

ASX RELEASE**CYG – Q1 FY24 Trading Update****13th October 2023**

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

Q1 FY24 Group sales of \$94.606m, up +6.1% on the prior year and unaudited EBITDA¹ of \$5.446m, up +10.8% on the prior year.

Robert Bulluss, Group CEO and Managing Director of Coventry Group said, "The Group delivered solid FY24 quarter one sales and unaudited EBITDA¹ growth. Initiatives to grow EBITDA¹ % to Sales to 10% in the medium term have delivered early positive improvements and our strategy based on specialisation and service excellence is continuing to be resilient. These buy-side and sell-side initiatives were implemented early in the financial year and started to become evident in the month of September with EBITDA up 26.7% on the pcp. We expect the run-rate from these initiatives to continue to improve over the December quarter.

There was some weakness in the Konnect and Artia New Zealand business due to the recessionary environment in New Zealand and the businesses exposure to residential construction through roofing screws. Konnect is the dominant industrial fasteners business in New Zealand and we expect the business to become even stronger through this period as competitors withdraw from the market. There are already signs of green shoots in the economy driven by all-time record rates of immigration."

Note 1: All references to EBITDA are to unaudited Pre AASB16 EBITDA before Significant Items

Sales and unaudited EBITDA¹ growth

Percentage sales and unaudited EBITDA¹ growth change Q1 FY24 when compared with pcp. is shown below:

Segment	Q1 FY24 vs Q1 FY23 % change
Fluid Systems (FS) Sales	+10.8%
Trade Distribution (TD) Sales	+3.1%
Consolidated Group Sales	+6.1%
Consolidated Group Unaudited EBITDA¹	+10.8%

ERP upgrade project

The ERP upgrade continues to progress broadly to plan, schedule and budget.

Outlook

The Group operates in multi-billion-dollar fragmented markets and has very modest market shares. There are clear plans in place to continue to increase market share via new branch openings, branch refurbishments, business development, product range expansion and an enhanced focus on sales and marketing.

The Board and management are committed to leveraging the scale benefits of the platform established over recent years in all parts of our business. In particular, our goal is to achieve best in-class trade distribution margins over time and to that end we have identified and are implementing a range of improvement opportunities.

Given continuing market uncertainty we will not be providing FY24 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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