

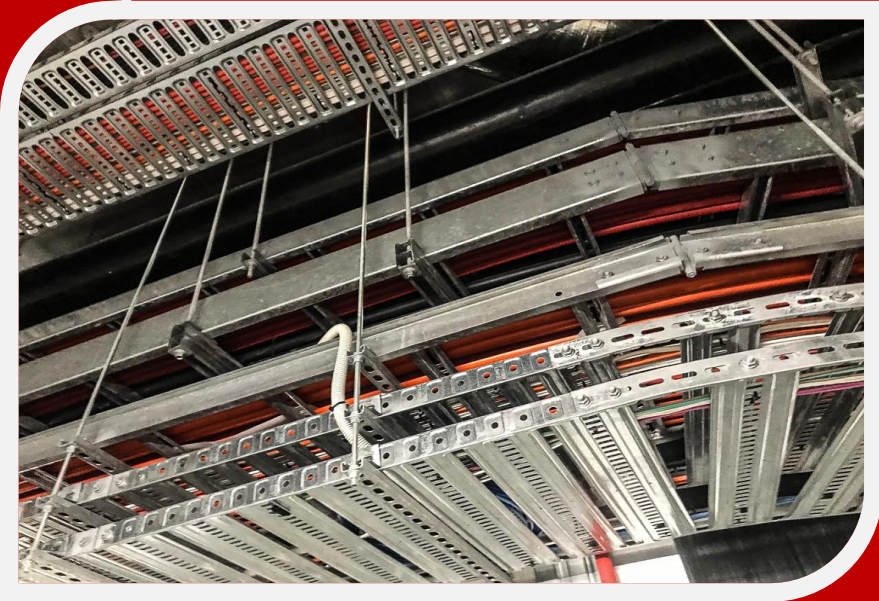


# EzyStrut

Cable & Pipe Supports



***korvest galvanisers***



 **Korvest** Ltd



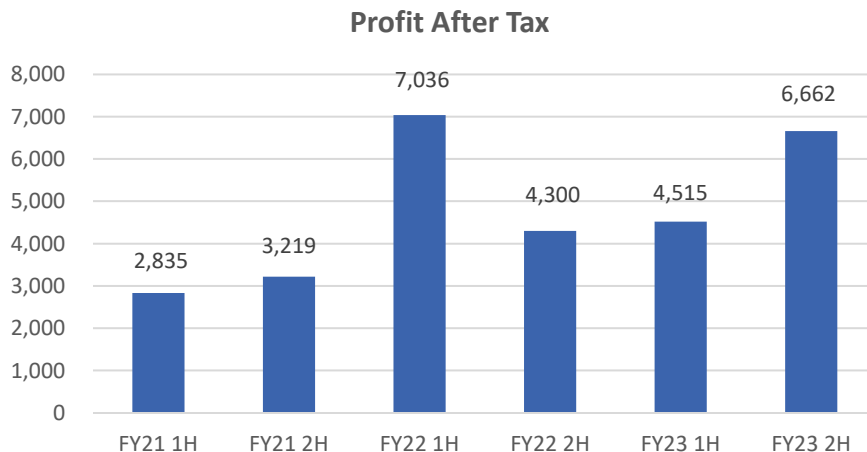
# Introduction to Korvest

- 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

	June 23	June 22	% Change
<b>Sales</b>	\$107.48m	\$99.22m	8.3%
<b>EBIT</b>	\$16.08m	\$16.00m	0.5%
<b>NPAT</b>	\$11.18m	\$11.34m	(1.4%)
<b>Operating cash flow</b>	\$14.94m	\$3.99m	274.4%
<b>EPS</b>	96.7c	99.0c	(2.3%)
<b>Dividend per share</b>	60c	60c	-



- Record annual EBIT
- \$560k non-recurring benefit from derecognition of site restoration provision
- Profit on sale of PSA/TT in 1H FY22 (\$740k EBIT)
- Record operating cash generated

# Industrial Products

	June 23	June 22	% Change
<b>Sales</b>	\$97.71m	\$91.13m	7.2%
<b>EBIT</b>	\$14.49m	\$14.80m	(2.1%)
<b>EBIT %</b>	14.8%	16.2%	

## Trading Update



- 6 major projects supplied during the year
- 3 major projects completed during year
- 3 major projects ongoing into FY24
- Overall project revenue lower in FY23
- Day-to-day activity improved
- Margins held despite input cost increases
- Higher domestic freight costs
- Increased staffing costs to attract/retain staff
- Infrastructure pipeline remains strong



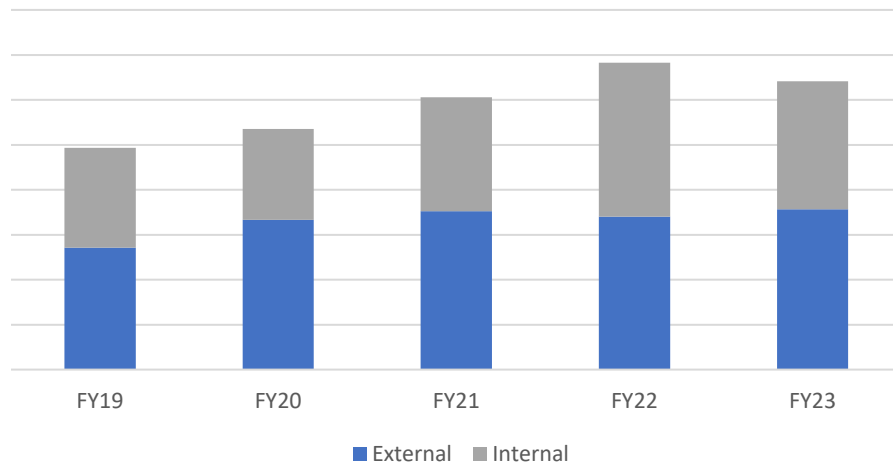
# Production Services

	June 23	June 22	% Change
<b>Sales</b>	\$9.78m	\$7.86m	24.4%
<b>EBIT</b>	\$1.65m	\$1.29m	27.9%
<b>EBIT %</b>	16.9%	16.4%	



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Galvanising volume



## Trading Update

- Moderate external volume growth
- Internal volume reduced with lower EzyStrut project work
- Sell prices increased to offset input cost increases
- Cost of Zinc higher in FY23
- New gas rates from 1 Jan 23, 2H costs 72% higher than 1H



# Key initiatives

## Automation

- Robotic Ladder Weld Cell received significant mechanical and programming upgrades and has now reached handover, output now at improved levels
- Optical tray checking now operational
- Additional automation projects ongoing

## Operational & cost optimisation

- Tube laser has landed in Australia, commissioning early in 1H
- Gas reduction projects ongoing. Long lead time components ordered
- Options for site redevelopment being explored



# Balance Sheet

**ASSETS**                      \$m              June 2023              June 2022              June 2021

Cash & Investments	9.2	3.8	7.0
Receivables	18.9	16.9	14.2
Inventories	16.8	20.5	12.4
Property, Plant & Equipment	20.4	19.2	16.6
Right-of-use Asset	4.9	5.2	6.1
Other	0.5	0.3	0.2
<b>Total Assets</b>	<b>70.7</b>	<b>65.9</b>	<b>56.5</b>

Record cash balance

Increase due to strong May/June 2023 sales

Reducing post COVID

Land & Buildings revalued up by \$814k June 23 & \$1.9m June 22

## LIABILITIES

Payables	(9.7)	(9.2)	(8.5)
Lease Liabilities	(5.2)	(5.5)	(6.2)
Other Liabilities	(6.8)	(7.4)	(5.9)
<b>Total Liabilities</b>	<b>(21.7)</b>	<b>(22.1)</b>	<b>(20.6)</b>

**NET ASSETS**                      **49.0**                      **43.8**                      **35.9**





# Dividends

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

DRP suspended for final dividend

## Key Dates

Record Date: 18 August 2023

Payment Date: 6 September 2023

# Outlook

- Major infrastructure projects will continue to be supplied throughout FY24
  - 3 current projects continue into FY24
- Day-to-day and project markets expected to remain strong subject to broader economic conditions
- Working capital levels steady
- Gas contracted for calendar 2024 and 2025 at similar levels to current pricing





# 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



# Industrial Products



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



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Quick turnaround galvanising of the largest, smallest, and most complex construction members.  
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