



# Full Year ended 30 June 2023

*Creating Value by Providing a Pathway to Decarbonisation and Circularity*

15 August 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, 15 August 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).

To the extent that this document may contain forward-looking statements, such statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, and which may cause actual results to differ materially from those expressed in the statements contained in this release.

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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

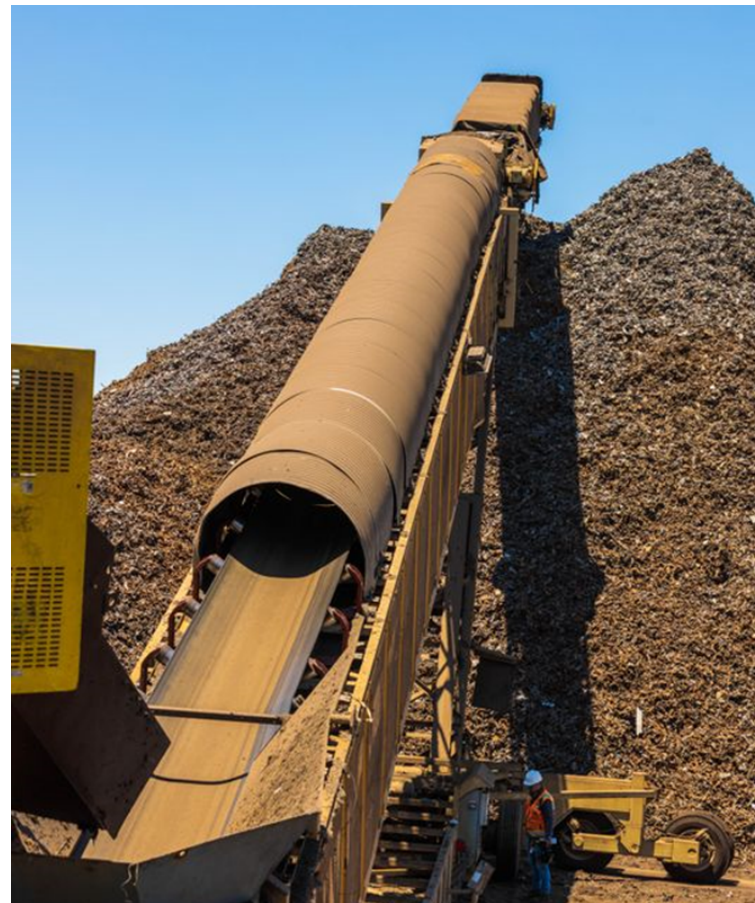
Alistair Field, Group CEO

## Financial Results

Stephen Mikkelsen, Group CFO

## Strategic Progress & Outlook

Alistair Field, Group CEO



*Sims Metal Redwood City, CA*





# Results Overview

Alistair Field, Group CEO





# Resilient Performance In Subdued Markets



*Sims Metal Kwinana, WA*

All Metal segments faced challenging market conditions, albeit to varying degrees, with some experiencing more pronounced impacts than others

Resilient performance reflected the benefits of market and geographic diversification

Effective cash flow management with working capital release

Metal net operating costs flat in 2H23 compared to 1H23<sup>1</sup>

Achieved new milestones in safety and closing the gender pay gap

Balanced approach to shareholder returns: fully franked final dividend per share of 21cents and investments for future growth

<sup>1</sup> Adjusted for Northeast Metal Traders acquisition

# FY23 Themes

*Resilient result in the face of lower prices, subdued scrap availability, and inflationary pressures*

## **Substantially lower performance compared to the record high in FY22**

- Statutory EBIT of \$293.0 million, down 62.1%
- Underlying EBIT<sup>1</sup> of \$252.2 million, down 66.6%
- Return on Productive Assets<sup>2</sup> of 11.4%, down 27.6 percentage points
- Metal trading margin<sup>3</sup> of \$1,378.9 million, down 15.2%
- Metal net operating costs<sup>3,4</sup> up 8.1% (3.9% constant currency)

## **Lower scrap inflow and lower sales prices**

- Proprietary intake volumes down 6.7%
- Strong competition in a subdued inflow environment
- Deterioration in steel demand

## **Solid operating cash flow**

- Working capital release of \$125.7 million
- Fully franked final dividend 21 cents per share

<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 right of use assets arising from AASB16 Leases and deferred tax assets

<sup>3</sup> In FY22 certain Operating Costs were netted off against Trading Margin. These have been restated, so the netting no longer occurs. See page 49 of the Appendix for a reconciliation of the changes

<sup>4</sup> Net operating costs include all operating costs less depreciation and amortisation less significant items less other revenue and income



# Summary of Financial Outcomes

*Maintained financial resilience with solid operating cash flow, notwithstanding lower profit*

## Sales Revenue

**\$8,061.1 million**

FY22  
\$9,264.4 million **-13.0%**

## Underlying<sup>1</sup> EBITDA

**\$474.9 million**

FY22  
\$958.9 million **-50.5%**

## Underlying<sup>1</sup> EBIT

**\$252.2 million**

FY22  
\$756.1 million **-66.6%**

## Underlying<sup>1</sup> NPAT

**\$156.9 million**

FY22  
\$578.9 million **-72.9%**

## Sales Volumes

**\$7,972 thousand tonnes**

FY22  
8,106 thousand tonnes **-1.7%**

## Operating Cash Flow

**\$449.2 million**

FY22  
\$547.8 million **-18.0%**

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

**11.4%**

FY22  
39.0% **-27.6 ppts**

## FY23 Dividend

**Interim 14 cents per share (0% franked)  
Final 21 cents per share (100% franked)**

FY22  
Interim 41 cents per share (44% franked)  
Final 50 cents per share (50% franked)

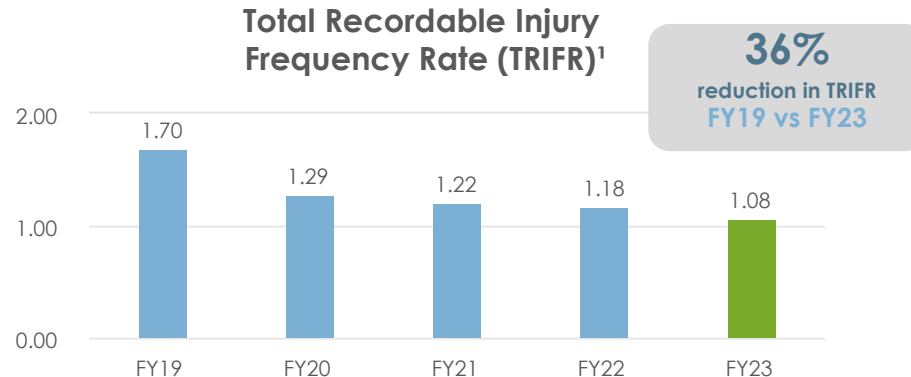
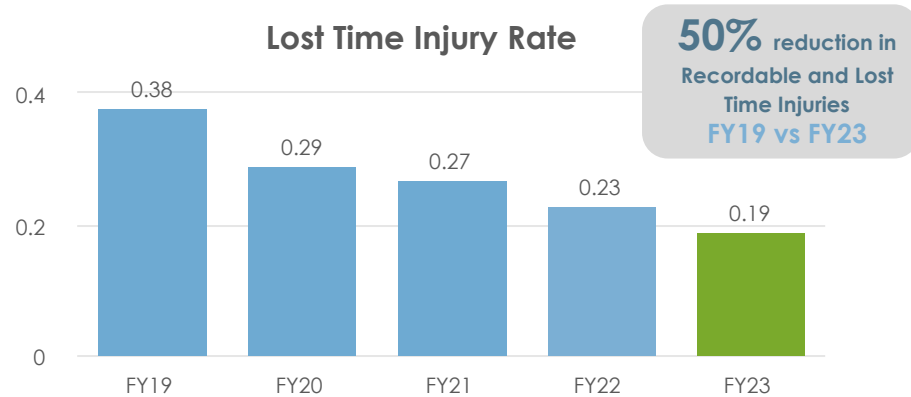
<sup>1</sup> Underlying earnings excludes significant non-recurring items, the impact of non-qualifying hedges, and internal recharges

<sup>2</sup> Underlying EBIT / average of opening non-current assets and ending non-current assets excluding right of use assets arising from AASB16 Leases and deferred tax assets



# Employee Health & Safety

*Excellent safety performance in FY23*



- Focus on critical safety risks and related control measures continued to drive excellent safety performance
- Investments in traffic management incident prevention, and early fire detection trials, warning systems and response
- Third party Employee Safety Perception Survey demonstrated consistent improvement over the last three years
- Completed EHS Leadership Training focused on key principles of psychological safety



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



# Sustainability

*Substantial progress in narrowing the gender pay equity gap*

MSCI  
ESG RATINGS



AAA rating

CCC B BB BBB A AA AAA



14th most  
sustainable  
company

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

DJSI Australia  
Constituent



FTSE4Good

FTSE4Good  
Constituent



A-Score

## OPERATE RESPONSIBLY



- Lowest on record Total Recordable Injury Rate
- Gender pay equity gap dropped to 2.9% from 8.2% in FY22
- Continued surpassing diversity target: 26% women in leadership roles in FY23
- 40% of the 50 trainees that started the Sims Cadet program are women

## CLOSE THE LOOP



- All Sims Metal sites in the USA now covered by 100% renewable electricity
- Advanced electrification on key asset classes including first EV truck purchase
- Sims Resource Renewal pilot plant commenced operations

## PARTNER FOR CHANGE



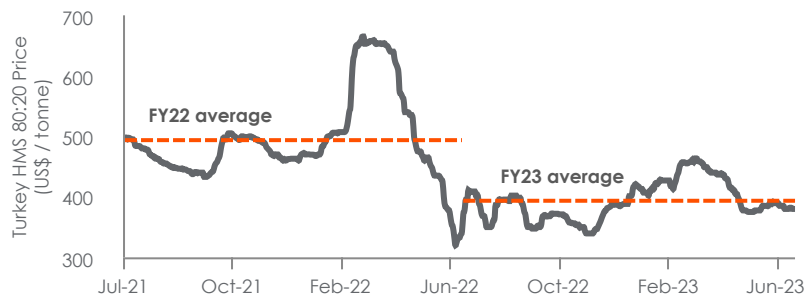
- Launched Innovate Reconciliation Action Plan
- Ongoing implementation of Group social licence framework
- Donated to Hawke's Bay (NZ) Cyclone Relief Refund



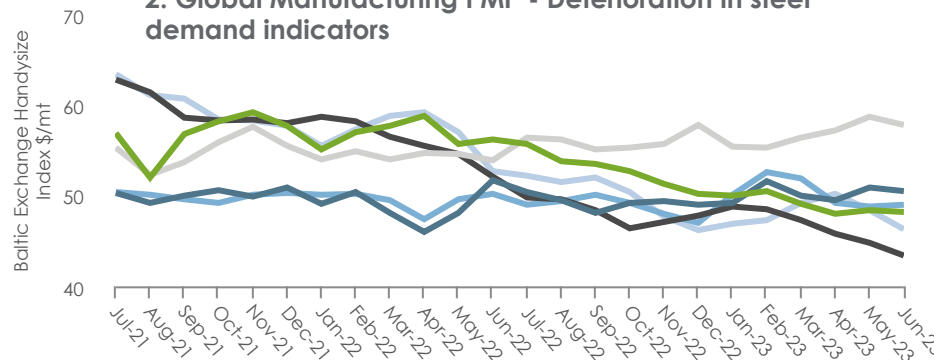
# Lower Prices and Weaker Markets

*Lower ferrous and non-ferrous prices, in line with contractionary manufacturing activity in most regions*

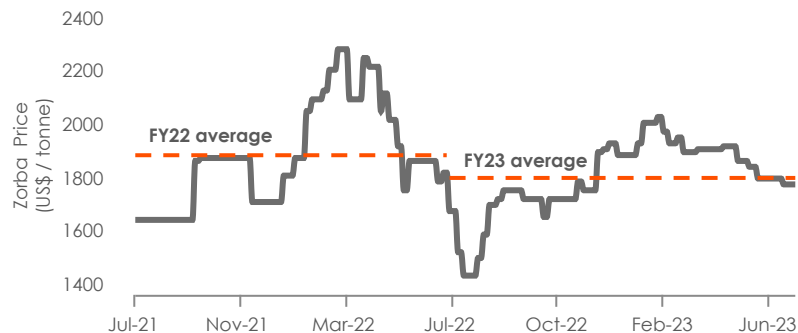
## 1. Ferrous<sup>1</sup> - Steep decline in average price in FY23 vs FY22



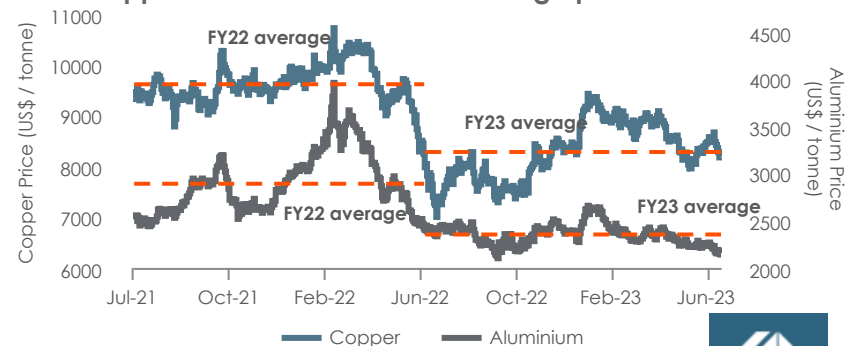
## 2. Global Manufacturing PMI<sup>2</sup> - Deterioration in steel demand indicators



## 3. Zorba<sup>1</sup> – FY23 average price below FY22 levels



## 4. Copper & Aluminium<sup>3</sup> – FY23 average price below FY22 levels



<sup>1</sup> Source: Argus; 1 July 2021 to 30 June 2023

<sup>2</sup> Source: Bloomberg Finance; 31 July 2021 to 30 June 2023

<sup>3</sup> Source: Argus; 1 July 2021 to 30 June 2023





# Financial Results

Stephen Mikkelsen, Group CFO



# Group Financial Performance

A\$m	FY23	FY22	Change
Statutory EBITDA	515.7	976.4	(47.2%)
Statutory EBIT	293.0	773.6	(62.1%)
Statutory NPAT	181.1	599.3	(69.8%)
Sales Revenue	8,061.1	9,264.4	(13.0%)
Total Underlying Operating Cost including Depreciation <sup>4</sup>	(1,532.2)	(1,460.5)	4.9%
<b>Underlying EBITDA<sup>1</sup></b>	<b>474.9</b>	<b>958.9</b>	<b>(50.5%)</b>
<b>Underlying EBIT<sup>1</sup></b>	<b>252.2</b>	<b>756.1</b>	<b>(66.6%)</b>
<b>Underlying NPAT</b>	<b>156.9</b>	<b>578.9</b>	<b>(72.9%)</b>
EBITDA Margin <sup>2</sup> %	5.9%	10.4%	(4.5ppts)
EBIT Margin <sup>3</sup> %	3.1%	8.2%	(5.1ppts)

Trading Margin	FY23	FY22	Change
Trading Margin – Metals (A\$m) <sup>4</sup>	1,378.9	1,625.5	(15.2%)
Trading Margin – Metals (%) <sup>4</sup>	20.0 %	21.0 %	(1.0)ppts

- Revenue down 13.0% driven by declines in average sales prices of 10.4% and proprietary sales volumes of 1.7%
- Metal trading margin down by 15.2% driven by challenging trading conditions across all markets
- Total underlying operating costs including depreciation up 4.9% driven by inflationary pressures across all cost categories, partially mitigated by efficiency gains, the introduction of a processing levy, the benefits of other cost saving initiatives and lower employee incentive costs
- Underlying EBIT decreased by 66.6% to \$252.2 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> In FY22 certain Operating Costs were netted off against Trading Margin. These have been restated, so the netting no longer occurs. See page 49 of the Appendix for a reconciliation of the changes





# Business Segment Financial Performance

Underlying EBIT <sup>1</sup> (A\$m)	FY23	FY22	Change
Metal Business <sup>2</sup>	204.8	550.1	(62.8%)
Sims Lifecycle Services	8.2	16.3	(49.7%)
SA Recycling	163.5	298.5	(45.2%)
Global Trading	(24.3)	(20.3)	19.7%
Corporate & Other	(100.0)	(88.5)	13.0%
<b>Underlying EBIT<sup>1</sup></b>	<b>252.2</b>	<b>756.1</b>	<b>(66.6%)</b>

Sales volumes ('000 tonnes)	FY23	FY22	Change
Metal Business <sup>2</sup>	7,972	8,106	(1.7%)
Global Trading	1,421	1,474	(3.6%)
Other Brokerage	39	127	(69.3%)
<b>Total sales volumes</b>	<b>9,432</b>	<b>9,707</b>	<b>(2.8%)</b>

<b>SAR sales volumes 100%</b>	<b>4,969</b>	<b>4,941</b>	<b>0.6%</b>
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Intake volumes ('000 tonnes)	FY23	FY22	Change
Metal Business <sup>2</sup>	7,717	8,271	(6.7%)
Global Trading	1,477	1,474	0.2%
Other Brokerage	40	129	(69.0%)
<b>Intake volumes</b>	<b>9,234</b>	<b>9,874</b>	<b>(6.5%)</b>

<b>SAR intake volumes 100%</b>	<b>4,978</b>	<b>4,892</b>	<b>1.8%</b>
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<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

*Lower EBIT driven by falling sale prices and strong domestic competition*

A\$m	FY23	FY22	Change
Proprietary Sales Volumes ('000 tonnes)	5,063	5,081	(0.4%)
Sales Revenue	3,924.6	4,453.4	(11.9%)
Trading Margin	748.9	919.9	(18.6%)
Net Operating Costs <sup>1</sup>	569.3	524.4	8.6%
<b>Underlying EBITDA<sup>2</sup></b>	<b>179.6</b>	<b>395.5</b>	<b>(54.6%)</b>
<b>Underlying EBIT<sup>2</sup></b>	<b>55.5</b>	<b>293.4</b>	<b>(81.1%)</b>
Underlying EBIT / tonne	\$10.96	\$57.74	(\$46.78)
Trading Margin %	19.1 %	20.7 %	(1.6)ppts
EBITDA Margin <sup>3</sup> %	4.6 %	8.9 %	(4.3ppts)
EBIT Margin <sup>4</sup> %	1.4 %	6.6 %	(5.2ppts)

- 11.9% decrease in sales revenue due to an 11.8% (18.2% constant currency) decrease in average sale prices, combined with flat sales volumes
- Trading margin down 18.6% (24.5% constant currency) resulting from lower sales prices and increased domestic competition for infeed materials due to some periods of significantly higher domestic prices relative to export prices
- Net operating costs up 8.6% (0.7% constant currency). Inflation cost pressures were mostly offset by the introduction of a processing levy on shredder feed and lower employee incentive costs
- Underlying EBIT down 81.1% to \$55.5 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



# SA Recycling

**Increased trading margin percentage. Second half EBIT recovery assisted by robust domestic ferrous markets**

A\$m	FY23	FY22	Change
Proprietary Sales Volumes ('000 tonnes)	4,969	4,941	0.6%
Sales Revenue	4,519.0	4,993.1	(9.5%)
Trading Margin	1,417.6	1,520.1	(6.7%)
Net Operating Costs <sup>1</sup>	930.5	787.1	18.2%
<b>Underlying EBITDA<sup>2</sup></b>	<b>487.1</b>	<b>733.0</b>	<b>(33.5%)</b>
<b>Underlying EBIT<sup>2</sup></b>	<b>332.7</b>	<b>620.2</b>	<b>(46.4%)</b>
<b>Sims' interest<sup>3</sup></b>	<b>163.5</b>	<b>298.5</b>	<b>(45.2%)</b>
Underlying EBIT / tonne	\$66.96	\$125.50	(\$58.54)
Trading Margin %	31.4%	30.4%	1.0ppts
EBITDA Margin <sup>4</sup> %	10.8%	14.7%	(3.9)ppts
EBIT Margin <sup>5</sup> %	7.4%	12.4%	(5.0)ppts

- Revenue down 9.5% (16.0% constant currency) driven by lower selling prices
- Proprietary sales volumes up 0.6% benefiting from bolt-on acquisitions and 12 months of PSC volumes
- Trading margin down 6.7% (13.5% constant currency) driven by lower metal prices and increased competition for infeed materials
- Net operating costs up by 18.2% (9.7% constant currency) driven by:
  - inflationary pressures
  - incremental costs from full 12 months of PSC and 6 bolt-on acquisitions closed in FY23
- Sims's share of profit reduced by 45.2% to \$163.5 million
- Experienced a solid recovery in 2H23 vs 1H23 assisted by robust domestic scrap demand and resilient domestic ferrous prices

<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. It represents Sims Limited's 50% share of SA Recycling earnings.

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

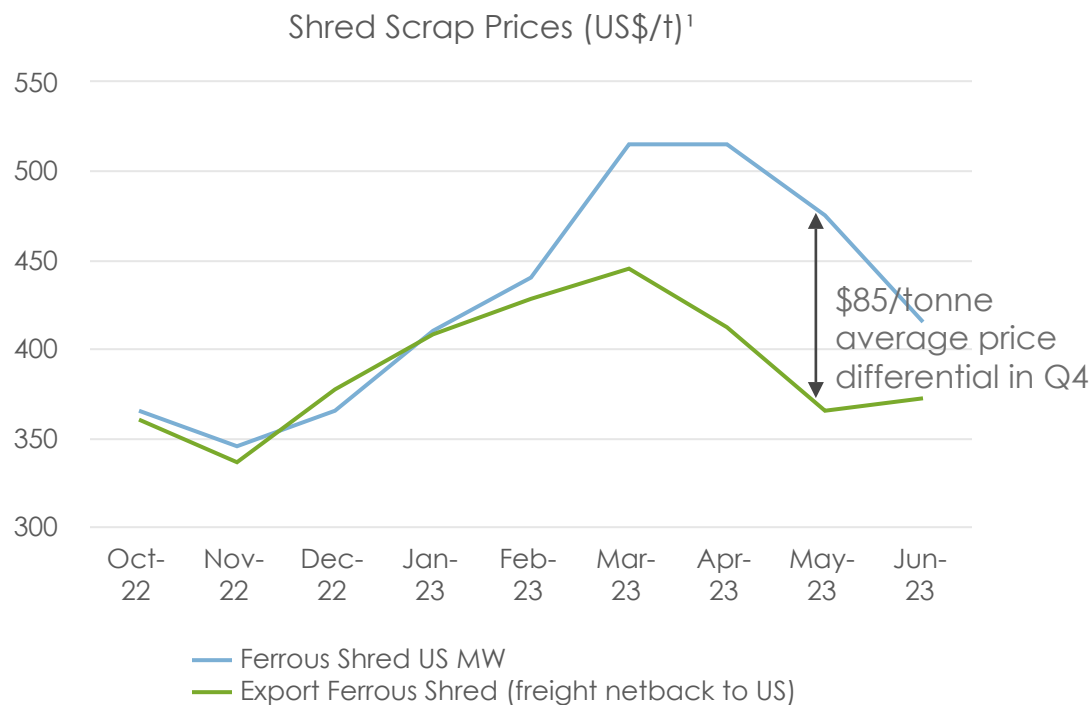
<sup>4</sup> Underlying EBITDA / Sales revenue

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

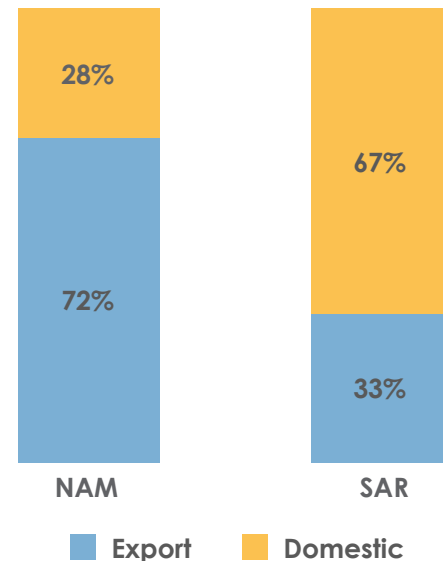


# US Ferrous Scrap Prices

*Second-half domestic market significantly stronger than export market*



FY23 Ferrous Volumes



<sup>1</sup> Source: Argus; October 2022 to June 2023





# Australia & New Zealand Metal

*Robust performance despite challenging market conditions*

A\$m	FY23	FY22	Change
Proprietary Sales Volumes ('000 tonnes)	1,510	1,532	(1.4%)
Sales Revenue	1,563.7	1,694.4	(7.7%)
Trading Margin	420.2	455.2	(7.7%)
Net Operating Costs <sup>1</sup>	223.8	215.0	4.1%
<b>Underlying EBITDA<sup>2</sup></b>	<b>196.4</b>	<b>240.2</b>	<b>(18.2%)</b>
<b>Underlying EBIT<sup>2</sup></b>	<b>142.0</b>	<b>186.9</b>	<b>(24.0%)</b>
Underlying EBIT / tonne	\$94.04	\$122.00	(\$27.97)
Trading Margin %	26.9%	26.9%	—ppts
EBITDA Margin <sup>3</sup> %	12.6%	14.2%	(1.6ppts)
EBIT Margin <sup>4</sup> %	9.1%	11.0%	(1.9ppts)

- 7.7% decrease in sales revenue
- Trading margin reduced by only 7.7% despite challenging market conditions
- Net operating costs increased 4.1% due to inflationary pressures and higher asset running and labour costs, partially offset by lower employee incentive costs
- Underlying EBIT down 24.0% to \$142.0 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

*Strong competition for intake volumes, particularly for shredder infeed*

A\$m	FY23	FY22	Change
Proprietary Sales Volumes ('000 tonnes)	1,399	1,493	(6.3%)
Sales Revenue	1,423.4	1,594.9	(10.8%)
Trading Margin	209.8	250.4	(16.2%)
Net Operating Costs <sup>1</sup>	173.3	155.0	11.8%
<b>Underlying EBITDA<sup>2</sup></b>	<b>36.5</b>	<b>95.4</b>	<b>(61.7%)</b>
<b>Underlying EBIT<sup>2</sup></b>	<b>7.3</b>	<b>69.8</b>	<b>(89.5%)</b>
Underlying EBIT / tonne	\$5.22	\$46.75	(\$41.53)
Trading Margin %	14.7%	15.7%	(1.0)ppts
EBITDA Margin <sup>3</sup> %	2.6%	6.0%	(3.4)ppts
EBIT Margin <sup>4</sup> %	0.5%	4.4%	(3.9)ppts

- 10.8% decrease in sales revenue driven by a decline of 5.2% in average sale prices and 6.3% in sales volumes
- Trading margin down 16.2%, driven by challenging market conditions, including strong competition for shredder infeed
- Net operating costs up 11.8% due to significant inflationary pressures
- Stronger underlying EBIT performance in the second half, notwithstanding an overall decline of 89.5% in FY23

<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

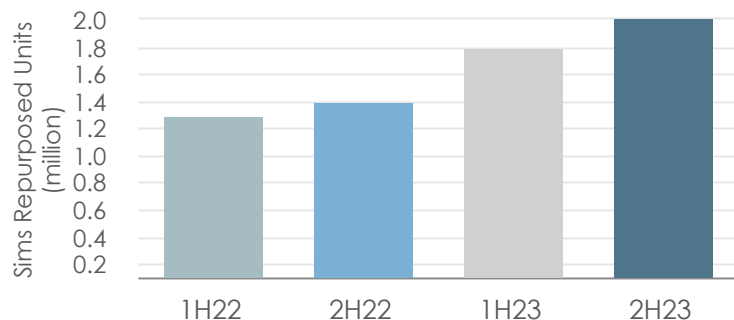
<sup>4</sup> Underlying EBIT / Sales revenue



# Sims Lifecycle Services

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

## Consistent repurposed unit growth



- Repurposed units up 40.7%, despite impacts of supply chain constraints and delayed refresh rates from hyperscalers
- Revenue down 0.5% in FY23 driven by reduction in resale prices from China lockdowns and subsequent slow recovery
- Underlying EBIT down 49.7%, driven by margin compression and inflationary pressures
- In light of China's slow recovery, any resale price increases are not anticipated until end calendar 2023 or early calendar 2024<sup>4</sup>

A\$m	FY23	FY22	Change
Repurposed units (million)	3.8	2.7	40.7%
Sales revenue	325.4	327.0	(0.5)%
<b>Underlying EBITDA<sup>1</sup></b>	<b>18.8</b>	<b>25.9</b>	<b>(27.4)%</b>
<b>Underlying EBIT<sup>1</sup></b>	<b>8.2</b>	<b>16.3</b>	<b>(49.7)%</b>
EBITDA Margin <sup>2</sup> %	5.8%	7.9%	(2.1)ppts
EBIT Margin <sup>3</sup> %	2.5%	5.0%	(2.5)ppts

<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 and Sims Lifecycle Services



# Global Trading, Corporate & Other

Global Trading (A\$m)	FY23	FY22	Change
Underlying EBIT <sup>1</sup>	(24.3)	(20.3)	19.7%
Corporate (A\$m)	FY23	FY22	Change
Underlying EBIT <sup>1</sup>	(98.4)	(100.1)	(1.7)%
Sims Municipal Recycling (A\$m)	FY23	FY22	Change
Underlying EBIT <sup>1</sup>	(3.0)	14.6	(120.5)%
LMS Energy (A\$m)	FY23	FY22	Change
Underlying EBIT (50% share) <sup>1</sup>	14.5	7.3	98.6 %
Sims Energy (A\$m)	FY23	FY22	Change
Underlying EBIT <sup>1</sup>	(3.0)	(3.3)	(9.1)%
Sims Resource Renewal (A\$m)	FY23	FY22	Change
Underlying EBIT <sup>1</sup>	(10.0)	(7.0)	42.9 %

## Global Trading

- Decline in underlying EBIT reflected lower export shipments by SA Recycling and higher costs associated with strategic initiatives

## Corporate

- Corporate costs decreased due to lower incentive awards, partially offset by inflationary pressures

## Sims Municipal Recycling

- Underlying EBIT reflected Sims' share of the trading result up until its restructure of ownership interest in January 2023

## LMS Energy

- Underlying EBIT of \$14.5 million

## Sims Resource Renewal

- Increased costs associated with operation of the Rocklea pilot plant and further strategy development

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

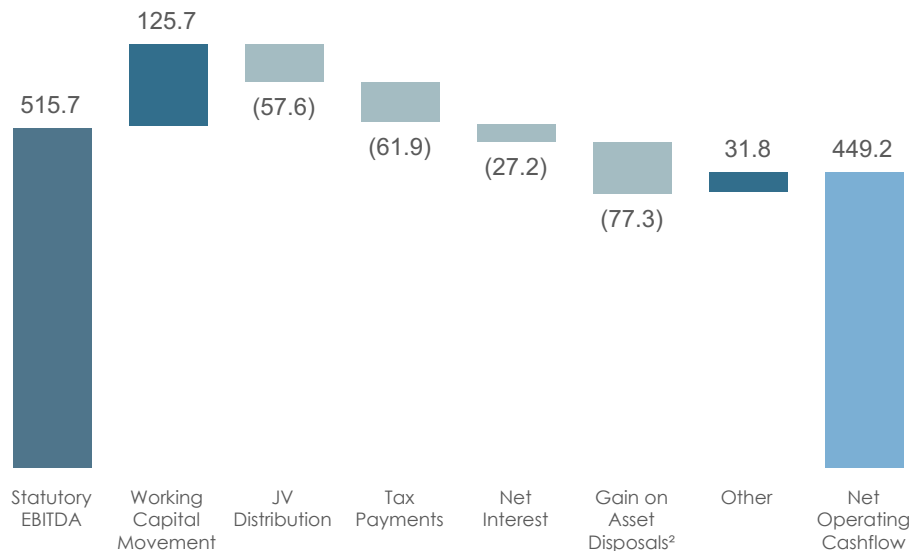




# Cash Generation

*Solid cashflow from working capital release*

Million \$AUD



- Statutory EBITDA of \$515.7 million
- Working capital release \$125.7 million driven by a focus on reducing inventory levels and lower metal prices
- JV distribution of \$57.6 million, primarily SAR
- Gain on Asset Disposals \$77.3 million includes sales of SMR and Doremus surplus land and Sims Resource Renewal impairment
- \$31.8 million includes equity compensation and revaluation of commodity hedges
- Cashflow conversion<sup>1</sup> increased to 286.3% in FY23 from 94.6% in FY22

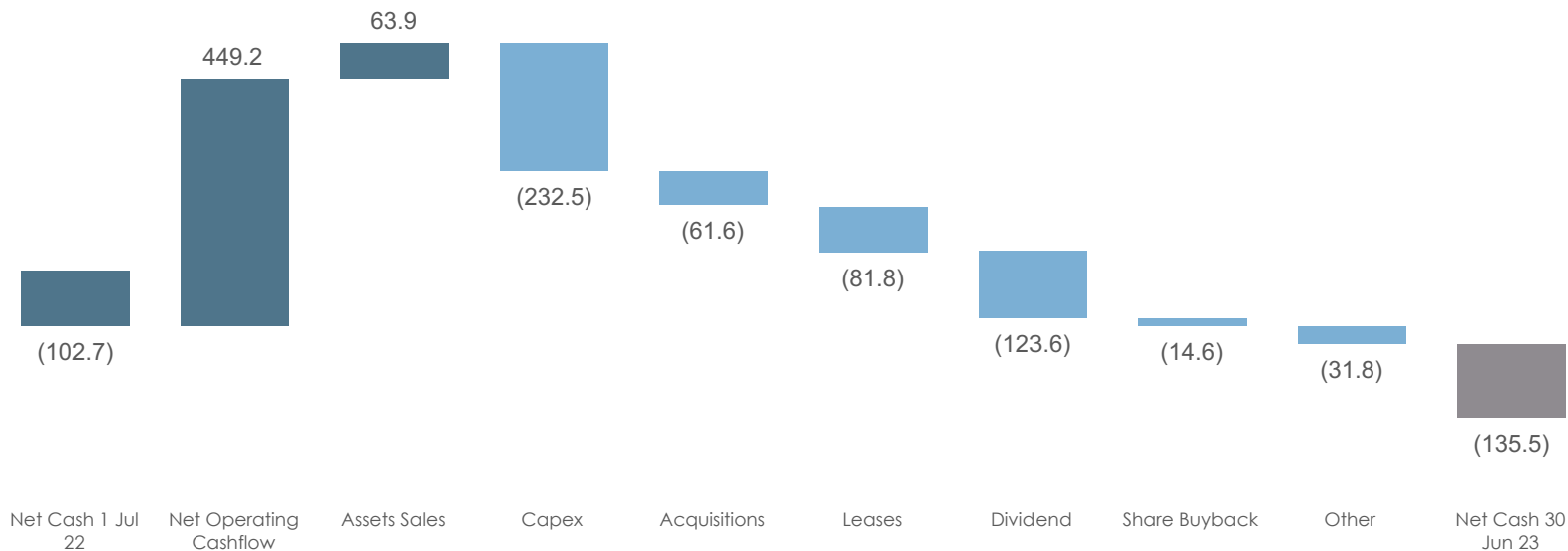
<sup>1</sup> Cash flow from operations / net profit after tax

<sup>2</sup> Gain on asset disposals net of impairments



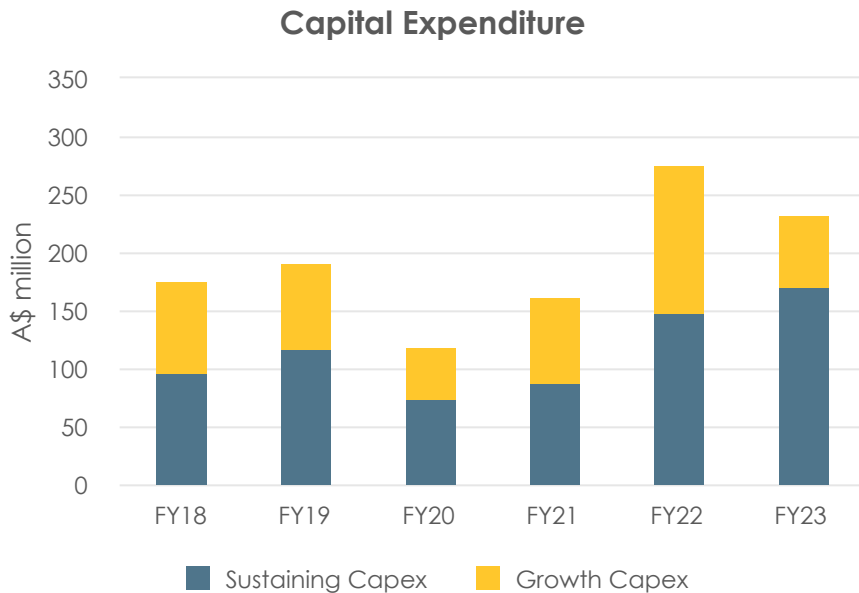
# Net cash movement

Million \$AUD



# Capital Expenditure

*Focused on disciplined capital expenditure*



- Total capex of \$232.5 million in FY23 was comprised of \$171.5 million in Sustaining Capex, and \$61.0 million in Growth Capex
- Growth Capex included investment in Sims Resource Renewal's Rocklea pilot facility and land purchases
- Sustaining capex for FY24 is expected to be approximately \$180.0 million





# Strategic Update & Outlook

Alistair Field, Group CEO



# Strategy

*Capitalises on decarbonisation, infrastructure, and technology tailwinds*

## Mega Trends

### Environmental

- Global Commitment to lower carbon emissions

### Economic

- Infrastructure stimulus

### Technological

- AI and cloud storage growth



## Implications

### Metal

- Demand for low-carbon recycled materials to drive higher prices across ferrous, zorba, copper and aluminium
- Increased Government support for decarbonisation through incentives for domestic secondary metal production, power network electrification, and battery storage
- 22 million tonnes of EAF capacity<sup>1</sup> built or announced in North America
- Higher landfill costs

### Sims Lifecycle Services

- Continued large scale data centre growth



## Sims Strategy Positioning

### Metal

#### Ferrous:

- Geographic and market diversity
- Improve NAM's domestic market capability, through Baltimore Scrap Corp and other future acquisitions
- Work with customers to increase the use of scrap in steel production
- Upgrade lower-grade scrap to higher premium value-in-use products for both ferrous and non-ferrous

#### Non Ferrous:

- Alumisource and Northeast Metals provide a meaningful platform to grow non-ferrous volumes

### Sims Resource Renewal

- Innovative technology to transform Sims waste

### Sims Lifecycle Services

- Continued focus on growing repurposed units from cloud providers

<sup>1</sup> Company announcements, Sims' estimate



# Enhancing NAM's Growth Strategy

## Baltimore Scrap Corp Acquisition

### Company Overview

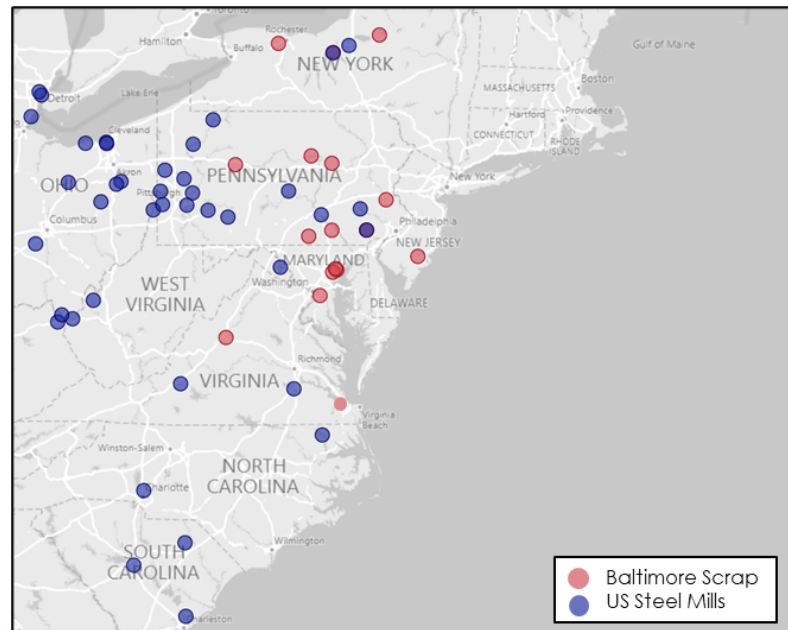
- Baltimore Scrap Corp operates 17 facilities across the Northeast US, including four shredding facilities
- Four shredders with rail access, and 80 railcars
- Land at all key sites to be included in the acquisition
- 70% of ferrous sales to domestic mills
- ~600,000 sales tonnes per annum (570,000 tonnes per annum Ferrous / 30,000 tonnes per annum Non-Ferrous)

### Strategic Rationale

- Attractive sales outlets, to both domestic and export markets, via extensive rail, trucking and port logistics
- Good proximity to domestic steel mills in Pennsylvania, Upstate New York, and Virginia, with rail infrastructure to facilitate low-cost logistics at longer distances
- Port access in Baltimore, MD and Chesapeake, VA
- Improves Sims' exposure into growing US domestic steel mill demand, while retaining export optionality via coastal deep water port access

### Financial Terms

- US\$177 million, plus working capital and other adjustments to be determined at closing
- Pre-synergies EV/EBITDA of 5.4x on a 3-year trailing average
- Post-synergies EV/EBITDA of 4.2x, on equivalent basis (est.)
- Financial close anticipated in October 2023



# Enhancing NAM's Growth Strategy

## Northeast Metal Traders Acquisition

### Company Overview

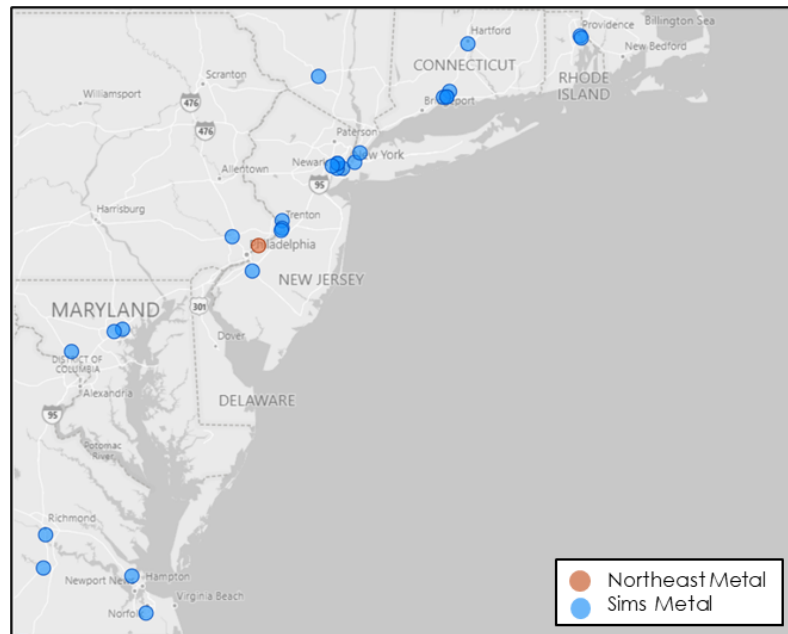
- Northeast Metal Traders operates on a single large-scale site in Philadelphia, PA, and is one of the largest copper recyclers in US
- Full scale copper granulator and multiple non-ferrous balers
- ~60,000 sales tonnes per annum of non-ferrous metal

### Strategic Rationale

- Alignment with strategy to grow non-ferrous volumes in North America, with a focus on value-added processing
- Platform to expand distinct copper recycling operations, based on high-quality supply partnerships, with leverage to growing global demand for secondary copper
- US domestic demand for copper scrap is accelerating, boosted by ~240,000 tonnes per annum<sup>1</sup> of new smelting capacity over next 24 months, with total demand forecast to triple by 2027
- Global demand also is set to increase, with S&P Global forecasting global per capita demand for copper set to nearly double by 2050

### Financial Terms

- Pre-synergies EV/EBITDA of 4.8x on a 2022 basis
- Post-synergies EV/EBITDA of 4.0x, on equivalent basis (est.)
- Financial close reached in April 2023



<sup>1</sup> CRU





# Outlook

*We are confident in the medium and long-term fundamentals of the business*

## Short-term

- Global steel demand remains subdued as we enter the first half of FY24
- Demand for ferrous scrap in the USA spurred on by infrastructure spending and EAF steelmaking production is expected to remain robust
- Current scrap prices may result in a continuation of soft scrap inflows
- We expect the zorba price to remain stable largely due to subdued supply of shredder infeed
- The rebuilding of earthquake affected regions in Turkey has not meaningfully commenced. Upon commencement, this should create significant consumption of steel products from Turkey and place upward pressure on ferrous scrap

## Medium to long-term

- We remain confident in the medium and long-term fundamentals. Metal intensive infrastructure spending continues to drive medium to long-term demand for scrap metal
- The global decarbonisation of steelmaking, growth of EAFs and electricity generation industries will drive the demand for recycled metal
- The fundamental drivers of cloud infrastructure recycling remain positive over the medium and long term
- It is worth noting that there are risks to the materialisation of these positive drivers, particularly as it relates to global uncertainty from geopolitical risks and macroeconomic factors





# Questions & Answers





# Appendix



# Product Segment Volumes

Sales volumes ('000 tonnes)	FY23	FY22	Change
North America Metal	5,063	5,081	(0.4%)
ANZ Metal	1,510	1,532	(1.4%)
UK Metal	1,399	1,493	(6.3%)
<i>Total Proprietary Volumes</i>	<i>7,972</i>	<i>8,106</i>	<i>(1.7%)</i>
Global Trading & Other Brokerage	1,460	1,601	(8.8%)
<b>Sales volumes</b>	<b>9,432</b>	<b>9,707</b>	<b>(2.8%)</b>

Sales volumes ('000 tonnes) <sup>1</sup>	FY23	FY22	Change
Ferrous Trading <sup>2</sup>	7,551	7,664	(1.5%)
Non-Ferrous Trading	454	442	2.7%
Brokerage	1,427	1,601	(10.9%)
<b>Sales volumes</b>	<b>9,432</b>	<b>9,707</b>	<b>(2.8%)</b>

Sales revenue (\$m) <sup>3</sup>	FY23	FY22	Change
Ferrous Trading	4,392	5,182	(15.2%)
Non-Ferrous Trading <sup>4</sup>	2,420	2,474	(2.2%)
Brokerage	869	1,166	(25.5%)
<b>Sales revenue</b>	<b>7,681</b>	<b>8,822</b>	<b>(12.9%)</b>

Intake volumes ('000 tonnes)	FY23	FY22	Change
North America Metal	4,903	5,071	(3.3%)
ANZ Metal	1,492	1,586	(5.9%)
UK Metal	1,322	1,614	(18.1%)
<i>Total Proprietary Volumes</i>	<i>7,717</i>	<i>8,271</i>	<i>(6.7%)</i>
Global Trading & Other Brokerage	1,517	1,603	(5.4%)
<b>Intake volumes</b>	<b>9,234</b>	<b>9,874</b>	<b>(6.5%)</b>

Intake volumes ('000 tonnes)	FY23	FY22	Change
Ferrous Trading	7,324	7,817	(6.3%)
Non-Ferrous Trading	393	454	(13.4%)
Brokerage	1,517	1,603	(5.4%)
<b>Intake volumes</b>	<b>9,234</b>	<b>9,874</b>	<b>(6.5%)</b>

<sup>1</sup> Excludes Global Trade

<sup>2</sup> Includes Non-Ferrous Shred Recovery

<sup>3</sup> Include Global Trade

<sup>4</sup> Includes Non-Ferrous Shred Recovery



# Product Segment Volumes

Sales revenue (\$m)	FY23	FY22	Change
Ferrous	5,244	6,337	(17.2%)
Non-Ferrous Retail	1,839	1,925	(4.5%)
Non-Ferrous Shredder Recovery	598	560	6.8%
<b>Sales revenue</b>	<b>7,681</b>	<b>8,822</b>	<b>(12.9%)</b>

Sales volumes ('000 tonnes)	FY23	FY22	Change
Ferrous	8,744	9,042	(3.3%)
Non-Ferrous Retail	459	445	3.1%
Non-Ferrous Shredder Recovery	229	220	4.1%
<b>Sales volumes</b>	<b>9,432</b>	<b>9,707</b>	<b>(2.8%)</b>

Average sale price	FY23	FY22	Change
Ferrous	599.73	700.83	(14.4%)
Non-Ferrous Retail	4,006.75	4,328.69	(7.4%)
Non-Ferrous Shredder Recovery	2,611.06	2,550.80	2.4%
<b>Average sale price</b>	<b>814.36</b>	<b>908.84</b>	<b>(10.4%)</b>



# Group Profit & Loss

A\$m	FY18	FY19	FY20	FY21	FY22	FY23	Change
Sales revenue	6,448.0	6,640.0	4,908.5	5,916.3	9,264.4	8,061.1	(13.0%)
Statutory EBITDA	395.8	358.1	35.7	507.3	976.4	515.7	(47.2%)
Underlying EBITDA	392.3	363.4	144.9	579.9	958.9	474.9	(50.5%)
Statutory EBIT	278.6	225.0	(239.1)	314.0	773.6	293.0	(62.1%)
Underlying EBIT	275.1	230.3	(57.9)	386.6	756.1	252.2	(66.6%)
Net Interest expense	8.9	6.7	13.8	11.5	16.0	28.1	75.6%
Statutory tax (expense)/benefit	(66.2)	(65.7)	(12.4)	(73.1)	(158.3)	(83.8)	(47.1%)
Underlying tax (expense)/benefit	(78.2)	(61.7)	13.6	(91.0)	(161.2)	(67.2)	(58.3%)
Statutory NPAT	203.5	152.6	(265.3)	229.4	599.3	181.1	(69.8%)
Significant items <sup>1</sup>	(14.9)	9.3	207.2	54.7	(20.4)	(24.2)	18.6 %
Underlying NPAT	188.6	161.9	(58.1)	284.1	578.9	156.9	(72.9%)
Statutory EPS – diluted (cents)	98.7	74.2	(131.2)	112.8	295.6	91.7	(69.0%)
Underlying EPS – diluted (cents)	91.5	78.8	(28.7)	139.6	285.5	79.4	(72.2%)
Dividend per share (cents)	53.0	42.0	6.0	42.0	91.0	35.0	61.5%

1) After tax





# North America Metal

A\$m	FY18	FY19	FY20	FY21	FY22	FY23	Change
<b>Sales Revenue</b>	2,607.1	2,725.6	2,061.7	2,669.9	4,453.4	3,924.6	(11.9%)
<b>Trading Margin (\$)</b>	584.6	609.0	481.2	591.7	919.9	748.9	(18.6%)
<b>Trading Margin (%)</b>	22.4%	22.3%	23.3%	22.2%	20.7%	19.1%	(1.6)ppts
<b>Statutory EBITDA</b>	121.0	124.8	(16.2)	194.2	343.7	149.4	(56.5%)
<b>Underlying EBITDA</b>	159.5	162.6	55.0	226.4	395.5	179.6	(54.6%)
<b>Depreciation</b>	46.9	53.2	90.2	89.1	99.8	119.9	20.1%
<b>Amortisation</b>	7.9	9.7	3.8	0.3	2.2	4.2	90.9%
<b>Statutory EBIT</b>	66.2	61.9	(145.8)	104.8	241.7	25.3	(89.5%)
<b>Underlying EBIT</b>	104.7	99.7	(39.0)	137.0	293.4	55.5	(81.1%)
<b>Assets</b>	1,070.4	1,065.4	1,116.7	1,446.0	1,762.5	1,741.4	(1.2%)
<b>Intake Volumes ('000)</b>	5,044	4,827	4,268	4,483	5,094	4,923	(3.4%)
<b>Proprietary Sales Volumes ('000)</b>	4,865	4,887	4,042	4,318	5,081	5,063	(0.4%)
<b>Brokerage Sales Volumes ('000)</b>	47	56	88	50	23	20	(13.0%)
<b>Total Sales Volumes ('000)</b>	4,912	4,943	4,130	4,368	5,103	5,083	(0.4%)
<b>Employees<sup>1</sup></b>	1,578	1,577	1,124	1,172	1,439	1,743	21.1%

1) 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	FY18	FY19	FY20	FY21	FY22	FY23	Change
<b>Statutory EBIT<sup>1</sup></b>	67.8	41.0	12.1	157.8	302.5	180.2	(40.4)%
<b>Underlying EBIT<sup>1</sup></b>	68.5	35.9	12.1	157.8	298.5	163.5	(45.2)%
<b>Assets</b>	180.7	211.1	277.5	345.8	512.4	584.8	14.1 %
<b>Intake Volumes ('000) <sup>2</sup></b>	3,477	3,473	3,250	3,809	4,874	4,978	2.1 %
<b>Sales Volumes ('000) <sup>2</sup></b>	3,342	3,531	3,247	3,706	4,941	4,969	0.6 %

1) Statutory and Underlying EBIT represents Sims Limited's 50% share of SA Recycling profit before tax.

2) 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	FY18	FY19	FY20	FY21	FY22	FY23	Change
<b>Sales Revenue</b>	1,071.0	1,203.7	924.8	1,098.9	1,694.4	1,563.7	(7.7%)
<b>Trading Margin (\$)</b>	326.9	344.8	286.3	337.5	455.2	420.2	(7.7%)
<b>Trading Margin (%)</b>	30.5%	28.6%	31.0%	30.7%	26.9%	26.9%	— ppts
<b>Statutory EBITDA</b>	121.6	125.6	92.3	147.6	216.8	172.8	(20.3%)
<b>Underlying EBITDA</b>	126.2	137.9	103.7	156.6	240.2	196.4	(18.2%)
<b>Depreciation</b>	29.1	31.2	52.8	52.9	53.1	54.0	1.7%
<b>Amortisation</b>	0.2	0.2	0.2	0.1	0.3	0.5	66.7%
<b>Statutory EBIT<sup>2</sup></b>	92.3	94.2	39.3	94.6	163.5	118.3	(27.6%)
<b>Underlying EBIT</b>	96.9	106.5	50.7	103.6	186.9	142.0	(24.0%)
<b>Assets</b>	625.2	614.1	694.9	772.2	877.2	918.8	4.7%
<b>Intake Volumes ('000)</b>	1,669	1,836	1,584	1,584	1,687	1,506	(10.7%)
<b>Proprietary Sales Volumes ('000)</b>	1,585	1,763	1,428	1,537	1,532	1,510	(1.4)%
<b>Brokerage Sales Volumes ('000)</b>	111	119	71	57	100	14	(86.0%)
<b>Total Sales Volumes ('000)</b>	1,696	1,882	1,499	1,594	1,632	1,524	(6.6%)
<b>Employees<sup>1</sup></b>	715	921	924	894	909	909	—%

1) FY18 employee count excludes Sims Pacific Metals employees.

2) FY22 balance includes profit on asset sales on \$4.2m, less costs incurred relating to the Recyclers Australia acquisition \$1.3m



# UK Metal

A\$m	FY18	FY19	FY20	FY21	FY22	FY23	Change
Sales Revenue	1,203.0	1,186.9	869.8	993.3	1,594.9	1,423.4	(10.8%)
Trading Margin (\$)	183.4	196.8	128.5	195.6	250.4	209.8	(16.2%)
Trading Margin (%)	15.2%	16.6%	14.8%	19.7%	15.7%	14.7%	(1.0)ppts
Statutory EBITDA <sup>2</sup>	42.0	19.7	(59.4)	54.2	77.9	15.4	(80.2%)
Underlying EBITDA	50.5	39.5	(4.3)	71.3	95.4	36.5	(61.7%)
Depreciation	14.9	18.3	26.8	25.6	25.8	29.2	13.2%
Amortisation	0.3	0.9	0.8	—	—	—	—%
Statutory EBIT <sup>2</sup>	26.8	0.5	(110.0)	28.6	52.2	(13.8)	(126.4%)
Underlying EBIT	35.3	20.3	(31.9)	45.7	69.8	7.3	(89.5%)
Assets	431.4	389.9	322.5	425.6	432.0	448.9	3.9%
Intake Volumes ('000)	1,696	1,635	1,195	1,414	1,619	1,327	(18.0%)
Proprietary Sales Volumes ('000)	1,691	1,602	1,221	1,370	1,493	1,399	(6.3%)
Brokerage Sales Volumes ('000)	3	2	3	2	5	4	(20.0%)
Total Sales Volumes ('000)	1,694	1,604	1,224	1,372	1,498	1,403	(6.3%)
Employees <sup>1</sup>	690	761	676	562	623	668	7.2%

1) FY18 employee count excludes Morley and Barnsley employees

2) FY22 balance includes profit on asset sales on \$2.1m



# Global Trading

A\$m	FY18	FY19	FY20	FY21	FY22	FY23	Change
Sales Revenue	733.5	690.9	550.8	745.8	1,128.5	824.0	(27.0%)
Statutory EBITDA <sup>1</sup>	19.0	23.3	8.2	21.9	55.8	12.1	(78.3%)
Underlying EBITDA	(12.3)	(14.9)	(13.9)	(16.4)	(19.2)	(23.1)	20.3%
Depreciation	0.1	0.2	1.3	1.0	1.1	1.2	9.1%
Amortisation	—	—	—	—	—	—	—%
Statutory EBIT <sup>1</sup>	18.8	23.1	6.9	20.9	54.7	10.9	(80.1%)
Underlying EBIT	(12.4)	(15.1)	(15.2)	(17.4)	(20.3)	(24.3)	19.7%
Assets	95.6	67.2	54.1	70.8	90.2	171.7	90.4%
Intake Volumes ('000)	1,558	1,384	1,287	1,261	1,474	1,477	0.2%
Sales Volumes ('000)	1,554	1,374	1,301	1,259	1,474	1,421	(3.6%)
Employees	69	75	66	66	81	84	3.7%



# Sims Lifecycle Services

A\$m	FY18	FY19	FY20	FY21	FY22	FY23	Change
Sales Revenue	758.4	746.5	408.0	318.9	327.0	325.4	(0.5%)
Statutory EBITDA	34.5	26.4	9.9	21.2	15.3	0.1	(99.3%)
Underlying EBITDA	39.7	34.5	28.2	31.1	25.9	18.8	(27.4%)
Depreciation	8.4	8.5	11.3	9.3	9.6	9.7	1.0%
Amortisation	—	—	—	—	—	0.9	—%
Statutory EBIT	26.1	17.9	(14.8)	11.9	5.6	(10.5)	(287.5%)
Underlying EBIT	31.3	26.0	16.9	21.8	16.3	8.2	(49.7%)
Assets	397.3	340.6	139.4	145.8	175.2	177.6	1.4%
Employees <sup>1</sup>	1,420	1,350	919	819	859	726	(15.5%)

1) FY20 employee count excludes sold European compliance scheme operations employees.



# Corporate & Other

A\$m	FY18	FY19	FY20	FY21	FY22	FY23	Change
Sales Revenue	75.0	86.4	93.4	89.5	66.2	—	(100.0%)
Statutory EBITDA	(10.1)	(2.7)	(11.2)	(89.6)	(35.6)	(14.3)	59.8%
Underlying EBITDA	(39.8)	(32.1)	(35.9)	(46.9)	(77.6)	(97.0)	(25.0%)
Depreciation	9.4	10.9	15.6	15.0	10.9	3.1	(71.6%)
Amortisation	-	-	-	-	-	-	0.0 %
Statutory EBIT <sup>2</sup>	(19.4)	(13.6)	(26.8)	(104.6)	(46.6)	(17.4)	62.7%
Underlying EBIT	(49.2)	(43.0)	(51.5)	(61.9)	(88.5)	(100.1)	(13.1%)
Assets	401.2	497.1	601.0	541.6	590.0	662.5	12.3%
Employees <sup>1</sup>	280	311	366	368	160	176	10.0%

1) FY20 employee count includes employees from the new Sims Municipal Recycling contract in Florida.

2) Adjusted for impact of ERP implementation costs incurred during H1 FY22 of \$23.8m. No equivalent figure in H1 FY21 balance.



# Constant Currency Summary

A\$m	FY23 Actual	FY23 Constant Currency	FY22 Actual	Change
<b>NAM</b>				
Sales revenue	3,924.6	3,641.2	4,453.4	(18.2)%
Trading Margin	748.9	694.8	919.9	(24.5)%
Net Operating Costs	(569.3)	(528.2)	(524.4)	0.7%
<b>Underlying EBIT</b>	<b>55.5</b>	<b>51.5</b>	<b>293.4</b>	<b>(82.4)%</b>
<b>UK</b>				
Sales revenue	1,423.4	1,458.9	1,594.9	(8.5)%
Trading Margin	209.8	215.0	250.4	(14.1)%
Net Operating Costs	(173.3)	(177.6)	(155.0)	14.6%
<b>Underlying EBIT</b>	<b>7.3</b>	<b>7.5</b>	<b>69.8</b>	<b>(89.4)%</b>
<b>SA Recycling</b>				
Sales revenue	4,519.0	4,192.7	4,993.1	(16.0)%
Trading Margin	1,417.6	1,315.2	1,520.1	(13.5)%
Net Operating Costs	(930.5)	(863.3)	(787.1)	9.7%
<b>Underlying EBIT</b>	<b>332.7</b>	<b>308.7</b>	<b>620.2</b>	<b>(50.2)%</b>
<b>Sims' interest</b>	<b>163.5</b>	<b>151.7</b>	<b>298.5</b>	<b>(49.2)%</b>



# Financial Summary – Group

A\$m	FY18	FY19	FY20	FY21	FY22	FY23
<b>Group Results</b>						
Sales Revenue	6,448.0	6,640.0	4,908.5	5,916.3	9,264.4	8,061.1
Underlying EBITDA	392.3	363.4	144.9	579.9	958.9	474.9
Underlying EBIT	275.1	230.3	(57.9)	386.6	756.1	252.2
<b>Underlying NPAT</b>	<b>188.6</b>	<b>161.9</b>	<b>(58.1)</b>	<b>284.1</b>	<b>578.9</b>	<b>156.9</b>
Underlying EPS (cents per share)	91.5	78.8	(28.7)	139.6	285.5	79.4
Dividend (cents per share)	53.0	42.0	6.0	42.0	91.0	35.0
<b>Balance Sheet</b>						
Total Assets	3,201.8	3,185.4	3,206.1	3,747.8	4,439.5	4,705.7
Total Liabilities	1,013.1	886.7	1,223.8	1,628.7	1,902.0	2,049.0
Total Equity	2,188.7	2,298.7	1,982.3	2,119.1	2,537.5	2,656.7
<b>Net Cash</b>	<b>298.1</b>	<b>347.5</b>	<b>110.4</b>	<b>8.3</b>	<b>(102.7)</b>	<b>(135.5)</b>
<b>Cash Flows</b>						
Operating Cash Flow	252.1	360.1	(65.3)	129.4	547.8	449.2
Capital Expenditure	(176.1)	(197.1)	(140.5)	(128.6)	(276.2)	(232.5)
<b>Free Cash Flow<sup>1</sup></b>	<b>76.0</b>	<b>163.0</b>	<b>(205.8)</b>	<b>0.8</b>	<b>271.6</b>	<b>216.7</b>
Average non-current assets <sup>2</sup>	1,664.2	1,884.3	1,917.7	1,680.9	1,939.9	2,213.8
<b>ROPA<sup>2</sup> (%)</b>	<b>18.4 %</b>	<b>13.4 %</b>	<b>(3.4)%</b>	<b>23.0 %</b>	<b>39.0 %</b>	<b>11.4 %</b>

1) Free cash flow = operating cash flow – capex for property, plant and equipment and intangibles.

2) Return on Productive Assets = Underlying EBIT / average of opening non-current assets and ending non-current assets excluding right of use assets arising from AASB16 Leases and deferred tax assets.





# Financial Summary – Segment

A\$m	FY18	FY19	FY20	FY21	FY22	FY23
<b>Sales Revenue</b>						
North America Metal	2,607.1	2,725.6	2,061.7	2,669.9	4,453.4	3,924.6
ANZ Metal	1,071.0	1,203.7	924.8	1,098.9	1,694.4	1,563.7
UK Metal	1,203.0	1,186.9	869.8	993.3	1,594.9	1,423.4
Sims Lifecycle Services	758.4	746.5	408.0	318.9	327.0	325.4
Global Trading	733.5	690.9	550.8	745.8	1,128.5	824.0
Corporate & Other	75.0	86.4	93.4	89.5	66.2	—
<b>Total</b>	<b>6,448.0</b>	<b>6,640.0</b>	<b>4,908.5</b>	<b>5,916.3</b>	<b>9,264.4</b>	<b>8,061.1</b>
<b>Underlying EBIT<sup>1</sup></b>						
North America Metal	104.7	99.7	(39.0)	137.0	293.4	55.5
ANZ Metal	96.9	106.5	50.7	103.6	186.9	142.0
UK Metal	35.3	20.3	(31.9)	45.7	69.8	7.3
Sims Lifecycle Services	31.3	26.0	16.9	21.8	16.3	8.2
Investment in SA Recycling	68.5	35.9	12.1	157.8	298.5	163.5
Global Trading	(12.4)	(15.1)	(15.2)	(17.4)	(20.3)	(24.3)
Corporate & Other	(49.2)	(43.0)	(51.5)	(61.9)	(88.5)	(100.1)
<b>Total</b>	<b>275.1</b>	<b>230.3</b>	<b>(57.9)</b>	<b>386.6</b>	<b>756.1</b>	252.1
<b>Underlying EBIT Margin (%)</b>						
North America Metal	4.0%	3.7%	(1.9%)	5.1%	6.6%	1.4%
ANZ Metal	9.0%	8.8%	5.5%	9.4%	11.0%	9.1%
UK Metal	2.9%	1.7%	(3.7%)	4.6%	4.4%	0.5%
Sims Lifecycle Services	4.1%	3.5%	4.1%	6.8%	5.0%	2.5%
<b>Total</b>	<b>4.3%</b>	<b>3.5%</b>	<b>(1.2%)</b>	<b>6.5%</b>	<b>8.2%</b>	<b>3.1%</b>

1) Underlying EBIT excludes significant non-recurring items, the impact of non-qualifying hedges, and internal recharges.



# Financial Summary – Segment (cont.)

A\$m	FY18	FY19	FY20	FY21	FY22	FY23
<b>Proprietary sales tonnes ('000)<sup>1</sup></b>						
North America Metal	4,865	4,887	4,042	4,318	5,081	5,063
ANZ Metal	1,585	1,763	1,428	1,537	1,532	1,510
UK Metal	1,691	1,602	1,221	1,370	1,493	1,399
<b>Total</b>	<b>8,141</b>	<b>8,252</b>	<b>6,691</b>	<b>7,225</b>	<b>8,106</b>	<b>7,972</b>
<b>Underlying EBIT<sup>2</sup></b>						
North America Metal	104.7	99.7	(39.0)	137.0	293.4	55.5
ANZ Metal	96.9	106.5	50.7	103.6	186.9	142.0
UK Metal	35.3	20.3	(31.9)	45.7	69.8	7.3
<b>Total</b>	<b>236.9</b>	<b>226.5</b>	<b>(20.2)</b>	<b>286.3</b>	<b>550.1</b>	<b>204.8</b>
<b>EBIT / tonne (\$/t)</b>						
North America Metal	21.52	20.40	(9.65)	31.73	57.75	10.96
ANZ Metal	61.14	60.41	35.50	67.40	122.03	94.04
UK Metal	20.88	12.67	(26.13)	33.36	46.74	5.22
<b>Total</b>	<b>29.10</b>	<b>27.45</b>	<b>(3.02)</b>	<b>39.63</b>	<b>67.87</b>	<b>25.69</b>

1) Proprietary sales volumes exclude ferrous and non-ferrous brokerage sales volumes.

2) Underlying EBIT excludes significant non-recurring items, the impact of non-qualifying hedges, and internal recharges.



# Financial Summary – Product

A\$m	FY18	FY19	FY20	FY21	FY22	FY23
<b>Sales tonnes ('000)</b>						
Ferrous Trading	7,709	7,817	6,301	6,870	7,664	7,551
Non-Ferrous	432	435	390	355	442	454
Brokerage	1,715	1,551	1,463	1,368	1,601	1,427
<b>Total</b>	<b>9,856</b>	<b>9,803</b>	<b>8,154</b>	<b>8,593</b>	<b>9,707</b>	<b>9,432</b>
<b>Sales Revenue</b>						
Ferrous Metal	4,381.6	4,505.4	3,286.2	4,288.9	6,896.6	5,842.9
Non-Ferrous Metal	1,215.6	1,271.4	1,095.5	1,199.5	1,925.4	1,839.1
Sims Lifecycle Services	758.4	746.5	408.0	319.0	327.0	330.7
Secondary processing & other	92.4	116.7	118.8	108.9	115.4	48.4
<b>Total</b>	<b>6,448.0</b>	<b>6,640.0</b>	<b>4,908.5</b>	<b>5,916.3</b>	<b>9,264.4</b>	<b>8,061.1</b>



# Income Tax Expense – FY23

A\$m	Profit Before Tax	Income Tax Expense	Effective Tax rate
<b>Statutory Result</b>	<b>264.9</b>	<b>83.8</b>	<b>31.6 %</b>
Significant Items	(40.8)	(16.6)	40.7 %
<b>Normalised Results</b>	<b>224.1</b>	<b>67.2</b>	<b>30.0 %</b>



# Significant Items

A\$m	FY23 Pre-Tax Total	FY23 After-Tax Total	FY22 Pre-Tax Total	FY22 After-Tax Total
Gain on fair valuation of investment	(49.2)	(37.8)	—	—
Non-recurring gains on asset disposals	(36.5)	(28.0)	(79.1)	(59.2)
Non-qualified hedges	18.7	18.7	(16.7)	(16.7)
ERP Software Implementation Cost	4.7	3.3	41.5	29.0
Acquisition transaction costs	—	—	3.7	2.7
Restructuring & redundancies	13.4	10.6	5.9	4.3
Legal & Environmental, net of recoveries	2.2	1.7	19.5	13.9
Impact of fire, flood	—	—	7.7	5.6
SA Recycling amortisation reversal	(16.8)	(12.9)	—	—
SRR impairment	9.9	9.9	—	—
Alumisource contingent consideration	14.5	11.1	—	—
Other non-recurring items	(1.7)	(0.8)	—	—
<b>Total significant Items</b>	<b>(40.8)</b>	<b>(24.2)</b>	<b>(17.5)</b>	<b>(20.4)</b>

A\$m	FY23
Statutory EBIT	293.0
Significant Items	(59.5)
Non-qualified hedges	18.7
<b>Underlying EBIT</b>	<b>252.2</b>

A\$m	FY23
Statutory NPAT	181.1
Significant Items	(42.9)
Non-qualified hedges	18.7
<b>Underlying NPAT</b>	<b>156.9</b>



# Net Cash Position

A\$m	FY23		FY22	
<b>Opening Net Cash</b>		<b>(102.7)</b>		<b>8.3</b>
Underlying net profit	156.9		578.9	
Depreciation & amortisation	222.7		202.8	
Joint venture non-cash income, net of dividends	(57.4)		(138.7)	
Change in working capital	125.7		(58.8)	
Movement in tax balance	(5.7)		(14.7)	
ERP current year spend	(4.7)		(41.5)	
Other non-cash items	11.7		(19.8)	
<b>Operating cash flow</b>		<b>449.2</b>		<b>547.8</b>
Capital expenditure - Pinkenba	-		(93.5)	
Capital expenditure - Other	(232.5)		(182.7)	
Proceeds from sale of PPE	47.5		12.6	
Partial repayment of Adams Steel of Nevada loan	—		-	
Acquisition	(61.6)		(74.4)	
Disposals	14.9		62.4	
Other cash flow from investing	(3.1)		(2.6)	
<b>Free cash flow</b>		<b>214.4</b>		<b>274.8</b>
Dividends paid	(123.6)		(140.2)	
Buy-backs	(14.6)		(123.9)	
Lease payments	(81.8)		(78.4)	
Other net cash flow from financing & FX	(27.2)		(43.3)	
<b>Change in net cash</b>		<b>(32.8)</b>		<b>(43.3)</b>
<b>Closing Net Cash</b>		<b>(135.5)</b>		<b>(102.7)</b>



# Prior Year OFR Restatement

A\$m	FY22 Revised Disclosure	FY22 Original Disclosure	Revision
<b>North America Metals</b>			
Sales revenue	4,453.4	4,453.4	—
Trading margin	919.9	881.4	38.50
Operating cost (excluding D&A)	(524.4)	(485.9)	(38.50)
Underlying EBITDA	395.5	395.5	—
Underlying EBIT	293.4	293.4	—
Trading margin	20.7 %	19.8 %	0.9 %
EBIT margin	6.6 %	6.6 %	— %
<b>Australia &amp; New Zealand Metals</b>			
Sales revenue	1,694.4	1,694.4	—
Trading margin	455.2	423.1	32.10
Operating cost (excluding D&A)	(215.0)	(182.9)	(32.10)
Underlying EBITDA	240.2	240.2	—
Underlying EBIT	186.9	186.9	—
Trading margin	26.9 %	25.0 %	1.9 %
EBIT margin	11.0 %	11.0 %	— %
<b>UK Metals</b>			
Sales revenue	1,594.9	1,594.9	—
Trading margin	250.4	234.6	15.80
Operating cost (excluding D&A)	(155.0)	(139.2)	(15.80)
Underlying EBITDA	95.4	95.4	—
Underlying EBIT	69.8	69.8	—
Trading margin	15.7 %	14.7 %	1.0 %
EBIT margin	4.4 %	4.4 %	— %

