



Big River Industries Limited (ACN 609 901 377)

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## ASX RELEASE

4 October 2021

### **Big River acquisition of United Building Products**

Big River Industries Ltd (**Big River, ASX: BRI**) is pleased to advise that it has entered into an agreement to acquire the trading business and assets of United Building Products located in the growth region of Wollongong in the NSW Illawarra. The acquisition is subject to customary conditions precedent, which the Company expects will be met in the ordinary course, and is expected to complete in early November 2021.

This acquisition continues the expansion of the Big River network and will add to the business' existing NSW/ACT region, taking the number of sites to six, in what is the largest construction market in Australia. With annual revenue exceeding \$20m, United Building Products is a strong complement to the Company's existing site at Kiama, which is focused on the South Coast and Southern Highlands areas, whereas United Building Products is particularly strong in the Shellharbour and greater Wollongong markets.

United Building Products has been in operation for over 30 years, and has grown to be one of the largest building materials distribution businesses in the Illawarra region, on the back of an excellent Trade offer. The business is entirely consistent with the core strategy of Big River, and the acquisition is further enhanced by the strong product, supplier and customer synergies that exist.

United Building Products fits within the Building Products category of the Big River strategy, supplying a broad product range into predominantly the residential and commercial construction markets. Big River's core competence in the Formwork and Panels construction categories provides additional potential growth opportunities for this business in the future.

The purchase consideration of \$9m at completion, comprises \$7m of cash and \$2m in BRI shares (to be issued at the 10-day weighted average trading price prior to the completion date). There is the potential for the vendors to receive an additional earn out payment of up to \$1.5m, payable over a two year period, if certain profit growth targets are achieved. The acquisition is expected to be earnings per share accretive from year one and will be funded out of the Company's available debt facilities.

Jim Bindon, Big River CEO said: 'Whilst the founders, Nick and Steve Grozdanov no longer have operational roles in the business, I am pleased they will become meaningful shareholders in BRI and maintain their connection to the business they developed for over 30 years. The quality management team already running United Building Products will be retained and continue to manage the business, and I look forward to their contribution right across the Big River business in the future.'

For more information, please contact:

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This announcement has been authorised for release to the ASX by the Managing Director and CEO.

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