IMDEX 1H18 Results Presentation

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IMDEX™
REAL-TIME SUBSURFACE SOLUTIONS

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.

1H18 Overview

Financial & Operational

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Financial

- Significant increase in revenue and earnings growth
- Balance sheet and earnings positioned to drive organic and transformational growth within the mining value chain

Operational

- Robust activity within the global minerals industry – Canada, western USA, Latin America, West Africa and Australia
- Continued broad-based recovery – gold, copper, iron ore, nickel and lithium
- Increase in the number of REFLEX instruments on hire – strong January uptake
- Continued investment in R&D – exciting product development roadmap
- Option to acquire near-commercial CoreVIBE™ and MagHAMMER™ technologies
- Safety remains a major focus across the entire organisation

1H18 Financial Metrics

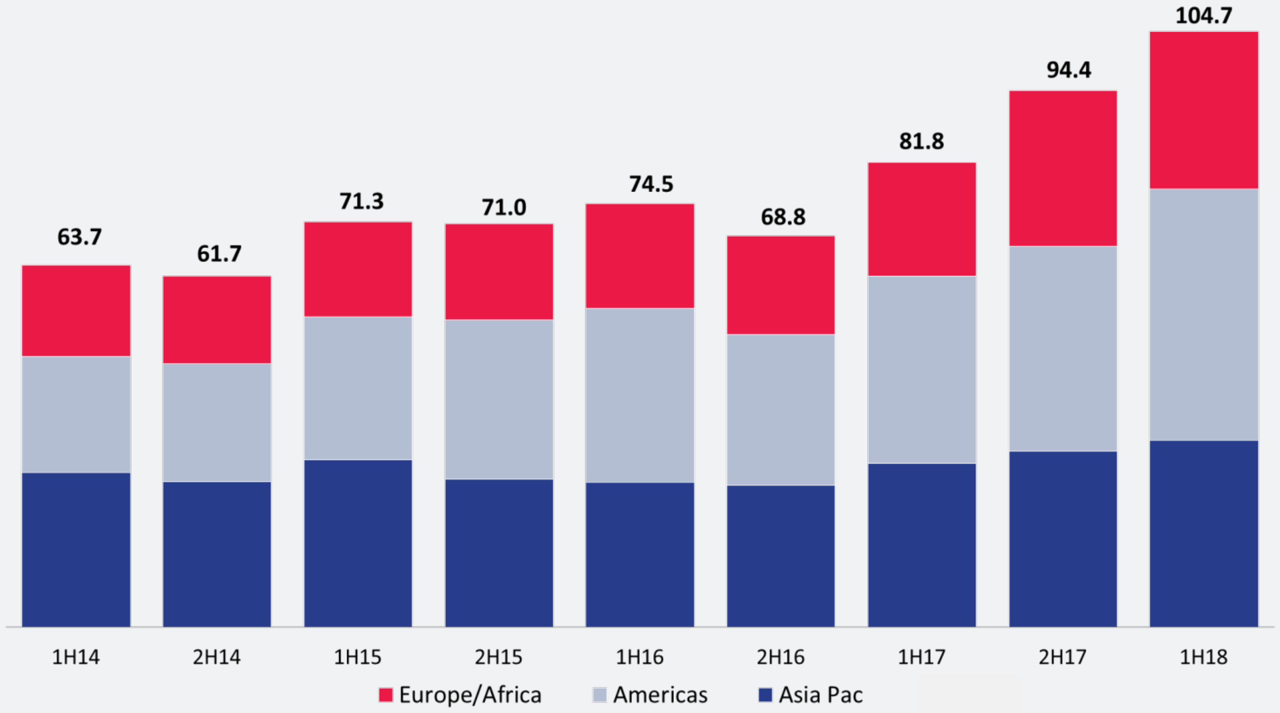
($millions)

$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)[1]	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% ▲

[1] *Includes $16.2m (non-cash $11.5m) of financing costs in relation to the Bain Capital debt which was fully repaid*

Revenue by Region

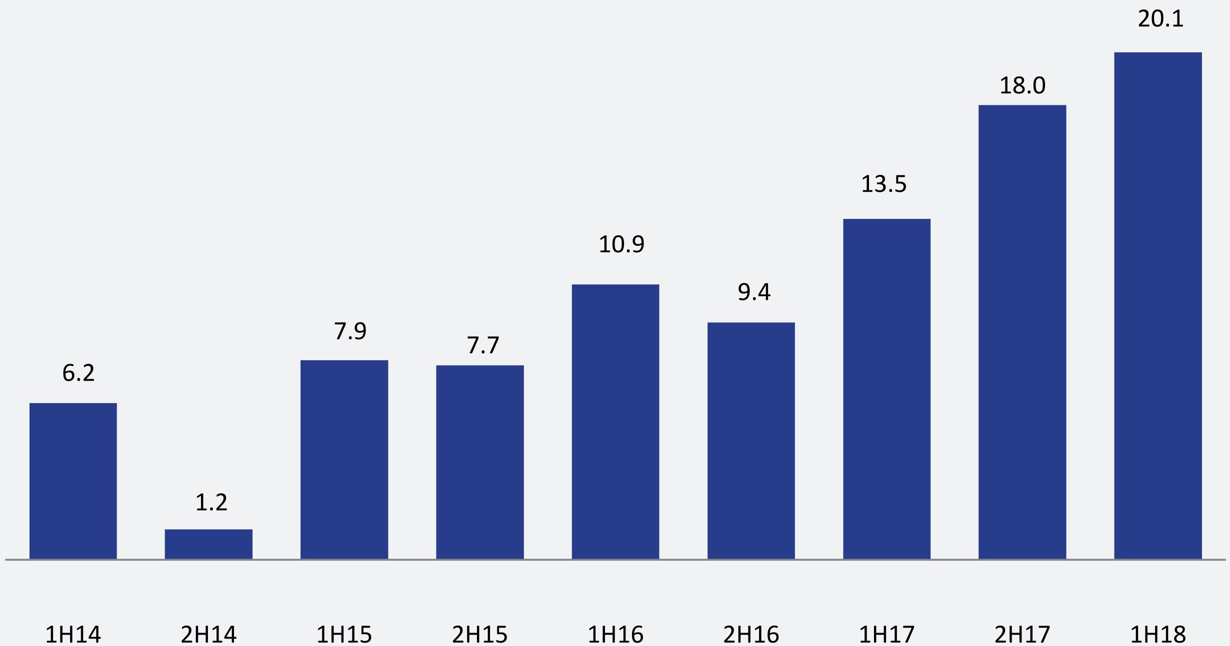
($millions)



- Increasing revenue across all regions
- Business benefited from global presence and regional expertise
- Americas – region with highest revenue and potential for growth
- Strong 2H18 anticipated based on current trend

EBITDA

($millions)



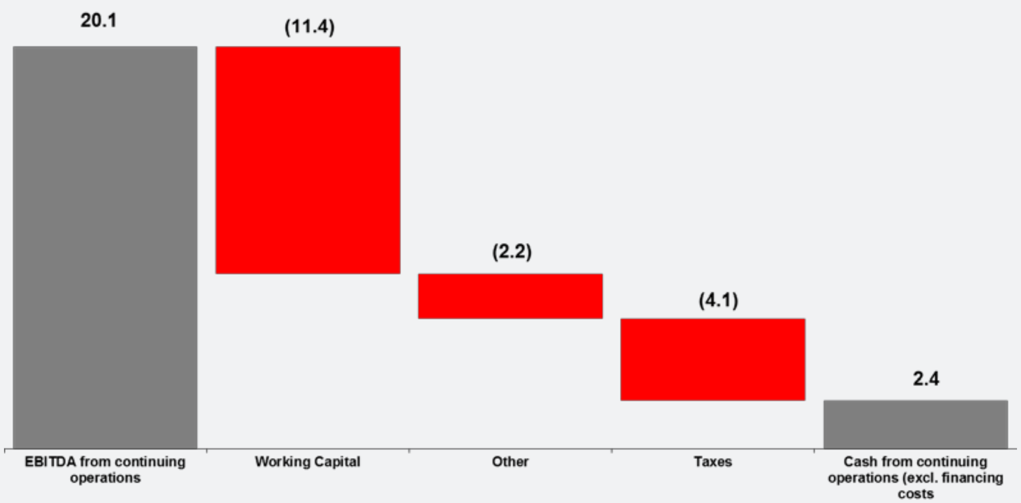
- 1H18 EBITDA up 49% on pcp
- Focused on cost discipline while driving sustainable revenue growth
- EBITDA margin improvement expected in 2H18 through operational leverage
- Additional investment in the business of ~$5 million*

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

Balance Sheet & Working Capital

($millions)

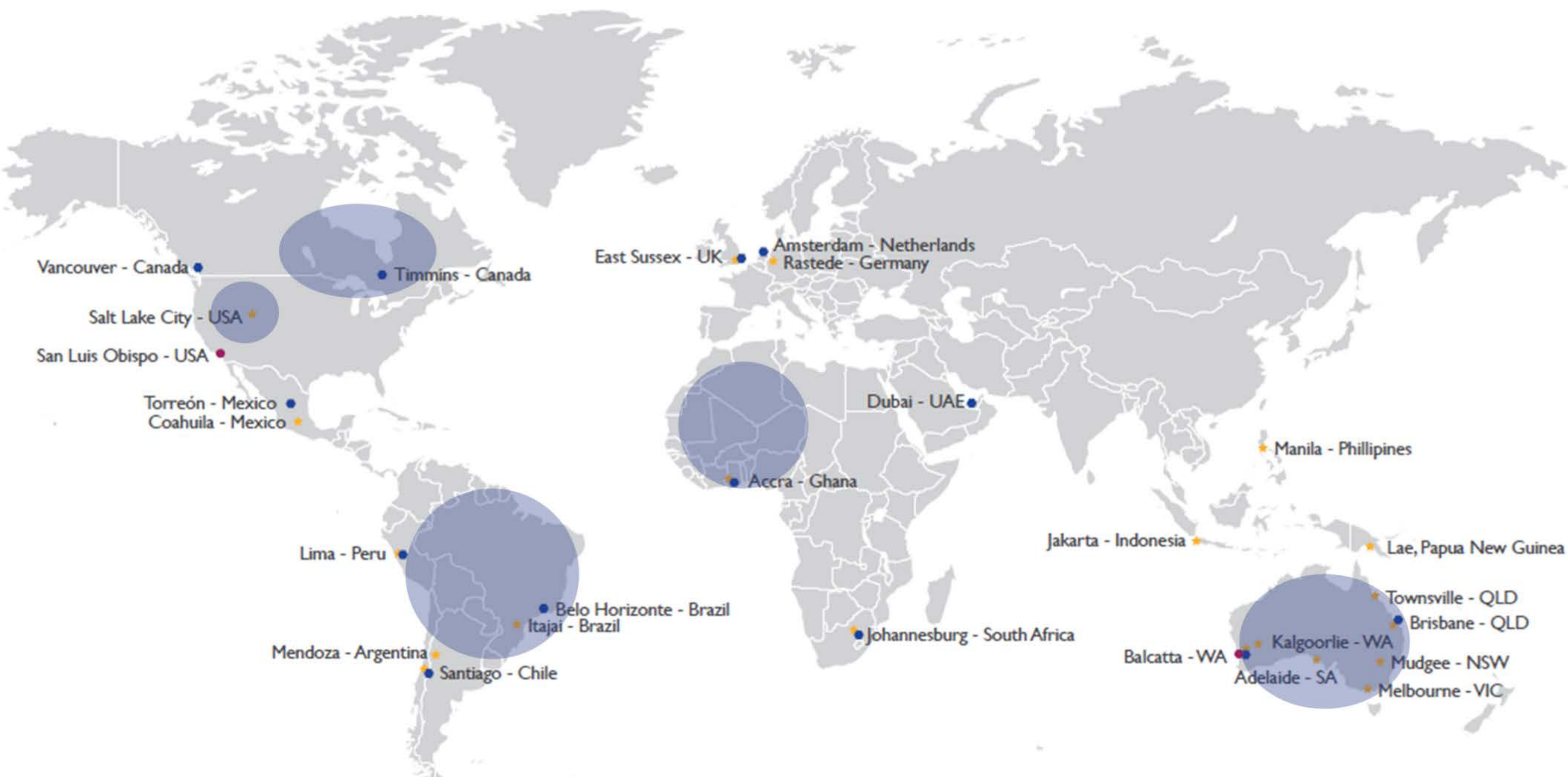
	31 DEC 17	30 JUN 17
Cash	12.7	19.4
Receivables	42.4	41.5
Inventory	36.0	29.9
Fixed assets	33.7	32.2
Intangibles	60.0	60.4
Other assets / deferred tax	28.9	27.5
TOTAL ASSETS	**213.7**	**210.9**
Payables	24.1	30.4
Bank loans	5.5	6.5
HP finance	0.4	0.6
Other liabilities, provisions, current tax	10.2	13.6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



- Net cash of $6.8m ($12.3m: 30 June 2017)
- Working capital investment in 1H18:
  - Increased inventory to meet market growth and new contract wins
  - Decrease in payables
  - Increase in receivables days outstanding – focus to reduce in 2H18

Established Global Business

Operational Leverage



IMDEX presence – map does not include distributors
Mining industry hot spots

Market Overview

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- Continued broad-based recovery in the minerals sector globally
- Commodity prices generally are now at the highest level in a little over three years
- Major, intermediate and junior companies well-funded with increased budgets
- Resource companies – continuing to focus on increasing efficiencies, cost reduction
- New technologies gaining momentum in order to drive efficiencies and productivity
- Mining companies need to replace depleting reserves

"IMDEX is well positioned for continued growth"

REFLEX Instruments on Hire

(Number of units)

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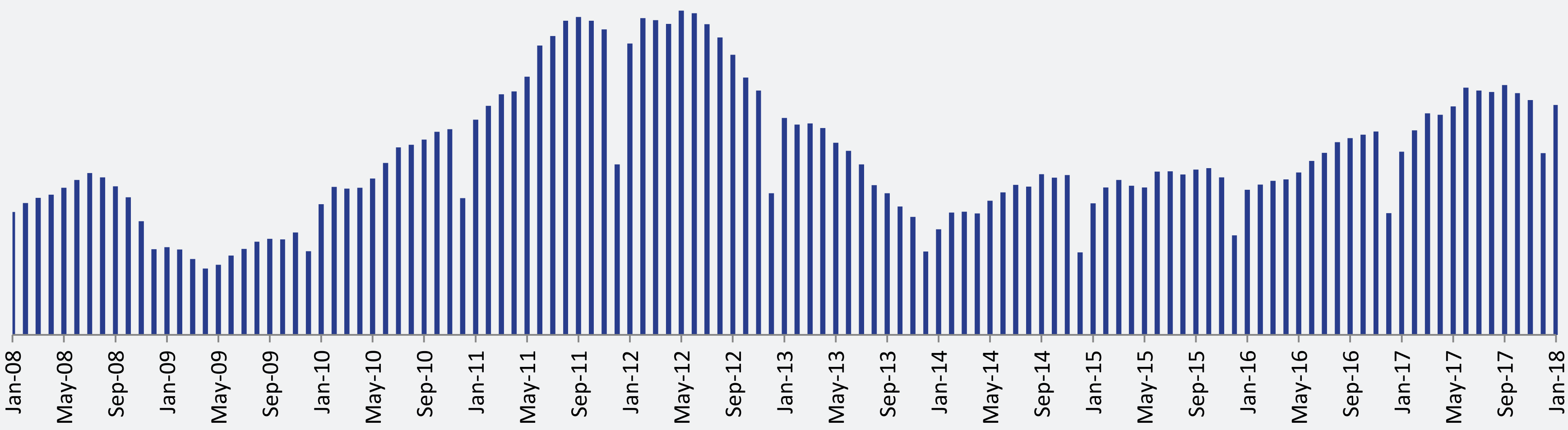
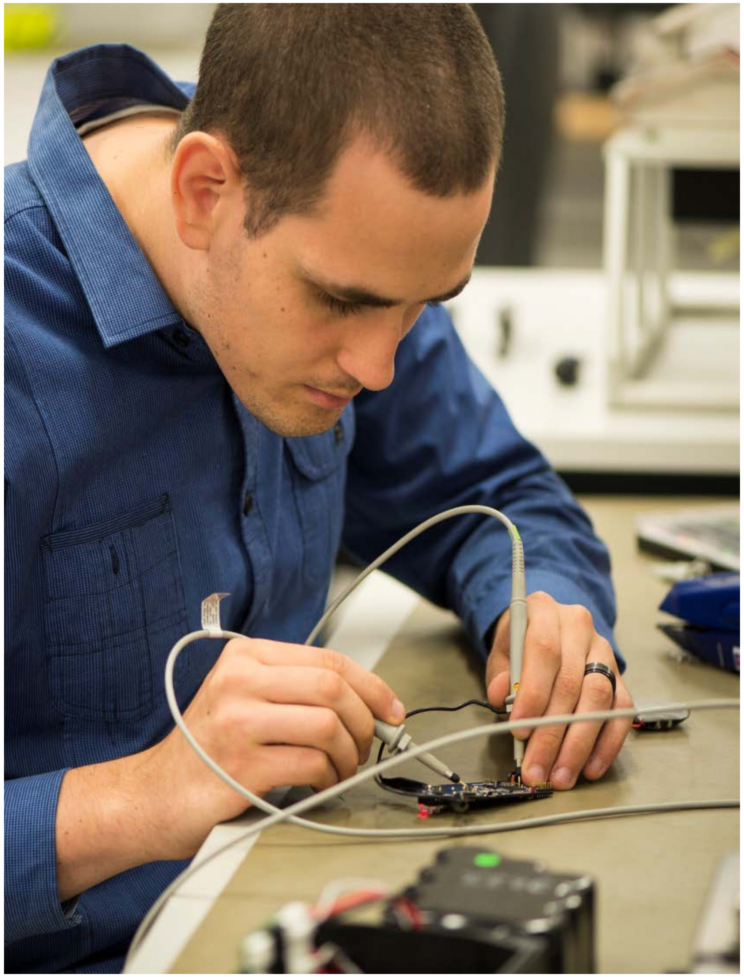


- As more rigs return to work, additional instrumentation is required – all commodities
- Instruments on hire increased CY14-CY16 despite significant decrease in exploration expenditure over those 3 years
- 31 January 2018, 25% more compared to 31 January 2017
- Strong January uptake post holiday shutdown
- Increased adoption of traditional instrumentation and recent technologies launched
- Most newer technologies yield higher rental rates due to 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



CoreVIBE™ & MagHAMMER™

Option to acquire unique drilling productivity technologies

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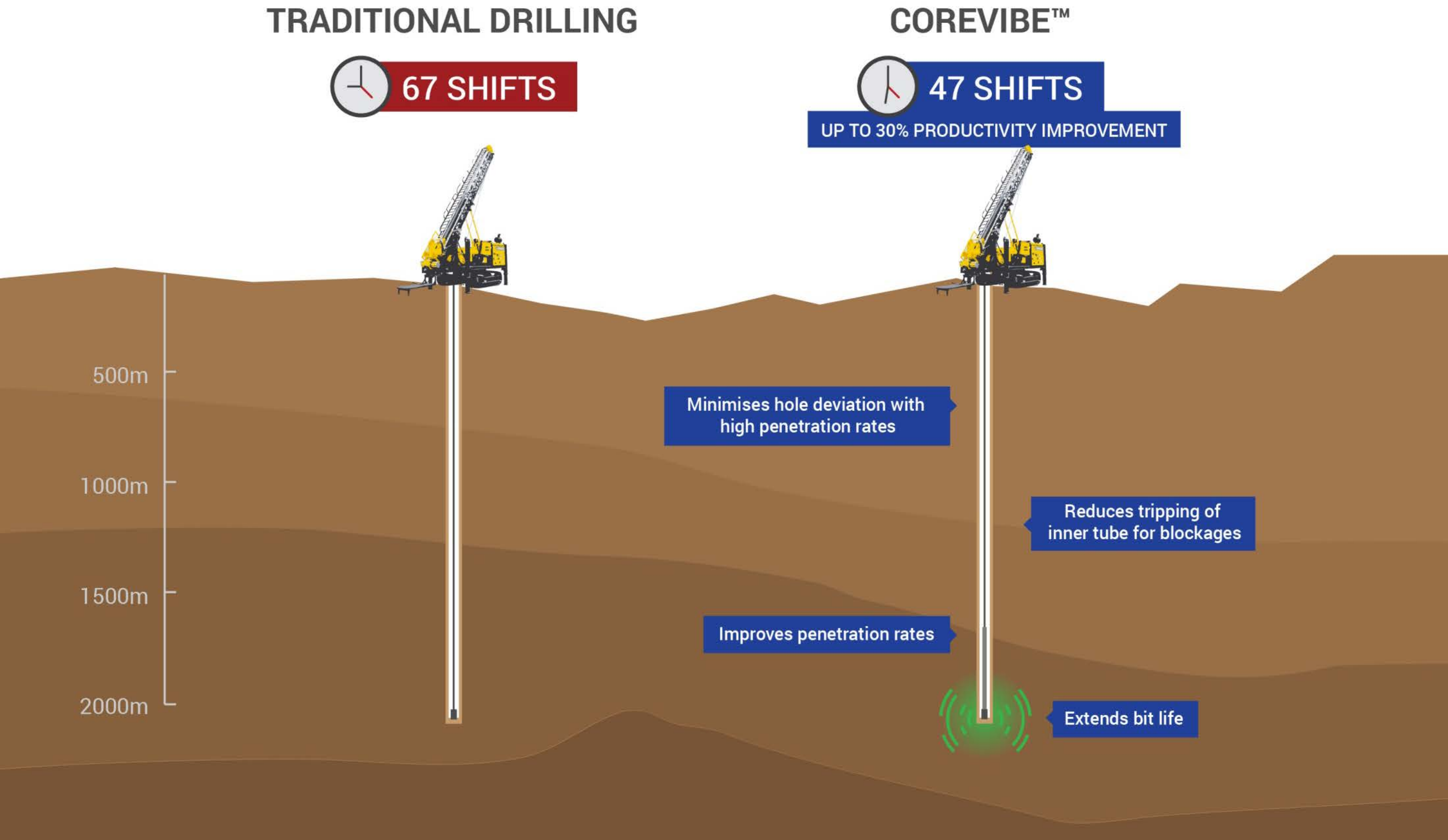
- Option agreement executed January 2018
- Extensive testing and due diligence conducted pre-signing – including IP protection
- The transaction allows for further testing and market acceptance before committing to purchase
- CoreVIBE™ and MagHAMMER™ to be commercialised in the near-term
- Technologies 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

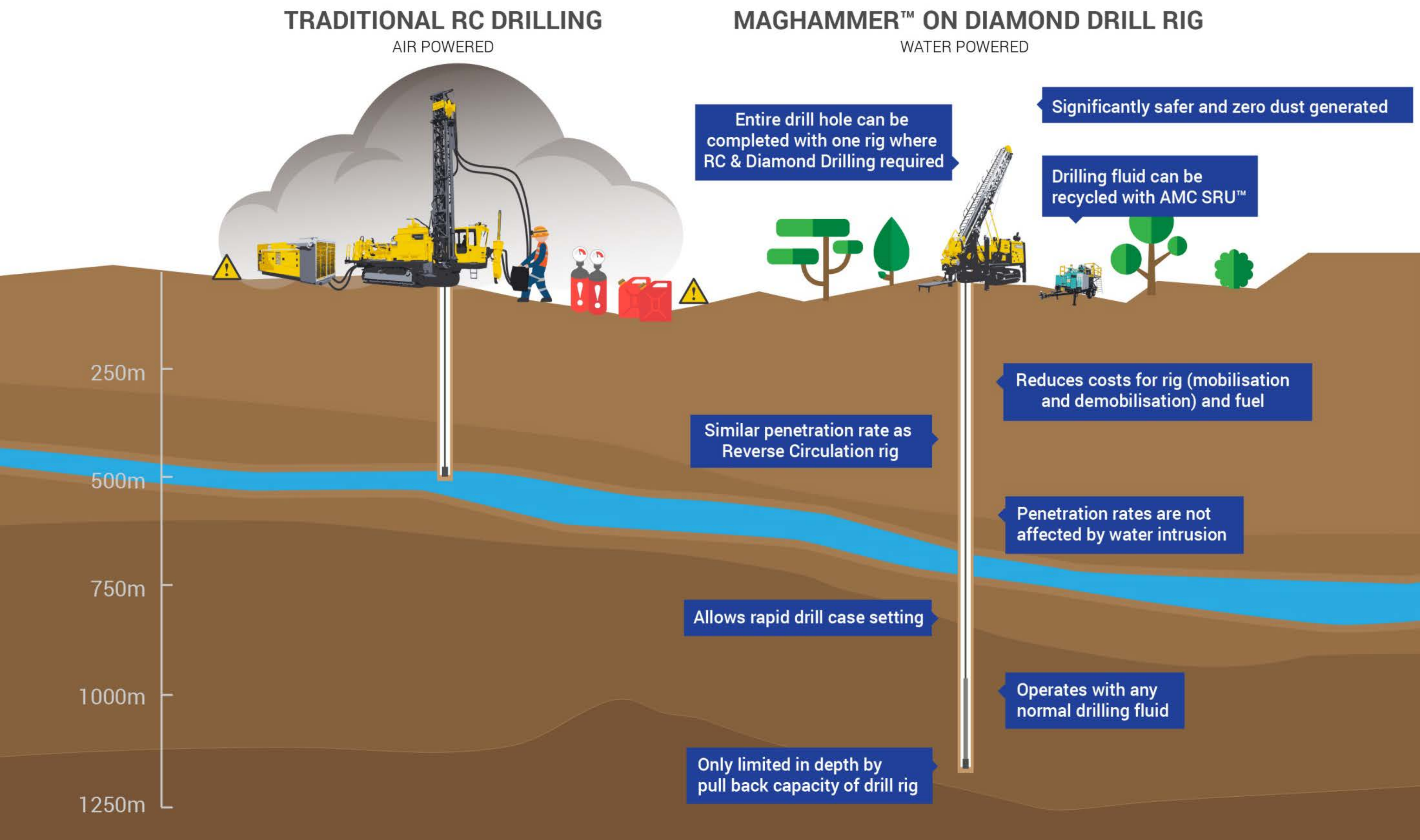
CoreVIBE™

Client benefits



MagHAMMER™

Client benefits



Summary & Outlook

- Strong performance in 1H18 – strong 2H18 anticipated based on demand trends
- Activity within major mining areas is robust – cyclical upswing continuing
- Recovery initially driven by gold, now more broad-based
- 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 January 2018, 25% up on pcp
- Strategic positioning to achieve sustainable earnings growth for shareholders
- Option to acquire CoreVIBE™ and MagHAMMER™ drilling productivity technologies
- Robust balance sheet – ability to drive organic and transformational growth within mining value chain

Appendices

Company Snapshot

As at 29 December 2017

IMDEX
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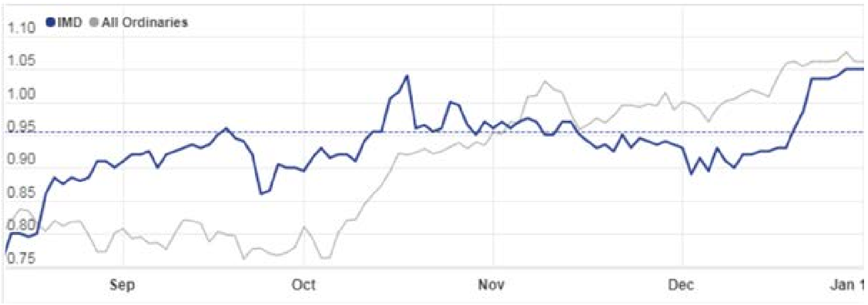
Corporate Information		
ASX listed		IMD
Share price (29 December 2017)	A$	1.05
Issued shares	m	367.5
Market cap (29 December 2017)	A$m	385.8

Share register Analysis of top 50 shareholders at 29 December 2017	
Institutions	70.37%
Employees, directors & company related parties	2.77%
Corporate holders	0.01%
Private shareholders	6.47%
Brokers & banks	13.10%

Share Price



Largest shareholders December 2017	Shares (m)	%
Fidelity Investments	36.4	9.91
Perennial Value Management	25.8	7.02
Wilson Asset Management	25.6	6.98
L1 Capital	18.2	4.94
Braeside Capital	16.3	4.42

Global Leader

Exploration & Mining

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

Substantial competitive advantage

Simple Scalable Structure

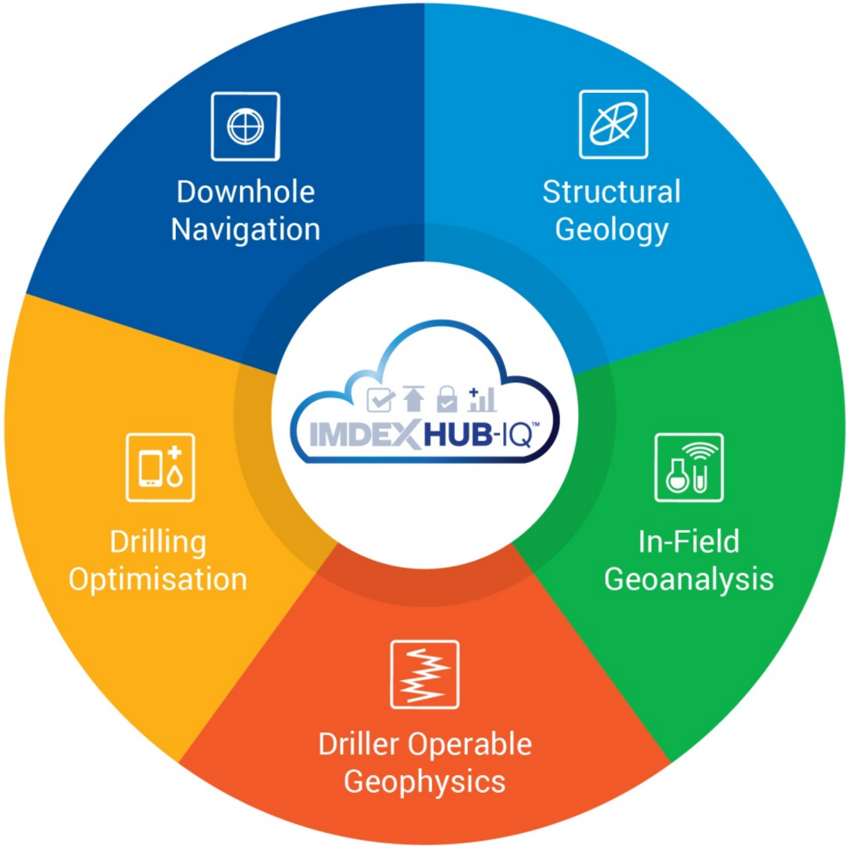
- Dominant within minerals industry – strong brands and market share
- **REFLEX**
  - Downhole Navigation
  - Structural Geology
  - In-field Geoanalysis
  - Driller Operable Geophysics
- **AMC**
  - Drilling Optimisation

IMDEX Solution Sets

Our solution sets simplify the process of identifying and extracting what is below the earth's surface for drilling contractors and resource companies.

Together our technologies provide geological information in real-time supporting critical decision making from exploration to production.

Our products and technologies can assist clients to control their costs and increase their productivity by providing end-to-end solutions across the full mining life cycle.



Leading Technologies

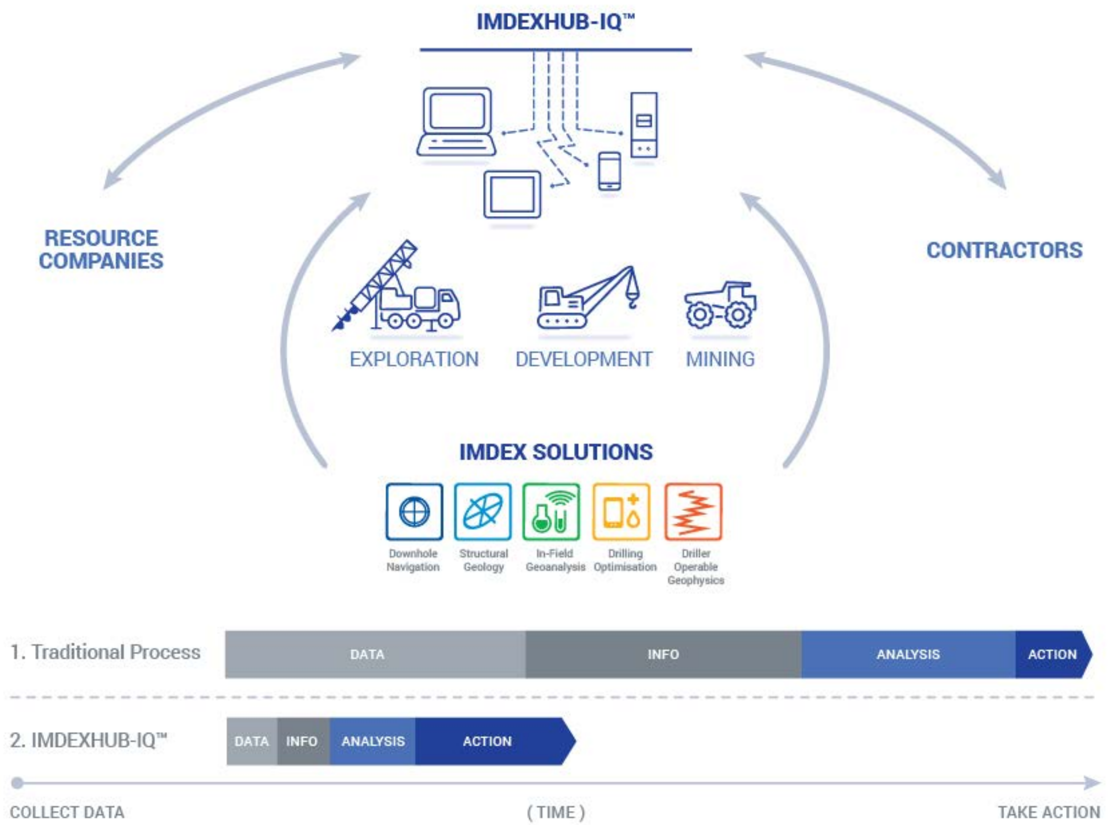
Integrated IMDEX solutions

Our Strengths

- World-class R&D facilities and internal capabilities
- Connectivity IMDEXHUB-IQ™
- Solutions for exploration, mining and development

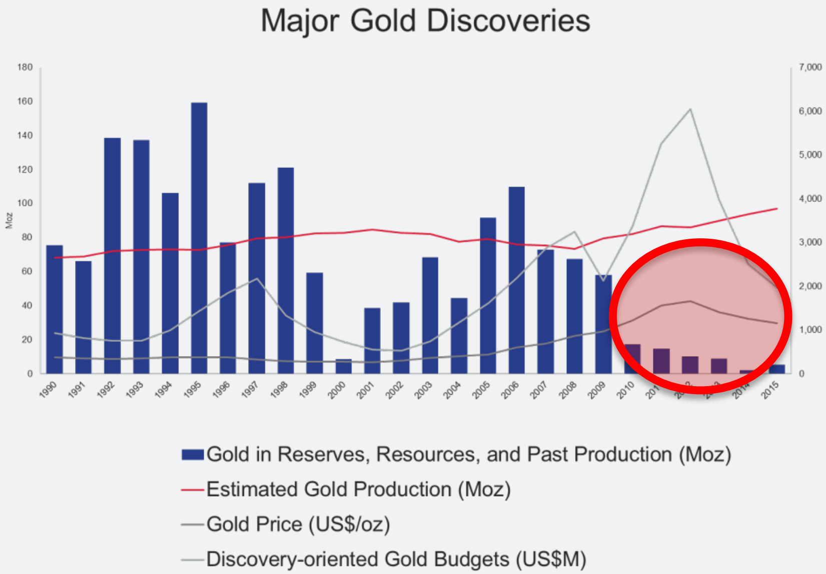
Client Benefits

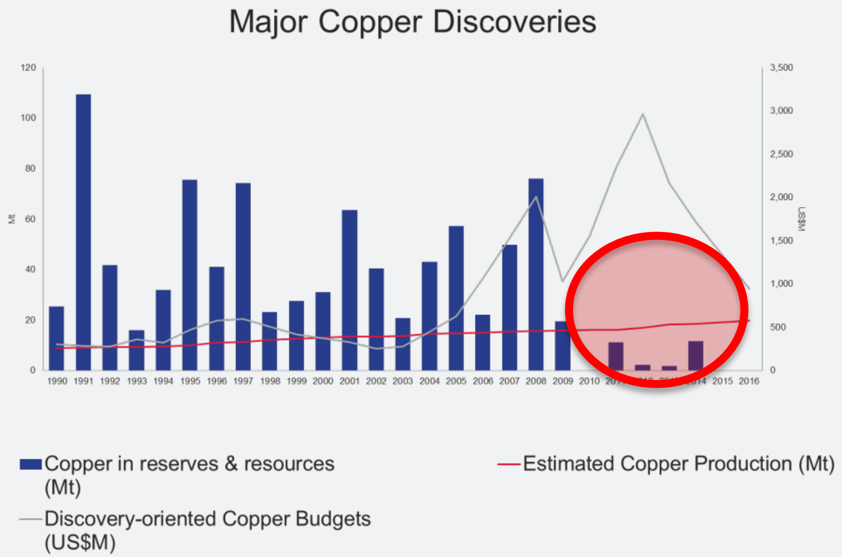
- Chain of custody
- Quality data
- Timeliness
- Streamline processes



Gold & Copper Discoveries

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

Source: S&P Global Market Intelligence

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