

Carbonxt Group Limited – HY25 Results

Carbonxt Group Ltd (ASX:CG1) (**Carbonxt** or the **Company**) has released its Half-year report for the half-year ending 31 December 2024 and provides the following update on the key areas of activity for the period -- all numbers are in A\$.

OPERATIONS OVERVIEW

- Half year revenue of \$7.4 million, down 13% on HY24, primarily due to a once-off impact on sales to the group's largest pellet customer bringing forward some of their revenue into FY24 via the forward sale noted in [ASX announcement 28 May 2024](#). Deliveries in Q3FY25 have significantly ramped up as per the [ASX announcement 27 November 2024](#).
- The Company's flagship Activated Carbon production facility in Kentucky, jointly owned with Kentucky Carbon Processing, LLC (**KCP**) reached mechanical completion as of [18 December 2024](#).
- Pellet sales accounted for 47% of revenue and 33% of sales volume. As noted above, we expect to see a higher proportion of revenue from Activated Carbon Pellets (**ACP**) in 2H25.
- Powdered Activated Carbon (**PAC**) accounted for 53% of revenue and 67% of sales volume – PAC revenue increased by 13% from HY24 reflecting the commencement of the ReWorld Waste contract increasing from 1 October 2024.
- HY24 gross margin of 49%, up from 44% in HY24 and 28% in HY23 respectively as price increases in the portfolio take effect as well as the reduction in operating costs from a further reduction in manufacturing shifts at Arden Hills.
- Underlying EBITDA for HY24 was a loss of \$694K, compared to HY24 EBITDA loss of \$286K, due to the lower demand for ACP products mentioned above.

FINANCIAL OVERVIEW [All results in AUD]

A \$'000	1H24	1H25	Change
Revenue	\$8,424	\$7,352	-13%
Gross margin	\$3,682	\$3,592	-2%
Gross margin %	44%	49%	11%
Other income	\$69	\$120	
Shipping costs	(\$1,096)	(\$913)	17%
Operating costs	(\$2,941)	(\$3,494)	-19%
EBITDA	(\$286)	(\$694)	-143%
Depreciation and amortisation	(\$1,209)	(\$1,127)	7%
EBIT	(\$1,495)	(\$1,821)	-22%
Net interest	(\$2,014)	(\$2,236)	-11%
Share based payment expense	-	(52)	
Non-cash items (net)	\$141	(\$98)	169%
Net loss before tax	(\$3,368)	(\$4,209)	-25%

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Carbonxt Managing Director Warren Murphy commented:

“The first half of FY25 presented both challenges and opportunities for Carbonxt. While revenue declined due to temporary disruptions in pellet sales, we have taken significant steps to strengthen our operational and financial position. The successful mechanical completion of our Kentucky activated carbon plant marks a major milestone, and we are now focused on ramping up production to meet growing demand. Additionally, our PAC segment continues to show strong performance, reflecting increased adoption of our solutions in key industrial markets.

Looking ahead, we are confident in Carbonxt’s ability to drive improved financial results in the second half of the year. The completion of the Kentucky plant provides a clear path to revenue growth, while our ongoing cost-reduction initiatives will support margin expansion. With tightening environmental regulations globally, the demand for our advanced activated carbon products is expected to rise, positioning us well for long-term success.”

REVENUE

- Total revenue was down 13% from HY24 and Pellet revenue was down 29%, driven primarily by downtime by continued conveyor issues at our largest ACP customer.
- PAC revenue was up 13% from HY24, reflecting the increase in volume from our largest PAC customer.

MARGIN

- 1H24 gross margin was 49%, an increase from 44% in 1H24 and the 28% recorded in 1H23, reflecting the improvements made to operating costs over the past 18 months and price increases across the entire portfolio.
- Several initiatives are also underway at Black Birch to further lower operating costs, including changes to the underlying lease structure. We expect to make an announcement on this matter in the near future.

OPERATING COSTS

- Shipping costs to customers were largely static at around 13% of sales. The pressure on shipping costs is less than experienced in the prior year. We expect shipping costs to decrease as a percentage of sales in 2H25 as the mix of customer receipts changes.
- Operating costs of \$3.5m were up 19% on 1H24 primarily reflecting additional expenditure associated with entering into the Kentucky investment. We expect to see a significant decrease in operating costs in 2H25 as per [ASX announcement 31 January 2025](#).

KENTUCKY PLANT

- During this period, construction has been underway for the new activated carbon plant in eastern Kentucky, USA. The plant will have an initial capacity of 10,000 tons per annum, with the ability to expand to 20,000 tons per annum for a small additional investment.
- Carbonxt has contributed USD \$6.75 million to NewCarbon Processing, LLC (**NewCarbon**), alongside its US partner KCP. Carbonxt holds a 40.3% ownership interest in NewCarbon as of 31 December 2024, with options to invest a further USD \$3.25m to move to 50% ownership interest.
- The Kentucky facility achieved mechanical completion in December 2024.

NON-CASH ITEMS

- Other non-cash items increased from \$141k expense in 1H24 to \$98k gain in 1H24. Other non-cash items were principally related to a fair value adjustment of Licensing Rights.

STATEMENT OF FINANCIAL POSITION

- The Company currently has an A\$15 million debt facility provided by Pure Asset Management which matures in May 2027.

CORPORATE

- The company issued 46.4m fully paid ordinary shares at \$0.065 per share to raise \$3.02m before costs, with an associated 1:2 issue of unlisted options which have a 2 year expiry and an exercise price of 10 cents per share (see [ASX Announcement of 24 September 2024](#)).
- The company issued 17,146,667 ordinary shares at 6.0 cents per share, with an associated 1:2 issue of unlisted options which have a 2 year expiry and an exercise price of 10 cents per share (See [ASX Announcement 20 December 2024](#)).
- On [17 February 2025](#), the Company announced a Share Purchase Plan (SPP) to raise \$2 million at \$0.06 per share, with an issuance date set for 20 March 2025. This initiative will provide additional capital to support ongoing operations and growth initiatives.

Dr. Regina Rodriguez resigned to take up an R&D role at another company. We wish her well in that new role and thank her for her service in the development of the Company.

STRATEGIC OUTLOOK

The immediate priority remains the full-scale operational launch of the Kentucky activated carbon plant. The Company is focused on optimising coal processing and finalising high-temperature wiring installations to ensure optimal efficiency.

With growing demand for PAC and strategic cost reductions already in place, Carbonxt is well-positioned to enhance its financial performance over the coming quarters. The Company aims to expand its market presence within the waste-to-energy and water purification industries, leveraging regulatory trends around mercury and PFAS contamination. Additionally, Carbonxt continues to explore new product innovations and partnerships that align with its long-term sustainability and profitability goals.

- ENDS -

Authorised for release to ASX by the Board of Directors of Carbonxt Group Limited.

All amounts are in AUD unless otherwise stated.

Enquiries

Warren Murphy

Managing Director | Carbonxt Limited

P +61 413 841 216

E w.murphy@carbonxt.com



About Carbonxt

Carbonxt (ASX:CG1) is a cleantech company that develops, and markets specialised Activated Carbon products, focused on the capture of contaminants in industrial processes that emit substantial amounts of harmful pollutants. The Company produces and manufactures Powdered Activated Carbon and Activated Carbon pellets for use in industrial air purification, wastewater treatment and other liquid and gas phase markets.

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