

Appendix 4D Half year report for the six months ended 31 December 2022

Reporting period

Report for the half year ended 31 December 2022.

Previous corresponding period is the financial year ended 30 June 2022 and the half year ended 31 December 2021.

Results for announcement to the market

	<u>31 Dec 2022</u>	<u>31 Dec 2021</u>	<u>Change</u>	<u>Change</u>
	<u>\$M</u>	<u>\$M</u>	<u>\$M</u>	<u>%</u>
Revenue from ordinary operations	175,806	156,961	18,845	+12.0%
Underlying EBITDA ¹	8,302	7,332	970	+13.2%
Net profit after tax from ordinary operations attributable to members	1,528	2,419	(891)	-36.8%

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 2022.

A final dividend of \$3.2 million was paid during the period in relation to the financial year ended 30 June 2022.

Amount of dividend per security

		<u>Amount per security</u>	<u>Franked amount per security at 30%</u>
Interim dividend	current year	Nil	Nil
	previous year	Nil	Nil
Final dividend	current year	0.0 cents	0.0 cents
	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 2022	0.39
As at 31 December 2021	0.43

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

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



Coventry Group Ltd

**31 DECEMBER 2022
HALF YEAR REPORT**

VALUES

AT COVENTRY GROUP, WE VALUE
FAIRNESS, INTEGRITY, RESPECT, SAFETY AND TEAMWORK

ABOVE ALL, WE VALUE
OUR PEOPLE, OUR CUSTOMERS AND 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 2022.

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 2022 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 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).

Underlying EBITDA¹ up 13.2% to \$8.3m (\$7.3m H1 FY22). 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, Net Assets of \$112.7m and Net debt of -\$34.8m at 31 December 2022.

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



SALES AND UNDERLYING EBITDA GROWTH

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

Reportable segments	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%

Note 1: Underlying EBITDA excludes 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: -\$33.1m). Net debt was impacted by the dividend payment (\$3.0m), capital expenditure (\$1.7m) and the ERP upgrade project (\$1.8m) paid during H1 FY23.

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 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 time and on 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.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8 and forms part of this report.

ROUNDING OF AMOUNTS

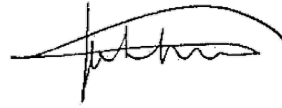
The Company is of a kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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



N.G. Cathie
Chairman

Melbourne
24 February 2023



R.J. Bulluss
Chief Executive Officer and Managing Director

Melbourne
24 February 2023





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 2022 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.

KPMG

KPMG

S Dubois

Partner

Melbourne

24 February 2023



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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 2022

	NOTE	31 December 2022	31 December 2021
		\$'000	\$'000
Revenue from sale of goods		175,806	156,961
Cost of sales		(105,061)	(94,863)
Gross profit		70,745	62,098
Other income		2,038	2,040
Employment costs		(40,551)	(36,712)
Depreciation and amortisation expense	4,5,6	(7,901)	(7,148)
Occupancy costs		(1,191)	(962)
Communication costs		(2,008)	(1,661)
Freight		(4,629)	(4,172)
Vehicle operating costs		(1,621)	(1,030)
ERP implementation costs	9	(1,792)	-
Other expenses		(8,030)	(6,310)
Profit before financial income and tax		5,060	6,143
Financial income including net foreign exchange gain		575	79
Financial expense, including net foreign exchange loss		(3,232)	(2,584)
Net financial expense		(2,657)	(2,505)
Profit before income tax		2,403	3,638
Income tax expense		(875)	(1,219)
Profit for the half year		1,528	2,419
Earnings per share:			
Basic earnings per share:		1.7 cents	2.7 cents
Diluted earnings per share:		1.6 cents	2.6 cents

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

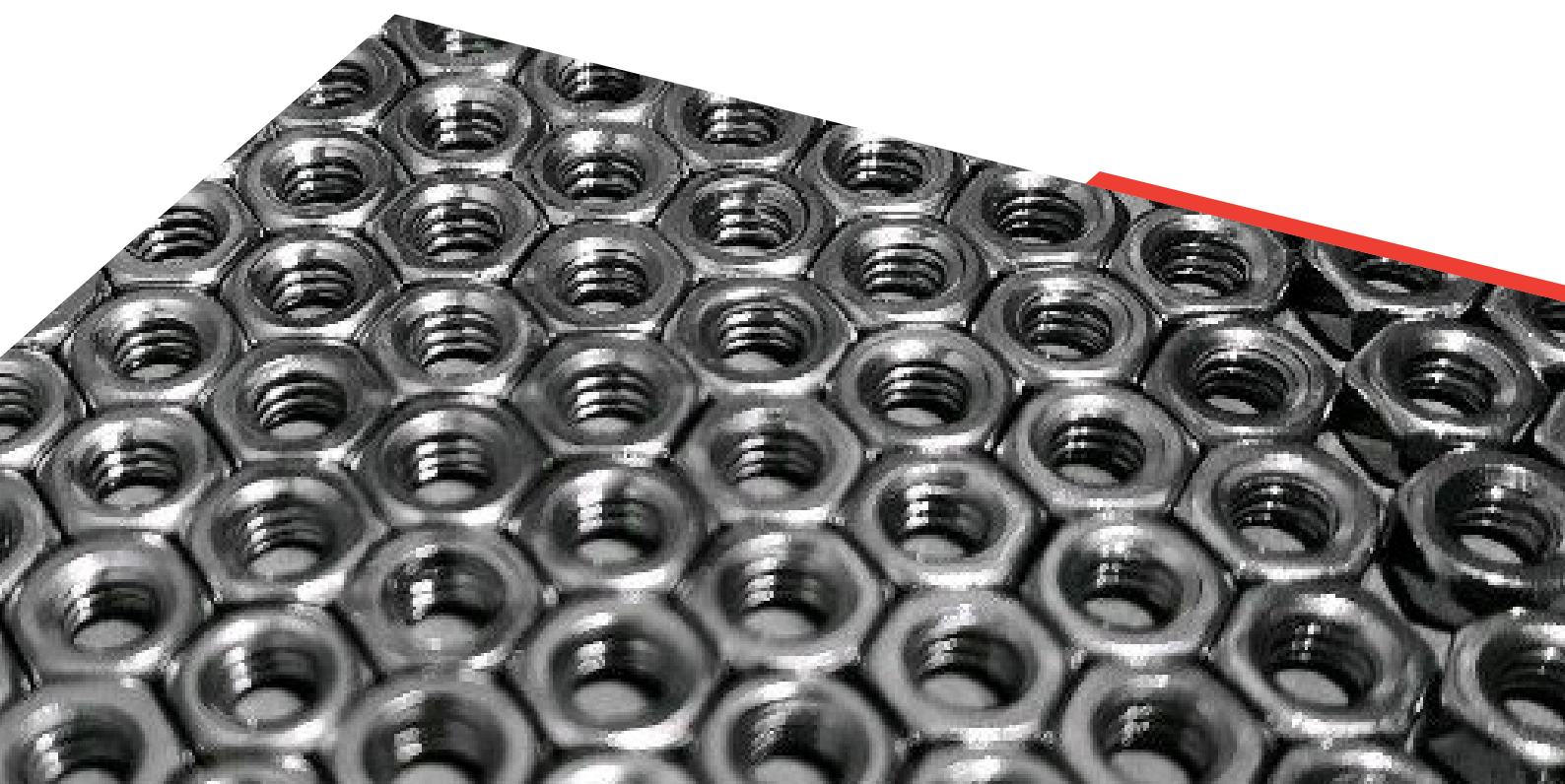
Coventry Group Ltd and its controlled entities

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 31 December 2022

NOTE	31 December 2022	31 December 2021
	\$'000	\$'000
Profit for the half year	1,528	2,419
Other comprehensive income items that may be reclassified to profit or loss:		
Foreign currency translation differences	398	(12)
Effective portion of changes in fair value of cash flow hedges	(285)	108
Other comprehensive income for the half year, net of income tax	113	96
Total comprehensive income for the half year	1,641	2,515

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



Coventry Group Ltd and its controlled entities

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	NOTE	31 December 2022 \$'000	30 June 2022 \$'000
Assets			
Cash and cash equivalents		5,889	15,319
Trade and other receivables		45,232	48,020
Inventories		77,727	73,767
Other financial assets		2,412	2,668
Other current assets		5,756	4,587
Total current assets		137,016	144,361
Other receivables		1,456	1,604
Deferred tax assets		21,488	21,845
Property, plant and equipment	4	13,461	13,190
Right-of-use assets	5	47,255	42,168
Intangible assets	6	55,362	55,630
		139,022	134,437
Total assets		276,038	278,798
Liabilities			
Trade and other payables		48,427	48,875
Employee benefits		8,415	7,513
Interest-bearing loans and borrowings	7	40,668	48,411
Lease liability		11,903	10,830
Provisions		704	741
Income tax payable		274	286
Total current liabilities		110,391	116,656
Employee benefits		535	374
Other payables		861	734
Provisions		2,401	2,206
Lease liability		49,178	45,237
Total non-current liabilities		52,975	48,551
Total liabilities		163,366	165,207
Net assets		112,672	113,591
Equity			
Issued capital	8	152,743	151,618
Reserves		(4,383)	(4,038)
Profit reserve		7,667	9,366
Accumulated losses		(43,355)	(43,355)
Total equity		112,672	113,591

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



Coventry Group Ltd and its controlled entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2022

	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/(loss) 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)
Transfer to Profit Reserve	-	-	-	-	1,528	-	(1,528)	-
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 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 2021	32	(1,980)	(1,948)	(3,896)	7,246	149,773	(43,355)	109,768
Total comprehensive income/(loss) for the half year								
Profit for the half year	-	-	-	-	-	-	2,419	2,419
Other comprehensive income/(loss):								
Foreign currency translation differences	-	(12)	-	(12)	-	-	-	(12)
Effective portion of changes in fair value of cash flow hedges	108	-	-	108	-	-	-	108
Total other comprehensive income/(loss)	108	(12)	-	96	-	-	-	96
Total comprehensive income/(loss) for the half year	108	(12)	-	96	-	-	2,419	2,515
Transactions with owners, recorded directly in equity								
Share issue	-	-	-	-	-	1,851	-	1,851
Share issue costs	-	-	-	-	-	(6)	-	(6)
Equity-settled share-based payments	-	-	(286)	(286)	-	-	-	(286)
Dividends	-	-	-	-	(2,721)	-	-	(2,721)
Transfer to Profit Reserve	-	-	-	-	2,419	-	(2,419)	-
Balance at 31 December 2021	140	(1,992)	(2,234)	(4,086)	6,944	151,618	(43,355)	111,121

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 consolidated financial statements.

Coventry Group Ltd and its controlled entities

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2022

	NOTE	31 December 2022	31 December 2021
		\$'000	\$'000
Cash flows from operating activities			
Cash receipts from customers		200,492	180,095
Cash paid to suppliers and employees		(188,143)	(178,971)
Cash from operations		12,349	1,124
Interest paid		(3,135)	(2,489)
Income taxes paid		(416)	(396)
Net cash from/(used in) operating activities		8,798	(1,761)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		57	75
Interest received		259	143
Acquisition of property, plant and equipment	4	(1,689)	(2,324)
Acquisition of intangible assets	6	(7)	(87)
Net cash used in investing activities		(1,380)	(2,193)
Cash flows from financing activities			
Proceeds from borrowings	7	416,640	214,500
Repayment of borrowings	7	(424,547)	(202,527)
Repayment of lease liabilities		(6,201)	(5,065)
Share issue costs		(7)	(6)
Dividends paid	8	(3,044)	(1,556)
Net cash from/(used in) financing activities		(17,159)	5,346
Net increase/(decrease) in cash and cash equivalents		(9,741)	1,392
Cash and cash equivalents at 1 July		15,319	8,221
Effect of movements in exchange rates on cash and cash equivalents		311	(32)
Cash and cash equivalents at 31 December		5,889	9,581

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

Coventry Group Ltd and its controlled entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2022

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 2022 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 2022 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 2022.

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 24 February 2023.

a) Statement of compliance

The condensed consolidated interim financial statements for the half year reporting period ended 31 December 2022 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 2022.

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 2022.

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 2022.

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 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)

Information about reportable segments [#]	Trade Distribution	Fluid Systems	Other business units and consolidation adjustments	Total reportable segments
31 December 2021	\$'000	\$'000	\$'000	\$'000
Segment revenue	92,825	64,021	-	156,846
Inter-segment revenue	-	-	-	-
Revenue from external customers	92,825	64,021	-	156,846
Timing of revenue recognition at				
point in time	92,825	62,478	-	155,303
over time	-	1,543	-	1,543
Total	92,825	64,021	-	156,846
Underlying EBITDA^{##}	7,573	6,274	(6,516)	7,331
Depreciation and amortisation	377	441	739	1,557
Underlying EBIT^{##}	7,196	5,833	(7,255)	5,774

[#] 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 2022	31 December 2021
	\$'000	\$'000
Total segment revenue	175,866	156,846
Foreign exchange translation variance	(60)	115
Total revenue	175,806	156,961

ii. Segment Operating Profit/(Loss)

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

	NOTE	31 December 2022	31 December 2021
		\$'000	\$'000
Total segment underlying EBIT		6,541	5,774
Foreign exchange translation variance		(9)	3
Significant items		(2,426)	(410)
Net financing expense, excluding interest on lease liabilities (AASB16)		(680)	(532)
Other adjustments		-	182
Income tax expense		(1,180)	(1,630)
Impact of AASB16			
Depreciation of right-of-use Assets		(6,141)	(5,772)
Net interest on lease liabilities and sub-lease investment		(1,977)	(1,972)
Reversal of net rent and lease payments and receivables		7,092	6,365
Income tax benefit		308	411
Total operating profit		1,528	2,419

3. BUSINESS COMBINATION

Prior period business combination provisional amounts not yet finalised

During the half year there have been no changes to the provisional amounts of the fair value of identifiable assets and liabilities relating to the acquisition of Goudie Holdings Limited and NZ Plank Hire Limited or Fraser Coat Bolts and Industrial suppliers, acquired on 31 March 2022 and 1 April 2022 respectively, as disclosed in the 30 June 2022 annual financial report. The finalised amounts will be presented in the 30 June 2023 annual report.

4. PROPERTY, PLANT AND EQUIPMENT

Plant and Equipment

\$'000

Cost at 1 July 2022	55,620
Accumulated Depreciation at 1 July 2022	(42,430)
Carrying amounts at 1 July 2022	13,190
Additions	1,689
Depreciation charge for the half year	(1,330)
Disposals	(183)
Effect of movements in foreign exchange	95
Carrying amounts at 31 December 2022	13,461

5. RIGHT-OF-USE ASSETS

Property Vehicles Total

\$'000 \$'000 \$'000

Carrying amounts at 1 July 2022	37,227	4,941	42,168
Additions	3,738	3,308	7,046
Terminations	-	-	-
Lease reassessments	3,465	504	3,969
Depreciation for the half year	(4,299)	(1,842)	(6,141)
Effect of movements in foreign exchange	173	40	213
Carrying amounts at 31 December 2022	40,304	6,951	47,255

6. INTANGIBLE ASSETS	Goodwill	Brand name	Customer relationships	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amounts at 1 July 2022	36,949	11,919	4,069	2,693	55,630
Additions	-	-	-	7	7
Amortisation for the half year	-	-	(305)	(125)	(430)
Effect of movements in foreign exchange	136	19	-	-	155
Carrying amounts at 31 December 2022	37,085	11,938	3,764	2,575	55,362

7. INTEREST-BEARING LOANS AND BORROWINGS

	31 December 2022	30 June 2022
	\$'000	\$'000
Borrowing facility	40,668	48,411
Total interest-bearing loans and borrowings	40,668	48,411

	Total interest-bearing loans and borrowings
	\$'000
Opening balance at 1 July 2022	48,411
Proceeds	416,640
Repayments	(424,547)
Effect of movements in foreign exchange	164
Closing balance at 31 December 2022	40,668

Borrowing Base facility

The Group has a \$55.0 million Borrowing Base facility with the NAB against eligible inventory and debtors with a current expiry of March 2024 (2021: \$45.0 million). The facility is subject to a floating interest on funds drawn. The facility limit is scalable for future growth. The facility is revolving in nature, with short term drawdowns and subject to a floating interest rate on funds drawn. The facility is subject to quarterly financial covenants.

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.

8. CAPITAL AND RESERVES

Performance rights

In July 2022, 718,742 performance rights were granted in accordance with the Executive and Director Incentive Plan with a fair value of \$1.24 per right.

Share Capital

In September 2022, 771,619 performance rights were converted to ordinary shares at a weighted average fair value of \$1.23 per performance right.

Total expenses arising from share-based payment transactions during the half year was \$490,000.

Dividends

A final dividend of \$3.2 million (3.5 cents per share, fully franked) in relation to the financial year ended 30 June 2022 was declared and paid by the Group in the 6 months ended 31 December 2022 (2021: \$2.7 million, 3 cents per share, fully franked). Final dividend paid includes dividend reinvested of \$0.2 million.

9. SIGNIFICANT ITEMS

	For the 6 months ended 31 December	
	2022	2021
	\$'000	\$'000
ERP implementation costs	(1,792)	-
Acquisition related costs	(540)	-
Software-as-a-Service (SaaS) related costs	-	(258)
Other significant items	(94)	(158)
Total significant items	(2,426)	(410)

10. 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

The Company is of a kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

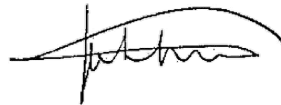
This report is made in accordance with a resolution of Directors..



N.G. CATHIE

Chairman

Melbourne
24 February 2023



R.J. BULLUSS

Chief Executive Officer and Managing Director

Melbourne
24 February 2023



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 Ltd.

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 Ltd 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 2022 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 2022;
- 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 10 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Coventry Group Ltd (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 Half-year 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.



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 Half-year 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 the Code.

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*; and
- 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 2022 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.

KPMG

S Dubois

Partner

Melbourne

24 February 2023



Coventry Group Ltd