

## CLEANSPACE HOLDINGS FY24 RESULTS

**27 August 2024.** CleanSpace Holdings Limited (ASX: CSX, “CleanSpace” or the “Company”), an Australian company that designs, manufactures, and sells premium respiratory protection solutions for industrial and healthcare markets, today provides an update for FY24 full year.

### **SUBSTANTIAL PROGRESS WITH INDUSTRIAL-LED GROWTH STRATEGY. RIGHT-SIZING OF COST BASE DELIVERED.**

#### KEY HIGHLIGHTS

- Revenue \$15.7M, growth of 30% v PCP (H2 + 32%) and annual expense savings of \$4M delivered.
- H2 Cash outflow improved to -\$0.3m. Cash at bank \$9.8m.
- Cash break even and positive EBITDA achieved in Q4 (excluding R&D tax refund of \$0.9M).
- Gross margin improved to 72% (up 2% v PCP) reflecting higher pricing and COGs efficiencies.
- Operating EBITDA -\$3.5M (\$7M better than PCP). H2 EBITDA -\$1.0M.
- New innovative products drive growth in 6 priority markets.
- Industrial Revenue grew 35% v PCP (and from \$8M in FY22 to \$15.1M in FY24).
- Legacy issues resolved (Healthcare sales, COVID, high cost base).
- Objectives for FY25 – Targeting: 30% revenue growth; positive EBITDA and positive Cashflow.
- The Company is fully funded with no capital requirements envisaged

#### SUMMARY OF FINANCIAL PERFORMANCE

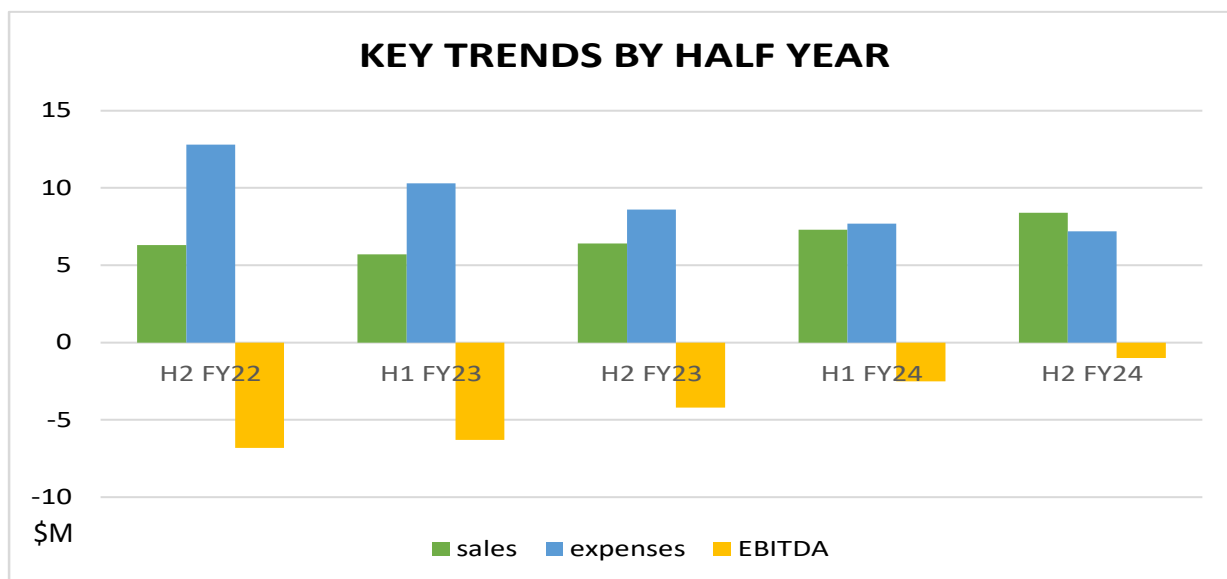
A summary of the trading results and selected operational metrics for FY24 and FY23:

AUD	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY24 v FY23
Revenue	\$5.7m	\$6.4m	\$7.3m	\$8.4m	+30%
Gross margin \$	\$4.0m	\$4.4m	\$5.2m	\$6.2m	+35%
Gross margin (%)	70%	70%	71%	73%	+2%
Operating expenses <sup>1</sup>	\$10.3m	\$8.6m	\$7.7m	\$7.2m	-21%
Operating EBITDA <sup>2</sup>	-\$6.3m	-\$4.2m	-\$2.5m	-\$1.0m	+66%
Cash in bank	\$16.4m	\$12.2m	\$10.1m	\$9.8m	-19%

<sup>1</sup> Operating expenses excluding depreciation and share-based payments

<sup>2</sup> Operating EBITDA excludes share-based payments and other income/expense

**KEY METRICS – TREND OVER THE LAST 5 REPORTING PERIODS (H2 FY22- H2 FY24) in AUD\$M**



**REGIONAL SALES AND HIGHLIGHTS**

Revenue AUD	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY24 v FY23
Europe	\$2.9m	\$4.2m	\$4.8m	\$5.3m	+43%
Asia Pacific	\$1.3m	\$1.4m	\$1.6m	\$1.9m	+30%
North America	\$1.6m	\$0.7m	\$0.9m	\$1.2m	-9%*
<b>Total</b>	<b>\$5.7m</b>	<b>\$6.4m</b>	<b>\$7.3m</b>	<b>\$8.4m</b>	<b>+30%*</b>

\*excluding a one off North America stocking order in H1 FY23:

North America sales growth is 26% v PCP, company growth is 37% v PCP

**Europe** contributed 65% of total revenue (\$10.1m), with growth of 43% on PCP. France was the largest selling country with growth of 36% v PCP whilst the UK (+94%) and DACH (Germany, Austria and Switzerland) (+69%) grew significantly too. Two new sales leaders hired in UK and Germany during the year are expected to support ongoing growth.

**Asia Pacific** contributed 22% of FY24 revenue (\$3.5m) and grew 30% v PCP. Growth was driven by Australia (+25% v PCP), whilst Asian countries reflected lower healthcare sales post pandemic. The strong pipeline in Australia and planned entry into key Asian industrial markets can expect to deliver higher FY25 sales.

**North America** contributed 13% of FY24 revenue (\$2.1m). H2 was profitable and revenue grew 60% reflecting strong emerging Industrial pipeline trends offset by continued Healthcare revenue decline. For the year, revenue was down 9% v PCP as the H1 FY23 result was inflated by a one-off stocking order. A new RVP for North America was appointed in August 2024, with respiratory protection experience.

## **OPERATING EXPENSES**

Operating expenses (excluding depreciation and share based payments) of \$14.9m are significantly down (21% or \$4m) on PCP, demonstrating the business's ongoing focus to drive efficiency and operate at a sustainably lower cost base. This drive for improved productivity and cost reductions will continue in FY25 and facilitate self-funded investments to drive revenue growth. We are also focused on operational efficiencies whilst maintaining very high standards of product quality and continuing R&D technology development.

## **CASH**

The Company's balance sheet remains strong with cash of \$9.8m at 30 June 2024. Net working capital was reduced \$0.7m during the year, despite higher revenue. Cash outflow was just \$0.3m in H2. In Q4 operational cashflow was positive, excluding the R&D tax refund (\$0.9m was received in Q4).

Cash outflow has been significantly reduced over the last 18 months and is trending towards breakeven. July trading cashflow was also positive so the current cash balance is >\$10m.

## **COMPANY LEADERSHIP**

CEO Graham McLean has indicated to the Board his desire, after 2 years in the role, to return to Non-Executive Director responsibilities once a successor as CEO has been confirmed. Graham has led the transformation of the Company to a stronger financial footing, focusing on reducing the cost-base and targeting the Industrial market sector whilst supporting ongoing product development and innovation. It is an appropriate time for a new leader with relevant industrial experience to join and lead the company through its next phase of growth. The Board has commenced a search for a new CEO and will announce when this appointment is made.

## **OUTLOOK**

The Board believes that the current outlook on revenue growth and cost/cash initiatives will continue the recent trends to likely achieve break-even (or better) profitability and positive cashflow in FY25.

CleanSpace is well positioned to continue revenue growth of 30% in FY25 and beyond in our focus markets, with strong revenue momentum expected in Europe, USA and Australia.

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**Authorised for release by the CleanSpace Holdings Limited Board of Directors**

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## **FOR MORE INFORMATION**

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## **ABOUT CLEANSPACE**

CleanSpace is a Sydney-based designer and manufacturer of respiratory protection equipment for industrial and healthcare solutions, founded by a team of biomedical engineers with experience in respiratory medical devices. CleanSpace is passionate about continually improving health outcomes, safety and standards of care for people who need it most.

In the last 20 years, technology has driven unprecedented advances in protective equipment and transformed people's health. We have brought this to personal respiratory protection. The Company continues to invest in research and development programs resulting in differentiated design and approved products that provide compelling employer and user benefits. CleanSpace Respirators are a true game changer. Higher protection for frontline workers means better health outcomes for millions of people, now and into the future.