

5 July 2018

ASX Market Update – FY18 Revenue

27% growth in revenue from core divisions;
14% growth in reportable revenue year on year.

Services & Products Divisions

LaserBond's core Services & Products Divisions are expected to report \$15.65 million revenue in FY18, after \$12.35 million reported for FY17. This represents a 27% growth in revenue from our Products and Services divisions. Our facilities in NSW and SA both report significant year on year growth (NSW: 27% and SA: 25%).

During the 2017 AGM and within the December 2017 half year report, LaserBond advised that FY18 would be a year of investment focusing on obtaining additional skills, capacity and capabilities to deliver planned growth. In the first half of the financial year reported profitability was impacted by temporary increases in cost of sale expenses from this investment. However, the second half of FY18 has provided the expected return to near historical gross profit percentages, providing a positive impact on profitability.

The business plans for FY19 target continued double digit revenue growth whilst retaining historical gross profit rates. There will be continued investment in resources as well as research and development to deliver future growth.

Technology Division

In FY17 LaserBond reported its first technology licensing sale and the intent to provide future revenue from this division.

During FY18 there will be no reportable revenue from the Technology Division which was as expected, however a number of opportunities have been developed during the year that are currently at various stages of discussion. We are planning to report our second technology sale during FY19, and to continue to grow this division.

LaserBond looks forward to providing more detail on performance and outlook within the 2018 Annual Report expected to be lodged in August.



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