

ASX ANNOUNCEMENT

25 August 2025

K&S Corporation announces full year result for FY2025

K&S Corporation Limited (ASX: KSC) today announces an underlying profit before tax¹ of \$38.3 million for the year ended 30 June 2025, a decrease of 9.0% on the prior corresponding period. The underlying profit after tax was \$26.3 million, 17.2% down on the prior corresponding period result of \$31.7 million.

Statutory profit before tax for the year ended 30 June 2025 was \$42.4 million, 2.6% higher than the prior corresponding period. Statutory profit after tax was \$29.2 million, 6.5% lower than the previous year statutory profit after tax of \$31.2 million.

Included in the Group's statutory result for FY2025 was an impairment reversal gain of \$4.9 million in relation to the Group's properties in Bullsbrook WA and Townsville Qld. The impairment reversal was driven by the market movements in the underlying land prices consequent to valuations. Also included in the Group's statutory result for FY2025 was a \$0.7 million accounting loss attributable to the Group's interest rate swap instrument.

Operating revenues decreased by 9.7% to \$744.8 million in FY2025.

Operating cash flow for FY2025 was \$61.0 million, 7.2% lower than for the previous year.

Safety remains a key focus for the Group. The Group's lost time injury frequency rate increased from 3.8 in FY2024 to 4.2 in FY2025.

The Australian transport segment performed soundly in FY2025, albeit the underlying profit after tax for this segment reduced 11.6% on the prior comparative period. The operations maintained strong cost and service focussed disciplines and continued to progress detailed end-to-end reviews of the operational parameters for a number of core activities and functions designed to ensure that all scopes of services undertaken generated an adequate return.

Full year revenue decreased from FY2024 to FY2025, in part as a result of exiting several customer contracts and also due to lower customer volumes. The ongoing benefits from the implementation of cost reduction strategies across the business continued to contribute to underlying profit. In particular, the Group has maintained its focus on operational efficiencies, supplier renegotiations, cessation of underperforming activities, and the rationalisation and replacement of specific fleet assets that reduced operating costs.

On stable revenue, the New Zealand business recorded another sound result in FY2025. The New Zealand business continues to target the provision of integrated and value adding services and we continue to review initiatives to further align with key customer logistics functions.

The fuel trading business has provided strong financial results, albeit revenue and profit are down on FY2024. The fuel retailing and wholesaling markets remain dynamic and continue to exhibit high levels of competition. We are currently undertaking several projects to expand both our retail and wholesale offering, including the redevelopment of several company owned sites and the purchase of new sites.

While the Group will continue to explore opportunities to diversify the industry sectors that we service, our strategy remains to improve the quality and contribution of our revenue base, rather than targeting work solely to grow top line revenue.

Balance Sheet and Funding

The Group has maintained a very strong balance sheet in FY2025, underpinned by sound trading performance coupled with prudent capital management disciplines.

The Group's gearing ratio (excluding lease liabilities) increased to 11.7% at 30 June 2025, compared to 6.3% in the prior year. The Group's net debt increased to \$49.7 million at 30 June 2025, up from \$23.8 million in the prior comparative period.

The increase in debt levels was predominantly attributable to the ongoing development of a new transport terminal at the Adelaide site acquired in FY2024, significant upgrades to the Brisbane terminal, the redevelopment of the Millicent 24x7 service station, as well as several other property related projects. The construction of the new Adelaide transport terminal will facilitate the exit of two existing property leases and realise operational synergies.

The Group acquired fixed assets totalling \$65.9 million, compared to \$70.4 million in the prior year and continues to invest to maintain a modern operating fleet.

Based upon independent valuations, the Group increased the carrying value of its freehold property portfolio by \$18.8 million. The Group has a substantial property portfolio consisting of high-quality industrial assets with a carrying value of \$309.1 million.

The Group's debt facilities comprise funding in four year tranches totalling \$125 million (inclusive of a \$35 million bank guarantee facility) maturing in September 2027 and five year tranches totalling \$80 million maturing in September 2028.

Safety

The Group continues to invest in our safety management system and on road compliance and the training of our employees. The Group recognises that its social licence to operate is contingent upon achieving industry leading on-road behaviours and safety outcomes.

In FY2024, the Group undertook its second People at Work (PAW) employee survey to assess key psychosocial hazards and factors that may have potential impacts upon employee mental health and wellbeing, job burnout, productivity, increased sickness related absence and physical disorders. The Group is committed to addressing any psychosocial hazards and factors within the workplace and has commenced rolling out a number of initiatives. Identifying and addressing any psychosocial hazards will remain a key focus in FY2026.

In December 2024, Comcare (the Group's safety regulator under the Work Health and Safety Act 2011 (Cth) ("WHS Act") commenced a prosecution against K&S out of the Magistrates' Court of South Australia in relation to a 2022 incident at the Group's Mt Gambier transport terminal. K&S has been charged with one count of breaching the general duty to ensure the safety of a worker, so far as reasonably practicable, under the WHS Act. The charge carries a maximum penalty of \$1.5 million if K&S is convicted. K&S is yet to enter a plea to the charge.

Dividend

The Directors have declared a fully franked final dividend of 8.0 cents per share (2024: 8.0 cents per share). This follows the fully franked interim dividend of 8.0 cents per share paid in April 2025, making the total fully franked dividend 16.0 cents per share in respect of the year ended 30 June 2025 (2024: 18.0 cents per share).

The final dividend will be paid on 4 November 2025, with the date for determining entitlements being 17 October 2025.

The dividend reinvestment plan remains suspended in respect of the final dividend.

Outlook

Providing earnings guidance going forward remains difficult. While economic markets are forecasting further cuts to official interest rates in Australia and New Zealand, there is typically a substantial lag time between an interest rate cut and increased market activity. The Group anticipates that the current low growth economic environment will continue in FY2026.

Coupled with increasing key input costs, we expect that these items will likely present risks to FY2026 results. The Group anticipates that these aggregated impacts will be partially offset by margin improvements in FY2026.

While the Group is currently progressing a significant property project related capital expenditure programme, it has comparatively low gearing levels and a very strong balance sheet. We will continue to take a conservative approach to all financial risk as well as maintaining a strong focus on working capital management and underlying profit improvement. We will continue to target the ongoing improvement of the quality of our revenue base, with our focus also maintained on growth in specific market segments, be that organic or through acquisition, as well as continuing to invest in our property portfolio with the specific intention to realise accretive returns on any investment.

Further Information:

Mr Paul Sarant
Managing Director and Chief Executive Officer
Ph: (03) 8744 3500
Paul.Sarant@ksgroup.com.au

Mr Tony Johnson
Chairman
Ph: (03) 8744 3500
Tony@tonyjohnson.net.au

Annexure A – Financial Overview

Financial Overview		2025	2024	% Movement
Operating Revenue	\$'000	744,806	824,577	(9.7%)
Statutory profit after tax	\$'000	29,197	31,225	(6.5%)
Statutory profit before tax	\$'000	42,436	41,347	2.6%
Earnings before interest and tax (EBIT)	\$'000	46,506	44,905	3.6%
Earnings before interest, tax and depreciation (EBITDA)	\$'000	90,700	87,645	3.5%
Less significant items	\$'000	(4,152)	744	(658.1%)
Underlying profit before interest, tax & depreciation ¹	\$'000	86,548	88,389	(2.1%)
Underlying profit before interest & tax ¹	\$'000	42,354	45,649	(7.2%)
Underlying profit before tax ¹	\$'000	38,284	42,091	(9.0%)
Underlying operating profit after tax ¹	\$'000	26,290	31,746	(17.2%)
Total assets	\$'000	699,293	652,375	7.2%
Net borrowings excluding lease liabilities	\$'000	49,685	23,776	109.0%
Shareholders' funds	\$'000	373,624	355,946	5.0%
Finance costs	\$'000	4,070	3,558	14.4%
Depreciation	\$'000	44,194	42,740	3.4%
Dividend per share	cents	16.0	18.0	(11.1%)
Net tangible assets per share	\$	2.69	2.56	5.1%
Operating cash flow	\$'000	61,047	65,780	(7.2%)
Return on assets	%	6.1	6.3	(3.2%)
Gearing ratio (excluding lease liabilities)	%	11.7	6.3	85.7%
Employee numbers		1,646	1,810	(7.8%)
Lost time injuries		16	12	33.3%
Lost time injuries frequency rate (LTIFR)		4.2	3.8	10.5%

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 financial 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. The adjustments relate to impairment reversals which were previously excluded from underlying earnings, as well as the unrealised 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 these items provides a result which, in the Directors view, is more closely aligned with the ongoing operations of the Consolidated Group. The non-IFRS financial information has not been subject to audit or review by the auditor.