ASX & MEDIA RELEASE **(ASX: SGM, USOTC: SMSMY)** **17 February 2026**

SIMS LIMITED ANNOUNCES
FISCAL 2026 HALF YEAR RESULTS

Results at a glance

STATUTORY	HY26	HY25	Change
Sales revenue	3,778.6	3,645.5	3.7 %
EBITDA	143.8	194.9	(26.2)%
EBIT	15.1	66.4	(77.3)%
NPAT	(29.9)	30.8	(197.1)%
EPS (cents) – diluted	(15.5)	15.8	(198.1)%
UNDERLYING[1]	**HY26**	**HY25**	**Change**
Sales revenue	3,778.6	3,645.5	3.7 %
EBITDA	249.8	201.5	24.0 %
EBIT	121.1	73.0	65.9 %
NPAT	60.0	35.1	70.9 %
EPS (cents) – diluted	30.7	18.0	70.6 %
DPS (cents) – total	14	10	40.0 %
Return on Invested Capital[2]	6.2 %	4.3 %	1.9 ppts

Key Points

- Underlying NPAT for HY26 increased by 70.9% to $60.0 million from $35.1 million.
- Sales revenue of $3,778.6 million, up 3.7% from the prior corresponding period.
- Underlying EBIT of $121.1 million, up 65.9% from the prior corresponding period.
- Statutory EBIT includes $41.1 million in unrealised losses on derivative contracts as at the reporting date, together with a further $60 million expected credit loss on the residual receivable from Unimetals in the UK.
- Return on Invested Capital[2] of 6.2%, up by 1.9 ppts

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.

Commentary

Commenting on the HY26 Financial Results, Group CEO and Managing Director, Stephen Mikkelsen said, “Underlying EBIT of $121.1 million is a good solid result in a difficult market and reflects the strength of our strategy and the disciplined execution of key initiatives.

“SLS’s excellent first half is a reward for the effort and attention we have put into that division over the last five years, and it is satisfying to see the results coming through. The extraordinary demand for AI chips has in turn driven the demand for high quality used DDR4 chips, and SLS is well positioned to benefit from the significant increase in DDR4 prices specifically, and more generally the rise in all hardware prices. This enabled us to deliver at the top end of our guidance range for SLS.

“Our more focused Metal portfolio continues to prove its value. In North America, the Group’s two metal businesses operate under distinct market structures, and both delivered strong outcomes. NAM achieved margin expansion through disciplined execution and greater unprocessed material, despite softer ferrous conditions. Our SAR JV benefited from its higher exposure to non-ferrous retail and Zorba, driving revenue growth and improved margins.

“In ANZ, ferrous conditions remained difficult due to elevated Chinese steel exports. A strong non-ferrous market helped offset the impact somewhat and a better-than-expected November and December allowed us to deliver above our guidance range, although this was still materially below the prior comparison period.

“Disciplined cost management supported performance, despite higher costs from elevated levels of unprocessed material. Corporate overheads declined by $8.4 million in HY26 versus HY25.

“Reflecting the positive result, the Board determined an interim dividend of 14 cents per share.”

Group Results

Sims Limited (**the Company** or **the Group**) today announced an underlying EBIT of $121.1 million in HY26, 65.9% higher than HY25, driven by exponential growth in Sims Lifecycle Services (“SLS”), and a substantial improvement in the operating performance of both its North American Metal business (“NAM”) and Sims Adams Recycling (“SAR”). Statutory EBIT for HY26 was $15.1 million, compared to $66.4 million in HY25 after accounting for $41.1 million in unrealised losses on derivative contracts as at the reporting date, together with residual assets writedowns.

Proprietary intake volumes reduced by 1.9% to 3.1 million tonnes in HY26 in comparison to HY25 levels. This was primarily driven by a 2.9% reduction in North America Metal ("NAM") volumes, reflecting the momentum gained in the second half of FY25 to source more unprocessed material over processed scrap to improve trading margins, as well as weaker construction activity in the United States. In Australia and New Zealand ("ANZ"), volumes increased by 1.8% in HY26 compared to HY25, reflecting improved non-ferrous flows. The business was able to secure additional volumes as a result of market dynamics affecting competitors.

Proprietary sales volumes decreased by 4.2% in HY26 compared to HY25, primarily reflecting a 5.2% decrease in NAM volumes following a strategic shift toward sourcing unprocessed material. Higher intake of unprocessed volumes in HY26, compared to HY25, required additional processing resulting in normal shrinkage and yield losses that reduced reported sales volumes, while supporting stronger Zorba sales. ANZ volumes declined by 1.0% in HY26 compared to HY25, with the softer ferrous market partially offset by improved non-ferrous trading.

Sales revenue was $3,778.6 million in HY26, an increase of 3.7% compared to HY25.

The Sims Metal (excluding Global Trade) trading margin, in absolute terms, decreased by 0.4% or 0.9% in constant currency, reflecting lower ferrous prices partially offset by a strong non-ferrous performance. The trading margin in ANZ was also impacted by an $8.8 million reclassification of transport costs from operating expenses. The Sims Metal (excluding Global Trade) trading margin percentage for the period was 21.6% (HY25 22.4%).

Statutory NPAT in HY26 was $(29.9) million compared to $30.8 million in HY25. Net interest expense of $21.7 million was $5.4 million higher than HY25. Statutory EBITDA in HY26 was $143.8 million compared to $194.9 million in HY25.

Cash inflow from operating activities was $155.2 million in HY26 compared to $347.8 million in HY25. The HY25 cash position benefited from the bulk recovery of assets related to the UK Metal business as a component of its sale and Sims' residual interest in Closed Loop.

Capital expenditure for property, plant and equipment and intangible assets, on a statutory basis, was a total cash outflow of $66.5 million in HY26 compared to $83.5million in HY25.

At 31 December 2025, the Group recorded a net debt position of $306.8 million compared to $332.3 million at 30 June 2025.

Segment Performance

NAM's Underlying EBIT was $53.3 million in HY26 compared to $46.7 in HY25. At constant currency, the contribution from NAM was $52.9 million in HY26. Trading margin and trading margin percentage increased by 4.0% (3.1% at constant currency) and 0.8 percentage points, respectively, in HY26 compared to HY25. The uplift was driven by an improved ferrous margin percentage and strong non-ferrous trading margins, supported by a shift toward unprocessed scrap sourcing, disciplined commercial execution, and logistics investments that enabled more agile sales strategies.

SAR contributed $59.0 million to the Group's HY25 Underlying EBIT, compared to $47.4 million in HY25. At constant currency, the contribution from SAR was $58.5 million. Trading margin increased by 13.1% driven by a favourable product mix towards Zorba products and non-ferrous retail.

ANZ reported an Underlying EBIT of $21.5 million in HY26, down 43.3% from HY25. The HY26 trading margin reduced by 11.1% compared to HY25, with deteriorating ferrous market conditions, driven by ongoing elevated Chinese steel exports into Asia and the resulting soft domestic market conditions. Strong non-ferrous prices drove an increase in the average selling price per tonne.

Underlying EBIT for SLS was $49.0 million, a 247.5% increase compared to HY25. This strong result reflected expanded hyperscaler activity and the continued build out of US data centre capacity. Market prices strengthened notably, with DDR4 resale values rising materially due to structurally strong demand from legacy systems and tight supply. Ongoing shifts in manufacturer production toward DDR5 and HBM platforms constrained DDR4 availability, supporting price momentum through the period.

Strategy Developments

The Group continued to advance its strategic priorities across all businesses. In NAM, the Company progressed infrastructure and go-to-market initiatives, including logistics and port enhancements, rail and trans-loading investments, and targeted bolt-on projects to improve non-ferrous recovery and Zorba yields, supporting market optionality and margin resilience.

ANZ advanced logistics investments to support future growth, commenced installation of fines plants to enhance non-ferrous recovery, and progressed electricity upgrades to enable future capacity and electrification.

SA Recycling expanded its footprint through the completion of five bolt-on acquisitions, further reinforcing its network density and product mix.

SLS continued to strengthen its operating platform during the period, with a focus on enhancing organisational capability, technology integration and execution discipline to support sustainable growth. The business progressed geographic expansion in Ireland and advanced site development initiatives in the US to improve capacity and operational flexibility. Leadership capability was further strengthened through the appointment of a Chief Digital Officer, supporting the acceleration of digital transformation initiatives, automation and data-driven decision making across the platform. Together, these actions are intended to improve scalability, consistency of execution and customer responsiveness as the business continues to mature.

Outlook

AI-driven migration to DDR5 chips is constraining DDR4 chip supply, while legacy demand remains resilient across hyperscaler, automotive and consumer applications. This structural imbalance is expected to continue supporting secondary-market pricing. As a leading participant in DDR4 repurposing, SLS is well positioned to benefit from structurally supported pricing.

Non-ferrous markets are expected to remain strong, with sustained strength in non-ferrous demand continuing to deliver significant trading margin contributions across our NAM, ANZ and SAR operations.

Tariffs are expected to continue to support US ferrous and non-ferrous demand, as domestic steel and aluminium industries remain protected and local demand for ferrous scrap is sustained. The premium for domestic shred sales is expected to continue to benefit NAM and SAR margins.

Long-term ferrous scrap fundamentals are expected to remain strong, as EAF capacity and scrap demand continue to grow, supported by decarbonisation, and government policies supporting onshoring.

Chinese exports remain the strongest headwind, with record-high Chinese steel exports likely to keep ferrous prices muted in markets outside the USA. This will continue to challenge NAM, ANZ, and SAR ferrous exports, as well as ANZ’s domestic market. While pricing pressure is likely to persist, further significant declines from current levels appear limited, with prices having approached apparent market floors.

Authorised for release by: The Board of Sims Limited.

About Sims Limited
Founded in Australia in 1917, Founded in Australia in 1917, Sims Limited is a global leader in metal recycling and the provision of circular solutions for technology. Employing approximately 3,900 employees globally, the company operates more than 150 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 . For more information, visit www.simsltd.com.

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