



Big River Industries Limited (ACN 609 901 377)

ASX Release - Big River industries Ltd (ASX: BRI)

31st October 2024

Company Presentation and Trading Update

In accordance with Listing Rule 3.13.3, attached is the Company Presentation to be delivered by the CEO at the Company's Annual General Meeting ('AGM') later this morning.

A trading update and outlook contained in the CEO presentation is set out below:

Trading Update (YTD 30th September 2024 v PCP)

- Group sales down 4.9% (-10.1% excl. SLQ) on a strong first quarter in FY24.
- NZ, NSW and VIC residential markets have remained challenging.
- QLD and WA markets have been stronger with SA showing resilience on solid demand, despite site delays slowing delivery.
- The commercial market experienced growth Q1 as the project pipeline was delivered.
- SLQ has integrated well and Grafton improving given increases in manufacturing efficiencies and volumes.
- Market pressures on gross margins have increased but cost and pricing initiatives have largely mitigated this.
- Operating cost pressure continues to impact EBITDA margins with cost reduction programs implemented in Q1 to align cost base to current revenue run rate.
- Continued growth in key differentiated segments - bespoke panels and cladding.

Outlook

- Residential market expected to remain soft at least until late FY25 on subdued consumer confidence.
- Commercial market expected to perform better given the Group's solid project pipelines.
- The medium-term outlook remains positive on favourable macro-economic factors: Increase in population, housing shortage, potential interest rate cuts next year and government housing initiatives.
- QLD, SA and WA have been the stronger states, and this is expected to continue. NSW is likely to remain challenging for the next 12 months with potential upside in VIC given current macro environment.
- Confidence of our key customers in NZ has improved on reduction of interest rates during Q1 .



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- Expect gross margin pressure to continue in current environment.
- Full impact of cost reduction programs is only expected to benefit 2H FY25 EBITDA margins.
- The business will continue to focus on delivering growth in a soft market and aims to deliver synergies and efficiencies to improve financial metrics and returns.

This announcement has been authorised by the Board of Directors.

For more information, please contact:

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Big River Industries Limited (ASX:BRI)

2024 AGM
CEO presentation
31 October 2024

2024 AGM

BIG RIVER INDUSTRIES LTD (ASX:BRI)



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BIG RIVER INDUSTRIES LTD (ASX:BRI)

John Lorente CEO & Managing Director

08 Executive Team

2024 AGM

Experienced and capable executive team to deliver the next phase of growth



John Lorente

CEO & Managing Director



John O'Connor

CFO



Damien O'Loughlin³

EGM - Business Transformation
& Technology



Stephanie Basset¹

Head of People & Culture



Ray Ferretti

EGM - Construction



Scott Barclay²

EGM - Panels



Gareth Watson²

EGM - Supply Chain

1 – Appointed July 2023
2 – Appointed January 2024
3 – Appointed May 2024

09 Big River Journey

Continuing growth momentum

- **Successful acquisitions strategy**

- Big Hammer (QLD)
- Pine Design (SA)
- Timberwood Panels (VIC & ACT)
- United Building Products (NSW)
- Revolution Panels (QLD)
- FA Mitchell (NSW)
- Epping Timber (VIC)
- Specialised Laminators (QLD)

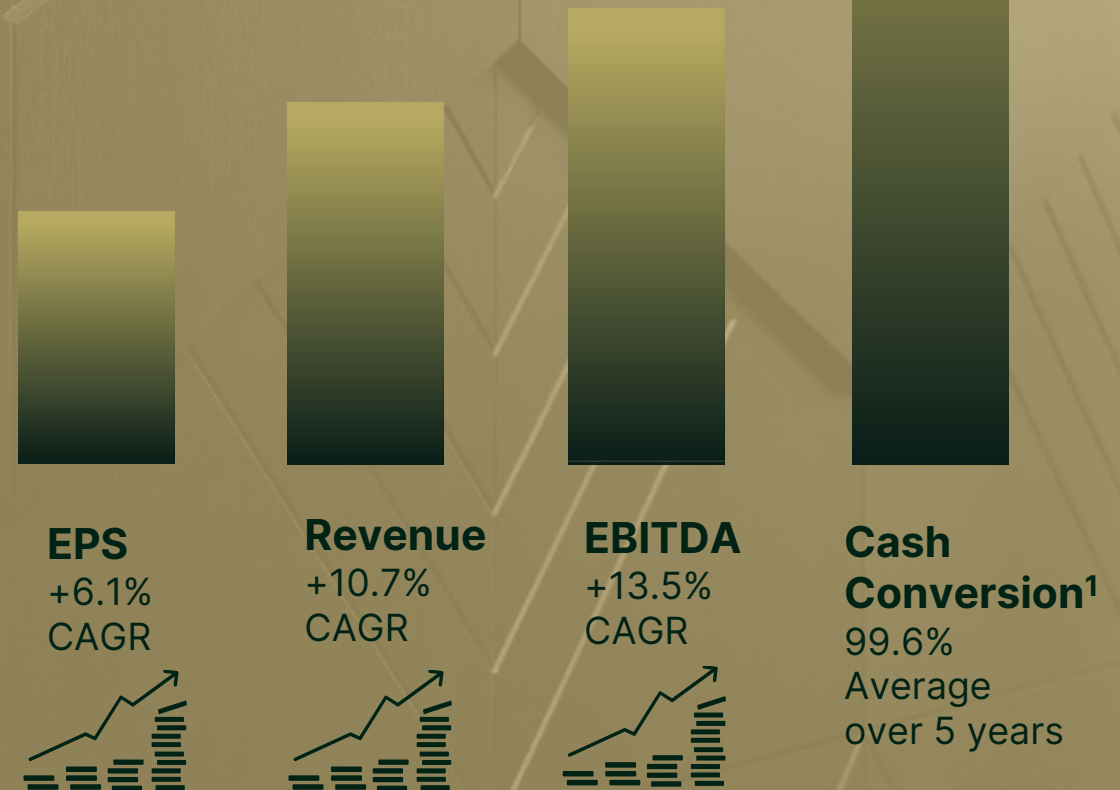
- Delivering
- National network
 - Depth in capability
 - Increased product offering



- **Expanded supply chain capability – international and local manufacturing**

- **Continuing to expand synergies and operational efficiencies**

5 Year performance



* FY2020 to FY2024 1. Cash Conversion : Operating Cashflow before interest and taxes / EBITDA

10 Performance Headlines FY24

2024 AGM

Commercial market strength offset by material softening in residential market in late H1 and into H2

Cost synergies from acquisitions and improved operations, position business well when volumes and market return

Group FY24 Revenue

\$414.7m

down 7.7% on FY23, impacted by soft residential market.

Operating Expenses

up 4.1%

Strong cost management in macro inflationary environment, OPEX up 4.1% and L4L up 1.3%.

EBITDA

\$32.6M

EBITDA down 36.0% on FY23 with EBITDA margin of 7.9%, impacted by decline in revenue and margin.

Working Capital

15.9%

Strong Balance Sheet performance, net working capital to revenue ratio of 15.9% as compared to 15.5% in pcp.

Cash Conversion

98.2%

Focus on cash conversion continues with consistent conversion across both half of FY24.

Dividends

7.5cps

Total dividend of 7.5cps for FY2024 is at 78.0% pay-out ratio.

11 Big River Strategic initiatives

2024 AGM

Safety & People	Growth	Delivering Synergies	Operational Efficiencies	One Big River
<ul style="list-style-type: none"> • Training and personal development initiatives to upskill team and deliver industry leading expertise. • Bring in required talent where required. • Continued investment in safety initiatives to improve the wellbeing of our teams and minimise LTIs. 	<ul style="list-style-type: none"> • Deliver growth above addressable market by expanding in growth segments. • Continue developing differentiated offer in both Panels and Construction divisions. • Pursue further M&A opportunities that are EBIT accretive and add expanded capability to the Group. 	<ul style="list-style-type: none"> • Deliver further scale benefits across divisions and new acquisitions improving profitability. • Align with strategic supply partners across the Group. • Consolidate and or upgrade sites. • Increase manufacturing volumes both internally and to the market. 	<ul style="list-style-type: none"> • Harmonise IT platforms across the Group delivering improved collaboration and efficiencies. • Align product data across the sites and SKU rationalisation. • Improve operational systems and processes to deliver enhanced offer and speed for customers. 	<ul style="list-style-type: none"> • Re-branding under one "Big River". • Align culture, vision and values - way of doing business.

Long Term Financial Ambitions
<ul style="list-style-type: none"> • Sustainable revenue growth above the addressable market. • Improve gross profit margins year on year across the group. • Deliver EBITDA margins at 10% average through the cycle. • Strong balance sheet – maintain working capital below 20% of revenue. • A dividend payout ratio of c50-70% each year fully franked.

12 New Branding Progress

February
2024
Market
Launch

April 2024
Grafton
Grand
Opening

May 2024
Albion Park
Branch
Launch

**Good Business.
Good People.**

Phased roll out of brand over 18 months



**We're building
our new brand.**

New look. Same exceptional service.

**WE'RE
BIG RIVER
GROUP**



2024 AGM

Strategic Rebrand Initiative

Fortifying market position by unifying diverse portfolio of brands.

Foster synergies and coherence across business operations.

Leverage scale, extensive experience and expertise across the group.

Deliver personalised local service with national scale & capability for our customers.

Consolidate our resources and expertise under one cohesive brand identity.

Unify group under shared common values. Drive sustained growth in years to come.

Rollout across all sites over FY25 & FY26.

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14 Important Notice and Disclaimer

2024 AGM

- This presentation is dated 31st October 2024.
- Big River Industries Limited (the "Company") advises that the information contained in this presentation is intended to be general background information about the Company's activities as at the date of this presentation. It is information given in summary form and is therefore not necessarily complete.
- It is not intended that it be relied upon as advice to investors or potential investors, who should seek independent professional advice depending upon their specific investment objectives, financial situation or particular needs. The material contained in the presentation may include information derived from publicly available sources that has not been independently verified.
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- This presentation should not be relied upon as a recommendation or forecast by the Company.
- This presentation should be read in conjunction with the FY24 Results Announcement and FY24 Appendix 4E.

