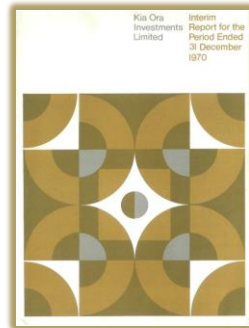




## 2021 Results

Chris Hartwig and  
Steven McGregor

*Artwork inspired by  
Kia Ora Investments  
Interim Report dated  
December 1970*





**Cable and Pipe Supports**



**Torque and Tension Solutions**



**Galvanising**



**Safety Access Systems**



# Agenda

- FY21 Key Points
- Financial Results
- Outlook
- Company Overview

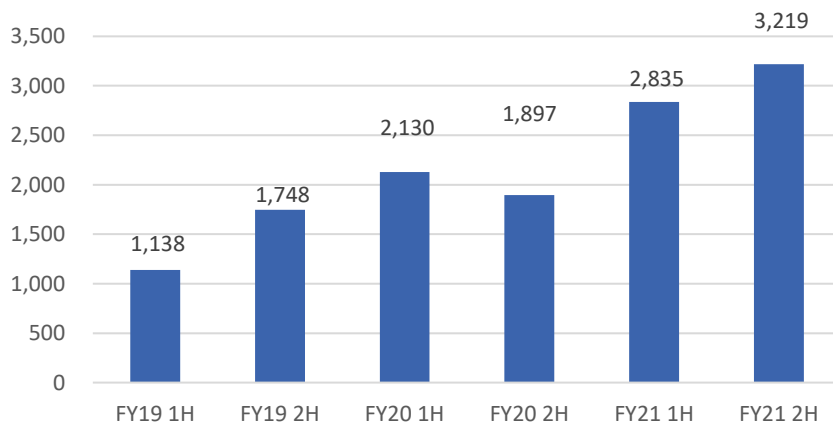
# Introduction to Korvest

- Korvest (ASX:KOV) is headquartered in South Australia and provides cable and pipe supports, access systems for large mobile equipment, hydraulic tools and wrenches, 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
- Power Step and Titan Technologies in Brisbane
- Overseas supply chain provides make vs buy flexibility
- Sell to a wide variety of industry sectors

# Headline Numbers

	June 21	June 20	% Change
<b>Sales</b>	\$69.79m	\$63.09m	10.6%
<b>EBIT</b>	\$8.88m	\$5.84m	52.1%
<b>NPAT</b>	\$6.05m	\$4.03m	50.1%
<b>Operating cash flow</b>	\$6.51m	\$10.46m	
<b>EPS</b>	53.5c	35.8c	49.4%
<b>Dividend per share</b>	35c	28c	25.0%

Profit After Tax



- Strong 2H all sectors
- Solid operating cashflow despite increased working capital requirements
- Strong profit growth
- JobKeeper - \$1.86m H1 FY21 vs \$1.06m H2 FY20 (before tax)

# COVID-19

- COVID protocols are part of daily management
- Minimal disruption to key markets serviced by Korvest businesses during FY21
  - SA and NSW lockdowns in July 2021 will have an impact in FY22 as major infrastructure projects and factory activity are affected
- Increased shipping costs and lead times for imported items
- Inventory management an ongoing challenge
- Impact on commodity input prices and availability
  - Carbon steel prices rising rapidly
  - Stainless steel pricing at very high levels, significant supply shortages
  - Zinc increasing steadily



# Industrial Products

	June 21	June 20	% Change
<b>Sales</b>	\$63.25m	\$57.09m	10.8%
<b>EBIT</b>	\$6.80m	\$4.50m	51.1%
<b>EBIT %</b>	10.8%	7.9%	

**EzyStrut**

## Trading Update

- Day-to-day activity strong and improved throughout H2
  - Price increase April 1<sup>st</sup> in advance of rising input costs
  - Infrastructure pipeline remains strong
  - NSW major project delivery continued throughout FY21
  - Ongoing wins within infrastructure segment, with 2 additional projects commencing in June 2021.
- 
- Solid performance
  - Market for tools highly competitive



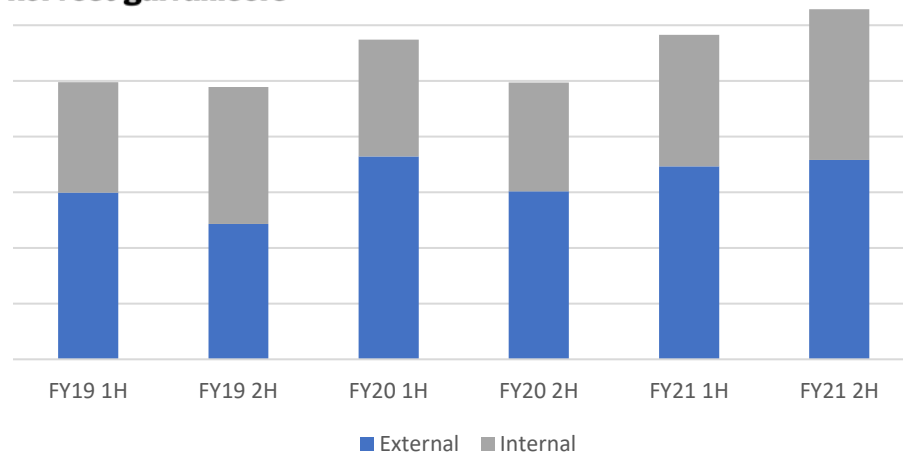
# Production Services

	June 21	June 20	% Change
<b>Sales</b>	\$6.53m	\$6.00m	8.8%
<b>EBIT</b>	\$0.86m	\$0.69m	24.6%
<b>EBIT %</b>	13.1%	11.5%	



Galvanising volume

***korvest galvanisers***



## Trading Update

- Moderate external volume growth
- Internal volume strong in line with EzyStrut growth
- Sell prices flat with higher large project mix
- Zinc pricing trending upwards



# Strategic initiatives

## Automation

- Robotic Tray Stacking complete on one line, second line scheduled for H1 FY22
- Commissioning issues from turn-key supplier with the Robotic Ladder Weld Cell
- Final commissioning of IXL strut line
- Further automation capex planned for FY22

## Operational & cost optimisation

- Fibre laser and additional guillotine purchase approved
- 270kW solar system fully commissioned and operational

# Balance Sheet

**ASSETS**                      \$m                      June 2021                      June 2020                      June 2019

Cash & Investments	7.0	6.7	3.4
Receivables	14.2	10.1	14.1
Inventories	12.4	10.6	10.5
Property, Plant & Equipment	16.6	15.9	13.0
Right-of-use Asset	6.1	4.7	N/A
Other	0.2	0.3	0.3
<b>Total Assets</b>	<b>56.5</b>	<b>48.3</b>	<b>41.3</b>

Increase due to strong May/June 2021 sales

Increase due to renewal of two leases

## LIABILITIES

Payables	(8.5)	(5.9)	(6.0)
Lease Liabilities	(6.2)	(4.7)	N/A
Other Liabilities	(5.9)	(5.1)	(4.4)
<b>Total Liabilities</b>	<b>(20.6)</b>	<b>(15.7)</b>	<b>(10.4)</b>

Increase due to increased activity FY21 vs FY20

Increase due to renewal of two leases

**NET ASSETS**                      **35.9**                      **32.6**                      **30.9**

# Dividends

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
<b>Interim</b>	15c	15c	9c	5c	10c
<b>Final Dividend</b>	20c	13c	13c	7c	3c
<b>Total Dividend</b>	35c	28c	22c	12c	13c
<b>Franking</b>	100%	100%	100%	100%	100%

DRP suspended for final dividend

## Key Dates

Record Date: 20 August 2021

Payment Date: 3 September 2021

# Outlook

- Major infrastructure projects will continue to be supplied throughout FY22
  - Current project to wind down during FY22
  - 2 new projects commenced in June 2021 for supply throughout FY22
  - 1 new smaller project secured to commence in FY22
- 2 major infrastructure projects due for award in FY22
- Day-to-day and small project markets have gained momentum and should continue throughout FY22
- Working capital requirements will remain high with ongoing project activity
- COVID-19 related shutdowns continue to pose a threat to activity levels



# 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 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

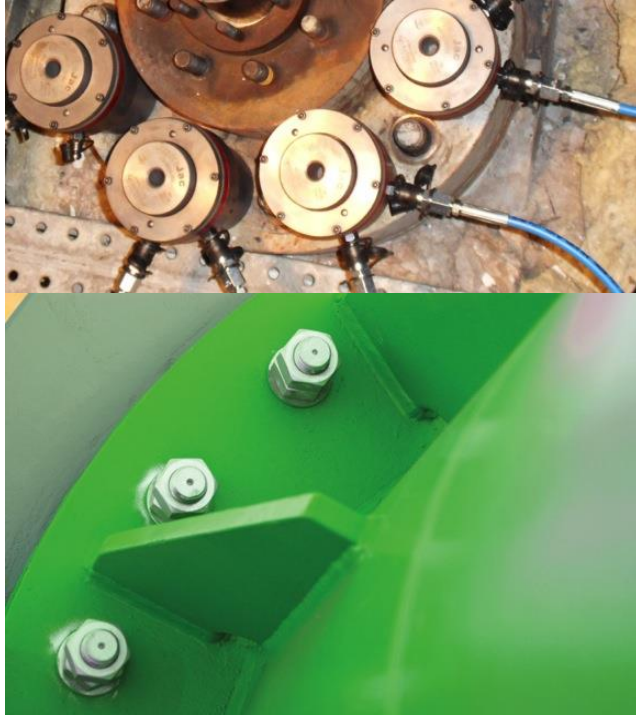
# Industrial Products



- Hydraulic/Electric Safety Access Systems for mobile vehicles
  - Design
  - Manufacture
- Safety Lighting
- Filter Crushers
- Queensland Based



# Industrial Products



- Hydraulic tools and wrenches
  - Sale
  - Hire
  - Repair
- Markets
  - Large scale construction
  - Power stations
  - Industrial sites
  - Mines
  - Wind towers

# 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

# Industrial Products



Australia's leading range of cable & pipe supports.  
[www.ezystrut.com.au](http://www.ezystrut.com.au)



Safety Access solutions for all large mobile equipment.  
[www.powerstep.com.au](http://www.powerstep.com.au)



Superior bolting solutions for any industry.  
[www.titantools.com.au](http://www.titantools.com.au)



Quick turnaround galvanising of the largest, smallest, and most complex construction members.  
[www.korvestgalvanisers.com.au](http://www.korvestgalvanisers.com.au)