

Shareholder Newsletter

December 2025

Dear Shareholder

Kia Ora, Tēnā Koutou

While we continue to navigate one of the toughest trading environments in many years, economic indicators are improving and we believe the cycle floor has passed. There are signs of new activity in the manufacturing sector, the labour market is stabilising, interest rates have reduced by another 25 basis points to 2.25%, and the Government is progressing infrastructure and encouraging further investments.

Doubling down on customer service

We've doubled down on customer service and data-driven decision making to ensure we remain the supplier of choice as demand returns. Over the past year, the team has invested heavily in gathering and analysing real-time insights - from customer feedback and market surveys through to online shopping behaviour - giving us a clear view of what our customers value most and where we can differentiate versus our competition. All of these initiatives support our core goal: to make life easier for our customers.

One market leading initiative is the launch of same-day delivery for fasteners nationwide, for all in-stock items ([read more here](#)). By leveraging our extensive distribution network, we're geared to meet a critical customer priority: speed. Early adoption has been strong, confirming that rapid delivery is a meaningful advantage for this product line. Based on this success, we're now assessing other core categories where similar service promises can be offered.

Breadth of Range: A Core Competitive Advantage

Underpinning these improvements is one of our strongest competitive advantages: the broadest product range in the market. Customers can access specialist products and services in a unified way, simplifying their procurement process and enabling product bundling. Since Perry's joined the group, we've seen significant growth from Perry's customers as they realise the benefits of dealing with one company for both their steel product supply and galvanising needs. We've seen the same thing with Kiwi Pipe & Fittings where we have been able to both expand the fire and water reticulation range across our Distribution business model and also support Kiwi customers with all their steel and metals needs.

Steel & Tube's combination of a broad product range, convenience and service responsiveness - backed by a great team with deep sector knowledge - positions us strongly for the next phase of growth, ensuring that as the market turns, we are already the preferred partner in our sector.

Four-month trading update: improvement expected in late 2H26

The market conditions remain challenging and demand is subdued. We recently provided a trading update for the financial YTD (July to end-October 2025) reporting softer sales volumes, in line with other industry and sector participants. For the four months to end-October 2025, revenue of \$145.2 million was up 2.4% on the prior comparable period, while normalised EBIT of \$(7.2) million was \$2.2 million lower than the same period last year. This was a continuation of the trends seen in the second half of FY25. The full announcement can be viewed here <https://www.nzx.com/announcements/462982>.

Positioned for the rebound; initial stages of cyclical recovery being seen

We are starting to see the initial stages of cyclical recovery with increased activity and early signs of margin improvement. We have maintained our focus on customers and a disciplined approach to cash, inventory and costs (~\$7 million of annualised cost savings in FY25 with further savings underway in FY26). These efforts are delivering increased operating leverage and positioning our company well.

There are some positive themes that should lead to improved activity over the next 12 to 18 months including lower interest rates, government-funded infrastructure projects, manufacturing sector expansion and increasing commercial and residential building consents. In addition, in FY26, we will have had the benefit of a full year following the successful Perry Metal Protection acquisition which is delivering ahead of forecast, as well as group-wide cost out initiatives implemented in FY25.

We are confident in Steel & Tube's ability to capitalise on increasing demand as the New Zealand economy improves.

Susan Paterson Chair
Mark Malpass Chief Executive Officer



"By leveraging our extensive distribution network, we're geared to meet a critical customer priority: speed."

Where quality steel meets quality service

Our team of over 100 dedicated account managers, 65 customer experience specialists and dedicated technical experts are at the heart of delivering exceptional service at Steel & Tube.

By actively measuring and responding to customer feedback, providing expert technical support — including market-leading BIM-spec provision — and embracing a culture of continuous improvement, we ensure our customers receive not just quality steel, but a seamless and responsive service experience every time.

Steel & Tube's technical Roofing Team are just one example of the expertise on offer, with many customers having them on speed dial already.

[Read More](#)



Raising the bar on roofing

Our goal is simple: to deliver the right roofing products, on time, with great service. Our roofing and cladding product range covers the needs of commercial, residential, and rural customers. Products include the ever-popular corrugate profile, trapezoidal and flat tray profiles as well as our newly released BRANZ-appraised QBT450 ventilated tray system.

Recent initiatives are making it easier than ever for customers to work with us:

- Project Coordinators — dedicated coordinators are being appointed to manage and coordinate all aspects of large key projects, as well as tier-1 customers, ensuring a single point of contact and smoother project delivery.
- Daily flashing delivery service — we know delivery speed is important so we're trialling a daily delivery to key merchants in the Northland area to meet the critical timing needs of the projects they are supplying.

We've also made significant operational improvements to enhance our offer including upgrading key plant and equipment, with a new folder in Auckland and a new fully automated Purlin line increasing productivity, improving quality, and providing more customisation. Owning our own trucks across all North Island Roofing branches also helps to get closer to our customers and improve delivery reliability. We provide regular technical training for CX and sales teams, to boost product knowledge and ensure the right solutions are recommended every time.

Through these initiatives, we continue to make it easier for our customers to do business with us, building stronger partnerships and delivering real value on every project.



A behind-the-scenes look at New Zealand's steel production

Recently, teams from New Zealand Steel, Pacific Steel, and Steel & Tube had the pleasure of welcoming customers to the Glenbrook mill to see the Electric Arc Furnace (EAF) project in action.

Guests had the chance to see firsthand how sand is transformed into steel — a vital part of our local supply chain — and learn about New Zealand's progress toward lower-emission, locally produced steel. They also witnessed where steel billet is manufactured from 1600-degree molten steel, ready for future processing into reinforcing steel and COLORSTEEL™.

A highlight of the day was a personal moment: taking customer Brett Russell back to the very place where he completed his apprenticeship in the 1980s as a bricklayer for his father's business — a full-circle experience that brought the industry's history and its future together.

The visit highlighted the value we deliver to customers — from technical insights and sustainability innovations to seeing the processes that underpin our full range of products.

Steel & Tube supplies a large number of products to help customers meet their sustainability goals, with Environmental Product Declarations (EPDs) as well as low-carbon reinforcing steel (ARCS accredited with a GWP below 0.5 and 1.0).

Built on foundations of steel

A state-of-the-art 10,000m² hangar, supported by 5,000m² of workshops and engineering spaces, is the latest addition to Air New Zealand's maintenance base.

Steel & Tube was proud to partner with NZ Strong, Aurecon and KP Steel on this milestone project. Steel & Tube leveraged the Tekla Structures platform, a world-class 3D modelling tool, to ensure precision and coordination throughout the project with accurate detailing, clash detection, design validation and seamless collaboration between the client, engineers, project managers and site teams. This allowed for accurate detailing, minimised errors and optimized material usage which reduced waste and cost.

Our products and service played a crucial role in delivering the hangar's design requirements, increased efficiency in supply and installation, long-term durability and seismic resilience.

Throughout the project, our team worked closely with NZ Strong, Aurecon and KP Steel to ensure smooth delivery timelines and technical support. The result is a world-class engineering facility built to withstand New Zealand conditions and meet the demanding needs of modern aircraft maintenance.

This project is a strong example of Steel & Tube's commitment to supporting national infrastructure with reliable supply, expert service and innovative steel solutions. We're proud to have contributed to a development that will help keep New Zealand connected for decades to come.



David Welsh: Focused on customers, growth and “getting things done”

David Welsh joined Steel & Tube in early 2025, taking on the role of GM Distribution and bringing with him decades of experience across sales, marketing, operations and leadership. He began his career in shipping customer services and progressed through FMCG roles before moving into general management 17 years ago - including three years in the UK. The past 11 years have been firmly rooted in the building industry, with leadership roles in steel roofing, aggregates, cement, concrete and now steel distribution.

What drives him is simple: helping customers succeed. He thrives on customer contact and encourages the team to deliver practical, problem-solving solutions.

His move to Steel & Tube was driven by the strength of the company's offer - national reach, a wide product range and specialist services such as chain and rigging and plate processing, all backed by great people.

Since joining, he has sharpened the sales focus on winning new customers while continuing to support existing ones, expanded our one-stop-shop offering to save customers time, and helped simplify parts of the business to make life easier for those we serve — from service level improvements to SKU reduction and more streamlined freight. Currently, he's looking forward to seeing New Zealand move back into growth, and is focused on lifting returns through margin mix, cost control and market share gains.

Based in Auckland, originally from Wellington, he and his wife Anna have two daughters and love anything involving the beach or water. And a fun fact: he once met Harrison Ford during his time living in the USA.



November 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 November 2025 edition highlights how global feedstock, freight, and currency dynamics are converging to form a cost floor across major metal categories — with multiple indicators pointing to at least a 5% increase through 2026.

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