

04 April 2023

ACROW ACQUIRES HEINRICH SCREENS ASSETS AND SECURED HIRE CONTRACTS MOMENTUM CONTINUES

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

Key Highlights

- Acquisition of Heinrich screens assets, intellectual property, and both existing and confirmed forward contracts for \$11.5m, with ROI expected to exceed Acrow's required growth capex hurdle rate in Year 1
- Secured hire contracts up 34% for nine months to 31 March 2023 on the PCP

Acquisition of Heinrich Screens Assets

Acrow has today acquired the screen assets from Heinrich Plant Hire ("Heinrich), including the intellectual property and existing and secured hire contracts. The purchase price of \$11.5m will be funded by a combination of cash at bank and debt. There are no material terms with this agreement still required to be met with settlement now completed.

Acrow anticipates that the return on investment in Year 1 will exceed the company's required hurdle rate for growth capital investment and therefore has the potential to make a material positive contribution to the Company's FY 24 earnings.

Commenting on the acquisition, Managing Director, Steven Boland said: "We are very pleased to have acquired the screens assets and contracts from Heinrich, one of South-East Queensland's largest formwork contractors, and a long-term client of Acrow."

"The assets will complement Acrow's existing screens business, providing additional flexibility and product versatility to an already strong market position. "

"We also see further market growth opportunities over time, as we look to roll out the Heinrich screens system across our national footprint."

Secured Hire Contract Wins Update

Secured hire contract wins for the nine months to 31 March 2023 have increased by 34% on the previous corresponding period. This exceeds the 28% growth reported for the six months to 31 December 2022.

The month of March recorded hire contract wins of \$6.8m, representing the second largest month in the company's history and included a third Jumpform contract win and the first in the Western Australian market.

Commenting on the update, Steven Boland said: "Acrow is experiencing another year of strong growth in FY23 and our continued success in securing new hire revenue contracts, our most important lead indicator, plus the opportunities arising from the national rollout of Jumpform and now the important acquisition of the excellent Heinrich screens assets and associated contracts, bodes well for the prospects of another year of growth in FY24."

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 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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