



LASERBOND[®]



PRODUCTIVITY | INNOVATION | CONSERVATION



Investor Presentation – 8 May 2019
Finance News Network

LASERBOND

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. Requires tailored solutions
- LaserBond delivers reductions in operating costs and increases in productivity by extending the wear life of equipment through advanced *surface engineering*



ABOUT LASERBOND

Surface Engineering

- All wear occurs at surfaces
- 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

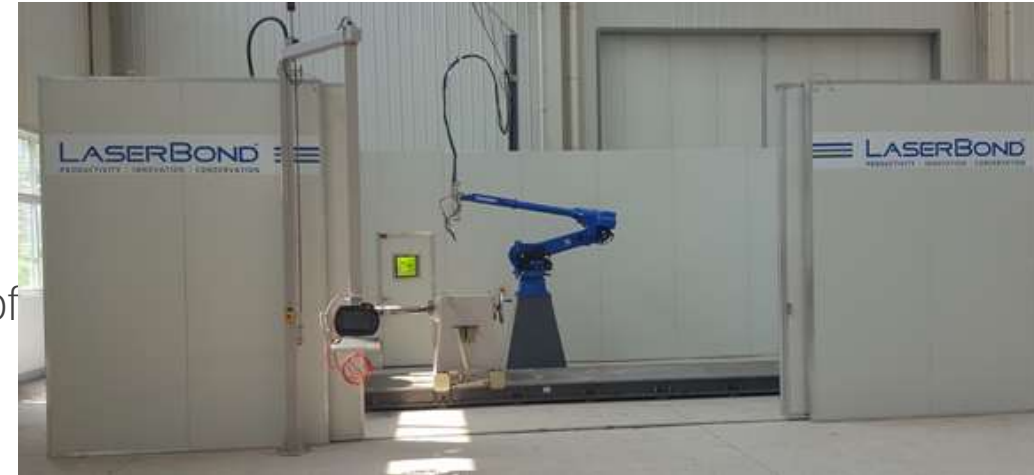
- Complete LaserBond designed and constructed equipment utilising our advanced surface engineering technologies for extended life
- New replacement parts for original equipment
- Represents tremendous opportunities for growth in domestic & international export markets



LASERBOND DIVISIONS

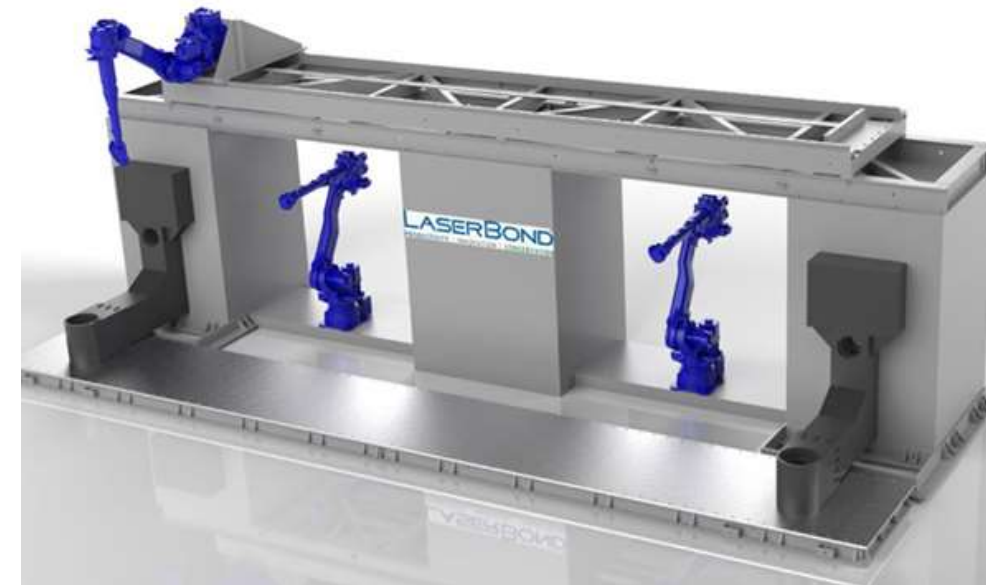
3. Technology

- 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

SOME OF OUR CLIENTS



RioTinto



CATERPILLAR®

WesTrac



MOLYCOP

SANDVIK

Schlumberger

VISY

FLSMIDTH



LIEBHERR



LASERBOND®

3 YEAR FINANCIAL PERFORMANCE

Full Year	Forecast FY2019 (\$,000)	Forecast Growth	FY2018 (\$,000)	% Growth	FY2017 (\$,000)
Revenue	21,600 – 22,200	38% - 42%	15,648	13.8%	13,751
EBITDA	4,300 – 4,600	95% - 109%	2,223*	-9.2%*	2,449
EBITDA Margin	20%		14.2%		17.8%
Net Profit before Tax	3,200 – 3,500	128% - 150%	1,402*	-7.2%*	1,511
NPBT Margin	15%		9.0%		11.0%
Net Profit after Tax	2,320 – 2,540	140% - 162%	968*	-13.0%*	1,113
NPAT Margin	11%		6.2%		8.1%
Earnings per Share (cents)	2.45c – 2.69c	136% - 160%	1.04c*	-14.8%*	1.22c
Fully Franked Dividends (cents per share)	To be decided (0.5c interim already paid)		0.60c	20%	0.50c

* Reported profits for FY2018 were affected by an impairment of stock

DELIVERY OF FUTURE GROWTH

Strengthening Domestic Markets & Reputation

- Growth from buoyant mining and minerals industries
- Growth in other industries based on growing recognition
- Increasing capacity to satisfy customer demands

Products Division Opportunities

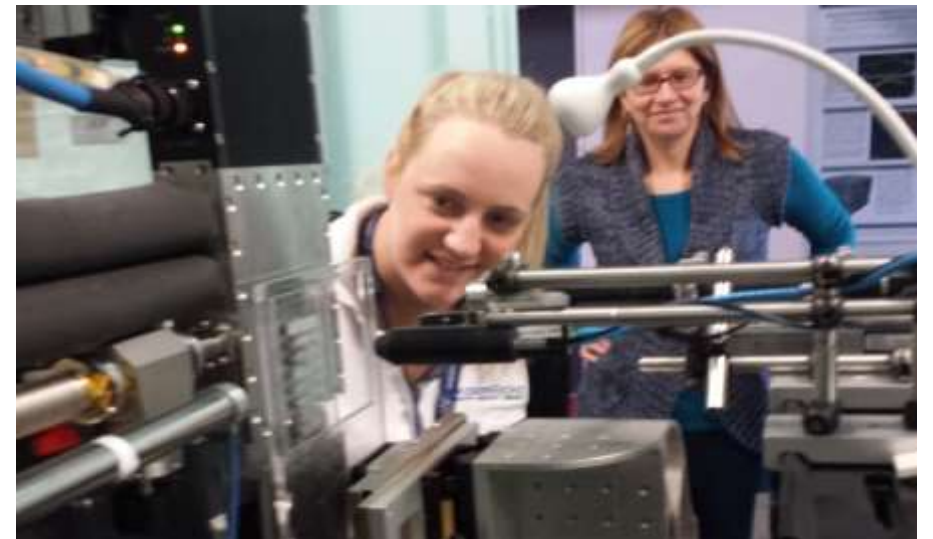
- Export leveraging domestic performance & success
- Ongoing development of new high performance products

Technology Division Opportunities

- **UK licensee's equipment commissioned in June**
- Strong further international interest for technology licensing

Continuing R&D Investment for the Future

- Ongoing collaborations with University of SA/Future Industry Institute & 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

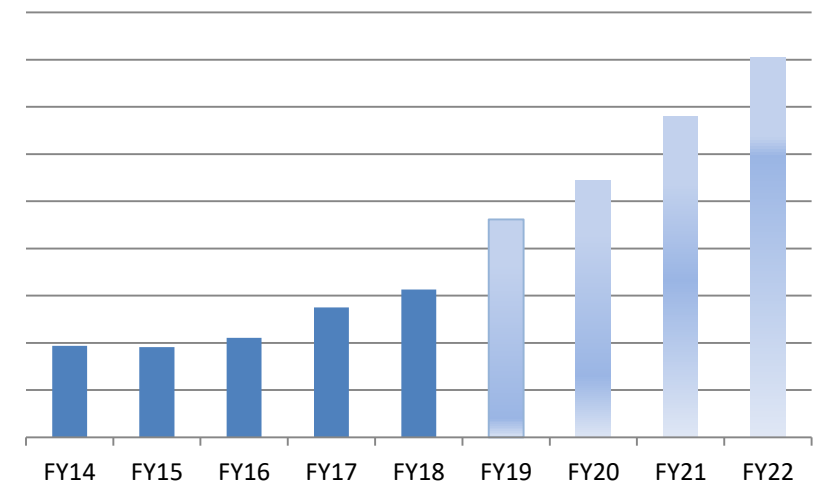
Organic Growth

- 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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