23 August 2022

XRF announces record full-year result

XRF Scientific Ltd ("XRF" or "The Company") today announced its results for the June 2022 full year:

Key Highlights

- Sales Revenue up **28%** to **$40.0m** from $31.3m

- Net Profit After Tax up **19%** to **$6.1m** from $5.1m

- Adjusted Profit Before Tax* up **38%** to **$8.2m** from $5.9m

- Final fully franked dividend of **2.5** cents per share

*Adjusted Profit Before Tax is after adding back/deducting items related to COVID-19 in FY21, which were nil for FY22. A full break-down of these items is available in the Annual Report.

XRF's Managing Director, Vance Stazzonelli, commented on the full-year result:

"FY22 was a very strong year with a record profit before tax of $8.2m being generated. All divisions contributed towards the result, with a high level of activity occurring in the mining sector and growth in international sales. We continued to diversify our revenue base and increase non-mining revenue, including growth of our Precious Metals division's industrial platinum products.

The Consumables division had an excellent year, generating a profit before tax of $4.1m from high levels of activity in the mining sector. Lithium chemicals are a key production input and have been increasing in price due to demand from the EV sector. As a result, revenue and costs are expected to continue to rise in FY23, with no negative impact to margins.

The Capital Equipment division delivered a profit before tax of $1.1m from revenue of $10.8m. Demand for capital equipment was robust during the year, with customers acquiring new machines across mining and industrial sectors such as cement and steel manufacturing. Our order book continues to reach new record levels, with production for some product lines booked out for 1H23.

Our 50% acquisition of Orbis Mining Pty Ltd has been fully consolidated into our accounts and is now part of the Capital Equipment division. The business performed well and generated revenue of $1.8m during the June half. The new product line has good forward sales momentum, and we expect to see significant growth in revenue during FY23. Many sales are occurring within the gold industry, to support the crushing of samples for photon assay and fire assay.

The Precious Metals division delivered revenue of $18.3m and a profit before tax of $2.8m. We continued to grow our base of industrial product customers in Europe, the majority of which are expected to generate reoccurring revenue. The division acquired new customers in specialised fields, including platinum products to produce medical glass and crystal growth.

We are continuing to see goods levels of reoccurring orders from mining customers, as increased sample testing requires regular recycling of spent platinum labware products."

Dividend
The Board has declared a final fully franked dividend of 2.5 cents per share which is up by 25% on last year. This represents a payout ratio of 56% of net profit after tax. The dividend reinvestment plan (DRP) is available for shareholders by registering participation at the share registry, Automic Group. A 2.5% discount will be applicable to the DRP.

Please direct any inquiries to:

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About XRF Scientific:
XRF Scientific Limited is an Australian listed company (ASX: XRF) based in Perth, Western Australia. XRF manufactures equipment and chemicals, which are distributed to production mines, construction material companies and commercial analytical laboratories, in Australia and overseas, and used in the preparation of samples for analysis.

XRF has manufacturing, sales and support facilities located in Australia, Europe and Canada, plus a global network of distributors. The Company has representation in the United States, South America, Africa, the Middle East and Asia and has a customer base that includes multinational blue-chip customers such as:- BHP Billiton, Rio Tinto, Vale, South 32, Glencore, Alcoa, Lafarge, Holcim, ArcelorMittal, CSIRO, Intertek, Bureau Veritas, SGS and ALS.

XRF's technology is used to measure the composition and purity of materials and is mainly applied in industrial quality control and in process control for manufacturing processes in industries such as metals and mining, construction materials, chemicals and petrochemicals.

XRF's products help customers to improve product quality and performance, increase productivity and yield and reduce downtime and waste. Its businesses have established positions in their specialised markets.

Read more about XRF Scientific at: https://www.xrfscientific.com/general-overview/