

Why Tariffs Will Not Significantly Affect Bloom Engineering Co., Inc.

EXECUTIVE SUMMARY

Bloom Engineering Co., Inc., a U.S.-based manufacturer of industrial burners for the steel industry, is strategically insulated from the impact of tariffs on international goods. Our domestic production, localized supply chain, limited reliance on tariff-affected imports, and strong positioning within the U.S. steel ecosystem ensure that tariffs do not pose a material threat to our operations or competitiveness.

1. Domestic Manufacturing Footprint

We manufacture our burners entirely within the United States, with U.S.-based facilities handling design, fabrication, assembly, and quality assurance. This significantly limits our exposure to imported parts or materials subject to tariffs.

- >90% of materials and components sourced domestically
- U.S.-based engineering, R&D, and assembly teams
- End customers located primarily in North America

By keeping our production domestic, we minimize the impact of international trade volatility.

2. Steel Industry Customers Are Domestic and Vertically Integrated

Most of our customers—U.S. steel producers—are themselves protected by tariffs (e.g., Section 232 tariffs on imported steel). This has shifted demand toward domestically sourced equipment, giving our U.S.-based burner manufacturing a competitive advantage.

- Our customers benefit from domestic equipment sourcing
- Steel tariffs have increased incentives to “Buy American”
- Our burners support ESG and energy efficiency goals in U.S. mills

3. Minimal Use of Tariff-Sensitive Imports

Where imported parts are required (e.g., sensors, valves, control components), we’ve built a diversified and resilient supply base outside of high-tariff zones or secured long-term pricing agreements with suppliers.

- Critical components sourced from low-risk trade partners (e.g., Germany, Japan, Canada)
- Stocking strategy and supplier contracts shield us from cost spikes
- Domestic alternatives validated for key parts

4. Custom, High-Value Products Reduce Price Sensitivity

Our burners are engineered-to-order and customized to the thermal and operational needs of industrial clients. Because our value lies in performance, reliability, and energy efficiency—not commodity pricing—our customers are not highly sensitive to small fluctuations in component costs.

- Focus on value-added engineering, not low-cost imports
- Burners represent a small portion of total capex in steel operations
- Our solutions reduce fuel consumption and emissions, justifying premium pricing

5. Tariff Risk Already Accounted for in Strategy

We actively monitor trade policy and maintain flexible sourcing strategies and cost models to stay ahead of risk. Contingency plans and dual sourcing options are in place, and our finance team regularly stress-tests our supply chain under various trade scenarios.

- Strategic sourcing team tracks tariff exposure monthly
- Multi-supplier contracts ensure pricing and availability
- Tariff scenarios built into long-term cost modeling

CONCLUSION

In a global trade environment marked by uncertainty, Bloom Engineering Co., Inc. remains stable and well-positioned. Our domestic production, resilient supply chain, and premium product value shield us from significant tariff-related risk. Rather than being impacted negatively by tariffs, our U.S.-based position enhances our appeal to domestic steel producers seeking reliable, local partners.

At Bloom Engineering Co., Inc., we believe in transparency and trust. Thanks to our strategic planning, we’ve never had to adjust prices due to tariffs after an equipment order is placed. When you choose our combustion equipment, your price is guaranteed—no hidden fees, no surprises.