

23 March 2023

Company Announcements
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000
AUSTRALIA

Dear Sir / Madam

RE: CHILE-BASED BUILDTEK TO CEASE BUSINESS

Please find attached a copy of an announcement to be issued today by Monadelphous Group Limited.

Authorised by



Philip Trueman
Company Secretary

ASX RELEASE

23 March 2023

CHILE-BASED BUILDTEK TO CEASE BUSINESS

Engineering company Monadelphous Group Limited (ASX:MND) (“Monadelphous” or “the Company”) today announced that Chile-based construction and maintenance services business, Buildtek SpA (“Buildtek”), will be ceasing operations.

Monadelphous acquired 75 per cent of Buildtek in 2019 for approximately AUD\$8 million and subsequently purchased an additional 15 per cent of Buildtek’s share capital, predominantly from the proceeds of post-acquisition earnings. For the financial year ended 30 June 2022, Buildtek contributed approximately 5 per cent of Monadelphous’ total revenue from contracts with customers (including joint ventures).

Over recent years the Chilean resources sector has been significantly impacted by the economic effects resulting from the COVID-19 pandemic, experiencing a major shortfall in available resources, significant labour cost and productivity pressures, a heightened level of supply chain risk and an inflationary cost environment. These pressures have impacted Buildtek’s financial performance during that period, as well as significantly increasing the working capital requirements of the business.

Buildtek has undertaken a wide variety of operational and commercial activities to protect and sustain its financial position. Disappointingly, despite considerable effort, Buildtek’s financial position and working capital continue to be impacted and the business has not been able to source the necessary level of funding required to continue.

Monadelphous confirms that the cessation of Buildtek’s operations will not have a material impact on Monadelphous’ net assets, or on its earnings for the year ended 30 June 2023. The revenue guidance for the financial year ended 30 June 2023 remains, as provided in the Company’s half year results released to the market in February 2023.

Further Information

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About Monadelphous

Monadelphous Group Limited (ASX: MND) is a leading Australian engineering group providing construction, maintenance and industrial services to the resources, energy and infrastructure sectors. The Company has two operating divisions – Engineering Construction, providing large-scale multidisciplinary project management and construction services, and Maintenance and Industrial Services, specialising in the planning, management and execution of mechanical and electrical maintenance services, shutdowns, fixed plant maintenance services and sustaining capital works.

Monadelphous is headquartered in Perth, Western Australia, with a major office in Brisbane, Queensland, and offices, projects, facilities and workshops across Australia and in New Zealand, China, Mongolia, Papua New Guinea, Chile and the Philippines. Please visit www.monadelphous.com.au for further information.