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IMDEX™
REAL-TIME SUBSURFACE SOLUTIONS

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14 March 2019

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

Dear Sir/Madam

Euroz Rottnest Forum Presentation

Please find attached the Euroz Rottnest Forum Presentation to be presented later today.

Yours faithfully
Imdex Limited

Paul Evans
Company Secretary

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IMDEX Euroz Rottnest Presentation

Bernie Ridgeway – Managing Director

Paul Evans – CFO & Company Secretary

Paul House – Chief Operating Officer

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IMDEX™
REAL-TIME SUBSURFACE SOLUTIONS

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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.

Leading Global METS Company

Unique competitive position

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Delivering Value to Clients

Technical leadership & integrated IMDEX solutions

IMDEX™
REAL-TIME SUBSURFACE SOLUTIONS

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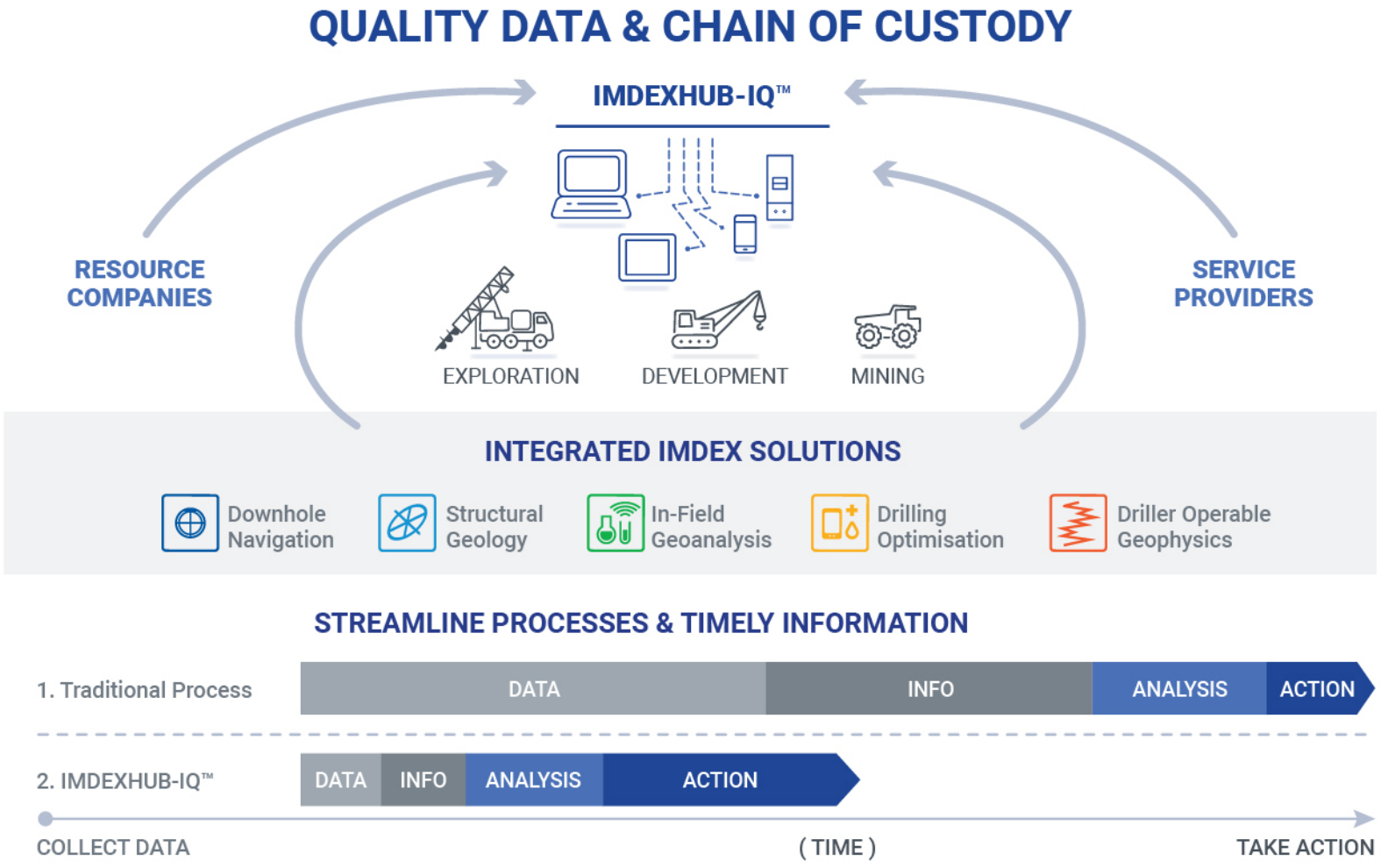

Key Financial Metrics

31 December 2018

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	1H19 $m	1H18 $m	VAR $m	VAR%
Revenue	125.0	104.7	20.3	19% ▲
EBITDA	25.2	20.1	5.1	25% ▲
NPAT	13.5	10.6	2.9	27% ▲
EPS (cents)	3.65	2.89	0.76	26% ▲
Operating cash flow	19.0	2.1	16.9	805% ▲
Fully-franked interim dividend declared (cents)	0.8	-	0.8	-

- Significant uplift in all key financial metrics

Revenue by Region

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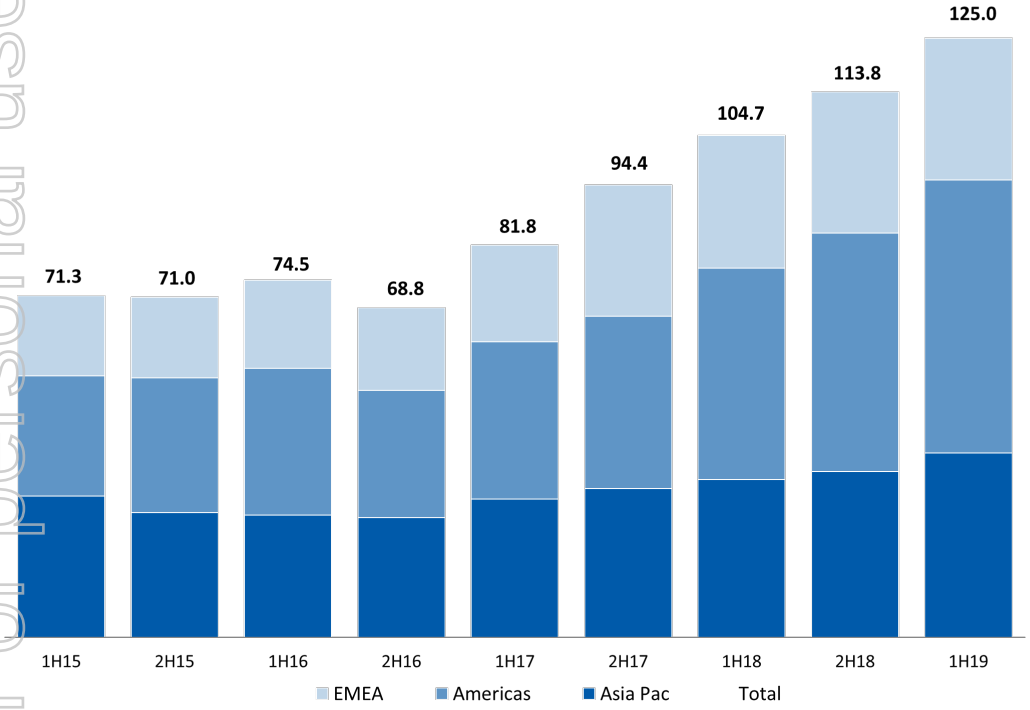
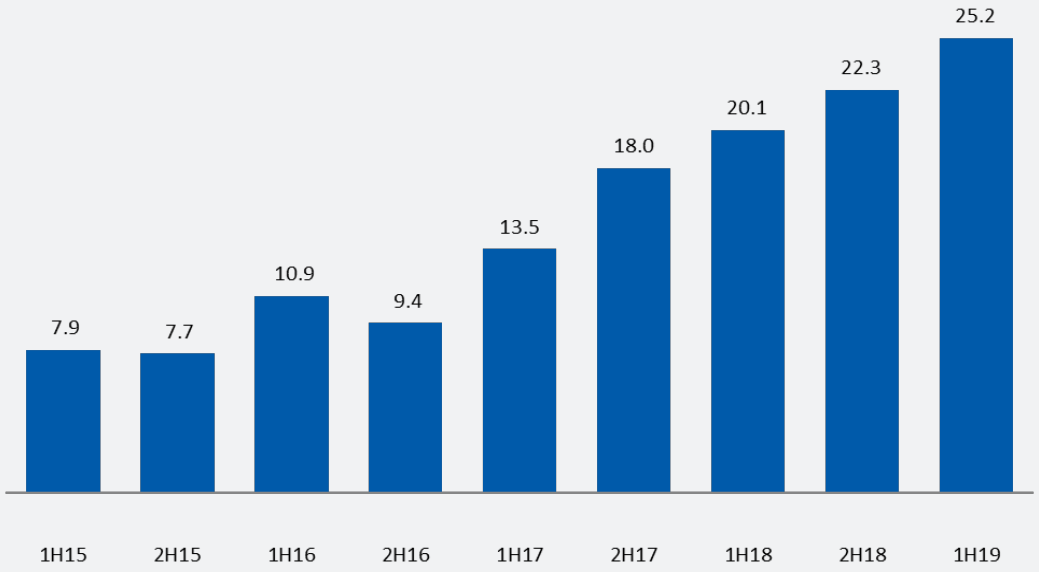


Minerals revenue only ($m)

- 1H19 revenue up 19% on 1H18
- Increasing activity globally, albeit, at a slower rate (S&P: CY19 ~5% - 10%)
- FY19 January / February revenue up on pcp
- Improving quality and benefits of rental fleet – generally commands higher rates

EBITDA



1H19 EBITDA up 25% on pcp

- Strong earnings growth over last 2-3 years
- Gross margins have been maintained
- Net investment in transformational initiatives* forecast to be ~$8.0m for FY19. This investment is expected to reduce substantially from FY20 – a component will cease and the balance will largely be off-set by additional revenue
- **Drill & Blast project; COREVIBE™ and MAGHAMMER™ technologies; and internal digital transformation*

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Balance Sheet

As at 31 December 2018

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$m	31 DEC 18	30 JUN 18
Cash	26.8	13.9
Receivables	46.5	49.3
Inventory	37.7	33.6
Fixed assets	38.1	36.5
Intangibles	59.6	59.5
Other assets / deferred tax	32.9	33.3
TOTAL ASSETS	**241.6**	**226.1**
Payables	24.0	26.4
Bank loans	6.1	5.9
HP finance	0.1	0.2
Other liabilities, provisions, current tax	8.6	7.5
TOTAL EQUITY	**202.8**	**186.1**

- Robust balance sheet
- Conservatively geared with strong net cash position $20.6m
- Receivables exceeded payables by 94%
- Net asset position improved further as at 31 December 2018
- Fully-franked interim dividend declared of 0.8 cents per share – 22% 1H19 NPAT payout ratio
- Committed to sustainable dividend policy – investing in core R&D and transformational initiatives

Working Capital

Positive cash flow conversion

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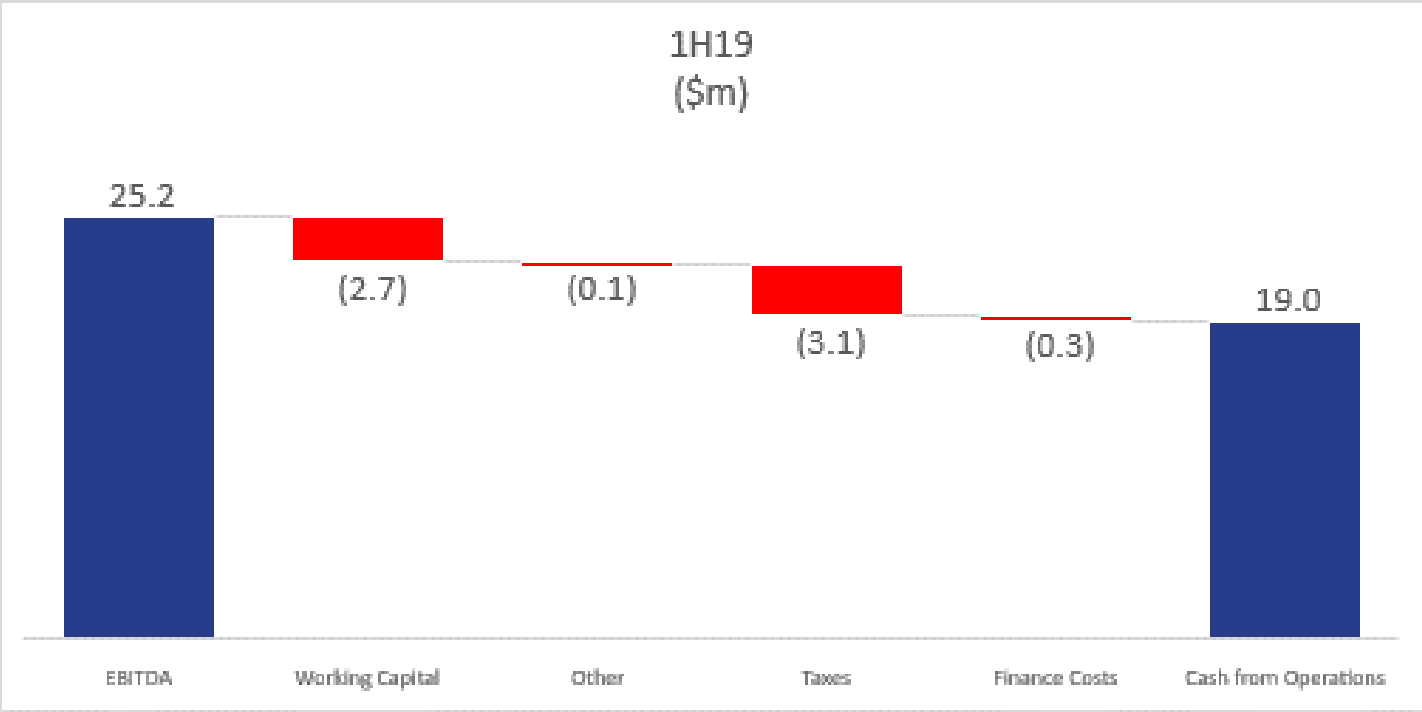

- Cash flow from operations improved substantially on pcp
- Normal working capital investment ratio of 30c to 35c for every incremental dollar of revenue expected for full year

World Mineral Exploration

Review and outlook

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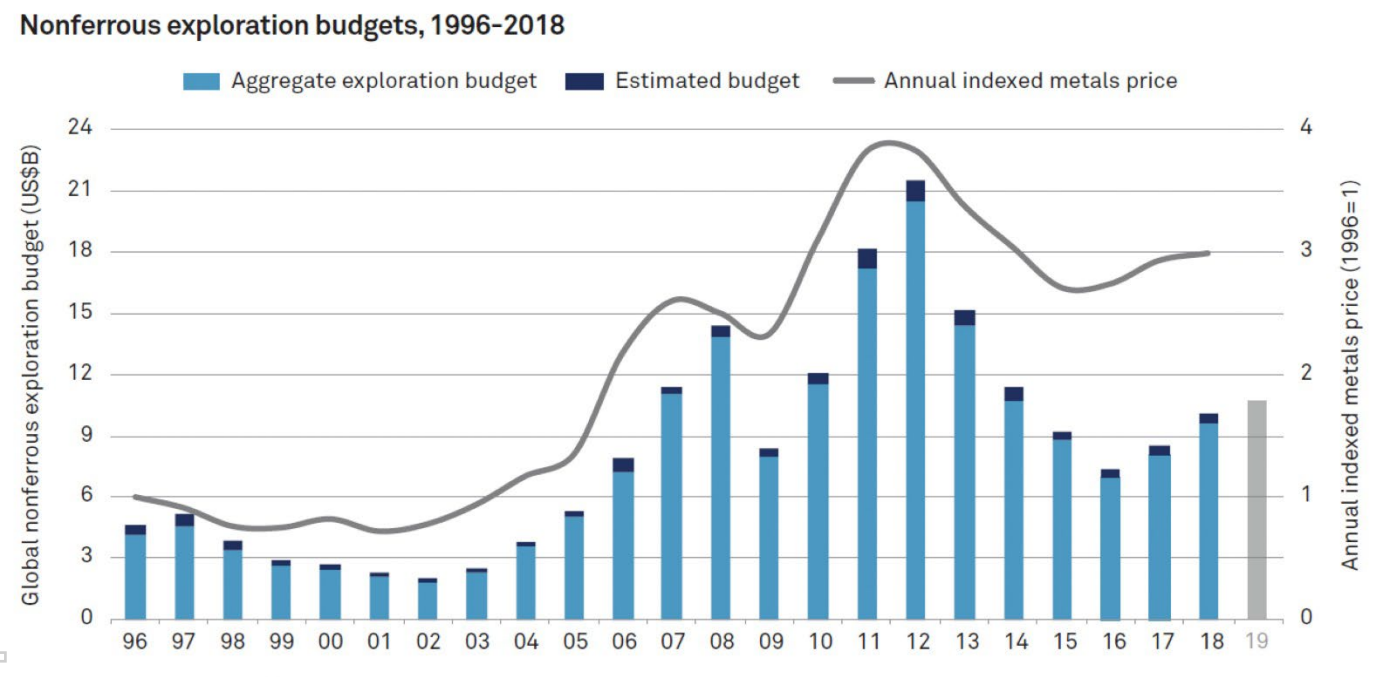

Source: S&P Global Market Intelligence

S&P forecast 5% - 10% Increase in CY19 over CY18

- CY16 the low point in the cycle
- The new cycle is expanding at a measured rate
- Commodity prices support investment in exploration/development

World Mineral Exploration

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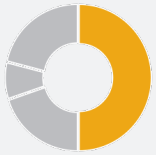
World Exploration Trends 2018
in Numbers

US$10.1
billion budget total; growth of 20%

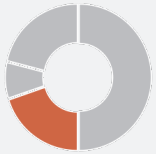
1,651
companies with budgets

5-10%
forecast increase in 2019; a third consecutive year

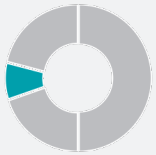
50% targeting gold



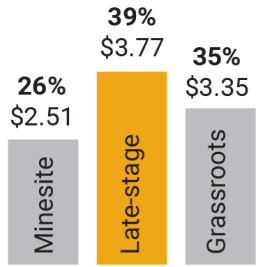
22% targeting copper



7% targeting lead zinc

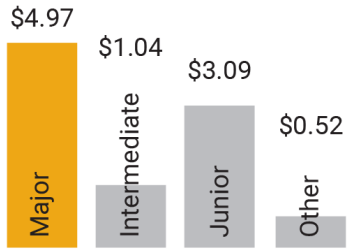


Grassroots lags late stage still (US$B)



0.5%
revenue reinvested into grassroots exploration

Majors still dominate exploration spend (US$B)

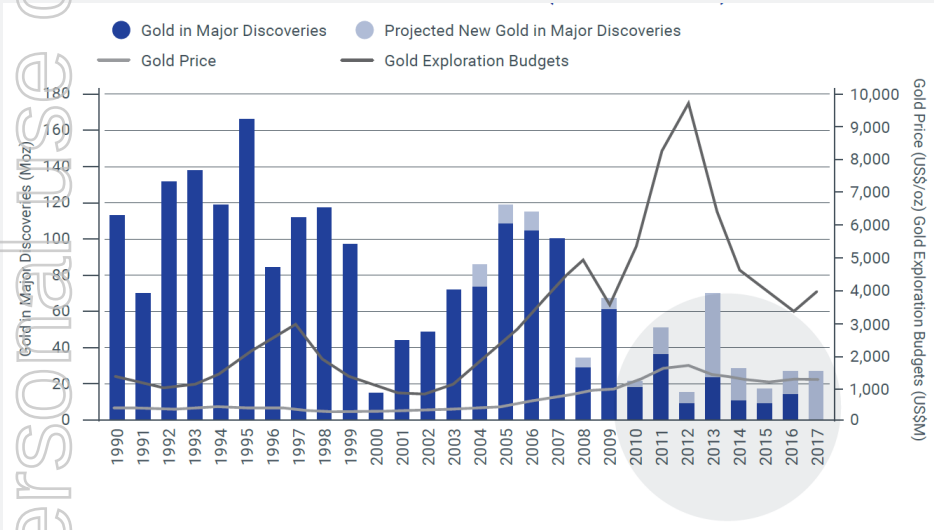


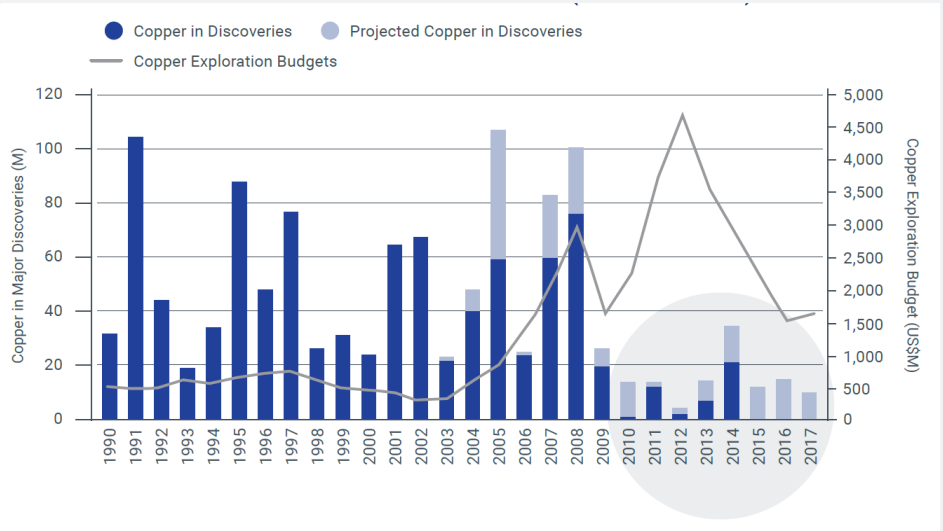
US$2.9 billion
raised primarily for exploration in 2018

Source: S&P Global Market Intelligence- March 2019

Major Discoveries

Gold and Copper 1990 – 2017





Source: S&P Global Market Intelligence

Dearth of recent discoveries – easy deposits have been found

License to operate is an increasing challenge

New mines – **under ground cover, deeper, more drilling**, higher costs and longer development times

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Market Overview

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- Steady increase in exploration budgets and activity globally – albeit at a slower pace – S&P 5% - 10% for CY19
- Macro geopolitical concerns – tapering global growth and the US / China trade tensions – are impacting capital markets
- The ability for juniors to raise funds is challenging, particularly in Canada
- Base metal prices are relatively robust – gold remains strong
- Major explorers are focusing on brownfield projects
- Majors have highlighted opportunities to find new deposits under ground cover and at depth
- Importance of drilling productivity technologies and innovation to lower costs, increase productivity and safety

Growth Strategy

High-level overview

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We have a clear objective of delivering **sustainable earnings growth** for our shareholders via a two-tiered strategy, which includes organic and transformational growth.

Organic growth focuses on protecting and growing our core business, while maintaining and enhancing our technical leadership.

Transformational growth is extension into new market segments within exploration, mining and production including: drilling productivity (COREVIBE™ and MAGHAMMER™); and Drill & Blast (IMDEX Mining Solutions).

Transformational Growth

COREVIBE™ & MAGHAMMER™ – Drilling Productivity

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- Entered Secondary Option Period to progress COREVIBE™ & MAGHAMMER™ towards commercialisation
- Strong demand from drilling contractors and resource companies, and successful trials at IMDEX's test site in New Zealand
- Controlled testing of COREVIBE™ concluded a productivity increase of 33% - results were validated by SGS
- COREVIBE™ commercial prototypes trialled with clients by end of FY19. MAGHAMMER™ commercial prototype trials will follow in 1H20

If option is exercised, technologies are expected to provide additional global revenue and earnings from FY20 and be earnings accretive within 12 months of the exercise date

Transaction structure allows for comprehensive testing and market acceptance before committing to purchase

Drill & Blast

IMDEX Mining Solutions

- Project designed to increase mine to mill efficiency for clients
- Progressing well, commercial prototypes expected to be trialled in-pit with clients during 2H19
- Strong support from industry partners including: Orica; Anglo American; Teck Resources; and METS Ignited
- Potential to provide IMDEX additional global revenue, which is more sustainable throughout the cycles, from FY20

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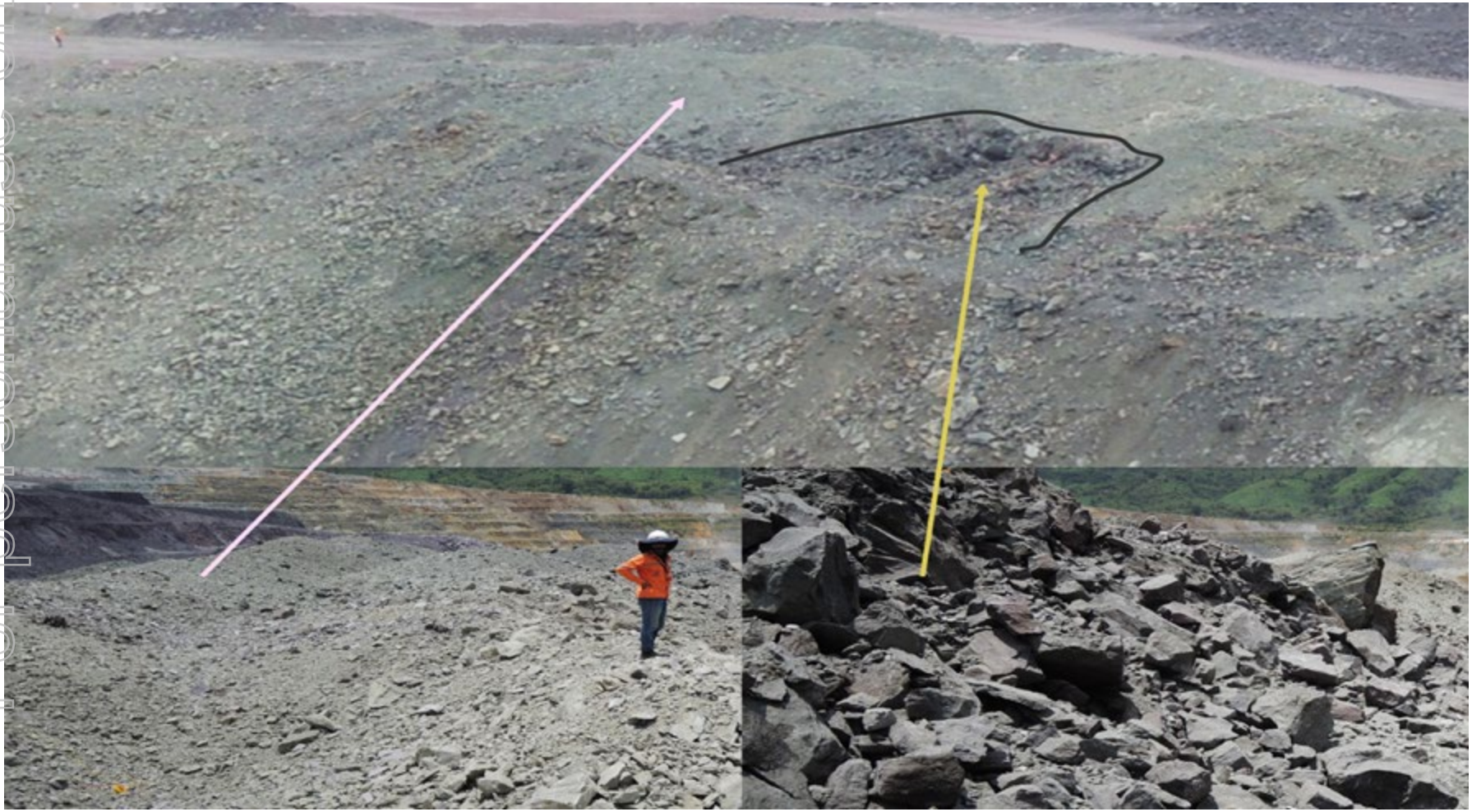
Common Challenges
Variability of Fragmentation



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Common Challenges

Structure / fault lines

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The Solution

Material characterisation

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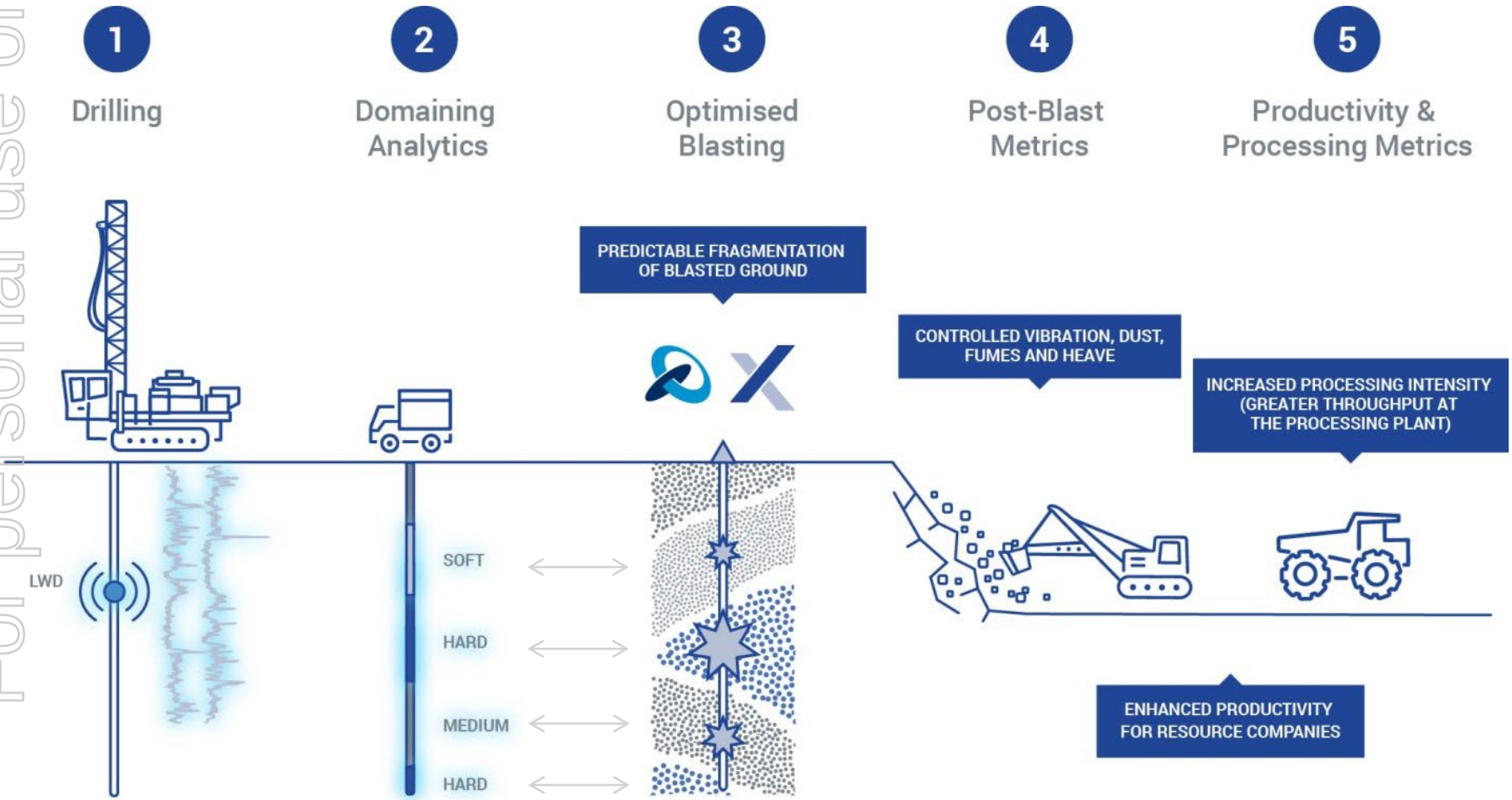

End-to-End Solutions

Operating across the mining value chain

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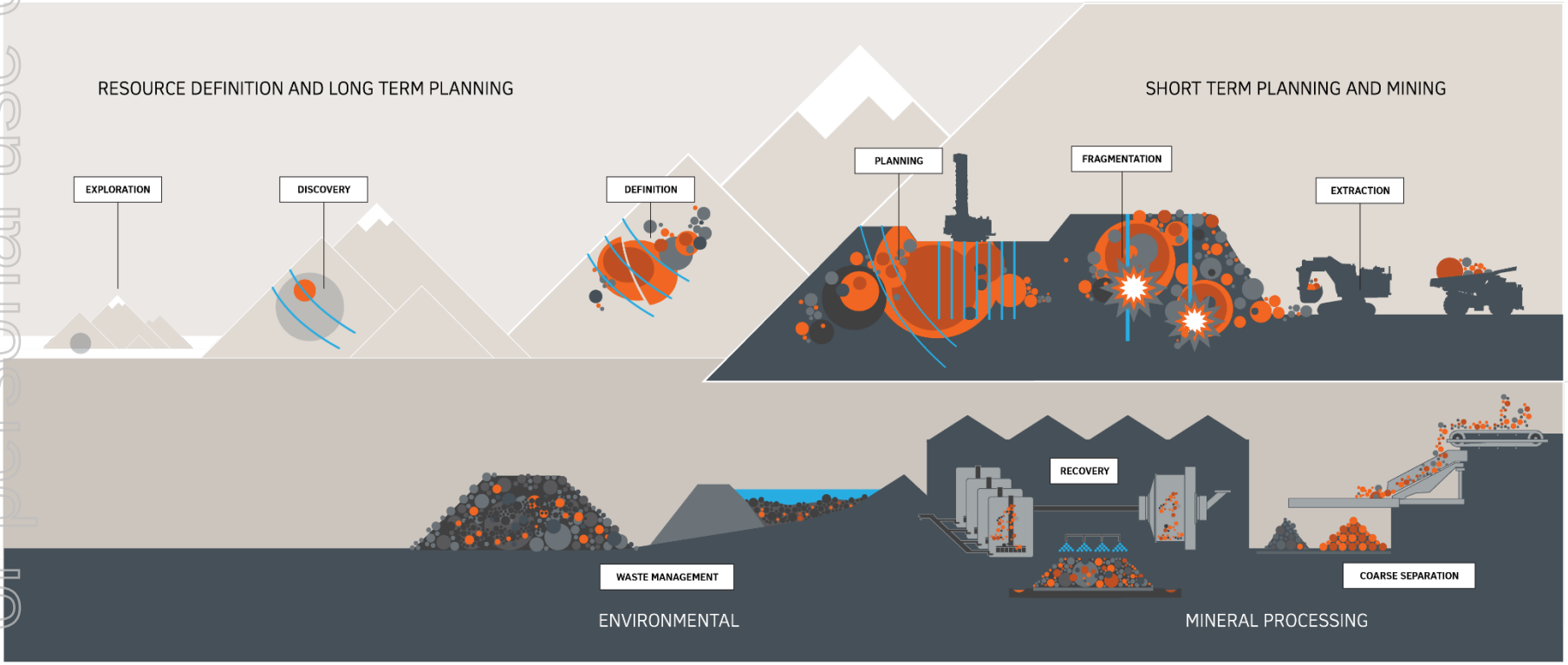

Source: CRC-ORE

1H19 Summary & Outlook

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- Benefiting from steady recovery in exploration spend
- Strong earnings growth over last 2-3 years – 1H19 increased revenue by 19% and EBITDA by 25%
- Fully-franked interim dividend declared of 0.8 cents per share
- Strong cash conversion and robust balance sheet – 1H19 net cash position of $20.6m
- Entered Secondary Option Period to progress COREVIBE™ and MAGHAMMER™ towards commercialisation – expected to generate additional revenue and earnings from FY20
- Entry into the less cyclical production stage of mining cycle via Drill & Blast Project – commercial prototypes to be trialled in-pit with clients during 2H19

1H19 Summary & Outlook

Continued

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- Continuing to enhance technical leadership – delivering additional benefits (not commoditised consumables) to clients via integrated solutions
- Positioned to benefit from long-term industry dynamics – resources depleting, declining ore grades and new discoveries likely to be under ground cover and at depth
- Increasing industry demand for drilling productivity technologies and innovation to lower costs, increase productivity and safety
- Strong position to leverage unique competitive position as a leading METS company with established global platform
- Experienced management team focused on achieving sustainable earnings growth for shareholders

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Appendices

Established Global Business

Operational leverage – we are where the money is being spent

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Core Product Development

Protecting and growing market share

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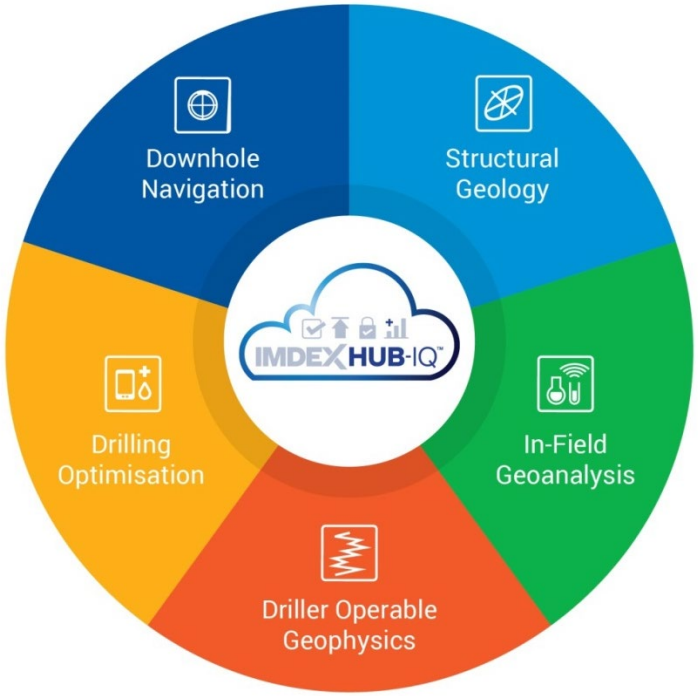
Our ongoing investment in core product R&D ensures we maintain and enhance our technical leadership and protect and grow our market share.



- World-class R&D facilities and excellent internal capabilities
- Market leading global brands – AMC and REFLEX
- Products and proprietary technologies have a reputation for quality and ease-of-use
- IMDEXHUB-IQ™ – enables real-time information
- IMDEX / Seequent partnership allows real-time 3D visualisation
- Unique integrated IMDEX solutions provide additional value to clients across their projects' lifecycles

Organic Growth

Real-time 3D visualisation for minerals drilling projects

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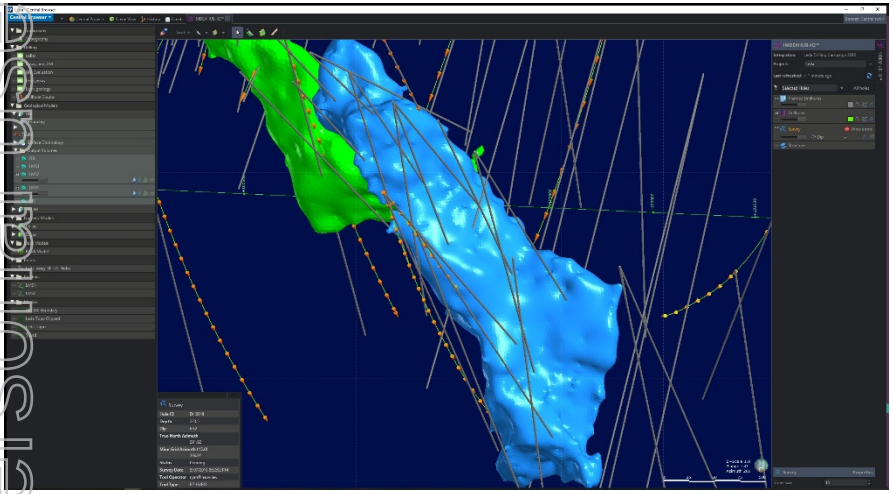

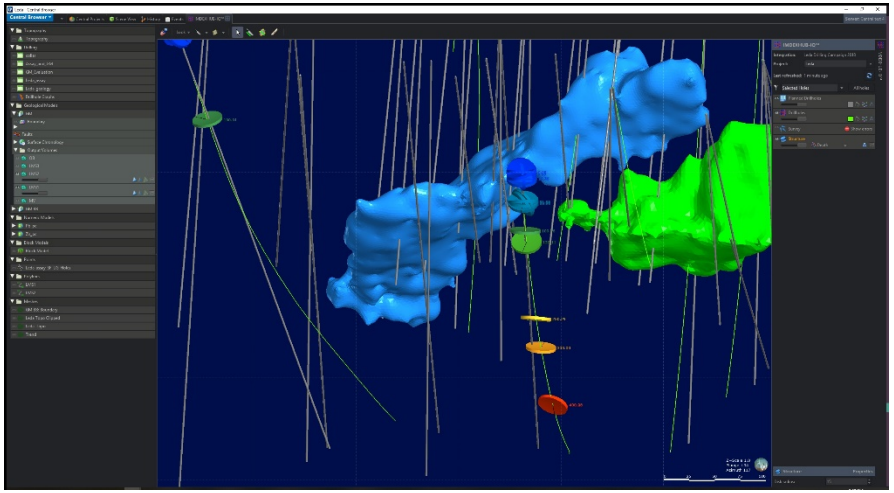

COREVIBE™

Client benefits

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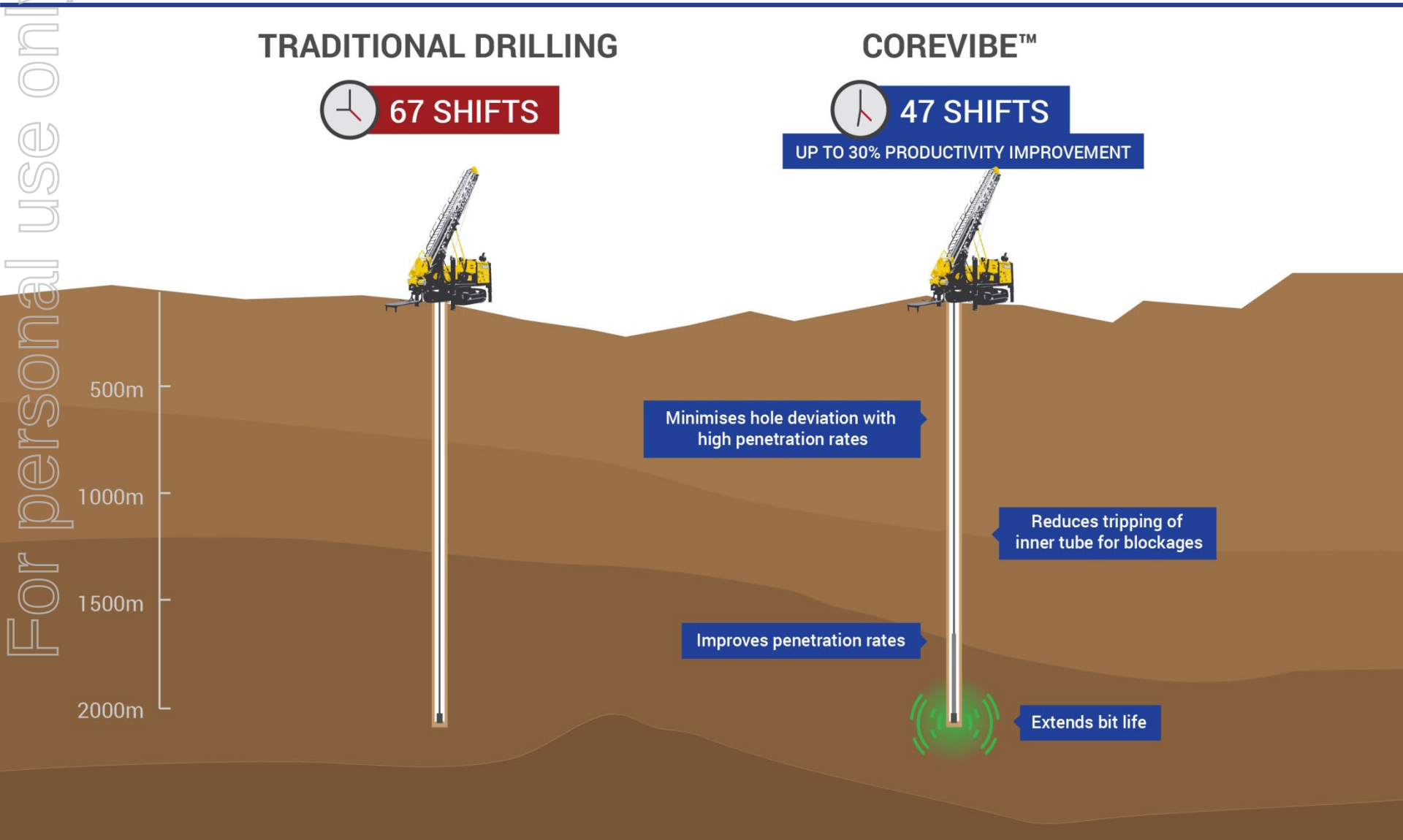

MAGHAMMER ™

Client benefits

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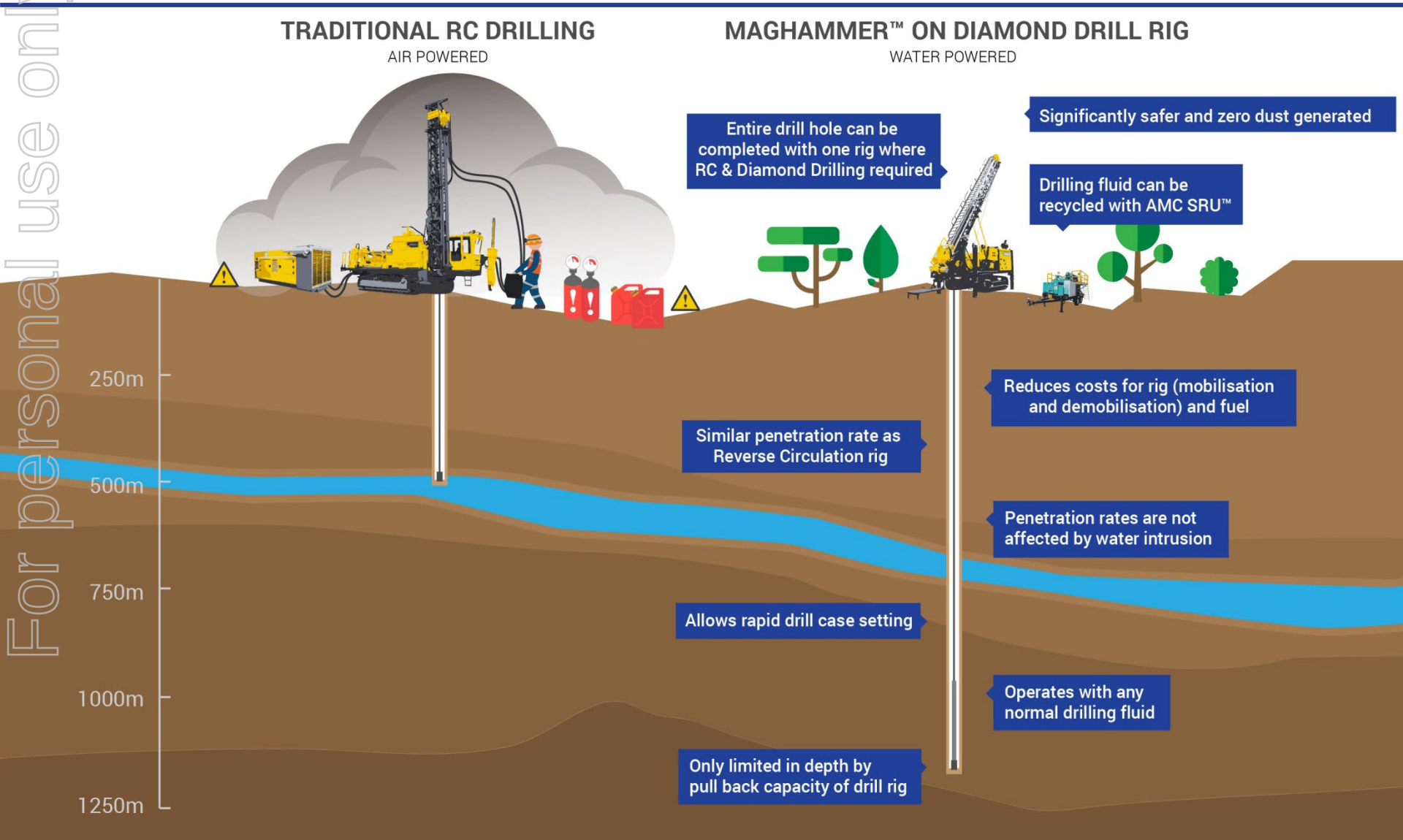

Company Snapshot

As at 31 December 2018

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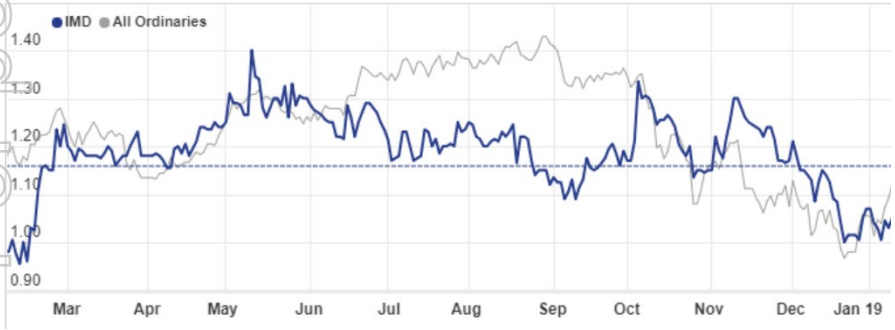
Corporate Information		
ASX listed		IMD
Share price	$	1.07
Issued shares	m	376.3
Market cap	$m	402.6

Share Register Analysis of top 50 Shareholders	
Institutions	66.85%
Employees, directors & company related parties	3.27%
Corporate holders	0.01%
Private shareholders	5.78%
Brokers & banks	13.27%

Share Price – 12 month Trend



Largest Shareholders	Shares (m)	%
Perennial Value Management	45.98	12.22
Fidelity Investments – US	25.81	6.86
L1 Capital	16.49	4.38
Morgan Stanley & Co International Ltd	15.33	4.08
BT Investment Management	14.37	3.82

Board of Directors

High-functioning team

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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

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