



IMDEX 1H19 Results Presentation

Bernie Ridgeway – Managing Director

Paul Evans – CFO & Company Secretary

Paul House – Chief Operating Officer

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IMDEX[™]
REAL-TIME SUBSURFACE SOLUTIONS



We are a leading global mining equipment, technology and services (METS) company



Our solutions improve the process of identifying and extracting what is below the earth's surface

We let clients know where it is and what it is...now.



for drilling contractors and resource companies

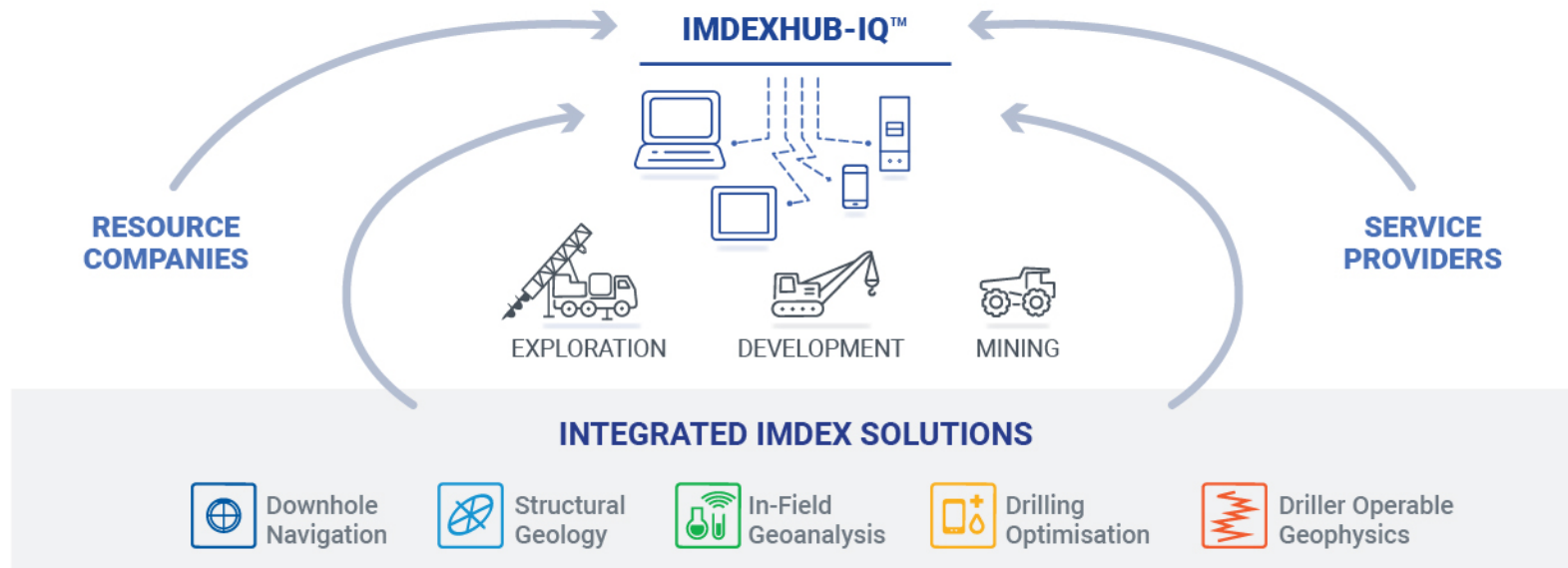


Our vision is to be the leading provider of real-time subsurface intelligence solutions to the global minerals industry.

Delivering Value to Clients

Technical leadership & integrated IMDEX solutions

QUALITY DATA & CHAIN OF CUSTODY



STREAMLINE PROCESSES & TIMELY INFORMATION



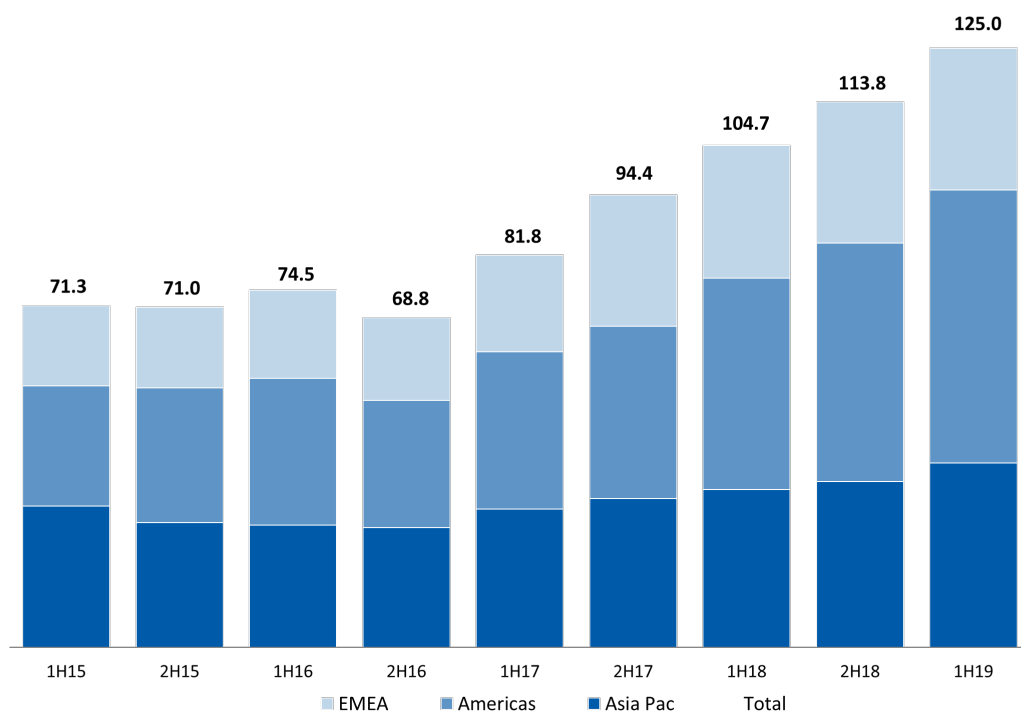
Key Financial Metrics

31 December 2018

	1H19 \$m	1H18 \$m	VAR \$m	VAR%
Revenue	125.0	104.7	20.3	19% ▲
EBITDA	25.2	20.1	5.1	25% ▲
NPAT	13.5	10.6	2.9	27% ▲
EPS (cents)	3.65	2.89	0.76	26% ▲
Operating cash flow	19.0	2.1	16.9	805% ▲
Fully-franked interim dividend declared (cents)	0.8	-	0.8	-

- Significant uplift in all key financial metrics

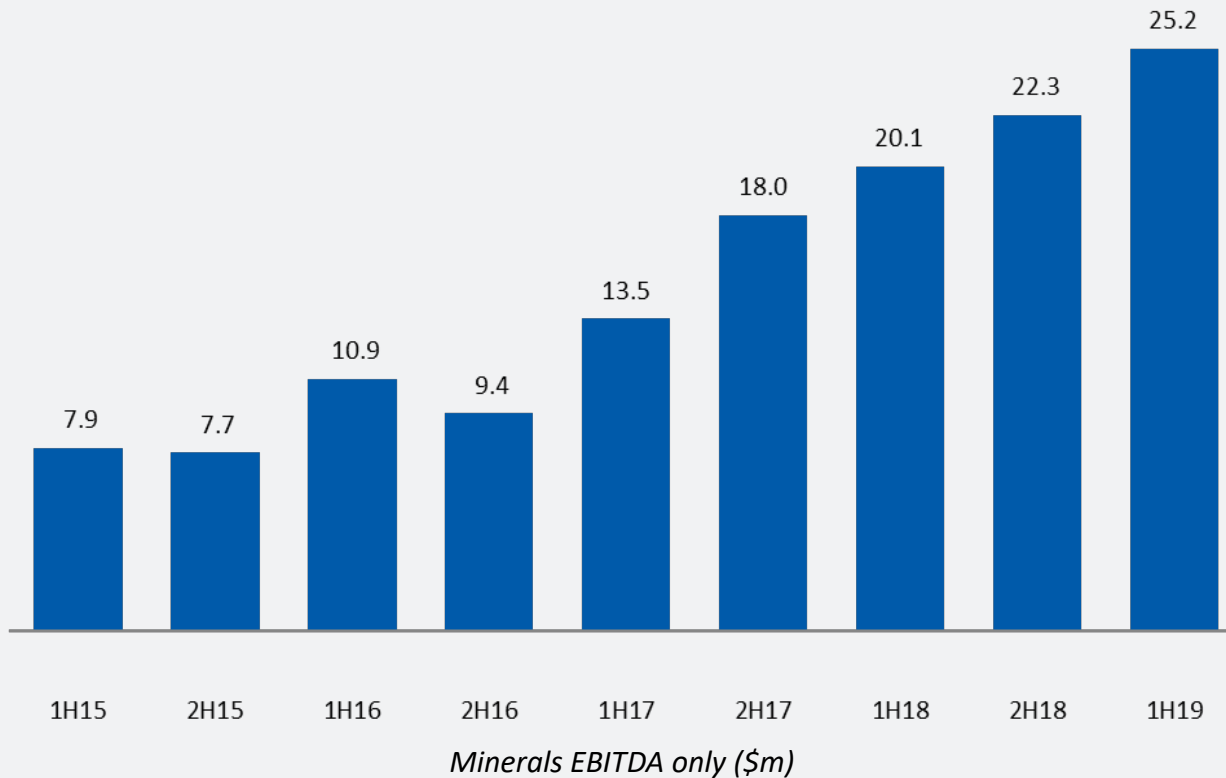
Revenue by Region



Minerals revenue only (\$m)

- 1H19 revenue up 19% on 1H18
- Increasing activity globally, albeit, at a slower rate (S&P: CY19 ~10% - 15%)
- Improving quality and benefits of rental fleet – generally commands higher rates

EBITDA



1H19
EBITDA up
25% on pcp

- Net investment in transformational initiatives* forecast to be ~\$8.0m for FY19 – investment expected to reduce substantially from FY20
- Gross margins have been maintained

**Drill & Blast project; COREVIBETM and MAGHAMMERTM technologies; and internal digital transformation*

Balance Sheet

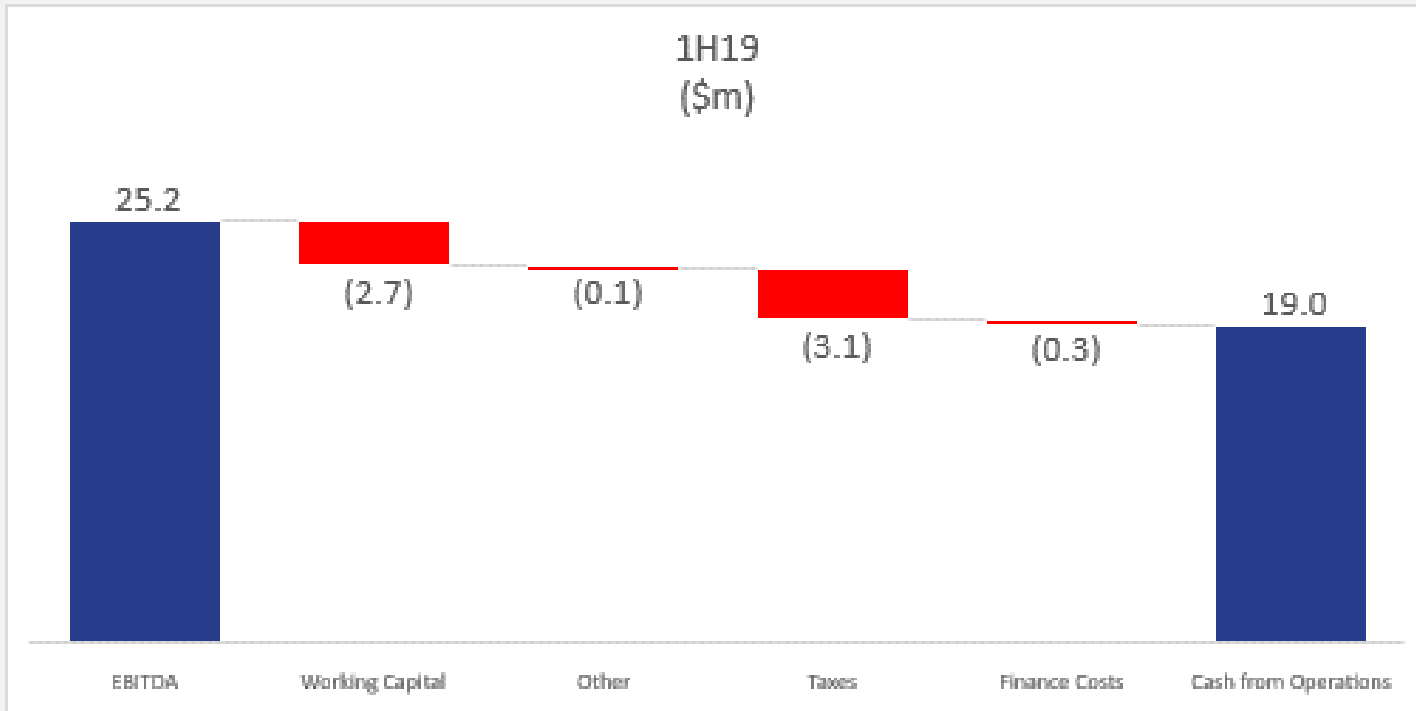
As at 31 December 2018

\$m	31 DEC 18	30 JUN 18
Cash	26.8	13.9
Receivables	46.5	49.3
Inventory	37.7	33.6
Fixed assets	38.1	36.5
Intangibles	59.6	59.5
Other assets / deferred tax	32.9	33.3
TOTAL ASSETS	241.6	226.1
Payables	24.0	26.4
Bank loans	6.1	5.9
HP finance	0.1	0.2
Other liabilities, provisions, current tax	8.6	7.5
TOTAL EQUITY	202.8	186.1

- Robust balance sheet
- Conservatively geared with strong net cash position \$20.6m
- Receivables exceeded payables by 94%
- Net asset position improved further as at 31 December 2018
- Fully-franked interim dividend declared of 0.8 cents per share – 22% 1H19 NPAT payout ratio
- Committed to sustainable dividend policy – investing in core R&D and transformational initiatives

Working Capital

Cash flow from operations

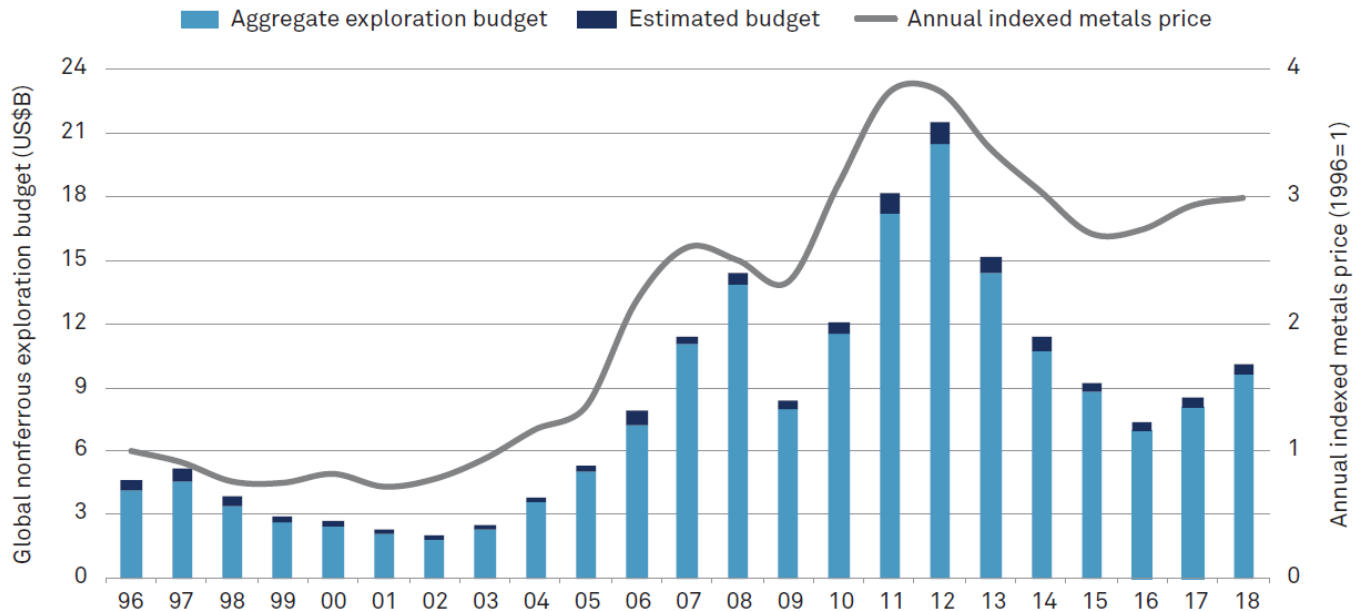


- Cash flow from operations improved substantially on pcp
- Normal working capital investment ratio of 30c to 35c for every incremental dollar of revenue expected for full year

World Mineral Exploration

Review and outlook

Nonferrous exploration budgets, 1996-2018



Data as of Oct. 29, 2018.

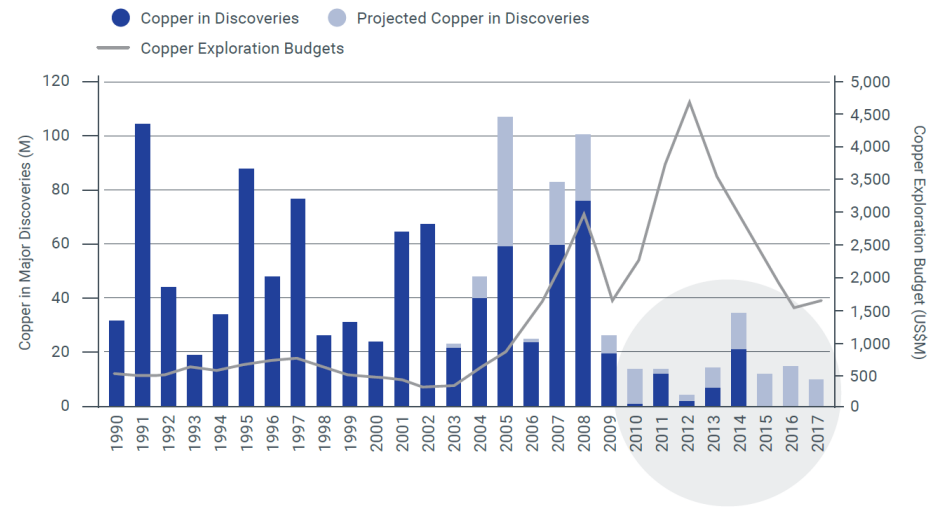
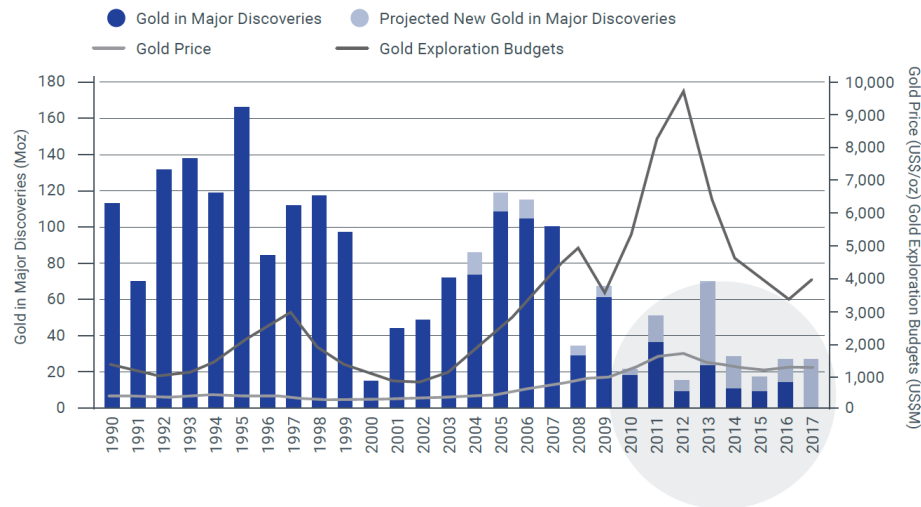
Source: S&P Global Market Intelligence

S&P forecast
10% - 15%
Increase in
C19 over C18

- CY16 the low point in the cycle
 - The new cycle is expanding at a measured rate
- Commodity prices support investment in exploration/development

Major Discoveries

Gold and Copper 1990 – 2017



Dearth of recent discoveries – easy deposits have been found

License to operate is an increasing challenge

New mines – **under ground cover, deeper, more drilling**, higher costs and longer development times

- Steady increase in exploration budgets and activity globally – albeit at a slower pace
- Macro geopolitical concerns – tapering global growth and the US / China trade tensions – are impacting capital markets
- The ability for juniors to raise funds is challenging, particularly in Canada
- Base metal prices are relatively robust – gold remains strong
- Major explorers are focusing on brownfield projects
- Majors have highlighted opportunities to find new deposits under ground cover and at depth
- Importance of drilling productivity technologies and innovation to lower costs, increase productivity and safety

Growth Strategy

High-level overview



We have a clear objective of delivering **sustainable earnings growth** for our shareholders via a two-tiered strategy, which includes organic and transformational growth.

Organic growth focuses on protecting and growing our core business, while maintaining and enhancing our technical leadership.

Transformational growth is extension into new market segments within exploration, mining and production including: drilling productivity (COREVIBE™ and MAGHAMMER™); and Drill & Blast (IMDEX Mining Solutions).

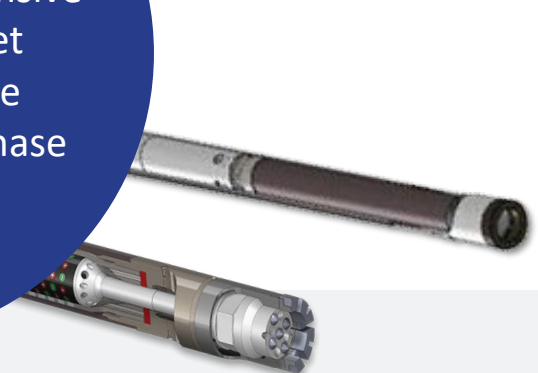
Transformational Products

COREVIBETM & MAGHAMMERTM – Drilling Productivity

- Entered Secondary Option Period to progress COREVIBETM & MAGHAMMERTM towards commercialisation
- Strong demand from drilling contractors and resource companies, and successful trials at IMDEX's test site in New Zealand
- Controlled testing of COREVIBETM concluded a productivity increase of 33% - results were validated by SGS
- COREVIBETM commercial prototypes trialled with clients by end of FY19. MAGHAMMERTM commercial prototype trials will follow in 1H20

If option is exercised, technologies are expected to provide significant additional global revenue and earnings from FY20 and be earnings accretive within 12 months of the exercise date

Transaction structure allows for comprehensive testing and market acceptance before committing to purchase



Transformational Products

Drill & Blast – IMDEX Mining Solutions



- Project designed to increase mine to mill efficiency for clients
- Progressing well, commercial prototypes expected to be trialled in-pit with clients during 2H19
- Strong support from industry partners including: Orica; Anglo American; Teck Resources; and METS Ignited
- Potential to provide IMDEX additional global revenue, which is more sustainable throughout the cycles, from FY20

Leading Global METS Company



Unique competitive position



1H19 Summary & Outlook



- Strong 1H19 – increased revenue by 19% and EBITDA by 25%
- Fully-franked interim dividend declared of 0.8 cents per share
- Robust balance sheet with a strong net cash position – \$20.6m
- Entered Secondary Option Period to progress COREVIBE™ and MAGHAMMER™ towards commercialisation – expected to generate additional revenue and earnings from FY20
- Drill & Blast Project, commercial prototypes to be trialled in-pit with clients during 2H19
- Increasing industry demand for drilling productivity technologies and innovation to lower costs, increase productivity and safety
- Strong position to leverage unique competitive position as a leading global METS company
- Focused on achieving sustainable earnings growth for shareholders

Appendices

Core Product Development

Protecting and growing market share

Our ongoing investment in core product R&D ensures we maintain and enhance our technical leadership and protect and grow our market share.



- World-class R&D facilities and excellent internal capabilities
- Market leading global brands – AMC and REFLEX
- Products and proprietary technologies have a reputation for quality and ease-of-use
- IMDEXHUB-IQTM – enables real-time information
- IMDEX / Seequent partnership allows real-time 3D visualisation
- Unique integrated IMDEX solutions provide additional value to clients across their projects' lifecycles

Seequent IMDEX Partnership

Real-time 3D visualisation for minerals drilling projects



[IMDEXHUB-IQ™ and Seequent Central Integration](#)

[Download Brochure Here](#)

Established Global Business

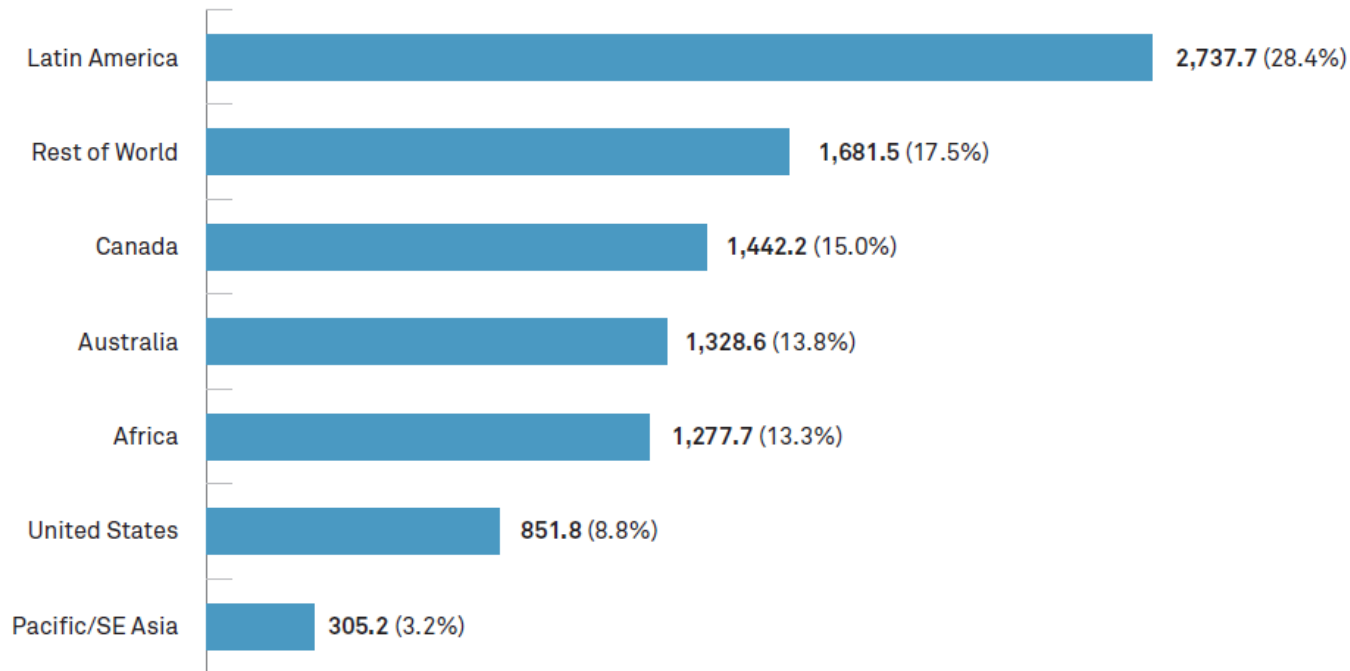
Operational leverage – we are where the money is being spent



Exploration Budgets

By region

Exploration budgets by region, 2018 (US\$M)
(1,651 companies budgeting US\$9.62 billion)



Data as of Oct. 29, 2018.

Given their relative importance to the industry, we treat Canada, Australia and the United States as separate regions.

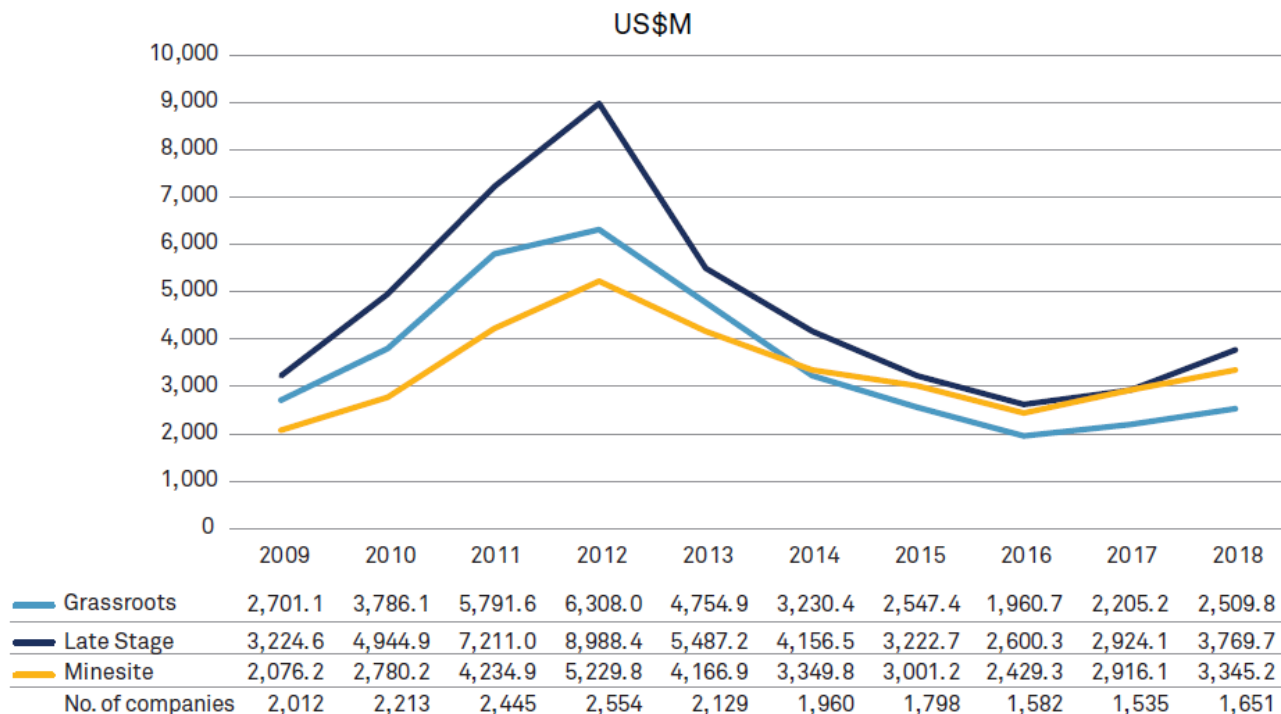
Source: S&P Global Market Intelligence

Higher 2018 explorations budgets in all regions except Pacific / SE Asia

Exploration Budgets

Stage of Development

Exploration budgets by stage of development, 2009-2018

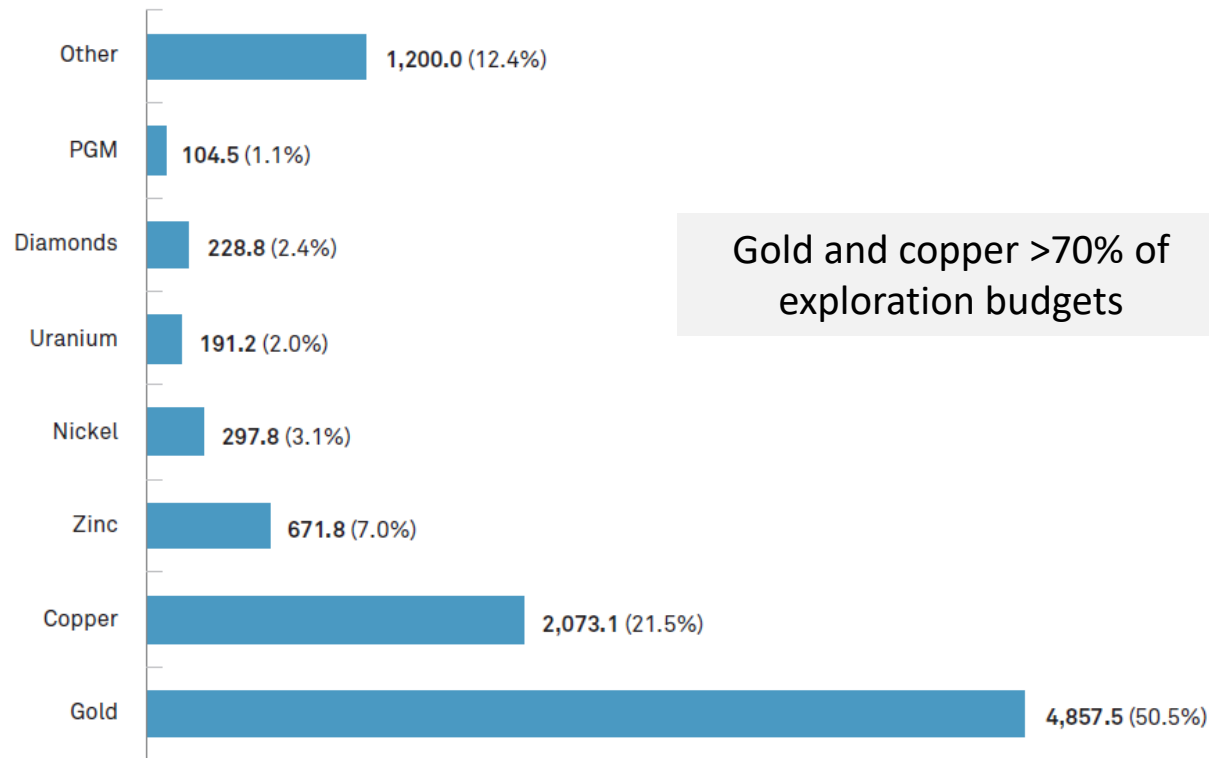


- Late-stage exploration budgets surged in 2018 by 29% — above global budget increase of 20%
- Increases in budgets for grassroots — up 14%
- Minesite exploration — up 15%

World Mineral Exploration

By Target

Exploration budgets by target, 2018
(1,651 companies budgeting US\$9.62 billion)



Data as of Oct. 29, 2018.
PGM = platinum group metals
Source: S&P Global Market Intelligence

COREVIBE™

Client benefits

TRADITIONAL DRILLING

 **67 SHIFTS**



500m
1000m
1500m
2000m

Minimises hole deviation with
high penetration rates

Improves penetration rates

COREVIBE™

 **47 SHIFTS**

UP TO 30% PRODUCTIVITY IMPROVEMENT



Reduces tripping of
inner tube for blockages

Extends bit life

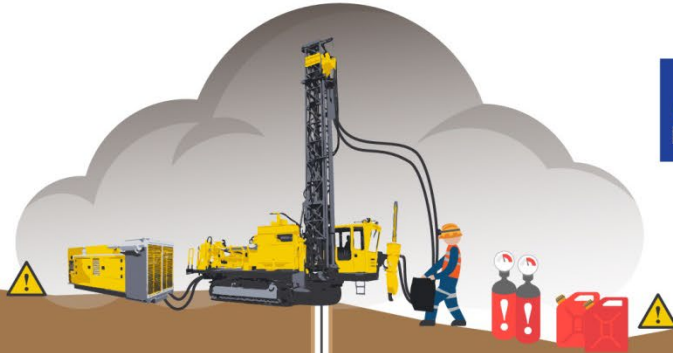


MAGHAMMER™

Client benefits

TRADITIONAL RC DRILLING

AIR POWERED



Entire drill hole can be completed with one rig where RC & Diamond Drilling required

Similar penetration rate as Reverse Circulation rig

Allows rapid drill case setting

Only limited in depth by pull back capacity of drill rig

MAGHAMMER™ ON DIAMOND DRILL RIG

WATER POWERED



Significantly safer and zero dust generated

Drilling fluid can be recycled with AMC SRU™

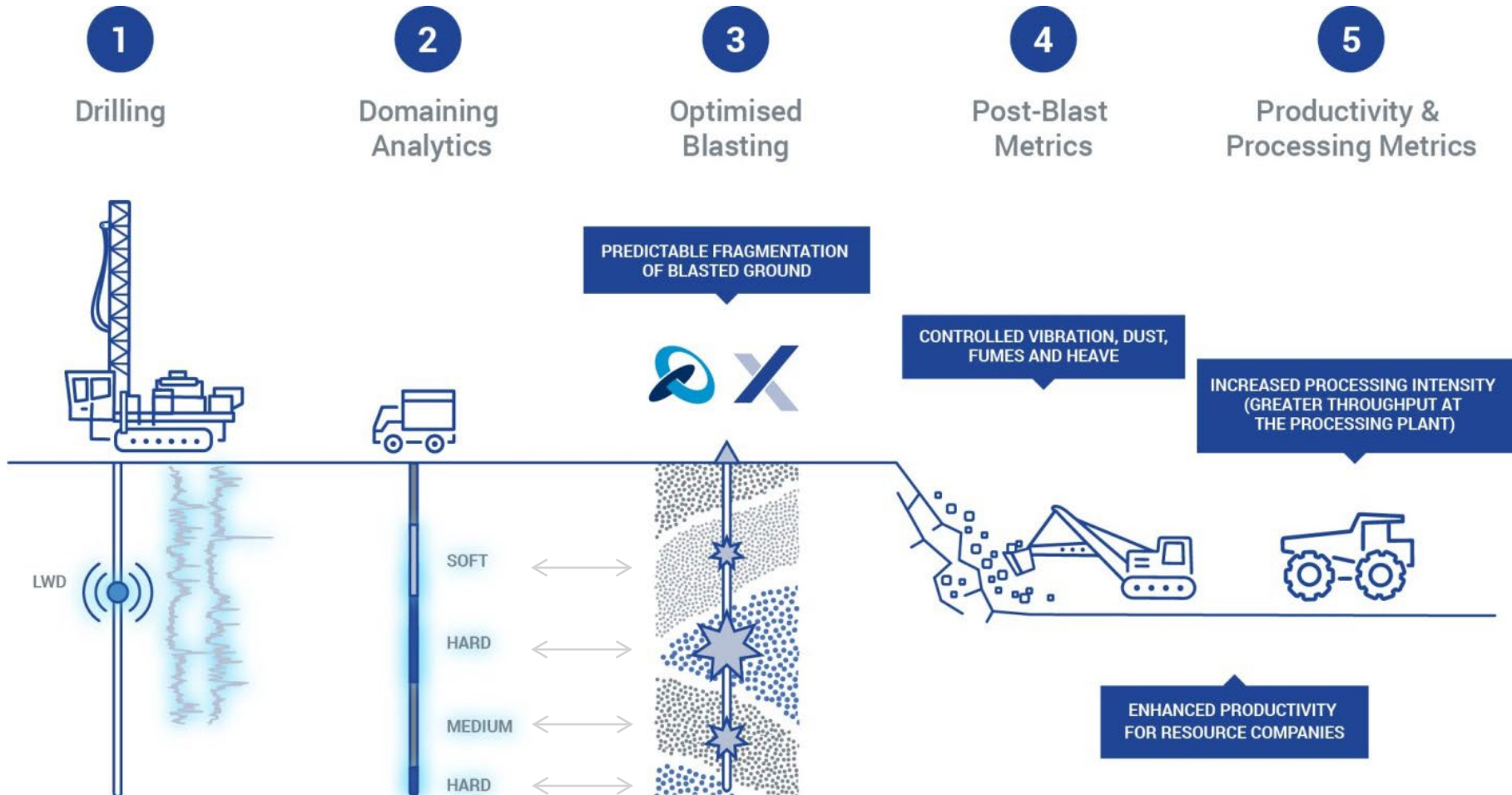
Reduces costs for rig (mobilisation and demobilisation) and fuel

Penetration rates are not affected by water intrusion

Operates with any normal drilling fluid

Material Characterisation

Blast holes provide detailed view of in-situ resource



Variability of Fragmentation



Company Snapshot

As at 31 December 2018

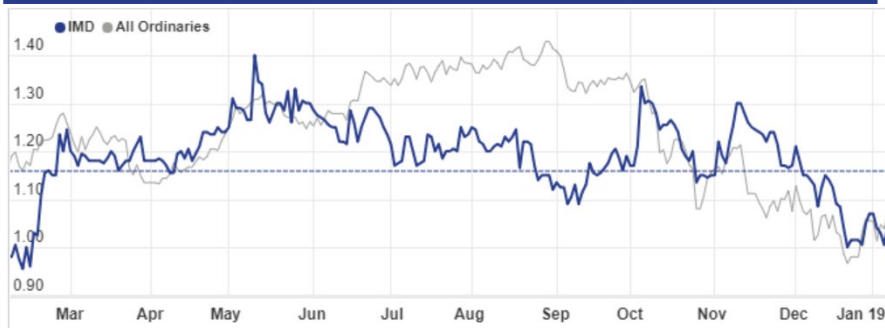
Corporate Information

ASX listed		IMD
Share price	\$	1.07
Issued shares	m	376.3
Market cap	\$m	402.6

Share Register Analysis of top 50 Shareholders

Institutions	66.85%
Employees, directors & company related parties	3.27%
Corporate holders	0.01%
Private shareholders	5.78%
Brokers & banks	13.27%

Share Price – 12 month Trend



Largest Shareholders

Largest Shareholders	Shares (m)	%
Perennial Value Management	45.98	12.22
Fidelity Investments – US	25.81	6.86
L1 Capital	16.49	4.38
Morgan Stanley & Co International Ltd	15.33	4.08
BT Investment Management	14.37	3.82

Board of Directors

High-functioning team



Mr Anthony Wooles BCom, MBA (Finance)

- Non-Executive Chairman
- Appointed to the Board 1 July 2016



Mr Bernard Ridgeway B.Bus (ACCTG) ACA

- Managing Director
- Appointed to the Board 23 May 2000



Mr Kevin Dundo BCom, LLB

- Non-Executive Director
- Appointed to the Board 14 January 2004



Ms Sally-Anne Layman B Eng (Mining), Hon, BCom

- Non-Executive Director
- Appointed to the Board 6 February 2017



Mr Ivan Gustavino B.Bus

- Non-Executive Director
- Appointed to the Board 1 July 2015

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