

ASX:ACF

Acrow Formwork and Construction Services Limited

C/- Level 5, 126 Phillip Street

Sydney NSW 2000



ASX Release

31 August 2020

Natform Secures \$1.1m Bettaform/ Meriton Contract Win

Acrow Formwork and Construction Services Limited (ASX: ACF) ("Acrow" or "the Company"), is pleased to advise that its Natform business has secured a \$1.1m contract to supply screens to Bettaform Pty Ltd/ Meriton, commencing in November 2020, for a period of 12 months. The contract relates to the provision of the Natform screening system to the Meriton Project – 180 George Parramatta. When complete in December 2021, the project will comprise two towers of 67 and 56 floors respectively and will be the tallest residential building in Western Sydney.

This contract builds on a successful start to the new financial year for Natform, which has now secured \$4.4m of work across several projects over the last three months and comprises over 50% of the current annual budget for the business.

Commenting on the announcement, ACF CEO Steven Boland said: "The contracts secured over the last three months, including this current Bettaform/ Meriton win, which will be the largest Natform project to-date, are extremely encouraging. It is also very pleasing to see the Natform team demonstrating the talent and entrepreneurial spirit required to successfully secure these contracts."

"Natform is now trading at the levels we believed were possible when we acquired it in August 2018, and with \$28m in the potential pipeline¹ at present, the year ahead looks promising for the business. Natform is now completely integrated into Acrow and is presenting the Group with very attractive cross-selling opportunities."

"In the face of a challenging economic environment, Acrow is proving that the strategic pivot that we embarked on two years ago into building a national formwork business, is paying dividends, which was demonstrated by the outstanding FY20 results we announced on Tuesday which featured:

- Revenue growth of 22% to \$87 million;
- Underlying EBITDA² growth of 30% to \$15 million;
- Underlying NPAT² growth of 20% to \$9 million;
- Total hire contracts won increase of 62%;
- Total sales pipeline growth of 63%; and
- Underlying EPS² growth of 6%, with only 8 months contribution from the Uni-span acquisition."

"These metrics coupled with the positive momentum generated by new contract wins already in the early stages of FY21 points to another very successful year for the Acrow group."

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

-ENDS-

¹ Refers to projects that Acrow has provided a quote or tender.

² Pre-adoption of AASB 16 'Leases'

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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.

For further information, please contact:

Steven Boland
Managing Director
Ph: +61 (02) 9780 6500

Andrew Crowther
Chief Financial Officer
Ph: +61 (02) 9780 6500