ASX / MEDIA RELEASE

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Bisalloy Steel GROUP LIMITED

Financial Results for the Six Months Ended 31 December 2020 ("HY21")

- **Operating EBITDA of $6.7m, up 42.0% on last year**
- **Net Profit After Tax of $3.4m, up 54.3% on last year**
- **Earnings Per Share of 7.2c, up 56.5% on last year**

Bisalloy Steel Group Limited (ASX:BIS) (**Bisalloy**) today reported Operating EBITDA of $6.7m for HY21 (HY20: $4.7m).

Results Summary	HY21	HY20	Change %
Revenue	$47.2m	$56.4m	-16.4%
Operating EBITDA	$6.7m	$4.7m	+42.0%
Net Profit After Tax	$3.4m	$2.2m	+54.3%
Earnings Per Share	7.2c	4.6c	+56.5%

Domestic Australian Sales

The margin per tonne of product sold was well up on HY20 as the positive result from the increased anti-dumping measures which came into effect on 6 November 2019 flows through[1]. These pricing gains have, however, been partially offset by a loss in market share to our major competitor who have been working around these measures by changing their major source of supply from Sweden to the United States. Bisalloy continues to engage with the Anti-Dumping Commission in relation to this loss of domestic volume which has adversely impacted growth in company earnings. This trend is expected to continue throughout H2 FY21.

Co-Operative Joint Venture (CJV) in China

Strong performance from the CJV with volumes up 33% on HY20. Margin increases were experienced also as the Bisalloy value proposition is more clearly understood in the domestic Chinese market.

Overseas Distribution

The Group's overseas distribution operations in Indonesia and Thailand continue to be profitable, with the Thailand result affected by weaker demand. Demand in Indonesia remains stable.

Armour

Our Armour business continues to be of significant strategic importance both domestically and internationally. We continue to develop and support an alternate supply of specialised greenfeed from targeted partner mills overseas to allow Bisalloy to grow the volumes of Armour in line with our strategic targets. Volumes are down on HY20 as growth has been impacted by virus lockdowns and travel restrictions.

[1] Anti-Dumping Notice No. 2019/113

Overheads

Bisalloy's administrative expenses in HY21 were $1.2m lower than in HY20. The higher level of administrative expenses in HY20 was the result of one-off non-repeatable expenses related to the Australian business.

A legal challenge from former MD and Group CEO Mr Albert has been mutually resolved without any negative impact on FY21 H1 or H2 results.

Covid-19

Maintaining the personal, health and safety of Bisalloy employees and customers remains a key priority in response to the Covid-19 pandemic. Bisalloy have responded through the introduction of comprehensive protocols and measures which have been adopted across all operating locations.

This has not had a material impact on demand in Australia or China, however the impact on demand in Indonesia, Thailand and our Export Armour business continues to be monitored. No plant or operational closures have occurred to date.

FY21 Outlook

The financial impact of Covid-19 on Bisalloy to date has not been material. However, the loss of domestic volume to our major Swedish competitor supplied from their US mill which circumvents the anti-dumping measures in place has and continues to hold back earnings. Nevertheless, Bisalloy re-iterates the earlier communicated position that profit in FY21 is expected to be up relative to FY20.

-ENDS-

Bisalloy is Australia's only manufacturer of high-strength structural, wear-resistant and armour steel plates using quenched and tempered steel. Bisalloy products are used in the mining, construction, general fabrication and defence sectors. Bisalloy has an extensive distribution network across Australasia, Indonesia, Thailand, the People's Republic of China and the United Arab Emirates.

See our website at www.bisalloy.com.au

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