

17 April 2024

Coventry successfully upsizes fully-underwritten Placement to \$30.0 million following strong support from investors

Highlights

- Coventry upsizes fully-underwritten Placement from \$25.0 million to \$30.0 million
- Coventry Group to acquire Australia and New Zealand based Steelmasters Group for A\$42.1 million¹
- The acquisition will result in pro forma FY24F EPS accretion of approximately 32% (including synergies¹²)
- The combined CYG and Steelmasters business would deliver forecast pro forma FY24F Revenue of A\$400.2² million, FY24F EBITDA² of A\$27.5 million (including A\$1.1 million of synergies³)
- Increase of CYG's pro forma EBITDA² margin from 5.4% to 6.9%
- Industrial supply market focussed acquisition which aligns with CYG's M&A strategy
- Leverage of ~1.7x Net Debt² to pro forma FY24F EBITDA², with Net Debt² to EBITDA² expected to reduce below 1.5x by 30 June 2025. Net debt positively impacted by the completion of the ERP project in December 2024 and the availability of tax losses in Australia
- The acquisition will be funded with a combination of approximately A\$13.4⁴ million through a new NAB Revolving Cash Advance facility and proceeds from the Placement
- CYG is also undertaking a \$2.0 million non-underwritten Share Purchase Plan ("SPP") to all eligible shareholders, with proceeds used to reduce net debt

Coventry Group Limited (**Coventry** or **CYG**) (ASX: CYG) is pleased to announce that the bookbuild for the \$25.0 million fully-underwritten two-tranche placement (before costs) (**Placement**) has been oversubscribed, and the Placement has been upsized to \$30.0 million. Tranche 1 of \$20.7 million proceeds fully committed and 14.3 million new Shares to be issued to institutional investors at an issue price of \$1.45 per Share. Tranche 2 of \$9.3 million and 6.3 million new Shares to be issued, subject to shareholder approval at an Extraordinary General Meeting. A notice of shareholder meeting will be sent to shareholders shortly.

The new Shares will be issued pursuant to the Company's existing placement capacity under Listing Rule 7.1 on or about 24 April 2024. The new Shares will rank equally with the Company's existing ordinary Shares on issue.

¹Acquisition price is NZ\$45.0m

² Net Debt and EBITDA is presented on a pre-AASB16 basis (excluding lease liabilities and occupancy expenses) using the midpoint guidance range for CYG FY24F Sales and EBITDA

³ Pro forma FY24F metrics include \$1.1 million of buying synergies

⁴ CYG will temporarily fully draw down on the facility to fund the acquisition until Tranche Two Placement funds have been settled (subject to shareholder approval via an EGM on or around 4 June 2024)

⁵ EPS accretion calculation has been performed for the financial year ended 30 June 2024 using the midpoint guidance range for CYG FY24 Sales and EBITDA and includes \$1.1 million of synergies. It also includes the Equity Raising and issuance of 20.7m New Shares as part of the Institutional Placement

⁶ Based on an exchange rate of NZ\$1.07

Please refer to Coventry's ASX announcements dated 15 April 2024 which contain further details regarding the capital raising.

Coventry will offer all eligible shareholders the opportunity to participate in a \$2.0 million non-underwritten SPP.

Coventry has entered into a deed of variation with the Joint Lead Managers, Bell Potter Securities Limited and Petra Capital Pty Ltd to reflect this.

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

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