

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 2023 to 31 December 2023
Prior corresponding period	1 July 2022 to 31 December 2022

Results for announcement to the market	Half-year to 31 Dec 2023 \$'000	Half-year to 31 Dec 2022 \$'000	Change \$'000
Revenue from continuing operations	264,601	219,636	44,965
Net profit/(loss) before tax from continuing operations	5,708	(508)	6,216
Net profit/(loss) after tax from continuing operations	2,812	(770)	3,582

Please refer to commentary in Directors' Report and associated presentation that was released to the market on 21 February 2024 for further commentary.

Dividend information	Half-year to 31 Dec 2023 cents	Half-year to 31 Dec 2022 cents	Change cents
No interim dividend per ordinary share declared	-	-	-

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

Net tangible assets per security	Half-year to 31 Dec 2023 \$	Half-year to 31 Dec 2022 \$	Change \$
Net tangible assets per ordinary shares	0.67	0.63	0.04

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 2023 and management presentation for the half-year ended 31 December 2023.

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 2023



Wagners Holding Company Limited
Interim financial report
for the half-year ended 31 December 2023

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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 2023.

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 21 February 2024.

Operating Earnings before Interest, Tax (EBIT), Depreciation and Amortisation (EBITDA) is a non-IFRS disclosure and is not subject to audit or review. 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 2023 to allow shareholders to make a meaningful comparison with the results for the half year ended 30 June 2023 and for the half year ended 31 December 2022 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 and the EFC segment impairment, providing users with the ability to assess Group performance outside of the EFC business.
- Showing the fair value changes on derivatives and impairment of receivables separately as 'Other', as management consider this to be more appropriate.

Operating and financial review (continued)

Non statutory results (continued) – not reviewed¹

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

	1H FY 24 Actual (not reviewed ¹) \$'000	2H FY 23 Actual (not reviewed ¹) \$'000	1H FY 23 Actual (not reviewed ¹) \$'000
Revenue	264,392	255,759	219,636
Direct material and cartage costs	(127,791)	(119,716)	(108,046)
Operating gross profit	136,601	136,043	111,590
Other income	1,248	1,391	471
Operating expenses	(103,138)	(107,635)	(92,053)
Operating EBITDA	34,711	29,799	20,188
Depreciation & amortisation	(13,643)	(14,570)	(13,506)
Operating EBIT	21,068	15,229	6,682
EFC – EBIT	(1,049)	(1,746)	(2,265)
EFC - Impairment	(5,682)	-	-
Other	(1,802)	(598)	(299)
Group EBIT	12,535	12,885	4,118
Net finance costs	(6,827)	(6,846)	(4,626)
Net profit before tax	5,708	6,040	(508)
Income tax expense	(2,896)	(2,146)	(262)
Net profit after tax	2,812	3,894	(770)

¹ Non-statutory operating results and adjustments are not reviewed by the Groups auditors, BDO.

Half year ended 31 December 2023 results compared to the prior corresponding period were impacted by the following:

- Increased revenue from Cement, Precast, Concrete Operations, Bulk Haulage and CFT.
- Operating EBIT result has been impacted by the following:
 - Improved selling prices for Cement and Concrete, recovering the cost increases suffered in the prior corresponding period.
 - A full six months of production in Precast on the Sydney Metro tunnel project.
 - Improved performance of fixed quarry operations.
 - A full six months contribution from 2 bulk haulage projects commenced in last quarter of 2022.
 - Significant increase in the sale of poles and crossarms in Australia and New Zealand, with improved margins from process improvements in pole manufacture as well as efficiencies utilising the automated processing of crossarms.
 - Lower sales in our US CFT business along with an inability to fully utilize the Cresson site in the US.
- Group EBIT result has been impacted by the following:
 - EFC EBIT is lower as the business activity has been reduced reflecting the lack of commercial support from the market.
 - EFC Impairment – the decision to scale back the EFC business resulted in an impairment of property, plant & equipment, inventory and provision.
 - Other – reflecting valuation differences of FX hedging contracts against the spot price at 31 Dec 2023.

Operating and financial review (continued)**Non statutory results (continued) – not reviewed¹**

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

- Improved margins in cement and concrete as a result of continued improved pricing and implemented cost-control measures.
- Improved margins in the bulk haulage business with new fleet improving productivity.
- Continued strong demand for composite products, particularly composite power poles.
- Completion of production of precast concrete tunnel segments for the Sydney Metro Project, with currently no secured projects to replace this project's earning contribution.
- Reduced ongoing costs in the EFC business.
- CFT USA losses continuing.

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 2023.

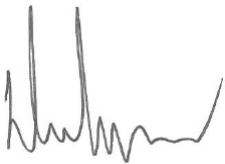
Auditor's independence declaration

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 2023.

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.



Mr Denis Wagner

Chairman

Toowoomba, Qld

21 February 2024



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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 2023, 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, 21 February 2024

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Wagners Holding Company Limited
Consolidated statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2023

	Note	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Revenue from contracts with customers	3(a)	264,601	219,636
Other income	3(b)	1,280	471
Direct material and cartage costs		(127,891)	(108,046)
Employee benefits expense		(53,055)	(45,014)
Depreciation – right-of-use assets	8	(3,876)	(3,536)
Depreciation and amortisation expense – other		(10,020)	(10,051)
Finance costs – lease liabilities	8	(3,058)	(2,378)
Net finance costs – other		(3,769)	(2,248)
Contract work and purchased services		(10,319)	(8,683)
Repairs and maintenance		(23,464)	(18,925)
Transport and travel		(8,771)	(10,454)
Impairment of EFC assets	3(d)	(5,682)	-
Fair value adjustment on derivative instruments		(1,998)	(119)
Impairment of trade receivables		188	(185)
Other expenses	3(d)	(8,458)	(10,976)
Profit/(loss) before income tax		5,708	(508)
Income tax expense	4	(2,896)	(262)
Profit/(loss) for the period		2,812	(770)
Other comprehensive income (net of tax)			
<i>Items that may be reclassified to profit or loss</i>			
Adjustment from translation of foreign controlled entities		128	-
		128	-
Total comprehensive income/(loss) for the period		2,940	(770)

Earnings per share		Cents	Cents
Basic earnings per share	11	1.5	(0.4)
Diluted earnings per share	11	1.5	(0.4)

The accompanying notes form part of these financial statements

Wagners Holding Company Limited
Consolidated statement of financial position
as at 31 December 2023

	Note	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Current Assets			
Cash and cash equivalents		30,457	11,363
Trade and other receivables	5	65,628	95,148
Inventories	6	40,147	41,255
Derivative instruments		457	1,257
Other assets		1,968	3,363
Total Current Assets		138,657	152,386
Non-current Assets			
Other financial assets		7	7
Property, plant and equipment	7	154,189	163,617
Right-of-use assets	8	128,718	130,439
Intangible assets		2,104	2,164
Deferred tax assets		4,534	2,058
Total Non-current Assets		289,552	298,285
Total Assets		428,209	450,671
Current Liabilities			
Trade and other payables		52,849	64,523
Borrowings	9	7,715	23,026
Lease liabilities	8	10,607	10,404
Derivative instruments		3,841	2,643
Current tax payable		11	-
Provisions		12,789	10,062
Total Current Liabilities		87,812	110,658
Non-current Liabilities			
Borrowings	9	78,911	81,712
Lease liabilities	8	133,921	133,712
Provisions		578	610
Total Non-current Liabilities		213,410	216,034
Total Liabilities		301,222	326,692
Net Assets		126,987	123,979
Equity			
Issued capital		411,564	411,564
Pre IPO distributions to related entities		(354,613)	(354,613)
Reserves		166	(30)
Retained earnings		69,870	67,058
Total Equity		126,987	123,979

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 2023

	Note	Share capital \$'000	Pre IPO distributions to related entities \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2022		411,564	(354,613)	14	69,935	120,900
Loss for the half-year		-	-	-	(770)	(770)
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive loss for the half-year		-	-	-	(770)	(770)
Employee options exercised		-	-	-	-	-
<i>Transactions with owners in their capacity as owners:</i>						
Recognition of share based payments		-	-	(250)	-	(250)
Balance at 31 December 2022		411,564	(354,613)	(236)	63,165	119,880
Balance at 1 July 2023		411,564	(354,613)	(30)	67,058	123,979
Profit for the half-year		-	-	-	2,812	2,812
Other comprehensive income, net of tax		-	-	128	-	128
Total comprehensive income for the half-year		-	-	128	2,812	2,940
<i>Transactions with owners in their capacity as owners:</i>						
Recognition of share based payments		-	-	68	-	68
Balance at 31 December 2023		411,564	(354,613)	166	69,870	126,987

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 2023

	Note	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		325,006	238,787
Payments to suppliers and employees (inclusive of GST)		(268,883)	(220,842)
Interest received		2	-
Dividends received		439	265
Finance costs		(6,982)	(4,623)
Income tax paid		(3,462)	(923)
Net cash provided by operating activities	12	46,120	12,664
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		1,114	145
Payments for property, plant and equipment		(7,744)	(15,257)
Net cash used in investing activities		(6,630)	(15,112)
Cash flows from financing activities			
Proceeds from borrowings		3,438	19,636
Repayment of lease liabilities		(2,273)	(1,624)
Repayment of borrowings		(21,551)	(7,756)
Net cash provided by/(used in) financing activities		(20,386)	10,256
Net increase in cash and cash equivalents		19,104	7,808
Cash and cash equivalents at beginning of half-year		11,363	12,200
Effect of currency translation on cash and cash equivalents		(10)	2
Cash and cash equivalents at end of half-year		30,457	20,010

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 2023

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 2023 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 21 February 2024.

(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 2023; 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 2023 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 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 2023 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 three 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.

	CMS \$'000	CFT \$'000	EFC \$'000	Other \$'000	Total \$'000
Half-year ended 31 December 2023					
Segment revenue	234,514	31,090	209	1,602	267,415
Inter-segment elimination	(1,188)	(88)	-	(1,538)	(2,814)
Revenue from contracts with customers	233,326	31,002	209	64	264,601
Other income	604	31	32	613	1,280
Total revenue for the period	233,930	31,033	241	677	265,881
Profit before interest & income tax	27,681	1,318	(6,732)	(7,734)	14,533
Finance costs					(6,829)
Fair value adjustment on derivative instruments					(1,998)
Interest income					2
Income tax expense					(2,896)
Profit for the half-year					2,812

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

3 Revenue & expenses

	31 Dec 2023 \$'000	31 Dec 2022 \$'000
(a) Revenue from contracts with customers		
Revenue from contracts with customers	264,601	219,636
(b) Other income		
Profit on sale of property, plant and equipment	592	71
Dividends received	439	265
Rent and hire received	196	106
Other income	53	29
	1,280	471
	265,881	220,107

(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 2023					31 Dec 2022				
	CMS \$'000	CFT \$'000	EFC \$'000	Other \$'000	Total \$'000	CMS \$'000	CFT \$'000	EFC \$'000	Other \$'000	Total \$'000
Australia										
Point-in-time	180,117	18,948	13	63	199,141	175,286	9,053	142	-	184,481
Over-time	53,210	9,338	-	-	62,548	15,640	13,448	-	-	29,088
United States										
Over-time	-	1,016	-	-	1,016	-	3,003	-	-	3,003
United Kingdom										
Point-in-time	-	-	196	-	196	-	134	-	-	134
New Zealand										
Point-in-time	-	1,700	-	-	1,700	-	1,820	-	-	1,820
Over-time	-	-	-	-	-	-	1,110	-	-	1,110
Total point-in-time	180,117	20,648	209	63	201,036	175,286	10,873	276	-	186,435
Total over-time	53,210	10,354	-	-	63,564	15,640	17,561	-	-	33,201
	233,327	31,002	209	63	264,601	190,926	28,434	276	-	219,636

(d) Expenses

Profit for the half year 31 December 2023 included:

- Increased employee benefits expenses of \$53,055,000 (1H FY23: \$45,014,000) and Repairs & maintenance of \$23,464,000 (1H FY23: \$18,864,000) against the prior corresponding period, mainly due to increased work on a large precast contract and bulk haulage contracts, and wage growth consistent with increased inflation.
- Other expenses included costs for Rental and hire of \$5,264,000 (1H FY23: \$6,037,000).
- Impairment charges of \$5,682,000 relating to the EFC divisions assets, affecting the statement of financial position items of property, plant & equipment (\$5,032k), inventory (\$248k) & provisions (\$402k). The impairment has been recognised as a result of the strategic review and scale back announced on 22 January 2024.

4 Income tax expense

	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Profit/(loss) before income tax expense	5,708	(508)
Prima facie tax payable using Australian tax rate of 30% (2022: 30%)	1,712	(152)
<i>Adjusted for:</i>		
Current year tax losses and temporary differences not brought to account	700	409
Foreign tax rate differential	581	67
Other net non-deductible/(non-assessable) items	(97)	(62)
Income tax expense	2,896	262

5 Trade and other receivables

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Current		
Trade receivables	61,119	83,250
Contract assets	5,475	13,107
Provision for expected credit loss of trade receivables	(1,126)	(1,314)
	65,468	95,043
Other receivables	160	105
	65,628	95,148

6 Inventories

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Raw materials and stores	18,550	24,263
Work in progress	501	518
Finished goods	21,096	16,474
	40,147	41,255

7 Property, plant & equipment

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Land & buildings		
Land improvements & buildings – at cost	27,477	27,427
Less accumulated depreciation	(8,218)	(7,075)
	19,259	20,352
Plant & equipment		
Plant & equipment – at cost	189,498	187,844
Less accumulated depreciation	(103,089)	(93,995)
	86,409	93,849
Motor vehicles		
Motor vehicles – at cost	67,760	67,844
Less accumulated depreciation	(41,573)	(38,628)
	26,187	29,216
Assets under construction – at cost	22,334	20,200
Total property, plant & equipment	154,189	163,617

(a) Movements in carrying amounts

Half-year ended 31 December 2023 \$'000	Land & buildings	Plant & equipment	Motor vehicles	Assets under construction	Total
Opening net book value	20,352	93,849	29,216	20,200	163,617
Additions	-	525	1,204	6,015	7,744
Transfers between classes	50	2,127	8	(2,185)	-
Transferred to inventories	-	-	-	(1,635)	(1,635)
Impairment charges (note 2(d))	(760)	(4,260)	(12)	-	(5,032)
Exchange differences	-	154	43	(61)	136
Depreciation	(383)	(5,966)	(3,611)	-	(9,960)
Disposals	-	(20)	(661)	-	(681)
Closing net book value	19,259	86,409	26,187	22,334	154,189

8 Right-of-use assets & Lease liabilities

	31 Dec 2023			30 Jun 2023		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Right-of-use assets						
Land improvements & buildings	-	128,718	128,718	-	130,439	130,439
Lease liabilities						
Land improvements & buildings	(10,607)	(133,921)	(144,528)	(10,404)	(133,712)	(144,116)

(a) Movements in carrying amounts

Half-year ended 31 December 2023 \$'000	Right-of use asset	Lease liability
Opening net book value	130,439	(144,116)
Additions	-	-
Modifications/re-assessments ¹	2,685	(2,685)
Payments	-	5,331
Depreciation ²	(4,406)	-
Interest	-	(3,058)
Closing net book value	128,718	(144,528)

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.

2 Profit or loss depreciation (\$3,876k) varies due to \$530k of depreciation capitalised into inventory.

9 Borrowings

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Current		
<i>Secured liabilities</i>		
Finance facility	-	15,694
Chattel mortgages	7,715	7,332
	7,715	23,026
Non-current		
<i>Secured liabilities</i>		
Finance facility	75,000	75,000
Chattel mortgages	3,911	6,712
	78,911	81,712
Total current and non-current secured liabilities:		
Finance facility	75,000	90,694
Chattel mortgages	11,626	14,044
	86,626	104,738

There were no breaches of covenants during the period.

10 Issued capital and share based payments

Movement in share capital

Date	Details	No. of shares	\$'000
1 July 2023	Opening balance	187,618,665	411,564
	<i>No movements in period</i>	-	-
31 December 2023	Closing balance	187,618,665	411,564

- During the half-year, tranches under its executive share option plan the Company issued 1,586,568 total share options (2022: 2,276,811) over ordinary shares, split equally in tranches over three performance periods. These options had a fair value at grant date of \$0.26 (Tranche 1), \$0.19 (Tranche 2) & \$0.15 (Tranche 3) per share option (2022: \$0.08 [Tranche 1], \$0.12 [Tranche 2] & \$0.15 [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 2023	31 Dec 2022
Profit/(loss) for the half year period (\$'000)	2,812	(770)
Weighted average number of shares for basic earnings per share (no. of shares)	187,618,665	187,618,665
Basic earnings per share (cents per share)	1.5	(0.4)
Weighted average number of shares for diluted earnings per share (no. of shares)	191,594,336	192,794,127
Diluted earnings per share (cents per share)	1.5	(0.4)

12 Cash flow information

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

	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Profit/(loss) after income tax	2,812	(770)
Non-cash flows in profit/(loss)		
Depreciation of property, plant & equipment	9,960	9,991
Depreciation of right-of-use assets	4,406	3,536
Amortisation of intangible assets	60	60
Fair value adjustment on derivative instruments	1,998	119
Net (gain)/loss on disposal of non-current assets	(432)	(71)
Performance rights	67	(249)
Impairment of EFC assets	5,682	-
Changes in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	30,689	(2,449)
(Increase)/decrease in other assets	(504)	(1,746)
(Increase)/decrease in inventories	1,327	6,117
(Increase)/decrease in deferred tax assets	(2,476)	(946)
Increase/(decrease) in income taxes payable	1,910	285
Increase/(decrease) in trade and other payables	(11,671)	(1,656)
Increase/(decrease) in provisions	2,292	443
Net cash provided by/(used in) operating activities	46,120	12,664

13 Subsequent events

To the Directors' best knowledge, there has not arisen in the interval between 31 December 2023 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 2023 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 Toowoomba, Queensland on 21 February 2024.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read "Denis 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 2023, 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 2023 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 2023 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, 21 February 2024