



► CONSTRUCTION MATERIALS
► TRANSPORT SERVICES
► CEMENT, FLYASH & LIME
► PRECAST CONCRETE
► REINFORCING STEEL
► COMPOSITE FIBRE TECHNOLOGIES

HEAD OFFICE:
11 BALLERA COURT
1511 TOOWOOMBA CECIL PLAINS ROAD
WELLCAMP QLD 4350

POSTAL ADDRESS:
PO BOX 151 DRAYTON NORTH QLD 4350

INT. PREFIX STD PREFIX NUMBER
TELEPHONE: (61 7) (07) 4637 7777

EMAIL: wagners@wagner.com.au

WAGNERS HOLDING COMPANY LIMITED
ACN 622 632 848



28 October 2020

ASX Market Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

BY ELECTRONIC LODGEMENT

Wagners Holding Company Limited
2020 Annual General Meeting Addresses

In compliance with listing rule 3.13.3, please find attached the following addresses which will be presented at the Annual General Meeting of Wagners Holding Company Limited being held today at 10:00am:

1. 2020 AGM Address from the Chairman, Mr Denis Wagner; and
2. 2020 AGM Address from the CEO, Mr Cameron Coleman.

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

Regards,

Karen Brown

General Counsel and Company Secretary

Wagners

Ph: 07 4637 7777 | Mobile: 0410 606 639 | Fax: 07 4637 7778 | Email: karen.brown@wagner.com.au

CHAIRMAN'S ADDRESS

2020 ANNUAL GENERAL MEETING

Good morning ladies and gentlemen,

At our AGM last year, I said that FY19 for our company was “challenging to say the least”. Unfortunately, this year, I have to tell you that without a doubt, FY20 was the most challenging year in Wagners’ history.

Not only have we had to face challenging market conditions, we have, like so many other organisations, had to continue business operations in the face of a global pandemic. I must take this opportunity to say I am extremely pleased with the way our management team and all employees responded during this period. Our manufacturing facilities and project sites had to continue operations with increased vigilance on the health and safety measures we put in place. Other staff had to spend extended periods of time away from their families. We all have had to resort to uncharted measures to ensure both the health and safety of our employees and also that there were minimal disruptions for our customers or our business operations. The positive aspect of this is that the team have all adapted to the new way of doing business, which will ultimately deliver more efficiencies in our operations and improvement throughout the business.

Along with the challenges of Covid-19, our performance for the year was impacted by the litigation we have been involved in with Boral, with supply of cement suspended for a period during the year and significant litigation expenses incurred. Last week, the matter was heard by the Court of Appeal, following both parties appealing the decision of the Supreme Court of Queensland that was delivered on 10 June 2020. We now await the Court of Appeal’s decision, which we trust will provide certainty for us moving forward around the interpretation of a pricing clause in our long term Cement Supply Agreement. Regardless of the outcome of the appeal, the agreement remains binding on the parties until 2031, requiring Boral to take a contracted volume of cement on an annual basis.

I mentioned the challenging market conditions. We have not been alone in some of these challenges. The construction materials industry, particularly in South-East Queensland, have faced some headwinds. Limited infrastructure and major project activity throughout the year has driven a change in some behaviour in the industry which ultimately impacts profitability. On a positive note, we do expect both federal and state government spending on infrastructure to support this industry into the future. Our structure, assets and innovative products in these markets position us well to be able to handle this disruption.

Cameron will take you through more details around the Company’s financial performance for the 2020 financial year. In summary, the result did not meet our expectations, however we do believe we now have a good platform for the business to improve. We invested almost \$33million in capital throughout the year, therefore we are well positioned for growth. Given the financial performance and the focus on reinvesting to achieve growth, the Board did not declare a dividend in FY20. As a Board, we are committed to paying dividends as and when the business performance can support the payments which we are confident will resume in FY21.

Just prior to last year’s AGM, we announced an Entitlement Offer to raise \$40million. It was pleasing to receive our shareholders support for this raising which was successfully completed last November. This allowed us to reduce debt and provide access to capital for future growth opportunities. While the travel restrictions and lockdowns due to Covid-19 have impacted our ability to fully implement our international growth strategies and therefore achieve the expected growth, we remain committed to our international expansion, particularly for our New Generation Building Materials Business.



CHAIRMAN'S ADDRESS

2020 ANNUAL GENERAL MEETING

We did see revenue growth for the year. We won a number of material contracts that will secure revenue for FY21. We expanded our facilities at Wellcamp for our CFT business both to accommodate increased demand for our products and the installation of machinery with the latest technology that will drive production efficiencies throughout the business. We've invested heavily in research and development in our New Generation Building Materials Business (both in CFT and Earth Friendly Concrete) to provide innovative environmentally sustainable solutions for projects around the world.

In June, we secured an extension of our existing debt facilities with our financiers, National Australia Bank and HSBC. These facilities remain in place through until January 2022.

Looking now to the future for Wagners.

The market conditions for our New Generation Building Materials division look strong into the future.

Our focus is on expansion into the international markets both with CFT and EFC® where we see incredible opportunities with demand for our products. These markets are looking for more sustainable and environmentally responsible products.

With increased tendering activity in the US, we will look to expand our physical presence and establish a manufacturing facility in the State of Texas.

Our continued investment into Research and Development has resulted in the development of new composite products – we are now supplying light and electrical distribution poles and we expect the demand for these products to significantly increase, both domestically and overseas.

With DIBT approval, the German equivalent of the Australian Standard, now in place for Earth Friendly Concrete, we are able to supply our product into many international infrastructure projects. Of significant note, we supplied EFC® into UK's current largest infrastructure project, HS2, just over a week ago. We now have exclusive partnership arrangements for distribution of EFC® in India and UK and are exploring opportunities more broadly in Europe.

We are seeing all levels of government in Australia starting to develop plans to rescue the economy, primarily by increasing government spending on infrastructure. This should lead to increased opportunities for all of our products and the infrastructure we build using our composite products. Our ability to deliver bridges, boardwalks, crossarms and light and distribution poles quickly and efficiently should translate into increased revenue as infrastructure spend increases.

The expected increased spending will also benefit our Construction Materials and Services business. We expect our mining services business to remain strong in the foreseeable future, with extended contracts and new projects already secured over the last few months.



CHAIRMAN'S ADDRESS

2020 ANNUAL GENERAL MEETING

On behalf of the Board, I would like to thank the executive management team and all of our employees for their contributions and the way they have handled the challenges through the year.

We do look forward to better conditions in FY21 and the capital investment and efforts across the organisation will stand us in good stead. I would also like to thank all Board members for their contribution and resilience over the past year and also our shareholders and customers for their ongoing support of Wagners.

CEO'S ADDRESS

2020 ANNUAL GENERAL MEETING

Good morning ladies and gentlemen. For those that have joined us here in person, welcome to Toowoomba.

This morning I'd like to provide shareholders with an overview of our financial performance for FY20 along with an update on the outlook for the year.

From a financial perspective, as Denis mentioned, FY20 was disappointing, presenting a number of challenges for the business.

We achieved overall revenue growth, with sales increasing by 5.1% to \$252million. With the majority of this sales growth coming from sectors operating in lower margin work environments, the proforma EBIT result of \$9million, was significantly less than FY19.

Our New Generation Building Materials business achieved increases in both sales and EBIT compared to previous years. Continued investment is being made in the global expansion of this business, however with lockdowns and travel restrictions in place, FY20 did not deliver the expected global financial contribution. The investment has positioned us to be ready to take advantage of the opportunities FY21 will present once travel opens up and governments commit funding to generate jobs, particularly in the construction sector.

In our Construction Materials and Services (CMS) business, we continued to make gains in our bulk haulage transport business servicing the resources sector, along with improvements in our quarries business, both from newly acquired and existing operations.

Reduced volumes in our cement business, increased operational costs during Covid-19 and pricing pressures in the concrete industry, have negatively impacted the overall financial result. On a positive note, recent months have seen cement volumes return to that of prior periods and we expect this volume to continue throughout FY21.

While the overall financial performance did not meet our expectations, there were some key achievements made throughout the year.

- We continued to expand our CFT business globally, despite the impacts of Covid-19. Our new pultrusion machine was delivered to the US, and is awaiting commissioning once travel restrictions lift. Once commissioned, this will allow us to service US markets from a local manufacturing facility - needed to compete for projects under the Made In America Platform.
- We also delivered CFT projects in Australia, UK, USA, UAE, New Zealand and now have sales teams on the ground in each of these locations.
- We secured DIBt approval for Earth Friendly Concrete® which now allows us to pursue opportunities for the application of EFC® in infrastructure projects in Europe. Since DIBt approval has been obtained, EFC® has been supplied into a number of projects in the UK. There is growing interest in using EFC® in projects around the world, particularly throughout Europe and the UK that understand and value the environmental and performance benefits EFC® offers.

There were also a number of achievements in the Construction Materials and Services business:

- Our concrete plant network continued to gain traction with six plants now operational. While volume has increased, concrete pricing in the industry has impacted profitability as we progressed through the start-up phase and commissioning of these plants. Now that the plants are fully commissioned, these costs are behind us.
- We secured a number of larger projects, most notably —
 - The supply of precast concrete tunnel segments to Brisbane's Cross River Rail Project, valued at \$40million, with production of these segments now underway; and
 - The quarry operation and haulage agreement for the Carmichael Mine Project, with a project value of over \$35million.

Throughout FY20, there has been significant capital investment, which will enable us to deliver on our growth strategy across the business, ensuring we are well positioned to capitalise on the imminent increase in infrastructure projects. Completed capital investment throughout FY 20 included:

- Expansion of our Composite Fibre Technologies (CFT) facility at Wellcamp providing increased capacity to service a growing market.
- The manufacture and commissioning of a cross-arm manufacturing cell in our CFT business, it is now operational and delivering significant production efficiencies.
- Investment in our concrete plant infrastructure to support the growth of our fixed plant network throughout South-East Queensland.
- Acquisition of a hard rock quarry outside of Emerald in Queensland, along with additional investment into plant and equipment will position our quarry business to provide a higher contribution into the future.
- Acquisition of three- and four-trailer road train combinations to service the long-term bulk haulage contracts in place.

Looking now at performance for the first few months of FY21, I'm pleased to say it has been a positive start to the year. In our New Generation Building Materials Business:

- We have produced one million composite cross arms since inception – a significant milestone for the team;
- We are now producing round poles from our Wellcamp facility and have secured sales for both composite light poles and power poles to electrical networks.
- We have successfully completed our second large project in the UAE, with a third project underway, and the design has been commissioned for a fourth project in that region.
- We have leased a facility in Texas, USA, allowing us to store, fabricate and distribute product for US projects, manufactured in Australia.
- We have now supplied EFC® into the HS2 project in London – a planned high speed railway in the UK, with more volume expected to be supplied over the coming months.
- We now have supply arrangements for EFC® with committed volumes in both the UK and India and are seeing increasing demand for EFC® in the local domestic market.

Turning to our Construction Materials and Services business for the last quarter:

- Production of the tunnel segments for Brisbane's Cross River Rail project has commenced, with completion expected in the second half of calendar year 2021.
- We have ramped up production of quarry materials from the South Back Creek Quarry, moving from 12 to 24 hour operations to service the requirements of the Carmichael Mine and associated infrastructure;
- We have secured a new Haulage Contract in the Northern Territory, which could see us haul millions of tonnes of iron ore over the next 24 months. We mobilised to site earlier this month and haulage operations have now commenced.
- We've secured extensions on a number of our other Haulage Contracts servicing the resources sector.
- Concrete volumes have continued to increase; and
- Cement volumes have remained consistent with volumes sold toward the end of FY20.

With FY20 well and truly behind us, our outlook is positive, as the first few months of this period have demonstrated. The capital expenditure incurred in FY20 will position us well for FY21 and beyond.

1. NGBM Outlook

In our NGBM business, we continue to pursue opportunities worldwide. We will continue to expand our facilities at Wellcamp to accommodate another pultrusion machine to meet the demand we expect for the new CFT poles.

While to date, our focus in the US has been targeted at short span road bridges and pedestrian infrastructure projects, we think there will be significant opportunities for CFT poles and cross-arms, with dedicated salespeople now servicing these markets.

The UAE continues to provide us with significant projects for CFT, with increasing demand from clients who appreciate the environmental and durability benefits the product offers.

With EFC® now ready for commercial applications, our focus is to increase sales through our concrete batch plant network in South East Queensland and through our commercial partners in London, Germany and India.

2. CMS Outlook

We expect there to be an increase in demand for construction materials and services as a result of government-funded infrastructure and building projects commencing in FY21. Wagners is now well positioned to secure some of the opportunities these projects will present.

We continue to look for large projects around the world, we are following project opportunities in LNG and the renewables sector, where we have a proven track-record of winning and executing large service contracts, particularly in remote locations.

None of this is achievable without a skilled and dedicated team. I would like to take this opportunity to thank the Wagners management team, along with our current 605 employees across the business and throughout the world, for their strong work ethic and dedication throughout what has been a challenging year. I am proud of our continued and relentless focus on safety, particularly in the uncharted waters of a pandemic.

Thanks also to the Board of Directors for their continued guidance and support throughout 2020. We have been faced with some difficult decisions this year, which have been critical to the long term value we are building for our company and its shareholders.