

18 April 2019

## March 2019 Quarterly Trading Report

XRF Scientific Ltd (“XRF” or “The Company”) is pleased to provide an update on the March 2019 quarterly financial results (unaudited):

### Quarter results for period ended 31 March

	March 2019 Quarter	March 2018 Quarter	Change %
<b>Revenue</b>	\$6.7m	\$6.3m	Up 6%
<b>Profit Before Tax</b>	\$710k	\$347k	Up 104%

### Year to Date (YTD) results for nine months ended 31 March

	March 2019 YTD	March 2018 YTD	Change %
<b>Revenue</b>	\$21.7m	\$18.4m	Up 18%
<b>Profit Before Tax</b>	\$2.32m	\$1.09m	Up 113%

All divisions contributed towards the result, with positive conditions experienced across our offices in Australia, Europe and North America. As with the period just completed, the March quarter is generally influenced by a seasonal slow-down in mining exploration activity and marketing costs from international trade shows.

Positive operating cash flow has led to our Cash at Bank increasing to \$2.2m at 31 March 2019 from \$1.2m at 31 December 2018. Debt levels remain consistent with the balance sheet position reported for the last half-year.

As previously reported, our office in Germany recorded its first profit in January 2019. Whilst the division recorded an overall loss of \$55k for the quarter, it was a significant improvement from the \$186k loss in the Previous Corresponding Period (PCP). Revenue was also up on the PCP by 17% to \$687k for the quarter. The results are a reflection of new customers acquired and increasing margins from the product mix being sold.

New European customers were acquired during the quarter for labware, semi-finished and precision platinum products, which are expected to come online during the June quarter. We are continuing to find potential platinum customers receptive to our engagement, with numerous competitive advantages being offered by XRF. In Melbourne, the platinum factory has a busy schedule ahead, with its intensive new product development program. In the last month, some small, but critical pieces of new equipment were installed, that will allow us to work towards the next advancements of our production capabilities.

In our other divisions, orders and quotations for capital equipment products remain at positive levels. We are also continuing with new product development activities. A new laboratory machine is currently under development that will expand revenue into an adjacent complementary field. Development is expected to continue throughout this year, with the product being launched in 2H FY2020.

Sales of Consumable products were strong during the quarter, generating revenue of \$1.94m, which was a 19% increase on the PCP. The microbeads flux product line has allowed us to continue to expand market share as expected.

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 Perth, Melbourne, 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/>