



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

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WAGNERS HOLDING COMPANY LIMITED
ACN 622 632 848

27 October 2021

ASX Market Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

BY ELECTRONIC LODGEMENT

Wagners Holding Company Limited
2021 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. 2021 AGM Address from the Chairman, Mr Denis Wagner; and
2. 2021 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

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CHAIR'S ADDRESS 2021 ANNUAL GENERAL MEETING

Shareholders, Stakeholders, Ladies and Gentlemen

I am pleased to be able to report to you today that the company has experienced a significant improvement in FY21 following what was one of the most challenging periods in Wagners' history. While we do hope that period is behind us, business conditions still remain challenging and volatile and we still have the threat of disruption to our industry due to COVID-19.

We will continue to meet and overcome the challenges presented by the pandemic to ensure continuity of our business operations. I acknowledge the entire Wagners team, who have adapted and embraced the changes in the way we now operate across our manufacturing facilities and projects sites. We have had to do this, firstly, to ensure the safety and wellbeing of our staff; and secondly, to ensure that our business can continue to operate and grow, notwithstanding that we remain in the midst of a global pandemic.

All levels of government in this country, have plans to increase spending on infrastructure. We have benefited from many projects including Cross River Rail. Demand for our haulage services in North West Queensland and Northern Territory remained strong and growing, with new contracts also secured.

This increased activity has driven a significant increase in our revenue on the prior period and resulting profit. Cameron will take you through the financial performance in more detail in his address.

We have been focused on the expansion into international markets both with our Composite Fibre Technologies (CFT) products and our low carbon concrete, EFC. We have opportunities for these technologies in Europe, USA, UAE and the UK, markets that have adopted and value more sustainable products and technologies that reduce carbon emissions.

We are also involved in Infrastructure projects that are being undertaken in the UK and opportunities across Europe. We have developed a number of strategic alliances to enhance the growth opportunities for EFC and have commissioned the production of plant and equipment allowing us to manufacture and distribute our technology from our local UK manufacturing facility.

In FY21, we have invested over \$2 million in our low carbon concrete technology, with the increased spend focusing on research and development to refine our technology and manufacturing efficiencies. We have also invested in business development to ensure we have a platform to deliver growth internationally and in Australia.

Wagners' Composite Fibre Technologies similarly, continued with its expansion into North America following disruptions last year with travel restrictions.

CHAIR'S ADDRESS 2021 ANNUAL GENERAL MEETING

The construction of our facility in Cresson, Fort Worth in Texas is almost complete.

Sales of our products have increased substantially in the USA and when our first pultrusion machine is commissioned in the new facility, which will be before calendar year end, we will significantly increase output and efficiency.

In Australia, CFT has enjoyed success with the electrical infrastructure products, cross arms, light poles and power poles.

We have commissioned the new automated manufacturing facility which provides manufacturing efficiencies and capacity increases.

We have continued to invest in research and development for new product lines and manufacturing optimisation. Within our CFT business over \$4 million was invested into facilities, plant and equipment in FY21, which positions the business well to deliver growth and efficiency.

We did not experience the level of Government spending on infrastructure projects that align with our CFT products in FY21, however the coming year does look more positive.

In June, we renewed our debt facilities with our financiers, HSBC and National Australia Bank. These facilities remain in place now through until July 2024.

We have a positive outlook for the year ahead. Our executive management team and staff of over 700 dedicated employees, have set a solid platform for Wagners continued growth.

The market for construction materials should enjoy 10 years of prosperity with infrastructure required for the 2032 Olympic Games. Housing in Queensland has been strong and in our view will remain so for some time. Large infrastructure projects, such as Inland Rail, are coming to fruition over the next couple of years, therefore giving us the opportunity to capitalise on our investments in our cement and concrete operations.

The concrete market is still challenging in south east Queensland, the industry places no value on the principle of supply and demand.

Supply for concrete is stretched in the Brisbane and Toowoomba markets, but when compared to the other metropolitan areas it has not been reflected in the pricing regime.

We are seeing that our customers are less driven by price and placing more emphasis on quality and service.

CHAIR'S ADDRESS 2021 ANNUAL GENERAL MEETING

We do expect our haulage services business to remain strong to the foreseeable future, with new projects recently secured and a number of contracts extended over the last twelve months.

We have increased the level of investment in our low carbon technologies to allow us to accelerate the international expansion of both EFC and CFT, and to ensure we are positioned to take advantage of the opportunities that currently exist to deliver growth. Coupled with the \$17.5 million invested throughout the year across the Group, we have set a solid platform for FY22.

As previously mentioned, we have significant growth aspirations for our low carbon concrete business, EFC.

We are seeing increased international demand for the technology, therefore the Board is seeking an investment partner to assist with the growth of the technology and scaling up of operational capacity in the identified global markets.

If we are successful, it will result in two things:

Firstly it will give us a current market value of EFC today, establishing an underlying value.

And secondly, it will give us the capital to roll out the technology at a much faster pace.

We will continue to keep our shareholders advised as this progresses. Irrespective of any third party investment, the EFC strategy to expand into global markets will progress during FY22.

I would like to acknowledge my fellow board members, our executive management team and our workforce as a whole, for the efforts and commitment shown during the year. My thanks must also go to the other stakeholders in Wagners, our customers, our shareholders and our suppliers for your ongoing support and commitment to our business.

CEO'S ADDRESS 2021 ANNUAL GENERAL MEETING

Good morning ladies and gentlemen,

Welcome to Wagners AGM for 2021, which has proven to be a much better year, following an extremely challenging 2020. We have delivered a better financial result, delivered on promises and challenged ourselves through innovation, integration and have strived to be a truly international business ensuring we continue to deliver value to all of our stakeholders.

From a financial perspective, on a consolidated basis, the group achieved a 28% increase in revenue, finishing the year at \$323 million. The EBIT result of \$25 million and an NPAT of \$10 million, were both a significant improvement on FY20.

In our Construction Materials and Services business, we have benefited from the increased construction activity in South-East Queensland. We have experienced growth across each of the individual business units – cement and flyash, precast, bulk haulage, concrete, reinforcing steel and quarry operations. Our cement and concrete volumes have increased with the expansion and maturity of our fixed concrete plant network.

In addition to the SEQ construction activity, the resources sector has continued to provide enormous opportunities for the group, particularly in our bulk haulage and quarry operations.

This activity drove a revenue result for our Construction Materials and Services business of \$288 million and an EBIT result of \$33 million, a significant improvement on last year. There was continued capital investment in this business throughout the year to service existing and new contracts, ensuring we remain well positioned to deliver on our future growth expectations.

While the Construction Materials and Services business made a significant contribution to the result for FY21, our Composite Fibre Technologies (CFT) business was impacted by the lack of committed spending and activity on pedestrian infrastructure, road bridge and marine structures due to COVID-19. Whilst our EBIT result for CFT of \$2.7 million was down on the prior period, we are seeing a turn in this market. On a positive note, the crossarms business experienced growth along with realising the benefits of production efficiencies following significant capital investment into manufacturing automation and optimisation.

In terms of investment in CFT throughout the year:

- We have expanded our facilities in South East Queensland and are in various stages of design and construction for the further expansion of our facilities and manufacturing capability at Wellcamp;
- We purchased a site to establish our manufacturing facility in the USA. The construction of the factory is almost complete and our team are busy installing our first pultrusion machine, which will see us manufacturing pultrusion in the coming months;
- We have continued to invest in Research and Development (R&D) to develop both new product lines and production efficiencies ensuring the continued growth and international expansion of this business.

CEO'S ADDRESS 2021 ANNUAL GENERAL MEETING

We talk about innovation at Wagners, and our EFC business is evidence of this. The business has made significant progress this year, with the sale and application of our technology internationally. The financial result for this business reflects the investment the group has committed to the development and roll out of the technology throughout the year. We will continue with investment into this business as we expand globally given the increasing demand for products like EFC that demonstrate genuine environmental benefits, reducing carbon emissions in the built environment.

There have been some significant achievements across the group in FY21. Some of these include:

- The execution of our contract for the manufacture of precast concrete tunnel segments to the Cross River Rail Project. We have now completed our final segment, a significant result for the team.
- As our fixed concrete plant network matured and continued to grow throughout FY21, our cement, flyash, quarry and concrete delivery truck fleet also experienced growth.
- We renewed two large bulk haulage services contracts in North West Queensland during the period. We also secured and are currently delivering bulk haulage services to an extremely remote project in the Northern Territory.
- As I've mentioned, we have invested significantly in research and development across the business to ensure we are providing the most innovative and efficient solutions for our clients and customers. We have developed new product lines in CFT, light and power poles and new profiles for pultrusion, allowing a more diverse application of the product. We have increased automation and increased capacity in our manufacturing processes providing significant benefits to the business.
- One of the more exciting things I'm pleased to be able to report, is that throughout the year, we have genuinely established ourselves as an international provider of our Composite Fibre Technologies and Earth Friendly Concrete (EFC). As I mentioned earlier, our CFT manufacturing facility in Texas is now under construction. The establishment of this facility will allow us to manufacture locally in the US. We have deployed staff from Australia and they are currently installing all the equipment required to commence production.
- This year we have also seen significant global traction in our EFC business. We have experienced genuine demand throughout the UK and Europe from a number of developers and asset owners who understand the environmental benefits our technology offers. As a result of the demand throughout the year, we have decided to scale up our operations internationally and establish a manufacturing facility in the UK. As we have previously advised shareholders, to further accelerate this, we are in the process of seeking third-party investment in the EFC business. This will enable a rapid scale up of operations throughout the UK and Europe. We have been encouraged by the level of interest in our technology.

It's an exciting time to be in the construction sector right now and we expect these conditions to remain for the balance of FY22, providing significant opportunities for this area of the business.

So in summary, FY21 was clearly a significant improvement on FY20 and provides a great platform for Wagners' future. Throughout the year we invested in our people, research and development and infrastructure which will position us well for FY22 and beyond.

CEO'S ADDRESS 2021 ANNUAL GENERAL MEETING

Turning to the first quarter of FY22, as we had anticipated, the increased activity in the SEQ construction sector has continued, and volumes, particularly in our cement and concrete business, have remained strong. The concrete sector is still an extremely competitive environment and therefore the margins in this business remain under pressure. We remain committed to the rolling out of our fixed plant concrete strategy, despite these current market challenges.

All of our sites and projects have continued to perform as expected and tendering activity has remained strong. We've had to increase our haulage fleet throughout the quarter to service the haulage contracts we have in place. We have made significant investment into our haulage business, alleviating the dependence on subcontractors, and ultimately increasing our margin.

In our CFT business, we have seen a turn around, with a number of projects secured, in design phase and some now under construction. The uncertainty of border restrictions and lockdowns associated with COVID will remain challenging for CFT, however our business development team remains confident that we are well placed to deliver on opportunities as they arise. Internationally, particularly in the US, we have a number of contracts secured and under manufacture. We look forward to being able to deliver these projects from our new facility in Texas, once complete.

Our low carbon concrete business has continued to deliver to projects in Australia and internationally. The last quarter has seen significant interest from end users of concrete wanting to switch to a product that demonstrates the carbon saving and other performance benefits that EFC provides. Product refinement, development and certification for each of the relevant jurisdictions has also remained key throughout the period to ensure we can deliver client requirements internationally.

We are excited by the international opportunities that the outlook provides in CFT and EFC and we have a number of long term contracts secured in our Construction Materials and Services businesses which will deliver value over many years to come.

Wagners' staff numbers also increased. Our global workforce now consists of over 700 employees spanning across 5 countries – Australia, New Zealand, UK, USA and Malaysia; a 5% increase just on last quarter, and a 22% increase on FY20. This increase demonstrates the growth across this business.

On that note, I'd like to thank the whole Wagners team who have supported the business through challenging times yet demonstrated an absolute commitment to working together safely while also remaining innovative, entrepreneurial and committed to ensuring the long-term growth of the business.

Thanks also to the Board of Directors for their guidance and continued support throughout the year.