

ASX Release

28 August 2018

FY18 Preliminary Final Results

Acrow Formwork and Construction Services Limited (ASX: ACF) ("Acrow" or "the Company"), is pleased to announce the FY18 Preliminary Final Results.

2018 Preliminary Final Results

The Acrow business performed very strongly for the 12 months to 30 June 2018. On an underlying basis, the key highlights for FY18 included:

- Revenue of \$65.3m (highest number recorded since 2013)
- Formwork Hire Revenue of \$15.6m (an increase of 23% and highest since Boral divestment)
- Sales Contribution of \$39.3m and Sales Contribution Margin of 60.2% (both record results since Boral divestment)
- Underlying EBITDA of \$10.8m (+21%) and Underlying EBITDA Margin of 16.5% (up from 14.3%)
- Strong Operating Cash Profit of \$9.0m (up 37%) and ending cash balance of \$4.9m (no debt)

A summary of the Underlying Group EBITDA is provided in the below table.

Y/E 30 June, \$'000	FY15A	FY16A	FY17A	FY18A
Summary P&L				
Formwork Hire	12,625	10,960	12,669	15,583
Scaffold Hire	11,493	13,395	14,393	14,297
Residential	8,627	10,334	10,360	7,684
Labour & Cartage	17,603	16,023	12,243	13,643
Formwork Sales & Consumables	11,335	13,203	12,671	14,137
Total Revenue	61,684	63,915	62,336	65,344
Formwork Hire	12,625	10,960	12,669	15,583
Scaffold Hire	11,493	13,395	14,393	14,297
Residential	3,802	4,401	4,426	3,384
Labour & Cartage	2,597	2,308	1,852	2,128
Formwork Sales & Consumables	3,069	3,403	3,196	3,939
Total Contribution	33,587	34,466	36,536	39,331
<i>Contribution Margin</i>	<i>54.4%</i>	<i>53.9%</i>	<i>58.6%</i>	<i>60.2%</i>
Yard Related Expenses	(11,585)	(12,213)	(11,333)	(12,160)
Labour	(13,704)	(12,828)	(12,453)	(12,515)
Other	(5,200)	(4,175)	(3,835)	(3,860)
Holding Company Costs ⁽²⁾	n.a.	n.a.	n.a.	(260)
Total Overheads	(30,489)	(29,216)	(27,620)	(28,795)
Restructure Costs and Provisions ⁽¹⁾	(290)	(530)	(625)	(536)
Reported EBITDA	2,808	4,719	8,291	10,000
Underlying Acrow EBITDA⁽²⁾	3,098	5,249	8,915	10,796
<i>Margin</i>	<i>5.0%</i>	<i>8.2%</i>	<i>14.3%</i>	<i>16.5%</i>
Holding Company Costs ⁽³⁾	n.a.	n.a.	n.a.	(192)
Underlying Group EBITDA	3,098	5,249	8,915	10,604

Note:

(1) Unaudited and based on management accounts. Restructuring costs consist of redundancy, branch relocation, duplicate rents, other non-recurring costs associated with the business restructure. (2) FY18A excludes costs of being a public company, including listing and director fees, to allow for comparability. (3) Represents recurring costs for Acrow

ASX:ACF

Acrow Formwork and Construction Services Limited

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Note that Acrow's statutory accounts provided in the Appendix 4E released to the ASX today reflect a 3 month contribution of the Acrow Group. The Appendix 4E and accompanying presentation provides a reconciliation of the statutory results to the underlying Group EBITDA.

Maiden Dividend Announced

The Directors of Acrow have today declared a maiden dividend of 0.5 cents per share, with a dividend reinvestment plan (DRP) initiated. Further details are contained in a separate ASX announcement released today.

Managing Directors Comments:

Managing Director Steven Boland said "We are very pleased that the results of Acrows first three months as a listed company see the excellent improvement in earning trajectory of the past few years continue. On a full year trading basis almost all of the important financial metrics of the business are at their highest point for a number of years.

The continued strength of the East Coast Civil Infrastructure market as well as signs of reinvestment in the Resources sector in the West gives us great confidence that this should continue and that we are clearly on the right strategic path."

Further details in relation to all matters are provided in the Investor Presentation released to the ASX today.