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13 June 2019

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

Dear Sir/Madam

**Morgan Stanley Conference Presentation**

Please find attached the Morgan Stanley Conference Presentation to be presented later 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 Presentation

## Morgan Stanley Conference

PAUL HOUSE - CHIEF OPERATING OFFICER  
PAUL EVANS - CFO & COMPANY SECRETARY  
13 JUNE 2019

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**IMDEX**<sup>TM</sup>

A leading Mining-Tech Company.  
Enabling successful and  
cost-effective operations,  
from exploration to extraction.



# IMDEX at a Glance

A leading Mining-Tech company



Outperforming market growth

Exciting pipeline of new technologies

Compelling opportunities for sustainable revenue and earnings growth

MARKET CAP

**\$402.6m**

67% INSTITUTIONAL INVESTORS

AS AT 31 DEC 2018

STRONG MARKET PRESENCE ON

**70%**

OF MINERAL RIGS GLOBALLY

MINING VALUE CHAIN – ONLY COMPANY WITH END-TO-END TECHNOLOGY PORTFOLIO

REVENUE CAGR

**22.5%**

FY16 – FY18

1H19 EBITDA MARGIN

**20%**

1H19 BALANCE SHEET – STRONG NET CASH POSITION

**\$20.6m**

# What Our Technologies Do

Enable successful cost-effective operations

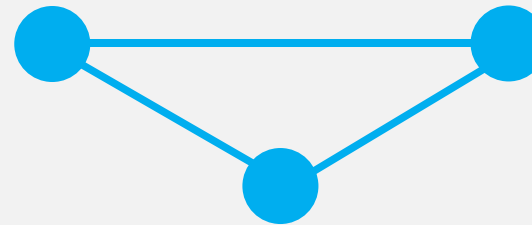


“We develop cloud-connected devices and drilling optimisation products to improve the process of identifying and extracting mineral resources globally. It’s about drilling faster and smarter and knowing your rocks in real-time.”

DR MICHELLE CAREY GENERAL MANAGER - IMDEX PRODUCT DEVELOPMENT

## Drilling Faster & Smarter

- Drilling productivity and rig alignment technologies
- Automated and remote drilling fluid testing technologies
- Data collection and paperless reporting software



## Receiving Real-Time Information

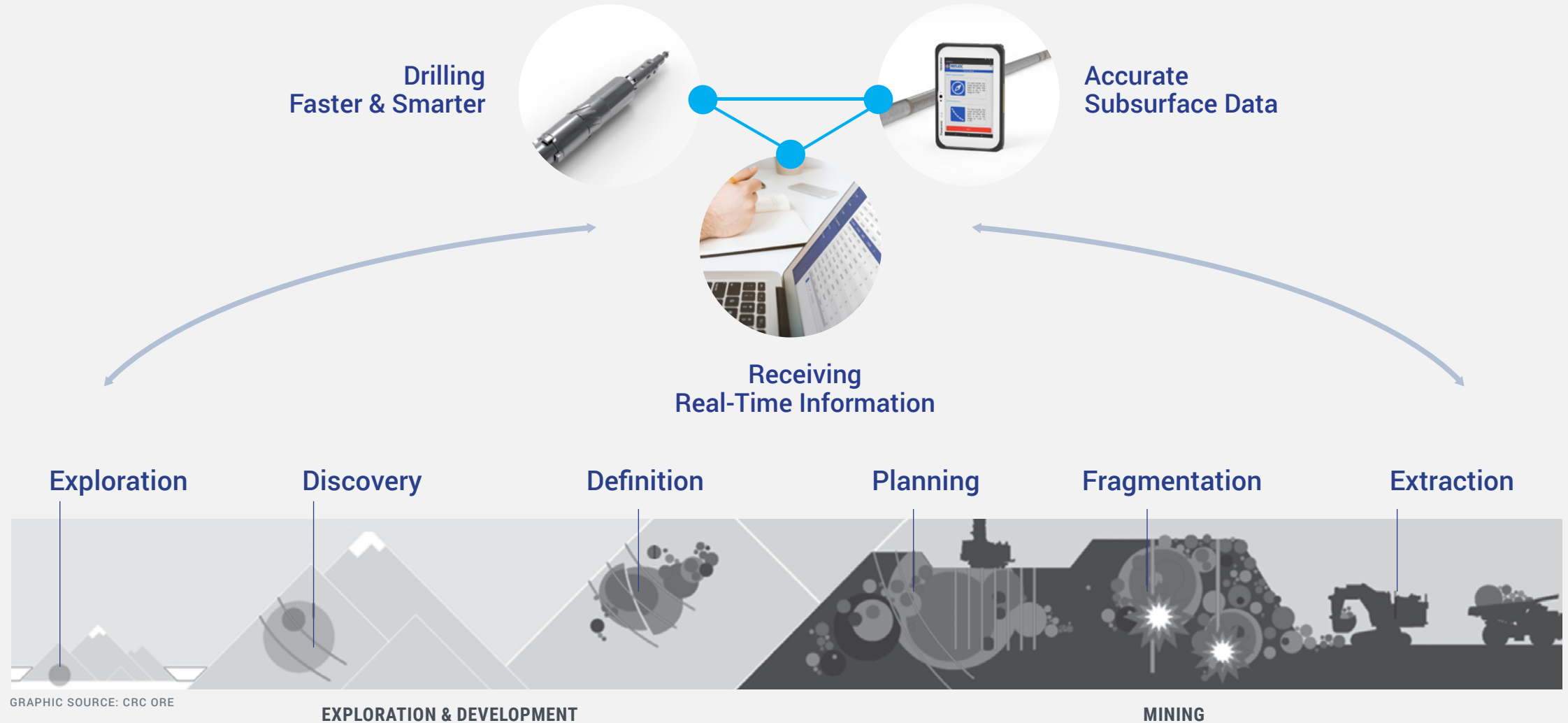
- Secure cloud-based services
- Real-time subsurface visualization
- Interpretive software – geological data

## Accurate Subsurface Data

- Downhole survey sensors
- Core orientation and gamma logging technologies
- In-field sampling and analysis technologies

# Technology Portfolio

Applicable across whole mining value chain



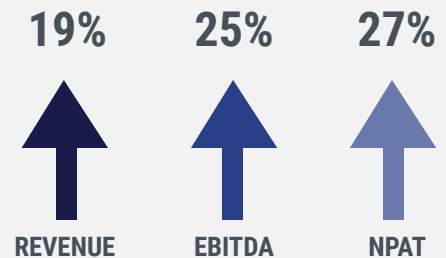
# Key Metrics

## A strong financial platform



|                                | FY17<br>\$m | FY18<br>\$m | 1H19<br>\$m |
|--------------------------------|-------------|-------------|-------------|
| Revenue                        | 176.2       | 218.5       | 125.0       |
| EBITDA                         | 31.5        | 42.4        | 25.2        |
| NPAT                           | 3.7         | 21.1        | 13.5        |
| EPS (cents)                    | 1.1         | 5.7         | 3.6         |
| Operating cash flow            | 13.1        | 15.9        | 19.0        |
| Fully-franked dividend (cents) | -           | -           | 0.8         |
| EBITDA margin                  | 18%         | 19%         | 20%         |
| Net cash                       | 12.2        | 7.8         | 20.6        |

### 1H19 FINANCIAL PERFORMANCE (V 1H18)



MAINTAINED GROSS MARGINS

STRONG NET CASH  
POSITION

**\$20.6M**



# Revenue

## Growth outpacing tool fleet growth



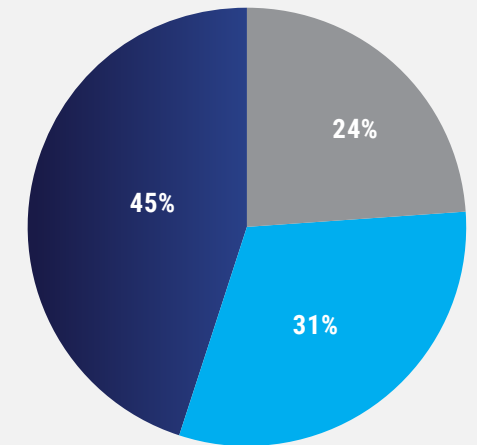
### Revenue

3Q FY19 up on 3Q FY18

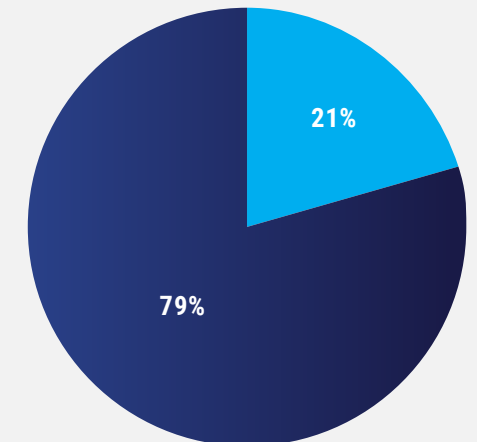
MAINTAINED GROSS MARGINS

- More advanced instrumentation and technologies deliver greater benefits to clients
- A greater proportion of newer tools in the fleet – 3 to 5x the revenue of older generation tools
- 30% of applicable tools – cloud-enabled
- 143 clients receiving cloud-enabled data
- Strong IP protection

### 1H19 REVENUE BY REGION



### 1H19 REVENUE BY PHASE





# Compelling Opportunities



**INDEX**<sup>TM</sup>

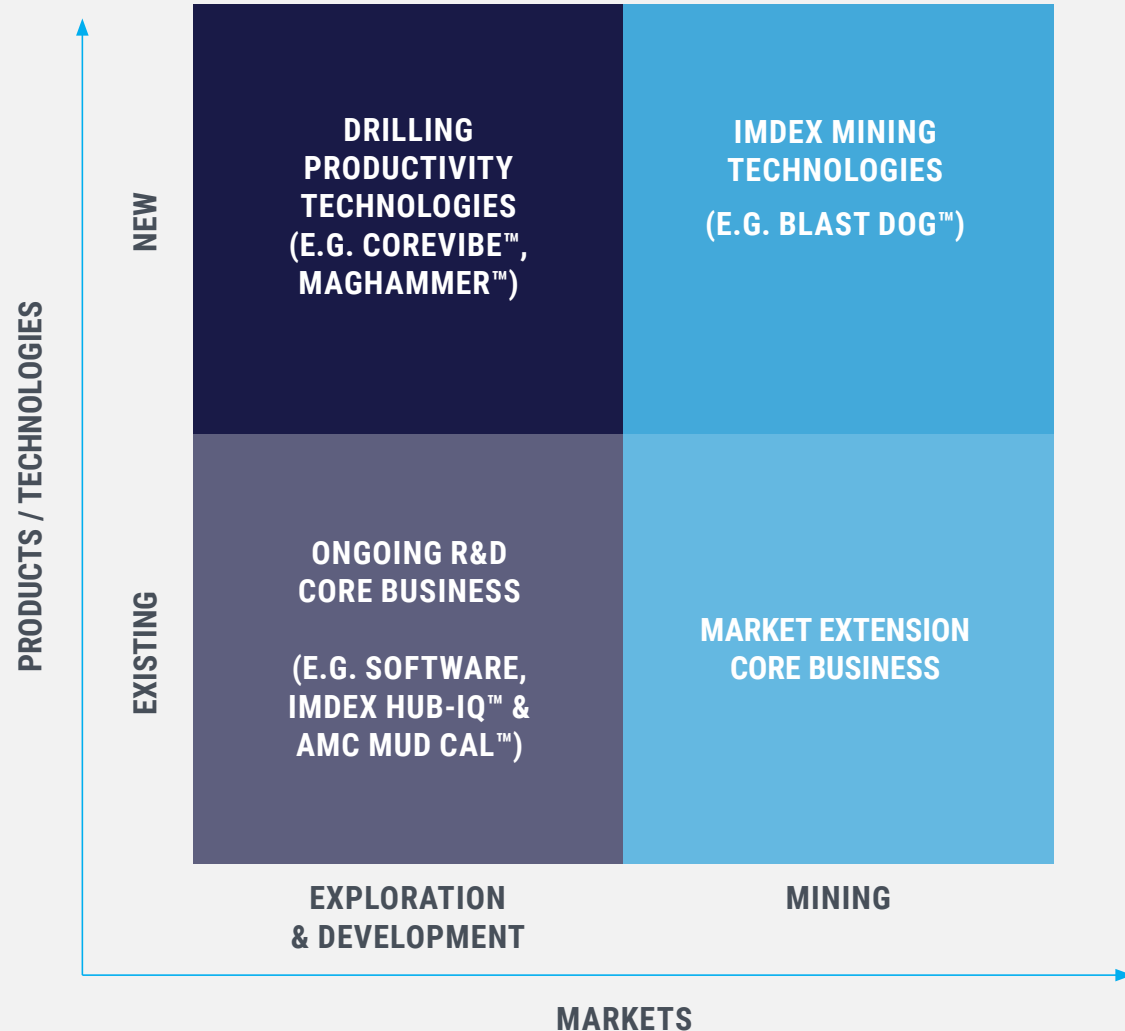
# Growth Strategy

Compelling opportunities for sustainable growth



Protect and grow core business by: enhancing technical leadership; technical integration; and increasing share of wallet

Extension into larger adjacent mining market to create an additional revenue stream which is less cyclical



# Exploration & Development Segment Priority Projects



## COMMERCIALISE DRILLING PRODUCTIVITY TECHNOLOGIES – COREVIBE™ AND MAGHAMMER™

- Attractive addressable market  
COREVIBE™ ~ 1800 coring rigs
- Strong industry demand for greater productivity - from drilling contractors and resource companies
- Unique technologies with strong IP protection
- Will not cannibalize existing product offering
- Ability to generate additional rental revenue per month
- Ability to leverage existing cost base, client network and infrastructure globally
- Manufacturing and distribution fits well within capabilities

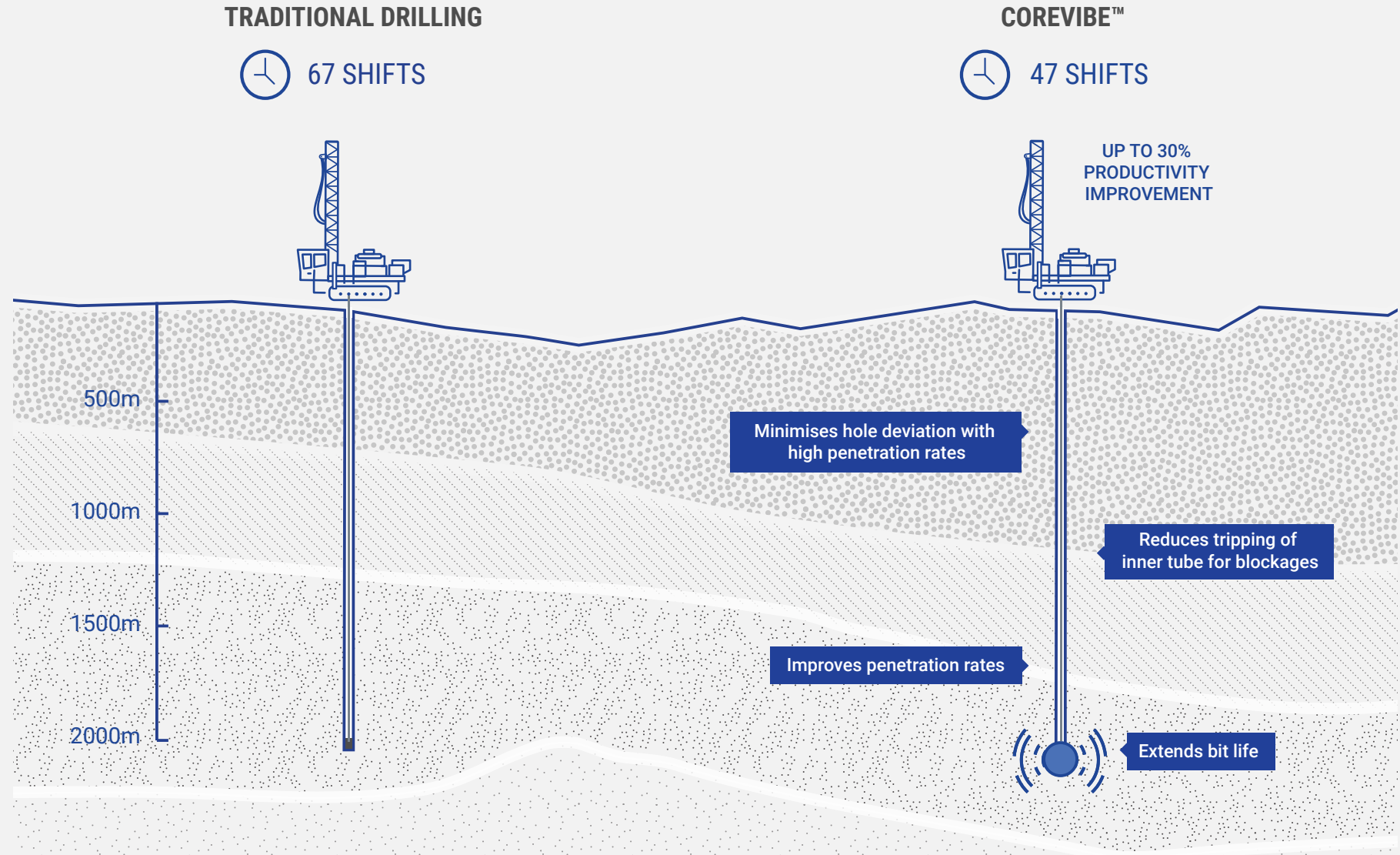


# COREVIBE™

## Significant productivity gains for clients



**HIGH FREQUENCY  
PULSE ASSISTED  
DRILLING FOR  
WIRELINE CORING  
OPERATIONS**

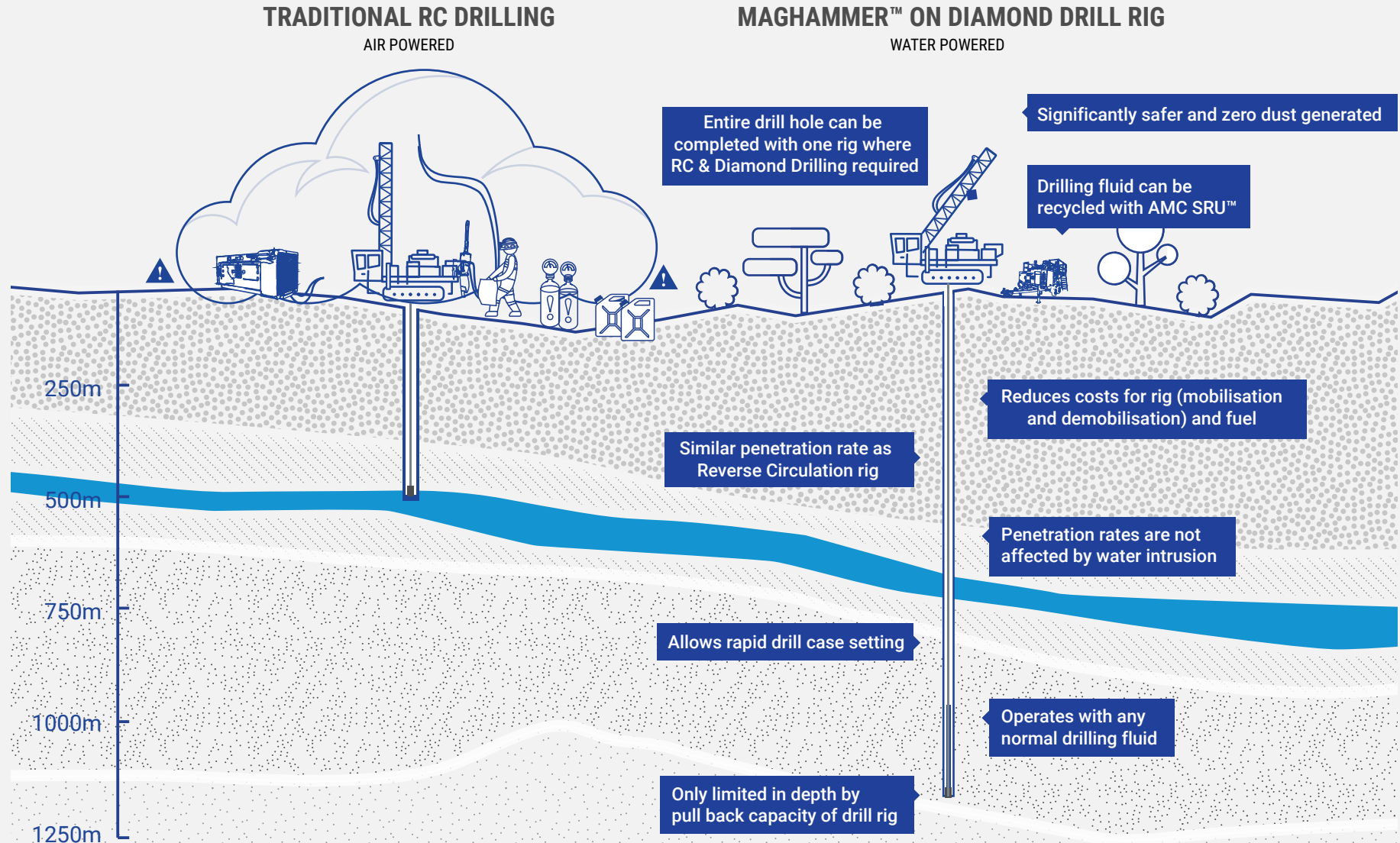


# MAGHAMMER™

## Significant productivity & safety benefits for clients



### FLUID DRIVEN PERCUSSIVE DRILLING ON A DIAMOND DRILL RIG



# Mining Segment Priority Project



## COMMERCIALISE BLAST DOG™ TECHNOLOGY

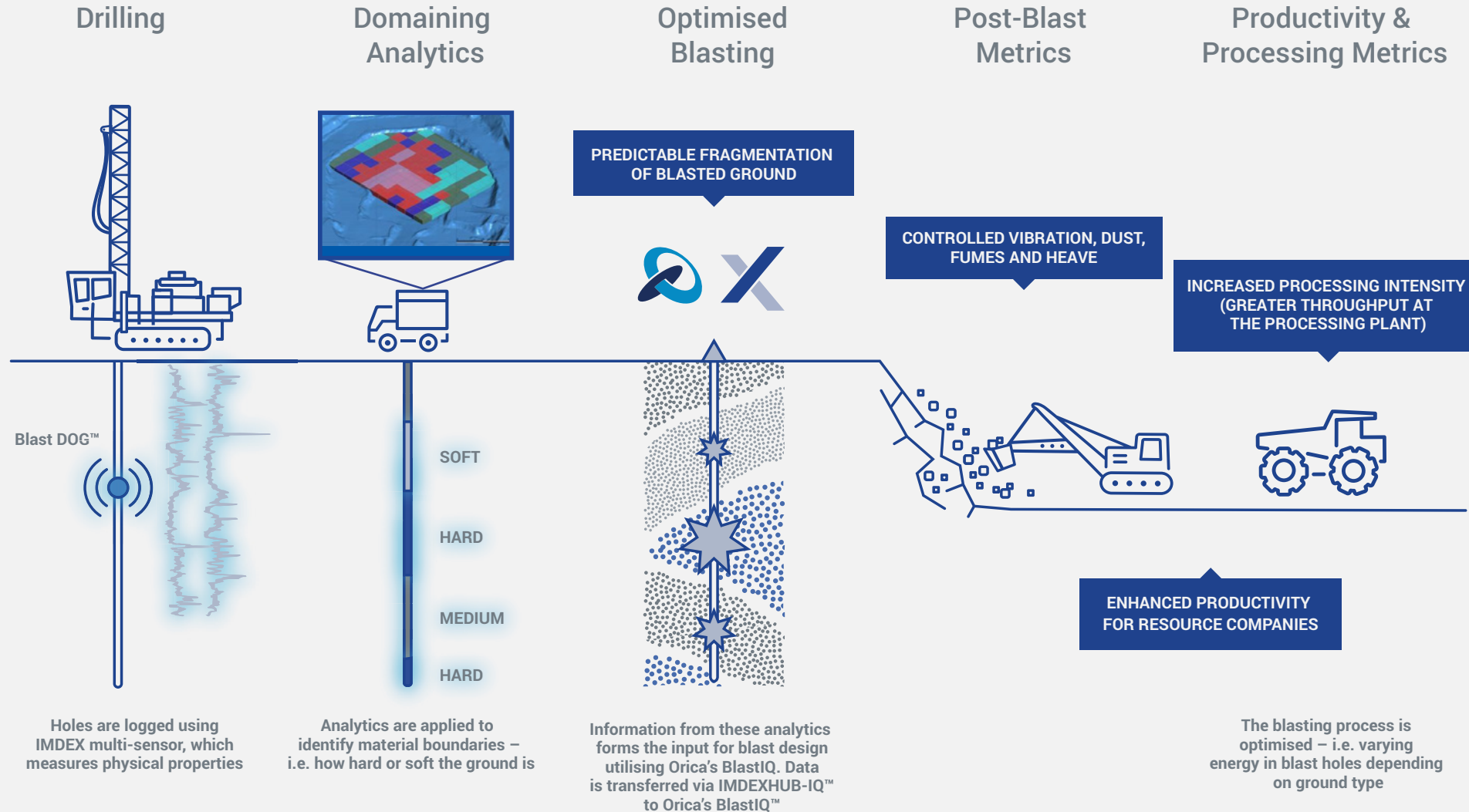
- Substantial addressable market, ~6000 blasts per day
- Strong demand for productivity increases
- Limited technology risk – leverages existing technology and engineering expertise
- Strong support from industry partners – Orica, Anglo American and Teck Resources
- Potential to provide additional sustainable rental revenue
- Ability to leverage existing cost base and infrastructure globally





# Blast DOG™

## Optimised blasting and material tracking

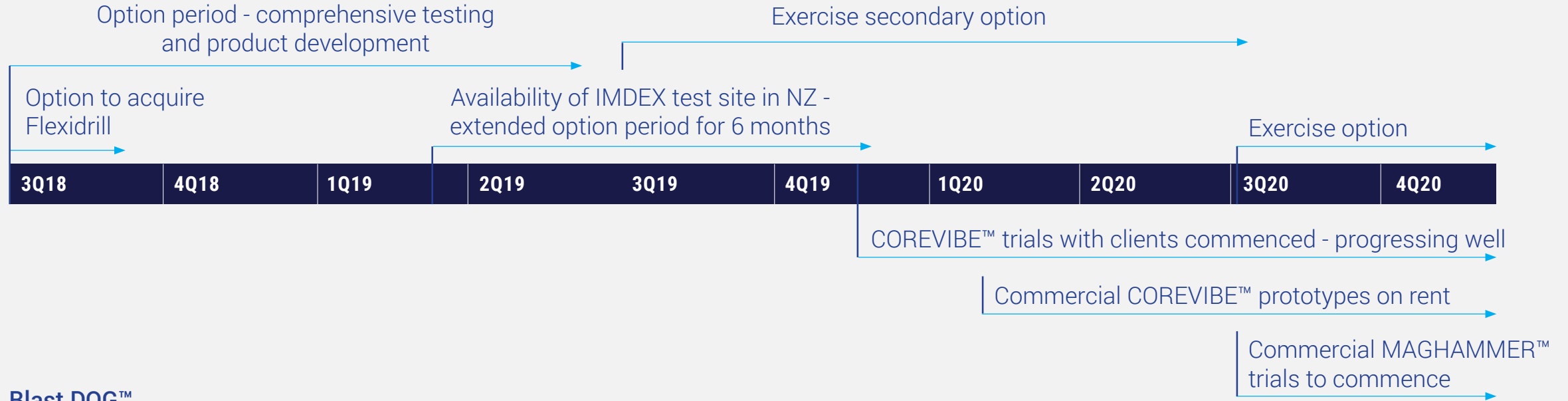


# On Track to Deliver New Technologies

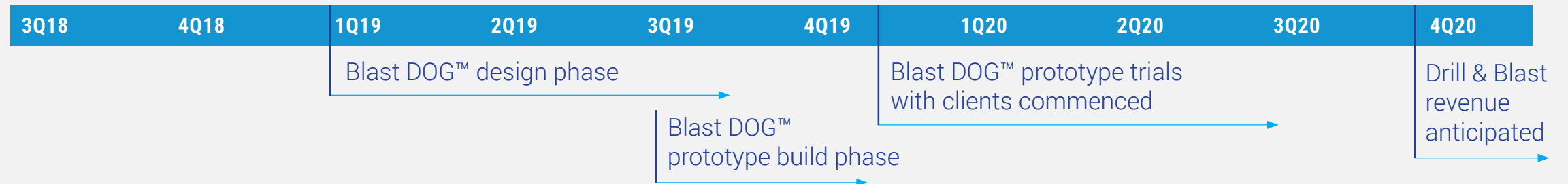
## Additional revenue and earnings from FY20



### COREVIBE™ & MAGHAMMER™

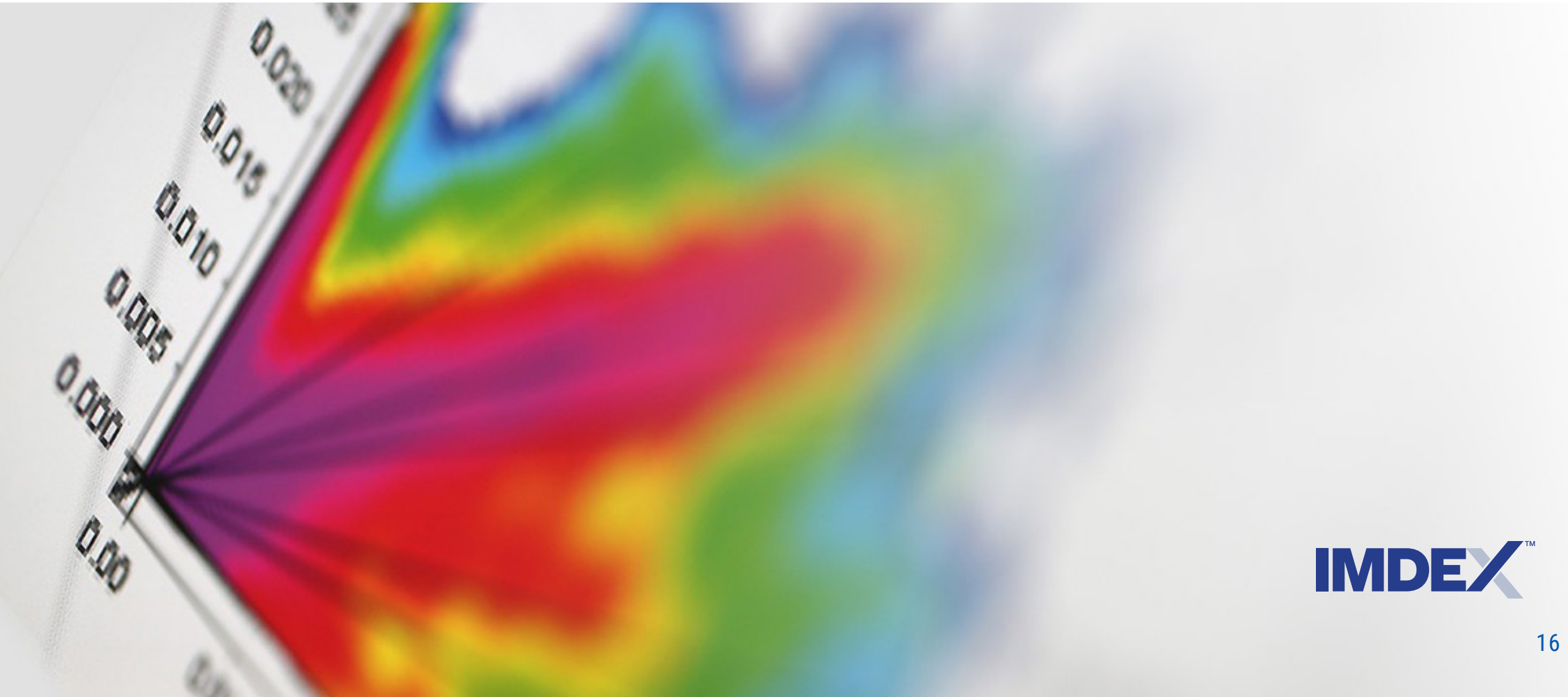


### Blast DOG™





# Outlook & Summary



# Industry Outlook

## Longer-term opportunities



- S&P forecast non-ferrous exploration budgets to increase 5% - 10% for CY19
- Mining production levels and commodity market fundamentals remain positive
- Dearth of recent discoveries
- Opportunities to find new deposits at depth
- New mines – deeper, more drilling, higher costs and longer development times
- Importance of drilling productivity technologies and innovation to lower costs, increase productivity and safety



# Summary

Well positioned to deliver returns to shareholders



- Strong financial platform and competitive advantages
- Driving own growth
- Positioned to benefit from industry dynamics
- On track to commercialise new drilling productivity technologies in FY20 to grow core business
- On track for further extension into mining with Drill & Blast technologies to generate more sustainable revenue from FY20





# Thank you

THIS PRESENTATION HAS BEEN PREPARED BY IMDEX LIMITED ("THE COMPANY"). IT CONTAINS GENERAL BACKGROUND INFORMATION ABOUT THE COMPANY'S ACTIVITIES CURRENT AS AT THE DATE OF THE PRESENTATION. IT IS INFORMATION GIVEN IN SUMMARY FORM AND DOES NOT PURPORT TO BE COMPLETE. THE DISTRIBUTION OF THIS PRESENTATION IN JURISDICTIONS OUTSIDE AUSTRALIA MAY BE RESTRICTED BY LAW AND YOU SHOULD OBSERVE ANY SUCH RESTRICTIONS. THIS PRESENTATION IS NOT (AND NOTHING IN IT SHOULD BE CONSTRUED AS) AN OFFER, INVITATION, SOLICITATION OR RECOMMENDATION WITH RESPECT TO THE SUBSCRIPTION FOR, PURCHASE OR SALE OF ANY SECURITY IN ANY JURISDICTION, AND NEITHER THIS DOCUMENT NOR ANYTHING IN IT SHALL FORM THE BASIS OF ANY CONTRACT OR COMMITMENT. THE PRESENTATION IS NOT INTENDED TO BE RELIED UPON AS ADVICE TO INVESTORS OR POTENTIAL INVESTORS AND DOES NOT TAKE INTO ACCOUNT THE INVESTMENT OBJECTIVES, FINANCIAL SITUATION OR NEEDS OF ANY PARTICULAR INVESTOR. THESE SHOULD BE CONSIDERED, WITH OR WITHOUT PROFESSIONAL ADVICE, WHEN DECIDING IF AN INVESTMENT IS APPROPRIATE. THE COMPANY HAS PREPARED THIS PRESENTATION BASED ON INFORMATION AVAILABLE TO IT, INCLUDING INFORMATION DERIVED FROM PUBLICLY AVAILABLE SOURCES THAT HAVE NOT BEEN INDEPENDENTLY VERIFIED. NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE AS TO THE FAIRNESS, ACCURACY, COMPLETENESS, CORRECTNESS OR RELIABILITY OF THE INFORMATION, OPINIONS AND CONCLUSIONS EXPRESSED. ANY STATEMENTS OR ASSUMPTIONS IN THIS PRESENTATION AS TO FUTURE MATTERS MAY PROVE TO BE INCORRECT AND DIFFERENCES MAY BE MATERIAL. TO THE MAXIMUM EXTENT PERMITTED BY LAW, NONE OF THE COMPANY, ITS DIRECTORS, EMPLOYEES OR AGENTS, NOR ANY OTHER PERSON ACCEPTS ANY LIABILITY, INCLUDING, WITHOUT LIMITATION, ANY LIABILITY ARISING FROM FAULT OR NEGLIGENCE ON THE PART OF ANY OF THEM OR ANY OTHER PERSON, FOR ANY LOSS ARISING FROM THE USE OF THIS PRESENTATION OR ITS CONTENTS OR OTHERWISE ARISING IN CONNECTION WITH IT.

# Appendices



# Company Snapshot

## As at 31 December 2018



### 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%  |
| Private shareholders                           | 5.78%  |
| Brokers & banks                                | 13.27% |

### SHARE PRICE – 12 MONTH TREND



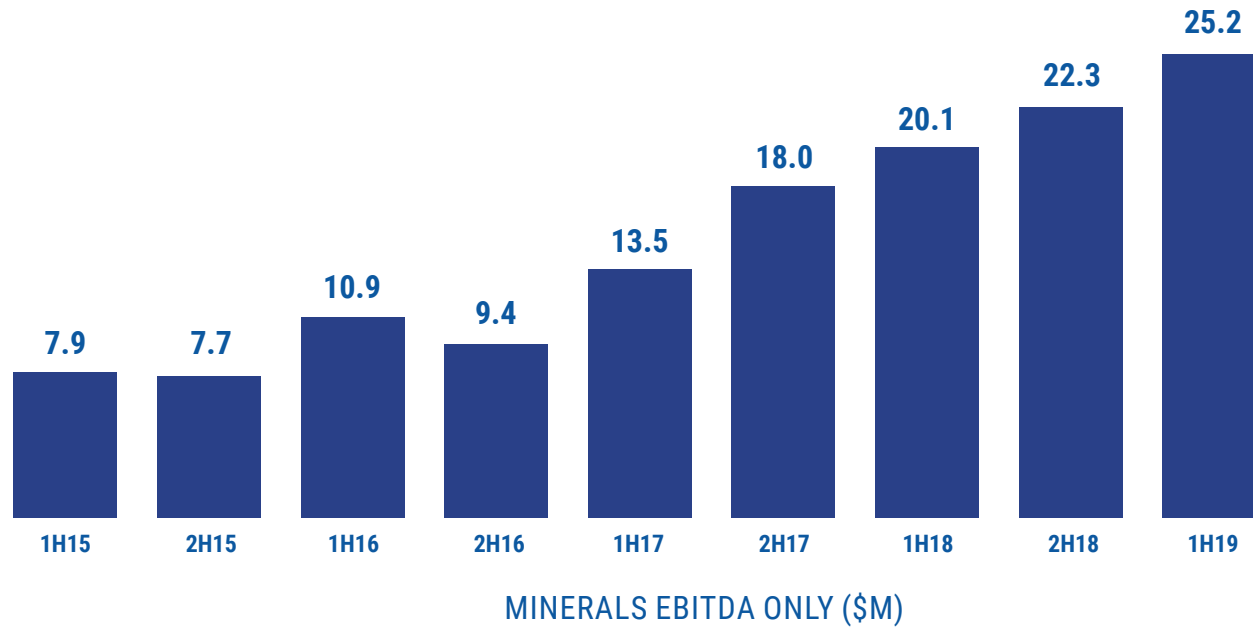
### LARGEST SHAREHOLDERS

|                            | SHARES (M) | %     |
|----------------------------|------------|-------|
| Perennial Value Management | 45.98      | 12.22 |
| Fidelity Investments – US  | 25.81      | 6.86  |

# EBITDA

## Strong earnings growth

Minerals business remained profitable throughout downturn



# Balance sheet

1H19 revenue up 19% on 1H FY18



- 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 – ongoing investment in R&D

| \$m  | 31 DEC 18    | 30 JUNE 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         |
| <b>Total Assets</b>                        | <b>241.6</b> | <b>226.1</b> |
| 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          |
| <b>Total equity</b>                        | <b>202.8</b> | <b>186.1</b> |



# Established Global Business

## Extensive network



# Clients & Industry Partners

## Long-standing collaborative relationships

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### OUR CLIENTS

- Drilling contractors and resource companies in all key mining regions

### INDUSTRY PARTNERS

- CRC ORE, MINEX CRC and CSIRO
- METS Ignited
- Orica, Anglo American, Teck Resources

### DIRECTLY SUPPORTING 18 OF THE TOP 50 MINING COMPANIES GLOBALLY

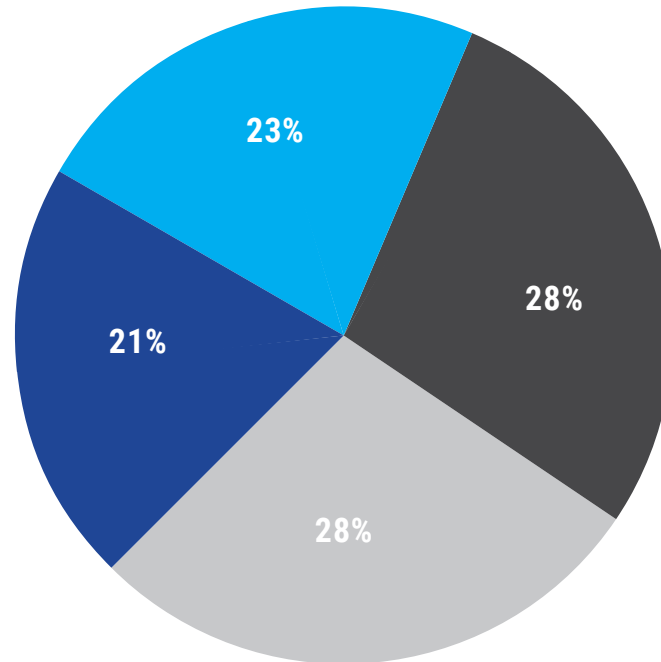
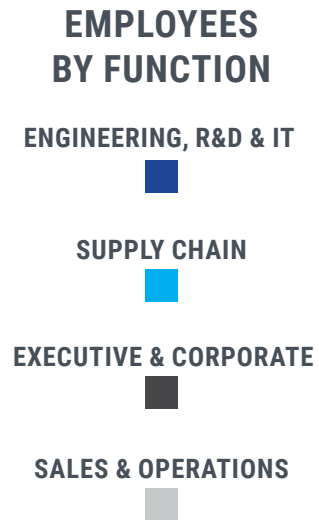
- BHP Billiton
- Rio Tinto
- Glencore
- Vale
- Southern Copper
- Barrick Gold
- Anglo American
- Newmont Mining
- Newcrest Mining
- Teck Resources
- Goldcorp
- South32
- Agnico Eagle
- SQM
- Sumitomo Metal Mining
- Randgold Resources
- Boliden
- First Quantum Minerals

### LONG-STANDING DRILLING CLIENTS

- Boart Longyear
- Swick Mining
- Ausdrill Group
- Major Drilling
- DDH1
- Mitchell Services Ltd
- Geodrill Limited
- Foraco
- Hy-Tec
- Australian Shaft Drilling

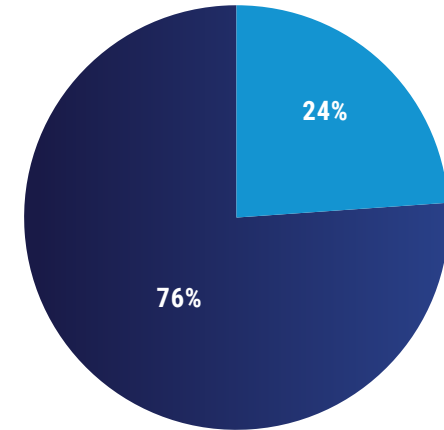
# Our People

World-class engineering and development capabilities

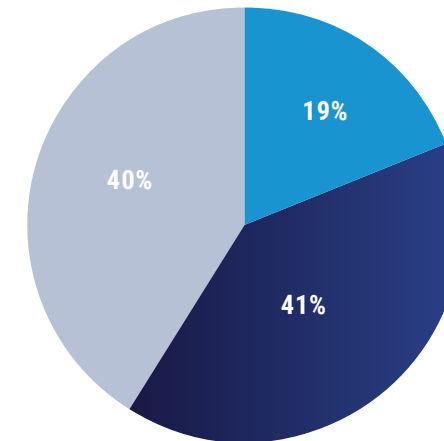


TOTAL NUMBER OF EMPLOYEES  
523 AS AT MAY 2019

### EMPLOYEES BY GENDER



### EMPLOYEES BY REGION



# Safety & ESG

## Areas of focus FY19



### SAFETY

- Focus on improving safety performance
- Enhancing visible safety leadership
- Improving systems and compliance
- Implementing technology solutions – iAuditor
- Enhancing employee training and education

### ENVIRONMENTAL

- Increasing number of solids removal units on rent – smaller site footprint and significant water reduction

### SOCIAL

- Developed Modern Slavery Policy
- Implemented Supplier Code of Conduct to align with IMDEX's transparent, safe and ethical procurement practices

### GOVERNANCE

- Developed Conflict of Interest Policy and process for disclosing and managing conflicts
- Annual employee ethics training and certification
- Annual employee anti-bribery and anti-corruption training
- Implementing revised risk, compliance and legal framework