

5 July 2019

Acquisition of Big Hammer Building Supplies, Townsville QLD.

Big River Industries Ltd (**ASX: BRI**) advises that it has agreed to acquire the assets and trading business of Big Hammer Building Supplies, located in Townsville North QLD. The purchase is subject to certain non-material pre-conditions which are expected to be met, with completion to subsequently occur on 1 August 2019.

Whilst Big River already operates a building supplies distribution site in Townsville, the opportunity to combine the strong operating histories of both businesses to create a larger and more diversified business is especially attractive to BRI.

Big Hammer has operated in the market for over 26 years, and is particularly strong in the alterations and additions market as well as having a strong client base outside of the Townsville region. Big River's existing branch has its strength in the commercial and civil construction markets, as well as having a considerable overlap in the supply of residential building products to both detached houses and multi-unit dwellings. Combining these two respective strengths creates a business of scale, with an exposure to all construction segments, a wide geographic area within North QLD and over 300 trading accounts.

The owner of Big Hammer, John Geaney, will remain in a management role within the combined business and the existing Big River staff will transition across into the consolidated business.

Jim Bindon, Big River CEO said: "We have discussed this opportunity with John several times over an extended period, as the compatibility of the two businesses has been clear for many years. We are pleased to be able to offer the customers of North QLD the opportunity of an expanded product offer and experienced team to increase the services we can provide for them and their businesses".

Consideration for the transaction includes a \$1.8m payment in cash at completion, and a maximum of \$0.2m in additional earn out payments over a two year period, subject to certain profitability targets being met.

For more information, please contact:

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