

Vulcan Steel Limited (ASX: VSL, NZX: VSL)

ASX/NZX/Media Release

11 February 2025

Vulcan 1H FY25 half-year result

Vulcan Steel Limited (**Vulcan**), an Australasia-wide industrial product distributor and value-added processor, has announced its financial performance for the six-month period from 1 July 2024 to 31 December 2024 (**1H FY25**).

- EBITDA of NZ\$56.9m*, down 30.5% from NZ\$81.8m in 1H FY24**
- NPAT of NZ\$9.2m, down 64.8% from NZ\$26.1m in 1H FY24
- Operating cashflow of NZ\$80.7m, down 23.4% from NZ\$105.3m in 1H FY24
- 2.5 NZ cents per share interim dividend declared for 1HFY25, to be 100% franked and 20% imputed

In million NZ\$ (unless stated)	Post-IFRS 16 ³			Pre-IFRS 16 ⁴		
	1H FY25	1H FY24	% Change	1H FY25	1H FY24	% Change
EBITDA ²	56.9	81.8	-30.5%	34.8	62.0	-43.8%
NPAT ¹	9.2	26.1	-64.8%	10.8	28.9	-62.5%
Dividend (NZ cents per share)	2.5	12.0	-79.2%	2.5	12.0	-79.2%

¹NPAT - Net Profit After Tax

²EBITDA - Earnings Before Interest, Tax, Depreciation and Amortisation

³New Zealand IFRS 16 – accounting recognition of right of use assets and corresponding liabilities on leases adopted in FY20

⁴New Zealand International Accounting Standard 17 – accounting treatment of leases prior to the introduction of IFRS 16 in FY20

Commenting on the results, Vulcan's Managing Director and Chief Executive Officer, Rhys Jones, said:

"Trading in the first six months of the 2025 financial year was variable and challenging. The economic conditions in both Australia and New Zealand have continued to be difficult, with New Zealand in recession and the Australian economy remaining well below trend growth. Our customers have continued to face restrictive interest rate levels and weaker markets, and our 1H FY25 results reflect this, particularly in our Steel division.

Despite the headwinds in the first half of FY25, we achieved a 10% return on capital employed. During the first half, our net bank debt dropped NZ\$34.3m to NZ\$241.5 million by the end of December 2024, due to a decrease in working capital and continued positive operating cashflows.

Our culture of teamwork and continuous improvement continued to be evident in 1H FY25. We implemented five hybrid sites in Australia, adding to the eight hybrid sites completed in FY24. The expanded offering will be beneficial for our customers in these locations and is expected to improve our financial performance over time. Notwithstanding market conditions, our active customer accounts in 1H FY25 remained steady when compared with 2H FY24, which is a reflection of our team's impressive sales efforts, as well as more trading days than the previous six-month period.

*m – million

** 1H FY24 – half year from 1 July 2023 to 31 December 2023

Outlook

In New Zealand, the lowering of interest rates has boosted confidence for the future, even though general market activity has been subdued. On a positive note, some segments and regions are showing signs of stabilisation and recovery. Pre-sales activity, customer channel checks within Vulcan and independent business surveys, combined with the Reserve Bank of New Zealand's reduction in the official cash rate since August 2024, point to improving market volume in the 2025 calendar year. In the second or third quarter of the 2025 calendar year, trading volumes are anticipated to begin to recover.

In Australia, expectations are for the Metals segment to remain relatively steady helped by further improvement as additional hybrid sites are commissioned during the 2025 calendar year. The Queensland and Western Australian markets are expected to perform better in 2025 compared with 2024. The Steel segment volume is likely to continue to face challenges, due to the economic conditions in Australia, particularly in Victoria in the near term, and disruptive market dynamics.

Vulcan will host a conference call to discuss the 1H FY25 results.

Webcast and conference call details

Date: Tuesday, 11 February 2025

Start time: 10:30am NZDT, 8:30am AEDT

Webcast: <https://webcast.openbriefing.com/vsl-hyr-2025/> (listen mode only)

An online archive of the webcast event will be available approximately four hours after the webcast.

Conference call: Conference call participants can register for the call at the link below:
<https://sl.c-conf.com/diamondpass/10044749-3rvnkf.html>

ENDS

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This announcement was authorised by Vulcan's Board of Directors.

About Vulcan

Founded in 1995, Vulcan is an Australasia-wide industrial product distributor and value-added processor with 66 logistics and processing facilities employing approximately 1,300 employees across the company's Steel and Metals divisions.