

NOOSA MINING VIRTUAL CONFERENCE

16 JULY 2020



Mitchell
SERVICES



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MITCHELL SERVICES MARKET PROFILE

ASX Information

ASX Stock Symbol	MSV
Shares Issued	199,238,740
Share Price (at 10/07/2020)	A\$0.56
Market Capitalisation	A\$111.5m

Major Shareholders

Mitchell Group	17.9%
Scott Tumbridge	7.2%
Other Directors & Management	3.4%
Institutions	20.6%
Other Shareholders	50.9%

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

Executive Management Team



Andrew Elf
Chief Executive Officer

Greg Switala
CFO & Company Secretary

COVID 19 RESPONSE

- Detailed response and contingency plans
- 10% of our workforce relocated temporarily to keep rigs operational
- 20% of our workforce changed rosters on a temporary basis to keep rigs operational
- Credit to our entire team who have continued to deliver safe and efficient services to our clients
- Our rapid response and previous operational performance saw Mitchell Services as the driller of choice when restrictions began



PEOPLE AND COMMUNITY



Mitchell Services
Foundation



- The health and safety of our people and the well being of our communities are essential
- We are focused on creating sound value to grow shareholder value and returns
- Social value protects our business today and positions us to take advantage of future opportunities
- The Mitchell Services Foundation was incorporated in June 2020 and will be the philanthropic arm of the Mitchell Services business

FY20 BUSINESS OVERVIEW

Revenue of \$175.5m

↑ **46%**

from FY19

EBITDA of \$35m

↑ **45%**

from FY19

Net Debt of \$27.6m

↓ **28%**

reduction from Dec 19

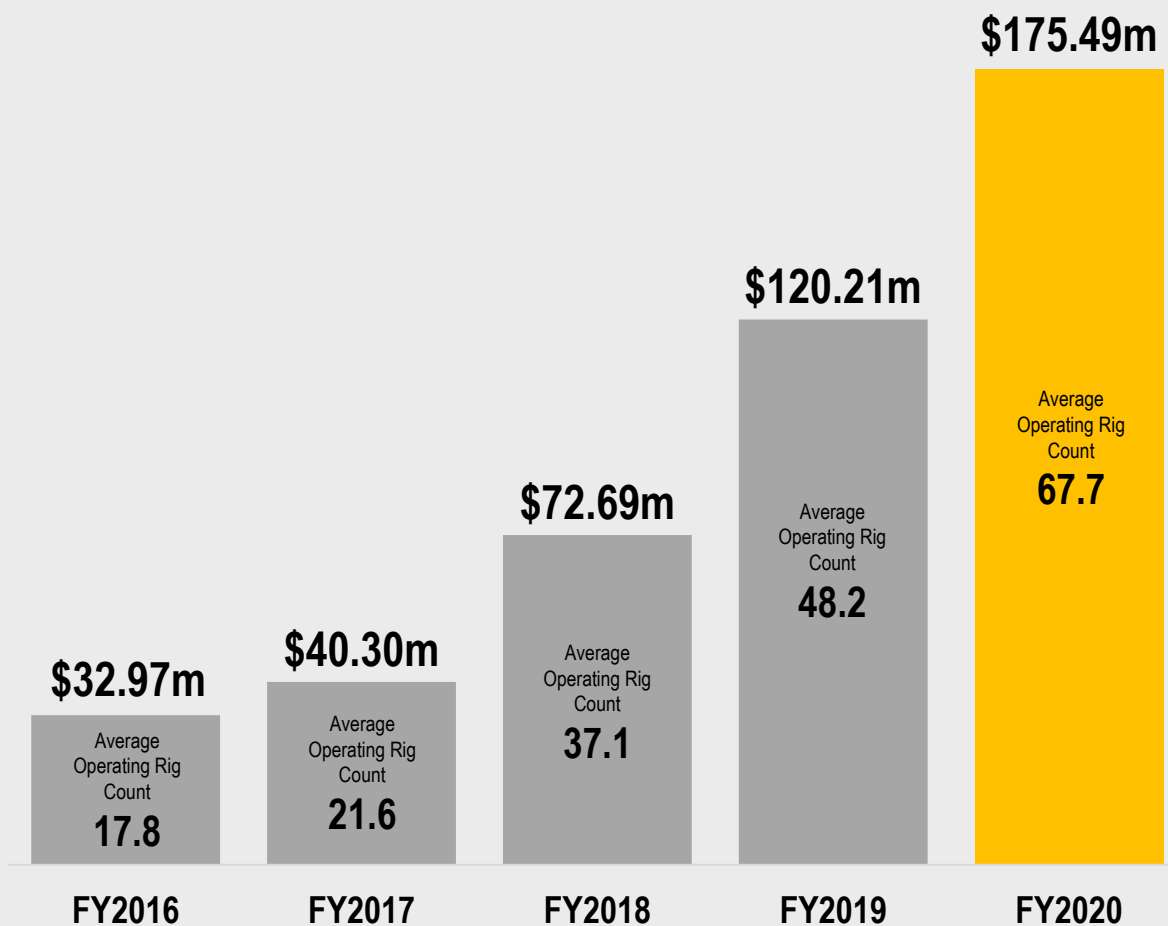
Quality of business model proven during global pandemic

1.1cps fully franked special dividend payable in July

Strong balance sheet provides flexibility

IMPACT OF INCREASED UTILISATION ON REVENUE

Annual Average Operating Rig Count vs Revenue



- Average operating revenue per rig continued to increase due to improved productivity, pricing and drilling mix
- Mitchell Services anticipates further increases in operating rig count in FY21
- Operating rig count subject to change due to seasonality or other factors
- 101 rigs in fleet

OPERATIONAL HIGHLIGHTS

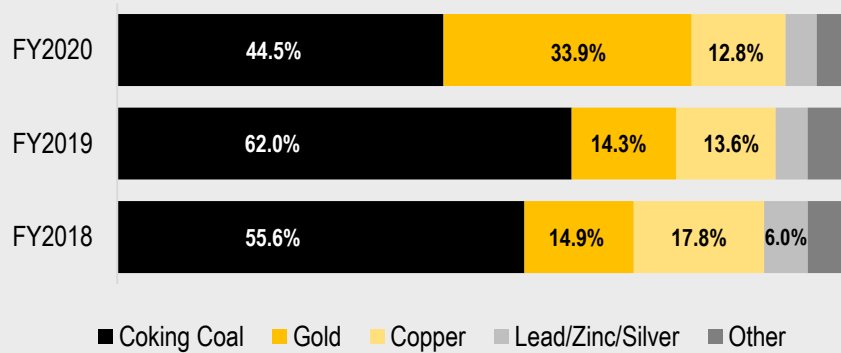
- Achieved revenue and EBITDA guidance during a global pandemic proving the quality of the business model
- Rig utilisation has been marginally impacted by Covid 19 but **utilisation is now increasing** again.
- **Revenue diversity** continues to improve by commodity, geography and drilling type
- Approximately 90% of revenue is derived from **Tier 1 clients** at the mine site resource definition, development and production stage which is a critical service in the mining lifecycle



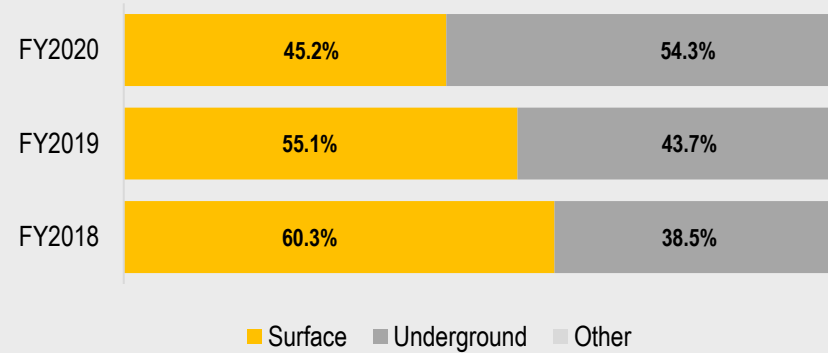
REVENUE DIVERSITY

Diversity in revenue streams sets Mitchell Services apart from competitors

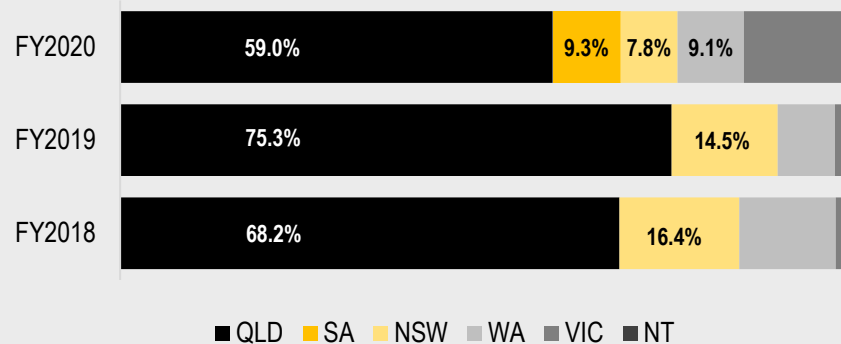
Revenue by Commodity



Revenue by Drilling Type



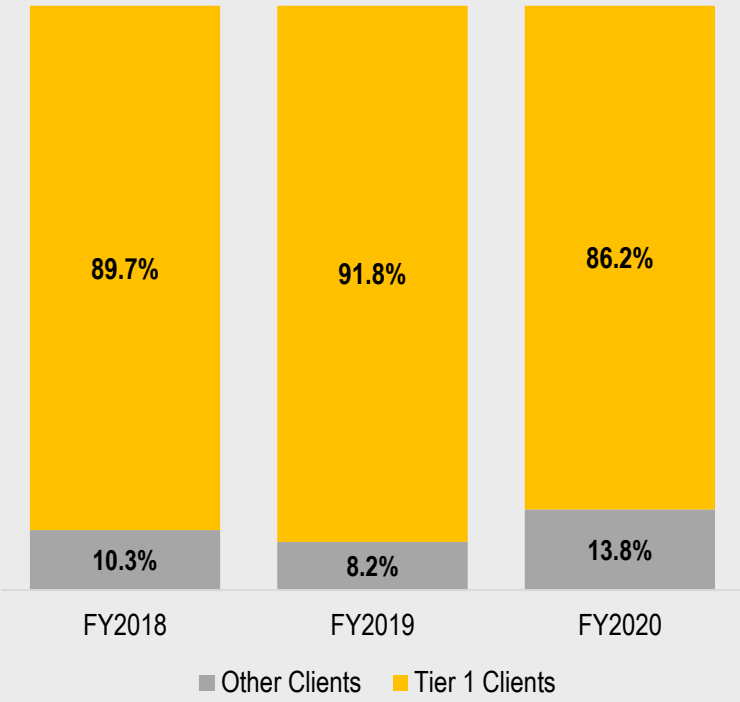
Revenue by Geography



- Zero exposure to thermal coal
- Management remain mindful of diversity in revenue streams
- Increased exposure in Victorian gold due to Deepcore Drilling acquisition

HIGH QUALITY REVENUE STREAMS

Revenue by Client Type



- Tier 1 Clients are large / multinational mining & energy companies
- A significant majority of Mitchell Services revenue comes from Tier 1 Clients operating on long life, low cost mine sites
- Approximately 90% of revenue is at the mine site resource definition, development and production stage which is a critical service in the mining lifecycle
- Focus on production related services was further enhanced by the recent announcement of entry into the drill and blast market through a material contract award

Revenue by Stage in the Mine Lifecycle



OUTLOOK

- Pipeline of identified opportunities remains strong as does the demand for drilling services particularly from Tier 1 clients
- Demand for drilling services in gold is very strong particularly in Victoria and New South Wales
- Based on current market conditions, commodity prices, current contracts, and strong opportunity pipeline, Mitchell Services expects FY21 Revenue and EBITDA to exceed FY20 levels
- Mitchell Services will provide more detailed FY21 Revenue and EBITDA guidance post finalisation of the 1H21 actual results in February 2021 pending Covid-19 and general market conditions.
- Mitchell Services is covered by Morgans and Wilsons



SUMMARY

- Mitchell Services' vision is to be **Australia's leading provider of drilling services** to the global exploration, mining and energy industries
- Mitchell Services has a **diversified revenue stream** by different drilling types and commodities
- Mitchell Services has a **high quality client base** with a majority of work related to mine site resource definition, development and production
- Acheived EBITDA guidance in FY20 of \$35m
- Fully franked special dividend determined in FY2020 and payable in July 2020
- Maintain a **strong balance sheet** to provide flexibility to take advantage of strategic opportunities

