

21 August 2015

## **XRF announces 2015 full-year result**

XRF Scientific Ltd (“XRF” or “The Company”) today announced their result for the 2015 financial year.

### **Key Highlights**

- Revenue from ordinary activities, down 5% to \$20.7 million (FY14: \$21.9 million);
- Underlying Earnings\*, flat at \$3.9 million (FY14: \$3.9 million);
- Net Profit After Tax (NPAT), up 8% to \$2.6 million (FY14: \$2.4 million);
- Earnings Before Interest and Tax (EBIT), up 4% to \$3.5 million (FY14: \$3.4 million);
- Earnings Per Share (EPS), up 11% to 2.0c (FY14: 1.8c);
- Fully franked final dividend of 0.7 cents per share;
- Dividend payout ratio, maintained at 60% (FY14: 61%);

\*Net Profit Before Tax after adding back business acquisition costs of \$0.3 million (FY14: \$0.3 million) expensed to profit & loss.

The result reflects steady conditions overall throughout the year across all product groups. Despite a continued down turn in the mining sector, XRF’s strategy of increasing non-mining revenue continues to yield results. The Company estimates that such revenue made up approximately 30% of sales during FY15. The successful release of the new electric fusion machine, the xrFuse 2, has contributed to this changing revenue mix, as has the appointment of new distributors in South Korea, Malaysia, Vietnam, Singapore, Taiwan and Turkey, and long term partners in USA and Europe.

XRF’s CEO, Vance Stazzonelli, commented on the full-year result: “We are extremely pleased to deliver this result for shareholders. The result reflects XRF’s commitment to diversify its business and develop revenue both outside Australia and specifically in non-mining industries.

A successful year for XRF’s Capital Equipment delivered a positive contribution to the overall group profits in FY15. Driving the profits are new products such as the xrFuse 2, which have experienced a strong level of acceptance by customers all around the world. Conditions for capital equipment products were strong in the first half but difficult for most of 2H15, with a modest improvement experienced towards the end of the year. In March 2015, two additional new products were launched, the Phoenix 2 gas fusion machine and the xrWeigh, our automatic flux weighing machine. Both of these products are expected to improve capital equipment revenue in FY16.

Revenue for consumable products has remained reasonably steady, at approximately \$3m per half for the last 18 months. Profitability has been slightly impacted from a small exposure to certain USD denominated costs.

The Precious Metals division delivered an increase in profits, in part due to an improvement in results from XRF’s Canadian business.

Throughout the year two high quality bolt-on acquisitions were completed, in ICPH Flux (France) and Coltide XRF Drift Monitors (Australia). Both of these businesses have been successfully integrated into our operations and sales developed at expected levels during 2H15.

In FY16, the focus of the Board and Management will continue to revolve around growing non-mining revenue, international sales, new product developments and acquisitions. With cash at bank currently of \$6.6m, XRF remains in a strong position to declare a dividend and progress various acquisition and organic growth opportunities which it has identified, a number of which are currently under review.”

## **Dividend**

The Company is pleased to announce that the Board has declared a final dividend for the year of 0.7 cents per share. In conjunction with the interim dividend already paid in March, this provides a dividend payout ratio that is consistent with prior years of 60%. The Record Date for determining entitlements to the dividend will be 11 September 2015. The payment of the dividend will occur on 25 September 2015.

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 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 and Canada, plus a global network of distributors. The Company has representation in the United States, South America, Canada, Europe, 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, Iluka, Glencore, Nickel West, Robe River Iron Associates, Alcoa, CSIRO, Intertek, Pilbara Iron, 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 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.