

MINCON GROUP PLC
(“Mincon” or the “Group”)

Q1 TRADING UPDATE

Mincon Group plc (ESM:MIO AIM:MCON), the Irish engineering group specialising in the design, manufacture, sale and servicing of rock drilling tools and associated consumable products, today provides a trading update for the period from 1st January 2022 to date, incorporating the first quarter to 31st March 2022.

Trading

We have carried the positive revenue momentum from H2 2021 into the first quarter of 2022, while continuing to build on our order books during this quarter, driven by the strong underlying demand for our products across the Construction, Mining and Waterwell/Geothermal sectors. Our manufacturing remains under pressure to supply the increased demand, though we have increased our capacity across the Group through investment in our factories and through the acquisition of Spartan Drilling Tools, a drill pipe manufacturer in the USA, in January 2022.

We are experiencing significant growth in our three industries versus Q1 2021. The majority of this is organic growth in both mining and construction, and through the acquisition of Attakroc in mid-2021, which has been a solid contributor to the Group and has grown our market share in Eastern Canada.

Recent challenges in the supply of raw material began to ease towards the end of the quarter, though it has some way to go before returning to normal and, while sea freight conditions also remain challenging, we continue to hold high levels of raw material and finished product to be able to service our clients’ needs.

Whilst we have experienced margin pressure during the quarter due to the lag in recovering increases in manufacturing and operational costs through price increases to customers, we expect to recover our margin position in the coming months. Substantial increased energy costs have been a main driver behind our margin pressure and trying to mitigate the effect of these is paramount. With that in mind, we have invested in new plant, in our main hammer factory in Shannon, to reduce our energy consumption and carbon footprint once that plant is commissioned later this year.

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For further information please contact

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Forward looking statements

Any forward-looking statements made in this document represent the Board’s best judgment as to what may occur in the future. However, the Group’s actual results for the current and future financial periods and corporate developments will depend on a number of economic, competitive and other factors, some of which will be outside the control of the Group. Such factors could cause the Group’s actual results for future periods to differ materially from those expressed in any forward-looking statements included in this announcement.