

## ASX RELEASE

### Half year FY 2018 – Trading Update

15 January 2018

Coventry Group Ltd (ASX: CYG) announced today that the trading performance of the Group has continued to improve during the second quarter of FY2018. Group revenue for the second quarter and the half have grown year on year as initiatives to improve business development capability, branch resources, stock availability and customer service deliver results.

#### Revenue

Percentage revenue change in the first half of FY2018 (July to December) when compared with the prior corresponding period (PCP) is shown below:

Revenue change	1HF18 vs 1HF17 % revenue change
Trade Distribution	+4.7%
Cooper Fluid Systems	+21.0%
<b>Consolidated Group excluding non-continuing operations</b>	<b>+10.2%</b>

*Note 1: The non-continuing operations of AA Gaskets have not been included.*

#### Divisional Commentary

- Trade Distribution Australia has continued to show improvement with sales up 1.9% for the half year on PCP. Initiatives to improve business performance as outlined in the FY review and at the AGM continue to be refined to accelerate the pace of improvement.
- Trade Distribution New Zealand continued to perform well in its key markets, with revenue up 12.7% on PCP.
- Cooper Fluid Systems revenue has seen substantial growth with sales up 21.0% on PCP. Sales growth is being driven by an increase in service and maintenance activity in the resources sector and improving business conditions.

#### Net debt

Following the sale of the AA Gaskets business which completed on 1 December 2017, the Scottish Pacific securitised trade receivables facility was repaid but remains available for use in the future if required. The Group has cash funds available of AUD6.2m as at 31 December 2017.

### **Other matters**

Market conditions remain positive in our key markets of construction, industrial and resources.

The Group's Executive Leadership team has been expanded with the appointment of Tracey Gibbins (formerly our Health, Safety and Environment Manager) to the new role of General Manager – People, Safety, Wellness and Quality.

Longer term tenants continue to be sought for the property in Redcliffe, Perth.

### **Half year results**

Further details on current initiatives and the outlook for the Group will be released in conjunction with the half year results announcement.

*For further information contact:*

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