



Investor Presentation
February 2018



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

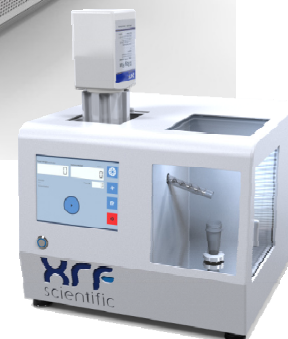
X-Ray Flux and chemicals



Platinum Labware and Precision Platinum Products



Specialised furnaces and laboratory equipment

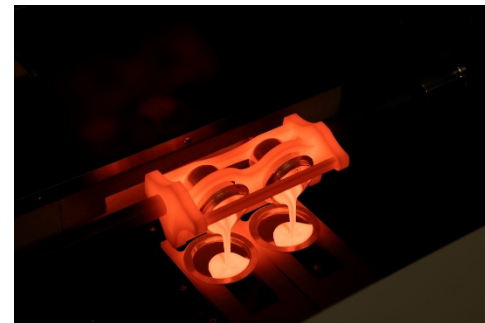


The XRF Analysis Process

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



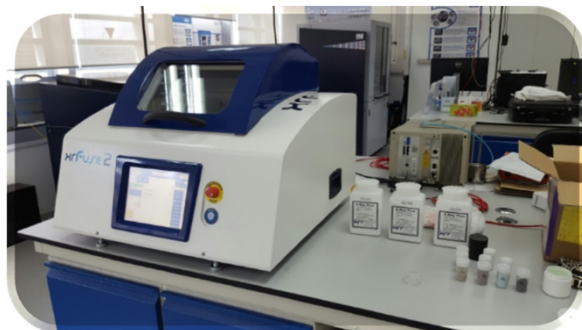
Our Products

Products

Service

Applications
Support

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

Precious Metals Expansion



New Germany Office

25+ years experience in sales and production of platinum products

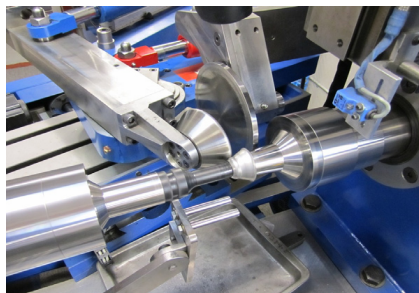
August 2016



New Melbourne Factory

2100 sqm owned by XRFs, \$1.8m cost plus \$0.9m improvements

November 2016



Production Improvements

Enhance existing products, improve core production methods, expand existing product lines

Ongoing since 2016



New Equipment

Investments made to expand production capability and our product range

1H18

Expanding in Europe

Sale of fusion products into new European countries

Ongoing



New Product Developments

New additional Precision Platinum components into significantly larger industries than labware markets e.g. aerospace, measurement control components, glass industry

2017 onwards



Half Year Results – Overview

(\$m)	Half Year Results		Full Year Results		
	1H18	1H17	2017	2016	2015
Sales revenue	12.1	10.5	21.5	21.0	20.5
EBITDA	1.2	0.9	1.7	3.0	4.1
Profit before tax	0.7	0.5	1.0	2.4	3.6
Acquisition costs	0.2	0.0	0.1	0.2	0.3
Platinum Division expansion costs	0.4	0.6	1.1	0.5	-
Underlying profit before tax	1.3	1.1	2.2	3.0	3.9
Net profit after tax	0.53	0.37	0.8	1.5	2.6
Earnings per share (cents)	0.4	0.3	0.6	1.2	2.0
Weighted average no. of shares	133,825,803	133,825,803	133,825,803	133,126,318	132,157,097
Dividends (cents per share)	0.0	0.0	0.24	0.5	1.2
Dividend payout ratio			40%	43%	60%

Balance Sheet

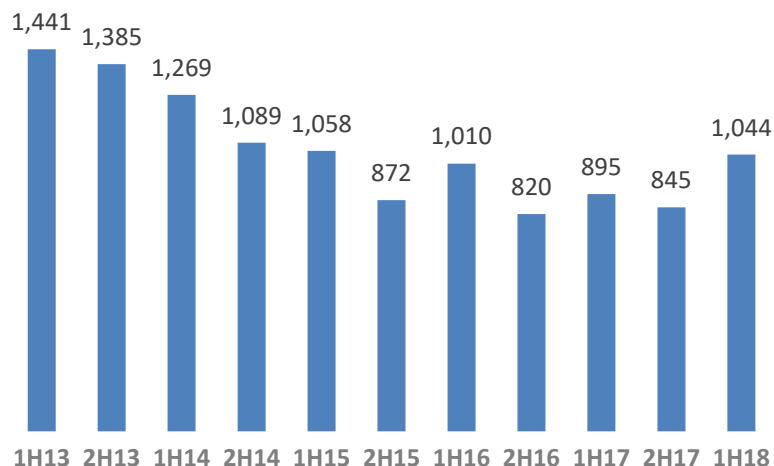
(\$m)	1H18	2H17	Change
Cash and cash equivalents	1.5	0.8	78%
Trade and other receivables	3.7	4.6	(20%)
Inventories	5.9	4.9	22%
Other assets	0.4	0.5	(34%)
Property, plant and equipment	8.2	7.2	14%
Intangible assets	16.0	16.0	1%
Deferred tax asset	0.7	0.7	(3%)
Total assets	36.4	34.7	5%
Trade and payables	2.6	2.4	10%
Debt (short term)	1.4	0.1	2430%
Debt (long-term)	1.0	1.2	(15%)
Deferred tax liability	0.3	0.3	3%
Total liabilities	5.3	4.0	33%
Total equity	31.1	30.7	1%

- Short term debt: \$1.1m building loan due for renewal in November after initial three year term
- \$1.2m new equipment loan for precious metals factory expansion. Includes \$0.5m cash refunded to XRFs for 40% deposit paid to supplier with our PO
- Inventories up: \$0.4m precious metals loan classified as on-balance sheet and \$0.3m stock for capital equipment projects to be invoiced in early 2H18

(\$m)	1H18	2H17	1H17
Sales revenue	4.1	3.7	3.2
Change in %	13%	13%	4%
NPBT	1.0	0.8	0.9
Change in %	24%	(6%)	9%
Margin %	25%	23%	28%

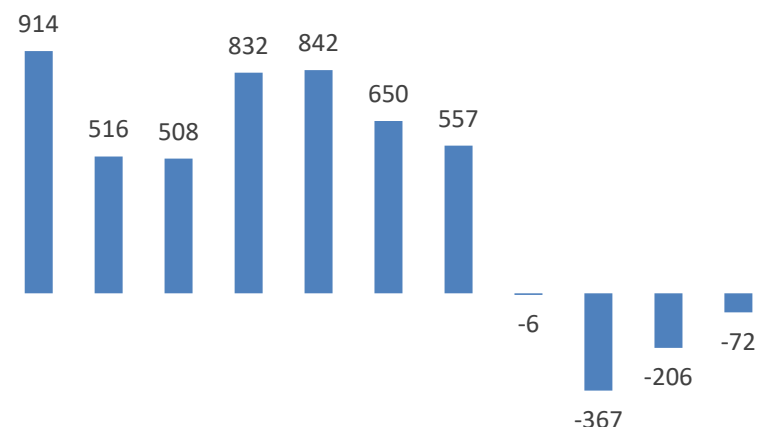
■ Overview for 1H18:

- Revenue up 13% on 2H17
- NPBT up 24% on 2H17
- Strong sales activity driven by the mining sector globally
- Transfer of Scancia manufacturing plant to Perth



Net Profit Before Tax (\$'000)

(\$m)	1H18	2H17	1H17
Sales revenue	5.2	4.6	4.3
Change in %	12%	6%	(9%)
NPBT	(0.1)	(0.2)	(0.4)
Change in %	(65%)	(44%)	
Margin %	(1%)	(4%)	(8%)



1H13 2H13 1H14 2H14 1H15 2H15 1H16 2H16 1H17 2H17 1H18

Net Profit Before Tax (\$'000)

Overview for 1H18:

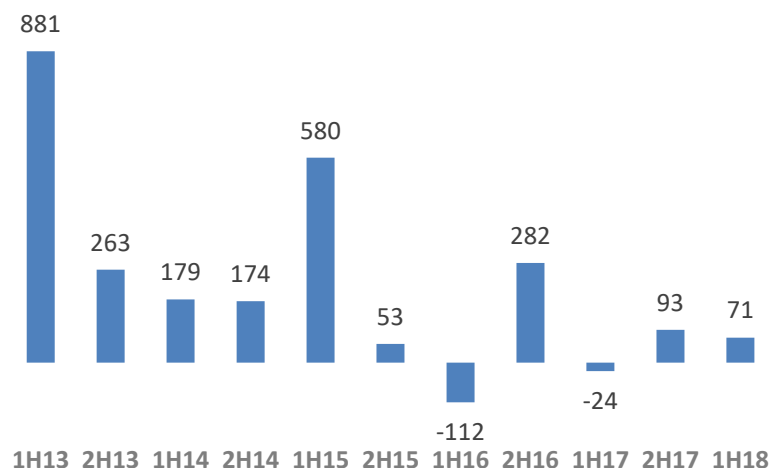
- Revenue up 12% on 2H17
- LBT down 65% on 2H17
- Germany office revenue up 88% to \$784k for 1H18 vs \$416k 2H17
- \$1.2m new equipment commissioned to expand production capability and product range
- New glass industry customers acquired
- First order delivered for new aerospace customer

Capital Equipment

(\$m)	1H18	2H17	1H17
Sales revenue	3.3	3.2	3.1
Change in %	3%	2%	(23%)
NPBT	0.1	0.1	0
Change in %	(24%)	496%	(108%)
Margin %	2%	3%	(1%)

■ Overview for 1H18:

- Revenue up 3% on 2H17
- NPBT down 24% on 2H17
- Strong level of orders on hand across all product types
- Launch of Phoenix GO gas only fusion machine



Net Profit Before Tax (\$'000)

- Revenue growth of Germany office expected to continue throughout 2H18. Targeting a break-even result on a monthly basis for the office this calendar year
- Continue expanding our portfolio of precious metals products and capabilities in the Melbourne factory
- Strong order book for capital equipment products, in particular electric fusion machines. Additional revenue expected from Phoenix GO and xrWeigh product lines
- Addition of Scancia flux product line to main chemicals factory in Perth

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