Airthings reports USD 10.1M revenue in 3Q23

(Oslo, Norway – October 26, 2023) Airthings (AIRX), the global leader in air quality monitoring and energy-saving solutions, today announced its financial results for the third quarter of 2023. The company recorded sales revenue of USD 10.1 million in 3Q23, slightly up year-on-year and up 35% compared to the previous quarter. This is the highest revenue level recorded since the fourth quarter of 2021 and demonstrates revenue resilience in a tougher economic environment for our end-customers.

Airthings will present its 3Q23 results today at 08:00 CET at Danske Bank's offices, Aker Brygge. At the same location between 12:00 – 14:00 CET, Airthings management will host a Capital Markets Update focused on the revised strategy noted in the 1Q and 2Q 2023 presentations. Both presentations are open to the public and will also be streamed online (see links below).

In 3Q23, gross profit ended at USD 6.3 million, corresponding to a 62% gross profit margin (GPM), up from 60% from 3Q22 and unchanged from the previous quarter. EBITDA came in at USD 0.1 million, compared to a loss of USD 0.2 million in 3Q22.

"Airthings delivered year-on-year growth and reported the highest revenue since the fourth quarter of 2021 despite continued challenging market conditions. Going forward, we will deliver on our revised strategy focusing on increasing both the number of customers and average customer lifetime value," says CEO Øyvind Birkenes in Airthings.

Consumer revenue came in at USD 6.4 million in 3Q23, largely flat year-on-year and up 29% quarter-on-quarter. The topline was supported by underlying growth in new device registrations for connected products, which was up 18% year-on-year. The company generated strong performance on Airthings.com, with sales in the channel up 100% compared to 3Q22. Gross profit came in at USD 3.8 million, with the Gross Margin of 59% on par with both 3Q22 and the previous quarter.

Revenues from Airthings for Business came in at USD 3.1 million in the quarter, down 4% compared to a particularly strong 3Q22 and up 59% from 2Q23. Gross margin ended at 65%, up from 60% in 3Q22 and down from 66% in 2Q23. The year-on-year reduction mainly reflects an increased share of hardware sales. Annual Recurring Revenue (ARR) came in at USD 4.1 million in 3Q22, representing 18% growth year-on-year. During the quarter the company was awarded a follow-up order of USD 2.4 million from a global enterprise customer.

"Airthings is rolling out and delivering on a strategic pivot where we will be honing a selective go-to-market strategy, increasing the software product focus, and implementing an improved operating model. This is already driving traffic to the Consumer segment and strengthening the backlog in Airthings for Business, but it will take time before the full effects of the new strategy are reflected in the financials. In combination with increasing awareness in a more mature market, we are confident in the long-term outlook for the business," says Chairman of the Board Geir Førre.

Acknowledging the continued uncertain market environment in the short-term, the company is guiding for revenue within the range of USD 9.0 – 12.0 million for the fourth quarter 2023, with ARR of USD 4.1 – 4.4 million expected at the end of 4Q23.

Practical arrangements:

The 3Q 2023 will be presented by CEO Øyvind Birkenes and CFO Jeremy Gerst at 08:00(CET) at Danske Bank Aker Brygge, Bryggetorget 4, Oslo, Norway. The presentation is open to the public and can also be followed via the following link:
https://events.webcast.no/airthings/presentations/Rzg5cTJH3lQOdxdgrq8d

The Capital Markets Update will be presented by Airthings management between 12:00 – 14:00 (CET) at Danske Bank Aker Brygge, Bryggetorget 4, Oslo, Norway. The presentation will be followed by an opportunity to chat with management who will provide a detailed update focusing on the revised strategy noted in the 1Q and 2Q 2023 presentations, with a subsequent Q&A session with refreshments. The presentation is open to the public and can be followed via the following link:
https://events.webcast.no/viewer-registration/iMWdqrmA/register

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About Airthings
Airthings is a global technology company and producer of award-winning radon and indoor air quality monitors for homeowners, businesses, and professionals. Founded in 2008, Airthings is on a mission to ensure that people around the world recognize the impact of indoor air quality and take control of their health through simple, affordable, and accurate technology solutions while optimizing energy consumption in buildings. Airthings' products have made radon detection and indoor air quality monitoring easy to deploy, accurate, and user friendly, and have received several accolades including the TIME's Best Inventions award and CES Innovation Award Honors. Headquartered in the heart of Oslo, Norway, and with offices in the US and Sweden the company has over 130 employees from more than 35 nationalities—and counting. To see the full range of Airthings indoor air quality monitors and radon detectors or to learn more about the importance of continuous air quality monitoring, please visit airthings.com