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Vulcan Steel Limited (ASX: VSL, NZX: VSL)

ASX/NZX/Media Release

26 August 2025

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Vulcan announces acquisition of Roofing Industries and Equity Raising

Vulcan Steel Limited (**Vulcan**) has signed a conditional sale and purchase agreement (**SPA**) with Francis and Gellatly Holdings Limited, a company owned by founding owners Keith Francis and David Gellatly, to acquire all the shares in Roofing Industries Limited (**Roofing Industries**) for NZ$88 million[1] (**Transaction**). The Transaction includes Roofing Industries' interest in three related roofing products businesses[2] and non-wholly owned branch companies. The purchase price represents an equivalent enterprise value of NZ$99 million[3].

Established 26 years ago, Roofing Industries is one of the leading suppliers of roll-formed roof and cladding products in New Zealand with a large sales network. In the financial year ended 31 March 2025, the company had in excess of NZ$160 million in revenue and NZ$25 million in EBITDA[4] (NZ$21 million pre-IFRS 16[5]).

Commenting on the Transaction, Gavin Street, Vulcan's Chief Commercial Officer[6] said,

"*The acquisition of Roofing Industries, a company with a well-established and leading presence in the New Zealand steel roofing and cladding industry, marks a strategic milestone for Vulcan, representing Vulcan's entry into another new market vertical. This move not only diversifies Vulcan's portfolio but also strengthens its position within the broader construction and building materials sector.*

Roofing Industries operates from 15 locations nationwide, with 10 branches situated in the North Island and five in the South Island. These sites will immediately enhance Vulcan's operational footprint.

A distinct aspect of Roofing Industries' business model lies in its network of local owner-operators, who manage individual branch companies, and whose service mindset and financial interest are aligned through an equity stake in the business. Vulcan intends to continue to support and empower these operators, allowing them to focus on driving local growth while collectively contributing to increased shareholder value.

[1] Acquisition price on a cash-free, debt-free basis, subject to completion adjustments including movements in net working capital and fixed assets.

[2] These related roofing products businesses are currently owned (in whole or in part) by associates of the vendor of Roofing Industries and will sell their business and assets to Roofing Industries prior to completion of the Transaction.

[3] Equivalent enterprise value calculated as if all non-wholly owned branch companies are wholly owned by Roofing Industries Limited and excluding capitalised lease obligations.

[4] EBITDA - Earnings Before Interest Tax, Depreciation and Amortisation.

[5] NZ IFRS 16 – International Financial Reporting Standards accounting for right of use assets and corresponding lease liabilities.

[6] From 1 January 2026, Gavin Street will be Vulcan's Managing Director and Chief Executive Officer.

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The acquisition of Roofing Industries also opens up significant opportunities for cross-selling across both Vulcan's and Roofing Industries' customer bases. The roofing and cladding market is an opportunity which Vulcan has been considering for many years as an attractive growth opportunity. This acquisition brings that ambition to fruition, providing an established entry point with a respected brand and loyal customer base.

We will provide an update on the transaction when we provide a trading update at Vulcan's annual meeting of shareholders in October 2025."

Transaction

The NZ$88 million transaction price reflects an enterprise value multiple of 4.5x, based on the average annual pre-NZ IFRS 16 EBITDA[4,5,7] in the financial years ended 31 March 2020 through to 31 March 2025.

Vulcan expects the Transaction to be earnings per share accretive on a FY25 earnings per share basis (including the impact of the equity raise and considering nine months of earnings contribution from Roofing Industries, assuming no synergies and before transaction costs).

Completion of the Transaction remains subject to certain conditions, including (i) completion of various restructuring steps including certain asset acquisitions and disposals by Roofing Industries and share transfers in various non-wholly owned branch companies, (ii) customary approvals for a business of this nature, including change of control consents and waivers of pre-emptive rights in respect of non-wholly owned branch companies, (iii) entry into new leases with the Vendor and associated entities, and (iv) no material adverse change in the Roofing Industries business. The acquisition is expected to complete in the second quarter of FY26.

Equity Raising

To fund the acquisition, Vulcan has today announced a fully underwritten pro-rata accelerated renounceable entitlement offer (**Entitlement Offer**) to raise approximately A$87.1 million (approximately NZ$96.3 million), through the issue of 14.6 million new Vulcan shares (**New Shares**).

Under the Entitlement Offer, eligible institutional and retail shareholders will be entitled to subscribe for 1 new Vulcan share for every 9 Vulcan shares held on the record date of 7.00pm (AEST) / 9.00pm (NZT) on Thursday, 28 August 2025 (**Record Date**).

The Entitlement Offer will be conducted at an offer price of A$5.95 per New Share (**Offer Price**) which represents:

- a 9.0% discount to the theoretical ex-rights price (TERP)[8] of A$6.53; and
- a 9.8% discount to Vulcan's last closing share price on ASX of A$6.60 on 25 August 2025.

[7] All Roofing Industries' financial information quoted in this announcement is unaudited. The historical financial information of Roofing Industries has been prepared by Vulcan in reliance on information that was provided by the vendors of Roofing Industries in connection with the acquisition.

[8] Theoretical ex-rights price (TERP) is the theoretical price at which Vulcan shares trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Vulcan shares trade on the ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of the Vulcan share price as traded on ASX on Monday, 25 August 2025, being the last trading day prior to the announcement of the Entitlement Offer.

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Approximately 14.6 million New Shares will be issued under the Entitlement Offer, which represents around 11.1% of Vulcan's existing shares on issue. Those New Shares will rank equally with existing Vulcan shares from the date of issue and will be entitled to any future dividends declared by Vulcan after the relevant allotment date.

Vulcan's shares have been placed in trading halt on the ASX and NZX to enable completion of the institutional component of the Entitlement Offer. Trading is expected to recommence on Thursday, 28 August 2025.

Institutional Entitlement Offer

The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) opens today and closes on Wednesday, 27 August 2025. Eligible institutional shareholders can choose to take-up all, part or none of their entitlement under the Entitlement Offer.

Institutional entitlements that are not taken up, together with the entitlements of ineligible institutional shareholders, will be sold under the institutional shortfall bookbuild on Wednesday, 27 August 2025, with any premium above the Offer Price (net of any applicable withholding tax) paid to the relevant shareholders.

Retail Entitlement Offer

Eligible retail shareholders in Australia and New Zealand on the Record Date will be able to participate in the retail component of the Entitlement Offer (**Retail Entitlement Offer**) at the Offer Price. The Retail Entitlement Offer opens at 8.00am (AEST) / 10.00am (NZT) on Tuesday, 2 September 2025 and closes at 5.00pm (AEST) / 7.00pm (NZT) on Thursday, 11 September 2025.

Under the Retail Entitlement Offer, eligible retail shareholders may:

- elect to take-up all, part or none of their entitlement before the Retail Entitlement Offer closes at 5.00pm (AEST) / 7.00pm (NZT) on Thursday, 11 September 2025; or
- elect to take-up their full entitlement and also apply for additional New Shares beyond their pro rata entitlement. Any application for New Shares above their pro rata entitlement will be included in the retail shortfall bookbuild and made at the retail shortfall bookbuild price.

Retail entitlements not taken up, along with entitlements of ineligible retail shareholders, will be sold under the retail shortfall bookbuild to be conducted on or about Tuesday, 16 September 2025, with any premium above the Offer Price (net of any withholding tax) paid to the relevant shareholders.

Every eligible retail shareholder will receive by email (if they have elected to receive electronic communications) or post a letter regarding the announcement of the Entitlement Offer and information on how to apply.

Vulcan shareholders outside of Australia or New Zealand and retail shareholders who do not satisfy the other eligibility criteria are ineligible to participate in the Retail Entitlement Offer.

Further details on the eligibility criteria for the Retail Entitlement Offer will be set out in the Retail Offer Booklet.

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Further information and shareholder enquiries

Shareholders can call 1800 502 914 (within Australia) between 8:30am to 5pm (AEST) weekdays or +64 9 375 5998 (within New Zealand) between 8:30am to 5pm (NZST) weekdays for more information.

Key dates related to the Entitlement Offer are appended.

ENDS

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This announcement was authorised by Vulcan's Board of Directors.

About Vulcan
Founded in 1995, Vulcan is an Australasian-wide industrial product distributor and value-added processor with 66 logistics and processing facilities employing approximately 1,350 staff across the company's Steel and Metals divisions.

About Roofing Industries
Founded in 1999, Roofing Industries is an established manufacturer and supplier of steel roofing and cladding products. The company employs more than 250 staff and operates in 15 locations servicing residential, commercial and rural markets across New Zealand.

This announcement has been prepared for publication in Australia and New Zealand and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Key dates for the Entitlement Offer

Institutional Entitlement Offer	
Institutional Entitlement Offer opens Trading halt commences	Tuesday, 26 August 2025
Institutional Entitlement Offer closes	Wednesday, 27 August 2025
Institutional Shortfall Bookbuild	Wednesday, 27 August 2025
Announcement of completion of Institutional Entitlement Offer Trading halt lifted	Thursday, 28 August 2025
ASX settlement of New Shares issued under the Institutional Entitlement Offer	Wednesday, 3 September 2025
ASX allotment and trading of New Shares issued under the Institutional Entitlement Offer on the ASX	Thursday, 4 September 2025
NZX settlement, allotment and trading of New Shares issued under the Institutional Entitlement Offer on the NZX	Thursday, 4 September 2025
Holding statements in respect of New Shares issued under the Institutional Entitlement Offer dispatched	Friday, 5 September 2025
Institutional Premium expected to be paid to eligible institutional shareholders who elected not to take-up their entitlements and ineligible shareholders	On or about Thursday, 11 September 2025

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Retail Entitlement Offer	
Record Date for the Entitlement Offer (7.00pm AEST / 9.00pm NZT)	Thursday, 28 August 2025
Retail Entitlement Offer opens (8.00am AEST / 10.00am NZT)	Tuesday, 2 September 2025
Retail Entitlement Offer closes (5.00pm AEST / 7.00pm NZT)	Thursday, 11 September 2025
Announcement of results of Retail Entitlement Offer	Tuesday, 16 September 2025
Retail Shortfall Bookbuild (for Retail Entitlements not taken up and Retail Entitlements of Ineligible Retail Shareholders)	Tuesday, 16 September 2025
Announcement of results of Retail Shortfall Bookbuild	Wednesday, 17 September 2025
ASX settlement of New Shares issued under the Retail Entitlement Offer	Friday, 19 September 2025
ASX allotment and trading of New Shares issued under the Retail Entitlement Offer on the ASX	Monday, 22 September 2025
NZX settlement, allotment and trading of New Shares issued under the Retail Entitlement Offer on the NZX	Monday, 22 September 2025
Holding statements in respect of New Shares issued under the Retail Entitlement Offer dispatched	Tuesday, 23 September 2025
Retail Premium expected to be paid to eligible retail shareholders who elected not to take-up their entitlements and ineligible shareholders	On or about Monday, 29 September 2025

These dates (except where historical) are indicative only and are subject to change without notice. All times and dates refer to the time and date in Australian Eastern Standard Time (AEST) or New Zealand Time (NZT) as indicated. Subject to applicable laws and the ASX Listing Rules, Vulcan has the right to amend the timetable with the consent of the underwriters.