

15 November 2023

## 2023 ANNUAL GENERAL MEETING – CHAIRMAN’S ADDRESS

Good morning,

My name is Peter Lancken and I am the Chairman of Acrow Formwork and Construction Services Limited. On behalf of the Board, I welcome you to the 2023 Annual General Meeting.

FY23 has been another outstanding year of achievements and progress across our business. Financially, we have again reported record revenues and profits. Our underlying net profit after tax grew by 71%, exceeding \$30m for the first time. We grew earnings per share by 63% to 11.7 cents, and declared a full year dividend of 4.4 cents per share. Pleasingly, we delivered a fully franked final dividend of 2.7 cents per share. Most notably, our diligent capital investment process continues to deliver, generating a return on equity of 32.7% for the year, and arguably some of the highest returns in the industry.

Operationally, our investment in our key assets and people, particularly our engineering expertise has enabled us to continue to build a national capability as Australia’s leading provider of smart integrated construction systems across formwork, industrial services and commercial scaffolding. Delivering on innovative solutions, reliability, safety and our operational process, has enabled us to successfully grow our market share in areas where we have previously been under-represented.

These expanded capabilities and our standing in the industry has enabled Acrow to capitalise on the opportunities presented by the federal government’s 10-year, \$120 billion infrastructure program and greenfields projects representing \$72 billion in new developments. Can I say, how immensely proud we are to be a participant in these marquee infrastructure projects.

Last year I spoke to you about entering the Jumpform market, through a licencing agreement for a “best of breed” jacking system, used in the construction of the lift shaft core of multi-story buildings. After taking time to familiarise ourselves with the system’s unique capabilities on two initial projects, we commenced actively marketing the business in May 2023. Within a few months, we have already secured five contract wins and have built a robust \$26m pipeline of opportunities. Notably, Jumpform also complements our screens business, which was recently enhanced following the acquisition of some premium screens assets, used in projects requiring heavy-duty applications. As the sole provider of a “one-stop shop” package including Jumpform and screens in Australia, we have recently won four screens contracts in conjunction with our five Jumpform wins. Looking to the future, we see substantial cross-sell opportunities between these two products.

During FY23, we have also made strategic improvements to our operational capabilities, with a particular focus on optimising our distribution facilities. We’ve relocated operations in South-East Queensland and Melbourne to support our expanding business, reducing congestion and enhancing safety in materials handling, particularly in our formwork division.

Our industrial services business continues to be a key driver of Acrow’s future success, providing substantial growth opportunities, and diversification from a sustainable base of recurring revenues, generated from long-term contracts with blue-chip clients, across the energy, mining,



and industrial sectors. From a nascent business in 2019, attained through the Uni-span acquisition, the industrial services division has become a substantial contributor of around a quarter of group revenue in FY23.

Bolstering Acrow's standing in this segment of the market, we announced the successful acquisition of a leading, Queensland based, industrial services business called MI Scaffold, just 9 days ago. This company also brings with it a complementary long-standing blue-chip client base, and provides new service capabilities, most notably in the marine & ports sectors. On a pro-forma basis, the acquisition is expected to deliver high single digit earnings per share accretion and will further enhance the group through solid additional recurring revenues. Combined with the existing industrial services business this will contribute close to 40% of group revenues on a consolidated basis.

Assisted by a strongly supported \$15.0m capital raise at \$0.80 per share, and the solid backing from our banking partner, with an expanded \$15.0m debt facility, we have maintained a conservative balance sheet of 0.8 times, pro-forma net debt/EBITDA.

Since year end, we have also revitalised our brand. This rebranding unifies our expanded business under a 'one company' approach, emphasising a common purpose across the group. As part of this exercise, you may have noticed in the resolutions of meeting, we will also be asking you today to assist in this transition, by approving the streamlining of the Company's name to "Acrow Limited."

Our investments in our people, assets and technology continue to shape our future. We are focused on reinforcing our platform and ensuring that our capabilities evolve at a pace that aligns with our growth trajectory. The nation-building economy remains healthy, our project pipeline across civil construction and industrial services remains robust, and the opportunities from new products and new markets provides me with confidence that Acrow will continue its success over the long-term.

In conclusion, I am immensely proud of Acrow's achievements to-date and would like to express my gratitude to my fellow Board members, our CEO Steven Boland, his accomplished executive team, all our dedicated employees for their unwavering commitment and hard work, and our supportive shareholders. We look forward to another year of growth, success, and collaboration with all of you.

**This release was approved by the Acrow Board of Directors.**

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## About Acrow

Acrow Formwork and Construction Services Limited (ASX: ACF) is a leading provider of smart integrated construction systems across formwork, industrial services and commercial scaffolding in Australia. Enhancing our portfolio are falsework and shoring, screen solutions, Jacking Systems (also known as Jumpform), and internal engineering capabilities.

With over 80 years of experience, Acrow has grown from a small local business to a national leader in the construction industry. Our journey is marked by continuous innovation, expansion, and a vision to set the national standard in engineered industrial and construction services. We're committed to removing barriers to success for construction and industrial professionals through our smart solutions, can do attitude, and strong partnerships.

Operating in 10 locations with over 60,000 tonnes of equipment, Acrow aims to expand its presence in Australia's civil infrastructure market. Our national network with local expertise ensures efficient project delivery while adhering to best practices. To learn more, please visit: [www.acrow.com.au](http://www.acrow.com.au)

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