

RECORD FY19 FULL YEAR RESULTS – POSITIVE OUTLOOK FOR FY20

Leading global Mining-Tech company, Imdex Limited (IMDEX or the Company), delivered a record revenue result and a 23% increase in EBITDA for the 2019 financial year (FY19).

FY19 Highlights

- Record revenue of \$243.7m – up 12% on FY18 (\$218.5m)
- EBITDA of \$52.3m – up 23% on FY18 (\$42.4m)
- A fully-franked final dividend of 1.4 cents per share
- Strengthened quality of rental fleet
- Invested in ongoing core R&D – 43% of applicable instruments are cloud-enabled, up 25% on FY18
- Achieved first COREVIBE™ units on rent in 1Q20
- On track to commercialise new drilling productivity and Drill & Blast technologies in 2H20
- Robust balance sheet with a strong net cash position – up 194% on FY18

FY19 Key Metrics

	FY19 \$m	FY18 \$m	VAR \$m	VAR %
Revenue	243.7	218.5	25.2	12%
EBITDA	52.3	42.4	9.9	23%
EBITDA margin %	21%	19%	2%	11%
NPAT	27.6	21.1	6.5	31%
EPS (cents)	7.4	5.7	1.7	30%
Operating cash flow	35.2	15.9	19.3	121%
Net assets	220.0	186.1	33.9	18%
Net cash (as at 30 June)	23.2	7.9	15.3	194%
Fully-franked final dividend (cents per share)	1.4	-	1.4	-
No. Employees (as at 30 June)	511	529	(18)	(3%)

Commenting on the Company's FY19 performance, **IMDEX's Managing Director, Mr Bernie Ridgeway** said:

'It was a positive year with a particularly strong first and fourth quarters. The 12% uplift in revenue was due to increased activity within the global minerals market and the improving quality of our rental fleet, which provides additional value to clients and generally commands higher rental rates.'

'Drilling activity moderated early in calendar 2019, principally due to concerns regarding the global macro environment, which had a short-term impact on capital expenditure and exploration plans. Despite these concerns, 4Q19 was the second strongest quarter on record for IMDEX and we remain confident the major and intermediate resource companies are increasing their exploration and development expenditure.'

'Pleasingly, our EBITDA result of \$52.3m exceeded FY18 by 23%. The result reflected improving margins, due to market adoption of our integrated solutions and cloud-connected technologies, on higher revenue.'

‘As reported in our 1H19 results, we are continuing to streamline our operations for the long-term. This focus on operational efficiencies, together with our internal digital transformation program, achieved an improvement in our cost base, which was particularly evident in 2H19.

‘We also continued to invest in our ongoing core R&D and new drilling productivity and mining technologies in line with our growth strategy.

‘Our cash from operations improved significantly and we achieved a working capital investment ratio of 34 cents for every incremental dollar of revenue for the full year. This aligned with expectations and we anticipate a similar ratio for FY20.

‘Our balance sheet strength improved, and the strong cash generation was reflected in our net cash position, which was up 194% on the prior corresponding period. At the same time, we recommenced our dividend and continued to invest in leading technologies to drive future growth for shareholders.’

Fully-franked Final FY19 Dividend

IMDEX’s Directors have declared a fully-franked final dividend of 1.4 cents per share. This brings the full year dividend to 2.2 cents per share, which represents a 30% FY19 NPAT payout ratio. Dividend record and payment dates are 1 October 2019 and 15 October 2019 respectively.

The Company is committed to a sustainable dividend policy, while continuing to invest in new technologies, which have the potential to deliver substantial long-term growth for shareholders.

New Technology Development

As highlighted in the Company’s technology update on 24 July 2019, IMDEX is advancing the development of its drilling productivity technologies, including the COREVIBETM and MAGHAMMERTM and its mining technologies for Drill & Blast applications, including the BLAST DOGTM.

In 4Q19, IMDEX completed client trials with COREVIBETM in New South Wales, Queensland and Western Australia. These trials were successful and replicated the 33% productivity gain achieved at IMDEX’s test site in New Zealand.

The Company has now commenced pilot production of COREVIBETM and the first units are on commercial rent.

Development of the MAGHAMMERTM at IMDEX’s test site in New Zealand is progressing well and the Company intends to commence client trials in the second half of FY20.

Given the positive development of the drilling productivity technologies, continuing successful client trials and generation of rental revenue with COREVIBETM, IMDEX anticipates exercising its Option to acquire Flexidrill in mid-December 2019ⁱ.

IMDEX’s development of mining solutions for Drill & Blast applications, leveraging its existing expertise and technologies, is advancing and remains on track to increase mine to mill efficiency for clients globally. Further

extension into the larger adjacent mining market, has the potential to generate significant non-cyclical revenue streams.

IMDEX is conducting BLAST DOGTM trials in precious and base metals, together with bulk commodities, with global resource companies. To date, successful trials have been undertaken in Nevada in the United States and Queensland, Australia. Additional trials are planned in Chile and Australia in 1H20.

The Company continues to have strong support from industry including: Anglo American; Teck Resources; Orica; and METS Ignited and expects to generate revenue from the Drill & Blast technologies in 2H20.

Outlook

Mining production levels and commodity prices are expected to support further investment in the industry, which is positive for IMDEX:

- The major and intermediate resource companies are increasing their expenditure to replace diminishing reserves;
- The discovery of new mines requires more drilling and is likely to have longer development times;
- New discoveries are likely to be under cover and at depth; and
- Resource companies are embracing innovation and new technologies to lower costs, increase safety and achieve greater productivity.

In relation to the junior companies, conditions have improved due to the stronger gold price and as reported by Bloomberg, there has been a recent uplift in capital raisings globally. Collectively, the juniors represent approximately 20% of IMDEX's total revenue.

At a company level, IMDEX has had a positive start to FY20. The increase in activity that was evident in 4Q19 has continued and is reflected in the Company's growing instrument fleet.

Similarly, demand for IMDEX's cloud-connected devices is increasing. As at June 2019, 43% of the Company's applicable devices were actively pushing data to IMDEXHUB-IQTM, which represents a 25% uplift on the previous corresponding period.

Growth Strategy & Key Areas of Focus for FY20

During the balance of FY20, IMDEX will focus on delivering the Company's sustainable growth strategy, which includes: growing its core business in exploration and development; and further extension into the larger adjacent mining market to build its non-cyclical revenue.

IMDEX's strong financial platform and advanced technology development capabilities, together with its established global presence and client network, support the success of this strategy.

The Company's priority projects for FY20 include securing additional rental from COREVIBETM, progressing the development of MAGHAMMERTM and commercialising mining technologies for Drill & Blast applications – including BLAST DOGTM.

At the same time IMDEX will continue to focus on enhancing its safety performance, driving operating leverage and continuing to build a resilient business that can deliver sustainable and growing returns to shareholders.

FOR FURTHER INFORMATION PLEASE CONTACT:

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ABOUT IMDEX

IMDEX is a leading Mining-Tech Company, which enables successful and cost-effective operations from exploration to extraction.

The Company develops cloud-connected devices and drilling optimisation products to improve the process of identifying and extracting mineral resources for drilling contractors and resource companies globally.

www.imdexlimited.com

COREVIBETM & MAGHAMMERTM

The COREVIBETM utilises high frequency energy pulse assisted drilling for wireline coring and provides a significant advancement in core drilling productivity.

This unique technology can deliver significant benefits to clients including: less hole deviation with higher penetration rates; fewer inner tube blockages and associated tripping; and longer drill bit life.

The MAGHAMMERTM utilises a new hybrid drilling technique, which combines rotary diamond drilling with fluid driven percussive drilling to achieve higher penetration rates compared to conventional coring. The technology enables an entire drill hole to be completed with one rig where RC and diamond drilling is required.

Benefits for clients include: the ability to drill deeper – the MAGHAMMERTM is not affected by water intrusion and is only limited in depth by the pullback capacity of the rig; rapid drill case setting; lower rig mobilisation and demobilisation costs; and a safer operating environment with substantially less dust.

IMDEX BLAST DOGTM

The IMDEX BLAST DOGTM is an autonomous system for total ore body knowledge. The system includes logging material characteristics of blast holes, which allows automated spatial domaining of physical properties and fracturing.

IMDEX's Drill & Blast project – enables optimised blasting outcomes based on high-resolution 3D material models and material tracking in the pit.

Benefits for clients include: predictable fragmentation of blasted ground; controlled vibration, dust, fumes and heave; increased processing intensity (greater throughput at the processing plant); and enhanced productivity for resource companies.

ABOUT FLEXIDRILL

New Zealand based Flexidrill is a leading developer of vibration and magnetic field assisted drilling technologies. www.flexidrill.co.nz

ⁱ Details of the Flexidrill transaction and its consideration are set out in the Company's ASX announcement on 18 January 2018.