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- Big River’s acquisition of the business of Plytech and Decortech (“NZ Acquisitions”); and
- a placement of new ordinary fully paid shares in Big River (“New Shares”, the “Offer”).

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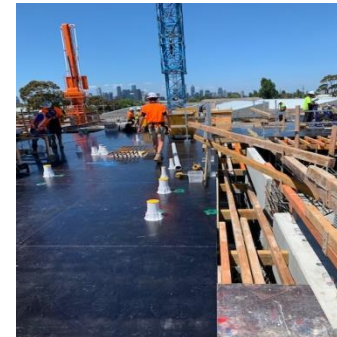
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Who is Big River?

Big River is one of Australia's leading manufacturers and distributors of speciality timber and building products

- ❑ **A leading manufacturer and distributor of speciality timber and building products:**
 - Leading manufacturer of **plywood and formply** in Australia;
 - Leading distributor of **consumable formwork products** in Australia; and
 - **Trade focused national distributor** of timber and other building products
- ❑ **12 sales and distribution centres** servicing major capital cities
- ❑ **Manufacturing facilities at Grafton and Wagga Wagga**, strategically located near high quality hardwood and softwood resources and supported by secure, long-term wood supply agreements
- ❑ History of successfully **expanding sales channels and product range**
- ❑ **Active acquirer within a fragmented market**
- ❑ **FY18 revenue of \$210.9 million and EBITDA of \$11.0 million**
- ❑ Listed since May 2017; major shareholders Anacacia (59.8%) and NAOS (19.9%)



Executive summary – acquisition and capital raising

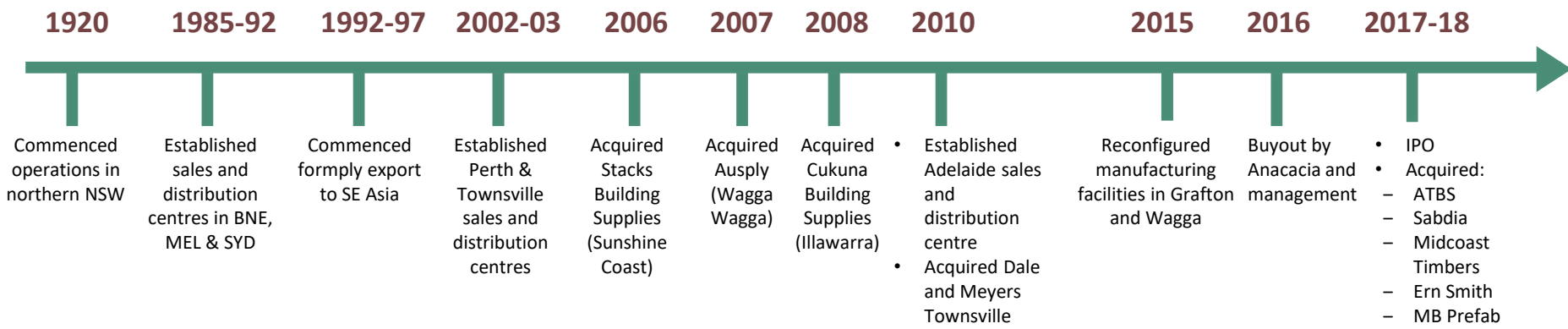
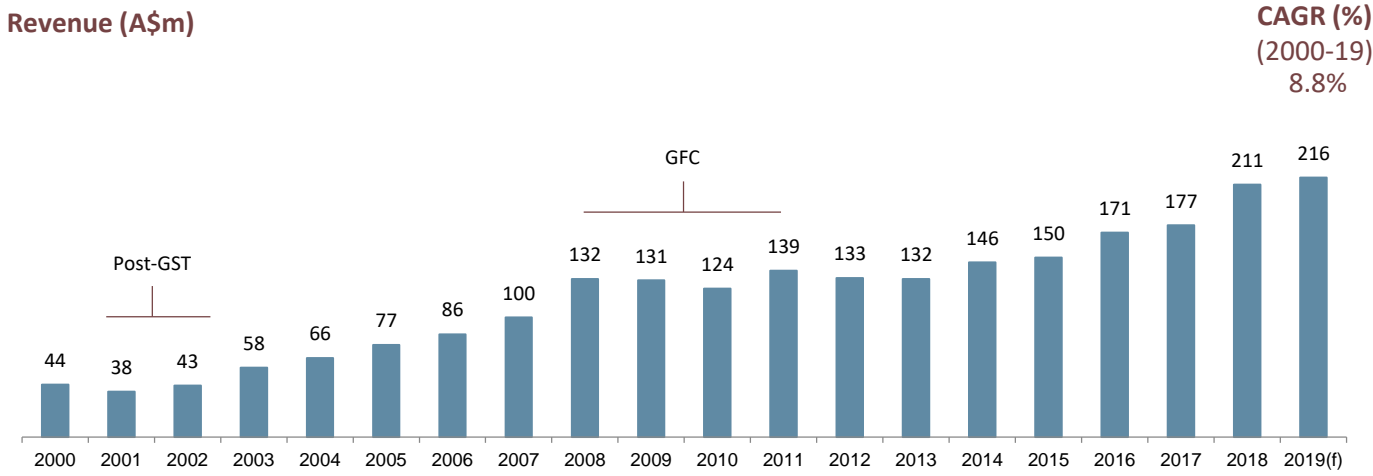
Background and acquisition	<ul style="list-style-type: none">❑ Big River has entered into an agreement to acquire 100% of Plytech Pty Ltd and Decortech Pty Ltd (separately branded with common ownership; together the “NZ Acquisitions”; the “Transaction”) and is in advanced discussions with additional acquisition opportunities (“Other Prospective Acquisitions”)❑ NZ Acquisitions: New Zealand based distributors of specialist plywood construction products and architectural panels supplying several sectors<ul style="list-style-type: none">– Expected to contribute revenue of NZ\$25.6 million (c.A\$24.2 million^{(1),(2)}) and normalised EBITDA of NZ\$3.4 million (c.A\$3.2 million) for FY19F^{(1),(2)}, before synergies and excluding acquisition and implementation costs– Consideration implies an enterprise value of up to NZ\$18.1 million (c.A\$17.1 million)^{(2),(3)} and acquisition multiple of 5.0x using 4 year average normalised EBITDA⁽³⁾
Strategic rationale	<ul style="list-style-type: none">✓ Highly complementary acquisition, leveraging Big River’s core competency and long track record in plywood✓ Beachhead into New Zealand market, with addition of domestic specialty manufacturing capabilities✓ Expanded branded product sales and new product lines✓ Increased customer, segment and end-market diversification✓ Targeting meaningful potential revenue synergies over the medium term✓ Expected to be FY19 Pro forma EPS accretive⁽⁴⁾
Funding and equity raising	<ul style="list-style-type: none">❑ Up to A\$7.5 million conditional placement of 7.1 million shares at \$1.05 per share (“Placement”)❑ Share purchase plan for existing eligible Big River shareholders at the Issue Price❑ Upfront Acquisition consideration and transaction costs funded by:<ul style="list-style-type: none">– Cash of NZ\$8.0 million from Placement proceeds– NZ\$2.0 million placement of 1.8 million Big River shares at the Issue Price, subject to a 2 year staged escrow– NZ\$7.2 million by way of additional senior debt facilities with the NAB (Big River’s existing financier)❑ Potential earn-out for NZ Acquisition vendors of up to NZ\$3.5 million over two years❑ Surplus funds from Share Purchase Plan and additional debt funding capacity to be applied to Other Prospective Acquisitions

(1). Based on consolidated results for NZ Acquisitions for the year to 31 March 2019. (2). Based on exchange rate of 0.9443 NZD/AUD. (3). Based on 4 year average normalised EBITDA for NZ Acquisitions FY16 to FY19. Including estimated working capital of NZ\$0.9 million and excluding potential earnout. (4). Based on \$8 million Placement and completion of NZ Acquisitions only. Pro forma assumes NZ Acquisitions are owned for full 12 months. Combined Big River Group FY19 revenue comprises expected results for 12 months to 31 March 2019 for NZ Acquisitions and the Big River guidance range for FY2019, as per disclosed to the ASX on 25 February 2019.

1 – Company background

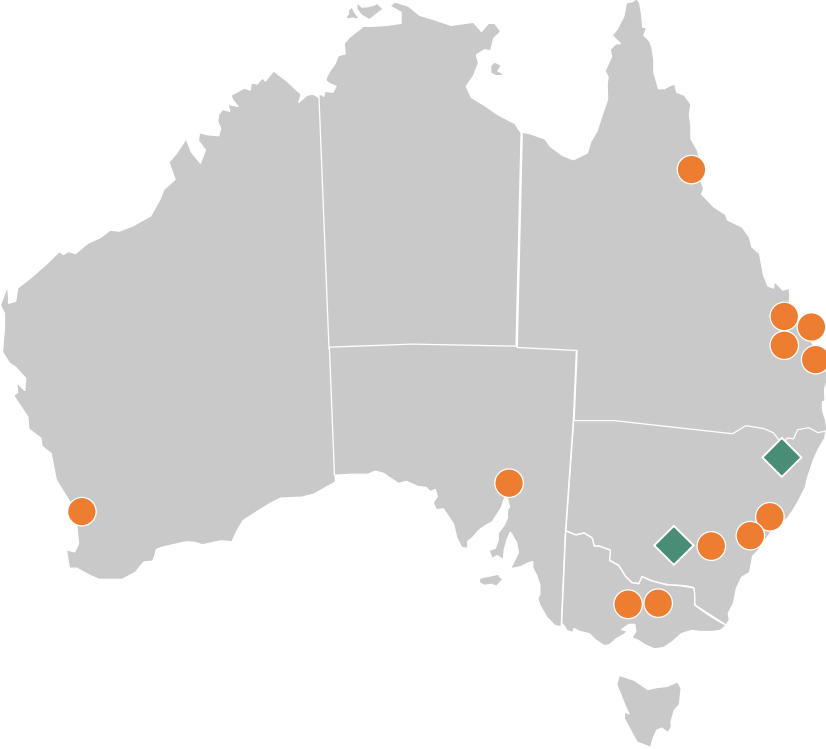
History of Big River

Distinguished history of approximately 100 years, with the Company operating successfully across a number of market cycles



Our business today

Diversified by geography, industry segment and end markets

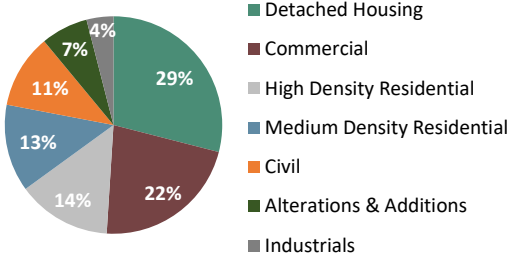


- ◆ Existing Big River manufacturing facilities
- Existing Big River sales / distribution sites

Target segments

- ☐ Big River targets 3 segments:
 -  Formwork supplies
 -  Building products
 -  Plywood & specialty

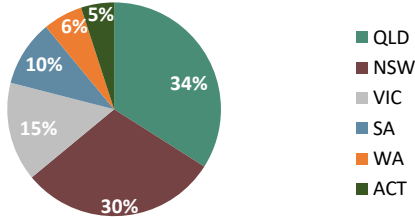
Revenue by end markets⁽¹⁾



Sales and distribution sites

- ☐ 5 Big River branded sites
- ☐ 7 co-branded sites
- ☐ 2 manufacturing facilities located near high quality hardwood and softwood resources

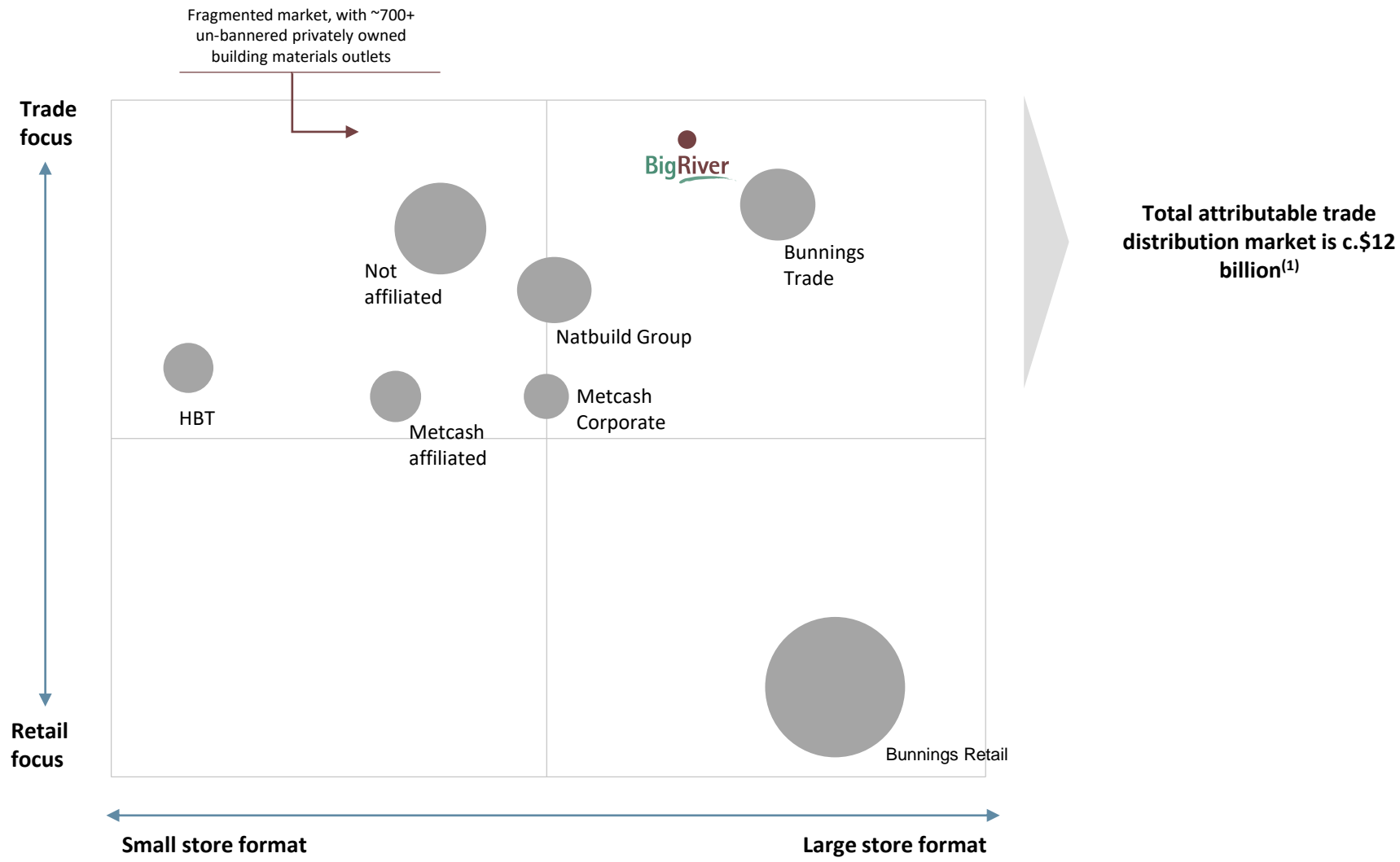
Revenue by state⁽²⁾



(1). Big River revenue by end market – H1FY19. (2). Big River revenue by state – H1FY19.

Trade distribution – market position

Big River’s vision is to be ‘Australia’s leading diversified building products distribution business to trade contractors’

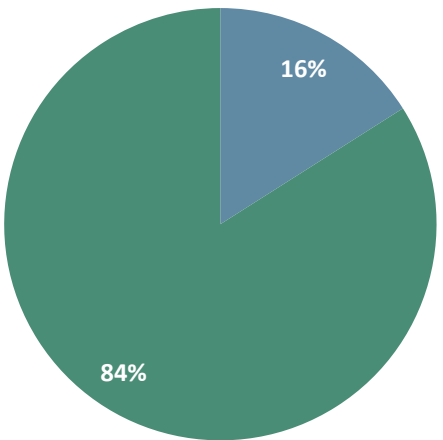


(1). Big River Industries analysis. Bubbles represent approximate revenues.

Strong brand with diversified and loyal customers

Big River has built a large diversified customer base of over 3,000 individual customer accounts, with many of the top 20 customers having traded with the company for over 25 years

Top 10 customers by revenue, 1H19 (%)



- Top 10 Customers
- Remaining Customers

Customer base comprises professional builders, formworkers, construction companies and building contractors that operate in the residential, commercial, civil and infrastructure construction business

Samples of customer relationships



Strategic objectives

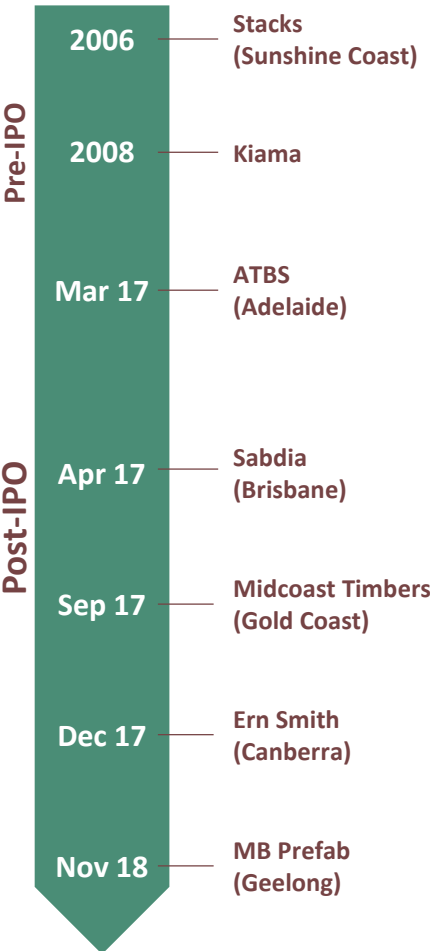
Big River is pursuing a clear set of strategic shifts as part of its continued evolution

From		To	Progress	Comments
Volume manufacturing		Niche (High value) manufacturing & international sourcing		<ul style="list-style-type: none"> • Cost reductions achieved through shift optimisation • Ability to flex capacity (up or down) to meet demand changes
Independent – stand alone branches		Nationally led – regionally clustered		<ul style="list-style-type: none"> • New operating structure implemented • Focus on deriving efficiencies going forward (eg through shared resources, freight / insurance / other procurement savings)
Product focussed		Customer segment & market focussed		<ul style="list-style-type: none"> • National segment managers and enhanced marketing resources in place • Continued development through staff training and marketing focus overtime
Single person dependencies		People development & succession planning		<ul style="list-style-type: none"> • Several strong external appointments completed

History of driving growth through acquisitions

Big River has successfully completed and integrated 9 acquisitions since 2006

Big River acquisition timeline



Example acquisition synergies

- ❑ c.6% p.a. revenue growth since acquisition

- ❑ c.3.5% p.a. revenue growth since acquisition

- ❑ + \$1.5m p.a. of formwork, accessories, and flooring sales post-acquisition
- ❑ Access to Maxiwall rolled out to Big River branches, generating incremental sales of + \$1m p.a.

- ❑ Recent acquisition synergies yet to be fully realised and quantified

- ❑ Recent acquisitions continue Big River’s geographic, product, and end market diversification strategy

- ❑ MB Prefab acquisition part of broad strategy for nation wide prefabrication presence, and complementary to Building Materials distribution

General acquisition commentary

- ❑ Segment expansion via acquisitions with formwork sales in acquired businesses up 50% in 1H19 compared to the pcp
- ❑ Solid growth of plywood in new markets (30% compared to pcp)
- ❑ Cost savings from increased buying power and supplier rebates – potential to add 1-2% to gross margin
- ❑ Back-office synergies from reduction in external IT, accountants, reduced insurance rates, and Big River’s in-house payroll department

Outlook

- ❑ While challenging market conditions are present, the longer term growth outlook for the Company remains strong
 - Big River has successfully managed significant construction sector downturns in the past
 - Current tailwinds for Big River include:
 - Commercial - improved commercial pipeline supporting 2H19 results
 - Civil - continued infrastructure investment ensures a strong long term pipeline
 - Current headwinds for Big River include:
 - Detached housing - full impact of residential slowdown still uncertain , but only modest declines expected
 - High density residential - credit policy, foreign investment conditions and immigration policy impact medium term prospects
 - Medium density residential - short term impact of house price falls, but long term demographic changes support growth
- ❑ Expansion of the distribution network expected to accelerate in the next 2 years
- ❑ Continuation of initiatives to stabilise manufacturing and further lower the cost base, while retaining the strategic advantage of these assets
 - Specialty engineered timber Bridge products supported by significant Government funding
- ❑ FY19 EBITDA guidance of \$9 - \$10m EBITDA

2 – Transaction overview

Transaction overview

NZ Acquisition overview

- ❑ Big River has entered into an agreement with a single vendor to acquire 100% of two New Zealand acquisitions, Plytech Pty Ltd and Decortech Pty Ltd (“**NZ Acquisitions**”). The NZ Acquisitions are New Zealand based distributors of specialist plywood based construction products and architectural panels supplying several sectors.
 - Plytech is one the leading Plywood distributors in New Zealand, importing specialty plywood from Europe and Asia
 - Decortech manufactures speciality (laminates, veneers, fire rated, acoustic, painted and coated) architectural panels

NZ Acquisition considerations and metrics

- ❑ NZ Acquisitions structured as an asset purchase, with upfront consideration of NZ\$17.2 million implying an enterprise value of up to NZ\$18.1 million (c.A\$17.1 million)⁽¹⁾ comprised of:
 - NZ\$15.2 million cash funded by a blend of debt and Placement proceeds
 - NZ\$2.0 million placement of 1.8 million Big River shares at the Offer Price, which will be subject to escrow, as follows
 - NZ\$0.75 million of Big River shares – 12 months from the date of issue
 - NZ\$1.25 million of Big River shares – 24 months from the date of issue
- ❑ Potential earn-out for NZ Acquisitions vendors of up to NZ\$3.5 million
- ❑ Implied acquisition multiple of 5.0x normalised EBITDA⁽²⁾, pre synergies and before acquisition and implementation costs

Other Prospective Acquisitions

- ❑ Big River is currently in discussions with other prospective acquisition targets, each at varying stages of progression (“**Other Prospective Acquisitions**”)
- ❑ Each target is Australian based, and represents a complementary geographic position and product offering to Big River
- ❑ While there can be no guarantee that discussions will lead to successful completion of any or all of the Other Prospective Acquisitions, Big River actively reviews a range of potential acquisition and has a significant pipeline of prospective targets
- ❑ Big River’s acquisition criteria includes that any prospective transactions are EPS accretive to the Company

(1) Assumes NZD/AUD FX rate of 0.9443. Includes working capital of c.NZ\$0.9 million. Excluding potential earn-out and transaction costs.

(2) Based on 4 year average normalised EBITDA for NZ Acquisitions. Excluding potential earn-out.

Transaction overview (cont'd)

Funding

- ❑ Big River is increasing its financing resources via both equity and debt:
 - \$7.5 million conditional placement of 7.1 million shares at \$1.05 per share (Placement)
 - Share purchase plan for existing eligible Big River shareholders at the Issue Price, capped at \$1 million
 - \$9.5 million by way of additional senior debt facilities with the NAB (Big River's existing financier)
- ❑ Surplus funds from Share Purchase Plan and additional debt funding capacity to be applied to Other Prospective Acquisitions

Financial impact

- ❑ Highly complementary acquisition and creates a significantly enlarged platform for future growth:
 - Pro forma Big River Group FY19 revenue of over \$240 million⁽¹⁾
 - EPS accretive on a Pro Forma FY19F basis^{(2),(3)}
 - Targeted annual pre-tax synergies of \$0.3 million, to be achieved within 24 months of completion
 - Pro forma net debt / FY19 pro forma EBITDA of 1.7x (before acquisition costs)

Integration

- ❑ Existing management to remain, no redundancies or change of operating systems contemplated
- ❑ Branding of the NZ Acquisitions to remain unchanged, with co-branding to be introduced over time
- ❑ Introduction of Big River manufactured specialty product range the initial focus of revenue and COS synergies

Other

- ❑ Transaction expected to complete early June 2019
- ❑ NZ Acquisitions are conditional on, among other things, successful closing of the Placement

(1) Pro forma assumes NZ Acquisitions were part of the Big River Group for 12 months.

(2) Based on \$8 million Placement and completion of NZ Acquisitions only. Pro forma assumes NZ Acquisitions are owned for full 12 months. Combined Big River Group FY19 revenue comprises expected results for 12 months to 31 March 2019 for NZ Acquisitions and the Big River guidance range for FY2019, as per disclosed to the ASX on 25 February 2019.

(3) Excluding transaction costs.

Strategic rationale underpinning the NZ Acquisitions

- ✓ **Highly complementary acquisition**, leveraging Big River's core competency and long track record in plywood
- ✓ **Beachhead into New Zealand market** with addition of specialty manufacturing capabilities in New Zealand
- ✓ **Expanded branded product sales and new product lines**, that can be expanded through the Australian network
- ✓ **Improved segment, end-market and customer diversification**
- ✓ **Increased earnings derived from product distribution on a pro forma basis**
- ✓ **Targeting meaningful potential revenue synergies over the medium term**, with limited integration required
- ✓ **Expected to be FY19 Pro forma EPS accretive**, pre synergies and before implementation costs

NZ Acquisitions at a glance

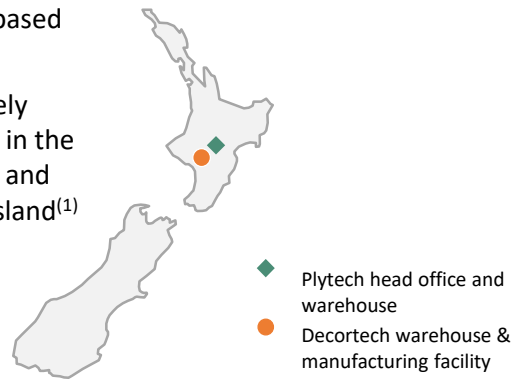
Highly complementary acquisition, leveraging Big River’s core competency and long track record in plywood

- ❑ New Zealand based distributors of specialist plywood based construction products and architectural panels supplying several sectors
- ❑ Long track record – Plytech founded in 1992, Decortech operated under current ownership since 2002
- ❑ Significant opportunities to extend sales of branded product across each others’ distribution networks for both Big River and NZ Acquisitions

Plytech	<ul style="list-style-type: none"> – One the leading Plywood distributors in NZ, importing specialty plywood from Europe, NZ and Asia – Distributes high-margin specialty plywood from Europe, NZ and Asia – Key supplier to Construction, Architectural and joinery applications, interior fit-out, transport and marine industries
Decortech	<ul style="list-style-type: none"> – Manufactures speciality architectural panels (laminates, veneers, fire rated, acoustic, painted and coated) – Specialises in fire rated, acoustic and customised painted and coated panels – A leading supplier to the architectural industry

NZ Acquisitions – operations and distribution

- ❑ Separately branded and operated, with common ownership
- ❑ 35 FTEs across the two sites
- ❑ Managed on a day-to-day basis by GMs and CFO (all transferring with the business)
- ❑ Vendors who do not work full-time in the business will be exiting
- ❑ Operations based in Auckland
- ❑ Approximately 90% of sales in the North Island and 10% South Island⁽¹⁾



Plytech



Decortech

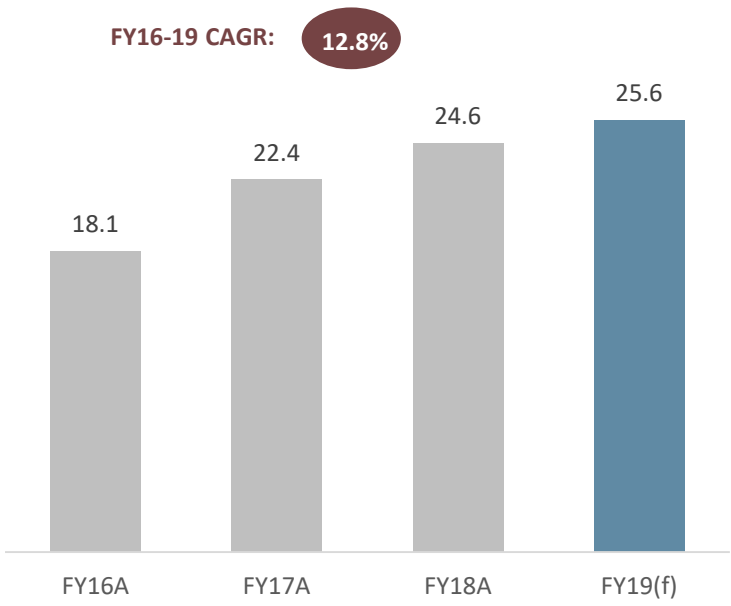


(1) Based on FY19 revenue.

NZ Acquisitions at a glance (cont.)

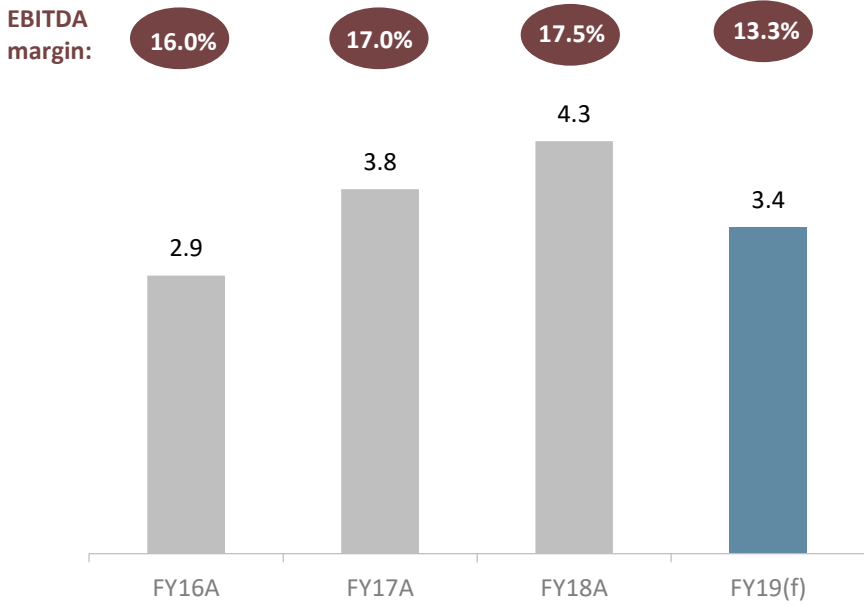
NZ Acquisitions have experienced strong revenue growth and margins

Revenue (NZ\$m)⁽¹⁾



- Strong organic growth driven by enhanced specialty product range

Normalised EBITDA (NZ\$m) and margin⁽¹⁾



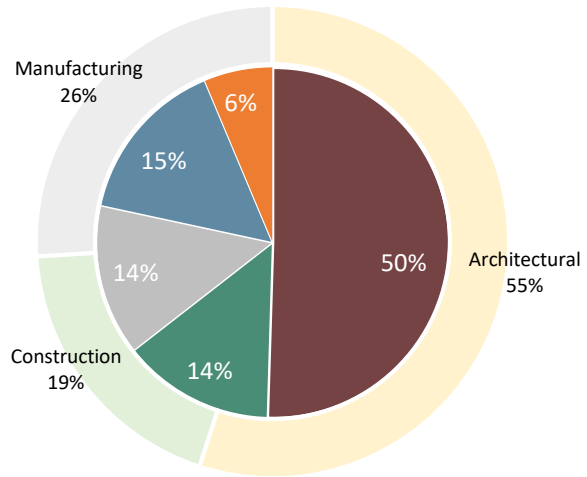
- FY19 included a challenging 4 month period in the Decortech business which accounts for 75% of the profit reduction.
 - Subsequent 8 months of FY19 have returned to normal earnings run rate
 - Stable revenue and earnings from the larger Plytech division

(1) Reflects financial year end for the NZ Acquisitions of 31 March. Based on management accounts.

NZ Acquisitions at a glance (cont.)

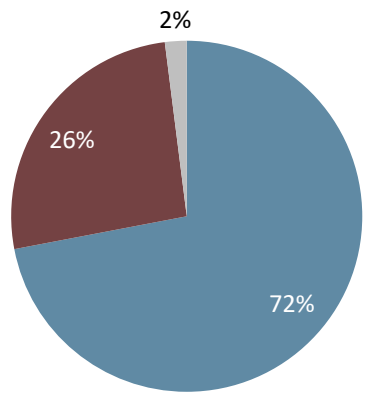
Complementary product offering and sales channel, with potential to add new segment opportunity (formwork)

FY18 % revenue by product



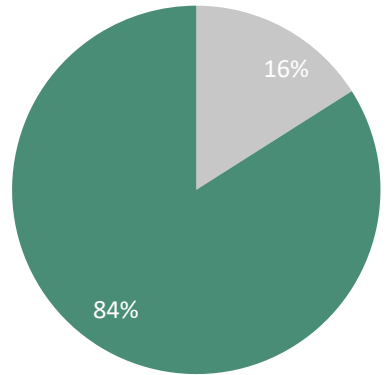
- Architectural / Joinery
- Construction
- Transport / Manufacturing
- Recreational Vehicles
- Marine

FY18 % revenue by end market



- Commercial
- Industrial
- Residential

FY18 % revenue by customer



- Top 10 Customers
- Remaining Customers

- ☐ Focused on high margin plywood and specialty product lines
- ☐ Company markets several key differentiated products into the architectural industry

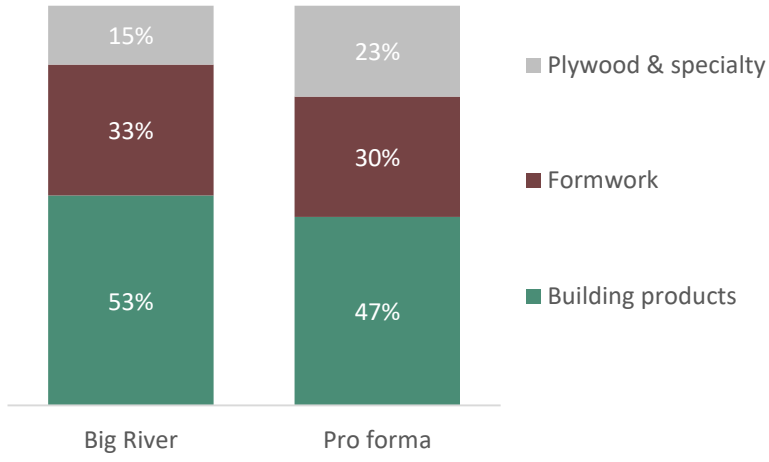
- ☐ Commercial fit out and joinery markets are the major focus
- ☐ Minimal exposure to residential construction

- ☐ Highly diversified with no single customer greater than 8%

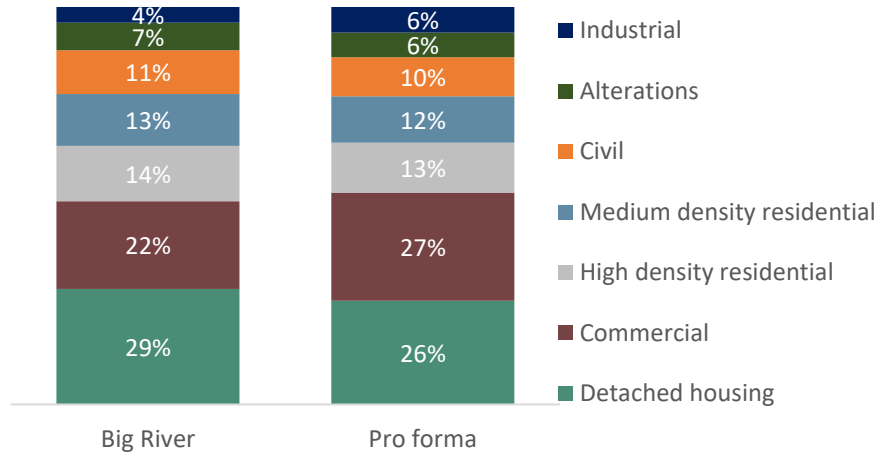
Improved diversification for Big River (Pro Forma basis)

Improved diversification for Big River across segment exposure, end-markets and geographies, together with an increase in (higher margin) branded product sales

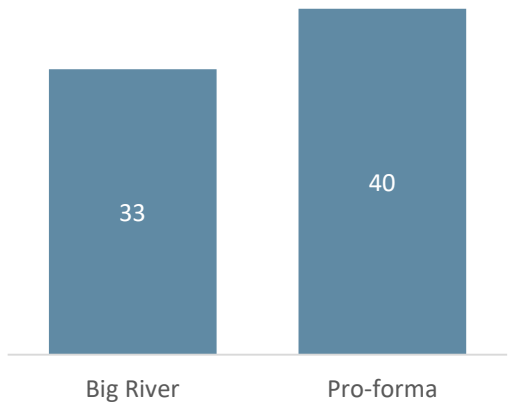
Revenue by segment



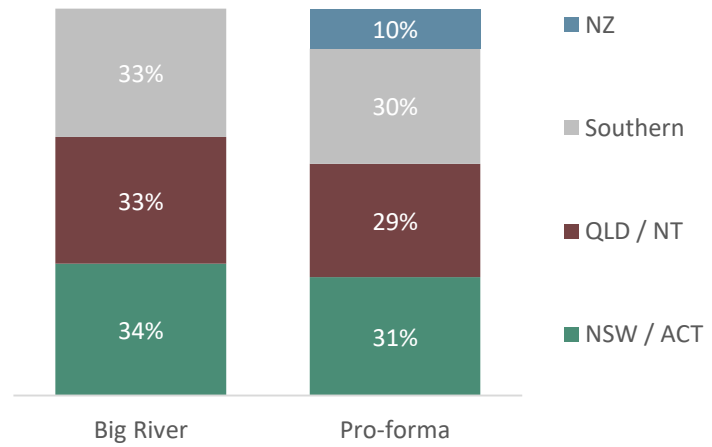
Revenue by end market



Branded product sales (\$m)



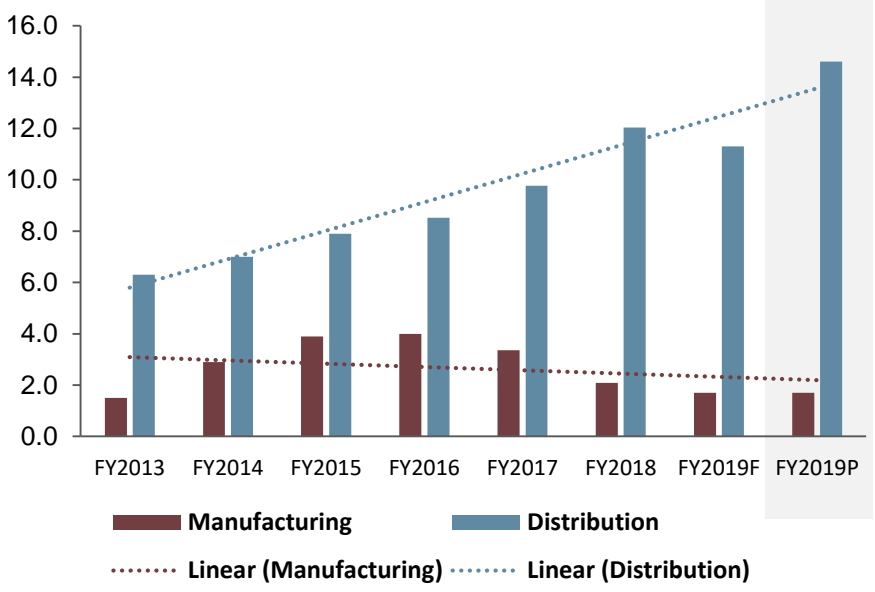
Revenue by geography



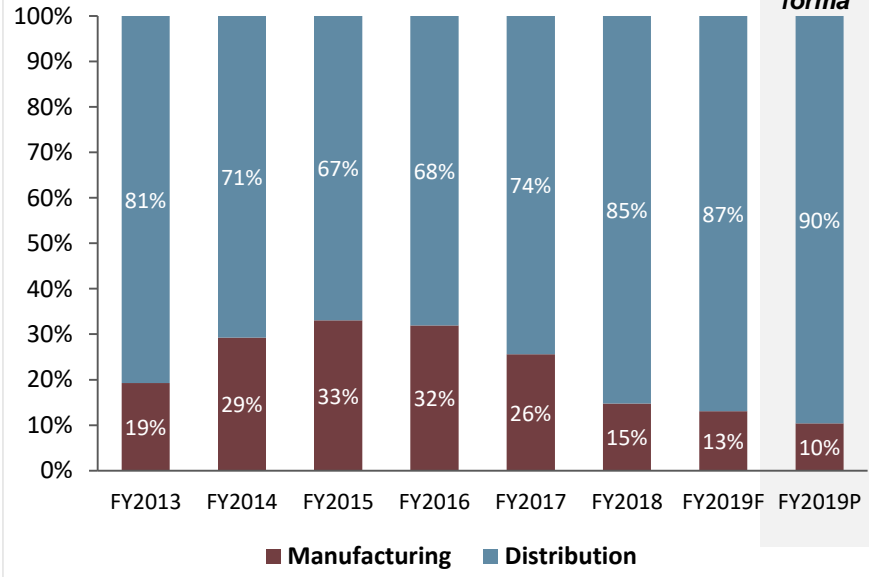
Increased weighting towards distribution earnings

Consistent with Big River's strategy, the NZ Acquisitions continue to increase Big River earnings towards product distribution

**Big River EBITDA
Manufacturing vs distribution⁽¹⁾**
(A\$m)



**Big River EBITDA contribution
Manufacturing vs distribution⁽¹⁾**
(%)



(1) Presented before corporate and acquisition costs.

Implementation plan and synergies

Targeting meaningful potential revenue synergies over the medium term, with limited integration required

Implementation plan

- ❑ Current General Manager of Plytech to oversee both sites, creating a fourth geographic reporting region for Big River
- ❑ All key staff to be retained as a part of the acquisition
- ❑ Vendors (no longer work full-time in the business) and will be exiting, subject to a 2 month transition period for 1 of the vendors
- ❑ BRI Plywood & Specialty national manager to help drive synergies in both countries

Revenue synergies

- ❑ Meaningful cross sell opportunities for Big River and NZ Acquisitions given the strong core competencies in plywood for both businesses
- ❑ Formwork can be warehoused and marketed by Plytech, creating new segment opportunity for the NZ Acquisitions into civil, commercial and high density residential markets
- ❑ NZ Acquisitions import certain specialty proprietary plywood products that can be cross-sold in the Australian business

Cost synergies and integration costs

- ❑ Cost synergies expected to be minimal given standalone NZ accounting and reporting requirements
- ❑ As a result, no material integration costs are anticipated

3 – Acquisition terms, capital raise and pro-forma balance sheet

Acquisition funding and terms

Acquisition terms

Acquisition consideration

- ❑ Total upfront consideration of approximately NZ\$17.2 million, comprised of:
 - NZ\$15.2 million in cash plus NZ\$2.0 million of Big River shares⁽¹⁾
 - Acquired on a cash free ,debt free basis, subject to working capital adjustments customary for a transaction of this nature
- ❑ Potential earn-out for Vendors of up to NZ\$3.5 million over 2 years, funded by debt and free cash flow:
 - Payable in two equal components
 - Subject to NZ Acquisitions achieving EBITDA of NZ\$3.9 million in each year

Timing and closing conditions

- ❑ Acquisition subject to closing conditions, including:
 - Successful completion of the Placement
- ❑ Expected to complete in early June 2019

Sources and uses of funding

Sources	\$m
Placement	7.5
NZ acquisition vendor shares	1.9
Debt	9.5
Total	\$18.9

Uses	\$m
NZ Acquisitions upfront consideration	16.2
Working capital	0.8
Transaction costs	0.4
Further acquisition opportunities	1.5
Total	\$18.9

(1) At an issue price of A\$1.05 per Big River share.

Pro-forma profit and loss

(\$m)	Big River	Raise	New Zealand	Combined Total
	FY19 Guidance ⁽¹⁾	Pro forma	Pro forma ⁽²⁾	Pro forma
Revenue	216.0	-	24.2	240.2
Normalised EBITDA	9.1	-	3.2	12.3
<i>EBITDA margin (%)</i>	4.2%	-	13.2%	5.1%
Acquisition costs	-0.3	-	-0.2	-0.05
EBITDA	8.8	-	3.0	11.8
Depreciation	-2.2	-	-0.3	-2.5
Amortisation	-0.5	-	-	-0.5
EBIT	6.1	-	2.7	8.8
<i>EBIT margin (%)</i>	2.8%	-	11.2%	3.7%
Interest	-1.1	0.5	-0.8	-1.4
Taxation expense	-1.5	-0.1	-0.6	-2.2
NPAT	3.5	0.4	1.3	5.2
NPATA⁽³⁾	3.9	0.4	1.3	5.6

(1) Based on lower end of Big River's guidance range.

(2) Based on consolidated results for NZ Acquisitions for year to 31 March 2019.

(3) NPATA = NPAT before post tax amortisation of acquired intangibles.

Pro-forma balance sheet

(\$m)	31-Dec-18	Adjustments		Pro forma
		Offer	NZ Acquisitions	
Receivables	28.6	-	2.4	31.0
Inventories	32.9	-	5.9	38.8
Fixed assets	26.9	-	1.3	28.2
Intangibles	11.6	-	12.5	24.1
Deferred tax ⁽¹⁾	2.4	0.1	-	2.7
Other	1.8	-	-	1.8
Total Assets	104.2	0.1	22.1	126.4
Payables	26.7	-	0.9	27.6
Borrowings	13.8	(8.1) ⁽²⁾	15.7	21.4
Contingent consideration	0.5	-	3.3	3.8
Current tax liability	0.1	-	-	0.1
Provisions	4.3	-	0.2	4.5
Total Liabilities	45.4	(8.1)	20.1	57.4
Net Assets	58.8	8.2	2.0	69.0

- Big River's existing financier (NAB) has provided an increase in its facilities to support the NZ Acquisitions
- Total available and drawn debt facilities (as at 31 December 2018 and on a pro forma basis) are set out below:

Debt facilities (\$m)	31-Dec-18	Pro forma
Limit⁽³⁾		
Working capital	8.2	10.2
Bill facility	20.5	30.0
Asset finance	4.0	4.0
Total	32.7	44.2
Drawn		
Working capital ⁽⁴⁾	0.1	1.5
Bill facility	11.4	17.6
Asset finance	2.3	2.3
Total	13.8	21.4

(1) Presented on a net basis, with DTA and DTL.

(2) Placement proceeds net of transaction costs.

(3) NAB's proposed limit increase subject to a successful capital raise.

(4) Working capital facility shown at month end. In Big River's experience, working capital requirements typically peak during a month.

4 – Capital raising summary

Details of the Offer

Offer size and structure

- ❑ Conditional placement to sophisticated and professional investors at \$1.05 per share to raise up to \$7.5 million
- ❑ NAOS Asset Management (19.8% shareholder) (“**NAOS**”) expected to apply for \$6.2 million of the placement; allotment of placement shares to NAOS will be subject to shareholder approval
- ❑ Approximately 7.1 million New Shares to be issued
- ❑ Share Purchase Plan to existing eligible shareholders in Australia and New Zealand, up to \$15,000 per shareholder, capped at \$1.0 million

Issue price

- ❑ Issue price of \$1.05 per new Big River share under the Placement (“**Placement Price**”)
- ❑ Represents:
 - 4.5% discount to last traded price of \$1.10 per share as at 26 April 2019
 - 14.3% discount to 5-day VWAP of \$1.23 per share as at 26 April 2019
- ❑ Vendor scrip consideration issue price of \$1.05 per share – the same as the Placement Price
- ❑ Share Purchase Plan issue price of \$1.05 per share – the same as the Placement Price

Ranking

- ❑ New shares rank equally with existing shares on issue

Syndicate

- ❑ Taylor Collison is acting as Lead Manager to the Placement

Timetable

Event	Date
Trading halt (pre market open) and announcement of Acquisition and Placement	Monday, 29 April 2019.
Share Purchase Plan Record Date	7.00pm, Tuesday, 30 April 2019.
Announcement of results of Placement and trading halt lifted	Wednesday, 1 May 2019.
Share Purchase Plan Offer Booklet despatched to shareholders	Monday, 6 May 2019.
Share Purchase Plan opening date	Monday, 6 May 2019.
Settlement of Placement	Tuesday, 7 May 2019.
Allotment and trading of New Shares under the Placement	Wednesday, 8 May 2019.
Share Purchase Plan closing date	Monday, 27 May 2019.
Allotment of New Shares under the Share Purchase Plan	Friday, 31 May 2019.
Despatch of holding statements and normal trading of New Shares issued under Share Purchase Plan	Monday, 3 June 2019.
General Meeting of shareholders to approve issue of Placement Shares to NAOS Asset Management	Wednesday, 19 June 2019.

Dates and times are indicative only and subject to change without notice. Big River reserves the right to alter the dates in this presentation at its discretion and without notice, subject to the ASX Listing Rules and Corporations Act 2001 (Cth). All dates refer to Sydney, Australia time.

5 – Key risks

Key risks

- ❑ Any material weakening in the NZ economy
- ❑ Whilst the residential outlook for NZ is much more positive than Australia, the minimal exposure of Plytech and Decortech to this segment suggests it will have minimal impact on the business
- ❑ Given the segment exposure, a material fall in Commercial construction will be a challenge to the businesses
- ❑ The retirement of the owners (although one does not have an operational role) may present some risk if staff are heavily aligned to owners
 - This risk is mitigated for key senior staff by BRI executing employment contracts with those staff
- ❑ Major European Suppliers are not known to BRI, although the opportunity for these suppliers to access the larger Australian market through the BRI network mitigates this risk in part
- ❑ Please refer to the Appendix for further details on the Key Risks

Appendix

Additional Big River information

Company overview

Key information

Capital Structure

Current Share Price (\$) as at 26-Apr-19	1.10
Ordinary Shares ⁽¹⁾ (m)	53.0
Market Capitalisation (\$m)	58.3
Net Debt ⁽²⁾ (\$m)	13.8
Enterprise Value (\$m)	72.1

Share price history



(1) As at 26-Apr-2019.

(2) Last reported as at 31-Dec-2018.

Key shareholders

Top Shareholders⁽¹⁾

Anacacia Partnership II, LP	59.8%
NAOS Asset Management Limited	19.8%
Top 20 Shareholders	94.6%
Board and Senior Management	4.4%

Board and management

Gregory Ray Laurie	<i>Independent Non-Executive Chairman</i>
Malcolm Jackman	<i>Independent Non-Executive Director</i>
Jim Bindon	<i>Managing Director, Chief Executive Officer</i>
Vicky Papachristos	<i>Independent Non-Executive Director</i>
Martin Kaplan	<i>Non-Executive Director</i>

Big River Profit and Loss

Big River Industries 30 June (A\$m)	1HFY19	1HFY18	FY2018	FY2017
Total revenue	106.0	104.6	210.9	177.0
<i>Revenue growth⁽¹⁾</i>	1.3%	21.8%	19.1%	3.2%
EBITDA (before Acq. & IPO costs)	4.5	5.9	11.0	10.2
<i>EBITDA margin</i>	4.3%	5.6%	7.2%	5.8%
Distribution EBITDA	5.5	6.5	12.0	9.7
Manufacturing EBITDA	0.7	0.8	2.1	3.4
Corporate costs	(1.7)	(1.4)	(3.1)	(2.9)
Acquisition and IPO costs	(0.2)	(0.2)	(0.3)	(2.1)
EBITDA	4.3	5.7	10.7	8.1
D&A	(1.3)	(1.2)	(2.5)	(2.0)
EBIT	3.0	4.5	8.2	6.1
Interest	(0.4)	(0.3)	(0.8)	(0.9)
Taxation Expense	(0.8)	(1.3)	(2.2)	(1.3)
NPAT	1.8	2.9	5.2	3.9
NPATA (before amortisation)	2.0	3.1	5.5	4.1

(1) HY revenue growth calculated on corresponding period in prior year.

(2) NPATA = NPAT before post tax amortisation of acquired intangibles.

NZ Acquisitions Profit and loss

NZ Acquisitions Normalised P&L 31 March (NZ\$m)	FY19 YTD ⁽¹⁾	FY18	FY17	FY16
Revenue	23.3	24.6	22.4	18.1
<i>Revenue growth (%)</i>	3.0%	10.2%	23.7%	
COGS	(14.8)	(15.1)	(14.0)	(11.3)
Gross Profit	8.4	9.5	8.4	6.8
<i>GP Margin (%)</i>	36.3%	38.6%	37.5%	37.3%
Other Income	0	0.0	0.0	0.0
Opex	(5.3)	(5.2)	(4.5)	(4.0)
Normalised EBITDA	3.1	4.3	3.9	2.8
<i>EBITDA Margin (%)</i>	13.4%	17.4%	17.3%	15.2%
D&A	(0.3)	(0.2)	(0.2)	(0.1)
EBIT	2.8	4.1	3.7	2.7
<i>EBIT Margin (%)</i>	12.2%	16.5%	16.3%	14.9%

(1) FY19 YTD is the 11 months Apr-18 to Feb-19.

Key Risks – Additional Information

1 Risks associated with NZ Acquisitions

1.1 General conditions in the NZ economy

There is a risk that any change or movement in economic or market conditions may have an effect on the profitability of, or demand for products supplied by, the New Zealand businesses. These changes may include movements in exchange rates, interest rates and performance of the New Zealand economy at a domestic and international level.

1.2 General conditions in the construction industry

The New Zealand businesses are dependent on the activity levels in the commercial construction industry in New Zealand. The industry is cyclical and sensitive to a broad range of economic and other factors that are beyond BRI's control, such as demand for construction, government plans for infrastructure investment and government policies. Lower construction activity could lead to a significant reduction in demand for products supplied by the New Zealand businesses, which could reduce BRI's revenue and profits.

1.3 Retirement of owners

The existing owners of the New Zealand businesses will be retiring from the businesses from completion of the acquisitions. There is a risk that the businesses may not perform at the same level without their involvement or oversight, particularly in the period during which the businesses are integrated into the BRI group, which may have an adverse impact on BRI's revenue and profitability. There is also a risk that the existing staff may not wish to remain with the business if they are heavily aligned to the current owners. BRI has sought to mitigate this risk by executing employment contracts with key senior staff.

1.4 Currency fluctuations

Both businesses being acquired operate in the New Zealand market. Exchange rate fluctuations may affect the future profitability of the New Zealand businesses, with a resulting effect on the wider BRI group.

2 Risks associated with BRI

2.1 General conditions in the construction industry

As with the New Zealand businesses, BRI is dependent on the activity levels in the commercial construction industry in Australia as well as the residential and infrastructure construction industries. See the risks disclosures in item 1.2 above.

2.2 Supplier and buyer agent relationships

BRI has a number of longstanding supplier and buyer agent relationships, which are often governed by individual purchase orders and invoices and are based upon many years of mutually beneficial trade. The key risks associated with these relationships are that the purchasing arrangements can be changed without incurring significant penalties, the supplier may cease trading, price levels may change, production difficulties or delays may occur and orders may be unable to be shipped in the required timeframes. If any of these events occur and BRI is unable to make acceptable alternative arrangements, BRI may incur stock shortages, a reduction in sales and a loss of market share which may adversely affect its future financial performance. BRI also has longstanding log supply contracts. An interruption or failure to renew these contracts could have a materially negative impact on BRI's manufacturing operations.

2.3 Disruption to production

Due to the high fixed-cost nature of the building materials industry, interruptions in production capabilities at BRI's sites or in its logistics supply chain may have a material adverse effect on the productivity and results of BRI's operations during the affected period.

3 Risks specific to the security offered

3.1 Dilution risk

In the future, BRI may elect to issue shares to fund acquisitions or undertake other strategic initiatives, which may dilute existing shareholders' shareholdings.

3.2 Distributions may vary

The ability of BRI to pay dividends is dependent upon BRI having the available cash and profits.