

Appendix 4D Half year report for the six months ended 31 December 2023

Reporting period

Report for the half year ended 31 December 2023

Previous corresponding period is the financial year ended 30 June 2023 and the half year ended 31 December 2022

Results for announcement to the market

	31 Dec 2023	31 Dec 2022	Change	Change
	\$M	\$M	\$M	%
Revenue from ordinary operations	185,734	175,806	9,928	5.6%
Underlying EBITDA ¹	9,804	8,302	1,502	18.1%
Profit/(loss) for the half year	(387)	1,528	(1,915)	-

1. Underlying EBITDA is earnings before interest, tax, depreciation, amortisation and has been adjusted to exclude the impact of AASB 16 Leases and significant items. Underlying EBITDA is a non-IFRS measure and reflects how management measures performance of the Group.

Dividends

No dividends have been declared in relation to the half year ended 31 December 2023.

A final dividend of \$3.3 million was paid during the period in relation to the financial year ended 30 June 2023.

Amount of dividend per security

		Amount per security	Franked amount per security at 30% tax
Interim dividend	current year	Nil	Nil
	previous year	Nil	Nil
Final dividend	current year	N/A	N/A
	previous year	3.5 cents	3.5 cents

The Company's Dividend Reinvestment Plan has been reinstated.

Net Tangible Assets Per Security

As at 31 December 2023	0.38
As at 31 December 2022	0.39

The financial information provided in Appendix 4D is based on the half year condensed consolidated financial report (attached).

The attached financial statements and Directors' declaration have been subject to an independent review.



Coventry Group Ltd

**31 DECEMBER 2023
HALF YEAR REPORT**

VALUES

AT COVENTRY GROUP, OUR VALUES ARE

SAFETY FIRST

We place the health, safety and wellbeing of our people first

DO THE RIGHT THING - FAIRNESS, INTEGRITY & RESPECT

We treat everyone equally, we operate with competence and we treat everyone with respect

WORK AS A TEAM

We work with strength and resilience together.

BE THE BEST AT EVERYTHING WE DO

We strive to be better every day, finding new ways to grow our company and each other

OUR PEOPLE we trust and empower our people

OUR CUSTOMERS we are dedicated to our customer's needs

OUR SUPPLIERS we work in partnership with our suppliers



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DIRECTORS' REPORT

The Directors present their report on the Consolidated entity consisting of Coventry Group Ltd and controlled entities at the end of, or during, the half year ended 31 December 2023.

Throughout the report, the Consolidated entity is referred to as the Group.

Our vision at Coventry is to be a leading industrial supply and services group in Australia and New Zealand.

DIRECTORS

The Directors of the Company at any time during the half year ended 31 December 2023 and up to the date of this report are:

Neil George Cathie, Chairman

Robert James Bulluss, Managing Director and Chief Executive Officer

Andrew William Nisbet

James Scott Charles Todd

Anthony John Howarth

Alexander James White



REVIEW OF OPERATIONS

Trading performance improved during H1 FY24 with the Group delivering sales and underlying EBIT¹ year on year growth.

Group sales for H1 FY24 up +5.6% to \$185.7m (\$175.8m H1 FY23).

Group underlying EBITDA¹ up 18.1% to \$9.8m (\$8.3m H1 FY23). Underlying EBIT¹ up +19.0% to \$7.8m (\$6.5m H1 FY23). Statutory net loss for the half of -\$0.4m (\$1.5m net profit H1 FY23).

The Group has a solid balance sheet with Net Tangible Assets of \$35.8m, Net Assets of \$112.0m and Net debt of -\$37.1m at 31 December 2023.

1. Underlying EBIT and EBITDA exclude the impact of AASB 16 Leases and significant items.



SALES AND UNDERLYING EBITDA GROWTH

Percentage sales and underlying EBITDA¹ growth change for H1 FY24 when compared with the prior corresponding period is shown below:

Reportable segments	H1 FY24 vs H1 FY23 % sales change	H1 FY24 vs H1 FY23 % underlying EBITDA ¹ change
Fluid Systems (FS)	+10.0%	+24.1%
Trade Distribution (TD)	+2.3%	-0.6%
Consolidated Group	+5.4%	+18.1%

Note 1: Underlying EBITDA excludes the impact of AASB 16 Leases and significant items.

Konnect and Artia Australia delivered a strong result with sales up +9.3% on pcp and EBITDA¹ up +89.2%. This was offset by weaker results in Konnect and Artia New Zealand and Nubco due to short term market conditions. Both businesses hold market leading positions and are expected to recover strongly once current headwinds ease.

ERP UPGRADE PROJECT

The ERP upgrade project continues to progress broadly to plan, schedule and budget.

NET DEBT POSITION

Net debt as at 31 December 2023 of -\$37.1m (30 June 2023: -\$33.5m). Net debt was impacted by capital expenditure (\$2.1m), and the ERP upgrade project (\$5.4m) paid during H1 FY24.

The Group's focus is on reducing inventory levels and improving cash conversion.

BALANCE SHEET

The Group has a solid working capital position with Current Assets exceeding Current Liabilities by \$22.7m at 31 December 2023.

The Group has a solid balance sheet with Net Tangible Assets of \$35.8m and Net Assets of \$112.0m as at 31 December 2023.

DIVIDENDS

The Board has determined that no interim dividend be declared.

OUTLOOK

The Group operates in multi-billion-dollar fragmented markets and has very modest market shares. There are clear plans in place to continue to increase market share via new branch openings, branch refurbishments, business development, product range expansion and an enhanced focus on sales and marketing.

The Board and management are committed to leveraging the scale benefits of the platform established over recent years in all parts of our business. In particular, our goal is to achieve best in-class trade distribution margins over time and to that end we have identified and are implementing a range of improvement opportunities.

We will continue to provide quarterly trading updates to the market.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 8 and forms part of the directors' report for the six months ended 31 December 2023.

ROUNDING OF AMOUNTS

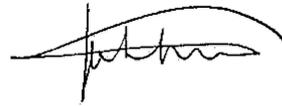
The Company is of a kind referred to in the ASIC Corporations (*Rounding in Financial/Directors' Report*) Instrument 2016/191 and in accordance with that instrument, amount in the condensed consolidated interim financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of Directors.



N.G. Cathie
Chairman

Melbourne
23 February 2024



R.J. Bulluss
Chief Executive Officer and Managing Director

Melbourne
23 February 2024



KPMG

LEAD AUDITOR'S INDEPENDENCE DECLARATION



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Coventry Group Ltd

I declare that, to the best of my knowledge and belief, in relation to the review of Coventry Group Ltd for the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten version of the KPMG logo in blue ink.

KPMG

A handwritten signature in blue ink, appearing to read 'Simon Dubois'.

Simon Dubois

Partner

Melbourne

23 February 2024

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Coventry Group Ltd and its controlled entities

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the half year ended 31 December 2023

	NOTE	31 December 2023	31 December 2022
		\$'000	\$'000
Revenue from sale of goods		185,734	175,806
Cost of sales		(108,948)	(105,061)
Gross profit		76,786	70,745
Other income		2,791	2,038
Employment costs		(43,907)	(40,551)
Depreciation and amortisation expense	3, 4, 5	(9,209)	(7,901)
Occupancy costs		(1,225)	(1,191)
Communication costs		(2,042)	(2,008)
Freight costs		(3,988)	(4,629)
Vehicle operating costs		(1,646)	(1,621)
ERP implementation costs	8	(5,406)	(1,792)
Other expenses		(8,621)	(8,030)
Profit before financial income and tax		3,533	5,060
Financial income		129	575
Financial expense		(4,022)	(3,232)
Net financial expense		(3,893)	(2,657)
Profit/(loss) before income tax		(360)	2,403
Income tax expense		(27)	(875)
Profit/(loss) for the half year		(387)	1,528
Earnings per share:			
Basic earnings/(loss) per share:		(0.4) cents	1.7 cents
Diluted earnings/(loss) per share:		(0.4) cents	1.6 cents

The condensed consolidated statement of profit or loss is to be read in conjunction with the accompanying notes to the condensed consolidated financial statements.

Coventry Group Ltd and its controlled entities

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 31 December 2023

	NOTE	31 December 2023	31 December 2022
		\$'000	\$'000
Profit/(loss) for the half year		(387)	1,528
Other comprehensive income/(loss) items that may be reclassified to profit or loss:			
Foreign currency translation differences		(145)	398
Effective portion of changes in fair value of cash flow hedges		(34)	(285)
Other comprehensive income/(loss) for the half year, net of income tax		(179)	113
Total comprehensive income/(loss) for the half year		(566)	1,641

The condensed consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes to the condensed consolidated financial statements.



Coventry Group Ltd and its controlled entities

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	NOTE	31 December 2023 \$'000	30 June 2023 \$'000
Assets			
Cash and cash equivalents		2,021	3,859
Trade and other receivables		49,155	53,302
Inventories		78,951	72,402
Other financial assets		2,358	2,705
Prepayments		7,001	4,894
Total current assets		139,486	137,162
Other receivables		1,158	1,313
Deferred tax assets		21,684	21,339
Property, plant and equipment	3	14,453	13,990
Right-of-use assets	4	56,427	54,132
Intangible assets	5	54,524	54,861
Total non-current assets		148,246	145,635
Total assets		287,732	282,797
Liabilities			
Trade and other payables		53,828	52,217
Employee benefits		9,194	8,158
Interest-bearing loans and borrowings	6	39,143	37,394
Lease liability		14,044	13,024
Provisions		471	603
Income tax payable		106	453
Total current liabilities		116,786	111,849
Employee benefits		600	535
Other payables		263	574
Provisions		2,496	2,383
Lease liability		55,620	54,505
Total non-current liabilities		58,979	57,997
Total liabilities		175,765	169,846
Net assets		111,967	112,951
Equity			
Issued capital	7	155,941	152,725
Reserves		(5,588)	(5,030)
Profit reserve		4,969	8,611
Accumulated losses		(43,355)	(43,355)
Total equity		111,967	112,951

The condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes to the condensed consolidated financial statements.



Coventry Group Ltd and its controlled entities

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2023

	Hedge reserve	Translation reserve	Other reserve	Total reserves	Profit reserve	Share capital	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2023	15	(2,831)	(2,214)	(5,030)	8,611	152,725	(43,355)	112,951
Total comprehensive loss for the half year								
Loss for the half year	-	-	-	-	(387)	-	-	(387)
Other comprehensive loss for the half year:								
Foreign currency translation differences	-	(145)	-	(145)	-	-	-	(145)
Effective portion of changes in fair value of cash flow hedges	(34)	-	-	(34)	-	-	-	(34)
Total other comprehensive loss	(34)	(145)	-	(179)	-	-	-	(179)
Total comprehensive loss for the half year	(34)	(145)	-	(179)	(387)	-	-	(566)
Transactions with owners, recorded directly in equity								
Share issue	-	-	-	-	-	3,232	-	3,232
Share issue costs	-	-	-	-	-	(16)	-	(16)
Equity-settled share-based payments	-	-	(379)	(379)	-	-	-	(379)
Dividends	-	-	-	-	(3,255)	-	-	(3,255)
Balance at 31 December 2023	(19)	(2,976)	(2,593)	(5,588)	4,969	155,941	(43,355)	111,967

Amounts are stated net of tax

The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes to the condensed consolidated financial statements.

	Hedge reserve	Translation reserve	Other reserve	Total reserves	Profit reserve	Share capital	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2022	299	(2,618)	(1,719)	(4,038)	9,366	151,618	(43,355)	113,591
Total comprehensive income for the half year								
Profit for the half year	-	-	-	-	1,528	-	-	1,528
Other comprehensive income/(loss):								
Foreign currency translation differences	-	398	-	398	-	-	-	398
Effective portion of changes in fair value of cash flow hedges	(285)	-	-	(285)	-	-	-	(285)
Total other comprehensive income/(loss)	(285)	398	-	113	-	-	-	113
Total comprehensive income/(loss) for the half year	(285)	398	-	113	1,528	-	-	1,641
Transactions with owners, recorded directly in equity								
Share issue	-	-	-	-	-	1,132	-	1,132
Share issue costs	-	-	-	-	-	(7)	-	(7)
Equity-settled share- based payments	-	-	(458)	(458)	-	-	-	(458)
Dividends	-	-	-	-	(3,227)	-	-	(3,227)
Balance at 31 December 2022	14	(2,220)	(2,177)	(4,383)	7,667	152,743	(43,355)	112,672

Amounts are stated net of tax

The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes to the condensed consolidated financial statements.

Coventry Group Ltd and its controlled entities

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2023

	NOTE	31 December 2023 \$'000	31 December 2022 \$'000
Cash flows from operating activities			
Cash receipts from customers		213,819	200,492
Cash paid to suppliers and employees		(202,745)	(188,143)
Cash from operations		11,074	12,349
Interest paid		(3,924)	(3,135)
Income taxes paid		(707)	(416)
Net cash from operating activities		6,443	8,798
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		166	57
Interest received		268	259
Acquisition of property, plant and equipment	3	(2,140)	(1,689)
Acquisition of intangible assets	5	-	(7)
Net cash used in investing activities		(1,706)	(1,380)
Cash flows from financing activities			
Proceeds from borrowings	6	360,760	416,640
Repayment of borrowings	6	(359,260)	(424,547)
Repayment of lease liabilities		(7,282)	(6,201)
Share issue costs		(16)	(7)
Dividends paid	7	(816)	(3,044)
Net cash used in financing activities		(6,614)	(17,159)
Net decrease in cash and cash equivalents		(1,877)	(9,741)
Cash and cash equivalents at 1 July		3,859	15,319
Effect of movements in exchange rates on cash and cash equivalents		39	311
Cash and cash equivalents at 31 December 2023		2,021	5,889

The condensed consolidated statement of cash flows is to be read in conjunction with the accompanying notes to the condensed consolidated financial statements.

Coventry Group Ltd and its controlled entities

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2023

1. SIGNIFICANT ACCOUNTING POLICIES

Coventry Group Ltd (the "Company") is a for profit company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the half year ended 31 December 2023 comprises the Company and its controlled entities (together referred to as the "Group").

The Company is party to a deed of cross-guarantee with its subsidiary entities. Under the deed of cross-guarantee, each body has guaranteed that the debts to each creditor of each other body which is a party to the deed will be paid in full in accordance with the deed.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2023 are available upon request from the Company's registered office at 235 Settlement Road, Thomastown VIC 3074, Australia or at www.cgl.com.au.

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2023.

The Group primarily is involved in the distribution of industrial products and the provision of fluid products and services.

These condensed consolidated interim financial statements were approved by the Board of Directors on 23 February 2024.

a) Statement of compliance

The condensed consolidated interim financial statements for the half year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2023.

The condensed consolidated interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2023.

b) Basis of preparation

The interim report is presented in Australian Dollars. The interim report is prepared on the historical cost basis except share-based payments and derivative financial instruments which are stated at their fair value.

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and in accordance with that instrument, amounts in the half year financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

c) Judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The significant judgements made by management in applying the Group's accounting policies, and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2023.

d) Going concern

In preparing the half year financial report, the Directors have made an assessment of the ability of the Group to continue as a going concern, which contemplates the continuity of business operations, realisation of assets and settlement of liabilities in the ordinary course of business and at the amounts stated in the half year financial report.

The Directors have a reasonable expectation that the Group will have adequate resources to continue to meet its obligations as they fall due.



2. SEGMENT INFORMATION

(a) Description of segments

The Group has reportable segments as described below. For each of the strategic reportable segments, the CEO reviews internal management accounts on a monthly basis. The following summary describes the operations of each of the Group's reportable segments:

Trade Distribution	Includes the importation, distribution and marketing of industrial fasteners, industrial hardware supplies and associated products, temporary fencing, and cabinet making hardware.
Fluid Systems	Includes the design, manufacture, distribution, installation and maintenance of lubrication and hydraulic fluid systems and hoses.

2. Segment Information (continued)

(b) Segment information

Information regarding the results of each reportable segment is included below.

Information about reportable segments [#]	Trade Distribution	Fluid Systems	Other business units and consolidation adjustments	Total reportable segments
31 December 2023	\$'000	\$'000	\$'000	\$'000
Segment revenue	107,713	77,569	-	185,282
Inter-segment revenue	-	-	-	-
Revenue from external customers	107,713	77,569	-	185,282
Timing of revenue recognition at				
point in time	106,252	75,674	-	181,926
over time	1,461	1,895	-	3,356
Total	107,713	77,569	-	185,282
Underlying EBITDA^{**}	8,514	9,387	(8,096)	9,805
Depreciation and amortisation	720	588	713	2,021
Underlying EBIT^{**}	7,794	8,799	(8,809)	7,784

[#] Underlying EBITDA and underlying EBIT are non-IFRS measures and reflect how management measures performance of the Group.

^{**} Underlying EBITDA is earnings before interest, tax, depreciation, amortisation and has been adjusted to exclude the impact of AASB 16 Leases and significant items. Underlying EBIT is earnings before interest and tax and has been adjusted to exclude the impact of AASB 16 Leases and significant items.

2. Segment Information (continued)

Information about reportable segments [#]	Trade Distribution	Fluid Systems	Other business units and consolidation adjustments	Total reportable segments
31 December 2022	\$'000	\$'000	\$'000	\$'000
Segment revenue	105,342	70,524	-	175,866
Inter-segment revenue	-	-	-	-
Revenue from external customers	105,342	70,524	-	175,866
Timing of revenue recognition at				
point in time	103,764	68,917	-	172,681
over time	1,578	1,607	-	3,185
Total	105,342	70,524	-	175,866
Underlying EBITDA^{##}	8,562	7,562	(7,822)	8,302
Depreciation and amortisation	780	456	525	1,761
Underlying EBIT^{##}	7,782	7,106	(8,347)	6,541

[#] Underlying EBITDA and underlying EBIT are non-IFRS measures and reflect how management measures performance of the Group.

^{##} Underlying EBITDA is earnings before interest, tax, depreciation, amortisation and has been adjusted to exclude the impact of AASB 16 Leases and significant items. Underlying EBIT is earnings before interest and tax and has been adjusted to exclude the impact of AASB 16 Leases and significant items..



2. Segment Information (continued)

(c) Other segment information

i. Segment Revenue

A reconciliation of segment revenue to total revenue from the sale of goods in the consolidated statement of profit or loss is provided as follows:

	31 December 2023	31 December 2022
	\$'000	\$'000
Total segment revenue	185,282	175,866
Foreign exchange translation variance	452	(60)
Total revenue	185,734	175,806

ii. Segment Operating Profit/(Loss)

The performance of the Group's reportable segments is based on underlying EBIT¹. Reconciliation of underlying EBIT¹ to operating profit/(loss) in the condensed consolidated statement of profit or loss is provided as follows:

	NOTE	31 December 2023	31 December 2022
		\$'000	\$'000
Total segment underlying EBIT¹		7,784	6,541
Foreign exchange translation variance		14	(9)
Significant items		(5,437)	(2,426)
Net financing expense, excluding interest on lease liabilities (AASB16)		(1,687)	(680)
Income tax expense		(337)	(1,180)
Impact of AASB16			
Depreciation of right-of-use assets		(7,165)	(6,141)
Net interest on lease liabilities and sub-lease investment		(2,199)	(1,977)
Reversal of net rent and lease payments and receivables		8,330	7,092
Income tax benefit		310	308
Profit/(loss) for the half year		(387)	1,528

3. PROPERTY, PLANT AND EQUIPMENT

Plant and Equipment

\$'000

Cost at 1 July 2023	56,361
Accumulated Depreciation at 1 July 2023	(42,371)
Carrying amounts at 1 July 2023	13,990
Additions	2,140
Depreciation charge for the half year	(1,641)
Disposals	(66)
Effect of movements in foreign exchange	30
Carrying amounts at 31 December 2023	14,453

4. RIGHT-OF-USE ASSETS

	Property	Vehicles	Total
	\$'000	\$'000	\$'000
Carrying amounts at 1 July 2023	44,429	9,703	54,132
Additions	3,850	2,991	6,841
Terminations	(132)	-	(132)
Lease reassessments	2,255	389	2,644
Depreciation for the half year	(4,926)	(2,256)	(7,182)
Effect of movements in foreign exchange	111	13	124
Carrying amounts at 31 December 2023	45,587	10,840	56,427

5. INTANGIBLE ASSETS

	Goodwill	Brand name	Customer relationships	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amounts at 1 July 2023	37,022	11,929	3,459	2,451	54,861
Additions	-	-	-	-	-
Amortisation for the half year	-	-	(305)	(81)	(386)
Effect of movements in foreign exchange	42	7	-	-	49
Carrying amounts at 31 December 2023	37,064	11,936	3,154	2,370	54,524

6. INTEREST-BEARING LOANS AND BORROWINGS

	31 December 2023	30 June 2023
	\$'000	\$'000
Borrowing facility	39,143	37,394
Total interest-bearing loans and borrowings	39,143	37,394
		Total interest-bearing loans and borrowings \$'000
Opening balance at 1 July 2023		37,394
Proceeds		360,760
Repayments		(359,260)
Effect of movements in foreign exchange		249
Closing balance at 31 December 2023		39,143

Borrowing Base facility

The Group has a \$55.0 million Borrowing Base facility against eligible inventory and debtors with a current expiry of July 2026 (2022: \$55.0 million). The overall facility is secured by General Security Deeds with Australian and New Zealand entities as well as Rights of Entry to eligible inventory locations. The facility is subject to a floating interest on funds drawn. The facility limit is scalable for future growth.

Guarantee facility

In addition to the borrowing facilities above, the Group has a \$5.0 million Standby Letter of Credit to provide security for Transactional Banking, Bank Guarantees, FX and other transactional facilities up to the limit specified in each individual guarantee.

ANZ Facilities

The Group maintains a small residual intraday facility with ANZ which will be closed upon full transition of transactional banking to the NAB.

7. CAPITAL AND RESERVES

Performance rights

In July 2023, 891,416 performance rights were granted in accordance with the Executive and Director Incentive Plan with a fair value of \$1.18 per right.

Share Capital

In September 2023, 665,640 performance rights were converted to ordinary shares at a weighted average fair value of \$1.19 per performance right.

Total expenses arising from share-based payment transactions during the half year was \$413,450.

Dividends

A final dividend of \$3.3 million (3.5 cents per share, fully franked) in relation to the financial year ended 30 June 2023 was declared and paid by the Group in the 6 months ended 31 December 2023 (2022: \$3.2 million, 3.5 cents per share, fully franked). Final dividend paid includes dividend reinvested of \$2.4 million.

8. SIGNIFICANT ITEMS

	For the 6 months ended 31 December	
	2023	2022
	\$'000	\$'000
ERP implementation costs	5,406	1,792
Acquisition related costs	-	540
Other significant items	33	94
Total significant items	5,439	2,426

9. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Other than the matters outlined elsewhere in the Group's half year financial statements, no other matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations, results of operations or state of affairs of the Group in subsequent accounting periods.

Coventry Group Ltd and its controlled entities

DIRECTORS' DECLARATION

In the opinion of the directors of Coventry Group Ltd ("the Company")

1. the condensed consolidated financial statements and notes set out pages 10 to 24, are in accordance with the Corporation Act 2001 including:
 - a. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the six months period ended on that date and
 - b. complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001 and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



N.G. CATHIE

Chairman

Melbourne
23 February 2024



R.J. BULLUSS

Chief Executive Officer and Managing Director

Melbourne
23 February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT



Independent Auditor's Review Report

To the shareholders of Coventry Group Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying *Half-year Financial Report* of Coventry Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Coventry Group Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the *Group's* financial position as at 31 December 2023 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*

The *Half-year Financial Report* comprises:

- Condensed Consolidated statement of financial position as at 31 December 2023
- Condensed consolidated statement of profit or loss, Condensed consolidated statement of comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the Half-year ended on that date
- Notes 1 to 9 comprising material accounting policies and other explanatory information; and
- The Directors' Declaration.

The *Group* comprises Coventry Group Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the Half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature of Simon Dubois in blue ink, appearing as 'KPMG'.

A handwritten signature of Simon Dubois in blue ink, appearing as 'S Dubois'.

KPMG

Simon Dubois

Partner

Melbourne

23 February 2024



Coventry Group Ltd