K&S CORPORATION LIMITED

ASX ANNOUNCEMENT

25 August 2026

K&S Corporation announces full year result for FY2026

K&S Corporation Limited (ASX: KSC) today announces an underlying profit before tax[1] of $32.1 million for the year ended 30 June 2026, a decrease of 16.0% on the prior corresponding period. The underlying profit after tax was $22.5 million, 14.5% down on the prior corresponding period result of $26.3 million.

Statutory profit before tax for the year ended 30 June 2026 was $32.6 million, 23.3% lower than the prior corresponding period. Statutory profit after tax was $22.8 million, 22.0% lower than the previous year statutory profit after tax of $29.2 million.

Included in the Group's statutory result for FY2026 was a $0.4 million accounting gain on a before tax basis attributable to the Group's interest rate swap instrument.

Operating revenues decreased by 2.1% to $729.2 million in FY2026.

Operating cash flow for FY2026 was $63.7 million, 4.3% higher than for the previous year.

Safety remains a key focus for the Group. The Group's lost time injury frequency rate was 6.8 in FY2026 (4.2 in FY2025).

The Australian transport segment performed soundly in FY2026, albeit that the underlying profit before tax for this segment reduced 26.1% on the prior comparative period. The operating divisions 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.

Consistent with our expectations previously communicated to the market, the Group ceased to perform the majority of services previously provided to InfraBuild progressively from the fourth quarter of FY2026 through to July 2026. Employees and assets previously aligned to the InfraBuild scopes of services have been redeployed where practicable. The Group thanks our team of loyal employees who collectively provided a high level of services to InfraBuild (and its predecessor owners) over many years.

Full year revenue decreased in FY2026, in part as a result of exiting several customer contracts and partly due to lower customer volumes in the challenging economic environment. 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.

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The New Zealand business recorded another sound result in FY2026 on stable revenue. New Zealand's domestic economy improved modestly in FY2026, with high export prices providing support for a number of the Group's customers. 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, with both revenue and profit higher than in FY2025. The fuel retailing and wholesaling markets remain dynamic and continue to exhibit high levels of competition.

With the uncertainty caused by the middle east conflict and fuel prices increasing significantly in March and April 2026, a key focus of the fuel trading business was to ensure security of supply and managing the timing of fuel purchasing across the period of significant fuel price volatility through to June 2026. Fuel prices have stabilised, and market confidence regarding ongoing fuel availability remains sound.

The fuel trading business is currently finalising several projects to expand both our retail and wholesale offering. Two new sites will be commissioned in August 2026, with the redevelopment of another site expected to be completed in the first half of FY2027.

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 FY2026, underpinned by sound trading performance coupled with prudent capital management disciplines.

The Group's gearing ratio (excluding lease liabilities) increased to 12.8% at 30 June 2026, compared to 11.7% in the prior year. The Group's net debt increased to $55.8 million at 30 June 2026, up from $49.7 million in the prior comparative period.

The increase in debt levels was predominantly attributable to the 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 commissioning of the new Adelaide transport terminal in January 2026 facilitated the exit of two existing property leases and is realising operational synergies. The completion of the upgrades to the Brisbane terminal has allowed the Group to pursue chemical storage opportunities for Chemtrans and has also increased our container storage and handling capacity.

The Group acquired fixed assets totalling $63.3 million, compared to $65.9 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 $8.6 million. The Group has a substantial property portfolio consisting of high-quality industrial assets with a carrying value of $353.1 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.

The Group's Lost Time Injury metrics and Lost Time Injury Frequency Rate trended upwards in FY2026; immediate proactive measures were taken in the second half of the year. The *Reconvene / Reset* safety leadership initiative framework revitalises our existing safety meetings and operational interactions, maximising frontline engagement and further embedding safe behavioural protocols throughout the organisation.

In FY2026, the Group undertook its employee engagement survey, amongst other things to assist it to assess key psychosocial hazards and factors that may have potential impacts upon employee mental health and wellbeing, job burnout, productivity, and increased sickness related absence. The Group had previously undertaken two People at Work surveys of its workforce. The Group is committed to addressing any psychosocial hazards and factors within the workplace and has commenced rolling out a number of initiatives. Addressing psychosocial hazards was a key focus in FY2026, with the Group aligning its effort to the categories of psychosocial hazards contained in the Work Health and Safety (Managing Psychosocial Hazards at Work) Code of Practice 2024 issued by Safe Work Australia.

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 an incident at the Group's Mt Gambier transport terminal in 2022. 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.

Sustainability Report

For the financial year ended 30 June 2026, the Group has prepared a Sustainability Report as required by Chapter 2M of the Corporations Act 2001 and AASB S2 Climate-related Disclosures. The Sustainability Report is accompanied by a Directors' Declaration regarding the reasonable steps taken to ensure compliant preparation and has been lodged concurrently with this financial report.

Dividend

The Directors have declared a fully franked final dividend of 6.0 cents per share (2025: 8.0 cents per share). This follows the fully franked interim dividend of 5.0 cents per share paid in April 2026, making the total fully franked dividend 6.0 cents per share in respect of the year ended 30 June 2026 (2025: 16.0 cents per share).

The final dividend will be paid on 4 November 2026, with the date for determining entitlements being 16 October 2026. The dividend reinvestment plan remains suspended in respect of the final dividend.

Outlook

Providing earnings guidance going forward remains difficult. Recent disruption arising out of the middle east conflict coupled with greater geopolitical instability have contributed to a more uncertain outlook for the Australian economy. The Group anticipates that the current low growth economic environment will persist in 2026.

Coupled with increasing key input cost pressures, costs associated with investment in additional internal resources, flat construction activity, and the cessation of the majority of the InfraBuild scopes of services, we currently expect that this will continue to present risks to FY2027 results. The Group anticipates that these impacts will be partially offset by price, volume and margin improvements in FY2027.

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The Group has comparatively low gearing levels and a very strong balance sheet. We will continue to take a composed approach to 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, in each case where we can realise accretive returns on any investment.

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Annexure A – Financial Overview

Financial Overview		2026	2025	% Movement
Operating Revenue	$'000	**729,180**	744,806	**(2.1%)**
Statutory profit after tax	$'000	**22,780**	29,197	**(22.0%)**
Statutory profit before tax	$'000	**32,563**	42,436	**(23.3%)**
Earnings before interest and tax (EBIT)	$'000	**37,902**	46,506	**(18.5%)**
Earnings before interest, tax and depreciation (EBITDA)	$'000	**81,591**	90,700	**(10.0%)**
Less significant items	$'000	**(419)**	(4,152)	**89.9%**
Underlying profit before interest, tax & depreciation[1]	$'000	**81,591**	86,548	**(5.7%)**
Underlying profit before interest & tax[1]	$'000	**37,902**	42,354	**(10.5%)**
Underlying profit before tax[1]	$'000	**32,144**	38,284	**(16.0%)**
Underlying operating profit after tax[1]	$'000	**22,487**	26,290	**(14.5%)**
Total assets	$'000	**721,188**	699,293	**3.1%**
Net borrowings excluding lease liabilities	$'000	**55,847**	49,685	**12.4%**
Shareholders' funds	$'000	**378,949**	373,624	**1.4%**
Finance costs	$'000	**5,758**	4,070	**41.5%**
Depreciation	$'000	**43,689**	44,194	**(1.1%)**
Dividend per share	cents	**11.0**	16.0	**(31.3%)**
Net tangible assets per share	$	**2.73**	2.69	**1.5%**
Operating cash flow	$'000	**63,692**	61,047	**4.3%**
Return on assets	%	**4.5**	6.1	**(26.2%)**
Gearing ratio (excluding lease liabilities)	%	**12.8**	11.7	**9.4%**
Employee numbers		**1,522**	1,668	**(8.8)%**
Lost time injuries		**24**	16	**50.0%**
Lost time injuries frequency rate (LTIFR)		**6.8**	4.2	**61.9%**

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 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 financial information has not been subject to audit or review by the auditor.

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