



14 October 2025

Mitchell Services Limited (ASX: MSV)

Quarterly Investor Update

Strong earnings in Q1 FY26 with leverage to the upside if utilisation increases.

- Quarterly EBITDA of \$11.8m – up 68% vs FY25Q1
- Quarterly EBT of \$6.1m – up exponentially vs FY25Q1
- Quarterly operating cashflow of \$9.8m – up 70% vs FY25Q1
- Net debt \$0.9m – down 93% since 30 June 2025
- Material equity investment in joint venture entity Loop Decarbonisation by Sumitomo Corporation

Dear Shareholder

I am pleased to provide the following investor update for the quarter ended 30 September 2025 (**FY26 Q1**) for Mitchell Services Limited (**the Company**) based on the Company's un-audited consolidated management accounts.

Quarterly results

The material improvement in the financial performance of the business in FY26 Q1 versus FY25 Q1 provides a strong foundation to build on for the remainder of FY26.

Improved weather conditions and a reduction in delays due to client related incidents were the primary drivers for the material improvement in financial performance. In addition, multiple projects that mobilised and incurred ramp up costs in FY25 are now operating on a business-as-usual basis.

Included in EBITDA is a \$0.7m benefit in relation to the equity accounting of the Loop Joint Venture following the \$1.5m equity investment by Sumitomo Corporation

During FY25, approximately 50% of the Company's revenue was generated from gold and approximately 40% was derived from steelmaking coal. Encouragingly, we are starting to see positive indicators for increased drill rig demand in the gold sector with the gold price currently at an all time high. Demand for drill rigs within the steelmaking coal sector – particularly in Queensland – remains subdued.

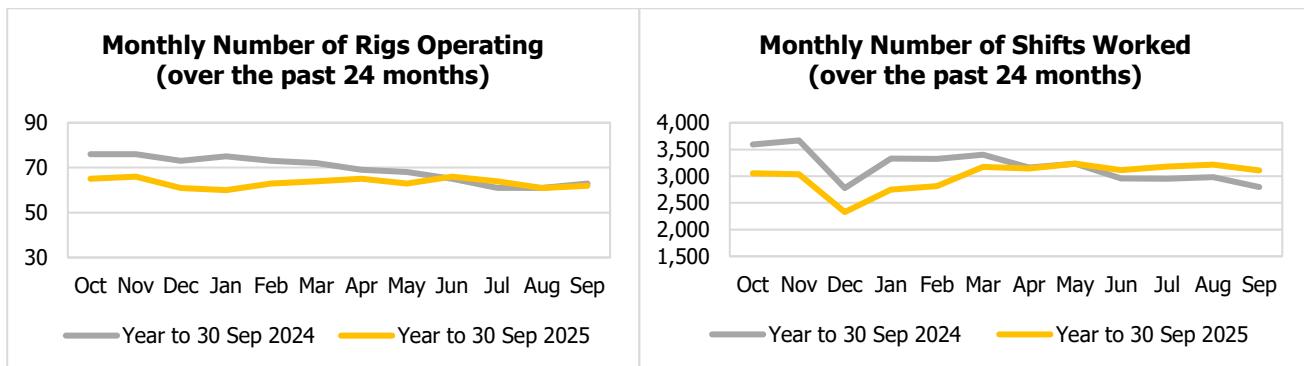
In FY26 Q1, the Company operated an average of 62 rigs from its fleet of 90. This provides material leverage to the upside should utilisation levels improve. With a diversified revenue base, strong balance sheet, and proven operating capability, the Company is well positioned to capitalise on any increase in operating rig count.

The tables below summarise the un-audited financial and operating results for FY26 Q1 and FY25 Q1.

	FY26 Q1	FY25 Q1	Movement	Movement %
Average operating rigs	62.3	61.7	0.6	1.0%
Number of shifts	9,502	8,734	768	8.8%
Revenue ('000s)	53,395	52,707	688	1.3%
EBITDA ('000s)	11,787	7,032	4,755	67.6%
EBITDA (%)	22.1	13.3	8.8	66.2%

EBT (\$'000s)	6,110	341	5,769	1,691.8%
ROIC* (%)	29.9	2.7	27.2	1,007.4%
Operating cash flow (\$'000s)	9,769	5,753	4,016	69.8%
Operating cash conversion ratio (%)	82.9	81.8	1.1	1.3%
Capital Expenditure (\$'000s)	3,563	3,662	(99)	(2.7%)

*defined as annualised Q1 EBIT divided by (net PPE plus intangibles plus working capital)



Strong operating cashflows provide a pathway to net cash

The strong operating cashflows and disciplined spending on capital expenditure in FY26 Q1 resulted in the Company achieving a net debt position of \$0.9m at 30 September 2025, representing a 93% reduction in three months when compared to the 30 June 2025 position of \$8.4m.

This further strengthening of the balance sheet provides a genuine pathway to net cash at a future point in time and in turn further optionality and flexibility in relation to capital management or growth opportunities.

FY26 Q1 operating cashflows included a \$2.5m income tax payment representing full payment of the liability recognised at 30 June 2025. As a result, the Company now has a franking credit balance of \$2.5m which it can use towards franking of future dividends.

Loop Decarbonisation business update

The momentum continues to build in this business post the investment by Sumitomo Corporation. Customer two is progressing toward in-field operations and multiple additional customers have contacted the business for initial advisory services which is a first step in advance of in-field operations.

We are extremely proud of the fact that the Sumitomo Corporation has invested into this business during the quarter as announced on 29 August 2025.

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

Yours faithfully,

Andrew Elf
Chief Executive Officer