



Tri-Coastal Acquisition

Structurally improves NAM's ability to service domestic and international customers at higher, more resilient margins.

10 February 2026



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Stephen Mikkelsen

Group CEO & Managing Director



Transaction Overview

Consolidating Houston Operations

- Purchase Price: US\$66.5 million.
- Valuation Multiple:
 - <4X EBITDA multiple post-synergies.
 - Cash Free, Debt Free.
- +US\$25m EBITDA contribution ¹
- ROIC 20%^{1,2} +

Strategic Rationale and Key Benefits:

- 350kt+ pa of predominantly cut-grade ferrous.
- Includes 18-year third-party operations contract, with two 5-year extension options.
- Unlocks US\$100+ million in land sales in Houston within 1-2 years.
- Optimises footprint and expands market share of ferrous scrap sourcing in a consolidated and significant region.
- Delivers material cost savings through operational efficiencies.
- Provides deep-water access, removing the need to develop the current Mayo Shell site.



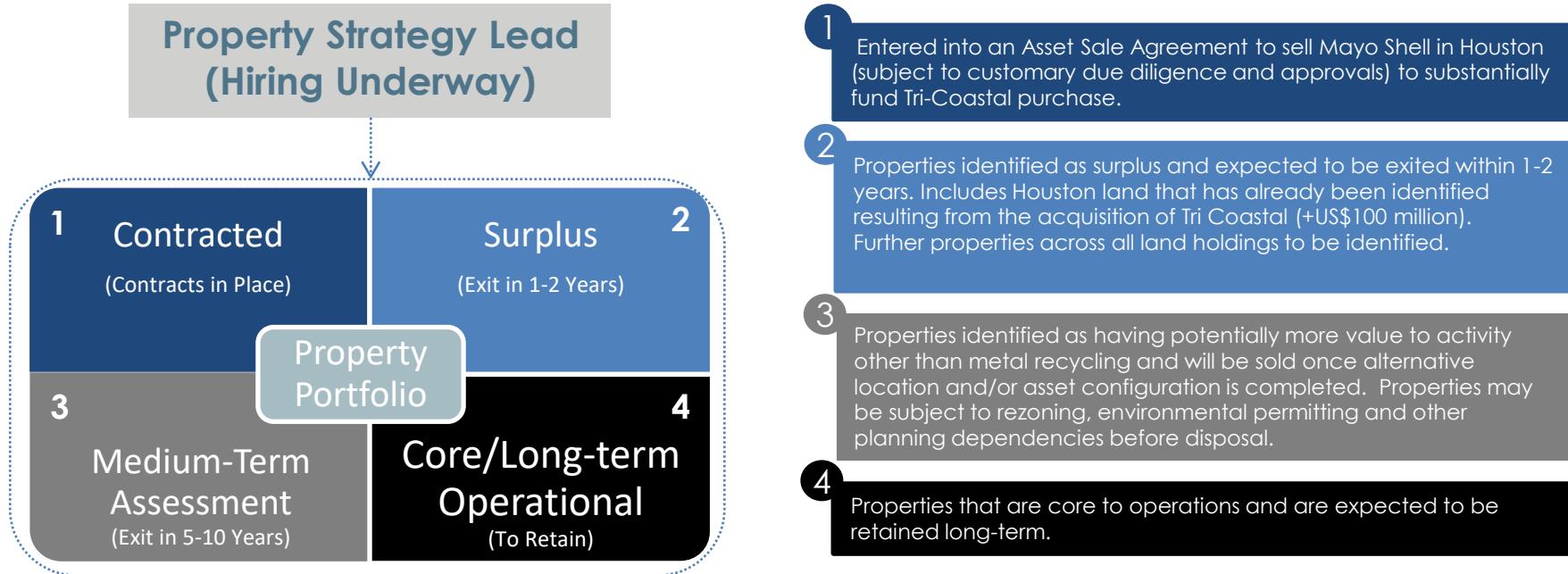
¹ Includes Sims' existing ferrous and non-ferrous businesses in Houston, assuming current ferrous and non-ferrous pricing.

² Return on Invested Capital. Net operating profit after tax / average invested capital.



Strategic Property Management

Realisation Pathway Underway





Rob Thompson

President, North American Metal



Houston

Structurally attractive market with export pricing optionality

Market Context

- One of the largest and most industrialised markets, supported by energy, infrastructure and heavy industry. **4th largest US city, Texas**
GDP +US\$2.5 Trillion

Pricing dynamics

- Export HMS prices have consistently traded at a premium to domestic pricing.
- Houston's port access provides structural exposure to global scrap demand.

Strategic implication for the transaction

- The asset is positioned to capture export-linked pricing while maintaining access to domestic demand.
- This provides downside protection in domestic cycles and upside leverage to global scrap markets.



The acquisition strengthens Sims' exposure to one of the most attractive US scrap corridors.

¹ Ferrous Scrap HMS 1/2 (80:20) Bulk Export FOB NY USD/mt

² Fe HMS Midwest FOB



Consolidated Ferrous Operations

Revenue and Margin Expansion

- **Bulk ferrous sales premium** at TCT versus legacy Sims sites.
- Exclusive access to Woodhouse terminal and city dock.
- **Broader supplier access** driven by expanded catchment area and consolidated footprint.
- **Uplift in ferrous volumes** by 350kt bringing scale and market share improvement.
- Improved **commercial positioning** in a consolidated market.

Cost Synergies

- **Footprint rationalisation** with the targeted sale of 3 sites in addition to Mayo Shell
- **Deep-water access** eliminates dock premiums .
- Significantly reduced cost per tonne vs pre-acquisition, and lower overheads.
- **Long-term services agreement** (18 years with 2 × 5-year extensions).
- **Optimised logistics model** across truck, barge and rail via a single strategic hub.

Capital Efficiency and Value Release

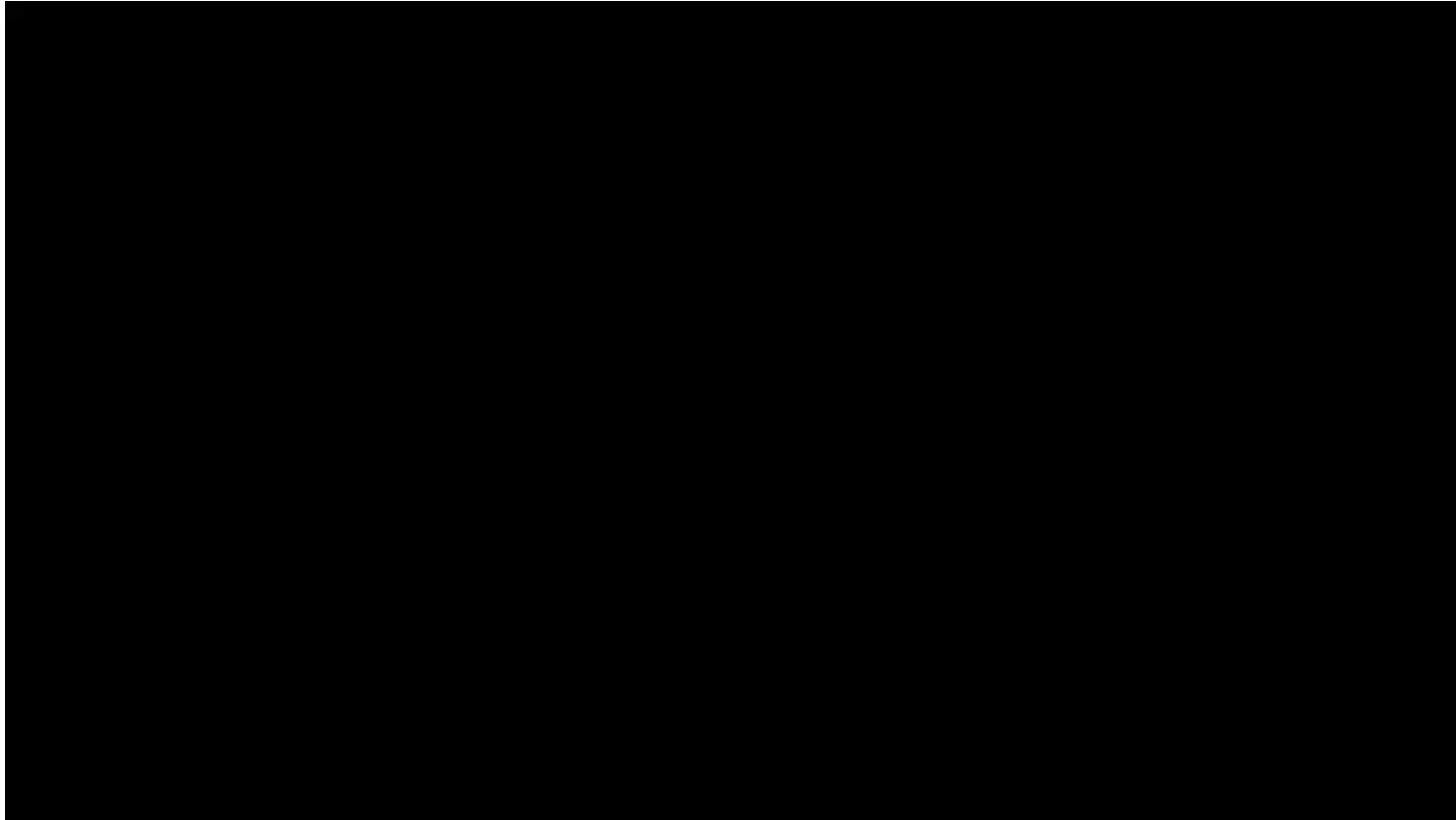
- **+US\$100m proceeds** from surplus land divestments within 1-2 years.
- **Material capital avoidance and redeployment** through reuse, resale, or elimination of redundant equipment.
- Elimination of Mayo Shell site development requirement
- Capital redeployed into higher-return core operations.

- **ROIC +20% ¹**, driven by structural cost out, margin uplift, and capital release.
- **Positions the Houston region as a lower-cost, higher-margin, capital-efficient strategic hub.**
- **Improves non-ferrous opportunities in parallel**

¹ Includes non-ferrous. Net operating profit after tax / average invested capital.



Tri-Coastal Trading – Houston, Texas



Questions & Answers



Coming Up

HY26 Financial Results

- Sydney, 17 February (AEDT)

US Investor Day

Houston, 24 March 2026 (CT)

- NAM & SAR Presentations
- Tri-Coastal site tour

Nashville, 25 March 2026 (CT)

- SLS Presentation
- SLS site tour

