

216 Balcatta Road  
Balcatta WA 6021  
Australia  
PO Box 1141  
Osborne Park WA 6916  
Australia

T +61 (8) 9445 4010  
F +61 (8) 9445 4042

index@indexlimited.com  
www.indexlimited.com

ABN 78 008 947 813

Innovative Technologies  
Integrated Solutions  
Global Support



14 June 2017

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

Dear Sir / Madam,

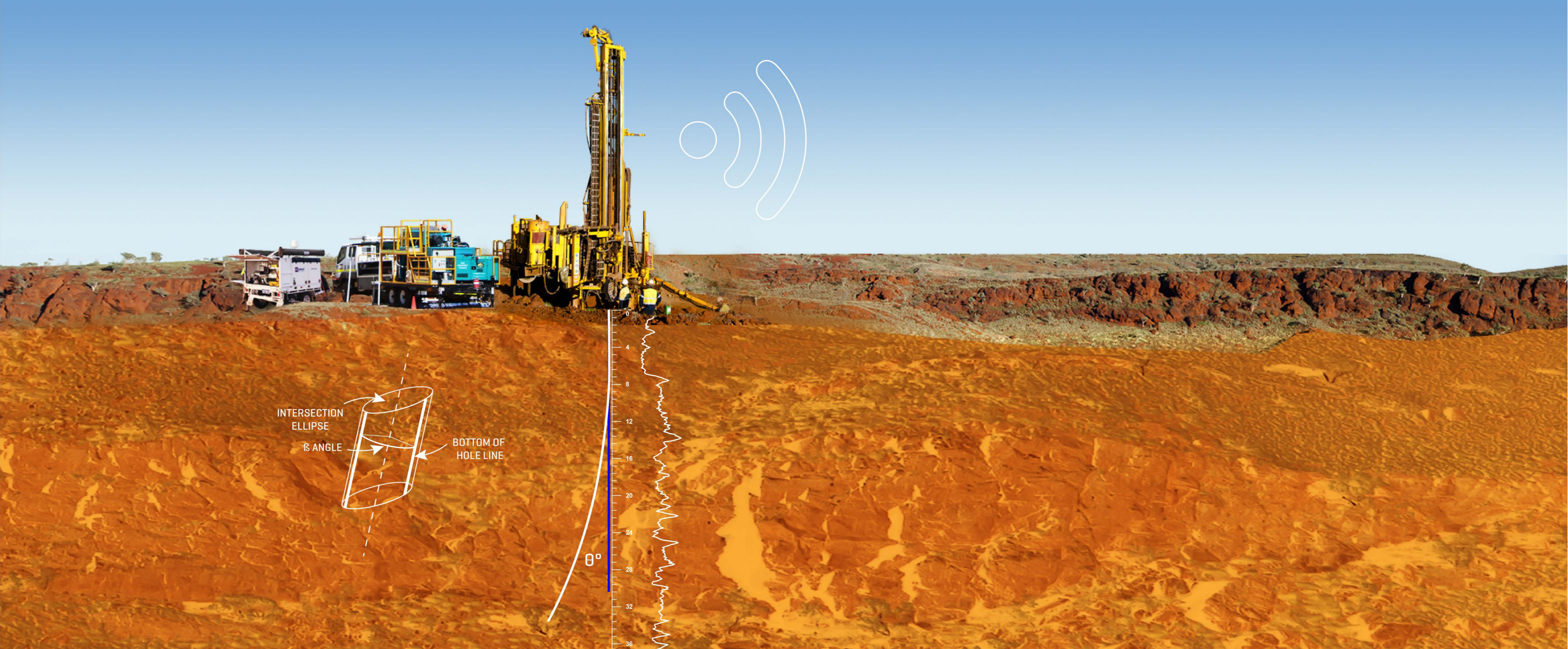
**Morgan Stanley 2017 Australian Emerging Companies Conference**

Please find attached the Morgan Stanley 2017 Australian Emerging Companies Conference presentation to be presented later today.


Yours faithfully  
**Index Limited**

**Paul Evans**  
Company Secretary





**Index Limited** Bernie Ridgeway – Managing Director  
Morgan Stanley 2017 Australian Emerging Companies Conference June 2017



We are a leading global METS\* company.  
Our solutions improve the process of identifying and  
extracting what is below the earth's surface for drilling  
contractors and resource companies – we let clients know  
where it is and what it is...now.

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

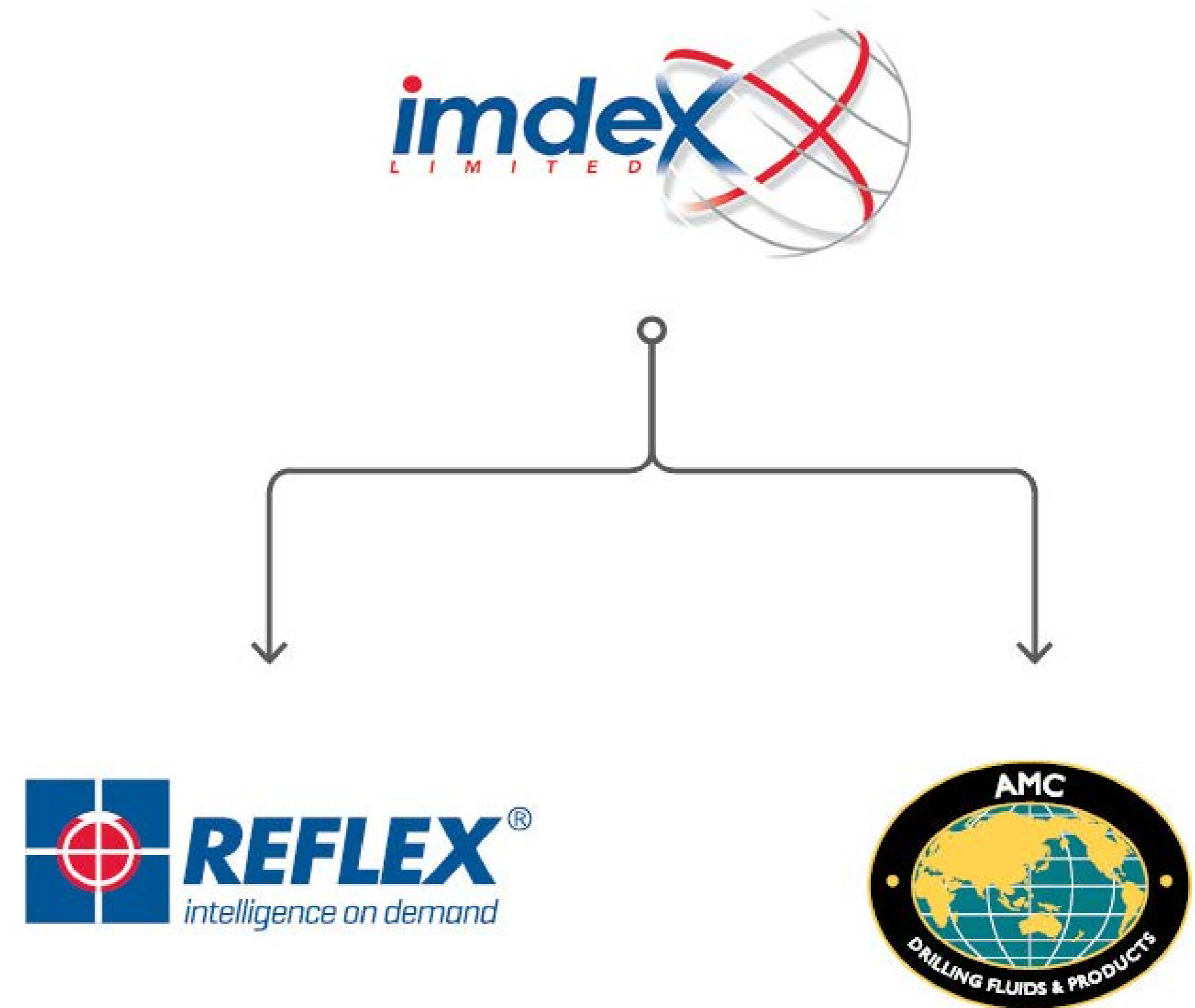
# Global Business with Operational Leverage



*Index facilities only*

# Simple Scalable Structure

- Dominant within minerals industry – strong brands and market share
- **REFLEX**
  - Downhole Navigation
  - Structural Geology
  - In-field Geoanalysis
  - Driller Operable Geophysics
- **AMC**
  - Drilling Optimisation



# Global Leader in Exploration & Mining

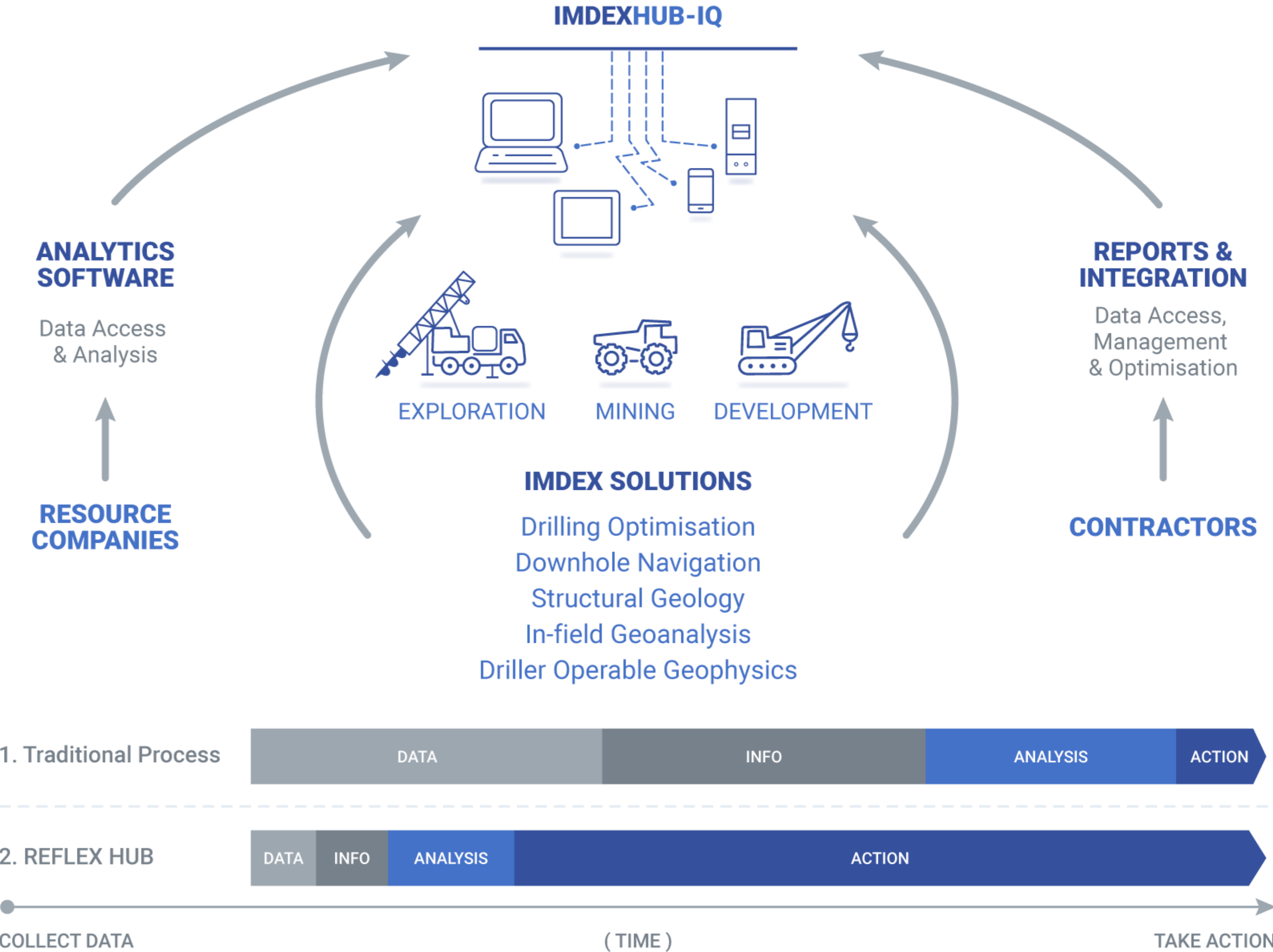
Economies of scale	Scale and efficiency that comes from being the leading provider of subsurface intelligence solutions to the exploration and mining markets globally
Leading brands and strong reputation	AMC and REFLEX are the world's leading brands with strong market share and a first class reputation for innovative solutions and reliable supply
Barriers to entry	High barriers to entry due to specialised knowledge, in-field personnel, global reach and product/service complexity
Market leadership in technology	Market leadership in technology and innovation. Through the cycle investment in R&D and innovation. R&D centres of excellence in California and Australia.
Strong client relationships	Strong and longstanding client relationships with service providers and resource companies
Strong balance sheet	Clean balance sheet with net cash position
Global footprint/connectivity	Unrivalled scale, facility footprint and market presence and connectivity to service clients in multiple jurisdictions regionally and globally

**Substantial competitive advantage**

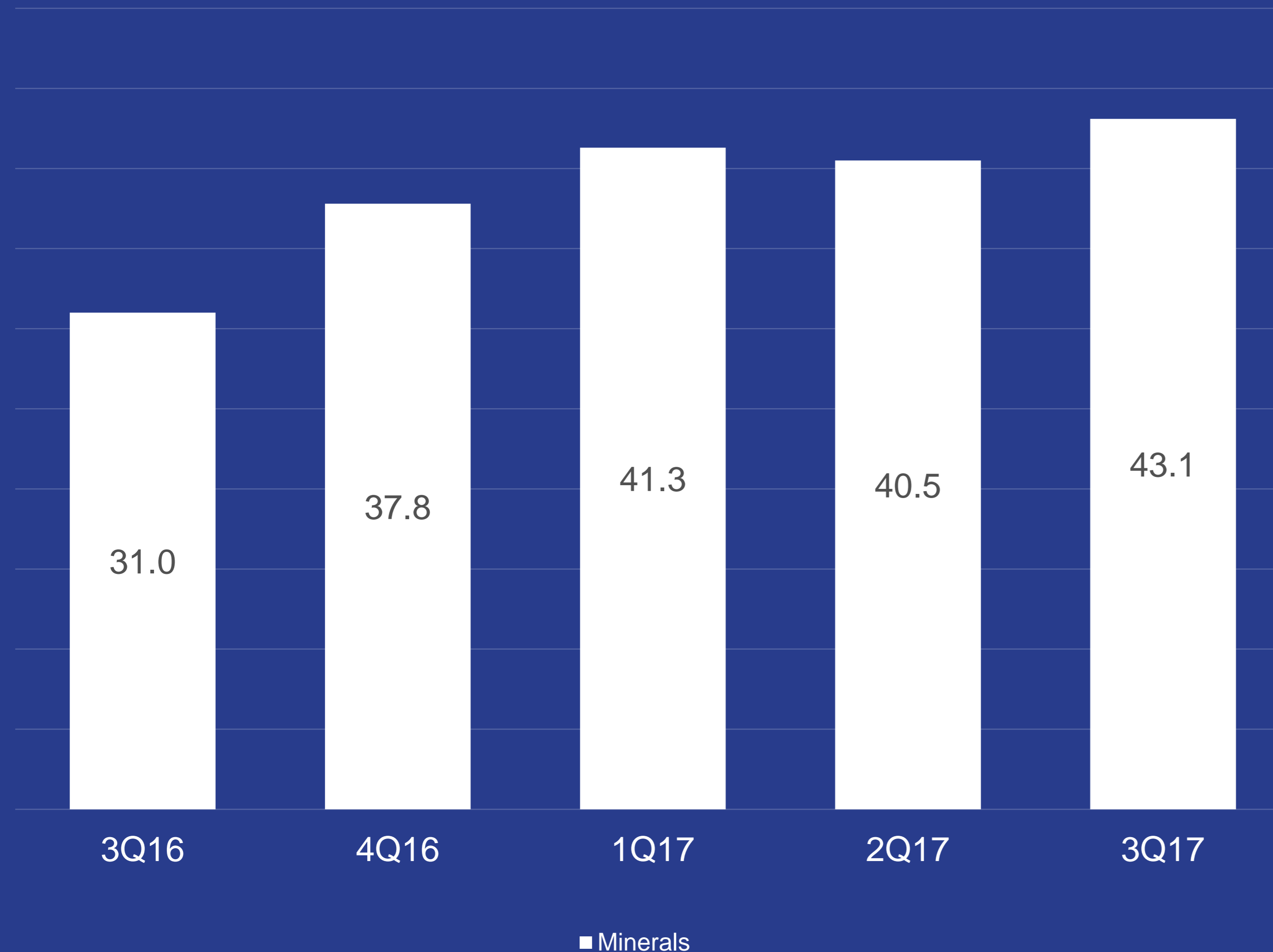
# Leading Technologies

**Client benefits:**

- Chain of custody
- Quality data
- Timeliness
- Streamlined processes

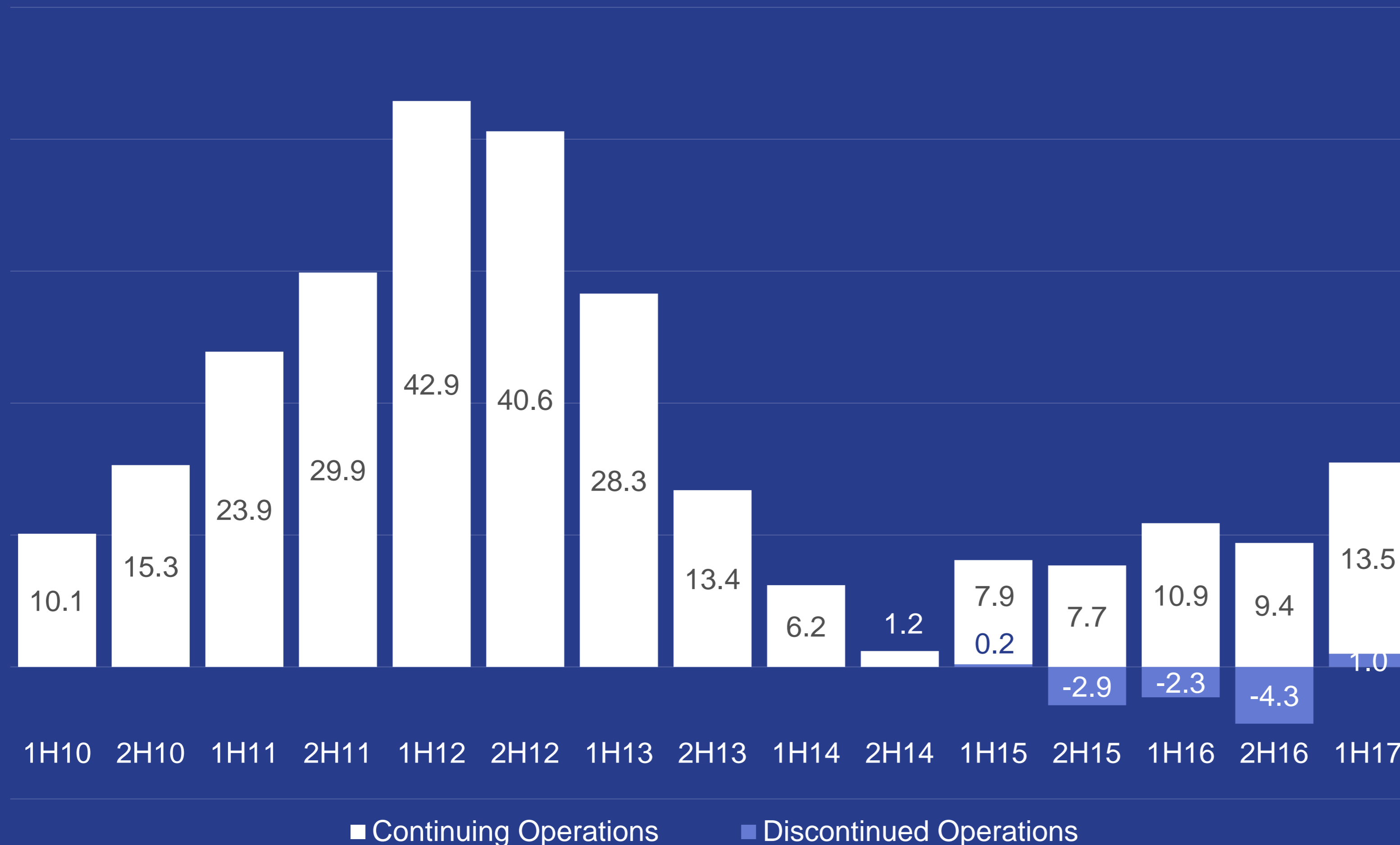


# Revenue (\$million)



- 3Q17 revenue – \$43.1 million (unaudited) up 39% on 3Q16
- 4Q17 forecast revenue to be stronger than 3Q17
- Revenue uplift forecast to carry into FY18
- Increasing revenue trend indicator of early stage cyclical upswing

# EBITDA (\$million)



- Core business profitable throughout downturn
- 1H17 EBITDA from the continuing operations \$13.5 million (1H16: \$10.9 million)
- 2H17 EBITDA forecast to be stronger than 1H17 EBITDA
- Focused on cost discipline while driving incremental and transformational growth
- EBITDA margin improvement expected in FY18

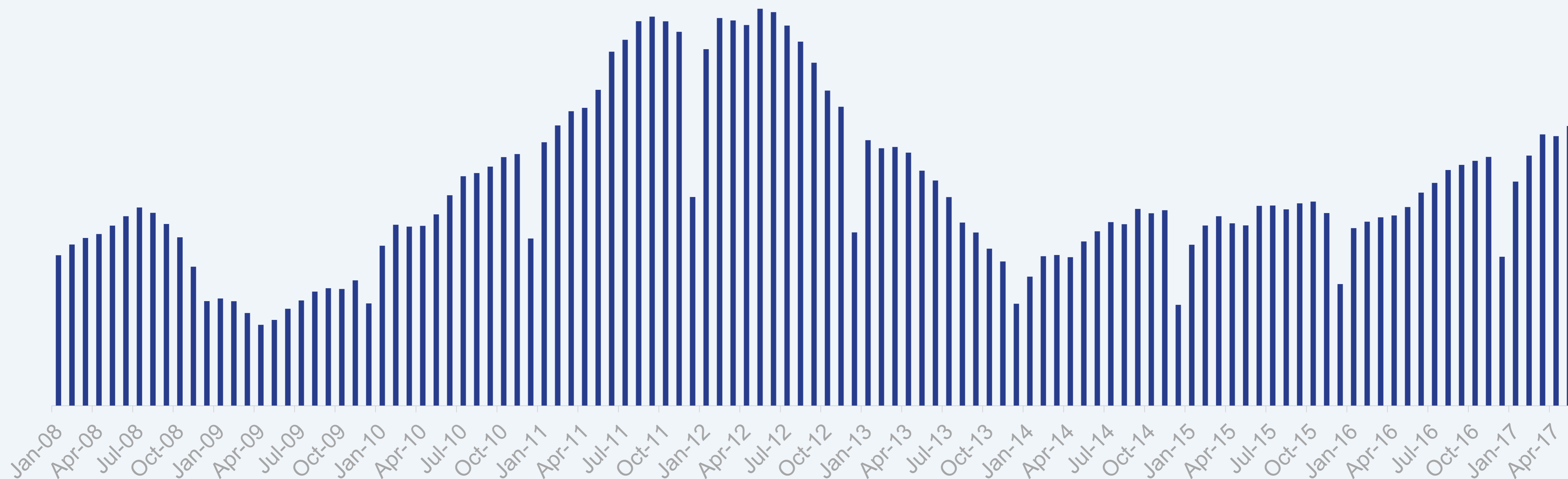
# Balance Sheet (as at 31 December 2016)

\$MILLIONS UNLESS INDICATED OTHERWISE	31 DEC 2016	30 JUN 2016
Cash	16.8	13.0
Receivables	33.7	28.8
Inventory	26.7	27.4
Assets held for sale	-	3.2
Fixed assets	33.7	38.2
Intangibles	61.0	60.9
Other assets / deferred tax	22.7	24.9
<b>TOTAL ASSETS</b>	<b>194.6</b>	<b>196.4</b>
Payables	21.1	20.8
Bank loans	12.5	42.8
HP finance	0.8	1.2
Other liabilities, provisions, current tax	10.8	15.8
<b>TOTAL EQUITY</b>	<b>149.4</b>	<b>115.8</b>
<b>Quick ratio (current assets – inventory) / current liabilities</b>	<b>1.50</b>	<b>0.80</b>
<b>Current ratio current assets / current liabilities</b>	<b>2.24</b>	<b>1.23</b>
<b>Gearing net debt / (net debt + equity)</b>	<b>-2.4%</b>	<b>21.1%</b>

- As at 31 December 2016, cash of \$16.8m v bank debt of \$12.5m
- Bank debt forecast to be \$8m at 30 June, 2017
- No exposure to Oil & Gas at 31 December 2016
- 30% equity in VES J/V and Oil & Gas equipment written off

# REFLEX Instruments on Hire

(Number of units)



- As more rigs return to work, additional instrumentation is required – all commodities
- As at 31 May 2017, ~40% increase in instrumentation on hire compared to 31 May 2016
- Instruments on hire the highest since November 2012
- Increased demand for traditional survey and core instrumentation, together with more recent technologies
- Most newer technologies yield higher rental rates

# Market Update

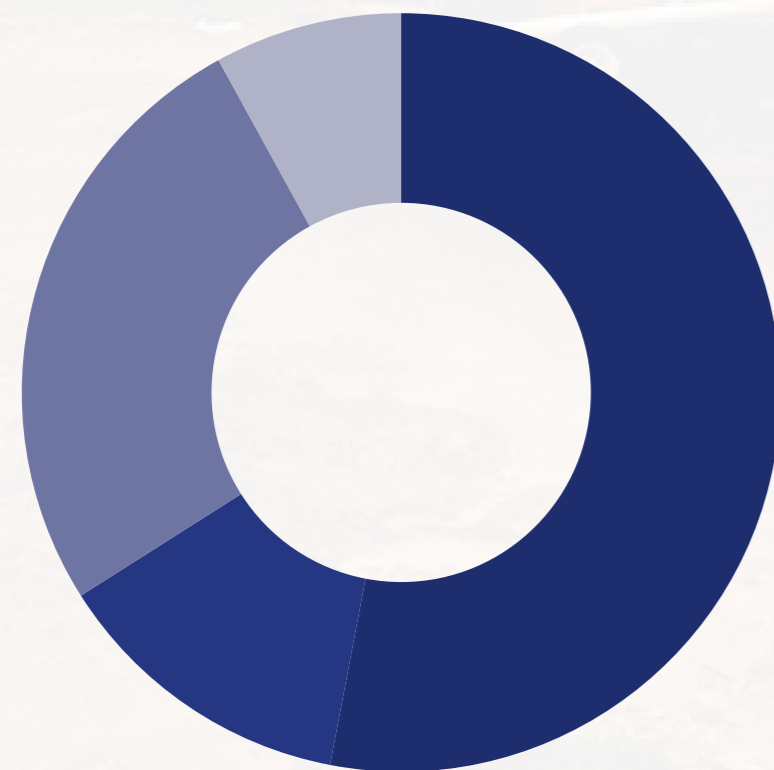
- Increased activity in the minerals sector – particularly in Canada, Latin America, West Africa and Australia
  - Activity uplift initially associated with stronger gold price – now a broader based recovery
  - Strong return to work in January, 2017
  - Resource companies well funded – miners generating free cash
  - Miners and exploration companies have increased budgets for CY17
  - Mining companies need to replace depleting reserves
- Large resource companies – continuing to focus on increasing efficiencies, cost reduction
  - New technologies are gaining momentum in order to drive efficiencies and productivity – we can deliver these technologies
  - Over the past 4 years we have strengthened our digital positioning/IoT enablement gaining first mover advantage versus competitors
  - Achieve ‘lock in’ with the resource companies/service providers

# Market Update

## Worldwide Exploration Budgets Calendar 2016

### Customer

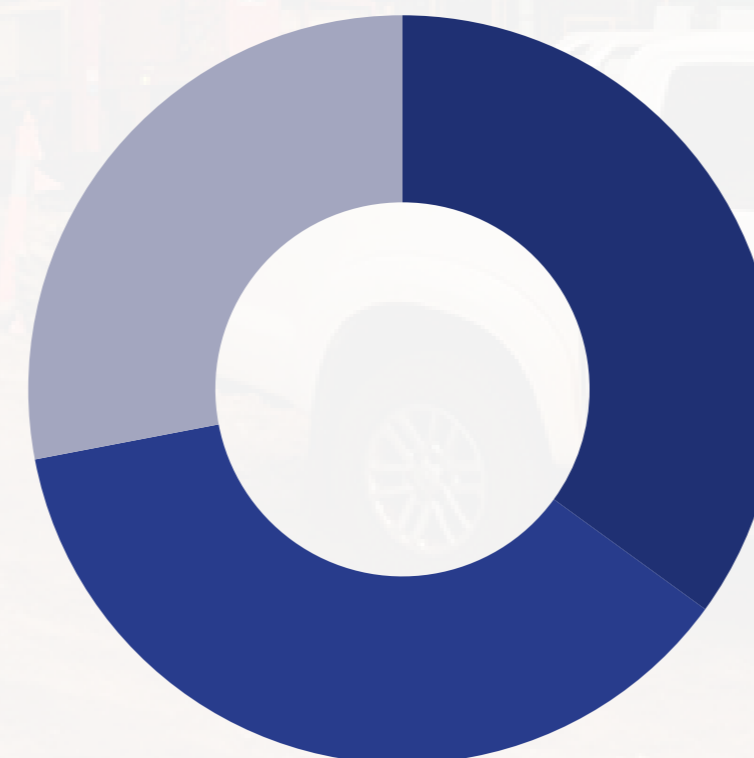
Principally mid-tier / major resource companies



■ Majors ■ Intermediates  
■ Juniors ■ Government & Others

### Project Phase

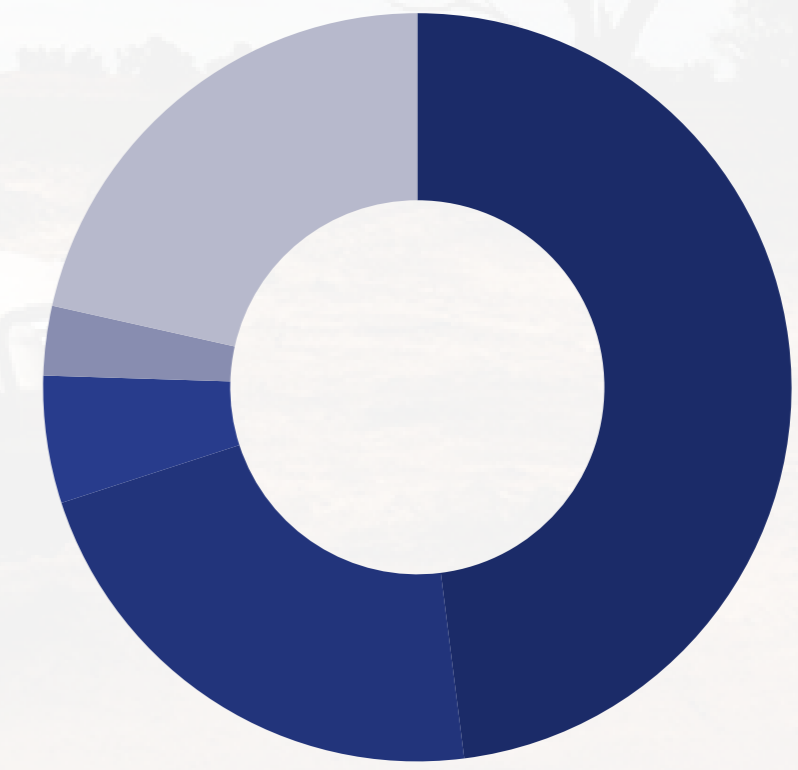
Exposure to project phase



■ Mine site ■ Late stage ■ Grassroots

### Commodity

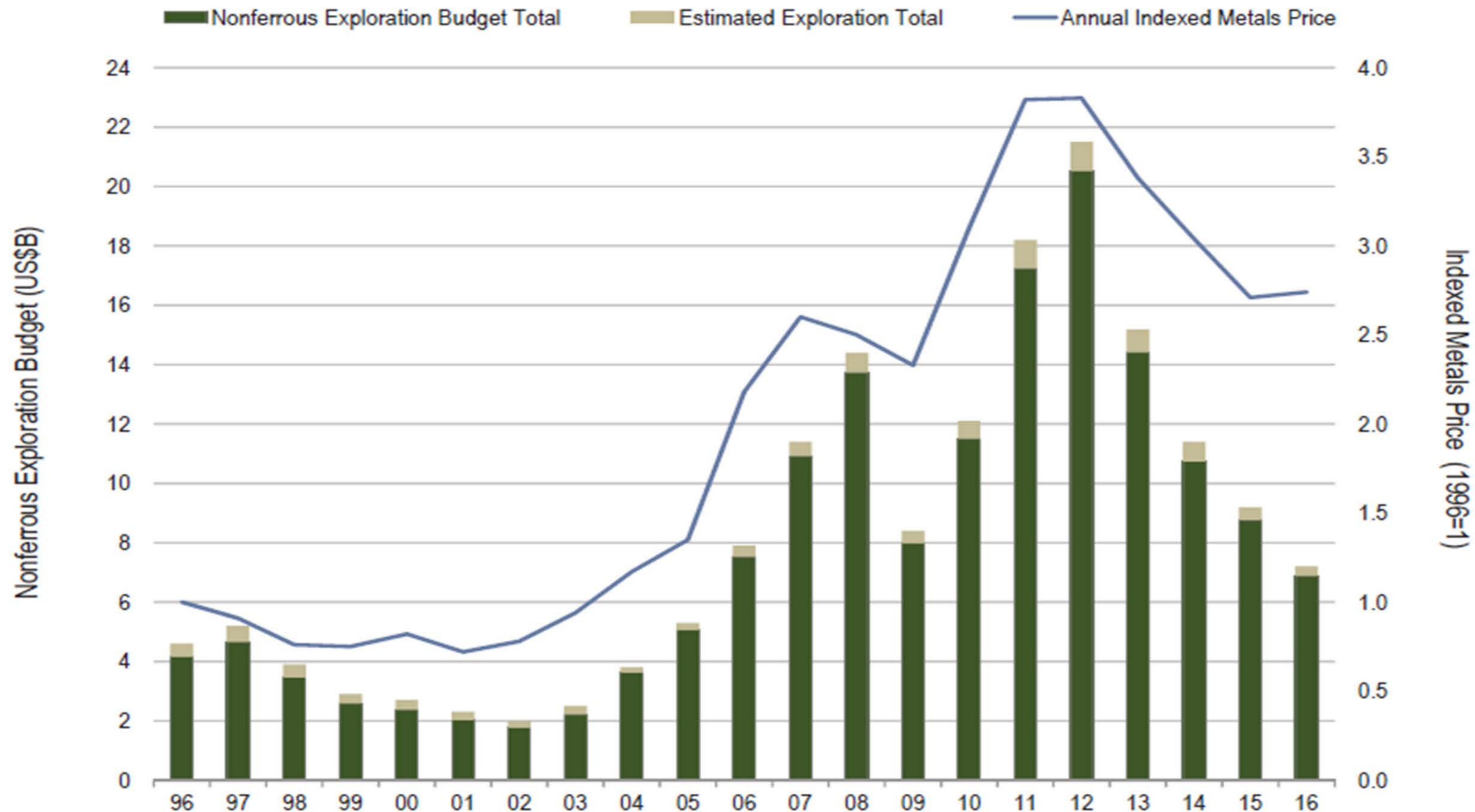
Diverse mix – primary exposure to gold & copper (70%)  
Base Metals 31%



■ Gold ■ Copper ■ Zinc ■ Nickel ■ Other

# Market Update

Figure 1: Aggregate Nonferrous Exploration Budget vs Indexed Metals Price\*, 1996-2016

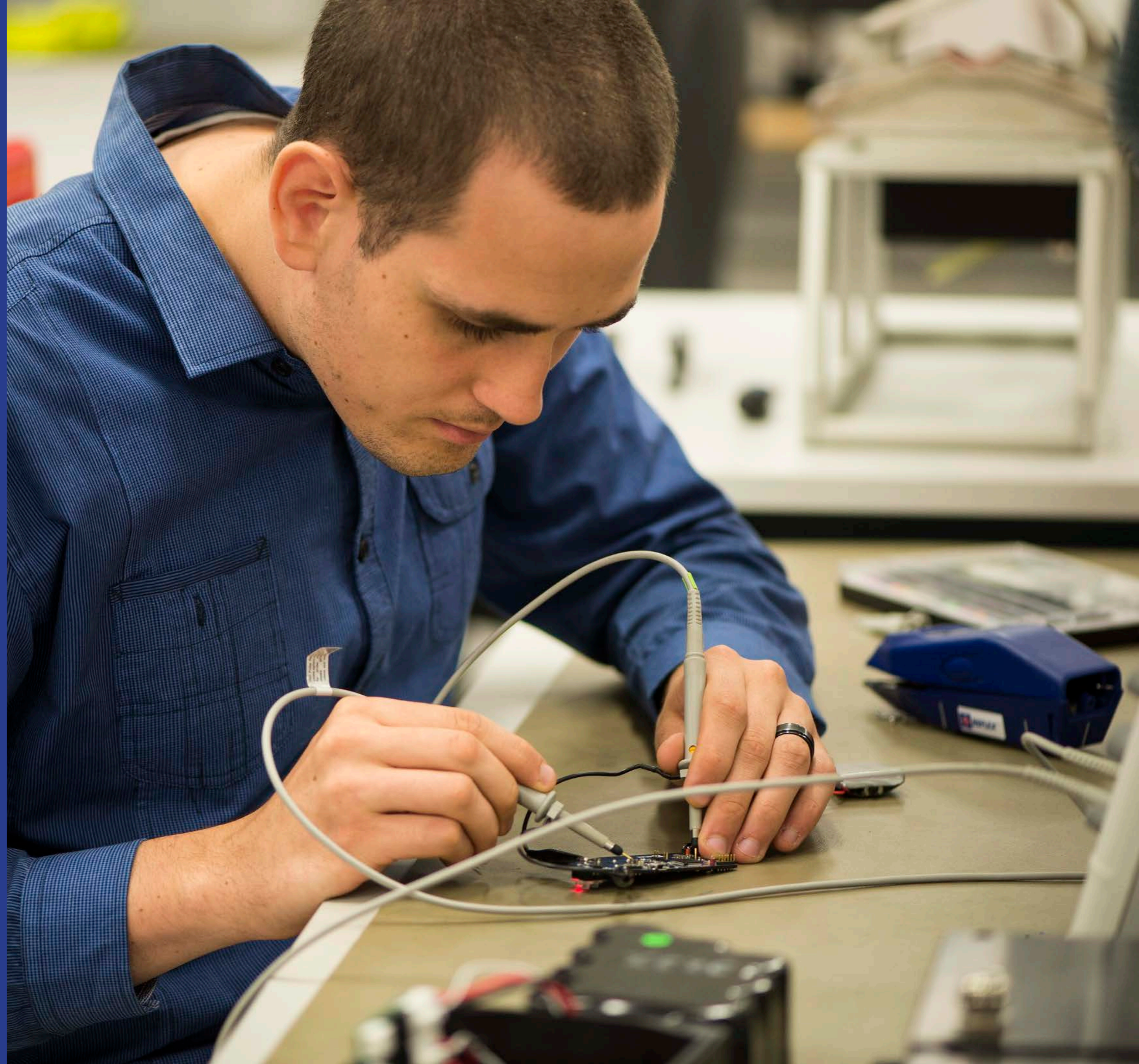


- 2016 expenditure below 2006 levels
- Bottom of the cycle
- Increased budgets in CY17
  - Depleting reserves
  - Grades decreasing
  - Lack of new world class discoveries
  - Deeper, more complex ore bodies
  - More difficult to develop
- Approximately 50% of spend in the Americas – well positioned

\*Indexed metals prices for 2016 are the average through October. Data source: SNL Metals & Mining (S&P Global Market Intelligence)

# Driving Predictable Sustainable Earnings Growth

- Growth of core business historically driven by cyclical upswing and the introduction of new technologies
- Strategic positioning for predictable and sustainable earnings growth
- FY18 investing in two-tiered strategy:
  - **Incremental** – protect and grow core business
  - **Transformational** – market extension e.g. mining and production



# Summary & Outlook

- Early stages of a cyclical upswing
  - Activity within major mining areas is robust
  - Recovery largely driven by gold, although broad based
  - Major, intermediate and junior companies well-funded and have budget increases
  - There remains a fundamental need to replace diminishing resources and reserves
  - REFLEX instruments on hire at 31 May, 17 ~40% up on pcp
- A much stronger financial performance in FY17 vs FY16
  - Strong balance sheet – ability to drive/fund business growth
  - Committed to technology development – similar investment in R&D during FY18
  - Strategic positioning to achieve sustainable earnings growth – not just cyclical growth
  - Opportunities for incremental and transformational growth



# Appendices

# Index Board



**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



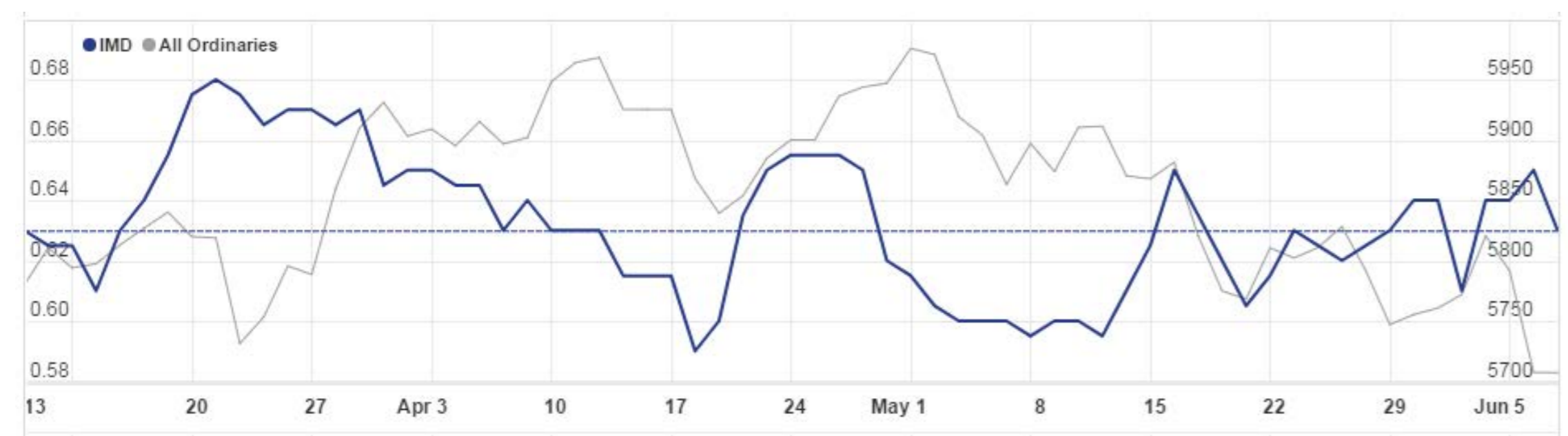
**Mr Ivan Gustavino** B.Bus

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

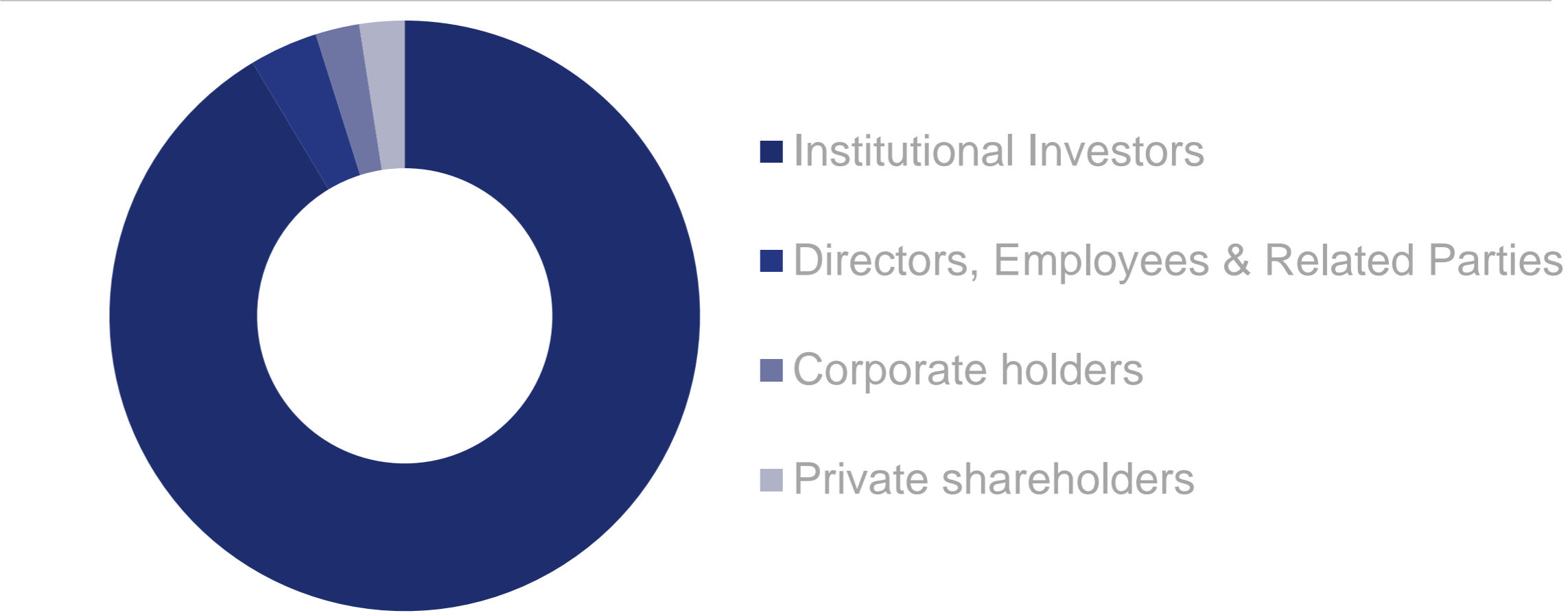
# Company Snapshot

Corporate Information		
ASX Listed		IMD
Share Price (31 March 2017)	A\$	0.65
Issued Shares	m	367.5
Market Cap (31 March 2017)	A\$m	238.9

## Share Price Performance



## Share Register Analysis of top shareholders as at 31 March 2017



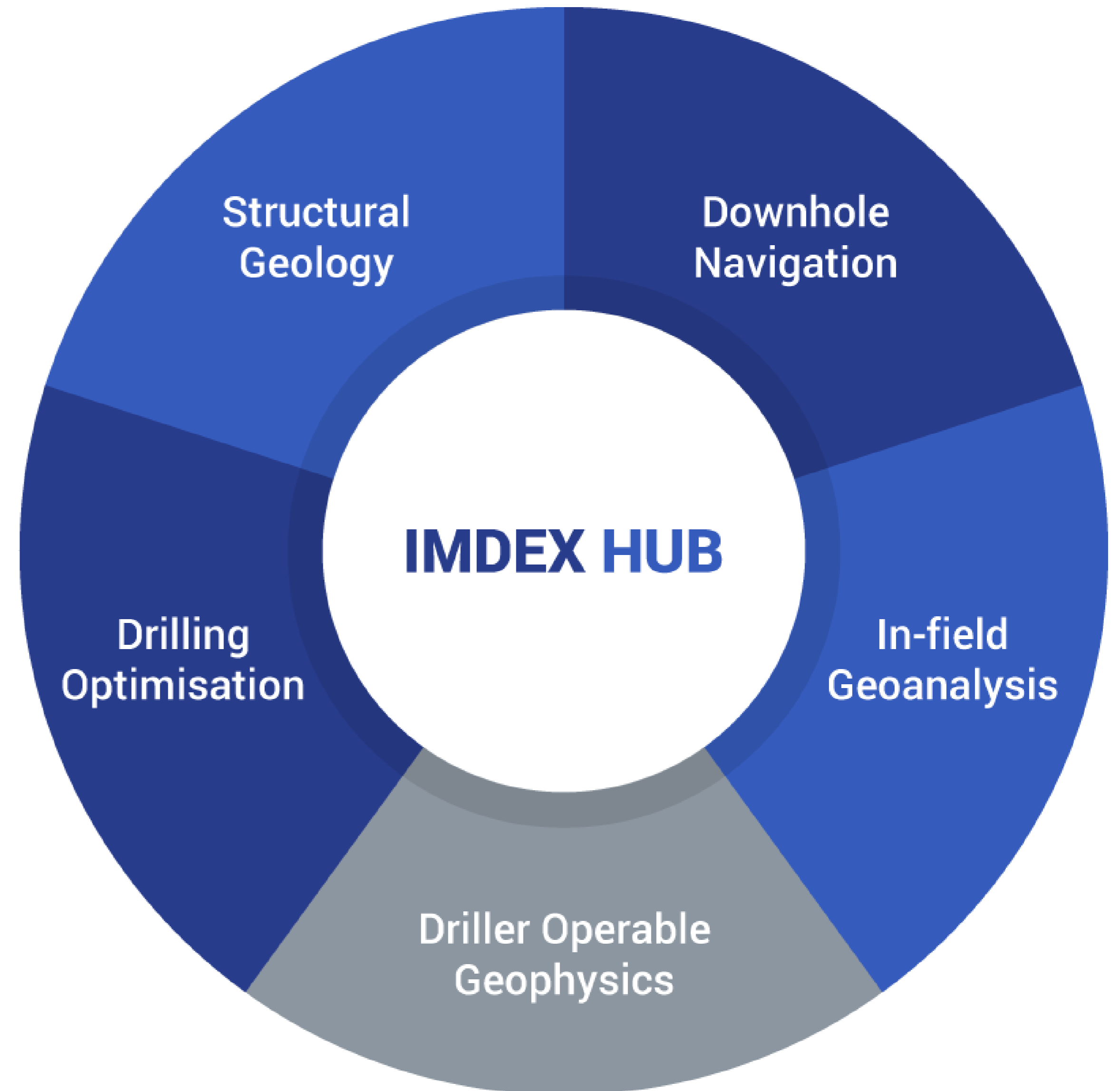
Substantial Shareholders – March 2017	Shares (m)	%
Perennial Value Management	33.7	9.2
Fidelity Investments	33.4	9.1
Wilson Asset Management	24.6	6.7
Tribeca Investment Partners	19.5	5.3
Ausbil Investment Management	18.3	5.0

# Index Solution Sets

Our solution sets simplify the process of identifying and extracting what is below the earth's surface for drilling contractors and resource companies.

Together our technologies provide geological information in real-time supporting critical decision making from exploration to production.

Our products and technologies can assist clients to control their costs and increase their productivity by providing end-to-end solutions across the full mining life cycle.



# Disclaimer

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.