

1 March 2024

ACROW EXPANDS INDUSTRIAL SERVICES WITH THE ACQUISITION OF BENCHMARK SCAFFOLDING

Key Highlights

- Acrow acquires Benchmark Scaffolding, effective 1 March 2024
- Highly complementary, leading Queensland operator, providing complex industrial services access solutions
- Consideration of \$9.0 million, with the potential of further earn outs based on improved EBITDA results in the first two full years of trading.
- Acquisition multiple of 3.8x, in line with previous acquisition multiples - funded by combination of cash, debt & equity
- FY24 EBITDA guidance range upgrade by \$1 million to \$73 -76 million

Acrow Limited (ASX: ACF) ("Acrow" or "the Company"), is pleased to announce the successful acquisition of Benchmark Scaffolding, a leading provider of access solutions based in Townsville, operating throughout North Queensland with a growing presence in South East Queensland, via its Yatala branch. The acquisition is effective 1 March 2024.

Similar to the recently acquired MI Scaffold, Benchmark Scaffolding is renowned for its quality services, specialising in providing scaffolding solutions for complex applications in the industrial, mining, and infrastructure sectors. The business has built a strong reputation amongst its customer base, which includes several long-term relationships.

The operations of Benchmark Scaffolding are highly complementary to the Acrow Industrial Services business and especially to MI Scaffold with both business utilising Layher Scaffolding equipment .

The consideration for Benchmark Scaffolding totals \$9.0 million. This includes:

- an upfront cash payment of \$6.4 million;
- the issuance of equity valued at \$2.0 million¹; and
- two deferred payments of \$300,000 each, payable in 12 and 24 months.

In addition, there is potential for earn-outs, totalling approximately \$1.0 million (un-capped), contingent upon the future EBITDA performance of the business, and payable over two years. The acquisition will be funded by a combination of cash, debt, and equity.

Benchmark Scaffolding generates annualised revenue of approximately \$9 million and EBITDA of \$2.4 million. Based on the consideration (pre-potential earnouts), this represents a multiple of around 3.8x EV/EBITDA, in line with recent Acrow acquisitions.

As a result of the acquisition, Acrow has upgraded its FY24 EBITDA guidance by \$1 million to \$73 million - \$76 million.

Commenting on the announcement, CEO, Steven Boland said: "We are very pleased to have completed the acquisition of Benchmark Scaffolding. Similar to the recently acquired MI Scaffold business, Benchmark has a longstanding reputation as a quality service provider in the industrial, mining, and infrastructure sectors. The business is extremely complementary to MI Scaffold, and further enhances Acrow's position not just in the Central/North Queensland region, but nationally."

¹ Based on 14-day VWAP as at 29 February 2024 times 3% discount

ASX Announcement



"Furthermore, it strongly enhances Acrow's strategic goal of growing a national Industrial Services presence, generating profitable and stable annuity-style earnings, to complement our market-leading national formwork hire and sales business. I'm pleased to welcome the team at Benchmark to the Acrow family and look forward to a successful future for this business as part of our team."

This release was approved by the Acrow Board of Directors.

-ENDS-

About Acrow

Acrow Limited (ASX: ACF) is a leading provider of smart integrated construction systems across formwork, industrial services and commercial scaffolding in Australia. Enhancing our portfolio are falsework and shoring, screen solutions, Jacking Systems (also known as Jumpform), and internal engineering capabilities.

With over 80 years of experience, Acrow has grown from a small local business to a national leader in the construction industry. Our journey is marked by continuous innovation, expansion, and a vision to set the national standard in engineered industrial and construction services. We're committed to removing barriers to success for construction and industrial professionals through our smart solutions, can do attitude, and strong partnerships.

Operating in 13 locations with over 60,000 tonnes of equipment, Acrow aims to expand its presence in Australia's civil infrastructure market. Our national network with local expertise ensures efficient project delivery while adhering to best practices. To learn more, please visit: www.acrow.com.au

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