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Innovative Technologies  
Integrated Solutions  
Global Support



20 February 2017

Company Announcements Office  
ASX Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2001

Dear Sir/Madam

**RESULTS ANNOUNCEMENT, APPENDIX 4D AND FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

Please find attached the 1H17 Results Announcement of Imdex Limited regarding the Group's financial results and operating performance for the half year ended 31 December 2016.

Yours faithfully  
**Imdex Limited**

**Paul Evans**  
Company Secretary



20 February 2017

## IMD 1H17 FINANCIAL RESULTS

Imdex Limited (ASX: IMD) (“Imdex” or the “company”), a leading mining, equipment, technology and service (METS) provider to the global minerals industry, today announces its results for the six months ended 31 December 2016 (1H17).

### Overview

- Statutory revenue of \$81.8 million, up 9.8% (1H16: \$74.5 million)
- EBITDA of \$14.5 million, up 68.6% (1H16: \$8.6 million)
- EBITDA from continuing operations of \$13.5 million, up 23.8% (1H16: \$10.9 million)
- Net loss after tax of \$9.8 million including \$16.2 million (\$11.5 million non-cash) in relation to Bain Capital payout
- Operating cash flows (prior to financing costs) of \$9.8 million (1H16: \$2.7 million)
- 20% increase in the average number of REFLEX instruments on hire during 1H17 versus 1H16
- Stronger balance sheet
- Secured \$30 million Bankwest facility with lower interest
- Divestment of AMC Oil & Gas
- Board renewal including the appointment of a new Chairman (1 July 2016) and Non-Executive Director (6 February 2017).

Commenting on the Company’s 1H17 results, Imdex’s Managing Director, Mr Bernie Ridgeway said:

“Operationally, our business benefited during the half from increasing activity by the gold miners and explorers – particularly in Canada, Latin America, West Africa and Australia. Continued product development through the cycle to increase the benefits of our technologies and integrated solutions for clients also resulted in a significant increase in the number of instruments on hire compared to 1H16. This lead indicator is important as instrument rentals are a significant contributor to the overall earnings of the company.

“Importantly, we secured a banking facility with a significantly lower interest rate, paid out Bain Capital in full and divested AMC Oil & Gas in line with our strategy of focusing on sustainable earnings growth via our minerals business. Our balance sheet is structured to support strong organic growth.

“As an established global company with strong brands, leading technologies and an exciting product development program, I am confident we will be able to continue to support our clients and grow our business in an environment of improving market conditions.”

## **1H17 Financial Performance**

During 1H17 Imdex generated revenue of \$81.8 million (1H16: \$74.5 million). The uplift in revenue was due to increased drilling activity globally and a later rig shut down for the traditional December – January break.

The company's EBITDA for the half was \$14.5 million and exceeded the prior corresponding period (1H16: \$8.6 million) due to higher revenue. It included a non-recurring benefit of \$1.07 million associated with the divestment of AMC Oil & Gas. The EBITDA result from the continuing operations was \$13.5 million (1H16: \$10.9 million).

The company remains focused on cost discipline while driving sustainable earnings growth within the global minerals industry.

## **New Bankwest Facility and Payout of Bain Capital**

As announced to the market on 28 December 2016, the company secured a \$30 million facility with Bankwest to replace the Bain Capital (formerly Sankaty) facility, which attracted an effective interest rate of 10.75%.

The Bankwest facility currently has a significantly lower interest rate and has been partially drawn down to pay out Bain Capital in full.

## **Sale of AMC Oil & Gas**

As announced, Imdex has divested Wildcat Chemicals Australia Pty Ltd, which forms part of the company's AMC Oil & Gas business, to Vautron Holdings Pty Ltd for a purchase price of A\$3.5 million – effective 31 December 2016.

Further, the company has sold its AMC Oil & Gas Germany and Romania businesses to National Oilwell Varco. The nominal purchase price included all rights and obligations associated with these entities including debtors and employees. The effective settlement date for the sale of these businesses was 31 December 2016.

All costs associated with the sale of Wildcat and AMC Oil & Gas – Germany and Romania were accounted for in the 2016 financial year.

Due to the ongoing challenges in the oil and gas market and Imdex's focus on its minerals business, the company wrote-off \$3.6 million associated with its oil and gas technology during the half. The adjustment is consistent with writing-off the carrying value of oil and gas assets.

## **Appointment of Non-Executive Director**

On 6 February 2017 Imdex welcomed Ms Sally-Anne Layman to its Board of Directors.

Ms Layman has extensive experience within the mining sector and financial markets. She spent twelve years with Macquarie Bank Limited, where her most recent role was Division Director & Joint Head of the Perth office for the Metals, Mining & Agriculture Division.

Her professional qualifications include: a Bachelor of Engineering, Mining Engineering from Curtin University, Western Australia; and a Bachelor of Commerce, Accounting and Finance from the University of Southern Queensland. She is also an accredited dealer by the Australian Financial Markets Association and holds a First Class Mine Managers Certificate of Competency by the Department of Mines and Petroleum, Western Australia.

Ms Layman's professional experience and qualifications will enable her to make meaningful contributions to the ongoing positioning and growth of Imdex.

## **Outlook**

Operating conditions within the global minerals industry remain encouraging and Imdex has experienced a positive start to the second half of FY17 due to an early start-up following the traditional holiday period. This positive start is evidenced by the 26% increase in the number of REFLEX instruments on hire at 31 January 2017 when compared to 31 January, 2016.

The uplift in activity globally has largely been driven by the stronger gold price; however, base metals prices have also been increasing which provides the industry with a broader based recovery.

The industry is in the early stages of a cyclical upswing and Imdex's significant operating leverage is expected to result in stronger financial performance for the full year when compared to FY16.

Chairman of Imdex, Mr Anthony Wooles, said:

*"Our Senior Management Team and Board remain committed to fine tuning every aspect of the business while leveraging the company's strengths and differentiated technologies to deliver sustainable earnings growth for our shareholders."*