

25 August 2025

INDUSTRIAL ACCESS DIVISION DRIVES GROWTH IN FY25

Key Highlights

- Record sales revenue, up to \$265.1m, up 23% on PCP
- EBITDA (underlying) of \$80.2m up 8% on PCP
- NPAT (underlying) of \$34.3m up 4% on PCP
- EPS (underlying) down 3% on PCP to 11.2 cps
- Full year dividend of 5.85 cents, flat on PCP (fully franked)
- Record new hire contracts secured and pipeline up 27% and 15%, respectively
- Industrial Access division delivering recurring revenue from long standing client relationships - represented 50% of group revenue

Acrow Limited (ASX: ACF) ("Acrow" or the "Company") is today pleased to report its FY25 financial results. The Company continues to report robust sales revenue and underlying EBITDA growth. A full year dividend of 5.85 cents per share, flat on PCP (fully franked) was declared.

Year ended 30 June (\$000)	FY25	FY24	Variance	% change
Sales	265,118	215,256	49,861	+23%
EBITDA (underlying)	80,232	74,624	5,608	+8%
NPAT (underlying)	34,343	33,000	1,343	+4%
NPAT (reported)	23,274	25,559	(2,285)	-9%
EPS (underlying) (cps)	11.17	11.54	(0.37)	-3%
Full year dividend (cps)	5.85	5.85	(-)	0%

Key financial highlights include:

- **Group revenue** up 23% on PCP to \$265.1 million, benefitting from an 83% increase from the Industrial Access division. Full year contributions from MI Scaffold and Benchmark Scaffolding and two months from Above Scaffolding and Brand Australia, acquired on 30 April. The Formwork and Commercial Scaffold divisions reported a 5% and 19%, respective decline in revenue.
- **Recurring revenue** becoming a larger contributor to the Group through the Industrial Access division, which accounted for 50% of total group revenue, up from 33% in the PCP.
- **Group sales contribution** of \$144.4 million, up 8%, with an \$20.6 million uplift from Industrial Access, offset by softer Formwork and Commercial Scaffold division trading conditions. Group margin declined by 7.7 percentage points (ppts), primarily due to the shift in sales contribution mix towards Industrial Access.

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- **Overhead costs** climbed 9%, primarily due to the consolidation of the Industrial Access division acquisitions in FY24 and April 2025. Bad debts declined by \$1.2 million to \$0.8 million.
- **Underlying EBITDA** of \$80.2 million, up 8%, with margin down 4.4 ppts to 30.3%, primarily from the shift in earnings mix to Industrial Access.
- **Underlying NPAT** grew by 4% to \$34.3 million on an effective tax rate of 25.2%.
- **Underlying Earnings per share** decreased by 3% to 11.17 cents due to average share increase on the previous year.
- **Total significant items** of \$11.1 million including amortisation of intangible assets -\$1.9 million; contingent consideration (earnout) - \$2.7 million; share based payments - \$1.2 million; acquisition & integration costs - \$3.5m, existing depot relocation costs - \$0.8m and ERP project and other - \$1.0 million.
- **Net debt** rose by \$54.7 million to \$123.3 million, associated with the acquisitions of Above Scaffolding and Brand Australia, plus targeted growth capital investment across Jumpform, Acrowdeck, Screens and Industrial Access equipment.
- **Gearing metrics** climbed compared to 30 June 2024 on acquisitions and targeted growth capital expenditure.
- **Return on Investment** of 41.8% - remains above 40% hurdle rate.

FY25 was a year of consolidation and preparation for the business, as we strengthened our foundations ahead of an anticipated lift in activity levels over the medium to longer-term. With a clear focus on operational readiness and strategic positioning, the Company is well placed to capture the significant opportunities expected to arise from proposed major infrastructure and development projects, particularly in the lead-up to the Queensland Olympics.

Despite softer trading conditions in the formwork market, due primarily to cycling through of major infrastructure projects and significant project commencement delays, which were mainly experienced in Queensland, the Company was still able to deliver strong revenue and EBITDA growth. This is testament to the business strategy of diversifying revenue streams and investing in new products that open up fresh channels of revenue.

The Industrial Access division delivered another year of exceptional performance, with revenue increasing by 83%, including organic opportunities contributing 34% of the growth. This growth was supported by a full year's contribution from MI Scaffold and Benchmark Scaffolding, along with two months of returns from the recent acquisitions of Above Scaffolding and Brand Australia. Sales contribution rose by 75%, while margins were stable. MI Scaffold delivered another exceptional trading performance, triggering an earn-out payment of \$4.1 million of which \$2.7 million was expensed during the period. A final earnout payment is likely to be triggered in FY26.

Strong relationships with long-standing, blue-chip clients continue to underpin a steady stream of recurring revenue, with the division contributing 50% of group revenue in FY25, and a robust labour hire work-in-hand book of approximately \$230 million. A major milestone was achieved earlier in FY25 with the division securing a \$42 million contract from the Saipem Clough Joint Venture for the Project Ceres Urea Plant development in the Burrup Strategic Industrial Area, Burrup Peninsula, WA. This contract represented a significant strategic entry into Australia's largest industrial access market and highlights Acrow's ability to deliver large-scale industrial access solutions on a national scale.

Other key contract renewals during the year included a minimum \$60 million agreement with BMA in the Bowen Basin and, more recently, a \$28 million extension with Origin Energy in the Surat Basin to support ongoing maintenance and shutdown access work.

The Formwork division reported a 5% decline in revenue compared to the PCP. Sales contribution declined 7%, while margins were stable. The general formwork hire business reported softer trading conditions nationally, which also impacted product and consumables sales.

The Jumpform business continues to perform to expectations with revenue climbing from \$3.6 million to \$10.4 million in FY25. Since its launch, the system has achieved 42 wins across 30 projects, including 12 cross-sell projects that incorporate screens hire, further strengthening our market presence. Contract wins increased by 38% to \$11 million during the year.

The Screens business reported a \$1 million decline in FY25 revenue to \$15 million due to reduced activity and project delays in Queensland. The division had an exceptional year in securing new contracts, with revenues expected to exceed \$20m in FY26. Market share gains across Victoria, South Australia and Western Australia played a significant role in the 76% uplift of secured contracts secured during the year.

A reduction in activity levels in the Commercial Scaffold division resulted in lower hire equipment volumes and prices across the year, leading to lower revenue and profits on the PCP.

Capital Expenditure

Total capital expenditure was \$39.7 million (excluding \$10.1 million allocated for ex-hire replacements). This included \$32.7 million for growth initiatives. The majority of growth capital, approximately \$26.5 million, has been directed towards investment in Jumpforms, Screens, and industrial access equipment - strategic areas the business has targeted to open new revenue streams.

Looking ahead to FY26, the Company expects its total capex spend to reduce to circa. \$27.0m, with a growth capex spend of \$21.0m, of which it's estimated that \$20.0m will again be spent in the areas of Jumpforms, Screens and industrial access.

Maintaining a disciplined approach to capital allocation, Acrow continues to target a minimum 40% return on investment (ROI). Over the 12 months to 30 June 2025, the Company delivered an annualised ROI of 41.8%, underscoring the effectiveness of its investment strategy.

Balance Sheet and Cashflow

During the year, the Company expanded its banking facility by \$76 million to \$171.3 million, to provide headroom for small to medium sized acquisitions and strategic growth initiatives, in preparation for the expected opportunities ahead.

Including the acquisitions of Above Scaffolding and Brand Australia, a \$2.7 million earnout payment for MI Scaffold, plus capital invested over the year, net debt increased by \$54.7 million to \$123.3 million.

Gearing ratios rose during the period, but remained within our guidelines.

Looking ahead, gearing levels are expected to decline in FY26, supported by lower capital deployment and improved cash generation following the commencement of key projects.

Operating cash flow for the period was \$57.6 million, reflecting a 71% conversion rate. Dividends paid during the year totalled \$16.5 million, while tax payments increased from \$7.7 million to \$9.8 million.

FY26 Observations

Looking towards FY26, the Company makes the following observations around expected business activity levels:

- The Industrial Access division is expected to continue to grow with revenues approaching \$200m for the year and contributing a larger proportion of FY26 revenue;
- The recently acquired industrial access businesses are expected to provide significant cross-selling and growth opportunities e.g. Defence sector;
- We will pursue the expansion of the Industrial Access division into WA and SA through targeted organic growth initiatives;
- The Screens and Jumpforms businesses are expected to continue expanding their national presence, with particularly strong growth anticipated in Western Australia for both businesses;
- We anticipate continued softness in the general formwork business during 1HFY26. Activity levels are increasing in both Western Australia and South Australia; however, conditions in Queensland remain subdued, with Olympic-related revenues not expected to materialise during this current year;
- We anticipate a pause in M&A activity in FY26 as we focus on consolidating our recent acquisitions.

During the medium to long term, Acrow's key drivers of growth remain unchanged:

- **Industrial Access** – Growth to be generated by continuing to win major contracts across a national footprint and targeted M&A activity. Also positioning this business to take advantage of growing sectors such as defence and asset maintenance
- **Jumpform** – Ongoing market adoption of our proprietary electric and computer-controlled jacking system, which improves efficiency on-site and offers industry-leading safety features.
- **Screens** – Expanding market share in under-represented states and increasing adoption of our premium screen systems.
- **Cross-sell Opportunities** – Particularly in high-rise projects, leveraging integrated tender packages that include Jumpform, Screens, Acrowdeck, and our newly launched loading platform system.
- **Industry Tailwinds** – Take advantage of the tailwinds that will be evident in markets such as Qld, where the backlog of work required on government funded projects, including but not limited to the Brisbane 2032 Olympics, will see a significant uplift in activity from current levels.
- **Organic Growth** – Enhancing our market position by expanding our diverse product portfolio into new markets.
- **New Product Development** – Designing and delivering innovative, proprietary equipment tailored for the Australian formwork market, ensuring continued leadership in product innovation.

Commenting on the results, Acrow CEO Steven Boland stated, "FY25 was a year of strategic investment and positioning for the future. While trading conditions were mixed - particularly in the Formwork division - we maintained our focus on strengthening the foundations of the business to support sustainable, long-term growth. We took deliberate steps to expand our capabilities, increase recurring revenue, and ensure we are well placed to capitalise on what we expect to be a buoyant period ahead, particularly in Queensland, where we see considerable opportunity from Olympic-related infrastructure and development projects, as well as an increased investment in the transport infrastructure and healthcare sectors."

"I'm particularly pleased with the way we have repositioned the business towards the Industrial Access division, which is now the largest contributor to group revenue. The division's 83% revenue and 75%

sales contribution growth, supported by strong organic growth and contributions from recent acquisitions, plus a robust pipeline of long-term contracts, demonstrates the success of our diversification strategy. Industrial Access now represents 50% of group revenue, up from 33% last year, and provides a strong, recurring revenue base that enhances the resilience of our earnings profile.”

“Acrow is now very clearly a business that services two distinct sectors, the general construction industry, via our market leading Formwork business and the broad industrial market via our rapidly growing Industrial Access business.”

“Despite the current headwinds in the formwork market, it is a testament to our strategy and our people that the business was still able to deliver commendable growth and performance, achieving record group revenue and EBITDA. Our team’s hard work and commitment allowed us to both invest in future growth and deliver returns for shareholders. As we look towards the years ahead, we are confident that Acrow is well positioned to take advantage of the significant opportunities before us and continue building on this positive momentum.”

This release was approved by the Acrow Board of Directors.

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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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