



# 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 <sup>1</sup>
- ROIC 20%<sup>1,2</sup> +

## 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.



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

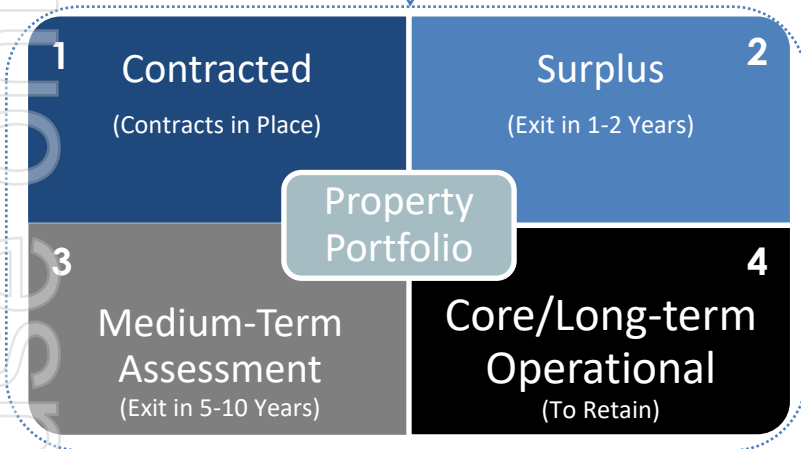
<sup>2</sup> Return on Invested Capital. Net operating profit after tax / average invested capital.



# Strategic Property Management

## Realisation Pathway Underway

Property Strategy Lead  
(Hiring 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**

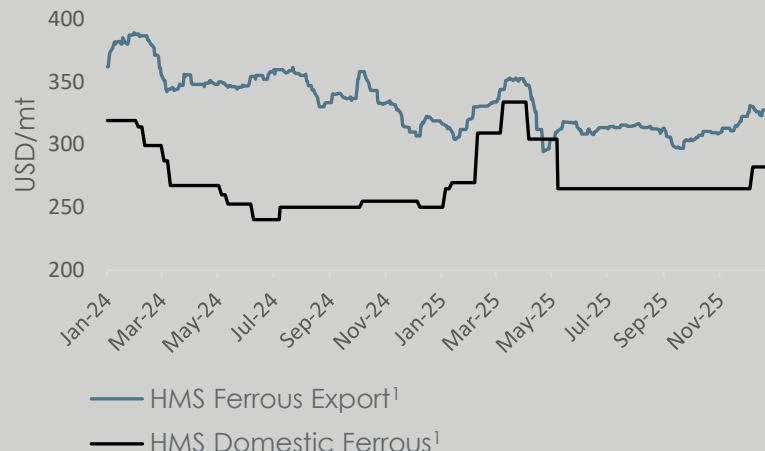
### Pricing dynamics

- 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.

<sup>1</sup> Ferrous Scrap HMS ½ (80:20) Bulk Export FOB NY USD/mt

<sup>2</sup> 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.

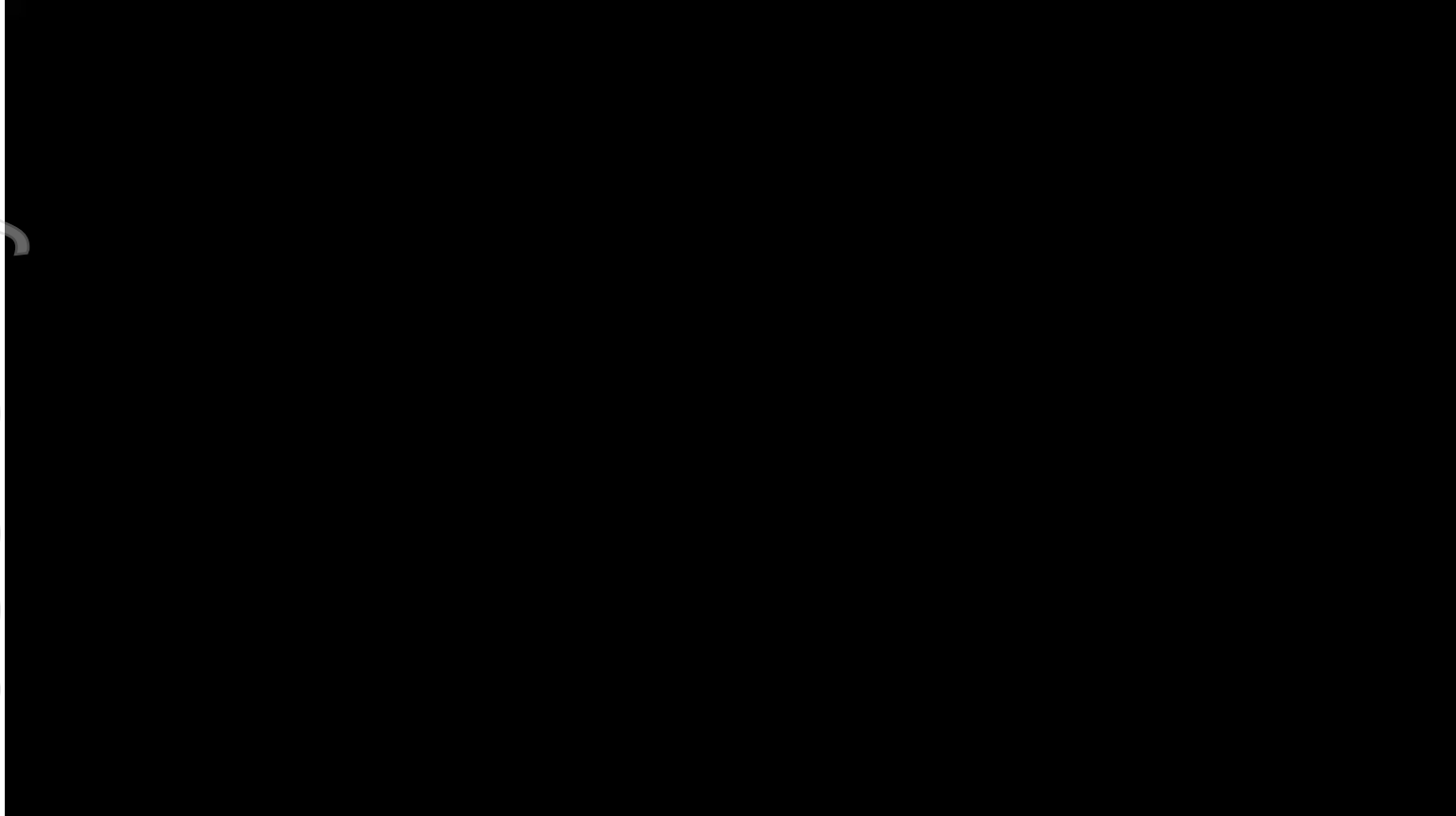
- **ROIC +20% <sup>1</sup>**, driven by structural cost out, margin uplift, and capital release.
- **Positions the Houston region as a lower-cost, higher-margin, capital-efficient strategic hub.**
- **Improves non-ferrous opportunities in parallel**

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





# Tri-Coastal Trading – Houston, Texas



Internal use only

# 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

