

# IMDEX Presentation

## Macquarie Australia Conference

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MANAGING DIRECTOR  
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# IMDEX at a glance

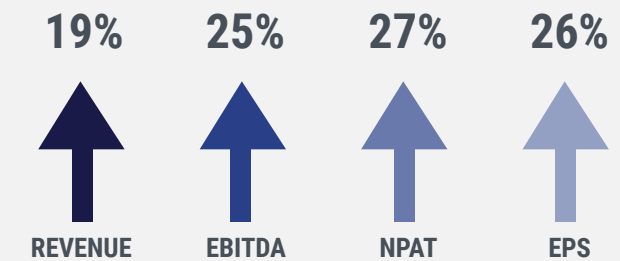
A leading global METS company



Our solutions improve the process of identifying and extracting what's below the Earth's surface for drilling contractors and resource companies. We let clients know where it is and what it is... now.

- Compelling opportunities for sustainable earnings growth via a two-tiered strategy
- Set to enter FY20 with a stronger business and new technologies to generate additional revenue and earnings

## 1H FY19 FINANCIAL PERFORMANCE (V 1H FY18)



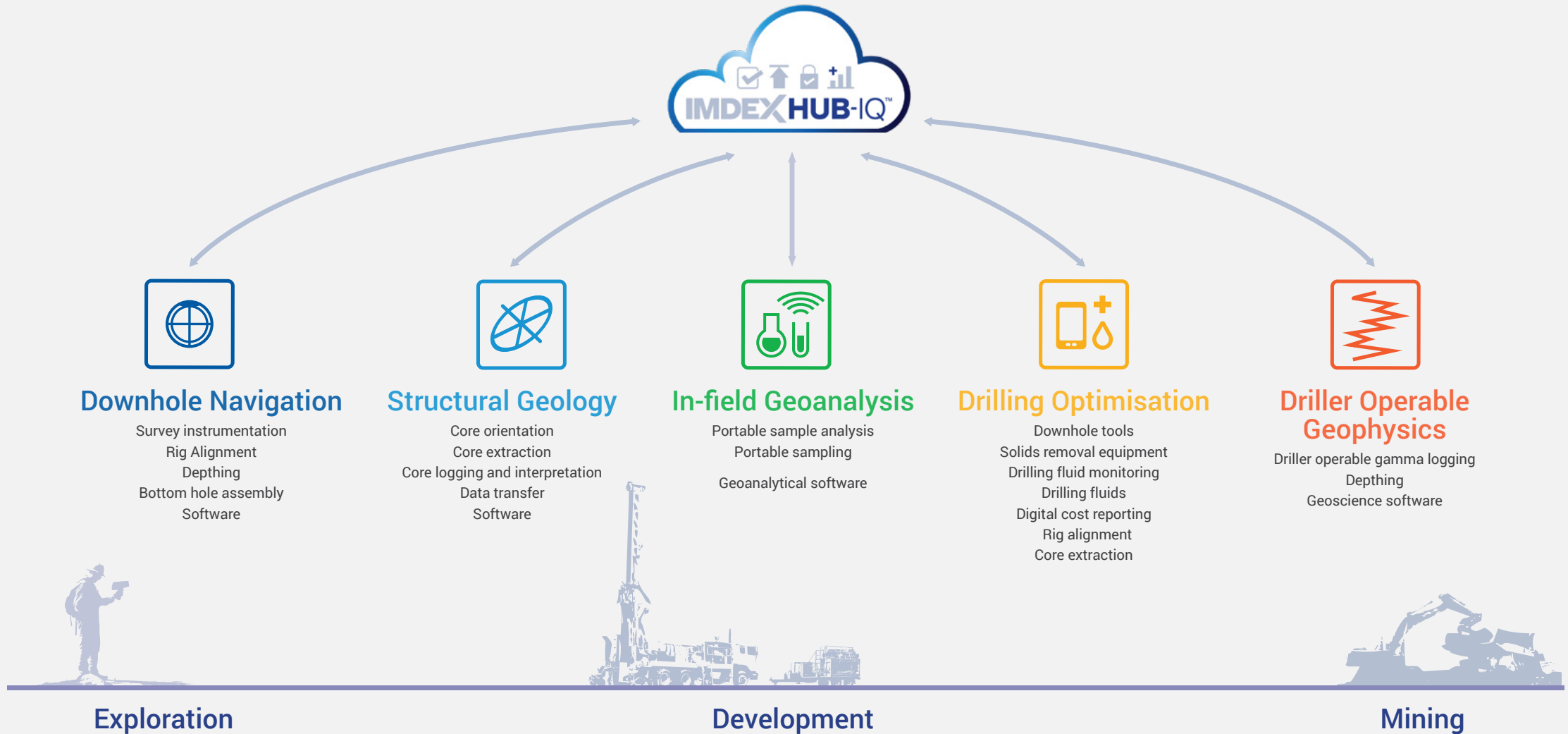
MAINTAINED GROSS MARGINS

STRONG NET CASH  
POSITION  
**\$20.6M**

FULLY-FRANKED  
DIVIDEND DECLARED

# Technology & Service Offering

Applicable across whole mining value chain

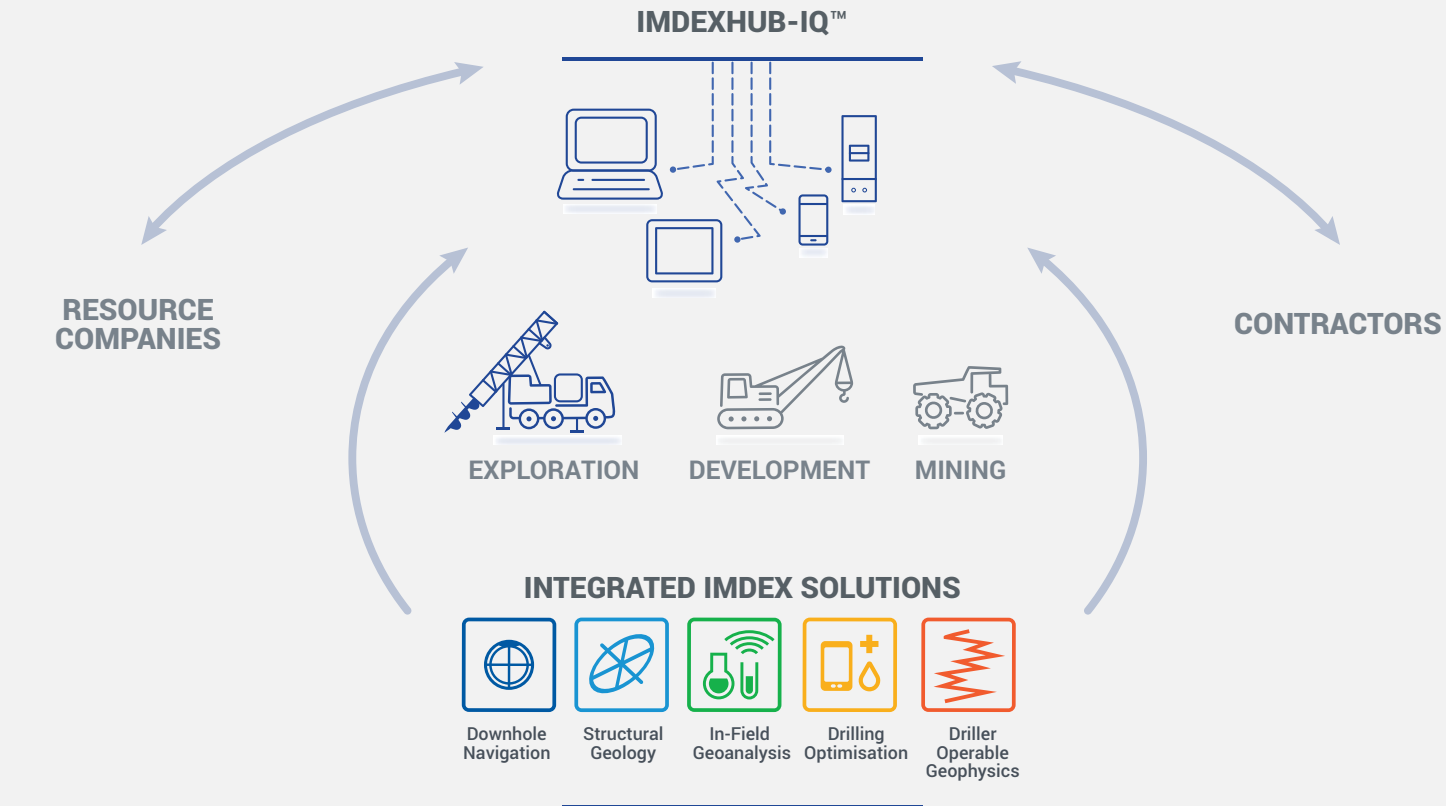


# Delivering Value to Clients

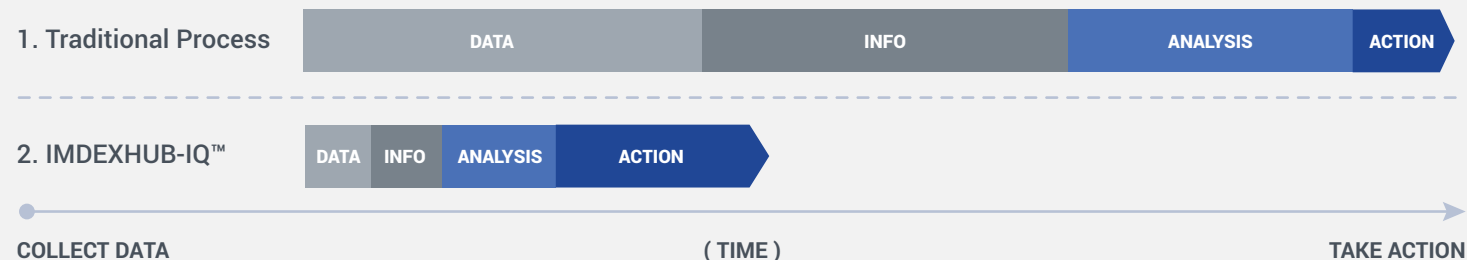
## Enhancing their efficiency and profitability



Quality Data  
& Chain of  
Custody



Streamline  
processes  
& timely  
information



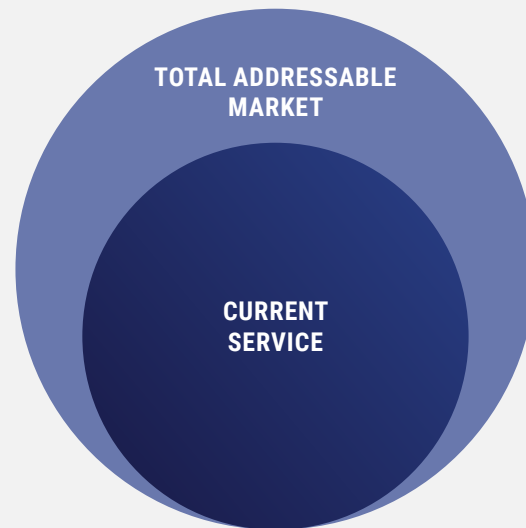
# Target Markets

## Increasing presence in Mining

### GLOBAL MINERALS INDUSTRY

#### CORE MARKET

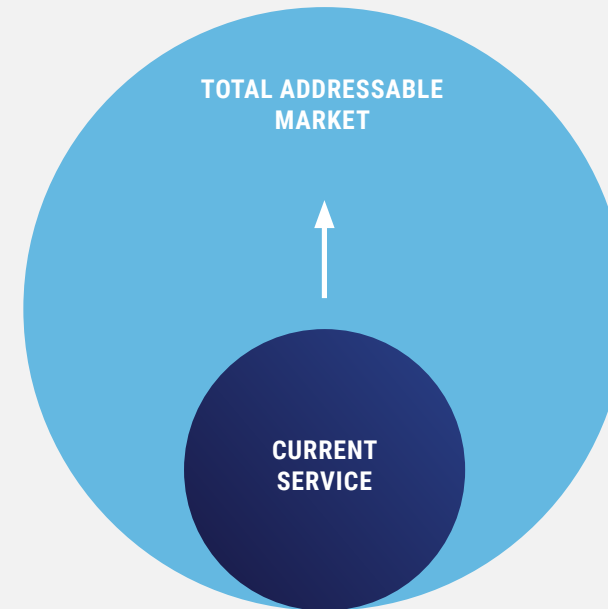
Exploration & Development



Currently 80% of revenue  
Strong market presence –  
70% of rigs globally

#### MARKET EXTENSION

Mining



Currently 20% of revenue – growing faster  
Larger adjacent market, less cyclical

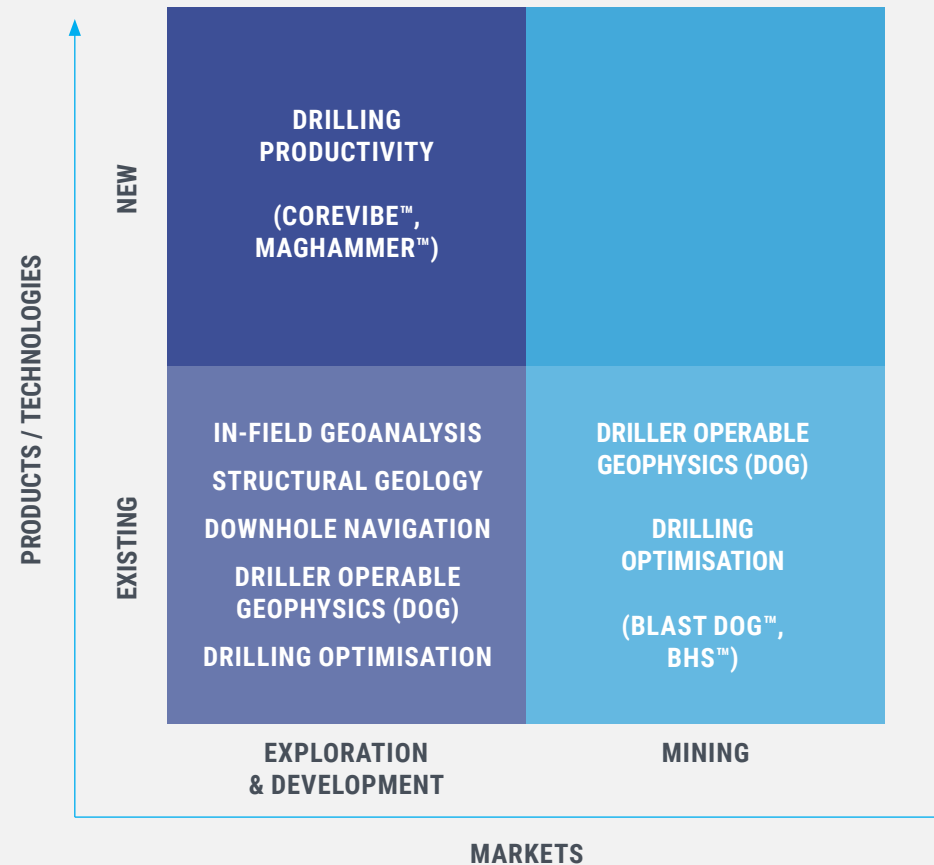
# Growth Strategy

Compelling opportunities for sustainable growth



## Strategy

- Protect and grow core business by enhancing and extending technical leadership, technology integration and increasing share of wallet
- Extension into mining to create an additional revenue stream that is less cyclical



## Why Success?

- Financial strength
- No competitors offering end-to-end solutions
- Global business with economies of scale
- Successful track record
- Strong leadership
- Market leading brands
- IP protected technologies
- Excellent engineering and R&D capabilities

# FY19 – FY20 Priorities

Delivering further revenue and EBITDA growth



## COMMERCIALISE DRILLING PRODUCTIVITY TECHNOLOGIES – COREVIBE™ AND MAGHAMMER™

- Attractive addressable market - COREVIBE™ ~ 1800 coring rigs
- Strong industry demand for greater productivity
- Unique technologies with strong IP protection
- Will not cannibalize existing product offering
- Ability to generate additional rental revenue per month
- Ability to leverage existing cost base and infrastructure globally
- Manufacturing and distribution fits well within capabilities



# FY19 – FY20 Priorities

Delivering further revenue and EBITDA growth



## COMMERCIALISE TECHNOLOGIES FOR MINING SEGMENT – DRILL & BLAST PROJECT

- Substantial addressable market, ~6000 blasts per day
- Strong industry need to increase productivity
- Limited technology risk – leverages existing technology and engineering expertise
- Technology is commodity agnostic
- Strong support from industry partners – Orica, Anglo American and Teck Resources
- Potential to provide additional sustainable rental revenue
- Manufacturing and distribution fits well within capabilities
- Ability to leverage existing cost base and infrastructure globally





# Financial Performance Update

## Revenue growth outpacing tool fleet growth



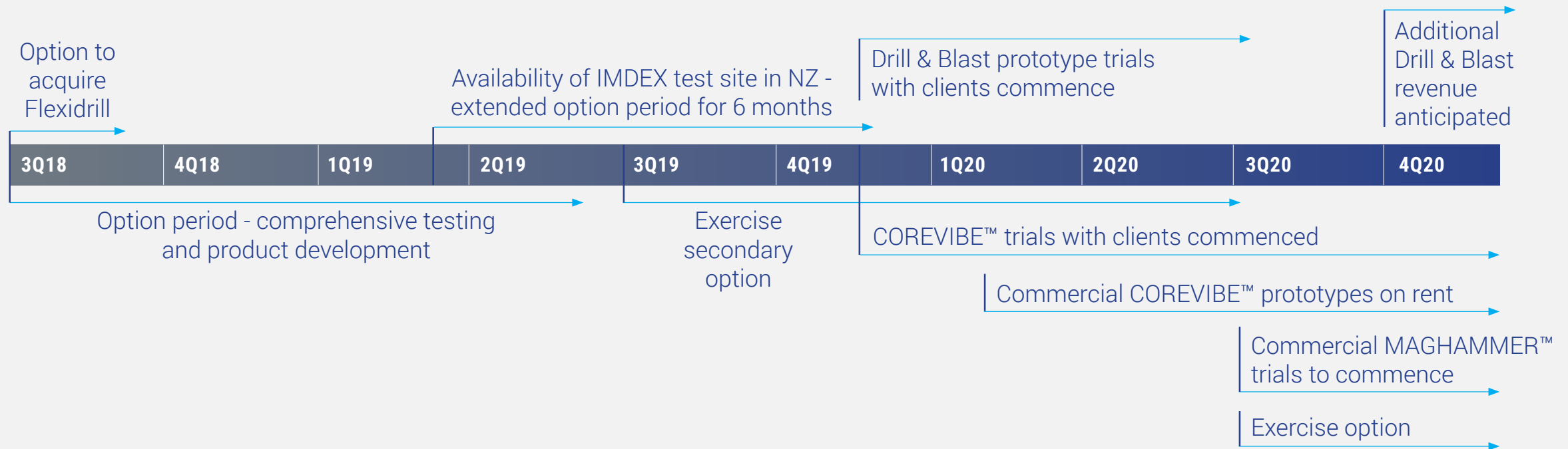
**Revenue**  
↑  
3Q FY19 up on 3Q FY18  
MAINTAINED GROSS MARGINS

- More advanced instrumentation and technologies deliver greater benefits to clients
- A greater proportion of newer tools in the fleet – 3 to 5x the revenue of older generation tools
- Investment in digital transformation projects enable greater efficiencies



# Operational Performance Update

## On track to deliver new technologies in FY20



# Industry Outlook

Steady recovery, longer-term opportunities



- S&P forecast non-ferrous exploration budgets to increase 5% - 10% for CY19
- Macro geopolitical concerns remain
- Ability for juniors to raise funds is challenging
- Base metal prices are relatively robust – gold remains strong
- Dearth of recent discoveries
- Opportunities to find new deposits at depth
- New mines – deeper, more drilling, higher costs and longer development times
- Importance of drilling productivity technologies and innovation to lower costs, increase productivity and safety





# Company Outlook

Entering FY20 with a stronger business



- Benefiting from recovery in exploration spend – albeit at a measured rate
- Expect to exercise Option to acquire Flexidrill in December 2019
- COREVIBE™ and MAGHAMMER™ expected to generate additional revenue and earnings from FY20
- Positioning to grow revenue and earnings from mining
- Drill & Blast project expected to generate additional revenue from 2H FY20
- Positioned to benefit from industry dynamics



# Summary

Leading global METS company, sustainable growth



- Strong competitive advantages
- Increasing industry demand for drilling productivity technologies and innovation
- On track to commercialise new drilling productivity technologies in FY20 to grow core business
- On track for further extension into mining with Drill & Blast technologies to generate more sustainable revenue from FY20



# Thank you

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The IMDEX logo is displayed in white on a dark blue background. It features the word "IMDEX" in a bold, sans-serif font, followed by a stylized "X" symbol. A small "TM" trademark symbol is positioned to the upper right of the "X".

**IMDEX**<sup>TM</sup>