

# INDEX

## 1H21 Results Presentation

8 FEBRUARY 2021

PAUL HOUSE – CEO  
PAUL EVANS – CFO & COMPANY SECRETARY

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We are a leading global Mining-Tech company.



We develop drilling optimisation products and cloud-connected sensors to provide real-time rock knowledge and quality data.

Together our solutions enhance decision making and sustainable operations across the mining value chain – from the drill rig to the core shed and processing plant.

# 1H21 Financial Highlights



**REVENUE**  
**\$124.3m**

**DOWN 3% ON 1H20**

**UP 1.5% ON A CONSTANT  
CURRENCY BASIS**

**EBITDA**  
**\$33.1m<sup>1</sup>**

**UP 6% ON 1H20**

**UP 9% ON A CONSTANT  
CURRENCY BASIS**

**STRONG  
CASH  
GENERATION**

**CASH FROM OPERATIONS  
UP 33% WITH A STRONG  
FOCUS ON COLLECTIONS**

**DIVIDENDS**

**DECLARED 1H21  
FULLY-FRANKED INTERIM  
DIVIDEND OF 1.0 CPS**

**ROBUST  
BALANCE  
SHEET**

**A STRONG NET CASH POSITION OF \$47M  
UP 84% ON 1H20**

**CAPACITY TO  
ACCELERATE  
GROWTH**

**TARGETED R&D IN LINE WITH DEMAND  
PRODUCTION CAPACITY INCREASED  
OPPORTUNITIES FOR ACQUISITIVE GROWTH**

<sup>1</sup> Excluding \$2.2m gain in 1H21 on Flexidrill deferred consideration fair value adjustment

# 1H21 Operational Highlights



## HEALTH & SAFETY

Zero lost time injuries and improved LTIFR  
Strong focus on employee wellbeing

## COVID-19

Continued recovery of operations in all regions  
Ongoing focus on protecting our people and supply chain

## INDUSTRY COLLABORATION

Signed a JDA with a tier 1 mining company to advance Drilling Optimisation technologies  
A second JDA with industry partners for Rock Knowledge Sensor technologies for use in mining production in the final stages

## ESG

Finalised IMDEX Sustainability Policy  
Commenced an ESG materiality assessment to inform full year report

## TECHNOLOGY & SOFTWARE

Responded to increasing demand for remote working.  
Released IMDEXHUB-IQ™ upgrade and released ioGAS™ 7.3 geochemistry data analysis software

## RENTAL FLEET

Record number of gyro-related technologies on rent – boosted production capabilities in response to demand  
Record December and January for instruments on rent



*BLASTDOG™ provides petrophysical, elastic and inelastic rock properties that can be used to estimate mill crushing and grinding hardness and identify and track contrasting material types.*

# Strong Core Business in All Market Conditions



## OUTPERFORMING MARKET GROWTH

4-YEAR REVENUE CAGR

**10.7%**

COMPARABLE S&P CAGR 4.3% \*

## DRIVING GROWTH STRATEGY

ONGOING R&D IN ALL MARKET CONDITIONS

STRATEGIC TECHNOLOGY ACQUISITIONS TO  
BUILD ON ROCK KNOWLEDGE OFFERING

INDUSTRY COLLABORATION TO ACCELERATE  
DEVELOPMENT AND NEW PRODUCT  
INTRODUCTION PROCESS

## STRONG COMPETITIVE POSITION

AN UNPARALLELED GLOBAL FOOTPRINT,  
PRESENT ON 70% OF SITES

UNIQUE IP AND CLOUD-CONNECTED  
TECHNOLOGIES

UNRIVALLED INTEGRATED PRODUCT OFFERING

## EBITDA MARGIN EXPANSION YOY

IMDEX 4-YEAR EBITDA  
CAGR 18.2%

CORE BUSINESS PROFITABLE  
THROUGHOUT PAST INDUSTRY CYCLES,  
GFC AND COVID-19

## SUSTAINABLE DIVIDEND POLICY

30% NPAT PAYOUT RATIO

STRONG CASH GENERATION

## WORLD-CLASS R&D AND GEOSCIENCE CAPABILITIES

60+ LEADING HARDWARE, MECHANICAL,  
ELECTRICAL, CHEMICAL AND SOFTWARE  
ENGINEERS

DEDICATED TEST SITES

\* IMDEX uses S&P Market Intelligence global exploration expenditure for nonferrous metals as an industry benchmark

# 1H21 FINANCIAL REVIEW



PAUL EVANS  
IMDEX CFO & COMPANY SECRETARY

# Key Metrics

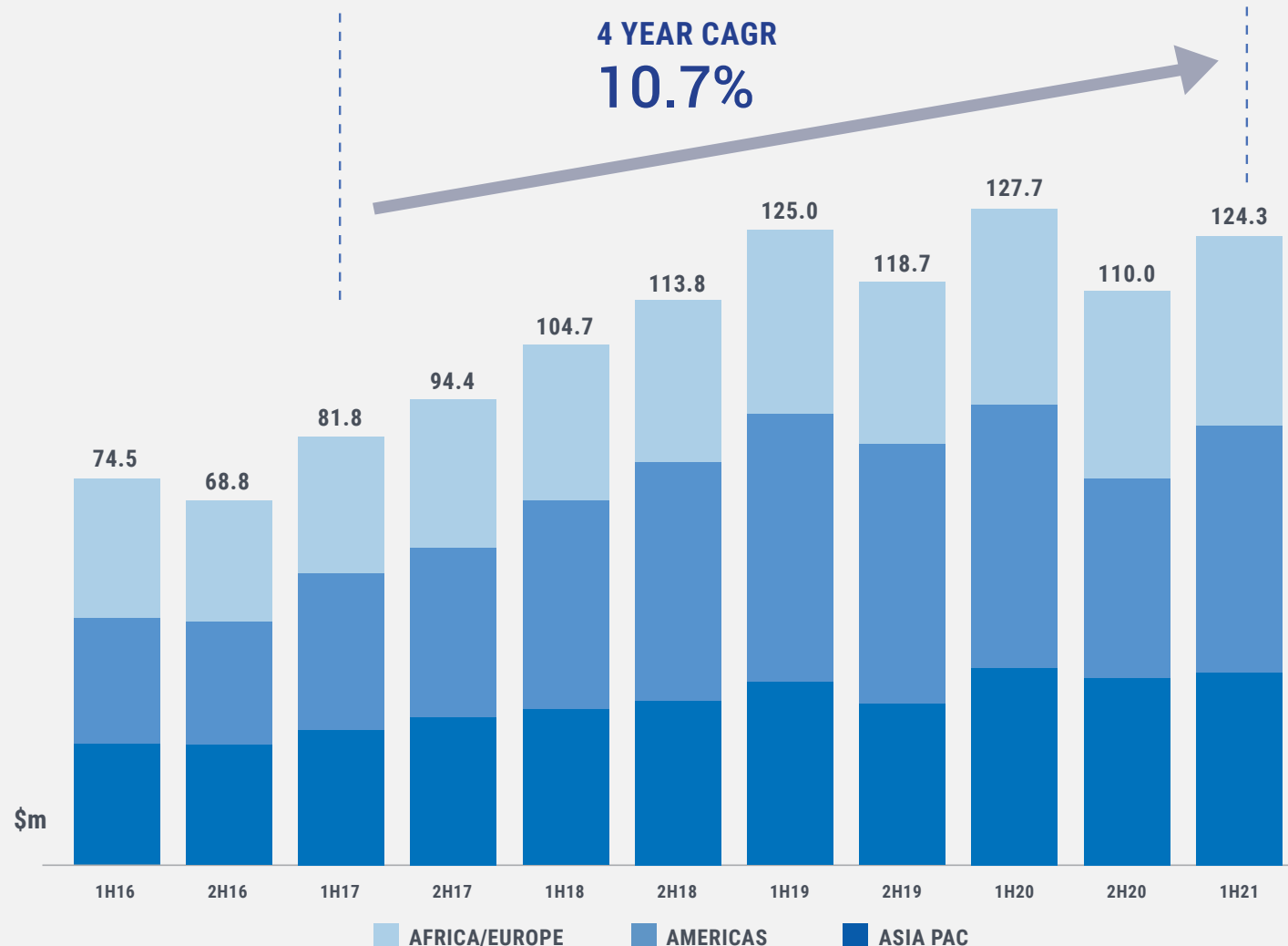


\$m	1H21	1H20	VAR	VAR %
Revenue	124.3	127.7	-3.4	-3%
EBITDA <sup>1</sup>	33.1	31.3	1.8	6%
EBITDA Margin % <sup>1</sup>	26.6%	24.5%	2.1%	9%
NPBT <sup>2</sup>	18.9	23.3	-4.4	-19%
NPAT <sup>2</sup>	13.5	18.2	-4.7	-26%
EPS (cents) <sup>2</sup>	3.42	4.75	-1.33	-28%
Operating Cash Flow	33.2	24.9	8.3	33%
Operating Cash Flow Per Share (cents)	8.4	6.5	1.9	29%
Net Assets (at Dec 31)	234.3	222.5	11.8	5%
Net Cash (at Dec 31)	47.0	25.5	21.5	84%
Fully Franked Interim Dividend (cents)	1.0	1.0	0.0	0%
Full Time Employees (at Dec 31)	500	514	-14	-3%

<sup>1</sup>. Excluding \$3.6m gain on VES sale in 1H20 and \$2.2m gain in 1H21 on Flexidrill deferred consideration fair value adjustment.

<sup>2</sup>. Includes higher D&A charges relating to additional assets to support increasing demand for gyro-related technologies and the Flexidrill and AusSpec acquisitions.

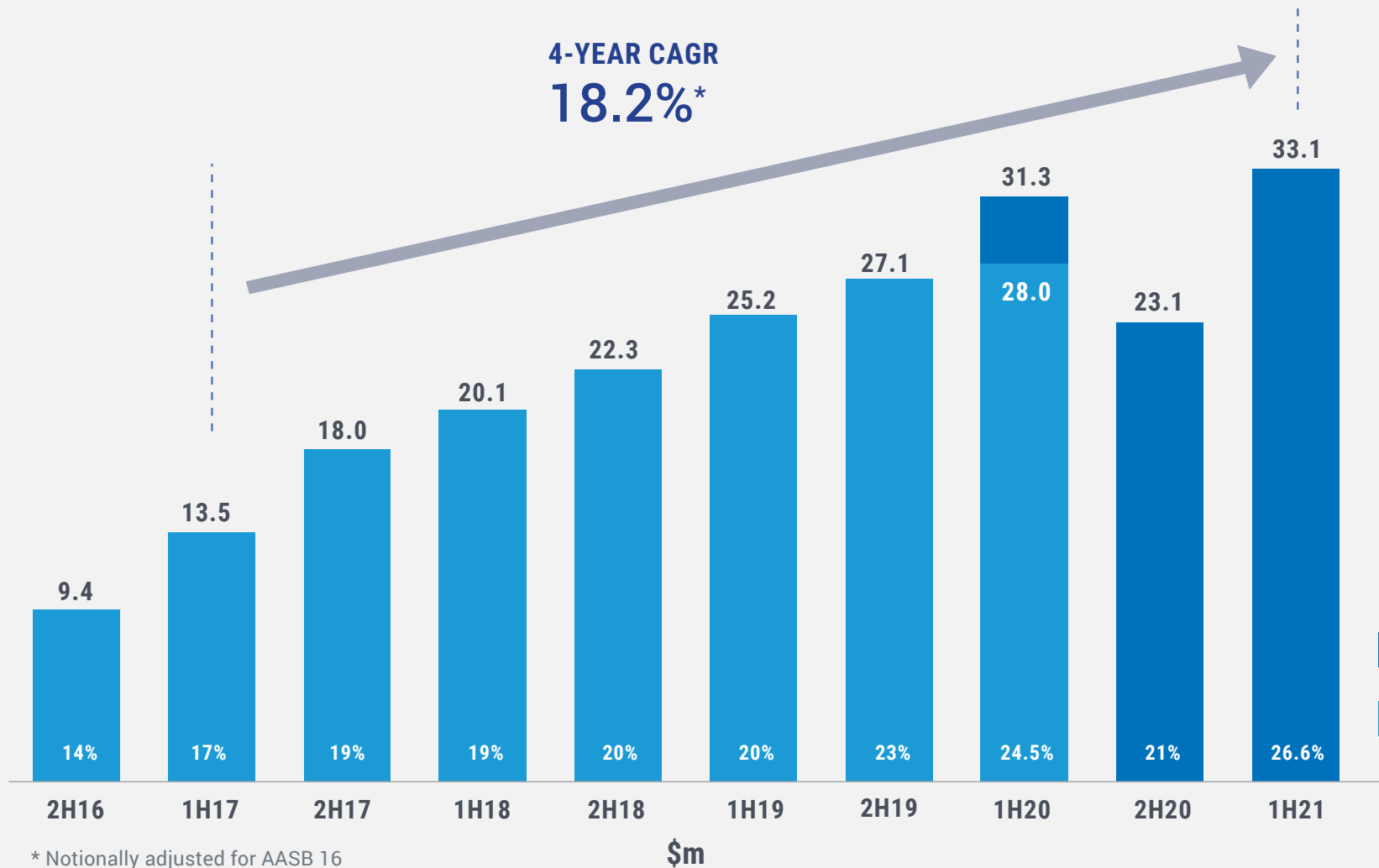
# Revenue by Region



- Revenue down 3% on 1H20 and up 1.5% on a constant currency basis
- Activity continued to rebound in all mining regions following COVID
- A stronger uplift in Canada, USA and West Africa
- Record December and January for instruments on rent

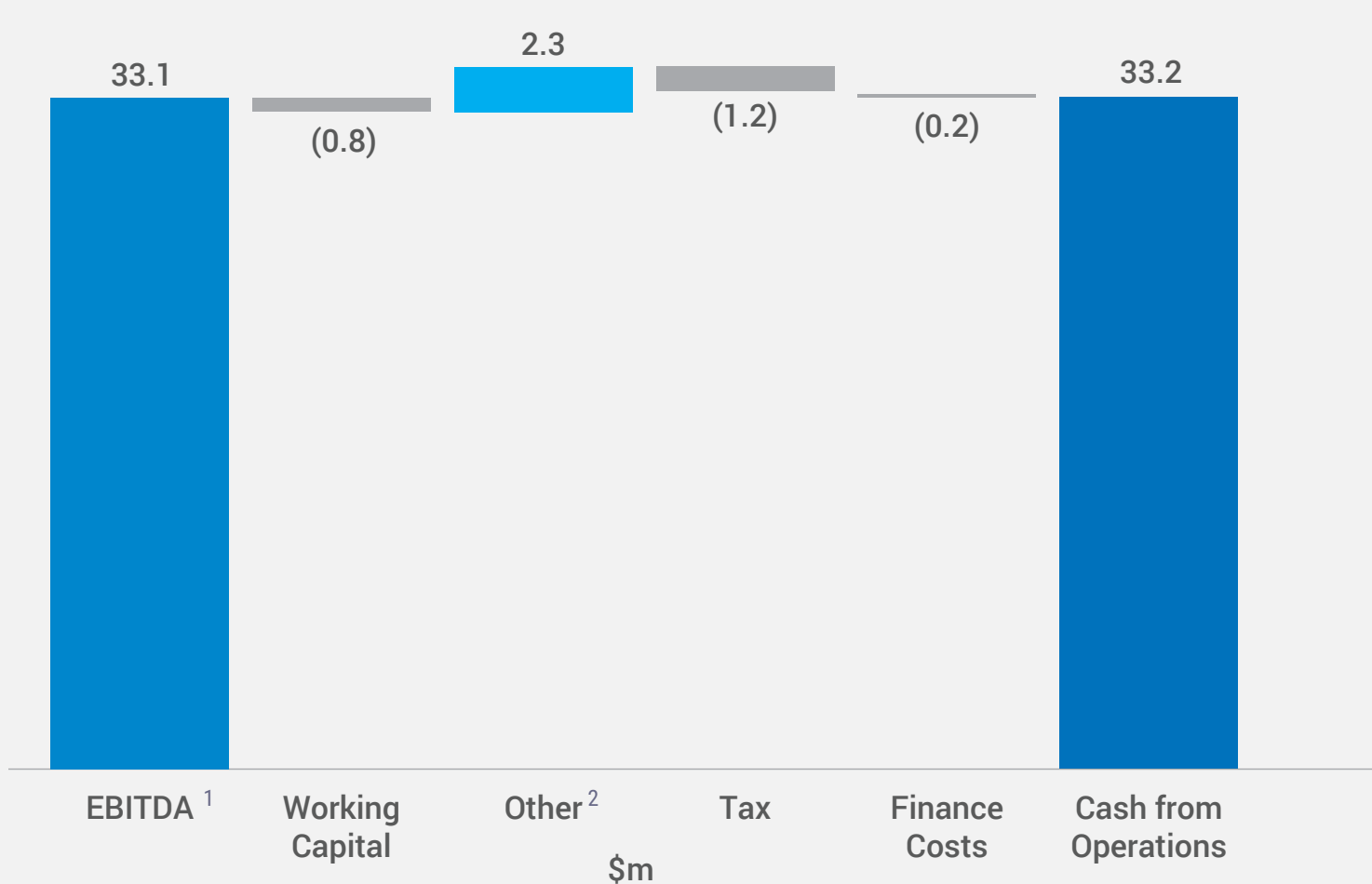


# EBITDA & EBITDA Margin %



- EBITDA up 6% on 1H20 and 9% on a constant currency basis
- Gross margins increasing due to a greater % of revenue from instruments and software
- EBITDA margins benefiting from product mix, digital transformation and ongoing focus on streamlined operations

# Cash Generation from Operations



<sup>1</sup> EBITDA excludes \$2.2m gain on Flexidrill deferred consideration fair value adjustment.

<sup>2</sup> Other represents mainly non-cash items.



- Strong working capital management supported by disciplined collection activity
- Historical ratio of 30c - 35c for every incremental dollar of revenue

# Balance Sheet

\$m	31 DEC 2020	30 JUN 2020
Cash	59.8	38.3
Receivables	44.2	43.5
Inventory	37.5	41.2
Fixed assets <sup>1</sup>	75.4	79.6
Intangibles <sup>2</sup>	91.1	83.6
Other assets / deferred tax	31.5	31.9
<b>TOTAL ASSETS</b>	<b>339.5</b>	<b>318.1</b>
Payables	28.7	26.9
Borrowings <sup>3</sup>	12.8	6.1
Other liabilities, provisions and current tax <sup>4</sup>	63.7	63.5
<b>TOTAL EQUITY</b>	<b>234.3</b>	<b>221.6</b>
ROE	12.2%	9.9%
ROCE	14.5%	11.6%

<sup>1</sup>. Includes Lease assets of \$33.3m in Dec 2020 (\$36.5m Jun 2020)

<sup>2</sup>. Includes intangibles of \$9.6m arising from the acquisition of AusSpec

<sup>3</sup>. Increased USD borrowings to manage our currency exposures

<sup>4</sup>. Includes Lease liabilities of \$38.7m (\$41.5m Jun 2020) and deferred consideration for the purchase of Flexidrill of \$12.9m (\$14.7m Jun 2020) and AusSpec \$2.1m



- Declared fully-franked interim dividend of 1.0 cps
- Continued investment in technologies and software to drive future growth

# Sustainability – Key Focus Areas



We are committed to enhancing our disclosure relating to ESG related risks and opportunities

Our company has a wide range of solutions that enhance the sustainability of client operations



## Supporting Economic Development

Maximising shareholder value over the short, medium and longer term. Increasing the accessibility of information regarding the Company's ESG related risks and opportunities for all stakeholders.



## Driving the sustainability of the global minerals industry

Developing products and technologies that provide additional value to clients' operations, and ensure secure quality data. Collaborating with associations and research partners to enhance the safety and efficiency of mining processes.



## Ensuring a safe and inclusive global workplace

Providing a working environment that is safe and supports total wellbeing. Promoting diversity and greater inclusion.



## Upholding ethical and sustainable business practices

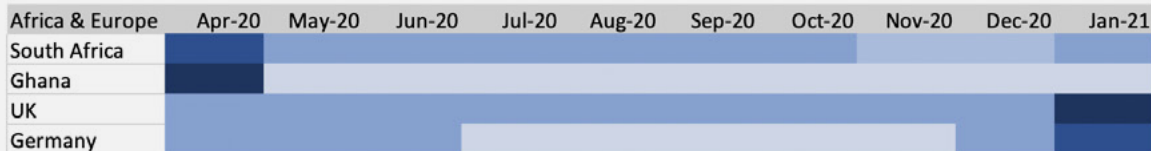
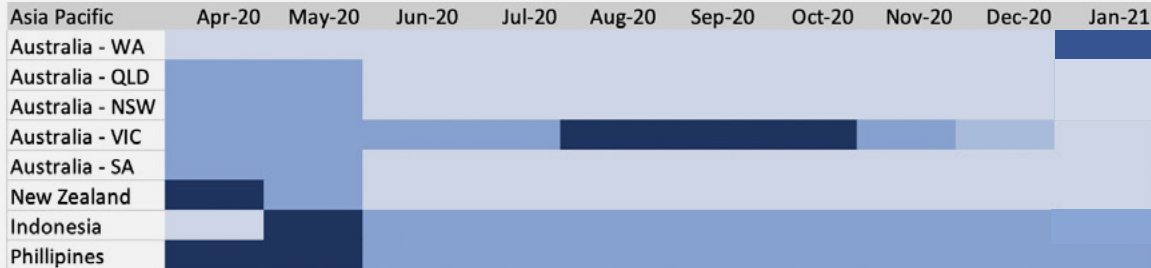
Conducting its business in a manner that is ethical, values-driven and in compliance with the laws in all countries of operation. Ensuring its activities and the organisations IMDEX works with are ethical and do not harm people or the environment.

# MARKET & INDUSTRY UPDATE

# Our Market and the Impact of COVID-19



## Evolution of COVID-19 Government Mandated Restrictions on Mining Regions



### Updated Key Risks

- Global COVID-19 cases are rising. Increasing pressure on industry processes to protect labour and supply chains
- Corporate restrictions continue to limit access to sites
- Government restrictions continue to be fluid, impacting labour mobility and project continuity

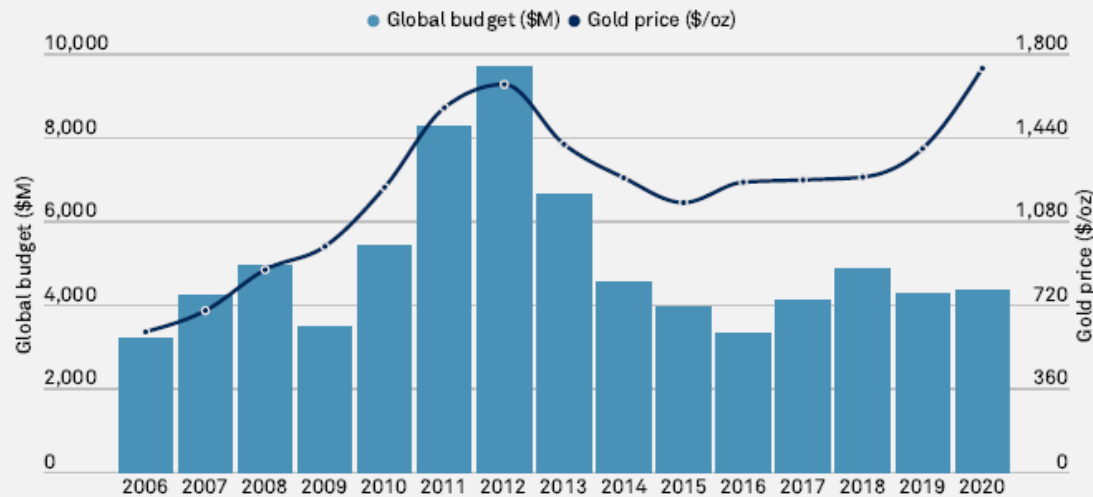
### Key Opportunities

- Acceleration of positive industry structural change
- New efficient ways of working - beneficial for the long-term
- Increasing demand for IMDEXHUB-IQ™ cloud-based technologies and software
- Solutions to support clients to work remotely, efficiently, securely and safely - key components of IMDEX's value proposition



# Strong Commodity Prices & Regional Demand

GOLD EXPLORATION BUDGET AND GOLD PRICE, 2006 - 2020

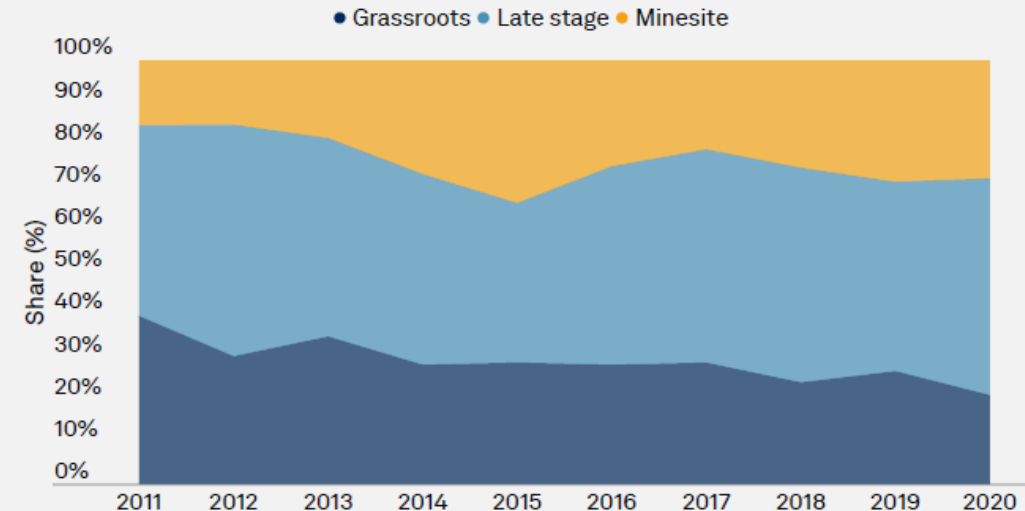


As of Oct. 22, 2020. Source: S&P Global Market Intelligence  
2020 gold price is average of January-September.

“The gold industry must invest \$54bn in new production by 2025 on greenfield (new) projects and mine restarts over the next five years to maintain production at current levels”

WOOD MACKENZIE REPORTS  
STOCKHEAD.COM.AU

CANADA BUDGET BY STAGE OF DEVELOPMENT, 2011 - 2020



As of Nov. 3, 2020. Source: S&P Global Market Intelligence

“Many industry experts expect that copper...will face a deficit position in the next few years, due to the continued production and high grading of mines, combined with the lack of exploration work conducted to replace reserves. New infrastructure plans... should accelerate the depletion of those reserves.”

IAN ROSS , CFO MAJOR DRILLING  
8 SEPTEMBER 2020

# Clients Well Funded and Increasing Budgets

Number of Dec-20 / Jan-21  
raising up 19% YoY and  
\$ value of raisings up 32% YoY.

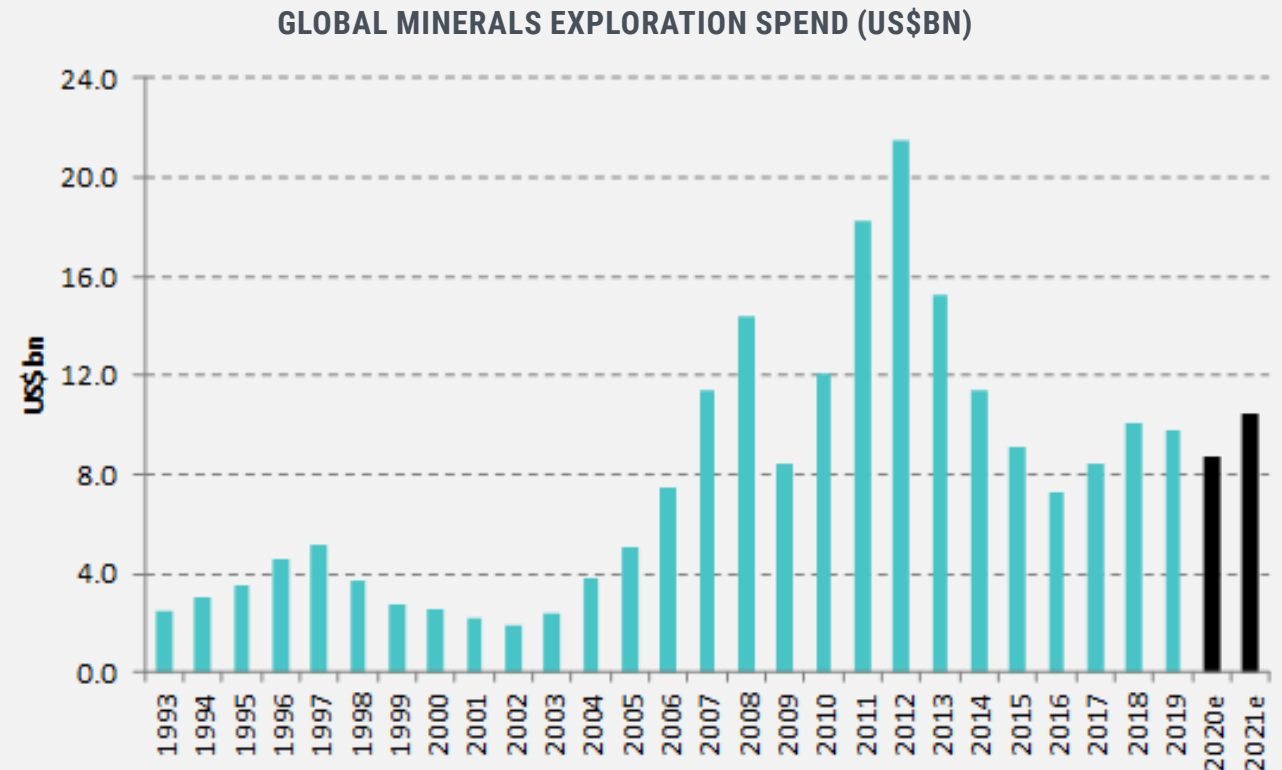
May-20 to Jan-21 raising volumes  
and values are up ~128%  
and ~49% YoY respectively.

BLOOMBERG  
JANUARY 2021

Financings are trending above 2019 levels,  
and prices for copper and gold are well  
above where they started the year

2021 budgets will see double-digit growth  
YoY, potentially in the 20% range, with gold  
the most likely target to lead exploration  
spending upward

S&P CORPORATE EXPLORATION STRATEGY 2020  
PRESENTATION OCTOBER 2020



Source S&P Global Market Intelligence, MST

Note: the delivery of intended exploration budgets may be dependent  
upon capital investment in rigs and access to labour by drillers



# Positive Long-Term Outlook for Mining & Mining-Tech



“US\$1 trillion of investment would be needed in key energy transition metals – aluminium, cobalt, copper, nickel and lithium – over the next 15 years to meet the growing demands of decarbonization.”

MACKENZIE WOODHOUSE  
OCTOBER 2020

“...Mining is essential. We know this. I’m not talking here just about the value we create for our direct stakeholders. The resources we produce enable continued economic development and improvement in living standards around the world. In the end there is little choice about whether mining happens or not.”

MIKE HENRY, CEO BHP  
16 OCTOBER 2020

“Rapid technological advances in AI, robotics and automation, analytics, and the Industrial Internet of Things are beginning to transform supply and demand dynamics in the energy and resources sector, and will raise productivity, increase energy efficiency and unlock value of \$900 billion to \$1.6 trillion by 2035.”

MCKINSEY & COMPANY  
FEBRUARY 2017

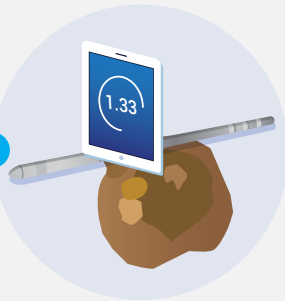
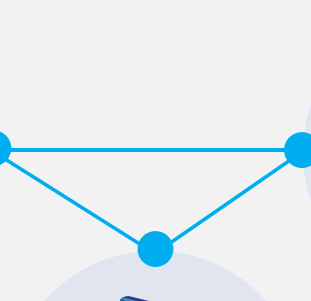
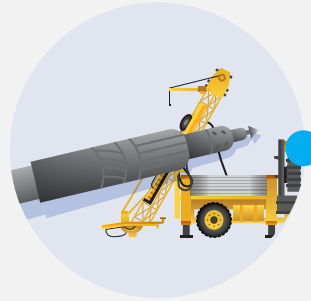
**A GROWTH COMPANY**

# How We Provide Real-time Rock Knowledge and Quality Data



- Drilling productivity and rig alignment technologies
- Automated and remote drilling fluid testing technologies
- Data collection and paperless reporting software

## Drilling Optimisation



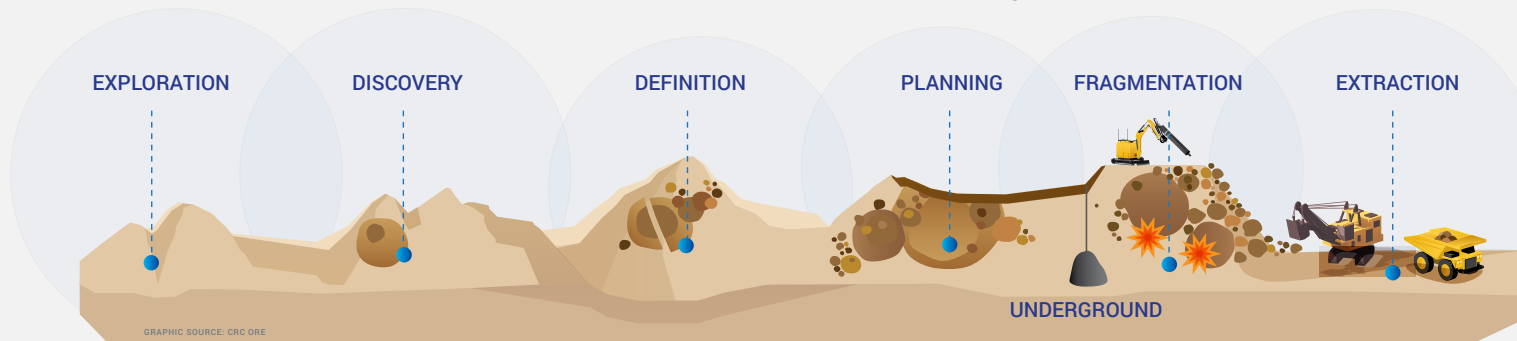
## Rock Knowledge Sensors

- Downhole survey sensors
- Core orientation and gamma logging technologies
- In-field sampling and analysis technologies



## Real-time Data and Analytics

- Secure cloud-based services
- Real-time subsurface visualization
- Interpretive software – geological data

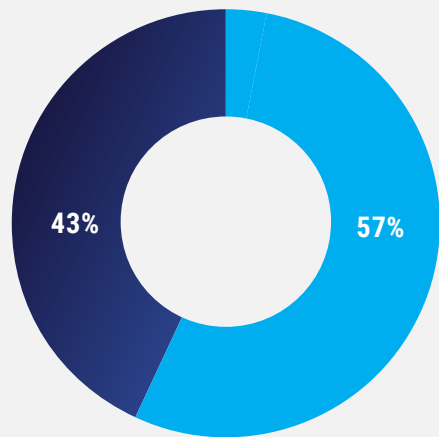


EXPLORATION & DEVELOPMENT

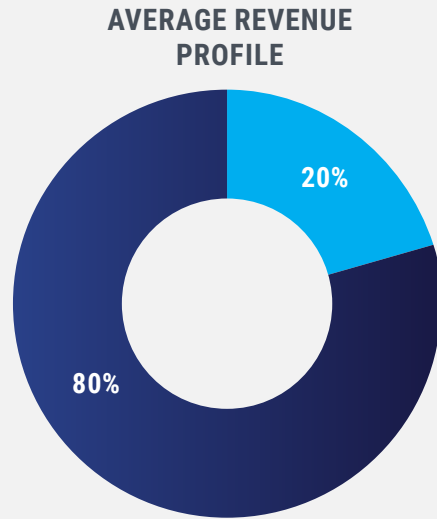
Applicable across whole mining value chain

MINING & PRODUCTION

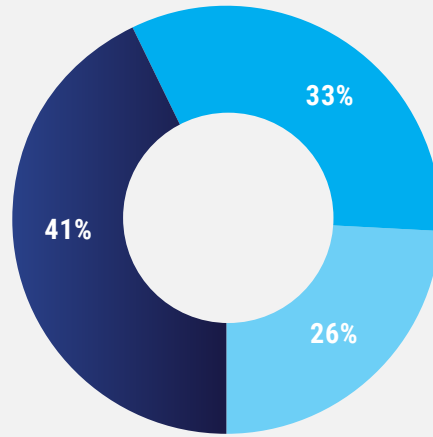
# Maturing a Stronger Business Profile



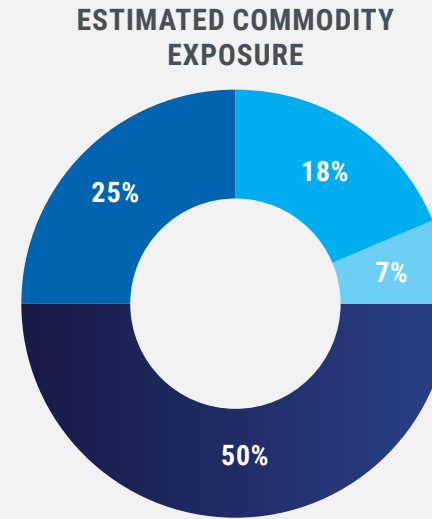
■ SALES  
■ RENTAL & SOFTWARE



■ EXPLORATION & DEVELOPMENT  
■ MINING & PRODUCTION



■ AMERICAS  
■ APAC  
■ EUROPE/AFRICA



■ GOLD  
■ COPPER  
■ IRON ORE  
■ OTHER

DIRECTLY  
SUPPORTING MAJOR  
**MINING**  
COMPANIES AND  
**DRILLING**  
CONTRACTORS  
GLOBALLY

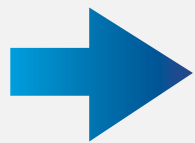
- Increasing recurring rental and SAAS revenue – higher margins
- Increasing revenue from resource companies and the mining and production phase – less cyclical

# Compelling Growth Strategy

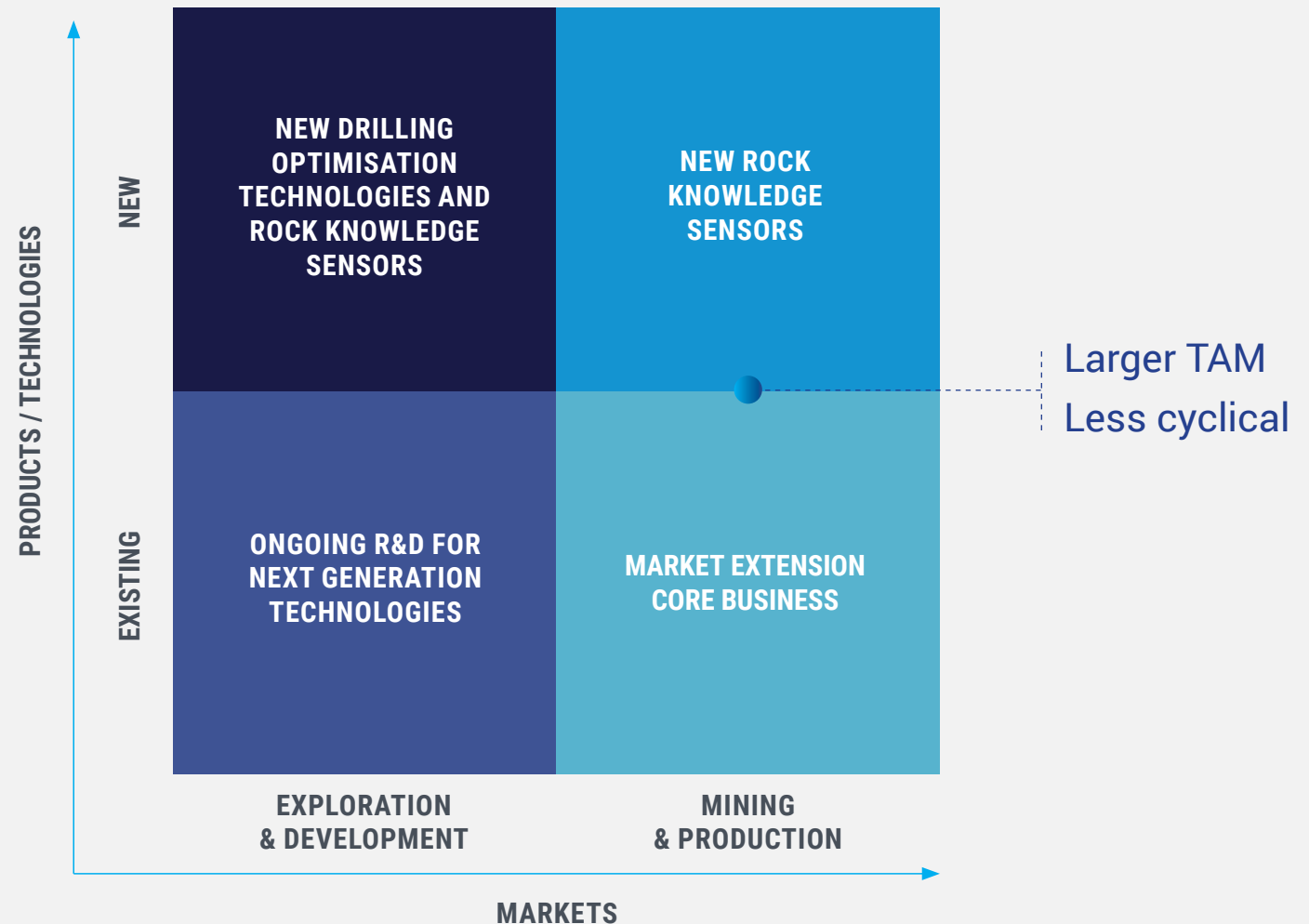
Growing core business  
by enhancing technical  
leadership and embedding  
value for clients

Expansion within the larger,  
less cyclical production stage  
of the mining value chain

Three pathways  
to growth



Acquire  
Build  
Collaborate



# How We Are Growing Our Core Business



## Technology Leadership

### ONGOING R&D

INVESTMENT IN ALL MARKET  
CONDITIONS INCLUDING COVID-19

NEW INSTRUMENTS PROVIDE GREATER  
VALUE TO CLIENTS AND GENERATE

**3 - 5x MORE  
REVENUE**

PER INSTRUMENT

## Value of IMDEXHUB-IQ™

**58% OF TOP 100**

CLIENTS USE IMDEXHUB-IQ™

**70% OF TOP 100**

IMDEXHUB-IQ™ CLIENTS

UTILISE 3 OR MORE IMDEX PRODUCTS

**60% MORE  
REVENUE**

IS GENERATED FOR IMDEX FROM  
IMDEXHUB-IQ™ CLIENTS

TOTAL NUMBER OF IMDEXHUB-IQ™  
CONNECTED INSTRUMENTS IS

**UP 80%** V PCP

## CASE STUDIES

### Project 1: Resource Company in North America 5-Year Journey

Number of rigs	24
Number of products	1 to 6
Average revenue per month	\$15K to \$350K

### Project 2: Resource Company in Africa 5-Year Journey

Number of rigs	5
Number of products	1 – 8
Average revenue per month	\$2K to \$360K

# OUTLOOK & SUMMARY



PAUL HOUSE  
INDEX CEO

# Positioned to Deliver Attractive Returns



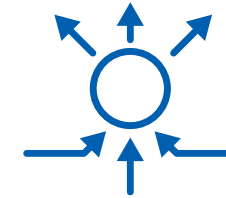
## STRONG CORE BUSINESS

- Outperforming market growth
- Strong financial platform
- Sustainable dividend policy
- Established global presence
- World-class R&D and geoscience capabilities
- Unique product offering
- Experienced leadership team



## A GROWTH COMPANY

- Strong pipeline of new technologies and software
- Ability to pursue strategic acquisitions
- Expansion within the larger, less cyclical production stage of the mining value chain
- IMDEX technologies offer real sustainable value



## POSITIVE INDUSTRY DRIVERS

- Resource companies are well funded with increasing budgets
- Reserves are being depleted at a faster rate than discoveries
- New discoveries are likely to be at depth resulting in larger drilling campaigns
- Resource companies are embracing innovation and new technologies enable remote working
- Strong multi-sector demand driving commodity prices
- Decarbonisation trend gaining momentum



# Outlook for FY21



- The long-term outlook for Mining-Tech is stronger than it has ever been
- We remain watchful and ready to respond to risks and opportunities presented by COVID-19
- We are positioned to benefit from increasing demand for real-time ore body knowledge
- Clients are well funded and focused on sustaining and increasing activity
- Positive start to 2H21 with a strong January uptake of instruments
- Our Company is in a strong position to leverage its unique competitive position and positive industry fundamentals

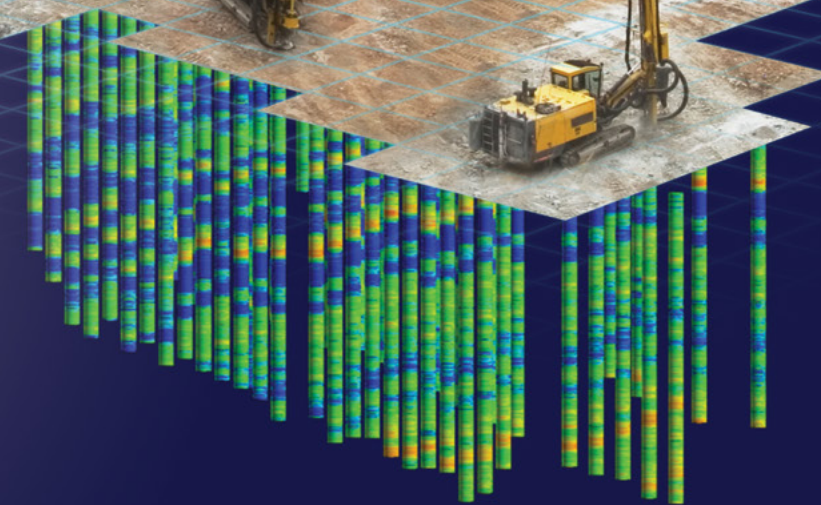
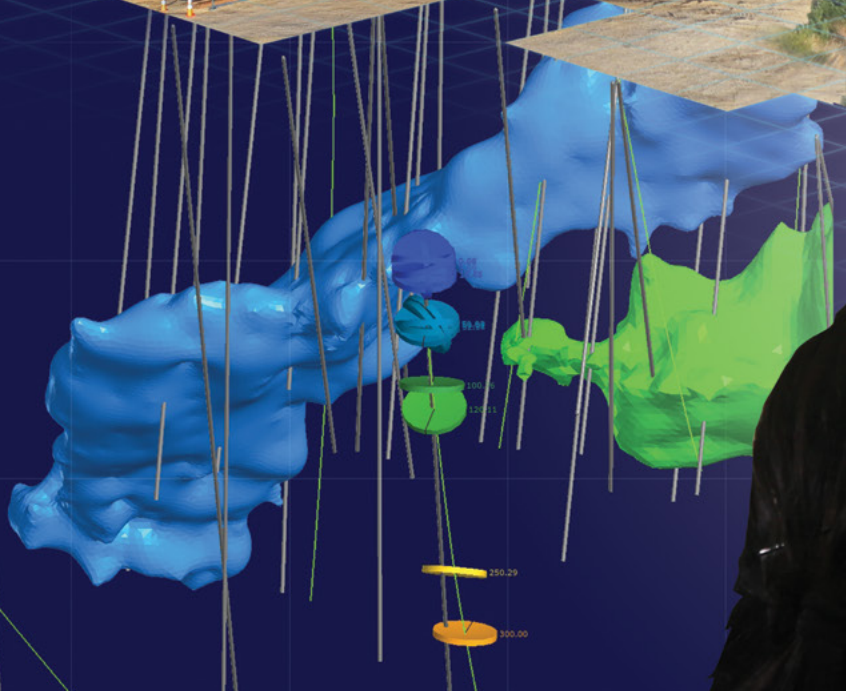


*IMDEX's Customer Care Network Operating Centre allows remote support anywhere in the world*



EXPLORATION  
& DEVELOPMENT

MINING





# Thank you

THIS PRESENTATION HAS BEEN PREPARED BY IMDEX LIMITED ("THE COMPANY"). IT CONTAINS GENERAL BACKGROUND INFORMATION ABOUT THE COMPANY'S ACTIVITIES CURRENT AS AT THE DATE OF THE PRESENTATION. IT IS INFORMATION GIVEN IN SUMMARY FORM AND DOES NOT PURPORT TO BE COMPLETE. THE DISTRIBUTION OF THIS PRESENTATION IN JURISDICTIONS OUTSIDE AUSTRALIA MAY BE RESTRICTED BY LAW AND YOU SHOULD OBSERVE ANY SUCH RESTRICTIONS. THIS PRESENTATION IS NOT (AND NOTHING IN IT SHOULD BE CONSTRUED AS) AN OFFER, INVITATION, SOLICITATION OR RECOMMENDATION WITH RESPECT TO THE SUBSCRIPTION FOR, PURCHASE OR SALE OF ANY SECURITY IN ANY JURISDICTION, AND NEITHER THIS DOCUMENT NOR ANYTHING IN IT SHALL FORM THE BASIS OF ANY CONTRACT OR COMMITMENT. THE PRESENTATION IS NOT INTENDED TO BE RELIED UPON AS ADVICE TO INVESTORS OR POTENTIAL INVESTORS AND DOES NOT TAKE INTO ACCOUNT THE INVESTMENT OBJECTIVES, FINANCIAL SITUATION OR NEEDS OF ANY PARTICULAR INVESTOR. THESE SHOULD BE CONSIDERED, WITH OR WITHOUT PROFESSIONAL ADVICE, WHEN DECIDING IF AN INVESTMENT IS APPROPRIATE. THE COMPANY HAS PREPARED THIS PRESENTATION BASED ON INFORMATION AVAILABLE TO IT, INCLUDING INFORMATION DERIVED FROM PUBLICLY AVAILABLE SOURCES THAT HAVE NOT BEEN INDEPENDENTLY VERIFIED. NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE AS TO THE FAIRNESS, ACCURACY, COMPLETENESS, CORRECTNESS OR RELIABILITY OF THE INFORMATION, OPINIONS AND CONCLUSIONS EXPRESSED. ANY STATEMENTS OR ASSUMPTIONS IN THIS PRESENTATION AS TO FUTURE MATTERS MAY PROVE TO BE INCORRECT AND DIFFERENCES MAY BE MATERIAL. TO THE MAXIMUM EXTENT PERMITTED BY LAW, NONE OF THE COMPANY, ITS DIRECTORS, EMPLOYEES OR AGENTS, NOR ANY OTHER PERSON ACCEPTS ANY LIABILITY, INCLUDING, WITHOUT LIMITATION, ANY LIABILITY ARISING FROM FAULT OR NEGLIGENCE ON THE PART OF ANY OF THEM OR ANY OTHER PERSON, FOR ANY LOSS ARISING FROM THE USE OF THIS PRESENTATION OR ITS CONTENTS OR OTHERWISE ARISING IN CONNECTION WITH IT.

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

# Appendices



# Company Snapshot



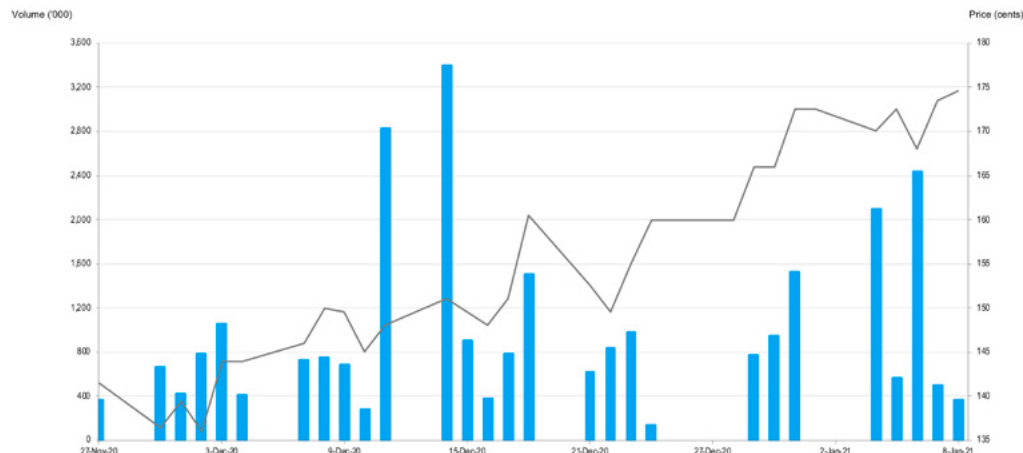
## CORPORATE INFORMATION AT 31 DECEMBER 2020

ASX listed	IMD
Share price	\$ 1.72
Issued shares	m 396.5
Market cap	\$m 684

## SHARE REGISTER ANALYSIS OF TOP 50 SHAREHOLDERS AT 8 JANUARY 2021

Institutions	69.51%
Employees, directors & company related parties	1.13%
Private shareholders	5.63%
Brokers & banks	15.47%

## SHARE PRICE – 12 MONTH TREND



## LARGEST SHAREHOLDERS AT 8 JANUARY 2021

	SHARES (m)	%
Morgan Stanley Securities - Australia	40.89	10.31
L1 Capital	31.67	7.99
Yarra Capital Management	29.95	7.55
Fidelity Investments - US	25.97	6.55

# Our Board of Directors



Committed  
to driving  
sustainable  
growth

**Ms Sally-Anne Layman**  
Non-Executive Director

**Mr Kevin Dundo**  
Non-Executive Director

**Mr Anthony Wooles**  
Non-Executive Chairman

**Mr Ivan Gustavino**  
Non-Executive Director

# Executive Leadership Team



**Paul House**  
CEO



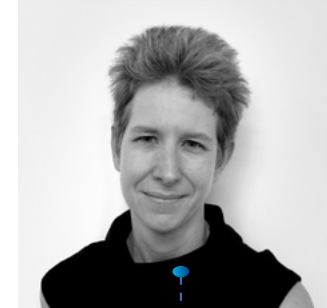
**Paul Evans**  
CFO & Company  
Secretary



**Shaun Southwell**  
Chief Operating  
Officer



**Mathew Regan**  
Chief Corporate  
Shared Services



**Michelle Carey**  
Global Manager – IMDEX  
Product Development



**Dave Lawie**  
Chief Geoscientist / Chief  
Technologist – Mining Solutions



**Tim Price**  
General Manager – IMDEX  
Product Research



**Kylie Panckhurst**  
IMDEX Acting  
General Counsel



**Kiah Grafton**  
Head of Global  
Human Resources

# Established Global Business



**STRONG MARKET  
PRESENCE ON  
70%  
OF MINERAL  
DRILLING PROJECTS  
GLOBALLY**

**SALES IN  
OVER  
100  
COUNTRIES**



# Clients & Industry Partners



## OUR CLIENTS

Drilling contractors and resource companies globally

### INDUSTRY PARTNERS / THOUGHT LEADERSHIP

Teck



### DIRECTLY SUPPORTING MAJOR MINING COMPANIES

BHP

RioTinto



GLENCORE



### LONG-STANDING DRILLING CLIENTS



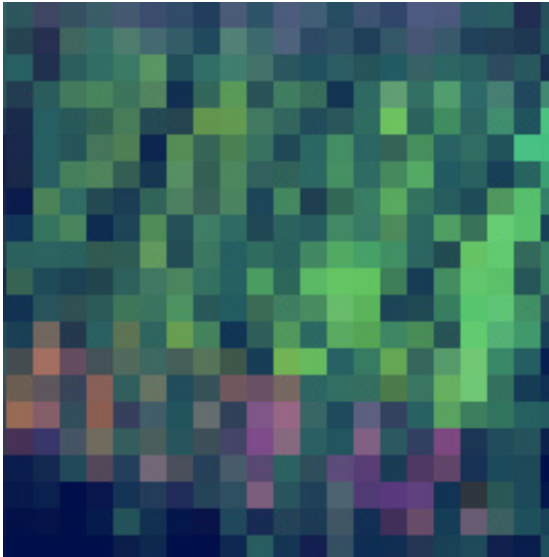
GEODRILL

AUSTRALIAN  
SHAFT DRILLING

# Why Real-time Rock Knowledge is Important

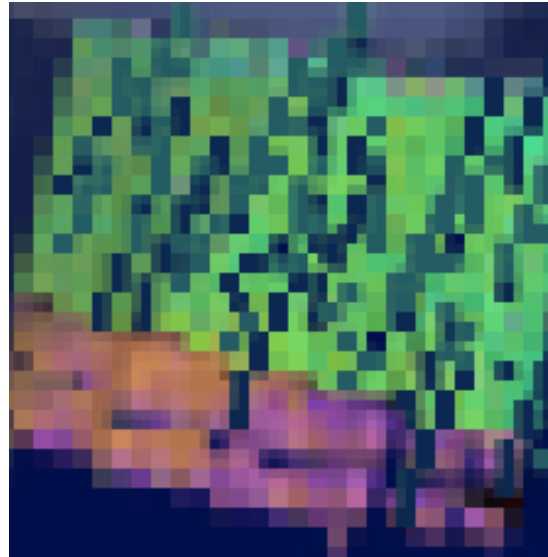


**MANY \$BN MINING  
INVESTMENT DECISIONS ARE  
MADE HAVING SAMPLED ONLY  
1% OF 1% OF THE ORE BODY.**

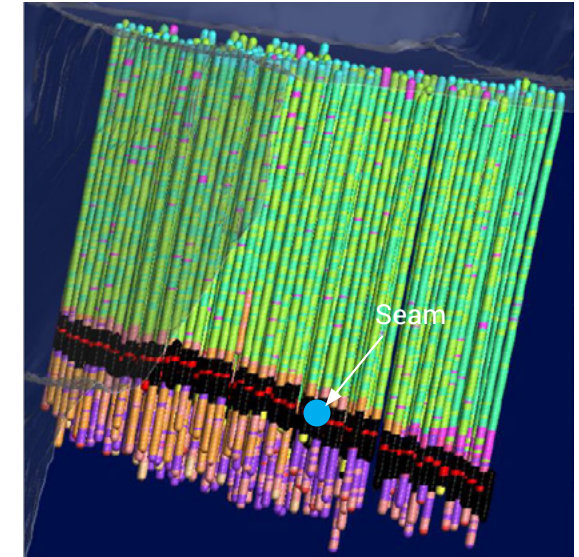


Rock knowledge is an understanding of location, texture, grade and mineralogy.

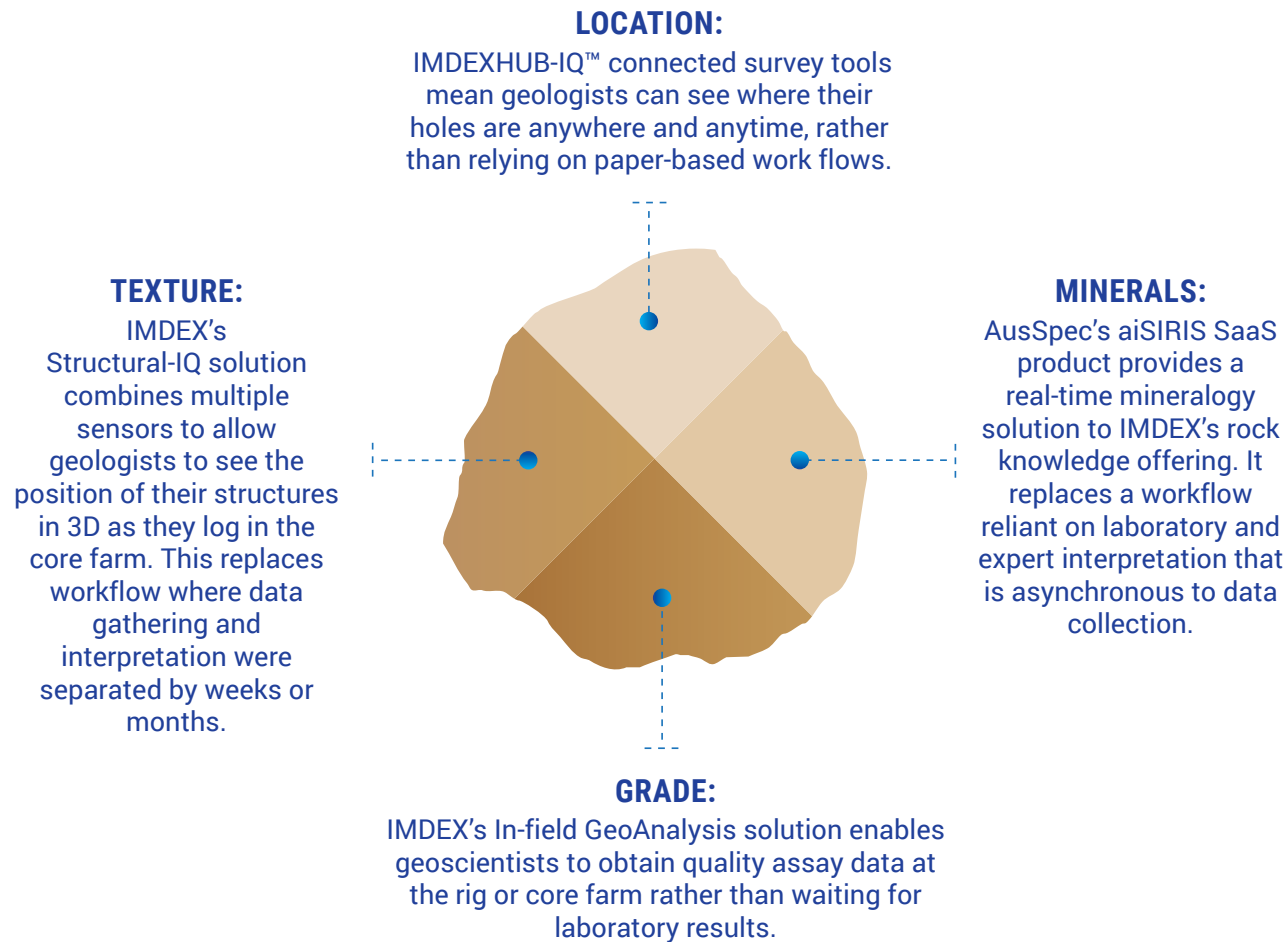
It answers the question where to drill next and how processing can be optimised.



We enable the timely delivery of quality data, giving clarity on the nature of the rock to allow real-time decisions to be made, rather than having to wait weeks or months.

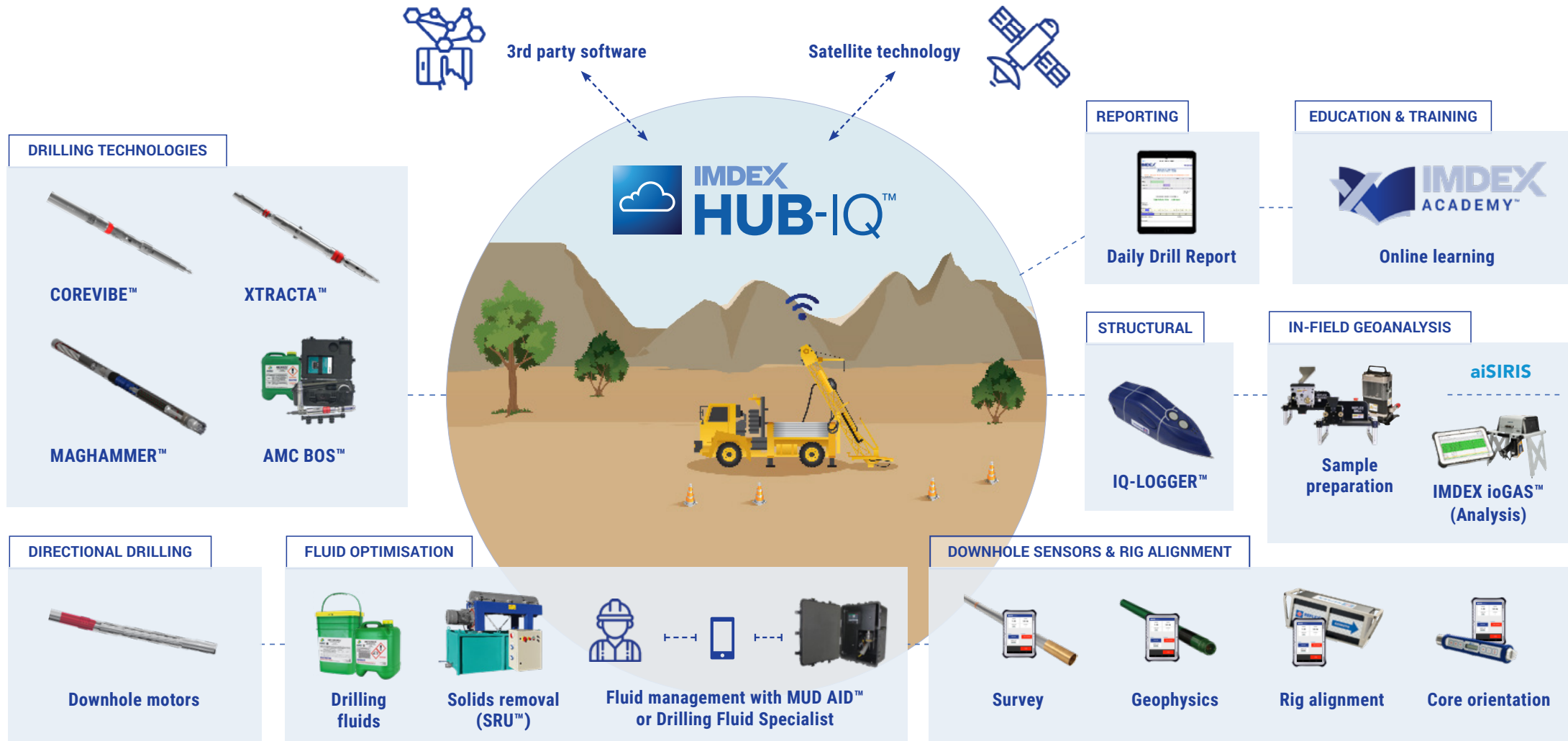


## Strengthening Rock Knowledge Offering



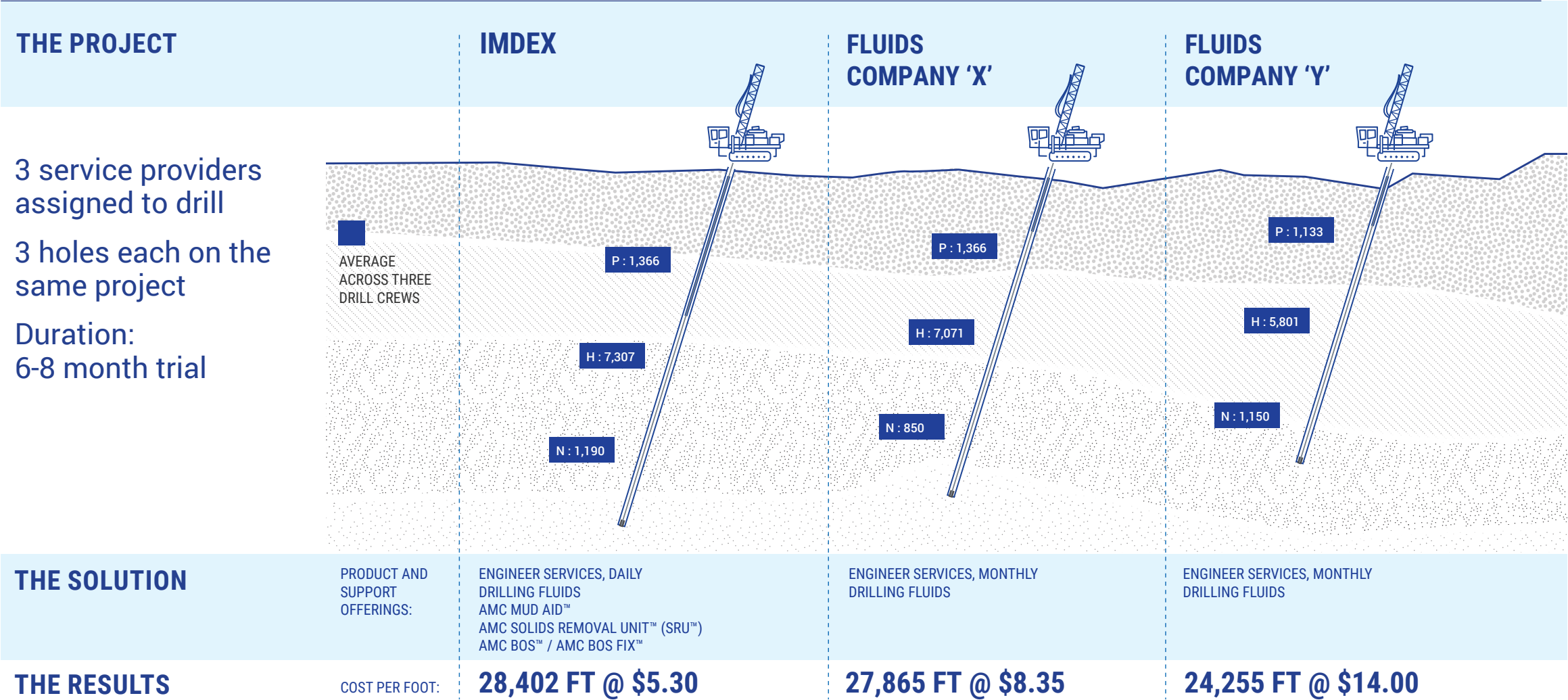
- ✓ AusSpec enhances IMDEX's rock knowledge offering with spectral mineralogy and AI technologies
- ✓ aiSIRIS is a proven product ready to be scaled via IMDEX's global distribution network
- ✓ AusSpec co-founder Dr Sasha Pontual is the world-leading spectral mineralogy expert.
- ✓ aiSIRIS technology utilises human trained AI built from a library of >2m spectral images
- ✓ AusSpec has well-established relationships with major resource companies
- ✓ aiSIRIS integrates with IMDEXHUB™ and ioGAS™

# The Optimised Drill Site — Delivering clients greater economic value



# Case Study: Major Resource Company

## IMDEX solution delivers significant savings





# Collaboration Wins Queensland Mining METS Innovation Award



IMDEX and UFR combine AI, robotics, automation, analytics and the Industry Internet of Geosensing to enhance the safety and productivity of logging blast holes.

“A great innovation that shows the power of partnering. A robotics platform that is able to be exported makes a very commendable entry.”

JUDGE SHARNA GLOVER

