

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

Q3 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 9 months to 30th September 2021.

Trading

We have sustained the sales growth experienced in the first half of the year during the past quarter, with revenue for the nine months to September 2021 up 6% on the first nine months of 2020. Our order levels increased strongly during Q3 2021, and our production levels were increased to enable us to fulfil orders for the final quarter of the year.

As noted at the time of the Group’s interim results, across the Group we continue to experience delays in the delivery of raw materials to our factories and the delivery of manufactured products from our factories to our customer centres as a result of increased sea freight transit times. As such we have decided to maintain our raw material inventories at higher levels in our factories, and we have increased inventories in our customer centres to ensure customer supply. In line with other industries, we have continued to experience higher freight and raw material costs. Arising from these issues we have experienced some pressure on margins and we are passing on increased costs when we can in an equitable and sustainable manner.

Investments

During the past quarter we invested in our sales footprint to reach new customers and to gain future market share. We have hired new salespeople, opened new warehouse points in key locations and acquired AttakRoc, a distributor in Quebec City in July of this year. We have also invested in our factories during the past quarter to improve efficiency and add capacity with new and more environmentally friendly production methods. We expect that the commissioning of the new equipment from this investment will take place in Q4 2021 and Q1 2022.

Ends

1st November 2021

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.