

ASX RELEASE

CYG – Q1 FY21 Trading Update

16 October 2020

Coventry Group Ltd (ASX: CYG) announced today an update on the Group's trading.

Q1 FY21 Group sales of \$68.3m up +7.7% on the prior year.

Segment sales growth

Percentage sales growth change in the first quarter when compared with the prior year is shown below:

Sales change	Q1 FY21 vs Q1 FY20 % sales change
Fluid Systems (FS)	+12.7%
Trade Distribution (TD)	+4.8%
Consolidated Group	+7.7%

Segment Commentary

- FS sales Q1 FY21 up +12.7% on the prior year. Sales growth is continuing to be driven by our strong value proposition, activity in our key market sectors and diversification into new markets. A large order of \$8.0m from a major mining and resources sector customer during September is expected to positively impact H1 results.
- TD sales Q1 FY21 up +4.8% on the prior year. All business units in TD have improved contribution in Q1.

COVID-19

The impact to date of the COVID-19 pandemic and Government restrictions on the Coventry Group has been minimal, with the exception of the lockdown in New Zealand. All business units have implemented COVID-safe plans and are fully operational other than four Melbourne metropolitan Konnect branches that have some customer constraints in store in accordance with Victorian Government restrictions. Variable cost reductions occurred quickly at the start of the pandemic and prudent cost management continues.

HIS Hose acquisition

Subject to Victorian Government restrictions we are targeting completion of the acquisition of HIS Hose on 1 December 2020.

Balance sheet

The Group has a solid balance sheet with Net Assets of \$104.1m as at 30 September 2020 (\$102.1m at 30 June 2020).

Outlook

Despite COVID-19 uncertainty, the markets in which FS and TD operate are proving reasonably resilient. We expect some of these markets to benefit from further Government stimulus measures. We continue to position the business to ensure an attractive product and service offering to existing and new customers as we adapt to COVID-normal and as the economy rebounds.

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

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