

24 August 2017

## **XRF announces full-year results**

XRF Scientific Ltd (“XRF” or “The Company”) today announced its results for the June 2017 full-year:

### **Key Highlights**

- Revenue up 2% to \$21.54m from \$21.13m;
- Underlying Earnings\* down 28% to \$2.2m from \$3.0m;
- NPAT down 48% to \$0.8m from \$1.5m
- Final fully franked dividend of 0.24 cents per share, maintaining 40% dividend payout ratio
- New Melbourne precious metals factory online and operating efficiently
- Significant investment in establishing and expanding operations in Germany
- Progress with integration of Scancia after taking 100% control

\*Net Profit Before Tax after adding back costs of \$1.2m (2016: \$0.66m) associated with acquisitions, R & D and expansion of the Precious Metals Division.

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

“During the year, a number of significant advances have been made, in particular with our Precious Metals Division expansion plan. The new factory that was opened in November is operating efficiently and several improvements have been made to improve product quality and expand the platinum labware product range. With this activity largely complete, the focus is now on expanding the range of customised precision platinum products available.

The reported NPAT reflects the significant, planned investment undertaken in Germany. The new office in Germany is progressing well, with its marketing activities enabling us to develop an extensive customer database in Europe. The European revenues are increasing in line with our expectations. A number of opportunities are currently being progressed that should see the German division significantly improve the loss position of \$882k that was incurred this year.

Our acquisition of 100% control in Scancia flux is now complete. The integration is planned to be completed this financial year, via the relocation of production from Canada to Perth. It is expected that the Scancia product range will allow XRF to grow market share in the consumable products market, given its different physical form to XRF’s pre-existing products.

The Board has determined to maintain the dividend payout ratio for the year at 40% of NPAT, declaring a final fully franked dividend of 0.24 cents per share. The size of the dividend has been affected by the decision of the Board to commit to the investment in the expansion of the Precious Metals Division, being a larger capacity factory in Melbourne, which we own, and the establishment of the German division’s sales and distribution network. This investment is positioning XRF to deliver greater market share and improved margins across the precious metals product range.

Whilst profits are down this year, it is expected that FY18 will be significantly better, given the improving performance of our division in Germany and conditions in the mining sector.”

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.