

Financial Results for the Financial Year Ended 30 June 2020 (“FY20”)

- Revenue of \$110.7m, up 12.8% on last year
- Operating EBITDA of \$13.3m, up 45.9% on last year
- Net Profit After Tax of \$6.8m, up 54.1% on last year
- Earnings Per Share of 14.9c, up 79.5% on last year
- Final dividend for the FY20 year of 5.0cps fully franked

Bisalloy Steel Group Limited (ASX:BIS) (Bisalloy) today reported Operating EBITDA of \$13.3m for FY20 (FY19: \$9.2m).

Results Summary	FY20	FY19	Change %
Revenue	\$110.7m	\$98.1m	+12.8%
Operating EBITDA	\$13.3m	\$9.2m	+45.9%
Net Profit After Tax	\$6.8m	\$4.4m	+54.1%
Earnings Per Share	14.9c	8.3c	+79.5%
Final Dividend Per Share	5.0c	4.0c	+25.0%

Domestic Australian Sales

Market share growth resulted in domestic Australian sales volumes increasing by 30% in FY20. Operational efficiency and product cost improvements were achieved along with a greater presence in the mining, quarrying and heavy construction industries.

Bisalloy’s armour products remains a strategic focus with the Australian Federal Government’s various projects.

In FY19, Bisalloy successfully completed the supply for the first trial and the first qualification heat for the future submarine program. Bisalloy completed the supply for the final two qualification heats in the second half of FY20. Supply relating to this qualification process is commercially rewarding.

Bisalloy continue to work with Rheinmetall Germany on testing ahead of acceptance for the LAND400 Phase 2 program. Final certification is expected by the end of December 2020. Further, we continue to work with select international defence companies.

Co-Operative Joint Venture in China

In February 2019, Bisalloy’s CJV partner, Shandong Steel, began the commissioning of its state of the art steel making plant at Rizhao, Shandong province. This facility has added 20 million tonnes of capacity, making them the second biggest steel company in China. The overall result from this plant will be positive in the long term, but has been compressed in the short term.

Overseas Distribution

The Group's overseas distribution operations in Indonesia and Thailand continue to be profitable, with the Indonesian result affected by weaker demand. Demand in Thailand remains stable.

Covid-19

Maintaining the personal, health and safety of Bisalloy employees and customers has been a key priority in response to the Covid-19 pandemic. Bisalloy have responded through the introduction of comprehensive protocols and measures which have been adopted across all operating locations. No plant or operational closures have occurred to date.

FY21 Outlook

The financial impact of Covid-19 on Bisalloy to date has not been material. The long term impact of the pandemic remains uncertain. Subject to this, Bisalloy is projecting increased profitability in FY21. To achieve this, Bisalloy is continuing with its growth strategy focused on premium grades of QT steels from its Unanderra plant as well as increasing volumes from its CJV operation in China.

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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. Bisalloy products are 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, the United Arab Emirates and South Africa.

See our website at www.bisalloy.com.au

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