Metals Recovery Earnings Strengthen in 2026 as Recycling Outlook Turns Mixed

Published: 2 November 2026 | Author: David Daoud

Major metals producers and technology recovery businesses have reported stronger earnings in 2026, supported by favorable commodity prices and demand for reusable data center components. The latest financial evidence comes from Sweden’s Boliden, whose third-quarter results indicate that stronger metals markets continued through September.

The improvement follows earlier gains reported by Aurubis, Umicore and Sumitomo Metal Mining. Australia’s Sims Lifecycle Services has benefited from a different source of growth: demand for memory and other reusable components associated with artificial intelligence infrastructure.

For electronics recyclers and IT asset disposition (ITAD) providers, the developments are encouraging, although the benefits vary across the recovery chain. Higher copper and precious metal prices can increase the value of recovered materials, while stronger secondary markets for technology components create additional resale opportunities. Actual returns depend on processing costs, recovery yields and the terms negotiated with downstream buyers.

The outlook is becoming less consistent. Some companies are expanding recycling capacity, while others anticipate weaker earnings or a leveling off following exceptional growth. The next round of financial disclosures will help establish whether the favorable conditions of 2026 can continue into 2027.

Third-quarter results point to favorable metals conditions

Sweden’s Boliden reported on Oct. 29, 2026, that operating profit excluding inventory revaluation increased approximately 78% to SEK 4.89 billion during the July-September quarter. Its Smelters segment reported operating profit of SEK 1.48 billion, compared with SEK 689 million a year earlier, despite a SEK 162 million negative impact from lower

treatment charges.

The results have direct relevance to electronics recycling because Boliden's Rönnskär smelter processed approximately 18,000 metric tons of secondary materials during the quarter, including electronic scrap. The company noted record-low spot treatment charges for mined copper concentrates, highlighting pressure on smelting economics despite stronger metal prices.

While higher copper and precious metal prices can increase the potential value of recovered circuit boards, cables and other metal-bearing materials, the amount retained by collectors and preprocessing companies depends on the quality of incoming scrap, purchasing costs and downstream settlement agreements. Boliden's results illustrate how stronger commodity markets can benefit the sector while producing different outcomes for individual operators.

Glencore's Oct. 29 third-quarter production report provided additional context for copper supply. The company maintained annual copper production guidance of 810,000 to 870,000 metric tons, with output expected toward the lower end of that range.

Copper remains a significant source of recoverable value in electronics, electrical infrastructure and data center equipment, making developments in primary production relevant to secondary-material processors.

Earlier results show broader improvement across recycling and refining

Financial disclosures released during the summer established a strong backdrop for the third quarter. Germany's Aurubis reported on Aug. 6 that operating earnings before taxes reached €149 million during April-June, compared with €57 million a year earlier. Its Multimetal Recycling segment also reported substantially higher earnings.

Belgium's Umicore reported on July 31 that first-half adjusted EBITDA increased 33.5%, with its Recycling business recording a 36% improvement. The company raised its full-year outlook but expects Recycling earnings to be lower in the second half than in the first, while maintaining expectations for strong full-year performance.

In Asia, Japan’s Sumitomo Metal Mining reported on Aug. 10 that April-June revenue increased 42.3%, while net profit attributable to shareholders rose approximately 220%. The company also raised its full-year earnings forecast, adding to the evidence of improved profitability among major metals producers earlier in 2026. These results indicate that stronger commodity markets supported a broad group of metals producers before the third quarter.

Technology reuse has provided a separate source of growth. Sims Limited reported on Aug. 18 that Sims Lifecycle Services increased fiscal 2026 revenue by 77% to A$757 million, supported by stronger DDR4 memory prices and increased volumes of repurposed equipment associated with hyperscaler activity. The business processed 16.8 million repurposed units during the fiscal year, an increase of approximately 91%.

Recycling investments expand downstream processing options

Stronger earnings have coincided with continued investment in recycling infrastructure. Aurubis reported on Aug. 6 that its €190 million Complex Recycling Hamburg facility had begun operations in July. The facility is designed to improve processing of complex secondary materials, while the company’s Richmond, Georgia, secondary smelter continues its gradual ramp-up.

Aurubis expects Richmond’s first phase to complete ramp-up during fiscal 2026-27 and the second phase during fiscal 2027-28. The project represents a significant addition to U.S. multimetal recycling infrastructure.

In Japan, Mitsubishi Materials announced on Sept. 9 an approximately ¥8 billion investment, including a ¥2 billion government subsidy, to expand tungsten recycling capacity at its Japan New Metals subsidiary in Akita. The project is expected to double annual production capacity for a tungsten intermediate, with operations scheduled to begin in April 2029.

Although tungsten recovery differs from conventional electronics scrap processing, the investment reflects growing industrial interest in recovering valuable materials from secondary sources. Specialized processing facilities can expand recovery options for materials that require dedicated metallurgical capabilities.

The significance of these investments lies in their potential to increase downstream processing capacity and diversify commercial relationships. New facilities could provide

additional outlets for complex material streams, although their impact will depend on accepted feedstocks, processing costs and the terms offered to suppliers.

Recovery economics remain uneven across the industry

The stronger earnings reported by metals producers do not necessarily translate into equivalent improvements for companies collecting and preprocessing electronic scrap. While higher copper and precious metal prices can increase the value of recovered materials, they can also raise acquisition costs. Shredding and sorting businesses depend on the quality of incoming equipment and the prices received for separated fractions. Smelters and refiners face additional exposure to treatment charges, energy costs and metallurgical recovery efficiencies.

Boliden’s third-quarter results provide pointers about these differences. Higher commodity prices supported the company’s overall profitability, while lower treatment charges on mined concentrates placed pressure on its smelting operations. Electronic scrap is purchased and processed under different commercial arrangements, so the reported decline in concentrate treatment charges cannot be directly applied to electronics recycling contracts.

The broader relationship between primary and secondary feedstocks remains relevant. When mined concentrates become scarce or less profitable to process, smelters have an incentive to evaluate alternative sources of recoverable metals, including suitable secondary materials. Whether that creates additional demand for electronic scrap depends on each facility’s technical capabilities, available capacity and purchasing economics.

Technology reuse follows a different economic model. Sims’ performance shows how demand for memory and other data center components can create substantial resale opportunities. The company reported that its fiscal 2026 growth benefited from elevated DDR4 prices and increased hyperscaler activity, reflecting the value of recovering usable equipment before it enters conventional recycling channels.

For ITAD providers, the opportunity depends on identifying components with active secondary markets and recovering them in a condition suitable for resale. Testing, secure handling and access to buyers are central to that process. Equipment with limited reuse potential continues into materials recovery, where metal content and processing economics determine its residual value.

The industry’s recent performance therefore highlights the importance of managing both recovery routes. Companies that can evaluate assets effectively and direct them toward appropriate resale or recycling channels are better positioned to capture value from changing technology and commodity markets.

Outlook: Stronger markets face a less predictable 2027

The available financial disclosures indicate that favorable metals conditions continued through the third quarter of 2026, with Boliden providing the clearest reported financial evidence for the July-September quarter. Earlier results from Aurubis, Umicore and Sumitomo Metal Mining establish the strength of the market entering that period, while Sims’ performance demonstrates the growing commercial importance of technology reuse.

However, the outlook is less uniform. Umicore expects its Recycling business to deliver lower adjusted EBITDA in the second half of 2026 than in the first, although it continues to anticipate strong full-year performance. Sims has forecast underlying EBIT of A$75 million to A$90 million for Sims Lifecycle Services during the first half of fiscal 2027, covering July-December 2026. Annualizing that range produces a figure broadly comparable to its fiscal 2026 result of A$172.7 million, suggesting a possible plateau following exceptional growth rather than a sharp decline. The company also emphasized that the timing of data center decommissioning activities remains variable, even as DDR4 market fundamentals remain strong.

Asian metals producers could provide further evidence of changing conditions. In an Oct. 8 research report, Meritz Securities forecast that Korea Zinc’s consolidated third-quarter operating profit would decline approximately 34% from the preceding quarter, though it would remain about 42% above the year-earlier level. The analyst attributed the expected sequential decline mainly to currency movements and weaker precious metal prices, with lower treatment charges and a slower copper ramp-up also weighing.

The next reporting cycle will help determine whether favorable metals markets are continuing to support refining and recycling operations across Asia and Europe. It will also provide a clearer picture of whether strong demand for recovered technology components can sustain the earnings growth reported by Sims.

For stakeholders in the ITAD and escrap worlds, several developments deserve particular attention: the direction of copper and precious metal prices, the commercial terms offered

by downstream processors, the availability of secondary-material processing capacity and demand for reusable data center components. Each affects the value recovered from discarded equipment, although their influence differs across collection, preprocessing, refining and ITAD operations.

All in all, the industry’s recent results point to stronger markets for recovered metals and reusable equipment. Continued investment in processing infrastructure offers opportunities to expand recovery capabilities, while changing commodity prices and technology demand will influence how much value operators can retain.

Heading into 2027, the central question is whether recyclers can convert favorable downstream markets into sustained improvements in their own operating performance. The answer will depend on a series of factors, from recovery efficiency and access to buyers to the ability to direct equipment and materials toward the markets offering the strongest returns.

Subscribe to Compliance Standards' Sector Pulse Research

Contact us at 754.229.0095 or inquiries@Compliance-Standards.com

Our Offices: Boston, MA | 2361 Walnut Court, Pembroke Pines, FL 33026