

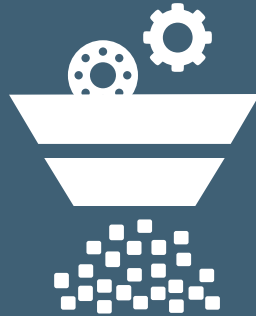
A webcast of Sims Investor Strategy Day Presentation can be viewed live at
<https://edge.media-server.com/m6/go/sims-investor-strategy-day-0419/>
or on demand following the event at
<http://streamit.webcastcloud.com.au/Mediasite/Catalog/catalogs/2019simsinvestorday>

9 April 2019





Technology



Product



Sales Diversity



Policy

Sims Investor Strategy Day

Non-Ferrous Market Update

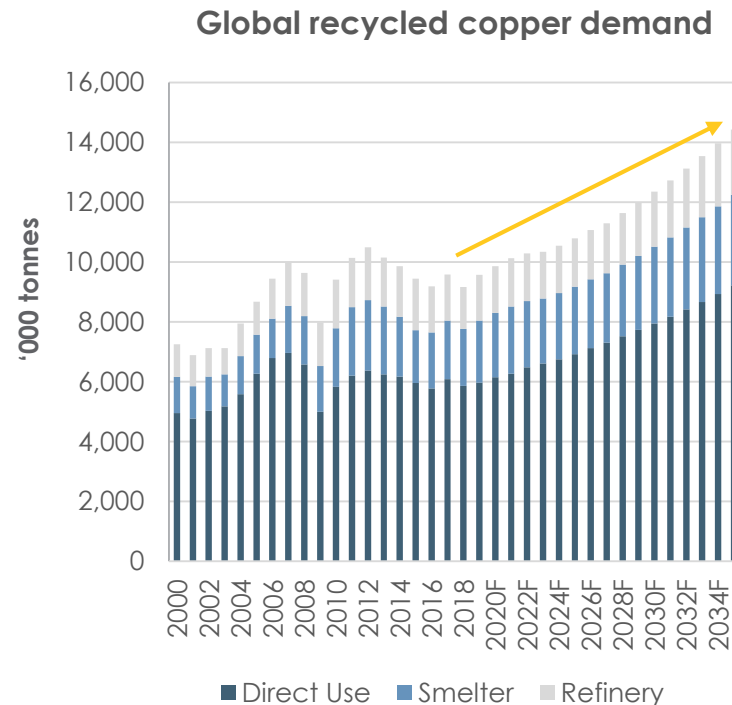
9 April 2019



Global demand for recycled copper

Forecast to grow driven by development of power grids and electric vehicles

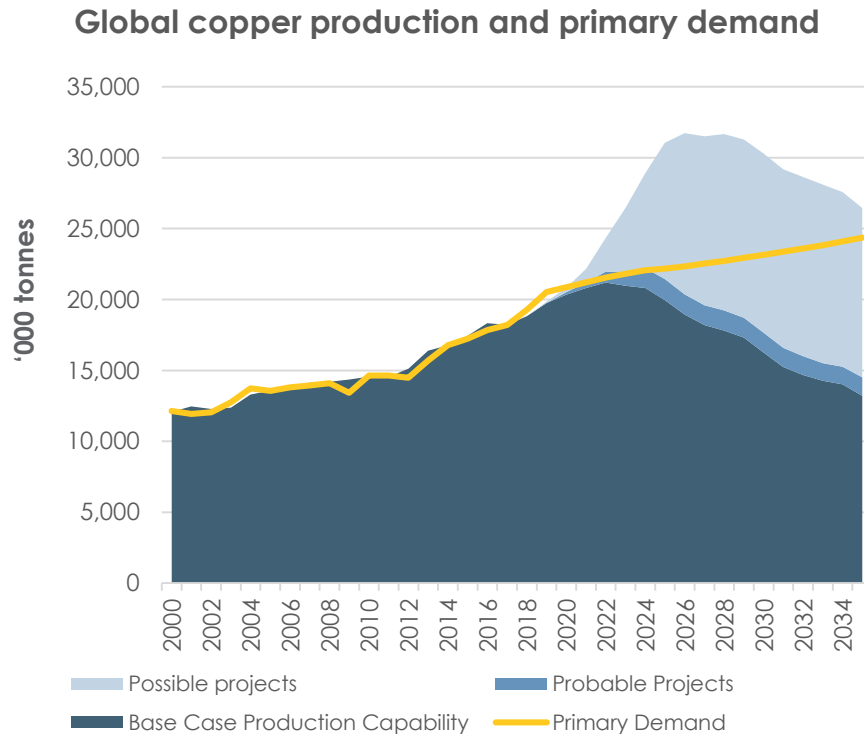
- In 2018 1.3 million tonnes of 2.8 million tonnes global secondary copper smelter capacity is located in China¹
- Primary copper smelters are considering more recycled copper in their processes
- Dismantling capacity outside China is increasing both at source and in Asia
- Remelt capacity outside China is increasing with many companies building contingency plans to establish plants in Asia if Category 6 quotas are reduced



Global supply of copper ore

More than 12 million tonnes of additional supply required by 2035¹

- Under-investment in new copper ore capacity mean more than 12 million tonnes of additional supply is required by 2035¹
- It can take ~10 years for a copper ore mine to produce
- It is estimated that the copper required for an²:
 - Electric vehicle is ~80kg
 - Electric bus is ~300kg



1. Wood Mackenzie
2. Copper Development Association Inc.

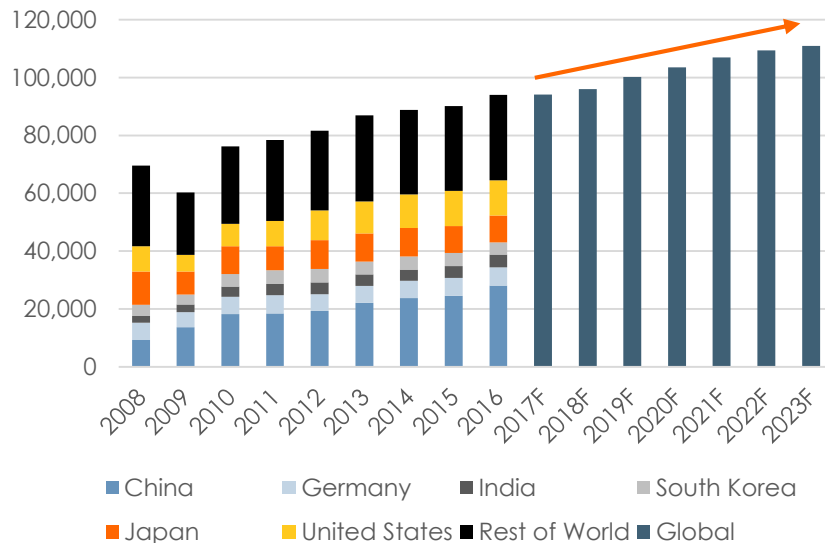


Global demand for recycled aluminium

Forecast to grow next 5-10 years driven by auto, packaging and construction

- Three main sectors consume large volumes of recycled aluminium
 - Auto
 - Packaging
 - Construction
- Aluminium is the second most used material in the auto industry and its use is increasing

Commercial and Passenger Vehicle Production



China Policy

Thinking ahead, delivering and creating optionality

Sims thinking ahead

- Sims technology creating high quality furnace ready product
- Developed network of customers and partners who have/are setting up “re-melt facilities”
- Long history of supplying smelters/refiners
- Strong record of importing quality materials into different geographies
- Diversified sales to customer type and geographic regions
- Continuing R&D where there is customer demand

Demand outlook

- Forecast demand for recycled copper and aluminum expected to grow

Market options if China reduces Category 6 imports

- Recycled metals potentially processed in alternate markets before shipping to China
- Re-melt facilities are cheap and easy to build and they are already being built
 - Ye Chiu (Chinese company) doubling capacity in Malaysia
 - Daiki (Japanese company) building a facility in India
- Many copper semis producers have identified where they would re-melt recycled metal

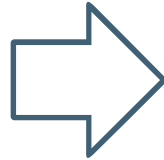


Sales diversification

Utilise strengths to grow non-ferrous sales in new geographies

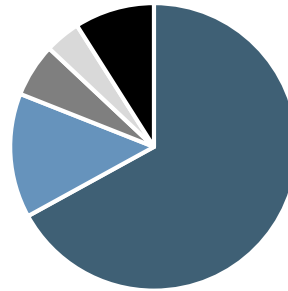
Sims Advantages

- Global trading function and expertise across all regions
- Engineering and Technology expertise to create better quality and diversified product
- Strong record of importing quality materials into different geographies



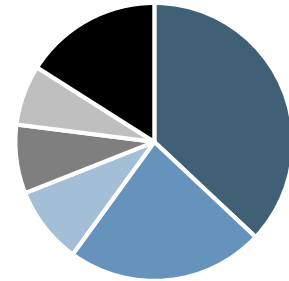
Diversity of customer type and geographic location

Non Ferrous Export Sales
Volume 1H18



■ China ■ India ■ Korea ■ Pakistan ■ Other

Non Ferrous Export Sales
Volume 1H19



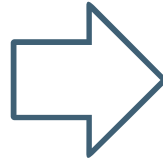
■ China ■ India ■ Malaysia
■ Korea ■ Pakistan ■ Other



Product diversification

Insulated copper wire converted to furnace ready product

Insulated copper wire product
China classification of Category 7



Copper chop product
China classification of Category 6

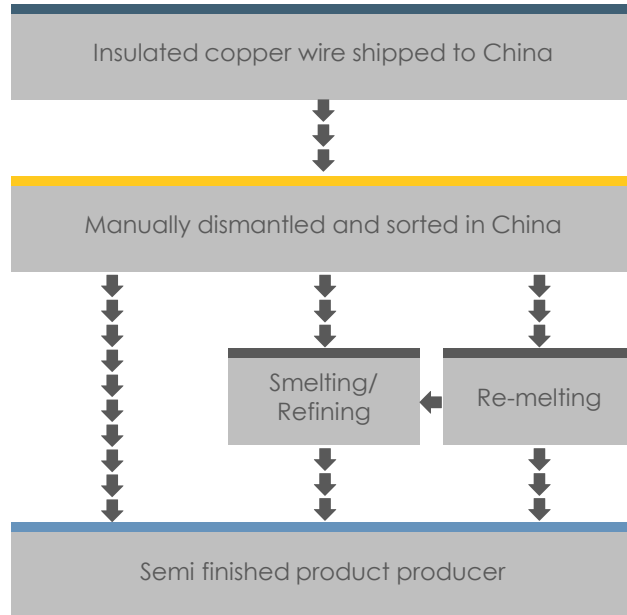


Furnace ready copper chop

Removes manual processing in China and ICW plastic waste not imported

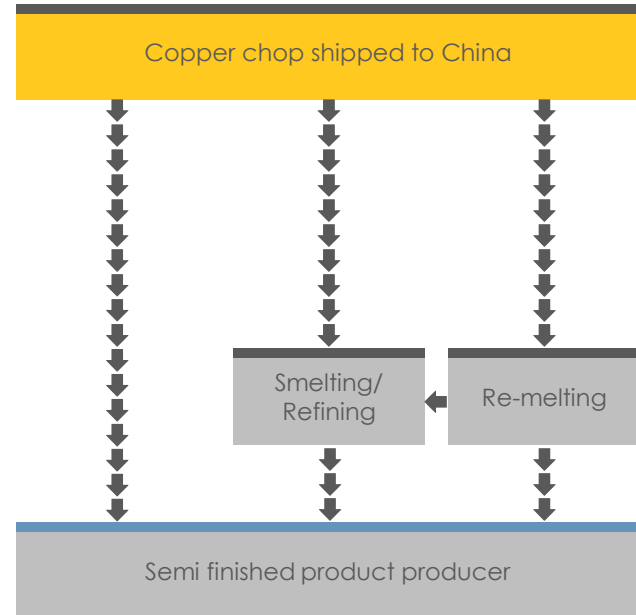
Simple flow of Copper materials

Sims sells Insulated Copper Wire



Simple flow of Copper materials

Sims sells Copper Chop



Note- Liquid markets for copper chops exist in other Asian, Europe, and North American countries.



Environmental drivers

Furnace ready recycled metal assists China to achieve it's goal

China policy

- **National Sword**¹
 - Announced in July 2017 to the World Trade Organisation
 - Aimed to stop the illegal smuggling of foreign waste into China, targeting dirty or hazardous waste mixed in the solid waste that can be used as raw material
- **Blue Sky**²
 - Announced in March 2018
 - Broad environment policy aimed to improve air, water and soil quality

Sims & recycled metals contribute positively

- **Sims Reputation**
 - Strong record of importing quality materials without waste into China
 - Produces 99% metallic zorra, furnace ready high grade copper and furnace ready twitch, red/grey heavy
- **Aluminium**³
 - Energy saved using recycled aluminium vs. virgin materials is up to 95%
- **Copper**⁴
 - Energy saved using recycled copper vs. virgin materials is up to 85%

1) World Trade Organisation
2) Chinese Government
3) ISRI (Institute of Scrap Recycling Industries Inc)
4) BIR (Bureau of International Recycling) Report on the environmental benefits of recycling





Purpose



Grow



Preserve



Invest

Sims Investor Strategy Day

Australia & New Zealand (ANZ) Metals

9 April 2019



Business Overview

Market leader with stable earnings growth and strong returns

- Largest metals recycler in Southern Hemisphere
- 50 facilities across Australia, New Zealand, and Papua New Guinea
- Track record of stable earnings growth and strong investment returns
- \$1.1 billion in revenue (FY18)
- \$126 million in EBITDA (FY18)

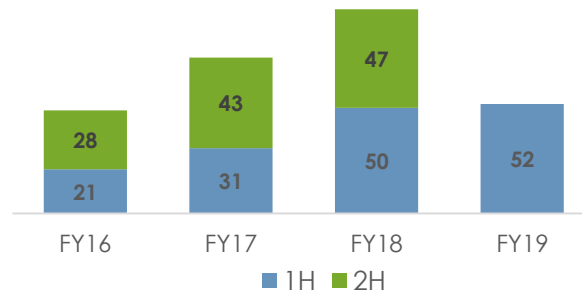
A\$m (ex-recharges)	FY16	FY17	FY18
Revenue	743.6	981.4	1,071.0
Underlying EBITDA ¹	75.6	102.4	126.2
Underlying EBIT ¹	48.7	73.8	96.9
Sales volume	1,418	1,656	1,696
EBIT margin ² (A\$/t)	35	48	61
ROC ³	9.2%	12.3%	15.7%

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

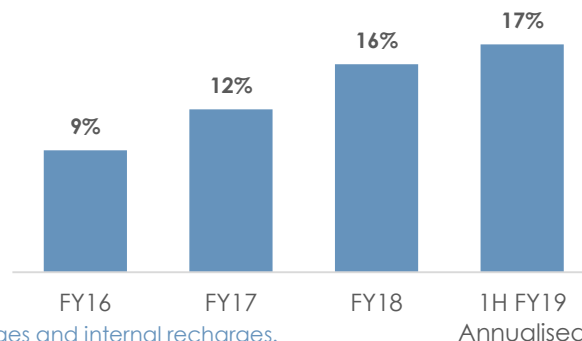
2) Calculated with proprietary sales volumes.

3) Return on Capital = (Underlying EBIT – Tax at tax rate of 30%) / (Net Assets).

Underlying EBIT (A\$m)

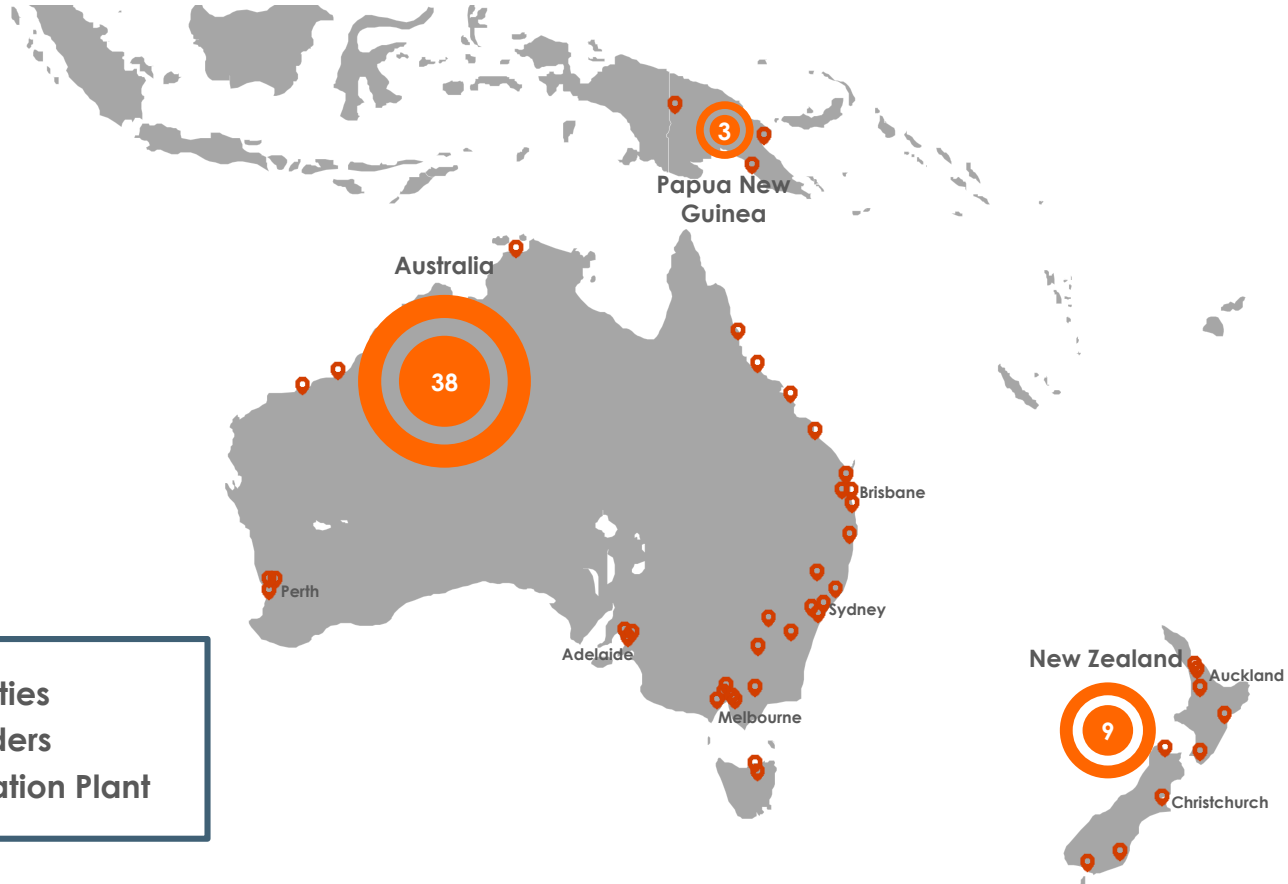


Return on Capital³ (%)



Business Overview

50 recycling facilities across Australia, New Zealand, and Papua New Guinea

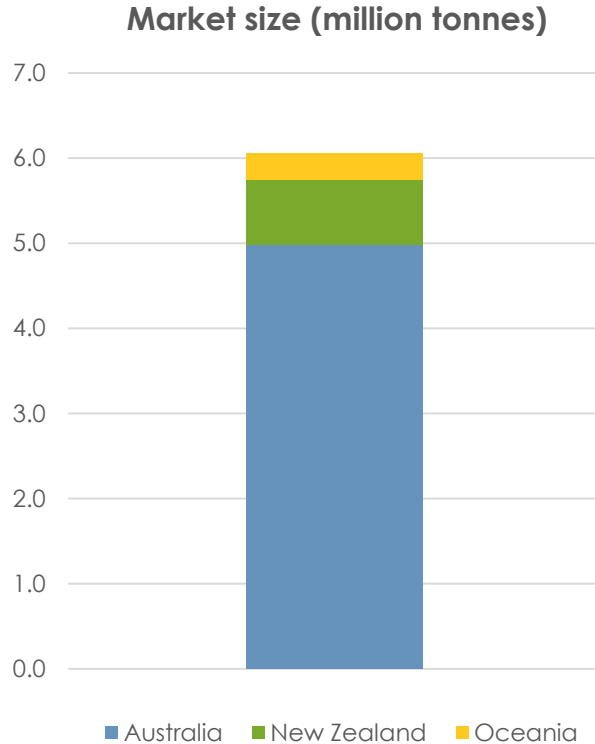


50 Facilities
7 Shredders
1 Zorba Separation Plant

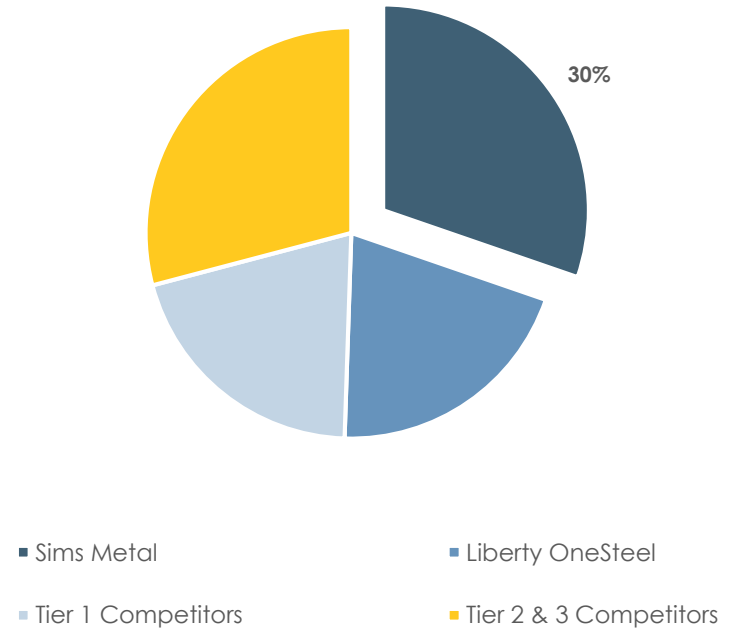


ANZ Market

Leading market share, with further capacity to grow



Estimated Australian market share by volume



Conclusion

Strong returns with further opportunity to grow

- Market leader with a history of stable earnings growth and strong returns
- Competitive advantages in both technology and customer reach:
 - In-house engineering team and first to market in technology implementation
 - Facilities nation-wide to service both large-scale suppliers & customers
- Leading market share, but potential to further grow volumes:
 - Greenfield & brownfield expansion in under-represented markets
 - Targeted bolt-on acquisitions
- Management depth and experience to drive growth strategy as well as continuous improvement programs on existing operations





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ANZ Metals

Zorba Separation Plant

9 April 2019



Zorba Separation Plant

Solution to upgrade all Australian Zurik & Zorba to furnace-ready products

Project Summary

- National facility to upgrade all Sims Australia's Zorba and Zurik into smelter ready products
- First of its kind in the Southern Hemisphere
- Operational in April 2019

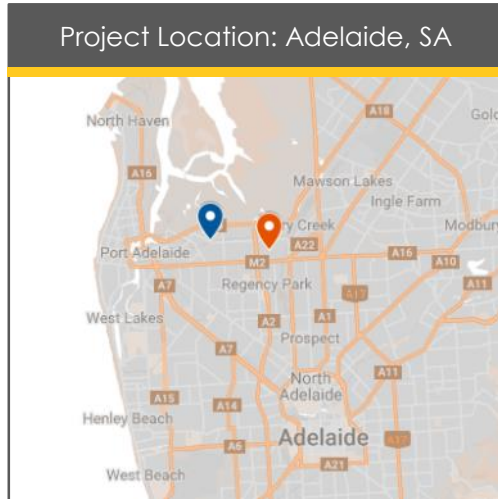
Key Benefits

- Solution to future demand uncertainty for semi-processed mixed metals
- Potential for increased non-ferrous sales to domestic customers previously not possible
- Ability to extract greater margins per tonne of non-ferrous shred recovery material
- Opportunity to process e-waste
- Capacity to process future 3rd party volumes



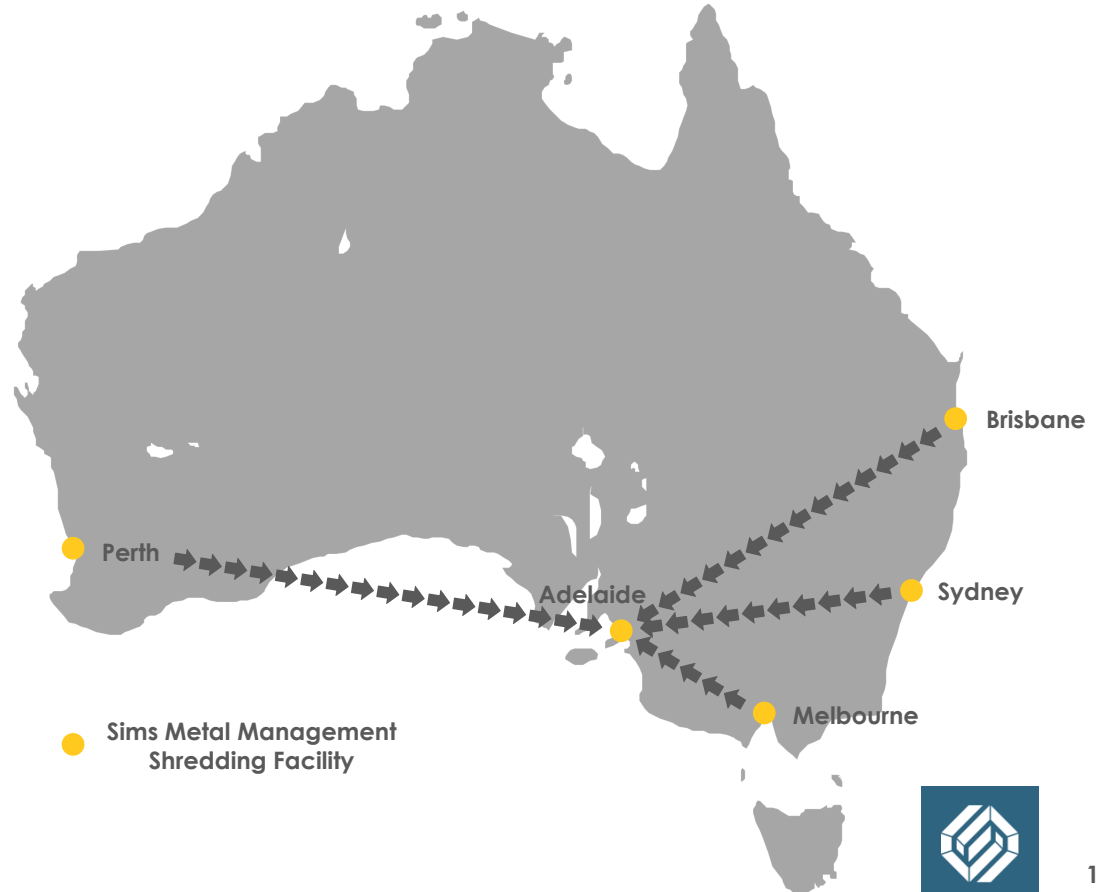
Zorba Separation Plant

Central location to service all five Australian shredders



 Shredding Facility (Gillman)

 Zorba Separation Plant



Zorba Separation Plant

Solution maximises current capabilities and future technology adaptations

- **July 2018:** Acquisition of recently installed 3,000HP shredder in Adelaide, SA
 - Shredder re-purposed to re-shred zorba and zurik for fine granulation / separation
 - Acquisition significantly reduced the time required implement solution
- **August 2018 to April 2019:** Design and construction of down-stream sorting equipment
 - Newest technology utilising four separation sorting technologies; inductive sensors, laser modules, colour cameras, and x-ray
- **April 2019 to December 2019:** Modification of Australia's five MRPs to create twitch locally



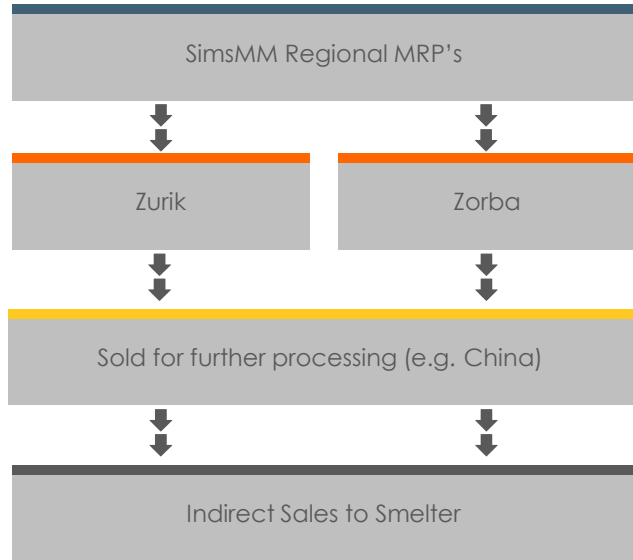
Existing 3,000HP shredder, acquired and repurposed for Zorba Separation Plant



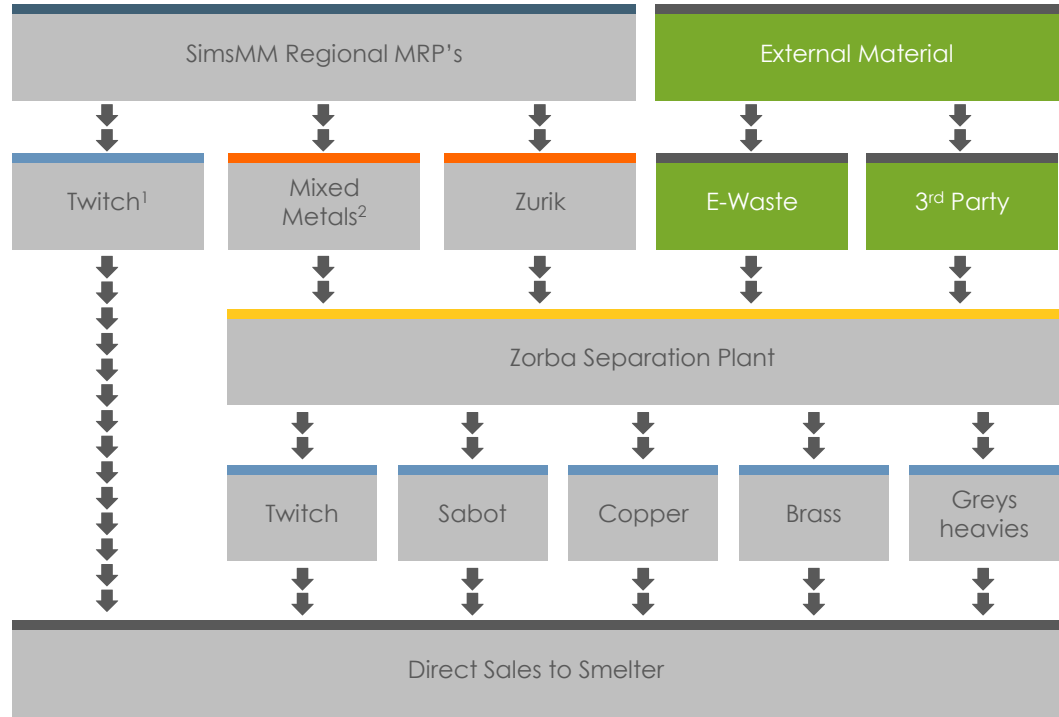
Zorba Separation Plant

Direct to smelter sales for all products with capacity to process new materials

Old Process



New Process



1) Smelter-ready aluminium product generated by local sorting enhancements.

2) Residual aluminium-based material, not directly upgraded into twitch.



Zorba Separation Plant

Enables product, customer and geographic diversity

- Ability to **upgrade all Australian Zurik & Zorba** to furnace-ready products
 - Solution to uncertainty of future demand for semi-processed mixed metals
 - Potential for increased non-ferrous sales to domestic customers
- **Expanded capacity** to process new materials
 - Capacity to process future 3rd party Zorba and Zurik
 - Non-traditional materials including e-waste and co-mingled metals
- Ability to **extract greater margins** per tonne
 - Direct to smelter sales removes weakening margins for semi-processed materials
 - Greater value-in-use to assist in placing products to targeted consumers
- Single-centralised location provides **future optionality** to implement new technologies quicker and at lower cost

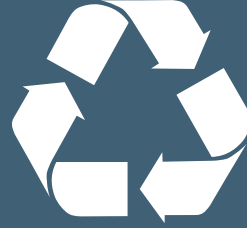




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ANZ Metals

Site Tour

9 April 2019



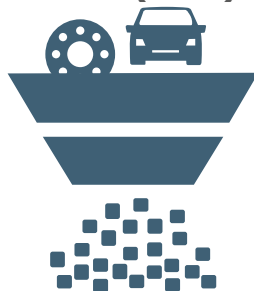
Material Recovery Process

Enables the creation of furnace ready product

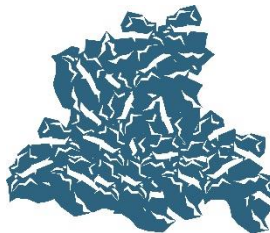
In-feed



Shredder &
Material Recovery
Plant (MRP)



Output



Zorba

Zurik

Ferrous shred

Zorba Separation
Plant



Output

Twich	Aluminium Al
Red heavies	Copper Cu
Grey heavies	Mixed
Sabot	Stainless steel S

Shredding facility - Gillman

Zorba Separation Plant

