



## **ASX & MEDIA RELEASE**

### **2020 RESULTS ANNOUNCEMENT AND FY21 OUTLOOK**

25 August 2020

Carbon Revolution Limited (CBR) has today announced its results for the financial year ended 30 June 2020 (FY20).

#### **Summary of FY20 results**

- The company's FY20 revenue of \$38.9m exceeded the prior year by 158%, a record year for sales during what was a challenging global environment in the second half of the year
- Sales from new wheel programs contributed 38% of wheel sales revenue in FY20. These wheel programs will deliver further growth in FY21 as they will be in production for a full year
- Earnings before interest, tax, depreciation, and amortisation was a loss of \$17.1m (excluding one-off IPO related items of \$87.2m), a 22% improvement compared with the prior year loss of 22.4m
- Carbon Revolution reported a loss after tax of \$114.0m (FY19 \$27.2m). The FY20 loss after tax includes \$87.2m of non-cash items associated with the IPO.
- Average price per wheel increased by 9% to \$2,643 due to changes in the sales mix and a weakening of the Australian dollar relative to the Euro
- Net debt decreased by \$68.9m to a net cash position of \$15.2m at June 2020 (\$33.9m of cash and \$18.7m of debt)

#### **CEO Commentary**

Carbon Revolution CEO Jake Dingle said: "The past financial year has been a significant one in Carbon Revolution's history. We successfully listed on the Australian Securities Exchange in November 2019 and continued to build customer relationships with the addition of three new wheel programs and significant progress with the engineering and development of a new contract with an Asian vehicle manufacturer. We also made significant progress in our production processes, which are contributing both to manufacturing efficiency and product quality.

"We delivered very strong growth for the year, notwithstanding the significant challenges posed by COVID-19, which impacted our customers, supply chains, and production processes. I am pleased that our customers are now back in production and global supply chains appear to be functioning reasonably well again.

"We are proud of how our team responded to challenges posed by COVID-19 this year. Carbon Revolution builds a unique and highly sophisticated product, and it has a strong team and culture which we are confident will deliver long term, profitable growth for our shareholders. We believe our long-term growth prospects remain strong.

“We are excited about the year ahead and confident in our ongoing progress.”

### **Key Events/Year in Review**

- Listed on ASX on 29 November 2019, raising \$30.0m in new capital
- Announced three new wheel programs during the year and is now nominated for, or has been awarded, 11 wheel programs with five global vehicle manufacturers. Six of these wheel programs have been publicly announced by the relevant vehicle manufacturers and are in production
- Continued to invest strongly in research and development to improve the product technology, material systems and to bring production processes to full industrialisation
- Wheel moulding rate expanded from approximately 12,000 to over 30,000 per annum following equipment and technology improvements
- Responded to the COVID 19 pandemic by taking steps to ensure the company was in as strong a financial position as possible, raising \$25m through an institutional placement in March 2020 and a further \$2.7m via a share purchase plan
- Fast-tracked the new Fascia technology which will improve finished wheel aesthetic quality and allow for significant reduction in labour hours per wheel
- Progressed the design of wheels for the CH-47 (Chinook) Helicopter for the Australian Defence Force
- The net cash outflow in the second half of FY20 saw elevated levels of operating and capital expenditure as the business responded to supply chain disruptions and invested in industrialisation assets. We expect these elevated levels to reduce over the course of FY21

### **FY21 Outlook**

- The company expects to deliver strong sales growth in FY21
- During FY21 we are targeting new supply arrangements with existing customers for new vehicle wheel programs as well as new customers in Europe, North America and Asia. We expect that a number of new cars will be launched with our wheels
- Carbon Revolution enjoys a range of strategic growth opportunities, in addition to the scaling up of its Geelong manufacturing facility to materially increase production capacity. The company aims to leverage its technology into adjacent industries, such as the aerospace and transportation sectors, and will continue to invest in this during FY21
- Arrangements to repay the \$13m Ronal AG term loan are well progressed. Key terms and conditions for a three-year term loan facility with Export Finance Australia have been agreed and this arrangement is now being documented.

Authorised for release by the Board of Directors.

### **FY20 RESULTS - INVESTOR AND ANALYST BRIEFING**

A briefing will be held for investors and analysts at 9-30am (AEST) today.

To pre-register for this event please use the following link:

[https://carbonrev.zoom.us/webinar/register/WN\\_pRnIMM8vS7iOOQLdzZX2rw](https://carbonrev.zoom.us/webinar/register/WN_pRnIMM8vS7iOOQLdzZX2rw)

Registered participants will receive a calendar invite and meeting link (and dial in number if required) which is to be used when connecting into the call.

A recording of the conference call will be made available on the Carbon Revolution Investor Centre website: <https://investors.carbonrev.com/InvestorCentre/?page=presentations-and-webcasts>

**For Further Information**

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