

ASX:ACF

Acrow Formwork and Construction Services Limited

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Sydney NSW 2000



ASX Release

30 March 2020

Revised Debt Repayment Schedule and Dividend Cancellation

Acrow Formwork and Construction Services Limited (ASX: ACF) ("Acrow" or "the Company") advises that further to the Market Update provided on 24 March 2020, that it has taken additional opportunity to maximise cash flows during these uncertain times. These include:

- **Revised debt repayment schedule:** Westpac has agreed in principle, under its business relief package, to defer principal repayments of Acrow's term loans for a period of six months and extend the repayment schedule by a further six months. It is expected that the documentation will be formalised in the coming weeks. Under the new arrangements, Acrow will preserve over \$2.5m of cash during this period.
- **Interim Dividend Cancellation:** The Board has determined after much deliberation that it would be prudent, at this time, to withdraw the interim dividend declared on 27 February 2020.

Expanding on the commentary provided regarding property lease renegotiations on 24 March 2020, Acrow has taken the opportunity to renegotiate terms on a number of its property leases where those leases were due to expire in the next couple of years and the premises were considered suitable for Acrow's operations for the medium to long term. As part of these negotiations Acrow will receive rent incentives that will generate in excess of \$1 m in cash savings over the next six months.

In total, including the initiatives outlined above as well as others outlined in our release on 24 March 2020, Acrow anticipates these initiatives will generate a cash flow benefit of approximately \$5.5m over the next six months.

Steven Boland, CEO Acrow, said: "Whilst at the moment we continue to have seen no material impact to our operations, as we head into these uncertain times, the Acrow Board and management will continue to action prudent measures to ensure that the Company is well positioned not only to navigate the period ahead, but to capitalise on the opportunities that may present, when we come out the other side of this global pandemic."

The Board will continue to provide further updates as necessary.

This announcement has been approved by the Acrow Board of Directors for release to the ASX.

-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 1,100 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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