



16 July 2020

Mitchell Services Limited (ASX: MSV)

Quarterly Investor Update

Mitchell Services Limited meets FY20 revenue and EBITDA guidance during a global pandemic proving the quality of the business model

- FY20 Q4 Revenue \$50.7m
- FY20 Q4 EBITDA \$10.8m
- FY20 Revenue \$175.5m
- FY20 EBITDA \$35.0m
- FY20 Operating cash flow \$31.2m
- 1.1c per share fully franked dividend to be paid on 30 July 2020
- Net Debt reduction of 28% since 31 December 2019

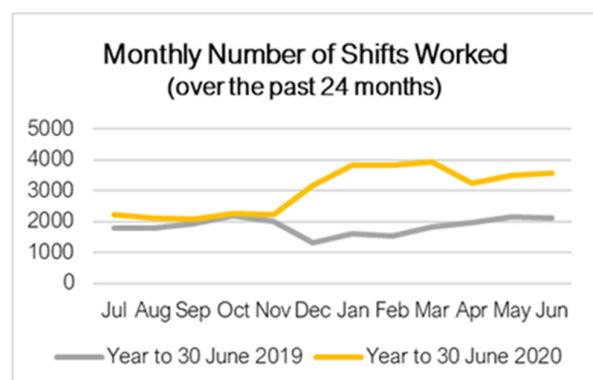
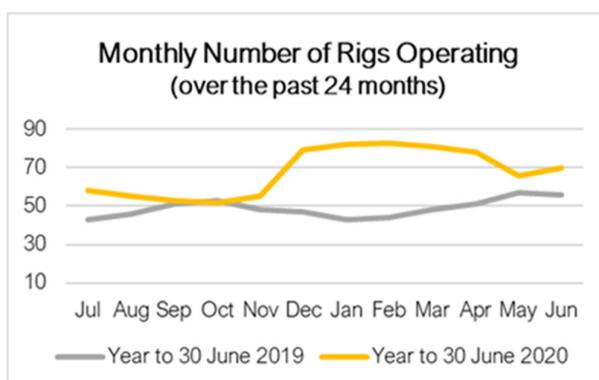
Dear Shareholder.

I am pleased to provide the following investor update for the quarter ending 30 June 2020 (**FY20 Q4**) for Mitchell Services Limited (**the Group**) based on the Group's un-audited management accounts. The Group has once again delivered a strong performance during FY20 Q4.

The FY20 Q4 results include a full quarter's contribution from Deepcore Drilling (which was acquired on 29 November 2019) and I am pleased to inform shareholders that the Deepcore Drilling business is performing safely, efficiently and in line with expectations.

As utilisation and productivity levels improve post initial COVID-19 restrictions and following the Deepcore Drilling acquisition, FY20 Q4 has seen significant increases in revenue, EBITDA, operating rigs and shift numbers when compared to the same quarter last year (FY19 Q4) as the below tables illustrate.

	FY20 Q4	FY19 Q4	Movement	Movement %
Average operating rigs	71.3	54.7	16.6	30.4%
Number of shifts	10,415	6,213	4,202	67.6%
Revenue (\$'000s)	50,705	30,981	19,724	63.7%
EBITDA (\$'000s)	10,758	5,774	4,984	86.3%
Operating cash flow (\$'000s)	9,786	(357)	10,143	2,841.2%



The following table summarises the year to date un-audited financial and operating results as at 30 June 2020. It is pleasing to note that the Group's net debt decreased by 28% from 31 December 2019 to 30 June 2020. At the current level of \$27.6m, net debt remains well under one-times EBITDA.

It gives me great pleasure to report to shareholders that both revenue and EBITDA guidance for FY20 have been met and that (based on a record date of 30 June 2020) a 1.1c per share fully franked dividend will be paid in late July.

Un-audited FY20 year-to-date information as at 30 June 2020

	FY20 Q1	FY20 Q2	FY20 Q3	FY20 Q4	FY20 YTD
Average operating rigs	55.3	62.2	81.3	71.3	67.7
Number of shifts	6,427	7,642	11,472	10,415	35,956
Revenue (\$'000s)	33,454	39,529	51,806	50,705	175,494
EBITDA (\$'000s)	6,247	7,901	10,045	10,758	34,951
EBITDA (%)	18.7%	20.0%	19.4%	21.2%	19.9%
Operating cash flow (\$'000s)	5,674	8,338	7,351	9,786	31,149
Annualised revenue per rig (\$'000s)	2,420	2,542	2,549	2,844	2,592
Net debt (\$'000s)	12,695	38,449	33,266	27,585	27,585

In my previous quarterly update, I mentioned how proud I was of all our teams in relation to how well the COVID-19 related challenges were being managed. I also expressed my sincerest gratitude to staff members who, in certain instances, had to leave their families behind in the state in which they usually reside and take up temporary accommodation due to travel and inter-state border restrictions. As I look back on this latest quarter noting the enormous efforts and sacrifices team members have made, I must once again express my sincerest thanks and pride in all our teams across the entire business.

Our business model has proven itself in an extremely challenging operational environment during a global pandemic. Whilst the risk of COVID-19 remains, the strength of our business model is underpinned by the quality of our people and our client base with circa 90% of revenue generated from "Tier 1" mining clients.

Thank you to all shareholders for your ongoing support.

Yours faithfully,



Andrew Elf
Chief Executive Officer
Mitchell Services Limited