

## Steel & Tube acquires Perry Metal Protection

- Settlement of the acquisition of Perry Metal Protection completed
- Total acquisition price of \$43.3m - ~70% cash and 30%<sup>1</sup> newly issued shares in Steel & Tube
- Immediately earnings accretive, expected to add 1.5 cents per share in earnings in first 12 months
- Expands Steel & Tube's already leading range of steel and metal products and services

Steel & Tube Holdings Limited (NZX: STU) confirms the settlement today of the acquisition of the assets and business of Perry Metal Protection, Perry Grating and Waikato Sand Blasting.

The total acquisition price is \$43.3m, with a potential additional payment of up to \$6m based on the financial performance of the assets over a 2-3 year period, post-acquisition. Payment of both the initial acquisition price and any performance payment is 70% in cash (bank borrowing) and 30% in newly issued equity. In line with this, 15,476,755 shares have been issued today. The acquisition price represents a 3 year historical EBITDA (pre NZ IFRS16 Leases) multiple of 5x.

Perry Metal Protection is New Zealand's largest and only ISO certified hot dip galvanising business. In addition to the galvanising business (90% of the earnings of the operations to be acquired), the transaction also includes smaller grating and sandblasting businesses. The acquisition is expected to be earnings accretive from day one and adds 1.5 cents per share in earnings in the first 12 months.

CEO of Steel & Tube, Mark Malpass, said: "Steel & Tube is already a leading provider of steel and metal products and solutions in New Zealand. With the addition of Perry Metal Protection's expertise and nationwide galvanizing services, our customers now have access to a seamless, end-to-end steel solution, from sourcing and processing to premium corrosion protection solutions.

"Our customer bases are highly aligned, providing cross-selling opportunities. Steel & Tube's national branch and freight network also add value, significantly expanding the drop-off service for galvanising customers. Perry Metal Protection has a reputation for delivering durable, high-quality galvanizing services that enhance the longevity and performance of steel products, and we are excited to welcome them to the Steel & Tube group."

Watch video here <https://vimeo.com/1080051651/876b45815c?share=copy>

Ends

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<sup>1</sup> Based on the 21 February 2025 20 day STU volume weighted average price