



Creating Value Through Decarbonisation And Circular Economy

Disciplined Growth

North America Metal and SA Recycling

13 September 2023



Disclaimer

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Authorised for Release by: the Company Secretary, Gretchen Johanns

ABN 69 114 838 630

Head Office: level 9, 189 O'Riordan Street, Mascot, NSW, Australia 2020



Agenda

Wednesday

September 13, 2023

11.30 am -11.35 am	Ana Metelo	5 minutes
11.35 am – 12.05 am	Stephen Mikkelsen	30 minutes
12.05 am – 12.25 am	John Glyde & Michael Henderson Jr	20 minutes
12.25 am – 12.55 pm	Rob Thompson & Michael Gaylard	30 minutes
12.55 pm – 1.00 pm	Ana Metelo	5 minutes
1.00 pm – 2.00 pm	Lunch	60 minutes
2.00 pm – 2.40 pm	George & Tyler Adams	40 minutes
2.40 pm – 2.45 pm	Closing – Stephen Mikkelsen	5 minutes
3.10 pm – 3.50 pm	Travel to Terminal Island	40 minutes
3.50 – 5.20 pm	SA Recycling Tour	1.5 hours
5.20 – 5.50 pm	Return to Hotel	30 minutes
6.30 – 8.30 pm	Group Dinner	2 hours





Stephen Mikkelsen
Chief Financial Officer





Update On Market Conditions



Update on Trading Conditions

While acknowledging the current challenging market conditions, we remain confident in the medium and long-term fundamentals of the business

Conditions Disclosed On 15 August 2023

- Steel demand remained subdued
- Scrap price did not appear to be sufficient to stimulate robust supply
- Competition for scrap remained strong, but inflow was subdued, and this was squeezing margins
- Challenges persisted across all regions, with some regions experiencing more pronounced effects than others

Updated Market Conditions

- Weak market conditions have continued
- US domestic market, previously resilient, is showing signs of weakening
- Q1 FY24 EBIT to be approximately breakeven, subject to usual market dynamics including timing of shipments and the final purchase price for scrap to fulfill those shipments

Medium To Long-Term Outlook

- We remain confident in the medium and long-term fundamentals:
 - Metal intensive infrastructure spending;
 - Global decarbonisation of steelmaking, including the growth of EAFs; and
 - The electrification of products that are currently carbon intensive.



Our Sustainability Strategy

The sustainable practices embedded in the business enhance the value of Sims

Create A
World Without
Waste to
Preserve Our
Planet



Value for Shareholders

- **Revenue Generation**
- **Competitive Advantage**
- **Innovation**
- **Brand Reputation**
- **Risk Management**
- **Highly-Skilled Workforce**
- **Efficiencies**



Business Strategy

Unlocking value through sharper focus on core and selected adjacent areas

Sims Limited

Core



Sims Metal

Adjacent



Sims Resource
Renewal



Sims Lifecycle
Services

Divestment



Sims Municipal
Recycling



LMS
ENERGY



Sims Energy



Business Strategy

Establishing a growth platform through volume expansion, premium pricing and commercialisation of new product offerings



Sims Metal

Ferrous

- Grow and capitalise on tailwinds of demand from decarbonisation and circular economy
- Leverage core operating platforms to increase unprocessed infeed and diversify channels to market
- Lead market for new product development of low tramp element products, high density scrap customised for various types of steel making technology
- Increase optionality between the US domestic and export markets

Non-Ferrous

- Distinct platforms for aluminium and copper value-added processing
- Metal out of fines waste supported by underlying copper demand



**Sims Lifecycle
Services**

Provide services, at scale, that allow hyperscalers to redeploy data centre components



**Sims Resource
Renewal**

Commercialise the production of valuable products from treatment of ASR



With Over A Century Legacy In Metal

We've seen the drivers of the metal scrap industry evolving significantly over time, reflecting changing economic, environmental and technology factors



Metal Producers

Committed to increasing scrap inputs to meet societal expectations

Metal Manufacturers

Bluescope	12% reduction in greenhouse gas emissions intensity of steelmaking activities by 2030 Net zero by 2050 (Group-wide)
Nucor	35% combined reduction in Scope 1 and Scope 2 greenhouse gas intensity by 2030
Steel Dynamics	Reduce Scope 1 and 2 greenhouse gas emissions intensity in EAFs: 20% by 2025 and 50% by 2030
Hydro	520-670k tonnes of post-consumer scrap used per annum by 2025 670-770k tonnes of post-consumer scrap used per annum by 2027
Ball	85% recycled content in aluminium products by 2030
Wieland	90% share of recycled content (Group-wide product portfolio) by 2030

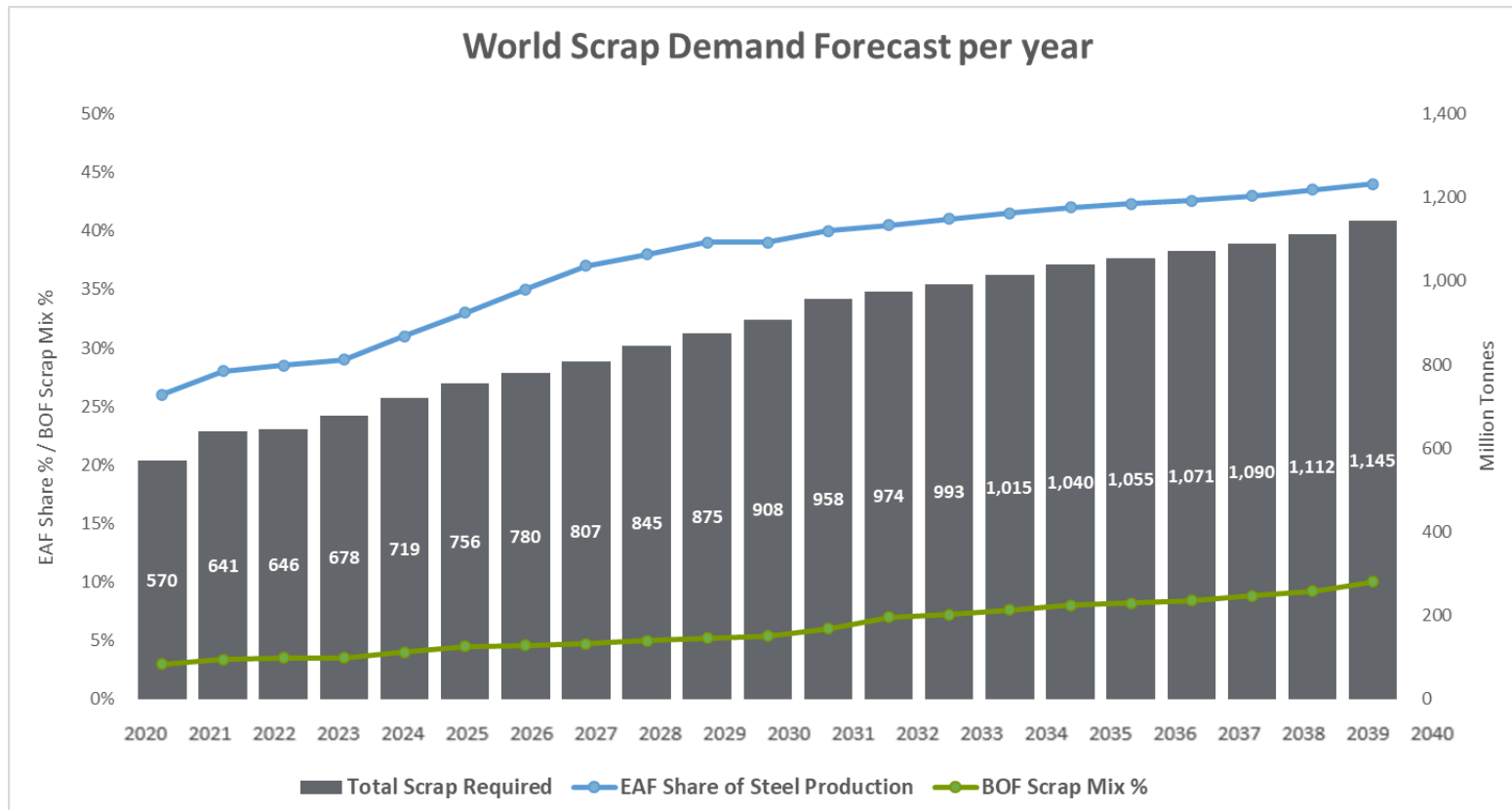
OEMs

General Motors	All steel purchased from Nucor is already net zero emissions Targeting carbon neutrality in global products and operations by 2040
Mercedes Benz	Some car models will be made with carbon-free steel from 2025 Some car models already use aluminium alloys made from 100% aluminium scrap
BMW	50% of steel used will be made from recycled materials by 2030 From 2024 onwards, Mini Countryman will use 70% secondary aluminium
Porsche	Existing agreements to purchase low-carbon aluminium from Hydro, with specific embodied carbon reduction targets for 2025 and 2030
Coca-Cola	Use at least 50% recycled content in all packaging globally by 2030



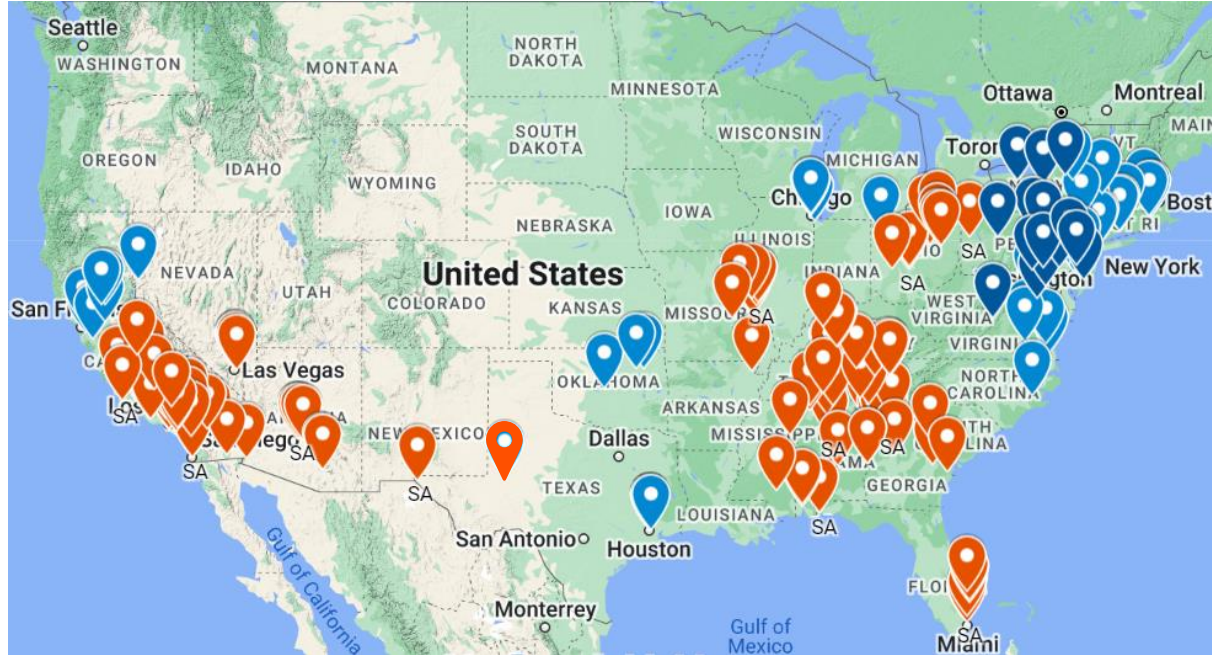
Global Scrap Demand

Is expected to double by 2040



North America Footprint

NAM, Baltimore Scrap and SA Recycling locations



NAM



Baltimore Scrap



SA Recycling

NAM

- Operations in 15 states
- 59 Facilities
- 12 Shredders

Baltimore Scrap

- Operations in 5 states
- 17 Facilities
- 4 Shredders

SA Recycling

- Operations in 16 states
- 130 Facilities
- 24 Shredders



NAM & SA Recycling Collaboration

Unlocks mutual benefits

- Shared EHS incident learnings and best practice
- Technology R&D and innovation
- Go to market sales strategy
- Coordinated growth strategy
- Sales diversity (Domestic/Export)
- Location and intake source diversity





Questions & Answers





North America Metal





Michael Henderson

Chief Operating Officer – North
America Metal



NAM Overview

Well-established business with positive revenue growth trajectory resulting from increased focus on non-ferrous

FY17-FY23 Intake Volume¹

+2.5% CAGR



FY17-FY23 Sales Volume¹

+2.3% CAGR



FY17-FY23 Sales Revenue¹

+12.0% CAGR



Operations in 15 States¹



12 Shredders¹



59 Facilities¹



+1,740 employees



Transformative Acquisitions²

Alumisource

Northeast Metal Traders

Baltimore Scrap

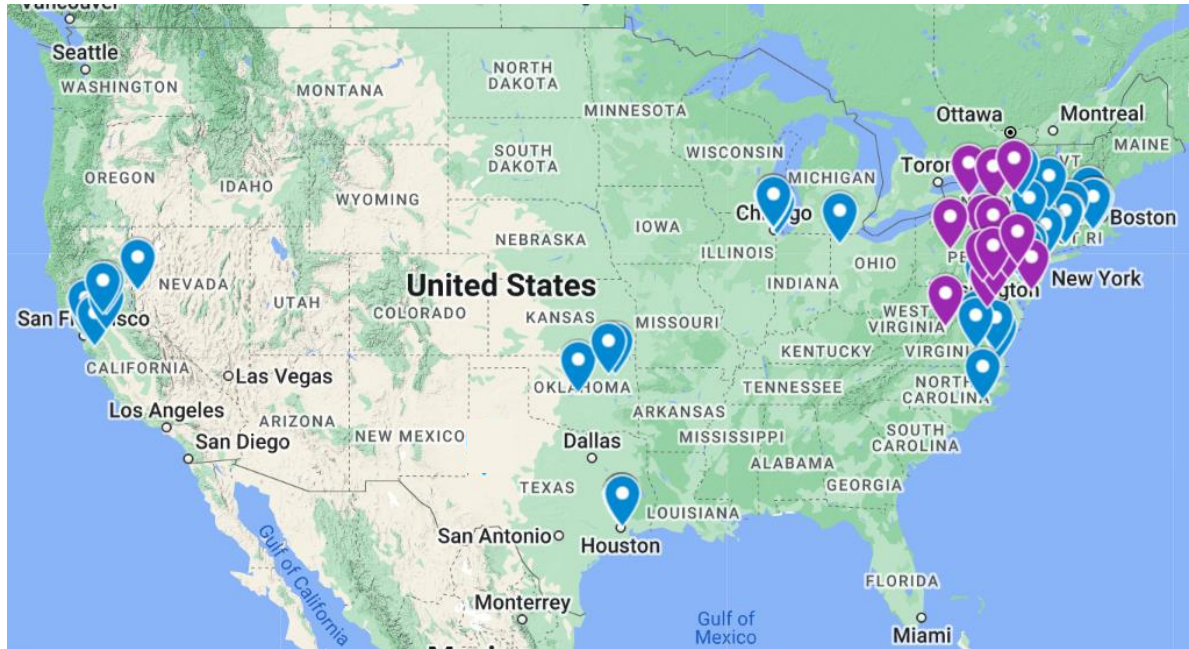
¹ Excludes Baltimore Scrap

² Acquisitions: Alumisource (2021); Northeast Metal Traders (2023); Baltimore (Acquisition is anticipated to close in November 2023 subject to satisfaction or waiver of customary closing conditions, including required regulatory approvals)



NAM & Baltimore Scrap Operations

Scale and well-located for supplier access and efficient logistics, enhanced by Baltimore Scrap acquisition²



NAM¹

- 59 Facilities
- 12 Shredders
- 11 Bulk loading docks
- 14 Rail served sites
- 15 Barge served sites
- +550 Rail cars
- +150 Trucks

Baltimore Scrap²

- 4 Shredders
- 17 Facilities
- 6 Rail served sites
- +80 Rail cars
- + 50 Trucks



NAM



Baltimore Scrap

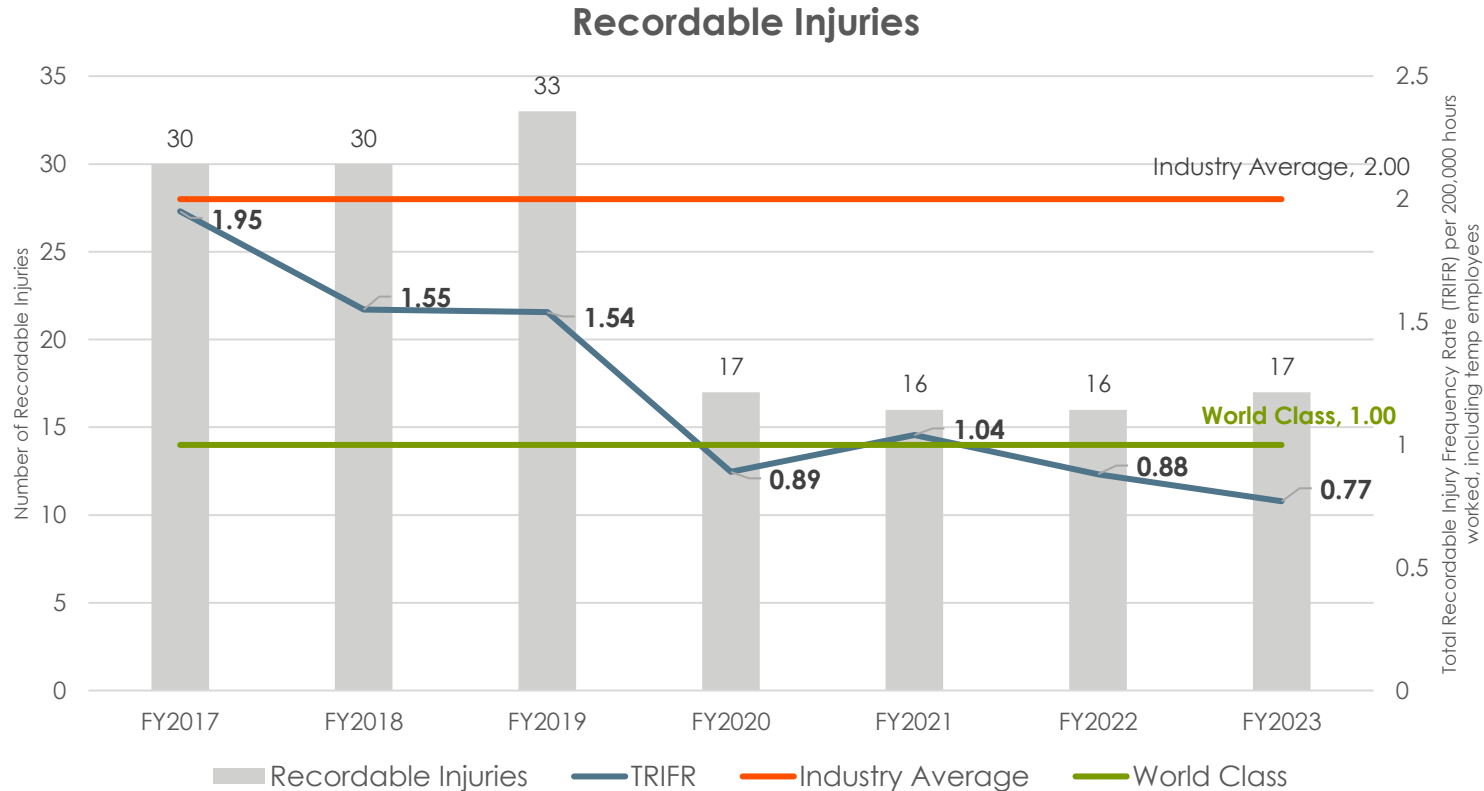
¹ Includes RSR JV

² Subject to customary closing conditions



Safety Performance

NAM excels in safety performance, surpassing industry norms





John Glyde
Chief Operating Officer – Global
Metal



NAM Growth Strategy

Leveraging US market structure, tailwinds and core strengths

Best-in-Class Assets

Operate at low cost, at scale, with highest quality assets

Quality Differentiation

Product differentiation to leverage demand growth and price premiums

Large Markets

Essential for material generation to operate at scale

Secure Unprocessed Material

Add feeder yards to secure unprocessed volumes

Channels to Customers

Maximise sales destination optionality

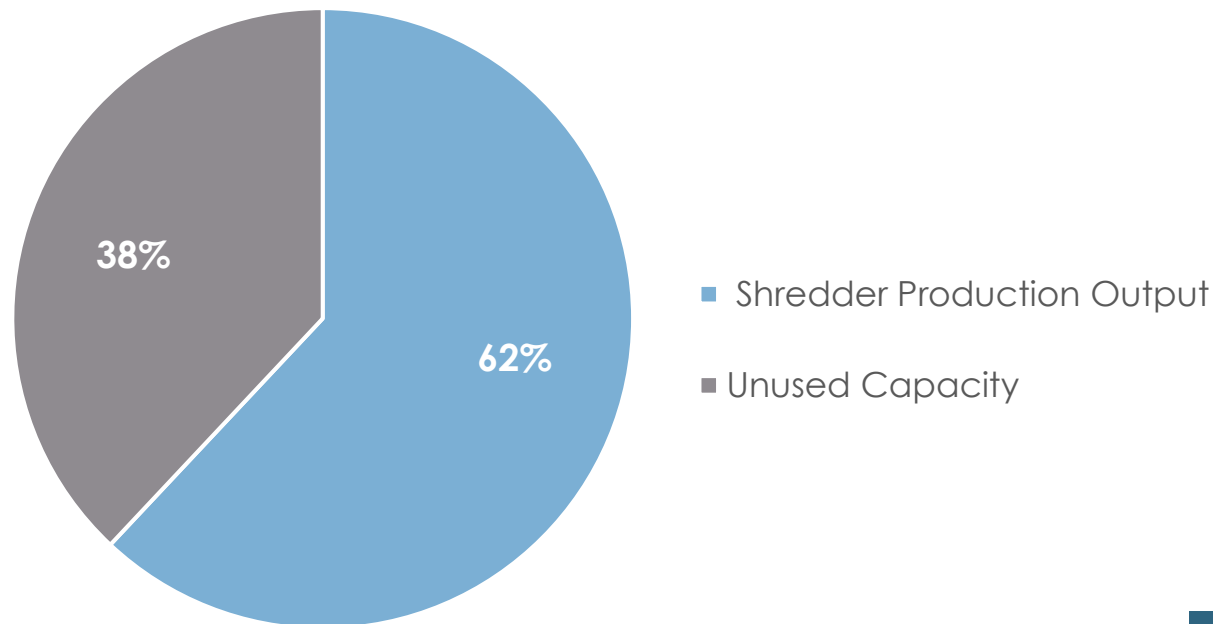


Ample Capacity

To direct more unprocessed volumes to our shredders and improve product quality

Best-in-Class
Assets

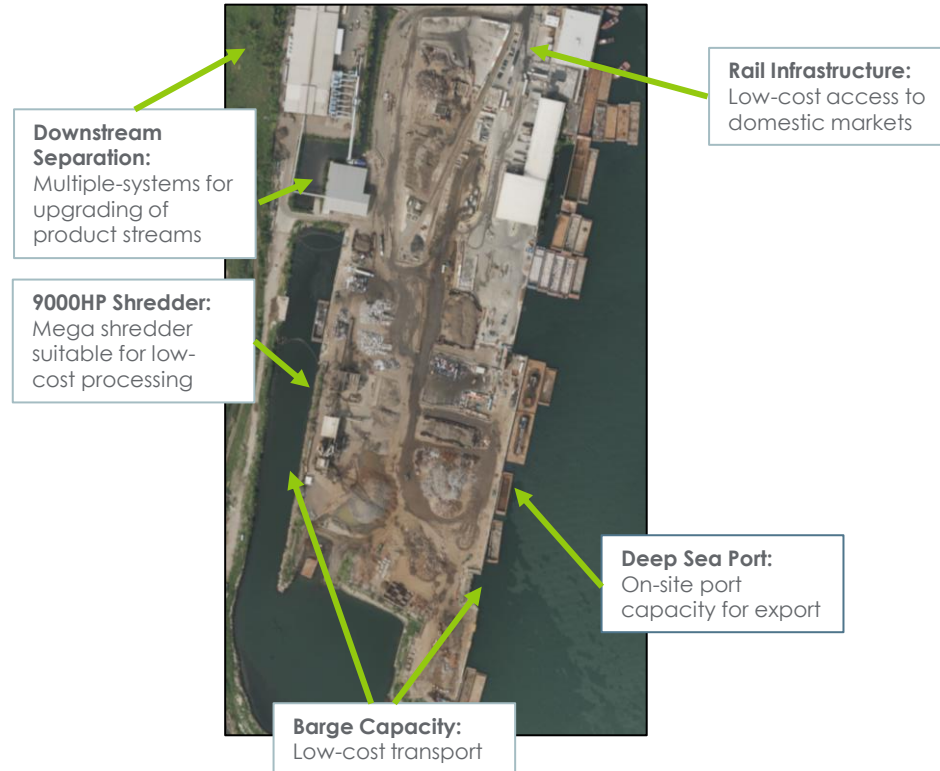
NAM Total Shredder Capacity



Case Study Claremont, New Jersey

Operates at low cost, scale, with highest quality assets

Maximise margins and competitive differentiation



- **Low Costs:** large scale processing through shredder, static shear, baler and advanced downstream metal extraction and separation systems
- **Product Differentiation:** Generation of differentiated products to create value from unprocessed material
- **Location:** Well-located hub facility and feeder yard network providing ease of access for suppliers
- **Logistics:** Connected to road, rail, barge and deep-water port in close proximity to multiple container terminals, supporting inbound supply and outbound sales optionality



Case study Sims Alumisource

Monessen, Pennsylvania



Property

- Location
 - Located approximately 30 miles south of Pittsburgh, Pennsylvania
 - Permitted in a heavy industrial park precinct
 - Strategically located with approximately 50 % of US population within 600 miles radius
 - Opportunity for growth and product diversification
- 24.2 acres yard
- 7 acres total building size
- Rail siding and infrastructure
- Expansive electrical, gas and water supply

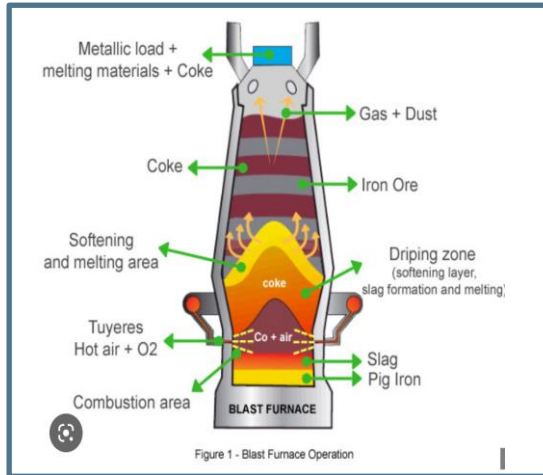
Site Operations

- Aluminium shredding and sizing
- Advanced Aluminium Alloy Separation
- Metal polishing and product quality assurance

Product Quality Differentiation

Expanding scrap supply across all forms of steel production seeking to decarbonise

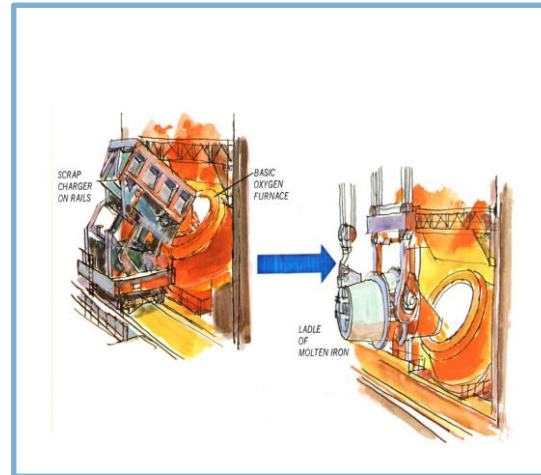
Blast Furnace



Product Opportunities:

- Ultra dense low residue shredded grades compatible with traditional conveyance systems

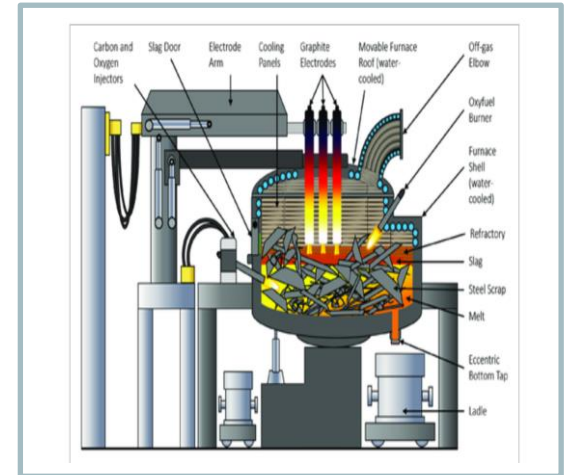
Basic Oxygen Furnace



Product Opportunities:

- Upgrade HMS to shred, increasing density and reducing contaminants
- Reduce explosion risk and increase charge rate
- New low tramp ferrous shred product, suitable for high quality flat product production

Electric Arc Furnace



Product Opportunities:

- Upgrade HMS to shred, increasing density and reduced contaminants
- New low tramp ferrous shred product, suitable for high quality flat product production

Quality Differentiation Improvement Roadmap

Through operational innovation and R&D in emerging technologies – enhanced liberation, advanced separation, artificial intelligence, robotics and quality assurance

Inbound source
control

Enhanced density
and liberation

Advanced
separation and
lower residuals



Benefits to Customers

- Known properties and chemistry
- Improved logistics and charge rates, reducing tap to tap times
- Increased charge volumes
- Higher metallic yields and reduced waste
- Reduced refining costs
- Lower carbon emissions

Premium Ferrous Products



Ferrous shred sub 20 Cu ppm



Ferrous shred sub 10 Cu ppm

Premium Non-Ferrous Products



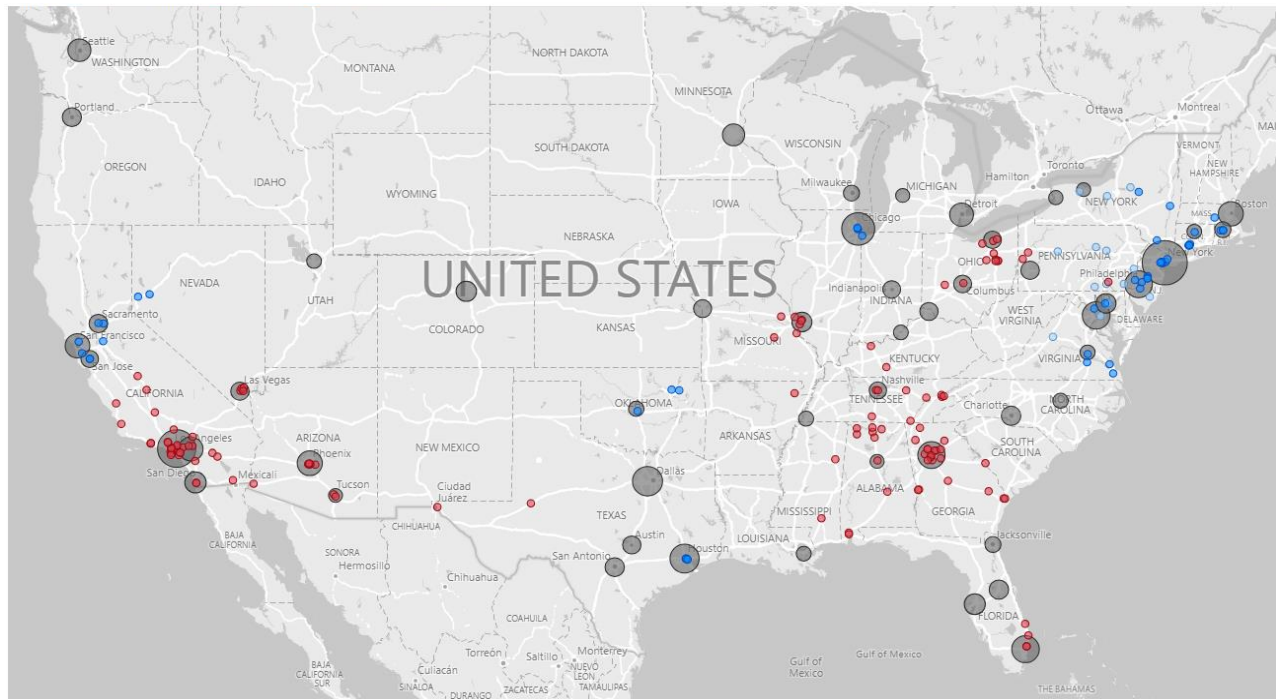
Copper - High purity granules



Aluminium - Polished 6XXX extrusions

Large Markets

Presence in major US population centres¹ with opportunity for further growth



- Sims Metal
- Baltimore Scrap
- SA Recycling
- Population²

¹ Population greater than 1.5 m

² As population increases, the bubbles in the chart proportionally grow in size



Questions & Answers





Rob Thompson
Chief Commercial Officer –
Global Metal



NAM Growth Strategy

Best-in-Class Assets

Operate at low cost, at scale, with highest quality assets

Quality Differentiation

Differentiation to leverage demand growth and price premiums

Large Markets

Essential for material generation to operate at scale

Secure Unprocessed Material

Add feeder yards to secure unprocessed volumes

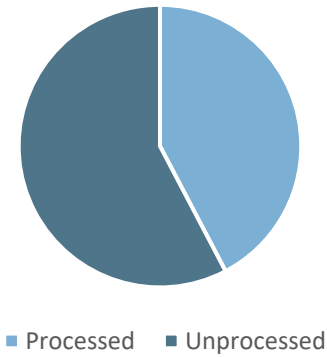
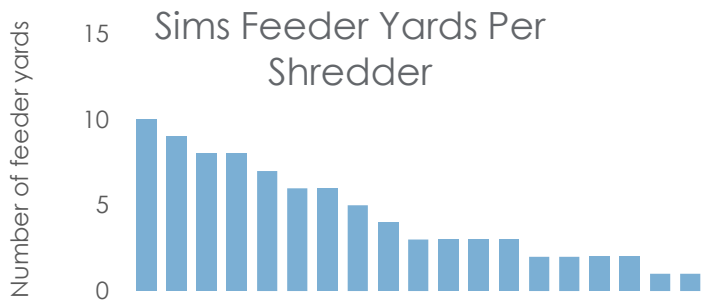
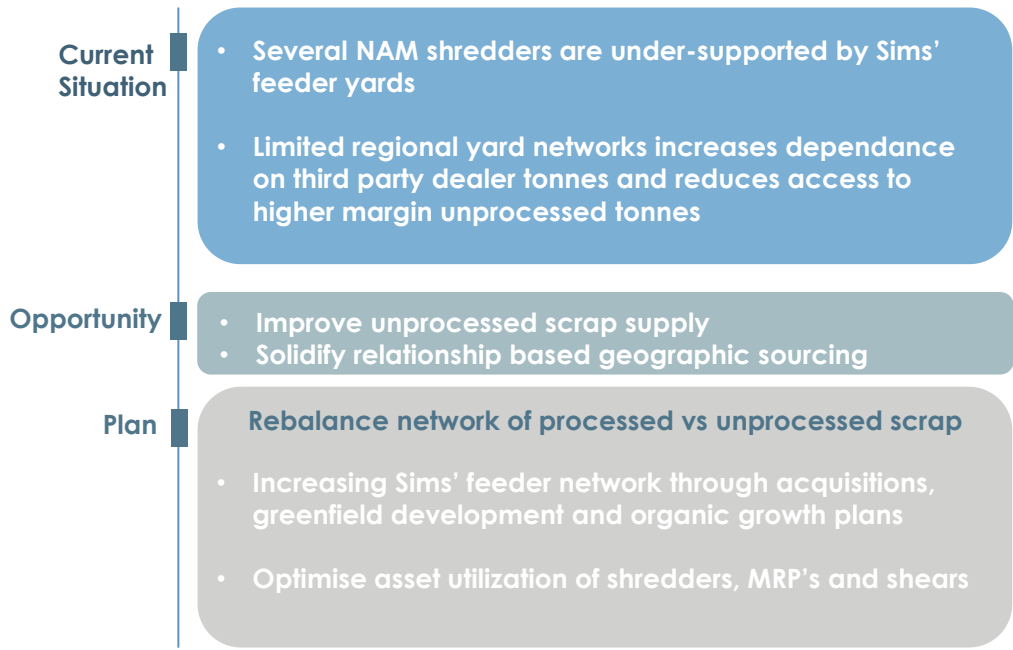
Channels to Customers

Maximise sales destination optionality



NAM Scrap Sourcing

Scrap supply security and increase unprocessed tonnage



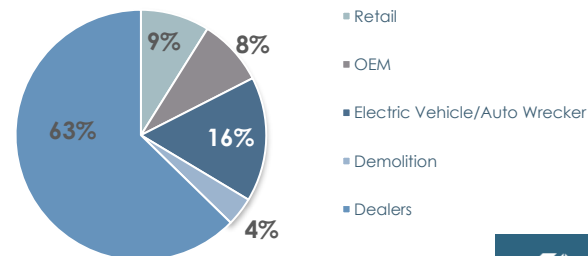
NAM Scrap Sourcing

Improvement processes being rolled out in FY24

- Standardised process for assessing organic growth projects and acquisition targets across all regional markets
- Top down framework with a bottom-up review of local assets and sourcing opportunities
- Develop regional roadmaps with sourcing plans, go-to market optimisation plans, operational excellence – goals & KPIs
 - Action plans with monthly and annual targets
 - Prioritisation of resources and capex
 - Optimise asset utilisation with unprocessed scrap
 - Improved customer service and profitability

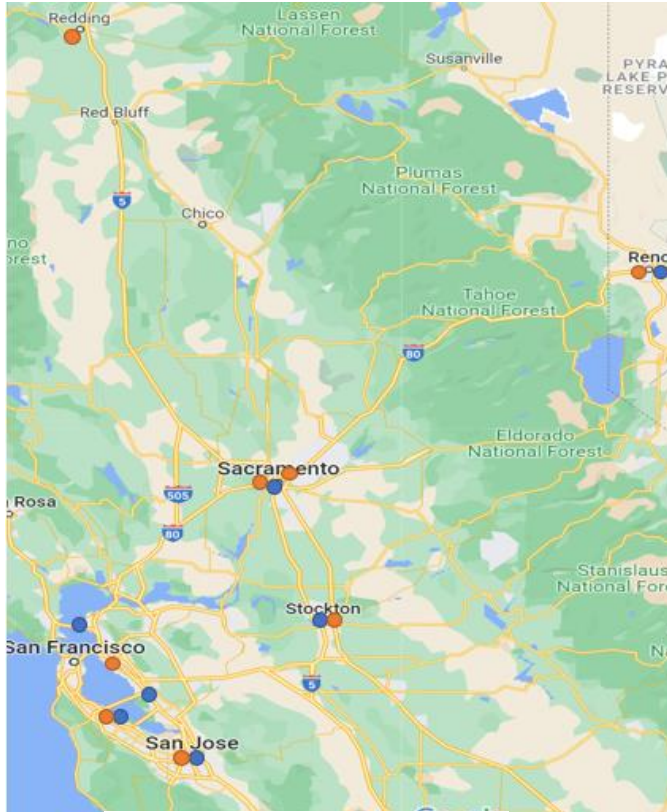


NAM Current Sourcing



Unprocessed Material

Case Study: Redwood City with Planet Auto



● Sims Sites ● Planet Auto Sites

- JV Partner with Dismantler to penetrate and secure high yielding unprocessed shredder feed
 - Self Service Yards in Antelope, Rancho Cordova, CA and Reno, NV
 - Consolidation yards Oakland, Redding and San Jose, CA
- Established In-house call center and marketing service
- Optimise shredder capacity and eliminate intake variance
- Maximise Fe and NF recoveries
- Leverage scale and catalytic convertor sales for further unit penetration



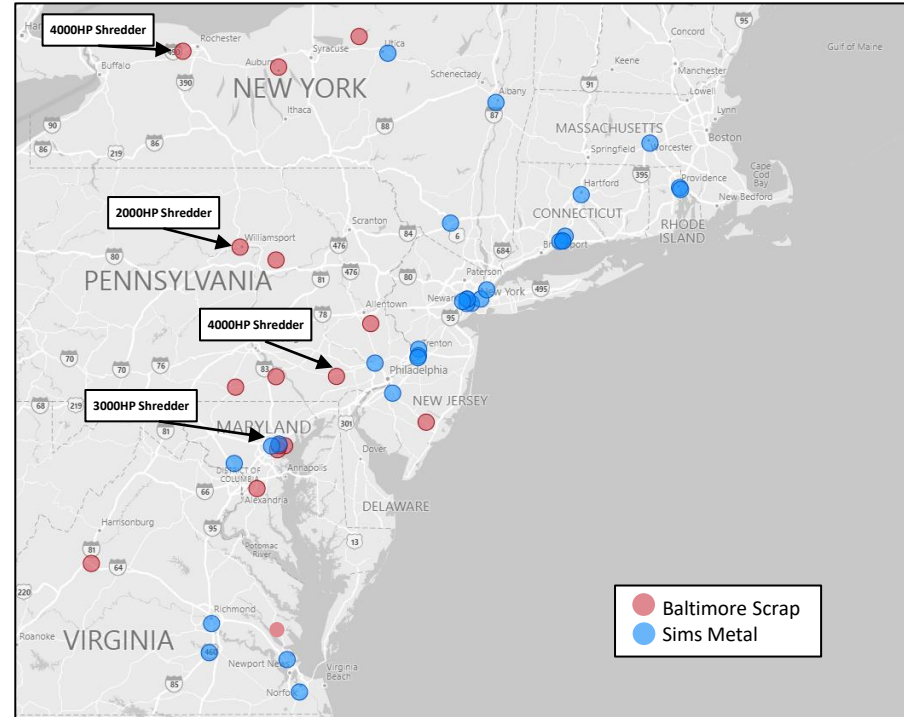
Baltimore Scrap Company

Unprocessed materials supporting shredder utilisation

Secure
Unprocessed
Material

Baltimore Scrap Company

- Baltimore Scrap Corp operates 17 facilities across the Northeast US, including 4 shredding facilities
 - 4 Shredders with rail access,
 - 12 Feeder yards logistically optimised,
 - 1 Metal Recycling Plant (MRP) in close proximity to landfill
- Land at all key sites is owned and included in sale
- ~600,000 tonnes annually
- Complementary network of assets across the Northeast US
- Synergies related to improved NFSR recoveries, lifting unprocessed ferrous and retail non-ferrous volumes



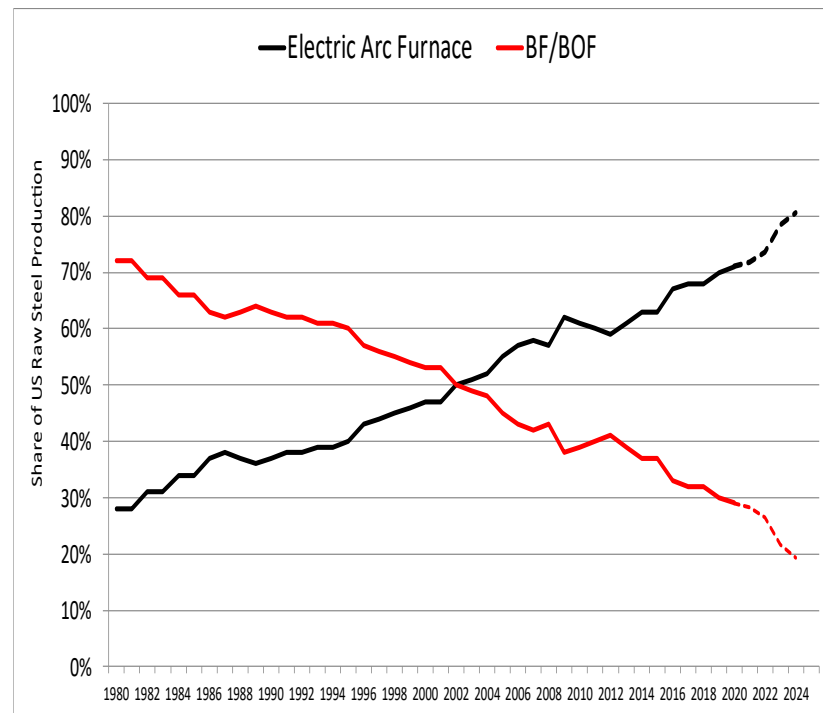


Michael Gaylard
Global Head of Ferrous Trading



NA decarbonisation through low cost, green EAF capacity growth

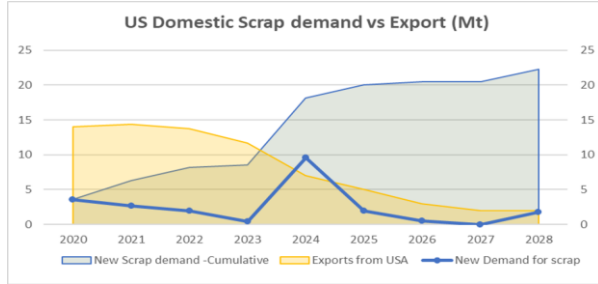
New EAF investment 2020-2028 (NorthAmerica)				
Who	Location	Scrap Market Impact	Operating Year	Scrap Metal Need
Nucor	Sedalia, MO	MO, KS, IA, AR	2020	0.37
Nucor	Frostproof, FL	FL, GA, SC	2020	0.37
USS/BRS	Osceola, AR	AR, TN, MS, KY	2020	1.42
USS	Fairfield, Ak	AL, MS, GA, TN	2020	1.42
SDI	Sinton, TX	TX, OK, AZ, CO, Mexico	2021	2.67
Nucor	Brandenburg, KY	KY, TN, OH, MO	2022	1.07
NS BHP	Delta, OH	Ontario, MI, OH, IN, PA, IL	2022	0.83
CMC	Mesa, AZ	AZ, NM, TX, CA, NV	2023	0.369
AM/Nippon	Calvert, AL	AL, MS, GA, TN	2024	1.42
US Steel/Big River	Fairfield, Ak	AL, MS, GA, TN	2024	2.22
Nucor	Mason County, WV		2024	3
Nucor	Kingman, AZ	AZ, NM, TX, CA, NV	2024	0.44
Essar/Algoma	Canada	Canada, US Great Lakes	2024	2.08
Nucor	Lexington, NC		2024	0.43
CMC	Berkeley County, WV		2025	0.5
Hybar	Osceola, AR		2025	0.6
Optimus Steel	Beaumont, Tx	TX, OK, AZ, CO, Mexico	2025	0.8
Ternium	Pesqueria, Mx	Southern US, Mx	2026	0.5
AM/Dofasco	Canada	Canada, US Great Lakes	2028	1.78
				22.289



Ferrous

NAM Sales optimisation opportunity

Domestic vs Export



Net Sales Optimisation



Pathways To Market



Forward Planning

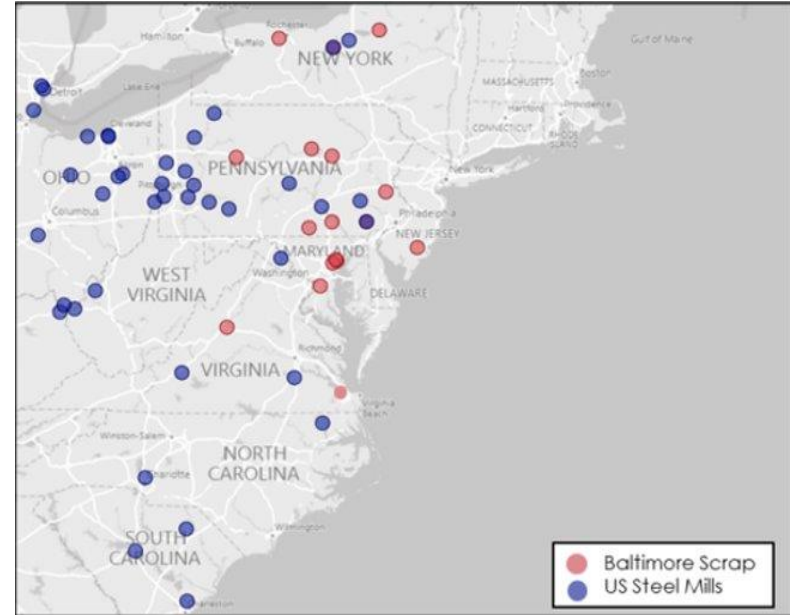
- Data driven decision making
 - Analytics
 - Machine learning
- Risk management tools
- Domestic vs international optimisation
- Logistics
 - Bulk vs container
 - Rail vs truck



Baltimore Scrap

Diversified pathways to market

- 600,000 Shipment tonnes annually
- Attractive footprint and proximity to key domestic steel and metal producers
- Reputation in the market for quality and reliability and sales talent with deep rooted relationships
- Multi-modal logistics access and capability
 - Barge loading
 - Deep water access
 - Rail siding at all shredding locations
 - 80 Private rail cars
 - Established trucking network



Non-Ferrous

USA attracting and reshoring manufacturing capital for clean-tech

Since August 2022 – over US\$150 billion in private investment for 47x new facilities have been announced:

27x new **solar panel** and cell manufacturing facilities

10x new **battery** manufacturing facilities

10x **wind power** manufacturing facilities



US Government Policy

Inflation Reduction Act Infra Investment and Jobs Act	Funding
EV domestic manufacturing grants	US\$2b grant +\$3b loans
Power grid investment	US\$74b
Clean energy financing	US\$27b
Zero-carbon electricity tax credit	\$0.03-US\$0.15/KW
Advanced manufacturing tax credit	Up to US\$7.500 per battery

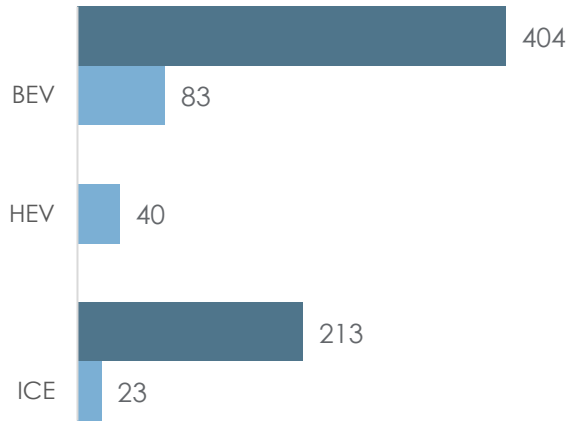
Source: As of May 2023, US Federal Government, American Clean Power association (ACP), International Copper Study Group (ICSG)



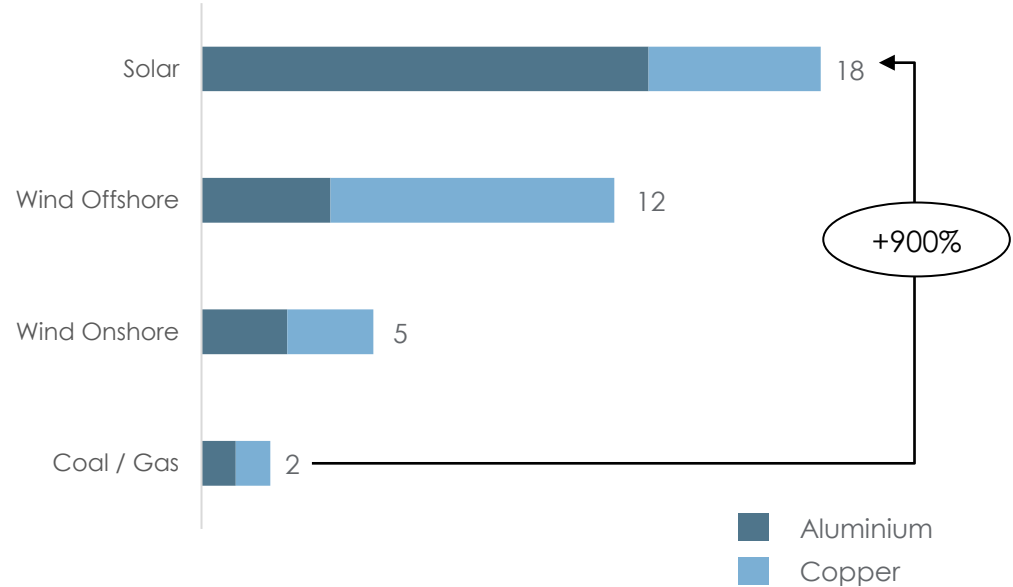
Non-Ferrous

Clean technology significantly more metal intensive

**Metal Intensity By Passenger Vehicle
Transmission Type (Kg/Unit)**

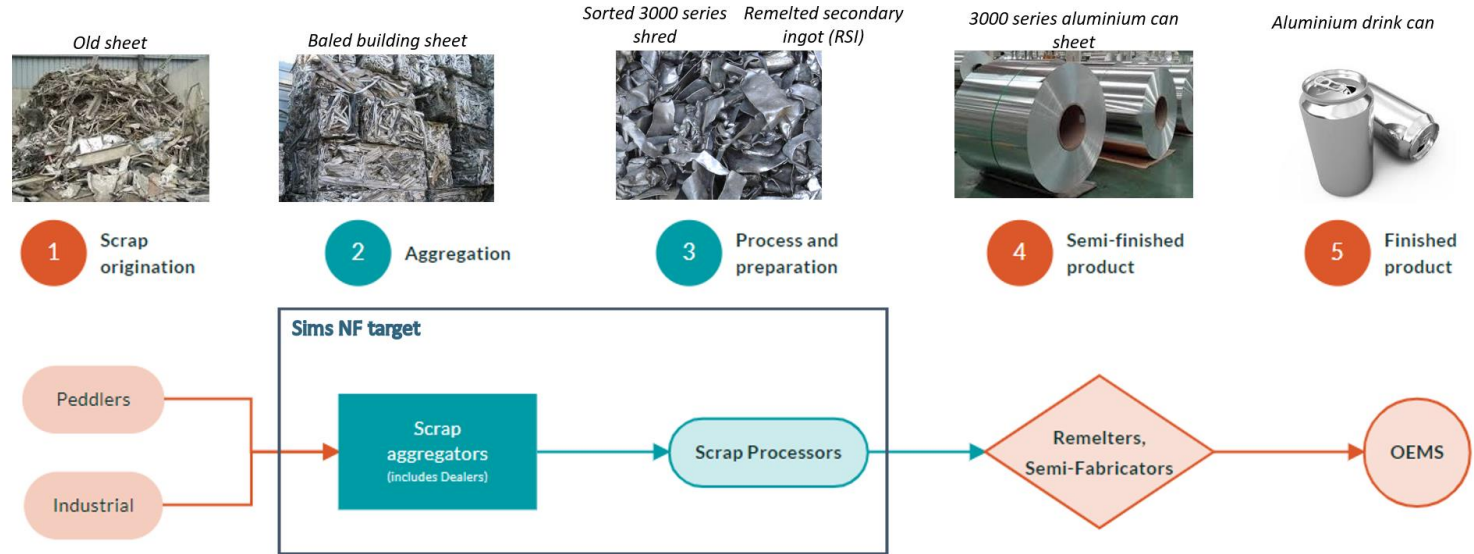


**Metal Intensity By Power Generation Type
(Tonnes / MW Installed Capacity)**



Non-Ferrous

NAM positioning deeper in the value chain through Alumisource



- Goes further down the value chain providing competitive advantages, barriers but also profitability
- Customer centric, creating “value in use” from segregated homogeneous, raw material products
- Two strategically located locations nearby existing and newly announced demand





Questions & Answers





SA Recycling



SA Recycling



George Adams
Chief Executive Officer



Tyler Adams
Chief Operating Officer



SAR Is A Family-Run Business

Overseen by an effective Board, highly experienced in corporate governance and metals

Board of Directors



Stephen Mikkelsen
Chairman
Sims



John Glyde
Non-Executive
Director
Sims



Gretchen Johanns
Non-Executive
Director
Sims



Rob Thompson
Non-Executive
Director
Sims



George Adams
Executive
Director
Adams Family



Wendy Adams
Non-Executive
Director
Adams Family



Terry Adams
Executive
Director
Adams Family



Mike Adams
Non-Executive
Director
Adams Family

Management Leadership Team



George Adams
Chief Executive Officer



Tyler Adams
Chief Operating Officer



Mark Sweetman
Chief Financial Officer



Terry Adams
Executive Vice President



SAR & NAM: Unified Collaboration

Working together in the US with distinct geographic footprint and market positioning. SAR's operations controlled by the Adams family

- Sims Global Trading is SA Recycling's exclusive broker for ferrous in export markets
- SA Recycling and Sims Metal collaborate on non-ferrous sales in export markets
- In a strategic and mutually beneficial arrangement, SAR and NAM swapped (Lopez Houston and Odessa) assets in Texas, optimising respective portfolios
- SA Recycling and Sims Metal share safety protocols and technology R&D



SA Recycling Business Overview

Rapidly growing business with extensive infrastructure, operating in the US scrap metal market for 50 years

+3000 employees



Operations in 16 States



FY18-FY23 Intake Volume
+7.4% CAGR



24 Shredders



FY18-FY23 Sales Volume
+8.3% CAGR



130 Facilities



SA Recycling's Rapid Acquisition Growth

Approximately 50 Acquisitions in the last 15 years, exceeding \$1 billion in enterprise value

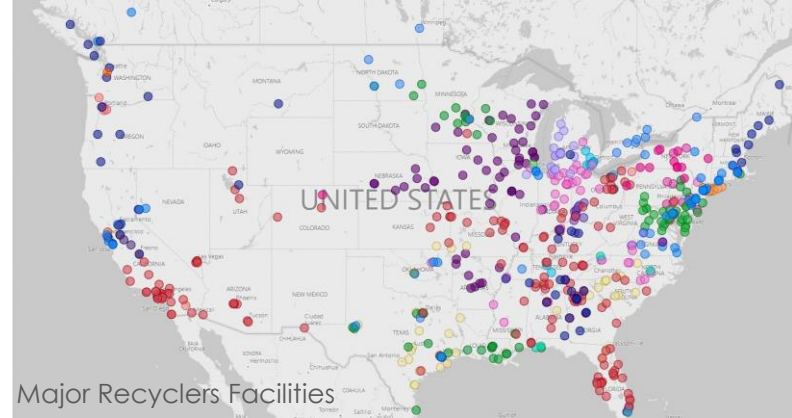


SA Recycling's Growth Strategy

Focused on acquisitions and incremental NFSR volumes through technology enhancements and process improvements

- Actively seeking acquisition opportunities
- One of the largest copper wire in the US
- NFSR – increase yields through downstream technology advancements and process improvements
- Monitor new technology developments as waste streams continue to evolve in line with emerging industries – Electric Vehicles etc

Highly Fragmented Market



Pursuing Acquisition Growth

Programmatic and opportunistic approach to M&A. Adequate funding capacity

Lengthy M&A track record in the US scrap metal market

- Approximately 50 acquisitions in 15 years
- Experienced M&A team

Standardised due diligence and post-merger integration framework

- Scalable infrastructure

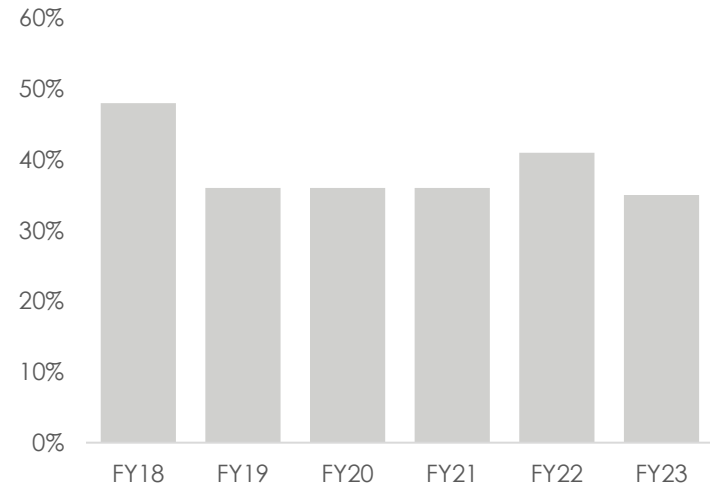
Clear M&A Strategy

- Bolt-on acquisitions
 - Existing SA Recycling regions
- Opportunistic geographic growth
 - New growth regional markets
 - At least 1 shredder and a network of yards

Strong deal sourcing capabilities

- Previous relationship with the acquisition target
- Robust network and relationships
- Proactive approach

Gearing Ratio¹



¹ Gearing Ratio: Debt divided by the sum of equity and debt



Pursuing Rapid Acquisition Growth

Navigating the challenges and opportunities

Challenges

- Short-term uptick in injury rates
- Preserving SA Recycling's unique culture
- Capital requirements to bring undercapitalised businesses to SA Recycling's standards

Opportunities

- Large untapped market and industry consolidation trend
- Strategic acquisitions
- Human capital
- Unique and legacy assets

While rapid growth acquisition presents challenges in the short-term, our track record, expertise and pro-active management support our strategy to expand operations, geographic presence and profitability



Entrepreneurial Family Culture

SA Recycling's business model is built on a highly engaged workforce

PROFITABILITY BY LOCATION MODEL

Designed to empower yard managers and all employees

- Monthly bonus: share a percentage of monthly EBIT generated by yards
- In-depth understanding of P&L management
- Autonomy and accountability to manage margins

Drives strong employee engagement and effectively optimises yard's cost management

Overall 4.1 ★★ ★★ ★

Culture & Values ★★ ★★ ★

Compensation ★★ ★★ ★



glassdoor
Recommend
working at SAR

"The family that runs the company are born and raised in the industry, so they understand it and how to empower their employees to continue to grow themselves and the company in a competitive market" 27 June 2023

"Great company. Good pay. Good benefits. Good coworkers. Good boss." 25 Aug 2021



Sustainability Themes

We focus on areas that are most relevant and impactful to our business operations and stakeholders

Employee Safety



Diverse and Inclusive Workforce

- Female Managers 38%
- Male Managers 62%



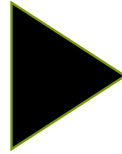
Environmental

- First US metal recycler to install emissions controls on its shredders:
 - Terminal Island, California 2011
 - Anaheim, California 2014
- Solar panels and electric equipment
- Stormwater: advanced treatment systems implemented in 2021 and 2022
- Collaboration with Water Control Board and Orange County Coastkeeper to draft a permit tailored to the scrap metal recycling industry (Santa Ana)



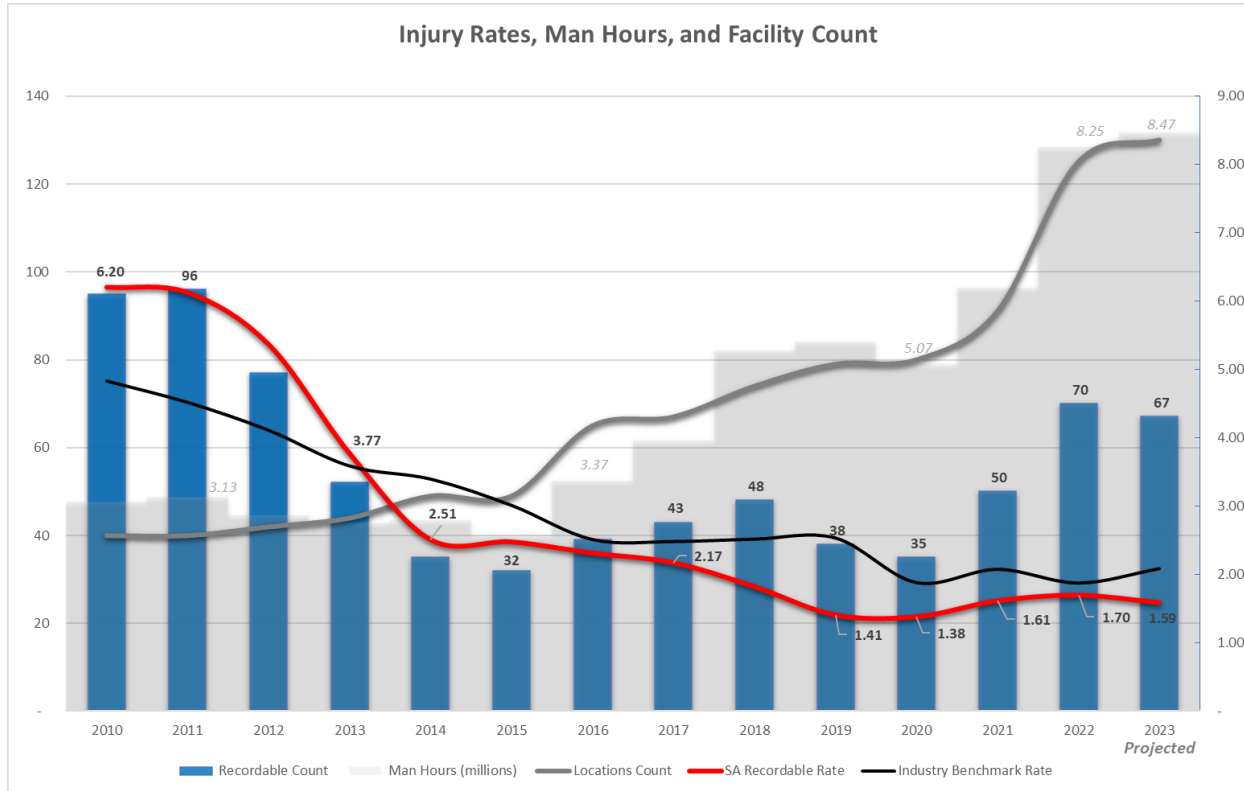
VIDEO

Port of Los Angeles and SA Recycling Mobile Electric Crane



Strong Progress In Safety Performance

Performance exceeds industry standards. Significant downward trend in injury rate over time, despite site additions



SA Recycling Operations Overview

Extensive operational footprint in the US



SA Recycling Sites



Steel Mills

24 Ferrous Shredders

Approximately 50% of SAR's shredders use advanced ASR processing technologies and the remaining shredders have access to that capability

Employs a hub-and-spoke operational approach for residue processing

Well positioned to supply local steel mills



SA Recycling Competitive Advantages

Large geographic footprint and extensive logistics capabilities in the US market

- Strong competitive position
- Cost benefit

Hub-and-Spoke expansion model

- Optimisation of logistics and transportation
- Efficient geographic reach
- Rapid scaling of operations and response to changing market demands

Large footprint of shredders

- Higher scrap inflow and better positioned for certain types of infeed material
- Margin improvement

Engineering excellence

- Proprietary processes
- Cutting-edge technological advancements

Strong balance sheet

- Funding acquisitions
- Equipment upgrading

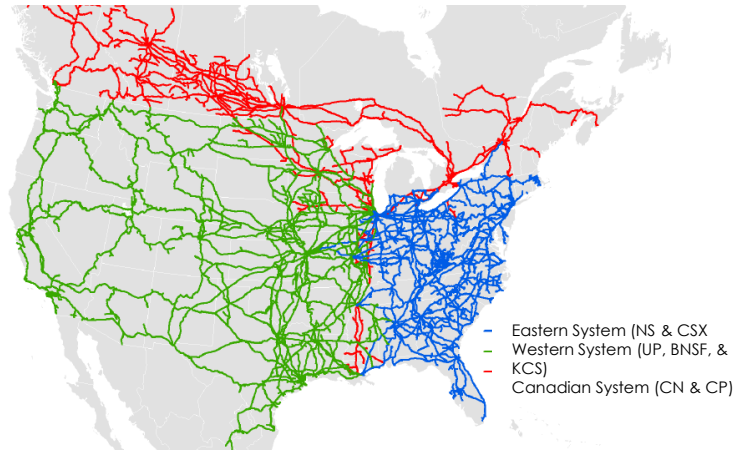
- 3 bulk loading docks
- Container loading from 6 ports and 7 additional Rail Ramp ports (inland loading points)
- 1200 rail cars
- 500+ trucks
- 11 facilities with barge loading capabilities
- 56 facilities with rail access



SAR's Logistics Prowess

Transport flexibility serves as a pivotal lever to serve the US domestic market

SA Recycling leverages the US diverse transport infrastructure to develop customised market strategies to efficiently serve the East and Southern coast scrap markets



Leverage the extensive freight rail footprint in the East coast

The North American Freight Rail Network



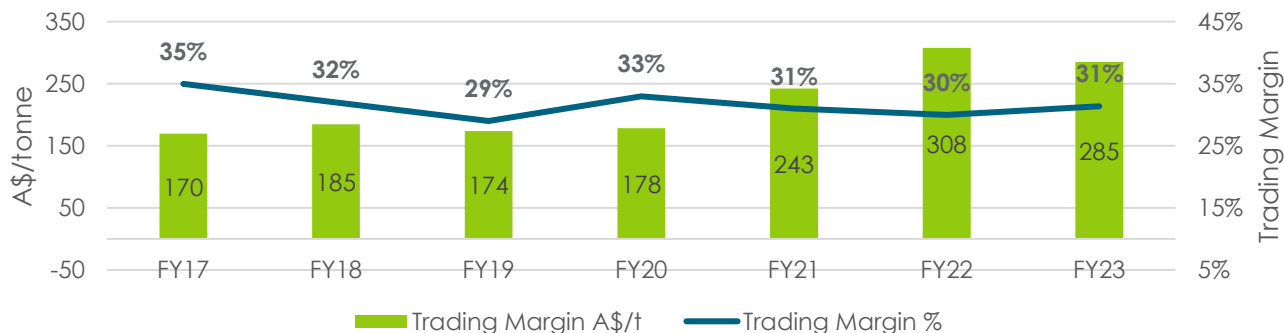
Leverage the extensive barge network to serve the Southern East Coast states located along the Mississippi river

The North American Barge Network

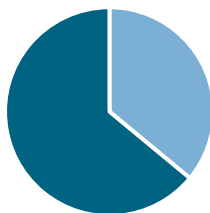


Robust Margins Through The Cycle

Driven by strong presence developed through acquisitions, diversification of product mix and agile logistics

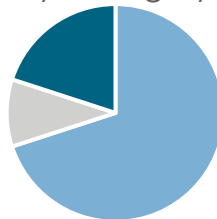


FY23 Inbound Volumes
By Source



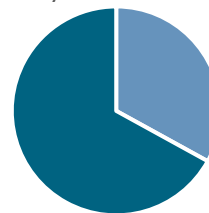
■ Dealer Sources ■ Other Sources

FY23 Sales Volumes
By Category



■ Ferrous ■ NFSR ■ Non-Ferrous Retail

FY23 Ferrous Volumes
By Destination



■ Export ■ Domestic





Questions & Answers

