



WILSONS RAPID INSIGHTS 2021 PRESENTATION

26 May 2021



Mitchell
SERVICES



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MITCHELL SERVICES MARKET PROFILE

ASX Information

ASX Stock Symbol	MSV
Shares Issued	199,238,740
Share Price (at 23/05/2021)	A\$0.38
Market Capitalisation	A\$75.71m

Major Shareholders

Mitchell Group	17.9%
Scott Tumbridge	7.2%
Other Directors & Management	3.4%
Institutions	21.0%
Other Shareholders	50.5%

Board of Directors



Nathan Mitchell
Executive Chairman

Peter Miller
Non-Executive
Director

Neal O'Connor
Non-Executive
Director

Scott Tumbridge
Executive Director

Robert Douglas
Non-Executive
Director

Peter Hudson
Non-Executive
Director

Executive Management Team



Andrew Elf
Chief Executive Officer

Greg Switala
CFO & Company Secretary

PEOPLE, RISK AND SUSTAINABILITY

- Implemented critical risk management program. Infield program designed to verify the presence and effectiveness of critical control measures to prevent life changing injuries and fatalities
- Covid 19 has continued to present logistical changes but credit to our entire team who have continued to deliver safe and efficient services to our clients
- Developed and released a Modern Slavery Statement

Mitchell
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FATAL 8

1. Driving
2. Plant & Equipment Operation
3. Entanglement in Rotating Equipment
4. Lifting Operations
5. Electrical Energy
6. Working at Heights
7. Hazardous Materials
8. Stored Energy Sources



A failure to control these risks could lead to serious injury or death.

1H2021 BUSINESS OVERVIEW

Revenue of \$100m

↑ **37%**

from 1H2020

Underlying EBITDA of \$19.8m

↑ **40%**

from 1H2020

Net Debt of \$23.4m

↓ **39%**

reduction from Dec 19

Revenue guidance FY2021

\$190m-\$200m

Underlying EBITDA guidance FY2021

\$34.6m-\$38.6m

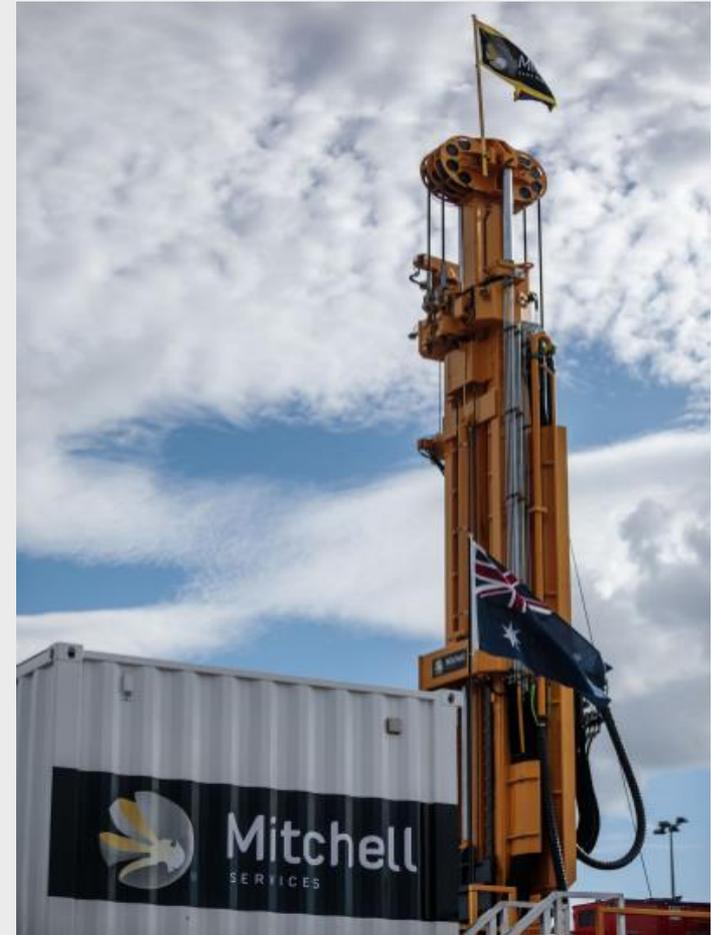
Statutory EBITDA guidance

\$25m-\$29m

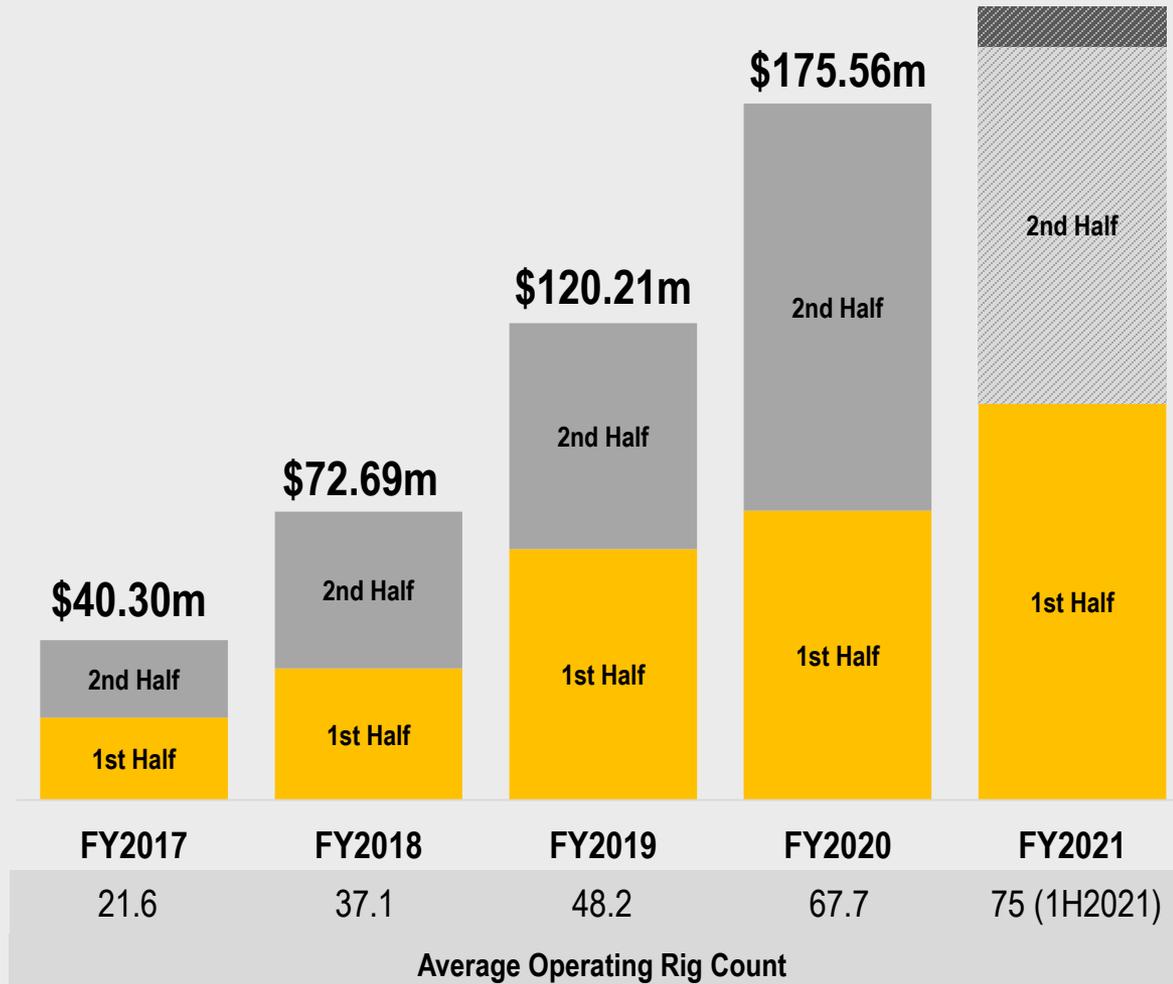
**Significant
improvement in
key operating
metrics**

HIGHLIGHTS

- **Strong underlying performance** excluding impairment loss on trade receivables. Solid operating base to move forward on in a strong market
- Safe and efficient demobilisation from SMS project. Three Epiroc D65 drill rigs from this project were sold for approximately \$3.5m with **proceeds used to repay equipment finance debt**
- As at today **gross debt is at the lowest level** since the Deepcore acquisition in November 2019 at circa \$25m
- Asset recycling program placed on hold to **deploy more rigs to satisfy increasing demand** for services



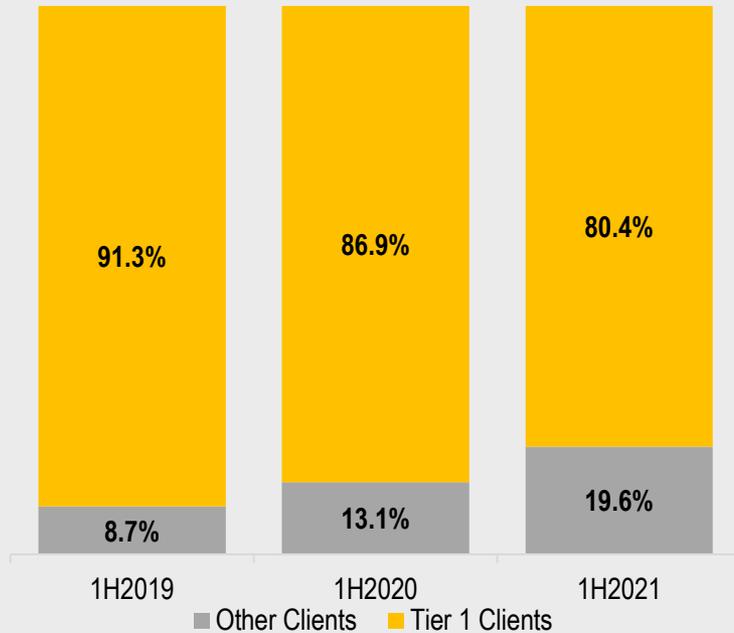
IMPACT OF INCREASED UTILISATION ON REVENUE



- Revenue guidance FY2021 \$190m-\$200m
- 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 FY2022
- Operating rig count subject to change due to seasonality or other factors
- 96 rigs in fleet

HIGH QUALITY REVENUE STREAMS

Revenue by Client Type



- Tier 1 Clients are large / multinational mining & energy companies
- A majority of Mitchell Services revenue comes from Tier 1 Clients operating on long life, low cost mine sites. Approximately 80% of revenue is at the mine site resource definition, development and production stage which is a critical service in the mining lifecycle
- The strength of the base metals sector and attractive returns has driven the revenue increase from other clients and we expect this percentage to remain fairly similar in the second half
- We maintain our focus on production related services but have exited the drill and blast sector. We may choose to re-enter this market sector in the future should an appropriate opportunity arise

Revenue by Stage in the Mine Lifecycle



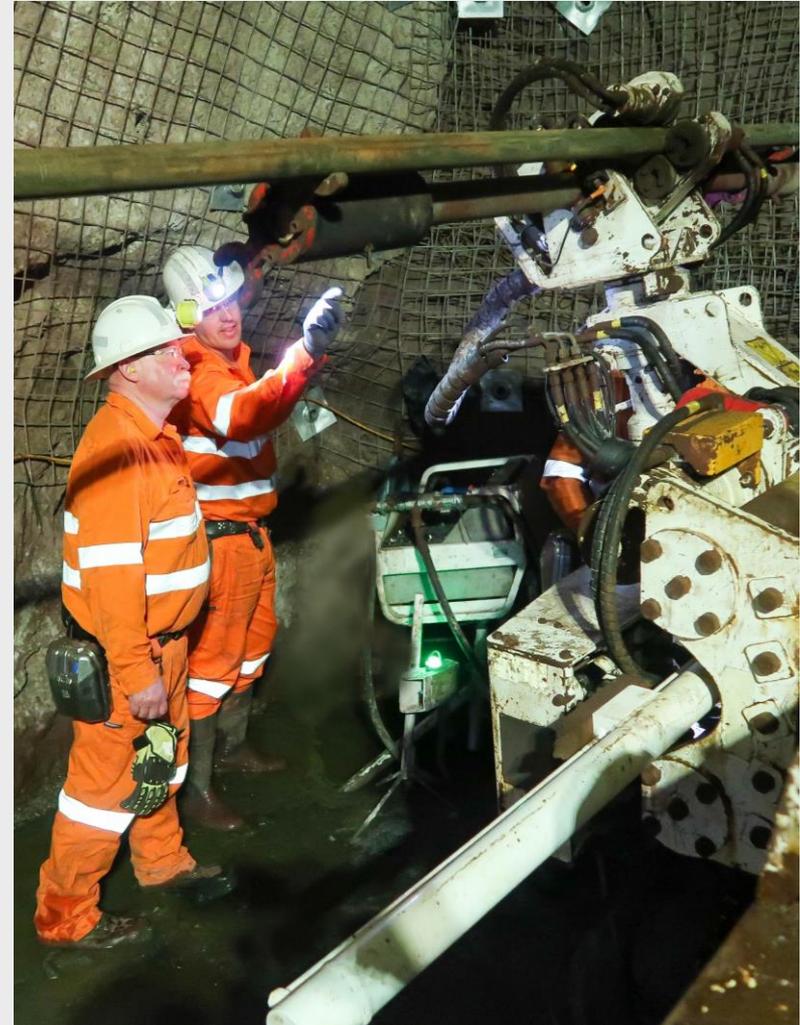
REASONS FOR OPTIMISM

- **Strong commodity prices** for our clients
- **Resource capital raisings increasing**, and quality drilling results are being recognised by the market
- Both factors are driving demand and **increasing utilisation across the industry**
- Evidence of **rate improvements**
- Industry consolidation continues and **competitive profile of the market improving**
- The federal budget un-capped instant asset write-off has now been extended to the end of FY23. This will have a **positive impact on free cash flow**
- MSV is trading near COVID share price lows at less than net tangible asset value based on market values of property, plant and equipment



OUTLOOK

- Pipeline of identified opportunities remains strong as does the demand for drilling services particularly from Tier 1 clients.
- **Rig utilisation is likely to reach capacity** at some stage in calendar year 2021.
- We will **invest in organic growth** to take advantage of additional opportunities
- Based on current market conditions, commodity prices, current contracts, and strong opportunity pipeline, **Mitchell Services expects FY22 Revenue and EBITDA to continue to grow.**
- Mitchell Services is covered by Morgans.



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 clients
- Mitchell Services has a **high quality client base** with a majority of work related to mine site resource definition, development and production
- Further growth in net earnings anticipated in FY22
- Maintain a **strong balance sheet** to provide flexibility to take advantage of strategic opportunities

