



ASX & MEDIA RELEASE

**(ASX: SGM, USOTC:
SMSMY)**

11 September 2023

Update On Market Conditions

Sims Limited (the "Company") today provides the following update on market conditions.

On 15 August 2023, the Company stated that steel demand remained subdued, and the scrap price did not appear to be sufficient to stimulate robust scrap supply. The company further noted that competition for scrap remained strong, but inflow was subdued, and this was squeezing margins. The company faced these challenges across all regions, with some regions experiencing more pronounced effects than others.

This statement was based on Q4FY22 trends, July management accounts, and an early understanding of August trends.

August management accounts are now nearing completion and, when combined with September trends, it is clear that weak market conditions have not abated. Furthermore, the previously resilient US domestic market is showing signs of weakening.

As a result of these market conditions, the Company anticipates Q1 FY24 EBIT to be approximately breakeven, subject to usual market dynamics including timing of shipments and the final purchase price for scrap to fulfill those shipments.

While acknowledging the current challenging market conditions, the Company remains confident in the medium and long-term fundamentals of the business. This confidence is grounded in the following factors that will drive medium to long-term demand for recycled metal:

- Metal-intensive infrastructure spending;
- Global decarbonisation of steelmaking, including the growth of Electric Arc Furnaces; and
- The electrification of products that are currently carbon intensive.

Authorised for release by: The Board of Sims Limited

About Sims Limited

Founded in 1917, Sims Limited is a global leader in sustainability and an enabler of the circular economy that employs 4,400 employees who operate from more than 200 facilities across 15 countries. The Company's ordinary shares are listed on the Australian Securities Exchange (ASX: SGM) and its American Depositary Shares are quoted on the Over-the-Counter market in the United States (USOTC: SMSMY). Our purpose, create a world without waste to preserve our planet, is what drives us to constantly innovate and offer new solutions in the circular economy for consumers, businesses, governments and communities around the world. For more information, visit www.simltd.com.

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