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ASX Market Announcements Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
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2017 AGM Presentations

In accordance with the ASX Listing Rules and the Corporations Act 2001, attached are the presentations to be given at today's Annual General Meeting of shareholders of Bisalloy Steel Group Limited.

Regards,

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

Darren Collins
Chief Financial Officer & Company Secretary

Chairman's Address

Before moving to the formal business of today's meeting, the Managing Director and I will first provide you with an update on the Group's operational highlights and successes achieved in the past year. These presentations were lodged with the ASX prior to the commencement of this meeting.

The Group has been operating in an environment of a slowing resource sector for wear products which is becoming increasingly stable but at a historical low base, while other opportunities are opening up for the structural and defence grade products, both domestically and internationally.

I am pleased to report that the Group has been able to adapt to these changing market conditions and has invested considerable energy and resources to deliver on its 3 year strategic plan with a focus on targeting profitable growth. This has included expanding the current market away from reliance on its traditional resource base, extending the current product offering to allow this, to refocus on select international markets, and realise the full potential of its unique armour defence grade steels.

The Group's EBITDA for the year of \$5.4M was up 8%.

Focused efforts to engage with Bisalloy's traditional customers, while actively seeking new customers, has been a significant driver of the increase in market share in the domestic market. This resulted in high volumes in the third quarter of FY17 with good momentum and a healthy order backlog going into FY18.

The Group's net debt decreased to \$4.7M at 30 June 2017, down from \$7.7M at 30 June 2016, supported by free cash flow and tight control over working capital. The Group entered into a new finance facility with Westpac on 30 May 2017 which is in place through to 30 May 2020.

During FY17 Bisalloy Steels Australia performed very strongly in its domestic market despite the fact that the Australian Quench & Tempered (Q&T) market remained flat. Bisalloy Steels Australia successfully clawed back domestic market share in FY2017 in what is becoming a more stable market. This was done by relaunching our brand, improving our customer service levels, adjusting our business to the current market needs, seeking customers beyond resources and building the value of using an Australian specialty steel supplier over an imported product. There are positive signs this will further increase during FY2018.

The Group's distribution subsidiaries in Indonesia and Thailand continued to operate profitably with Indonesia in particular showing good signs for the business, albeit, hampered by the government import licence restrictions. Both operations with the help of the Australian operation are now working to grow beyond resources also, including defence grade steels.

The Group's Cooperative Joint Venture (CJV) for the production and sale of Q&T steel plate into domestic China continues to operate profitably in a highly competitive market.

Bisalloy is actively carving itself out a significant market share in the Chinese premium Q&T business and has been now accredited as the supplier to a number of key large Chinese manufacturers. In 2018 the CJV will start to sell products to Bisalloy operations

in South Asia and the UAE for the first time. The CJV is forecasting a steady increase in volumes and in its financial contributions to the Group results in FY18.

The Board believe that the Group has the products, strategies and management team to take advantage of the new opportunities which are presenting themselves to Bisalloy, especially in the defence industry. The continual reshaping of the Australian operation enabled by strategic investment will underpin the competitiveness and sustainability of the business and will enable the Group to generate appropriate shareholder returns going forward.

The Group has traded comfortably in line with expectations in the first four months of the 2017/18 financial year and with a healthy order book in place reaffirms its previous guidance that EBITDA for FY18 is forecast to be in the range of \$8.0M to \$8.5M.

I would now to invite Greg Albert CEO and MD of Bisalloy Steel Group to provide additional commentary on the Group's outcomes and future opportunities.

Thank you.

Managing Director's Address

Thank you Mr Chairman.

Ladies and gentlemen, welcome to Bisalloy's 2017 Annual General Meeting.

Firstly I want to highlight occupational safety alongside our financial performance. Safety has a direct impact on productivity, quality and customer satisfaction. I am pleased to report that again this year Bisalloy Australia's safety performance continues to grow, with a high level of involvement from the WHS Committee and the operations team driving the safety culture. The engagement of all our employees in improving safety is one of our core values which has delivered high productivity, high quality and customer satisfaction improvements throughout the year.

Due to the Group's focus, and diligent commitment to safety from employees and management, we are proud to report that our Australian production operations reached 1,500 days without a lost time injury on 2nd July. We continue to set new safety records for our Australian business. Our operations in Indonesia and Thailand maintain their highly impressive commitment to safety. They have now delivered twelve years without a lost time injury with the Chinese Joint venture, passing six years lost time injury-free.

The Australian business continues to work through a three year Collective Agreement with the Unanderra production workforce. The relationship between the current management team and the workforce is very strong and we have created an environment with a collaborative, flexible and highly motivated workforce. This has been vital to allow Bisalloy to achieve record levels of production in recent months.

The past financial year was one of two contrasting halves. Despite a relatively slow start in the first half, the Group recovered to perform solidly in FY2017, on the back of a strong result in the second half of the year. All activities and initiatives are firmly in place for the Group to continue this momentum heading into FY2018.

The Group entered FY2017 with the resources sector at a low base. We did however see a rise in confidence in this market during the second half, resulting in an increase in repairs and maintenance spend, although with poor visibility of demand. Consequently, both the Group and its distributors, were required to carry a higher level of inventory to service this market. The renewed sales organisation installed in Q2, with their highly focused customer service approach, and increasing acceptance for the BISALLOY® steel products, contributed to the strong results in the second half of the year.

We are now one year into our three-year business development strategy, and the Group is confident it will realise its true potential. In FY2017 the initiatives undertaken were centred on strengthening the current operation across all parts of the business. All targets relating to this have been achieved and we are now seeing the results of these actions. In FY2018 the focus will be on further developing those opportunities which we have identified to grow the business. These are in line with the strategic priorities of improving our Asian operations; aggressively pursuing domestic market leadership; diversifying and reinvigorating our Q&T product portfolio; actively seeking suitable partners to expand into new markets; providing industry leading levels of customer service and continually improving our operational efficiency.

Many targeted initiatives are currently underway which will place the Group in an excellent position to capitalise on the future opportunities requiring the use of high

strength steels. Bisalloy is moving beyond its traditional customer base in the mining wear materials market to opportunities in construction, infrastructure, energy, oil and gas, agriculture, transport, military and civilian defence. All these markets are seeking materials for future engineering challenges in a changing world. High strength steel is the ideal material of choice.

During the year, the Group entered into a partnership in UAE with Swebor Stål Svenska AB. Swebor is a privately-owned producer of high strength steels based in Sweden. They specialise in thin grades of armour steel for the non-military markets, which is outside Bisalloy's current plant capabilities. This partnership enables both companies to significantly expand into previously unserviceable markets such as the transport industry and light gauge protection steels for civilian defence.

Furthermore, Bisalloy entered into a partnership agreement with Eutectic Castolin, the world's leading producer of welding consumables, welding machines and welded wear plates, for the supply of Bisalloy Australian and Chinese made wear products into the UAE, Middle East and Africa.

The Group's distribution subsidiaries in Indonesia and Thailand, continued to operate profitably, with both operations showing positive signs in their respective markets. Indonesia in particular, is in a growth stage across all targeted markets and we are proud to maintain a market-leading position. There are plans to grow this business further in FY2018. Thailand is showing strong signs of recovery and the expansion into neighbouring countries is proceeding well. Both Indonesia and Thailand are working towards growing the armour and protection steels business in FY2018.

The Group's Co-operative Joint Venture ("CJV"), to produce quench and tempered wear and structural steel plates, yielded a solid result with current growth exceeding budget forecasts. In Q4 Shandong Steel's Ji'nan Q&T plant ceased production due to the relocation of the entire steel mill to Rizhou. The relocated Q&T plant is expected to start production in 2019. As an interim measure, the CJV operations were transferred to another Shandong Steel Q&T plant at nearby Laiwu. This transfer occurred in the period November 2016 to March 2017 and was an immediate success. The production and sales of Bisalloy products to its customers was not adversely affected.

During FY2017, the company continued to invest in maintaining and upgrading plant and equipment. This included the acquisition of a new twenty tonne overhead gantry crane, the last of five cranes to be replaced. With our drive to maintain reliability and consistency, major upgrades to the quench and overhaul of the leveller have commenced. In FY2018, we will undertake a full rebuild of one of the interchangeable cassettes which will provide an additional ten years of value-added leveller's capabilities.

In Q4, logistics service contracts were retendered and following the receipt of competitive bids, Bisalloy Australia has awarded further contracts to our transport partners. As part of this service, the company has upgraded its on-site yard trucks replacing some vintage prime movers to more modern equipment.

In FY2018, the company will upgrade its cutting facility with a new plasma cutting machine to be installed in December. We will also update the plate-finishing operation with an automatic on-line laser flatness detection and automatic stencilling. This will significantly enhance our product quality and allow it to comply with the needs of our defence customers.

Security of greenfeed supply is of utmost importance in maintaining high levels of customer service. Bisalloy has been working closely with greenfeed suppliers to ensure we maintain adequate inventories that will meet our growth trajectories, price competitiveness and delivery performance.

Bisalloy Steels is Australia's only manufacturer of high-tensile and abrasion-resistant quenched and tempered steel plate used for defence, armour and protection applications. For twenty-five years the Bisalloy story has been one of working in tandem with Australian steel producers, defence scientists, international organisations and manufacturers of military ships and vehicles, to produce some of the best armour plate products in the world.

Bisalloy continues to invest in R&D to develop new high- performance steels to meet the ever-changing needs of the market. In Q4 of FY2017, Bisalloy launched a new *Protection Steel* range to supplement its existing wear, structural and armour grades. These products are used by non-defence companies and government bodies for the protection of people, property and valuables. Sales of these products are expected to be in higher volume compared to defence steels. This is due to the response to market demands that address the increasing worldwide need for government and civilian organisations to provide protection.

In 2017 the Group's defence business in armour plate accounted for 9% of all steels produced, and our long-term aim is to significantly grow this number. Most of this projected increase in output will be for the major upcoming defence projects in Australia, as well as export to key markets, especially the Middle East, North America and South-East Asia.

Currently the Australian government is planning to spend over AUD\$150bn in defence across a range of projects and platforms. Bisalloy has been selected as the preferred supplier for the LAND121 project (Hawkei). We are working with Thales Australia on the supply of specialised armour grades for 1,100 of these long range and lightweight patrol vehicles.

One of the highest profile of these projects is the SEA1000 Future Submarine project, which is the most complex and expensive naval project in the world. It is planned that Naval Group (formerly known as DCNS) will design and build twelve submarines for the Royal Australian Navy across a forty-year continuous build program. In conjunction with Naval Group and other key stakeholders, Bisalloy aims to participate in the development of the highly complex and specialised submarine steel to be used for the hull of all twelve submarines.

Bisalloy is also working with the selected defence prime contractors on other major defence contracts including the SEA1180 (20 Offshore Combat Vessels), SEA5000 (9 Frigates), LAND400 Phase 2 (225 8x8 wheeled armoured vehicles) and LAND116 (700 Bushmaster replacement vehicles). The Australian Government has adopted a 'continuous build' program which will see several of these projects running concurrently, meaning an overlap of requirements for the various SEA and LAND platforms, with a timeline at this stage extending from 2017 through to 2057.

Further to the work being conducted with the Commonwealth of Australia and the Australian Defence Force, Bisalloy is engaging directly with global defence primes to position BISALLOY® defence grades as a preferred material. Recently, Bisalloy has been formally approved and listed as a supplier of armour plates to BAE Systems, USA as part

of BAE's Global Access Program (GAP). BAE Systems, USA is one of the largest manufacturers of armoured vehicles in the world. This is a great opportunity for us at Bisalloy, as we also progress through the global supply accreditation process for Rheinmetall (Germany), Rafael (Israel), Naval Group and Fincantieri (Italy).

As the only manufacturer of such steels in Australia and a dedicated stand-alone Q&T operation, Bisalloy maintains a distinct uniqueness in this industry. Compared to large global companies, we are small and agile and able to quickly adapt and react to changing market conditions, which is key to our future success. Our people, operations, products and a highly-respected brand, gives us the edge as we head into FY2018. With such rigour underpinning every part of our business, we will forge ahead with the confidence, optimism and enthusiasm so characteristic of our brand, BISALLOY® Performance Steels.

Considerable time and energy has been invested to create the unique Bisalloy culture that is needed for the Group to maximise its success. In place, is a leading team of dedicated professionals. To further amplify the Group's market position, we have reengaged with our existing customers while aggressively seeking new customers, relaunched the BISALLOY® brand, actively pursued new partnerships and focussed on investing in our operations and our people. Bisalloy has invested in attracting new talent to the company to bring a fresh approach to the business and to create the image and service needed in a changing market. We now have a highly motivated and engaged workforce and we have created an environment where existing and potential customers are welcome to visit and meet the people who will be servicing them.

I would like to take this opportunity to thank all of the Group's employees for their dedication and participation through this part of the Group's journey. I would also like to thank our customers and shareholders for their continued support and trust in the Bisalloy Steel Group. Our dedication, focus, our capabilities and strong market presence, position us well for the future as we continue to capitalise on our opportunities.