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16 August 2021

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

Dear Sir / Madam,

Record FY21 Results and Demand for Integrated Technologies

Please find attached Imdex Limited's FY21 results announcement for the year ended 30 June 2021.

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

This announcement has been approved for lodgement by the Board of Directors.

A leading global Mining-Tech company



16 August 2021

Record FY21 Results and Demand for Integrated Technologies

Leading global Mining-Tech company, Imdex Limited (IMDEX or the Company), today announced its full year results for the 2021 financial year (FY21). The Company achieved record financial results, significantly improved its safety performance and continued to deliver on its strategy for sustainable earnings growth¹.

FY21 Financial Highlights (compared to FY20 at 30 June)

- Record revenue of \$264.4m up 11.2% (up 18% on a constant currency basis)
- EBITDA of \$75.5m² up 38.8% (up 50% on a constant currency basis)
- Strong cash generation, with cash from operations up 8.6%
- Robust balance sheet with a strong net cash position of \$47.4m, up 47.7%
- Paid an interim fully franked dividend of 1.0 cps. Declared a final fully franked dividend of 1.4 cps and a special dividend of 0.4 cps.

FY21 Operational Highlights (compared to FY20 at 30 June)

- Improved safety performance (LTIFR 1.85 v 3.97)
- Acquired AusSpec and its aiSIRIS software to enhance real-time rock knowledge offering with spectral mineralogy and AI technologies
- Signed three joint development agreements to support new product development and delivery with future opportunities being discussed with a variety of clients
- Recommended trials with IMDEX BLASTDOG™. Converted client trials for dosing units in the mining production market into recurring revenue
- A record number of rock knowledge sensors on rent – up 52% and 35% on pre-COVID peak
- IMDEXHUB-IQ™ connected revenue up 30%
- Responded to increasing demand for remote working solutions – upgraded IMDEXHUB-IQ™ and released version ioGAS 7.3c geochemistry data analysis software
- Increased production capabilities for gyro-related technologies in response to demand
- Continued to successfully navigate COVID-19 with increasing pressure on supply chains and people
- A strong focus on enhancing employee wellbeing, workplace flexibility and diversity
- Appointed USA based Trace Arlaud as Non-Executive Director to IMDEX's Board
- Developed an IMDEX Sustainability Policy and will release first Sustainability Report in September 2021.

¹ Unless otherwise stated: references to 'IMDEX', the 'Group', the 'Company', 'we', 'us' and 'our' refer to Imdex Limited and its controlled entities; references to a year are to the financial year ended 30 June; and references to dollar figures are in AUD currency.

² Excluding \$3.6m gain on VES sale in FY20 and \$2.9m net gain in FY21 on Flexidrill and AusSpec deferred consideration fair value adjustment.

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FY21 Key Metrics

(\$m unless indicated otherwise)	FY21	FY20	Var %
Revenue	264.4	237.7	11.2
EBITDA ²	75.5	54.4	38.8
EBITDA Margin % ²	28.5	22.9	24.5
NPBT	44.5	29.1	52.9
NPAT	31.7	21.8	45.5
EPS (cents)	8.0	5.6	42.0
Operating Cash Flow	56.9	52.4	8.6
Operating Cash Flow Per Share (cents)	14.4	13.6	5.9
Net Assets (30 June)	253.1	221.6	14.2
Net Cash (30 June)	47.4	32.1	47.7
Fully Franked Final Dividend (cents)	1.4	0.7	100
Fully Franked Special Dividend (cents)	0.4	2.0	-
Full Time Employees (30 June)	521	485	7.4

Commenting on the Company's FY21 performance, IMDEX CEO Paul House said:

We have delivered an outstanding performance both financially and operationally. The strength of our results and our ability to meet the changing needs of our market, has been achieved through the exceptional commitment of our people. We are proud of the speed with which our global teams have responded to our clients amended priorities, navigated COVID-19 and taken the time to look after each other under the duress of the past year's pressure. All employees made a positive contribution to our record performance.

The strong uplift in our earnings reflected the increasing percentage of revenue coming from our higher margin sensors and software business and the increasing ability to deliver integrated solutions to the market. At the close of FY21, rentals and software subscriptions represented 55% of revenue. The economic benefits of our digital transformation and our commitment to lean service delivery, were also evident in our improved margins.

Cash generation was strong and our robust balance sheet has enabled us to maintain our capital management program and accelerate on-strategy opportunities for future growth.

IMDEX Chairman Anthony Wooles added:

The results highlight the strength of the Company's core business, growth strategy and leadership team to perform in all market conditions.

It was also pleasing to see positive non-financial metrics, including improved safety performance. The Company's key talent acquisition and enhanced ESG disclosure should also be highlighted.

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Dividends and Capital Management Policy

A final fully franked dividend of 1.4 cent per share was declared in line with IMDEX's historical 30% NPAT payout ratio. In light of the Company's strong growth and cash balance, a special dividend of 0.4 cents per share was also declared.

The full year dividend, including the special dividend, totals 2.8 cents per share. Dividend record and payment dates are 28 September and 12 October 2021, respectively.

IMDEX is committed to a sustainable dividend policy, while continuing to invest in technologies and software that have the potential to deliver substantial growth for shareholders.

Operational Overview and Impact of COVID-19

Activity recovered throughout 1H21, boosted by strong industry fundamentals and increased activity by our clients.

This positive momentum continued into 2H21. The pace of growth was tempered due to supply chain pressures, and short-term labour and rig shortages – notably in Australia, Canada, and the USA.

IMDEX's sensors on hire were reflective of the strong market conditions. The Company had a record December 2020 and a strong uptake in January 2021. At the close of FY21, IMDEX had achieved its highest number of sensors on hire and revenue from all regions was near to or exceeded pre-COVID-19 levels.

COVID-19 increased industry pressure on IMDEX's supply chain, particularly delivery times and freight charges. IMDEX has multiple supply chain contingencies and continued to support clients without material disruption.

In most of IMDEX's jurisdictions, mining operations are considered essential to economic recovery and are exempt from hard lockdowns. Pleasingly, the implementation of COVID-19 vaccination programs began to support greater mobility, particularly in the USA.

IMDEX will continue to closely monitor risks and leverage positive industry structural changes, together with increasing demand for technologies and software that enable remote operations.

Throughout the year there was a strong focus on employee wellbeing. IMDEX improved its safety performance, established mental health awareness training for all managers and implemented a peer support program for all employees globally. At the same time the Company refined its Diversity policy and introduced Flexible Workplace, Parental Leave and Domestic Violence Leave policies.

In line with IMDEX's commitment to enhancing its ESG disclosure, its ESG Committee undertook an ESG materiality assessment. The Company will release its first Sustainability Report in September 2021.

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Strategy for Sustainable Growth

IMDEX has a clear strategy to achieve sustainable earnings growth, which includes:

- Growing its core business in exploration and development; and
- Expanding its technologies into the mining production phase, which is a larger market and less subject to cyclical impact.

To deliver this growth strategy the Company invests in: complementary acquisitions; targeted R&D to maintain technical leadership; and industry collaboration to optimise orebodies and deliver end-to-end solutions.

IMDEX's strong financial position, world-class R&D capabilities, established global presence and strong leadership team, support its ongoing success for shareholders.

Outlook

IMDEX has had a positive start to FY22 with strong demand for the Company's IMDEXHUB-IQ™ connected technologies. At 13 August, sensors in use were up 6% from 30 June 2021. Drilling optimisation sales are also increasing in all regions, including South America.

IMDEX will remain committed to protecting its people and the continuity of its business for clients. Concurrently, the Company will focus on driving its growth strategy and the following operational initiatives:

1. Increased investment in R&D for drilling optimisation products, connected sensors and software solutions to accelerate growth and build scale;
2. Joint development agreements to engage with resource companies and drilling clients for new product development and delivery;
3. Key account management capabilities to embed value for clients and enhance IMDEX solution selling; and
4. Digital Transformation 2.0 to further streamline costs and enhance client experience.

Notwithstanding the short-term industry constraints, the fundamentals underpinning IMDEX's core business and growth strategy are compelling. Long-term positive drivers include:

- Resource companies and drilling contractors are increasingly embracing innovation and new technologies to improve safety, enable remote working and achieve greater productivity;
- New discoveries are likely to be under cover and at depth resulting in larger drilling campaigns;
- Strong commodity prices supported by government stimulus, decarbonisation targets and demand across a broad range of sectors including consumer, industrial and government related industries; and
- Large, mid-cap and junior resource companies are well funded and are increasing their expenditure to replace diminishing reserves.

IMDEX is in a strong position to leverage these robust industry fundamentals and the unique competitive position its global presence, leading technologies and integrated solutions provide.

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FY21 RESULTS PRESENTATION AND WEBCAST

IMDEX will present its full year results for the 2021 financial year (FY21) on Monday 16 August 2021. The results will be presented via a live teleconference and webcast at 10:00am AWST (12 noon AEST).

[Teleconference Registration and Dial-In Details](#)

[Webcast Link](#)

ABOUT IMDEX

IMDEX is a leading global Mining-Tech company that enables drilling contractors and resource companies to safely find, mine and define orebodies with precision and at speed.

The Company's product offering includes an integrated range of drilling optimisation products, cloud-connected rock knowledge sensors and data and analytics.

www.imdexlimited.com

FURTHER INFORMATION

Kym Clements – IMDEX Investor Relations Officer

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