

26 May 2023

## ACROW BOLSTERS ASSET PORTFOLIO WITH THE ACQUISITION OF ISHEBECK FORMWORK PANEL SYSTEM AND GUIDANCE UPGRADE

Acrow Formwork and Construction Services Limited (ASX: ACF) ("Acrow" or the "Company") is pleased to provide the following update.

### Key Highlights

- Purchase of Heinrich Plant Hire's ("Heinrich") Ishebeck Formwork Panel System assets for up to \$12m, payable over two years
- Upgrade to EBITDA, Underlying NPAT, and EPS guidance for FY23 by 3%, 7%, and 7%, respectively

### Acquisition of Heinrich's Ishebeck Formwork Panel System

Acrow has acquired Heinrich's Ishebeck Formwork Panel System. This asset-only purchase, valued at up to \$12m, further strengthens Acrow's position as a leading provider of construction solutions in the industry and is reflective of Acrow's commitment to strategic investments that drive growth and enhance its market position.

The Ishebeck Formwork Panel System is internationally recognised as a leading formwork system in the industry. These assets will initially be deployed in Acrow's Queensland business, where opportunities have been identified, in addition to the Heinrich's contracts.

The transaction comprises an initial payment of \$6m, with up to an additional \$6m to be paid over two years contingent on the fulfillment of pre-conditions, relating to the delivery of contractual obligations (including the achievement of minimum revenue targets). There are no material pre-conditions for completion and the acquisition will be effective from June 1, and will be funded through a combination of cash and debt.

Whilst the acquisition of the Ishebeck Formwork Panel System will not be material for FY23 it is expected to make a significant contribution in FY24 with an expected first-year return on investment of around 45%-55%.

### Updated Guidance

As a result of today's announcement, as well as general trading performance, Acrow has upgraded its FY23 earnings guidance. A summary is as follows:

| Metric            | FY23<br>current<br>guidance | FY23<br>previous<br>guidance | % change<br>on previous<br>guidance <sup>1</sup> |
|-------------------|-----------------------------|------------------------------|--|
| EBITDA            | \$52.0m - \$53.0m           | \$50.5m - \$51.5m            | +3%  |
| NPAT (underlying) | \$29.5m - \$30.5m           | \$27.5m - \$28.5m            | +7%  |
| EPS (underlying)  | 11.3 - 11.6c                | 10.6 - 10.9c                 | +7%  |

Steven Boland, CEO of Acrow, commented on the acquisition, stating: "It is very exciting to be adding another leading formwork system to the Acrow portfolio of assets. The company's commitment to delivering exceptional value-added solutions to its stakeholders should now be evident through this acquisition and the recent acquisition of Heinrich's Screens assets, which in total are anticipated to contribute approximately \$9.5m to the company's EBITDA in FY24, for a combined outlay of up to \$23.5m."

"Despite recent media reports suggesting the likely pause of some earmarked transport infrastructure projects, the company's 36% year on year growth in secured hire contracts (April YTD), and a healthy pipeline provides Acrow with the confidence to expect the continued strength of the east coast civil infrastructure market. Moreover, the company's experience, reputation, and ability to secure projects positions it well for long-term sustained growth."

"FY24 will be another year of tremendous growth for Acrow. This current acquisition, combined with other recent acquisitions and the strength of our core markets reinforces our position as a leader in the industry. We look forward to the opportunities that FY24 will bring."

This release was approved by the Acrow Board of Directors.

-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 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

<sup>1</sup> Midpoint

## ASX Announcement



Australia's east coast, with a particular focus on New South Wales and Victoria. To learn more, please visit: [www.acrow.com.au](http://www.acrow.com.au)

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