



Mayfield Group Holdings Ltd

CEO Report to the Annual General Meeting

21 November 2022



2022 Performance



Strong revenue growth but legacy issues holding back margin

Highlights

- Revenue growth: Up 35% to \$82.3m
- Strong recovery of order book and margins continuing into FY2023
- Acquisition of balance of ATI Australia Pty Ltd adding \$6.6m revenue and \$0.4m profit

Lowlights

- Delay in wash-through of improved sales margins into WIP
- Performance of STE Solutions (subsequently renamed Mayfield Services) with \$3m loss driven by competition, Covid and PAREP contractual difficulties
- Inability to recover VIC revenue lost with Covid border closures



Strategy



The Group remains committed to providing products and services for critical electrical and telecommunications infrastructure nation-wide.

Key themes

1. Focus on quality revenue with strong margin
2. Mayfield Services realigning to support products of MI, ATI and our channel partners.
 - Exited market for greenfield electrical construction & rebranded service business
 - Relocating Mayfield Services to Mayfield Industries in Edinburgh SA
 - Closure of the Ballarat VIC office by February 2023 at end of lease
2. Grow presence in WA and Perth workshop capabilities
3. Grow sales of our remote battery monitoring systems
4. Develop synergies amongst power products, telecommunications and battery systems: Remote monitoring, battery energy storage systems



Outlook



Positive start to the financial year driven by strong order book, higher activity and margins back at pre-Covid levels.

- First quarter profits of \$685k (Unaudited).
- A strong work-in-hand of \$43m with healthy mix of end-user clients and market sectors
- New channel partner agreement with MV OEM supplier Leistung Energie
- Major Mayfield Industries 3-year contract with BHP with a \$7.3m Moducell LV and Leistung MV switchboard upgrade for Nelson Point, Port Hedland, Western Australia.
- Encouraging supply discussions for ATI battery management hardware to a major telecommunications organisation.

Risks include

- Weather in NSW holding back telecoms project activity
- Recruitment and retention of staff
- Supply chain disruptions



Outlook (Cont)



We are inspired by the direct contribution of our products and services in combatting the human effects of climate change; and looking to make even more meaningful contributions.

We are considering our own carbon footprint, and building on our existing 60KW solar generating capability in SA, with a mindset of achieving 'net zero'.

We are being thoughtful about how we attract and retain staff: Committed to inclusivity, diversity and career development (apprentice schemes and study support).

The Board successfully focused on the integration of ATI, restoration of margins and a return to profitability, and will now focus on:

- Acquisition targets in telecoms and power
- New, engineered products in energy management through synergies of existing capabilities

