



Investor Presentation
February 2020



Company Overview

- Manufacturer of consumables and equipment for mining and industry, for X-Ray Fluorescence (XRF) analysis – a powerful long-established analytical technique, vital to the discovery, evaluation, qualification and production of most metals and control of material manufacturing processes

X-Ray Flux and chemicals



Platinum Labware and Precision Platinum Products



Specialised furnaces and laboratory equipment

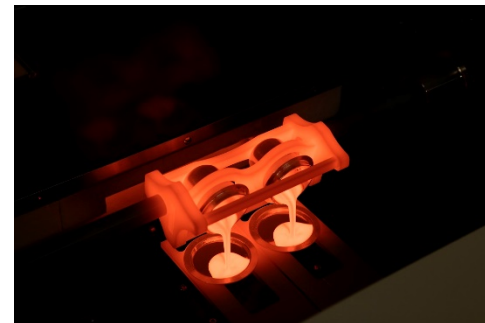


The XRF Analysis Process

Samples are sent from production to the laboratory



The samples are then processed into a fine dust



The sample dust is then fused into a glass bead using **XRF Scientific's products**



The glass disk is presented into an x-ray spectrometer for analysis



Our Products



Laboratory



Industry



Samples

Materials:

- Cement
- Steel
- Glass
- Ceramics
- Research
- Education

Mining



Samples

Minerals:

- Iron ore
- Nickel
- Copper
- Aluminium
- Bauxite
- Manganese
- Uranium
- Lithium
- Mineral sands
- Commercial labs

Sample sources:

- Production
- Shipping
- Exploration

Half Year Results – Overview

	Half Year Results			Full Year Results		
(\$m)	1H20	1H19	Change	2019	2018	2017
Sales revenue	15.7	15.0	5%	29.0	24.2	21.5
EBIT	2.3	1.7	40%	3.2	1.6	1.0
Profit before tax	2.3	1.6	41%	3.2	1.5	1.0
Net profit after tax	1.6	1.1	51%	2.1	1.0	0.8
Earnings per share (cents)	1.2	0.8	51%	1.6	0.8	0.6
Weighted average no. of shares	133,825,803	133,825,803		133,825,803	133,825,803	133,825,803
Dividends (cents per share)	0.0	0.0		1.0	0.30	0.24
Dividend payout ratio	-	-		63%	39%	40%

Balance Sheet

(\$m)	1H20	2H19	Change
Cash and cash equivalents	1.6	3.2	(50%)
Trade and other receivables	5.0	4.1	23%
Inventories	9.4	8.7	8%
Other assets	0.4	0.4	0%
Property, plant and equipment	8.3	8.4	(1%)
PPE lease asset*	1.0	0.0	100%
Intangible assets	16.0	16.0	0%
Deferred tax asset	0.9	0.9	2%
Total assets	42.6	41.7	2%
Trade and payables			
- platinum loan provisions	2.2	2.0	14%
- other items	2.4	3.0	(21%)
Debt (short term)	0.9	0.7	26%
Debt (long-term)	1.4	1.6	(11%)
Current lease liabilities*	0.4	0.0	100%
Non-current lease liabilities*	0.6	0.0	100%
Income tax liability	0.4	0.4	(7%)
Deferred tax liability	0.2	0.2	(2%)
Total liabilities	8.5	7.9	7%
Total equity	34.1	33.8	1%

- *Arises from adoption of AASB 16 since 1 July 2019. See Note 3 of Interim Financial Statement for further details
- Platinum loan quantities remain the same and were adjusted for market prices at rollover dates through the period. Corresponding increase made to platinum asset in Inventories asset

Cash Flow Statements

(\$m)	1H20	2H19	1H19
Net cash inflow from operating activities	0.4	2.6	1.3
Net cash (outflow) from investing activities	(0.5)	(0.4)	(0.2)
Net cash inflow/(outflow) from financing activities	(1.5)	(0.2)	(0.3)
Cash at start of period	3.2	1.2	0.4
Net increase/(decrease) in cash	(1.6)	2.0	0.8
Cash at end of period	1.6	3.2	1.2

Highlights:

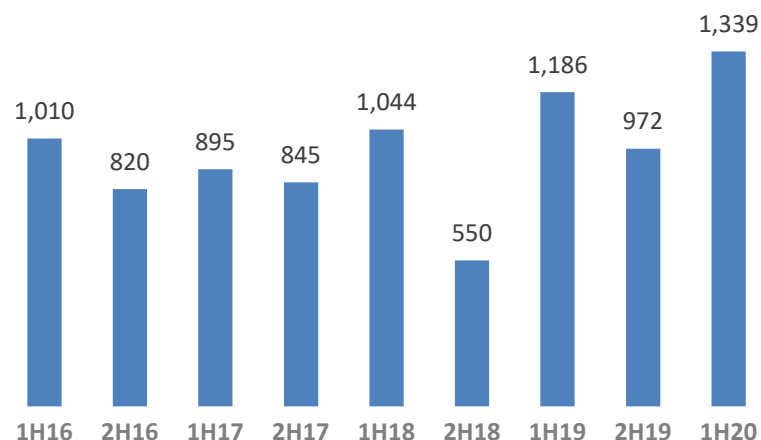
- \$1.3m in dividends paid during the half vs \$0.4m in PCP (1H19)
- Operating cash flow affected by strong sales activity towards end of half increasing debtors by \$950 to \$5m. Trade and other payables were also down by \$0.5m compared to 30 June
- Cash position has developed to \$2.7m at 19 February 2020

(\$m)	1H20	2H19	1H19
Sales revenue	4.8	3.6	4.4
Change in % *	34%	(18%)	29%
NPBT	1.3	1.0	1.2
Change in % *	38%	(18%)	116%
Margin %	28%	27%	27%

* Compared to immediately prior half-year period

Overview for 1H20:

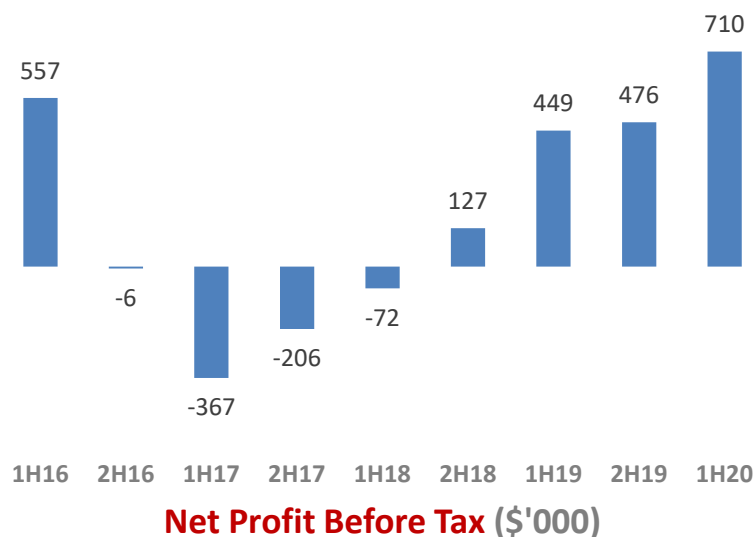
- Revenue up 34% on 2H19
- NPBT up 38% on 2H19
- Conditions buoyant in the mining sector across production and exploration
- New customers acquired during FY19 now delivering regular revenue



Net Profit Before Tax (\$'000)

(\$m)	1H20	2H19	1H19
Sales revenue	7.3	6.7	6.4
Change in % *	9%	4%	10%
NPBT	0.7	0.5	0.4
Change in % *	49%	6%	252%
Margin %	10%	7%	7%

* Compared to immediately prior half-year period



Overview for 1H20:

- Revenue up 9% on 2H19
- NPBT up 49% on 2H19
- Revenue from Germany office \$1.6m vs \$1.1m in PCP (1H19). Continued revenue growth expected in second half with new customers coming online
- Technical breakthroughs made at Melbourne factory, expanding industrial and semi-finished product lines – broadening the portfolio and bringing capability in-house

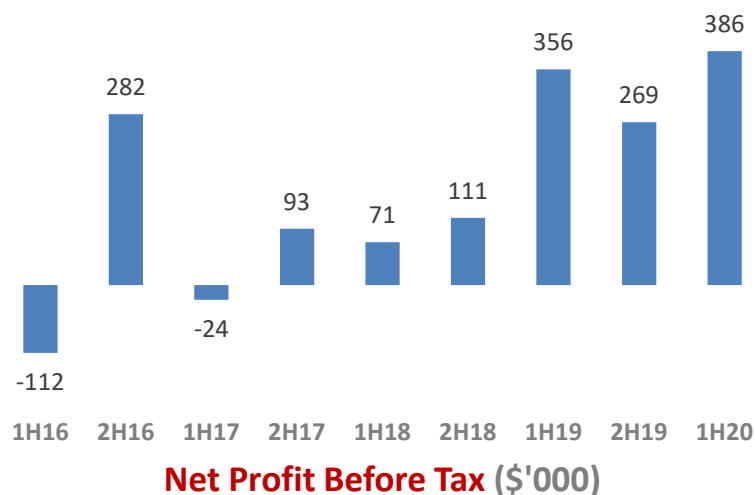
Capital Equipment

(\$m)	1H20	2H19	1H19
Sales revenue	4.3	4.3	4.9
Change in % *	(1%)	(13%)	28%
NPBT	0.4	0.3	0.4
Change in % *	44%	(25%)	221%
Margin %	9%	6%	7%

* Compared to immediately prior half-year period

■ Overview for 1H20:

- Revenue flat on 2H19
- NPBT up 44% on 2H19
- Margin improvement from increased proportion of end user sales / product mix sold and reduction in operating costs
- Two new machines under development for release within 2020 calendar year



Our plans for 2020

- Continuing our expansion in the Precious Metals Division, with growth in profits expected to continue
- Continue with geographical expansion initiatives
- Acquire a greater market share for Consumable products
- Planning to release two new capital equipment products during the 2020 calendar year
- Continue to pursue M&A opportunities. Our targets are complementary manufacturing companies, in the laboratory supply or precious metals sectors
- Implement a Dividend Reinvestment Plan
- Work to improve our scale/market cap and the share price

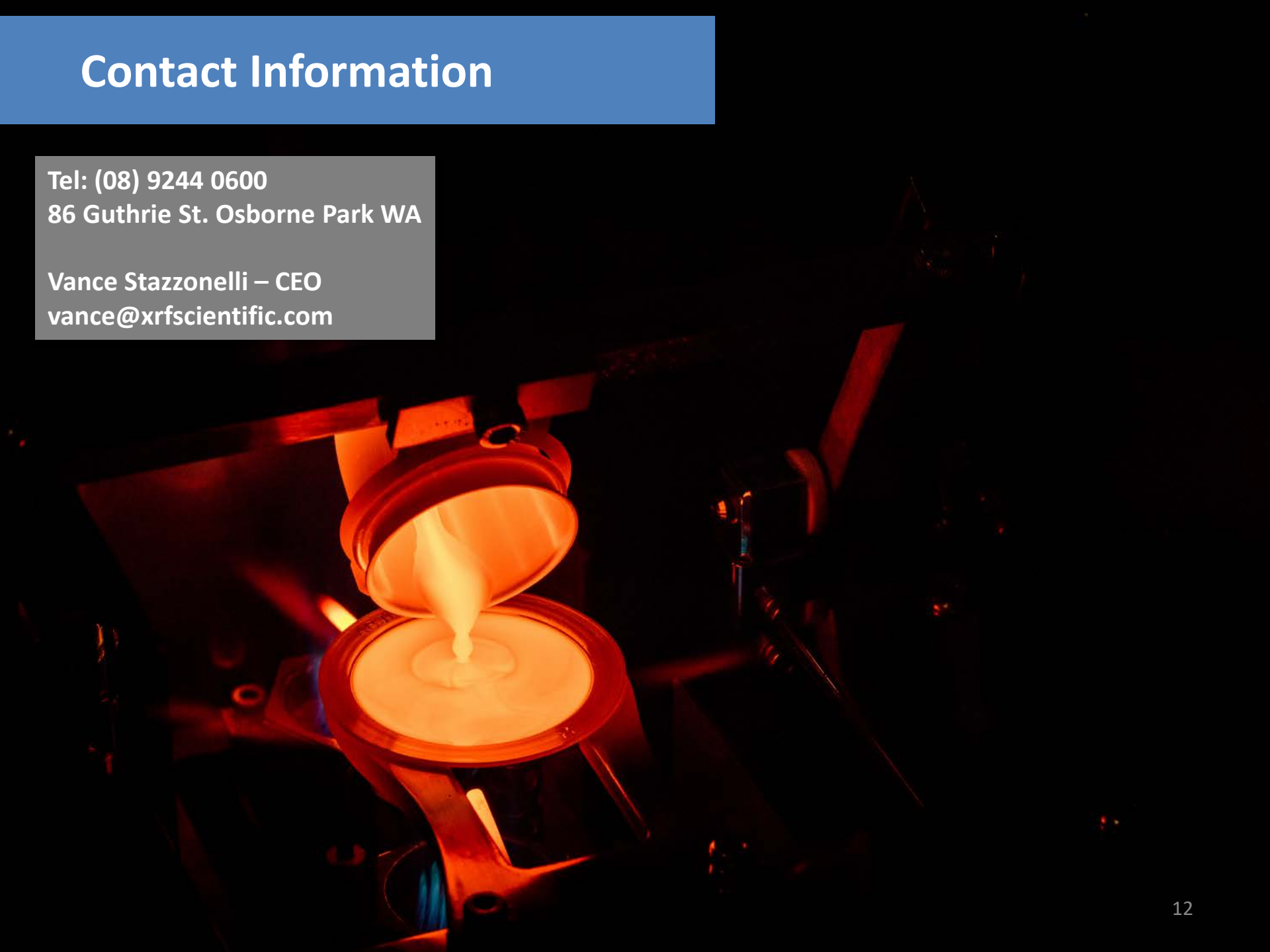
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