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15 February 2016

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

Dear Sir / Madam,

**RESULTS ANNOUNCEMENT, APPENDIX 4D AND FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

Please find attached the 1H16 Results Announcement of Imdex Limited regarding the Group's financial results and operating performance for the half year ended 31 December 2015.

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

## 1H16 FINANCIAL RESULTS

Imdex Limited (ASX: IMD) ("Imdex" or the "Company"), a leading mining technology provider to the global minerals industry, today announces its results for the six months ended 31 December 2015 (1H16).

### Overview

- Statutory revenue from continuing operations of \$74.5 million, up 4% (1H15: \$71.4 million<sup>1</sup>)
- AMC Oil & Gas and Imdex's 30.65% share of VES<sup>2</sup> have now been classified as Assets held for Sale
- EBITDA of \$10.9 million from continuing operations<sup>3</sup>, down 51% (1H15: \$22.1million<sup>4</sup>)
- Normalized EBITDA from continuing operations<sup>5</sup> of \$10.9 million, up 27% (1H15: \$8.6 million)
- Net loss after tax of \$1.3 million (1H15: a profit of \$9.7 million) including discontinued operations
- Gearing ratio of 11.3% (1H15: 13.7%)
- Operating cash outflow of \$1.7 million – including non-recurring outflows of \$5.9 million
- Normalized EBITDA interest cover of 4.5 times (1H15: 5 times)
- 6% increase in the average number of REFLEX rental instruments on hire in 1H16 versus 1H15
- Divestment of non-core oil and gas assets in progress to strengthen balance sheet

Commenting on the company's 1H16 results, Imdex's Managing Director, Mr. Bernie Ridgeway said:

*During the half, our company experienced an increase in low-risk brownfields drilling and demand for the efficiencies our technologies are delivering. Our minerals businesses performed well, achieving a 4% increase in revenue and a 17% increase in earnings, part of which was due to favourable foreign exchange movements.*

*The performance of our Minerals Division, in current market conditions, supports our strategy of investing in technology development through the cycles to maintain our competitive advantage.*

*As anticipated, our Group revenue and earnings were impacted negatively by the downturn of the energy sector. We are, however, making progress with the planned divestment of our oil and gas assets.*

### Sale of oil and gas assets

Leading global energy M&A firm, Simmons & Co, has been appointed to manage the sale of AMC Oil & Gas. The firm is short-listing interested parties to move towards negotiations and due diligence.

Imdex is also progressing the divestment of the company's 30.65% interest in Vaughn Energy Services (VES).

Proceeds from the sale of the company's oil and gas assets will be applied to debt reduction and working capital.

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<sup>1</sup> Excluding AMC Oil & Gas and equity accounted share of VES

<sup>2</sup> Vaughn Energy Services (VES)

<sup>3</sup> Excluding AMC Oil & Gas and equity accounted share of VES

<sup>4</sup> The 1H15 result includes profit on sale of remaining investment in SEH (\$14.2m), together with an additional amount provided for in relation the product containment incident announced to the market on 13 March 2014 (\$2.1m). The normalised result excludes these items.

<sup>5</sup> Excluding AMC Oil & Gas and equity accounted share of VES

## Financial performance

Imdex's 1H16 statutory revenue result from continuing operations was \$74.5 million (1H15: 71.4 million<sup>6</sup>). This result principally comprises revenue generated by the company's Minerals Division, which includes the AMC Minerals and REFLEX businesses. AMC Oil & Gas and Imdex's share of VES are now classified as Assets Held for Sale.

The uplift in minerals revenue was due to: increasing demand for Imdex's technologies and Solids Removal Units; gaining additional market share in the Americas by AMC Minerals; and an increasing number of low-risk metres being drilled, despite a reduction in global minerals exploration expenditure.

The company's Oil & Gas Division, comprising AMC Oil & Gas, generated revenue of \$16.8 million, a 44% decrease on the previous corresponding period (1H15: \$30.1 million).

As anticipated, earnings were impacted negatively by lower activity levels in the oil and gas sector. Group EBITDA for the half was \$10.9 million – a 51% decrease on 1H15 (1H15: \$22.1 million). The normalized Group EBITDA increased by 27% (1H16: \$10.9 million versus 1H15: \$8.6 million).

Encouragingly, EBITDA for the Minerals Division increased 17% to \$14.2 million for the half (1H15: \$12.1 million).

Non-recurring outflows for 1H16 included a final settlement payment relating to the product containment incident, impairments, provisions (all of which were expensed in 2015 and paid in 1H16; accordingly, they have no impact on the current periods profit), and costs associated with financing events.

Imdex's balance sheet has a net debt / capital ratio of 11.3% (1H15: 13.7%) and normalized EBITDA interest cover of 4.5 times.

The company remains focused on eliminating debt while continuing to grow its minerals business.

Mr. Ridgeway said:

*We are committed to our oil and gas divestment strategy. Simultaneously, we are heightening our focus on the growth of our mineral business via new technologies to support our global clients.*

## Outlook

The company does not anticipate any material improvement in market conditions for the balance of FY16. With such challenging conditions, however, clients are increasingly focused on reducing costs and achieving operational efficiencies.

Imdex is aligning its business to these market conditions and it is in a stronger position – as a minerals focused company – to leverage its leading technologies.

The company will continue to diligently manage costs and is on track to achieve minerals growth for the full 2016 financial year.

## Key priorities for 2H16

Imdex's Board and management remain committed to:

- Divesting Imdex's oil and gas assets;
- Leveraging the company's specialist expertise and product development capabilities;

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<sup>6</sup> Excludes AMC Oil & Gas and Imdex's equity accounted share of VES

- Marketing new technologies to new and existing clients via Imdex's established global operations;
- Commercializing new technologies that are currently being trialled or are in the later stages of development;
- Increasing market share in previously underpenetrated regions;
- Working closely with clients to increase the productivity and efficiency of their operations; and
- Increasing annuity revenue streams via Imdex's technologies.