

ASX Announcement

14 February 2025

H1 FY25 RESULT REVEALS SUSTAINED FINANCIAL PERFORMANCE AMID COMMISSIONING OF NEW GENERATION

LGI Limited (“**ASX.LGI**”, “**the Company**” or “**LGI**”) today announced financial results for the six-month period ended 31 December 2024.

H1 FY25 HIGHLIGHTS:

- Total revenue of \$16.9 million, +7% versus prior corresponding period (“pcp”) (H1 FY24: \$15.9 million)
 - Statutory and underlying EBITDA of \$7.3 million, +3% versus pcp (H1 FY24: \$7.0 million)
 - Statutory and underlying EBIT of \$4.2 million, -7% versus pcp (H1 FY24: \$4.5 million)
 - Statutory NPAT of \$2.4 million, -22% versus pcp (H1FY24: \$3.1 million)
 - Landfill gas flows of 59.7 million cubic meters (Mm³), +5% versus pcp (H1 FY24: 57.1 Mm³)
 - Renewable energy generation of 49,953 MWhs, +7% versus pcp (H1 FY24: 46,695 MWhs)
 - ACCU creation of 227,334 units, +7% versus pcp (H1 FY24 212,888)
 - Canberra power station successfully commissioned two additional 1MW generators exporting to the grid, a 50% increase in the power station capacity
 - Interim dividend of 1.2 cents per share
 - Webinar to be held at 10.30am (AEDT) Friday, 14 February 2025 (click here to register)
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Commenting on the headline H1 FY25 results, Chief Executive Officer Jarryd Doran said:

“LGI continues to be productive operationally, successfully constructing and commissioning power stations. Our operational performance for this half continues to grow versus pcp, with all key metrics higher year on year. In particular, it is pleasing to see gas flows up 5% on the previous year, illustrating LGI’s strategy to ‘chase the gas.’

While the operational team is achieving these great results, our project delivery team has also been busy constructing LGI’s two biggest power stations, Canberra and Eastern Creek Sydney. Both the expansion at Canberra and the construction of the Eastern Creek site in Sydney are occurring simultaneously with each project progressing to budget and on schedule.

It is a credit to the whole team to not lose focus on the present while continuing to build for the future.”

H1 FY25 overview

Landfill gas flows during the half totalled 59.7 million cubic metres, up 5% (versus pcp). This half saw the first gas flows from Tumut and Esk sites following the successful installation of pipework and flares during the period.

First half renewable energy generation also increased 7% versus pcp, to 49,953 megawatt hours (MWh). The commissioning of extra connection capacity and generation units at Canberra, late in the half, contributed to the increased MWh production in H1 FY25.

As a result of this operational performance, total H1 FY25 revenues grew 7% versus pcp to \$16.9 million while statutory EBITDA also grew 3% versus pcp to \$7.3 million.

Financial performance

\$'000	H1 FY25	H1 FY24	% Change
Statutory Revenue And Other Income (excl. Interest Income)	16,911	15,851	6.7%
Net Revenue ¹	15,560	14,769	5.4%
Statutory Gross Profit	12,283	11,509	6.7%
Statutory and Underlying EBITDA	7,260	7,048	3.0%
EBITDA margin ¹	47%	48%	-106 bps
Depreciation and Amortisation	3,045	2,524	20.7%
Statutory and Underlying EBIT	4,215	4,524	-6.8%
Net Interest Expense	992	380	160.7%
Statutory and Underlying Net Profit After Tax (NPAT)	2,402	3,099	-22.5%
Operating cash flow	6,261	7,612	-17.7%

¹ Net Revenue removes the value of the ACCUs provided to landfill owners as in-kind satisfaction of royalty payments.

Ongoing strategic focus on business development efforts

The Company continued to secure key commercial relationships with domestic landfill owners. During H1 FY25, LGI agreed contract terms with Lithgow Council (NSW), Southern Downs Regional Council (QLD), Midcoast Council (NSW) and Western Downs Council (QLD). For these contracts, LGI is working through both conditions precedent and CER project registration on each of these sites before finalising an investment decision. LGI also secured the Grafton site with Clarence Valley Council through a competitive tender process, converting it from an operation and maintenance site to a Carbon Credit site.

As a key strategic initiative, LGI will continue to pursue opportunities in the electricity market to assist with firming renewable capacity with locally connected generation, feeding directly into the distribution grid. In line with this strategy, work is ongoing in expanding LGI's flexible electricity capacity, adding both more generation capacity and storage capacity to our portfolio where viable. LGI is on track to have 21 MW of flexible capacity by the end of FY25, and 35 MW of flexible capacity by H1 FY26 with the installation of our 14MW Tesla battery at Canberra

Commenting on LGI's growing portfolio, Jarryd Doran said:

"Growth in the number of sites in our portfolio demonstrates that LGI's service offering continues to resonate with landfill owners. Providing low cost, in some cases no cost, gas management systems that contribute to reducing the landfill owners' carbon emissions that are attractive to the site owners."

Our growth in sites coincides with increased ACCU demand and increased volatility in the electricity wholesale market, both in line with LGI's business model."

New power stations

During H1 FY25, LGI commissioned two new 1 MW Jenbacher generators at its power station in Canberra, reflecting a 50% increase in generation capacity at the site. Additionally, LGI completed the increase in the grid connection capacity from 4MW to 20MW from the site's distribution company, EVO Energy. This required 2.6km of new dedicated underground cabling from the power station to EVO Energy's substation. The connection capacity is now in place and available for the installation of battery storage. LGI has placed an order with Tesla for batteries, with a delivery period, anticipated in H1 FY26. In anticipation of increased generation capacity, LGI has also expanded the gas collection system at Canberra. Specifically, the Company has installed 37 new biogas collection wells and associated pipe work to ensure the gas flows can maximize the full generation capacity available at the site.

At the Company's Eastern Creek site (Sydney NSW), LGI commenced construction of its power station. Initial earth works were completed during November 2024 with civil work completion anticipated in March 2025, including concrete pads for generators, pits for electrical cabling and earthing. The key power station equipment being gas conditioning skids, Jenbacher generators, transformers and switch gear are all due for delivery throughout February and March 2025. Lastly, our team has been busy expanding the gas collection system at Eastern Creek by installing 32 new wells during H1 FY25.

Bunya Power station update

As at 19 January 2025, LGI celebrated a full 12 months of operational data from the combined generator and battery at Bunya (QLD).

Over the last 12-month period, LGI has continued to refine the operation of the battery with improvements to how the Dynamic Asset Control System (DACS) receives and analyses data. LGI is currently running DACS in production mode as well as trialing several simulation modes to both further refine and optimise DACS, the engine operation and the battery.

Operationally the battery has performed better than expected and is able to respond to control signal changes in less than a second.

For a full 12 months of operation, including Frequency Control Ancillary Service (FCAS) revenue. Bunya has achieved a weighted average pool price of \$192.17 per MWh, approximately 72.6% above the Australian Energy Market Operators (AEMO) average for the period.

Commenting on the commercial performance of the battery/DACS software, Jarryd Doran added:

"We are thrilled the Bunya battery has performed better than expected and the financial outcome exceeds the initial forecast we set ourselves when approving to purchase the battery."

This performance has given LGI the confidence to expand our battery roll out to Canberra. We're also continuing to assess other contracted sites to determine which would benefit from future battery installation."

Interim dividend

The Board of LGI is pleased to announce an interim dividend of 1.2 cents per share, fully franked, with a record date of entitlement of 20 March 2025. The interim dividend will be paid on 27 March 2025.

FY25 outlook

LGI confirms its previously provided guidance that, FY25 underlying EBITDA is expected to grow by 12% to 15% versus FY24, subject to market dynamics, and timing issues outside the control of the Company.

Results webinar

The Company will host an investor webinar to discuss the results at 10.30am AEDT (9.30am AEST) today, 14 February 2025. Register for the webinar via the link below:

https://us02web.zoom.us/webinar/register/WN_7qGbuIOLS_etbzOjo1m2gA

Questions can be pre-submitted to sam@nwrcommunications.com.au or asked via the Q&A function during the webinar.

This announcement is authorised for release by the Board of Directors.

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About LGI (ASX: LGI)

LGI is an established domestic market leader in the recovery of biogas from landfill, and the subsequent conversion into renewable electricity and saleable environmental products. LGI's vertically integrated operations cover the engineering and management of landfill gas infrastructure, whilst providing solutions to create opportunities for the generation of renewable electricity and carbon abatement. LGI is addressing an inherent environmental issue for waste disposal sites.

LGI operates a portfolio of 32 projects across Queensland, New South Wales and the Australian Capital Territory, generating dispatchable, renewable energy and abating carbon to generate revenue through electricity sales, LGCs and ACCUs. These projects contribute towards LGI's vision of engineering a zero carbon, clean energy future.