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WAGNERS HOLDING COMPANY LIMITED

ASX RELEASE

21 August 2024

Wagners FY2024 Results

Wagners Holding Company Limited (ASX:WGN) (“Wagners”, the “Company” or “Group”), a diversified Australian construction materials and services provider and producer of innovative building materials and technologies, today released its full year results for the period ended 30 June 2024 (“FY24”).

FY24 Highlights:

- **Group Revenue of \$481.4 million, consistent with FY23 following sustained strength of core Construction Materials & Services (CMS) business, with strong market conditions, particularly throughout the June quarter (Q4)**
- **Significant earnings contribution from the Sydney Metro precast concrete tunnel segment project**
- **Positive performance in Composite Fibre Technologies (CFT) in Australia/New Zealand, resulting in elevated margins. Losses in overseas CFT USA operations**
- **Gross Profit of \$140.5 million (+17% versus FY23)**
- **Operating EBIT \$39.7 million¹ (+81% versus FY23), exceeding upper end of guided range²**
- **Net Profit After Tax (NPAT) of \$10.3 million (+229% versus FY23)**
- **Significant net debt reduction following improved operating conditions and inventory management**
- **Declared final dividend of 2.5 cents per share**
- **Webinar to be held 8:30am AEST tomorrow, Thursday, 22 August 2024. [Click here to register](#)**

Commenting on the results, Wagners Managing Director, Cameron Coleman said:

“The business has performed well throughout the year, particularly in Q4 where we experienced strong trading conditions. A disciplined approach to capital allocation, a reduction in inventory holdings and improved cash generation – due to higher EBIT margins – has allowed us to reduce our overall debt.

The strong trading conditions experienced in Q4 have continued into FY25, providing opportunity for many areas of our business to deliver a solid year-on-year earnings contribution.”

Results summary

During FY24, Wagners delivered total group operating revenue of \$481.4 million, up 1% versus FY23, driven by the sustained strength of the core Construction Materials & Services (CMS) business – this year reported under two segment levels: Construction Materials (CM) and Project Services (PS). Significant contribution from the Sydney Metro precast concrete tunnel segment project, completed

¹ FY24 Operating EBIT excludes EFC Impairment of \$5.6 million and Wacol impairment of \$3.2 million.

² FY24 EBIT guided range, provided at H1 FY24 Results of \$31.0 - \$34.0 million.



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during the March quarter (Q3). While Composite Fibre Technologies (CFT) experienced enhanced margins in its Australia/New Zealand business versus FY23, the result was negatively impacted by losses in CFT USA operations.

FY24 group operating EBIT, excluding impairments³, was \$39.7 million, ahead of Company expectations and guided range of \$31.0 to \$34.0 million, as provided at the Company's first half FY24 results. FY24 net profit after tax was \$10.3 million for the full year (versus \$3.1 million in FY23).

Construction Materials (CM)

FY24 CM revenues grew \$7.6 million (+4%) to \$215.9 million, driven by a solid H1 continuing into H2, particularly throughout the June quarter (Q4). Both cement and concrete volumes were strong, while the Company's focus on cost measures and efficiency improvements throughout the year resulted in improved margins. Specifically, FY24 CM EBIT totaled \$31.7 million, an increase of 5.5% in FY24 CM EBIT margins to 14.7%, with sequential performance across both halves.

In response to the favorable operating environment, the Company has also continued its investment in concrete plant network expansion, with three concrete plants in various stages of development. Wagners is confident this will continue to support its overall integrated strategy, including future performance.

Project Services (PS)

The Sydney Metro precast concrete tunnel segment project was a significant contribution to this segment both in FY23 and FY24, up until the March quarter (Q3), when the project was completed. Bulk haulage projects performed consistently, while concrete supply is ongoing for a central Queensland wind farm project.

With no large precast projects secured to deliver a material contribution in FY25, the Company decided to exit the leased Wacol site, resulting in a \$3.2 million impairment, reflecting end of lease and make good cost requirements. The Company intends to relocate its precast manufacturing facility to a Company-owned purpose-built site. Notwithstanding this, FY24 PS EBIT improved \$3.8 million (+21%) after normalising for the Wacol impairment⁴, reflecting an FY24 PS EBIT margin of 10.5%.

Looking forward, the Company is focused on the ongoing pursuit of domestic & international project opportunities within PS that consolidate with Wagners integrated business model.

Composite Fibre Technologies (CFT)

FY24 CFT revenues were inline with FY23, contributing \$59.3 million to the Group revenue as demand for composite poles and custom-build projects continues.

Within the segment result, CFT Australia/New Zealand achieved underlying EBIT growth driven by demand for composite poles, improved crossarm efficiencies as well as higher-margin custom-build

³ FY24 Operating EBIT excludes EFC Impairment of \$5.6 million and Wacol impairment of \$3.2 million.

⁴ Including Wacol impairment, FY24 PS EBIT grew \$0.4 million (+0.2%).



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projects. This was partially offset by the negative impact from an unfavourable custom-build project in New Zealand realised during the second half.

Within the CFT's USA business, further losses during the second half contributed to the overall FY24 CFT USA loss of AUD \$4.2 million following a period of continued investment and business development activity (FY23: AUD \$2.5 million loss). This remains an area of focus for the Board and Management team who remain confident the business will improve substantially in FY25.

Board Changes

Lynda O'Grady, who joined the board prior to the listing in December 2017, has tendered her resignation as director effective 22 August 2024. Ms O'Grady congratulates the management of the Company for achievement of excellent F24 results and wishes them continuing success in all parts of the business. The Chairman, Denis Wagner thanks Ms O'Grady for her considerable contributions and dedication during the past seven years.

With the resignation of Lynda O'Grady, Ross Walker will now assume the role of Chair of the Remuneration Committee on an interim basis, with effect from 22 August 2024.

Results webinar

The Company will host an investor webinar with Managing Director, Cameron Coleman and CFO, Fergus Hume at 8.30am AEST, Thursday, 22 August 2024, to discuss the results.

Following the presentation, participants will have an opportunity to ask questions. Register for the investor webinar via the link below:

https://us02web.zoom.us/webinar/register/WN_g3vcMM6VRkeUSuKhGwRyEw#/registration

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. +61 (0) 410 606 639

Sam Wells
Investor & Media Relations (NWR Communications)
Ph. +61 (0) 407 630 152
sam@nwrcommunications.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.