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WAGNERS HOLDING COMPANY LIMITED
ACN 622 632 848

ASX RELEASE

MARKET UPDATE

26 October 2022

Wagners Holding Company Limited (ASX:WGN) provides the following market update for the 6 month period to 31 December 2022 (H1 FY23).

This update is based on current assumptions and estimates and is subject to the market conditions not materially changing.

For H1 FY23, Wagners currently expects performance as follows, noting the comparison to the prior corresponding half year.

\$m	H1FY23	H1FY22	Difference
Revenue	220.0	171.0	49.0
Operating EBITDA	25.0 – 25.7	24.3	0.7 – 1.4
Depreciation & Amortisation	(14.3)	(11.7)	(2.6)
Operating EBIT	10.7 – 11.4	12.6	(1.2) – (1.9)
EFC – EBIT	(2.2)	(1.9)	(0.3)
FV of derivatives	(3.0)	2.1	(5.1)
Group EBIT	5.5 – 6.2	12.7	(6.5) – (7.2)
Finance Costs	(4.7)	(5.9)	1.2
Profit before Tax	0.8 – 1.5	6.8	(5.3) – (6.0)
Tax	(0.2) – (0.4)	(2.1)	1.7 – 1.9
Profit after Tax	0.6 – 1.1	4.7	(3.6) – (4.1)

This outlook is driven by a range of factors, as follows:

Operational – EBIT

Operational EBIT impacted by:

- A combination of the weakening Australian dollar and increased clinker and shipping costs compared to H1FY22.

- Wet weather resulting in lower concrete and cement volumes.
- Delays in project timing for production of precast segments for the Sydney Metro project.

Finance Costs

- Finance costs are lower in H1FY23 as H1FY22 included the costs of an unfavourable interest rate swap that expired in July 2022.

Fair value of derivatives

- H1FY22 included a favourable variance as the interest rate swap referred to above came to maturity.
- The derivatives used to hedge the AUD/USD exchange rate, which has declined from 72.7 cents at 31 December 2021 to the current levels of trading at around 63 cents, is having an unfavourable impact.

In relation to the full year result, Managing Director, Cameron Coleman commented, "Assuming a continuation of the current US exchange rate at 63 cents, we anticipate that the full year EBIT result for FY23, inclusive of the impact of fair value adjustments for derivatives and EFC, will be in line with the actual result for FY22 of \$20.9 million."

The company confirms it is in compliance with its banking covenants and is in a strong position to capitalise on improved market, economic and weather conditions.

Further information on the company's performance and future growth plans will be provided at the company's AGM and released to market.

This announcement has been authorised for release to the market by the Board of Directors of Wagners Holding Company Limited.

ENDS

For further information, please contact:

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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.