

21 August 2023

XRF announces record full-year result

XRF Scientific Ltd (“XRF” or “The Company”) today announced its results for the June 2023 full-year:

Key Highlights

- Sales Revenue up **38%** to **\$55.2m** from \$40.0m
- Profit Before Tax up **36%** to **\$11.1m** from \$8.2m
- Net Profit After Tax* up **26%** to **\$7.7m** from \$6.1m
- Operating Cash Flow up **167%** to **\$8.4m** from \$3.2m
- Profit Before Tax of **\$2.9m** and Sales Revenue of **\$14.7m** in June Q4
- Final fully franked dividend of **3.3** cents per share

**In FY23 our Australian income tax rate has increased to 30% (FY22: 25%) due to revenue exceeding \$50m.*

References to profit above are net of profit attributable to non-controlling interests.

XRF’s Managing Director, Vance Stazzonelli, commented on the full-year result:

“FY23 was a positive year, with all divisions contributing to the results and achieving a record profit. The mining industry was the main driver of activity, and our base of industrial revenue continued to grow.

The Consumables division had a strong year, generating a profit before tax of \$5.2m. The mining sector remained the key driver of activity, in which our products are consumed for sample testing processes across production and exploration. Lithium chemicals are a key production input and increased in price during the year due to demand from the EV sector. As a result, revenue and costs increased with no negative impact to gross margins. Working capital requirements from the lithium price increases began to stabilise during the second half.

The Capital Equipment division was a standout performer and delivered a profit before tax of \$3.4m compared to \$1.1m in the PCP. Our order book remains at record levels, with production for some products booked out past 1H24. Included in the result, Orbis Mining generated total profit before tax of \$1.4m (50% of PBT allocated to non-controlling interest) compared to a break-even result in FY22. The laboratory crusher product line is expected to continue to grow in FY24 due to its strong market reputation.

The Precious Metals division delivered a profit before tax of \$3.6m, which was driven by a mixture of customers in the mining and industrial sectors. We experienced high levels of reoccurring orders from mining customers, as increased sample testing requires regular recycling of spent platinum labware products. Our base of industrial revenue continued to grow, with the office in Germany achieving revenue of \$7.3m compared to \$5.5m in FY22.

Looking forward to FY24, our key focus areas are ramping up the sales strategy on xrTGA, international sales growth, increasing Orbis crusher sales and additional new product releases.”

Dividend

The Board has declared a final fully franked dividend of 3.3 cents per share which is up by 32% on last year. This represents a payout ratio of 59% of net profit after tax. The dividend reinvestment plan (DRP) is available for shareholders by registering participation at the share registry, Automic Group. A 2.5% discount will be applicable to the DRP.

Please direct any inquiries to:

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About XRF Scientific:

XRF Scientific Limited is an Australian listed company (ASX: XRF) based in Perth, Western Australia. XRF manufactures equipment and chemicals, which are distributed to production mines, construction material companies and commercial analytical laboratories, in Australia and overseas, and used in the preparation of samples for analysis.

XRF has manufacturing, sales and support facilities located in Australia, Europe and Canada, plus a global network of distributors. The Company has representation in the United States, South America, Africa, the Middle East and Asia and has a customer base that includes multinational blue-chip customers such as:- BHP Billiton, Rio Tinto, Vale, South 32, Glencore, Alcoa, Lafarge, Holcim, ArcelorMittal, CSIRO, Intertek, Bureau Veritas, SGS and ALS.

XRF’s technology is used to measure the composition and purity of materials and is mainly applied in industrial quality control and in process control for manufacturing processes in industries such as metals and mining, construction materials, chemicals and petrochemicals.

XRF’s products help customers to improve product quality and performance, increase productivity and yield and reduce downtime and waste. Its businesses have established positions in their specialised markets.

Read more about XRF Scientific at: <https://www.xrfscientific.com/general-overview/>