

MARKET RELEASE

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Cavalier announces Customer Focussed Australian organisational structure

- A new more customer focussed organisational structure is being put in place for Australia.
- Rochelle Flint appointed to the new role of GM Marketing and International Operations.
- The role of General Manager Australia has been disestablished and State Managers will be given more autonomy, making them more customer responsive.
- Cavalier is proposing that the Australian finance and administration duties will be taken over by the existing New Zealand team and is consulting with staff.
- All customer-facing Australian sales support and marketing will remain and be enhanced in FY20.

New Zealand carpet company, Cavalier Corporation Limited (NZX: CAV), has established a new Australian organisational structure, creating a more agile approach in the Australian market and providing further efficiencies.

Rochelle Flint, Cavalier's Group Product and Marketing Manager, has been appointed to the new role of GM Marketing and International Operations. She will continue to have responsibility for Group product development and marketing but will now also oversee all of Cavalier's international markets, including Australia. The role of General Manager Australia has been disestablished and State Managers in Australia will be given more autonomy, making them more effective and able to respond quickly to market demands.

Rochelle joined Cavalier in 2013 and has over 17 years' experience in the flooring industry in a diverse range of roles from sales, key account management and marketing through to product development. She has also spent considerable time in the Australian market and is well placed to take on the extra responsibility.

Cavalier CEO, Paul Alston, commented: "The new structure consolidates our Australian market leadership under Rochelle. It also provides further efficiencies and allows for a more flexible and agile approach to better meet the specific needs of this important market.

"Importantly, all our Australian client-facing roles will remain and be enhanced in Australia. The Australian market contributed 39% of our sales revenue in FY18 and we have significant room to grow, especially in our high-end wool offering.

"The new organisational structure will centralise critical decision making. By consolidating our finance and administration functions, we would expect to reduce overhead costs as well as generate back office administration synergies with our existing New Zealand operations.

"Today's announcement marks another step in our journey to strengthen and grow our business. Moving into our FY20 financial year we will also be investing in a new IT system, strengthening our existing customer relationships, and expanding our growing international presence with increased sales and marketing support and innovative new product development.

“Our focus is firmly on quality wool carpets and we are seeing growing consumer awareness of the numerous tangible qualities that natural fibres offer. This is translating into increasing demand for quality woollen carpet and rug solutions.”

In the Half Year report, Cavalier reported soft trading going into the second half. While that remains the case, sales of high-end wool carpet have grown while low end synthetic carpet sales have declined. Cavalier will provide more detailed market guidance once the impact of the Easter/ANZAC holiday period and the Australian election is clear.

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For further information, please contact:

Paul Alston
Chief Executive Officer
palston@cavbrem.co.nz
+64 21 918 033
+64 9 277 1135

Jackie Ellis
Media and Investor Relations
jackie@ellisandco.co.nz
+64 27 246 2505