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SIMS LIMITED ANNOUNCES
FISCAL 2025 FULL YEAR RESULTS

Results at a glance

STATUTORY	FY25	FY24	Change
Sales revenue	7,494.0	7,195.4	4.1 %
EBITDA	323.7	361.7	(10.5)%
EBIT	68.6	130.1	(47.3)%
NPAT	2.4	1.8	nmf
EPS (cents) – diluted	1.2	0.9	nmf
UNDERLYING[1]	**FY25**	**FY24**	**Change**
Sales revenue	7,494.0	7,195.4	4.1 %
EBITDA	430.0	290.3	48.1 %
EBIT	174.9	58.7	198.0 %
NPAT	83.1	(23.4)	nmf
EPS (cents) – diluted	42.5	(11.9)	nmf
DPS (cents) – total	23.0	10.0	130.0 %
Return on invested capital[2]	4.9 %	1.8 %	3.1ppts

Key Points

- Sales revenue of $7,494.0 million, up 4.1% from the prior corresponding period
- Statutory EBIT of $68.6 million, down 47.3% from the prior corresponding period which included a gain on asset sale of $182.6million
- Underlying EBIT of $174.9 million, up 198.0% from the prior corresponding period
- Final dividend of 13.0 cents per share, taking total fully franked dividend to 23.0 cents, up 130.0% from the prior corresponding period
- Underlying Free Cashflow of $106.8 million, a significant improvement from the prior corresponding period
- Return on Invested Capital[2] of 4.9%, up from 1.8% in the prior corresponding period

[1] Excludes significant non-recurring items, the impact of non-qualifying hedges, and internal recharges
[2] Return on invested capital ("ROIC") = net operating profit after tax / average invested capital (assumed 25% effective tax rate)

Commentary

Commenting on the FY25 results, Group CEO & Managing Director, Stephen Mikkelsen, said, "Our EBIT result of $174.9 million, which included a 10.4% increase in Metal trading margin, demonstrated the strength of our strategy and our ability to manage through market volatility. Ferrous market conditions were particularly difficult, with global oversupply of finished and semi-finished steel, soft macroeconomic conditions, trade policy uncertainty, and tight scrap supply placing pressure on the sector. Despite these headwinds, our disciplined and agile commercial execution, supported by a clear strategy and some favourable structural drivers including strong non-ferrous markets, good US steel spreads, and growing EAF demand, provided a degree of stability.

"Once again, we saw the strength of our diversified but focused portfolio of businesses. In the US, North America Metal ("NAM") and our joint venture SA Recycling ("SAR") provide a well-balanced footprint across primary regions. NAM delivered strong margin growth, supported by greater market optionality, and SAR continued to develop its market reach through targeted acquisitions. The Australia and New Zealand Metal ("ANZ") business leveraged its non-ferrous strengths to successfully navigate challenging market conditions, and Sims Lifecycle Services ("SLS") again outperformed, driven by strong execution and its well-positioned exposure to accelerating artificial intelligence-related demand.

"The sustained improvement in our safety performance illustrates our deeply embedded safety culture and the team's dedication and engagement with our people. Our first employee survey since 2021 reinforced this, maintaining an extremely positive net promoter score despite significant change across the business over that period.

"I am proud to be part of Sims. The significant progress achieved over the past two years is a clear reflection of the team's dedication and capability, and I look forward to continuing to advance our strategic objectives in the coming years"

Group Results

Sims Limited (the **Company** or the **Group**) today announced FY25 sales revenue of $7,494.0 million, up 4.1% compared to FY24 sales revenue of $7,195.4 million. The increase in revenue was assisted by a 4.0% increase in Metal average sales prices, supported by a higher non-ferrous component but partially offset by a 3.8% reduction in overall proprietary Metal sales volumes. Sims Lifecycle Services revenue was 22.0% higher in FY25 compared to FY24.

Metal trading margin for FY25 was up by 10.4% compared to FY24. The increase was driven by a significant improvement in NAM's performance, including contributions from volumes associated with Baltimore Scrap and Northeast Metal Traders ("NEMT") acquisitions, partially offset by deteriorating market conditions in ANZ.

FY25 Underlying EBIT was $174.9 million compared to $58.7 million in FY24, an increase of 198.0%. Statutory EBIT for FY25 was $68.6 million, a decrease of 47.3%

compared to FY24 statutory EBIT of $130.1 million which included the profit on the sale of the Group's interest in the LMS business.

Statutory EBIT was $106.3 million lower than Underlying EBIT, after including the impact of the closure of SRR, asset impairments, and redundancy and restructuring costs.

Shrunk intake volume and sales volume, excluding brokerage tonnes ("proprietary volumes"), decreased by 6.0% to 6.1 million tonnes and by 3.8% to 6.3 million tonnes, respectively, in FY25 in comparison to FY24 levels.

Segment Performance

NAM's FY25 underlying EBIT increased by 735.7% to $80.1 million. FY25 sales revenue was $4,503.6 million, representing a 0.5% increase compared to FY24. Lower ferrous sales volumes were consistent with the business' strategic focus on sourcing unprocessed material over processed scrap. The impact was offset by a higher average sales price driven by strong non-ferrous volumes and pricing. Trading margin was 20.2% higher, and trading margin percent increased to 20.9% in FY25 from 17.5% in FY24. The uplift was driven by strong commercial discipline, including increased sourcing of unprocessed scrap, and more agile sales execution to better match purchase pricing to market movements.

SAR contributed $120.0 million to the Group's underlying EBIT compared to $102.2 million in FY24, up 17.4%. FY25 sales revenue was up by 9.7% to $5,232.4 million, supported by strong non-ferrous gains and additional volumes, partly from eight core acquisitions. Trading margin increased by 9.0%.

Australia and New Zealand ("ANZ") delivered an underlying EBIT of $72.2 million in FY25. Sales revenue of $1,575.5 million in FY25 was 1.2% lower compared to FY24. A decline in ferrous volumes in FY25 was substantially offset by strong growth in non-ferrous volumes, resulting in total sales volumes being largely unchanged from FY24. The FY25 trading margin reduced by 8.5% compared to FY24, due to deteriorating market conditions from increased Chinese exports into Asia and a slowdown in the domestic market. While ferrous margin pressure persisted throughout the year, buy prices were kept in check and strong zorba margins helped to partially offset the impact.

SLS Underlying EBIT increased to $32.6 million in FY25 from $17.7 million in FY24, demonstrating the strong operating leverage from higher volumes. SLS's volume of processed repurposed units grew by 44.3% compared to the prior year, driven by higher demand for memory module repurposing and resale. Favourable market conditions, supported by growing hyperscaler activity and US data centre expansion linked to AI advancements, expanded SLS's addressable market and, accelerated demand for its services.

Sustainability

The company achieved a record-low Lost Time Injury Frequency rate of 0.11. A strategic shift to leading indicators has contributed to a stronger safety outcome and overall lower risk profile.

The FY25 employee engagement survey returned a strong score of 82%, in line with the 2021 results.

Strategy Developments

The Company completed the sale of the UK Metal business.

With a leaner and more simplified portfolio, the Company continued to execute on its business strategy with discipline and focus.

In NAM, the business enhanced metal-in-waste recovery through investments in shredder downstream systems and advanced separation technologies, particularly in the Mid-Atlantic region. Additionally, it expanded its national railcar fleet and improved barge and vessel loading capabilities to optimise ferrous sales markets, strengthening the region's logistical capabilities. These investments were consistent with the strategy of maintaining agility in sales destinations to capitalise on market opportunities, and address variable market conditions on a resilient basis.

SA Recycling completed eight acquisitions, strengthening its market position and accelerating growth through strategic expansion.

In ANZ, the business upgraded key infrastructure and invested in the development of additional fines plants, further increasing its exposure to non-ferrous. The first stage of Pinkenba's transformation into a logistics hub to support future east coast domestic demand has commenced.

To scale up and support the rapid growth of hyperscalers, SLS deployed multiple automation projects and expanded capacity in the Midwest and West Coast, US.

Sims Resource Renewal ceased development and commercialisation of plasma-assisted gasification technology for processing automotive shredder residue given current market factors.

Capital Management

During FY25, the Group invested $17.7 million in smaller-scale growth initiatives and $183.0 million in sustaining projects focused on essential maintenance, safety and compliance.

The Board declared a fully franked final dividend of 13.0 per share, taking the total dividend to 23.0 cents per share. This represents the top of the indicated range, reflecting cash returns from the UK Metal divestment.

Outlook

Long-term fundamentals remain strong, with EAF capacity and scrap demand continuing to grow, underpinned by decarbonisation, government policies supporting onshoring, decarbonisation and general market support. Accelerating AI adoption is creating sustained demand for non-ferrous materials and repurposed units.

Sustained strength in non-ferrous demand is expected, with non-ferrous markets expected to remain robust throughout FY26 and continuing to deliver strong trading margin contributions across NAM, ANZ, and SAR operations.

Tariff support is bolstering US ferrous demand, with tariffs protecting domestic steel and aluminium industries and supporting local demand for ferrous scrap. The premium for domestic sales is expected to extend from FY25 into FY26, continuing to benefit NAM and SAR's margins from US sales.

Chinese exports remain the greatest headwind, with record-high Chinese steel exports expected to keep ferrous prices muted in markets outside the USA. This will continue to challenge NAM and SAR ferrous export sales, as well as ANZ's domestic and export volumes. While pricing pressure is likely to persist through FY26, further significant declines from FY25 levels appear limited as prices find their floor.

Hyperscaler data centre expansion, together with stronger local supply chains supported by tariffs, is driving demand and lifting resale prices. This is fuelling strong market momentum, and SLS remains well positioned in FY26 to build on its FY25 outcome.

Authorised for release by: The Board of Sims Limited.

About Sims Limited Founded in Australia in 1917, Sims Limited is a global leader in metal recycling and the provision of circular solutions for technology. Employing approximately 4,100 employees globally, the company operates more than 150 facilities across 13 countries. Sims Limited plays a vital role in helping increase circularity and decarbonisation by supplying recycled materials and re-purposed products. The company's ordinary shares are listed on the Australian Securities Exchange (ASX: SGM), and its American Depositary Shares are quoted on the Over-the-Counter market in the United States (USOTC: SMSMY). The Company's purpose, create a world without waste to preserve our planet, is what drives its constant innovation and leadership in the circular economy. For more information, visit www.simsltd.com.

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