



LASER BOND[®]



PRODUCTIVITY | INNOVATION | CONSERVATION



Broker Presentation – 19 September 2019

ABOUT LASERBOND

Purpose

- Capital intensive industries have equipment that often operates under severe conditions.
- Wearing components cause down-time (lost production), loss of productivity and high maintenance costs.
- LaserBond delivers reduced operating costs and increased productivity
- How? We extend the wear life of components 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 to deliver maximum benefit.



BENEFITS FOR CUSTOMERS

- Reclamation of worn parts, often delivering “better than new” performance (up to 10x). Reduced costs of replacement.
- Manufacture of 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 and increasing production efficiency



REMANUFACTURE – DRAGLINE SLEW SHAFTS

Challenge:

- Dragline slewing requires high power though multiple shafts
- Spline wear causes excessive movement & fatigue
- Cyclic loading cause fatigue cracks in toes of splines
- Material is high carbon – unweldable. Not repairable by other means
- Long lead time & expense for new shafts

Solution: Remanufacture with LaserBond®

- Machine, remove cracks
- LaserBond clad splines & repair cracks
- Re-machine splines to size
- Delivers high cost savings to mine



Splines after LaserBond® reclamation before final machining



LONG LIFE SLURRY PUMP COMPONENTS

Challenge: Erosion & corrosion of components

- Aggressive corrosive and abrasive slurries
- Frequent plant shutdowns

Solution: Redesign with advanced materials/surfaces

- New components designed by LaserBond®
- Cladding tailored to operating environment
- Specialised component manufactured for OEM's

Benefits: Longer life of total pump package

- 4 times wear life of components
- Eliminate mid maintenance cycle shutdowns
- Higher pump efficiency for longer
- Lower total cost of ownership



Redesigned pump inlet wear rings



Redesigned Pump Shaft Sleeves

LASERBOND'S STRENGTHS

IP

- World class leaders in surface engineering technology for 27 years. Deep knowledge and experience.
- LaserBond® process developed 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



3 YEAR FINANCIAL PERFORMANCE

Full Year	FY2019 (\$,000)	% Growth	FY2018 (\$,000)	% Growth	FY2017 (\$,000)
Revenue	22,667	44.9%	15,648	13.8%	13,751
EBITDA	4,904	120.6%	2,223*	-9.2%*	2,449
EBITDA Margin	21.6%		14.2%		17.8%
Net Profit before Tax	3,835	173.5%	1,402*	-7.2%*	1,511
NPBT Margin	16.9%		9.0%		11.0%
Net Profit after Tax	2,809	190.3%	968*	-13.0%*	1,113
NPAT Margin	12.4%		6.2%		8.1%
Earnings per Share (cents)	2.97c	185.8%	1.04c*	-14.8%*	1.22c
Fully Franked Dividends (cents per share)	1.0c	66.7%	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 capital intensive industries
- We have increased capacity to satisfy customer demands

Products Division Opportunities

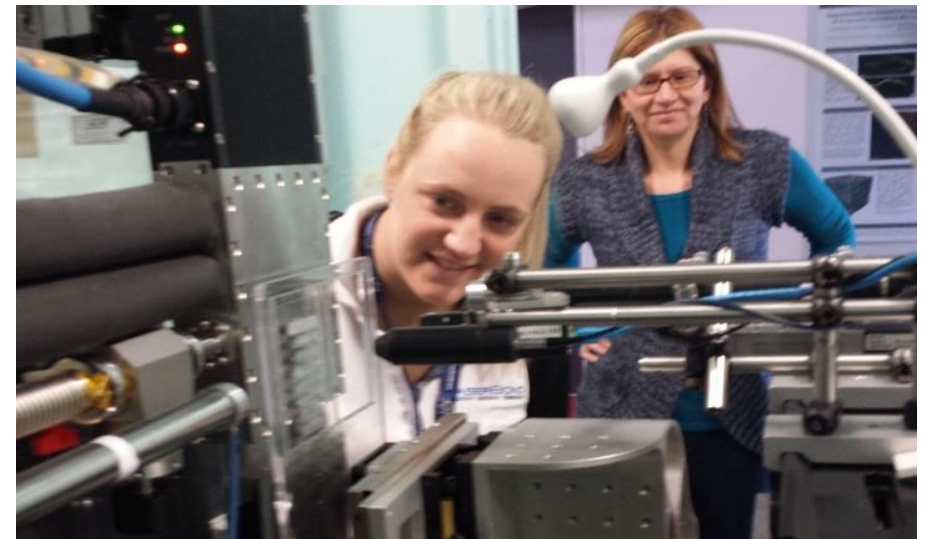
- Export leveraging domestic performance & success
- Ongoing development of new high performance products

Technology Division Opportunities

- Recognition of LaserBond's technology is growing
- 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 together with our own internal R&D
- Development with global OEM partners



STRATEGIC PLAN

Target \$40 million Revenue within Three Years

Capacity & Capabilities

- Improved shop floor shift structure increasing capacity
- Focus on recruitment & training to increase capabilities
- Process optimisation to increase productivity & reduce costs

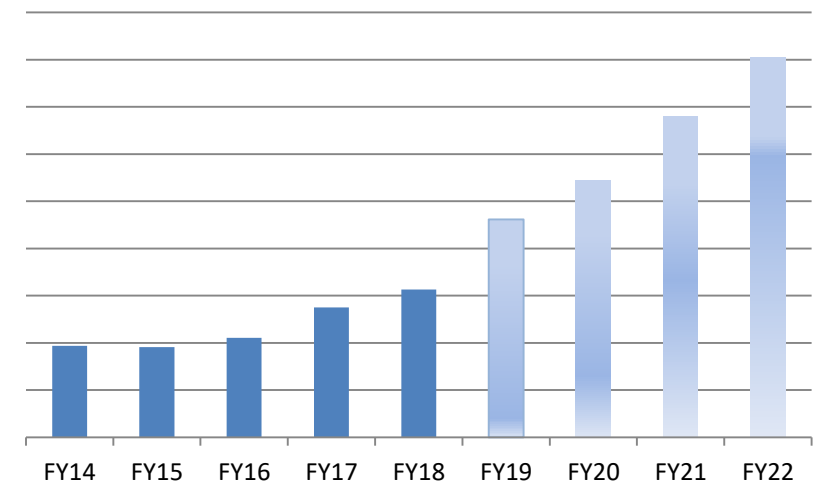
Organic Growth

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

Investment

- Continuing in resources (human and equipment)
- Geographic expansion through bolt-on technology to acquisitions or greenfield sites.

Revenue



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