



- ▶ CONSTRUCTION MATERIALS AND SERVICES
- ▶ COMPOSITE FIBRE TECHNOLOGIES
- ▶ EARTH FRIENDLY CONCRETE

WAGNERS HOLDING COMPANY LIMITED

21 February 2024

ASX Market Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Wagners H1 FY2024 Results – Investor Presentation

Please find attached the Investor Presentation relating to the Company's half year results ending 31 December 2023, for immediate release to market.

This announcement has been authorised for release to the market by Karen Brown, Company Secretary.

For further information, please contact:

Karen Brown
Company Secretary
Ph. 07 3621 1131
Email: karen.brown@wagner.com.au

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.

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HEAD OFFICE:
11 BALLERA COURT
WELLCAMP QLD 4350

POSTAL ADDRESS:
PO BOX 151
DRAYTON NORTH QLD 4350

TELEPHONE: (617) 4637 7777
EMAIL: wagners@wagner.com.au
WEBSITE: <https://www.wagner.com.au>

WAGNERS HOLDING COMPANY LIMITED (ACN: 622 632 848)

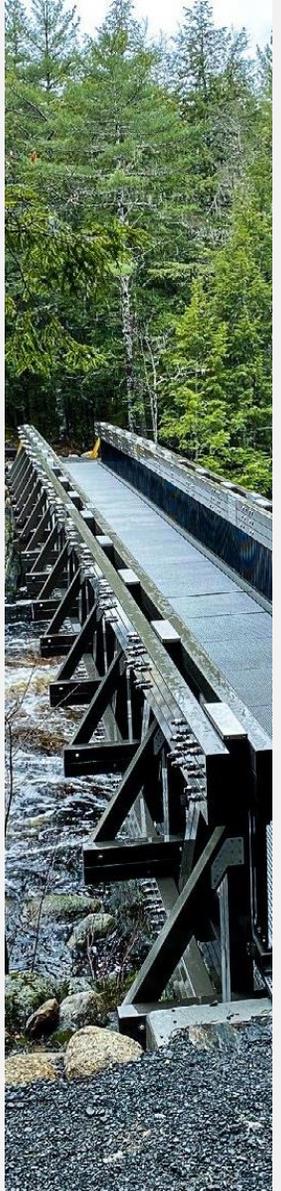




WAGNERS

H1 FY24 RESULTS PRESENTATION

21 FEBRUARY 2024



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WAGNERS



H1 FY24 GROUP HIGHLIGHTS

STRONG TOP LINE GROWTH AMID ONGOING IMPROVED MARKET CONDITIONS

- Group Revenue of \$264.6 million, +20% (H1 FY23: \$219.6 million)
- Top line growth driven predominantly by:
 - Improved market conditions in Construction Materials and Services, with strong customer demand, improved asset utilisation as well as contribution from project work
 - Increased CFT utility poles and crossarm sales in Australia and New Zealand
- Group Operating EBIT of \$21.1 million, +214% (H1 FY23: \$6.7 million)¹
- Net Profit After Tax of \$2.8 million, negatively impacted by:
 - EFC loss (\$1.0 million) and EFC impairment (\$5.7 million); and
 - Derivative mark-to-market adjustments (\$1.8 million)

1. Operating EBITDA and Operating EBIT excludes \$5.7 million EFC impairment, \$1.8 million impact of derivative mark-to-market adjustments and EFC EBIT loss of \$1.0 million.

\$264.6 million

Group Revenue +20% vs pcp

\$34.7 million

Operating EBITDA¹ +72% vs pcp

\$21.1 million

Operating EBIT¹ +214% vs pcp

\$2.8 million

Net Profit After Tax vs \$(0.8) million pcp



H1 FY24 HIGHLIGHTS & PERFORMANCE



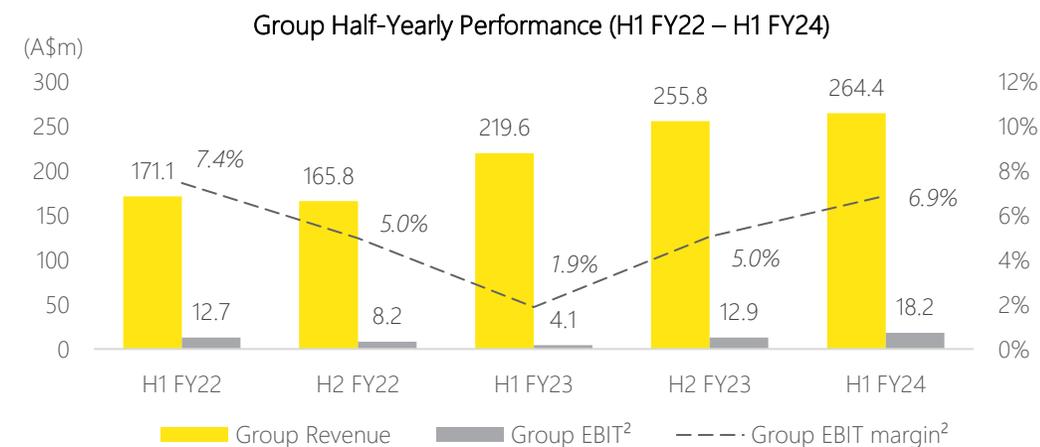
H1 FY24 GROUP PERFORMANCE

STRENGTH IN CORE BUSINESS, OFFSET BY EFC & CFT PERFORMANCE

(A\$m)	1H FY24	1H FY23	Change
Operating Revenue	264.4	219.6	44.8
Gross Profit	137.8	112.1	25.7
	51.9%	51.0%	0.9%
Operating Costs	(103.1)	(91.9)	(11.3)
Operating EBITDA	34.7	20.2	14.5
Depreciation and Amortisation	(13.6)	(13.5)	(0.1)
Operating EBIT	21.1	6.7	14.4
EFC - EBIT	(1.0)	(2.3)	1.2
EFC - Impairment	(5.7)	0.0	(5.7)
Derivative mark-to-market adjustment	(1.8)	(0.3)	(1.5)
Statutory EBIT	12.5	4.1	8.4
Net profit after tax	2.8	-0.8	3.6

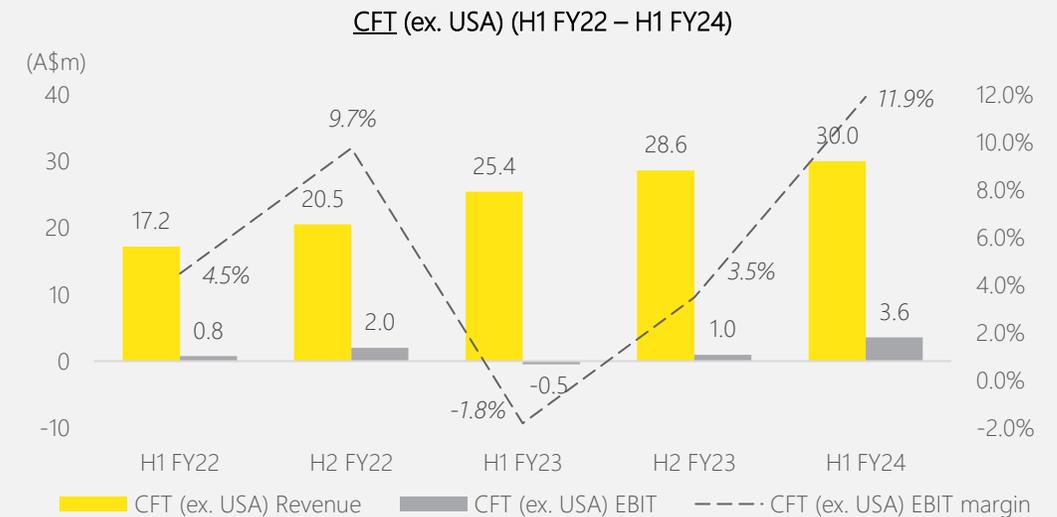
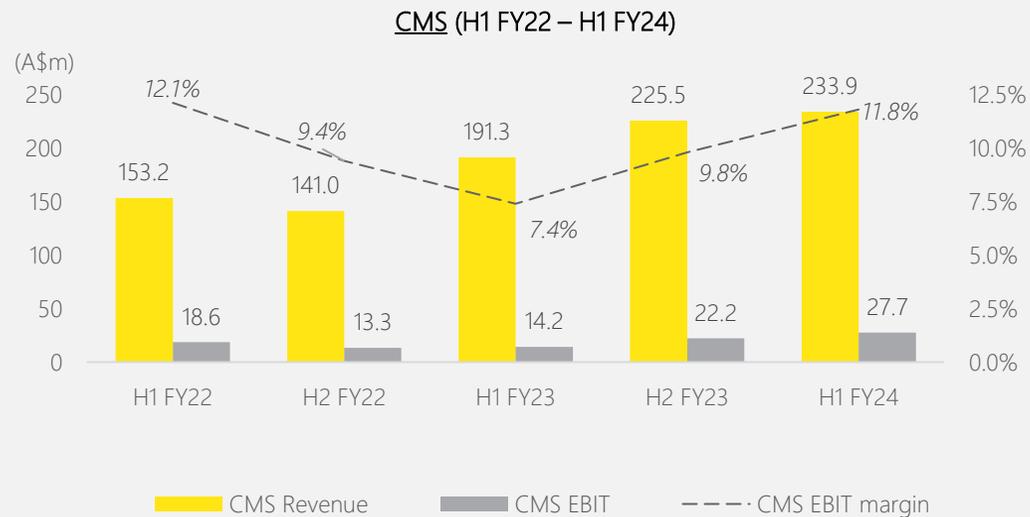
1. \$1.8 million impact of derivative mark-to-market adjustments.
2. H1 FY24 Group Operating EBIT normalised for EFC impairment.

- Revenue growth driven by core CMS business (cement, concrete, precast, bulk haulage) and CFT
- Improved pricing, together with implemented cost-control measures, delivered sustained margin expansion
- \$11.3 million increase in operating costs in line with expanded operations, predominantly labour as well as repairs and maintenance
- EFC impairment of assets
- Fair value adjustment on derivative instruments driving unfavorable change



H1 FY24 SEGMENT RESULTS

IMPROVED COST-CONTROL MEASURES RESULT IN CONTINUED MARGIN EXPANSION



- CMS revenues grew \$42.6 million (+22%) versus pcp, while also growing \$8.4 million (+4)% half-on-half
 - H1 FY24 CMS margins improved 440bps versus H1 FY23, to 11.8% (+200bps half-on-half), reflecting enhanced operating leverage
- CFT revenues (ex. CFT USA) also increased \$4.6 million (+18%) versus pcp, driven by sustained strength in CFT ANZ operations
 - Continued improvements in H1 FY24 CFT (ex USA) margins, expanding to 11.9% (+840bps half-on-half)
 - CFT USA EBIT loss of \$2.3 million negatively impacting segment profitability

H1 FY24 SEGMENT HIGHLIGHTS – CMS



CONSTRUCTION MATERIALS AND SERVICES (CMS)

- CMS segment revenue growth reflects strong underlying trading conditions
- Improved Average Selling Prices (ASP), particularly in concrete and cement
- Full six months contribution from precast concrete tunnel segment production for the Sydney Metro tunnel project
- Improved performance of fixed quarry operations
- Full six months contributions from new bulk haulage projects and improved asset utilisation on projects
- Result offset by some adverse weather impacts
- Robust demand environment in South-East Queensland as underlying volumes remained strong



H1 FY24 SEGMENT HIGHLIGHTS – CFT

COMPOSITE FIBRE TECHNOLOGIES (CFT)

- CFT revenues +9% versus pcp, mostly driven by strong crossarm and power pole demand in CFT Australia & New Zealand (ANZ)
- CFT ANZ revenues and EBIT was a significant improvement, reflecting:
 - Increased crossarm and pole volumes;
 - Improved selling prices in custom build products/projects; and
 - Higher margins from process improvements and production efficiencies
- Demand for composite products expected to increase in H2 FY24 as asset owners and utility networks understand the performance benefits our products provide (esp. power poles)
- CFT USA incurred losses growing capability and efforts to establish consistent product sales, offsetting improvements in CFT Australia & New Zealand



H1 FY24 SEGMENT HIGHLIGHTS – EFC

EARTH FRIENDLY CONCRETE (EFC)

- EFC EBIT loss and asset impairment totaling \$6.7 million¹
- Result of strategic review during H1 FY24 to:
 - significantly scale back EFC operations in light of insufficient commercial support, at this time; and
 - protect intellectual property until value of the technology and product recognised by industry
- Significant historical investment in technical approvals, partnerships, projects delivering performance and commercial viability and in EFC activator manufacturing preserved until timing is right
- Business will continue to pursue opportunities in appropriate applications, with partners and in jurisdictions where there is support for EFC
- Small annual loss anticipated going forward and will not be disclosed as a separate business segment after FY24 results

1. EFC EBIT loss of \$1.0 million, plus EFC impairment of \$5.7 million.



H1 FY24 BALANCE SHEET

STRONG POSITION TO LEVERAGE IMPROVEMENTS IN OPERATING ENVIRONMENT

WORKING CAPITAL

(A\$m)	Dec-23	Jun-23	Change
Trade and other receivables	65.6	95.1	(29.5)
Inventories	40.1	41.2	(1.1)
Trade and other payables	(52.8)	(64.5)	11.7
Current tax assets/(liabilities)	(0.0)	1.9	(1.9)
Net working capital	52.9	73.8	(20.9)

NET DEBT

(A\$m)	Dec-23	Jun-23	Change
Cash and cash equivalents	30.5	11.4	(19.1)
Gross debt	86.6	104.7	(18.1)
Net Debt	56.2	93.4	(37.2)

- Receivables reduced \$29.5 million versus 30 June 2023, resulting in higher cash balances at 31 December 2023
- Trade and other payables declined \$11.7 million due to timing of payments
- \$18.1 million decrease in gross debt balance funded from earnings and lower capex spend

H1 FY24 CASH FLOW STATEMENT

HEIGHTENED FOCUS ON CASH & CAPITAL EXPIDITURE

(A\$m)	H1 FY24	H1 FY23	Change
EBITDA	33.9	17.9	16.0
Changes in working capital	21.2	(0.3)	21.5
Finance costs	(7.0)	(4.6)	(2.4)
Income tax paid	(3.5)	(0.9)	(2.5)
Cash flow from operations	44.7	12.1	32.6
Capital Expenditure - Net	(6.6)	(15.1)	8.5
Borrowings - Net	(20.4)	10.3	(30.6)
Net cash flow before financing	17.7	7.2	10.4

- Improved cash flow due to reduced working capital, reflecting lower receivables
- Finance costs reflect an increase in interest rates from July 22 to November 2023
- Capital expenditure was \$8.5 million lower compared to pcp, reflecting tighter control on capital expenditure
- Spend in H1 FY24 included quarry processing plants and replacement of bulk haulage assets
- All working capital debt facilities repaid in this half



**FY24 STRATEGY
UPDATE & OUTLOOK**



STRATEGY OVERVIEW

WAGNERS GROWTH STRATEGY CENTRES AROUND EXPANDING & INTEGRATING ITS CORE CMS BUSINESS, SUPPORTED BY INNOVATION

Wagners strategy is to drive revenue growth and increased returns, by:

Growing and consolidating core CMS business in Australia

- Pursuing opportunities that add accretive value to Wagners vertical integrated model, subject to ROIC considerations
- Utilise expertise and experience to grow and consolidate

Pursuing major projects, leveraging Wagners expertise and experience

- Ongoing investment in business development activities pursuing major project opportunities

Growing innovative products – CFT

- Continued R&D investment to support future innovative product development in CFT & production efficiencies
- Developing new markets for existing products, incl. targeted & disciplined business development initiatives

FY24 OUTLOOK

GUIDANCE REITERATED, IN LIGHT OF STRENGTH IN DEMAND FOR CONSTRUCTION MATERIALS AND SERVICES

The Company reiterates guidance provided within the H1 FY24 Trading Update, in January of:



Market conditions in H2 FY24 anticipated to be similar to the first half with an EBIT expected to be consistent with H2 FY23; and



FY24 Group Operating EBIT expected to be in the range of: **~\$31 to \$34 million**

CMS

Strong operating environment expected to continue for FY24:

Growth in cement volumes experienced in H1 expected to remain steady in H2

Margin expansion expected in cement and concrete with improved pricing and implemented cost control measures

Improved margins within bulk haulage business expected following introduction of new fleet, improving productivity

Completion of precast tunnel project in mid H2 impacting Q4 earnings

CFT

Aust & NZ

Continued strong demand for CFT products, particularly composite crossarms and power poles

Margin improvement experienced in first half to be maintained in H2

USA

Half year loss expected to continue in H2 until more consistency in secured projects

US strategy to develop market for high volume products (eg. marine components and utility poles) to support existing project business to deliver sustainable growth

SUMMARY

WAGNERS IS WELL-POSITIONED TO CAPITALIZE ON OPPORTUNITIES WITH THE NECESSARY PLANT, EQUIPMENT AND PERSONNEL



WELL-INVESTED, HIGH-QUALITY ASSET BASE

significant capital invested,
across the supply chain –
difficult to replicate



VERTICAL INTEGRATION

enabling security of supply and
increased margins



ATTRACTIVE END MARKETS

consisting of high-quality,
diversified customer base



DISTRIBUTION FOOTPRINT

strategically-located
sites across Queensland,
selectively expanding



FUNDAMENTAL DEMAND DRIVERS

ability to capitalise on
global infrastructure and resources
sector growth



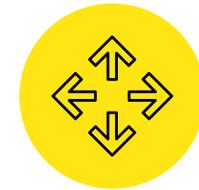
CULTURE OF INNOVATION

focus on R&D, contributing to
meaningful inhouse expertise
and IP



AGILITY & INDEPENDENCE

greater ability to react to
customer demands in flexible
and timely manner



EXPANSION & CONSOLIDATION

opportunities granting
flexibility and optionality to
expand both domestically &
overseas



APPENDIX



WHO IS WAGNERS?



Established in 1989 in Toowoomba (Queensland), Wagners is an ASX-listed diversified provider of construction materials, globally



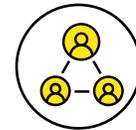
Innovative, vertically-integrated producer of new generation building materials, as well as a diverse range of project-specific products and services



A large producer and supplier of cement in South-East Queensland, supplying approximately one third of the market's cement requirements



Customers include leading domestic and international construction material providers, building and construction companies as well as infrastructure, mining and general contractors



The founders of Wagners, being the Wagner family and associated entities (Wagner Corporation, which is not part of the ASX-listed Wagner Group), hold 55% of issued capital. Wagner Corporation's core business is property development, including the ownership and operation of the Wellcamp Airport, Wellcamp Business Park and Pinkenba Wharf

WAGNERS VISION

OUR VISION IS TO STRIVE FOR INTREPID PROGRESS TO
ACHIEVE BENEFICIAL OUTCOMES

- Wagners aims to be a world-class provider of construction materials and services to its customers. All of Wagners business decisions are premised on its guiding principles.
- Wagners vision focusses on achieving positive financial, human and environmental outcomes while remaining *Innovative, Integrated* and *International*

GUIDING PRINCIPLES: IT'S FAIR

At Wagners, we will:

I

Deal with
INTEGRITY

T

Work
TOGETHER
to overcome
challenges

S

Work in a **SAFE**
environment

F

Be **FAMILY**
conscious

A

Encourage and
ACKNOWLEDGE
success

I

Foster
INNOVATION

R

REQUIRE
quality and
excellence

KEY SEGMENTS

WAGNERS CORE CMS SEGMENT IS COMPLEMENTED BY ITS EMERGING NEW GENERATION BUILDING MATERIALS BUSINESSES

CONSTRUCTION MATERIALS & SERVICES (CMS)

- Supplies a range of **construction materials** to construction, infrastructure and resources industries
 - Manufacturing of key products, including cement, flyash, aggregates, ready-mix concrete, and reinforcing steel
- Provides **project-based services** to construction, infrastructure and resources industries
 - including mobile and on-site concrete batching, contract crushing, bulk haulage and precast concrete
 - Typically medium to long-term projects

COMPOSITE FIBRE TECHNOLOGIES (CFT)

- Durable construction materials – designed by Wagners – substitutes for steel, aluminum, timber, etc
- Favourable qualities: lightweight, resistant to rust, corrosion and chemical attack as well as saving hardwood resources
- Increasingly being specified in Australia and overseas for boardwalks, bridges, walkways, marinas and as cross-arms for electrical distribution networks

EARTH FRIENDLY CONCRETE (EFC)

- Class of zero cement concrete, developed by Wagners
- Geopolymer binder system, based on chemical activation of industrial waste
- Significantly reduces carbon emissions compared to traditional production methods
- Superior performance and durability versus conventional concrete

New Generation Building Materials (NGBM)

Providing innovative and environmentally sustainable building products and construction materials

CONSTRUCTION MATERIALS & SERVICES

WAGNERS CORE BUSINESS, UNDERPINNED BY WELL-INVESTED NETWORK OF HIGH-QUALITY ASSETS & KEY PERSONNEL

CMS spans a variety of interrelated businesses – providing both construction materials and related project services – covering residential, industrial, infrastructure, resources and renewables industries

CONSTRUCTION MATERIALS

Wagners provides a variety of construction materials to core customers – across industries – leveraging its concrete operations as a critical channel to market:



Concrete – operation of both fixed and mobile plants, covering remote/regional locations



Cement – manufacturing of bulk & bagged cement



Aggregates – delivering crushed rock, direct from Wagners-owned quarry operations



Reinforcing steel – manufacture and supply of reinforcing steel products

SERVICES & MAJOR PROJECTS

Wagners also provides additional services and project-related solutions to several large infrastructure and resource projects, including:



Bulk haulage – providing bulk haulage to minerals and resources customers



Mobile concrete services – on-site concrete batching



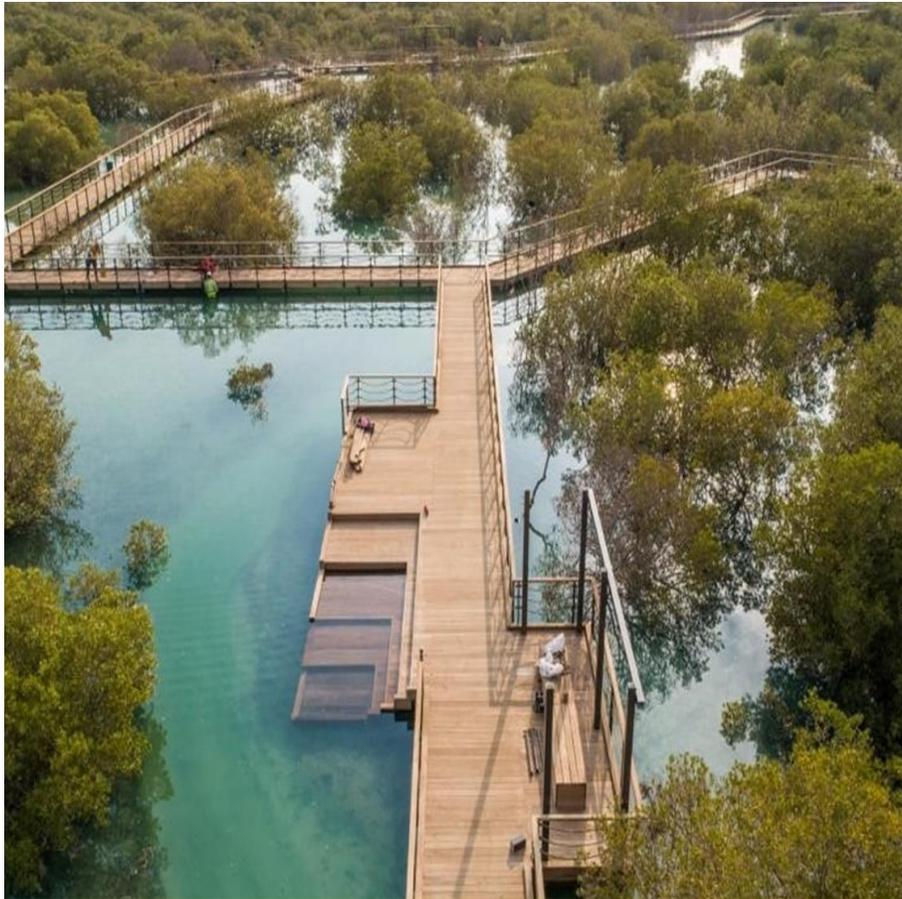
Contract crushing – on-site mobile crushing



Precast concrete – commonly used in bridges, overpasses and tunnels

COMPOSITE FIBRE TECHNOLOGIES

WAGNERS INHOUSE DESIGN AND MANUFACTURING CAPABILITY PROVIDES ADDED INTELLECTUAL PROPERTY VIA ITS CFT BUSINESS



- Light-weight, non-corrosive, non-conductive fiberglass building materials
- Designed and manufactured inhouse by seven custom pultrusion machines, including recent establishment of US facility
- Significant efforts directed on manufacturing methodology and expertise, to achieve consistently predictable materials
- Overcomes limitations and removes variability of traditional materials, including steel, concrete and timber (e.g. steel rust, timber rot)
- Products engineered into many community infrastructure projects (e.g. electrical cross arms and power poles, pedestrian infrastructure, road bridges)
- Global opportunity – sales into New Zealand, Middle East, UK, Canada and USA, with focused sales and business development teams

DISCLAIMER

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THANK YOU

CONTACT:

**KAREN BROWN
COMPANY SECRETARY
+61 (0) 7 3621 1131**

**SAM WELLS (NWR COMMUNICATIONS)
SAM@NWRCOMMUNICATIONS.COM.AU
+61 (0) 427 630 152**

