



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.



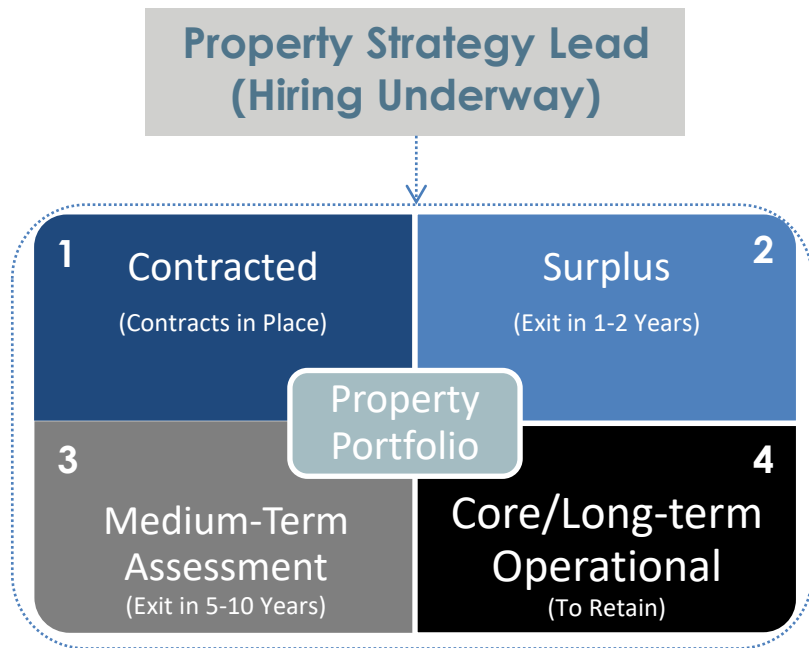
¹ Includes Sims' existing ferrous and non-ferrous businesses in Houston, assuming current ferrous and non-ferrous pricing.

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



Strategic Property Management

Realisation Pathway Underway



- 1** Entered into an Asset Sale Agreement to sell Mayo Shell in Houston (subject to customary due diligence and approvals) to substantially fund Tri-Coastal purchase.
- 2** Properties identified as surplus and expected to be exited within 1-2 years. Includes Houston land that has already been identified resulting from the acquisition of Tri Coastal (+US\$100 million). Further properties across all land holdings to be identified.
- 3** Properties identified as having potentially more value to activity other than metal recycling and will be sold once alternative location and/or asset configuration is completed. Properties may be subject to rezoning, environmental permitting and other planning dependencies before disposal.
- 4** Properties that are core to operations and are expected to be retained long-term.





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**

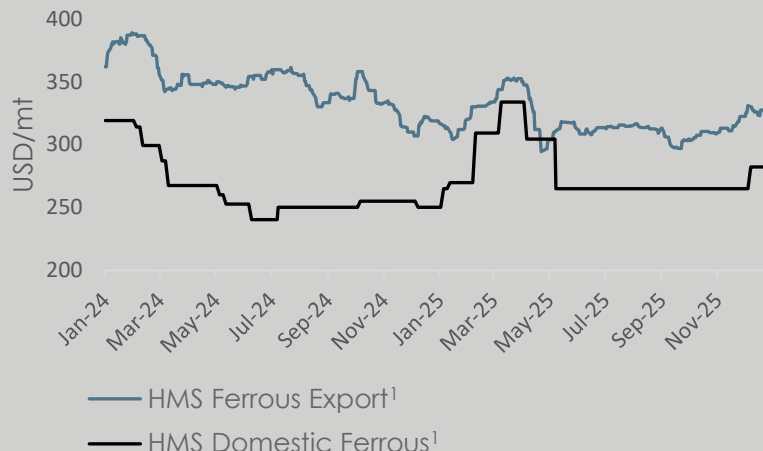
Pricing dynamics

- 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.

HMS Export and Domestic Price



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

1 Ferrous Scrap HMS ½ (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

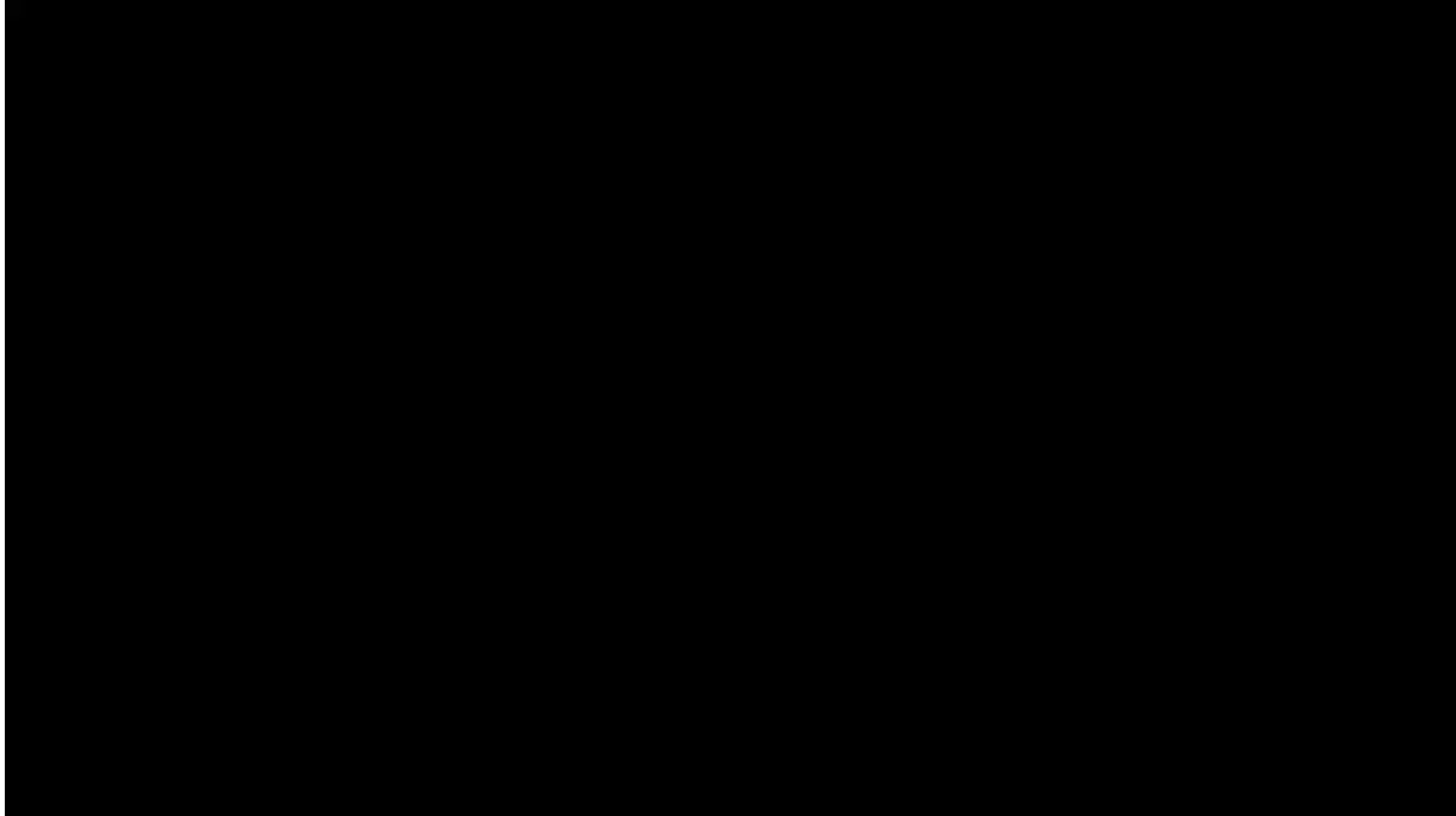
- **+US\$100m proceeds** from surplus land divestments within 1–2 years.
- **Material capital avoidance and redeployment** through reuse, resale, or elimination of redundant equipment.
- Elimination of Mayo Shell site development requirement
- Capital redeployed into higher-return core operations.

- **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

