

ASX Release

20 November 2018

Acrow Chairman's Address

Welcome to the inaugural Annual General Meeting of Acrow Formwork and Construction Services as a listed company. I am joined today by my fellow members of the Board of Directors and we are pleased to be able to present Acrow to our shareholders today.

Since listing on the ASX earlier this year, the Company has achieved a number of significant milestones and has established a strong platform to continue to generate shareholder value. Some of these milestones include:

- Delivering a record result for the underlying business for the 2018 financial year, with almost every financial metric at recent record highs;
- Declaration of a maiden dividend in August 2018 and commitment to the dividend policy of the Board to pay out between 30% - 50% of the operating cash profit (defined as underlying EBITDA less maintenance capex) to shareholders;
- New \$15M banking facility secured with Westpac;
- Acquisition of Natform, a business I have known and respected for over 10 years; and
- Positioned the business to benefit from the ongoing growth in the east coast infrastructure market for the foreseeable future.

Our CEO Steven Boland will provide further commentary on each of these points in the CEO Address. Full credit must go to Acrow's Senior Executive team for their commitment and contribution through the last 12 months.

Industry Conditions

Acrow remains well positioned to take advantage of the strong growth outlook for the east coast civil infrastructure market. The Board and Management team continue to focus on this opportunity.

Recent market announcements noting infrastructure project delays, in particular in the NorthConnex project in NSW, appears to have had a flow-on effect on market sentiment on other smaller businesses in the sector, including Acrow. The Board notes that Acrow have not provided any equipment for last 5 months to the NorthConnex project and specifically any delays on this project has no effect on Acrow.

Further, Acrow is a national platform with exposure to a number of different industry verticals. Parts of Acrow's revenue base are linked to delivery timelines and execution on larger infrastructure projects. As such, minor project delays in the commencement of projects (due, for instance, to weather impacts and other planning imperatives) are an ongoing feature of the market. Acrow has not experienced any material project delays in the year to date that are not considered within the ordinary course of business. The Board remains confident of the company's current performance and pipeline of opportunities in capitalising on the growth ahead. We have a clear growth strategy, we have experienced a solid start to the year and look forward to continuing strong financial and operating results. Once again Steve Boland will provide further information on the current trading conditions and outlook in the CEO address.

In closing, I would like to thank the entire Acrow team for their hard work and dedication during the year. I would also like to thank you, our investors, for your continued support.

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