Korvest Ltd
ABN 20 007 698 106

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# Korvest Ltd Annual Result
# Year ended 30 June 2025

## REVIEW AND RESULTS OF OPERATIONS

Korvest achieved record earnings in FY25 following increased major project activity in the Industrial Products Segment. Revenue from trading activities for the year ended 30 June 2025 (FY25) was $119.57m, an increase of 16.2% on the previous year.

## DIVIDEND

The directors determined to pay a fully franked final dividend of 40.0 cents per share (2024: 40.0 cents per share) and a fully franked special dividend of 10.0 cents per share following an interim dividend of 25.0 cents per share at the half year (2024: 25.0 cents per share). The Dividend Reinvestment Plan (DRP) will remain suspended for the final dividend. The dividend will be paid on 5 September 2025 with a record date of 15 August 2025.

## 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.

FY25 commenced with four major infrastructure projects being supplied however all were nearing completion and concluded during the first half. Two new projects were secured and these generated the majority of the FY25 major project revenue. One project had a very compressed delivery schedule during the second half and was largely completed during the year whereas the other project will continue into FY26.

The day-to-day and small project markets were flat on an overall basis with NSW and Queensland performing the best in comparison to the prior year.

Remediation costs of $869,000 in relation to a third party design fault have been incurred during the year and expensed. Recovery of all or a significant component of these costs is expected but not yet certain, pending settlement with the supplier.

The input cost environment was relatively stable during FY25. However, key inputs such as steel and import containerised freight remained at relatively high levels. Staff costs increased with a new 3 year enterprise bargaining agreement in place for the Kilburn site commencing at the beginning of 2025. Other costs were subject to typical inflationary pressures.

***Production***
Overall plant volumes in the Galvanising business increased in FY25 with both external and internal tonnes processed improving on FY24. The increase in external tonnes was driven by the completion of a major project in the renewable energy sector. The increased volume enabled the main plant to operate more efficiently which improved operating margins. During November, the galvanising main plant suffered a significant operational issue resulting in the loss of production for 17 days. The plant returned to full operation on 1 December 2024. The majority of the costs of rectification and the resulting increased cost of doing business were recovered from insurance reducing the impact on the FY25 profit.

Contracted energy costs remain historically high. Despite increased gas pricing during the year, the actual gas expense reduced in FY25 as a result of the successful projects to reduce gas consumption within the plant.

**KILBURN REDEVELOPMENT**
In June 2025 the Board approved Phase 1 of the Company's plan to increase production capability and capacity at the Kilburn site. Phase 1 includes the construction of a new fabrication facility consisting of a 3,000 m2 factory plus a 500 m2 canopy. The cost of the build is expected to be approximately $7.4 million with construction planned to start in the first half of FY26.

Phase 2 of the project involves the purchase of machinery for the building including additional weld bays, roll formers, laser cutter and powder coating line, together with noise attenuation works. Expenditure on Phase 2 is expected to be approximately $4 million and will be approved on a progressive basis once building works have commenced.

The project will significantly expand the capacity and capability of the Kilburn site enabling improved service, the opportunity for market share growth, vertical integration and access to additional markets.

**OUTLOOK**

The outlook for the infrastructure sector remains strong. There is a solid pipeline of major infrastructure projects secured or at bid stage with supply in FY26 and beyond, albeit unlikely to achieve FY25 levels.

The day-to-day market was stable in FY25 and, subject to the broader economic environment, is expected to continue at similar or slightly improved levels in FY26.

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

**ANDREW STOBART**
**CHAIRMAN**
25 July 2025

For further information contact:
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This ASX announcement was approved and authorised for release by the Board.