GALE PACIFIC

FY22 RESULTS

23 AUGUST 2022



AGENDA

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

RESULTS OVERVIEW
- 2H FY22 results
- FY FY22 results

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

COMPANY STRATEGY

OUTLOOK

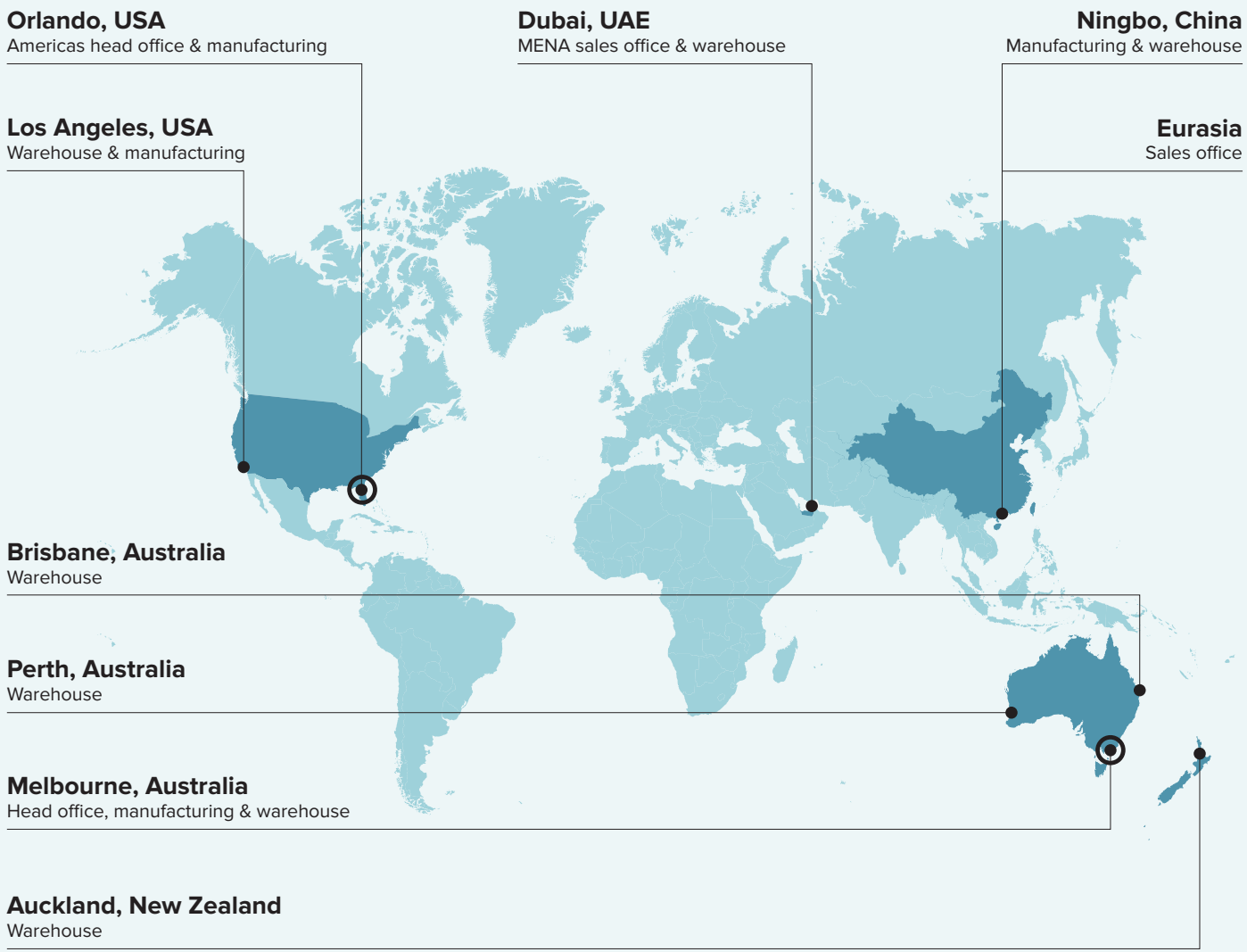


A GLOBAL COMPANY

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.

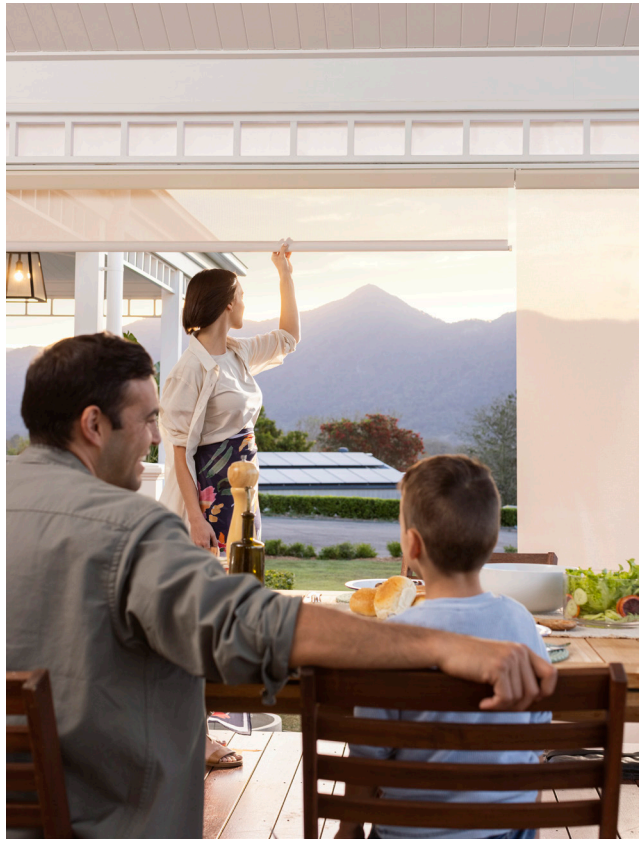


GALE PACIFIC GLOBAL BRANDS

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.



RESULTS OVERVIEW



RESULTS FOR 2H22



$109.6m
REVENUE
PCP: $99.2m



$16.6m
EBITDA
PCP: $13.5m



$11.4m
EBIT
PCP: $8.5m



$10.3m
PROFIT BEFORE TAX
PCP: $8.5m



$7.8m
NET PROFIT AFTER TAX
PCP: $6.3m



2.84c
EARNINGS PER SHARE
PCP: 2.30c

RESULTS FOR 2H22

Net cash from operating activities increase driven by customer receipts from strong business performance and profitability in Australia in H1 FY22 and the United States in 2H FY22.

Net debt decrease due to strong operating cash flow in the second half.



$13.5m

NET CASH FROM OPERATING ACTIVITIES

H1 FY22: ($6.3m)



$5.5m

NET DEBT

H1 FY22: $12.8m

RESULTS FOR 2H22

Strong finish to the 2022 financial year with double-digit growth in second half revenue, EBITDA and profit before tax compared to the second half of the 2021 financial year.

RESULTS FOR H2 FY22	2H FY22 A$ million	2H FY21 A$ million	Change %	2H FY20 A$ million	Change %
Revenue	**109.6**	99.2	11	94.0	17
EBITDA	**16.6**	13.5	23	15.3	9
EBIT	**11.4**	9.3	23	9.4	21
Profit before tax	**10.3**	8.5	22	8.3	24
Net profit after tax	**7.8**	6.3	24	6.4	23
Basic EPS (cents)	**2.84**	2.30	24	2.28	25

RESULTS FOR FY22

$205.5m
REVENUE
PCP: $205.2m

$22.9m
EBITDA
PCP: $28.2m

$11.0m
NET PROFIT BEFORE TAX
PCP: $17.2m

$7.6m
NET PROFIT AFTER TAX
PCP: $12.3m

2.76c
EARNINGS PER SHARE
PCP: 4.48c

1.0c
FINAL DIVIDEND 75% FRANKED
PCP: 2.0c* UNFRANKED

2.0c#
TOTAL DIVIDEND
PCP: 4.0c^ UNFRANKED

* Includes 1.0 cent per share special dividend, unfranked
\# Interim dividend franked at 50% and final dividend franked at 75%
^ Includes 2.0 cent per share special dividend, unfranked

RESULTS FOR FY22

Net cash from operating activities for FY22 down from prior year due to higher inventory investment and input cost inflation.

Net debt year-on-year increase due to higher working capital needs.



$7.2m

NET CASH FROM OPERATING ACTIVITIES

PCP: $34.6m

Up from (6.3)m at 31 Dec 21



$5.5m

NET DEBT

PCP: $1.5m NET CASH

Down from 12.8m at 31 Dec 21

RESULTS FOR FY22

Full year revenue flat to prior year but up 31% to FY20.

Includes double digit growth in revenue, earnings and profit YonY in 2H22 vs 2H21.

RESULTS FOR FY22	FY22 A$ million	FY21 A$ million	Change %	FY20 A$ million	Change %
Revenue	**205.5**	205.2	0	156.3	31
EBITDA	**22.9**	28.2	(19)	18.7	22
EBIT	**13.0**	19.0	(32)	7.0	86
Profit before tax	**11.0**	17.2	(36)	4.8	>100
Net profit after tax	**7.6**	12.3	(38)	3.7	>100
Basic EPS (cents)	**2.76**	4.48	(38)	1.33	>100
Final dividend (cents per share)	**1.0**	1.0	100	1.0	100
Special final dividend (cents per share)	**Nil**	1.0	(100)	Nil	n/a
Total dividends (cents per share)	**2.0**	4.0	(50)	1.0	100
Net cash from operating activities	**7.2**	34.6	(79)	7.2	1
Net cash (debt)	**(5.5)**	1.5	<(100)	(15.3)	64

REGIONAL OVERVIEW



AMERICAS

Second-half revenue of $62.7 million was a record for GALE in the Americas region for the third consecutive year. Second-half EBITDA of $13.3 million was also a new record for GALE in the region. GALE delivered a record second half on the back of new program and product placements, promotional gains and increased pricing across the consumer and commercial markets despite challenging operating conditions associated with international and domestic shipping and logistics. Throughout the year, there were persistent headwinds due to sustained input cost inflation, particularly in international shipping, distribution, materials and labour. In addition, demand normalised following earlier surges in consumer spending on home improvement on the back of pandemic-related restrictions and government stimulus.



RESULTS FOR H2 FY22	2H FY22 A$ million	2H FY21 A$ million	Change %	2H FY20 A$ million	Change %
Revenue	62.7	59.2	6	55.9	12
EBITDA	13.3	9.9	35	13.0	3

RESULTS FOR FY22	FY22 A$ million	FY21 A$ million	Change %	FY20 A$ million	Change %
Revenue	95.6	96.2	(1)	73.3	30
EBITDA	13.0	13.5	(4)	11.8	10

AUSTRALIA & NEW ZEALAND

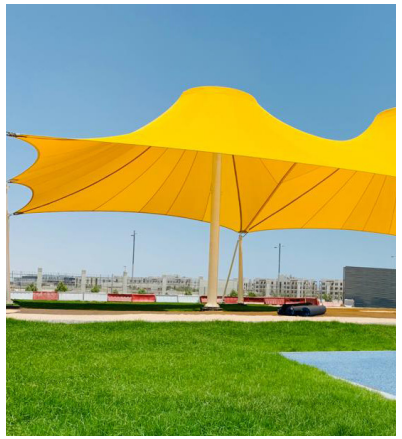
GALE delivered a robust second-half result despite a challenging first half resulting from cooler, wetter weather across eastern Australia and supply chain challenges that constrained production capacity for the Company's coated fabrics. Primary drivers were increased demand for the Company's coated fabrics used in grain handling and water containment and for non-woven coated products used in food handling. As in the Americas region, there were persistent headwinds due to sustained input cost inflation, particularly in international shipping, distribution, materials and labour, and as demand normalised following earlier surges in consumer spending on home improvement on the back of pandemic-related restrictions and government stimulus.



RESULTS FOR H2 FY22	2H FY22 A$ million	2H FY21 A$ million	Change %	2H FY20 A$ million	Change %
Revenue	36.7	29.6	24	27.8	32
EBITDA	4.5	2.8	61	1.4	220

RESULTS FOR FY22	FY22 A$ million	FY21 A$ million	Change %	FY20 A$ million	Change %
Revenue	93.7	92.0	2	64.6	45
EBITDA	11.5	14.4	(20)	5.4	114

MIDDLE EAST / NORTH AFRICA AND EURASIA



MENA

Improving business conditions, increased infrastructure project investment, new products and price increases were the primary drivers of the revenue increase in the second half. Tightened credit policy improved overall and long-dated debtors in the region at 30 June 2022 compared to 30 June 2021 with limited negative impact on revenue.

RESULTS FOR H2 FY22	2H FY22 A$ million	2H FY21 A$ million	Change %	2H FY20 A$ million	Change %
Revenue	5.1	4.2	22	4.7	10
EBITDA	0.9	1.1	(18)	0.6	46

RESULTS FOR FY22	FY22 A$ million	FY21 A$ million	Change %	FY20 A$ million	Change %
Revenue	8.6	8.6	(1)	10.5	(18)
EBITDA	1.6	2.2	(30)	2.2	(28)



EURASIA

Revenue and EBITDA for both the second half and the full year were lower compared to prior corresponding periods, driven primarily by demand normalisation across both commercial and consumer end-markets and despite price increases across the market.

RESULTS FOR H2 FY22	2H FY22 A$ million	2H FY21 A$ million	Change %	2H FY20 A$ million	Change %
Revenue	5.1	6.2	(18)	5.6	(10)
EBITDA	1.9	2.2	(16)	2.0	(7)

RESULTS FOR FY22	FY22 A$ million	FY21 A$ million	Change %	FY20 A$ million	Change %
Revenue	7.6	8.4	(9)	8.0	(4)
EBITDA	2.6	2.7	(5)	2.7	(2)

GALE PACIFIC

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



GROWTH ACCELERATION PLAN



HOW WE GROW

GROW OUR CATEGORIES	■ **DEVELOP AND LAUNCH** breakthrough innovation in our core categories ■ **ACCELERATE** new & near neighbour category entry ■ **ACCELERATE** penetration via leadership brand activation and communication
GROW OUR MARKETS	■ **DRIVE CATEGORY GROWTH** in retail & commercial in Australia & the United States ■ **RAPIDLY EXPAND** distribution & availability in the United States ■ **EXTEND OUR BORDERS** into Latin America,Southeast Asia,Canada, Middle East & Europe
GROW OUR SUPPLY CHAIN	■ **LEVERAGE ONE** Global GALE Supply Chain	Plan, Procure, Manufacture, Deliver, Distribute & Serve ■ **ENHANCE** utilisation, efficiency & flexibility across our global supply chain and operations ■ **EXPAND** productivity delivery & **ATTACK** trapped cost of failure
GROW OUR CAPABILITIES	■ **SIMPLIFY OUR BUSINESS** and ways of working for improved clarity, efficiency & execution ■ **BUILD & IMPLEMENT** the right global IT strategy, tools & team to enable our growth plans ■ **DEEPEN OUR INSIGHTS & INNOVATION** capabilities to accelerate our growth strategy
GROW OUR PEOPLE	■ **DEVELOP** our functional leadership capabilities throughout the organisation ■ **EMBED** our Attract, Engage, Develop organisational development model ■ **BUILD & EMPOWER** the team to **DOUBLE** by becoming an employer of choice for **TOP TALENT** to **GROW** their **CAREERS**

DELIVERED WITH EDGE: Every Day Great Execution

GALE PACIFIC STRENGTHS



CATEGORY & MARKET LEADING BRANDS



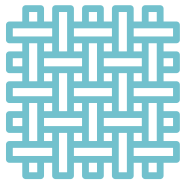
HIGH QUALITY, INNOVATIVE PRODUCTS



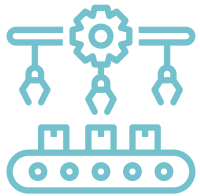
CUSTOMER PARTNERSHIPS



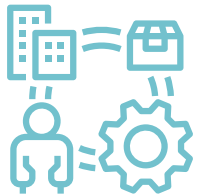
CONSUMER & COMMERCIAL DIVERSIFICATION



TECHNICAL FABRICS EXPERTISE



VERTICALLY INTEGRATED MANUFACTURING



GLOBAL DISTRIBUTION & SUPPLY CHAIN



ON-TREND, OUTDOOR ENVIRONMENTS

OUTLOOK

We anticipate and are planning for revenue and profit growth in FY23, driven mainly by further growth in the Americas region in the second half of the year.

- Evidence of some level of cost stabilisation and normalisation across input cost categories.
- Anticipated that the complexity and volatility in global supply chains will persist throughout the first half of FY23.
- Continue to invest in line with the Growth Acceleration Plan for the future.
- Further earnings outlook to be provided at AGM in November.
- The Board remains focused on building long-term shareholder; continues to work with its advisors, Luminis Partners, to evaluate options to unlock shareholder value further.



THANK YOU

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