

ASX RELEASE**CYG – 1H FY26 Trading Update****23 January 2026**

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

Unaudited 1H FY26 Sales of \$188.5m and EBITDA of \$3.2m. This outcome was an improvement on the prior half (2H FY25) and captures only a nominal amount of early benefits from our “back to basics” operating improvement initiatives progressively being implemented across sales, gross margins and operating costs. During Q2 FY26 the ongoing improvement in sales momentum was pleasing although this was partially offset by a decrease in gross margin, the impact of our growth investment in new branches and the one-off impact of the relocation of the Fluid's business largest branch, Mackay Qld. Our cost out program which to date has delivered in the order of \$5.1m of annualised savings, continues to ramp up and the reduction in monthly run rate expenses will improve in future periods. Overall we remain optimistic about achieving an uplift in earnings performance in the 2H FY26 as benefits from our sales, gross margin and cost initiatives are progressively realised. Net debt and working capital were managed broadly to plan over the period and we retain sufficient funding liquidity and the support of the bank. A more comprehensive update will be provided in our 1H FY26 results announcement.

Segment	2H FY25 actual (A\$m)	1H FY26 actual (A\$m)	(%)
Trade Distribution	105.4	112.4	+6.6%
Fluid Systems	74.1	76.1	+2.7%
Consolidated Group Sales	179.4	188.5	+5.1%
Consolidated Group Unaudited EBITDA¹	2.4	3.2	+33.3%

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

Strategic review and appointment of advisors

Coventry Group Ltd today confirms that the Board has commenced a strategic review of the Company's business portfolio and has appointed external advisors to support this process.

The review has been initiated following recent unsolicited third-party approaches regarding individual business units.

The review will assess a range of options aimed at unlocking shareholder value, including, but not limited to:

- Potential portfolio simplification or separation options; and
- Other strategic initiatives which may improve performance and valuation outcomes.

The Board emphasises that no decisions have been made and there is no certainty that the review will result in any transaction or change to the Company's structure.

The Company has appointed Allier Capital as corporate advisor and Talbot Sayer as legal advisor to support the Board in evaluating strategic options and engaging with relevant stakeholders.

The Company's businesses continue to operate in the ordinary course with management focussed on delivering improved operational and financial performance.

In light of the strategic review and the potential range of outcomes requiring consideration, the Board has determined to withdraw the Company's previously issued FY26 earnings guidance.

The Company will keep shareholders informed in accordance with its continuous disclosure obligations and will provide further updates should any material developments arise from the strategic review.

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

For further information contact:

Nik Alpert

Managing Director & Chief Executive Officer (03) 9205 8219

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