

PLC
(“Mincon” or the “Group”)

Q1 2023 TRADING UPDATE

Mincon Group plc (Euronext: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 2023 to date, incorporating the first quarter to 31st March 2023.

While revenue in Q1 2023 was marginally behind the same period in the prior year, we are pleased with further improvement in our gross margin in the first quarter. The reduced revenue in Q1 is a result of lower revenue than expected in the mining industry, due to reduced activity in the exploration sector during the quarter and resultant lower orders from some specific large customers as they adjust their inventories in response. However, we remain confident in our outlook for this segment and expect that our mining revenue will improve as the year progresses.

Our revenue in the construction industry remains strong and we continue to make progress in winning small to mid-size construction projects in Europe and North America. The very strong construction revenue growth in North America during 2022 has continued at the same level into Q1 2023. Coupled with this, we have also seen good growth in construction revenue for the first quarter in the European market.

We have made progress on reducing our order backlog in the past quarter and are better positioned to deliver quicker to our customers. This has allowed us to reduce our dependence on air freight and improve our gross margin. Our price increases, introduced in 2022 to offset manufacturing and operating cost increases, have also contributed to better margins than in the first quarter of 2022.

We continue to refine the performance of the rig on which the Greenhammer is operating with our customer in Western Australia. We have also entered into a collaborative programme with a leading global rig manufacturer with the joint objective of ensuring that the rig upon which our Greenhammer system is mounted will enable the effective roll-out of this important technology.

We maintain a positive outlook, both for the remainder of 2023 and on our long-term outlook for the industries in which we operate. Our ambitious product development programs should serve us well in the global challenges ahead to reduce carbon emissions. We continue to improve the efficiencies of our manufacturing plants which will reduce emissions and enhance our manufacturing margins.

Ends
9th May 2023

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.