

ASX RELEASE
CYG – H1 FY25 Trading Update
24 January 2025

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

H1 FY24 Group sales of \$185.3m, down -0.4% on the prior year and unaudited EBITDA¹ of \$9.9m, up +0.2% on the prior year.

Robert Bulluss, Group CEO and Managing Director of Coventry Group said, “The FY24 first half result was delivered against a backdrop of difficult economic conditions in some jurisdictions and the distraction of the ERP upgrade go-lives across 73 branches. Initiatives to grow EBITDA¹ % to Sales to 10% in the medium term continue to deliver positive results with sustained improvement in gross margins and diligent cost control. Given the Group’s low market shares and its strong value proposition, we expect sales growth can be delivered even in tougher economic conditions. To that end, and with the distraction of the ERP upgrade largely behind us, our teams are focussing their full attention on profitable sales growth in calendar year 2025.

Pleasingly, our recent acquisition, Steelmasters, has continued to perform to expectations. Our organic growth continues with the FY24 new stores performing strongly and plans to continue organic growth through new stores (4-5), store makeovers (4-5) and store relocations (4-5) in FY25 progressing well”.

Demand remains positive in the mining and resources sector and Western Australia and Queensland. There is some short term softening in the other Australian states. Economic conditions remain challenging in the short term in New Zealand.

Overall, our strategy based on specialisation and service excellence is continuing to be resilient.

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

Sales and unaudited EBITDA¹ growth

Sales and unaudited EBITDA¹ growth compared with the prior corresponding periods is shown below:

Segment	Q1 FY25 actual (A\$m)	pcp growth (%)	Q2 FY25 actual (A\$m)	pcp growth (%)	H1 FY25 actual (A\$m)	pcp growth (%)
Trade Distribution Sales	59.1	+4.0	52.8	+2.4	111.9	+3.2
Fluid Systems Sales	36.0	-5.7	37.3	-5.1	73.3	-5.4
Consolidated Group Sales	95.0	0.0	90.2	-0.9	185.2	-0.4
Consolidated Group Unaudited EBITDA¹	5.5	+0.7	4.4	-0.5	9.9	+0.2

ERP upgrade project

The ERP upgrade has been successfully completed with Finance, Fluid Systems, Konnect and Artia New Zealand and Konnect and Artia Australia all now trading successfully on the Microsoft D365 system. Pleasingly, the “horror” stories associated with ERP implementation disasters have been avoided. Whilst customer service and productivity benefits are already evident, we expect to realise the full benefits during calendar year 2025.

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.

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

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