

FY24 Financial Results

Year ended 30 June 2024



PUBLICATION DATE 29/08/2024

Steady full year financial and operating performance

Improved safety performance with TRIFR reducing to 10.4 (from 16.3)

Full year revenue of \$841M and statutory NPAT of \$3M

Underlying¹ EBITDA of \$581M, underlying NPAT of \$319M and underlying free cash flow of \$713M

Net cash and liquidity position improved to \$468M and \$1,188M respectively

Strong shareholder returns through the cycle with a final FY24 dividend of 26c per share announced (37c per share full year)

Greenbushes annual spodumene production of 1,383kt achieved guidance and cash costs were at the bottom end of guidance at \$330/t

Improved Train 1 operating performance at Kwinana with further growth expected in FY25

Group nickel production of 28,376t and cash costs of \$6.16 per payable pound

Cosmos Project safely transitioned into care and maintenance

Impairment charge of \$172M recorded against the Forrestania and Cosmos assets and \$286M recorded against IGO's exploration portfolio

Strengthened executive team headlined by the commencement of Ivan Vella as Managing Director and CEO on 11 December 2023

Highlights

Underlying EBITDA

\$581M

Underlying NPAT

\$319M

Underlying FCF

\$713M

Cash

\$468M

Investor Webcast



An investor webcast has been scheduled for 10.00am AEST (8.00am AWST) on Thursday, 29th August 2024.

Please use the following link:

[FY24 Results Webcast](#)

All figures are displayed in Australian Dollars (\$) unless otherwise stated.

¹ Refer page 4 for a reconciliation of underlying adjustments. These adjustments, including underlying measures of NPAT, EBITDA and free cash flow are non-IFRS financial measures. They should not be considered as alternatives to an IFRS measure of profitability, financial performance or liquidity.

Management Commentary

“FY24 has been a year marked by significant change, both for the markets in which we operate and within IGO itself. While this change has provided many challenges, it has also given us the opportunity to prepare our business for its next chapter.

“The initial improvements to our safety performance, and the momentum we have built in this area is a key achievement, and one which we intend to build on over FY25.

“Operationally, we have worked to adapt to the changing market conditions and the increased volatility in our markets. The quality of Greenbushes continues to shine through, with a solid production and cost result underpinning strong margins and cash flow, via our joint venture. Within our nickel business, our low-cost Nova Operation continued to generate strong free cash flow despite the commodity price headwinds that contributed to our decision to put Cosmos into care and maintenance.

“Meanwhile, we have worked to position our business for its next chapter. Our refreshed strategy will be ready for release in a matter of weeks, and we have conducted deep reviews across our corporate and exploration teams to ensure we have the right team in place, with the right capabilities, to ensure we can deliver on this new strategic direction.”

Ivan Vella
Managing Director and Chief Executive Officer



Group Financial Summary

Year ended 30 June (\$M)	FY24	FY23	YoYΔ
Total Revenue	841	1,024	▼18%
Underlying EBITDA	581	1,987	▼71%
Net Profit After Tax	3	549	▼99%
Underlying Net Profit After Tax	319	1,528	▼79%
Net Cash Inflow from Operating Activities	872	1,423	▼39%
Net Cash Outflow from Investing Activities	(240)	(294)	▼18%
Net Cash Outflow from Financing Activities	(944)	(727)	▲30%
Underlying Free Cash Flow	713	1,098	▼35%
Total Interim and Final Dividends ² (\$ per share)	0.37	0.74	▼50%

Year ended 30 June (\$M)	FY24	FY23	YoYΔ
Total Assets	3,567	4,738	▼25%
Cash	468	775	▼40%
Debt	-	360	▼100%
Net Cash	468	415	▲13%
Total Liabilities	358	948	▼62%
Shareholders' Equity	3,209	3,790	▼15%
Net tangible assets (A\$ per share)	4.24	5.01	▼15%

Group Production & Cost Summary

	Units	FY24	FY23	YoYΔ
Spodumene Production	kt	1,383	1,491	▼7%
Spodumene Cash Cost (Production)	A\$/t	330	244	▲35%
Lithium Hydroxide Production	t	3,508	1,884	▲86%
Total Nickel in Concentrate	t	28,376	34,846	▼19%
Total Copper in Concentrate	t	9,922	10,266	▼3%
Nickel Cash Cost (Payable)	A\$/lb Ni	6.16	5.63	▲9%

² FY23 includes \$0.14 interim dividend, \$0.44 final dividend and \$0.16 special dividend



Executive Summary

The 2024 Financial Year (FY24) results reflect changing market conditions across the nickel and lithium sectors, with softer metal prices impacting the Group's year on year financial performance. The FY24 results include revenue of \$841M (FY24: \$1,024M), underlying earnings before interest, tax, depreciation and amortisation (EBITDA) of \$581M (FY23: \$1,987M), net profit after tax (NPAT) of \$2.8M (FY23: \$549M) and underlying free cash flow³ of \$713M (\$1,098M).

The results for the year include an impairment charge of \$172M against Forresteria and Cosmos assets acquired as part of the acquisition of Western Areas in June 2022 and a further \$286M write-down recorded against IGO's exploration portfolio. Underlying NPAT, which excludes these impairment expenses among other underlying adjustments, was \$319M.

Below is a reconciliation of the Group's underlying to reported EBITDA and NPAT.

Reconciliation of Underlying Adjustments (\$M)	EBITDA ⁴	NPAT ⁵
Underlying	581	319
Impairment of Cosmos and Forresteria assets	-	(200)
Impairment of exploration assets	-	(120)
Nova insurance claim	11	7
Restructuring costs	(4)	(3)
Reported	588	3

Financial Summary

Group revenue for the year decreased 18% to \$841M, with the Nova Operation generating 27% lower revenue due to lower nickel prices and sales volumes. Revenue for the Forresteria Operation was also lower due to lower sales volumes, however this impact was partly offset by the impact of nickel hedging undertaken in the first half of the year. Group revenue also included an initial revenue contribution from Cosmos of \$49M.

IGO's investment in Tianqi Lithium Energy Australia Pty Ltd (TLEA) delivered solid earnings to the Group, despite falling spodumene and lithium hydroxide prices. IGO's share of net profit from TLEA was \$553M for the full year compared to \$1,604M in FY23. The Greenbushes Operation, in which IGO holds a 24.99% indirect interest, recorded full year sales revenue of \$4,638M and EBITDA of \$3,953M, on a 100% basis (FY23: \$10,500M and \$9,514M, respectively). Greenbushes' FY24 spodumene production was 1,383kt with unit production cash costs of \$330/t (FY23: 1,491kt and \$244/t respectively). The strong results at Greenbushes helped deliver strong dividends to IGO of \$761M from TLEA in FY24.

During FY24, Kwinana continued to work through improvements to process design, engineering and operating control for Train 1, and achieved a significant uplift in lithium hydroxide production. Train 1 achieved 3,508t of lithium hydroxide production in FY24, an 86% increase on the prior year, with 90% of the finished product meeting battery grade standards. Moreover, TLEA continued to progress the lithium hydroxide product qualification with multiple downstream customers during the year. The onsite

³ Free Cash Flow comprises Net Cash Flow from Operating Activities less Net Cash Flow from Investing Activities. Underlying free cash flow for FY24 of \$713M (FY23: \$1,098M) excludes: 1) transaction and integration costs of \$52M (FY23: \$12M), 2) payments for mineral interests and financial assets of \$41M (FY23: \$9M), and 3) proceeds on sale of other investments of \$nil (FY23: \$53M), 4) proceeds from Nova fire insurance claim of \$11M (FY23: \$nil). Free Cash Flow, prior to these exclusions for FY24 and FY23, is a net inflow of \$631M and net inflow of \$1,130M respectively.

⁴ EBITDA (Earnings before Interest, Tax, Depreciation, Amortisation & Impairment) is a non-IFRS measure. Underlying EBITDA for FY24 is reconciled in the table above. Underlying EBITDA for FY23 of \$1,987M excludes 1) acquisition and integration credit of the Western Areas transaction of \$3M, and 2) loss on sale of tenements of \$3M. EBITDA for FY23, prior to these exclusions, was \$1,987M.

⁵ Underlying NPAT for FY24 is reconciled in the table above. Underlying NPAT for FY23 of \$1,528M comprises statutory NPAT adjusted for: 1) impairment of Forresteria and Cosmos assets of \$968M, 2) impairment of exploration expenditure of \$12M, 3) acquisition and integration credit of \$3M, and 4) loss on sale of tenements of \$2M. Statutory NPAT for FY23, prior to these exclusions, was \$549M.



team have gained significant knowledge during the ramp up of Train 1 and are focused on delivering further improvements to production during FY25.

Despite the fall in market prices and tighter margins experienced across the lithium industry in FY24, shareholders maintained their commitment to growth at Greenbushes and Kwinana with a total of \$896M of capital expenditure invested collectively across IGO's Lithium Business in FY24 on a 100% basis.

At Nova, revenue of \$539M led to a full year EBITDA result of \$298M at an EBITDA margin of 55% (FY23: 62% margin). Nova's full year production of 20,806 tonnes finished this year slightly below revised guidance, while nickel cash costs of \$3.99/lb were in line with the guided range. Nova's FY24 operating performance was impacted by a series of operational issues and reduced flexibility as the mine becomes increasingly stope constrained in its latter operating years.

At Forrestania, full year production guidance was achieved with 7,571t of contained nickel produced, whilst cash costs of \$12.11/lb finished the year above the revised guidance range. Underlying EBITDA of \$15M was generated from revenue of \$235M. In July 2024, the Forrestania Operation experienced significant seismic events at the Spotted Quoll mine, resulting in mining at Spotted Quoll expected to finish earlier than previously anticipated during the September 2024 quarter, after which the Operation will transition into care and maintenance and closure.

The full year results include a total of \$458M non-cash impairments recognised against the Company's nickel and exploration assets. A total of \$172M was recognised against the Cosmos and Forrestania assets, with Cosmos being transitioned into care and maintenance during the second half of the year⁶. As previously advised to the market⁷, impairment charges of \$286M were recorded against the Group's nickel exploration assets, primarily being the revaluation of the Mt Goode and Silver Knight exploration assets that have each been declassified as reportable mineral resources under the JORC code.

Cash and cash equivalents at 30 June 2024 totalled \$468M (FY23: \$775M), a decrease of \$307M. The following points are of note:

- Cash flows from operating activities for the Group were \$872M (FY23: \$1,423M). The fall in operating cash flows primarily reflects reduced dividends from TLEA of \$761M, following record dividends of \$1,184M received in FY23. Furthermore, the Nova Operation generated \$294M cash flows from operating activities, whilst the Forrestania Operation contributed \$71M, benefiting from favourable hedging entered into during the year. Cash flows from operating activities also included \$115M cash outflows for Cosmos. Operating cash flows also included a \$51M payment for stamp duty in relation to the acquisition of Western Areas in 2022, together with exploration and evaluation cash outflows of \$95M and net income tax receipts of \$65M.
- Cash outflows from investing activities decreased to \$240M for the year compared with \$294M in FY23. In the current year, cash outflows from investing activities mainly comprised \$180M of mine and infrastructure development outflows for the development of the Cosmos Project before its transition to care and maintenance, together with \$41M for the purchase of listed investments.
- Net cash outflows from financing activities of \$944M (FY23: \$727M) include the accelerated repayment of borrowings totalling \$360M and dividend payments to IGO shareholders of \$538M, comprising the FY23 final dividend payment of \$454M (or \$0.60 per share) and the FY24 interim dividend \$84M (or \$0.11 per share). Moreover, payments during the current year include \$13.1M of on-market share purchases to satisfy the Company's Employee Share Incentive obligations (FY23: \$13.1M).

In addition to the early repayment of debt during the year, amendments to IGO's debt facilities were negotiated whereby the amount of revolving credit available doubled to \$720M and the maturity date of the facilities was extended to 31 July 2026, further enhancing IGO's liquidity and balance sheet strength.

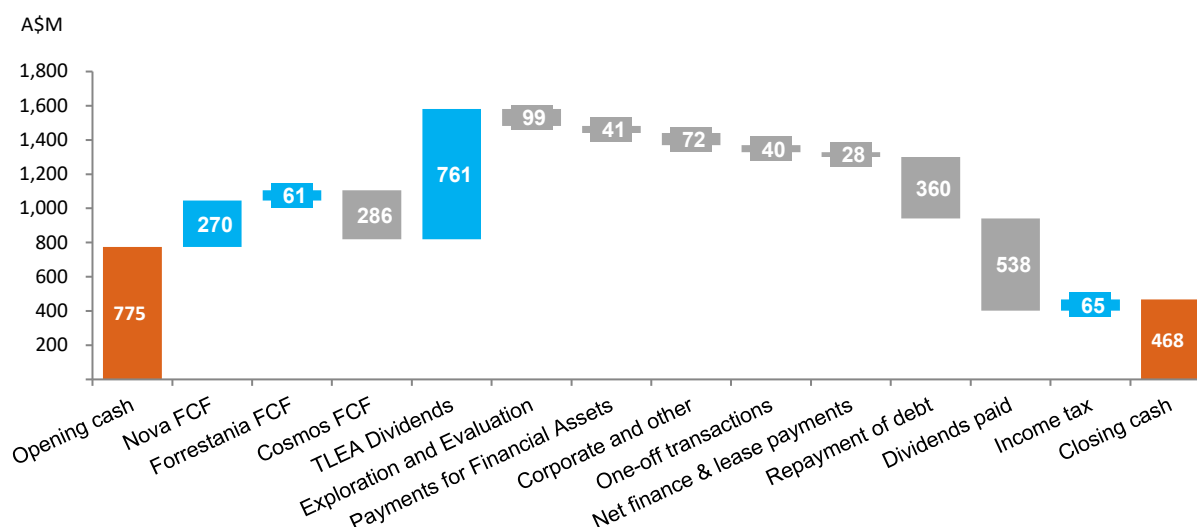
At 30 June 2024, IGO had net cash balances of \$468M and liquidity of \$1,188M, compared with net cash of \$415M and liquidity of \$775M in the prior year.

⁶ Refer to IGO ASX Release dated 22 February 2024, titled "December 2023 Half-Year Financial Report and Appendix 4D".

⁷ Refer to IGO ASX Release dated 16 July 2024, titled "Impairment of Exploration Assets".

The chart below summarises the significant cash flows for the Company during FY24:

FY24 Cash Reconciliation



Dividend

Consistent with the Company's Capital Management Policy, the Board has declared a final fully franked dividend of 26c per share, which brings a total FY24 payout of 37c or ~40% of Underlying Free Cash Flow. The record date of the dividend will be 12 September 2024, with the payment to be made on 26 September 2024.

Governance

In June 2024, IGO announced the appointment of Marcelo Bastos to the Board as Non-executive Director. Marcelo is an experienced international company director with more than 30 years of operational, logistics, project development and senior leadership experience in most of the major sectors of the mining industry. Marcelo's appointment to the Board is effective 1 July 2024.

At an executive level, IGO announced the appointment of Marie Bourgoin as Chief Development Officer – Lithium, and Brett Salt as Chief Growth and Commercial Officer, with both Marie and Brett commencing in FY25.



FY25 Guidance

IGO provided FY25 guidance for its Nickel Business, Lithium Business and exploration expenditure in its Quarterly Report for the period ended 30 June 2024, which was released on 30 July 2024. FY25 guidance is summarised below and should be read in conjunction with this report.

	Units	FY25 Guidance
Nova		
Nickel Production	t	16,000 – 18,000
Copper Production	t	6,250 – 7,250
Cobalt Production	t	550 – 650
Cash Cost (Payable)	A\$/lb Ni	4.80 – 5.80
Development, Sustaining & Improvement Capex	A\$M	4 – 6
Greenbushes		
Spodumene Production	kt	1,350 – 1,550
Cash Cost (production)	A\$/t	320 - 380
Development, Sustaining, Improvement & Deferred Waste Capex	A\$M	850 - 950
Kwinana – Train 1		
Sustaining & Improvement Capex	A\$M	80 – 100
Exploration		
Group exploration (ex-Lithium Business) ⁸	A\$M	50 – 60

⁸ Excluding study works on South Ironcap and Cosmos



Investor Webcast

An investor webcast has been scheduled for 10.00am AEST/8.00am AWST on Thursday, 29 August 2024. The webcast link can be found below.

<https://ccmediaframe.com/?id=OTMYrSlr>

Please note that it is best to log on at least 5 minutes before 10am AEST (8am AWST) on Thursday, 29 August 2024 to ensure you are registered in time for the start of the presentation.

Investors are advised that, in addition to the live webcast, a recording of the presentation will be available on the IGO website www.igo.com.au approximately one hour after the conclusion of the webcast.

Investor and Media Enquiries

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This announcement is authorised for release to the ASX by Ivan Vella, Managing Director and Chief Executive Officer

Forward-Looking Statements

This document includes forward-looking statements including, but not limited to, statements of current intention, statements of opinion and expectations regarding IGO's present and future operations, and statements relating to possible future events and future financial prospects, including assumptions made for future commodity prices, foreign exchange rates, costs and mine scheduling. When used in this document, words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Such statements are not statements of fact and may be affected by a variety of risks, variables and changes in underlying assumptions or strategy which could cause IGO's actual results or performance to materially differ from the results or performance expressed or implied by such statements. There can be no certainty of outcome in relation to the matters to which the statements relate, and the outcomes are not all within the control of IGO.

IGO makes no representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statement or any outcomes expressed or implied in any forward-looking statement. The forward-looking statements in this document reflect IGO's expectations held at the date of this document. Except as required by applicable law or the ASX Listing Rules, IGO disclaims any obligation or undertaking to publicly update any forward-looking statements or discussions of future financial prospects, whether as a result of new information or of future events.