



# FY23 Results Presentation

IGO Limited

31 August 2023

IGO LIMITED | ASX: IGO



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- There are a number of risks specific to IGO and of a general nature which may affect the future operating and financial performance of IGO and the value of an investment in IGO including and not limited to economic conditions, stock market fluctuations, commodity demand and price movements, access to infrastructure, timing of environmental approvals, regulatory risks, operational risks, reliance on key personnel, reserve and resource estimations, native title and title risks, foreign currency fluctuations and mining development, construction and commissioning risk. The production guidance in this presentation is subject to risks specific to IGO and of a general nature which may affect the future operating and financial performance of IGO.
- Quarterly Financial Results are unaudited. All currency amounts are in Australian Dollars unless otherwise noted. Net Cash is cash balance less outstanding debt, Net Debt is outstanding debt less cash balances.
- Nickel cash costs are reported inclusive of royalties and after by-product credits on a per unit of payable metal basis, unless otherwise stated.
- Lithium cash costs reported as COGS (cash costs of goods sold) per tonne sold are inclusive of ore mining costs, processing, general and administrative, selling & marketing and inventory movements.
- Lithium cash costs (production) are reported inclusive of mining, processing, crushing, and site administration costs, and utilise production as a unit of measurement. This measure excludes non-cash inventory adjustments, deferred stripping, offsite and royalty costs.
- Underlying EBITDA is a non-IFRS measure and comprises net profit or loss after tax, adjusted to exclude income tax expense, finance costs, interest income, asset impairments, gain/loss on sale of investments, depreciation and amortisation and once-off transaction and integration costs. Underlying EBITDA includes IGO's share of TLEA net profit after tax.
- Free Cash Flow comprises Net Cash Flow from Operating Activities and Net Cash Flow from Investing Activities. Underlying adjustments exclude acquisition and integration costs, proceeds from investment sales, and payments for investments and mineral interests.
- Underlying NPAT comprises statutory NPAT adjusted for impairment of Forrestania and Cosmos assets, impairment of exploration expenditure, acquisition and integration credit and loss on sale of tenements
- IGO has a 49% interest in Tianqi Lithium Energy Australia Pty Ltd (TLEA) and therefore, as a non-controlling shareholder, recognises its share of Net Profit After Tax of TLEA in its consolidated financial statements. As such, IGO has provided additional information on the operating, financial and expansion activities at both Greenbushes and the Kwinana Refinery which reflects IGO's understanding of those operating, financial and expansion activities based on information provided to IGO by TLEA.

# FY23 Sustainability Highlights

Committed to a safe, sustainable and diverse business

## Community

- ~\$800k in corporate giving contributions for FY23
- \$8.3M spend with Aboriginal owned and managed businesses

## Diversity

- Continuing to cultivate a diverse workforce, with 27% female representation and 2% Aboriginal representation

## Decarbonisation

- \$8.3M generated by our Decarbonisation Fund, which will fund carbon reduction initiatives and projects

## Safety

- Prioritising actions to reduce harm to our people and reduce our TRIFR rate (16.0 at 30 June 2023)



# FY23 Financial and Operational Summary

Record financial results supported by the strength of our lithium business

Record NPAT, Underlying EBITDA and Free Cash Flow

Record dividend received from TLEA of over \$1.1 billion

Strong operational performance from Greenbushes and Nova

Kwinana Train 1 ramp-up delayed but expected to improve

Impairment of WSA assets | Review of Cosmos Project underway

Exceptionally strong balance sheet, with net cash position of \$415M

Record dividends declared for FY23





# FY23 Financial Results Summary

Record financial performance driven by outstanding contribution from Greenbushes

	Units	FY23	FY22	YoY
<b>Total Revenue</b>	A\$M	1,024	903	▲ 13%
<b>Share of Net Profit of TLEA</b>	A\$M	1,604	177	▲ 808%
<b>Underlying EBITDA<sup>1</sup></b>	A\$M	1,987	717	▲ 177%
<b>Net Profit After Tax</b>	A\$M	549	331	▲ 66%
<b>Underlying Net Profit After Tax<sup>2</sup></b>	A\$M	1,528	404	▲ 278%
<b>Underlying Free Cash Flow<sup>3</sup></b>	A\$M	1,098	312	▲ 252%
<b>Cash</b>	A\$M	775	367	▲ 111%
<b>Net Cash/(Debt)</b>	A\$M	415	(533)	N/A

Greenbushes performance drove strong increase in Underlying EBITDA

**\$1,987M** ↑ 177% YoY

Reported NPAT impacted by \$968M impairment

**\$549M** ↑ 66% YoY

Exceptional free cash generation has resulted in a very strong balance sheet position

1. Underlying EBITDA is a non-IFRS measure (refer to Disclaimer page) and includes IGO's share of net profit from TLEA.

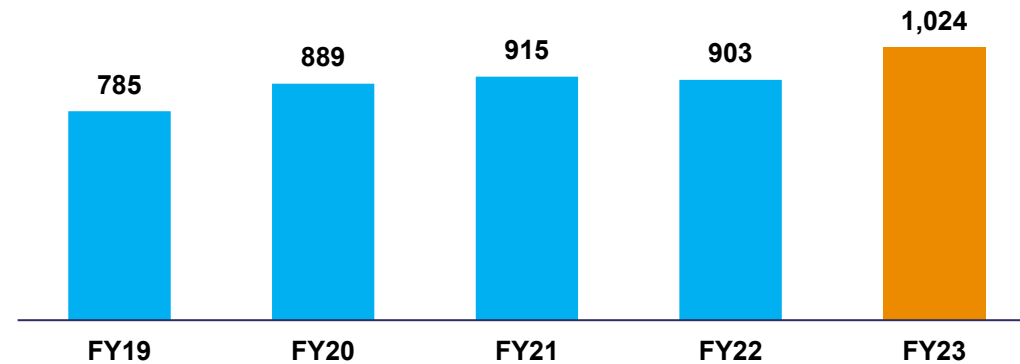
2. Underlying NPAT comprises statutory NPAT adjusted for impairment of Forrestania and Cosmos assets of \$968M, impairment of exploration expenditure of \$12M, acquisition and integration credit of \$3M and loss on sale of tenements of \$2M.

3. Free Cash Flow comprises Net Cash Flow from Operating Activities and Net Cash Flow from Investing Activities. Refer to Disclaimer page for "Underlying" adjustments.

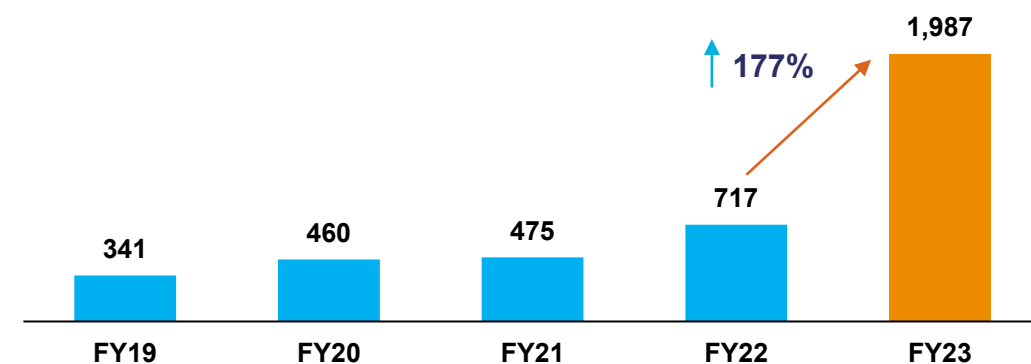
# Financial Results

IGO has established a track record of financial performance

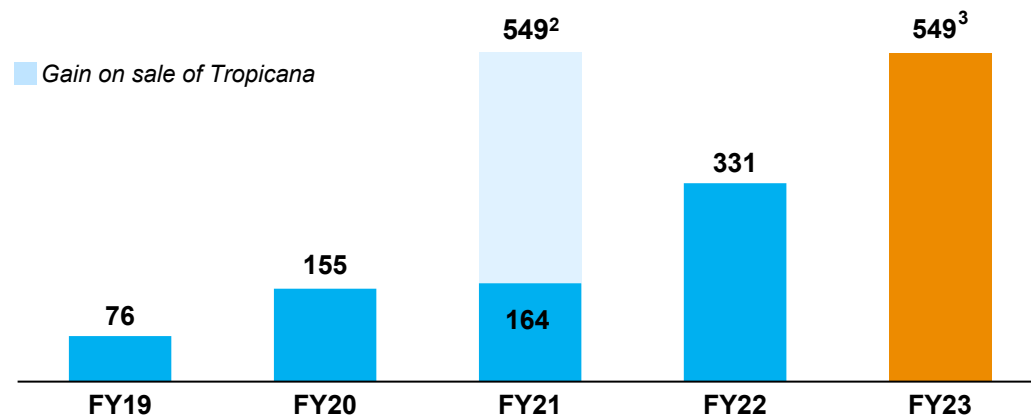
Total Revenue<sup>1</sup> (A\$M)



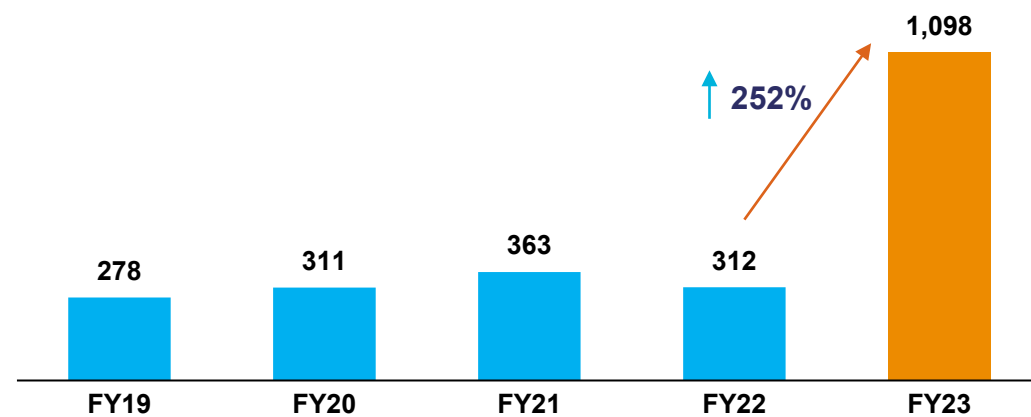
Underlying EBITDA (A\$M)



Net Profit After Tax (A\$M)



Underlying Free Cash Flow (A\$M)

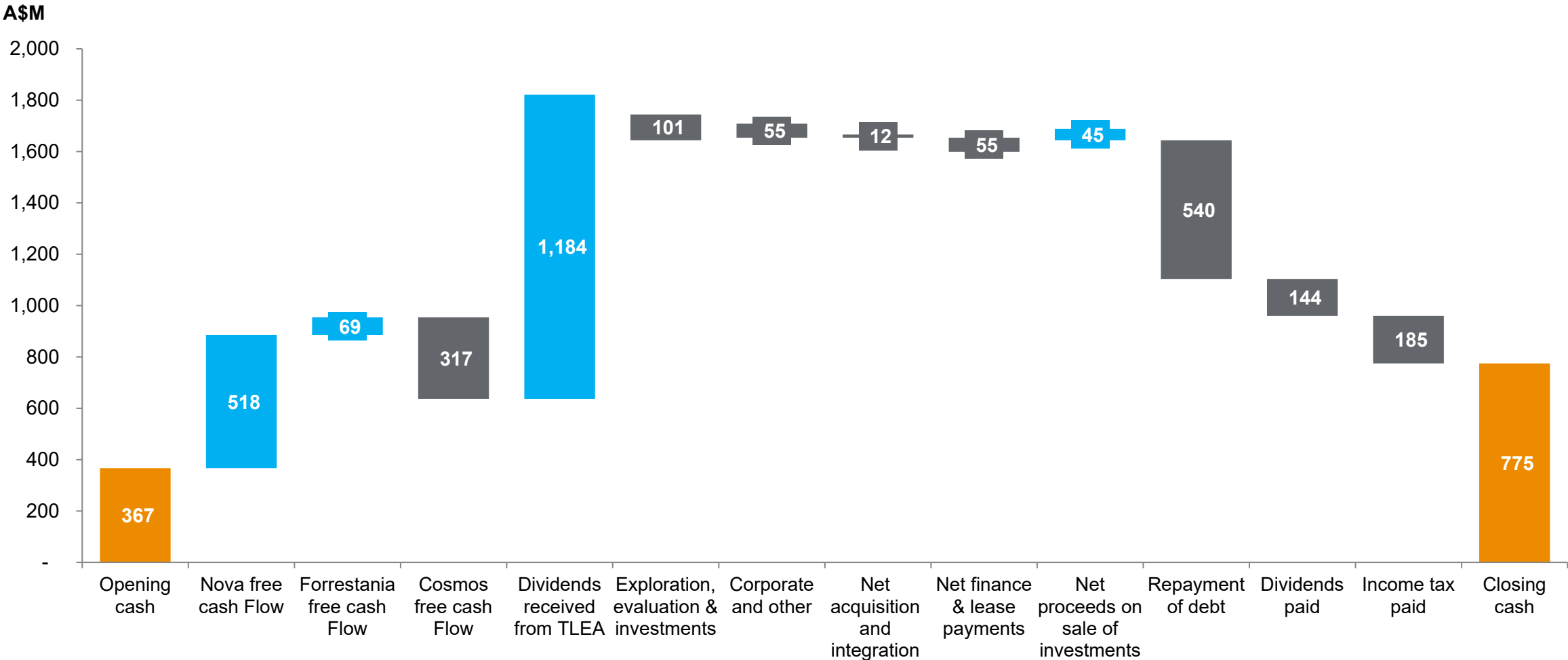


1. Total revenue excluding revenue from Greenbushes.
2. Statutory NPAT of A\$549M includes gain on sale of the Tropicana Operation of A\$385M after tax. Profit after Tax excluding this gain was A\$164M.
3. Statutory NPAT of A\$549M includes the impairment of A\$968M on the assets acquired in the Western Areas transaction.

# FY23 Cash Flows

Exceptional dividends from TLEA drives strong cash build

Cash – YoY Movement<sup>1</sup>

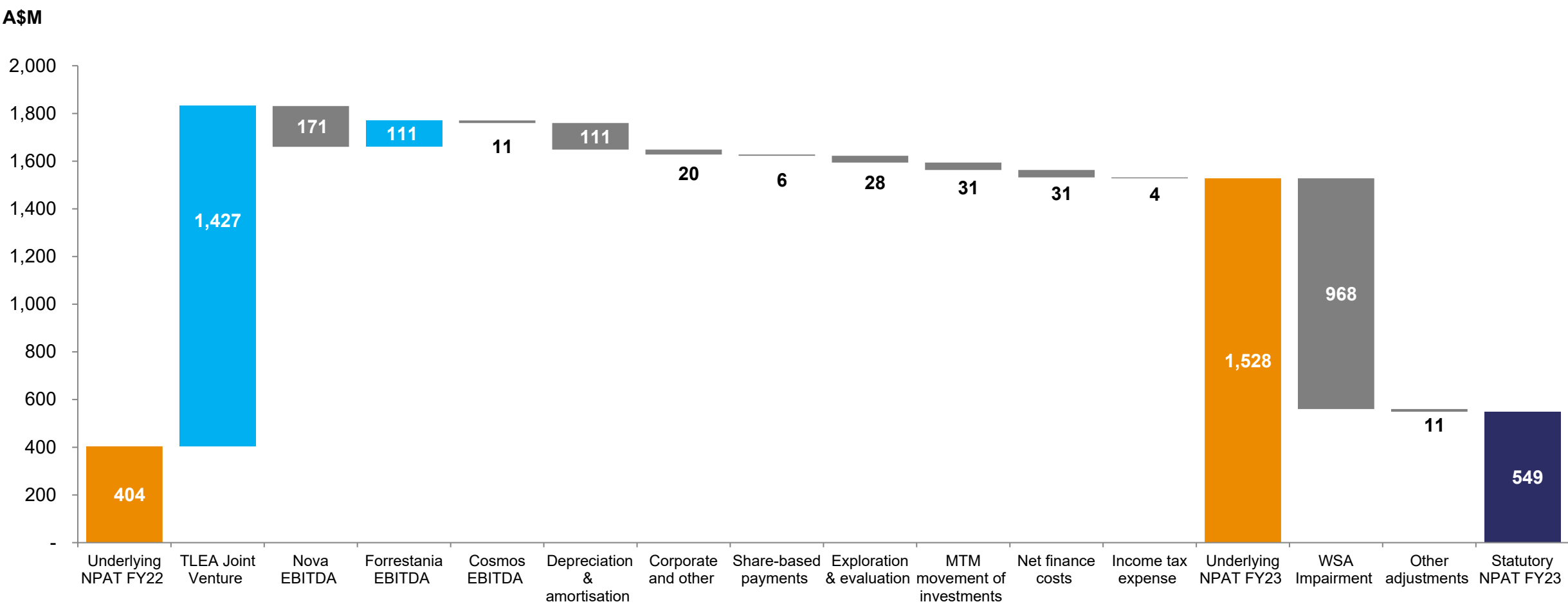


1. Figures may not sum due to rounding

# FY23 NPAT

Record NPAT result despite impact of impairment charge

Underlying NPAT – YoY Movement and bridge to statutory NPAT<sup>1</sup>



1. Figures may not sum due to rounding



# Capital Management

Updated policy reflects our growing business

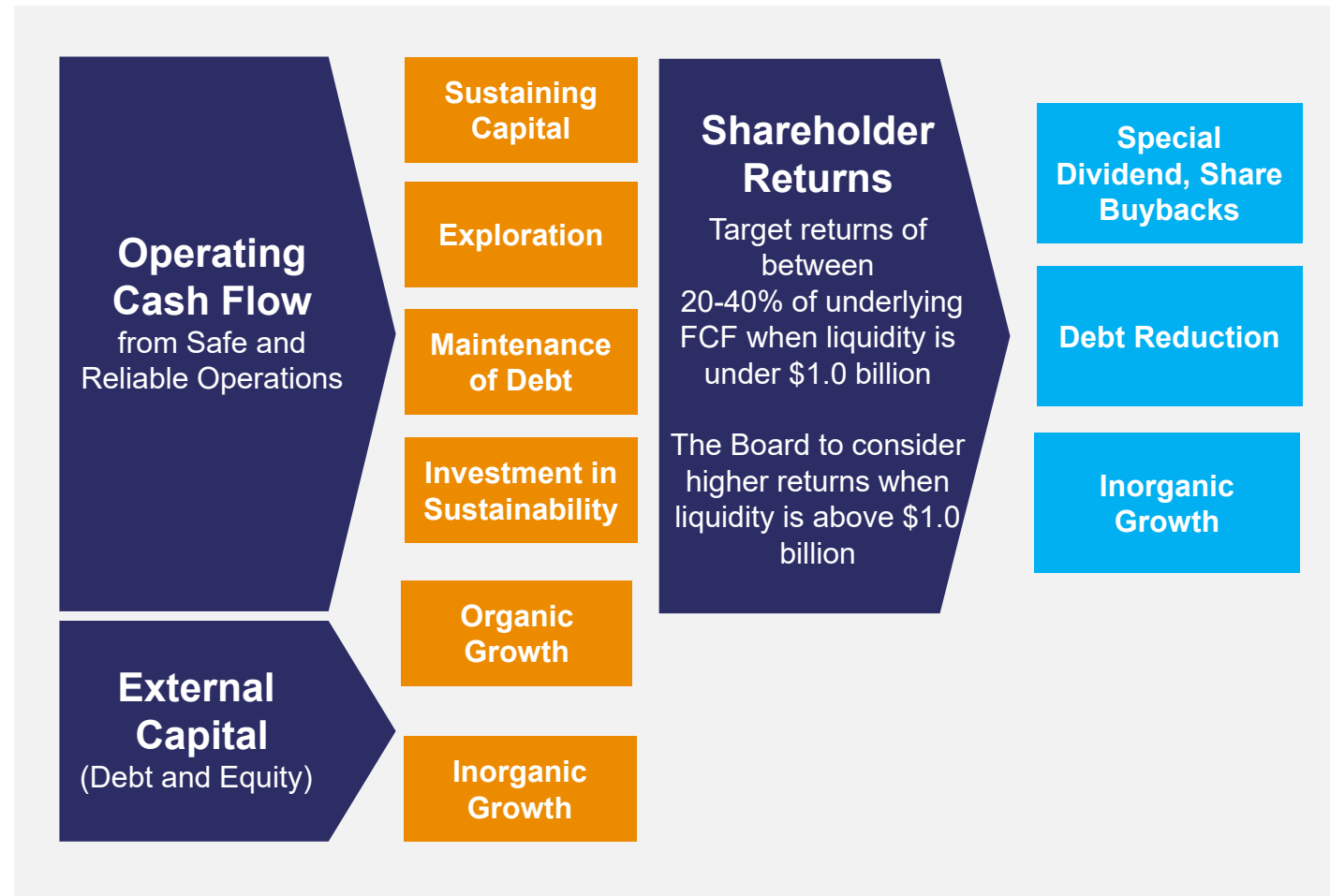


## Capital Management Policy

Seeks to balance reliable and consistent return of capital to shareholders with balance sheet strength & flexibility for growth

## Shareholder Returns

- 20 – 40% of Underlying Free Cash Flow when liquidity is <\$1 billion
- Board to consider higher returns when liquidity >\$1 billion

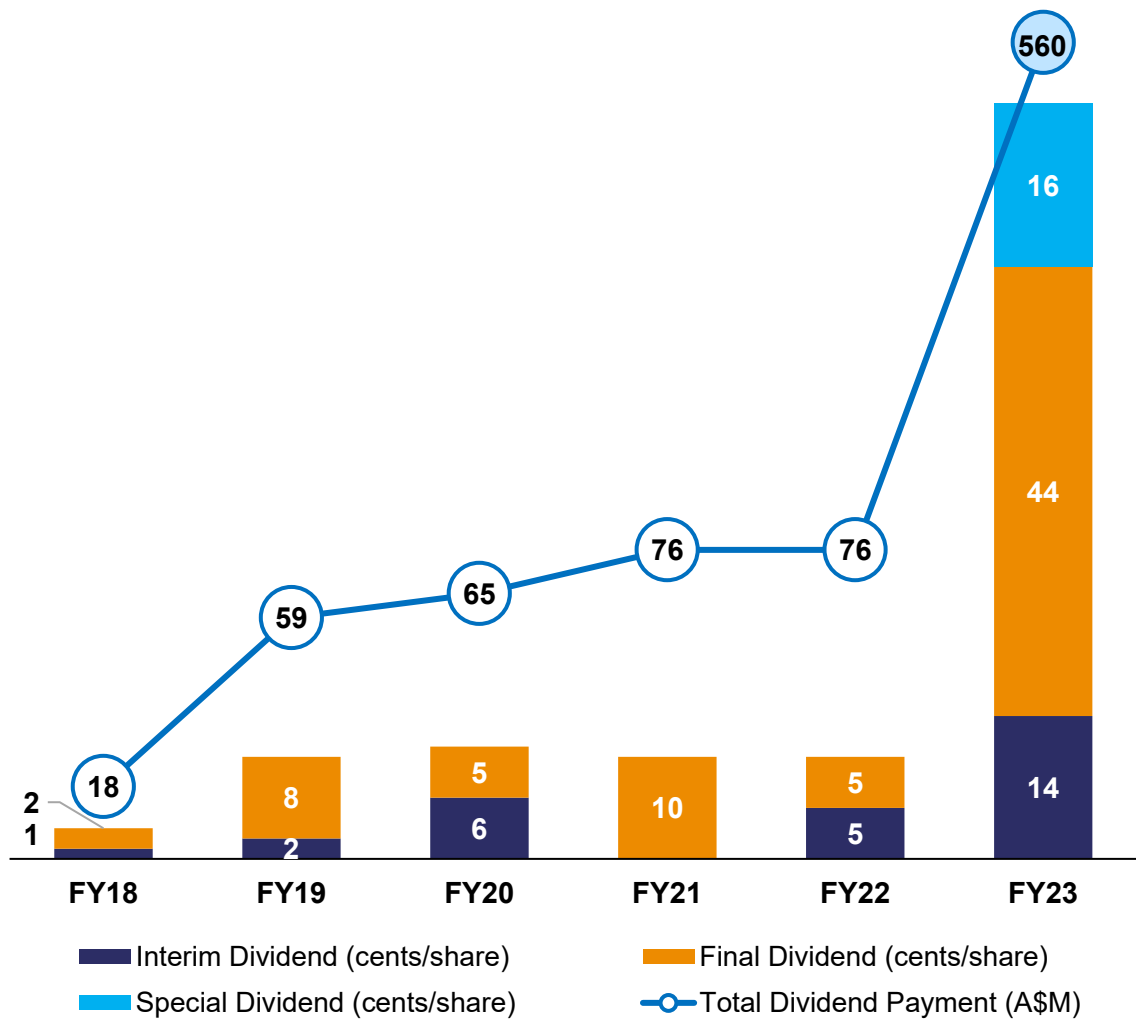


1. IGO defines liquidity as available cash reserves plus the balance of undrawn debt facilities.

# Shareholder Returns

Record dividend payments declared for FY23

## Dividend history



Final FY23 Dividend **44c per share (fully franked)**

Special FY23 Dividend **16c per share (fully franked)**

Record dividend reflects exceptional cash flow generation over FY23

Total dividends declared with respect of FY23:

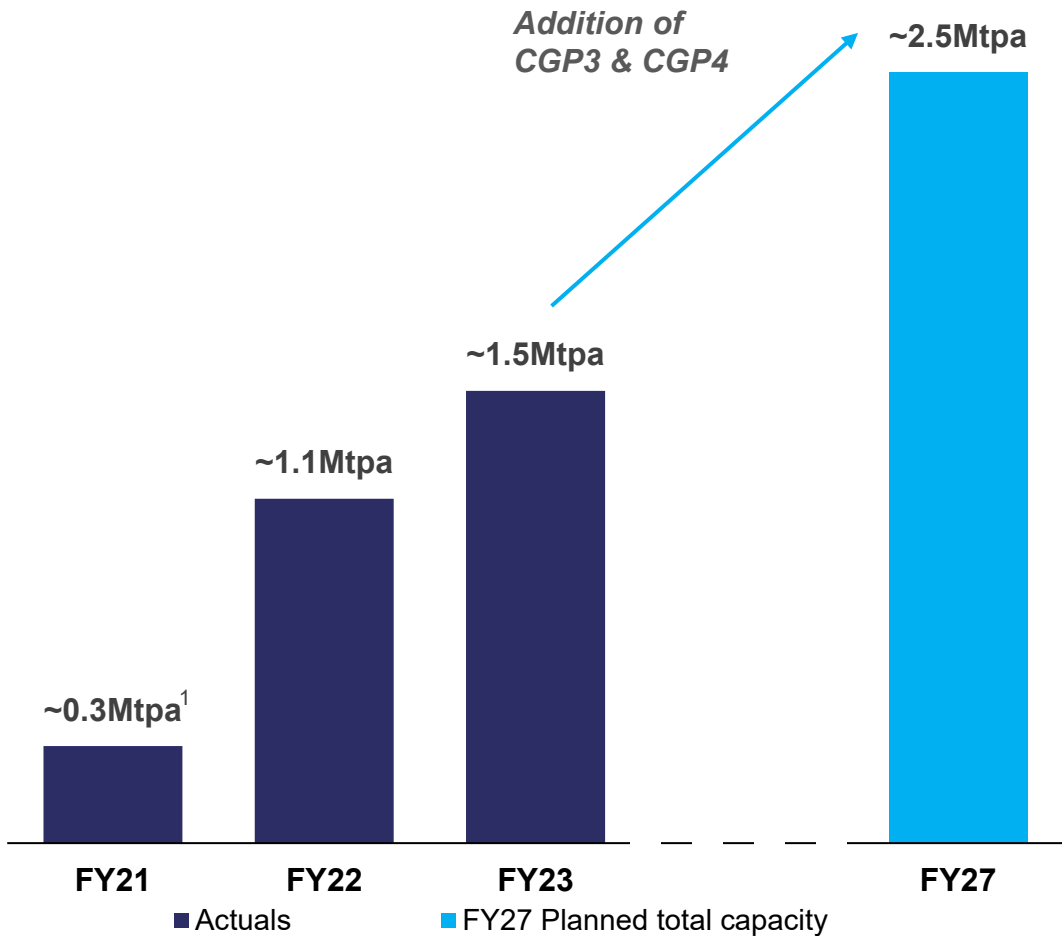
**\$560M**



# Greenbushes

Outstanding FY23 result with record financial returns to shareholders

## Greenbushes Production (100%)



1. Source: Tianqi Lithium Corporation Global Offering Prospectus (Competent Persons Report), dated 30 June 2022

## FY23 Highlights

Spodumene production	Cash Costs (production)
1.49Mt ↑ 31% YoY	\$244/t

Underlying EBITDA (100% basis)
\$9.51Bn ↑ 606% YoY   Margin: 91%

## FY24 Strategic Priorities

- Progress construction of CGP3 and associated support infrastructure
- FID on CGP4
- Advance value optimisation projects and studies including implementing ore sorting technology, assessing satellite ore sources and assessing the significant underground mining opportunity



# Kwinana Refinery

TIANQI LITHIUM ENERGY AUSTRALIA  
a Tianqi Lithium—IGO joint venture



## Train 1 performance delayed, but rectification works are progressing

### Train 1

FY23 production of 1,884t of lithium hydroxide was below expectation due to operational challenges

Rectification works are being progressed, with production ramp-up expected to continue during FY24

### Train 2

FEED underway with completion expected in early CY24, followed by FID



# Nova & Forrestania Operations

Strong cash flow generation over FY23

## FY23 Highlights

Group Nickel Production

**34,846t**

Group Nickel Cash Costs (payable)<sup>1</sup>

**\$5.63/lb**

Underlying Free Cash Flow (Nova & Forrestania)

**\$587M**

## FY24 Strategic Priorities

- Ongoing optimisation programs to improve production and reduce costs
- Continue to unlock value through product blending opportunities
- Advancing sustainability programs towards targeted net-zero emissions across all operations by 2035



1. Cash costs reported per pound of payable metal produced inclusive of royalties and net of by-product credits.



# Cosmos



Project development progressed | Project review underway

## FY23 Highlights

Significant project development including:

- ✓ Completion of aerodrome
- ✓ Processing plant construction >85% complete
- ✓ Shaft and key shaft infrastructure >85% complete
- ✓ Paste fill plant completed and commissioned
- ✓ Underground chambers for materials handling infrastructure complete

Total FY23 capital expenditure incurred: **\$338M**

## FY24 Strategic Priorities

- Complete independent project review to identify risks and opportunities and deliver optimum value





# Exploration

Exploration work continues, aimed at unlocking new discoveries



## FY24 Exploration budget of \$65M - \$75M

Ni

### Nickel

*Targeting magmatic and komatiitic nickel sulphide deposits*

- Nova, Cosmos & Forrestania
- Fraser Range Project
- Kimberley Project
- Irindina Project

Cu

### Copper

*Targeting sediment hosted copper deposits*

- Paterson Project
- Lake Mackay Project
- Copper Coast Project

Li

### Lithium

*Targeting hard rock spodumene deposits*

- Greenbushes Regional
- Forrestania Project

- HEAD OFFICE PERTH
- EXISTING OPERATIONS
- EXPLORATION PROJECTS
- TIANQI JV ASSETS

#### KIMBERLEY

IGO 100% and various JVs

#### PATERSON

IGO 100% and various JVs

#### RAPTOR

IGO 100%

#### IRINDINA

IGO 100%

#### COSMOS (Ni)

IGO 100%

#### HENDERSON

IGO up to 70%

#### KWINANA (LiOH)

IGO 49%

#### GREENBUSHES (Li<sub>2</sub>O)

IGO 24.99%

#### GREENBUSHES

IGO up to 100%

#### LAKE CAMPION

IGO 100%

#### FORRESTANIA (Ni)

IGO 100%

#### FRASER RANGE

IGO 100% and various JVs

#### NOVA (Ni-Cu-Co)

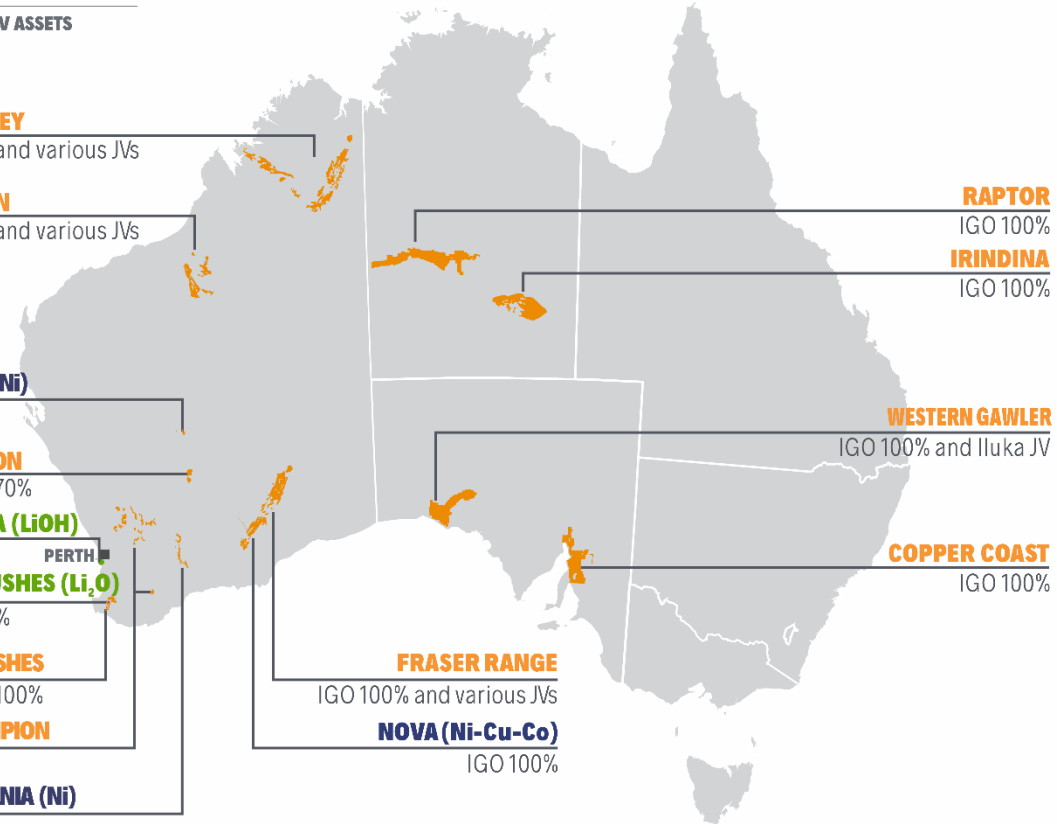
IGO 100%

#### WESTERN GAWLER

IGO 100% and Iluka JV

#### COPPER COAST

IGO 100%



# Concluding Remarks

Record financial results as IGO continues to pursue its clean energy strategy

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Outstanding financial results in FY23 with record NPAT, underlying EBITDA and free cash generation

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Greenbushes continues to perform strongly, with a significant growth pathway ahead

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Kwinana Train 1 ramp up expected to improve over FY24; Train 2 FID contingent on FEED completion

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We are committed to unlocking value at our Cosmos Project, with a project review underway

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Record fully franked final dividend of 44c per share plus 16c special dividend

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Prioritising project delivery, value optimisation across the portfolio and organic growth

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# Making a Difference

We believe in a world where people power makes amazing things happen.

Where technology opens up new horizons and clean energy makes the planet a better place for generations to come. Our people are bold, passionate, fearless and fun – we are a smarter, kinder and more innovative company.

Our work is making fundamental changes to the way communities all over the world grow, prosper and stay sustainable. Our teams are finding and producing the products that will make energy storage mobile, efficient and effective enough to make long-term improvements to the lifestyle of hundreds of millions of people across the globe.

How? Developments in battery storage technology are enabling the full potential of renewable energy to be realised, by allowing energy produced from the sun, wind and other sources to be stored and used when and where it's needed. This technology will impact future generations in ways we cannot yet imagine, improving people's quality of life and changing the way we live.

We believe in a green energy future and by delivering the products needed for tomorrow's battery systems, we are making it happen.

**We are the IGO Difference.**



# Appendix: FY24 Guidance

## Lithium Business

		FY24 Guidance
<b>Greenbushes Lithium Mine</b>		
Spodumene Production (100%)	kt	1,400 – 1,500
Cash Costs (Production) <sup>1</sup>	A\$/t	280 – 330
Capex (Development, sustaining, improvement & deferred waste)	A\$M	850 – 950
<b>Kwinana Lithium Hydroxide Refinery</b>		
Lithium Hydroxide Production (100%)	kt	Not provided
Capex (Sustaining & Improvement)	A\$M	35 – 45

1. Cash Costs (production) include mining, processing, crushing and site administration and utilises production as the unit of measurement (as opposed to sales). For clarity, non-cash inventory adjustments, deferred stripping, offsite and royalty costs are excluded.

# Appendix: FY24 Guidance

## Nickel Business

	Nickel Production (t)	Copper Production (t)	Cobalt Production (t)	Cash Costs (A\$/lb Ni)	Capex (A\$M)
<b>Nova</b>	21,500 – 23,500	8,500 – 10,000	700 – 800	3.40 – 3.90	14 – 18
<b>Forrestania</b>	7,500 – 9,000	N/A	N/A <sup>1</sup>	9.50 – 10.50	16 – 22
<b>Cosmos</b>	Cosmos guidance is expected to be provided following completion of the project review in December 2023.				
<b>Total</b>	29,000 – 32,500	8,500 – 10,000	700 – 800	5.00 – 5.75	30 – 40

1. While production guidance is not provided for Forrestania, under the Nova-Forrestania blending agreement, cobalt contained in the Forrestania nickel concentrate is now recognised as a payable metal upon sale of nickel concentrate from Forrestania.

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