

ANNUAL GENERAL MEETING 21 OCTOBER 2021

Chief Executive Officer



Mitchell
SERVICES



DISCLAIMER

This investor presentation has been prepared by Mitchell Services Limited ("the Company"). Information in this presentation is of a general nature only and should be read in conjunction with the Company's other periodic and continuous disclosure announcements to the ASX, which are available at: www.asx.com.au.

This presentation contains statements, opinions, projections, forecasts and other material ("forward-looking statements") with respect to the financial condition, business operations and competitive landscape of the Company and certain plans for its future management. The words *anticipate, believe, expect, project, forecast, estimate, likely, intend, should, could, may, target, plan* and other similar expressions are intended to identify forward-looking statements. Such forward-looking statements are not guarantees of future performance and include known and unknown risks, uncertainties, assumptions and other important factors which are beyond the Company's control and may cause actual results to differ from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. Any forward-looking statements contained in this document are qualified by this cautionary statement. The past performance of the Company is not a guarantee of future performance. None of the Company, or its officers, employees, agents or any other person named in this presentation makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statements or any of the outcomes upon which they are based.

The information contained in this presentation does not take into account the investment objectives, financial situation or particular needs of any recipient and is not financial product advice. Before making an investment decision, investors should consider their own needs and situation and, if necessary, seek independent professional advice.

Mitchell Services Limited's financial statements comply with International Financial Reporting Standards (IFRS). This presentation may include certain non-IFRS performance measures including EBITDA, EBIT, Gearing ratio, Gross Debt, Net Debt and Return on Invested Capital (ROIC). These measures are used internally by management to assess the performance of the business. Non-IFRS measures have not been subject to audit or review and should not be considered as an alternative to an IFRS measure of profitability, financial performance or liquidity.

To the maximum extent permitted by law, the Company and its directors and advisers of both give no warranty, representation or guarantee as to the accuracy, completeness or reliability of the information contained in this presentation. Further, none of the Company, its officers, agents or employees accepts, to the extent permitted by law, any liability for any loss, claim, damages, costs or expenses arising from the use of this presentation or its contents or otherwise arising out of, or in connection with it. Any recipient of this presentation should independently satisfy themselves as to the accuracy of all information contained herein.

MITCHELL SERVICES MARKET PROFILE

ASX Information

ASX Stock Symbol	MSV
Shares Issued	224,948,905
Share Price (at 12/10/2021)	A\$0.475
Market Capitalisation	A\$106.85m

Major Holders

Mitchell Group	18.4%
Dream Challenge Pty Ltd	7.2%
Washington H Soul Pattinson	6.0%

Board of Directors



Nathan Mitchell
Executive Chairman

Scott Tumbridge
Executive Director

Peter Miller
Non-Executive
Director

Robert Douglas
Non-Executive
Director

Neal O'Connor
Non-Executive
Director

Peter Hudson
Non-Executive
Director

Executive Management Team



Andrew Elf
Chief Executive Officer

Greg Switala
CFO & Company Secretary




Mitchell
SERVICES



PEOPLE, RISK AND SUSTAINABILITY


- Implemented critical risk management program. Infield program designed to verify the presence and effectiveness of critical control measures to prevent life changing injuries and fatalities.
- Covid 19 has continued to present logistical changes but credit to our entire team who have continued to deliver safe and efficient services to our clients.
- Developed and released a Modern Slavery Statement.
- Mitchell Services Foundation has now been registered as a Charity.

Mitchell
SERVICES



FATAL 8

1. Driving
2. Plant & Equipment Operation
3. Entanglement in Rotating Equipment
4. Lifting Operations
5. Electrical Energy
6. Working at Heights
7. Hazardous Materials
8. Stored Energy Sources



A failure to control these risks could lead to serious injury or death.



FY21 BUSINESS OVERVIEW

42,633 shifts in FY21

↑ **20%**
from FY20

Industry leading safety
performance driven by critical
risk control verification
program

650+
experienced employees

Underlying FY21 EBITDA of
\$35.7m

\$29.6m gross bank debt
at 30 June 21 representing
a **25% decrease**
from 30 June 20

Total revenue of \$191m
↑ **9%**
from FY20 driven by utilisation
increases

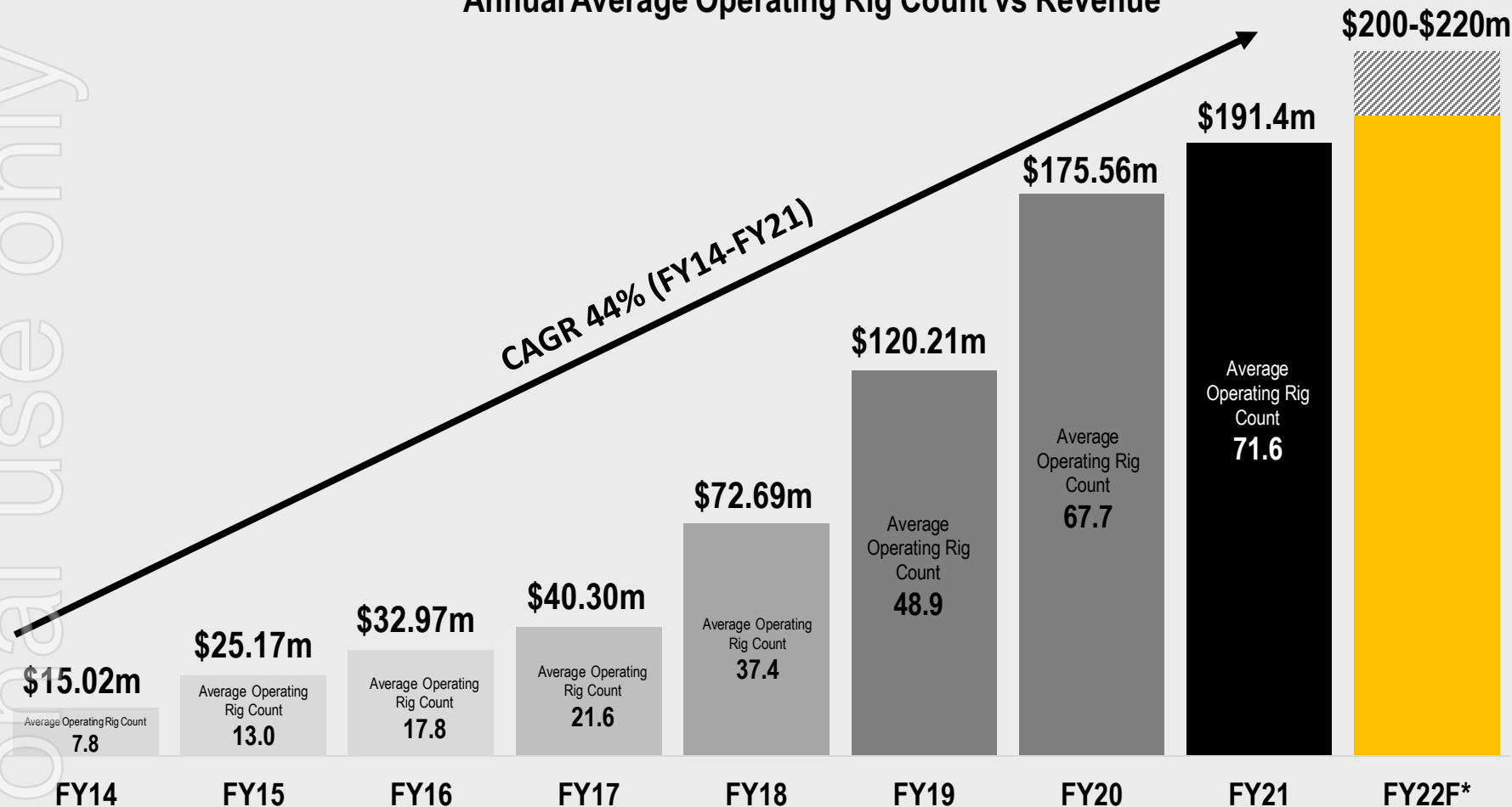


Mitchell
SERVICES



MSV'S DEMONSTRATED ABILITY TO DELIVER GROWTH

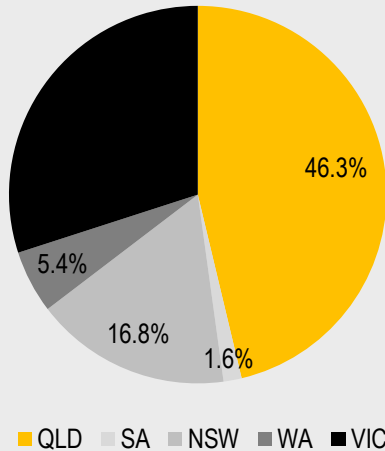
Annual Average Operating Rig Count vs Revenue



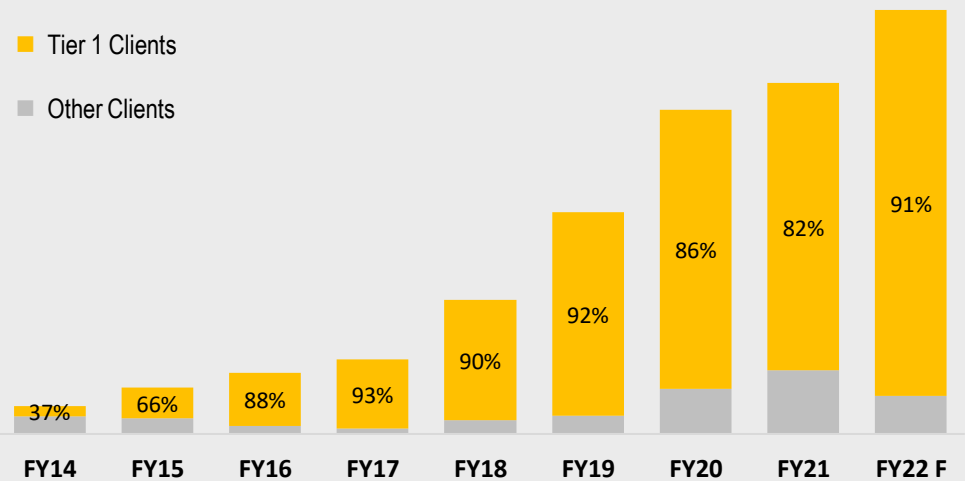
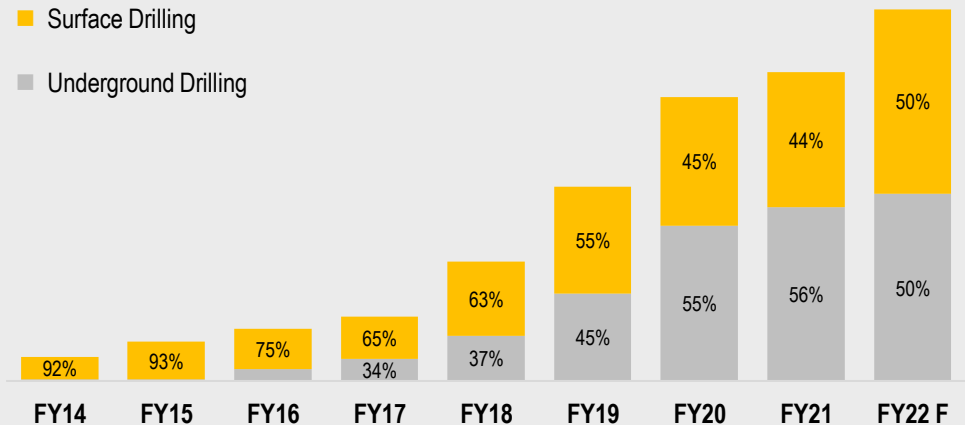
*Assumes anticipated levels of work from existing customers and that all existing customers renew their drilling contracts to the extent that such current contracts expire during this period. Assumes a 20% EBITDA margin and that there is no material changes in market conditions or operating environments, including no material deterioration in COVID-19 restrictions and regulations.

REVENUE QUALITY AND DIVERSITY

FY21 Revenue by State and Commodity



Revenue by Drilling and Client Type



ORGANIC GROWTH STRATEGY

- Mitchell Services is embarking on an organic growth strategy including a material capital investment program to deliver anticipated FY22 EBITDA of between \$40m and \$44m.
- This investment includes the purchase of 9 LF160 drill rigs that are expected to be delivered by 31 December 2021 and includes an option for an additional 3 rigs.
- The proposed timing allows Mitchell Services to take advantage of the cash flow benefit associated with the ATO's instant asset write off program (in place until June 2022 with a proposed extension to June 2023).
- It was previously Mitchell Services' intention to sell nominated rigs to provide partial funding for this capital investment program.
- However, given the strength of the current market and the lead times to procure additional drill rigs, Mitchell Services have opted to retain these rigs as the value to the business will be greater than the net sale proceeds.
- Based on the anticipated size of the fleet post implementation of the growth strategy, the business would have the capacity to potentially generate \$50m-\$60m EBITDA and to deliver material EPS growth.



OPPORTUNITY TO LEVERAGE THE CYCLE

- Significant increase in demand in the gold and base metals sectors with a positive long-term industry outlook.
- Global government stimulus and subsequent investment into infrastructure and other projects will drive demand for copper and other base metals.
- In a world where reserves and grades of some commodities are reducing, Australia is seen as a high quality, low risk jurisdiction in which to operate.
- Increase in new projects and exploration programs due to significantly increased level of capital raising and investment by miners during 2020 and 2021.
- With approximately 70% of FY21 revenue derived from the gold and base metal sectors, the Company is well placed to take advantage of any further uplift in these markets.



“We believe that the last supercycle peaked in 2008 (after 12 years of expansion), bottomed in 2020 (after a 12-year contraction) and that we likely entered an upswing phase of a new commodity supercycle”

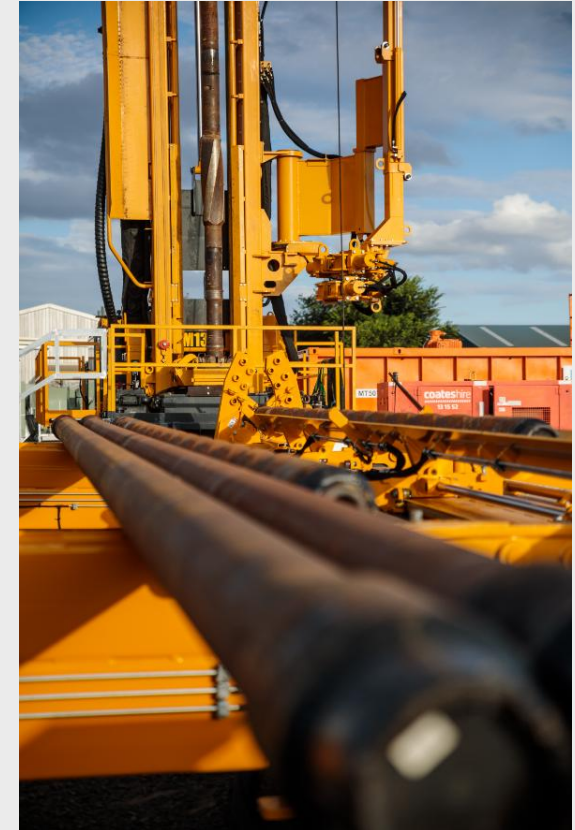
JP Morgan macro and quantitative strategist Marko Kolanovic

The outlook for drilling services demand is the strongest that we have seen since 2008



SIGNIFICANT BARRIERS TO ENTRY

- Access to funding for new mining services providers is challenging given limited lender appetite to the mining services sector.
- Complex and highly regulated industry.
- Increasing lead time in relation to the supply of rigs, ancillary equipment and consumables.
- Significant level of industry consolidation.
- Tightening labour market and ability to attract and retain a highly skilled labour force.



Suppliers are currently experiencing a surge in global demand for drill rod while continuing to manage supply constraints as a result of Covid-19

Mitchell Services has circa 20,000 pieces of drill rod currently ordered which represents 32% of a major supplier's total Asia Pacific drill rod availability over the next 6 months



FY22 Q1 UPDATE AND OUTLOOK



- FY22 Q1 revenue was \$52.7m representing a 14% increase from the FY21 Q4 figure of \$46.2m
- Solid FY22 Q1 EBITDA of \$8.1m
- EBITDA is expected to increase quarter on quarter for the remainder of FY22 as additional rigs are deployed and ramp up costs begin to reduce
- MSV maintains its FY22 revenue and EBITDA guidance of \$200m-\$220m and \$40m-\$44m respectively.
- Strong anticipated EBITDA run rate heading into FY23

SUMMARY

- Mitchell Services vision is to be **Australia's leading provider of drilling services** to the global exploration, mining and energy industries.
- Mitchell Services is embarking on an **organic growth strategy** including a material capital investment program to deliver anticipated **FY22 EBITDA of between \$40m and \$44m**.
- Based on the anticipated size of the fleet post implementation of the growth strategy, the business would have the capacity to potentially generate **\$50m-\$60m EBITDA** and to deliver material EPS growth.
- Mitchell Services has an **experienced board** and management team who have **proven success** in business development and growth.

