

FY25 Full Year Results

Delivering specialised
industrial products, services
and customised solutions



Coventry Group Ltd

Disclaimer

Reliance on third party information

The information and views expressed in this presentation were prepared by Coventry Group Ltd (the **Company**) and may contain information that has been derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. No responsibility or liability is accepted by the Company, its officers, employees, agents or contractors for any errors, misstatements in or omissions from this presentation.

Presentation is a summary only

This presentation is information in a summary form only and does not purport to be complete. It should be read in conjunction with the Company's 2024 full year financial report. Any information or opinions expressed in this Presentation are subject to change without notice and the Company is not under any obligation to update or keep current the information contained within this presentation.

Not investment advice

This presentation is not intended and should not be considered to be the giving of investment advice by the Company or any of its shareholders, directors, officers, agents, employees or advisers. The information provided in this presentation has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs. Each party to whom this presentation is made available must make its own independent assessment of the Company after making such investigations and taking such advice as may be deemed necessary.

No offer of securities

Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell Company securities in any jurisdiction.

Non-IFRS Financial Information

Coventry uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are collectively referred to as non-IFRS financial measures. Although Coventry believes that these measures provide useful information about the financial performance of Coventry, they should be considered as supplemental to the measures calculated in accordance with Australian Accounting Standards and not as a replacement for them.

Forward looking statements

This presentation may include forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, these statements are not guarantees or predictions of future performance, and involve both known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. As a result, actual results or developments may differ materially from those expressed in the statements contained in this presentation. Investors are cautioned that statements contained in the presentation are not guarantees or projections of future performance and actual results or developments may differ materially from those projected in forward-looking statements.

No liability

To the maximum extent permitted by law, neither the Company nor its related bodies corporate, directors, employees or agents, nor any other person, accepts any liability, including without limitation any liability arising from fault or negligence, for any direct, indirect or consequential loss arising from the use of this presentation or its contents or otherwise arising in connection with it.

For more information, please contact:

Nik Alpert

CEO

Coventry Group Ltd (03) 9205 8589

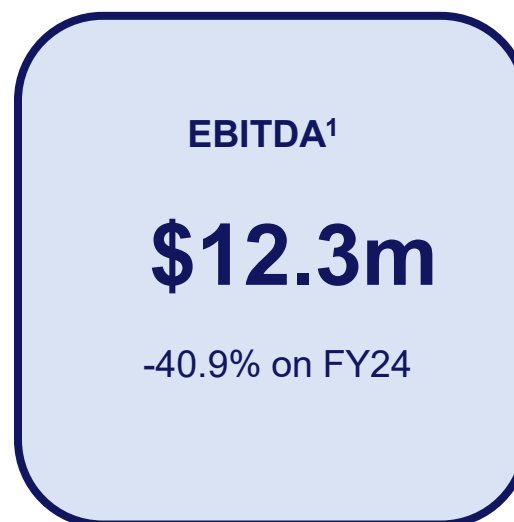
Authorised for release by the Board of Directors of Coventry Group Limited.

FY25 Overview



FY25 result snapshot

Disappointing FY25 results. Business has been restructured for growth.



Note 1: EBITDA is before significant items and excludes the impact of AASB 16 – Leases and significant items. EBITDA before significant items is a non-IFRS measure and reflects how management measures performance of the Group. Refer Appendix 2 for details of significant items.

“Back to Basics” strategy

Substantial restructure to drive growth.

FY26



Disciplined execution and delivering on commitments:

- New CEO and CFO, refreshed Board
- New simpler banking arrangements
- Right sizing the cost base – target ~\$10m corporate cost reductions
- Earnings growth
- Operating cash flow positive
- Migrate final business units to new ERP
- FY26 earnings guidance >\$20m EBITDA (excl. benefit of cost out)

2-year priorities



Consistent value accretive growth

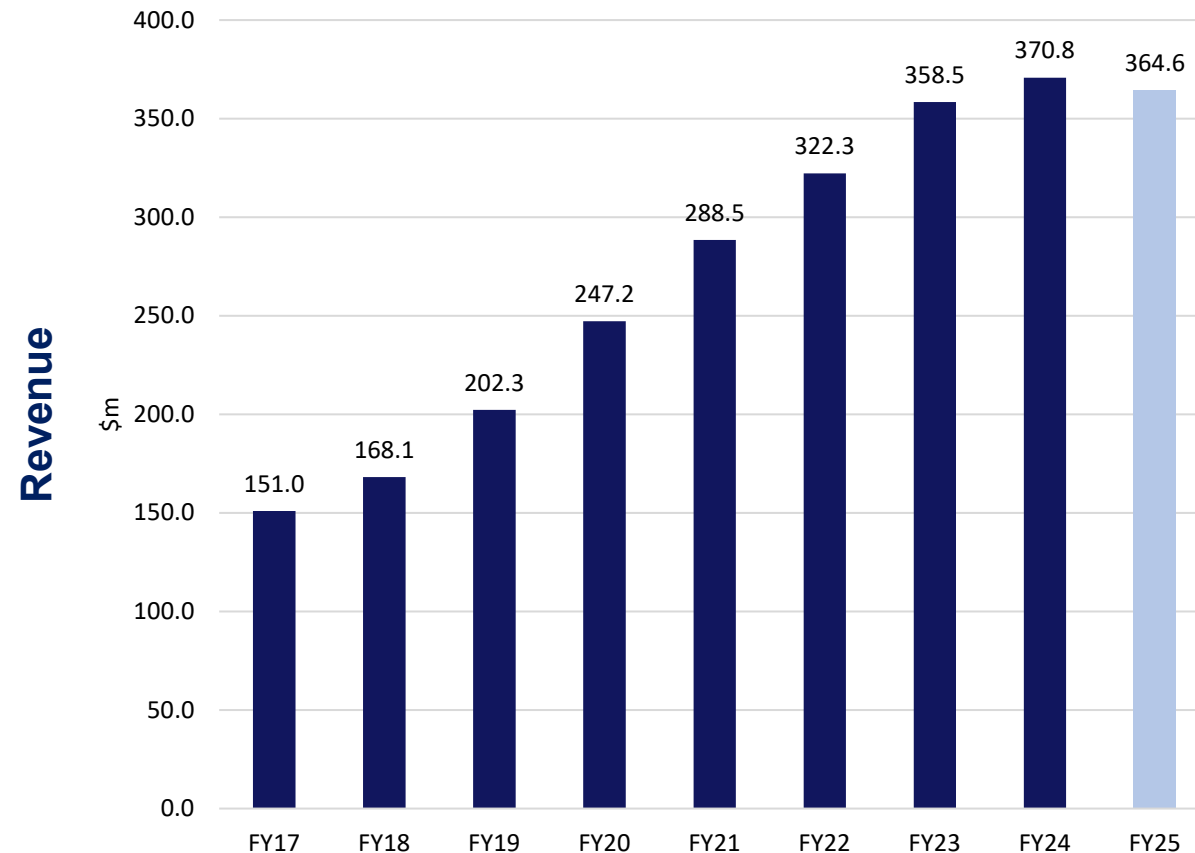
- Improve sales growth run rate
- Continue focus on gross margins
- Disciplined cost control
- 10%+ EBITDA margins

FY25 overview

1. Financial information
2. Strategy and Operations Update
3. FY26 outlook



Group revenue



Group Revenue slowed in FY25 -1.7% to A\$364.6m (\$370.8m FY24)

Sales were down year on year reflecting softer market conditions across Australia and New Zealand, the distraction and impact of the implementation of the new ERP system and the failure of sales growth strategies to deliver the anticipated results.

The Group has significant revenue scale and there are no underlying significant market structural issues. We are well positioned to grow in markets in which we have low market share.

FY25 segment results

Fluid Systems

Revenue

\$147.4m

-7.4% on FY24

EBITDA ¹

\$13.4m

-29.1% on FY24

- Fluid Systems delivered sales of \$147.4m for the year, a decrease of 7.4% compared to FY24.
- EBITDA¹ declined by 29.1%, to \$13.4m (FY24 19.0m).
- Results impacted by:
 - Economic downturn
 - Delays in projects
 - Impact of D365 implementation

Trade Distribution

Revenue

\$217.8m

+2.7% on FY24

EBITDA ¹

\$14.4m

-13.4% on FY24

- Trade Distribution achieved sales of \$217.8 million, representing growth of 2.7% on the prior year. FY25 includes full year Steelmasters contribution as compared to two months in FY24.
- EBITDA¹ decreased by 13.4% to \$14.4m (\$16.8m FY24).
- Results impacted by:
 - Economic downturn
 - Delays in projects
 - Impact of D365 implementation
 - Construction industry downturn

Note 1: EBITDA is before significant items and excludes the impact of AASB 16 – Leases and significant items. Refer Appendix 2 for details of significant items.

Profit and loss summary

\$m	FY25	FY24	% change
Revenue	364.6	370.8	-1.7%
EBITDA ¹	12.3	20.8	-40.9%
Depreciation and amortisation	(5.4)	(3.8)	42.1%
EBIT ²	6.9	17.0	-59.4%
Impact of AASB16	3.7	2.8	32.1%
Significant items ³	(33.9)	(10.7)	-13.1%
Net financing expense	(9.1)	(8.0)	-13.5%
PBT	(32.4)	1.1	-809%
Income tax (expense)/benefit	2.8	(0.4)	450%
NPAT	(29.6)	0.7	-900%
EBITDA %	3.4%	5.6%	-39.3%

- EBITDA ¹ down -\$8.5m (-40.9%) on prior year
- EBIT ² down -\$9.2m (-46.5%) on prior year
- Profit before tax (PBT) and Net profit after tax (NPAT) down on the previous year principally due to Significant Items
- Significant items made up of impairment of intangible assets (\$24.5m), ERP system upgrade (\$6.8m), onerous contract related costs (\$1.3m) and other non-recurring costs (\$1.2m)

Note 1: EBITDA is before significant items and excludes the impact of AASB 16 – Leases and significant items. EBITDA before significant items is a non-IFRS measure and reflects how management measures performance of the Group.

Note 2: EBIT is before significant items and excludes the impact of AASB 16 – Leases and significant items. EBITDA before significant items is a non-IFRS measure and reflects how management measures performance of the Group.

Note 3: Refer Appendix 2 for details of significant items.

Balance sheet summary

\$m	30 June 2025	30 June 2024
Total current assets	155.5	157.0
Total non-current assets	172.7	192.4
Total assets	328.2	349.4
Total current liabilities	134.8	120.6
Total non-current liabilities	82.2	85.7
Total liabilities	217.0	206.3
Net Assets	111.2	143.1
Net Tangible Assets	25.4	34.7
Current assets less current liabilities	20.7	36.4

- At 30 June 2025, the Group had Current Assets exceeding Current Liabilities by \$20.7m, Net Tangible Assets were \$25.4m and Net Assets were \$111.2m.
- Net debt as at 30 June 2025 of \$56.3m (30 June 2024 of \$47.4m)
- Net Debt was impacted by poor financial performance, ERP implementation costs, a disproportionate cost base and high inventory carrying levels. Each of these factors is being addressed as a matter of urgency.
- NAB debt facilities of \$80.0m undrawn by \$20.4m at 30 June 2025

Cash flow summary

\$m	FY25	FY24
Gross operating cash flow	26.5	27.8
Less Cash lease payments	(17.7)	(15.2)
Add back Significant Items ¹	8.0	10.7
Adjusted gross operating cash flow	16.8	23.3
EBITDA ²	12.3	20.8
Cash conversion % ³	136.6%	112.1%

Note 1: Excludes non-cash component (onerous contract) and impairment of intangible assets

Note 2: EBITDA is before significant items and excludes the impact of AASB 16 – Leases and significant items

Note 3: Cash conversion = Gross operating cash flow less cash lease payments, addback significant items, divided by EBITDA1

Capital allocation reset

Restore performance and build long-term shareholder value

Primary actions:

- Debt repayment
- New banking facility negotiated that lowers complexity and provides covenant headroom. Bank is supportive of profit improvement plans.
- Near term investment focussed on organic sales growth whilst maintaining gross margins; improving earnings in underperforming branches; recalibrating the Group's inflated cost base; maximising supply chain benefits of new ERP and leveraging the Group's sourcing opportunities
- Measured and considered greenfield branch expansion along with trade store makeovers and relocations
- Near term M&A activity unlikely
- Dividends suspended until financial performance restored and net debt reduced

FY25 overview

1. Financial information
2. **Strategy and Operations Update**
3. FY26 outlook



Strategy and Operations



People and Culture

Develop a high-performing, winning culture. New incentive scheme implemented to align customer facing staff with business growth objectives.

Customers

Continue to provide specialized industrial products, services and solutions.

Business Units

Leverage new ERP efficiencies and features to improve customer and staff experience.

Reduce input costs through rationalizing supply chain, purchase consolidation, expanding import programme and maintaining strong strategic ties with local supply partners.

Continue to monitor, support and improve all underperforming branches.

Financial

A material uplift in financial performance.

Focus on right-sizing cost base, cash generation and debt reduction.

FY25 overview

1. Financial information
2. Operations Update
3. **FY26 outlook**



Trading Update & FY26 Outlook

EBITDA¹

>\$20m

Expectation of quarter-on-quarter earnings run rate improvement

- “Back to basics” strategy.
- Refreshed and strongly aligned executive team to execute.
- All efforts focussed on sales growth, cost reduction, cash generation and debt reduction.
- Group has revenue scale and attractive gross margins.
- Underlying market remains robust.
- July sales \$34m (+6.3% on June, +2.5% pcp) and unaudited EBITDA \$1.1m both above budget.

Note 1: EBITDA is before significant items and excludes the impact of AASB 16 – Leases and significant items. EBITDA before significant items is a non-IFRS measure and reflects how management measures performance of the Group

Appendix 1: AASB16 Reconciliation

\$'000	FY25	FY24	Variance (\$)	Variance (%)
Profit/(loss) before financial income and tax ¹	(23,293)	9,037	(32,330)	-357.8
Significant items ²	33,847	10,584	23,263	219.8
Add: Depreciation ROU Asset – Property and Vehicle ³	17,047	14,530	2,517	17.3
less: Lease payments - Property and vehicle (AASB 16 only) ⁴	(22,838)	(19,304)	3,534	18.3
Add: Finance sublease rent received ⁵	417	414	3	0.7
Add: Impairment/Onerous lease provision unwind ⁶	1,713	1,713	-	0.0
Add: Foreign exchange translation variance/other adjustments	12	40	(28)	-70.0
EBIT ⁷	6,905	17,014	(10,109)	-59.4
Depreciation & amortisation ⁸	5,389	3,795	1,594	42.0
EBITDA ⁷	12,294	20,809	(8,515)	-40.9

1. Agrees to Condensed Consolidated Statement of Profit or Loss.

2. Refer Appendix 2 for significant items

3. Agrees to 'Depreciation of right-of-use Assets per Segment report.

4. Proxy for actual lease payments (expense) under pre-AASB 16 lease accounting, excludes short term and low value leases. Excludes onerous lease.

5. Rent received for finance sublease previously accounted for as rent revenue that is now treated as interest income under AASB 16 accounting.

6. Unwinding of onerous lease provision, which pre-AASB 16 was accounted for as a credit to lease expense. Under AASB 16 it is instead treated as a reduction in depreciation.

7. EBITDA and EBIT exclude the impact of AASB 16 – Leases and significant items.

8. Depreciation and amortisation per Segment report.

Appendix 2: Significant Items

\$'000	FY25	FY24
ERP implementation costs	6,772	9,096
Restructuring costs	446	108
Acquisition costs on completed transactions	222	775
Onerous contract ¹	1,269	-
HRIS implementation	233	-
Impairment on intangible assets	24,525	-
Other	374	774
	33,841	10,753
Foreign exchange variance to management accounts	6	(169)
Total	33,847	10,584

Note 1: Following review of its contractual obligations, the Fluid Systems business identified an onerous contract which has resulted in a one-off, pre-tax loss of \$1.3m for the period. Expense is included within cost of sales.

For further information please contact:

InvestorRelationsEnquiries@cgl.com.au



Coventry Group Ltd