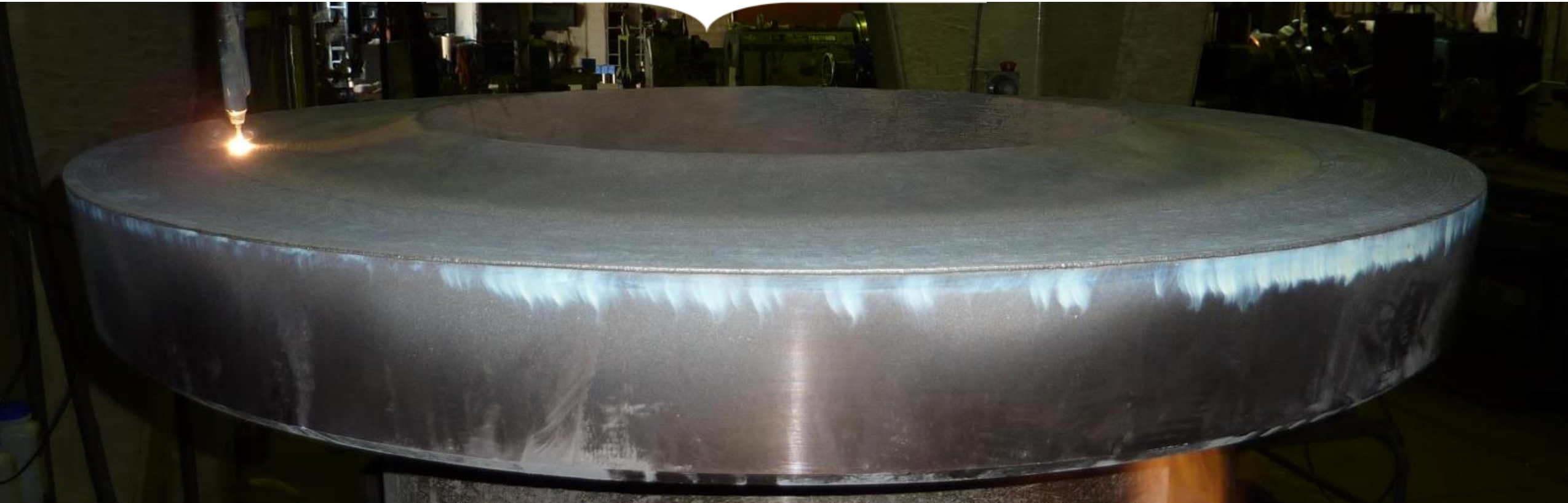




LASERBOND®



PRODUCTIVITY | INNOVATION | CONSERVATION



Investor Presentation - 11 October 2018
Finance News Network

ABOUT LASERBOND

Purpose

- In capital intensive industries equipment often operates under severe conditions
- Components are subject to wear, causing downtime, loss of productivity and high maintenance costs
- Wear is in many forms – abrasion, erosion, corrosion, fretting, galling
- LaserBond delivers reductions in operating costs and increases in productivity by extending the wear life of equipment
- LaserBond has a range of in-house developed advanced **surface engineering** processes



ABOUT LASERBOND

Surface Engineering

- All wear occurs at surfaces
- Surface Engineering involves modifying working surfaces to provide substantial improvement to wear life and performance
- LaserBond has a range of advanced surface engineering technologies, developed and/or optimised in-house
- Large range of materials providing different properties eg resistance to abrasion, erosion, heat, corrosion
- Materials and processes are engineered/ optimised for the maximum benefit of our customers



BENEFITS FOR CUSTOMERS

- LaserBond reclaims/remanufactures worn parts, delivering “better than new” performance (up to 10x)
- LaserBond manufactures new components utilising surface engineering to deliver superior wear performance and productivity gains (again up to 10x)
- Customers benefit from longer maintenance cycles, reduced down-time, higher efficiency of equipment, reduced inventory of spares, improved product quality, lower maintenance costs etc
- Positive environmental benefits from reducing scrap
- One ton of steel typically requires around 30MJ of energy to produce
- Reclamation of a 1 ton component may often be achieved with less than 1MJ



LASERBOND DIVISIONS

1. Services

- Repair, reclamation & performance enhancement of customer supplied components
- Customers include Original Equipment Manufacturers, End-users and their suppliers

2. Products

- Complete LaserBond designed and constructed equipment utilising our advanced surface engineering technologies for extended life
- New replacement parts for original equipment
- Represents tremendous opportunities for growth in domestic & international export markets



LASERBOND DIVISIONS

3. Technology

- Opportunities from global recognition of LaserBond's leadership in this field
- Tailored turn-key surface engineering systems utilising our 26 years of experience and knowledge of applications together with extensive experience in robotics & automation
- Ongoing license revenue stream from overseas customers

4. Research and Development

- LaserBond has gained and maintained its leadership through significant investment in R&D
- Lead partner in federal govt. supported Cooperative Research Centre Project for Wear Life Extension in Mining with Boart Longyear & University of South Australia
- Industry partner in Australian Research Council Training Centre in Surface Engineering for Advanced Materials (SEAM)



LASERBOND'S STRENGTHS

IP

- World class leaders in surface engineering technology for 26 years
- LaserBond® process developed by the company to address particular customer requirements
- Surface engineering equipment designed & built in-house
- Specialised laboratory facilities used to develop materials and applications, and entrench significant IP
- Patents pending on certain processes
- Growing international recognition of the technology and LaserBond's capabilities



LaserBond's in-house metallographic laboratory includes SEM

OUR CLIENTS



3 YEAR FINANCIAL PERFORMANCE

Full Year	FY2018 (\$,000)	% Growth	FY2017 (\$,000)	% Growth	FY2016 (\$,000)
Revenue	15,648	14%	13,751	31%	10,516
Services Division	10,040	39%	7,237	6%	6,843
Products Division	5,608	10.5%	5,076	38%	3,673
Technology Division	0		1,438	New Division	
EBITDA (before impairment)	2,505	2%	2,449	283%	640
EBITDA Margin	16.0%		17.8%		6.1%
NPAT (before impairment)	1,249	12%	1,113	1313%	79
NPAT Margin	8.0%		8.1%		0.8%
Earnings per Share (before impairment-cents)	1.34c	10%	1.22c	1257%	0.09c
Fully Franked Dividends (cents per share)	0.60c	20%	0.50c	25%	0.40c
Franking Credits Available (\$,000)	1,672		1,496		1,420
Financial Position (Total Equity)	7,775	10%	7,045	16%	6,091
Total Assets	12,627		10,627		8,617
Total Liabilities	4,852		3,582		2,526

FY2019 OUTLOOK

Strong growth continues

- Revenue for the first quarter (July-Sep) \$5.10m
- Up 44% on PCP (\$3.54m) (Services & Products Divisions)
- Technology Division sale to global engineering company completed but order not yet fulfilled - revenue recognition in second half
- Technology sales alone will add double digit revenue growth year on year



DELIVERY OF FUTURE GROWTH

Strengthening Domestic Markets & Reputation

- Growth from buoyant mining and minerals industries
- Growth in other industries based on growing recognition

Products Division Opportunities

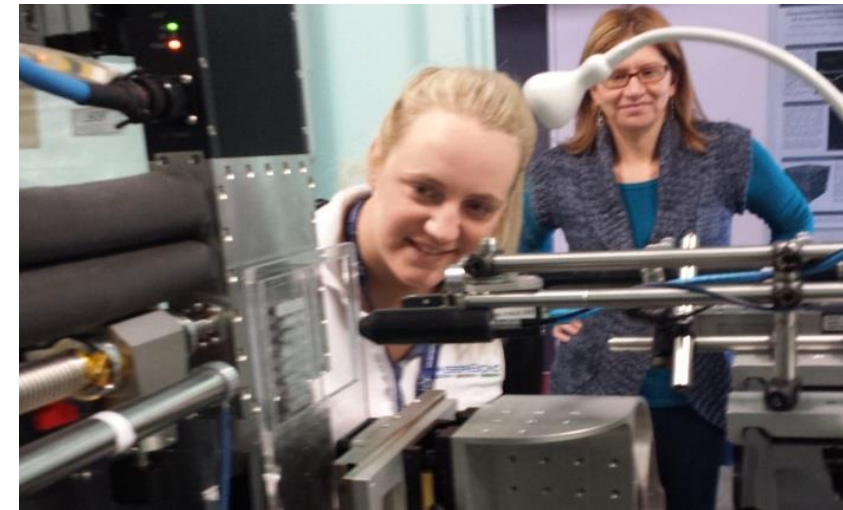
- Export of existing products leveraging domestic performance & success
- Ongoing development of new high performance products

Technology Division Opportunities

- 2nd technology licensed equipment to be commissioned early 2019
- Strong international interest for technology licensing

Continuing R&D Investment for the Future

- Ongoing collaborations with University of SA/Future Industry Institute
- Industry Partner to SEAM Training Centre
- Development with global OEM partners



FOUR YEAR STRATEGIC PLAN

Target \$40 million Revenue within Four Years

Organisational Structure

- providing successful management team, scaled for growth

Capacity & Capabilities

- Improved shop floor shift structure increasing capacity
- Process optimisation to increase uptime and effectiveness
- Focus on ongoing skill and capability increase

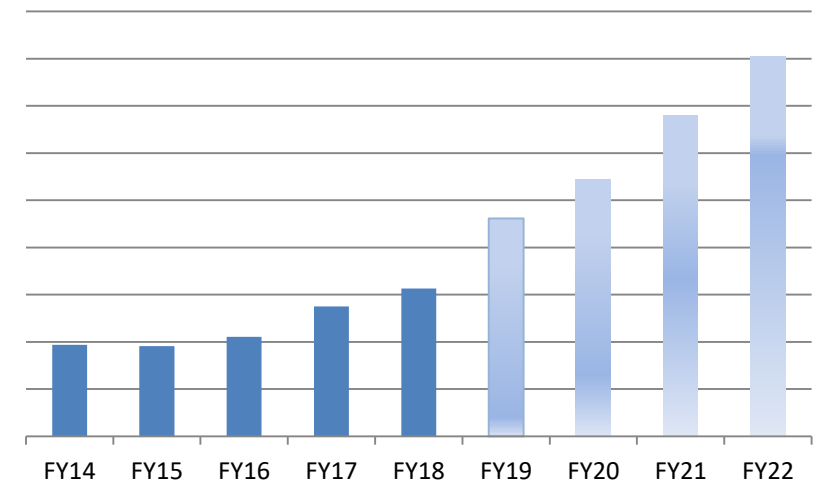
Organic Growth

- International business development in Technology & Product divisions
- Organic growth continuing for existing operations

Investment

- Continuing in resources (human and equipment)
- Expansion through acquisitions or “greenfield” sites.

Revenue



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