19 April 2022

March 2022 Quarterly Trading Report

XRF Scientific Ltd ("XRF" or "The Company") provides an update on the March 2022 quarterly financial results (unaudited):

Quarter results for period ended 31 March

	March 2022 Quarter	March 2021 Quarter	Change %
Revenue	$9.4m	$8.2m	15%
Profit Before Tax	$2.2m	$1.8m	20%
Adjusted PBT*	$2.2m	$1.7m	28%

Year to Date (YTD) results for nine months ended 31 March

	March 2022 YTD	March 2021 YTD	Change %
Revenue	$28.0m	$23.2m	21%
Profit Before Tax	$5.9m	$4.9m	21%
Adjusted PBT*	$5.9m	$4.1m	45%

*Adjusted Profit Before Tax (PBT) is after adding back/deducting items related to COVID-19 such as government subsidies.

The March 2022 quarter was very positive, with all divisions making a strong contribution to the result. The results were driven by mining production, high levels of sample testing in mining exploration and industrial markets internationally.

Consumable sales have continued to strengthen and were $2.9m during the quarter compared to $2.7m in the Previous Corresponding Period (PCP). Both the mining and exploration sectors continue to drive large volumes of sample testing, with long lead times for results being reported by commercial laboratories. As expected, rising lithium prices have increased our consumable production inventories, and no impact has been experienced on margins.

Sales of capital equipment products have been strong at $2.8m compared to $2.0m in the PCP, with orders at record levels through the quarter. Demand has been particularly robust from the mining industry, which has generated sales for new and replacement machines. Our order book remains at high levels, with a full production book for the June 2022 quarter.

As part of capital equipment sales, Orbis Mining laboratory crushers delivered revenue of $1.06m during the quarter. The forward order book is robust and growing, with production booked out for the June quarter. The OM100 laboratory crusher is developing a significant reputation for its unique ability to take drill core samples of 110mm down to 2mm in a single pass. The Orbis product line has been integrated into XRF's existing sales network, which has started to contribute to sales.

Precious Metals sales have been performing well and were $3.7m during the quarter compared to $3.5m in the PCP. We are seeing a high level of platinum labware remanufacturing orders, as well as new product sales related to expansion in the mining sector. Our market share in the industrial platinum markets continues to grow, with new customers being added on a regular basis. New customers recently added included platinum components for manufacturers of bioactive medical glass and quartz glass.

We expect the June 2022 quarter to be a strong trading period across all divisions. During this period our key focus areas are new product developments, international sales growth, and M&A opportunities.

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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/