

27 November 2018

Trading Update

In the Half Year 2018 results release to the market on 17 August 2018, Capral advised that, absent any unforeseen events, Statutory and Trading EBITDA* for 2018 was expected to be broadly in line with 2017.

In recent months, volumes and margins have been adversely impacted by a spike in low-priced imports due to sustained high levels of aluminium input costs (LME), and a slowing housing market. As a result, the 2018 full year earnings result is now expected to be lower than 2017. Capral anticipates that the expected Statutory and Trading EBITDA* range for 2018 will now be between \$13 million and \$14 million.

Capral still expects to generate positive operating cash flow in 2018 and will be net cash positive as at 31 December 2018. On this basis, Capral anticipates being able to pay a fully franked final dividend.

Capral continues its efforts to prevent the dumping of extruded aluminium by overseas manufacturers. The significant increase in LME since the Anti-Dumping Commission's review of the measures imposed on certain Chinese imports in October 2015 has reduced the effectiveness of the measures. Capral applied for a review of these measures which commenced in July 2018 and a decision is expected in the first quarter of 2019. If the measures are increased this should assist margins and volumes in 2019. The Anti-Dumping Commission has also found evidence of transshipment of Chinese imports supplying multiple Australian customers. It is important that meaningful sanctions are imposed against suppliers breaking Australian laws.

The full year earnings for financial year 2018 is due for release on 22 February 2019.

Yours faithfully



Tony Dragicevich
Managing Director

Capral Limited
ABN 78 004 213 692
ASX: CAA

Level 4, 60 Phillip St
Parramatta NSW 2150

PO Box 209,
Parramatta CBD BC
NSW 2124

T 02 8222 0112
F 02 8222 0130

www.capral.com.au

* Trading EBITDA is the Statutory EBITDA adjusted for significant items that are material items of revenue or expense that are unrelated to the underlying performance of the business. Capral believes that Trading EBITDA provides a better understanding of its financial performance and allows for a more relevant comparison of financial performance between financial periods. These items are LME and Premium revaluation, and one-off costs relating to restructuring that are non-recurring in nature