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# LaserBond (ASX:LBL) FY25 Results Presentation

22 August 2025

Increasing the performance and wear life of  
capital-intensive machinery components.



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# Business Overview

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# Australia's Leading Surface Engineering Company

## What We Do

Surface engineering is the manufacturing, repairing, reclaiming and enhancing the performance of high-wear, critical metal components.

## Key Benefits

- Extending the life of heavy machinery components
- Greater productivity with fewer maintenance shutdowns
- Significantly lower costs than purchasing new components
- Lower probability of unplanned maintenance events

## LaserBond's Technology Leadership

### ► Laser cladding:

Metallurgical bonding with precise heat control and superior surface consistency

### ► Bespoke solutions:

Technical product team develops customized solutions for specific wear challenges

### ► Full-service portfolio:

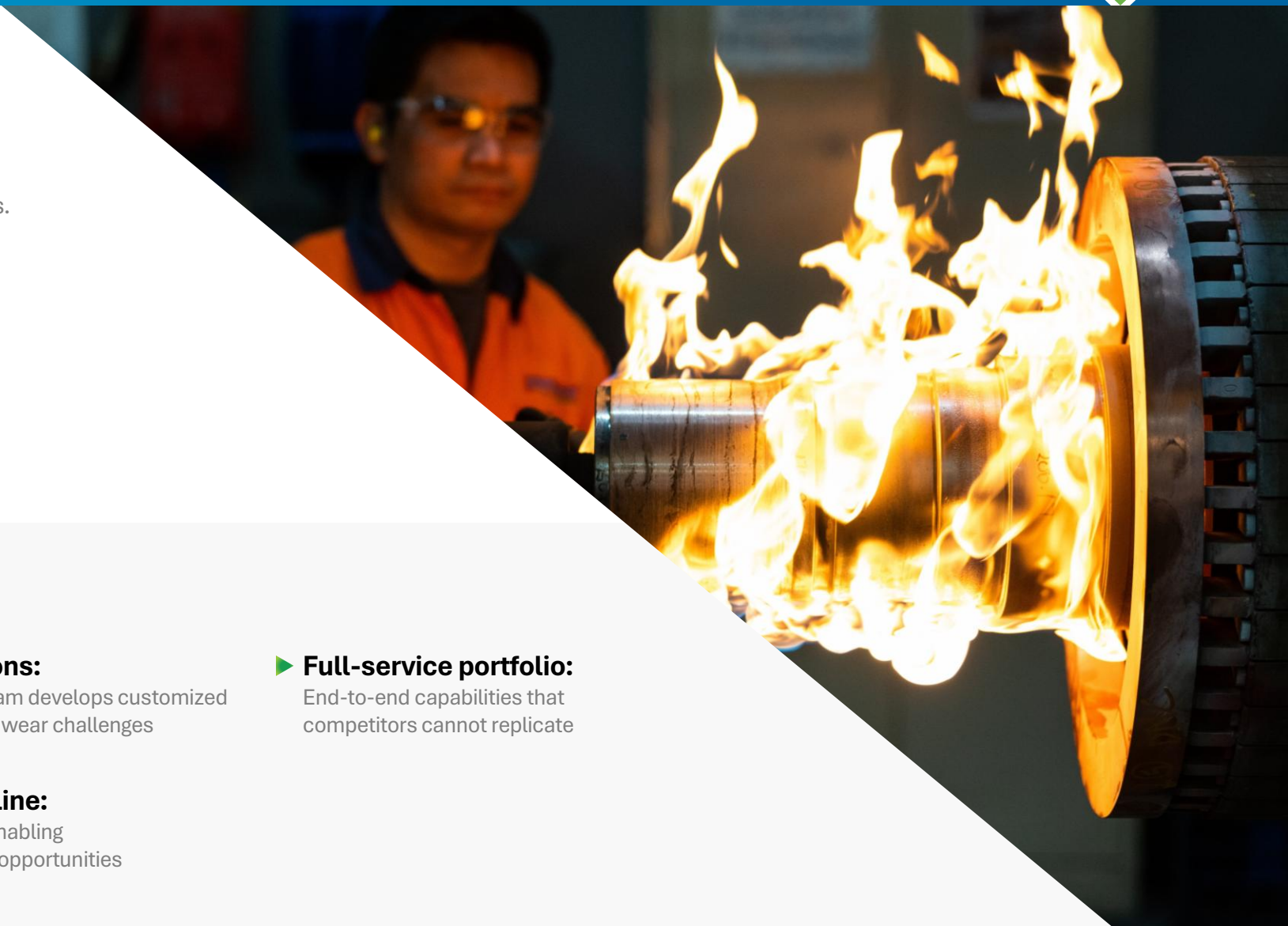
End-to-end capabilities that competitors cannot replicate

### ► OEM partnerships:

Global OEMs seek LaserBond's technology for results unavailable elsewhere

### ► Innovation pipeline:

Modular laser cells enabling technology licensing opportunities





## Business Segments



### Services

Provides a range of surface engineering techniques for reclamation and re-engineering of high wear metal components.



### Products

Manufactures and sells an exclusive range of surface engineering products, embedded with LaserBond's patented technologies, extending wear life.



### Technology

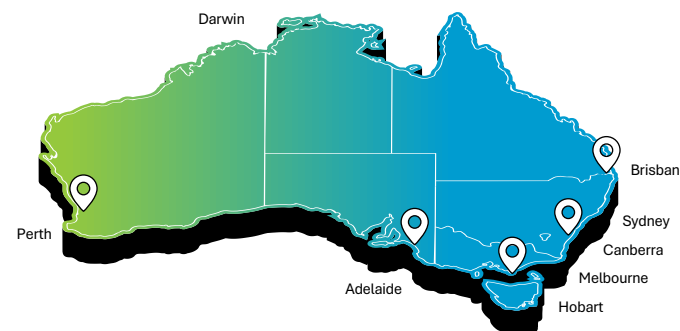
Offers LaserBond® cladding technology for customer use under long-tail licensing agreements that cover equipment supply, technology usage, and the supply of associated consumables.



### R&D

Conducts ongoing research into advanced materials, surface engineering processes, and application techniques to drive innovation and maintain a competitive edge.

### LaserBond Facilities



### Gateway (40% owned)

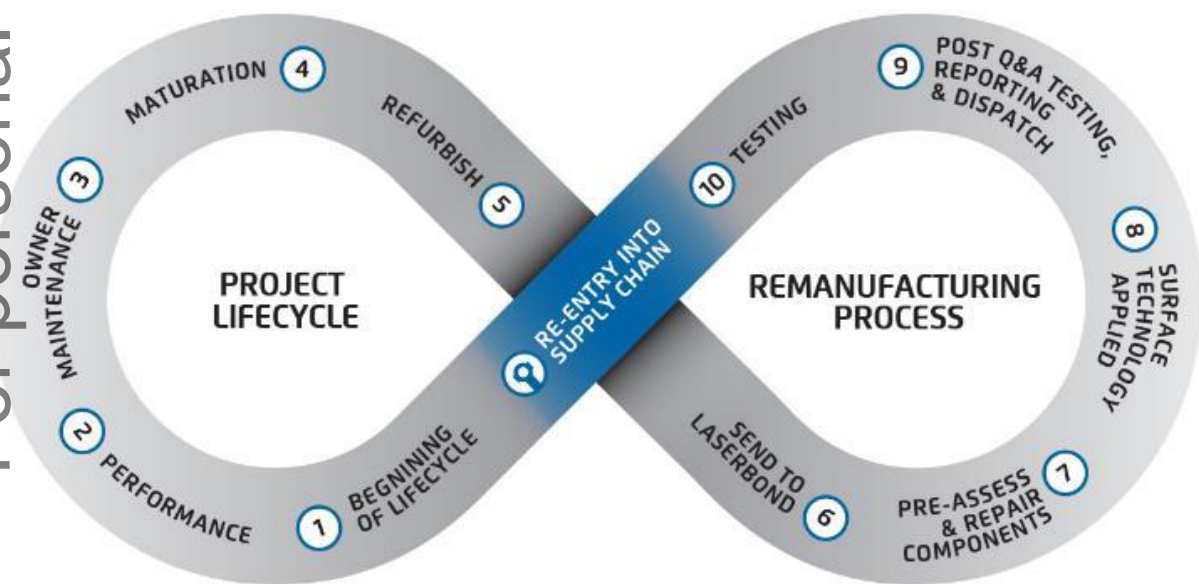
Provides refurbished components, including hydraulics, powertrain parts, and attachments.

## Key Industries

- Mining
- Manufacturing
- Agriculture
- Mineral Processing
- Power Generation
- Transport & Marine
- Plant & Machinery
- Fluid Handling

## Don't Scrap It; LaserBond It!

Through surface engineering, LaserBond remanufactures worn components to deliver performance and longer life, in most cases better than that of the original equipment component and usually at a fraction of the cost of replacement. This assists customers to meet their sustainability goals, as well as reduce costs.



### Certifications

LaserBond has JAS-ANZ Certification for its accredited quality, environmental and safety programs under international standards:

**ISO 9001**

**ISO 14001**

**ISO 45001**

ISO 14001 certification demonstrates our commitment to sound and sustainable environmental practices

ISO 45001 certification shows commitment to ensure all staff work safely at all times.



## Market Leadership

National leader in end-to-end surface engineering with proprietary technology and internal R&D team.



## Strong Financials

Profitable with strong earnings growth prospects and platform for future expansion.



## Geographic Spread

Built out a national presence, improving turnaround time.



## Growth Opportunities

Domestic and international expansion supported by recent strategic investments.



## Customer Loyalty

High repeat rate with long-term customer retention once established.



## ESG Advantage

Positive environmental impact - remanufactured parts have <1% carbon footprint of new components.

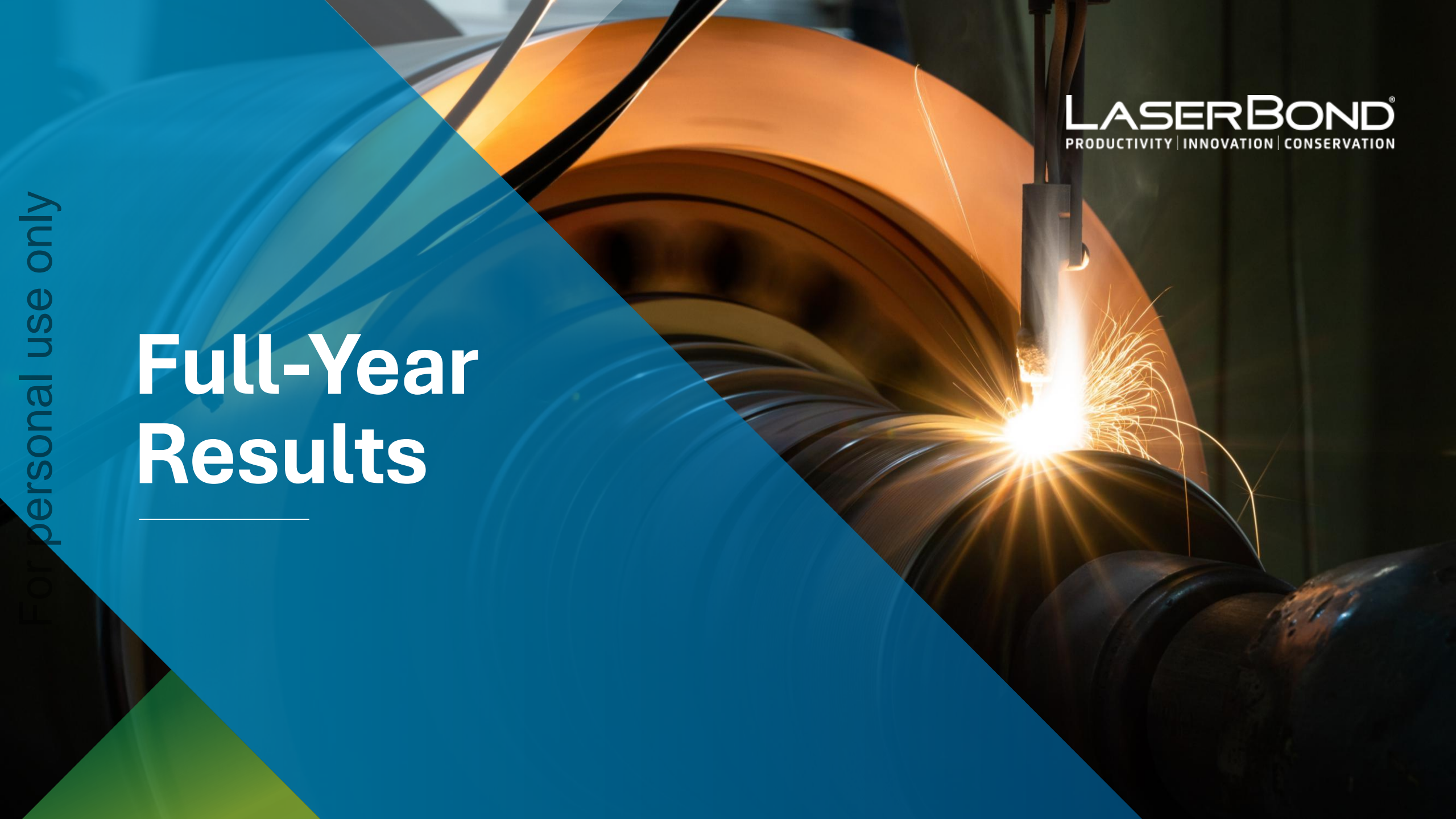


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# Full-Year Results

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# FY25 Financial highlights

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Revenue<sup>1</sup>

**\$43.5m**

+3.6% vs pcp

Gross Profit

**\$22.8m**

+5.2% vs pcp

EBITDA

**\$9.0m**

-4.7% vs pcp

NPBT

**\$5.0m**

-3.4% vs pcp

NPAT

**\$3.8m**

+10.4% vs pcp

EPS

**3.28cps**

+5.7% vs pcp

DPS<sup>2</sup>

**1.2c**

Fully franked

Cash

**\$5.64m**

\$5.76m in FY24

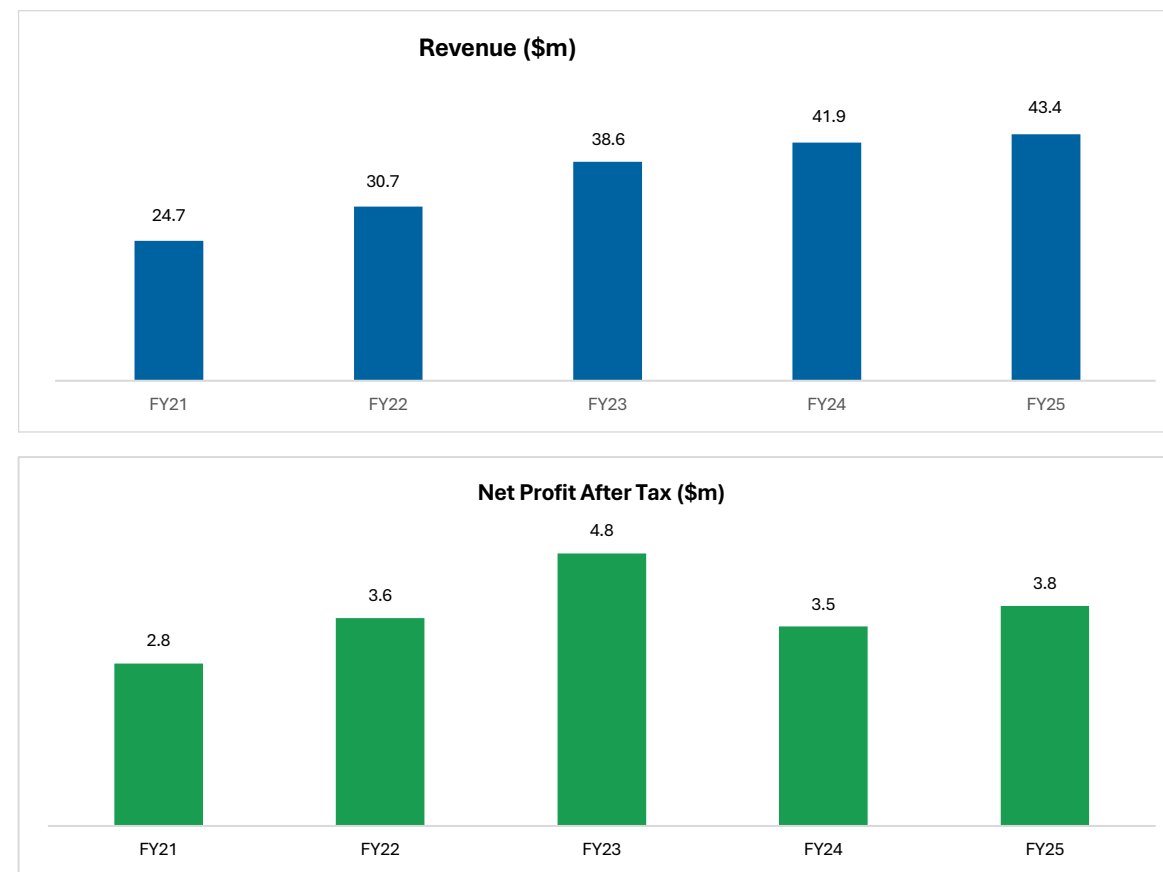
<sup>1</sup> Revenue does not include revenue from the 40% stake in Gateway Group, acquired in 1H24, given that the two sets of accounts are not consolidated, and thus revenue is not shown.

<sup>2</sup> Interim dividend of 0.4 cents per share and final dividend of 0.8 cents per share



# FY25 Financial Results

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- 1H financial performance impacted by period of strategic investments.
  - Investments targeted lifting productivity, increasing resource utilisation and supporting sales and R&D strategies aimed at broadening customer engagement and industry reach.
  - Operating expenses of \$13.8m, up from \$12.2m in FY24.
  - Cost-optimisation measures delivered tangible benefits in 2H.
  - 10.2% gross profit growth in 2H25 vs 1H25, as recently onboarded skilled staff became fully integrated and effective after initial training and development.
  - Record months for production output for all LaserBond facilities during 2H.



# A Tale of Two Halves

## 2H FY25 Financials

Revenue  
**\$23.2m +14.2% vs 1H**

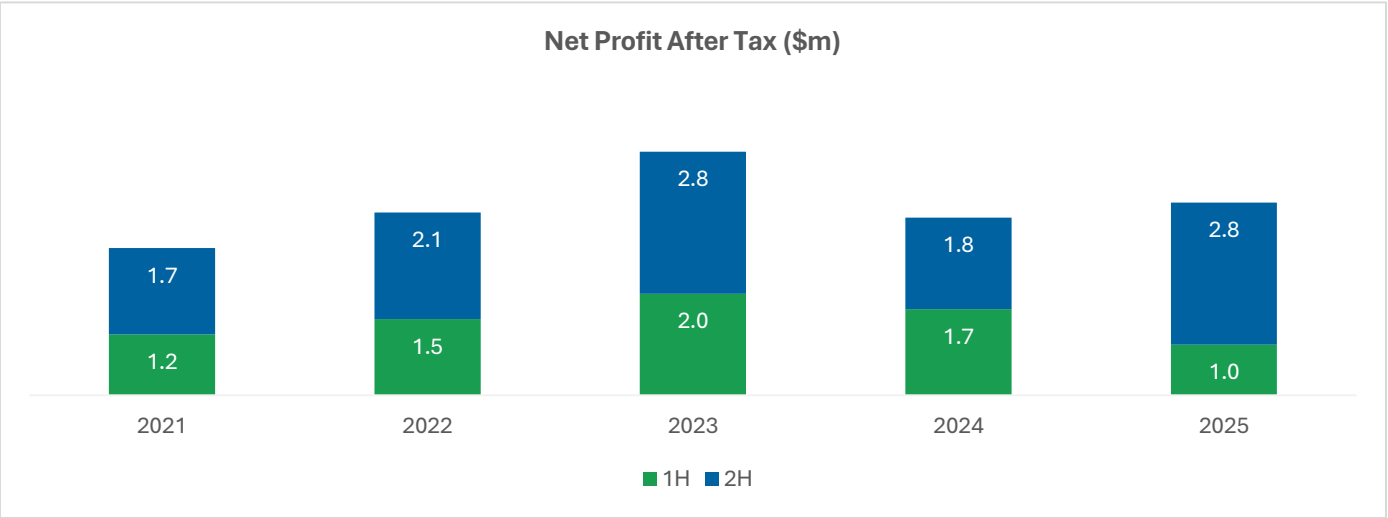
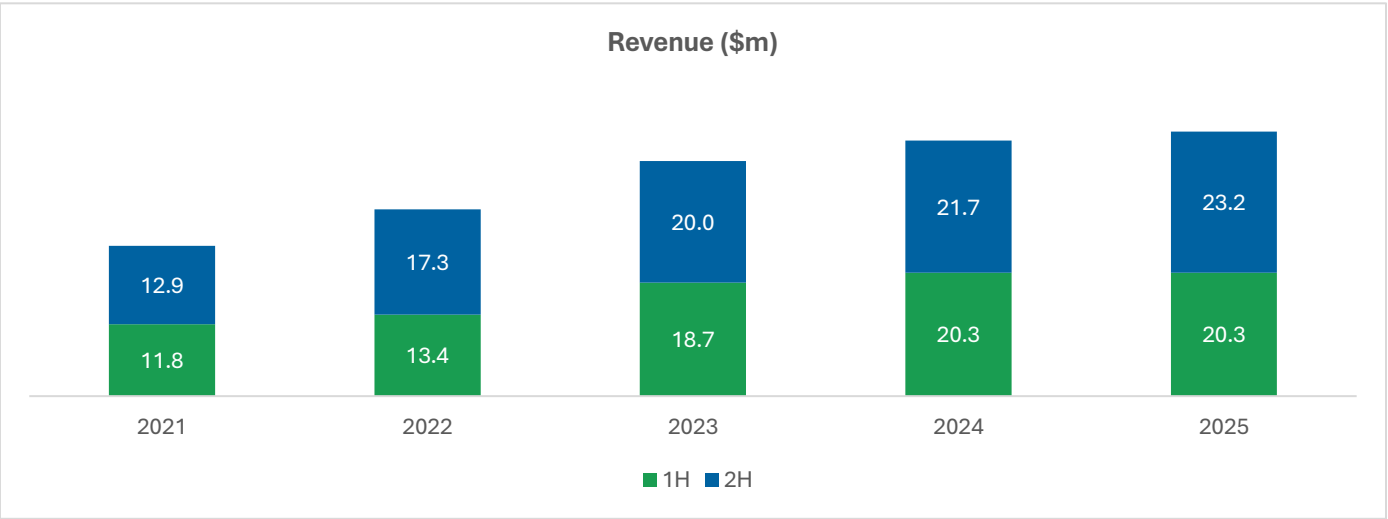
EBITDA  
**\$5.7m +72.9% vs 1H**

NPBT  
**\$3.7m +175.8% vs 1H**

NPAT  
**\$2.8m +169.5% vs 1H**

EPS  
**2.39cps +168.4% vs 1H**

Benefits from increased investment have already materialised including increased production capacity, increased sales pipeline, expanded customer base through more industry sectors, and increased activity at all facilities.





# Balance Sheet Summary

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Balance sheet strengthened, with low gearing and a growing equity base supporting growth strategy.



Total assets up 3.5% on pcp, driven by a 10.4% increase in current assets.



Stronger 2H revenue performance and the resulting increase in trade receivables partially offset by lower inventories following enhancements to lean inventory management processes.



Total liabilities decreased by 3.5%, primarily due to reducing financial liabilities.



Working capital strengthened by 13.5% to \$15.1m, reflecting benefits of strategic investments in FY24.

\$m	FY25	FY24
Cash & Equivalents	5.6	5.8
Current assets	24.5	22.2
Non-current assets	38.3	38.6
<b>Total assets</b>	<b>62.9</b>	<b>60.8</b>
Current liabilities	9.4	8.9
Non-current liabilities	12.4	13.7
<b>Total liabilities</b>	<b>21.8</b>	<b>22.6</b>
<b>Net assets</b>	<b>41.1</b>	<b>38.2</b>
Cash flow from operations	5.1	6.7
Cash flow from investing	(1.0)	(5.8)
Cash flow from financing	(4.3)	(4.1)
<b>Net cash flow</b>	<b>(0.1)</b>	<b>(3.2)</b>

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# Operational Highlights

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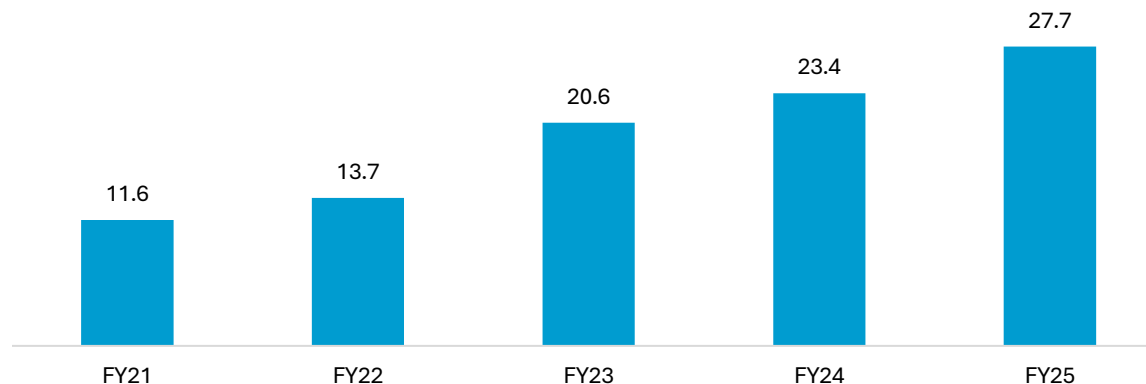
## FY25 performance

- Revenue: +18.4% yoy; +11.9% to \$14.6m in 2H25 vs 1H25.
- Increase in resource utilisation – introduction of skilled workers and additional shifts across all facilities.**
- Investment has broadened the customer and industry base.
- Successful launch of Quick Response Team (QRT) initiative, introduced initially in Queensland and expanded across all facilities.

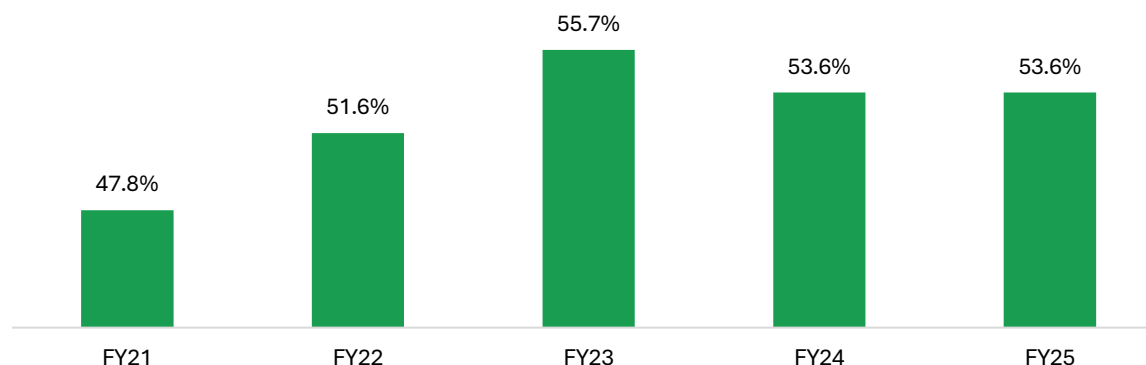
## Outlook

- Growth opportunities lie in greater efficiencies at site.
- Nationwide rollout of QRT to improve operational performance and lower lead times.
- Strongly positioned to continue growth rates amid increased **capabilities and capacity across all sites.**

Services Revenue (\$m)



Services Gross Profits Margins



## FY25 performance

Disruptions and operational changes resulted in reduced demand from OEMs in 1H25.

Segment revenue growth of 34.2% to \$8.4m in 2H25 vs 1H25.

Output for products increased in 2H25, supported by strategies implemented to restore normal ordering levels and expand OEMs' own sales.

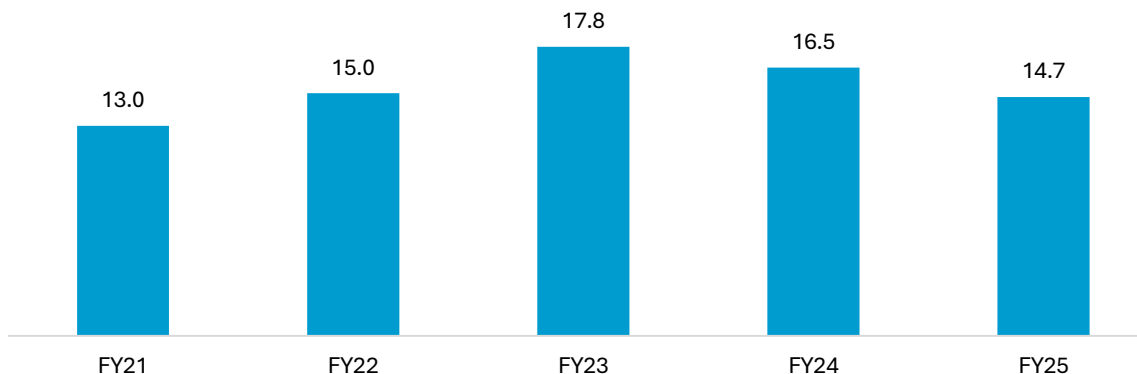
## Outlook

Expect steady order volumes throughout FY26.

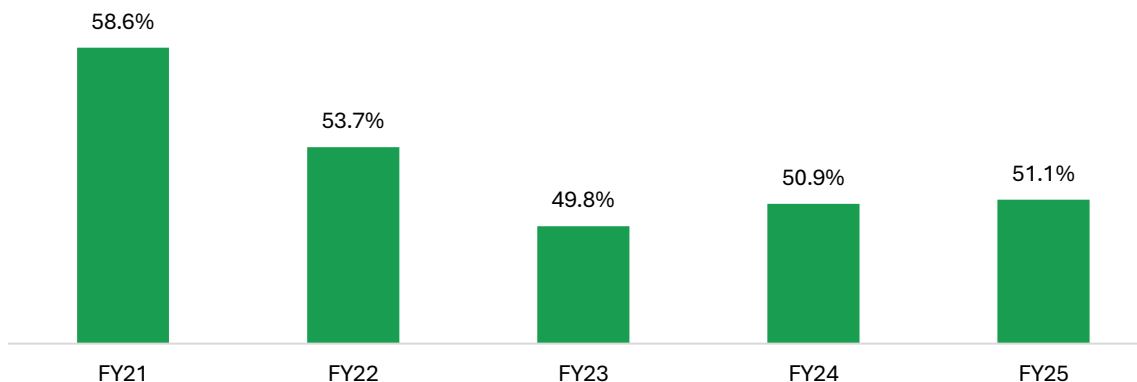
Additional growth anticipated from launch of new LaserBond branded products, including critical components for the oil and gas sector.

Solid foundation for continued expansion, particularly internationally, on the back of decades-long relationships with OEMs, combined with operational efficiencies and product innovations.

Products Revenue (\$m)



Products Gross Profits Margins





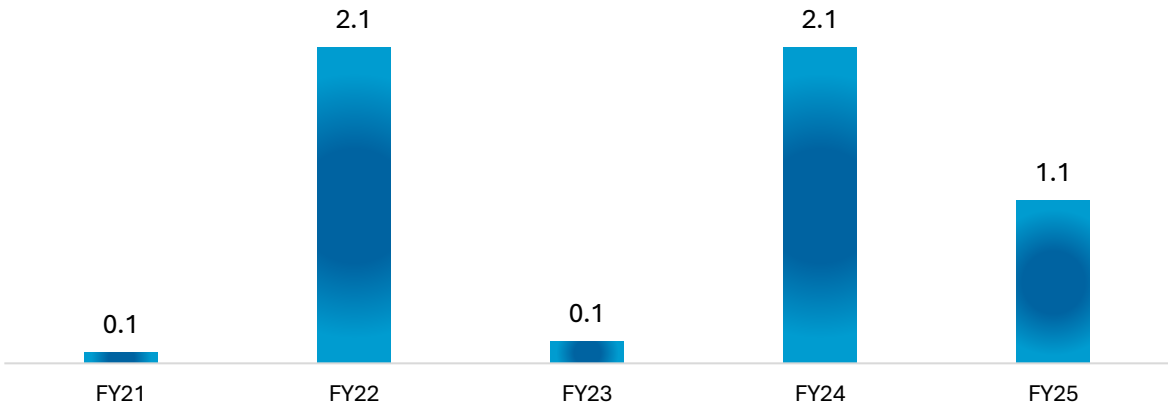
## FY25 performance

- Delivered first modular LaserBond® laser-cladding cell, on arm's length commercial terms, to the Gateway Group, with laser cladding revenue generated from June 2025.
- New modular systems are standardised, built with interchangeable components and can be manufactured in a quarter of the time.
- Projects team established to deliver the new market offering.

## Outlook

- Significant interest from potential new cell technology licensees.
- Signed a new licensing agreement worth \$2.3 million with a global manufacturer of equipment for earthmoving and mining equipment in August 2025. Equipment sale will be recognised in FY26.
- Continuing to introduce modular cell technology internally in FY26, including:
  - Fully-integrated solution to replace the first LaserBond® laser cladding cell built and commissioned in 2001
  - Manufacture a fully-integrated solution for Queensland facilities relocation, expected late FY26
  - Partial upgrades to other cladding cells in NSW, SA, and Victoria planned

Technology Revenue (\$m)



### Sale to Gateway Group – Accounting Treatment

- In December 2024, LBL sold a LaserBond® cladding system to Gateway Group at normal market prices.
- LaserBond owns 40% of Gateway Group, so accounting rules require adjusting the financial statements to reflect this relationship.
- Under these rules, 40% of the revenue and cost of sales from this transaction are removed (since it's essentially a sale within a partly owned business).
- The impact of this adjustment is temporary. LaserBond will recover the full financial benefit over time as Gateway Group uses the asset.

*In-house R&D capabilities allow LaserBond to determine the characteristics of wear affecting the surface and define the best surface engineering material and process.*

## FY25 highlights

- Expanded team to support future growth outcomes.
- Researched into alternative laser sources and real-time diagnostics to improve cladding efficiency.
- Achieved a 60% increase in material deposition rates for a specific application, significantly improving productivity in laser cladding.
- Progressed multiple new application initiatives.
- Sourcing quality, cost-effective materials to deliver optimal customer value helped improve group 2H25 profitability.
- Focus in FY26 is to convert R&D outcomes into commercial solutions.

### **Collaborative R&D relationships supporting the development and validation of technologies, materials and solutions, include:**

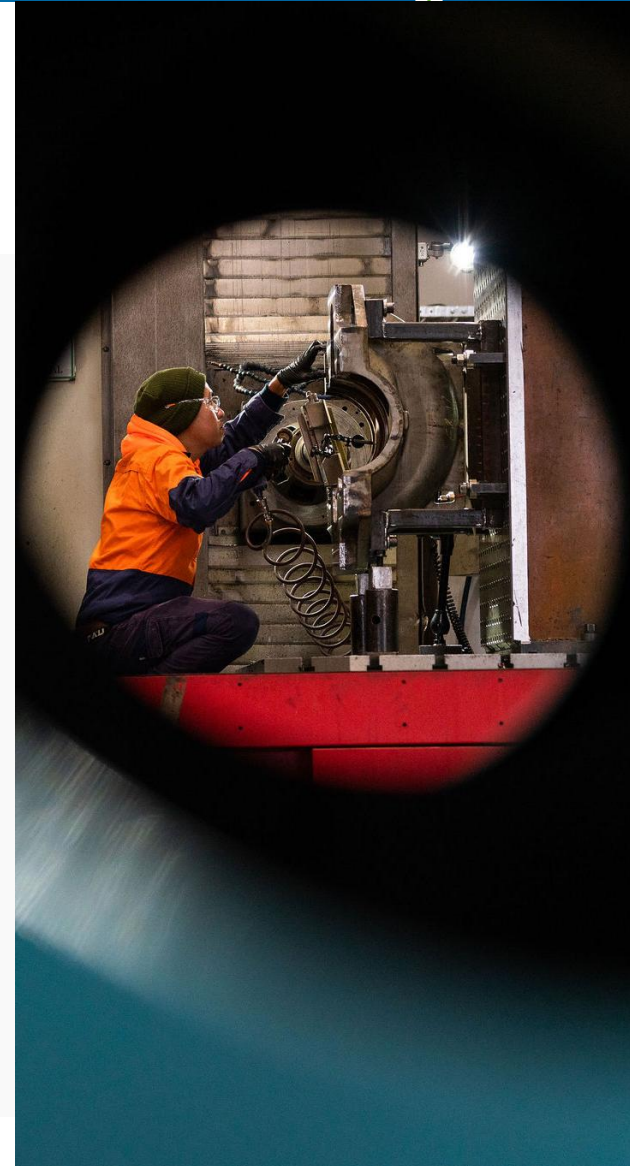
Future Industries Institute  
(UniSA)

Institute of Rail Technology  
(Monash Uni)

The Australian Nuclear Science and  
Technology Organisation (ANSTO)

Surface Engineering of Advanced Materials  
(SEAM) through the Australian Research Centre

Swinburne Uni, University of NSW &  
Curtin University



## FY25 performance

- Contributed \$0.7m to overall FY25 NPAT result.
- Revenue down vs exceptionally strong pcp and up significantly vs FY23.
- Responded to mixed operating conditions by diversifying customer base.
- Completed significant investment program during FY25, including expansion of facility from 15,000m<sup>2</sup> to 25,000m<sup>2</sup> and new machinery installations.
- LaserBond's first modular laser cladding cell now operational and generating revenue.

## Outlook

- Gold sector strength provides optimism – sustained equipment utilisation creates ongoing demand for maintenance and refurbishment services.
- New cell enables expansion beyond traditional mining customer base.
- Active engagement from large OEMs due to enhanced capabilities indicates significant opportunity ahead.

## Ownership, Rights & Options



LBL gained 40% ownership of Gateway in March 2024



Right to 51% ownership in March 2027, at the same multiple of 4.5 times EBITDA as the original purchase consideration.



Original Gateway shareholders have an option to sell their shares to LBL at any time and any volume at the same 4.5 times EBITDA multiple.



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# Strategy & Outlook

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Temporary pause on US expansion plans to prioritise domestic growth opportunities.

- International trajectory to be revisited as market conditions stabilise and domestic execution milestones are achieved.
- Resources focussed on operational execution in Australia while continuing to support existing international customers.
- Recent investments in domestic facilities progressing as planned.
- Equipment upgrades and infrastructure improvements contributing to increased production capacity and reduced lead times.

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Significant opportunities for both domestic and international growth.

Untapped potential in applying technology.

Continued engagement with prospective customers to expand customer base and deepen relationships in new industries.

Gateway positioned to capitalise on expanded opportunities and enhance group national footprint.

Expect a period of sustained growth ahead following recent deployment of significant amount of capital.

Scale business from a medium-sized enterprise to a global industry leader.





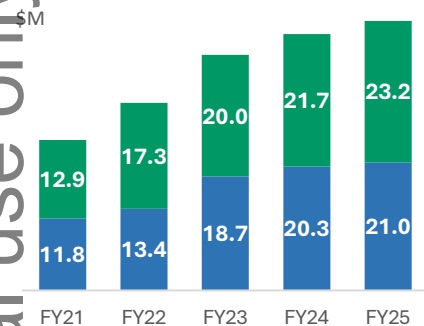
# Appendices

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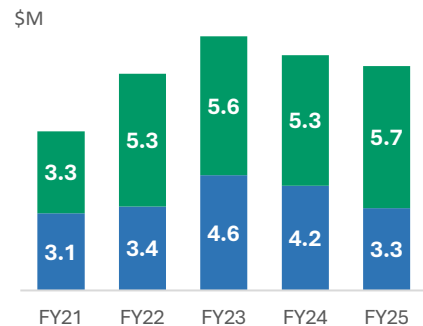


# Performance Summary

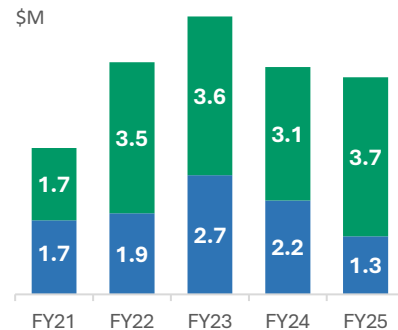
## Sales Revenue



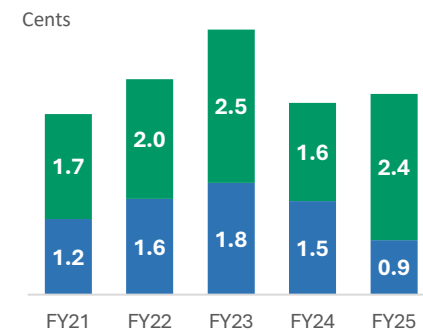
## EBITDA



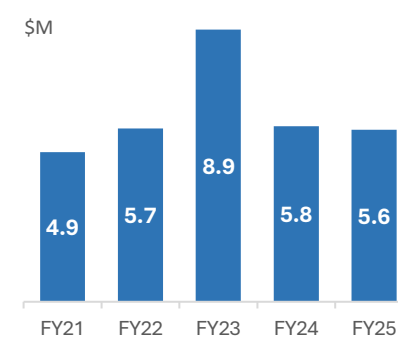
## NPBT



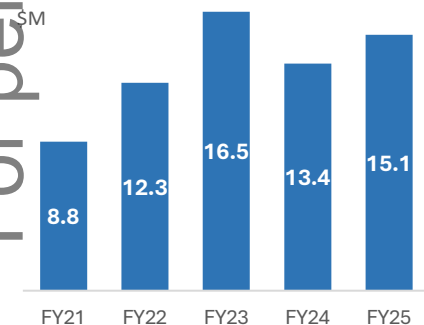
## Earnings Per Share



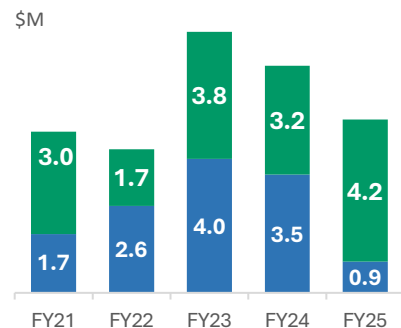
## Cash on Hand



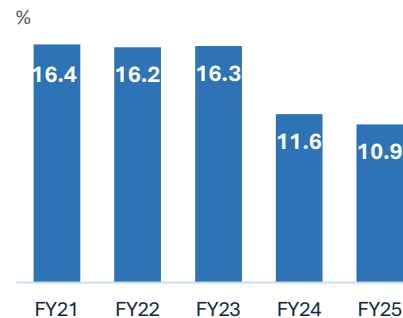
## Working Capital



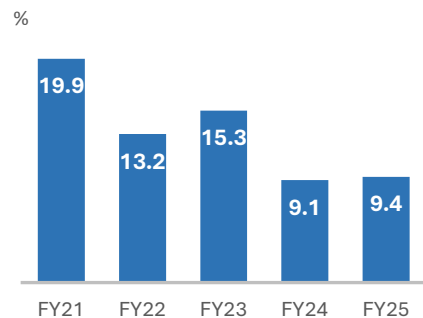
## Cashflows from Operations



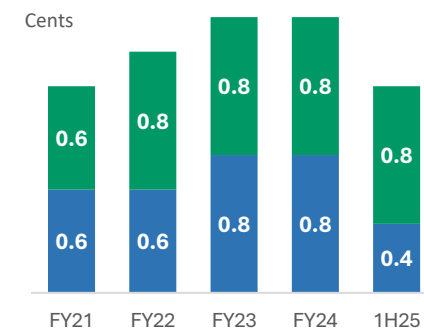
## Return on Capital Employed



## Return on Equity



## Dividends for Period



2H 1H

# Five-Year Earnings

A\$000	FY21	FY22	FY23	FY24	FY25
Sales Revenue	24,664.5	30,711.1	38,612.4	41,983.6	43,475.6
<b>Gross profit</b>	<b>12,588.0</b>	<b>16,701.2</b>	<b>20,463.0</b>	<b>21,642.0</b>	<b>22,786.9</b>
Operating Expenses	(6,214.3)	(8,024.8)	(10,266.1)	(12,192.1)	(13,778.3)
<b>EBITDA</b>	<b>6,373.7</b>	<b>8,676.4</b>	<b>10,196.9</b>	<b>9,449.7</b>	<b>9,008.6</b>
D&A	(2,554.8)	(2,902.2)	(3,267.6)	(3,494.7)	(3,196.4)
<b>EBIT</b>	<b>3,828.6</b>	<b>5,774.2</b>	<b>6,929.3</b>	<b>5,985.8</b>	<b>5,812.2</b>
Interest	(464.0)	(442.8)	(562.2)	(790.2)	(824.7)
<b>NPBT</b>	<b>3,364.9</b>	<b>5,331.4</b>	<b>6,367.1</b>	<b>5,164.8</b>	<b>4,987.4</b>
<b>NPAT</b>	<b>2,838.1</b>	<b>3,628.8</b>	<b>4,758.5</b>	<b>3,482.3</b>	<b>3,844.8</b>
Dividends for Period	1.20 cents	1.40 cents	1.60 cents	1.60 cents	1.20 cents
EPS	2.955 cents	3.531 cents	4.341 cents	3.102 cents	3.279 cents



# Five Year Balance Sheet / Cash Flows

A\$000	FY21	FY22	FY23	FY24	FY25
Cash & Equivalents	4,907.9	5,683.8	8,929.2	5,759.1	5,634.8
Current assets	14,929.1	22,367.7	25,715.3	22,237.0	24,546.5
Non-current assets	14,601.8	23,455.8	26,117.2	38,589.8	38,331.0
<b>Total assets</b>	<b>29,530.9</b>	<b>45,823.5</b>	<b>51,832.5</b>	<b>60,826.8</b>	<b>62,877.5</b>
Current liabilities	6,141.2	8,664.7	9,263.8	8,852.6	9,432.9
Non-current liabilities	9,128.0	8,220.3	11,498.1	13,727.1	12,367.0
<b>Total liabilities</b>	<b>15,269.2</b>	<b>16,885.0</b>	<b>20,761.9</b>	<b>22,579.7</b>	<b>21,799.9</b>
<b>Net assets</b>	<b>14,261.7</b>	<b>28,938.5</b>	<b>31,070.6</b>	<b>38,247.1</b>	<b>41,077.6</b>
Cash flow from operations	4,756.9	4,243.8	7,704.3	6,705.1	5,124.6
Cash flow from investing	(1,265.5)	(10,861.3)	(1,327.4)	(5,782.8)	(991.8)
Cash flow from financing	(2,581.2)	7,373.6	(3,131.5)	(4,092.3)	(4,257.1)
<b>Net cash flow</b>	<b>910.2</b>	<b>776.0</b>	<b>3,245.4</b>	<b>(3,170.1)</b>	<b>(124.3)</b>

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