



ASX & MEDIA RELEASE

(ASX: SGM, USOTC: SMSMY)

13 November 2024

Sims Limited 2024 Annual General Meeting

Sims Limited is holding its Annual General Meeting (AGM) today. The meeting can be accessed at

[Sims Limited 2024 Annual General Meeting.](#)

Attached are copies of the addresses to shareholders to be delivered by the Chairman and the Group Chief Executive Officer at the AGM.

Authorised for release by: The Company Secretary

About Sims Limited

Founded in Australia in 1917, Sims Limited is a global leader in metal recycling and the provision of circular solutions for technology. Employing approximately 4,000 employees globally, the company operates more than 120 facilities across 13 countries. Sims Limited plays a vital role in helping increase circularity and decarbonisation by supplying recycled materials and re-purposed products. 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). The Company's purpose, create a world without waste to preserve our planet, is what drives its constant innovation and leadership in the circular economy. For more information, visit www.simsltd.com.

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Sims Limited 2024 Annual General Meeting
Addresses by Phil Bainbridge, Chair
and
Stephen Mikkelsen, Group Chief Executive Officer & Managing Director
13 November 2024

Chairman's Address

Good morning and welcome to the Sims Limited 2024 Annual General Meeting.

Our Annual General Meeting is an important event, allowing us to engage directly with you, our shareholders. We appreciate your time, feedback, and support, and we value the opportunity to update you on the Group business. Thank you for joining us either in person at our office in Mascot or virtually.

Fiscal year 2024 presented challenging industry conditions primarily due to a tight supply of ferrous material, declining demand for sales of ferrous material in some geographies, and ongoing inflationary pressures.

I am proud of the agility our Company demonstrated in a difficult environment, but I am not satisfied with our performance. During the year, we redefined our strategic priorities, repositioned our footprint with the sale of the UK Metals business, and implemented commercial and operating changes. I am confident that we are heading in the right direction but at the start of a journey that will drive long-term growth and value for our shareholders.

Safety

Our first priority has been and will continue to be the safety of our employees and contractors. I am pleased to report that our Company had another exceptional safety performance in FY24 achieving a new low Total Recordable Injury Frequency Rate of one. With a focus on leading indicators, critical risks, and our Commit to Care program, we have created a best-in-class safety culture.

Purpose and Strategy

We continue to believe that our purpose – create a world without waste to preserve our planet – stands the test of time. In a rapidly decarbonising world, the material we recycle is increasingly critical feedstock for our customers who need high quality, low-carbon metal to drive the transition to a sustainable future. Fittingly, we were recognised by Corporate Knights in FY24 as the world's most sustainable company.

While our purpose has not changed, we focused our metal recycling footprint on our high-potential geographies, Australia and New Zealand and North America. In North America, we made adjustments to better focus on margin, buying more unprocessed material and increasing the utilisation of our shredders, deriving greater value from the recycled material. Additionally, we implemented a cost-out program that realised significant savings during the year and this will continue to be a priority.

Our Sims Lifecycle Services (SLS) business had an impressive performance in FY24 with EBIT increasing by over 100% year-on-year. The SLS business has a strong growth trajectory, driven by the surge in demand for artificial intelligence and the related expansion of the hyperscaler data centre industry. We will continue to capitalise on this opportunity with our innovative services and customer-centric approach.

Capital Management and Shareholder Returns

We continue to evaluate our capital management strategy to ensure we balance financial flexibility with the need to invest in growth and deliver shareholder returns. With the improved performance in the second half of FY24, the Company declared a final dividend of 10.0 cents per share, fully franked, which was paid on 16 October 2024.

Looking Ahead

I am pleased to introduce Grant Dempsey, who was appointed to the Board in April following a global search and is up for re-election at this meeting. Grant brings experience in investment banking and as a Chief Financial Officer. We will continue to work to ensure that the Board has the right mix of skills and experience to lead the Company.

Thank you for your continued support as shareholders in the Company.

CEO Address

Thank you for joining us today.

I would like to begin by saying that I am very proud of what the team has accomplished this year.

On the safety front, our commitment remained strong as we integrated 17 new sites from the Baltimore acquisition and achieved a Total Recordable Injury Frequency Rate below one – a true testament to our proactive approach and solid safety culture.

FY24 was a year of two halves, and it certainly brought its challenges. Tight scrap availability, softer global steel demand driven by weak manufacturing activity, and inflationary pressures led to margin compression. Additionally, weak steel fundamentals in Asia, exacerbated by high levels of Chinese steel exports, further pressured scrap metal markets. Despite this we've made real strides, particularly in the second half in our Metal business, where our strategic decisions and operational adjustments gained traction. Despite the pressures in the Metal markets, our focus on margin discipline, cost control, and operational efficiency led to an improved performance, with underlying EBIT increasing by \$29.5 million in the second half.

We also saw improved results from our commercial operations in North America, with higher unprocessed material intake and better shredder utilisation, contributing to a significant margin improvement by the fourth quarter. In Australia, we strengthened our position, benefiting from a well-balanced portfolio and robust regional and mining volume purchases, adding resilience to our business.

Our investment in SA Recycling continued to yield solid results benefiting from its sound market position. Lifecycle Services had an exceptional year, with EBIT increasing by over 100% year-on-year, driven by the successful execution of our strategy to capitalise on growth opportunities in hyperscaler data centre services and the expansion of artificial intelligence.

This year, we took important steps to streamline and simplify. Divesting non-core assets, reducing our executive team, and achieving \$46 million in annualised cost savings has positioned us well in high-potential markets in the U.S., Australia, and New Zealand.

We issued a final dividend of 10 cents per share, maintaining a strong balance sheet. The recent divestitures have further strengthened our financial position, allowing us to reduce debt and focus on future growth.

We currently expect EBIT for the Metal businesses in the second quarter of Fiscal Year 2025 to be broadly in line with the first quarter. Trading across the Metal businesses has remained strong, despite persistent market challenges, which have particularly affected the Australian and New Zealand markets. North America Metal however continues to demonstrate a steady recovery and is expected to maintain its Trading Margin percentage performance evident in the first quarter.

Looking at the year ahead, we remain committed to driving growth through our global footprint, operational excellence, and our dedication to sustainability. The demand for recycled metals, essential for decarbonisation, continues to rise as industries worldwide strive to reduce carbon emissions. With circular economies evolving and becoming a central component of competitive strategies, we are prepared to meet this increasing demand—supporting governments and our customers' ambitions and contributing to a greener, more sustainable future

In closing, I want to thank our employees for their resilience, our Board for their guidance in my first year as CEO, and our shareholders for their continued support. Together, we're creating a world without waste to preserve our planet and positioning Sims for future sustainable growth.