



# FY22 Interim Results (unaudited)

9 February 2022



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Rozelle Vent Shafts, Sydney, NSW

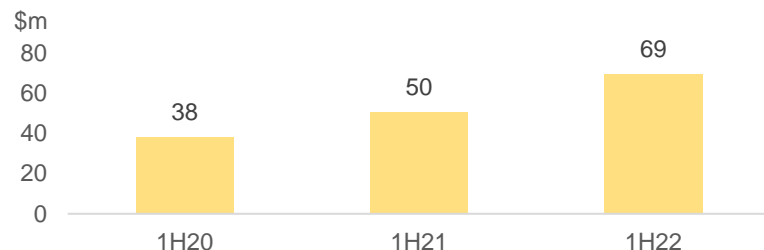
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## Key Highlights

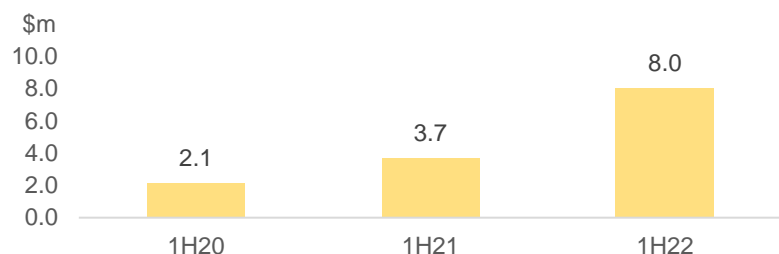


# Key Financials Metrics (underlying)

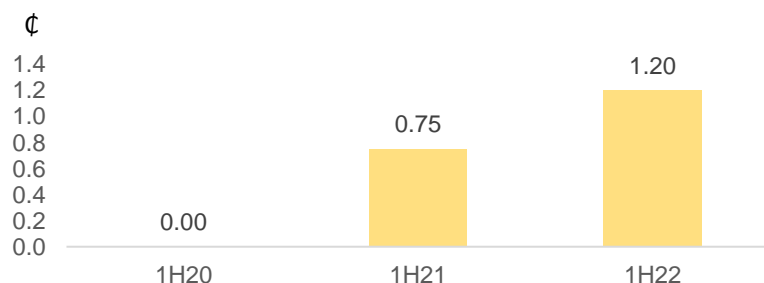
## Revenue - up 38%



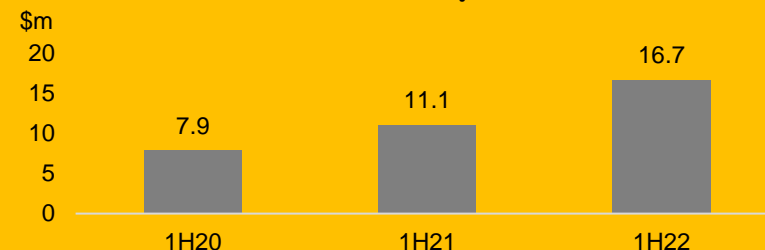
## NPAT - up 118%



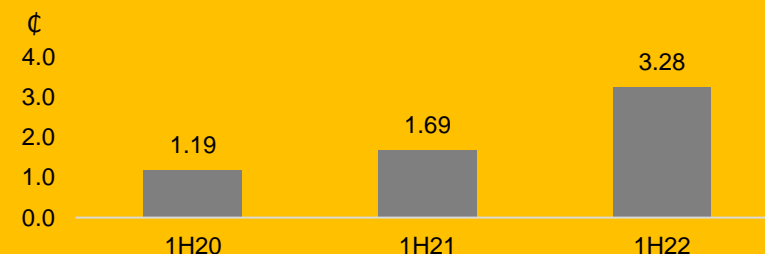
## DPS up 60%



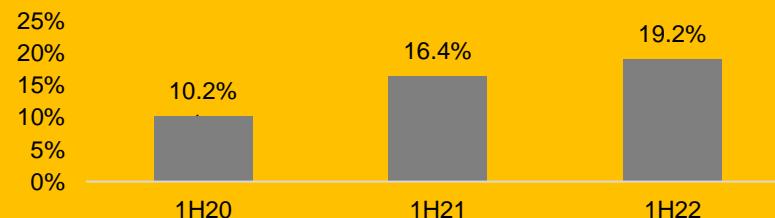
## EBITDA - up 51%



## EPS - up 94%



## ROE - up 2.8% pts



# Key Achievements -1H22

## Record Secured Hire Contracts

Secured hire contracts up 33% YoY to \$23.4m

## Strong Organic Growth

Record results achieved from organic growth. No impact from acquisitions

## Industrial Services

Revenue up 158% YoY to \$21.3m. Sales contribution up 76%

## Queensland Formwork

Strong market growth resulted in 80% total hire revenue growth

## WA, SA, Tas Growth

Revenue and contribution margin up 62% and 118% respectively on broader product offering

## Supply Chain & Logistics

Significant steps taken to minimise impact of supply chain and logistics challenges



Parkview, Granville Place, Granville NSW

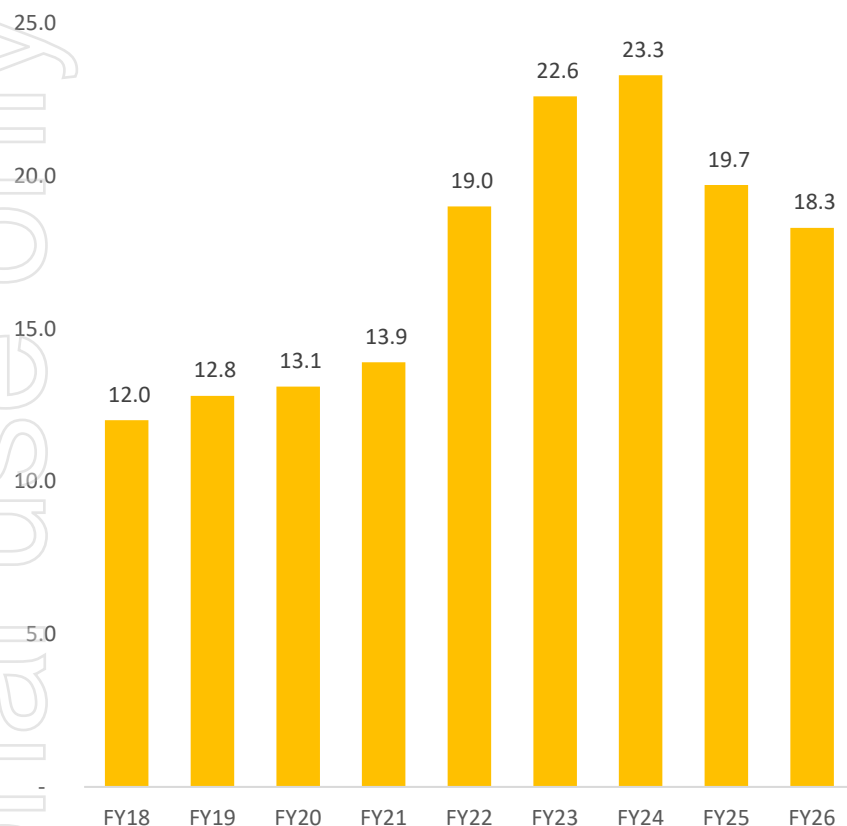
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## Market & Business Overview



# Major Transport Infrastructure Projects - Aust

## Projected Major Transport Infra Spend (\$bn)



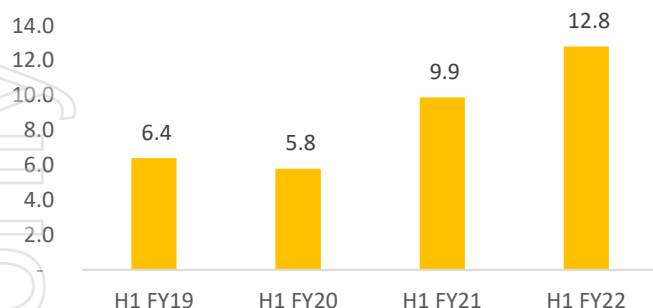
Source: Macromonitor August 2021

## Major Contributing Projects for Acrow

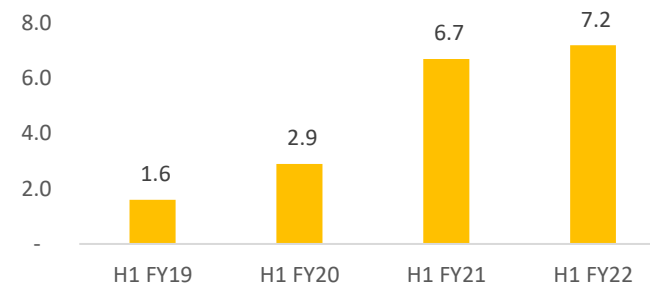
| Project                                     | Description   | FY22 Projected Revenue |
|---|---|------------------------|
| Bruce Highway - Cooroy to Curra, Queensland | The \$1 billion Section D: Woondum to Curra (C2CD) project is a new 26km, 4-lane divided highway between the existing Bruce Highway interchange at Woondum, south of Gympie and Curra.  | \$10.0m+               |
| Melbourne Metro Rail, Victoria              | The Metro Tunnel will create a new end-to-end rail line from Sunbury in the west to Cranbourne/Pakenham in the south-east, with high-capacity trains and five new underground stations. Tunnel is due to be complete by 2025  | \$4.7m+                |
| Western Distributor, Melbourne, Victoria    | The Western Distributor Project is a proposed new tunnel and elevated motorway connecting the West Gate Freeway with the Port of Melbourne, CityLink and the western edge of the CBD providing an alternative river crossing to the West Gate Bridge.   | \$3.2m+                |
| Sydney Metro Rail, New South Wales          | Sydney Metro is Australia's biggest public transport project. In 2024, Sydney will have 31 metro stations and more than 66 kilometres of new metro rail, revolutionising the way Australia's biggest city travels. By the end of the decade, the network will be expanded to include 46 stations and more than 113 kilometres of world-class metro for Sydney | \$2.5m+                |
| Cross River Rail, Brisbane, Queensland      | Cross River Rail is a new 10.2km rail line from Dutton Park to Bowen Hills, which includes 5.9kms of twin tunnels under the Brisbane River and CBD. The project will unlock a bottleneck at the core of our transport network and it will transform the way we travel across the whole of South-East Queensland.  | \$2.5m+                |

# Formwork Revenue by State & National

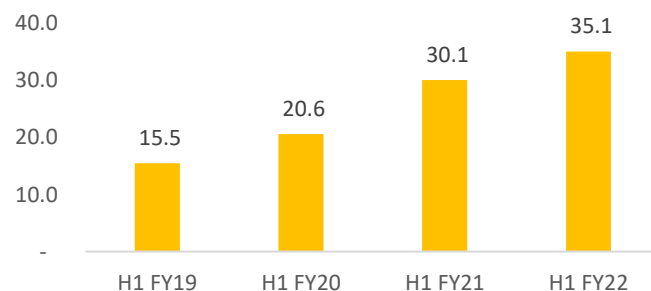
Queensland formwork revenue – (\$m)



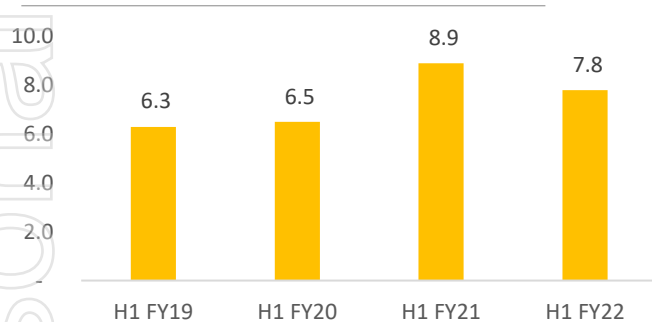
Victoria formwork revenue – (\$m)



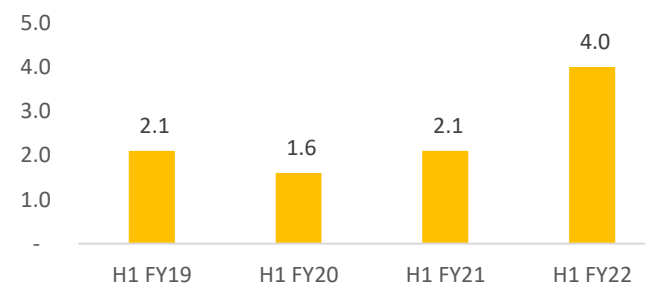
National formwork revenue – (\$m)



NSW formwork revenue – (\$m)



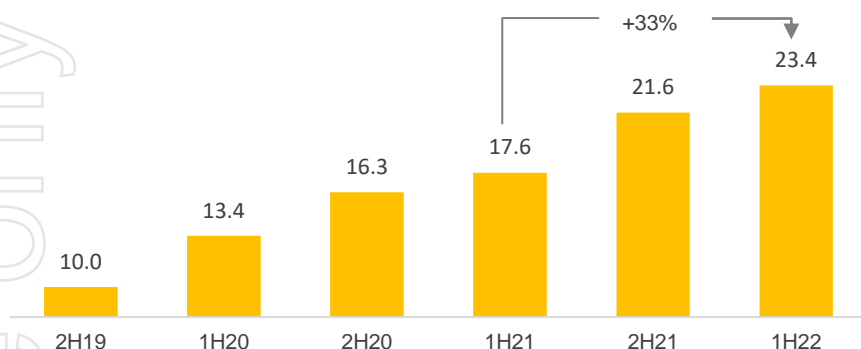
WA formwork revenue – (\$m)



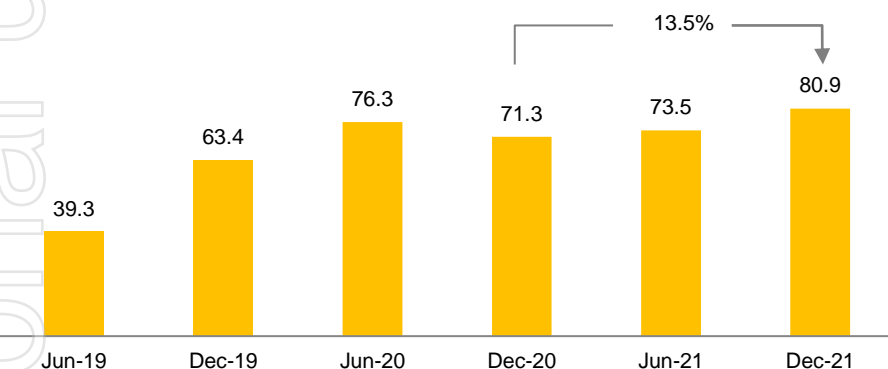


# Acrow Equipment Hire Wins and Pipeline

Hire Contracts Won (\$m)



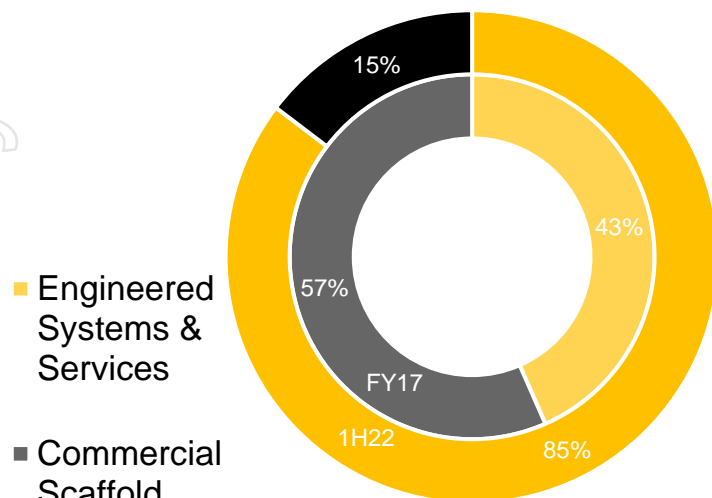
Current Pipeline – Potential Hire Revenue (\$m)\*



\* Comprises tenders and quotes provided

- Record hire contracts won 1H22 up 33% YoY
  - Formwork & commercial scaffold strong
  - Natform flat
- Pipeline 1H22 up 13.5%
  - Formwork ~90% of pipeline
  - Does not incorporate Industrial Services shutdown work
- Continue to win work on major infrastructure projects
- Strong organic growth in SA/WA/Tas
- Commercial scaffold - focusing on smaller dry hire work

# Pivoted to Engineered Systems and Services



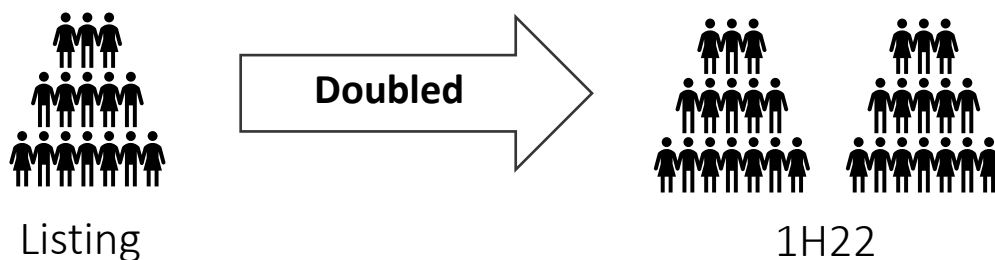
## Client Priorities

- Time Saving Engineered Solutions
- Product Quality
- Reputation
- Safety

## Benefits

- Exposure to Gov't funded civil projects
- Strong civil construction tailwinds
- Pricing – secondary focus

## Acrow Engineers



# Marquee Civil Projects





# Engineering Expertise

## Case Study – Western Distributor

### Scope of Work

Design and supply a bespoke formwork table system to complete the column and headstock pours on the 30m+ span bridge.

### Product

The engineering team designed a custom steel system to suit the unique headstock which only had a singular column.

### Solution

Acrow provided a turnkey solution including design and fabrication of the table system that was fully crane liftable and allow the client to reduce installation and removal times.

### Benefits

Tailored solution to the project that wasn't suited to proprietary type formwork. Taking ideas from the successful Harwood project in 2017, Acrow was able to provide the client with confidence that the system would work and provide significant benefit over conventional options.



# Engineering Expertise

## Case Study – Rozelle Vent Shafts

### Scope of Work

Acrow was engaged by Seadar Constructions to provide a climbing formwork system for the three vent shafts on the Rozelle Interchange Project. As the three stacks were different radiuses, a cost-effective solution was required that achieved the required surface finish whilst limiting the 'special' fabricated products required.

### Product/Systems used

Acrow's design utilised the Ulma RKS system. Our rail climbing system that was in this instance assisted by crane (hydraulic self-climbing functions can be added) with fabricated SHS to achieve the circular shape of the vent stack.

### Solution

Given the circular nature of the elements Acrow introduced a radiused SHS section to achieve the curved shape and connected it to the RKS system with Acrow's proprietary SHS clamps. Curved sections were tailored to maintain the full rollback properties of the system.

### Benefits

Given the robust nature of the system and its unique adaptability Acrow was able to increase the pour heights from 3.0m to 3.6m, eliminating one full cycle whilst still jumping the platforms with the wall forms attached and in the rolled back position. The cost of the 'special items' to achieve the curve forms was kept to a minimum by utilising this simple but effective system.





# Engineering Expertise

## Case Study - The Landmark

### Scope of Work

Design and provide an effective edge protection solution to the 44-level tower's curved slab edge that tapered in and out as it ascended.

### Products/Systems utilised on site

- Over 2,400m<sup>2</sup> of Natform Screen System
- Natform Hydraulic Unit
- 500 linear metres of Natform Handrail System
- Acrow Cuplok Scaffold
- Uni-mesh™
- CC-4 formwork

### Solution

Acrow provided the design of the screen layout and methodology of the climbing sequence and was able to provide a solution that allowed safe construction of the concrete slabs, whilst allowing the facade installers to install balustrades on the completed slabs below.

### Benefits

The project is an example of Acrow's ability to provide a one-stop shop to the client by utilising a broad range of Acrow products and solutions.





# Supply Chain Management

## Issues

- Extended delivery times on new equipment orders due to logistics delays and raw material availability



- Shortage of shipping containers and increased freight costs



- Supplier trade terms



## Remediation

- Established global procurement of high quality used equipment to expedite delivery times and minimise cost

- Bypassing intermediaries and dealing directly with shipping lines to secure availability and competitive pricing

- Re-negotiated trading terms with suppliers across all capital and sales categories

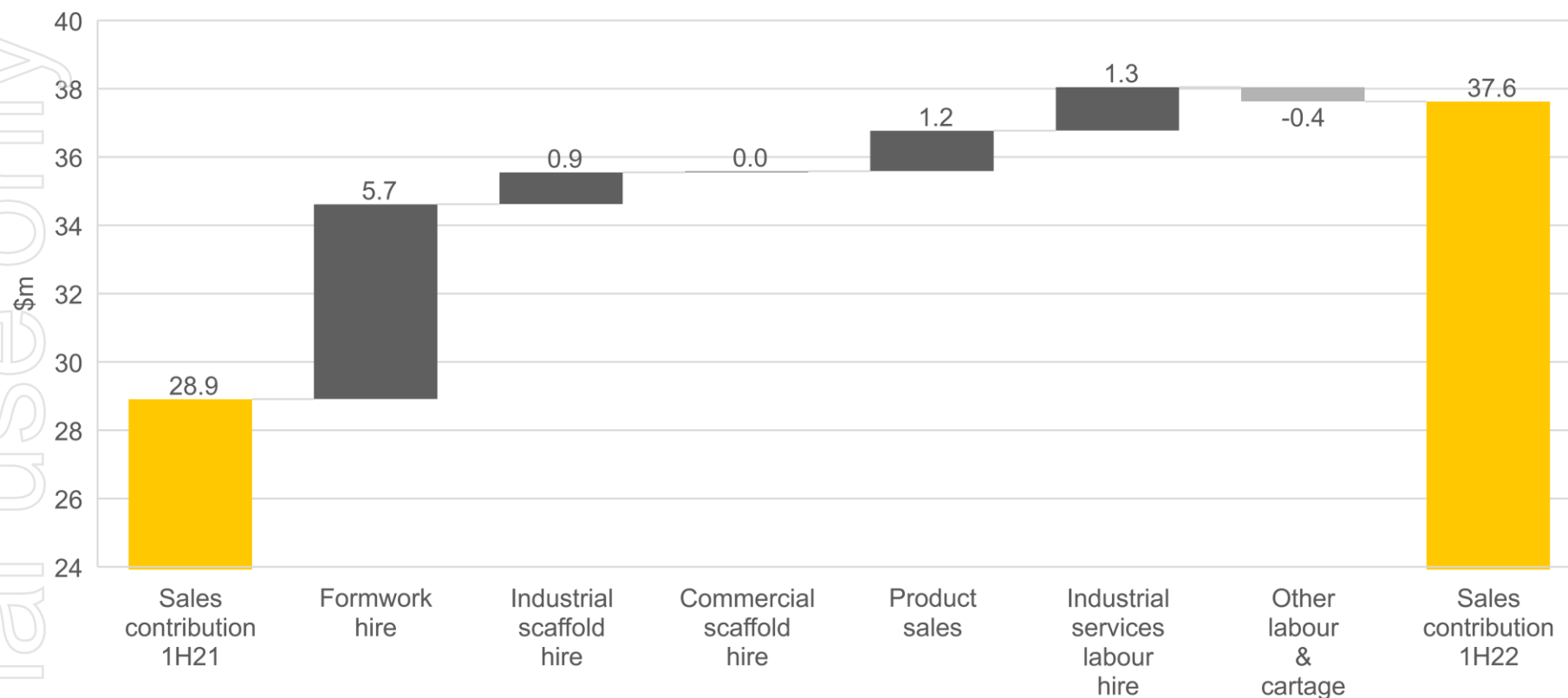
# Segmental Breakdown

| Year end 30 June (\$000)    | 1H 22         | 1H 21         | \$<br>Mvt     | % chg<br>PCP |
|-----------------------------|---------------|---------------|---------------|--------------|
| Formwork                    | 35,089        | 30,097        | 4,991         | 17%          |
| Industrial Services         | 21,328        | 8,271         | 13,057        | 158%         |
| Commercial Scaffold         | 12,899        | 12,040        | 858           | 7%           |
| <b>Total Revenue</b>        | <b>69,315</b> | <b>50,408</b> | <b>18,907</b> | <b>38%</b>   |
| Formwork                    | 25,005        | 19,207        | 5,798         | 30%          |
| Industrial Services         | 7,104         | 4,040         | 3,064         | 76%          |
| Commercial Scaffold         | 5,514         | 5,658         | -144          | -3%          |
| <b>Total Contribution</b>   | <b>37,623</b> | <b>28,905</b> | <b>8,719</b>  | <b>30%</b>   |
| <i>Contribution Margin*</i> | <i>54.3%</i>  | <i>57.3%</i>  |               | <i>3%</i>    |
| Yard Related Expenses       | 6,780         | 5,761         | 1,019         | 18%          |
| Labour                      | 11,677        | 9,906         | 1,771         | 18%          |
| Other                       | 2,451         | 2,143         | 308           | 14%          |
| <b>Total Overheads</b>      | <b>20,908</b> | <b>17,810</b> | <b>3,098</b>  | <b>17%</b>   |
| <b>Underlying EBITDA</b>    | <b>16,716</b> | <b>11,095</b> | <b>5,621</b>  | <b>51%</b>   |
| <i>EBITDA Margin*</i>       | <i>24.1%</i>  | <i>22.0%</i>  |               | <i>2%</i>    |

• Refers to percentage point change on PCP

- Total revenue up 38%
  - Organic growth
  - Growth across all divisions
  - Industrial Services standout performer
- Total sales contribution up 30%
  - Formwork hire – major contributor
- Contribution margin 54.3%, down 3%pts
  - Primarily due to increased New Product sales on lower margin
  - Formwork margin up
- Overheads up due to increased activity levels
- Underlying EBITDA up 51%

# Sales Contribution Bridge - 1H21 to 1H22

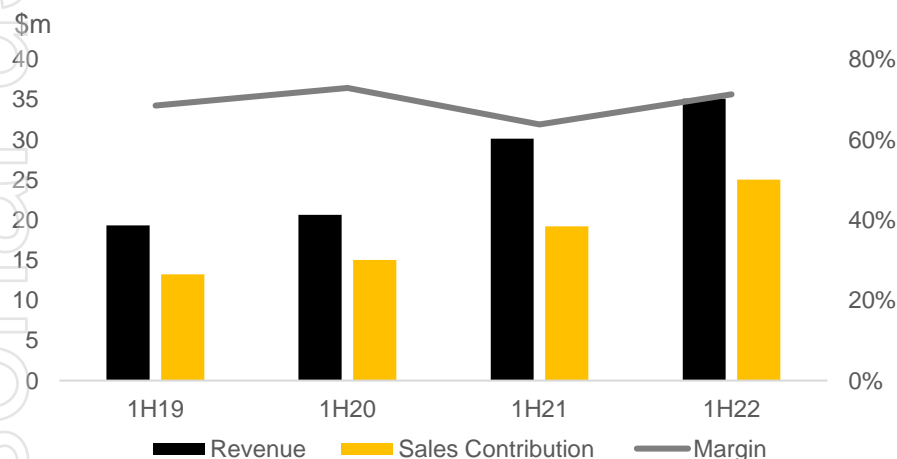




# Formwork Division

| Year end 30 June (\$000)     | 1H22          | 1H21          | \$<br>Mvt    | % chg<br>PCP |
|------------------------------|---------------|---------------|--------------|--------------|
| Formwork Hire                | 19,161        | 13,450        | 5,712        | 42%          |
| Product Sales                | 15,087        | 15,299        | -213         | -1%          |
| Cartage                      | 841           | 1,349         | -507         | -38%         |
| <b>Total Revenue</b>         | <b>35,089</b> | <b>30,097</b> | <b>4,991</b> | <b>17%</b>   |
| Formwork Hire                | 19,161        | 13,450        | 5,712        | 42%          |
| Product Sales                | 5,677         | 5,334         | 343          | 6%           |
| Cartage                      | 167           | 424           | -256         | -60%         |
| <b>Total Contribution</b>    | <b>25,005</b> | <b>19,207</b> | <b>5,798</b> | <b>30%</b>   |
| <i>Contribution Margin *</i> | 71.3%         | 63.8%         |              | 7.4%         |

• Refers to percentage point change on PCP

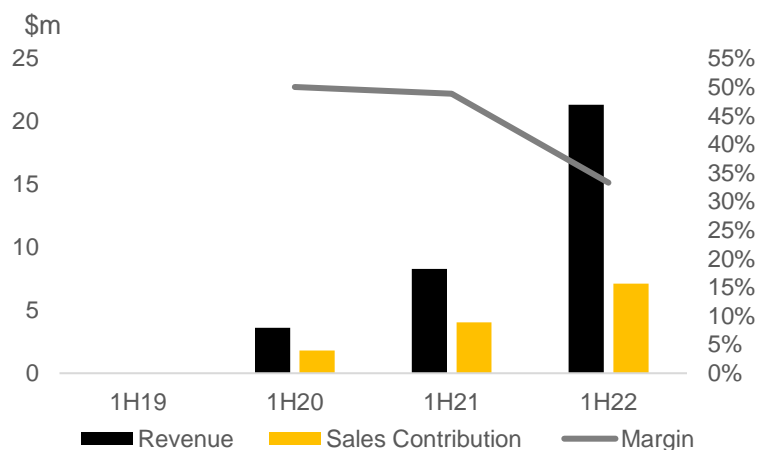


- Consistent growth trend over four years
- Formwork revenue up 17%
  - Hire revenue up 42%,
  - Product sales flat. Strong timber sales offset by lower ex-hire equipment sales
  - Cartage impacted by completion of Sun-Metals projects
- Sales contribution up 30%
- Sales contribution margin improvement on larger Formwork hire impact and Product sales margins
- State contributors – Qld plus WA, SA and Tas

# Industrial Services

| Year end 30 June (\$000)    | 1H22          | 1H21         | \$ Mvt        | % chg PCP   |
|-----------------------------|---------------|--------------|---------------|-------------|
| Scaffold Hire               | 3,303         | 2,367        | 936           | 40%         |
| Labour Hire                 | 9,634         | 3,606        | 6,028         | 167%        |
| Product Sales               | 8,391         | 2,298        | 6,093         | 265%        |
| <b>Total Revenue</b>        | <b>21,328</b> | <b>8,271</b> | <b>13,057</b> | <b>158%</b> |
| Scaffold Hire               | 3,303         | 2,367        | 936           | 40%         |
| Labour Hire                 | 2,146         | 865          | 1,281         | 148%        |
| Product Sales               | 1,655         | 808          | 847           | 105%        |
| <b>Total Contribution</b>   | <b>7,104</b>  | <b>4,040</b> | <b>3,064</b>  | <b>76%</b>  |
| <i>Contribution Margin*</i> | 33.3%         | 48.8%        |               | -15.5%      |

\* Refers to percentage point change on PCP



## ➤ Revenue up 158%

- Organic growth from expansion into new states and markets
- Labour hire benefiting from revenue attributable from key project wins
- Product sales boosted primarily by Snowy Hydro

## ➤ Sales contribution up 76%

## ➤ Margin impacted by change in mix to higher percentage of Product sales and Labour hire revenue

## ➤ Key projects wins include:

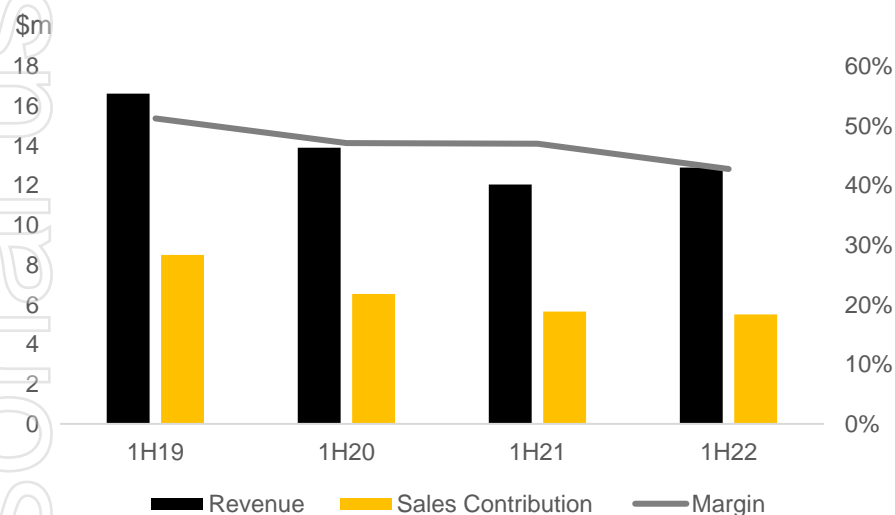
- Visy
- Snowy Hydro 2.0
- Mt Piper
- Phosphate Hill

## ➤ Capital investment to-date in Ringlock and Furnace kits

# Commercial Scaffold

| Year end 30 June (\$000)    | 1H22          | 1H21          | \$ Mvt      | % chg PCP    |
|-----------------------------|---------------|---------------|-------------|--------------|
| Scaffold Hire               | 4,462         | 4,398         | 64          | 1%           |
| Labour & Cartage            | 8,437         | 7,642         | 795         | 10%          |
| <b>Total Revenue</b>        | <b>12,899</b> | <b>12,040</b> | <b>858</b>  | <b>7%</b>    |
| Scaffold Hire               | 4,425         | 4,398         | 27          | 1%           |
| Labour & Cartage            | 1,089         | 1,260         | -171        | -14%         |
| <b>Total Contribution</b>   | <b>5,514</b>  | <b>5,658</b>  | <b>-144</b> | <b>-3%</b>   |
| <b>Contribution Margin*</b> | <b>42.7%</b>  | <b>47.0%</b>  |             | <b>-4.2%</b> |

• Refers to percentage point change on PCP



- Revenue up 7%
- Sales contribution down 3% and margin down
- Increased focus on dry hire
- Focusing on smaller scale work
- Improvements in NSW and Vic
- Some price improvement evident

# Key Contract Wins\*

| Project  | Division            | Description   | Est. Value |
|--|---------------------|---|------------|
| SNOWY HYDRO 2.0 - NSW                            | Industrial Services | Acrow contract direct with Future Generation for the provision of services in relation to labour, hire and sale of Quickstage scaffolding on the early stage works on the accommodation and training centres. In addition, Acrow has also been nominated as the preferred supplier of hardware and consumables to site.     | \$7.0 M+   |
| BRUCE HIGHWAY – COOROY TO CURRA - QLD            | Formwork            | Additional contract works direct to Beilby/BMD with Acrow supplying formwork equipment for the construction of piers and abutments for 18 bridges including access. The contract value makes allowance for the supply of top up labour including sales of timber, ply and accessories. Commencing Dec 21 for 6 to 8 months. | \$6.1 M    |
| MT PIPER POWER STATION - NSW                     | Industrial Services | Acrow contract with UGL Constructions for the provision of industrial scaffold hire and labour services for maintenance shutdown programs from Mar 22 to Jun 22 .   | \$4.0 M    |
| PHOSPHATE HILL - QLD                             | Industrial Services | Contract direct with Incitec Pivot to supply labour and equipment for the upcoming April 2022 shutdown. Approx. 500t of scaffold to be supplied. Commencing Dec 21 for seven months.  | \$1.7 M    |
| METRONET - YANCHEP RAIL EXTENSION - YANCHEP - WA | Formwork            | Contract direct with Newest Alliance supplying wall form systems (AW-80) and soldiers for bridge works in relation to the piers and abutments. In addition, Acrow has been supplying sale items incl. timber LVL, ply and consumables. Commencing Jul 21 for 18 months.   | \$1.5 M    |
| MULTIPLE PROJECTS HUTCHINSON BUILDERS - QLD      | Commercial Scaffold | Contract direct with Hutchinson Builders in Brisbane for the supply and hire of approx. 2,800t of Quickstage scaffolding on seven secured packages starting in the period Oct 21 to Feb 22, with an average duration ranging between 30 and 52 weeks.   | \$1.3 M    |
| RINGLOCK CONTRACT SCAFFOLD - WHYALLA - SA        | Industrial Services | Three year contract direct with SRG Global for the supply of approx 100t of Ringlock modular scaffold for Whyalla, South Australia  | \$624K     |

\* These key contract wins bring total work won to \$23.4m for the six months ended 31 December 2021



# Key Contract Wins (cont')

| Project  | Division               | Description  | Est. Value |
|--|------------------------|--|------------|
| OLYMPIC DAM - ACID TANKS - SA  | Industrial Services    | Acrow contract direct with Monadelphous to supply and install 120t Ringlock scaffold for perimeter access to two tanks to complete paint and blast scope of works. Commencing Feb 22 for a duration of four months   | \$600K     |
| GLADSTONE 300 TONNE DRY HIRE CONTRACT - QLD                                  | Industrial Services    | Contract direct with SRG Global for the supply 300t of Quickstage for use on multiple maintenance facilities in Gladstone. Commencing Nov 21 for a duration of 24 months.  | \$561K     |
| MELBOURNE METRO - CBD NORTH, LITTLE LATTROBE ADIT TRAVELLER - MELBOURNE, VIC | Formwork               | Contract direct with CYP Design & Constructions for the engineering design and supply of Powershore 150 and MK System for the Little Latrobe Adit traveller. The order consists of both a hire and sale element. Commencing April 22 for five months.                          | \$550K     |
| LOGAN HOSPITAL EXPANSION - QLD   | Commercial Scaffolding | Contract direct with TJM Holdings for the dry hire of approx. 1,400t of Supercuplok scaffolding for perimeter access on the Logan Hospital expansion - Metro South Heath. Commencing early Dec 21 for 12 months.   | \$480K     |
| LIVERPOOL CIVIC PLACE - SYDNEY, NSW  | Screens                | Contract direct with Wideform - Natform to supply a four-level screen system to encapsulate the 13-storey building for the Built project in Liverpool. Commencing Feb 22 the project is set to run for approx. 38 weeks  | \$456K     |
| MERRYLANDS - SYDNEY - NSW  | Screens                | Contract direct to Fastform, Natform are to supply a five-level hydraulic screen system to encapsulate three buildings, 25, 17 and 13-storeys for the Coronation project. Commencing Feb 22 for 10 months.   | \$450K     |
| MARRIOTT HOTEL, KING WILLIAM ST, ADELAIDE, SA                                | Screens                | Contracted directly to Oracle Structures, Natform are to supply a three-level hydraulic screen system to encapsulate 15-storey building in the heart of Adelaide. Commencing May 22 the project is set to run for approx. 25 weeks   | \$340K     |
| BRYN ESTYN WATER TREATMENT PLANT - PLENTY - TAS                              | Formwork               | Contract direct with VEC Civil Eng for the engineering and design of wall forms for tank works utilising Acrow Slim Max Soldiers, in addition Acrow secured additional works with Ausform supplying falsework utilising Acrow Supercuplok. Commencing Aug 21 for seven months. | \$220K     |

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Financials

**ACROW**

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# Profit & Loss

| Year end 30 June (\$000) | 1H22          | 1H21          | \$ Mvt       | % chg PCP   |
|--------------------------|---------------|---------------|--------------|-------------|
| Sales                    | 69,315        | 50,408        | 18,907       | 38%         |
| Total Contribution       | 37,623        | 28,905        | 8,719        | 30%         |
| Contribution Margin*     | 54.3%         | 57.3%         |              | -3%         |
| <b>EBITDA</b>            | <b>16,715</b> | <b>11,095</b> | <b>5,620</b> | <b>51%</b>  |
| EBITDA Margin*           | 24.1%         | 22.0%         |              | 2%          |
| Depreciation             | -6,348        | -5,354        | -994         | 19%         |
| EBIT                     | 10,367        | 5,741         | 4,626        | 81%         |
| Net Interest             | -1,561        | -1,537        | -24          | 2%          |
| <b>Pre-tax Profit</b>    | <b>8,806</b>  | <b>4,204</b>  | <b>4,602</b> | <b>109%</b> |
| Tax Expense              | -786          | -532          | -254         | 48%         |
| <b>NPAT (underlying)</b> | <b>8,020</b>  | <b>3,672</b>  | <b>4,348</b> | <b>118%</b> |
| Significant items        | -310          | -597          | 287          | -48%        |
| Share-based payments     | -357          | -1,209        | 852          | -70%        |
| <b>NPAT (reported)</b>   | <b>7,353</b>  | <b>1,866</b>  | <b>5,487</b> | <b>294%</b> |
| EPS (underlying)(¢ps)    | 3.28          | 1.69          | 1.59         | 94%         |
| DPS (¢ps)                | 1.20          | 0.75          | 0.45         | 60%         |

\* Refers to percentage point change on PCP

- Sales revenue up 38%
- Sales contribution up 30%. Margin down 3%pts due to change in mix and lower Products sales margins
- EBITDA up 51%, margin up 1.9%pts
- Depreciation up 19% on higher capital investment
- Underlying pre-tax profit up 109%
- Effective tax rate down from 12.7% to 8.9%
- NPAT Underlying up 118%, Statutory up 294%
- Significant items and share-based payments down substantially
- Interim dividend of 1.2cps (20% franked) declared.

# Balance Sheet

| Year end 30 June (\$000)          | 1H22           | FY21           | \$<br>Mvt     |
|-----------------------------------|----------------|----------------|---------------|
| Cash                              | 1,731          | 1,755          | -24           |
| Receivables                       | 25,764         | 24,612         | 1,153         |
| Inventory                         | 12,507         | 8,959          | 3,549         |
| Prepayments and Others            | 7,222          | 4,394          | 2,829         |
| Other Current Assets              | 66             | 67             | -1            |
| <b>Total Current Assets</b>       | <b>47,291</b>  | <b>39,785</b>  | <b>7,506</b>  |
| Intangibles                       | 7,429          | 7,429          | 0             |
| Right-of-Use Assets               | 26,907         | 28,809         | -1,902        |
| Property, Plant & Equipment       | 92,753         | 83,009         | 9,744         |
| Other Assets                      | -              | -              | 0             |
| <b>Total Assets</b>               | <b>174,380</b> | <b>159,031</b> | <b>15,349</b> |
| Creditors & Accruals              | 23,464         | 25,122         | -1,659        |
| Provisions                        | 469            | 469            | -0            |
| Loans and Borrowings              | 30,600         | 24,205         | 6,395         |
| Lease Liabilities                 | 30,444         | 32,042         | -1,598        |
| Employee Benefits                 | 4,851          | 5,251          | -400          |
| Tax Liabilities                   | 7,693          | 6,907          | 786           |
| Other Payables                    | 121            | 3,548          | -3,427        |
| <b>Total Liabilities</b>          | <b>97,642</b>  | <b>97,544</b>  | <b>98</b>     |
| <b>Net Assets</b>                 | <b>76,738</b>  | <b>61,487</b>  | <b>15,251</b> |
| <b>Net cash/(debt)</b>            | <b>-28,869</b> | <b>-22,450</b> | <b>-6,419</b> |
| Gross debt / (net debt + equity)* | 29.0%          | 28.8%          | 0.1%          |
| Net debt / (net debt + equity)*   | 27.3%          | 26.7%          | 0.6%          |

\* Refers to percentage point change on FY21

- Net debt up by \$6.4m due to payment of deferred consideration for Uni-span acquisition, capital expenditure and dividend payments
- Inventory and prepayments up on increased sales and international logistics situation
- Debtors days – stable at 56 days
- PP&E up on capital equipment purchases
- Net gearing increased 0.6% pts to 27.3%
- Working capital/sales ratio improved on tighter working capital management
- Final Uni-span deferred payment of \$3.5m paid
- Decline in right-of-use assets relates to amortisation of property leases



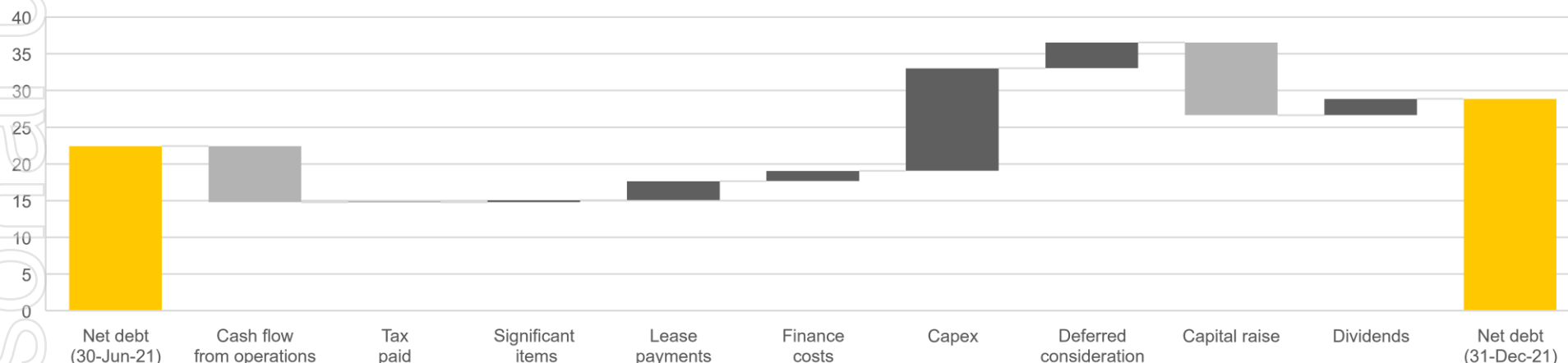
# Cash Flow

## Operating Cash Profit

| Year end 30 June (\$000)                              | 1H19         | 1H20         | 1H21         | 1H22          |
|---|--------------|--------------|--------------|---------------|
| Underlying EBITDA <sup>1</sup>                        | 6,736        | 7,861        | 11,095       | 16,715        |
| Leases  |              | -2,312       | -2,457       | -3,379        |
| <b>16</b>   | <b>6,736</b> | <b>5,549</b> | <b>8,638</b> | <b>13,336</b> |
| IT & PP&E spend                                       | -102         | -64          | -930         | -560          |
| Maintenance capex                                     | -1,046       | -1,084       | -1,615       | -2,590        |
| Cash tax  |              |              | -556         |               |
| <b>Operating Cash Profit</b>                          | <b>5,588</b> | <b>4,401</b> | <b>5,537</b> | <b>10,186</b> |
| <b>Op. Cash Profit (excluding one-off IT refresh)</b> |              | <b>4,165</b> | <b>6,276</b> | <b>10,186</b> |

- Operating Cash Profit of \$10.2m, +84% on PCP
- Cashflow from operations \$7.4m<sup>2</sup>
- Tax paid nil
- Capex of \$13.1m for equipment
- Uni-span deferred payments of \$3.5m
- Final dividend payment of \$2.2m (net of DRP)

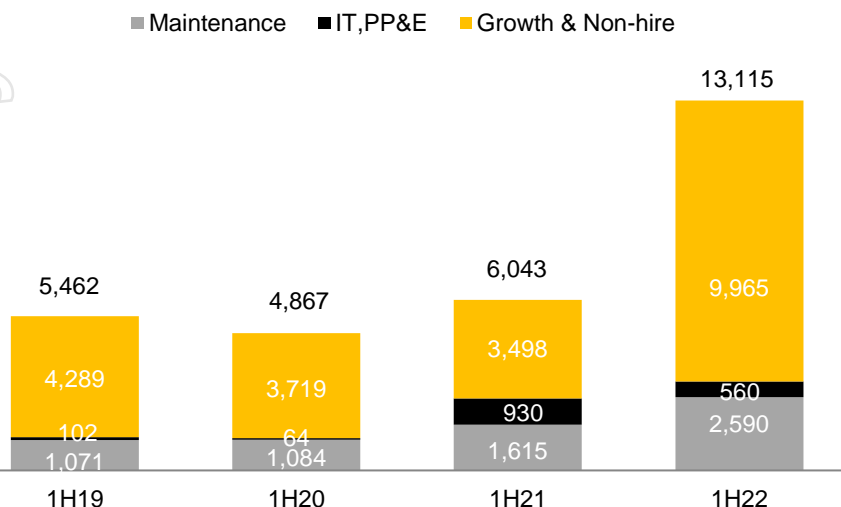
## Net Debt Bridge<sup>2</sup> - six months to 31 December 2021 (\$m)



1. Adjustments to normalise for introduction of AAB16 accounting standards adopted from 1H20.
2. Cashflow from Operations includes recoveries from lost or damaged hire equipment and sale of ex-hire equipment, reported as "Proceeds from disposal of PPE in the Statement of Cashflows."

# Capital Expenditure

## Growth, IT and Maintenance Capex (\$'000)



- Total 1H22 capex spend \$13.1m
- Growth capital expenditure has been elevated due to the strategic growth initiatives in Industrial Services and further growth in Formwork
- Maintenance capex increased in line with larger business
- Growth capex includes:
  - Ringlock Scaffold \$2.7m
  - ULMA (Various formwork) \$2.2m
  - Quickstage \$1.2m
  - Orma & CC4 \$0.8m
  - Soldiers \$0.7m
  - Other \$2.4m
- Future growth capex program to continue to focus on Formwork and Industrial Services divisions

Bruce Highway, Cooroy to Curra, Qld

ersonal use only

# Strategy, Opportunities and Outlook



# Acrow Strategy - unchanged



Become the leading Engineered **Formwork Sales & Hire Equipment Solutions** provider in Australia



Become the leading Engineered **Scaffold Solutions** provider to the Australian Industrial Scaffold market



Recruit train and retain the best management and engineering **Talent** to drive the business



Target High ROI **Organic Growth** opportunities across States, cross-sell and new products



Earnings accretive **Acquisitions** primarily across formwork solutions but may include strategically positioned scaffold businesses (especially in industrial space)



# People & Culture



TEAM



CULTURE

- Focus on succession planning
- Developing depth of talent across all divisions –especially in engineering
- Focus on attracting best talent in the industry. Recent appointments:
  - *Brad Craven – General Manager Victoria*
  - *Peter Bellden - National Operations Manager Industrial Services*
  - *Peter Fehrenbach – NSW General Manager*
  - *Evan Field – National Engineering Manager*
  - *Robert Parovel – General Manager People and Culture*
- Recent Internal promotions:
  - *Matthew Caporella – Chief Operating Officer*
  - *Jurie Roteger - National General Manager Industrial Services*
  - *Jason Merjane - National General Manager Natform*
- Safety first
- Our customers are at the heart of everything we do
- Solutions focused
- Becoming employer of choice
- Set industry standards
- We are open , honest and always constructive
- We are **One Team**

# Short-Medium Term Opportunities

- **Industrial Services** - Continue to expand revenue base on the East Coast. Push hard into SA and WA markets via targeted new contract wins and potential M&A activity
- **NSW Formwork** - Continue to grow market share and overall revenues with specific focus on major projects such as Snowy 2.0 and Sydney Metro West
- **Qld Formwork** - Capitalise on significant major project opportunities on Bruce Highway upgrade, Cross River Rail and Inland Rail, amongst others
- **National Formwork Organic Growth** - Continue to grow revenues in all other states outside of Queensland via the use of Ulma products that will continue to drive significant new revenue channels
- **Integrated Engineering Service** - Expand on our Engineering Services to include providing complete turn-key design solutions for customers across all product groups
- **Natform** - Continued market share growth via innovation and service capability

# Outlook

- New FY22 guidance and change on FY21 as follows:

| Metric           | FY22 Guidance<br>Current | FY22 Guidance<br>Previous | %chg on<br>FY21* |
|------------------|--------------------------|---------------------------|------------------|
| Revenue          | \$140 - \$145m           | \$130 - \$135m            | up 34%           |
| EBITDA           | \$33.5 - \$34.5m         | \$31.5 - \$32.5m          | up 42%           |
| NPAT(underlying) | \$15.5 - \$16.5m         | \$13.8 – \$14.5m          | up 84%           |
| EPS              | 6.2 - 6.5¢               | 5.8 – 6.2¢                | up 59%           |

- **Secured hire revenue** contracts for 7-months to January 2022 - up 43% on the same period last year. Strong lead indicator
- **Capex** orders placed for \$7m of new equipment off the back of \$10.5m capital raise in July 21, expected to arrive March-June 2022. Expect minimum 40% ROI in first full year of service. Much of this equipment is destined for markets outside of the traditional Qld base and will open new revenue channels in these markets
- **Industrial Services** division now forecasting revenue of circa \$43m in FY22

\* Based on mid-point

# Appendices

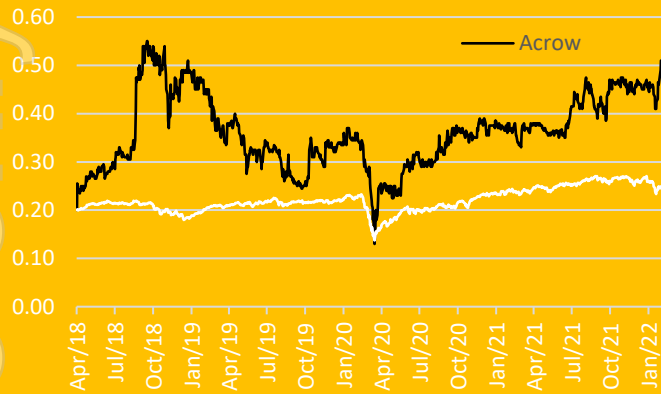


# Cashflow Statement

| Year end 30 June (\$000)   | 1H22            | 1H21           |
|--|-----------------|----------------|
| <b>Cash flows from operating activities</b>                      |                 |                |
| Receipts from customers  | 71,348          | 50,097         |
| Payments to suppliers and employees                              | (66,389)        | (43,402)       |
| Cash generated from operations                                   | 4,960           | 6,695          |
| Significant costs  | (429)           | (567)          |
| Finance income   | -               | -              |
| Income tax paid  | -               | (556)          |
| <b>Net cash from operating activities</b>                        | <b>4,531</b>    | <b>5,572</b>   |
| <b>Cash flows from investing activities</b>                      |                 |                |
| Proceeds from disposals of property, plant and equipment         | 2,867           | 5,015          |
| Purchase of property, plant and equipment                        | (13,988)        | (6,388)        |
| Consideration paid for controlled entities, net of cash acquired | (3,523)         | (3,466)        |
| <b>Net cash used in investing activities</b>                     | <b>(14,644)</b> | <b>(4,839)</b> |
| <b>Cash flows from financing activities</b>                      |                 |                |
| Net proceeds from issue of shares                                | 9,929           | 107            |
| Net borrowings   | 5,543           | (1,003)        |
| Lease payment  | (2,603)         | (2,457)        |
| Dividends paid   | (2,244)         | (1,875)        |
| Finance cost paid  | (1,389)         | (580)          |
| <b>Net cash used in financing activities</b>                     | <b>9,237</b>    | <b>(5,808)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>      | <b>(876)</b>    | <b>(5,075)</b> |
| Effect of exchange rate fluctuations on cash held                | -               | -              |
| Cash and cash equivalents at 1 July                              | (111)           | 7,239          |
| <b>Cash and cash equivalents 31 Dec</b>                          | <b>(988)</b>    | <b>2,164</b>   |

# Acrow Snapshot

ACF share price vs Small Ords (adj.)



National Footprint  
- 6 states  
- 10 depots

Customers  
**1,300**

Employees  
**280<sub>FTE</sub>**

Enterprise Value<sup>1</sup>  
**\$155m**

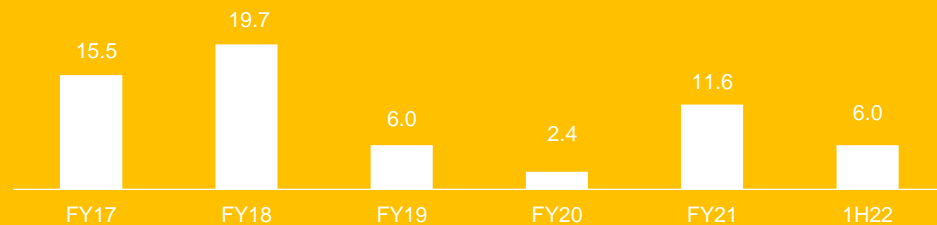
Revenue<sup>2</sup>  
**\$143m**

Replacement Value  
**>\$140m**

Incorporated  
**1950**

Listed  
**Apr 2018**

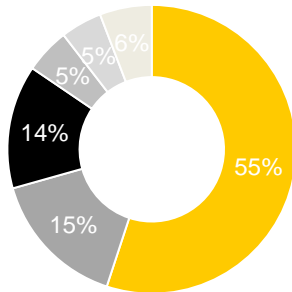
Lost Time Injury Freq. Rate



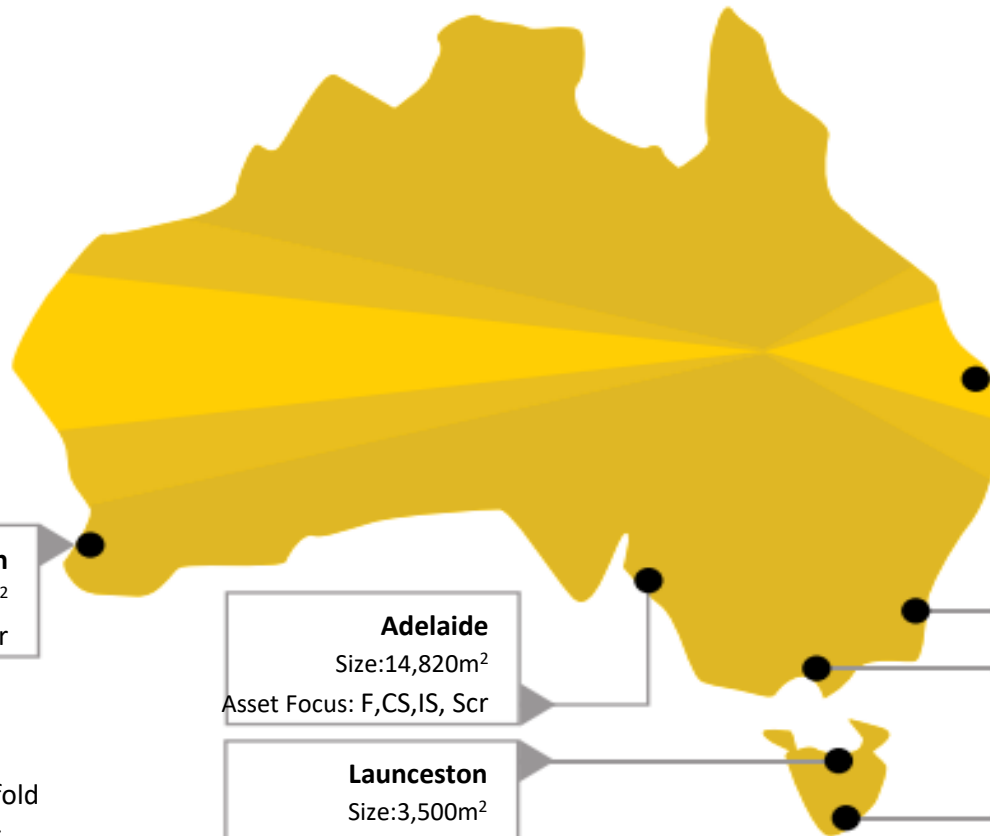
1. EV= net debt + market capitalization. Mid point of guidance range

# Acrow National Footprint

Total Revenue by Geography (1H22)



QLD  
NSW  
VIC  
Tas  
SA  
WA



**Brisbane**  
Size:40,063m<sup>2</sup>  
Asset Focus: F,CS, IS, Scr

**Sydney**  
Size:35,563m<sup>2</sup>  
Asset Focus: F,CS, IS, Scr

**Melbourne**  
Size:9,100m<sup>2</sup>  
Asset Focus: F,CS,Scr

**Hobart**  
Size:3,500m<sup>2</sup>  
Asset Focus: F ,CS & IS

**Adelaide**  
Size:14,820m<sup>2</sup>  
Asset Focus: F,CS,IS, Scr

**Launceston**  
Size:3,500m<sup>2</sup>  
Asset Focus: F & CS

**Perth**  
Size:17,600m<sup>2</sup>  
Asset Focus: F & Scr

**F:** Formwork  
**CS:** Commercial Scaffold  
**IS:** Industrial Services  
**Scr:** Screens