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SIMS LIMITED ANNOUNCES
FISCAL 2025 HALF YEAR RESULTS

Results at a glance

STATUTORY	HY25	HY24	Change
Sales revenue	3,645.5	3,505.6	4.0 %
EBITDA	194.9	297.8	(34.6)%
EBIT	66.4	190.4	(65.1)%
NPAT	30.8	98.0	(68.6)%
EPS (cents) – diluted	15.8	50.1	(68.5)%
UNDERLYING[1]	**HY25**	**HY24**	**Change**
Sales revenue	3,645.5	3,505.6	4.0 %
EBITDA	201.5	133.1	51.4 %
EBIT	73.0	25.7	184.0 %
NPAT	35.1	7.0	401.4 %
EPS (cents) – diluted	18.0	3.6	400.0 %
DPS (cents) – total	10.0	0.0	—%
Return on Invested Capital[2]	4.0 %	1.4 %	2.6 ppts

Key Points

- Statutory EBITDA for HY24 included a gain on asset sale of $178.9 million. Underlying NPAT for HY25 increased by 401.4% to $35.1 million from $7.0 million.
- Sales revenue of $3,645.5 million, up 4.0% from the prior corresponding period.
- Underlying EBIT of $73.0 million, up 184.0% from the prior corresponding period.
- Return on Invested Capital[2] of 4.0%.

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

2 Return on Invested capital ('ROIC') = annualised net operating profit after tax / average invested capital. FY25 is the first year that ROIC is being reported as a key measure

Commentary

Commenting on the HY25 Financial Results, Group CEO and Managing Director, Stephen Mikkelsen said, “We delivered a strong performance against a challenging market, which many are citing as one of the most difficult in recent times. We achieved an underlying EBIT of $73.0 million, significantly reduced net debt, and returned cash to shareholders. More importantly, strategic initiatives in NAM drove a significant uplift in the Sims Metal trading margins, despite lower ferrous prices and broader market headwinds, demonstrating that our strategy is working. Disciplined cost controls also helped mitigate inflationary pressures.

'SLS capitalised on strengthening market conditions to deliver strong EBIT and repurposed unit growth, while maintaining disciplined expansion and cost control.

‘We kept our focus on safety, leveraging leading indicators and improving the quality of critical control verifications to drive performance.

‘We continued to challenge ourselves to stay ahead of structural market shifts and are extremely well-positioned to capitalise on increasing regionalisation and the growing need for supply chain reliability, drawing on our strong domestic network capability.

‘As demand accelerates for recycled metals and repurposed technology infrastructure, our focus on margin and cash generation will ensure a strong balance sheet - enabling us to navigate market cycles, reward investors, and seize new growth opportunities.

‘Amid significant change, our people have remained resilient, adapting to new ways of working and driving our success.”

Group Results

Sims Limited (**the Company** or **the Group**) today announced an underlying EBIT of $73.0 million in HY25, 184.0% higher than HY24, driven by a substantial improvement in the operating performance of the North American Metal business (“NAM”) and continued growth in Sims Lifecycle Services (“SLS”).

Statutory EBIT for HY25 was $66.4 million, representing a decrease of 65.1% compared to HY24, which included a gain on the disposal of the Landfill Management Services ("LMS") business.

Proprietary intake volumes reduced by 5.0% to 3.2 million tonnes in HY25 in comparison to HY24 levels. Weak economic conditions and global steel market pressure from higher Chinese steel exports lowered pricing and scrap demand in the Australia/New Zealand ("ANZ") business, which reported a 15.6% decline in volumes. NAM volumes were down by 1.3% in HY25 compared to HY24 as the business sacrificed low-margin processed tonnes to focus on gaining higher margin unprocessed material. The resulting lower volumes were partially offset by an additional four-month contribution from the Baltimore Scrap acquisition.

Proprietary sales volumes decreased by 4.7% in HY25 compared to HY24, with the ANZ business recording a 17.1% decline.

Sales revenue was $3,645.5 million in HY25, an increase of 4.0% compared to HY24.

The Sims Metal (excluding Global Trade) trading margin, in absolute terms, increased by 21.9% or 23.1% in constant currency, reflecting a substantial improvement in the NAM business. The Sims Metal (excluding Global Trade) trading margin percentage for the period was 22.4% (HY24 18.9%).

Statutory NPAT in HY25 was $30.8 million compared to $98.0 million in HY24, inclusive of the LMS gain. Net interest expense of $16.3 million was $1.8 million lower than HY24, due to lower net debt levels during the period following partial proceeds from the disposal of the UK Metal business.

Statutory EBITDA in HY25 was $194.9 million compared to $297.8 million in HY24.

Cash inflow from operating activities was $347.8 million in HY25 compared to $101.8 million in HY24. The result included the working capital component of the UK Metal sale, but also benefited from improved operational performance and a focus on optimising remaining working capital levels.

Capital expenditures for sustaining property, plant and equipment were $78.9 million during HY25 compared to payments of $80.2 million in HY24. This was in line with expectations. The HY25 net cash position also benefited from the sale of the UK Metal business and Sims' residual interest in Closed Loop.

At 31 December 2024, the Group recorded a net debt position of $100.9 million compared to $411.9 million at 30 June 2024.

Segment Performance

NAM's Underlying EBIT was $46.7 million or $47.3 million at constant currency in HY25. Trading margin and trading margin percentage increased by 32.8% (34.5% at constant currency) and 4.1 percentage points, respectively, in HY25 compared to HY24. This growth was achieved despite intense competition in sourcing scrap metal and challenging export markets, as the business focused on expanding its intake of unprocessed scrap, buying at source, and remaining agile in its sales destinations to capitalise on market opportunities.

SA Recycling ("SAR") contributed $47.4 million to the Group's HY25 Underlying EBIT, compared to $59.6 million in HY24. At constant currency, the contribution from SAR was $48.0 million. Trading margin increased by 2.7% driven by a favourable product mix towards zorba products and the impact of acquisitions. However, these acquisitions, along with inflationary pressures, also added to the cost base.

ANZ reported Underlying EBIT of $37.9 million in HY25, down 19.9% from HY24, reflecting challenging market conditions. Despite the market headwinds, trading margin increased by 1.6% in HY25 compared to HY24, with ongoing strong margin management, the timing of certain sales, and an increased contribution from non-ferrous and zorba products from improved pricing.

Underlying EBIT for SLS was $14.1 million, a 69.9% increase compared to HY24, driven by strong market conditions and sustained momentum in major hyperscaler activity, supported by increasing demand for data centers to support AI advancements.

Strategy Developments

The Group made significant progress in its strategic initiatives. In the Sims Metal segments, it successfully completed the sale of UK Metal and advanced further organisational restructuring across both NAM and the corporate structure, transitioning senior operations management from a functional to a regionally focused leadership model to ensure a sharper alignment with evolving market dynamics. Key sites in ANZ and NAM were upgraded. SAR expanded through the acquisition of six new businesses. SLS continued scaling up, extending operations in the USA to support hyperscaler growth and strengthening its international presence in Mexico and Europe. Additionally, it broadened its service offering to create greater value for existing customers.

Outlook and Market Drivers

In scrap markets, ferrous prices and intake volumes remain dynamic to regional market influences. Global steel overcapacity and China's elevated exports are expected to continue. Non-ferrous demand has a robust foundation, and this is likely to be reflected in continued solid volumes and prices. Overall, supply-demand balance is expected to align with the first half, despite seasonal softness in January and February.

The Hyperscaler data centre market is expected to continue its strong momentum.

Broader inflationary pressures have lessened and the cost savings initiatives over the last 18 months will mitigate cost inflation in the second half.

The effects of tariffs on global and domestic steel and scrap markets are likely to result in benefits for NAM and SAR, and in potential challenges for ANZ.

Macro-Trends

Growing regionalisation creates advantages for SLS and the Metal businesses.
The growth of EAFs and the decarbonisation transition is driving significant recycled metal demand domestically, altering market dynamics.

Increased demand for metal intensive infrastructure spending and the production of post consumption scrap is positive for metal recycling, both ferrous and non-ferrous.

The fundamental drivers of cloud infrastructure recycling continue to accelerate.

Authorised for release by: The Board of Sims Limited.

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. 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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