

ASX RELEASE**CYG – FY24 Trading Update****12th July 2024**

Coventry Group Ltd (ASX: CYG) announced today an update on the Group's trading.

FY24 Group sales of \$371.3m, up +3.7% on the prior year and unaudited EBITDA¹ of \$20.8m, up +22.4% on the prior year.

Robert Bulluss, Group CEO and Managing Director of Coventry Group said, "The Group delivered solid FY24 sales and unaudited EBITDA¹ growth. Initiatives to grow EBITDA¹ % to Sales to 10% in the medium term have delivered positive results. These buy-side and sell-side initiatives have continued during the financial year.

Our recent acquisition, Steelmasters, has performed to expectations. Our organic growth continues with two new stores (Yatala and Karratha) opened in H2 FY24, with plans to continue organic growth through new stores in FY25".

Demand remains positive in the mining and resources sector and Western Australia and Queensland. There is some short term softening in the other Australian states. Economic conditions remain challenging in the short term in New Zealand.

Overall, our strategy based on specialisation and service excellence is continuing to be resilient.

Sales and unaudited EBITDA¹ growth

Sales and unaudited EBITDA¹ growth compared with the prior corresponding periods is shown below:

| Segment | Q4 FY24 actual (A\$m) | pcp growth (%) | FY24 actual (A\$m) | pcp growth (%) |
|--|--------------------------|-------------------|-----------------------|-------------------|
| Trade Distribution | 58.1 | +6.3% | 212.1 | +1.0% |
| Fluid Systems | 43.3 | +9.9% | 159.2 | +7.5% |
| Consolidated Group Sales | 101.4 | +7.8% | 371.3 | +3.7% |
| Consolidated Group Unaudited EBITDA¹ | 6.9 | +50.4% | 20.8 | +22.4% |

Note 1: All references to EBITDA are to unaudited Pre AASB16 EBITDA before Significant Items

Note 2: Q4 FY24 includes 2 months sales and EBITDA from the Steelmasters acquisition

ERP upgrade project

The ERP upgrade has progressed well with the pilot Fluid Systems branch now operating successfully on Microsoft D365. The next stage is the go-live for the remaining Fluid Systems branches. Konnect and Artia New Zealand and Konnect and Artia Australia will follow. We are on target to complete the project by the end of calendar year 2024.

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 are implementing a range of identified improvement opportunities.

Authorised for release by the Board of Directors of Coventry Group Limited.

For further information contact:

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