

22 October 2020

Upgrade to full year guidance and trading update

A strong rebound in the September quarter was well ahead of expectations following a weak June quarter impacted by the global pandemic. Apart from minor disruptions in Victoria, Capral's manufacturing and distribution facilities are currently operating at full available capacity. The Company expects market conditions to remain solid for the December quarter and into 2021.

The housing stimulus packages from both Federal and State Governments continue to have a positive impact on new house sales and will underpin some recovery in the residential building market.

Further, the various Government infrastructure stimulus initiatives are starting to drive stronger demand for Capral's industrial products. Capral expects that demand for its broad range of industrial products will continue to grow as additional infrastructure projects commence.

Following a period of import supply disruption, Capral is now benefitting from the growing trend towards favouring local manufacturing. This "Australian Made" sentiment has contributed to Capral retaining market share gains against imports despite the recent strengthening of the Australian dollar.

The positive impact on earnings resulting from last year's restructure of Capral's Bremer Park operations will continue to deliver improvements into the future.

As a result, Capral is now in a position to update earnings guidance for FY20.

In summary, it is anticipated that FY20 earnings will be above the guidance range provided in February. Capral expects to achieve a Trading EBITDA (excluding JobKeeper) of between \$15 million and \$17 million. Including JobKeeper receipts of \$12 million, we expect EBITDA to be between \$43 million and \$45 million, and Net Profit After Tax to be between \$19 million and \$21 million (between \$7 million and \$9 million excluding JobKeeper). The excellent earnings and strong positive cash position support the consideration of a fully franked final dividend.

General Meeting Reminder

Capral will be holding a General Meeting (EGM) on **Tuesday, 3 November 2020**. The Notice of Meeting setting out the business of the EGM, and instructions on how to participate in the EGM and vote on the items of business, was distributed earlier and is also available on Capral's website at: <https://www.capral.com.au/about-capral/for-investors/>.

Key dates:

Proxy Close	10:00 am (Sydney time) on Sunday, 1 November 2020
Record Date	7:00 pm (Sydney time) on Sunday, 1 November 2020
EGM	10:00 am (Sydney time) on Tuesday, 3 November 2020

Yours faithfully

CAPRAL LIMITED



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