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2023 Annual Shareholders' Meeting

29 September 2023

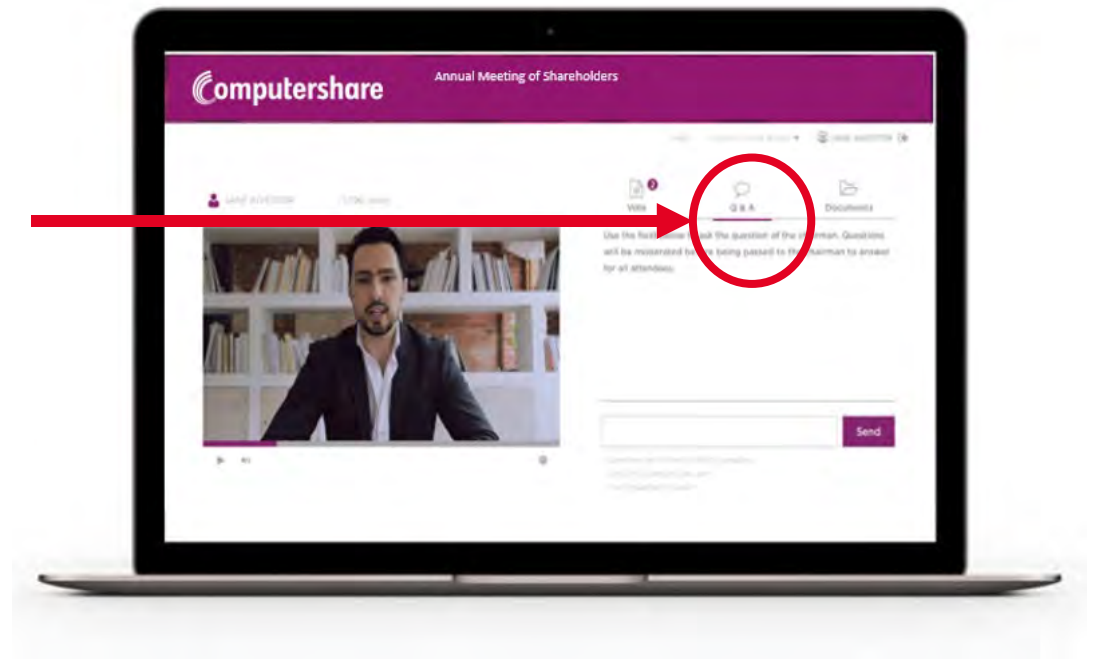


How to ask questions

Shareholder & Proxyholder Q&A Participation

Written Questions: Questions may be submitted ahead of the meeting. If you have a question to submit during the live meeting, please select the Q&A tab on the right half of your screen at anytime. Type your question into the field and press submit. Your question will be immediately submitted.

Help: The Q&A tab can also be used for immediate help. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond to you directly.



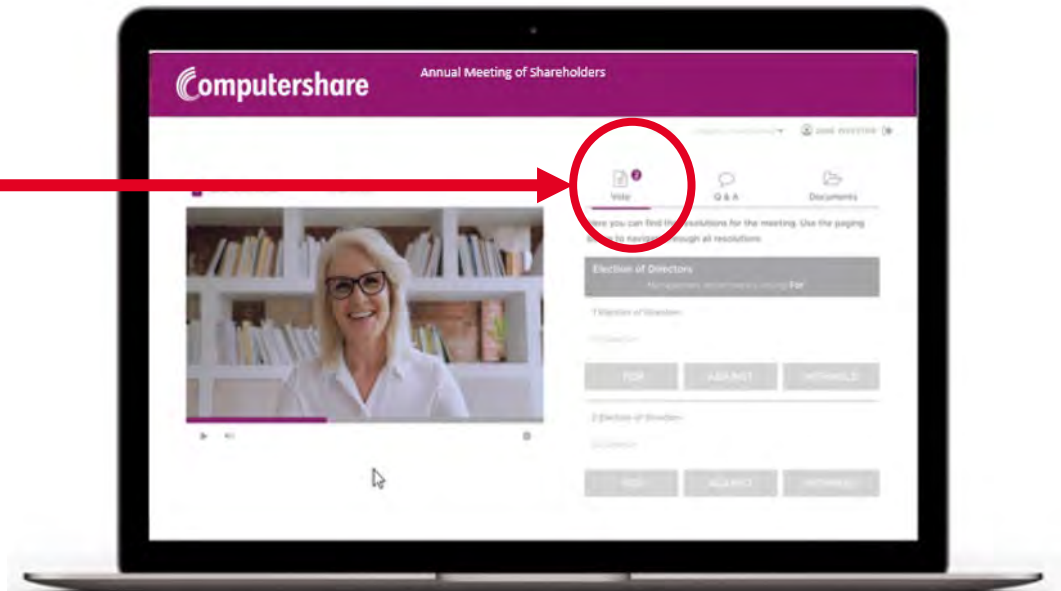
How to vote

Shareholder & Proxyholder Voting

Once the voting has been opened, the resolutions and voting options will allow voting.

To vote, simply click on the Vote tab, and select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears. To change your vote, select 'Change Your Vote'.



Agenda

- Chair's Presentation
- Management Presentations
- Discussion
- Resolutions
- Other Business
- Meeting Close/Refreshments



Chair | Susan Paterson

Your Board



Christopher Ellis

Independent Director
Appointed Oct 2017
Standing for re-election

Cherie Kerrison

Future Director
From 31 March 2023

John Beveridge

Independent Director
Appointed August 2019

Susan Paterson

Independent Chair
Appointed Jan 2017

Steve Reindler

Independent Director
Appointed Oct 2017
Standing for re-election

Karen Jordan

Independent Director
Appointed Dec 2020

Andrew Flavell

Independent Director
Appointed Oct 2021

Leadership team



Marc Hainen

GM Distribution

Damian Miller

GM QHSE

Anna Morris

GM People & Culture

Mark Malpass

CEO

Richard Smyth

CFO

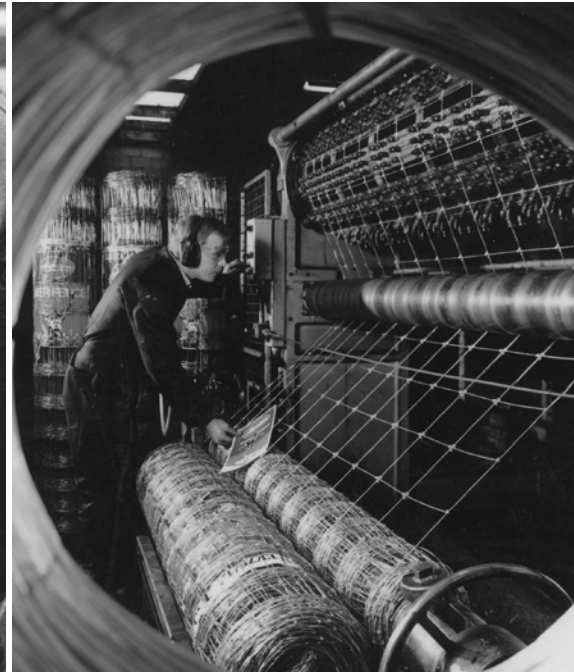
Mark Baker

GM Supply Chain &
Distribution Centres

Peter Ensor

GM Reinforcing/Wire
and CFDL

Celebrating 70 years together



1950s to 1970s

- + Steel & Tube formed in 1953 through merger of three steel merchandising companies
- + Public listing on NZX in 1967

1980s

- + Growth strategy and diversification away from core activities
- + One of NZ's largest industrial businesses

1990s

- + Restructuring and return to core business
- + Acquisition of steel sector businesses

2000s

- + Commenced centralised commercial ERP platform
- + Continued acquisition growth

2010s

- + Consolidation of operations
- + Acquired the NZ business of Tata Steel, Fortress Fasteners, Composite Floor Deck

2020s

- + Digital transformation commenced
- + Launch of webshops
- + Acquired Kiwi Pipe and Fittings, and Fasteners NZ

**Making life
easier for
customers
needing steel
solutions**



Strategic Goals

Clear growth strategy in place, building on strong foundations to strengthen the core and growth in high value products, services and sectors

Customer

The preferred
supplier for steel
solutions and
products

Growth

Increase valuation
through organic
growth and M&A

Shareholder

Deliver increasing
value and returns
for our
shareholders

FY23 further demonstrated Steel & Tube's value

- Strong financial performance despite market conditions
- Robust operating model that will deliver through the economic cycle
- Balance sheet strength
- Clear focus on continuing to strengthen the core and investing in high value products, services and sectors
- Record operating cash flows reflecting steady revenues and inventory disciplines
- Full year dividends of 8cps fully imputed, in line with policy of 60% to 80% of adjusted NPAT

Shaping our business for the future

Long term business sustainability supported by balance sheet strength with capacity for growth investment

In the Boardroom

Priority issues for the Steel & Tube Board

- Risk management and resilience in a fast changing world
- Responsible business practices
- Enhancing our customer value proposition
- Our people
- Climate change response and resilience
- Value adding growth

Sustainable Business

Trent Brash, Group Sustainability Manager



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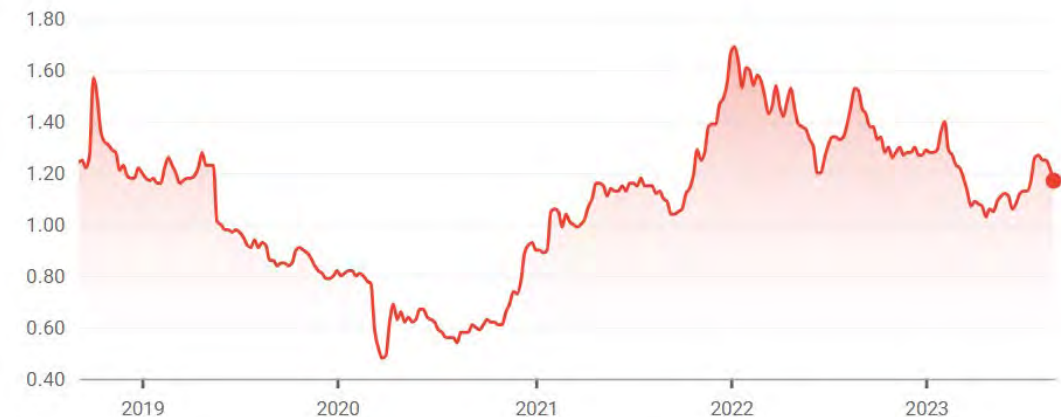
Investor returns

- Return on funds employed above cost of capital for both FY22 and FY23
- 75% dividend payout in FY23
- High dividend yield maintained
- Earnings per share: 10.3 cents per share
- Net Tangible Assets per share: \$1.17
- Price earnings ratio: 10.9¹

1. Gross dividends include the benefit of imputation credits

2. Based on share price at 30 June – FY23 \$1.12

FY23 Dividend		
Interim Dividend	cps (net)	4.0
Final Dividend	cps (net)	4.0
Total	cps (net)	8.0
	cps (gross) ¹	11.1
Dividend Yield (Gross) ²	%	9.9%



Delivering strong and sustainable value

- Attractive dividend policy and yield
- Balance sheet strength with headroom for growth investment
- Growth strategy delivering increasing returns
- Leading supplier in the New Zealand market
- Investment in technology and analytics driving operational efficiency, business insights and customer service
- Clear forward strategy with potential for growth and expansion
- Experienced board and leadership team



CEO | Mark Malpass

Results at a glance

Successful strategy execution driving resilient performance

Revenue \$589.1m -1.7%	Volume 146,409t -12.4%	Normalised EBITDA \$52.9m -20.9%	EBITDA \$51.9m -22.1%
Normalised EBIT \$32.1m -33.0%	EBIT \$31.0m -34.9%	NPAT \$17.0m -43.7%	ROFE 9.9% FY22: 15.4%

- Solid financial performance, at top of guidance
- Achieved Steel & Tube's second highest revenue result, just shy of last year's exceptional super cycle result
- Record net cash inflow from operating activities of ~\$100m, almost double that of the previous record cash inflow result
- No bank debt and a positive cash balance, representing a ~\$50m improvement

Earnings Before Interest and Tax (EBIT), Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), Net Profit After Tax (NPAT) | ROFE: Return on Funds Employed, calculated as Normalised EBIT over Average Funds Employed (Net Debt (including Lease Liability) + Equity). FY22 had previously been calculated using debt, the percentage has been restated to use net debt consistent with the company's peers | Non-GAAP earnings reconciliation at the end of the presentation

Balance Sheet Strength

Group balance sheet summary

- Significant reduction in inventory
- Freeing up cash as inventory position reduced
- Disciplined management of working capital
- Strong cashflows supporting strategic initiatives
- Fully repaid debt with substantial bank facility in place to fund growth
- Subsequent to 30 June 2023, completed the renewal of the \$100m bank facility

\$m	FY23	FY22
Trade and other receivables	79.3	103.3
Inventories	139.2	192.5
Trade and other payables	(69.4)	(89.0)
Working Capital	149.1	206.8
Total Facility	100.0	100.0
Borrowings	-	(51.0)
Available Facility/Undrawn	100.0	49.0
Cash and cash equivalents	6.5	8.0
Borrowings	-	(51.0)
Net Cash/(Debt)	6.5	(43.0)
Net Tangible Assets (NTA)	194.6	202.2
ROFE (%)	9.9%	15.4%

Actively managing market challenges

Market Challenges	FY23 response
Slowing economy	<ul style="list-style-type: none"> • Resilient business platform – significant reductions in debt and inventory, solid underlying cashflows
Commodity price volatility, some easing	<ul style="list-style-type: none"> • Continued investment in the right inventory and reduced inventory cover • Selling down longer inventory positions • Focus on dollar margin capture on existing inventory
Inflation	<ul style="list-style-type: none"> • Actively targeting cost inflation • Comprehensive cost out programme – benefits to be seen in FY24
Tight labour market	<ul style="list-style-type: none"> • Continued focus on staff training and development – leadership training, coaching, wellbeing workshops • Expanded investment in Māori Cadetship Programme • At year end, all staff at or above the Living Wage
Cashflow management	<ul style="list-style-type: none"> • Tight management of debtors • Continuing to review debtor and creditor terms

Strategic pathways

Overall goal to deliver gross margin improvement

Continue to Strengthen the Core

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

Grow High Value Products, Services and Sectors

- 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 direct adjacent sectors

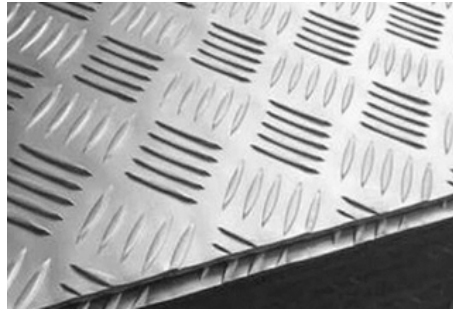
Growth investments focused on added value

Recent organic growth initiatives



PLATE PROCESSING

- Revenues up 76% and Gross Margin \$ up 75% yoy
- Earnings momentum building
- Further geographic expansion in progress



ALUMINIUM

- Immediately earnings accretive
- Product margin \$/tonne has exceeded expectations
- Now one of our highest margin products



PROJECT STRONG

- Increased warehouse capacity for high value, high demand products
- Enhanced automation and warehouse technologies
- FY24 one-off opex impact \$0.7m

Completed M&A



KIWI PIPE AND FITTINGS

- Earnings per share positive in the first year
- One of the highest ROFE businesses



FASTENERS NZ

- High quality, strong ongoing demand
- Range expansion adding value

Our Strategy in Action

Marc Hainen GM Distribution
and Peter Ensor, GM Wire/Reinforcing and CFDL



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Customer, employee and sustainability update

Customer

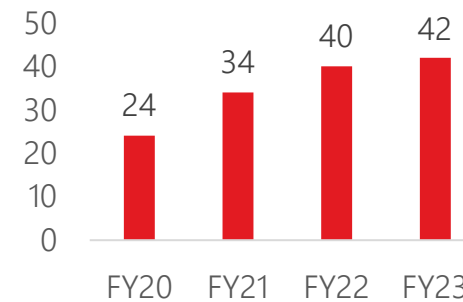
- Satisfaction remains at high levels as we maintain focus on best-in-class customer experience and solutions
- Growing online presence, omni-channel offer
- Product offer tailored to customer needs

Sustainability

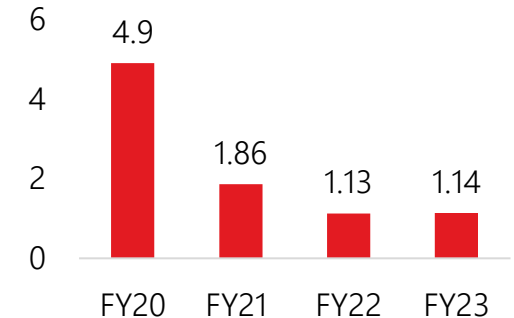
- Emphasis on safety, wellbeing and culture
- Employee satisfaction well above industry average
- Industry leading employee safety metric
- Voluntary Climate-Related Disclosures in FY23 Annual Report

Customer Satisfaction (NPS²)

Industry Average: 32

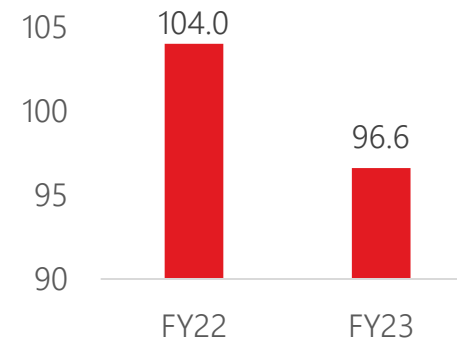


Employee Safety Measure (eTRIFR¹)



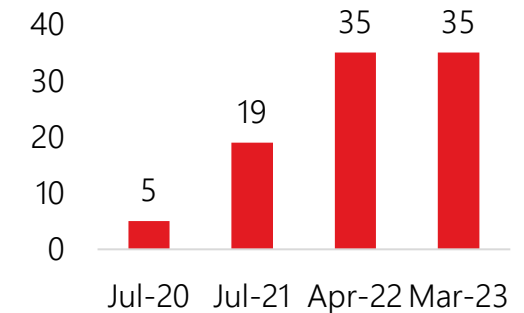
Emissions kgCO₂e per tonne³

7% Year on Year Reduction



Employee Satisfaction (eNPS²)

Industry Average: 18



1. eTRIFR: Employee Total Recordable Injury Frequency Rate

2. Net Promoter Score (NPS): Measure of customer/employee satisfaction

3. Reporting references the Greenhouse Gas Protocol and includes all material emissions under Scope 1 and 2, with Scope 3, except purchased goods and services

Health, safety and wellbeing

Continuous improvement driven by vision of zero harm

- Board Quality, Health, Safety and Environment Committee
- Emphasis on critical risk reduction and injury prevention
- Culture of safety where every employee is empowered to contribute to a safe workplace and uphold high safety standards, with worker engagement providing valuable insights
- Safeguarding our operations through investment in guarding
- Focus on building capability of our people with training programmes and safety workshops
- Dedicated wellbeing programmes with a focus on physical and mental health

FY23 key initiatives:

- 31 H&S committees across our sites
- NZQA Level training for both crane and forklift operations, benefiting a total of 205 employees
- More than 2,027 customised in-house H&S training sessions for our team
- Over 998 safety conversations to promote active engagement
- Reviewed 167-plus work instructions to ensure best practice
- Formal programme of critical risk reviews using Bowtie methodology
- Endorsed for ISO 45001 and ISO 14001 standards for occupational safety, health, and environmental responsibility

Quality in everything we do

- Extensive Quality Management System in place
- ISO 9001 Quality Standard
- Steel sourced from independently audited and verified steel mills - independent assessments of supplier mills' quality standards and processes by Lloyds Register Quality Assurance
- Digital platform allows matching of test certificates to products and further enhances traceability
- Purpose-built IANZ certificated reinforcing laboratory



Supplier network of independently audited and verified steel mills

New Zealand	44.9%
NZ purchased, globally sourced	12.1%
China	14.4%
Taiwan	10.9%
Australia	6.7%
Thailand	5.0%
South Korea	2.0%
Vietnam	0.8%
Singapore	0.6%
Japan	0.5%
Rest of world	2.1%
	100.0%

Enabling Our Business

Anna Morris, GM People & Culture
and Damian Miller, GM QSHET



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Macro opportunities

Significant exposure to climate resilience, infrastructure and essential water services

Climate resilience

- Proven capability, capacity, and expertise to deliver innovative project solutions:
 - Port rebuilds
 - Wind and solar energy
 - Coastal protection
 - Resilient buildings

Steel is one of the world's most essential and sustainable building products – permanent, forever reusable and the most recycled substance on the planet.

Steel offers a number of advantages in a future where climate change and extreme weather events are likely to become more common.

Infrastructure

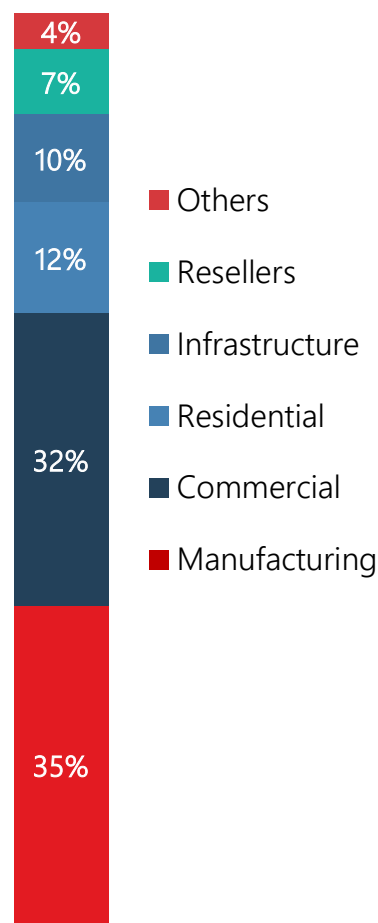
- Govt budget in excess of \$71b vs \$45b in previous 5 year period
- In excess of \$92b in project value in the pipeline
 - Rebuild following extreme weather events
 - Major projects across health, education, community facilities, energy, water and transport
 - Mix of region-wide and national projects







Economic drivers

Build share of sales in growth sectors

FY24 → FY27

Share of Sales (FY23)



 Resellers	Demand primarily driven by residential market trends
 Infrastructure	Strong long term pipeline driven by climate investments, rebuild following weather events, and catch up on low investment in prior years
 Residential	Economic headwinds impacting growth, expected improvement mid-2024
 Commercial	Modest fall from peak 2023 levels expected, however strong pipeline
 Manufacturing	Expected to remain subdued in the short to medium term
<div><div><div>Customer First</div><div>M&A / Growth Activity</div><div>Focus on Costs</div></div><div><div></div><div></div><div></div></div></div>	

FY24 outlook

Well positioned to respond to the challenging economic cycle and to take advantage of new market and product opportunities, including the rebuilding programme

- **Healthy pipeline** of infrastructure and commercial projects in place; manufacturing remains steady
- **Strong balance sheet and cashflows** to support growth initiatives; focus remains on gross margin \$/tonne and actively managing costs with \$5m cost out programme underway in FY24
- **Business growth to continue** through organic expansion and M&A

Market outlook

- Economic cycle likely to remain challenging; recessionary environment to continue 1H24, expect easing in 2H24
- Elevated Government investment offset by weaker business and residential investment
- Significant medium to long term opportunities - climate resilience, seismic strengthening, rebuild activity and essential water services.
- Steel pricing volatility has reduced; stabilised above pre-Covid levels

**Delivering
value for our
shareholders,
customers and
New Zealand**





Shareholder discussion



Resolutions

Resolutions

Resolution 1: Auditor's Remuneration

That the directors be authorised to fix the fees and expenses of KPMG as the company's auditor.

Resolution 2: Re-election of Chris Ellis

That Chris Ellis, who retires by rotation and is eligible for re-election, be re-elected as a director of the company.

Resolution 3: Re-election of Steve Reindler

That Steve Reindler, who retires by rotation and is eligible for re-election, be re-elected as a director of the company.

Other business

Close of the Meeting



Non-GAAP financial information

Year ended 30 June \$000s	EBITDA		EBIT	
	FY23	FY22	FY23	FY22
Reported	51,876	66,598	31,009	47,636
Loss on de-recognition of finance lease receivable	128	-	128	-
Holiday pay provision release	-	(854)	-	(854)
NZ IFRS 16 reversal of impairment	(177)	(527)	(177)	(527)
Software as a Service (SaaS) upfront expenditure	1,109	1,645	1,109	1,645
Normalised	52,936	66,862	32,069	47,900

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 may be used internally to evaluate performance, analyse trends and allocate resources. Non-GAAP financial measures should not be viewed in isolation nor considered as a substitute for measures reported in accordance with NZ IFRS.

Non-trading adjustments/Unusual transactions: The financial results for FY23 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 can assist users in forming a view of the underlying performance of the group. The above reconciliation is intended to assist readers to understand how the earnings reported in the years ended 30 June 2023 and 30 June 2022 reconcile to normalised earnings. Non-trading adjustments of \$(1.1) million are included in the FY23 results.

Glossary of terms

EBIT: Earnings / (Loss) before the deduction of interest and tax. This is calculated as profit for the year before net interest costs and tax

EBITDA: Earnings / (Loss) before the deduction of interest, tax, depreciation and amortisation. This is calculated as profit for the year before net interest costs, tax, depreciation and amortisation

ROFE: Return on Funds Employed. This is calculated as Normalised EBIT over Average Funds Employed (Net Debt (including Lease Liability) + Equity)

eNPS: Employee Net Promoter Score – assists in measuring employee satisfaction and loyalty within the organisation

NPS: Net Promoter Score – assists in measuring customer satisfaction and loyalty

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

eTRIFR: Employee Total Recordable Injury Frequency Rate – an important metric to assess safety performance

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

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