



Company	MONADELPHOUS GROUP LIMITED
Code	MND
Meeting	AGM
Date	23 NOVEMBER 2021
Venue	UNIVERSITY CLUB UWA and ONLINE
Monitor	DEREK MILLER/GEOFF CORRICK

Number attendees at meeting	30 IN PERSON APPROXIMATELY 40 ONLINE
Number of holdings represented by ASA	109
Value of proxies	\$3.6MILLION
Number of shares represented by ASA	389733 (0.4% OF ISSUED SHARES)
Market capitalisation	\$875million
Were proxies voted?	Yes, on a poll for all items
Pre AGM Meeting?	Yes, with John Rubino, Chairman, and Kristy Glasgow Joint Company Secretary

Positive outlook in a difficult year

The MD stated it had been a busy year compared to the previous year due to Covid 19 in the previous year delaying work that was carried over into 2021. There was a recovery in demand with construction activity increasing 60%. MND hired 2000 employees to cope with this demand but handling the complexities of Covid 19 in MND operations throughout Australia affected productivity. Activity increased in all areas especially Lithium in Australia and Buildex in Chile that had \$100million in revenue for the year. EPC work with Lycopodium was doing well. The presentation was somewhat more positive than the Annual Report.

The projection is for 2022 revenue to be lower than 2021 but the expectation is for 2023 to be stronger.

Except for one online question, the only questions were from ASA. We congratulated MND for a surprising good year in view of the Covid difficulties and for a satisfactory resolution of the Rio Tinto legal claim. We asked 3 questions,

1) The margin has been 5.6% for the last 2 years. What is the potential for improvement?

Answer, in 2020 volumes dropped and so did margins. This year there was a large increase in workload but having to find the extra staff and pay them, the margin was impacted again. New work is clearer of impediments and a margin improvement may be possible next year.

2) Dividend pay-out ratio is very high at 90%. Can you maintain this and still grow?

Answer. Board policy is for 80% to 100% pay-out ratio. They expect to be able to continue in this range. They prefer J/Vs to takeovers and capital expenditure is low.

3)The mining services industry seems, to some degree to be out of favour with the investment community. Is this because of competition from smaller new entrants?

Answer, Yes there is a trend towards smaller new companies as a way of cost reduction for the customers, but MND reputation, experience etc is expected to continue to be an advantage, particularly on some big EPC projects and maintenance jobs

We had useful discussions with most directors after the meeting. This is one of the easier companies to Monitor.

All four resolutions were passed with more than 90% in favour.

[2021 AGM Presentation \(iguana2.com\)](http://iguana2.com)

[Results of Meeting \(iguana2.com\)](http://iguana2.com)