



Mitchell
SERVICES

23 July 2025

Mitchell Services Limited (ASX: MSV)

Quarterly Investor Update

Mitchell Services Limited delivers solid fourth quarter financial and operational performance

- Quarterly revenue of \$50.5m
- Quarterly EBITDA of \$7.7m
- Quarterly operating cashflow of \$11.0m (143% EBITDA conversion rate)
- 40% net debt reduction since 31 March 2025
- Loop Decarbonisation completes first project and receives LOI from second customer

Dear Shareholder

I am pleased to provide the following investor update for the quarter ended 30 June 2025 (**FY25 Q4**) for Mitchell Services Limited (**the Company**) based on the Company's un-audited consolidated management accounts.

Quarterly results

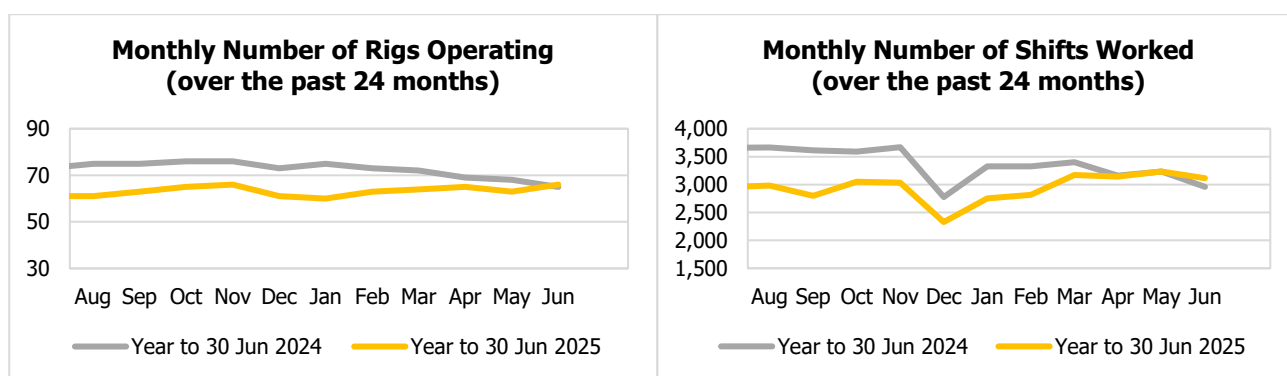
As outlined in the previous quarterly investor update, FY25 has represented a transition phase with significant investment into newly won replacement projects and service offerings. I'm pleased to report that those new projects (which had begun to deliver earnings towards the back end of FY25 Q3) delivered strong earnings in FY25 Q4 as ramp up and mobilisation costs reduced as expected.

Unfortunately, FY25 Q4 was impacted by two separate incidents which temporarily shut down production at two mines at which the Company operates, thereby temporarily restricting utilisation levels and earnings capacity. Oakey Creek experienced an inrush of water into the underground mine whilst an underground gas incident resulted in a temporary suspension of operations at Moranbah North.

I'm pleased to report that both incidents have subsequently been resolved, and drilling has commenced at both sites, but their Q4 impact did unfortunately take the shine off what would otherwise have been an excellent quarterly result.

The tables below summarise the un-audited financial and operating results for the FY25 Q4 and the corresponding quarter ended 30 June 2024 (FY24 Q4). Pleasingly, the strong quarterly cashflow performance has resulted in net debt decreasing by approximately 40% from \$14.2m at 31 March 2025 to \$8.4m at 30 June 2025.

	FY25 Q4	FY24 Q4	Movement	Movement %
Average operating rigs	64.7	67.3	(2.6)	(3.9%)
Number of shifts	9,495	9,353	142	1.5%
Revenue (\$'000s)	50,484	56,029	(5,545)	(9.9%)
EBITDA (\$'000s)	7,700	9,857	(2,157)	(21.9%)
EBITDA margin (%)	15.3	17.6	(2.3)	(13.1%)
Operating cash flow (\$'000s)	11,017	9,373	1,644	17.5%
Operating cash conversion ratio (%)	143.1	95.1	48	50.5%



Year to date results

The table below summarises the un-audited financial and operating results for the 12 months ended 30 June 2025 (FY25) and the corresponding 12 months ended 30 June 2024 (FY24).

	FY25	FY24	Movement	Movement %
Average operating rigs	63.2	72.5	(9.3)	(12.8%)
Number of shifts	35,380	40,380	(5,000)	(12.4%)
Revenue (\$'000s)	196,651	236,829	(40,178)	(17.0%)
EBITDA (\$'000s)	25,667	40,384	(14,717)	(36.4%)
EBITDA margin (%)	13.1	17.1	(4.0)	(23.4%)
EBT (\$'000's)	730	13,269	(12,539)	(94.5%)
Annualised ROIC* (%)	2.0	16.5	(14.5)	(87.9%)
Operating cash flow (\$'000s)	17,922	43,119	(25,197)	(58.4%)
Operating cash conversion ratio (%)	69.8	106.8	(37.0)	(34.6%)
Annualised revenue per rig (\$'000s)	3,112	3,267	(155)	(4.7%)

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

In relation to the operating cash flow performance, the below table has been included to provide additional context and demonstrates the additional working capital requirements in FY25.

	30 June 25	30 Jun 24	Movement	Note
Trade and other receivables (\$'000s)	28,223	29,255	(1,032)	
Inventories (\$'000s)	13,576	9,781	3,795	1
Trade and other payables (\$'000s)	(19,229)	(21,230)	2,001	
Net working capital (\$'000s)	22,570	17,806	4,764	

1. Increase in inventories is largely due to requirement to hold larger quantities of inventory in relation to newly won projects given the remote locations of those projects

Loop decarbonisation business update

The Loop decarbonisation business (Loop) continues to progress quicker than expected. Loop offers end to end decarbonisation solutions to a broad range of clients including those who are required to reduce fugitive emissions following reforms to the Safeguard Mechanism Legislation in Australia. Loop is a 50/50 joint venture between the Company and specialist mining advisory firm, Talisman Partners.

After recently entering its first customer contract, Loop has now concluded its first trial program under that contract. The program was a resounding success and has yielded interest from several other potential customers. A second project with a different customer has also commenced and is currently in the consultation/feasibility stage. This customer has also issued a Letter of Intent (LOI) to engage Loop for the drilling services component which is expected to commence in late 2025.

Acknowledging that Loop is in its early stages, it nevertheless represents an exciting growth opportunity for the Company in an entirely new sector and drilling market.

Outlook

Whilst FY25 was challenging due to multiple factors, the business has responded well by securing replacement projects. Approximately 45% of the Company's revenue comes from gold, and we are starting to see increased enquiry levels given the current record gold prices. Market conditions within the coal sector remain challenging, primarily because of current commodity prices but also due to significant events that have taken place at certain mines as well as broader corporate activity. The Company operates at several steel-making coal mines across Queensland and New South Wales under long term contracts. Whilst all these contracts remain on foot, the required rig count has reduced in recent times. With its extensive client base of global, low-cost coal producers, the Company is extremely well positioned to take advantage of any normalisation in the coal market.

The Company also expects that shareholder returns will recommence upon the performance of the business normalising. Given the current share price this would most likely be undertaken via the recently renewed share buyback.

In closing, I would like to again thank all employees for their hard work and dedication and all shareholders for their ongoing support.

Yours faithfully,



Andrew Elf
Chief Executive Officer
Mitchell Services Limited