



BIG RIVER

Coffee Microcaps

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BIG RIVER INDUSTRIES LTD (ASX:BRI)



CONTENTS

- 03** History
- 04** Business Overview
- 05** Strategic Progress – Panels
- 07** Strategic Progress – Construction
- 09** Growth Momentum
- 10** Strategic Growth Targets
- 11** YTD Progress & Outlook



John Lorente, CEO & Managing Director

03 Building Australia for over 100 years

- A proud history dating back to the late 1800's.
- Successfully listed for 6 years after > 100 years in the same family ownership.
- A vertically integrated manufacturer and distributor of timber, panels and building materials.
- A well-diversified supply chain including strong Government contracted wood supply.
- Sites across Australia and New Zealand.
- A diverse product mix with an exposure to all construction segments.
- Direct to market channel, with over 9,000 active Trade accounts.
- History of successful acquisitions and a lead position consolidating the industry.
- Strongly aligned and experienced management team.
- Circa 640 staff Average L.O.S ~ 10 years.



04 Business Overview

Supply chain diversity



- 20% of revenue**
Manufactured by BRI
- 20% of revenue**
Direct Import by BRI
- 60% of revenue**
Sourced from local supply partners

Revenue by construction market



- 44%** Detached housing
- 16%** Multi-residential
- 6%** Alterations & Additions
- 21%** Commercial
- 7%** Civil
- 6%** OEM (re-manufacturing)

Revenue by region



- 27%** Queensland
- 26%** Victoria
- 23%** New South Wales/ACT
- 17%** SA/WA
- 7%** New Zealand

Asset mix

26

Sites across major population centres

7

Manufacturing Sites

4

Frame & Truss prefabrication plants

3

Plywood / panel manufacturing plants

Diversified by geography, industry segment, construction type and customer

- Big River manufacturing facilities
- Big River sales / distribution sites



05 Strategic Progress

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%	

9 Sites
>3000 Accounts, largest <2%

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

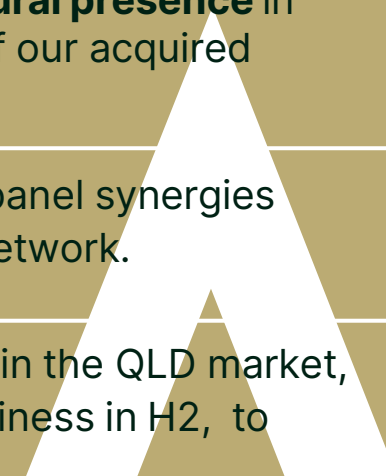
Grafton Consolidation project is almost completed and will be **fully operational by November 2023** increasing capacity to deliver high value specialist manufactured panel products.

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.



06 Panels Business Projects



07 Strategic Progress

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%	

17 Sites
>6000 Accounts, Top 750 ~80%

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.

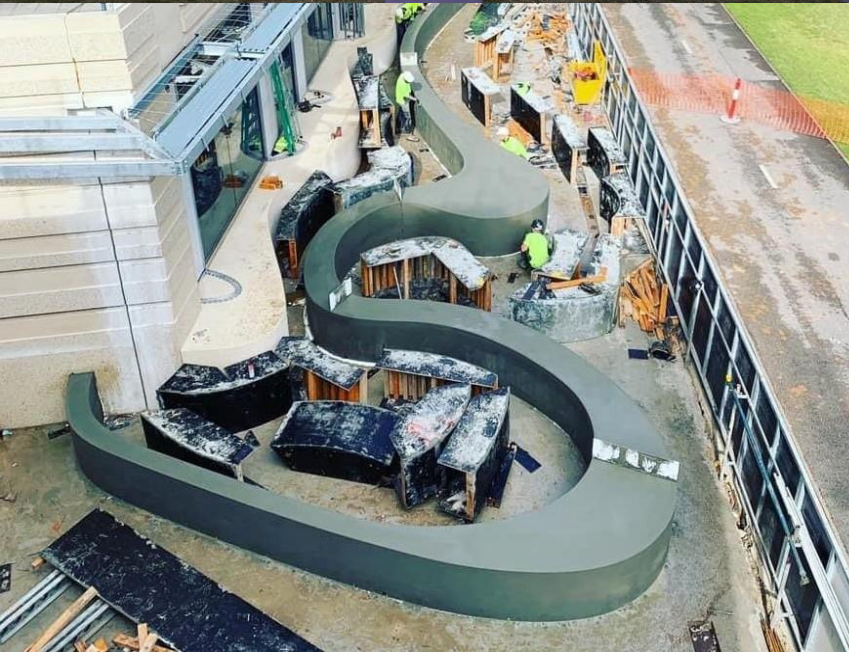
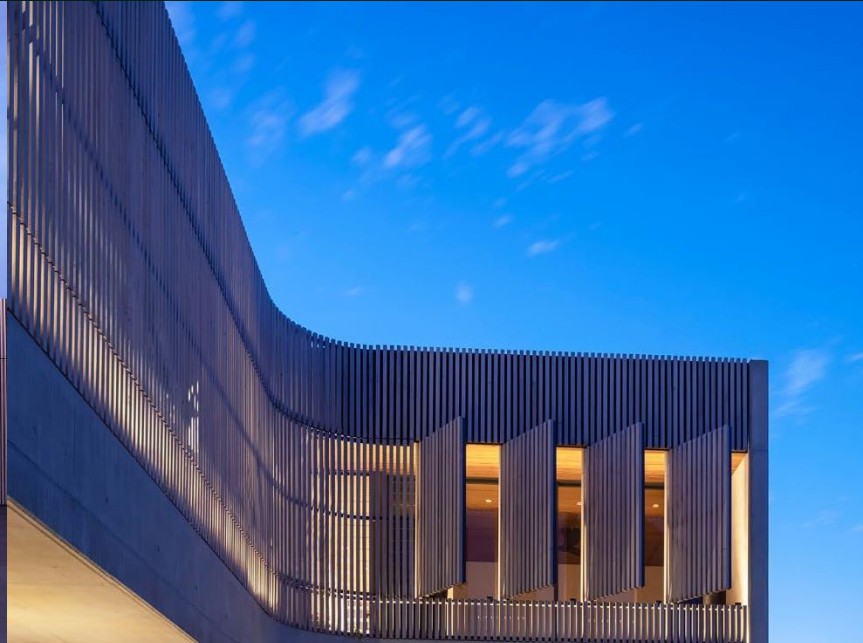
Significant number of opportunities remain to further consolidate the fragmented market and **execute acquisitions that deliver value.**

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

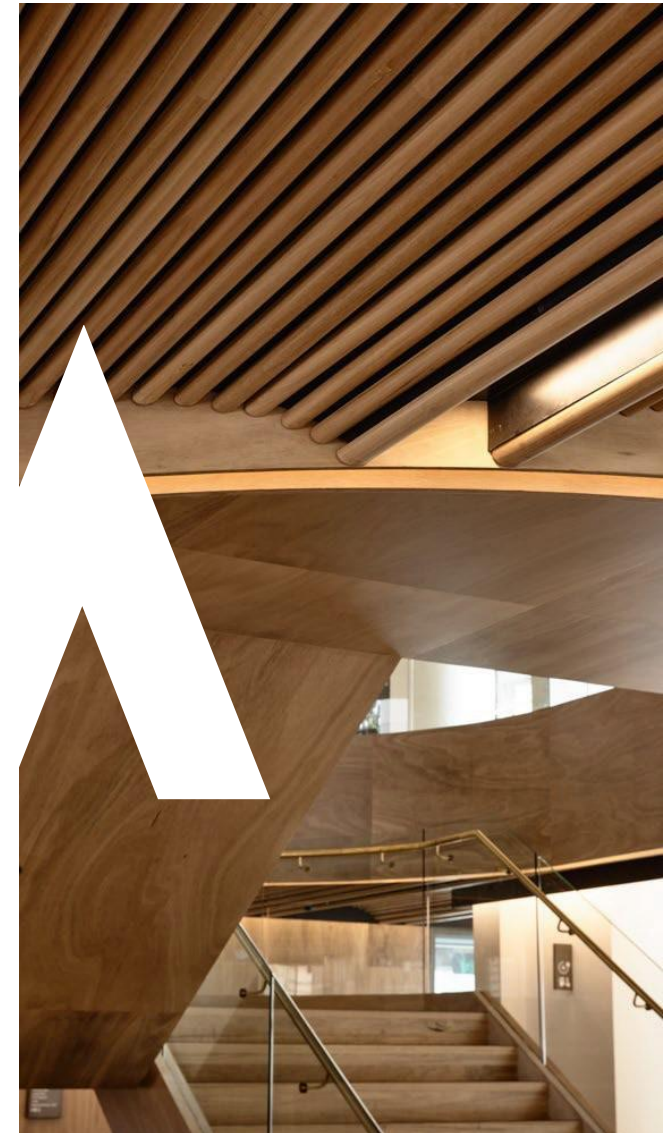
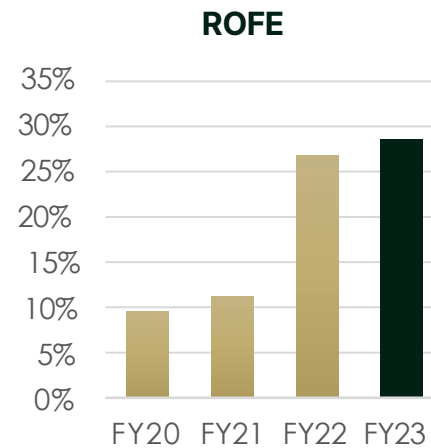
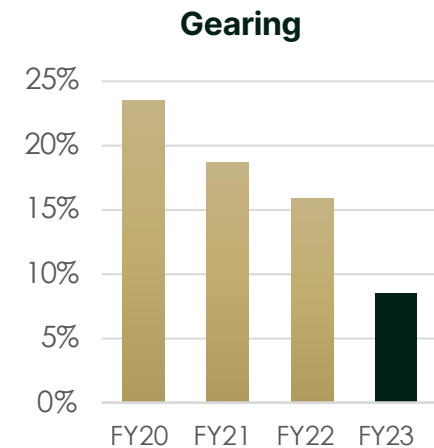
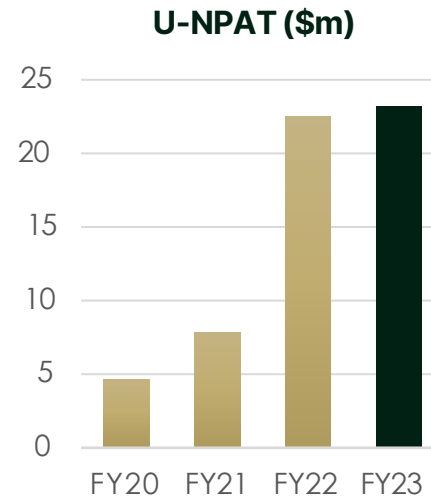
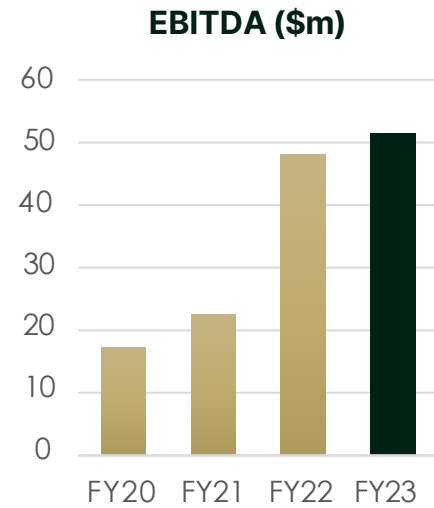
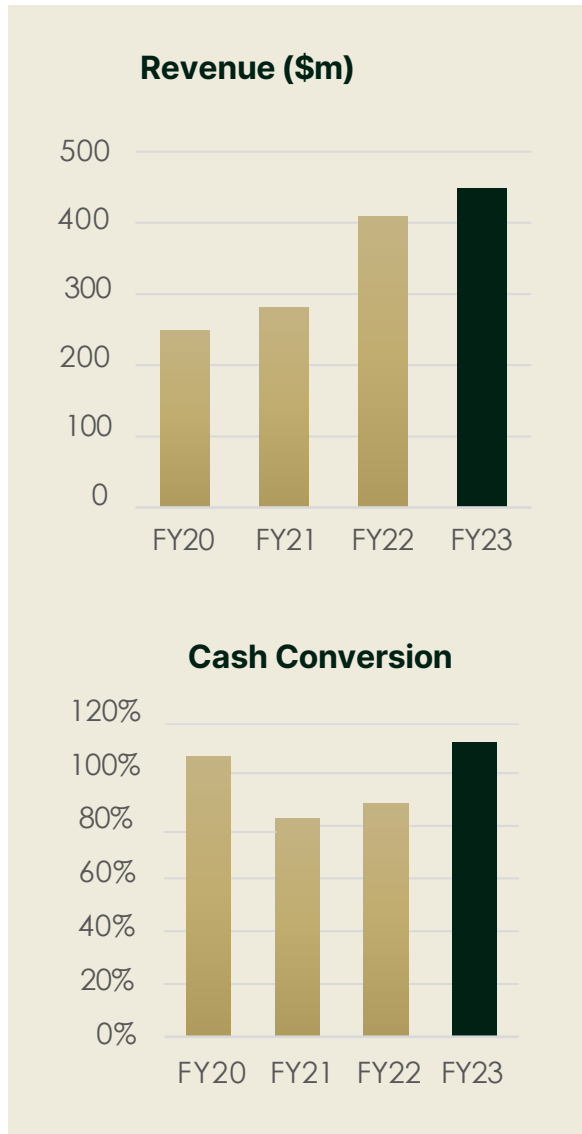
As market dynamics change, pivoting focus to **growing segments and geographies.**



08 Construction Business Projects



09 Growth Momentum Continues



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

10 Strategic Growth Targets

Financial Metrics

- Continue to deliver revenue growth.
- Sustain average 10% EBITDA margins through the cycle.
- Continue to maximise ROFE for shareholders.
- Continue fully franked dividends at 50-70% payout ratio.

Competitive Position in a Large Industry

- Total addressable market (Trade building supplies) > \$15b per annum.
- Consolidating sector with aging business owners and minimal succession options.
- Strong medium-term outlook across all sectors, given the undersupply of housing and growing population.

Network Expansion

- Continue to deliver on acquisition strategy:
 - Successful implementation of acquisitions.
 - Roll up of businesses in a fragmented market remains core to our strategy.
 - Opportunities exist across both Panels and Construction divisions.
 - Maintain acquisition discipline - acquiring quality businesses at accretive multiples.



11 YTD Progress & Outlook

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.



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