



Creating Value by Providing a Pathway to Decarbonisation and Circularity

UK Roadshow

31 May – 1 June 2023



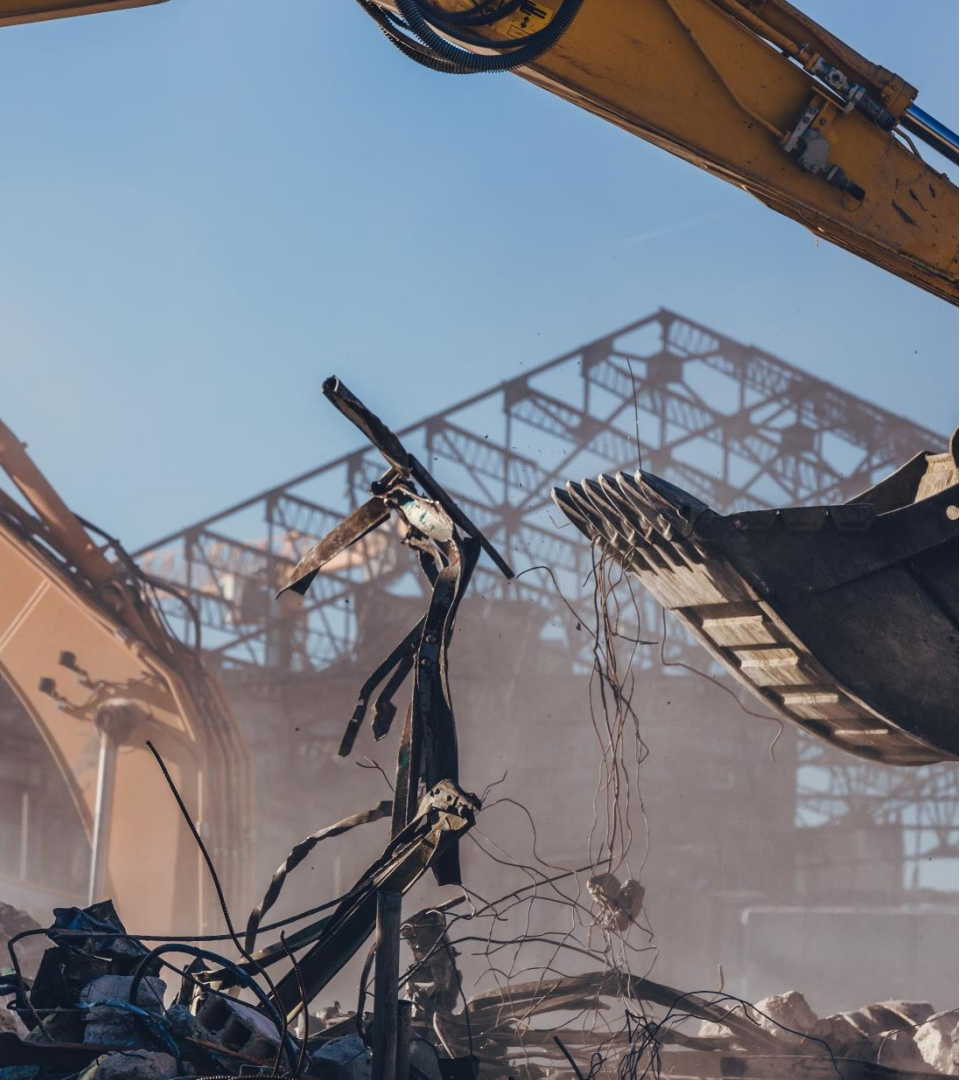
Disclaimer

The material contained in this document is a presentation of information about the Group's activities current at the date of the presentation, 31 May to and 1 June 2023. It is provided in summary form and does not purport to be complete. It should be read in conjunction with the Group's periodic reporting and other announcements lodged with the Australian Securities Exchange (ASX).

To the extent that this document may contain forward-looking statements, such statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, and which may cause actual results to differ materially from those expressed in the statements contained in this release.

This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.





Overview of Sims Limited



Sims Limited

The group at glance:

- Publicly listed Australian Company (ASX: SGM; OTC: SMSMY)
- Market capitalisation approximately A\$2.8 billion (26 May 2023)
- FY22 Total sales volumes of 10.6 million tonnes¹
- FY22 Revenue A\$9,264.4 million
- FY22 Underlying EBIT A\$756.1 million
- FY22 Underlying NPAT A\$578.9 million
- FY22 Cash Flow Conversion² 94.6%



¹ Includes Sims Metal and 50% of SA Recycling sales volumes

² Cash flow from operations / underlying NPAT

Create a world without waste to preserve our planet

Driving value through a purpose-led strategy

We enable the re-use of finite natural resources and the decarbonisation of our customers' supply chain, directly creating measurable positive impact for individuals, communities, industry and governments.



Sims delivered 98.16% to 100% green revenue in FY22¹

¹ FTSE 100 Index Russell's Green Revenues Classification System (GRCS) assessment

Our Role in decarbonisation

Sims Metal enables the decarbonisation of the metal industry

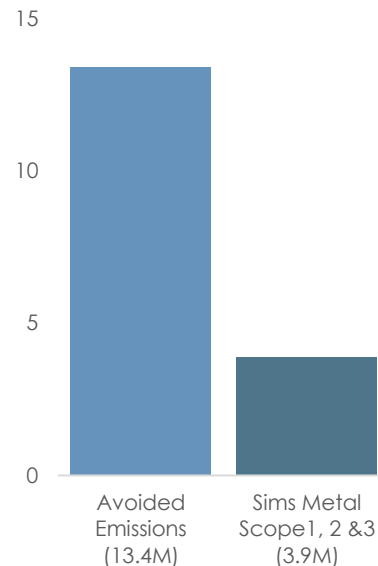
Steel production accounts for
7% of global emissions, and
28% of industrial emissions¹

Steel produced via a US EAF
is **75%** lower in Scope 1 &
2 emissions and **210%**
lower in Scope 1, 2 & 3
compared to blast furnace²

Recycling aluminium saves
95% of green house gas
emissions produced in the
primary production process³

Recycling copper requires
85% less energy than primary
production⁴

Sims Direct, Value Chain and Avoided Emissions FY21



¹ IEA, "[Energy Technology Perspectives 2020](#)"

² Steel Manufacturers Association, "[Steelmaking Emissions Report 2022](#)"

³ International Aluminium, "[Aluminium Recycling Fact Sheet](#)", 2020 ² Copper

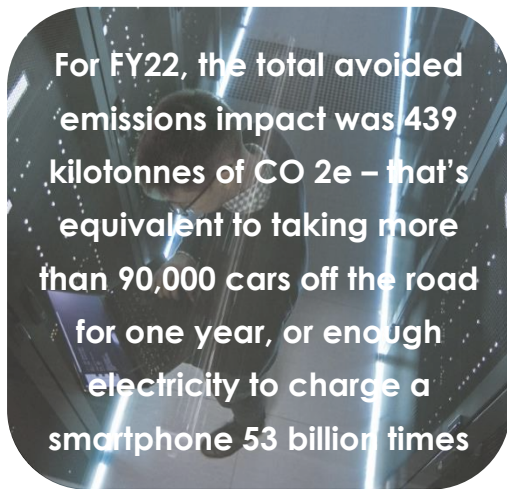
⁴ Alliance, "[Recycling](#)"



Our Role in decarbonisation

Through circularity, our adjacent businesses address environmental-related problems

Sims Lifecycle Services



For FY22, the total avoided emissions impact was 439 kilotonnes of CO₂e – that's equivalent to taking more than 90,000 cars off the road for one year, or enough electricity to charge a smartphone 53 billion times

Enables decarbonisation of the data centre infrastructure and other IT assets, through repurposing and recycling

Sims Resource Renewal



By 2030, every year we intend to divert more than 1 million tonnes of automotive shredder residue (ASR) from landfill to create new products



Our business

Is underpinned by positive trends and key competitive advantages

Structural Market Tailwinds



Increased environmental concerns for our customers



More stringent environmental compliance to operate in the metal recycling industry



Growing demand for recycled copper and aluminum



Higher landfill costs driving an increased focus on waste management



Electrification and energy transition to drive copper and aluminium prices higher



Global push for high quality metals



Increased demand for recycled metal



Increased demand for cloud services

Unique capabilities



Dedicated in-house engineering team



Best-in-class shredding and non-ferrous metal separation technology



Material recovery technology and processes



International trading offices and agents in 15 countries



Operate best-in-class assets at scale



Strong reputation in the market



Market leadership in core business



Public company with strong balance sheet



Rapidly changing environments

Acceleration of existing trends and emergence of new ones

SOCIAL

- Community activism is increasing its impact through social media and better coordination

CHANGE FROM 2020

- **New**

ENVIRONMENTAL

- Climate change action has grown in urgency across governments, corporations and consumers

- **Accelerated**

ECONOMIC

- Inflation at generational high, leading to higher costs and interest rates
- Volatile commodity prices due to supply chain constraints

- **New**
- **New**

TECHNOLOGICAL

- Car manufacturers accelerating EV development and desire to 'close the loop'
- Continued growth of information digitisation and cloud storage solutions
- AI is changing the way we work and product development

- **Accelerated**
- **Accelerated**
- **Accelerated**

POLITICAL

- War in Ukraine has amplified global tensions and elevated risk of conflict
- Geopolitical tensions have reversed globalization trends and is re-routing supply chains

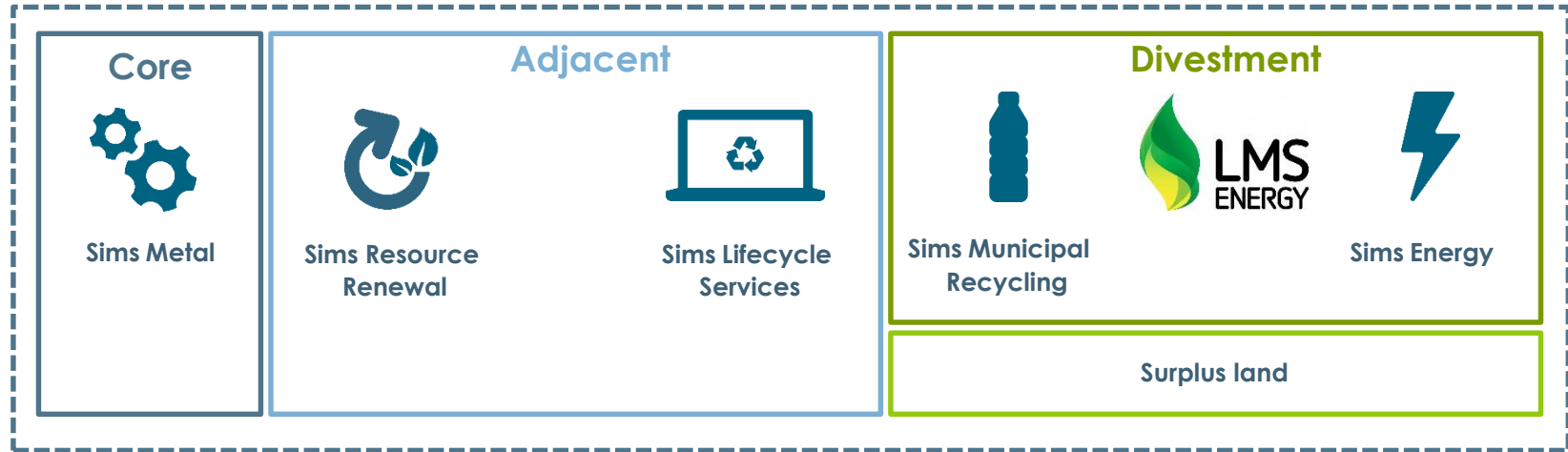
- **New**
- **Accelerated**



Actively managing our business portfolio

Adapting to evolving market conditions. Seeking to sell underperforming, undervalued or underutilised assets and recycle proceeds to grow core business

Sims Limited



Sims Metal

- › Operating in Australia for more than 104 years
- › At centre of the circular economy and a key enabler of decarbonisation
- › The world's largest public recycler of metals by volume
- › Operations in Australia, New Zealand, USA and UK



Global footprint

Extensive network of facilities enables global sourcing of infeed and diversity of sales outlets



Facilities



Shredders



FY22 Intake
Volumes²

North America Metal



57 5,071



12

SA Recycling³



124 4,874



23

UK Metal



28 1,614



4

Australia, New Zealand & PNG Metal



51 1,586



8

¹ Slide shows FY22 data

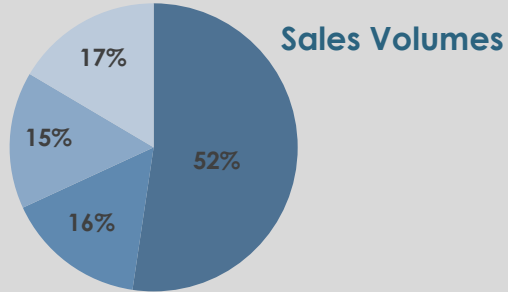
² '000 tonnes

³ Volumes represent total proprietary volumes recorded for SA Recycling, LLC and includes the portion sold through Sims Group Global Trade Corporation



FY22 Sims Metal

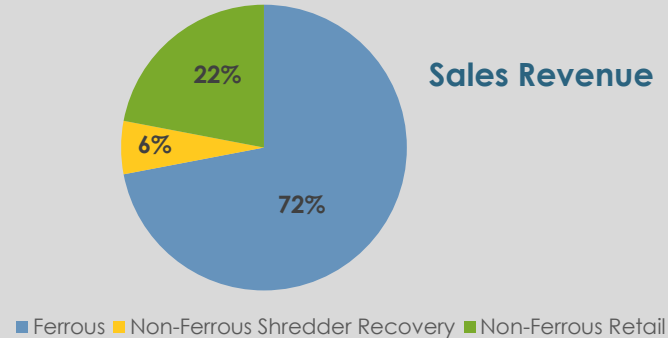
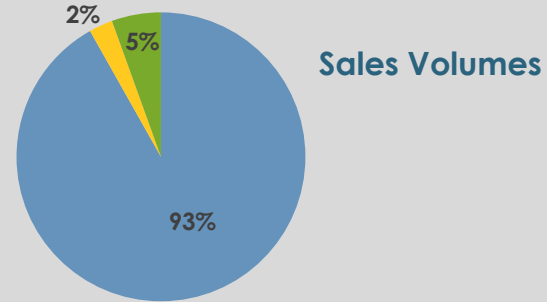
Segment Breakdown



■ North America Metal ■ ANZ Metal ■ UK Metal ■ Global Trading & Other Brokerage



Product Breakdown



■ Ferrous ■ Non-Ferrous Shredder Recovery ■ Non-Ferrous Retail



Strategy

Targeted and disciplined growth strategy

Metal Growth Strategy

Large markets

- Essential for material generation to operate at scale

Secure 'at-source' material

- Add feeder yards to secure unprocessed volumes

Best-in-class assets

- Operate at low cost, at scale, with highest quality assets

Quality Differentiation

- Differentiation to leverage demand growth and price premiums

Channels to customers

- Maximise sales destination optionality

Grow non-ferrous retail business in the US and expand ferrous volumes in favourable regions

Ferrous

Strategic lens to identify organic and M&A growth opportunities

- Coastal operations with export optionality
- Avoid hypercompetitive markets
- Markets supported by large metro populations
- Control of 'at source' material

Focus areas

- #1 US and ANZ
- #2 UK

Non-Ferrous

- Leveraging Alumisource acquisition to boost US volumes and scale up the business globally

NFSR

- Improve metal yields





SA Recycling

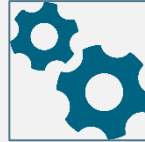


SA Recycling overview

130 Facilities¹



23 Shredders¹



Operations in 16 States¹



4.9 million tonnes
Intake Volumes in FY22²



4.9 Sales Volumes
in FY22²



+3300 employees¹



¹ 2023 year-to-date

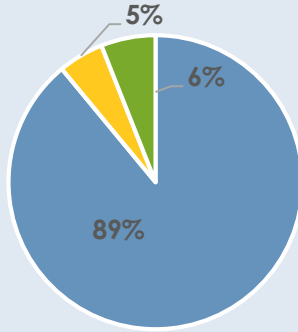
² SAR volumes 100%



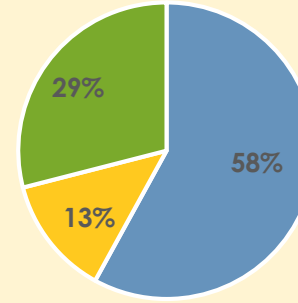
SA Recycling

Strong growth in FY22 and a track record of stable trading margin percentages

FY22 Sales Volume



FY22 Sales Revenue



■ Ferrous ■ Non-Ferrous Shredder Recovery ■ Non-Ferrous Retail



SAR's rapid growth since 2017

Successful acquisition integration



* 2023 year to date



SA Recycling's business priorities



- Integration of closed acquisitions
- Enhance presence in existing footprint
- Investment in technology and infrastructure
- Further downstream investment to produce mill ready products, semi-finished products, or reduce dependency on intermediary consumers.



Sims Lifecycle Services



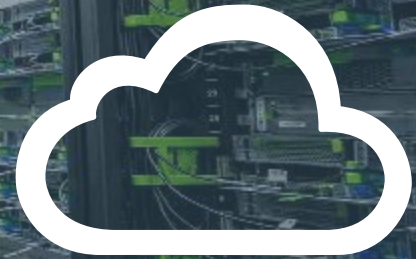
Global leader in circular cloud solutions



Global
Consistent
Compliant
Comprehensive
Sustainable



Circular
Reuse
Redeploy
Reengineer
Recycle



Cloud
Servers
Networking
Storage



Why SLS is best in market

Strong competitive advantages to continue to demonstrate growth



Pillars of growth

Expand services

- Fulfilment
- On site services
- Global Box Programme
- Sustainability

Grow current clients

- Geographies
- Services

New clients

- Co-locators
- Hyperscalers
- Enterprises e.g. Fortune 500



Growth delivery & execution

Operational Readiness

- Dedicated experienced team
- New services and locations

Technical Development

- Industry knowledge and leadership
- Operational solutions

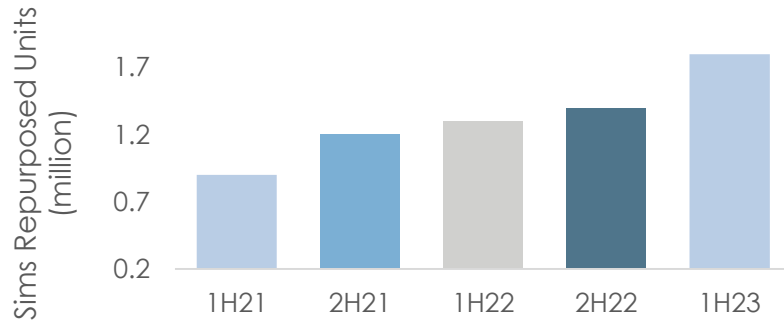
Innovation

- Innovation with a growth mindset
- Delivery through a structured approach



Demonstrated growth

Consistent repurposed unit growth



Targeting 8.5 m
repurposed units in
FY25





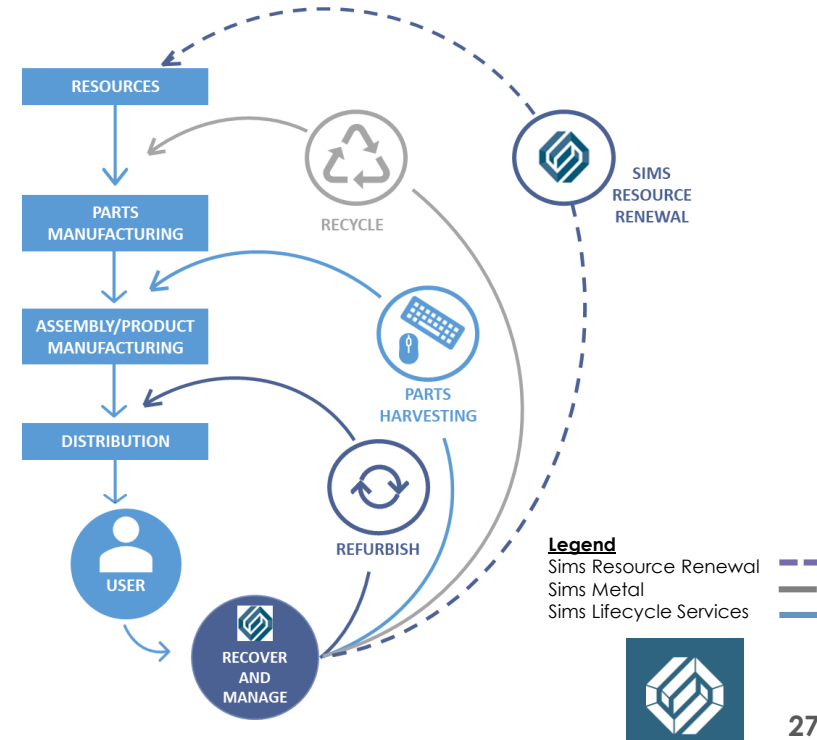
Sims Resource Renewal



SRR is a key element of delivering Sims' Purpose

SRR's vision is to transform hard to treat ASR and plastic waste into higher value, useful products for society

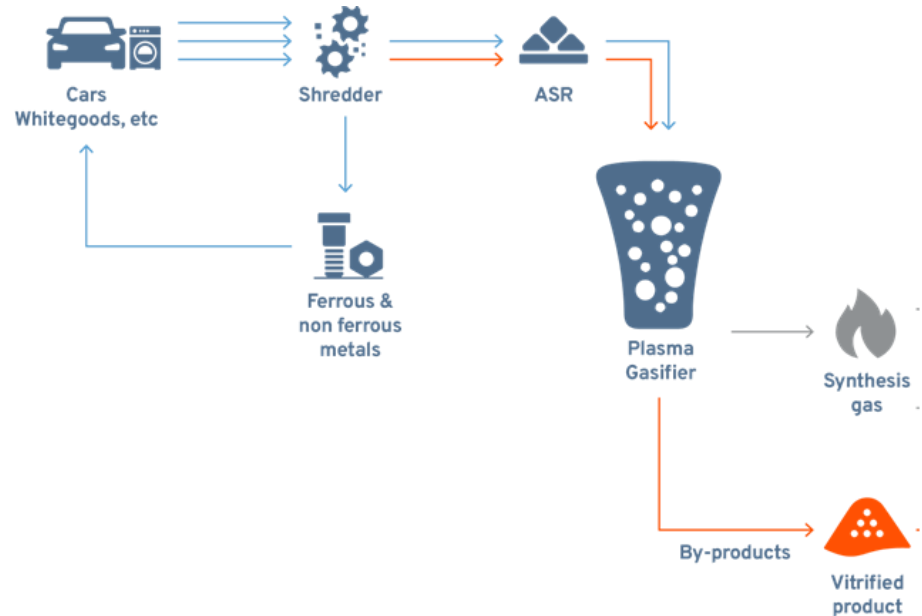
- Divert 1 million tonnes of Sims Metal ASR away from landfill
- Increase recycled content in products as a pathway to full circularity
- Address Sims Metal risk exposure to escalating waste costs and reduction in landfill capacity



Demonstration plant operations

Validating technology, gas and vitrified product qualities

- Operations to commence in June for an initial test period of up to six months
- Priority is on safe operations with extensive testing of start up, shutdown and emergency response
- Will assist with customer, community, government and regulator engagement to build understanding and confidence



Demonstration plant outcome

Optimise commercial facility capital investment

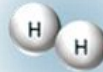
- Equipment performance, integrity and reliability will optimise future commercial scale facility design
- Will inform product qualities and the basis for a range of products best aligned to each market
- Secondary trials may be developed for R&D purposes



Output product optionality

Multiple product choices create greater commercial flexibility

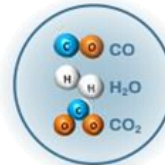
- Explore a range of products including alternative fuels, to enable optionality, on the journey to full circularity of plastics
- Take a customer centric approach to each market and product
- Work with global technology providers and potential customers on products



Hydrogen Industrial use, including Ammonia / chemical production



Commercial Carbon Dioxide Mainly for the food and beverage sector.



Raw Syngas Uses include plastics manufacturing



Methanol Uses include plastics manufacturing and fuels.



Olefins Uses include plastics manufacturing.

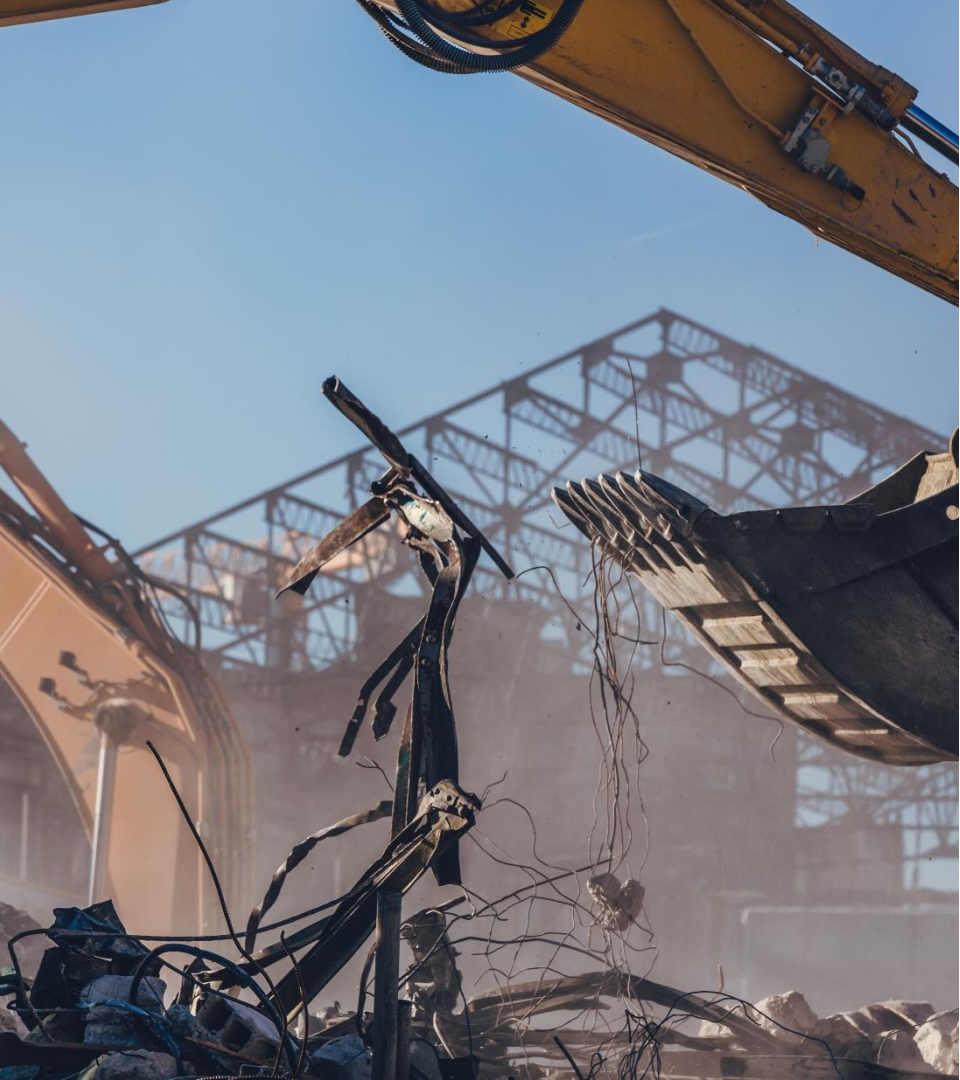


Sims Resource Renewal

Disciplined program to realise emerging market value

- FY24 Demonstration Plant Commitments:
 - No material capex investment
 - Operating costs for base testing ~\$2 million
- Continue a disciplined commercial plant development process, applying a capital gate review process to determine whether to advance to the next stage
- Pursue technology partnerships to deliver a range of product options, well positioned to capture market opportunities, aligned with customer demand for circular solutions
- Commercial facility funding is expected to be largely sourced from commercial partnerships and will be structured to meet the internal hurdle rate





HY23 Financial Highlights



A resilient performance in HY23 against a challenging trading and operating environment



Sales volume growth in Metal

EBIT was impacted by challenging macro and operating conditions, although above guidance

Lower trading margin reflected challenging market conditions across all metal segments

Operating cash flow 10.7% up, despite lower EBIT

Interim dividend of 14.0 cps

Safety performance continued to improve; rates fell to new record low



Group Financial Performance

As expected, EBIT result was impacted by lower margins and increased operating costs

A\$m	HY23	HY22	Change
Sales revenue	3,831.2	4,265.0	(10.2)%
Statutory EBITDA	270.2	442.0	(38.9)%
Statutory EBIT	163.4	341.4	(52.1)%
Underlying EBITDA¹	200.1	462.3	(56.7)%
Underlying EBIT¹	93.3	361.7	(74.2)%
Statutory NPAT	101.0	253.2	(60.1)%
Underlying NPAT¹	53.0	269.3	(80.3)%
EBITDA Margin % ²	5.2%	10.8%	(5.6)ppts
EBIT Margin % ³	2.4%	8.5%	(6.1)ppts
Metal Trading Margin⁴	HY23	HY22	Change
Trading Margin – Metal (A\$m)	671.0	762.3	(12.0)%
Trading Margin – Metal (%)	20.4%	21.4%	(1.0)ppt

- Proprietary intake volumes down 3.2%
- Revenue down 10.2% driven by 12.3% decline in average ferrous sale price, partially offset by a 1.4% increase in proprietary sales volumes
- Metal trading margins down 12.0%, driven by challenging trading conditions across all markets
- Metal operating costs up 18.4% in HY23 vs HY22. On a sequential basis, cost reduction initiatives led to stabilisation of costs, despite further inflation in HY23 vs 2H FY22
- Earnings from SA Recycling earnings down 61.8%
- Underlying EBIT down 74.2% to \$93.3 million

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

² Underlying EBITDA / Sales revenue

³ Underlying EBIT / Sales revenue

⁴ Metal Business comprises North America Metal, ANZ Metal and UK Metal



Business segment financial performance

Underlying EBIT ¹ (A\$m)	HY23	HY22	Change	Sales volumes ('000 tonnes)	HY23	HY22	Change
Metal Business ²	87.3	266.5	(67.2)%	Metal Business ²	3,995	3,941	1.4%
Sims Lifecycle Services	7.0	9.9	(29.3)%	Global Trading	562	675	(16.8)%
SA Recycling	49.1	128.7	(61.8)%	Other Brokerage	16	69	(76.4)%
Global Trading	(11.8)	(11.1)	6.3%	Total sales volumes	4,573	4,685	(2.4)%
Corporate & Other	(38.3)	(32.3)	18.6%	SAR sales volumes 100%	2,196	2,203	(0.3)%
Underlying EBIT¹	93.3	361.7	(74.2)%	Intake volumes ('000 tonnes)	HY23	HY22	Change
				Metal Business ²	3,776	3,899	(3.2)%
				Global Trading	562	674	(16.6)%
				Other Brokerage	45	69	(34.8)%
				Intake volumes	4,383	4,642	(5.6)%
				SAR intake volumes 100%	2,235	2,285	(2.2)%

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

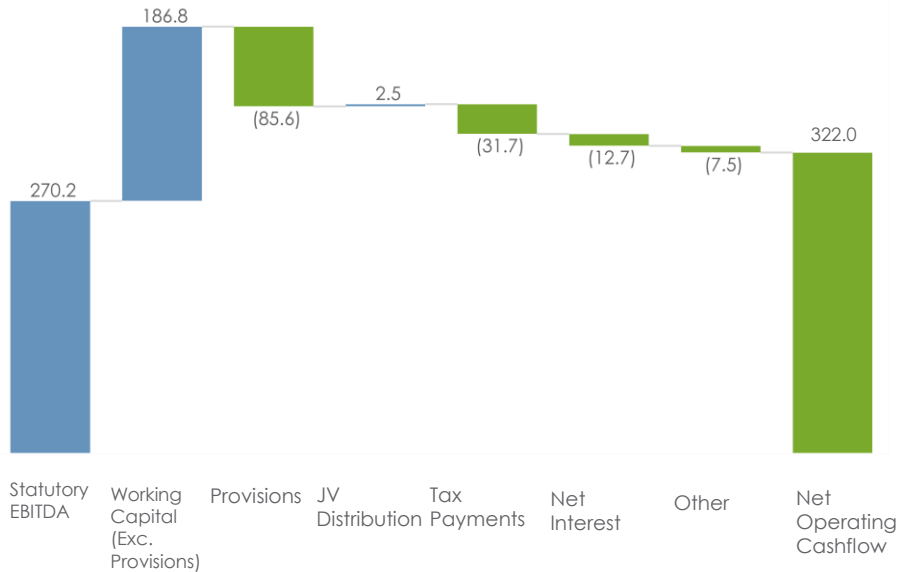
² Metal Business EBIT comprises North America Metal, ANZ Metal and UK Metal



Cash generation

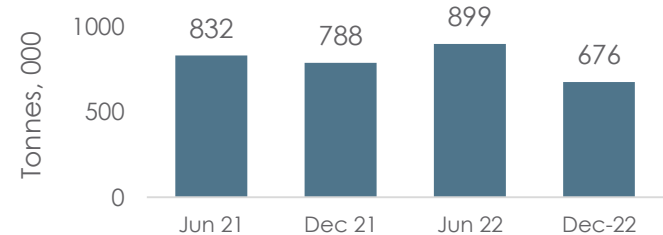
Lower inventory and prices released working capital

Million \$AUD



- Working capital of \$186.8 million release, driven by lower inventory and metal prices
- Provisions of \$85.6 million includes incentive payments related to FY22
- Tax payments of \$31.7 million

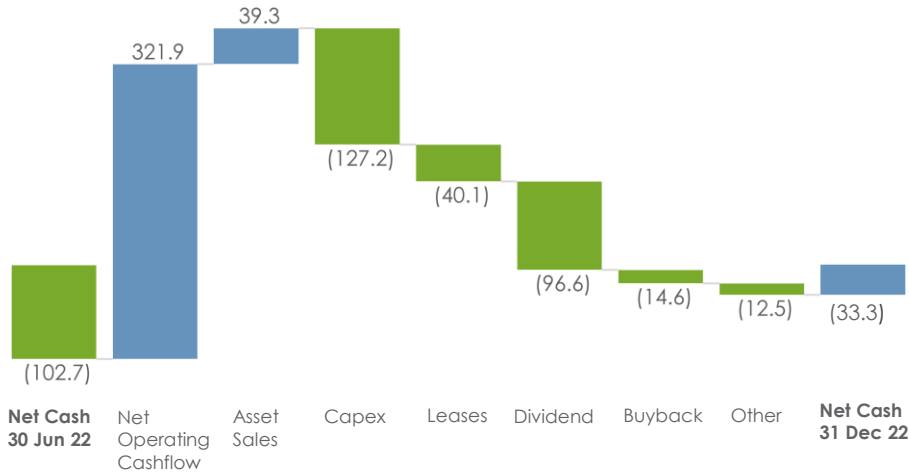
Total Inventory



Net cash movement

Operating cashflow up by 10.7%

Million \$AUD

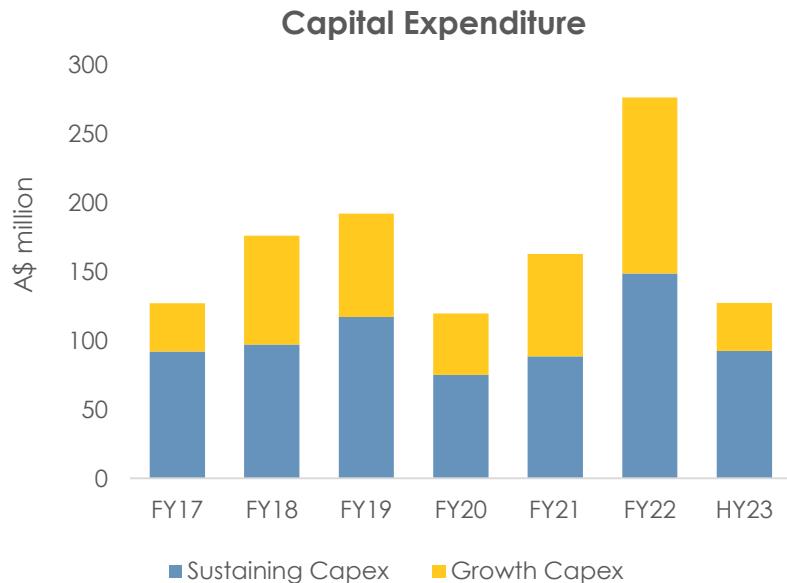


- Cash inflow from operating activities of \$322.0 million increase
- Cash received for asset sales included Doremus land for \$36.5 million
- Capex spend of \$127.2 million, includes \$23 million in delayed growth projects from prior year
- \$111.2 million returned to shareholders through shares and buyback



Capital Expenditure

Focused deployment of capital. Quickly adapted to market changes while continued supporting growth



- Total capex of \$127.2 million in HY23 was comprised of \$92.4 million in Sustaining Capex
- \$34.8 million spend in Growth Capex
- Sustaining and environmental capex for FY23 is expected to be \$170 million





Sustainability



Our sustainability strategy

Designed to drive positive impact on society, environment and all our stakeholders

Our strategy comprises
9 ambitions or goals



27 targets for accountability and transparency

In 2022 updated climate ambition and targets to accelerate emissions reduction across the business

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 (Managers that sit at CEO-1 and CEO-2 in reporting structure)
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

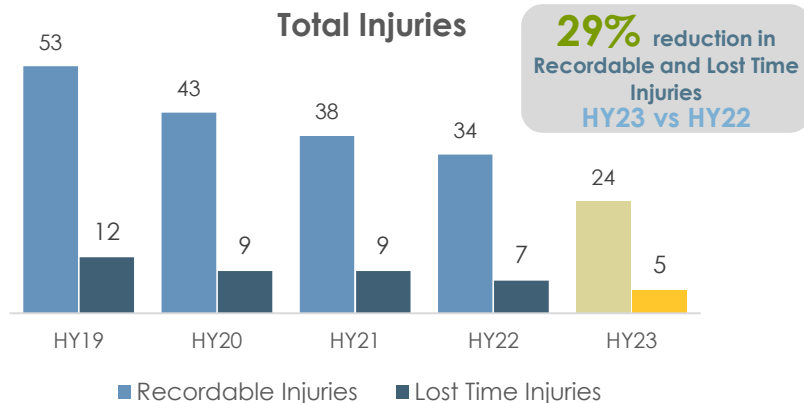
5	Achieve net zero by 2050
5.1	Reduce Scope 1 and 2 emissions by 23% by FY25
5.2	UPDATED IN 2022 - 100% renewable electricity by 2025
5.3	UPDATED IN 2022 - SLS carbon neutral by 2025
5.4	UPDATED IN 2022 - Sims carbon neutral by 2030
6	Achieve no waste to landfill
6.1	Build resource renewal capacity to 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 to 9,600k tonnes of Fe and 300,000 tonnes of Non-Ferrous
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

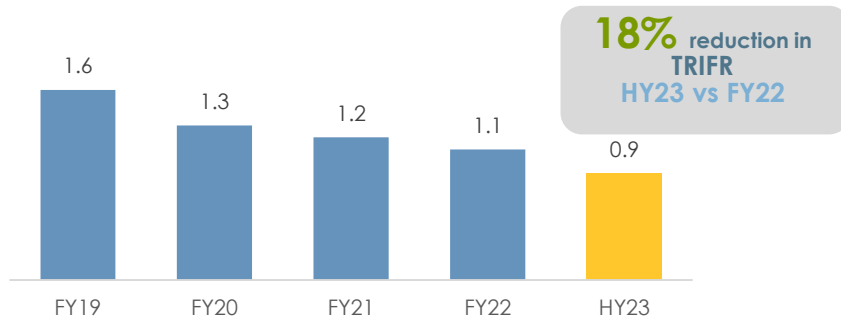
Employee Health & Safety

Excellent safety performance continued in HY23



- Strategic focus on improvement of control measures continued to drive excellent safety performance
- Maintained investment in traffic management controls in all regions
- Employee Safety Perception Survey improved consistently over the last three years, putting Sims' operations closer to world class safety scores
- EHS Leadership Training underway to continue driving continuous improvement safety culture

Total Recordable Injury Frequency Rate (TRIFR)¹



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



Sustainability

Strengthened sustainability credentials



Corporate
Knights

Ranked 14th in the Global 100 list of most sustainable companies



Received maximum AAA rating

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

DJSI Australia constituent



A- score



Appendix



Metal operations

