



FOCUS YOUR ENERGY

LGI LIMITED

ABN 49 138 085 551

People engineering a clean energy, zero carbon future

FY23 Results Presentation



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Presenting Today



ADAM BLOOMER

**Managing Director and
Chief Executive Officer**

Founded LGI in 2009, with decades of experience developing projects in the waste, landfill and renewable energy sectors.



DR. JESSICA NORTH

**Executive Director and
Co-Chief Executive Officer**

Over 20 years of experience in the waste industry, in particular carbon abatement and biogas management from landfills.



JARRYD DORAN

Chief Operating Officer

Over 15 years of engineering and multi-stakeholder project management experience in the local Government, waste and renewable energy industry.



DEAN WILKINSON

Chief Financial Officer

CFO with over 20 years of experience across energy generation, distribution, retail and trading, both in listed and large private companies.

Contents

1. Business highlights
2. Detailed Operational Information
3. Financial Information
4. Strategy, Growth and Outlook



Toowoomba Power Station



1. Business Highlights

LGI geographic footprint

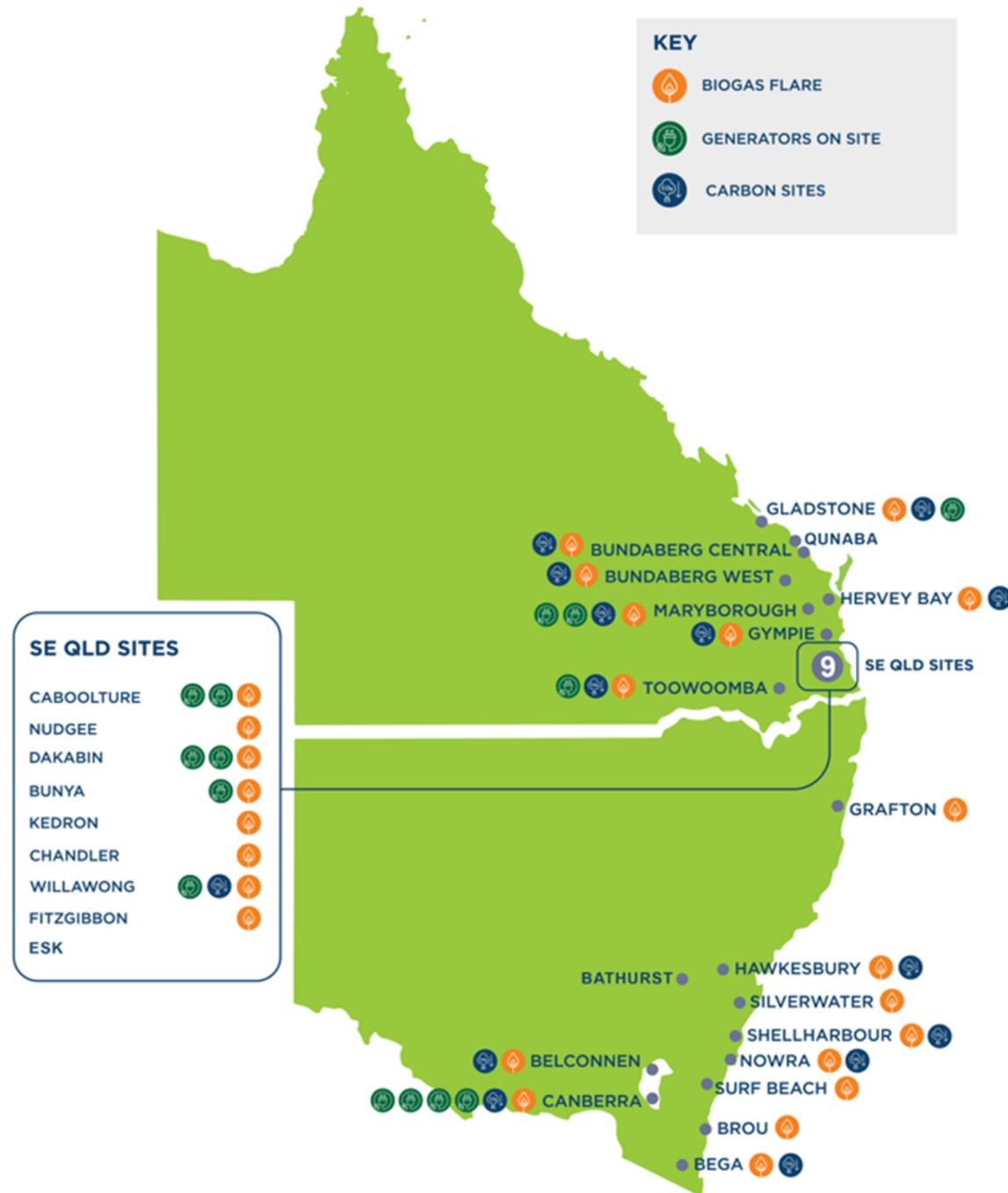
At the date of this presentation, LGI has entered into contracts to develop 3 new projects at Esk, Qunaba and Bathurst landfills.

LGI will be working to register Esk and Qunaba as carbon abatement sites and Bathurst is an Infrastructure Construction and site management project.

8 Power Stations

15 Carbon Credit sites

28 Landfills supported by LGI



LGI FY23 Highlights

People

72,816 hours (FY22: 55,600 hours) worked across the team

1 safety lost time injury (FY22: 1)

Staff retention 94.2%

Staff growth 33.3%



LGI FY23 Highlights

Operations

Biogas flows	113.0 Mm³ ▲	increase of 12.6% ¹
Renewable electricity generation	94,435 MWhs ▲	increase of 7.9% ¹
Generation fleet availability	96%	fleet target of 95%
Creation of carbon units	420,804 ▲	increase of 4.6% ¹

¹ Compared to results from corresponding period last year



Mugga Lane Power Station

LGI FY23 Highlights

Financial

Net Revenue^{1 5}

\$30.4 m

Up 26.6%²

Pro Forma EBITDA¹

\$14.4 m

Up 13.9%²

EBIT¹

\$9.8 m

Up 14.5%²

EBITDA Margin¹

47%

Down -514 bcp bcp²

NPAT⁴

\$6.4 m

Up 34.9%²

Operating cashflow³

\$8.0 m

Down 10%²

¹ Pro forma representing the underlying position excluding the IPO costs and any significant items

² Compared to results from corresponding period last year

³ Pro forma results

⁴ Statutory results

⁵ Net revenue removes the value of the ACCUs provided to landfill owners as in kind satisfaction of royalty payments.



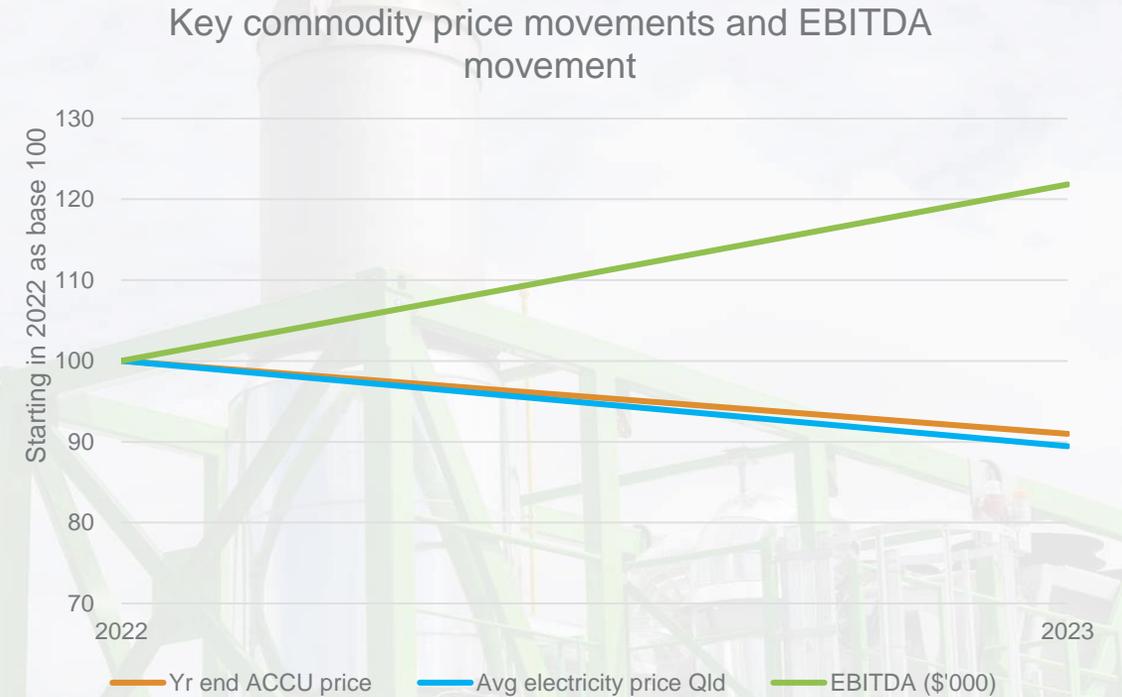
Dakabin power station

Profitability Drivers

Of the 3 key commodities which create the bulk of LGI's revenue, 2 of them declined in value across 2023. However, LGI was able to grow EBITDA in 2023 due to several key drivers:

- Increase in volume of all revenue streams. LGI generated or created more electricity, LGCs and ACCUs in 2023 compared to 2022.
- New projects coming on-line and immediately being EBITDA accretive.
- Hedge position removed the bulk of the volatility in commodity price movements.
- As LGI grows it is able to take advantage of economies of scale in areas such as maintenance and spare parts.
- Continued focus on cost management.

Electricity and ACCU price movement compared to EBITDA movement





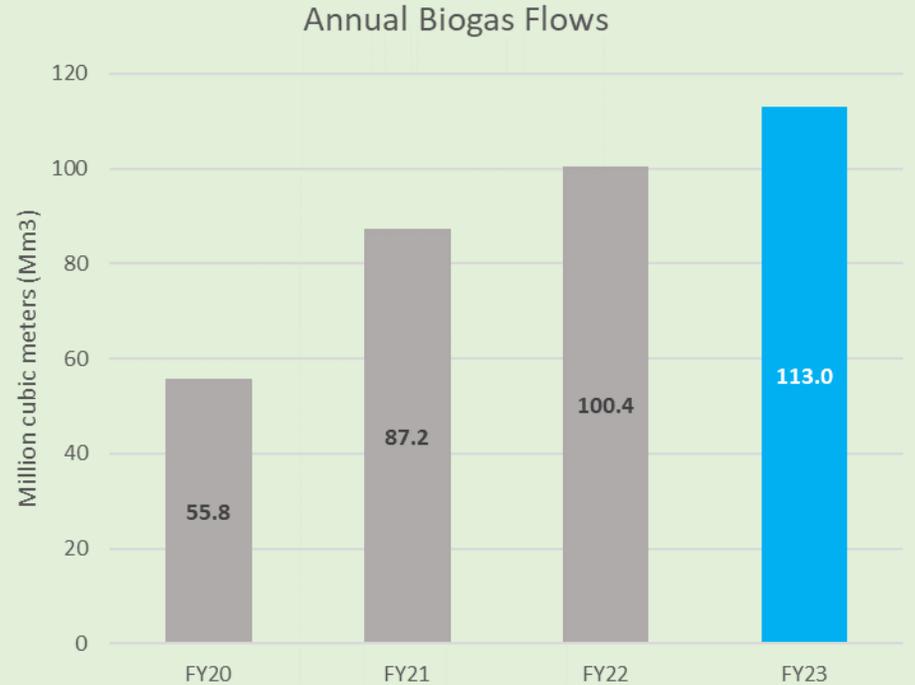
2. Detailed Operational Information

Operational Performance

Biogas flows



- Biogas flows increased 13% YoY
- Number of wells installed for FY23: 158
- Focus on Canberra site at Mugga Lane in anticipation of additional generators and export capacity, with biogas flows increasing 27.1% to 31.9 Mm³
- Other sites performing well include Bunya (incr. 48%), Nowra (incr. 25%), Bega (incr. 33%) and Hervey Bay (incr. 31%)



Operational Performance

Renewable Electricity Generation

- Renewable electricity generation increased 7.9% YoY
- Commissioning of Toowoomba in December 2022, meeting forecast delivery date
- Generator availability (total amount of time gen set is capable of generation during the year) was above LGI target of 95%
- Investment in people, parts on shelf and gas scrubbing equipment

Annual Renewable Electricity Generation



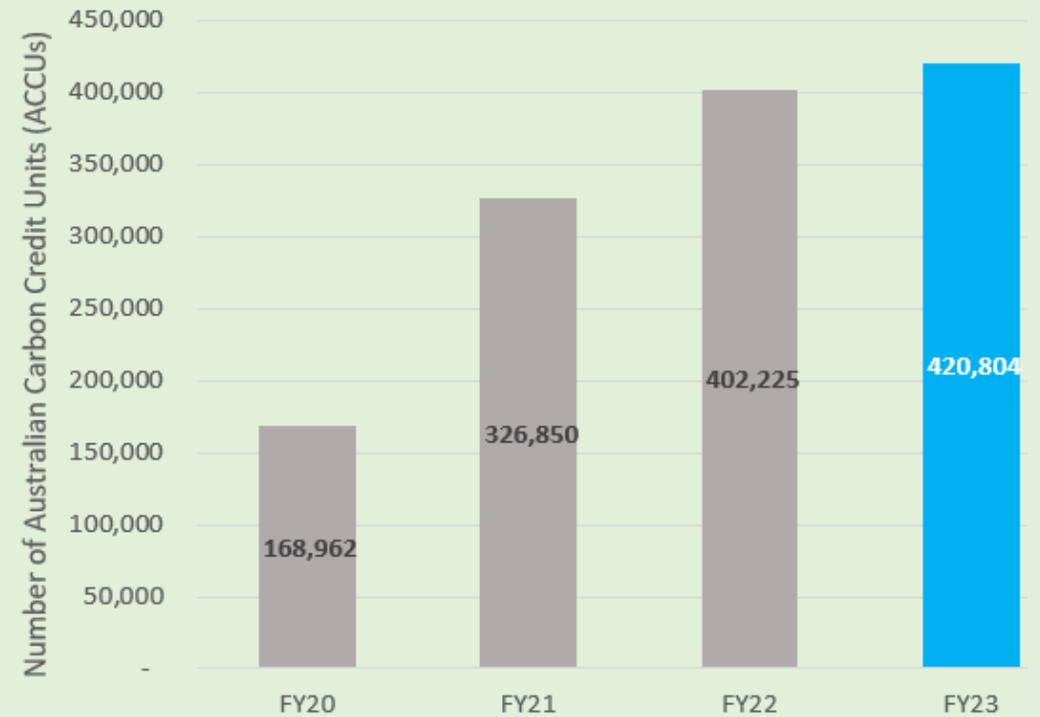
Operational Performance

Australian Carbon Credit Units (ACCUs)

- The number of ACCUS created increased 4.6% YoY
- Increased biogas flows had a direct influence on the number of ACCUs created in FY23



Annual ACCU creation



Dynamic Asset Control System (DACs)

DACs was delivered in FY23, operating for the later part of the year, controlling generation at three power stations.

Key outcomes from June 2023 while DACS was running:

Avoided negatives across fleet : 37.6%

(Caboolture 95% for the full month)

Weighted average price vs market average price for the fleet: 5% above average

(Caboolture 9.5% for the full month)

DACs in operation on a typical day in June



Project Pipeline

Steady progress on contracted projects

- LGI continues to focus on near term contracted projects
- Expanding our carbon abatement portfolio with new sites, and continuing to maximise biogas recovery from existing sites
- Material increase in MW biogas to energy capacity across the portfolio
- Deploying battery capacity across the portfolio
- Adding solar to existing sites where access to land and grid make this commercially viable



Project Pipeline

Steady progress on contracted projects with accretive capex

Project	Status
Carbon abatement projects	BD team promoting the benefits of landfill biogas capture to landfill owners and operators.
DACs	Already deployed to all generating sites. Continue to improve the logic to provide optimum dispatch into the grid.
Bunya Battery (City of Moreton Bay)	Battery and associated balance of plant is installed at site. Awaiting final confirmation from network authority to connect to the grid.
Mugga Lane upgrade (Canberra) Upgrade from 4MW to 20 MW	Connection agreement received from network authority. New gen sets have been delivered to site.
Dakabin upgrade (City of Moreton Bay) Upgrade MWs	Network authority undertaking assessment of existing connection capacity. Gen set has been received in Brisbane. Balance of plant to be ordered following connection agreement.
Nowra hybrid (Shoalhaven City Council) Upgrade to generation site	Network authority has completed an assessment for connection capacity, allowing our team to now optimise the right combination of equipment for this site. Power station design is complete, pending connection agreement.
Gladstone – Benaraby Solar project	Still in feasibility stage. Network authority undertaking assessment





3. Detailed Financial Information

Revenue

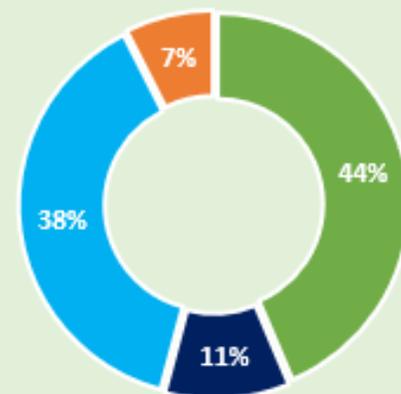
Revenue growth – electricity revenue increasing

Total revenue growth **27%** YoY, all revenue streams grew in FY23

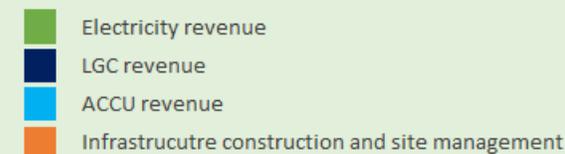
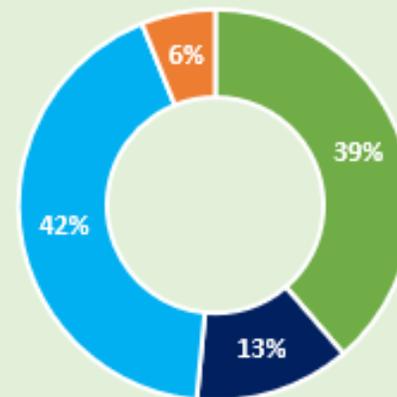
LGI continues to create revenue from multiple streams

Electricity revenue was a higher portion of revenue in FY23

FY23 Net Revenue by Source



FY22 Net Revenue by Source



These charts do not include statutory Other Revenue

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

\$'000	FY2023	FY2022	Change
Electricity (including hedge position)	13,204	9,288	▲ 42%
Renewable Large scale Generation Certificates (LGCs)	3,194	3,076	▲ 4%
Net carbon abatement (ACCUs)	11,622	10,179	▲ 14%
Infrastructure construction and site management	2,258	1,459	▲ 55%
All other revenue (excluding interest)	142	36	▲ 294%
Total net revenue	30,419	24,037	▲ 26.6%

Profitability and return

Profit increases

LGI pro forma EBITDA up **14%**

- Gas flows contributed to higher revenue and higher EBITDA
- YoY MWhs higher, commissioning Toowoomba
- YoY ACCUs higher
- Debt significantly reduced but cost of debt up over previous year

\$'000	FY2023	FY2022	Change (impact on NPAT)	
Statutory Revenue and Other Income (excluding interest income)	32,303	25,472	▲	27%
Net Revenue ²	30,419	24,037	▲	27%
Pro forma EBITDA ¹	14,416	12,627	▲	14%
Depreciation and amortisation	4,659	4,127	▼	-13%
Pro forma EBIT ¹	9,757	8,500	▲	15%
Net interest expense	883	803	▼	-10%
Tax	1,333	2,141	▲	38%
Pro forma net profit after tax (NPAT) ¹	7,542	5,556	▲	36%
Capital raise expenses (after tax)	1,102	782		
Statutory net profit after tax (NPAT)	6,440	4,774	▲	35%
Statutory basic earnings per share (cents)	7.7	6.7	▲	15%
Dividend paid in FY2023 (cents)	2.113	-		
Weighted average number of shares (diluted in m)	88.8	71.4		

¹ Pro forma representing the underlying position excluding IPO costs and any significant items

² Net revenue removes the value of the ACCUs provided to landfill owners as in-kind satisfaction of royalty payments.

Balance sheet

Reduction in debt, growth of assets

Initially IPO funds have been used to reduce debt, facility debt as at 30 June 2023 \$1.5m, down from \$19.9m in FY22.

Growth in Plant and Equipment funded partially from IPO funds and partially from working capital

ACCU balance growth driven by volume and partially exiting contracts with the Federal Government.

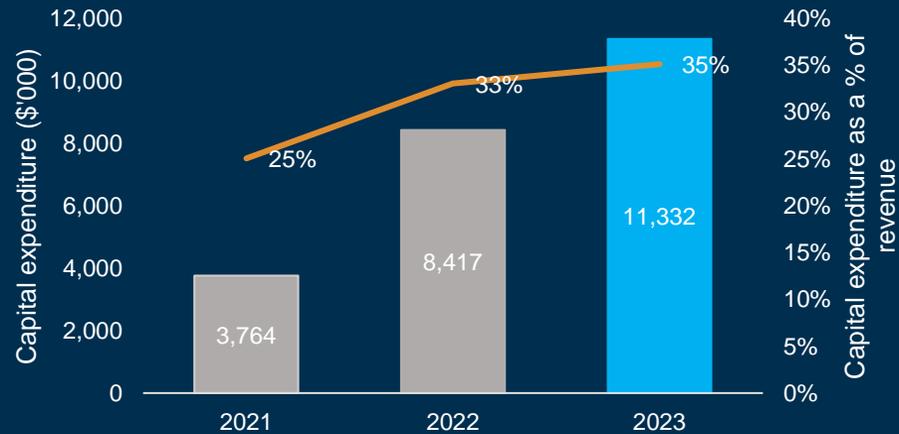
\$'000	as at 30 June 23	as at 30 June 22
	Statutory	Statutory
Assets		
Cash	52	889
Trade receivables	1,157	3,366
ACCU environmental certificates	11,402	7,505
LGC environmental certificates	1,001	681
Property Plant and Equipment	42,377	35,474
Goodwill	314	314
Other receivables and other assets	7,059	2,601
Total Assets	63,363	54,253
Liabilities		
Trade payables	2,984	5,251
Lease liability	3,296	4,889
Debt facility	1,500	19,850
Other payables and other liabilities	6,208	10,970
Total Liabilities	13,988	40,960
Equity		
Issued shares	31,928	7,417
Reserves and other equity items	1,621	- 5,204
Retained earnings	15,826	11,081
Total Equity	49,375	13,294

Capital Expenditure

Capital Expenditure for FY23 includes

- Completion of Toowoomba power station
- Preparation for Canberra Power station expansion including new generation units
- Generation units for Nowra Power station
- Construction of additional flares

Capital expenditure and percentage of revenue



Toowoomba Power Station during construction



Toowoomba Power Station

Cash flow

LGI operating cash flow positive

Pro forma operating cash flow 10% lower pcp.

Proforma EBITDA cash conversion of 55%, noting the ACCU stock on Balance Sheet

Cash on investing activities, primarily capital expenditure cash flow, 35% increase YoY

(\$'000)	FY23	FY22
Pro forma EBITDA	14,416	12,652
Statutory Operating cash flow	6,958	7,404
Pro forma adjustment in relation to the IPO	1,000	1,452
Pro forma Operating cash flow	7,958	8,856
Pro forma EBITDA cash conversion (%)	55%	70%
Pro forma cash from Operating activities	7,958	8,857
Pro forma cash (used) in investing activities	(11,259)	(8,892)
Pro forma cash from/(used) in financing activities	3,464	710
Pro forma net change in cash and cash equivalents	163	674
Statutory cash flows		
Net cash from operating activities	6,958	7,404
Net cash used in investing activities	(11,259)	(8,345)
Net cash from/(used) in financing activities	3,464	902
Net change in cash and cash equivalents	(837)	(39)

Debt and debt facilities

Substantial reduction in debt facility

LGI has substantially reduced the debt balance YoY (87%).

Debt facility continues to be available to LGI with \$26.3m undrawn.

(\$'000)	as at 30 June 23	as at 30 June 22
Leases	1,299	1,518
Balance of debt facility	1,500	19,850
Gross debt	2,799	21,368
Cash and cash equivalents	52	889
Net debt	2,747	20,479
Net debt to Pro forma EBITDA ratio (times) ¹	0.2	1.6
Interest cover ratio	9.2	9.4

¹ Pro forma representing the underlying position excluding IPO costs and any significant items



4. Strategy and Growth

FY24 Priorities

Continue to support our people, with workplace health and safety initiatives, training and career development

Expansion of power stations, in particular Canberra, Dakabin and Nowra

Work on upgrading network connections on all generation sites

Roll out DACS to all power generation sites and continue to fine tune the operating logic

Work on contracted landfill sites to expand gas collection facilities

Actively pursue new landfill gas management and generation opportunities



Canberra Power Station

Outlook Statement

LGI will continue to increase its recovered biogas volumes in FY24 by 9% to 14% on the pcp, resulting in production of more MWhs and ACCUs.

There has been volatility in ACCU spot pricing over the last 12 months and it's expected to continue for the foreseeable future.

Using recently observed market prices for ACCUs and electricity, LGI expects underlying EBITDA for FY24 to increase by 6.0% to 14% on the pcp.



Questions



Jenbacher J320



Additional Financial Information

Generation segment

Profit increases

Generation segment Gross margin up **37%**

Profit drivers

- Increased biogas flows YoY
- Commissioning of Toowoomba, which started generation in Dec 2022
- Hedge program continues with approximately 75% of volume hedged
- Active maintenance program to minimise down time

	FY23	FY22	Change	
	Statutory	Statutory		
Operating metrics				
Biogas flows ² (million cubic meters: Mcm)	77.1	65.1	▲	18%
Megawatt hours (MWhs) generated	94,435	87,516	▲	8%
Large Scale generation Certificates (LGCs) created	92,540	87,516		6%
Profitability				
Electricity revenue (\$'000)	13,204	9,289	▲	42%
LGC revenue (\$'000)	3,194	3,076	▲	4%
Total revenue (\$'000)	16,398	12,365		33%
Total revenue growth (%)	33%		▲	
Gross Margin (\$'000)	11,758	8,602	▲	37%
Gross Margin percentage (%)	72%	70%		214 bcp

Carbon Abatement segment

Profit increases

Generation segment Gross margin on par with previous year.

Noting ACCU spot prices from 30 June 2022 to 30 June 2023 declined 9%.

	FY23	FY22	Change	
	Statutory	Statutory		
Operating metrics			▲	
Biogas flows ² (million cubic meters: mcm)	89.9	78.8	▲	14%
ACCUs created or acquired	420,804	402,225		5%
Profitability			▲	
ACCU revenue (\$'000)	13,505	11,612		16%
Total revenue growth (%)	16%		▲	
Gross Margin (\$'000)	9,855	9,804	▼	1%
Gross margin percentage (%)	73%	84%		-1145 bcp

Infrastructure Construction and Site Management segment

Profit increases

Infrastructure Construction and Site Management segment Gross margin up **47%**

Gross margin drivers

- Increased Infrastructure Construction activity, up 84%.

	FY23	FY22	Change	
	Statutory	Statutory		
Profitability				
Infrastructure construction revenue (\$'000)	1,643	891	▲	84%
Site Management revenue (\$'000)	615	568	▲	8%
Total revenue ('000)	2,258	1,459	▲	55%
Total revenue growth (%)	55%			
Gross Margin (\$'000)	993	677	▲	47%
Gross margin percentage (%)	44%	46%	▼	-227 bcp

Financial Reconciliation to Statutory Results

\$'000	FY23			FY22		
	Statutory before Pro forma items	Pro forma items	After Pro forma items	Statutory before Pro forma items	Pro forma items	After Pro forma items
Revenue	32,303	-	32,303	25,472	-	25,472
EBITDA	13,315	1,101	14,416	11,846	806	12,627
Depreciation and Amortisation	4,659	-	4,659	4,127	-	4,127
EBIT	8,656	1,101	9,757	7,719	806	8,500
Net Interest Expense	883	-	883	803	-	803
Income tax	1,333	-	1,333	2,141	-	2,141
Gross margin results	6,440	1,101	7,542	4,774	806	5,556



FOCUS YOUR ENERGY

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