

IMDEX Limited  
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2 May 2018

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

Dear Sir/Madam

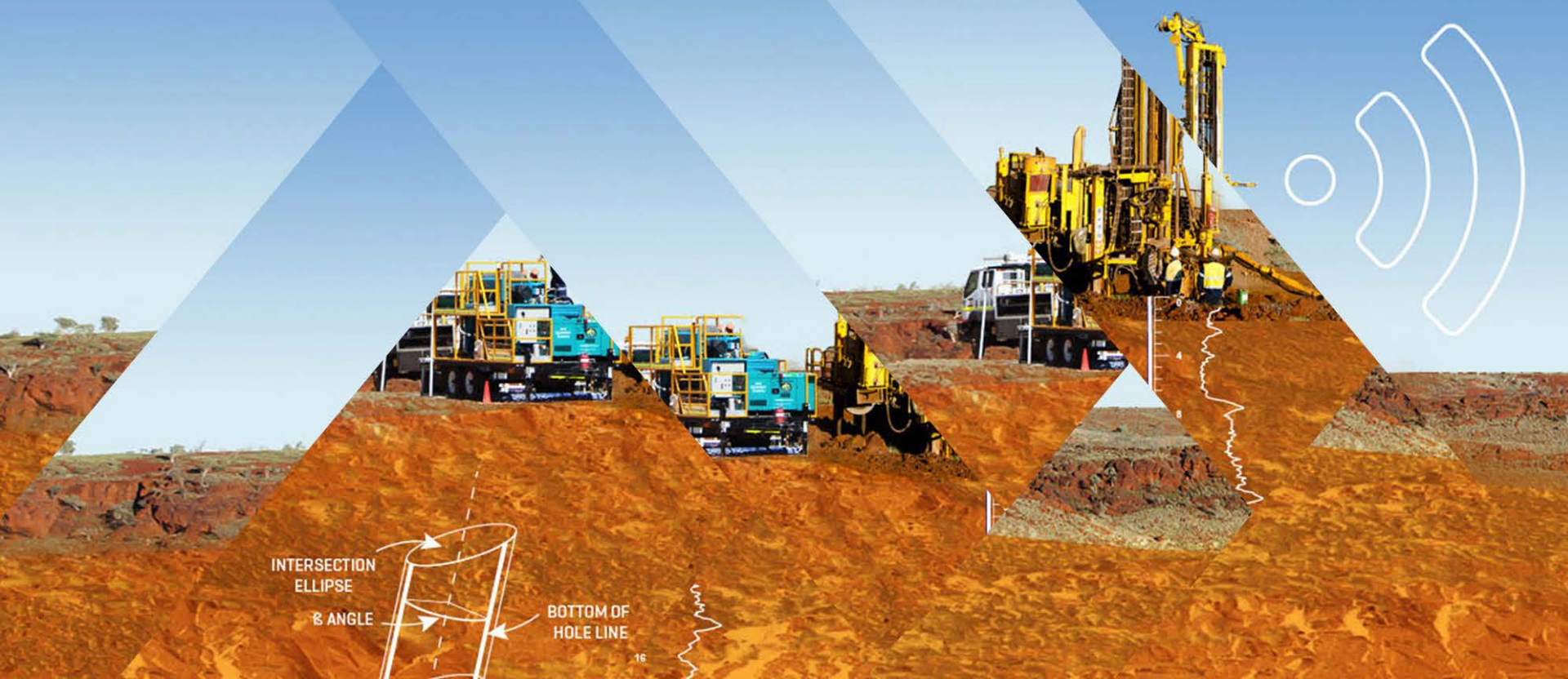
**MACQUARIE AUSTRALIA CONFERENCE PRESENTATION**

Please find attached the presentation to be delivered by Bernie Ridgeway (Managing Director) at the Macquarie Australia Conference in Sydney today.

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 – Macquarie Presentation

Bernie Ridgeway – Managing Director

2 May, 2018

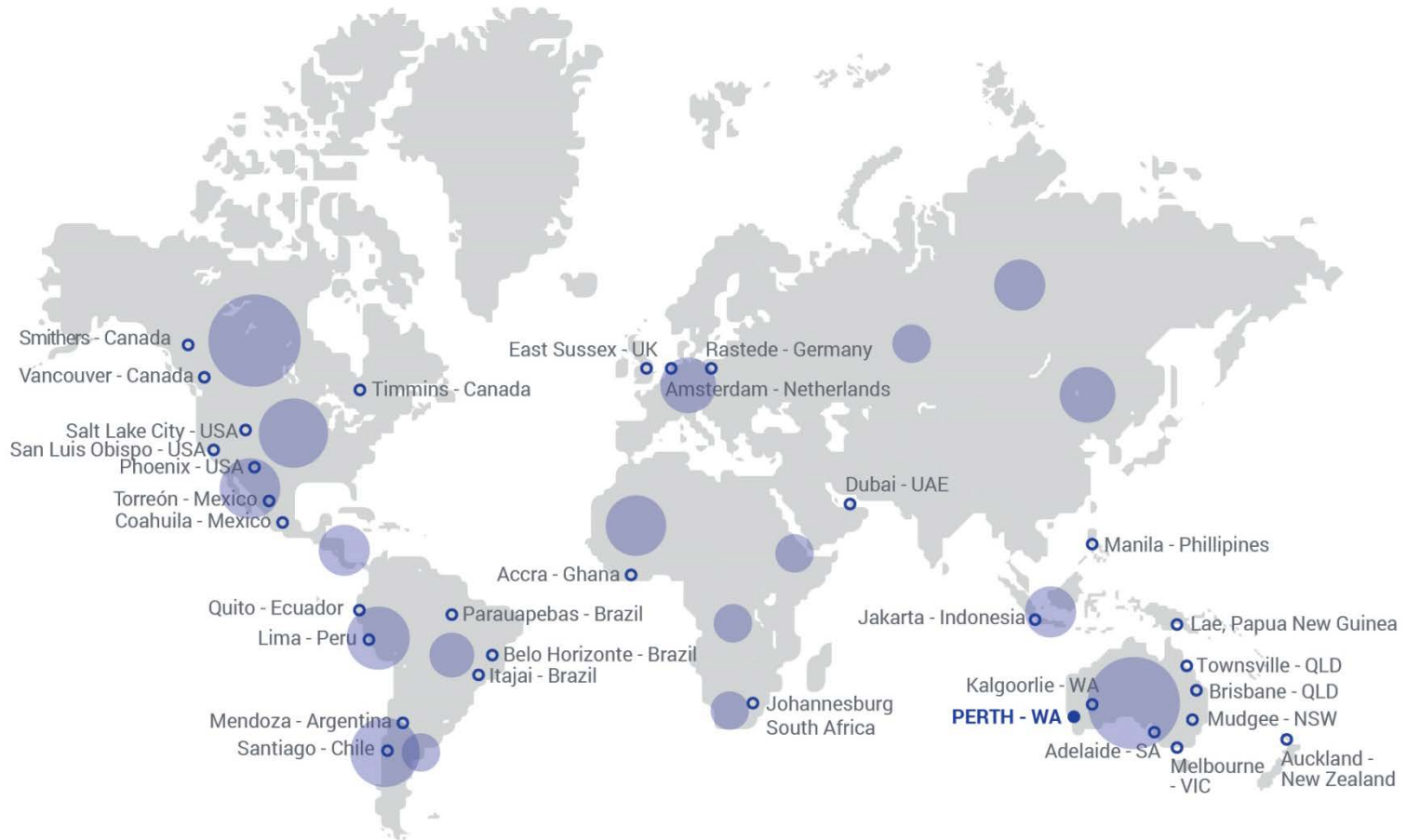
We are a leading global mining equipment, technology and services (METS) company.

Our solutions improve the process of identifying and extracting what is below the earth's surface for drilling contractors and resource companies – we let clients know where it is and what it is...now.

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

# Established Global Business

## Operational Leverage



- World Mineral Exploration Review and Outlook - Top Destinations for 2017 (Source: S&P Global Market Intelligence)
- IMDEX facilities – not including distributors

# Simple Scalable Structure

## Leading Integrated Brands



- Dominant within minerals industry – strong brands and market share
- Focused on integrated IMDEX solutions – comprising AMC and REFLEX

# Leading Technologies

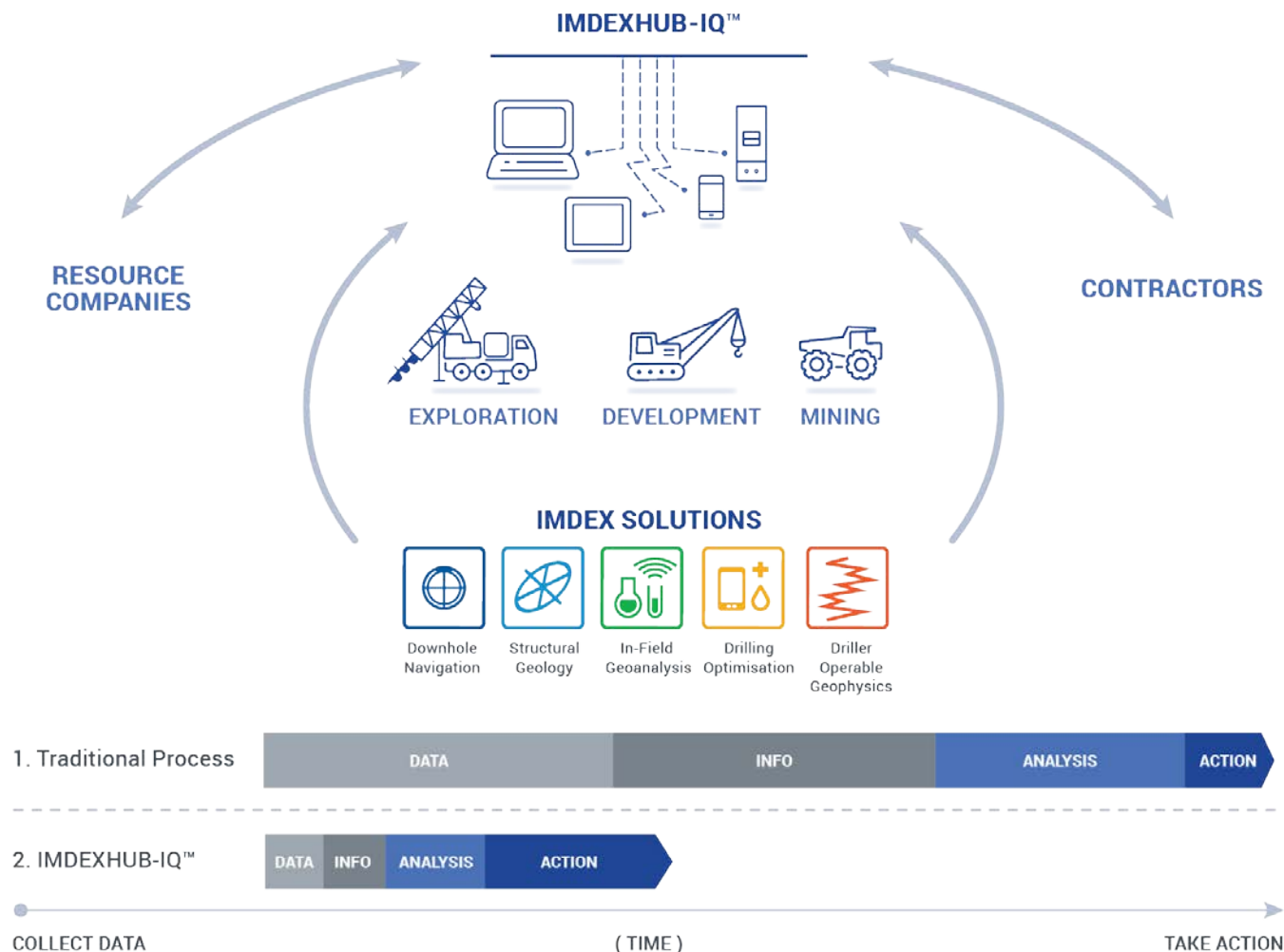
## IMDEX Solutions

### Our Strengths

- Global footprint with operational leverage
- World-class R&D facilities and capabilities
- Connectivity via IMDEXHUB-IQ<sup>TM</sup>
- Integrated solutions for all stages of mining

### Client Benefits

- Chain of custody
- Quality data
- Timeliness of information
- Streamline processes





# 1H18 Financial Metrics

(\$millions)

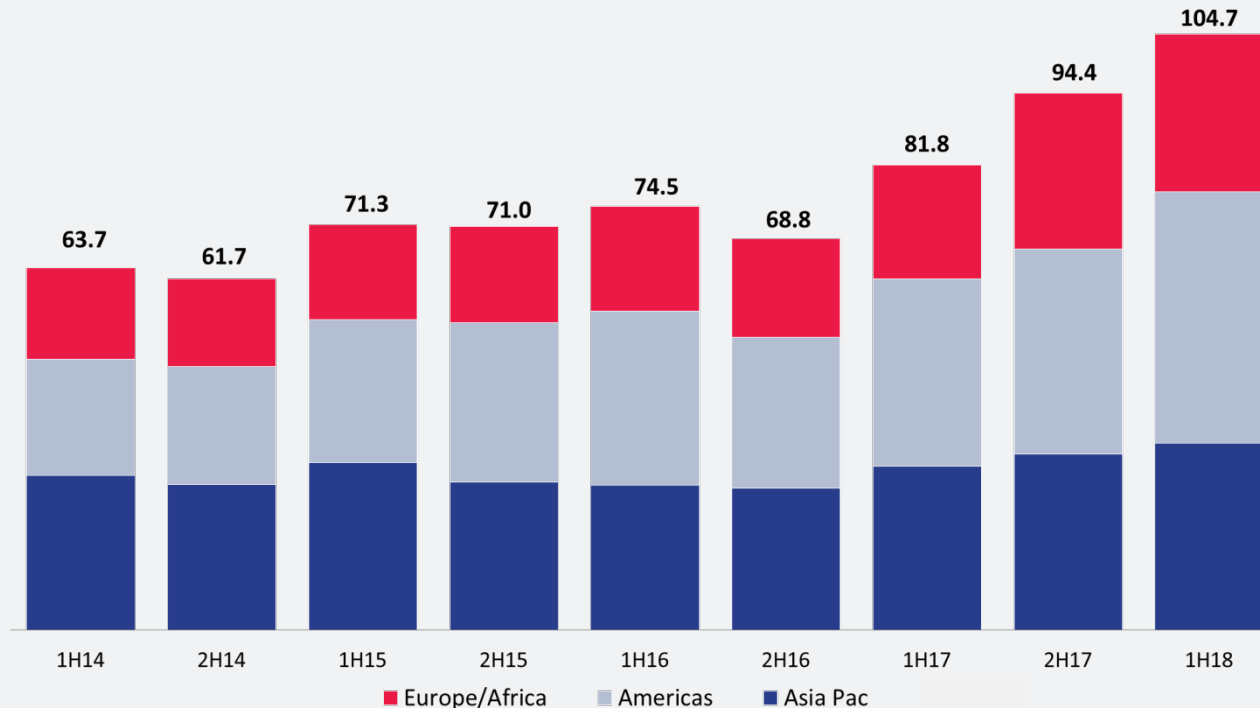


\$MILLIONS UNLESS INDICATED OTHERWISE	1H18	1H17	VAR	VAR%
Revenue	104.7	81.8	22.9	28% ▲
EBITDA	20.1	13.5	6.6	49% ▲
NPAT	10.6	(9.9) <sup>1</sup>	20.5	▲
EPS (cents)	2.89	(3.42)	6.31	▲
Operating cash flow (excluding financing costs)	2.4	9.8	(7.4)	(76%) ▼
Net assets	173.5	159.8	13.7	9% ▲

<sup>1</sup> Includes \$16.2m (non-cash \$11.5m) of financing costs in relation to the Bain Capital debt which was fully repaid

# Revenue by Region

(\$millions)

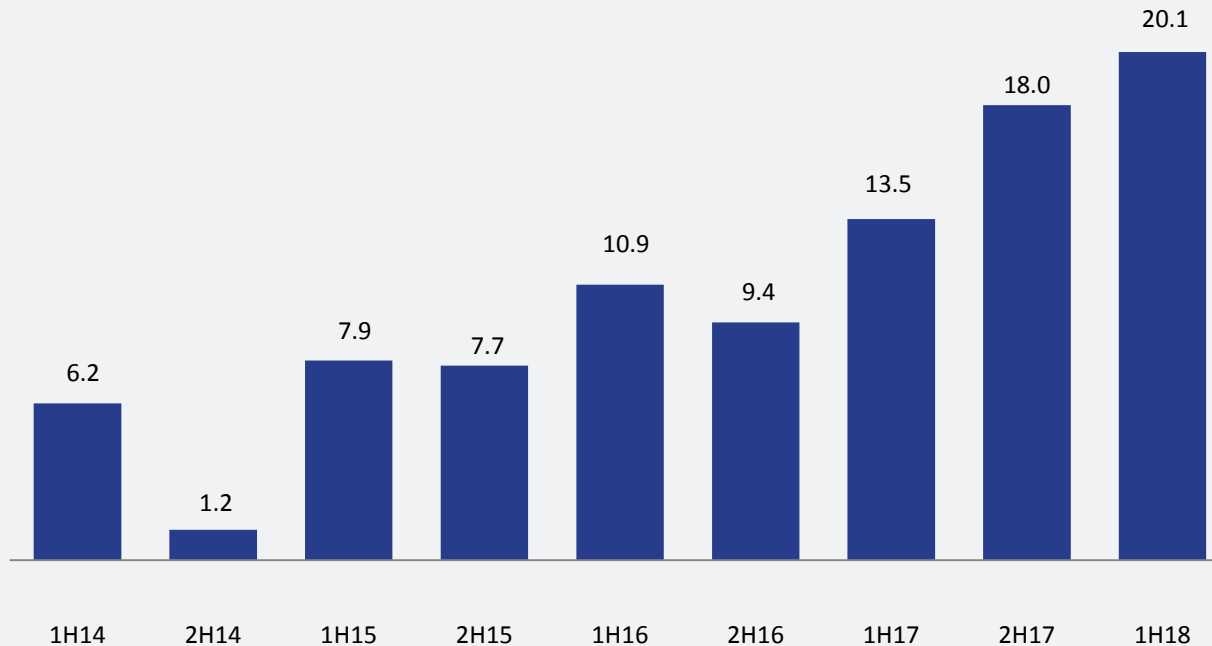


- Increasing revenue across all regions
- Business benefits from global presence and regional expertise
- Americas – region with highest revenue and potential for growth
- Continued increase in activity during 3Q18 and into 4Q18



# EBITDA

(\$millions)



- 1H18 EBITDA up 49% on pcp
- 2H18 EBITDA expected to be greater than 1H18
- Additional investment in the business of ~\$5 million\*

*\*Investment includes internal digital transformation program and further development of technologies to support transformational growth within the mining value chain.*

# Balance Sheet

(\$millions)

	31 DEC 17	30 JUN 17
Cash	12.7	19.4
Receivables	42.4	41.5
Inventory	36.0	29.9
Fixed assets	33.7	32.2
Intangibles	60.0	60.4
Other assets / deferred tax	28.9	27.5
<b>TOTAL ASSETS</b>	<b>213.7</b>	<b>210.9</b>
Payables	24.1	30.4
Bank loans	5.5	6.5
HP finance	0.4	0.6
Other liabilities, provisions, current tax	10.2	13.6
<b>TOTAL EQUITY</b>	<b>173.5</b>	<b>159.8</b>

- Strong balance sheet
- Cash position at 30 June 18 forecast to be greater than 31 December 17
- Net cash position to be maintained

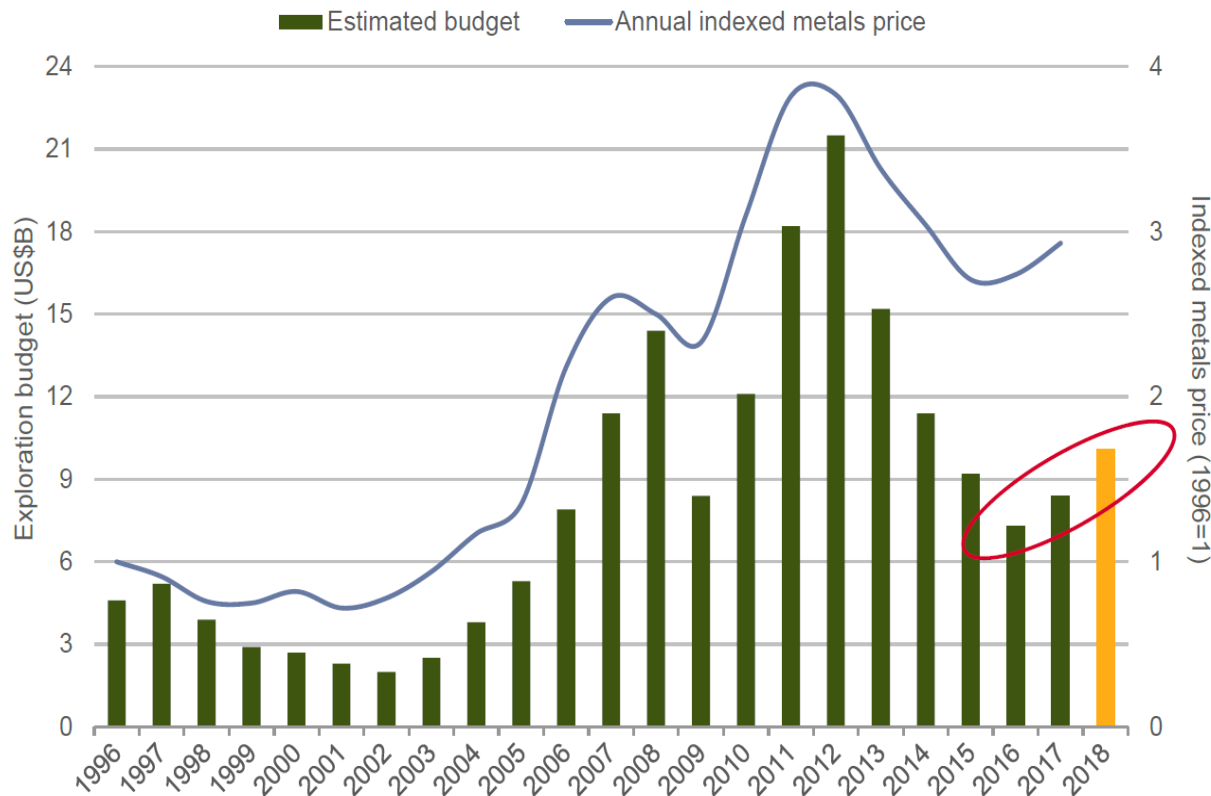
# Market Overview

“IMDEX is well positioned for continued growth”



# World Mineral Exploration

## Review and Outlook

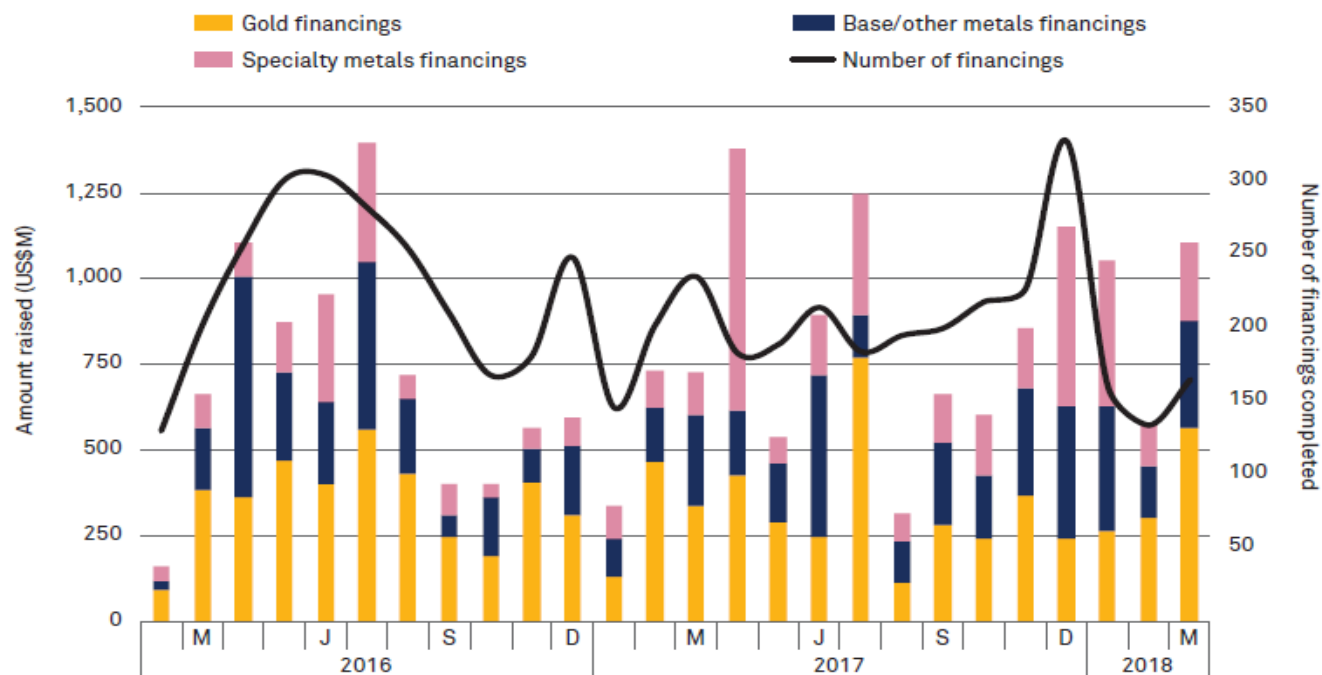


Source: S&P Global Market Intelligence

- Budget 2017 spend of US\$8.4bn up 14% on CY16
- CY18 budgets forecast to increase by 15 – 20% to US\$10bn
- Gold budgets up by 22% year-on-year
- Gold/copper represent >70% of global expenditure. Gold/base metals >80%
- The Americas attracted >50% of expenditure, Asia/Pacific – 17.5%, Africa – 14%

# Intermediate/Junior Financings

## Junior and intermediate financings completed

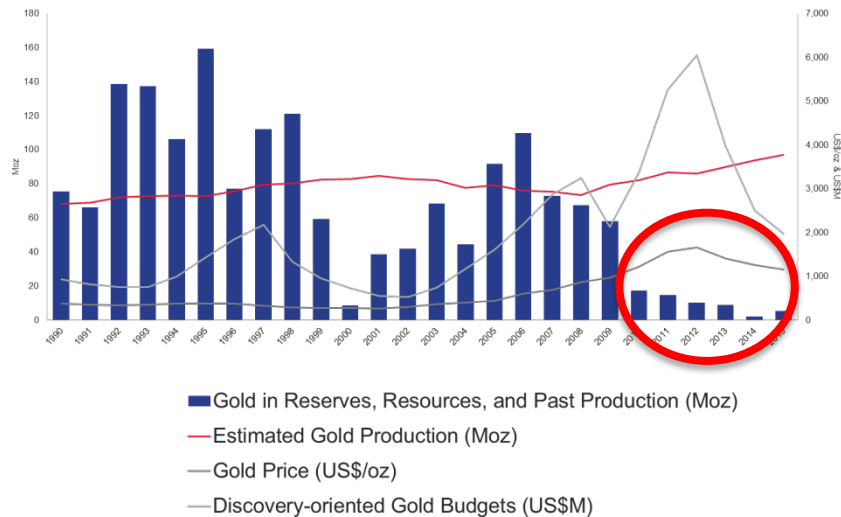


- US\$1.1bn raised in March (Feb-US\$582m)
- TSX – 63%, ASX – 29%
- Gold – 47%, base metals – 31%, specialty metals – 21%

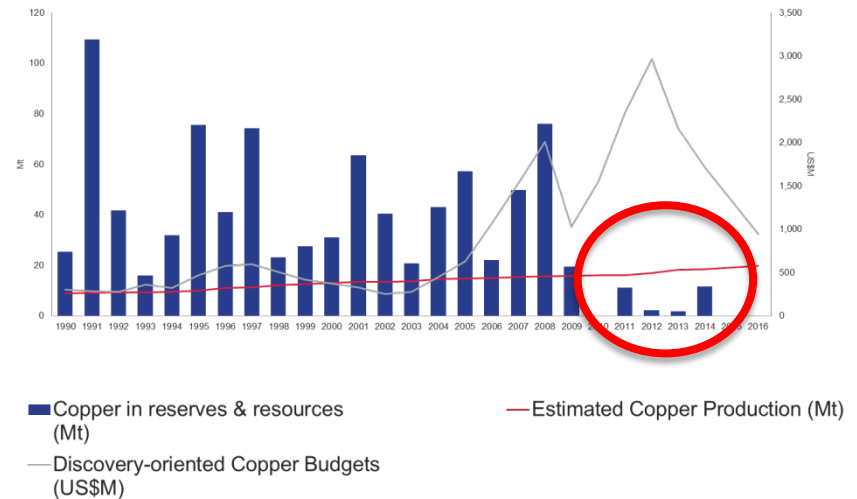
# Major Discoveries

## Gold and Copper

### Major Gold Discoveries



### Major Copper Discoveries

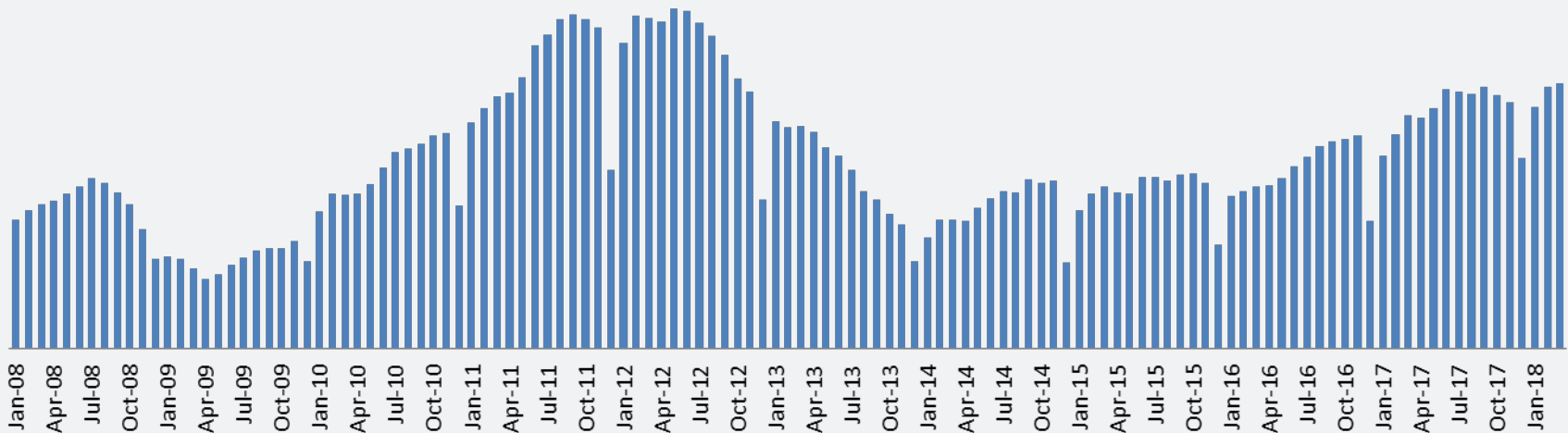


Source: S&P Global Market Intelligence

Despite increased expenditure, gold and copper discoveries are not keeping up with production – grades decreasing, deeper, more complex ore bodies, more difficult and longer lead times to develop

# REFLEX Instruments on Hire

(Number of units)



- Increased activity means increased demand for instrumentation – all commodities
- REFLEX instruments on hire increased during CY14-CY16
- 31 March 2018, 14% uplift on pcg
- Increased adoption of instrumentation – traditional and recent technologies
- Newer technologies generally yield higher rental – rates greater value add for clients



# Strategy

## Driving Sustainable Earnings Growth

- Growth of core business historically driven by cyclical upswing and the introduction of new technologies
- Strategic positioning for sustainable earnings growth
- FY18 investing in two-tiered strategy:
  - **Organic** – protect and grow core business
  - **Transformational** – extension into new market segments within the mining value chain



# The Industry Problem

## Exploration



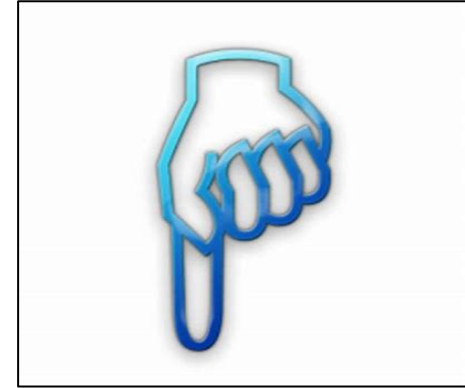
### Increasing Demand for Metals

- Doubles every 20-30 years
- More copper to be mined in next ~25yrs than in history



### Declining Discovery Rates

- Industry is making far fewer major discoveries despite record high exploration spend



### Easy Deposits Already Found

- Especially in low sovereign risk countries
- 96% greenfield discoveries in past decade <100m deep

Source: Deep Exploration Technologies

“To improve its performance, industry needs to develop better tools for exploring beyond 200 metres of cover” (Richard Schodde, MinEx Consulting)

# The Industry Problem

## Drilling

Fundamentally nothing has changed in drilling technology in decades. Steel rods manually joined with threads. Usually all rods rotated from surface to generate cutting action at bottom of hole. Thus slow, expensive, injury-prone and inefficient use of energy.

Drivers for change	Resulting Transformation
Cost	Reduce cost of finding, delineating and mining future resources
Safety	Eliminate majority of risk and injury from historically high risk occupation
Capacity	Deeper and steerable holes to test inaccessible targets
Environment	Minimise environmental footprint and use less energy
Social Licence	Minimise disturbance and demonstrate environmental credibility
Efficiency	Find and delineate resources faster and more accurately

Source: Deep Exploration Technologies

# CoreVIBE™ & MagHAMMER™

Option to acquire unique drilling productivity technologies



- Option agreement executed January 2018
- Extensive testing and due diligence conducted pre-signing – including IP protection
- The transaction allows for further testing and market acceptance before committing to purchase
- CoreVIBE™ and MagHAMMER™ to be commercialised in the near-term
- Technologies are patent protected and align with IMDEX's rental model
- Technologies complement IMDEX's Drilling Optimisation solution and strengthen IMDEX's competitive position in this market segment
- If option is exercised:
  - Significant additional global revenue stream for IMDEX
  - EPS accretive within 12 months of option exercise

## Client benefits

### TRADITIONAL DRILLING

 **67 SHIFTS**



### COREVIBE™

 **47 SHIFTS**

**UP TO 30% PRODUCTIVITY IMPROVEMENT**



Minimises hole deviation with  
high penetration rates

Improves penetration rates

Reduces tripping of  
inner tube for blockages

Extends bit life

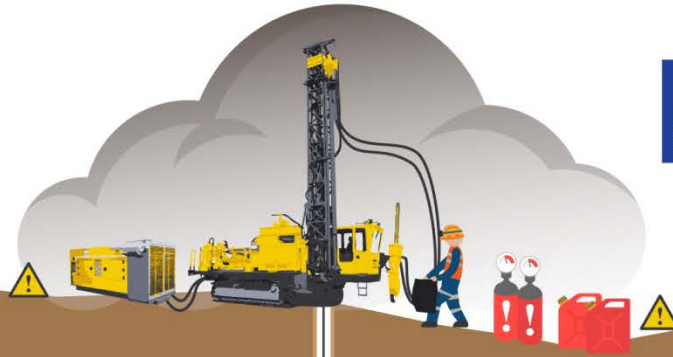
# MagHAMMER™

## Client benefits



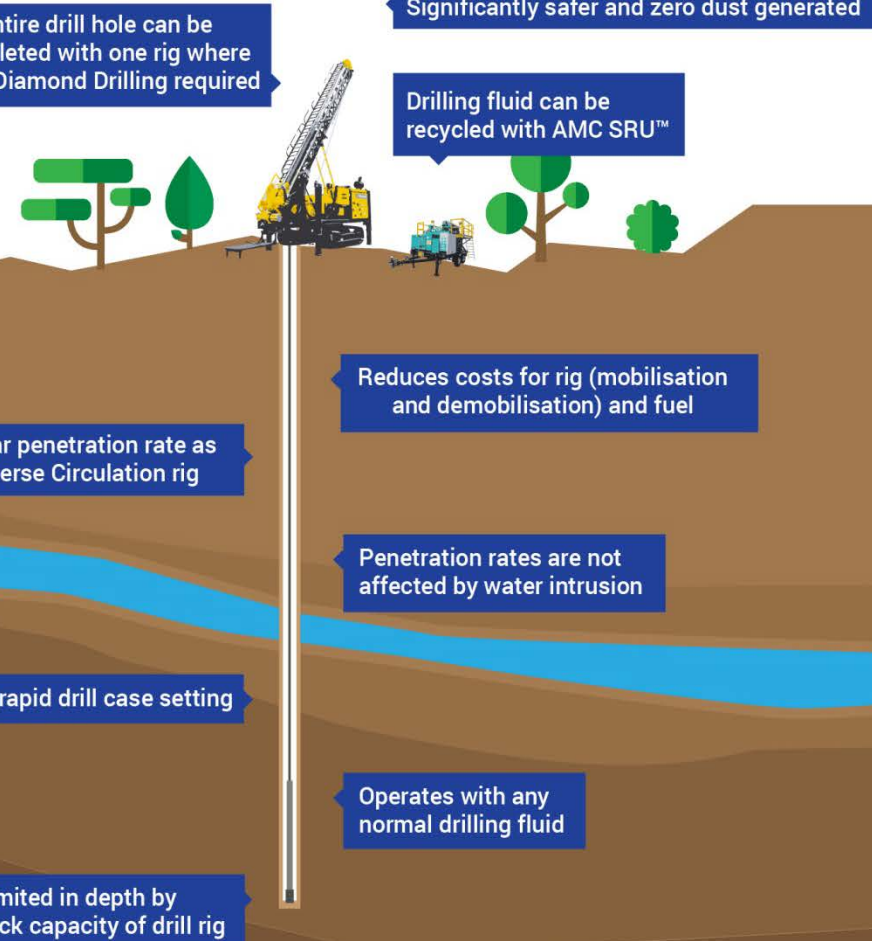
### TRADITIONAL RC DRILLING

AIR POWERED



### MAGHAMMER™ ON DIAMOND DRILL RIG

WATER POWERED



250m  
500m  
750m  
1000m  
1250m

# Summary & Outlook

- Continued increase in activity during 3Q18 and into 4Q18
- Activity within major mining areas is robust
- Major, intermediate and junior companies well-funded with increased budgets
- There remains a fundamental need to replace diminishing resources and reserves
- REFLEX instruments on hire at 31 March 2018, 14% up on pcip
- Strategic positioning to achieve sustainable earnings growth for shareholders
- Option to acquire CoreVIBE<sup>TM</sup> and MagHAMMER<sup>TM</sup> drilling productivity technologies
- Robust balance sheet – ability to drive organic and transformational growth within mining value chain



# Appendices

# Global Leader

## Exploration, Development & Mining



<b>Economies of scale</b>	Scale and efficiency that comes from being the leading provider of subsurface intelligence solutions to the exploration, development and mining markets globally
<b>Leading brands and strong reputation</b>	AMC and REFLEX are the world's leading brands with strong market share and a first class reputation for innovative solutions and reliable supply
<b>Barriers to entry</b>	High barriers to entry due to specialised knowledge, in-field personnel, global reach and product/service complexity
<b>Market leadership in technology</b>	Market leaders in technology and innovation. Through the cycle investment in R&D and innovation. R&D centres of excellence in California and Australia
<b>Strong client relationships</b>	Strong and longstanding client relationships with service providers and resources companies
<b>Robust balance sheet</b>	Clean balance sheet with net cash position
<b>Global footprint/ connectivity</b>	Unrivalled scale, facility footprint and market presence and connectivity to service clients in multiple jurisdictions regionally and globally.

### **Substantial competitive advantage**

# Board of Directors

Professional expertise, business experience & technical knowledge



**Mr Anthony Wooles** BCom, MBA (Finance)

- Non-Executive Chairman
- Appointed to the Board 1 July 2016



**Mr Bernard Ridgeway** B.Bus (ACCTG) ACA

- Managing Director
- Appointed to the Board 23 May 2000



**Mr Kevin Dundo** BCom, LLB

- Non-Executive Director
- Appointed to the Board 14 January 2004



**Ms Sally-Anne Layman** B Eng (Mining), Hon, BCom

- Non-Executive Director
- Appointed to the Board 6 February 2017



**Mr Ivan Gustavino** B.Bus

- Non-Executive Director
- Appointed to the Board 1 July 2015

# Company Snapshot

As at 29 March 2018

## Corporate Information

ASX listed		IMD
Share price (29 March 2018)	A\$	1.18
Issued shares	m	367.5
Market cap (29 March 2018)	A\$m	433.6

## Share register Analysis of top 50 shareholders at 29 March 2018

Institutions	70.0%
Employees, directors & company related parties	2.68%
Corporate holders	0.01%
Private shareholders	6.38%
Brokers & banks	13.95%

## Share Price



## Largest shareholders March 2018

	Shares (m)	%
Fidelity Investments	35.6	9.68
Perennial Value Management	31.7	8.62
Wilson Asset Management	24.8	6.74
L1 Capital	17.0	4.62
Morgan Stanley - UK	15.1	4.11

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