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Financial Results for the Financial Year Ended 30 June 2023 (“FY23”)

- Revenue of \$153.1m, up 30.0% on last year
- Operating EBITDA of \$23.0m, down 7.5% on last year
- Net Profit After Tax attributable to members of \$12.8m, down 14.6% on last year
- Earnings Per Share of 27.0c, down 16.1% on last year
- Final dividend for the FY23 year of 9.5 cps fully franked

Bisalloy Steel Group Limited (ASX:BIS) (Bisalloy) today reported Operating EBITDA of \$23.0m for FY23 (FY22: \$24.8m).

	FY23	FY22	Change %
Revenue	\$153.1m	\$117.8m	+30.0%
Operating EBITDA	\$23.0m	\$24.8m	-7.5%
Net Profit After Tax attributable to members	\$12.8m	\$15.0m	-14.6%
Net Profit After Tax	\$13.5m	\$15.4m	-12.2%
Earnings Per Share	27.0c	32.2c	-16.1%
Final Dividend Per Share	9.5c	9.0c	+5.5%

Operating Results

Our businesses continued to perform well with strong operational execution delivering growth in volume and sales revenue through customer focus and disciplined execution in a very competitive environment. While the Gross Margin percentages reverted to normalised levels in FY23 after increasing significantly in FY22 as market prices rose, strong volume growth in FY23 supported increased gross margin dollars, and offset the impact of higher greenfeed, energy and transportation costs as well as absorbing the one-off redundancy costs of our manufacturing staff reductions.

Operating expenses increased compared to FY22, reflecting the one-off savings in overheads in FY22 not repeated in FY23. With Covid restriction over, and a full complement of employees on board, employment, marketing and travel costs increased.

Chinese Joint Venture

The impacts from Covid-19 lock-downs and a tepid recovery in Chinese market conditions saw a fall in both Volume and Sales in the China JV for the year. Fortunately, these lost sales have been more than offset by lower administration and operating costs, resulting in a small increase to earnings compared to FY22.

Overseas Distribution

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

FY24 Outlook

The Australian economy has been resilient with relatively high commodity prices and low unemployment. However, there are signs of downside risks building, and a global slowdown driven by Chinese demand poses a significant threat to steel prices and therefore margins. Despite these headwinds, we remain optimistic to deliver another strong year.

We will continue to invest domestically and internationally in our business and execute on our purpose to provide innovative steel solutions for extreme environments.

-ENDS-

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 and the United Arab Emirates.

See our website at www.bisalloy.com.au

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