

PRESS RELEASE

Korvest First Half FY2025 results

The Chairman, Mr Andrew Stobart, today announced the following operating results for the 6 months ended 31st December 2024 for Korvest Ltd.

Mr Stobart said that revenue from trading operations decreased by 1.1% to \$51.1 million as a result of reduced activity in the galvanising business. Profitability was impacted by lower margins due to project phasing and competitive pressures in the day-to-day market. The first half pre-tax result includes one-off costs of circa \$670k associated with an operational issue in galvanising and an engineering claim for which future insurance recoveries are expected.

Industrial Products

EzyStrut revenue was flat compared to the prior corresponding period (PCP) with improved revenue from the small project/day-to-day market being offset by a reduction in major project activity. Competitive pressures in the day-to-day and small project markets resulted in margin contraction as too did the phasing and product mix of major projects.

EzyStrut entered the half with four major projects being supplied. All of these projects are nearing completion and only one had any revenue of note during the half. As replacement for these near-end projects, two new projects were secured during the half with supply of one commencing in December and the other to commence in the second half.

Staff costs increased in the branch network as a result of salary adjustments to maintain market competitiveness as well as a small increase in headcount to invest in business development and sales resources.

Production

Plant volumes in the Galvanising business were lower than recent years due to a reduction in external work. Internal volumes remained relatively unchanged in line with EzyStrut's activity levels. The zinc market remains volatile with the cost of zinc purchased higher than the PCP. Gas pricing remains high with the current year price 2.1% higher than the PCP. Gas consumed was lower during the half as a result of a successful project to use waste heat from one part of the operation to provide heat in another.

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 first half result includes the cost of rectification along with costs associated with alternative sourcing to ensure customer requirements were met. It is estimated that the pre-tax profit impact in the half is approximately \$435,000. Some insurance recoveries are

anticipated however no allowance for this has been included in the first half result.

DIVIDEND

The Directors determined to pay a fully franked interim dividend of 25.0 cents per share with a record date of 14 February 2025 and a payment date of 7 March 2025.

The Dividend Reinvestment Plan (DRP) will not operate for the interim dividend.

OUTLOOK

Based on the advice from major project customers in relation to delivery schedules, Korvest is expected to deliver a significant increase in the value of project work during the second half of FY25. When combined with the usual pipeline of small project and day-to-day work this means that Korvest enters the second half with a record order book.

A STOBART CHAIRMAN

20 January 2025

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For further or more detailed information refer to the Appendix 4D lodged with the ASX.