

Financial Results for the Year Ended 30 June 2022 (“FY22”)

- Operating EBITDA of \$24.8m, up 48.5% on last year
- Revenue of \$117.8m, up 12.4% on last year
- Net Profit After Tax of \$15.4m, up 72.0% on last year
- Earnings Per Share of 32.2c, up 66.8% on last year
- Final Dividend for the FY22 year of 9.0cps fully franked

Bisalloy Steel Group Limited (ASX:BIS) (**Bisalloy**) today reported Operating EBITDA of \$24.8m for FY22 (FY21: \$16.7m).

Results Summary	FY22	FY21	Change %
Revenue	\$117.8m	\$104.8m	+12.4%
Operating EBITDA	\$24.8m	\$16.7m	+48.5%
Net Profit After Tax	\$15.4m	\$9.0m	+72.0%
Earnings Per Share	32.2c	19.3c	+66.8%
Final Dividend Per Share	9.0c	9.0c	+0%

Domestic Australian Sales and Margins

The last twelve 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. Combined with proactive pricing and procurement decisions, this has resulted in much higher product margins for Bisalloy across FY22 relative to FY21. As expected, product margins declined in H2 relative to H1 as higher greenfeed costs flowed through.

Co-Operative Joint Venture (CJV) in China

Despite impacts from Covid-19 lock-downs and tightening market conditions, we continue to see solid performance from the CJV, in particular a 23.1% increase in Bisplate sales tonnes compared to FY2021. Unfortunately, these gains in sales have been offset by higher administration and operating costs along with lower gross margins, resulting in a relatively flat contribution to earnings.

Overseas Distribution

The Group's overseas distribution operations in Indonesia and Thailand continue to be profitable.

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.

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, during H2 FY22 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 as Australia passes the peak of the third wave.

FY23 Outlook

Throughout the recent macroeconomic and geopolitical volatility, Bisalloy has continued to demonstrate strength and resilience in its business performance. With this volatility ongoing, we are anticipating normalisation of product margins as a result of expected reductions in international steel prices, along with the impact of higher energy and transportation costs. We also cannot discount the impact of future disruptions caused by COVID-19 and ongoing supply chain disruptions, particularly sea freight. Therefore, Bisalloy is projecting a reduction in profits in FY23 compared to FY22.

-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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