

21 August 2024

## Leading Technologies Drive IMDEX Outperformance

Global mining-tech company, Imdex Limited (IMDEX or the Company), today announced its full year results for the 2024 financial year (FY24). The Company achieved record revenue and earnings, supported by the integration of Devico technologies within IMDEX's network.

### FY24 Financial Highlights<sup>i</sup>

- Revenue of \$445.3m up 8% (up 7% on a constant currency basis)
- EBITDA of \$112.9m up 12% (up 8% on a constant currency basis)
- EBITDA normalised<sup>ii</sup> of \$130.7m up 7% (up 3% on a constant currency basis)
- EBITDA margin normalised<sup>ii</sup> of 29.4% in line with FY23
- Strong operating cash conversion of 96%
- NPATA<sup>iii</sup> normalised<sup>ii</sup> of \$55.6m down 2%
- Net debt of \$35.0m, improved 46%
- Declared a final fully franked dividend of 1.3 cps representing a 30% normalised<sup>ii</sup> NPAT payout ratio

### FY24 Strategic Highlights<sup>i</sup>

- Successfully completed Devico operational integration and organisational redesign, with revenue and cost synergies running ahead of schedule
- Release of next generation IMDEX HUB-IQ™ connected ACTx™ and OMNix™ sensors
- 7% increase in average sensor revenue per unit assisted by 10% of customers upgrading to higher-end survey technologies<sup>iv</sup>
- 48% of top 250 customers have >3 IMDEX products, up from 46% as integrated solutions gain market share
- Directional drilling projects expanded into USA, Africa and Australia leveraging IMDEX network
- Consolidation of fluid products with increasing gross margins
- 28% of Sensor & SaaS revenue is IMDEX HUB-IQ™ connected
- 10% increase in the number of IMDEX HUB-IQ™ connected customers
- Enabled Devico sensor connection to IMDEX HUB-IQ™
- Krux Analytics and Datarock leveraged IMDEX business model, doubling SaaS activity
- Year-on-year growth of installed sites using the IMDEX Mining Technology (IMT) product suite

### FY24 ESG Highlights<sup>i</sup>

- Improved employee engagement and maintained high safety standards<sup>v</sup>
- Welcomed Tracey Horton AO as non-executive Director and Paul House as Managing Director
- Sustainability Board Committee established
- Expanded modern slavery training to broader stakeholder group
- Piloted first IMDEX DE&I<sup>vi</sup> measures validating respect, wellbeing and a culture of care within IMDEX
- Reduced weight and length of OMNix™ running gear by 21% and 53% respectively to enhance safety
- Introduced underground survey deployment system to reduce working from heights and increase safety
- Achieved 95% recyclable packaging for drilling optimisation products and 95% reusable packaging for rock knowledge sensors
- Established Community Engagement Policy and launched global volunteering program

## FY24 Key Metrics

\$m (unless indicated otherwise)	FY24	FY23	Var %
Revenue	445.3	411.4	8%
EBITDA	112.9	100.5	12%
EBITDA Normalised <sup>ii</sup>	130.7	122.6	7%
EBITDA Margin Normalised <sup>ii</sup> (%)	29.4	29.8	(0.4%)
NPAT	32.4	35.0	(7%)
NPATA <sup>iii</sup> Normalised <sup>ii</sup>	55.6	56.8	(2%)
EPS Normalised <sup>ii</sup> (cents)	9.2	12.0	(23%)
EPSA <sup>iii</sup> Normalised <sup>ii</sup> (cents)	10.9	12.9	(16%)
Pre-Tax Operating Cash Flow	126.5	105.0	20%
Pre-Tax Operating Cash Flow Per Share (cents)	24.8	23.9	4%
Net Assets (at 30 June)	571.3	556.2	3%
Net (Debt) <sup>vii</sup> (at 30 June)	(35.0)	(64.9)	(46%)
Full Year Fully Franked Dividend (cents)	2.8	3.6	(22%)
Full Time Employees (at 30 June)	816	851	(4%)

Commenting on the Company's FY24 performance, IMDEX MD & CEO, Paul House said:

*"I am immensely proud of the progress IMDEX has made in both our core business and new growth businesses, despite challenging market conditions.*

*"We achieved record revenue, with 8% growth, against a backdrop where exploration activity contracted by 24%<sup>viii</sup>. This result highlights the effectiveness of our strategy, our robust business model, and capability of our global teams.*

*"A highlight was the 14% uplift in revenue from Devico technologies. The strategic alignment of Devico's directional drilling technology and sensors within the broader IMDEX technology stack has enabled us to win market share and create new opportunities throughout our global network.*

*"We continued to demonstrate the resilience of our earnings, with normalised EBITDA for the period up 7%.*

*"Our normalised EBITDA margin of 29.4% was in line with FY23, underscoring the strength of our core business to outperform market conditions, while continuing to drive growth initiatives, including Digital and IMDEX Mining Technologies.*

*"Recognition for this result reaches the length and breadth of our organisation with every employee engaged by the Devico integration and reorganisation and ultimately delivering an outstanding financial result. My thanks to all, especially our new Devico colleagues, for their commitment to our industry and opportunities that IMDEX offers.*

*"An organisation's capital allocation policy is thoroughly tested in times of market pressure. Our ability to sustain our R&D investment, maintain our dividend payout ratio, accelerate the paydown of our debt facility and deliver a stellar working capital and cash conversion result is unquestionably the financial highlight of FY24.*

*"The combination of our strategy, technologies, and balance sheet places IMDEX in a strong position to leverage the increasing global demand for metals with greater precision and productivity."*

IMDEX Chairman Anthony Wooles added:

*"The Company displayed a great deal of discipline in its seamless integration of Devico, execution of its growth strategy, and capital management. Concurrently, IMDEX maintained its dedication to the development of its people and matured its approach to sustainability. The Company's leadership and global teams should be acknowledged for their achievements, particularly given the challenging operating conditions.*

*"With our 1H24 results, I was delighted to welcome Tracey Horton as a Non-Executive Director. Tracey is a pleasure to work alongside and has made valuable contributions to our Board. I am now pleased to congratulate IMDEX Global Head of Finance, Linda Lim, who will transition to CFO in January 2025."*

### **Dividends and Capital Management Policy**

A final fully franked dividend of 1.3 cents per share was declared, which represents a 30% payout ratio on normalised<sup>ii</sup> NPAT.

IMDEX's disciplined approach to capital management balances its commitment to a sustainable dividend, in conjunction with paying down its debt facilities and continuing to invest in core and new business, to deliver long-term earnings growth for shareholders. Dividend record and payment dates are 26 September 2024 and 10 October 2024, respectively.

### **Operational Overview – Including Devico**

<b>Exploration Activity</b>	Demand for IMDEX's integrated solutions grew despite the softer exploration activity levels continuing into 2H24. Activity, particularly within Canada and Australia, was impacted as customers continued to address inflationary pressures and capital constraints.
<b>IMDEX Integrated Offerings</b>	The number of customers adopting IMDEX's integrated solutions continued to increase. During FY24, 48% of IMDEX's top 250 customers had >3 IMDEX products, up from 46% in FY23. Customer interest in the benefits of integrated service contracts continues to grow, particularly within North America.
<b>IMDEX HUB-IQ™</b>	The percentage of IMDEX HUB-IQ™ connected sensors was maintained. IMDEX successfully integrated Devico's sensors with IMDEX HUB-IQ™.
<b>Higher-Margin Sensors and SaaS Revenue</b>	Sensors and SaaS revenue increased to 64%, up from 60% at FY23. The uplift was supported by the integration of Devico sensors, which expands the breadth and quality of IMDEX's technology stack. 28% of Sensor and SaaS revenue is connected to IMDEX HUB-IQ™.
<b>Datarock</b>	Datarock leveraged IMDEX's global network and doubled its SaaS activity. During the year the Company focused on three key areas: establishing dedicated sales and marketing teams; Applied Science building products with scale and recurring revenue (PaaS); and developing a unified workspace/platform for scientific AI apps.
<b>Krux Analytics</b>	Krux doubled its SaaS activity and secured new contracts with major resource and drilling companies. Krux successfully leveraged IMDEX's global network and expanded into Africa.
<b>IMDEX Mining Technologies (IMT)</b>	The Company achieved strong progress with the development of its IMT strategy with an increase in the number of installed sites and pipeline of growth opportunities.

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## Devico Performance and Integration

During FY24, Devico technologies generated \$69.6m of revenue, which was up 14% on the comparative period<sup>ix</sup> benefiting from the IMDEX network.

Since completing the Devico acquisition on 28 February 2023, IMDEX has continued to focus on people and diligent integration to deliver growth in FY25 and beyond. Notable achievements include:

- Operational integration completed in 1H24 ahead of plan and \$2m annual savings target exceeded.
- A 15% increase in directional drilling revenue, including expansion into the USA, Africa, and Australia.
- A 12% increase in sensor revenue including the benefits of cross-selling across the IMDEX network.
- Completed the transition from Devico sensor sales to IMDEX's recurring rental model with higher long-term margins.

As part of the Devico integration process, a major organisation redesign was completed during 1H24 resulting in a reduction in IMDEX's cost base in 2H24 with full year benefits in FY25. IMDEX will reinvest savings into the business, positioning for the market upturn.

## Strategy and FY25 Focus Areas

IMDEX's growth strategy for its core business is focused on technology leadership and delivering value through integrated offerings. For its new digital and IMT business portfolios, the Company is building geoscience analytics, AI and computer visualisation capabilities to enhance orebody knowledge for customers, while leveraging its core capabilities in the mining production market. Increasing the combination of IMDEX's digital products and integrated solutions provides unparalleled orebody knowledge insights. Together, these strategic initiatives aim to increase SaaS revenue and provide greater exposure to less cyclical sectors of the mining value chain.

In addition to driving its growth strategy, IMDEX is committed to:

- Protecting and developing our people, by enhancing safety culture, employee engagement and investing in capability
- Investing in Digital 2.5, including systems that enable the Company to scale efficiently and securely. Similarly, IMDEX will enhance its systems for ESG related data capture and assurance
- Investing in core business growth, including IMDEX integrated offerings, directional drilling and ongoing disciplined product development
- Investing in its new business growth including, scaling software, further collaboration with Krux and Datarock and supporting additional trials and deployment across the IMT portfolio

## Outlook

S&P Market Intelligence<sup>x</sup> forecasts exploration spend for CY24 to contract by 5% on CY23. This contraction is largely due to the high-cost operating environment, funding constraints for junior explorers, and broader macro concerns.

While FY24 saw a significant decline in exploration activity, the long-term industry fundamentals remain compelling and are signalling increased activity.

The supply shortfall for gold and copper, which represents ~75% of global exploration activity, is predicted to result in substantial demand in the medium to longer term. Similarly, demand for other battery metals is expected to intensify in the medium term due to increasing decarbonisation targets.

This supply shortfall has resulted in higher commodity prices, particularly gold. In turn, IMDEX expects increased exploration budgets for producers and capital raisings for juniors. Historically, there is a six-to-nine-month interval between funds being raised and subsequently deployed on-site.

As these funds are allocated, IMDEX anticipates an uplift in rig activity, new projects being permitted, and a rise in overall exploration expenditure globally.

The Company expects market activity in the near term will remain relatively flat, as customers in some jurisdictions complete cost out programs and reset for the industry upturn. IMDEX has a unique competitive position to address increasing demand for productivity and greater orebody knowledge. The Company maintains its clear objective of outperforming industry growth through technology leadership, together with integrated offerings, while pursuing new growth via its Digital and IMT businesses.

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

**ENDS**

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## FURTHER INFORMATION

### FY24 Results Presentation and Webcast

IMDEX will present its full year results for the 2024 financial year (FY24) on Wednesday 21 August 2024. The results will be presented via a live teleconference and webcast at 10:00am AWST (12 noon AEST).

**Date:** 21 July 2024

**Start Time:** 10:00am (AWST) 12:00 noon (AEST)

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

### [Webcast Link](#)

### About IMDEX

IMDEX (ABN: 78 008 947 813) is a leading global Mining-Tech company that enables drilling contractors and resource companies to safely find, mine and define orebodies with precision, confidence 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.imdex.com](http://www.imdex.com)

### Investor Contact Details

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<sup>i</sup> Compared to FY23

<sup>ii</sup> Normalised to exclude significant items including Devico integration and organisational redesign costs (\$10.4m) plus MAGHAMMER impairment costs (\$7.4m)

<sup>iii</sup> Excludes after tax impact of intangible asset amortisation charge from acquisitions, tax effected at 30%

<sup>iv</sup> In line with strategy to transition customers to advanced solutions that deliver greater value

<sup>v</sup> LTIFR of 1.27 and TRIFR of 3.80

<sup>vi</sup> Diversity, Equity & Inclusion (DE&I)

<sup>vii</sup> Cash less external borrowings (excluding lease liabilities)

<sup>viii</sup> S&P Global Market Intelligence by reported drill holes

<sup>ix</sup> Revenue for comparable period (4 months actuals of \$20.6m plus 8/12 of CY22) was \$61.3m

<sup>x</sup> S&P Market Intelligence, March 2024