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15 March 2018

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

Dear Sir/Madam

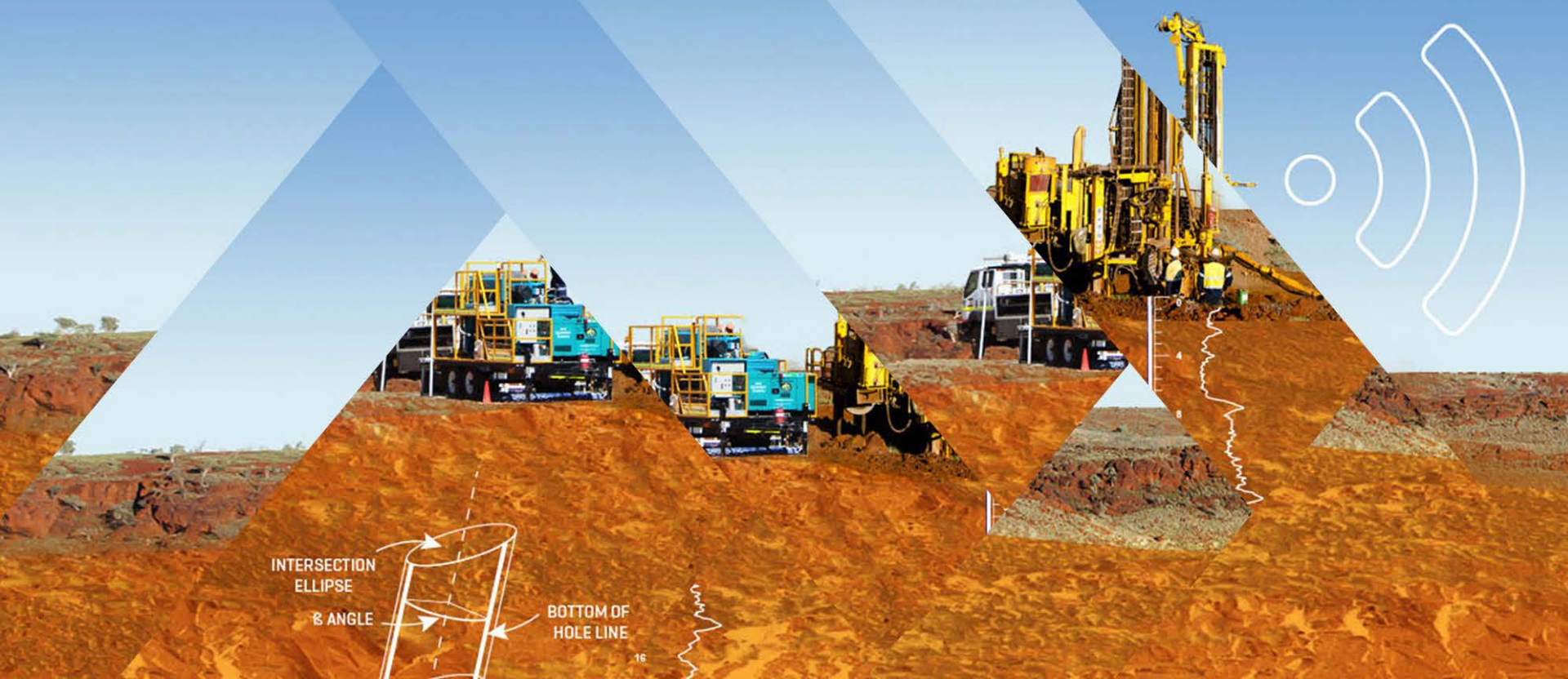
**Euroz Rottneest Forum Presentation**

Please find attached the Euroz Rottneest Forum Presentation to be presented later today.

Yours faithfully  
**Imdex Limited**

A handwritten signature in blue ink, appearing to read "P. Evans", with a long horizontal flourish extending to the right.

**Paul Evans**  
Company Secretary



# IMDEX – Euroz Rottneest Conference

Bernie Ridgeway – Managing Director

Derek Loughlin – Global Business Development Director

March | 2018

**IMDEX**<sup>™</sup>  
REAL-TIME SUBSURFACE SOLUTIONS

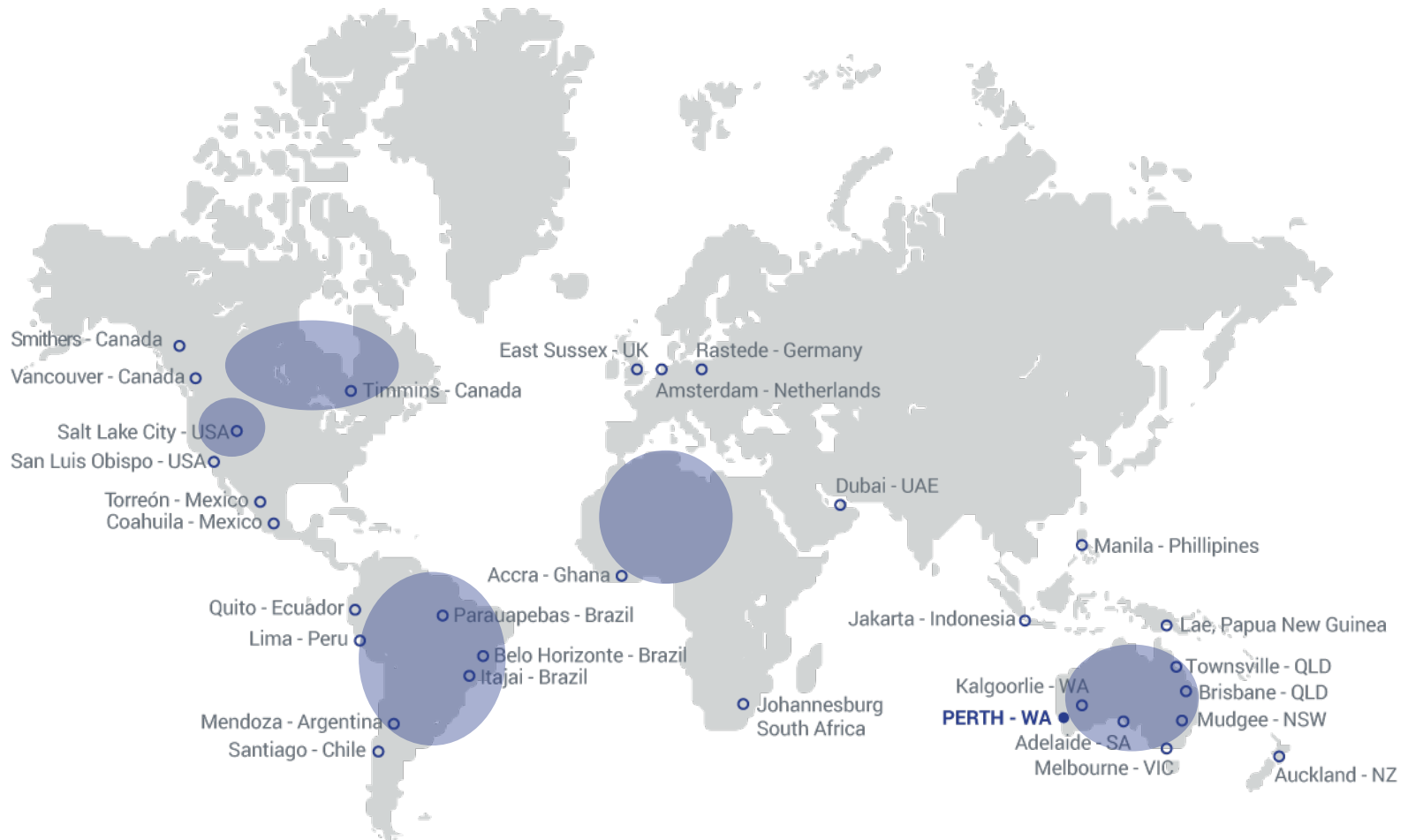
We are a leading global mining equipment, technology and services (METS) company.

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 minerals industry.

# Established Global Business

## Operational Leverage



*IMDEX presence – map does not include distributors*  
*Mining industry hot spots*

# Simple Scalable Structure

## Leading Integrated Brands



- Dominant within minerals industry – strong brands and market share
- Rebrand to align with vision and focus on integrated IMDEX solutions

- **REFLEX**

- Downhole Navigation
- Structural Geology
- In-field Geoanalysis
- Driller Operable Geophysics

- **AMC**

- Drilling Optimisation



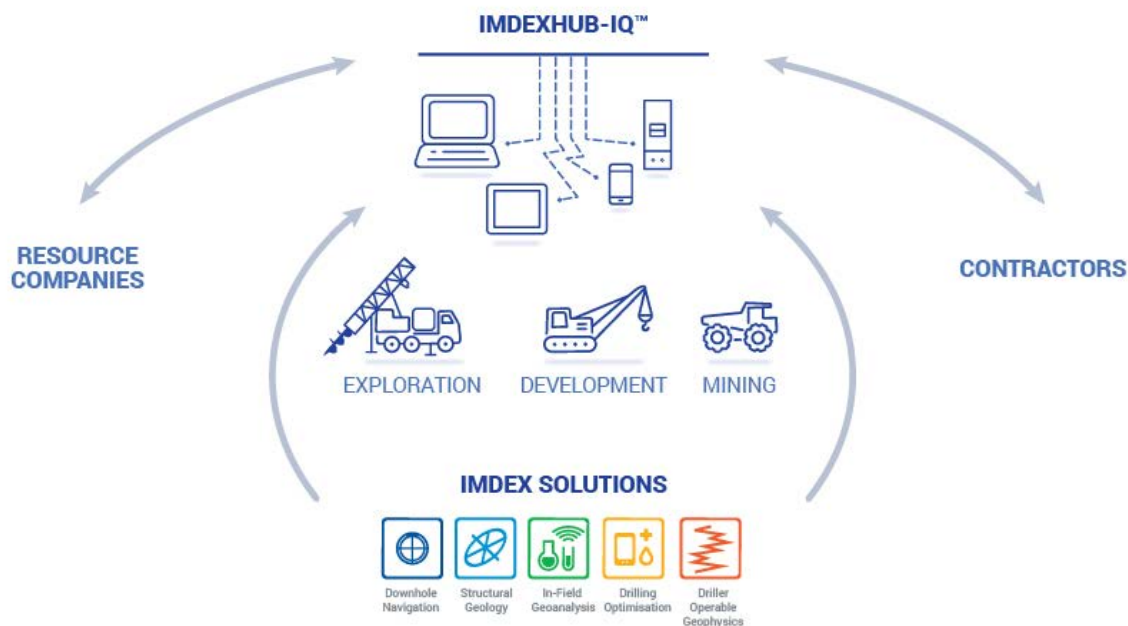
# Leading Technologies

## IMDEX Solutions



### Our Strengths

- Global footprint with operational leverage
- World-class R&D facilities and internal capabilities
- Connectivity IMDEXHUB-IQ™
- Solutions for exploration, development and mining



### Client Benefits

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



# 1H18 Overview

## Financial & Operational



### Financial

- Significant increase in revenue and earnings growth
- Balance sheet and earnings positioned to drive organic and transformational growth within the mining value chain

### Operational

- Robust activity within the global minerals industry – Canada, western USA, Latin America, West Africa and Australia
- Continued broad-based recovery – gold, copper, iron ore, nickel and lithium
- Increase in the number of REFLEX instruments on hire – strong January uptake
- Continued investment in R&D – exciting product development roadmap
- Option to acquire near-commercial CoreVIBE™ and MagHAMMER™ technologies
- Safety remains a major focus across the entire organisation



# 1H18 Financial Metrics

(\$millions)



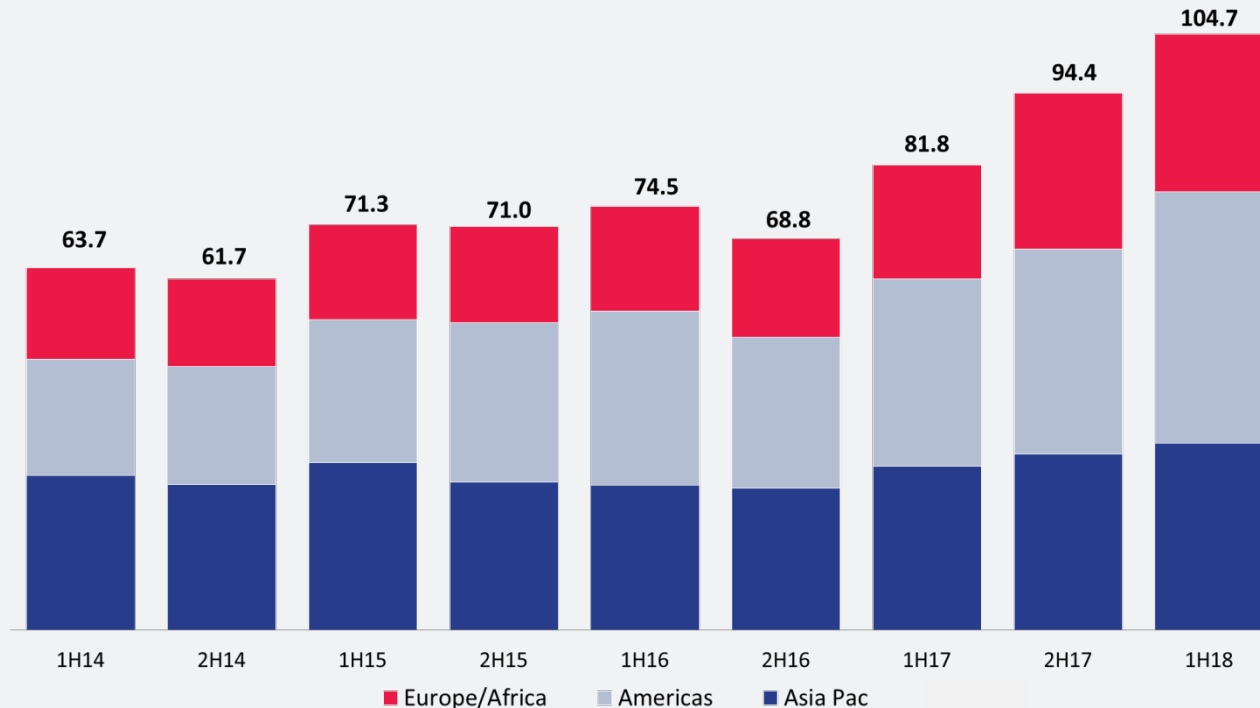
\$MILLIONS UNLESS INDICATED OTHERWISE	1H18	1H17	VAR	VAR%
Revenue	104.7	81.8	22.9	28% ▲
EBITDA	20.1	13.5	6.6	49% ▲
NPAT	10.6	(9.9) <sup>1</sup>	20.5	▲
EPS (cents)	2.89	(3.42)	6.31	▲
Operating cash flow (excluding financing costs)	2.4	9.8	(7.4)	(76%) ▼
Net assets	173.5	159.8	13.7	9% ▲

<sup>1</sup> Includes \$16.2m (non-cash \$11.5m) of financing costs in relation to the Bain Capital debt which was fully repaid



# Revenue by Region

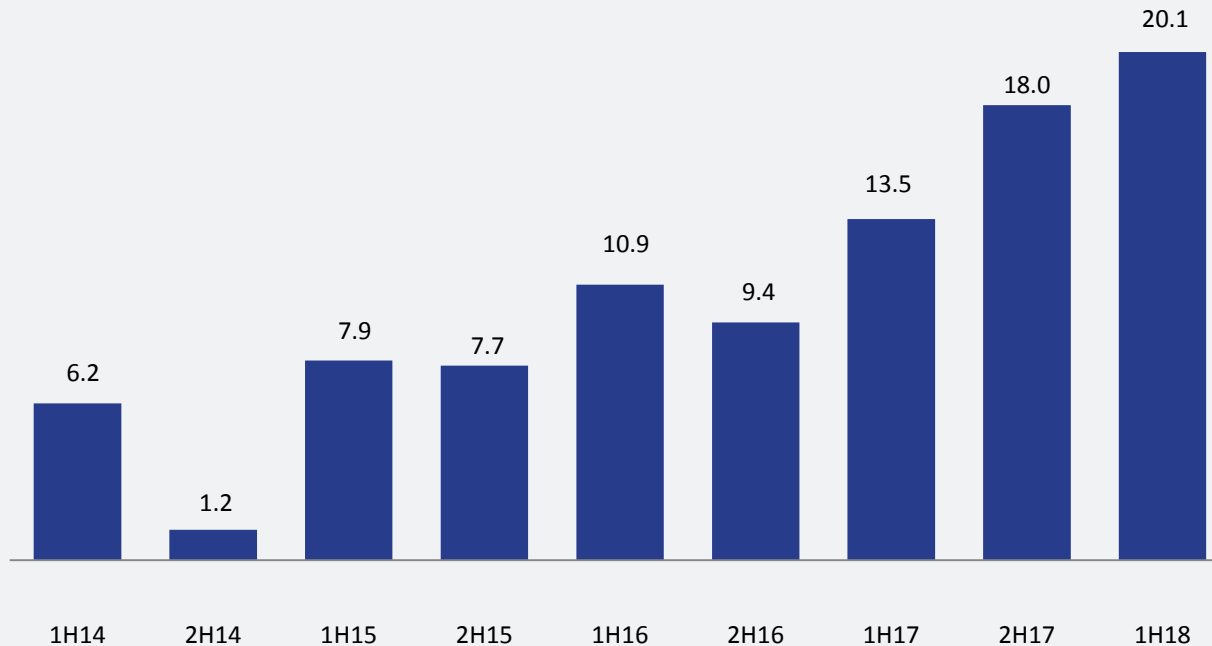
(\$millions)



- Increasing revenue across all regions
- Business benefited from global presence and regional expertise
- Americas – region with highest revenue and potential for growth
- Strong 2H18 anticipated based on current trend

# EBITDA

(\$millions)



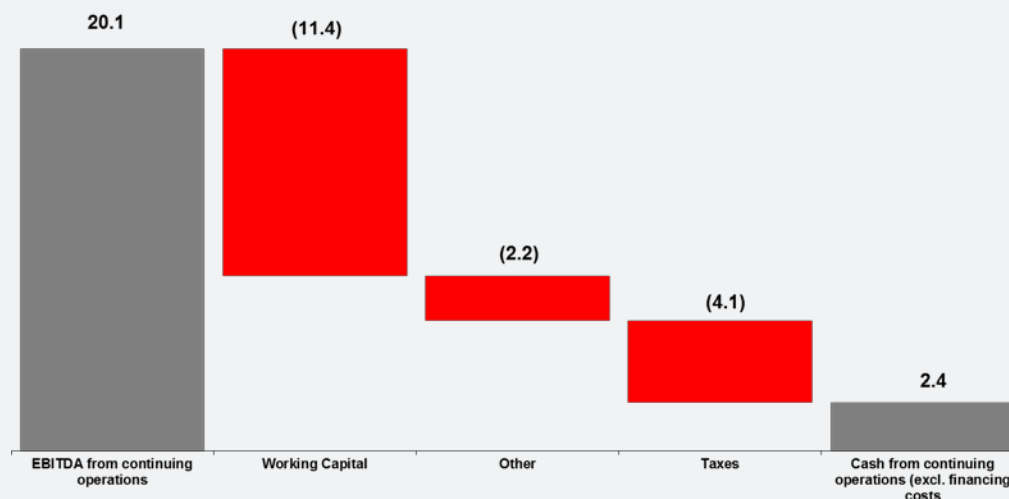
- 1H18 EBITDA up 49% on pcp
- Focused on cost discipline while driving sustainable revenue growth
- EBITDA margin improvement expected in 2H18 through operational leverage
- Additional investment in the business of ~\$5 million\*

*\*Investment includes internal digital transformation project and further development of technologies to support transformational growth within the mining value chain.*

# Balance Sheet & Working Capital

(\$millions)

	31 DEC 17	30 JUN 17
Cash	12.7	19.4
Receivables	42.4	41.5
Inventory	36.0	29.9
Fixed assets	33.7	32.2
Intangibles	60.0	60.4
Other assets / deferred tax	28.9	27.5
<b>TOTAL ASSETS</b>	<b>213.7</b>	<b>210.9</b>
Payables	24.1	30.4
Bank loans	5.5	6.5
HP finance	0.4	0.6
Other liabilities, provisions, current tax	10.2	13.6
<b>TOTAL EQUITY</b>	<b>173.5</b>	<b>159.8</b>



- Net cash of \$6.8m (\$12.3m: 30 June 2017)
- Working capital investment in 1H18:
  - Increased inventory to meet market growth and new contract wins
  - Decrease in payables
  - Increase in receivables days outstanding – focus to reduce in 2H18

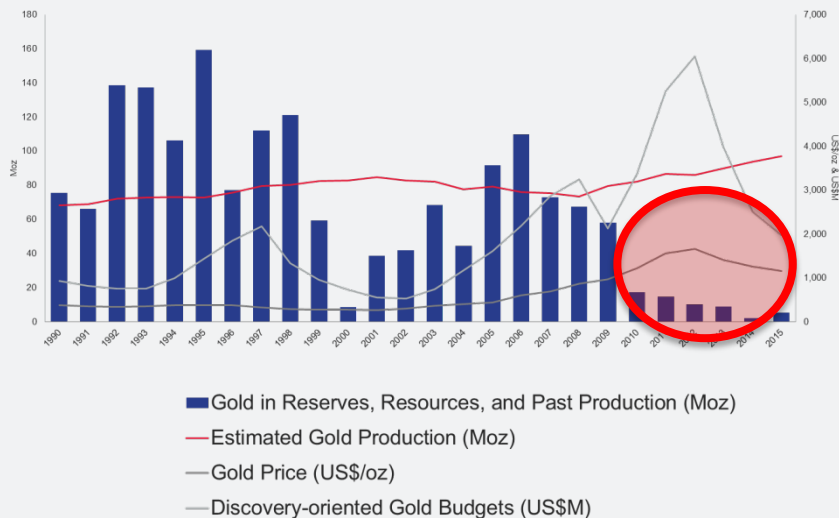
- Continued broad-based recovery in the minerals sector globally
- Commodity prices generally are now at the highest level in a little over three years
- Major, intermediate and junior companies well-funded with increased budgets
- Resource companies – continuing to focus on increasing efficiencies, cost reduction
- New technologies gaining momentum in order to drive efficiencies and productivity
- Mining companies need to replace depleting reserves

“IMDEX is well positioned for continued growth”

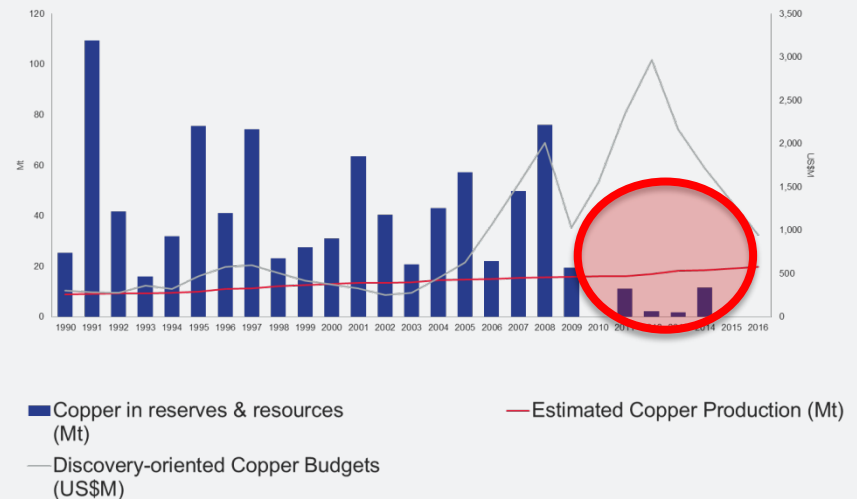
# Gold & Copper Discoveries

S&P Global Market Intelligence

## Major Gold Discoveries



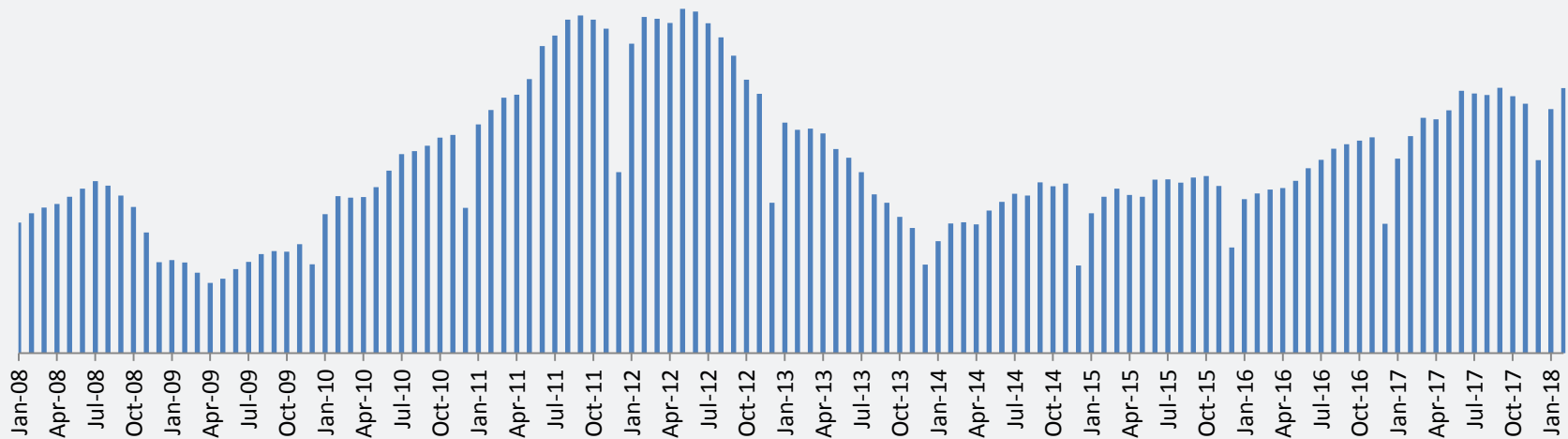
## Major Copper Discoveries



Despite increased expenditure, gold and copper discoveries are not keeping up with production – grades decreasing, deeper, more complex ore bodies, more difficult and longer lead times to develop

# REFLEX Instruments on Hire

(Number of units)

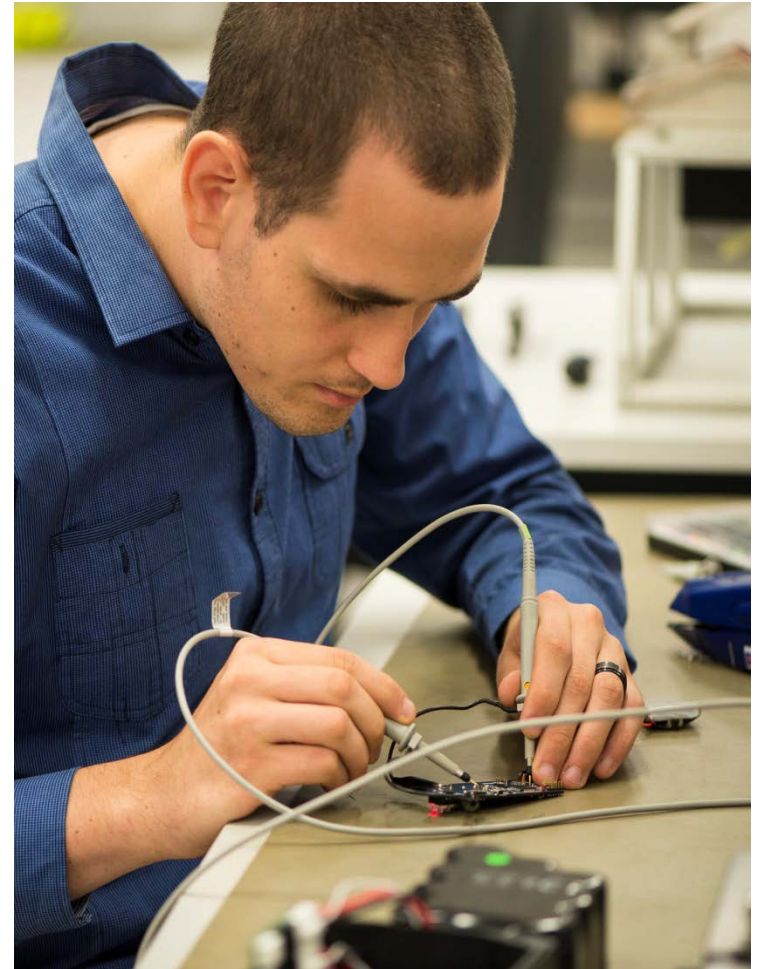


- As more rigs return to work, additional instrumentation is required – all commodities
- Instruments on hire increased CY14-CY16 despite significant decrease in exploration expenditure over those 3 years
- 31 January 2018, 25% more compared to 31 January 2017
- Strong January uptake post holiday shutdown
- Increased adoption of traditional instrumentation and recent technologies launched
- Most newer technologies yield higher rental rates due to greater value add for clients

# Strategy

## Driving Sustainable Earnings Growth

- Growth of core business historically driven by cyclical upswing and the introduction of new technologies
- Strategic positioning for sustainable earnings growth
- FY18 investing in two-tiered strategy:
  - **Organic** – protect and grow core business
  - **Transformational** – extension into new market segments within the mining value chain





# The Industry Problem

## Exploration



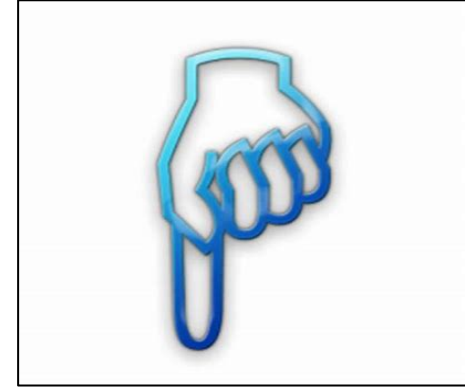
### Increasing Demand for Metals

- Doubles every 20-30 years
- More copper to be mined in next ~25yrs than in history



### Declining Discovery Rates

- Industry is making far fewer major discoveries despite record high exploration spend



### Easy Deposits Already Found

- Especially in low sovereign risk countries
- 96% greenfield discoveries in past decade <100m deep

“To improve its performance, industry needs to develop better tools for exploring beyond 200 metres of cover” (Richard Schodde, MinEx Consulting)

# The Industry Problem

## Drilling

Fundamentally nothing has changed in drilling technology in 100s of years. Steel rods manually joined with threads. Usually all rods rotated from surface to generate cutting action at bottom of hole. Thus slow, expensive, injury-prone and inefficient use of energy.

Drivers for change	Resulting Transformation
Cost	Reduce cost of finding, delineating and mining future resources
Safety	Eliminate majority of risk and injury from historically high risk occupation
Capacity	Deeper and steerable holes to test inaccessible targets
Environment	Minimise environmental footprint and use less energy
Social Licence	Minimise disturbance and demonstrate environmental credibility
Efficiency	Find and delineate resources faster and more accurately

*Source: Deep Exploration Technologies*

# CoreVIBE™ & MagHAMMER™

Option to acquire unique drilling productivity technologies



- Option agreement executed January 2018
- Extensive testing and due diligence conducted pre-signing – including IP protection
- The transaction allows for further testing and market acceptance before committing to purchase
- CoreVIBE™ and MagHAMMER™ to be commercialised in the near-term
- Technologies are patent protected and align with IMDEX's rental model
- Technologies complement IMDEX's Drilling Optimisation Solution and strengthen IMDEX's competitive position in this market segment
- If option is exercised:
  - Significant additional global revenue stream for IMDEX
  - EPS accretive within 12 months of option exercise

## Client benefits

### TRADITIONAL DRILLING

 **67 SHIFTS**



Minimises hole deviation with  
high penetration rates

Improves penetration rates

### COREVIBE™

 **47 SHIFTS**

**UP TO 30% PRODUCTIVITY IMPROVEMENT**



Reduces tripping of  
inner tube for blockages

Extends bit life

# MagHAMMER™

## Client benefits



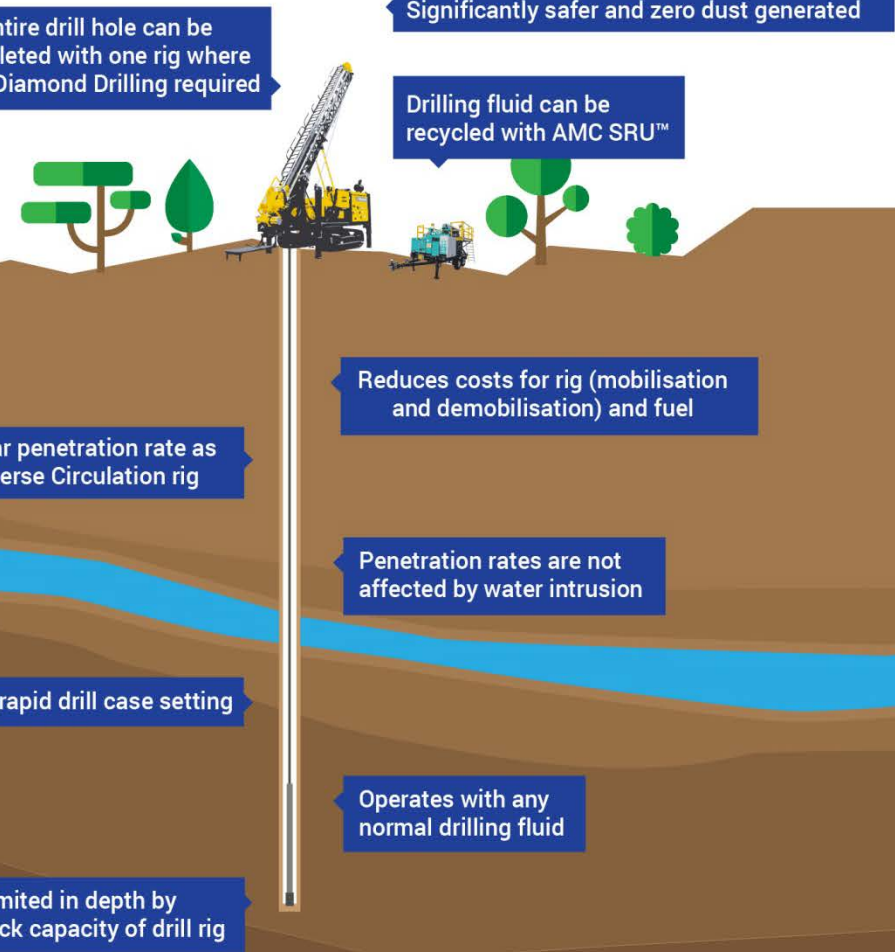
### TRADITIONAL RC DRILLING

AIR POWERED



### MAGHAMMER™ ON DIAMOND DRILL RIG

WATER POWERED



Entire drill hole can be completed with one rig where RC & Diamond Drilling required

Significantly safer and zero dust generated

Drilling fluid can be recycled with AMC SRU™

Similar penetration rate as Reverse Circulation rig

Reduces costs for rig (mobilisation and demobilisation) and fuel

Penetration rates are not affected by water intrusion

Allows rapid drill case setting

Operates with any normal drilling fluid

Only limited in depth by pull back capacity of drill rig

250m  
500m  
750m  
1000m  
1250m

# Summary & Outlook

- Strong performance in 1H18 – strong 2H18 anticipated based on demand trends
- Activity within major mining areas is robust – cyclical upswing continuing
- Recovery initially driven by gold, now more broad-based
- Major, intermediate and junior companies well-funded with increased budgets
- There remains a fundamental need to replace diminishing resources and reserves
- REFLEX instruments on hire at 31 January 2018, 25% up on pcg
- Strategic positioning to achieve sustainable earnings growth for shareholders
- Option to acquire CoreVIBE<sup>TM</sup> and MagHAMMER<sup>TM</sup> drilling productivity technologies
- Robust balance sheet – ability to drive organic and transformational growth within mining value chain

# Appendices



# Company Snapshot

As at 29 December 2017

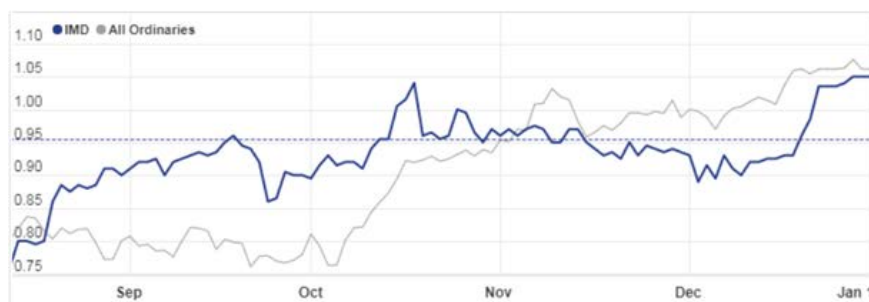
## Corporate Information

ASX listed		IMD
Share price (29 December 2017)	A\$	1.05
Issued shares	m	367.5
Market cap (29 December 2017)	A\$m	385.8

## Share register Analysis of top 50 shareholders at 29 December 2017

Institutions	70.37%
Employees, directors & company related parties	2.77%
Corporate holders	0.01%
Private shareholders	6.47%
Brokers & banks	13.10%

## Share Price



## Largest shareholders December 2017

	Shares (m)	%
Fidelity Investments	36.4	9.91
Perennial Value Management	25.8	7.02
Wilson Asset Management	25.6	6.98
L1 Capital	18.2	4.94
Braeside Capital	16.3	4.42



**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

# Global Leader

## 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 leaders 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 resources companies

### Robust 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

# IMDEX 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.



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