

IMDEX Limited
ABN 78 008 947 813
216 Balcatta Road, Balcatta WA 6021 Australia
PO Box 1262, Osborne Park WA 6916 Australia

indexlimited.com
T +61 (0) 8 9445 4010
E index@indexlimited.com



14 March 2019

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

Dear Sir/Madam

Euroz Rottneft Forum Presentation

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

Yours faithfully
Index 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 Rottnest Presentation

Bernie Ridgeway – Managing Director

Paul Evans – CFO & Company Secretary

Paul House – Chief Operating Officer

14 March | 2019 CONFIDENTIAL – Property of © IMDEX Limited

IMDEX[™]
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

We let clients know where it is and what it is...now.



for drilling contractors and resource companies



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

Leading Global METS Company



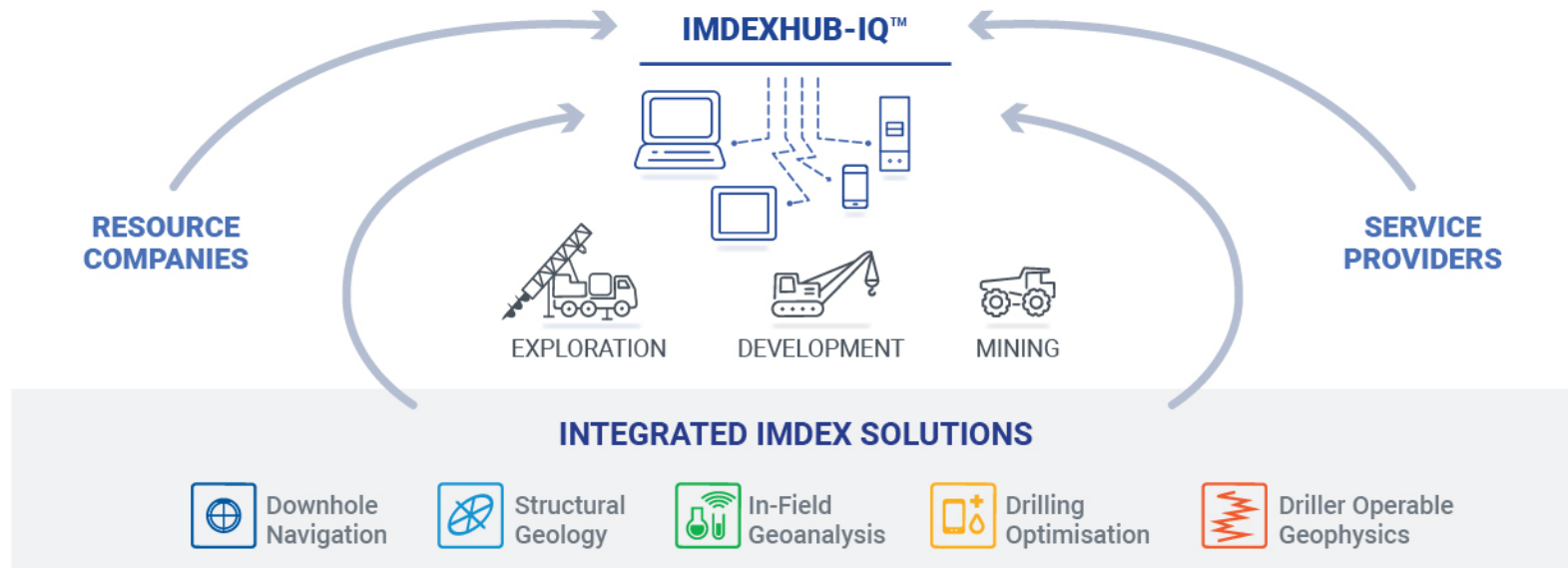
Unique competitive position



Delivering Value to Clients

Technical leadership & integrated IMDEX solutions

QUALITY DATA & CHAIN OF CUSTODY



STREAMLINE PROCESSES & TIMELY INFORMATION



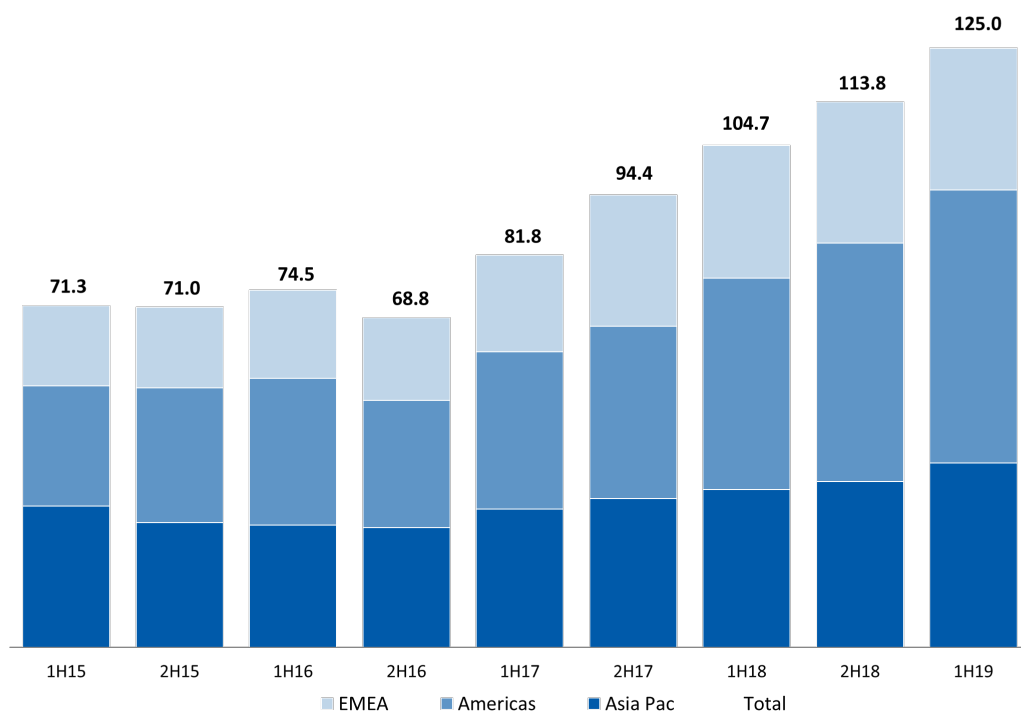
Key Financial Metrics

31 December 2018

	1H19 \$m	1H18 \$m	VAR \$m	VAR%
Revenue	125.0	104.7	20.3	19% ▲
EBITDA	25.2	20.1	5.1	25% ▲
NPAT	13.5	10.6	2.9	27% ▲
EPS (cents)	3.65	2.89	0.76	26% ▲
Operating cash flow	19.0	2.1	16.9	805% ▲
Fully-franked interim dividend declared (cents)	0.8	-	0.8	-

- Significant uplift in all key financial metrics

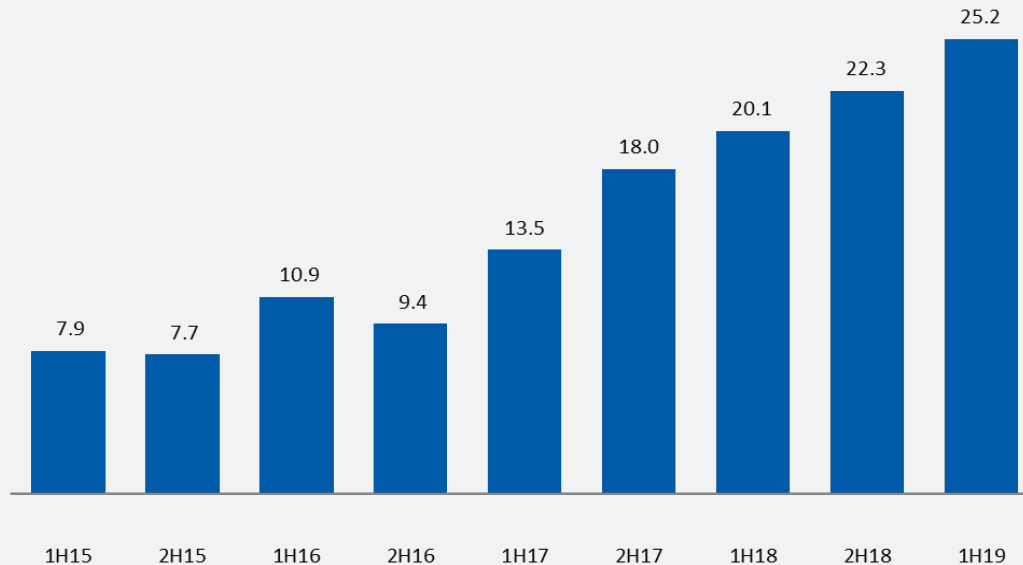
Revenue by Region



Minerals revenue only (\$m)

- 1H19 revenue up 19% on 1H18
- Increasing activity globally, albeit, at a slower rate (S&P: CY19 ~5% - 10%)
- FY19 January / February revenue up on pcp
- Improving quality and benefits of rental fleet – generally commands higher rates

EBITDA



1H19
EBITDA up
25% on pcp

- Strong earnings growth over last 2-3 years
- Gross margins have been maintained
- Net investment in transformational initiatives* forecast to be ~\$8.0m for FY19. This investment is expected to reduce substantially from FY20 – a component will cease and the balance will largely be off-set by additional revenue
- *Drill & Blast project; COREVIBETM and MAGHAMMERTM technologies; and internal digital transformation

Balance Sheet

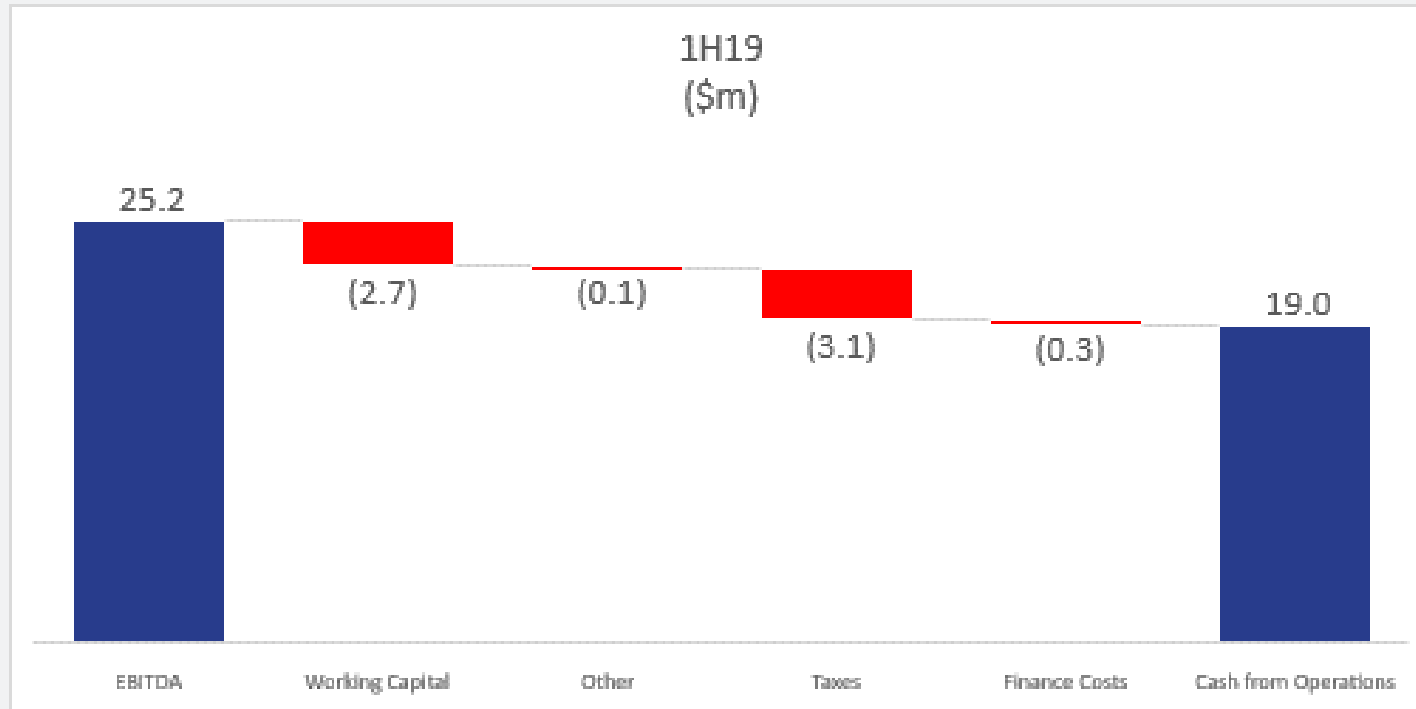
As at 31 December 2018

\$m	31 DEC 18	30 JUN 18
Cash	26.8	13.9
Receivables	46.5	49.3
Inventory	37.7	33.6
Fixed assets	38.1	36.5
Intangibles	59.6	59.5
Other assets / deferred tax	32.9	33.3
TOTAL ASSETS	241.6	226.1
Payables	24.0	26.4
Bank loans	6.1	5.9
HP finance	0.1	0.2
Other liabilities, provisions, current tax	8.6	7.5
TOTAL EQUITY	202.8	186.1

- Robust balance sheet
- Conservatively geared with strong net cash position \$20.6m
- Receivables exceeded payables by 94%
- Net asset position improved further as at 31 December 2018
- Fully-franked interim dividend declared of 0.8 cents per share – 22% 1H19 NPAT payout ratio
- Committed to sustainable dividend policy – investing in core R&D and transformational initiatives

Working Capital

Positive cash flow conversion

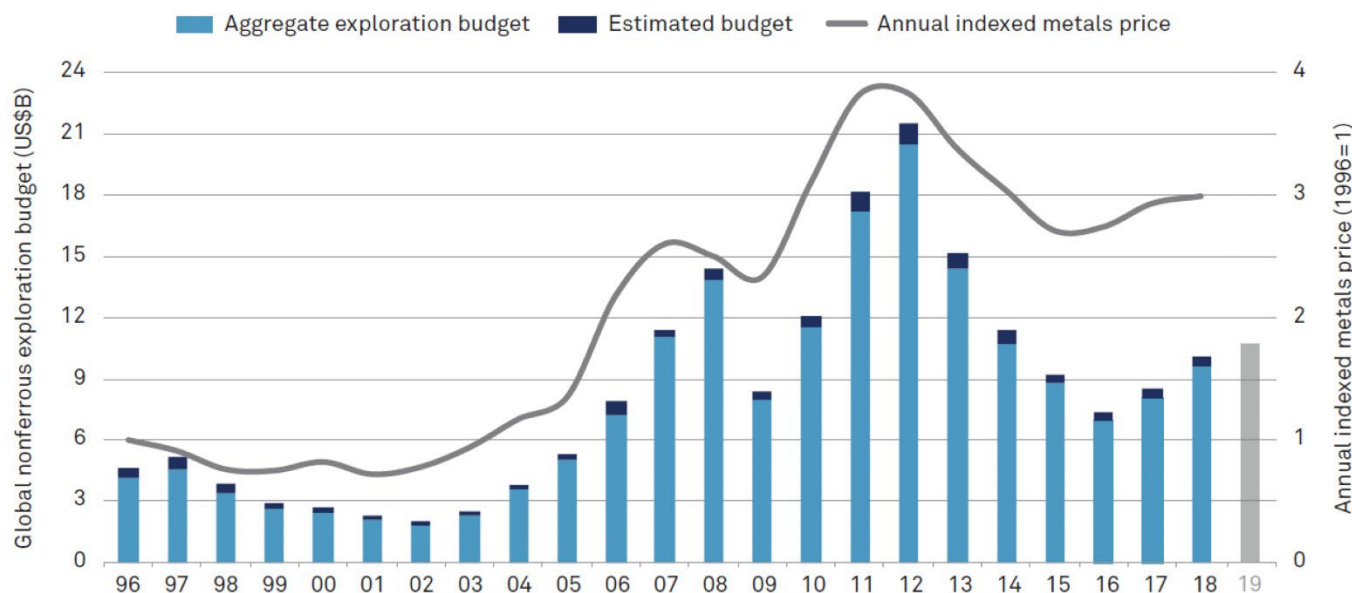


- Cash flow from operations improved substantially on pcp
- Normal working capital investment ratio of 30c to 35c for every incremental dollar of revenue expected for full year

World Mineral Exploration

Review and outlook

Nonferrous exploration budgets, 1996-2018



Source: S&P Global Market Intelligence

S&P forecast
5% - 10%
Increase in
CY19 over
CY18

- CY16 the low point in the cycle
- The new cycle is expanding at a measured rate
- Commodity prices support investment in exploration/development

World Mineral Exploration

World Exploration Trends 2018 in Numbers



US\$10.1

billion budget total;
growth of 20%



1,651

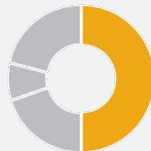
companies with budgets



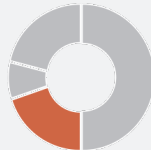
5-10%

forecast increase in 2019;
a third consecutive year

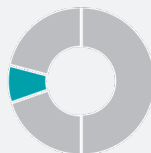
50%
targeting
gold



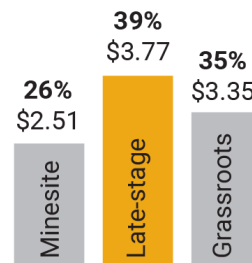
22%
targeting
copper



7%
targeting
lead zinc

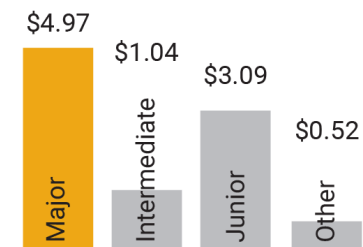


Grassroots lags
late stage still (US\$B)



0.5%
revenue reinvested into
grassroots exploration

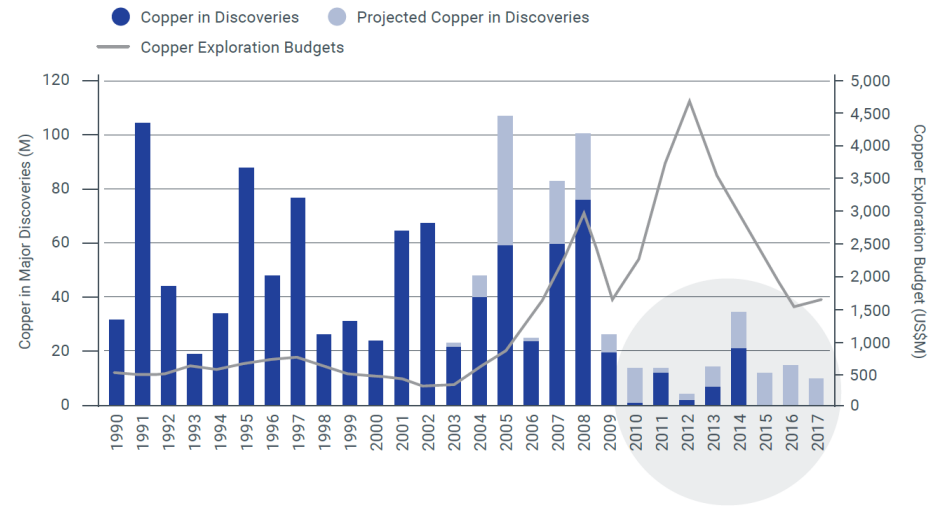
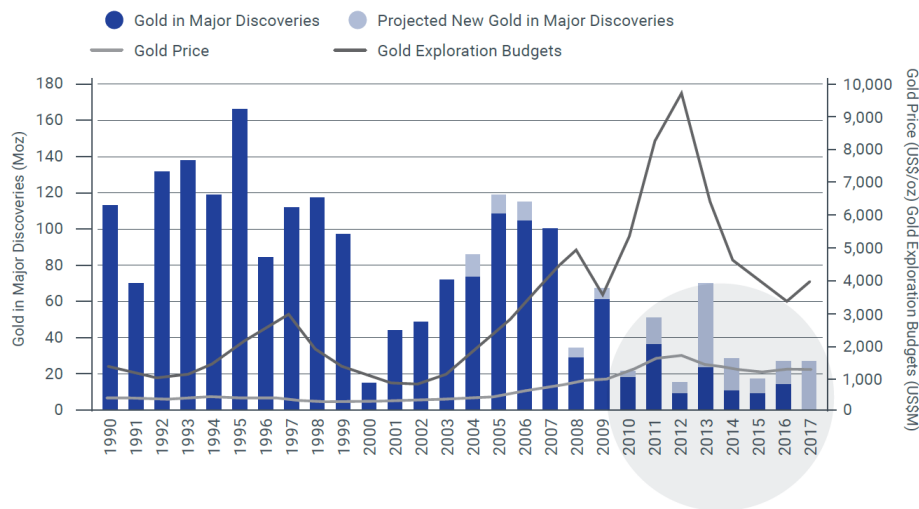
Majors still dominate
exploration spend (US\$B)



US\$2.9 billion
raised primarily for
exploration in 2018

Major Discoveries

Gold and Copper 1990 – 2017



Source: S&P Global Market Intelligence

Dearth of recent discoveries – easy deposits have been found

License to operate is an increasing challenge

New mines – **under ground cover, deeper, more drilling**, higher costs and longer development times

- Steady increase in exploration budgets and activity globally – albeit at a slower pace – S&P 5% - 10% for CY19
- Macro geopolitical concerns – tapering global growth and the US / China trade tensions – are impacting capital markets
- The ability for juniors to raise funds is challenging, particularly in Canada
- Base metal prices are relatively robust – gold remains strong
- Major explorers are focusing on brownfield projects
- Majors have highlighted opportunities to find new deposits under ground cover and at depth
- Importance of drilling productivity technologies and innovation to lower costs, increase productivity and safety

Growth Strategy

High-level overview



We have a clear objective of delivering **sustainable earnings growth** for our shareholders via a two-tiered strategy, which includes organic and transformational growth.



Organic growth focuses on protecting and growing our core business, while maintaining and enhancing our technical leadership.



Transformational growth is extension into new market segments within exploration, mining and production including: drilling productivity (COREVIBETM and MAGHAMMERTM); and Drill & Blast (IMDEX Mining Solutions).

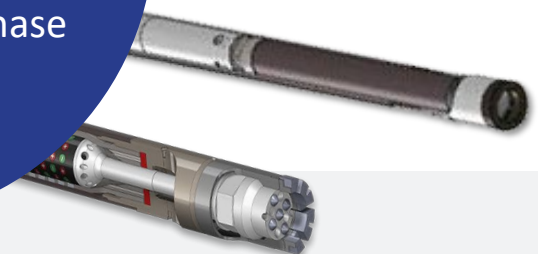
Transformational Growth

COREVIBETM & MAGHAMMERTM – Drilling Productivity

- Entered Secondary Option Period to progress COREVIBETM & MAGHAMMERTM towards commercialisation
- Strong demand from drilling contractors and resource companies, and successful trials at IMDEX's test site in New Zealand
- Controlled testing of COREVIBETM concluded a productivity increase of 33% - results were validated by SGS
- COREVIBETM commercial prototypes trialled with clients by end of FY19. MAGHAMMERTM commercial prototype trials will follow in 1H20

If option is exercised, technologies are expected to provide additional global revenue and earnings from FY20 and be earnings accretive within 12 months of the exercise date

Transaction structure allows for comprehensive testing and market acceptance before committing to purchase



Drill & Blast

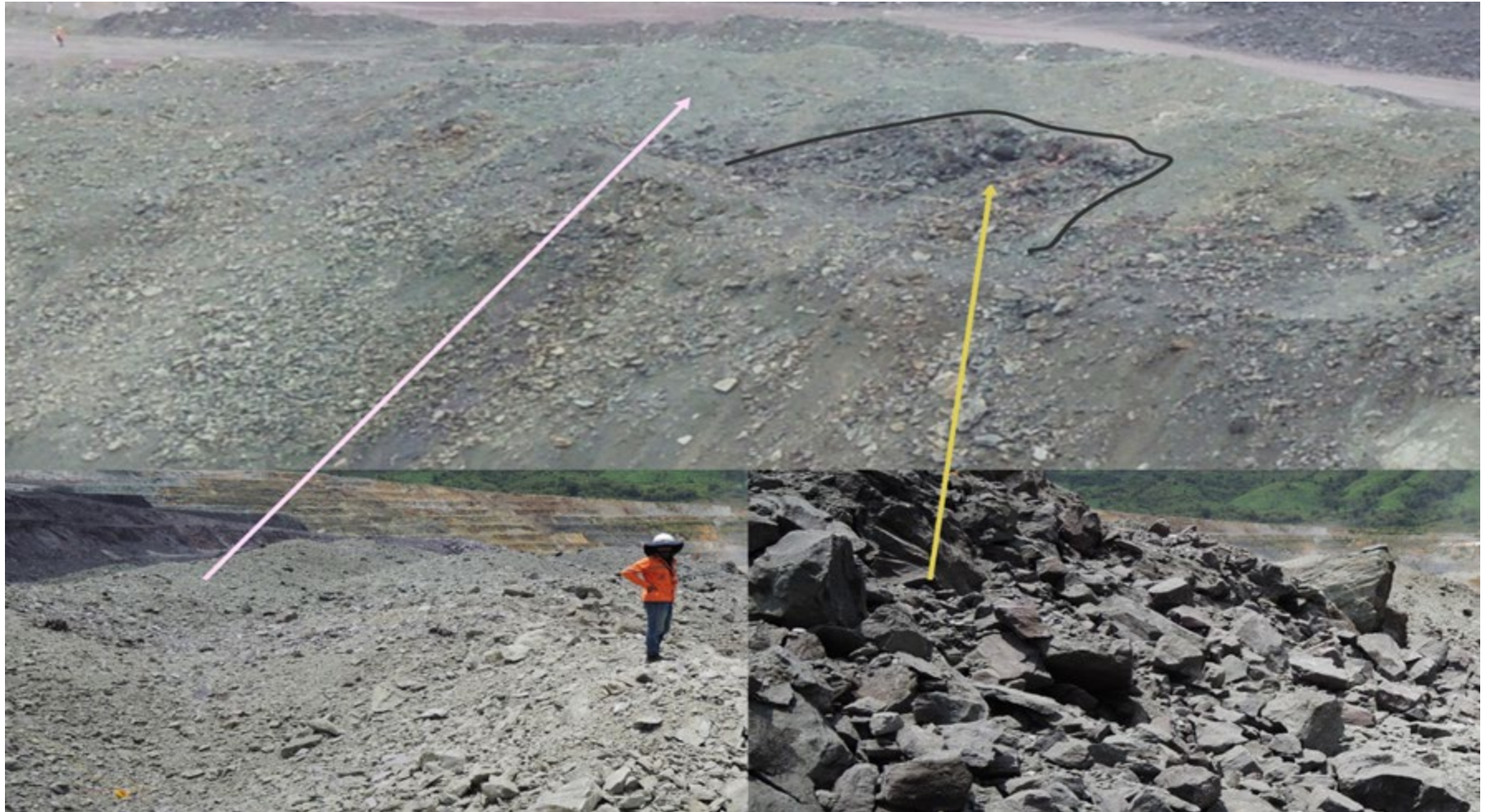
IMDEX Mining Solutions



- Project designed to increase mine to mill efficiency for clients
- Progressing well, commercial prototypes expected to be trialled in-pit with clients during 2H19
- Strong support from industry partners including: Orica; Anglo American; Teck Resources; and METS Ignited
- Potential to provide IMDEX additional global revenue, which is more sustainable throughout the cycles, from FY20

Common Challenges

Variability of Fragmentation



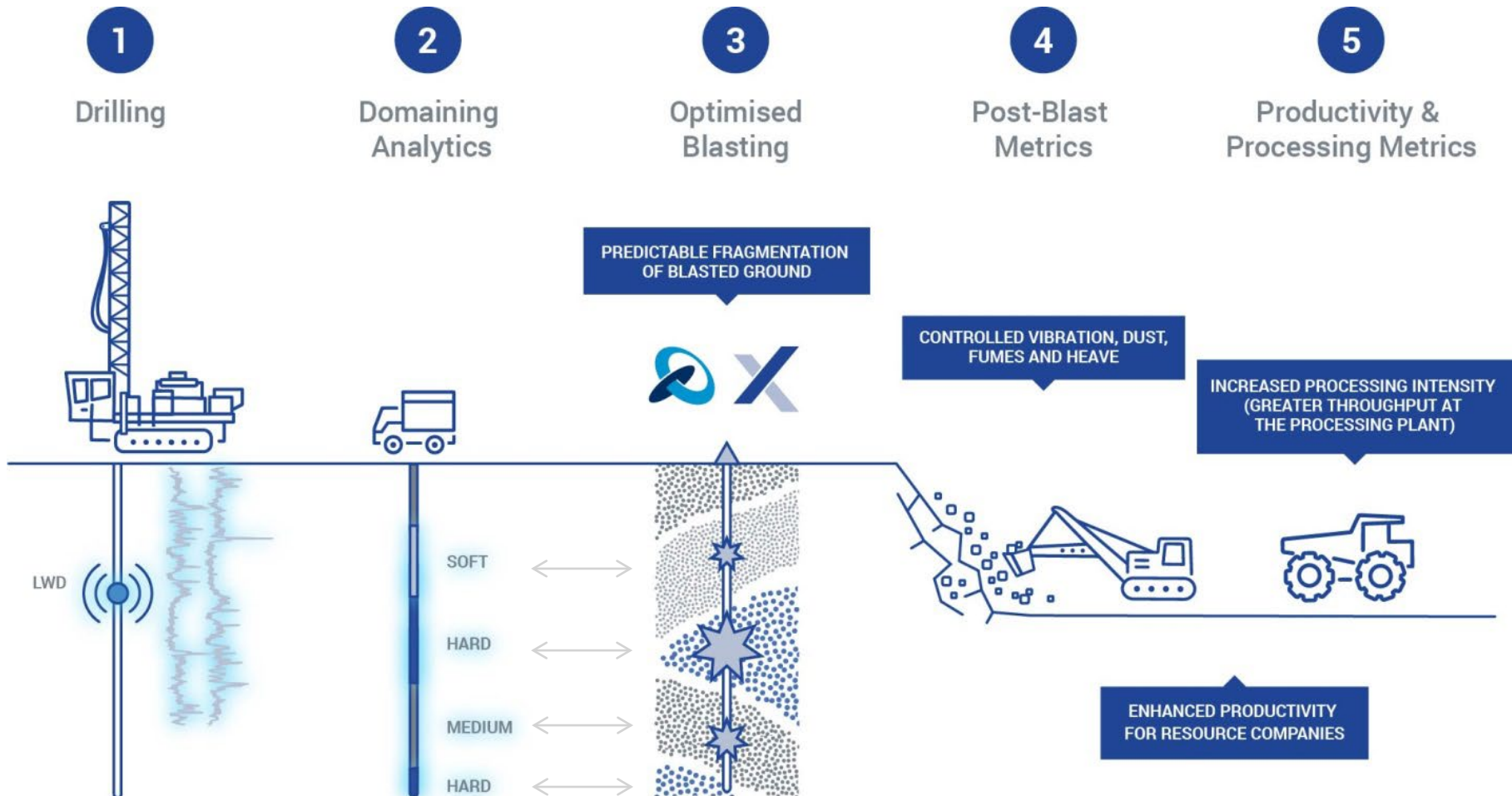
Common Challenges

Structure / fault lines



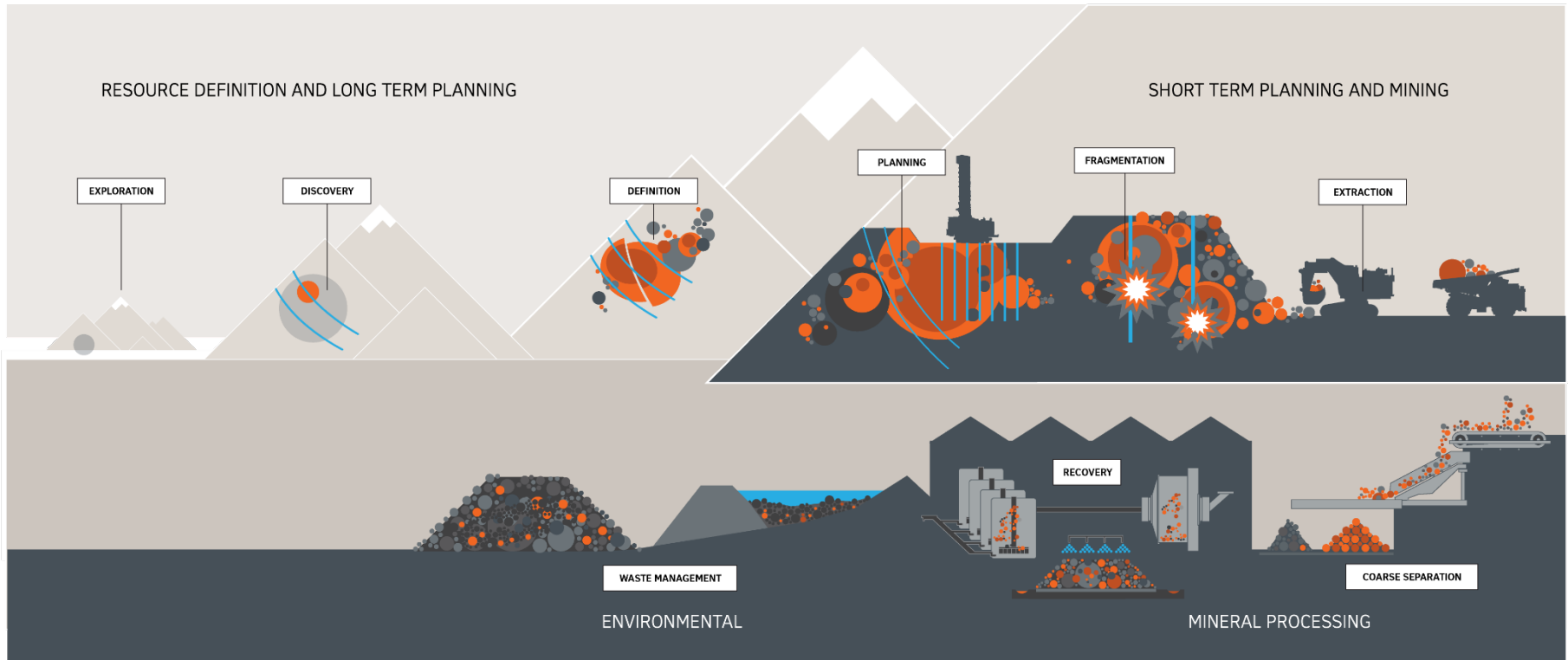
The Solution

Material characterisation



End-to-End Solutions

Operating across the mining value chain



Source: CRC-ORE

1H19 Summary & Outlook



- Benefiting from steady recovery in exploration spend
- Strong earnings growth over last 2-3 years – 1H19 increased revenue by 19% and EBITDA by 25%
- Fully-franked interim dividend declared of 0.8 cents per share
- Strong cash conversion and robust balance sheet – 1H19 net cash position of \$20.6m
- Entered Secondary Option Period to progress COREVIBE™ and MAGHAMMER™ towards commercialisation – expected to generate additional revenue and earnings from FY20
- Entry into the less cyclical production stage of mining cycle via Drill & Blast Project – commercial prototypes to be trialled in-pit with clients during 2H19

1H19 Summary & Outlook



Continued

- Continuing to enhance technical leadership – delivering additional benefits (not commoditised consumables) to clients via integrated solutions
- Positioned to benefit from long-term industry dynamics – resources depleting, declining ore grades and new discoveries likely to be under ground cover and at depth
- Increasing industry demand for drilling productivity technologies and innovation to lower costs, increase productivity and safety
- Strong position to leverage unique competitive position as a leading METS company with established global platform
- Experienced management team focused on achieving sustainable earnings growth for shareholders

Appendices

Established Global Business

Operational leverage – we are where the money is being spent



Core Product Development

Protecting and growing market share

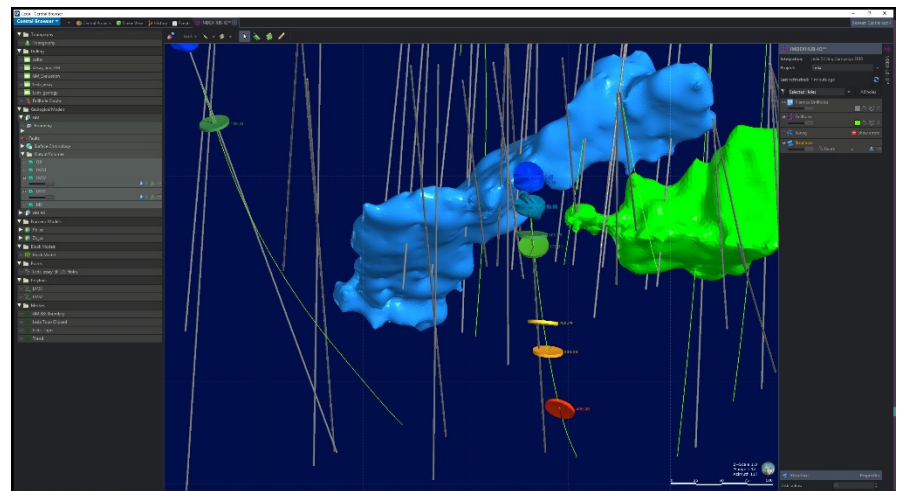
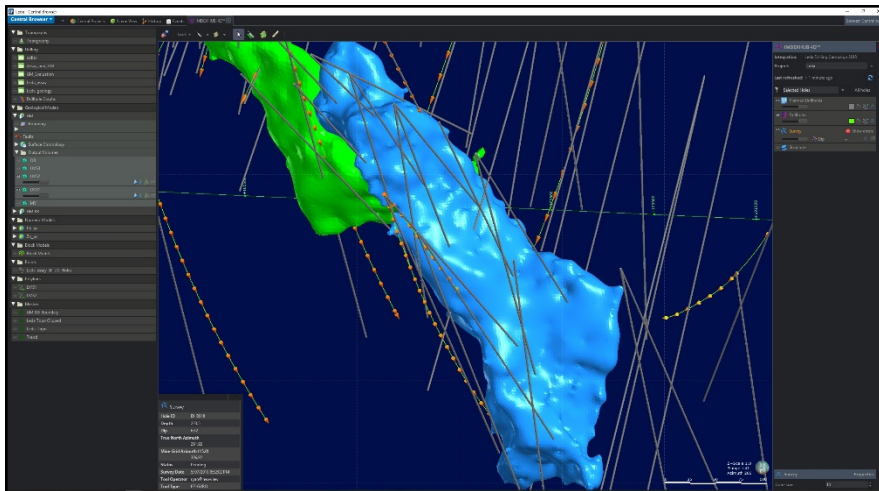
Our ongoing investment in core product R&D ensures we maintain and enhance our technical leadership and protect and grow our market share.



- World-class R&D facilities and excellent internal capabilities
- Market leading global brands – AMC and REFLEX
- Products and proprietary technologies have a reputation for quality and ease-of-use
- IMDEXHUB-IQTM – enables real-time information
- IMDEX / Seequent partnership allows real-time 3D visualisation
- Unique integrated IMDEX solutions provide additional value to clients across their projects' lifecycles

Organic Growth

Real-time 3D visualisation for minerals drilling projects



COREVIBE™

Client benefits

TRADITIONAL DRILLING

 **67 SHIFTS**



COREVIBE™

 **47 SHIFTS**

UP TO 30% PRODUCTIVITY IMPROVEMENT



Minimises hole deviation with
high penetration rates

Reduces tripping of
inner tube for blockages

Improves penetration rates

Extends bit life

500m
1000m
1500m
2000m

MAGHAMMER™

Client benefits

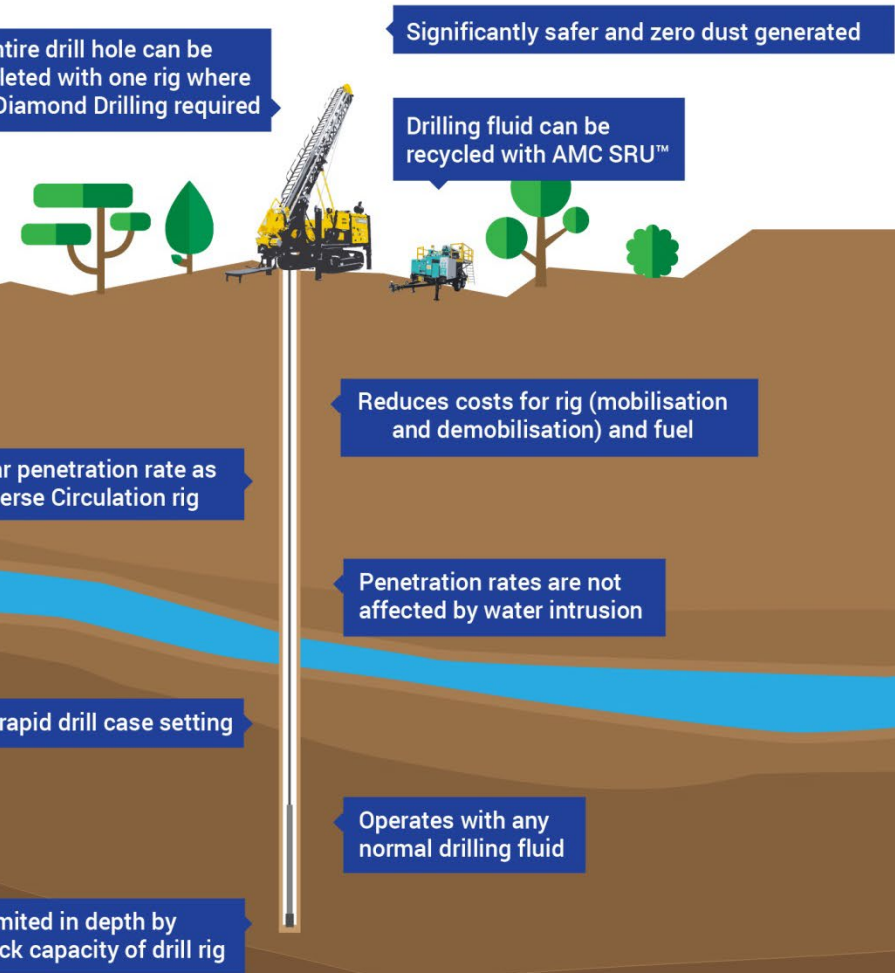
TRADITIONAL RC DRILLING

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™

Reduces costs for rig (mobilisation and demobilisation) and fuel

Penetration rates are not affected by water intrusion

Operates with any normal drilling fluid

Similar penetration rate as Reverse Circulation rig

Allows rapid drill case setting

Only limited in depth by pull back capacity of drill rig

250m
500m
750m
1000m
1250m

Company Snapshot

As at 31 December 2018

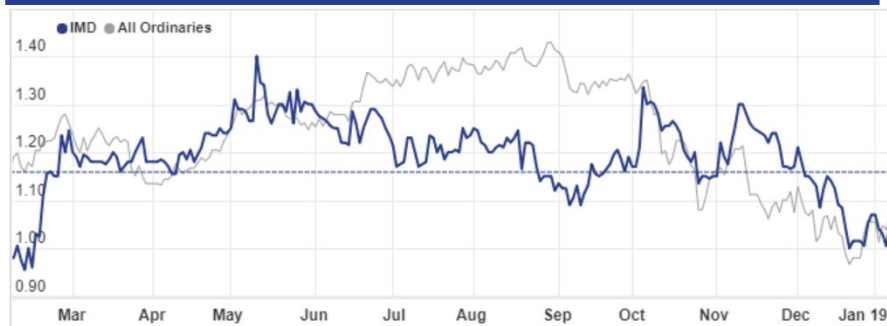
Corporate Information

ASX listed		IMD
Share price	\$	1.07
Issued shares	m	376.3
Market cap	\$m	402.6

Share Register Analysis of top 50 Shareholders

Institutions	66.85%
Employees, directors & company related parties	3.27%
Corporate holders	0.01%
Private shareholders	5.78%
Brokers & banks	13.27%

Share Price – 12 month Trend



Largest Shareholders

Largest Shareholders	Shares (m)	%
Perennial Value Management	45.98	12.22
Fidelity Investments – US	25.81	6.86
L1 Capital	16.49	4.38
Morgan Stanley & Co International Ltd	15.33	4.08
BT Investment Management	14.37	3.82

Board of Directors

High-functioning team



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

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.