



## **ASX/Media Release**

9 April 2018

### **Acrow Successfully Lists on ASX**

- **Completion of a A\$27.2 million capital raising underwritten by Bell Potter Securities - A\$32.3 million market capitalisation at listing**
- **Acrow is a market leading hirer of formwork and scaffolding systems with over 1,100 construction and civil infrastructure customers across Australia in FY2017**
- **Acrow has strong organic growth prospects driven primarily by its exposure to the east coast civil infrastructure market**
- **EBITDA was A\$5.0 million in the half year to 31 December 2017<sup>1</sup> – second half trading performance in line with first half**
- **Well placed for continued growth – team strengthened to capitalise on civil infrastructure opportunities and Board approves A\$3.7 million capex on new formwork equipment to increase contracted revenue base**

Acrow Formwork and Construction Services Limited ('**Acrow**' or 'the Company' **ASX: ACF**) (previously NMG Corporation Limited) re-commences trading on the Australian Securities Exchange (**ASX**) today following a successful capital raising of A\$27.2 million and completion of the Acrow acquisition. The capital raising was strongly oversubscribed from a range of institutional and retail investors, and leading names in the equipment hire industry.

The group lists on the ASX with a market capitalisation of approximately A\$32.3 million based on an issue price of A\$0.20 per share. ACF has 161,707,615 shares on issue at listing.

#### **A Well Established Brand**

Acrow has been active in the Australian construction industry since 1950 and its heritage dates back to 1936 when it first launched in the United Kingdom.



Acrow has recorded gross revenues exceeding \$60 million every year since 2010 and achieved EBITDA of A\$5.0 million in the half year to 31 December 2017 following a full year underlying EBITDA of A\$8.9 million in the year to 30 June 2017<sup>1</sup>.

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 150 people. The business services a diversified customer base of approximately 1,100 customers with the largest customer accounting for 6% of revenue in FY2017.

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.

#### **A Highly Experienced Board**

Acrow is led by Managing Director and Board member Steven Boland. Steven joined the Company in 2013 and has led the restructure and growth of the business since that time.

Steve is an experienced and well credentialed senior executive and has held leadership roles with Visy Industries, Veolia Environment and the Melbourne Rebels Rugby Club.

The Company is also pleased to have secured the services of Peter Lancken as Non-Executive Chairman. Peter has a career spanning over 25 years in a range of executive and non-executive roles in the equipment hire, industrial and property sectors including formerly being the Managing Director and Non-Executive Chairman of Kennards Hire Pty Limited.

Other members of the Board include Mike Hill, a former Investment Director of Ironbridge, Gregg Taylor, a former finance executive with investment banking and funds management experience, and Josh May, a chartered accountant and transaction advisory specialist.

#### **Commentary**

**Acrow's Chairman Peter Lancken said:** "I am delighted to be leading the Acrow Board and guiding the Company through its next growth phase. I am bringing considerable sector experience to help Acrow's management team achieve the clear objectives we have set out for the Company. The underlying fundamentals for the business are excellent with the Australian civil infrastructure sector experiencing very strong tailwinds, particularly on the East Coast."

"We were pleased with the level of investor support for this capital raise and we were able to attract some of the leading names in the equipment hire industry including the Kennard family. The quality of Acrow's register at listing reflects well on the business and the sectors

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<sup>1</sup> Excluding costs of being a listed entity



in which it operates, the strength of the Board and Management, and of course the sector dynamics and growth prospects.”

“I welcome all shareholders to Acrow and look forward to sharing in the future growth of the Company with you.”

**Managing Director Steve Boland added:** “The ASX listing of Acrow is an important milestone for our people and establishes a strong foundation for growth. The access to capital that a public listing provides allows us to exploit multiple organic growth channels and pursue earnings accretive acquisitions, particularly in the East Coast civil infrastructure market.”

“Our immediate focus is to broaden the number of projects and customers organically which is underpinned by the Board’s approval of \$3.7 million in capex on new formwork equipment.”

“This spend is being used to expand our presence in New South Wales and Victoria, which are the two largest and fastest growing civil infrastructure markets in the country and where we are currently underrepresented. To capitalise on the East Coast opportunities, we have made key senior appointments to secure more orders here, and Acrow has been very well received. We expect to deploy new formwork from next month with the financial benefit realised in FY2019.”

#### **Update on H2FY2018**

Acrow is trading well in the second half of FY2018 and highlights to date include:

- Monthly trading performance is in line with management expectations and similar to the first half trading performance;
- The appointment of former Queensland General Manager Robert Caporella as now General Manager, National Formwork, which has strengthened our formwork operations and bidding pipeline particularly in the larger East Coast civil infrastructure markets;
- The approval of A\$3.7 million of spend on new formwork equipment which is expected to be available for deployment from next month.

-ENDS-

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