



Big River Industries Limited (ACN 609 901 377)

ASX RELEASE

27 October 2021

Big River Industries Ltd (ASX:BRI)

Chairman's Address FY2021 AGM

For the second year in a row let me start by acknowledging the commitment of all stakeholders to the ongoing success of Big River in the last financial year. It was again a 12 month period dominated by the Covid-19 pandemic and we were lucky to be supported by our Customers, all our hardworking Staff, Jim and the Management Team, my fellow Directors, our supportive Shareholders and suppliers, and not least our Financiers.

The detached housing and renovation markets were particularly strong, although this was somewhat offset by the multi-residential and commercial markets being below mid cycle levels. Business interruption was a feature of the year with multiple Covid lockdowns and significant disruptions to our supply chain. Fortunately, Jim and the Big River Team were up to that challenge and we were able to deliver a credible performance in FY2021.

Revenue for FY2021 was up 13% to \$281m driven by both organic and acquisitive growth. Operating EBITDA grew 30% to a respectable \$22.5m aided by the Timberwood Panels acquisition that completed in late March. A highlight for the year was distribution gross margin improving by 150 basis points. We also announced the pending closure of the Wagga Wagga NSW manufacturing plant and the subsequent consolidation of manufacturing at our Grafton NSW facility. This decision was prompted by the uncertainty of wood supply and receiving funding under the NSW Bushfire Grant Scheme. I would like to acknowledge the service and dedication of both past and present staff who have worked for Big River at the Wagga Wagga plant.

The Board determined a final dividend of 3 cents per share that brought the full year dividend to 5.6 cents per share, fully franked.

I am pleased to say that all of our sites have, and continue to be, Covid free and whilst the varying degrees of Covid restrictions across Australia and New Zealand have disrupted the business we are continuing to "keep the doors open" to support our customers, the broader construction sector and economic recovery in both countries.

We also had some changes at Board level. Brendan York made a career change and joined Naos Asset Management in a senior executive role, which meant he was no longer deemed independent. Given we no longer had a majority of independent directors, a search was initiated to appoint two additional non-executive independent directors. I am delighted that Brad Soller and Martin Monro have agreed to join the Big River Board. Both Brad and Martin bring a wealth of relevant industry experience plus having worked in senior executive roles in the listed company environment. Their networks and knowledge will

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be invaluable in executing the Company's growth strategy. And of course, I would like to commend to you the efforts of my fellow Directors who continue to work diligently on your behalf.

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. We will continue to pursue both organic and acquisitive growth with our diversified strategy of focusing on our key market categories of formwork, building supplies and panels. We announced the acquisition of Revolution Wood Panels In August and United Building Supplies in October both of which are excellent bolt on acquisitions, and earnings per share accretive from year one.

None of this would be possible without the significant effort of our people led by Jim and his senior leadership team. Living in such an uncertain world means our people, at every level, need to be flexible and ready to adapt to a changing market at a moment's notice. So, it is a great reflection of both the culture and work ethic within Big River that we have delivered such a good result. We are lucky to have so many hard working and dedicated staff.

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

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