



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

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WAGNERS HOLDING COMPANY LIMITED
ACN 622 632 848



25 February 2021

The Manager
Market Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Wagners Holding Company Limited (WGN)
Investor Presentation for Half Year ending 31 December 2020

Please find attached the Investor Presentation relating to the Company's half year results ending 31 December 2020, for immediate release to market.

This announcement has been authorised for release to the market by the Board.

For further information, please contact:

Karen Brown
Company Secretary
Ph. 07 3621 1131

About Wagners:

Wagners is a diversified Australian construction materials and services provider and an innovative producer of New Generation Building Materials. Established in 1989 in Toowoomba, Queensland, Wagners is now an ASX-listed business operating in domestic and international markets. Wagners are a producer of cement, concrete, aggregates, new generation composite products and are world leaders in development of new technology to reduce the impact of heavy construction materials on the environment. Wagners are also providers of transport services, precast concrete and reinforcing steel.



WAGNERS



**1H FY21
INVESTOR
PRESENTATION**

FEBRUARY 2021

Wacol Precast Facility QLD

DISCLAIMER

The logo for Wagners, featuring the word "WAGNERS" in a bold, black, sans-serif font inside a yellow rounded rectangle with a black border.

The material contained in this presentation is a summary of Wagners Holding Company Limited's (Wagners) activities and results, current at the date of preparation, 25 February 2021. The information in this presentation is in summary form only, general in nature and does not purport to be complete.

This presentation may contain certain forward-looking statements. No representation or warranty is made regarding the accuracy, completeness or reliability of the forward-looking statements or opinion, or the assumptions on which they are based, and undue reliance should not be placed upon such statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors and are based on a number of estimates and assumptions that are subject to change, many of which are beyond the control of Wagners and its directors, and which may cause the actual results or performance to differ materially from those expressed in any forward looking statements.

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1HFY21 SUMMARY

Innovative, Integrated, International



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Road Train Cement Tanker

1H FY 2021 SUMMARY



REVENUE \$155.8m

Revenue Growth of 20.6%, 2H20

Revenue Growth of 26.9%, 1H20



Proforma EBIT \$10.3m

EBIT growth 46.1%, 2H20

EBIT growth 426.8%, 1H20



Reduction in debt - \$11.3m

Increase in cash - \$10.6m

FINANCIAL PERFORMANCE



CFT Stairs, Coogee Beach, WA

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1H FY21 PROFORMA RESULTS

(\$m)	1H FY21	2H FY20	Change	1H FY20	Change
Total Revenue	155.8	129.2	26.6	122.8	33.0
Gross Profit	88.1	76.6	11.5	67.3	20.8
Operating Costs					
- Employee expenses	27.1	25.0	-2.0	23.0	-4.0
- Repairs & maintenance	18.5	14.9	-3.6	12.3	-6.1
- Travel & freight	4.4	4.7	0.3	3.4	-1.0
- Rent and hire	6.0	5.6	-0.4	5.2	-0.9
- Other	13.5	11.7	-1.8	14.8	1.3
EBITDA	18.6	14.6	4.0	8.6	10.0
Depreciation and amortization	8.3	7.5	-0.7	6.6	-1.6
EBIT	10.3	7.0	3.3	2.0	8.4
Net Financing Costs	3.4	2.7	-0.6	2.5	-0.9
Tax Expense	0.8	0.2	-0.6	-0.4	-1.2
Net profit after tax	6.1	4.1	2.0	-0.1	6.2

COMMENTARY

- Revenue Increases due to improved transport, quarry, concrete and cement sales
- Operating Costs have increased in line with business activity
- Increase in EBIT and EBIT margin given higher activity across the business and higher margin work
- Higher depreciation from transport and quarry capital expenditure required to service projects

1H FY21 SEGMENT RESULTS

CONSTRUCTION MATERIALS AND SERVICES

(\$m)	1H FY21	2H FY20	Change	1H FY20	Change
Total Revenue	139.2	111.3	27.9	106.2	33.0
EBIT	14.8	11.7	3.1	6.9	7.9
EBIT Margin	10.6%	10.5%	0.1%	6.5%	4.1%

- Increased sales in cement, quarries, transport and concrete
- EBIT increase of 113.2% compared to 1H FY20, 26.6% compared to 2H FY20
- EBIT margin increase of 4.1% from HY20

NEW GENERATION BUILDING MATERIALS

(\$m)	1H FY21	2H FY20	Change	1H FY20	Change
Total Revenue	16.2	17.7	-1.5	16.4	-0.2
EBIT	1.4	1.3	0.1	0.8	0.6
EBIT Margin	8.8%	7.6%	1.2%	5.1%	3.7%

- 15% increase in crossarm sales offset by lower activity in pedestrian infrastructure, mainly due to COVID delays
- EBIT increase of 69.1% compared to 1H FY20, 6.6% compared to 2H FY20
- Increased R&D costs, over 58% increase in EFC
- CFT results, growth in EBIT of 42.9%

(\$m)	Proforma 1H FY21	Proforma 1H FY20	Change	1H FY21	1H FY20	Change
EBITDA	18.6	8.6	10.0	18.7	11.3	7.4
Non-cash items	0.0	-0.2	0.2	3.1	-0.4	3.6
Changes in working capital	13.9	-19.4	33.2	13.9	-19.4	33.2
Changes in provisions	0.0	0.1	-0.2	0.0	0.1	-0.2
Cash flow from operations	32.4	-10.8	43.2	35.6	-8.3	44.0
Capital Expenditure	-6.6	-7.2	0.6	-6.6	-7.2	0.6
Proceeds from sale of assets	0.2	0.5	-0.3	0.2	0.5	-0.3
Net cash flow before financing and tax	26.0	-17.5	43.5	29.2	-15.1	44.3

- Significant improvement in cash flow from operations as a result of the increased EBITDA and the decreased working capital
- Capital expenditure targeted towards growth

WORKING CAPITAL

(\$m)	HY21	FY20	Change
Trade and other receivables	44.6	55.6	-10.9
Inventories	24.9	21.8	3.1
Trade and other payables	-42.9	-33.6	-9.3
Current tax assets/(liabilities)	3.2	3.0	0.2
Net working capital	29.9	46.8	-16.9

- Collection of receivables outstanding at the 30th June 2020 has had a positive impact on the working capital

NET DEBT

(\$m)	HY21	FY20	Change
Cash and cash equivalents	14.1	3.4	-10.6
Gross debt	75.2	86.5	-11.3
Net debt	61.1	83.0	-21.9

- Improved operational cashflow due to improved business performance has allowed debt reduction
- Significant head room on term debt and equipment finance facilities

1H FY21 SUMMARY

NEW GENERATION BUILDING MATERIALS
COMPOSITE FIBRE TECHNOLOGIES – AUSTRALIA AND NEW ZEALAND

- 15% increase in sales of crossarms on HY20
- Commissioning of crossarm automation line
- Pedestrian infrastructure and bridge sales down due to COVID-19 delays
- EBIT Growth of 42.9% on HY20
- EBIT margin improvement of 5.7% on HY20

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1H FY21 SUMMARY

NEW GENERATION BUILDING MATERIALS COMPOSITE FIBRE TECHNOLOGIES - INTERNATIONAL

USA

- No growth with impact of Covid-19
- Pultrusion machine arrived in USA
- Pursuing opportunities with manufacture from Australia

UK / MIDDLE EAST

- Significant revenue contribution from projects completed in Abu Dhabi

1H FY21 SUMMARY

NEW GENERATION BUILDING MATERIALS
EARTH FRIENDLY CONCRETE ®

Circa 20,000 tonnes of CO2 emissions saved by using Wagners low carbon concrete technology, Earth Friendly Concrete ®

UK / EUROPE

- DIBt approval obtained promoting increased interest in EFC internationally
- Increased demand in UK and Europe

INDIA

- BIS approval progressing

AUSTRALIA/NEW ZEALAND

- Multiple applications in South East Queensland

**EARTH FRIENDLY
CONCRETE**

by **WAGNERS**

1H FY21 SUMMARY

CONSTRUCTION MATERIALS AND SERVICES CRUSHING OPERATIONS & PROJECTS

- 5 operational sites and 2 additional sites
- 5 mobile crushing projects in 1H FY21
- Increased production from investment in new quarry sites
- Increased activity identified and executed in resources sector

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1H FY21 SUMMARY

CONSTRUCTION MATERIALS AND SERVICES CEMENT

- Cement grinding facility at Pinkenba – 1.3Mtpa capacity
- Significant increase in sales in HY21
- Market outlook promising



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1H FY21 SUMMARY

CONSTRUCTION MATERIALS AND SERVICES CONCRETE OPERATIONS

- 6 operational concrete plants, EFC capabilities
- Channel to market for Wagners other construction materials and services
- Increase in concrete volumes
- Continued pressure on concrete margins
- Increased demand expected in FY21 with commencement of infrastructure projects



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1H FY21 SUMMARY

CONSTRUCTION MATERIALS AND SERVICES PRECAST

- Products used in bridges, overpasses and tunnels
- Commenced production on \$40million Cross River Rail project

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1H FY21 SUMMARY

CONSTRUCTION MATERIALS AND SERVICES TRANSPORT PROJECTS



- Haulage services in resource sector
- Significant investment in road train combinations to service long term contracts
- Continued growth expected in FY21:
 - Haulage projects secured
 - Increased utilization of company owned haulage units

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OUTLOOK



Concrete Batch Plant Toowoomba QLD

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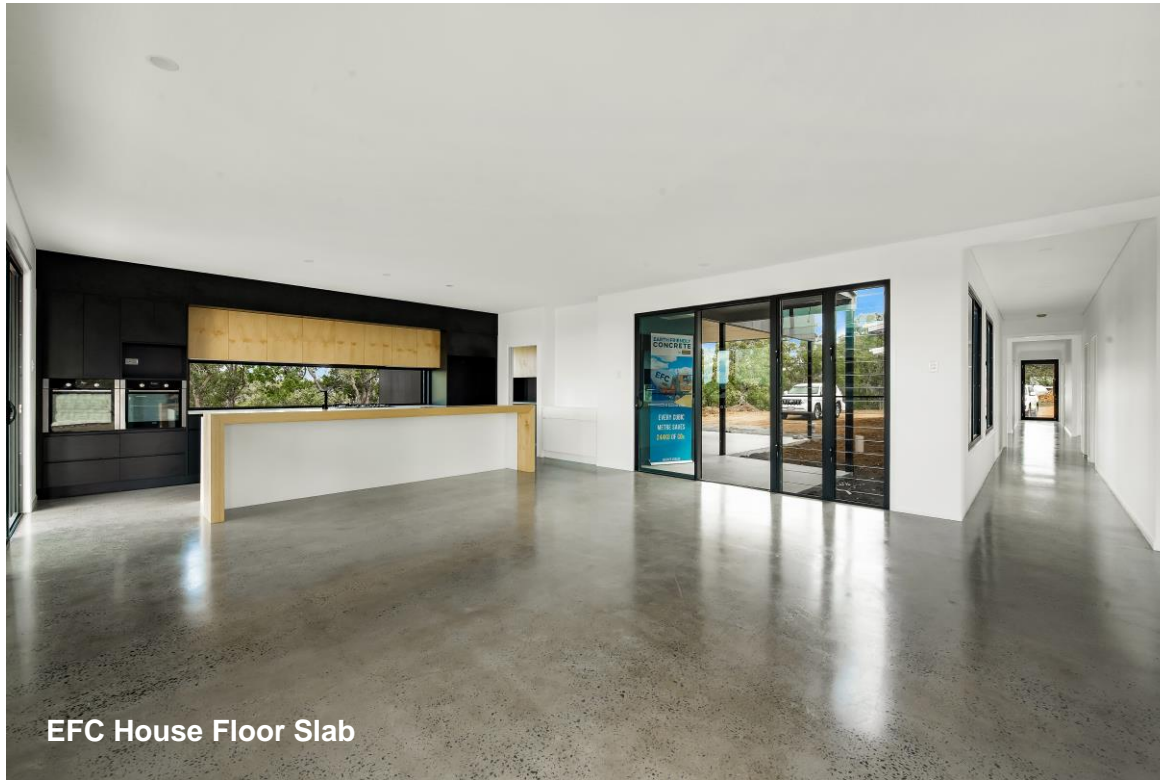
COMPOSITE FIBRE TECHNOLOGY NEW GENERATION BUILDING MATERIALS

- Production capacity to double delivering increased margins
- Revenue growth from pedestrian infrastructure and road bridge market
- International growth – focus on USA and Middle East
- Continued research and development
 - In house manufacturing capabilities
 - Product development



CFT Light poles, Qantas Pilot Training Academy, QLD

NEW GENERATION BUILDING MATERIALS



EFC House Floor Slab

- Global regulatory focus on CO2 emission control provides perfect platform for EFC
- Increased sales in SEQ through concrete plant network with EFC capabilities
- International partnering arrangements delivering revenue
- Continued technology development
- Exploring investment opportunities for scaling up technology globally

CONSTRUCTION MATERIALS AND SERVICES



- Increased activity in precast business
- Increased Cement volumes
- Concrete plant capacity ready for market upturn
- Crushing and bulk haulage revenue secured through contracts
- Anticipated increased infrastructure activity

CONCLUSION

1H FY21

- Encouraging first half
- Continued traction from growth strategy
 - Innovative – investment in R&D
 - Integrated – continued vertical integration
 - International – expansion of new technology globally

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1H FY 21 CONSOLIDATED PROFORMA TO STATUTORY RESULTS RECONCILIATION

(\$000)	1H FY 21	2H FY 20	1H FY 20
Statutory EBIT	7,633	6,097	2,530
Reversal of fair value on derivative instruments (gain)/loss	3,151	1,325	(260)
AASB 16 - Rental Payments	(3,272)	(3,044)	(2,469)
AASB 16 - Right of Use Depreciation	2,784	2,667	2,154
Proforma EBIT	10,296	7,045	1,955
Statutory NPAT	1,388	1,193	(1,210)
Reversal of fair value on derivative instruments (gain)/loss	3,151	1,325	(260)
AASB 16 - Rental Payments	(3,272)	(3,044)	(2,469)
AASB 16 - Right of Use Depreciation	2,784	2,667	2,154
AASB 16 - Finance Costs Lease Liabilities	2,087	1,948	1,688
Net profit after tax	6,138	4,089	(97)