

ASX Release

1 October 2021

Acrow Announces Earnings Guidance Upgrade

Key Highlights:

- **FY22 Underlying EBITDA and NPAT growth targets increased to minimum 25% and 50% on the pcg, respectively, and EPS growth target re-iterated at over 40%**
- **Record September quarter secured hire contracts wins, up 51% on pcg**
- **Strong hire contract win rates across all divisions and geographies**
- **Snowy Hydro >\$7.0m in secured equipment purchase and labour hire contracts in September quarter**

Acrow Formwork and Construction Services Limited (ASX: ACF) ("Acrow" or "the Company"), is pleased to announce that following another strong quarter of successfully securing hire contract wins that target FY22 Underlying EBITDA and NPAT growth have been upgraded to minimum 25% (previously 20%) and minimum 50% (previously 40%) growth on the previous corresponding period (pcg). EPS growth target has been maintained at over 40%.

Acrow reported another record quarter with \$12.8M of secured hire contract wins during September quarter 2021, up over 50% on the same period last year. Strong performances were recorded across all sectors and states, reflecting the benefits of cross-selling a broader suite of products and services. Notably, the Queensland market recorded exceptional growth across most divisions, including Commercial Scaffold, which won several high-rise contracts in SE Queensland. The smaller markets of South Australia and Tasmania also performed strongly, with Western Australia being a standout performer, and currently generating revenue at its highest level in over five years.

Acrow expects that the Snowy Hydro Pumped Hydro project, located in South-east New South Wales to become a significant contributor to revenue and profitability over the next few years. In the three months to September 2021, Acrow has secured over \$7.0m in equipment purchase orders and labour hire contracts. These are anticipated to be realised in the current financial year.

Commenting on the announcement, ACF CEO Steven Boland said: "It is very encouraging to see the momentum continue to build for Acrow. The benefit of having a broader suite of products and services continues to be reflected in the increasing level of hire contract wins. This is particularly pleasing as it is also generating higher activity levels in our smaller state markets."

"Secured hire contract revenue continues to be the best lead indicator to future performance in the business. The results we are currently achieving are a direct result of the record new contract wins achieved over the last two quarters of FY21. The fact that we have now surpassed those results in 1Q22 is a very encouraging indicator towards even stronger results into the second half of this year."

"I am also really pleased with the numerous contract packages we are winning on the Snowy Hydro project. To have secured packages worth in excess of \$7 million in the past three months puts us in a great position to further grow our revenue stream as this project develops."

"Acrow has now established, or in the case of its Industrial Services business, is establishing itself as a key player in the market segments in which it operates. With the tailwinds of a growing transport infrastructure construction market and increasing recognition in the Industrial Services maintenance sector, we anticipate this strength to continue."

ASX:ACF

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"In August 2021¹, Acrow guided towards a strong growth outlook for FY22, targeting greater than 20% Underlying EBITDA growth and over 40% NPAT growth. I am pleased to report that the strong start to the year provides the Acrow Board with the confidence to upgrade its Underlying EBITDA and NPAT growth targets to minimum 25% and minimum 50%, respectively, and re-iterate EPS growth at over 40%."

"I look forward to providing a more detailed update at the Annual General Meeting scheduled for late November 2021."

This release was approved by the Acrow Board of Directors.

-ENDS-

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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¹ See ASX Announcement dated 25 August 2021.