



LASERBOND[®]



PRODUCTIVITY | INNOVATION | CONSERVATION



LaserBond Limited

Investor Presentation

March 2021

ASX: LBL

WHY LASERBOND?

Strong, Profitable, Growing Business

- LaserBond has specialised technology that is in demand across a range of different industries globally.
- Consistently delivering growth in profits and shareholder returns.
- Demonstrated history of rewarding investors via fully franked dividends (whilst balancing the needs for growth funding)
- Continued low debt with strong cash flow
- Strong growth per calendar year:
 - 3 Year Compound Annual Growth Rate (CAGR) of Revenue (CY17- CY20): 15.4% p.a.
 - 3 Year CAGR of Net Profit After Tax (CY17-CY20): 30.0% p.a.
- Recent acquisition funded by internal reserves allows accelerated growth in FY21
- LaserBond is well positioned to grow both organically and via acquisition.

ABOUT LASERBOND

Purpose

- Capital intensive industries often have equipment that 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 for many industries by extending the wear life of components through advanced **surface engineering**
- ***Assist industries in reducing their carbon footprint.***



ABOUT LASERBOND

Surface Engineering

- All wear occurs at surfaces
- LaserBond can modify and improve 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 through extensive and ongoing R&D
- Large range of materials providing different properties eg resistance to abrasion, erosion, heat, corrosion
- Materials and processes are engineered/ optimized in house to deliver maximum benefit.



BENEFITS

Services Division reclaims worn parts, usually delivering “better than new” wear life performance (up to 10x) with reduced costs of replacement, and shorter lead times.

Products Division manufactures new replacement components utilising surface engineering to deliver superior wear performance and productivity gains (again up to 10x). Products are exported globally directly by LaserBond and by our OEM customers.

Customers benefit from longer maintenance cycles, reduced down-time, higher efficiency of equipment, reduced inventory of spares, improved product quality, lower maintenance costs, lower supply chain risks etc.

Reduced frequency of maintenance delivers significant WHS benefits

Customers & society benefit from the reduced scrapping of worn-out components and improved efficiency of operation of equipment, delivering reductions in energy usage and waste.

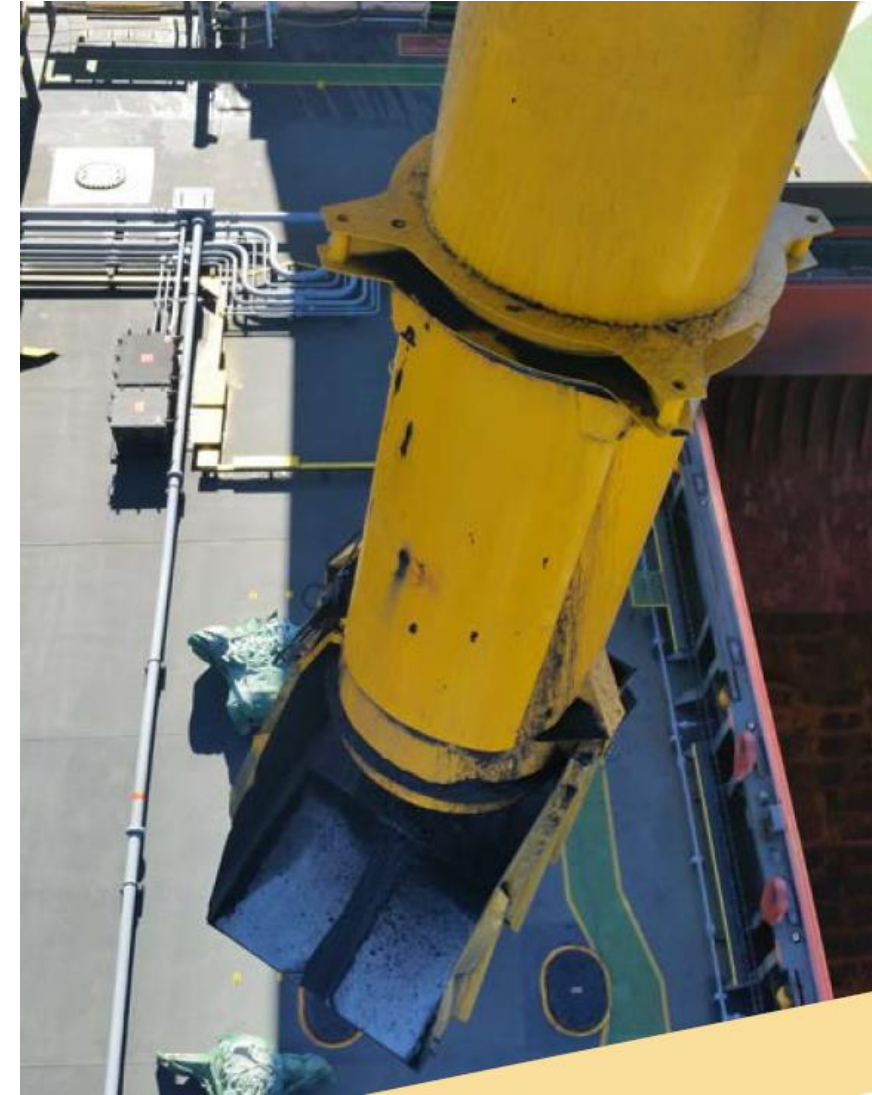
OEM customers are able to differentiate their product & service offering and achieve market share growth by delivering all these benefits to their customers.



SOME OF OUR CLIENTS



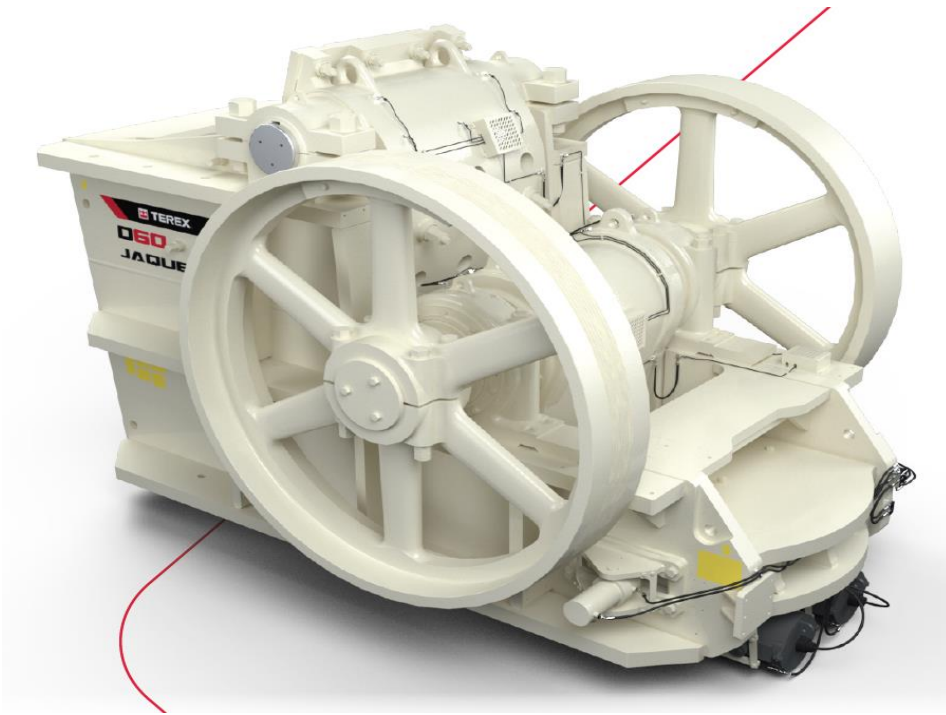
Case Study – Bulk Ship Loader Spoon Chute Wear Plates



- ❑ 360° rotating spoon chutes allow even distribution and rapid loading of bulk carriers
- ❑ **Challenge:** Impact and abrasion lead to premature wear on conventional wear plates requiring significant downtime, crange and labour for frequent replacement.
- ❑ **Solution:** LaserBond® clad wear plates allow tripling the life of the spoon chutes and typically savings of hundreds of thousands p.a. for the ports

Case Study – Jaw Crusher Eccentric Shafts

- ❑ Jaw crushers are used in the size reduction of ore in many processing and refining operations.
- ❑ **Challenge:** Eccentric rotating shafts with large flywheels are used to drive plates to impact and crush the ore. The high loads on these shafts leads to wear and reduction in throughput and quality. Typically the eccentric shafts have been scrapped and replaced at high cost with long lead times.
- ❑ **Solution:** LaserBond® remanufactured shafts have improved wear resistance over the OEM product and allow rapid return to service at lower cost. Eliminating the need to scrap the shafts delivers improved environmental outcomes.

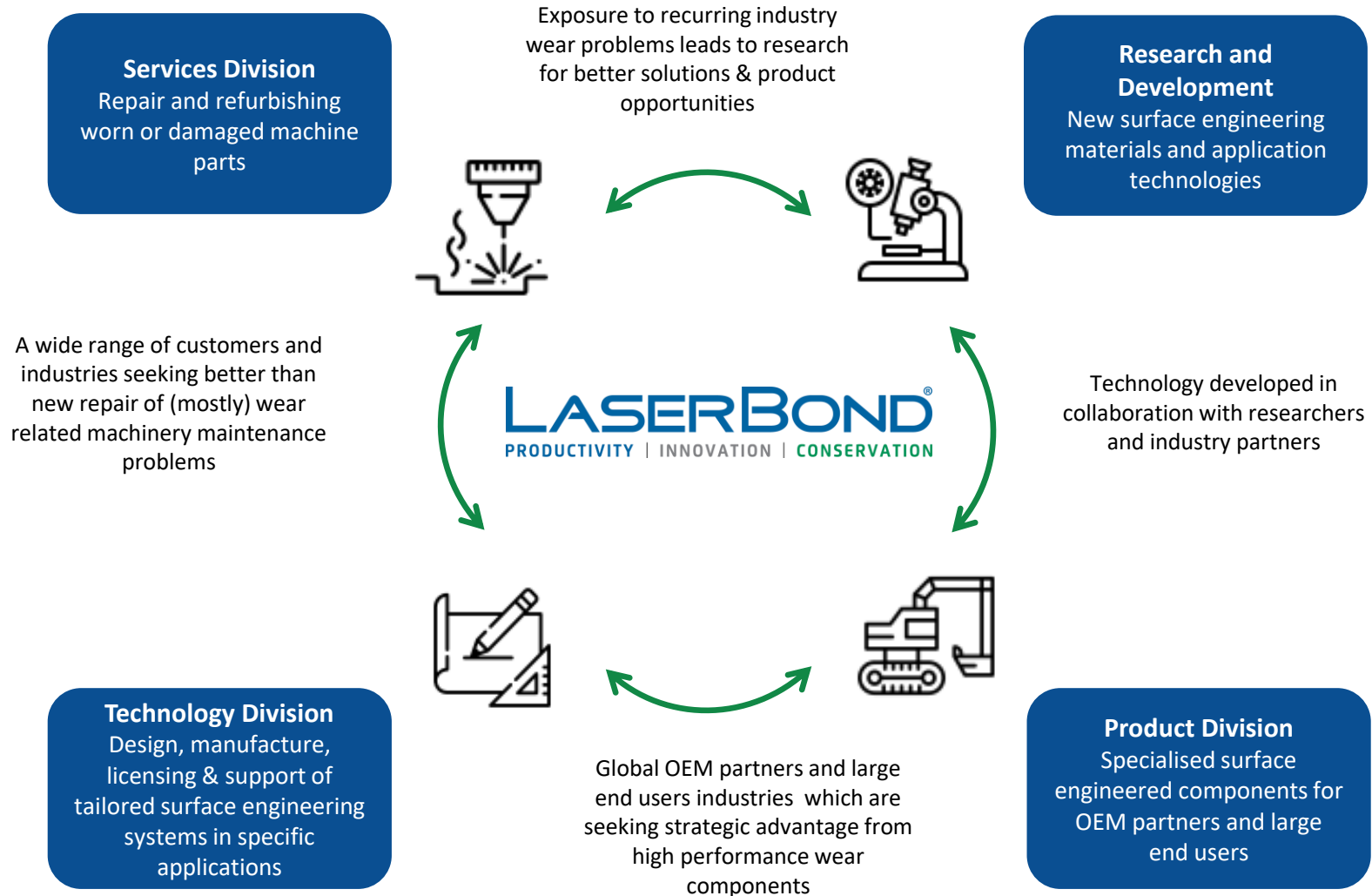


Case Study – MicroClad™ Decanter Centrifuge Discharge Liners

- ❑ Many minerals processing operations require solid-liquid separation equipment. Decanter centrifuges provide high processing capacity and allow the removal and reuse of water and other fluids.
- ❑ **Challenge:** High velocity discharge of the dried solids results in abrasion of critical components and down-time whilst they are replaced. Thermal spray coatings used by the OEM do not provide sufficient life.
- ❑ **Solution:** LaserBond manufactured MicroClad™ liner plates dramatically extend the life of these components and allow end-users to maximise productivity of this essential dewatering equipment.

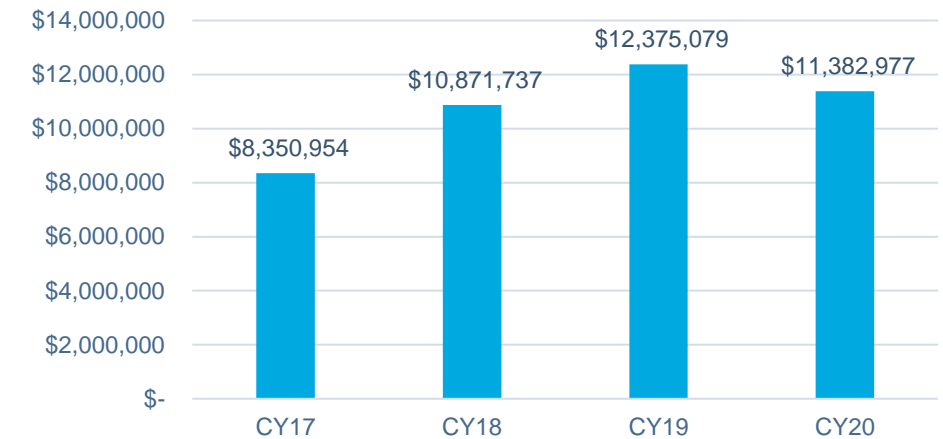


WHAT WE DO

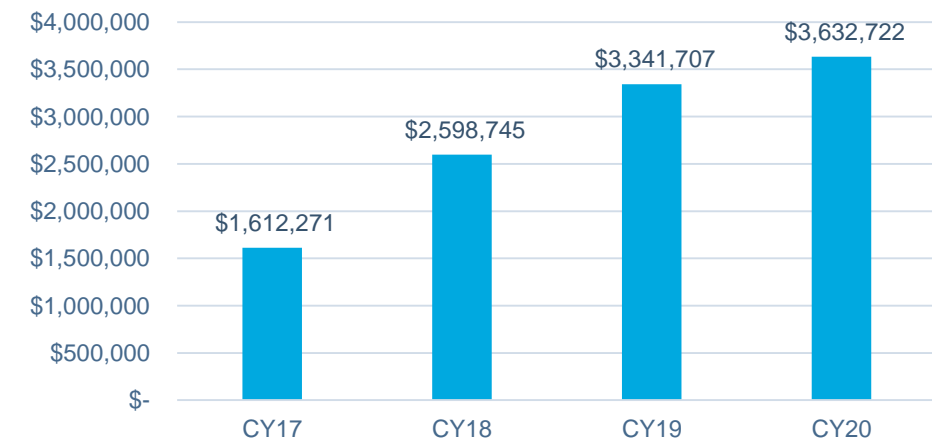


- 2020 calendar year revenue impacted by delayed maintenance activities, interstate travel restrictions and customers' reluctance to receive site visitors.
- 10.9% compound annual growth rate from 2017 calendar year to 2020 calendar year
- Long-term facilities in New South Wales and South Australia, with expansion in August 2020 to Victoria.
- Early indicators for CY2021 showing growth in demand for services.
- Indicators such as increased commodity prices including iron ore, coal and steel, as well as strong export volumes support continued growth for division.
- Plans in place for continued expansion of services division through facilities domestically, currently assessing opportunities in Western Australia and Queensland.

Services Division Revenue (by Calendar Year)

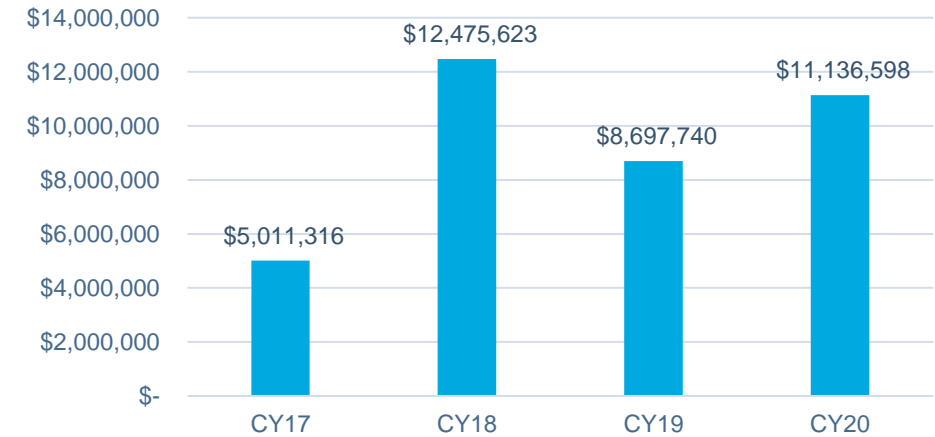


Services Division EBITDA (by Calendar Year)

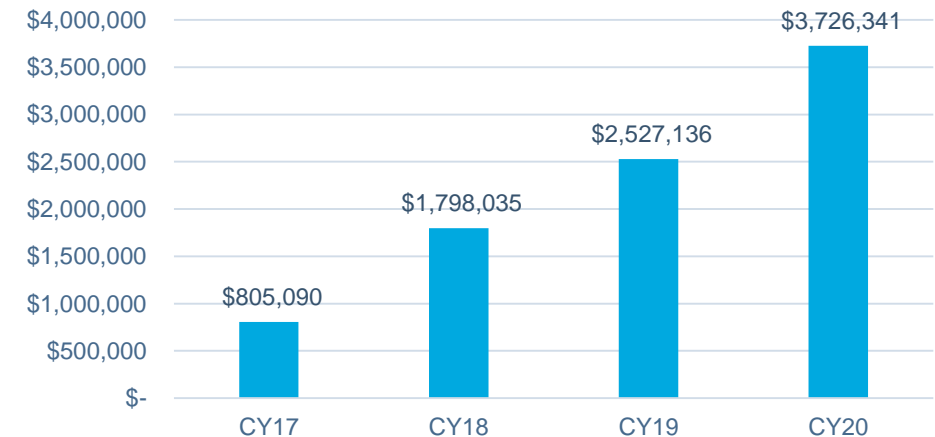


- 30.5% compound annual growth rate from 2017 calendar year to 2020 calendar year
- Strong growth in CY2020 from both increases in demand and an upgrade to a customer's specifications.
- Further growth from products being commercialised or under development
- Those in the process of commercialisation include steel mill rolls , rotary feeders, and a range of both products and servers incorporating LaserBond® E-Clad™ and Nano-Clad™ applications.
- International travel restrictions delayed some product commercialisation plans.
- Seeking sales and distribution arrangements in the US and other countries.

Products Division Revenue (by Calendar Year)



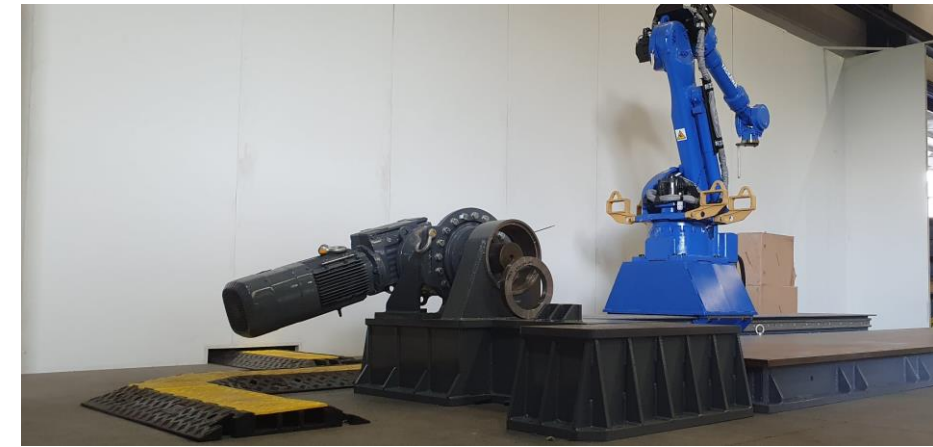
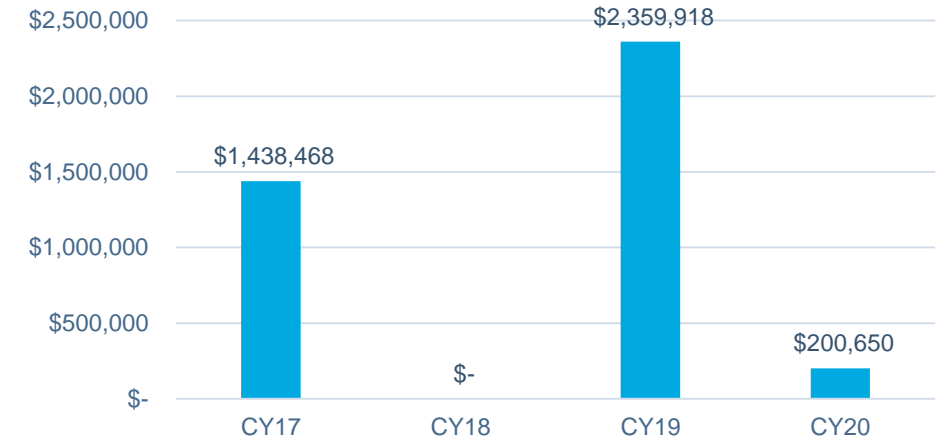
Products Division EBITDA (by Calendar Year)



Technology Division

- UK licensee is an OEM which has been constrained by global impact of COVID, however progressing with field testing of applications with their internationally distributed products. Increasing license fees and consumables revenue expected.
- LaserBond® technology solution has been developed for North American OEM, with license terms negotiated and agreed. Results of initial testing of LaserBond solution were excellent, with final proof testing with their process underway. Subject to these results, we have confidence in this proceeding.
- Negotiation and demonstration of a number of new licensing opportunities are under way but have been somewhat hampered by global travel restrictions.
- E-Clad™ application as alternative to the environmental and health hazards of global hard-chrome applications opened up opportunities throughout Australia and internationally.
- LaserBond has invested in major components of license equipment in advance of closing sales.
- Actively working on all opportunities with the aim to deliver the sale on one cell under license this financial year, and several per year forward.

Technology Division Revenue (by Calendar Year)

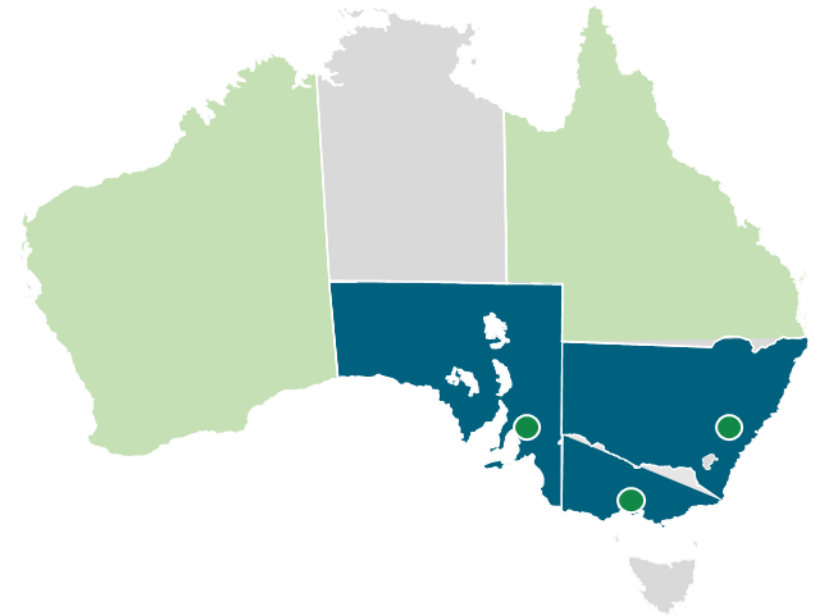


FINANCIAL PERFORMANCE (BY CALENDAR YEAR)

Full Year	3 Year CAGR	CY2020 (\$,000)	CY2019 (\$,000)	CY2018 (\$,000)	CY2017 (\$,000)
Revenue	15.4%	22,720	23,433	23,347	14,801
Services	10.9%	11,383	12,375	10,872	8,351
Products	30.5%	11,137	8,698	12,476	5,011
Technology		201	2,360	-	1,438
EBITDA	44.9%	6,539	5,546	3,715	2,150
EBITDA Margin		28.8%	23.7%	15.9%	14.5%
Net Profit before Tax	30.0%	3,888	3,802	2,527	1,769
NPBT Margin		17.1%	16.2%	10.8%	12.0%
Fully Franked Dividends (cents per share)	33.9%	1.2c	1.0c	0.9c	0.5c

Growth Strategy

- ❑ LaserBond is the largest surface engineering business in Australia, benefitting from significant economies of scale
- ❑ Remain committed to achieve \$40 million revenue by FY22
- ❑ It now has three major operations – Smeaton Grange, Sydney (HQ), Cavan, Adelaide and Altona, Melbourne.
- ❑ Reassessed business strategy to FY25 with key tenets including:
 - Expansion plans for Services Division with acquisitions to provide broader Australian footprint.
 - Growth for Products Division through increased international marketing with likely warehousing, distribution and possibly manufacturing offshore.
 - Growth for Technology Division through licensing of the new E-Clad™ technology and other proprietary technologies.
 - Continued investment in appropriate resources, both equipment and human, to expand capacity and capability to support growth.
 - Continued commitment to research and development to identify opportunities for future market solutions that are ahead of the competition.



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