



Yesterday



Today



Tomorrow

Financial Results

Full year ended 30 June 2018

24 August 2018



Disclaimer

The material contained in this document is a presentation of information about the Group's activities current at the date of the presentation, 24 August 2018. It is provided in summary form and does not purport to be complete. It should be read in conjunction with the Group's periodic reporting and other announcements lodged with the Australian Securities Exchange (ASX).

To the extent that this document may contain forward-looking statements, such statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release.

This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.



Agenda

- **Results Overview**
Alistair Field, Group CEO
- **Financial Results**
Stephen Mikkelsen, Group CFO
- **Summary & Outlook**
Alistair Field, Group CEO



FY18 Highlights:

Continued strong growth and earnings

Significant improvement in underlying earnings, return on capital and dividends

- Underlying EBIT of \$279.2 million, up 53.1% over prior year
- Underlying NPAT of \$192.1 million, up 60.0% over prior year
- Underlying Return on Capital of 10.3%¹
- Dividends related to FY18 of 53 cents per share, up 32.5%² over prior year

Initiatives delivering to the bottom line

- Completed internal initiatives added \$43.0 million to underlying EBIT in FY18, on track to achieve the \$60.0 million target
- FY18 capex spend of circa \$80.0 million on value-adding and high-return projects
- Acquisition net spend of \$94.7 million including Morley and Sims Pacific Metals JV (50%)

Strong balance sheet

- \$298.1 million in net cash as at 30 June 2018
 - After funding acquisitions, significant growth capex and cash dividend payments

1) Return on Capital = (underlying EBIT – Tax at tax rate of 30%) / (Net Assets + Net Debt)

2) Excludes 10.0 cents per share Special Dividend in FY17



Summary of Financial Outcomes:

Earnings and volume increased; achievement of return on capital target

Sales Revenue
\$6,448.0 million



FY17
\$5,079.4 million

+26.9%

Sales Volumes
9.86 million tonnes



FY17
8.70 million

+13.3%

Underlying¹ EBITDA
\$396.4 million



FY17
\$294.7 million

+34.5%

Net Cash
\$298.1 million (30 June 2018)



30 June 2017
\$373.0 million

-20.1%

Underlying¹ EBIT
\$279.2 million



FY17
\$182.4 million

+53.1%

Underlying Return on Capital¹
10.3%



FY17
8.0%

+28.8%

Underlying¹ NPAT
\$192.1 million



FY17
\$120.1 million

+60.0%

Final Dividend
30.0 cents per share (100% franked)



FY17²
20.0 cents per share (100% franked)

+50.0%

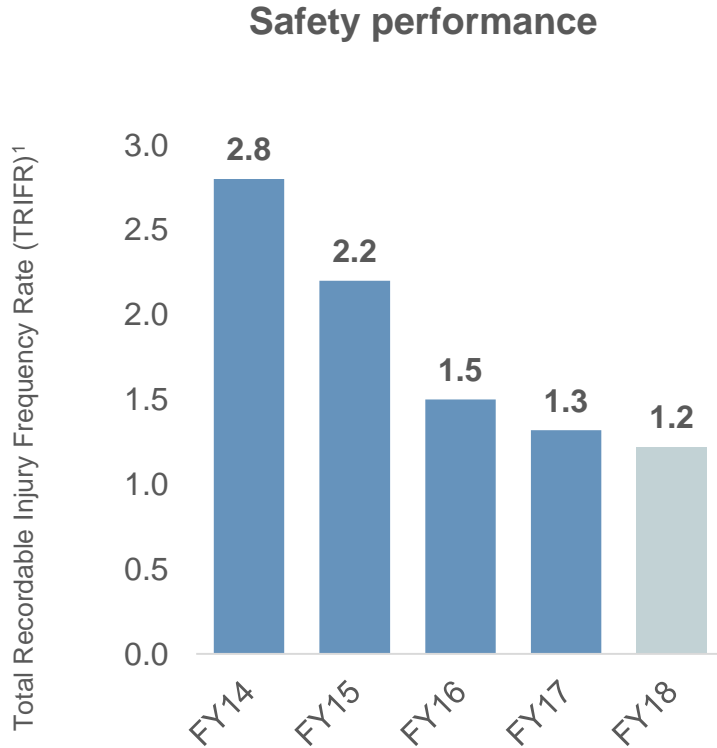
1) Underlying earnings excludes significant non-recurring items

2) Excludes 10.0 cents per share Special Dividend



Employee Health & Safety:

Safety first



- Safety remains our most important priority for both our employees and the community
- FY18 was the safest year in our Company's history in both injury rates and severity of injuries
- By FY20 the Company is targeting a TRIFR of 1.0
- Total Days Away From Work in FY18 reduced 14.4% from 563 to 482
- Focus is continuing on utilising risk assessments to eliminate all high risk activities

1. Defined as total recordable injuries x 200,000 divided by number of hours worked

Sustainability:

Core to our business and the way we do business

Risks to our business from climate-change

- Extreme weather events impacting port facilities and transportation
- Certainty of electricity supply during high demand events
- Health & safety of employees operating in extreme heat or cold

Integrated into strategy, safety, culture and operations

- Continue to embed culture of safety within organisation
- Capex approvals >\$5 million need to consider impacts of climate-change
- Measuring and managing the efficient use and recovery of resources:
 - Water consumption per output tonne
 - Electricity consumption per output tonne
 - Waste per input tonne



Performance by Business:

North America and ANZ Metals drive strong earnings growth

North America Metals

- Underlying EBIT of \$80.3 million, up 74.2% over prior year
- Sales volume growth of 18.7% over the prior year, driven by strong export sales up 35.0%
- Robust US economy resulted in cost pressures on labour and transport
- Rising volumes and higher metal prices supported metal margins
- Sims Municipal Recycling near breakeven underlying EBIT compared to \$8.1 million for the prior year -largely due to a collapse in paper price

Australia & New Zealand Metals

- Underlying EBIT of \$83.4 million, up 33.0% over prior year
- Sales volume growth of 2.4%
- Rising metal prices contributed to improved margins
- Successful acquisition of remaining 50% interest in Sims Pacific Metals

Europe Metals

- Underlying EBIT of \$20.1 million, down 43.2% over prior year
- Sales volume growth of 6.3% over prior year
- Competitive dynamics compressed metal margins
- Morley integration on track

Global E-Recycling

- Underlying EBIT of \$24.8 million, up 24.0% over prior year due to strong second half performance
- Better performance in the US, but ongoing margin pressure in Continental Europe

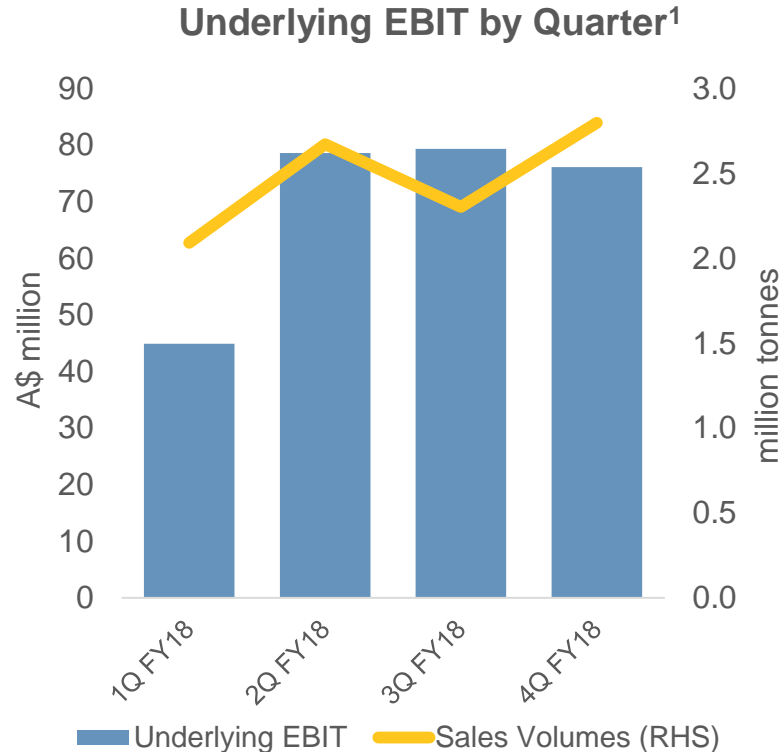
JVs

- SA Recycling underlying EBIT of \$68.5 million, up 124% over prior year when normalising for acquisitions. Strong volume and price improvement
- LMS underlying EBIT of \$10.5 million, up 14% over prior year



Underlying EBIT by Quarter:

Business resilience evidenced by strong EBIT Q2 through Q4 performance



- Relatively slow start to 1QFY18 contributed to a strong H2 vs H1 EBIT split
 - Consistent EBIT Q2 through Q4 performance despite some volatility in sales volumes
- China ban on category 7 imports effective January 2018 had little impact on overall sales
- Trade tensions emerged in second half:
 - US steel tariffs on China and Turkey
 - Retaliatory tariffs by China on aluminium
 - One month suspension on inspections by China on US exports

1) Underlying earnings excludes significant non-recurring items



Yesterday



Today



Tomorrow



Financial Results

Stephen Mikkelsen, Group CFO



Group Financial Performance:

All key financial metrics showed strong improvement

A\$m	FY17	FY18	% Chg
Sales revenue	5,079.4	6,448.0	26.9
Statutory EBITDA	313.5	395.8	26.3
Underlying EBITDA	294.7	396.4	34.5
Statutory EBIT	201.2	278.6	38.5
Underlying EBIT	182.4	279.2	53.1
Statutory NPAT	203.6	203.5	-0.0
Significant items	(83.5)	(11.4)	-86.3
Underlying NPAT	120.1	192.1	60.0
Statutory EPS (diluted)	101.6	98.7	-2.9
Underlying EPS (diluted)	59.9	93.2	55.6
Dividend per share ¹ (cents)	40.0	53.0	32.5
Total Invested Capital	1,594.6	1,890.6	18.6
Underlying ROC²	8.0%	10.3%	28.8

- Sales revenue was 26.9% above FY17 due to higher volumes, and ferrous and non-ferrous prices
- Underlying EBITDA was up 34.5% over FY17 due to higher volumes and metal margins
- Underlying EBIT of \$279.2 million included a \$2.7 million adverse impact from exchange rates
- Statutory tax rate of 24.5% and underlying tax rate of 27.6%
- Underlying NPAT of \$192.1 million, up 60.0% over FY17
- Underlying EPS of 93.2 cents per share was 55.6% above FY17 as higher earnings offset impact for shares issued under long-term incentive plans
- Total dividend of 53.0 cents per share, fully franked
- 10.3% underlying Return on Capital delivered on the five-year strategic plan

1) Excludes 10.0 cents per share 2017 Special Dividend

2) Return on Capital = (underlying EBIT – Tax at effective tax rate of 30%) / (Net Assets + Net Debt)



Business Segment Financial Performance:

Excellent segment performance with the exception of European Metals

Underlying EBIT (A\$m)	FY17	FY18	Chg %
North America Metals	46.1	80.3	74.2
ANZ Metals	62.7	83.4	33.0
Europe Metals	35.4	20.1	(43.2)
Global E-Recycling	20.0	24.8	24.0
SA Recycling	26.3	68.5	160.5
Corporate & Unallocated	(8.1)	2.1	NMF
Underlying EBIT	182.4	279.2	53.1

Sales volumes (million tonnes)	FY17	FY18	Chg %
North America Metals	5.45	6.47	18.7
ANZ Metals	1.66	1.70	2.4
Europe Metals	1.59	1.69	6.3
Sales volumes	8.70	9.86	13.3

Intake volumes (million tonnes)	FY17	FY18	Chg %
North America Metals	5.34	6.60	23.6
ANZ Metals	1.61	1.67	3.7
Europe Metals	1.57	1.70	8.3
Intake volumes	8.52	9.97	17.0

- North America Metals underlying EBIT of \$80.3 million
 - Improved metal spreads due to rising prices and greater metal processing yields
 - Strong sales volumes
 - 112% increase excluding Municipal Recycling
- ANZ Metals underlying EBIT of \$83.4 million
 - Earnings driven by improved metal spreads due to rising prices
- Europe Metals underlying EBIT of \$20.1 million
 - Decline in metal margins from strong competition for input volumes more than offset higher sales volumes
- E-Recycling underlying EBIT of \$24.8 million
 - Strong performance in US partially attributable to resetting plan
- SA Recycling underlying EBIT of \$68.5 million
 - 124.0% increase after normalising for acquisitions
- Sales volumes improved 13.3% over FY17
 - Driven by significant improvement in North American Metals including brokerage volumes



Product Segment Sales Volumes:

Adjusted underlying volumes meaningfully improved

Sales volumes (million tonnes)	FY17	FY18	Chg %
North America Metals	5.45	6.47	18.7
less divested operations	(0.06)	-	-
less brokerage	(1.11)	(1.60)	44.1
North America Metals (adj.) ¹	4.28	4.87	13.8
ANZ Metals	1.66	1.70	2.4
Europe Metals	1.59	1.69	6.3
Sales volumes (adjusted)¹	7.53	8.26	9.7

Sales volumes (million tonnes)	FY17	FY18	Chg %
Ferrous Trading	7.01	7.71	10.0
less divested operations	(0.04)	-	NMF
Ferrous Trading (adj.) ¹	6.97	7.71	10.6
Non-Ferrous Trading	0.45	0.43	(4.4)
less divested operations	(0.02)	-	NMF
Non-Ferrous Trading (adj.) ¹	0.43	0.43	-
Brokerage	1.24	1.72	38.7
Sales volumes excluding divested operations	8.64	9.86	14.1

1) Adjusted volumes excludes divested operations and 3rd party brokerage sales

Sales Volumes by Region

- Total adjusted volumes grew by 9.7% in FY18
- Excluding brokerage and divested operations, North America volumes increased 13.8% over FY17
- Europe grew volumes by 6.3% in FY18

Sales Volumes by Product

- Ferrous trading volumes increased 10.6% over FY17
- Non-ferrous volumes were stable compared to FY17
- Brokerage volumes improved by 38.7%, primarily in North America



Cash Flow Statement:

Cash flow from earnings driving strong free cash flow

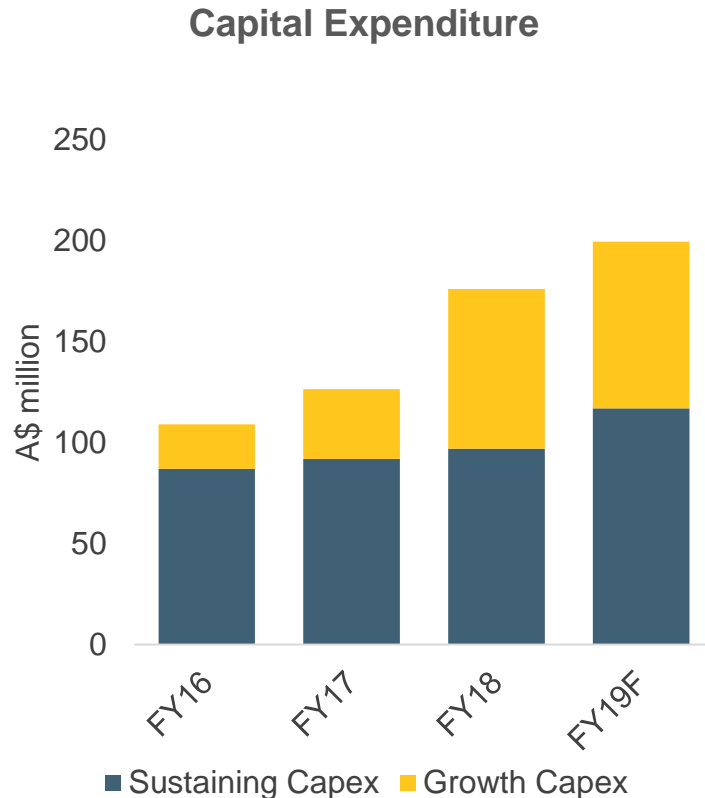
A\$m	FY17	FY18
Underlying EBITDA	294.7	396.4
Change in working capital	(9.9)	(28.9)
Net interest and tax paid	(26.7)	(66.6)
Equity result net of dividends received	(19.1)	(55.7)
Other non-cash items	27.4	6.9
Operating cash flow	266.4	252.1
Capital expenditure	(126.5)	(176.1)
Acquisitions, net of cash acquired	-	(94.7)
Proceeds from asset sales	63.2	9.3
Other cash flow from investing	0.3	(0.9)
Free cash flow	203.4	(10.3)
Dividends paid	(63.2)	(106.8)
Share buy-back	(13.4)	0.0
Proceeds from issue of ordinary shares	8.6	35.4
Net proceeds from borrowings	2.5	37.0
Other cash flow from financing	(2.0)	(2.2)
Cash flow	135.9	(46.9)

- Operating cash flow of \$252 million:
 - Higher underlying EBITDA
 - Higher tax payments due to lower tax benefits from previous North America operating losses compared to FY17
- Capex of \$176 million, up 39% from FY17
 - Key projects included National Sword initiatives and spend on two metal recovery plants (“MRP”s) in North America
 - Continued investment in separation technology for expanded sales channels in SRS businesses
- \$9 million in proceeds from asset sales
- Free cash flow of \$(10) million
 - \$50 million increase in capex
 - \$95 million spent on acquisitions
- \$107 million paid out in dividends



Capital Expenditure:

Capital allocation towards high returning opportunities

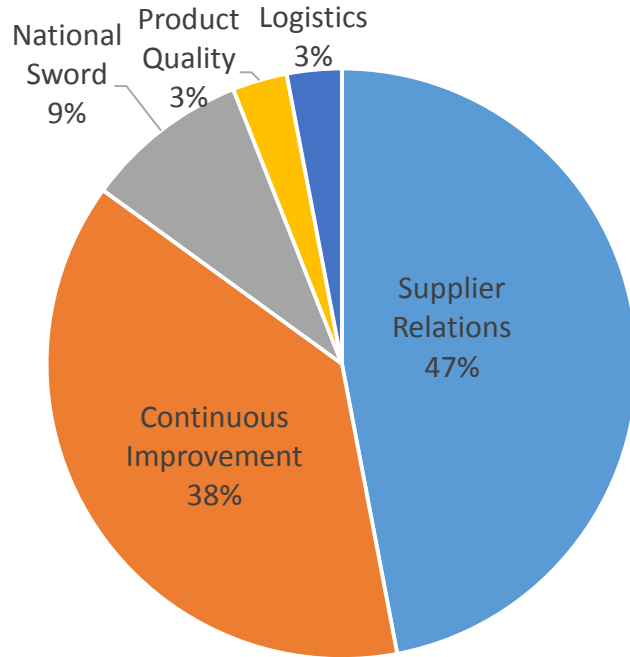


- Strong net cash balance of \$298 million as at 30 June 2018 supports growth initiatives
- Forecast total capex of \$200 million in FY19
 - \$58 million growth capex carried over from FY18
- Slightly higher allocation towards Sustaining Capex over Growth capex in FY19
- Growth Capex spending focused on projects with attractive expected returns
- Improved capability to focus on small opportunistic acquisitions
 - Low-risk bolt on acquisitions similar to Morley and Sims Pacific Metals
 - Attractive returns, low integration risk

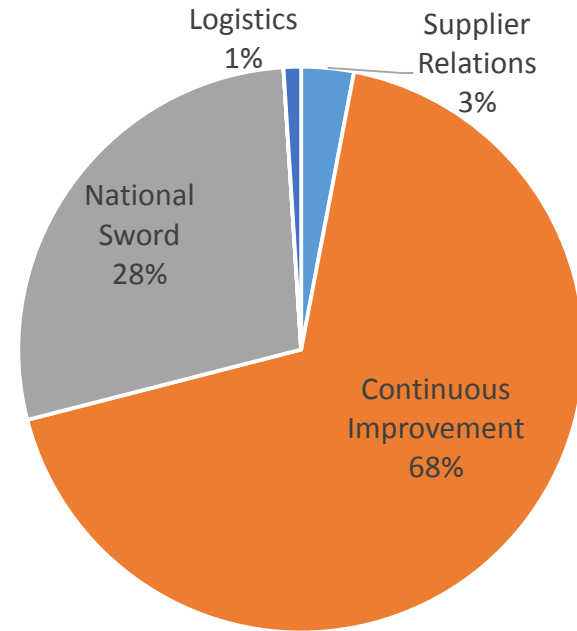
Internal Initiatives:

EBIT uplift of circa \$60 million by FY19

FY18A - \$43 million



FY19E - \$20 million





Yesterday



Today



Tomorrow



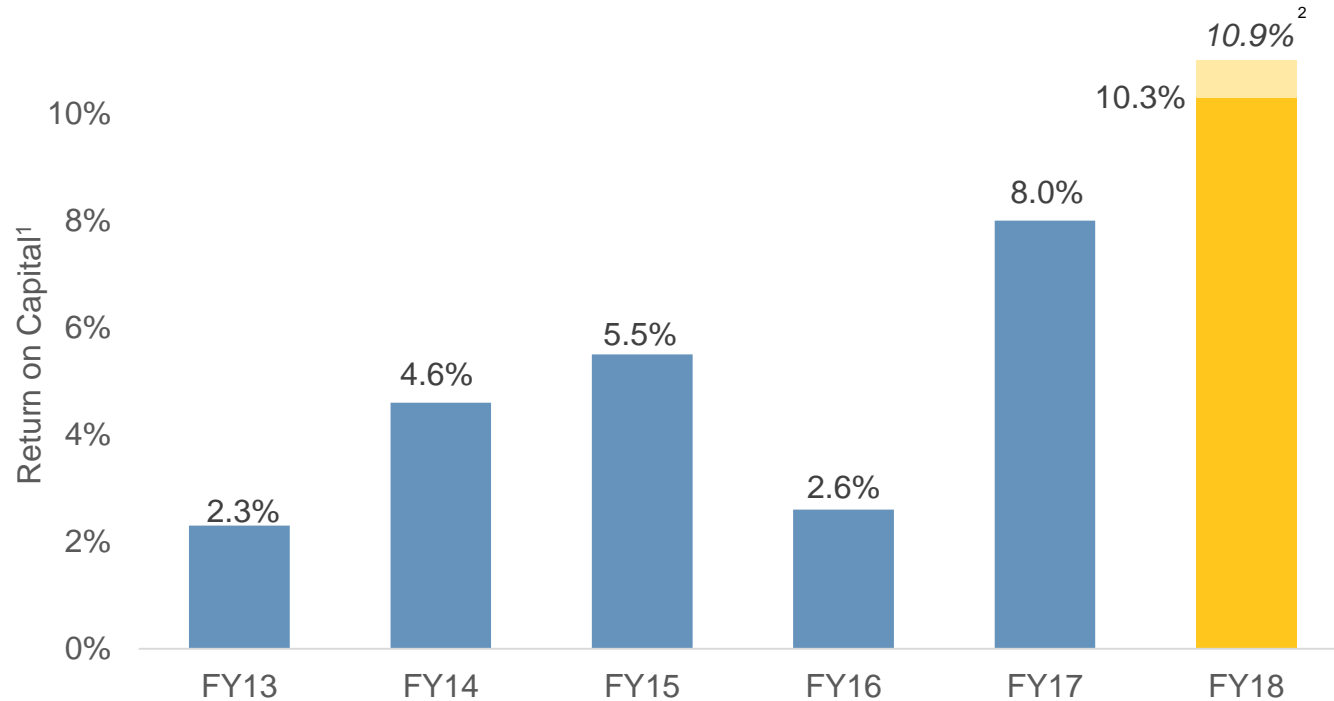
Strategic Progress & Outlook

Alistair Field, Group CEO



Return on Capital:

Five-year strategic target achieved



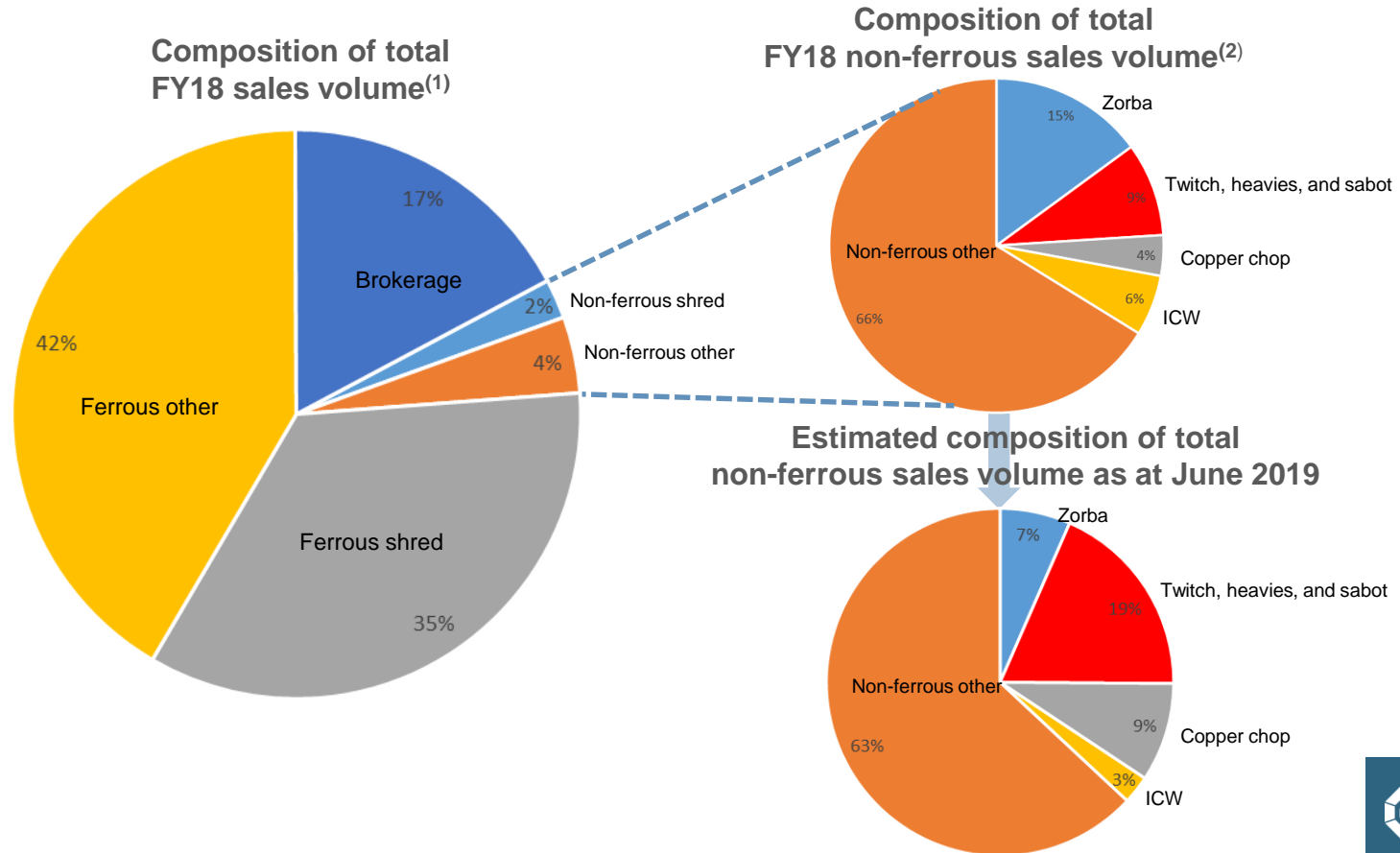
1) Return on Capital = (underlying EBIT – Tax at effective tax rate of 30%) / (Net Assets + Net Debt)

2) FY18 incremental component reflects Return on Capital at the Company's effective tax rate of 26% in FY19 onward



Moving Further Up the Value Chain:

Changing sales mix by product mitigates China's national sword initiative



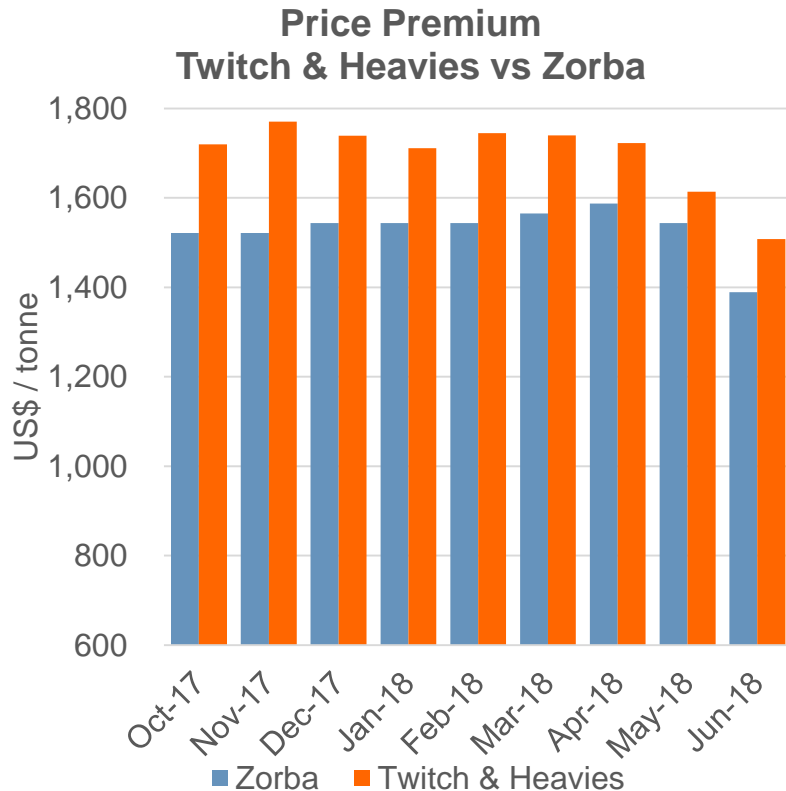
1) 9.86 million tonnes

2) 0.66 million tonnes



Non-Ferrous Pricing:

Twitch and heavies selling at a significant premium to zorba



- Zorba is composed primarily of aluminum as well as copper, brass, stainless steel, and other metals (“Red Heavies” and “Grey Heavies”)
- Our advanced and newly installed technology more finely separates these metals into Twitch (aluminium) and Heavies
- Selling these metals separately as Twitch, Red Heavies and Grey heavies, yields a significant price premium over Zorba
- Current price premium is circa US\$120/tonne



Turkey:

Global diversity and quality customers provides business resilience

Business continues with Turkey

- Currently providing scrap to Turkey
- Letters of credit are being opened and confirmed

Limited impact to Turkey from US steel tariffs

- Turkey currently exports approximately 7% of its steel production to the US¹

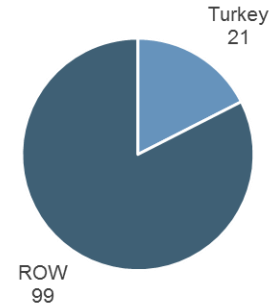
Alternative markets

- Scrap is a globally traded commodity
- Sims sells scrap to over 30 countries

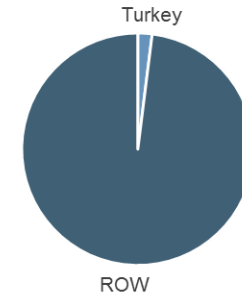
Expected impact

- Some downward pressure on steel and scrap prices
- Reduction in Turkey's domestic demand not significant to world production

International Steel Scrap Trade
2017 (m tonnes)



Turkey's steel demand vs World
Steel Production 2017



1) January-to-June 2018

FY19 Priorities:

Priorities balance growth with enhancing the existing business

Capital Projects

- Commissioning of investments in high-returning capital projects
- Continued disciplined approach to executing projects

Improving Capability

- People, culture and leadership
- Data management
- Safety
- Excellence in Sustainability technology

Continuous Improvement

- Develop Continuous Improvement methodology and discipline across all functions and operations
- Enhance key internal systems and practices that will support growth

Growth Objectives

- Continue to geographically diversify sales markets
- Identify opportunities to grow the metals recycling business
- Complete detailed strategic review and capital allocation priorities



Conclusion & Outlook:

Strong earnings delivered and attractive long-term growth outlook

FY18 Highlights

- Solid improvement in safety performance
- Underlying EBIT of \$279.2 million, 53.1% higher than \$182.4 million in the prior year
- Underlying Return on Capital of 10.3% - exceeding the 5-year target of 10.0%

Outlook

- Potential exists for negative consequences from increasing escalation of trade wars
- Provided Turkey does not deteriorate dramatically from today, it presents manageable short-term challenges with little medium-term impact
- Geographic diversity and global trading capability enables Sims to respond to market changes
- China's demand for quality non-ferrous product appears likely to continue, over the longer-term we see this as an opportunity for greater margin extraction and expanded product offerings
- At present, intake volumes remain firm, despite softer prices across ferrous & non-ferrous
- Based on current market conditions and outlook, we expect 1Q FY19 EBIT to be consistent with 4Q FY18 EBIT





Yesterday



Today



Tomorrow



Questions & Answers





Yesterday



Today



Tomorrow



Appendix



Group Profit & Loss

A\$m	FY14	FY15	FY16	FY17	FY18	FY18 vs. FY17 Chg %
Sales revenue	7,021.2	6,310.9	4,651.7	5,079.4	6,448.0	26.9
Statutory EBITDA	222.4	265.6	83.0	313.5	395.8	26.3
Underlying EBITDA	253.1	262.5	184.4	294.7	396.4	34.5
Statutory EBIT	76.9	144.8	(215.5)	201.2	278.6	38.5
Underlying EBIT	135.6	141.7	58.0	182.4	279.2	53.1
Net Interest expense	14.2	7.8	(9.7)	(10.2)	(8.9)	(12.7)
Statutory tax (expense)/benefit	(46.4)	(27.2)	8.7	12.6	(66.2)	NMF
Underlying tax (expense)/benefit	(58.0)	(32.4)	(10.3)	(52.1)	(78.2)	50.1
Statutory NPAT	16.3	109.8	(216.5)	203.6	203.5	(0.0)
Significant items	70.3	(8.3)	254.5	(83.5)	(11.4)	86.3
Underlying NPAT	86.6	101.5	38.0	120.1	192.1	60.0
Statutory EPS (diluted)	(43.5)	53.3	(106.8)	101.6	98.7	(2.9)
Underlying EPS (diluted)	42.3	49.2	18.6	59.9	93.2	55.6
Dividend per share (cents)	10	29	22.0	50.0 ¹	53.0	6.0

1) Includes 10.0 cents per share 2017 Special Dividend

North America Metals

A\$m	FY14	FY15	FY16	FY17	FY18	Chg %
Sales Revenue	4,000.5	3,416.5	2,352.6	2,417.5	3,377.8	39.7
Statutory EBITDA	59.4	86.2	55.0	125.1	134.9	7.8
Underlying EBITDA	73.7	80.2	77.2	109.0	144.1	32.2
Depreciation	48.3	55.9	61.7	54.0	55.9	3.5
Amortisation	14.5	13.0	11.7	8.9	7.9	(11.2)
Statutory EBIT	(3.6)	17.3	(25.2)	62.2	71.1	14.3
Underlying EBIT	10.9	11.3	3.8	46.1	80.3	74.2
Assets	1,078.2	1,091.9	1,018.2	1,009.8	1,190.7	17.9
Intake Volumes (000's)	8,181	6,885	5,760	5,340	6,602	23.6
Sales Volumes (000's)	8,152	7,018	5,772	5,454	6,466	18.6
Employees	2,243	2,129	1,884	1,680	1,978	17.7

Investment in SA Recycling

A\$m	FY14	FY15	FY16	FY17	FY18	Chg %
Statutory EBIT	0.8	0.5	(120.6)	26.3	67.8	157.8
Underlying EBIT	0.8	0.5	(1.5)	26.3	68.5	160.5
Assets	206.7	243.1	126.8	131.9	180.7	37.0
Intake Volumes (000's) ¹	3,409	2,156	2,005	2,557	3,477	36.0
Sales Volumes (000's) ¹	3,461	2,135	2,049	2,548	3,342	31.2

1) Volumes represent total volumes recorded for SA Recycling, LLC and includes the portion sold through Sims Group Global Trade Corporation

Australia & New Zealand Metals

A\$m	FY14	FY15	FY16	FY17	FY18	Chg %
Sales Revenue	1,193.8	1,053.3	743.6	981.4	1,071.0	9.1
Statutory EBITDA	108.8	85.0	58.0	90.9	121.6	33.8
Underlying EBITDA	106.9	86.9	66.6	91.3	112.7	23.4
Depreciation	26.7	26.6	26.0	28.2	29.1	3.2
Amortisation	1.0	1.1	0.9	0.4	0.2	(50.0)
Statutory EBIT	81.1	57.3	31.1	62.3	92.3	48.2
Underlying EBIT	79.2	59.2	39.7	62.7	83.4	33.0
Assets	446.8	463.3	481.7	542.5	625.2	15.2
Intake Volumes (000's)	2,009	1,848	1,485	1,616	1,669	3.3
Sales Volumes (000's)	2,054	1,874	1,418	1,656	1,696	2.4
Employees ¹	830	813	712	709	715	0.8

1) Employee count excludes Sims Pacific Metals employees

Europe Metals

A\$m	FY14	FY15	FY16	FY17	FY18	Chg %
Sales Revenue	1,068.7	1,036.6	759.1	924.3	1,203.0	30.2
Statutory EBITDA	29.0	38.0	(15.7)	50.5	42.0	(16.8)
Underlying EBITDA	29.2	37.1	32.4	47.4	35.3	(25.5)
Depreciation	12.7	12.5	13.8	12.0	14.9	24.2
Amortisation	-	-	-	-	0.3	NMF
Statutory EBIT	16.3	25.5	(29.7)	38.5	26.8	(30.4)
Underlying EBIT	16.5	24.6	18.6	35.4	20.1	(43.2)
Assets	253.3	258.3	245.2	329.2	431.4	31.0
Intake Volumes (000's)	1,593	1,598	1,420	1,570	1,696	8.0
Sales Volumes (000's)	1,609	1,589	1,361	1,590	1,694	6.5
Employees	634	704	612	660	690	4.5

Global E-Recycling

A\$m	FY14	FY15	FY16	FY17	FY18	Chg %
Sales Revenue	760.5	795.0	792.7	726.9	758.4	4.3
Statutory EBITDA	0.9	53.0	(2.6)	30.6	34.5	12.7
Underlying EBITDA	30.9	55.2	19.2	28.2	33.2	17.7
Depreciation	11.1	10.6	11.2	8.2	8.4	2.4
Amortisation	2.7	0.6	0.4	-	-	-
Statutory EBIT	(12.9)	41.8	(60.2)	22.4	26.1	16.5
Underlying EBIT	17.1	44.0	7.6	20.0	24.8	24.0
Assets	428.7	473.3	447.9	382.1	397.4	4.0
Employees	1,829	1,703	1,471	1,417	1,420	0.2

Corporate & Unallocated

A\$m	FY14	FY15	FY16	FY17	FY18	Chg %
Sales Revenue	(2.2)	9.5	3.7	29.3	37.8	29.0
Statutory EBITDA	(4.4)	2.9	(10.2)	(9.9)	(5.0)	49.5
Underlying EBITDA	11.5	2.6	(9.5)	(7.5)	2.6	NMF
Depreciation	0.5	0.5	0.7	0.6	0.5	(16.7)
Amortisation	-	-	-	-	-	-
Statutory EBIT	(4.9)	2.4	(10.9)	(10.5)	(5.5)	47.6
Underlying EBIT	11.0	2.1	(10.2)	(8.1)	2.1	NMF
Assets	235.5	352.0	251.1	347.5	376.5	8.3
Employees	77	80	77	95	105	10.5

Financial Summary – Group

A\$m	FY14	FY15	FY16	FY17	FY18
Group Results					
Sales Revenue	7,021	6,311	4,652	5,079	6,448
Underlying EBITDA	253	263	184	295	395
Underlying EBIT	136	142	58	182	278
Underlying NPAT	87	102	38	120	192
Underlying EPS (cents per share)	34	49	19	60	93
Dividend (cents per share)	10	29	22	50 ³	53
Balance Sheet					
Total Assets	2,649	2,882	2,571	2,743	3,202
Total Liabilities	816	769	738	775	1,013
Total Equity	1,834	2,113	1,833	1,968	2,189
Net Cash (Net Debt)	42	314	242	373	298
Cash Flows					
Operating Cash Flow	210	298	131	266	252
Capital Expenditure	-64	-95	-109	-127	-176
Free Cash Flow¹	146	203	22	139	76
NOPAT	83	99	41	128	195
Total Capital	1,792	1,799	1,590	1,595	1,876
ROC² (%)	4.6%	5.5%	2.6%	8.0%	10.3%

1) Free Cash Flow = Operating Cash Flow - Capex

2) Return on Capital = (underlying EBIT – Tax at effective tax rate of 30%) / (Net Assets + Net Debt)

3) Includes 10.0 cents per share 2017 Special Dividend

Financial Summary – Segment

A\$m	FY14	FY15	FY16	FY17	FY18
Sales Revenue					
North America Metals	4,000	3,417	2,353	2,418	3,378
ANZ Metals	1,194	1,053	744	981	1,071
Europe Metals	1,069	1,037	759	924	1,203
Global E-Recycling	760	795	793	727	758
Unallocated	-2	9	3	29	38
Total	7,021	6,311	4,652	5,079	6,448
Underlying EBIT					
North America Metals	12	12	4	46	80
ANZ Metals	79	59	40	63	83
Europe Metals	17	25	19	35	20
Global E-Recycling	17	44	7	20	25
Unallocated	11	2	-10	-8	0
Total	136	142	60	156	208
Underlying EBIT Margin (%)					
North America Metals	0.3%	0.4%	0.2%	1.9%	2.4%
ANZ Metals	6.6%	5.6%	5.4%	6.4%	7.8%
Europe Metals	1.6%	2.4%	2.5%	3.8%	1.7%
Global E-Recycling	2.2%	5.5%	0.9%	2.8%	3.3%
Total	1.9%	2.3%	1.3%	3.6%	4.3%

1) Underlying earnings excludes significant non-recurring items

Financial Summary – Segment (cont.)

A\$m	FY14	FY15	FY16	FY17	FY18
Sales tonnes ('000)					
North America Metals	8,152	7,018	5,772	5,454	6,466
ANZ Metals	2,054	1,874	1,418	1,656	1,696
Europe Metals	1,609	1,589	1,361	1,590	1,694
Total	11,815	10,481	8,551	8,700	9,856
Underlying EBIT					
North America Metals	12	12	4	46	80
ANZ Metals	79	59	40	63	83
Europe Metals	16	25	19	35	20
Total	107	96	63	144	183
EBIT / tonne (A\$/t)					
North America Metals	1.44	1.68	0.65	8.46	10.98
ANZ Metals	38.56	31.59	27.93	37.86	49.12
Europe Metals	10.25	15.48	13.74	22.26	11.87
Total	9.09	9.12	7.09	19.60	18.53

Financial Summary – Product

A\$m	FY14	FY15	FY16	FY17	FY18
Sales tonnes ('000)					
Ferrous Trading	9,331	8,325	6,768	7,009	7,707
Ferrous Brokerage	1,918	1,617	1,307	1,237	1,719
Non Ferrous	566	539	476	454	432
Total	11,815	10,481	8,551	8,700	9,860
Sales Revenue					
Ferrous Metals	4,801	4,068	2,703	3,136	4,382
Non Ferrous Metals	1,361	1,342	1,055	1,124	1,216
Global E-Recycling	802	795	793	727	758
Secondary processing & other	57	106	101	92	92
Total	7,021	6,311	4,652	5,079	6,448

FY18 Income Tax Expense Considerations

A\$m	Profit Before Tax	Income Tax Expense	Effective Tax %
Statutory Result	269.7	66.2	24.5
Impact of US Tax Reform		9.8	
Impact of tax on return of capital		(15.6)	
Recognition of net deferred tax asset		14.1	
Underlying Results	269.7	74.5	27.6