



**Perry Metal  
Protection  
Acquisition**



# Steel-ing the Opportunity

- **Attractive transaction structure and price, acquired at the bottom of the cycle**
- **Immediately earnings accretive**
- **Further extends Steel & Tube's market leading range of steel and metal products and solutions**
- **Significant synergies and value**
- **Optimally positioned to capitalise and deliver earnings growth when the economy recovers**

# Transaction Summary

**The acquisition expands customer offer and supports Steel & Tube's strategy of investing in high value products and services**

## Transaction

- Acquisition of assets of Perry Metal Protection, Perry Grating and Waikato Sand Blasting for \$43.3m including \$5.8m of inventory; 90% of earnings are from Perry Metal Protection
- Transaction price equates to 3-year average EBITDA multiple of 5x\*
- Performance based earnout payable end of year two, up to a value of \$6m; option to extend earnout to year three
- Settled 1 May 2025

## Funding

- The acquisition, including earnout, is funded with a mixture of debt (~70%) and equity (30%)
- The newly issued equity in Steel & Tube Holdings has resulted in 15,476,755 shares being issued (9.2% increase in shares on issue)

## Positive Impact on Earnings

- Earnings accretive to Steel & Tube from day one
- Estimated EPS 1.5c in first 12 months of ownership
- Approximately \$0.8m in transaction and integration costs across FY25 and FY26

# Perry Metal Protection

- Established in 1974 as part of Perry Group, nationwide footprint and market leading position 44% share in hot dip galvanizing
- New Zealand's largest and most modern galvanizing operation, based in Hamilton
- Four galvanising sites with capacity to galvanize a wide range of steel structures including fabricated steel, pipes, gates, trailers, stillages and beams
- Includes a complementary steel grating products and sandblasting businesses
- 106 employees across 6 locations



**6 Sites**  
Nationwide

## Hot Dip Galvanising

**NZ market value**

**\$90m**

**NZ market size**

**40k**

Tonnes per annum

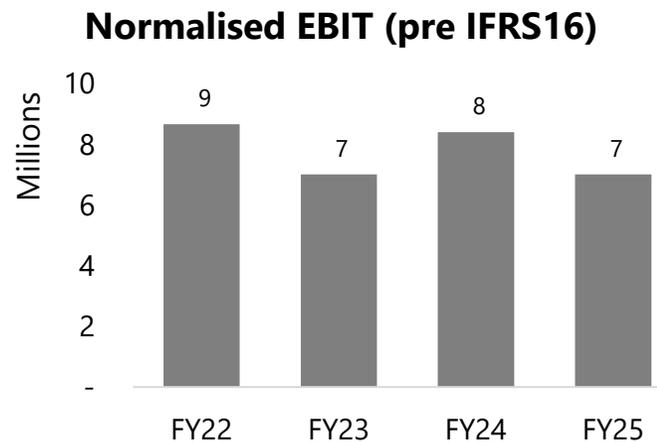
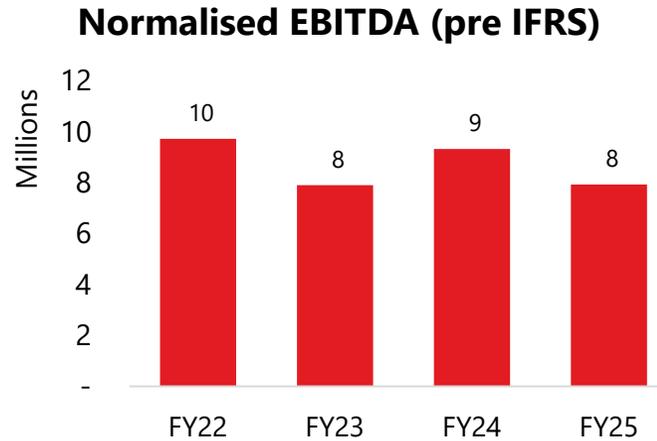
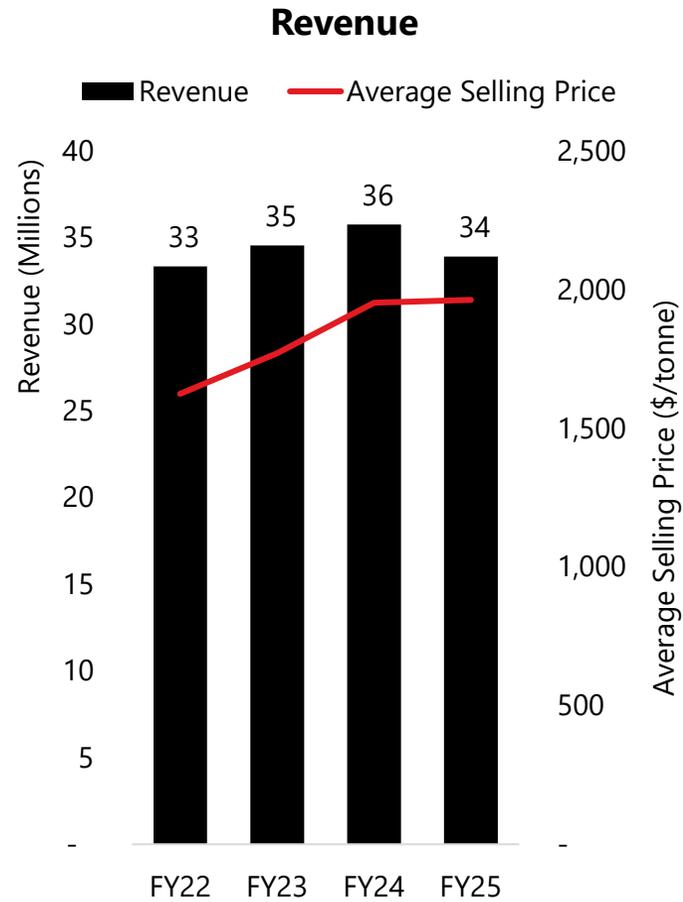
**Perry Metal Protection**

**17k**

Tonnes per annum

# Business performance – key metrics

Strong fundamentals and stable earnings through the cycle



## Immediate Returns

Immediately earnings accretive

Earnings per Share

# 1.5c

First 12 months' ownership (estimated)



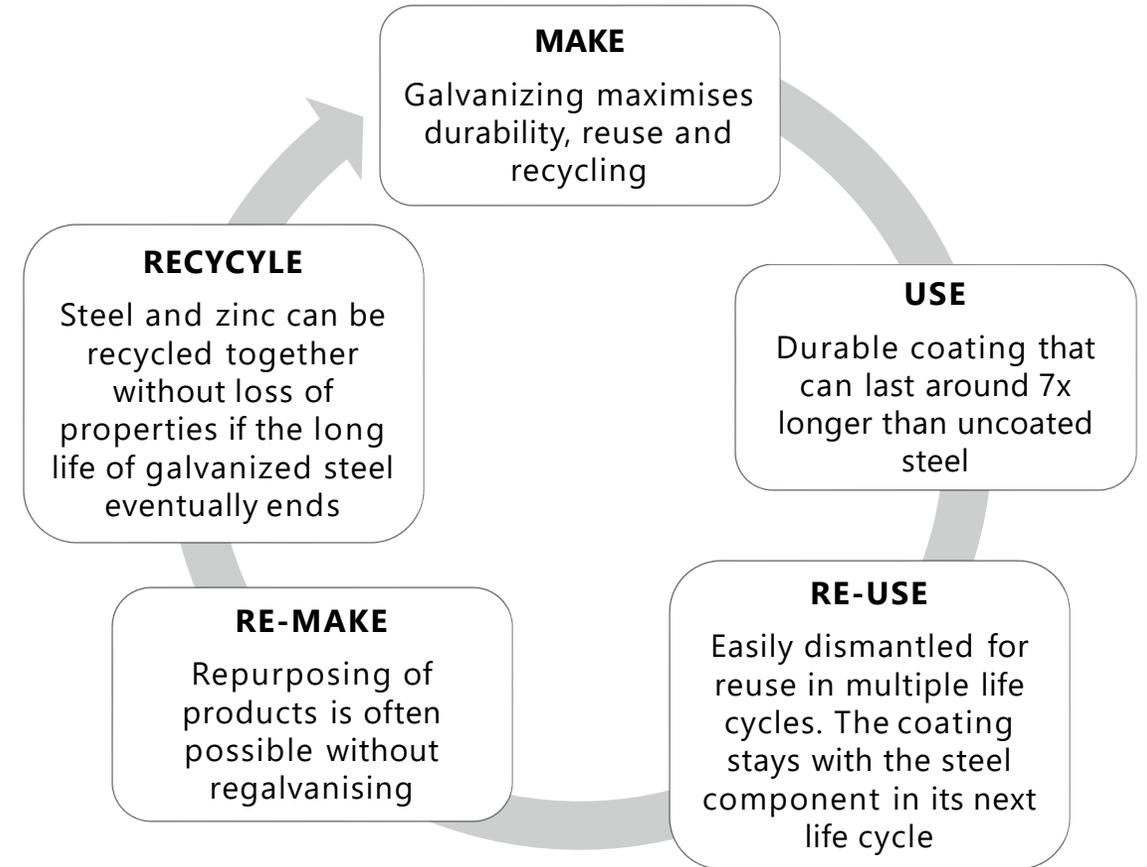
The draft financial results presented have been extracted from management accounts provided during the due diligence process. These results are based on a March fiscal year end.

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

# Hot Dip Galvanising

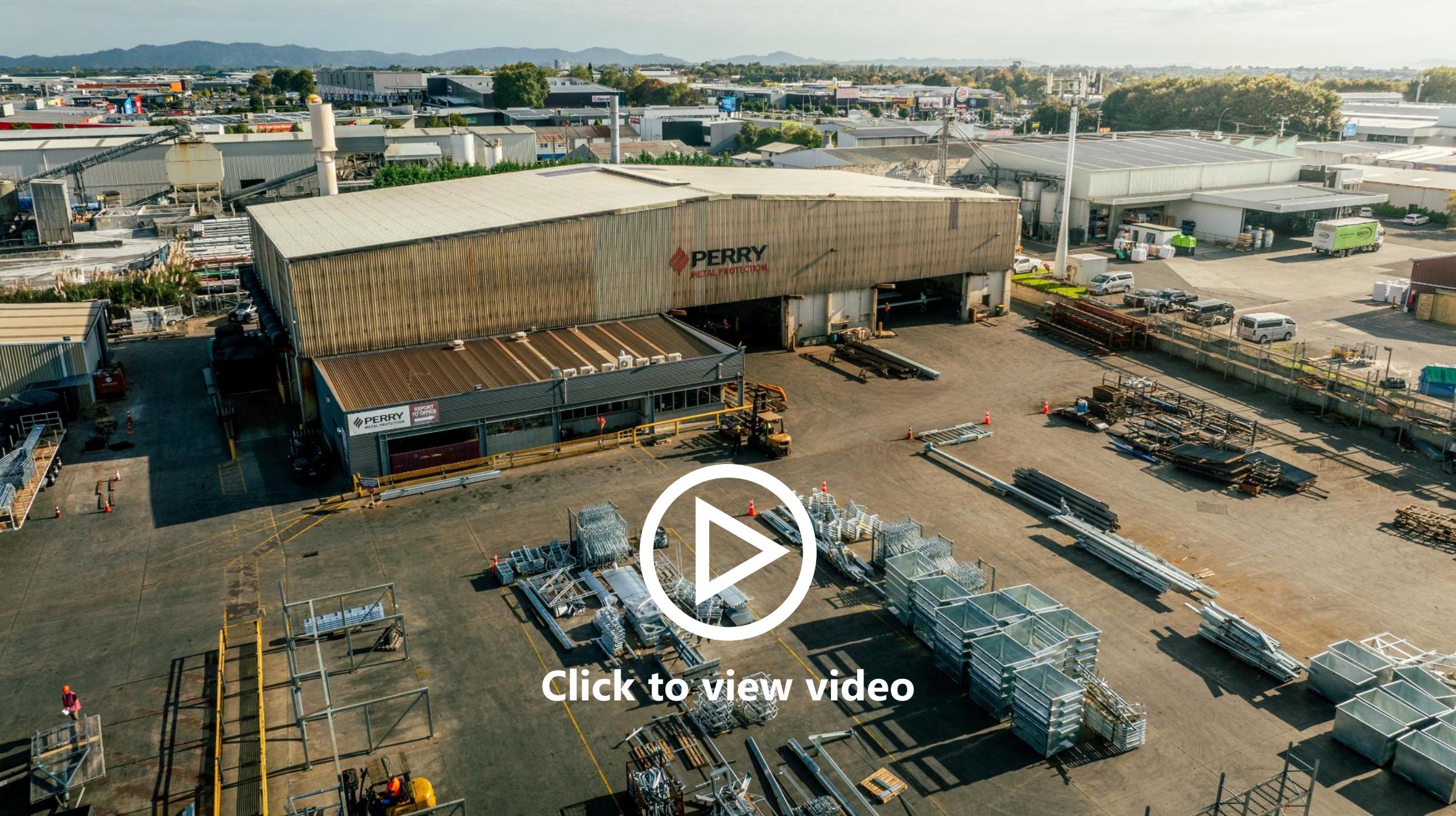
## Protects steel from corrosion, extends life of steel up to 7x

- Provides a thick, durable and uniform zinc coating that protects steel for decades
- Excellent for harsh outdoor, industrial or coastal conditions
- Hot-dip process coats internal surfaces, essential for structural integrity
- Once galvanised, steel requires little to no maintenance
- Higher initial cost but lower life-cycle cost due to long life and no repainting
- Common in infrastructure projects where a 50+ year lifespan is expected
- Once the coating has been consumed, the item can be re-galvanized and returned to service for the same period time yet again
- Approximately half of worldwide steel production goes to replacing rusted steel



# Attractive investment with strong strategic rationale

- **High value service and products**, in line with Steel & Tube's investment strategy
- Provides **earnings consistency** throughout the cycle
- **Market leading position** in hot dip galvanising
- **Highly aligned customer base** – ability to add value to mutual customers
- **Identified synergies** including further growth pathways, benefits estimated at \$1m per annum
- **Nationwide reach with industry leading assets** – utilising Steel & Tube's branch and freight network to expand customer access and ease
- **Strong brands** retained including Perry Metal Protection, Perry Grating and Waikato Sand Blasting
- **Highly engaged management team and workforce**, expert team ensuring best quality
- **Supportive macro trends** – good for customers and the planet, extends life of steel by up to 7x



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