



20 January 2020

MINCON GROUP PLC
("Mincon" or the "Company")

Acquisition of Lehti Group Oy

Mincon (Euronext: MIO AIM: MCON) the Irish engineering group specialising in the design, manufacture, sale and servicing of rock drilling tools and associated products is pleased to announce the acquisition of Finnish company, Lehti Group Oy ("Lehti") to further enhance Mincon's manufacturing capability in the geotechnical / construction market. The acquisition of Lehti follows on from the acquisition of PPV Oy in 2017, which became a key part of our engineering hub in Mincon Nordic, focusing on accessing the geotechnical / construction markets. Following the acquisition, the Lehti business will be fully combined into Mincon Nordic operations.

The significant growth Mincon Nordic has experienced in the geotechnical market has resulted in Lehti becoming a key manufacturing partner to Mincon, with Mincon accounting for approximately €9 million of the projected €13 million turnover achieved by Lehti during 2019. The projected EBITDA of Lehti for the calendar year 2019 is approximately €2.2 million. The partnership with Lehti has enabled Mincon to win and supply significant infrastructure projects in North America, Scandinavia, Asia and Russia. The cash consideration for the acquisition is €8 million, with €7 million to be paid on completion and a further €0.5 million payable in April 2020 and the final payment of €0.5 million in April 2021.

Joe Purcell, Chief Executive of Mincon, commented: *"This acquisition means that Mincon Nordic enters 2020 with the momentum provided by the contracts which we successfully won in 2019 and with superb reference sites for Mincon geotechnical products manufactured by Lehti. We believe this acquisition will leave Mincon well placed to further expand in the attractive geotechnical market worldwide."*

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