



**Acrow Formwork &
Construction Services Limited**



Results Presentation

FY20 Full Year Financial Results

25 August 2020

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Sales contribution

Formwork 66%

Comm. Scaffold 25%

Ind. Scaffold 9%

National footprint
- 6 states
- 10 depots

Customers
1,300

Employees
245 FTE

Enterprise Value
\$92m

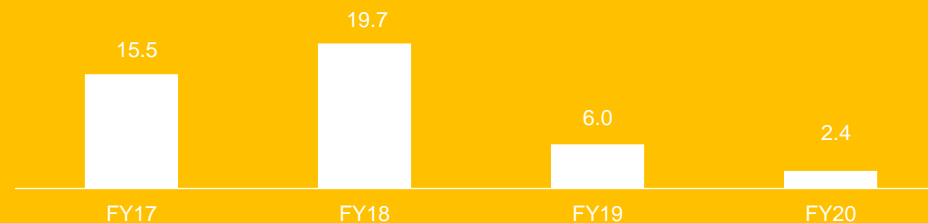
Annualised Revenue²
\$100m

Replacement value
>\$130m

Incorporated
1950

Listed
Apr 2018

Lost Time Injury Freq. Rate



1. Acrow adopted Accounting Standard AASB 16 Leases, effective 1 July 2019. For comparative purposes the FY20 results provided in this presentation have been adjusted to exclude the impact of the adoption of AASB 16 (unless otherwise stated). 2. Annualised 2H20 revenue



Become the leading Engineered **Formwork Sales & Hire Equipment Solutions** provider in Australia



Become the leading Engineered **Scaffold Solutions** provider to the Australian Industrial Scaffold market



Recruit train and retain the best management and engineering **Talent** to drive the business

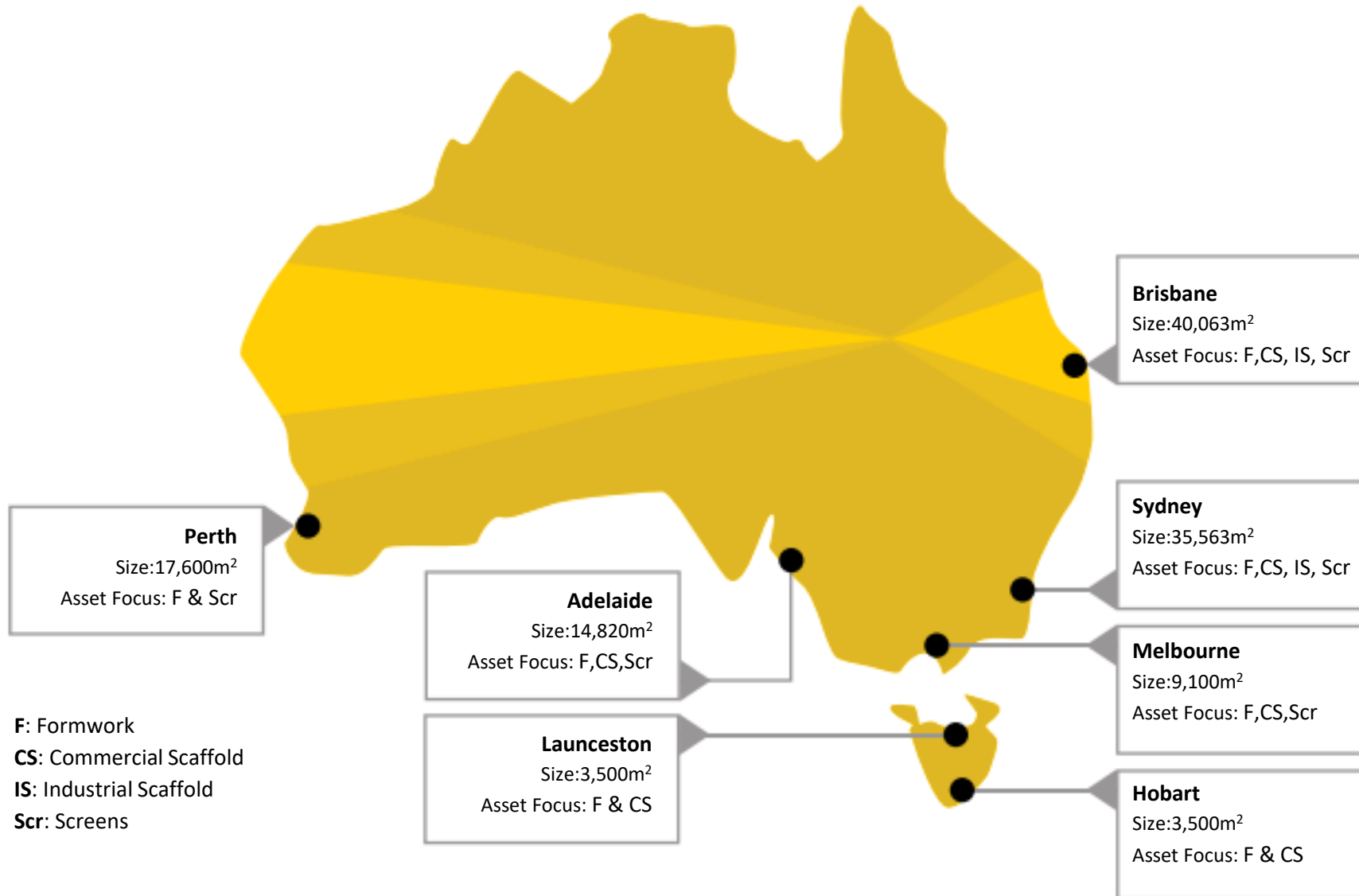


Target High ROI **Organic Growth** opportunities across States, cross-sell and new products



Earnings accretive **Acquisitions** primarily across formwork solutions but may include strategically positioned scaffold businesses (especially in industrial space)

Uniquely positioned nationally to offer a full suite of formwork, scaffold, screening products and services across all segments of the construction and industrial maintenance markets



ACROW

SINCE
1936

KEY HIGHLIGHTS



KEY ACHIEVEMENTS – 2H20

Uni-span integration complete

\$2.2m in annualised cost savings exceed initial estimates

COVID-19 response

Co-ordinated response resulted in >\$6m in reduced cash outflow (c.\$3.2m at Jun-20)

Record pipeline & secured contracts

Pipeline up 63% and secured contracts up 62% on FY19 levels

Expanded offering & footprint

Fully integrated product offering across Acrow/Uni-span/ULMA/Natform & across all states

Improved cash position

Improved cashflow from strong 2H20, COVID-19 mitigation, and reduced debtor days (-7 days)

Natform record qtly revenue

Recorded highest quarterly (4Q20) revenue since acquisition

KEY FINANCIALS – FULL YEAR 20¹

REVENUE

\$87.0m

+ 22%

EBITDA

Pre-AASB16

\$15.0m +30%

Post-AASB16

\$19.5m²

NPAT

Pre-AASB16

\$9.0m +20%

Post-AASB16

\$7.9m²

NET DEBT

\$14.6m

+\$10.9m

SALES

CONTRIBUTION
MARGIN

59.8%

FULL YEAR
DIVIDEND

1.05cps (ff)

OP. CASH
PROFIT³

\$11.2m

+27%



1. Underlying performance. Comparisons are to the previous full year. 2. No comparative data available. 3. Defined as EBITDA less maintenance capital expenditure less tax paid.



NATFORM



ULMA

KEY FINANCIALS – 2ND HALF 20¹

REVENUE

\$48.9m

+ 39%

EBITDA

Pre-AASB16

\$9.5m +102%

Post-AASB16

\$11.6m²

NPAT

Pre-AASB16

\$6.6m +115%

Post-AASB16

\$5.8m²

NET DEBT

\$14.6m

-\$2.9m³

SALES
CONTRIBUTION
MARGIN

58.5%

FINAL
DIVIDEND
1.05cps (ff)

OP. CASH
PROFIT⁴
\$6.8m
+21%

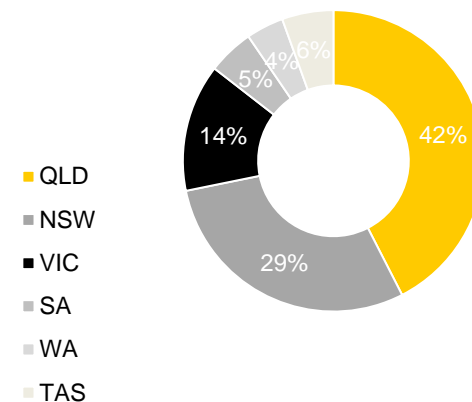


1. Underlying performance. Comparisons are to the PCP (unless otherwise stated). 2. No comparative data available. 3. Comparison to Dec-19. 4. Defined as EBITDA less maintenance capital expenditure less tax paid.

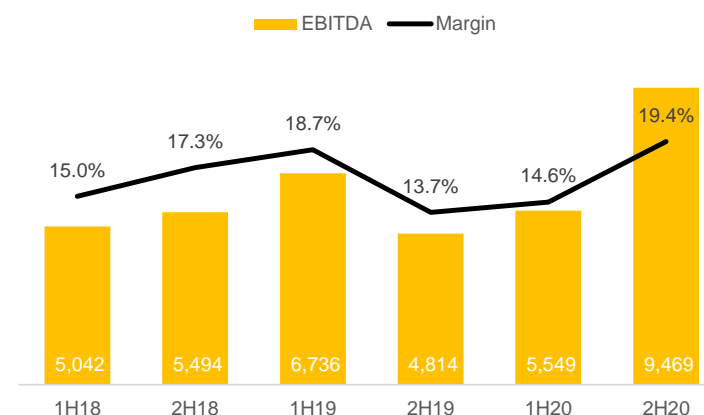
EXECUTIVE SUMMARY

- ❑ FY20 Operating performance (vs. PCP):
 - Revenue of \$87.0m, +22%
 - Sales contribution of \$52.0m, +22% and Contribution margin of 59.8%, -20bps
 - Underlying EBITDA of \$15.0m, +30% (\$19.5m, post adoption - AASB16)
 - Final dividend 1.05cps (fully franked), previously 1.0cps (unfranked)
 - Operating cash profit of \$11.2m, +27%
- ❑ Strong 2H20 performance – Revenue +39%, EBITDA +102% on PCP
- ❑ COVID-19 mitigation measures implemented effectively. No cases reported in FY20. Minimal disruption to operations
- ❑ Uni-span integration successfully completed. Annualised cost savings of \$2.2m (vs estimate of \$1.5m - \$2.0m). Teams fully integrated
- ❑ Natform - 4Q20 revenue and profit best since being acquired.
- ❑ Strong cash generation in 2H20, assisted by strong 2H20 EBITDA contribution, COVID-19 mitigation measures, and improved cash collections, resulted in \$2.9m net debt reduction on Dec-19 levels
- ❑ Increased focus on equipment sales across the group – 17% of revenue
- ❑ Currently comfortable with broker EBITDA (pre-AASB16) forecast range for FY21 (\$17.0m - \$17.5m)
- ❑ Well positioned to benefit from large government funded civil infrastructure projects across the East Coast of Australia







Total Revenue by Geography (FY20)



EBITDA & Margin



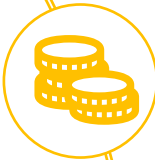
COVID-19 RESPONSE

-  Immediate implementation of risk mitigation measures
-  No lost days or cases of COVID-19 across all operations
-  In excess of \$6m in reduced cash outflows over six months (to Sep-20)
-  Six-month deferral of debt repayments and extension of loan agreements
-  Re-negotiation and extension of leases
-  Cancellation of interim dividend payment

UNI-SPAN INTEGRATION COMPLETE



Integration completed on schedule



Annualised cost savings of \$2.2m - exceed original projections of \$1.5m - \$2.0m



Two Uni-span depots closed and operations consolidated into Acrow depots



Sales and Eng. teams fully integrated – enhanced capabilities in other disciplines



Operations significantly expanded in Victoria



Revenue synergies materialising across all Acrow operational sites

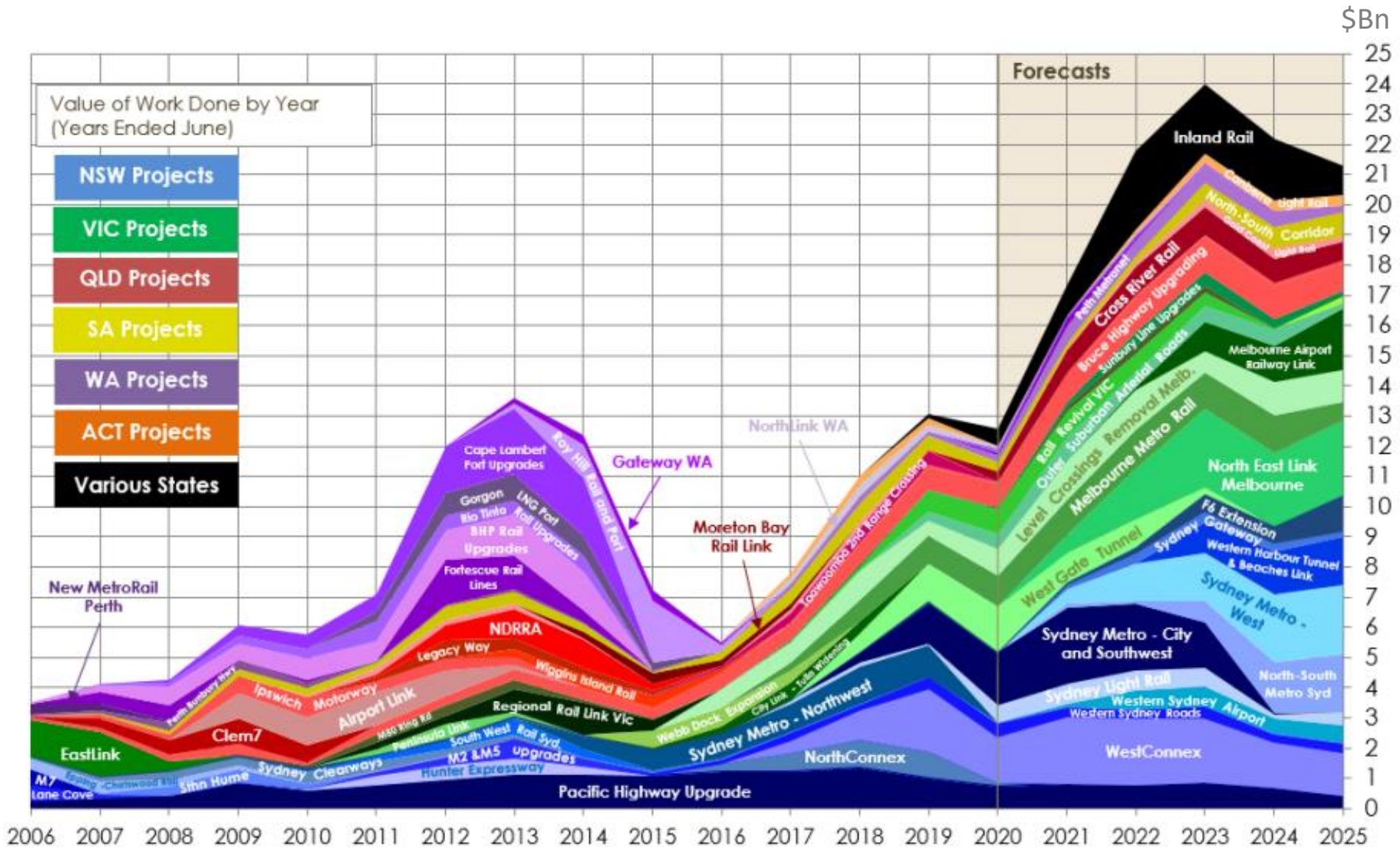
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MARKET & BUSINESS OVERVIEW



MAJOR TRANSPORT INFRASTRUCTURE PROJECTS - AUST



Source: Macromonitor Jul 20

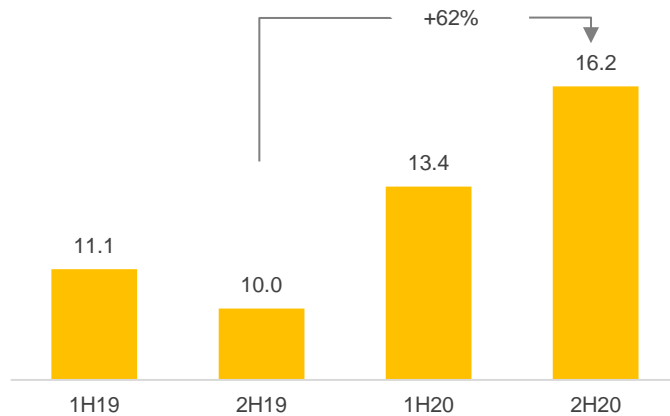
STATE OF THE MARKETS

State	Civil	Commercial	Industrial	Residential
Queensland	●	●	●	●
New South Wales	●	●	●	●
Victoria	●	●		●
South Australia	●	●		●
Western Australia	●	●		●
Tasmania	●	●		●

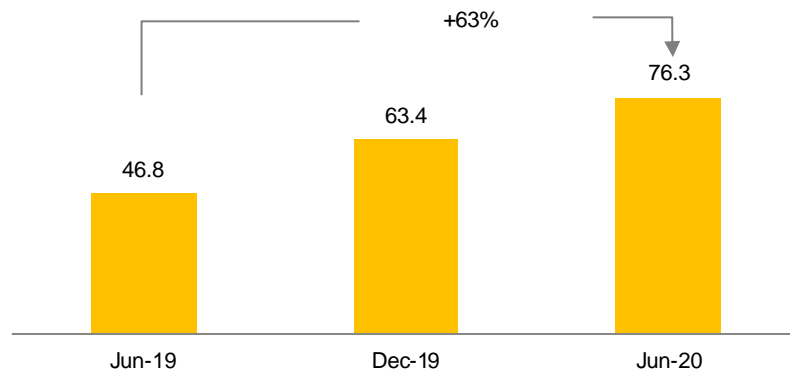
 Good
  Stable
  Soft

ACROW EQUIPMENT HIRE WINS AND PIPELINE

Hire Contracts Won (\$m)



Current Pipeline – Potential Hire Revenue (\$m)



- Equipment hire contracts up 62% in 2H20 on PCP, boosted by contributions from Formwork (VIC), Natform (NSW), and Industrial Scaffold (Qld)
- Integrated sales teams executing on cross-sell opportunities
- Current pipeline of equipment hire opportunities continues at record levels, up 63% on June-19 levels, and assisted by:
 - Uni-span contribution across all states;
 - increasing recognition of Acrow capabilities across NSW and VIC; and
 - uplift in Natform screen opportunities across NSW and VIC

Current Hire Contracts Won and Pipeline at record levels

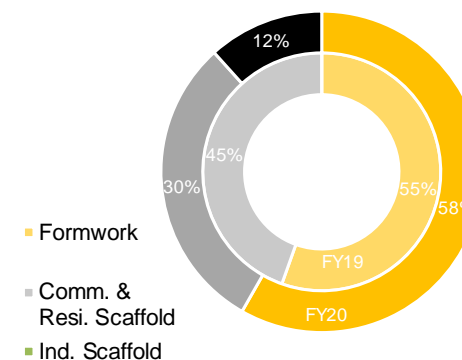
SEGMENTAL BREAKDOWN

Pre- AASB16						
Year end 30 June (\$000)	FY19	1H20	2H20	FY20	2H20/ 2H19	FY20/ FY19
Formwork	39,370	20,631	30,045	50,676	50%	29%
Comm. & Resi Scaffold	31,640	13,899	12,250	26,149	-14%	-17%
Industrial Scaffold	-	3,592	6,568	10,159	na	na
Total Revenue	71,010	38,122	48,863	86,984	43%	22%
Formwork	27,586	15,038	19,167	34,205	34%	24%
Comm. & Resi Scaffold	15,029	6,549	6,377	12,926	-2%	-14%
Industrial Scaffold	-	1,796	3,048	4,845	na	na
Total Contribution	42,615	23,384	28,593	51,976	37%	22%
<i>Contribution Margin</i>	<i>60.0%</i>	<i>61.3%</i>	<i>58.5%</i>	<i>59.8%</i>	<i>-4%</i>	<i>0%</i>
Yard Related Expenses	13,977	7,775	7,446	15,221	-2%	9%
Labour	14,029	7,809	9,454	17,263	31%	23%
Other	3,060	2,250	2,224	4,474	64%	46%
Total Overheads	31,065	17,834	19,124	36,958	18%	19%
Underlying EBITDA	11,550	5,549	9,469	15,018	102%	30%
<i>Margin</i>	<i>16.3%</i>	<i>14.6%</i>	<i>19.4%</i>	<i>17.3%</i>	<i>41%</i>	<i>6%</i>

Post- AASB16			
Year end 30 June (\$000)	1H20	2H20	FY20
Underlying EBITDA (pre-AASB16)	5,549	9,469	15,018
<i>add back: Other (leases)</i>	<i>2,312</i>	<i>2,131</i>	<i>4,443</i>
Underlying EBITDA (post-AASB16)	7,861	11,600	19,461

- FY20 includes 8-months contribution from Uni-span
- Formwork division reported a 29% increase in revenue on the prior year
- Commercial & Residential Scaffold division impacted by strategic exit of two-storey residential
- Industrial Scaffold a strong revenue and profit contributor
- Group Sales Contribution up 22% on PCP. Sales Contribution margin down 20bps to 59.8%
- Total overheads up 19% on PCP, reflecting Uni-span acquisition.
- Strong cost discipline, Yard and Other costs down 2H vs. 1H.

Revenue by Business Unit

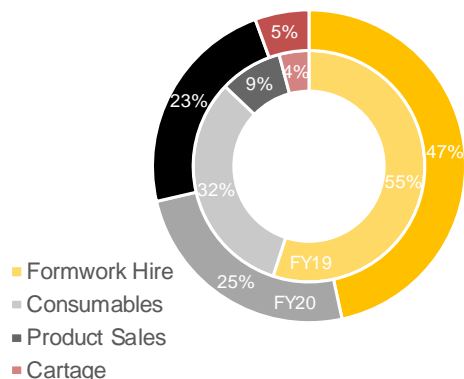


FORMWORK DIVISION

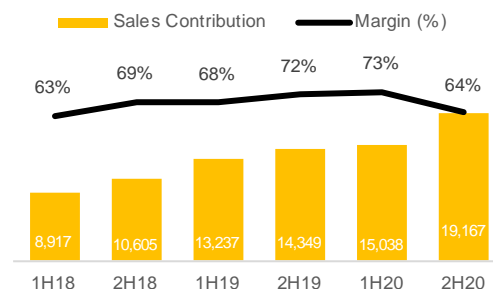
Year end 30 June (\$000)	FY19	1H20	2H20	FY20	2H20/ 2H19	FY20/ FY19
Formwork Hire	21,666	11,164	12,455	23,619	10%	9%
Consumables	12,631	6,247	6,313	12,559	2%	-1%
Product Sales	3,434	2,268	9,400	11,668	436%	240%
Cartage	1,640	953	1,877	2,830	229%	173%
Total Revenue	39,370	20,631	30,045	50,676	56%	29%
Formwork Hire	21,666	11,164	12,455	23,619	10%	9%
Consumables	3,914	2,337	1,942	4,279	-1%	9%
Product Sales	1,760	1,394	4,257	5,651	334%	221%
Cartage	246	143	513	656	417%	267%
Total Contribution	27,586	15,038	19,167	34,205	35%	24%
<i>Contribution Margin</i>	<i>70.1%</i>	<i>72.9%</i>	<i>63.8%</i>	<i>67.5%</i>	<i>-14%</i>	<i>-4%</i>

- Formwork division revenue up 29% on PCP. 2H20 up strongly (+56% - skewed to 4Q20), assisted by 8-months of Uni-span, strong growth in product sales and improved trading from Natform
- Strong formwork hire revenue growth in VIC +17%
- Product sales now comprises 23% of revenue, up from 9% in PCP, reflecting Uni-span contribution, plus greater focus on equipment sales by traditional Acrow business
- Cartage revenue contribution relates to service provision on civil infrastructure growth in NSW and VIC, plus Sun-metals contract
- Sales Contribution at record levels, up 24% on PCP to \$34.2m. Sales Contribution margin down 260bps to 67.5%, associated with larger sales contributions from lower margin Product Sales and Cartage
- Sizeable contract wins and extensions to existing contracts at Sun-metals, Queens Wharf, Sydney and Melbourne Metro Rail, and Melbourne Western Distributor projects
- Natform screens awarded “Eighty-Eight by JQZ” and “The Landmark” projects in Sydney worth c.\$1.6m
- Current pipeline of opportunities continues to grow, across all East Coast markets

Revenue by Business Unit



Contribution & Margin

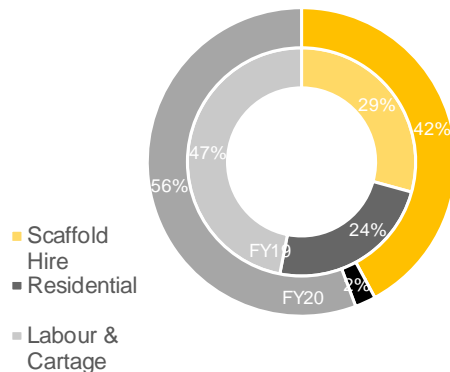


COMMERCIAL & RESIDENTIAL SCAFFOLD DIVISION

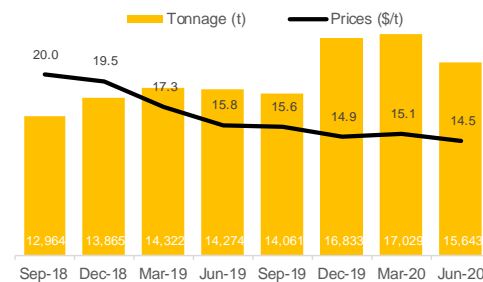
Year end 30 June (\$000)	FY19	1H20	2H20	FY20	2H20/ 2H19	FY20/ FY19
Scaffold Hire	9,257	5,135	5,876	11,012	47%	19%
Residential	7,529	569	1	570	-100%	-92%
Labour & Cartage	14,854	8,195	6,372	14,567	-7%	-2%
Total Revenue	31,640	13,899	12,250	26,149	-14%	-17%
Scaffold Hire	9,257	5,135	5,876	11,012	47%	19%
Residential	3,074	202	1	203	-100%	-93%
Labour & Cartage	2,698	1,212	500	1,712	-60%	-37%
Total Contribution	15,029	6,549	6,377	12,926	-2%	-14%
<i>Contribution Margin</i>	47.5%	47.1%	52.1%	49.4%	13%	4%

- Commercial & Residential Scaffold division revenue impacted by strategic exit of two-storey residential business in NSW & VIC
- Excluding two-storey residential business, divisional revenue was up 6% on the PCP, supported by contributions from Uni-span
- Sales Contribution declined 14%, but was up 6% excluding two-storey residential
- Margin was up 190bps to 49.4% on the PCP, due to larger scaffold hire contribution and exit from lower margin two-storey residential
- Scaffold hire prices softened throughout 2H20
- Activity levels are currently under some pressure due to Covid-19 restrictions

Revenue by Business Unit



Commercial scaffold hire tonnage and prices (qtrly average)



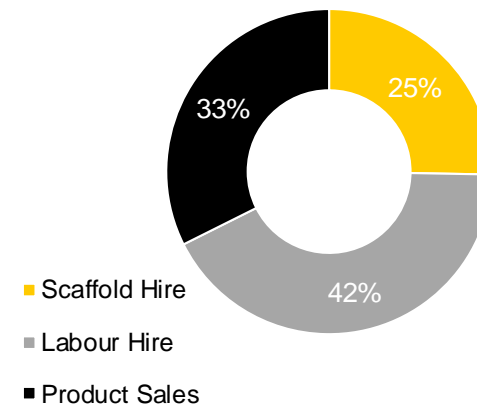
INDUSTRIAL SCAFFOLD DIVISION

Year end 30 June (\$000)	FY19	1H20	2H20	FY20
Scaffold Hire		650	1,919	2,569
Labour Hire		885	3,415	4,300
Product Sales		2,057	1,233	3,290
Total Revenue		3,592	6,568	10,159
Scaffold Hire		650	1,919	2,569
Labour Hire		220	978	1,198
Product Sales		927	151	1,078
Total Contribution		1,796	3,048	4,845
<i>Contribution Margin</i>		<i>50.0%</i>	<i>46.4%</i>	<i>47.7%</i>



- ❑ Result reflects 8-months contribution of sales and earnings from Uni-span
- ❑ Provides new client opportunities in the energy, mining and industrial sectors
- ❑ Business primarily QLD based. Opportunity to expand presence nationally with early contract wins in NSW market
- ❑ New markets - industrial scaffold equipment sale to PNG
- ❑ Recent Origin Energy renewal at Surat Basin facility (ASX announcement 17-Aug) underpins national growth strategy

Revenue by Business Unit



KEY CONTRACT WINS & EXTENSIONS

Project Name	Description	Est. Value
Sun-Metals - Townsville	Acrow/Unispan contract at the Sun-metals Zinc refinery in Townsville, commenced Dec 19 for 6 -12 months. Main contract awarded to Acrow by Western Downs contracting for the supply of Acrow Supercuplok for high strutting support to main buildings plus the supply of the complementary MK system for the main trusses. Additional work also secured on site including the supply of top up labour to multiple contractors including Zico Formwork, Watpac, Barrier Reef Contracting, Steuler Australia and RB Welding.	\$7.0m ⁺
Sydney Metro Rail	Multiple contracts awarded to Acrow from various contractors on the Sydney Metro Rail project including BKH Contractors Group and Lis-con Services, commencing Sept 19 for up to 18 months, with potential to grow. Packages to Lis-con included the engineering, design and supply of equipment for both the Marrickville and Chatswood dive sites, plus additional gear supplied at the Waterloo and Victoria Cross Stations. In addition Acrow was successful in securing a \$3.2m sales order to the BKH Contractors Group for the supply of Acrow Powershore to be used as heavy-duty slab support on the Barrangaroo Station project. Metro Rail project currently forecast to continue through to mid-2022. Acrow is well positioned to win additional contracts.	\$4.5m ⁺
Queens Wharf - Brisbane	Multiple contracts awarded to Acrow from both Heinrich Constructions and Beenleigh Steel, commenced May 20 for 18 to 24 months, with potential to grow. Main contract from Heinrich Constructions is for the supply of Acrow Supercuplok for high strutting formwork support on main towers, combined with the hire of heavy-duty propping support (Acrow Powershore) to Beenleigh Steel commencing Aug 20 for 10 to 12 months. Project expected to continue through to end-2022. Acrow well positioned to win additional contracts.	\$3.6m ⁺
Melbourne Metro Rail	Acrow contract direct with CYP Design & Construction JV for the Arden Street, CBD North and CBD South Stations, commencing Aug 19 for 18 months, with potential to grow. Multiple contracts awarded including the main contract for the Arden Street concourse slab support using Acrow GASS, plus the supply of Acrowall-80, Acrow Powershore, Acrow Supercuplok and MK System for use in the CBD North and South stations in relation to typical sections (ie wall forms and heavy-duty falsework support). In addition, Acrow was successful in securing a sales order for \$438K for the supply of the MK System for the Tie Beam and Roof Beam Gantry. The project is expected to run until mid-2022. Acrow is well positioned to win significant hire and sales packages.	\$3.5m ⁺



KEY CONTRACT WINS & EXTENSIONS (CONT')

Project Name	Description	Est. Value
Melbourne Western Distributor	Multiple contracts awarded to Acrow from various contractors including CPB John Holland JV, Speedpro Industries, Civil Infrastructure and Premier Civil Structures, commencing Feb 19 for 24 months. Packages include the engineering and design for the Southern and Northern portals of the main tunnel, heavy-duty support (Acrow Powershore) for the Millers Road widening project, plus the recent award from Premier Civil for the supply of falsework support packages, bridge brackets and sale items for the Hyde Street Ramp project. Project expected to complete mid-2022. Acrow well positioned to win additional contracts.	\$3.5m ⁺
Eighty-Eight by JQZ Residential Towers – St Leonards (Syd)	Natform contract direct with Fastform on a JQZ project. Commencing Nov 20 for 17 months. Contract includes the supply of screen systems on three towers, 5-level screens on the 48-storey Tower 1 and 26-storey Tower 2, and 3-level screens on the 15-storey Tower 3. The towers will be a combination of stick -built facade and curtain wall.	\$855k ⁺
The Landmark –Residential Tower – St Leonards (Syd)	Natform contract direct with Metsquare Formwork, on a Hutchinson Builders project. Commenced Jun 20 for 12 months. Contract includes the supply of Blue 4-level screens, installed off level 5 to protect the 44-level structure, whilst providing protection to install the glass balustrade below.	\$700k ⁺
Opera Residences - Sydney	Natform/Acrow contract direct with Richard Crookes Construction, commencing Jan 20 for 10 months, includes the full package in relation to the supply of Supercuplok for the falsework support to the main structure, scaffolding for perimeter access followed by the supply of external screens (Natform) from level 5 to level 30.	\$530k ⁺
Waterfront Hotel Complex - Launceston	Acrow contract direct with Fairbrother Pty LTD, project commencing Aug 20 for 7 to 9 months and includes the supply of Supercuplok for the high strutting formwork support for main structure, followed by the supply of scaffolding for the full perimeter wrap of the hotel complex	\$460k ⁺
Forrestfield Station Carpark - Metronet Perth	Acrow contract awarded by Melchor Contracting Pty Ltd, commencing Aug 20 for 6 months, the project includes the supply of Acrow Powershore for the main hollow core slab support for main carpark.	\$360k ⁺



FINANCIALS

PROFIT & LOSS STATEMENT¹

Pre- AASB16						
Year end 30 June (\$000)	FY19	1H20	2H20	FY20	2H20/ 2H19	FY20/ FY19
Sales	71,010	38,122	48,863	86,984	39%	22%
Total Contribution	42,615	23,384	28,593	51,976	37%	22%
Contribution Margin	60.0%	61.3%	58.5%	59.8%	-2%	0%
EBITDA	11,550	5,549	9,469	15,018	102%	30%
EBITDA Margin	16.3%	14.6%	19.4%	17.3%	45%	6%
Depreciation	-3,262	-2,193	-2,801	-4,994	55%	53%
EBIT	8,288	3,356	6,668	10,024	132%	21%
Net Interest	-723	-520	-843	-1,363	994%	89%
Pre-tax Profit	7,565	2,836	5,826	8,661	108%	14%
Tax Expense	-59	-459	780	321	196%	-644%
NPAT (underlying)	7,506	2,377	6,606	8,982	115%	20%
Significant items	-1,138	-867	-2,675	-3,542	257%	211%
Share-based payments	-1,420	-892	-453	-1,345	-47%	-5%
NPAT (reported)	4,948	617	3,478	4,095	137%	-17%
EPS (underlying)(¢ps)	4.40	1.32	3.30	4.62	85%	5%
DPS (¢ps)	2.0	0.0	1.1	1.1	5%	-48%

Post- AASB16			
Year end 30 June (\$000)	1H20	2H20	FY20
EBITDA	7,861	11,600	19,461
Depreciation	-4,250	-5,123	-9,373
EBIT	3,611	6,477	10,088
Net Interest	-1,013	-1,494	-2,507
Pre-tax Profit	2,598	4,982	7,580
Tax Expense	-459	780	321
NPAT (underlying)	2,139	5,762	7,901
Significant items	-867	-2,675	-3,542
Share-based payments	-892	-453	-1,345
NPAT (reported)	380	2,633	3,013

- ❑ Full year sales revenue up 22% on PCP, supported by 8-month contribution from Uni-span, civil infrastructure wins across the East Coast of Australia, and Natform contract wins, despite the strategic exit of two-storey residential
- ❑ Sales Contribution up 22% on PCP, with margin down 20bps
- ❑ EBITDA up 30% on PCP, margin up 100bps on tight cost controls, and scale benefits
- ❑ Depreciation of \$5.0m includes full year of Natform and 8-months of Uni-span assets, and additional formwork equipment acquired for Sun-metals project
- ❑ Tax credit reported in 2H20 and full year primarily due to accelerated depreciation charge in tax paying entities, combined with the use of carry forward tax losses
- ❑ Underlying NPAT of \$9.0m assisted by tax credit
- ❑ Significant items of \$3.5m primarily relate to non-recurring acquisition and integration costs
- ❑ Final dividend of 1.05cps (fully franked) declared. Franking credits available within the group \$3.2m as at 30-Jun 20

BALANCE SHEET (includes adoption of AASB16)

Year ended 30 June (\$000)	FY19	1H20	FY20	Var \$
				FY20 vs. 1H20
Cash	3,290	6,150	7,239	1,088
Receivables	13,105	14,813	17,015	2,202
Inventory	3,413	5,725	5,578	(148)
Prepayments and Others	1,126	3,657	2,355	(1,302)
Other Current Assets	71	71	73	2
Total Current Assets	21,005	30,418	32,259	1,841
Intangibles	7,302	7,302	7,429	127
Right-of-Use Assets	-	16,145	32,394	16,249
Property, Plant &	46,993	74,246	76,039	1,792
Other Assets	-	379	99	(279)
Total Assets	75,300	128,489	148,219	19,730
Creditors & Accruals	10,201	13,399	16,235	2,836
Provisions	452	1,222	469	(753)
Loans and Borrowings	6,939	23,605	21,819	(1,786)
Lease Liabilities	-	17,058	34,150	17,092
Employee Benefits	3,419	3,982	4,725	743
Tax Liabilities	2,240	6,885	5,284	(1,601)
Other Payables	4,424	7,145	7,242	96
Total Liabilities	27,677	73,296	89,924	16,628
Net Assets	47,623	55,193	58,295	3,102
Net cash/(debt)	(3,649)	(17,455)	(14,580)	2,875
Gross debt / (net debt + equity)	13.5%	32.5%	29.9%	16.4%
Net debt / (net debt + equity)	7.1%	24.0%	20.0%	12.9%

- AASB 16 Leases adopted effective 1 July 2019
- Strong cash generation in 2H20, assisted by strong 2H20 EBITDA contribution, COVID-19 mitigation measures, and improved cash collections, resulted in \$2.9m net debt reduction on Dec-19 levels
- Debtor days reduced from 65 to 58 days (-7 days)
- Net debt declined to \$14.6m from Dec-19. Net gearing down 400bps to 20.0%.
- Other payables includes deferred consideration for Natform and Uni-span of \$7.3m:
 - \$3.8m payable Oct 20
 - \$3.5m payable Oct 21
- Re-negotiated leases in 2H20 resulted in substantial uplift in:
 - Right-of-use assets +\$16.3m
 - Lease Liabilities +\$17.1m
- Uni-span acquisition impact:
 - PP&E + \$25.2m
 - W/C + \$0.4m
 - Goodwill - \$0.1m

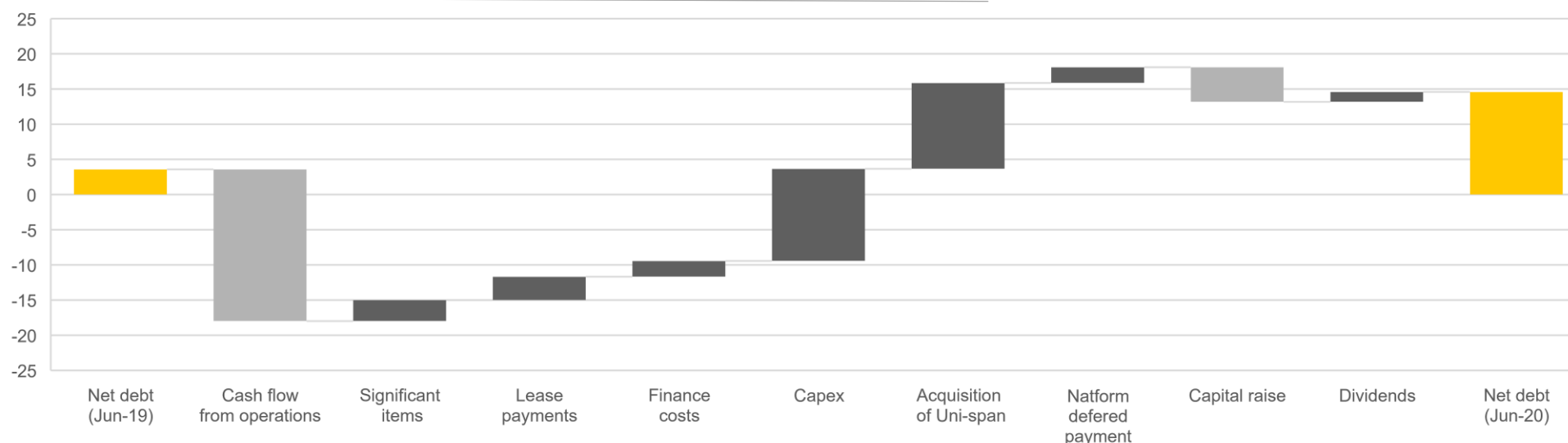
CASH FLOW

Operating Cash Profit

Year ended 30 June (\$000)	FY16	FY17	FY18	FY19	FY20
Underlying EBITDA	5,249	8,915	10,604	11,550	15,018
Maintenance capex	-1,524	-2,356	-1,810	-2,741	-3,822
Cash tax	-	-	-	-	-
Operating Cash Profit	3,725	6,559	8,794	8,809	11,196

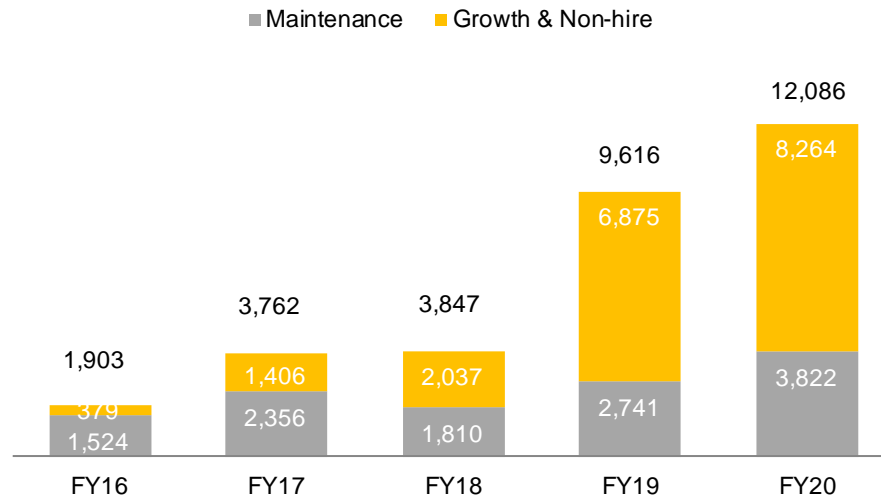
- Operating Cash Profit of \$11.2m, +27% on PCP
- Cashflow from operations \$21.6m¹
- Significant items primarily relate to non-recurring Uni-span acquisition and integration costs
- Capital expenditure of \$12.1m
- Uni-span acquisition included cash consideration of \$12.2m in FY20.
- Natform deferred payment of \$2.3m
- Capital raise of \$5.2m at 30cps
- Net debt of \$14.6m (2019: \$3.6m) being cash \$7.2m (2019: \$3.3m) and debt \$21.8m (2019: \$6.9m)

Net Debt Bridge^{1,2} - 12 months to 30 June (\$m) (includes adoption of AASB 16)



CAPITAL EXPENDITURE

Growth and Maintenance Capex (\$'000)



- Total capex spend \$12.1m
- Maintenance capex increased to \$3.8m, in-line with growth in Company – 73% of annualised depreciation.
- Growth capex includes:
 - Supercuplock (incorporating Sun-metals) \$3.1m
 - CC4 Decking/MK system/EP props - \$1.6m
 - Natform screens & handrails (VIC) \$1.1m
 - Public access scaffold (Spring Carnival) \$0.8m
- Business transformation to formwork focus complete
- Capex budget FY21 – c.\$7m (incl. growth capex)



A tall, modern building is shown under construction against a clear blue sky. The upper portion of the building is completely encased in a dense network of metal scaffolding. Below the scaffolding, the building's facade is covered in horizontal bands of blue protective sheeting, likely to prevent dust or debris from falling. The building's structure appears to be made of concrete and steel. The overall scene conveys a sense of active construction and progress.

OUTLOOK AND PRIORITIES

OUTLOOK

- ❑ 1Q21 trading has commenced in line with 4Q20, excluding the contribution from the Sun-metals contract
- ❑ Melbourne lockdown – no operational impact to-date. Civil infrastructure projects continuing to ramp up. However, expect possible delays to new privately funded projects
- ❑ Volume of record new sales secured over the last four months provides a positive forward indicator for the year ahead
- ❑ FY21 drivers of growth to include:
 - Full 12-month contribution from the Uni-span;
 - Greater customer awareness of Acrow's expanded capabilities and product offerings, particularly in the civil formwork, industrial scaffold and screenings markets across all states
 - Increased activity levels from government funded civil infrastructure projects
 - Focus on growing product sales across the group, enhanced by rollout of new online sales platform
 - Rebound in activity from industrial markets as delayed maintenance shutdown projects are re-activated
 - Natform - continued growth in NSW & VIC
- ❑ Risk of a softer outlook for privately funded commercial/residential projects
- ❑ Currently comfortable with the broker forecast EBITDA (pre-AASB16) range for FY21 (\$17.0m - \$17.5m)
- ❑ Industry forecasts continue to point to buoyant transport infrastructure construction activity through to FY23, especially in the key growth markets of NSW and VIC



Targeting High ROI Organic Growth Opportunities

Product Sales/Online Platform - Greater focus on product sales across all brands. Launch online platform

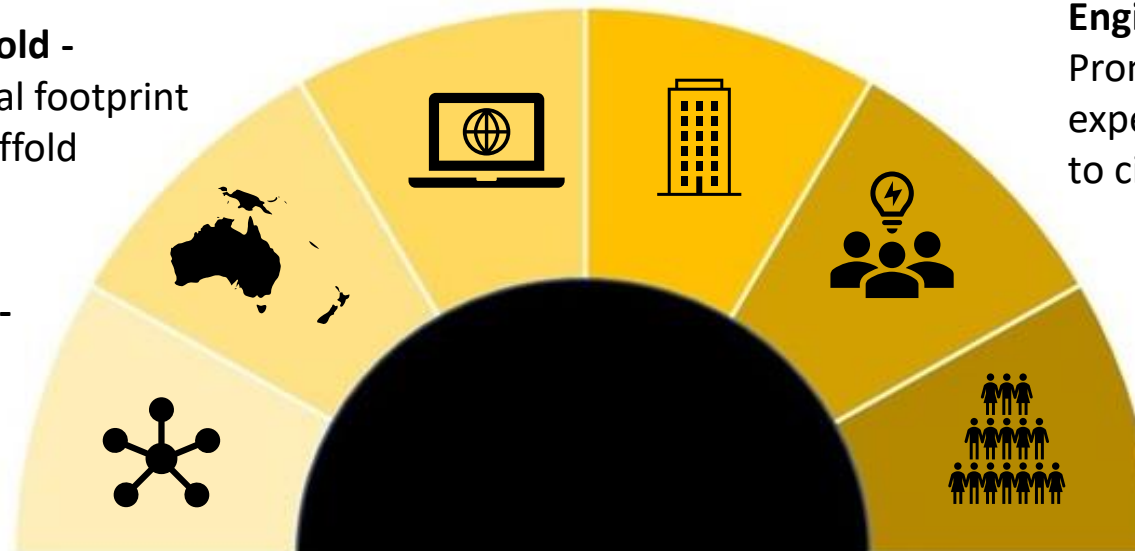
Commercial Scaffold Opportunities – monitor competitor landscape for growth opportunities

Industrial Scaffold - Develop national footprint in industrial scaffold business

Engineering Team - Promote technical expertise and capabilities to civil construction sector

New Clients/Markets - Expand and promote formwork capabilities and expertise in new markets

Employee High Calibre Professionals – Become the industry leading employer of choice



ACROW

SINCE
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APPENDIX

APPENDIX 1 – PROFIT & LOSS AASB 16 RECONCILIATION

Year ended 30 June (\$000)	Pre - AASB16 adoption	Reversal of operating lease expense	Recognition of AASB16 depreciation and Interest	Post - AASB16 adoption
EBITDA	15,018	4,443	-	19,461
Depreciation	-4,994	-	-4,379	-9,373
EBIT	10,024	4,443	-4,379	10,088
Net Interest	-1,363	-	-1,144	-2,507
Pre-tax profit	8,661	4,443	-5,524	7,580
Tax expense	321	-	-	321
NPAT (underlying)	8,982	4,443	-5,524	7,901
Share based payments	-1,345	-	-	-1,345
Significant items	-3,542	-	-	-3,542
NPAT (statutory)	4,095	4,443	-5,524	3,013

APPENDIX 2 – CASHFLOW AASB 16 RECONCILIATION

Year ended 30 June 2020 (\$000)	Pre - AASB 16 Adoption	AASB 16 Adjust.	Post- AASB 16 Adoption
Cash flows from operating activities			
Receipts from customers	87,707		87,707
Payments to suppliers and employees	(75,862)	4,443	(71,418)
Cash generated from operations	11,845	4,443	16,289
Significant costs	(3,000)		(3,000)
Finance income	37		37
Income tax paid	-		-
Net cash from operating activities	8,883	4,443	13,326
Cash flows from investing activities			
Proceeds from disposals of property, plant and equipment	5,303		5,303
Purchase of property, plant and equipment	(13,101)		(13,101)
Consideration paid for controlled entities, net of cash acquired	(14,433)		(14,433)
Net cash used in investing activities	(22,231)	-	(22,231)
Cash flows from financing activities			
Net proceeds from issue of shares	4,976		4,976
Net borrowings	14,879		14,879
Lease payment	(0)	(3,299)	(3,299)
Dividends paid	(1,409)		(1,409)
Finance cost paid	(1,149)	(1,144)	(2,294)
Net cash used in financing activities	17,297	(4,443)	12,854
Net increase/(decrease) in cash and cash equivalents	3,949	-	3,949
Effect of exchange rate fluctuations on cash held	-		-
Cash and cash equivalents at 1 July 19	3,290		3,290
Cash and cash equivalents 30 June 2020	7,238	-	7,238