2018 Half Year Results Presentation

CAPRAL ALUMINIUM

SHAPING THE FUTURE

Australia's leading supplier of aluminium products and solutions

- 5 plants; 8 extrusion presses
- 17 distribution centres Australia-wide
- Annual extrusion capacity 70k tonnes
- Annual turnover ~$450 million[1]
- Residential, commercial construction, industrial
- Over 1,000 FTEs

[1] 12 months to 31 Dec 2017

Agenda

1. 1H18 Highlights
2. 1H18 Financials
3. Strategy and Outlook
4. Questions

CAPRAL ALUMINIUM
SHAPING THE FUTURE

1H18 Highlights

Tony Dragicevich, CEO & MD

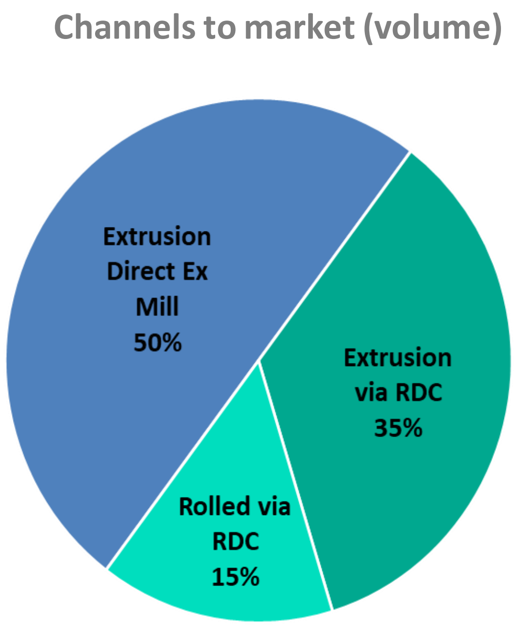
"First half delivered earnings in line with prior period"

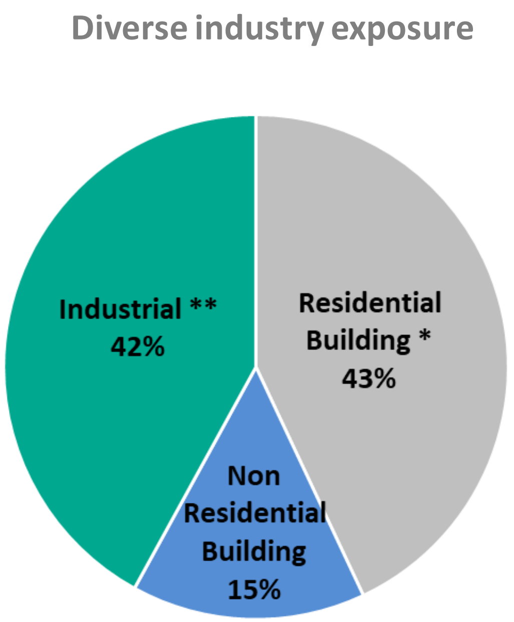
1H18 Performance Highlights

- Half year result in line with prior period
  - Trading EBITDA[1] of $6.9m (1H17: $6.6m) and EBITDA of $7.6m (1H17: $7.7m)
  - Volumes in line with 1H17
- Strong balance sheet and net cash of $28.9m
- Special dividend declared at 0.5 cents (fully franked)
- Margins impacted by higher Aluminium input costs (LME)
- Industrial sector remains strong
- Housing market softening
- Automation initiatives on track for completion at year end
- Lost time injuries declined but total reportable injuries increased; TRIFR[2] at 14.5 (1H17: 12.7)

[1] See Important Note (page 13)
[2] TRIFR is total reportable lost time and medically treated injuries per million work hours

Volume Breakdown

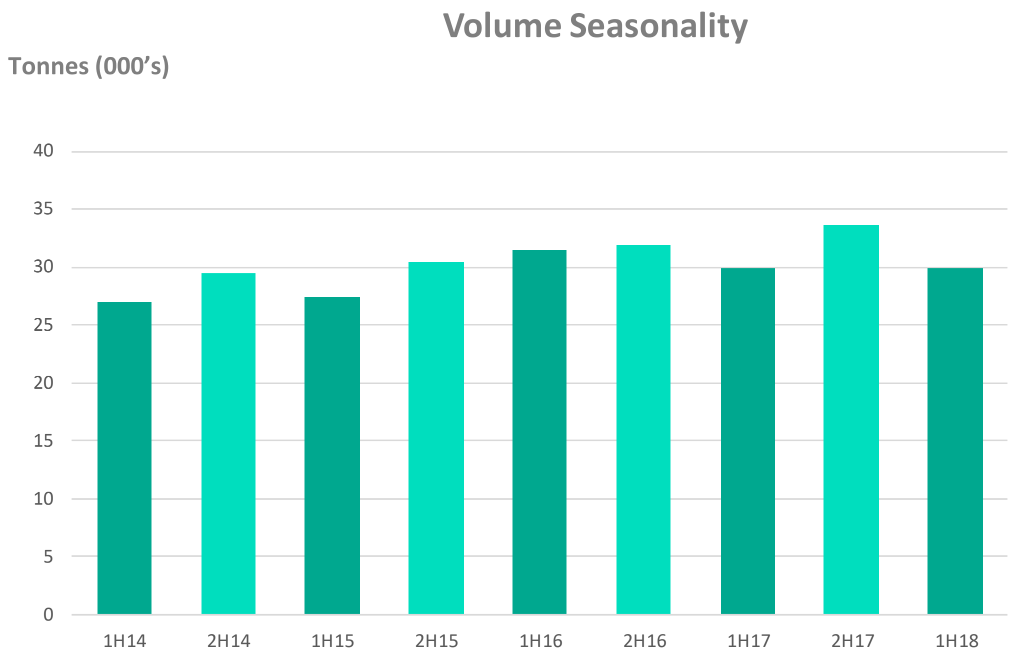




Source: Capral
RDC: Capral Regional Distribution Centre

* Residential building includes additions and alterations
** Industrial includes transport, marine and other manufacturing sectors

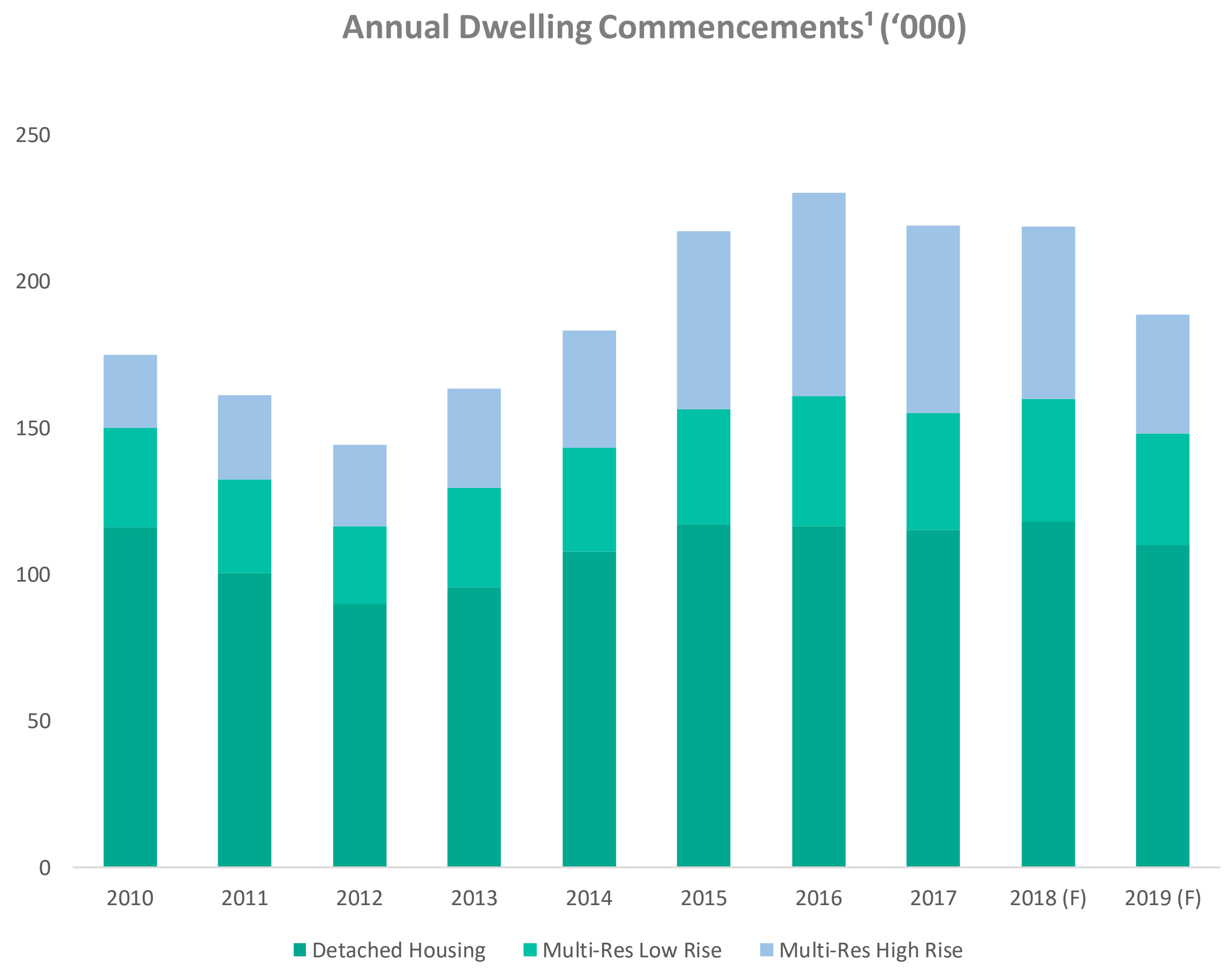
- ~85% of total volume is Extrusion
- ~15% of total volume is Rolled (sheet & plate)



Source: Capral

- 1H18 total volume in line with 1H17
- 1H18 performance driven by growth in key industrial markets (manufacturing, transport and marine) offset by slow down in residential construction
- Import competition and surplus domestic capacity continue to impact volumes and selling prices

Conditions softening in Residential market



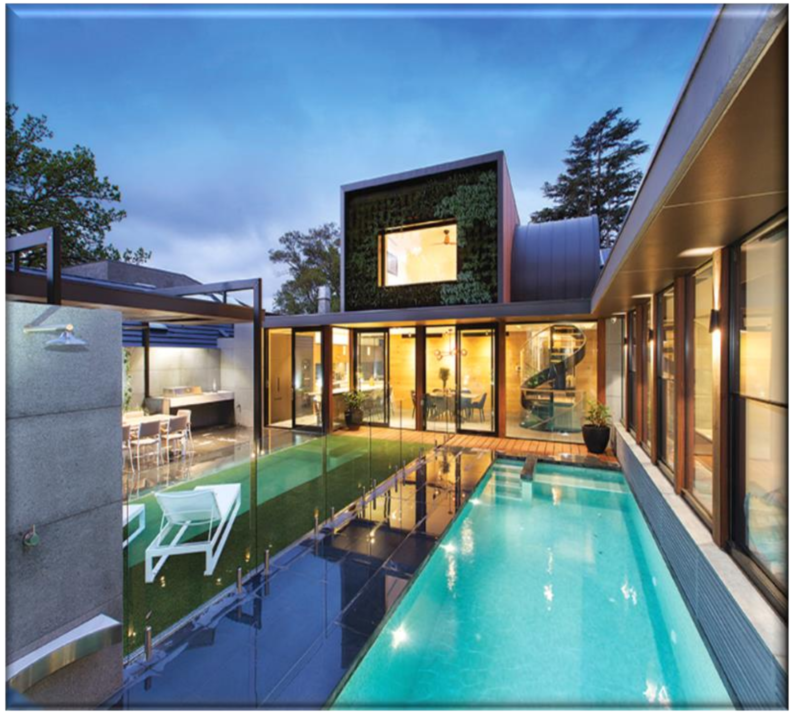
- Residential commencements 2018 forecast in line with 2017 but declining through 2019
- Pipeline in residential work is reducing
- Multi-Res High Rise is showing the sharpest decline
- Victoria, New South Wales and South Australia steady
- Weakness continues in Western Australia, Northern Territory and North Queensland housing markets
- South East Queensland starting to slow
- Tasmania stronger

[1] Source: BIS Oxford Economics July 2018 forecast (2 quarters delayed)

Where Capral's Residential & Commercial products ended up

RACV Cape Schanck Resort - VIC

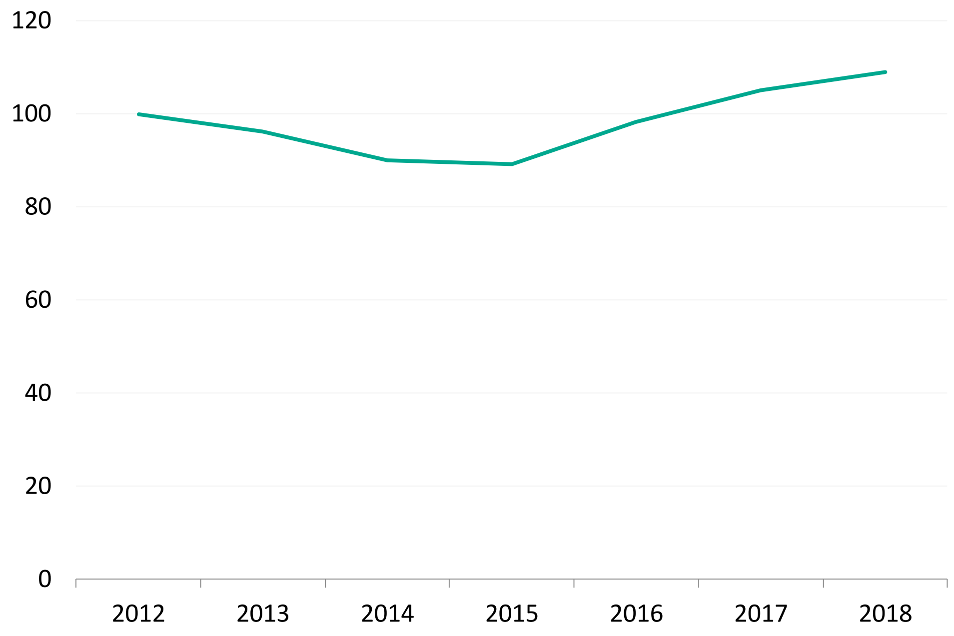
ABC Offices – Southbank VIC



Glen Iris House – South East VIC

Industrial sector robust

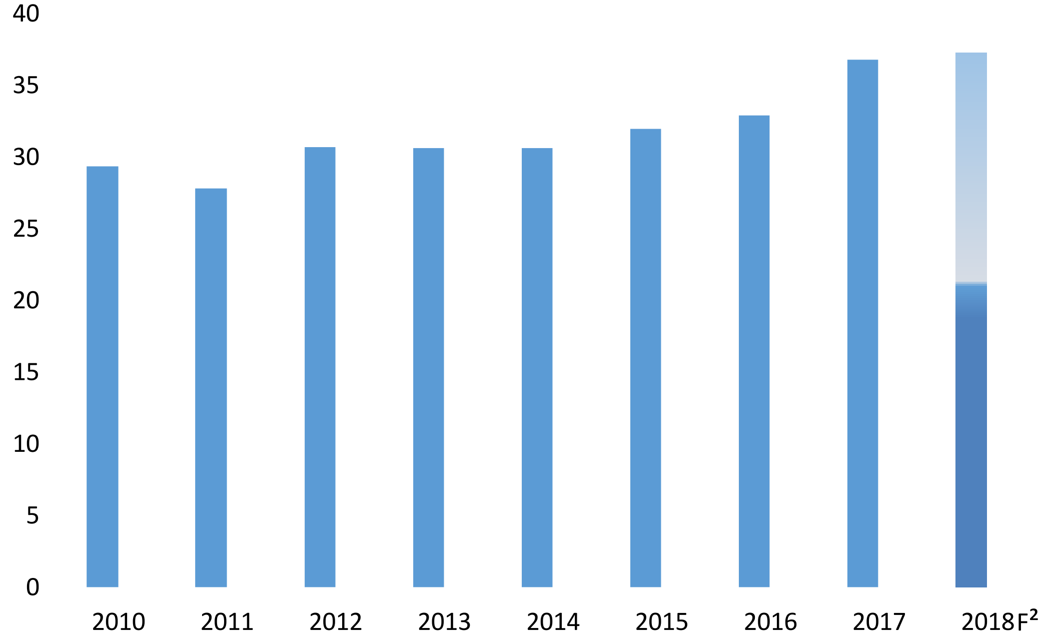
Total Capral Industrial Volumes (Index 2012)



Source: Capral

- Transport segment growth driven by infrastructure projects and fleet replacement
- Marine sector stronger – commercial ferries and defence
- Manufacturing and general fabrication remained steady
- Well positioned to benefit from Government defence programs from 2019 onwards

New Truck and Van builds[1] ('000)



[1] Source: TIC (Truck Industry Council of Australia) (Prime Mover Magazine)
[2] Source: Capral

- Truck building remains buoyant
- Following record 2017, a further 1.2% growth in 1H18

Where Capral's Industrial products ended up

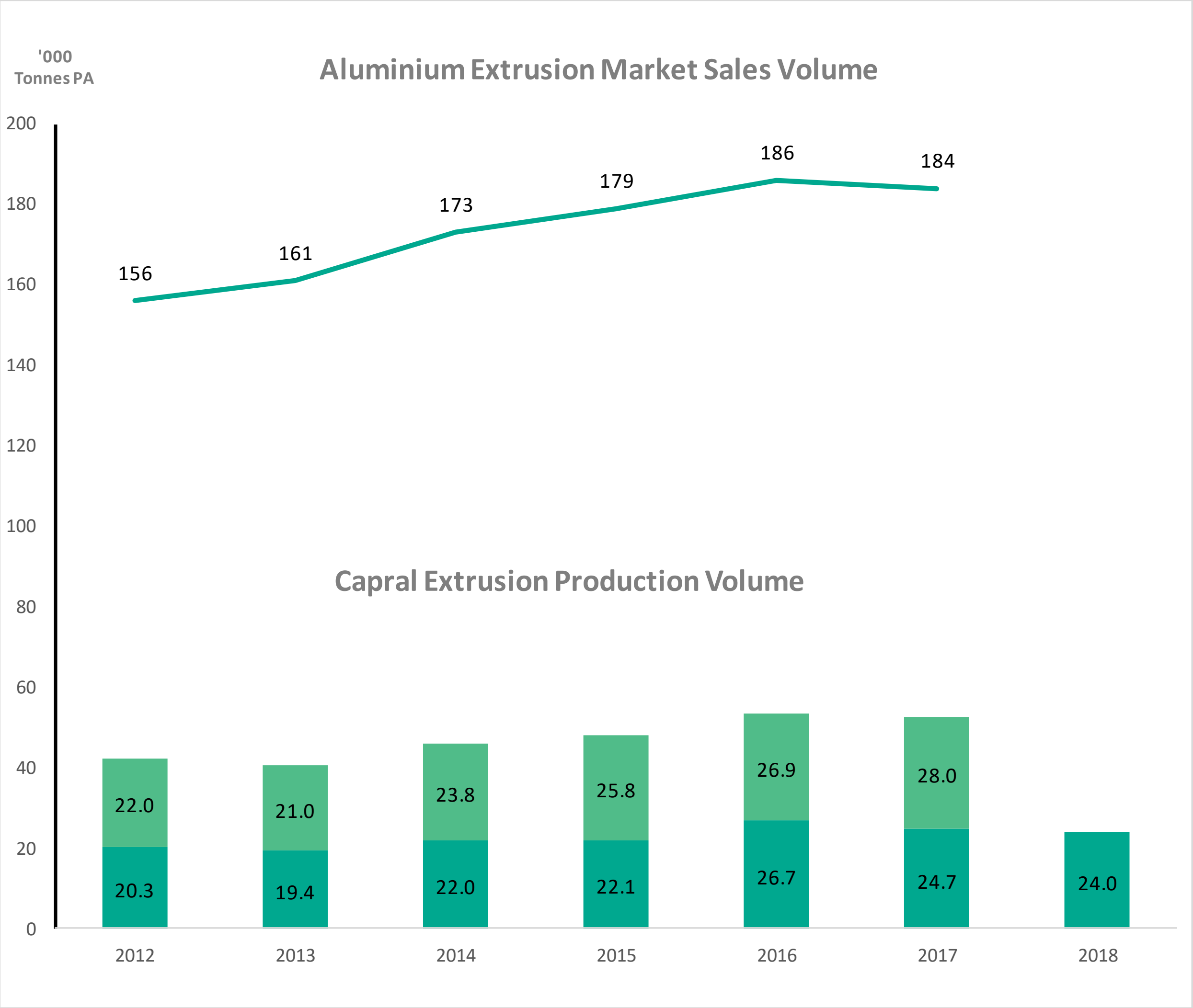
Truck Trailer by Sloanebuilt - NSW

Sculpture by Unique Metalworks - WA

Cape Class Patrol Vessel by Austal - WA

Extrusion market beginning to slow

- Residential construction slowing particularly in High Rise
- Non-residential building remains strong
- Key industrial sectors relatively strong
- Capral has an estimated 29% share of the Australian Aluminium extrusion market
- Import market share at ~34%, from ~40% in 2010 prior to Anti-Dumping measures
- Excess domestic extrusion capacity remains



Source: Capral
(Forecast based on BIS Oxford Economics forecasts and GDP projections)

CAPRAL ALUMINIUM
SHAPING THE FUTURE

1H18 Financials

Tertius Campbell, CFO

"Cash flow generation continues to improve, enabling the business to invest in operational improvement projects and return cash to shareholders"

Trading EBITDA up slightly on prior period

- 1H18 total volume in line with 1H17
- Sales revenue up driven by higher metal prices
- Margins continue to be under pressure due to imports and excess local capacity
- Margin impacted by:
  - Aluminium input price (LME) increased from an average of $US1,854 in 1H17 to $US2,181 in 1H18
  - Slightly lower capacity utilisation in 1H18
- Fully franked special dividend of 0.5c declared

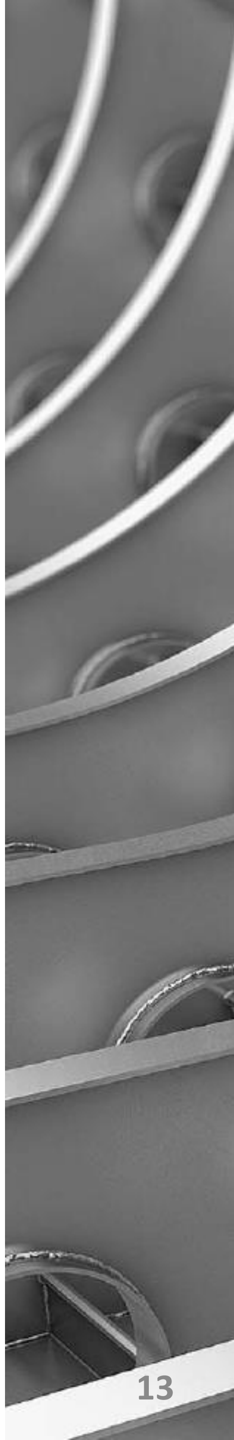
	1H18	1H17
Sales Volume ('000 tonnes)	29.9	29.6
	$m	**$m**
Sales Revenue	222.6	207.6
Trading EBITDA[1]	**6.9**	**6.6**
LME Revaluation[2]	0.8	1.1
EBITDA	**7.6**	**7.7**
Depreciation/Amortisation	(2.8)	(2.9)
EBIT	**4.8**	**4.8**
Finance Cost	(0.5)	(0.4)
Profit after tax	**4.3**	**4.4**
Basic earnings per share (cents)	0.91	0.93
Dividend per share (cents)	0.50	-

Important Note

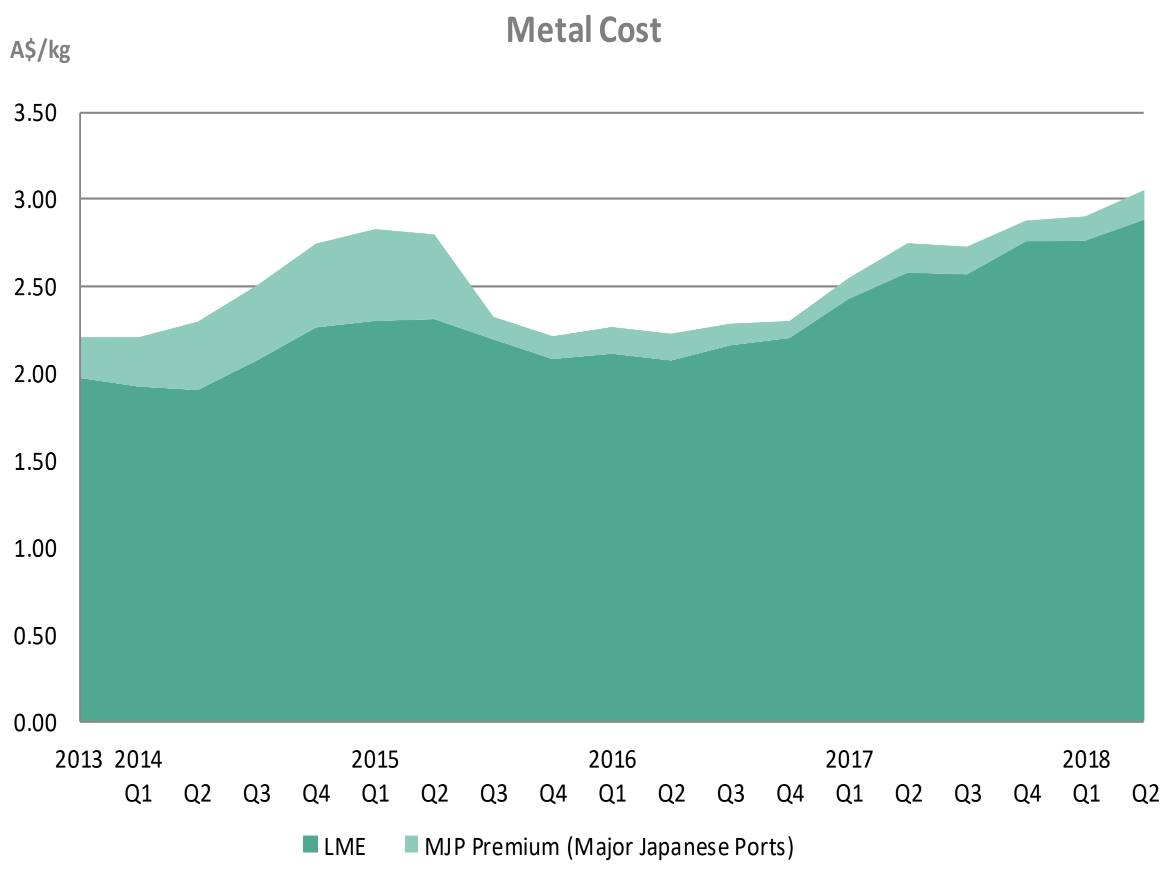
[1]Trading EBITDA is presented with reference to the ASIC Regulatory Guide 230 "Disclosing non-IFRS financial information" issued in December 2011. Trading EBITDA is Statutory EBITDA adjusted for significant items that are material items of revenue or expense that are unrelated to the underlying performance of the business. Capral believes that Trading EBITDA provides a better understanding of its financial performance and allows for a more relevant comparison between financial periods. These items are LME and Premium revaluations, and costs relating to restructuring and are non-recurring in nature.

[1] See Important Note
[2] Included in other expenses

Source: Capral



Margins impacted by rising LME



Source: London Metals Exchange; Reuters

- LME (USD) continued its rise in 1H18, increasing ~18% in 1H18 vs 1H17
- Announcement by Trump administration of trade sanctions caused LME to rise 35% in April 2018 to a 7 year high of $US2,718t
- Easing concerns saw LME fall back to finish 1H18 at $US2,183t
- Unable to fully recover the higher metal cost during the period, impact ~$0.5m
- Customer pricing arrangements:
  - LME based contracts (~50% of volume)
    - Monthly
    - Quarterly
  - Fixed price and price list

Financial position supports dividends and re-investment

	1H18 $m	1H17 $m
EBITDA	7.6	7.7
Working Capital	(1.7)	(7.8)
Finance Cost	(0.4)	(0.4)
Other	-	0.5
Operating Cash Flow	**5.5**	**0.0**
Capex Spend	(5.0)	(3.1)
Dividend Paid	(6.0)	(5.9)
Increase/(Decrease) in Net Cash	(5.5)	(9.0)

- ANZ facility of $50m secured until January 2020
- Increased capex spending on productivity projects
- $6m dividend payment in March 2018; further special dividend to be paid in September 2018
- Inventory impacted by higher LME

	Jun 18 $m	Jun 17 $m
Current Assets		
Inventory	87.6	76.0
- On hand	75.0	69.8
- In Transit	12.6	6.2
Trade Receivables	73.5	73.2
Net Cash and Equivalents	28.9	22.4
Other	2.0	2.4
	192.0	174.0
Current Liabilities		
Trade Payables	(89.2)	(73.3)
Provisions	(12.8)	(11.8)
Other	(0.5)	(0.6)
	(102.5)	(85.9)
Net Current Assets	89.5	88.1
Non Current Assets	47.4	41.6
Non Current Liabilities	(5.4)	(5.6)
Net Assets	131.5	117.4
Net Tangible Asset Value (NTA)	128.2	121.2
NTA per share (cents)	26.7	25.4
Franking Credits	22.0[1]	24.6
Accumulated Unrecognised tax losses	279.1	287.7

- Low risk capital structure with no debt

[1]Before payment of special dividend.

CAPRAL ALUMINIUM
SHAPING THE FUTURE

Strategy and Outlook

Tony Dragicevich, CEO & MD

“Invest in technology to ensure Capral’s long term competitive position"

BUILD
On our strengths

OPTIMISE
What we do

GROW
For the future

Investments to improve productivity and competitiveness

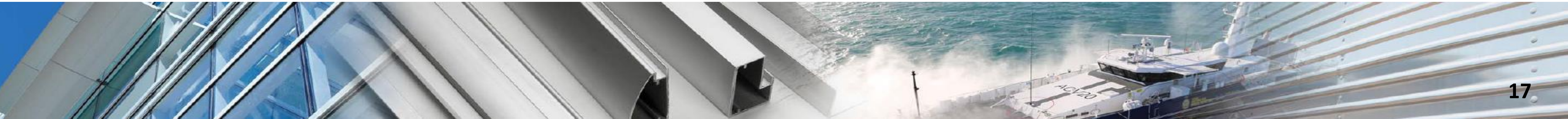
- Automated product handling and packing at Bremer Park, QLD ($4.5m)
  - Stage 1 installation and commission completed
  - Stage 2 installation Q3 2018
  - Stage 3 installation Q4 2018

    Commissioning on track to be completed by year end

- Robotic packing line at Penrith, NSW ($1.6m)
  - Line operational, partially handed over to production
  - Benefits starting to be delivered

- New paint line at Canning Vale, WA ($2.4m)
  - Building complete
  - Equipment on-site, installation Q3 2018
  - Commissioning on track for Q4 2018

- Warehouse extension and site consolidation, WA
  - Building consent and contract granted for extension for Canning Vale site
  - Completion planned Q4 2018



Dumped imports suppress prices and injure local industry

2010 – Modest impact from initial measures on Chinese imports

- Case won in 2010 with low level duties imposed on Chinese imports
- Circumvention activities diminished the impact

2014 – Anti-Circumvention

- Anti-Circumvention case initiated and successfully prosecuted against largest Chinese exporter/importer

2015 – Measures increased

- Reforms to federal legislation and methodology
- Oct 2015: Increased measures imposed on Chinese imports to 2020

2017 – New cases initiated

- Measures imposed against all Vietnam and some Malaysian sourced extrusions
- Nov 2017: Review of variable measures affecting imports from China resulted in generally higher measures
- New cases initiated against Thailand and two Chinese exporters
- Anti-Circumvention transhipment case initiated

2018 – Continue pursuit of Fair Trade

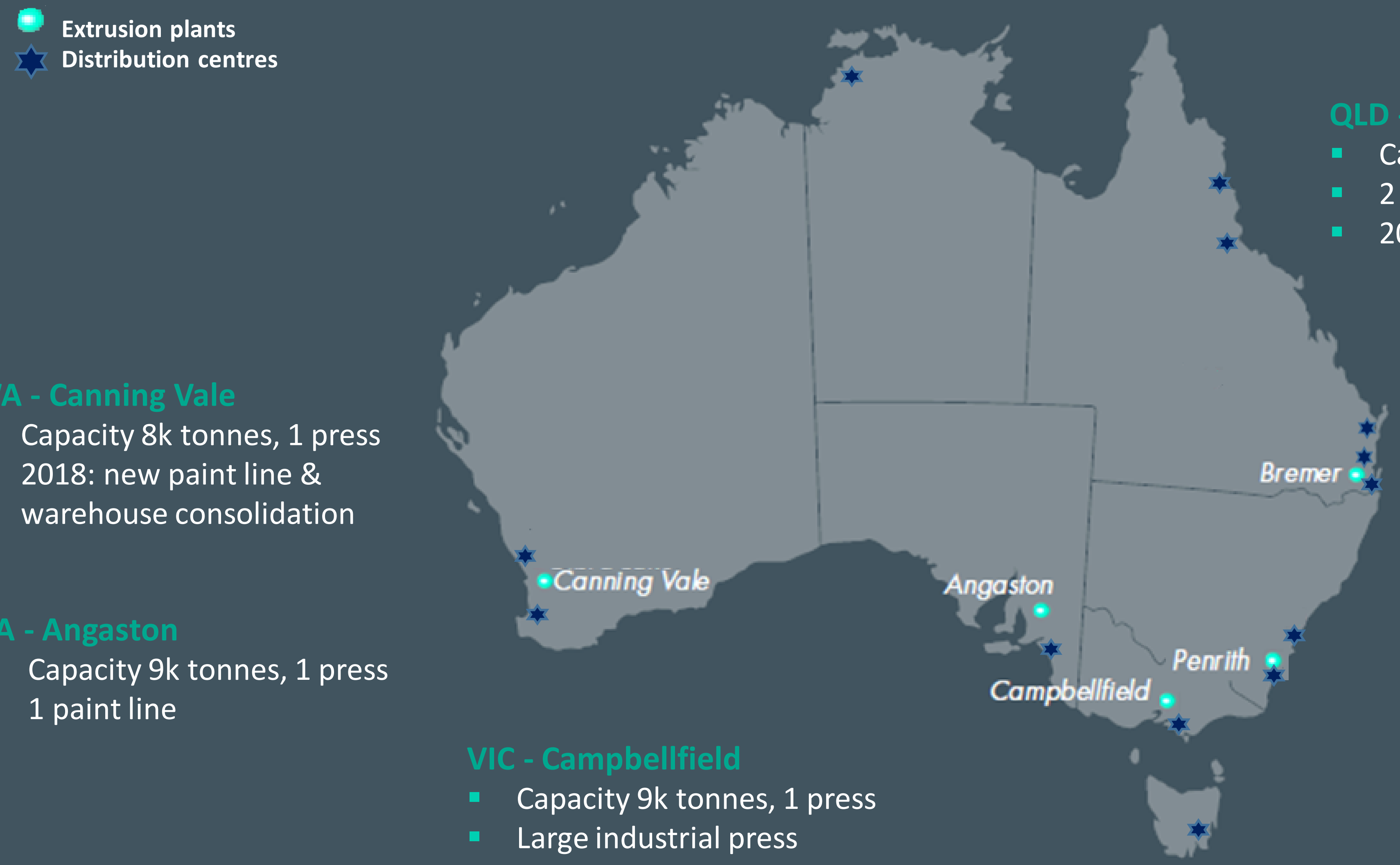
- Continue to interact with Government around strengthening the anti-dumping regime
- Continue to monitor and pursue anti-circumvention /non compliance activities
- Anti-Circumvention case decision should be finalized late 2018
- Case against Thailand and two Chinese exporters terminated
- Review of variable measures affecting imports from China commenced in July

Outlook

- Commentators are forecasting a gradual fall in LME[1] from current levels during 2H18
- AUD weakening to ~$US0.70 by year end and remaining at that level through 2019[2]
- Residential commencements are expected to soften[3]
- Industrial sector anticipated to remain strong
- Extrusion market expected to fall slightly
- Capral will continue to play a leading role in the pursuit of fair trade by:
  - Working with Government to strengthen anti-dumping measures
  - Monitoring and pursuing circumvention activities
- Absent any unforeseen events, FY18 Trading and Statutory EBITDA[4] is expected to be broadly in line with 2017

[1] Source: Harbor Aluminium Intelligence Unit / August 2018
[2] Source: ANZ – June 2018
[3] Source: BIS Oxford Economics July 2018 forecast (2 quarters delayed)
[4] See Important Note (page 13)
This presentation includes forward-looking estimates that are subject to risks, uncertainties and assumptions outside of Capral's control and should be viewed accordingly

National footprint of aluminium extrusion plants and distribution centres



QLD - Bremer

- Capacity 35k tonnes, 4 presses
- 2 paint lines and anodising line
- 2018: Automated product handling project

WA - Canning Vale

- Capacity 8k tonnes, 1 press
- 2018: new paint line & warehouse consolidation

SA - Angaston

- Capacity 9k tonnes, 1 press
- 1 paint line

NSW - Penrith

- Capacity 9k tonnes, 1 press
- Robotic packing project

VIC - Campbellfield

- Capacity 9k tonnes, 1 press
- Large industrial press
- 1 paint line

Questions