HALF YEAR RESULTS

FINANCIAL YEAR 2025

ASX:MSV

Mitchell SERVICES

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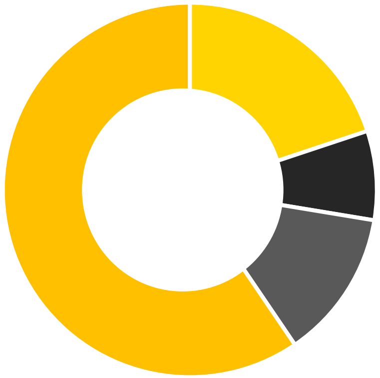
AGENDA

MARKET PROFILE

ASX INFORMATION

ASX Stock Symbol	MSV
Shares on Issue (at 18/02/2025)	212,308,159
Share Price (at 18/02/2025)	A$0.355
Market Capitalisation	A$75.4m

SHAREHOLDERS



- 19.9% - Mitchell Group
- 7.7% - Dream Challenge Pty Ltd
- 12.9% - Institutional investors
- 59.5% - Other

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

1H25 BUSINESS SUMMARY

REVENUE $99.4m

↓18%

FROM $121.6m in 1H24

EBITDA $12.7m

↓37%

FROM $20.0m in 1H24

LOSS AFTER TAX $0.3m

↓107%

FROM $4.3m profit in 1H24

OPERATING CASHFLOW $10.6m

↓57%

FROM $24.4m in 1H24

SAFETY PERFORMANCE

INDUSTRY LEADING CRITICAL RISK MANAGEMENT PROGRAM

RETURN ON INVESTED CAPITAL (0.1%)

↓15%

FROM 15.1% in 1H24

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OVERVIEW

- All 1H25 expiring **contracts re-won**
- The drilling services market for global mining majors and existing **producers is stronger** than **exploration,** which remains soft
- **High quality** revenue streams
  - Circa 85% of revenue is from global mining majors
  - Revenue is split circa 50% surface drilling & 50% underground drilling
  - Gold represents circa 40% of revenue
  - 80% of revenue is from production, development and resource definition drilling
- **Strong balance sheet** provides optionality

Newmont GLENCORE SOUTH32 BMA BHP Mitsubishi Alliance AngloAmerican AGNICO EAGLE

OPERATIONAL UPDATE

- 1H25 was impacted by a **temporary reduction** in utilisation attributable to a variety of factors including:
  - The underground fire event at Grosvenor mine
  - Mining industry corporate activity
  - Elevated rainfall events

- 1H25 represented a transition phase with significant investment into **newly won projects** and **service offerings**, most notably:
  - **PNG market entry** following award of a multi-rig, multi-year contract with a global gold mining major
  - Organic entry into the highly specialist Surface to Inseam **(SIS) market**
  - The **decarbonisation opportunity** developing faster than originally anticipated

LOOP : OPERATIONAL UPDATE

- 50/50 JV between MSV and Talisman
- Two customers to date
- Customer 1
  - Initial feasibility and consulting work complete
  - Drilling in progress
- Customer 2
  - Initial feasibility and consulting work in progress
  - Potential drilling towards the end of CY25
- https://loopdecarb.com.au

Mitchell Services

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.

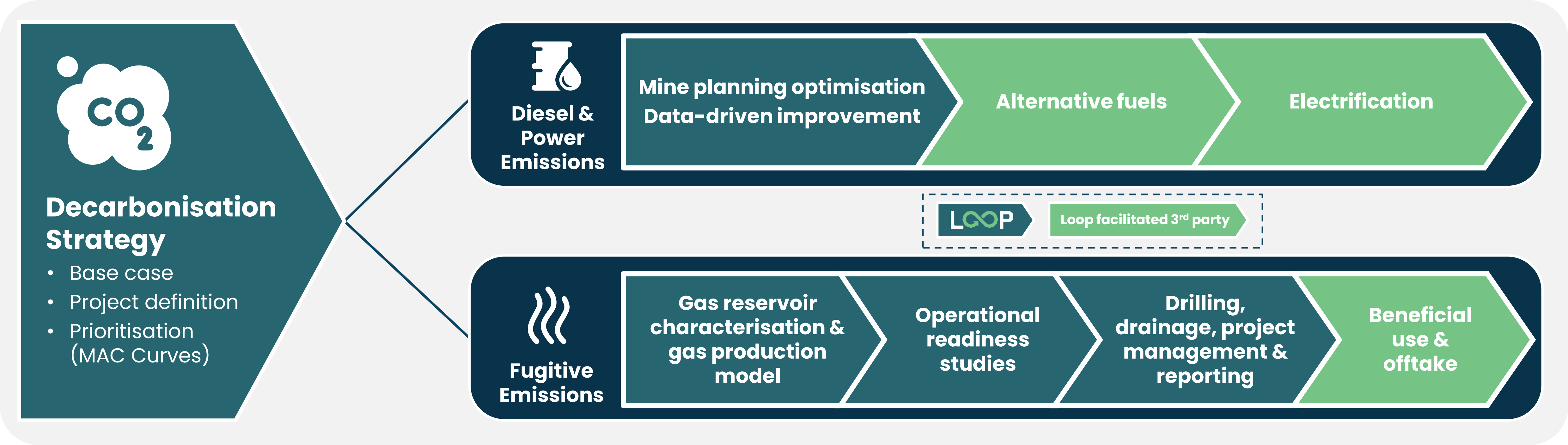
THE LOOP FULL-SERVICE OFFERING

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

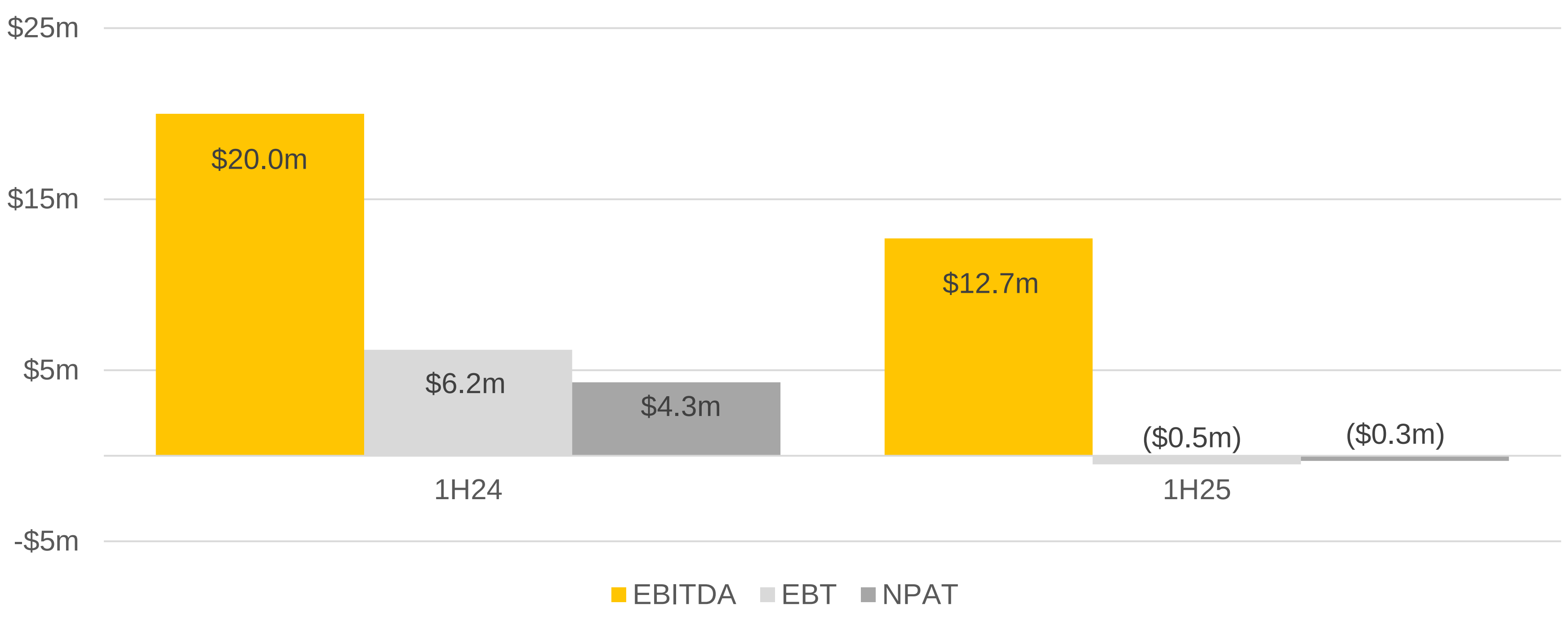
The Safeguard Mechanism has commenced, with operations required to reduce emissions each year. NGERS is shifting to Method 2 across all Safeguard-covered facilities by FY26.

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



- As expected, 1H25 EBITDA significantly reduced, down approx. 36% vs 1H24 levels, driven by lower levels of utilisation combined with ramp up and mobilisation costs associated with newly won or expanded contracts

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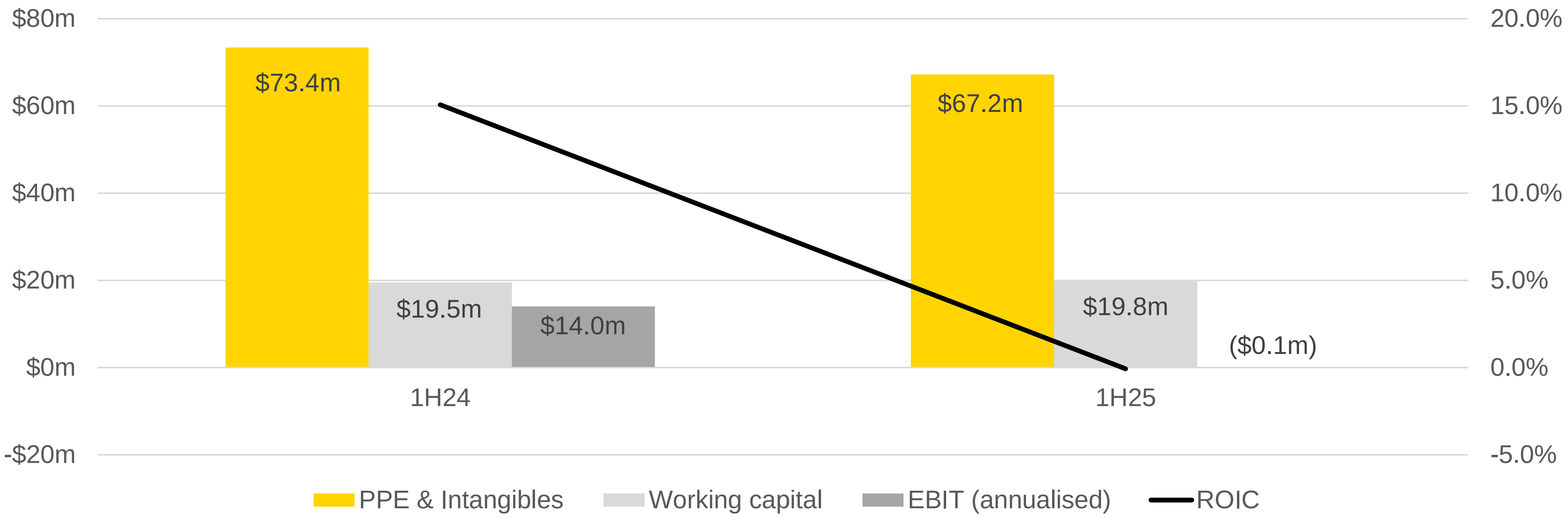
RETURN ON INVESTED CAPITAL



- 1H25 unfavourable earnings has realised a negative ROIC of 0.1% compared to a positive return of 15.1% in 1H24.

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

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BALANCE SHEET

BALANCE SHEET REMAINS STRONG HEADING INTO 2H25

- Overall **reduction in net asset position** largely due to the FY24 final dividend and share buy-back payments
- Net working capital **movement minor** relative to 30 June 2024
- **No intention to raise equity** for any reason
- The strong balance sheet provides **optionality** including the ability to comfortably navigate these periods of lower utilisation

	31 Dec 24	30 Jun 24	Change
	$000's	$000's	%
Balance Sheet Summary			
Current assets	45,861	57,466	(20.2)
Non-current assets	68,450	69,941	(2.1)
Total assets	**114,311**	**127,407**	**(10.3)**
Current liabilities	40,829	48,536	15.9
Non-current liabilities	12,723	13,241	3.9
Total liabilities	**53,552**	**61,777**	**13.3**
Net assets	**60,759**	**65,630**	**(7.4)**
Working Capital Summary			
Receivables	24,021	29,598	(18.8)
Prepayments & other assets	1,403	2,053	(31.7)
Inventories	13,786	9,781	40.9
Trade & other payables	(19,438)	(21,230)	8.4
Working Capital Investment	**19,772**	**20,202**	**(2.1)**

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CASH FLOW

REASONABLE CASH FLOW PERFORMANCE RELATIVE TO EARNINGS

- Underlying earnings have constrained operating cashflows of $10.6m, which are reduced 57% compared to the record 6-month period ended 31 December 2023
- EBITDA to cash conversion ratio in 1H25 was 83.5%
- Cash **outflows for interest/financing costs have halved** given the rapid debt reduction
- **No income tax payment** obligations since FY21 due to brought forward tax losses, mainly attributable to the post-Covid ATO instant asset write-off program.
- Tax losses were substantially utilised in the FY24 final income tax return

OPERATING CASH FLOW SUMMARY

	1H25	1H24	Change
	$000's	**$000's**	**%**
Receipts from customers	114,591	142,108	(19.4)
Payments to suppliers / employees	(103,638)	(116,953)	11.4
Cash generated from operations	**10,953**	**25,155**	**(56.5)**
Net interest & other financing costs	(387)	(781)	(50.4)
Cash flow from operating activities	**10,566**	**24,374**	**(56.7)**
EBITDA	12,652	20,009	(36.8)
Cash Conversion Ratio (CCR)	**83.5%**	**121.8%**	**(31.4)**

DEBT PROFILE

LOW DEBT PROVIDES OPTIONALITY

- The short-term net debt increase **was in line with** previously disclosed **expectations**, with the $4.3m increase largely a result of the FY24 final dividend payment, share buy back and investment into growth options
- Gross debt (comprising equipment finance only) reduced by a further 28% to $12.9m – the lowest level since June 2019
- Current blended average cost of debt is approximately 6.46% 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** fund potential growth opportunities

FACILITY

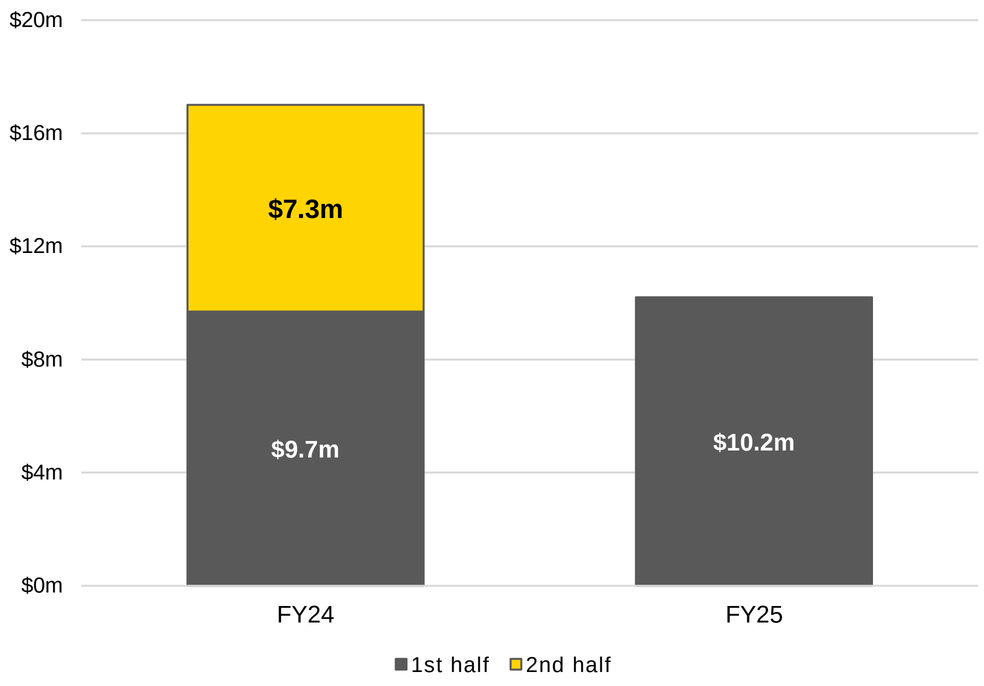
	31-Dec-24	30-Jun-24	Movement
	$000's	$000's	$000’s
Equipment finance	12,879	17,959	(5,080)
$15m overdraft/working capital	-	-	-
Gross debt	**12,879**	**17,959**	**(5,080)**
Cash on hand	6,650	16,035	(9,385)
Net debt	**6,229**	**1,924**	**4,305**

CAPITAL EXPENDITURE

DISCIPLINED ALLOCATION OF CAPITAL

- The Company remains committed to its Capital Management Strategy which includes the application of **sensible limits to capital expenditure**
- Total capital expenditure for 1H25 was $10.2m which was **largely in line** with expectations and slightly increased vs 1H24 levels.
- 2H25 capex levels will depend on the success of certain tender **pipeline opportunities** and **new service offerings.**

YEAR ON YEAR CAPITAL EXPENDITURE

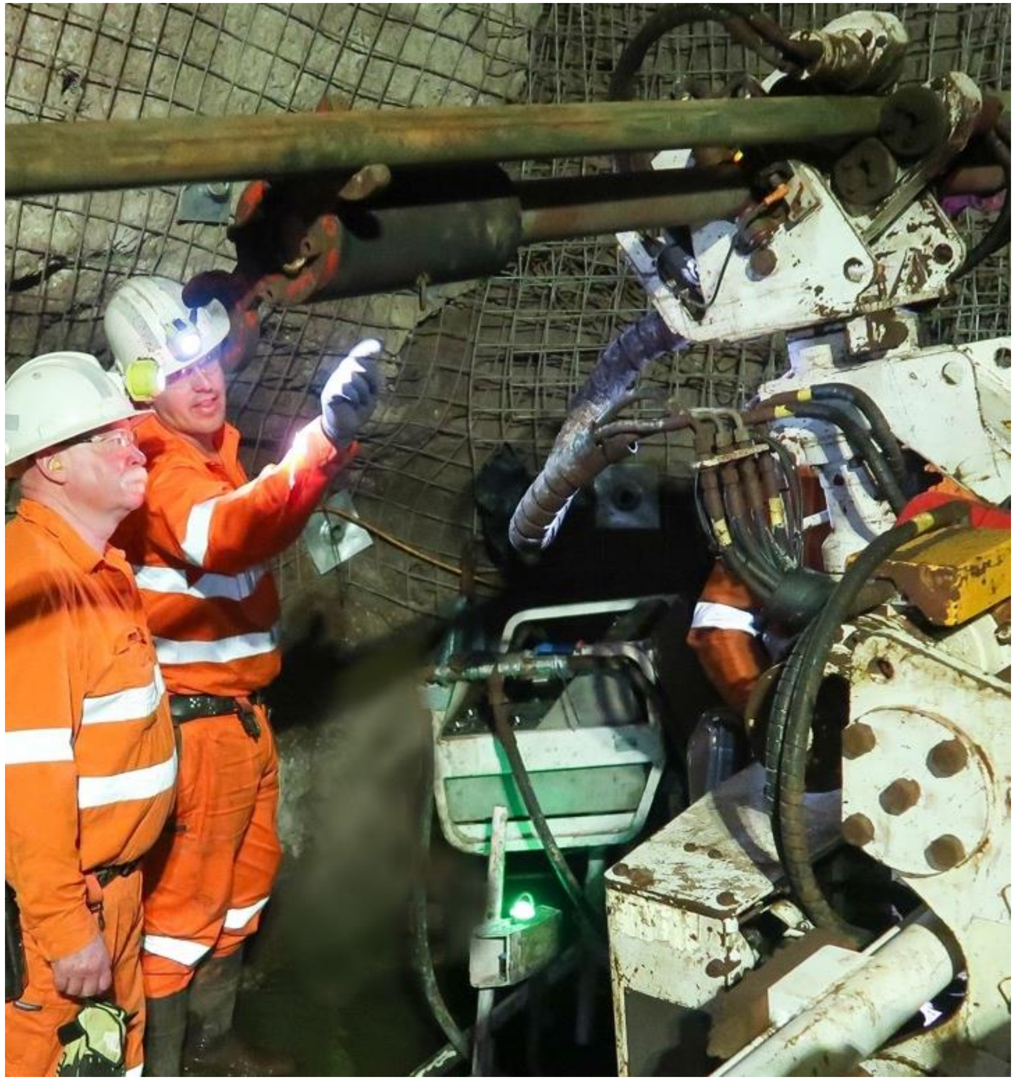


FY25 STRATEGY

- 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
    - Identifying drilling opportunities offshore for existing clients
    - Identifying growth opportunities in the domestic mining and energy sectors to provide new services
- With a significantly **stronger balance sheet**, the Company now has the advantage of **optionality** and intends to manage FY25 capital allocation as follows:
    - The business will seek to optimise its capital allocation across the four pillars of dividends, buy-backs, growth and debt management
    - Whilst a ceiling of $15m will remain the longer-term debt target, the Company may at times and where appropriate look to increase or decrease this

SUMMARY

- **Quality brand** with long history and high-quality revenue streams
- The drilling services market for global mining majors and existing **producers is stronger** than **exploration,** which remains soft
- 1H25 represented a **transition period** as rig count temporarily decreased with ramp up spend and activities increasing in advance of replacement projects and new service offerings
- **Significant progress** in relation to the FY25 strategy including:
  - PNG market entry via multi rig, multi year global client project
  - Expanded service offering via SIS market entry
  - Commencement of decarbonisation drilling via Loop
  - Continuation of on market share buyback
- **Gross debt has decreased by 28%** since 30 June 2024 to $12.9m – the lowest level since June 2019
- **Strong balance sheet** provides optionality.



DEFINITIONS

Capex	Capital expenditure
Cash Conversion Ratio	The ratio of A to B; where A is the reported cash flows from operating activities 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 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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