



- ▶ CONSTRUCTION MATERIALS
- ▶ TRANSPORT SERVICES
- ▶ CEMENT, FLYASH & LIME
- ▶ PRECAST CONCRETE
- ▶ REINFORCING STEEL
- ▶ COMPOSITE FIBRE TECHNOLOGIES
- ▶ EARTH FRIENDLY CONCRETE

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



26 October 2022

ASX Market Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

BY ELECTRONIC LODGEMENT

Wagners Holding Company Limited
2022 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. 2022 AGM Address from the Chairman, Mr Denis Wagner; and
2. 2022 AGM Address from the Managing Director, 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

WAGNERS

CHAIRMAN'S ADDRESS

Fellow shareholders of Wagners Holding Company Limited, FY22 has presented many challenges, not only for us as a Company but also for the construction materials sector. While the group has delivered an increase in revenue compared to FY21, it has not shown the growth in earnings that some may have expected. Cameron will take you through the financial performance in more detail.

Our construction materials business has achieved an increase in revenue and we see this continuing into next year.

Our cement business continues to see volume growth however the concrete market in south east Queensland has been plagued with unfortunate industry behaviour for some time. We are now seeing pricing that is starting to reflect the true value of our products and we expect this upward trend to continue going forward.

The mining services business has a significant forward order book, the challenge for us is to deliver our transport and contract crushing services efficiently and profitably.

We have continued to invest in the new technology businesses.

With Composite Fibre Technologies, we will see new products come on line throughout the coming year and we will also realise the benefits of increased production capacity, both in the US, with the opening of our US based manufacturing facility and Australia, along with the investment in automation. We have delivered many signature projects through the year internationally and the reputation and acceptance of our products for use in infrastructure sets a very good prospect for growth going forward.

Adding to our global expansion, our EFC activator manufacturing facility in Romford, outside of London in the United Kingdom is in the final commissioning stage. Our capability at Romford will continue to grow over the ensuing twelve months which will give us a significant production capacity of chemical activator, for use in EFC, to service the increasing market in the UK. This business is primarily structured to produce and sell the chemicals that our customers, who are premixed and precast concrete producers use, to make zero cement concrete. Our model also includes working with customers to develop and deliver a low carbon concrete solution with superior features to that of normal concrete.

The logo for WAGNERS, featuring the word "WAGNERS" in a bold, black, sans-serif font. The text is centered within a yellow rectangular box with rounded corners. This box is itself centered within a larger black rectangular box with rounded corners.

WAGNERS

After attending a number discussions with concrete producers, engineers and asset owners in London and throughout Germany, it is widely recognised that our technology in EFC is more advanced technically with proven field results than any other zero cement technology in the world. The UK and European market is very focussed on carbon reduction and specifically zero cement concrete, which puts our EFC technology at the forefront in this space.

As we have previously announced, we ran a process to seek an equity partner for our EFC business. We were unable to agree terms with any prospective investor. However, we reaffirm our commitment to this business particularly in the United Kingdom and will consider future opportunities to realise the true value of this business.

I am confident the investment we have made in both CFT and EFC throughout FY22 will return shareholders value in the future.

There is an expectation that the business delivers much stronger results going forward. The Board has insisted on management and all operational staff having a renewed focus on efficiency, productivity and profitability. We will drive asset utilisation and accountability for all facets of the business to achieve an improved result.

MANAGING DIRECTOR'S ADDRESS

Good morning ladies and gentlemen and welcome to Wagners' AGM for 2022. As we have previously highlighted, the last 12 months have certainly presented many challenges for our business and the industry, despite the high demand for construction materials and services over the period.

From a financial perspective, on a consolidated basis, we have been able to deliver revenue growth. Our reported revenue result was \$338million, however increased costs in shipping, raw materials, and fuel had an impact on the Group's earnings, with an inability to recover all of these additional costs. We also had to address the challenges associated with labour shortages and significant rainfall. Our resulting operating EBIT for FY22 was \$21.4 million, with a net profit after tax result of \$7.6 million.

The main revenue growth came from our Construction Materials and Services area of the business, particularly in our cement, concrete, and steel businesses. However, this increase in revenue was impacted by a reduction in higher-yielding work in our precast and projects business along with the increased costs the business was faced with. This resulted in a reduced EBIT for Construction Materials and Services compared to FY21, at \$31.9 million.

I just want to highlight some of the achievements made in our Construction Materials and Services area of the business:

- The cement business delivered record volumes from the Pinkenba manufacturing facility and increased revenue by 11%.
- There was an 18% increase in concrete volumes, an expansion of the number of fixed plants in the network, and we also secured and executed mobile concrete projects in the renewables sector.
- We invested in the expansion of our steel business and opened a second facility in Brisbane. Revenue more than doubled over the twelve months, and this business now provides a significant contribution to the overall Group's performance.
- Our bulk haulage business maintained the strong growth achieved over previous years, with new projects secured to replace projects that were completed, allowing the business to maintain the solid revenue growth from prior periods.

The logo for Wagners, featuring the word "WAGNERS" in a bold, black, sans-serif font. The text is centered within a yellow rectangular box with rounded corners. This box is itself centered within a larger black rectangular box with rounded corners.

WAGNERS

- We secured the supply of over 67,000 precast concrete tunnel segments for the Sydney Metro project. This will deliver over \$140 million in revenue to the Group over a two year period. In addition, given the vertically integrated nature of our business, it will also provide significant value to our cement, concrete, flyash, and steel businesses.

Our Composite Fibre Technologies business increased revenue by 33% to \$40.1 million. We continued to invest in expanding our manufacturing facilities, with a 50% increase in production capacity in Australia and our first pultrusion machine commissioned in the US. Unfortunately, margins achieved were reduced compared to FY21 due to material cost increases not being able to be passed on to customers with fixed price contracts.

A significant contribution was made from the US CFT business, generating 10% of overall CFT sales. Following an investment of over \$5 million, our US CFT manufacturing facility became operational, with the building completed and our first pultrusion machine commissioned. We expanded our team in the US to ensure we remain adequately resourced to service this market.

Our EFC technology was deployed in projects throughout Australia, UK and Europe, and strong partnerships were established with consumers of EFC and suppliers of raw materials, securing long term off-take arrangements and supply chain reliability for the product. During the period, we also built a manufacturing facility in London and significantly increased our staffing resources in this region.

We have invested in excess of \$30 million worth of capital across the entire group during the year. This will position the business well to deliver growth in service offerings and markets, as well as increased production capacity and efficiencies. This investment will ultimately deliver improved performance and growth across all segments.

At Wagners, we regularly talk about our commitment to innovation. In FY22, we continued to invest in research and development to ensure we remain able to deliver the most innovative and efficient solutions for our clients and customers across the business. New product lines were developed in CFT, providing opportunities to expand into new markets.

The logo for Wagners, featuring the word "WAGNERS" in a bold, black, sans-serif font. The text is centered within a yellow rectangular box with rounded corners. This box is itself centered within a larger black rectangular box with rounded corners.

Investment has also continued in research and development in our EFC business, to further advance the technology, broadening the number of applications in which EFC can be utilised. We've also invested in trials of the technology in multiple applications throughout India and Europe, providing significant opportunities in markets that value the reduction in carbon emissions in the built environment, something that Wagners remains committed to.

Turning now to the first quarter of FY23, the level of activity in the construction materials and services sector has remained strong.

Despite some delays on the Sydney Metro tunnel project, we are now manufacturing on a 24 hour, 6 day per week cycle. The delay in commencement will impact our half year results, with production unlikely to be at full capacity until later this year.

This increased level of activity has not come without its challenges. Wet weather, unfavourable foreign exchange rates, increased supply chain costs, and labour shortages have all been challenges we have had to navigate throughout the quarter. We expect these will be challenges the business will have to continue to address throughout the year.

During the quarter, we commenced the production of pultrusion from our Cresson facility in the US and are now delivering US projects from that facility. We are excited by the opportunities that the US market presents for the CFT business, with a number of projects already secured to be delivered throughout the financial year.

Our CFT businesses in Australia and New Zealand also have a strong pipeline of work to be delivered throughout the course of the financial year.

Our EFC business has dedicated most of its effort over the quarter to our UK operations, readying the site in Romford to commence the manufacture of EFC activator and developing a market for and supplying EFC into a number of UK projects. There continues to remain a strong level of interest in our technology given the carbon savings it achieves in the built environment.

The logo for WAGNERS, featuring the word "WAGNERS" in a bold, black, sans-serif font. The text is centered within a yellow rectangular box with rounded corners. This box is itself centered within a larger black rectangular box with rounded corners.

WAGNERS

Earlier, I referred to some challenges that the business is currently faced with. These operational challenges are going to affect our half year EBIT and we anticipate a result in the range of \$8.5 to \$9.2 million, which is lower than the first half of last year. Assuming a continuation of the current unfavourable US exchange rate, we anticipate that the full year EBIT result for FY23 will be in line with last year's result.

I would like to thank the entire Wagners team, which is now over 850 personnel, for their commitment to this business throughout the period. However, more importantly, I would like to acknowledge their commitment to working safely. The safety of everyone associated with our business is a priority, and I am proud of the way all staff embrace the tools and systems we have in place to ensure everyone goes home safely each day.

Thanks also to the Board of Directors, who, as always, provide valued guidance and advice with a commitment to delivering on the overall Group strategy and value to our stakeholders.