



2 December 2021

Credit Suisse Roadshow



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Speakers



Alistair Field
Group CEO



Elise Gautier
Group Chief Risk &
Compliance Officer



Stephen Mikkelsen
Group CFO



TODAY'S AGENDA

Overview of Sims Limited

Structural Market Tailwinds

Alistair Field

Strategy

Sustainability

Elise Gautier

Finance

Stephen Mikkelsen

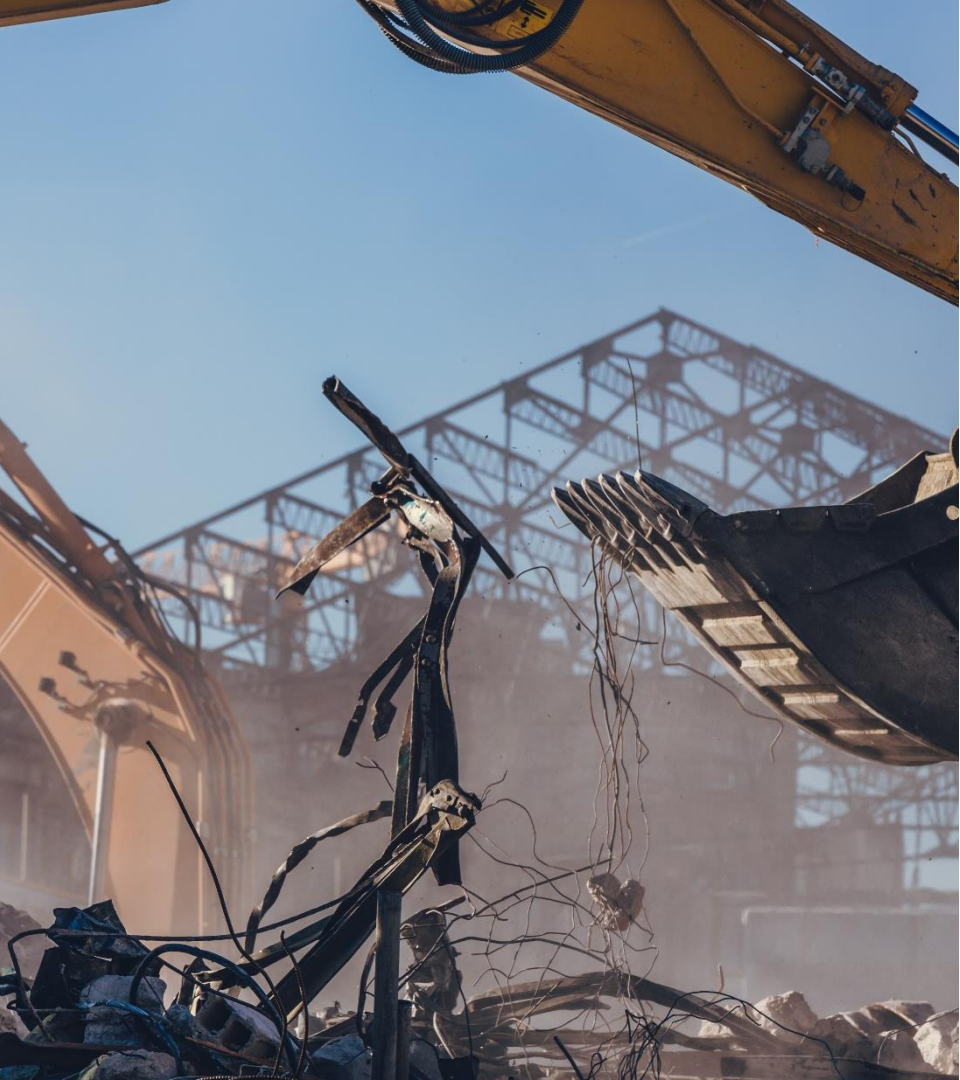
Q&A

Alistair Field

Elise Gautier

Stephen Mikkelsen





Overview of Sims Limited



Sims Limited

The group at glance

- Publicly listed Australian Company (ASX: SGM; OTC: SMSMY)
- Market capitalisation approximately A\$2.8B
2 Dec 2021
- World's largest public recycler of metals by volume
- Total sales volumes of 8,593 million tonnes
- FY21 revenue A\$5,916.3 million
- FY21 underlying EBIT A\$386.6 million
- FY21 underlying NPAT A\$284.1 million
- FY21 full year dividend 42.0 cents



Integrated business model

We provide solutions that solve multi-decade challenges related to decarbonisation and circular economy

Metal Recycling

Buys, processes and sells ferrous and non-ferrous recycled metals



8.6 million tonnes of scrap metal recycled globally in FY21

Sims Lifecycle Services

Provides solutions to extend the life of data centre and corporate IT equipment by recognising value in end-of-life electronic assets, components and materials in a data-secure and environmentally sustainable way

2.1 million Cloud Units repurposed in FY21

Municipal Recycling

Leads urban recycling in New York City and manages a portion of the curbside recycling program for Chicago – two of the largest urban areas in the United States



660,000 tonnes of municipal material recycled in FY21

Resource Renewal

Plans in place to transform the residue material following metals recycling – auto shredder residue (ASR), which currently is landfilled – into useful products for society



Potential to convert 1.0 million tonnes¹ of ASR into quality products

Renewable Energy

Sims owns 50% of LMS Energy, Australia's market leader in landfill biogas-to-energy and solar renewable energy



More than 45 million tonnes of carbon emissions reductions in the last 25 years

¹ each year by 2030



Global coverage

Joint Venture
facilities – North
America & Australia



124

North America Metal



50



10

SA Recycling



15¹



Facilities



Shredders

UK Metal



28



4

Australia & New
Zealand Metal



48



8

Sims Lifecycle
Services



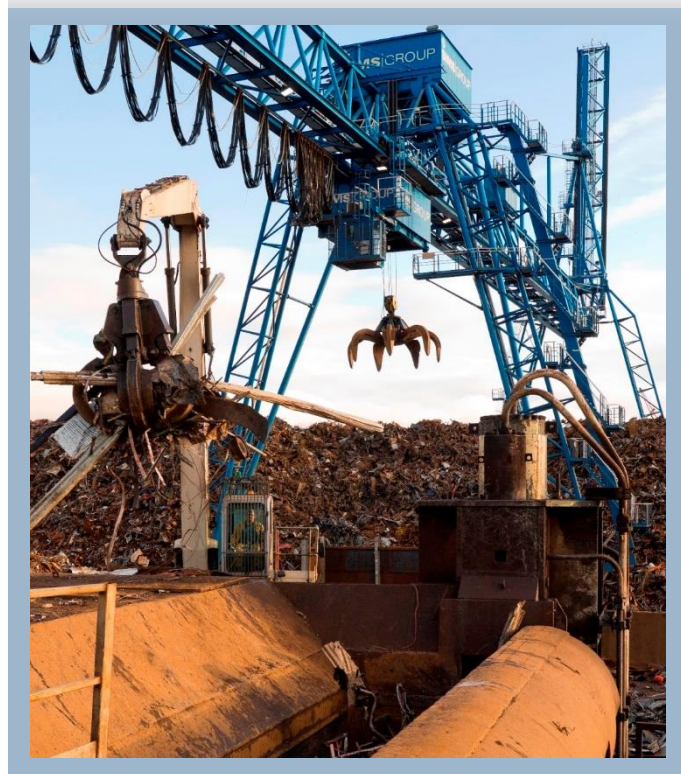
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¹ It doesn't include PSC's shredders



FY21 Segment overview

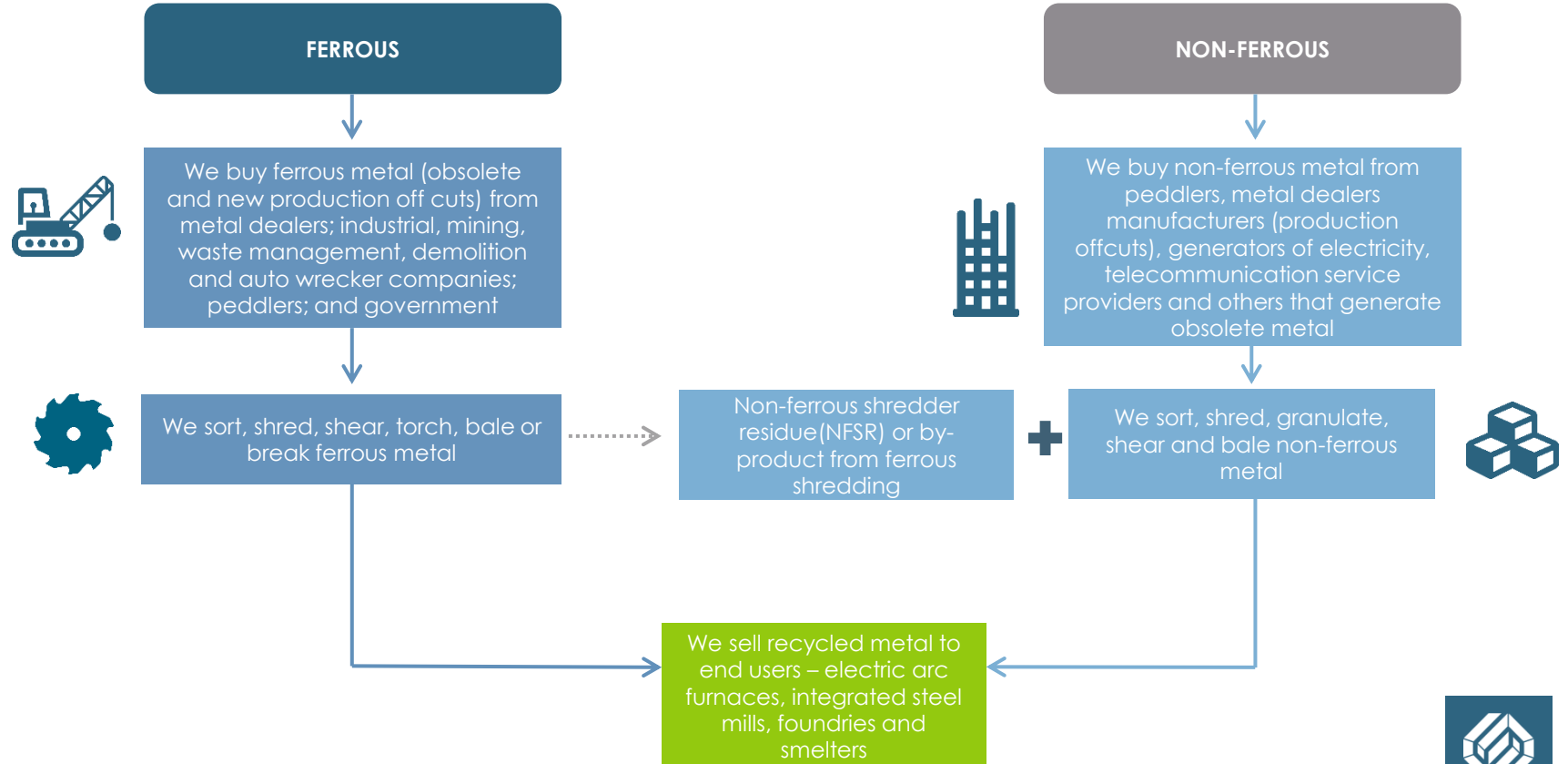
FY21	% of Group EBIT ¹
North America Metal	35
ANZ Metal	27
UK Metal	12
Sims Lifecycle Services	6
SA Recycling	41
Global Trading	(5)
Corporate & Other	(16)
Total	100%



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



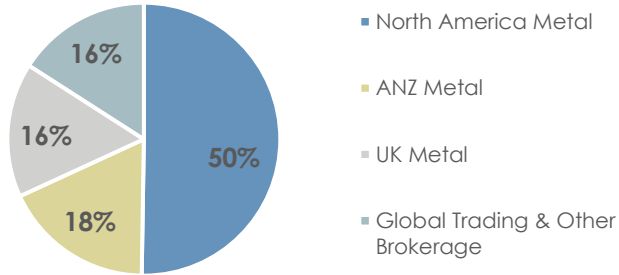
Metal recycling process



Metal – FY21 Volumes

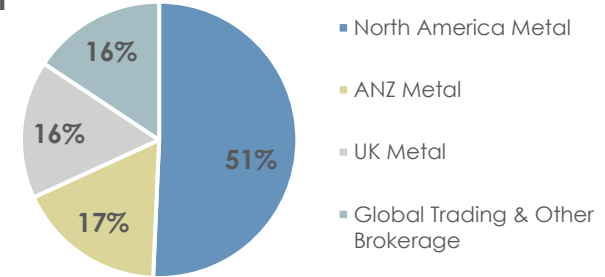
SALES VOLUMES

By Segment

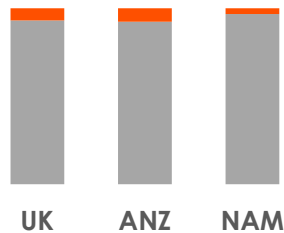


INTAKE VOLUMES

By Segment

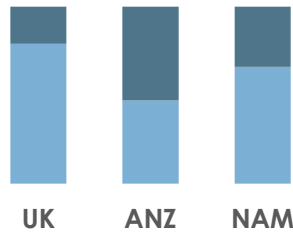


Non-Ferrous vs Ferrous

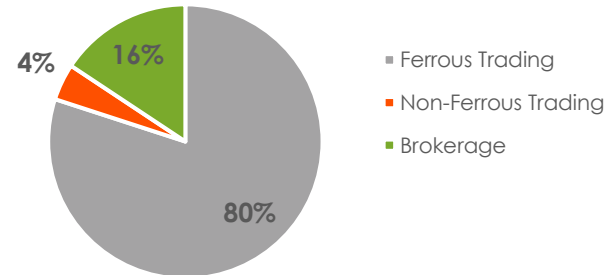


■ Ferrous ■ Non-ferrous

Domestic vs Export



■ Domestic ■ Export





Structural Market Tailwinds



Structural market tailwinds

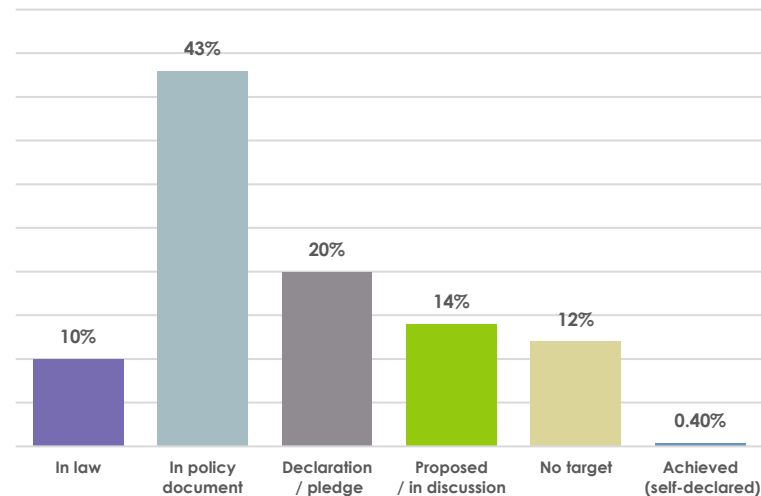
Driven by decarbonisation commitments across countries and companies

COMPANIES¹

“At least one fifth (21%) of the world’s 2,000 largest public companies, representing sales of nearly \$14 trillion, now have net zero commitments.”

GOVERNMENT – NET ZERO TARGET STATUS²

Percentage of total global GHG emissions across all nations



¹Taking Stock: A global assessment of net zero targets. March 2021

Energy & Climate Intelligence Unit

²Post-COP26 Snapshot. 25 November 2021

<https://zerotracker.net/analysis/post-cop26-snapshot/>



Energy Climate



DATA
DRIVEN
ENVIROLAB



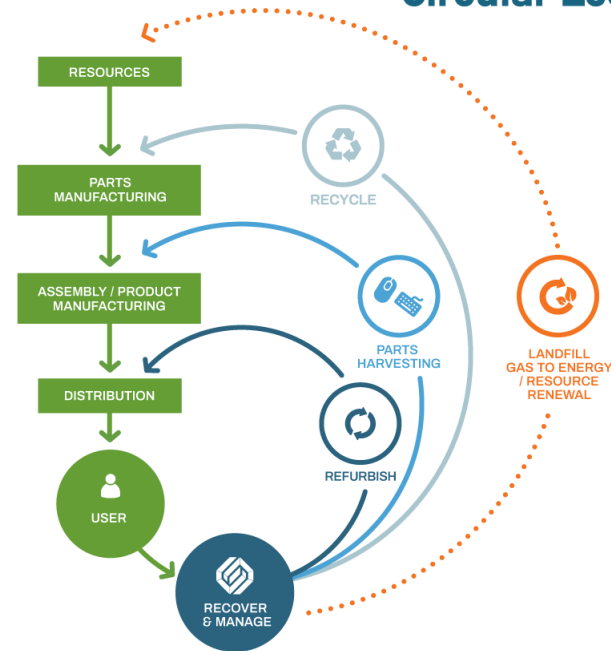
Structural market tailwinds

A circular economy is key to achieve net-zero targets

Moving to renewables can address 55 percent of global GHG emissions to meet the UN climate goals, it will be essential to address the remaining 45 percent that comes from manufacturing everyday products

Ellen Macarthur Foundation

Sims Enables the
Circular Economy



Structural market tailwinds

Significant opportunity in Ferrous

7% of global greenhouse emissions are produced by the global steel industry¹

Producing new steel from ferrous scrap requires **60%** less energy and reduces CO2 emissions by **58%** compared with producing steel from virgin materials²

An electric arc furnace can be charged with **100%** Steel scrap. A basic oxygen furnace can be charged with as much as **30%** scrap³

CHINA

Lifted ban on high quality recycled ferrous on 1 January 2021

	2020 (million tonnes)	2030 (million tonnes)	CAGR
Scrap Demand	248	343	+3.3%
EAF Production	80	162	+7.3%

Internal estimates

Source:

¹ World Steel Association

² Institute of Scrap Recycling Industries (ISRI)

³ World Steel Association

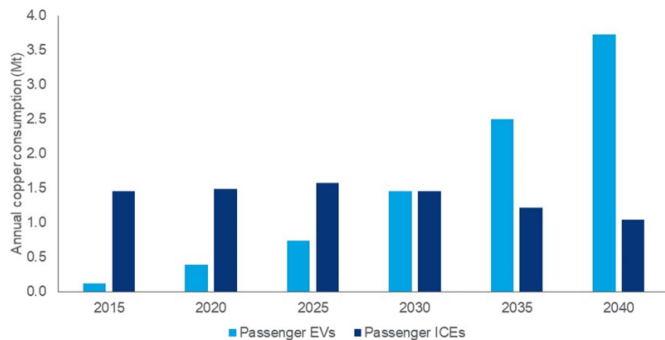


Structural market tailwinds

Emerging industries are expected to drive demand for non-ferrous metal

Electric Vehicles¹

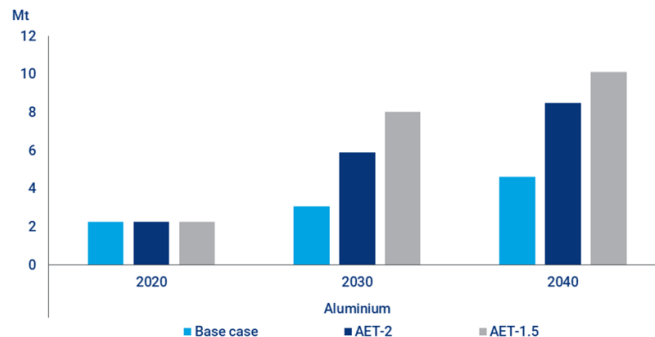
Annual copper consumption in EVs and ICE vehicles



- EVs can use up to **3.5 x** as much copper when compared to an internal combustion engine (ICE) passenger car. The amount goes up as the size of the electric vehicle increases

Renewable Energy¹

Aluminium demand in the solar energy sector under base case, AET-2 and AET-1.5 scenarios



- Annual aluminium demand from solar could rise by **3.5 x**
- Average aluminium content of a photovoltaic (PV) system at 21kg per kW. In concentrating solar power (CSP) systems the intensity of aluminium use is more than double that, approximately 47kg per kW

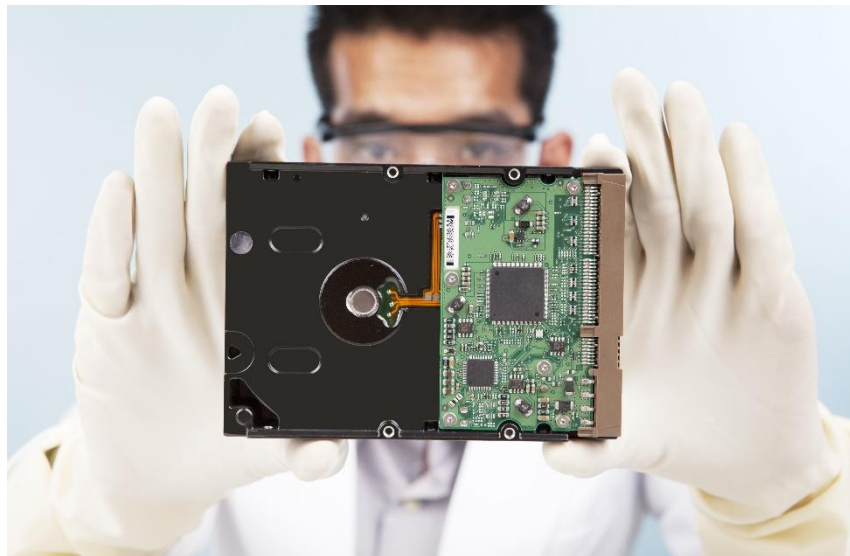


Structural market tailwinds

There is rising demand for repurposing units due to significant carbon reduction benefits and growth of the cloud industry

- In FY21 there were estimated to be 85 million units suitable for repurposing in the cloud¹
- Enterprise data storage is expected to grow 250% over the next 5 years¹

Kg CO ₂	Reuse/Redeploy – Embodied Carbon ^{2,3}	Recycling – Avoided Carbon ^{2,4}
Server	2,333	51
Laptop	211	3
Mobile phone	58	0.4



¹ Source: International Data Corporation (IDC), Sims estimates. Calculation is based on SLS regions and excludes recycled units

² Source of estimates: Reuse uses the average of product carbon footprint data, publicly available for several companies. Recycling is based on a combination of internal estimates and data sourced from LCA database.

³ Embodied carbon refers to the carbon emissions that are avoided from the manufacture of a new product

⁴ Avoided carbon refers to the carbon emissions that are avoided from the extraction of new raw materials



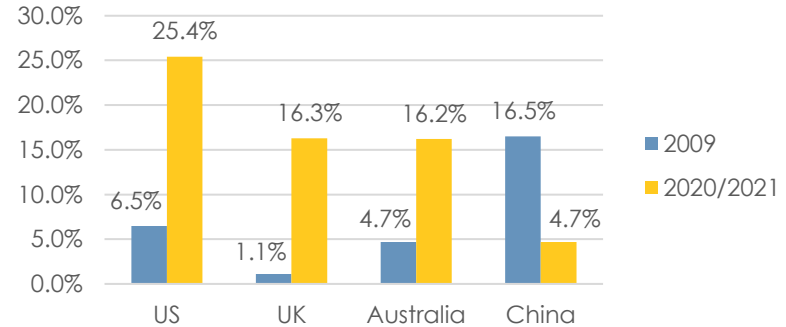
Markets

Large price increases in FY21 vs FY20 and unprecedented size of global stimulus package

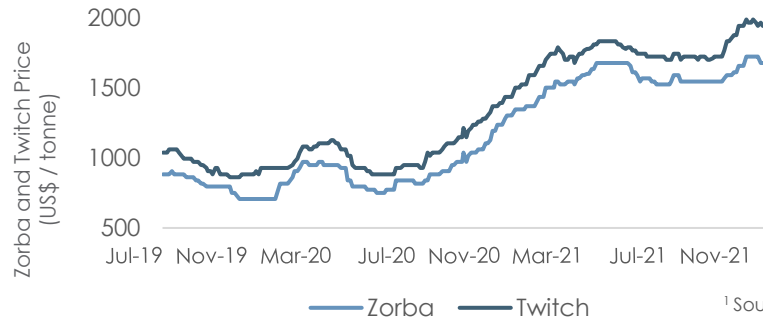
Ferrous¹ – Improved pricing since April 2020 lows



Government fiscal spending COVID-19 vs GFC² (in % of GDP)³



Non-ferrous¹ – Improved pricing since April 2020 lows



¹ Source: Platts (top and bottom chart)

² GFC – Global Financial Crisis

³ Sources: Atlantic Council based on IMF, EC & ILLS, World Bank. Fiscal measures include stimulus packages announced or implemented through Mar 10, 2021





**Sims is poised to
capitalise on
market tailwinds**



Well-positioned towards macro trends

Sims is a unique investment in global decarbonisation

104

years of technical expertise and relationships in recycling



Global operations with domestic and export transportation & logistics



Engineering and technology to create better quality of products and solve some of the biggest global problems



Integrated business strategy – multi-year plan to drive growth in the core metal business and deliver accelerated growth through environmental adjacencies



Strategic growth plans fully align environmental & financial goals



Balance sheet conservatively structured. No net debt



Access to capital markets drives investment and innovation at a large scale



Strong ESG credentials



Clear pathway to deliver on FY25 targets

Guided by our purpose

Create a world without waste to preserve our planet



Rooted in our Strategy

Metal Recycling

Expand metal volumes in favourable geographies

Grow U.S. non-ferrous business

Sims Lifecycle Services

Grow Recycling of Cloud Infrastructure

Resource Renewal

Enter Resource Renewal

LMS Energy

Expand proven landfill energy business overseas

FY25 Business Targets

Ferrous – 9.6 million tonnes

Non-ferrous – 300,000 tonnes

8.5 million of repurposed units

Capacity 120k - ASR tonne/year

50 megawatts

We support our customers' sustainability agendas and help them transition to a global circular and low-carbon economy



Sims has technology to deliver enhanced metal yields and quality

- The benefits of supplying high-quality products are:
 - Price premium
 - Sims produces 99% metallic zorba, furnace ready high-grade copper and furnace ready twitch, red/grey heavy
 - Reduce further our customers' carbon footprint
- Acquired Alumisource in February 2021
 - Delivers a clean product that skips an intermediary melting process and is direct charged into the furnace at semi-producers melt shops, saving significant energy



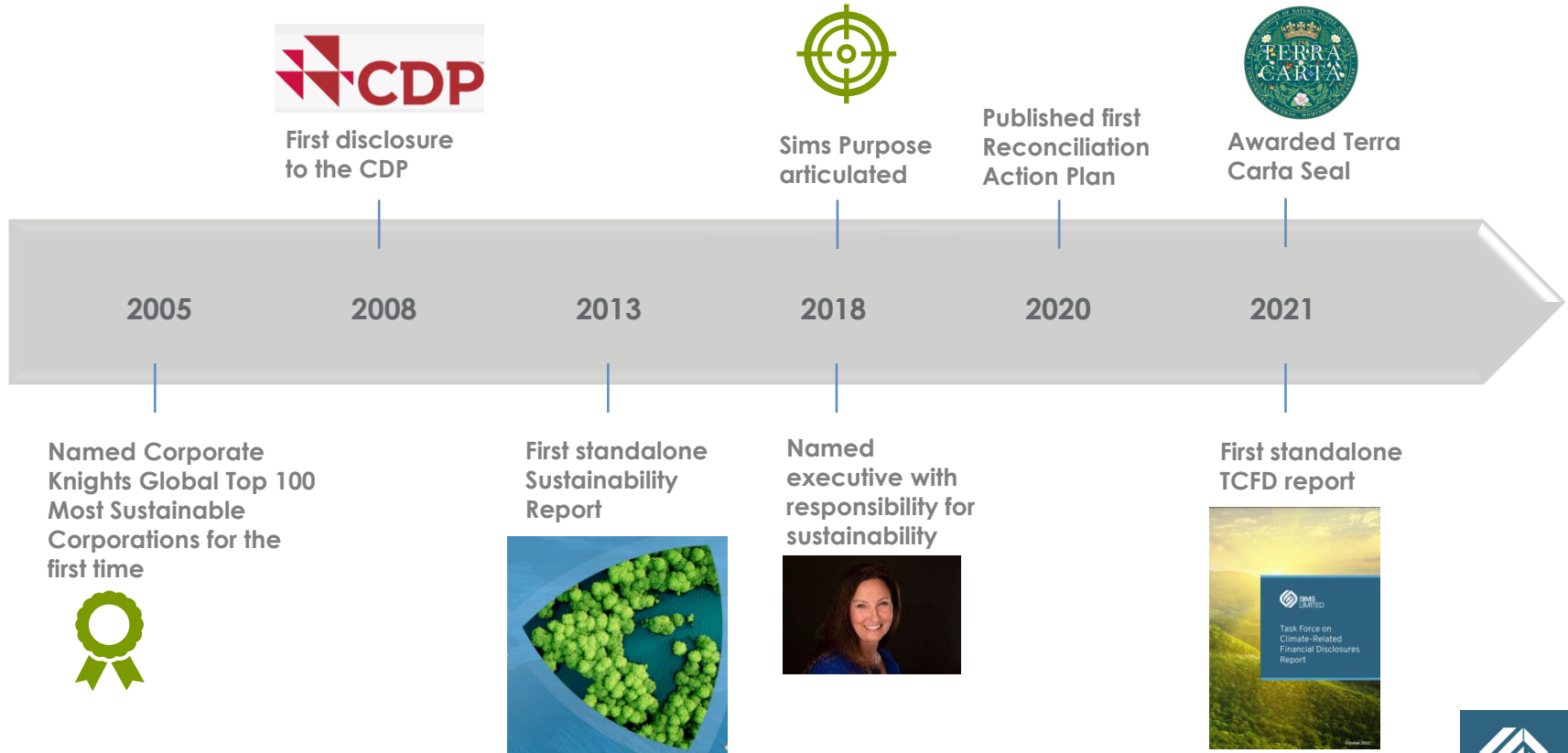


Sustainability

Elise Gautier



Our ESG journey



Our achievements

Corporate Knights

2021 - named Top 100 Global Most Sustainable Corporations for the seventh time



Terra Carta Seal for creation of sustainable markets

MSCI ESG RATINGS



CCC B BB BBB A AA AAA

Received maximum AAA rating



ACSI assessed Sims Limited as a 'Leader' in ESG reporting



Selected in world-first investment fund that applies Māori values and principles in selection

Who we work with



NYU STERN

Center for Sustainable Business



Global Compact Network Australia



Bureau of International Recycling



Sustainability Framework



Sustainability Framework

Sustainability goals drive economic, environmental and social value

OPERATE RESPONSIBLY

1	Foster a safe work environment
1.1	Total Recordable Injury Frequency Rate (TRIFR) ≤ 1
1.2	Lost Time Injury Frequency Rate (LTIR) ≤ 0.10
1.3	Achieve and maintain a safety culture index in the survey top quartile
1.4	Eliminate critical safety risks, Critical Risk Incident Frequency Rate (CRIFR) ≤ 0.50
2	Close gender gap
2.1	25% women in manager positions and above ¹
2.2	Reach 0% gender pay gap across Sims Limited
2.3	Achieve representation of women on the board $\geq 40\%$
3	Develop a skilled and engage workforce
3.1	Maintain an engaged and satisfied workforce as demonstrated by employee engagement survey results in the top quartile
3.2	Invest in education by increasing the number of available career development training programmes by 50% and promoting them
3.3	Improve annual employee performance review process to align with Sims Limited's purpose; incorporate role competencies and skills development plan
3.4	Ensure management incentive plan is consistent with sustainability goals
4	Ensure transparency on how our business is conducted in an ethical manner
4.1	Train all employees and agents on our Code of Conduct, anti-corruption and anti-bribery policies
4.2	Provide all employees with training on human rights, modern slavery and labour rights to raise awareness and help fight human rights violations
4.3	Develop a supplier Code of Conduct and implement supply chain due diligence to identify and address high risk of human rights violations and unethical practices

CLOSE THE LOOP

5	Become carbon neutral by 2042 and achieve net zero by 2050
5.1	Reduce Scope 1 and 2 emissions by 23% by FY25
6	Achieve no waste to landfill
6.1	Build resource renewal capacity to transform 120k tonnes of ASR per year into new products
7	Close materials loops further by expanding capacity and services
7.1	Close loops by expanding secondary metal volumes
7.2	Repurpose 8.5 million units
7.3	Expand municipal recycling coverage by 50%
7.4	Capture methane from landfills outside Australia and New Zealand (50 Megawatt)

PARTNER FOR CHANGE

8	Build trusted relationships with our communities
8.1	Establish at key sites a community index survey; track progress for continuous improvement
8.2	Annually, invest 0.5% of three-year rolling pre-tax profits in programmes that support environmental stewardship and economic empowerment
8.3	Dedicate paid employee time for community engagement/volunteerism activities
9	Create new business models that further the circular economy
9.1	Generate 10% of our EBIT from new business models and opportunities that enable the circular economy



Sustainability highlights

The Sims Purpose



2.1m

cloud storage units repurposed



>650k

tonnes of municipal curbside recycling processed



8.6m

tonnes of secondary metals recycled



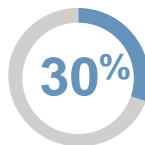
500k MWh

Of base-load renewable energy generated via LMS

Our Performance

1.2 TRIFR

Lowest total recordable injury frequency rate (TRIFR) to date



of the executive leadership team are women²



Planning development granted for pilot plasma gasification plant in Rocklea, Australia

31%



increase in repurposed cloud storage units⁴ entering secondary electronics markets

19% renewable electricity used across our facilities¹



4 out of 9 Board members are women³



350+ courses now available on Sims University

Acquisition of leading aluminium processor, forecast to grow North American recycled non-ferrous retail volume by 24%⁵



¹ Includes on-site generated renewable energy without renewable certification claimed by Sims

² Three out of 10 members of the executive leadership team (ELT) self-identify as female

³ Includes changes in FY22

⁴ A repurposed unit is any unit that re-enters the market by being resold or redeployed. It excludes units that are shredded.

⁵ Based on FY20 baseline





Finance

Stephen Mikkelsen, Group CFO



Summary of FY21 Financial outcomes

All profitability metrics showed major improvement

Sales Revenue
\$5,916.3 million



FY20
\$4,908.5 million

20.5%

Sales Volumes
8.593 million tonnes



FY20
8.154 million tonnes

5.4%

Underlying¹ EBITDA
\$579.9 million



FY20
\$144.9 million

300.2%

Net Cash Balance
\$8.3 million



30 June 2020
\$110.4 million

-92.5%

Underlying¹ EBIT
\$386.6 million



FY20
\$(57.9) million

767.7%

Return on Productive Assets²
20.4%



FY20
-3.0%

780.0%

Underlying¹ NPAT
\$284.1 million



FY20
\$(58.1) million

589.0%

Final Dividend
30 cps (50% franked)



FY20
No final dividend

30 cps

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

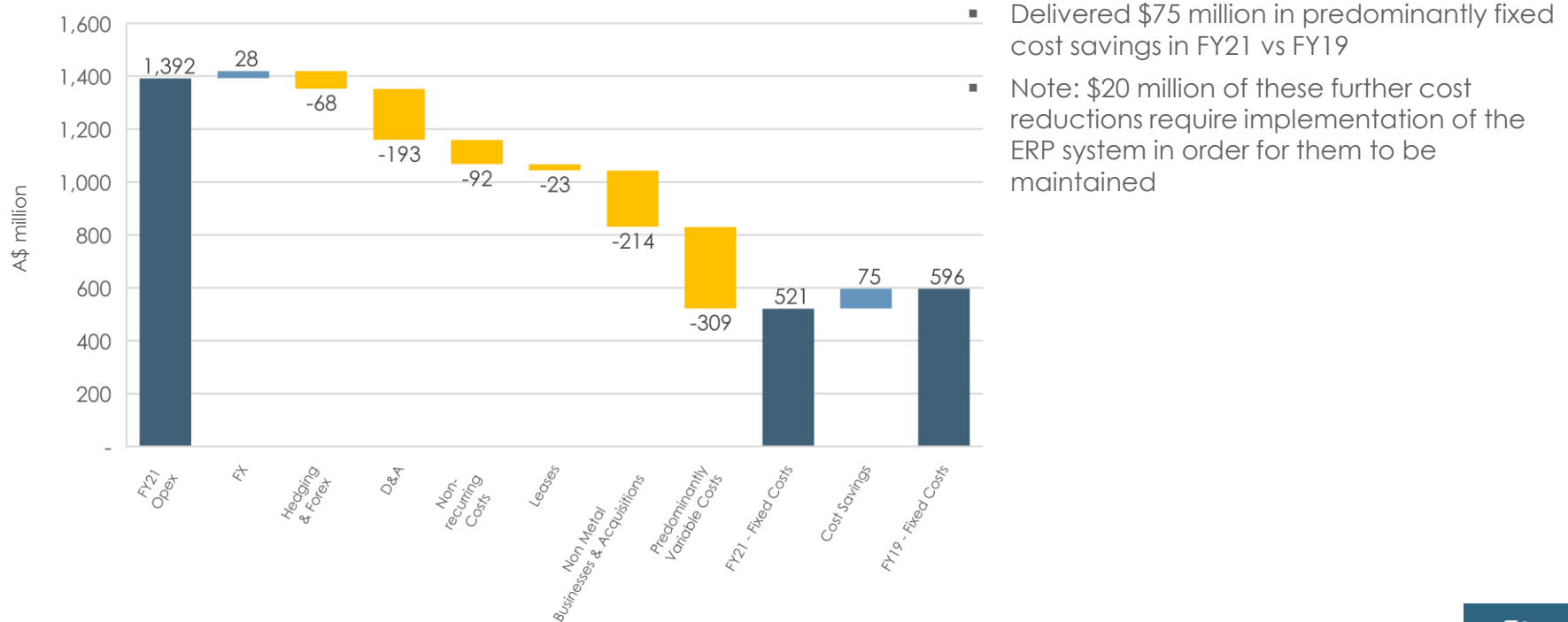
² Underlying EBIT / average of opening non-current assets and ending non-current assets excluding assets relating to adoption of AASB 16 Leases



Operating costs

Achieved \$75 million of predominantly fixed cost savings in FY21 compared to FY19

FY21 Predominantly Fixed Costs^{1,2}

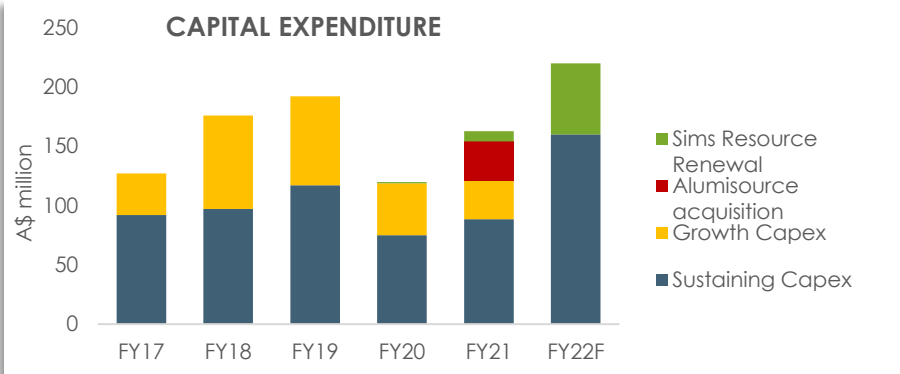


¹ Approximately 70% of these costs do not vary materially within reasonable volume changes

² Excludes Sims Lifecycle Services, Sims Municipal Recycling, Sims Resource Renewal and Sims Energy

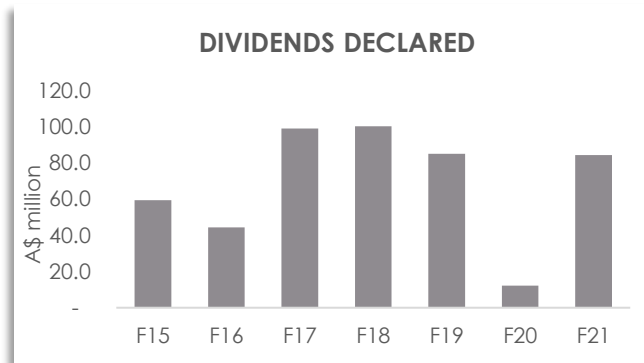
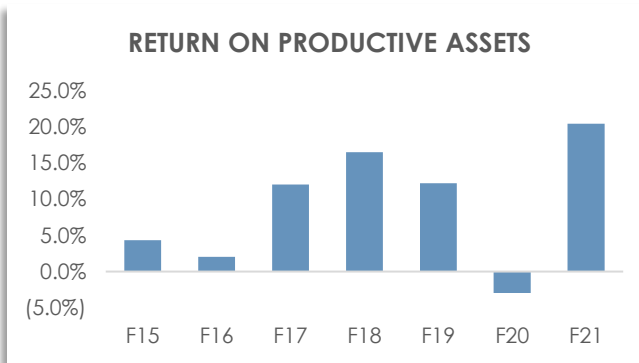


Finance overview



FY21

- Acquisition of Alumisource
- Announced share buyback of up to \$150 million¹



¹ Share buy back announced on 23 August 2021



1H 22 Trading update

Earnings momentum continued into 1H FY22 driven by strong trading margins across all major segments

Group

- Forecasted underlying **EBIT** of \$310 to \$350 million in 1H FY22 driven by North America businesses, representing approximately a sixfold increase from the prior comparable period
- Strong trading margins in ferrous and non-ferrous products due to:
 - sustained good market prices and
 - sound margin management across all businesses
- Partially offsetting the strong margins has been freight price volatility and the emergence of inflationary pressures on general business costs
- The most likely risks to the 1H FY22 forecasted result are (i) timing of shipments towards the end of December and whether they are accounted, from a revenue recognition perspective, as December or January sales, (ii) volatility in market prices, and (iii) volatility in freight prices
- Proprietary **intake volumes** for the September Quarter 2022 were up over 10% on the prior comparable period. However, they were slightly below the FY19 average proprietary intake volumes, largely due to Covid-19 related lockdowns
- **Operating cash flow** for the September Quarter 2022 was solid, with a positive contribution from working capital movements. Operating cash flow for 1H FY22 and FY22 could be significantly positively or negatively impacted by the level of working capital in the business at that time, largely stemming from sales mix, commodity prices, and inventory levels



Trading update

North America Metal

- Delivered a very strong trading margin for 1Q FY22 driven by a strong trading margin per tonne and good sales volumes
- Intake volumes were up on both the prior comparable period and the FY19 average

Australia & New Zealand Metal

- Delivered a strong trading margin in 1Q FY22 driven by a strong trading margin per tonne, partially offset by weaker sales volumes
- Intake volumes were up on the prior comparable period but down on the FY19 average due to the impact of lockdowns

UK Metal

- Delivered a strong trading margin for 1Q FY22 driven by a strong trading margin per tonne, despite pressures in ferrous products due to lower premium from the deep-sea market
- Both sales and intake volumes were down on the prior comparable period due to a combination of yard closures and Covid-19 impacts

SA Recycling

- Delivered a very strong EBIT contribution for 1Q FY22, driven by a strong trading margin per tonne and good sales volumes
- The business progressed on its growth strategy with four acquisitions, including the recently announced acquisition of PSC

SLS

- Increased repurposed units and achieved double-digit growth in underlying EBIT in Q1 FY22 compared to prior comparable period



Macro trends

Positive trends present a multi-year structural-growth opportunity for Sims

- Ongoing or announced stimulus spending will increase demand for steel intensive infrastructure spending and drive retail consumption. Post consumption scrap will also increase. Positive for metal recycling (both ferrous and non-ferrous)
- Global decarbonisation of steel making, and electricity generation industries will drive demand for recycled metal
- Cloud repurposing continues to grow at a rapid pace
- There are risks to the materialisation of these positive drivers, particularly as it relates to global uncertainty from geopolitical risks, macro-economic factors, and the unpredictability of how COVID-19 may evolve





Q&A





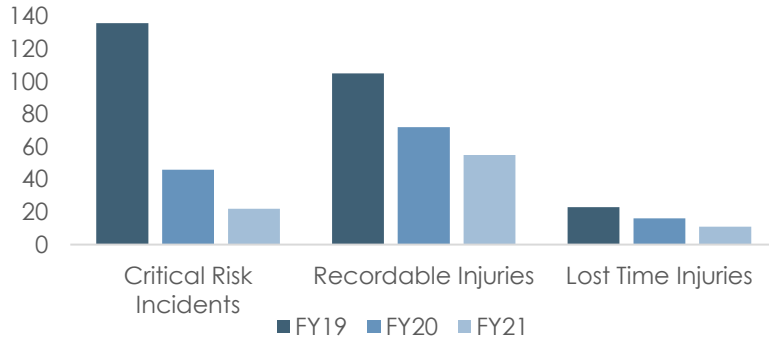
Appendix



Employee Health & Safety

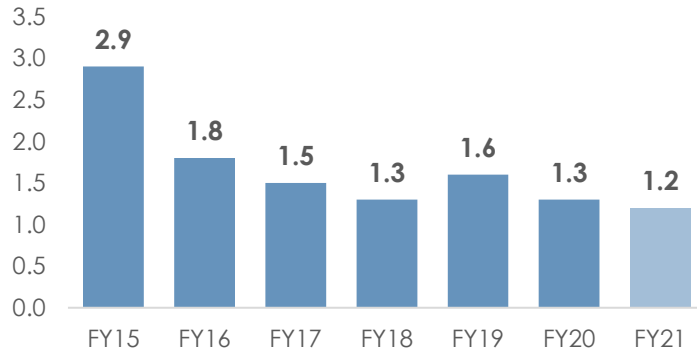
Lowest ever recorded number of injuries, despite adverse changing conditions in FY21

Actual incidents significantly reduced year over year



- Proactive lead indicator programs drove significant safety improvement, including
 - Lowest number of critical risk incidents
 - Lowest number of recordable injuries
 - Lowest number of lost time cases
- 11,977 corrective actions were identified and closed. This represents 96% of total identified actions
- Equal lowest TRIFR driven by lowest ever recorded number of injuries despite a 20% loss of hours year over year, driven by COVID-19 related reductions in staff, temporary site shut-down, and the sale of SLS sites in Europe

Total Recordable Injury Frequency Rate (TRIFR)¹



-24%
Recordable Injuries
in FY21 vs FY20

-20%
Work Hours
in FY21 vs FY20

¹ Defined as total recordable injuries x 200,000 divided by number of hours worked for employees and contractors.



Sustainability

We are pleased with our progress across each of the pillars, despite COVID-19 disruption

Sims' Sustainability Pillars



Operate Responsibly: Foundation of a sustainable company

We commit to operating as a best-in-class business continuously improving our safety performance, employee engagement, operating performance and upholding responsible and ethical business practices



Close the Loop: Raising the bar on sustainability

We commit to investing in innovative technologies to extract more value from materials, re-think waste and enable the circular economy to not only close our own materials loop but support others do the same



Partner for Change: Amplifying our impact

We commit to working with our partners to create new business models that ensure a safe, healthy and productive value chain to create shared value and keep resources in use at their highest value as long as possible

FY21 Update

- Executed the Safety Risk Incident Programme
- Implemented control measures to prevent or minimise exposure of employees to COVID-19 risks during rendering of essential services
- Developed the FY25 and beyond sustainability targets
- Increased usage of renewable energy across the Sims operations
- Developed pipeline of projects for carbon mitigation, reduction and elimination
- Increased the number of partnerships to enable circularity and maintain resources in use as long as possible
- Worked with the World Business Counsel of Sustainability Development to create circularity metrics, solutions and partnerships for circular electronics and plastics and packaging



Group Financial Performance

A\$m	FY20	FY21	% Chg
Sales revenue	4,908.5	5,916.3	20.5%
Statutory EBITDA	35.7	507.3	1,321.0%
Underlying EBITDA ¹	144.9	579.9	300.2%
Statutory EBIT	(239.1)	314.0	231.3%
Underlying EBIT¹	(57.9)	386.6	767.7%
Statutory NPAT	(265.3)	229.4	186.5%
Significant items	207.2	54.7	-73.6%
Underlying NPAT¹	(58.1)	284.1	589.0%
Statutory EPS - diluted (cents)	(131.2)	112.8	186.0%
Underlying EPS - diluted (cents)¹	(28.7)	139.6	586.4%
Dividend per share (cents)	6.0	42.0	600.0%
Average non-current assets ²	1,917.7	1,891.6	-1.4%
Return on productive assets²	-3.0%	20.4%	780.0%

- Strong earnings growth due to:
 - Higher sales revenue and volumes
 - Lower operating costs with cost savings of \$75 million in FY21 compared to FY19; and
 - Margin improvement driven by active margin management and higher pricing

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

² Annualised underlying EBIT / average of opening non-current assets and ending non-current assets excluding assets relating to adoption of AASB 16 Leases



On track to deliver on FY25 targets

