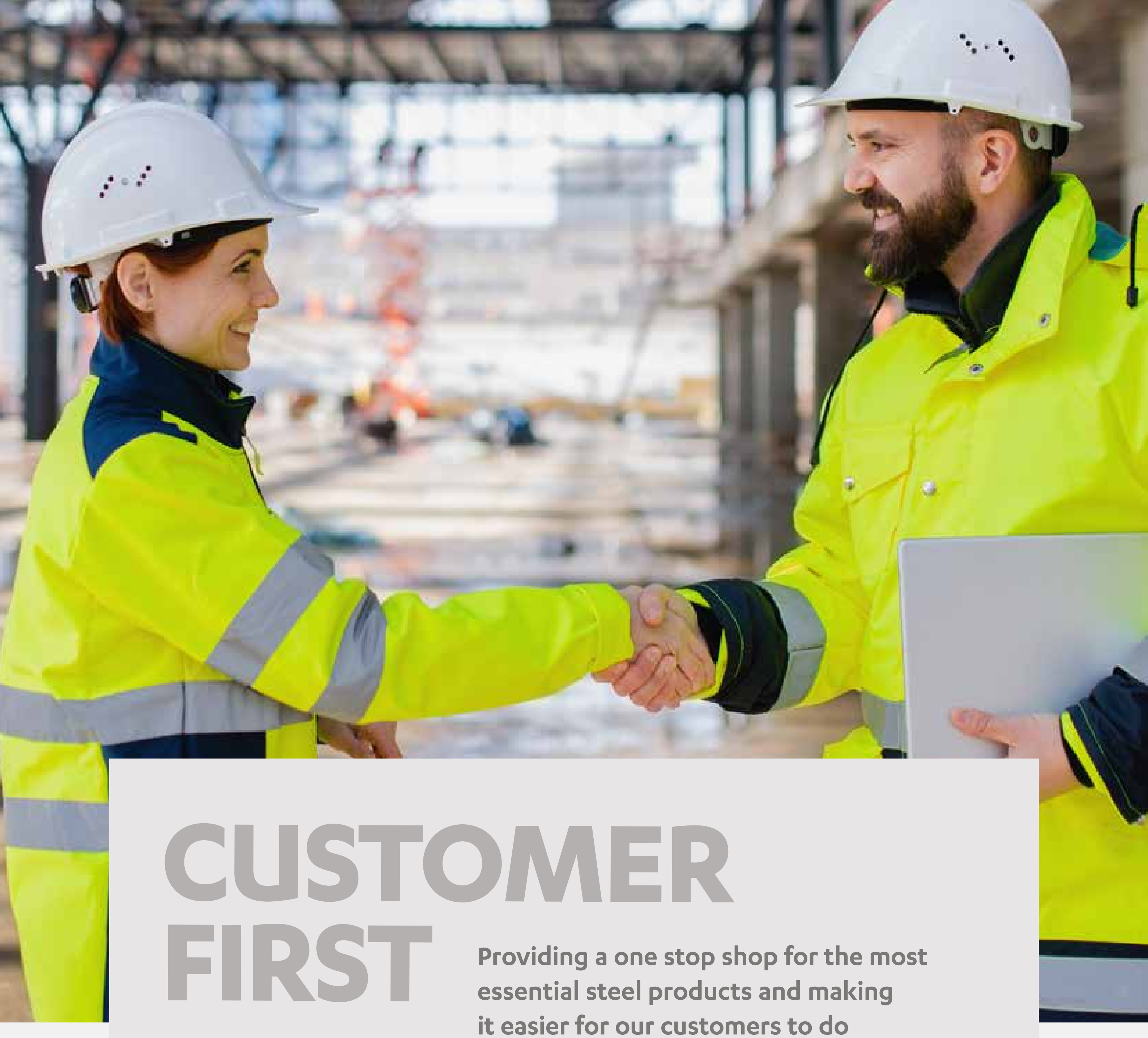
We recognise that our achievements extend beyond financial performance alone. Our aim is to operate our business in a way that is positive for our people, our customers and our planet while being financially rewarding for our shareholders.

We have a values driven culture which provides the foundation for how we operate our business, manage risk, generate value and deliver on our ESG goals.

While we had an increased focus on environmental sustainability this year, due to the introduction of the Aotearoa New Zealand Climate Standards, we have also continued to support our people and build a sustainable business.

Our actions are focussed around our four pillars, shown below. You can read more on our actions in each of these areas on the following pages, as well as in our Governance Report on pages 36 to 46.

CUSTOMER FIRST	Providing a one stop shop for the most essential steel products, and making it easier for our customers to do business with us	+ Customer satisfaction and service
CREATING A SUCCESSFUL & RESILIENT BUSINESS	Always looking for ways to work smarter, and using technology and great thinking to pull it all together and enable a better business	+ Resilient supply chain + Digital innovation + Financial performance + Good governance
A WINNING TEAM & POSITIVE COMMUNITY IMPACT	Building one great team across Steel & Tube	+ Human capital management + Culture and wellbeing + Diversity, equity and inclusion + Community engagement
COMMITTED TO HEALTH, SAFETY, QUALITY & ENVIRONMENT	Operating at the highest levels to de-risk our business	+ Health & Safety + Climate change, emissions and environment + Product life cycle and circularity



CUSTOMER FIRST

Providing a one stop shop for the most essential steel products and making it easier for our customers to do business with us.

In a competitive market, we know that consistent service and quality drive loyalty. Whether through our webshop, in our branches or when collaborating on large projects with our team, our focus remains squarely on making it easier for customers to do business with Steel & Tube. Customer satisfaction remains a core measure for us, and despite tougher conditions, our NPS customer satisfaction score has held steady in line with historical averages.

As customers become increasingly discerning in their capital investments, our ability to execute with precision is a key differentiator. Our Major Projects team provides dedicated oversight of large-scale projects from tender through to completion.

Technology and data insights continue to play a critical role in optimising the customer experience – improving pricing accuracy, supply chain efficiency and inventory management while reducing the cost to serve.

By introducing higher-value products and services, we're also deepening relationships with existing customers and expanding our share of their steel and metals requirements.

With a national sales team of over 100 professionals, we're focussed on building strong relationships and growing our business alongside our customers.

CREATING A SUCCESSFUL AND RESILIENT BUSINESS

Always looking for ways to work smarter, and using technology and great thinking to pull it all together and enable a better business.

Robust Supply Chain

General Manager, Sam Reindler

In FY25, with continued soft market conditions, we maintained a strong focus on cost efficiency, supply chain resilience and service delivery. We actively managed inventory to align with demand and leveraged our international freight forwarder to improve stock control and availability, reduce costs and increase traceability.

The completion of the palletised warehouse project delivered clear benefits – boosting palletised capacity, significantly enhancing customer service and enabling more efficient last-mile and line haul deliveries. Our specialist freight fleet, strengthened through the Roadex acquisition in FY24, continues to improve last-mile performance and customer experience, with further expansion underway in Auckland and other regions.

We enhanced our procurement and distribution operations by establishing a centralised team and implemented Netstock, an advanced inventory management system to optimise inventory availability across our network.

We've deepened relationships with key suppliers to drive cost and reliability benefits and continued optimising freight routes to improve delivery speed and overall customer experience.

Our supplier relationships span New Zealand, Asia and Europe and are very important to us. They undergo regular third-party audits to ensure our values and quality standards are consistently met. Strategic supply partners are audited on health and safety, environmental policy and other key benchmarks. New suppliers also go through a thorough prequalification process, including product testing and mill audits, to ensure quality before joining our network.

Looking ahead, we will build on our momentum – focussed on ensuring product availability, high service levels, and efficient national delivery, including more direct shipments to the South Island in response to Cook Strait ferry capacity uncertainty over the next three years. Our hub-and-spoke model positions us well to meet customer needs faster and more cost-effectively nationwide, a real strength for the New Zealand industry.

Digital Innovation

Chief Digital Officer, Raffaella del Prete

Technology continues to be a key enabler of efficiency, customer experience and operational performance. In FY25, we remained focussed on our digital strategy while reducing costs and expanding capability across the business.

We brought our IT service desk in-house, delivering strong cost savings, improved internal support and greater responsiveness. Internal capability has grown through a shift from contractors to permanent roles and smarter vendor mix.

We have implemented a solid foundation in the cloud, enhancing infrastructure security, agility and scalability. This supports future automation and AI adoption.

We expanded our use of AI, including piloting Vision AI cameras for proactive health and safety monitoring, and introduced driver cameras to help manage driver fatigue and distraction. We have also introduced several cloud-based SaaS platforms including for Reinforcing project management, IT service management and inventory forecasting.

Looking ahead to FY26, we'll continue advancing digital solutions across ecommerce, product information management and shared services.

COMMITTED TO HEALTH, SAFETY, QUALITY AND ENVIRONMENT

Operating at the highest levels to de-risk our business.

Health and Safety

General Manager, Damian Miller

Steel & Tube continues to embed health, safety and wellbeing into its culture and values. We have a steadfast commitment to ensuring every team member goes home safe, every day. Our people are engaged with our safety programme and are important contributors to keeping our whole team safe and well.

We operate under a comprehensive Integrated Management System that is certified to international standards in quality, occupational health and safety and environment. This triple ISO certification demonstrates our commitment to these priority areas and ensures a robust approach to risk management.

This year, we strengthened safety leadership and critical risk management through initiatives such as enhanced safety conversations, expanded Health & Safety Representative training, and director and site-led bowtie risk reviews. Machine safety was improved with upgraded guarding, Lockout Tagout standardisation and an AI-based CCTV pilot to support safer work practices. We also launched a digital contractor onboarding system to streamline safety compliance.

Our ACC Accredited Employer status and IANZ laboratory accreditation were upheld, alongside continued compliance with SCNZ charters and the Tōtika prequalification standard. Following the acquisition of Perry Metal Protection, we are now integrating Steel & Tube's quality, health, safety and environmental practices across the business, strengthening what's already a solid base.

Product Quality

One of Steel & Tube's strengths is the quality and durability of our products. We source our steel from independently audited and verified steel mills and have a rigorous testing and compliance programme. Our IANZ-accredited reinforcing steel testing laboratory certifies that our products comply with the New Zealand reinforcing steel standard.

Over the last year, we continued to strengthen our product traceability systems to support compliance, quality assurance, and customer confidence. Leveraging our ISO 9001 certification and IANZ-accredited laboratories, we enhanced data integrity across the supply chain – particularly in high-risk categories such as reinforcing and structural steel. Improvements to digital tracking and internal audit processes have further aligned traceability outcomes with regulatory and customer expectations, reinforcing Steel & Tube's reputation for reliability and transparency.

In April 2025, MBIE released changes to the regulation of building products, marking the first step in expanding the range of international products available in New Zealand. New Zealand already operates an open market for imported steel, provided products meet Australia/New Zealand standards. We anticipate that the Building (Overseas Building Products, Standards, and Certification Schemes) Amendment Act 2025 will further increase the scope for new products, helping us meet evolving project demands with innovative solutions. Steel & Tube has stringent quality protocols, and any new product would need to align with our robust quality assurance framework.

Climate change, emissions and environment

Group Sustainability Manager, Courtney Fraser

At Steel & Tube, sustainability is not just a goal, it's an ongoing commitment that we weave across our operations. We continue to support New Zealand's net-zero emissions target by 2050 and are actively working to reduce our environmental impact and promote sustainable practices in our sector.

Our focus is on areas where we can make the greatest impact. For our value chain and core business, this includes reducing transport emissions and increasing fleet efficiency, reducing electricity and gas consumption, and minimising waste generated during manufacturing. We take a regional based approach to look for opportunities for waste diversion and collaboration.

Steel & Tube is well positioned to respond to risks and opportunities as New Zealand transitions to a lower emissions economy. We are conscious of the emissions associated with steel making, and we continue to expand our product range to include low-carbon steel options whilst continuing to monitor emerging technologies in the sector.

Collaboration is key to driving meaningful change. We are proud to contribute to sector wide initiatives such as the Sustainable Steel Council's Roadmap to Net Carbon Zero, developed in partnership with Thinkstep-anz. Together with our industry peers, we believe Aotearoa is entering an exciting era of sustainable steel – a future defined by innovation, partnership and shared responsibility.

Product life cycle and circularity

Steel remains one of the world's most essential and sustainable building products – with global advances in recycled steel production, steel's embodied carbon can now be cut by up to 70%. Undeniably durable, endlessly reusable and the most recycled product on earth, steel is truly circular and a continuing transition to a circular economy is a critical part of the decarbonisation puzzle.

Our recent acquisition – Perry Metal Protection – further reinforces our commitment to circularity. Processes like galvanizing can extend the lifespan of steel by up to seven times, significantly reducing the need for replacement and conserving valuable resources. This value-add service has increased our ability to deliver long-lasting, sustainable solutions to our customers.

Extending the life of steel structures is central to circular design. The longer a structure lasts, the more value is extracted from the resources used to build, operate, and maintain it. Opportunities for reuse at end-of-life are also expanding, with steel components increasingly being repurposed in new structures – without loss of quality and with minimal processing required.

Green steel

Green steel is a key part of global decarbonisation and we recognise our role in supporting the shift to low-emission steelmaking. Where requested, our procurement strategy includes sourcing from suppliers investing in sustainable technologies like renewable energy and electric arc furnaces. By doing this, we contribute to meaningful change in the sector. Our procurement prioritises steel with lower Global Warming Potential (GWP) and favours mills committed to transparency through Environmental Product Declarations and Direct Reduced Iron–Electric Arc Furnace (DRI-EAF) methods.

We are especially pleased to support the upcoming commissioning of New Zealand Steel's electric arc furnace (EAF), which will mark a major milestone in reducing the life cycle emissions of domestically produced steel. Powered by renewable energy and designed to recycle more scrap metal, the EAF will provide businesses like Steel & Tube with access to locally made, low-carbon steel – supporting our journey toward a more circular and sustainable future.

A WINNING TEAM AND POSITIVE COMMUNITY IMPACT

Building One Great Team Across Steel & Tube

General Manager Team & Customer Experience, Anna Morris

FY25 was a year of change and opportunity, with a strong focus on bringing our people together, supporting development and embedding a culture of care and performance in a challenging trading environment.

A key highlight was the successful acquisition and integration of Perry Metal Protection. Cultural alignment was part of our due diligence and acquisition process. We're proud of how both businesses have come together, understanding Perry Metal Protection's legacy values and how they find a place in Steel & Tube – either directly or in our purpose.

Our people remain central to our performance and future success. In a year that included significant restructuring and reorganisation, we worked to minimise the impact on our people while ensuring the business was appropriately sized for market conditions. We actively utilised voluntary resignations as a way of redesigning our teams, and redeployed people across business units to reduce costs and minimise redundancies while developing new skills and providing new opportunities.

We continued to invest in development at all levels. We carried out frontline training for team members in sales and service, expanded leadership pathways through lateral moves into new functions, and ran practical in-house workshops such as "Finance for Non-Finance Leaders" with highly regarded lecturers. We have supported executives through MBAs and Institute of Director courses and have capitalised on the high performance sports coaching skills of team members to run sessions on coaching for performance.

We also fostered a culture of inclusion and wellbeing through initiatives like Pink Shirt Day, MATES in Construction, and our mental health fundraising events.

Across the wider group, our Kaapuia team continues to strengthen cultural inclusion – supporting Māori health initiatives, celebrating Matariki and enabling sites to adopt bilingual signage.

Steel & Tube has a diverse workforce, representing 36 different ethnicities. English is a second language for many Steel & Tube team members. To create a safe and supportive working environment, we translate documentation into different languages and provide safety training which also helps improve numeracy and literacy levels.

Community Engagement

We remain committed to supporting the communities we're part of, with a focus on education and cultural connection.

We continue to offer Steel & Tube tertiary education scholarships for the children of our employees, with two current recipients. Our long-standing Back to School fund also remains in place, helping our families prepare for the academic year.

Our employee-led Kaapuia team continues to guide our engagement with Māori communities. This year, we once again sponsored the annual Tūrangawaewae Marae Junior Waka Ama Regatta in Ngāruawāhia – a highlight on the youth sporting calendar and a meaningful way to support rangatahi and local hapū.

We also welcomed Perry Metal Protection into the business with a pōwhiri, an experience that was deeply valued by both teams. It marked not just the joining of two companies, but a moment of cultural connection, respect, and shared purpose.

We continue to look for ways to support our people and their whānau, reflecting our belief that thriving communities help build a stronger business.


adidas

MEET SOME OF OUR TEAM

Nick Turner

National Commercial Freight Manager

Nick joined Steel & Tube in early 2019 and has been on the move ever since – literally and professionally. Starting out as Operations Manager for Distribution in Palmerston North, he stepped into a Regional Operations Manager role in Tauranga before taking on his current position as National Commercial Freight Manager in May 2024, following Steel & Tube's acquisition of Roadex trucks.

Now overseeing Steel & Tube's internal trucking fleet, Nick's focus is on keeping things moving – efficiently, safely and reliably. In just over a year, the fleet has grown from 20 trucks to 33 trucks. His practical, hands-on approach and strong background in logistics make him a great fit for this fast-paced role.

Nick loves the flexibility of the job where no two days are the same. Taking on a national role has introduced him to teams across the wider business, and he's enjoying the fresh connections and new perspectives that come with it.

Based in Omokoroa, just north of Tauranga, Nick says the move from 'Palmy' was a great decision for lifestyle and community. His sporting claim to fame? A hole in one back in 2015 – and yes, he still talks about it.

Priyesh Tandon

Area Manager, Auckland Rollforming

From Management Accountant to National Pricing Operations Manager and onto Area Manager Rollforming, Priyesh has carved out an impressive path at Steel & Tube by embracing challenge, change and continuous growth. In his current role, he leads the Auckland Roofing team – making sure customers get the right product, at the right time, and at the right quality. Behind the scenes, he oversees production, logistics and inventory, while continuously working with his team to find smarter, more efficient ways of delivering for customers.

What really drives Priyesh is building a team that's proud of what they do and delivering service customers can count on. He focuses on creating a positive, accountable culture where people are empowered to solve problems, work together and improve every day.

Originally from India, Priyesh moved to New Zealand in 2012 and became a Chartered Accountant while working full time in Hamilton. He joined Steel & Tube in 2019 and hasn't looked back.

Priyesh says he's always been motivated by challenges and driven to achieve meaningful goals – and Steel & Tube has given him the chance to do just that. Through a range of roles, he's grown in confidence and capability, thanks to the support, trust and encouragement he's received along the way. It's this backing, he says, that's shaped not only his career, but also who he is as a leader today.

Lisa Dahl

Regional Manager, Lower North Island

Lisa's journey with this business started in 2013 when she joined Fortress Fasteners – two years before its acquisition by Steel & Tube. With a background that spans self-employment, ambulance work and sales (including being poached by Fortress from a competitor), Lisa has brought a wide range of experience and perspective to every role she's taken on.

Now Regional Manager for the Lower North Island, Lisa leads with a mix of empathy, humour and wisdom. Her role is all about leadership and mentoring – supporting her team to be their best, building strong relationships and leading by example.

Based in Manawatū, Lisa's been in the region since arriving from Sheffield in the UK in 1989 – which is ironically known as the city of steel – a fitting hometown for someone who ended up in the steel industry. Outside of work, she's got a pretty unique claim to fame: Lisa was part of the first all-female jet sprint crew in New Zealand and even raced in the World Series.

What keeps her energised at Steel & Tube? The people, the opportunities and the great team she's proud to lead.

THE BOARD

Steel & Tube's board comprises six independent directors, all of whom have significant relevant industry and market experience, skills and expertise that are of value to the company. The board is committed to the highest standards of corporate governance and ethical behaviour. This is achieved through robust governance policies, practices and processes to ensure a culture that is open, transparent and focussed on adding value for our stakeholders. This year's Corporate Governance report can be read on pages 36 to 46.

Susan Paterson

Appointed 16 January 2017

Chair and Independent Director

ONZM, CFINSTD, MBA (LDN), BPHARM

Susan was appointed Chair in Feb 2017. A professional director since 1996 Susan became an Officer of the Order of New Zealand (ONZM) in 2015 for her services to corporate governance. Having trained and practiced as a pharmacist, Susan completed her MBA at London Business School, then worked in strategy and IT consulting and management roles in New Zealand, Europe and USA. She worked in the steel sector at Fletcher Challenge and was General Manager of Wiremakers.

Andrew Flavell

Appointed 1 October 2021

Independent Director

NZCE, BE (HONS), ME, DR. ENG

Dr. Flavell has extensive international experience in the information technology space. This includes leading large teams, driving digital transformations, delivering compelling consumer experiences, personalisation and loyalty, privacy and security, and AI and machine learning. In the roles he has held over the past 30 years he has also contributed significantly to risk management and governance in the application of digital technologies.

Steve Reindler

Appointed 28 August 2017

Independent Director

BE MECH (HONS), AMP, FIPENZ, CFINSTD

Steve is an engineer with a background in large-scale infrastructure and heavy industry manufacturing. He has held senior management roles at Auckland International Airport, NZ Steel and BHP Steel. Steve was inaugural chairman of the Chartered Professional Engineers Council and a President of the New Zealand Institution of Professional Engineers.

Chris Ellis

Appointed 29 September 2017

Independent Director

BE, MS, CMINSTD

Chris' background spans the manufacturing, heavy construction and engineering sectors. He qualified with a civil engineering degree from the University of Canterbury, a Master of Science in civil engineering from Stanford University and more recently a senior executive program at Wharton Business School. He is an experienced, strategy-focussed director with an extensive career in the Australasian building industry. He has held CEO roles with Brightwater Group and at Fletcher Building where he was Chief Executive of the Building Products Division.

Karen Jordan

Appointed 10 December 2020

Independent Director

BSOCSC, FCMA, CFINSTD

Karen is experienced across private, public and not-for-profit sectors. She is a Chartered Fellow of both the IOD NZ and of CIMA. Karen has over 20 years' corporate experience in FTSE listed energy companies in the UK energy infrastructure sector. She is currently a director on the Board of Lyttelton Port Company and an Independent Member of the NZDF Risk & Assurance Committee.

John Beveridge

Appointed 14 August 2019

Independent Director

BA, POST GRAD BUSINESS DIPLOMA, CMINSTD

John Beveridge has an extensive executive and governance career spanning building and industrial materials manufacturing, distribution, finance, consumer goods, and other sectors. He was previously Chief Executive of Placemakers and has held senior leadership roles at Godfrey Hirst, Lion Nathan, and Barclays Bank PLC.

A Chartered Member of the Institute of Directors, John is also a director the Colonial Motor Company. John holds an Economics degree from Otago University, a Post Graduate Marketing Diploma from Auckland University, and has completed the Senior Executive Program at Columbia University, New York.

Profiles on each director can be viewed on our website at www.steelandtube.co.nz/corporate/board

LEADERSHIP TEAM

Steel & Tube's leadership team is comprised of individuals who are experts in their area and have a proven ability to lead successful teams.

Peter Ensor

GM Reinforcing, CFDL and Major Projects

MBA, BE CIVIL (HONS)

Peter joined Steel & Tube in 2021. He brings extensive construction experience with over 25 years' in the industry. Peter brings to Steel & Tube a successful track record of leading and building teams with a focus of health & safety, quality, financial management and customer engagement. Peter is a committee member of Civil Contractors NZ – Auckland Branch, and is the Chair of the Concrete NZ – Reinforcing Processor's Sector Group.

Anna Morris

GM Team & Customer Experience

LLB, BA

Anna joined Steel & Tube in 2019. She is an experienced executive with a background in people and culture, law and corporate services. Anna has worked extensively in the construction and building industry, with her previous role being Head of People & Performance at Fletcher Construction Company Ltd.

Sam Reindler

GM Logistics & Distribution Centres

BE MECH (HONS)

Sam started working with Steel & Tube in January 2022 as the National Commercial Manager for Reinforcing. He brings extensive engineering and construction, operational and commercial experience from companies such as KiwiRail, Transport for London, Auckland Transport and Waste Management.

Damian Miller

GM Quality, Health, Safety and Environment

BN

Damian brings more than 30 years of global experience across operations, quality assurance, health and safety, and environmental management. His career spans senior operational and executive roles in the oil and gas, steel, and manufacturing sectors, with postings across the United States, Asia, Africa and Latin America.

Raffaella del Prete

Chief Digital Officer

BSENG, MSCENG, MRES

Raffaella joined the Steel & Tube team in December 2023, and brings over 20 years of IT experience to the Chief Digital Officer role. She has worked in the UK, France and New Zealand with global businesses such as Vodafone, AIA, BP and Fonterra, giving her exposure to a diverse range of businesses and technologies. Her experience in leading digital transformations along with sustainable technologies experience is a valued addition to the Steel & Tube team.

Marc Hainen

GM Strategic Growth

BBS, PGDIPBUS

Marc joined the company in 2017. He brings significant experience in the steel and construction industry in New Zealand. Marc has a strong background in sales and marketing management, operations and manufacturing as well as logistics and supply chain. He has held a variety of management and leadership roles in New Zealand, Australia and the UK, including multiple roles leading a variety of divisions within Fletcher Building Limited. Marc was GM Distribution until July 2023.

Peter Reiber

GM Rollforming

NZCE, MECHANICAL

Peter re-joined the Steel & Tube team in 2022, building on over 20 years of industry and senior management experience. With a specialisation in process improvement, leadership and business development for manufacturing and technology-driven companies, Peter brings a wealth of knowledge and expertise to the role.

Richard Smyth

Chief Financial Officer

BCOM, FCA

Richard joined the company in 2021. A Fellow Chartered Accountant, Richard has financial and senior level leadership experience across the entertainment and energy sectors. He commenced his career within PwC's audit team, working both in New Zealand and overseas. His most recent role was Deputy Chief Financial Officer at SkyCity. Richard is a board member of the New Zealand Accounting Standards Board.

Mark Malpass

Chief Executive Officer

MBA, BE (HONS), NZCE

Mark has had significant executive and governance experience both in NZ and overseas. He worked with ExxonMobil Corporation for over 19 years, previously Managing Director of Mobil Oil NZ, and was Chief Executive of Fletcher Building's largest division, Infrastructure Products. Mark was appointed Chief Executive in February 2018, after initially being appointed an Independent Director in March 2017 and then stepping down to take on the interim CEO role in September 2017.

David Welsh

GM Distribution

BCA

David joined in 2025 and has extensive general management experience in multiple sectors in the building industry including concrete, aggregates, pipelines and roofing. Prior to Steel & Tube he worked at Fletcher Building and has also held several general management positions in manufacturing including in the UK. David has a customer, sales, and marketing background and is passionate about delivering great customer experiences and outcomes.

Steve Halse

National Manager, Galvanizing

Steve joined Steel & Tube in May 2025 through the acquisition of Perry Metal Protection. He has led Perry Metal Protection since April 2018, and has a wealth of in-depth knowledge across the galvanizing industry. Steve has a strong background in operations and manufacturing as well as distribution, logistics and supply chain. He has held a variety of management and leadership roles in New Zealand, previously working for SealesWinslow and the Gallagher Group.

Profiles on each team member can be viewed on our website at www.steelandtube.co.nz/corporate/senior-management

GOVERNANCE

Corporate governance at Steel & Tube is predicated on high standards of ethics and performance and is achieved through robust governance policies, practices and processes to ensure a culture that is open, transparent and focussed on adding value for our stakeholders.

The board regularly reviews Steel & Tube's governance structures and processes to identify opportunities for enhancement, ensure they are consistent with best practice and reflect Steel & Tube's operations.

The board believes that the company's corporate governance framework materially complies with the NZX Corporate Governance Code dated 31 January 2025 (the Code). A summary of Steel & Tube's governance actions and performance against each of the Principles in the Code is detailed on the following pages.

The information in this report is current as at 24 August 2025 and has been approved by the board of Steel & Tube.

1. Ethical Standards

1.1 Code of Ethics

We expect our directors and team members to act with integrity and professionalism and undertake their duties in the best interests of the company, taking into account the interest of shareholders and other stakeholders. The board has adopted a Code of Ethics, which is available on the company website and staff intranet. Steel & Tube's policies also include detailed standards of integrity, conduct and behaviour required of all employees. This forms part of the new employee induction programme.

We encourage employees to speak out if they have concerns. The avenues for doing so are detailed in the company's Whistleblower Policy which is on the company website.

1.2 Insider Trading Policy

Steel & Tube has an Insider Trading Policy which, along with the Financial Markets Conduct Act 2013, imposes limitations and requirements on directors and employees in dealing in the company's shares. These limitations prohibit dealing in shares while in possession of inside information and impose requirements for seeking consent to trade.

While there is no formal requirement to do so, all directors hold shares in the company either directly or through affiliates.

Details of directors' share dealings are set out on page 99 of this report.

2. Board Composition and Performance

2.1 Board Charter

The roles and responsibilities of the board are detailed in the Board Charter, which is reviewed at least every three years and is available on the company website. The board's primary objective is to enhance shareholder value and protect the interests of other stakeholders by improving corporate performance and accountability.

The board has delegated authority for the day to day management of the business to the CEO and the wider senior management team with specified financial and non-financial limits. A formal Delegated Authorities Policy documents delegated authorities and is reviewed annually by the board.

2.2 Nomination and Appointment of Directors

Membership, rotation and retirement of directors is determined in accordance with the company constitution and NZX Listing Rules.

The Nominations Committee has delegated responsibility from the board to make recommendations on board composition and nominations, subject to the company constitution.

Directors will retire and may stand for re-election by shareholders at least every three years, in accordance with the NZX Listing Rules. A director appointed since the previous Annual Shareholders' Meeting holds office only until the next Annual Shareholders' Meeting but is eligible for election at that meeting.

Shareholders may also nominate candidates for election to the board. The board asks for director nominations each year prior to the Annual Shareholders' Meeting, in accordance with the company constitution and the NZX Listing Rules.

The board has developed a skills matrix and takes into account a number of factors including qualifications, experience and skills when making directorship recommendations to the shareholders. The collective capability of the current board is assessed against these requirements and the search then focuses on finding a board member who will best complement the current mix of capabilities on the board.

Key information is provided to shareholders when a director stands for election or re-election.

2.3 Written Agreements

The company has written agreements with each director, outlining the terms of their appointment. The board is satisfied that each director has the necessary time available to devote to the position, broadens the board's expertise and has the competencies to ensure the effective functioning of the board.

The company has arranged a policy of directors' and officers' liability insurance. This policy covers the directors and officers so that any monetary loss suffered by them, as a result of actions undertaken by them as directors or officers, is insured to specified limits (and subject to standard insurance policy terms and conditions).

2.4 Director Information

As at the date of this report, the board comprises six independent directors, who have significant relevant industry and market experience, skills, and expertise that are of value to the company. Director independence is determined in accordance with NZX Listing Rules and with regard to the factors described in Table 2.4 of the NZX Corporate Governance Code. The board has determined that all current directors are independent and have no disqualifying relationships.

Directors are required to notify the company of any interests they have that could impact an assessment of their independence or their ability to act in the best interests of Steel & Tube. Steel & Tube has processes in place to manage any conflicts of interest with directors.

Director	Role	Appointed
Susan Paterson	Independent Chair	January 2017
Steve Reindler	Independent Director	August 2017
Chris Ellis	Independent Director	September 2017
John Beveridge	Independent Director	August 2019
Karen Jordan	Independent Director	December 2020
Andrew Flavell	Independent Director	October 2021

The board considers director succession on a regular basis, considering such things as tenure, experience and director workload.

Profiles of directors are available on the company website and are included in the Annual Report. Directors' interests are disclosed on page 98 of the Annual Report.

The board believes that the current directors offer valuable and complementary skill sets. Importantly, the majority of Steel & Tube's directors have either worked in or held governance positions within the sector.

Skills Matrix

Director Expertise	High	Moderate
Governance	● ● ●	● ●
Commercial	● ● ● ● ●	●
Financial Acumen (F&A)	● ●	● ● ● ●
M&A	● ●	● ● ● ●
Quality, Health, Safety, Environmental and Training	● ● ●	● ●
Business Turnaround	● ● ●	● ● ●
Steel Industry	● ● ●	●
Manufacturing	● ● ●	●
Construction/Infrastructure	● ● ●	●
Logistics, Supply Chain & Procurement	● ●	● ● ● ●
Sales Marketing and Brand	● ●	●
Digital Technology and Change	● ●	● ● ●
People, Culture and Employee Relations	● ● ● ●	● ●

2.5 Diversity

Equality and diversity are cornerstones of our organisational culture. We believe that diversity at Steel & Tube is integral to creating a collaborative workplace culture, competitive advantage and ultimately, sustainable business success.

Diversity provides us with a broad range of perspectives and experience that enhance the quality and depth of our decision-making and helps create a united team approach across all levels of our organisation.

The board encourages diversity and will not knowingly participate in business situations where Steel & Tube could be complicit in human rights and labour standard abuses. Our approach to diversity is outlined in the Diversity and Inclusion Policy, which is available on the company website.

Measurable objectives form part of the People & Culture plan each year and they are agreed and approved by the board. A number of initiatives are in place to support diversity and achievement of Steel & Tube's diversity and inclusion objectives. The board believes the principles in the policy were adhered to in FY25.

Key areas of focus are:

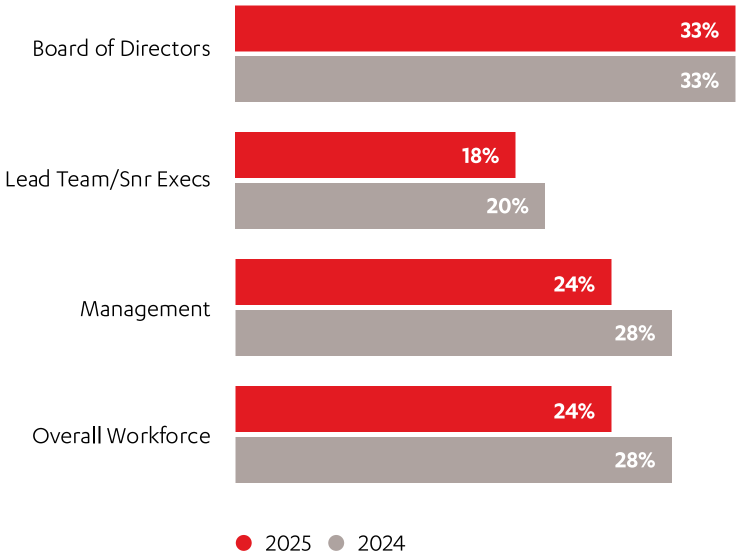
- Recruitment and retention of a diverse workforce
- Fair and consistent reward and recognition
- Flexible working arrangements
- Employee engagement
- Agreed standards of conduct and behaviour

Steel & Tube has a diverse workforce, representing 36 different ethnicities. English is a second language for many Steel & Tube team members. To create a safe and supportive working environment Steel & Tube translates documentation into different languages and provides safety training which also helps improve numeracy and literacy levels.

The officers of the company (as defined by the NZX Listing Rules for the purposes of diversity reporting) are the CEO and specific direct reports of the CEO having key functional responsibility, namely the CFO. As at 30 June 2025, females represented 25% of Directors and Officers of the Company (FY24: 25%).

As at 30 June	FY25 Female	FY25 Male	FY25 Gender Diverse	FY24 Female	FY24 Male	FY24 Gender Diverse
Directors	2	4	-	2	4	-
Officers	-	2	-	-	2	-

Female representation at Steel & Tube



2.6 Director Training and Education

Directors are encouraged to undertake appropriate training and education to ensure they remain current on how to best perform their duties. In addition, management provides regular updates on relevant industry and company issues, including briefings from senior executives. All directors are current members of New Zealand Institute of Directors.

All directors have access to executives to discuss issues or obtain information on specific areas in relation to matters to be discussed at board meetings, or other areas as they consider appropriate. The board committees and directors, subject to the approval of the board chair, have the right to seek independent professional advice at the company's expense, to enable them to carry out their responsibilities.

2.7 Board Performance and Review

The board monitors its own performance annually and from time to time commissions external reviews to assess the performance of individual directors and the board's effectiveness. An external review was last conducted in calendar year 2021 and a review is being scheduled for FY26.

2.8 Independent Board Majority

All of Steel & Tube's directors have been determined to be independent.

2.9 Independent Chair

Steel & Tube's chair is required to be an independent director and is elected by the directors. Susan Paterson was appointed as chair in January 2017 and is deemed to be independent.

2.10 Separation of the role of Chair and CEO

The board supports the separation of the roles of chair and CEO. Steel & Tube's CEO, Mark Malpass is not a director on the Steel & Tube board.

3. Board Committees

The board has established several standing committees, each of which has a board-approved written charter summarising the role, responsibilities, delegations and membership requirements.

Board committees assist the board by focussing on specific responsibilities in greater detail than is possible in board meetings. However, the board retains ultimate responsibility for the functions of its committees and determines their responsibilities. The board appoints the members and chair of each committee, with the committee chair reporting committee recommendations to the board.

The board regularly reviews the charters of each board committee, the committees' performance against those charters and membership of each committee.

The board believes that committee charters, committee membership and roles of committee members comply with recommendations in the Code.

Current membership of each of the board committees at 30 June 2025 is set out below.

Committee	Role	Members
Audit & Risk	Assist the board in its oversight of the integrity of financial reporting, financial management and controls, external audit quality and independence and the risk management framework. The Committee also assists the board in monitoring and reporting the company's strategies, activities and performance regarding sustainability, social responsibility and the environment	Karen Jordan (chair) Steve Reindler John Beveridge Andrew Flavell
People & Culture	Assist the board to establish and maintain a strong governance framework overseeing the management of the company's people, remuneration and diversity policies	Steve Reindler (chair) Susan Paterson Chris Ellis
Nomination	Assist the board in ensuring appropriate board performance and composition and in appointing directors	Susan Paterson (chair) Steve Reindler Chris Ellis John Beveridge Karen Jordan Andrew Flavell
Quality, Health, Safety, Environment and Training	Assist the board to meet its responsibilities in relation to the company's Quality, Health and Safety (H&S) and Environment policies, procedures, and legislative compliance	Chris Ellis (chair) John Beveridge Karen Jordan Andrew Flavell

The table below sets out director and committee member attendance at board and committee meetings during FY25. Board meetings are scheduled throughout the year, with other meetings to deal with certain matters arising from time to time being held when necessary.

	Board	Audit & Risk	People & Culture	Nomination	QHSET
Total Number of Meetings	14*	3	2	1	2
Susan Paterson	14	-	2	1	-
Steve Reindler	13	2	2	1	-
Chris Ellis	14	-	2	1	2
John Beveridge	14	3	-	1	2
Karen Jordan	13	3	-	1	2
Andrew Flavell	14	3	-	1	1

* There were 9 planned and 5 additional board meetings during the year

Directors may attend any committee meeting on an ex-officio basis which is not recorded in the above table.

3.1 Audit & Risk Committee

The board has an Audit & Risk committee which acts as a delegate of the board on financial reporting, internal control and risk management issues. The committee also assists the board with monitoring and reporting the company's strategies, activities and performance regarding sustainability, social responsibility and the environment. There are a minimum of three members, who are all independent directors.

The committee is currently made up of four independent directors. The chair of the committee, Karen Jordan, is not the chair of the board, is independent and has significant accounting and financial expertise. The remaining committee members have a range of qualifications and are all experienced in commercial and operational matters.

The role and responsibilities of the committee are detailed in a written charter which is available on Steel & Tube's website.

3.2 Employee attendance at Audit & Risk Committee meetings

Employee attendance at committee meetings is by invitation only.

3.3 People & Culture Committee

The People & Culture committee assists the board to establish and maintain a strong governance framework overseeing the management of the company's people, remuneration and diversity policies. All members of the committee are independent directors, and it operates to a written charter which is available on Steel & Tube's website.

3.4 Nomination Committee

The Nomination committee assists the board in ensuring appropriate board performance and composition and in appointing directors. The nomination procedures include consideration of the independence of director candidates. All members of the committee are independent directors, and it operates to a written charter which is available on Steel & Tube's website.

3.5 Quality, Health & Safety, Environment and Training Committee

The Quality, Health & Safety, Environment and Training committee assists the board to meet its responsibilities in relation to the company's Quality, Health & Safety and Environment policies, procedures, and legislative compliance. All members of the committee are independent directors, and it operates to a written charter which is available on Steel & Tube's website.

Other Board Committees

Special purpose committees may be formed to review and monitor specific projects with senior management.

3.6 Control Transaction Protocols

In the case of a control transaction, Steel & Tube would follow its control transaction protocols including forming an independent committee to oversee disclosure and response and to engage expert legal and financial advisors to provide advice on procedure. The board will take into consideration any 'relevant interests' that a director may have in regards to the bidder in determining if they are an independent for the purposes of the committee.

4. Reporting And Disclosure

4.1 Continuous Disclosure Policy

We are committed to keeping investors and the market informed of all material information about the company and its performance, in a timely manner. In addition to all information required by law, we also seek to provide sufficient meaningful information to ensure stakeholders and investors are well informed.

Steel & Tube is committed to providing accurate, timely, consistent and reliable disclosure of information to ensure market participants have fair access to information that may impact on its share price. The company's Continuous Disclosure Policy sets out the principles and requirements of this commitment to timely disclosures.

4.2 Access to Key Governance Policies

Easy access to information about Steel & Tube, including financial and operational information and key corporate governance policies and charters, is available through our company website at www.steelandtube.co.nz.

4.3 Financial Reporting

The board is responsible for ensuring that the financial statements give a true and fair view of the financial position of the company and have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates. The board is also responsible for ensuring all relevant financial reporting and accounting standards have been followed.

The Audit & Risk committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness, balance and timeliness of financial statements. It reviews Steel & Tube's full and half year financial statements and makes recommendations to the board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements, and the results of the external audit. All matters required to be addressed, and for which the committee has responsibility, were addressed during the reporting period.

For the financial year ended 30 June 2025, the directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the company and facilitate the compliance of the financial statements with the Financial Markets Conduct Act 2013.

The Chief Executive Officer and Chief Financial Officer have confirmed in writing that Steel & Tube's external financial reports are presented fairly in all material aspects.

4.4 Non-financial Reporting

Steel & Tube has a commitment to ensuring that the company adds value for all its stakeholders, from shareholders to staff and the communities the company operates in, as well as reducing the environmental impact of the company's activities. Steel & Tube believes it is the company's corporate responsibility to ensure the company plays its part in making the world a better place.

We have identified environmental, social and governance (ESG) principles which we believe will enhance Steel & Tube and support our growth. Oversight of ESG is set out in Steel & Tube's Sustainability Policy. Steel & Tube's Group Sustainability Manager leads the company's sustainability practices.

Steel & Tube reports under the Aotearoa New Zealand Climate Standards. Our Climate-related Disclosures will be published as a separate document by 31 October 2025 and will be available at steelandtube.co.nz/sustainability#disclosures.

Health and safety and other non-financial metrics are reported in the Annual Report and other investor communications annually.

5. Remuneration

Remuneration of directors and senior executives is the key responsibility of the People & Culture Committee.

The framework for the determination and payment of directors and senior executives' remuneration is set out in Steel & Tube's Remuneration Policy. External advice is sought on a regular basis to ensure remuneration is benchmarked to the market for senior management positions, directors and board committee positions.

Details of director and executive remuneration in FY25 are provided on pages 94 to 97.

5.1 Directors' Remuneration

Shareholders fix the total remuneration available for directors. Approval is sought for any increase in the pool available to pay directors' fees, and any recommendations to shareholders regarding director remuneration are provided for approval in a transparent manner. If independent advice is sought by the board, it will be disclosed to shareholders as part of the approval process.

The last increase in director remuneration was approved by shareholders at the Annual Meeting in September 2022, for a total fee pool of $642,500. Board policy is that no sum is paid to a director upon retirement or cessation of office.

While there is no formal requirement to do so, the directors are expected to hold shares. Currently, all directors hold at least 1,000 shares in the company either personally or through affiliates.

Directors' share dealings and interests in the company are detailed on pages 98 to 99.

Remuneration for each board role as at 30 June 2025 is as follows. Specific payments made to each director during FY25, as well as other related information, is set out in the Remuneration Report on page 94.

Role	Fee
Chair	$165,000
Director	$87,500
Committee Chair – Audit & Risk, QHSET	$15,000
Committee Chair – People & Culture	$10,000

5.2 and 5.3 Executive and CEO Remuneration

Steel & Tube's executive remuneration policies and practices are designed to attract, retain and motivate high calibre people and create a performance-focussed culture. Details of executive and CEO Remuneration are set out in the Remuneration Report on pages 94 to 97.

6. Risk Management

6.1 Risk Management Framework

Steel & Tube's ability to deliver appropriate returns to its shareholders requires successful execution of business strategy and the elimination, reduction and mitigation of associated risks. We apply effective risk management principles across our Business Units to ensure risk is identified, assessed, categorised and ranked to allow the business to understand its risks.

The board has overall responsibility for the establishment and oversight of the group's risk management framework.

The board is responsible for overseeing and monitoring significant business risks and overseeing management's processes to mitigate the identified risks.

Key risks are owned by members of the executive leadership team. This promotes integration into operations and planning and a culture of proactive risk management. Management regularly reports to the board on significant business risks and treatments for those risks. Legislative compliance is monitored across each Business Unit through Quantate compliance management surveys.

The company is exposed to risks from a number of sources, including operational, strategic, economic and financial risks. Steel & Tube's risk management framework incorporates policies, procedures and appropriate internal controls to identify, assess and manage areas of significant business and financial risks.

Key risks are assessed on a risk profile identifying the likelihood of occurrence and potential severity of impact; and are managed with a focus on decreasing the risk likelihood and minimising the risk impact should it occur. Steel & Tube maintains insurance policies that it considers adequate and practicable to meet its insurable risks.

Key risk areas include:

Key Risk	Description	Mitigation
Maintenance of Steel & Tube's values and culture	Deviation from the company's core values and culture could lead to ethical and reputational issues	• Unified purpose focussed on making life easy for customers • Regular communication and reinforcement of the company's values and culture through inductions, training and workshops • Monitoring of employee engagement surveys and controls environment
Strategy execution	Ineffective implementation of strategic initiatives leading to sub-optimal performance and competitive disadvantage	• Clearly defined strategic goals with measurable objectives and key performance indicators (KPIs) • Clear responsibilities and accountability for strategy implementation • Regular progress monitoring and corrective actions to address deviations from the plan
Quality of products	Risks associated with the production and supply of substandard or faulty products, leading to customer dissatisfaction and potential product under-performance and/or legal liabilities	• Robust quality control processes throughout the production chain • Regular product testing to rigorous standards • Independent audits of supplier mills • Internal audits and ISO certification and compliance • Maintaining compliance with industry standards and regulations
Economic environment and trading conditions	Exposure to economic fluctuations impacting demand, pricing, and overall financial performance	• Diversification of product offerings and customer base to reduce dependency on specific sectors • Regular economic analysis and scenario planning to anticipate and respond to market changes • Syndicated bank debt facility • Active financial stewardship

6.2 Quality, Health, Safety and Environment

The board is committed to ensuring a safe and healthy environment for all Steel & Tube people and anyone in the company's workplaces. Ensuring Steel & Tube employees and contractors go home safely every day is our number one priority.

The board is responsible for ensuring that the systems used to identify and manage health and safety risks are fit for purpose, being effectively implemented, regularly reviewed and continuously improved. A mix of lead and lag indicators are reported, and safety performance is tracked to identify patterns to help prevent incidents. Health and safety is reviewed at each board meeting and the chair of the QHSET committee regularly provides updates to the board on committee proceedings.

	2025	2024	2023	2022	2021	2020
Safety TRIFR	3.50	0.00	1.14	1.13	1.86	4.90

Product Quality

Steel & Tube's aim is to be the preferred New Zealand supplier for steel products and solutions and our expert people play an important role in that, sharing their knowledge and experience with customers. Ensuring the quality of Steel & Tube's products remains a critical focus and an extensive Quality Management Programme is in place and overseen by the General Manager Quality, Health, Safety and Environment.

More information on our approach to Quality and Health & Safety is outlined on page 26.

7. Auditors

7.1 External Audit

Steel & Tube's External Auditor Independence Policy outlines our commitment to ensuring audit independence, both in fact and appearance, so that Steel & Tube's external financial reporting is viewed as being highly objective and without bias.

For the year ended 30 June 2025, KPMG was the external auditor of Steel & Tube. KPMG was first appointed as auditor in 2021 for the audit of the year ended 30 June 2022, with the next lead partner rotation due no later than after the completion of the 30 June 2026 audit.

The Audit & Risk committee monitors the ongoing independence, quality and performance of the external auditors and monitors audit partner rotation. The committee pre-approves any non-audit work undertaken by the external auditors.

In FY24, KPMG provided non-audit services relating to pre-assurance of Greenhouse Gas Emission disclosures. No non-audit services were provided in FY25. The fees paid for audit services in FY25 is identified in Note E4 of the Financial Report.

KPMG has provided the Steel & Tube board with written confirmation that, in their view, they were able to operate independently during the year.

7.2 Attendance at Annual Meeting

It is Steel & Tube's practice that the external auditors attend the Annual Shareholders' Meeting each year and are available to answer questions from shareholders relevant to the audit.

7.3 Internal Audit

Steel & Tube operates an outsourced internal audit function, which reports to and is monitored by the Audit & Risk committee.

The committee approves the annual internal audit plan, receives internal audit review reports on the adequacy and effectiveness of Steel & Tube's internal controls and monitors the implementation of recommendations arising from the internal auditor's review findings.

During FY25, BDO acted as the company's outsourced internal audit provider.

8. Shareholder Rights and Relations

8.1 Investor website

Easy access to information about the performance of Steel & Tube is available through the Investor Centre on the company's website at www.steelandtube.co.nz/investor-centre.

8.2 Engagement with shareholders

We are committed to open and regular dialogue and engagement with shareholders. Steel & Tube's investor relations programme includes semi-annual post-results briefings with investors, analysts and investor meetings, and earnings announcements. In addition, we release semi-annual Shareholder Newsletters as part of our initiative to keep shareholders informed about the business and the contribution our company makes to New Zealand's economic development and prosperity. The programme is designed to provide shareholders and other market participants the opportunity to obtain information, express views and ask questions.

Shareholders are encouraged to communicate with the company and its share registry electronically. Approximately 69% of Steel & Tube's shareholders have opted for email communications.

We endeavour to make it easy for shareholders to participate in Annual Shareholders' Meetings, which are held in a main centre, streamed live online and recorded and posted on the company website. Shareholders can ask questions and express their views to the board, management and the external auditors at Annual Shareholders' Meetings.

In 2024, 43 shareholders attended the meeting in person, with a further 37 shareholders joining online.

In addition to shareholders, Steel & Tube has a wide range of stakeholders and maintains open channels of communication for all audiences, including the investing community and the New Zealand Shareholders' Association, as well as its staff, suppliers and customers.

8.3 Voting on major decisions

The board considers that shareholders should be entitled to vote on decisions that would change the essential nature of Steel & Tube's business. The board adopts the one share, one vote principle, conducting voting at shareholder meetings by poll.

Shareholders are also able to vote by proxy ahead of meetings without having to physically attend those meetings.

8.4 Equity offers

Steel & Tube did not undertake any capital raising during FY25. Should Steel & Tube consider raising additional capital, we will structure the offer having regard to likely levels of shareholder participation and optimising and enhancing the ability to maximise the level of capital raised. The board will look to give all shareholders an opportunity to participate in any capital raising.

8.5 Notice of meeting

We aim to provide at least 20 working days of the notice of the Annual Shareholders Meeting, which is posted on Steel & Tube's website, announced on the NZX and sent to shareholders prior to the meeting each year. This goal was achieved in 2024.

FINANCIAL MEASURES

Non-GAAP Financial Information

Steel & Tube uses several non-GAAP measures when discussing financial performance. These include Normalised EBITDA, Normalised EBIT and Working Capital. Management believes that these measures provide useful information on the underlying performance of Steel & Tube's business. They are used internally to evaluate performance, analyse trends and allocate resources. Non-GAAP financial measures should not be viewed as a substitute for measures reported in accordance with NZ IFRS.

Non-Trading Adjustments/Unusual Transactions

The financial results for FY25 include transactions considered to be non-trading in either their nature or size. Unusual transactions can be as a result of specific events or circumstances or major acquisitions, disposals or divestments that are not expected to occur frequently. Excluding these transactions from normalised earnings and can assist users in forming a view of the underlying performance of the group.

EBITDA/EBIT

EBITDA is Earnings/(Loss) before the deduction of interest, tax, depreciation and amortisation. EBIT is Earnings/(Loss) before the deduction of interest and tax. These are both non-GAAP financial measures.

Earnings before interest, tax, other gains and losses and impairment represents operating profit for the year before other gains and losses, impairment and deduction of interest and tax. Earnings before interest, tax and impairment represents operating profit for the year including other gains and losses before impairment and deduction of interest and tax. Management believes that these additional measures provide useful information on the underlying performance of the group's business.

Normalised EBITDA/EBIT

This means EBITDA/EBIT excluding non-trading adjustments and unusual transactions. FY25 EBITDA and EBIT were impacted by non-trading adjustments totalling $4.6m. Management believes that normalised measures provide a more appropriate measure of Steel & Tube's performance and more useful information on the normalised earnings of the company.

Working Capital

This means the net position after current liabilities are deducted from current assets. The major individual components of working capital for the group are inventories, trade and other receivables and trade and other payables. How the group manages these has an impact on operating cash flow and borrowings.

	EBITDA		EBIT	
Reconciliation of Reported to Normalised Earnings Year Ended 30 June	**FY25 $000**	**FY24 $000**	**FY25 $000**	**FY24 $000**
Reported	**(2,496)**	**31,415**	**(25,953)**	**9,569**
Palletised warehouse project costs	1,364	2,701	1,364	3,192
Software as a Service (SaaS) expenditure	1,601	1,144	1,601	1,144
Business restructuring costs	699	550	699	550
Acquisition and integration expenses	903	-	903	-
Normalised	**2,071**	**35,810**	**(21,386)**	**14,455**

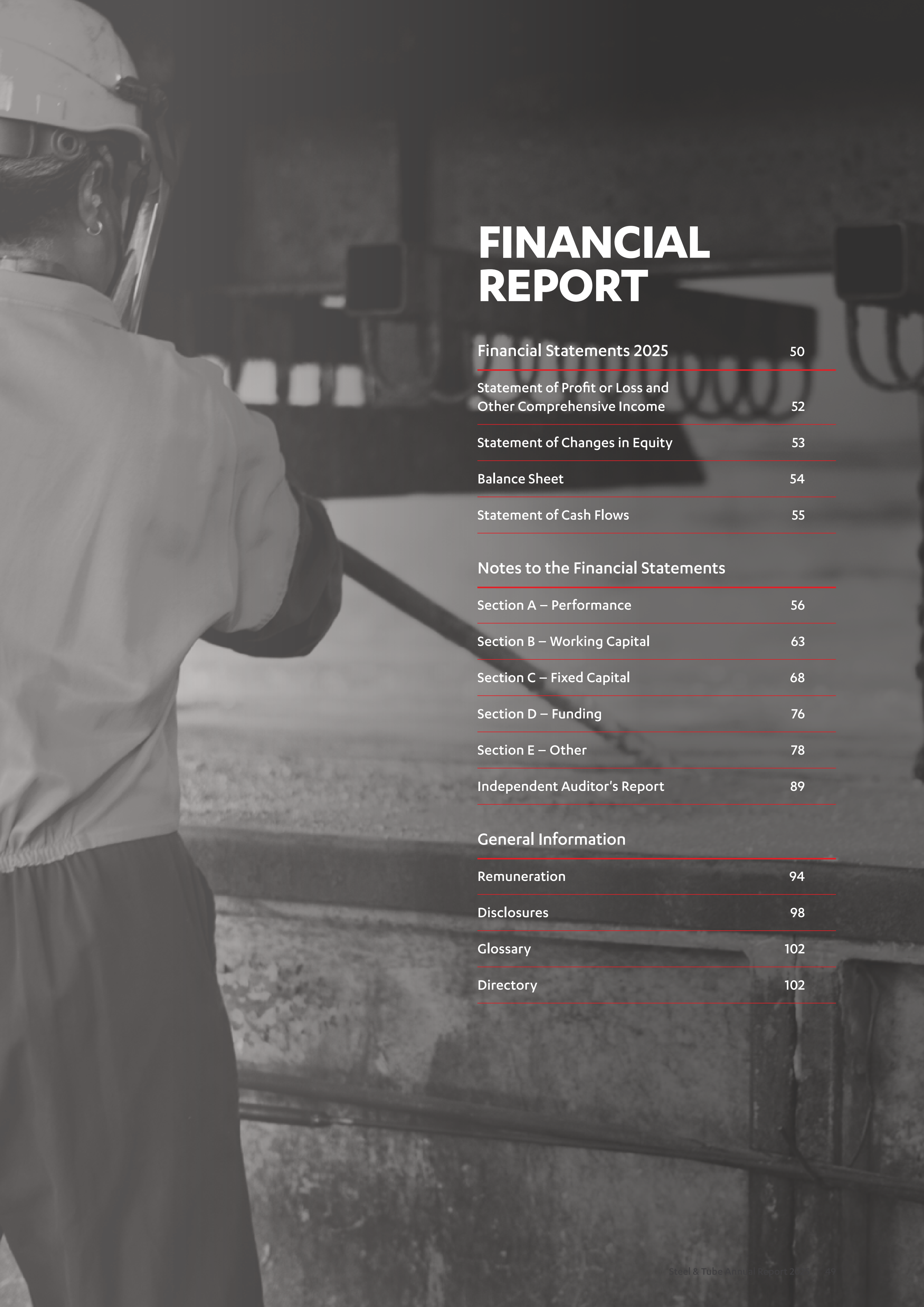
5 YEAR FINANCIAL PERFORMANCE

	2025 $000	2024 $000	2023 $000	2022 $000	2021 $000
Financial Performance					
Sales	**385,389**	479,126	589,078	599,148	481,043
EBITDA	**(2,495)**	31,415	51,876	66,598	38,614
Depreciation and amortisation	**(23,458)**	(21,846)	(20,867)	(18,962)	(17,907)
EBIT	**(25,953)**	9,569	31,009	47,636	20,707
Net finance costs	**(7,157)**	(5,769)	(7,239)	(5,701)	(5,754)
Profit / (loss) before tax	**(33,110)**	3,800	23,770	41,935	14,953
Tax (expense) / benefit	**8,740**	(1,160)	(6,773)	(11,742)	418
Profit / (loss) after tax	**(24,370)**	2,640	16,997	30,193	15,371
Operating cash inflow / (outflow)	**10,427**	42,235	98,280	(34,117)	29,332
Funds Employed					
Equity	**182,334**	198,190	208,154	210,101	193,753
Non-current liabilities	**138,610**	98,961	86,509	83,788	92,023
	320,944	297,151	294,663	293,889	285,776
Comprises					
Current assets	**190,585**	198,551	224,940	303,790	222,510
Current liabilities	**(81,655)**	(56,658)	(69,426)	(139,971)	(80,024)
Working Capital	**108,930**	141,893	155,514	163,819	142,486
Non-current assets	**212,014**	155,258	139,149	130,070	143,290
	320,944	297,151	294,663	293,889	285,776
Statistics					
Dividends per share (cents) [1]	**-**	6.0	8.0	13.0	4.5
Basic earnings per share (cents)	**(14.3)**	1.6	10.3	18.3	9.3
Return on Sales	**(6.3)%**	0.6%	2.9%	5.0%	3.2%
Return on Equity	**(13.4)%**	1.3%	8.2%	14.4%	7.9%
Working Capital (times) [2]	**1.7**	3.5	3.2	2.2	2.8
Net tangible assets per share	**$0.70**	$1.11	$1.17	$1.22	$1.11
Equity to total assets	**45.3%**	56.0%	57.2%	48.4%	53.0%
Gearing (debt to debt plus equity)	**21.5%**	-	-	19.5%	-
Net interest cover (times) [3]	**(3.6)**	1.7	4.3	8.4	3.6
Ordinary shareholders	**6,690**	7,051	7,269	7,385	7,528
Employees	**933**	858	851	829	799
-Female	**225**	239	221	224	201
-Male	**708**	618	630	605	598
-Gender diverse	**-**	1	-	-	-
Directors & Officers					
-Female	**2**	2	2	2	2
-Male	**6**	6	6	6	5

[1] Dividends per share are calculated based on dividends issued in respect of the financial year

[2] Calculated using current assets/current liabilities

[3] Calculated as EBIT over net finance costs (including NZ IFRS 16 Interest costs)



FINANCIAL REPORT

FINANCIAL STATEMENTS 2025

The Financial Report for Steel & Tube includes these sections:

- Financial Statements
- Performance
- Working Capital
- Fixed Capital
- Funding
- Other

Key Policy

Material accounting policies which are relevant to the understanding of the financial statements are highlighted throughout the report.

Critical Accounting Estimates And Judgements

Preparation of these financial statements requires the exercise of judgements that affect the application of accounting policies, the reported amounts of assets and liabilities, and income and expenses.

Estimates and judgements are continually evaluated, based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The group makes estimates and assumptions about the future. Actual results may differ from these estimates.

Key Judgement

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are highlighted throughout the report.

General Information

Steel & Tube Holdings Limited (the company or Steel & Tube) is registered under the Companies Act 1993 and is a FMC Reporting Entity under the Financial Markets Conduct Act 2013. The company is a limited liability company incorporated and domiciled in New Zealand. The group comprises Steel & Tube Holdings Limited and its subsidiaries.

The registered office of the company is 7 Bruce Roderick Drive, East Tamaki, Auckland, 2013, New Zealand.

These financial statements have been prepared:

- In accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), for which Steel & Tube is a for-profit entity
- To comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and with International Financial Reporting Standards (IFRS)
- In accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules (issued 31 January 2025)
- In New Zealand dollars (which is the company's and subsidiaries' functional currency and the group's presentation currency) and rounded to the nearest thousand dollars
- Under the historical cost convention, as modified by the revaluation of certain assets as identified in specific accounting policies

Non-GAAP Financial Information

The group's standard profit measure prepared under New Zealand Generally Accepted Accounting Practice (GAAP) is profit for the period, or net profit after tax. The group also uses non-GAAP financial information which is not prepared in accordance with New Zealand International Financial Reporting Standards (NZ IFRS) when discussing financial performance. The directors and management believe that this non-GAAP financial information provides useful information to readers of the financial statements to assist in the understanding of the group's financial performance.

Non-GAAP financial information used in these financial statements are:

- (Loss)/Earnings before interest, tax and other gains
- (Loss)/Earnings before interest, tax depreciation and amortisation (EBITDA); and
- (Loss)/Earnings before interest and tax (EBIT)

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Notes	2025 $000	2024 $000
Sales revenue	A3	**385,389**	479,126
Other operating income		**448**	58
Cost of sales	A2	**(315,662)**	(375,014)
Operating expenses	A2	**(94,554)**	(93,540)
Software as a Service (SaaS) upfront expenditure		**(1,601)**	(1,144)
(Loss)/Earnings before interest, tax and other gains		**(25,980)**	9,486
Other gains		**27**	83
(Loss)/Earnings before interest and tax		**(25,953)**	9,569
Finance income	A6	**590**	575
Finance costs	A6	**(7,747)**	(6,344)
(Loss)/Profit before tax		**(33,110)**	3,800
Tax credit/(expense)	A5	**8,740**	(1,160)
(Loss)/Profit for the year attributable to owners of the company		**(24,370)**	2,640
Items that may subsequently be reclassified to profit or loss			
Other comprehensive loss - hedging reserve		**(232)**	(35)
Total comprehensive (loss)/income		**(24,602)**	2,605
Basic (loss)/earnings per share (cents)	A1	**(14.3)**	1.6
Diluted (loss)/earnings per share (cents)	A1	**(14.3)**	1.6

Statement of Changes in Equity

For the year ended 30 June 2025

	Notes	Share capital $000	Retained earnings $000	Hedging reserve $000	Treasury shares $000	Share-based payments $000	Total equity $000
Balance at 1 July 2024		155,127	42,050	(26)	-	1,039	198,190
Comprehensive income							
Loss after tax		-	(24,370)	-	-	-	(24,370)
Other comprehensive income							
Hedging gains and losses (net of tax)		-	-	(232)	-	-	(232)
Total comprehensive (loss)/income		-	(24,370)	(232)	-	-	(24,602)
Transactions with owners							
Dividends paid	A1	-	(3,348)	-	-	-	(3,348)
Employee share schemes	D3	285	234	-	-	66	585
Dividend reinvestment plan	D3	233	-	-	-	-	233
Share capital issued relating to business combination	C5	11,276	-	-	-	-	11,276
Balance at 30 June 2025		166,921	14,566	(258)	-	1,105	182,334

	Notes	Share capital $000	Retained earnings $000	Hedging reserve $000	Treasury shares $000	Share-based payments $000	Total equity $000
Balance as at 1 July 2023		157,168	52,741	9	(2,896)	1,132	208,154
Comprehensive income							
Profit after tax		-	2,640	-	-	-	2,640
Other comprehensive income							
Hedging gains and losses (net of tax)		-	-	(35)	-	-	(35)
Total comprehensive income/(loss)		-	2,640	(35)	-	-	2,605
Transactions with owners							
Dividends paid	A1	-	(13,331)	-	-	-	(13,331)
Employee share schemes	D3	(2,062)	-	-	2,896	(93)	741
Shares gifted to employees	D3	21	-	-	-	-	21
Balance at 30 June 2024		155,127	42,050	(26)	-	1,039	198,190

Balance Sheet

As at 30 June 2025

	Notes	2025 $000	2024 $000
Current assets			
Cash and cash equivalents	E1	**13,738**	8,699
Trade and other receivables	B2	**59,444**	58,912
Contract assets	A4	**2,633**	4,925
Inventories	B1	**113,598**	121,320
Income tax receivable		**1,171**	4,640
Derivative assets	E1	**1**	55
		190,585	198,551
Non-current assets			
Loan receivable	A6/E1	**1,624**	1,532
Deferred tax	A5	**8,909**	5,714
Property, plant and equipment	C1	**45,068**	40,010
Intangibles	C2	**54,619**	12,665
Right-of-use assets	C4	**101,794**	95,337
		212,014	155,258
Total assets		**402,599**	353,809
Current liabilities			
Trade and other payables	B3	**42,371**	41,022
Borrowings	D1	**20,000**	-
Provisions	E2	**247**	1,099
Derivative liabilities	E1	**1,069**	170
Short term lease liabilities	C4	**17,968**	14,367
		81,655	56,658
Non-current liabilities			
Borrowings	D1	**30,000**	-
Trade and other payables	B3	**5,504**	-
Provisions	E2	**1,629**	1,335
Long term lease liabilities	C4	**101,477**	97,626
		138,610	98,961
Equity			
Share capital	D3	**166,921**	155,127
Retained earnings		**14,566**	42,050
Other reserves		**847**	1,013
		182,334	198,190
Total equity and liabilities		**402,599**	353,809

These financial statements and the accompanying notes were authorised by the board on 24 August 2025.

For the board

Susan Paterson | *Chair*

Karen Jordan | *Director*

Statement of Cash Flows

For the year ended 30 June 2025

	Notes	2025 $000	2024 $000
Cash flows from operating activities			
Customer receipts		**387,451**	495,830
Interest receipts		**498**	544
Payments to suppliers and employees		**(373,758)**	(438,060)
Payments for interest on leases		**(6,266)**	(5,279)
Income tax refund/(payments)		**3,604**	(9,811)
Interest payments		**(1,102)**	(989)
Net cash inflow from operating activities		**10,427**	42,235
Cash flows from investing activities			
Property, plant and equipment disposal proceeds		**100**	116
Property, plant and equipment and intangible asset purchases		**(6,871)**	(9,500)
Loan advance to third party	A6	**-**	(1,500)
Payment for new business purchase		**(30,243)**	(654)
Net cash outflow from investing activities		**(37,014)**	(11,538)
Cash flows from financing activities			
Net drawdown/(repayment) of bank borrowings		**50,000**	-
Dividends paid	A1	**(3,115)**	(13,331)
Payment for leases		**(15,259)**	(15,148)
Net cash inflow/(outflow) from financing activities		**31,626**	(28,479)
Net increase in cash and cash equivalents		**5,039**	2,218
Cash and cash equivalents at the beginning of the year		**8,699**	6,481
Cash and cash equivalents at the end of the year		**13,738**	8,699
Represented by:			
Cash and cash equivalents		**13,738**	8,699
		13,738	8,699
Reconciliation of (loss)/profit after tax to cash flows from operating activities			
(Loss)/Profit after tax		**(24,370)**	2,640
Non-cash adjustments:			
Depreciation and amortisation		**23,458**	21,846
Deferred tax		**(8,740)**	1,144
Gain on lease termination		**(10)**	(32)
Share scheme expense		**670**	524
Foreign exchange gains		**(118)**	(195)
Other non-cash items		**(113)**	284
Gain on items classified as investing activities:			
Gain on property, plant and equipment disposals		**(27)**	(51)
		(9,250)	26,160
Movements in working capital:			
Income tax receivable/payable		**3,469**	(10,243)
Inventories		**7,722**	17,838
Trade and other receivables		**1,760**	15,186
Trade and other payables and provisions		**6,294**	(7,381)
		19,245	15,400
Investing and financing items included in working capital movements		**432**	675
Net cash inflow from operating activities		**10,427**	42,235

PERFORMANCE

Notes to the Financial Statements

For the year ended 30 June 2025

This section focuses on the group's financial performance and returns provided to shareholders.

A1: Dividends and Earnings per Share

No dividends have been declared for the year ending 30 June 2025.

	2025 $000	2024 $000
Dividends paid	**3,348**	13,331

Dividends paid includes prior year final dividend.

	FY25	FY24
Dividends were paid / payable in respect of the following years:	**$000**	**$000**
Interim Dividend Paid	**-**	6,658
Final Dividend Payable	**-**	3,348
Total	**-**	10,006

Cents per share	**FY25**	**FY24**
Interim Dividend (FY25: nil, FY24: imputed)	**0.00**	4.00
Final Dividend (FY25: nil, FY24: imputed)	**0.00**	2.00

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of fully paid shares less treasury shares.

Diluted earnings per share represents the group's earnings per share if unvested share rights were exercised. The weighted average number of shares is adjusted by the number of outstanding rights to executive shares that are deemed to vest at their future vesting dates.

As at 30 June 2025, 3,164,454 options (2024: 2,822,193) were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive.

Earnings per share (EPS)	**2025 000**	**2024 000**
(Loss)/Profit after tax	**(24,370)**	2,640
Weighted average number of shares for basic EPS	**170,565**	166,831
Weighted average number of shares for diluted EPS	**170,565**	166,831
Basic (loss)/earnings per share (cents)	**(14.3)**	1.6
Diluted (loss)/earnings per share (cents)	**(14.3)**	1.6

A2: Expenses

Cost of sales and operating expenses:	Notes	2025 $000	2024 $000
Inventories expensed in cost of sales		**283,382**	342,254
Employee benefits		**73,708**	74,336
Depreciation and amortisation	C1/C2/C4	**23,458**	21,846
Information technology expenses		**6,999**	6,956
Defined contribution plans		**1,971**	1,979
Acquisition and integration expenses		**903**	-
Directors' fees		**643**	643
Short term and low value lease costs		**229**	217
Impairment (reversal)/loss on trade receivables		**(3)**	(231)
Foreign exchange gains		**(118)**	(195)
Other expenses		**19,044**	20,749
Total cost of sales and operating expenses		**410,216**	468,554

Inventory sold during the year is expensed as cost of sales. Inventory write-downs of $0.3m (2024: $0.6m) was incurred in the ordinary course of business which are included within Inventories expensed in cost of sales.

Depreciation of $1.8m (2024: $1.8m) related to equipment used to manufacture products is included in cost of sales. Depreciation of right-of-use assets and other depreciation is included in operating expenses.

Information technology expenses disclosed in the above table excludes SaaS upfront expenditure. This has been disclosed separately on the Statement of Profit or Loss and Other Comprehensive Income.

Employee benefits expense in the current financial year include restructuring costs of $0.7m (2024: $0.5m) recognised as part of a board approved restructuring plan.

Included in the above table is $1.4m of the palletised warehouse project costs, primarily within employee benefits. This was a board approved transformation project initiated in the previous financial period and involves increasing the group's warehouse capacity. It includes exiting the Avondale site, increasing palletised product at Bruce Roderick site and optimising processing across Auckland.

In the current financial year, the group has incurred $0.6m of acquisition costs and $0.3m of integration costs in relation to the acquisition of Perry Metal Protection.

A3: Operating Segments

The group has identified three reporting segments as at 30 June 2025 having regard for the criteria outlined in NZ IFRS 8 Operating Segments (NZ IFRS 8). The group's Chief Operating Decision Maker (being the CEO) receives financial reports which aggregate the activities of the group's various operating segments into three distinct segments, being Distribution, Processing (formerly known as Infrastructure) and Others. During the year, the group acquired Perry Metal Protection which has been included in the Others segment for reporting purposes and contributed two months of earnings in the current financial year (refer to Note C5 for further details on the acquisition).

These reportable segments have been determined by having regard to the nature of products, services and processes the various Business Units undertake to service customers. The group has a diverse range of customers from various industries, with no single customer contributing more than 10% of the group's revenue.

The group derives its revenue from the distribution, processing and galvanizing of steel and associated products. Within the Distribution business, the primary focus is on the distribution of steel products and fasteners, servicing similar customer groups, sharing similar business models and trading skills, and using similar sales channels. The majority of product is traded and sales staff are tasked to know the full range of products. Within the Processing business, product is predominantly steel product which is bought and processed/manufactured in warehouse facilities for project/contract customers. Others include the galvanizing business which primarily provides hot dip galvanizing services to customers.

The CEO uses EBIT as a measure to assess the performance of segments. The segment information provided to the CEO for the year ended 30 June 2025 is as follows:

2025	**Distribution $000**	**Processing $000**	**Others $000**	**Reconciled to group $000**
Timing of revenue recognition				
At a point in time	228,875	102,587	5,379	**336,841**
Over time	-	48,548	-	**48,548**
Revenue from external customers	**228,875**	**151,135**	**5,379**	385,389
Depreciation and amortisation	(12,503)	(10,561)	(394)	**(23,458)**
Expenses	(231,986)	(152,226)	(3,672)	**(387,884)**
Segment EBIT	**(15,614)**	**(11,652)**	**1,313**	(25,953)
Interest on leases	(3,360)	(2,751)	(155)	**(6,266)**
Interest - others (net)				**(891)**
Reconciled to group loss before tax				**(33,110)**

2024	**Distribution $000**	**Processing $000**	**Reconciled to group $000**
Timing of revenue recognition			
At a point in time	276,867	122,931	**399,798**
Over time	-	79,328	**79,328**
Revenue from external customers	**276,867**	**202,259**	479,126
Depreciation and amortisation	(12,256)	(9,590)	**(21,846)**
Expenses	(262,397)	(185,314)	**(447,711)**
Segment EBIT	**2,214**	**7,355**	9,569
Interest on leases	(3,167)	(2,112)	**(5,279)**
Interest - others (net)			**(490)**
Reconciled to group profit before tax			3,800

Operating segments are reported in a manner consistent with the internal reports that the CEO uses to assess performance. Depreciation and amortisation recognised as at 30 June 2025 is inclusive of depreciation recognised under NZ IFRS 16 Leases, which is in line with the financial reports received by the CEO.

Interest recognised under NZ IFRS 16 Leases is shown separately in the financial reports provided to the CEO. Other interest income and expense are not allocated to segments as these are driven by the central treasury function, which manages the cash position of the group.

Assets and liabilities are reported to the CEO on a group basis, and are not separately reported with respect to the individual operating segments.

Sales between segments are eliminated on consolidation. The amounts provided to the CEO with respect to segment revenue are measured in a manner consistent with that of the financial statements.

A4: Revenue recognised on construction contracts

Key Policy

Refer to Note E7 for the group's accounting policy on revenue recognised on construction contracts. A contract asset is recognised when the group has completed its performance obligation in advance of the cash consideration (or the group's entitlement to invoice the customer). A contract liability is recognised when the group receives cash consideration (or it is due) in advance of the obligation being performed.

Key Judgement - Construction Contracts

Estimates and judgements are made by the group when assessing construction contracts. These vary between each project based on specific contractual terms. The estimates and judgements inherent in accounting for the group's construction contracts relate to the assessment of the forecast costs to complete the project, which includes an estimation of expected material and labour costs and the quantum and likelihood of any revenue variations that the group is contractually entitled to. If forecast costs are expected to exceed forecast revenues, a provision for onerous contract loss is recognised.

	2025 $000	2024 $000
Contract assets	**2,633**	4,925

The contract assets relate to the group’s rights to consideration for work completed but not billed at the reporting date. The group's contract liabilities are not material either in the current or comparative year.

A5: Income and Deferred Tax

Income tax comprises both current and deferred tax.

All entities in the group are part of the same income tax group.

Key Policy

Current tax is the expected payable on the taxable income for the period, using current tax rates, and any adjustment to tax payable in respect of prior periods.

Deferred tax is recognised in respect of temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are only recognised to the extent that it is probable future taxable profits will offset temporary differences. Tax rates used are those that have been enacted or substantially enacted at balance date and which are expected to apply when the deferred tax asset or liability crystalises.

Deferred tax is not provided if it arises from the following differences:

- Goodwill not deductible for tax purposes
- Initial recognition of assets and liabilities in a transaction other than a business combination that affects neither accounting or taxable profit
- Investment in subsidiaries where the timing of the reversal of the temporary difference is controlled by the group to the extent that they will probably not reverse in the foreseeable future

Income and deferred tax

Income tax expense The income tax expense is determined as follows:	**2025** **$000**	**2024** **$000**
Profit or loss		
Current income tax		
Adjustments in respect of prior periods	**-**	16
Deferred income tax		
Depreciation, provisions, accruals, tax losses and other	**(8,781)**	1,160
Adjustments in respect of prior periods	**41**	(16)
Income tax expense in profit or loss	**(8,740)**	1,160

Reconciliation of income tax expense	**2025** **$000**	**2024** **$000**
(Loss)/Profit before tax	**(33,110)**	3,800
Non-deductible expenditure	**1,751**	344
	(31,359)	4,144
Tax at current rate of 28%	**(8,781)**	1,160
Prior period adjustment	**41**	-
Total income tax expense	**(8,740)**	1,160
Represented by:		
Current tax	**-**	16
Deferred tax	**(8,740)**	1,144
	(8,740)	1,160

Key Judgement - Tax Losses

The group has gross tax losses available to carry forward of $32.8m (2024: $1.0m). The group has assessed that it is probable that there will be sufficient future taxable profit which will be available against which the tax losses can be utilised. As a consequence, a deferred tax asset of $9.2m was recognised for these losses.

Deferred tax assets and liabilities

The table below shows the movement in the deferred tax balances that are recognised at the beginning and end of the period.

	Opening balance $000	Prior period adjustments $000	Acquired in business combination (Note C5) $000	Recognised in income $000	Recognised in equity/OCI $000	Closing balance $000
Group 2025						
Property, plant and equipment & Intangibles	**(2,079)**	**-**	**(5,408)**	**178**	**-**	**(7,309)**
Right-of-use assets	**(27,042)**	**-**	**(4,256)**	**2,483**	**-**	**(28,815)**
Lease liabilities	**31,358**	**-**	**4,256**	**(2,170)**	**-**	**33,444**
Employee benefits	**1,533**	**-**	**-**	**(298)**	**(227)**	**1,008**
Provisions	**1,658**	**-**	**-**	**(357)**	**-**	**1,301**
Cash flow hedging reserve	**9**	**-**	**-**	**-**	**90**	**99**
Net taxable losses	**277**	**(41)**	**-**	**8,945**	**-**	**9,181**
	5,714	**(41)**	**(5,408)**	**8,781**	**(137)**	**8,909**

	Opening balance $000	Prior period adjustments $000	Recognised in income $000	Recognised in equity/OCI $000	Closing balance $000
Group 2024					
Property, plant and equipment & Intangibles	(2,066)	-	(13)	-	(2,079)
Right-of-use assets	(23,595)	-	(3,447)	-	(27,042)
Lease liabilities	27,821	-	3,537	-	31,358
Employee benefits	2,761	-	(998)	(230)	1,533
Provisions	2,158	16	(516)	-	1,658
Cash flow hedging reserve	(5)	-	-	14	9
Net taxable losses	-	-	277	-	277
	7,074	16	(1,160)	(216)	5,714

	2025 $000	2024 $000
The analysis of deferred tax assets and deferred tax liabilities is as follows:		
Deferred tax liabilities	**(36,124)**	(29,119)
Deferred tax assets	**45,033**	34,833
	8,909	5,714

Imputation credits available at 30 June 2025 were $62k (2024 $5.0m).

A6: Net Finance Costs

	Notes	2025 $000	2024 $000
Interest income under the effective interest method:			
Interest received		**498**	543
Financial assets at FVTPL – net change in fair value:			
Interest income – loan receivable		**92**	32
Total financial income		**590**	575
Interest expense under the effective interest method:			
Interest expense - bank		**1,389**	1,065
Interest expense - lease liabilities		**6,266**	5,279
Financial liabilities at FVTPL – net change in fair value:			
Interest expense - contingent consideration	C5	**92**	-
Total finance costs		**7,747**	6,344
Net finance costs		**(7,157)**	(5,769)

The loan receivable relates to the loan advance provided to a third party, ROBOS International Limited (ROBOS). Included in the arrangement is an equity option. The loan receivable is classified as a financial asset at FVTPL (fair value through profit or loss). $1.5m of the loan was drawn down as at balance date.

WORKING CAPITAL

Notes to the Financial Statements

For the year ended 30 June 2025

This section contains details of the short term operating assets and liabilities required to service the group's distribution branches and processing sites.

B1: Inventories

Key Policy

Inventories are stated at the lower of cost and net realisable value, with cost determined on a moving average cost basis or standard cost basis. Costs include expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, and selling expenses.

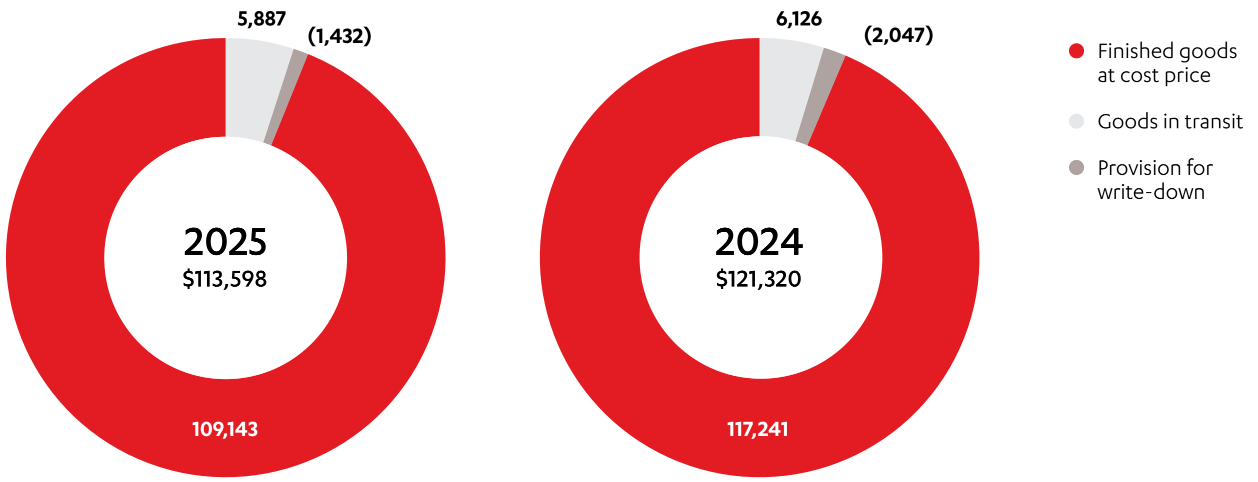
Key Judgement - Inventory Valuation

The majority of the group's inventory comprises steel products and fastenings, which have long lives and generally are not at risk of obsolescence. The group undertook an assessment of its inventory holdings at 30 June 2025 to determine whether the net realisable value (NRV) of inventory was greater than or equal to the current carrying value of inventory. The group has undertaken a full review of all aged inventory to identify any inventory at higher risk, particularly slow moving inventory. Following this review, an impairment provision of $1.4m (2024: $2.0m) continues to be recognised as at 30 June 2025 to record the carrying value of inventory at its NRV where that is considered to be lower than its cost. Judgement was required in determining if the slow moving inventory can be sold and its expected sales price, and therefore whether inventory should be impaired. This includes consideration of current market conditions and prices.

To further support the valuation of inventory the group operates a regular inventory count programme which requires inventory to be counted on a cycle count basis, and through a full wall-to-wall count where required to ensure the accuracy of the group's inventory records.

The group holds inventories valued at $113.6m (2024: $121.3m).

Inventories ($000s)



B2: Trade and Other Receivables

Key Judgement - Provision for Impairment

The group has applied the simplified approach to providing for expected credit losses, which requires the recognition of a lifetime expected loss provision for trade and other receivables.

The expected credit loss (ECL) allowances for financial assets are based on assumptions about the risk of default and expected credit loss rates. The group uses its judgement in making these assumptions and selecting the inputs to the impairment calculation, which is based on the group's historical experience, the aging profile of the financial assets, existing market conditions as well as external economic forecasts at each reporting date. Details of key considerations and judgements are set out below.

The group considers the lifetime expected credit losses associated with its receivables upon initial recognition, and on an ongoing basis at the end of each reporting period. To assess whether there is a specific increase in credit risk, the group compares the risk of default occurring on these receivables at the reporting date with the risk of default at the date of initial recognition. The group considers its trade receivables to be in default when:

– The debtor is unlikely to pay its credit obligations to the group in full; or

– The receivable is more than 60 days past due (i.e. overdue)

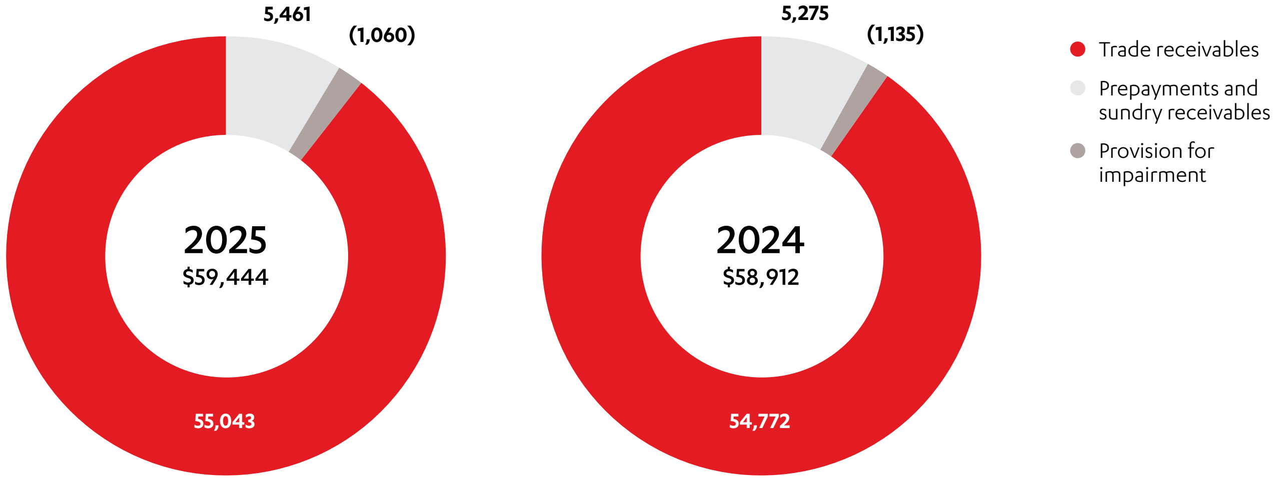
Available forward looking information is considered, including actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer or counterparty's ability to meet their obligations. This also incorporates any objective evidence that indicates that the customers will not be able to pay their debts when due, these include significant financial difficulties of customers and the probability of entering receivership or bankruptcy.

The group has analysed its trade receivables balances using three different characteristics and calculated the ECL allowance by considering the impact of each:

	Consideration/Judgements
Baseline/Aging	The group's "baseline" expectation for credit loss is informed by past experience and the aging profile of the balances, applying an increasing expected credit loss estimate as the balance ages incorporating forward looking information, such as forecasted economic conditions. This expectation incorporates any available objective evidence that the customers will not be able to pay their debts when due, including significant financial difficulties of customers and the probability of entering receivership, administration or liquidation.
Sector	The group has considered the credit risk related to the market sector that the customers operate in and has made an adjustment to the ECL allowance based on assessment of the respective financial strength of each industry sector.
Region	The group has considered the credit risk of its trade receivables portfolio based on the respective financial strength of each geographic region, and has made an adjustment to the baseline ECL allowance to reflect this.

Trade receivables at 30 June 2025 are $55.0m (2024: $54.8m) and are recognised initially at fair value and subsequently at amortised cost less any provision for impairment. The carrying value of trade and other receivables are equivalent to their fair value.

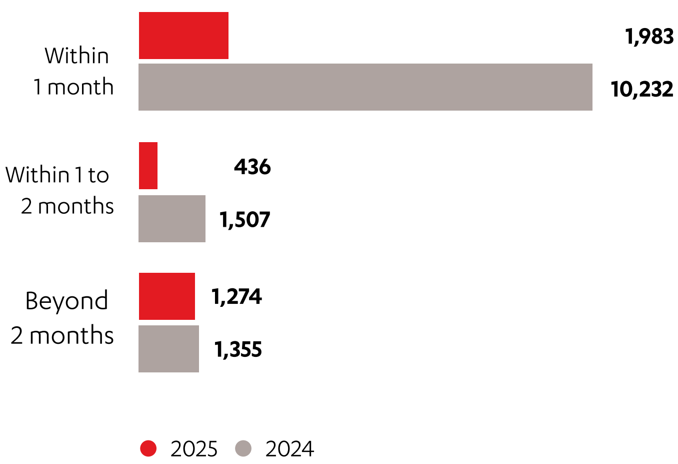
Trade and Other Receivables ($000s)



No one customer accounts for more than 3% of trade receivables at 30 June 2025 (30 June 2024: 7%).

The aging profile of the group's customer balances is shown below.

Trade receivables excluding current at 30 June 2025 ($000s)



At 30 June 2025, trade receivables of $1.3m (2024: $1.4m) were greater than 60 days overdue. These relate to a number of independent customers for whom there is no recent history of default. The group's credit terms are in line with industry peers. The group does not have any customers with payment terms exceeding one year. As a result, the group does not adjust transaction prices for the time value of money.

Provision for impairment

At 30 June 2025, an impairment provision of $1.1m (2024: $1.1m) was held.

The expected credit loss allowance provision has been determined as follows:

As at 30 June 2025	Current $000	Within 1 Month $000	1 - 2 Months $000	2-3 Months $000	Beyond 3 Months $000	Total $000
Gross carrying amount	**51,350**	**1,983**	**436**	**213**	**1,061**	**55,043**
Baseline/Aging	181	35	41	33	760	1,050
Region	3	1	-	-	1	5
Sector	3	1	-	-	1	5
Expected credit loss allowance	**187**	**37**	**41**	**33**	**762**	**1,060**

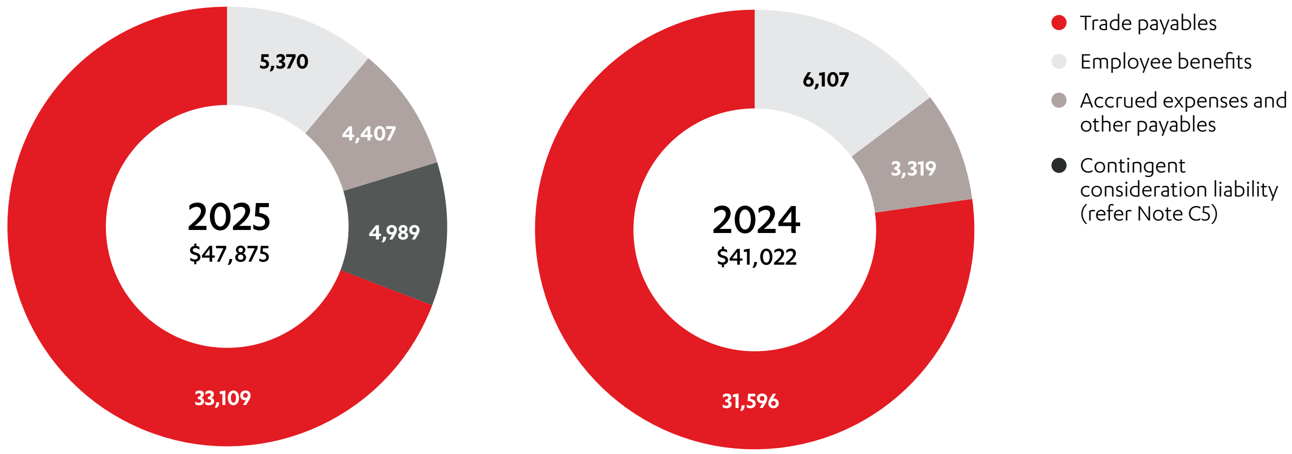
As at 30 June 2024	Current $000	Within 1 Month $000	1 - 2 Months $000	2-3 Months $000	Beyond 3 Months $000	Total $000
Gross carrying amount	**41,678**	**10,232**	**1,507**	**251**	**1,104**	**54,772**
Baseline/Aging	87	182	121	54	678	1,122
Region	2	3	2	-	1	8
Sector	1	2	1	-	1	5
Expected credit loss allowance	**90**	**187**	**124**	**54**	**680**	**1,135**

Movements in the provision for impairment for the year ended 30 June 2025, are as follows:

Provision for impairment	2025 $000	2024 $000
Provision as at 1 July	**1,135**	**1,801**
Impairment (reversal)/loss on trade receivables	**(3)**	**(231)**
Amounts written off	**(72)**	**(435)**
Provision as at 30 June	**1,060**	**1,135**

B3: Trade and Other Payables

Trade and other payables ($000s)



The carrying amounts of the above items are equivalent to their fair values and subsequently measured at amortised cost using the effective interest method, with the exception of the contingent consideration liability. The contingent consideration liability is measured at FVTPL (refer to Note E1 for recognition details). Trade and other payables are classified into current and non-current portions based on their contractual maturity. As at 30 June 2025, a balance of $42.4m (2024: $41m) is classified as current, representing obligations due within 12 months after the reporting date and a balance of $5.5m (2024: nil) is classified as non-current, representing obligations due beyond 12 months.

FIXED CAPITAL

Notes to the Financial Statements

For the year ended 30 June 2025

This section includes details of the group's long term assets including tangible and intangible assets and related capital commitments.

C1: Property, Plant and Equipment

Key Policy

Plant and equipment are stated at cost less accumulated depreciation. Assets are tested annually for indicators of impairment and adjusted if required.

Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. This allocates the cost of an asset, less any residual value, over its estimated remaining useful life. The residual values and useful lives are reviewed annually.

The estimated useful lives are as follows:

Plant, machinery and motor vehicles	3 – 20 years
Furniture, fittings and equipment	2 – 10 years

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in profit or loss.

2025	Notes	Plant, machinery & vehicles at cost $000	Furniture, fittings & equipment at cost $000	Total $000
Opening cost		93,496	21,163	114,659
Opening accumulated depreciation		(56,849)	(17,800)	(74,649)
Opening net book value		36,647	3,363	40,010
Additions		5,710	319	6,029
Acquired through business combination	C5	4,048	59	4,107
Disposals		(101)	-	(101)
Depreciation		(3,881)	(1,096)	(4,977)
Closing net book value		42,423	2,645	45,068
Comprised of:				
Cost or fair value		102,422	21,325	123,747
Accumulated depreciation		(59,999)	(18,680)	(78,679)
Property, plant and equipment		42,423	2,645	45,068
2024				
Opening cost		88,624	20,539	109,163
Opening accumulated depreciation		(56,740)	(16,776)	(73,516)
Opening net book value		31,884	3,763	35,647
Additions		8,482	763	9,245
Disposals		(241)	-	(241)
Depreciation		(3,478)	(1,163)	(4,641)
Closing net book value		36,647	3,363	40,010
Comprised of:				
Cost or fair value		93,496	21,163	114,659
Accumulated depreciation		(56,849)	(17,800)	(74,649)
Property, plant and equipment		36,647	3,363	40,010

Included within the plant, property and equipment categories is capital work in progress totalling $4.2m (2024: $4.4m).

C2: Intangibles

2025	Notes	Goodwill $000	Software & Licences $000	Brand & Trademarks $000	Customer Relationships $000	Total $000
Opening cost		51,932	31,708	443	2,941	87,024
Opening accumulated amortisation and impairment		(47,171)	(24,618)	(382)	(2,188)	(74,359)
Opening net book value		4,761	7,090	61	753	12,665
Additions		-	1,109	366	-	1,475
Acquired through business combination	C5	23,316	-	9,788	9,527	42,631
Amortisation charge		-	(1,904)	(28)	(220)	(2,152)
Closing net book value		28,077	6,295	10,187	10,060	54,619
Comprised of:						
Cost		75,248	32,817	10,597	12,468	131,130
Accumulated amortisation and impairment		(47,171)	(26,522)	(410)	(2,408)	(76,511)
Closing net book value		28,077	6,295	10,187	10,060	54,619
2024						
Opening cost		51,932	30,624	443	2,941	85,940
Opening accumulated amortisation and impairment		(47,171)	(22,848)	(351)	(2,047)	(72,417)
Opening net book value		4,761	7,776	92	894	13,523
Additions		-	1,084	-	-	1,084
Amortisation charge		-	(1,770)	(31)	(141)	(1,942)
Closing net book value		-	7,090	61	753	12,665
Comprised of:						
Cost		51,932	31,708	443	2,941	87,024
Accumulated amortisation and impairment		(47,171)	(24,618)	(382)	(2,188)	(74,359)
Closing net book value		4,761	7,090	61	753	12,665

Goodwill recognised in the current financial year relates to the goodwill arising from the acquisition of Perry Metal Protection. Included within the intangibles categories is capital work in progress totalling $0.5m (2024: $1.5m).

Key Policy

Goodwill is recognised on a business combination and represents the excess of the acquisition cost over the fair value of the acquired net assets. Goodwill is allocated to cash-generating units, tested annually for impairment, or more frequently if events or circumstances indicate it may be impaired, and is carried at cost less accumulated impairment losses.

Computer software and licences are capitalised on the basis of costs incurred to acquire and use the specific licences and are amortised on a straight-line basis over their estimated useful lives of 3 to 10 years. Computer software and licence amortisation charges are included in other operating expenses.

Customer relationships are capitalised at fair value on acquisition date and are amortised on a straight-line basis over their estimated useful lives of between 10 to 20 years. Amortisation charges are included in operating expenses.

Brands are considered to have an indefinite useful life when there is no foreseeable limit to the period over which the brands are expected to generate net cash flows. These are held at cost and are not amortised but are subject to an annual impairment test. Trademarks and patents are capitalised on the basis of costs incurred to acquire and use the specific licences and are amortised on a straight-line basis over their estimated useful lives of 5 to 10 years.

Software as a Service arrangements are service contracts providing the group with the right to access the cloud provider's application software over the contract period. As such, the group does not receive a software intangible asset at the contract commencement date. For SaaS arrangements, the group assesses if the contract will provide a resource that it can 'control' to determine whether an intangible asset is present. If the group cannot demonstrate control of the software, the arrangement is deemed a service contract and any implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when incurred.

Where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software. If distinct, such costs are expensed as incurred when the services is provided. If not distinct, such costs are expensed over the SaaS contract term. In implementing SaaS arrangements, the group has incurred customisation costs which creates additional functionality to a cloud based software. Management has determined that it has rights to the intellectual property and has owned the developed software which meets the definition and recognition criteria for an intangible asset.

Cost incurred for the development of software that enhances or modifies, or creates additional functionality to an on-premise software that meets the definition and recognition criteria of intangible assets are recognised as intangible assets. When these costs are recognised as intangible software assets they are amortised over the useful life of the software on a straight line basis.

Key Judgement - Impairment Testing

NZ IAS 36 Impairment of Assets (NZ IAS 36) requires the group to assess at the end of each reporting period for any indicators of impairment and also to test the recoverable amount of the group's assets against its carrying value to assess whether there is any indication that an asset may be impaired. The recoverable amount is the higher of an asset's fair value less costs of disposal (FVLCD) and value-in-use (VIU).

As at 30 June 2025, the group's market capitalisation was $130.4m and the carrying value of its net assets was $182.3m. Accounting standards consider this to be an indicator of impairment. The market capitalisation value excludes any control premium and may not reflect the value of 100% of the group's net assets.

For the purpose of assessing impairment, assets are grouped in the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash generating unit or CGU), which as at 30 June 2025 were identified as being Distribution, Reinforcing/CFDL, Rollforming and Galvanizing.

To complete the impairment testing, management assessed the recoverable amount of each of the CGU of which goodwill, property plant and equipment and finite life intangible assets have been allocated by undertaking a VIU calculation for each of the CGUs. A VIU calculation is a valuation based on forecast cash flows. These forecast cash flows are discounted back to present value to estimate a value for the CGU. If the VIU exceeds the carrying value of the assets, no impairment is recognised. The recoverable amounts of the CGU were estimated based on the following key assumptions:

Key Assumptions	Distribution	Reinforcing/CFDL	Rollforming
Revenue growth (FY26 to FY30 CAGR)	8.0%	8.9%	8.7%
Gross margin growth (FY26 to FY30 CAGR)	11.5%	10.9%	11.4%
Discount rate (post tax)	11.0%	11.0%	11.0%
Discount rate (pre tax)	14.4%	14.6%	13.9%

CAGR represents the compound annual growth rate

Future cash flows were projected for 5 years and a terminal growth rate of 2% was applied to 2030 and thereafter. Key assumptions for earnings are based on the board approved budget for the FY26 period with the forecast period growth rates applied over the remaining forecast period (2027 to 2030). The 2026 budget assumption is largely based on earnings returning to levels evidenced in 2021 to 2023 as well as other strategic initiatives.

The acquisition of Perry Metal Protection during the financial year has given rise to the recognition of goodwill. This goodwill was allocated to the Galvanizing CGU and requires an impairment test to be completed annually. The VIU model for the Galvanizing CGU uses a 5-year cashflow period. The board approved budget was used for the FY26 period with the forecast period growth rates applied over the outer years (2027 to 2030). The revenue and gross margin growth rates (FY26 to FY30 CAGR) used for Galvanizing CGU is 5.6%. The discount rate (post tax) used is 11%.

The forecast cash flows in the valuation of the three CGUs above are sensitive to a reasonable possible change in the key assumptions used. The group has conducted analysis of the sensitivity of the impairment test to changes in key assumptions used to determine the recoverable amounts for the applicable CGUs. Change in individual assumptions, while keeping all other assumptions constant which results in the recoverable value to equate to the carrying value is shown in the sensitivity analysis below:

Key Assumptions	Input required for the VIU to equate to the carrying value		
	Distribution	Reinforcing/CFDL	Rollforming
Revenue growth (FY26 to FY30 CAGR)	7.2%	7.2%	7.8%
Gross margin growth (FY26 to FY30 CAGR)	10.8%	9.3%	10.5%
Discount rate (post tax)	12.1%	13.6%	12.5%

Sensitivity analysis was undertaken which concluded that the Galvanizing results are not particularly sensitive to changes in the underlying assumptions.

The group has also calculated the recoverable amount of the CGUs using the FVLCD method. The resulting outcome of the FVLCD calculations have shown a higher headroom between the recoverable amount and carrying value when compared to the VIU method. The group concluded that the recoverable amount of each of the CGU were higher than their respective carrying values and therefore no impairment was considered necessary at 30 June 2025.

The group has also concluded that no reversal of the previous impairment of intangible assets should be made following an assessment that previous assumptions applied remain consistent in the current period.

C3: Commitments

Capital commitments

The group has contractual commitments of $0.4m (2024: $1.9m) for purchase of plant and equipment.

C4: Leases

Leases

Under NZ IFRS 16 Leases, the group recognises right-of-use assets and lease liabilities for a number of categories of operating leases, including:

- Property leases - the group has a variety of property leases across its national network of branches and processing facilities. Where the group has entered into sub-leases in respect of its property leases, each sub-lease will be assessed under the standard to determine if it qualifies as a finance lease or an operating lease under NZ IFRS 16
- Motor vehicle leases - the group leases motor vehicles for staff use in sales and day-to-day operations
- Equipment leases - the group leases certain equipment for use in its distribution, manufacturing and warehousing activities. This includes material handling equipment such as forklifts and pallet trucks
- Other leases - other leases includes the lease of assets such as IT equipment, photocopiers and other plant or office equipment

On inception of a new lease, the lease liability is measured at the present value of the remaining lease payments, discounted using the group's incremental borrowing rate at that date. The right-of-use assets are measured at an amount equal to the lease liability, and are depreciated over the estimated remaining lease term on a straight-line basis. The group presents the right-of-use assets and lease liabilities separately on the face of the Balance sheet.

The group has utilised the recognition practical expedients specified in NZ IFRS 16 in respect of short-term and low value leases where appropriate, as well as the use of a single discount rate to a portfolio of leases with reasonably similar characteristics.

The right-of-use assets are depreciated over a period of 1 to 17 years.

Key Judgement – Impairment Testing on Right-Of-Use Assets

The group has assessed for any indicators of impairment on its right-of-use assets for the financial year ended 30 June 2025. The group has re-assessed the assumptions used for the previously impaired sites with longer term leases (> 3 years) based on current market outlook and consideration over the sites' space utilisation in line with the group's network strategy. Based on the assessment performed, no reversal of impairment was recognised for the current year (2024: nil).

The below outlines the recognised right-of-use assets and corresponding lease liabilities by the group as at 30 June 2025:

	Notes	Properties $000	Motor Vehicles $000	Equipment $000	Total $000
Right-of-use assets at 1 July 2024		**89,215**	**4,258**	**1,864**	**95,337**
Additions to right-of-use assets		4,529	1,603	2,651	8,783
Acquired through business combination	C5	14,009	-	1,192	15,201
Depreciation		(13,737)	(1,685)	(907)	(16,329)
Disposals		(1,033)	(11)	(154)	(1,198)
Total right-of-use assets at 30 June 2025		**92,983**	**4,165**	**4,646**	**101,794**

	Properties $000	Motor Vehicles $000	Equipment $000	Total $000
Right-of-use assets at 1 July 2023	**78,347**	**3,849**	**709**	**82,905**
Additions to right-of-use assets	26,848	2,106	1,621	30,575
Depreciation	(13,417)	(1,516)	(330)	(15,263)
Disposals	(2,563)	(181)	(136)	(2,880)
Total right-of-use assets at 30 June 2024	**89,215**	**4,258**	**1,864**	**95,337**

A portion of the group's right-of-use assets is being used for sub-lease which would meet the definition of an investment property under NZ IAS 40 Investment Property. The portion recognised as investment property for the current financial year is $1.3m (2024: $1.5m). Income from sub-leasing right-of-use assets for the year ended 30 June 2025 was $0.1m (2024: $0.1m).

Amounts recognised as lease liabilities are presented below.

Lease liability maturity analysis	Principal $000	Interest $000	Gross $000
2025			
Between 0 to 1 year	17,968	5,974	23,942
Between 1 to 5 years	56,311	16,613	72,924
More than 5 years	45,166	8,001	53,167
Lease liabilities as lessee	**119,445**	**30,588**	**150,033**
2024			
Between 0 to 1 year	14,367	6,023	20,390
Between 1 to 5 years	53,466	16,233	69,699
More than 5 years	44,160	7,535	51,695
Lease liabilities as lessee	**111,993**	**29,791**	**141,784**

C5: Business Combinations

The group accounts for business combinations when it obtains control of either an entity, or a group of assets and liabilities which constitute a business. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Acquisition of Perry Metal Protection

On 1 May 2025, the group acquired the assets of Perry Metal Protection Limited and WSB Hamilton Limited (known collectively as Perry Metal Protection), one of New Zealand's largest hot dip galvanizers. In addition to the galvanizing business, the acquisition also includes smaller grating and sandblasting businesses. The acquisition significantly strengthens the group's offering and provides its customers access to a seamless, end-to-end steel solution, from sourcing and processing to premium corrosion protection solutions. Both the group and Perry Metal Protection have highly aligned customer bases, which creates cross-selling and growth opportunities and is aligned to the group's strategy to selectively invest in high value services and products.

For the year ended 30 June 2025, Perry Metal Protection contributed revenue of $5.5m and earnings before interest and tax (EBIT) of $1.4m. If the acquisition had occurred on 1 July 2024, management estimates that Perry Metal Protection would have contributed revenue of $32.7m and EBIT of $9.0m. In determining these amounts, management has assumed that the fair value adjustments that arose on date of acquisition would have been the same if the acquisition had occurred on 1 July 2024.

Consideration transferred

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The following table summarises the acquisition date fair value of the total consideration transferred:

	$000
Cash	30,243
Equity instruments (15,476,755 shares)	11,298
Contingent consideration	4,897
Total consideration transferred	**46,438**

i. Equity instruments issued

The fair value of the ordinary shares issued was based on the listed share price of the group at 1 May 2025 of $0.73 per share.

ii. Contingent consideration

The group has agreed to pay the selling shareholders a potential additional consideration (being 70% in cash and 30% in newly issued equity) in two to three years from the acquisition completion date. This is based on meeting the performance targets set. Assuming all targets are met, the maximum contingent consideration payable is $6m in cash and shares.

The group has included $4.9m as contingent consideration, which represents its fair value at the date of acquisition.

Acquisition related costs

The group incurred acquisition-related costs of $0.6m and integration costs of $0.3m. The acquisition-related costs include legal fees and due diligence costs. These costs have been included in 'operating expenses'.

Identifiable assets acquired and liabilities assumed

The following table summarises the fair values of assets acquired and liabilities assumed at the date of acquisition:

	Notes	$000
Property, plant and equipment	C1	4,107
Intangible assets	C2	19,315
Inventories		5,797
Right-of-use assets	C4	15,201
Prepayments		7
Accruals and other payables		(396)
Deferred tax liabilities	A5	(5,408)
Lease liabilities	C4	(15,201)
Site restoration provision		(300)
Total identifiable net assets acquired		**23,122**

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Intangible assets	**Customer relationships: The multi-period excess earnings method** The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, and excludes any cash flows related to contributory assets. **Brand: Relief-from-royalty method** The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the brand being owned.

Goodwill recognised

Goodwill arising from the acquisition has been recognised as follows:

	Notes	$000
Consideration transferred		46,438
Fair value of identifiable net assets		23,122
Goodwill	C2	**23,316**

The goodwill is mainly attributable to the skills and experience of Perry Metal Protection's workforce and the synergies expected to be achieved from integrating Perry Metal Protection into the group's business. None of the goodwill recognised is expected to be deductible for tax purposes.

Key Judgement - Identification and valuation of identifiable assets and liabilities

The group has identified the assets acquired and liabilities assumed at acquisition date, and measured these at their acquisition date fair values.

Management has applied judgement in relation to both identifying and valuing these assets and liabilities; specifically in respect to the identification and measurement of the separately identifiable intangible assets, being the brand and customer relationships.

FUNDING

Notes to the Financial Statements

For the year ended 30 June 2025

This section includes details of the group's cash, borrowings and capital reserves which provide funds for current and future activities.

D1 : Borrowings

	2025 $000	2024 $000
Trade Loan facility – current	20,000	-
Revolving Term Advance facility – non current	30,000	-
Bank Loans	**50,000**	-

Key Policy

Borrowings are recognised initially at fair value and net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between the net proceeds and redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. The movement in borrowings shown in the Statement of Cash Flows is the net of repayments and drawdowns of borrowings. Borrowings are classified as current liabilities if there is no right to defer settlement for greater than 12 months. The group is required to comply with certain financial covenants.

The group has in place committed bank borrowing facilities of $80m, comprising a $20m Revolving Cash Advance facility and a $30m Revolving Term Advance facility with an expiry date of 4 August 2026, and a $30m Trade Loan facility with no expiry date and has the effect of being repayable on demand. The interest rate is variable with reference to a base rate (BKBM bid rate) plus a margin. Borrowing facilities arranged with the group's banking partner can be drawn at any time, subject to meeting the terms of the group's Facility Agreement.

Both facilities are subject to compliance with covenants based on earnings and net debt tested periodically across the next twelve months. If certain of these covenants are breached, they may render the Revolving Term Advance Facility payable on demand.

The group had no events of review or default as at 30 June 2025. Accordingly, the Revolving Term Facility is classified as non-current at 30 June 2025 because the group has an existing right to defer settlement for a period at least 12 months after the reporting period.

Subsequent to year end, the group has agreed revised covenants with its banking partner. The group expects to meet these revised covenants in the upcoming financial year.

The group expects to negotiate new bank borrowing facilities when the current facilities expire.

D2: Net Debt Reconciliation

	Cash and cash equivalents $000	Borrowings $000	Lease liabilities $000	Total $000
Net debt as at 1 July 2024	**8,699**	**-**	**(111,993)**	**(103,294)**
Cash flows	**5,039**	**(50,000)**	**15,259**	**(29,702)**
Non-cash movements	**-**	**-**	**(22,711)**	**(22,711)**
Net debt as at 30 June 2025	**13,738**	**(50,000)**	**(119,445)**	**(155,707)**
Net debt as at 1 July 2023	6,481	-	(99,426)	(92,945)
Cash flows	2,218	-	15,148	17,366
Non-cash movements	-	-	(27,715)	(27,715)
Net debt as at 30 June 2024	8,699	-	(111,993)	(103,294)

D3: Share Capital

The group's capital includes share capital, treasury shares, reserves and retained earnings. The objectives for managing capital are to safeguard the group's ability to continue as a going concern, to provide returns and benefits for shareholders and other stakeholders and to maintain a strong capital base for investor, creditor and market confidence. The group may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to maintain or adjust its capital structure.

Capital Structure Policy Targets

The group's formal capital structure targets are as follows:

1. Net Debt: EBITDA less than 2.0x
2. Gearing ratio less than 30 – 35%
3. Dividend pay-out of between 60% – 80% of Net Profit After Tax (NPAT) adjusted for any significant non-trading items

	Note	2025 $000	2024 $000	2025 Shares	2024 Shares
Fully paid:					
Balance at the beginning of the year		**155,127**	157,168	**167,385,923**	166,827,665
Dividend reinvestment plan		**233**	-	**246,347**	-
Employee share schemes	E5	**285**	834	**523,010**	1,507,307
Shares issued relating to business combination	C5	**11,298**	-	**15,476,755**	-
Costs of issuing share capital	C5	**(22)**	-	**-**	-
Movement in treasury shares		**-**	(2,896)	**-**	(972,849)
Shares gifted to employees		**-**	21	**-**	23,800
Balance at the end of the year		**166,921**	155,127	**183,632,035**	167,385,923

Ordinary shares are classified as equity. The holders of ordinary shares are entitled to receive dividends declared from time to time and to one vote per share at meetings of the company.

On 1 May 2025, the company issued 15,476,755 ordinary shares as part of the consideration for the purchase of the business and assets of Perry Metal Protection Limited and WSB Hamilton Limited. Directly attributable costs were deducted from equity.

Treasury shares	2025 $000	2024 $000	2025 Shares	2024 Shares
Balance at the beginning of the year	**-**	2,896	**-**	972,849
Shares issued to employees	**-**	(2,896)	**-**	(972,849)
Balance at the end of the year	**-**	-	**-**	-

Treasury shares are unallocated company shares held by the Trustee of the Executive Share Plan 2003 and are recognised as a reduction in shareholders' funds of the group. There was no movement in treasury shares during the year.

OTHER

Notes to the Financial Statements

For the year ended 30 June 2025

This section contains additional notes and disclosures which do not form part of the primary sections but which are required to comply with financial reporting standards:

- Financial instruments
- Provisions
- Contingent liabilities
- Auditor remuneration
- Related party and share based plans
- Subsequent events
- Other accounting policies

E1: Financial Instruments

Classification and subsequent measurement

On initial recognition, a financial asset is classified as subsequently measured at amortised cost, FVOCI (fair value through other comprehensive income) or FVTPL (fair value through profit or loss). Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. Purchases and sales of financial assets are recognised on the date the group has committed to the transaction. Derecognition of financial assets occurs when the rights to receive cash flows have expired or the group has transferred substantially all the risks and rewards of ownership.

Financial liabilities are measured at amortised cost or FVTPL. A financial liability is measured at FVTPL if is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The group classifies its trade and other receivables and cash and cash equivalents as being measured at amortised cost, including any expected credit loss allowance provisions. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, these are classified as non-current assets. The group classifies its loan receivable as being measured at FVTPL, as it does not meet the criteria for amortised cost or FVOCI. The asset is subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the profit or loss.

Derivatives are measured at fair value. The portion of any fair value movement that is an effective hedge is measured in other comprehensive income, but any ineffective portion is included in profit or loss.

Accounting classification of financial instruments

2025	Financial assets at amortised cost	Financial liabilities at amortised cost	Derivatives for hedging at fair value	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss
Cash and cash equivalents	13,738	-	-	-	-
Trade and other receivables excluding prepayments	57,137	-	-	-	-
Derivative financial instruments	-	-	1	-	-
Loan receivable	-	-	-	1,624	-
Total financial assets	**70,875**	**-**	**1**	**1,624**	**-**
Borrowings	-	50,000	-	-	-
Trade and other payables	-	47,875	-	-	-
Derivative financial instruments	-	-	1,069	-	-
Lease liabilities	-	119,445	-	-	-
Contingent consideration liability	-	-	-	-	4,989
Total financial liabilities	**-**	**217,320**	**1,069**	**-**	**4,989**
2024					
Cash and cash equivalents	8,699	-	-	-	-
Trade and other receivables excluding prepayments	56,464	-	-	-	-
Derivative financial instruments	-	-	55	-	-
Loan receivable	-	-	-	1,532	-
Total financial assets	65,163	-	55	1,532	-
Borrowings	-	-	-	-	-
Trade and other payables	-	41,022	-	-	-
Derivative financial instruments	-	-	170	-	-
Lease liabilities	-	111,993	-	-	-
Total financial liabilities	-	153,015	170	-	-

Measurement of fair values

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments in the balance sheet, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Contingent consideration	*Discounted cash flows:* The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate	Expected cash flows (30 June 2025: $6.0m) Risk-adjusted discount rate (30 June 2025: 10.2%)	The estimated fair value would increase/(decrease) if: • The expected cash flows were higher/(lower); or • The risk-adjusted discount rate were lower/(higher)
Derivative financial instruments (Forward exchange contracts)	*Forward pricing:* The fair value is determined using forward exchange rates that are quoted in an active market at the reporting date	Not applicable	Not applicable

Cash and cash equivalents comprise cash in bank balances and cash on hand. Loan receivable includes an equity option and is measured at fair value, based on unobservable inputs.

Financial risk management

The group is exposed to financial risk: market risk, credit risk and liquidity risk.

The group's Treasury Policy is approved by the board and is reviewed every three years. The Treasury Policy establishes principles and risk tolerance levels to guide management in carrying out risk management activities to minimise potential adverse effects on the financial performance of the group. Compliance with policy is monitored and reviewed on a monthly basis.

i. Market risk

Market risk is the risk that changes in market price (e.g. foreign exchange rates and interest rates) will affect the group's income or the value of its holdings of financial instruments. The object of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

The group is exposed to foreign exchange risk arising mainly from overseas purchases of inventory. In accordance with its Treasury Policy, all committed overseas purchase orders are hedged using forward foreign exchange contracts where payment is made in a foreign currency. The group qualifies for hedge accounting. All of the forward exchange contracts have maturities of less than one year at the balance date. The effective portion of the changes in fair value is recognised in other comprehensive income and accumulated in the hedging reserve in equity as described in section E7.

As at balance date, foreign exchange contracts recorded as assets were $0.001m (2024: $0.05m) and as liabilities were $1.07m (2024: $0.17m). The notional value of foreign exchange contracts in place as at 30 June 2025 totalled $24.4m (2024: $20.45m). The fair value of the foreign currency forward exchange contracts is as shown on the Balance Sheet.

The following table summarises the sensitivity of the group to foreign exchange risk. There would be no impact on profit or loss, as the group qualifies for hedge accounting and all hedges are 100% effective at balance date. A sensitivity of +/- 5% has been selected against foreign currencies (primarily US dollar). The group believes that this is reasonably possible given the exchange rate volatility observed on a historical basis. All variables other than the applicable exchange rates are held constant:

	2025		2024	
NZ$m	**-5%**	**+5%**	**-5%**	**+5%**
Foreign exchange rate change				
Impact on hedging reserves (within equity)	**(1.05)**	**1.29**	(0.94)	1.10

Interest rate risk

Interest rate risk is the risk that the value of the group's assets and liabilities will fluctuate due to changes in market interest rates. The group is exposed to interest rate risk through its drawings under the Group's bank borrowing facilities at variable interest rates. During the year ended 30 June 2025, if bank interest rates had been 100 basis points higher/lower with all other variables held constant, it would change post-tax profit for the year by $0.3m lower/higher (2024: $nil).

ii. Credit risk

The group is exposed to the risk of customers being unable to pay their debts as they fall due. The maximum exposure is the total value of these balances. Customers who trade on credit terms are subject to credit verification procedures and credit limits are set for each customer. The group's credit policy is monitored regularly. In some circumstances, security over assets may be obtained from trade receivables to mitigate the risk of default. There are no significant concentrations of credit risk in the current or prior years.

The group also has credit risk in respect of financial institutions that hold the group's cash. These institutions have credit ratings of AA-.

iii. Liquidity risk

The group manages its liquidity risk by maintaining availability of sufficient cash and funding via an adequate amount of committed bank borrowing facilities. Owing to the nature of the underlying business, the group aims to maintain funding flexibility through committed credit lines. The group monitors actual and forecast cash flows on a regular basis and rearranges credit facilities where appropriate.

The table below summarises the group's financial liabilities and derivative financial instruments into maturity groupings based on the remaining period from balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

2025	Carrying value $000	Contractual cash flows 6 months or less $000	6 to 12 months $000	1 to 3 years $000	Total $000
Borrowings	**50,000**	**20,000**	**-**	**30,000**	**50,000**
Trade payables & accruals	**47,875**	**42,371**	**-**	**5,504**	**47,875**
Cash flow hedging of derivatives:					
Outflow	**24,398**	**24,398**	**-**	**-**	**24,398**
Inflow	**(23,330)**	**(23,330)**	**-**	**-**	**(23,330)**
	98,943	**63,439**	**-**	**35,504**	**98,943**
2024					
Trade payables & accruals	41,022	41,022	-	-	41,022
Cash flow hedging of derivatives:					
Outflow	20,445	20,445	-	-	20,445
Inflow	(20,330)	(20,330)	-	-	(20,330)
	41,137	41,137	-	-	41,137

E2: Provisions

	Note	Restructure Provision $000	Make Good Provision $000	Other Provisions $000	Total $000
Opening balance as at 1 July 2024		452	1,538	444	2,434
Additions		-	80	-	80
Assumed in a business combination	C5	-	300	-	300
Used		(452)	-	(351)	(803)
Unutilised		-	(135)	-	(135)
Closing balance as at 30 June 2025		**-**	**1,783**	**93**	**1,876**
Current		-	154	93	247
Non Current		-	1,629	-	1,629
Closing balance as at 30 June 2025		**-**	**1,783**	**93**	**1,876**

Key Policy

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event. This occurs when it is probable that a cost will be incurred to settle the obligation and a reliable estimate can be made of that obligation. Where material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Where discounting is used, the increase in the provision due to the passage of time is recognised as an expense.

- Make Good Provision on existing tenanted properties - no costs relating to make good activities were undertaken during the current financial year. Actual payment dates and costs will be known once each lease reaches its expiry date
- Other Provisions - relates to a provision for committed health & safety costs expected to be incurred within the next 12 months

E3: Contingent Liabilities

Indemnities given to the group's banking partner in respect of performance bonds were $0.6m (2024: $0.9m) at balance date and were transacted in the ordinary course of business. These relate to performance guarantees held primarily for the construction contracts entered into by the group.

E4: Auditor Remuneration

Fees paid to auditors (KPMG)	2025 $000	2024 $000
Audit or review of financial statements		
Audit of financial statements	**439**	426[1]
Review of financial statements	**65**	65
Other services		
Pre-assurance for Greenhouse Gas Emission disclosure	**-**	39
Total fees for services provided by KPMG	**504**	530

[1] Including $30k relating to the FY23 audit

E5: Related Party and Share Based Plans

The group has related party relationships with its controlled entities and with key management personnel.

The subsidiaries in the group are:

Subsidiaries	Principal Activity	Balance Date	2025 Holding	2024 Holding
Composite Floor Decks Holdings Limited	Non-trading	30 June	**100%**	100%
Studwelders Limited	Non-trading	30 June	**100%**	100%
S & T Plastics Limited	Non-trading	30 June	**100%**	100%
S & T Stainless Limited	Non-trading	30 June	**100%**	100%
Manufacturing Suppliers Limited	Non-trading	30 June	**100%**	100%
Composite Floor Decks Limited	Floor Decking Installer	30 June	**100%**	100%
Steel & Tube Galvanising Limited[1]	Galvanizing employment company	30 June	**100%**	100%

[1] Previously known as Steel & Tube New Zealand Limited. Name was changed to Steel & Tube Galvanising Limited on 21 March 2025

Transactions with Key Management Personnel	2025 $000	2024 $000
Short-term benefits	**4,976**	4,466
Share-based benefits (accounting expense)	**504**	425
	5,479	4,891

The key management personnel are the non-executive directors and executive management. Included in short term benefits are directors' fees of $0.6m (2024: $0.6m). The aggregate value of sales and purchases transacted with key management personnel in the current financial year amounts to $10k (2024: $3k) and $8k (2024: nil) respectively.

Other Transactions with Related Parties

Certain directors, shareholders and management have relevant interests in a number of companies with which the group has transactions in the normal course of the business. A number of the group's directors are also non-executive directors of other companies, and a register of directors' interests is maintained. Any transactions undertaken with these entities have been entered into in the normal course of business.

Certain directors and management hold shares in the group and receive dividends in the normal course of business.

Performance Rights Plan 2017

In February 2018, a new Executive share plan was approved by the board, known as the Performance Rights Plan 2017 (PRP). The performance period for this scheme runs for 3 years and comprises two performance conditions (50% each) as follows:

a) The Benchmark Comparator (BC) ranks the company's Total Shareholder Return (TSR) relative to the TSR of the NZX 50 Index securities

- Where the company TSR equals the 50th percentile TSR of the Index Companies over the Performance Period, 50% of (BC) Performance Rights will vest
- Where the company TSR equals or exceeds the 75th percentile TSR of the Index Companies over the Performance Period, 100% of (BC) Performance Rights will vest
- Where the company's TSR over the Performance Period exceeds the 50th percentile TSR of the Index Companies but does not reach the 75th percentile, then between 50% and 100% of the (BC) Performance Rights, will vest as determined on a linear pro-rata basis

b) The Absolute Comparator (AC) ranks the company's TSR relative to the company's Cost of Equity (CoE) plus a premium of 2% annualised and compounding

- Where the company TSR is less than or equal to CoE, no (AC) Performance Rights will be vested
- Where the company TSR is equal to or greater than CoE + 2%, 100% of (AC) Performance Rights will vest
- Where the company TSR is greater than CoE but less than (CoE) + 2%, then between 50% and 100% of the (AC) Performance Rights will vest as determined on a linear pro-rata basis.

Performance Rights are only able to be exercised after completion of the three year performance period, providing and only to the extent that the performance conditions, and other relevant service and non-market performance conditions, have been satisfied. Any Benchmark and Absolute Comparator Performance Rights that do not vest at the Measurement Date will lapse.

During the year the following movements of rights to shares occurred in accordance with the rules of the share plans:

	No. of Rights Available 2025	No. of Rights Available 2024
Opening balance	**3,046,283**	3,458,505
New shares granted	**1,582,702**	1,336,818
Rights forfeited	**(10,916)**	(241,733)
Rights vested	**(523,010)**	(1,507,307)
Rights lapsed	**(523,005)**	-
Total	**3,572,054**	3,046,283

Rights Performance Conditions Start Date	Expiry date	Issue date fair value	Total Rights Issued	Rights Available 30 June 2025	Rights Available 30 June 2024
7 September 2021 – Tranche 5	07/09/2024	$1.15	**1,353,114**	**-**	1,046,015
5 September 2022 – Tranche 6	05/09/2025	$1.43	**975,896**	**757,588**	757,588
4 September 2023 – Tranche 7	04/09/2026	$1.10	**1,336,818**	**1,231,764**	1,242,680
9 September 2024 – Tranche 8	09/09/2027	$0.98	**1,596,019**	**1,582,702**	-
		Total	**5,261,847**	**3,572,054**	3,046,283

Weighted average remaining contractual life of options outstanding at end of period	**1.40**	**1.23**

	2025 $000	2024 $000
Share-based benefits (accounting expense)	**670**	524

The fair value of rights is determined using a Monte Carlo share price simulation model. The significant inputs into the model for shares granted during the period were the market share price at grant date, an exercise price of zero (as shares are issued to the employees at nil consideration on vesting), volatility of 26.7%, expected option life of between 1 and 3 years and an annual risk free interest rate of 3.8%. Volatility has been calculated based on the annualised volatility for the three years prior to the rights issue.

Key Policy

The Performance Rights Plan 2017 is considered to be an equity settled scheme under NZ IFRS 2 Share-based Payment and the vesting conditions for the scheme include both service and performance conditions.

Performance Rights Plan 2017

The cost associated with this plan is measured at fair value at grant date and is recognised as an expense in profit or loss over the vesting period, with a corresponding entry to the reserve in equity. The estimate of the number of rights for which the service conditions are expected to be satisfied is revised at each reporting date, with any cumulative catch-up adjustment recognised in profit or loss in the period that the change in estimate occurred. Any rights not vested after the expiry of three years are cancelled.

E6: Subsequent Events

In August 2025, the group has agreed revised covenants with its banking partner (refer to Note D1).

E7: Other accounting policies

Basis of consolidation

The group applies the acquisition method to account for business combinations. The group financial statements comprise the financial statements of Steel & Tube Holdings Limited and its controlled entities (subsidiaries) (see Note E5).

The group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the group and deconsolidated from the date control ceases.

Consideration transferred is the fair value of assets transferred, liabilities incurred to the former owners of the acquiree and equity interests issued by the group. Consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured initially at their fair values at acquisition date.

All inter-company transactions and balances between group companies are eliminated.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities at balance date are recognised in profit or loss except when deferred in equity as qualifying cash flow hedges. The group's hedging largely comprises cash flow hedges for future purchases of inventory. The group's current practice is to recognise the accumulated gains or losses on the hedging instrument/derivative against the carrying value of the inventory when inventory is recognised.

Derivatives - Cash flow hedge

The group uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational, financing and investing activities. In accordance with its Treasury Policy, the group does not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are recognised initially at fair value on the date a derivative contract is entered into. Subsequent to initial recognition, derivatives are re-measured at fair value.

The group designates certain derivatives as hedges of a highly probable forecast transaction (cash flow hedge). The effective portion of changes in the fair value of derivatives designated as cash flow hedges is recognised in equity. The gain or loss on the ineffective portion is recognised in profit or loss in other gains/(losses). When the hedged item is a non-financial asset (for example, inventory or property, plant and equipment) the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to profit or loss in the same period the hedged item is recognised in the Statement of Profit or Loss and Other Comprehensive Income. If the hedging instrument no longer meets the criteria for hedge accounting, expires, is sold, terminated or is exercised, any cumulative gain or loss previously recognised in equity remains in equity until the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss reported in equity is immediately transferred to profit or loss within other gains/(losses).

Derivative financial instruments are classified as current if expected to be settled within 12 months; otherwise, they are classified as non-current.

Impairment of non-financial assets

Assets that have indefinite useful lives that are not subject to amortisation and intangible assets not yet available for use are tested annually for impairment. Assets (including intangibles and property, plant and equipment) subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The group derives its revenue from the distribution and processing of steel and associated products. Revenue is recognised when the group transfers control over products and services to its customers.

The table below shows the contract portfolios identified by the group and further information on the revenue recognition. The grouping of the contract portfolios is based on assessment of certain contract characteristics for similarities. The effects on the financial statements of these groupings is not expected to differ materially from applying NZ IFRS 15 to the individual contracts (or performance obligations) within the portfolio. The group regularly undertakes a process to review the contracts' characteristics and assess the appropriate grouping of the contract portfolios. Characteristics considered may include identified risks, contract size and duration, and contractual terms of the contracts.

Contract Portfolio	Description	Key Judgements	Outcome	Timing of Recognition
Cash or Credit Supply Sales	Any sales from individual orders without a formal written contract.	No major judgement required.	There is one performance obligation, being the supply of the product.	*Point in time* Revenue is recognised at point of sale when the product is delivered.
Key Supply and Supply and Installation Sales	Any contracts that contain supply and may contain installation performance obligations which the group has assessed to have similar risk characteristics.	Where the contract contains installation services, determining whether or not the supply and installation components are "distinct" within the context of the contract.	There are two performance obligations, being supply of the product and installation of the product. Installation of the product is considered a distinct performance obligation as supply only contracts are also available on a stand-alone basis.	*Over time* Revenue relating to the supply and where applicable, installation performance obligations are recognised on a stage of completion basis based on the input of labour and materials costs, as this corresponds directly with the value to the customer of the group's performance completed to date.
Other Supply and Installation Sales	Any contracts that contain supply and installation performance obligations and have not been included in the 'Key Supply and Supply and Installation Sales' contract portfolio.	Determining whether or not the supply and installation components are "distinct" within the context of the contract.	There are two performance obligations, being supply of the product and installation of the product.	*Over time* Revenue relating to the supply and where applicable, installation performance obligations are each recognised in the amount to which the group has a right to invoice under the terms of the contract.
Other Supply Only Sales	Any contracts/sales agreements that only have supply of steel product clauses.	Determining whether each act of supply should be treated as a separate performance obligation within the contract.	There is one performance obligation, being the act of the supply. Irrespective of how many supply events occur, the products supplied are all highly interrelated in that they all are required for the same construction project, and therefore represent a series of distinct supply events which are substantially the same and use the same method to measure progress towards completion. They are therefore accounted for as a single performance obligation.	*Over time* The products supplied are required to be modified to a significant extent and do not create an asset with an alternative use to the group. The group has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the group's performance completed to date. Revenue relating to 'Other Supply Only Sales' is recognised in the amount to which the group has a right to invoice under the terms of the contract.

The group has also utilised the practical expedients specified in NZ IFRS 15 Revenue from Contracts with Customers in respect of the requirement to disclose the transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations, where the contract has an original expected duration of one year or less, or where the group has applied the practical expedient to recognise revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the group's performance completed to date. Any volume-based rebates extended to customers by the group are recognised as a deduction from revenue, in line with the pattern of transfer of control of the relevant good or service to the customer, where payment is deemed to be highly probable.

New standards and interpretations issued and effective in the current period

The group adopted all mandatory new and amended NZ IFRS Standards and Interpretations in the current year. FRS-44 New Zealand Additional disclosures has been adopted by the group in the preparation of these financial statements (refer to note E4). No other new standards and interpretations issued and effective in the current period had a material impact on the group's financial statements.

New standards and interpretations issued and not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 July 2025. In April 2024, the International Accounting Standards Board issued IFRS 18 Presentation and Disclosure in Financial Statements, which is effective for accounting periods beginning on or after 1 January 2027. The impact of this standard is being assessed by the group, however it is expected that the standard will affect the presentation of the financial statements. This standard has not been early adopted in preparing these financial statements.

The group is currently assessing the impact of other new standards to the group to determine if they will have a significant impact on future financial statements. On this basis, the group has not adopted and currently does not anticipate adopting, any standards prior to their effective dates.

Climate-related Disclosures

On 14 December 2022, the External Reporting Board (XRB) published its climate-related disclosures standards. The group is a climate reporting entity for the purpose of the Financial Markets Conduct Act 2013. The group's climate-related disclosures for the year ended 30 June 2025 will be accessible on Steel & Tube's website by 31 October 2025.

The group has considered the potential impacts of climate change on the group's financial position and evaluated whether climate-related factors give rise to any significant accounting estimates or judgements that could materially affect the financial statements. As at reporting date, the group has assessed that there are no material impacts on the carrying values of assets and liabilities, or on the assumptions used in determining accounting estimates and judgements, including those related to impairment assessments, useful lives of assets and provisions.

KPMG

Independent Auditor's Report

To the Shareholders of Steel & Tube Holdings Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated balance sheet as at 30 June 2025;
- the consolidated statements of profit or loss and comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements of Steel & Tube Holdings Limited (the **Company**) and its subsidiaries (the **Group**) on pages to 50 to 88 present fairly in all material respects:

- the Group's financial position as at 30 June 2025 and its financial performance and cash flows for the year ended on that date;
- In accordance with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Steel & Tube Holdings Limited in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standards 1 and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has been engaged to provide other services to the Group in relation to limited assurance service on Green House Gas Emission reporting. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at $2m determined with reference to a benchmark of the Group's total revenue. We chose the benchmark because, in our view, this is a key measure of the Group's performance.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the Shareholders as a body may better understand the process by which we arrived at our audit opinion.

Our procedures were undertaken in the context of and solely for the purpose of our audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
Impairment Assessment	

Refer to Note C2 to the financial statements.
 	
At 30 June 2025, the carrying value of the group's net asset of $182.3m exceeds its market capitalisation of $130.4m and is considered an indicator of impairment as per the accounting standards.
 	
An impairment test for the Group and each of the four individual Cash Generating Units ("CGU") was carried out to assess whether the recoverable amount of each CGU exceeded their carrying value.
 	
Impairment assessment is a key audit matter, due to the inherent uncertainty when estimating recoverable amount. In particular, there is uncertainty in the timing and scale of market recovery and the resulting revenue, gross margin and operating costs of the CGUs.
	Our procedures to evaluate the impairment assessment included;
	
	• Assessing whether the methodology adopted was consistent with the accepted valuation approaches of IAS 36 Impairment of Assets considering both the value in use and fair value less cost of disposal models prepared by the Group;
	• Evaluating the key assumptions within the models including:
	  ○ comparing the discount rates and terminal growth rates applied to relevant benchmarks using KPMG valuation specialists;
	  ○ evaluating the key cash flow assumptions by comparing to historical trends, approved budgets, business plans and where available, external market data as evidence of the feasibility of the forecasts;
	  ○ challenging the above assumptions and judgements by performing sensitivity analysis, considering a range of outcomes based on various scenarios;
	• Considering the appropriateness of the disclosures in the financial statements.
	
	We did not identify any material misstatements in relation to the impairment assessment.

Business Combinations	
Refer to Note C5 to the financial statements. On 1 May 2025, the Group acquired the trade and assets of Perry Metal Protection for consideration of $46.4m. This was a key audit matter due to the size of the acquisition and the judgments involved when determining both; • the fair value of acquired assets and liabilities, in particular identification and	Our procedures to evaluate business combinations included: • Reading the sale and purchase agreement and related key acquisition transactions documents to understand the key terms and conditions of the acquisitions; and assess the acquisitions against the criteria of a business combination in the accounting standards; • Agreeing the consideration paid and payable to the sale and purchase agreement, and evaluating the reasonableness of judgement used in the calculation of fair value of the contingent consideration; • Assessing the key assumptions used in the identification and valuation of acquired intangible assets including: ○ comparing the forecast earnings assumptions to the financial information obtained during the due diligence process;

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The key audit matter	How the matter was addressed in our audit
valuation of the acquired intangible assets. • estimate of the fair value of the contingent consideration.	○ engaging our KPMG specialists to evaluate the appropriateness of the methodology used for the valuation of intangible assets and challenging key assumptions such as royalty rates and discounts rates used in the model; • Attending the inventory count conducted prior to the acquisition and evaluating the appropriateness of accounting for plant and equipment and lease contracts; • Assessing the Group's disclosures in respect of business combinations with reference to the requirements of the accounting standards. We did not identify any material misstatements in relation to the business combinations.
Borrowings	
Refer to Note D1 to the financial statements. The Group holds $50m of borrowings, $30m on a Revolving Term Advance facility which expires on 6 August 2026, and $20m on a Trade Loan facility which has no expiry but has the effect of being repayable on demand. There are covenants associated with the facilities based on earnings and net debt levels. This was a key audit matter due to the judgments involved in; • Assessing whether the Group has the right under the Revolving Term Advance facility to defer settlement of the borrowings for at least twelve months after the reporting date. • Assessing whether there had been any events of default during the period or at reporting date. • Assessing managements judgements around their ability to negotiate new bank borrowing facilities when the Revolving Term Advance facility expires and reviewing whether the disclosures around this and the expected covenant compliance were appropriate and in compliance with the requirements of the accounting standards.	Our procedures to evaluate borrowings included: • Reading the facility agreements to understand the key terms and conditions, in particular the terms relating to facility limits, covenants and expiry of the facilities; • Obtaining management covenant reporting which has been provided by the Group to it's lender during and subsequent to the reporting period; • Discussing and obtaining communication between the Group and it's lender regarding the revised covenants which have been agreed subsequent to balance date; • Testing the mathematical accuracy of management's reported covenant compliance during the period and forecasted covenant calculations for the year ending 30 June 2026; • Comparing the forecasted cash flow assumptions used to assess future covenant compliance to the assumptions used in the Impairment Assessment noted above; • Reading and assessing managements paper on their judgment that they expect to negotiate new bank borrowing facilities when the Revolving Term Advance facility expires; • Considering the appropriateness of the Group's disclosure. We did not identify any material misstatements in relation to the borrowings.

KPMG

Other information

The directors, on behalf of the Group, are responsible for the other information. The other information comprises information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated.

If, based on the work we have performed, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the Shareholders. Our audit work has been undertaken so that we might state to the Shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the Shareholders for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of directors for the consolidated financial statements

The directors, on behalf of the Group, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability of the Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board (XRB) website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Laura Youdan.

For and on behalf of:

KPMG

KPMG

Auckland

24 August 2025

REMUNERATION

Director Remuneration

As at 30 June 2025, the standard directors' fees per annum were $165,000 for the chair and $87,500 for each non-executive director. Board committee chairs also receive additional fees of between $10,000 – $15,000 for their committee responsibilities.

Directors' fees exclude GST, where applicable. Directors are entitled to be reimbursed for costs directly associated with carrying out their duties, including travel costs. Directors can receive special exertion payments in certain circumstances – none were paid in FY25.

Board policy is that no sum is paid to a director upon retirement or cessation of office.

Directors do not participate in the company's short or long term incentives.

The total amount of remuneration and other benefits received by the directors during the year ended 30 June 2025 was $642,500 as shown in the table below:

Director	Director Fees	Committee Chair Fees	FY25 Total	Responsibility
Susan Paterson	165,000	-	165,000	Board Chair
Steve Reindler	87,500	10,000	97,500	People & Culture Committee Chair
Chris Ellis	87,500	15,000	102,500	QHSET Committee Chair
John Beveridge	87,500	-	87,500	
Karen Jordan	87,500	15,000	102,500	Audit & Risk Committee Chair
Andrew Flavell	87,500	-	87,500	

Executive Remuneration

Steel & Tube's Remuneration Policy and practices are designed to attract, retain and motivate high calibre people at all levels of Steel & Tube. Roles are benchmarked using recognised job sizing and market comparison processes. Board policy is that no additional amounts are paid to a director or the Chief Executive Officer upon retirement or cessation of office. There were no special joining payments, retention payments or takeover bonuses paid to any executive in FY25.

Executive remuneration comprises fixed base salary and superannuation. Both elements make up Fixed Annual Remuneration (FAR), against which discretionary performance incentives are applied.

Steel & Tube operates a Short Term Incentive (STI) and Long Term Incentive (LTI) scheme. They are both variable elements of remuneration, with selected employees invited to participate each year as approved by the board. They are only paid if conditions and targets are met.

Short Term Incentive (STI)

The CEO and executives have the potential to earn a Short Term Incentive (STI) each year. Steel & Tube's STI is based on performance targets and is designed to differentiate performance and reward delivery. STI values for the CEO and executives are set as a percentage of Fixed Annual Remuneration (FAR) based on the scale, complexity and performance expectations of each individual STI participant's role.

STI performance targets for all participants including the CEO are based on the following criteria:

Portion of STI	Criteria
50%*	Financial Results (Return on Funds Employed target for FY25)
25%	Execution against nominated mid-longer term strategic initiatives in board approved Strategic Initiative Plan. This plan details key operational excellence improvements with milestones to be completed during FY25
10%	QHSET Leadership requiring 100% completion of leadership safety observations throughout the year
8%	Customer Engagement NPS
7%	Employee Engagement ENPS

*(participants can achieve maximum of 150% of target STI for outperformance of financial targets)

Other features of the STI

1. The STI plan includes a company based financial performance hurdle, i.e. no STI is payable to any participant if the year-end results are less than 80% of the company's financial target.
2. If financial results are within 80-99% of target, participants may achieve a maximum of 50% STI based on the achievement of the non-financial components of the targets.
3. The scheme enables a maximum payment of up to 150% STI for stretch performance – achievable only by exceeding the Return on Funds Employed target. There is no outperformance incentive of the non-financial components. If there is a fatality or serious harm where the board deems either the company as a whole or participating individuals are culpable, the board may decide that no STI payment (all components) will be paid to one, some or all of the participants.

Long Term Incentive Scheme (LTI)

The CEO and executives, together with a limited number of non-executive senior managers, also have the potential to earn a Long Term Incentive (LTI). Steel & Tube's LTI is designed to incentivise and retain key personnel, align the interests of executives and shareholders and encourage long-term decision-making. LTI values for the CEO and executives are set as a percentage of FAR.

The current LTI (referred to as the Performance Rights Plan (PRP)) was developed and approved by the board in February 2018. The PRP performance period runs for three years and comprises of two performance conditions (50% each) as outlined in Note E5 of the Financial Report.

CEO Remuneration

The CEO's overall remuneration as at 30 June 2025 consists of a fixed annual remuneration (FAR), an STI at 60% of FAR and an LTI of 40% of FAR. This is reviewed annually by the People & Culture Committee and approved by the board each year.

The performance targets for the CEO for the year ending 30 June 2025 were aligned with the STI scheme and were as follows:

Target KPIs	Weighting
Financial – Return on Funds Employed (ROFE)	50%
Completion of Nominated Strategic Initiatives	25%
Health & Safety – Leading and lagging indicators	10%
Customer Engagement	8%
Employee Engagement	7%

The board ensures that the CEO's remuneration, including base salary, is aligned with appropriate market rates and reflects performance and delivery of sustainable shareholder value.

The table below sets out CEO FAR and the pay for performance components of the CEO's remuneration package on an annualised basis. This table sets out the pay for performance outcomes for STI and LTI assuming 100% is paid out.

Target Remuneration (as at 30 June):

	Fixed Remuneration			Pay for Performance				
	FAR[1]	Non-taxable benefits[2]	Sub total	Target STI[3]	Target LTI Value[4]	No. of LTI Performance Rights*	Subtotal	Total Target Remuneration
2025	$1,104,982	nil	$1,104,982	$662,989	$441,993	441,993	$1,104,982	**$2,209,964**
2024	$1,083,316	nil	$1,083,316	$649,990	$433,326	367,226	$1,083,316	**$2,166,632**
2023	$875,500	nil	$875,500	$525,300	$350,200	227,403	$875,500	**$1,751,000**
2022	$875,500	nil	$875,500	$458,556	$409,138	365,302	$867,694	**$1,743,194**
2021	$728,280	nil	$728,280	$218,484	$291,312	487,788	$509,796	**$1,238,076**

* Each Issue of LTI Performance Rights has a 3 year hurdle in accordance with the terms of the LTI scheme

The financial performance target for the full year to 30 June 2025 was below the scheme's 80% hurdle requirement and accordingly no STI is payable to the CEO (or other participants).

Company Performance and CEO Remuneration Outcomes

	FY25	FY24	FY23	FY22	FY21
ROFE	(6.7)%	4.8%	9.9%	14.6%	6.6%
STI Award	No	No	Yes	Yes	Yes
% of STI paid in respect	-	-	110%	150%	125%
LTI Award	Yes	Yes	Yes	No	No
Portion of Rights Vested	50%	100%	100%	-	-
No. of Shares Vested	182,651	487,788	328,012	-	-

Details of what has been paid to the CEO in the past five years are outlined below:

Actual Remuneration Earned (for the financial year ended):

	FAR[1]	Non-taxable benefits[2]	STI earned in FY[3]	Value of LTI vested during FY[4]	Total remuneration earned during FY
FY25	$1,069,292	nil	nil	$177,413	**$1,246,705**
FY24	$1,048,680	nil	nil	$516,490	**$1,565,170**
FY23	$875,500	nil	$708,871	$422,321	**$2,006,692**
FY22	$794,786	nil	$687,834	nil	**$1,482,620**
FY21	$721,140	nil	$273,105	nil	**$994,245**

1 FAR includes any KiwiSaver employer contributions

2 There were no costs associated with any other benefits during the year ended 30 June 2025

3 STI target for the full year is subject to achievement of performance targets as agreed with the board in each year. No STI was payable in FY25 as financial threshold was not achieved

4 LTI value of actual Rights granted in each year (which may be exercised after the completion of the three year performance period, providing and only to the extent that the performance conditions have been satisfied)

Pay Gap

The Pay Gap represents the number of times greater the CEO's remuneration is to the remuneration of an employee paid at the median of all Steel & Tube employees. For the purposes of determining the median paid to all Steel & Tube employees, all permanent full-time, permanent part-time and fixed-term employees are included, with part-time employee remuneration adjusted to a full-time equivalent amount.

At 30 June 2025, the CEO's fixed remuneration of $1,104,982 was 15.3 times (30 June 2024: 15.5 times) that of the median employee at $72,051 per annum.

Employee Remuneration

The number of employees or former employees who received remuneration and other benefits valued at or exceeding $100,000 during the year to 30 June 2025 are specified in the table below.

The remuneration noted includes all monetary payments actually paid during the course of the year ended 30 June 2025, any restructuring and redundancy related compensation, value of shares vested under the terms of the long term incentive scheme and all short term performance incentive payments.

The remuneration paid to, and other benefits received by, the CEO for the year ended 30 June 2025 are detailed on page 95 and are excluded from the table.

Remuneration Range $000	2025
100 - 110	37
110 - 120	37
120 - 130	13
130 - 140	19
140 - 150	13
150 - 160	10
160 - 170	8
170 - 180	8
180 - 190	5
190 - 200	5
200 - 210	3
210 - 220	2
220 - 230	3
230 - 240	1
240 - 250	1
250 - 260	2
260 - 270	2
270 - 280	2
320 - 330	1
350 - 360	1
400 - 410	1
430 - 440	1
510 - 520	2
Total	**177**

DISCLOSURES

Directors' Interests

Directors have made general disclosures of interests in accordance with section 140(2) of the Companies Act 1993. Current interests as at 30 June 2025, including those which ceased during the year, are detailed below:

Susan Paterson	
Theta Systems Ltd	Chair
EROAD Ltd	Chair
Reserve Bank of New Zealand Governance Board	Board Member
Les Mills Holdings Ltd	Director
Arvida Group Ltd [1]	Director
Lodestone Energy Limited	Director

Steve Reindler	
D&H Steel Construction Ltd [1]	Chair
Clearwater Construction Ltd [1]	Chair
Waste Disposal Services Unincorp JV [1]	Chair
Lincoln University Works Programme [1]	Chair
Broome International Airport Group & affiliates	Director
Te Kaha Project Delivery Limited	Director
Port of Auckland Limited	Director
Whitford Community Charitable	Trustee
Museum of NZ Te Papa Tongarewa Governance Group	Independent Advisor
Westland District Council CCO Oversight Committee [2]	Chair

Andrew Flavell	
ASB Technical Advisory Group	Member
Port of Auckland Limited	Director
Les Mills International	Fractional CTO

Chris Ellis	
Ingot Holdco Limited & affiliates	Chair
Disputes Review Board – Central Interceptor Project	Chair
Oxcon CLL Limited	Advisory Chair
John Fillmore Contracting Limited	Advisory Chair
Titan Contracting Group Limited	Advisory Chair
Horizon Energy Distribution Limited & affiliates	Director

John Beveridge	
NZ Scaffolding Group Ltd & affiliates	Chair
Door & Window Systems Auckland Limited & affiliates [1]	Director
Horizon Energy Distribution Limited & affiliates [1]	Director
Colonial Motor Company & associated companies [2]	Director

Karen Jordan	
Lyttelton Port Company Limited	Director
New Zealand Defence Force (NZDF) Risk and Assurance Committee	Member

[1] Interest no longer held as at 30 June 2025

[2] Appointed during the financial year ended 30 June 2025

Information Used by Directors

There were no notices from directors requesting to disclose or use company information received in their capacity as directors that would not otherwise have been available to them.

Directors' Shareholdings

Steel & Tube securities in which each director has a relevant interest as at 30 June 2025 are:

Director	Shares held
Susan Paterson	262,425 beneficially owned
Steve Reindler	115,177 beneficially owned
Chris Ellis	20,197
John Beveridge	20,000 beneficially owned
Karen Jordan	10,000
Andrew Flavell	1,000

Directors' Security Dealings

During the year ended 30 June 2025 directors' disclosed the following securities transactions in respect of section 148(2) of the Companies Act 1993 and sections 297(2) and 298(2) of the Financial Markets Conduct Act 2013.

These transactions took place in accordance with Steel & Tube's Insider Trading Policy.

Director	Date of Transaction	Number of shares acquired / (disposed)	Nature of transaction	Consideration
Chris Ellis	4 September 2024	10,000	On-market acquisition	$10,383
Chris Ellis	27 September 2024	197	Dividend Reinvestment Plan	$187

Indemnities and Insurance

In accordance with section 162 of the Companies Act 1993 and Steel & Tube's Constitution, the company has arranged Directors and Officers Liability insurance covering directors and employees of Steel & Tube, including directors of subsidiary companies, for liability arising from their acts or omissions in their capacity as directors or employees. The insurance policy does not cover dishonest, fraudulent, malicious or willful acts or omissions.

Subsidiary Companies Directors

The remuneration of employees appointed as directors of subsidiary companies is disclosed in the relevant banding of remuneration set out under the heading Employee Remuneration. Employees did not receive additional remuneration or benefits for being directors during the year.

Directors of the subsidiary companies as at 30 June 2025 were:

Company	Directors
Steel & Tube Galvanising Limited	Mark Malpass, Richard Smyth
Composite Floor Decks Holdings Limited	Mark Malpass, Richard Smyth
Studwelders Limited	Mark Malpass, Richard Smyth
S & T Stainless Limited	Mark Malpass, Richard Smyth
Manufacturing Suppliers Limited	Mark Malpass, Richard Smyth
S & T Plastics Limited	Mark Malpass, Richard Smyth
Composite Floor Decks Limited	Mark Malpass, Richard Smyth

Steel & Tube Holdings Limited (STU) Analysis Of Shareholding

As at 30 June 2025

Holding Range	Holder Count	Holder Count %	Holding Quantity	Holding Quantity %
1 to 999	1,414	21.14%	572,225	0.31%
1,000 to 4,999	2,228	33.30%	5,363,193	2.92%
5,000 to 9,999	1,020	15.25%	6,969,808	3.80%
10,000 to 49,999	1,596	23.86%	33,083,888	18.02%
50,000+	432	6.46%	137,642,921	74.96%
Total	**6,690**	**100.00%**	**183,632,035**	**100.00%**

Substantial Security Holder

On 1 May 2025, the group received notice, in accordance with Section 276 of the Financial Markets Conduct Act 2013, that Perry Group Limited held 15,476,755 Steel & Tube Holdings Limited ordinary shares representing 8.43% (at the date of notice) of the ordinary shares of the company.

Issued shares in the company at 30 June 2025 comprise:	
Ordinary shares fully paid	183,632,035
	183,632,035

Top 20 Shareholders

As at 30 June 2025

Twenty largest security holders as at 30 June 2025	Ordinary Shares	Percentage
New Zealand Steel Limited	26,274,753	14.31%
Perry Group Ltd	15,476,755	8.43%
Lennon Holdings Limited	9,581,593	5.22%
Accident Compensation Corporation*	5,191,455	2.83%
New Zealand Depository Nominee Limited	4,108,980	2.24%
Custodial Services Limited	3,669,252	2.00%
Maxima Investments Limited	3,330,000	1.81%
Citibank Nominees (New Zealand) Limited*	2,152,200	1.17%
HPI Avondale Limited	2,103,786	1.15%
FNZ Custodians Limited	1,936,410	1.05%
Neil Douglas Waites & Anthony Gene Waites & Richard Boyd Waites	1,770,000	0.96%
John Francis Managh	1,539,014	0.84%
Leveraged Equities Finance Limited	1,353,558	0.74%
Andrew Paul Lissaman Everist	1,296,998	0.71%
Forsyth Barr Custodians Limited	1,146,412	0.62%
Trevor Jeffrey Corfield	1,054,700	0.57%
John Francis Managh & Jonathan Peter Managh	999,454	0.54%
Public Trust Class 10 Nominees Limited*	694,412	0.38%
HSBC Nominees (New Zealand) Limited*	687,111	0.37%
Brian Robert Hardgrave	620,000	0.34%
	84,986,843	**46.28%**

* Shares held in New Zealand Central Securities Depository (NZCSD)

Directory

Registered Office

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PO Box 58880, Botany, Auckland 2163,
New Zealand

Ph: +64 4 570 5000

Email: info@steelandtube.co.nz

Website: www.steelandtube.co.nz

Directors

Susan Paterson	Chair and Independent Director
Steve Reindler	Independent Director
Christopher Ellis	Independent Director
John Beveridge	Independent Director
Karen Jordan	Independent Director
Andrew Flavell	Independent Director

Auditor

KPMG Auckland

18 Viaduct Harbour Avenue, Auckland 1010

Share Registry

Computershare Investor Services Limited
Private Bag 92119, Auckland 1142, New Zealand

Ph: +64 9 488 8777 **Fax:** +64 9 488 8787

Email: enquiry@computershare.co.nz

Website: www.computershare.co.nz

Bankers

ANZ New Zealand

ANZ Centre, 23-29 Albert Street, Auckland 1010

Solicitors

Chapman Tripp Auckland

Level 34, PwC Tower, 15 Customs Street West

PO Box 2206, Auckland 1140

Financial Calendar

Half year results announced February

End of financial year 30 June

Annual results announced August

Annual report August

Stock Exchange

The company's shares trade on the New Zealand Exchange under the code STU

Glossary

EBIT: Earnings / (Loss) before the deduction of interest and tax

EBITDA: Earnings / (Loss) before the deduction of interest, tax, depreciation and amortisation

TRIFR: Employee Total Recordable Injury Frequency Rate per 1 million work hours

ISO: International Organization for Standardization

kgCO_2e: Kilograms of Carbon Dioxide Equivalent (a standard unit for counting greenhouse gas emissions)

Normalised EBIT/EBITDA: EBIT and EBITDA excluding non-trading adjustments and unusual transactions

NPAT: Net profit after tax

XRB: External Reporting Board

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