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23 March 2015

Company Announcements Office  
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Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2001

Dear Sir/Madam

#### **EAST COAST ROADSHOW**

Please find attached the Investor Presentation for the Australian East Coast Roadshow being undertaking this week in Sydney and Melbourne.

Yours faithfully  
**Imdex Limited**

**Paul Evans**  
Company Secretary



Innovative Technologies | Global Support | Integrated Solutions

# Investor Presentation



# Agenda



- Overview
- Business Overview – Minerals and Oil & Gas
- Global Business
- Financial Update 1H15
- Minerals Division
- Technology Leadership
- Oil & Gas Division
- Summary
- Appendices



# Overview



## **Financial (1H15)** (Audit Review)

- Market conditions in the minerals sector improved during 1H15
- Activity in the oil and gas sector impacted by the fall in oil price
- Solid balance sheet maintained and well positioned for 2015

## **Operational**

- Minerals market – early signs of cycle upswing continuing
- Oil & gas market – In the process of ensuring AMC Oil & Gas is structured appropriately for the current market conditions

## **Strategic**

- Maintaining & gaining market share through technological leadership
- Diversifying customer base – non-mining applications & resource companies
- Building a broad based & resilient business & increasing revenue
- Industry diversification – Ensure Oil & Gas is structured appropriately for the current operating conditions in the sector



# 1H15 Financial Summary



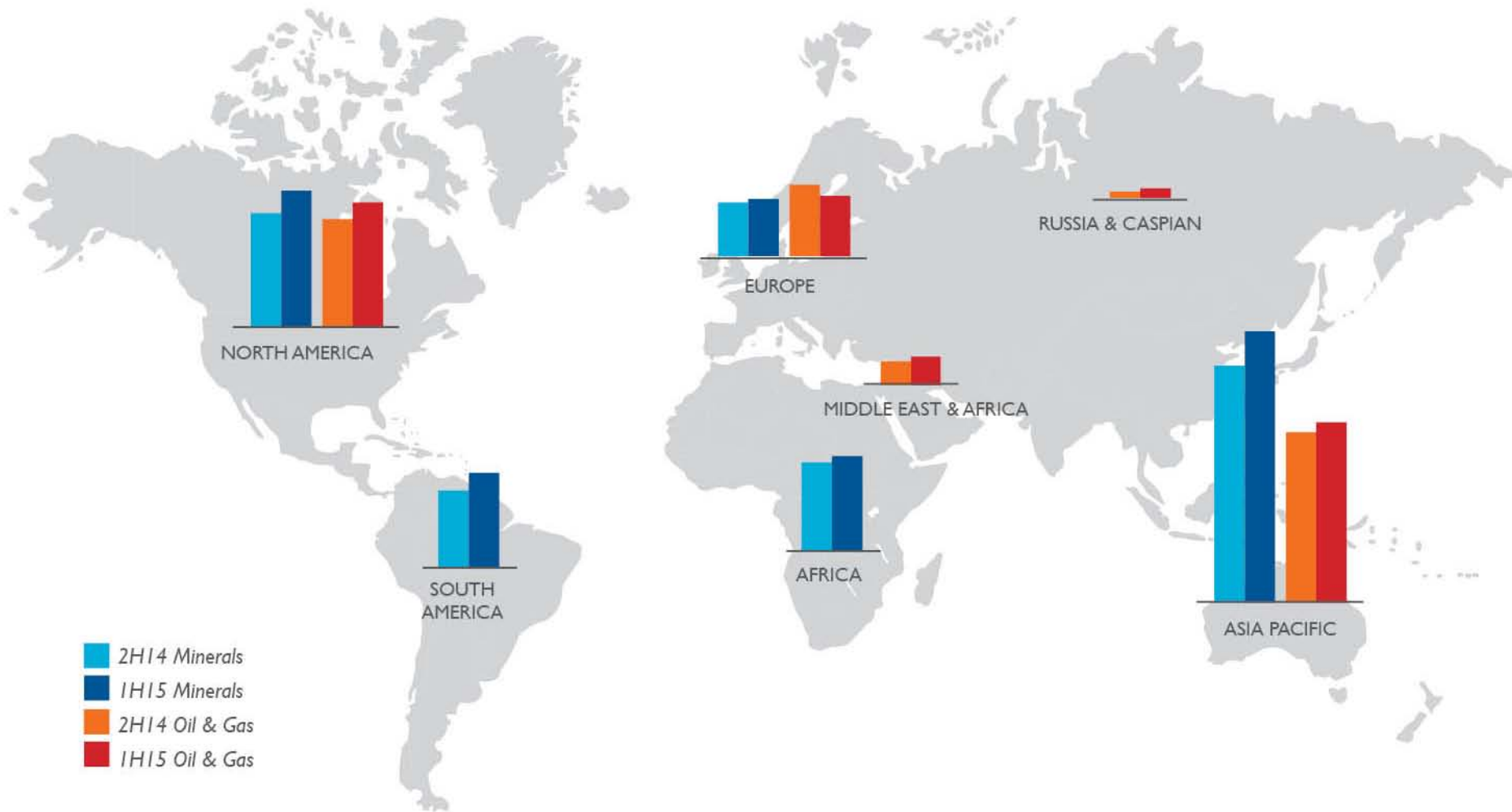
- Combined revenue of \$114.4 million<sup>(1)</sup>, up 12.3% (1H14: \$101.9 million);
- Growth seen in both Minerals and Oil & Gas Divisions;
- EBITDA of \$20.7 million<sup>(2)</sup>, down 14% (1H14: \$24.2 million);
- Normalised EBITDA of \$8.6 million, up 32.3% (normalised 1H14: \$6.5 million) and up 431% on 2H14 (normalised 2H14: \$1.6 million)

<sup>1</sup> Includes 30% of VES International (VES) revenue

<sup>2</sup> Including equity accounted VES result; profit on sale of the balance of holding in Sino Gas and Energy (SEH) of \$14.2 million; and an additional \$2.1 million provided in respect of the product containment incident Excludes the profit on sale of the remaining stake in SEH (\$14.2m)



# Global Business Increasing Combined Revenue



# Minerals Division

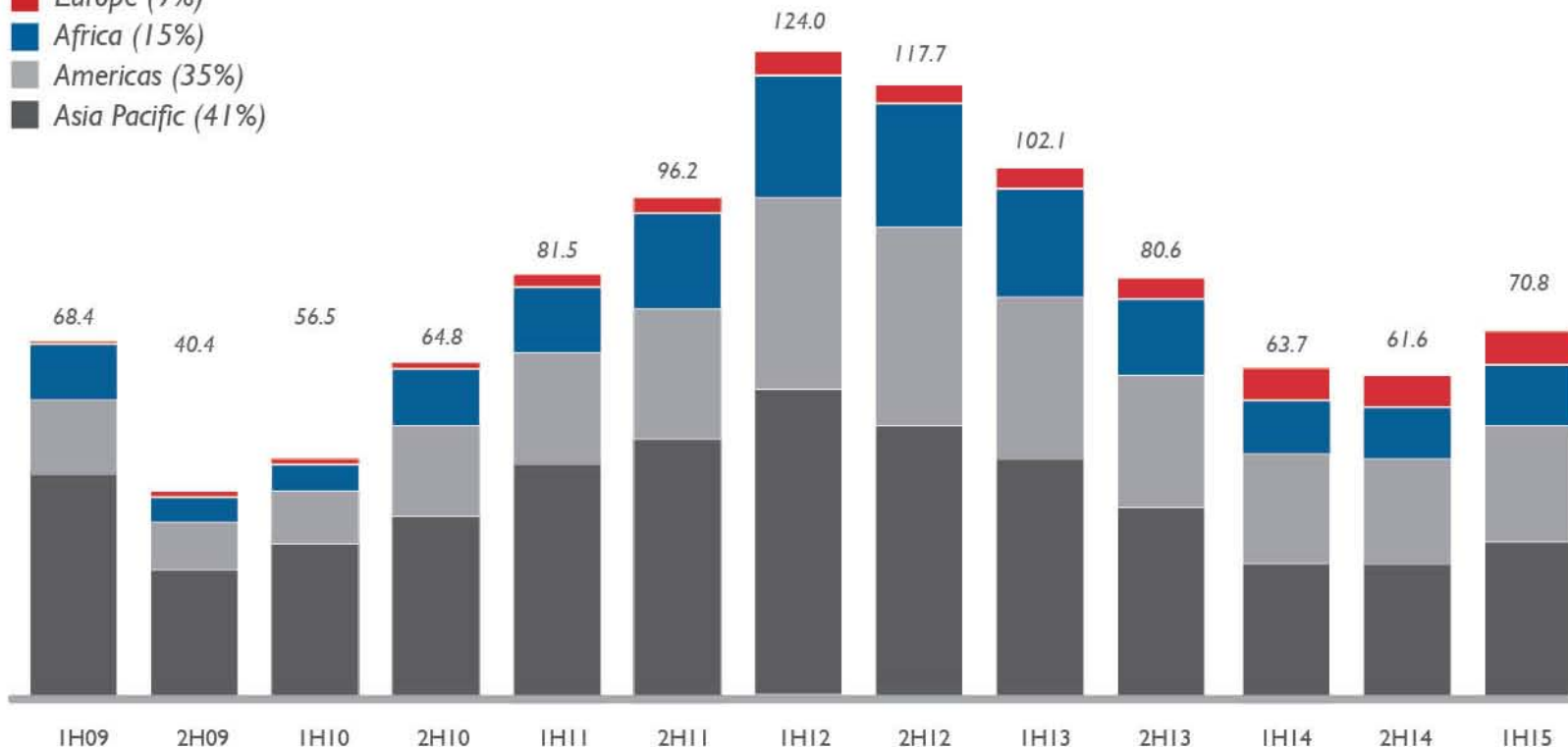


# Minerals Division



## REVENUE (\$m)

- Europe (9%)
- Africa (15%)
- Americas (35%)
- Asia Pacific (41%)



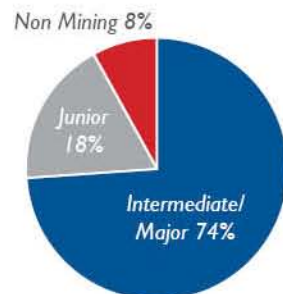
- Minerals Division contributed 62% of the Company's combined revenue
- 11% increase on the prior corresponding period



# Minerals Division - Revenue Base



CUSTOMER



**Customer Type** defined as annual revenue:

Major: Greater than US\$500m

Intermediate: Greater than US\$50m

Junior: Less than US\$50m

PROJECT PHASE



**Drilling Phase** defined as follows:

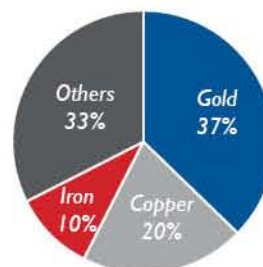
Exploration: Pre-inferred resource/greenfields

Development: Post-inferred resource moving towards indicated and measured resource

Production: In-Pit / Underground drilling, mine life extension drilling programmes, resource delineation drilling, grade control, dewatering, etc.

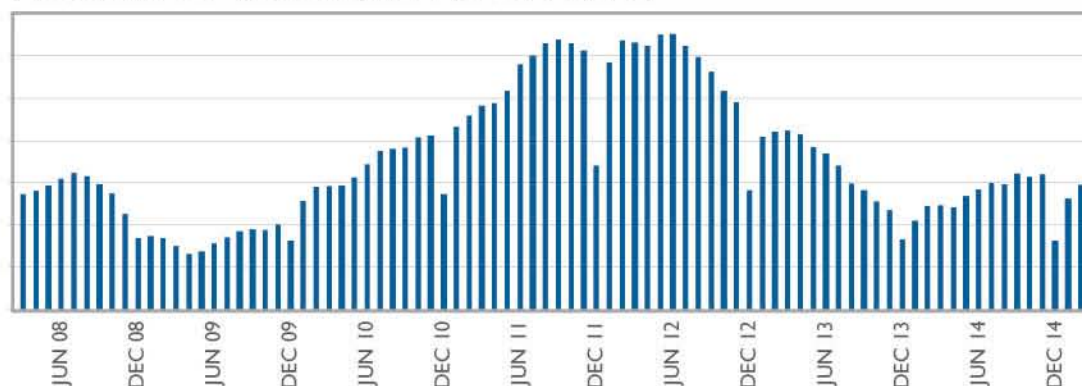
Non Mining: Drilling in the Construction/Civil Industry, Non Mining Waterwell and Non Mining HDD.

COMMODITY



- Minerals revenue largely sourced from intermediate and major mining companies
- Majority of revenue from development and production projects
- Diverse mix of commodity exposures – largely gold/copper

NUMBER OF INSTRUMENTS ON RENT



- Outside of seasonal shutdown, month-on-month increases in units on rent from July 2014
- Bounce back in January 2015 (stronger than January 2014)
- End Feb 15 equal to July/Aug 14 levels

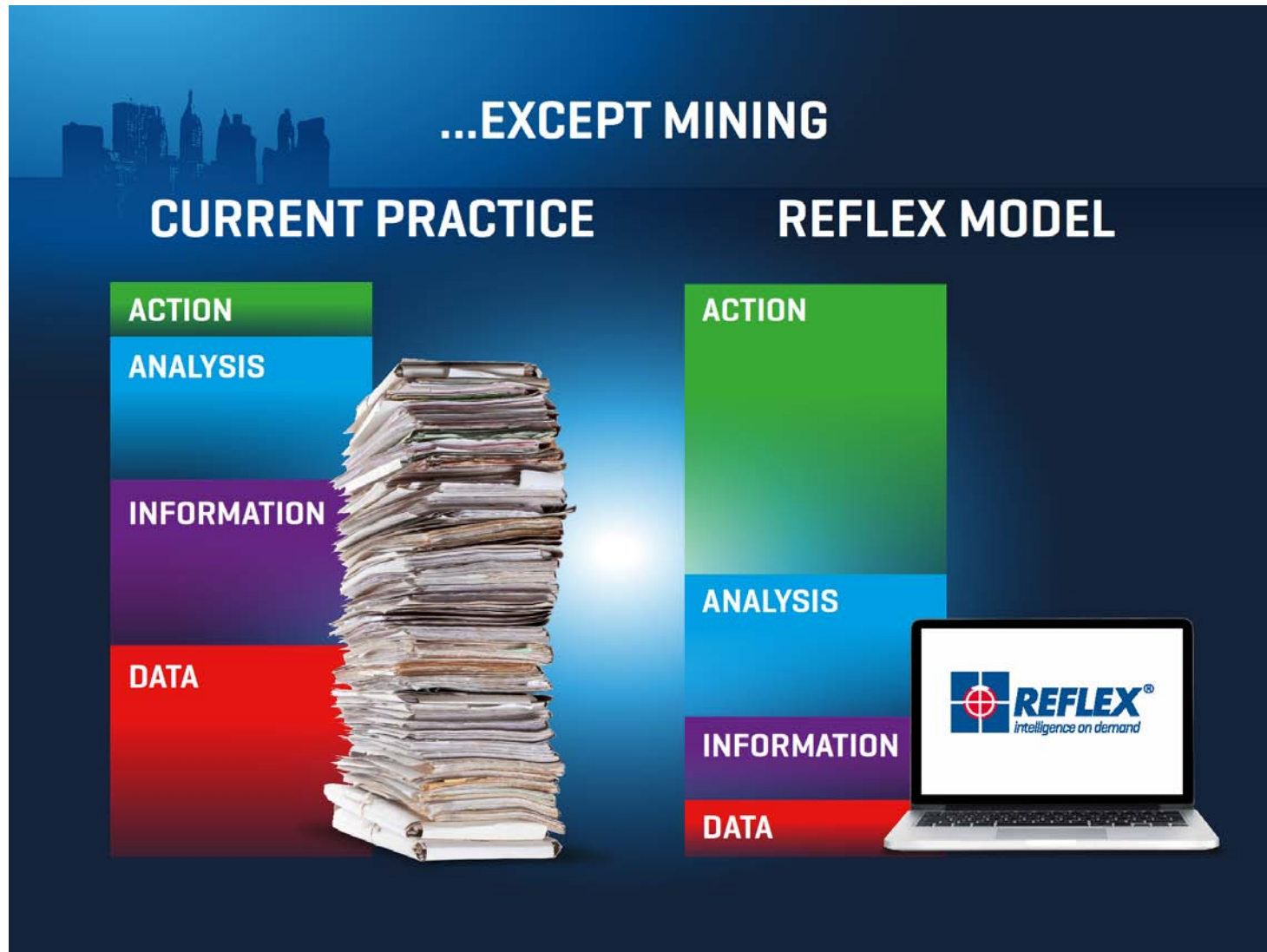


# Technology Leadership

# The Reflex Story...



# The Reflex Story...





# The Reflex Story...

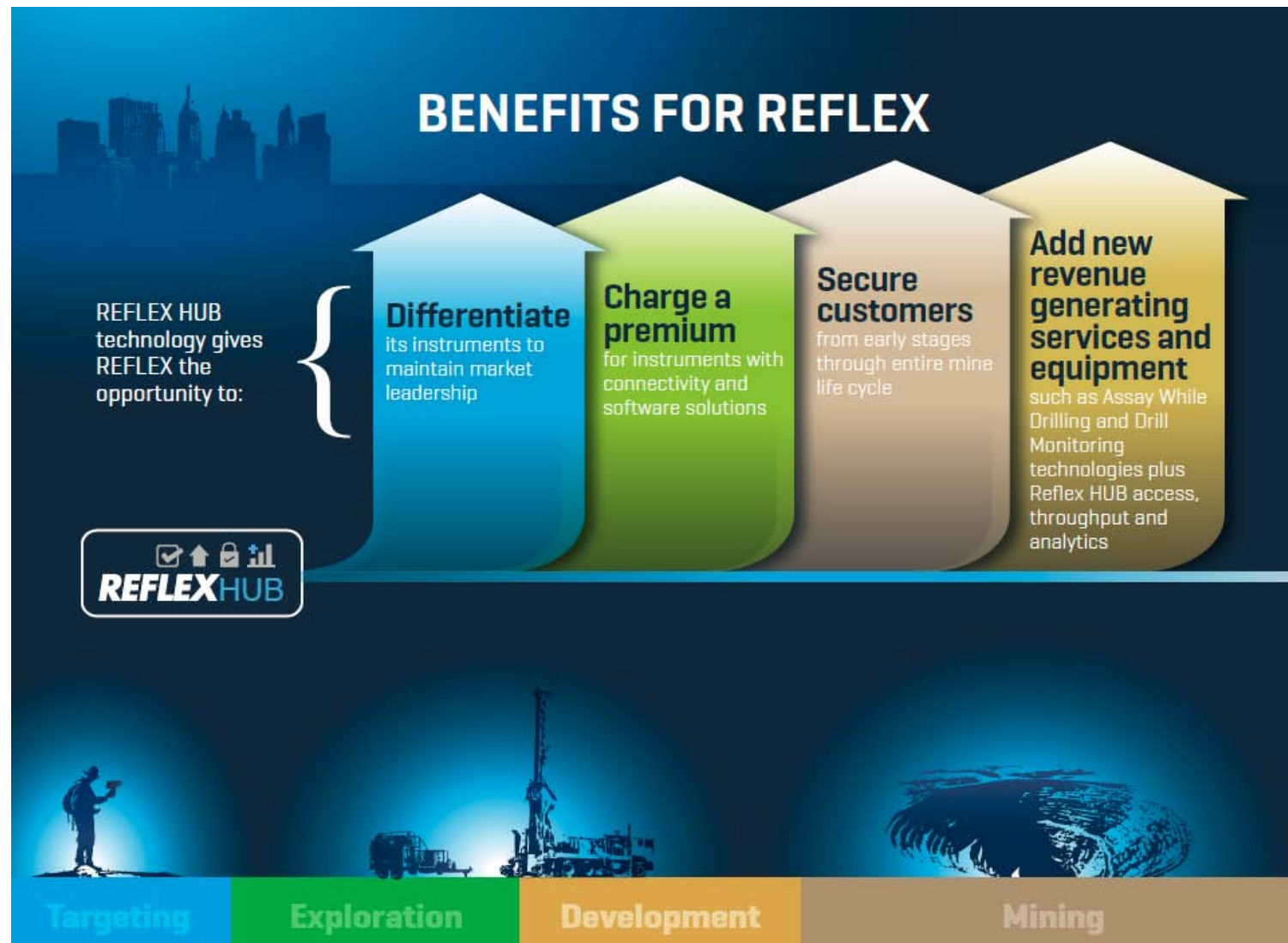




# The Reflex Story...



# The Reflex Story...



# REFLEX HUB – Blue Chip Global Customer Base



# SRU Growth Drivers & Benefits



Increasing number of **Solids Removal Units (SRU)** on hire due to:

- Unique sump-less technology
- Increasing adoption of the SRU technology in the US
- Increasing environmental regulation & awareness
- Increasing focus on reduction of cost, increasing drilling efficiency and improving safety of personnel
- Reduced water consumption; minimal drilling footprint; lower site set up & remediation costs



CUSTOMERS ARE EMBRACING ENVIRONMENTAL & ECONOMICAL BENEFITS



RioTinto





# Oil & Gas Division





# Oil & Gas – Overview & Strategy



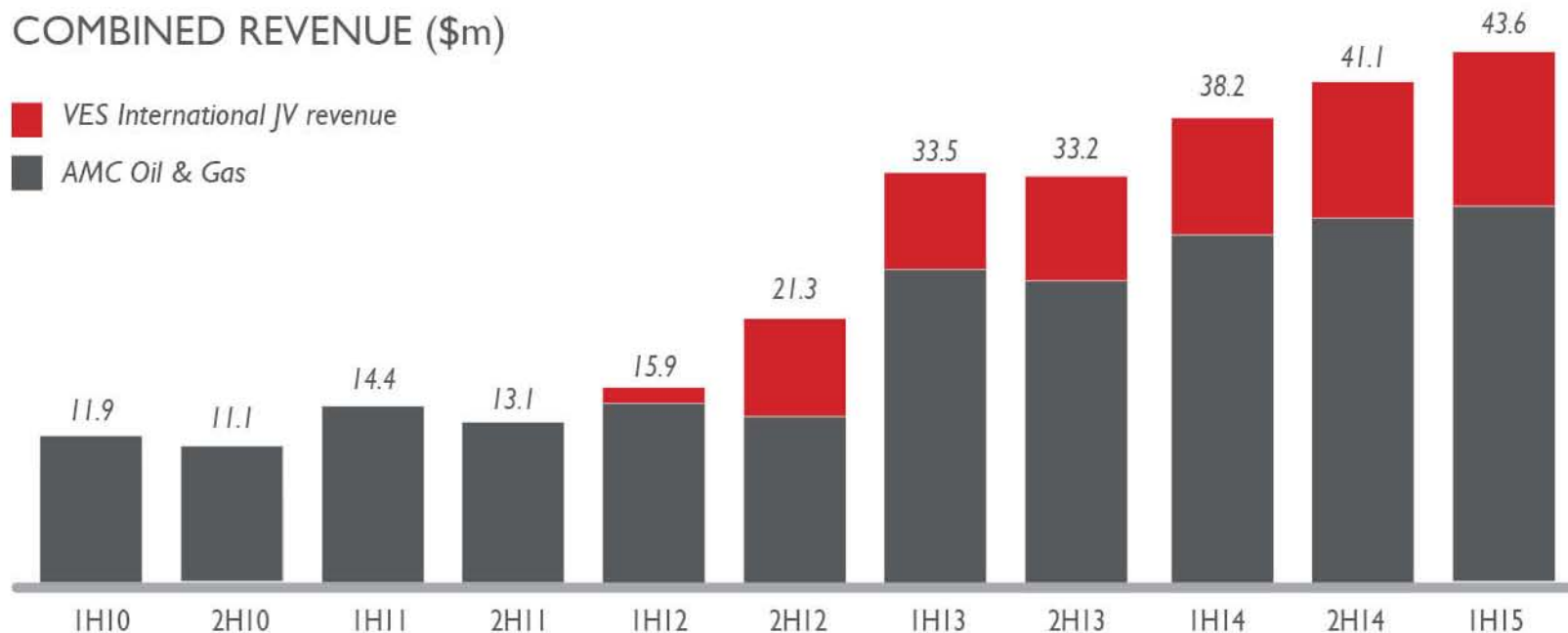
- Drilling fluids, solids control & waste management are multi-billion dollar markets
- Significant opportunities for year-on-year growth once market stabilises
- Geographical & revenue diversification
- Diversification strategy to grow the Oil & Gas Division to off-set cyclical downturns in minerals business. The recent collapse in oil price provides challenges in 2H15 and beyond
- In the process of ensuring AMC Oil & Gas is structured appropriately for the current market conditions



# Oil & Gas Division Combined Revenue



## COMBINED REVENUE (\$m)



# VES International



- Imdex has 30% interest in VES
- Strong performance in 1H15. 2H15 will be more challenging
- Focus on increased deployment of InFlex technology (formerly Target INS), particularly in international markets outside the USA. For example, activity remains strong in the Middle East

(\$m) unaudited		1H15	1H14
<b>Revenue (100%)</b>	USD	<b>37.1</b>	<b>29.9</b>
<b>EBITDA (100%)</b>	USD	<b>13.3</b>	<b>10.9</b>
Depreciation (100%)	USD	(4.0)	(3.8)
<b>EBITA (100%)</b>	USD	<b>9.3</b>	<b>7.1</b>
Interest (100%)	USD	(0.3)	(0.5)
Amortisation (100%)	USD	(4.0)	(3.8)
Tax (100%)	USD	(4.0)	(2.4)
<b>NPAT (100%)</b>	USD	<b>1.1</b>	<b>0.4</b>
Imdex 30% share	USD	0.2	0.1
Imdex 30% share	AUD	0.4	0.1
Other	AUD	0.1	0.2
<b>Share of associate profits</b>	AUD	<b>0.5</b>	<b>0.3</b>

# Summary



## Strategy

- Market share through technological leadership
- Diversifying customer base
- Build a broad based & resilient business
- Industry & geographic diversification

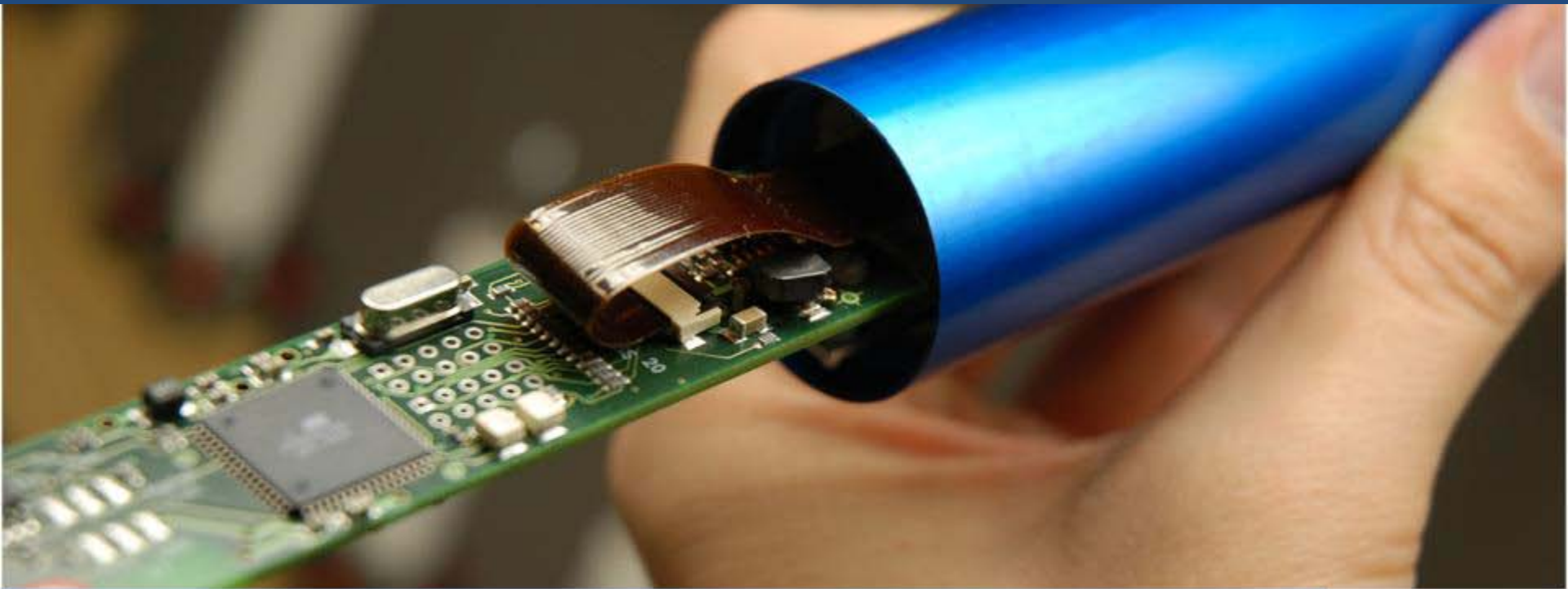
## Execution

- Continued product development to meet customer needs
- Diversifying customer base
- Marketing new technologies
- Appropriate Oil & Gas Division investment

## Outlook FY15

- Increasing confidence in minerals market . Cautious optimism for ongoing measured recovery
- Return of brown fields expenditure
- Alignment with customers focused on maximising efficiency and increasing productivity
- Ability to leverage Imdex's specialist expertise and product development capabilities
- Despite reduced expenditure in the energy sector, a large multi-billion dollar market for drilling fluids and associated equipment remains
- Strongly positioned to capitalise

# Appendices





# Business Overview – Minerals



## Product / service offerings

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Downhole/surface instrumentation</li> <li>• Real time/near real time data access globally</li> <li>• Data collection, storage, management and analysis</li> </ul> | <ul style="list-style-type: none"> <li>• Drilling fluids &amp; chemicals</li> <li>• Solids removal units</li> </ul> |
|--|---|

## Target markets

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Drilling contractors</li> <li>• Resource companies</li> <li>• Non-mining applications</li> </ul> | <ul style="list-style-type: none"> <li>• Drilling contractors</li> <li>• Resource companies</li> <li>• Non-mining applications</li> </ul> |
|---|---|

## Strategic focus

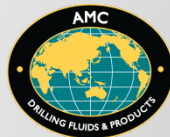
- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• New technologies</li> <li>• Increasingly integrated data solutions</li> </ul> | <ul style="list-style-type: none"> <li>• Increase equipment rental</li> <li>• New technologies</li> </ul> |
|--|---|

## Competitive advantages

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Leading technology</li> <li>• Multi-disciplinary skill set</li> <li>• Market penetration</li> <li>• Established global presence &amp; regional support centres</li> </ul> | <ul style="list-style-type: none"> <li>• SRUs</li> <li>• Manufacturing &amp; technical capabilities</li> <li>• Drilling fluid engineers</li> <li>• User-friendly mud systems</li> <li>• Global distribution network</li> </ul> |
|--|--|

*Non-mining applications include horizontal directional drilling, water well and civil construction*

# Business Overview – Oil & Gas



## Product / service offering

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Drilling &amp; completion fluids</li> <li>• Production chemicals</li> <li>• Fluid &amp; waste management</li> <li>• Solids control equipment</li> </ul> | <ul style="list-style-type: none"> <li>• Wellbore surveying services</li> <li>• Inflex (formerly Target INS)</li> <li>• Gyroflex survey tool</li> </ul> |
|--|---|

## Target markets

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Eastern hemisphere</li> </ul> | <ul style="list-style-type: none"> <li>• Global Oil &amp; Gas industry – onshore/offshore</li> </ul> |
|--|--|

## Strategic focus

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Equipment rental</li> <li>• Geographic expansion</li> <li>• Building first class team</li> <li>• Build scale</li> </ul> | <ul style="list-style-type: none"> <li>• Become No.1 dedicated downhole survey service provider</li> </ul> |
|--|--|

## Competitive advantages

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Agility/capability to deliver</li> </ul> | <ul style="list-style-type: none"> <li>• Leading technology</li> <li>• Efficient service capability – located in all active onshore US basins</li> </ul> |
|---|--|

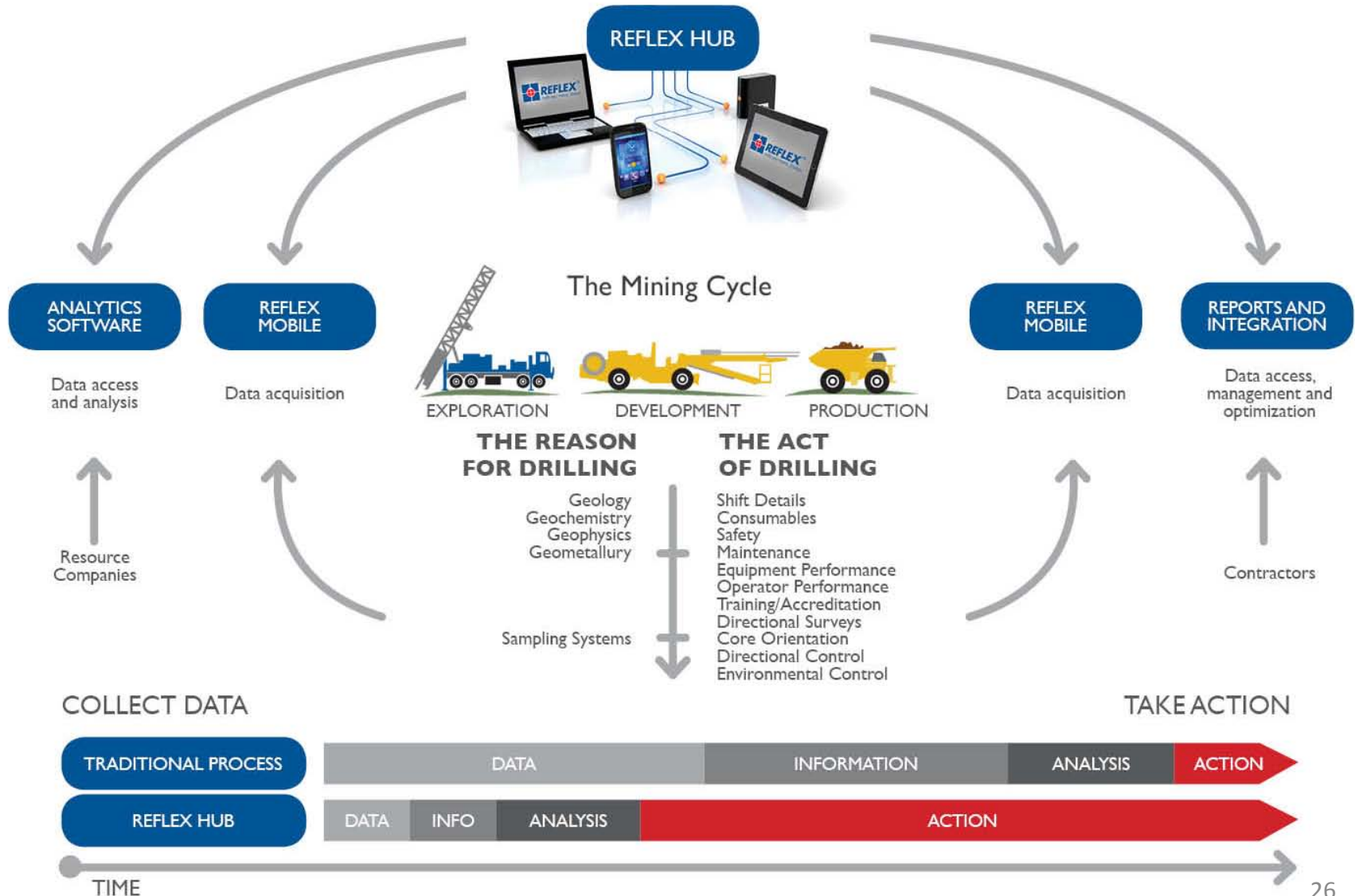
*Imdex 's Oil & Gas Division includes AMC Oil & Gas and a 30% shareholding in VES*

# Global Business



- Imdex's Regional Offices
- VES JV Office

# REFLEX HUB – increasing efficiencies



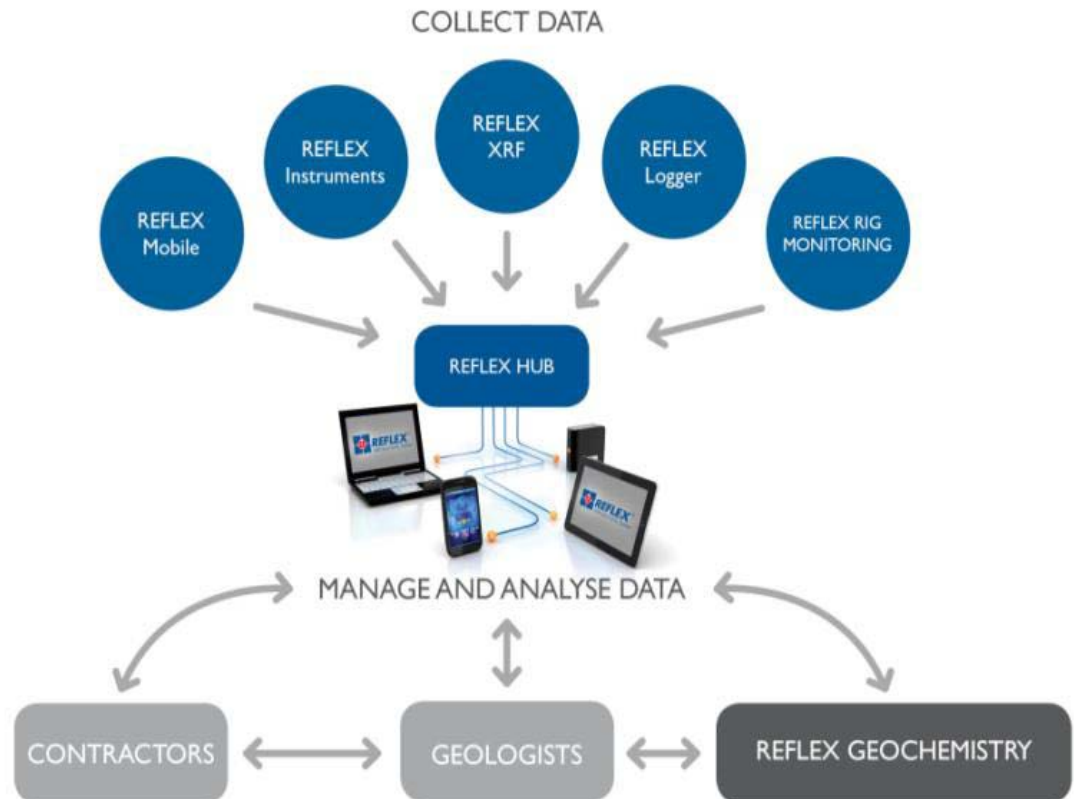
# The REFLEX Competitive Advantage – Seamless & Integrated

**Leading Technology  
developed within  
total industry context**

**Market Penetration –  
diverse markets and  
customer base**

**Established Global  
Presence**

**Multidisciplinary skill  
set**





# REFLEX HUB – Key Drivers



FOR IMDEX	FOR CONTRACTORS & RESOURCE COMPANIES
Adds value to existing range of instrumentation	Significantly enhances operational efficiency – simplifies workflows
Enables new technology / product offerings – e.g. in field geoanalysis	Paperless solution – data collection, storage & management
Provides new service offerings – data management	Secure access to critical information in real time – globally
Diversifies customer base – increasing exposure to development & production phases for drillers & miners	Accuracy & quality of field data
Enables expanded future annuity style revenue stream	One data set, a single source of truth

# Case Study: BHP Mitsubishi Alliance (BMA)



*A productivity and cost improvement enabler for exploration drilling rigs*

## Requirement for BHP Mitsubishi Alliance (BMA)

Timely access to reliable, accurate data relating to all drilling activity to enable better business management, forecasting and productivity improvements

## Solution

- In-field data collection through mobile forms
- Schedule of Rates
- Production Planning

*“Our target is to get an extra 30% production out of the rigs, this is an **enabler** with which to do this.”*

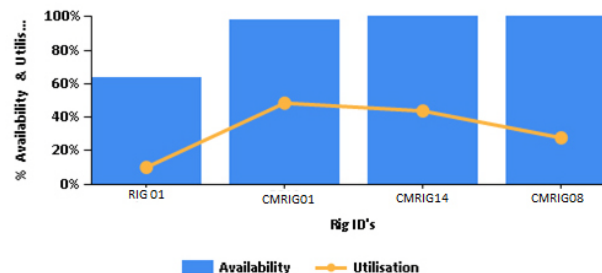
Doug Dunn  
Manager Resource Geology  
and Reporting, BMA



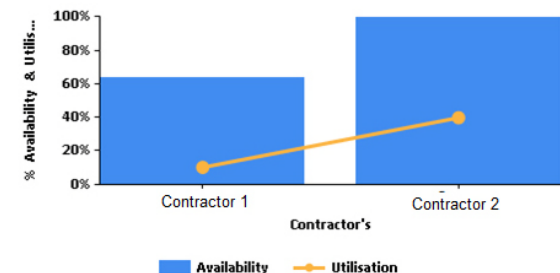
## Availability & Utilisation Report

Rig	Calendar Time	Unapproved Time	Unused Time	Required Time	Scheduled Downtime		Unscheduled Downtime		Production Time	Available Time	Availability %	Equipment Utilisation %	Overall Equipment Utilisation %
					Process	Equipment	Process	Equipment					
RIG 01	264.0	48	48.0	168.0	17.3	0.0	78.8	61.3	10.8	106.8	63.5%	10.1%	4.1%
CMRIG01	264.0	12	96.0	156.0	39.0	0.0	40.0	2.8	74.3	153.3	98.2%	48.5%	28.1%
CMRIG14	264.0	12	84.0	168.0	45.5	0.0	49.0	0.0	73.5	168.0	100.0%	43.8%	27.8%
CMRIG08	264.0	0	96.0	168.0	38.3	0.0	83.0	0.3	46.5	167.8	99.9%	27.7%	17.6%
Totals	1,056.0	72	324.0	660.0	140.0	0.0	250.8	64.3	205.0	595.8	90.3%	34.4%	19.4%

Availability and Utilisation by Rig



Availability and Utilisation by Contractor



# Case Study: BMA



## Key elements of the REFLEX solution

- Real-time reporting
  - Daily Operations Report
  - Drilling Summary Report (cost summary)
  - Field Operations Daily and Weekly Production Reports
- Secure access to database through REFLEX HUB web portal
- Data views, exports and reports based on standard suite of reports

*"We have real-time visibility on invoice information. It is a far more efficient way of managing our costs and forecast."*

*Jaymie Perren  
Superintendent Exploration Services,  
BMA*

*"It was easy to access and view all the drilling information we need to run our business."*

*Nathan Kunst  
Drilling Contractor,  
BMA*

## Rig Production Report



Rig	Location	Hole Type	Drilling Metres	Redrill Metres	Planned Metres	Contractor Delays Hours	Client Delays Hours	Principal Delays Hours	Productive Hours	Grouting Hours
RIG01	PKD	(Undefined)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RIG01	PKD	ACS	1,924.00	0.00	2,221.09	8.00	0.50	5.00	70.25	0.00
CMRIG01	GYL	ACS	407.00	0.00	509.51	2.00	4.00	0.00	29.00	0.00
CMRIG01	GYL	PQ	222.52	0.00	971.25	4.75	0.00	7.00	69.50	0.00
CMRIG14	GYL	CHIP	1,186.76	0.00	1,000.28	6.75	0.00	32.75	68.50	21.25
CMRIG08	GYL	CHIP	0.00	0.00	0.00	0.25	0.00	0.00	4.00	7.50
CMRIG08	PKD	4C	609.78	0.00	334.40	5.50	1.25	5.25	88.00	0.00
CMRIG11	GYL	HQ	74.42	0.00	160.57	11.75	0.00	18.50	48.50	11.50
Totals (Drilling)			4,424.48	0.00	5,197.11	39.00	5.75	68.50	377.75	40.25
Totals (Drilling + Grouting)			4,424.48	0.00	5,197.11	39.00	5.75	68.50	377.75	40.25

# SRUs – quantifying the benefits



\$20,700 SAVINGS PER RIG PER MONTH  
SRU, Pilbara, Western Australia



WATER COSTS REDUCED BY 90%  
UG-SRU, Wallaby, Western Australia



DRILLING FOOTPRINT REDUCED BY 70%  
HP-SRU, Flinders Ranges, South Australia



MUD WASTE CARTAGE COSTS REDUCED BY 96%  
SRU, Morobe, Papua New Guinea



WATER USAGE REDUCED BY 75%  
SRU, Nevada, USA



ENABLED SITE ACCESS  
SRU, Private Farmland, Western Australia





## Additional Financial Information

# 1H15 Key Metrics



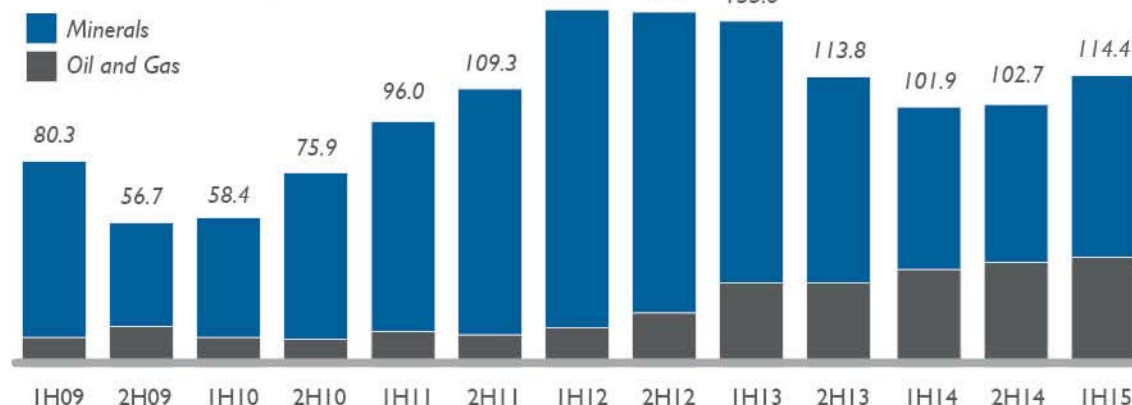
(\$m)	1H15	1H14	Var.
Statutory revenue	101.4	92.2	10%
Combined revenue*	114.4	101.9	12%
EBITDA	20.7	24.2	-14%
Normalised EBITDA	8.6	6.5	32%
NPAT	9.7	15.3	-37%
EPS (cents)	4.5	7.3	-38%
Operating cash flow	4.4	4.2	5%
Gearing (ND / (ND + E))	13.7%	12.9%	9%
Interest Cover (Normalised EBITDA / Interest Expense)	5 Times	4 Times	-
Net assets	190.8	207.1	-10%
Number of employees	585	561	4%

\* Includes 30% of VES International JV revenue

# Group Revenue



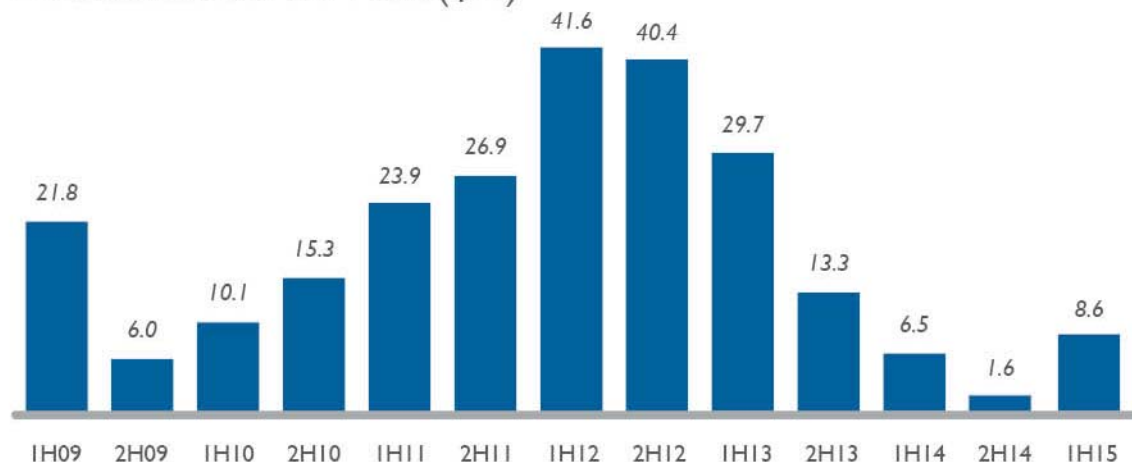
## REVENUE (\$m)



Combined Revenue increased 12.3% to \$114.4 million:

- Minerals Division 62%;
- Oil & Gas Division 38% - Inclusive of VES revenue of \$13m (1H14: \$9.7m).

## NORMALISED EBITDA (\$m)



Includes 30% equity accounted VES NPAT.

Strong EBITDA margins in VES of 36% (1H14: 36%).

Signs of measured Minerals recovery continue into 2H15.

# 1H15 EBITDA Segment Result



(\$m)	1H FY15 Including One-Offs	1H FY15 One-Offs	1H FY15 Normalised	1H FY14 Normalised	Variance %
AMC Oil & Gas	(1.9)	2.1	0.2	(0.2)	200%
Oil & Gas R&D (Instrumentation)	(1.2)		(1.2)	(0.9)	-33%
VES JV	0.5		0.5	0.3	67%
Oil & Gas - incl VES JV	(2.6)	2.1	(0.5)	(0.8)	38%
Minerals	12.1		12.1	10.1	20%
Corporate	11.2	(14.2)	(3.0)	(2.8)	-7%
Combined EBITDA	20.7	(12.1)	8.6	6.5	32%

*The 1H15 result includes profit on sale of remaining investment in SEH (\$14.2m), together with an additional amount provided for in relation to the product containment incident announced to the market on 13 March 2014 (\$2.1m)*



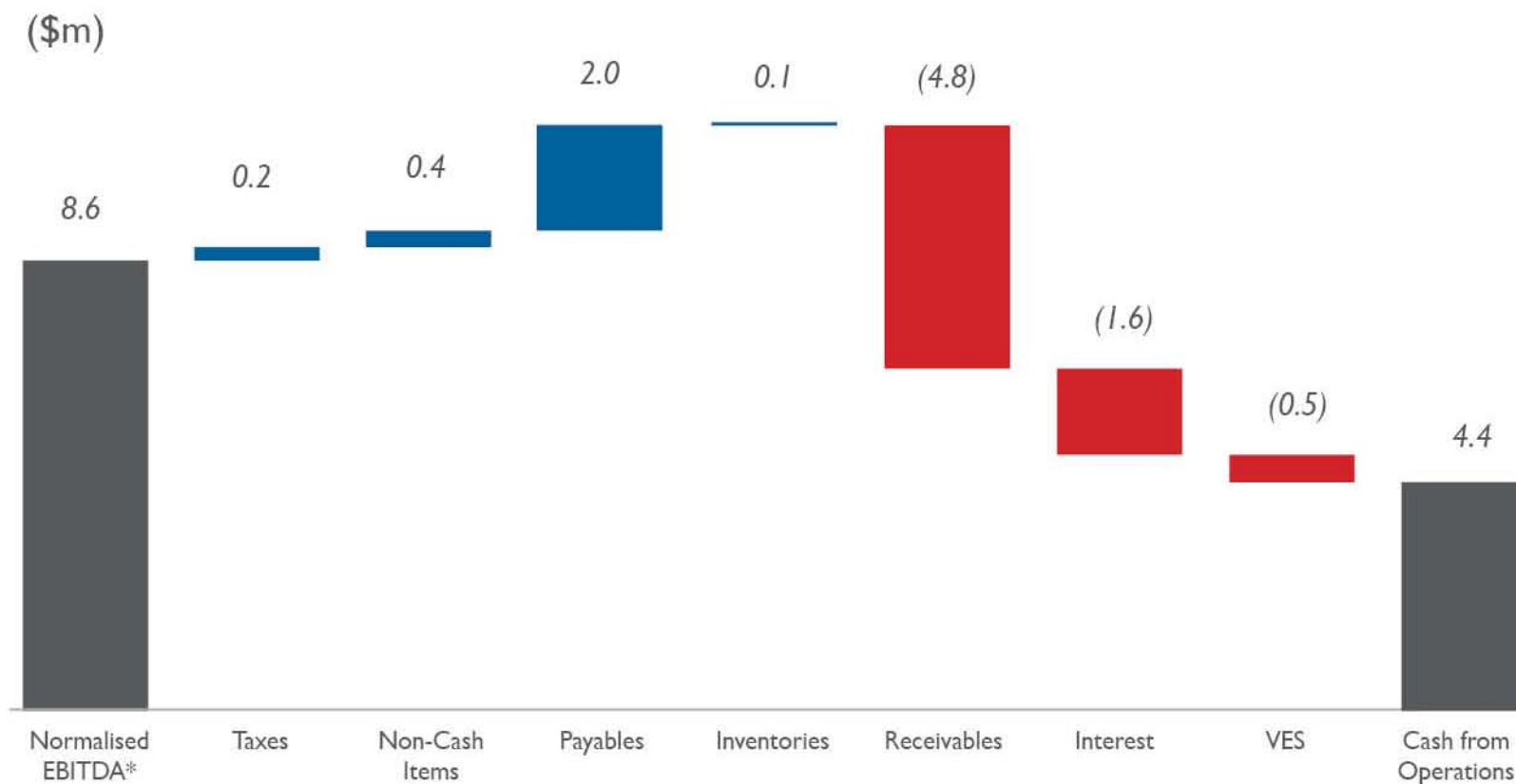
# Balance Sheet



\$m	31 December 2014	30 June 2014
Net Cash	9.6	10.1
Receivables	46.0	39.8
Inventory	43.0	42.6
Investment in SEH	-	14.7
VES	31.4	26.3
Fixed Assets	59.2	47.2
Intangibles	63.5	62.3
Other assets / deferred tax	22.9	19.8
<b>Total assets</b>	<b>275.6</b>	<b>262.8</b>
Payables	19.9	17.3
Bank loans	39.7	49.7
HP finance	0.3	0.4
Other liabilities, provisions and current tax	24.9	18.5
<b>Total equity</b>	<b>190.8</b>	<b>176.9</b>
(CA - Inventory)/CL	1.17	1.31
CA/CL	2.04	2.36
Gearing (ND / (ND + E))	14.0%	18.5%

- Sale of our remaining SEH investment in 1H15
- VES investment increased due to strengthening USD
- Receivable increases due to increasing business and tougher collection environment
- 31 Dec 14 net debt \$30.4m; reduced from SEH proceeds. Comfortable gearing 13.7%
- Investment in Fixed Assets to support new business
- Increase in net deferred tax with increase in rental fleet

# Working Capital Management



- \$4.4m of cash generated from \$8.6m normalised EBITDA profit
- Working capital outflow arising from the increase in business activity and a tougher collection environment – aiming to reverse this in 2H15

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