

FULL YEAR RESULTS

FINANCIAL YEAR 2025



Mitchell
SERVICES



ASX:MSV

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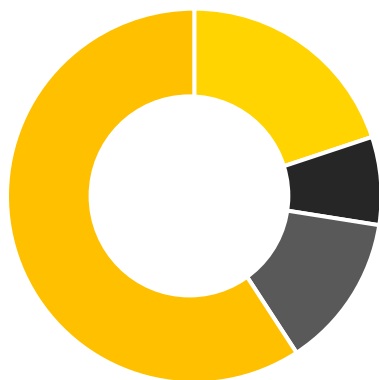
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MARKET PROFILE

ASX INFORMATION

ASX Stock Symbol	MSV
Shares on Issue (at 20/08/2025)	211,962,408
Share Price (at 20/08/2025)	A\$0.28
Market Capitalisation	A\$59.35m

SHAREHOLDERS



- 19.9% - Mitchell Group
- 7.6% - Dream Challenge Pty Ltd
- 13.3% - Institutional Investors
- 59.2% - Retail Investors

BOARD OF DIRECTORS



Nathan Mitchell	Executive Chairman
Scott Tumbridge	Non- 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

FY25 BUSINESS SUMMARY

REVENUE

\$196.7m

↓ 17% from FY24

EBITDA

\$25.7m

↓ 36% from FY24

PROFIT AFTER TAX

\$0.5m

↓ 94% from FY24

OPERATING CASHFLOW

\$17.9m

↓ 58% from FY24

SAFETY PERFORMANCE

INDUSTRY LEADING
SAFETY CULTURE

RETURN ON INVESTED CAPITAL

2.0%

↓ 88% from FY24

OVERVIEW

- FY25 represented a **transitional year** for the company, with a significant investment into new projects to replace reduced utilisation
- All major FY25 expiring contracts re-won.
- The Company will enter FY26 **ex mobilisations and ramp up**
- **Significant leverage** within the business upon the normalisation of utilisation and revenue
- High quality revenue streams have enabled the Company to **generate strong cash flow**
 - Over 80% of revenue is from global mining majors
 - Revenue is split approximately 50% surface drilling & 50% underground drilling
 - Gold represents greater than 45% of revenue
 - 80% of revenue is from production, development and resource definition drilling
- **Strong balance sheet** provides optionality









OPERATIONAL UPDATE

- FY25 was impacted by a **reduction** in utilisation attributable to a variety of factors including:
 - The underground fire event at Grosvenor mine
 - Temporary shutdowns at Oaky Creek (water inrush event) and Moranbah North (underground gas incident)
 - Mining industry corporate activity
 - Elevated rainfalls events
 - Reduced activity levels in the coal sector given lower coal prices
- A significant investment was made into **newly-won projects** and service offerings, most notably:
 - **PNG market entry** following the award of a multi-rig, multi-year contract with a global gold mining major
 - The provision of **innovative decarbonisation drilling** via joint venture Loop Decarbonisation Solutions (Loop) which represents a material growth opportunity in time.
 - The award of a multi-rig, multi-year **underground contract** with a global gold mining major
 - The award of a multi-rig, multi-year **surface contract** with Tier 1 ASX listed coal company

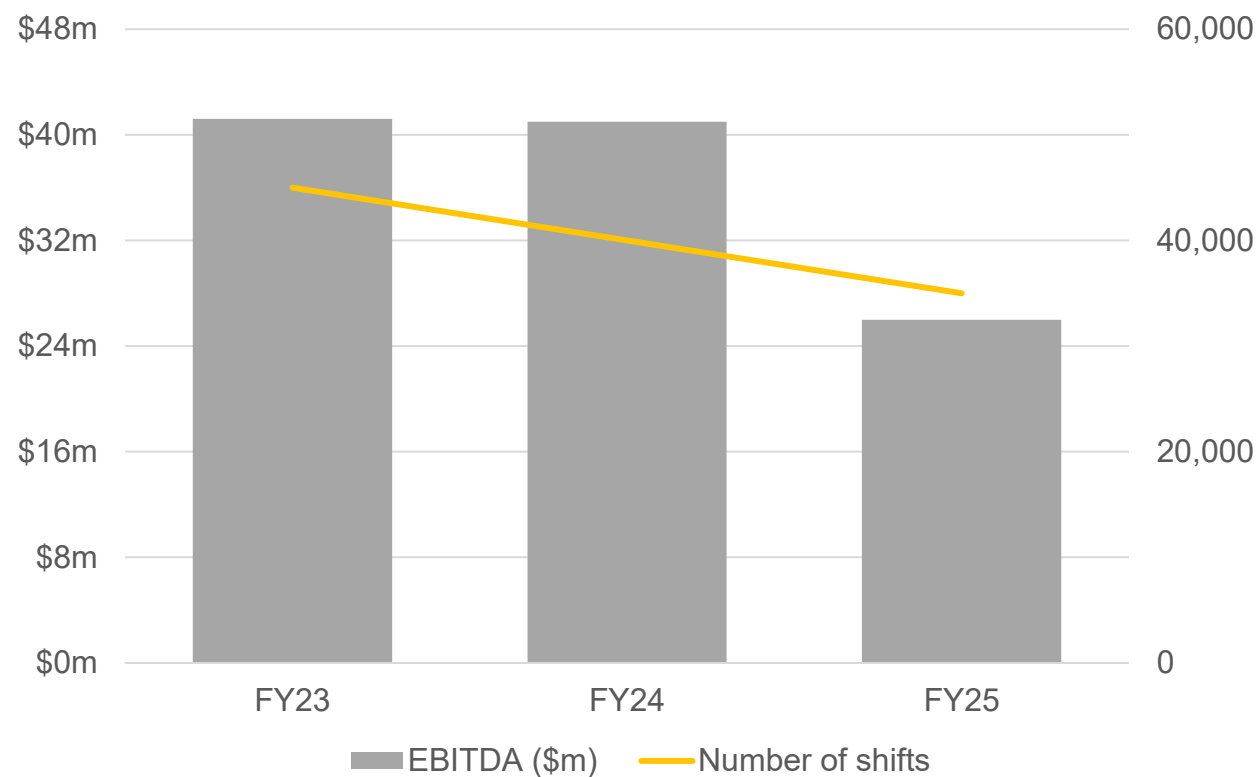


OPERATIONAL HISTORY

LEVERAGE TO THE UPSIDE WHEN UTILISATION NORMALISES

- High quality fleet
- Larger portion under utilised in FY25
- EBITDA exceeded \$40m in FY23 and FY24 when shift count exceeded 40,000
- Net debt decreased by \$37m over FY23 and FY24
- Demonstrated ability to generate meaningful shareholder returns through dividends and buy-back
- Strong balance sheet provides optionality

HISTORICAL UTILISATION AND EBITDA



LOOP: OPERATIONAL UPDATE

- 50/50 joint venture between MSV and Talisman
- Two customers to date
- Customer 1
 - First project successfully completed
- Customer 2
 - Initial feasibility and consulting work currently in progress
 - Letter of Intent (LOI) issued to engage Loop for the full in field management of the decarbonisation project
- <https://loopdecarb.com.au>



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Mitchell Services Limited (ASX: MSV) is a leading provider of drilling services to the exploration, mining and energy industries.

TALISMAN

Talisman Technical focuses on providing comprehensive solutions for the resources sector, including ESG, decarbonisation, safety and critical control management, reservoir engineering, and mining advisory.

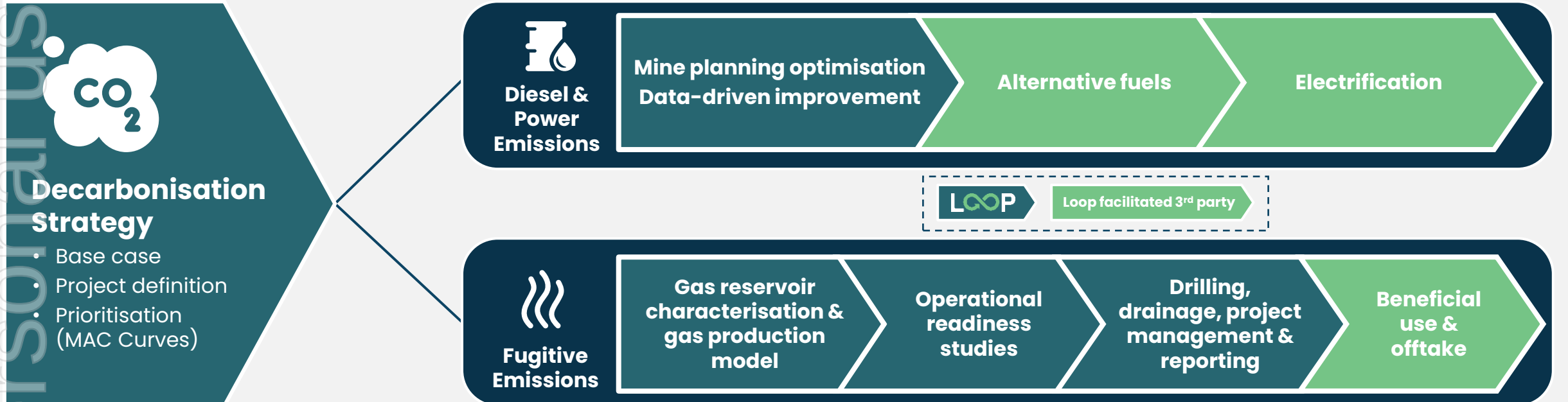
THE LOOP FULL-SERVICE OFFERING

From concept through to execution, our unique capabilities allow us to manage the decarbonisation solution from end-to-end.

Our extensive operational experience allows us to effectively manage the interactions between active mining and the decarbonisation activities to mitigate risk and maintain production.

We integrate all aspects of the decarbonisation solution, including health, management systems, safety and environmental risk.

From marginal abatement cost curves, to execution at the coal-face, and audit and assurance to national and global ESG standards – Loop is the trusted partner of choice.



DECARBONISATION: AN OPPORTUNITY IN DISGUISE

WHAT'S DRIVING CHANGE?

The transition toward a clean energy future is here. This is being driven by investor demand, government regulation, and growing societal pressure. Regardless of the pace of change, the direction is all shifting towards net zero by 2050.

Loop seeks to shift the narrative – this is an opportunity in disguise. Stakeholder sentiment is linked to long-term value and social licence. Why can't it be risk adjusted return centric?



Corporate Strategy

Global corporates are aligning decarbonisation strategies to net zero by 2050 with interim targets by 2030.



Safeguard Mechanism

The Safeguard Mechanism has commenced, with operations required to reduce emissions each year. NGERS is shifting to Method 2 across all Safeguard-covered facilities by FY26.

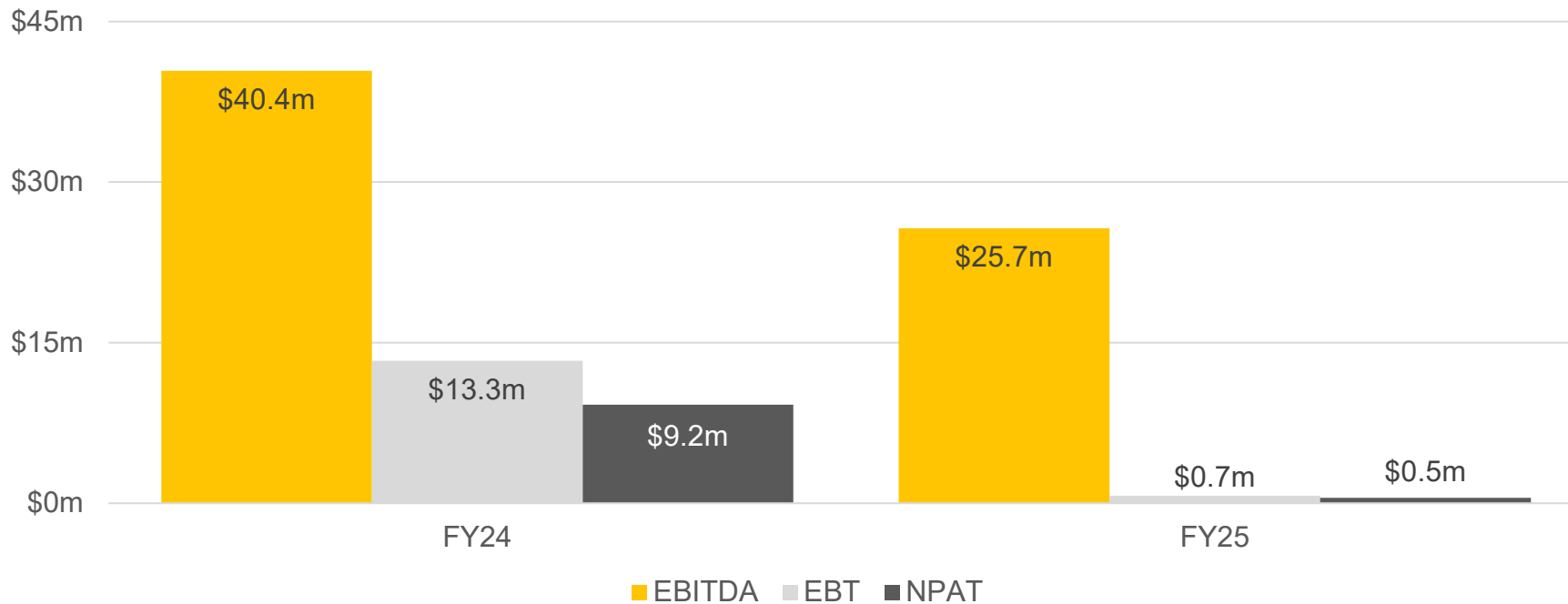


State Compliance

All states require a GHG management plan for approvals and amendments, with exceptional detail required. NSW is the most stringent, with QLD not far behind.

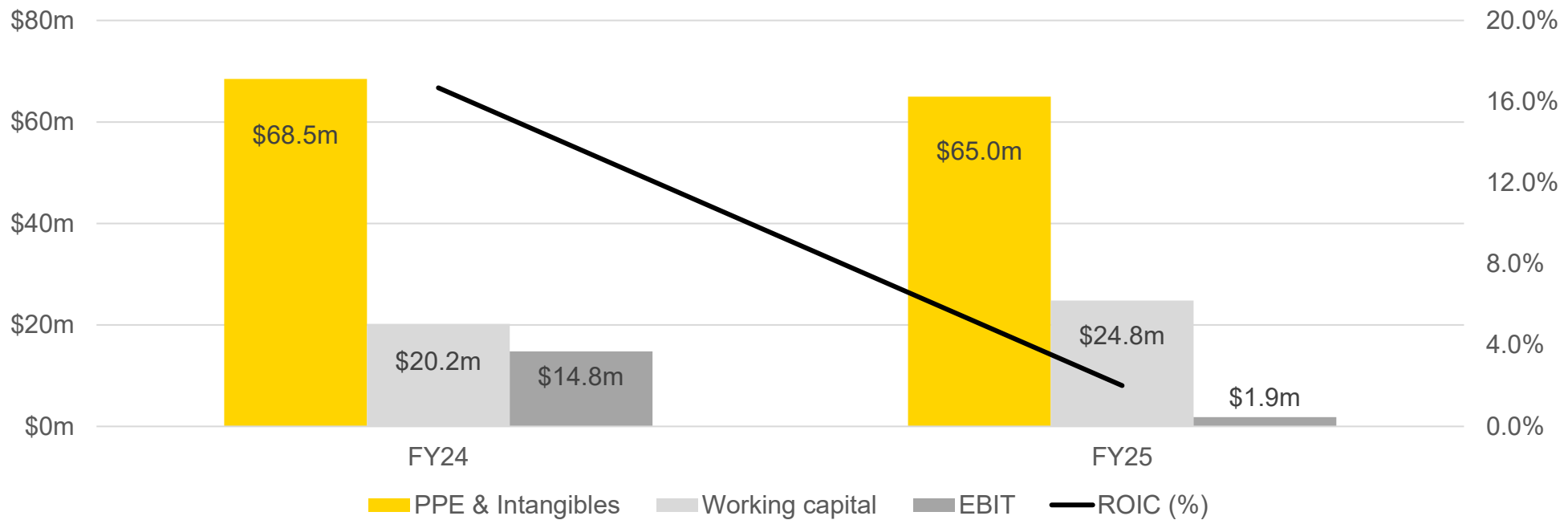
PROFIT AND LOSS

Earnings impacted by reduced utilisation combined with mobilisation costs for newly won contracts



- FY25 EBITDA of \$25.7m is down on FY24 (\$40.4m) primarily due to lower utilisation coupled with a significant investment into newly won replacement projects
- The Company enters FY26 ex mobilisation and ramp up

RETURN ON INVESTED CAPITAL



- ROIC has decreased from 16.5% in FY24 to 2.0% in FY25 owing to the reduced earnings comparatively.

*ROIC defined as annualised EBIT divided by (net PPE plus intangibles plus working capital).

BALANCE SHEET

BALANCE SHEET REMAINS STRONG

- Overall **reduction in net asset position** largely due to the modest FY25 NPAT and the \$4.3m payment of a final FY24 dividend and share buy-back payments
- Increase in net working capital driven by an **investment in inventories** to service newly won projects
- No intention to raise equity** for any reason
- A robust balance sheet enabled the business to comfortably navigate reduced FY25 utilisation.
- Balance sheet provides **optionality** to capitalise on opportunities.

	30-Jun-25	30-Jun-24	Change
	\$000's	\$000's	%
Balance Sheet Summary			
Current assets	45,345	57,466	(21.1)
Non-current assets	65,926	69,941	(5.7)
Total assets	111,271	127,407	(12.7)
Current liabilities	38,632	48,536	20.4
Non-current liabilities	11,603	13,241	12.4
Total liabilities	50,235	61,777	18.7
Net assets	61,036	65,630	(7.0)
Working Capital Summary			
Receivables	28,662	29,598	(3.2)
Prepayments & other assets	1,762	2,053	(14.2)
Inventories	13,576	9,781	38.8
Trade & other payables	(19,236)	(21,230)	9.4
Working Capital Investment	24,764	20,202	22.6

CASH FLOW

CONSTRAINED RELATIVE TO EARNINGS IN FY25

- Operating cashflows of \$17.9m were constrained by reduced earnings as well as an increase in working capital, most notably inventories
- EBITDA to cash conversion ratio in FY25 was 70%
- The company expects the conversion rate to increase and working capital requirements to decrease as it enters FY26 ex mobilisation and ramp up
- Cash outflows for interest/financing costs have decreased by 26.7% given the reduction in gross debt
- Legacy tax losses (largely instant asset write-off related) have now been utilised with tax payments commencing in FY26

OPERATING CASH FLOW SUMMARY

	FY25	FY24	Change
	\$000's	\$000's	%
Receipts from customers	216,003	266,503	(18.9)
Payments to suppliers / employees	(197,116)	(222,068)	(11.2)
Cash generated from operations	18,887	44,435	(57.5)
Net interest & other financing costs	(965)	(1,316)	(26.7)
Cash flow from operating activities	17,922	43,119	(58.4)
EBITDA	25,667	40,384	(36.4)
Cash Conversion Ratio (CCR)	70%	107%	(34.6)

DEBT PROFILE

LOW DEBT PROVIDES OPTIONALITY

- Gross debt (comprising equipment finance only) **reduced by a further 46%** to \$9.7m – the lowest level since 30 June 2015.
- Current blended average cost of debt is approximately 6.8% p.a with **all interest rates fixed** on equipment finance agreements.
- MSV has access to a **\$15m working capital facility** (undrawn) to fund any working capital requirements with new or expanding contracts
- The existing equipment finance facility has over \$20m in **additional headroom** to fund potential growth opportunities

FACILITY

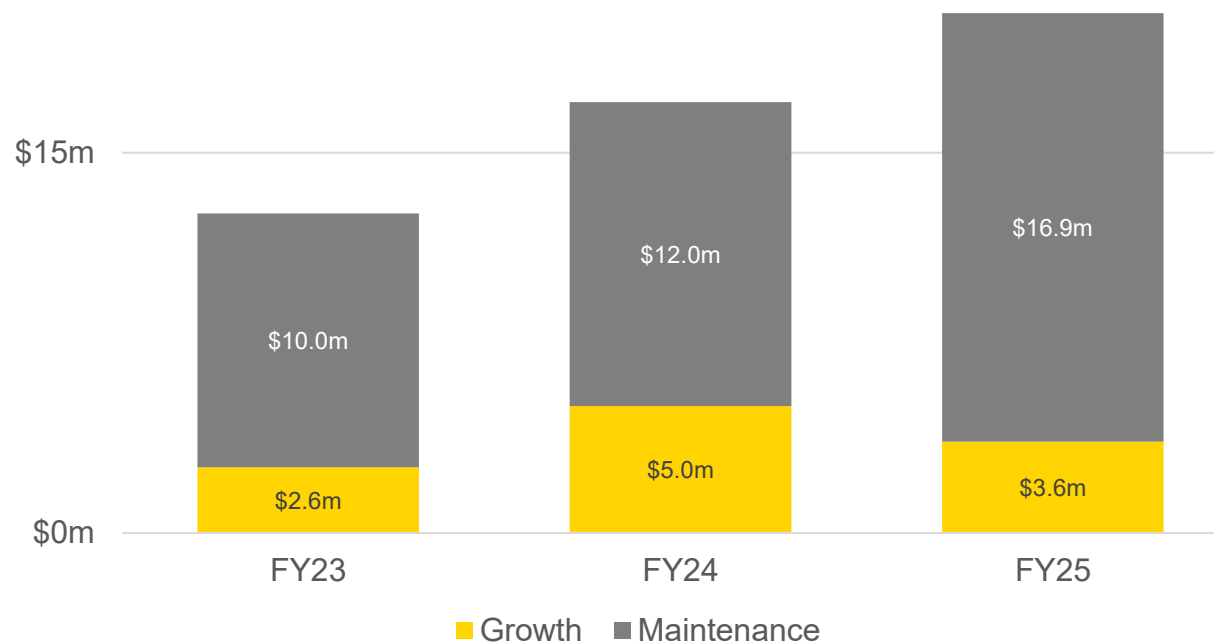
	30-Jun-25	30-Jun-24	Movement
	\$000's	\$000's	\$000's
Equipment finance	9,705	17,959	(8,254)
\$15m overdraft/working capital	-	-	-
Gross debt	9,705	17,959	(8,254)
Cash on hand	1,345	16,035	(14,690)
Net debt	8,360	1,924	6,436

CAPITAL EXPENDITURE

DISCIPLINED ALLOCATION OF CAPITAL

- The Company remains committed to a capital management framework that includes the application of **sensible limits on growth CAPEX**.
- Maintenance CAPEX continues to support **high levels of availability** across all equipment.
- The Company continually **monitors the size and composition of its fleet** against relative current market conditions.
- **Opportunistic asset sales** will be assessed and undertaken where it makes sense to do so.

YEAR ON YEAR CAPITAL EXPENDITURE



FY26 STRATEGY

- The overall strategy of the Company is to optimise the long-term **growth of the business** and **returns to shareholders** by:
 - Maintaining and, where possible, improving the profitability of the existing business
 - Continue to identify opportunities in the domestic mining sector to provide new services to Tier 1 clients (both within and beyond the traditional drilling business)
 - Identifying additional growth opportunities offshore for existing clients
- With a **strong balance sheet**, the Company retains its **optionality** and expects shareholder returns to recommence upon normalisation of business performance. This would most likely be via the recently renewed share buy back.
- Given the relative fixed nature of a large portion of the Company's costs, the **overall leverage** within the business is **significant** upon the normalisation of utilisation and revenue.



SUMMARY

- **Quality brand** with long history and high-quality revenue streams
- FY25 represented a **transition period**
- Successful entry into new markets including:
 - PNG with a multi-rig, multi year contract with Tier 1 client
 - Completion of decarbonisation project at first customer, with LOI from second customer to engage Loop for **full in field management of its decarbonisation project**
 - Loop represents a material growth opportunity in time
- **Gross debt has decreased by 46%** since 30 June 2024 with closing gross debt at \$9.7m – the lowest level since June 2015
- The Company enters FY26 with a significant portion of revenue contracted and a **strong balance sheet**
- The **overall leverage** within the business is **significant** upon the normalisation of utilisation and revenue.



DEFINITIONS

Capex	Capital expenditure
Cash Conversion Ratio	The ratio of A to B; where A is the reported cash flows from operating activities (excluding interest and income tax paid) and B is the reported EBITDA
EBITDA	Earnings before interest, tax, depreciation and amortisation; calculated as NPAT plus income tax expense plus finance charges plus depreciation expense plus amortisation of intangibles
EBITDA Margin	EBITDA divided by reported revenue expressed as a percentage
EBIT	Earnings before interest and tax; calculated as NPAT plus income tax expense plus finance charges
EBIT Margin	EBIT divided by reported revenue expressed as a percentage
Gross Debt	Total principal balances outstanding on all bank loans, equipment finance facilities, hire purchase agreements, working capital facilities and overdrafts
Net Debt	Gross Debt less cash and cash equivalents on hand
NPAT	Net profit after tax; calculated as statutory reported profit before income tax less income tax expense
NPBT	Net profit before tax; calculated as NPAT plus income tax expense
ROIC	EBIT divided by (net PPE plus intangibles plus working capital)



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