

INDEX Annual General Meeting 2019 Financial Year

17 OCTOBER 2019

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© INDEX LIMITED



A leading global
Mining-Tech company.

Enabling successful
and cost-effective
operations, from
exploration to production.



Welcome

Introducing our Board



Mr Bernie Ridgeway
Managing Director

Ms Sally-Anne Layman
Non-Executive Director

Mr Anthony Wooles
Non-Executive Chairman

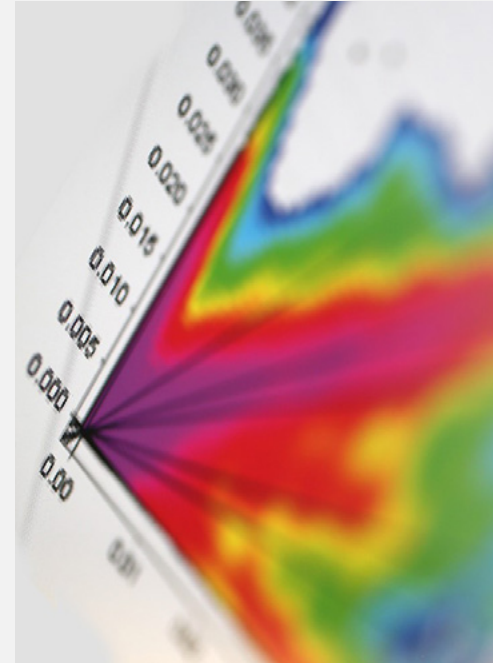
Mr Ivan Gustavino
Non-Executive Director

Mr Kevin Dundo
Non-Executive Director

2019 AGM Agenda



- CHAIRMAN'S ADDRESS
- RESOLUTIONS & VOTING
- CLOSE OF 2019 ANNUAL GENERAL MEETING
- MANAGING DIRECTOR'S ADDRESS
- REFRESHMENTS



CHAIRMAN'S ADDRESS

ANTHONY WOOLLES

FY19 Highlights

Strong performance and a positive outlook



Record revenue – up 12%
and EBITDA – up 23%



On track to commercialise new
drilling productivity and mining
technologies in 2H20



Fully-franked final dividend
of 1.4 cps and special fully-
franked dividend of 2.0 cps
(post FY19)



Ongoing core R&D –
43% of applicable instruments are
cloud-enabled, up 25% on FY18



Robust balance sheet with a
strong net cash position of
\$23.2m – up 194%



Streamlined operations, digital
transformation & enhanced safety
performance



Strengthened quality
of rental fleet

FY20 Priorities

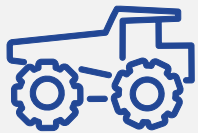
Executing robust strategy



**Growing core business
by enhancing
technical leadership**



**Product extension
– Drilling Productivity and
Mining Technologies**



**Further Market Extension
– Mining**



**Consolidating operational
efficiencies – internal digital
transformation and One IMDEX**



**Building on sustainable
safety improvements
– to achieve zero harm**



**Identifying ideal CEO candidate
– smooth transition**

Close of IMDEX 2019 Annual General Meeting

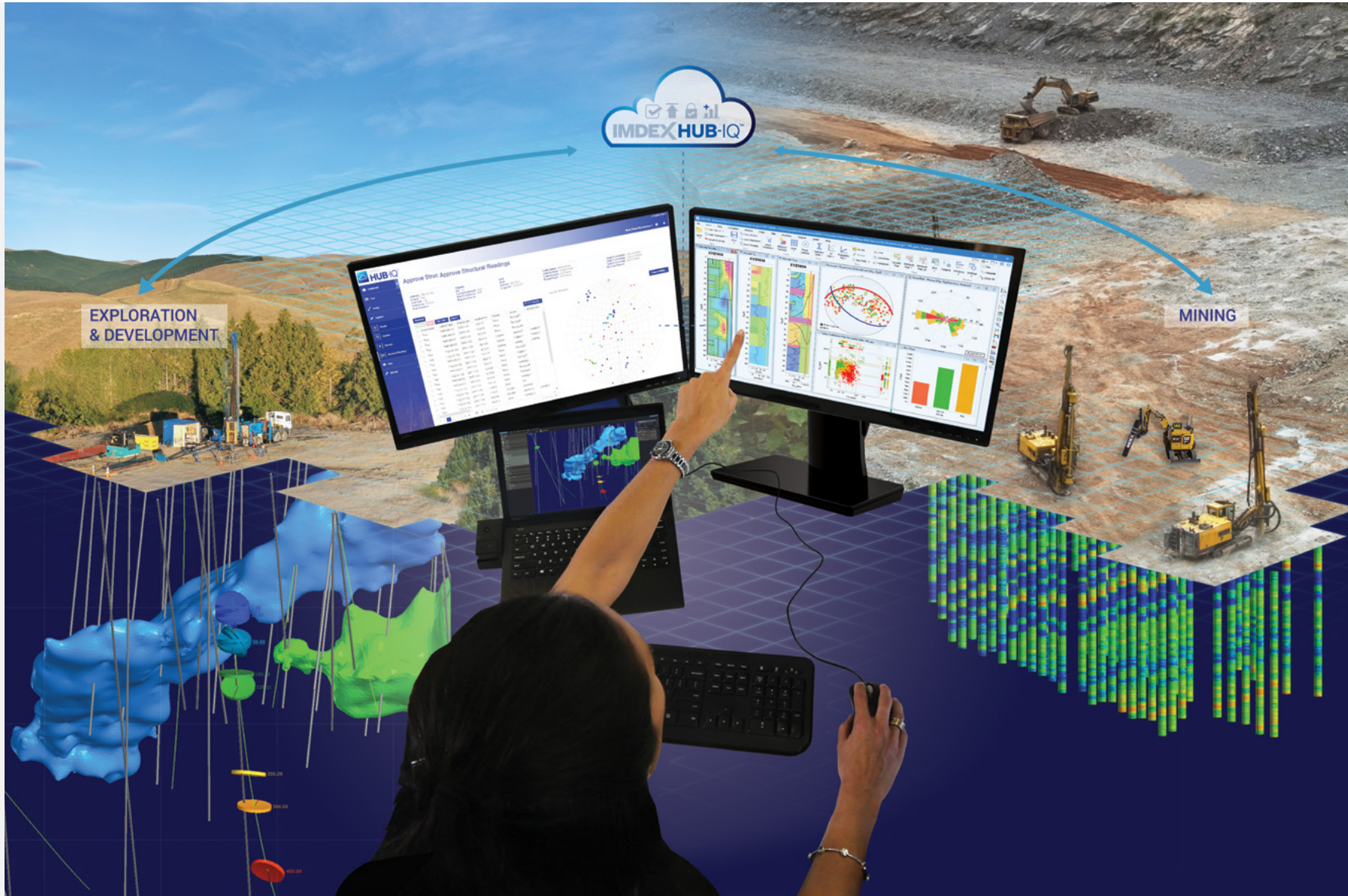


MANAGING DIRECTOR'S ADDRESS

BERNIE RIDGEWAY

What Our Technologies Do

Help clients hit targets and make critical decisions



“It’s about drilling faster and smarter and knowing your rocks in real-time.”

DR MICHELLE CAREY
GENERAL MANAGER
IMDEX PRODUCT DEVELOPMENT

IMDEX at a Glance

A leading global Mining-Tech company



Outperforming
market growth

Exciting pipeline of
new technologies

Compelling
opportunities for
sustainable revenue
and earnings
growth

REVENUE CAGR

19%

EBITDA CAGR

37%

FY17 – FY19

FY19 EBITDA MARGIN

21%

BALANCE SHEET –
STRONG NET CASH
POSITION

\$23.2m

AS AT 30 JUNE 2019

STRONG MARKET
PRESENCE ON

70%

OF MINERAL DRILLING
PROJECTS GLOBALLY

SALES IN 102
COUNTRIES

MINING VALUE CHAIN –
ONLY COMPANY
WITH END-TO-END
TECHNOLOGY
PORTFOLIO

MARKET CAP

\$494.4m

67% OF REGISTER IS
INSTITUTIONAL
INVESTORS

AS AT 30 JUNE 2019

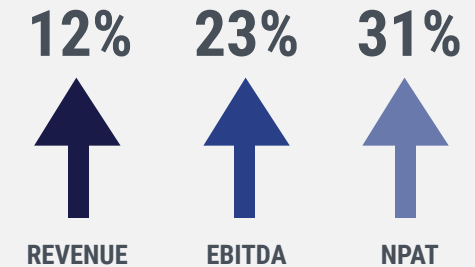
Key Metrics

A strong financial platform



	FY19 \$m	FY18 \$m	VAR \$m
Revenue	243.7	218.5	25.2
EBITDA	52.3	42.4	9.9
EBITDA margin %	21%	19%	2%
NPAT	27.6	21.1	6.5
EPS (cents)	7.4	5.7	1.7
Operating cash flow	35.2	15.9	19.3
Net assets	220.0	186.1	33.9
Net cash (as at 30 June)	23.2	7.9	15.3
Fully-franked interim dividend (cents)	0.8	-	0.8
Fully-franked final dividend (cents)	1.4	-	1.4
Full-time employees (no. at 30 June)	511	529	(18)

FY19 FINANCIAL PERFORMANCE (V FY18)



OPERATING CASH FLOW

121%

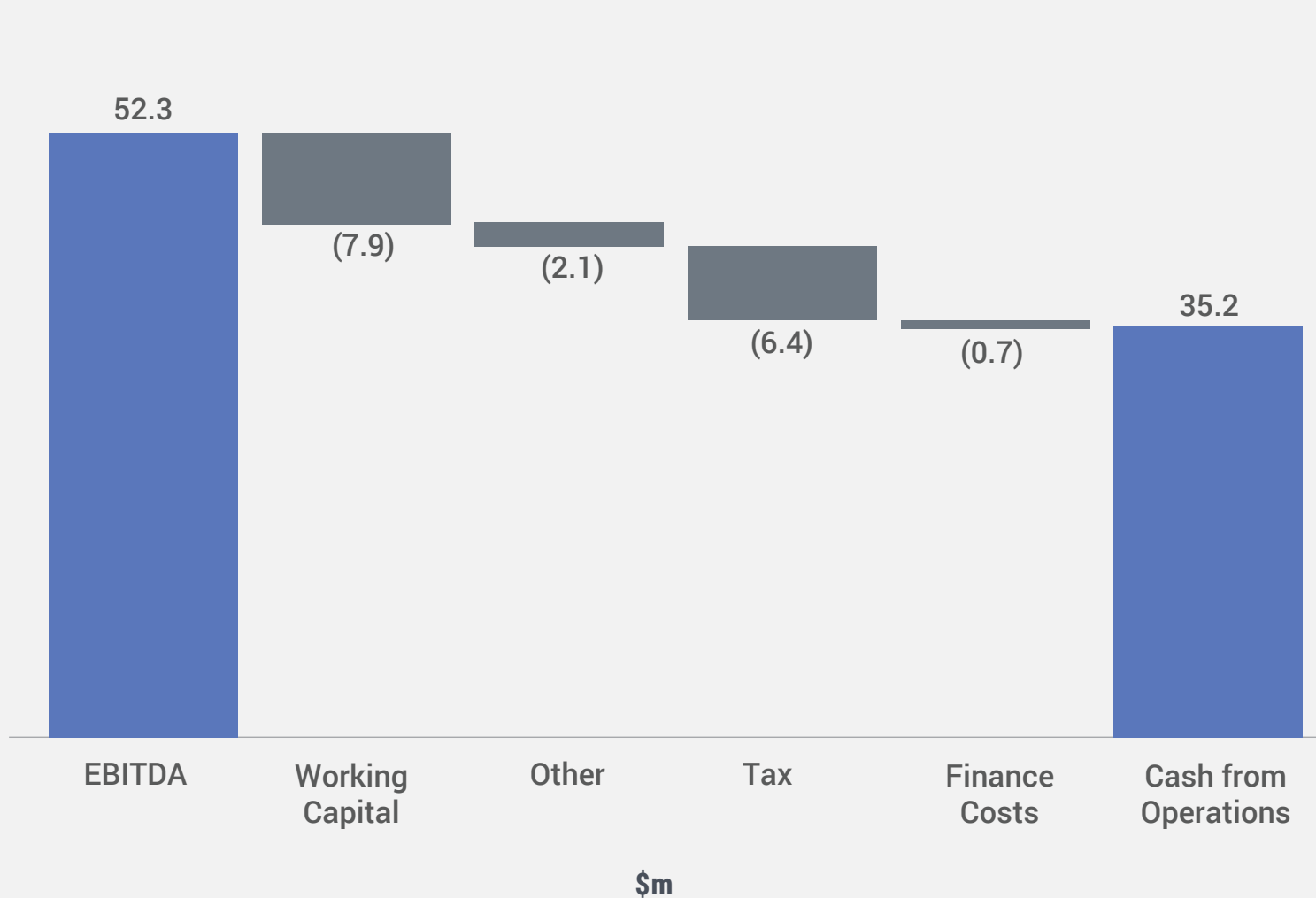


NET CASH POSITION

\$23.2M

Reconciliation of EBITDA

Strong cash conversion



↑

**CASH FROM
OPERATIONS UP
121%
ON PCP**

- Working capital investment ratio of 34c for every incremental dollar of revenue for FY19
- In line with expectations, similar ratio expected in FY20

Balance Sheet

Strong net cash position

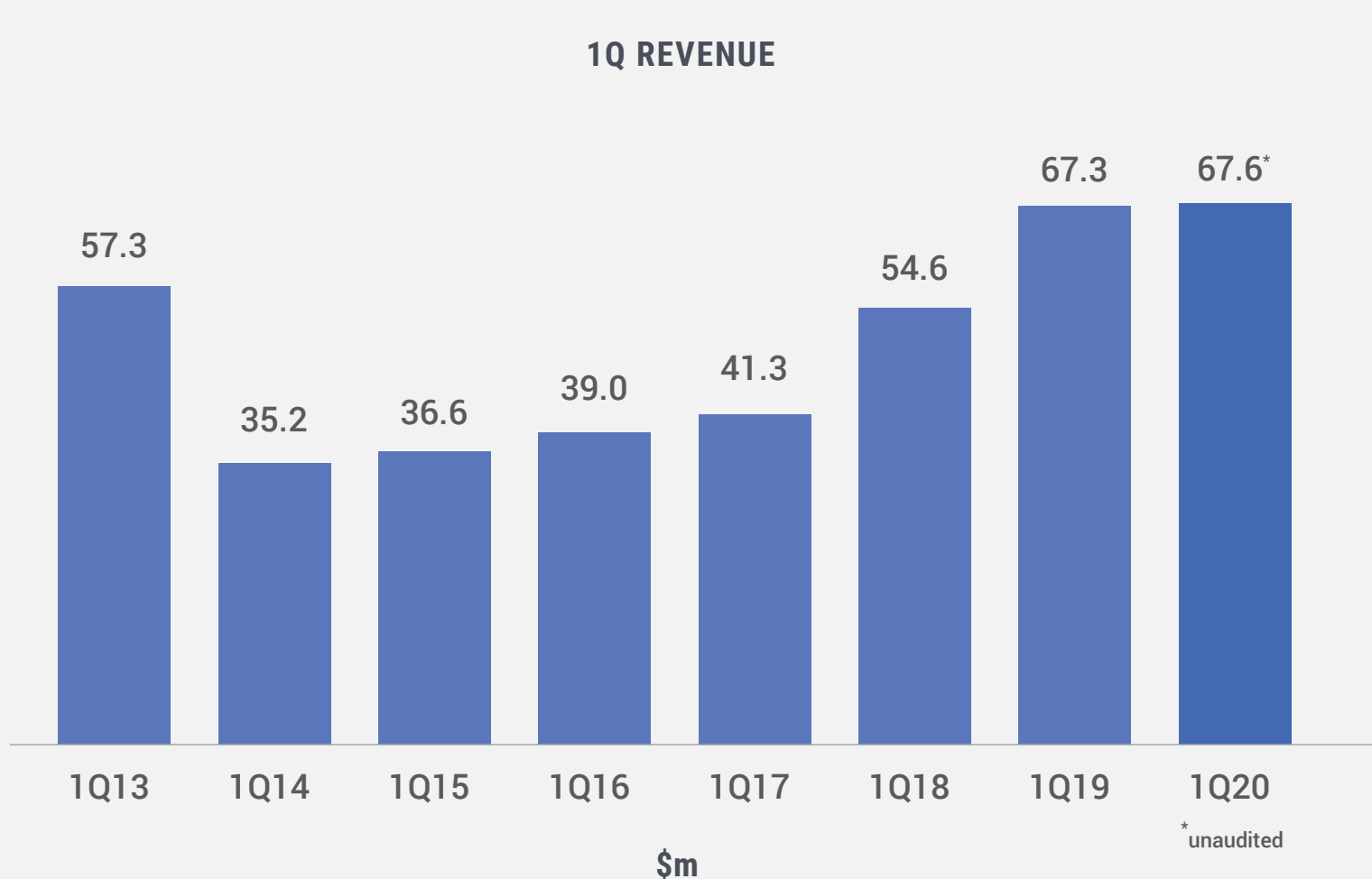
\$m	30 JUN 19	30 JUN 18
Cash	29.5	13.9
Receivables	54.7	49.3
Inventory	37.1	33.6
Fixed assets	39.4	36.5
Intangibles	59.5	59.5
Other assets / deferred tax	39.0	33.3
TOTAL ASSETS	259.2	226.1
Payables	25.3	26.4
Borrowings	6.3	6.1
Other liabilities, provisions	7.6	7.5
TOTAL EQUITY	220.0	186.1
ROE	12%	14%
ROCE	15%	17%



- Improved balance sheet strength
- Recommenced dividends
- Net assets up 18%
- Continued investment in leading technologies to drive future growth

Positive Start to FY20

Record quarterly revenue



- More advanced technologies deliver greater benefits to clients and generate 3 – 5x more revenue
- Steady increase in activity globally – 4Q19 uplift continued into FY20

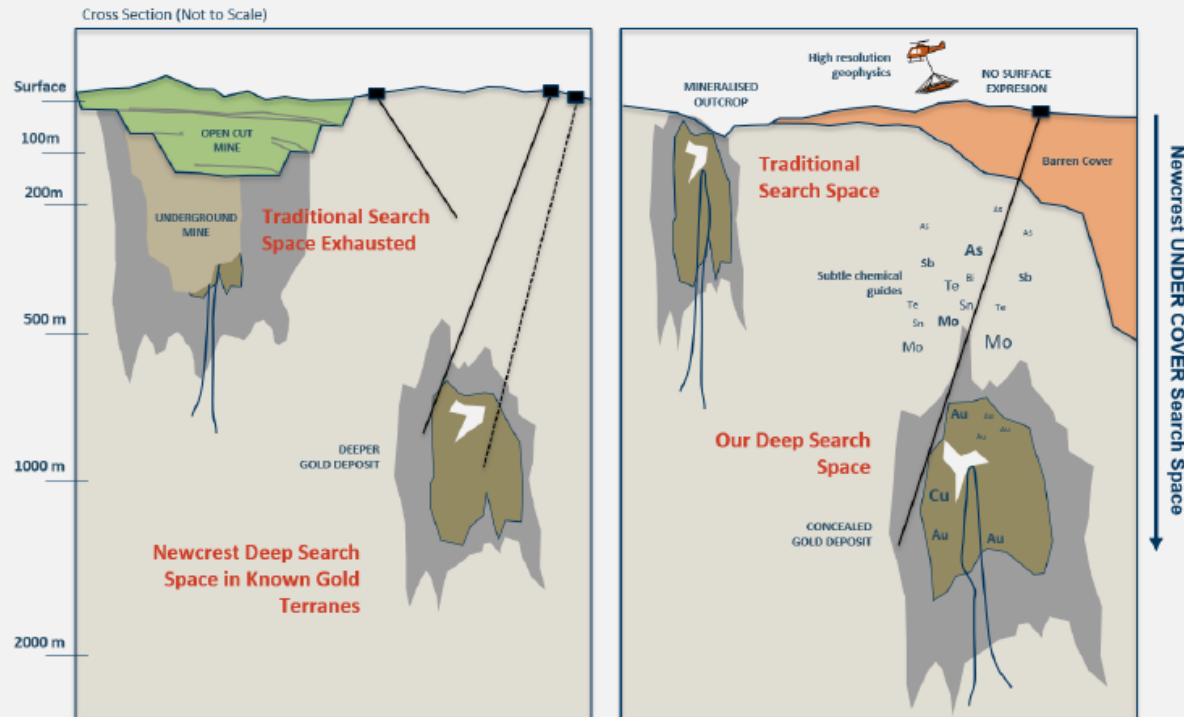
Deeper Drilling

Denver Gold Forum - September 2019



1. Looking Deeper in outcrop areas

2. Exploring under cover



Newcrest's unique mining capabilities opens up all search spaces

NEWCREST BRIEFING PACK
SANDEEP BISWAS, MANAGING DIRECTOR & CEO

“One of our aspirations is to grow our asset base, ideally “through the drill bit” by focussing on brownfield and greenfield exploration opportunities globally.”

NEWCREST 2019 ANNUAL REPORT

Strong Outlook for Gold

Denver Gold Forum - September 2019



“The fundamentals are still backing it in a massive way and I would say for the first time in my life, I’m willing to say something along the lines of, two to three years from now, gold will be over \$2,000 an ounce.”

NOLAN WATSON
PRESIDENT, CEO & DIRECTOR,
SANDSTORM GOLD
KITCO NEWS, SEPTEMBER 2019

“Gold’s trajectory over the long-term is several thousand dollars higher, with an average target price of \$12,500, and it only makes sense when you look at the historical growth of the metal.”

PIERRE LASSONDE
CHAIRMAN, FRANCO-NEVADA
KITCO NEWS, SEPTEMBER 2019

MINING INNOVATION & TECHNOLOGIES

INCREASING INDUSTRY DEMAND



“If I can get instantaneous information as I’m drilling the ground to understand what to put into our mine plans and into how we work with our trucks, diggers and logistics plans, that is the real unlock for us as a business. What we see as the macro opportunity is the ability to actually link decisions across the value chain.”

RAG UDD -
BHP’S GLOBAL HEAD OF TECHNOLOGY TRANSFORMATION

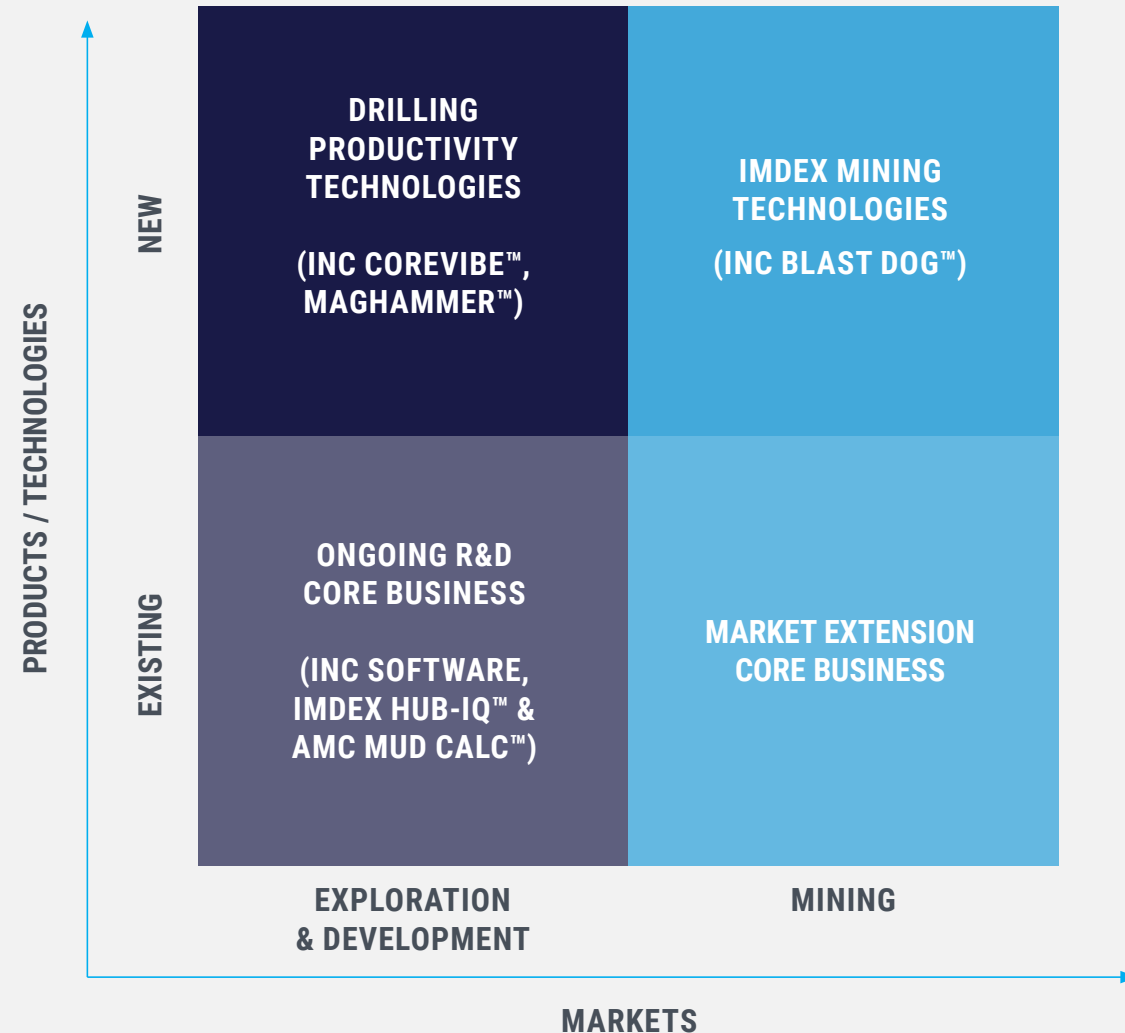
Growth Strategy

Compelling opportunities for sustainable growth



Grow core business by:
enhancing technical leadership;
technical integration; and
increasing share of client
spend

Further extension into larger
adjacent mining market to
build non-cyclical revenue



Ongoing R&D Core Business

Connecting our traditional technologies



IMDEXHUB-IQ™
enabling secure
real-time decision
making

43%
OF APPLICABLE
INSTRUMENTS ARE
CLOUD-ENABLED

UP 25% ON FY18

49%
OF TOP 100 CLIENTS
ARE CONNECTED TO
IMDEXHUB-IQ™

CONNECTED CLIENTS
GENERATE
60%
MORE REVENUE THAN
NON-CONNECTED
CLIENTS

DATA THROUGHPUT
IS INCREASING YOY –
MOBILE FORMS UP

18%
ON FY18

STRENGTHENING
QUALITY OF RENTAL
FLEET – FY19
AVERAGE REVENUE
PER TOOL UP

13%
ON FY18

UNIQUE INTEGRATED
IMDEX SOLUTIONS
PROVIDE ADDITIONAL
VALUE TO CLIENTS
IN THE MINING VALUE
CHAIN

Drilling Productivity Technologies

On track to produce material revenue from FY21



		Client Benefits	Progress Update
	COREVIBE™	<ul style="list-style-type: none">• High frequency energy pulse assisted drilling for wireline coring• >30% increase in productivity• Up to 90% increase in penetration rates	<ul style="list-style-type: none">• Units on rent 1Q20• Trial pipeline in Australia and North America full• Pilot production on track
	XTRACTA™	<ul style="list-style-type: none">• Allows drillers to change the bit when core is retrieved – no need to pull rods• The hole is always cased, maintaining hole integrity• Significant productivity and safety benefits	<ul style="list-style-type: none">• Commencing client trials 2Q20• Pilot production on track
	MAGHAMMER™	<ul style="list-style-type: none">• Combines rotary diamond drilling with fluid driven percussive drilling• Achieves high penetration rates compared to conventional coring• Significant safety, cost and environmental benefits	<ul style="list-style-type: none">• Development at IMDEX test site in NZ• Commercial trials 3Q20

Drilling Productivity Technologies

Investment rationale



Attractive
addressable
coring rig market:
COREVIBE™ ~1800*
XTRACTA™ ~3000*

*Based on current coring
rig utilisation rates

MAGHAMMER™
initially targeting
high speed pre-collar
drilling through deep
cover to the coring
zone, ~1000 RC rigs
globally

Strong industry
demand
for greater
productivity - from
drilling contractors
and resource
companies

Unique
technologies
with strong IP
protection

Will not
cannibalise
existing product
offering

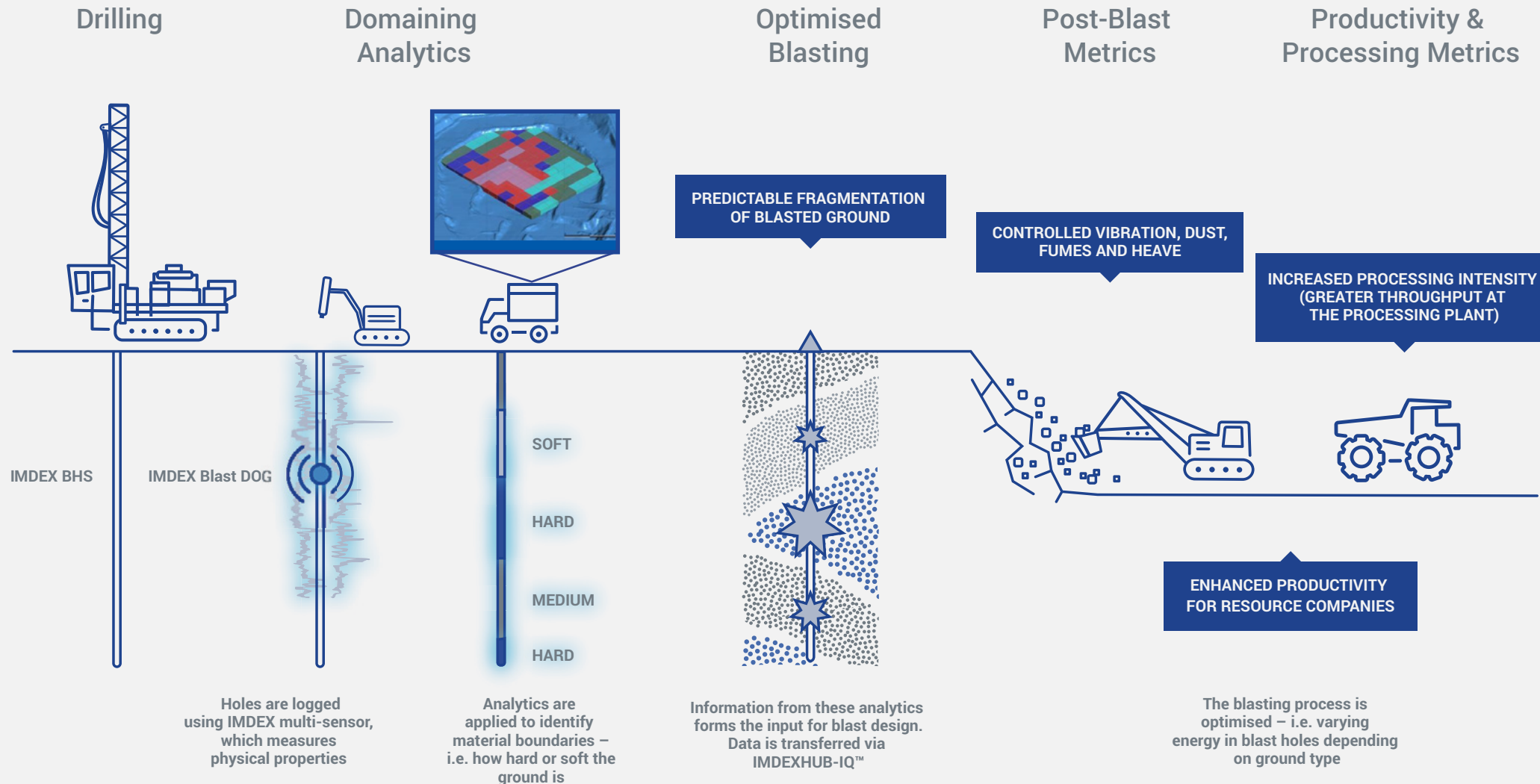
New Drilling
Productivity
technologies suit
IMDEX rental
model

Ability to leverage
existing cost base,
client network
and infrastructure
globally

Manufacturing
and distribution
fits well within
capabilities

Mining Technologies - Blast DOG™

Optimised blasting and material tracking



Additional Client Benefits

More efficient safer processes



Mining Technologies

Investment rationale



- Substantial addressable market, ~6000 blasts per day
- Strong demand for productivity increases
- Leverages existing technology and engineering expertise
- Potential to provide substantial additional sustainable rental revenue
- Ability to leverage existing infrastructure globally
- Strong support from industry partners – Orica, Anglo American and Teck Resources



Positive Growth Outlook

A strong start to FY20



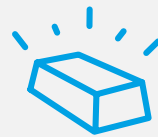
Record 1Q20 revenue - increasing activity reflected in IMDEX's growing rental fleet



Resource companies – embracing innovation and new technologies to lower cost, increase safety and achieve greater productivity



Major and intermediate resource companies – increasing expenditure to replace reserves



Stronger gold price and uplift in capital raisings globally



New discoveries under cover and at depth – more drilling and longer development times



Mining production levels and commodity prices – support further investment in industry

Key Points

Positioned to deliver attractive returns to shareholders



- Strong financial platform and competitive advantages
- Driving sustainable earnings growth
- Positioned to benefit from increasing demand for ore body knowledge
- On track to commercialise new drilling productivity technologies in FY20 to grow core business
- On track for further extension into mining to build non-cyclical revenue
- Anticipate material revenue uplift from new technologies in FY21
- Positive growth outlook



Thank you

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FOR FURTHER INFORMATION
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IMDEXTM

Appendices



Established Global Business

In all the key mining regions of the world



**STRONG MARKET
PRESENCE ON
70%
OF MINERAL RIGS
GLOBALLY**

**SALES IN 102
COUNTRIES**

COREVIBE™

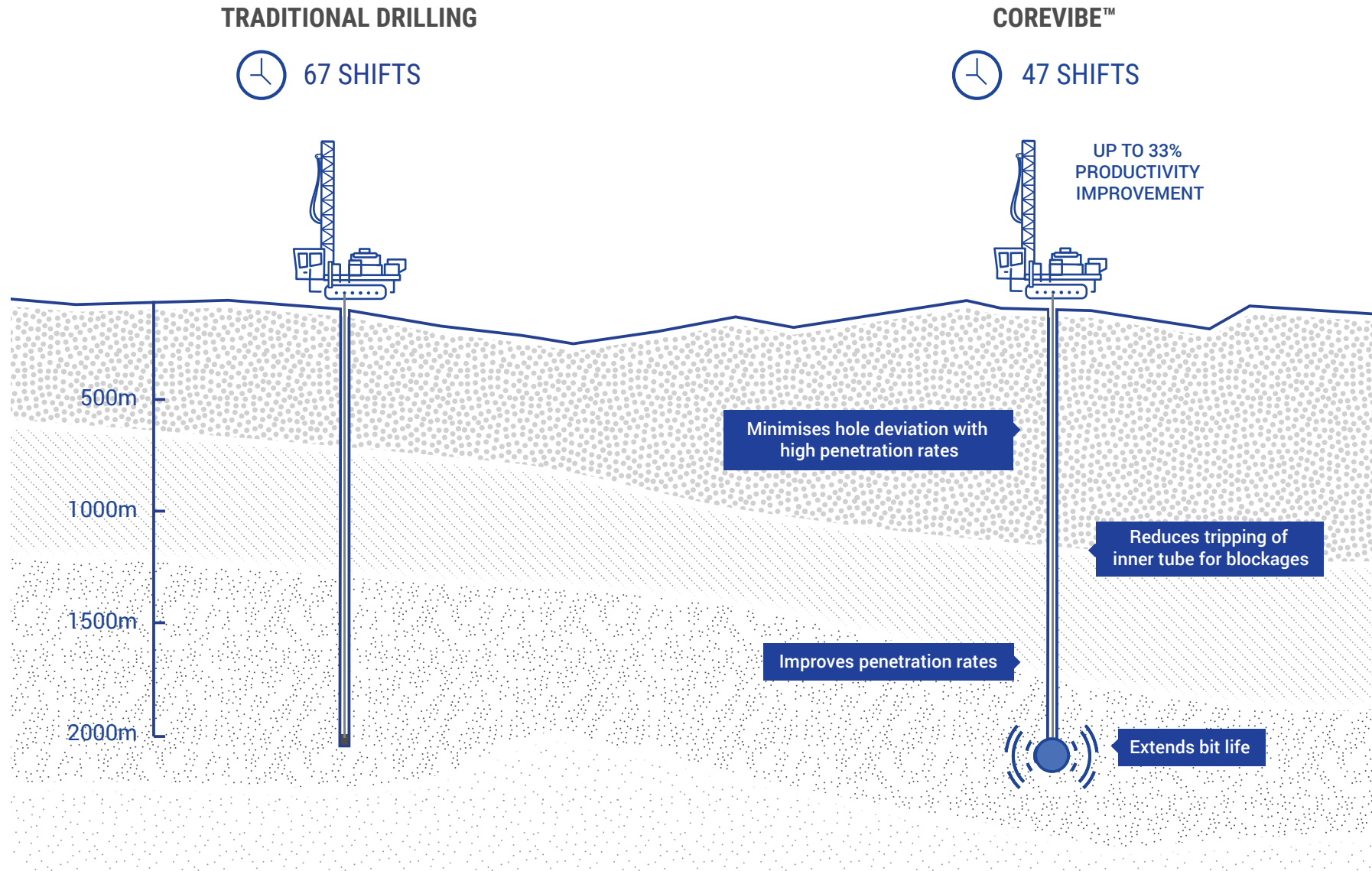
How does it work ?



- Unique AMC Mud powered oscillating mechanism
- Creates a bi-directional sinusoidal pulse to the bit (60 Hz).
- Downward pulse assists with micro fracturing and rock cutting
- Upward pulse helps bit clearing and bit sharpening.

COREVIBE™

Significant productivity gains for clients



Client Trials

Its the 'vibe of the COREVIBE'



Client trials
conducted in NSW, QLD
and WA in Australia,
and in Arizona in the US.

“This has been by far the most successful tool trial I have completed in the field.

Current data is indicating the projected 30% production increase to be reasonably accurate.

The mood on the first day was one of excitement, quite rare for experienced drilling personnel (as Mick and I would joke, 'it's the vibe of the "COREVIBE"').

I personally believe this technology to be the most significant change to drilling method in a long time, which is a very significant achievement.”

FIELD SUPERVISOR
AUSDRILL

- Allows drillers to inspect and/or change the bit/reamer each time the core is retrieved
- No need to pull the rods to change bits and the hole is always cased, maintaining hole integrity



XTRACTA™

Significant benefits for clients



Increase
Productivity



Reduce Risk
of Injury



Reduce Hole
Deterioration



Drill
Aggressively



MAGHAMMER™

A solution to drilling deeper

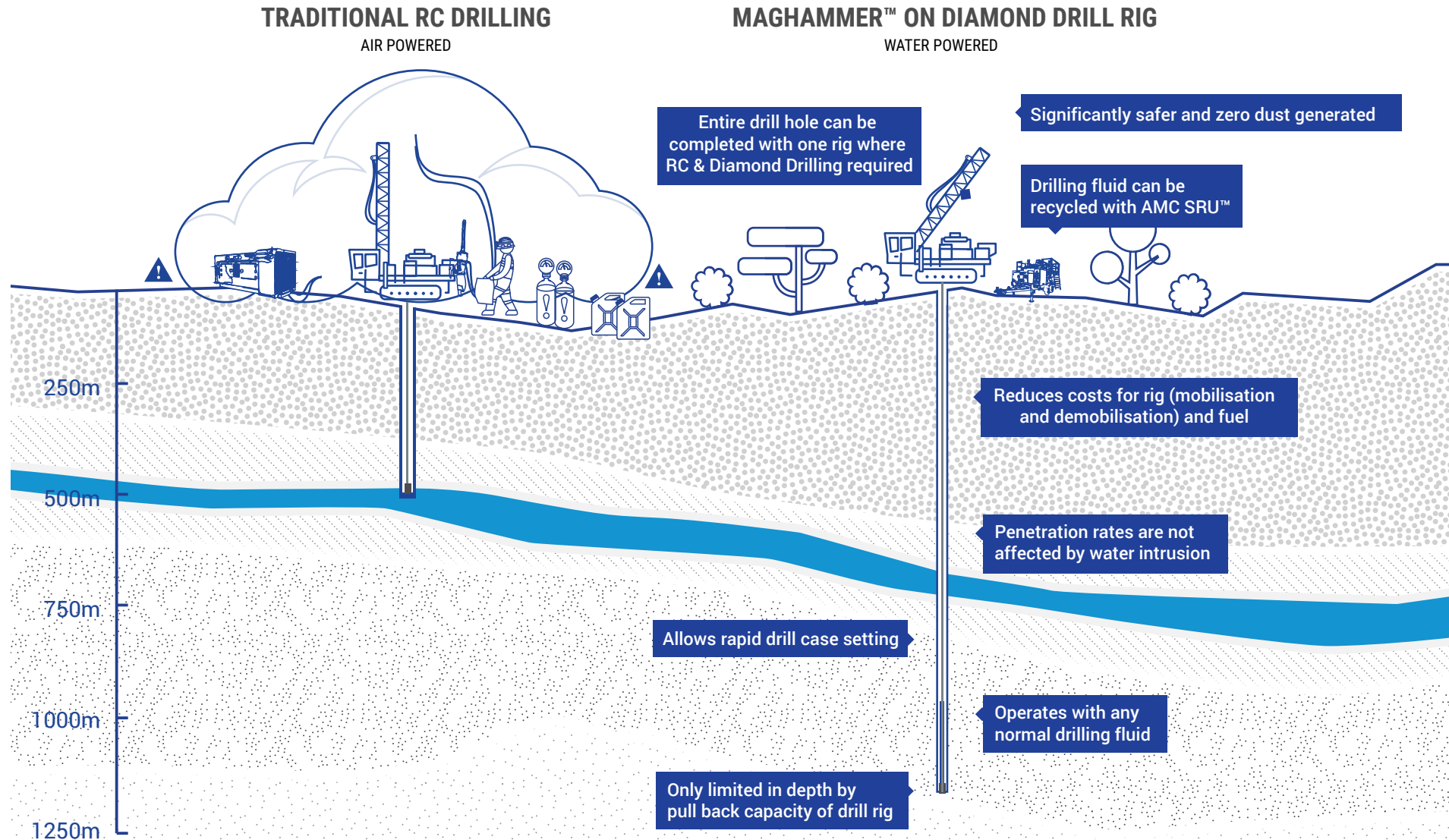


- Ideal for drilling through ground-cover
- New hybrid drilling technique
- Combines rotary diamond drilling with fluid driven percussive drilling
- Achieves high penetration rates compared to conventional coring.



MAGHAMMER™

Significant productivity & safety benefits for clients



- Co-development project with Orica
- Orica is the world's largest provider of commercial explosives and innovative blasting systems - BlastIQ™
- IMDEX is a leader in subsurface intelligence solutions – Blast DOG™
- Together we are optimising blasting outcomes based on high-resolution 3D material models and material tracking in the pit
- Technology can maximise revenue for clients by increasing mine to mill efficiency

