



Close the Loop GROUP
Create - Recover - Reuse



Close the Loop Limited
ABN: 91 095 718 317
208 Hume Hwy
Somerton, Victoria 3062
AUSTRALIA
investors@ctlgroup.com.au
ctlgroup.com.au

Upgrade to FY22 guidance and trading update

1 June 2022

Key highlights:

- **FY22 revenue prospectus forecast up 11% to \$82 million (from \$73.9 million)**
- **FY22 EBITDA prospectus forecast up 10.5% to \$13.6 million (from \$12.3 million)**
- **Current annual revenue run rate, including recent acquisitions, equates to over \$100 million**
- **Upgrading TonerPlas® and Close the Loop recycled product manufacturing capability**
- **Introduction of Resin8® waste plastics product range for the construction industry**
- **Expansion of South African sustainable packaging operations**
- **Non-binding term sheets signed for three potential acquisitions**
- **Inaugural Investor Day to be held on Thursday 2 June 2022**

Melbourne, Australia – Close the Loop Limited (**Close the Loop Group** or the **Group**) (**ASX: CLG**), an end-to-end solutions provider from design and manufacturing, through to collection and recycling of products, has upgraded its FY22 revenue and EBITDA prospectus forecasts by 11% and 10.5% respectively, with a current annual revenue run rate of over \$100 million.

Strong organic revenue growth occurred across all divisions, particularly in Close the Loop in the United States and Europe, O F Pack, O F Flexo and Foster International, where volume increases and operating leverage are driving earnings significantly ahead of plan.

Group Chief Executive Officer Joe Foster said: *“In our first six months as a listed entity Close the Loop Group has enjoyed considerable organic revenue growth across all divisions and we are increasing our FY22 revenue and EBITDA prospectus forecasts by 11% and 10.5% respectively. This is due to our ability to successfully integrate complementary businesses that strengthen our capability as the only ASX-listed company operating in all parts of the circular economy. From product design, manufacturing, collection and recycling and then eventually recovering it as new packaging or secondary products, or simply packaging to packaging. When you take our acquisitions of Crasti & Co and Oceanic Agencies into account, we now have annualised revenue of around \$100m.”*

Upgrades to further increase capacity and operating leverage

The Close the Loop division is undertaking initiatives to increase production capacity to leverage volume increases across a range of products. This includes upgrades to the TonerPlas® line to meet increased demand for the patented, high-performance asphalt additive made from soft plastics and waste printer cartridge toner. TonerPlas® is used in roads across Australia to construct suburban roads and freeways including the M80 ring road and Monash Freeway in Melbourne.

The US facility will implement a new automatic optical recognition system to improve efficiency, with the system to then be introduced across Australian and European facilities. In addition, the US plant is installing a new washing and separation line due for completion this calendar year.

Further, the Group has launched its European packaging business to handle flexible packaging sales for new and existing customers.

Product development

Close the Loop Group has signed an MOU to produce the Resin8® product range in Australia following its successful launch in other parts of the world. Resin8 is a range of structural and concrete products manufactured for and used in the construction industry. It is manufactured from all types of consumer waste plastics, taking advantage of circular integration across the Group. The full product range is expected to become available during FY23.

New market and acquisition opportunities

Following the planned withdrawal of the market leading competitor, Close the Loop Group is looking to expand its sustainable packaging business in South Africa.

The Group is also examining three possible complementary acquisitions, with non-binding term sheets signed, in line with its prospectus strategy. One of the potential acquisitions is in sustainable paper manufacturing and recycling, whilst the others are in resource recovery and sustainable packaging.

“While FY22 is shaping up to be a great year for the company, Close the Loop Group is also ensuring that upgrading its ability to scale as demand for recycled products generated through the circular economy increases. These initiatives include production capacity increases, efficiency improvements, new product ranges as well as examining strategic acquisition opportunities” Mr Foster said.

Investor Day

A reminder that Close the Loop Group will be hosting its inaugural Investor Day on **Thursday, 2 June 2022** at Close the Loop’s facilities in **Somerton, Victoria**, commencing at **9.15am**.

This presentation gives an opportunity to gain insight from the Group’s executives on Close the Loop’s business strategy and its day-to-day operations.

The following Close the Loop leaders, in addition to Group Chief Executive Officer, Joe Foster will be presenting on the day:

- Tom Ogonek, President USA and Europe
- Steve Morris, Founder, Close the Loop Operations
- Kesh Nair, General Manager, Close the Loop Operations
- Regan Foster, General Manager, O F Flexo
- Brendan Yee, Co-Founder and Sales Director, O F Packaging

The speakers from Close the Loop’s leadership team will provide a greater understanding of the Close the Loop business, how it operates in the circular economy, and key business drivers. Participants will also gain insights into the company’s operations and growth strategy.

There will be opportunity for Q&A throughout the event and a tour of the facility. The Investor Day will conclude with a light lunch.

Please RSVP to investors@ctlgroup.com.au by 1 June 2022 to reserve your place and receive further details.

This announcement has been authorised for release by the Board of Close the Loop Limited.

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For further information, please contact:

Investors

Adrian Mulcahy

E: investors@ctlgroup.com.au

P: +61 438 630 422

Media

Tristan Everett

E: tristan.everett@marketeye.com.au

P: +61 403 789 096

About Close the Loop Group

With locations across Australia, Europe, South Africa and the United States, Close the Loop Group creates innovative products and packaging that includes recyclable and made-from recycled content, as well as collect, sort, reclaim and reuse resources that would otherwise go to landfill. From recovering print consumables, eyewear, cosmetics, and phone cases, through-to the reusing of toner and post-consumer soft plastics for an asphalt additive, the Group is focused on the future, sustainability and the circular economy.

Well positioned within the circular economy, Close the Loop Group consists of the merging of two secondary business groups - Close the Loop and O F Pack. The combining of these two entities allows for end-to-end solutions across packaging and consumables to a variety of markets, with advanced innovation in product development, as well as end of life take-back and recovery systems for complex waste streams to greatly reduce waste to landfill.

Further information: www.ctlgroup.com.au, www.closesthegroup.com.au and www.ofpack.com.au