



# Financial Results

## Half year ended 31 December 2022

*Creating Value by Providing a Pathway to Decarbonisation for our Customers*

14 February 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, 14 February 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).

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**Authorised for Release by:** the Company Secretary, Gretchen Johanns

**ABN** 69 114 838 630

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# Agenda

## Results Overview

Alistair Field, Group CEO

## Financial Results

Stephen Mikkelsen, Group CFO

## Strategic Progress & Outlook

Alistair Field, Group CEO





# Results Overview

Alistair Field, Group CEO





# A resilient performance 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



# HY23 Themes

## *Lower prices, tight scrap availability, and inflationary pressures*

- Statutory EBIT of \$163.4 million, down 52.1%
- Underlying EBIT<sup>1</sup> of \$93.3 million, down 74.2%
- Underlying EPS of 26.8 cents, down 79.7%
- Metal trading margin percentage down 1.0 percentage points on prior corresponding period. Up 0.5 percentage points on FY22
- Metal operating costs up 18.4% due to multi-decade high inflationary pressures, tight labour markets, foreign exchange translation, and acquisitions
- Proprietary intake volumes down 3.2% due to increased competition for infeed materials and lower availability of scrap volumes from decelerating economic activity
- Proprietary sales volumes up 1.4% due to improvements in material flows, and reduced inventory
- Operating cash flow increased to \$322.0 million or 10.7%, benefitting from working capital release
- Unfranked HY23 Interim dividend of 14.0 cents per share (“cps”)
- Return on Productive Assets<sup>2</sup> of 8.6%, down from 41.8%

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

<sup>2</sup> Underlying EBIT / average of opening non-current assets and ending non-current assets excluding assets relating to adoption of AASB 16 Leases and deferred tax assets



# Summary of Financial Outcomes

*Improved operating cash flow, further strengthening robust balance sheet*

## Sales Revenue \$3,831.2 million

HY22  
\$4,265.0 million **-10.2%**

## Underlying<sup>1</sup> EBITDA \$200.1 million

HY22  
\$462.3 million **-56.7%**

## Underlying<sup>1</sup> EBIT \$93.3 million

HY22  
\$361.7 million **-74.2%**

## Underlying<sup>1</sup> NPAT \$53.0 million

HY22  
\$269.3 million **-80.3%**

## Sales Volumes 4.0 million tonnes

HY22  
3.9 million tonnes **1.4%**

## Operating Cash Flow \$322.0 million

HY22  
\$290.8 million **10.7%**

## Return on Productive Assets<sup>2</sup> 8.6%

HY22  
41.8% **-33.2ppts**

## Interim Dividend 14.0 cps

HY22  
41.0 cps **-65.9%**

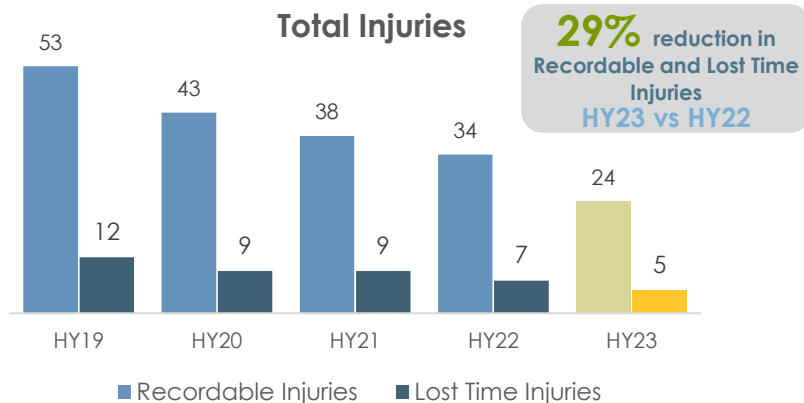
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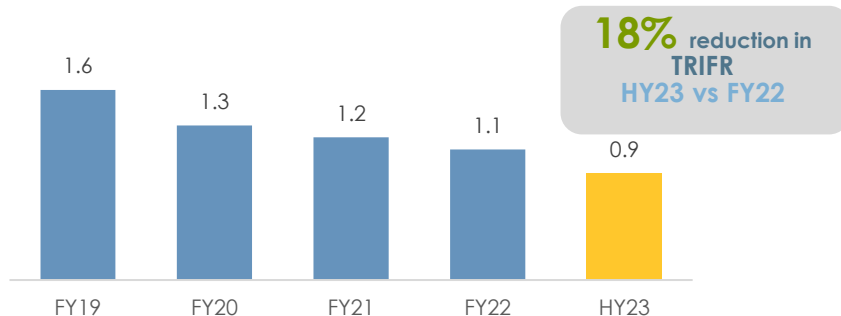
# Employee Health & Safety

*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)<sup>1</sup>**



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





# Sustainability

*Strengthened ESG credentials and advanced execution of the strategy*



**14th most sustainable company**

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

**DJSI Australia constituent**



**A- score**



**AAA rating**

## OPERATE RESPONSIBLY



- Lowest ever Total Recordable Injury Rate
- Committed to HESTA 40:40 vision
- Achieved target of 25% women in leadership roles
- Second cohort commenced 'Women Leading @Sims' program
- Conducted first Diversity Equity & Inclusion survey

## CLOSE THE LOOP



- Signed Action Declaration on Climate Policy Engagement
- Transition of SLS sites in India, Poland and Netherlands to 100% renewable electricity
- Advanced Sims Resource Renewal pilot plant

## PARTNER FOR CHANGE



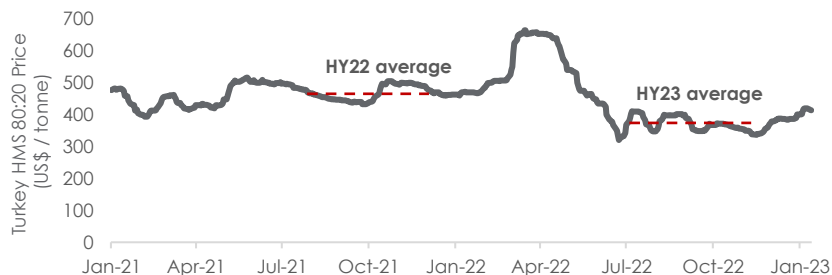
- Member of Australian Climate Leaders Coalition
- Ongoing implementation of Group social licence framework
- Member of Champions of Change Coalition



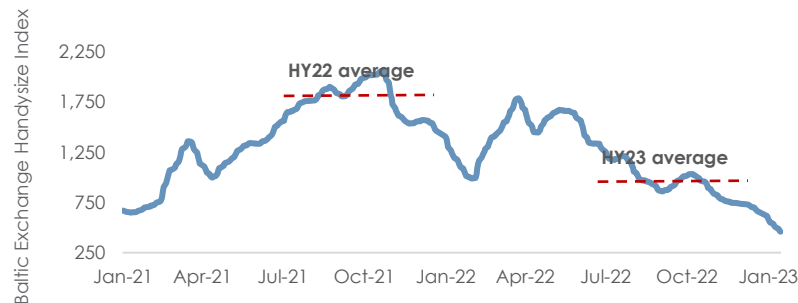
# Markets

*Weak ferrous prices following sharp correction in 2H22, lower non-ferrous prices and freight costs*

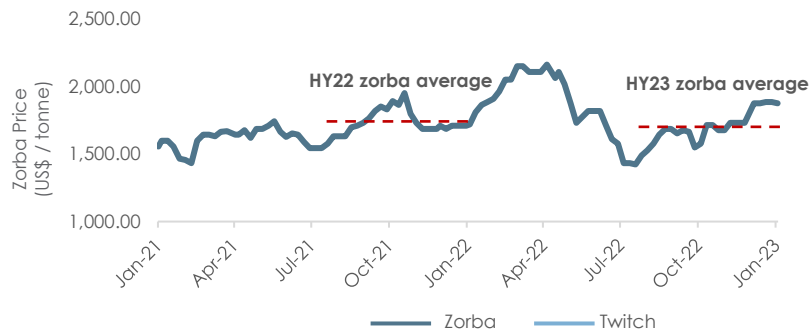
## 1. Ferrous<sup>1</sup> – Steep decline in average price in HY23 vs HY22



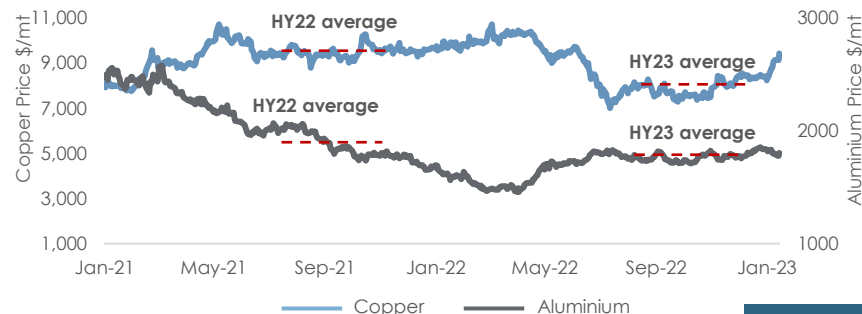
## 2. Freight<sup>2</sup> – HY23 average price significantly below HY22



## 3. Non-ferrous<sup>3</sup> – HY23 average price below HY22 levels



## 4. Copper & Aluminium<sup>4</sup> – Downward pressure in HY23 vs HY22



<sup>1</sup> Source: Platts; 1 Jan 2021 to 13 Jan 2023

<sup>2</sup> Source: Baltic Exchange; 1 Jan 2021 to 18 January 2023

<sup>3</sup> Source: Argus; 1 Jan 2021 to 10 Feb 2023

<sup>4</sup> Source: Argus; 1 Jan 2021 to 18 January 2023





# Financial Results

Stephen Mikkelsen, Group CFO



# 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)%
<b>Underlying EBITDA<sup>1</sup></b>	<b>200.1</b>	<b>462.3</b>	<b>(56.7)%</b>
<b>Underlying EBIT<sup>1</sup></b>	<b>93.3</b>	<b>361.7</b>	<b>(74.2)%</b>
Statutory NPAT	101.0	253.2	(60.1)%
<b>Underlying NPAT<sup>1</sup></b>	<b>53.0</b>	<b>269.3</b>	<b>(80.3)%</b>
EBITDA Margin % <sup>2</sup>	5.2%	10.8%	(5.6)ppts
EBIT Margin % <sup>3</sup>	2.4%	8.5%	(6.1)ppts
<b>Metal Trading Margin<sup>4</sup></b>	<b>HY23</b>	<b>HY22</b>	<b>Change</b>
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

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

<sup>2</sup> Underlying EBITDA / Sales revenue

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

<sup>4</sup> Metal Business comprises North America Metal, ANZ Metal and UK Metal



# Business Segment Financial Performance

Underlying EBIT <sup>1</sup> (A\$m)	HY23	HY22	Change	Sales volumes ('000 tonnes)	HY23	HY22	Change
Metal Business <sup>2</sup>	87.3	266.5	(67.2)%	Metal Business <sup>2</sup>	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%	<b>Total sales volumes</b>	<b>4,573</b>	<b>4,685</b>	<b>(2.4)%</b>
Corporate & Other	(38.3)	(32.3)	18.6%	<b>SAR sales volumes 100%</b>	<b>2,196</b>	<b>2,203</b>	<b>(0.3)%</b>
<b>Underlying EBIT<sup>1</sup></b>	<b>93.3</b>	<b>361.7</b>	<b>(74.2)%</b>	<b>Intake volumes ('000 tonnes)</b>	<b>HY23</b>	<b>HY22</b>	<b>Change</b>
				Metal Business <sup>2</sup>	3,776	3,899	(3.2)%
				Global Trading	562	674	(16.6)%
				Other Brokerage	45	69	(34.8)%
				<b>Intake volumes</b>	<b>4,383</b>	<b>4,642</b>	<b>(5.6)%</b>
				<b>SAR intake volumes 100%</b>	<b>2,235</b>	<b>2,285</b>	<b>(2.2)%</b>

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

<sup>2</sup> Metal Business EBIT comprises North America Metal, ANZ Metal and UK Metal



# North America Metal

*Higher sales volume, inflationary pressures and growth-related costs*

A\$m	HY23	HY22	Change
Proprietary Sales Volumes ('000 tonnes)	2,451	2,395	2.3%
Sales Revenue	1,849.0	1,997.2	(7.4)%
Trading Margin	385.4	421.6	(8.6)%
Net Operating Costs <sup>1</sup>	(287.6)	(231.9)	24.0%
<b>Underlying EBITDA<sup>2</sup></b>	<b>97.8</b>	<b>189.7</b>	(48.4)%
<b>Underlying EBIT<sup>2</sup></b>	<b>37.8</b>	<b>142.2</b>	(73.4)%
Underlying EBIT / tonne	15.42	59.37	(44.0)
Trading Margin %	20.8%	21.1%	(0.3)ppts
EBITDA Margin <sup>3</sup> %	5.3%	9.5%	(4.2)ppts
EBIT Margin <sup>4</sup> %	2.0%	7.1%	(5.1)ppts

- Proprietary intake volumes down 2.8%
- Sales volumes up 2.3% due to inventory reduction as freight and supply chain conditions improved
- 7.4% decline in revenue on the prior corresponding period driven by lower average ferrous sale prices
- Trading margin down 8.6%, which partially benefitted from exchange rate translation. Trading margin percentage flat
- Net operating costs up 18%, excluding ARG's costs due to inflationary pressures and adverse exchange rate translation
- Underlying EBIT down 73.4% to \$37.8 million

<sup>1</sup> Net operating costs include all operating costs less depreciation and amortisation less significant items less other revenue and income

<sup>2</sup> Underlying earnings excludes significant non-recurring items, the impact of non-qualifying hedges, and internal recharges

<sup>3</sup> Underlying EBITDA / Sales revenue

<sup>4</sup> Underlying EBIT / Sales revenue





# Australia & New Zealand Metal

*EBIT decline driven by lower trading margins and increased operating costs*

A\$m	HY23	HY22	Change
Proprietary Sales Volumes ('000 tonnes)	800	799	0.1%
Sales Revenue	732.4	815.6	(10.2)%
Trading Margin	189.6	225.0	(15.7)%
Net Operating Costs <sup>1</sup>	(109.9)	(103.6)	6.1%
<b>Underlying EBITDA<sup>2</sup></b>	<b>79.7</b>	<b>121.4</b>	<b>(34.3)%</b>
<b>Underlying EBIT<sup>1,2</sup></b>	<b>53.1</b>	<b>94.9</b>	<b>(44.0)%</b>
Underlying EBIT / tonne	66.38	118.77	(52.4)
Trading Margin %	25.9%	27.6%	(1.7)ppts
EBITDA Margin <sup>3</sup>	10.9%	14.9%	(4.0)ppts
EBIT Margin <sup>4</sup>	7.3%	11.6%	(4.3)ppts

- Proprietary intake volumes down 4.0%, partially due to impacts of flooding
- 10.2% decrease in sales revenue driven by 15.9% decline in average ferrous sale price
- Trading margin down 15.7%.
- Net operating costs up 6.1% due to inflationary pressures.
- Underlying EBIT down 44.0% to \$53.1 million

<sup>1</sup> Net operating costs include all operating costs less depreciation and amortisation less significant items less other revenue and income

<sup>2</sup> Underlying earnings excludes significant non-recurring items, the impact of non-qualifying hedges, and internal recharges

<sup>3</sup> Underlying EBITDA / Sales revenue

<sup>4</sup> Underlying EBIT / Sales revenue



# UK Metal

*EBIT result driven by lower ferrous trading margin and increased operating costs*

A\$m	HY23	HY22	Change
Proprietary Sales Volumes ('000 tonnes)	744	747	(0.4)%
Sales revenue	700.6	744.4	(5.9)%
Trading Margin	96.0	115.7	(17.0)%
Net Operating Costs <sup>4</sup>	(86.5)	(73.4)	17.8%
<b>Underlying EBITDA<sup>1</sup></b>	<b>9.5</b>	<b>42.3</b>	(77.5)%
<b>Underlying EBIT<sup>1</sup></b>	<b>(3.6)</b>	<b>29.4</b>	nmf
Underlying EBIT / tonne	(4.84)	39.36	(44.2)
Trading Margin %	13.7%	15.5%	(1.8) pts
EBITDA Margin <sup>2</sup>	1.4%	5.7%	(4.3)ppts
EBIT margin <sup>3</sup>	(0.5)%	3.9%	nmf

- Proprietary intake volumes down 3.6%
- Sales revenue down 5.9%, driven by 7.6% decline in average ferrous sale price
- Trading margin down 17%, which was partially adversely impacted by exchange rate translation
- Net operating costs up 17.8% due to footprint expansion and inflationary pressures, partially offset by favourable exchange rate translation
- Underlying EBIT down from \$29.4 million to a \$3.6 million loss

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

<sup>2</sup> Underlying EBITDA / Sales revenue

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

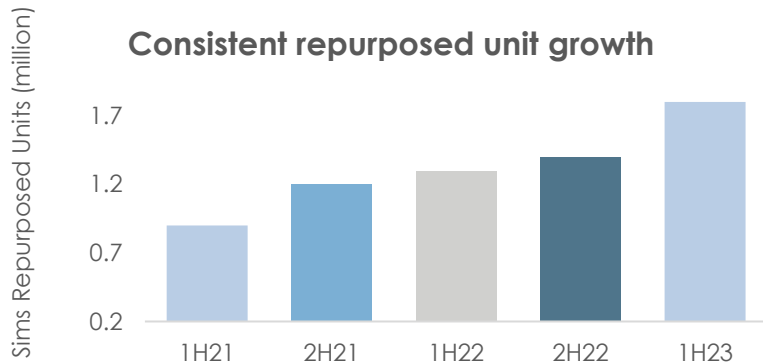


# Sims Lifecycle Services

*Repurposed unit growth and market share gains despite supply chain constraints*

A\$m	HY23	HY22	Change
Repurposed units (million)	1.8	1.3	38.5%
Sales revenue	167.4	166.0	0.8%
<b>Underlying EBITDA<sup>1</sup></b>	<b>12.2</b>	<b>14.7</b>	<b>(17.0)%</b>
<b>Underlying EBIT<sup>1</sup></b>	<b>7.0</b>	<b>9.9</b>	<b>(29.3)%</b>
EBITDA Margin <sup>2</sup> %	7.3%	8.9%	(1.6)ppts
EBIT Margin <sup>3</sup> %	4.2%	6.0%	(1.8)ppts

- Repurposed units up 38.5%, despite supply chain constraints limiting the release of cloud material
- Revenue up 0.8% in HY23 with repurposed unit growth, partially offset by reduction in resale prices from China lockdowns and low consumer sentiment driven by high inflation
- Underlying EBIT down 29.3%, driven by margin and inflationary pressures
- Resale prices are forecast to normalise end calendar 2023<sup>4</sup>



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

<sup>2</sup> Underlying EBITDA / Sales revenue

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

<sup>4</sup> TrendForce



# SA Recycling

**Achieved trading margin percentage increase. EBIT decline due to margin compression and increased operating costs**

A\$m	HY23	HY22	Change
Proprietary Sales Volumes ('000 tonnes)	2,196	2,203	(0.3%)
Sales Revenue	1,959.7	2,108.8	(7.1%)
Trading Margin	625.2	647.2	(3.4%)
Net Operating Costs <sup>1</sup>	449.2	340.4	32.0%
<b>Underlying EBITDA<sup>2</sup></b>	<b>176.0</b>	<b>306.8</b>	<b>(42.6%)</b>
<b>Underlying EBIT<sup>2</sup></b>	<b>100.4</b>	<b>262.1</b>	<b>(61.7%)</b>
<b>Sims' interest<sup>3</sup></b>	<b>49.1</b>	<b>128.7</b>	<b>(61.8%)</b>
Underlying EBIT / tonne	45.72	118.97	\$73.3
Trading Margin %	31.9%	30.7%	1.2 ppts
EBITDA Margin <sup>4</sup> %	9.0%	14.5%	(5.5 ppts)
EBIT Margin <sup>5</sup> %	5.1%	12.4%	(7.3 ppts)

<sup>1</sup> Net operating costs include all operating costs less depreciation and amortisation less significant items less other revenue and income

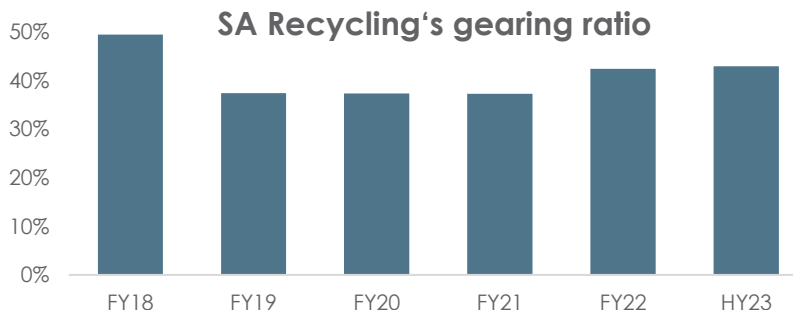
<sup>2</sup> Underlying earnings excludes significant non-recurring items, the impact of non-qualifying hedges, and internal recharges. It represents Sims Limited's 50% share of SA Recycling earnings.

<sup>3</sup> Represents 50% of pre-tax earnings converted in Australian dollars

<sup>4</sup> Underlying EBITDA / Sales revenue

<sup>5</sup> Underlying EBIT / Sales revenue

- Intake volumes down 2.1% partially benefitting by six months of PSC volumes
- Revenue down 7.1% driven by lower selling prices
- Sims' interest down 61.7% to \$49.1 million, due to a combination of margin compression and higher operating costs driven by inflationary pressures and a full six months of PSC operating costs
- Non-ferrous volumes added through acquisitions, improved non-ferrous margins



# Global Trading, Corporate & Other

Global Trading (A\$m)	HY23	HY22	Change
Underlying EBIT <sup>1</sup>	(11.8)	(11.1)	6.3%
Corporate (A\$m)	HY23	HY22	Change
Underlying EBIT <sup>1</sup>	(47.3)	(47.0)	0.6%
Sims Municipal Recycling (A\$m)	HY23	HY22	Change
Underlying EBIT <sup>1</sup>	(3.0)	12.9	nmf
LMS Energy (A\$m)	HY23	HY22	Change
Underlying EBIT <sup>1</sup> (50% share)	17.0	5.8	193.1%
Sims Energy (A\$m)	HY23	HY22	Change
Underlying EBIT <sup>1</sup>	(1.2)	(1.8)	33.3%
Sims Resource Renewal (A\$m)	HY23	HY22	Change
Underlying EBIT <sup>1</sup>	(3.8)	(2.2)	(72.7)%

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

## Global Trading

- Underlying EBIT represents external and SA Recycling brokerage less the costs of running the global trading operations
- Decline in underlying EBIT reflected predominantly lower export shipments by SA Recycling

## Corporate

- Corporate costs were broadly flat

## Sims Municipal Recycling

- Underlying EBIT driven by lower plastic and paper prices

## LMS Energy

- Result was due largely to timing, as the majority of EBIT forecasted for FY23 was earned in HY23

## Sims Resource Renewal

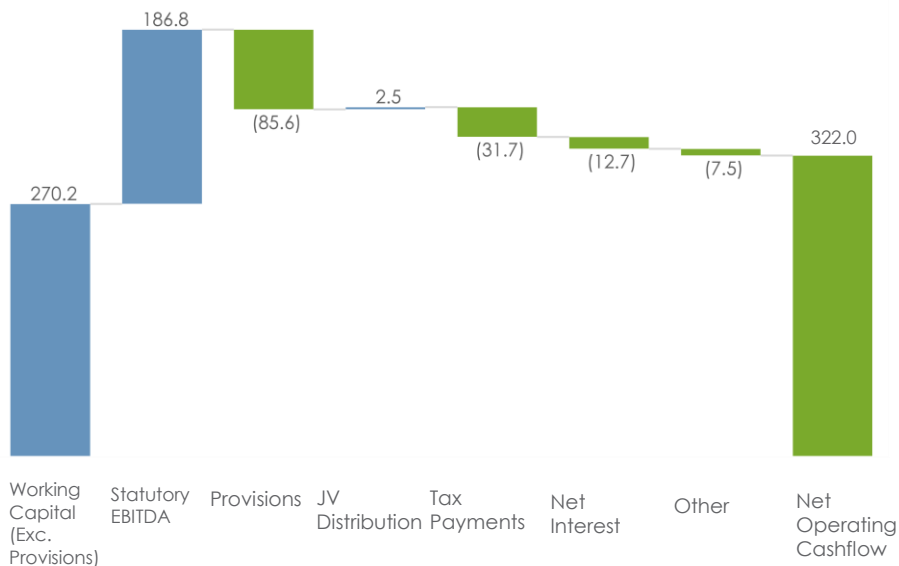
- Costs attributed to pre-construction phase of the Rocklea pilot plant



# Cash generation

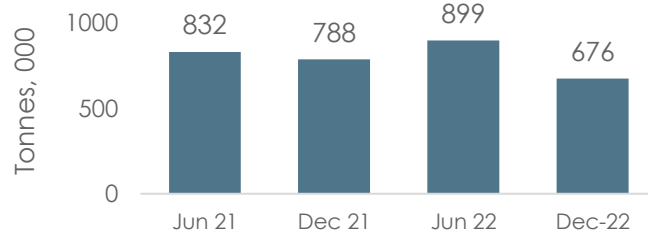
*Lower inventory and prices released working capital*

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

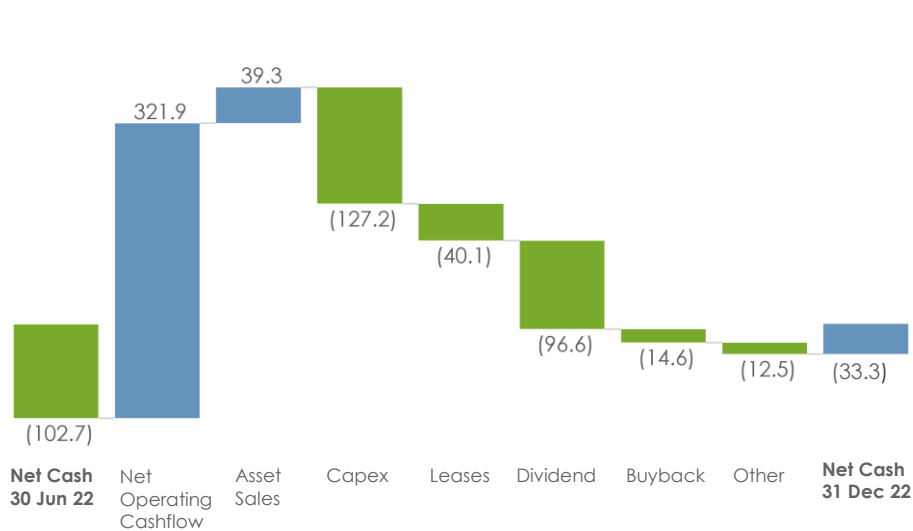




# Net cash movement

*Operating cashflow up by 10.7%*

Million \$AUD

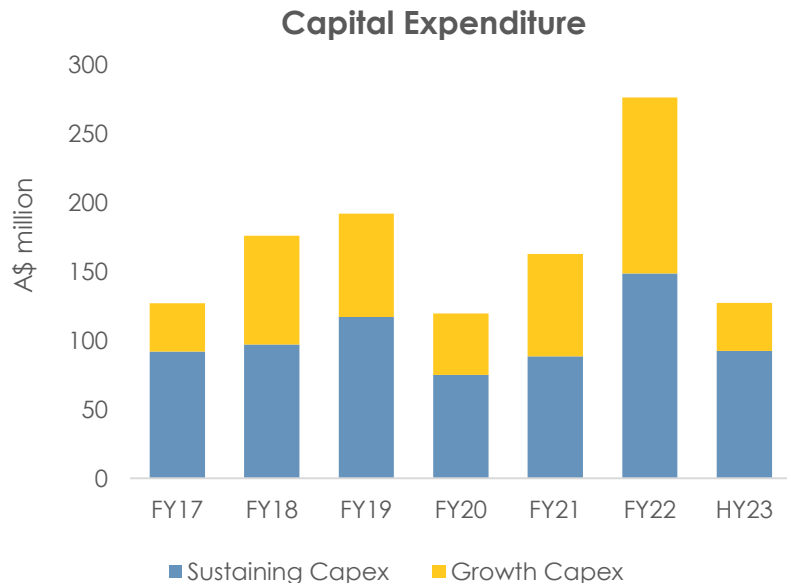


- Cash inflow from operating activities of \$322.0 million increase
- Cash received for asset sales included Doremus land for \$36.5 million
- Capex spend of \$127.2 million, includes \$23 million in delayed growth projects from prior year
- \$111.2 million returned to shareholders through shares and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





# Strategic Progress & Outlook

Alistair Field, Group CEO



# Green Steel Momentum

*Governments, NGOs and industry associations are pursuing Green Steel*



**US & EU** announced commitment to negotiate the world's first carbon-based sectoral arrangement on steel trade by 2024



The **US Federal Government** launched Buy Clean Initiative and Task Force  
The **US Federal Government and the EU** announced partnership to create a mechanism to support lowering the carbon intensity of the steel industry



**Australia** established the Ministerial Advisory Group to guide Australia's transition to a circular economy



**Chinese Government** announcement of 30% scrap-to-steel ratio by 2025 (up from current low-20s)



**Science-Based Targets Initiative (SBTi)** consultation for 1.5C aligned pathways – disclosure of scrap ratio change over the target period



**ResponsibleSteel** - 2nd version standards incorporated additional requirements on GHG emissions



**Formation of Global Steel Climate Council** – supports a global standard that accelerates the transition to low-emission steel and recognises the potential of the recycled, circular steel model



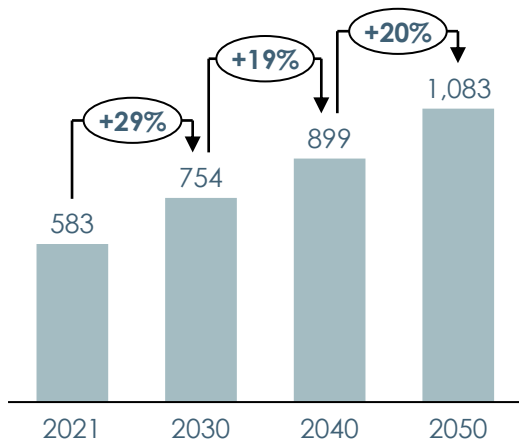
# Green Steel Momentum

*Customers and end users will require more scrap to meet decarbonisation targets and circular strategies*

## CUSTOMERS

Increase steel production from EAFs

Increase the use of recycled metal by steel producers to meet carbon emissions targets



Source: Wood Mackenzie (base scenario January 2023)



Target a 12% reduction in GHG emissions intensity by 2030<sup>1</sup>

**NUCOR**

Target a 35% reduction in scope 1 and 2 GHG by 2030

## END USERS

### Car Manufacturers



#### EQXX Mercedes

Manufactured with low-CO2 flat steel produced from 100% scrap material

Recycled-content targets 40 to 80% by 2030 from some OEMs<sup>2,3</sup>

### Property Groups



#### 8 Brindabella Circuit – Canberra Airport

Made from 100% recycled steel

### Consumer Brands



#### Electrolux/Whirlpool

To increase the amount of scrap steel in their products

<sup>1</sup> Steelmaking emissions; <sup>2</sup> Original Equipment Manufacturer; <sup>3</sup> McKinsey & Company

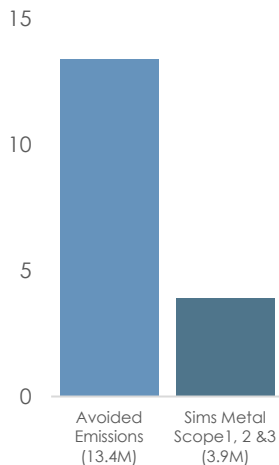


# Green Steel Momentum

*Well placed to capitalise on the steel structural growth*

Our products reduce significantly the carbon emissions of steel producers

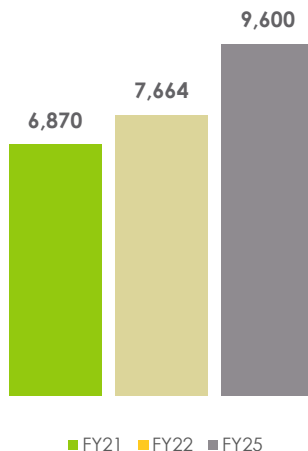
Direct, Value Chain and Avoided Emissions FY21



<sup>1</sup>Includes SAR in North America

Increasing our volumes to meet structural growth

Ferrous Sales Volume ('000)



Continuous upgrade of our products to access better prices

- Trials to upgrade low-grade scrap to high-grade standards are underway and showing promising results

## Upgrade projects completed in HY23:

- Upgrade of shredder in Christchurch, New Zealand
- Upgrade cable granulator in Milperra, Australia
- Replacement of ferrous downstream in Chesapeake, US
- Installation of polishing plants in Avonmouth, Long Marston, UK and Claremont, US

Unrivalled competitive strengths developed over 106 years of operation

- Strong market position
- Global supply and customer network, supported by global trade capabilities
- Strategic asset location - proximity to ports and abundant supply of scrap
- Technological innovation and expertise
- Financial strength
- Sustainability credentials





# HY23 - Growth strategy

*Continued to execute on strategy despite challenging market conditions in our core business*

- ✓ Record safety result in HY23
- ✓ SA Recycling has integrated PSC, added new bolt-on acquisitions and maintained a strong balance sheet
- ✓ Further advanced the capital strategy, with the sale of Doremus land in New Jersey and partially recycled the proceeds into small strategic properties
- ✓ SLS continued to strengthen the business. When the supply chain challenges ease, it will have the capacity and capability required to scale up operations quickly
- ✓ Near completion of the Sims Resource Renewal Rocklea pilot plant in Queensland
- ✓ Increase in operating cash flow, further strengthening robust balance sheet; paid interim dividend
- ✓ Strengthened our sustainability credentials through execution of strategy and high rating scores



# Outlook

***Remain confident in the medium and long-term fundamentals of the business. Short-term outlook uncertain due to macro and geopolitical challenges***

## **Short-term**

- Outlook remains uncertain, although there has been a recent strengthening in ferrous and non-ferrous markets:
  - Inflation and labour shortages are persisting across all regions.
  - Geopolitical tensions expected to continue in 2H FY23, creating trade policy uncertainty and impacting energy markets.
  - Competition for scrap is likely to continue in the second half.
  - The opening up of China will be positive for the global metal demand balance and SLS resale prices and volumes, although the timing of this is uncertain.
- Anticipate 2H FY23 operating costs to remain broadly in line with first half as we actively seek medium term efficiency gains.

## **Macro-trends**

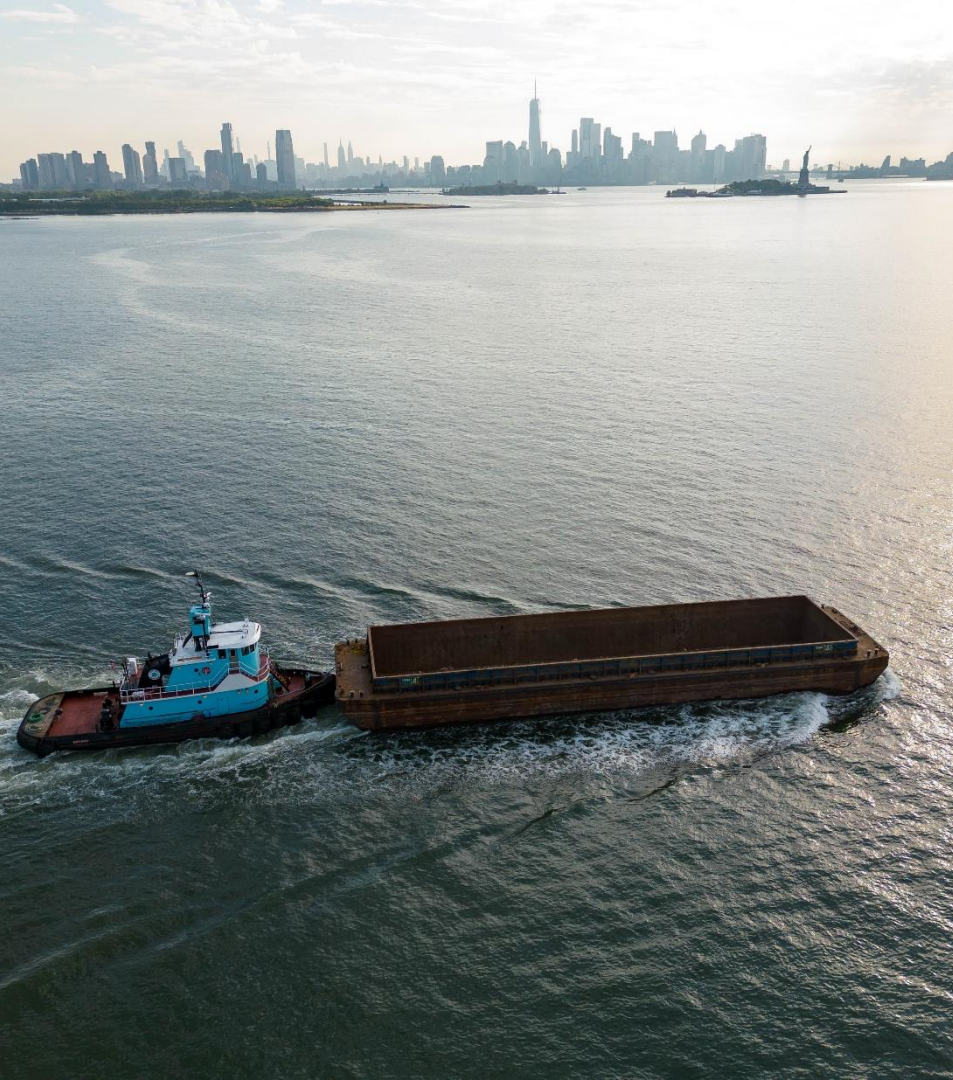
- Increased demand for metal intensive infrastructure spending and the production of post consumption scrap is positive for metal recycling (both ferrous and non-ferrous).
- Global decarbonisation of steel making, growth of EAFs and the energy transition will drive demand for recycled metal.
- The fundamental drivers of cloud infrastructure recycling remain positive over the medium term.
- There are risks to the materialisation of these positive drivers, particularly as it relates to global uncertainty from geopolitical risks and macro-economic factors.





# Questions & Answers





# Appendix



# Product Segment Volumes

Sales volumes ('000 tonnes)	HY23	HY22	Change
North America Metal	2,451	2,395	2.3%
ANZ Metal	800	799	0.1%
UK Metal	744	747	(0.4)%
<i>Total Proprietary Volumes</i>	3,995	3,941	1.4%
Global Trading & Other Brokerage	578	744	(22.3)%
<b>Sales volumes</b>	<b>4,573</b>	<b>4,685</b>	<b>(2.4)%</b>

Sales volumes ('000 tonnes)	HY23	HY22	Change
Ferrous Trading	3,784	3,724	1.6%
Non-Ferrous Trading	211	217	(2.8)%
Brokerage	578	744	(22.3)%
<b>Sales volumes</b>	<b>4,573</b>	<b>4,685</b>	<b>(2.4)%</b>

Sales revenue (\$m)	HY23	HY22	Change
Ferrous Trading	2,105	2,377	(11.4)%
Non-Ferrous Trading	1,148	1,137	1.0%
Brokerage	383	503	(23.8)%
<b>Sales revenue</b>	<b>3,636</b>	<b>4,017</b>	<b>(9.5)%</b>

Intake volumes ('000 tonnes)	HY23	HY22	Change
North America Metal	2,323	2,389	(2.8)%
ANZ Metal	776	808	(4.0)%
UK Metal	677	702	(3.6)%
<i>Total Proprietary Volumes</i>	3,776	3,899	(3.2)%
Global Trading & Other Brokerage	607	743	(18.3)%
<b>Intake volumes</b>	<b>4,383</b>	<b>4,642</b>	<b>(5.6)%</b>

Intake volumes ('000 tonnes)	HY23	HY22	Change
Ferrous Trading	3,561	3,678	(3.2)%
Non-Ferrous Trading	215	221	2.7%
Brokerage	607	743	(18.3)%
<b>Intake volumes</b>	<b>4,383</b>	<b>4,642</b>	<b>(5.6)%</b>



# Product Segment Volumes

Sales revenue (\$m)	HY23	HY22	Change
Ferrous Trading	2,105	2,377	(11.4)%
Non-Ferrous Trading	867	887	(2.2)%
Non Ferrous Shred Recovery	281	250	12.6%
<b>Sales revenue</b>	<b>3,253</b>	<b>3,514</b>	<b>(7.4)%</b>

Sales volumes ('000 tonnes)	HY23	HY22	Change
Ferrous Trading	3,657	3,620	1.0%
Non-Ferrous Trading	211	217	(2.8)%
Non Ferrous Shred Recovery	127	104	20.9%
<b>Sales volumes</b>	<b>3,995</b>	<b>3,941</b>	<b>1.3%</b>

Average sale price	HY23	HY22	Change
Ferrous Trading	575.55	656.42	(12.3)%
Non-Ferrous Trading	4,107.58	4,085.71	0.5%
Non Ferrous Shred Recovery	2,214.17	2,379.05	(6.9)%
<b>Average sale price</b>	<b>814.27</b>	<b>890.95</b>	<b>(8.6)%</b>





# Group Profit & Loss

A\$m	HY23	HY22	Chg %
Sales revenue	3,831.2	4,265.0	(10.2)%
Statutory EBITDA	270.2	442.0	(38.9)%
Underlying EBITDA	200.1	462.3	(56.7)%
Statutory EBIT	163.4	341.4	(52.1)%
Underlying EBIT	93.3	361.7	(74.2)%
Net Interest expense	(12.6)	(9.1)	(38.5)%
Statutory tax (expense)/benefit	(49.8)	(79.1)	(37.0)%
Underlying tax (expense)/benefit	(27.7)	(83.3)	(66.7)%
Statutory NPAT	101.0	253.2	(60.1)%
Significant items net of tax	(48.0)	16.1	(398.1)%
Underlying NPAT	53.0	269.3	(80.3)%
Statutory EPS (diluted)	51.2	124.1	(58.7)%
Underlying EPS (diluted)	26.8	132.0	(79.7)%
Dividend per share (cents)	14	41	(65.9)%

FY22	FY21	FY20	FY19	FY18
9,264.4	5,916.3	4,908.5	6,640.0	6,448.0
976.4	507.3	35.7	358.1	395.8
958.9	579.9	144.9	363.4	392.3
773.6	314.0	(239.1)	225.0	278.6
756.1	386.6	(57.9)	230.3	275.1
(16.0)	(11.5)	(13.8)	(6.7)	(8.9)
(158.3)	(73.1)	(12.4)	(65.7)	(66.2)
(161.2)	(91.0)	13.6	(65.7)	(78.2)
599.3	229.4	(265.3)	152.6	203.5
(20.4)	54.7	207.2	5.3	(14.9)
578.9	284.1	(58.1)	157.9	188.6
295.6	112.8	(131.2)	74.6	98.7
285.5	139.6	(28.7)	76.9	91.5
91	42	6	42	53



# North America Metal

A\$m	HY23	HY22	Change
Sales Revenue	1,849.0	1,997.2	(7.4)%
Trading Margin (\$)	385.4	421.6	(8.6)%
Trading Margin (%)	20.8%	21.1%	(0.3)ppts
Statutory EBITDA	108.5	171.3	(36.7)%
Underlying EBITDA	97.8	189.7	(48.4)%
Depreciation	57.9	47.1	22.9%
Amortisation	2.0	0.4	400.0%
Statutory EBIT	48.5	123.8	(60.8)%
Underlying EBIT	37.8	142.2	(73.4)%
Assets	1,517.8	1,485.9	2.1%
Proprietary Intake Volumes (000's)	2,323	2,389	(2.8)%
Proprietary Sales Volumes (000's)	2,451	2,395	2.3%
Brokerage Sales Volumes (000's)	8	12	(33.3)%
Total Sales Volumes (000's)	2,459	2,407	2.2%
Employees	1,557	1,205	29.2%

FY22	FY21	FY20	FY19	FY18
4,453.4	2,669.9	2,061.7	2,725.6	2,607.1
881.4	568.6	456.8	576.4	571.7
19.8%	21.3%	22.2%	21.1%	21.9%
343.7	194.2	(16.2)	124.8	121.0
395.5	226.4	55.0	162.6	159.5
99.8	89.1	90.2	53.2	46.9
2.2	0.3	3.8	9.7	7.9
241.7	104.8	(145.8)	61.9	66.2
293.4	137.0	(39.0)	99.7	104.7
1,762.5	1,446.0	1,116.7	1,065.4	1,070.4
5,071	4,432	4,180	4,770	4,996
5,081	4,318	4,042	4,887	4,865
23	50	88	56	47
5,103	4,368	4,130	4,943	4,912
1,439	1,172	1,124	1,577	1,734

<sup>1</sup> FY18 employee count has been amended to exclude 156 contingent workers as these workers are non-permanent workers and are excluded from the FY19 employee count.



# Investment in SA Recycling

A\$m	HY23	HY22	Change	FY22	FY21	FY20	FY19	FY18
Statutory EBIT <sup>1</sup>	65.9	128.7	(48.8)%	302.5	157.8	12.1	41.0	67.9
Underlying EBIT <sup>1</sup>	49.1	128.7	(61.8)%	298.5	157.8	12.1	35.9	68.5
Assets	506.2	403.3	25.5%	512.4	345.8	277.5	211.1	180.7
Intake Volumes (000's) <sup>2</sup>	2,235	2,285	(2.1)%	4,874	3,809	3,250	3,473	3,477
Sales Volumes (000's) <sup>2</sup>	2,196	2,203	(0.3)%	4,941	3,706	3,247	3,531	3,342

<sup>1</sup> Underlying EBIT represents Sims Limited's 50% share of SA Recycling profit before tax.

<sup>2</sup> Volumes represent total proprietary volumes recorded for SA Recycling, LLC and includes the portion sold through Sims Group Global Trade Corporation.



# Australia & New Zealand Metal

A\$m	HY23	HY22	Change
Sales Revenue	732.4	815.6	(10.2)%
Trading Margin (\$)	189.6	225.0	(15.7)%
Trading Margin (%)	25.9%	27.6%	(1.7)ppts
Statutory EBITDA	74.1	119.5	(37.8)%
Underlying EBITDA	79.7	121.4	(34.3)%
Depreciation	26.4	26.5	(0.4)%
Amortisation	0.2	0.1	100.0%
Statutory EBIT <sup>2</sup>	47.6	92.9	(48.8)%
Underlying EBIT	53.1	94.9	(44.0)%
Assets	1,110.5	854.5	30.0%
Proprietary Intake Volumes (000's)	776	808	(4.0)%
Proprietary Sales Volumes (000's)	800	799	0.1%
Brokerage Sales Volumes (000's)	4	51	(91.8)%
Total Sales Volumes (000's)	804	850	(5.4)%
Employees <sup>1</sup>	899	915	(1.7)%

FY22	FY21	FY20	FY19	FY18
1,694.4	1,098.9	924.8	1,203.7	1,071.0
423.1	313.6	260.3	312.8	298.3
25.0%	28.5%	28.1%	26.0%	27.9%
216.8	147.6	92.3	125.6	121.6
240.2	156.6	103.7	137.9	126.2
53.1	52.9	52.8	31.2	29.1
0.3	0.1	0.2	0.2	0.2
163.5	94.6	39.3	94.2	92.3
186.9	103.6	50.7	106.5	96.9
877.2	772.2	694.9	614.1	625.2
1,587	1,528	1,514	1,717	1,558
1,532	1,537	1,428	1,763	1,585
100.2	57	71	119	111
1,632	1,594	1,499	1,882	1,696
909	894	924	921	715

<sup>1</sup> FY18 employee count excludes Sims Pacific Metals employees.



# UK Metal

A\$m	HY23	HY22	Change
Sales Revenue	700.6	744.4	(5.9)%
Trading Margin (\$)	96.0	115.7	(17.0)ppts
Trading Margin (%)	13.7%	15.5%	(1.8)ppts
Statutory EBITDA	(1.4)	38.7	(103.6)%
Underlying EBITDA	9.5	42.3	(77.5)%
Depreciation	13.1	12.9	1.6%
Amortisation	-	-	0.0%
Statutory EBIT	(14.5)	25.8	nmf
Underlying EBIT	(3.6)	29.4	nmf
<b>Assets</b>	<b>425.3</b>	<b>403.4</b>	<b>5.4%</b>
Proprietary Intake Volumes (000's)	677	702	(3.6)%
Proprietary Sales Volumes (000's)	744	747	(0.4)%
Brokerage Sales Volumes (000's)	4	6	(33.3)%
Total Sales Volumes (000's)	760	753	0.9%
Employees <sup>1</sup>	674	582	15.8%

FY22	FY21	FY20	FY19	FY18
1,594.9	993.3	869.8	1,186.9	1,203.0
234.6	189.3	124.2	188.2	176.7
0.1	0.2	0.1	0.2	0.1
77.9	54.2	(59.4)	19.7	42.0
95.4	71.3	(4.3)	39.5	50.5
25.8	25.6	26.8	18.3	14.9
-	-	0.8	0.9	0.3
52.2	28.6	(110.0)	0.5	26.8
69.8	45.7	(31.9)	20.3	35.3
432.1	425.6	322.5	389.8	431.4
1,614	1,412	1,192	1,633	1,693
1,493	1,370	1,221	1,602	1,691
5	2	3	2	3
1,498	1,372	1,224	1,604	1,694
623	562	676	761	690

<sup>1</sup> FY18 employee count excludes Morley and Barnsley employees.



# Global Trading

A\$m	HY23	HY22	Change
Sales Revenue	381.8	484.3	(21.2)%
Statutory EBITDA <sup>1</sup>	(8.7)	8.1	(207.4)%
Underlying EBITDA	(11.2)	(10.5)	6.7%
Depreciation	0.6	0.6	0.0%
Amortisation	-	-	0.0%
Statutory EBIT <sup>1</sup>	(9.3)	7.5	(224.0)%
Underlying EBIT	(11.8)	(11.1)	6.3%
Assets	89.0	44.6	99.6%
Intake Volumes (000's)	590	674	(12.5)%
Sales Volumes (000's)	562	675	(16.8)%
Employees	81	71	14.1%

FY22	FY21	FY20	FY19	FY18
1,128.5	745.8	550.8	690.9	733.5
55.8	21.9	8.2	23.3	19.0
(19.2)	(16.4)	(13.9)	(14.9)	(12.3)
1.1	1.0	1.3	0.2	0.1
-	-	-	-	-
54.7	20.9	6.9	23.1	18.8
(20.3)	(17.4)	(15.2)	(15.1)	(12.4)
90.2	70.8	54.1	67.2	95.6
1,474	1,261	1,287	1,384	1,558
1,474	1,259	1,301	1,374	1,554
81	66	66	75	69

<sup>1</sup> H1 F22 balance Includes impact of non-qualifying hedges of \$1.6m



# Sims Lifecycle Services

A\$m	HY23	HY22	Change
Sales Revenue	167.4	166.0	0.8%
Statutory EBITDA	1.1	12.1	(90.9)%
Underlying EBITDA	12.2	14.7	(17.0)%
Depreciation	4.8	4.8	0.0%
Amortisation	-	-	0.0%
Statutory EBIT	(4.0)	7.3	(154.8)%
Underlying EBIT	7.0	9.9	(29.3)%
Assets	171.0	151.2	13.1%
Employees <sup>1</sup>	816	826	(1.2)%

FY22	FY21	FY20	FY19	FY18
327.0	318.9	408.0	746.5	758.4
15.3	21.2	9.9	26.4	34.5
25.9	31.1	28.2	34.5	39.7
9.6	9.3	11.3	8.5	8.4
-	-	-	-	-
5.6	11.9	(14.8)	17.9	26.1
16.3	21.8	16.9	26.0	31.3
175.2	145.8	139.4	340.6	397.3
859	819	919	1350	1420

<sup>1</sup> FY20 employee count excludes sold European compliance scheme operations employees.





# Corporate & Other

A\$m	HY23	HY22	Change
Sales Revenue	-	57.5	(100.0)%
Statutory EBITDA	30.7	(36.3)	(184.6)%
Underlying EBITDA	(37.0)	(24.0)	54.2%
Depreciation	1.6	8.3	(80.7)%
Amortisation	-	-	0.0%
Statutory EBIT <sup>2</sup>	29.2	(44.6)	(165.2)%
Underlying EBIT	(38.3)	(32.3)	18.6%
Assets	532.5	474.4	12.2%
Employees <sup>1</sup>	174	418	(58.4)%

FY22	FY21	FY20	FY19	FY18
66.2	89.5	93.4	86.4	75.0
(35.6)	(89.6)	(11.2)	(2.7)	(10.1)
(77.6)	(46.9)	(35.9)	(32.1)	(39.8)
10.9	15.0	15.6	10.9	9.4
-	-	-	-	-
(46.6)	(104.6)	(26.8)	(13.6)	(19.4)
(88.5)	(61.9)	(51.5)	(43.0)	(49.2)
590.0	541.6	601.0	497.0	401.2
160	368	366	311	280

<sup>1</sup> FY20 employee count includes employees from the new Sims Municipal Recycling contract in Florida.

<sup>2</sup> Adjusted for impact of ERP implementation costs incurred during H1 FY22 of \$23.8m. No equivalent figure in H1 F21 balance.



# Constant Currency Summary

A\$m	HY23	HY23	HY22	Change
	Actual	Constant Currency	Actual	
<b>NAM</b>				
Sales revenue	1,849.0	1,694.3	1,997.2	(15.2)%
Trading Margin	385.4	353.1	421.6	(16.2)%
Net Operating Costs	(287.6)	(263.5)	(231.9)	13.6%
<b>Underlying EBIT</b>	<b>37.8</b>	<b>34.6</b>	<b>142.2</b>	<b>(75.6)%</b>
<b>UK</b>				
Sales revenue	700.6	744.5	744.4	0.0%
Trading Margin	96.0	102.0	115.6	(11.8)%
Net Operating Costs	(86.5)	(91.9)	(73.3)	25.4%
<b>Underlying EBIT</b>	<b>(3.6)</b>	<b>(3.8)</b>	<b>29.4</b>	<b>(113.0)%</b>
<b>SA Recycling</b>				
Sales revenue	1,959.7	1,795.8	2,108.8	(14.8)%
Trading Margin	625.2	572.9	647.2	(11.5)%
Net Operating Costs	449.2	411.7	340.4	20.9%
<b>Underlying EBIT</b>	<b>100.4</b>	<b>92.0</b>	<b>262.1</b>	<b>(64.9)%</b>
<b>Sims' interest</b>	<b>49.1</b>	<b>45.0</b>	<b>128.7</b>	<b>(65.0)%</b>



# Financial Summary – Group

A\$ <sup>m</sup>	HY23	HY22	FY22	FY21	FY20	FY19	FY18
<b>Group Results</b>							
Sales Revenue	3,831.2	4,265.0	9,264.4	5,916.3	4,908.5	6,640.0	6,448.0
Underlying EBITDA	200.1	462.3	958.8	579.9	144.9	363.4	392.3
Underlying EBIT	93.3	361.7	756.1	386.6	(57.9)	230.3	275.1
<b>Underlying NPAT</b>	<b>53.0</b>	<b>269.3</b>	<b>578.9</b>	<b>284.1</b>	<b>(58.1)</b>	<b>157.4</b>	<b>188.0</b>
Underlying EPS (cents per share)	26.8	132.0	285.5	139.6	(28.7)	76.9	92.0
Dividend (cents per share)	14.0	41.0	(6.0)	42.0	6.0	42.0	53.0
<b>Balance Sheet</b>							
Total Assets	4,352.3	3,817.5	4,439.4	3,747.8	3,206.1	3,185.3	3,201.8
Total Liabilities	1,790.1	1,509.1	1,901.9	1,628.7	1,223.8	886.7	1,013.1
Total Equity	2,562.2	2,308.4	2,537.5	2,119.1	1,982.3	2,298.5	2,188.7
<b>Net Cash (Net Debt)</b>	<b>(33.3)</b>	<b>45.1</b>	<b>(102.7)</b>	<b>8.3</b>	<b>110.4</b>	<b>347.5</b>	<b>298.1</b>
<b>Cash Flows</b>							
Operating Cash Flow	322.0	290.8	547.8	129.4	(65.3)	360.1	252.1
Capital Expenditure	(127.2)	(81.3)	274.7	(128.6)	(140.5)	(197.1)	(176.1)
<b>Free Cash Flow<sup>1</sup></b>	<b>194.8</b>	<b>209.5</b>	<b>273.1</b>	<b>0.8</b>	<b>(205.8)</b>	<b>163.0</b>	<b>76.0</b>
Average non-current assets <sup>2</sup>	2,169.4	1,730.0	1,939.9	1,891.6	1,917.7	1,884.3	1,664.2
<b>ROPA<sup>2</sup> (%)</b>	<b>8.6%</b>	<b>41.8%</b>	<b>39.0%</b>	<b>20.4%</b>	<b>-3.0%</b>	<b>12.2%</b>	<b>16.5%</b>

<sup>1</sup> Free cash flow = operating cash flow – capex for property, plant and equipment and intangibles.

<sup>2</sup> Return on Productive Assets = underlying EBIT / average of opening non-current assets and ending non-current assets excluding assets relating to adoption of AASB 16 Leases and deferred tax.

<sup>3</sup> Includes 10.0 cents per share 2017 Special Dividend.



# Financial Summary – Segment

A\$m	HY23	HY22	FY22	FY21	FY20	FY19	FY18
<b>Sales Revenue</b>							
North America Metals	1,849.0	1,997.2	4,453.4	2,669.9	2,061.7	2,725.6	2,607.1
ANZ Metals	732.4	815.6	1,694.4	1,098.9	924.8	1,203.7	1,071.0
UK Metals	700.6	744.4	1,594.9	993.3	869.8	1,186.9	1,203.0
Sims Lifecycle Services	167.4	166.0	327.0	318.9	408.0	746.5	758.4
Global Trading	381.8	484.3	1,128.5	745.8	550.8	690.9	733.5
Corporate & Other	0.0	57.5	66.2	89.5	93.4	86.4	75.0
<b>Total</b>	<b>3,831.2</b>	<b>4,265.0</b>	<b>9,264.4</b>	<b>5,916.3</b>	<b>4,908.5</b>	<b>6,640.0</b>	<b>6,448.0</b>
<b>Underlying EBIT</b>							
North America Metals	37.8	142.2	293.4	137.0	(39.0)	99.7	104.7
ANZ Metals	53.1	94.9	186.9	103.6	50.7	106.5	96.9
UK Metals	(3.6)	29.4	69.8	45.7	(31.9)	20.3	35.3
Sims Lifecycle Services	7.0	9.9	16.3	21.8	16.9	26.0	31.3
Investment in SA Recycling	49.1	128.7	298.5	157.8	12.1	35.9	68.5
Global Trading	(11.8)	(11.1)	(20.3)	(17.4)	(15.2)	(15.1)	(12.4)
Unallocated	(38.3)	(32.3)	(88.5)	(61.9)	(51.5)	(43.0)	(49.2)
<b>Total</b>	<b>93.3</b>	<b>361.7</b>	<b>756.1</b>	<b>386.6</b>	<b>(57.9)</b>	<b>230.3</b>	<b>275.1</b>
<b>Underlying EBIT Margin (%)</b>							
North America Metals	2.0%	7.1%	6.6%	5.1%	-1.9%	3.7%	4.0%
ANZ Metals	7.3%	11.6%	11.0%	9.4%	5.5%	8.8%	9.0%
UK Metals	-0.5%	3.9%	4.4%	4.6%	-3.7%	1.7%	2.9%
Sims Lifecycle Services	4.2%	6.0%	5.0%	6.8%	4.1%	3.5%	4.1%
Global Trading	-3.1%	-2.3%	-1.8%			-2.2%	-1.7%
<b>Total</b>	<b>2.4%</b>	<b>8.5%</b>	<b>8.2%</b>	<b>6.5%</b>	<b>-1.2%</b>	<b>3.5%</b>	<b>4.3%</b>

<sup>1</sup> Underlying EBIT excludes significant non-recurring items, the impact of non-qualifying hedges, and internal recharges.



# Financial Summary – Segment (cont.)

A\$ <sup>m</sup>	HY23	HY22	FY22	FY21	FY20	FY19	FY18
<b>Proprietary sales tonnes ('000)<sup>1</sup></b>							
North America Metals	2,451	2,395	5,081	4,318	4,042	4,887	4,865
ANZ Metals	800	799	1,532	1,537	1,428	1,763	1,585
UK Metals	744	747	1,493	1,370	1,221	1,602	1,691
<b>Total</b>	<b>3,995</b>	<b>3,942</b>	<b>8,106</b>	<b>7,225</b>	<b>6,691</b>	<b>8,252</b>	<b>8,141</b>
<b>Underlying EBIT<sup>2</sup></b>							
North America Metals	37.8	142.2	293.4	137.0	(39.0)	99.7	104.7
ANZ Metals	53.1	94.9	186.9	103.6	50.7	106.5	96.9
UK Metals	(3.6)	29.4	69.8	45.7	(31.9)	20.3	35.3
<b>Total</b>	<b>87.3</b>	<b>266.5</b>	<b>550.1</b>	<b>286.3</b>	<b>(20.2)</b>	<b>226.5</b>	<b>236.9</b>
<b>EBIT / tonne (A\$/t)</b>							
North America Metals	15.42	59.36	57.75	31.73	-9.65	20.40	21.52
ANZ Metals	66.38	118.71	122.03	67.4	35.5	60.41	61.14
UK Metals	(4.84)	39.37	46.74	33.36	-26.13	12.67	20.88
<b>Total</b>	<b>21.85</b>	<b>67.61</b>	<b>67.87</b>	<b>39.63</b>	<b>-3.02</b>	<b>27.45</b>	<b>29.10</b>

<sup>1</sup> Proprietary sales volumes exclude ferrous and non-ferrous brokerage sales volumes.

<sup>2</sup> Underlying EBIT excludes significant non-recurring items, the impact of non-qualifying hedges, and internal recharges.



# Financial Summary – Product

A\$m	HY23	HY22
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## Sales tonnes ('000)

Ferrous Trading	3,784	3,724
Non Ferrous	211	217
Brokerage	578	744
<b>Total</b>	<b>4,573</b>	<b>4,685</b>

## Sales Revenue

Ferrous Metals	2,764.3	3,120.4
Non Ferrous Metals	871.7	908.8
Sims Lifecycle Services	167.4	166.0
Secondary processing & other	27.8	69.8
<b>Total</b>	<b>3,831.2</b>	<b>4,265.0</b>

FY22	FY21	FY20	FY19	FY18
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7,664	6,870	6,301	7,817	7,709
442	355	390	435	432
1,601	1,368	1,463	1,551	1,715
<b>9,707</b>	<b>8,593</b>	<b>8,154</b>	<b>9,803</b>	<b>9,856</b>

6,896.6	4,288.9	3,286.2	4,505.4	4,381.0
1,925.4	1,199.5	1,095.5	1,278.2	1,215.9
327.0	319.0	408.0	746.5	758.3
115.4	108.9	118.8	109.9	92.4
<b>9,264.4</b>	<b>5,916.3</b>	<b>4,908.5</b>	<b>6,640.0</b>	<b>6,448.0</b>



# Income Tax Expense – FY23

A\$m	Profit Before Tax	Income Tax Expense	Effective Tax rate
<b>Statutory Result</b>	<b>150.8</b>	<b>49.8</b>	<b>33.0%</b>
Significant Items	(70.1)	(22.1)	<b>31.5%</b>
<b>Normalised Results</b>	<b>80.7</b>	<b>27.7</b>	<b>34.3%</b>





# Significant Items

A\$m	HY23 Pre-Tax Total	HY23 After-Tax Total	HY22 Pre-Tax Total	HY22 After-Tax Total
ERP software implementation costs	5.5	3.8	23.7	17.9
Gain on sale of investment	(49.2)	(36.9)	-	-
Non-recurring gain on asset dispositions	(36.5)	(27.4)	(6.2)	(4.6)
Restructuring and redundancies	6.8	5.3	-	-
SA Recycling amortisation reversal	(16.8)	(12.6)	-	-
Acquisition transaction costs	-	-	1.1	0.8
Non-qualified hedges	18.9	18.9	1.7	2.0
Other non recurring items	1.2	0.9	-	-
<b>Total significant Items</b>	<b>(70.1)</b>	<b>(48.0)</b>	<b>20.3</b>	<b>16.1</b>

A\$m	FY23
Statutory EBIT	163.4
Significant Items	(89.0)
Non-qualified hedges	18.9
<b>Underlying EBIT</b>	<b>93.3</b>

A\$m	FY23
Statutory NPAT	101.0
Significant Items	(67.0)
Non-qualified hedges	18.9
<b>Underlying NPAT</b>	<b>53.0</b>



# Net Cash Position

A\$m	HY23	HY22
<b>Opening Net Cash</b>	<b>(102.7)</b>	<b>8.3</b>
Underlying net profit	53.0	269.3
Depreciation & amortisation	106.8	100.6
Joint venture non-cash income, net of dividends	2.5	(52.4)
Change in working capital	101.2	(38.4)
Movement in tax balance	(31.7)	7.6
ERP current year spend	(5.5)	(23.7)
Other non-cash items		
Sale of property gain	36.5	
SMR	49.2	
Other	10.0	27.8
<b>Operating cash flow</b>	<b>322.0</b>	<b>290.8</b>
Capital expenditure - Pinkenba		
Capital expenditure - Other	(127.2)	(81.3)
Proceeds from sale of PPE	39.3	9.1
Acquisition	(6.0)	(18.2)
Disposals		
Other cash flow from investing	(3.8)	(6.6)
<b>Free cash flow</b>	<b>224.3</b>	<b>193.8</b>
Dividends paid	(96.6)	(59.9)
Buy-backs	(14.6)	(56.2)
Lease payments	(40.1)	(35.3)
Other net cash flow from financing & FX	63.0	(5.6)
<b>Change in net cash</b>	<b>136.0</b>	<b>36.8</b>
<b>Closing Net Cash</b>	<b>33.3</b>	<b>45.1</b>

