

21 October 2022

ACROW MARKET UPDATE – STRONG START TO FY23 LEADING TO UPGRADED FY 23 GUIDANCE

Acrow Formwork and Construction Services Limited (ASX: ACF) ("Acrow" or "the Company") is pleased to update the market on the achievement of a stronger than expected start to the new financial year.

Our lead indicator secured hire contracts has continued to grow strongly. For the three months to September 2022, we recorded a 32% increase on the previous corresponding period. Year to date trading results have also been very strong with the highlights being:

- continued strength in the civil construction formwork markets, across Queensland, New South Wales, Victoria and Western Australia;
- the new contracts secured in our Jumpform business have commenced and are performing above initial expectations; and
- substantially improved hire rates being realised across our commercial scaffold business.

The strength of the current results coupled with the forward outlook, have provided the Board with the confidence to upgrade FY23 guidance, previously provided at the time of the FY22 financial results (ASX release 23 August 2022).

In summary, sales revenue guidance remains unchanged due to the change in sales mix, with hire revenue contributing a larger proportion of total revenue. The higher sales contribution margin from the hire business translates to a higher pass through of revenue, resulting in an upgrade across underlying EBITDA, NPAT and EPS guidance of 6%, 7% and 8%, respectively.

Metric (underlying)	FY23 Guidance (previous)	FY23 Guidance (new)	% Upgrade*	% Change on FY22*
Sales	\$165m - \$175m	\$165m - \$175m	nil	+15%
EBITDA	\$43.0m - \$44.0m	\$45.5m - \$46.5m	+6%	+27%
NPAT	\$21.5m - \$22.5m	\$23.0m - \$24.0m	+7%	+32%
EPS	8.3c - 8.7c	9.0c - 9.4c	+8%	+28%

*Midpoint

Commenting on the release, CEO Steven Boland said: "We are pleased to see activity levels continue to remain at extremely strong levels across the vast majority of our business units. Our recently secured Jumpform contracts have commenced trading and we have high expectations for this business over the coming years."

"These factors coupled with the strength of our forward order book, brought about by our continued success in converting market opportunities to revenue, has given the Board the comfort to announce this upgrade to our FY23 guidance that will see the company enjoy another year of substantial growth."

"We were also pleased to hear the Federal government's recent announcement to maintain a commitment of investing heavily in rail and road infrastructure across the country, a segment of the market which is very much in our sweet spot."

"I look forward to providing more colour on both our FY 22 results and the buoyant trading outlook for FY 23 at our AGM to be held on Tuesday the 15th of November".

This release was approved by the Acrow Board of Directors.

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About Acrow

Acrow Formwork and Construction Services Limited (ASX: ACF) provides engineered formwork, scaffolding and screen systems solutions as well as in-house engineering and industrial labour supply services to its construction sector clients.

Acrow is made up of three distinct business divisions: Acrow Formwork and Scaffolding Pty Ltd, which hires high-quality scaffolding and provides bespoke engineered formwork for major building construction and infrastructure projects in Australia; Natform Pty Ltd, a specialist screen systems provider which designs and hires screen systems for the construction industry; and Uni-span Australia Pty Ltd, a provider of formwork and scaffolding solutions, equipment and services, which is complemented by in-house engineering and industrial labour supply.

Acrow currently operates in 10 locations across Australia and owns over 60,000 tonnes of formwork and scaffolding products. The Company has identified a number of near-term growth opportunities and is focused on growing its footprint in the civil infrastructure market of Australia's east coast, with a particular focus on New South Wales and Victoria. To learn more, please visit: www.acrow.com.au

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