



Company	Korvest Limited
Code	KOV
Meeting	AGM
Date	20 October 2021
Venue	Online
Monitor	Malcolm Holden

Number attendees at meeting	Virtual Meeting
Number of holdings represented by ASA	12
Value of proxies	\$0.29m
Number of shares represented by ASA	46253
Market capitalisation	\$74m
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Stephen McGregor, Andrew Stobart

Another good year for KORVEST LIMITED

The 2021 Korvest Limited AGM provided Shareholders with an excellent update following the resignation of Graeme Billings in August.

Andrew Stobart as Chair welcomed Shareholders and guests by introducing himself and providing an overview of his executive experience having joined the Korvest Board in August 2016. Andrew welcomed and introduced Therese Ryan, appointed to fill a Board vacancy created following the departure of Graeme Billings.

Korvest finished FY21 strongly with revenue up 10.6% to \$69.8m on FY20 with a NPAT of \$6.1m from a NPAT of \$4.0m in 2020. These increases were attributed to increased major project supplies and improved small project and day-to-day activities.

The Chair spoke to Strategic Initiatives over the prior two years highlighting the investment in the Kilburn site that resulted in improved capacity and capability. A solar generating capacity was installed in May and this is expected to result in lower electricity costs and a reduction in carbon emissions.

Korvest sold Power Step and Titan businesses in September to return to core operations as these businesses did not demonstrate strategic alignment or synergies with EzyStrut or the Galvanising businesses.

The 2021 Annual Report was complimented by the Trading Update of 7 October, advising of the pull forward of major project supply and a buoyant general market with the first half profit before tax expected to exceed \$8m, inclusive of the profit on sale of Power Step.

The Chair invited the Managing Director to speak to the FY21 results and provide an overview of the outlook for 2022 and strategy for Korvest.

Chris Hartwig spoke to safety and environmental performance as being a focus in FY21 and for Korvest going forward. Dust emissions have been mitigated and a Noise Management Plan is in place and subject to review and continual monitoring for improvement.

Managing Covid-19 through FY21 (and beyond) remains an issue for Korvest, with some travel restrictions impacting, however limited shutdowns have had a reduced impact than may have been anticipated. Covid-19 has however impacted world steel pricing, availability, labour costs, shipping lead times and costs.

Chris indicated EzyStrut had an excellent year and the win rate for major projects has been very high, a product of strategic initiatives referred to by the Chair.

The Galvanising business saw improved volume in both plants and this growth led to improved profitability particularly from EzyStrut and the Gawler Rail Electrification upgrade.

Korvest FY22 outlook is strong with record levels of work on hand with key road and rail tunnel projects in NSW and Victoria seeing supply being brought forward.

In FY22, Korvest will see delivery of a new fibre laser cutter and guillotine and a second robotic bracket welding cell resulting in improved productivity and a safer workplace.

ASA asked in a Pre-AGM meeting with Finance Director Stephen McGregor and Chair Andrew Stobart to expand on whether the Board might give consideration to offering to purchase unmarketable parcels or other small parcels up to 1000 shares. We were advised that some staff were small shareholders.

Our question was further addressed in a consolidated response as to questions on Dividends and any consideration of a Special Dividend being made in FY22.

Resolutions before the AGM were passed with >95% "For" Vote for Resolutions 1-5, resulting in the Adoption of the Remuneration Report, the Re-election of Directors Gerard Hutchinson and Therese Ryan. The Grant of Performance Rights to Chris Hartwig and Stephen McGregor were carried.

A copy of the Chairman's Address to Shareholders and Results of Meeting were lodged with the ASX and a Periodic Report of Jobkeeper Payments Notice was lodged following the conclusion of the AGM with the ASX.