



Company Overview: Presentation October 2018

Corporate Overview

Capital Structure

Share Price (BIS.ASX) – 12 October 2018	\$0.92
Shares On Issued	44.4M
Options (unlisted)	Nil
Share price	\$0.92
Market cap (fully diluted)	\$40.6M
Net Cash (Debt) – 30 June 2018	(\$5.9m)
Enterprise Value	\$46.5m

Board & Management

Philip Cave	Non-Executive Chairman
Greg Albert	Managing Director
Kym Godson	Non-Executive Director
Richard Grellman	Non-Executive Director
Luke Beale	CFO & Company Secretary

24-month Share Price Performance



Shareholders

Balron Nominees	17.6%
Anchorage Capital	15.8%
J P Morgan Nominees	14.2%
Top 25	70.9%



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Our Vision

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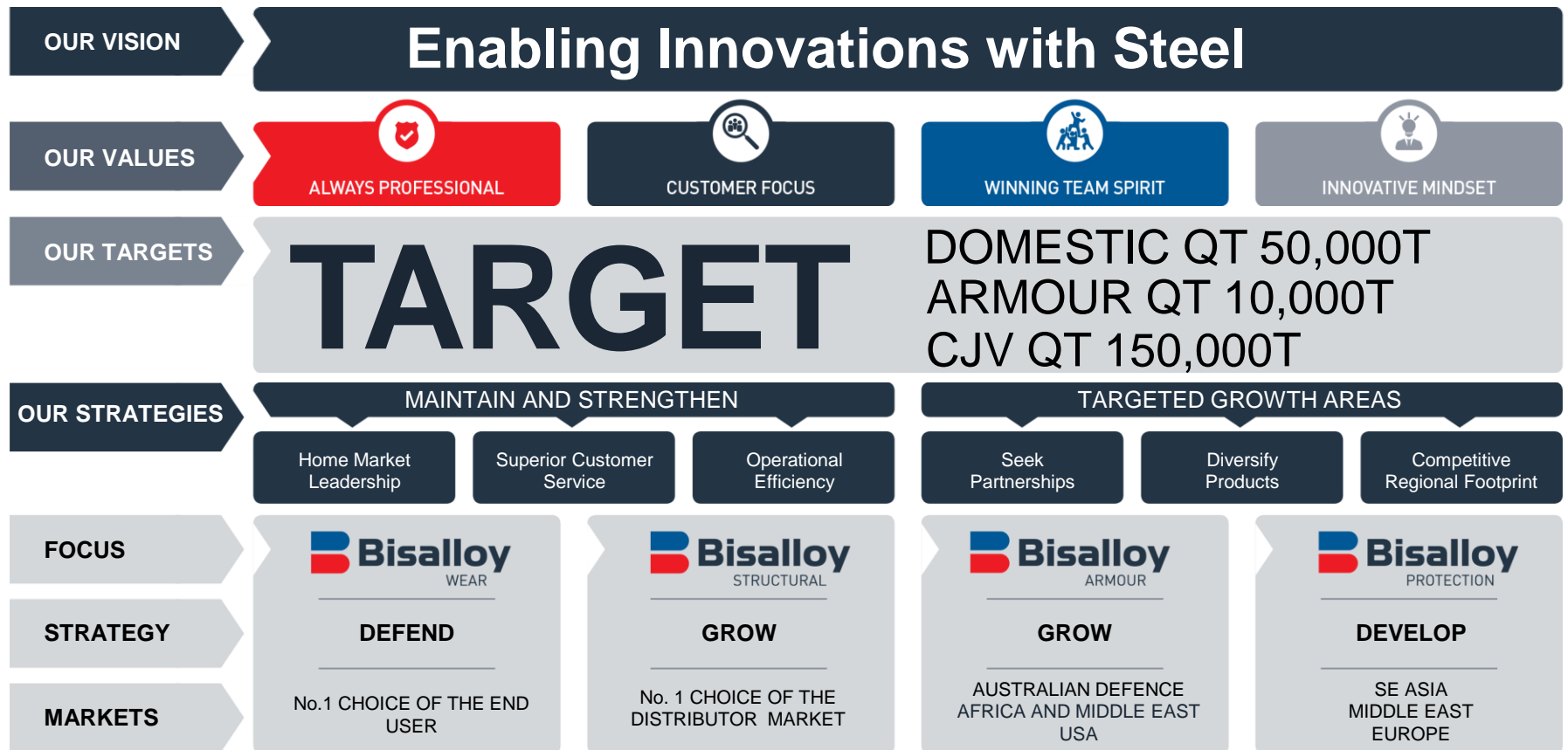
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Everything we do, every day,
everywhere is directed at **Enabling**
people to design, manufacture and
deliver **Innovations** and products for
the future **with steel**, that may not
have otherwise been possible.



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Bisalloy Steel – 5 Year Strategy



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Global Market Presence



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Australia's only manufacturer of quench and tempered steel plate products

ASX listed company

Employing over 80 people in Australia and 135 people Internationally

Manufacturing a range of steel plate products including:
Wear | Structural | Armour | Protection



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Market Presence



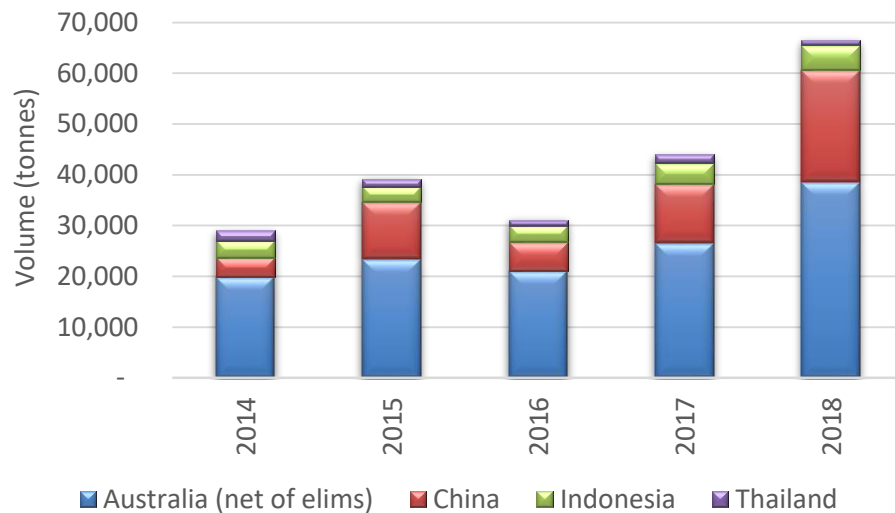
FY18 – A Transformational Year

Results Summary	FY2018 \$m	FY2017 \$m	Change %
Revenue	88.6	64.0	+38.3%
EBITDA ¹	8.5	5.6	+50.9%
Profit after tax	3.9	1.8	+119.3%
Earnings per share (cents)	8.2	3.4	+141.2%

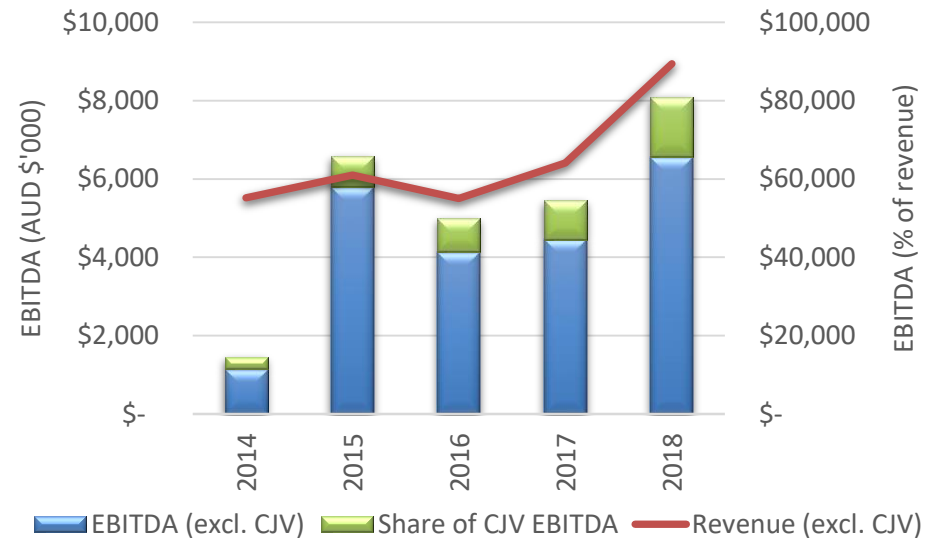


Bisalloy Group Performance – Past 5 Years

Bisalloy Group
Volume by Region
(includes CJV)



Bisalloy Group
Revenue and EBITDA
(includes share of CJV)



Volume and profit growth accelerated in FY18 on the back of increased share of the Australian market, improved sales mix and strong performance from the CJV

Bisalloy Group Performance – P+L

Key Headlines

- Revenue of \$88.6m, up 38.3% on last year
- Profit After Tax of \$3.9m, up 119.3% on last year

	Consolidated	
	Year ended 30 June 2018 \$'000	Year ended 30 June 2017 \$'000
Revenue	88,586	64,043
Cost of goods sold	(71,301)	(49,728)
Gross profit	17,285	14,315
Other income/ (expenses)	(406)	(164)
Gain on sale of fixed assets	18	10
Distribution expenses	(1,602)	(1,722)
Marketing expenses	(3,397)	(3,298)
Occupancy expenses	(588)	(501)
Administrative expenses	(6,352)	(5,672)
Operating profit	4,958	2,968
Finance costs	(880)	(993)
Finance income	52	18
Share of profit of joint venture	1,403	659
Profit before income tax	5,533	2,652
Income tax expense	(1,683)	(897)
Profit after income tax	3,850	1,755



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Bisalloy Group Performance – Balance Sheet

Key Headlines

- Inventory of \$24.3m, up \$9.6m on last year
- Trade receivables of \$24.4m, up \$4.5m on last year
- Trade payables of \$24.2m, up \$10.0m on last year

	Consolidated	
	30 June 2018 \$'000	30 June 2017 \$'000
ASSETS		
Current assets	47,089	34,550
Non-current assets	21,404	19,946
Total assets	68,493	54,496
LIABILITIES		
Current liabilities	29,596	17,426
Non-current liabilities	8,359	9,653
Total liabilities	37,955	27,079
NET ASSETS	30,538	27,417
EQUITY		
Parent interests	27,357	24,204
Non-controlling interests	3,181	3,213
TOTAL EQUITY	30,538	27,417

Bisalloy Group Performance – Cashflow

Key Headlines

- The Group's net debt increased to \$5.9m at 30 June 2018, up from \$4.7m at 30 June 2017, due to a \$3.8m increase in working capital which was supported by free cash flow.

	Consolidated	
	Year ended 30 June 2018 \$'000	Year ended 30 June 2017 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	90,069	62,923
Payments to suppliers and employees (inclusive of GST)	(86,839)	(54,085)
Interest received	52	18
Borrowing costs	(880)	(993)
Income tax paid	(989)	(1,449)
Net cash inflow / (outflow) from operating activities	1,413	6,414
Cash flows from investing activities		
Proceeds from sale of fixed assets	16	10
Payments for property, plant and equipment	(2,201)	(2,086)
Dividends received from investments	793	-
Net cash outflow from investing activities	(1,392)	(2,076)
Cash flows from financing activities		
(Decrease) / Increase in borrowings	(187)	89
Dividends paid to non-controlling interests	(339)	(267)
Dividends paid to shareholders of the parent	(960)	(1,058)
Net cash outflow from financing activities	(1,486)	(1,236)
Net increase / (decrease) in cash held	(1,465)	3,102
Net foreign exchange differences	66	(14)
Cash at the beginning of the financial year	3,984	896
Cash at the end of the financial year	2,585	3,984



Australian Production Facility

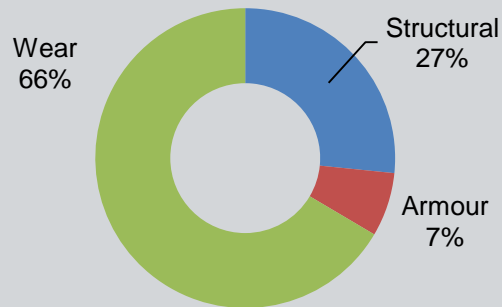


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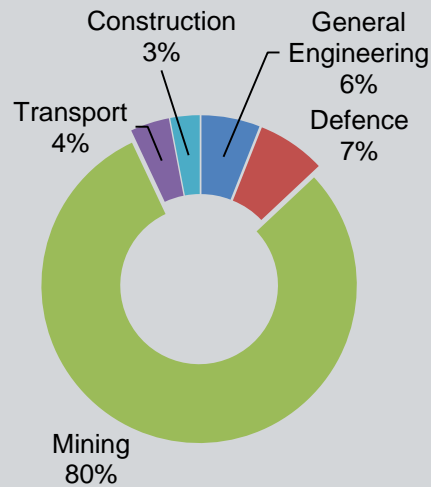
Product Breakdown

FY18 invoiced volume breakdown by:

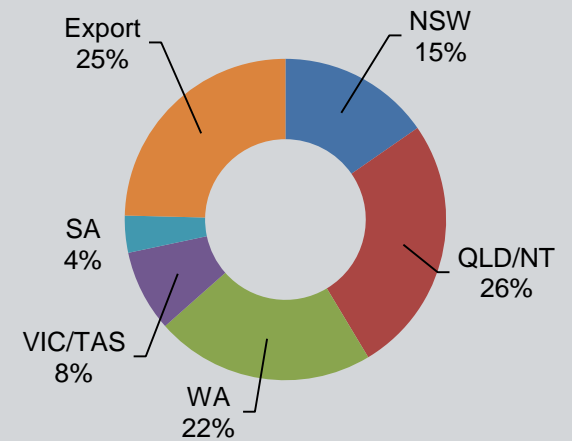
Plate Type



Industry Application



Sales Region



Note: Breakdown by plate type and industry applications are estimated historical average sales mixes.



Brand Portfolio



BISALLOY® WEAR

Mining, mineral Processing, Agriculture



BISALLOY® ARMOUR

Defence, Naval, Ballistics, Vehicles



BISALLOY® STRUCTURAL

Construction, Energy, Pressure Vessels, Oil & Gas



BISALLOY® PROTECTION

Military, Government and Civilian



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Defence Customers



Capitalising on growth in Defence Sector spending

- BIS set to capitalise on the significant growth in Defence sector spending – evidenced by multi-billion dollar programs established by the Australian Defence Force for Armoured Vehicles and Submarines.
- Multiple partnerships established in FY18 targeting product qualification and ‘preferred supplier status’ will deliver ongoing news flow in FY19.
- Success would lead to BIS Q&T plates included in the global supply chain for future domestic and international defence opportunities.

Rheinmetall Defence Australia

- Teaming agreement for the supply of high performance armour steels for both the Australian Defence projects and other global customers.
- Qualification of BIS products now underway. Projects include the \$14-20B LAND400 Phase 2 vehicle project.



Rafael Advanced Defence Systems

- Successful trials of BIS steels will result in a significant export contract with products forming part of Rafael’s global supply chain.



Thales Australia

- BIS has commenced supply of amour grade steels for the Australian Army’s armoured vehicles with 1,100 to be built over 3.5yrs for deployment.



Naval Group Australia

- Collaboration with Naval Group is targeting a particular grade of steel for potential inclusion into the \$50B future class submarines project.
- Initial order for 160t of high performance steel plate as part of Australia’s SEA1000 Future Submarines Project.



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PROTECTING THOSE WHO PROTECT US ALL

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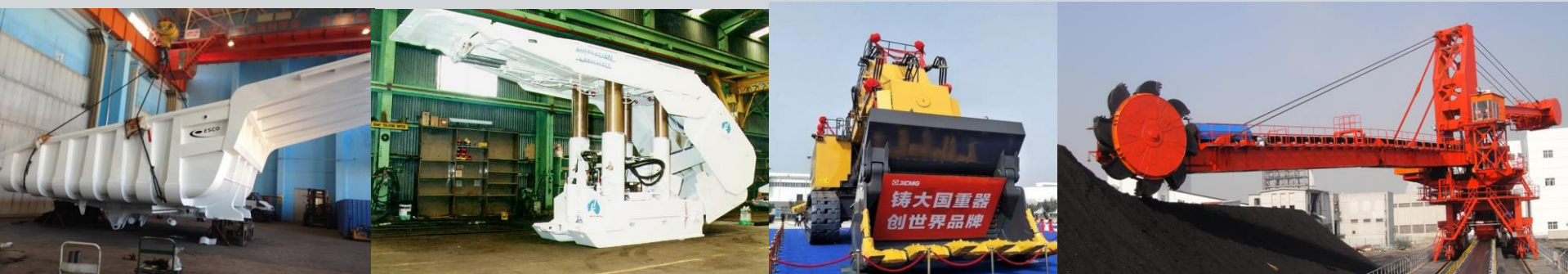
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Bisalloy Co-Operative Joint Venture (CJV)

Bisalloy Shangang (Shandong) Steel Plate Co. Ltd is a 50/50 Co-operative Joint Venture (CJV) established in July 2011 with Shandong Iron & Steel Co. Ltd to manufacture & distribute Bisplate wear and high strength structural plates.

Shandong Iron & Steel Co. Ltd is the 6th biggest steel company in China with annual production volume of 21.7m tonnes (more than 7 times the annual production volume of BlueScope Steel of 3.0m tonnes).

Bisalloy is currently the 2nd largest premium QT brand in China for the wear and structural markets with the aim of becoming the largest premium QT brand in China over the next 3-5 years.



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New Future for CJV - 2019

From 2019, the CJV will source product from Shandong Iron & Steel Co. Ltd's the new state of the art steel making facility at the newly created port of Rizhao, China, Shandong Province. This facility will add 20.0m tonnes of capacity to Shandong Iron & Steel Co. Ltd making them the 2nd biggest steel company in China.

Expected benefits to the CJV include:

- Improved product quality
- Access to a wider range of product types aligned to future customer needs
- Access to a broader range of product lengths and thicknesses
- Increased supply capacity to meet future customer demand





Bisalloy
PERFORMANCE STEELS



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