



ASX & MEDIA RELEASE

(ASX: SGM)

25 November 2019

Sims Metal Management Sells European Compliance Scheme Operations

Sims Metal Management Limited (the “Company”) today announced that, subject to competition approval by the European Commission, it has agreed to sell its European compliance scheme oriented recycling operations to TSR Recycling, a subsidiary of REMONDIS Group for €83.5 million. The sale will be effective as of 30 September 2019.

The operations that have been sold are located in:

- Germany;
- Austria;
- Netherlands;
- Belgium; and
- Sweden.

The sale does not comprise any assets at the above sites that are part of the global e-recycling IT asset disposal business, which includes recycling the cloud.

Commenting on the sale, Alistair Field, CEO and Managing Director, said, “I have always stated that we have a strong commitment to disciplined capital management. This includes not only ensuring that new capital investments fit with our strategy and meet minimum hurdle requirements, but also being satisfied that existing assets are integral to our strategy. We concluded that the European compliance scheme operations were not core to us executing our strategy of being the leader in recycling the cloud.

Global e-recycling will focus on its strategy of recycling the cloud and it has the full financial and operating backing of the wider Sims group. Sims provides cloud service operators with a unique proposition to sustainably, securely, and safely, resell and recycle the large volume of data centre material that must be removed every year during ongoing technology refresh cycles. Sims’ size, balance sheet strength, data security leadership and expertise in the industry, position us well to be the leading provider of these services.”

Commenting on the use of the proceeds from the sale, Mr Field said, “the sale proceeds will further strengthen our already strong balance sheet. We will continue to deploy a disciplined, structured and accountable approach to capital, particularly in light of market conditions.

Impact of selling the European Compliance Scheme Operations

The following table provides the FY19 estimated impact on the Company's Underlying EBIT¹ result and combined ferrous and non-ferrous volumes, assuming global e-recycling's European compliance scheme operations were sold on 30 June 2018.

Estimated FY19 impact	Underlying EBIT A\$ million	Volume Tonnes
Global E-Recycling	26.0	401,528
Net European Compliance Scheme Operations Contribution	22.3	326,855
Net Global E-Recycling, excluding European Operations	3.7	74,673

1. Underlying earnings excludes significant non-recurring items, the impact of non-qualifying hedges and internal recharges.

About Sims Metal Management

Sims Metal Management is one of the world's largest metal and electronics recyclers with over 250 facilities, including joint ventures operations, in 18 countries, and circa 5,000 employees globally. The Company's ordinary shares are listed on the Australian Securities Exchange (ASX: SGM) and its American Depositary Shares are quoted on the Over-the-Counter market in the United States (USOTC: SMSMY).

Please visit our website (www.simsmm.com) for more information on the Company and recent developments.

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