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GALE PACIFIC

FY21 RESULTS

24 AUGUST 2021

AGENDA



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

RESULTS OVERVIEW
- Highlights
- Revenue by geography
- Financial performance
- Cash flow and financial position

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

COMPANY STRATEGY

OUTLOOK

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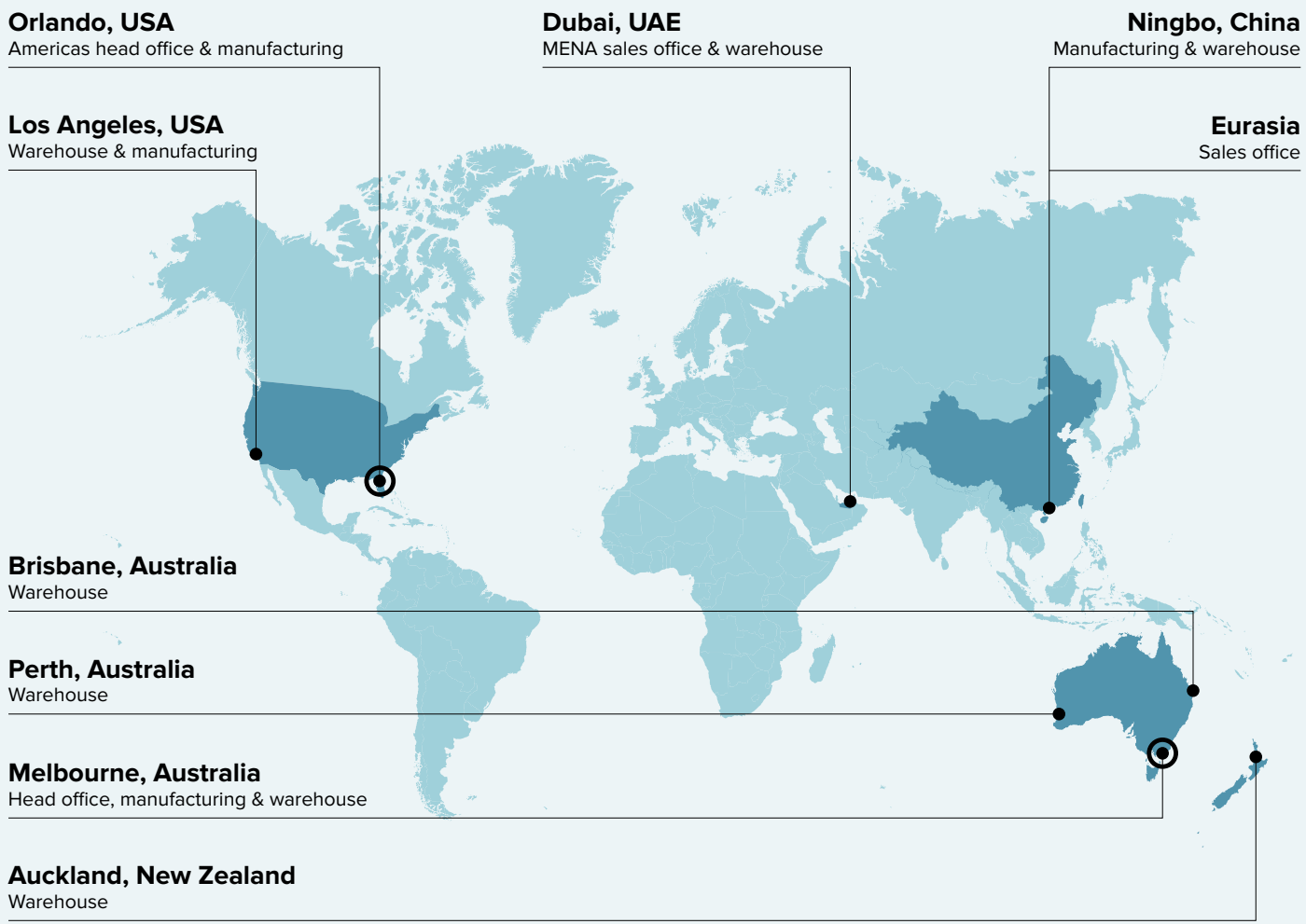
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A GLOBAL COMPANY

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.



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
$17.2m
UP FROM $4.8m

$205.2m
REVENUE
UP FROM $156.3m

$28.2m
EBITDA
UP FROM $18.7m

$19.0m
EBIT
UP FROM $7.0m

4.48c
EARNINGS PER SHARE
UP FROM 1.34c

$12.3m
NET PROFIT AFTER TAX
UP FROM $3.7m

1.0c
FINAL DIVIDEND
UNCHANGED FROM 1c

1.0c
SPECIAL FINAL DIVIDEND
UP FROM NIL

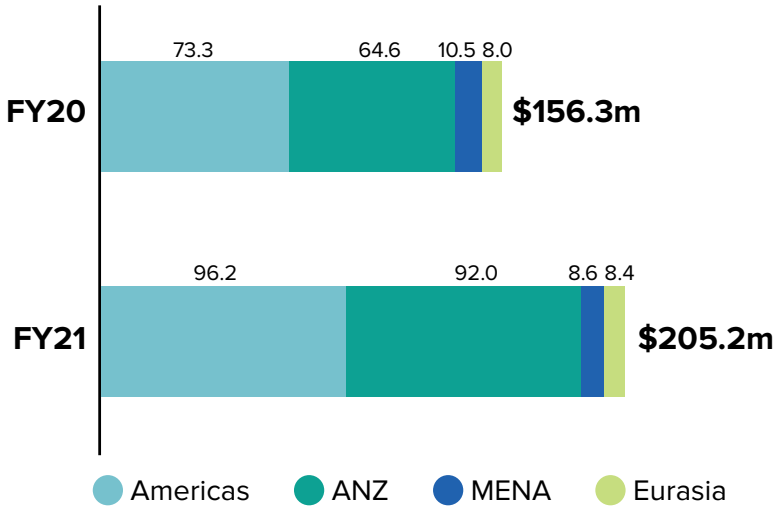
4.0c
TOTAL DIVIDENDS
UP FROM 1.0c

* All figures compare FY21 to FY20 unless otherwise indicated

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REVENUE BY GEOGRAPHY

FY21 WAS A BREAKOUT YEAR WITH RECORD REVENUE AND OVER $50 MILLION IN GROWTH ACROSS AUSTRALIA AND THE UNITED STATES.





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FINANCIAL PERFORMANCE

GALE DELIVERED RECORD REVENUE WITH ACCELERATED PROFIT DELIVERY WHILE MATERIALLY IMPROVING OPERATING CASH, ENABLING THE COMPANY TO END THE YEAR IN A NET CASH POSITION.

RESULT FOR THE YEAR	30 June 2021 A$ million	30 June 2020 A$ million	Change %
Revenue	**205.2**	156.3	31.3
EBITDA	**28.2**	18.7	50.8
EBIT	**19.0**	7.0	171.4
Profit before tax	**17.2**	4.8	258.3
Net profit after tax	**12.3**	3.7	232.4
Basic earnings per share (cents)	**4.48**	1.34	234.3
Final dividend (cents per share, unfranked)	**1.0**	1.0	–
Special final dividend (cents per share, unfranked)	**1.0**	0.0	100
Total dividends (cents per share, unfranked)	**4.0**	1.0	300
Net cash from operating activities	**34.6**	7.2	380.6
Net cash (debt)	**1.5**	(15.3)	>100

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CASH FLOW & BALANCE SHEET

ADDITIONAL SCALE SIGNIFICANTLY IMPROVED CASH FLOW AND RESULTED IN A NET CASH POSITION OF $1.5 MILLION AT YEAR END.



↑ 380% INCREASE

NET CASH FROM OPERATING ACTIVITIES

$34.6m

UP FROM $7.2m



↑ >100% INCREASE

NET CASH

$1.5m

UP FROM $(15.3m)

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REGIONAL OVERVIEW



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THE AMERICAS

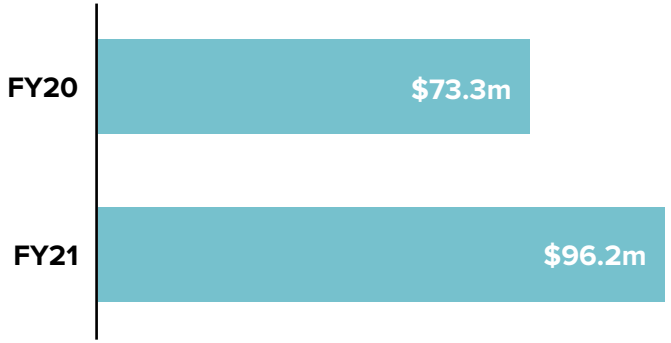


REVENUE IN THE AMERICAS WAS A RECORD AS GALE'S CORE CONSUMER RANGES, NEW PRODUCTS, AND INCREMENTAL PROMOTIONAL LINES DELIVERED SIGNIFICANT IN-STORE AND ONLINE SELL-IN AND SELL-THROUGH INCREASES ACROSS THE REGION.

Comparative growth rates for sell-through increased significantly throughout the first three quarters, moderating in Q4 as the company cycled the initial positive demand impact of COVID-19 restrictions.

GALE expanded operational capacity across customer service, custom roller shade manufacturing, and distribution, including direct-to-consumer shipments, to service the increased demand.

REVENUE



EBITDA



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THE AMERICAS GROWTH DRIVERS



NEW PRODUCT LAUNCHES

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 AMERICAS 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

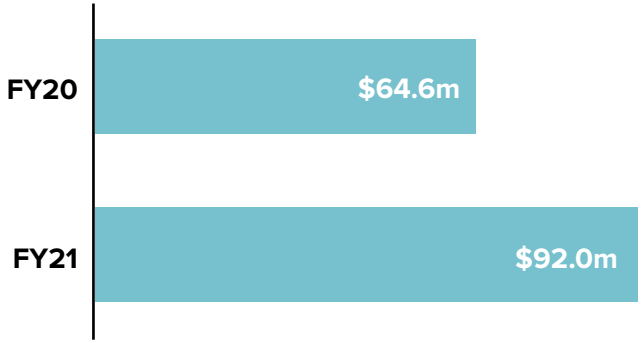
FIRST-HALF REVENUE OF $62.4 MILLION WAS UP 70%, DRIVEN BY INCREASED DEMAND FOR GALE'S COMMERCIAL COATED FABRICS USED IN GRAIN HANDLING AND STRONG GROWTH ACROSS CONSUMER CATEGORIES.

Growth was more moderate in the second half with sales up 6.5% to $29.6 million.

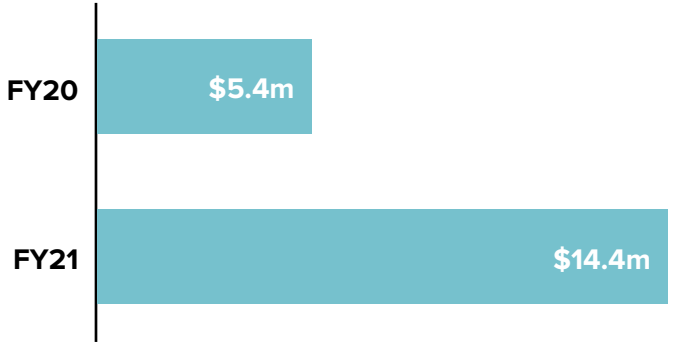
Consumer spending on home improvement projects and products on the back of COVID-19 restrictions and government stimulus drove significant and sustained increases in sell-through rates throughout the first three quarters, with quarter four sell-through returning to more moderate, historical levels.

A significant number of new products and promotional items were launched in the year, a key driver of the result.

REVENUE



EBITDA







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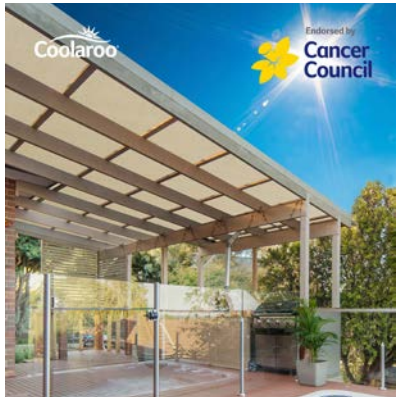
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ANZ GROWTH DRIVERS



NEW PRODUCT LAUNCHES

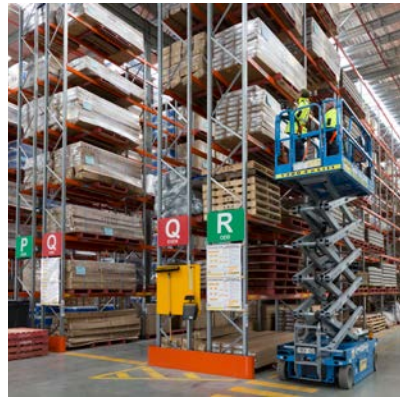
CUSTOMER PARTNERSHIPS



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.

CANCER COUNCIL ENDORSEMENT



GALE PARTNERED WITH CANCER COUNCIL AUSTRALIA, RECEIVING AN EXCLUSIVE ENDORSEMENT FOR SHADE PRODUCTS ACROSS CORE RETAIL AND COMMERCIAL PRODUCT RANGES AND BRANDS.

The partnership was brought to life through in-store and on-product branding, targeted digital advertising and through key commercial partners and influencers.

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MENA AND EURASIA



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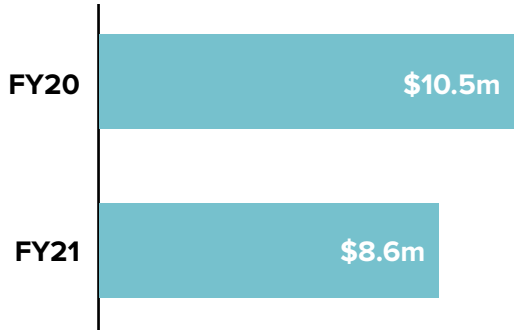
MENA

Challenging trading conditions persisted throughout the first three quarters, with growth versus prior year in the fourth quarter.

Though overall debtors decreased and long-dated debtors showed signs of improvement exiting the year, challenges persisted.

Tightened credit policy continues to impact trading and GALE remains committed to its trading partners.

REVENUE



EBITDA

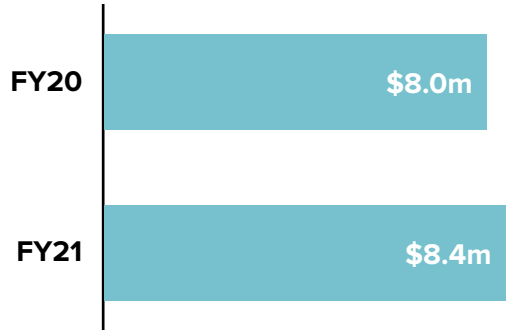


EURASIA

Growth accelerated in the second half due to increased demand for commercial fabrics and consumer product ranges.

Gale delivered growth across most trading countries due to increased demand for commercial shade structures and consumer demand increases on the back of COVID-19 restrictions.

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 INNOVATION



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 and 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.





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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

OUTLOOK

ACCELERATION IN RESULTS DELIVERY AND PROGRESS AGAINST OUR STRATEGY PLACED GALE IN A STRONG FINANCIAL POSITION ENTERING FY22.

- Positive demand forces across consumer and commercial markets are expected to moderate and normalise in FY22.
- Continued unpredictable environment for global supply chains with inflation in shipping, materials and labour.
- Despite these challenges we will continue to invest to build the company for the future.
- In the United States we are adding management capability, leadership roles, and sales and marketing resources.
- In Australia, we will continue to invest in profitable growth and operational improvement initiatives.
- Difficult to forecast in the current environment; first half profit in FY22 will be below the pcp due to:
  - Lower forecast volumes across consumer categories in ANZ and the Americas due to more moderate consumer spending and retail sell-through
  - Lower forecast Australian grain season than prior year impacting coated fabrics volumes
  - Continued input cost inflation across shipping, transportation, materials and labour offset where possible by price increases
  - Continued volatility and delays in international shipping due to capacity constraints
  - Significant investments in management capability, selling and marketing in the United States
- While we are currently planning for growth in the second half of the year, we anticipate providing improved visibility on the company's earnings outlook at our AGM in November.



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