



BIG RIVER

Big River Industries Limited (ASX:BRI)

2023 AGM
CEO presentation



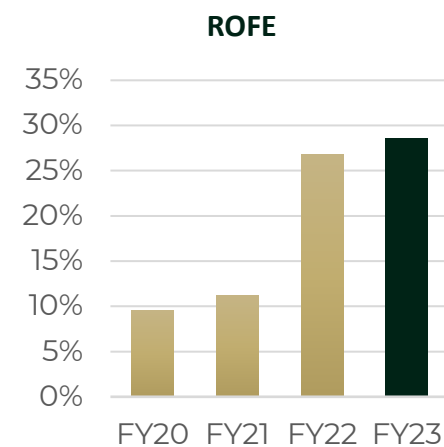
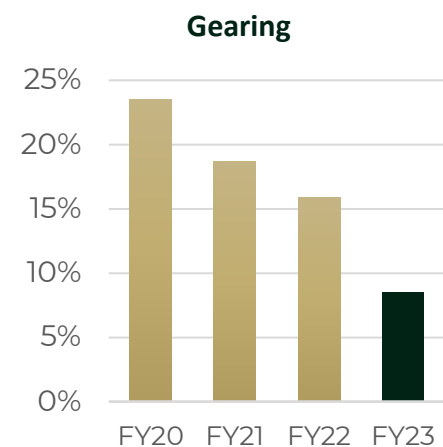
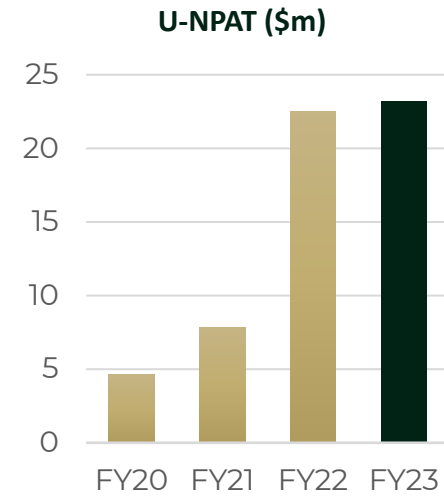
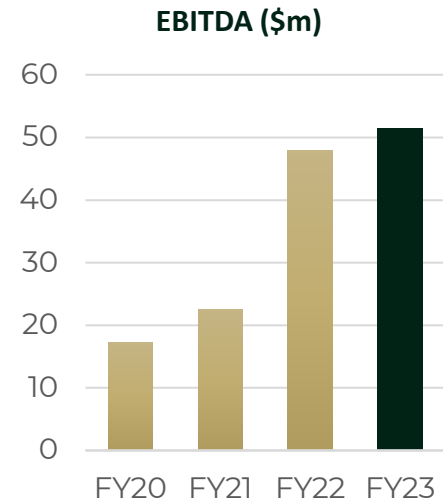
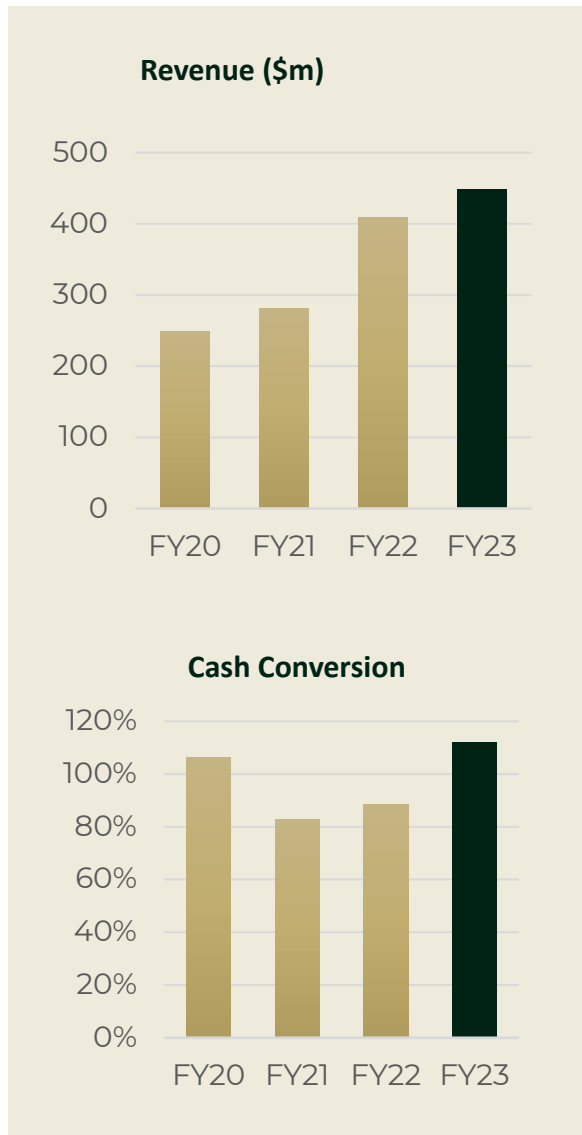
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03 Growth Momentum Continues

2023 AGM



- 1. Gearing ratio = Net debt over Funds employed.
- 2. ROFE = EBIT before significant items over Funds employed.

Revenue Growth

+9.8%

Sales revenue was up 9.8% on FY22 from organic growth and positive contributions from acquisitions.

Gross Margin

+55bps

Continued expansion in Gross Margins driven by product mix and disciplined price management.

Underlying EBITDA

+7.3%

Underlying EBITDA up 7.3% on FY22 to \$51.5m delivering strong EBITDA margin of 11.5%.

Acquisitions

FA Mitchell and Epping timber acquisitions completed in FY23.

All recent acquisitions have performed above targets and subsequently maximum contingent consideration has been paid.

Working Capital

15.5%

Strong Balance Sheet, net working capital to revenue ratio of 15.5% as compared to 18.1% in FY22.

Gearing Ratio

8.5%

Net debt decreased by \$10m to \$11.2m due to strong cash flows, positioning the business well for continued expansion.

Return on Funds Employed

28.6%

ROFE (EBIT/Funds Employed) of 28.6%, a record result.

Dividends

17.1cps

Final dividend of 8.5c delivering a total dividend of 17.1c for the year up 10.3% on FY22.

Panels Division

FY23 Results

	FY23	FY22	% Change
Revenue	\$128.5m	\$117.1m	9.7%
EBITDA	\$19.2m	\$21.4m	-10.3%
EBITDA margin	14.9%	18.3%	

Revenue growth 9.7% with organic growth of 1.9% and addition of new acquisitions

New acquisition completed in FY23, FA Mitchell has integrated well into the group and strong growth from **Revolution business**

Historically strong EBITDA margins continued with profit impacted by softness in the NZ market

Moving Forward

Grafton Consolidation project is almost completed and will be **fully operational by November 2023** increasing capacity to deliver high value specialist manufactured panel products

We will continue our **successful acquisition strategy** with good opportunities available to add quality panels businesses to the Group

Continue to expand our architectural presence in Australia leveraging the strength of our acquired businesses

Maximise opportunities to deliver panel synergies through the construction branch network

Expanding operational capability in the QLD market, new site for Revolution Panels business in H2, to deliver growth opportunities

Construction Division

FY23 Results

	FY23	FY22	% Change
Revenue	\$321.0m	\$292.2m	9.9%
EBITDA	\$39.3m	\$31.9m	23.2%
EBITDA margin	12.2%	10.9%	

Revenue growth 9.9% with organic growth of 2.8% and addition of new acquisitions

New acquisition completed in Dec 2022, Epping Timber has integrated well

Strong margin performance driven by favourable product mix (particularly F&T) and disciplined price management

Supply chains improved during the year, price deflation in imported structural timber and LVL, partly offset by increases from local suppliers

Moving Forward

A **strong pipeline in cladding products** particularly Maxiwall® and fibre cement as we continue to get deeper with customers with expanded product and service offer

New Wall Frame line at the Dry Creek site is now fully operational and will deliver improved revenue and profitability for the site

Significant number of opportunities remain to further consolidate the fragmented market and **execute acquisitions that deliver value**

Continuing to leverage our scale and deliver group synergies through key supplier relationships, international supply chain and local manufacturing

As market dynamics change, pivoting focus to **growing segments and geographies**

07 Big River Branding Preview



Sub-brand



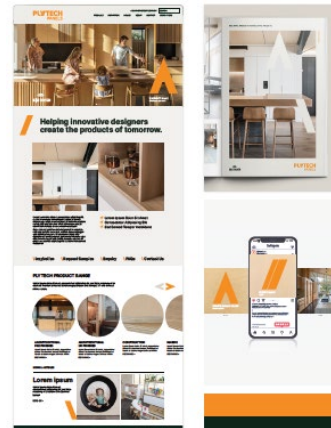
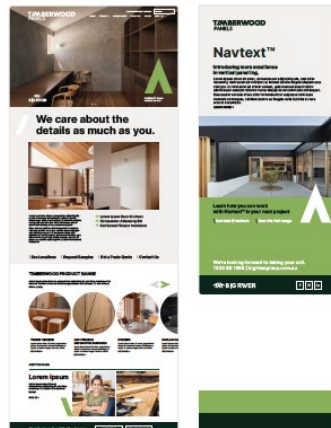
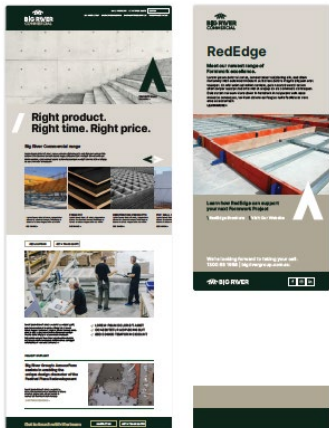
Sub-brand



Endorsed brand



Endorsed brand



BRANDING

- Modernising brand delivering business consistency
- New brand logo – one team, strength, respected & solid foundation
- Consolidating 18+ brands – leverage scale of the business

Moving forward:

- Hybrid branding approach, Big River leading brand
- Visual and Verbal Identity finalised
- Phased roll out commencing Q2FY24
- Brand Launch event

Growth opportunities remain in uncertain market conditions

YTD Progress

- Daily sales performance has been consistent the past 3 months, in line with H2 FY2023.
- Strong growth in the commercial business in Q1 offset by softness in residential particularly F&T off record highs.
- Strong pipelines delivering consistent performance but delays on site continue.
- Increased pressures on margins partly offset by consolidating supply.
- Solid start to the year from our Qld, SA & WA businesses.
- Increased investment in the business to deliver synergies and long-term growth.

Outlook

- The housing pipeline is remaining resilient and extending into CY2024 – expected softness before re-bounding on increasing demand.
 - Delays caused by labour shortages, land release and funding will continue and extend the pipeline.
 - Despite F&T coming off a record year and reduced approvals, good opportunities for expansion of these businesses in the medium term.
 - The commercial projects pipeline is at record levels and should deliver growth over the next 12 months.
- Solid medium to long term prospects for housing given the housing shortage, immigration growth and government investment in housing construction.
 - We will continue to increase investment in the business over the coming year to deliver efficiencies, synergies and long-term growth.
 - This will have a short-term impact but position the business for long term growth.
 - Supply chains have normalised though inflation and AUD exchange will see increases in prices in the coming 12 months.

Thank you



10 Important Notice and Disclaimer

2023 AGM

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