

ASX RELEASE
2022 Full Year Results
26 August 2022
Highlights

- Trading performance improved during FY22 with the Group delivering EBITDA and EBIT year on year growth. We are pleased to deliver an improved result despite on-going global and COVID-19 related disruption.
- Final fully franked dividend of 3.5 cents per share declared (3.0 cents per share FY21).
- Fifth consecutive year of Sales and EBITDA growth.
- Group sales for FY22 up 11.7% to \$322.3m (\$288.5m FY21).
- Group EBITDA up 16.1% to \$15.5m (\$13.4m FY21).
- Group EBIT up 17.0% to \$12.4m (\$10.6m FY21).
- Sales and EBITDA negatively impacted in the order of \$3.0m and \$750k respectively as a result of the enforced NZ Government shutdown across August and September 2021.
- Statutory net profit for the year \$4.8m (\$7.2m FY21).
- The Group has a solid balance sheet with Net Tangible Assets of \$36.1m and Net Assets of \$113.6m as at 30 June 2022.
- Net debt of \$33.1m at 30 June 2022.

Note: EBIT and EBITDA exclude the impact of AASB 16 - Leases

Sales Growth

Percentage sales growth change for the full year of FY22 when compared with the prior year is shown below:

Sales change	Full year FY22 vs Full year FY21 % sales change
Fluid Systems	+9.0%
Trade Distribution	+13.4%
Consolidated Group	+11.7%

Divisional Commentary

- Fluid Systems (FS) sales for the year sales up 9.0% on the prior year. EBITDA for FS was \$12.9m compared to \$13.8m in FY21. FY21 included a large single order for \$7.9m which was not replicated in FY22.

- Trade Distribution (TD) sales for the year up 13.4% on the prior year. EBITDA for TD increased 37.6% to \$16.1m compared to \$11.7m in FY21.

Net debt position

Net debt as at 30 June 2022 of \$33.1m (Net debt as at 30 June 2021 of \$16.3m). Net debt was impacted by:

- Acquisition related payments (\$10.0m)
- Price inflation impact on inventory (\$7.0m)
- Increasing stock holdings to maintain service levels during FY22 due to global supply chain issues (\$4.8m)
- Capital expenditure (\$5.4m)

Our priority has been to maintain service levels to our customers during unprecedented uncertainty. In FY23 we will continue to take action to prudently manage inventory levels, collections and operating costs to improve our cash position.

Balance sheet

The Group has a solid working capital position with Current Assets exceeding Current Liabilities by \$27.7m at 30 June 2022.

Dividends

The Board has declared a final fully franked dividend for FY22 of 3.5 cents per share. The Group has franking credits available of \$9.9m at balance date.

Outlook

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.

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