

ASX ANNOUNCEMENT

24 February 2026

K&S Corporation Limited Results for the Half Year Ended 31 December 2025

The Directors of K&S Corporation Limited (ASX: KSC) today announce an underlying profit before tax¹ of \$15.9 million for the half year ended 31 December 2025, 32.2% lower than the prior corresponding period. The underlying profit after tax¹ of \$11.0 million was 32.6% lower than the prior corresponding period.

Statutory profit before tax was \$16.2 million for the half year ended 31 December 2025, 29.7% lower than the prior corresponding period. Statutory profit after tax was \$11.2 million, down 30.2% on the previous year first half statutory profit after tax of \$16.1 million.

The statutory result for the half-year ended 31 December 2025 includes one significant item amounting to \$(0.3) million (before tax) comprising a gain in the fair value of the Group's interest rate swap. The Group's statutory result for the prior corresponding period included \$0.4 million loss in the fair value of the Group's interest rate swap (before tax).

The underlying profit saw continued sound performance by New Zealand and K&S Fuels, whilst Australian Transport was softer due to reduced volume and tightening trading conditions.

Operating cashflow for the current period was \$27.9 million, \$1.2 million higher than the prior corresponding period.

Australian Transport

Steel volumes from our major customers were below prior year levels. The exact timing of the cessation of previously contracted scopes of work for InfraBuild is still not known, but it remains the Group's expectation that these scopes of work will transition to InfraBuild's alternate transport provider by the end of FY2026.

Despite a modest contraction in revenues, the contribution of the interstate division (linehaul and intermodal) was in line with the prior comparative period. This market segment continues to exhibit high levels of competition.

Performance of the contract logistics business was softer due to the cessation of a number of customer contracts. The chemical transport operation continued to perform soundly in the first half of FY2026.

Despite a strong forward order book, our Western Australia based heavy haulage business continued to be adversely impacted by a number of supply chain constraints beyond its control including stevedoring issues at the wharf and build crew labour shortages affecting key customers. However, revenues increased modestly versus the prior comparative period and the heavy haulage business performed soundly in the first half of FY2026.

Our specialised aviation refuelling business, Aero Refuellers, improved its financial performance on marginally higher revenue. While fire season activity was subdued in the first half of FY2026, Aero Refuellers activity is forecast to increase early in the New Year.

Cost reduction strategies have continued to be implemented across the business, in particular, operational efficiencies, supplier re-negotiations, and the rationalisation and replacement of specific fleet. Ongoing cost reduction initiatives, coupled with customer re-negotiations, continued to have a positive impact on the result for the first half of FY2026.

Fuels

The fuel trading business, K&S Fuels, made a sound contribution to the first half result for FY2026, with margin improvement on softer revenue than the prior comparative period. K&S Fuels continues to develop a number of property related projects to improve and expand its service offering, with those projects expected to contribute to the fuel trading business' earnings in the second half of FY2026.

New Zealand

The New Zealand operation produced another sound half year result on stable revenue.

Balance sheet and Funding

The Group maintains a strong focus on the balance sheet.

The Group's net debt increased from \$49.7 million as at 30 June 2025 to \$62.9 million as at 31 December 2025, with the Group's gearing ratio (excluding lease liabilities) also increasing from 11.7% to 14.5% over the same period.

The Group's net debt is expected to continue to increase in the second half of FY2026 as the Group undertakes a number of property related projects, including:

- completion of the redevelopment of our Millicent 24/7 service station to a modern convenience store offering; and
- the construction of a new Townsville facility.

The Group has also recently completed two major property related projects, comprising:

- upgrades to our Coopers Plains (Brisbane) facility increasing our container storage and handling capability, inclusive of a new dangerous goods storage yard; and
- the construction of a new Adelaide terminal including a new workshop, container storage and handling yard, and improved warehousing capability which has allowed us to exit two externally leased properties.

These projects are expected to be earnings accretive.

Safety

Safety remains a key priority for K&S. The Group's lost time injury frequency rate was 6.6 as at December 2025, increasing by 61.0% on the prior comparative period.

The lost time injury frequency rate in New Zealand was 7.1.

The Group is yet to enter a plea to the Comcare (the Group's safety regulator under the *Work Health and Safety Act 2011 (Cth)* ("WHS Act")) prosecution against K&S in relation to an incident at the Group's Mt Gambier transport terminal on 20 December 2022. K&S has been charged with one count of breaching the general duty to ensure the safety of a worker, so far as is reasonably practicable, under the WHS Act. The charge carries a maximum penalty of \$1.5 million if K&S is convicted.

Interim Dividend

A fully franked Interim Dividend of 5.0 cents per share (2025: 8.0 cents per share) has been declared by the Directors. The Interim Dividend will be paid on 6 April 2026, with the date for determining entitlements being 20 March 2026.

Outlook

While the Group recorded a sound result for the first half of FY2026, providing specific earning guidance for the second half remains difficult. Following the recent Reserve Bank of Australia increase of the official interest rate, the Group anticipates that the low growth economic environment will persist in the second half of FY2026.

Increasing key input costs and margin pressure in the Australian Transport segment continue to present down-side risks to the second half result.

The Group currently does not have clarity on the timing of the cessation of the InfraBuild scopes of services the subject of our ASX announcement on 23 September 2025. However, it is presently anticipated that the majority of the services supplied to InfraBuild will continue during the third quarter of FY2026 and their cessation remains subject to an agreed transition to InfraBuild's alternate transport provider.

We presently anticipate that our second half result for FY2026 will be lower than the prior comparative period.

The Group has secure long term bank facilities and low gearing levels. We will continue to take a balanced approach to risk as well as maintaining a strong focus on working capital management.

By authority of the board of directors

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1. Underlying profits and earnings per share based on underlying profits are categorised as non-IFRS Financial information and therefore have been presented in compliance with ASIC Regulatory Guide 230- Disclosing non-IFRS information issued in December 2011. An underlying adjustment has been considered in relation to its size and nature and has been adjusted from the statutory information for disclosure purposes to assist readers to better understand the financial performance of the underlying business in each reporting period. This adjustment is the unrealised (gain)/loss on the Group's interest rate swap, which was primarily driven by the underlying market volatility in the short and mid-term interest expectations. The exclusion of this item provides a result which, in the Directors view, is more closely aligned with the ongoing operations of the Consolidated Group. The non-IFRS information has not been subject to audit or review by the auditor.