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GALE PACIFIC

1H FY21 RESULTS

23 FEBRUARY 2021

AGENDA



GALE AT A GLANCE
- A global company
- GALE's brands

RESULTS OVERVIEW
- Highlights
- Revenue by geography
- Cash flow & balance sheet
- Half year financial performance

REGIONAL OVERVIEW
- The Americas
- Australia & New Zealand
- MENA & Eurasia

COMPANY STRATEGY

OUTLOOK

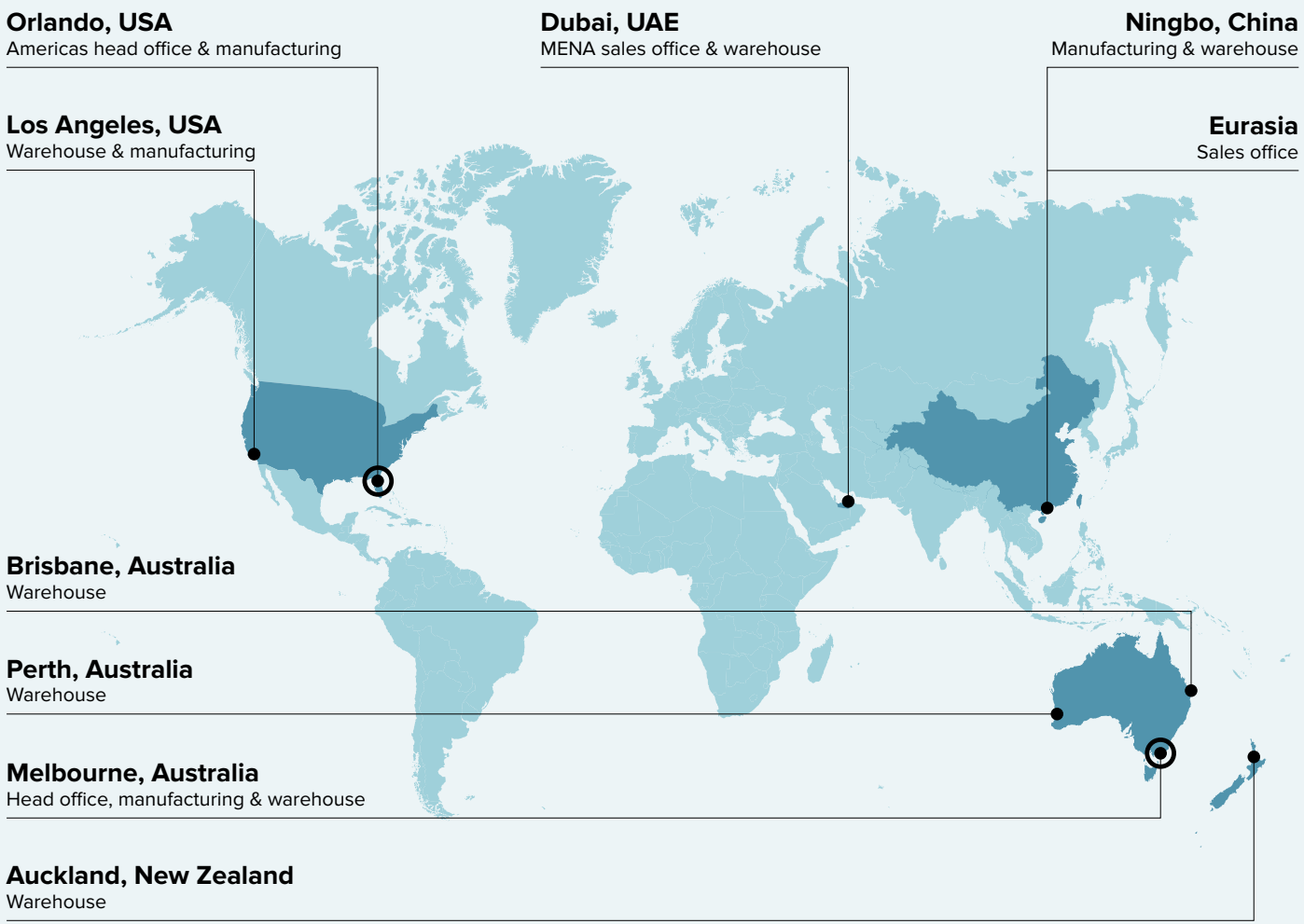
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A GLOBAL COMPANY

A FAST-GROWING, WORLD-CLASS GLOBAL FABRICS TECHNOLOGY BUSINESS.

A MARKET LEADING MANUFACTURER AND INNOVATOR OF TECHNICAL FABRICS USED FOR CONSUMER AND COMMERCIAL APPLICATIONS AROUND THE WORLD.

Our products are used in various industries, such as architectural, agricultural, mining, construction and home improvement.



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GALE PACIFIC GLOBAL BRANDS





COOLAROO

Coolaroo is our market leading, globally recognised brand for consumer shade and pet products.

Coolaroo branded outdoor roller shades, shade sails, shade and garden fabrics, shade structures and pet beds can be found in major brick & mortar and online retailers around the world.

GALE COMMERCIAL

The GALE Pacific Commercial brand is recognised around the world for market leading commercial knitted and coated fabrics. It stands for innovation, quality, durability, and reliability in the industries and markets it serves. GALE Pacific Commercial knitted and coated fabrics can be found in a rapidly growing number of applications around the world.

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RESULTS OVERVIEW



HIGHLIGHTS

PROFIT BEFORE TAX
$8.8m
UP FROM $3.6m LOSS

$106.1m
REVENUE
UP FROM $62.3m

$9.7m
EBIT
UP FROM $2.5m LOSS

2.18c
EARNINGS PER SHARE
UP FROM 0.95c LOSS

$14.7m
EBITDA
UP FROM $3.4m

$6.0m
NET PROFIT AFTER TAX
UP FROM $2.6m LOSS

1.0c
INTERIM DIVIDEND
UP FROM NIL

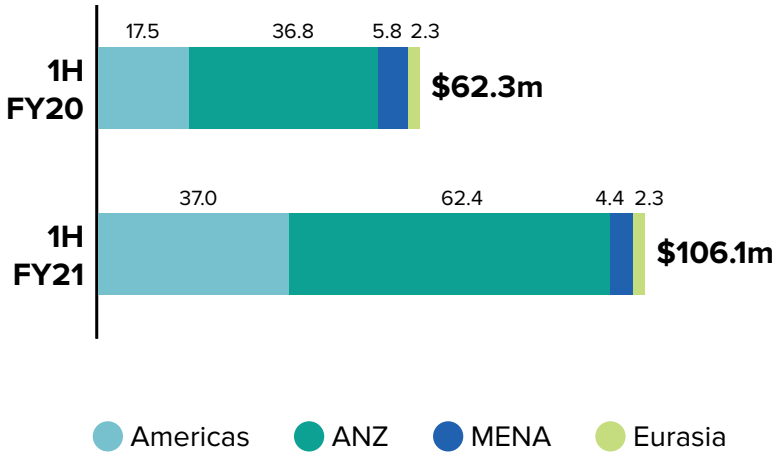
1.0c
SPECIAL DIVIDEND
UP FROM NIL

* All figures compare 1H FY21 to 1H FY20 unless otherwise indicated

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REVENUE BY GEOGRAPHY

STRONG REVENUE GROWTH ACROSS RETAIL AND COMMERCIAL SECTORS IN GALE'S CORE MARKETS OF THE UNITED STATES AND AUSTRALIA.





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CASH FLOW & BALANCE SHEET

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GALE'S FIRST

POSITIVE

FIRST HALF

CASH FLOW

RESULT SINCE

DEC 2015.



↑ 669% INCREASE

NET CASH FROM OPERATING ACTIVITIES

$20.5m

UP FROM $(3.6m)



↓ 84% DECREASE

NET DEBT

$(3.9m)

REDUCED FROM $(23.6m)

HALF YEAR FINANCIAL PERFORMANCE

STRONG FIRST HALF SALES GROWTH ALLOWED GALE TO EXPAND PROFITABILITY, DELIVER A MATERIAL IMPROVEMENT IN CASH FLOW AND SIGNIFICANTLY REDUCE ITS DEBT.

RESULT FOR THE HALF YEAR	31 December 2020 A$ million	31 December 2019 A$ million	Change %
Revenue	**106.1**	62.3	70
EBITDA	**14.7**	3.4	332
EBIT	**9.7**	(2.5)	488
Profit/(loss) before tax	**8.8**	(3.6)	344
Net profit/(loss) after tax	**6.0**	(2.6)	331
Basic earnings per share (cents)	**2.18**	(0.95)	329
Interim dividend (cents per share, unfranked)	**1.0**	nil	n/a
Special dividend (cents per share, unfranked)	**1.0**	nil	n/a
Net cash from operating activities	**20.5**	(3.6)	669
Net debt	**(3.9)**	(23.6)	84

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REGIONAL OVERVIEW



THE AMERICAS

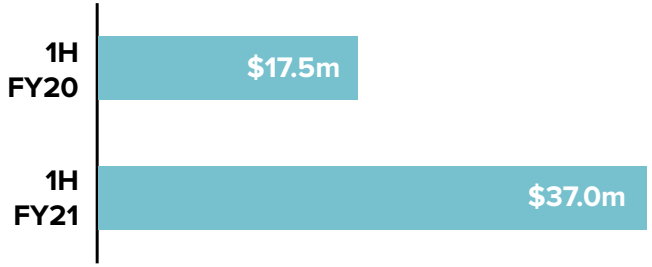


GALE'S CORE RANGES AND NEW PRODUCTS ARE RESONATING WITH CONSUMERS, DRIVING MATERIAL INCREASES IN REVENUE AND HELPING TO SECURE INCREMENTAL POINTS OF DISTRIBUTION ACROSS RETAIL CHANNELS.

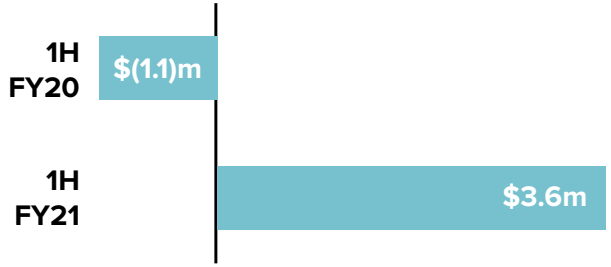
GALE is well positioned as consumers continue to spend more on home improvement products and projects.

GALE's commercial architectural fabrics grew on the back of new product launches, distribution expansion and increased demand for shade applications.

REVENUE



EBITDA



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THE AMERICAS GROWTH DRIVERS



NEW PRODUCT LAUNCHES

sam's club · LOWE'S · COSTCO WHOLESALE · ACE Hardware · BLINDS.COM · THE HOME DEPOT · wayfair · chewy.com · TRIVANTAGE · Walmart Save money. Live better. · amazon

CUSTOMER PARTNERSHIPS



CATEGORY DEVELOPMENT



DEMAND GENERATION



ECOMMERCE EXPANSION

STRATEGIC INVESTMENTS TO ACCELERATE GROWTH

PEOPLE & CAPABILITIES	PRODUCT INNOVATION	DISTRIBUTION EXPANSION	SERVICE & SUPPLY CHAIN

AMERICAS GROWTH POTENTIAL

THE UNITED STATES IS NOW GALE'S LARGEST MARKET – AND ITS GROWTH POTENTIAL FAR EXCEEDS OTHER MARKETS.

GALE is leveraging its core competencies, existing infrastructure, customer partnerships and broad market distribution to rapidly drive growth and greater household penetration.

GALE's strategic investments in people, capabilities, product innovation, distribution expansion, and supply chain enable its growth plan.



USA GDP
$21.4tn

AUSTRALIA GDP
$1.4tn



USA POPULATION
328m

AUSTRALIA POPULATION
25m



USA HOUSEHOLDS
128m

AUSTRALIA HOUSEHOLDS
8m

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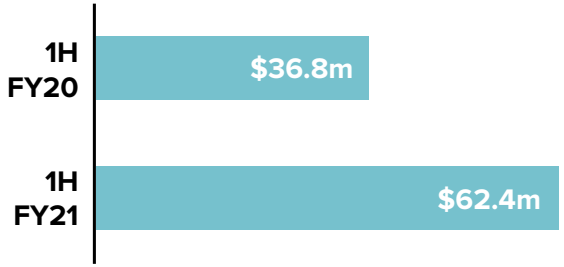
AUSTRALIA & NEW ZEALAND

STRONG SALES GROWTH ACROSS RETAIL AND COMMERCIAL END MARKETS DROVE INCREASED FIRST HALF REVENUE IN AUSTRALIA.

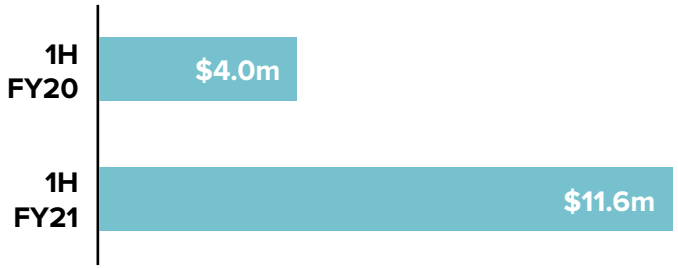
Retail growth was driven by new product launches, increased ranging and increased consumer spending on home improvement products and projects during COVID-19 restrictions.

GALE experienced high demand across its range of market-leading coated technical fabrics, most notably those used in grain handling applications on the back of a historically large Australian grain harvest in calendar 2020, driving commercial sales growth.

REVENUE



EBITDA







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ANZ GROWTH DRIVERS



NEW PRODUCT LAUNCHES

BUNNINGS warehouse

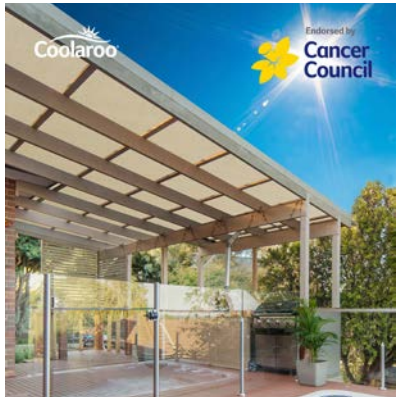
Bartlett Industrial Textile Product Manufacturing

Independent Hardware Group

ddt

VISY FOR A BETTER WORLD

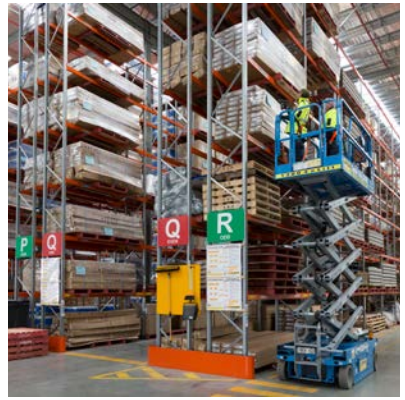
CUSTOMER PARTNERSHIPS



DEMAND GENERATION



MANUFACTURING CAPACITY EXPANSION



SUPPLY CHAIN IMPROVEMENTS

STRATEGIC INVESTMENTS TO ACCELERATE GROWTH

PEOPLE & CAPABILITIES	PRODUCT INNOVATION	DISTRIBUTION EXPANSION	SUPPLY CHAIN EFFICIENCY

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A LANDMARK GRAIN SEASON



AUSTRALIA'S HISTORICALLY LARGE GRAIN HARVEST IN CALENDAR 2020 LED TO A LARGE INCREASE IN SALES OF GALE'S MARKET-LEADING RANGE OF TECHNICAL FABRICS USED IN GRAIN HANDLING APPLICATIONS.

Overall sales of GALE's technical coated products ranges – used across agriculture, aquaculture, construction, mining & packaging markets – were up sharply versus both calendar 2019 and calendar 2016, its prior record year.

GALE was able to take advantage of the spike in demand and service its partner customers effectively as a result of its investment in additional coating capacity in its Melbourne facility in 2019 and its continued supply chain improvement initiatives.

MENA & EURASIA

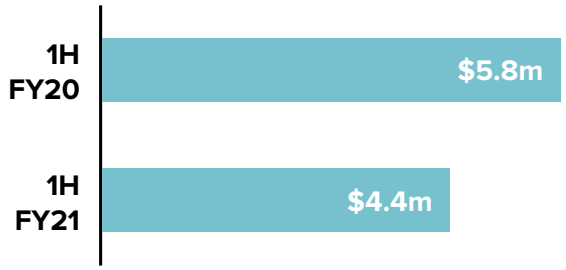


MENA

Challenging macroeconomic and broad market trading conditions have persisted and pandemic-related restrictions continued to affect demand.

GALE's tightened credit policy impacted trading, and although overall debtors decreased, challenges in collecting long-dated debtors persisted.

REVENUE



EBITDA



EURASIA

Though challenged by variability in key market openness and lower economic activity due to COVID-19, the region was relatively flat to the prior year.

Progress continues on driving demand for commercial fabrics and servicing demand increases for core consumer product ranges in key markets.

REVENUE



EBITDA



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COMPANY STRATEGY



OUR CORE STRATEGY

TO BUILD GALE PACIFIC INTO A FASTER GROWING, WORLD-CLASS, GLOBAL FABRICS TECHNOLOGY BUSINESS.

- PRODUCT INNOVATION
- CATEGORY GROWTH
- IMPROVED OPERATIONS
- NEW MARKETS



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PRODUCT INNOVATION





NEW PRODUCTS ARE THE LIFEBLOOD OF OUR COMPANY AND A CRITICAL COMPONENT OF OUR GROWTH STRATEGY.

We've accelerated our investment in product development and are focused on developing and launching functional product innovation with new benefits in our core consumer and commercial categories.





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FLAME RETARDANT FABRICS

GALE PACIFIC IS THE LEADING CHOICE FOR FLAME RETARDANT ARCHITECTURAL SHADE FABRIC.

Over 30 colours and three ranges providing the fabric weights, performance requirements, and colour selection necessary for any shade project.

Our shade fabrics are tested to meet or exceed the most stringent fire standards in the world.

Commercial NinetyFive 340FR

Commercial DualShade® 350FR

Commercial Heavy 430FR

HDPE



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CATEGORY GROWTH & NEW MARKETS



WE'RE RAPIDLY EXPANDING OUR CORE CATEGORIES AND DEVELOPING NEW, NEAR NEIGHBOUR CATEGORIES IN BOTH CONSUMER AND COMMERCIAL.



This allows us to grow our categories by attracting new users, increasing usage and driving high value benefits while expanding distribution, entering new markets and driving demand.

Our new Coolaroo® foldable pet bed and grow bags ranges and our new GALE Commercial coated fabric innovations are examples of this strategy in action.





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IMPROVED OPERATIONS







WE'VE MADE STEADY INVESTMENTS AND MARKED IMPROVEMENTS ACROSS OUR GLOBAL SUPPLY CHAIN AND ARE ACCELERATING OUR PLANS TO FURTHER INCREASE OUR EFFECTIVENESS, FLEXIBILITY AND EFFICIENCY.

We're better matching our capacity to serve with market demand and developing our operations so that we may continually improve service to our partner customers, consumers, and commercial end-users as they evolve.

Increased production capacity in our China & Australia manufacturing facilities, expanded distribution capabilities and capacity in our United States operations, and expanded global sourcing and value engineering initiatives are examples of our strategy in action.





GALE PACIFIC STRENGTHS



CATEGORY & MARKET LEADING BRANDS



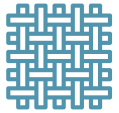
HIGH QUALITY, INNOVATIVE PRODUCTS



CUSTOMER PARTNERSHIPS



CONSUMER & COMMERCIAL DIVERSIFICATION



TECHNICAL FABRICS EXPERTISE



VERTICALLY INTEGRATED MANUFACTURING



GLOBAL DISTRIBUTION & SUPPLY CHAIN



ON-TREND, OUTDOOR ENVIRONMENTS

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H2 & FULL YEAR OUTLOOK

THE COMPANY ANTICIPATES PROFIT BEFORE TAX TO BE IN THE RANGE OF $7.0m – $9.0m FOR 2H FY21 (PCP: $8.3m) AND IN THE RANGE OF $15.8m – $17.8m FOR FY21 (PCP: $4.8m).

- Consumer spending momentum anticipated to continue in US & AUS in 2H
- Q4 comp growth rates more moderate as COVID-19 demand impacts cycle
- GALE is executing on summer selling season growth plans in the United States
- Outlook tempered with measures in place to counter expected headwinds in international shipping, transportation, labour and materials
- GALE is resilient and well-positioned despite complex operating conditions.



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THANK YOU

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