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ASX/MEDIA RELEASE

A Growth Story

- Revenue of \$98.1m, up 10.8% on last year
- Profit After Tax of \$4.4m, up 15.1% on last year
- Operating EBITDA of \$9.2m, up 8.0% on last year
- Final dividend for the FY19 year of 4.0cps fully franked
- Bisalloy is forecasting an increase in profitability in FY20

FY19 Highlights

Bisalloy Steel Group Limited (ASX:BIS) (**Bisalloy** or the **Group**) today reported EBITDA¹ of \$9.2m (FY18 \$8.5m). The FY19 result was driven by:

- Growth in sales of armour grade steels by 11.8% on FY18.
- Growth in Australian wear and structural export sales by 24.6% on FY18, including capture of export customers who were previously buying from competitors.
- Growth in Chinese domestic sales by 46.4% on FY18.

Results Summary	FY2019 \$m	FY2018 \$m	Change %
Revenue	98.1	88.6	+10.8%
Profit after tax	4.4	3.9	+15.1%
Operating EBITDA	9.2	8.5	+8.0%

Armour Plate

Growth of Bisalloy's armour product business both with the Australian Federal Government's various projects as well as select international defence companies.

Ongoing work with Naval Group as part of the future submarine program in Australia. In FY19, Bisalloy successfully completed the supply for the first trial and the first qualification heat, which continues to be tested by Naval Group and the Department of Defence. Bisalloy expects to supply two further qualification heats in the near term.

Bisalloy continues to work with Rheinmetall Germany on testing ahead of acceptance for the LAND400 Phase 2 program.

Bisalloy supports key Australian defence projects including the Thales Hawkei and Bushmaster vehicles.

Co-Operative Joint Venture in China

In FY19 Bisalloy's CJV partner, Shandong Steel, commissioned their new state of the art steel mill in Rizhao. This facility has added 20 million tonnes of capacity, making them the second biggest steel company in China.

The CJV volumes and profits increased in FY19 with Bisalloy's share of the CJV EBITDA increasing to \$2.2m (FY2018 \$1.5m). Targets for FY20 and beyond represent a continuation of this trend.

Due to the substantial growth of the CJV, both parties in the joint venture agreed in Q4 FY18 to increase their registered capital of the CJV, with Bisalloy's contribution increasing from US\$1.0m to US\$2.5m in FY19. The increase was funded through distributable profits from 2017 and 2018 calendar years that would have otherwise been fully paid to Bisalloy as a dividend in November 2018 and November 2019.

Overseas Distribution

The Group's overseas distribution operations in Indonesia and Thailand continue to be profitable.

Priorities for FY20

Bisalloy is forecasting increased profitability in FY20. To achieve this, Bisalloy is continuing with its growth strategy in a shift towards focusing on the premium grades of QT steels from its Unanderra plant, including armour grade steels.

Bisalloy's wear products are primarily sold in the traditional resources segment. This segment remained stable in FY19, however sales to this segment now represent only half of Bisalloy's sales.

Bisalloy enters FY20 with a solid order book and growth in armour grade steels remains a major focus for Bisalloy.

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Bisalloy is Australia's only manufacturer of high-strength structural, wear-resistant and armour steel plates using quenched and tempered steel. Bisplate is used in the mining, construction, general fabrication and defence sectors. Bisalloy has an extensive distribution network across Australasia, Indonesia, Thailand, the People's Republic of China, Dubai and South Africa. See our website at www.bisalloy.com.au.

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