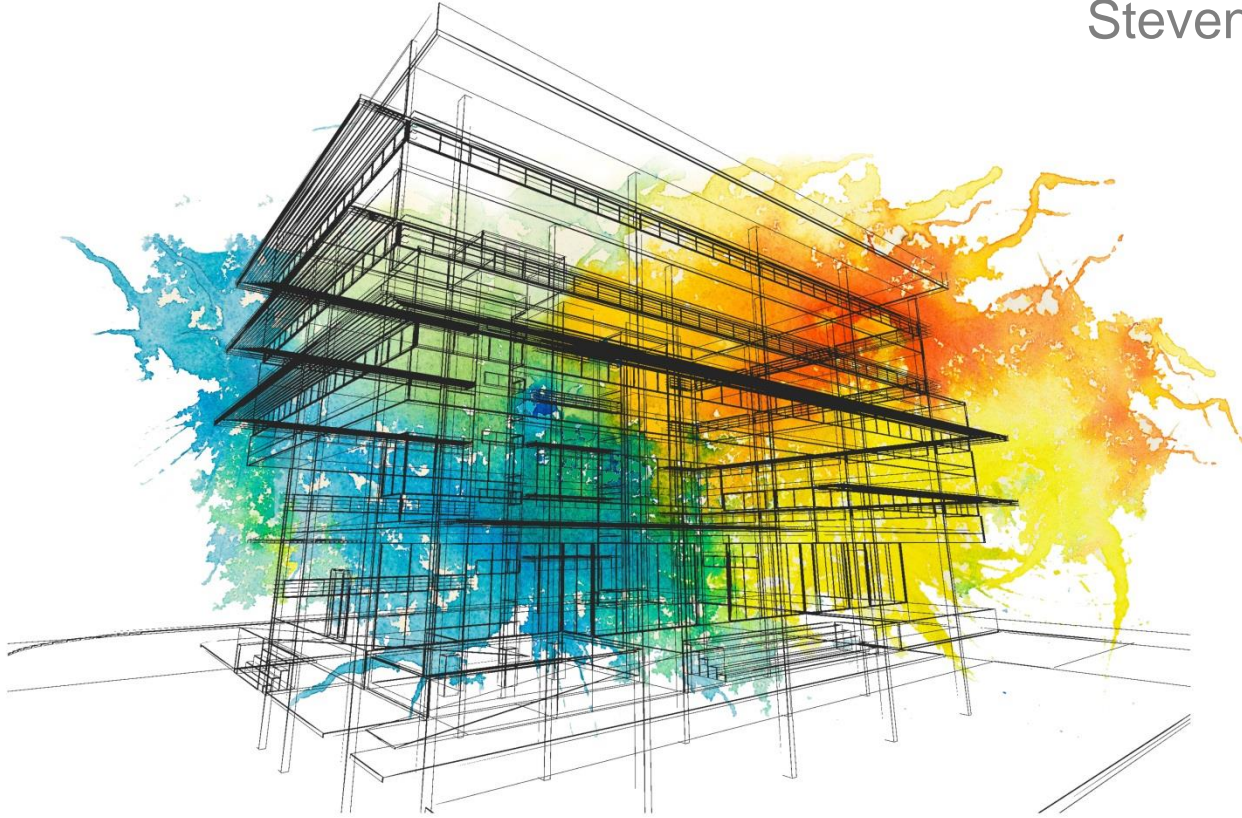


FY2018 Results

Chris Hartwig
Steven McGregor



Agenda

- FY18 Key Points
- Financial Results
- Outlook
- Company Overview

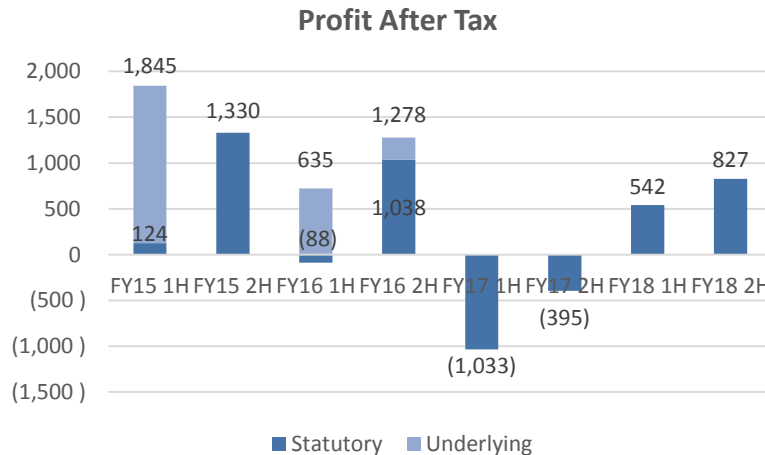
Introduction to Korvest



- Korvest (ASX:KOV) is headquartered in South Australia and provides cable and pipe supports, access systems for large mobile equipment, hydraulic tools and wrenches, and galvanising services
- Listed in September 1970
- Korvest has sales offices warehouses in Adelaide, Melbourne, Sydney, Brisbane and Perth, with distributors in Darwin, Townsville, Hobart and New Zealand
- Manufacturing, fabrication and galvanising in Adelaide
- Power Step and Titan Technologies in Brisbane
- Overseas supply chain provides make vs buy flexibility
- Korvest business sell to a wide variety of industry sectors

Headline Numbers

	June 2018	June 2017	% Change
Sales	\$56.96m	\$44.73m	27.3%
EBIT	\$1.86m	(\$2.29m)	
Operating cashflow	\$5.11m	(\$0.38m)	
EPS	12.3c	(14.4c)	
Dividend per share	12c	13c	
Dividend payout %	97.6%	N/A	



- Significantly improved market conditions
- Growth in all businesses
- Strong operating cashflows
- Positive outlook

1 Underlying Profit after Tax is a non-IFRS measure. Details of how it is calculated including a reconciliation to statutory numbers are set out on page 15

Industrial Products



	June 2018	June 2017	% Change
Sales	\$51.68m	\$40.27m	28.3%
EBIT	\$2.13m	(\$1.63m)	
EBIT %	4.1%	(4.0%)	



Trading Update

- One major NSW infrastructure project delivered
- Day-to-day activity grew in all states
- Growth in project work
- Margin improved due to price increase effective 1 August
- Strong growth in NSW and Victoria



- Best result under Korvest ownership
- Increased activity from mining sector
- Full year benefit from lower cost base

Production Services

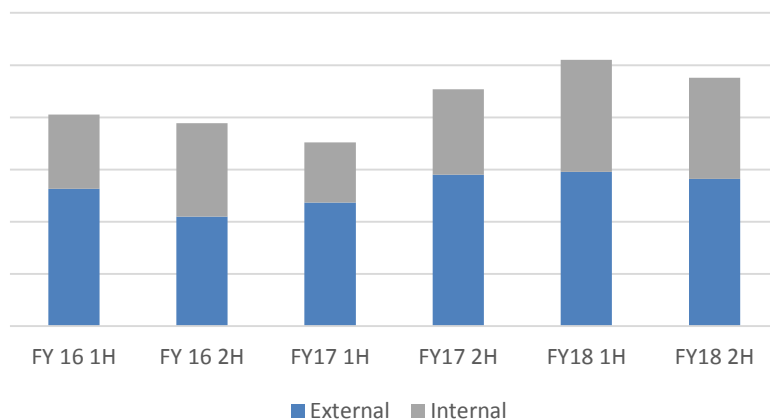


	June 2018	June 2017	% Change
Sales	\$5.28m	\$4.46m	18.3%
EBIT	\$0.23m	(\$0.30m)	
EBIT %	4.3%	(6.7%)	



korvest galvanisers

Galvanising volume



Trading Update

- Increased external volume
- EzyStrut growth benefited Galvanising
- Improved sell price to cover cost increases
- Zinc increased 13% (\$320k impact)
- Energy costs up \$145k
- Main kettle replaced over Christmas shutdown

Balance Sheet



ASSETS	\$m	June 2018	June 2017	June 2016
Cash & Investments		5.4	2.0	5.1
Receivables		10.0	9.3	8.0
Inventories		9.4	10.7	11.5
Property, Plant & Equipment		12.9	13.8	14.6
Other		0.2	0.3	1.2
Total Assets		37.9	36.1	40.4
<hr/>				
LIABILITIES				
Payables		(4.7)	(4.0)	(4.2)
Other Liabilities		(3.5)	(2.9)	(3.7)
Total Liabilities		(8.2)	(6.9)	(7.9)
<hr/>				
NET ASSETS		29.7	29.2	32.5

Receivables – Improved collections, particularly in 2H

Inventories – achieving Industrial Products reduction targets, approx. \$300k more zinc on hand due to increased cost

Dividends



	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Interim	5c	10c	10c	17c	26c
Special Interim	-	-	-	-	100c
Final Dividend	7c	3c	10c	12c	31c
Total Dividend	12c	13c	20c	29c	157c
Franking	100%	100%	100%	100%	100%

- DRP suspended for final dividend

Key Dates

Record Date: 24 August 2018

Payment Date: 7 September 2018

Outlook

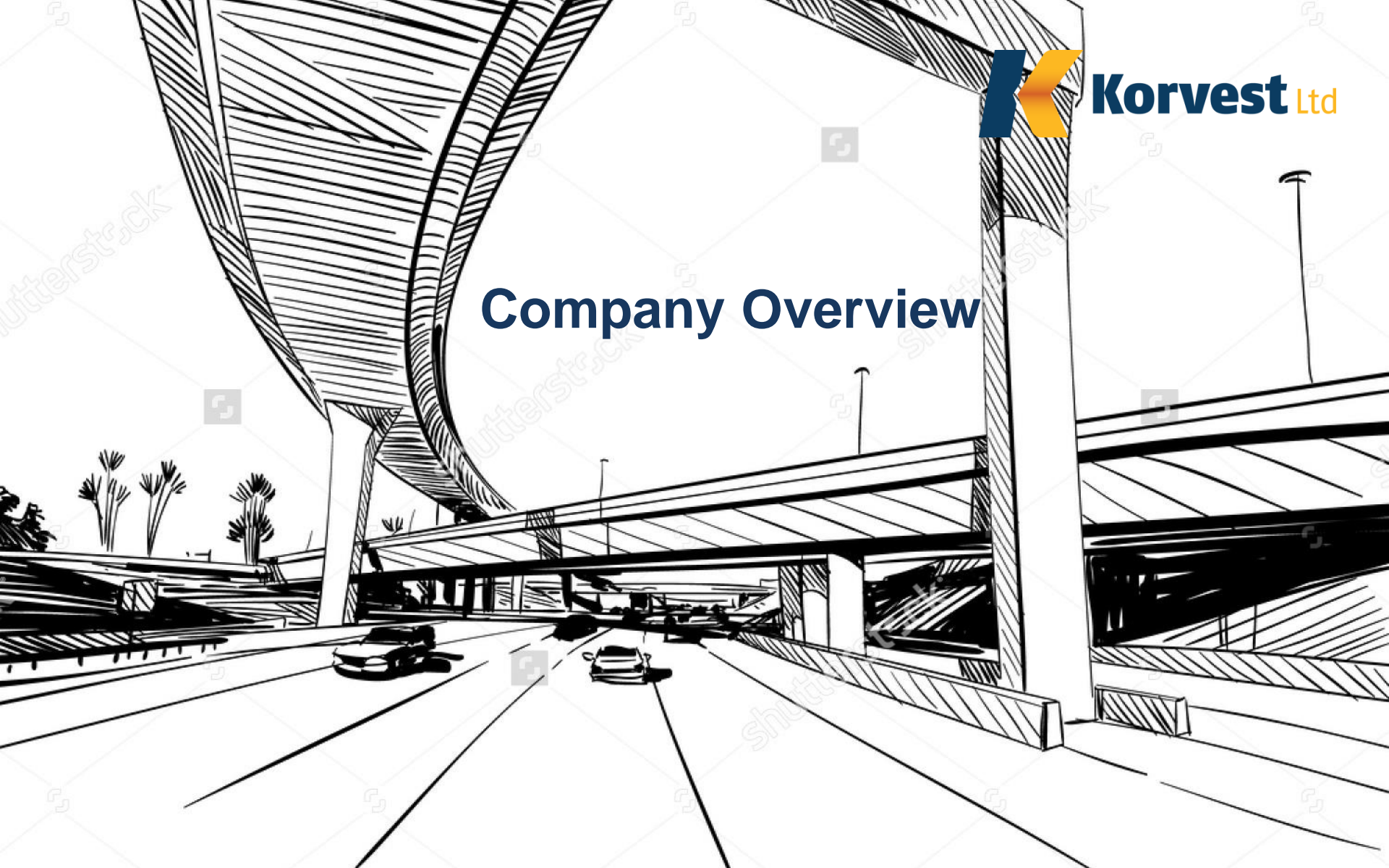


- Infrastructure investment forecasts remain strong over the short to medium term
- Increased major project work expected in FY19 based on already secured orders
- Day-to-day and small project markets expected to remain buoyant
- Product cost reduction from supply chain and process improvements
- Trading update at AGM



Korvest Ltd

Company Overview



Industrial Products



- Cable and pipe supports
- Market leader in cable supports
- Manufacturing facility in Kilburn, SA
- Overseas supply chain
- Sells to EPCMs, Wholesalers, and direct to project contractors and trade
- Local manufacture allows quick response time and ability to manufacture specials – a differentiator to overseas competition
- National sales and warehouse network
- Vertical integration with Korvest Galvanisers

Industrial Products



- Hydraulic/Electric Safety Access Systems for mobile vehicles
 - Design
 - Manufacture
- Safety Lighting
- Filter Crushers
- Queensland Based
- Sales Representatives/agents in:
 - QLD, WA, NSW
 - Chile, Brazil, South Africa

Industrial Products



- Hydraulic tools and wrenches
 - Sale
 - Hire
 - Repair
- Markets
 - Large scale construction
 - Power stations
 - Industrial sites
 - Mines
 - Wind towers

Production Services



- Longest galvanising kettle in Australia (14m)
- South Australia's only centrifuge plant (national market)
- Predominantly structural work for SA projects or fabrications
- In-house work for EzyStrut

Calculations

Underlying Profit After Tax is a non-IFRS measure. The chart showing Profit after Tax on Page 4 shows underlying and statutory Profit after Tax. The calculations of the underlying numbers included in this presentation are set out below.

Underlying Profit After Tax

\$'000	FY15 1H	FY16 1H	FY16 2H
Statutory EBIT	124	(88)	1,038
Adjustments			
Restructuring		248	240
Acquisition related costs		475	
Goodwill impairment	1,721		
Underlying EBIT	1,845	635	1,278



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