



Mitchell
SERVICES

26 February 2021

MITCHELL SERVICES LIMITED
(ASX: MSV)

Half Year Results Release

Mitchell Services Limited (**the Company**) is pleased to advise that it has today lodged its results for the half year ended 31 December 2020 (1H21) which included the following highlights:

- Revenue of \$100m representing a 37% increase vs the previous corresponding period (1H20)
- Underlying EBITDA of \$19.8m which represented a 40% increase vs 1H20
- A net debt reduction of 39% since December 2019
- Statutory EBITDA of \$12.5m
- Significant improvements in key operating metrics as the market continues to strengthen.
- Positive industry outlook

Based on expected utilisation levels from existing contracts and subject to normal operating conditions, the Company is also pleased to advise that it expects to generate revenue for the financial year ending 30 June 2021 (FY21) of between \$190m to \$200m. Based on this level of expected revenue, the Company expects to generate FY21 EBITDA of between \$38m to \$42m at an underlying level and between \$29m and \$33m on a statutory basis.

SMS Innovative Mining Pty Ltd receivable update

The Company refers to the previous ASX announcements made on 15 July 2019 and 12 February 2021 which respectively confirmed award of and subsequent termination of a material drill and blast contract.

The contract was between the Company's wholly owned subsidiary Mitchell Operations Pty Ltd (MO) and SMS Innovative Mining Pty Ltd (SMS). The decision to terminate was reached on the basis that SMS had continually failed to pay invoices that were due and owing to MO pursuant to the terms of the contract and today the Company provides the following update.

A statutory letter of demand was served by MO on SMS on 10 February 2021 for the full amount of all invoices that were due and owing as at the date of the demand, being \$6.2m. The total amount of all unpaid invoices (not necessarily due and owing yet) is approximately \$9.3m post demobilisation from site. SMS has now made an application to set aside the statutory demand alleging there is a dispute as to the existence of the debt and asserting an offsetting claim. The application will be heard in the Melbourne Supreme Court on 10 March 2021.

The Company will continue to vigorously pursue the outstanding debt owed to it by SMS.

Mitchell Services Limited

ABN 31 149 206 333

112 Bluestone Circuit
Seventeen Mile Rocks Qld 4073 Australia
PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222

e info@mitchellservices.com.au

f +61 7 3722 7256

w www.mitchellservices.com.au



Mitchell
SERVICES

This announcement has been authorised by the Mitchell Services Limited Board of Directors.

For more information, contact:

Andrew Elf – Chief Executive Officer

Telephone +61 7 3722 7222 or 0413 608 018

Important information

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may', 'should', 'expect', 'anticipate', 'estimate', 'scheduled' or 'continue' or the negative version of them or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Mitchell Services does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur, and you are cautioned not to place undue reliance on forward-looking statements.

Mitchell Services Limited

ABN 31 149 206 333

112 Bluestone Circuit

Seventeen Mile Rocks Qld 4073 Australia

PO Box 3250 Darra Qld 4076 Australia

t +61 7 3722 7222

e info@mitchellservices.com.au

f +61 7 3722 7256

w www.mitchellservices.com.au