



Big River Industries Limited (ACN 609 901 377)

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## **ASX RELEASE**

23 October 2019

### **Big River Industries Ltd (ASX:BRI)**

#### **Chairman's Address FY2019 AGM**

The old Chinese proverb says, “may you live in interesting times” and certainly Big River has had that in spades over the last 12 months. The well reported downturn in the housing sector combined with significant political and economic uncertainty on both the global and national stages has seen our company buffeted by winds coming from multiple directions.

Nonetheless revenue for FY19 was up 3.3% to \$218m albeit this was down 3.7% on a like for like basis. EBITDA was a credible \$9.8m although this was down 10.6% on the prior year. Highlights for FY19 included an improved distribution gross margin, the stripping out of significant costs in our manufacturing operations, the successful continuance of our acquisition strategy and an improved second half.

Dividends of 2.2 cents per share were paid on both an interim and final basis bringing the total payout to 4.4 cents per share or 66% of NPAT.

Despite current conditions the strategic direction for Big River remains unchanged given the broad social, economic and political settings that exist for our core market sectors. Overall population growth in Australia remains around 1.5%, coming from both natural growth and migration that continues to sit between 200,000 and 250,000. This in turn drives demand for residential dwellings to circa 200,000 dwellings per annum over the medium term. Alongside this we see continuing strength in the broad construction sector with infrastructure spending by individual States alone totalling \$230bn over the next four years.

We have and will continue to pursue both organic and acquisitive growth with our “three in one” strategy of focusing on our key market segments of formwork, building supplies and plywood & specialty. With the acquisition of Plytech and Decortech businesses in Auckland we now manage the distribution network in four distinct regions. The New Zealand acquisitions were in addition to MB Prefab in Geelong, Midland Timbers in Perth and Big Hammer that was successfully integrated with our existing business in Townsville. These acquisitions have not only expanded our branch footprint but also added additional product offerings, particularly frame and truss. Our acquisition strategy continues to be supported by both our shareholders and financiers with a successful equity raise occurring in July.

None of this would be possible without the significant effort of our people and the senior leadership team. As we all know it is not always easy to keep pushing hard when market conditions are difficult, so



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it is a great reflection of both the culture and work ethic within Big River. We are lucky to have so many hard working and dedicated staff and so ably led by Jim and his senior leadership team.

As you are aware, I became Chairman at the end of July upon the retirement of Greg Laurie. I would like to formally acknowledge Greg's service and contribution to Big River both as a listed entity and previously when under family ownership. The Board has been seeking to appoint another Non-Executive Director and I had hoped that shareholders would have been able to vote on an appointment at this AGM. Regretfully we weren't able to complete that process before the Notice of Meeting was dispatched. However, I am pleased to inform you that Mr. Brendan York will be appointed to fill a casual vacancy on the Board effective tomorrow and that his appointment has the support of our major shareholders.

I now invite Jim to address the meeting.