MARKET RELEASE
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Cavalier Corporation reduces debt, extends banking facility and reaffirms forecast

On the back of significantly improved debt position and financial performance, Cavalier Corporation (NZX: CAV) has successfully renegotiated its banking facility through until the 1st of January 2020.

Cavalier has reduced debt by more than $10 million in the past year from $40.2 million to around $29.5 million on the 30th of June 2018.

Cavalier CEO Paul Alston says this is a positive milestone for the business.

"This is the first time in many years Cavalier's debt has been under $30 million, it's the result of a strong debt reduction programme and another step towards long term profitability."

Paul says with the recent close of the financial year (30th June 2018) the company is also pleased to be able to reaffirm its recent earnings guidance.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is expected to be in the range of $9.6 million to $10 million (FY17: $2.6 million).

Net Profit After Tax (NPAT) is expected to be in the range of $3.7 million to $4 million, excluding any abnormal costs (FY17: Net Loss After Tax of $1.8 million, which excluded $0.2 million of net abnormal costs associated with the consolidation and restructuring in FY17[1]).

Full year results will be reported on the 22nd of August 2018.

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[1] FY17 abnormal costs included restructuring costs totalling $5.3 million, offset by $1.1 million from the reversal of impairment of fixed assets and $3.9 million gain on merger and dilution of CAV's interest in the wool scouring operation.