



## **Big River Industries Limited (ASX:BRI)**

### **Trading Update**

**24 April 2018**

Big River Industries Ltd (ASX:BRI) today provides an update in relation to its full year profit guidance.

Whilst the broad market conditions remain largely stable, customer demand for imported Formply products has continued to increase and this has contributed to substantial revenue growth for the Company's imported Formply range. However, this continues to place pressure on profit contribution from the Wagga manufacturing facility due to the reduced demand for the equivalent locally manufactured products.

The Company previously advised it had mitigated this impact by restructuring the site and reducing shifts, however this further decline has required an additional reduction in staff numbers which was implemented this month.

As noted in our half year investor presentation, delays on regional bridge repair projects saw minimal Bridgeply sales in the first half. Whilst some orders have been received in April, there is likely to be a shortfall to forecast revenue and profit from this key specialised product.

Whilst these two factors have impacted the manufacturing profit contribution, the distribution network is performing to expectation and the Company continues to actively pursue growth, including through its distribution acquisition strategy.

The Company still expects to meet its revenue guidance, however given the manufacturing challenges noted above, it now expects EBITDA before acquisition costs to be 5% to 10% below the lower end of guidance previously provided in the half year results.

#### **For more information, contact:**

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