22 July 2026

Mitchell Services Limited (ASX: MSV)

Quarterly Investor Update

Strong FY26 returns, with the 30 June 2026 operating rig count providing momentum into FY27

- Quarterly revenue of $56.5m – up 12% vs FY25 Q4
- Quarterly EBITDA of $10.2m – up 32% vs FY25 Q4
- FY26 EBITDA of $42.8m – up 67% vs FY25
- FY26 EBT of $20.8m – up from $0.7m in FY25
- Net cash at 30 June 2026 of $3.5m

Dear Shareholder

I am pleased to provide the following investor update for the quarter ended 30 June 2026 (**FY26 Q4**) for Mitchell Services Limited (**the Company**) based on the Company's un-audited consolidated management accounts.

Quarterly results

Pleasingly, the improvements in operating conditions and financial performance have continued throughout FY26 Q4 resulting in a materially improved quarter vs FY25 Q4 and full year result vs FY25.

FY26 Q4 highlights include a quarterly EBITDA of $10.2m at a margin of 18% as well as operating cash flows of $12.3m at a cash conversion ratio of just over 120%.

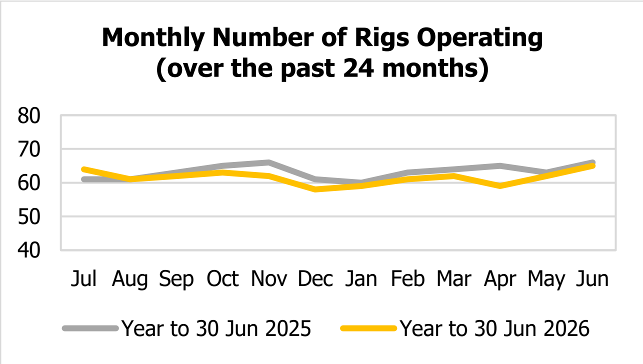
Whilst management remains focused on EBITDA margin and return on capital, it's worth commenting on the operating rig count. FY25 was a transitional year for the business, following a significant decline in revenue from the Queensland coal sector. Throughout that period, the team executed exceptionally well, successfully increasing the Company's exposure to the metalliferous sector while expanding its footprint into new jurisdictions.

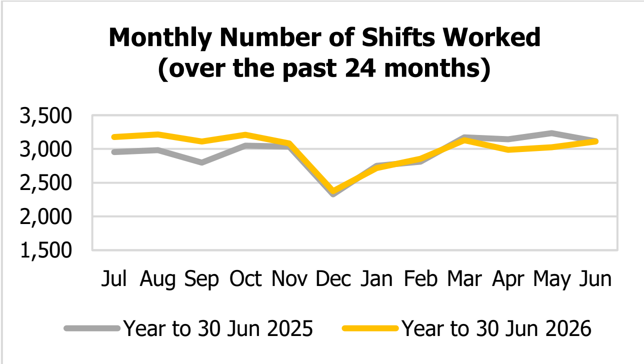
That transition (in terms of commodity shifting) has continued throughout FY26 with gold representing 61% of revenue for the year and coal representing 30% of revenue for the year. I am confident that the operating rig count reached its low point in April 2026 following the final anticipated Queensland coal-related rig demobilisations.

Since that time, rig activity has steadily increased following new contract awards and scope expansions across existing projects. The business exited FY26 with an operating rig count of 65 and we expect the operating rig count to continue increasing throughout the first half of FY27.

The tables below summarise the un-audited financial and operating results for FY26 Q4 and the corresponding quarter ended 30 June 2025 (FY25 Q4).

	FY26 Q4	FY25 Q4	Movement	Movement %
Average operating rigs	62.0	64.7	(2.7)	(4.2)
Number of shifts	9,124	9,495	(371)	(3.9)
Revenue ($'000s)	56,495	50,484	6,011	11.9
EBITDA ($'000s)	10,170	7,700	2,470	32.1
EBITDA margin (%)	18.0	15.3	2.7	
Operating cash flow ($'000s)	12,294	11,017	1,277	11.6
Operating cash conversion ratio (%)	120.9	143.1	(22.2)	





Year to date results

The table below summarises the un-audited financial and operating results for the 12 months ended 30 June 2026 (FY26) and the corresponding 12 months ended 30 June 2025 (FY25).

	FY26	FY25	Movement	Movement %
Average operating rigs	61.5	63.2	(1.7)	(2.7)
Number of shifts	35,999	35,380	619	1.7
Revenue ($'000s)	207,436	196,651	10,785	5.5
EBITDA ($'000s)	42,767	25,667	17,100	66.6
EBITDA margin (%)	20.6	13.1	7.5	
EBT ($000's)	20,762	730	20,032	2744.1
Annualised ROIC* (%)	25.2	2.0	23.2	
Operating cash flow ($000s)	37,384	17,922	19,462	108.6
Operating cash conversion ratio (%)	87.4	69.8	17.6	
Annualised revenue per rig ($000s)	3,373	3,112	261	8.4
Capital Expenditure	21,285	20,518	767	3.7

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

The full year numbers represent an impressive result for FY26 with key highlights including a return on invested capital of 25.2% driven by earnings before tax of $20.8m. The Company is currently finalising tax numbers and expects the FY26 profit after tax will be approximately $15.2m.

Strong cashflow performance delivers net cash position of $3.5m

The strong operating cashflows and disciplined spending on capital expenditure in FY26 resulted in the Company achieving a net cash position of $3.5m at 30 June 2026, representing a 142% improvement compared to the 30 June 2025 net debt position of $8.4m. The net cash position at 30 June 2026 comprises cash of $12.1m and debt (exclusively equipment finance facilities) of $8.6m.

The balance sheet strength provides optionality and flexibility in relation to capital management and/or growth opportunities.

Capital management

The Board will meet in August to approve the FY26 financial statements and consider the Company's final FY26 capital management initiatives. Given the Company's FY26 financial performance and strong balance sheet, the Board expects to distribute a portion of earnings to shareholders through fully franked dividends.

Capital management will remain a priority with a focus on ensuring an appropriate mix between maximising cash returns for shareholders, capitalising on growth opportunities amid an increasing opportunity pipeline and operating within sensible debt levels.

Loop Decarbonisation business update

I'm very pleased with the meaningful progress that has been made within Loop over the past three months.

Drilling has now commenced in relation to the contract with customer two which includes the provision of full in-field services including drilling. Whilst still in its early stages, initial indications are positive, and I look forward to providing further updates as the project progresses.

Interest from other clients for initial advisory services (which is the first step in advance of in-field operations) remains strong as awareness continues to increase and as safeguard liabilities continue to crystalise for asset owners who are captured by the safeguard mechanism legislation.

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