

ASX:ACF
Acrow Formwork and Construction Services Limited
C/- Level 5, 126 Phillip Street
Sydney NSW 2000

ASX Release

15 November 2022

2022 Annual General Meeting – Chairman’s Address and CEO Presentation

Acrow Formwork and Construction Services Limited (ASX:ACF) (**Company**) is pleased to attach the following documents to be presented at its 2022 Annual General Meeting being held at 11:00am (Sydney time) today:

- Chairman’s Address
- CEO Presentation

This announcement has been approved by the Acrow Board of Directors for release to the ASX.

-ENDS-

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 Unispan 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

For further information, please contact:

Steven Boland
Managing Director
Ph: +61 (02) 9780 6500

Andrew Crowther
Chief Financial Officer
Ph: +61 (02) 9780 6500

For personal use only

ASX:ACF

Acrow Formwork and Construction Services Limited

C/- Level 5, 126 Phillip Street

Sydney NSW 2000



Chairman's Address

Good Morning,

My name is Peter Lancken and I am the Chairman of Acrow Formwork and Construction Services Limited. On behalf of the Board, I welcome you to the 2022 Annual General Meeting.

Over the last four years, Acrow has transformed into a leading national provider of advanced formwork, perimeter screens and scaffolding systems for the civil infrastructure, industrial and commercial construction sectors. Our clearly defined strategy of building a national presence, supplying high quality equipment, focusing on safety and developing expertise in providing engineered solutions to our clients is paying dividends.

Today, we play a key role in the booming Australian infrastructure sector through these unique product and service offerings that has enabled us to secure large packages of work on marquee transport and civil infrastructure projects along the east coast of Australia. Similarly, in the industrial services sector our growing reputation is driving market share gains and developing the business into a sizeable contributor to the group.

Financial year 2022 was a remarkable year for Acrow. The outstanding performance is even more commendable as it was solely generated from delivering on organic growth opportunities. Confirming that our prudent strategy of investing in the platforms of our business – our people, products and systems – are bearing fruit.

To recap the year, we reported record results across all financial metrics with revenue growing by 40% to \$148.3 million, earnings before interest and tax increasing by 49% to \$36.3m million and statutory net profit after tax of \$15.7 million, an increase of 296% on the previous year. Over five years, we have reported equally impressive results with revenue growing at an average 49% per annum, earnings before interest and tax at 39% per annum and earnings per share at 57% per annum. Shortly, Managing Director, Steven Boland will provide you with more details on how we achieved these impressive results.

During the year we raised \$10.5 million through a placement to institutional and sophisticated investors at a price of \$0.38 per share. We were delighted with the strong support and thank our existing shareholders and welcome new shareholders that participated in the capital raise. These proceeds have helped fund the successful growth in our industrial services and civil formwork businesses.

Acrow remains well capitalised. At June 30, our balance sheet remained strong with net gearing at 28% and interest cover at 15 times. During the year, we increased our debt headroom by \$4.6 million to \$13.2 million to provide further balance sheet flexibility for future growth opportunities. But as always, we will manage our growth prudently, whilst maintaining our criteria for superior investment returns.

Following the June balance date, Acrow took the opportunity to enter a new market. Through a ten-year exclusive licensing arrangement with New Zealand company Jacking Systems, we have now entered the jump form market. These systems are used to construct the lift shaft core of a building, which is a leading activity on multi-floored construction, and will complement our formwork and screens systems, providing our clients with a broader, one-stop offering. This system is currently being deployed on the Cross River Rail Albert St station project in Brisbane, and Monaco Gold Coast apartment development.

The Board has always sought to reward shareholders with a combination of capital appreciation and dividends. Since listing, and subject to the funding required to service growth opportunities, the Company's dividend policy has been to pay between 30% and 50% of operating cash profit. During the year Acrow's strong earnings growth resulted in dividends increasing by 42% on the previous year, to 2.7 cents per share (42% franked), and representing a 30% payout on operating cash profits.

In-line with our process of Board renewal, we welcomed during the year the appointment of two non-executive directors, Melanie Allibon, appointed Chair of the Remuneration and Nomination Committee and Laurie Lefcourt, appointed Chair of the Risk and Audit Committee. Both highly qualified individuals with the relevant skills and experience to help guide the evolving needs of our Company. Again, I welcome you both to the Board, and appreciate your contributions to the Board and committee meetings to-date.

In closing, I would like to thank the entire Board for its contribution and guidance as we enter our next phase of growth. I would also like to thank Steven Boland and his leadership team as well as all Acrow employees for their ongoing dedication and commitment. Significant progress has been made to provide a strong platform for the future. We are building the business in a structured way, nurturing our growth engines while investing in our people, equipment, and technology to ensure that we are well positioned to support future expansion and opportunities that are generated from the tailwinds in our industry.

For personal use only

Annual General Meeting CEO's Presentation

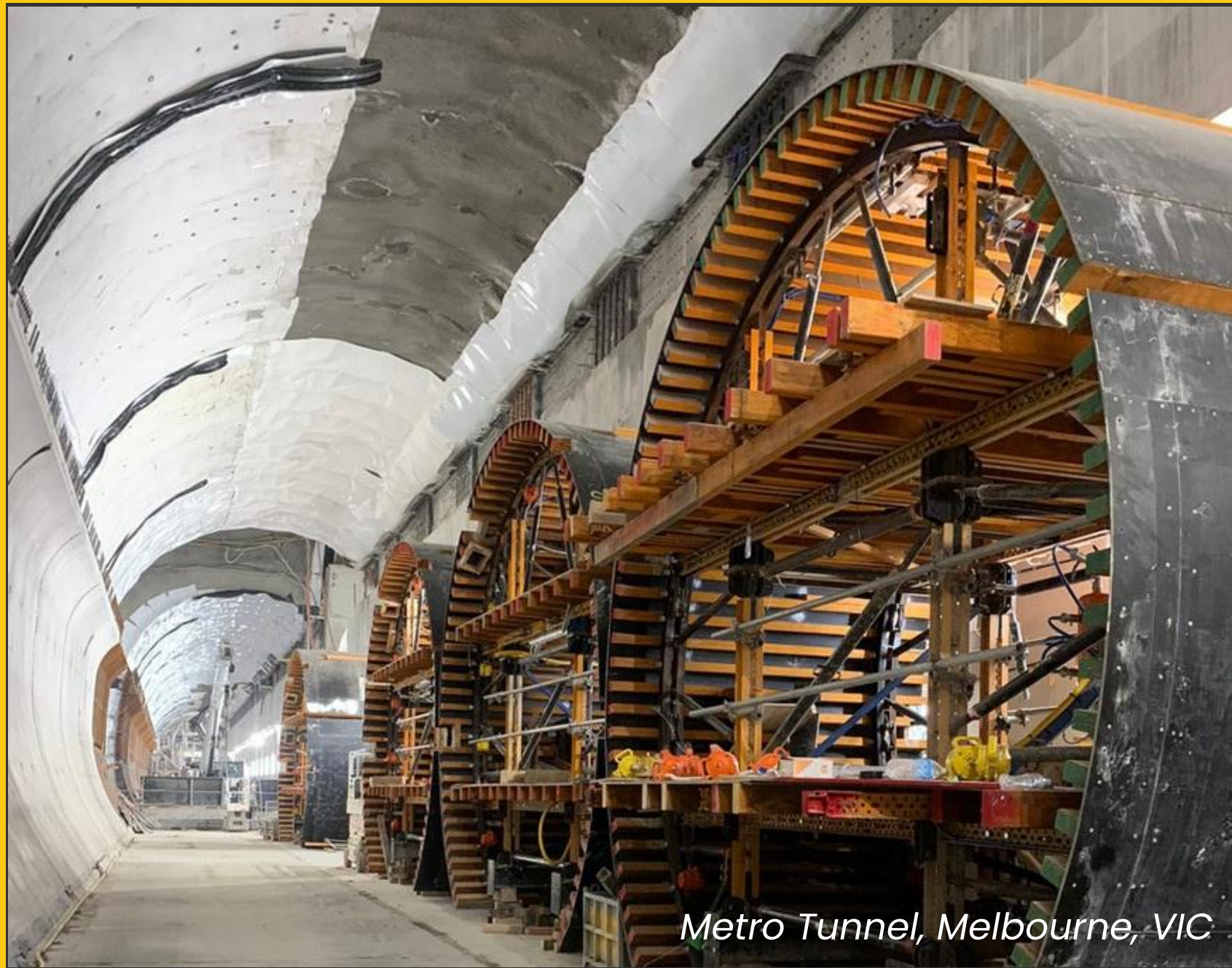
Steven Boland

For personal use only



We help build Australia smarter.

Acrow Formwork and Construction Services Ltd (ASX:ACF)



Metro Tunnel, Melbourne, VIC



DISCLAIMER

This presentation is based on unaudited final results and provided for information purposes only. The information in this presentation is in a summary form, does not purport to be complete and is not intended to be relied upon as advice to investors or other persons. The information contained in this presentation was prepared as of its date and remains subject to change without notice. This presentation has been provided to you solely for the purpose of giving you background information about Acrow Formwork and Construction Services Limited ("Acrow").

No representation or warranty, express or implied, is made as to the accuracy, reliability, completeness or fairness of the information, opinions and conclusions contained in this presentation. Neither Acrow, its related bodies corporate, shareholders or affiliates, nor any of their respective officers, directors, employees, related bodies corporate, affiliates, agents or advisers makes any representations or warranties that this presentation is complete or that it contains all material information about Acrow or which a prospective investor or purchaser may require in evaluating a possible investment in Acrow or acquisition of shares. To the maximum extent permitted by law, none of those persons accept any liability, including, without limitation, any liability arising out of fault or negligence for any loss arising from the use of information contained in this presentation or in relation to the accuracy or completeness of the information, statements, opinions or matters, express or implied, contained in, arising out of or derived from, or for omissions from, this presentation. Acrow has not independently verified any of the contents of this presentation (including, without limitation, any of the information attributed to third parties). No person is under any obligation to update this presentation at any time after its release to you.

Certain statements in this presentation may constitute forward-looking statements or statements about future matters that are based upon information known and assumptions made as of the date of this presentation. Forward looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Actual results may differ materially from any future results or performance expressed, predicted or implied by the statements contained in this presentation. As such, undue reliance should not be placed on any forward-looking statement. Past performance is not necessarily a guide to future performance. Nothing contained in this presentation, nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

This presentation is not, and does not constitute, an offer to sell or the solicitation, invitation or recommendation to purchase any securities in Acrow and neither this presentation nor any of the information contained herein shall form the basis of any contract or commitment. In particular, this presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. This presentation may not be reproduced or redistributed to any other person. In receiving this presentation, each recipient agrees to the foregoing terms and conditions.

**This Presentation was approved by the Acrow Board of Directors
For further information, please contact:**

Steven Boland
Managing Director
Ph: (02) 9780 6500

Andrew Crowther
CFO
Ph: (02) 9780 6500

FY22 A WATERSHED YEAR



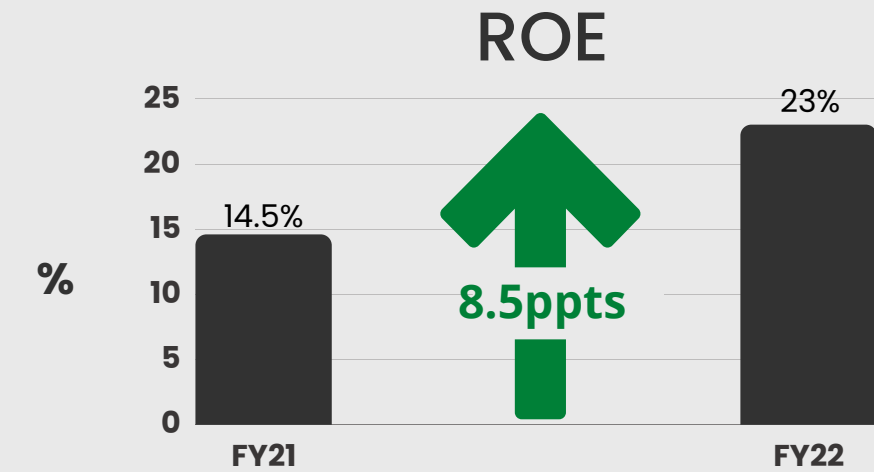
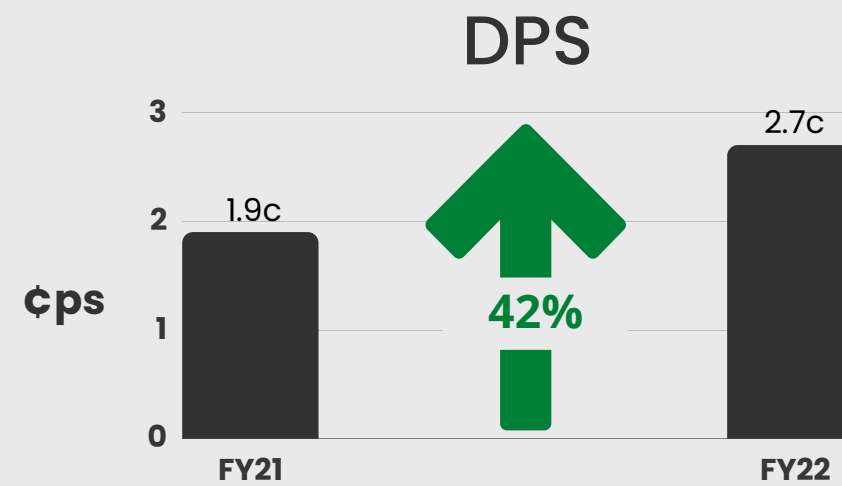
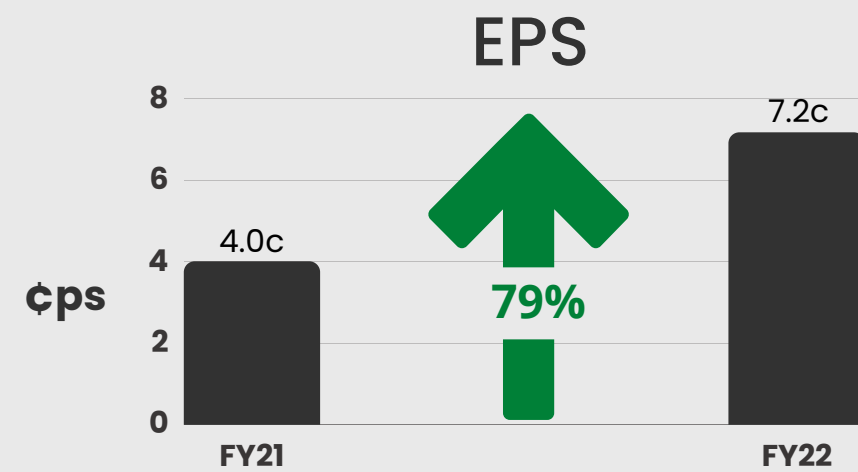
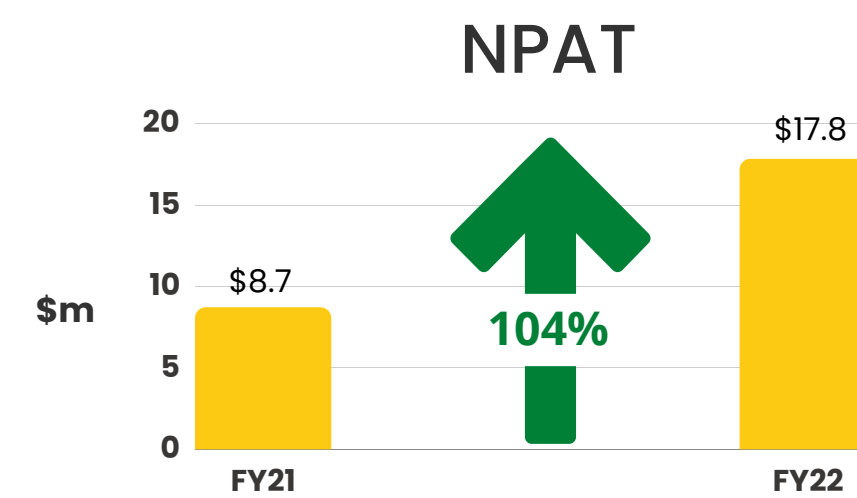
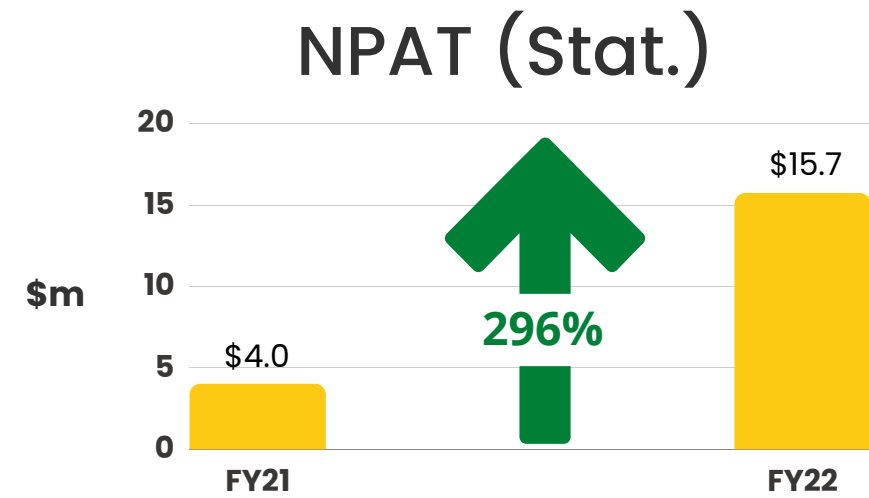
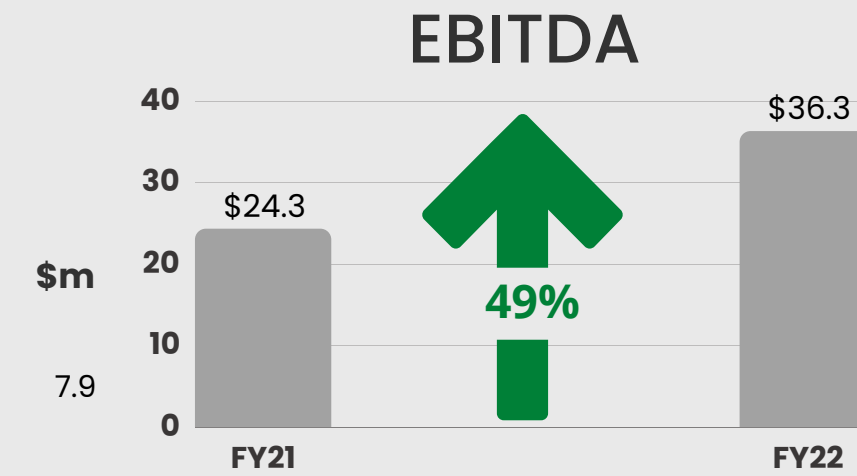
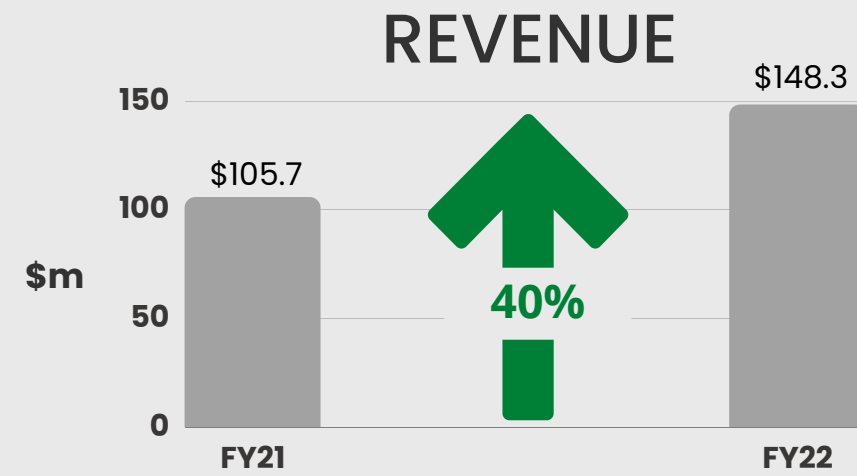
- 📍 **Record financial results**
- 📍 **All organic growth**
- 📍 **Record pipeline**
- 📍 **Growth across all states & markets**
- 📍 **Strong FY23 Outlook**



KEY FINANCIAL METRICS FY22¹



For personal use only



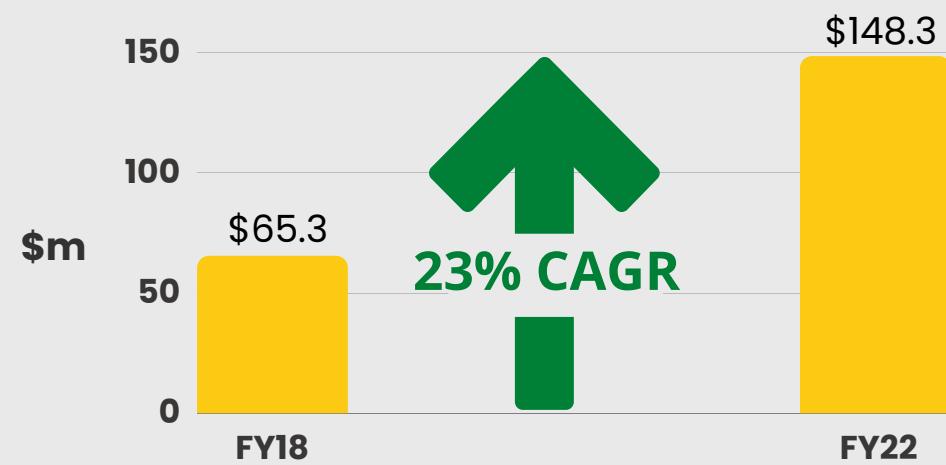
1. All metrics are underlying unless otherwise stated.

TRANSFORMATIONAL SUCCESS FY18 – FY22¹

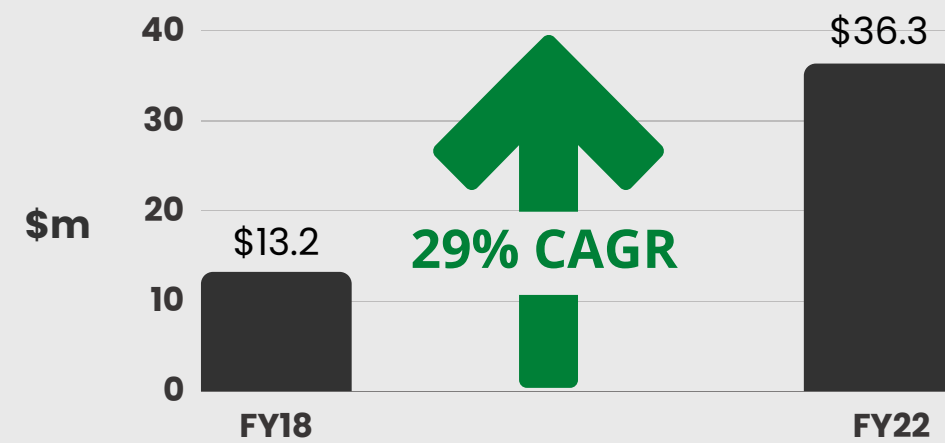


For personal use only

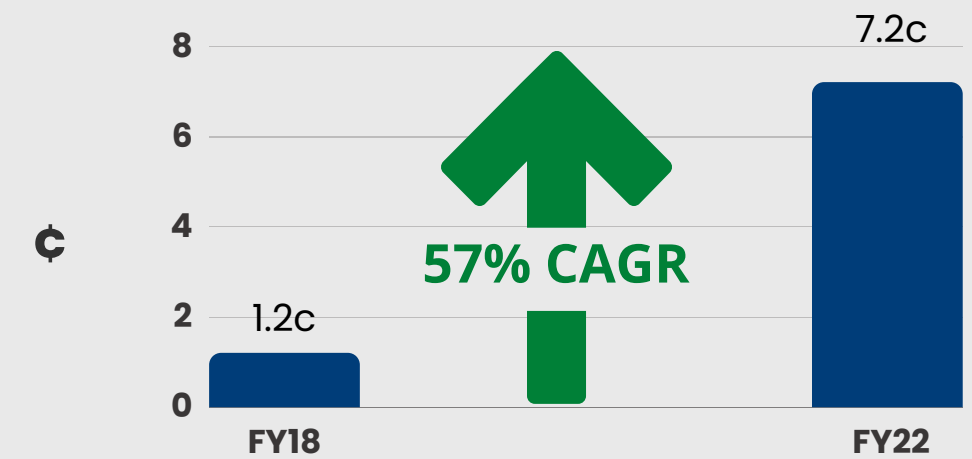
TOTAL REVENUE



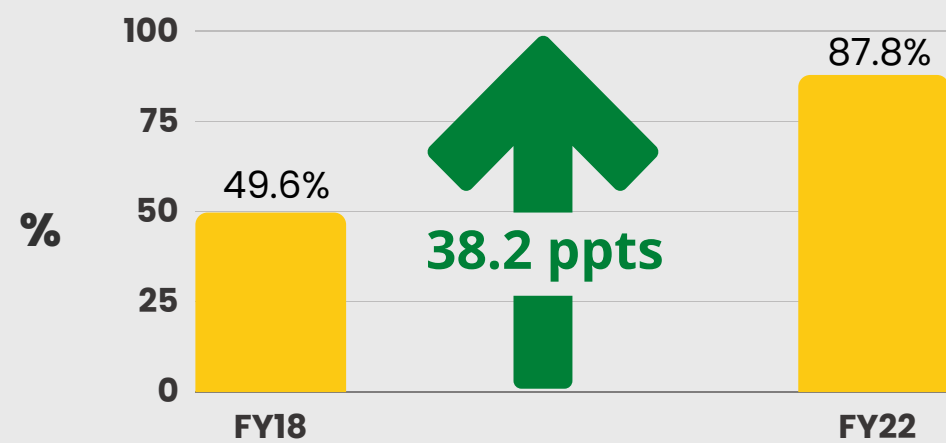
EBITDA²



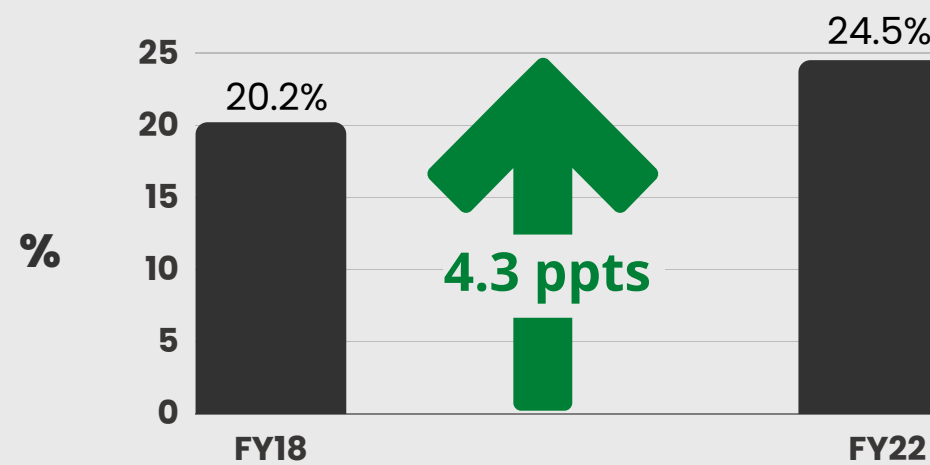
EPS



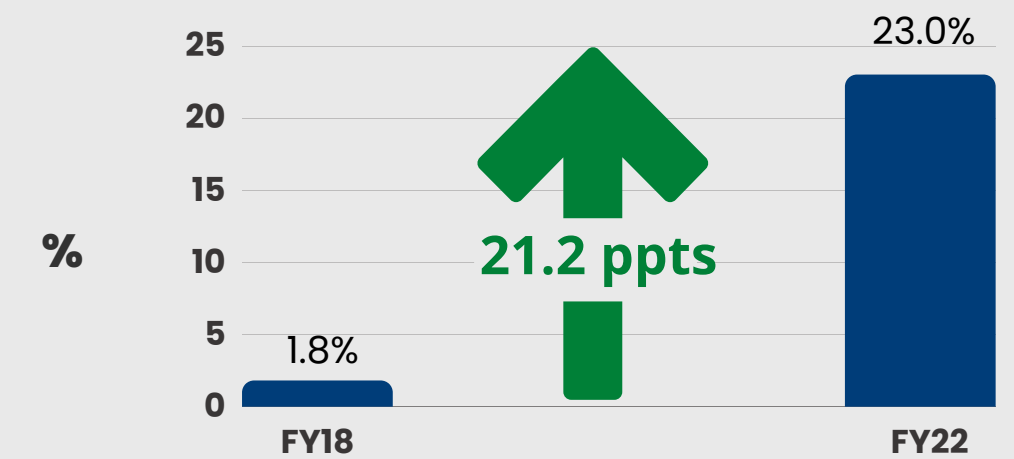
ENGINEERED SALES CONTRIBUTION³



EBITDA MARGIN²



RETURN ON EQUITY



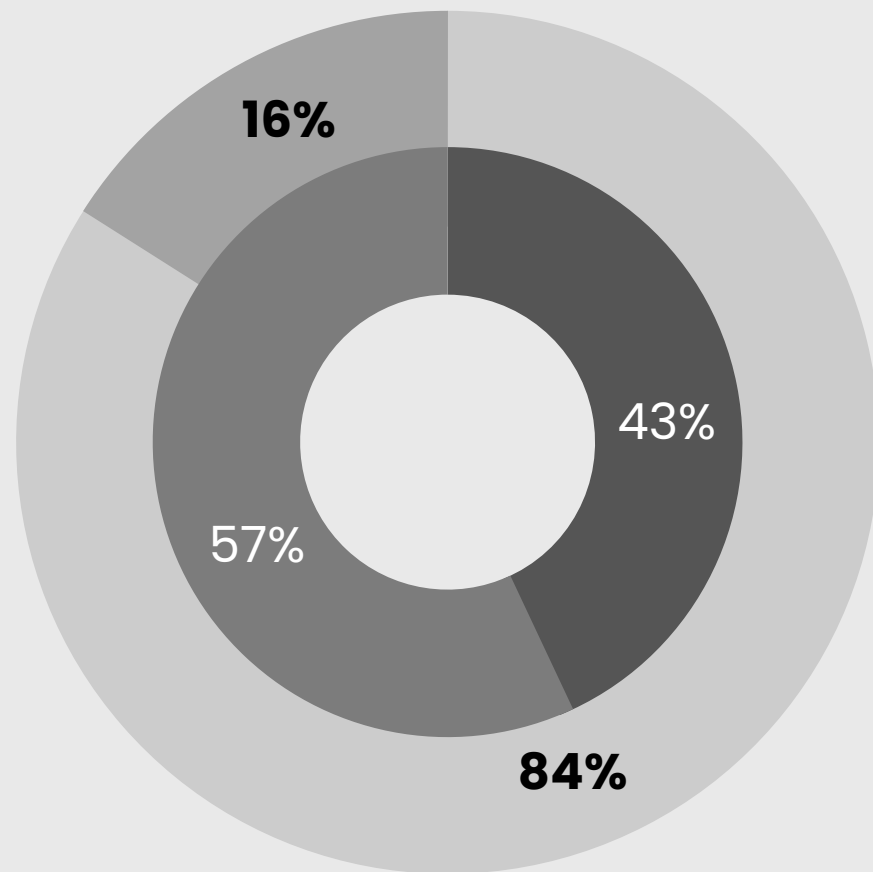
1. Represents underlying results.
 2. FY18 adjusted for AASB-16.
 3. Sales contribution of Formwork & Industrial Services as a percentage of total group sales contribution.

PIVOTED TO ENGINEERED SYSTEMS & SERVICES



For personal use only

FY18 TO FY22



FY22

84%

ENGINEERED SYSTEMS & SERVICES

16%

COMMERCIAL SCAFFOLD

FY18

43%

57%

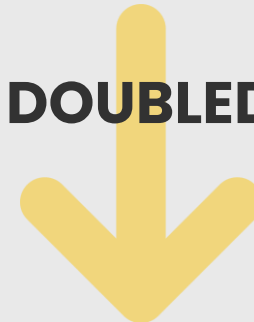
ACROW ENGINEERS

APRIL 2018

15



DOUBLED



FY22

32



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



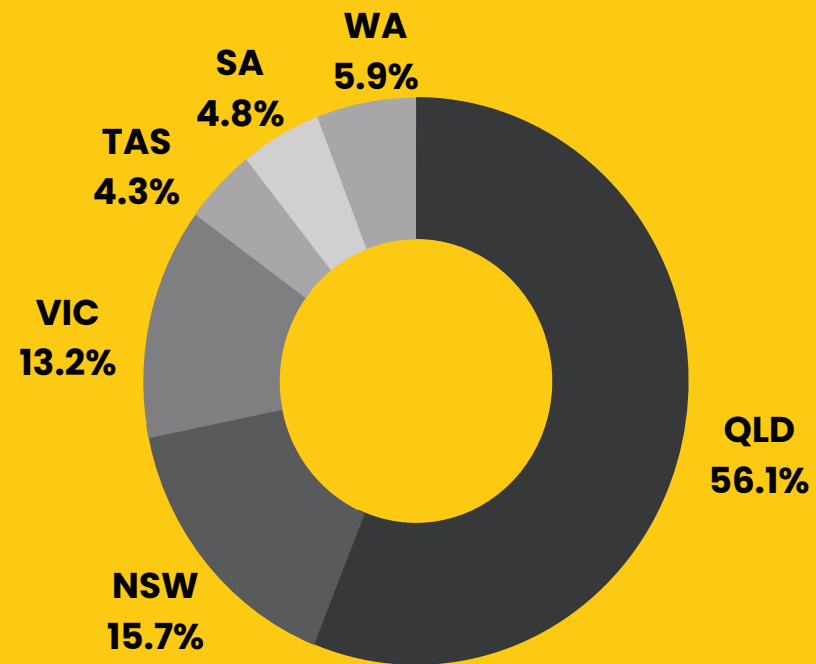
Higher quality debtors

ACROW'S COMPETITIVE ADVANTAGE

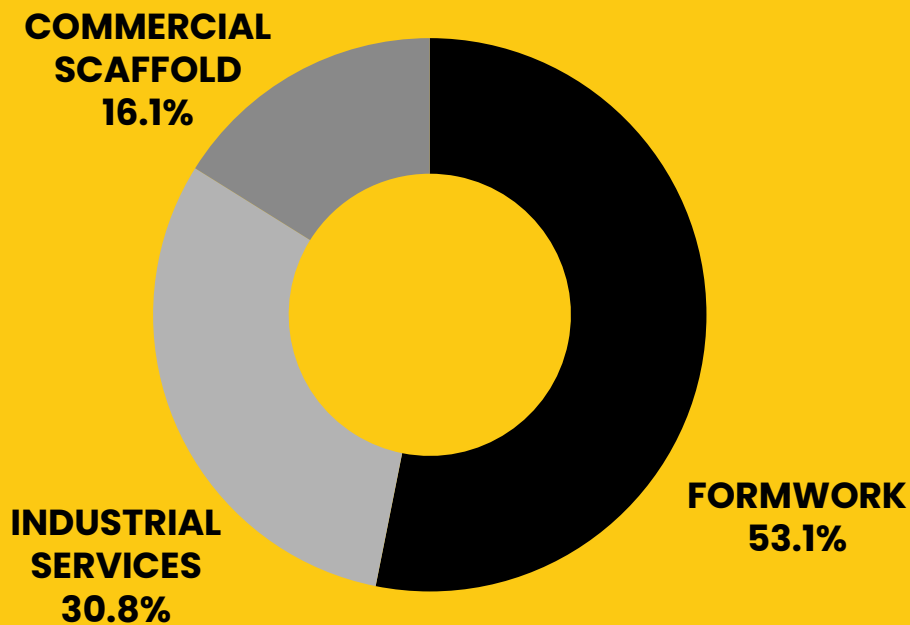


For personal use only

TOTAL REVENUE BY GEOGRAPHY (FY22)



TOTAL REVENUE BY DIVISION (FY22)



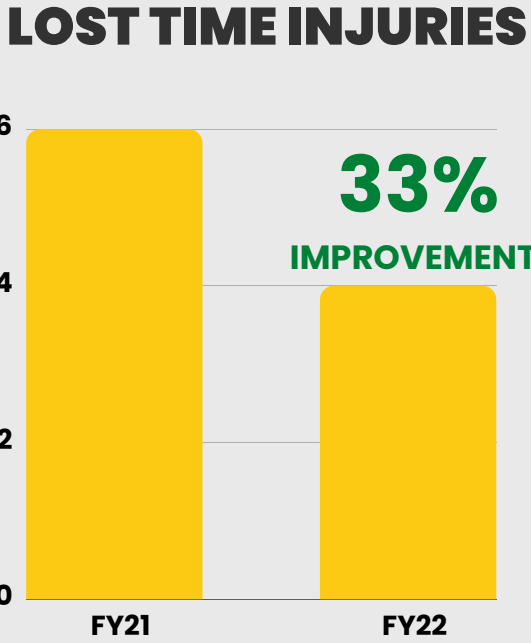
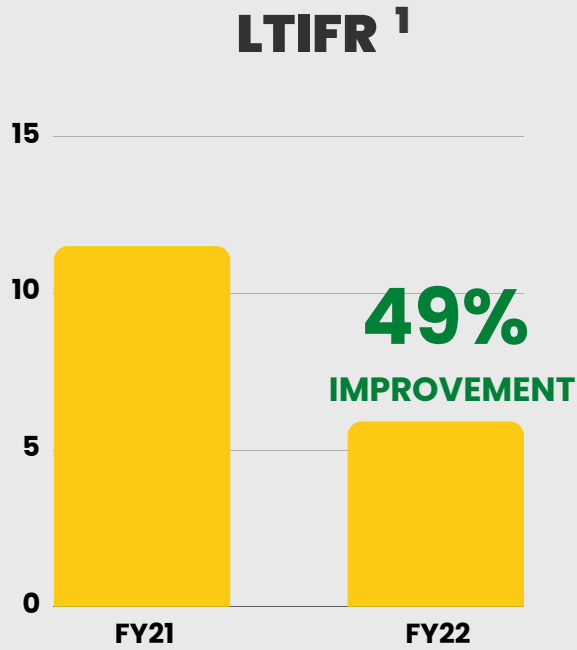
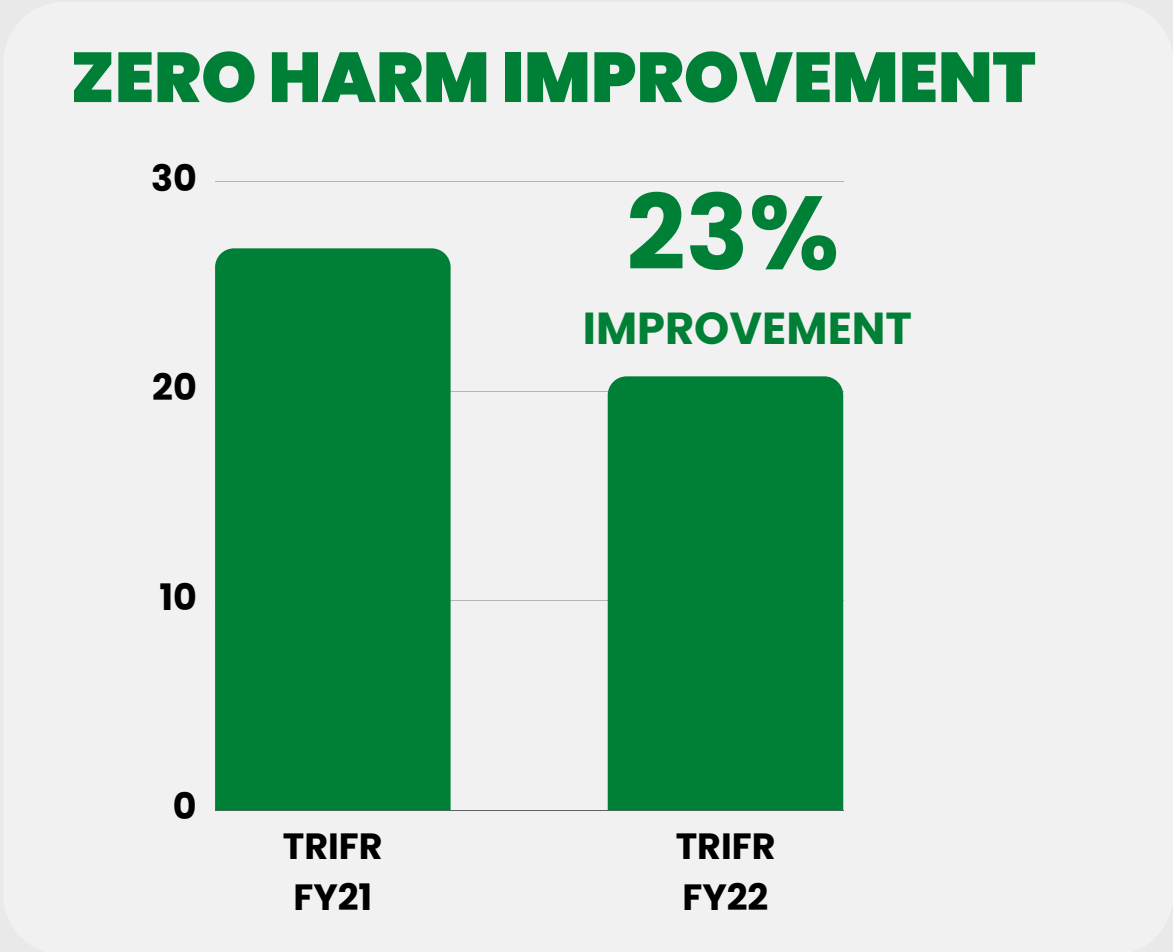
F: Formwork
CS: Commercial Scaffold
IS: Industrial Services
Scr: Screens



SAFETY IS OUR PRIORITY



For personal use only



1. Lost Time Injury Frequency Rate

OUR PEOPLE, OUR CULTURE, OUR BRAND



OUR PEOPLE MAKE THE DIFFERENCE



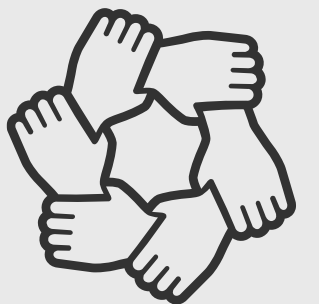
Our People

- Focus on succession planning
- Developing depth of talent across all divisions – especially in engineering
- Further development of cadetship program to encompass all disciplines
- Focus on attracting best talent in the industry. Recent appointments:
 - **Peter Fehrenbach** – NSW General Manager
 - **Evan Field** – National Engineering Manager
 - **Robert Parovel** – General Manager People and Culture
 - Belma Dulic – Victorian General Manager



Our Culture

- 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**



Our Brand

- Refreshing the Acrow Brand to ensure it encapsulates the business we have become and aspire to be
- Effective relaunch of Brand early calendar year 2023
- Greater emphasis on product development underpinned by a “ Best in breed ” approach

For personal use only

MARQUEE CIVIL PROJECTS

BENEFICIARY OF REPUTATION FOR QUALITY, SAFETY & SERVICE



For personal use only



SNOWY HYDRO 2.0, NSW



METRO TUNNEL, MELBOURNE, VIC



BRUCE HIGHWAY UPGRADE, QLD



WESTGATE TUNNEL, MELBOURNE, VIC



CROSS RIVER RAIL, BRISBANE, QLD



SYDNEY METRO, NSW

PRODUCT VERSATILITY AND ENGINEERING EXPERTISE



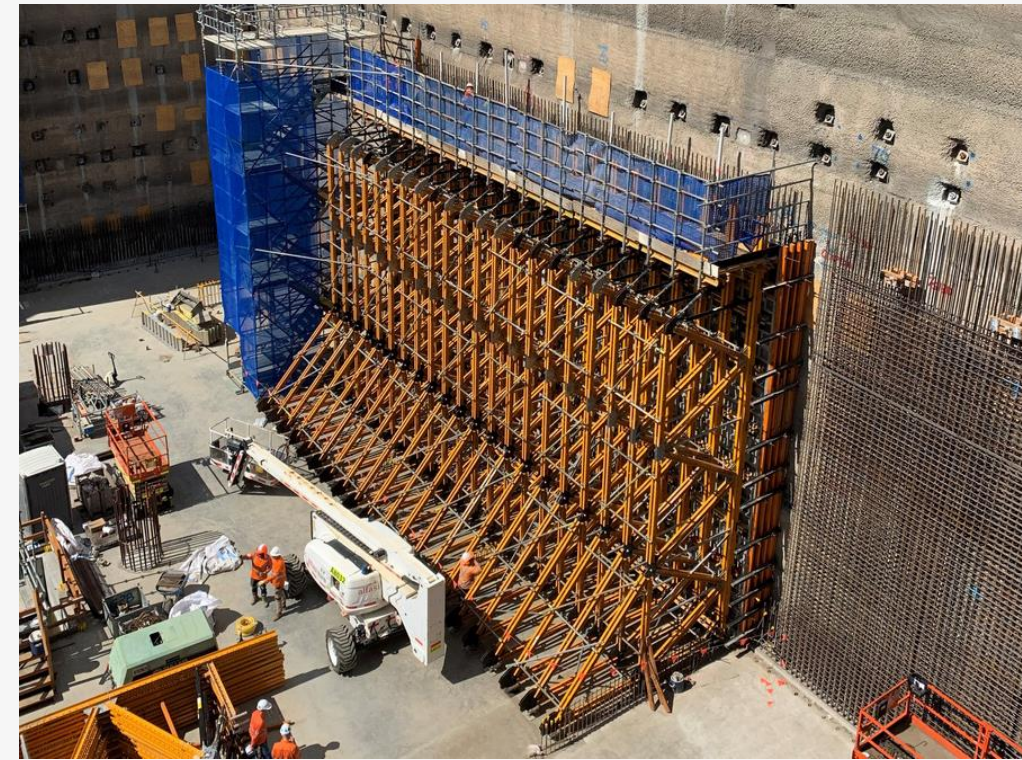
For personal use only



Formwork

Vent Shafts - Rozelle Interchange, Sydney, NSW

Solution - time saving through increased pour heights and jump platform with wall forms remaining attached



Formwork

Cross River Rail, Roma Street, Brisbane, QLD

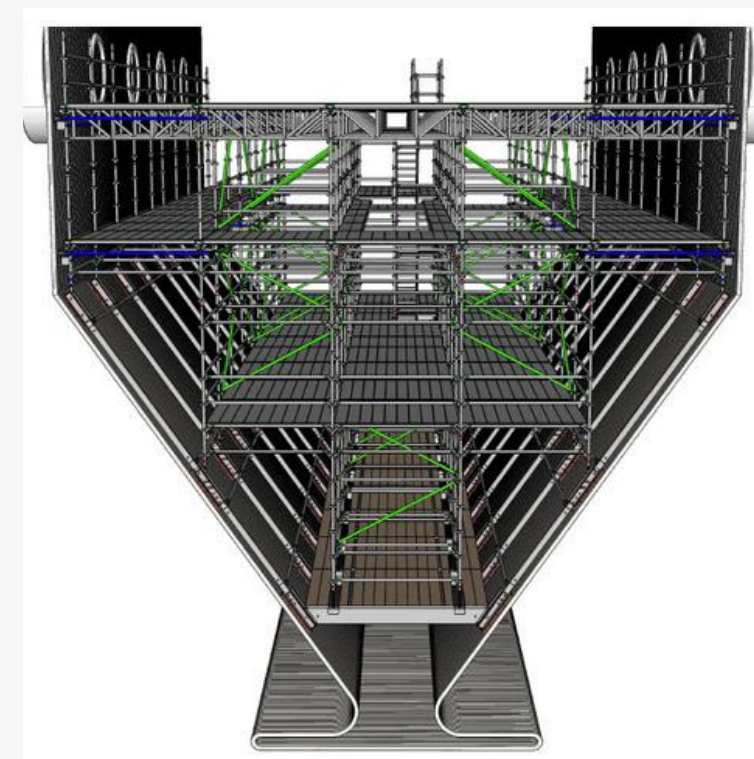
Solution - provides time saving benefit of a single pour over 10.3m station structure wall



Screens and Scaffold

McNab - White Residences, Main Beach, QLD

Solution - one-stop packaged scaffold and labour solution, alongside protection screens



Industrial Services

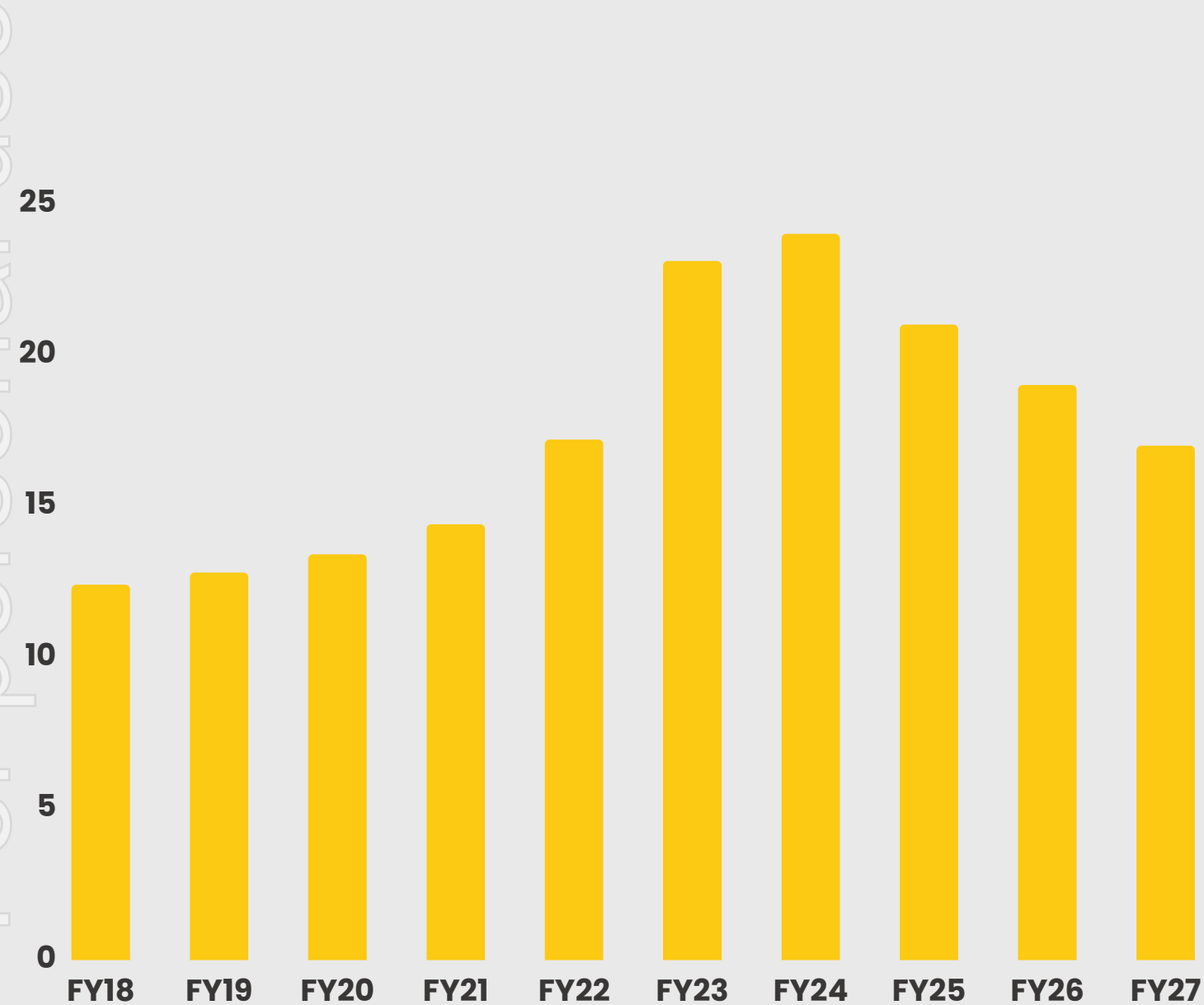
Mt Piper Power Station Blackmans Flat, NSW

Solution - Full turnkey solution from design, to supply and install of specialised furnace kit

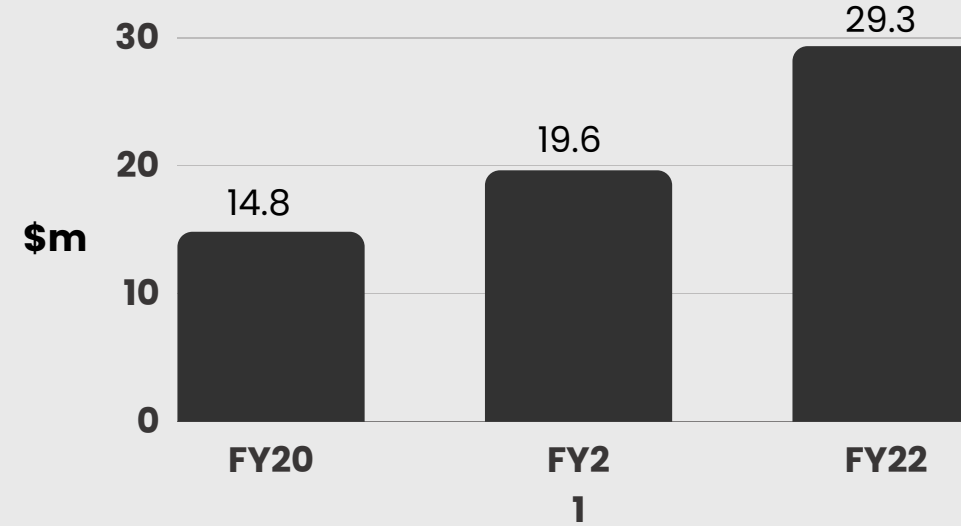
STRONG TAILWINDS – MAJOR TRANSPORT INFRASTRUCTURE PROJECTS – AUSTRALIA



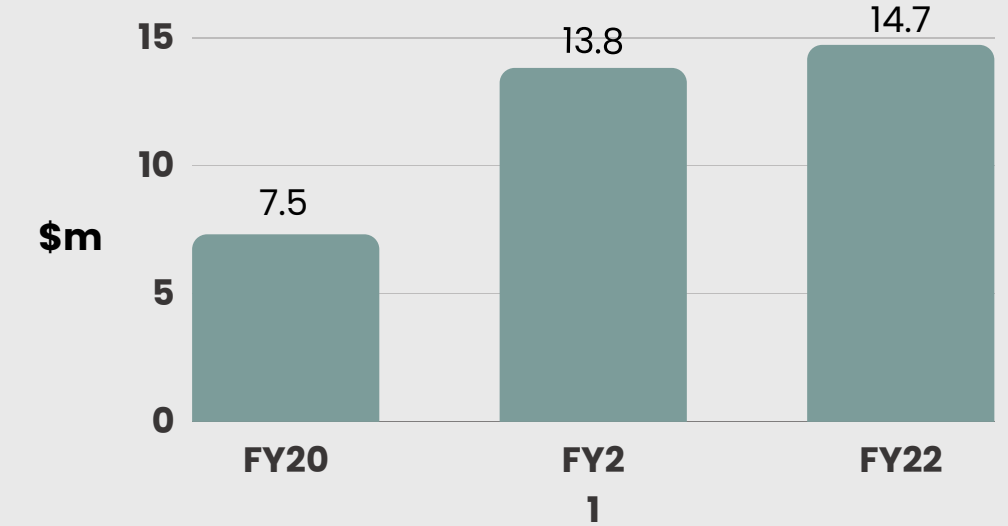
PROJECTED MAJOR TRANSPORT INFRA SPEND (\$BILLION)



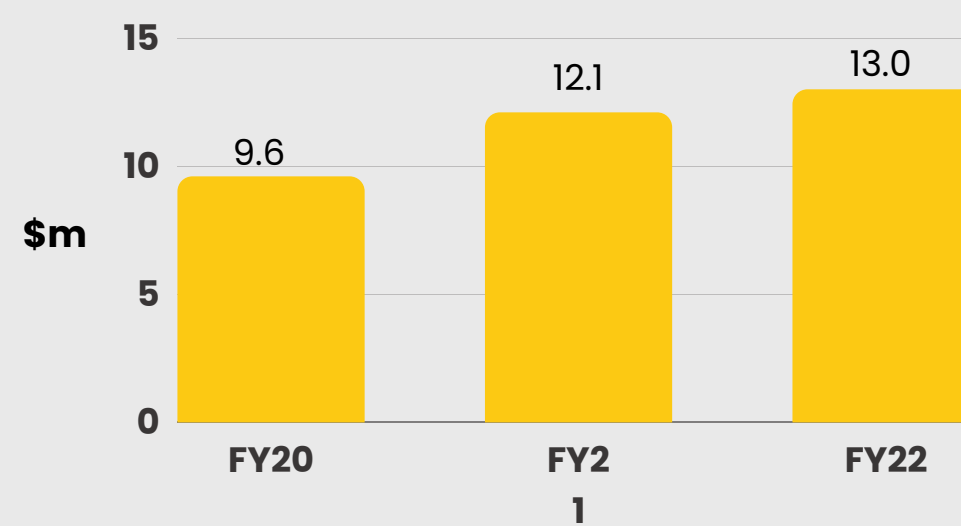
QLD FORMWORK REVENUE



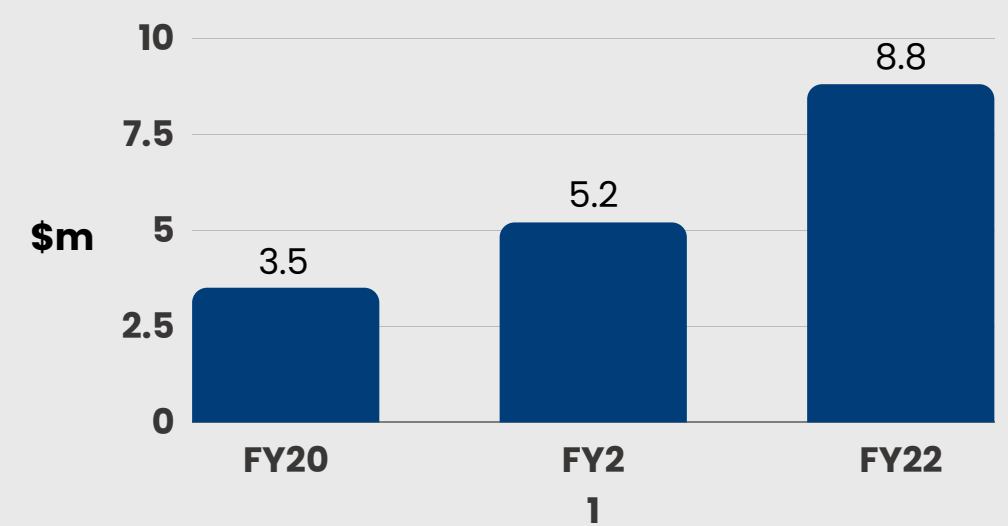
VIC FORMWORK REVENUE



NSW FORMWORK REVENUE



WA FORMWORK REVENUE



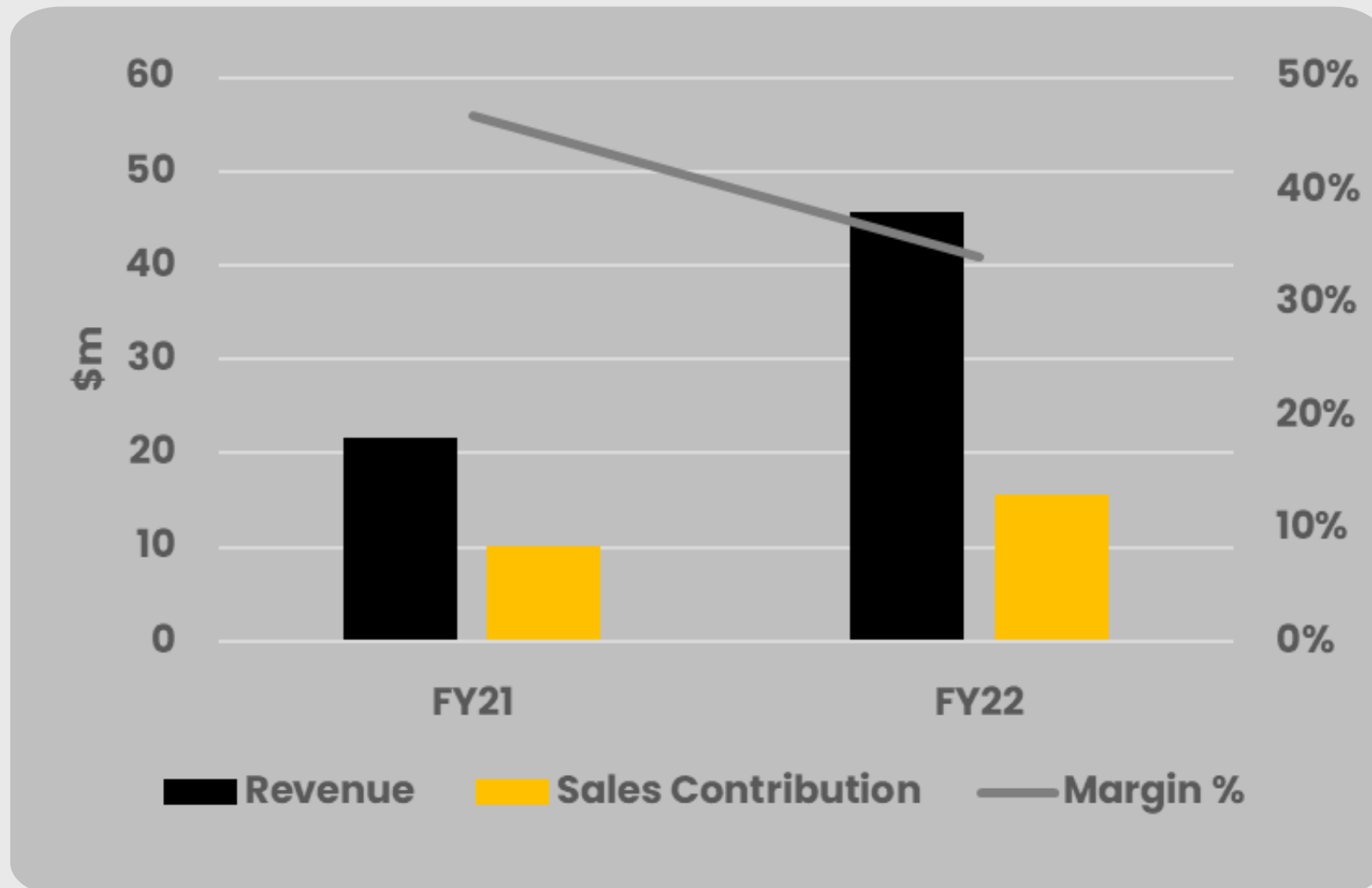
Source: Macromonitor, February 2022

For personal use only

INDUSTRIAL SERVICES – A GROWTH ENGINE



For personal use only



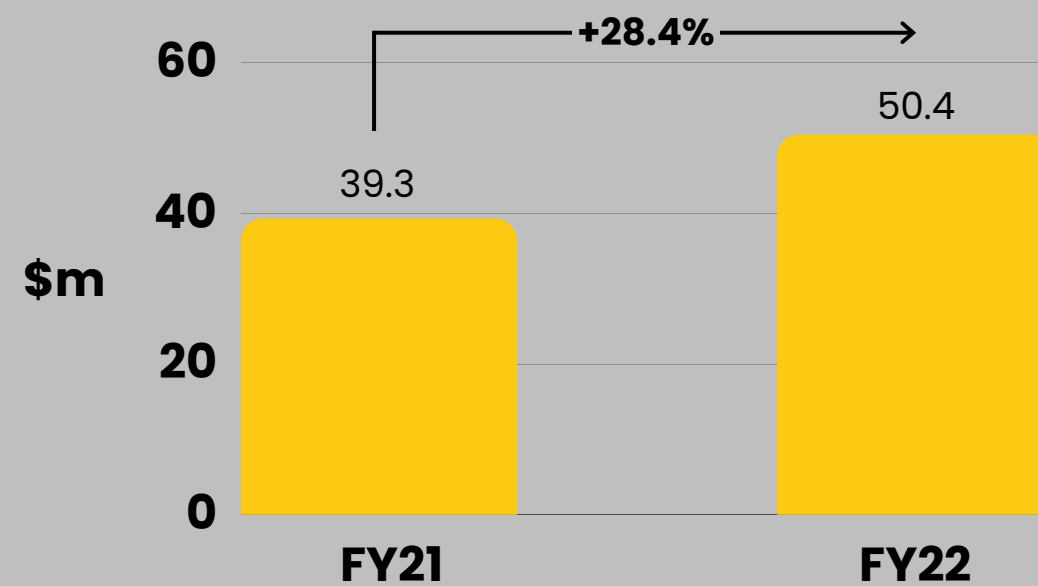
- Revenue up 110%**
 - Organic growth from expansion into new states and markets
 - Labour hire benefiting from key project wins
 - Product sales boosted primarily by Snowy Hydro 2.0
- Sales contribution up 53%**
- Margin impacted by change in mix to higher percentage of Product sales and Labour hire revenue**
- Key projects wins include:**
 - Visy
 - Snowy Hydro 2.0
 - Mt Piper
 - Origin - Surat Basin
 - Incitec Pivot - Phosphate Hill
- Capital investment of \$4 million to-date in Ringlock and Furnace kits.**

ACROW EQUIPMENT – HIRE WINS & PIPELINE

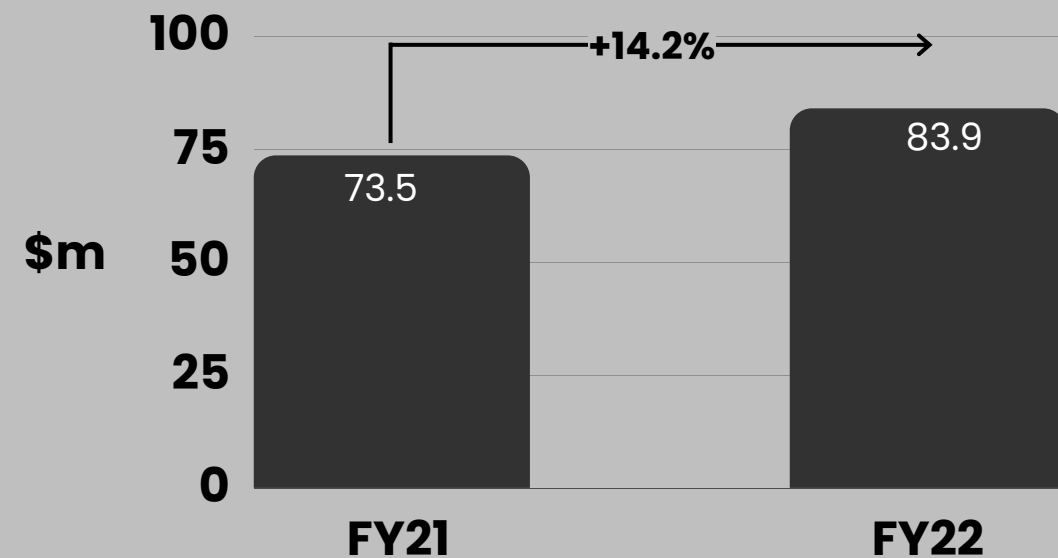


For personal use only

HIRE CONTRACTS WON



CURRENT PIPELINE*



Record hire contracts won FY22 up 28.4% YoY

- Formwork & Natform very strong
- Significant growth in Industrial Services

Pipeline FY22 up 14.2%

- Formwork ~ 87% of pipeline
- Does not include Industrial Services shutdown work

Continue to win large packages on major infrastructure projects. Success rate of circa 50% on quoted work

Strong organic growth in SA/WA/TAS

Commercial scaffold – focusing on smaller dry hire work

* Comprises tenders and quotes provided

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, Sydney Gateway, M12 Motorway 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 QLD via the use of Acrow range of products that will continue to drive significant new revenue channels.
- 📍 **Natform** - Continued market share growth via innovation and service capability, especially in QLD and Victoria
- 📍 **Integrated Engineering Service** - Expand on our Engineering Services to include providing complete turn-key design solutions for customers across all product groups
- 📍 **Jump Form** - Exclusive 10-year licensing agreement to market the Jacking Systems (New Zealand), Jump Form product throughout the Australian Market. The company believes that it can build a Jump Form division within Acrow that could generate upwards of \$20m annualised revenue within a 30-month period with similar return

OUTLOOK






For personal use only

 **Current Guidance** for the FY23 as follows:

METRIC (UNDERLYING)	FY23 GUIDANCE CURRENT	% CHG ON FY22*
Revenue	\$165m - \$175m	up 15%
EBITDA	\$45.5m - \$46.5m	up 27%
NPAT	\$23.0m - \$24.0m	up 32%
EPS	9.0c - 9.4c	up 28%

Forecast underpinned by:

-  **Secured hire revenue** contracts in FY22 of \$50.4m up 28% on FY21. Three months to 30 September up 32% on same period last year
-  **Capex orders placed** in the first half of FY22 totalling circa \$8m, now arrived and equipment on hire into FY23
-  **Revenue and Profit** to be generated from already secured Jump Form contracts
-  **Currently tracking at top end of EBITDA guidance range**

*Midpoint

CONTACT



ACROW HEAD OFFICE

2A Mavis Street
Revesby
NSW
2212

 1300 138 362

 info@acrow.com.au

 www.acrow.com.au

Investor enquiries & presentation questions

 investors@acrow.com.au



Steven Boland
MD & CEO
02-97806500



Andrew Crowther
CFO
02-97806500

We help build Australia **smarter.**

For personal use only