

PRESS RELEASE

Korvest First Half FY2018 results

The Chairman, Mr Graeme Billings, today announced the following operating results for the 6 months ended 31st December 2017 for Korvest Ltd.

	6 MONTHS TO 31/12/17 \$'000	6 MONTHS TO 31/12/16 \$'000	% CHANGE
Revenues	29,580	21,285	39.0%
Operating Profit After Tax	542	(1,033)	N/A
Dividends per share (cents)	5.0	10.0	

Mr Billings said that revenue from trading operations for the half-year increased by 39% to \$29.6 million. The improved revenue was as a result of more significant activity in both the project market and day-to day trading.

Industrial Products

The EzyStrut business experienced an increase in demand during the period. Supply of product to a NSW infrastructure project accelerated during the period whereas the prior comparative period (PCP) was virtually devoid of major project work. In the day-to-day markets, revenue growth was achieved as a result of increased activity nationally as well as the successful application of a price rise in August 2017. The price rise was in response to the increasing cost of raw materials and energy.

The Power Step and Titan Technologies businesses now operate off a substantially lower cost base than has previously been the case and as a result they were able to trade more profitably during the period than they did in the PCP despite reduced revenue levels.

Production

The Galvanising business continued the improvement shown in the second half of FY17 as volumes continued to rise. Due to the increased EzyStrut activity the internal tonnes processed through the galvanising plant were 31% higher than the FY17 2H volumes. External volumes increased modestly during the period however revenue grew disproportionately as a price rise was adopted during the period to pass on the higher cost of zinc, which ended the period 17% higher than it started.

During the recent Christmas shutdown period the galvanising kettle was successfully replaced. This is carried out every 8-10 years.

DIVIDEND

The Directors announced a fully franked interim dividend of 5.0 cents per share.

The Dividend Reinvestment Plan (DRP) will not operate for the interim dividend. The dividend will be paid on 9 March 2018 and the record date is 23 February 2018.

OUTLOOK

The expectation is that activity levels for the second half of FY 2018 will remain similar to those of the first half. Day-to-day markets strengthened during the first half and there have been no indicators of any adverse change to this. Supply to the NSW infrastructure project will continue into the second half.

G BILLINGS CHAIRMAN

25 January 2018

For further information contact:

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