

Big River Industries Ltd

CEO presentation 2017 AGM



Company Overview

Listed in May 2017 (ASX: BRI)

Company origins dating back some 100 years

12 sites nationally covering the major population centres, including 2 manufacturing sites

National branch network servicing the broad construction market

Leading brand position in the manufacture and supply of specialty consumable formwork products

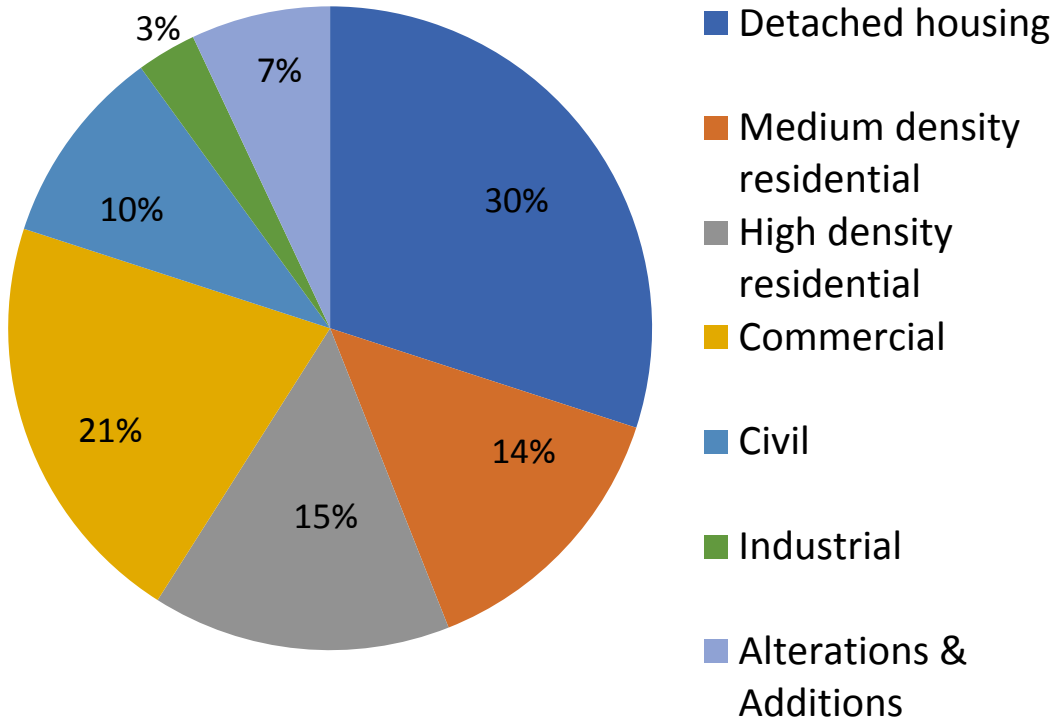
Major distributor of a broad range of buildings materials including Engineered timber flooring, architectural panels, Bridgeply, Maxiwall (Lightweight AAC wall system) and a range of timber and hardware products

Supplies direct to some 3000 Trade customers in the Civil, commercial, residential and industrial construction markets

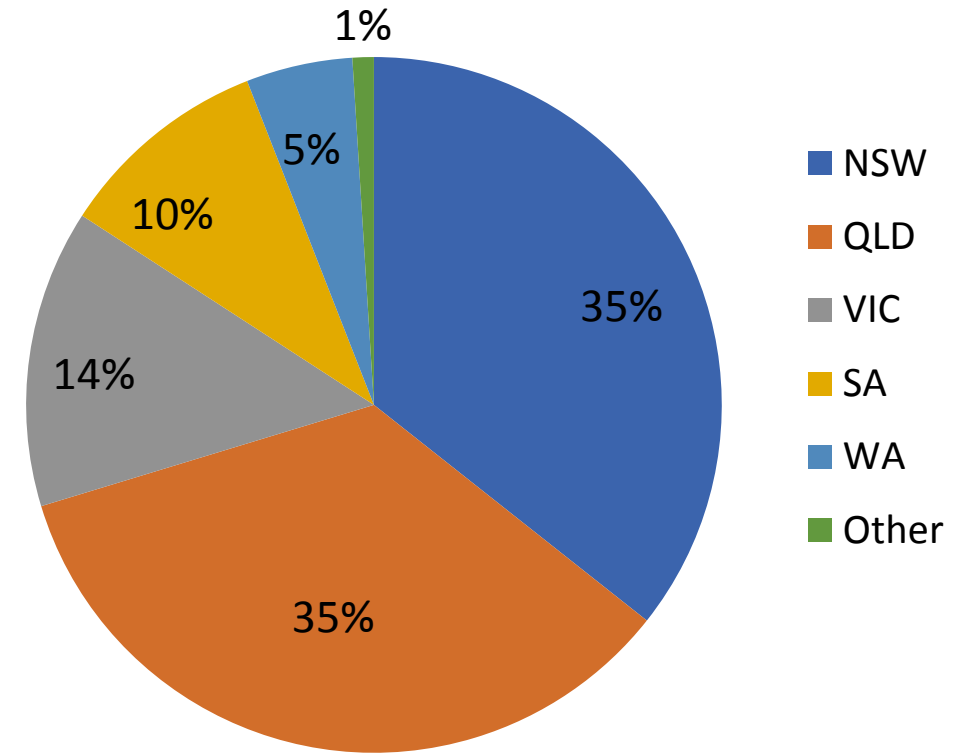
Key manufacturing assets supported by long term wood supply agreements for the supply of timber raw material

330 employees (FTE)

Business Diversity



Market



Geography

- Diversity by product, construction segments and geographic markets is the strength of the business

Financial results 2017

Pro Forma revenue close to prospectus forecast at \$199m

Pro forma EBITDA up 1.5% on forecast to \$11.6m

- Higher gross margin due to favourable product mix
- Lower operating costs at \$47.4m, 1.25% below forecast

Statutory NPAT up 22% on forecast

Strong operating cash flow performance saw net debt \$2.7m below forecast levels and gearing levels of just 7% (net debt to net debt + equity)

Working capital performance ahead of target, with net working capital to sales ratio of 15.8% (on rolling 12 month basis)

Dividend of 3.5cents per ordinary share fully franked, at the upper end of the prospectus range



Key Strategic initiatives 2018

Focus on balancing manufacturing and imported plywood to maximise profit and lower operating costs

- Including reducing the energy intensity of manufacturing

Installation of new lathe and dryer to focus on high grade specialty plywood

- Expanded capacity of high value products particularly the architectural range
- Benefits to flow from the second half

Selective acquisition of Building Supplies distribution businesses continues

- Gold Coast
 - Canberra
- \$17m of revenue

Continued expansion of the product range through our network

- Maxiwall national roll out
- New flooring range to be launched in second half



Outlook

July – October 2017 like for like sales revenue up 2% on prior year

Market conditions overall expected to be in line with FY 2017

- Easing of multi-res to be offset by growth in commercial and civil

Some recovery in the WA market and a stable eastern seaboard outlook

Non residential outlook is positive, which is a traditional strength of Big River's business

Relocation to a new purpose built distribution facility in Melbourne expected to generate improved results

Delays in some major projects in 1H18 should assist the 2H18

Energy costs remain a major challenge

The Company continues to assess several earnings accretive acquisition opportunities

