



**Mitchell**  
SERVICES

11 December 2018

**MITCHELL SERVICES LIMITED**  
**(ASX: MSV)**

**Mitchell Services announces repayment of \$8.50m shareholder loan facility**

Mitchell Services Limited (ASX: **MSV**) (the Company) is pleased to announce that it has today fully repaid the \$8.50 million in loans that were provided in 2015 from major shareholders Washington H. Soul Pattinson and Company Limited and Mitchell Family Investments (QLD) Pty Ltd (Shareholder Loans).

**HIGHLIGHTS**

- \$8.50m Shareholder Loan facility repaid from operating cashflows
- Gross debt reduced by 65% to \$6.60m (Gross debt at 30 June 2018: \$19.56m)
- Early repayment generates significant interest saving

The Shareholder Loans, which became due in July 2020, were repaid 18 months early using operational cashflows following a period in which the Company has recorded strong EBITDA and cashflow performance.

The five-year loans originated in 2015 as a funding mechanism for the purchase of all assets from Nitro Drilling Pty Ltd (in Receivership). The Company notes that there were no fees or penalties payable for early repayment and given interest on the Shareholder Loans was charged at 10%, the repayment will result in a significant interest saving.

The repayment represents a material debt reduction for the Company, lowering gross debt to \$6.60m, made up entirely of traditional equipment finance facilities with short amortisation profiles. This gross debt position represents a 65% reduction from the position at 30 June 2018 (\$19.56m).

Chief Executive Officer, Andrew Elf said, "I am delighted to announce the repayment of the Shareholder Loans from operating cash. It is also extremely pleasing to note that the Company has reduced debt by nearly \$13m since 30 June 2018 which highlights the strength of the financial performance between June 2018 and November 2018. We will continue to assess organic and acquisition growth opportunities that align with the Company's strategy and increase shareholder value. Our financial position is far stronger today compared to when the Shareholder Loans were obtained in 2015 and the Company now has access to a variety of debt options from a range of potential lenders that would allow us to take advantage of such growth opportunities. I would like to thank Washington H. Soul Pattinson and Mitchell Family Investments for their financial assistance in providing the Shareholder Loans, which allowed the Company to purchase high quality assets for cents in the dollar back in 2015. The business is now reaping the rewards of that investment."

**Mitchell Services Limited**

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