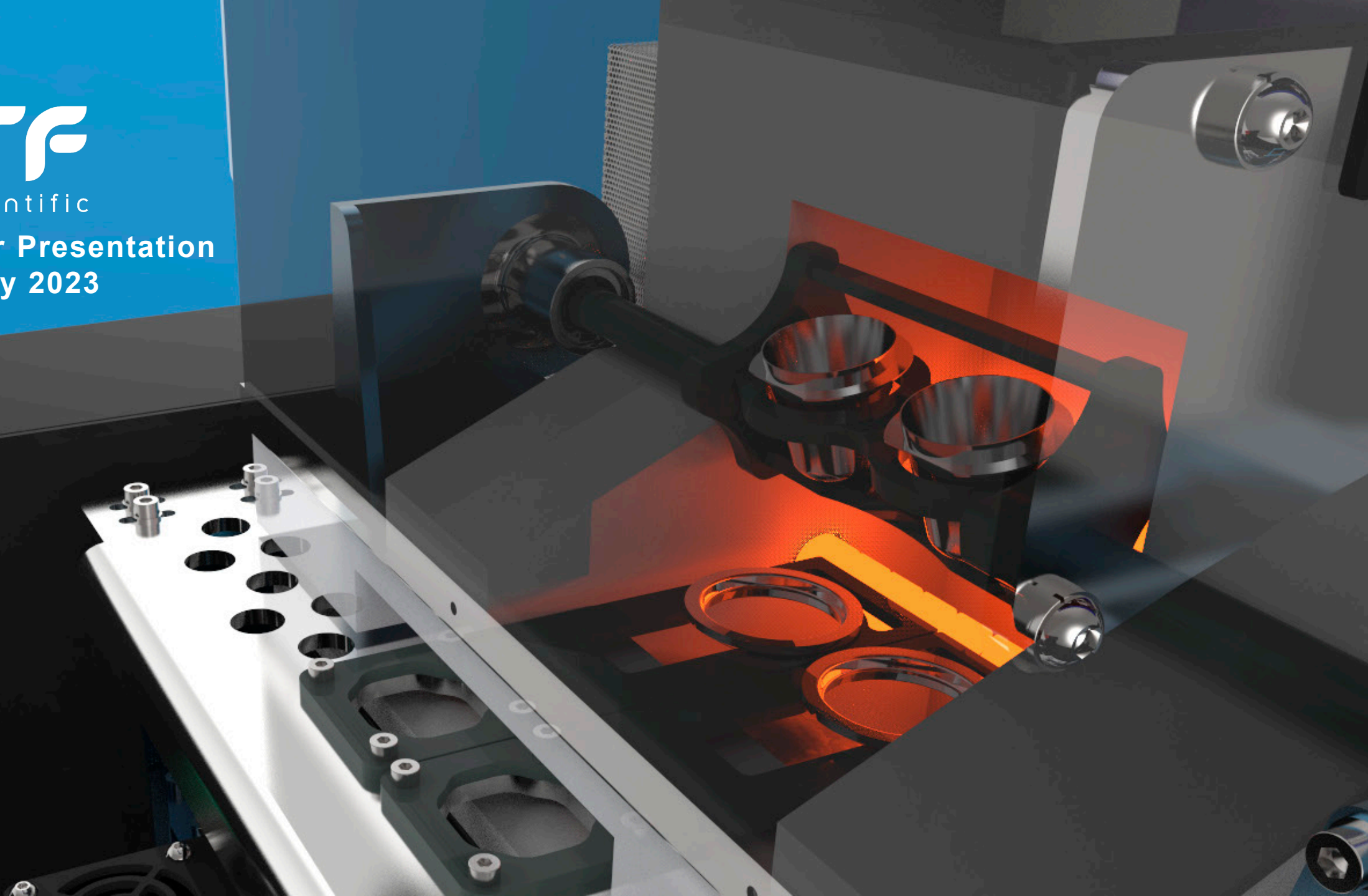




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February 2023

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# Our Technology

## Sample Preparation Technology

### Mining and Manufacturing



**Minerals:**  
Iron ore  
Gold  
Nickel  
Copper  
Aluminium  
Bauxite  
Manganese  
Uranium  
Lithium  
Mineral sands  
Commercial labs

**Materials:**  
Cement  
Steel  
Glass  
Ceramics  
Research  
Education

Raw Samples



Prepared Samples

### Chemical Analysis



**Analysis Techniques:**  
XRF  
ICP  
Fire Assay  
Photon Assay



# Lab Products

Sample Preparation Products

X-Ray Flux

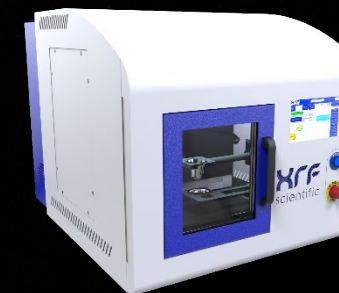


Platinum Labware



Recycling service of turning used platinum products into new items

Fusion Machines



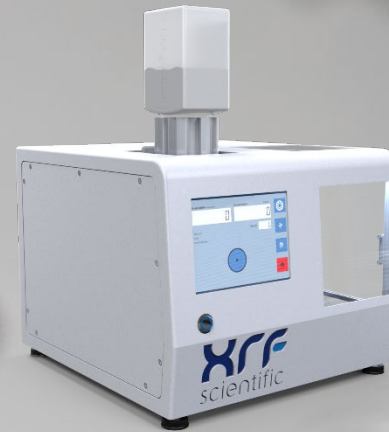
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# Lab Products

Analytical Tools and Accessories

Weighing Instruments



Platinum Electrodes



Drift Monitors





# Lab Products

Orbis Mining Pty Ltd

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Laboratory Jaw  
Crushers



Smart Splitting  
Crushing Systems



# Laboratory Products Flowchart

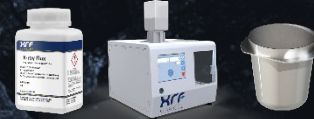
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Crush raw samples

## XRF Analysis

Pulverise sample into fine powder



Dose flux into platinum crucible, add sample

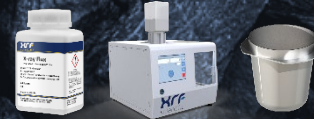


Fuse crucible contents into solid glass bead

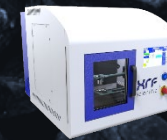
Present solid glass bead sample to XRF spectrometer for analysis\*

## ICP Analysis

Pulverise sample into fine powder



Dose flux into platinum crucible, add sample



Fuse crucible contents, dissolve into liquid solution

Present dissolved liquid sample to ICP spectrometer for analysis\*

## Fire Assay

Pulverise sample into fine powder

1. Fluxing and fusion of the precious metals sample\*
2. Separation of the slag from the lead precious metals-containing button\*
3. Cupellation – separating precious metals from the lead\*
4. Analysis of precious metals content\*

## Photon Assay

1. Present crushed samples to Photon Assay machine for gold analysis\*

\*Processing step performed with products from other companies



# Platinum Products

## Precision Products for Industry



Aerospace  
Components



Glass Production  
Bushings



Crystal Growing  
Vessels



Measurement  
Instrument  
Components



Chemical  
Production  
Vessels



Laboratory  
Components



Research and  
Development



Niche Applications /  
Custom Designs

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# FY23 H1 Highlights



- Record half-year revenue and profit
- Very strong demand from mining and industrial customers
- Large increase in revenue and profits for Capital Equipment division
- Strong demand for capital equipment products, currently at new record order levels
- Continued R&D investment in new products across all divisions

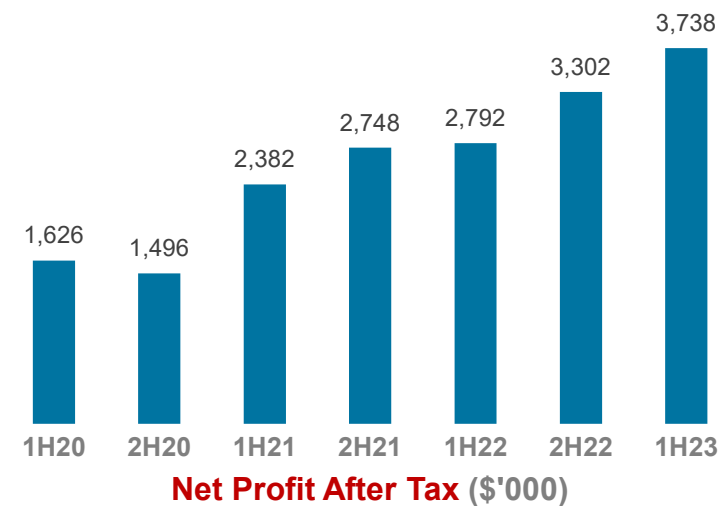
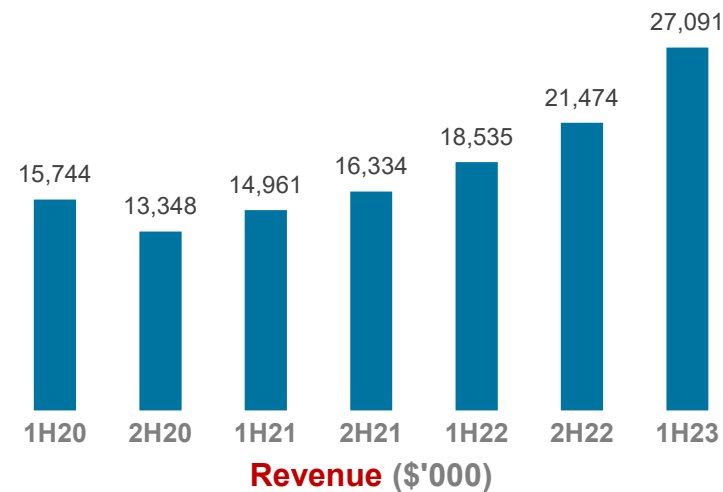
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# FY23 H1 Financial Highlights

- Revenue up 46% to \$27.1m vs 1H22
- NPAT\* up 34% to \$3.7m vs 1H22
- Record quarterly profit before tax of \$2.9m during December Q2
- \$2.3m positive operating cashflow

*\*In FY23 our Australian income tax rate has increased to 30% (FY22: 25%) due to the expectation that our group revenue will exceed \$50m for FY23.*



# Half Year Results - Overview



(\$m)	Half Year Results			Full Year Results		
	1H23	1H22	Change	2022	2021	2020
Sales revenue	27.1	18.5	46%	40.0	31.3	29.1
Profit before tax	5.3	3.7	43%	8.2	6.8	4.5
<b>Net profit after tax*</b>	<b>3.7</b>	<b>2.8</b>	<b>34%</b>	<b>6.1</b>	<b>5.1</b>	<b>3.1</b>
Earnings per share (cents)	2.8	2.1	33%	4.5	3.8	2.3
Weighted average no. of shares	135,587,521	134,699,698		135,469,700	134,345,542	133,825,803
Dividends (cents per share)	0.0	0.0		2.5	2.0	1.4
Dividend payout ratio	-	-		56%	**60%	60%

\*In FY23 our Australian income tax rate has increased to 30% (FY22: 25%) due to the expectation that our group revenue will exceed \$50m for FY23.

\*\*As a percentage of adjusted NPAT after excluding COVID-19 subsidies



# Balance Sheet

(\$m)	1H23	2022	Change
Cash and cash equivalents	6.1	6.6	(9%)
Trade and other receivables	8.3	6.2	33%
Inventories	16.8	15.6	8%
Other assets	0.6	0.5	18%
Property, plant and equipment	8.0	7.9	1%
PPE lease asset	0.8	0.7	13%
Intangible assets	16.8	17.0	(1%)
Deferred tax asset	1.2	1.0	21%
<b>Total assets</b>	<b>58.6</b>	<b>55.5</b>	<b>5%</b>
Trade and payables			
- platinum loan provisions	2.4	2.6	(11%)
- other items	5.6	4.7	19%
Debt (short-term)	1.7	1.3	34%
Debt (long-term)	1.4	1.5	(6%)
Current lease liabilities	0.3	0.4	(16%)
Non-current lease liabilities	0.5	0.4	41%
Income tax liability	1.0	0.7	37%
Deferred tax liability	0.8	0.6	27%
<b>Total liabilities</b>	<b>13.7</b>	<b>12.2</b>	<b>12%</b>
<b>Total equity</b>	<b>44.9</b>	<b>43.3</b>	<b>4%</b>

- Net cash position of \$2.9m
- Consumables division inventories increased by \$1m due to lithium price increases
- Debt increase relates to lithium inventory funding
- Change in Australian tax rate from 25% to 30% resulted in increases to deferred tax asset, deferred tax liability and income tax liability

# Cash Flow Statements



(\$m)	1H23	2H22	1H22
Net cash inflow from operating activities	2.3	1.4	1.8
Net cash (outflow) from investing activities	(0.3)	(0.2)	(0.9)
Net cash inflow/(outflow) from financing activities	(2.5)	0.8	(1.5)
Cash at start of period	6.6	4.6	5.3
Net increase/(decrease) in cash	(0.5)	2.0	(0.7)
Cash at end of period	6.1	6.6	4.6

## Highlights:

- \$2.7m cash paid out for FY22 dividend (1H22: \$2.1m)
- Operating cash flow impacted by increase in Consumables division stock position of \$1.0m due to lithium production chemical price increases



# Consumables

(\$m)	1H23	2H22	1H22
<b>Sales revenue</b>	<b>7.7</b>	<b>6.9</b>	<b>5.2</b>
Change in % *	12%	32%	2%
<b>NPBT</b>	<b>2.5</b>	<b>2.4</b>	<b>1.7</b>
Change in % *	6%	37%	8%
<b>Margin %</b>	<b>33%</b>	<b>35%</b>	<b>33%</b>

\* Compared to immediately prior half-year period



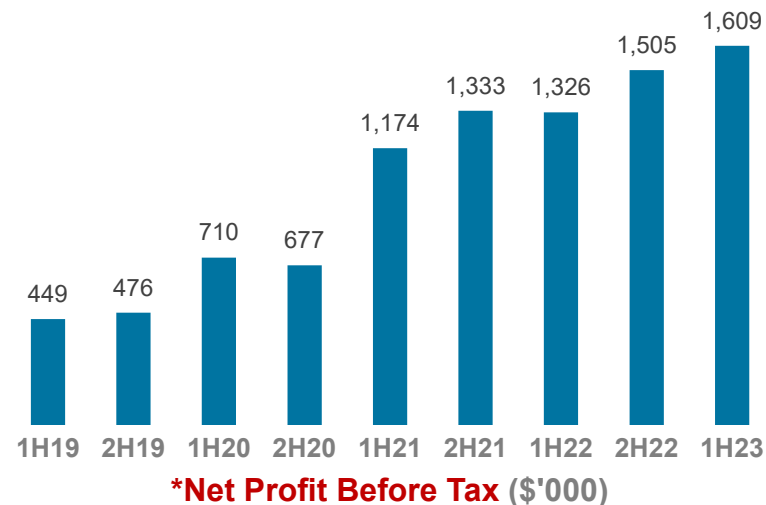
## Overview for 1H23:

- Revenue up 12% on 2H22
- NPBT up 6% on 2H22
- Continued robust demand from the mining sector driven by production and exploration
- Key production input lithium compounds increased in price due to demand from EV sector. Inventory levels increased by \$1m during 1H23 which is lower than forecast range of \$2.3-2.8m

# Precious Metals

(\$m)	1H23	2H22	1H22
<b>Sales revenue</b>	<b>11.3</b>	<b>9.6</b>	<b>8.7</b>
Change in % *	18%	10%	15%
<b>NPBT</b>	<b>1.6</b>	<b>1.5</b>	<b>1.3</b>
Change in % *	7%	13%	(1%)
<b>Margin %</b>	<b>14%</b>	<b>16%</b>	<b>15%</b>

\* Compared to immediately prior half-year period



## Overview for 1H23:

- Revenue up 18% on 2H22
- NPBT up 7% on 2H22
- Continued strong demand from mining and industrial markets, for both new product and recycling sales
- Reoccurring orders from mining customers, as increased sample testing requires regular recycling of spent platinum labware products
- New customers in specialised fields, including aerospace
- Germany office continues growth with revenue of \$4.5m 1H23 vs \$2.7m 2H22

\*COVID-19 wages subsidies included in NPBT:

- 2H21: \$41k
- 1H21: \$321k
- 2H20: \$114k



# Capital Equipment

(\$m)	1H23	2H22	1H22
<b>Sales revenue</b>	<b>9.2</b>	<b>5.7</b>	<b>5.1</b>
Change in % *	60%	13%	10%
<b>NPBT</b>	<b>1.5</b>	<b>0.5</b>	<b>0.6</b>
Change in % *	201%	(19%)	(13%)
<b>Margin %</b>	<b>17%</b>	<b>9%</b>	<b>13%</b>

\* Compared to immediately prior half-year period



## Overview for 1H23:

- Revenue up 60% on 2H22
- NPBT up 201% on 2H22
- High levels of machines demand from the mining and industrial sectors. Sales growing in numerous markets worldwide
- Ongoing revenue (spare parts/service) increasing as installed machine base grows – 27% of revenue for 1H23
- Order book continues to grow to new record levels, with some product lines booked out for production past 2H23
- Orbis Mining contribution of revenue \$3.3m and total NPBT \$0.7m (50% of NPBT allocated to non-controlling interest). Strong sales momentum continues into 2H23 due to growing product reputation

\*COVID-19 wages subsidies included in NPBT:

- 2H21: \$86k
- 1H21: \$306k
- 2H20: \$93k

## Growth Strategy for FY23



- Grow Orbis laboratory crusher sales, utilising XRF's sales network and resources
- Continuing our expansion in the Precious Metals Division
- Continue with geographical expansion initiatives
- New product releases from all divisions
- Continue to pursue M&A opportunities. Our targets are complementary manufacturing companies, in the laboratory supply or precious metals sectors
- Work to improve our scale/market cap and the share price

# Corporate Overview

## Shareholder Wealth

	EBIT	Earnings Per Share	Dividends Declared Per Share	Share Price	Market Capitalisation
Financial Year	\$	Cents	Cents	Cents	\$
2016/17	982,440	0.6	0.24	17.0	22,750,387
2017/18	1,598,268	0.8	0.3	16.0	22,081,257
2018/19	3,249,762	1.6	1.0	20.0	26,765,160
2019/20	4,602,319	2.3	1.4	24.0	32,118,193
2020/21	6,818,111	3.8	2.0	47.5	63,916,519
2021/22	8,259,768	4.5	2.5	57.0	77,458,468
17 February 2023				92.5	126,707,217

## Directors

Fred Grimwade – Chairman  
 Vance Stazonelli – Managing Director  
 David Brown – Non-Executive Director  
 David Kiggins – Non-Executive Director

## DRP

Please visit [www.xrfscientific.com](http://www.xrfscientific.com) for a copy of the Dividend Reinvestment Plan

## Shareholders

Board and Management – 15.0%  
 Top 20 – 46.4%

### Substantial Shareholders

Michael Karl Korber – 8.0%  
 D & GD Brown Nominees Pty Ltd – 7.3%

## Locations

Head Office – Perth  
 Manufacturing – Perth and Melbourne  
 International Sales/Service – Brussels (Belgium),  
 Karstein (Germany) and Montreal (Canada)

## Capital Structure

Ordinary shares on issue: 136,980,775  
 Options: Nil  
 Performance rights: 1,504,278



# Contact Information

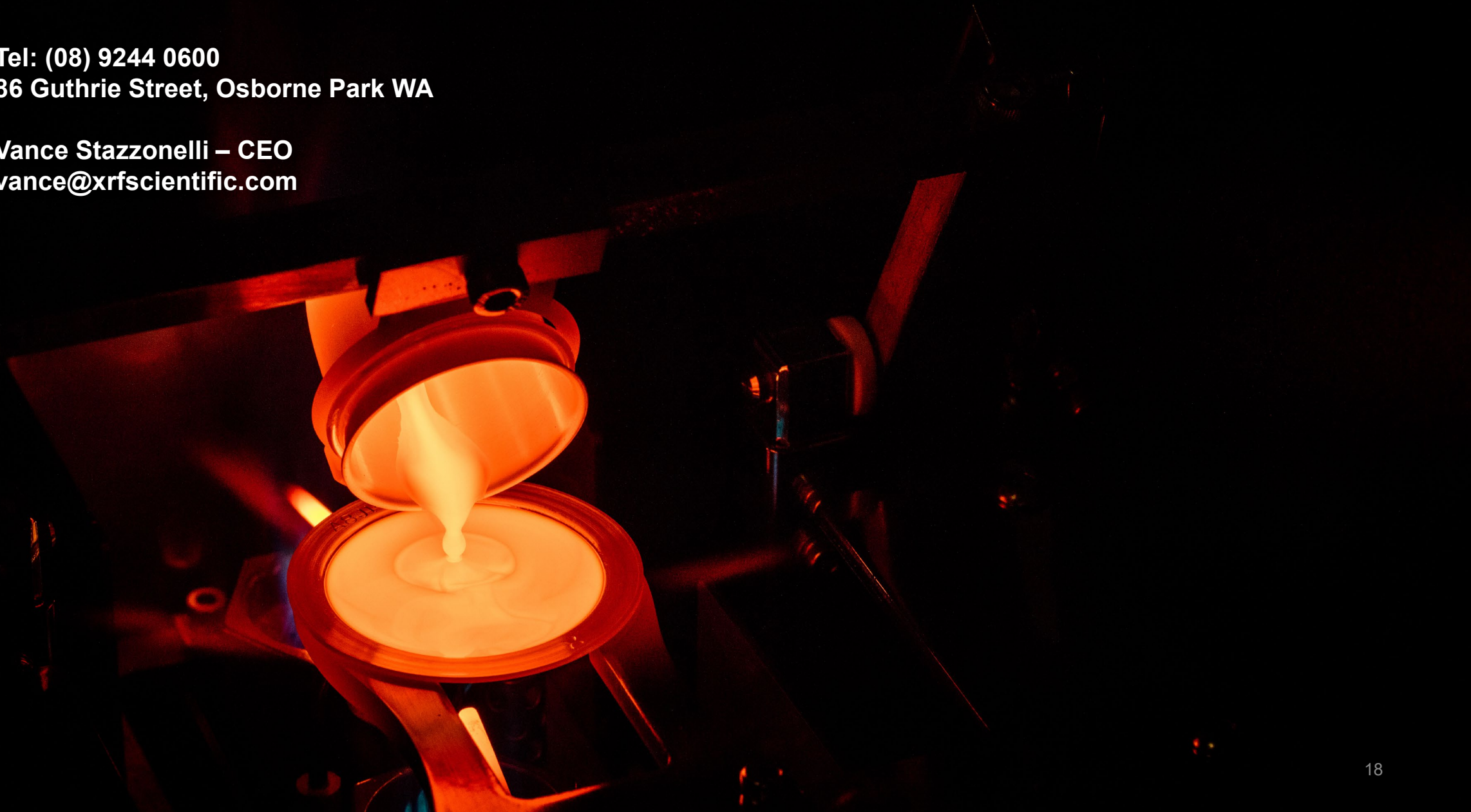
Tel: (08) 9244 0600

86 Guthrie Street, Osborne Park WA

Vance Stazzonelli – CEO

[vance@xrfscientific.com](mailto:vance@xrfscientific.com)

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