

ASX Release

31 May 2022

Further growth in contract book to bolster Acrow's FY23 revenue base

Key Highlights:

- Acrow signs two new contracts, together valued at \$11 million, with existing clients
- A new \$6 million contract was secured on the Snowy Hydro 2.0 project
- An additional contract for \$5 million was secured at Origin Energy Surat Basin
- New Hire revenue contracts locked in by Acrow over May totalled \$6.3 million, the second-best monthly performance by this metric in the Company's history
- Acrow records \$45 million in new hire contracts over the first 11 months of financial year 2022, up 28% on the same period last year.

Acrow Formwork and Construction Services Limited (ASX: ACF) ('Acrow' or 'the Company'), a leading provider of engineered formwork, scaffolding and screen systems, is pleased to announce two new contract wins that will bolster the Company's Industrial Services revenues in its 12 months ended 30 June 2023 financial year (FY23).

Acrow continues to convert pipeline of opportunities into contracts

Acrow has secured two new contracts with existing clients, the revenues from which will mostly be brought to book in the Company's FY23. Neither of these contracts have any material conditions requiring to be satisfied to proceed. Broad details of these latest additions to Acrow's contract book follow:

- A further \$6 million order for the sale of scaffold as well as the provision of scaffold labour services on the Snowy Hydro 2.0, the largest committed renewable energy project in Australia. This marquee project will aid Australia's transition to a lower carbon emissions economy. It involves linking two existing dams, Tantangara and Talbingo, through 27 kilometres of tunnels and building a new underground power station. Snowy 2.0 has a lengthy construction phase, with first power from it not expected to be delivered until 2025, followed by a progressive commissioning of its six generating units. The revenue from this Industrial Services division contract will be generated between May 2022 and April 2023.
- A \$5 million contract with Origin Energy Surat Basin, also secured by Acrow's growing Industrial Services division. It represents a deepening of the existing relationship Acrow has with this major Australian Energy sector company. It will see Acrow provide Industrial Scaffold services for a series of major shutdowns at Origin's Surat Basin-based LNG facility over the next 18 months.

Acrow Hire's revenue base continues to expand

Indicative of the continued momentum in Acrow's operations, new Hire Revenue contracts secured for the month of May totalled \$6.3 million, the second-best individual month in the Company's history. This strong showing took total revenues secured by this metric over the 11 months to May 2022 to \$45 million, up 28% on the equivalent period in FY21.

Acrow Formwork and Construction Services Limited CEO Steven Boland said: "These two contract wins highlight the continued ability of the Acrow team to convert opportunities in our contract pipeline into revenues. From a divisional perspective, we are thrilled that both of the contracts announced today add to the growth trajectory already evident in our Industrial Services division."

ASX:ACF

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These new Snowy 2.0 and Origin Surat Basin contracts have another clear-cut positive attached to them. They represent a deepening of the relationships we have with both these existing clients and reflect their satisfaction with the services we have to date provided to them. This return business has also placed us in an advantageous position going forward, as both projects are long term in nature. In the case of Snowy 2.0, it is and will continue to be one of Australia's premier Civil Infrastructure construction projects over the next decade. As such, it is likely to be a key source of contract opportunities for Acrow over coming years.

While there is still one month to go in our 2022 financial year, recent sustained growth reported by the Company's secured hire revenue contract book is particularly pleasing. With this key lead indicator of our future performance showing a strong head of steam, all the portends are there for further robust gains in both revenue generation and profitability into our 2023 financial year."

This release was approved by the Acrow Board of Directors.

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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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