



ASX Announcement

23 August 2024

FY24 RESULTS

LGI Limited (“ASX:LGI”, “Group” or the “Company”), today released its full year results for the financial year ended 30 June 2024 (“FY24”).

FY24 Highlights:

- Expanding network of 32 landfill, power generation and carbon sites (+14% vs Jun-23)
- Net revenue of \$30.9 million (+2% vs prior corresponding period(pcp)), driven by:
 - Growing contribution from electricity and ACCU² revenue; and
 - Increased construction and site management revenue due to expanded portfolio and growing demand for services
- Modest improvement in key operating metrics, including:
 - Aggregate biogas flows +2% vs pcp to over 115 million cubic meters¹;
 - Megawatt hours generated +2% to 96,326;
 - ACCUs² acquired or created +3% to 432,804; and
 - LGCs created +3% to 95,683
- Underlying EBITDA of \$15.3 million (+6% vs pcp), within previously guided range³
- EBITDA margin of 49%, despite period of key commodity price declines
- Continued successful capex program to support contracted development
- Results webinar to be held today, Friday 23 August at 10.30am AEST ([click here to register](#))

Commenting on the results Chief Executive Officer, Jarryd Doran said:

“During FY24, we continued to grow the business and invest in our strategy to expand our electricity offering. The commissioning of our first battery, combined with our proprietary control system, enables LGI to develop projects that offer fast response, dispatchable, renewable energy, feeding directly into the grid. Looking ahead, we have several committed projects to expand upon our premium electricity offering.”

At our investor day in April, the management team subtly reframed our strategy into three key horizons - Core, Enhance and Expand - detailing our near-term growth potential across the portfolio of contracted sites. We look forward to executing against this strategy as we seek to achieve this increase in already funded generation capacity to approximately 47 Megawatts.”

¹ Across both generation (+8% to 83.4 million cubic metres) and carbon abatement (+5% to 94.0 million cubic metres).

² Australian Carbon Credit Units (ACCU).

³ Previously guided FY24 underlying EBITDA range of \$15.2 - \$16.4 million.



Financial performance

During the financial year, LGI achieved a modest improvement in net revenue⁴ to \$30.9 million, reflecting 2% growth compared to FY23. Growing contributions from electricity revenue as well as Australian Carbon Credit Unit (ACCU) revenue were the key drivers behind this improvement, collectively contributing around 83% of FY24 revenues. While revenues from renewable large scale generation certificates (LGCs) declined 13% versus FY23, LGC volumes themselves grew. Importantly, the Company's hedge position during the year removed the bulk of this underlying price volatility.

The Company continued its focus of extracting value from existing generation assets, evidenced by the high level of availability achieved across the portfolio of 97% for FY24 (versus the 95% target). As a result, and also due to other operational efficiencies and benefits of enhanced economies of scale relating to increased stock of critical spare parts, FY24 underlying EBITDA grew 6% to \$15.3 million.

Operational overview

Recovery of biogas extracted from landfill across LGI's portfolio also increased throughout the year by 2% to over 115 million cubic meters of gas. Notwithstanding headline biogas growth being lower than anticipated due to several sites affected by landfill access and specific site issues, the LGI team successfully navigated these challenges, continuing to advance systems and processes required to overcome any future occurrences. Ongoing developments in 'middle of the day' electricity pricing also played a role in biogas capture, with negative prices resulting in lower generation and reduced biogas capture. Importantly, LGI's strategy of battery installation at selected sites will lead to future increases in electricity generation and biogas capture. Supporting this, LGI's Bunya power station achieved 55% above the average electricity price, when including Frequency Control Ancillary Service (FCAS) revenue.

The subsequent conversion of biogas into renewable electricity and saleable environmental products also continued to expand in FY24. The Company generated over 96,000 Megawatt hours of electricity across its fleet of renewable power stations, a 2% increase compared to FY23. LGI also created more than 432,000 ACCUs across 14 carbon abatement projects registered under the ACCU Scheme (previously the Emissions Reduction Fund (ERF)), representing a 3% increase compared to FY23.

Portfolio expansion

During FY24, LGI achieved a net increase of four contracted sites, reflecting 14% year on year growth. Most-notably, LGI entered into an agreement with BINGO Industries (BINGO) to manage the landfill gas at their Eastern Creek site, west of Sydney (NSW).

⁴ Net revenue removes the value of the ACCUs provided to landfill owners as in-kind satisfaction of royalty payments.



The agreement will see LGI install additional gas extraction infrastructure and develop a new 4 Megawatt (MW) power station, including the sale of renewable electricity directly to BINGO. The Company has finalised designs, received all necessary approvals, and subsequently commenced work on the power station construction during July 2024. The Jenbacher engines for this site have been ordered and are expected to be delivered in late 2024.

Eastern Creek is another large metropolitan site successfully added to LGI's growing portfolio of landfill gas projects across predominantly Queensland and New South Wales. Combined with Gatton (QLD), Tumut (NSW), Taree and Tuncurry (NSW) sites, the Company continues to demonstrate the value of its service offering.

Delivering against funded development pipeline

As outlined at the Company's Investor Day (April 2024), executing LGI's contracted and funded development pipeline will significantly increase installed capacity in the short-to-medium term. These plans, including approved (or substantially approved) and funded projects, were identified to significantly expand LGI's generation capacity from approximately 14MW to 47MW, split between landfill gas-to-electricity generation and batteries.

Execution is ongoing across the development pipeline, including well-advanced stage one expansion works at the Company's Canberra, Mugga Lane power station, targeting 50% generation capacity growth from 4MW to 6MW. Installation of engines and biogas infrastructure is complete, with increased interconnection to the grid in advanced stages and expected to be completed in the coming months. Testing and commissioning are forecast for H1 FY25. Following this, plans will shift towards stage two of the expansion with the addition of approximately 12MW of battery capacity. Several construction activities within stage one works have been simultaneously completed for stage two (including earth works, concrete pad, grid interconnection and electrical switch gear). Stage two is expected to be completed in H1 FY26.

Early works have commenced at the BINGO Eastern Creek site, with earthworks started and biogas pipe infrastructure now in place. Orders have been placed for items with long lead delivery timeframes. LGI continues to work on having this power station completed and operational during FY25.

Infrastructure construction works at Esk (QLD) are also nearing completion, following which the infrastructure crew will move onto the NSW Mid Coast sites and Gatton (QLD), to install pipework and flares.

Initial assessment works have commenced at Gatton (QLD), which is anticipated be a carbon abatement site. In addition, LGI has begun flaring biogas at Tumut (NSW) and installation of the remainder of the pipework infrastructure is forecast for the first quarter of FY25. The Mid Coast



NSW successful tender (including Taree and Tuncurry sites) is the latest for LGI - preliminary assessment work was carried out during the tender process and these sites are yet to be fully assessed for their expected volume of biogas.

Outlook and guidance

LGI's FY25 priorities are comparable to those from FY24:

- Continued focus on health, safety, environment and quality,
- Deliver key near-term projects, expansion of Canberra and Eastern Creek sites,
- Explore the expansion of power stations on contracted sites,
- Work on contracted landfill sites to expand the gas collection facilities, and
- Actively pursue new opportunities for landfill gas management, generation and batteries.

FY25 EBITDA is expected to grow by a low double-digit percentage versus FY24, subject to market dynamics, operational and timing issues outside the control of the Company.

Results webinar

The Company will host an investor webinar to discuss the results with Managing Director, Adam Bloomer, Chief Executive Officer, Jarryd Doran, and Chief Financial Officer, Dean Wilkinson. The webinar will be hosted today at 10.30am AEST, Friday, 23 August 2024.

To register for the session and for more information on the conference click here:

https://us02web.zoom.us/webinar/register/WN_xjlv8XAdS0uRBt3Cq0Kldg

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

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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.

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Saving the planet one landfill, one megawatt, one solar panel, one battery at a time