ASX RELEASE – COVENTRY GROUP LIMITED (ASX:CYG)

21 November 2025

Chairman's address to AGM

A few opening remarks from me before we move to the formalities.

My Chairman's report is contained in the 2025 Annual Report, and I do not intend to repeat all that content here. Suffice to say, after seven years of consecutive sales and Underlying EBITDA growth to FY24, Coventry's financial performance in FY25 was poor, particularly in the second half. Sales were down year on year, reflecting softer market conditions across Australia and New Zealand, the distraction and impact of the implementation of our new ERP system and the failure of sales growth strategies to deliver the anticipated results. In addition, the Group's cost base had grown to a level clearly too high relative to its solid gross profits and also compared poorly to peer businesses.

Following the deterioration in performance there has been considerable change in Senior Management and in Board composition. The Group has a new CEO, a new CFO and a new CIO who commenced earlier this week. While the FY25 result was extremely disappointing and a set-back, the Board and new management are committed to delivering the improvements necessary to rebuild earnings and enhance shareholder returns. The Group is focused on delivering its "back to basics" strategy under a refreshed and strongly aligned new executive team with all its efforts focused on sales growth, cost reduction, cash generation, debt reduction and a step-change in financial performance in FY26.

Importantly, shortly you will be hearing from Nik Alpert, our new MD & CEO, who will talk to the "back to basics" strategy, what that really means, what are we actually doing as part of that strategy and what are the tangible benefits being realised in the business. There is still much to do and legacy issues to deal with but Nik, in a short time, has lifted the momentum of the business.

As announced on 17 October 2025, unaudited EBITDA for Q1 FY26 was $2.9m – no better example of a change in momentum when the whole 2H FY25 generated only $2.4m. Further, it is also worth noting that the Fluids business, which implemented the new ERP first, is on track to our original budget.

We expect the run rate improvement shown in the first four months of FY26 compared to the final four months of FY25 to continue, supported by growth in sales and margins along with the benefits from our cost reduction initiatives. Lastly, the $20m EBITDA for FY26 previously guided remains the focus of management and the Board, noting it is an ambitious and challenging target. The new management team have begun a comprehensive re-forecasting process covering every aspect of the business on a line by line basis. This process will take some time and once completed and approved by the board, guidance for FY26 EBITDA will be updated, likely with the release of the half year results in February 2026.

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

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