

**LASERBOND**<sup>®</sup>  
PRODUCTIVITY | INNOVATION | CONSERVATION

# 1H FY26 Results Presentation

20 February 2026

LASERBOND (ASX:LBL)

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





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# Business Overview

## Business Segments

### Services

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

### 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.

### Products

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

### 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 - Perth (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



## Strong Financial Performance

Revenue \$23.0m (+13.4% pcp), NPAT \$2.2m (+117% pcp).



## Products Division Momentum

Revenue growth of 34.2%, sustained performance from 2H FY25.



## Services Margin Expansion

Gross margin improved to 58.3% from 50.8% through operational efficiency.



## Technology Commercialisation

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



## Supply Chain Security

Proactive Tungsten Carbide inventory build ensured uninterrupted operations.



## Well-Positioned for 2H

Order book ~70% higher than 12 months ago (at 1 Jan 26); 2H historically stronger.



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# Half-Year Results

# 1H FY26 FINANCIAL HIGHLIGHTS

Revenue<sup>1</sup>

**\$23.0m**

+13.4% vs pcp

Gross Profit

**\$12.4m**

+22.4% vs pcp

EBITDA

**\$5.2m**

+57.6% vs pcp

NPBT

**\$3.3m**

+153.8% vs pcp

NPAT

**\$2.2m**

+117% vs pcp

EPS

**1.88cps**

+116.1% vs pcp

DPS

**0.8c**

Fully franked

Cash

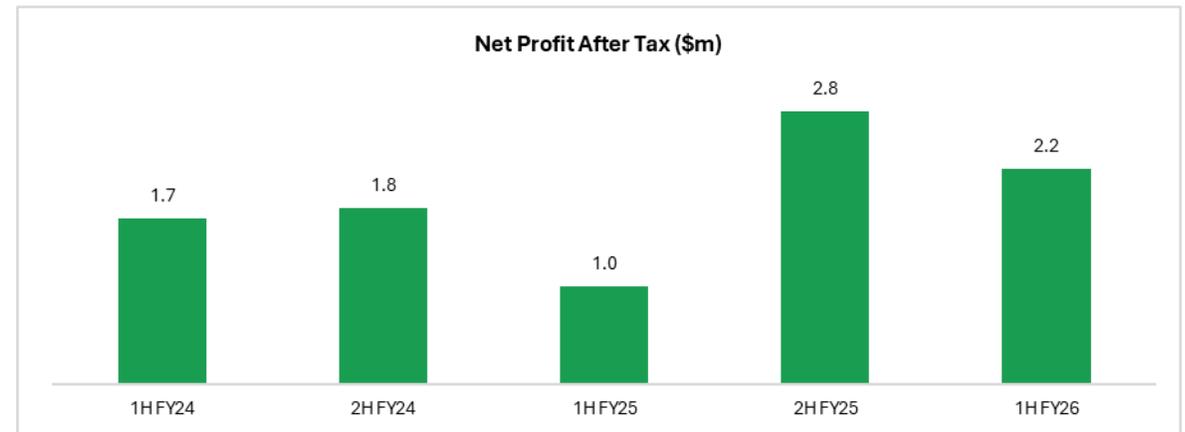
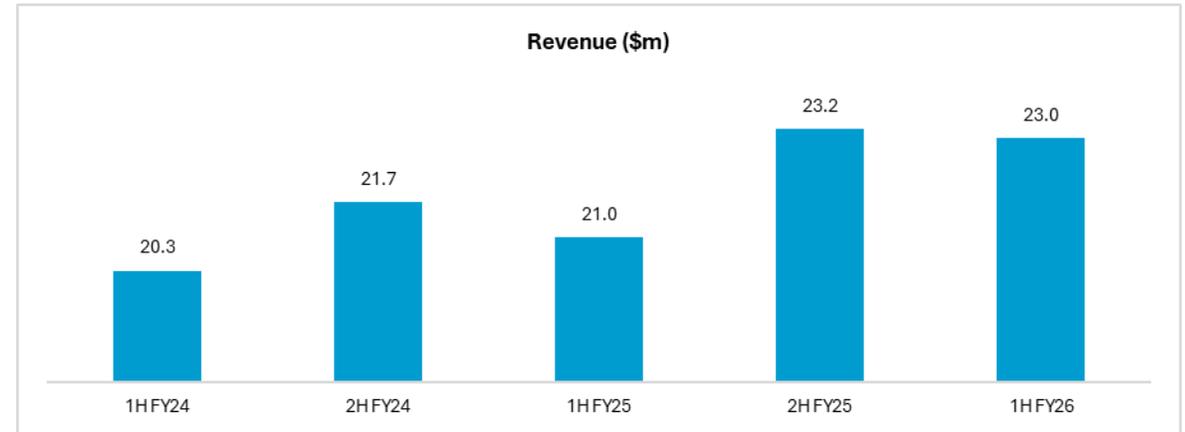
**\$4.0m**

\$5.6m in FY25

<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.

# 1H FY26 FINANCIAL RESULTS

- ▶ Revenue of \$23.0m represents 13.4% growth on pcp, maintaining the strong momentum established in 2H FY25 despite seasonal headwinds.
- ▶ Gross profit of \$12.4m delivered a healthy margin of 53.7%.
- ▶ NPBT of \$3.3m grew 154% on pcp but below 2H FY25 of \$3.7m, due to December seasonal factors, planned equipment replacement downtime, and ongoing strategic R&D investment.
- ▶ NPAT of \$2.2m up 117% vs pcp and down vs 2H FY25 comparison of \$2.8m with historical pattern of stronger second-half performance expected to continue.



# BALANCE SHEET SUMMARY



Balance sheet remains strong, with low gearing, a growing equity base to support LBL's domestic and international growth and investment strategy.



Total net assets up 3.7% on pcp, driven by a strong asset base, improved collections and strong performance from the Gateway investment.



Total liabilities decreased by 16%, primarily due to reducing financial liabilities, reduced creditor balances.



Working capital strengthened by 7.3% to \$16.2m, driven by improvements in solvency ratios and DSO improvements.



Cash position of \$4.0m (down from \$5.6m at June 30) reflects strategic inventory investment of \$1.8m in Tungsten Carbide to secure supply, with operating cash flow of \$1.5m remaining solid.

\$m	1H FY26	FY25
Cash & Equivalents	4.0	5.6
Current assets	24.2	24.5
Non-current assets	38.7	38.3
<b>Total assets</b>	<b>62.9</b>	<b>62.8</b>
Current liabilities	7.9	9.4
Non-current liabilities	12.4	12.4
<b>Total liabilities</b>	<b>20.3</b>	<b>21.8</b>
<b>Net assets</b>	<b>42.6</b>	<b>41.0</b>
Cash flow from operations	1.5	5.1
Cash flow from investing	(1.0)	(1.0)
Cash flow from financing	(2.1)	(4.3)
<b>Net cash flow</b>	<b>(1.6)</b>	<b>(0.1)</b>

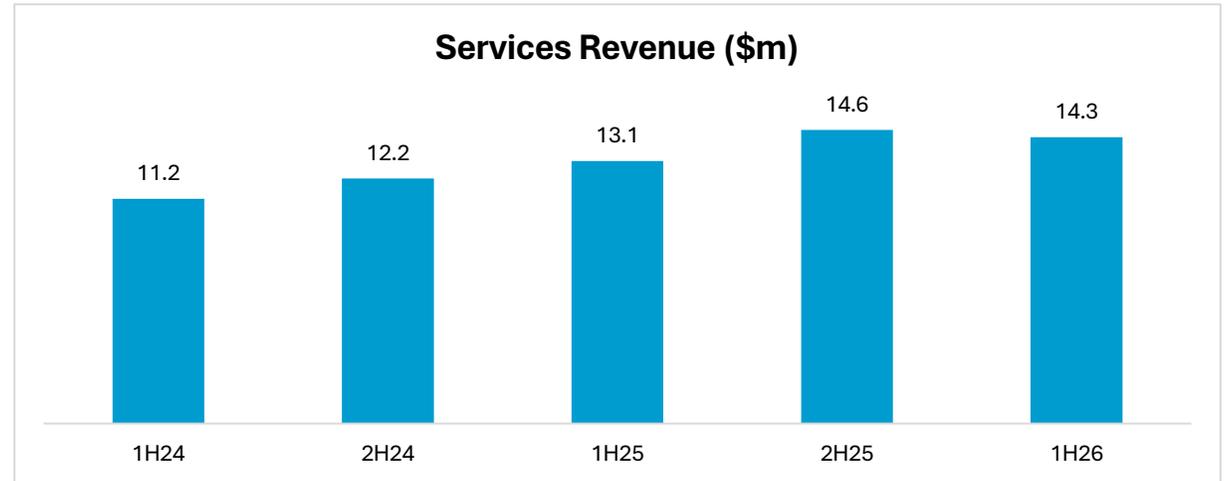


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# Operational Highlights

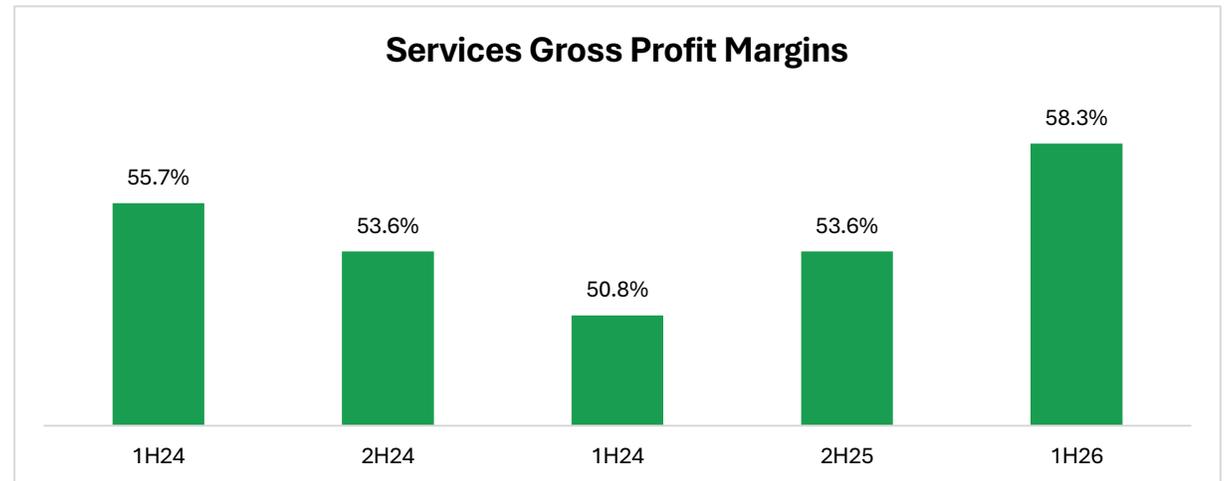
## 1H FY26 performance

- ▶ Revenue: +10.0% pcp to \$14.3m.
- ▶ Gross profit margins expanded to 58.3%, up from 50.8% in 1H FY25, reflecting cost controls, better utilisation of machinery and equipment across the LaserBond network, and effective resource deployment.
- ▶ Performance impacted by weakness in the mining sector.



## Outlook

- ▶ Well-positioned for recovery in mining sector capital expenditure.
- ▶ Equipment replacement cycles normalising.
- ▶ Improved efficiency from machinery upgrades.



Note: The Products and Services division share resources. General overhead costs are proportioned between segments after direct costs are allocated to the segments.

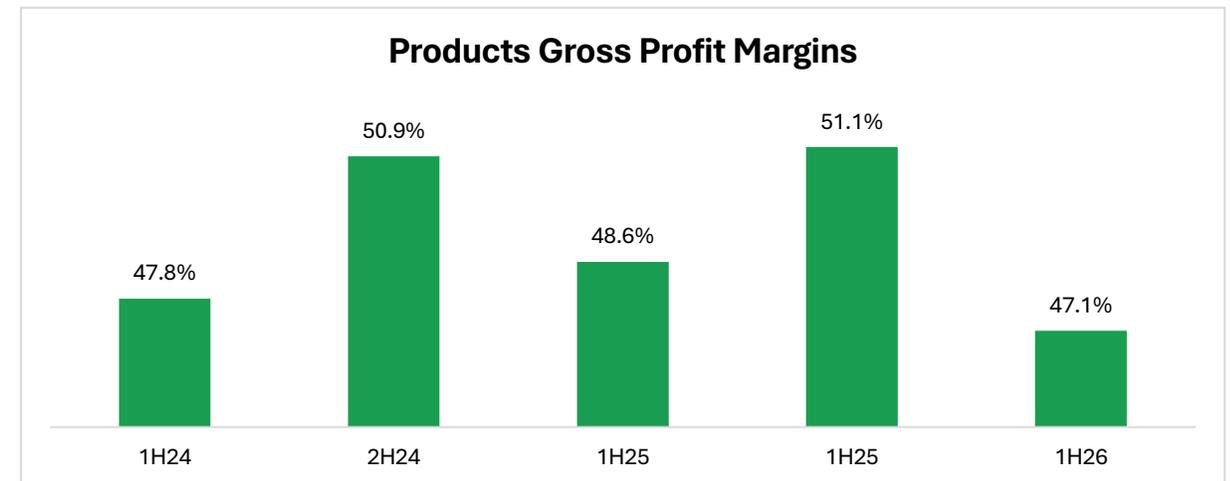
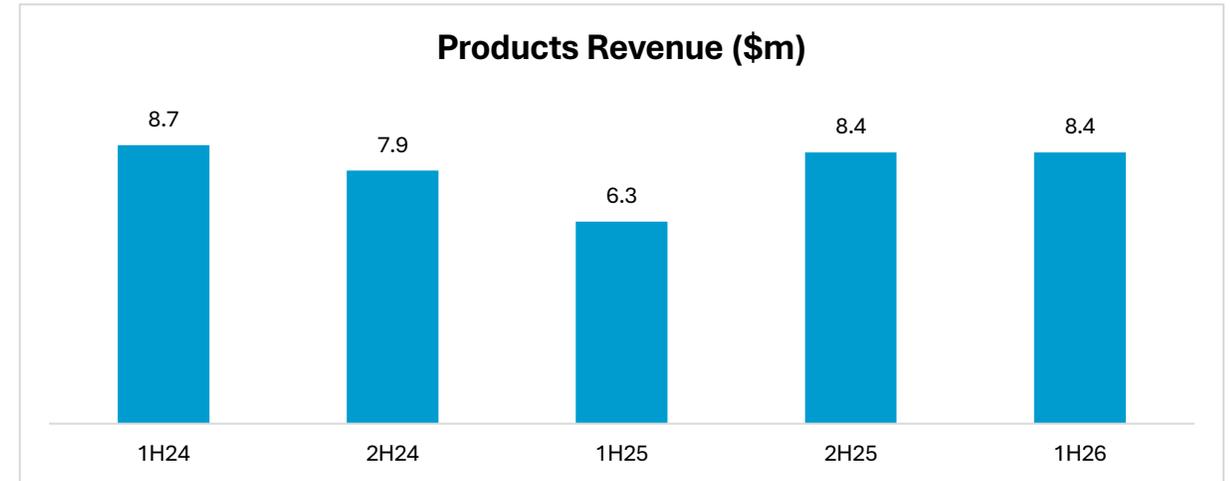
## 1H FY26 performance

- ▶ Segment revenue growth of 34% to \$8.4m vs pcp – maintaining momentum from 2H FY25.
- ▶ **Strong orders from major customers, with export markets representing a significant component of revenue.**
- ▶ Gross profit margin (47.1%) impacted by tungsten price volatility – driven by geopolitical challenges affecting supply of critical minerals.

## Outlook

- ▶ Expanding customer relationships.
- ▶ New components designed for the oil and gas sector gaining traction.
- ▶ Significant international growth opportunities.

Note: The Products and Services division share resources. General overhead costs are proportioned between segments after direct costs are allocated to the segments.



## 1H FY26 performance

- ▶ Licensing deal valued at \$2.4 million secured with Komatsu for earthmoving and mining equipment manufacturing.
- ▶ 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.

## Outlook

- ▶ Licensing agreement with Komatsu remains on track for delivery in the second half of FY26.
- ▶ Komatsu deal the foundation for additional opportunities and demonstrates commercial value of IP.
- ▶ Additional OEM deals in advanced stages of negotiation.



### 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.

*Increased investment in innovation to maintain competitive advantage and address supply chain challenges.*

## Tungsten carbide alternatives

Developing new formulations to reduce dependency on constrained supply from Chinese export controls.

## New market opportunities

Advancing major projects in wind turbine and agricultural applications that will support future revenue growth.

## Materials and process innovation

Investing in new materials and processes that support the Products division's expansion into other sectors.

## 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)

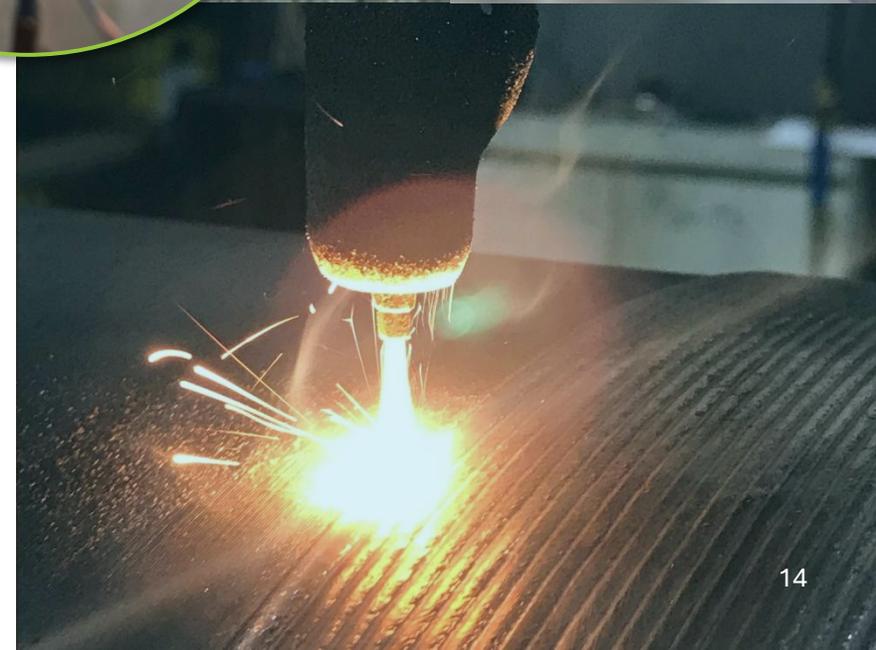
Surface Engineering of Advanced Materials  
(SEAM) through the Australian Research Centre

Swinburne Uni, University of NSW &  
Curtin University

# X-CLAD – NEXT GENERATION SURFACE CLADDING TECHNOLOGY

Announced in late 2025, X-Clad is a premium Laser Clad surface engineered with fine Tungsten Carbide (WC) – up to 70% by weight, delivering hardness up to 1000 HV. Designed for the most demanding environments, X-Clad provides exceptional abrasion, wear, and corrosion resistance, especially in rotational wear applications.

- ▶ A large German manufacturer is preparing to begin trials in March-April.
- ▶ The X-Clad will trial in zinc baths, side by side with LaserBond's heavy duty CrushAlloy coating. This is a highly aggressive coating environment.
- ▶ Multiple field customer trials have begun including one of LaserBond's largest global customers. LaserBond's internal and 3<sup>rd</sup> party testing is modelling better wear outcomes than the current coating they have used from LaserBond for 10+ years.
- ▶ On track for full market release in late FY26.



## 1H FY26 performance

- ▶ Strong revenue growth of 24% to \$24.7m vs pcp, with LaserBond's equity-accounted profit contribution of \$373k.
- ▶ Improved machining capabilities successfully attracting new mining customers, broadening customer base beyond traditional segments as planned.
- ▶ Improved market conditions with strong gold prices driving increased maintenance spending and lithium price recovery supporting higher customer investment.
- ▶ Successful transition to larger facility (operational July) with team building revenue through expanded capacity.

## Outlook

- ▶ Laser cladding technology creating pathway to diversify revenue base beyond mining into additional industrial sectors.
- ▶ Integration with LaserBond<sup>®</sup> continues to be well received by major customers and OEMs seeking national coverage, supporting cross-selling opportunities.
- ▶ Expanded workshop capacity positions Gateway for future volume growth as mining sector activity continues to recover.

## 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

## Operational excellence

- Productivity enhancements driving Services margin expansion
- Equipment upgrades eliminating downtime
- Cost efficiency initiatives

## Supply chain security

- Tungsten Carbide inventory secured
- Diversified supplier base
- R&D delivering material alternatives

## Workforce development

- Skilled migration in critical roles
- Expanded apprentice pipeline
- Stable production capacity maintained

## International growth

- Export success in Products division
- Technology licensing opportunities
- International market expansion

# 2H FY26 growth drivers

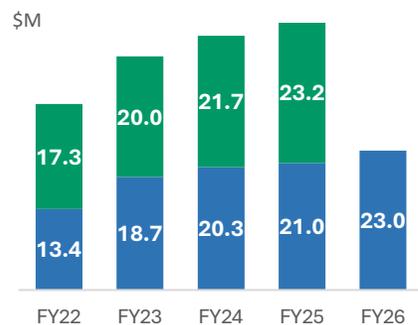
- ▶ Healthy pipeline extending well into 2026 provides revenue visibility → *Revenue certainty*
- ▶ Initiatives currently being implemented to contribute to margins → *Margin expansion*
- ▶ Machinery replacement eliminates downtime experienced in 1H FY26 → *Higher productivity*
- ▶ Oil & gas components, international markets, and innovation pipeline → *Growth optionality*
- ▶ Improved Tungsten Carbide supply → *Support growth plans*
- ▶ Komatsu licensing demonstrates ability to generate licensing revenue → *New revenue stream*



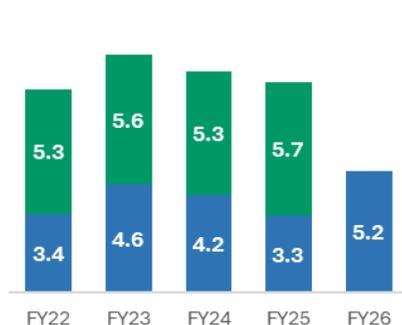
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# Appendices

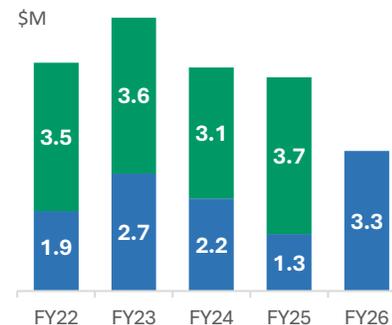
## Sales Revenue



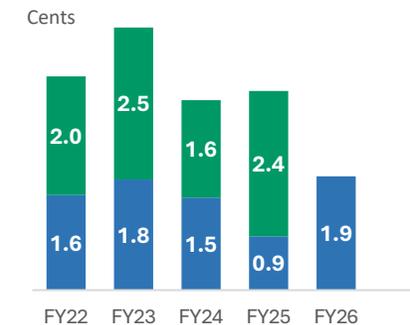
## EBITDA



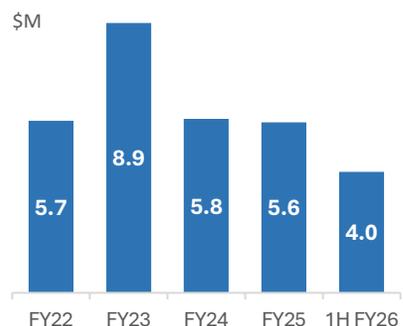
## NPBT



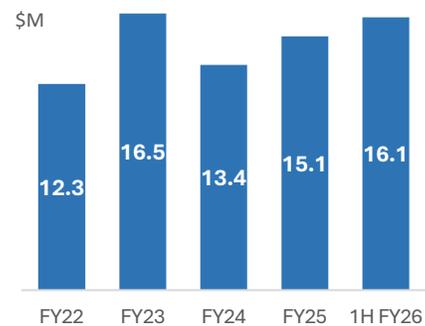
## Earnings Per Share



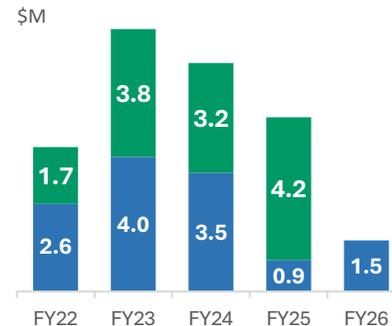
## Cash on Hand



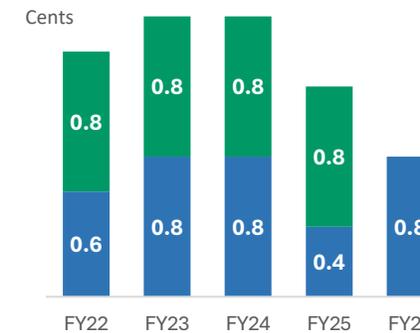
## Working Capital



## Cashflows from Operations



## Dividends for Period



# Five-Year Earnings

A\$000	FY22	FY23	FY24	FY25	1H FY26
Sales Revenue	30,711.1	38,612.4	41,983.6	43,475.6	23,008.9
<b>Gross profit</b>	<b>16,701.2</b>	<b>20,463.0</b>	<b>21,642.0</b>	<b>22,786.9</b>	<b>12,350.3</b>
Operating Expenses	(8,024.8)	(10,266.1)	(12,192.1)	(13,778.3)	(7,161.9)
<b>EBITDA</b>	<b>8,676.4</b>	<b>10,196.9</b>	<b>9,449.7</b>	<b>9,008.6</b>	<b>5,188.4</b>
D&A	(2,902.2)	(3,267.6)	(3,494.7)	(3,196.4)	(1,520.7)
<b>EBIT</b>	<b>5,774.2</b>	<b>6,929.3</b>	<b>5,985.8</b>	<b>5,812.2</b>	<b>3,667.7</b>
Interest	(442.8)	(562.2)	(790.2)	(824.7)	(394.5)
<b>NPBT</b>	<b>5,331.4</b>	<b>6,367.1</b>	<b>5,164.8</b>	<b>4,987.4</b>	<b>3,273.2</b>
<b>NPAT</b>	<b>3,628.8</b>	<b>4,758.5</b>	<b>3,482.3</b>	<b>3,844.8</b>	<b>2,215.9</b>
Dividends for Period	1.40 cents	1.60 cents	1.60 cents	1.20 cents	0.80 cents
EPS	3.53 cents	4.34 cents	3.10 cents	3.28 cents	1.88 cents

# Five Year Balance Sheet / Cash Flows

A\$000	FY22	FY23	FY24	FY25	1H FY26
Cash & Equivalents	5,683.8	8,929.2	5,759.1	5,634.8	3,999.7
Current assets	22,367.7	25,715.3	22,237.0	24,546.5	24,173.3
Non-current assets	23,455.8	26,117.2	38,589.8	38,331.0	38,733.2
<b>Total assets</b>	<b>45,823.5</b>	<b>51,832.5</b>	<b>60,826.8</b>	<b>62,877.5</b>	<b>62,906.5</b>
Current liabilities	8,664.7	9,263.8	8,852.6	9,432.9	7,942.3
Non-current liabilities	8,220.3	11,498.1	13,727.1	12,367.0	12,377.0
<b>Total liabilities</b>	<b>16,885.0</b>	<b>20,761.9</b>	<b>22,579.7</b>	<b>21,799.9</b>	<b>20,319.3</b>
<b>Net assets</b>	<b>28,938.5</b>	<b>31,070.6</b>	<b>38,247.1</b>	<b>41,077.6</b>	<b>42,587.2</b>
Cash flow from operations	4,243.8	7,704.3	6,705.1	5,124.6	1,503.8
Cash flow from investing	(10,861.3)	(1,327.4)	(5,782.8)	(991.8)	(1,027.2)
Cash flow from financing	7,373.6	(3,131.5)	(4,092.3)	(4,257.1)	(2,111.7)
<b>Net cash flow</b>	<b>776.0</b>	<b>3,245.4</b>	<b>(3,170.1)</b>	<b>(124.3)</b>	<b>(1,635.1)</b>

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