



- ▶ CONSTRUCTION MATERIALS
- ▶ TRANSPORT SERVICES
- ▶ CEMENT, FLYASH & LIME
- ▶ PRECAST CONCRETE
- ▶ REINFORCING STEEL
- ▶ COMPOSITE FIBRE TECHNOLOGIES

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WAGNERS HOLDING COMPANY LIMITED
ACN 622 632 848

30 October 2019

ASX Market Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

BY ELECTRONIC LODGEMENT

Wagners Holding Company Limited
2019 Annual General Meeting Address

In compliance with Listing Rule 3.13.3, attached is a copy of the 2019 AGM Address from the Chairman, Mr Denis Wagner which will be presented at the Annual General Meeting of Wagners Holding Company Limited being held at 10:00am today.

An audio livestream will be available to listen to the Annual General Meeting on the Wagners Investor website <https://investors.wagner.com.au/>.

Regards,

Karen Brown

General Counsel and Company Secretary

Wagners

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CHAIRMAN'S ADDRESS

2019 ANNUAL GENERAL MEETING

Shareholders, staff, ladies and gentlemen

Once again, welcome to the Annual General Meeting of Wagners Holding Company. FY19 was challenging to say the least. We experienced a year where we were not successful in winning a major project in construction materials, and there were very few on offer. We have also seen a general deterioration in our market as well as behavioural changes in the sector.

Whilst market conditions have been tough and remain so today, we are working on a number of significant opportunities which are scheduled to commence in the second half of FY20. We are resolved to strengthen our control over a larger portion of downstream markets for cement, flyash and aggregates. The penetration into the pre-mixed concrete market has delivered volume for the cement plant. We continue to grow our concrete plant network which will increase our offtake of cement and flyash.

Our dispute with Boral is due to be heard in the Supreme Court of Queensland in late November however, Boral have recommenced purchasing cement from our Pinkenba facility. Our Cement Supply Agreement with Boral remains binding on both parties until 2031.

In FY19, despite our election to suspend the supply to Boral from mid-March, we had overall revenue growth in the order of 6% for the year. We were disappointed with our reported EBIT result of \$25.6M. This was largely impacted by the reduced cement volumes, the lack of major projects and the ramp up of our concrete plant network.

On a positive note, we have enjoyed success with our Composite Fibre Technologies (CFT) division.

This business has an excellent future. It is our expectation that CFT could ultimately outgrow the construction materials business. Currently in front of us, there are many opportunities in Australia, USA, UK and the Middle East that we are confident will drive this growth. We are now fulfilling contracts in Abu Dhabi and the UK. Our CFT pipeline continues to increase both domestically and internationally.

We have built our first pultrusion line for commissioning in the USA in addition to the four we currently have operating in Toowoomba. This will allow us to meet the requirements of the "Buy American Act" to bid on US federally funded projects, opening up a huge market opportunity.

We have recently obtained DIBt approval for our Earth Friendly Concrete, a significant milestone after many years of stringent product testing. This certifies Wagners EFC® as an approved construction material in Germany, so that we can accelerate the marketing and selling of our technology throughout Europe. Our team is also working to obtain approvals for the use of EFC® in other regions, one being India with our local partner, Indian conglomerate, JSW.

Our bulk haulage business has grown considerably throughout the year on the back of an uplift in the resource sector. We have secured a number of long-term contracts in the North-West minerals province. These projects are making a significant contribution to our earnings and leverage the investments we have made in our transport assets and a quarry in this region.

Our plan to roll out the concrete plants throughout South-East Queensland is progressing. We now have six operational plants, with three sites recently opened. Our next plant at Coolum is scheduled to open soon. We have a further three sites at various stages of construction or development. Our experience has found that it generally takes at least six months for new locations to reach normalised trading.

Since listing in December 2017, we have considered a number of acquisition and growth opportunities for the Company. We have made a successful acquisition of quarry assets in North Queensland with the purchase of the Castlereagh Quarry. However, we intend to only acquire assets that provide solid returns for shareholders.

Our earnings in FY20 are not expected to be materially better or worse than FY19. Our election to suspend supply to Boral straddles both financial years with a similar financial impact. Consequently, for FY20, first half results are expected to be lower than the second half. We see FY20 as a transition year after the disruption caused by the dispute with Boral and the anticipated commencement of major projects.

Yesterday, we announced an Entitlement Offer to raise \$40 million. As shareholders, you have the opportunity to participate in our fully underwritten renounceable entitlement issue of new ordinary shares in Wagners at an issue price of \$1.55 per new share. The Wagner founding family are supporting the entitlement offer with a priority sub-underwriting commitment of \$22 million (which equates to 55% of the offer and representing the aggregate entitlements of the Wagner founding family shareholders).

The proceeds of the Entitlement Offer will be applied principally to repay debt and allow investment in future growth opportunities. Further detail around the capital raising is included in our Investor Presentation lodged with the Australian Securities Exchange (ASX) on 29 October 2019. On behalf of the Board of Wagners, I encourage you to favourably consider this investment opportunity.

I would like to acknowledge the other members of the Board, our executive management team and all staff for their efforts over the last year. I would also like to thank Peter Crowley, who retired as a Director in September, for his efforts and contribution to the Company since listing.

It has been a tough and challenging year, however, with our unwavering commitment to our long-term plans and strategy, I have every confidence we all, as shareholders, will enjoy much success going forward.

Thank you.