

22 February 2022

XRF announces record half-year result

XRF Scientific Ltd (“XRF” or “The Company”) today announced its results for the December 2021 half-year:

Key Highlights

- Sales Revenue up **24%** to **\$18.5m** from \$15.0m
- Net Profit After Tax up **17%** to **\$2.8m** from \$2.4m
- Adjusted Profit Before Tax* up **56%** to **\$3.7m** from \$2.4m
- Record quarterly Profit Before Tax of **\$2.1m** in December Q2

*Adjusted Profit Before Tax is after adding back/deducting items related to COVID-19. A full break-down of these items is available in the Half-Year Report.

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

“Conditions were positive during the half, driven by strong levels of activity in the mining and industrial sectors. The December quarter was particularly strong, with a record profit before tax of \$2.1m being generated.

We continue to make good progress with our growth initiatives, including in the Precious Metals division and geographical expansion. We are also working towards new product releases across all divisions, which are at varying stages of development. Conditions remain positive into the second half, which is expected to be a strong trading period.

The Consumables division had a very positive half, generating a profit before tax of \$1.7m from high levels of activity in the mining sector. Lithium chemicals are a key production input and have been increasing in price due to demand from the EV sector. As a result revenue and costs are expected to rise by a double digit percentage, with no negative impact on margins expected. The impact will materialise more fully during the second half.

The Capital Equipment division delivered a profit before tax of \$632k. Sales have been robust in key mining and industrial markets, as well as new geographies. The division is expected to be busy in the second half, with a record level of machines currently on order.

Our 50% acquisition of Orbis Mining Pty Ltd has been fully consolidated into our accounts and is now part of the Capital Equipment division. The new laboratory crusher product line has good forward sales momentum, due to a growing market reputation with large industry-leading customers. The availability of XRF’s resources and sales network is expected to have a benefit on Orbis’s sales from the second half onwards.

The Precious Metals division delivered a profit before tax of \$1.3m, again from high levels of activity from mining and industrial customers. The Germany Office performed very well and delivered a profit before tax of \$233k (1H21: \$29k) from revenue of \$2.8m. Positive conditions have continued into the second half with a robust order book being maintained by the division.

The Board has maintained policy to pay one dividend per year on operating profits which will be determined based on the full-year result.”

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/>