



**Company announcements platform
Australian Securities Exchange**

**Korvest Ltd Annual Result
Year ended 30 June 2023**

REVIEW AND RESULTS OF OPERATIONS

Revenue from trading activities for the year ended 30 June 2023 (FY23) was \$107.48m, up 8.3% on the previous year. The Company recorded a profit after tax of \$11.18m compared to \$11.34m in the previous year.

Price rises for the general market to recover the impact of input cost increases was the primary reason for the revenue growth. The timing of project requirements resulted in reduced project revenue in FY23.

DIVIDEND

The directors announced a fully franked final dividend of 35.0 cents per share (2022: 35.0 cents per share) following an interim dividend of 25.0 cents per share at the half year (2022: 25.0 cents per share). The Dividend Reinvestment Plan (DRP) will remain suspended for the final dividend. The dividend will be paid on 6 September 2023 with a record date of 18 August 2023.

OPERATING SEGMENTS

Industrial Products

In the Industrial Products segment, the EzyStrut cable and pipe support business supplies products for major infrastructure developments and also supplies products to electrical wholesalers and contractors for small industrial developments.

Supply to the infrastructure sector remained strong in FY23 albeit at lower levels than was the case in FY22. The majority of the infrastructure activity comprises road and rail tunnels on the Eastern Coast.

Six major infrastructure projects were supplied at various times during the year. Three of those projects were completed during the year, with the remaining three projects to continue into FY24.

The day-to-day and small project markets improved in all states when compared to the prior year. The improvement was due to both volume increases and price increases.

Price increases were applied to maintain margins in response to increased input costs, particularly steel, freight and labour.

Inventory reduced from the higher levels that had been in place in response to the supply chain challenges experienced during COVID19.

Production

The Galvanising business had reduced volumes compared to the record FY22 volumes. The reduction in EzyStrut major project work resulted in lower levels of internal work for the plant in FY23.

External volumes grew as did the average selling price for external work. The selling price improvement is attributable to the introduction of a gas levy to recover the significant increase in the cost of gas from 1 January 2023 when new contracted rates commenced.

The cost of zinc fluctuated over the course of the year but overall was higher in FY23 compared to FY22. The average cost of zinc consumed in FY23 was 16% higher than in FY22. FY23 margins were comparable to the prior year as the extra costs of zinc, gas and labour were recovered from customers via price increases and the gas levy.

OUTLOOK

While three major projects were completed during FY23, a further three major projects that were supplied during FY23 will continue into FY24. Subject to the broader economic environment the day-to-day and project markets are expected to continue at similar levels to FY23.

Korvest's recent and future focus for investment will be on production capability and capacity. Options are being explored to redevelop parts of the Kilburn site to accommodate new equipment to further improve productivity.

An update on trading conditions will be provided at the Company's Annual General Meeting.

**ANDREW STOBART
CHAIRMAN**

24 July 2023

For further information contact:

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This ASX announcement was approved and authorised for release by the Board.