

16 February 2017

## **XRF announces half-year results**

XRF Scientific Ltd (“XRF” or “The Company”) today announced its results for the December 2016 half-year:

### **Key Highlights**

- Revenue up 7% to \$10.5m from \$9.8m;
- Underlying Earnings\* down 22% to \$1.1m from \$1.4m;
- Improved positive operating cashflow of \$0.5m vs negative cash outflow of \$0.4m in 1H16
- New Melbourne precious metals factory and opening of office in Germany
- Difficult conditions in North American market: signs of improvement in December and January

\*Net Profit Before Tax after adding back costs of \$0.6m (1H16: \$0.1m) associated with acquisitions, R & D and expansion of the Precious Metals Division.

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

“During the half, XRF has recorded a number of major achievements, including opening our new precious metals factory in Melbourne and the office in Germany. The new factory opened with minimal delays to customers, with the previously mentioned backlog of orders now down to normal levels. The continuous improvement plan that has been implemented is generating excellent results, enhancing product quality and allowing for the manufacture of new product lines. Our Management team and employees in Melbourne should be commended for bringing this new facility online and for their ongoing efforts.

Our new office in Germany opened in August, which has been expanding our customer database and growing sales, particularly in Europe. This has been possible through the extensive technical and sales experience that our new team in Germany brings to XRF.

The primary reasons for reduced profits in the half were costs relating to the expansion of the Precious Metals Division, as well as a slowdown of sales in North America, which appeared to have been driven by political uncertainty surrounding the USA presidential election. There are early indications of improvement, with our North American operations returning to profits in December and January.

The Board continued to review acquisition opportunities that met its strict criteria. The Company maintained a strong cash balance of \$2.2m as at 31 December 2016, which allows us to move quickly with any opportunities that may arise. Whilst acquisitions remain a possibility, the key growth focus of the group will remain the expansion of the Precious Metals Division. This expansion will have significant benefits for XRF in the medium to long term, including reduced exposure to mining, increased international sales and improved manufacturing capability in the precious metals field.

The Board has determined not to pay an interim dividend, due to the ongoing investment in the Precious Metals Division and new office in Germany.”

Please direct any inquiries to:

Vance Stazzonelli  
Chief Executive Officer

[vance.stazzonelli@xrfscientific.com](mailto:vance.stazzonelli@xrfscientific.com)

+61 8 9244 0600

**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.