

ASX RELEASE CYG – Q1 FY27 Trading Update
16 October 2026

Coventry Group Ltd (ASX: CYG) is pleased to provide an update on the Group's trading performance for Q1 of FY27. The result marks a third consecutive quarter of EBITDA improvement and confirms that the momentum established in the second half of FY26 has carried into FY27.

Trading update

Unaudited Q1 FY27 Sales were \$100.1m, up 1.3% on the prior corresponding period (Q1 FY26) and up 1.6% on Q4 FY26. Pre AASB16 EBITDA was \$5.4m, up 87% on the prior corresponding period (\$2.9m) and up 31% on Q4 FY26 (\$4.1m).

Q1 FY27 marks the third consecutive quarter of EBITDA improvement since the Group's near-breakeven result in Q2 FY26, and is the Group's strongest quarterly EBITDA result since Q1 FY25.

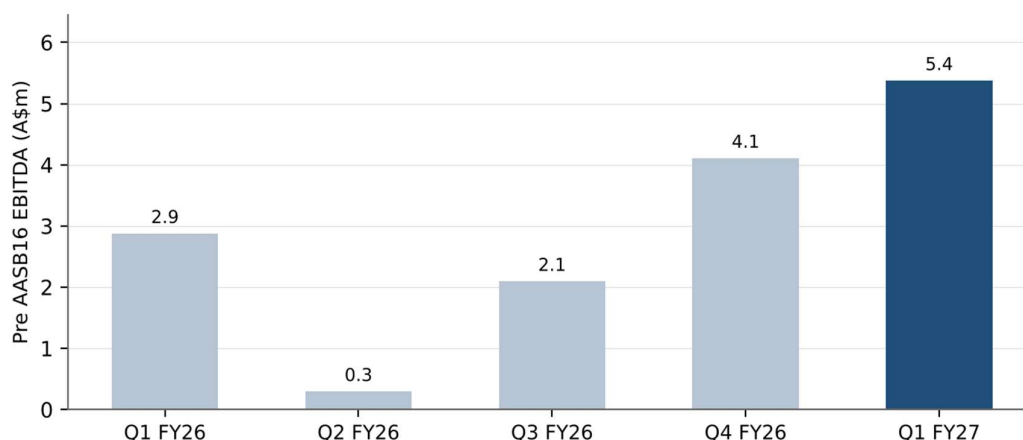
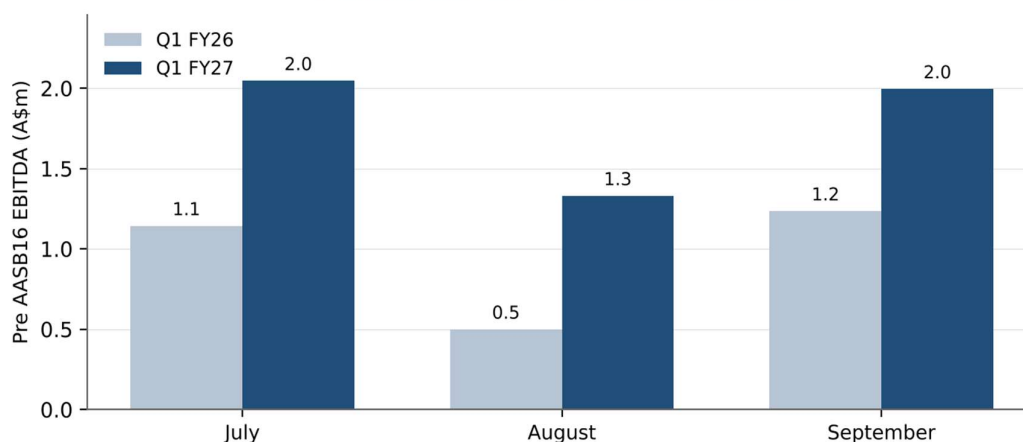
The \$2.5m improvement in EBITDA on the prior corresponding period reflects both a stronger gross margin and a lower cost base. Gross margin improved by approximately 50 basis points to 42.0%, and operating costs were \$1.5m (3.9%) lower than the prior corresponding period despite continued inflationary pressure on wages, rents and other costs. This demonstrates the benefit of the \$10m cost-out program now flowing through to earnings, and the operating leverage in the business.

Trade Distribution delivered sales growth of 6.9% on the prior corresponding period, led by a strong performance from Konnect in Australia and improving momentum in New Zealand. Fluid Systems sales were 6.9% below the prior corresponding period, reflecting the timing of project work and softer activity in some of the businesses end markets. Margin and cost discipline were maintained, with Fluid Systems gross margin improving by approximately 70 basis points and operating costs reducing on the prior corresponding period.

Segment (A\$m)	Q1 FY27	vs Q1 FY26 (pcp)		vs Q4 FY26 (QoQ)	
	Actual	Actual	Change	Actual	Change
Trade Distribution	62.5	58.5	+6.9%	58.6	+6.6%
Fluid Systems	37.6	40.4	-6.9%	39.9	-5.7%
Group Sales	100.1	98.9	+1.3%	98.5	+1.6%
Group EBITDA^{1 2}	5.4	2.9	+86.9%	4.1	+30.9%

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

Note 2: Results are presented on a constant currency basis, which restates New Zealand results at the prior corresponding period's average NZD/AUD exchange rate to remove the impact of currency translation. On a reported basis, at actual average exchange rates, Q1 FY27 EBITDA would be approximately \$0.12m lower than the constant currency figure presented.

Quarterly EBITDA - Q1 FY26 to Q1 FY27**Monthly EBITDA - Q1 FY27 vs Q1 FY26****Funding**

As weaker prior trading periods continue to roll out of the trailing 12-month calculation, gross leverage ratio continues to improve. Gross leverage ratio has halved from a peak of 10x at March 2026, to just under 5x as of 30 September 2026. The gross leverage ratio is expected to continue to improve as the year progresses.

The Group continues to work constructively with NAB following the extension of its financing facility, which was recently extended by 12 months and is now due to expire in August 2028. The Group is in compliance with its September 2026 quarter covenant obligations. The Group maintains liquidity of \$13.8m at 30 September 2026 and has the ongoing support of the bank.

Outlook

The Q1 FY27 result confirms that the earnings momentum established in the second half of FY26 has carried into FY27. The full benefit of the cost-out program is now reflected in the cost base, gross margin initiatives are gaining traction, and sales momentum continues across Australia and New Zealand. The Steelmasters integration is progressing to plan, with operational consolidation and

efficiency improvements underway. The Board and management remain confident that the Group is well positioned to deliver improved financial performance in FY27.

As outlined in the FY26 results in August, the Group has received non-binding indicative offers for individual divisions as part of the strategic review announced on 23 January 2026. The Board determined that these offers did not represent appropriate value having regard to the Group's improving profitability, a trend reinforced by the Q1 FY27 result. The strategic review remains ongoing and the Board continues to engage with interested parties. There is no further material update at this time, and the Company will keep the market informed in accordance with its continuous disclosure obligations.

A further update will be provided at the AGM scheduled to be held on 20 November 2026.

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

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