

2025

# Half Year Results

Presentation and Earnings Guidance

21 August 2025

Capral Limited (ASX:CAA)

15 Huntingwood Drive, Huntingwood NSW 2148

Approved and authorised by Capral's Board of Directors

# Agenda

- 1** Business Overview
- 2** 1H25 Highlights
- 3** 1H25 Financials
- 4** Strategy
- 5** Outlook & Guidance



# Our business at a glance

Australia's leading supplier of aluminium extrusion and rolled products.

**#1**

**Manufacturer and Distributor of**  
Aluminium Extrusion

**#1**

**Distributor of**  
Aluminium Sheet and Plate

**#1**

**Supplier of**  
Aluminium Value Add Services

# Our business at a glance





# Half Year Highlights

*“Earnings in line with expectation:*

- Lower volume, however higher metal (LME) price lifted sales revenue above prior period*
- Industrial demand has softened*
- Residential demand soft but steady, expected recovery in second half*
- Margins holding up well due to effective cost management and recovery.”*

**TONY DRAGICEVICH**  
CEO & MANAGING DIRECTOR



# 1H25 Performance Highlights

Half year results in line with expectation

## Volume

**31,100 tonne**

33,500 tonne 1H24

↓ **7%**

## Revenue

**\$327m**

\$313m 1H24

↑ **4%**

## Underlying EBITDA<sup>1,2</sup>

**\$27.7m**

\$28.7m 1H24

↓ **3%**

## Underlying EBIT<sup>2</sup>

**\$16.1m**

\$16.9m 1H24

↓ **5%**

## EBITDA<sup>1</sup>

**\$26.8m**

\$29.2m 1H24

↓ **8%**

## NPAT<sup>3</sup>

**\$15.3m**

\$14.7m 1H24

↑ **4%**

## EPS<sup>3</sup>

**\$0.89**

\$0.83 1H24

↑ **8%**

## Net Cash

**\$53.0m**

\$67.8m 1H24

## NTA per share

**\$11.67**

\$11.25 Dec24

## Capital Management

**~27 cps buy-back**

(equivalent)

1H24: ~18 cps buy-back

1H25: No interim dividend

declared (1H24: Nil)

## Safety Performance

**5.9 TRIFR<sup>4</sup>**

7.7 FY24

### Notes

1. EBITDA is defined as Earnings before Interest, Tax, Depreciation and Amortisation

2. Underlying EBITDA and EBIT are adjusted for significant items: LME revaluation (1H24: \$0.6m, 1H23: (\$0.6m))

3. NPAT and EPS include Deferred Tax Benefit (1H25: \$2.5m, 1H24: Nil)

4. TRIFR is total reportable lost time and medically treated injuries per million work hours



# Sales Volume, Channels and Mix

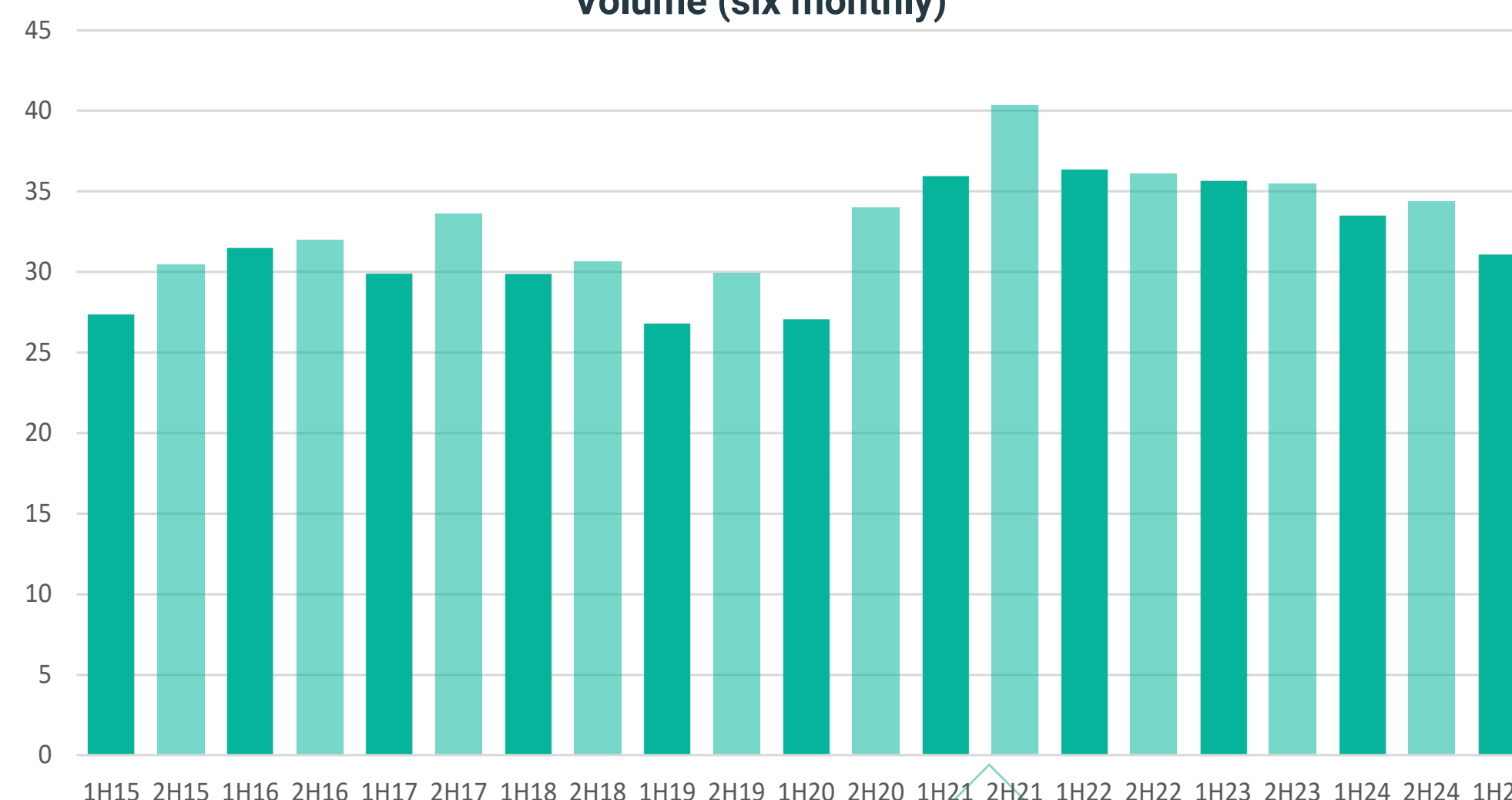
## Industry diversification supports volume during cyclical downturns

**Volume 7% down on 1H24, ahead of expected housing recovery starting H2 2025**

- Residential remains soft but approvals and commencements are lifting
- Imports of fully fabricated windows are starting to impact the residential market
- Industrial sectors slowing, especially infrastructure and transport
- Industrial exposure remains around 50%

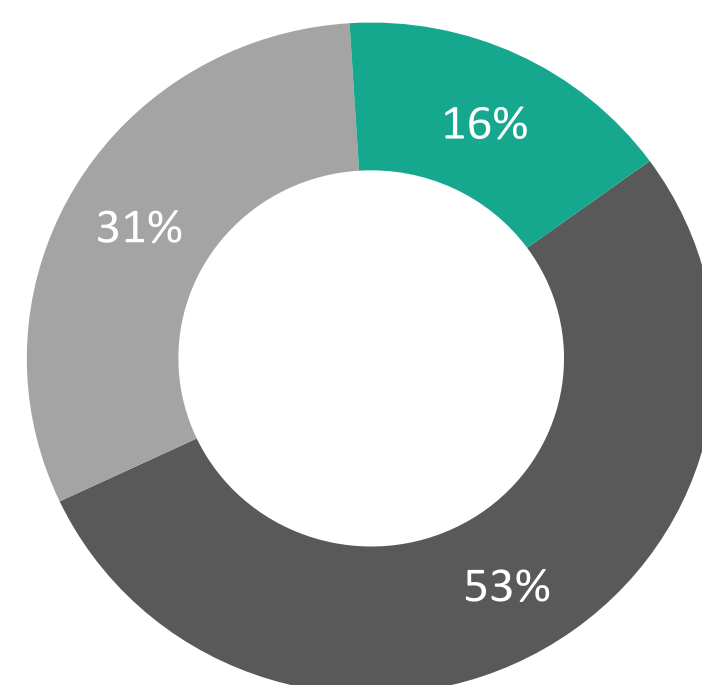
**Sales seasonality - stronger second half anticipated in 2025**

**Volume (six monthly)**



Source: Capral

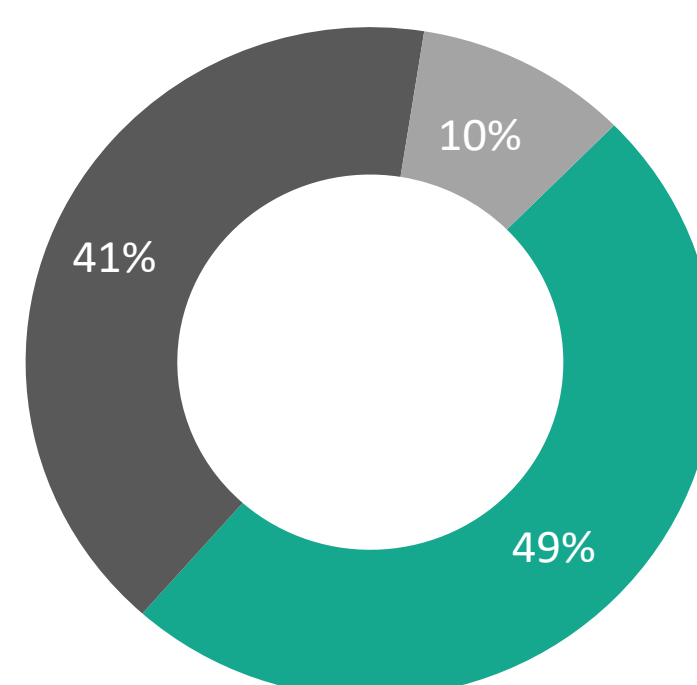
**Channels to Market (volume)**



■ Extruded Aluminium (direct from mill)  
■ Extruded Aluminium (via distribution centres)  
■ Rolled Aluminium plate (via distribution centres)

Source: Capral

**Industry Exposure (volume)**



■ Residential Building  
■ Commercial Building  
■ Industrial (Transport, Marine, Infrastructure, Solar, Metal Fabrication)



# Residential sector remains soft but improving

Expecting recovery in second half 2025

## 2025

### Latest forecast<sup>1</sup> 181,000 starts

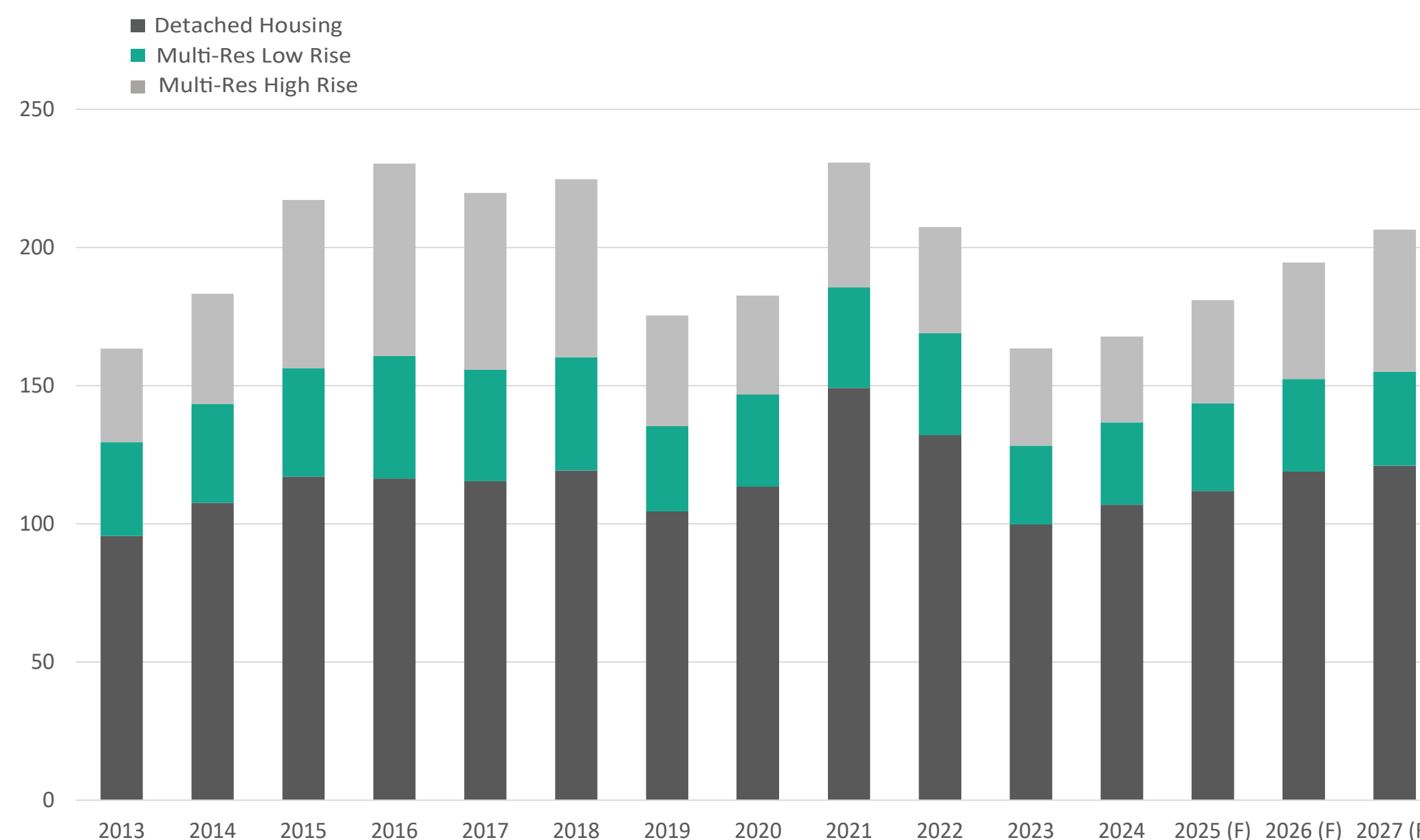
- Total forecast commencements up 8% on 2024
- Residential starts impacted by:
  - Interest rates
  - Removal of government incentives
  - Escalating building costs and affordability
- Detached dwellings up 5% on 2024
- Low-rise multi-residential up by 6%, high-rise up by 20%

## Future

### Forecast<sup>1</sup> starts 194,500 in 2026, up 8%

- Approvals forecast to lift on lower interest rates
- Detached dwellings forecast to lift by 6%
- Low-rise multi-residential up 6%, high-rise up 13%

## Annual Dwelling Commencements<sup>1</sup> (000's)



Capral's residential volume is mainly aligned with Detached and Low-Rise Dwellings

<sup>1</sup> Source: HIA & Oxford Economics (May 2025)



# Recent Capral Projects

## Residential



### Howley Street, NSW

**Fabricator:** Master Windows

**Builder:** Miso Building

**Products Used:** Capral AGS Framing System



### Cooranbong, NSW

**Fabricator:** Fin Windows + Doors

**Builder:** Candor Homes

**Products Used:** Capral Urban Windows and Doors



### Avalon House, NSW

**Fabricator:** PCW Commercial Windows

**Builder:** Laxale

**Products Used:** Capral AGS Framing System



# Recent Capral Projects

## Commercial



### ARUP Brisbane, QLD

**Fabricator:** MHC Carpentry  
Glazing Tiling

**Products Used:** Capral AGS  
Framing System



### Bunbury Hands Oval, WA

**Fabricator:** LGA (WA)

**Products Used:** Capral AGS  
Framing System



### Nippon Express - The Yards, NSW

**Fabricator:** ADS Glass and  
Aluminium

**Products Used:** Capral AGS  
Framing System



# Industrial sector has softened

Transport, infrastructure, manufacturing slowing - marine and cladding remain solid



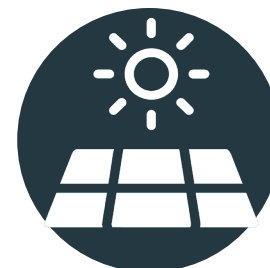
## Transport

- Sector has softened from historic highs



## Marine

- Commercial ferry builds, solid local demand
- Defence shipbuilding steady with possible upside



## Solar

- Imports impacting demand for local solar rail
- Government Sunshot initiative provides future opportunity
- Aligning with potential Australian solar manufacturers



## Industrial Construction

- Infrastructure investment has slowed
- Cladding sector demand continues to grow for facades and sunshades



## Manufacturing and General Fabrication

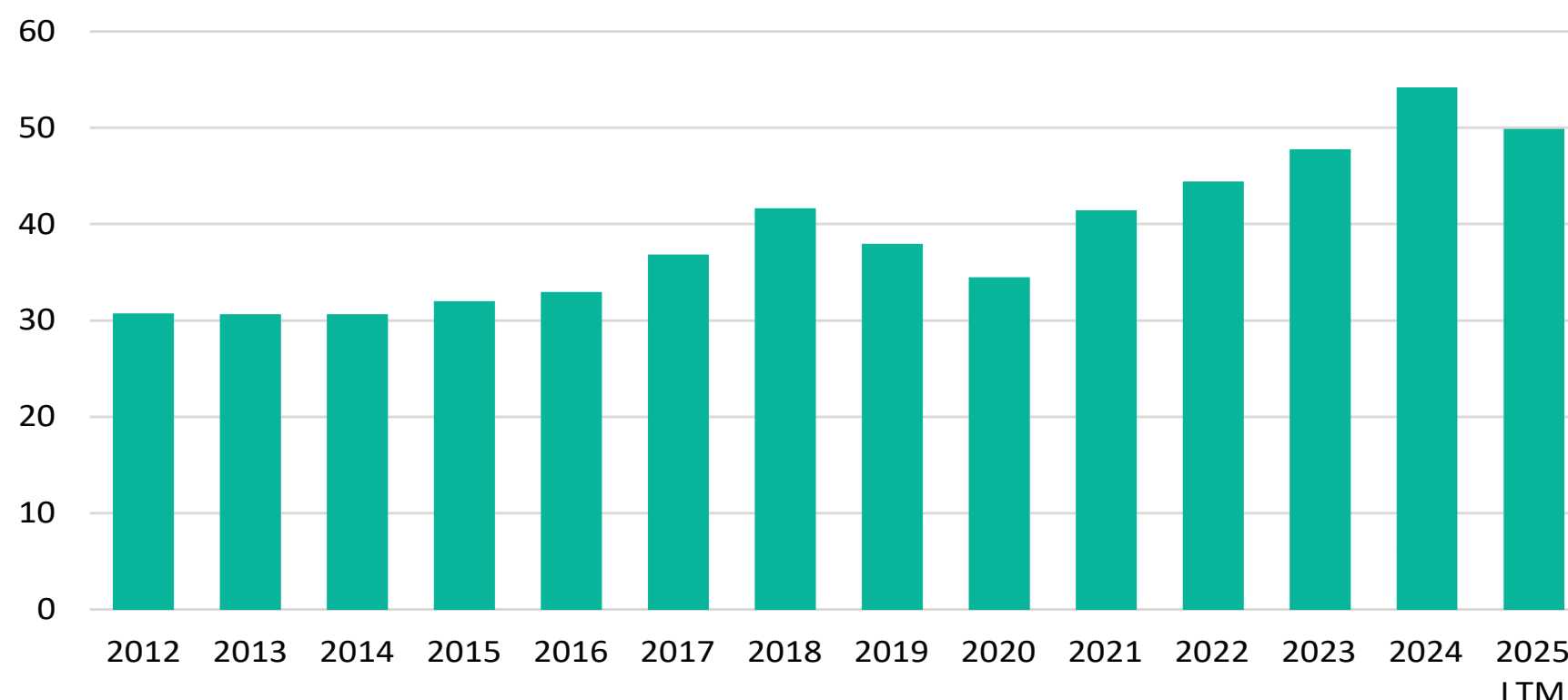
- Markets slowing but share gains holding against imports



## Resellers

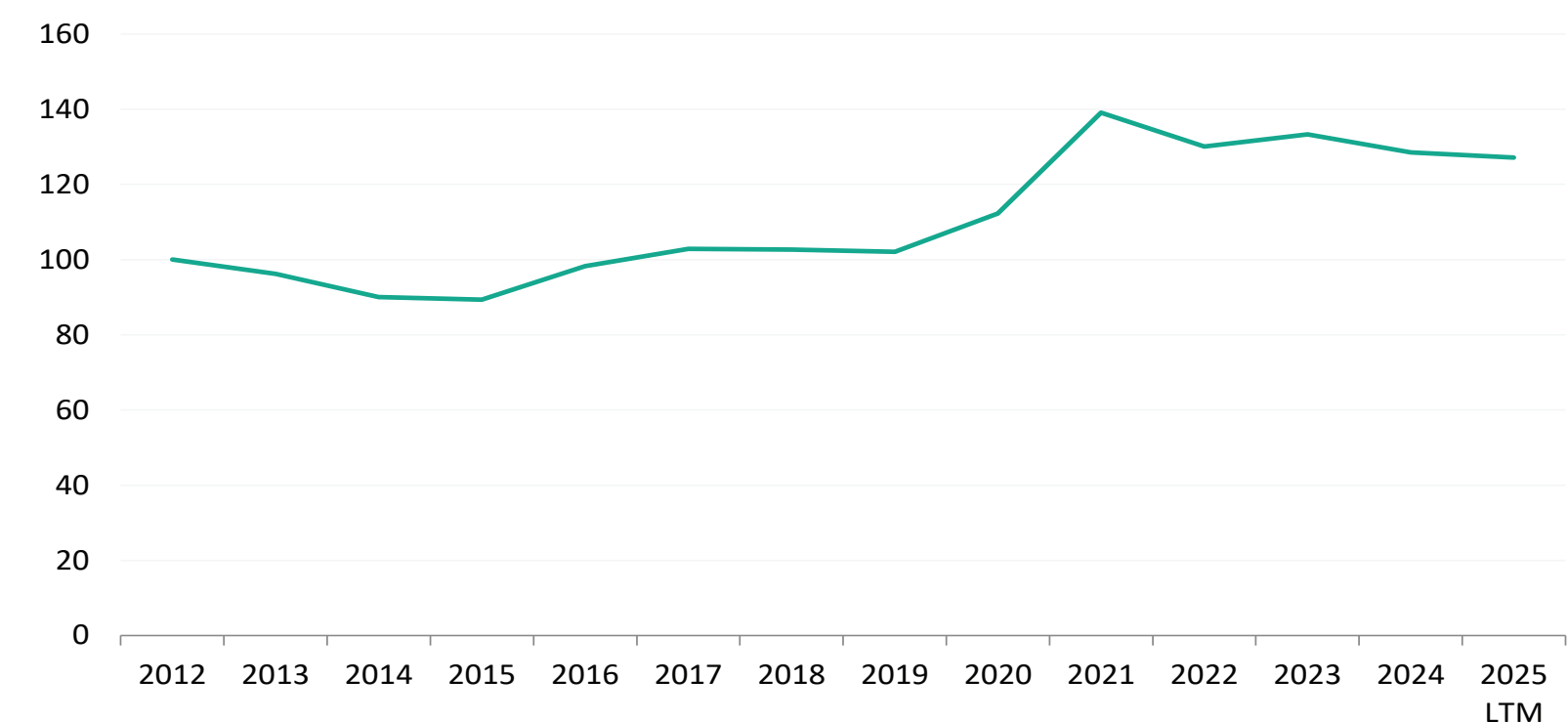
- Volume to resellers softened due to return to imports
- Opportunity in response to anti-dumping outcomes

**New Truck and Van Builds (000's)**



Source: Truck Industry Council of Australia

**Total Capral Industrial Volumes**



Source: Capral (Indexed from 2012)



# Recent Capral Projects

## Industrial



### Western Sydney International

Ceiling battens and structural spine for new International Airport Terminal

Badgerys Creek, NSW



### Westlab

Laboratory and Industrial Workspace solutions

Mitchell Park, VIC



### Volgren

Bus Builder

Dandenong South, VIC





*“Bottom of cycle earnings performance remains solid despite 7% lower volume and inflationary pressures.”*

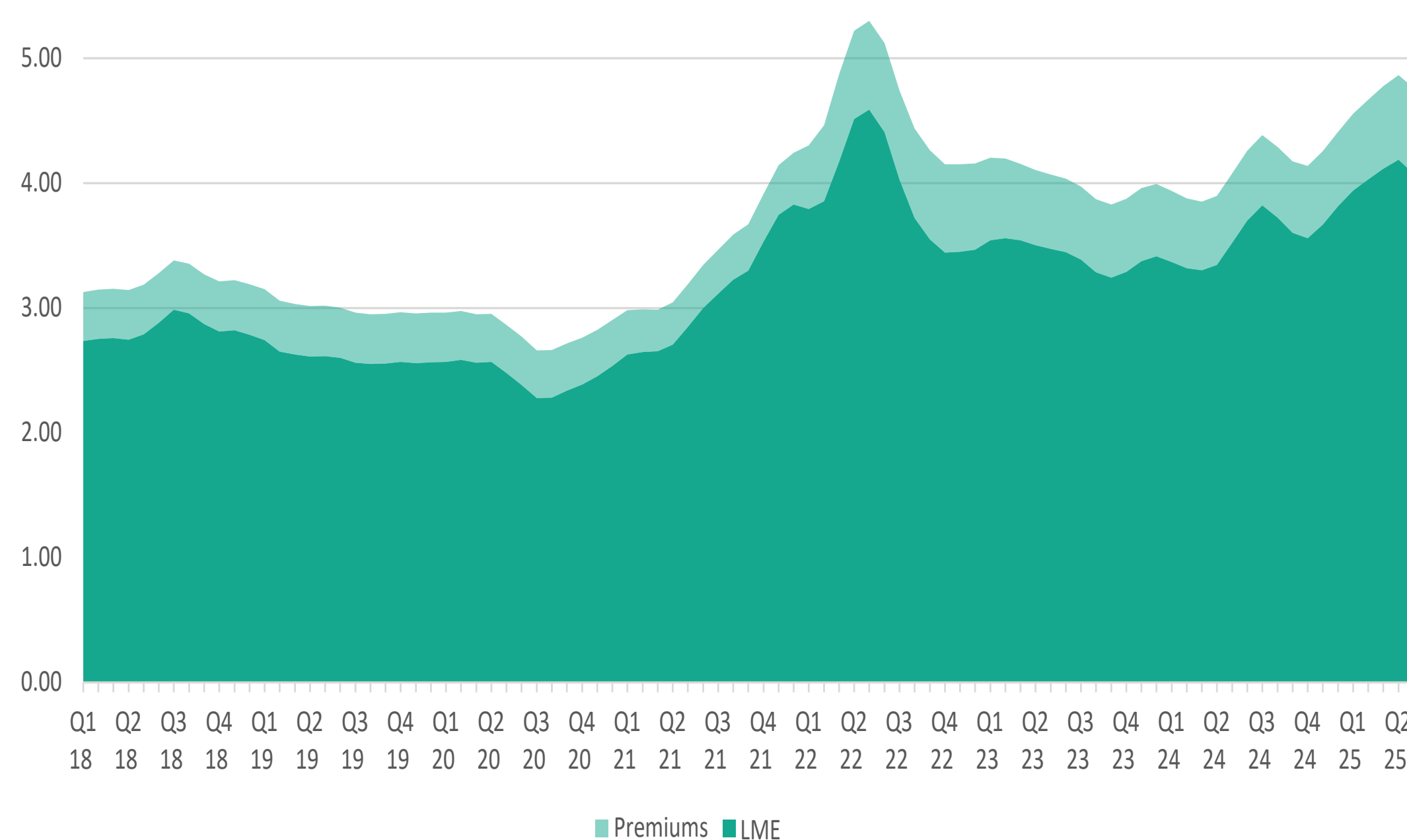
**TERTIUS CAMPBELL**  
CFO



# Metal cost has been volatile in 2025

1. Regional premiums lifted in 1H25, but have fallen in 3Q25
2. The international LME price is volatile and impacted by global supply factors and geopolitical trade issues  
Average LME increased by 13% on FY24 to \$A3,870t, rising in Q125, falling in Q2, have rebounded in Q3
3. The USA government's tariff uncertainty is impacting international trade flows and creates volatility in regional premiums and LME

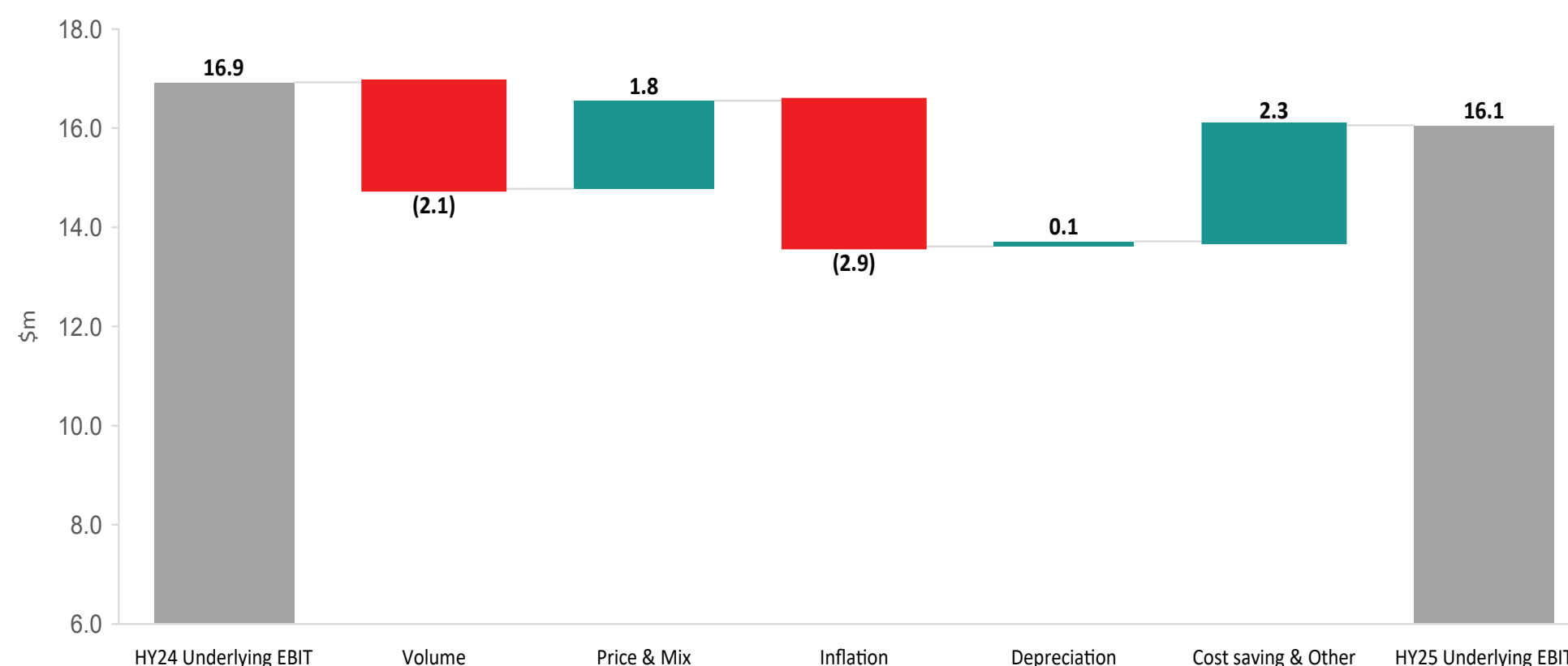
**Aluminium Price \$A**  
(LME & Premiums)



# Earnings in line with expectation

## Remaining solid during cyclical downturn

1. Volume 7% lower than 1H24
2. Sales Revenue 4% up on 1H24, reflecting higher metal cost and improved mix and selling prices
3. Underlying EBITDA 3% below 1H24, primarily due to impact of lower volume and inflation, partially offset by cost reduction programs.
4. LME revaluation constitutes significant item, reflecting a year on year negative profit impact of \$1.5m
5. Operational Finance Cost is lower with no short-term working capital loans since 2H23
6. Income Tax Benefit relates to the recognition of a further \$2.5m Deferred Tax Asset based on projected growth in future taxable income



		1H25	1H24
Sales Volume ('000 tonnes)	1	31.1	33.5
		\$m	\$m
Sales Revenue	2	327.2	313.4
<b>Underlying EBITDA</b>	3	<b>27.7</b>	<b>28.7</b>
Depreciation/Amortisation			
- Owned Assets		(4.8)	(4.6)
- Right of Use Assets		(6.8)	(7.1)
<b>Underlying EBIT<sup>1</sup></b>		<b>16.1</b>	<b>16.9</b>
Significant Items	4	(0.9)	0.6
<b>EBIT</b>		<b>15.2</b>	<b>17.5</b>
Finance Cost			
- Operational Funding	5	(0.2)	(0.4)
- Right of Use Leases		(2.1)	(2.4)
<b>Net Profit Before Tax</b>		<b>12.8</b>	<b>14.7</b>
Income Tax Benefit	6	2.5	-
<b>Net Profit After Tax</b>		<b>15.3</b>	<b>14.7</b>
Earnings Per Share (\$/share)		0.89	0.83

# Strong balance sheet

## Underpinning capital management initiatives

1. Inventory increased due to higher average metal prices (LME)
2. Receivables metrics remain excellent with DSO at 44 days (Dec24: 44 days)
3. Facility with ANZ Bank to fund working capital and trade instruments (LC's), new syndicated facility of \$75m signed to allow for future growth
4. Lease Liabilities (current and non current) of \$76.2m, primarily property leases as defined by AASB16, net impact is reduction in Net Assets of \$21.9m (\$1.32 per share) due to timing of lease terms

Net cash positive and metrics remain strong, well within bank covenants providing flexibility to manage uncertainty and capital allocation:

- EBITDA Interest cover<sup>1</sup> LTM at an average of 19.4 times (FY24: 21.4)

<sup>1</sup> The calculation of interest cover used for bank covenant purposes differs from calculations drawn directly from the financial statements

<sup>2</sup> Subject to same business test

		Jun 25	Dec 24
<b>Current Assets</b>		<b>\$m</b>	<b>\$m</b>
Inventory	1	159.4	155.4
Trade Receivables	2	101.1	91.8
Cash and Equivalents	3	53.0	68.9
Others		2.4	4.7
		<b>315.9</b>	<b>320.8</b>
<b>Current Liabilities</b>			
Trade Payables		(134.3)	(141.4)
Lease Liabilities	4	(16.7)	(16.9)
Borrowings	3	-	-
Provisions and Other		(17.7)	(15.0)
		<b>(168.7)</b>	<b>(173.3)</b>
<b>Net Current Assets</b>		<b>147.2</b>	<b>147.5</b>
Non Current Owned Assets		94.6	92.7
Non Current Right of Use Assets		54.4	59.0
Non Current Lease Liabilities	4	(59.5)	(66.0)
Non Current Provisions		(7.3)	(8.1)
<b>Net Assets</b>		<b>229.3</b>	<b>225.1</b>
Net Tangible Asset Value		193.5	191.5
NTA per share (\$/share)		11.67	11.55
Available Tax Losses <sup>2</sup>		208.3	222.4
Accumulated Unrecognised Tax Losses		109.0	131.3



# Cash used for increased distributions and working capital demands

Continued strong focus on cash management.

1. Working capital increased due to metal cost
2. Capex in line with plan
3. Distributions includes FY24 final dividend \$6.8m and 1H25 share buy-back \$4.5m
4. Trade Instruments mainly letters of credit (drawn and open) in relation to imported product

Cash Flow	1H25	1H24
	\$m	\$m
EBITDA <sup>1</sup>	27.7	28.7
Working Capital	1 (16.9)	5.9
Finance Cost	(3.0)	(2.6)
<b>Operating Cash Flow</b>	<b>7.8</b>	<b>31.8</b>
Capital Expenditure	2 (4.3)	(4.7)
Interest Received	0.7	0.8
Acquisition/Investment	-	(2.4)
Rent Principal	(8.9)	(8.1)
<b>Free Cash Flow</b>	<b>(4.6)</b>	<b>17.4</b>
Proceeds from (repayment of) borrowings	-	-
Other	0.1	0.1
Distributions to Shareholders	3 (11.3)	(9.3)
<b>Net (decrease)/Increase in cash</b>	<b>(15.8)</b>	<b>8.2</b>
<b>Bank Facility Usage</b>		
Bank Guarantee	4.3	4.9
Trade Instruments	4 37.5	33.5
<b>Net Cash Position</b>		
Cash Balance in Funds	53.0	67.8

# Disciplined capital management

## Driving solid returns for shareholders

### 1. Distributions

- Capral aims to distribute 40-80% of underlying earnings per share
- Total distribution of 27 cps or 35.0% in 1H25 (1H24: 18 cps or 22.0%) through share buy-back

### 2. Franking Credits

- All Franking Credits have been distributed

### 3. Buy-back (on-market)

- In 2023/24 - 1,017,538 shares bought back and cancelled at an average price of \$9.18 per share
- 2025 further buy-back of up to 10% of issued shares. 1H25: 448,866 shares bought back and cancelled at an average price of \$10.06 per share

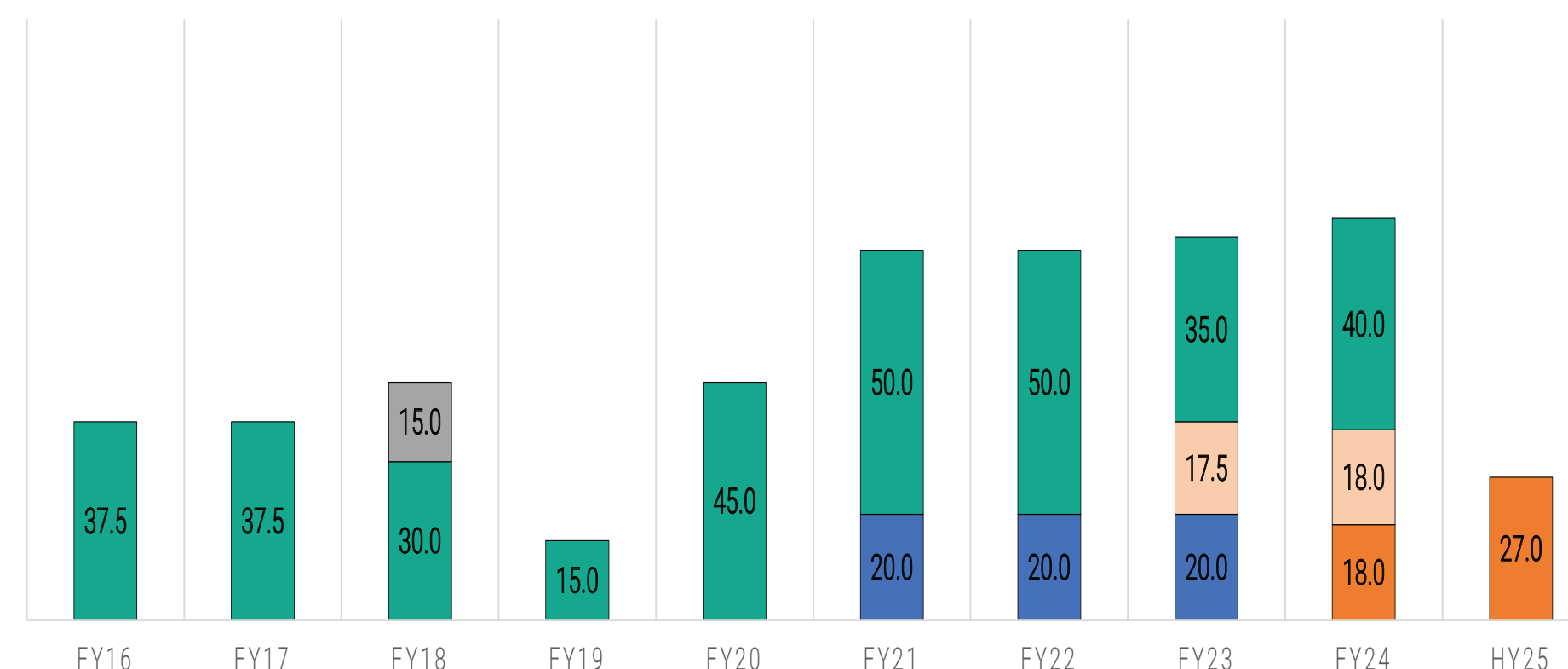
### 4. Dividends

- No interim dividend declared in 1H25, will re-evaluate at year-end
- Distributions will focus on buy-backs, topped up with unfranked dividends as required

### 5. Shareholder return

- 4.5 year TSR: ~138% from Jan 2021 to June 2025 representing a CAGR of ~21% pa

■ Share Buyback H1<sup>1</sup> ■ Share Buyback H2<sup>1</sup> ■ Final Dividend ■ Special Dividend ■ Interim Dividend



<sup>1</sup> Based on weighted average number of shares on issue.  
Further Buy-backs to be determined by Board



# Strategy and Outlook

*"We continue to focus on increasing return on invested capital, improving our competitive position, and growing our presence in aluminium distribution."*

**TONY DRAGICEVICH**  
CEO & MANAGING DIRECTOR



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# Clearly Defined Strategy

Build, Optimise and Grow



## **BUILD on our strengths**

- Widest range of aluminium products
- National extrusion manufacturing and distribution network
- Innovative aluminium systems and supply chain solutions
- Committed and experienced people



## **OPTIMISE what we do**

- Continually improve key customer service metrics
- Drive lean manufacturing to deliver world class productivity levels
- Invest in new technology to increase productivity and lower costs
- Optimise supply chain to maximise efficiencies



## **GROW for the future**

- Leverage our capabilities into new opportunities
- Develop new products and channels to market
- Enhance presence in architectural markets
- Expand footprint through acquisition and into adjacent markets



# Improve productivity, grow in new markets and enhance our value to customers



## ▶ Manufacturing

- Continue process improvement programmes
- Maintenance capital spend to ensure on going plant reliability and efficiency
- Progressively upgrade shop floor control systems
- Upgrade Penrith extrusion plant

## ▶ Distribution

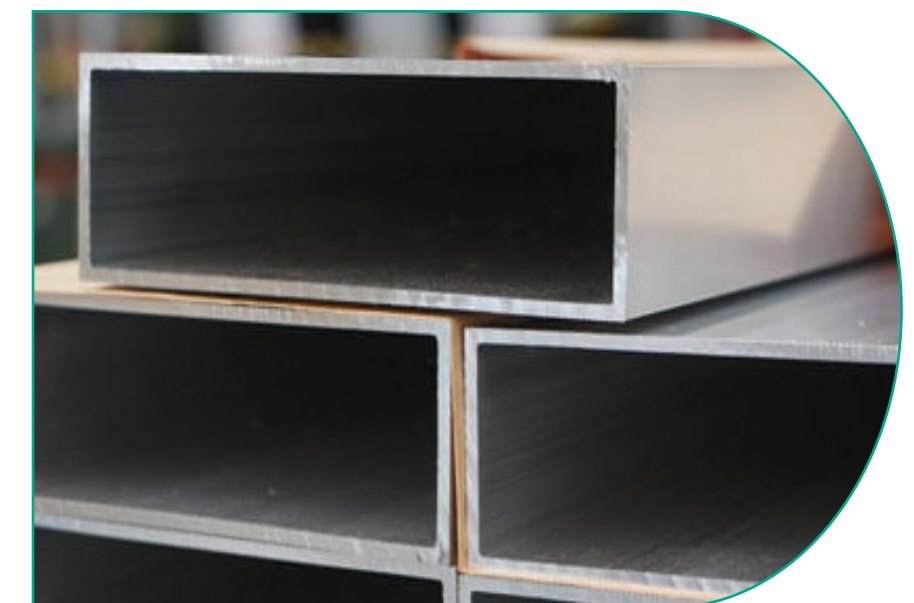
- Capral's new window and door range and systems software released
- New paintline operational in NSW
- Grow Capral's direct distribution channel organically and by acquisition (four completed since 2022)
- Announced Comsupply acquisition, planned to complete August 2025

## ▶ Sales and Marketing

- Ongoing technology investment including; customer interfaces (EDI & CRM), digital marketing (EDM), new website and e-store
- Joined Australian Made campaign
- Lower carbon (LocAl®) product offers
- Customer partnership programme "Crafted with Capral" continues
- Promoting our capability through "Capral Can Do" videos



# Imports and anti-dumping



## GLOBAL CONTEXT

- USA tariffs have no direct impact
- Resulting changes in trade flows are a real risk
- Robust anti-dumping system important for level playing field

## CHINA

- Current measures expire October 2025
- Continuation application to extend further five years
- Preliminary findings (SEF) published in July, indicate a positive outcome
- SEF indicates floor price and increased dumping and countervailing duties
- Final decision of Minister due October 2025

## MALAYSIA

- Current measures expire June 2026
- Anti-dumping Commission has initiated continuation investigation on Capral's application in June 2025
- Final decision due June 2026

## OTHER

- Measures in place against Vietnam until June 2027
- Capral participating in Government forums on reform and strengthening the system
- New extruder start-up in Newcastle, affiliated with large Chinese importer

# ESG Framework

## On a path to a more sustainable future

### 2025 Highlights

- Capral enhanced its IMS software to improve alignment with evolving sustainability reporting requirements
- Learning opportunities have been expanded to create a learning culture that supports employees to advance their skills
- Capral's Scope 1 & 2 emissions remain on track for further reduction in 2025 and to achieve 2030 targets
- Further progress in waste reduction by increasing recycling efforts

### Sustainability Reporting

- Sustainability reporting metrics align with Australian Sustainable Reporting Standards (ASRS) and Capral is on track to meet its reporting requirements

### Three Pillars of Sustainability

#### Environment

- Environmental conservation
- Climate change mitigation
- Sustainable practices
- Ethical considerations

#### Social

- Our people
- Community engagement
- Safety

#### Governance

- Corporate governance
- Ethical business practices
- Risk management and assurance

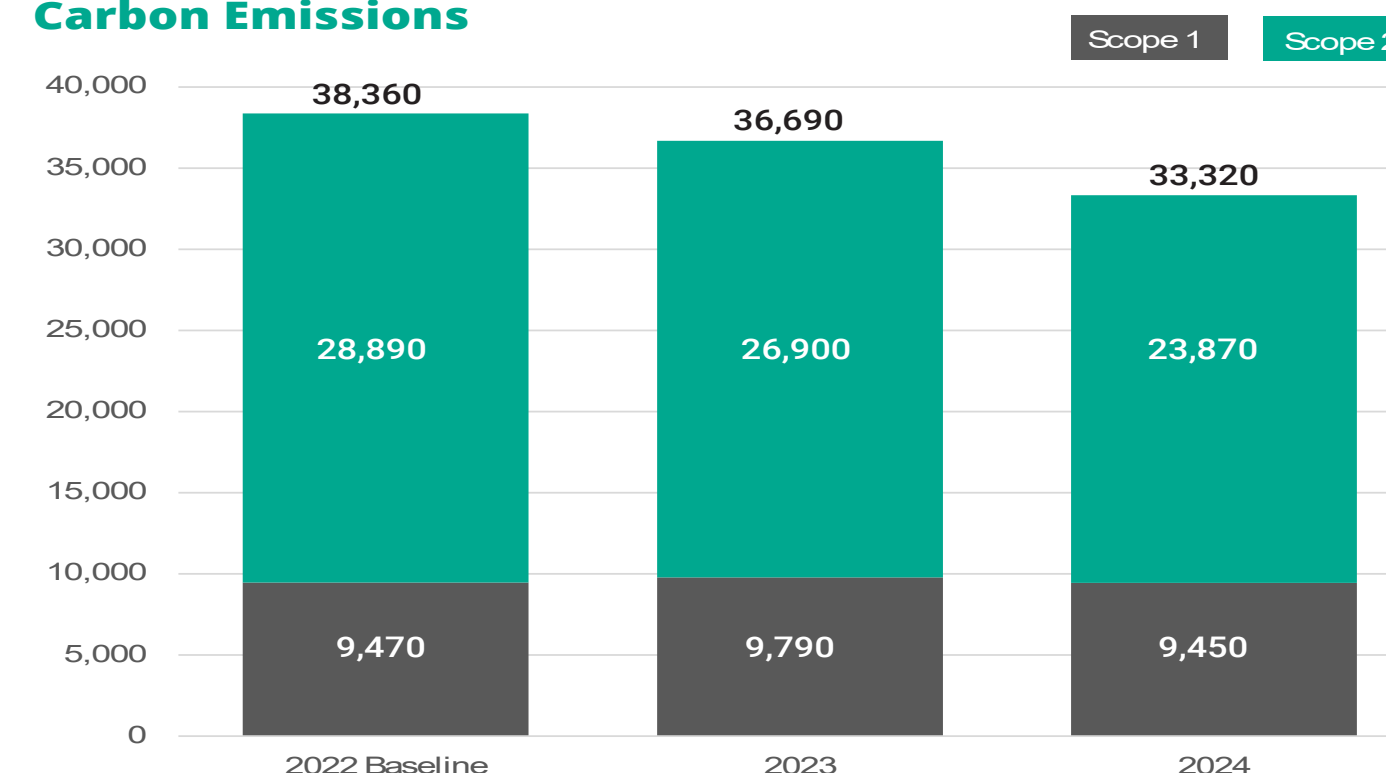
### Our Commitment

- Increase the circularity of aluminium in Australia and sourcing of lower carbon aluminium
- Net Zero by 2050 (Scope 1 & 2 emissions)
- 20% emissions reduction by 2030 (Scope 1 & 2 emissions)
- 20% waste reduction by 2030
- Aluminium Stewardship Initiative (ASI) certification
- Global Reporting Initiative (GRI) alignment

### Shaping Capral's Sustainable Future



### Carbon Emissions





# Outlook and Guidance



- FY25 EBITDA<sup>3</sup>, based on a forecast improvement in market conditions and absent unforeseen events, is expected to be broadly in line with prior year
- Industrial and Commercial markets have softened
- Residential building commencements are forecast<sup>1</sup> to start recovering in second half of 2025
- LME<sup>2</sup> is volatile and subject to global factors, rising sharply in late 2024 and early 2025. Price fell during second quarter, but has since rebounded and is expected to remain at elevated levels during remainder of 2025, many factors at play and volatility to continue
- Inflationary cost pressures continue to impact, especially; employee, energy, packaging and freight costs
- Working capital levels are expected to remain elevated on the back of higher metal costs
- Capital expenditure planned to be at \$11m
- On this basis, Capral would be in a position to continue returns to shareholders, firstly in the form of on-market share buy-backs and topped up by unfranked dividends if required

<sup>1</sup> Source: HIA and Oxford Economics May 2025 forecast

<sup>2</sup> Source: Harbor Aluminium (August 2025)

<sup>3</sup> Note 1 (page 6)

This presentation includes forward looking estimates that are subject to risks, uncertainties and assumptions outside of Capral's control and should be viewed accordingly.



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Locally Made



**CAPRAL**  
ALUMINIUM  
SHAPING THE FUTURE

# Questions & Appendix

Thank you for your time





# Strategic National Footprint

Industry diversification supports volume during housing downturn

Capral has a national footprint with a presence in every state and Extrusion plants near five mainland capital cities

## Distribution Centres

### Queensland

1. Cairns AC
2. Townsville RDC
3. Sunshine Coast (Kunda Park) AC
4. North Brisbane (Deception Bay) AC
5. Bremer Park RDC
6. Springwood AC
7. Gold Coast (Burleigh Heads) AC
8. Archerfield AC

### New South Wales

9. Newcastle AC
11. Huntingwood RDC
12. Rockdale AC
14. Wollongong AC

RDC - Regional Distribution Centre  
AC - Aluminium Trade Centre

### Victoria

15. Lynbrook AC
16. Noble Park AC
17. Campbellfield RDC
18. Laverton AC

### South Australia

20. Kilburn RDC

### Western Australia

21. Canning Vale RDC
22. Welshpool AC
23. Wangara AC

### Northern Territory

24. Darwin RDC

### Tasmania

25. Hobart RDC

