

18 Resolution Drive
PO Box 1246
Unanderra NSW 2526 Australia
ABN 22 098 674 545

P: 61 2 4272 0444
F: 61 2 4272 0456

www.bisalloy.com.au

22 February 2018

ASX Market Announcements Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

Media Release December 2017 Half Year Results

Attached please find the media release issued in respect of the December 2017 half year reporting for Bisalloy Steel Group Limited.

Yours faithfully



Barry Morris
Chief Financial Officer & Company Secretary

22 February 2018

ASX / Media Release

Financial Results Half Year ended 31 December 2017 (“HY18”)

- **EBITDA of \$3.5m (up 137.1 % on last year)**
- **Revenue of \$39.9M and up 45.1% on last year**
- **Increased share of the Australian domestic market**
- **Increase in potential armour plate sales in Australia and overseas**

Results Summary	HY18 \$m	HY17 \$m	Change %
Revenue	39.9	27.5	45.1%
EBITDA	3.5	1.5	137.1%
Profit after tax	1.5	0.1	1193.6%
Earnings per share (cents)	3.0	(0.1)	

Bisalloy Steel Group Limited today reported EBITDA of \$3.5m for the six months to 31 December 2017.

Commenting on the result Bisalloy Managing Director, Greg Albert said “The first half of the 2018 fiscal year has seen a continuation in sales growth from Bisalloy’s traditional customers and an increase in demand for its BISALLOY Armour steel grades from defence sector customers. This growth is in line with forecasts and as such a corresponding increase in steel producing capacity was activated, which included additional resources and implementing operational improvements.

“The strong sales growth and to remain competitive against overseas suppliers, has required the company to build higher inventory levels including securing additional greenfeed supply, to meet the increased forecasted demand. This has resulted in a small increase in debt from \$9m to \$11m. The second half has begun strongly with seasonally high demand for Bisalloy’s specialty steel products. Domestic sales for BISALLOY® Wear grade steels are now at historically high levels.

Bisalloy invested in major plant upgrades and capital investments during the first half, which will allow Bisalloy to better serve key target markets.

The Group’s overseas distribution operations in Indonesia and Thailand continue to be profitable with Indonesia having high sales in the first half and now firmly established Bisalloy as the market leader. The Group’s Cooperative Joint Venture (CJV) for the production and sale of quench & tempered steel plate into China and select international markets continues to operate profitably, with sales exceeding budget targets.

Defence Market Outlook

Bisalloy has embarked on a strategy to significantly grow its sales of armour grade steels.

The Australian government has planned for over AUD\$150bn in defence spending over the coming 10 years. Bisalloy believes it is well placed to provide its Armour grade steel products to a number of the planned domestic project initiatives.

The largest project in the Australian defence sector is the building of 12 new submarines. Bisalloy is continuing to work with Naval Group on the Future Submarine Project.

Bisalloy has been accredited as the vendor for the long term supply of its high strength and high hardness armour grade steel to the Land 116 – Bushmaster Protected Mobility Vehicle program.

Bisalloy is continuing to invest in research and development projects in the defence sector having engaged with CSIRO to work jointly on key R&D projects.

General Outlook

With a focus on being a high value speciality steel supplier Bisalloy is actively broadening its market footprint actively pursuing new segments and product opportunities.

International sales are expected to grow following the distribution agreements in Dubai for both wear and protection grades for the UAE and North Africa. A new distributor agreement has recently been signed to develop armour and wear grade steels in South Africa. Bisalloy expects EBITDA for FY18 to be in line with the earnings guidance previously announced being in the range of \$8.0m and \$8.5m.

-ENDS-

Bisalloy is Australia's only manufacturer of high-strength structural, wear-resistant and armour steel plates using quenched and tempered steel. Bisplate is used in the mining, construction, general fabrication and defence sectors. Bisalloy has an extensive distribution network across Australasia, Indonesia, Thailand and the People's Republic of China. See our website at www.bisalloy.com.au.

For further information please contact:

Greg Albert
Managing Director/CEO
Phone: +61 2 4272 0402
Mobile: +61 407 487 051

Barry Morris
Chief Financial Officer & Company Secretary
Phone: +61 2 4272 0403
Mobile: +61 412 802 395