

12 November 2024

ANNUAL GENERAL MEETING – CHAIRMAN’S ADDRESS AND CEO PRESENTATION

Acrow Limited (ASX: ACF) (“Acrow” or the “Company”) is pleased to attach the following documents which will be presented at the Company’s 2024 Annual General Meeting which is being held today at 10.30am (AEDT).

- Chairman’s Address
- CEO Presentation

This release was approved by the Acrow Board of Directors.

-ENDS-

About Acrow

Acrow 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 15 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

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12 November 2024

ANNUAL GENERAL MEETING – CHAIRMAN'S ADDRESS

Good morning,

My name is Peter Lancken, and I am the Chairman of Acrow Limited. On behalf of the Board, I would like to welcome you to the 2024 Annual General Meeting. It is a pleasure to report that FY24 was another year of exceptional performance and growth for Acrow, driven by a combination of organic expansion, successful product development and deployment, and strategic acquisitions that further cement our position as a leader in smart integrated construction systems.

Acrow delivered record sales revenue of \$215.3 million, a 28% increase over the previous year. After utilising our prior tax losses, we transitioned to being a full tax-paying company, reporting an underlying net profit after tax of \$33 million, an 8% increase from the previous year. Despite this change in our tax status, our underlying pre-tax profit grew by 39%, highlighting the strong operating leverage within our business. And, our commitment to rewarding shareholders in our success delivered full year dividends of 5.9 cents per share, fully franked, an increase of 33% on the prior year.

From a strategic perspective, FY24 was another pivotal year for Acrow as we continued to grow our presence in the access scaffold segment of the industrial services sector. This sector is especially appealing to Acrow due to its earnings stability, driven by medium- to long-term contracts with blue-chip clients in industries like energy, mining, and infrastructure. Furthermore, the capital-light business model, combined with our engineering expertise and unique products and services, allows us to achieve strong margins while further diversifying our overall revenue base.

Assisting in driving this growth, in November 2023, we acquired MI Scaffold, a leading provider of scaffolding, rigging, and access solutions in North and Central Queensland, for \$36.4 million. Funded through a mix of debt and equity, this acquisition has already outperformed our initial expectations, significantly boosting group performance.

In March 2024, we further expanded by acquiring Benchmark Scaffolding, a Townsville-based access solutions provider, for \$9 million, strengthening our national network.

Both MI Scaffold and Benchmark Scaffolding have been successfully integrated into our operations, and their contributions to Acrow's revenue and earnings are expected to increase in the coming years.

Acrow continues to be a leader in the Australian construction market, particularly in the civil infrastructure sector. We operate in an environment where the Australian government is committing over \$230 billion to major public infrastructure projects over the next five years. This presents a significant opportunity for Acrow, as we are well-positioned to capitalise on the increasing demand for our integrated formwork, scaffolding, and industrial services solutions.

Innovation and the development of new products are now deeply ingrained in our company culture. Our recent success in the Jumpform market highlights our ability to capitalise on new opportunities. The product has already attracted repeat customers, and the cross-selling of our Jumpform and screens businesses has significantly broadened our national sales pipeline. We are also developing other products that will further strengthen our strategy of creating new markets through innovative solutions.

FY24 also saw the successful rebranding of Acrow under the "One Acrow" banner, which has unified our expanding business and strengthened our national presence. The new corporate name, and branding, reflects the transformation of our company and aligns with our strategic vision of being a single, cohesive entity. This initiative has been well-received by our clients and has further elevated our market presence.

On the operational front, we continue to make strategic investments to streamline our business. In FY24, we embarked on the implementation of a new enterprise resource planning system, which will enhance our back-office operations and provide the technological platform for future growth. This investment is critical to ensuring that we maintain a scalable business and provide the highest level of service to our clients.

Our ability to consistently deliver a return on equity above 25% highlights the strength of our business model. We maintain a prudent capital management approach, evaluating investments with a 40% hurdle rate. Our strong operating cash flow enables us to repay debt, invest in the business, and continue providing solid returns to shareholders.

Looking ahead, I am confident that Acrow is well-positioned for continued success. Our formwork business remains robust as we actively seek new infrastructure projects and expand our presence in both the civil and commercial sectors. Additionally, our industrial services division now accounts for one-third of our revenue, providing a stable and diversified earnings stream. Furthermore, our recently expanded debt facility gives us the flexibility to pursue additional accretive acquisitions in this sector.

I would like to take this opportunity to thank our shareholders for their continued support. Acrow's future is bright, driven by our CEO, Steven Boland, and his outstanding executive team, along with our dedicated employees. Their efforts ensure that we will continue to deliver strong returns to our shareholders and capitalise on the many opportunities ahead.

Thank you.

Peter Lancken
Chairman

2024 ANNUAL GENERAL MEETING

CEO Presentation

Steven Boland – CEO



acrow.
ENGINEERING & CONSTRUCTION

Raising the **Standard** in Construction.

Acrow Ltd (ASX:ACF)



Cross River Rail, Albert Street, Brisbane



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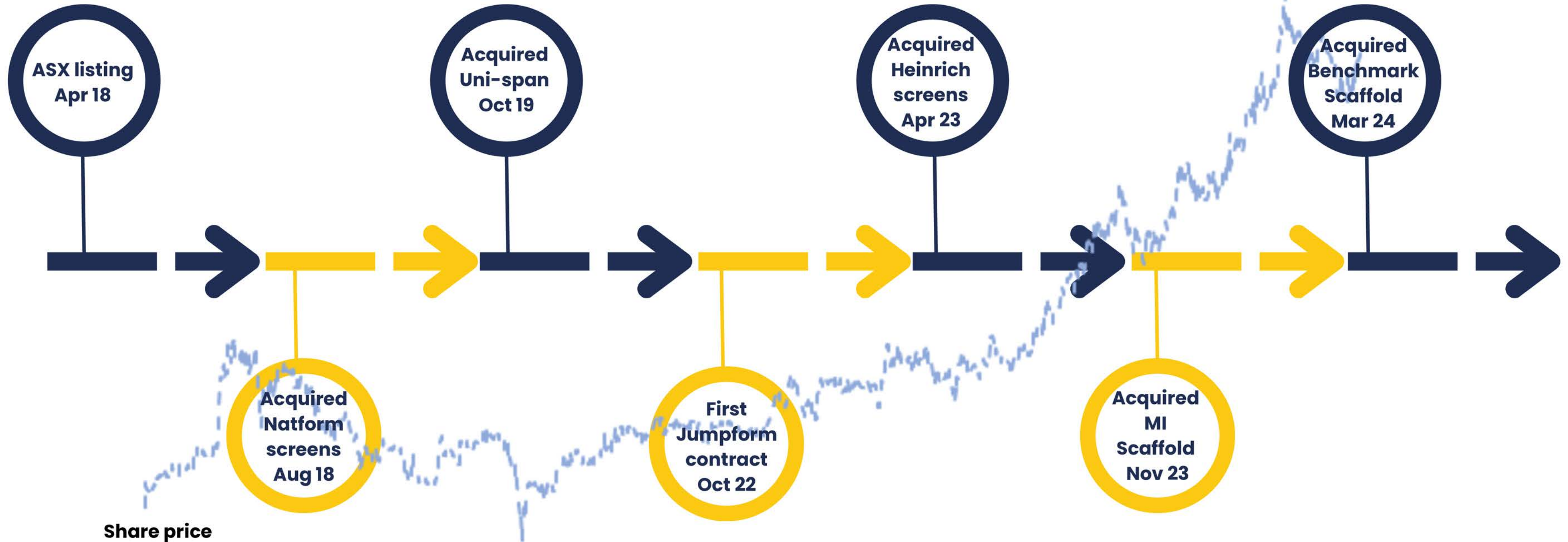
This Presentation was approved by the Acrow Board of Directors

For further information, please contact:

Steven Boland
Managing Director

Andrew Crowther
CFO

OUR JOURNEY...SO FAR



43%
FY18

Engineered Systems and Services

89%
FY24

ACROW TODAY



Acrow is a leading provider of smart integrated construction systems.

						
1950	Apr 2018	6 states	15	393 FTE*	1393 clients	50 engineers

COMPETITIVE ADVANTAGES



SECTORS SERVICED

-  INDUSTRIAL - ENERGY, PULP, PAPER & MINING
-  CIVIL INFRASTRUCTURE
-  COMMERCIAL & HIGH RISE RESIDENTIAL



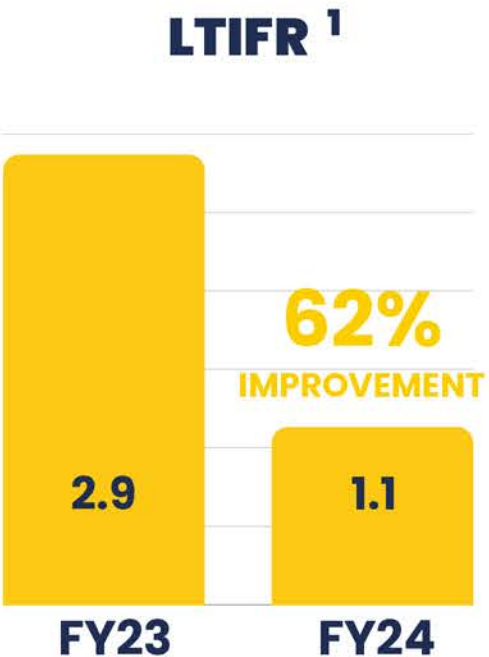
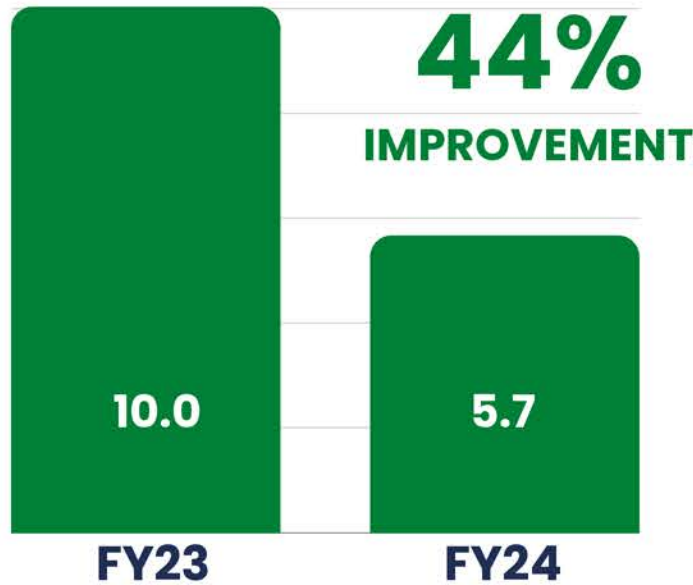
*FTE 393 - incl. IND Scaffolders 46, MI Scaffolding 112.
Casual Scaffolders 198 - incl. IND Scaffolders 133, MI Scaffolding 65.

ACROW FY24 RESULTS SUMMARY & TRACK RECORD

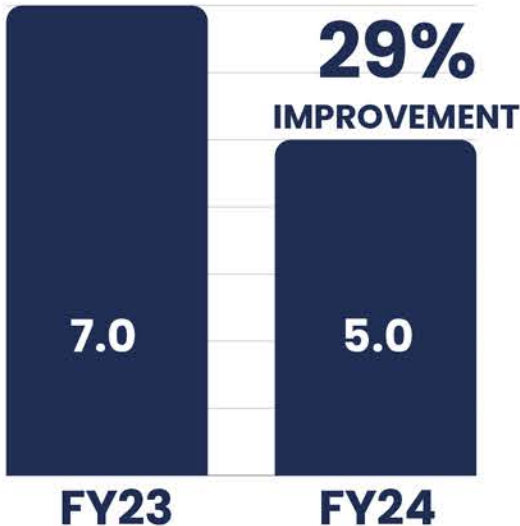
SAFETY IS OUR PRIORITY



ZERO HARM IMPROVEMENT



TOTAL RECORDABLE INJURIES



LOST TIME INJURIES

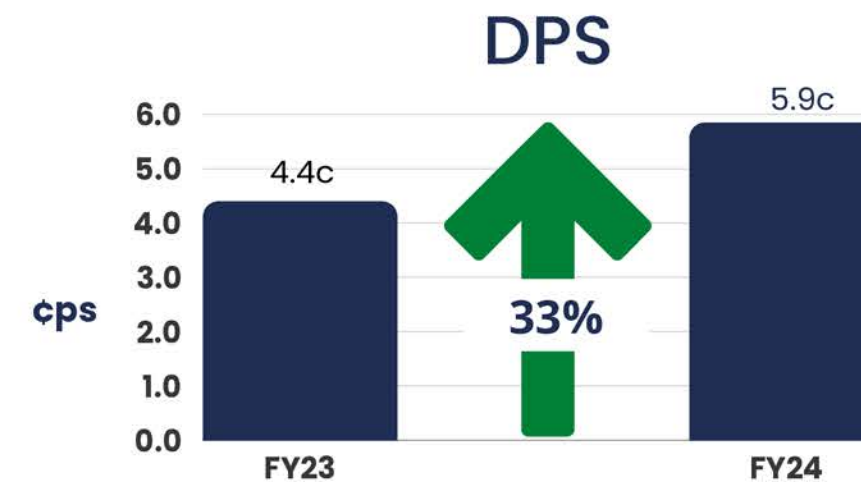
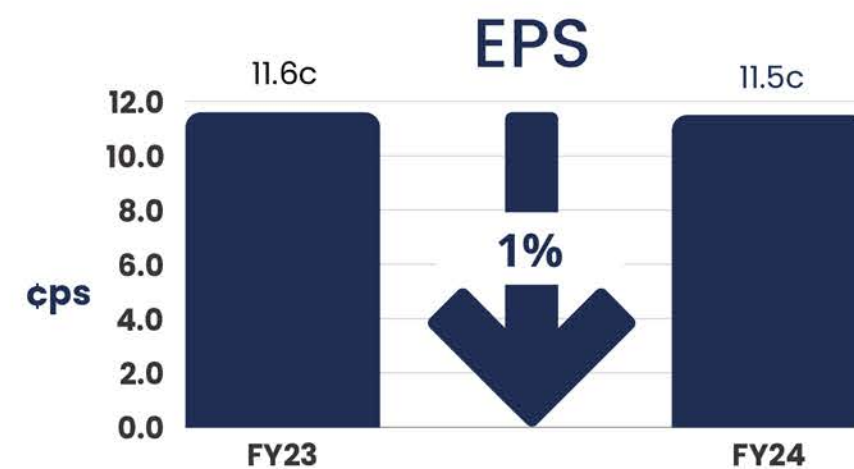
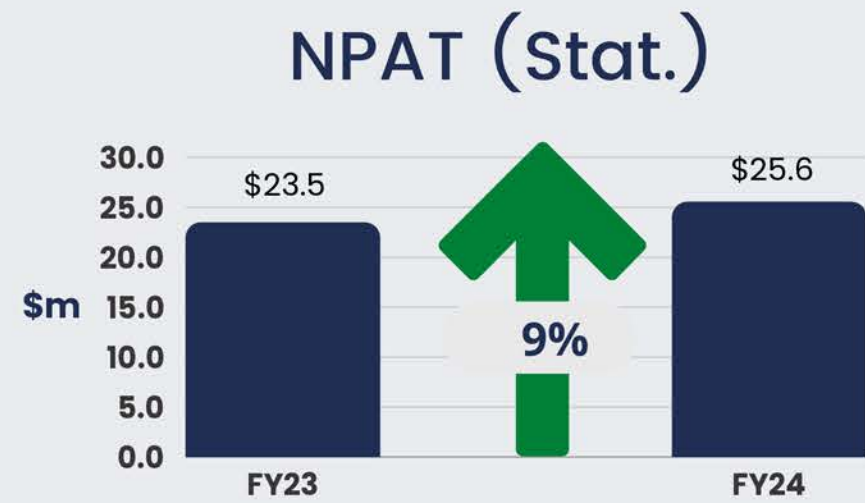
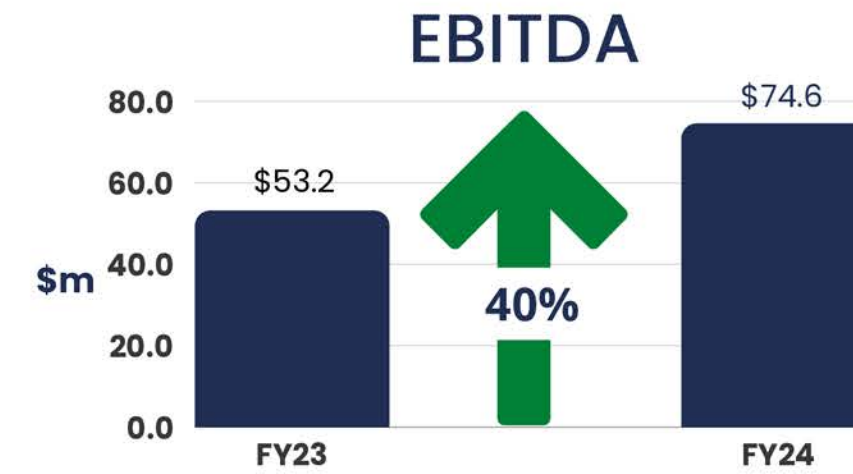
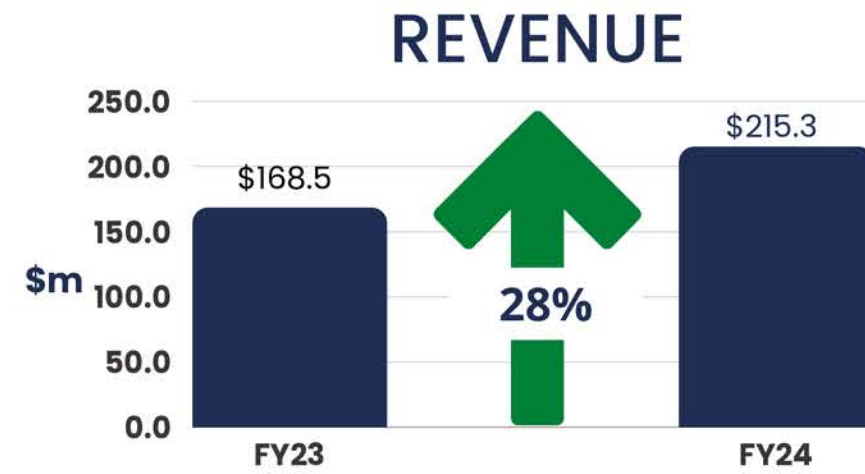


1. Lost Time Injury Frequency Rate

KEY FINANCIAL METRICS FY24¹



NPAT and EPS impacted by full tax status (vs. 8% in PCP)



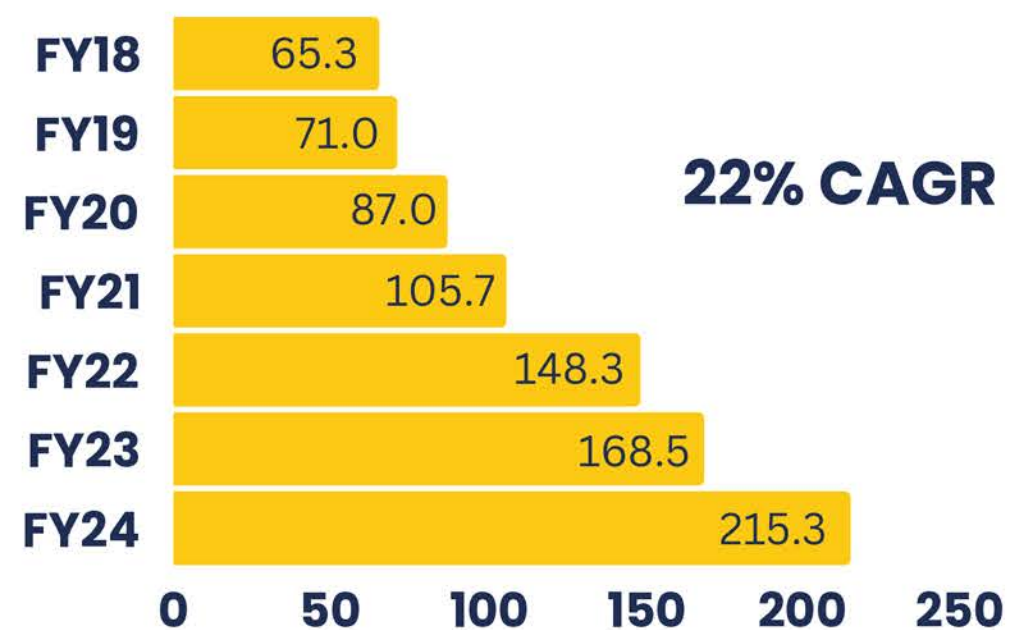
1. All metrics are underlying unless otherwise stated.

FINANCIAL TRACK RECORD ¹

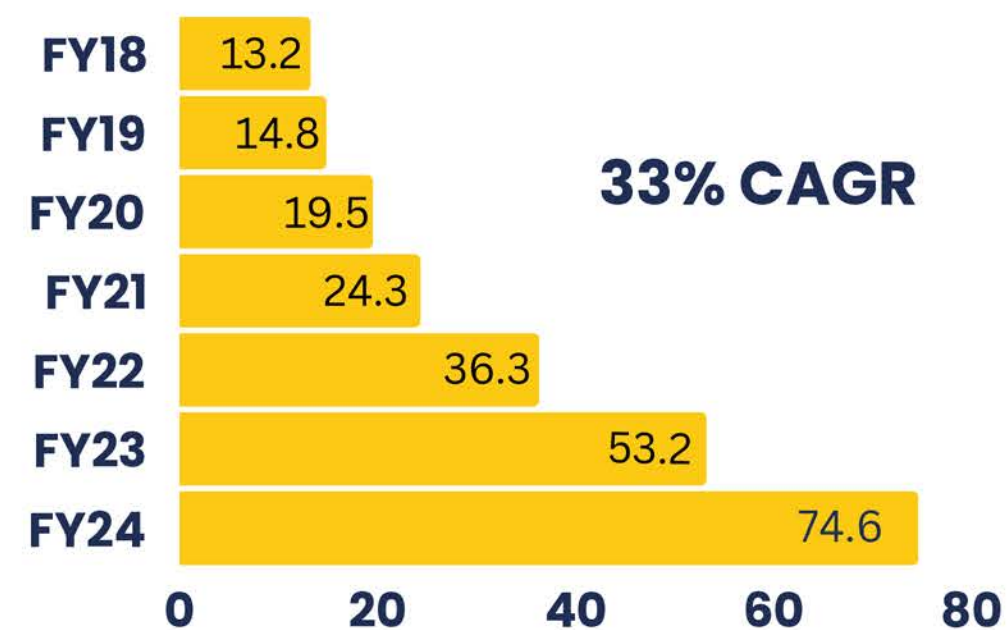
EPS and ROE impacted by full tax status (vs. 8% in PCP)



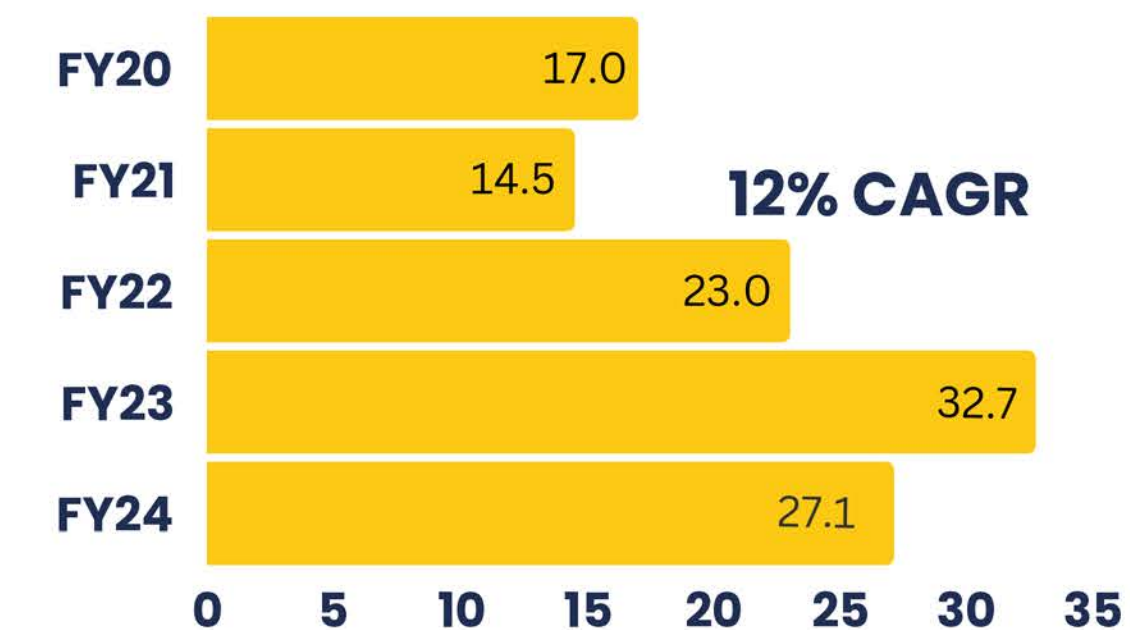
REVENUE (\$m)



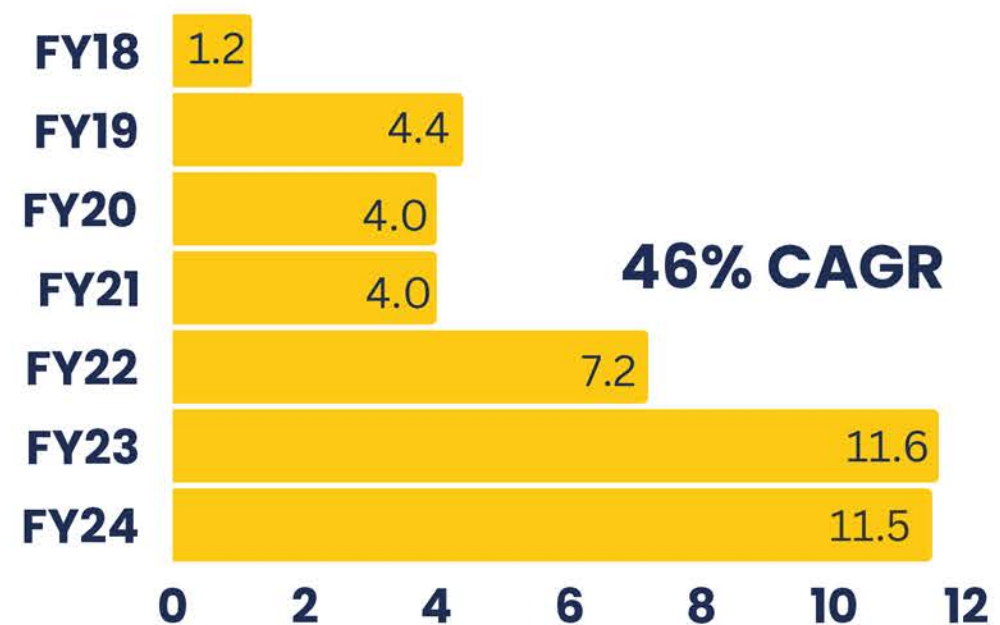
EBITDA (\$m)



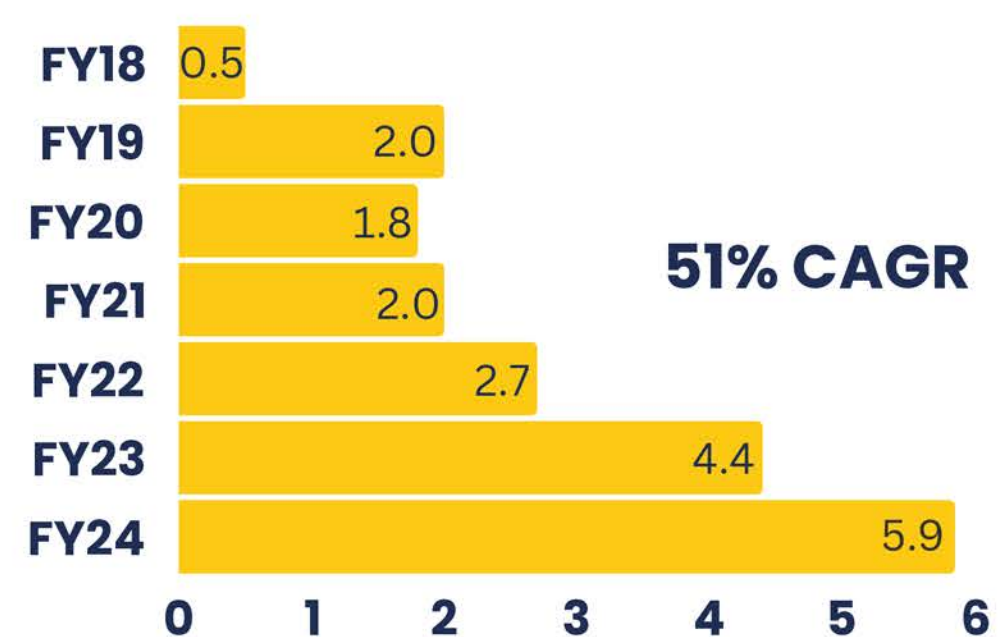
ROE (%)



EARNINGS PER SHARE (¢)



DIVIDENDS PER SHARE (¢)



1. All metrics are underlying unless otherwise stated.

KEY OPERATIONAL ACHIEVEMENTS FY24



INDUSTRIAL ACCESS ACQUISITIONS

Successfully acquired leading industrial access businesses – MI Scaffold/ Benchmark Scaffolding in Queensland



ORGANIC/CROSS-SELL GROWTH CONTINUES

Our first 3 x screens projects secured in WA in conjunction with our Jumpform system



RECORD SECURED HIRE CONTRACTS/PIPELINE

Hire contracts secured up 17% YoY
Pipeline up 33% YoY



JUMPFORM

16 contracts secured with a pipeline of over \$42.5m . Continuing to gain market share and repeat clients



SCREENS

Revenue up substantially to \$15.9m. Secured Acrow's largest screens project to-date of \$2.5m on Meriton projects



MARQUEE PROJECTS

Recent marquee project involvement includes Melbourne North East Link & Western Sydney Airport Rail

OUR BRAND

RAISING THE STANDARD








- ❖ Rebrand in Sept'23
- ❖ Reimagined Acrow
- ❖ Drive collaboration & connection
- ❖ Emphasis on product development
- ❖ "Best in Breed" approach



STRATEGY FOR SUSTAINABLE, PROFITABLE GROWTH

BROAD PRINCIPLES



-  A clear, concise strategy that underpins the continued profitable growth of the business.
-  Diversification of revenue streams across our core product and service offerings.
-  Placing an equal importance on both our Formwork and Industrial Access businesses.
-  Maintain a disciplined approach to return on investment for both capex and M&A opportunities.
-  Focus on the **Acrow Way** of operating with specific focus on:



Safety



People development across all areas



Engineering excellence



Internal Product Development







Superior Customer Service/Outcomes



Best in Breed across all business areas

FORMWORK



-  Focus on organic growth opportunities through our diverse product range and geographic reach, with specific focus on cross selling.
-  Capture market share across all state markets.
-  Capitalise on industry specific/market specific tailwinds.
-  Launch innovative, internally developed products that offer competitive advantages over existing solutions and unlock new revenue streams.

INDUSTRIAL ACCESS



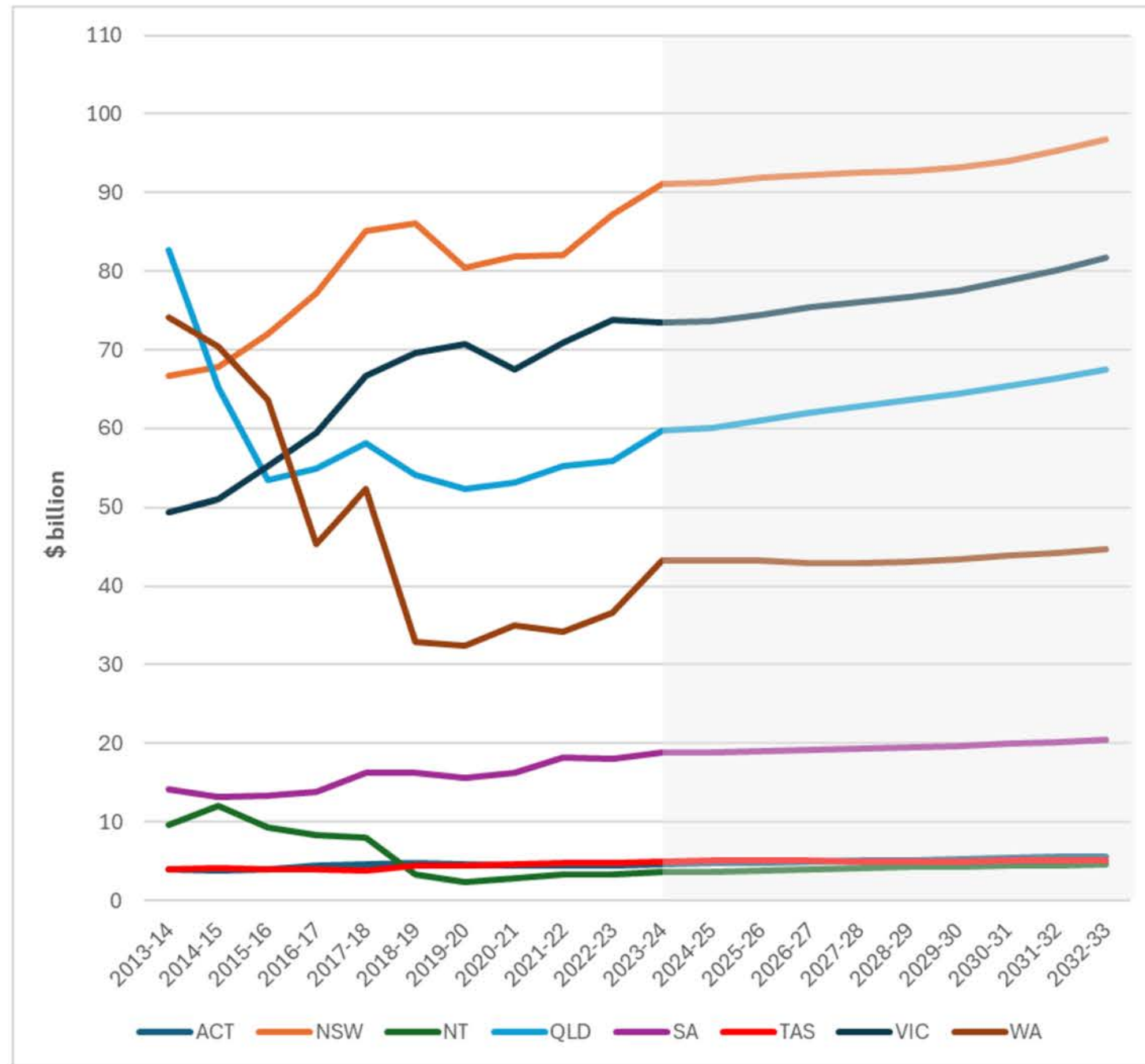
-  Become the Australian market leader in the provision of Industrial Access Services.
-  Develop a national footprint via both M&A activity and targeting major contracts in geographic markets.
-  Harness the unique expertise of each branch to establish a distinct **Acrow Way** of delivering services to the market.
-  Leverage our operational scale to pursue larger contracts that benefit from shared equipment and manpower across our network.
-  Create a best-in-class training and development program aimed at cultivating talent that embodies the **Acrow Way**.

OPPORTUNITIES & OUTLOOK

CONSTRUCTION ACTIVITY FORECASTS

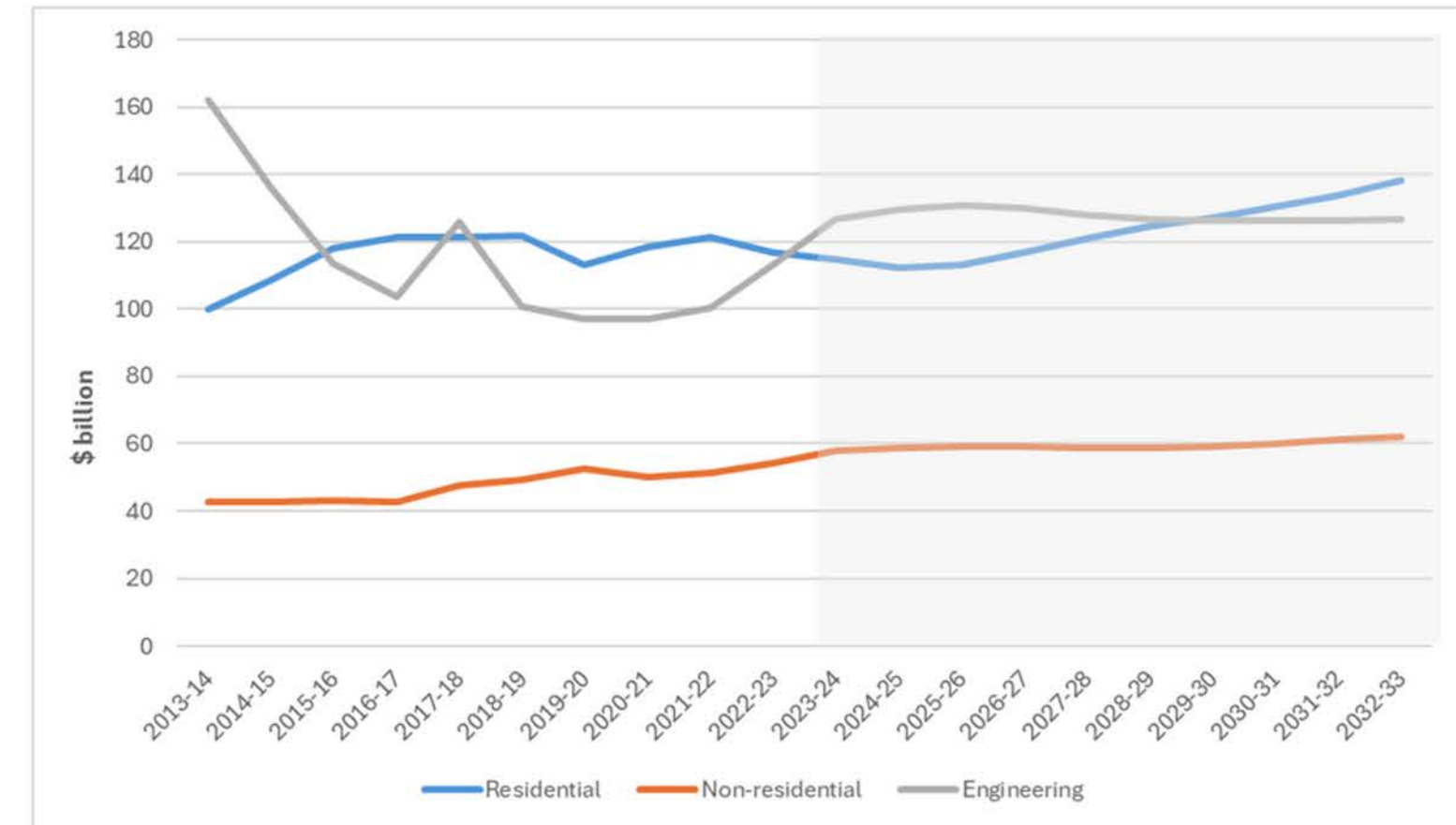


TOTAL BUILDING & CONSTRUCTION WORK – FORECAST



*Source: ACIF forecasts May 2024

TOTAL VALUE OF WORK PER SECTOR – FORECAST



RESIDENTIAL BUILDING

- New houses
- New other residential (apartments & townhouses)
- Large alterations & additions
- Other (mainly small alterations & additions)

NON-RESIDENTIAL BUILDING

- Accommodation
- Educations
- Entertainment & recreation
- Health & aged care
- Industrial
- Miscellaneous
- Offices
- Other commercial
- Retail & wholesale

ENGINEERING CONSTRUCTION

- Roads
- Bridges, railways & harbours
- Electricity & pipelines
- Water & sewerage
- Telecommunications
- Heavy industry incl. mining
- Recreation & other

UPCOMING MAJOR PROJECTS



North East Link Program, VIC

\$ 16.0Bn+

- North East Link tunnels to fix Melbourne's freeway network
- Biggest investment in Melbourne's north-east
- Completes Ring Road in Greensborough
- Overhauls Eastern Freeway
- Builds Melbourne's first dedicated busway
- Creates North East Trail with 34+ km walking/cycling paths
- \$7m contracts secured to date



Suburban Rail Loop, VIC

\$ 30.0Bn+

- Preferred bidder announced for the second tunnelling contract
- 90km rail line linking major train services from Frankston to Werribee via Melbourne Airport
- Three transport super hubs at Clayton, Broadmeadows & Sunshine
- Connects regional services, eliminating the need to travel through the CBD
- Delivered in 4 stages



T2D Torrens to Darlington, SA

\$ 15.4Bn+

- T2D Project final 10.5km of the North-South Corridor
- Main construction starts in 2025; TBM tunnelling for Southern Tunnels begins in 2026
- Southern Tunnels open to traffic in 2030 after fit-out and commissioning
- Entire T2D Project open to traffic in 2031



Sydney Metro West, NSW

\$ 2.6Bn+

- Sydney Metro West: newest metro rail proposal
- Initial route: Sydney CBD to Westmead
- Stations: White Bay, Five Dock, Burwood North, North Strathfield, Sydney Olympic Park, Parramatta
- Planned extension to Western Sydney Airport at Badgery's Creek
- First contract awarded for Aerotropolis Station: \$1.05 million

UPCOMING MAJOR PROJECTS CONT.



Melbourne Airport Rail, VIC

\$ 10.0Bn+

- Melbourne Airport Rail: connects airport to Victoria's train network
- Route: Melbourne Airport to Sunshine Station, through Metro Tunnel to CBD
- Continues on Cranbourne and Pakenham lines



Brisbane Olympics 2032

\$ 3.0Bn+

- Most venues still to be confirmed
- Chandler Indoor Sports Centre
- Brisbane Arena
- Northshore Hamilton Athletes Village



Coomera Connector

\$ 2.2Bn+

- Stage 1 section of the Coomera Connector between Coomera & Nerang has been identified as a priority section to be built
- By constructing additional crossings of the Coomera and Nerang Rivers, Stage 1 of the Coomera Connector will reduce pressure on the M1 by providing an alternative route for the growing communities & commercial hubs of Helensvale & Coomera



QLD Hospital Upgrades

\$ 8.0Bn+

- New Toowoomba Hospital \$1.3b
- New Coomera Hospital \$1.3b
- New Bundaberg Hospital \$1.2b
- Redcliffe Hospital Exp \$1.06b
- Ipswich Hospital Exp Stage 2 \$710m
- Logan Hospital Exp Stage 2 \$530m
- Townsville University Hospital Exp \$530m
- QEII Hospital Exp \$465m
- PA Hospital Exp \$350m
- Prince Charles Hospital Exp \$300m
- Cairns Hospital Exp \$250m
- Mackay Hospital Exp \$250m

SECURED HIRE CONTRACTS AND PIPELINE

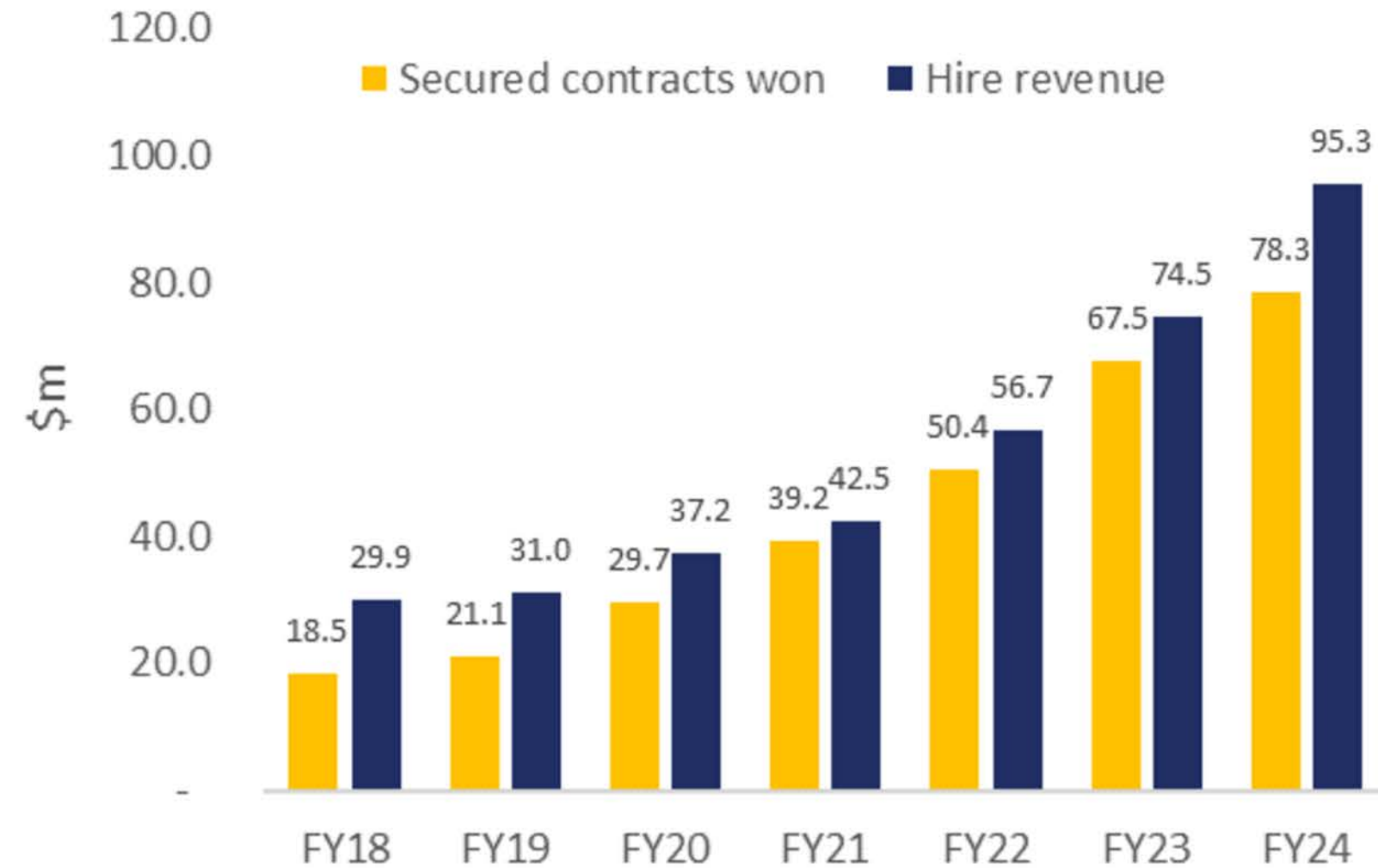
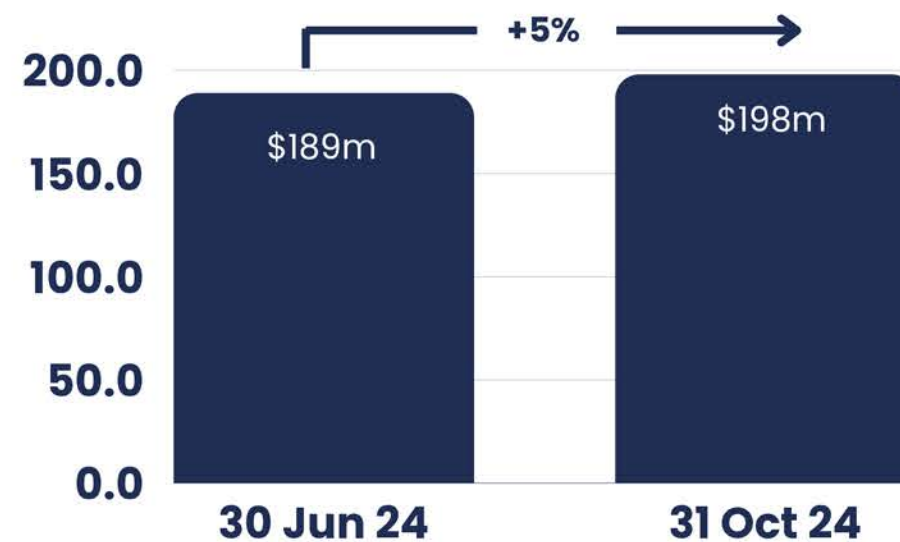


Strong lead indicators for hire revenue

HIRE CONTRACTS WON



Pipeline



Key lead indicator for future performance

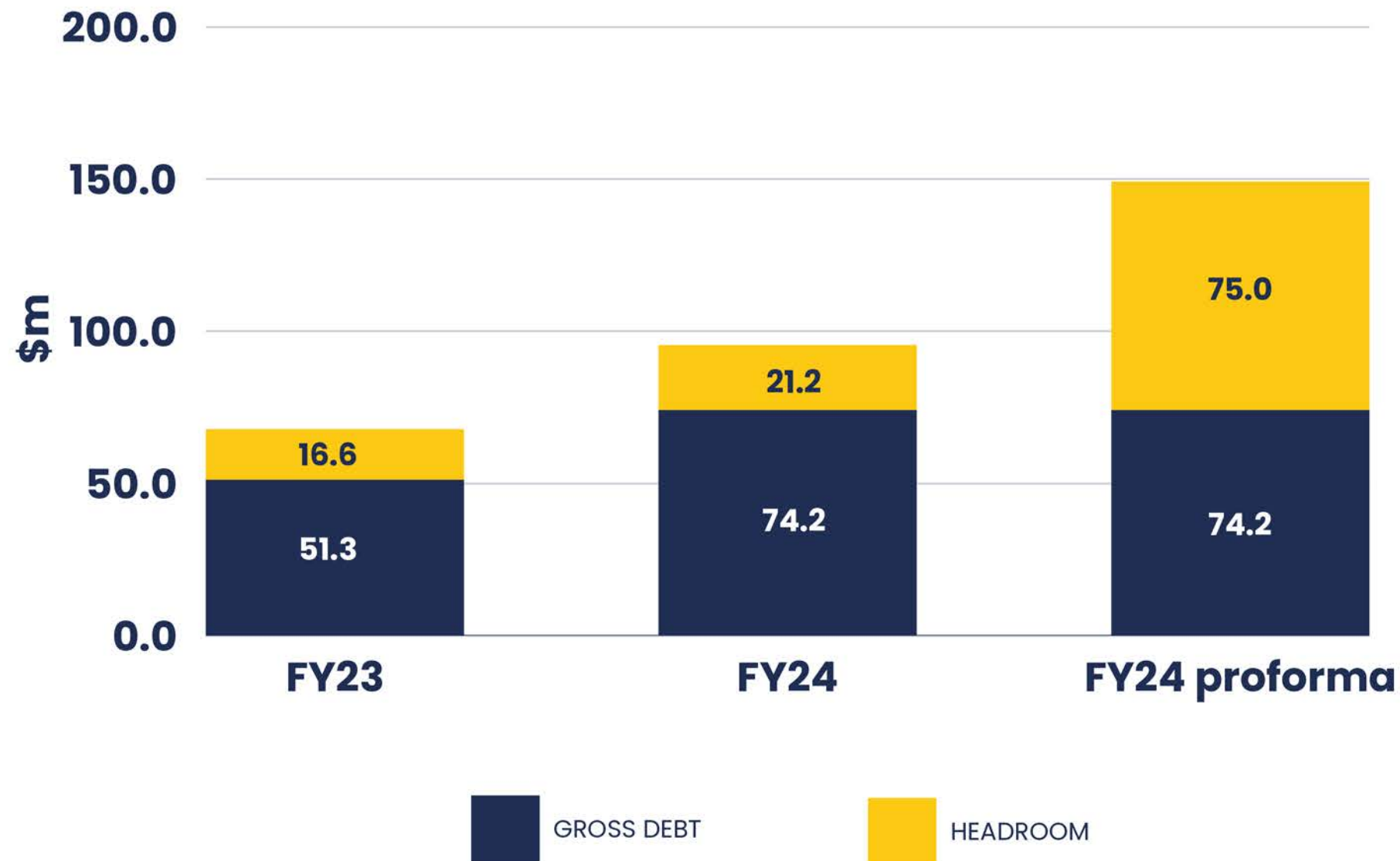


Linear relationship between secured contracts won and hire revenue

FUNDING AND LIQUIDITY



TOTAL AVAILABLE HEADROOM – ~\$75.0M



Debt facility with Westpac Banking Corporation expanded by \$56 million on 1 October 2024



Proforma headroom of approximately \$75 million, based on 30 June 2024 debt position








Business loan facility expanded by \$41 million to \$84 million. The facility is provided on an interest only basis, maturing in September 2027



Provides balance sheet and cashflow flexibility enabling the Company to pursue non-dilutionary, small to medium sized acquisitions in line with our acquisition growth strategy

FY25 OUTLOOK AND GUIDANCE



-  Medium term outlook is very strong, with record levels in both secured hire contracts and pipeline.
-  General Formwork business positioned to take advantage of substantial pipeline of projects both civil and commercial, including QLD hospital & Brisbane Olympics projects, that will commence from 2H FY25 and into FY26.
-  Further Formwork growth to be delivered via new revenue channels across Acrowdeck, jacking systems, screens and other internally developed proprietary products.
-  Strong outlook for Industrial Access division with better than budgeted performance from recently acquired businesses and further growth from both organic opportunities and targeted M&A.
-  Commercial Scaffold hire revenue down – prices and volumes reducing but stabilising above historic levels.

EARNINGS GUIDANCE

Metric (underlying)	1H FY25	%chg on pcp*	FY25	% chg on pcp*
Revenue	\$125.0 – 130.0m	+26%	\$265.0 – 280.0m	+27%
EBITDA	\$38.5 – 39.5m	+11%	\$82.0 – 88.0m	+14%

*midpoint

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Steven Boland
MD & CEO

Raising the **Standard** in Construction.