



NZSA Tauranga Branch Meeting

25 July 2023

Agenda

- About Steel & Tube
- Performance & Sustainability
- Growth Strategy
- Q&A

Intro Video



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



Steel & Tube

- One of New Zealand's leading providers of steel solutions
- A proud New Zealand company, with over 69 years of trading history
- We offer New Zealand's most comprehensive range of steel products, services and solutions
- Our stable of best-in-class businesses are some of this country's leading steel suppliers



**27 Sites
Nationwide**

Our business divisions

Distribution

Products sourced from preferred steel mills and distributed through our national network



Steel

Piping Systems

Chain & Rigging



Fastenings

Rural Products

Stainless Steel

Infrastructure

Products processed before sale, typically on a contract or project basis, including onsite installation services



Roofing

Coil Processing

Reinforcing



Purlins

ComFlor/ CFDL

Mesh

Primary product and service offering by participants

	Steel distribution	Plate processing	Coil processing	Stainless steel	Engineering steel	Reinforcing steel	Wire	Roofing	Fasteners
Steel & Tube	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fletcher Steel	✓	✓	✓	—	✓	✓	✓	✓	—
Vulcan	✓	✓	✓	✓	✓	—	—	—	—
United Industries	✓	—	—	—	—	✓	✓	✓	—
Asmuss	✓	—	—	—	—	—	✓	—	✓
Summit Steel & Wire	—	—	—	—	—	✓	✓	—	✓
Wakefield Metals	—	—	—	✓	✓	—	—	—	—

Our journey

Our goal is to be the best in the sector, the preferred choice for steel products and solutions and a trusted partner for our customers.

FY18 - FY20

**Project Strive –
company wide reset
to refocus, reduce
costs and streamline
the business**

FY21 – FY22

**Embedded value.
Focus moving to
growth. Covid
headwinds**

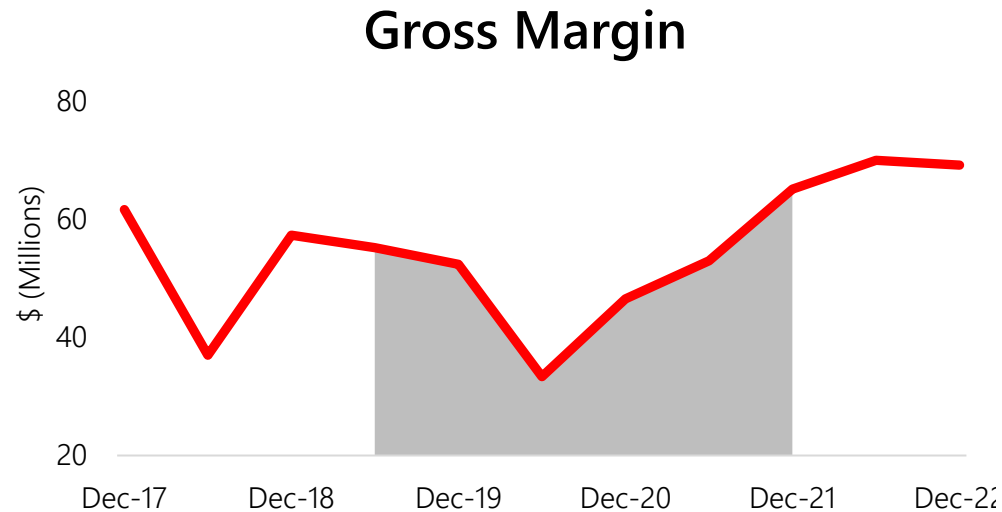
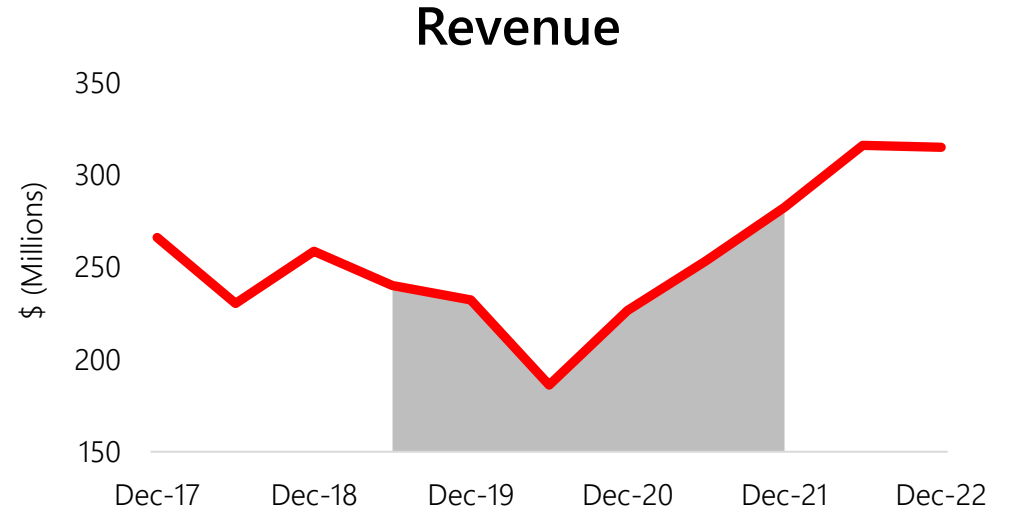
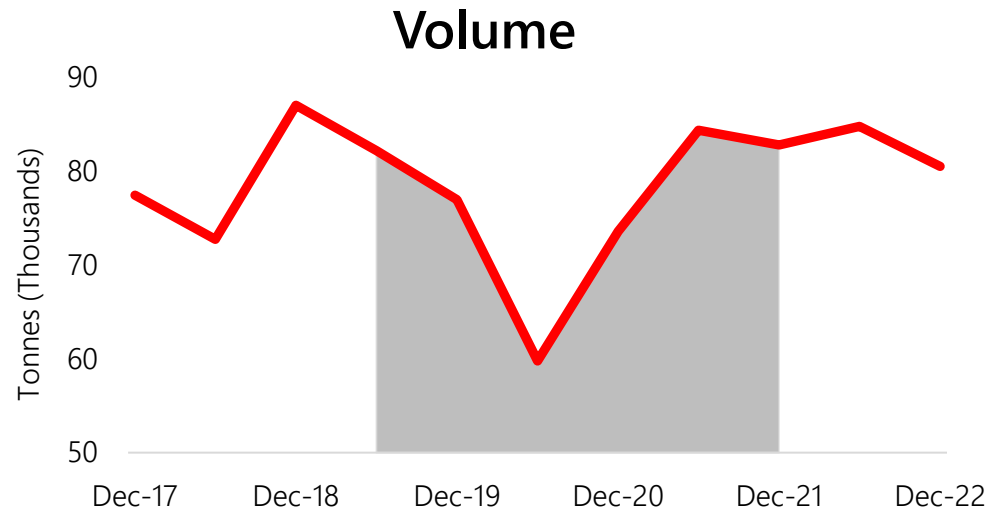
FY23 onwards

**Value of turnaround
now apparent. Strong
focus on growth with
clear strategy in place**

FY22 & FY23 demonstrated Steel & Tube's value

- **Strong financial performance**
- **Robust operating model that will deliver through the economic cycle**
- **Clear focus on continuing to strengthen the core and investing in high value products, services and sectors**
- **Goal to deliver sustainable double-digit ROFE**
- **18 July 2023 guidance EBITDA \$52-\$53 million, EBIT \$31-\$32 million**
- **Dividend policy of 60% to 80% of adjusted NPAT**

Financial Performance 1H23



Shaded area represents results affected by COVID-19

Building a sustainable business

Long term business sustainability supported by balance sheet strength through the economic cycle with capacity for growth investment

Continued commitment to Quality, Health and Safety with ongoing independent inspection systems

Continuing strength in key metrics in FY23

Customer Satisfaction
NPS 42 (FY22: 40)

Employee Safety Measure
eTRIFR 1.14 (FY22: 1.13)

Employee Engagement
Employee NPS 35 (FY22: 35)

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

Customer NPS industry average is 32

Employee NPS industry average is 18

Employee Total Recordable Injury Frequency Rate (eTRIFR): Employee safety measure

Building a sustainable business

Long term aim is to operate the business in a way that is financially rewarding for our shareholders and positive for our people, our customers and our planet



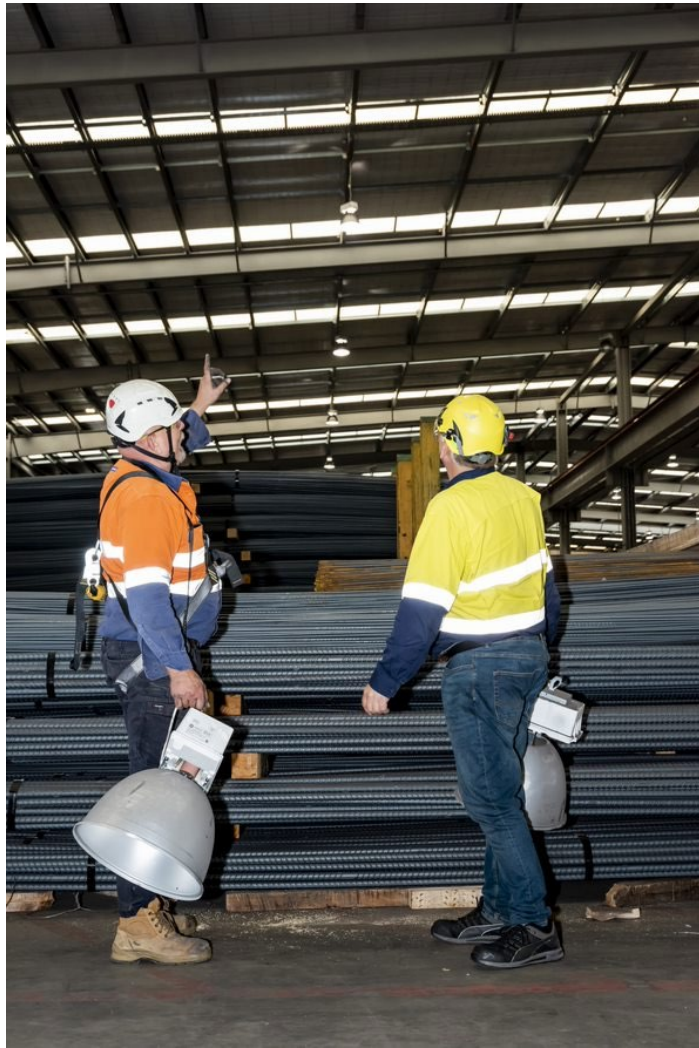
Sustainable Steel

Steel facilitates a circular economy

- Infinitely recyclable
- Reduced construction waste
- Durable
- Non-toxic and inert



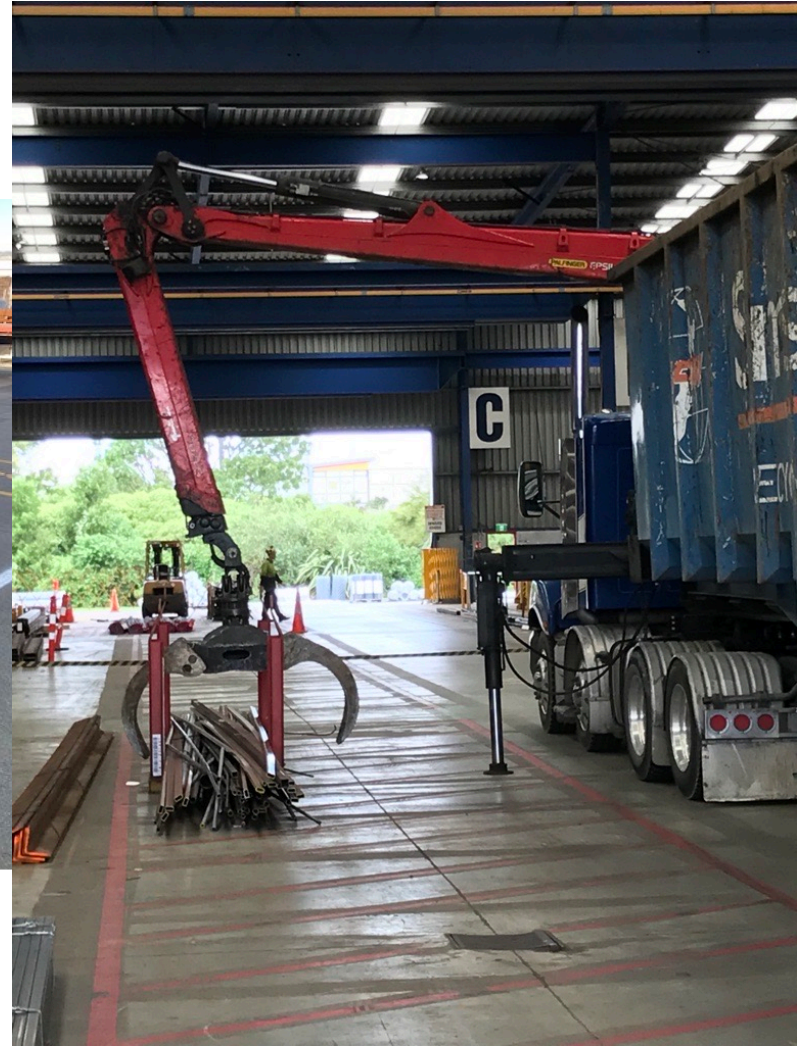
ESG Initiatives



LED replacement program complete



New BYD EV in Christchurch



Scrap steel collection

Our strategy

Building on momentum to create a market leading business

**Strengthen
the core**

**Grow high
value products,
services and
sectors**

Strategic pathways

Overall goal to deliver gross margin improvement – benefits expected from FY24 onwards

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

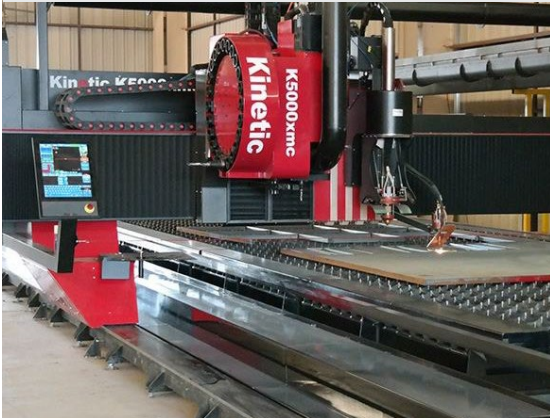
Grow High Value Products, Services and Sectors

- High value products, diversified materials and value-added services
- Diversify customer segments and build scale
- Primary focus is on organic investment and programmatic smaller M&A in direct adjacent sectors

Recent growth initiatives: Reporting back

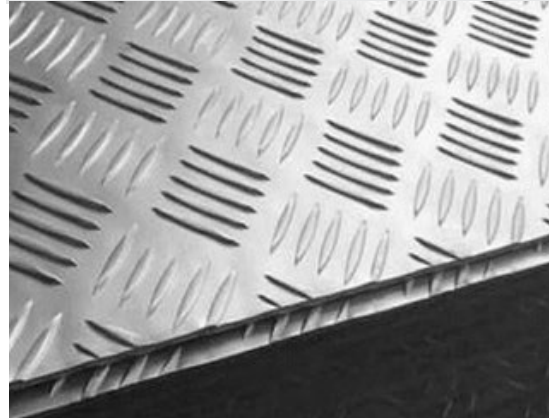
ORGANIC GROWTH

Plate Processing



- New high specification Plate Processing & Press Brake installed
- Earnings momentum building with further expansion plans in progress

Aluminum



- Selected range of high demand, high value products
- Immediately earnings accretive
- Pleasing initial demand

PROGRAMMATIC M&A

Kiwi Pipe & Fittings



- Integration in line with expectations with business operating on Steel & Tube systems
- Solid forward workload in the pipeline

Fasteners NZ



- Continued growth in customers and earnings
- New product range extensions supporting growth

Steel & Tube is strongly positioned to deliver through the economic cycle

Key Strengths

- Unmatched breadth of high-quality product and solutions
- National network with regional strength
- Enhanced customer value proposition and high levels of customer service
- Disciplined operational, supply chain and inventory management
- Strong pricing governance and controls and use of data analytics
- Experienced board and management team – industry knowledge and enhanced digital capability



Discussion

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