



ASX & MEDIA RELEASE

(ASX: SGM, USOTC: SMSMY)

16 December 2021

Sims Limited acquisition of Atlantic Recycling Group

Sims Limited ("Sims or the Company") today announced it has agreed to acquire the assets of United States-based metal recycler, Atlantic Recycling Group (ARG). The acquisition is expected to reach financial close on 1 January 2022.

ARG is a leading recycling business located in Baltimore, Maryland, trading as United and Montgomery Scrap. The business operates four facilities and has a shredder and metal recovery plant at its primary site in Baltimore. ARG processes and sells approximately 150,000 tonnes of ferrous and non-ferrous secondary metal per annum, predominantly to the domestic market and delivered unaudited average annual EBIT of US\$6.4 million from 2017 to 2021¹. Total consideration for the acquisition was US\$37 million plus working capital adjustments. The acquisition price implies an EV/EBITDA multiple of 4.2x on a pre-synergies basis.

The transaction provides operational and commercial synergies, and is consistent with the Company's strategy to grow in large coastal markets which offer the potential for top tier processing facilities and bulk export optionality. With this acquisition, Sims has expanded the span of its East Coast operational footprint to extend from South Carolina to New England, an area incorporating many of the largest markets for secondary metal generation in the USA.

Alistair Field, CEO and Managing Director of Sims Limited, commenting on the acquisition, said: "I welcome the team at Atlantic Recycling into the Sims Limited family. This acquisition provides Sims Metal with entry into a complementary market and strengthens the already solid East Coast footprint in North America. The acquisition of ARG follows the acquisition of Recyclers Australia announced last week and, once more, is a testament to Sims' commitment to acquiring assets that are aligned with the Company's core metal growth strategy and its core-competitive advantage in coastal markets, with bulk ferrous shipping optionality."

¹ 2021 is an estimate of the Year End 31 December 2021 EBIT result.

Authorised for release by: The Company Secretary, Gretchen Johanns

About Sims Limited

Founded in 1917, Sims Limited is a global leader in metal recycling and providing circular solutions for technology, and an emerging leader in municipal recycling and renewable energy. Our 4,000 employees operate from more than 200 facilities across 15 countries. 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). Our purpose, create a world without waste to preserve our planet, is what drives us to constantly innovate and offer new solutions in the circular economy for consumers, businesses, governments and communities around the world. For more information, visit www.simsltd.com.

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