



KORVEST LTD

Investor Presentation

January 2013 Half Year Results Road Show

Alexander Kachellek (Managing Director)

Steven McGregor (Finance Director)



KORVEST LTD

EzyStrut



INDAX



korvest galvanisers



KORVEST LTD

Agenda

Half Year Results Highlights

Company Overview

Financial Results

Future



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FY13 Half Year Results Highlights

- Strong cashflows
- 1H FY13 result in line with AGM guidance (Oct 2012)
- 1H pcp benefited from impact of 3 major projects (approx. \$8m sales)
- Dividend payout policy unchanged for interim dividend



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Introduction to Korvest

- Korvest (ASX: KOV) is headquartered in South Australia and provides cable and pipe supports, walkway systems, and galvanising services.
- Listed in September 1970
- The company has sales offices and warehouses in Adelaide, Melbourne, Sydney, Brisbane and Perth, with distributors operating in Darwin, Townsville, Hobart and New Zealand.
- Manufacturing, fabrication and galvanising in Adelaide
- Overseas supply chain provides make vs. buy flexibility.
- Including supply from Asian suppliers to Customers' Asian module yards for eventual delivery to Australian projects
- Korvest businesses sell to a wide variety of industry sectors



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Corporate Snapshot (as at 24 January)

Capital Structure

Share Price	\$6.80
Shares on issue	8.804m
Market Capitalisation	\$59.9m

Major Shareholder	Shares (m)	Stake (%)
Hills Finance Pty Ltd	4.21	47.82

No. of Holders	Shares (m)	Stake (%)
1 – 20	5.86	66.60
21 – 50	0.55	6.33
51 – 1,380	2.40	27.07

Korvest Share Price Performance (Last 2 years) source: IRESS





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Divisional Overview



Headcount	195	45
Revenue Contribution ⁽¹⁾	90.5%	9.5%
EBIT Contribution ⁽¹⁾	76.0%	24.0%











Notes:

(1) Based on 1H FY2013 reported revenue and EBIT



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Divisional Overview (cont'd)

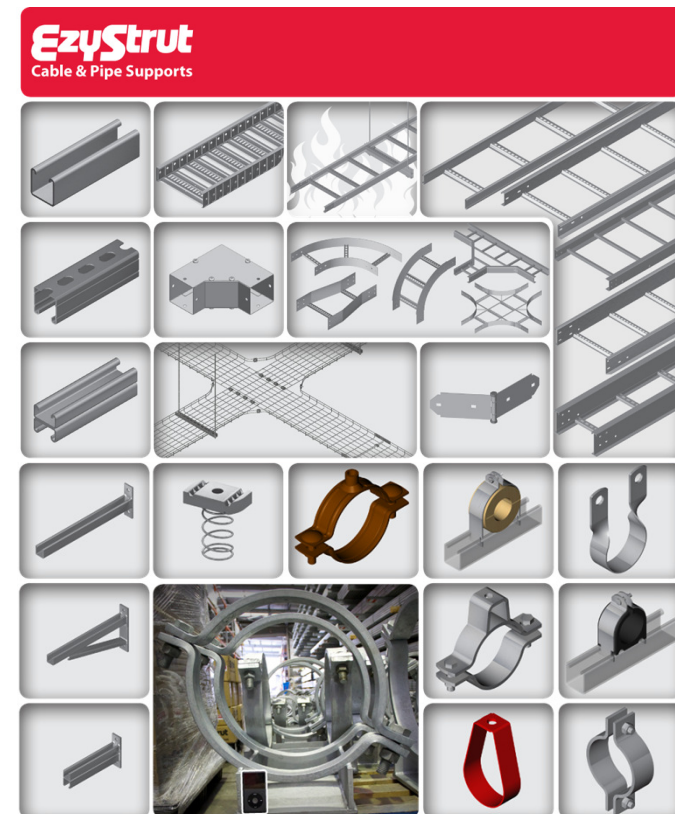
 KORVEST LTD		 INDAX	 korvest galvanisers
 Ravensworth Coal Mine NSW	 Pt Stanvac Desalination Plant SA	 Fiona Stanley Hospital WA	
 RPG Australia Wind Turbines AUS	 Adelaide Airport Recent Upgrade SA	 Darwin Liquefied Natural Gas Project NT	



Industrial Products: EzyStrut

EzyStrut

- Cable and pipe supports
- Market leader in cable supports
- Manufacturing facility in Kilburn, South Australia
- Overseas supply chain
- Sells to EPCM's, Wholesalers and direct to project contractors and trade
- 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



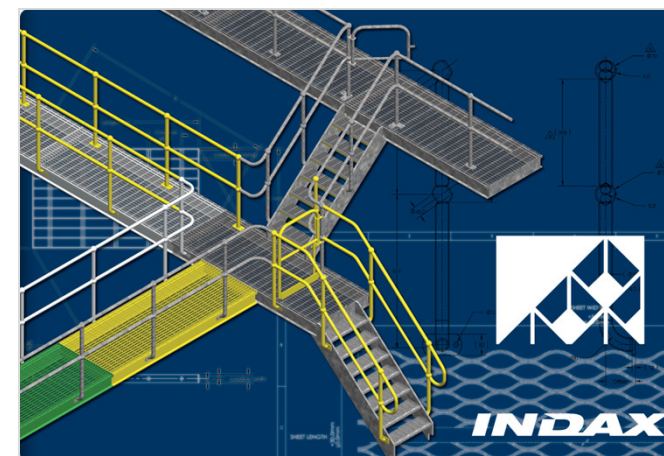


Industrial Products: Index



INDAX

- Fabrication of walkway systems
- Grating and handrail
- Majority of work is made to order based on customer drawings
- Sell to EPCM's and other fabricators
- Sale of component parts
- Fabrication facility at Kilburn, South Australia
- Vertical integration with Korvest Galvanisers





Production Services Korvest Galvanisers



korvest galvanisers

- Longest galvanising kettle in Australia (14m)
- South Australia's only centrifuge plant (national market)
- Predominantly structural work for SA projects or fabricators
- In-house work for EzyStrut and Indax





Board & Management

■ Executive Management Team

- **Alexander Kachellek** – Managing Director
- **Steven McGregor** – Finance Director
- **Chris Hartwig** – General Manager EzyStrut
- **Andrew Ifkovich** – General Manager Indax
- **Steven Evans** – General Manager Galvanising
- **John Dickie** – Engineering Manager
- **Steve Jeffs** – QOHSE Manager

■ Board of Directors

- **Peter Stancliffe** – Chairman
- **Alexander Kachellek** – Managing Director
- **Ted Pretty** – Non Executive Director
- **Peter Brodribb** – Non Executive Director
- **Steven McGregor** – Finance Director



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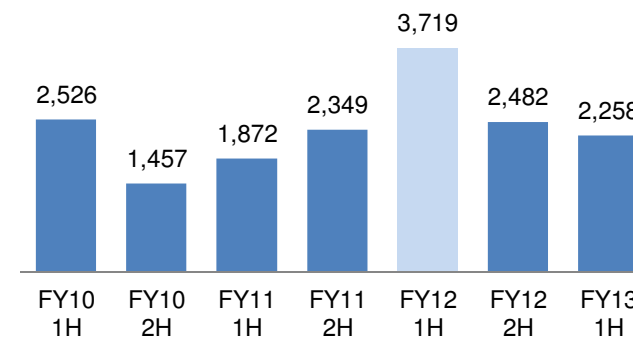


Headline Numbers

	Dec 2012 (1H)	June 2012 (2H)	Dec 2011 (1H)	% Change vs Dec 11
Sales	\$32.69m	\$33.83m	\$38.49m	(15.1%)
EBIT	\$3.16m	\$3.46m	\$5.13m	(38.4%)
Operating cashflow	\$4.34m	\$4.81m	\$3.87m	12.1%
Earnings per share	25.9c	28.6c	43.0c	(39.8%)
Dividends per share	26c	30.0c	18.0c	44.4%
Special Dividend	-	-	5.0c	

- Reasonable result given less project activity
- Strong cash flows
- Dividend payout remains at 100%

Profit After Tax (\$'000s)





Industrial Products

EzyStrut



INDAX

	Dec 2012 (1H)	Jun 2012 (2H)	Dec 2011 (1H)	% Change
Sales	\$29.58m	\$31.0m	\$35.6m	(16.9%)
EBIT	\$2.52m	\$2.91m	\$4.77m	(47.2%)
EBIT %	8.5%	9.4%	13.4%	

■ Trading Update – EzyStrut

- Major projects diminished
- Result underpinned by smaller projects and day-to-day
- Inconsistent results nationally
- WA & NSW markets improved
- Improved performance of pipe support range
- Continued investment in equipment to improve lead time and DIFOT

■ Trading Update – Indax

- Strong first quarter
- Demand tapered in Christmas lead up
- Capacity added - Kilburn
- Fabrication consolidated to Kilburn
- WA grew again, strong contributor





Production Services

	Dec 2012 (1H)	Jun 2012 (2H)	Dec 2011 (1H)	% Change
Sales	\$3.1m	\$2.8m	\$2.9m	6.9%
EBIT	\$0.79m	\$0.52m	\$0.80m	(0.9%)
EBIT %	25.5%	18.6%	27.6%	

■ Trading Update – Galvanising

- Main plant volumes increased
- Internal tonnes reduced
- Spin plant volumes reduced
- Success of SA fabricators
- Local project work remained solid
- Strong pipeline of work



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Balance Sheet

June Y/E A\$m	Dec-12	Jun-12	Dec-11
Assets			
Cash	6.3	5.2	3.3
Receivables	12.5	14.8	15.6
Inventories	8.7	8.6	9.7
Property, Plant, and Equip	17.2	17.4	17.3
Total Assets	44.7	46	45.9
Liabilities			
Payables	-4.9	-5.1	-6.1
Other Liabilities	-3.7	-4.6	-4.1
Total Liabilities	-8.6	-9.7	-10.2
Net Assets	36.1	36.3	35.7



Dividends

	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009
Interim	26c	18c	11c	17c	17c
Special Interim		5c			
Final Dividend		30c	15c	15c	17c
Total Dividend		53c	26c	32c	34c
Franking	100%	100%	100%	100%	100%

■ Upcoming Dates

- **Record Date:** 27 February 2013
- **Payment Date:** 13 March 2013



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The Future

- 2H expected to improve on 1H performance
- Pursue project opportunities
- LNG in WA, NT, Qld
- Tunnels in Qld, NSW, NZ
- Mines Qld, WA
- New products
- Acquisitions with synergies



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EzyStrut

AUSTRALIA'S LEADING RANGE
OF CABLE & PIPE SUPPORTS.



INDAX

PREMIUM SUPPLIERS OF
GRATING, HANDRAIL,
STANCHIONS, AND OTHER
WALKWAY INFRASTRUCTURE.



korvest galvanisers

QUICK TURNAROUND
GALVANISING OF THE
LARGESTS, SMALLESTS, AND
MOST COMPLEX
CONSTRUCTION MEMBERS.



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