

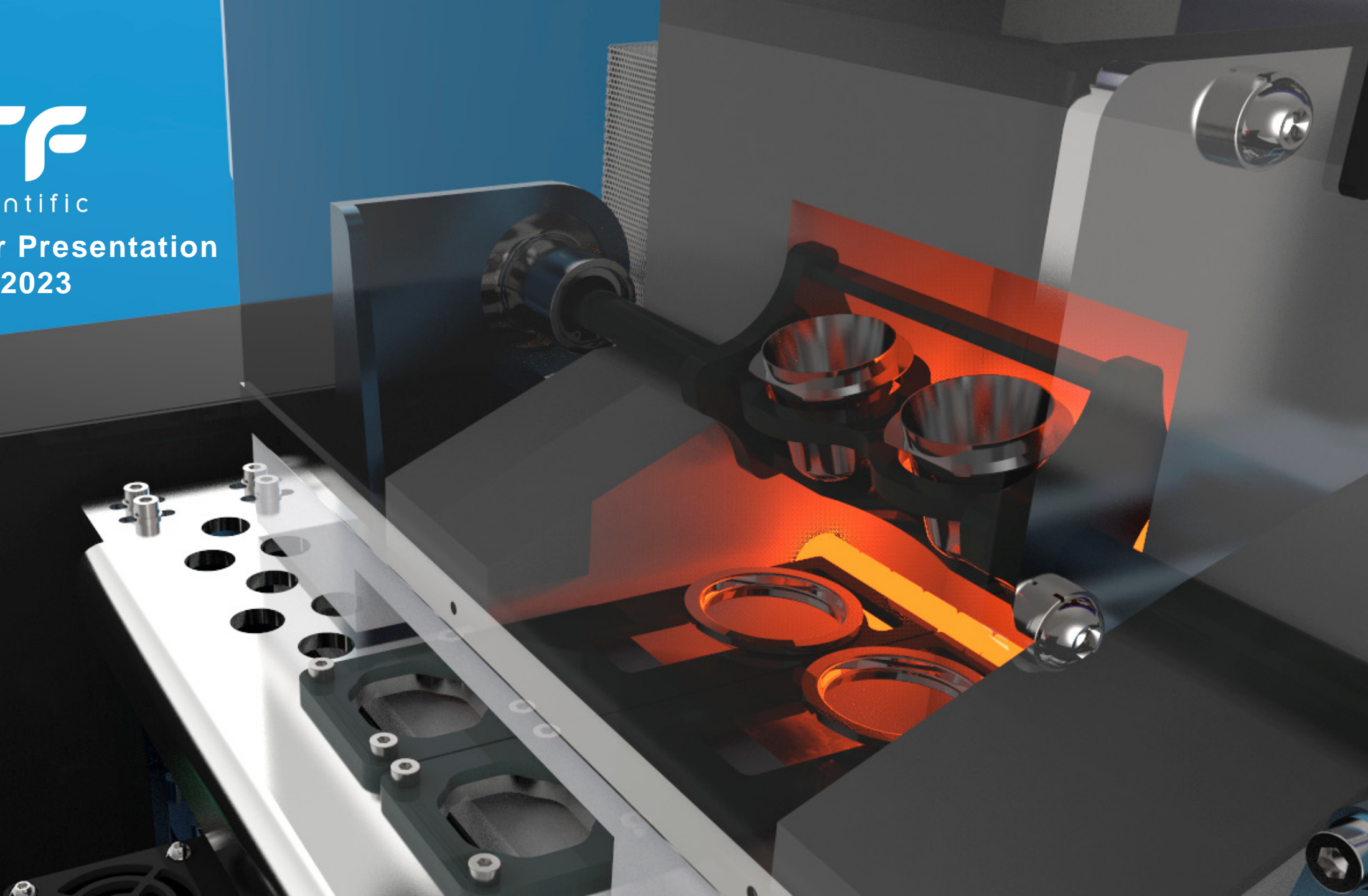


scientific

Investor Presentation

August 2023

ersonal use only



# 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

ersonal use only

# Lab Products

Sample Preparation Products

X-Ray Flux

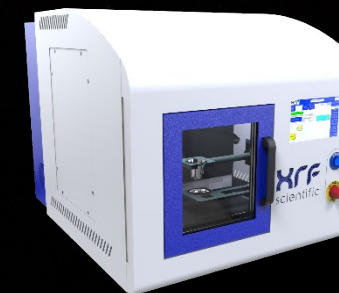


Platinum Labware



Recycling service of turning used platinum products into new items

Fusion Machines



ersonal use only

# Lab Products

Orbis Mining Pty Ltd 50% Shareholding



Laboratory Jaw  
Crushers



Smart Splitting  
Crushing Systems

ersonal use only

# xrTGA

NEW PRODUCT



## Thermogravimetric Analyser



New product line launched June 2023, available for delivery in December 2023 quarter



Used for thermal analysis of moisture, volatiles, ash, fixed carbon or loss on ignition



Used in existing mining / construction material industries and new markets such as production quality control of food, plastics and agricultural products



Provides complementary data for the XRF analysis process in materials such as iron ore and cement

# Laboratory Products Flowchart

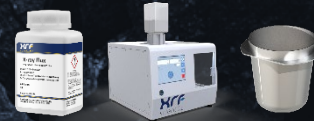
ersonal use only



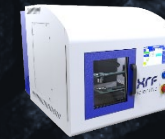
Crush raw samples

## XRF Analysis

Pulverise sample into fine powder



Dose flux into platinum crucible, add sample

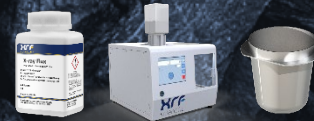


Fuse crucible contents into solid glass bead

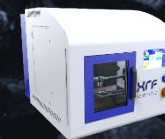
Present solid glass bead sample to XRF spectrometer for analysis\*

## 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

ersonal use only

# FY23 Highlights



- Record revenue and profit
- Very strong demand from mining and industrial customers
- Strong demand for capital equipment products, currently at record order levels
- Launch of new product line: xrTGA thermogravimetric analyser
- Continued R&D investment in new products across all divisions

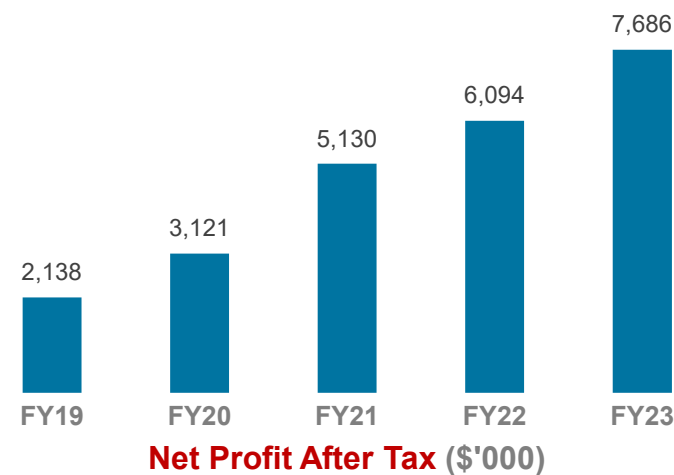
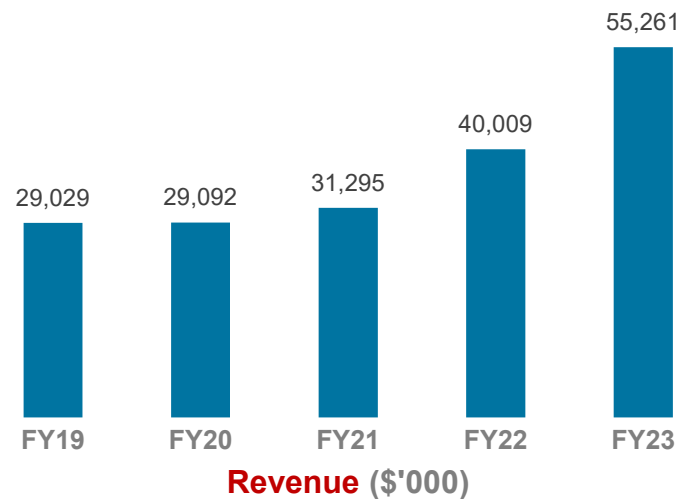
ersonal use only



# FY23 Financial Highlights

- Revenue up 38% to \$55.3m vs FY22
- NPAT\* up 26% to \$7.7m vs FY22
- NPBT up 36% to \$11.1m vs FY22
- Fully franked dividend of 3.3 cents per share
- \$8.4m positive operating cashflow

*\*In FY23 our Australian income tax rate has increased to 30% (FY22: 25%) due to revenue exceeding \$50m*



# Full Year Results - Overview



(\$m)	2023	2022	Change	2021	2020
Sales revenue	55.2	40.0	38%	31.3	29.1
Profit before tax	11.1	8.2	36%	6.8	4.5
<b>Net profit after tax*</b>	<b>7.7</b>	<b>6.1</b>	<b>26%</b>	<b>5.1</b>	<b>3.1</b>
Earnings per share (cents)	5.6	4.5	25%	3.8	2.3
Weighted average no. of shares	136,687,618	135,469,700	1%	134,345,542	133,825,803
Dividends (cents per share)	3.3	2.5		2.0	1.4
Dividend payout ratio	59%	56%		**60%	60%

*\*In FY23 our Australian income tax rate has increased to 30% (FY22: 25%) due to revenue exceeding \$50m*

*\*\*As a percentage of adjusted NPAT*

# Balance Sheet

(\$m)	2023	2022	Change
Cash and cash equivalents	10.4	6.6	56%
Trade and other receivables	8.6	6.2	39%
Inventories	16.9	15.6	9%
Other assets	0.6	0.5	21%
Property, plant and equipment	8.2	7.9	3%
PPE lease asset	2.2	0.7	205%
Intangible assets	16.9	17.0	0%
Deferred tax asset	1.7	1.0	68%
<b>Total assets</b>	<b>65.5</b>	<b>55.5</b>	<b>18%</b>
Trade and payables			
- platinum loan provisions	1.5	2.6	(43%)
- other items	7.5	4.7	58%
Debt (short-term)	0.8	1.3	(40%)
Debt (long-term)	1.3	1.5	(12%)
Current lease liabilities	0.6	0.4	64%
Non-current lease liabilities	1.6	0.4	334%
Income tax liability	1.4	0.7	93%
Deferred tax liability	1.3	0.6	112%
<b>Total liabilities</b>	<b>16.0</b>	<b>12.2</b>	<b>31%</b>
<b>Total equity</b>	<b>49.5</b>	<b>43.3</b>	<b>14%</b>

- Net cash position of \$8.3m
- Platinum loans reduced to \$1.5m through purchase of \$0.9m owned inventory asset in 2H
- Inventories balance includes \$6.8m precious metals at cost: \$1.5m on loan and \$5.3m owned
- 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)	2023	2022
Net cash inflow from operating activities	8.4	3.1
Net cash (outflow) from investing activities	(0.8)	(1.1)
Net cash inflow/(outflow) from financing activities	(3.8)	(0.7)
Cash at start of period	6.6	5.3
Net increase/(decrease) in cash	3.8	1.3
Cash at end of period	10.4	6.6

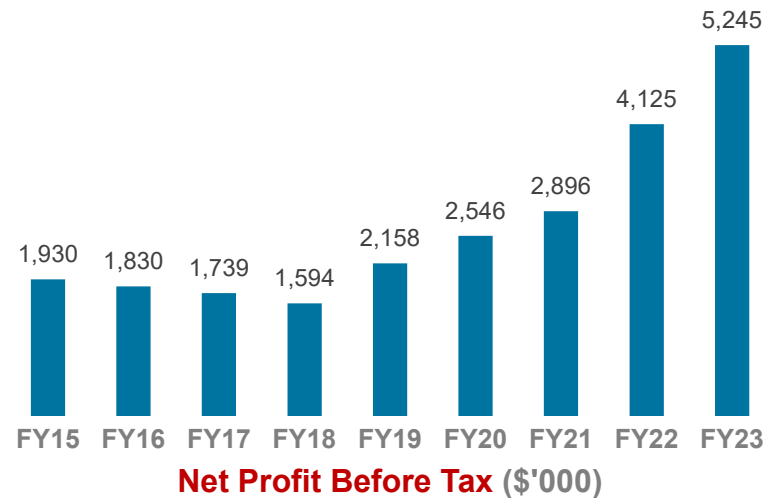
## Highlights:

- Improved operating cash flow as working capital requirements stabilise from lithium price increases
- \$2.7m cash paid out for FY22 dividend (FY21: \$2.1m)

# Consumables

(\$m)	FY23	FY22	FY21
<b>Sales revenue</b>	<b>16.9</b>	<b>12.1</b>	<b>9.3</b>
Change in % *	40%	30%	5%
<b>NPBT</b>	<b>5.2</b>	<b>4.1</b>	<b>2.9</b>
Change in % *	27%	42%	14%
<b>Margin %</b>	<b>31%</b>	<b>34%</b>	<b>31%</b>

\* Compared to immediately prior period



## Overview for FY23:

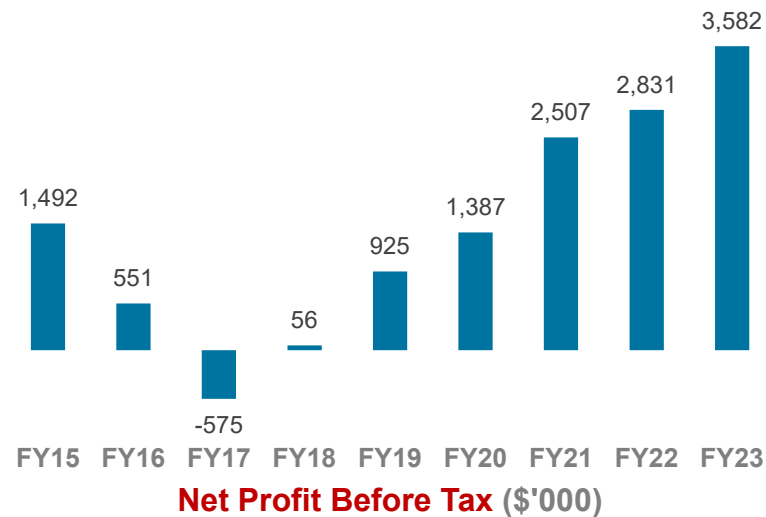
- Revenue up 40% on FY22
- NPBT up 27% on FY22
- Robust demand from the mining sector driven by production and exploration
- Key production input lithium compounds increased in price due to demand from EV sector
- New product line xrTab launched

# Precious Metals



(\$m)	FY23	FY22	FY21
<b>Sales revenue</b>	<b>21.7</b>	<b>18.3</b>	<b>14.4</b>
Change in % *	18%	28%	9%
<b>NPBT</b>	<b>3.6</b>	<b>2.8</b>	<b>2.5</b>
Change in % *	27%	13%	81%
<b>Margin %</b>	<b>17%</b>	<b>15%</b>	<b>17%</b>

\* Compared to immediately prior period



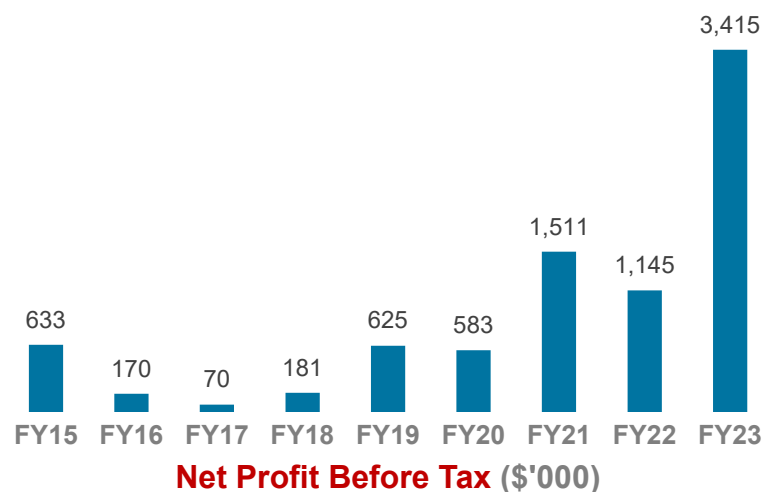
## Overview for FY23:

- Revenue up 18% on FY22
- NPBT up 27% on FY22
- 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. High machine sales increased new metal sales from product bundling
- Germany office continues growth with revenue of \$7.3m FY23 vs \$5.5m FY22

# Capital Equipment

(\$m)	FY23	FY22	FY21
<b>Sales revenue</b>	<b>18.8</b>	<b>10.8</b>	<b>9.6</b>
Change in % *	75%	12%	20%
<b>NPBT</b>	<b>3.4</b>	<b>1.1</b>	<b>1.5</b>
Change in % *	198%	(24%)	159%
<b>Margin %</b>	<b>18%</b>	<b>11%</b>	<b>16%</b>

\* Compared to immediately prior period



## Overview for FY23:

- Revenue up 75% on FY22
- NPBT up 198% on FY22
- High levels of machines demand from the mining and industrial sectors. Sales growing in numerous markets worldwide
- Order book remains at record levels, with some product lines booked out for production past 1H24
- Orbis Mining contribution of revenue \$6.1m and total NPBT \$1.4m (50% of NPBT allocated to non-controlling interest). Growth expected to continue in FY24 due to strong product reputation

## Growth Strategy for FY24



- Ramp-up sales strategy on newly launched xrTGA
- Grow Orbis laboratory crusher sales
- 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	\$	\$
2017/18	1,598,268	0.8	0.3	0.16	22,081,257
2018/19	3,249,762	1.6	1.0	0.20	26,765,160
2019/20	4,602,319	2.3	1.4	0.24	32,118,193
2020/21	6,818,111	3.8	2.0	0.47	63,916,519
2021/22	8,259,768	4.5	2.5	0.57	77,458,468
2022/23	11,924,806	5.6	3.3	1.17	160,348,236

## 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 – 43.9%

**Substantial Shareholders**  
D & GD Brown Nominees Pty Ltd – 7.4%  
Michael Karl Korber – 7.9%

## Locations

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

## Capital Structure

Ordinary shares on issue: 137,049,775  
Options: Nil

# Contact Information

Tel: (08) 9244 0600

86 Guthrie Street, Osborne Park WA

Vance Stazzonelli – CEO

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

ersonal use only



# Disclaimer

## No responsibility for contents of Investor Presentation

- To the maximum extent permitted by law, XRF Scientific Limited and representatives:
- make no representation, warranty or undertaking, express or implied, as to the adequacy, accuracy, completeness or reasonableness of this Investor Presentation or any other written or verbal communication transmitted or made available to any recipient;
- accept no responsibility or liability as to the adequacy, accuracy, completeness or reasonableness of this Investor Presentation or any other written or verbal communication transmitted or made available to any recipient; and
- accept no responsibility for any errors or omissions from this Investor Presentation whether arising out of negligence or otherwise.

## Accuracy of projections and forecasts

- This Investor Presentation includes certain statements, opinions, estimates, projections and forward-looking statements with respect to the expected future performance of XRF Scientific Limited. These statements are based on, and are made subject to, certain assumptions which may not prove to be correct or appropriate. Actual results may be materially affected by changes in economic and other circumstances which may be beyond the control of XRF Scientific Limited. Except to the extent implied by law, no representations or warranties are made by XRF Scientific Limited, its advisers or representatives as to the validity, certainty or completeness of any of the assumptions or the accuracy or completeness of the forward-looking statements or that any such statement should or will be achieved. The forward-looking statements should not be relied on as an indication of future value or for any other purpose.

## No offer to sell or invitation to buy

- This Investor Presentation does not, and should not be considered to, constitute or form part of any offer to sell, or solicitation of an offer to buy, any shares in XRF Scientific Limited, and no part of this Investor Presentation forms the basis of any contract or commitment whatsoever with any person.
- This Investor Presentation does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not permitted under applicable law. Distribution of this Investor Presentation in or from certain jurisdictions may be restricted or prohibited by law. Recipients must inform themselves of and comply with all restrictions or prohibitions in such jurisdictions. Neither XRF Scientific Limited, its advisers or representatives accept any liability to any person in relation to the distribution or possession of this Investor Presentation from or in any jurisdiction.