

MHM AUTOMATION CONTINUES THE RISE



Continued growth in revenue and profitability and the reinstatement of a dividend policy, with a dividend of more than \$475,000 to be paid, were the highlights of MHM Automation's annual report.

The NZX-listed company reported revenue growth of 32% to \$67.6 million and operating EBITDA of \$4.76 million, up 21% on the previous year's result.

MHM Automation CEO Richard Rookes says the growth was a credit to the company's committed team and the strength of its diversified portfolio of technology-led products.

The year saw MHM Automation deliver numerous complex projects to international customers in food processing and other sectors.

"Covid has continued to make project delivery difficult, from supply chain delays to the challenges of working internationally with closed borders. But in the face of these challenges, our team has stepped up to successfully deliver world-leading solutions to our customers." MHM Automation closed the year with \$53 million of forward-work contracted, most of which is expected to be delivered in the coming year. Since year end, this has increased to \$61m.

"This is the most contracted work we've ever had in front of us, and it sets us up well for continued growth in the coming financial year," Rookes says.

Globally, increasing labour shortages being experienced across many industries has seen a mega-trend towards automating production accelerate in recent years. MHM Automation is well placed to meet this growing demand.

In 2021, MHM Automation set a goal to achieve \$100 million revenue in a year by 2025 and Rookes says it is currently on track to achieve that.

"While our current workload provides us a base for continued organic growth, acquisitions and the further diversification of our product range and the industries we service

will be instrumental in driving growth. Growth by acquisition continues to be a core part of our strategy and we are continuing to review and work on a number of potential acquisition opportunities."

The company's largest project for the year was the installation of four Milmeq SSO plate freezer stacks and a six-mag AiCo carton lifter at The Midfield Group's meat processing plant in Victoria, Australia.

Commissioned in late 2021, these comprised the first stage of a wider project valued in the tens of millions, to automate the back end of operations at the plant. The project will also see MHM Automation provide ASRS and robotic palletising systems, which are expected to be completed later this year.

Rookes described the project as an excellent showcase of MHM Automation's ability to provide fully integrated solutions.

"Our diverse product range and the experience and skill of our people means we can offer customers a complete solution. In this case we are automating all operations after the product is put into the box – from boning room to palletising," he says.

Diversifying its range of products and markets serviced has been a focus for MHM Automation in recent years, and a driving factor behind its acquisitions, the most recent being the purchase of Southern Cross Engineering (SCE) in 2021.

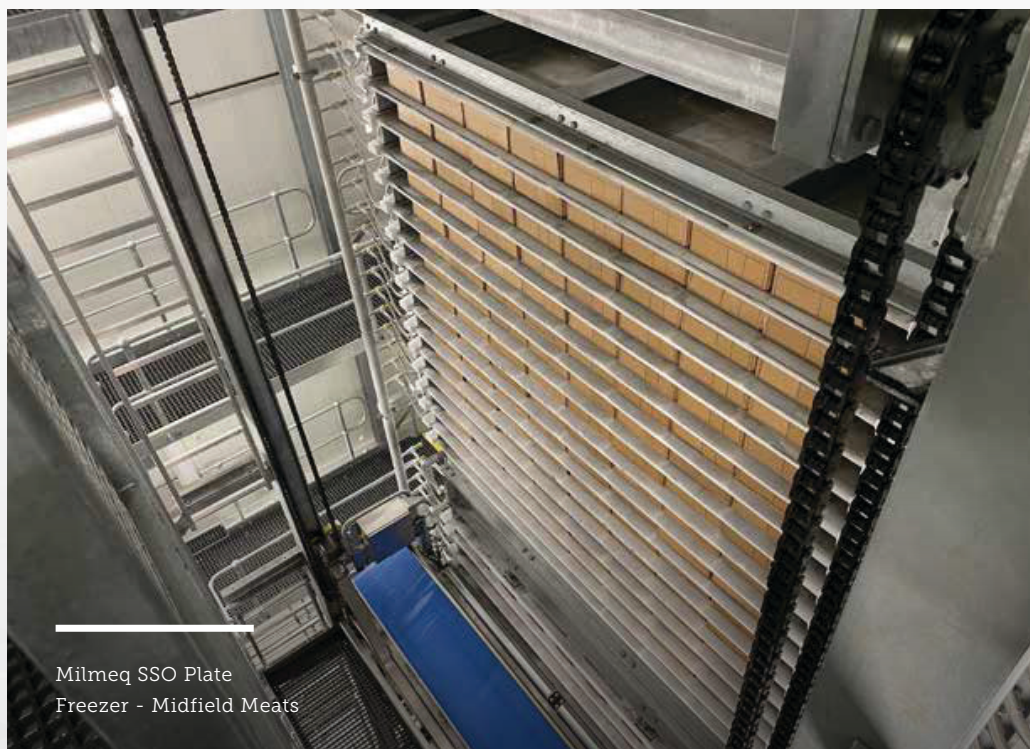
The SCE acquisition has borne fruit in the last year, with several significant projects delivered for the

timber industry in New Zealand and Australia, and the grain industry in Australia.

On the back of a bumper grain season in Australia, orders were taken for eight SCE Grain Stackers. "The grain stackers are a great example of our strategy of acquiring IP for products that are world-leading for a particular industry, to diversify the range of industries we service," Rookes says.

The SCE Grain Stacker can unload a truck load of wheat onto a grain bunker in three minutes – significantly faster than any other system on the market today.

"With a world-shortage of grain expected to continue for the foreseeable future, we expect demand for our grain stackers to continue."



Milmeq SSO Plate Freezer - Midfield Meats