



Companies Energy

Delorean's initial public offering built on waste

Elouise Fowler Reporter



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Bioenergy infrastructure company and energy retailer [Delorean has raised \\$14 million through an oversubscribed initial public offering](#) ahead of Monday's sharemarket debut.

The eight-year-old Perth-based company, which specialises in turning garbage into energy, plans to use the capital to transform the company from a biogas infrastructure developer to a biogas generator where it builds the assets and sells the energy.



Delorean's Jandakot Bioenergy Plant in Perth. **AFR**

The garbage and waste-fuelled sports car known as the DeLorean from the cult film [Back to the Future](#) inspired the company's name and is a shorthand reference the founders use to explain bioenergy: using organic and commercial waste to produce energy such as electricity and gas.

"It deliberately riffs off the DeLorean car from the *Back to the Future* movie where they drop the bananas in the engine to produce power," co-founder and managing director Joe Oliver said.

The company issued 70 million new shares at 20¢ each in the IPO and would be worth \$35.8 million at that price based on the enlarged capital of 179 million shares.

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Delorean's first and only operational biogas site is the Jandakot Bioenergy Plant in Perth. Two other plants are under construction, in South Australia and New Zealand, and another two are waiting final investment decisions.

Hamish Jolly, the executive chairman and co-founder, said the new funds would be used for the two projects under construction and the other two that are "shovel ready".

The vertically integrated company's revenue currently comes from building plants and retailing energy through CleanTech Energy.

Once the company lists on Monday, management plans to shift the business model from a pure developer to an owner-operator of the bioenergy plants that use anaerobic digestion infrastructure, a process through which gas is produced through bacteria breaking down organic matter – such as animal manure, wastewater biosolids and food wastes – in the absence of oxygen.

Delorean wants to shift to this new model to develop a third revenue stream: gate fees for accepting waste and the selling of biofertiliser and hydrogen fuel generated at its plants.

At the moment, bioenergy makes up only about [4 per cent of Australia's energy mix](#), compared to about 7 per cent in some OECD countries.

[The federal government is developing a bioenergy strategy through the Australian Renewable Energy Agency](#) to help decarbonise the industrial and transport sectors.

Delorean views the biogas market as high growth, fuelled by expected favourable regulatory conditions to remove organics from landfill and the transition away from fossil fuels.

A key investor and backer, Steve Gostlow, who joined the board as a non-executive director just before the IPO, will help lead this transition. Mr Gostlow is a former managing director at waste management company Tox Free Solutions, which was bought out by ASX-listed Cleanaway for \$671 million in 2018.

Regal Funds will own 8.4 per cent of the company upon listing, while another slice has been snapped up by Future Super chairman Peter Gold and former IT entrepreneur and chairman of Carbon Farming Foundation Norman Pater.

Delorean hired investment bankers Morgans and RM Corporation Finance to manage the IPO.

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