

21 November 2023

Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

**2023 Annual General Meeting
Chair's Address, CEO's Address and Presentation**

The Environmental Group Limited (the **Company**) (ASX: EGL) is pleased to release the following documents, which will be presented to Shareholders at the Company's Annual General Meeting to be held today:

- Chair's Address
- CEO's Address
- Presentation

This announcement has been approved for release by the Board.

For further information, please contact:

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About EGL

EGL has five business units, all committed to the protection of the environment by improving air quality, reducing carbon emissions, enhancing waste treatment, and lifting water quality.

- **EGL Clean Air - Total Air Pollution Control (TAPC) and Airtight Solutions** has a range of technologies which reduce dust, odours, and harmful gasses from the environment.
- **Baltec IES** - produces inlet and exhaust systems for gas turbines, which are used to complement and augment solar and wind energy production.
- **EGL Clean Energy- Tomlinson Energy Service & Ignite Services** offers a network of service offices across Australia providing 24/7 service, maintenance and repairs of both proprietary equipment and other OEM equipment. The division also provides an essential link in our strategy to build a bio/waste to energy platform.
- **EGL Water** division continues to develop our patented technologies in conjunction with Victoria University. EGL recognises that one of the world's most valuable assets is water and will persist in our vision to reduce water pollution, leading to an improved environment, through low-cost technology solutions.
- **EGL Waste Services** provides the sales and services platform for the exclusive Turmec Agency agreement in Australia, Turmec are specialists in recycling solutions for the global waste industry, providing bespoke systems that enable their customers to efficiently recover high-quality material from waste, reducing the need for landfills.

Chair's Address

On behalf of the Board, it is my pleasure to present a summary of the highlights for EGL over the past year.

FY23 has been a testament to our commitment to "Engineering a Sustainable Future," and dedication to the One EGL strategy and core values. In the face of global challenges, EGL has continued to thrive, exceeding initially forecasted financial results and achieving significant milestones.

For the year in review Consolidated Revenue reached \$82.7 million, marking a 44.9% increase over FY22. EBITDA rose to \$6.7M, an increase of 51.8%, and EBIT increased by 64.6% to \$4.9M, before significant items. Net Profit after tax of \$2.6M reflects an increase of 68.2%.

Most pleasingly each business unit contributed positively to this excellent performance, with EGL Clean Air's Revenue achieving growth of 115%, EGL Energy by 26.3%, Baltec IES by 4.4%, and EGL Waste reaching \$4.8 million.

Business Unit Highlights:

- **Baltec IES:** The engineering teams have excelled in noise mitigation and equipment efficiency. As the world focuses on renewable energy, Baltec IES is evolving to provide innovative solutions to renewable energy projects. Baltec IES commences FY24 with a strong pipeline of confirmed orders.
- **EGL Waste:** At the industry forefront for environmental solutions, EGL Waste anticipates continued growth and enhanced opportunities, with a strong focus on project timing and regulatory approvals.
- **EGL Energy:** EGL Energy is seeing some contraction in traditional markets due to cost of capital and other constraints, however the transition in the Energy landscape is bringing new opportunities as clients navigate renewable energy targets and ROI requirements.
- **TAPC:** TAPC's strong financial results and diversified revenue streams, supported by growth in lithium and rare earth processing, highlight its integral role in EGL's success.

The past year has seen EGL focus on fostering a company-wide growth mindset and achieving sustainable strategic goals. Through a combination of organic growth and strategic acquisitions, we have strengthened our business units and corporate business model with a focus on recurring revenue streams, which resulted in improved cash flow and a strengthened Balance Sheet. Cash on Hand increased to \$9.4 million and Net Assets increased by \$11.2M over the period.

Supported by our strong investor network, we undertook a Placement and Share Purchase Plan in April/May 2023 which raised \$8.7M. The successful capital raise facilitated the strategic acquisition of Airtight Pty Ltd, a significant addition to EGL. Airtight's expertise in mid-tier markets aligns seamlessly with TAPC's heavy industry focus, providing substantial opportunities for expansion and market diversification.

The work undertaken by the team to both complete the acquisition and transition Airtight onto EGL's systems and way of working has been huge achievement which is already returning positive results.

EGL's unique blend of engineering, service, and project management expertise continues to drive solutions that reduce noise, air, and water pollution. Looking ahead, our focus is on developing new market opportunities in collaboration with those who share our environmental goals. Our strategic partnership with 374Water Systems Incorporated is an example of this style of collaboration which further enhances our capabilities, providing exclusive reseller rights for the AirSCWO™ waste slurry destruction system. This innovative technology aligns with our commitment to delivering sustainable solutions. Our focus on environmentally sound solutions has also led to secured work in the solar industry, advancements in waste treatment and recycling technologies, and ground-breaking developments in water treatment. The sale of the first commercial PFAS separation unit in Q4 supports our position in the PFAS treatment market, with ongoing research into utilising the technology for contaminated soil treatment.

Aligned with our commitment to Environment, Sustainability, and Governance targets, we continue to evolve our corporate risk assessments, policies, standards, sustainability initiatives and reporting, to ensure these reflect best practice and support our growth trajectory. As EGL moves into the next stage of growth, the Board's priorities remains to ensure the structures and resources are in place to support strategy execution and leverage opportunities. The appointment of Michael Constable as Board Director and Chair of the Audit and Risk Committee brings an additional layer of knowledge and expertise to the governance framework in conjunction with the evolving profile of the Company. FY24 will focus on risk management and governance practice and ESG reporting, in addition to continued systematic Board renewal processes to ensure alignment with growth aspirations.

I would like this opportunity to acknowledge the work of Adrian Siah who worked through the difficult COVID-19 affected years and retired from the Board in August 2023.

Before I hand over to Jason for the CEO's operational report, I would like to take this opportunity to acknowledge the work Jason and the Executive team continue to do to strengthen the foundations of the business to ensure that the next stage of growth is both achievable and sustainable. Financial results are the visible outcome of the hard work being done across the Company, but they are not necessarily an indicator of future results. It is the dedicated work the team have done through innovating systems and processes, imbedding the positive cultural aspects necessary to ensure quality outcomes for all stakeholders whilst maintaining a focus on ensuring our teams and community remain safe, along with a focus on a growth mindset across all aspects of the business, that are the keystones to future success. As a Board member, Shareholder and person with a deep-seated passion for this business, I am excited by the opportunities that are now being realised, the growth we are forecasting in FY24, and the possibilities we can see for FY25 and beyond.

On behalf of the Board, we thank all our teams for the work that they do and our partners, clients and Shareholders for their trust and confidence in EGL.

CEO's Address

Thank you Lynn for the introduction and the Board for being here today, and welcome Michael Constable to the Board.

WELCOME

I would like to welcome you to The Environmental Group's AGM, with another pleasing year to report on for our Shareholders. I would like to thank the Board, our management team, and our staff for their contribution throughout the year. This year we also welcome the Airtight Solutions business who joined the Group in May of this year, following the completion of a strategic acquisition, and who are already creating value for the Group.

TEAM

Your Executive team is present in the room today and I welcome you to introduce yourselves after the meeting to Andrew Bush our CFO and Joint Company Secretary and Brenda Borghouts, Chief Operating Officer. Unfortunately, Paul Gaskett our National Sales and Marketing Manager cannot be here today, but for good reason, he is in Queensland with the CEO of Turmec, meeting with clients following the handover of Australia's largest construction and demolition recycling plant, following the successful testing and commissioning over the last month, an achievement both Turmec and EGL are very proud of.

FINANCIAL

It has been a year for strengthening how the business is run, in driving systems and procedures. While this may sound boring to some, what it is actually seeking to do is lower risk while improving margins across the business, which will benefit all Shareholders. By driving quality and innovation, we are improving the outcomes for our customers, which in turn will drive further growth. Our ability to innovate has opened up new pathways to growth, which I will discuss later.

From a financial perspective, the business performed very well with Revenue of \$82.7M up 44.9%, EBITDA improved significantly up to \$6.7M, an increase of 51.8%, and EBIT up to \$4.9M, an increase of 64.6%, before significant items, and Net Profit after tax \$2.6M up an impressive 68.2%.

The business is continuing to trade well at the beginning of FY24, at this stage we are expecting that EBITDA (normalised) will increase by greater than 30%. To achieve three successive years of substantial earnings growth for the Company will be a great milestone. With 60% of revenue now coming from recurring revenue streams, and a strong Balance Sheet, the strength of our business has improved significantly.

I would now like to take you through the performance of the business units and our plans for organic growth.

EGL CLEAN AIR

Total Air Pollution Control (TAPC) had a standout year of performance from the growth in revenue in providing off-gas treatment systems into the refining sector to produce lithium and rare earths, combined with increased sales of servicing and spares. This led to an increase in Revenue of 115% to \$16,960,885 and EBIT up 133% to \$2,857,510. During the year we all but completed the gas off take system for the Covalent Lithium Refinery in Western Australia and progressed significantly on the Hastings Rare Earths project. I am pleased to say on both projects we have been able to deliver on time and on budget whilst maintaining forecast margins. This is a credit to our engineers and project teams, given the inflationary

environment, and is the result of the risk-based approach we implemented for the major equipment procurement for the projects. Lithium and rare earths demand continues to grow as we move further into renewable energy generation and use of electric vehicles, with several more projects being tendered in the pipeline. Timing and award of several major project awards may influence the FY24 result.

During the financial year we acquired Airtight Solutions Pty Ltd, and we warmly welcome them into the Group. Airtight is one of the largest specialist air pollution control companies operating in Australia, with an extensive track record, focusing on reliability, premium service, and safety.

At the time of the acquisition, we announced revenue synergies were expected to be approximately \$2M. Our clients in the waste sector have responded strongly to the acquisition and our tender pipeline for dust extraction systems on waste plants already exceeds this number.

The Airtight integration is underway with the business now on our systems, following our processes and procedures. While it has been a significant learning curve for Airtight, the culture is moving to one of accountability and business discipline.

EGL ENERGY

Tomlinson Energy Services (TES) and Ignite Services combined to have a good financial year with Revenue up 26.3% to \$36,866,040 and EBITDA up 17.7% to \$3,792,894. Margins were impacted earlier in the year as we felt the impact of significantly increased shipping costs and the rising cost of steel, valve, and instrument prices. The cost of new boilers landed and installed during the period were higher than expected, which resulted in EBITDA margins being lower by 70 basis points. Our services remained very strong with the increased installed capacity, and I am pleased to say by the 4th quarter, shipping costs had largely returned to pre-pandemic levels and margins improved. Ignite had a very strong contribution to the Group from a financial viewpoint, but also contributed significantly to the can-do culture of the company and the One EGL vision.

EGL Energy is trading significantly up on the prior comparable period. I do note that we are seeing some tightening in the industrial sector most likely as result of the higher interest rates.

BALTEC IES

Baltec had another solid year with Revenue up 4.4% to \$20,141,945 and EBIT up 2.4% to \$1,524,594. I am particularly pleased with this result as we drove margin expansion through the business. This result was achieved after several warranty costs went through the Profit and Loss in FY23 from work performed prior to COVID 19 that could not be rectified due to travel issues. Without the impact of the warranty work, EBIT margins would have lifted by approximately 2%.

The order book is strong going into 2024, with significant activity in the gas turbine sector. With the current global energy crisis combined with clients trying to find the right balance between renewable energy and traditional energy sources, demand for our services is at a high level. We have developed the gold standard in silencer design for gas turbines operating in peaking load capacity supporting the renewable energy systems. Using the intellectual property from our turbine intake systems, we have also developed solar farm inverter inlet systems to prevent dust disrupting their operation leading to a new product line in the renewable sector.

As announced to the ASX on 21 August 2023, the value of contracts won by Baltec IES year to date was \$17.6M. The high level of demand continued in Q1 FY24, setting Baltec IES up for record performance in the current financial year. Forward contracts have grown to \$26.9M as at the end of October 2023.

WASTE

EGL WASTE

Is the centre piece for offering all of EGL's services to the waste industry, recycling plants through the Turmec Agency Agreement, dust and particulate matter extraction through EGL Clean Air and sterilisation and combustion technologies via EGL Energy, providing the one stop solution to the waste treatment industry. In its first full year of trading, EGL Waste contributed Revenue of \$4,762,927 and EBITDA of \$853,363, a result we are very proud of. The Rino construction and demolition waste recycling plant has continued to proceed well, with the successful testing and commissioning of Australia's largest plant of its kind for hand over to the client. While the revenue will fluctuate like any new organic growth business, the tender book for further plant sales remains strong with approximately \$155M awaiting approval and award, with several tenders expected to be awarded in the coming months. We believe the macro-outlook remains very strong following the introduction of the Recycling and Waste Reduction Act 2020, as the industry moves to improved recycling and waste to energy processing in Australia.

WATER

The last financial year has been a period of achieving milestones from the first commercial plant delivered on time and on budget in September 2022, with the plant completed on our client's site by mid-January 2023 for EPA approval. During the commissioning, the plant processed various liquid waste streams with samples collected and sent to laboratories for analysing results. All PFAS waste streams treated resulted in regulated PFAS being removed to below detectable levels, proving effectiveness the versatility of the technology. Pleasingly in June of this year we received an order for the plant with the sale of our first plant subject to the sites EPA approval.

While working through the approval process has taken longer than expected, we believe the final hurdles for approval will be concluded shortly. Interest in the technology is strong, with the processing of samples for over four potential clients currently underway.

OUTLOOK

I am pleased to update that the performance across the business for the start of financial year has been strong, with all business units performing well. We re-iterate our guidance of growth in EBITDA (normalised) to be greater than 30% this year and look forward to updating you further at the half year results.

Thank you for the ongoing support from our Shareholders, Board members and team members and other stakeholders.

Annual General Meeting

Tuesday 21 November 2023 at 10.00am AEDT



Acknowledgment of Country

We respectfully acknowledge the Wurundjeri People of the Kulin Nation, who are the Traditional Custodians of the land on which we are located today, and pay our respects to their Elders past, present and emerging.





Chair's Welcome



Agenda

- 01 Chair's Address
- 02 CEO's Address
- 03 Notice of Meeting and Proxies
- 04 Financial Statements and Reports
- 05 Resolutions
- 06 Conducting of the Poll

01

Chair's Report

FY23 CHAIR'S SUMMARY

- Continued growth in financial results, strengthening cashflow and balance sheet
- Airtight acquisition following successful capital raise
- Strong pipeline with 30% growth in EBITDA forecast for FY24
- Appointment of Mr Michael Constable as Chair of Audit and Risk Committee



\$83M ↑

44.9% increase in Revenue on FY22



\$6.7M ↑

EBITDA up 51.8% before significant items of \$801K on FY22



\$4.9M ↑

EBIT up 64.6% before significant items of \$801K on FY22



\$2.6M ↑

NPAT up 68.2% on FY22



\$5.2M ↑

Net cash from operating activities



\$9.4M

Cash on hand



\$5M

Undrawn working capital facility



\$36.4M

Net Assets up by \$11.3M



0 LTI

Loss time injuries
Every staff member has safety embedded in their KPI's in alignment with our focus on incident free workplace.

02

CEO Presentation

7

ENGINEERING A SUSTAINABLE FUTURE

Presentation should be read in conjunction with the Annual Report 30 June 2023.

Disclaimer

EGL advises that these presentation slides contain forward looking statements which may be subject to significant uncertainties outside of EGL's control. No representation is made as to the accuracy or reliability of forward-looking statements or the assumptions on which they are based. Actual future events may vary from these forward-looking statements, and you are cautioned not to place undue reliance on any forward-looking statement. This presentation should be read in conjunction with the Annual Report 30 June 2023.



EGL Waste encapsulates our service offering to the waste industry; world class recycling plants, dust extraction systems, odor control, boilers & autoclaves, Combustion technologies for biomass boilers and waste to energy plants.
Estimated addressable market: \$4-7.8 billion



Total Air Pollution Control (TAPC) & Airtight Solutions provides highly efficient state-of-the-art industrial air pollution control technologies that prevent harmful gases, particulate matter, and odours from being released into the environment.
Estimated addressable market: \$400 million



Baltec IES supports the gas turbine industry in its role in assisting the transition from coal-powered energy generation by providing engineered products and custom designs specifically to meet clients renewables applications.
Estimated addressable market: \$300 million



Tomlinson Energy Service & Ignite Services are one of Australasia's largest fully accredited gas fired service and packaged boiler providers, with an extensive service network spanning across Australia.
Estimated addressable market: \$150 million



EGL Water division has enhanced patented technology designed to protect our environment by the removal of Per- and polyfluoroalkyl chemical substances (PFAS) from contaminated water.
Estimated addressable market billion's





Financial Results

FY23 Financial Results – underlying*



\$82.7M

44.9% Increase in
Revenue on FY22



\$6.7M

EBITDA up 51.8%
before significant
items on FY22



\$4.9M

EBIT up 64.6% before
significant items on
FY22



\$5.2M

Net cash from
operating activities



\$5.0M

Undrawn working
capital facility



\$9.4M

Cash on hand

*Underlying profits excludes, Acquisition costs \$317K, FX Losses \$119K, Performance Rights \$331K, Other \$35K.
Refer Appendix A
Presentation should be read in with the Annual Report 30 June 2023.

Executive Management

CEO

Jason Dixon

10 years executive experience for a listed ASX 300 company

CFO

Andrew Bush

25 years experience in Industrial services and Contracting in senior financial management roles

National Sales & Marketing Manager

Paul Gaskett

14 years Business Development and sales in Industrial services

COO

Brenda Borghouts

20 years Defence and heavy engineering, operations and logistics

Senior Management

Peter Rankin

30 years experience in the boiler and pressure vessel industry, responsible for EGL Energy

Aldo Giachero

15 years experience in emissions control systems, responsible for TAPC appointed July 2021

Charles Borg

30 years experience in the Gas Turbine market, responsible for Baltec IES appointed September 2021

Stirling Schunemann

14 years experience with EGL sales, engineering and projects, responsible for EGL Waste Services

Kiril Nikitin

17 years engineering experience in heavy industry and renewables in the design, manufacturing, construction environments, Head of Engineering

Stig Brixen

17 years experience in dust control industry, responsible for Airtight Services since Acquisition in 2023



Operating Units



01

Baltec Inlet and Exhaust Systems



Baltec IES supports the gas turbine industry in its role in assisting the transition from coal-powered energy generation by providing engineered products and custom designs specifically to meet clients' renewables applications.

Key offering

- Turbine performance enhancement for lower emissions and higher output
- Project management
- Global manufacturing to a range of international standards
- Erection and commissioning
- After sales maintenance and spare parts

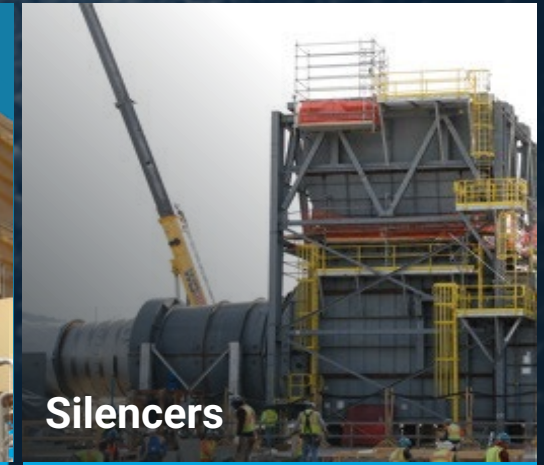
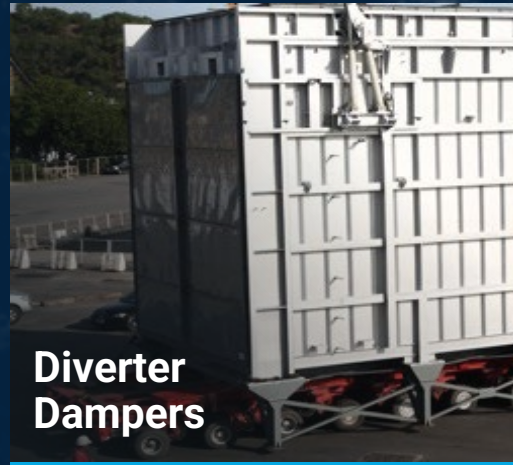


AGM COMMENTARY

- Strong growth forecast for FY24, with high levels of industry demand.
- With the global energy crisis, the generation industry is trying to find the right balance between renewable energy and traditional energy sources requiring engineering solutions.
- We have developed the gold standard in silencer design for gas turbines operating in peaking load capacity supporting the renewable energy systems.
- The technology development of the solar farm inlet system to prevent dust impacting inverters is an exciting new market using our unique IP, first order received.
- Record sales have been achieved. Forward contracts have grown to \$26.9M as at the end of October.
- Continued focus on margin improvement.



Key Products





02

EGL Energy





EGL Energy offers a network of service offices across Australia providing 24/7 sales, service, maintenance and repairs of boilers, gas fired equipment and other OEM equipment optimising energy efficiency.

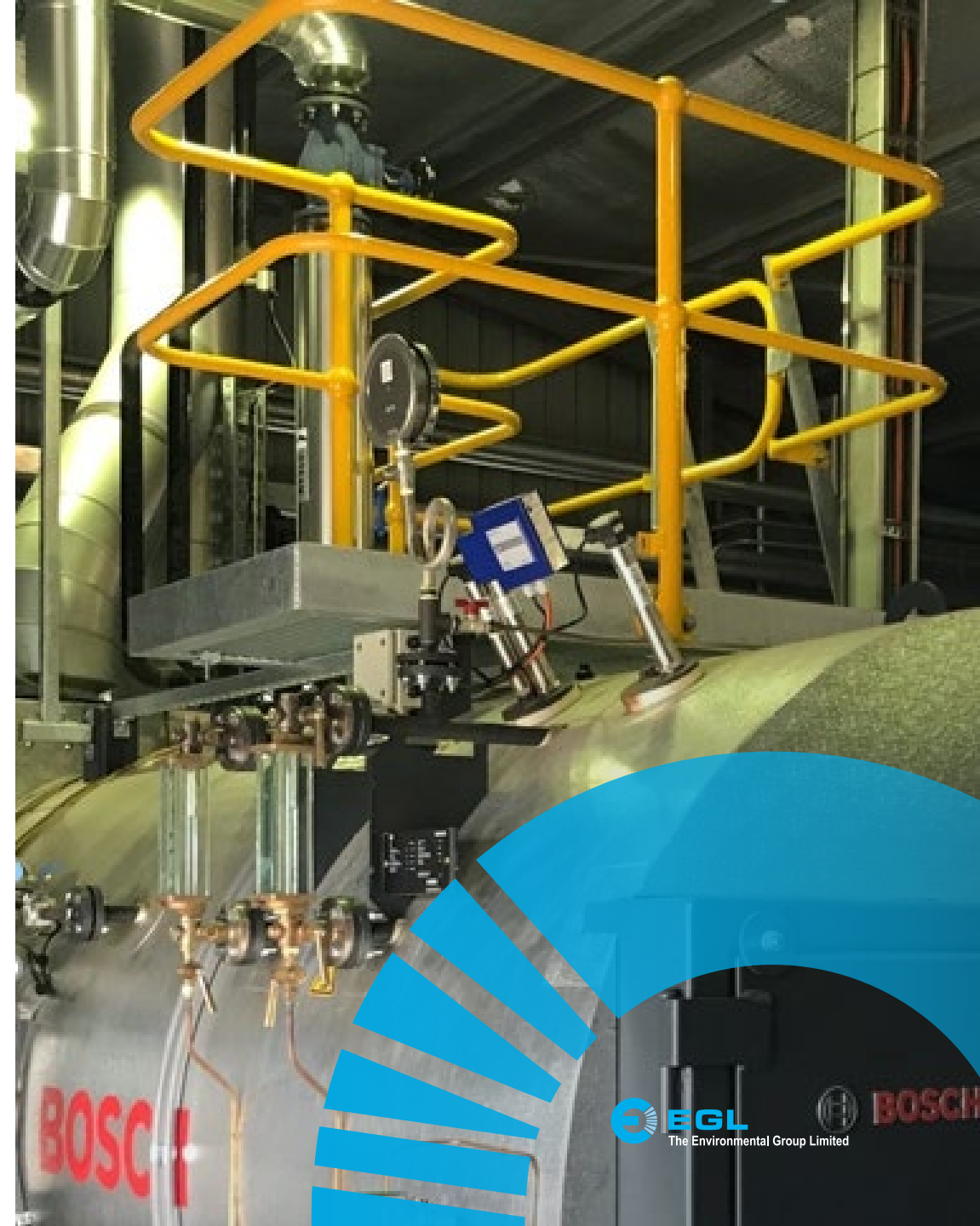
Key Offering

- Sale and Installation of cost-effective boilers with a design focusing on maximum reliability, long-term operating efficiency, fuel flexibility and ease of access for inspection and maintenance.
- Ongoing service and maintenance of boilers burners and steam equipment through a national network of service technicians.
- Service and maintenance of gas fired equipment, combustion efficiency analysis.

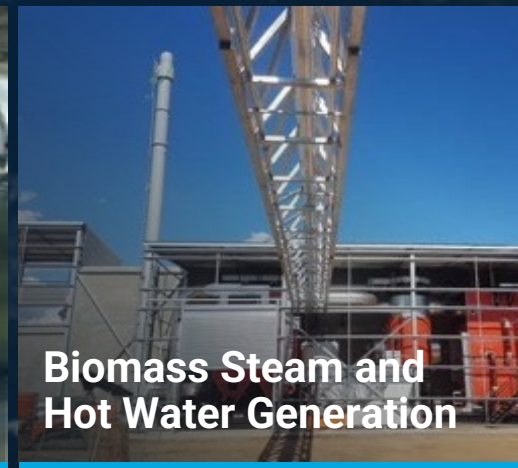


AGM COMMENTARY

- Tomlinson margin improving in FY24 with stabilising costs after shipping and steel prices returned to pre Covid levels.
- Our services remained very strong with the increased installed capacity increasing recurring revenue.
- Ignite continued its strong contribution with significant growth in FY23.
- With the rising cost of natural gas our clients are looking for the optimization of their combustion efficiency and alternate fuel sources such as biomass boilers using waste products to generate heat and hydrogen as an alternate fuel source.
- Some significant tenders in the mining sector to be awarded in the next six months.
- With margins returning to normal EGL Energy has a strong outlook for FY24, trading significantly up on the prior comparable period.
- We are seeing some tightening in the industrial sector most likely as result of the higher interest rates.



Key Products





03

Total Air Pollution Control & Airtight Solutions

TAPC designs, manufactures and services flue gas treatment systems which prevent harmful contaminants being discharged into the atmosphere.

Key offering

- Scrubbers including dry and wet for the removal of particulates and gaseous contaminants.
- Electrostatic Precipitators & Bag filters for particulate removal and flue gas clean up.
- On going service, parts and maintenance of pollution control equipment.
- A team of specialist engineers and designers who understand the clients need for specialist pollution control equipment.



AGM COMMENTARY - TAPC

- A standout year from the growth in providing off-gas treatment systems into the refining sector to produce lithium and rare earths.
- Projects in the lithium and rare earth sector performing very well tracking at margin expectations.
- Increased sales of servicing and spares grew by 39% at strong margins contributing 40% of EBITDA.
- Smaller projects and upgrades driven by our operations team performed very well delivering margins above expectations for the period.
- Lithium and rare earths demand continues to grow as we move further into renewable energy generation and use of electric vehicles with several more projects being tendered in the pipeline.
- Timing and award of several major project awards may influence the FY24 result.
- Successful completion of the dust extraction system for the world class Rino Resources construction and demolition waste recycling plant in Brisbane.



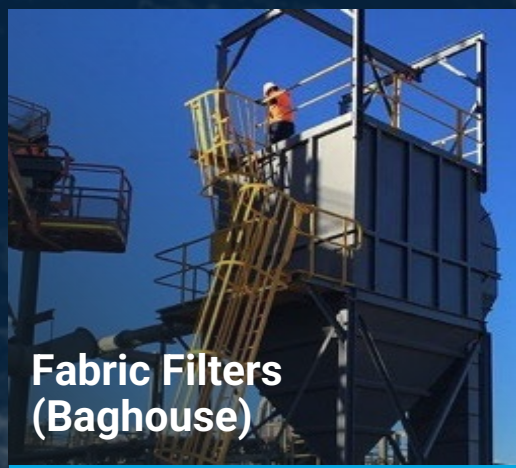
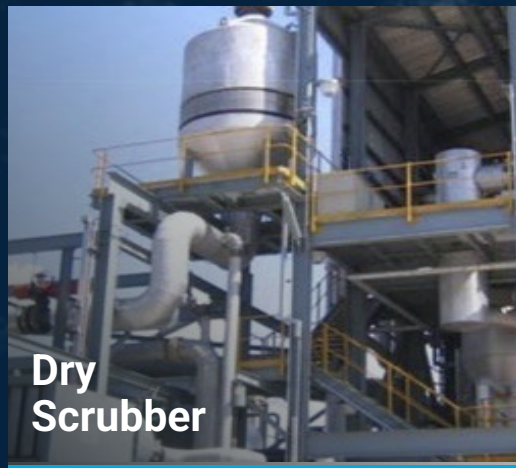
AGM COMMENTARY - AIRTIGHT SOLUTIONS

Airtight's key offer includes Dust & Fume control by designing, installing, and maintaining air pollution control equipment, Waste-to-Energy via extensive range of waste reduction technologies and after sales servicing.

- The acquisition represents a major expansion of EGL's presence in the air pollution control markets.
- Extends EGL's solutions offering to include small and medium size airborne dust collection solutions and associated services and products.
- At the acquisition, synergies were expected to be approximately \$2M. Our clients in the waste sector have responded very well to the acquisition and our tender pipeline for dust extraction systems on waste plants already far exceeds this number.
- The Airtight integration is underway with the business now on our systems, processes and procedures. While it has been a significant learning curve for Airtight, the culture is moving to one of accountability and business discipline.
- There is a significant opportunity to service and maintain existing installed capacity.



Key Products





04

EGL Waste

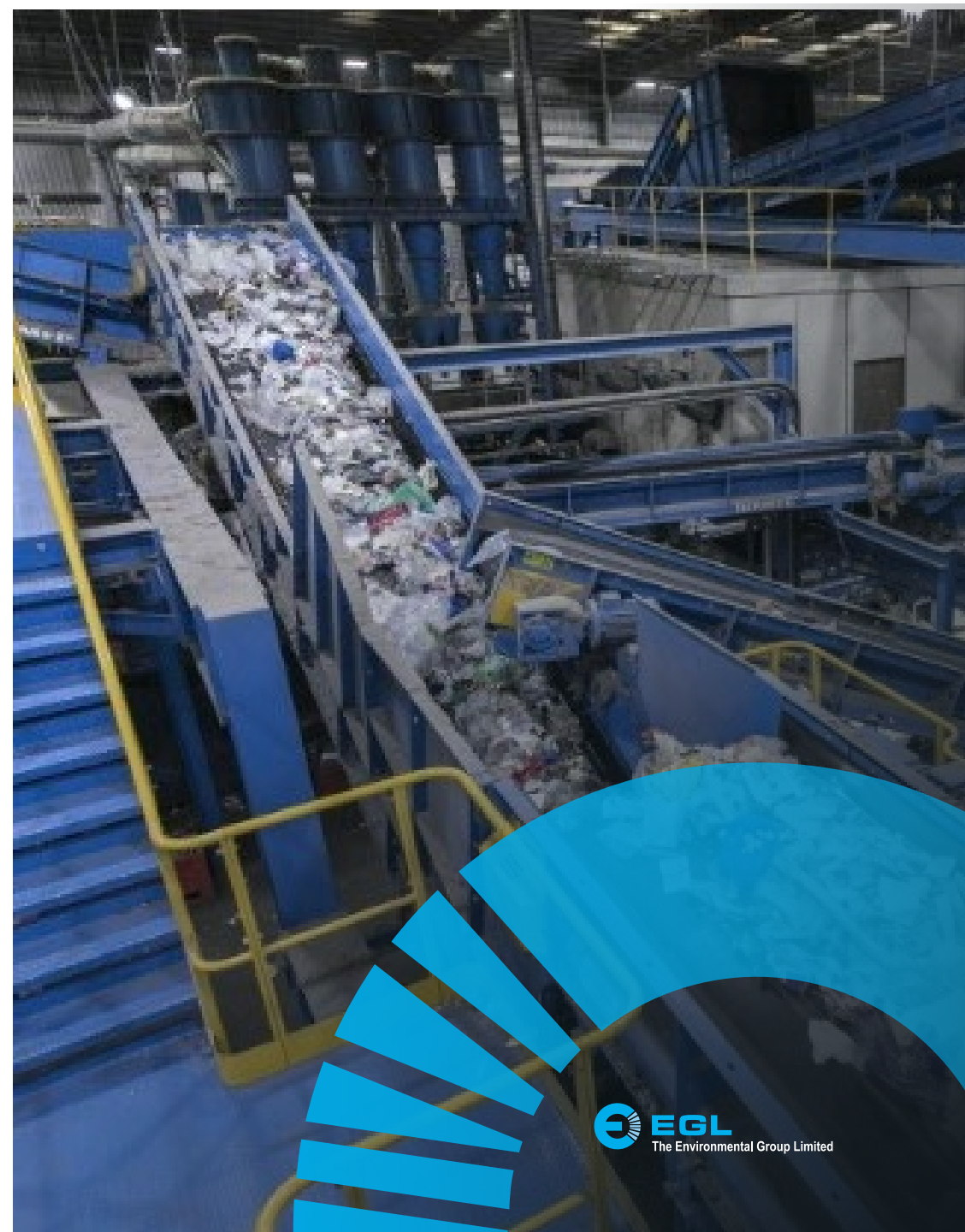
EGL Waste division encapsulates offering many of EGL's service lines to the waste industry

- Turmec's world class recycling plants under the exclusive Australian agency.
- Dust extraction and asbestos detection systems in waste processing facilities.
- Boilers & autoclaves in the medical waste treatment sector.
- Combustion technologies for biomass boilers and waste to energy plants.
- PFAS and liquid waste treatment plants.
- After sales service and parts.



AGM COMMENTARY

- The Rino construction and demolition waste recycling plant has continued to proceed well, with the successful testing and commissioning of Australia's largest plant of its kind for hand over to the client.
- Significant additional works were undertaken by EGL in servicing the local client.
- A full range of spares are now held in Australia, with our service technicians are being trained to service and maintain installed capacity.
- The tender book for further plant sales remains strong with approximately \$155M awaiting approval & award.
- Several tenders expected to be awarded in the coming months.
- We believe the macro-outlook remains very strong following the introduction of the Recycling and Waste Reduction Act 2020.
- EGL Waste is continuing to expand its offering through new products and technologies.
- Potential clients are investigating a trial of the 374 Water AirSCWO™ system in Australia – a modular waste slurry destruction technology which destroys all organic compounds including PFAS and other persistent organic compounds.





05

EGL Water



EGL Water division has enhanced patented technology designed to protect our environment by the removal of Per- and polyfluoroalkyl chemical substances (PFAS) from contaminated water.

- PFAS was primarily used in aircraft fire fighting as a fire retardant however its use expanded into plastics and clothing prior to its detrimental impact on our environment being fully understood.
- Successful class actions have highlighted increased awareness and the urgent need to find solutions to remove contamination in water, soil, landfills, farmland and housing estates.
- EGL recognises that one of the world's most valuable assets is water and will persist in our vision to reduce water pollution, leading to an improved environment, through low-cost technology solutions.



AGM COMMENTARY

- All PFAS waste streams treated resulted in regulated PFAS being removed to below detectable levels, proving the effectiveness and versatility of the technology.
- In June 2023 we received an order for the plant with the sale of our first plant subject to the sites EPA approval.
- Commenced the marketing of our PFAS plants to the different markets and customers.
- Our system allows us to tailor make each plant to meet specific customer requirements and allows us to target a wide range of markets such as Airports, Water Authority's, Petrochemical and local Government (landfill).
- Our low-cost system which is designed and built in Australia is cost effective way to deal with the PFAS problems that are continuing to see emerge.
- While working through the approval process has taken longer than expected we believe the final hurdles for approval will be concluded shortly.
- Interest in the technology is strong with the processing of samples for over four potential clients currently underway.

04

Outlook

Outlook

01

Normalized EBITDA to improve greater than 30% for the financial year.



02

Margin and process improvement will remain a focus of the business.



03

Continue to develop the “One EGL” culture to sell multiple services lines to the one customer.



04

TAPC, Baltec & Engineering to report directly to COO Brenda Borghouts to improve processes.



Forward Outlook

05

EGL Energy -Tomlinson improved margin to drive EBITDA growth year on year.



06

Baltec is set to have strong performance delivering very good earnings growth for the year.



07

TAPC will be steady with growing recurring revenue. Timing of several major project awards may influence the FY24 result.



08

EGL Waste & Water are continuing their organic growth strategies and could be significant opportunities



EGL Outlook Commentary

- We expect EBITDA to increase by over 30% year on year after significant items.
- The Airtight integration is underway with the business now on our systems, following our processes and procedures.
- While it has been a significant learning curve for Airtight, the culture is moving to one of accountability and business discipline.
- Management's focus will remain on margin improvement but is now moving towards improved business processes.
- Engineering, supply chain, purchasing and logistics will be target areas for savings and margin improvement.
- Corporate costs remain under tight control as the business grows.
- The two organic growth areas of Water (PFAS separation) and Waste will focus on the commercial opportunity. New organic growth strategies through technology innovation remains a focus.

Questions?

Appendix A

Reconciliation of Statutory (4E) to underlying results			
	4E	Less Significant Items	Underlying Business
FY22(\$M)			
Revenue	82.7		82.7
Costs of sales	(63.8)		(63.8)
Gross profit	18.9		18.9
Employee expenses	(7.7)	0.0	(7.7)
Professional fees	(1.7)		(1.7)
Travel expenses	(1.2)		(1.2)
Marketing expenses	(0.4)		(0.4)
Occupancy expenses	(0.4)		(0.4)
Other expenses	(1.6)	0.8	(0.8)
Operating EBITDA	5.9	0.8	6.7
Depreciation and amortisati	1.7		1.7
EBIT	4.1	0.8	4.9
Interest Income	0.0		
Interest expense	(0.3)		(0.3)
Profit before tax	3.9	0.8	4.7
Tax expense	(1.3)		(1.3)
Profit after tax	2.6	0.8	3.4
Earnings per share (EPS)	0.80 cents		1.22 cents
Significant Items Reconciliation		\$M	
Performance rights		0.3	
Redundancy		0.0	
FX		0.1	
Acquisition cost		0.3	
Total		0.8	



EGL

The Environmental Group Limited

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