



**CHAIRMAN'S ADDRESS
TO SHAREHOLDERS**

**MANAGING DIRECTOR'S ADDRESS
TO SHAREHOLDERS**

Delivered at the Annual General Meeting on
Friday 31st October 2025

Ladies and Gentlemen,

This morning I will be commenting on the 2025 financial year as well as providing an update on our current trading conditions. I'll then hand over to Chris Hartwig to provide more detail on both last financial year and the year ahead.

FINANCIAL RESULTS

In financial year 2025 Korvest achieved record revenue of \$119.6 million and after tax profit of \$13.2 million with both EzyStrut and Korvest Galvanisers performing well.

EzyStrut experienced two quite different halves. The first half was flat compared to the prior year's first half as the four major projects being supplied were all nearing completion. In the second half, two new projects commenced including one with a compressed delivery schedule which resulted in the project being almost entirely completed within the half. This was a remarkable achievement as normally projects of this magnitude would be delivered over a two or three year period.

The day-to-day market was flat with an improvement in the wholesaler business being offset by reduced contractor activity.

The Galvanising business processed increased tonnes during the year with improvement in both external and internal volumes. This achievement was despite the plant experiencing a significant operational issue in November 2024 which resulted in 17 days of lost production. The majority of the costs of rectification and the resulting increased cost of doing business were recovered from insurance which reduced the impact on the FY25 profit.

Chris will comment further on the FY25 business performance.

In June 2025 the Board approved Phase 1 of the Company's plan to increase the production capability and capacity at the Kilburn site. Phase 1 includes the construction of a new fabrication facility at the rear of our existing site with a build cost of approximately \$7.4 million. Construction commenced this month.

Phase 2 of the project will follow and involves the purchase of machinery for the building including additional weld bays, roll formers, a laser cutter and powder coating line. Phase 2 is expected to cost approximately \$4 million. To put the expansion into perspective, the new building will add an additional 80% manufacturing footprint on our Kilburn site and will result in:

- 100% increase in our strut roll forming capacity,
- 100% increase in flat bed laser cutting capacity, and
- 100% increase in weld bays.

In addition, it will expand our capability with a powder coating line which will bring in-house a service we currently outsource.

The building is scheduled for completion in August 2026 and the machinery will be progressively installed through until late calendar 2026.

The project is expected to be funded from our operating cashflows and, along with the continued look out for appropriate acquisitions, will support Korvest's strategic growth and costs reduction plans for the future.

In 2025 the Board also undertook a complete review of our board skills matrix and updated our plans for board succession. This will ensure an orderly rotation of directors with the recruitment of new directors with clearly identified skills.

As a result of the concentration of major project work in FY25 we were pleased to announce a special dividend of 10 cents in addition to the final dividend of 40 cents. This resulted in the total dividend related to the FY25 year being 75 cents.

CURRENT YEAR TO DATE

Our current year to date is tracking well and in line with expectations. Both revenue and profitability are currently ahead of the levels achieved in the first half of FY25 and are expected to remain that way for the remainder of the half.

I would now like to hand over to Chris Hartwig to provide more detail on last year's performance and the future.

Thank you Andrew,

Ladies and Gentlemen, today I will be reflecting on the FY25 financial year and will also provide an update on the current trading conditions and key focus areas for Korvest going forward.

FINANCIAL YEAR 2025

FY25 was a record year for sales and profitability, building on the strong foundation of results achieved in recent years. Before I discuss the financial results, I would like to make a few comments regarding our safety performance and ESG.

FY25 was another improved year in terms of safety performance with zero Lost Time Injuries for the year. This is a remarkable achievement. However, safety is more about the journey than the destination and the hard work never

stops. We have strengthened our resources and will continue to hold safety as a critical value. The Kilburn site redevelopment will provide further opportunity to reduce some key safety risks.

Korvest's ESG related activities continue to develop in a positive direction. We were able to further reduce our Scope 1 and 2 CO₂e emissions despite the expansion of our own fleet of trucks across our EzyStrut branches. The heat exchanger to capture waste heat from the main kettle burner flue for use in heating the pre-treatment baths has been successful. The planned upgrade to the main kettle gas burners and management system has been deferred until the end of calendar year 2025 shutdown as a result of the operational issue that occurred during the first half of FY25.

We continued donations to staff-nominated not for profit organisations and charities under the Korvest Community Support Program and again awarded the Korvest Mechanical Engineering and Advanced Manufacturing Scholarship in conjunction with UniSA.

As Andrew has already mentioned, FY25 had very strong revenue of \$119.6 million, leading to a record profit after tax of \$13.2M. This result included the net effect of the Galvanising operational issue and the remediation costs related to a third party design fault in the EzyStrut business.

The EzyStrut business had another very successful year. Major project work was up significantly compared to FY24, driven by the accelerated delivery schedule of one major project in the second half. The data centre market experienced solid growth. At a state level, the results were mixed with 3 states

down on FY24 activity levels with major projects being the key factor. The smaller project / day-to-day market was stable for the year.

EzyStrut finished FY25 with 1 ongoing infrastructure project, sizeable contract variations on the accelerated project and 1 early works contract for a significant infrastructure project. It is expected another 2 or 3 infrastructure projects will be awarded in FY26 and winning these remains a key priority for the business.

Steel prices declined marginally throughout the year, operating within a reasonably tight band. Steel prices are closely monitored and purchasing patterns managed carefully to ensure margins are protected. Overseas freight costs reduced from the abnormally high levels experienced as a result of geopolitical tensions. Other costs such as staff, domestic freight and occupancy costs rose due to inflationary pressures, with depreciation costs rising in line with the recent growth in capital expenditure.

Overall Capex spend reduced from FY24 levels but remained at historically high levels. Over 50% of the capital expenditure was for stay in business items such as forklifts, vehicles and lifting equipment. A new galvanising kettle to be installed at the end of calendar year 2025 shutdown has also been purchased. The remaining capital expenditure related to expanding our fleet of delivery trucks, the new kettle burner management system and equipment to increase our capability and capacity.

A small amount of capital expenditure related to the Kilburn site redevelopment. This redevelopment has commenced at the start of October 2025 and will include a 3,000 m² factory and 560m² canopy along with

associated equipment and noise attenuation measures. Andrew has already mentioned many of the metrics associated with this project in terms of spend and capacity increase. The rationale for this project is threefold. Firstly, the Kilburn site is at maximum capacity in terms of factory floorspace, making further investment in additional equipment impossible on the site. Secondly, the increase in capacity is needed to ensure EzyStrut can continue to grow and provide improved service to both the day-to-day and major project markets. Finally the redevelopment will allow further vertical integration by bringing key processes such as laser cutting and powder coating in house, reducing lead times and improving margins

The Galvanising business performed very well, improving both revenue and profitability. External volumes increased due to a major project in the renewables sector. Internal volumes also increased as expected with the strong levels of activity in the EzyStrut business. Zinc prices rose by over 10% in the first half before falling by a similar amount during the second half. The cost of gas remained high but is partially offset by an external gas levy. The business continued to focus on reducing gas consumption and achieved a reduction of 8% in the amount of gas used in FY25 versus FY24. Gas supply and pricing has been locked in for calendar years 2026 and 2027 at slightly improved pricing.

FINANCIAL YEAR 2026 OUTLOOK AND INITIATIVES

The day-to-day market has remained stable, but with an increased level of competition in some sectors including data centres. Major project supply is solid but unlikely to achieve the record FY25 levels. The pipeline of major infrastructure projects is healthy with a number due for award in FY26.

A number of key initiatives will be undertaken during FY26 including the Kilburn site redevelopment, replacement kettle and upgraded burner management system in Galvanising, a larger leased distribution facility in Brisbane and bedding down the recent ERP transition. Construction has also commenced on a larger leased distribution facility in Perth with completion due in late FY26. These initiatives highlight an exciting path forward for Korvest.

As mentioned by Andrew, both revenue and profitability are currently tracking ahead of the levels achieved in the first half of FY25 and are expected to remain that way for the remainder of the first half.

Thank you for your time, and I will now hand the meeting back to the Chairman.