

**Appendix 4D - Interim Financial Report**  
*Under ASX Listing Rule 4.2A.3*

**Wagners Holding Company Limited (ABN 49 622 632 848) & Controlled Entities**

Current period	1 July 2022 to 31 December 2022
Prior corresponding period	1 July 2021 to 31 December 2021

	<b>Half-year to 31 Dec 2022 \$'000</b>	<b>Half-year to 31 Dec 2021 \$'000</b>	<b>Change \$'000</b>
<b>Results for announcement to the market</b>			
Revenue from continuing operations	219,636	171,098	48,538
Net profit/(loss) before tax from continuing operations	(508)	6,822	(7,330)
Net profit/(loss) after tax from continuing operations	(770)	4,727	(5,497)

Please refer to commentary in Directors' Report and associated presentation that was released to the market on 22 February 2023 for further commentary.

	<b>Half-year to 31 Dec 2022 cents</b>	<b>Half-year to 31 Dec 2021 cents</b>	<b>Change cents</b>
<b>Dividend information</b>			
No interim dividend per ordinary share declared	-	-	-

There were no dividend reinvestment plans in operation during the period.

	<b>Half-year to 31 Dec 2022 \$</b>	<b>Half-year to 31 Dec 2021 \$</b>	<b>Change \$</b>
<b>Net tangible assets per security</b>			
Net tangible assets per ordinary shares	0.63	0.62	0.01

Additional Appendix 4D disclosure requirements and commentary affecting the results for the period are contained in the Interim Financial Report for the half-year ended 31 December 2022 and management presentation for the half-year ended 31 December 2022.

This report is based on the interim consolidated financial statements which have been reviewed.



# **Wagners Holding Company Limited**

**ABN 49 622 632 848**

## **Interim financial report**

for the half-year ended 31 December 2022



**Wagners Holding Company Limited**  
**Interim financial report**  
**for the half-year ended 31 December 2022**

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## Wagners Holding Company Limited

### Directors' report

The directors of Wagners Holding Company Ltd (Wagners) and its controlled entities (the Group), present their report together with the consolidated interim financial report for the half year ended 31 December 2022.

#### Principal activities

The principal activities of the Group consist of supply of construction materials and services and new generation building materials.

Construction materials and services supplies a large range of construction materials and services to customers in the construction, infrastructure and resources industries. Key products include cement, flyash, aggregates, ready-mix concrete, precast concrete products and reinforcing steel. Services include project specific mobile and on-site concrete batching, contract crushing and haulage services.

New generation building materials provides innovative and environmentally sustainable building products and construction materials through composite fibre technologies (CFT) and earth friendly concrete (EFC).

#### Directors

The following persons were directors of the Group during the period and until the date of this report:

Director	Role
Denis Wagner	Non-executive chairman
John Wagner	Non-executive director
Lynda O'Grady	Non-executive director
Ross Walker	Non-executive director
Cameron Coleman	Managing director

#### Operating and financial review

Financial information found below is based upon the reviewed financial statements. Further commentary surrounding the review of operations of the Group for the half year are contained in the Investor Presentation announcements released to the Australian Securities Exchange on 22 February 2023.

Operating Earnings before Interest, Tax (EBIT), Depreciation and Amortisation (EBITDA) is a non-IFRS disclosure. In the opinion of the Directors, the Group's EBITDA and EBIT reflects the results generated from ongoing operating activities and is calculated in accordance with AICD/Finsia principles.

#### Non statutory & statutory results

Non statutory results are not subject to audit or review and are provided for the half year ended 31 December 2022 to allow shareholders to make a meaningful comparison with the results for the half year ended 30 June 2022 and for the half year ended 31 December 2021 and to make an assessment of the Group's performance as a listed company. The following presentation adjustments have been summarised in table 1 below:

- Separating the EFC segment operating results down to EBIT, providing users with the ability to assess Group performance outside of the significant investment being made into growing the EFC business.
- Showing the fair value changes on derivatives separately, as management consider this to be more appropriate.

## Operating and financial review (continued)

### Non statutory results (continued) – not reviewed

Table 1: Non statutory results actual compared to the prior two halves

	1H FY 23 Actual (not reviewed) \$'000	2H FY 22 Actual (not reviewed) \$'000	1H FY 22 Actual (not reviewed) \$'000
Revenue	219,636	165,707	170,956
Direct material and cartage costs	(108,046)	(76,342)	(77,247)
<b>Operating gross profit</b>	<b>111,590</b>	<b>89,365</b>	<b>93,709</b>
Other income	471	683	1,180
Operating expenses	(92,053)	(69,134)	(70,624)
<b>Operating EBITDA</b>	<b>20,008</b>	<b>20,914</b>	<b>24,265</b>
Depreciation & amortisation	(13,506)	(12,548)	(11,710)
<b>Operating EBIT</b>	<b>6,502</b>	<b>8,366</b>	<b>12,555</b>
EFC – EBIT	(2,265)	(1,327)	(1,878)
<b>Group EBIT</b>	<b>4,237</b>	<b>7,039</b>	<b>10,677</b>
Net finance costs	(4,626)	(4,589)	(5,916)
Fair value adjustment on derivative instruments	(119)	1,191	2,061
<b>Net profit before tax</b>	<b>(508)</b>	<b>3,641</b>	<b>6,822</b>
Income tax expense	(262)	(733)	(2,095)
<b>Net profit after tax</b>	<b>(770)</b>	<b>2,908</b>	<b>4,727</b>

Half year ended 31 December 2022 results compared to the prior corresponding periods were impacted by the following:

- Increased revenue from Cement, Precast, Steel, concrete Projects, Bulk Haulage and CFT.
- Operating EBIT result has been impacted by the following:
  - Challenging market conditions in the Southeast Queensland concrete business.
  - Delays in commissioning automated processing in the crossarm sector of the CFT business which was expected to deliver improved production efficiencies during the period.
  - Lower sales than anticipated in our US CFT business along with an inability to fully utilize the benefits the Cresson site will offer for the manufacture of composite products in the US.
  - A reduction in margins across the business with costs remaining high. Our Construction Materials and Services businesses were also impacted by wet weather during the period.
  - Costs incurred in expanding CFT business in the USA.
  - Establishment costs for EFC in the UK/Europe.

In the second half of this year, we expect to see:

- Improved Precast results, due to full production.
- Improved margins in the bulk haulage business with new fleet improving productivity.
- Delivery of poles from CFT, pedestrian infrastructure and bridges at improved tendered margins and realisation of efficiencies utilising the automated processing of crossarms.
- Early-stage revenue from EFC to precast manufacturers in Europe and UK.

### **Dividends**

There are no dividends proposed to be paid as at the date of this report.

### **Significant events occurring after the report date**

The directors of the company are not aware of any other matter or circumstance not otherwise dealt with in the financial report that significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs in the period subsequent to the half year ended 31 December 2022.

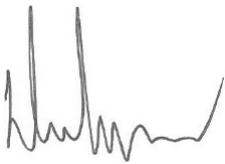
### **Auditor's independence declaration**

A copy of the auditor's independence declaration, as required under section 307C of the Corporations Act 2001 is set out on page 7 and forms part of the Director's Report for half year ended 31 December 2022.

### **Rounding**

The Company is a kind referred to in Australian Securities & Investment Commission (ASIC) Corporations Instrument 2016/191, and in accordance with that instrument all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read "Denis Wagner".

**Mr Denis Wagner**

Chairman

Brisbane, Qld

22 February 2023

## DECLARATION OF INDEPENDENCE BY D P WRIGHT TO THE DIRECTORS OF WAGNERS HOLDING COMPANY LIMITED

As lead auditor for the review of Wagners Holding Company Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Wagners Holding Company Limited and the entities it controlled during the period.



**D P Wright**  
Director

**BDO Audit Pty Ltd**

Brisbane, 22 February 2023

**Wagners Holding Company Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**for the half-year ended 31 December 2022**

	Note	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Revenue from contracts with customers	3(a)	219,636	171,098
Other income	3(b)	471	1,180
Direct material and cartage costs		(108,046)	(77,371)
Employee benefits expense		(45,014)	(34,137)
Depreciation – right-of-use assets	8	(3,536)	(3,109)
Depreciation and amortisation expense – other		(10,051)	(8,678)
Finance costs – lease liabilities	8	(2,378)	(2,143)
Net finance costs – other		(2,248)	(3,773)
Contract work and purchased services		(8,683)	(7,601)
Repairs and maintenance		(18,925)	(17,884)
Transport and travel		(10,454)	(5,069)
Fair value adjustment on derivative instruments		(119)	2,061
Impairment of trade receivables		(185)	(143)
Other expenses	3(d)	(10,976)	(7,609)
<b>Profit before income tax</b>		<b>(508)</b>	<b>6,822</b>
Income tax expense	4	(262)	(2,095)
<b>Profit attributable to equity holders of the parent</b>		<b>(770)</b>	<b>4,727</b>
<b>Other comprehensive income (net of tax)</b>			
<i>Items that may be reclassified to profit or loss</i>			
Adjustment from translation of foreign controlled entities		-	39
		-	39
<b>Total comprehensive income attributable to equity holders of the parent</b>		<b>(770)</b>	<b>4,766</b>
<b>Earnings per share</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	11	(0.4)	2.5
Diluted earnings per share	11	(0.4)	2.5

The accompanying notes form part of these financial statements

**Wagners Holding Company Limited**  
**Consolidated statement of financial position**  
**as at 31 December 2022**

	Note	31 Dec 2022 \$'000	30 Jun 2022 \$'000
<b>Current Assets</b>			
Cash and cash equivalents		20,010	12,200
Trade and other receivables	5	67,438	64,989
Inventories	6	44,223	50,340
Derivative instruments		1,403	42
Other assets		2,754	1,005
<b>Total Current Assets</b>		<b>135,828</b>	<b>128,576</b>
<b>Non-current Assets</b>			
Other financial assets		7	7
Property, plant and equipment	7	163,562	158,590
Right-of-use assets	8	106,190	100,545
Intangible assets		2,224	2,283
Deferred tax assets		5,402	4,456
<b>Total Non-current Assets</b>		<b>277,385</b>	<b>265,881</b>
<b>Total Assets</b>		<b>413,213</b>	<b>394,457</b>
<b>Current Liabilities</b>			
Trade and other payables		47,438	59,309
Borrowings	9	24,350	24,908
Lease liabilities	8	8,531	7,233
Derivative instruments		2,164	684
Current tax liabilities		356	71
Provisions		8,929	8,486
<b>Total Current Liabilities</b>		<b>101,768</b>	<b>100,691</b>
<b>Non-current Liabilities</b>			
Borrowings	9	81,828	69,388
Lease liabilities	8	109,117	102,858
Derivative instruments		-	-
Provisions		620	620
<b>Total Non-current Liabilities</b>		<b>191,565</b>	<b>172,866</b>
<b>Total Liabilities</b>		<b>293,333</b>	<b>273,557</b>
<b>Net Assets</b>		<b>119,880</b>	<b>120,900</b>
<b>Equity</b>			
Issued capital		411,564	411,564
Pre IPO distributions to related entities		(354,613)	(354,613)
Reserves		(236)	14
Retained earnings		63,165	63,935
<b>Total Equity</b>		<b>119,880</b>	<b>120,900</b>

The accompanying notes form part of these financial statements



**Wagners Holding Company Limited**  
**Consolidated statement of changes in equity**  
**for the half-year ended 31 December 2022**

	Note	Share capital \$'000	Pre IPO distributions to related entities \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
<b>Balance at 1 July 2021</b>		410,915	(354,613)	386	56,265	112,953
Profit for the half-year		-	-	-	4,727	4,727
Exchange differences from translation of foreign controlled entities, net of tax		-	-	38	1	39
<b>Total comprehensive income for the half-year</b>		-	-	38	4,728	4,766
Employee options exercised		-	-	(440)	440	-
<i>Transactions with owners in their capacity as owners:</i>						
Recognition of share based payments		-	-	167	-	167
<b>Balance at 31 December 2021</b>		410,915	(354,613)	151	61,433	117,886
<b>Balance at 1 July 2022</b>		411,564	(354,613)	14	63,935	120,900
Loss for the half-year		-	-	-	(770)	(770)
Exchange differences from translation of foreign controlled entities, net of tax		-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		-	-	-	(770)	(770)
Employee options exercised		-	-	-	-	-
<i>Transactions with owners in their capacity as owners:</i>						
Recognition of share based payments		-	-	(250)	-	(250)
<b>Balance at 31 December 2022</b>		411,564	(354,613)	(236)	63,165	119,880

The accompanying notes form part of these financial statements

**Wagners Holding Company Limited**  
**Consolidated statement of cash flows**  
**for the half-year ended 31 December 2022**

	Note	31 Dec 2022 \$'000	31 Dec 2021 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		238,787	195,978
Payments to suppliers and employees (inclusive of GST)		(220,842)	(185,593)
Interest received		-	19
Dividends received		265	281
Finance costs		(4,623)	(5,816)
Income tax paid		(923)	(705)
<b>Net cash provided by operating activities</b>	12	<b>12,664</b>	<b>4,164</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		145	269
Payments for property, plant and equipment		(15,257)	(14,787)
<b>Net cash used in investing activities</b>		<b>(15,112)</b>	<b>(14,518)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		19,636	10,480
Repayment of lease liabilities		(1,624)	(1,458)
Repayment of borrowings		(7,756)	(9,213)
<b>Net cash provided by/(used in) financing activities</b>		<b>10,256</b>	<b>(191)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>7,808</b>	<b>(10,545)</b>
<b>Cash and cash equivalents</b>			
Cash at beginning of half-year		12,200	22,240
Effect of currency translation on cash and cash equivalents		2	38
<b>Cash at end of half-year</b>		<b>20,010</b>	<b>11,733</b>

The accompanying notes form part of these financial statements



# Wagners Holding Company Limited

## Notes to the consolidated interim financial report for the half-year ended 31 December 2022

### 1 Statement of Significant Accounting Policies

Wagners Holding Company Limited (the 'Company') is a company domiciled in Australia. The consolidated interim financial report of the Company for the half-year ended 31 December 2022 comprises the Company and its subsidiaries (together referred to as the 'Group'). The consolidated interim financial report was authorised for issue by the directors on 22 February 2023.

#### (a) Statement of compliance

The consolidated interim financial report has been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This consolidated interim financial report does not include all the information normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ending 30 June 2022; and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Report) Instrument 2016/191 and in accordance with that Instrument, amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

#### (b) Basis of preparation

The accounting policies and methods of computation applied by the Group in the consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2022 except for the adoption of new and amended standards as set out below.

#### Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realization of assets and settlement of liabilities in the normal course of business.

#### New and revised standards

A number of new or amended standards became applicable for the current reporting period. The impact of the adoption of these standards did not have any impact on the group's accounting policies and did not require retrospective adjustments.

#### (c) Critical accounting estimates and judgments

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates.

## 1 Statement of Significant Accounting Policies (continued)

### (c) Critical accounting estimates and judgments (continued)

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2022 annual report.

## 2 Segment reporting

AASB 8 Operating Segments requires the Group to identify operating segments and disclose segment information on the basis of internal reports that are provided to, and reviewed by, the chief operating decision maker of the Group to allocate resources and assess performance. In the case of the Group, the chief operating decision maker is the Board of Directors.

An operating segment is a component of the Group that engages in business activity from which it may earn revenues or incur expenditure, including those that relate with other Group components. Each operating segment's results are reviewed regularly by the Board to make decisions about resources to be allocated to the segments and assess its performance. The Board monitors the operations of the Group based on the following two segments:

- **Construction Materials & Services (CMS):** supplies a range of construction materials and services predominantly to customers in the construction, infrastructure, and resources industries. Key products include cement, flyash, ready-mix concrete, precast concrete products, aggregates and reinforcing steel. Services include mobile concrete, crushing and haulage services, and are typically provided via medium to long-term contracts both domestically and internationally.
- **Composite Fibre Technology (CFT):** provides an innovative and environmentally sustainable new generation building material, Composite Fibre Technology (CFT).
- **Earth Friendly Concrete (EFC):** provides an innovative and environmentally sustainable new generation building material, Earth Friendly Concrete (EFC) technology.

Other amounts reflect corporate areas servicing the Group, as well as the financing and investment activities of the Group.

Segment performance is evaluated based on profit before interest and tax. Inter-segment pricing is determined on an arm's length basis and inter-segment revenue is generated from the sales of materials and services between operations.

Allocations of assets and liabilities are not separately identified in internal reporting so are not disclosed in this note.

## 2 Segment reporting (continued)

### Reconciliations of reportable segment revenues & profit or loss.

Half-year ended 31 December 2022	CMS \$'000	CFT \$'000	EFC \$'000	Other \$'000	Total \$'000
Segment revenue	191,324	28,434	303	2,021	<b>222,082</b>
Inter-segment elimination	(398)	-	(27)	(2,021)	<b>(2,446)</b>
<b>Revenue from contracts with customers</b>	<b>190,926</b>	<b>28,434</b>	<b>276</b>	-	<b>219,636</b>
Other income	401	(1)	-	71	<b>471</b>
<b>Total revenue for the period</b>	<b>191,327</b>	<b>28,433</b>	<b>276</b>	<b>71</b>	<b>220,107</b>
<b>Profit before interest &amp; income tax</b>	<b>14,157</b>	<b>(1,809)</b>	<b>(2,265)</b>	<b>(5,846)</b>	<b>4,237</b>
Finance costs					(4,626)
Fair value adjustment on derivative instruments					(119)
Interest income					-
Income tax expense					(262)
<b>Profit for the half-year</b>					<b>(770)</b>

Half-year ended 31 December 2021	CMS \$'000	CFT \$'000	EFC \$'000	Other \$'000	Total \$'000
Segment revenue	153,180	18,459	142	825	<b>172,606</b>
Inter-segment elimination	(829)	(36)	(83)	(560)	<b>(1,508)</b>
<b>Revenue from contracts with customers</b>	<b>152,351</b>	<b>18,423</b>	<b>59</b>	<b>265</b>	<b>171,098</b>
Other income	885	98	-	197	<b>1,180</b>
<b>Total revenue for the period</b>	<b>153,236</b>	<b>18,521</b>	<b>59</b>	<b>462</b>	<b>172,278</b>
<b>Profit before interest &amp; income tax</b>	<b>18,608</b>	<b>374</b>	<b>(1,877)</b>	<b>(6,428)</b>	<b>10,677</b>
Finance costs					(5,935)
Fair value adjustment on derivative instruments					2,061
Interest income					19
Income tax expense					(2,095)
<b>Profit for the half-year</b>					<b>4,727</b>

### 3 Revenue & expenses

	31 Dec 2022 \$'000	31 Dec 2021 \$'000
<b>(a) Revenue from contracts with customers</b>		
Revenue from contracts with customers	219,636	171,098
<b>(b) Other income</b>		
Profit on sale of property, plant and equipment	71	153
Dividends received	265	281
Rent and hire received	106	48
Other income	29	698
	<b>471</b>	<b>1,180</b>
	<b>220,107</b>	<b>172,278</b>

### (c) Disaggregation of revenue

The Group earns revenue from several geographical location, the segment revenue presented below is based on the selling entity.

	31 Dec 2022					31 Dec 2021				
	CMS \$'000	CFT \$'000	EFC \$'000	Other \$'000	Total \$'000	CMS \$'000	CFT \$'000	EFC \$'000	Other \$'000	Total \$'000
Australia										
Point-in-time	175,286	9,053	142	-	184,481	152,216	6,973	59	265	159,513
Over-time	15,640	13,448	-	-	29,088	-	9,184	-	-	9,184
United States										
Over-time	-	3,003	-	-	3,003	-	1,343	-	-	1,343
United Kingdom										
Point-in-time	-	-	134	-	134					
New Zealand										
Point-in-time	-	1,820	-	-	1,820	-	656	-	-	656
Over-time	-	1,110	-	-	1,110	-	267	-	-	267
PNG & Malaysia										
Point-in-time	-	-	-	-	-	135	-	-	-	135
<b>Total point-in-time</b>	<b>175,286</b>	<b>10,873</b>	<b>276</b>	<b>-</b>	<b>186,435</b>	<b>152,351</b>	<b>7,629</b>	<b>59</b>	<b>265</b>	<b>160,304</b>
<b>Total over-time</b>	<b>15,640</b>	<b>17,561</b>	<b>-</b>	<b>-</b>	<b>33,201</b>	<b>-</b>	<b>10,794</b>	<b>-</b>	<b>-</b>	<b>10,794</b>
	<b>190,926</b>	<b>28,434</b>	<b>276</b>	<b>-</b>	<b>219,636</b>	<b>152,351</b>	<b>18,423</b>	<b>59</b>	<b>265</b>	<b>171,098</b>

### (d) Expenses

Profit for the half year 31 December 2022 included increased Employee benefits expenses of \$45,014,000 (2021: \$34,137,000) & Transport and travel of \$10,454,000 (2021: \$5,069,000). Other expenses included costs for Rental and hire of \$6,037,000 (2021: \$3,372,000) and Freight and postage of \$2,048,000 (2021: \$1,428,000). The aforementioned costs increased from the prior corresponding period mainly due to works beginning on a large precast contract and several new bulk haulage contracts.

#### 4 Income tax expense

	31 Dec 2022 \$'000	31 Dec 2021 \$'000
<b>Profit before income tax expense</b>	<b>(508)</b>	<b>6,822</b>
Prima facie tax payable using Australian tax rate of 30% (2020: 30%)	(152)	2,047
<i>Adjusted for:</i>		
Current year tax losses and temporary differences not brought to account	409	58
Foreign tax rate differential	67	13
Other net non-deductible/(non-assessable) items	(62)	(23)
<b>Income tax expense</b>	<b>262</b>	<b>2,095</b>

#### 5 Trade and other receivables

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
<b>Current</b>		
Trade receivables	64,925	65,338
Contract assets	3,722	614
Provision for expected credit loss of trade receivables	(1,404)	(1,161)
	<b>67,243</b>	<b>64,791</b>
Other receivables	195	198
	<b>67,438</b>	<b>64,989</b>

#### 6 Inventories

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
Raw materials and stores	21,856	28,343
Work in progress	1,702	153
Finished goods	20,665	21,844
	<b>44,223</b>	<b>50,340</b>

Due to ocean freight conditions with significant delays experienced worldwide and expected work on hand, in the comparative period the Group brought forward purchases of raw materials and stockpile these locally until market conditions stabilise.

## 7 Property, plant & equipment

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
<b>Land &amp; buildings</b>		
Land improvements & buildings – at cost	22,268	22,268
Less accumulated depreciation	(6,745)	(6,416)
	<b>15,523</b>	<b>15,852</b>
<b>Plant &amp; equipment</b>		
Plant & equipment – at cost	174,543	173,413
Less accumulated depreciation	(89,278)	(83,333)
	<b>85,265</b>	<b>90,080</b>
<b>Motor vehicles</b>		
Motor vehicles – at cost	62,819	58,952
Less accumulated depreciation	(35,559)	(31,766)
	<b>27,260</b>	<b>27,186</b>
Assets under construction – at cost	<b>35,514</b>	<b>25,472</b>
<b>Total property, plant &amp; equipment</b>	<b>163,562</b>	<b>158,590</b>

### (a) Movements in carrying amounts

Half-year ended 31 December 2022 \$'000	Land & buildings	Plant & equipment	Motor vehicles	Assets under construction	Total
Opening net book value	15,852	90,080	27,186	25,472	158,590
Additions	-	546	4,168	10,543	15,257
Transfers between classes	-	562	(61)	(501)	-
Exchange differences	-	(4)	-	-	(4)
Depreciation	(329)	(5,917)	(3,961)	-	(10,207)
Disposals	-	(2)	(72)	-	(74)
<b>Closing net book value</b>	<b>15,523</b>	<b>85,265</b>	<b>27,260</b>	<b>35,514</b>	<b>163,562</b>

## 8 Right-of-use assets & Lease liabilities

	31 Dec 2022			30 Jun 2022		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
<b>Right-of-use assets</b>						
Land improvements & buildings	-	106,190	106,190	-	100,545	100,545
<b>Lease liabilities</b>						
Land improvements & buildings	(8,531)	(109,117)	(117,648)	(7,233)	(102,858)	(110,091)

### (a) Movements in carrying amounts

Half-year ended 31 December 2022 \$'000	Right-of use asset	Lease liability
Opening net book value	100,545	(110,091)
Additions	-	-
Modifications <sup>1</sup>	9,181	(9,181)
Payments	-	4,002
Depreciation	(3,536)	-
Interest	-	(2,378)
<b>Closing net book value</b>	<b>106,190</b>	<b>(117,648)</b>

1 Modifications are the result of both the exercising of a lease terms extension option and also increased lease payments due to market reviews and inflation.

## 9 Borrowings

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
<b>Current</b>		
<i>Secured liabilities</i>		
Finance facility	15,585	15,800
Chattel mortgages	8,765	9,108
	<b>24,350</b>	<b>24,908</b>
<b>Non-current</b>		
<i>Secured liabilities</i>		
Finance facility	75,000	64,000
Chattel mortgages	6,828	5,388
	<b>81,828</b>	<b>69,388</b>
<b>Total current and non-current secured liabilities:</b>		
Finance facility	90,585	79,800
Chattel mortgages	15,593	14,496
	<b>106,178</b>	<b>94,296</b>

There were no breaches of covenants during the period.

## 10 Issued capital

### Movement in share capital

Date	Details	No. of shares	\$'000
1 July 2021	Opening balance	187,618,665	411,564
	<i>No movements in period</i>	-	-
<b>31 December 2021</b>	<b>Closing balance</b>	<b>187,618,665</b>	<b>411,564</b>

- During the half-year, tranches under its executive share option plan the Company issued 2,276,811 total share options (2021: 828,285) over ordinary shares, split equally in tranches over three performance periods. These options had a fair value at grant date of \$0.08 (Tranche 1), \$0.12 (Tranche 2) & \$0.15 (Tranche 3) per share option (2021: \$1.41 [Tranche 1], \$1.39 [Tranche 2] & \$1.37 [Tranche 3]).
- There were no movements in ordinary share capital of the Company in either the current or the prior half-year.

## 11 Earnings per share

	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Profit/(loss) attributable to ordinary shareholders of the Company	(770)	4,727
Weighted average number of shares for basic earnings per share	187,618,665	187,219,810
<b>Basic earnings per share (cents per share)</b>	<b>(0.4)</b>	<b>2.5</b>
Weighted average number of shares for diluted earnings per share	192,794,127	191,085,824
<b>Diluted earnings per share (cents per share)</b>	<b>(0.4)</b>	<b>2.5</b>

## 12 Cash flow information

### Reconciliation of cash flow from operation with profit/(loss) after income tax

	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Profit/(loss) after income tax	(770)	4,727
<b>Non-cash flows in profit/(loss)</b>		
Depreciation of property, plant & equipment	9,991	8,618
Depreciation of right-of-use assets	3,536	3,109
Amortisation of intangible assets	60	60
Fair value adjustment on derivative instruments	119	(2,061)
Net (gain)/loss on disposal of non-current assets	(71)	(153)
Performance rights	(249)	167
<b>Changes in operating assets and liabilities</b>		
(Increase)/decrease in trade and other receivables	(2,449)	6,598
(Increase)/decrease in other assets	(1,746)	(1,775)
(Increase)/decrease in inventories	6,117	(10,202)
(Increase)/decrease in current tax assets	285	(144)
(Increase)/decrease in deferred tax assets	(946)	1,534
Increase/(decrease) in trade and other payables	(1,656)	(6,599)
Increase/(decrease) in provisions	443	285
<b>Net cash provided by/(used in) operating activities</b>	<b>12,664</b>	<b>4,164</b>

## 13 Subsequent events

To the Directors' best knowledge, there has not arisen in the interval between 31 December 2022 and the date of this report any item, any other transaction or event of a material and unusual nature that will, or may, significantly affect the operations of the Group.



## Wagners Holding Company Limited Directors' declaration

In the opinion of the Directors of Wagners Holding Company Limited:

- (a) the consolidated financial statements and notes are in accordance with the Corporations Act 2001, including:
  - i. complying with Accounting Standards AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - ii. giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Brisbane, Queensland on 22 February 2023.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read "D Wagner", with a stylized flourish at the end.

**Mr Denis Wagner**

Chairman

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Wagners Holding Company Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Wagners Holding Company Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

### Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit Pty Ltd**

BDO



**D P Wright**

Director

Brisbane, 22 February 2023