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19 August 2019

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

Dear Sir/Madam

IMDEX 2019 FULL YEAR RESULTS CONFERENCE CALL AND SLIDE SHOW

Please find attached the script from today's FY19 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

IMDEX FY19 RESULTS PRESENTATION WEBCAST SCRIPT

BERNIE RIDGEWAY

<<Slide 1 – IMDEX FY19 Results Presentation >>

Welcome everyone. Thank you for joining us today – it is a pleasure to present our full year results for the 2019 financial year.

Before doing so, I would like to thank our team at IMDEX for their hard work and dedication throughout the year.

Joining me on the call today are:

- Paul Evans, our CFO and Company Secretary; and
- Paul House, our Chief Operating Officer.

The presentation will take approximately 15-20 minutes, and then we will turn the call over to the operator to moderate a question and answer session.

I will begin with a brief overview of our company and technologies, however like our previous presentations, we have included some additional information in the appendices.

<<Slide 2 – Who is IMDEX?>>

Starting now on slide 2. Who is IMDEX and what do we do?

We are a leading global Mining-Tech company – and our integrated solutions enable cost-effective operations across the whole mining value chain, from exploration to production.

<<Slide 3 – IMDEX at a Glance>>

On Slide 3 we have included several achievements we are proud of and would like to call out:

- We have been outpacing industry growth, where revenue and EBITDA compound annual growth rates over the last 3 years have been 19% and 37% respectively. This reflects the investment we have made in technology and value-added services to our client base;
- Our balance sheet continues to strengthen, and we have a strong net cash position;
- We are on approximately 70% of drilling rigs globally, which provides excellent leverage to up-sell and provide a wider range of integrated solutions to our clients; and

- We always have a rich pipeline of new technologies – FY19 was no exception. It is these new technologies and end-to-end solutions, which will drive sustainable revenue and earnings growth in the coming years.

<<Slide 4 – What Our Technologies Do>>

Moving now to slide 4, which illustrates what our technologies do.

The graphic depicts how our cloud-connected devices and drilling optimisation products improve the process of identifying and extracting mineral resources globally.

We help drilling companies and resource companies. We help them move fast, hit targets and make critical decisions to increase their efficiencies.

<<Slide 5 – What Our Technologies Do>>

Slide 5 provides a more detailed description about our range of technologies and what they do, however in the words of our Global Product Development Manager – Dr Michelle Carey, ‘It’s about drilling faster and smarter and knowing your rocks in real-time.’

<<Slide 6 – Technology Portfolio & Data Ecosystem>>

We have included slide 6 to emphasise that our portfolio of technologies is applicable to the whole mining value chain. At all stages – from exploration to production.

I’d like to draw your attention to three points on this slide:

1. IMDEXHUB-IQ™ – connectivity is a key differentiator to ensure quality, chain of custody and data can be shared, analysed and acted upon in real-time.
2. Increasingly, our breadth of solutions across the complete mining value chain means we stand alone in the marketplace for our range of integrated solutions. No other competitor can offer this breadth or depth.
3. Our solutions reduce the time and cost for the driller and increase efficiency, productivity and data insights for resource clients.

Applying our existing technology portfolio, engineering and product development capabilities to this broad spectrum, is a key part of our strategy for sustainable growth.

<<Slide 7 – FY19 Highlights>>

As we announced in our release this morning, FY19 was a positive year with particularly strong first and fourth quarters. Slide 7 summarises the highlights:

- We achieved record revenue, which was up 12% on FY18 and an EBITDA increase of 23%;
- The Directors declared a fully-franked final dividend of 1.4 cents per share;
- Cash flow from operations was up 121%;
- We continued to strengthen our rental fleet with more sophisticated technologies that are cloud-enabled;
- We remain on track to commercialise our new drilling productivity technologies and achieved our first rentals of COREVIBE™ in early August 2019;
- Our Drill & Blast technologies are on track to produce revenue in 2H20;
- We continued our disciplined spend on engineering and product development and are pleased to report 43% of our applicable instruments are now cloud-enabled – a 25% increase on FY18;
- We continued to streamline our operations and, in conjunction with our internal digital transformation, have improved our cost base; and
- Importantly, we consolidated our improving safety performance.

I will now hand over to Paul Evans to cover the financials in more detail.

PAUL EVANS

<<Slide 8 – FY19 Financial Review>>

<<Slide 9 – FY19 Key Metrics>>

Thanks Bernie.

I will begin on slide 9, which shows our key metrics for FY19.

As Bernie mentioned, we achieved record revenue of \$243.7 million, which is a 12% increase on the previous year:

- EBITDA was up 23% to \$52.3 million;
- We recorded a net profit after tax of \$27.6 million, up 31% on the pcp;
- Earnings per share were 7.4 cents, up 30% on FY18;
- Our operating cash flow was \$35.2 million, a 121% increase on the prior year; and
- Net assets increased by 18% to \$220 million.

Given our strong cash generation, the Directors declared a fully-franked final dividend of 1.4 cents per share. This is on top of the interim dividend and brings the total payout for FY19 to 2.2 cents per share, which equates to a dividend payout ratio of 30%.

<<Slide 10 – Minerals Revenue by Region>>

Moving now to slide 10.

As you can see from the graph, FY19 extended our positive trend of growth.

The largest growth area was the Americas; however, all our regions increased their revenue from the previous year.

Approximately 46% of our FY19 revenue was generated in the Americas, 30% in Asia Pacific and the balance in Africa and Europe.

It is pleasing to note that our revenue growth is outpacing our rental fleet growth. This is due to market adoption of our integrated solutions and cloud-connected technologies, which generally generate higher average rental rates. As an example, our newer generation instruments generate 3 to 5 times the revenue of older generation instruments. It is this adoption of technology by the industry that has enabled IMDEX to deliver a revenue compound annual growth rate of 19% over the past 3 years.

It is also pleasing to note the increase in activity that was evident in 4Q19 has continued into FY20 and is reflected in our growing rental fleet.

<<Slide 11 – EBITDA & EBITDA MARGIN %>>

Moving now to slide 11 and our EBITDA.

Again, you can see we are demonstrating a strong trend of earnings growth.

As mentioned, our FY19 EBITDA result of \$52.3 million was up 23% on FY18. This result reflected improving margins on our higher revenue result and an improvement to our cost base due to:

- Our focus on streamlining our operations for the long-term; and
- Operational efficiencies from our internal digital transformation program.

The improving leverage in our business is demonstrated in the growing EBITDA % trend referenced in the graph. For FY19 this has grown to 21% compared to 19% in the prior period.

<< Slide 12 – Reconciliation of EBITDA>>

Slide 12 shows the reconciliation from our EBITDA result to the net cash flow from operations.

From the EBITDA result of \$52.3 million, there was a net inflow of operating cash of \$35.2 million, which represents an uplift of 121% on the pcp. This was after our investment in working capital, non-cash items and \$6.4 million of tax paid.

Our FY19 working capital investment ratio was approximately 34 cents for every dollar of incremental revenue. This was in line with our expectations and we anticipate a comparable ratio for FY20.

<< Slide 13 – Balance Sheet >>

Looking briefly now at our balance sheet as at 30 June on slide 13:

- We continued to improve its strength and the strong cash generation was reflected in our net cash position, which was up 194% on FY18;
- Our net assets increased by \$33.9 million, or 18%;
- Our dividends recommenced; and
- We continued to invest in leading technologies to drive future growth for shareholders.

I would also like to note that maintaining a robust balance sheet remains a priority and we are comfortable with our current net cash position.

I will now hand the presentation over to Paul House to provide an update on our growth strategy and operations.

PAUL HOUSE

<< Slide 14 – Update on Growth>>

<< Slide 15 – Growth Strategy>>

Thank you, Paul. Thank you, Bernie.

I'd like to now look at our strategy and the compelling opportunities for growth on slide 14.

We remain committed to our two-tiered strategy, which expands our presence within the complete mining value chain. It includes:

- Growing our core business by enhancing our technical leadership, technical integration and increasing share of client spend; and
- Further extension into the larger adjacent mining market, to build our non-cyclical revenue.

Our growth in FY19 has been driven by offering more comprehensive value through the power of IMDEXHUB-IQ™ and real-time intelligence to bundle solutions for our clients.

The quadrants on the slide depict our growth strategy in products and markets:

- Product extension within the exploration and development market is on the left, with ongoing core R&D and the development of new drilling productivity technologies – for example COREVIBE™ and MAGHAMMER™.
- Market extension into the mining market is on the right and includes the development of new technologies – including BLAST DOG™ – for Drill & Blast applications.

Our approach opens the door to an addressable market that is far greater than our traditional business within the exploration and resource development sector. It provides more value to our clients and to the industry as a whole; and importantly, is less exposed to cyclical impact.

<< Slide 16 – Ongoing R&D Core Business>>

As I mentioned on slide 15, the ongoing R&D in our core business – and particularly for connecting our technologies to IMDEXHUB-IQ™ – is a key part of our growth strategy.

The IMDEX mining-technology value is delivered to clients through the HUB and slide 16 highlights our progress in FY19 and the increased demand from clients.

I would particularly like to draw your attention to two sections in this slide:

- First, we now have 49 of our top 100 clients connected to IMDEXHUB-IQ™ and second;
- Those clients generate 60% higher revenues for IMDEX, by pulling together all our product offerings into a comprehensive real-time solution.

<< Slide 17 – IP Protecting our Future >>

As a leading global Mining-Tech company, we take all appropriate measures to protect our intellectual property. IP is an integral part of our product development stage gate process, and our IP strategy considers the technical advantage, the commercial value and the legal systems to protect our revenue.

Our ongoing investment in R&D and the world-class team we have established in the USA and Australia, continue to build our portfolio of IP year-on-year. The breadth of our patent families is largely unrivalled, and our IP portfolio currently protects over 80% of current and future revenues.

It is also important to note that we have implemented IP e-training for all our employees and in FY19, 97% had successfully completed this training.

<< Slide 18 – Drilling Productivity Technologies>>

We recently released an update on the development of our technologies, so I will not spend too much time on slide 18.

I would like to highlight, however, that we continue to make strong progress and we have received some excellent feedback from the client trials.

These initial COREVIBE™ client trials in Australia are now complete and pilot production has commenced. Pleasingly, we also have the first COREVIBE™ units on commercial rent.

In relation to MAGHAMMER™, development at our test site in New Zealand is progressing well and we intend to commence client trials in the second half of FY20.

You will note at the bottom of the slide, we anticipate exercising our option to acquire Flexidrill and its COREVIBE™ and MAGHAMMER™ technologies in mid-December 2019.

Further information relating to the transaction and its consideration, are set out in our ASX announcement on 18 January 2018.

<< Slide 19 – On Track to Deliver>>

We have updated our 'road-map' for COREVIBE™ and MAGHAMMER™ on slide 19 to include:

- The commercial expansion of COREVIBE™ in Australia and the USA, and
- The commissioning of our production facility in the USA.

We are hitting our milestones and remain on-track to generate additional revenue in the current financial year.

<< Slide 20 – Mining Technologies>>

Moving now to our mining technologies on slide 20.

Our Drill & Blast project is one of the most exciting developments we have had at IMDEX.

The project is advancing well, and we continue to enjoy the strong support from our METS industry partners.

We are currently conducting BLAST DOG™ trials in precious and base metals, together with bulk commodities, with global resource companies. To date, successful trials have been undertaken in Nevada and Queensland. More trials are planned in Chile and Australia in the first half of this financial year.

The potential to deliver value to our clients through blasting efficiency, increased recoveries and downstream efficiency in production is substantial.

<< Slide 21 – On Track to Deliver>>

Similarly, on slide 21 we have updated our development plan for BLAST DOG™. Again, we are hitting our milestones and anticipate generating revenue in 4Q20.

I will now hand back to Bernie to comment on the Outlook.

BERNIE RIDGEWAY

<< Slide 22 – Outlook & Key Points>>

<< Slide 23 – Positive Growth Outlook>>

Thanks Paul.

As the title of slide 23 suggests, we are confident the outlook for IMDEX is positive:

- Mining production levels and commodity prices support further investment in the minerals industry;
- The major and intermediate resource companies are increasing expenditure to replace declining reserves;
- New discoveries are likely to be under cover and at depth – requiring more drilling and longer development times; and
- Resource companies are embracing innovation and new technologies to lower costs, increase safety and achieve greater productivity.

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

At a company level, we have had a positive start to FY20 and the increasing activity seen in the fourth quarter of FY19, is reflected in our growing rental fleet.

<< Slide 24 – Key Points>>

Moving now to the key points we would like to leave you with on slide 24:

- Our company is well-positioned to deliver attractive returns to shareholders;
- We have a strong financial platform and numerous competitive advantages;
- We are growing at above industry growth rates and are leveraging our global presence;
- We are introducing new technologies to benefit from industry dynamics where resource companies are:
 - Increasing their budgets;

- Drilling deeper; and
 - Placing greater value on reducing costs, increasing productivity and ore body knowledge.
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- In that regard, we have our first COREVIBE™ units on rent and remain on track to commercialise MAGHAMMER™ in 2H20; and
 - We are also on track with our Drill & Blast technologies to grow our non-cyclical revenue.

In closing, we have a positive outlook for growth and are genuinely excited by the opportunities to develop and introduce new technologies to our clients and deliver long-term attractive returns to shareholders.

That completes the formal part of our presentation and we are now happy to take questions.

Q&A

Closing Comments

Many thanks for dialing in to this call. Before finishing, we would like to leave you with the following comments:

- Our balance sheet is in good shape and we are well placed to support the growth of our business.
- We have continued our investment in technology development and have a strong market position.
- Resource companies and service providers are investing in technology to reduce costs and increase efficiencies – IMDEX is well placed to deliver technology solutions to the global minerals industry.
- We have considerable operating leverage as a result of investing in initiatives that are anticipated to provide sustainable revenue and earnings growth.
- We believe the cycle has some years to run and look forward with optimism as we apply our strengths to increase revenue, profits and shareholder returns.

Thank you again and we are looking forward to seeing many of you during the week.