

Shareholder Newsletter

June 2025

Dear Shareholder

Kia Ora, Tēnā Koutou

While the broader economic environment continues to present challenges – both locally and globally - we're staying focused on what matters most: looking after our customers and building strength from within. As a cyclical company, we know these periods are part of the journey. Over the past 70-plus years, we've proven our ability to navigate the cycle and we're ready to accelerate when the recovery arrives.

Staying Focused and Building Resilience

Domestically, the recessionary environment has impacted the construction and manufacturing sectors, infrastructure projects have been cancelled or paused and business confidence is muted. Internationally, geopolitical tensions and shifting global dynamics have added to the uncertainty. But there are early signs of improvement. Interest rates are beginning to ease, and we're starting to see more projects move from pricing into implementation. Growth is modest—but it's a start. The Government has an important role to play in lifting confidence and activity. While the fast-track approvals and infrastructure funding are yet to gain traction, the long-term need remains massive.

Growth Through Acquisition and Innovation

Our goal is to grow, both organically and through smart acquisitions, which we expect over time will result in us being an NZX50 company. A key step in that direction has been our acquisition of Perry Metal Protection, which adds further capability in higher-value steel solutions, is immediately accretive and offers significant cross-selling opportunities. You can read more about our acquisition of Perry's in this newsletter.

We've also invested in new profiles and machinery for roofing products and continue to drive efficiencies across the business, with significant cost-out over the past two years. It's paying off—our customer base is growing, particularly with our Tier 1 and 2 clients, and our digital channels are thriving. Our webshop now sees 40% of active customers regularly logging in to track orders, check pricing and availability, and manage their accounts.

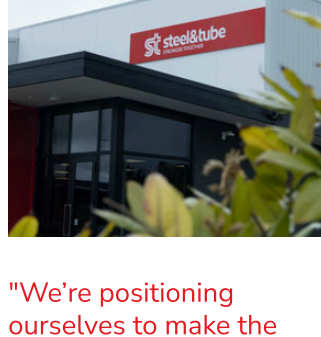
The initiatives we have undertaken, including organic growth and recent acquisitions will help ensure resilience against future cyclical downturns.

Our People, Our Advantage

Our team remains central to our success. We've continued to invest in training, leadership development, and wellbeing. From sales training and Safety at Night programmes to financial wellness webinars, we're equipping our people with tools that support them at work and beyond.

With interest rates heading downward and demand slowly returning, timing the recovery will be key—and we're positioning ourselves to make the most of it when it comes.

Susan Paterson Chair
Mark Malpass Chief Executive Officer



"We're positioning ourselves to make the most of the recovery when it comes."

WELCOMING PERRY METAL PROTECTION



A Strategic Step Forward

Steel & Tube welcomes Perry Metal Protection

Steel & Tube has officially welcomed Perry Metal Protection into the group, alongside smaller grating and sandblasting operations - marking a major milestone in the company's growth strategy and service expansion. The \$42.3 million acquisition, settled in May, adds industry-leading galvanizing services to Steel & Tube's portfolio - strengthening our nationwide offer and further expanding our range of high quality products and services.

The acquisition significantly strengthens Steel & Tube's offering, adding hot dip galvanising—a service that protects steel and adds longevity, especially important for New Zealand's coastal and remote environments. From wind farms to wharves, galvanised steel plays a critical role in infrastructure durability.

"This is a great acquisition for us," says Steel & Tube CEO Mark Malpass. "Perry's is a market leader in galvanising, and their strong customer relationships and quality focus align perfectly with our own values."

It also comes at a time of strong, long-term demand trends for steel. The New Zealand Government has earmarked over \$68 billion in infrastructure spending over the next four years alone. Galvanised steel will be essential across many of these projects—where only steel can meet the strength, resilience, and environmental demands.

The strategic benefits are clear. Steel & Tube and Perry's have highly aligned customer bases, creating cross-selling and growth opportunities. With a national branch and freight network, Steel & Tube will also expand access to Perry's galvanising services across the country, improving delivery and turnaround times and improving drop-off access for customers.

For customers, it means a broader offering from a trusted partner. For Perry's, it means scale and support to grow. And for Steel & Tube shareholders, it's a smart move that enhances capability and positions the business for long-term value.

[Watch video](#)



Perry Metal Protection: Extending the Life of NZ's Steel

For more than 50 years, Perry Metal Protection has played a crucial role in protecting steel in New Zealand—helping it stand up to the elements, last longer, and perform better.

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

With New Zealand's harsh coastal climate and exposure to wind and salt, galvanized steel is vital for outdoor and hard-to-reach structures—bridges, wharves, wind farms, and industrial buildings. It reduces the need for ongoing maintenance and helps deliver long-term value across the construction and infrastructure sectors.

Based in the Waikato, with national reach, Perry Metal Protection has built a reputation for quality, turnaround, and customer service, becoming the preferred choice for many of the country's top fabricators and builders.

At the heart of the business is a strong people-first culture.

National Manager Steve Halse says, "We live and breathe our values - focusing on what matters to our customers—quality and turnaround."

With a history rooted in innovation and reliability, Perry's continues to evolve to meet the needs of modern construction - supporting projects that shape New Zealand's future.



June 2025 Procurement Update

Steel & Tube prepares a regular Procurement Update, providing insights into the global steel market and what this means for Steel & Tube and our customers. The June 2025 Update 'Fragile Recovery' shows that global prices are near cyclical lows, with a muted recovery in steel demand expected over 2026. Pleasingly the domestic outlook in New Zealand is showing early signs of stabilisation.

[Read more](#)



Making Life Easier For Our Customers

In 2024, we completed a 12-month project to increase our warehouse capacity and improve our service offer and productivity for our Fasteners business. The benefits to our business and our customers are now becoming clear.

- Faster, better, more reliable delivery – DIFOT measures at 99+%
- New priority customer same day despatch service for fasteners – assurance for customers
- More capacity = higher stock levels = increased availability for customers
- Improved stock accuracy, increased speed of picking

Introducing Steve Halse - National Manager, Perry Metal Protection

Almost 8 years ago, when he first stepped into his role as National Manager of Perry Metal (recently acquired by Steel & Tube), the distinctive sound of galvanizing plant and the pop and bang of molten zinc tweaked his enthusiasm to further understand what made a galvanizing business tick. Steve says it's the people-first culture and relentless customer focus that makes the team stand out.

"We live and breathe our values. Our focus on quality and turnaround means price isn't the deciding factor—our service is," he explains.

Perry Metal Protection has built a reputation on producing high-quality galvanized products for its customers with speed and precision. Steve sees quality and short leadtime's as key to Perry Metal Protection remaining a leading galvanizing supplier across New Zealand with sites in Auckland, Hamilton, Wellington, and Christchurch.

"Quality isn't a box to tick exercise for us," it's the key to our long-term success."

The recent acquisition by Steel & Tube opens exciting new doors.

"Joining the Steel & Tube family provided synergies that would ultimately benefit both companies and further strengthen our positioning in the New Zealand steel and coatings market.

We're strongly aligned in the steel supply and fabrication market. Now with a shared customer base, it's all about value-adding. It's a great fit."

While Steve takes pride in customer feedback and team achievements, it's his personal mindset that he values most.

"I'm proud of being willing to give something a go—even if it scares the bejeebers out of me," he says with a grin.

When he's not leading teams or engaging with customers, you'll find Steve enjoying time at home, travelling overseas with his wife, or trackside at the speedway, Motorsport and golf are his go-to passions outside of work.

Under Steve's leadership, Perry's continues to thrive—now with the added strength and scale of being part of the Steel & Tube family.



NEW PRODUCTS



QBT450 Performs in Tough Wellington Conditions

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This 185m² re-roof presented the perfect proving ground for the award-winning QBT450 tray profile. Facing relentless southerlies and salt-spray, the homeowner needed a roofing solution that was not only durable and low maintenance but also visually striking.

Having seen QBT450 on another project, the client opted for the same system in mill finish marine-grade aluminium - unpainted, corrosion-resistant, and built to endure Wellington's harsh coastal conditions. The sleek, minimalist design and clean lines of the tray profile gave the home a sharp, modern finish.

A woven mesh underlay provided ventilation, while custom detailing around skylights and penetrations eliminated the need for back flashings—delivering a streamlined, watertight result. Stainless steel was used for the internal gutter and chimney tops to maximise durability.

The QBT450 profile has no external penetrations, supports passive ventilation, and adapts well to thermal and seismic movement—making it both architecturally and structurally advanced. As the only BRANZ-approved tray profile in New Zealand, QBT450 is fast becoming the go-to choice for modern, coastal builds.

This Seatoun home is a showcase for how QBT450 combines form and function—handling Wellington's elements with ease, while delivering clean, contemporary style.