

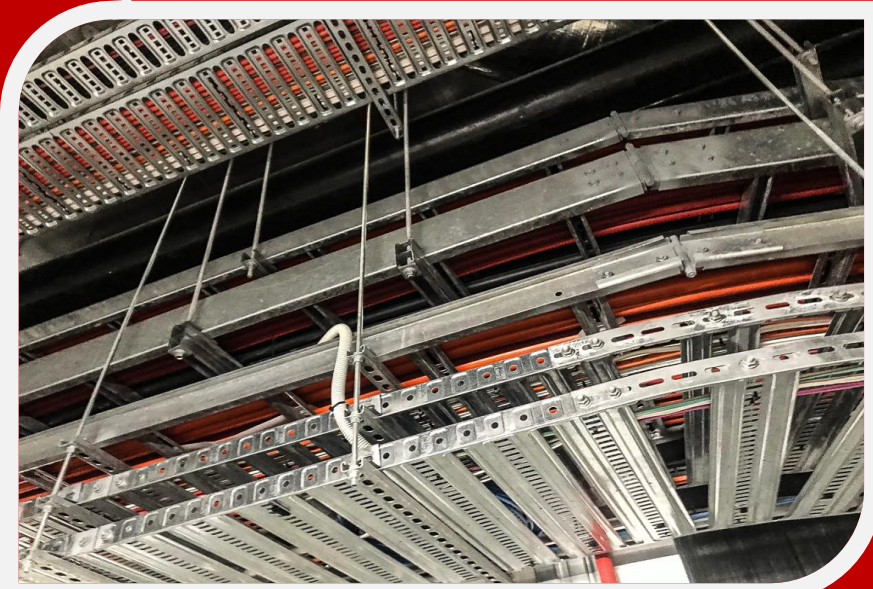


**December 2022 Half Year**

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# EzyStrut

Cable & Pipe Supports



***korvest galvanisers***



# Agenda

- FY23 Key Points
- Financial Results
- Outlook
- Company Overview

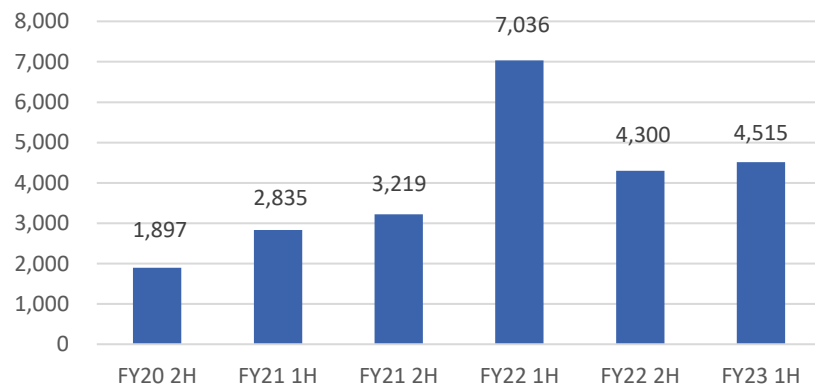
# Introduction to Korvest

- Korvest (ASX:KOV) is headquartered in South Australia and provides cable and pipe supports and galvanising services
- Listed in September 1970
- Korvest has sales offices and warehouses in Adelaide, Melbourne, Sydney, Brisbane and Perth, with distributors in Darwin, Townsville, Hobart and New Zealand
- Manufacturing, fabrication and galvanising in Adelaide
- Overseas supply chain provides make vs buy flexibility
- Sell to a wide variety of industry sectors

# Headline Numbers

	Dec 22 (1H)	June 22 (2H)	Dec 21 (1H)	Dec 22 vs Dec 21
<b>Sales</b>	\$52.95m	\$47.64m	\$51.58m	2.7%
<b>EBIT</b>	\$6.54m	\$6.12m	\$9.74m	(32.8%)
<b>NPAT</b>	\$4.52m	\$4.30m	\$7.04m	(35.8%)
<b>Operating cash flow</b>	\$4.41m	\$5.37m	(\$1.38m)	
<b>EPS</b>	39.1c	37.5c	61.5c	(36.4%)
<b>Dividend per share</b>	25c	35c	25c	

Profit After Tax



- 2<sup>nd</sup> highest EBIT on record for a half
- Continuing large project work
- Profit on sale of PSA/TT in Dec 21 1H (\$0.74m EBIT)

# Industrial Products

	Dec 22 (1H)	June 22 (2H)	Dec 21 (1H)	Dec 22 vs Dec 21
<b>Sales</b>	\$47.88m	\$43.36m	\$47.77m	0.2%
<b>EBIT</b>	\$6.31m	\$6.20m	\$8.60m	(26.6%)
<b>EBIT %</b>	13.2%	14.3%	18.0%	

## Trading Update

**EzyStrut**

- 2 major projects completed during 1H
- 4 major projects ongoing
- Day-to-day activity remained strong
- Lower margins due to input cost increases
- Higher domestic freight costs
- Increased staffing costs to attract/retain staff
- Infrastructure pipeline remains strong

# Production Services

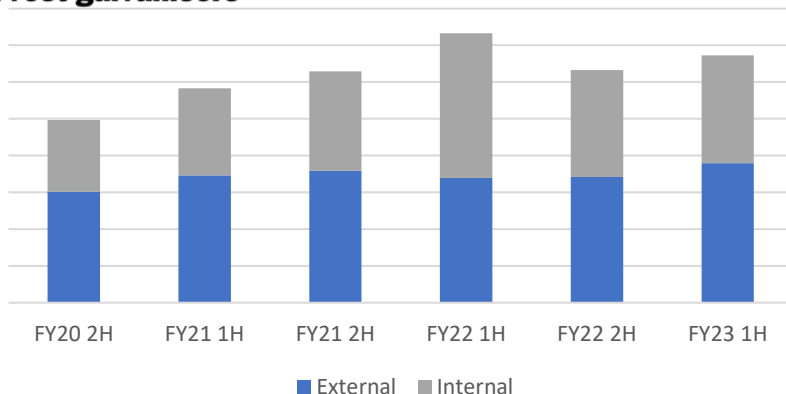
Dec 22 (1H)   June 22 (2H)   Dec 21 (1H)   Dec 22 vs Dec 21

<b>Sales</b>	\$5.08m	\$4.04m	\$3.81m	33.3%
<b>EBIT</b>	\$0.71m	\$0.40m	\$0.89m	(20.2%)
<b>EBIT %</b>	14.0%	9.9%	23.4%	



Galvanising volume

**korvest galvanisers**



## Trading Update

- Plant volumes just below 1H FY22 record
- Internal volume unchanged from 2H FY22, well down on 1H FY22 due to project volumes
- External volume increased
- Average sell prices increased
- Zinc pricing 28% higher than 1H FY22

# Key initiatives

## Automation

- Robotic General Weld Cell running well, output has transitioned across infrastructure projects
- Expansion of robotic folding cell underway
- Additional automation projects ongoing

## Operational & cost optimisation

- Tube laser remains on order
- Gas reduction projects under current evaluation

## Workforce

- Staff survey conducted during 1H



# Balance Sheet

<b>ASSETS</b>	<b>\$m</b>	<b>Dec 2022</b>	<b>June 2022</b>	<b>Dec 2021</b>
Cash & Investments		3.3	3.8	2.9
Receivables		16.3	16.9	17.5
Inventories		19.8	20.5	17.7
Property, Plant & Equipment		19.0	19.2	16.8
Right-of-use Asset		4.7	5.2	5.6
Other		0.9	0.3	0.5
<b>Total Assets</b>		<b>64.0</b>	<b>65.9</b>	<b>61.0</b>
<b>LIABILITIES</b>				
Payables		(8.3)	(9.2)	(8.1)
Lease Liabilities		(5.0)	(5.5)	(5.8)
Other Liabilities		(6.2)	(7.4)	(6.2)
<b>Total Liabilities</b>		<b>(19.5)</b>	<b>(22.1)</b>	<b>(20.1)</b>
<b>NET ASSETS</b>		<b>44.5</b>	<b>43.8</b>	<b>40.9</b>

Land & Buildings revalued up by \$1.9m June 22

# Dividends

	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>
<b>Interim</b>	25c	25c	15c	15c	9c
<b>Final Dividend</b>	N/A	35c	20c	13c	13c
<b>Total Dividend</b>	N/A	60c	35c	28c	22c
<b>Franking</b>	100%	100%	100%	100%	100%

DRP suspended for final dividend

## Key Dates

Record Date: 17 February 2023

Payment Date: 3 March 2023

# Outlook

- Major infrastructure projects will continue to be supplied into 2H FY23
  - 4 current projects being supplied
- Day-to-day and small project markets expected to remain strong
- Current orders on hand still very strong, grew during 1H
- Working capital requirements will remain high with ongoing project activity
- EzyStrut price increase February 2023
- Galvanising price increase and gas levy February 2023
- COVID-19 impacts continue to reduce or normalise
  - Shipping costs reducing
  - Supply chains stable
  - Absenteeism reducing from high levels
  - Labour availability slowly improving
- New gas contract commences 1 Jan 23. Est \$400k annual cost increase.



# Company Overview

# Industrial Products



## EzyStrut

- 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
- 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

# 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

**EzyStrut**

Australia's leading range of cable & pipe supports.  
[www.ezystrut.com.au](http://www.ezystrut.com.au)



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