

12 February 2025

### IMDEX 2025 HALF YEAR RESULTS PRESENTATION

Welcome, everyone, to IMDEX's 2025 half year results presentation. I'm delighted to be joined by Linda Lim, our CFO, and Kym Clements, who heads up our Investor Relations.

Throughout this call we will be referring to the investor presentation slides that have been released on the ASX this morning.

#### Slide 3 Forward Looking Statements

#### Slide 4 IMDEX is a Leading Global Mining-Tech Company

Turning to slide 4. IMDEX is a leading global mining-tech company. We distinguish ourselves from the traditional mining services arena in a number of essential areas:

- First, we place **Technical leadership** at the core of our growth strategy. We use innovation to achieve that technical leadership through **consistent, disciplined R&D investment**.
- Second, our business model is both **capital-light & labour-light**, which enhances our agility and our scalability.
- Third, we are **truly global**, with operations in all major mining regions in the world, which means we mitigate our exposure to contract risk, commodity risk, or geographic risks; and finally,
- Fourth, our portfolio of **integrated solutions** delivers a high-quality revenue & margins in all market conditions.

Our strategy and this resilience, is once again demonstrated in our 1H25 result.

The MINEPORTAL™ visualisation depicted on this slide represents the geophysical data from our BLASTDOG™ solution, collected across a set of blast holes on a mine bench. What is most valuable about this image is that it can be accessed through our cloud-based portal, from anywhere in the world. It can automate a number of

traditionally very manual tasks, and it can be done in real time – thereby enabling live decision making around mine planning, grade control, blast design and a range of other workflows on the critical path.

Historically, our customers have had to make substantial investment and mine planning decisions with limited visibility. Today, IMDEX's technologies and geoscience expertise can provide these critical orebody insights, in real-time.

#### **Slide 5 Presentation Overview**

Today's presentation agenda is set out on slide 5.

We will focus on three key areas:

1. Our financial, strategic and ESG highlights for the period;
2. A deeper dive into our financial performance, which Linda Lim will provide; and finally
3. The market outlook and how IMDEX is positioned to continue to outperform.

Following the presentation, we are happy to take any questions.

#### **Slide 6 FY25 Half Year Highlights (Divider Slide)**

Turning now to slide 7 and our financial highlights.

#### **Slide 7 1H25 Financial Highlights**

IMDEX has once again demonstrated its resilience, successfully executing its growth strategy during another period of subdued global exploration activity, which has now spanned four consecutive halves.

Our revenue of \$212m for the period was down 10% on pcp. This is a commendable result given the 19% contraction in industry activity in calendar year 2024, once again reflecting our ability to outperform the market. Half-on-half revenue grew marginally despite of this ongoing decline in exploration activity. The drivers for this growth include strong market share gains, and increasing contributions from our new business growth initiatives, which we will elaborate upon further today.

Reported EBITDA was up 28% on 1H24, reflecting the successful resolution of the Globaltech claims.

Normalised EBITDA declined versus pcp in line with the lower revenue; however, it too exhibited growth half-on-half. Most pleasingly, our EBITDA margin remained strong at 30.2%, consistent with 1H24 and up on 2H24,

once again against a backdrop of a rising cost environment. This strong margin outcome is a combination of disciplined cost management and the ongoing delivery of synergies in our business.

Overall, our financial performance for the half highlights both the strength of our business model and the discipline of our global teams in a tough market.

#### Slide 8

##### 1H25 Financial Highlights (continued)

Continuing with our Financial Highlights on slide 8 and with a focus now on our balance sheet.

Operating cashflow conversion was very strong at 96%, an outstanding result and well above our historical targets of 70%. Most pleasingly, **net debt** is down to \$15m, and the accelerated repayment of our debt remains on track, with expectations we will be net cash early in FY26.

Linda will expand on this and our detailed balance sheet shortly.

Finally, our Board has declared an interim fully franked dividend of 1.5 cents per share. This is in line with 1H24 and consistent with our capital management policy, which targets an annualised 30% normalised NPAT payout ratio.

#### Slide 9

##### 1H25 Strategic Highlights

Turning to slide 9, to review our strategic highlights for 1H25. As briefly outlined earlier, the market share gains have come directly from the strategic progress we have made around our core business. Concurrently, the increased revenue contributions from growth business units sets IMDEX up for long-term growth in all market conditions.

**Expanding on our core business:** We've seen good early adoption of our next-generation OMNIx™, ACTx™ and LOGRx™ technologies, contributing to a 1% uplift in average revenue per unit (ARPU). These technologies remain in the early stages of their roll out and we expect further growth in the periods ahead.

I would take this opportunity to remind listeners that ARPU is only one of the key indicators we use to assess our portfolio health. For instance, products like LOGRx™ have a lower price point than our total fleet ARPU, and as such, growth with this technology can reduce total fleet ARPU. The LOGRx technology, however, delivers substantial productivity benefits, adds significant value to our customers, and remains critical to our strategy.

While we no longer report Devico performance separately, the revenue synergies continue to be delivered from this acquisition. Revenue from Devico sensors through the IMDEX sales network continue to gain momentum, growing approximately 15% for the period. In contrast, a number of DCD programs were completed during the period, seeing a slight revenue decline, however the pipeline of new directional projects is the strongest it has been since completing the acquisition, and these too are expected to deliver growth in the periods ahead.

**Shifting to our strategic pillar of Integrated Solutions:** IMDEX's share of exploration spend remained steady, with IMDEX earning approximately \$2.10 in revenue for \$100 spent on exploration activities during CY24. Similarly, the proportion of our top 250 clients using more than three products was consistent with the prior corresponding period. Finally, the number of customers connected to IMDEX HUB-IQ™ grew by 7%, a strong highlight of the increasing customer engagement in our cloud-based platforms.

**Now, focusing on our New Growth Business units—Digital and IMDEX Mining Technologies:**

Our strategic investments in Datarock and Krux continue to deliver. The development and growth of these SaaS revenue platforms is pleasing with Datarock's SaaS revenue increasing by 107%, and while Krux SaaS revenue is up by 46%. As announced in our release this morning, we have now committed to acquire the remaining 49% of Datarock in FY26 – a clear statement of the success we are seeing in their market offering.

Turning to IMDEX Mining Technologies (IMT), comprising a portfolio of products including BHS™, BOLT™, BLASTDOG™, and our MINEPORTAL™ software. This business unit is organically expanding into the adjacent mining production space, and leverages the core capabilities our existing technologies. At the end of 1H25, over 40 sites globally had least one of our IMT solutions installed, and revenue for this unit was up 72% on 1H24.

Overall, regardless of exploration market conditions, IMDEX's strategy, product suite, and market positioning enable us to deliver superior performance.

## Slide 10

### 1H24 Sustainability Highlights

Turning now to our Sustainability Highlights on slide 10.

Our sustainability strategy is built around five key pillars: We are on track to achieve our targets set for FY25 and I draw your attention to a selection of highlights.

**Starting with People:**

Importantly, zero lost-time injuries were recorded during 1H25 – and I acknowledge our global teams for their high commitment to safety engagement. We also continued to drive a positive shift in gender diversity as part of our DEI strategy.

**Moving to Innovation:**

In response to emerging demand from our clients for solutions that enhance productivity, we have slightly increased our R&D investment—further strengthening our product pipeline for the future.

**For Environment:**

We initiated a project to enhance the collection and reporting of GHG emissions data, ensuring greater accuracy and transparency in our environmental reporting and ability to establish future reduction targets.

**Within our Society pillar:**

Our Global Volunteering Program, launched in mid-FY24, continues to gain momentum, with over 300 hours provided by greater than 10% of the IMDEX global workforce towards community initiatives.

**And finally, on Governance:**

We have consolidated our modern slavery reporting processes to align with global requirements, reinforcing our commitment to responsible business practices.

**Slide 11**

**2025 Half Year Financial Performance (Divider Slide)**

That completes the highlights for the half, and I will now hand over to Linda, to discuss the financials in more detail.

**LINDA LIM**

**Slide 12**

**Key Metrics**

Thank you, Paul.

Paul has provided the headline results, and I will expand on this further.

Our preference is to deliver transparent results without the need to normalise. However, in 1H25, we were pleased to see the resolution of the Globaltech claims, as detailed in our ASX announcement on 16 August 2024. This resulted in net proceeds of \$9.1 million, which have been treated as a significant item.

Reported NPAT is \$31 million at an annualised effective tax rate of 28%, 32% normalised. When adjusted for the \$9.1 million Globaltech resolution outcome, this results in a normalised NPAT of \$21.9 million. Normalised NPATA for 1H25 stands at \$26.5 million, reflecting the slight increase in amortisation primarily driven by the commencement of amortisation of MINEPORTAL™ in 2H24.

I will provide a more detailed capital management overview later in the presentation, but I am pleased to highlight our strong normalised operating cash performance, despite the softer market activity. Additionally, our net debt position has reduced to \$15.3 million, bringing our net debt leverage ratio down to 0.2 times.

Finally, our full-time employee count decreased slightly to 823 as at 31 December 2024. This reflects the outcomes of our organisational redesign and cost management focus.

### **Slide 13** **Revenue Growth**

Turning to Slide 13, you can see our half-on-half revenue performance since FY22, which shows a consistent upward trajectory until 2H24, when sector activity softened.

Revenue for 1H25 came in at \$212 million—a 10% decline on the prior corresponding period and only 7% on a constant currency basis. However, this top line result is particularly strong given drilling activity for CY24 contracted by 19%. Encouragingly, revenue increased by 1% on 2H24. As Paul referred to earlier, this reflects a combination of market share gains in our core business, including growth of Devico Sensor revenues through the IMDEX sales network, and increased contributions from our new growth businesses.

Importantly, higher-margin revenue from Sensors and SaaS now accounts for 66% of total revenue, up from 64% in 1H24. This further strengthens our business model, enhancing both resilience and profitability despite tough market conditions.

Our ability to consistently outperform industry benchmarks is evident in our five-year revenue CAGR of 10%, significantly outpacing the ~5% CAGR in S&P exploration expenditure over the same period. This demonstrates the strength of our strategy and our ability to drive sustainable growth.

### **Slide 14**

## Revenue by Region

Turning to Slide 14, we focus on our revenue performance by region.

The Americas continues to be our largest region, contributing 49% of total revenue in 1H25—a slight decrease of 1% from the pcp. Revenue from Europe and Africa accounted for 25%, reflecting a 1% increase, while Asia Pacific held steady at 26%.

Looking at the Americas in detail, revenue declined by 11% compared to 1H24 but showed a recovery, up 6% from 2H24. The primary factors influencing this performance were funding constraints for junior miners in Canada and the natural completion of some directional drilling projects in South America. The USA, however, remained strong and led our half-on-half recovery.

In Asia Pacific, revenue was down 8% pcp but showed resilience with only a 1% decline half-on-half.

Lastly, in Europe and Africa, revenue declined by 9% compared to the pcp and was down 5% from the previous half.

## Slide 15

### Strong Operating EBITDA

Turning to Slide 15, we see our consistent half-on-half EBITDA performance since FY22, demonstrating margin stability and a 2% improvement in 1H25 over 2H24—once again, in spite of lower activity levels, higher wage inflation, and the absorption of \$2.7 million in non-cash Devico KMP retention incentives. These charges were previously treated as a significant item in FY24 and excluded from normalised EBITDA. This performance reinforces the earnings resilience of the IMDEX business model and supports our objective of sustaining baseline EBITDA margins of around 30%.

Three factors have contributed to this performance:

- **Firstly - Improved Revenue Mix:** Our overall gross margin has been strengthened by growth in higher-margin sensors and software.
- **Second - Cost Discipline & Strategic Investment:** We have maintained disciplined cost management while continuing to invest in R&D. To clarify, there has been no change in accounting treatment for R&D, we maintain our conservative approach whereby the majority of R&D is expensed. As Paul alluded to earlier, the increased demand for insights through out software platforms has driven an increase in overall R&D spend for the period. Our investment supports next generation technologies within our core business and our new growth initiatives in IMT and Digital.

- **Thirdly - Cost Synergies:** The organisational redesign undertaken in FY24—reflected in our lower FTE numbers—has delivered the expected cost savings, and more. Additionally, our decision to manage the pace of our capability investment until market conditions improve has provided over \$2 million in labour savings in 1H25. Overall, there is net \$16m improvement in opex versus pcp.

## Slide 16

### Strong Cash Conversion

Turning to Slide 16, which highlights our strong cash flow generation and conversion.

From our normalised EBITDA of \$64 million, we generated \$61.5 million in normalised operating cash flow, delivering an impressive 96% conversion rate (109% pre-tax). This excludes the net \$9.1m received from the Globaltech resolution which lowers our net debt position.

We invested \$17.4 million in property, plant, and equipment, with a primary focus on developing next-generation sensors—an investment that will continue over FY25. The higher investment in intangibles reflects the higher software investment and the IP introduced from the Globaltech resolution. Additionally, we repaid \$14 million in borrowings, further strengthening our balance sheet.

## Slide 17

### Balance Sheet – Ability to Reinvest in Business and Growth

I've already covered our working capital balances, but I want to highlight three key points.

- First, our strong free cash flow generation gives us the flexibility to accelerate debt repayment, return to net cash, and, in turn pursue further acquisitive growth when the opportunity arises;
- Second, we have \$83 million in available liquidity as at 31 December 2024, providing long-term financial stability.
- And finally, our interest coverage ratio remains healthy at 7x, reinforcing our solid financial position.

Overall, our balance sheet is in a strong position to support M&A if the right target presents. Our Return on Capital Employed reflects our investment in next-generation technologies and long-term growth initiatives that are expected to generate additional revenues.

## Slide 18

### Outlook & Strategy (Divider Slide)

I will now hand back to Paul to cover our outlook and recap our strategy.

PAUL HOUSE

Slide 19

Industry Signals are Lining Up

Thank you, Linda. I'd like to spend some time now on slide 19, and how IMDEX sees the market outlook. As we have shared previously, we continue to be guided by five key market traffic signals:

**1. Supply-Demand Fundamentals**

We closely track the drivers of demand for all commodities, particularly copper and gold, which together account for around 75% of global exploration activity. The decline in proven reserves for gold, and the expected shortfall in supply to meet current and growing demand in copper, is well-documented. We expect this to continue into the next decade, reinforcing the urgency for new discoveries, and demand for increased exploration activity in turn. To be clear, the long-term demand for cobalt, nickel, and lithium remains strong, despite any near-term volatility, and is underpinned by global decarbonisation efforts which continue at pace. As reserves become deeper and more challenging to locate and mine, the need for exploration, and the need for new & improved mining technologies, continues to intensify.

**2. Commodity Prices**

With tightening supply and rising demand, we anticipate continued commodity price growth. Higher prices typically create favourable conditions for exploration investment, as miners seek to capitalise on stronger returns.

These first 2 industry fundamentals then drive the next 3 industry activities - M&A activity, the exploration budgets of producers & improved access to capital by juniors, typically in that order - **all of which drive increases in overall exploration activity** which in turn drives increased demand for IMDEX solutions.

**3. M&A Activity**

Consolidation in the mining sector is gaining momentum. Historically, these transactions have been a strong leading indicator of increased exploration activity. Newly merged entities often prioritise proving up the value of their expanded asset portfolios. Over the past 12 months we have seen a rise in M&A activity.

#### 4. Exploration Budgets

While global exploration budgets remain below the 2012 peak of US\$21 billion, we are seeing positive signals. Australian resource companies have already signalled budget increases for FY25, signalling a renewed focus on exploration. The rest of the world typically budgets on a calendar year basis, and we should see confirmation of their exploration budgets in the coming weeks.

#### 5. Capital Raisings

Although juniors explorers only represent circa 15% of IMDEX's revenue, we have included capital raisings as a market signal. Junior exploration activity provides an indicator of sentiment for broader exploration trends. Junior and intermediate capital raisings are down year-to-date in value, but the number of transactions is up, suggesting selective investment in exploration projects.

#### So, what do we expect for CY25?

Currently, three of these key indicators—supply-demand fundamentals, commodity prices, and M&A activity—are signalling green, pointing towards increased exploration activity. However, until we see a meaningful uplift in global exploration budgets, we expect near term activity to remain steady. Pleasingly the long-term fundamentals and short-term drivers are increasingly indicating activity is likely to improve in FY26.

#### Slide 20

##### Activity Look Ahead of Our Regions

The sub-heading on slide 20 encapsulates what we are currently seeing in our regions.

Starting with **North America**, activity remains steady, primarily centred on near-mine projects. Encouragingly, adoption of our integrated solutions continues to gain momentum. However, Mexico and Canada remain subdued, with junior activity constrained by persistent funding challenges.

In **South America**, strong demand for copper is driving increased activity, particularly in Chile and Argentina. We are also seeing increasing demand for our Devico DCD solutions across the region.

In **Africa**, activity remains stable, with major players driving growth in gold and copper brownfield projects. While we remain cautious regarding Mali and the DRC, we see promising growth opportunities emerging in Zambia and the Middle East.

In **Europe**, activity remains steady, underpinned by brownfield projects. While one major resource company's slowdown in Scandinavia has had a short-term impact, this is being offset by rising activity in Eastern Europe and the Balkans.

**Australia** experienced a strong post-Christmas start-up, driven by several contracts commencing in October 2024. We anticipate activity to remain relatively steady for the remainder of FY25.

Finally, activity in **Asia** remains stable, with noticeable increases in Papua New Guinea and the Philippines.

In summary, across our key regions, while some challenges persist, we expect overall activity levels to remain consistent throughout the remainder of FY25

### **Our Strategy is Unchanged**

Turning to Slide 21.

At IMDEX, we have a clear and focused strategy that is unchanged.

Our growth is driven by technology leadership & integrated solutions in our core markets, and expansion into the new digital and mining production markets.

In our core business, our technologies aim to enhance productivity to drillers and resource companies alike.

In our growth business units, we are focussed on increasing the number of new installed sites around the world.

Together, the growth of production segment revenues and SaaS revenues expands our presence into less cyclical sectors.

We execute this strategy with discipline and focus, through targeted acquisitions, targeted R&D, and close collaboration with customers and industry partners.

This is a clear and well-defined strategy and remains unchanged. IMDEX remains fully committed to driving long-term, sustainable growth for shareholders.

### **Slide 22**

#### **Growth Opportunities FY26+**

Turning to Slide 22, I want to reiterate how we view growth opportunities—differentiating between the drivers we can control as a team, versus the broader influence of the exploration market cycle.

- Starting with **Market Share Gains** on the left: We are actively expanding our market presence and creating new opportunities through the growth of our integrated solutions, including directional drilling. This expansion is underpinned by our broad technology portfolio and an increasing global footprint.
- Next, **Margin Expansion**: Maintaining our technology leadership, and increasing contributions from our higher-margin sensors and software.
- Finally, **IMDEX Growth Upside**: We continue to pursue long-term opportunities in Digital, IMT, and strategic M&A to sustain future growth and innovation.
- The box on the far right represents the market – an external factor. As mentioned earlier, the long-term fundamentals remain positive. Exploration investment continues to be a key market driver, and global exploration budgets for CY25 are still well below the 2012 peak—indicating significant room for further investment and expansion.

In summary, we have a clear strategy and substantial headroom for growth, in all market conditions.

### Slide 23

#### Strong Track Record as a Growth Company

Imdex continues to outperform relative to the market over the longer term. This current graph has been updated for more recent data however the out-performance trend of IMDEX is a decade long. In this 3-year version, the LHS of the slide illustrates that while exploration budgets have increased some 8% over the past three years, they remain well below the \$US21bn peak we saw in CY12.

Over a similar period, our revenue and earnings have increased by 68% and 73% respectively, highlighting the strength of our business model, our operational efficiency, and our strategy.

### Slide 24

#### Quote

To wrap up today, I want to leave you with five key points – our Cliff notes – that encapsulate how we see our performance in 1H25:

1. Firstly, we delivered half-on-half growth despite tough market conditions.
2. We expanded our market share in our core business.
3. We delivered significant growth in our Digital and IMT growth businesses.
4. We maintained our EBITDA margins in a high-cost environment; and finally

5. We further strengthened our balance sheet and remain on track to achieve a net cash position in early FY26.

These results reflect our resilience, disciplined execution, delivery and commitment to delivering sustainable growth.

This concludes our presentation for today and I will now hand back to the moderator for questions.

For personal use only