

21 February 2020

XRF announces half-year result

XRF Scientific Ltd (“XRF” or “The Company”) today announced its results for the December 2019 half-year:

Key Highlights

- Revenue up **5%** to **\$15.7m** from \$15.0m
- Statutory Net Profit After Tax up **51%** to **\$1.63m** from \$1.08m
- EBIT up **40%** to **\$2.33m** from \$1.67m

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

“The increase in profit is a result of positive market conditions and continual optimisation of business operations and costs. The mining industry remained strong, with sales driven by both exploration and production. Conditions in non-mining industrial markets were also positive, particularly in Europe.

The Consumables division had an excellent half, delivering \$4.85m in revenue, which was a 10% increase on the Previous Corresponding Period (PCP). Additional revenue was generated on a regular basis from new customers that were acquired throughout FY19.

The Capital Equipment division also performed well and delivered a profit before tax of \$386k compared to \$356k in the PCP. Capex sales came from new laboratories being established, as well as replacement and expansion capex from existing customers.

The Precious Metals division increased profits before tax by 58% to \$710k. Revenue was also up more than \$1m to \$7.04m for the half. The result was driven by positive market conditions and new sales being developed by the office in Germany. \$1.6m in revenue was recorded by the Germany office compared to \$1.1m in the PCP.

The Board has maintained policy to pay one dividend per year on operating profits which will be determined based on the full-year result. We are currently reviewing options to distribute our excess franking credits to shareholders. As a service to shareholders, a Dividend Reinvestment Plan (DRP) has been established and will be available for future dividend payments.

Our cash position reduced from \$3.2m at 30 June to \$1.6m at 31 December due to dividends paid and working capital requirements. The cash position has since increased to \$2.7m at 19 February 2020.”

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/>