23 August 2013

XRF announces record 2013 result

XRF Scientific Ltd ("XRF" or "The Company") today announced a record result for the 2013 financial year.

Key Highlights

- Underlying Earnings*, up 10% to $5.6 million (FY12: $5.1 million);
- Net Profit After Tax (NPAT), up 7% to $3.8 million (FY12: $3.6 million);
- Earnings Before Interest and Tax (EBIT), up 7% to $5.1 million (FY12: $4.8 million);
- Strong increase in Cashflow from operating activities, up 13% to $4.1 million (FY12: $3.7 million);
- Earnings Per Share (EPS), up 4% to 2.9c (FY12: 2.8c);
- Fully franked final dividend, up 13% to 1.7 cents per share (FY12: 1.5 cents per share);
- Dividend Payout ratio, increased to 59% (FY12: 54%);

*Net Profit Before Tax after adding back business acquisition and research & development costs of $0.2 million expensed to profit & loss.

An equally strong performance from all three divisions, being Consumables, Precious Metals and Capital Equipment, delivered a comprehensive increase in profits.

Commenting on the results, XRF's CEO, Vance Stazzonelli, said, "We are pleased to deliver this record full-year result to shareholders. Despite the difficulties associated with a slowdown in the resource sector, the Company continues to push forward with its growth plan, both organically and via acquisition.

Repeat consumable sales to XRF's production mining-based clients remained steady throughout the year. An uplift of sales to production mining customers has commenced, as new and existing iron ore mines increase production volumes.

Looking forward into 2014, although conditions may remain challenging, the Company is excited about new product releases and developments, and increasing international sales via the recent acquisition of Kitco Labware and XRF's international distributors. Similar market conditions are expected to prevail as were experienced in the second half of FY13. The company is successfully maintaining tight control over expenditure.

The Company is in an excellent financial position, having cash reserves of approximately $7.2m (5.4 cents per share), with no debt as at the date of this announcement.

The Board of XRF has identified that acquisitions are an important part of its growth strategy and the company is well positioned to take advantage of any opportunities that arise in the market. After integration of the Kitco Labware acquisition has been completed, XRF's substantial cash resources will allow it to progress forward with other opportunities. The Board is continually assessing potential acquisitions which are evaluated against a set of established criteria to ensure they add shareholder value."

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Dividend

The Company is pleased to announce that the Board has declared a final dividend for the year of 1.7 cents per share. The Record Date for determining entitlements to the dividend will be 13 September 2013. The payment of the dividend will occur on 27 September 2013.

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 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 and Canada, plus a global network of distributors. The Company has representation in the United States, South America, Canada, Europe, Africa, the Middle East and Asia and has a customer base that includes multinational blue-chip customers such as:- BHP Billiton, Rio Tinto, Vale, Iluka, Xstrata, Nickel West, Robe River Iron Associates, Alcoa, CSIRO, Intertek, PT Inco, Pilbara Iron, 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 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.