

13 July 2023

MITCHELL SERVICES LIMITED
(ASX: MSV)



EXTENSION OF ON-MARKET SHARE BUY-BACK AND OPERATIONAL UPDATE

Mitchell Services Limited (ASX: MSV) (the Company) is pleased to announce that as part of its ongoing capital management strategy it intends to extend its current on-market share buy-back.

The extended buy-back will commence on 14 July 2023 and continue for no longer than 12 months. During this extended buy-back period the Company can buy back up to 10% of its fully paid ordinary shares.

The Company has today lodged an updated Appendix 3C with ASX in relation to the extension of the current on-market share buy-back.

Below is a summary of the Company's capital management strategy:

Shareholder returns

The Board's position on shareholder returns is that a portion of free cashflows generated from earnings/profits should be returned to shareholders via a dividend. The current dividend policy allows dividends of up to 75% of post-tax profits. To the extent that surplus cashflows are generated from any asset sales, a portion of those cashflows should be applied to the extended share buyback.

Leverage

The Company has set a net debt target of no more than \$15.0m by 30 June 2024 and based on current and forecast performance remains on track to reach this target.

Operational Update

General operating conditions were much improved in the final quarter of FY23. As previously communicated, the Company expects to deliver a strong FY23Q4 result and expects that full year FY23 revenue and EBITDA will be materially higher than FY22 levels.

The FY23Q4 quarterly investor update is expected to be released on 19 July 2023.

This announcement has been authorised by the Company's Board of Directors.

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