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PRESS RELEASE

Korvest First Half FY2026 results

The Chairman, Mr Andrew Stobart, today announced the following operating results for the 6 months ended 31st December 2025 for Korvest Ltd.

Mr Stobart said that revenue from trading operations increased by 17.9% to $60.3 million compared to the prior comparative period (PCP) as a result of increased activity in the Industrial Products segment. Profit before tax included an accounting gain of $163k on the termination of a lease and increased by 33.2% to $5.4 million noting that the PCP result was impacted by one-off costs of circa $670k associated with an operational issue in galvanising and an engineering claim in that period. The accounting gain arose as an option to extend the lease term was not exercised. This gain was offset by further engineering claim costs of $566k during the period in relation to a third party design fault, bringing the total cost to $1.435 million. Recovery of all or a significant portion of these costs is expected but not yet certain, pending settlement with the supplier.

Industrial Products

EzyStrut revenue increased by 19.3% compared to the PCP with improved revenue from all channels to market. The most significant improvement was in major projects with three projects having meaningful levels of supply during the half compared to only one project in the PCP. Product mix and project phasing of major projects resulted in improved margins. In addition to the major project growth the small project market improved in most states.

By its nature, major project activity can fluctuate significantly based on timing of supply and customer requirements. The major project which dominated the FY25 2H result continued into the current period albeit at reduced volumes. The project is expected to be finished during the second half. Both the other major projects with activity during the half will continue throughout the remainder of the financial year.

Branch network costs grew with increased headcount in response to market activity along with the annual salary adjustments to maintain market competitiveness. In December the Queensland branch relocated to a new site which incurred one off moving costs and increased rent related costs as both old and new sites were leased during December.

Production

Plant volumes in the Galvanising business improved on the PCP levels however did not match the volumes achieved in FY25 2H. This was consistent for both external and EzyStrut work. The cost of zinc trended up during the period. However, the decision to purchase expected forward requirements when prices were lower in July and August minimised the impact. Labour costs increased at a greater rate than volume to build capacity in anticipation of a major project expected to commence late in the half. Unfortunately, the majority of project materials were delayed and the greater portion of this work will now fall in the second half.

Capital Expenditure

Capital expenditure during the period was at record levels as the Kilburn site redevelopment commenced in October 2025 with $1.5 million of the phase one costs incurred in the half. The EzyStrut transport fleet expanded further with five new trucks added. The move of the Queensland branch to a significantly larger site continues the investment being made to improve customer service levels with larger stock holdings.

The Galvanising business had a particularly busy shutdown over the Christmas period with the replacement of the main galvanising kettle and the installation of a new state-of-the-art burner management system successfully undertaken.

DIVIDEND

The Directors determined to pay a fully franked interim dividend of 25.0 cents per share with a record date of 13 February 2026 and a payment date of 6 March 2026.

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

OUTLOOK

The success rate of EzyStrut winning major infrastructure projects has continued and as a result major project activity is expected to increase in the second half. Two additional major infrastructure projects will commence adding to the ongoing projects from the first half. The small project and day-to-day channels are expected to remain strong with activity at least at the levels of the first half.

The galvanising business starts the second half with a large project required to be processed prior to the end of the financial year which should result in overall plant volumes increasing in the second half. Improved labour management along with the energy savings anticipated from the new burner system should see improved galvanising profitability in the second half.

Korvest enters the second half with a significant order book which is expected to result in a strong second half which will exceed the first half performance. The improved second half performance is unlikely to match the record FY25 PCP which benefited from a major project accelerated supply schedule.

A STOBART
CHAIRMAN

23 January 2026

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