Operational Discipline Strengthens Platform for Growth

Big River Industries Limited (ASX: BRI) (‘**BRI**’ or the ‘**Group**’) is pleased to announce its financial results for the 12-month period ending 30 June 2025 (FY25).

FY25 Financial Highlights

- **Group Revenue** of $405.1m in FY25 was down 2.3% on the pcp (-6.6% LFL[1]), reflecting challenging market conditions. However, Revenue decline moderated in 2H25, improving from –3.3% in 1H25 to –1.2% (–8.8% to –4.3% on a LFL basis), reflecting progress in stabilisation efforts.
- **Gross Profit Margin** of 26.2% in FY25 was up 20bps on the pcp, reflecting ongoing pricing discipline, supply chain efficiencies, and closer alignment with key suppliers. This margin expansion was achieved despite softer volumes and heightened competition.
- **Operating Expenses** rose 2.9% in FY25 vs the pcp but fell 2.7% in 2H25 vs the pcp (-5.9% LFL) as targeted efficiency initiatives implemented in late 1H25 and early 2H25 gained momentum.
- **Underlying[2] EBITDA** of $28.7m in FY25 fell 11.9% on the pcp. However, the revenue stabilisation, gross profit margin resilience, and operating cost reductions described above drove EBITDA growth of 10.6% in 2H25 vs the pcp, with 2H25 EBITDA margins of 7.2% up 80bps on the pcp.
- **Statutory loss** after tax of $14.7m includes a net after tax significant item charge of $19.0m, related to the impairment of intangible assets recognised in the first half of the financial year.
- **Operating Cashflow** of $28.7m equates to cash conversion of 100.1%, reflecting continued strong cash generation across the business.
- **Net Working Capital to Revenue** of 17.7% (vs 16.6% in the pcp) remains comfortably in the Group's target range, with inventory and receivables well managed. Gearing remains within target range, providing investment flexibility.
- **Strategic priorities are progressing well**, with SLQ integration continuing and synergies achieved despite market softness, while transformation initiatives across the business remain on track.
- **The residential construction market outlook is improving**, with macro indicators such as approvals starting to accelerate. While this reaffirms medium-term expectations, the nearer-term conditions remain uncertain. The Group's commercial pipeline remains strong across key regions and Big River is well positioned for a cyclical recovery.
- **Final dividend** declared of 2.0 cents per share (fully franked) for a total FY25 dividend of 4.0c. The final dividend will be paid on 7 October 2025, and the DRP remains active.

John Lorente, Big River Industries CEO & Managing Director, said: “With market conditions remaining challenging in FY25, we continued to focus on our key strengths, namely trade customers, targeted segments, operational discipline, and industry-leading service. These efforts are evident in our second-half results, where pricing, margin and cost initiatives delivered clear improvements on the first half. While conditions remain patchy, we are well positioned for growth as confidence returns in FY26.”

[1] Like-for-like figures exclude the SLQ business, acquired in May 2024.
[2] Underlying figures exclude $20.0m non-cash impairment and other items. Further reconciliations can be found in the FY25 Results Presentation.

Key Financials

Key Financials	FY25	FY24	Change
Revenue	$405.1m	$414.7m	(2.3%)
EBITDA (Underlying)	$28.7m	$32.6m	(11.9%)
NPAT (Underlying)	$4.3m	$8.4m	(48.6%)
NPAT (Statutory)	($14.7m)	$8.1m	nm
NPATA[3]	$6.7m	$10.7m	(37.4%)
Earnings Per Share (Underlying)	5.0cps	10.0cps	(50.0%)
Earnings Per Share (Statutory)	(17.3cps)	9.6cps	nm
Total Dividends	4.0cps	7.5cps	(46.7%)

FY25 Trading Summary

Market conditions

- **Residential market** activity weakened materially in 1H25 and remained subdued into 2H25.
- **Commercial market** activity was more consistent and improved in 2H25.
- **QLD was the Group's strongest performing region**, while WA and SA also performed well. NSW and VIC remained subdued, though some early signs of stabilisation emerged late in 2H25. New Zealand continued to track below expectations.

Divisional performance

- **The Construction Division** experienced reduced residential volumes, particularly across Frame & Truss operations in NSW and Victoria, which pressured margins in 1H25. Targeted cost control and operational improvements delivered an improved performance in 2H25.
- **The Panels Division** performed stronger in 1H25, supported by solid demand for decorative and specialist panels. Conditions softened in 2H25 as overall market activity declined, impacting the mix for the Group. QLD remained comparatively stable, while continued weakness in Victoria and NZ markets impacted volumes. Operational improvements across several branches supported improved results in 2H25.
- **Differentiated product categories** across both divisions continue to gain traction, including lightweight cladding, high-end decorative panels, and engineered timber. These categories remain core to the Group's longer-term market share strategy.

Balance Sheet and cashflow

The Group remains in a strong balance sheet position with a gearing ratio (measured as Net Debt/Net Debt plus Equity) of 20.1% (2024: 18.8%). From an operating cash flow perspective, the Group achieved a 100.1% EBITDA to cash conversion, supported by efficient working capital management and solid cash generation across the business.

Significant items

As reported in the half year announcement, the Group reviewed the carrying value of its assets following the prolonged downturn in residential housing, where Big River is most exposed. A non-cash impairment charge of $20m in relation to intangible assets was recognised in the first half accounts.

[3] NPATA is Net Profit After Tax, adjusted for amortisation of intangible assets.

Update on key strategic initiatives:

ERP rollout

- A further three sites transitioned to the Group's ERP platform during the period, bringing the total of targeted sites to have now transitioned across to 75%.
- The Group continues to align the business units onto a single system which will improve data consistency across product, customer, and supplier records. The resultant pricing alignment and additional process automation will further contribute to recent operating efficiency improvements.

Network optimisation

- The Group's network optimisation program is improving efficiency and reducing customer service costs, helping offset sustained increases in property costs. Key actions in FY25 included:
    - Successful delivery of synergy and efficiency initiatives at consolidated sites, including the larger integrated Brendale (QLD) facility, the new Smeaton Grange (NSW) facility, and the upgraded Grafton (NSW) facility;
    - Consolidation of the Kiama and Albion Park sites (NSW) into a single upgraded facility;
    - Consolidation of the Breakwater and Beaufort operations (VIC); and
    - Relocation and expansion of the Epping site to a facility in Somerton (VIC).
- These initiatives have reduced overheads, lifted productivity, and supported an improved customer service model through more efficient and scalable operations.

Supply chain

- Availability has improved materially throughout the year, driven by better planning, closer supplier engagement, and a stronger internal capability.
- The establishment of a dedicated supply team and enhanced resourcing has driven meaningful improvements in both procurement and operational execution.
- During FY25 the Group improved commercial terms with international suppliers, consolidated volumes with strategic partners to secure more competitive deals and improved the efficiency of shipping and container supply coordination.
- Further efficiencies were achieved across manufacturing, particularly in Frame & Truss and Panels, where workflow and labour utilisation improved.
- These outcomes have enhanced cost control, supply reliability, and responsiveness to customer demand. Supply chain optimisation and supplier alignment remain a key focus in FY26.

Branding

The Group's rebrand was well received by staff, customers, and suppliers. While the progressive branch rollout was slowed in 2H25 to reduce costs, it is planned to continue to completion in FY26.

Safety & People

- The Group made further progress on safety, with the Breakwater manufacturing site surpassing 1,000 LTI-free days and the Penrose NZ manufacturing site reaching 1,500 LTI-free days. LTIFR improved to 5.79, supported by increased training, engagement, and reporting across sites.
- Workforce numbers reduced by 10.4% during FY25, reflecting cost-saving initiatives as the business navigates softer markets. This was driven by footprint rationalisation, improved operational efficiency, and reductions in variable labour, and occurred with minimal disruption to service levels. The Group remains focused on developing its people and building the skills needed to support future growth.

- Helen Awali (ex-Fletcher Building Group) joined the Group as Executive GM – Construction from 1 July 2025, bringing strong experience in national operations and customer engagement. Her appointment further enhances the leadership team, which is well placed to lead the business through its next phase of growth.

Outlook

Residential market activity remains soft in early FY26, though early indicators point to a modest recovery through the year. Lower interest rates, sustained housing demand and ongoing stimulus measures are expected to support an eventual rebound.

Commercial market activity remains comparatively stable, with solid project pipelines heading into FY26.

Queensland is expected to be the Group's fastest-growing market, with medium-term expectations also underpinned by investment related to the upcoming 2032 Brisbane Olympics. As Queensland is also Big River's largest market, the Group is very well placed to support this demand.

Key priorities for FY26 include:
- Growing market share in key differentiated segments;
- Improving margins further through pricing, mix, and supplier alignment;
- Ongoing operational improvements across the network;
- Continued data alignment and integration of sales systems; and
- Disciplined capital allocation to support selective growth.

The business continues to explore targeted value-accretive acquisition opportunities.

While market conditions remain challenging, the Group enters FY26 with a leaner and efficient cost base, clear strategic priorities and a strong platform for medium-term growth. Big River's diversified network, trade-aligned segments, and focus on higher-margin product categories position the business well to respond as conditions continue to improve.

FY25 Conference Call

Investors are invited to join a conference call hosted by John Lorente (CEO) and John O'Connor (CFO) on **Tuesday 26 August 2025 at 11:00am AEST**.

Webcast Link: Link for investors to listen to the event and scroll through the slide deck:

https://webcast.openbriefing.com/bri-fyr-2025/

Conference call link: Link for investors to register to phone in and participate in the Q&A session:

https://s1.c-conf.com/diamondpass/10048330-c98u7q.html

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This announcement has been authorised for release to the ASX by order of the Board.