

ASX Release

10 March 2021

Acrow upgrades FY21 earnings guidance

Key Highlights:

- **Secured hire contracts wins up 28% in two-months to Feb 2021 vs pcg**
- **\$3.7m in major new product sales and hire contract wins on four key projects**
- **FY21 EBITDA guidance upgraded to \$23.5m - \$24.5m**
- **NPAT guidance of between \$8.7m - \$9.5m**
- **FY21 revenue guidance to be at a record level of circa \$106m**

Acrow Formwork and Construction Limited (ASX:ACF) is today pleased to announce that the second half of FY21 has commenced very strongly, with secured hire contract wins up 28% in the two-months to February 2021 on the previous corresponding period.

Four notable contract wins/extensions during the period totalling \$3.7m include the Bruce Highway upgrade, Sydney Metro Rail, Tweed Heads Hospital and Chinatown Mall Commercial Tower, Brisbane. The details of these contracts are as follows:

- **Bruce Highway Upgrade – Cooroy to Curra (increased from \$1.4m to \$3.0m):** Stage D contract 1 has been awarded to Beilby/BMD with Acrow to supply the sub-contractor Nathan Contractors formwork equipment for the construction of piers and abutments for 18 bridges including access. Commencing February 2021 for 18 to 20 months, the estimated contract value now includes a product sales component of \$2.0m for the supply of MK system and Quickstage modular scaffold, plus an estimated \$1.0m in equipment hire and consumable sales.
- **Sydney Metro Rail – Crows Nest station (\$800k, plus the sale of consumables):** Acrow contract direct with Wideform Constructions, working for principal contractor AW Edwards for the supply of multiple formwork solutions incorporating the MK single-sided system, Acrow Wall 80 panels, Acrow single-sided frames, and RKS Hydraulic self-climbing systems. The contract commences in March 2021 for a period of six months.
- **Tweed Heads Hospital (\$600k):** Acrow contract direct with Bosform, working for principal contractor Lend Lease to provide Natform screens to the project. The contract commences March 2021 for a period of nine months. This is the largest screens contract secured in the Queensland business for over two years.
- **Chinatown Mall Commercial Tower (\$700k) –** Acrow contract direct to Hutchison Builders for the provision of heavy duty Powershore 150 propping equipment and supply of labour to install at the Commercial Tower being built at Duncan St Fortitude Valley. This will be the first major contract in Australia utilising the new Powershore 150 equipment, designed by the Acrow national engineering manager. The contract will commence in May 2021 for a period of six months.

Commenting on the contract wins Acrow CEO, Steven Boland, said: "The Bruce Highway upgrade and Sydney Metro Rail are two marquee projects with at least five years each left to run. We are very confident that Acrow is now well-positioned through its engineering and equipment capabilities to win additional packages as these two projects advance. Furthermore, I am extremely pleased with our success in winning the screens contract for the Tweed Heads Hospital, as it further consolidates the tremendous gains over the past 12 months of the Natform business. The contract secured with Hutchison Builders for supply of our brand new Powershore 150 equipment is testament to the wonderful innovation, technical smarts and commercial acumen of our market leading engineering department."

Due to the strong start to the second half of the year in securing new contract wins and product sales, and the positive outlook for the balance of the financial year, the Company has upgraded its FY21 EBITDA guidance from the consensus forecasts at the time of the 1H21 results announcement of \$22.3m, to a range of \$23.5m - \$24.5m. Furthermore, Acrow expects that underlying NPAT for the full year will be in the range of \$8.7m - \$9.5m. Revenue is forecast to be at a record level of circa \$106m.

ASX:ACF

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In announcing the earnings upgrade Steven Boland noted: "It is very encouraging to see the momentum achieved in 1H21 continuing into the second half of the year. This has provided us with the confidence to upgrade our earnings guidance for the full year. Given the profile of work we now see in front of us, especially in the key civil infrastructure markets on the east coast and particularly in Queensland, and across various industries including rail, road, energy, water and defence, we are very confident that earnings will continue to grow at a strong rate in the coming years."

This release was approved by the Acrow Board of Directors.

-ENDS-

About Acrow

Acrow is a leading hirer of formwork and scaffolding systems to large construction and civil infrastructure providers across Australia, operating a network of formwork and scaffolding branches in six states and employing approximately 245 people. The business services a diversified customer base of approximately 1,300 customers.

Acrow has a high quality and versatile portfolio of assets and has identified a number of near term growth opportunities, most particularly through the investment in capital equipment to take advantage of a range of opportunities in the growing East Coast civil infrastructure market, particularly in New South Wales and Victoria where the business is still underrepresented.

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