BIG RIVER INDUSTRIES LTD (ASX:BRI)

HFY25 RESULTS

18 February 2025

FY25 RESULTS

CONTENTS

John Lorente

CEO & Managing Director

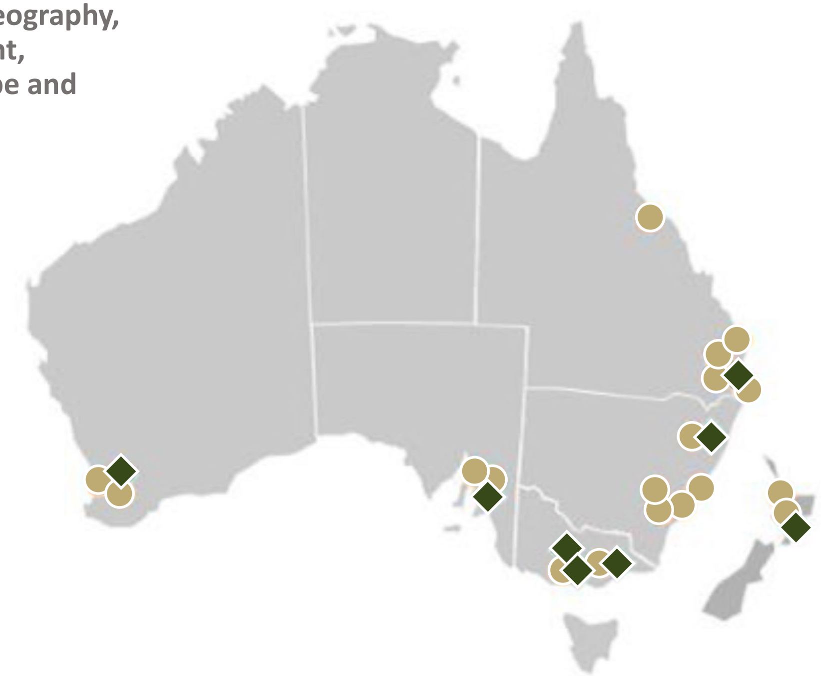
John O'Connor

CFO

03 Business Overview

BIG RIVER

Diversified by geography, industry segment, construction type and customer



Big River manufacturing facilities

Big River sales / distribution sites

Asset mix

25	8	4	4
Sites across major population centres	Manufacturing Sites	Frame & Truss prefabrication plants	Plywood / panel manufacturing plants

Supply chain diversity

23% of revenue
Manufactured by BRI

15% of revenue
Direct Import by BRI

62% of revenue
Sourced from local supply partners

Revenue by construction market

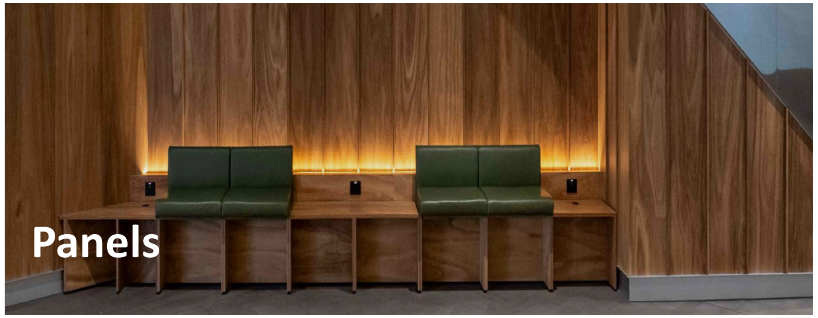
36%	Detached housing
16%	Multi-residential
11%	Alterations & Additions
23%	Commercial
5%	Civil
9%	OEM (re-manufacturing)

Revenue by region

34%	Queensland
24%	Victoria
21%	New South Wales/ACT
15%	SA/WA
6%	New Zealand

04 Divisions

BIG RIVER

	Panels	Construction
	 	
	Industry leaders in decorative timber panels to the trade for architectural and Fit Out applications	**Leading diversified Formwork & Building Products manufacturing & distribution to trade businesses**
Key Focus	➢ Architectural ➢ Residential Housing ➢ Alterations & Additions ➢ Commercial Building ➢ Transport & RV ➢ Engineered/Industrial	➢ General building ➢ Renovations ➢ Fixout ➢ Frame & Truss ➢ Local trade supplier ➢ Concrete placement ➢ Site Works ➢ Heavy Construction ➢ Bulk Products ➢ Distribution Centres
Customers	➢ Cabinet Makers & Joiners ➢ Fitout trades ➢ Resellers/Merchants ➢ Transport Authorities ➢ OEM's	➢ Residential Home builders ➢ Multi-res Builders ➢ Carpentry Trades ➢ Renovators ➢ Formworkers ➢ Civil Contractors ➢ Concreters ➢ Commercial Builders ➢ Commercial Contractors
Metrics	➢ 9 Sites ➢ c210 staff ➢ Revenue $124m (FY24) ➢ >3,000 customer accounts, largest <2%	➢ 16 Sites – 4 Frame & Truss, 4 Formwork & Commercial ➢ c350 staff ➢ Revenue $291M (FY24) ➢ >6,000 customer accounts, Top 750 representing ~80%

05 Investment Highlights

BIG RIVER

Solid Track Record

- Founded 100+ years ago, deep heritage of excellence in building and timber supplies
- Proven M&A strategy - 15 acquisitions over 7+ years, expanding into aligned markets with national presence across Australia and NZ
- Long term history of paying fully franked dividends to shareholders

Robust Financial Profile

- 1H’25 revenue of $211.5m & EBITDA of $14.8m
- FY24 revenue of $414.7m & EBITDA of $32.6m
- Medium Term target: EBITDA margin of 10%+
- Balance sheet flexibility to pursue further M&A opportunities as appropriate

Market Position

- Focus on Trades & Building professionals who value expert knowledge, customer relationships and delivery flexibility
- Vertically integrated; manufacturing and distribution across key construction sectors
- Scale & supply chain relationships provide ability to pivot quickly to new high growth products

Diversified Product Mix

- Focus on building and construction materials and supplies
- Two core operating divisions:
  - Panels (decorative and technical), 34% revenue
  - Construction products, 66% revenue
- Leading offering in industry high-growth products, including decorative timber panel and lightweight cladding

Outlook Positive

- Australia highly leveraged to housing with Government targeting 1.2m new homes in next 5 years
- Short term - market conditions remain subdued, notably across residential sector; commercial remains steady
- Medium term - outlook strong, uptick expected in FY26 and beyond driven by:
  - increasing and forecast population growth,
  - low vacancy rates, and
  - Government initiatives to boost housing construction

06 Performance Headlines 1H FY25

Group 1HFY25 Revenue

$211.5m

Down 3.3% on 1HFY25
(-9.0% L4L)
on challenging market conditions.

Up 8.0% on 2HFY24 (+3.9% L4L).

Gross Profit Margin

26.4%

Flat on pcp but up 76 basis points on 2HFY24.

Strong result in challenging market on strong pricing disciplines and margin growth initiatives.

Underlying EBITDA (Before significant items)

$14.8M

EBITDA (before significant items) down 26.0% on 1HFY24 with EBITDA margin of 7.0%

Up 17.5% on 2HFY24 (+9.9% L4L).

Working Capital

17.7%

Net working capital to revenue ratio is up 1.1% on pcp, comfortably in line with Group's target.

Cash Conversion

78.4%

EBITDA to Cash conversion at 78.4% compared to 98.0% in 1HFY24.

Dividends

2.0 cps

Interim dividend of 2.0 cps at 69.4% pay-out ratio on NPAT before significant items.

07 Investment – Build for the future

BIG RIVER

Group Strategic Priorities

Safety & People	Growth	Delivering Synergies	Operational Efficiencies	One Big River

Continued prudent investment: Grow today – build for the future.

Customer/Market facing Investment

Growth – customer focussed
Deliver Sales & margin improvement

- Business development
- Margin Improvement – Pricing university
- Acquisitions & synergies
- Category management
- Focus product & market segments
- Marketing – Brand alignment

Distribution / Operational Investment

Operations – Team & Supplier
Deliver synergies & efficiencies

- Supplier consolidation
  - Key supplier alignment
- Vertical integration
- International supply chain
- Manufacturing efficiency
- Manufacturing synergies – Grafton, SLQ, Campbellfield

Business support structure Investment

Systems & processes - Team
Scalable model - efficiencies

- Safety initiatives – zero harm
- HR – Key roles
- Team development
- Finance systems – governance
- IT Systems & processes
- Cyber

Cost down initiatives FY25	The Group underwent several cost out initiatives in 1H FY25 to right-size the business given the macro economic environment including site consolidations and team restructure.

08 Divisional Performance

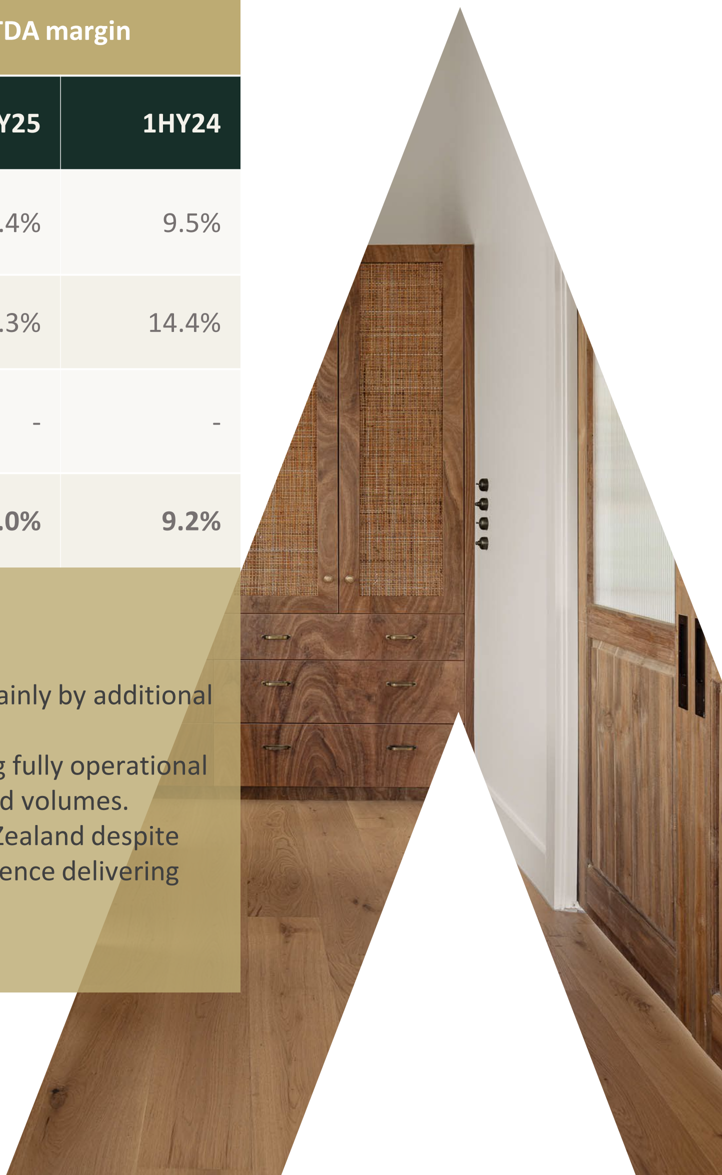
	Revenue			EBITDA			EBITDA margin	
AUD in millions	1HY25	1HY24	% Change	1HY25	1HY24	% Change	1HY25	1HY24
Construction products	140.1	154.3	(9.2%)	10.3	14.6	(29.5%)	7.4%	9.5%
Panels	71.4	64.5	10.7%	8.8	9.3	(5.4%)	12.3%	14.4%
Corporate costs	-	-	-	(4.3)	(3.9)	10.3%	-	-
Total	**211.5**	**218.8**	**(3.3%)**	**14.8**	**20.0**	**(26.0%)**	**7.0%**	**9.2%**

Construction products

- Revenue down 9.2% on a strong 1HFY24 but the division delivered 2.4% revenue growth and gross margin improvement of 54 bps as compared to 2HFY24.
- The residential markets have remained challenging particularly with the frame and truss volumes cycling off historical highs.
- Continued growth in key differentiated segments.

Panels

- Revenue growth of 10.7% compared to pcp is driven mainly by additional contribution from SLQ acquired in May 2024.
- SLQ has integrated well and coupled with Grafton being fully operational have delivered increases in manufacturing synergies and volumes.
- Continued soft market conditions experienced in New Zealand despite reductions of interest rates during H1, improved confidence delivering increases in project pipelines.



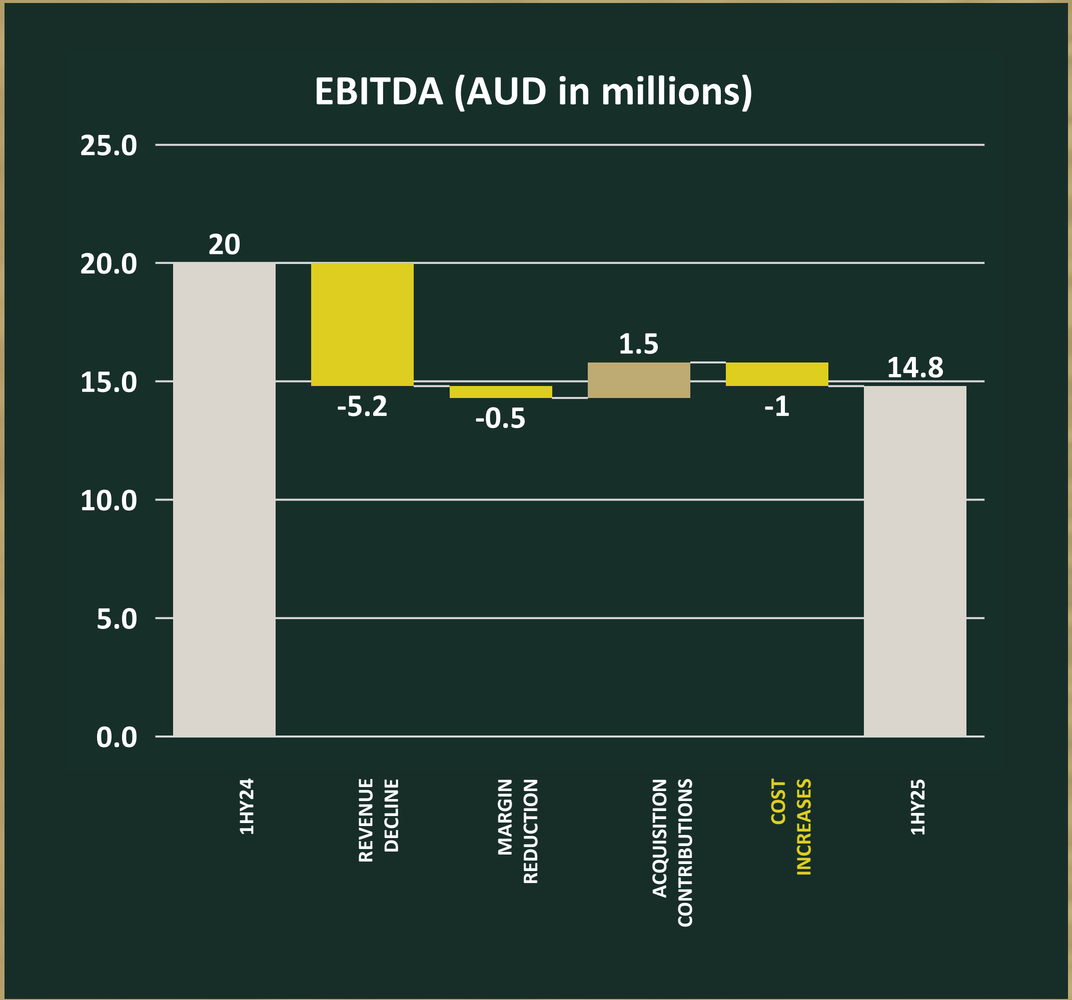
09 Profit & Loss

AUD in millions	1HFY25	1HFY24	% Change
Revenue	211.5	218.8	(3.3%)
Raw materials and consumables	(155.8)	(161.0)	(3.2%)
Gross profit	**55.7**	**57.8**	**(3.6%)**
Gross profit %	26.4%	26.4%	-
Operating expenses	(40.9)	(37.8)	8.2%
EBITDA	**14.8**	**20.0**	**(26.0%)**
Depreciation and amortisation	(8.4)	(7.3)	15.1%
EBIT	**6.4**	**12.7**	**(49.6%)**
Finance costs (net)	(2.8)	(2.7)	3.7%
PBT before significant items	**3.6**	**10.0**	**(64.0%)**
Income tax expense	(1.1)	(3.1)	(64.5%)
NPAT before significant items	**2.5**	**6.9**	**(63.8%)**
Significant items:			
- Acquisition costs	-	(0.1)	(100.0%)
- Fair value gain (On contingent consideration)	0.8	0.3	166.7%
- Restructure & rebranding costs	(0.5)	-	-
- Impairment charge	(20.0)	-	-
- Income tax benefit (On significant items)	0.2	-	-
NPAT to equity owners	**(17.0)**	**7.1**	**(338.7%)**

Highlights

- Revenue is down 3.3% (L4L down 9.0%) compared to pcp as residential markets have remained challenging in key geographies.
- Gross Profit margin was flat on pcp but improved by 76 bps as compared to 2HFY24, driven by pricing initiatives, mix and cost.
- Operating expenses up 8.2% (L4L up 2.9%) well managed in the inflationary macro-economic environment with cost reduction programs implemented to align cost base.
- Non-cash impairment charge of $20m in relation to goodwill.
- Fair value recognised in relation to SLQ as the business may achieve lower tier EBITDA target range for the first earn-out period.

10 Profitability Waterfall



Revenue

Like for like revenue decline, on soft market dynamics, largest contributor to EBITDA movement.

Gross Margin

Slight like for like gross margin reduction.

EBITDA[1]

Acquisition of SLQ delivered 7.5% growth in EBITDA.

1. Before significant items

Operating Expenses

Cost increases of 2.9% L4L contributed to 5.0% decline in EBITDA.

11 Balance Sheet

AUD in millions	31-Dec-2024	30-Jun-2024
Cash	18.8	20.5
Trade and other receivables	44.4	56.0
Inventories	71.5	72.5
Income tax receivable	-	0.4
Fixed assets	24.5	25.2
Right-of-use assets	27.7	29.2
Intangibles	45.5	66.8
Other assets	3.2	2.0
Total assets	**235.6**	**272.6**
Trade and other payables	42.3	56.1
Borrowings	48.4	48.1
Lease liabilities (right-of-use)	29.5	30.7
Current tax payable	0.7	0.1
Contingent consideration	2.4	5.9
Provisions and other liabilities	11.8	12.5
Total liabilities	**135.1**	**153.4**
Net assets	**100.5**	**119.2**

Highlights

- Strong balance sheet supports the growth strategy.
- Continued strong financial disciplines in working capital management – marginal 1.5% increase in net working capital as compared to June 2024.
- Decrease in intangibles due to non-cash charge of $20m.
- Decrease of $3.5m in contingent consideration is due to payment to vendors and fair value gain recognised during the period.

12 Cash Flow

AUD in millions	1HY25	1HY24
Receipt from customers	244.1	252.4
Payment to suppliers and employees	(232.5)	(232.8)
Operating cash flow before interest and tax	**11.6**	**19.6**
Interest paid (net)	(1.7)	(1.7)
Income tax paid	(0.8)	(8.5)
Cash generated from operating activities	**9.1**	**9.4**
Contingent consideration paid	(2.8)	(3.2)
Capital expenditure (net)[1]	(0.3)	(1.2)
Investment in financial assets	-	(0.1)
Cash used in investing activities	**(3.1)**	**(4.5)**
Lease repayments	(5.9)	(5.3)
Dividends paid	(1.7)	(7.0)
Cash used in financing activities	**(7.6)**	**(12.3)**
Net decrease in cash and cash equivalent [2]	**(1.6)**	**(7.4)**

1. Gross capital expenditure (before lease funding and proceeds from disposal) is $1.3m (1HY24: $2.2m).
2. Cash and cash equivalents = Cash – Bank Overdraft.

Highlights

- Cash conversion of 78.4% is lower as compared to 98.0% in pcp due to unwinding of net working capital after strong cash conversion in prior years.
- Higher tax payment in 1HFY24 includes payment of tax liability relating to FY2023.
- Contingent consideration paid from cash generated.
- Capital expenditure funded through asset finance facilities.

13 Capital Management

AUD in millions	31-Dec-2024	30-Jun-2024
Total borrowing facility[1]	80.8	80.9
Facility drawn	**48.4**	**48.1**
Utilisation ratio %	59.9%	59.5%
Cash	18.8	20.5
Net debt (Facility drawn – Cash)	**29.6**	**27.6**
Share capital	102.8	102.8
Reserves	(2.4)	16.4
Equity	**100.4**	**119.2**
Funds employed (Net debt + Equity)	**130.0**	**146.8**
Gearing ratio % (Net debt over Funds employed)	**22.8%**	**18.8%**
Working capital to revenue ratio %	**17.7%**	**16.6%**
Cents per share	**1HFY25**	**1HFY24**
Dividend declared	2.0 cps	5.5 cps
Basic earnings per share	(19.9) cps	8.5 cps
Dividend pay-out ratio %	**nm**	**64.5%**

Highlights

- Net debt increased by $2.0m due to decrease in cash driven by lower cash conversion and net increase in borrowing relating to asset finance.
- Gearing ratio increased by 4.0% impacted by the impairment charge.
- Working capital to revenue ratio increased by 1.1% due to marginal unwinding of net working capital after strong cash conversion in prior years.
- Interim dividend of 2.0 cps.

1. Total borrowing facilities are a mix between corporate loans and working capital facilities. At period end there was $16m unused corporate loan.

14 Group Outlook

BIG RIVER

In the short term market conditions are expected to remain challenging, particularly in the residential sector and in key regions such as New South Wales, Victoria, and New Zealand.

Queensland market (BRI largest footprint) expected strong growth.

New Zealand market expected to improve – driven by reduced interest rates.

- The medium-to-long-term outlook remains favourable, underpinned by increasing and forecast population growth, low vacancy rates, and government initiatives to boost housing construction.
- While site delays and labour constraints continue to impact project timelines, market growth is expected to be modest in the short term, with acceleration anticipated as the Group moves into FY26 and beyond.

- The Group remains active in identifying and pursuing value-accretive acquisitions that enhance its capabilities and competitive position.
- The business remains committed to its strategic priorities of driving growth in key differentiated trade market segments, both organically and through acquisitions, while continuing to unlock synergies and operational efficiencies.

15 Appendices

16 Appendix - Profitability

AUD in millions	1HY21	1HY22	1HY23	1HY24	1HY25
Revenue	**133.5**	**193.8**	**232.4**	**218.8**	**211.5**
EBITDA					
- Construction	7.6	13.1	20.7	14.6	10.3
- Panels	4.4	10.9	10.6	9.3	8.8
- Corporate costs	(2.2)	(2.8)	(3.4)	(3.9)	(4.3)
Total EBITDA	**9.8**	**21.2**	**27.9**	**20.0**	**14.8**
Depreciation	(4.2)	(5.3)	(5.6)	(6.2)	(7.2)
Amortisation	(0.2)	(0.6)	(1.3)	(1.1)	(1.2)
EBIT	**5.4**	**15.3**	**21.0**	**12.7**	**6.4**
Finance costs (net)	(1.0)	(1.5)	(2.2)	(2.7)	(2.8)
Income tax expense	(1.3)	(4.2)	(5.7)	(3.1)	(1.1)
NPAT before significant items	**3.1**	**9.6**	**13.1**	**6.9**	**2.5**
Significant items:					
- Acquisition costs	(0.2)	(0.8)	(0.3)	(0.1)	-
- Fair value gain	0.2	-	-	0.3	0.8
- Restructure & rebranding costs	-	-	-	-	(0.3)
- Impairment charge	(9.3)	-	-	-	(20.0)
NPAT to equity owners	**(6.2)**	**8.8**	**12.8**	**7.1**	**(17.0)**
Earnings per share (basic)	(9.8) cps	10.9 cps	15.6 cps	8.5 cps	(19.9) cps
Dividend per share	2.6 cps	5.5 cps	8.6 cps	5.5 cps	2.0 cps
Dividend pay-out ratio %	Nm	50.0%	55.0%	64.5%	Nm

17 Appendix – Cash Flow

AUD in millions	1HY21	1HY22	1HY23	1HY24	1HY25
EBITDA	**9.8**	**21.2**	**27.9**	**20.0**	**14.8**
Working capital changes & other items	(2.2)	(6.4)	(7.0)	(0.4)	(3.2)
Operating cash flow before interest and tax (OCFBIT)	**7.6**	**14.8**	**20.9**	**19.6**	**11.6**
Interest paid (net)	(0.9)	(1.5)	(1.4)	(1.7)	(1.7)
Income tax paid	(1.8)	(1.8)	(6.7)	(8.5)	(0.8)
Cash generated from operating activities	**4.9**	**11.5**	**12.8**	**9.4**	**9.1**
Net capital expenditure (net)[2]	(0.3)	(2.9)	1.1	(1.2)	(0.3)
Payment for intangibles	(0.3)	(0.1)	-	-	-
Investment in financial assets	-	-	-	(0.1)	-
Free cash flow	**4.3**	**8.5**	**13.9**	**8.1**	**8.8**
Business acquisitions	-	(13.5)	(5.6)	-	-
Contingent consideration paid	(1.2)	(1.8)	(3.6)	(3.2)	(2.8)
Net proceeds from issue of shares	13.8	-	-	-	-
Proceeds from borrowings	(13.6)	10.0	5.0	-	-
Lease repayments	(2.6)	(3.6)	(4.7)	(5.3)	(5.9)
Dividends paid	(1.5)	(2.3)	(8.1)	(7.0)	(1.7)
Decrease in cash and cash equivalent[1]	**(0.8)**	**(2.7)**	**(3.1)**	**(7.4)**	**(1.6)**

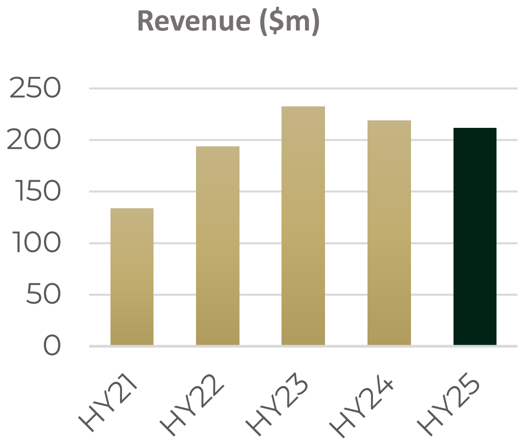
1. Cash and cash equivalents = Cash – Bank Overdraft.
2. Net Capital Expenditure for 1HY23 is net of proceed from sale of land of $2.7m.

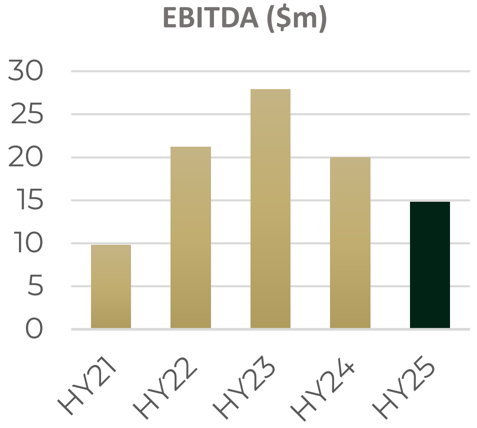
18 Appendix – Capital Management

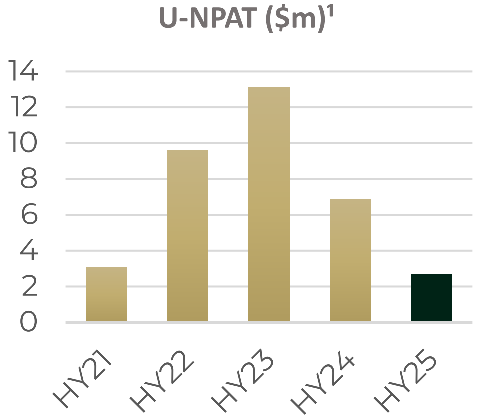
AUD in millions	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24
Overdraft and trade finance	1.5	2.8	2.7	-	-
Bank bills	12.2	36.0	41.0	41.0	46.0
Equipment finance liability	2.0	2.4	2.3	2.3	2.4
Less: Cash	(6.5)	(6.5)	(16.9)	(24.3)	(18.8)
Net debt	**9.2**	**34.7**	**29.1**	**19.0**	**29.6**
Equity	78.1	105.0	118.3	120.5	100.4
Funds employed (Net debt + Equity)	**87.3**	**139.7**	**147.4**	**139.5**	**130.0**
Gearing ratio[1]	**10.5%**	**24.8%**	**19.7%**	**13.6%**	**22.8%**
EBIT before significant items (LTM)	9.6	22.4	40.6	28.8	11.0
Return on funds employed (ROFE)[2]	**11.0%**	**16.0%**	**27.5%**	**20.6%**	**8.5%**

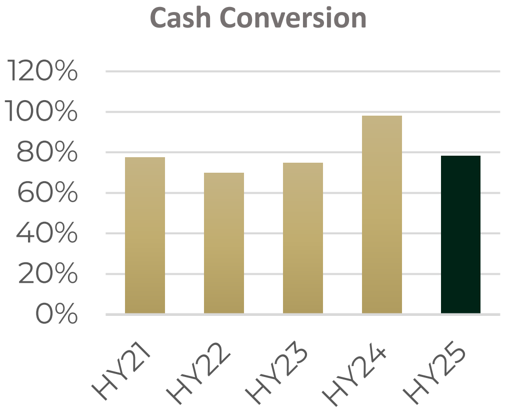
1. Gearing ratio = Net debt over Funds employed.
2. ROFE = EBIT before significant items over Funds employed.

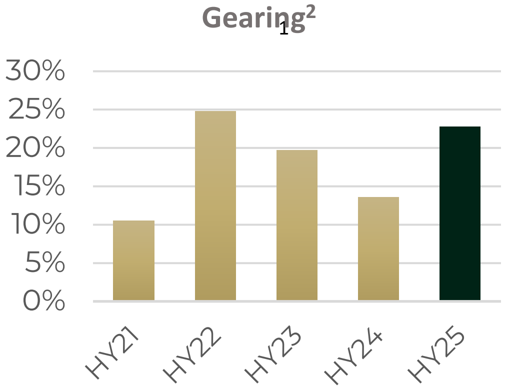
19 Appendix – Historical Performance

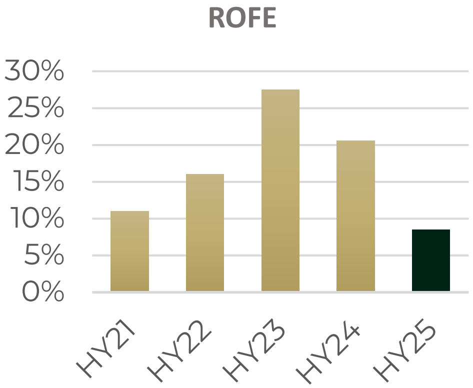












1. U-NPAT is NPAT before significant items.
2. Definitions of Gearing ratio and ROFE covered on page 18.

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