



► CONSTRUCTION MATERIALS
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► PRECAST CONCRETE
► REINFORCING STEEL
► COMPOSITE FIBRE TECHNOLOGIES
► EARTH FRIENDLY CONCRETE

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WAGNERS HOLDING COMPANY LIMITED
ACN 622 632 848

ASX RELEASE

MARKET UPDATE

6 February 2023

Wagners Holding Company Limited (ASX:WGN) provides an update ahead of the release of the half year results ended 31 December 2022.¹

Overview for H1 FY23

- Revenue at \$218million is almost in line with the previous market update, which was \$220million, with strong sales in the Company's most significant business, the cement division significantly contributing to this result.
- The Company's anticipated EBIT result of \$4.1million, is lower than the previous market update, which was \$5.5million to \$6.2million.
- Compared to the previous market update, the first half results have been impacted by:
 - Continuing losses in the concrete business in South East Queensland due to difficult market conditions;
 - Under performance of the Company's CFT division due to increased costs as a result of delays in commissioning the cross arm automation manufacturing line;
 - The CFT US business performing below expectations with lower than expected sales and an inability to recognise the full benefit of the US manufacturing facility;
 - Reduction in margins across the Construction Materials and Services division, impacted by wet weather during the period; and
 - Lower precast volumes due to the slower than expected ramp up of a major precast project.

FY23 Update

Given the Company's half year results ended 31 December 2022, as well as January 2023 performance, management has revised its full year EBIT result which is now expected to be in the range of \$14million to \$16million, compared to the previously advised FY23 EBIT forecast of \$20.9million.

¹ All figures are based on internal management reports and are provided on an unaudited basis.

The Company remains confident that the second half of FY23 will deliver improvement on the first half's result to achieve the above full year result, given:

- Improved margins are expected in the second half with implemented increases in selling prices and cost reduction measures;
- The recent investment in new haulage equipment should result in improved margins in the bulk haulage business as the new fleet should improve productivity on projects;
- The major precast project is now in full production following the slower than expected ramp up in the first half; and
- Activity in the construction industry is expected to remain high, with continued demand for construction materials and services, particularly for the Company's cement division, where volumes are expected to remain strong.

In relation to the half year result, Managing Director, Cameron Coleman commented, "While we are disappointed with the result for the first half, there have been a number of market issues that have impacted our result that are not unique to our business, rather industry based. Weather, supply chain costs and labour shortages have had a direct impact on our performance. A major project we secured which required significant investment both from a capital and operational perspective was delayed, however will yield strong results over the next 18 month period.

While the revised earning guidance for FY23 is not as we had anticipated, the demand for construction materials and services remains strong and we remain positive about the outlook for the Group."

The Company confirms it is in compliance with its banking covenants.

Further detailed financials will be provided with the release of the Company's FY23 half year results on 22 February 2023.

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.