



LASERBOND®



PRODUCTIVITY | INNOVATION | CONSERVATION



Annual General Meeting – 11 October 2019
Director's Presentation

FY19 FINANCIAL HIGHLIGHTS

Financial Highlights

- Revenue up 45% to \$22.67m
- Services Division revenue up 11%
- Products Division revenue up 63%
- Technology Division delivered second sale
- NPAT up 190% to \$2.81m
- EPS up 186% to 2.972 cents
- Strong Balance Sheet; Net Assets up 29%
- Dividends increased 67% to 1.0 cents fully franked
- Share Price up 230% since 2018 AGM



3 YEAR FINANCIAL PERFORMANCE

Full Year	FY2019 (\$,000)	% Growth	FY2018 (\$,000)	% Growth	FY2017 (\$,000)
Revenue	22,667	45%	15,648	14%	13,751
Services Division	11,175	11%	10,040	39%	7,237
Products Division	9,132	63%	5,608	10.5%	5,076
Technology Division	2,360		0		1,438
EBITDA	4,904	121%	2,223*	(10%)*	2,449
EBITDA Margin	21.6%		14.2%		17.8%
NPAT	2,809	190%	968*	(13%)*	1,113
NPAT Margin	12.4%*		6.2%		8.1%
Earnings per Share	2.97c	186%	1.04c*	(15%)*	1.22c
Fully Franked Dividends (cents per share)	1.00c	67%	0.60c	20%	0.50c
Franking Credits Available (\$,000)	2,253		1,672		1,496
Financial Position (Total Equity)	10,060	29%	7,775	10%	7,045
Total Assets	16,401		12,627		10,627
Total Liabilities	6,341		4,852		3,582

* Reported profits for FY2018 were affected by a \$281,624 impairment of stock.

INCREASING OUR CAPABILITIES

Investment in Equipment

- Two significant investments in FY19:
 - Automated dual station high power laser cladding system in SA, dramatically increasing capacity and improving productivity
 - Additional large capacity CNC Horizontal Borer in NSW, increasing capacity and reducing lead times for customers
- Continuing appropriate and measured investment in FY20 for increased capacity, capability and improved productivity to deliver planned future growth
- New equipment continues to be financed from cash flow and equipment finance facilities (secured by the equipment itself)
- Equipment remains productive long after finance is paid out
- Interest bearing debt to equity is low (0.28 at 30/6/19)



Newly commissioned CNC Horizontal Borer, doubling capacity

INVESTING IN OUR PEOPLE

Ongoing Investment in Personnel & Training

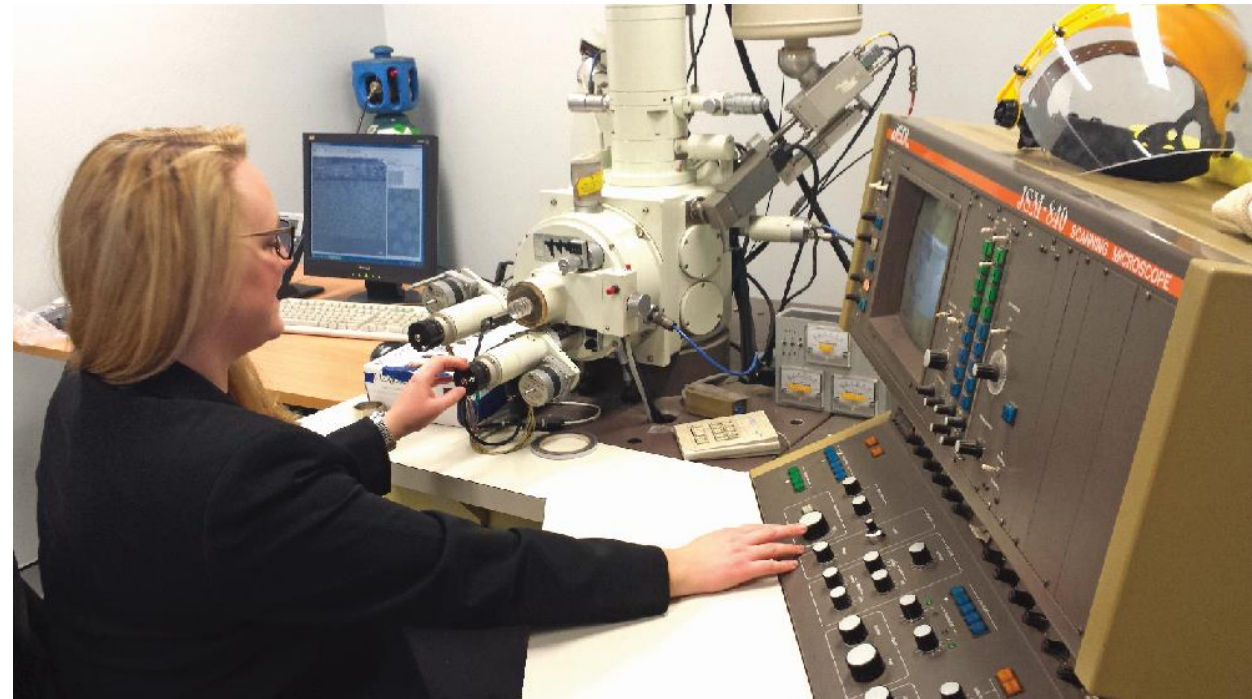
- LaserBond requires staff with STEM skills (Science, Technology, Engineering & Maths)
- Continue to recruit & train apprentices, tradespeople and graduate engineers to provide required skills
- Growing afternoon shift in NSW, one third increase on shop floor in SA, increasing capacity to deliver growth
- Employed six tradespeople through skilled visa programs during FY19
- Investment in personnel & training to continue to increase capabilities and deliver planned growth



CONTINUING RESEARCH & DEVELOPMENT

Investment in Research & Development

- Investment in R&D continues to allow development of new applications and improve performance & productivity
- Steel mill rolls (and many other applications) have come from ongoing internal R&D efforts
- Internal R&D on specific promising projects continue and these will deliver strong growth. These include cost effective hard chrome plating replacement with a large market
- Ongoing application development with OEM partners
- New ARC funded Surface Engineering of Advanced Materials (SEAM) project has launched. This will deliver additional R&D resources in collaboration with Uni SA & Swinburne, and additional development projects



DIVISIONAL OPPORTUNITIES WILL DELIVER GROWTH

Services Division

- Growth from buoyant industries and growing recognition of benefits delivered
- Success in increasing capacity and reducing delivery times has provided increased growth opportunities.
- Expansion through bolt-on technology to acquisitions and/or greenfield

Products Division

- Export of existing products leveraging domestic performance & success
- Initial sales of Steel Mill Roll products to the US in FY19, with repeat orders received
- Ongoing development of new high performance products

Technology Division

- Delivery of second technology license in FY19 will deliver license revenue for 7 years
- Strong international interest for technology licensing and we are developing several opportunities



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FY2020 OUTLOOK

LaserBond is committed to delivering continued growth and strong shareholder returns with a medium to long term focus. This will require continued modest investment in equipment, personnel and product development

The strong growth continues:

- Revenue for the first quarter (July-Sep) was \$6.05m
- Up 18% on PCP (\$5.12m) (Services & Products Divisions)
- Targeting double digit % revenue growth year on year
- Technology Division leads progressing



Mining and Tunnelling Equipment benefits from LaserBond's Technology

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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

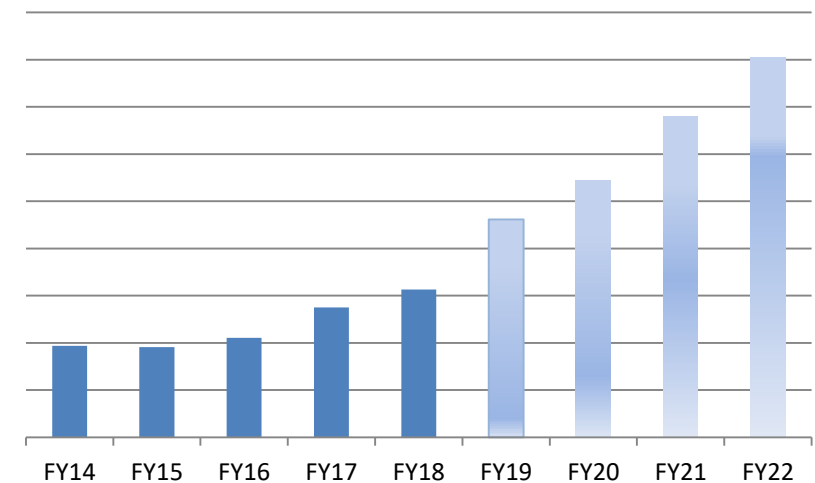
Organic Growth

- 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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