

Coventry Group 1H FY26

Investor Presentation

Back to Basics
and a return to profitable
organic growth

1H FY26 Financial Performance Snapshot

Financial performance – 1H FY26 results are compared to 1H FY25 and 2H FY25, momentum expected to continue through 2H FY26

Revenue

\$187.4m

\$179.9m 2H FY25

\$184.7m 1H FY25

EBITDA ¹

\$3.2m

\$2.4m 2H FY25

\$9.9m 1H FY25

Statutory net loss

-\$9.7m

\$-28.9m 2H FY25

\$-0.7m 1H FY25

Net Assets

\$111.4m

\$111.2m 2H FY25

Note 1: EBITDA is before significant items and excludes the impact of AASB 16 – Leases and significant items. EBITDA before significant items is a non-IFRS measure and reflects how management measures performance of the Group

Note 2: EBIT is before significant items

Financial Performance



Group Financial Summary

Revenue

\$187.4m

+4.2% on 2H FY25

+1.5% on 1H FY25

EBITDA ¹

\$3.2m

+33.3% on 2H FY25

-67.7% on 1H FY25

EBIT ¹

\$0.5m

+\$1.4m on 2H FY25

-\$7.3m on 1H FY25

Net Debt

\$54.9m

-\$1.4m on 30 June 2025

Net Assets

\$111.4m

+\$0.2m on 30 June 2025

Available Liquidity

\$17.6m

+\$0.9m on 30 June 2025

Note 1: EBITDA is before significant items and excludes the impact of AASB 16 – Leases and significant items

Group Financial Summary

Summary profit and loss

\$m	1H FY26	1H FY25	% change	2H FY25
Revenue	187.4	184.7	+1.5%	179.9
EBITDA ¹	3.2	9.9	-67.7%	2.4
Depreciation and amortisation	(2.7)	(2.1)		(3.3)
EBIT ²	0.5	7.8		(0.9)
Significant items	(7.8)	(5.7)		(28.2)
Net financing expense	(2.1)	(2.3)		(1.6)
Impact of AASB16	(0.7)	(0.9)		(0.6)
PBT (Loss)	(10.1)	(1.1)		(31.3)
Income tax expense	0.4	0.4		2.4
NPAT (Loss)	(9.7)	(0.7)		(28.9)

- NPAT was impacted by \$6m of non-cash adjustments due to changes in accounting estimates in FY26.
- Further detail on significant items is provided in the following slides.

Note 1: EBITDA is before significant items and excludes the impact of AASB 16 – Leases and significant items. EBITDA before significant items is a non-IFRS measure and reflects how management measures performance of the Group

Note 2: EBIT is before significant items

1H FY26 Segment performance

Fluid Systems

Revenue

\$76.2m

+2.4% on 2H FY25

+4.0% on 1H FY25

EBITDA¹

\$6.3m

+1.6% on 2H FY25

-12.5% on 1H FY25

- Fluid Systems first half sales and EBITDA were impacted by the relocation of its largest and most profitable branch in Mackay to a new flagship location in Q2.
- We expect stronger growth in the second half with the disruption of the Mackay relocation now behind us and continued leverage of the new ERP system operating capability.

Trade Distribution

Revenue

\$112.3m

+6.6% on 2H FY25

+0.4% on 1H FY25

EBITDA¹

\$5.4m

+25.6% on 2H FY25

-46.5% on 1H FY25

- Trade Distribution - Three new branches opened at the start of FY26 are trading in line with expectations, delivering consistent month-on-month improvement and on track to achieve profitability by the end of FY26.
- Our strategy to improve underperforming branches and drive organic market growth is starting to deliver improved results.
- Trading conditions in New Zealand, Victoria & Tasmania are slowly improving.

Significant Items

\$m	1H FY26	2H FY25	1H FY25
Change in accounting estimates	5.98	-	-
ERP Implementation costs	0.79	1.61	5.16
Restructuring costs	0.56	0.21	0.24
HRIS Implementation	0.08	0.23	-
Acquisition related costs on completed transactions	0.01	0.05	0.17
Onerous Contract	-	1.27	-
Impairment of intangible assets	-	24.53	-
Other	0.37	0.26	0.11
Total	7.79	28.16	5.68

- **ERP implementation costs** have declined, with only minimal spend anticipated in 2H FY26. With the major cash outflows behind us, operating cash flow is expected to improve.

Changes in accounting estimates

As part of the new management's ongoing commitment to disciplined financial reporting and active working capital management, a comprehensive balance sheet review has been completed.

This review resulted in a non-cash adjustment of \$5.98 million, driven by changes in accounting estimates. The adjustment strengthens the accuracy and integrity of the group's financial position and does not impact cash, operations, or underlying FY26 trading performance. To further support balance sheet integrity, management has conducted sample stocktakes across January and February. These procedures resulted in no material inventory adjustments. A full physical stocktake across all group inventory will be completed prior to 30 June 2026 to ensure inventory balances remain accurately and fairly stated.

Balance Sheet

\$m	31 December 2025	30 June 2025
Total current assets	147.9	155.4
Total non-current assets	169.0	172.8
Total assets	316.9	328.2
Total current liabilities	128.6	134.7
Total non-current liabilities	76.9	82.3
Total liabilities	205.5	217.0
Net Assets	111.4	111.2
Net Tangible Assets	26.5	25.4
Current assets less current liabilities	19.3	20.7

- At 31 December 2025, the Group had Net Tangible Assets of \$26.5m, Current Assets exceeding Current Liabilities by \$19.3m and Net Assets were \$111.4m.
- Net debt as at 31 December 2025 of \$54.9m (30 June 2025 of \$56.3m). Debt reduction will be a focus area with minimal investment in the ERP expected in the second half.
- NAB debt facilities of \$12.5m were available at 31 December 2025. NAB remains supportive and has provided covenant waivers (gross leverage and fixed charge cover) for the December and March quarters.

Cash Flow

\$m	1H FY26	2H FY25	1H FY25
Gross operating cash flow	7.5	13.9	12.6
Less cash lease payments	(9.2)	(8.9)	(8.8)
Add significant items	1.8	3.7	5.7
Adjusted gross operating cash flow	(0.1)	8.7	9.5

- Reduction in operating cash flow was driven by the settlement of aged payables to largely comply with supplier payment terms (\$5m) and lower operating performance in 1H.

Back to basics update



“Back to Basics” strategic update

- Revenue in 1H FY26 was \$187.4M, an improvement of 4.2% compared to 2H FY25.
 - Trade Distribution revenue increased 6.6%, positively impacted by new branch openings, improving under performing branches and organic market growth across Australia and NZ where the market is slowly but steadily improving.
 - Fluid Systems revenue increased 2.4% mainly from mining and industrial activity. The relocation of Cooper Fluid Systems, Mackay, now complete, partially offset the pace of growth in Q2.
 - Trading in the first 6 weeks of the second half of FY26 is in line with expectation.
- Profit margins continued to improve with the implementation of both buy and sell side initiatives, dynamic market pricing and streamlined freight and logistics.
- Execution of our \$10m cost reduction program is progressing well, with 1H FY26 annualised savings of approximately \$5.1m delivered across employment costs and other general expenses. Of this, \$1.8m relates to Fluid Systems, \$2.6m to Trade Distribution, with the balance attributable to Corporate overhead. We remain on track to achieve the full \$10m annualised target in FY26, with additional initiatives being implemented in the second half.

“Back to Basics” strategic update

Working capital - is being closely managed with enhanced control measures implemented in accounts payable and accounts receivable. Inventory procurement initiatives to reduce inventory using the new ERP system have also been put in place and are expected to ramp up in the second half.

Digitisation - the new ERP system has stabilised across Konnect Australia, Konnect NZ and Fluid Systems and process efficiency gains across the business continue to be realised.

Net Debt reduction - 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.

Strategic Review - As announced on 23 January 2026, the Board has commenced a strategic review of the Company’s portfolio, supported by external advisors, following unsolicited third-party approaches for certain business units. The review will assess options to unlock shareholder value, including:

- Portfolio simplification or separation;
- Other strategic initiatives to enhance performance and valuation.

No decisions have been made and there is no certainty the review will result in any transaction or structural change. Allier Capital and Talbot Sayer have been appointed as corporate and legal advisors, respectively. The business continues to operate as usual.

Outlook

A clear plan focussed on profitable organic growth in markets with improving conditions

Positive momentum and improving financial performance is expected to continue in the second half

Cost saving initiatives are delivering real savings and are ongoing

Strategic review announcement on 23 January 2026 is underway. Management remains focused on delivering improved operational and financial performance

Thank you