

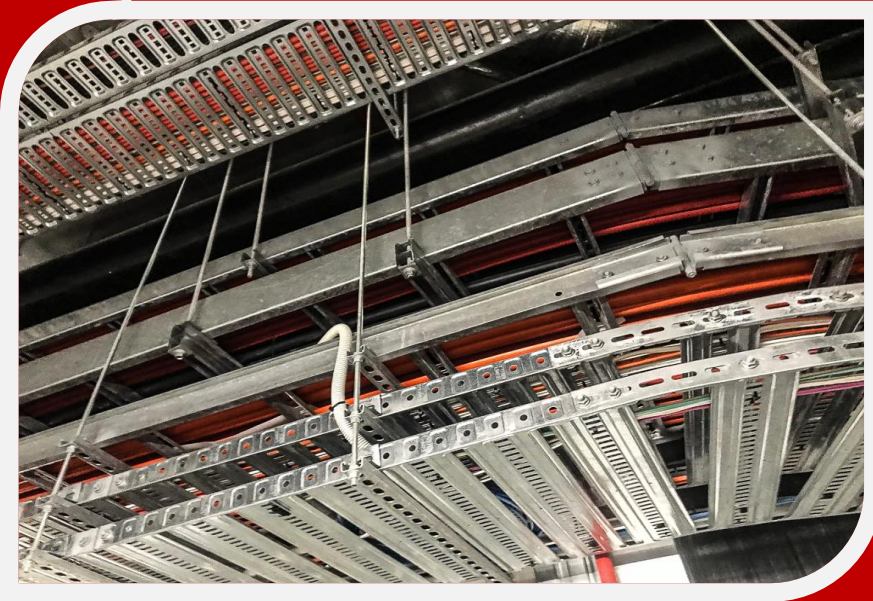


2024 Results
Chris Hartwig and
Steven McGregor



EzyStrut

Cable & Pipe Supports



korvest galvanisers

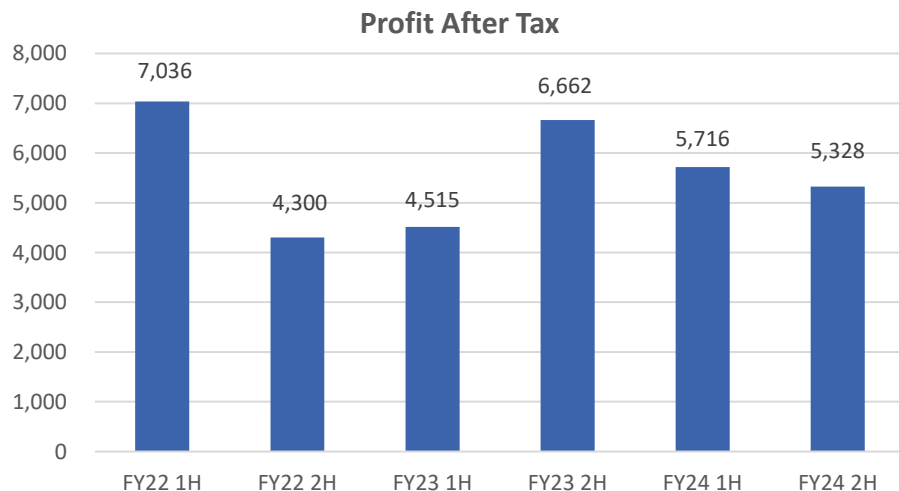


Introduction to Korvest

- 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 24	June 23	% Change
Sales	\$102.89m	\$107.48m	(4.3%)
EBIT	\$15.82m ¹	\$16.08m ²	(1.6%)
NPAT	\$11.04m	\$11.18m	(1.3%)
Operating cash flow	\$10.35m	\$14.94m	(30.7%)
EPS	94.7c	96.7c	(2.1%)
Dividend per share	65c	60c	8.3%



- Improved day-to-day trading
- Margin improvement moderated EBIT impact of lower revenue
- Less major project activity in FY24
- \$319k EBIT gain on entering sublease
- Safety performance continued to improve

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

Industrial Products

	June 24	June 23	% Change
Sales	\$92.73m	\$97.71m	(5.1%)
EBIT	\$14.56m	\$14.49m	0.5%
EBIT %	15.7%	14.8%	



Trading Update

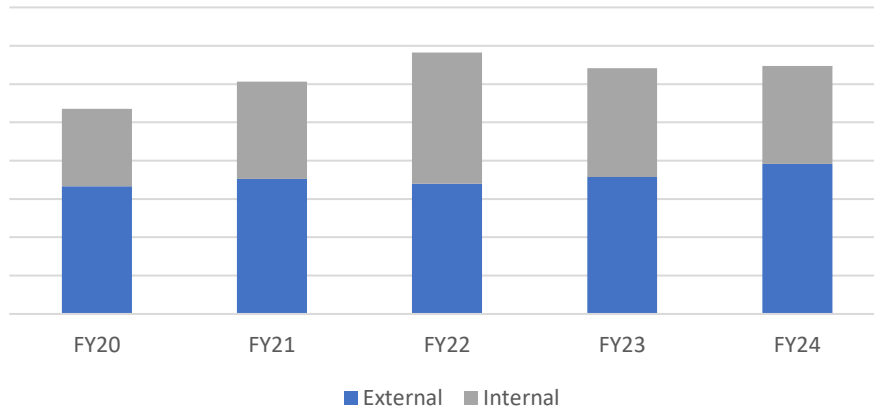
- 4 major projects supplied during FY24, but at lower revenue compared to FY23
- 1 major project completed during FY24, 2 nearing completion
- 1 major project commenced in late FY24 with supply into FY25 and FY26
- 1 major project to commence in FY25 with supply into FY26 and FY27
- 1 major project in tender phase, at least 1 more expected in FY25
- Day-to-day & small project activity improved, data-centre growth
- Margins improved versus FY23
- Successful NSW branch move to larger facility & in-house freight
- Infrastructure and data-centre pipeline remains strong

Production Services

	June 24	June 23	% Change
Sales	\$10.16m	\$9.78m	3.9%
EBIT	\$2.06m	\$1.65m	24.8%
EBIT %	20.3%	16.9%	



korvest galvanisers Galvanising volume



Trading Update

- Static overall plant volume
- Strong external volume (record level)
- Internal volume reduced with lower EzyStrut major project work
- Cost of zinc reduced, remains volatile
- Improved labour productivity
- Increased zinc recycling from new zinc reclaimer

Capital Expenditure

	FY24	FY23	FY22	FY21
Capital Expenditure	\$4.51m	\$1.86m	\$2.11m	\$2.33m

\$2.15 million - new capability, productivity and capacity

- NSW trucks, tube laser, Galv pickling tanks, new roll-former deposit, waste heat recovery project

\$0.36 million - related to the new site in NSW

- Racking, forklifts, signage etc

\$2.0 million – stay in business/maintenance

- Forklifts, cranes & lifting equipment, folding press, tooling, replacement zinc reclaimer

Key initiatives

Automation

- Robotic tray unloading operational with improved cycle time
- New products added to robotic weld cell
- Improved internal automation capability
- Additional automation projects ongoing

Operational & cost optimisation

- Tube laser in use on tunnel project despite some commissioning issues
- Heat reclamation project essentially complete, commissioning early August
- Site redevelopment plans matured

Balance Sheet

ASSETS	\$m	June 2024	June 2023	June 2022
Cash & Investments		7.1	9.2	3.8
Receivables		22.6	18.9	16.9
Inventories		17.0	16.8	20.5
Property, Plant & Equipment		23.0	20.4	19.2
Right-of-use Asset		7.7	4.9	5.2
Lease Receivable		1.6	-	-
Other		0.5	0.5	0.3
Total Assets		79.5	70.7	65.9
LIABILITIES				
Payables		(9.3)	(9.7)	(9.2)
Lease Liabilities		(9.5)	(5.2)	(5.5)
Other Liabilities		(7.3)	(6.8)	(7.4)
Total Liabilities		(26.1)	(21.7)	(22.1)
NET ASSETS		53.4	49.0	43.8

Increase due to sales timing and customers pushing payment into early July

Stable but project timing can influence

Increase due to new lease in NSW

Related to the sublease of one of two NSW buildings

Increase due to new lease in NSW

Dividends

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Interim	25c	25c	25c	15c	15c
Final Dividend	40c	35c	35c	20c	13c
Total Dividend	65c	60c	60c	35c	28c
Franking	100%	100%	100%	100%	100%

DRP suspended for final dividend

Key Dates

Record Date: 16 August 2024

Payment Date: 6 September 2024

Outlook

- Major infrastructure projects will continue to be supplied throughout FY25
 - 1 major project has supply into FY25 and FY26
 - 1 major project will commence supply in FY25 and continue into FY26 and FY27
- Day-to-day and small project markets expected to remain strong subject to broader economic conditions
- Working capital levels steady but can be influenced by major projects
- Improving opportunities in data-centre market



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 major 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



korvest galvanisers

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