

## ASX RELEASE

### CYG – Q4 FY20 Trading Update

14th July 2020

Coventry Group Ltd (ASX: CYG) announced today an update on the Group's performance, its response to the COVID-19 situation and its principal financing facility. Sales in our Fluid Systems and Trade Distribution businesses for FY20 have grown year on year. Q4 FY20 sales up +3.5% on PCP despite the loss of 23 trading days in our New Zealand trade distribution network due to the enforced Government shutdown.

Coventry Group also announces that the Group's securitised trade receivables facility with Scottish Pacific has been increased to \$40m from \$25m for a 36 month term.

#### Sales growth

Percentage sales growth change in the fourth quarter and year to date when compared with the prior corresponding period (PCP) is shown below:

Sales change	Q4 FY20 vs Q4 F19 % sales change including acquisitions	Q4 FY20 vs Q4 F19 % sales change excluding acquisitions	YTD FY20 vs YTD F19 % sales change including acquisitions	YTD FY20 vs YTD F19 % sales change excluding acquisitions
Fluid Systems	+11.4%	+6.2%	+15.2%	+8.5%
Trade Distribution <b>(Note)</b>	-1.5%	-7.9%	+27.3%	+2.0%
<b>Consolidated Group</b>	<b>+3.5%</b>	<b>-1.7%</b>	<b>+22.3%</b>	<b>+4.7%</b>

**Note: The Trade Distribution and Consolidated Group Q4 FY20 and YTD FY20 sales changes were adversely affected by the enforced Government shutdown in New Zealand during April and May. Sales lost during the period of closure is estimated to be in the order of \$2.8m - \$3.2m.**

#### Segment Commentary

- Fluid Systems (FS) sales FY20 including acquisitions up +15.2% on PCP and excluding acquisitions, up +8.5% on PCP. Sales growth is continuing to be driven by our strong value proposition and activity in the mining and resources sector. Both Cooper Fluid Systems and Torque Industries achieved record sales months in June.
- Trade Distribution (TD) sales FY20 including acquisitions up +27.3% on PCP and excluding acquisitions up +2.0% on PCP. Nubco achieved a record sales month in June and Konnect Australia and Konnect New Zealand both achieved sales growth on PCP.

## COVID-19

The major impact to date on the Group was the suspension of operations in New Zealand. Since recommencing operations, sales in New Zealand have continued to perform to expectations, as have our Australian operations. We have not been impacted to date by the current lockdown in Victoria. All business units are fully operational.

Our strategy is focussed on:

- Prioritising the health, safety and wellbeing of our people along with our customers, suppliers and communities.
- Prudent cost management.
- Cash preservation.
- Managing the financial health and stability of the Group.
- Operating the Group as close as possible to business as usual.

We cannot estimate the impact on FY21 earnings at this time.

## Cash position

Net debt as at 30 June 2020 of -\$3.3m (-\$10.9m – 31 March 2020). The Group continues to take action to reduce inventory levels, tightly manage collections and manage operating costs to improve our cash position.

## Scottish Pacific securitised trade receivables facility (invoice financing facility)

The Group's invoice financing facility with Scottish Pacific has been increased to \$40m from \$25m for a 36 month term. It is pleasing to have secured long term financing for the Group in the current environment.

## Outlook

Activity in our major end markets (commercial construction, infrastructure and mining) has remained solid to date. However, there is a high level of uncertainty surrounding the scale and duration of COVID-19 and the potential impact in these markets.

While it is very difficult to predict the full impact of the COVID-19 situation on the Group, we remain confident that we have the right strategic plan, the right people and operate in markets that will enable us to navigate the situation and take advantage of opportunities as they arise.

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

*For further information contact:*

Robert Bulluss

Chief Executive Officer and Managing Director (03) 9205 8219