

Investor Fact Sheet

November 2018



What IMDEX does

IMDEX is a leading global METS company. Our integrated 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 what it is and where it is now.

Our solutions currently include: Downhole Navigation; Structural Geology; In-field Geoanalysis; Driller Operable Geophysics; and Drilling Optimisation. These solutions integrate our leading AMC and REFLEX brands and incorporate:

- Drilling fluids and fluid systems to enable holes to be drilled and samples recovered;
- Instruments to measure and control the location the samples are recovered from;
- Instruments and systems to measure the sample structure and content; and
- Systems to improve the productivity of the drills.

Increasingly we are 'IoT-enabling' all these technologies for digital output and cloud-based management to create the desired geological models.

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



Growth strategy

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.

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

At the same time, we remain committed to: maintaining our **technical leadership**; enhancing our **client intimacy**; driving **operational excellence**; and our philosophy of **One IMDEX**.

FY18 Key Financial Data

	FY18 \$m	FY17 \$m	VAR \$m	VAR%
Revenue	218.5	176.2	42.3	24%
EBITDA (From Continuing Operations)	42.4	31.5	10.9	35%
NPAT	21.1	3.7 ¹	17.4	470%
EPS (cents)	5.7	1.1	4.6	418%
Operating cash flow	15.9	13.1	2.8	21%
Net Assets	186.1	159.8	26.3	16%

¹Includes \$16.2m (non-cash \$11.5m) of financing costs in relation to the previous Bain Capital debt, which was fully repaid.

Key Data

AS AT 28 SEPTEMBER 2018

\$439.9m Market Capitalisation

Share Register (90.32% analysed)

65.22% Institutions

2.68% Employees, directors and company related parties

0.01% Corporate holders

6.21% Private shareholders

16.20% Brokers and banks

Largest Shareholders

10.34% Perennial Value Management

9.01% Fidelity Investments - US

5.35% Morgan Stanley & Co International Ltd

4.88% L1 Capital

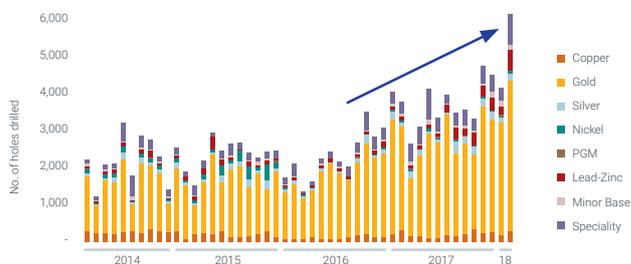
4.33% BT Investment Management



1Q19 Update

- 1Q19 revenue of \$67.3m (unaudited), up 23% on pcp (1Q18: \$54.6m) - record quarter revenue result (minerals).
- 1Q19 gross margins maintained - at historical levels.
- Quality of rental fleet is increasing - newer technologies provide additional value to clients, generally at higher rental rates.
- Greater emphasis on IMDEX solutions, integrating leading AMC and REFLEX brands.
- Rig utilisation rates and driller rates increasing - industry cycle is in early stages.
- Steady increase in activity globally underpinned by healthy commodity prices and the need to replace diminishing reserves.
- S&P Global Market Intelligence research (19 October 2018) confirms the industry recovery that began in late 2016 is continuing at an accelerated pace.

Drilling Activity



Source: S&P Global Market Intelligence



Investment Proposition

- We are a global company with excellent operational leverage. We have facilities in all key mining regions of the world.
- Our company provides integrated solutions for the global mining industry - no other competitor can currently offer this.
- Our leading brands - AMC and REFLEX - are dominant within the global minerals industry.
- Where there is drilling - whatever the stage or commodity - IMDEX has products that can assist
- We are strengthening the sustainability of our revenue and earnings by developing solutions for all stages of the mining value chain including exploration, development and mining.
- We have a robust balance sheet with a net cash position. Our company can leverage opportunities for organic and transformational growth.
- Our company has unique patent protected technologies, which enhance the efficiency and productivity of clients' operations.
- Our latest technologies are IMDEXHUB-IQ™ enabled - award winning cloud-based software, which provides secure access to validated data in real time or near real-time.
- We have long-standing relationships with resource companies and drilling contractors, and a reputation for providing excellent onsite support.

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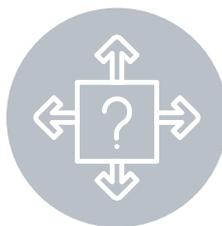
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Frequently Asked Questions

How is the quality of the rental fleet changing?

The quality of our rental fleet continues to increase due to continuing investment in core product development. Our new technologies are also providing additional value to clients and are generally commanding higher rental rates.

Is the rental fleet still a good indicator of activity?

There has always been a strong correlation between market activity and the number of REFLEX tools on hire, however, it is only one indicator. We are generating higher rental revenues with less tools on hire due to the quality of our REFLEX fleet. Seasonal factors also have a short-term impact on the number of tools on hire. Furthermore, our AMC brand has an increasing rental revenue stream, which does not form part of the rental tool fleet graph. Our uplift in revenue against market growth is a more accurate indicator of performance.

Are IMDEX's tools commodity specific?

No. Our target market is mostly metallic commodities – from antimony to zinc and everything in between. Gold and copper have always been dominant, however, and form ~70%.

How long will this industry cycle be?

Overshadowed by the level of depleting reserves, we believe we are in the early stages of the industry upswing as: rig utilisation rates globally are approximately 50%; drillers are gaining some rate increases; and we are continuing to see a steady increase in activity across all our regions.

What is the uptake of IMDEXHUB-IQ™ like?

The minerals industry is traditionally a slow adopter of new technologies; however, the throughput of forms is increasing, and a new record was achieved in October 2018. Our IMDEXHUB-IQ™ enabled technologies are becoming an important part of our value proposition for clients.

Will the transformational spend fall away completely in FY20?

Our FY18 investment in transformational initiatives included our internal digital transformation program and further development of technologies to support transformational growth (Drill & Blast & COREVIBE™ and MAGHAMMER™) within the mining value chain.

Our FY18 investment in transformational initiatives was ~\$6.3 million and we have budgeted ~\$8.0 million in FY19. This investment is expected to fall away substantially from FY20

What is the addressable market size like for Drill & Blast projects?

The Drill & Blast market is substantial with some 250,000 blast holes drilled per day globally. Furthermore, current practices and workflows in the pit have not changed materially for decades and the industry is seeking new technologies in this area to increase efficiencies and maximise revenue.

What is the industry adoption for the Drill & Blast project expected to be like?

Changing practices and workflows within an industry that is typically, siloed and conservative is challenging. We are working closely with Orica, Teck Resources and Anglo American and other industry partners during the development phase. This collaboration enables us to develop the business case for the proven technology and complementary products, such as AMC Borehole Stabiliser, which is already commercialised.

When should we expect contributions from the Drill & Blast project?

Additional revenue is expected from FY20.

How are the COREVIBE™ and MAGHAMMER™ technologies tracking?

Our COREVIBE™ and MAGHAMMER™ projects are both progressing towards commercialisation. The COREVIBE™, which enhances the productivity of diamond drilling, is more advanced. We are confident the technology works, and recent controlled testing concluded a productivity increase of 33% – these results were validated by SGS, the world's largest leading inspection, verification, testing and certification company. We are confident there is a viable market and substantial interest. We are now focusing on reducing capex, increasing deployment time in the field and reducing repair costs.

When should we expect contributions from the COREVIBE™ and MAGHAMMER™ technologies?

We are applying a disciplined approach to these development projects and potential acquisition. Market demand for the COREVIBE™ and MAGHAMMER™ is robust and if the technologies can be commercialised and option agreement is exercised, these technologies are expected to provide additional global revenue and earnings from FY20.

What is the addressable market size like for COREVIBE™ and MAGHAMMER™?

In relation to the COREVIBE™, we estimate the addressable market to be ~1,800 Diamond Drill rigs. There are approximate 6,000 Diamond Drill rigs globally operating at 50% utilisation of which 60% of the harder ground conditions would benefit from the COREVIBE™.

In relation to the MAGHAMMER™, we believe there are ~1,000 RC rigs globally of which ~500 - 600 are working.

Are there any key M&A activities planned in the near future?

We remain abreast of emerging technologies and are in a strong position to take advantage of complementary opportunities. We are currently focusing on our core and transformational initiatives that are expected to generate significant additional revenue and earnings.

Management - is there key-man risk?

No. Over the past two years we have been refining and strengthening our leadership team including succession planning.

What percentage of revenue is generated outside of Australia?

IMDEX is a global company with facilities in all key mining regions of the world. Approximately 70% of revenue is generated outside of Australia.

Conversion of EBITDA to cash 1H18

The disappointing conversion of EBITDA to cash in 1H18 was mainly due to softer client collections and building our inventory to supply new contract wins in the USA and Australia. This was turned around in 2H18 and is not expected to be recurring.

With new products/technologies coming through the pipeline, does the prior guidance of \$0.30-\$0.35 of Working Capital investment for every \$1 of incremental revenue still apply to the new product streams?

In a growing market, yes.

What is the competitive environment like?

Our brands AMC and REFLEX have competitors, however, IMDEX currently does not have any viable competitors that can offer its range of integrated solutions. Our company has unique intellectual property (IP), which increases competitors' barriers to entry. We take all possible measures to protect and defend this IP.

Is IMDEX adequately staffed to deliver organic growth for the next few years with new products coming online, or is headcount likely to grow further?

Yes, it is adequately staffed. We diligently manage costs and do not anticipate our headcount to grow materially within the next few years.

Will the Digital Transformation program modernise IMDEX's systems/client interface beyond the ability of clients?

The Digital Transformation is designed to enhance our systems and processes and enrich our clients' experience.

Are clients extending payment terms or are inventories being managed differently?

No. We diligently manage our DSOs and inventory turns.

At what point does IMDEX consider paying dividends again?

During FY18, we acquired the option to invest in transformational technologies that have the potential to deliver substantial long-term growth for the business. As a result, we did not pay a dividend for FY18. The Board remains sympathetic to returning to an attractive dividend policy in the near future.

