

ASX RELEASE

2023 Half Year Results

24th February 2023

Highlights

- Trading performance improved during H1 FY23 with the Group delivering Sales and underlying profit year on year growth.
- Group sales for H1 FY23 up +12.0% to \$175.8m (\$157.0m H1 FY22).
- Group underlying EBITDA¹ up 13.2% to \$8.3m (\$7.3m H1 FY22).
- Group underlying EBIT¹ up +13.1% to \$6.5m (\$5.8m H1 FY22).
- Statutory net profit for the half of \$1.5m (\$2.4m H1 FY22).
- The Group has a solid balance sheet with Net Tangible Assets of \$35.8m and Net Assets of \$112.7m as at 31 December 2022.
- Net debt of \$34.8m as at 31 December 2022.

Robert Bulluss, Group CEO and Managing Director of Coventry Group said,

“The Group delivered solid H1 sales and underlying profit growth despite a continuing volatile macro environment. Our strategy for growth is proving to be resilient and we continue to improve our customer value proposition based on specialisation and service excellence.”

Sales and underlying EBITDA¹ Growth

Percentage sales and underlying EBITDA¹ growth change for H1 FY23 when compared with the prior corresponding period is shown below:

Sales and underlying EBITDA ¹ change	H1 FY23 vs H1 FY22 % sales change	H1 FY23 vs H1 FY22 % underlying EBITDA ¹ change
Fluid Systems (FS)	+10.2%	+20.5%
Trade Distribution (TD)	+13.5%	+13.1%
Consolidated Group	+12.0%	+13.2%

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

Net Debt Position

Net debt as at 31 December 2022 of \$34.8m (30 June 2022 of \$33.1m). Net Debt was impacted by the dividend payment (\$3.0m), capital expenditure (\$1.7m) and the ERP upgrade project (\$1.8m).

As supply chain issues and stock shortages experienced during COVID-19 are now easing, 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 \$26.6m as at 31 December 2022.

The Group has a solid balance sheet with Net Tangible Assets of \$35.8m and Net Assets of \$112.7m as at 31 December 2022.

ERP upgrade

The ERP upgrade is progressing to plan and is on schedule and under budget.

Dividends

The Board has determined that no interim dividend be declared.

Outlook

We have identified growth opportunities across all segments of the business – market share gains, new branches and product range extension. Labour and skills shortages remain a key challenge and a brake on accelerating growth.

Given continuing market uncertainty we will not be providing full year guidance but will continue to provide quarterly trading updates to the market.

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

For further information contact:

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