



# VULCAN

HALF YEAR REPORT

Half Year Ended 31 December 2021

## Appendix 4D – Half Year Report

### Details of the company and reporting periods

Name of entity	Vulcan Steel Limited (“Vulcan”)
ARBN	652 996 015 (incorporated in New Zealand)
Current reporting period	Half year ended 31 December 2021 (“1H FY22”)
Previous corresponding reporting period	Half year ended 31 December 2020 (“1H FY21”)
Release date	10 February 2022

### Result for announcement to the market

Financial Performance (NZ\$ million, unless stated)			1H FY22	1H FY21
Revenue from ordinary activities	Up	+35% to	463.0	344.1
EBITDA <sup>1</sup> before significant items <sup>5</sup>	Up	+98% to	118.1	59.7
EBIT <sup>2</sup> before significant items <sup>5</sup>	Up	+130% to	104.8	45.4
Net financing costs			-7.1	-6.2
Profit before tax and significant items <sup>5</sup>	Up	+149% to	97.7	39.2
Income tax			-28.0	-10.1
NPAT <sup>3</sup> from ordinary activities before significant items <sup>5</sup>	Up	+139% to	69.7	29.1
Significant items <sup>4</sup>			-15.8	0.0
NPAT from ordinary activities after significant items	Up	+85% to	53.9	29.1
Earnings per share before significant items	Up	+139% to	53.0	22.2

### Net Tangible Assets (NTA, NZ\$ per share)

As at	31-Dec-21	31-Dec-20
NTA per share attributable to Vulcan shareholders	0.96	1.07

### Dividends (NZ cents)

	Amount	Imputation*	Franking
Interim ordinary per share – 1H FY22 (declared on 10 February 2022)	27.5	100%	nil
Interim ordinary per share – 1H FY21** (paid in March 2021)	9.9	100%	nil
Interim special per share – 1H FY21** (paid in December 2020)	19.2	100%	nil
Final ordinary dividend – 2H FY21 ** (paid in August 2021)	13.7	100%	nil
Special dividend – FY21 ** (paid in October 2021)	38.0	0%	nil
Record date for determining entitlements to interim dividends	11-March-2022		
Interim dividend payment date	8-April-2022		

### Commentary on the results for the period

This is Vulcan’s inaugural result following the company’s public listing on the ASX and NZX on 4 November 2021.

Additional disclosure requirements and supporting information for the Appendix 4D are contained within Vulcan’s 1H FY22 Report, which includes the Directors’ Declaration. This Appendix should be read in conjunction with all materials released by Vulcan relating to the company’s 1H FY22 result.

This announcement was approved for release by Vulcan Board of Directors.

1. EBITDA – Earnings Before Interest, Tax, Depreciation and Amortisation.

2. EBIT – Earnings Before Interest and Tax.

3. NPAT – Net Profit After Tax attributable to shareholders.

4. Significant items – Offer Costs incurred by Vulcan in relation to the public listing of the Company.

5. Profit before significant items is a non-IFRS measure reported to provide a greater understanding of the underlying business performance of Vulcan. The above disclosures are extracted or derived from the financial report for the period ended 31 December 2021, which has been reviewed by Deloitte. The Independent Auditor’s Review Report provided by Deloitte is included in Vulcan’s Half Year Report for the period ended 31 December 2021.

# Inside

It has been a historic first half of FY22, including our listing on the ASX and NZX.

While our listing could be seen as the completion of a journey, we view it as part of a longer sustained journey, the beginning of the next chapter. The arctic tern on the cover of this report represents this. Breeding in the Arctic and wintering in the Antarctic the arctic terns travel 70,000 km annually.

Like the arctic tern, Vulcan takes a long term view, quietly achieving what seems impossible. We are spreading our wings setting off on the next stage of our voyage!

Half Year Operating and Financial Review	4
Half Year (1H FY22) at a Glance	5
Overview	6
Steel & Metals	7
Operating Expenditure, Business Initiatives and Cash Flow	8
Balance Sheet and Dividends	9
Outlook and Guidance	10
Our Principles	11
Our Ethos	12
Thank You	13
Financial Statements	14-22
Directors' Declaration	23
Independent Auditor's Review Report	24
Corporate Directory	25

# Half Year Operating and Financial Review

The Directors of Vulcan are pleased to present their report on the consolidated entity consisting of Vulcan Steel Limited (Company) and its subsidiaries (Group) for the half year ended 31 December 2021.

The Directors of the Company during or since the end of the half year are:



**Russell Chenu**  
CHAIR



**Wayne Boyd**  
NON-EXECUTIVE  
DIRECTOR



**Pip Greenwood**  
NON- EXECUTIVE  
INDEPENDENT DIRECTOR



**Bart de Haan**  
NON- EXECUTIVE  
INDEPENDENT DIRECTOR



**Rhys Jones**  
CHIEF EXECUTIVE  
OFFICER AND  
MANAGING DIRECTOR



**Carolyn Steele**  
NON- EXECUTIVE  
INDEPENDENT DIRECTOR



**Peter Wells**  
NON- EXECUTIVE  
DIRECTOR

## Principal Activities

The principal activities of the Group are in the distribution and processing of a wide range of steel products to industrial customers in Australia and New Zealand.

## Review of Operations

The Directors' Review of Vulcan's operations and financials for the half year ended 31 December 2021 is set out in this interim report.





# Performance Highlights

<p>REVENUE</p> <p><b>NZ\$463m<sup>1</sup></b></p> <p>+35% on NZ\$344m 1H FY21</p>	<p>GROSS MARGIN</p> <p><b>41.3%</b></p> <p>+6.1% on 35.2% in 1H FY21</p>	<p>ADJUSTED EBITDA<sup>2</sup> (EXCLUDING OFFER COSTS)</p> <p><b>NZ\$118m</b></p> <p>(NZ\$106m pre-IFRS 16<sup>3,4</sup> basis)</p> <p>+98% on NZ\$60m in 1H FY21</p>	<p>ADJUSTED NPAT<sup>5</sup> (EXCLUDING OFFER COSTS)</p> <p><b>NZ\$70m</b></p> <p>(NZ\$72m pre-IFRS 16 basis)</p> <p>+139% on NZ\$29m in 1H FY21</p>	<p>ADJUSTED EPS<sup>6</sup> (EXCLUDING OFFER COSTS)</p> <p><b>NZ 53.0c</b></p> <p>(NZ 54.6c pre-IFRS 16 basis)</p> <p>+139% on 22.2 NZ cents in 1H FY21</p>
<p>OPERATING CASH FLOW (INCLUDING OFFER COSTS)</p> <p><b>NZ\$36m</b></p> <p>-45% on NZ\$65m in 1H FY21</p>	<p>CUSTOMERS TRANSACTED WITH VULCAN<sup>7</sup></p> <p><b>12,014</b></p> <p>+201 or 1.7% on 2H FY21</p>	<p>SALES VOLUME</p> <p><b>138,265 t</b></p> <p>+10% on 126,196 tonnes in 1H FY21</p>	<p>SUCCESSFULLY LISTED ON THE ASX &amp; NZX</p> <p><b>1-in-5</b></p> <p>of our 842 staff bought shares from the public offer</p>	<p>INTERIM DIVIDEND (TOTTALLING NZ\$36m)</p> <p><b>NZ 27.5c</b></p> <p>Record date 11 March 2022 Payable on 8 April 2022</p>

1. m - millions. 2. Earnings before interest, depreciation and amortisation. 3. IFRS 16 - New Zealand accounting recognition of right of use assets and corresponding liabilities on leases adopted in FY20. 4. Pre-IFRS 16 - NZ International Accounting Standard 17 - accounting treatment of leases prior to the introduction of IFRS 16 in FY20. 5. Net profit after tax. 6. Earnings per share. 7. Based on customers that transacted with Vulcan at least once in the relevant period.

# Half Year Operating and Financial Review continued

Vulcan (ASX: VSL, NZX: VSL) an Australasian-wide industrial product distributor and value-added processor is pleased to announce a record half year performance for the six months ended 31 December 2021 (1H FY22, the first half of 2022 financial year), its inaugural result as a publicly-listed company since 4 November 2021.

## Overview

### Statutory basis

- Revenue of NZ\$463m, up 35% from NZ\$344m in 1H FY21
- EBITDA of NZ\$102m, up 71% from NZ\$60m in 1H FY21
- NPAT of NZ\$54m, up 85% from NZ\$29m in 1H FY21
- EPS of 41.0 NZ cents, up 85% from 22.2 NZ cents in 1H FY21

### Adjusted basis (excluding offer costs)

- EBITDA was NZ\$118m, up 98% in 1H FY22 from NZ\$60m in 1H FY21
- NPAT was NZ\$70m, up 139% in 1H FY22 from NZ\$29m in 1H FY21
- EPS of 53.0 NZ cents, up 139% in 1H FY22 from 22.2 NZ cents in 1H FY21

Notwithstanding COVID-19, our businesses have traded well in the first six months of FY22. This strength has been broad-based across our Australasia Steel and Metals business units. Revenue in Australia and New Zealand in 1H FY22 grew 36% and 32% year-on-year, respectively. Vulcan sold more than 138,000 tonnes of product in the first half of FY22, up 10% from the same period in FY21.

Overall gross profit per tonne lifted NZ\$420 to NZ\$1,381 in 1H FY22 from NZ\$961 in 1H FY21. This translated to an improved gross margin of 41.3% in 1H FY22 compared with 35.2% in 1H FY21. Vulcan demonstrated the operating leverage within its business model to achieve a 25.5% adjusted EBITDA margin in 1H FY22, up from 16.4% (excluding gain on property sale) in 1H FY21.

The Vulcan team's discipline in stock management and service level ensures our customers remain well-served. To this end, Vulcan's strong 1H FY22 cash generation enables the company to further invest in our staff, working capital and processing capacity for growth, and to preserve financial flexibility for potential acquisitions and distribution of profits to shareholders.

Reflecting on the significant rise in general living costs, Vulcan increased the base remuneration for our staff over the last six months. In recognition of our staff's efforts through a challenging and busy period, Vulcan further decided in December to pay eligible staff a living cost support bonus to help alleviate the financial pressures on our team and their families.

MILLION NZ\$ (UNLESS STATED)	EBITDA		EBIT		NPAT		EPS (NZ CENTS)	
	1H FY22	1H FY21	1H FY22	1H FY21	1H FY22	1H FY21	1H FY22	1H FY21
<b>Statutory basis</b>	<b>102.4</b>	<b>59.7</b>	<b>89.0</b>	<b>45.4</b>	<b>53.9</b>	<b>29.1</b>	<b>41.0</b>	<b>22.2</b>
+ IPO Offer costs	15.8	-	15.8	-	15.8	-	12.0	-
<b>Adjusted basis</b>	<b>118.1</b>	<b>59.7</b>	<b>104.8</b>	<b>45.4</b>	<b>69.7</b>	<b>29.1</b>	<b>53.0</b>	<b>22.2</b>
- Operating leases	-11.8	-11.4	-2.9	-2.3	2.0	2.4	1.5	1.8
<b>Adjusted pre-IFRS16 basis</b>	<b>106.3</b>	<b>48.3</b>	<b>101.9</b>	<b>43.1</b>	<b>71.7</b>	<b>31.5</b>	<b>54.6</b>	<b>24.0</b>

# Half Year Operating and Financial Review continued

## Steel

Steel revenue rose NZ\$89m (42%) to NZ\$300m in 1H FY22 from NZ\$211m in 1H FY21. Sales tonnes increased to approximately 113,000 tonnes in the first half of FY22, up 10% from the same period in FY21. Average revenue per tonne rose NZ\$604 (29%) to NZ\$2,659 in 1H FY22 from NZ\$2,055 in 1H FY21.

Steel gross profit per tonne improved NZ\$369 (53%) to NZ\$1,059 in 1H FY22 from NZ\$691 in 1H FY21 which translated to 40.0% gross margin in 1H FY22 compared with 33.6% in 1H FY21. Positive operating leverage benefits saw Steel deliver a 28.1% EBITDA margin in 1H FY22, up from 18.3% in 1H FY21. As a result, EBITDA increased NZ\$46m to NZ\$84m in 1H FY22 from NZ\$38m in 1H FY21.

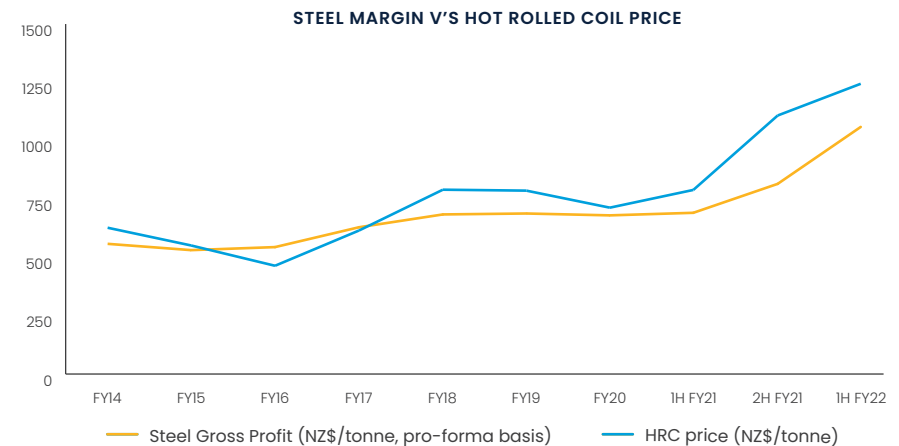
## Metals

Metals revenue rose NZ\$30m (22%) to NZ\$163m in 1H FY22 from NZ\$133m in 1H FY21. Sales tonnes increased to approximately 25,000 tonnes in the first half of FY22, up 8% from the same period in FY21. Average revenue per tonne rose NZ\$765 (14%) to NZ\$6,428 in 1H FY22 from NZ\$5,663 in 1H FY21.

The Metals segment also benefited from positive operating leverage which led to a 9.2% increase in EBITDA margin to 27.2% in 1H FY22, up from 18.0% in 1H FY21. As a result, EBITDA increased NZ\$20m to NZ\$44m in 1H FY22 from NZ\$24m in 1H FY21.

POST IFRS 16 <sup>1</sup> MILLION NZ\$	STEEL			METAL		
	1H FY22	1H FY21	YOY Change	1H FY22	1H FY21	YOY Change
Revenue	300.3	211.0	42.3%	162.7	133.1	22.2%
Adjusted EBITDA <sup>2</sup>	84.5	38.5	119.3%	44.3	24.0	84.5%
Sales (000 tonnes)	113.0	102.7	10.0%	25.3	23.5	7.7%
Revenue / Tonne	2,659	2,055	29.4%	6,428	5,663	13.5%
EBITDA Margin <sup>2</sup>	28.1%	18.3%	9.9%	27.2%	18.0%	9.2%

1. NZ International Financial Reporting Standard (IFRS) 16 – accounting recognition of right of use assets and corresponding liabilities on leases adopted in FY20  
 2. Before significant item



# Half Year Operating and Financial Review continued

## Operating Expenditure (OPEX)

OPEX (before depreciation and amortisation) increased NZ\$8m to NZ\$73m in 1H FY22 from NZ\$65m in 1H FY21. This reflects a combination of staff cost inflation and the additional costs as a public company. Vulcan was able to broadly maintain its cost efficiency as a result of a 10% growth in year-on-year sales volume in 1H FY22.

MILLION NZ\$	1H FY22	1H FY21	% CHANGE
Employee Benefits	47.3	41.8	13%
Selling & Distribution (S&D)	8.8	8.5	4%
Occupancy Costs	2.8	2.5	12%
General & Admin. (G&A)	14.1	11.8	19%
<b>Operating Expenses<sup>1,2</sup></b>	<b>73.0</b>	<b>64.6</b>	<b>13%</b>
Average staff numbers	846	850	0%
Sales Volume (000 Tonnes)	138.3	126.2	10%
Total Opex / Tonne (\$)	528	512	3%

1.Exclude Depreciation & Amortisation

2.Before significant items (offer costs in FY22)

## Business Initiatives

As outlined in Vulcan's prospectus (15 October 2021), the company commenced the implementation of several business improvement opportunities with potential to increase its annual run-rate revenue by up to NZ\$60m over 36 months based on prevailing market demand, costs, and pricing conditions. These initiatives are expected to begin delivering revenue in FY23.

## Cash Flows

### Operating cash flows

Net cash flow from operating activities decreased NZ\$29m to NZ\$36m for the half year to 31 December 2021. A strong increase in cash flow from earnings was offset by increased investment in working capital (discussed in the "Balance Sheet" section), and payments for higher taxes and public listing offer costs in 1H FY22.

### Capital expenditure

Capital expenditure was NZ\$5m 1H FY22 compared with Vulcan's budget of NZ\$14.1m for FY22 (as outlined in the Company's prospectus 15 October 2021), and NZ\$2m in 1H FY21.

### Distribution prior to public listing

The NZ\$68.0m dividend paid in 1H FY22 reflects an NZ\$18.0m ordinary distribution and a NZ\$50.0m special distribution prior to its public listing, as outlined in Vulcan's prospectus (15 October 2021).

MILLION NZ\$	1H FY22	1H FY21	% CHANGE
Receipts from customers	522.2	389.3	34%
Payments to suppliers & employees	-456.8	-306.8	49%
Interest paid	-1.3	-0.6	108%
Tax paid	-22.8	-11.6	97%
Lease interest paid	-5.6	-5.6	0%
<b>Net cash flows from operating activities</b>	<b>35.6</b>	<b>64.7</b>	<b>-45%</b>
Capital expenditure	-5.3	-1.9	179%
Lease liability payments	-6.2	-5.7	9%
Dividends	-68.0	-40.0	70%



# Half Year Operating and Financial Review continued

## Balance Sheet

### Working capital

Net working capital (excluding cash and tax payable) increased from NZ\$180m on 30 June 2021 to NZ\$216m on 31 December 2021. Longer procurement lead time, higher product costs and a decision taken to accommodate future growth has led to greater investment in inventory.

### Debt

Excluding lease liabilities of NZ\$201m, Vulcan completed the half year to 31 December 2021 with a net debt position of NZ\$113m. This represented an increase of NZ\$43m compared with a net debt position of NZ\$70m excluding NZ\$195m of lease liabilities on 30 June 2021.

Since Vulcan's public listing, our lender banks have removed the previous minimum NZ\$100m shareholder funds covenant on our facilities. In addition, Vulcan has updated its combined NZ\$200m credit lines to be on a fully committed basis. The Company's previous banking arrangement was based on NZ\$160 million of committed facilities and NZ\$40m of uncommitted facilities.

At 0.68 times net debt to EBITDA cover and 48.9 times EBIT to net interest cover<sup>9</sup> (twelve months to 31 December 2021 basis), Vulcan remains well within its banking covenants of less than three times net debt to EBITDA and more than three times EBIT to net interest cover. These banking facilities are due to expire in July 2025.

### Funds employed

Including NZ\$140m shareholders' funds and NZ\$201m lease liabilities, Vulcan's funds employed were NZ\$453m on 31 December 2021.

MILLION NZ\$	31-DEC-21	30-JUN-21	% CHANGE
Trade and other receivables	123.3	128.1	-4%
Inventories	264.4	191.5	38%
less trade and other payables	-171.3	-139.9	22%
<b>Working capital excluding tax items</b>	<b>216.4</b>	<b>179.8</b>	
Tax payable	-19.2	-13.8	40%
<b>Working capital</b>	<b>197.2</b>	<b>166.0</b>	<b>19%</b>
Property, plant equipment	52.4	51.8	1%
Intangibles	12.9	13.3	-3%
Right-of-use assets	182.3	179.0	2%
Other assets and liabilities	8.7	8.5	2%
Lease liabilities	-200.6	-194.7	3%
Net banking debt	-113.3	-69.8	62%
<b>Net assets / Shareholders funds</b>	<b>139.5</b>	<b>154.1</b>	<b>-9%</b>

## Dividends

The Board has declared a 27.5 NZ cents per share interim dividend (fully imputed at 28% tax rate for NZ resident shareholders, unfranked for shareholders resident in Australia) which reflects Vulcan's policy range<sup>10</sup> outlined in our prospectus (15 October 2021). Australian-domiciled investors may benefit from their entitlement to receive an equivalent amount in supplementary dividend payment as an offset against the nonresident withholding tax due on this imputed interim dividend (as outlined on page 104 of Vulcan's prospectus dated 15 October 2021).

Vulcan intends to frank the company's final dividend for FY22 to the maximum level possible based on Australian tax credits available.

<sup>9</sup> Pre-IFRS 16 basis as per agreement with lenders.

<sup>10</sup> The company targets a 60%-80% annual distribution on statutory net profit after tax adjusted for significant items approved by the Board and intends to pay between 40%-50% of the expected annual dividend as interim dividend with the balance of 50%-60% to be paid as a final dividend.

# Half Year Operating and Financial Review continued

## Outlook & Earnings Guidance

Activity level and margins in the 1H FY22 have been ahead of expectations and broad-based across various industries including the manufacturing, mining, agriculture, food processing, transport and construction sectors in Australia and New Zealand.

Global steel demand was estimated to have risen 4.5% in 2021 and is forecast to lift a further 2.2% in 2022. Global steel production<sup>1</sup> appears to have stabilised in 4Q 2021 following approximately an 18% decline from the mid-2021 peak.

Ongoing COVID-19 impacts on the global and Australasian economies and supply chain, as well as expectations of rising interest rates could lead to variable activity level in 2H FY22 and into FY23. Workforce absenteeism arising from COVID-19 across the economy could continue to disrupt productivity and economic activity level for a period. Also, with seasonally fewer trading days in the second half of our financial year compared with the first half, the timing of public holidays in 2H FY22 and an additional national holiday in New Zealand, Vulcan expects overall 2H FY22 sales volume to be lower than 1H FY22.

In the short term, some normalisation in margins could occur in 2H FY22 and FY23. Our focus remains on driving margin performance over time.

Overall, following the conclusion of stronger than expected trading since Vulcan's last trading update to the ASX and NZX in early December 2021 and reflecting the ongoing COVID-19 uncertainty, Vulcan is increasing its proforma post-IFRS 16 EBITDA guidance by approximately 11% at the mid-point to NZ\$194m-NZ\$204m from previously \$174m-\$184m, and proforma post IFRS 16 NPAT guidance by approximately 15% at the mid-point to NZ\$107m-NZ\$114m from previously \$93m-\$100m.

POST IFRS 16 MILLION NZ\$	PRO FORMA* EBITDA		PRO FORMA* NPAT	
	Post-IFRS 16	Pre-IFRS 16	Post-IFRS 16	Pre-IFRS 16
New Guidance Range**	194-204	170-180	107-114	111-118
Previous Guidance	174-184	150-160	93-100	97-104
Dollar Change***	20	20	14	14
% Change ***	11%	13%	15%	14%

\*Pro forma financial information as described in Vulcan's Prospectus which was included to enable readers to examine what the company considers to be its underlying financial performance of the business presented on a consistent basis.

\*\*Subject to ongoing risks outlined in the Company's Prospectus lodged on 15 Oct 2021.

\*\*\* Compared with previous guidance range, at the mid-point.

1. World Steel Association.

In summary, Vulcan is performing well despite a disrupted environment. The company is progressing its strategy for future growth. The Vulcan team, as it has done for many years, remains engaged in delivering value-accretive growth to shareholders over time.

**Global steel demand<sup>1</sup> was estimated to have risen 4.5% in 2021 and is forecast to lift a further 2.2% in 2022.**

# Our Principles

We believe that by creating the right environment we inspire the delivery of amazing results for our clients.

---

Be financially prosperous

---

Provide an enjoyable workspace

---

Remain ambitious

---

Promote a safe working environment

---

Balance the above

---





# Our Ethos

At Vulcan we hold ourselves to the highest standards in our work, how we do it and how we treat one another.

---

**Team first but respect the individual**

---

**Responsibility with minimum misunderstanding**

---

**Clear profit centre unit goals**

---

**Relaxed, professional, committed**

---

**Support our local communities**

---



# Thank you

We regard the preservation of our culture – our principles and ethos – as primacy to delivering more future successes. As an industrial distributor and value-added processor, the Vulcan team continues to focus on improving our high service level and product availability to meet the needs of our growing and diverse customer base. On behalf of the Board, we would like to express our appreciation to our team, customers, suppliers and shareholders for their ongoing perseverance, commitment and support as we embark on our flight as a public company.



**Russell Chenu**  
DIRECTOR



**Rhys Jones**  
CHIEF EXECUTIVE OFFICER  
MANAGING DIRECTOR



# Financial Statements



# Financial Statements

## Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (unaudited)

For the six months to 31 December 2021

NZD \$000'	Notes	Unaudited 31 Dec 2021	Unaudited 31 Dec 2020
Revenue	5	462,993	344,120
Cost of sales		(272,013)	(222,884)
<b>Gross profit</b>		<b>190,980</b>	<b>121,236</b>
Other income		-	3,067
Selling and distribution expenses		(8,768)	(8,488)
General and administrative expenses		(93,199)	(70,396)
<b>Total operating expenses</b>	<b>6</b>	<b>(101,967)</b>	<b>(78,884)</b>
<b>Operating profit before financing costs</b>		<b>89,013</b>	<b>45,419</b>
Financing income		3	11
Financing expenses		(7,078)	(6,194)
<b>Net financing costs</b>		<b>(7,075)</b>	<b>(6,183)</b>
<b>Profit before tax</b>		<b>81,938</b>	<b>39,236</b>
Tax expense		(28,000)	(10,130)
<b>Profit after tax</b>		<b>53,938</b>	<b>29,106</b>
<b>Other comprehensive Income</b>			
<i>Items that may be reclassified to profit or loss when specific conditions are met</i>			
Exchange differences on translation of foreign operations		(809)	(522)
Net fair value gain (loss) on cash flow hedges		(31)	(1,808)
<b>Other comprehensive income, net of tax</b>		<b>(840)</b>	<b>(2,330)</b>
<b>Total comprehensive income</b>		<b>53,098</b>	<b>26,776</b>
<b>Attributable to:</b>			
Owners of Vulcan Steel Limited		53,098	26,776
Basic earnings per share (cents)	10	\$0.41	\$0.22
Diluted earnings per share (cents)	10	\$0.41	\$0.22

# Financial Statements continued

## Consolidated Condensed Interim Balance Sheet (unaudited)

As at 31 December 2021

NZD \$'000'	Notes	Unaudited 31 Dec 2021	Audited 30 Jun 2021
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		12,657	10,163
Trade and other receivables		123,346	128,141
Inventories		264,418	191,532
Derivative financial instruments		1,175	1,227
<b>Total current assets</b>		<b>401,596</b>	<b>331,063</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		52,428	51,831
Right-of-use assets		182,292	179,002
Intangible assets		12,924	13,302
Deferred tax assets		7,493	7,255
<b>Total non-current assets</b>		<b>255,137</b>	<b>251,390</b>
<b>TOTAL ASSETS</b>		<b>656,733</b>	<b>582,453</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		171,340	139,894
Lease liabilities		12,817	13,078
Tax payable		19,239	13,761
<b>Total current liabilities</b>		<b>203,396</b>	<b>166,733</b>
<b>Non-current Liabilities</b>			
Lease liabilities		187,822	181,603
Interest-bearing liabilities		126,000	80,000
<b>Total non-current liabilities</b>		<b>313,822</b>	<b>261,603</b>
<b>TOTAL LIABILITIES</b>		<b>517,218</b>	<b>428,336</b>
<b>EQUITY</b>			
Share capital	9	11,988	11,988
Retained earnings		123,321	137,383
Reserves		4,206	4,746
<b>TOTAL EQUITY</b>		<b>139,515</b>	<b>154,117</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>656,733</b>	<b>582,453</b>



# Financial Statements continued

## Consolidated Condensed Interim Statement of Changes in Equity (unaudited)

For the six months to 31 December 2021

NZD \$'000'	Notes	Share Capital	Retained Earnings	Share Based Payment Reserve	Other Reserves	Attributable to Owners of Vulcan Steel Ltd
<b>Balance as at 1 July 2020</b>		<b>11,862</b>	<b>120,551</b>	<b>-</b>	<b>2,557</b>	<b>134,970</b>
<b>Comprehensive income</b>						
Profit after tax		-	29,106	-	-	29,106
<b>Other comprehensive (loss) income</b>						
Foreign currency translation reserve		-	-	-	(522)	(522)
Cash flow hedge reserve		-	-	-	(1,808)	(1,808)
<b>Total comprehensive income</b>		<b>-</b>	<b>29,106</b>	<b>-</b>	<b>(2,330)</b>	<b>26,776</b>
<b>Transactions with owners</b>						
Issue (buyback) of shares	9	(3,194)	-	-	-	(3,194)
Dividends declared		-	(35,000)	-	-	(35,000)
<b>Balance as at 31 December 2020</b>		<b>8,668</b>	<b>114,657</b>	<b>-</b>	<b>227</b>	<b>123,552</b>
<b>Balance as at 1 July 2021</b>		<b>11,988</b>	<b>137,383</b>	<b>-</b>	<b>4,746</b>	<b>154,117</b>
<b>Comprehensive income</b>						
Profit after tax		-	53,938	-	-	53,938
<b>Other comprehensive (loss) income</b>						
Foreign currency translation reserve		-	-	-	(809)	(809)
Cash flow hedge reserve		-	-	-	(31)	(31)
<b>Total comprehensive income</b>		<b>-</b>	<b>53,938</b>	<b>-</b>	<b>(840)</b>	<b>53,098</b>
<b>Transactions with owners</b>						
Issue (buyback) of shares	9	-	-	-	-	-
Share based payments reserve		-	-	300	-	300
Dividends paid		-	(68,000)	-	-	(68,000)
<b>Balance as at 31 December 2021</b>		<b>11,988</b>	<b>123,321</b>	<b>300</b>	<b>3,906</b>	<b>139,515</b>

# Financial Statements continued

## Consolidated Condensed Interim Statement of Cash Flows (unaudited)

For the six months to 31 December 2021

NZD \$'000'	Unaudited 31 Dec 2021	Audited 31 Dec 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	522,208	389,339
Interest received	3	11
Payments to suppliers and employees	(456,822)	(306,802)
Tax paid	(22,840)	(11,586)
Interest paid	(1,275)	(614)
Lease interest paid	(5,626)	(5,662)
<b>Net cash flows from operating activities</b>	<b>35,648</b>	<b>64,686</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of property, plant and equipment and intangibles	349	10,079
Purchase of property, plant and equipment and intangibles	(5,270)	(1,917)
<b>Net cash flows from investing activities</b>	<b>(4,921)</b>	<b>8,162</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of share capital	-	(3,194)
Lease liability payments	(6,213)	(5,738)
Drawdown (repayment) of borrowings	46,000	(17,391)
Repayment of shareholder advance	-	433
Dividends paid	(68,000)	(40,000)
<b>Net cash flows from financing activities</b>	<b>(28,213)</b>	<b>(65,890)</b>
Net (decrease) increase in cash	2,514	6,958
Effect of foreign exchange rates	(20)	(66)
Opening cash	10,163	14,196
<b>Closing cash</b>	<b>12,657</b>	<b>21,088</b>
<b>RECONCILIATION OF CLOSING CASH</b>		
Cash and cash equivalents	12,657	21,088
<b>Closing cash</b>	<b>12,657</b>	<b>21,088</b>
<b>CASH FLOW RECONCILIATION</b>		
<b>Profit after tax</b>	<b>53,938</b>	<b>29,106</b>
Add (deduct) non cash items:		
Amortisation of right of use assets	8,987	9,098
Depreciation, amortisation and impairment of other assets	4,355	5,176
Net loss (gain) on disposal of assets	(71)	(3,058)
Other non-cash items	(156)	434
	<b>13,115</b>	<b>11,650</b>
<b>Net working capital movements:</b>		
Trade and other receivables	4,795	3,830
Inventories	(72,886)	20,878
Trade and other payables	31,446	1,380
Taxation payable	5,478	111
Deferred tax asset	(238)	(2,269)
	<b>(31,405)</b>	<b>23,930</b>
<b>Net Cash flows from Operating Activities</b>	<b>35,648</b>	<b>64,686</b>

# Financial Statements continued

## Condensed Notes to the Interim Consolidated Financial Statements (unaudited)

As at and for the six months to 31 December 2021

### 1. REPORTING ENTITY

Vulcan Steel Limited (the "Company") together with its subsidiaries (the "Group") is primarily involved in the sale and distribution of steel and metal products, with operations in New Zealand and Australia.

The Company is a profit-oriented entity, domiciled in New Zealand, registered under the Companies Act 1993 and listed on the Australian Securities Exchange ("ASX") with a dual listing on the New Zealand Stock Exchange ("NZX") main board (under the code "VSL"). The Company is an FMC Reporting Entity under the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013.

### 2. BASIS OF PREPARATION

#### Statement of compliance

These consolidated condensed interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP) as appropriate for Tier 1 for-profit entities' interim financial statements. The Group financial statements have been prepared in accordance with the New Zealand equivalent to International Accounting Standard 34 - Interim Financial reporting (NZ IAS 34). In complying with NZ IAS 34, these statements comply with International Standard 34 - Interim Financial Reporting.

These consolidated condensed interim financial statements have not been audited. The financial statements comply with IAS 34 Interim Financial Reporting and have been the subject of review by the auditor, pursuant to NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity*, issued by the External Reporting Board. They do not include all of the notes normally included in an annual financial report, and should be read in conjunction with the audited financial statements for the year ended 30 June 2021.

#### Basis of measurement

The consolidated condensed interim financial statements have been prepared on the basis of historical cost with the exception of the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value through profit or loss and other comprehensive income.

The Statement of Profit or Loss and Other Comprehensive Income has been prepared so that all components are stated exclusive of GST. All items in the Balance Sheet are stated net of GST, with the exception of receivables and payables, which include GST invoiced. The cash flows from operating activities are presented inclusive of GST.

#### Functional currency

The consolidated condensed interim financial statements are presented in NZD which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

#### Significant accounting policies

The accounting policies and computation methods used in the preparation of the consolidated condensed interim financial statements are consistent with those used as at 30 June 2021 and 31 December 2020.

In addition, the Company has established a Long-Term Incentive Plan (LTIP), effective 1 July 2021. The fair value of Performance Share Rights (PSRs) are recognised as an expense in the Statement of Profit or Loss over the vesting period of the rights with a corresponding entry to the share based payments reserve.

#### Changes to accounting policies

There are no new standards or amendments to standards applicable to the Group for the six months ended 31 December 2021 that have materially impacted the financial statements. The Group has early-adopted the amendments to NZ IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current and Non-Current. No impact has been had on the financial statements as a result of adoption. No other changes to accounting policies have been made during the period and policies have been consistently applied to all periods presented.

### 3. SIGNIFICANT TRANSACTIONS AND EVENTS FOR THE CURRENT PERIOD

#### Impact of COVID-19

The COVID-19 pandemic is likely to have both negative and positive impacts for the industry and Vulcan. COVID-19 lockdown restrictions in Australia and New Zealand impacted Vulcan's operations and are expected to continue to do so over the 2022 calendar year.

It is not possible to isolate the financial impact of COVID-19 from the underlying performance of the business. The full future impact of COVID-19 on the steel industry in Australia and New Zealand is still unclear.

#### Capital Structure

The Company listed on the ASX with a dual listing on the NZX main board (under the code "VSL") on 4 November 2021.

#### Distribution prior to public listing

The \$68.0m dividend paid in the first half of FY22 reflects an \$18.0m ordinary distribution of 13.7 cents per share (paid on 18 August 2021) and a \$50m special distribution prior to its public listing, as outlined in the Company's prospectus (15 October 2021). In the prior period dividends of \$35.0m were declared and paid. A dividend of \$5.0m declared on 8 June 2020 was paid 30 August 2020.

#### 4. OPERATING SEGMENTS

Vulcan comprises the following operating segments based on internal reports that are reviewed and used by the Chief Operating Decision Maker (CODM - comprising the CEO and Managing Director) in assessing performance and in determining the allocation of resources:

##### Steel business across Australia and New Zealand

Steel distribution – the sale of hollows, merchant products including bars, beams, angles, channels, unprocessed coil and plate;

Plate processing – cutting, drilling, tapping, countersinking and folding of plates to customer requirements;

Coil processing – sheeting & slitting to customer specifications.

##### Metals business across Australia and New Zealand

Stainless steel – the sale of stainless steel products including hollows, bars, fittings and sheets, and processing services including cutting, drilling, tapping, countersinking and folding of plates to customer requirements, as well as sheeting & slitting of stainless coil;

Engineering steel – the sale of high-performance steel and metal products, and cutting service to specification.

Reporting is received on at least a monthly basis, and performance is measured based on underlying segment earnings before interest, tax, depreciation, amortisation and significant items (EBITDA). EBITDA is used to measure performance as the CODM believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within this industry.

The Group has a diverse range of customers from various industries, with no single customer contributing more than 10% of the Group's revenue.

Interest income and expenses are not allocated to segments, as decisions are made on a pre-NZ IFRS 16 Leases basis and other interest income and expense related activities are driven by the central corporate function, which manages the cash position of the Group.

Assets and liabilities are provided to the CODM on a Group basis, and are separately reported with respect to the individual operating segments.

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

The following is an analysis of the Group's results by reportable segment:

NZD \$'000'	Unaudited 31 Dec 2021				Unaudited 31 Dec 2020			
	Steel	Metals	Corporate	Total	Steel	Metals	Corporate	Total
<b>Total operating revenue</b>	<b>300,311</b>	<b>162,682</b>	<b>-</b>	<b>462,993</b>	<b>211,018</b>	<b>133,102</b>	<b>-</b>	<b>344,120</b>
<b>EBITDA (post IFRS16)</b>	<b>84,498</b>	<b>44,344</b>	<b>(10,734)</b>	<b>118,108</b>	<b>38,473</b>	<b>24,012</b>	<b>(2,792)</b>	<b>59,693</b>
Significant items				(15,753)				-
<b>EBITDA (post IFRS 16 and significant items)</b>				<b>102,355</b>				<b>59,693</b>
Depreciation & amortisation				(13,342)				(14,274)
<b>EBIT</b>				<b>89,013</b>				<b>45,419</b>
Finance costs				(7,075)				(6,183)
<b>Profit before tax</b>				<b>81,938</b>				<b>39,236</b>
Tax expense				(28,000)				(10,130)
<b>Reported NPAT attributable to shareholders</b>				<b>53,938</b>				<b>29,106</b>
Depreciation & amortisation of PPE & intangibles				(4,355)				(5,176)
Amortisation of right of use assets				(8,987)				(9,098)
<b>Total depreciation &amp; amortisation</b>				<b>(13,342)</b>				<b>(14,274)</b>
Finance income				3				11
Finance charges - interest, line fees & other				(1,452)				(533)
Finance charges on lease liabilities				(5,626)				(5,662)
<b>Finance charges</b>				<b>(7,075)</b>				<b>(6,183)</b>
Principal lease payments	(6,711)	(5,128)	-	(11,839)	(6,479)	(4,921)	-	(11,400)
<b>Underlying EBITDA (pre-IFRS16)</b>	<b>77,787</b>	<b>39,216</b>	<b>(10,734)</b>	<b>106,269</b>	<b>31,994</b>	<b>19,091</b>	<b>(2,792)</b>	<b>48,293</b>
<b>Significant items<sup>1</sup></b>								
IPO costs	-	-	(15,753)	(15,753)	-	-	-	-
TOTAL ASSETS <sup>2</sup>	357,485	261,371	37,877	656,733	315,436	231,401	35,616	582,453
TOTAL LIABILITIES <sup>2</sup>	214,676	147,790	154,752	517,218	195,186	124,973	108,177	428,336
<b>Geographical Information</b>	<b>NZ</b>	<b>Australia</b>	<b>Corporate</b>	<b>Total</b>	<b>NZ</b>	<b>Australia</b>	<b>Corporate</b>	<b>Total</b>
TOTAL OPERATING REVENUE	171,353	291,640	-	462,993	129,930	214,190	-	344,120
EBITDA (post IFRS 16 and significant items)	52,470	76,372	(26,487)	102,355	29,446	33,039	(2,792)	59,693
TOTAL NON CURRENT ASSETS <sup>2</sup>	57,719	171,340	26,078	255,137	60,541	164,581	26,268	251,390

1. Significant Item means any income or expense of such size, nature or incidence that is relevant to the user's understanding of the performance of the entity and is disclosed as a "Significant Item" in the financial statements.

2. Assets and liabilities for the comparative period have been presented at 30 June 2021.



**5. REVENUE**

NZD \$000'	Unaudited 31 Dec 2021	Unaudited 31 Dec 2020
Total operating revenue	462,993	344,120
Other income	-	3,067
Other income relates to a gain on sale of property.		
There is no strong seasonal impact on operating revenue earned.		

**6. EXPENSES**

NZD \$000'	Unaudited 31 Dec 2021	Unaudited 31 Dec 2020
<b>Profit before tax includes the following expenses:</b>		
Employee benefit expenses	43,775	38,667
Defined contribution plans	3,507	3,162
Depreciation and amortisation	13,342	14,274
Selling and distribution	8,768	8,488
Occupancy costs	2,778	2,528
IPO costs	15,753	-
Other expenses	14,044	11,765
<b>Total selling, general and administrative expenses</b>	<b>101,967</b>	<b>78,884</b>

**7. EMPLOYEE SHARED BASED COMPENSATION**

The Company has established a Long-Term Incentive Plan (LTIP), effective 1 July 2021, to assist in the motivation, retention and reward of eligible employees. The LTIP is designed to align the interests of employees with the interests of Shareholders by providing an opportunity for certain employees to receive an equity interest in the Company.

The Board may determine the individual employees who are eligible to participate in the LTIP from time to time. Determination of eligibility is at the Board's sole and absolute discretion.

Under the LTIP, the Company may grant Performance Share Rights (PSR) to a Participant. Each PSR unit entitles the holder (at no cost to the Participant) to one ordinary share in the Company. Unless otherwise stated, PSR grants are to be made annually on 1 July.

All incentives have a 3-year vesting period. The LTIs are split into 2 components ("Tranche 1" and "Tranche 2"). Each Tranche contains 195,811 PSR and a combined face value of \$2,945,000. The vesting criteria for Tranche 1 is based on Return on Capital Employed ("ROCE") thresholds while Tranche 2 is based on the Company's total shareholder return ("TSR") ranking relative to a "Benchmark Group". For both tranches the individual must remain employed by the Company.

The Benchmark Group comprise all companies in the ASX 300 index (excluding mining, energy and financial companies). The measurement of both the Company's and benchmark TSRs will be the gross return based upon any capital gains (losses) and the cash component of dividends only (i.e., excluding returns attributable to franking credits). The share price returns of the Company and/or the Benchmark Group will also be adjusted for:

- The impact of bonus issues and /or capital reconstructions; and
- Referenced to the 20-day Volume Weighted Average Price ("VWAP") of the Company's share price prior to the testing date.

The fair value of PSRs are recognised as an expense in the Statement of Profit or Loss over the vesting period of the rights with a corresponding entry to the share based payments reserve.

The total expense recognised in the period to 31 December 2021 in relation to equity settled share based payments was \$300,000 (2020: \$nil). No rights were exercised during the year.

**8. IMPAIRMENT TESTING AND INTANGIBLES**

The annual impairment test is performed as at 30 June each year. Goodwill is considered to be impaired if the carrying amount of the relevant cash generating units ("CGUs") exceeds its recoverable amount. The recoverable amount of a CGU is the higher of its fair value less costs of disposal ("FVLCOB") and its value-in-use ("VIU"). We use a VIU approach to estimate the recoverable amount of the CGU to which each goodwill component is allocated. Based on this assessment, no impairment was identified for any CGU, therefore a FVLCOB calculation was not required.

Goodwill and other intangible assets with indefinite useful lives are tested at least annually for any impairment. All CGUs were tested for impairment at the prior reporting date. The recoverable amounts of CGUs have been determined on a consistent basis to 30 June 2021. No impairment indicators have been subsequently identified.

**9. SHARE CAPITAL**

FULLY PAID ORDINARY SHARES	Unaudited 31 Dec 2021		Audited 30 Jun 2021	
	Number of Shares	Share Capital \$000	Number of Shares	Share Capital \$000
Opening balance	131,408,572	11,988	131,383,572	11,862
Issue of shares	-	-	25,000	126
Employee share based payment plans	-	-	-	-
Repurchases of shares	-	-	-	-
Repayments of debt and equity securities	-	-	-	-
Number of shares on issue	131,408,572	11,988	131,408,572	11,988
<b>Closing balance</b>	<b>131,408,572</b>	<b>11,988</b>	<b>131,408,572</b>	<b>11,988</b>

As at 31 December 2020 the Company had repurchased 875,000 shares for \$3,193,750. The shares were subsequently re-issued in the period ended 30 June 2021.

**10. EARNINGS PER SHARE**

	Unaudited 31 Dec 2021	Unaudited 31 Dec 2020
Profit after tax (\$000)	53,938	29,106
Weighted average ordinary shares outstanding (number of shares)	131,408,572	131,383,572
Basic earnings per share (cents per share)	\$0.41	\$0.22
Diluted earnings per share (cents per share)	\$0.41	\$0.22

**11. FINANCIAL INSTRUMENTS**

NZ IFRS 13 for financial assets and liabilities measured at fair value requires disclosure of the fair value measurements by level from the fair value hierarchy, described as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; or

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); or

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All the Group's financial instruments held at fair value have been measured at the fair value measurement hierarchy of level 2 (2020: level 2).

The carrying value of the Group's financial assets and liabilities approximate the fair values.

**12. CAPITAL COMMITMENTS**

Total capital expenditure contracted as at balance date but not provided for in the accounts was \$4.5m (30 June 2021: \$5.2m).

**13. CONTINGENT LIABILITIES**

There are no contingent liabilities as at balance date (30 June 2021: nil).

**14. RELATED PARTY TRANSACTIONS**

The Company has related party relationships with its subsidiaries and with key management personnel.

Related party transactions continue to include key executive remuneration, lease payments on the buildings and dividends paid by the Group to certain directors, shareholders and key management personnel. In addition to this, a new long term incentive plan has been entered into by the Group for its key management personnel which includes the managing director. Refer to note 7 for details on this arrangement.

**15. EVENTS OCCURRING AFTER BALANCE DATE**

On 10 February 2022, the Directors approved an interim dividend of 27.5 cents per share totalling \$36.1 million. The dividend record date is 11 March 2022 and payment will occur on 8 April 2022.

No other matters or circumstances have arisen since the end of the financial period which significantly affect the company, the results of those operations, or the state of affairs of the company in future financial years.


## Directors' Declaration

The unaudited interim financial statements of Vulcan Steel Limited and its subsidiaries (the Group) for the half year ended 31 December 2021 were authorised for issue on 10 February 2022 in accordance with a resolution of the directors.

In accordance with ASX Listing Rule 4.2A.2A, the directors declare that, as at that date, and in the directors' opinion:

1. There are reasonable grounds to believe the Group will be able to pay its debts as and when they become due and payable: and
2. The relevant interim financial statements and notes comply with the accepted accounting standards in New Zealand.

For and behalf of the Board



**Russell Chenu**  
DIRECTOR



**Rhys Jones**  
CHIEF EXECUTIVE OFFICER  
MANAGING DIRECTOR



## INDEPENDENT AUDITORS REVIEW REPORT TO THE SHAREHOLDERS OF VULCAN STEEL LIMITED

### Conclusion

We have reviewed the consolidated condensed interim financial report of Vulcan Steel Limited ('the Company') and its subsidiaries ('the Group') on pages 15 to 22 which comprise the consolidated condensed interim balance sheet as at 31 December 2021, and the consolidated condensed interim statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended on that date, and a summary of significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2021 and its financial performance and cash flows for the 6 months ended on that date in accordance with NZ IAS 34 Interim Financial Reporting and IAS 34 Interim Financial Reporting.

### Basis for Conclusion

We conducted our review in accordance with NZ SRE 2410 (Revised) Review of Financial Statements Performed by the Independent Auditor of the Entity ('NZ SRE 2410 (Revised)'). Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Interim Financial Statements section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor and the provision of investigating accountant services in relation to the Company's IPO, we have no relationship with or interests in Vulcan Steel Limited or its subsidiaries. These services have not impaired our independence as auditor of the Group.

### Directors' responsibilities for the interim financial statements

The directors are responsible on behalf of the Company for the preparation and fair presentation of the interim financial statements in accordance with NZ IAS 34 Interim Financial Reporting and IAS 34 Interim Financial Reporting and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared, in all material respects, in accordance with NZ IAS 34 Interim Financial Reporting and IAS 34 Interim Financial Reporting.

A review of the interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently do not enable us to obtain assurance that we might identify in an audit. Accordingly we do not express an audit opinion on the interim financial statements.

### Restriction on use

This report is made solely to the company's shareholders, as a body. Our review has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's shareholders as a body, for our engagement, for this report, or for the conclusions we have formed.

**Andrew Boivin, Partner**  
for Deloitte Limited  
Auckland, New Zealand  
10 February 2022



# Corporate Directory

## BOARD OF DIRECTORS

**Russell Chenu** (Chairman)

**Peter Wells**

**Wayne Boyd**

**Rhys Jones**

**Barthold De Haan**

**Pip Greenwood**

**Carolyn Steele** (appointed 16 August 2021)

## EXECUTIVE TEAM

**Rhys Jones**

CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

**Kar Yue Yeo**

CHIEF FINANCIAL OFFICER

**Adrian Casey**

CHIEF OPERATING OFFICER

## REGISTERED OFFICE

**Grant Thornton New Zealand Limited**

152 Fanshawe Street

Auckland, New Zealand

[www.vulcan.co](http://www.vulcan.co)

## AUDITORS

**Deloitte Limited**

## COMPANY NUMBERS

NZ Incorporation: 681317

Vulcan Steel Limited NZBN: 9429038466052

Vulcan Steel Pty Limited ABN: 61 100 061 283

**VULCAN.**

VULCAN.CO