



Big River Industries Limited (ACN 609 901 377)

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## ASX Announcement

9 December 2020

### **Successful Completion of \$14.3 million Fully Underwritten Institutional Placement & Confirmation of Earnings Update**

- Big River Industries Limited (ASX: BRI) (**Big River** or the **Company**) has raised \$20.4 million via an oversubscribed Institutional Placement (**Placement**) consisting of a \$14.3 million fully underwritten placement and a \$6.1 million conditional placement
- Demonstrates strong endorsement for Big River's growth strategy to accelerate investment and pursue inorganic growth opportunities
- As announced on 7 December, 1H21 earnings performing better than expected, with growth in underlying NPAT expected to exceed 10% versus 1H20

As announced on Monday, 7 December, approximately 15.1 million new Big River ordinary shares (**New Shares**) are to be issued at an Offer Price of \$1.35 per New Security. The Offer Price represents a discount of approximately 6.9% to the last close of Big River shares of \$1.45 on Friday, 4 December 2020.

Big River is pleased to announce the successful completion of the \$14.3 million fully underwritten component of the Placement. Subject to shareholder approval, the conditional component of the Placement is expected to complete on Tuesday, 23 February 2021.

As advised, the funds raised under the Placement will be applied as follows:

- \$18.5m for the upfront cash payment to acquire the assets and trading business of Timberwood Group;
- \$0.7m towards an expected \$1.5m investment in Timberwood's working capital (with the balance funded from Big River cash reserves and/or debt facilities); and
- \$1.2m towards transaction costs.

Commenting on the Placement, Big River's Chief Executive Officer Jim Bindon, said "we are excited to announce the successful completion of the fully underwritten component of the Placement, which attracted strong support from existing and new institutional shareholders and will support our future growth through geographical and segmentation diversification.

The acquisition of Timberwood represents a strategically compelling opportunity to buy a quality player with a strong customer network of >1,500 customers in addition to a robust distribution network and supply chain. The Acquisition and Placement together are expected to be 17.4% EPS accretive on a pro-forma basis for FY20, and will transform Big River to becoming the #3 player in the plywood and architectural panels market."

Additionally, as announced on Monday, 7 December, the Company is pleased to confirm improved earnings after strong sales growth during 2Q21, on the back of improved market sentiment in residential construction and the Alterations & Additions market, together with resilient sales from the Formwork product range, as civil and

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commercial construction projects start to recover from Covid-19 based restrictions. As such, underlying NPAT for 1H21 is expected to exceed the prior period by greater than 10%.

Big River's securities are expected to resume trading on the ASX from market open today, Wednesday 9 December 2020. The New Shares to be issued pursuant to the underwritten component of the Placement will settle on Monday, 14 December 2020, with allotment and application for quotation to occur on Tuesday, 15 December 2020 and will rank equally with existing Big River ordinary shares. Of the 10.6m New Shares to be issued under the underwritten component of the Placement under Big River's existing placement capacity, 9.4m will issued in accordance with Listing Rule 7.1 and 1.2m issued in accordance with Listing Rule 7.1A.

Big River will hold a meeting to obtain shareholder approvals to the conditional component of the Placement and the scrip consideration to be issued to the Timberwood vendors on Thursday, 18 February 2021, with expected completion of the conditional component of the Placement on Tuesday, 23 February 2021 and expected completion of the Acquisition and issue of scrip consideration to the vendors during March 2021.

Moelis Australia Advisory Pty Limited ACN 142 008 446 is acting as Lead Manager to the Placement, Underwriter to the fully underwritten component of the Placement and as Financial Adviser to Big River.

#### Proposed timetable

Event	Date
Settlement of Underwritten Placement	Monday, 14 December 2020
Lodge cleansing notice for Underwritten Placement shares	Tuesday, 15 December 2020
Underwritten Placement shares commence trading	Tuesday, 15 December 2020
Despatch notice of extraordinary general meeting ( <b>Meeting</b> )	Monday, 18 January 2021
Hold Meeting and obtain shareholder approvals	Thursday, 18 February 2021
Settlement of Conditional Placement	Tuesday, 23 February 2021
Complete Acquisition and issue scrip consideration to the vendors	On or about the end of March 2021

#### Notes

This timetable is indicative only and subject to change. The Board of Directors of Big River may vary these dates, in conjunction with the Underwriter, subject to the ASX Listing Rules.

#### For more information, contact:

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Steve Parks (CFO and Company Secretary) Ph: (02) 6644 0922 e: [sparks@bigrivergroup.com.au](mailto:sparks@bigrivergroup.com.au)

This announcement has been authorised for release to ASX by order of the Board.

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## **IMPORTANT NOTICES**

### **FORWARD-LOOKING STATEMENTS**

This announcement may contain certain forward-looking statements, forecasts, estimates, projections, beliefs and opinions (Forward Statements). Forward Statements can be identified by the use of 'forward-looking' terminology, including, without limitation, the terms 'believes', 'estimates', 'anticipates', 'expects', 'projects', 'predicts', 'intends', 'plans', 'propose', 'goals', 'targets', 'aims', 'outlook', 'guidance', 'forecasts', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology, and include financial outlook information as defined below.

Forward Statements involve elements of subjective judgment and analysis, and are subject to known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future, assumptions which may or may not prove correct, and may be beyond the Company's ability to control or predict.

You are strongly cautioned not to place undue reliance on Forward Statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward Statements including projections, guidance on future earnings and estimates are by their very nature subject to significant uncertainties and contingencies and are not reliably predictable. They are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of BIG RIVER. No representation or guarantee is made by the Company or any other person that any of these Forward Statements (including the financial outlook information) will be achieved or proved to be correct. Readers are cautioned not to place undue reliance on Forward Statements and the Company assumes no obligation to update such statements (except as required by applicable regulations or by law).

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