

26 February 2019

## **XRF announces half-year result**

XRF Scientific Ltd (“XRF” or “The Company”) today announced its results for the December 2018 half-year:

### **Key Highlights**

- Revenue up **24%** to **\$15m** from \$12.1m
- Statutory Profit Before Tax up **118%** to **\$1.61m** from \$741k
- Statutory Net Profit After Tax up **105%** to **\$1.08m** from \$526k
- EBIT up **114%** to **\$1.67m** from \$781k
- Key break-even milestone reached by Germany office

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

“We are extremely pleased to deliver this excellent result to shareholders. During the half all three of our divisions performed well and built foundations for a strong full-year result.

We are seeing positive conditions across the majority of geographical sectors, including Australia, Asia, Europe and North America. These conditions have continued into the second half, with a good level of orders being maintained. We are also starting to benefit from our strategy of diversifying sales from mining, with non-mining sales now accounting for approximately 42% of sales, compared to 30% in 2016.

The Consumables division achieved record sales levels during the half, recording revenue of \$4.4m, which was a 6% increase over the previous corresponding period (PCP). We are expecting our market share to continue to grow this year, with the addition of the microbeads flux product to the Perth factory.

Orders for Capital Equipment products continue to remain at record levels, which resulted in revenue increasing by 50% on the PCP to \$4.9m. Demand for new and replacement capex is strong in many sectors, both within Australia and internationally.

The Precious Metals division delivered a significant improvement, with profit increasing 252% over 2H18 to \$449k. Remanufacturing services have been strong, as have new product sales, which is in line with the increased level of fusion machines being sold by the Capital Equipment division. The Germany office made an improved contribution to the result by reducing its loss position during the half to \$247k from \$412k in 2H18. During the half we saw a steady reduction in its monthly losses and a \$5k profit was recorded for the first time in January 2019. Based on the current level of activity we are seeing, we are confident in achieving strong growth of our European market share in the year ahead.

We recently moved our main debt and banking facilities to HSBC. HSBC's global reach allows XRF to utilise one core bank, and provides precious metals inventory funding, which is critical to our expansion in the Precious Metals division.

To complement the results for the first-half, we are confident of a strong full-year result. Alongside growing sales, our primary focus remains developing the platinum markets via our expansion in Europe and Melbourne."

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.

Read more about XRF Scientific at: <https://www.xrfscientific.com/general-overview/>