

Korvest profit jump despite low revenue

CAMERON ENGLAND

PROFIT more than doubled despite flat revenue for Adelaide company Korvest in the first half of the year.

The company, which operates the EzyStrut materials business and has a galvanising division, also boosted its interim dividend significantly, up from 5c to 9c per share.

Revenues fell 1.3 per cent to \$29,190, but net profit was up 110 per cent from \$542,000 to \$1.13 million.

In a statement to the ASX, chairman Graeme Billings said improved margins had contributed to the jump in profitability.

Revenue for EzyStrut was flat, and the Power Step and Titan businesses experienced "more subdued trading conditions than during the previous corresponding period".

The galvanising business had a 2.5 per cent decrease in volumes related to the EzyStrut weakness.

The outlook was positive however, with the company saying it expected activity levels for the second half of the financial year to improve.

"This is due to the supply of the major infrastructure project (which the company is supplying to) being expected to span the whole of the second half rather than just one quarter as was the case in the first half," the company said.

"Day to day markets were strong during the first half and there are no indications that this situation will change during the second half."

Korvest shares closed more than 7 per cent higher at \$2.78.

The dividend will be paid on March 8 and the record date is February 22.