

## CLEANSPACE HOLDINGS ANNUAL FY23 RESULTS

**29 August 2023.** 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 2H and full year FY23.

### KEY POINTS

- **Strategy reset to focus on Industrial sectors and right-sized cost base**
- **Healthcare prioritising targeted opportunities**
- **Industrial growth 41% v PCP and annualised opex savings of \$8m in run rate**
- **Launch of innovative new products drives Q4 revenue growth of 31%**
- **First 8 weeks of FY24 >30% revenue growth v PCP**
- **Cash outflow improving to ~-\$1m per quarter**

### SUMMARY

- **Revenue:**
  - Full year FY23 \$12.1m (down 9% on FY22)
  - 2H FY23 \$6.4m, up 11% on prior half (1H FY23) and 1% up on PCP
  - Q4 growth of 31% (v PCP)
- **High gross margin at 70% for full year**
- **Operating expenses down 25% in H2 and 20% for the full year (v PCP).**
  - Annualised savings of \$8m now flowing into monthly opex run rate (30% below PCP)
- **Full year EBITDA -\$10.8m (\$3.3m better than PCP)**
- **Cash:**
  - Cash of \$12.2m at 30 June 2023
  - Net cash outflow was significantly reduced in 2H FY23 at -\$4.3m
  - Q4 cash outflow was -\$1m
- **Industrial sales overall grew 41% over the full year and were 93% of all sales. Healthcare sales affected by continuing high inventory in market post pandemic**
- **2H FY23 regional sales:**
  - Europe revenue up 45% on prior half and up 13% on PCP due to continued growth in industrial
  - Asia revenue up 13% against prior half and down 21% on PCP, reflecting lower healthcare sales after the pandemic fuelled demand in the region in FY22.
  - North America revenue down 5% v PCP but full year +10% v PCP
- **Outlook**
  - First 8 weeks of FY24 trading see continued momentum with >30% revenue growth v PCP

## SUMMARY OF FINANCIAL PERFORMANCE

A summary of the trading results and selected operational metrics for FY23 and 2H FY22 are included in the tables below.

AUD	2H FY23	1H FY23	H2 FY22
Revenue	\$6.4m	\$5.7m	\$6.3m
Gross margin \$	\$4.4m	\$4.0m	\$4.4m
Gross margin (%)	70%	70%	70%
Operating expenses <sup>1</sup>	\$8.6m	\$10.3m	\$11.5m
Operating EBITDA <sup>2</sup>	-\$4.2m	-\$6.3m	-\$7.1m
Cash in bank	\$12.2m	\$16.4m	\$24.3m

## Regional sales performance and highlights

Revenue AUD	2H FY23	1H FY23	H2 FY22
Europe	\$4.2m	\$2.9m	\$3.7m
Asia	\$1.4m	\$1.3m	\$1.8m
North America	\$0.7m	\$1.6m	\$0.8m
Total	\$6.4m	\$5.7m	\$6.3m

**Europe** contributed 59% of total revenue in FY23. FY23 revenue was up 28% on FY22. 2H FY23 revenue was up 13% on PCP and up 45% on prior half. Customer purchasing patterns have stabilised. European sales activity is consistent with trends seen before the pandemic. UK, France, Germany, Nordics all grew >20%.

New innovative products launched in Q3 are being accepted by distributors and end-users as the benefits of the enhanced functionality are recognised.

**Asia** revenue contributed 22% of FY23 revenue. 2H FY23 Asia revenue was up 13% against the prior half and down 21% against PCP, reflecting lower healthcare sales after the pandemic fuelled demand in the region in FY22. Industrial business in Australia continues to gain momentum, up 41% v PCP for the year.

**North America** contributed 19% of FY23 revenue. FY23 was up 10% on FY22, however 2H FY23 revenue was down 5% on PCP and 53% on the prior half due to the timing of a large stocking order in H1. 2 GPO deals and 3 year pharmaceutical company deal signed.

## OPERATING EXPENSES

Operating expenses (excluding depreciation and share based payments) for 2H FY23 of \$8.6m are significantly down (25%) on PCP, demonstrating the business's continued work to drive efficiency and operate at a sustainably lower cost base. We have implemented annualised savings of \$8m during the year.

CleanSpace has reduced its overall operating cost base whilst also investing in key growth opportunities and product innovation. The company continues to focus on reducing costs and optimising its cash management into FY24.

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

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

## CASH

The Company's balance sheet remains strong with cash of \$12.2m and minimal debt at 30 June 2023.

The Board remains confident that the current outlook on revenue and cost initiatives will support the business growth and profitability in the medium term. We do not expect to raise capital in order to fund current operations.

< ENDS >

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.

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