



- CONSTRUCTION MATERIALS
- PROJECT SERVICES
- COMPOSITE FIBRE TECHNOLOGIES
- EARTH FRIENDLY CONCRETE

WAGNERS HOLDING COMPANY LIMITED

21 August 2024

ASX Market Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Wagners FY2024 Results – Investor Presentation

Please find attached the Investor Presentation relating to the Company's full year results ending 30 June 2024, for immediate release to market.

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

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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.

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FY24 RESULTS PRESENTATION

21 AUGUST 2024



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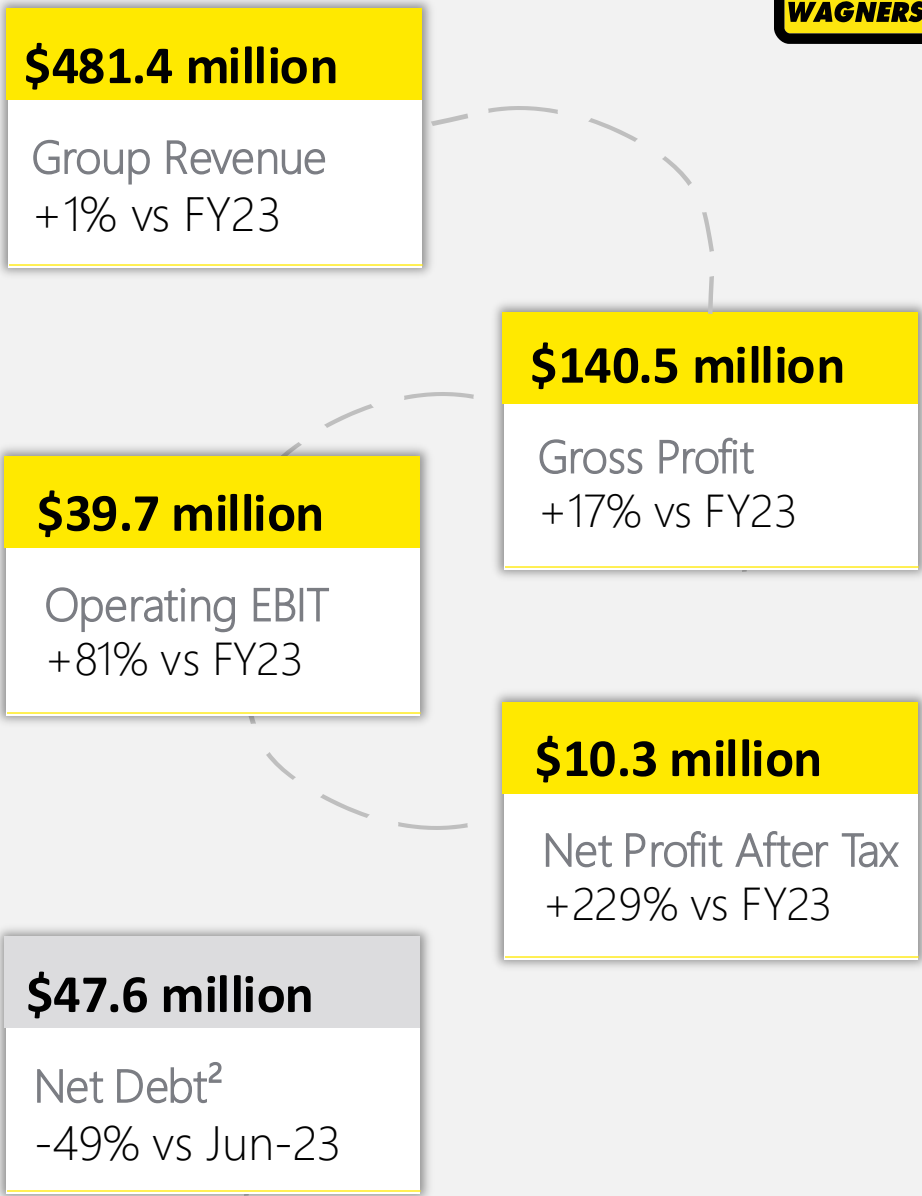


FY24 GROUP HIGHLIGHTS

SUSTAINED REVENUE GENERATION AMID IMPROVED MARGINS

- Revenue of \$481.4 million, consistent with FY23
- Operating EBIT of \$39.7 million, exceeding guidance range¹, reflecting an 81% increase versus FY23
- Improved market conditions in Construction Materials and Services (CMS), particularly in Q4
- Expansion of South-East Queensland concrete plant network
- Significant earnings contribution from the Sydney Metro precast concrete tunnel segment project, completed in Q3
- Enhanced margins across Composite Fibre Technologies (CFT) Australia/New Zealand versus FY23
- Improved operating conditions along with a focus on inventory management, resulted in significant debt reduction²
- Fully franked dividend of 2.5 cents per share declared (equal to \$4.7 million based on 187,618,665 shares)

1. FY24 EBIT guided range, provided at H1 FY24 Results, of \$31.0 - \$34.0 million.
2. As at 30 June 2024, reflecting a reduction of \$45.8 million.



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FY24 HIGHLIGHTS & PERFORMANCE



FY24 SEGMENT HIGHLIGHTS

WAGNERS

CONSTRUCTION MATERIALS (CM)

- Improved H1 trading conditions sustained in H2
- **Cement** – strong volumes, particularly in Q4, with increased contribution from Wagners-operated plants¹
- **Concrete**
 - improved performance with increasing volumes, focus on cost control measures and stable market conditions
 - record concrete volumes in June, leading to positive contribution to Group result for the month
 - Continued expansion of South-East Queensland concrete plant network during period
 - Yatala plant construction nearing completion, to open Q1 FY25
 - Wulkuraka plant in initial stages of development
 - Two additional sites secured in Q4 for future development
- **Quarries** – capacity and efficiency improvements across fixed quarries

1. The Company now has 7 operational plants, plus 3 under various stages of seeking approvals or development.



FY24 SEGMENT HIGHLIGHTS

WAGNERS

PROJECT SERVICES

- **Precast** – completion in Q3 of large precast concrete tunnel segment project, resulting in:
 - >70,000 total segments, manufactured and delivered from Wacol facility;
 - Significant positive contribution to overall result; and
 - Decision to terminate lease of Wacol facility early given no large precast projects secured to deliver material contribution in FY25 (intention to relocate to new Company-owned site)¹
- **Bulk Haulage** – haulage projects performed consistently with prior year with reduced repair & maintenance, contributing to improved results late in Q4
 - 60 prime movers and 180 trailers servicing 10 bulk haulage projects throughout FY24
- **Concrete Projects** – ongoing project-related work on central Queensland wind farm project

1. Resulting in \$3.2 million Wacol impairment, reflecting end of lease and make good cost requirements.



FY24 SEGMENT HIGHLIGHTS

WAGNERS

COMPOSITE FIBRE TECHNOLOGIES (CFT)

- Stronger underlying EBIT growth achieved in CFT Australia/New Zealand, reduced by negative impact from unfavourable custom build project in New Zealand¹
- Demand for composite poles continued to increase, as well as strong demand for custom-build projects.
- New long-term contracts secured in Q4 for the supply of CFT utility poles throughout New South Wales and Queensland
- Efficiencies of automated processing delivered improved margins within CFT crossarm production
- CFT USA losses narrowing in H2 (versus H1), continued investment throughout the period resulted in an overall loss greater in FY24 versus FY23

1. Normalising for the ~\$3.0 million New Zealand project loss, CFT Australia/New Zealand EBIT grew 11% from H1 to H2 FY24.



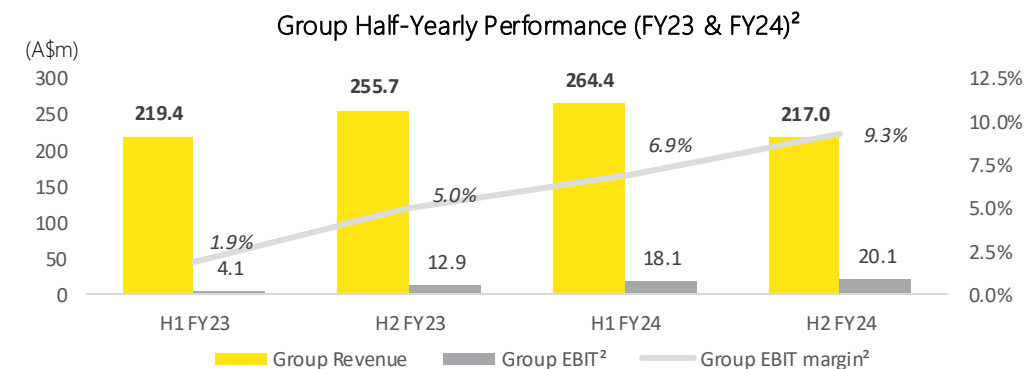
FY24 GROUP PERFORMANCE

ONGOING MARGIN IMPROVEMENTS AS THE YEAR PROGRESSED

(A\$m)	FY24	FY23	Change
Total Revenue	481.4	475.1	6.3
Gross Profit	140.5	119.6	20.9
Gross Margin	29.2%	25.2%	4.0%
Other Income	4.6	1.9	2.7
Operating Costs	78.3	71.4	6.8
Operating EBITDA	66.8	50.0	16.8
Depreciation and Amortisation	27.1	28.1	(1.0)
Operating EBIT	39.7	21.9	17.8
EBIT Margin	8.2%	4.6%	3.6%
EFC - EBIT	(1.4)	(4.0)	2.7
EFC Impairment	(5.6)		(5.6)
Wacol Impairment	(3.2)		(3.2)
Other	(0.1)	(0.9)	0.8
Reported EBIT	29.5	17.0	12.5
Net profit after tax	10.3	3.1	7.2

1. EFC Impairment of \$5.6 million (H1 FY24) and Wacol impairment of \$3.2 million (H2 FY24).
2. After normalising for EFC impairment (H1 FY24) and Wacol impairment ((H2 FY24).

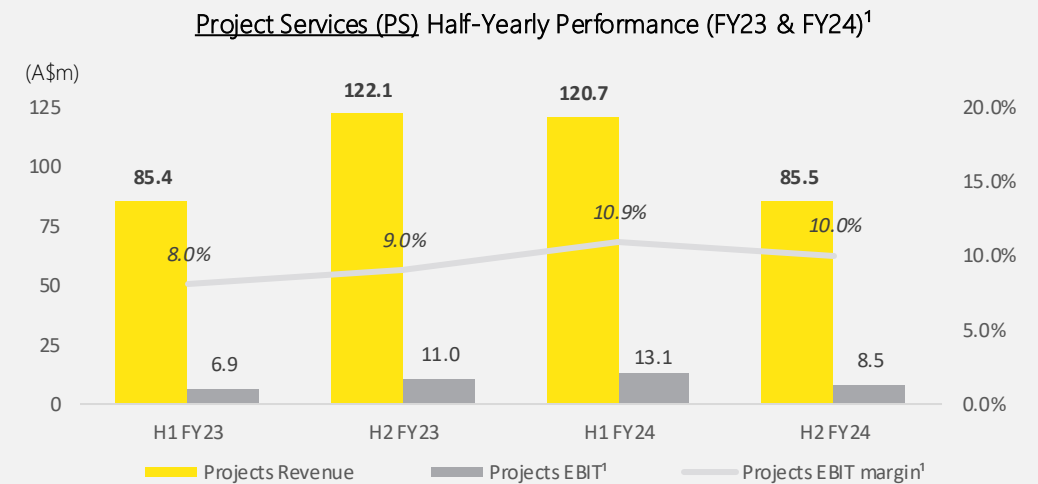
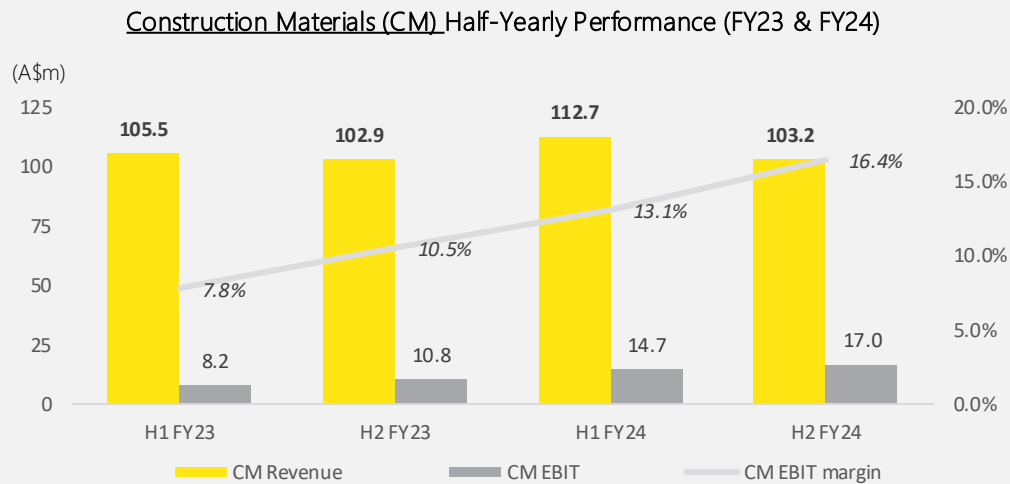
- FY24 revenue consistent to FY23
- Gross margins improved during FY24, primarily due to improved market conditions and cost control within CM
- Enhanced EBIT margins, reflecting improvements in the CM business
- Total impairments recognized in FY24¹ of \$8.8million
- EFC losses reduced following decision to scale back operations



FY24 SEGMENT RESULTS – CM & PROJECT SERVICES



IMPROVING MARGINS IN CONSISTENT CONSTRUCTION MATERIALS BUSINESS SUPPORTED BY PROJECT RELATED REVENUE STREAMS



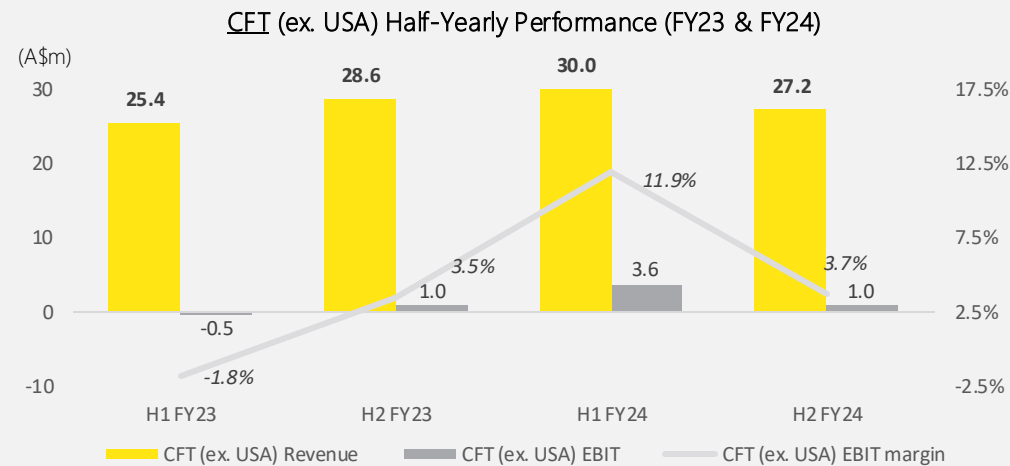
- Construction Materials revenues grew by \$7.6 million (+3.6%) versus FY23, while full year EBIT margins increased 5.5% with improved performance across both halves
 - Construction Materials H2 EBIT margins improved 3.4% versus H1, and 5.9% versus H2 FY23, to 16.4%
- Project Services revenues were lower in H2 due to completion of a large precast tunnel project, resulting in a decline of \$1.3 million versus FY23, while Operating EBIT improved \$3.8 million (+21%) after adding back for the Wacol impairment

1. After normalising for Wacol impairment (\$3.2 million in H2 FY24).

FY24 SEGMENT RESULTS – CFT



STRENGTH OF CORE BUSINESS OFFSET BY VARIABILITY IN CFT PERFORMANCE, ALBEIT IMPROVING



- CFT (ex. USA) FY24 revenues increased by 6%
- CFT (ex. USA) FY24 EBIT margins improved substantially:
 - driven by demand for composite poles, improved crossarm efficiencies as well as higher-margin custom-build projects
 - negatively impacted by unfavourable custom build project in New Zealand (approx. \$3.0 million loss)¹
- CFT USA continues to negatively impact segment profitability (\$4.2 million loss in FY24 compared to \$2.5 million loss in FY23)

1. Excluding this loss, CFT (ex. USA) H2 FY24 margins would have exceeded 14.7%.

FY24 BALANCE SHEET

SIGNIFICANT REDUCTION IN NET DEBT, STRENGTHENING POSITION

WORKING CAPITAL

(A\$m)	Jun-24	Jun-23	Change
Trade and other receivables	68.5	95.1	(26.6)
Inventories	39.9	41.3	(1.4)
Trade and other payables	(54.6)	(64.5)	9.9
Current tax assets/(liabilities)	(4.7)	1.9	(6.6)
Net working capital	49.1	73.8	(24.7)

NET DEBT

(A\$m)	Jun-24	Jun-23	Change
Cash and cash equivalents	18.7	11.4	7.3
Gross debt	66.3	104.7	(38.5)
Net Debt	47.6	93.4	(45.8)

- Receivables reduced \$26.6 million versus June 2023, driven by:
 - completion of Sydney Metro precast concrete tunnel segment project;
 - partially offset by increased business activity in CM
- Inventory declined \$1.4 million, reflecting continued management of inventory balances across all businesses
- Trade and other payables declined \$9.9 million due to the completion of Sydney Metro precast concrete tunnel segment project
- \$45.8 million decrease in net debt, due to increased cash conversion as a result of the improved operating results and release of working capital

FY24 CASH FLOW STATEMENT

CONTINUED FOCUS ON CASH & CAPITAL EXPIDITURE

(A\$m)	FY24	FY23	Change
EBITDA	37.4	31.4	6.0
Non-cash items	7.9	(0.3)	8.2
Changes in working capital	26.3	(15.9)	42.2
Changes in provisions	0.9	1.6	(0.6)
Cash flow from operations	72.6	16.8	55.8
Capital expenditure	(23.9)	(15.2)	(8.7)
Proceeds from sale of assets	3.4	1.1	2.3
Cash flow from investing	(20.4)	(14.0)	(6.4)
Repayment of lease liability	(5.8)	(3.9)	(1.9)
Repayment of borrowings, net	(38.5)	0.2	(38.7)
Cash flow from financing	(44.3)	(3.7)	(40.6)
Net increase (decrease) in cash	7.9	(0.9)	8.8

- Improved cash flow primarily as a result of stronger earnings and working capital reduction
- Capital expenditure was \$8.7 million higher versus FY23, driven by a mix of both growth and replacement capex, partially offset by proceeds from asset sales of \$3.4 million
 - Growth capex: primarily quarry plants, concrete plants, CFT AUS efficiency and new product profiles
 - Replacement capex: trucks and mobile equipment and light vehicles

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STRATEGY UPDATE



KEY SEGMENTS

WAGNERS CORE CMS SEGMENT IS COMPLEMENTED BY ITS COMPOSITE FIBRE TECHNOLOGIES BUSINESSES

CONSTRUCTION MATERIALS (CM)

- 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

PROJECT SERVICES (PS)

- 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

Construction Materials & Services (CMS)

STRATEGY OVERVIEW

WAGNERS

WAGNERS GROWTH STRATEGY IS TO DRIVE REVENUE GROWTH AND INCREASED RETURNS, THROUGH THREE AREAS OF SPECIFIC FOCUS:

Growing and consolidating core Construction Materials business

- 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

Growth in differentiated CFT products

- Leverage and expand opportunities where CFT products are advantaged over alternatives
- Continued R&D investment to support future innovative product development in CFT & production efficiencies

KEY STRATEGIC PRIORITIES

WAGNERS

WAGNERS IS COMMITTED TO ADVANCING ITS KEY STRATEGIC PRIORITIES

Progress is ongoing – at both a Group and segment level – in enhancing Wagners scale and performance, including:

Group

- Capex – focus on evaluation criteria for capex deployment and clear return on capital benchmarks
- Inventory – continued and disciplined active management of inventory

Construction Materials & Services (CMS)

- Concrete plant strategy – continued investment in concrete plant network expansion, with three plants in various stages of development
- Integrated business – pursue immediate and future opportunities leveraging Wagners integrated business model

Projects

- Pursue domestic & international project opportunities that consolidate with Wagners integrated business model

Composite Fibre Technologies (CFT)

- Australia/New Zealand:
 - Look for opportunities to further improve profitability, leveraging significant asset base
 - Emphasis on securing high-margin, reduced-risk opportunities, prioritising more-attractive and larger custom build projects, simplifying segment workflow
- USA:
 - Focus on business development opportunities in identified markets to establish sustained pipeline

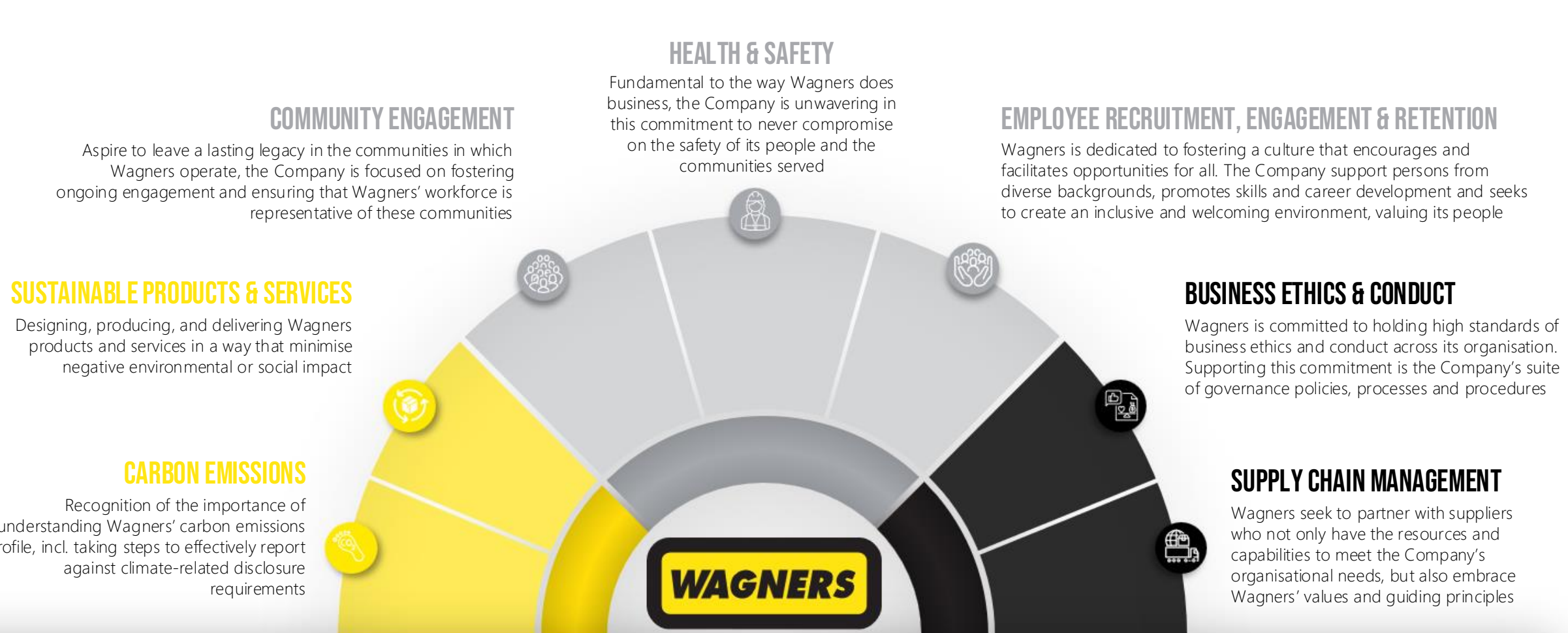
Wagners Board and Management team remain confident in the core strategy of the Company and are committed to driving revenue growth and increased returns for shareholders



ESG FRAMEWORK

WAGNERS

IDENTIFYING AND PRIORITISING THE MOST RELEVANT AND IMPACTFUL TOPICS TO WAGNERS





SUMMARY & OUTLOOK



MEDIUM-TERM OUTLOOK

THE MEDIUM-TERM DEMAND ENVIRONMENT FOR WAGNERS PRODUCTS AND SERVICES REMAINS ENCOURAGING

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Recent growth in core product volumes expected to continue into FY25+



Strong forward order book across all areas of the business, with several contracts secured for longer-term supply of materials and projects



Ongoing demand for innovative new products, driven by effort to reduce construction costs, increase energy efficiency and improve sustainability



Favourable resources environment & robust civil infrastructure pipeline in South East Queensland¹ (population growth, 2032 Olympics, etc)

1. Queensland Major Projects Pipeline 2023 (<https://qmca.com.au/advocacy/2023-queensland-major-projects-pipeline-report/>).

FY25 SEGMENT OUTLOOK

THERE ARE A NUMBER OF SEGMENT-SPECIFIC CONSIDERATIONS REGARDING THE COMPANY’S OUTLOOK FOR FY25:

CONSTRUCTION MATERIALS (CM)

- Demand for construction materials expected to remain strong in FY25
- Concrete volumes expected to increase with maturity of existing and new plants:
 - one new site in initial stages of development, with two additional sites secured and working through approval processes
 - continued review of opportunities to expand SE Queensland plant network – now delivering significant contribution to Group result through vertically integrated model
- Investment in Wellcamp Quarry plant to deliver improvements in production capacity along with cost reduction

PROJECT SERVICES

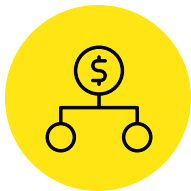
- Company will continue to invest in bulk haulage assets through FY25, to deliver improved efficiencies and reduce repair & maintenance
- Limited additional project opportunities anticipated in FY25
- No precast projects secured to replace Sydney Metro precast concrete tunnel project completed in FY24.
- With decision made to exit Wacol facility, focus will remain on exiting site in FY25 while pursuing opportunities from new Company-owned purpose-built precast facility

COMPOSITE FIBRE TECHNOLOGIES (CFT)

- Anticipated improvements in underlying demand following FY24 efforts, including:
 - Consistent crossarm volumes
 - New contracts secured for supply of composite poles
 - Multiple custom build projects secured
 - Several internal project opportunities, demonstrating international acceptance of product offerings
- Further operational benefits also likely in FY25, following notable automation efficiencies achieved in FY24
- Continued focus on CFT USA, following FY24 ‘right-sizing’ given limited revenue (incl. Executive appointed to oversee CFT Australia/New Zealand and CFT USA to drive continuous improvement and innovation)

SUMMARY

BUSINESS STRATEGY LEVERAGES WAGNERS QUALITY ASSETS, PERSONNEL AND CULTURE WITH STRONG ALIGNMENT AND INTEGRATION



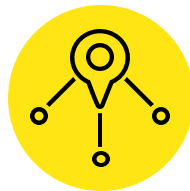
**WELL-INVESTED,
HIGH-QUALITY ASSET BASE**
significant capital invested,
across business units – difficult
to replicate



**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



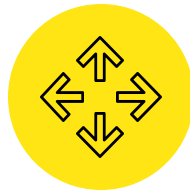
FUNDAMENTAL DEMAND DRIVERS
ability to capitalise on
global infrastructure and resources
sector growth



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



FY24 SEGMENT RECONCILIATIONS

REPORTED SEGMENT RESULTS

	Construction Materials (CM)			Project Services (PS)			Composite Fibre Tech (CFT)			Earth Friendly Concrete (EFC)		
(\$m)	FY24	FY23	Change	FY24	FY23	Change	FY24	FY23	Change	FY24	FY23	Change
Revenue	215.9	208.3	7.6	206.2	207.5	(1.3)	59.3	59.2	0.1	0.3	0.4	(0.1)
EBIT	31.7	19.0	12.6	18.5	17.9	0.6	0.4	(1.9)	2.3	(7.0)	(4.0)	(3.0)
EBIT Margin	14.7%	9.1%	5.5%	9.0%	8.6%	0.4%	0.7%	-3.2%	3.9%	n/a	n/a	n/a

PROFORMA SALES AND EBIT ADJUSTMENTS TO SEGMENT RESULTS

CFT USA Sales			(2.1)	(5.2)	
CFT USA EBIT			4.2	2.5	
EFC Impairment					5.6
Wacol Impairment		3.2			

PROFORMA SEGMENT RESULTS

	Construction Materials (CM)			Project Services (PS)			Composite Fibre Tech (CFT)			Earth Friendly Concrete (EFC)		
(\$m)	FY24	FY23	Change	FY24	FY23	Change	FY24	FY23	Change	FY24	FY23	Change
Revenue	215.9	208.3	7.6	206.2	207.5	(1.3)	57.2	54.1	3.1	0.3	0.4	(0.1)
EBIT	31.7	19.0	12.6	21.7	17.9	3.8	4.6	0.5	4.1	(1.4)	(4.0)	2.6
EBIT Margin	14.7%	9.1%	5.5%	10.5%	8.6%	1.9%	8.0%	1.0%	7.0%	n/a	n/a	n/a

WHO IS WAGNERS?

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



One of the largest producers and suppliers 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

CONSTRUCTION MATERIALS

WAGNERS

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

Construction Materials spans a variety of interrelated businesses covering residential, industrial, infrastructure, resources and renewables

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



PROJECT SERVICES

WAGNERS

WAGNERS PROJECTS-RELATED BUSINESS FOCUSES ON PROVIDING CRITICAL PRODUCTS & SERVICES TO MAJOR PROJECTS, GLOBALLY

This segment predominantly focusses on large infrastructure and resources projects



PROJECT SERVICES

Wagners also provides additional services and project-related solutions to various 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

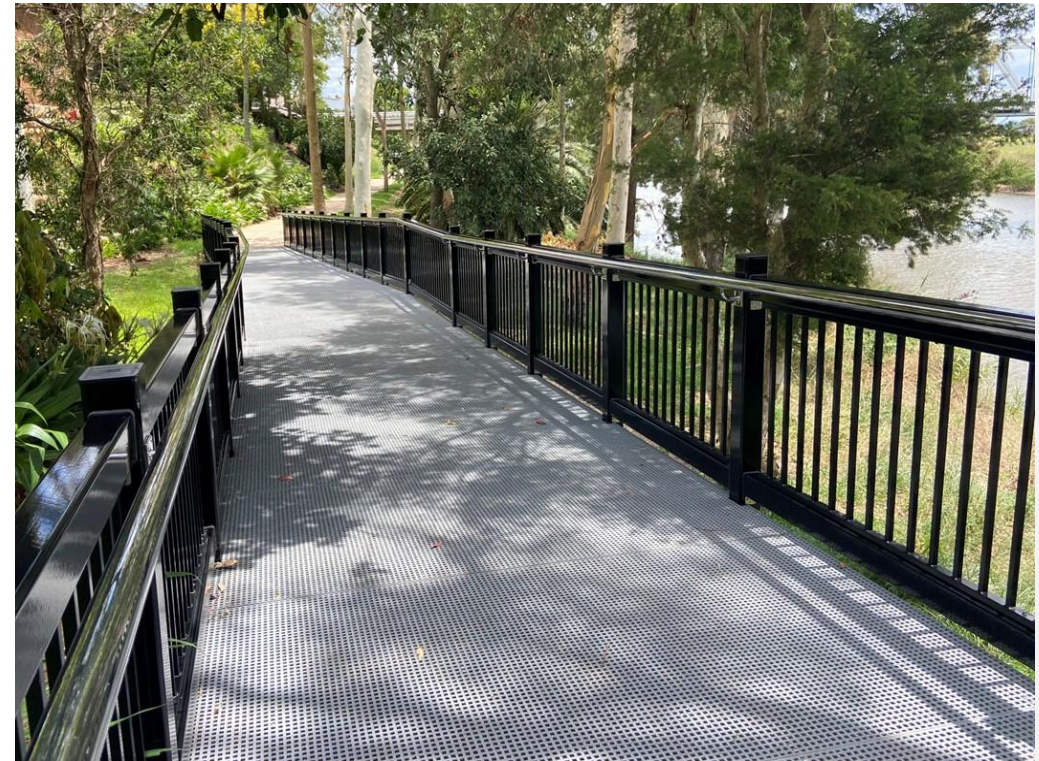
COMPOSITE FIBRE TECHNOLOGIES

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

Representing a significant opportunity, Wagners CFT business has dedicated sales and business development teams globally

COMPOSITE FIBRE TECHNOLOGIES (CFT)

- Light-weight, non-corrosive, non-conductive fiberglass building materials
- Designed and manufactured inhouse by custom pultrusion machines, including recent establishment of US facility
- Significant efforts directed on manufacturing methodology and expertise, to achieve consistently predictable materials
- Overcomes limitations, removing variability of traditional materials (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)



DISCLAIMER

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