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18 February 2019

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

Dear Sir/Madam

1H19 RESULTS CONFERENCE CALL AND SLIDE SHOW

Please find attached the script from today's 1H19 Results Conference Call and Slide Show.

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

18 February 2019

1H19 TELECONFERENCE / WEBCAST SCRIPT

Cover – Slide 1

Welcome everyone. Thank you for joining the call today, as we present IMDEX's results for the first half of the 2019 financial year.

Paul Evans, our CFO and Company Secretary, together with Paul House, our COO, are also with me.

Paul Evans will cover our financial performance, and Paul House will be available to answer any operational questions.

I will begin with a brief overview; however, for listeners who are not familiar with IMDEX, additional information is in the appendices of this presentation. We also encourage you to visit our website or company LinkedIn page.

Slide 2

Looking now at Slide 2, which provides an overview of our operations and our vision for the future.

We are a leading global mining equipment, technology and services company – or METS company. Our solutions improve the process of identifying and extracting what is below the earth's surface for drilling contractors and resource companies. Simply put, we let clients know where it is, and what it is in real-time or near real-time.

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

Slide 3

There is a lot within the graphic on Slide 3, however, it aims to illustrate:

- Our clients, which are drilling contractors and resource companies; and
- Our integrated product offering, which includes:
 - Downhole Navigation;
 - Structural Geology;
 - In-Field Geoanalysis;
 - Drilling Optimisation; and
 - Driller Operable Geophysics.

Historically we have focused on the exploration and development phases, however, we are increasing our business in the mining phase, which generates more sustainable revenue and earnings.

The graphic also highlights the value our integrated solutions provide to clients. The provision of quality, accurate data with a secure chain of custody – in real-time or near real-time – allows them to make more accurate and timely decisions, which can significantly reduce the cost of their operations and improve efficiencies.

Slide 4

Moving now to slide 4, which sets out our key metrics for the first half:

- Statutory revenue was \$125.0 million, a 19% increase on 1H18;
- EBITDA was up 25% to \$25.2 million;
- We recorded a net profit after tax of \$13.5 million, up 27%;
- Earnings per share were 3.65 cents, an increase of 26%;
- Our operating cash flow was \$19.0 million, a substantial increase on the pcp; and
- The Directors have declared a fully-franked interim dividend of 0.8 cents per share.

We are pleased with these strong results for the half, and Paul Evans will now provide more detail in the next few slides.

[Hand over to Paul Evans]

Slide 5

Thanks Bernie.

Slide 5 shows our half-yearly revenue by region.

Approximately 43% of our revenue is generated in the Americas, 31% in Asia Pacific and the balance in EMEA, which includes Europe and Africa.

The 19% uplift in revenue was largely due to increasing activity within the global minerals market – albeit at a measured rate – and the improving quality and benefits of our rental instrumentation, which generally command higher rates.

Slide 6

Looking now at Slide 6.

Our EBITDA result of \$25.2 million exceeded the prior period by 25%.

This positive result principally reflected higher revenue. At the same time, we were also able to invest in transformational initiatives for sustainable earnings growth.

As noted at the bottom of the slide, the transformational initiatives include:

- Our Drill & Blast project;
- The COREVIBETM and MAGHAMMERTM technologies; and
- Our internal digital transformation.

We have also highlighted that we anticipate our net investment in these initiatives to be approximately \$8.0 million for FY19 and importantly, they will reduce substantially from FY20.

Our 1H19 earnings were also impacted by additional personnel, principally engaged in 2H18, to support our growth strategy and increasing activity. No material increase in headcount is expected during FY19.

It is also pleasing to note gross margins have been maintained.

Slide 7

Looking briefly now at our balance sheet on slide 7.

We have a robust balance sheet and are conservatively geared with a strong net cash position of \$20.6 million. Our receivables exceeded payables by 94% and our net asset position improved further, as at 31 December 2018.

Our Directors have also declared a fully-franked interim dividend of 0.8 cents per share, which represents a 1H19 NPAT payout ratio of 22%.

We are committed to a sustainable dividend policy, while continuing to invest in core product development and our transformational initiatives, which have the potential to deliver substantial long-term growth for shareholders.

Slide 8

Slide 8 summarises our EBITDA to cash flow from operations. Our cash flow from operations improved substantially from the pcp and we anticipate a working capital investment ratio of 30 to 35 cents for every incremental dollar of revenue for the full year.

I will now hand back to Bernie for an overview of market conditions and our operations.

Slides 9

Thanks Paul.

We have showed the graph on Slide 9 several times, but it clearly shows the increase in global non-ferrous exploration budgets, post the low point of the cycle in calendar 2016.

S&P Global Market Intelligence report expenditure for calendar 2018 was up 19% on the prior year and forecast a 10% to 15% increase for calendar 2019.

Gold and copper represent approximately 70% - 75% of the expenditure, so the following slide focuses on these commodities.

Slide 10

S&P data highlights that the easy gold deposits have been found and that there has been a lack of discoveries over the last 10 years.

Accordingly, significant new discoveries are likely to be under ground cover and at depth. Some large resource companies – for example Newcrest Mining – have already highlighted these opportunities.

Drilling under ground cover and at depth is more expensive though, which increases the value explorers place on technologies that reduce costs, increase drilling productivity and enhance safety. This is positive for IMDEX.

Slide 11

On slide 11 we have summarised some key points regarding what we are seeing in the market:

- A steady increase in exploration budgets and activity globally – although at a slower pace than 2018;
- There has been a slow start to expenditure in calendar 2019, particularly in Canada;
- Macro geopolitical concerns including, tapering global growth and the US / China trade tensions, are impacting capital markets;
- The ability for junior mining companies to raise funds, particularly in Canada, is challenging;
- Base metal prices are relatively robust, and gold remains strong;
- Major explorers remain focused on brownfield projects; and as mentioned earlier
- Some of the majors have highlighted opportunities to find new deposits under ground cover and at depth, which makes drilling productivity technologies and innovation increasingly important.

Slide 12

Slide 12 reiterates our growth strategy.

To achieve our objective of delivering sustainable earnings growth for shareholders, we are committed to a two-tiered strategy, which includes organic and transformational growth.

We will maintain and enhance our market leadership position by continuing to develop our core products. At the same time, we are investing in transformational growth with our drilling productivity technologies such as the COREVIBE™ and MAGHAMMER™ and Drill & Blast Project.

I will provide more detail about our transformational products in the next few slides.

SLIDE 13

Looking now at the COREVIBE™ and MAGHAMMER™ technologies on Slide 13, which can substantially improve drilling productivity for clients.

As a recap, we entered into an exclusive option agreement to acquire New Zealand-based Flexidrill and its COREVIBE™ and MAGHAMMER™ technologies, in January 2018. The transaction was structured to allow for comprehensive testing and market acceptance before committing to purchase.

The COREVIBE™ minimises hole deviation, reduces core blockages, improves penetration rates and extends bit life. It also fits onto existing diamond drilling rigs, so there is no capex required by the driller to adopt this technology.

The MAGHAMMER™ is essentially reverse circulation drilling without compressed air. This capability provides significant economic, capital, safety and operational benefits for clients.

More recently, we entered the Secondary Option Period to further progress the COREVIBE™ and MAGHAMMER™ towards commercialisation.

Our decision to progress is based on strong demand from drilling contractors and resource companies, and successful trials at our test site in New Zealand. As we have previously reported, COREVIBE™ trials – validated by SGS, the world's leading inspection, verification, testing and certification company – concluded a productivity gain of 33% over conventional coring.

The Secondary Option Period will allow us to conduct further product development and testing, focusing on capex reduction and extending service life, whilst establishing our supply chain and manufacturing requirements. In relation to COREVIBE™, we expect to trial commercial prototypes with clients by the end of FY19. MAGHAMMER™ commercial prototype trials will follow in 1H20.

Should we choose to exercise our option to acquire Flexidrill in December 2019, the COREVIBE™ and MAGHAMMER™ are expected to provide additional global revenue and earnings during FY20 and be earnings accretive within 12 months of the exercise date.

Slide 14

Slide 14 shows a typical bench in a mining environment, where multiple blast holes are drilled.

Our Drill & Blast Project is designed to improve mine to mill efficiency and is centred around material characterisation pre-blast, to facilitate differential blasting on the bench.

It is pleasing to report this project is progressing well, and we expect commercial prototypes to be trialled in-pit with clients during 2H19. Importantly, we also have strong support from industry partners including: Orica; Anglo American; Teck Resources; and METS Ignited.

It is also important to note, this project has the potential to provide additional global revenue, which is more sustainable throughout the cycles, from FY20.

Slide 15

Before I finish with the key points of this presentation and outlook for FY19, slide 15 summarises our competitive advantages.

- We are the industry leader of subsurface intelligence solutions globally and have economies of scale, which should generate fixed cost leverage as activity increases;
- We have a robust balance sheet with a net cash position and the ability to leverage opportunities for organic and transformational growth;
- We are developing integrated solutions for all phases of the mining value chain, which provide more sustainable revenue and earnings;
- Our leading brands – AMC and REFLEX – are dominant within the global minerals industry, and have a solid reputation for quality and ease-of-use;
- We have long-standing relationships with major resource companies and drilling contractors; and finally
- We have unique patent protected technologies, world-class R&D capabilities, and an established global presence.

SLIDE 16

Our final slide is the summary and outlook:

- We had a strong 1H19 – increasing our revenue by 19% and EBITDA by 25%
- Our Directors declared a fully-franked interim dividend of 0.8 cents per share
- We have a robust balance sheet with a strong net cash position – \$20.6m
- We entered the Secondary Option Period to further progress the COREVIBETM and MAGHAMMERTM towards commercialisation, which are expected to generate additional revenue and earnings from FY20
- In relation to our Drill & Blast Project, we anticipate commercial prototypes to be trialled in-pit with clients during 2H19
- There is increasing industry demand for drilling productivity technologies and innovation to lower costs, increase productivity and safety – this is good for IMDEX

- We are in a strong position to leverage our unique competitive position as a leading global METS company
- Our focus remains on achieving sustainable earnings growth for shareholders.

That concludes our presentation – our thanks again for listening in, and we are now happy to take questions.