



# Macquarie Bank Investor Conference

7 May 2025



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**Warrick Ranson**  
Group CFO



# Delivering on our Strategy

Create a World without Waste to Preserve our Planet

## Repurpose and Recycle

Customers	Suppliers	Operational Efficiency	Innovative & Agile	Invest Responsibly
Key raw material supplier	Part of our customer base	Safe operations	Rapid response to shifts in the market	Focus on cash generation and value accretion
Differentiated products	Efficient access to supplier hubs in large markets	Aligned end-to-end supply chain	Use of data to drive performance	Strong capital management
Developed domestic channels/global network	Unprocessed material at value	Scalable and replicable capacity	Simplified structures	Efficient working capital

## Culture

## Key Strategic Priorities

### Operating Efficiency - Getting the Business Model Right

- 'Simplify Sims'
- Put margin back into the business
- Cash generation

### Optimise the Portfolio

- UK Metal sale
- Regional opportunities (underway)

### Grow From a Position of Strength

- Improved supplier network
- Customer relationships
- Domestic and export optionality
- Product differentiation



# HY25 Operational Highlights

## Sims Metal ex GT<sup>1,2</sup>

Unprocessed Scrap  
Proportion

**+ 8.6 ppts**

70.9% in HY25

Trading Margin %

**+ 3.5 ppts**

22.4% in HY25

Shredder Capacity  
Utilisation

**+ 1.3 ppts**

59.1% in HY25

Leadership  
Adjustments

Group COO and CCO  
appointed ANZ MD and NAM  
President, respectively.

## SLS<sup>2</sup>

Repurposed Units

**+ 80.0%**

4.5m in HY25

Revenue

**+ 20.6%**

\$192.7m in HY25

EBIT Margin %<sup>3</sup>

**+ 2.2 ppts**

7.3% in HY25



<sup>1</sup> NAM and ANZ only. GT is Global Trading Operations

<sup>2</sup> HY25 vs HY24

<sup>3</sup> Underlying EBIT/Sales



# Capital Management Aligned

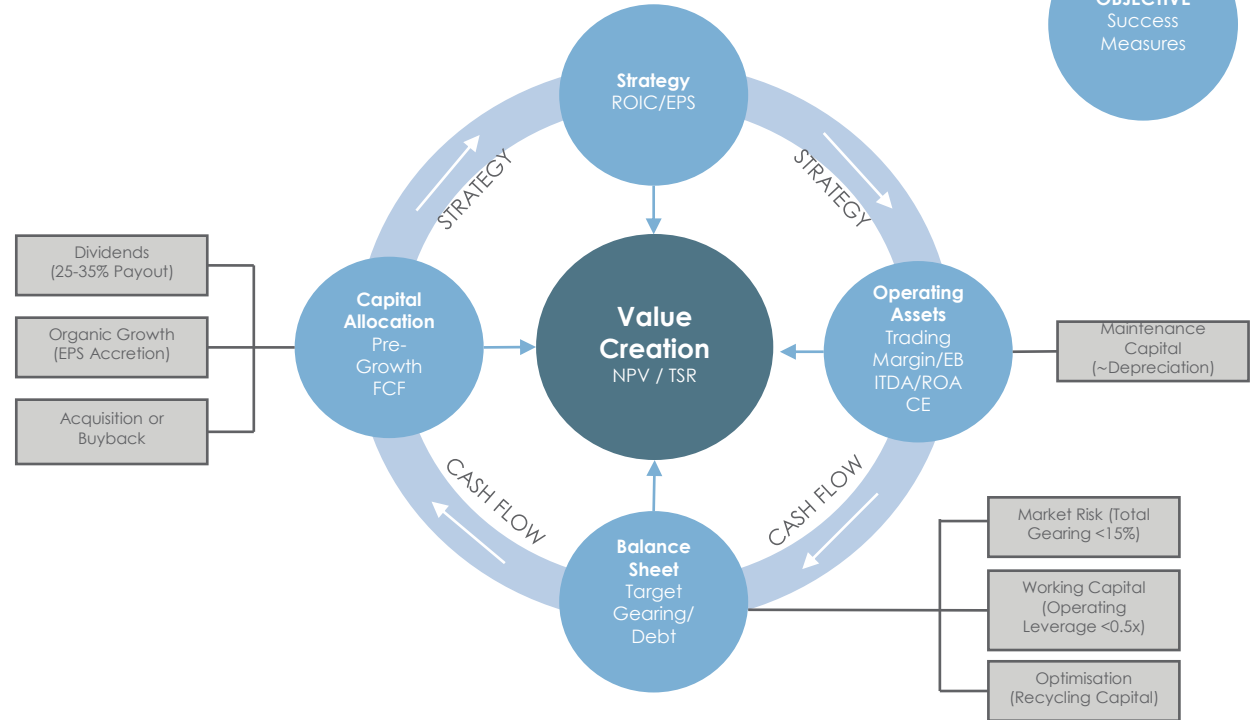
OBJECTIVE  
Success  
Measures

## Context:

- Must remain dynamically responsive to the cycle
- Inherent market volatility:
  - Conservative and flexible
  - Balance sheet strength (credit quality lens)

## Considerations:

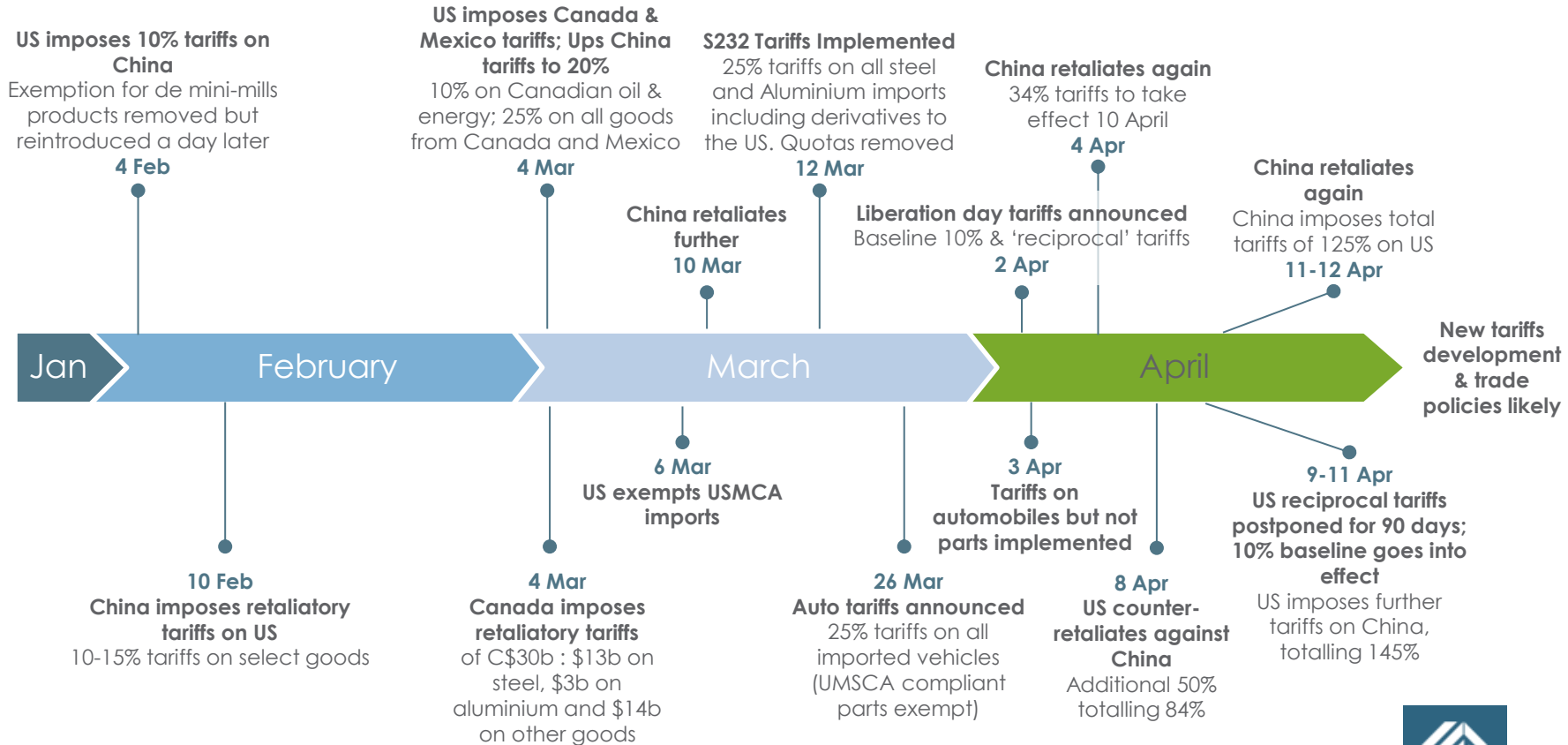
- Working capital flexibility
- Liquidity buffer
- Recycle capital, where better opportunities
- Dividend policy



1. Total gearing = total debt, including leases
2. Operating leverage = excluding finance leases (underlying EBITDA multiple)
3. Pre-growth FCF = Underlying EBITDA adjusted for changes in working capital; sustaining capex; lease payments; interest; and taxes



# Uncertainty Remains



# Metal Fundamentals Unchanged

## **North America: Structural Demand Growth**

Demand for obsolete scrap expected to outpace supply through to ~2030, driven by new EAF capacity<sup>1</sup> aided by rising domestic steel production and supportive policy shifts, including recent tariffs.

## **Increased Need for Shredded Material**

Structural need for more shredder material to meet future demand

## **Shift Toward Domestic Steelmaking in NAM and ANZ**

Ongoing onshoring of steel production is accelerating demand for domestically sourced scrap, highlighting the value of Sims' processing footprint

## **Market Consolidation Underway**

Consolidation opportunities in US and Australia. Sims well-positioned as a logical consolidator. Radius-related activity highlighting this dynamic.

## **ANZ Steel Landscape Strengthening**

Up to five EAFs proposed in ANZ, with three already announced. Region on a similar path to the US

## **Growing Non-Ferrous**

Strong with new investment in fines plants to further improve yield and margin performance in ANZ. Upside in NAM

<sup>1</sup> Global Steel Scrap Supply-Demand, Mitsui



# SLS Growth Momentum

Targeted hyperscaler strategy drives strong earnings momentum

## Data Centre Growth Drivers

- Global AI-Ready Data Centre Capacity +33% YoY (2023 -2030)<sup>1</sup>
- Data Centre Onshoring
- Data-Centre Investment: Stargate - USD\$500b (US)

## Shortage of Data Centre Parts<sup>2</sup>

	2023	2024	2025F	YoY Change
Total Server Supply	37,101	43,098	54,755	27.05%
Total Server Demand	38,466	45,439	56,757	24.91%
Sufficiency Ratio	(3.55)%	(5.15)%	(3.53)%	

<sup>1</sup> McKinsey & Company

<sup>2</sup> TrendForce

Targeting ~ \$30m EBIT in FY25

## Growth Strategy

- **Global delivery** at scale to meet hyperscalers exponential growth
- **Strengthen collaboration** with industry partners to drive innovation
- **Unlock value** - expand margins and streamline cost structures
- **Quality lead execution** and client-centric relationships
- **Data-driven** decision making



# An Agile and Rational Response

## North America

- The current trading environment remains dynamic, shaped by evolving trade policies
- No direct impact on the majority of our products from current US tariff positions – domestic shred is being favoured along with low-copper grade material
- Infeed volumes remain consistent, and market behaviour is reflecting a rational and disciplined environment
- Additional policy changes, including Section 301 adjustments and tariffs on autos, will contribute to a more complex supply landscape
- EBIT for the North American business expected to remain resilient in the second half of FY 2025

## ANZ

- The business continues to perform well despite the headwinds on regional pricing from elevated Chinese steel exports
- Strong demand for non-US origin scrap into China a positive offset, and anti-dumping measures continue to be reviewed in several markets
- Non-ferrous volumes continue to support the overall financial performance

## SLS

- Repurposed unit prices have increased, reflecting strong demand driven by AI adoption, data centre expansion, and tariff uncertainty
- On track to deliver ~\$30 million EBIT target in FY25

