

CLOSE THE LOOP

collecting today.

FY25 Results Presentation | August 2025

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Investor Presentation

FY25 Results Schedule

Agenda

- 4. **Business Overview**
- 8. **Strategic Initiatives**
- 12. **Financial Statements**
- 16. **Outlook**
- 18. **Investor enquiries**

Presenters



**Kesh
Nair**

**Executive
Director
& CEO Australia**

Kesh is the Executive Director of Close the Loop and has worked with CLG for 17 years. Throughout his tenure, Kesh had led numerous strategic initiatives, including product development & sales/marketing.



**Marc
Lichtenstein**

**Group Chief
Financial Officer**

Marc is Group CFO and has been with the group since 2017. Marc is an accomplished and purpose driven senior executive with deep cross functional experience spanning finance, strategy, M&A, governance and risk management.



**Matthew
Zimmer**

**CEO
United States**

Matthew is the CEO of the North American ITAD business. Matthew brings a wealth of experience and a proven track record in ITAD. With deep industry knowledge Matt delivers strong business outcomes.

Business Overview

Stabilising and Reset for Growth

Business Overview

Divisional Summary

01

Resource Recovery (ITAD)

- Information Technology Asset Disposition (ITAD) includes the refurbishment of laptops, printers, computing, gaming accessories for resale via network in addition to the recycling of printer cartridges
- Customers are primarily global Original Equipment Manufacturers (OEMs) of computer equipment
- Key revenue drivers include consumer electronic sales and recycling of print consumables whilst expanding into new geographies
- Hardware supply agreements with key OEMs allow returned goods to be refurbished, repaired and re-sold through established sales channels. Printer cartridge collection operates on a fixed fee per cartridge, supplemented by managed services
- Globally, 1.3bn inkjet cartridges are sold per annum, with 15%-20% recycled. Cartridge network of 260k collection points in US, Australia, and Europe, processing c.50m cartridges p.a.

02

Packaging

- Made to order reusable (environmentally friendly) packaging flexibles, & pouches.
- Key clients include major Fast-Moving Consumer Goods (FMCG) manufacturers, with product ranges spanning across consumer goods, confectionary, bulk bags, seafood, pet foods, and snacks
- Growing demand for eco-friendly packaging solutions is driving positive momentum within the packaging division
- Focused on cross-sell opportunities within existing customer base, a key management initiative to increase average revenue per customer
- Solution provides a '*one-stop-shop*'. It enables a holistic outsourced packaging solution from design to end-product
- Future initiatives include expanding growth via product diversification into different categories including health and beauty
- Expanding R&D program toward a smart packaging design solution

FY25 Performance

Financial highlights

FY25
Revenue

\$195.1m

-6.7% on pcip

FY25
Gross Profit

\$58.3m

-26.1% on pcip

FY25
Gross Margin

29.9%

Vs 37.8% in pcip

FY25 Adjusted
EBITDA

\$18.4m

-59.0% on pcip

FY25 Adjusted
EBITDA Margin

9.4%

Vs 21.5% in pcip

FY25
NPBT

(\$20.1m)

Vs \$14.4M in pcip

FY25 Snapshot

Realigning business, product mix in ITAD

Key Points

- Overall, the group experienced resilient demand in FY25, however earnings were materially impacted by an unfavourable shift in product mix resulting in lower FY25 EBITDA vs pcip
- New ITAD programs from an existing OEM client are anticipated to enable volume growth in FY26
- Approval received from the Manufacturing, Maquiladora, and Export Services Industry Program (IMMEX) to recycle computer hardware at the Mexicali Plant
- Strategic review of underperforming business units
- Key management appointments made in FY25 to improve operating performance including Kesh Nair Executive Director and CEO of Australia & Matthew Zimmer CEO of North America
- Private equity bid did not materialise, management focus is now on achieving organic growth in FY26



Strategic Initiatives

Key Objectives

Strategy

**OUR
VISION**

To be a leading recycling solutions and packaging business leading the way in the circular economy

**CUSTOMER
PROMISE**

We want to be considered the best in class with an incredible product suite supported by outstanding customer service

**OUR MID-
TERM
STRATEGIC
GOALS**

01

Improving cash conversion

02

Packaging Performance

03

Increasing ITAD volumes to enhance value

04

OEM client expansion

05

Improve cost efficiencies

**OUR
GOAL**

To service our customers with top quality products and provide sustainable returns to our shareholders

Strategy

Accelerating growth with focus

01

Improving cash conversion

to reduce debt and expand operations

- Improve cash conversion by the negotiation of faster payment terms, reducing inventory holding through quicker product listings, operational efficiency and employing a dynamic pricing model
- Leveraging credit lines to increase cash holdings. This shortens the cash conversion cycle, reduces working capital, and stabilises cash flow
- Restructuring to buy as one group will enable better purchasing terms and better cash management

02

Packaging performance

to improve by building brand equity

- Source and sell high-quality products to build and maintain brand equity
- Expansion of our sales team, increasing share of wallet from loyal customers, and introducing incentives to capture new business
- Leverage our international footprint across Australia and South Africa, where we will unlock revenue opportunities through cross-selling and resource sharing to drive economies of scale
- R&D investment will create proprietary IP and reposition CLG Packaging as a technology-driven leader



Strategy

Accelerating growth with focus

03

Increasing ITAD volumes to enhance value

by leveraging platform partnerships

- Expand globally by leveraging our partner network and collective selling power across the USA, Europe, and Asia-Pacific
- Capitalise on existing global contracts and customer relationships
- Differentiate by combining certified data security, transparent reporting & streamlined logistics to maximise asset value & support clients' compliance and sustainability goals
- Every 3PL, recycler, & refurbishment partner supports ~15% of returns. CLG is building an end-to-end reverse supply chain to support OEM's globally

04

OEM client expansion

by focusing on key clientele to increase volume

- Dedicated to account management growth inside the existing customer base by servicing more volume in existing products and additional product lines
- New sales focus on OEM customer acquisition & multi-vendor collection program continued to expand across Europe, with more OEM's joining
- Bundling of services, globally, to increase value accretion within existing accounts
- New centralised test image and standardised operational process has been established
- Single account, data, and visibility layer anywhere in the world

05

Improve cost efficiencies

by leveraging Mexicali volume capacity

- Shift in ITAD product volumes to the new Mexicali, Mexico facility will increase CLG's operational cost efficiency
- Product refurbishment lines in the new facility have been established, with employees in place and ready to scale greater volumes processed
- Management is focusing on developing a proper hybrid strategy to maximise value with labour and materials and when value is best to sell as is or to a different channel. The goal is to optimise profitability by touch point

Financial Statements

Reset for FY26

Balance Sheet

Enhancing financial stability

Key Points

- All bank debt has been classified as current due to a change in accounting standards
- Ongoing support of the bank facility which expires in 2029
- Bank covenants breached during the year, however complied with at the 30th June reporting date
- Current debt also consists of convertible notes with a related party
- Net debt increased to \$53.5m vs \$42.7 pcg primarily due to lower operating cashflow
- The lower receivables balance correlates with the lower payables and higher inventory. This is due to an increase in inventories in ITAD as the business scales
- Intangibles assets consist of customer relationships associated with prior acquisitions. The decrease in intangible assets reflects impairment of Close the Loop Plastic Recycling and O F Resource Recovery

A\$m	FY25	FY24	\$ Change	% Change
Cash	32.3	40.6	(8.3)	(20.4)
Receivables	28.8	36.1	(7.3)	(20.2)
Inventory	24.1	20.0	4.1	20.5
Other	5.3	3.1	2.2	71.0
Total Current Assets	90.5	99.8	(9.3)	9.3
Investments	0.2	0.2	-	N/A
Property, plant and equipment	24.8	26.4	(1.6)	(6.1)
Right of Use Assets	28.5	23.8	4.7	19.7
Intangible Assets	124.7	142.8	(18.1)	(12.7)
Other	8.1	4.0	4.1	102.5
Total Non-Current Assets	186.3	197.2	(10.9)	(5.5)
Trade and Other Payables	15.9	20.9	(5.0)	(23.9)
Borrowings	85.4	14.3	71.1	Large
Lease Liabilities	4.3	3.8	0.5	13.2
Income Tax Payable	0.3	0.5	(0.2)	(40.0)
Provisions	2.4	3.5	(1.1)	(31.4)
Deferred Revenue	0.4	1.2	(0.8)	(66.7)
Other Current Liabilities	2.5	1.3	1.2	92.3
Total Current Liabilities	111.2	45.5	65.7	144.4
Borrowings	0.4	69.0	(68.6)	(99.4)
Lease Liabilities	26.3	21.6	4.7	21.8
Deferred Tax Liability	17.3	19.2	(1.9)	(9.9)
Other	0.1	0.1	-	N/A
Total Non-Current Liabilities	44.1	109.9	(65.8)	(59.9)
Net Assets	121.5	141.6	(20.0)	(14.1)
Net Debt	53.5	42.7	10.8	25.3

Income Statement

EBITDA impacted by one-off costs

Key Points

- Reported revenue declined primarily due to lower recycling contribution (ITAD) and the closure of the O F Resource Recovery business (~\$5M in FY25)
- Gross Profit declined due to change in product mix
- GP Margin reflected lower profitability
- CLG incurred several one-off costs in FY25 that are not anticipated to be repeated in FY26. Primary one-off costs include Mexicali & Kentucky ITAD start up costs, and O F Resource Recovery shutdown costs
- Adjusted EBITDA margin declined to 9.4% vs 21.5% pcp
- The decline in EBITDA performance was primarily due to reduced 30-day customer returns and growing ITAD inefficiency
- Net finance costs reduced to \$8.2m vs \$9.5m pcp due to the overall debt and interest rates decreasing
- Adjusted NPATA (excluding one-off items) reduced to \$7.8M vs \$25.9m pcp

A\$m	FY25	FY24	\$ Change	% Change
Revenue	195.1	209.0	(13.9)	(6.7)
(-) Cost of Goods Sold	(136.8)	(130.1)	(6.7)	(5.1)
Gross Profit	58.3	78.9	(20.6)	(26.1)
Gross Margin (%)	29.9%	37.8%	(7.9)	(20.8)
(+) Other Income	1.9	5.5	(3.6)	(65.5)
(-) Selling and Distribution Expense	(6.9)	(5.2)	(1.7)	32.7
(-) Administration Expense	(10.9)	(11.9)	1.0	(8.4)
(-) Employee Benefits	(21.9)	(17.9)	(4.0)	22.3
(-) Occupancy Costs	(5.8)	(4.5)	(1.3)	28.9
(-) Other Expense	(1.9)	-	(1.9)	N/A
(+) One off Costs	5.6	-	5.6	N/A
Adjusted EBITDA	18.4	44.9	(26.5)	(59.0)
EBITDA Margin (%)	9.4%	21.5%	-	-
One-Off Costs	(5.6)	-	(5.6)	N/A
EBITDA	12.8	44.9	(32.1)	(71.5)
(-) Depreciation & Amortisation	(24.7)	(21.0)	(3.7)	17.6
EBIT	(11.9)	23.9	(35.8)	(149.8)
(-) Net Finance Costs	(8.2)	(9.5)	(1.3)	(13.7)
Net Profit Before Tax	(20.1)	14.4	(34.5)	(239.6)
(-) Tax Expense	3.6	(3.0)	6.6	(220.0)
Net Profit After Tax	(16.5)	11.4	(27.9)	(244.7)
(+) Amortisation of Customer Contracts	16.7	14.7	2.0	13.6
(+) One off costs	5.6	-	5.6	N/A
Adjusted NPATA	7.8	25.9	(18.1)	(69.9)

Cashflow Statement

Capex focused on Mexicali initiation

Key Points

- Operating cashflow lower due to overall financial performance
- Quick Cash Conversion / EBITDA of 92% above the expected rate with historical target rate of 75%.
- Capex was primarily to fund the investment in the Mexicali plant and CtL Plastic Recycling. Large reduction in capex in FY25 vs FY24
- Lease payments increased on last year which was attributable to the initiation of the Mexicali facility (2H25) and temporary warehouses

Capital Management

- Debt reduction a key priority for management in FY26 due to increased quarterly repayments
- Significant cash balance at 30th June
- Long-term support of the Group's financiers

A\$m	FY25	FY24	\$ Change	% Change
(+) Cash Receipts	204.1	205.2	(1.1)	(0.5)
(-) Cash Paid to Suppliers	(192.3)	(173.3)	(19.0)	11.0
(+) Other Revenue	1.7	5.9	(4.2)	(71.2)
(-) Interest Paid	(5.1)	(8.2)	3.1	(37.8)
(-) Tax Paid	(3.6)	(7.9)	4.3	(54.4)
Operating Cashflow	4.8	21.7	(16.9)	(77.9)
Quick Cash Conversion / EBITDA (%)	92%	71%	-	-
(-) Capex	(3.3)	(10.1)	6.8	(67.3)
(-) Acquisitions	(0.8)	(9.5)	8.7	(91.6)
Investing Cashflow	(4.1)	(19.6)	15.5	(79.1)
(-) Proceeds from share issue	-	1.7	(1.7)	(100.0)
(+) Dividends Paid	(0.1)	(0.1)	-	N/A
(-) Lease Payments	(6.8)	(5.2)	(1.6)	30.8
(-) Net Proceeds from Borrowings	(2.3)	(7.7)	5.4	(70.1)
Financing Cashflow	(9.2)	(11.3)	2.1	18.6
Starting Cash	40.6	49.5	8.9	(18.0)
Net Cash flow	(8.5)	(9.2)	0.8	(8.7)
FX Impact	0.2	0.3	(0.1)	(33.3)
Ending Cash	32.3	40.6	8.3	(20.4)

Outlook

Focusing on key priorities

Outlook Statement

FY26 organic growth focus

EXPANDING OEM RELATIONSHIPS GLOBALLY

The company continues to strengthen relationships with key OEM partners by expanding into new jurisdictions and introducing additional product lines.

Management is leveraging established infrastructure to drive material volume growth, and in doing so, creating long-term value for shareholders.

MEXICALI PLANT VOLUME INCREASE

The Mexicali plant was impacted by approval delay in 1H25. This has been granted and anticipate that volumes will increase as the business continues to shift volume from NA facility.

Volumes anticipated to steadily increase throughout FY26 as new initiatives are brought online.

TARGETING GROWTH INITIATIVES

Targeting growth initiatives to expand market presence and strengthen CLG's competitive position.

By pursuing strategic opportunities, broadening the customer base, and enhancing service capabilities, CLG aims to accelerate expansion while delivering sustainable value across our business.

MANAGEMENT EXPERTISE

Key management appointments will bring extensive industry expertise and leadership, with a clear mandate to sharpen operational focus and expand globally.

Combined regional knowledge and operational capabilities are expected to strengthen execution, improve efficiencies, and capture growth opportunities in their respective markets.

BUILDING REVERSE SUPPLY CHAIN LOGISTICS

CLG is building reverse supply chain logistics for the circular economy.

This includes refurbishment, repair, recycling and an end-to-end reverse supply chain to support OEMs anywhere in the world. By becoming one encompassing solution for its clients, CLG will win more market share.



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