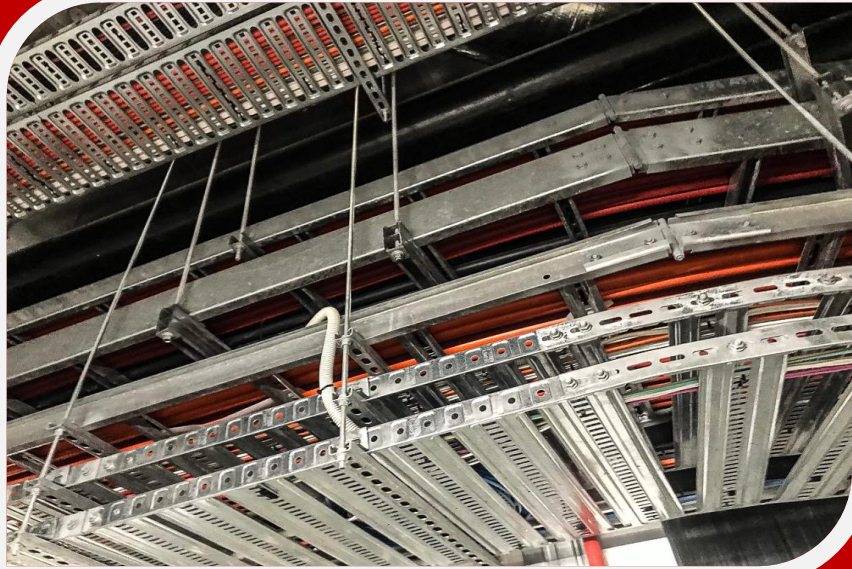




EzyStrut

Cable & Pipe Supports



korvest galvanisers



K Korvest Ltd



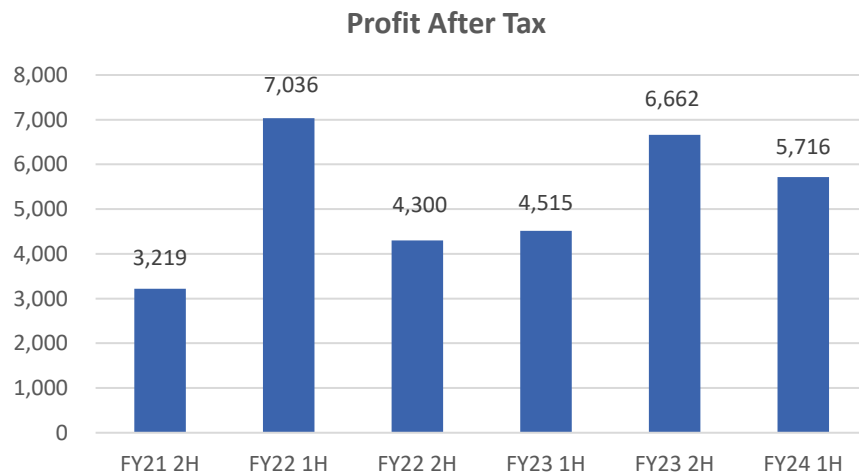
Introduction to Korvest

- 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

	Dec 23 (1H)	June 23 (2H)	Dec 22 (1H)	Dec 23 vs Dec 22
Sales	\$51.71m	\$54.53m	\$52.95m	(2.3%)
EBIT	\$8.18m ¹	\$9.54m ²	\$6.54m	25.1%
NPAT	\$5.72m	\$6.66m	\$4.52m	26.5%
Operating cash flow	\$6.88m	\$10.53m	\$4.41m	
EPS	49.1c	57.6c	39.1c	25.6%



- Improved profitability due to increased margins
- \$319k EBIT gain on entering sublease
- Strong operating cash generation
- Further investment in the business

1. Includes \$319k gain on entering sublease
 2. Includes \$560k benefit from derecognition of site restoration provision



Industrial Products

	Dec 23 (1H)	June 23 (2H)	Dec 22 (1H)	Dec 23 vs Dec 22
Sales	\$46.25m	\$49.83m	\$47.88m	(3.4%)
EBIT	\$7.50m	\$8.18m	\$6.31m	18.9%
EBIT %	16.2%	16.4%	13.2%	

Trading Update



- Reduced major project activity
- 3 major projects supplied with 2 largely completed
- 1 major project in tender phase
- Day-to-day and small project activity improved
- Margins improved
- NSW branch moved to Bankstown Airport precinct
- Local and regional freight brought in-house in NSW



Production Services

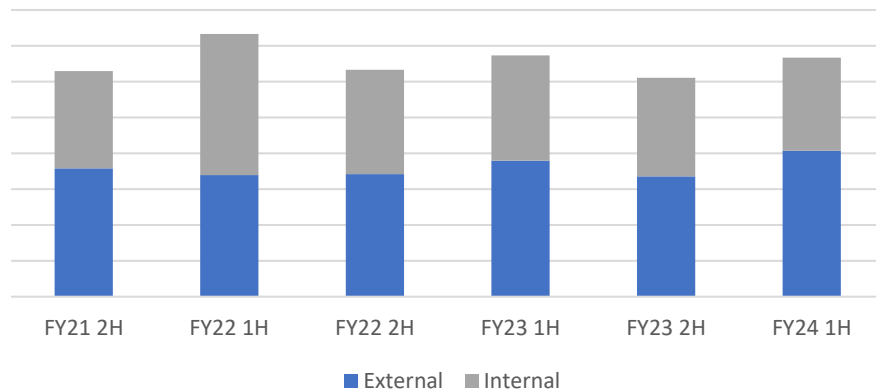
Dec 23 (1H) June 23 (2H) Dec 22 (1H) Dec 23 vs Dec 22

Sales	\$5.47m	\$4.70m	\$5.08m	7.7%
EBIT	\$1.26m	\$0.94m	\$0.71m	77.5%
EBIT %	23.0%	19.1%	14.0%	



korvest galvanisers

Galvanising volume



Trading Update

- Strong external tonnes
- Internal volume reduced with lower EzyStrut major project work
- Cost of Zinc reduced, remains volatile
- Gas costs 85% higher than PCP due to new price effective from Jan 1, 2023. Offset by gas surcharge.
- Improved labour productivity



Capital Expenditure

	Dec 23 (1H)	FY23	FY22	FY21
Capital Expenditure	\$2.42m	\$1.86m	\$2.11m	\$2.33m

- \$966k - new equipment related to new capability including NSW trucks. \$551k tube laser received in July, delayed from FY23
- \$355k - related to the new site in NSW – racking, forklifts, signage etc
- \$1.1 million – stay in business/maintenance – forklifts, cranes & lifting equipment, folding press, tooling, zinc reclaimer, waste heat recovery project



Key initiatives

Automation

- Robotic General Weld Cell now capable of welding 3 metre Nema 1 ladders – improved flexibility and utilisation. More products to be added in H2
- Automation efficiency projects ongoing

Operational & cost optimisation

- Tube laser commissioning delayed due to additional power requirements, in production early H2
- Waste heat recovery project in progress, will be commissioned by middle of H2
- Site redevelopment project is progressing, decision expected during H2
- In-house freight in NSW to be replicated in WA



Balance Sheet

ASSETS \$m Dec 2023 June 2023 Dec 2022

Cash & Investments	9.1	9.2	3.3
Receivables	17.7	18.9	16.3
Inventories	16.7	16.8	19.8
Property, Plant & Equipment	21.9	20.4	19.0
Right-of-use Asset	7.6	4.9	4.7
Lease Receivable	1.7	-	-
Other	0.8	0.5	0.9
Total Assets	75.5	70.7	64.0

Reduced in line with lower revenue

Stable but project timing can influence

Increase due to new leases in NSW

Related to the sublease of one of two NSW buildings

LIABILITIES

Payables	(8.3)	(9.7)	(8.3)
Lease Liabilities	(9.3)	(5.2)	(5.0)
Other Liabilities	(7.0)	(6.8)	(6.2)
Total Liabilities	(24.6)	(21.7)	(19.5)

Increase due to new leases in NSW

NET ASSETS **50.9** **49.0** **44.5**



Dividends

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Interim	25c	25c	25c	15c	15c
Final Dividend	N/A	35c	35c	20c	13c
Total Dividend	N/A	60c	60c	35c	28c
Franking	100%	100%	100%	100%	100%

DRP suspended for interim dividend

Key Dates

Record Date: 16 February 2024

Payment Date: 5 March 2024



Outlook

- Overall activity expected to remain consistent with first half
- Major infrastructure projects' volume expected to continue at similar levels to 1H albeit with a change in mix of projects
- Day-to-day and project markets expected to remain strong subject to broader economic conditions
- Working capital levels steady but can change with major project activity





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



korvest galvanisers

Quick turnaround galvanising of the largest, smallest, and most complex construction members.
www.korvestgalvanisers.com.au

