FULL YEAR RESULTS

FINANCIAL YEAR 2022

Mitchell
SERVICES

ASX:MSV

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 of 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.

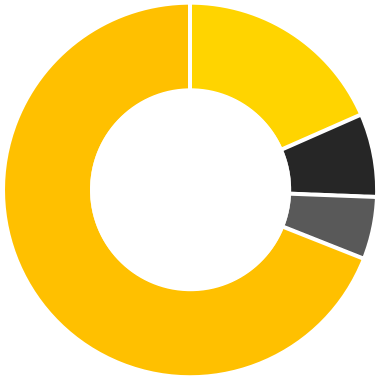
AGENDA

MARKET PROFILE

ASX INFORMATION

ASX Stock Symbol	MSV
Shares on Issue (at 22/08/22)	224,232,697
Share Price (at 22/08/22)	A$0.36
Market Capitalisation	A$80.72m

SHAREHOLDERS



- 18.4% - Mitchell Group
- 7.2% - Dream Challenge Pty Ltd
- 5.4% - Washington H Soul Pattinson
- 69% - Other

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

FY22 BUSINESS SUMMARY

44,086 SHIFTS IN FY22

↑ 3.4%

FROM FY21

SAFETY PERFORMANCE

INDUSTRY LEADING
DRIVEN BY CRITICAL RISK CONTROL VERIFICATION PROGRAM

EXPERIENCED EMPLOYEES

750+

RIGS

100

FY22 REVENUE

$213.4M

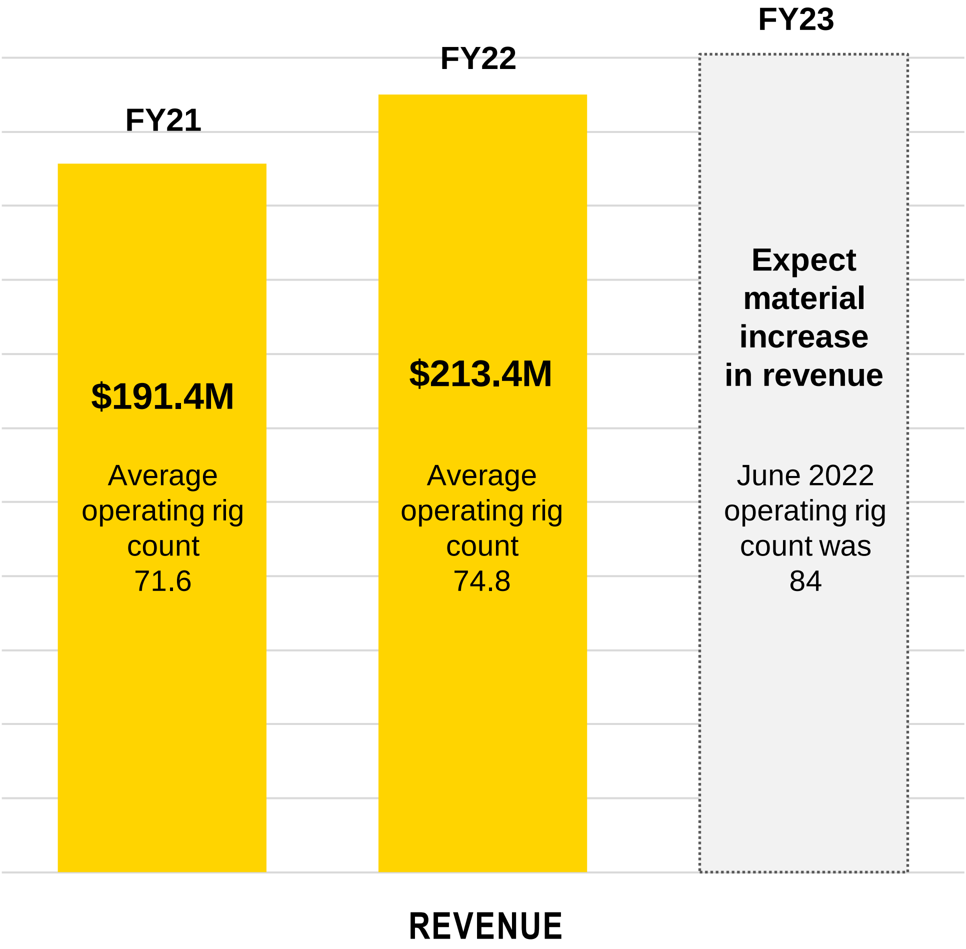
90% FROM GLOBAL MINING MAJORS

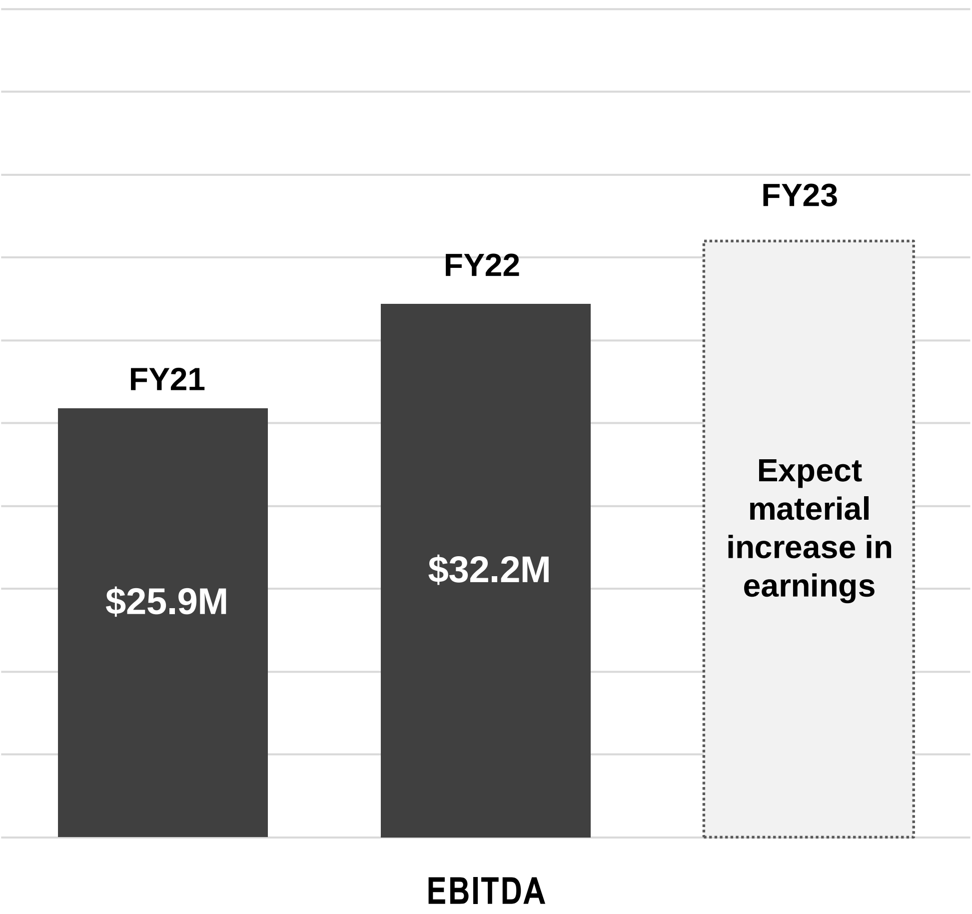
EBITDA OF $32.2M IN FY22

↑ 24%

FROM FY21

REVENUE AND EARNINGS GROWTH INTO FY23





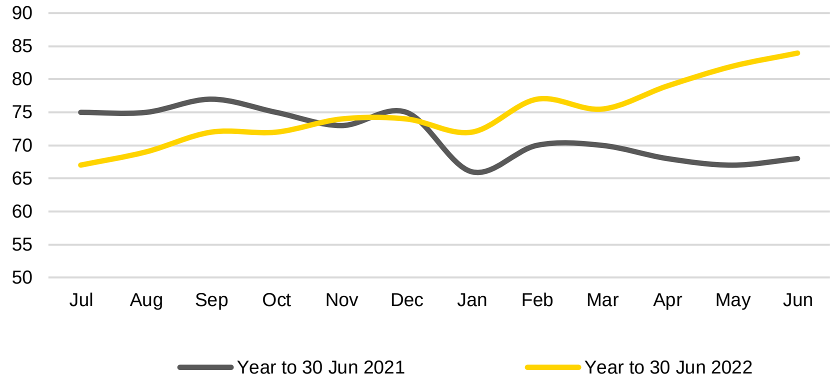
OVERVIEW

- High commodity prices driving **increasing demand for drilling services** from explorers through to multi-nation resource companies.
- Supply constraints on rigs is supporting **increased utilisation**, pricing and contract terms
- Company's organic growth strategy of pre-ordering new drilling rigs and upgrading technology ahead of current supply constraints and growing customer demand **positions the company strongly**
- High quality revenue streams and strong organic growth positions the Company to deliver **strong shareholder returns** through a focused capital management strategy
  - 90% of revenue is from global mining majors
  - Revenue is split 50% surface drilling 50% underground drilling
  - Gold represents circa 60% of revenue
  - 80% of revenue is from production, development and resource definition drilling

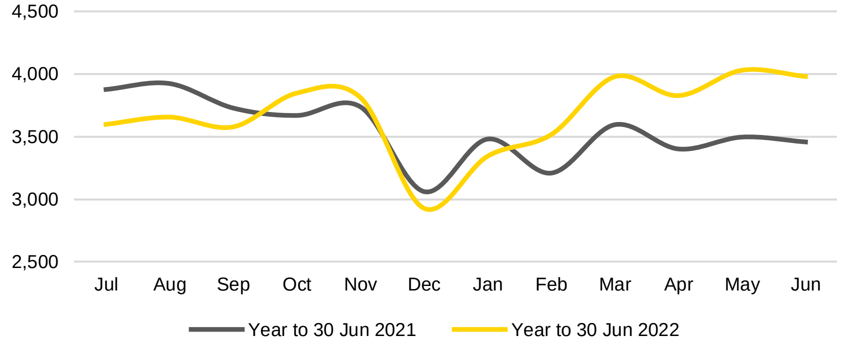
OPERATIONAL UPDATE

- Capital investment program to deliver MSV's organic growth strategy now complete
- All 12 new LF160 drill rigs now assigned to global mining major client projects
- Multiple new and expanding contracts will be material to the earnings of the business
- Multiple rainfall events and COVID-19 related absenteeism temporarily reduced operating margins during a period of significant mobilisations
- Outstanding FY22 client survey results
- Industry leading safety performance and culture

Monthly Number of Rigs Operating
(over the past 24 months)



Monthly Number of Shifts Worked
(over the past 24 months)

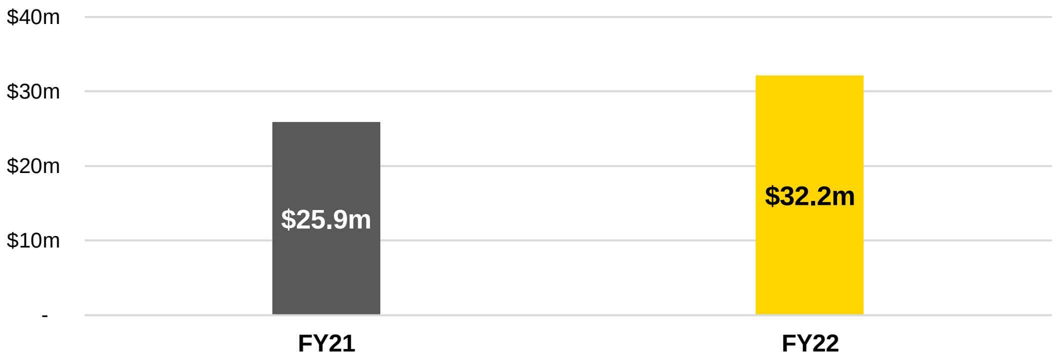


PROFIT AND LOSS

IMPROVING EBITDA AND NPAT

- Despite material levels of COVID-19 related absenteeism and isolation requirements, multiple rainfall events and mobilisation costs that temporarily impacted operating margins, EBITDA increased by approximately 24% on the corresponding period.
- The EBITDA increase has translated into significant EBIT, NPBT and NPAT improvements.
- With an actual operating rig count in June 2022 of 84, the business is well positioned to benefit from multiple new and expanding contracts and strong levels of demand to materially increase revenue and earnings in FY23.
- FY22 includes an amortisation expense of $3.2m (FY21 $7.5m) being the amortisation of Deepcore customer contracts recognised as part of the initial acquisition accounting. These will be fully amortised by Feb 2023 with an expected FY23 amortisation expense of $1.1m

EBITDA



PROFIT & LOSS

	FY21	FY22	Change
	$000's	**$000's**	**%**
Revenue	191,384	213,369	11%
EBITDA	25,875	32,153	24%
EBIT	(4,357)	1,352	131%
NPBT	(7,134)	(562)	92%
NPAT	**(5,899)**	**16**	**100%**

BALANCE SHEET

STRENGTHENED BALANCE SHEET AT CONCLUSION OF ORGANIC GROWTH STRATEGY IMPLEMENTATION

- Successful completion of the $10.5m equity raise in September 2021 has strengthened the overall balance sheet at 30 June 2022 compared to June 2021.
- No intention to raise equity to further strengthen balance sheet or for any other reason.
- Increased trade and other receivables given the increase in FY22 Q4 revenue
- Increased inventory levels given the increased number of rigs working in addition to increased holdings as a supply chain risk mitigant.

	30-Jun-22	30-Jun-21	Change
	$000's	$000's	%
Balance Sheet Summary			
Current assets	49,208	44,272	11%
Non-current assets	94,077	82,481	14%
Total assets	**143,285**	**126,753**	**13%**
Current liabilities	51,006	50,179	(2%)
Non-current liabilities	30,532	24,963	(22%)
Total liabilities	**81,538**	**75,142**	**(9%)**
Net assets	**61,747**	**51,611**	**20%**
Working Capital Summary			
Receivables	36,003	31,534	14%
Prepayments & other assets	2,147	1,559	38%
Inventories	7,237	5,272	37%
Trade & other payables	(22,131)	(24,400)	9%
Premium funding	(441)	(787)	44%
Working Capital Investment	**22,815**	**13,178**	**73%**

Mitchell SERVICES

CASH FLOW

EXPECT STRONG CASH CONVERSION RATIO INTO FY23

- Temporarily increased working capital requirements (see slide 10) have resulted in a Cash Conversion that is lower than historical trends and longer-term expectations
- With current utilisation levels of circa 85% and operational ramp up largely complete in FY22, Conversion Ratio expected to normalise in FY23
- Cashflows from investing activities in FY22 included an earnout payment in relation to the Deepcore acquisition of $2.1m (FY21 $2.3m). This three-year earnout arrangement ends in December 2022 with FY23 to reflect a final earnout payment
- With the ATO instant asset write off in place, MSV expects no tax payments until FY24

OPERATING CASH FLOW SUMMARY

	FY22	FY21	Change
	$000's	**$000's**	**%**
Receipts from customers	232,495	186,372	25%
Payments to suppliers / employees	(210,162)	(152,772)	(38%)
Cash generated from operations	**22,333**	**33,600**	**(34%)**
Interest & other financing costs	(1,656)	(1,966)	16%
Income tax refunded/(paid)	1,539	(1,577)	198%
Cash flow from operating activities	**22,216**	**30,057**	**(26%)**
EBITDA	32,153	25,875	24%
Cash Conversion Ratio (CCR)	**69%**	**116%**	**(41%)**

Mitchell SERVICES

DEBT PROFILE

WITH STRONG CASHFLOW GENERATION MSV HAS A TARGET NET DEBT LEVEL OF $15M BY THE END OF FY24

- Current blended average cost of debt is approximately 4.8% p.a with the significant majority fixed prior to recent rate increases
- Expect gross debt to materially reduce by the end of FY23
- Longer term (FY24) target Net Debt of $15 million
- NAB is MSV's house banker

FACILITY

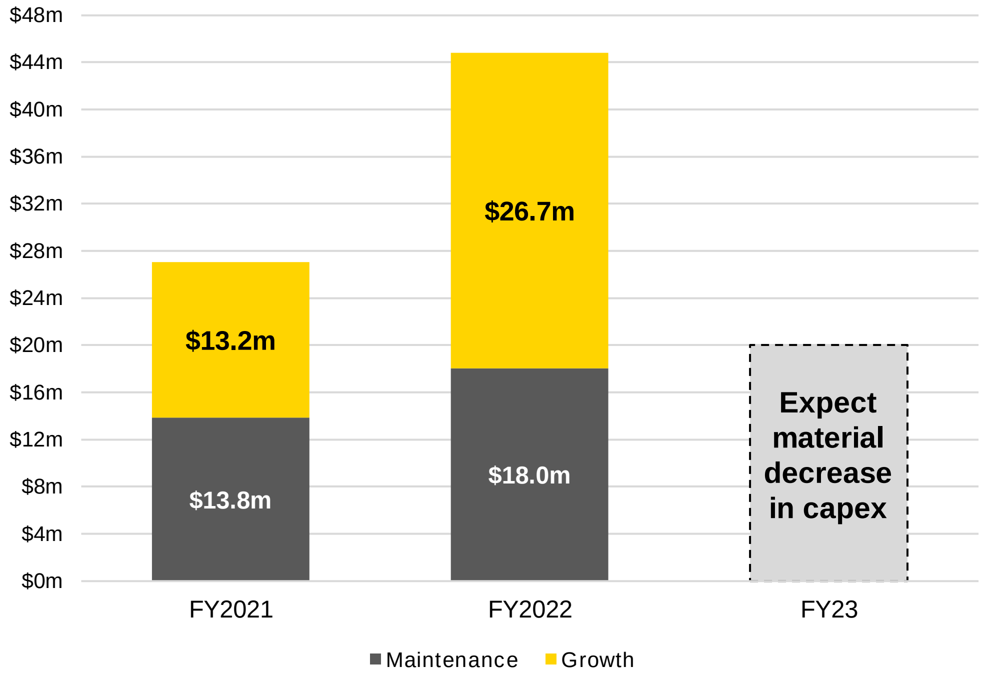
	30 Jun 22	30 Jun 21	Movement
	$000's	**$000's**	**$000's**
Equipment finance	35,189	18,677	16,512
Corporate/acquisition loan	7,733	10,932	(3,199)
$10m overdraft/working capital	-	-	-
Gross debt	**42,922**	**29,609**	**13,313**
Cash on hand	3,742	4,236	494
Net debt	**39,180**	**25,373**	**13,807**

CAPITAL EXPENDITURE

MATERIAL REDUCTION IN CAPEX IN FY23

- Operational teams have done an outstanding job to deliver on the organic growth strategy and commission all 12 rigs on time and on budget.
- The timing of the significant FY22 capex 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 2023).
- Pursuant to a structured capital management policy, capital expenditure in FY23 will decrease materially versus FY22
- FY23 Capex is expected to be cash funded

YEAR ON YEAR CAPITAL EXPENDITURE



STRONG CASH GENERATION IN FY23

A portion of free cashflows will be used to reduce leverage and the company has no present intention to raise equity to reduce leverage or for any other reason

↑ REVENUE FY23

↑ EBITDA FY23

↓ CAPEX FY23

↓ DEBT FY23

↑ FUNDS FOR RETURNS TO SHAREHOLDERS FY23

Mitchell SERVICES

MSV IS RETURNING FUNDS TO SHAREHOLDERS

A disciplined approach to capital management. Over the next two years MSV will significantly reduce the company's debt profile while paying strong dividends and buying back shares

BUY-BACK

Where appropriate, funds from rig sales (if any) will be utilised to buy-back shares

- Sale of 2 drill rigs bought for circa $400k and recently sold for $2.5m will contribute toward the buy-back
  - These were older rigs and the sale negated the need to spend $1.8m on rebuilds
- Buy-back has been initiated and shares are being bought back daily

DIVIDENDS

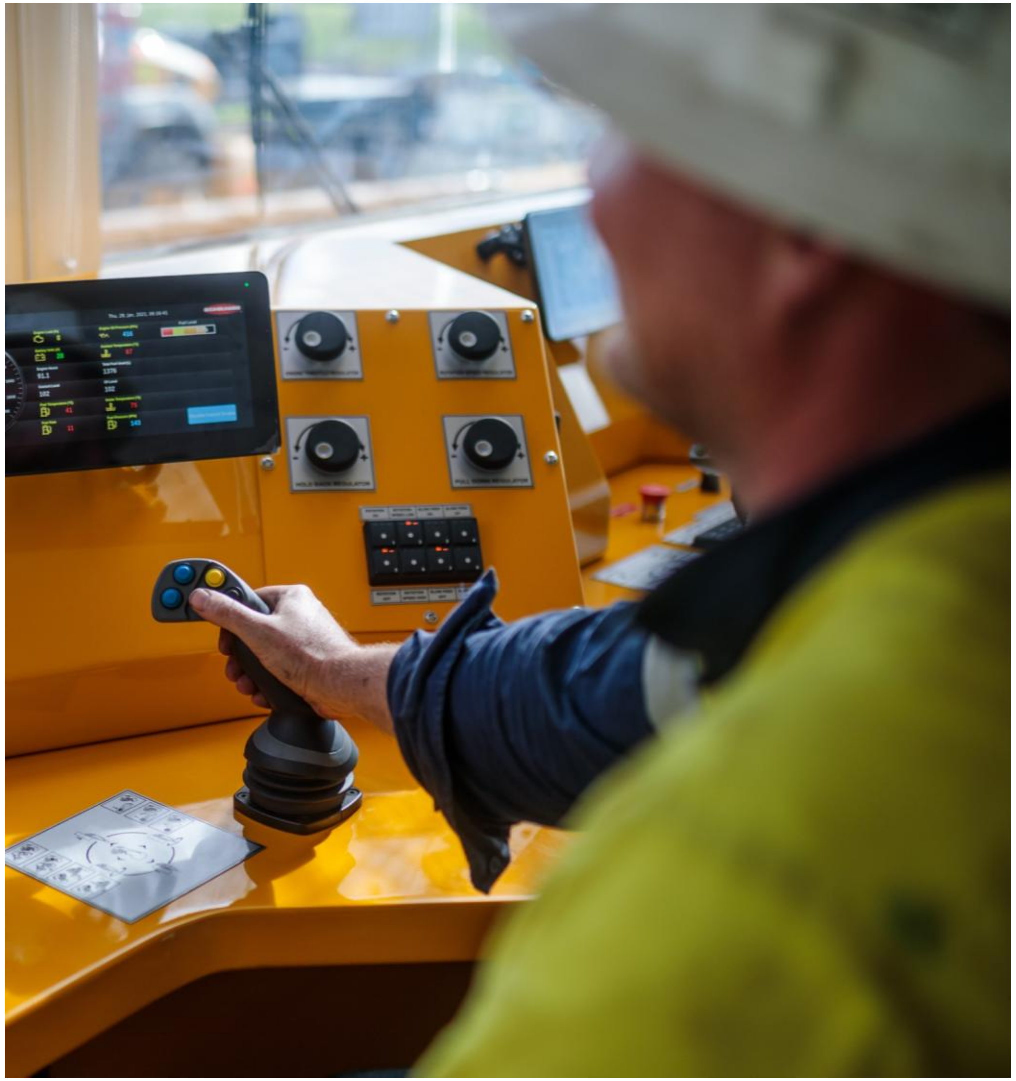
Dividends to be paid from earnings

- Formal dividend policy from 1 July 2022
- Up to 75% of the company's reported post tax profits will be paid to shareholders in the form of a dividend
- An interim dividend is intended to be declared with the company's half year results (expected February 2023)
- A final dividend is intended to be declared at the company's full year results (expected August 2023)

WHY INVEST IN MITCHELL SERVICES?

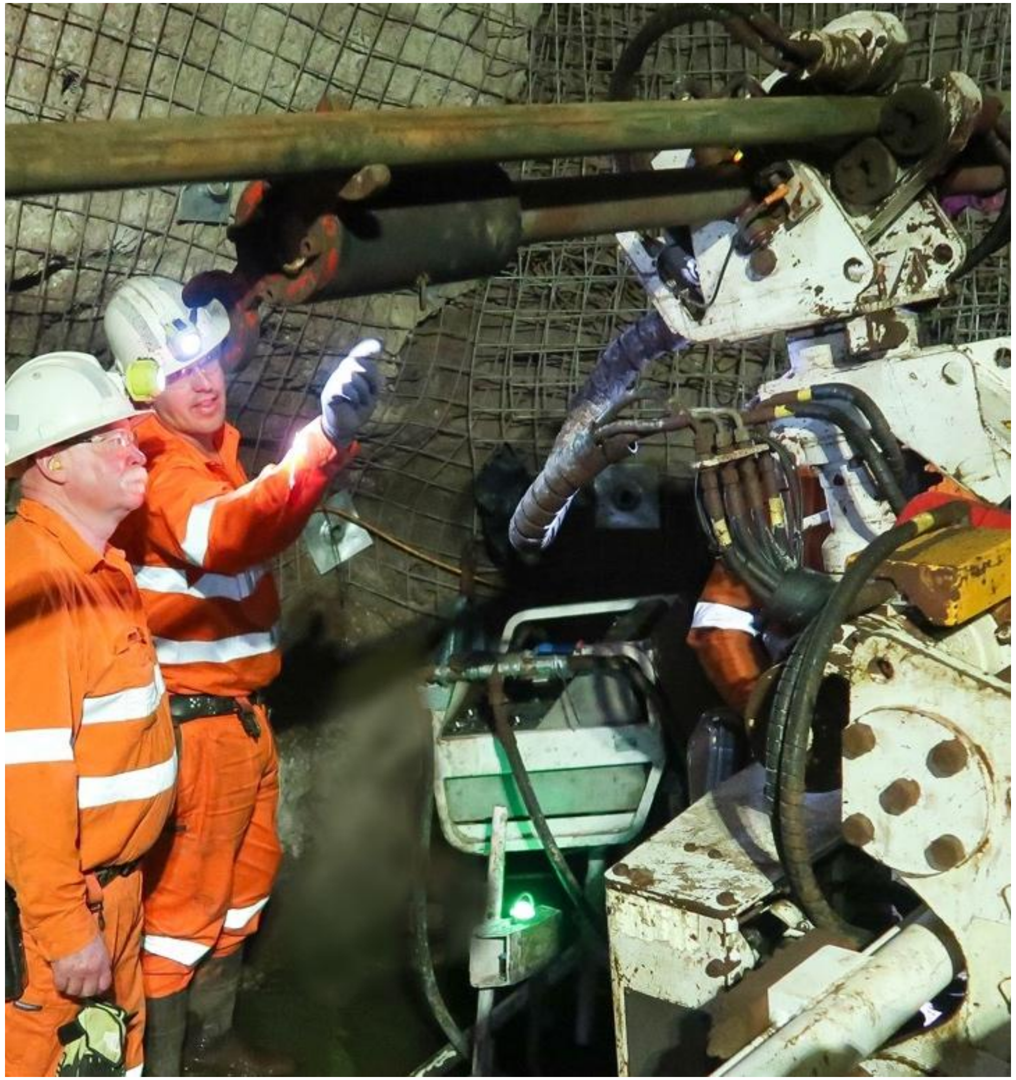
- World class rig fleet
- Strong client base
- Revenue and earnings will grow materially year on year into FY23
- Focused capital management strategy over the next 2 years delivering:
    - Significant reduction in net debt to $15m by the end of FY24
    - Expected cash flow to deliver strong dividends
    - Share buy-backs
- Equity price is low versus net tangible assets.
- Equity price is low versus traditional multiples

Targeting material shareholder returns via dividends and buy-backs over the next two years



SUMMARY

- Mitchell Services generated FY22 revenue and EBITDA of $213.4m and $32.2m respectively
- FY23 is expected to drive a **material year on year increase in earnings**
- Quality brand with long history and high quality revenue streams
- Strong cash flow generation
- Targeting **material shareholder returns** over the next two years
- Buy back has been initiated
- Interim and full year dividends moving forward
- **Compelling investment opportunity**



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

CONTACT

Andrew Elf
Chief Executive Officer

112 Bluestone Circuit
Seventeen Mile Rocks Qld 4073

PO Box 3250
Darra Qld 4076

P: 07 3722 7222
M: 0413 608 018

E: a.elf@mitchellservices.com.au