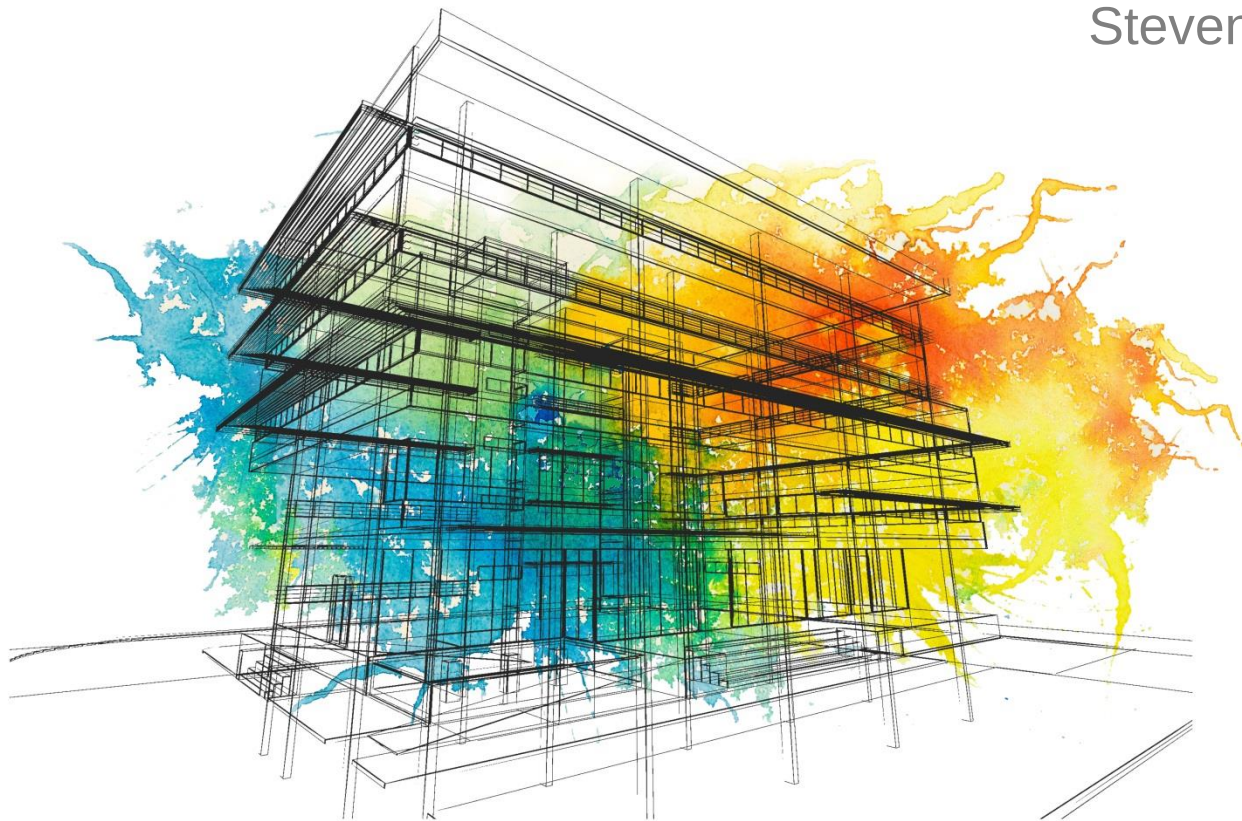


FY2017 Results

Alexander Kachellek
Steven McGregor



Agenda

- FY17 Key Points
- Financial Results
- Outlook
- Company Overview

Introduction to Korvest

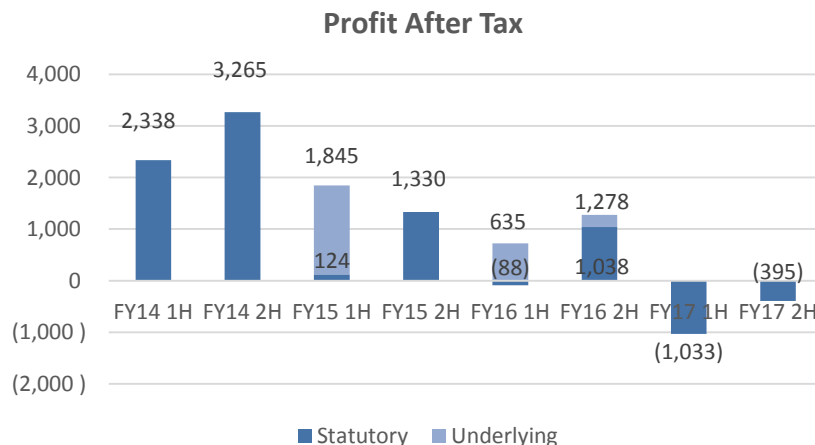


- Korvest (ASX:KOV) is headquartered in South Australia and provides cable and pipe supports, access systems for large mobile equipment, hydraulic tools and wrenches, and galvanising services
- Listed in September 1970
- Korvest has sales offices warehouses in Adelaide, Melbourne, Sydney, Brisbane and 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
- Korvest business sell to a wide variety of industry sectors

Headline Numbers



	June 2017	June 2016	% Change
Sales	\$44.73m	\$54.98m	(18.6%)
EBIT	(\$2.29m)	\$1.30m	(276%)
Operating cashflow	(\$0.38m)	\$7.43m	(105%)
EPS	(14.4c)	8.9c	(262%)
Dividend per share	13c	20c	(35%)



- No major project sales during period
- International strategy refocussed
- Higher input costs

1 Underlying Profit after Tax is a non-IFRS measure. Details of how it is calculated including a reconciliation to statutory numbers are set out on page 15

Industrial Products



	June 2017	June 2016	% Change
Sales	\$40.27m	\$50.70m	(20.6%)
EBIT	(\$1.63m)	\$2.99m	(154.5%)
EBIT %	(4.0%)	5.9%	

EzyStrut

Trading Update

- Lack of major projects
- Day-to-day work improved
- Inconsistent activity state by state
- NSW most active market
- Margins reduced
 - Static sell prices
 - Increasing input costs (eg steel, energy)



- Improved result
- Cost base reduced in June (WA site closed, some admin moved to Head Office)

Production Services

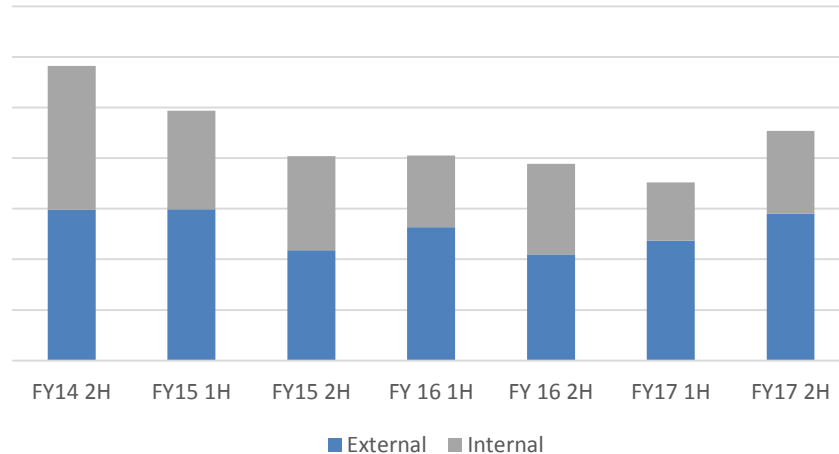


	June 2017	June 2016	% Change
Sales	\$4.46m	\$4.28m	4.2%
Statutory EBIT	(\$0.30m)	(\$0.05m)	
EBIT %	(6.7%)	(1.2%)	



korvest galvanisers

Galvanising volume



Trading Update

- More external, less internal tonnes
- 2H improvement
- Margin pressure
 - Increasing zinc cost (35%)
 - Surplus market capacity
 - Energy costs \$120k 2H increase

Balance Sheet



ASSETS	\$m	June 2017	June 2016	June 2015
Cash & Investments		2.0	5.1	(0.5)
Receivables		9.5	8.2	13.6
Inventories		10.7	11.5	13.6
Property, Plant & Equipment		13.8	14.6	15.9
Other		0.1	1.0	0.3
Total Assets		36.1	40.4	42.9

LIABILITIES

Payables	(4.0)	(4.2)	(4.2)
Other Liabilities	(2.9)	(3.7)	(3.7)
Total Liabilities	(6.9)	(7.9)	(7.9)

NET ASSETS	29.2	32.5	32.5
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Receivables – 4Q sales \$1.8m higher in FY2017 than FY2016

Inventories – Focus on reducing inventory

Dividends



	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Interim	10c	10c	17c	26c	26c
Special Interim	-	-	-	100c	-
Final Dividend	3c	10c	12c	31c	20c
Total Dividend	13c	20c	29c	157c	46c
Franking	100%	100%	100%	100%	100%

- DRP suspended for final dividend

Key Dates

Record Date: 25 August 2017

Payment Date: 8 September 2017

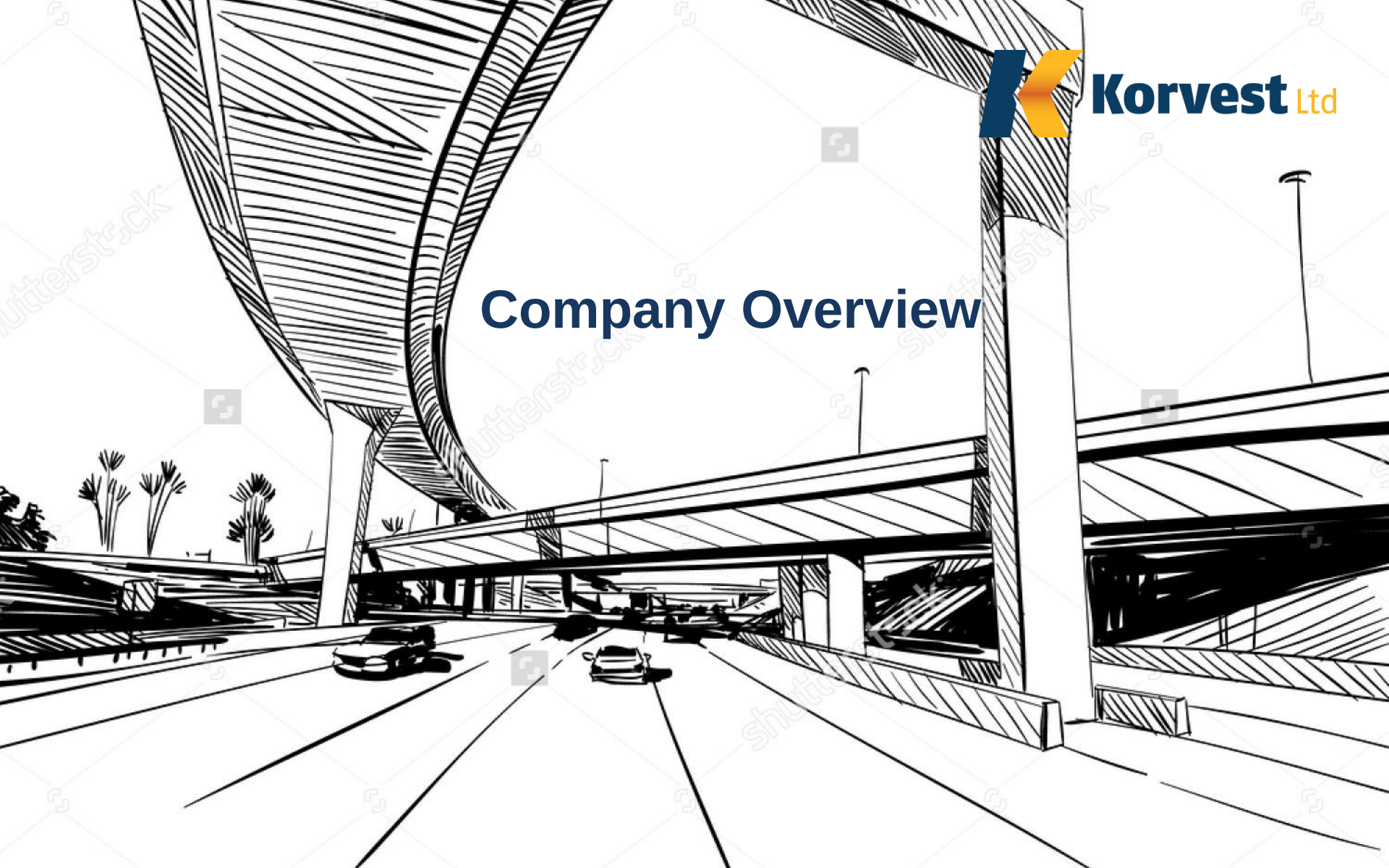
Outlook

- Domestic market is primary focus
- Market outlook encouraging
- Product cost improvement
 - supply chain
 - new machinery investment
- Price rises
- Inventory reduction
- Update on trading at AGM



Korvest Ltd

Company Overview



Industrial Products



- 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
- Sales Representatives/agents in:
 - QLD, WA, NSW
 - Chile, Brazil, South Africa

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

Calculations

Underlying Profit After Tax is a non-IFRS measure. The chart showing Profit after Tax on Page 4 shows underlying and statutory Profit after Tax. The calculations of the underlying numbers included in this presentation are set out below.

Underlying Profit After Tax

\$'000	FY15 1H	FY16 1H	FY16 2H
Statutory EBIT	124	(88)	1,038
Adjustments			
Restructuring		248	240
Acquisition related costs		475	
Goodwill impairment	1,721		
Underlying EBIT	1,845	635	1,278



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