

30 April 2025

ACROW STRENGTHENS INDUSTRIAL ACCESS DIVISION WITH ACQUISITIONS OF BRAND AUSTRALIA AND ABOVE SCAFFOLDING AND PROVIDES GUIDANCE UPDATE

Key Highlights

- Highly complementary industrial services acquisitions, materially enhancing Acrow's Industrial Access division, delivering new blue-chip customers & service offerings, and bolstering Acrow's geographic presence in NSW
- Consistent with Acrow's growth strategy and valuation criteria of paying approximately 4.0 times upfront EV/EBITDA consideration multiples and immediately EPS accretive on underlying and pro-forma basis, before synergies
- Acquisitions in aggregate expected to contribute FY26 revenue and EBITDA (Pre-AASB 16 and synergies) of around \$40 million and at least \$6 million, respectively
- Acquisitions will be fully funded through the recently expanded Westpac debt facility
- FY25 guidance update - reflects ongoing delays in the commencements of secured contracts across key market segments in both the public and private sectors. Pipeline and longer-term outlook remain buoyant

Acrow Limited (ASX: ACF) ("Acrow" or the "Company") is pleased to announce that it has entered separate binding arrangements to acquire 100% of the issued shares in Brand Energy and Infrastructure Services Australia Pty Ltd ("Brand Australia") and Above Scaffolding Pty Ltd ("Above Scaffolding") (together the "Acquisitions") for a total upfront consideration of \$23 million, plus a potential earn-out of up to \$6 million for Above Scaffolding.

Both businesses are well-regarded in their respective markets and are strong standalone businesses offering potentially significant revenue and cost reduction synergies once integrated into the existing Acrow business. The Acquisitions are consistent with Acrow's investment criteria and acquisition strategy, delivering a highly complementary blue-chip customer base and service offerings, primarily across the New South Wales Hunter Valley region and the greater Sydney basin.

The acquisition of Brand Australia comprises of only upfront cash consideration, given it is being acquired from BrandSafway, a leading and international specialty provider of industrial services and access solutions. The acquisition of Above Scaffolding will include additional earn-out consideration of up to \$6.0 million, based on the financial performance of Above Scaffolding in FY26 and FY27.

Before synergies, the Acquisitions are expected to generate FY26 revenue of approximately \$40 million and normalised pre-AASB 16 EBITDA of at least \$7 million. In the case of these specific transactions, the Acquisitions in aggregate imply an EV/EBITDA multiple of less than 4x. The Acquisitions will be funded utilising the existing Westpac debt facility and are expected to be

immediately earnings accretive. Both acquisitions are expected to complete and be economically effective from 1 May 2025.

Steven Boland, CEO of Acrow, described the Acquisitions as highly attractive and aligned with Acrow's strategic plan.

"Following the success of the MI Scaffold and Benchmark Scaffolding acquisitions in Queensland in late 2023 and early 2024, we are excited by the opportunities that both Brand Australia and Above Scaffolding present."

"Brand Australia has a particularly strong market position in the power generation and resources sectors across the Hunter Valley region and also has a small presence in Gladstone which is complementary to MI Scaffold. The acquisition of this business broadens Acrow's service offering to the important industrial sectors, with an opportunity to deliver reasonably substantial cost-out synergies."

"Above Scaffolding has a very strong reputation for providing highly complex and engineered access solutions across Sydney to a range of infrastructure, defence and industrial customers. Key customers include Transport for NSW (Sydney Harbour Bridge), Thales (Garden Island) and Sydney Water. The business has recently secured a key contract on the iconic Sydney Harbour Bridge that will contribute to an uplift in revenue over the next two years, with opportunities for further growth on that particular site."

"Together, these Acquisitions deliver highly complementary businesses to our Industrial Access division, creating a material geographic presence in the NSW market, with the potential to provide both substantial revenue uplift and cost reduction synergies overtime. Both businesses do not compete and are expected to be highly complementary, and we expect material opportunities for combined growth in the future via greater availability and utilisation of equipment and labour. We also see material longer term growth opportunities and benefits from access to Acrow's broader capabilities and resources."

"Both acquisitions are an excellent cultural fit, and we are excited to welcome these businesses into the Acrow family as we embark on the next phase of growth."

Overview of Brand Australia

Brand Australia is the Australian subsidiary of BrandSafway. With over 40,000 employees across approximately 30 countries globally, BrandSafway is a leading provider of specialised industrial services, access, forming and shoring solutions to industrial, infrastructure and commercial markets. Acrow will acquire all the operations and assets in Australia only via share sale agreement allowing BrandSafway to focus on its core overseas markets.

Brand Australia has a strong reputation in the Australian market and particularly the Hunter Valley region with longstanding customer contracts and relationships. Brand Australia provides scaffolding, industrial access solutions and ancillary specialist services including insulation and coatings.

Given the corporate divestiture nature of the acquisition, Acrow will have a transitional services agreement and access to the BrandSafway brand for an agreed period of time to integrate the acquisition.

Overview of Above Scaffolding

Founded in 1995, Above Scaffolding is a provider of safe, multifunctional and sophisticated access solutions to the NSW market. Customers include top tier contractors and government authorities across infrastructure, industrial, construction and maritime markets. Above Scaffolding combines industry-leading in-house engineering capabilities with leading access solutions including the Layher Scaffolding System and Skyclimber Swinging Stage System to meet highly complex access requirements. Landmark sites include the Sydney Harbour Bridge, Sydney Opera House and Barangaroo.

Guidance Update

Delays in the commencement of secured contracts persist nationwide, driven by ongoing global and domestic economic uncertainty. This challenge is widespread, affecting both the public and private sectors. While the pipeline of opportunities remains strong, the timing of project starts is unpredictable, impacting short-term visibility and activity levels.

While it is encouraging that the Queensland Government has now completed its 100-day Brisbane 2032 Olympic and Paralympic Games review, overall activity levels in the state remain subdued.

However, we remain confident in the medium to long-term outlook, particularly in Queensland, where we anticipate a significant uplift in activity as projects associated with the Brisbane 2032 Olympics begin to move into the execution phase.

Year to date, our secured hire contracts are up 35%, compared to the previous corresponding period. Under normal trading conditions, this would have contributed a significant uplift in hire revenues. We estimate that the current year's EBITDA has been impacted by approximately \$9m, due to the work that has been secured but delayed into FY26. Nonetheless, we remain highly optimistic about the potential for a significant uplift in EBITDA in FY26.

As such, the Acrow Board provides a guidance update for the financial year ended 30 June 2025 (FY25). A summary is as follows:

Metric (underlying)	FY25 guidance (previous)	FY25 guidance (current)	% change on PCP¹
Sales	\$265.0m - \$280.0m	\$260.0m - \$270.0m	+23%
EBITDA	\$82.0m - \$88.0m	\$80.0m - \$83.0m	+9%
NPAT	\$35.5m - \$37.5m	\$32.5m - \$35.0m	+2%
EPS	11.5 - 12.0cps	10.5 - 11.5 cps	-5%

This release was approved by the Acrow Board of Directors.

¹ Reflects percentage change on FY24 actual to midpoint of current guidance

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About Acrow

Acrow Limited (ASX: ACF) is a leading provider of smart integrated construction systems across formwork, industrial access 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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