

Steel & Tube Acquires Trucking Fleet

Steel & Tube Holdings Limited (NZX: STU) has today announced the acquisition of 20 owned and leased trucks and eight owned trailers from Roadex Logistics Limited (Roadex), a long-term provider of freight delivery services to Steel & Tube.

Steel & Tube has purchased eight trucks and associated trailer units from Roadex and taken over the lease arrangements for a further 12 trucks. These trucks are specialist units designed for steel freight and lifting operations. As part of this acquisition, 20 existing Roadex drivers have joined the Steel & Tube team as employees. The transaction was effective 30 April 2024.

Total capital costs are \$0.7m and the transaction is expected to be immediately earnings accretive. Payback on the initial investment is less than one year. The acquisition complements the six existing trucks in Steel & Tube's fleet, bringing the total to 26. The Company will continue to review options to extend its fleet of specialist steel delivery trucks across the country where this can provide improved service and positive earnings.

CEO Mark Malpass commented: "After steel and labour costs, freight is the third largest cost element of the steel supply chain. Freight services is an important part of our service proposition and drivers are a key interface with our customers. Direct ownership of this element of specialist freight services to our customers is strategically important and part of our "Strengthening the Core" strategy.

"In addition to the positive earnings impact, we expect improvements in service and flexibility across the group. We intend to invest in technology to provide additional benefits for our customers, such as real time delivery information and "sign on glass" technology, which will further differentiate our offer."

ENDS

For media or investor enquiries, please contact: Jackie Ellis Tel: +64 27 246 2505 or jackie@ellisandco.co.nz

For further information please contact:

Mark Malpass
Steel & Tube CEO
Tel: +64 27 777 0327
Email: mark.malpass@steelandtube.co.nz

Richard Smyth
Steel & Tube CFO
Tel: +64 21 646 822
Email: richard.smyth@steelandtube.co.nz