

ASX:ACF

Acrow Formwork and Construction Services Limited

C/- Level 5, 126 Phillip Street

Sydney NSW 2000



ASX Release

17 May 2021

Acrow Secures Expanded Debt Facility for Growth Opportunities

Key Highlights:

- **Refinance of debt facility with Westpac**
- **Expanded headroom by \$13.5m**
- **Improved flexibility and confidence to continue pursuing growth opportunities**
- **Re-iterate EBITDA guidance of \$23.5-\$24.5m for FY21 and expected very strong start to FY22**
- **Targeting circa. 20% EBITDA growth in FY22**

Acrow Formwork and Construction Limited (ASX:ACF) is pleased to announce it has secured the refinancing of its debt facility with Westpac Bank. Acrow acknowledges the long-standing relationship and support of Westpac for its debt financing arrangements.

Under the new agreement, the total debt facility will provide additional headroom of \$13.5m, on favourable amortisation terms, funding costs, and covenants that are more 'fit for purpose' for a business experiencing a significant growth phase. In summary:

- The **term debt** facility, which currently stands at \$14.7m, will increase by \$3.5m at 30 September 2021, to finance the final earnout payment for the Uni-span acquisition. The new facility will amortise over five years from commencement, extending the current May 2023 and April 2024 maturity dates to May 2026;
- The **equipment finance** facility will increase from \$5m to \$10m, on a revolving 3-year limit; and
- The **working capital** ("Flexible Options") facility will increase from \$3m to \$8m.

Commenting on the announcement, Acrow CEO, Steven Boland said: "We are delighted to have re-negotiated our debt finance facility with our long-supporting banking partner, Westpac."

"The tailwinds from the growing profile of infrastructure projects around the country and the increasing recognition for our quality, service, and equipment range are creating an unprecedented opportunity for growth. This was best demonstrated by our record March month and quarter for secured hire contract wins. The additional headroom and extended maturity profile now provide Acrow with the flexibility and confidence to continue pursuing the growth opportunities that we are seeing across the formwork and industrial scaffold markets in Australia."

"We strongly welcome the Federal government's recent budget commitment for an additional \$15.2bn in investment across road, rail and community infrastructure projects, as part of its \$110bn infrastructure investment pipeline over the next 10 years. We now expect to be well positioned to bid for packages across newly announced marquee projects including the Great Western Highway Upgrade (\$2bn), Melbourne Intermodal Terminal (\$2bn), North-South Corridor - Darlington to Anzac Highway (\$2.6bn) as they come up for tender."

"As previously outlined in the ASX release, dated 1 April 2021, Acrow is now guiding to a strong finish to the financial year with EBITDA in the range of \$23.5 - \$24.5m, up 21%-26% on the PCP, and an equally solid start to the new financial year. We are now targeting circa. 20% growth in FY22 to that achieved in FY21."

This release was approved by the Acrow Board of Directors.

-ENDS-



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About Acrow

Acrow is a leading hirer of formwork and scaffolding systems to large construction and civil infrastructure providers across Australia, operating a network of formwork and scaffolding branches in six states and employing approximately 245 people. The business services a diversified customer base of approximately 1,300 customers.

Acrow has a high quality and versatile portfolio of assets and has identified a number of near term growth opportunities, most particularly through the investment in capital equipment to take advantage of a range of opportunities in the growing East Coast civil infrastructure market, particularly in New South Wales and Victoria where the business is still underrepresented.

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