

Financial Results for the Six Months Ended 31 December 2021 (“HY22”)

- Operating EBITDA of \$12.6m, up 86.7% on last year
- Net Profit After Tax of \$7.8m, up 131.8% on last year
- Earnings Per Share of 16.6c, up 130.6% on last year

Bisalloy Steel Group Limited (ASX:BIS) (**Bisalloy**) today reported Operating EBITDA of \$12.6m for HY22 (HY21: \$6.7m).

Results Summary	HY22	HY21	Change %
Revenue	\$55.2m	\$47.2m	+17.1%
Operating EBITDA	\$12.6m	\$6.7m	+86.7%
Net Profit After Tax	\$7.8m	\$3.4m	+131.8%
Earnings Per Share	16.6c	7.2c	+130.6%

Bisalloy has delivered a solid performance in H1 22, reflecting the foundations we have put in place to create a stronger and more resilient business. We’ve continued our reset of the business, installed new leadership, and are continuing to refine our strategy for growth to create long term value for our stakeholders.

Domestic Australian Sales and Margins

The last six months have been characterised by global and domestic steel prices at or near record levels with continued strong Australian demand for quench and tempered steel plate, which together with proactive pricing and procurement decisions, has resulted in much higher product margins for H1 FY22 relative to H1 FY21.

Bisalloy continues to engage with the Anti-Dumping Commission in relation to the loss of domestic volume which has adversely impacted growth in company earnings. The Commissioner is now due to make a recommendation to the Minister in a final report on or before 25 May 2022.

Co-Operative Joint Venture (CJV) in China

We continue to see solid performance from the CJV with strong volume growth partially offset by margin compression in the domestic market.

Overseas Distribution

The Group’s overseas distribution operations in Indonesia and Thailand continue to be profitable. Demand in Indonesia and Thailand has been retarded by Covid-19 impacts.

Armour

Our Armour business continues to be of importance both domestically and internationally. We continue to develop and support an alternate supply of specialised greenfeed from targeted partner mills overseas. Volumes are up slightly from H1 FY21.

Overheads

Bisalloy's marketing and administrative expenses in H1 FY22 were \$0.55m lower than in H1 FY21. This is predominately due to timing with expenses expected to revert in H2 FY22.

Covid-19

Our focus like many other businesses has continued to evolve with the changing impacts from the COVID-19 pandemic. We are pleased to report that our NSW based operation has maintained our ability to produce on schedule from the Unanderra plant, maintaining our superior delivery performance metrics. Our employees have been exceptionally cooperative and adaptable to the additional measures we've taken to maintain our business continuity through these community health events.

While Covid-19 has not had a material impact on demand in Australia or China, since December 21 we have noted impacts across Customers and Supply Chain as a result of staff absences. We expect this disruption to normalise over the coming months.

FY22 Outlook

Market demand for quench and tempered steel is expected to remain strong during H2 FY22. However, our product margins will decline as higher greenfeed prices flow through. Nevertheless, strong profits in H1 FY22 are likely to underpin the higher profits for FY22 that were foreshadowed in November 2021.

Dividend

Bisalloy pays dividends in accordance with the basic policy of making stable and continuous payments based on a medium- to long-term business outlook. By taking into account the Company's outlook for business results, its financial position, and other such factors, the Company has decided to pay an interim dividend of 4.5c per share in the current fiscal year.

-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

For further information please contact:

Michael Gundy
Managing Director/CEO
Mobile: +61 408 544 309

Carl Bowdler
Chief Financial Officer & Company Secretary
Mobile: +61 498 660 053