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

2023 AGM Presentations

In accordance with Listing Rules and the Corporations Act 2001 attached are the presentations to be given at today's Annual General Meeting of shareholders of Bisalloy Steel Group Limited.

Regards,



Carl Bowdler
Company Secretary
Bisalloy Steel Group Limited

Chairman and Managing Director's Presentation

Chairman's Address

We are pleased to welcome our shareholders to this year's AGM. As mentioned in the Annual Report, we have delivered a strong financial result and healthy dividend for our shareholders due to strong sales volume and revenue growth. Our Leadership Team and their colleagues continue to focus on safe and efficient manufacturing and logistics and delivering great value and service to our customers based on our offer of high-quality products at competitive prices. Clearly, this growth shows that we are making some excellent progress in our chosen markets all of which face intense competition.

We have also begun to rebuild our relationships with our Joint Venture partners in China after 3 years of not being able to travel to or from that country. Their willingness to re-engage is appreciated as is our mutual understanding of what needs to be improved in the joint venture. They hold our brand and our expertise in Q+T manufacture in very high esteem which continues to be the foundational elements for setting up the joint venture 11 years ago. The joint venture continues to be profitable despite the soft steel markets in China at the present time.

The success we have had in serving our markets is of course very pleasing. However, our business has had to deal with massive increases in electricity and gas prices and much higher costs of moving our Q+T plate to Perth from Unanderra because of the significant drop in supply of roll-on, roll-off shipping from Australia's east coast to its west coast. Unfortunately, one of the major drivers of this diminished capacity is the risk of industrial disruption at Fremantle port which makes ship owners reluctant to risk the demurrage costs associated with being caught up in these disputes.

Moving onto our international competitiveness. The current government's approach and insensitivity to international competitiveness is of major concern to Bisalloy. The spiralling electricity and gas costs we have and continue to incur because of the government's rush to transform our electricity from coal fired to renewables, and the industrial relations framework that has brought pattern bargaining back into the picture as evidenced by recent EBA negotiations, are but two examples. These two factors are widening the gap between what our major competitor pays for energy and labour in their mill in the United States and in Europe. We continue to engage with ministers and bureaucrats and the Australian Iron and Steel Association to explain the impact their policies have on the international competitiveness of businesses like ours and the regional employment decline that will ultimately result.

Our board and leadership team are focused on maintaining our competitiveness through diligent cost management and making sure we have a competitive value proposition for our customers. As indicated, we are acutely aware of externally imposed cost pressures and their potential impact on the business. Our strategic plan takes account of various scenarios that provide future options for the business including the possible outsourcing of some of our production from mills outside Australia that will meet the highest quality standards of the Bisalloy brand.

Looking ahead the headwinds that we have begun to experience in the second half of FY23 are expected to continue through FY24. Falling international steel plate prices coupled with the significant cost pressures and coastal shipping disruption described earlier will reduce our profit margins and supply chain predictability. Despite these headwinds, we remain optimistic to deliver another strong year.

Finally, we would like to thank our shareholders for their support and as such we are pleased to announce today a special dividend to be paid on the 30th of November 2023 of 10.5c per share, fully franked. This brings the total Dividends paid in relation to the financial year 2022/23 to 24c per share. This special dividend reflects the strong cash generation of the Group in the financial year, including from the China JV Dividend due to be received by Bisalloy in November.

Rowan will now talk about more specific business performance and how we are building a stronger and more sustainable business that has our customers at the centre, and strategic pragmatism as our compass.

Managing Director's Address

Thankyou, Mr Chairman, and again welcome to Bisalloy's 2023 Annual General Meeting – a strong year for your company.

The health and safety of all our employees, contractors and personnel is our number one priority, with an ambition of zero harm. I am happy to report that in FY22-23 our safety performance has been outstanding.

Across all our global operations we achieved a LTIFR of 0, a TRIFR of 0, a MIFR of 0 and an AIFR of 12.5. These figures are testament to all our employees at all our locations and their hard work and dedication to ensure everyone goes home safely every day. We now operate with consistent standards at our operations in Thailand and Indonesia and during the year we had the opportunity to visit, review and reinforce these standards.

From an environment performance perspective, your company operates well within the prescribed EPA guidelines and there is a suite of measures that are reviewed monthly to ensure our compliance to both external and our own strict standards. During the financial year we developed a plan to ensure the business is Carbon Neutral by 2030. The plan is a combination of improving efficiency, optimising productivity, and the purchase of Carbon offsets.

Our sales team remain focused on improving market share, and with a year on year improvement in sales volume, have been a driving force in delivering this year's results. During the year we grew our customer base and also improved customer interactions and our solutions oriented approach. We added some new personnel to the sales team and as a result the diversity of experience, knowledge and history have contributed to complement the existing team and deliver some very strong numbers.

From an Australian perspective our wear and structural steel solutions remain the base of our business, and with the introduction of some new products this year we see more growth opportunities. Our Armour products have a very wide and global market acceptance and represent the premium end of our product portfolio. We remain focused on improving the reach of our Armour products with more opportunities presently being developed.

Growth in product range, market share, and development in new markets is now at the forefront of our strategic thinking and we remain committed to leveraging and embedding 'Bisalloy' as the customer brand of choice.

Our operations were faced with significant 'headwinds' during the year. With the anticipated and significant increase in both electricity and gas prices the difficult decision was made to reduce the workshop workforce by approximately 20% at the beginning of the calendar year. This was achieved without causing a reduction in productivity. During the year we also changed our ERP system and integration with the manufacturing operating system and despite seeing an increase in sales tonnes year on year, some integration issues along with significant supply chain disruption in the year, limited the production of some product lines resulting in some lost sales opportunities during the year. These issues are being resolved and we are now seeing demonstratable improvements over the last 6 months in both systems and supply chain reliability. Our production facility is an extremely lean and efficient operation with cost management and plant productivity always at the forefront of our operations team's thinking.

All our Joint Ventures made a positive contribution to the business during the year. Indonesia increased in volume, delivering a particularly strong bottom line by also improving sales margins. Thailand also delivered a positive bottom line, but was lower than anticipated due to a reduction in project orders.

China despite the slow down in the overall Chinese economy continues to make a significant contribution to the Bisalloy business and with the removal of travel restrictions, we had the opportunity to visit all our global operations, re-establish relationships and re-engage around growth opportunities and targets.

As David mentioned, over the last 12 months we have placed a much greater focus on how we develop and deliver a stronger and more sustainable business.

From a 'shorter term' perspective, we have identified some real growth opportunities. These include, new markets, new customers, several new products, ideas and potential for more vertically integrated products, and potential for partnerships for greater global co-operation and reach.

We have also identified significant opportunities for our joint ventures/subsidiaries that could provide significant growth opportunities.

In Summary

- We have delivered a 'Zero Harm' workplace in terms of safety & environment over the last 12 months and a have plan to be Carbon Neutral by 2030.
- We have delivered strong financial results and performance, considering the significant increases in electricity, gas, domestic freight charges and one-off redundancy costs.
- We have rationalized our workforce by 20% to offset cost increases and provide ongoing cost savings.
- We have achieved significant sales orders from new customers, maintained our existing customer base, and thereby improved our market share.
- We have much clearer growth plans around new and alternate products and services for both Australia and our Joint Venture Partners.
- We have improved our focus on product development and R&D.
- We have had the opportunity to travel and re-engage with our Joint Venture Partners incorporating new standards and governance.

Looking forward, we are well positioned and have built a stronger foundation to continue to deliver strong results. Our primary markets remain solid, and we are now better positioned to deliver on our growth strategy and ambitions.

I would like to thank and acknowledge the work of the Board over the last 12 months and thank them for their active engagement and counsel. I would also like to thank and acknowledge all our Bisalloy personnel in Thailand, China, Indonesia and Australia for their ongoing efforts, support and contributions in delivering another strong year for the business and its shareholders.