## Appendix 4D

**Sims Limited**
**ABN 69 114 838 630**
**Half Year Report**

### Results for announcement to the market

**Current period: Half year ended 31 December 2024**
**Prior corresponding period: Half year ended 31 December 2023**

| Results A$M | | | | Half year ended 31 December 2024 | | 2023 |
|---|---|---|---|---|---|---|
| Sales Revenue from continuing operations | Up | 4.0% | to | 3,645.5 | from | 3,505.6 |
| Net profit for the period attributable to members | Down | (68.6)% | to | 30.8 | from | 98.0 |

Net profit for the half year ended 31 December 2023 included a gain on asset sales of $178.9 million. Underlying NPAT for the 6 months to 31 December 2024 increased 401.4% to $35.1 million from $7.0 million.

| Dividends (A¢) | Cents per Security | % Franked per Security |
|---|---|---|
| 2024 Final Dividend | 10.0 | 100% |
| 2025 Interim Dividend | 10.0 | 100% |

| Net tangible assets (A$) | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Net tangible asset per security | 12.6 | 12.4 |

| Details of entities where control has been gained or lost during the period | | | % of equity held by the ultimate parent as at 31 December 2024 | 30 June 2024 |
|---|---|---|---|---|
| Name of entity | Country of incorporation | Date control obtained or lost | % | % |
| Sims Group UK Limited | United Kingdom | 30 September 2024 | 0 | 100 |
| Resource Renewal Inc | United States of America | 31 October 2024 | 100 | 0 |

For further explanation of the above figures, please refer to the Directors' Report and the consolidated financial report, press release and market presentation filed with the Australian Securities Exchange Limited ("ASX").

The remainder of the information required by Listing Rule 4.2A is contained in the attached additional information.

The accompanying half year financial report has been reviewed by Deloitte Touche Tohmatsu. A signed copy of their review report is included in the financial report.

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# DIRECTORS' REPORT

The Directors present their report on the consolidated entity (referred to hereafter as the "Group") consisting of Sims Limited (the "Company") and the entities it controlled at the end of, or during, the half year ended 31 December 2024 ("HY25").

## PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial period comprised (1) the buying, processing, and selling of ferrous and non-ferrous recycled metals, and (2) the repurposing and recycling of IT assets and electronic equipment for commercial customers. The Group's principal activities remain unchanged from the previous financial year.

## DIRECTORS

The persons listed below were Directors of the Company during the half year and up to the date of this report:

| Name | Title |
|---|---|
| **Managing Director:** | |
| Stephen Mikkelsen | Group Chief Executive Officer and Managing Director |
| **Non-Executive Directors:** | |
| Philip Bainbridge | Chairperson and Independent Non-Executive Director |
| Victoria Binns | Independent Non-Executive Director |
| Grant Dempsey | Independent Non-Executive Director |
| Thomas Gorman | Independent Non-Executive Director |
| Kathy Hirschfeld | Independent Non-Executive Director |
| Hiroyuki Kato[1] | Non-independent Non-Executive Director |
| Deborah O'Toole | Independent Non-Executive Director |
| Shinichiro Omachi[2] | Non-independent Non-Executive Director |
| Russell Rinn[3] | Independent Non-Executive Director |

[1] Mr. Kato retired from the Board of Directors on 13 November 2024.
[2] Mr. Omachi was appointed to the Board of Directors on 13 November 2024.
[3] Mr. Rinn was appointed to the Board of Directors on 2 December 2024.

# Directors' Report

## For the half year ended 31 December 2024

## OPERATING AND FINANCIAL REVIEW

### Disclosing Non-IFRS Financial Information (unaudited)

| (A$M UNLESS OTHERWISE DEFINED) | HALF YEAR ENDED 31 DECEMBER 2024 | HALF YEAR ENDED 31 DECEMBER 2023 | CHANGE |
|---|---|---|---|
| *Financial Performance metrics from continuing operations* | | | |
| Sales revenue | **3,645.5** | 3,505.6 | 4.0% |
| Statutory earnings before interest, tax, depreciation and amortisation ("EBITDA") | **194.9** | 297.8 | (34.6%) |
| Significant items, and the impact of non-qualifying hedges | **(6.6)** | 164.7 | (104.0%) |
| Underlying EBITDA[1] | **201.5** | 133.1 | 51.4% |
| Depreciation expense | **(118.4)** | (103.2) | 14.7% |
| Amortisation expense | **(10.1)** | (4.2) | 140.5% |
| Statutory earnings before interest and tax ("EBIT") | **66.4** | 190.4 | (65.1%) |
| Underlying EBIT[1] | **73.0** | 25.7 | 184.0% |
| Net interest expense | **(16.3)** | (18.1) | (9.9%) |
| Statutory income tax expense | **(19.3)** | (74.3) | (74.0%) |
| Underlying income tax expense | **(21.6)** | (0.6) | 3500.0% |
| Statutory net profit after tax ("NPAT") | **30.8** | 98.0 | (68.6%) |
| Underlying NPAT[1] | **35.1** | 7.0 | 401.4% |
| Statutory diluted earnings per share ("EPS") (cents) | **15.8** | 50.1 | (68.5%) |
| Underlying diluted EPS (cents) | **18.0** | 3.6 | 400.0% |
| Interim dividends per share (cents) | **10.0** | 0.0 | —% |
| *Financial Position metrics* | | | |
| Net assets | **2,738.5** | 2,644.4 | 3.6% |
| Net cash | **(100.9)** | (333.5) | nmf[5] |
| Total capital[2] | **2,839.4** | 2,977.9 | (4.7%) |
| Average non-current assets excluding lease-related assets and deferred tax assets | **2,406.1** | 2,368.6 | 1.6% |
| Return on productive assets (%)[3] | **6.1 %** | 2.2 % | 3.9ppts |
| Return on invested capital (%)[4] | **4.0 %** | | |
| Net tangible assets | **2,431.4** | 2,396.5 | 1.5% |
| Net tangible assets per share (cents) | **12.58** | 12.40 | 1.5% |
| *Other Key metrics* | | | |
| Net cash inflow from operating activities | **347.8** | 101.8 | 241.7% |
| Capital expenditures | **83.5** | 93.1 | (10.3%) |
| Free cash flow after capital expenditures[5] | **264.3** | 8.7 | 2937.9% |
| Employees | **3,887** | 3,945 | (1.5%) |
| Proprietary sales tonnes ('000) | **3,192** | 3,348 | (4.7%) |

1 Underlying EBITDA and underlying EBIT exclude significant items, the impact of non-qualifying hedges and internal recharges.

2 Total capital = net assets – net cash.

3 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.

4 Return on invested capital ("ROIC") = annualised net operating profit after tax / average invested capital. FY25 is the first year that ROIC is being reported as a key measure.

5 Free cash flow after capital expenditures = operating cash flow – capital expenditures.

## OPERATING AND FINANCIAL REVIEW (continued)

### Sensitivity to movements in foreign exchange rates

The principal currencies in which the Group's continuing operations conducted business during the period were United States ("US$") dollars and Australian dollars ("A$"). Although the Group's reporting currency is the Australian dollar, a significant portion of the Group's sales and purchases are in currencies other than the Australian dollar. In addition, significant portions of the Group's net assets are denominated in currencies other than the Australian dollar.

The Group's consolidated financial position, results of operations, and cash flows may be materially affected by movements in the exchange rate between the Australian dollar and the respective local currencies to which its subsidiaries are exposed.

Some of the results discussed below are presented on a "constant currency" basis, which means that the current period results are translated into Australian dollars using applicable exchange rates in the prior corresponding period. This allows for a relative performance comparison between the two periods before the translation impact of currency fluctuations.

Foreign exchange rates compared with the prior corresponding periods for the major currency that affect the Group's results are as follows:

| | AVERAGE RATE | | | CLOSING RATE - AS AT | | |
|---|---|---|---|---|---|---|
| | HY25 | HY24 | Change | 31 DECEMBER 2024 | 30 JUNE 2024 | Change |
| US dollar | **0.6609** | 0.6528 | 1.2% | **0.6187** | 0.6667 | (7.2%) |

All balances are denominated in Australian dollars unless otherwise stated.

### Summary

| INTAKE VOLUMES | HALF YEAR ENDED | | |
|---|---|---|---|
| TONNES ,000 | 31 DECEMBER 2024 | 31 DECEMBER 2023 | CHANGE |
| North America Metal | **2,442** | 2,474 | (1.3%) |
| Australia / New Zealand Metal | **728** | 863 | (15.6%) |
| Total Proprietary Volumes | **3,170** | 3,337 | (5.0%) |
| Global Trading Operations and other | **584** | 551 | 6.0% |
| Total Intake Volume from continuing operations | **3,754** | 3,888 | (3.4%) |
| *Discontinued operations* | | | |
| UK Metal[1] | **369** | 610 | (39.5%) |
| Total intake volumes | **4,123** | 4,498 | (8.3%) |

Shrunk intake volumes excluding brokerage tonnes ("proprietary intake volumes") reduced by 5.0% to 3.2 million tonnes in HY25 in comparison to HY24 levels. Weak economic conditions and global steel market pressure from higher Chinese steel exports, lowered pricing and scrap demand in the Australia/New Zealand ("ANZ") business, which reported a 15.6% reduction in volumes. North America Metal ("NAM") volumes were down by 1.3% in HY25 compared to HY24 as the business continued to focus on higher margin unprocessed material partially offset by an additional four-month contribution from the Baltimore Scrap acquisition.

1 Half year ended 31 December 2024 represent three months trading only

## OPERATING AND FINANCIAL REVIEW (continued)

### Summary (continued)

| SALES VOLUMES | HALF YEAR ENDED | | |
|---|---|---|---|
| TONNES ,000 | 31 DECEMBER 2024 | 31 DECEMBER 2023 | CHANGE |
| North America Metal | **2,464** | 2,470 | (0.2%) |
| Australia / New Zealand Metal | **728** | 878 | (17.1%) |
| Total Proprietary Volumes | **3,192** | 3,348 | (4.7%) |
| Global Trading Operations and other | **686** | 546 | 25.6% |
| Total Sales Volume from continuing operations | **3,878** | 3,894 | (0.4%) |
| *Discontinued operations* | | | |
| UK Metal[1] | **421** | 576 | (26.9%) |
| Total Sales Volume | **4,299** | 4,470 | (3.8%) |

Proprietary sales volumes were 4.7% down in HY25 compared to HY24, with the ANZ business recording a 17.1% decline, driven by weaker demand in both domestic and export markets, impacted by the Chinese steel export market and weak economic conditions.

1 Half year ended 31 December 2024 represent three months trading only

## OPERATING AND FINANCIAL REVIEW (continued)

### Financial Performance

Sales revenue of $3,645.5 million in HY25 increased 4.0% compared to sales revenue of $3,505.6 million in HY24. At constant currency, sales revenue was up 5.1%. Sales volumes were down slightly on the prior corresponding period, with volumes from the Baltimore Scrap acquisition mitigating the negative effects of challenging export markets.

Sims Lifecycle Services ('SLS') revenues were 20.6% higher in HY25 compared to the prior corresponding period, driven by an increase in repurposed volumes following higher activity levels from hyperscaler customers.

Statutory EBIT in HY25 was $66.4 million compared to $190.4 million in HY24, which included a gain on the disposal of the Landfill Management Services ("LMS") business. At constant currency, HY25 statutory EBIT was $64.9 million. HY25 Underlying EBIT of $73.0 million was $47.3 million higher than HY24 due to a significant improvement in the operating performance of the North American Metal business and continued growth in SLS. Despite additional operating costs following the Baltimore Scrap acquisition, as well as ongoing inflationary and labour cost pressures, total cost increases were kept marginal with a continued focus on cost-out opportunities and additional operating efficiencies across all areas. Statutory income tax expense was $19.3 million compared to $74.3 million in HY24, with the prior year amount including tax payable on the gain related to the LMS business.

Statutory NPAT in HY25 was $30.8 million compared to $98.0 million in HY24, inclusive of the LMS gain. Net interest expense of $16.3 million was $1.8 million lower than HY24, due to lower net debt levels during the period following the disposal of the UK Metal business and improved operational performance. Statutory EBITDA in HY25 was $194.9 million compared to $297.8 million in HY24. Refer to the Reconciliation of Statutory Results to Underlying Results included herein for more information.

Statutory diluted EPS was 15.8 cents in HY25 compared to 50.1 cents in HY24. The weighted average number of shares during HY25 remained consistent with HY24 with issues under the Company's long term incentive plan ("LTIP") offset by on-market purchases and those held in trust.

# Directors' Report

## For the half year ended 31 December 2024

## OPERATING AND FINANCIAL REVIEW (continued)

### External Operating Environment

#### Sims Metal

The challenging market conditions from FY24 extended into the first half of FY25, with a softened steel market characterised by lower demand from customers, lower pricing, a shortage of incentivised supply, and heightened buy-side competition in scrap. Elevated interest rates and high comparative inflation continued to exert upward cost pressures on the industry.

US GDP growth decelerated in HY25 compared to HY24 and inflation remained moderately above the Federal Reserve's target. In Australia, GDP growth slowed further from the modest levels of HY24, and inflation, though slightly improved, stayed above the Reserve Bank of Australia's target range. Together, these factors created comparable challenges for customers and suppliers in both regions. The supply of end-of-life vehicles also softened and, with a constrained PMI performance in the US, further tightened scrap supply.

Average Turkish scrap prices in HY25 were approximately 3% lower than HY24, at US$368. The level of Chinese steel exports remained elevated, placing downward pressures on export markets, impacting prices for both finished and semi-finished steel products. These products became increasingly cost competitive as an alternative to scrap metal-based products of Sims' customer base. This shift has challenged steel mills and disrupted global scrap demand and pricing trends.

In non-ferrous markets however, prices experienced strong gains in HY25 compared to HY24 providing some offset and performance recovery in the ANZ market in particular. LME copper prices increased by 13% YoY to US$9,314/tonne and the average zorba price increased 8% compared to HY24 amid positive sentiment and increasing demand. LME Aluminium prices also increased by 11% to US$2,435/tonne in HY25 compared to HY24.

#### Sims Lifecycle Services

Demand for memory modules is expected to remain strong amid tight supply. The growing need for next-generation data centres, driven by the increasing adoption of artificial intelligence, is expected to continue to fuel demand for processing power, leading to further investment in new and upgraded facilities. This trend has also sustained the growth in repurposed units, with expansion expected to accelerate in the medium term.

## OPERATING AND FINANCIAL REVIEW (continued)

### Operating Segment Results (unaudited)- Continuing Operations

#### North America Metal

| | HALF YEAR ENDED | | | |
|---|---|---|---|---|
| A$m | 31 DECEMBER 2024 | 31 DECEMBER 2023 | CHANGE | CONSTANT CURRENCY CHANGE |
| Sales revenue | **2,257.4** | 2,109.4 | 7.0% | 8.3% |
| Trading margin | **479.6** | 361.1 | 32.8% | 34.5% |
| Operating costs (excluding D&A) | **(346.4)** | (296.7) | 16.8% | 18.2% |
| Underlying EBITDA | **133.2** | 64.4 | 106.8% | 109.5% |
| Underlying EBIT | **46.7** | (8.8) | (630.7%) | (637.5%) |
| | | | | |
| Proprietary Sales tonnes (thousands) | **2,464** | 2,470 | (0.2%) | |
| Trading margin % | **21.2%** | 17.1% | 4.1ppts | |
| Underlying EBIT margin % | **2.1%** | (0.4%) | 2.5ppts | |

NAM sales revenue was $2,257.4 million, up 7.0% (8.3% at constant currency) in HY25 compared to HY24, reflecting higher average sales prices driven by the ongoing strength in non-ferrous markets. Trading margin and trading margin percentage increased by 32.8% (34.5% at constant currency) and 4.1 percentage points, respectively in HY25 compared to HY24. This growth was achieved despite intense competition in sourcing scrap metal and challenging export markets, as the business focused on expanding its intake of unprocessed scrap, buying at source, and remaining agile in its sales destinations to capitalise on markets opportunities.

Operating costs increased by 16.8% to $346.4 million (or 18.2% at constant currency) in HY25 compared to HY24. However, this was primarily due to the acquisition of Baltimore Scrap in October 2023 (which increased HY25 costs compared to prior corresponding period by $28.0 million) and the discontinuation of an environmental process levy previously charged to customers (which increased HY25 costs compared to prior corresponding period by $18.0 million). General inflationary cost pressures were substantially offset by savings from restructuring programs and a range of smaller cost-out efforts.

Underlying EBIT for HY25 totalled $46.7 million (or $47.3 million at constant currency).

#### Investment in SA Recycling

| | HALF YEAR ENDED | | | |
|---|---|---|---|---|
| A$m | 31 DECEMBER 2024 | 31 DECEMBER 2023 | CHANGE | CONSTANT CURRENCY CHANGE |
| Sales revenue | **2,440.1** | 2,287.0 | 6.7% | 8.0% |
| Trading margin | **725.9** | 706.9 | 2.7% | 4.0% |
| Operating costs (excluding D&A) | **(525.3)** | (495.0) | 6.1% | 7.4% |
| Underlying EBITDA | **200.6** | 211.9 | (5.3%) | (4.2%) |
| Underlying EBIT | **105.5** | 124.8 | (15.5%) | (14.4%) |
| Underlying PBT | **94.8** | 119.2 | (20.5%) | (19.4%) |
| Sims' Interest (50%) | **47.4** | 59.6 | (20.5%) | (19.5%) |
| | | | | |
| Proprietary Sales tonnes (thousands) | **2,511** | 2,431 | 3.3% | |
| Trading margin % | **29.7%** | 30.9% | (1.2ppts) | |
| Underlying EBIT margin % | **4.3%** | 5.5% | (1.2ppts) | |

SAR HY25 sales revenue was up by 6.7% to $2,440.1 million. This growth was driven by higher sales volumes, which included contributions from a number of small acquisitions, as well as increased non-ferrous prices. Trading margin increased by 2.7% driven by a favourable product mix towards zorba products and the impact of the acquisitions, although these also added to costs, as did inflationary pressures. Operating costs were up by 6.1% (7.4% at constant currency). The joint venture contributed $47.4 million to the Group's underlying EBIT compared to $59.6 million in HY24. At constant currency, the contribution from SAR was $48.0 million.

## OPERATING AND FINANCIAL REVIEW (continued)

### Operating Segment Results (unaudited)- Continuing Operations (continued)

#### Australia & New Zealand Metal

| | HALF YEAR ENDED | | |
|---|---|---|---|
| A$m | 31 DECEMBER 2024 | 31 DECEMBER 2023 | CHANGE |
| Sales revenue | **770.6** | 834.3 | (7.6%) |
| Trading margin | **197.4** | 194.2 | 1.6% |
| Operating costs (excluding D&A) | **(128.9)** | (120.9) | 6.6% |
| Underlying EBITDA | **68.5** | 73.3 | (6.5%) |
| Underlying EBIT | **37.9** | 47.3 | (19.9%) |
| Proprietary Sales tonnes (thousands) | **728** | 878 | (17.1%) |
| Trading margin (%) | **25.6%** | 23.3% | 2.3ppts |
| Underlying EBIT margin (%) | **4.9%** | 5.7% | (0.8ppts) |

ANZ sales revenue of $770.6 million was 7.6% lower in HY25 compared to HY24 due to lower prices and reduced sales volumes, with the business experiencing tight supply conditions, strong competition and weak demand from both domestic and export customers flowing from the higher level of Chinese steel production entering the market. Despite the external factors, total trading margin increased by 1.6% in HY25 compared to HY24, with ongoing strong margin management, the timing of certain sales, and an increased contribution from non-ferrous and zorba products both with improved pricing.

Operating costs remained relatively flat, although increased by 6.6% in HY25 compared to the prior corresponding period primarily due to inflationary and labour market pressures. Cost reduction efforts were offset by increased environmental provisions and further significant increases in waste levies.

The business achieved an Underlying EBIT of $37.9 million in HY25, a 19.9% decrease on the prior period.

#### Sims Lifecycle Services

| | HALF YEAR ENDED | | |
|---|---|---|---|
| A$m | 31 DECEMBER 2024 | 31 DECEMBER 2023 | CHANGE |
| Sales revenue | **192.7** | 159.8 | 20.6% |
| Underlying EBITDA | **20.9** | 14.4 | 45.1% |
| Underlying EBIT | **14.1** | 8.3 | 69.9% |
| Underlying EBIT margin (%) | **7.3%** | 5.2% | 2.1ppts |
| Repurposed units (million) | **4.5** | 2.5 | 80.0% |

Sims Lifecycle Services ("SLS") HY25 sales revenue was $192.7 million, representing an increase of 20.6% compared to HY24.

SLS's volume of processed repurposed units grew by 80.0% compared to HY24. Market conditions remained robust, with continued momentum in major hyperscaler activity driven by the growing demand for data centres to support Artificial Intelligence advancements. Additionally, growth was supported by geographical expansion and an expansion of the range of services for customers.

Underlying EBIT was $14.1 million in HY25 compared to $8.3 million in HY24 driven by strong resale prices, the significant growth in repurposed units, and ongoing cost control measures.

## OPERATING AND FINANCIAL REVIEW (continued)

### Operating Segment Results (unaudited) - Continuing Operations (continued)

**Corporate and Other (Underlying EBIT)**

| | HALF YEAR ENDED | | |
|---|---|---|---|
| A$m | 31 DECEMBER 2024 | 31 DECEMBER 2023 | CHANGE |
| Global Trading Operations | **(7.8)** | (14.0) | (44.3)% |
| Resource Renewal | **(6.0)** | (4.9) | 22.4 % |
| Corporate & Central Costs | **(59.3)** | (61.9) | (4.2)% |

Global Trading Operations' underlying EBIT loss of $7.8 million during HY25 reflect general operating costs, offset by brokerage volumes that were substantially in line with the prior period. The prior period included realised foreign exchange losses which did not recur during the current period.

Higher costs relating to Resource Renewal's activities were incurred as the project moved into its commercialisation phase and commenced amortisation of capitalised research and development costs. These commercialisation costs are not anticipated to continue beyond the current year.

Corporate & Central costs were reduced to $59.3 million following restructuring carried out in the second half of FY24. This was partially offset by IT systems expenditure required to support the deployment of a replacement yard-based operations management system for the Metal business.

## OPERATING AND FINANCIAL REVIEW (continued)

### Reconciliation of Statutory Results to Underlying Results (Non-IFRS Information – Unaudited)

| | EBITDA[1] | | EBIT | | Profit from continuing operations after tax | |
|---|---|---|---|---|---|---|
| | HALF YEAR ENDED | | HALF YEAR ENDED | | HALF YEAR ENDED | |
| Continuing operations only | 31 DECEMBER 2024 | 31 DECEMBER 2023 | 31 DECEMBER 2024 | 31 DECEMBER 2023 | 31 DECEMBER 2024 | 31 DECEMBER 2023 |
| A$m | | | | | | |
| **Reported earnings** | **194.9** | 297.8 | **66.4** | 190.4 | **30.8** | 98.0 |
| **Significant items:** | | | | | | |
| Loss/(gain) on sale of assets classified as held for sale (net of transaction costs and impact of discontinued operations) | **(1.7)** | (177.1) | **(1.7)** | (177.1) | **(2.6)** | (102.4) |
| Restructuring and redundancies | **5.6** | 4.3 | **5.6** | 4.3 | **4.2** | 3.3 |
| Non-qualifying hedges | **2.7** | 8.1 | **2.7** | 8.1 | **2.7** | 8.1 |
| **Underlying earnings[2]** | **201.5** | 133.1 | **73.0** | 25.7 | **35.1** | 7.0 |

The significant item amounts recorded in HY25 include the following:

- Loss/(gain) on sale of assets classified as held for sale (net of transaction costs and impact of discontinued operations). The HY25 amount includes the sale of Sims' residual interest in Closed Loop following finalisation of the transaction.
- Restructuring and redundancies related to measures to simplify the organisational structure carried out in HY25.
- Non-qualifying hedges reflect the mark-to-market adjustment on commodity hedges held at balance date.

### Reconciliation of Statutory NPAT to EBIT and EBITDA

| | HALF YEAR ENDED | |
|---|---|---|
| A$m | 31 DECEMBER 2024 | 31 DECEMBER 2023 |
| **Statutory net profit after tax from continuing operations** | **30.8** | 98.0 |
| Interest expense from external borrowings, net of interest income | **10.2** | 12.4 |
| Lease liability interest expense | **6.1** | 5.7 |
| Income tax expense | **19.3** | 74.3 |
| **Statutory EBIT from continuing operations** | **66.4** | 190.4 |
| Depreciation and amortisation, excluding right of use asset depreciation | **85.3** | 66.2 |
| Right of use asset depreciation | **43.2** | 41.2 |
| **Statutory EBITDA from continuing operations** | **194.9** | 297.8 |

[1] EBITDA is a measurement of non-IFRS financial information. See table above that reconciles EBITDA to statutory net profit.
[2] Underlying earnings is a non-IFRS measure that is presented to provide an understanding of the underlying performance of the Group. The measure excludes the impacts of acquisitions and disposals, as well as items that are subject to significant variability from one period to the next. The reconciling items above (before tax) have been extracted from the unaudited interim financial statements.

## OPERATING AND FINANCIAL REVIEW (continued)

### Cash flow and borrowings

Cash inflow from operating activities was $347.8 million in HY25 compared to $101.8 million during HY24. The result benefited from improved operational performance, a focus on optimising working capital levels and proceeds from sale of UK Metal.

Capital expenditures for property, plant and equipment and intangible assets were $83.5 million during HY25 compared to payments of $93.1 million in HY24, which was in line with the expected investment for sustaining capital expenditure. The HY25 cash position also benefited from the sale of the UK Metal business and Sims' residual interest in Closed Loop. There was a cash flow distribution of $19.3 million for the final 2024 dividend.

At 31 December 2024, the Group had a net debt position of $100.9 million compared to a net debt position of $411.9 million at 30 June 2024. The Group calculates net cash as cash balances less total financial borrowings as follows:

| A$m | AS AT 31 DECEMBER 2024 | AS AT 30 JUNE 2024 |
|---|---|---|
| Total cash* | **201.1** | 93.1 |
| Less: total borrowings | **(302.0)** | (505.0) |
| **Net cash** | **(100.9)** | (411.9) |

*Total cash at 31 December 2024 includes restricted cash of $27.3 million (30 June 2024: $39.8 million). Refer to note 7 for further information.

### Strategic Developments

#### Progressing the strategic growth plan

The Company continued to make progress across strategic growth areas during the six months to 31 December 2024:

| Initiative | Progress |
|---|---|
| Metal | • Completed the sale of UK Metal<br>• Implemented further organisational restructuring across the North America Metal business and the corporate office, shifting senior operations management from a functional to a regionally focused leadership model. This change ensures a sharper focus on the specific dynamics of each market as market regionalisation increases.<br>• Continued its cost-out program to improve operational efficiency and reduce expenses.<br>Upgrade projects completed in HY25 include:<br>• Acquired and commissioned an electric shear in Chesapeake, USA<br>• Commenced operations at a new non-ferrous recovery plant in Chesapeake, USA<br>• Completed the upgrade of the Brooklyn (Victoria) shredder |
| SA Recycling | Completed six acquisitions. |
| Lifecycle Services | Expanded operations within the USA (Roseville, California and West Chicago, Illinois) to meet hyperscaler growth and grew internationally in Mexico and Europe (Eindhoven, Netherlands). Additionally, SLS expanded its service offering to existing customers. The new product development business also secured its first large order. |
| Resource Renewal | Finalised trials at the Rocklea demonstration plant, and completed a market study for the commercialisation of the technology. |

## OPERATING AND FINANCIAL REVIEW (continued)

### Outlook and Market Drivers

In scrap markets, ferrous prices and intake volumes remain dynamic to regional market influences. Global steel overcapacity and China's elevated exports are expected to continue. Non-ferrous demand has a robust foundation, and this is likely to be reflected in continued solid volumes and prices. Overall, supply-demand balance is expected to align with the first half, despite seasonal softness in January and February.

The Hyperscaler data centre market is expected to continue its strong momentum.

Broader inflationary pressures have lessened and the cost savings initiatives over the last 18 months will mitigate cost inflation in the second half.

The effects of tariffs on global and domestic steel and scrap markets are likely to result in benefits for NAM and SAR, and in potential challenges for ANZ.

#### MACRO-TRENDS

Growing regionalisation creates advantages for SLS and the Metal businesses.

The growth of EAFs and the decarbonisation transition is driving significant recycled metal demand domestically, altering market dynamics.

Increased demand for metal intensive infrastructure spending and the production of post consumption scrap is positive for metal recycling, both ferrous and non-ferrous.

The fundamental drivers of cloud infrastructure recycling continue to accelerate.

## ENVIRONMENTAL REGULATION

Sims Limited and its controlled entities ("Sims" or "the Group") are subject to environmental regulations and reporting requirements in Australia as well as other countries in which it operates. The Group has environmental licenses and consents in place at various operating sites as prescribed by relevant environmental laws and regulations in respective jurisdictions. Conditions associated with these licenses and consents include those which stipulate environmental monitoring requirements and reporting limits to monitor conformance with the requirements of such licenses and consents.

Under Australian environmental regulation, an entity is required to provide a summary of its environmental performance as per s299(1)(f) of the Corporations Act 2001. Further information on the Company's environmental performance is set out in the Group's Annual Sustainability Report. On 8 November 2024, the Group lodged its 2024 Sustainability Report on the ASX. A copy of the report can be viewed at https://www.simsltd.com/investors/reports.

Additionally, the Group's Australian operations are subject to the reporting requirements of the National Greenhouse and Energy Reporting Act 2007 ("NGER"). The NGER Act requires the Group to report its annual greenhouse emissions and energy use of its Australian operations. Similarly, the Group's UK operations are subject to the reporting requirements of the companies and limited liability partnerships in complying with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which require non-quoted large companies, such as Sims Limited, to report on its UK energy use and associated greenhouse gas emissions. The Group has implemented systems and processes for the collection and calculation of the data required so as to prepare and submit the relevant report to the Clean Energy Regulator in Australia and include in its Directors' Report as part of its UK filing obligations annually.

Furthermore, the Group has been assessing the evolving requirements under the Australian Sustainability Reporting Standards ("ASRS"), which will mandate more detailed corporate sustainability disclosures in alignment with global reporting frameworks. Sims is actively preparing for these regulatory changes by enhancing its sustainability reporting processes to ensure compliance with the new disclosure standards.

In the last 12 months, there has been no material exposure to the risk of breaches of environmental permits conditions or legislation.

## MANAGING RISKS

An integral part of the way Sims operates is recognising and managing the broad range of risks that it faces. Each must be given careful and appropriate consideration in order to support our commitments to our customers and stakeholders in line with our vision to: create a world without waste to preserve our planet. In accordance with our Risk Management Policy and Framework, Sims manages risk with the aim of:

- Supporting the achievement of strategic objectives through the identification and management of key areas of risk and opportunity on a proactive basis;
- Providing the basis for informed decision making;
- Enabling consistent and frequent communication between management and key governance committees; and
- Continuously enhancing the perception of Sims to our key stakeholders, including customers, shareholders and the community.

Through our Risk Management process (which is detailed in our Risk Management Policy), Sims Limited continuously monitors, assesses and manages the response to these risks, which range from operational events to external factors. Some of these key areas of risk and opportunities are discussed in detail in the following sections.

## CLIMATE RISKS

Climate change poses physical risks to our business, our people, and to the infrastructure, communities and environment that we engage with. We believe that the transition to a low-carbon economy encompasses a parallel transition to a circular economy and presents opportunities for our business as well as threats.

Learn more about our approach to climate change, including our detailed assessment of the risks and opportunities, in our Climate Report. Performance data is included in our Sustainability Databook, both available at https://www.simsltd.com/sustainability/download-centre/

### Opportunities

At Sims, the low-carbon transition is at the heart of our business strategy. Sims provides high-quality recycled metals in place of virgin materials, which enables the avoidance of emissions, including those associated with extraction, refining and production. Metals such as steel, copper and aluminium are essential to the transition to a low-carbon urban economy and are used in applications such as Solar photovoltaic ("PV") and wind farms, electric vehicles and urban construction.

The strategic and scenario analyses we have outlined in our Climate Report demonstrates that as an enabler of the global circular economy, Sims is well placed to assist customers in lowering their respective carbon footprints as the world transitions to a circular, low-carbon economy and to deliver on our purpose.

### Threats

Climate change impacts physical, economic and social systems, so climate risks are reflected across the Sims risk profile. Climate change can alter the likelihood and impact of risks, as well as the effectiveness of controls. The potential impacts of climate change on our strategy (both physical risk and climate risk) are outlined in the Climate Report. Key physical risks arise as a result of extreme temperatures (including health & safety issues for employees and productivity loss) and extreme wet (including flooding, sea level rise, and other acute weather events).

Failure to manage climate change risk could lead to loss of stakeholder support, increased taxes and regulation, enforcement action, litigation or class actions, and negatively affect our reputation, ability to attract and retain talent, ability to access capital, operational continuity and financial performance.

### Risk Appetite

Sims is committed to living its purpose and views environmental risks as opportunities that allow us to differentiate our offering, even when it is difficult. We pride ourselves in providing a pathway to de-carbonization and circularity to our customers, delivering constant innovation and improvement that aims at protecting the environment and communities we operate in, and setting the standard for our industry.

### Our management response includes:

- Publishing a comprehensive Climate Report, aligned to the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, and giving our shareholders the opportunity to endorse it in an advisory vote. The last vote was at the 2022 AGM where 89.6 percent of issued capital voted in favour;
- Outlining our approach to managing the transition and physical risks of climate change in our Climate Report;
- Establishing clear targets to lower greenhouse gas ("GHG") emissions in our direct operations over the short, medium, and longer term to reduce risk exposure relating to policy, regulation, and carbon pricing;
- Using carbon pricing when making capital expenditure decisions, including merger & acquisition activity;
- Advocating for an orderly transition to a circular, low-carbon economy; including reviewing industry association memberships to ensure alignment with our climate and energy policy positions;
- Engaging regularly with investors, governments, industry associations, membership-based sustainability organisations, Environmental, social, and governance ("ESG") proxy advisers and customers to identify and monitor emerging climate change risks, opportunities and trends;
- Being transparent in our annual disclosure of climate related performance, opportunities and threats, in accordance with sustainability reporting standards including Global Reporting Initiative ("GRI"), Sustainability Accounting Standards Board ("SASB") and TCFD.

## HEALTH & SAFETY RISKS

Health & Safety are core company values. Sims leads in safety performance for the simple reason that we do not wait to respond to incidents but rather we effectively address risks proactively through our global lead indicator programs. Our Health and Safety strategy uses data to target specific risks and verifying the effectiveness of controls, and we build a culture of safety excellence.

Learn more about our approach to safety, including performance data in the Sustainability Report and Databook, available at https://www.simsltd.com/sustainability/download-centre/

### Opportunities

Demonstrating that we can meet or exceed our commitments in safety supports operational resilience, our ability to attract and retain talent, and helps us achieve our purpose.

### Threats

We engage in activities that have the potential to cause harm to our people, including serious injuries and fatalities. Safety incidents can alter the lives of the individual, their family and community. A serious safety event could also cause damage or disruptions to our assets and operations, impact our financial performance, result in litigation or regulatory action, and cause long-term damage to our social licence to operate and reputation.

### Risk Appetite

First and foremost is safety. We are committed to providing a safe working environment for our people, and will take all reasonable steps to protect the public, our customers, contractors and suppliers. Therefore, we have no tolerance for behaviour that knowingly compromises the safety of our people and the wider community. Sims takes the mental wellbeing of our workforce just as seriously as their physical wellbeing and encourages our workforce to feel comfortable openly discussing their struggles, concerns or challenges. We look for opportunities to learn and to improve our systems and processes.

### Our management response includes:

- Defining critical control verifications to address critical risks (those risks with the potential of causing the most serious harms). Key focus areas, such as traffic management, have been identified based on risk levels and the highest likelihood of occurrence;
- Specifying minimum and recommended requirements for hazard controls;
- Reporting, investigating, and sharing learnings from incidents across Sims;
- Developing a proactive safety culture through training, surveying and management example;
- Investigating and deploying technology for incident prevention and detection;
- Providing Employee Assistance Programs for employees to receive support related to mental health, general wellbeing, and other concerns;
- Including targets related to safety performance in remuneration incentives;
- Maintaining evacuation routes, supporting equipment, crisis and emergency response plans and business continuity plans;
- Being transparent in our annual disclosure of climate related performance, opportunities and threats, in accordance with sustainability reporting standards including GRI and SASB.

## SOCIAL LICENCE

We recognise the significant shifts in our external operating environment and increased stakeholder expectations regarding the role of companies in society and the communities in which they operate. In particular, we recognise that without a social licence from our communities and broader stakeholders, we would simply not able to operate. In this context we have developed a Social Licence Framework, not just to manage risks associated with maintaining our Social Licence, but importantly to ensure Sims continues to be a partner for change in the communities in which we operate.

Learn more about our role as partner for change, please refer to our ESG Briefing (October 2022) https://sltd.s3.amazonaws.com/2022-ESG-Briefing.pdf

### Opportunities

Building, maintaining and deepening our relationships with the communities we operate, and our wider stakeholders supports operational resilience and our ability to attract and retain talent (which is mostly sourced from the local community). Our customer base is often also local, and we want to be the place where the local community and supplier base recycle their metals. This not only helps our bottom-line by giving us access to intake at source, but also develops our brand and credibility as a business and supports our purpose.

### Threats

The rapid gentrification or urbanisation of previously industrial or semi-rural suburbs in the vicinity of larger cities means that most of our sites, even if relatively removed from urban centres at inception, are now in close proximity to (or in the midst of) urban areas or sensitive receptors. Through our operations, we have the potential to cause disruption and nuisance to the communities and the environment around us, whether through fires at our sites, dust, noise, increased heavy-vehicle traffic, and other factors. A serious fire event, for example, could potentially cause damage or disturbances to the environment, our neighbours and the community at large, impact our financial and operational performance, result in litigation or regulatory action, and ultimately cause long-term damage to our social licence to operate and reputation.

### Risk Appetite

We pride ourselves in providing a pathway to de-carbonisation and circularity to our customers, and delivering constant innovation and improvement that aims at protecting the environment and communities we operate in, and set the standard for our industry.

### Our management response includes:

- A vast array of operational measures is in place and substantial investments identified to address and mitigate any undesirable impact of our operations on our communities and the environment. Such measures include (but are not limited to) buffer walls, enclosing some of our equipment (where reasonably practicable), and planting trees to screen off noise and improve visuals.
- Targeted, locally focused, action plans in place for key sites.
- Social Licence Framework and associated governance mechanisms in place.
- Dedicated resources in key locations to understand our communities' needs and drive our action plans.
- Reporting, investigating, and sharing learnings from incidents impacting our communities and the environment across the Group.
- Developed crisis and emergency response plans and business continuity plans.
- Sims works collaboratively with local fire departments and fire detection firms to ensure our control measures in fire prevention and methods for response continually improve with new technologies. Over the past few years, we have partnered with fire detection firms to trial state-of-the-art, machine-learning, early detection warning systems to control fire risk.

## REGULATIONS AND PUBLIC POLICY

As previously articulated, we recognise the significant shift in our external operating environment and increased stakeholder expectations, including those from government and regulatory authorities. In this regard, we view the efforts of government (and the private sector) to decarbonise and lower emissions as a significant opportunity for Sims.

Particularly relevant to Sims are cap and trade schemes, emission limits, as well as carbon-pricing mechanisms and taxes on GHG emissions. Sims supports the efforts endorsed by the European Council in December 2019 to make the EU climate neutral by 2050 and by Australia to achieve net zero greenhouse gas emissions by no later than 2050, in line with the Paris Agreement. Sims remains committed to curbing its own emissions.

### Opportunities

As described under 'Climate Change' for Sims, a low-carbon transition is at the heart of our business strategy. As such, we see a significant upside in the current and proposed government policies which have the objective of transitioning to a low-carbon economy. As a leader in the metals recycling industry, we see ourselves as an indispensable part of the transition, and in furthering the circular-economy agenda, either through strategic industry associations or directly engaging with government where appropriate.

### Threats

The potential threats arising from these changes or measures range between tactical challenges such as an increased cost of purchased energy, or capital costs needed for the electrification of equipment, or lower emissions equipment to, on a strategic front, potential restrictions to the export of our products which may came through waste management initiatives. Sims has not to date experienced any material negative impact related to these current or potential regulations but we continue to monitor, evaluate and engage with government and through industry associations to ensure we remain current and are able to respond to these changes with sufficient agility.

### Risk appetite

Sims requires strict compliance with laws and regulations across our organisation including safety, trading, environment, and reporting to our stakeholders and the public. While we require compliance, we simultaneously pursue clarity in regulations which impact our business and strive to ensure all players in the industry are held to the same environmental standards that we pursue.

We encourage regular community and bi-partisan political engagement efforts at a federal, state and local level to support the achievement of our purpose and vision. We discourage complacency in our processes and procedures that put us at risk of regulatory violations and potential litigation.

### Our management response includes:

- Engaging through industry associations, business chambers, and directly with government where appropriate.
- Annual review of industry association lobbying to monitor activity alignment with Sims' policy and position (particularly regarding climate change).
- Monitoring and scanning for changes in the policy and regulatory environment.
- Engagement of specialised third-party advisory firms or individuals as required.
- Government Engagement & Advocacy Policy to guide activities.
- Rotating, regular internal Audit reviews of site compliance with key regulatory obligations.
- Internal Controls Questionnaires to regularly assess and report on the status of key controls pertaining to areas of regulatory compliance across all our sites.
- Annual Compliance training for all staff.
- Whistleblower mechanisms in place to ensure any breaches of laws or regulation can be promptly and anonymously reported and recorded.

## TECHNOLOGY AND CYBER SECURITY

As Sims continues to evolve, our processes are becoming increasingly reliant on technology and the systems with which we operate, more sophisticated. We view technology as a tool to assist and enhance the running of our day-to-day operations and also a key component of our future strategy. Consequently, Sims has consistently invested in enhancing its technology suite and bolstering its cyber security and incident response management.

### Opportunities

We see a significant upside in enhancing our core operating systems, as well as in the use of business intelligence, data analytics and, where appropriate, artificial intelligence.

Our Sims Lifecycle Services business is exceptionally positioned to take full advantage of the increasing use of data centres across the globe and partners with a range of well-established technology companies, playing a critical role in helping businesses and data centres manage the profound shift in how and where technology is managed. As a worldwide leader in IT asset and cloud infrastructure reuse, redeployment, recycling and refining, SLS provides IT asset disposition and e-waste recycling solutions for businesses. Our data centre division plays a hands-on role in decommissioning IT equipment, bulk hard drive destruction and repurposing data centre parts and equipment.

### Threats

We view technology and its use as a sizeable opportunity, while also recognising that it presents clear threats which need to be managed, such as risks associated with the adoption and implementation of new technologies and the failure to take necessary steps to prepare for cybersecurity incidents or technical outages which could result in operational incidents, business disruptions or data breaches, and ultimately have adverse effects on our social license to operate, reputation, financial performance, and overall competitiveness.

### Risk appetite

We encourage all Sims employees to believe they have a responsibility to protect Sims' assets and data and encourage investment in training that promotes proactive behaviours to prevent, detect, respond and recover from cyber security incidents.

### Our management response includes:

- Maintaining technologies to improve our overall cybersecurity resilience, including but not limited to global virtual private networks ("VPNs"), multi-factor authentication ("MFA"), robust anti-virus/anti-spyware/anti-malware software technologies, data protection via encryption and machine authentication.
- Implementing a robust incident response strategy in partnership with third-party service providers of managed detection and incident response and conducting our annual global IT incident response tabletop exercise.
- Conducting an executive level Crisis Management exercises simulating a wide-spread cyber security event with the participation of the Board (represented through the Board's Chair and the Chair of the Risk Committee) as well as key executives across all potentially impacted business units and functions.
- Enhancing our information security/cybersecurity awareness training program by leveraging various internal communication channels, including email (frequent publication of cybersecurity articles) and MySims Intranet site (security videos and Cybersecurity Awareness newsletter).
- Continuing to include training on relevant security awareness policies (e.g., acceptable use, protection of information assets) as part of our new employee onboarding process.
- Deployed our mandatory Annual Cybersecurity Training video, which is managed through the Sims University Learning Centre.
- Conducting bi-monthly internal simulated phishing testing attacks and enhancing our KPI reporting.
- Maintaining appropriate cyber insurance.
- Testing our Disaster Recovery Plans across all regions.
- Subjecting our cybersecurity practices to annual internal and external audit, and vulnerability assessment and penetration testing multiple times during the year.

# Directors’ Report

## For the half year ended 31 December 2024

## GEOPOLITICAL AND MACROECONOMIC RISKS

Sims financial and operational performance is exposed to fluctuations in the market price for ferrous and non-ferrous metals and precious metals, which at times are volatile. The underlying causes for these fluctuations are typically geopolitical and macroeconomic factors which, albeit being beyond Sims’ direct control, need to be closely monitored and, to the extent possible, their impact anticipated and mitigated.

### Opportunities

We are confident in the medium and long-term fundamentals of the business. The demand for ferrous scrap in the USA spurred on by infrastructure spending and Electric arc furnace ("EAF") steelmaking production is expected to remain robust. India remains a key area of growth and we expect to be able to leverage its foreshadowed infrastructure expansion in the coming years.

On more general terms, we continue to build our understanding of geopolitical and macroeconomic threats and opportunities as we believe this can not just assist us in implementing appropriate risk mitigation measures but also enhance the development of our strategy, our operations planning and response, and ultimately provide a potential future competitive advantage.

### Threats

In the short term, adverse movements in commodity prices may negatively impact our financial performance. Current ferrous scrap prices, driven, at least partially, from an oversupply of Chinese steel, may result in a continuation of soft scrap inflows. We expect the Zorba price to remain stable largely due to the subdued supply of shredder infeed.

The cost of capital driven by persistently high inflation, and a strong US dollar, may also adversely affect the results of our operations, financial performance and returns to investors in the short term.

### Our management response includes:

- Monitoring geopolitical and macroeconomic developments and trends, including through signal monitoring and our enterprise-level watch list of emerging themes, to provide an early indication of events that could impact our strategy.
- Regular briefings and updates from external Subject Matter Experts to management and the Board
- Maintaining response plans for various scenarios (including major international conflict/s) to mitigate disruptions to sales and logistics.
- Inventory management and turning inventories quickly.
- Use of forward commodity contracts matched to purchases or sales of non-ferrous metals (primarily copper, nickel and aluminium) and certain precious metals (primarily gold, silver and palladium).
- Strategic planning and stress testing of assumptions using a range of diverse pricing forecasts for key commodities.
- Cost containment measures and other initiatives deployed to offset the impact of a commodity pricing downturn and improve margins.

# Directors' Report

## For the half year ended 31 December 2024

### DIVIDENDS

Since the end of the reporting period, the Directors have determined the payment of an interim dividend of 10.0 cents per share (100% franked).

### SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

There has not been any matter or circumstance, other than that referred to in the Interim Financial Report or notes thereto, that has arisen since the end of the financial period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 21 and forms part of the Directors' Report for the half year ended 31 December 2024.

### ROUNDING OFF OF AMOUNTS

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest tenth of a million dollars, unless otherwise indicated.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board of Directors.

| | |
|---|---|
| P Bainbridge | S Mikkelsen |
| Chairperson | Managing Director and Group CEO |
| Sydney | Sydney |
| 25 February 2025 | 25 February 2025 |

Deloitte.

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25 February 2025

The Board of Directors
Sims Limited
Level 9, 189 O'Riordan Street
Mascot, NSW, 2020

Dear Board Members

**Auditor's Independence Declaration to Sims Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Sims Limited.

As lead audit partner for the review of the half-year financial report of Sims Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

Samuel Vorwerg
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

# Condensed Consolidated Income Statement

## For the half year ended 31 December 2024

| | NOTE | HALF YEAR ENDED 31 DECEMBER 2024 A$M | 2023 A$M[1] |
|---|---|---|---|
| **Continuing Operations** | | | |
| Revenue | 2c | **3,662.9** | 3,519.1 |
| Other income | 4a | **22.0** | 191.1 |
| Raw materials used and changes in inventories | | **(2,583.4)** | (2,576.8) |
| Freight expense | | **(237.5)** | (248.2) |
| Employee benefits expense | | **(371.9)** | (350.4) |
| Depreciation and amortisation expense | 4b | **(128.5)** | (107.4) |
| Repairs and maintenance expense | | **(46.1)** | (45.1) |
| Other expenses | | **(284.2)** | (241.7) |
| Finance costs | | **(28.8)** | (26.3) |
| Share of results of joint ventures | | **45.6** | 58.0 |
| **Profit before income tax** | | **50.1** | 172.3 |
| Income tax expense | 5 | **(19.3)** | (74.3) |
| **Profit for the half year from continuing operations** | | **30.8** | 98.0 |
| **Discontinued Operations** | | | |
| **Loss for the half year from discontinued operations** | 11 | **(21.4)** | (32.2) |
| **Profit for the half year** | | **9.4** | 65.8 |
| Attributable to: | | | |
| Owners of the Company | | **9.4** | 65.8 |
| | | **9.4** | 65.8 |
| | | A¢ | A¢ |
| **Earnings per share** | | | |
| **From continuing and discontinued operations** | | | |
| Basic | 6 | **4.9** | 34.1 |
| Diluted | 6 | **4.9** | 33.5 |
| **From continuing operations** | | | |
| Basic | 6 | **16.0** | 51.0 |
| Diluted | 6 | **15.8** | 50.1 |
| **From discontinuing operations** | | | |
| Basic | 6 | **(11.1)** | (16.7) |
| Diluted | 6 | **(11.1)** | (16.7) |

The consolidated income statement should be read in conjunction with the accompanying notes.

1 In accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations, the comparatives have been re-presented for discontinued operations that have arisen during the year (refer to Note 11).

# Condensed Consolidated Statement of Comprehensive Income

## For the half year ended 31 December 2024

| | NOTE | HALF YEAR ENDED 31 DECEMBER 2024 A$M | 2023 A$M |
|---|---|---|---|
| **Profit for the half year from continuing and discontinued operations** | | **9.4** | 65.8 |
| **Other comprehensive (loss)/ income:** | | | |
| *Items that may be reclassified to profit or loss:* | | | |
| Foreign exchange translation differences arising during the period, net of tax | | **146.1** | (34.7) |
| Loss reclassified to income statement on disposal of foreign discontinued operations, net of tax | | **39.7** | — |
| *Items that will not be reclassified to profit or loss* | | | |
| Re-measurements of defined benefit plans, net of tax | | **0.1** | (1.9) |
| **Other comprehensive income/(loss) for the year, net of tax** | | **185.9** | (36.6) |
| Total comprehensive income for the half year from continuing operations | | **177.0** | 61.4 |
| Total comprehensive income/(loss) for the half year from discontinued operations | | **18.3** | (32.2) |
| **Total comprehensive income for the half year** | | **195.3** | 29.2 |

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

# Condensed Consolidated Statement of Financial Position

## As at 31 December 2024

| | NOTE | 31 DECEMBER 2024 A$M | 30 JUNE 2024 A$M |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | 7 | **201.1** | 93.1 |
| Trade and other receivables | | **695.7** | 600.7 |
| Inventory | | **560.4** | 603.7 |
| Tax receivable | | **47.2** | 50.9 |
| Other financial assets | | **41.8** | 187.7 |
| Assets classified as held for sale | 8 | **—** | 584.6 |
| **Total current assets** | | **1,546.2** | 2,120.7 |
| **Non-current assets** | | | |
| Investments in joint ventures | 12 | **654.0** | 584.9 |
| Other financial assets | | **89.5** | 85.8 |
| Right of use assets | | **241.0** | 230.1 |
| Property, plant and equipment | | **1,447.0** | 1,399.5 |
| Retirement benefit assets | | **0.5** | 0.5 |
| Deferred tax assets | | **183.8** | 181.9 |
| Intangible assets | | **307.1** | 301.3 |
| **Total non-current assets** | | **2,922.9** | 2,784.0 |
| **Total assets** | | **4,469.1** | 4,904.7 |
| **Current liabilities** | | | |
| Trade and other payables | | **675.2** | 629.2 |
| Deferred income | | **94.5** | 111.1 |
| Lease liabilities | | **76.9** | 73.5 |
| Other financial liabilities | | **—** | 167.4 |
| Current tax liabilities | | **25.7** | 88.8 |
| Provisions | | **125.1** | 122.9 |
| Liabilities directly associated with assets held for sale | | **—** | 236.4 |
| **Total current liabilities** | | **997.4** | 1,429.3 |
| **Non-current liabilities** | | | |
| Payables | | **8.5** | 7.9 |
| Borrowings | | **302.0** | 505.0 |
| Lease liabilities | | **214.5** | 205.9 |
| Deferred tax liabilities | | **176.5** | 167.2 |
| Provisions | | **30.0** | 25.5 |
| Retirement benefit obligations | | **1.7** | 1.2 |
| **Total non-current liabilities** | | **733.2** | 912.7 |
| **Total liabilities** | | **1,730.6** | 2,342.0 |
| **Net assets** | | **2,738.5** | 2,562.7 |
| **Equity** | | | |
| Contributed equity | 9 | **2,594.4** | 2,593.3 |
| Reserves | 9 | **642.1** | 448.0 |
| Accumulated deficit | | **(498.0)** | (478.6) |
| **Total equity** | | **2,738.5** | 2,562.7 |

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

# Condensed Consolidated Statement of Changes in Equity

## For the half year ended 31 December 2024

| | NOTE | CONTRIBUTED EQUITY A$m | RESERVES A$m | ACCUMULATED DEFICIT A$m | TOTAL EQUITY A$m |
|---|---|---|---|---|---|
| **Balance at 1 July 2023** | | 2,575.6 | 430.1 | (349.0) | 2,656.7 |
| Income for the half year | | — | — | 65.8 | 65.8 |
| Other comprehensive loss | | — | (34.7) | (1.9) | (36.6) |
| **Total comprehensive income for the half year** | | — | (34.7) | 63.9 | 29.2 |
| | | | | | |
| **Transactions with owners in their capacity** | | | | | |
| Movement in treasury shares held by trust | | 17.3 | — | (29.2) | (11.9) |
| Dividends paid | 3 | — | — | (40.6) | (40.6) |
| Share-based payments expense, net of tax | | — | 11.0 | — | 11.0 |
| | | 17.3 | 11.0 | (69.8) | (41.5) |
| **Balance at 31 December 2023** | | 2,592.9 | 406.4 | (354.9) | 2,644.4 |
| | | | | | |
| **Balance at 1 July 2024** | | **2,593.3** | **448.0** | **(478.6)** | **2,562.7** |
| Income for the half year | | **—** | **—** | **9.4** | **9.4** |
| Other comprehensive income | | **—** | **185.8** | **0.1** | **185.9** |
| **Total comprehensive income for the half year** | | **—** | **185.8** | **9.5** | **195.3** |
| | | | | | |
| **Transactions with owners in their capacity** | | | | | |
| Movement in treasury shares held by trust | **9** | **1.1** | **—** | **(9.6)** | **(8.5)** |
| Dividends paid | **3** | **—** | **—** | **(19.3)** | **(19.3)** |
| Share-based payments expense, net of tax | | **—** | **8.3** | **—** | **8.3** |
| | | **1.1** | **8.3** | **(28.9)** | **(19.5)** |
| **Balance at 31 December 2024** | | **2,594.4** | **642.1** | **(498.0)** | **2,738.5** |

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Condensed Consolidated Statement of Cash Flows

## For the half year ended 31 December 2024

| | NOTE | HALF YEAR ENDED 31 DECEMBER 2024 A$M | 2023 A$M |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers (inclusive of goods and services tax) | | **3,779.8** | 4,090.4 |
| Payments to suppliers and employees (inclusive of goods and services tax) | | **(3,355.1)** | (3,999.3) |
| | | **424.7** | 91.1 |
| Interest received | | **12.5** | 8.1 |
| Interest paid | | **(34.9)** | (28.6) |
| Dividends received from joint ventures | | **22.9** | 53.2 |
| Grant income received | | **0.1** | — |
| Income taxes received | | **0.6** | 1.5 |
| Income taxes paid | | **(78.1)** | (23.5) |
| **Net cash inflows from operating activities** | | **347.8** | 101.8 |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment | | **(83.5)** | (93.1) |
| Proceeds from sale of business | | **64.6** | — |
| Payments for other financial assets | | **(0.8)** | (1.0) |
| Proceeds from sale of other financial assets | | **1.6** | 6.6 |
| Proceeds from sale of assets held for sale | | **49.4** | 259.1 |
| Proceeds from sale of property, plant and equipment | | **10.4** | 4.1 |
| Payments for businesses, net of cash acquired | | **—** | (340.0) |
| Payment of contingent consideration | | **—** | (55.0) |
| Repayment of loan by related party | | **(0.1)** | — |
| **Net cash inflows / (outflows) from investing activities** | | **41.6** | (219.3) |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | | **1,081.9** | 1,317.3 |
| Repayment of borrowings | | **(1,293.7)** | (1,204.1) |
| Repayment of leases | | **(46.0)** | (44.1) |
| Payments for shares under employee share plan | | **(8.5)** | (11.9) |
| Dividends paid | 3 | **(19.3)** | (40.6) |
| **Net cash (outflows) / inflows from financing activities** | | **(285.6)** | 16.6 |
| **Net increase/(decrease) in cash and cash equivalents** | | **103.8** | (100.9) |
| Cash and cash equivalents at the beginning of the half year | | **93.1** | 308.7 |
| Effects of exchange rate changes on cash and cash equivalents | | **4.2** | 1.4 |
| **Cash and cash equivalents at the end of the half year** | | **201.1** | 209.2 |

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Condensed Consolidated Financial Report

## Note 1 - Summary of significant accounting policies

Sims Limited (the "Company") is a for-profit company incorporated and domiciled in Australia. The consolidated financial statements for the half year ended 31 December 2024 ("HY25") comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in joint ventures.

### Basis of preparation

This interim financial report:

- Has been prepared in accordance with Australian Accounting Standards Board ("AASB") 134, Interim Financial Reporting and the Corporations Act 2001;
- Has been prepared on a going concern basis of accounting with no material uncertainties as to the Company's ability to continue to operate;
- Does not include all notes of the type normally included within the annual financial report. As a result, it should be read in conjunction with the annual financial report of the Group for the year ended 30 June 2024 ("FY24 Annual Report"), together with any announcements made by the Group during the half year ended 31 December 2024;
- Has been prepared on the basis of historical cost, except for certain financial assets and liabilities which have been measured at fair value;
- Is presented in Australian Dollars;
- Presents all values as rounded to the nearest tenth of a million dollars, unless otherwise stated under ASIC Corporations (rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016;
- There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the half year beginning 1 July 2024 that have a material impact on the amounts recognised in the prior period or will affect current or future periods.

## Note 2 - Segment information

### (a) Description of segments

Operating segments have been identified based on separate financial information that is regularly reviewed by the Group CEO, the Chief Operation Decision Maker ("CODM").

The Group operated in four principal operating segments: North America Metal ("NAM"), Australia and New Zealand Metal ("ANZ"), Investment in SA Recycling ("SAR") and Sims Lifecycle Services ("SLS"). The segments are based on a combination of factors including geography, products and services.

Following an internal restructure, Global Trading Operations has been combined into the "Unallocated " segment. Global Trading Operations is now better characterised as a service provider to the Metal businesses and is more in the nature of a corporate support unit. All other operating segments are included within the "Unallocated" segment.

Segment comparatives have been updated to reflect this change in order to present results on a like for like basis.

Details of the segments are as follows:

- NAM – comprising subsidiaries and joint ventures in the United States of America and Canada which perform ferrous and non-ferrous secondary recycling functions.
- ANZ – comprising subsidiaries in Australia, New Zealand and Papua New Guinea which perform ferrous and non-ferrous secondary recycling functions.
- SAR – comprising the Group's share of results from its investment in the SA Recycling joint venture.
- SLS – comprising subsidiaries which provide IT asset and cloud infrastructure reuse, redeployment and recycling in the following countries: Australia, Brazil, Germany, India, Ireland, Mexico, Netherlands, Poland, Singapore, the United Kingdom and the United States of America.
- Unallocated – comprising unallocated corporate costs, interests in other joint ventures, Global Trading Operations, Sims Resource Renewal ("SRR") and Global Sustainability Insurance Corporation, a captive insurance company.

Discontinued operations relate to the UK Metal business comprising subsidiaries in the United Kingdom which perform ferrous and non-ferrous secondary recycling functions (refer to note 11 for more details).

### (b) Sales revenue by product

The Group also reports revenues by the following product groups:

- Ferrous secondary recycling – comprising the collection, processing and trading of iron and steel secondary raw material.
- Non-ferrous secondary recycling – comprising the collection, processing and trading of other metal alloys and residues, principally aluminium, lead, copper, zinc, and nickel bearing materials.
- IT Recycling & Repurposing services – comprises the provision of environmental and data security responsible services for the refurbishment, resale or commodity reclamation of IT assets recycled for commercial and post-consumer suppliers.
- Secondary processing and other services - comprising stevedoring and other sources of service-based revenue.

| | HALF YEAR ENDED 31 DECEMBER | |
|---|---|---|
| | 2024 A$M | 2023 A$M |
| Ferrous secondary recycling | **2,317.5** | 2,427.0 |
| Non-ferrous secondary recycling | **1,103.4** | 900.0 |
| IT Recycling & Repurposing services | **192.7** | 159.8 |
| Secondary processing and other services | **31.9** | 18.8 |
| **Total sales revenue from continuing operations** | **3,645.5** | 3,505.6 |

# Notes to the Condensed Consolidated Financial Report

## Note 2 - Segment information (continued)

### (c) Information about reportable segments

The following is an analysis of the Group's revenue and results by reportable operating segment:

| | NAM A$M | ANZ A$M | SLS A$M | SAR A$M | UNALLO-CATED A$M | TOTAL CONTINUING OPERATIONS A$M | DISCONTINUED OPERATIONS A$M | Total A$M |
|---|---|---|---|---|---|---|---|---|
| **Half year ended 31 December 2024** | | | | | | | | |
| Total sales revenue | **2,257.4** | **770.6** | **192.7** | **—** | **424.8** | **3,645.5** | **491.4** | **4,136.9** |
| Other revenue | **3.7** | **0.9** | **0.1** | **0.8** | **11.9** | **17.4** | **—** | **17.4** |
| **Total segment revenue** | **2,261.1** | **771.5** | **192.8** | **0.8** | **436.7** | **3,662.9** | **491.4** | **4,154.3** |
| **Segment EBIT[1]** | **14.3** | **22.7** | **10.5** | **47.4** | **(28.5)** | **66.4** | **(14.8)** | **51.6** |
| Interest income | | | | | | **12.5** | **—** | **12.5** |
| Finance costs | | | | | | **(28.8)** | **(6.6)** | **(35.4)** |
| **Profit before income tax** | | | | | | **50.1** | **(21.4)** | **28.7** |
| **Half year ended 31 December 2023** | | | | | | | | |
| Total sales revenue | 2,109.4 | 834.3 | 159.8 | — | 402.1 | 3,505.6 | 608.8 | 4,114.4 |
| Other revenue | 4.3 | 1.1 | 0.4 | 0.8 | 6.9 | 13.5 | — | 13.5 |
| **Total segment revenue** | 2,113.7 | 835.4 | 160.2 | 0.8 | 409.0 | 3,519.1 | 608.8 | 4,127.9 |
| **Segment EBIT[1]** | (36.4) | 35.3 | 6.0 | 59.6 | 125.9 | 190.4 | (26.6) | 163.8 |
| Interest income | | | | | | 8.2 | — | 8.2 |
| Finance costs | | | | | | (26.3) | (5.6) | (31.9) |
| **Profit before income tax** | | | | | | 172.3 | (32.2) | 140.1 |

1 Segment EBIT has been adjusted to reflect the value of services provided by Corporate and Global Trading Operations to operating business segments.

The following is an analysis of the Group's assets and liabilities by reportable operating segment:

| | NAM A$M | ANZ A$M | SLS A$M | SAR A$M | UNALLO-CATED A$M | TOTAL CONTINUING OPERATIONS A$M | DISCONTINUED OPERATIONS A$M | Total A$M |
|---|---|---|---|---|---|---|---|---|
| **As at 31 December 2024** | | | | | | | | |
| Assets | **2,097.2** | **835.7** | **173.8** | **679.2** | **683.2** | **4,469.1** | **—** | **4,469.1** |
| Liabilities | **535.8** | **379.3** | **124.3** | **0.4** | **690.8** | **1,730.6** | **—** | **1,730.6** |
| **Net assets/(liabilities)** | **1,561.4** | **456.4** | **49.5** | **678.8** | **(7.6)** | **2,738.5** | **—** | **2,738.5** |
| **As at 30 June 2024** | | | | | | | | |
| Assets | 2,076.4 | 858.3 | 150.7 | 606.0 | 679.1 | 4,370.5 | 534.2 | 4,904.7 |
| Liabilities | 600.9 | 466.6 | 133.2 | 0.3 | 904.6 | 2,105.6 | 236.4 | 2,342.0 |
| **Net assets/(liabilities)** | 1,475.5 | 391.7 | 17.5 | 605.7 | (225.5) | 2,264.9 | 297.8 | 2,562.7 |

# Notes to the Condensed Consolidated Financial Report

## Note 3 - Dividends

Details of dividends paid are as follows:

| | CENTS PER SHARE | AMOUNT A$M |
|---|---|---|
| **HY25:** | | |
| Final FY24 (100% franked) | **10.0** | **19.3** |
| **HY24:** | | |
| Final FY23 (100% franked) | 21.0 | 40.6 |

Since the end of the reporting period, the Directors have determined the payment of an interim dividend of 10.0 cents per share (100% franked). The dividend will be payable on 19 March 2025 to shareholders on the Company's register at the record date of 5 March 2025. The estimated dividends to be paid, but not recognised as a liability at the end of the reporting period, is approximately $19.3 million.

## Note 4 - Items included in profit before income tax

Profit before income tax includes the following items whose disclosures are relevant to explaining the financial performance of the Group:

| | HALF YEAR ENDED 31 DECEMBER | |
|---|---|---|
| | 2024 A$M | 2023 A$M |
| **(a) Other income** | | |
| Net gain on commodity and/or currency derivatives | **14.6** | 2.6 |
| Net gain on disposal of property, plant and equipment | **2.6** | 1.8 |
| Gain on sale of assets held for sale | **—** | 178.9 |
| Other | **4.8** | 7.8 |
| **Total Other income** | **22.0** | 191.1 |
| **(b) Specific expenses** | | |
| **Depreciation and amortisation:** | | |
| Depreciation expense | **75.2** | 62.0 |
| Right of use asset depreciation expense | **43.2** | 41.2 |
| Amortisation expense | **10.1** | 4.2 |
| **Total depreciation and amortisation expense** | **128.5** | 107.4 |
| Net foreign exchange loss | **1.0** | 9.6 |
| Equity-settled share-based payments expense | **8.2** | 10.4 |
| Loss on sale of assets held for sale | **3.6** | — |

# Notes to the Condensed Consolidated Financial Report

## Note 4 - Items included in profit before income tax (continued)

**(c) Significant items**

| | HALF YEAR ENDED 31 DECEMBER | |
|---|---|---|
| | **2024 A$M** | **2023 A$M** |
| Gain/(loss) on sale of assets classified as held for sale (net of transaction costs and impact of discontinued operations) | **1.7** | 177.1 |
| Restructuring and redundancies | **(5.6)** | (4.3) |
| Non-qualifying hedges | **(2.7)** | (8.1) |
| | **(6.6)** | 164.7 |

The major significant item amounts recorded in HY25 include the following:

- Gain/(loss) on sale of assets classified as held for sale (net of transaction costs and impact of discontinued operations): The HY25 balance includes an adjustment on sale of Sims' interest in Closed Loop following finalisation of the transaction, and the disposal of UK Metal.
- Restructuring and redundancies predominantly related to measures to simplify the organisational structure in HY25.
- Non-qualifying hedges reflect the mark-to-market adjustment on commodity hedges held at balance date.

# Notes to the Condensed Consolidated Financial Report

## Note 5 - Income taxes

The prima facie income tax on profit before income tax differs from the income tax in the consolidated income statement and is reconciled as follows:

| | HALF YEAR ENDED 31 DECEMBER | |
|---|---|---|
| | 2024 A$M | 2023 A$M |
| **Profit before income tax from continuing operations** | **50.1** | 172.3 |
| | | |
| Tax at the standard Australian rate of 30% | **15.0** | 51.7 |
| Effect of tax rates in other jurisdictions | **(2.2)** | (0.5) |
| Deferred tax assets not recognised | **1.3** | 2.0 |
| Recognition of tax effect of previously unrecognised tax losses | **(0.3)** | (0.6) |
| Non-deductible expenses | **5.0** | 4.6 |
| Share of net results of joint ventures | **—** | (1.1) |
| Share-based payments | **0.6** | 0.5 |
| Non-assessable dividend income | **—** | (7.5) |
| Assessable taxable income from sale of investment | **—** | 24.5 |
| Local trade and income taxes | **(0.2)** | 0.4 |
| Other | **0.1** | 0.3 |
| **Income tax expense recognised in profit or loss** | **19.3** | 74.3 |

At 31 December 2024, the Group has not recognised deferred tax assets totalling $49.7 million (30 June 2024: $106.6 million) as it is not probable that they will be realised. A portion of the unrecognised deferred tax asset relates to unused tax losses of $47.9 million (30 June 2024: $62.6 million) due to either a history of tax losses or it is not considered probable that there will be sufficient future taxable profits to realise the benefit of deferred tax assets within certain subsidiary entities. Unrecognised tax losses include $7.0 million (30 June 2024: $6.2 million) of tax losses that will expire in 5 to 20 years. Other unused tax losses may be carried forward indefinitely.

The Company has conducted an analysis and calculation for Pillar Two and have met the safe harbour provisions eliminating any top-up tax. Sims is working on the FY24 reporting and will perform an analysis for FY25 based upon final year results. Management does not expect any top-up tax for any jurisdiction for the year.

# Notes to the Condensed Consolidated Financial Report

## Note 6 - Earnings per share

Basic earnings per share is calculated by dividing net profit/(loss) by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing net profit by the weighted average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares.

The weighted average number of shares used for the purposes of calculating basic earnings per share is calculated after deduction of the shares held by the Group's trusts.

| | HALF YEAR ENDED 31 DECEMBER | |
|---|---|---|
| | **2024** | **2023** |
| **From continuing operations:** | | |
| Basic earnings/(loss) per share (in A¢) | **16.0** | 51.0 |
| Diluted earnings/(loss) per share (in A¢) | **15.8** | 50.1 |
| **From discontinued operations:** | | |
| Basic earnings/(loss) per share (in A¢) | **(11.1)** | (16.7) |
| Diluted earnings/(loss) per share (in A¢) | **(11.1)** | (16.7) |
| **From continuing and discontinued operations:** | | |
| Basic earnings/(loss) per share (in A¢) | **4.9** | 34.1 |
| Diluted earnings/(loss) per share (in A¢) | **4.9** | 33.5 |
| **Weighted average number of shares used in the denominator ('000)** | | |
| Basic shares | **192,908** | 192,243 |
| Dilutive effect of share-based awards | **2,057** | 3,389 |
| **Diluted shares** | **194,965** | 195,632 |

# Notes to the Condensed Consolidated Financial Report

## Note 7 - Cash and cash equivalents

| | 31 DECEMBER 2024<br>A$M | 30 JUNE 2024<br>A$M |
|---|---|---|
| **Current:** | | |
| Cash at bank and on hand | **173.8** | 53.3 |
| Restricted cash[1] | **27.3** | 39.8 |
| **Cash and cash equivalents** | **201.1** | 93.1 |

[1] Restricted cash includes an amount of restricted cash related to captive insurance.

## Note 8 - Assets classified as held for sale

| | 31 DECEMBER 2024<br>A$M | 30 JUNE 2024<br>A$M |
|---|---|---|
| Interest in CLP Circular Services Holdings LLC ("CLP") | — | 50.2 |
| Interest in UK Metal | — | 534.2 |
| Other | — | 0.2 |
| **Assets classified as held for sale** | — | 584.6 |

| | 31 DECEMBER 2024<br>A$M | 30 JUNE 2024<br>A$M |
|---|---|---|
| Interest in UK Metal | — | 236.4 |
| **Liabilities directly associated with assets held for sale** | — | 236.4 |

### (a) CLP Circular Services Holdings LLC

The Group had a 12.4% interest in CLP at 30 June 2024: This interest was an asset classified as held for sale in the prior period. The sale was completed on 25 November 2024.

### (b) UK Metal

On 22 November 2023, the Group announced it had commenced a full strategic review of the UK Metal business to explore various options to maximise shareholder returns. The Group entered into a binding agreement for the sale of its full interest in the UK Metal business in August 2024 and the sale completed on 30 September 2024. The UK Metal business was previously classified as an asset held for sale and a discontinued operation within the 30 June 2024 financial statements.

## Note 9 - Equity

### (a) Contributed equity

Movements in the ordinary share balance were as follows:

| | HALF YEAR ENDED 31 DECEMBER 2024 | | YEAR ENDED 30 JUNE 2024 | |
|---|---|---|---|---|
| | NUMBER OF SHARES | A$M | NUMBER OF SHARES | A$M |
| **Contributed Equity** | | | | |
| On issue per share register at the beginning of the period | **193,209,667** | **2,597.1** | 193,181,520 | 2,597.1 |
| Issued under long-term incentive plans | **—** | **—** | 28,147 | — |
| **On issue per share register at the end of the period** | **193,209,667** | **2,597.1** | 193,209,667 | 2,597.1 |
| **Treasury Shares** | | | | |
| Balance held at the beginning of the period | **(251,100)** | **(3.8)** | (1,395,087) | (21.5) |
| Shares purchased from the market | **(729,532)** | **(8.1)** | (699,603) | (10.7) |
| Issued under long term incentive plans. | **745,306** | **9.2** | 1,843,590 | 28.4 |
| **Balance held at the end of the period** | **(235,326)** | **(2.7)** | (251,100) | (3.8) |
| **Total contributed equity** | **192,974,341** | **2,594.4** | 192,958,567 | 2,593.3 |

With effect from 1 January 2020, the Company has allowed participants to withhold shares to satisfy applicable tax withholding and exercise costs under the long-term incentive plans.

Excluding shares held in the employee share ownership program trusts, the number of shares held in equity as at 31 December 2024 was 235,326 with a value of $2.7 million. The weighted average number of shares used for the purposes of calculating basic earnings per share is calculated after deduction of the shares held by the Group's trusts.

### (b) Reserves

| | SHARE BASED PAYMENTS A$M | FOREIGN CURRENCY TRANSLATION A$M | TOTAL A$M |
|---|---|---|---|
| **Balance at 1 July 2023** | 301.0 | 129.1 | 430.1 |
| Equity-settled share-based payment expense | 10.6 | — | 10.6 |
| Gain reclassified to profit or loss on disposal of foreign operations | 0.4 | 1.5 | 1.9 |
| Foreign currency translation differences | — | (39.5) | (39.5) |
| Deferred tax | — | 3.3 | 3.3 |
| **Balance at 31 December 2023** | 312.0 | 94.4 | 406.4 |
| | | | |
| **Balance at 1 July 2024** | **319.5** | **128.5** | **448.0** |
| Equity-settled share-based payment expense | **8.2** | **—** | **8.2** |
| Loss reclassified to profit or loss on disposal of foreign operations | **—** | **39.7** | **39.7** |
| Foreign currency translation differences | **—** | **160.3** | **160.3** |
| Deferred tax | **0.1** | **(14.2)** | **(14.1)** |
| **Balance at 31 December 2024** | **327.8** | **314.3** | **642.1** |

# Notes to the Condensed Consolidated Financial Report

## Note 10 - Business Transactions

**i) Disposal of 100% interest in Sims UK Group Limited**

The Group completed the sale of its UK Metal business, Sims Group UK Limited, on 30 September 2024. Details of the sale are as follows:

| | A$M |
|---|---|
| Consideration received or receivable: | |
| Cash consideration (received) | **64.6** |
| Cash consideration (deferred) | **113.0** |
| Net consideration received/receivable | **177.6** |
| | |
| Carrying amount of net assets disposed of | **(130.0)** |
| Other transaction costs (net of tax) | **(10.0)** |
| Gain on sale before income tax and reclassification of foreign currency translation reserve | **37.6** |
| Reclassification of foreign currency translation reserve | **(39.7)** |
| Income tax expense | **–** |
| Loss on sale after income tax | **(2.1)** |
| | |
| The carrying amounts of assets and liabilities as at the date of sale (30 September 2024) were: | |
| | |
| Inventories | **48.0** |
| Trade and other receivables | **55.3** |
| Right of Use assets | **46.0** |
| Property, plant and equipment | **147.5** |
| Total assets classified as held for sale | **296.8** |
| | |
| Trade and other payables | **(83.9)** |
| Lease liabilities | **(49.3)** |
| Provisions | **(33.6)** |
| Retirement benefits obligations | **–** |
| Total liabilities directly associated with assets held for sale | **(166.8)** |
| | |
| Net assets disposed of | **130.0** |

Consideration for the sale included an initial payment (paid during the financial period), together with a deferred component based on the final agreed net asset value of the business. The sale agreement also incorporated certain adjustment mechanisms to transfer items of working capital in excess of the buyer's requirements to the vendor at, or prior to, completion. In particular, inventory was converted to cash for the benefit of the vendor as were certain trade receivables subsequent to the transaction date.

# Notes to the Condensed Consolidated Financial Report

## Note 10 - Business Transactions (continued)

The total financial impact of the sale is as follows:

| | A$M |
|---|---|
| Proceeds from sale of business received by 31 December 2024 | **64.6** |
| Proceeds from sale of business receivable at 31 December 2024 | **113.0** |
| Total net proceeds from sale | **177.6** |
| Converted inventory | **70.3** |
| Receivables retained by the Sims Group, encashed prior to 31 December 2024 | **145.2** |
| Receivables retained by the Sims Group, receivable at 31 December 2024 | **5.8** |
| Total anticipated cash proceeds | **398.9** |
| | |
| Cashflow impacts for the half year ended 31 December 2024 | |
| Cashflows on converted inventory | **70.3** |
| Cashflows on encashment of receivables retained by the Sims Group | **145.2** |
| Total cashflows included in receipts from customers relating to the disposal of UK Metal (included in cashflows from operating activities in the statement of cashflows) [1] | **215.5** |
| Proceeds from sale of business (included in cashflows from investing activities in the statement of cashflows) | **64.6** |
| Total cash received | **280.1** |
| | |
| Balance sheet impacts | |
| Increase in receivables at 31 December 2024 | **118.8** |

[1] These cashflows are included in the total receipts from customers of $3,779.8 million per the Condensed Consolidated Statement of Cashflows as presented on page 26.

**ii) Disposal of interest in CLP Circular Services Holdings LLC**

On 25 November 2024, the Group completed the disposal of its remaining interest in CLP Circular Services Holdings LLC. The proceeds on disposal of $49.4 million (US$32.2 million) were received in cash.

**iii) Acquisition of Baltimore Scrap Corporation**

The accounting for the Group's acquisition of Baltimore Scrap Corporation was completed during the period with no adjustments to the acquisition accounting reported in the 30 June 2024 financial statements.

# Notes to the Condensed Consolidated Financial Report

## Note 11 - Discontinued Operations

The UK Metal business has been classified within discontinued operations in the financial statements.

The results of the discontinued operations included in the profit for the half year are set out below. The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current financial half year. Results for the half year ended 31 December 2024 represent three months trading (31 December 2023: six months).

| | HALF YEAR ENDED 31 DECEMBER | |
|---|---|---|
| | 2024 A$M | 2023 A$M |
| Revenue | **491.4** | 608.8 |
| Other income | **0.9** | 5.0 |
| Raw materials and changes in inventory | **(388.2)** | (459.0) |
| Freight expenses | **(40.2)** | (59.0) |
| Employee benefits expense | **(20.2)** | (39.5) |
| Depreciation and amortisation expense | **(8.5)** | (13.5) |
| Repairs and maintenance expense | **(4.6)** | (9.3) |
| Other expenses | **(43.3)** | (60.1) |
| Finance costs | **(6.6)** | (5.6) |
| (Loss) for the period before tax | **(19.3)** | (32.2) |
| Income tax expense | **–** | – |
| (Loss) for the period | **(19.3)** | (32.2) |
| Loss on sale of business | **(2.1)** | – |
| (Loss) for the period from discontinued operations | **(21.4)** | (32.2) |
| | | |
| Net cash inflow from operating activities | **70.3** | 1.9 |
| Net cash outflow from investing activities | **(4.1)** | (17.8) |
| Net cash outflow from financing activities | **(5.2)** | (5.2) |
| Net increase/ (decrease) in cash generated by the discontinued operations | **61.0** | (21.1) |

## Note 12 - Interest in other entities

### Joint ventures

| | | | OWNERSHIP INTEREST % | |
|---|---|---|---|---|
| Name | PRINCIPAL ACTIVITY | COUNTRY OF INCORPORATION | HALF YEAR ENDED 31 DECEMBER 2024 | YEAR ENDED 30 JUNE 2024 |
| SA Recycling, LLC ("SAR") | Recycling | US | **50** | 50 |
| Richmond Steel Recycling Limited | Recycling | Canada | **50** | 50 |
| Rondout Iron & Metal Company LLC | Recycling | US | **50** | 50 |
| KDC Global, Inc. | Recycling | US | **49** | 49 |
| Kariyarra Sims Recycling Pty Ltd | Recycling | Australia | **50** | 50 |
| Ngardimu Pty Ltd | Recycling | Australia | **50** | 50 |

### Movements in carrying amounts of joint ventures

| | SAR<br>A$M | OTHER<br>A$M | TOTAL<br>A$M |
|---|---|---|---|
| Balance at 1 July 2024 | **564.1** | **20.8** | **584.9** |
| Share of results | **47.5** | **(1.9)** | **45.6** |
| Dividends Received | **(22.9)** | **—** | **(22.9)** |
| Other | **—** | **0.3** | **0.3** |
| Foreign exchange differences | **45.4** | **0.7** | **46.1** |
| Balance at 31 December 2024 | **634.1** | **19.9** | **654.0** |

# Notes to the Condensed Consolidated Financial Report

## Note 13 - Contingencies

The Group has given guarantees in respect of the performance of contracts entered into in the ordinary course of business. The amounts of these guarantees provided by the Group, for which no amounts are recognised in the condensed consolidated financial statements, as at 31 December 2024 was $58.4 million (30 June 2024: $38.9 million).

## Note 14 - Borrowings

In December 2023, the Group renewed its loan facilities. The unsecured global multi-currency/multi-option loan facilities remain unchanged (at current currency) and were $1,070.7 million at 31 December 2024 (30 June 2024: $1,030.0 million), with other terms and conditions substantially consistent. This renewal extended the maturity dates of the Group's borrowing facilities by an additional two years, from 31 October 2024 to 31 October 2026.

## Note 15 - Fair Value Measurement

The carrying amounts and estimated fair values of the Group's financial assets and liabilities are materially the same.

The fair value of financial instruments traded on active markets (such as publicly traded derivatives and investments in marketable securities) is based on quoted market prices at the reporting date. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (such as forward foreign exchange contracts) is determined using readily observable broker quotes. These instruments are included in level 2.

There were no transfers between levels during the period.

***Valuation of financial assets and liabilities***

Financial instruments carried at fair value are classified by valuation method using the following hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Note 16 - Subsequent Events

There has not been any matter or circumstance, other than that referred to in the Interim financial reports or notes thereto, that has arisen since the end of the financial period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

# Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 27 to 40 are in accordance with the Corporations Act 2001, including:

i. complying with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

ii. giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half year ended on that date, and

(b) there are reasonable grounds to believe that Sims Limited will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the directors.

P Bainbridge
Chairperson
Sydney
25 February 2025

S Mikkelsen
Managing Director and Group CEO
Sydney
25 February 2025

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# Independent Auditor's Review Report to the members of Sims Limited

## Report on the Half-Year Financial Report

*Conclusion*

We have reviewed the half-year financial report of Sims Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2024, and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 22 to 41.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 Review of a *Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

*Directors' Responsibilities for the Half-year Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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*Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU

Samuel Vorwerg
Partner
Chartered Accountants
Sydney, 25 February 2025