

ASX RELEASE**CYG – Q1 FY26 Trading Update****17th October 2025**

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

Trading performance

Q1 FY26 Group sales of \$99.3m, up 4.5% pcp, despite continuing softness in the Victoria, Tasmania and New Zealand markets. Unaudited EBITDA¹ of \$2.9m (a significant improvement on the Q4 FY25 run-rate), with our \$10m annualised cost-out program (before implementation costs) ramping up from Q2.

We are pleased with Q1 pcp Sales growth of 4.5% which reflects the positive shift in the sales culture within the business driven by the new management and aided by a new group-wide incentive scheme which rewards at all sales levels of the business and is powered by new PowerBI reporting. Our outlook for FY26 speaks to "expectations that earnings run-rate will improve quarter-on-quarter" and we are pleased with Q1 FY26 Unaudited EBITDA of \$2.9m following a breakeven Q4 FY25.

Cost Out Program Update

The Group's \$10m annualised cost-out program is progressing to plan with clear actions in place to achieve the targeted savings. The program will continue to build momentum through FY26. During Q1 the team identified and implemented approximately \$2.9m in annualised labour and expense savings (before implementation costs).

Executive Team Update

The Group's new Chief Financial Officer commenced in the business on 1 October 2025 and will work side-by-side with the CEO in delivering our "back to basics" strategy with all efforts focussed on sales growth, cost reduction, cash generation and debt reduction. In addition, the Company has appointed a new Chief Information Officer who will commence on 17 November 2025.

Capital Raise Update

The Company announced a Non-Renounceable Entitlement Offer on 15 September 2025 to raise up to \$20m. The Company received applications from eligible shareholders for 19,104,553 ordinary shares at \$0.60 per ordinary share raising approximately \$11.5m (before costs). The new shares were issued on 13 October 2025.

Q1 FY26 Sales and unaudited EBITDA¹

Segment	Q1 FY26 actual (A\$m)
Trade Distribution	58.8
Fluid Systems	40.5
Consolidated Group Sales	99.3
Consolidated Group Unaudited EBITDA¹	2.9

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

Outlook

The Group is executing its “back to basics” strategy under a refreshed and well-aligned executive team.

The Board remains confident in the business’s market opportunity and believes the right leadership is now in place to deliver on this potential. The Group benefits from meaningful revenue scale, strong gross margins and operates in markets without significant structural challenges.

Earnings guidance for FY26 is >\$20m EBITDA with expectations of quarter-on-quarter improvement in the earnings run-rate. This guidance does not include any benefit from the cost-out program which will be progressively implemented throughout the year, with the full run-rate benefit expected in FY27.

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

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