LASERBOND
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20 February 2026

LaserBond 1H FY26 financial results

Highlights

- **Revenue of $23.0 million[1], up 13.4% versus pcp, and matching 2H FY25**
- **Net profit before tax of $3.3 million, up 153.8% versus pcp**
- **Services margins expanded to 58.3%**
- **Products revenue grew 34.2% with sustained momentum across export markets**
- **Komatsu licensing deal ($2.3 million) on track for 2H FY26 delivery**
- **Order book (as of 1 January 2026) 70% higher than 12 months earlier, positioning strongly for second half**
- **Investor webinar to be held at 10.30am AEDT today.** **Click here to register**

LaserBond Limited (ASX: LBL) ("LaserBond" or the "Company"), a specialist advanced surface engineering company, is pleased to announce its results for the six months ended 31 December 2025 (1H FY26), building on the momentum established in the second half of FY25. A strong order book, ongoing innovation investment, and effective management of material availability support confidence for the remainder of FY26.

Chief Executive Officer, Rob Freeman, said, "We're pleased to deliver a positive half-year result with net profit before tax growing 154% versus pcp, validating the significant investments the Company has made in recent years. While December presented typical seasonal challenges and certain mining segments remained subdued, our Products Division achieved 34% growth, Services margins hit 58%, and we successfully navigated Tungsten Carbide constraints during this period. Our strong order book is well ahead of last year, the Komatsu licensing agreement will add Technology revenue in the second half, and we anticipate improved mining activity. Combined with machinery upgrades and efficiency initiatives, we're positioned for a strong finish to FY26."

Financial Performance

LaserBond delivered revenue of $23.0 million[1] for the half year, representing growth of 13.4% on the prior corresponding period ($20.3 million) and in line with 2H FY25 performance ($23.2 million). Gross profit of $12.4 million delivered a healthy margin of 53.9%.

Net profit before tax of $3.3 million was significantly higher than 1H FY25 ($1.3 million), representing growth of 153.8%, though modestly below the strong 2H FY25 result ($3.7 million). Net profit after tax of $2.2 million similarly demonstrated strong year-on-year improvement of 117.2% on 1H FY25 ($1.0 million).

[1]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.

The profit performance in 1H FY26 was impacted by the typical December seasonal pattern, where year-end customer requirements and supplier holiday shutdowns create operational challenges in converting orders to revenue by 31 December. Historically, LaserBond has delivered stronger performance in the second half of the financial year, and this pattern is expected to continue in FY26, with open orders on 1 January 2026 exceeding the equivalent figure 12 months earlier by almost 70%.

Cash and cash equivalents at 31 December 2025 stood at $4.0 million, down from $5.6 million at 30 June 2025. Operating cash flow of $1.5 million for the half year was solid but below the exceptionally strong 2H FY25 performance ($5.1 million). The movement in cash was primarily driven by strategic investments in Tungsten Carbide inventory and prepayments of $1.8 million, a proactive response to global supply constraints that has enabled LaserBond to maintain uninterrupted supply to customers.

Operational Performance

The Services Division generated $14.3 million revenue, up 10.0% from $13.0 million in 1H FY25. Gross margins expanded to 58.3% from 50.8% previously. Mining sector weakness, with extended equipment cycles delaying maintenance, moderated growth. However, core demand for specialist surface engineering remains intact, and LaserBond's market leadership positions it favourably for recovery as mining capital spending normalises.

The Products Division delivered $8.4 million, up 34.2% from $6.3 million, sustaining 2H FY25 momentum. Margins of 47.1% reflected Tungsten price volatility from geopolitical supply challenges. Strong original equipment manufacturer (OEM) partnerships drove performance, with exports comprising significant revenue. International market opportunities continue expanding.

The Technology Division progressed well following the initial laser-cladding cell delivery to Gateway, with revenue commencing June 2025. The $2.3 million Komatsu licensing agreement for earthmoving equipment manufacturing remains on schedule for 2H FY26 delivery, validating LaserBond's proprietary technology and establishing a platform for future licensing opportunities.

Research & Development investment increased substantially in 1H FY26. A substantial portion of this investment has been directed toward developing Tungsten Carbide alternatives and new formulations in response to global supply constraints. LaserBond's R&D team has been instrumental in developing solutions that maintain performance while reducing dependency on constrained resources.

The Company is also advancing major projects in wind turbine and agricultural applications that will support future revenue growth. This increased R&D investment, while impacting near-term profitability, is essential to maintaining LaserBond's competitive advantage and ensuring it can continue delivering innovative solutions.

Gateway Partnership

Gateway, which LaserBond holds 40% ownership, delivered $0.37 million net profit after tax contribution to LaserBond's 1H FY26 results. Gateway achieved $24.7 million revenue for the half, up 24% from $19.9 million. Enhanced machining capabilities attracted new mining customers, while the eight-month-old laser cladding system supports sector diversification. Improving gold and lithium prices also boosted customer spending.

The team at Gateway's larger facility, operational as of July, is successfully managing the transition and building revenue through the expanded capacity. Gateway's integration with LaserBond continues to be well received by major customers and OEMs seeking broad national coverage.

Strategy Update

Strategic investments in productivity and market positioning over two years are delivering results, evident in Services margin growth and Products revenue expansion. Despite skilled trades shortages, disciplined workforce planning, targeted skilled migration, and expanded apprenticeships have maintained capacity and improved utilisation.

Managing Tungsten Carbide availability amid Chinese export controls has been critical. Early action – securing inventory, diversifying suppliers, developing alternatives, and making strategic prepayments – ensured uninterrupted customer service while competitors faced constraints. International expansion remains prioritised, with encouraging US and global opportunities.

Outlook

LaserBond is well-positioned for a strong second half, supported by an order book 70% ahead of the prior year, as of 1 January 2026. Services should benefit from normalising mining equipment cycles, while Products maintains momentum through expanding relationships and new offerings. The Komatsu licensing delivery will add Technology revenue and demonstrate proprietary capabilities.

Machinery replacements will eliminate 1H downtime issues, and efficiency initiatives will enhance 2H performance. Growth avenues in oil and gas, international markets, and innovation provide expansion opportunities. While acknowledging global uncertainty, including tariff developments and mining sector challenges, LaserBond's diversification, customer relationships, and innovation investments position the Company well for ongoing expansion.

Approved for release by the Board of LaserBond Limited.

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About LaserBond

LaserBond is a specialist surface engineering company that was founded in 1992. The Company focuses on the development and application of materials, technologies and methodologies to increase operating performance and wear life of capital-intensive machinery components.

Within these industries, the wear of components can have a profound effect on the productivity and total cost of ownership of their capital equipment. As almost all components fail at the surface, due to material removal through abrasion, erosion, corrosion, cavitation, heat and impact, and any combinations of these wear mechanisms, tailored surface metallurgy will extend its life and enhance its performance.