

A decorative graphic of a sailboat's sails, arranged in a curved line from the top left towards the bottom center. The sails are in various colors: green, yellow, orange, red, dark red, blue, and purple. They are attached to a light-colored wooden mast structure.

FY21 RESULTS

24 AUGUST 2021

AGENDA

GALE AT A GLANCE

- A global company
- GALE's brands

RESULTS OVERVIEW

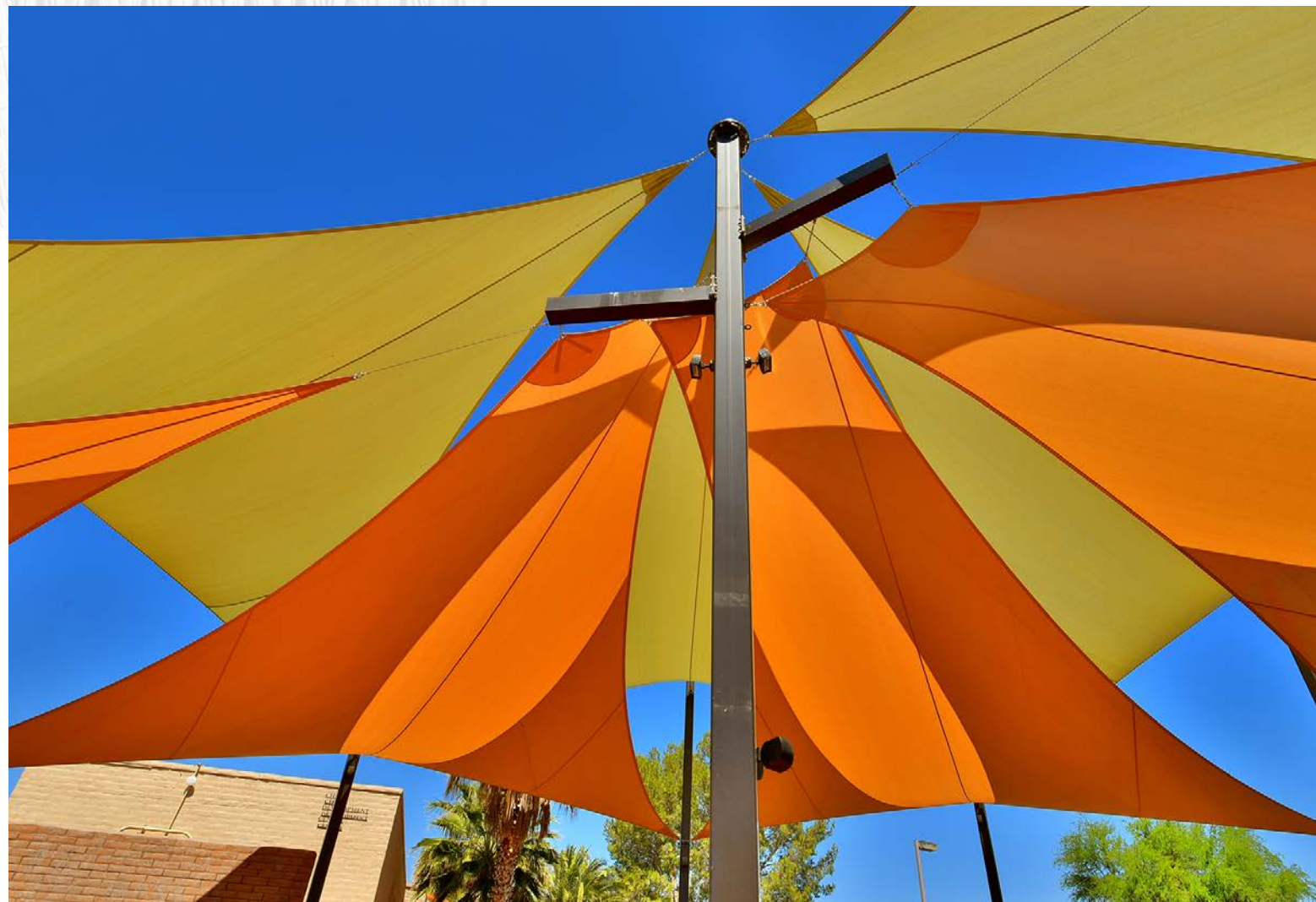
- Highlights
- Revenue by geography
- Financial performance
- Cash flow and financial position

REGIONAL OVERVIEW

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

COMPANY STRATEGY

OUTLOOK

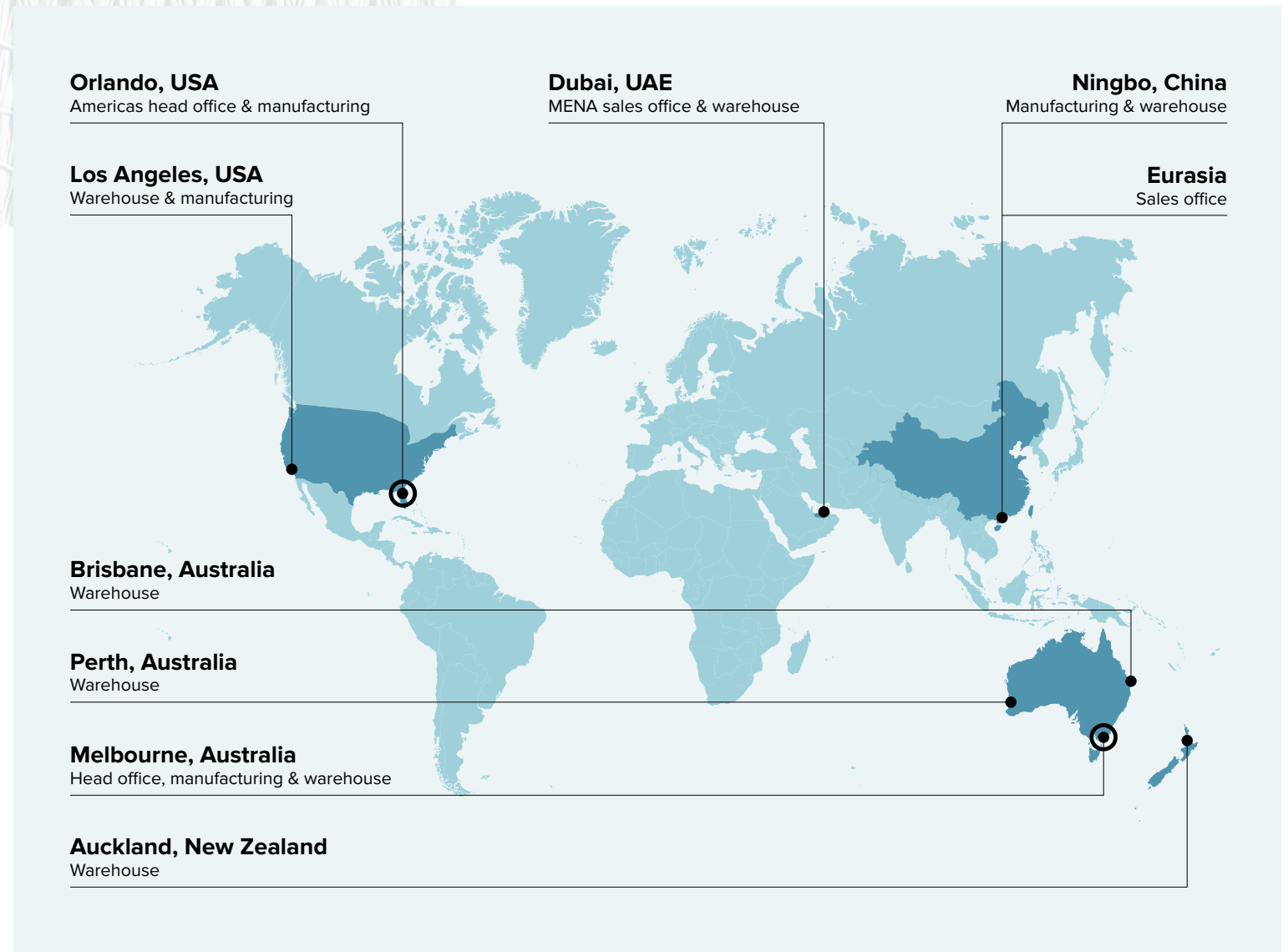


A GLOBAL COMPANY

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



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

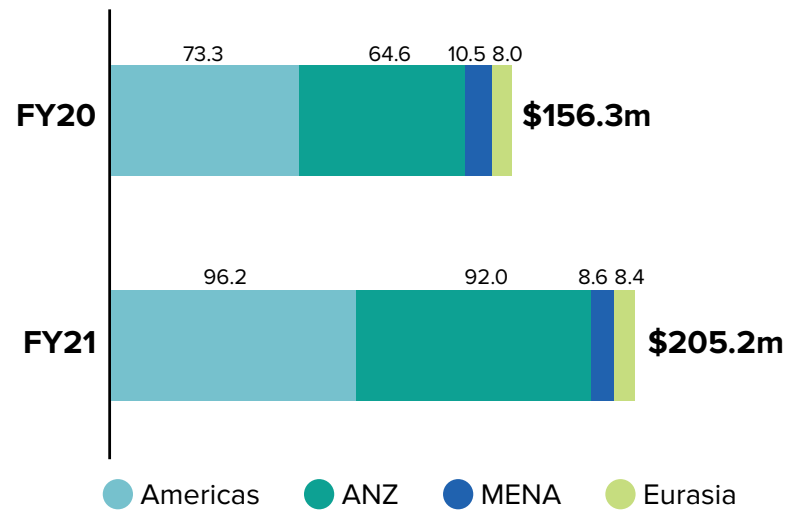
TOTAL DIVIDENDS

UP FROM 1.0c

* All figures compare FY21 to FY20 unless otherwise indicated

REVENUE BY GEOGRAPHY

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



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

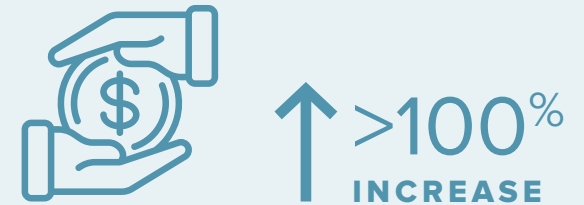
CASH FLOW & BALANCE SHEET

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



**NET CASH FROM
OPERATING ACTIVITIES**

\$34.6m
UP FROM \$7.2m



NET CASH

\$1.5m
UP FROM \$(15.3m)

REGIONAL OVERVIEW



THE AMERICAS

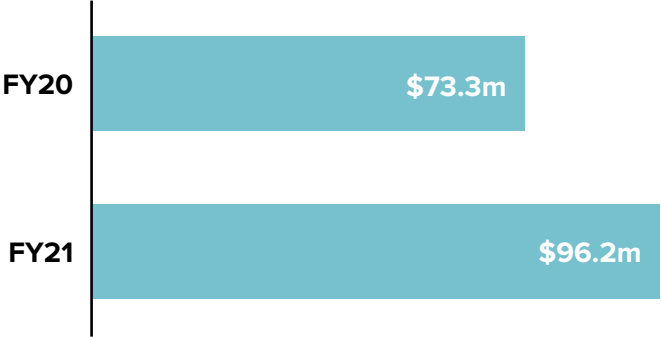
REVENUE IN THE AMERICAS WAS A RECORD AS GALE'S CORE CONSUMER RANGES, NEW PRODUCTS, AND INCREMENTAL PROMOTIONAL LINES DELIVERED SIGNIFICANT IN-STORE AND ONLINE SELL-IN AND SELL-THROUGH INCREASES ACROSS THE REGION.

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.

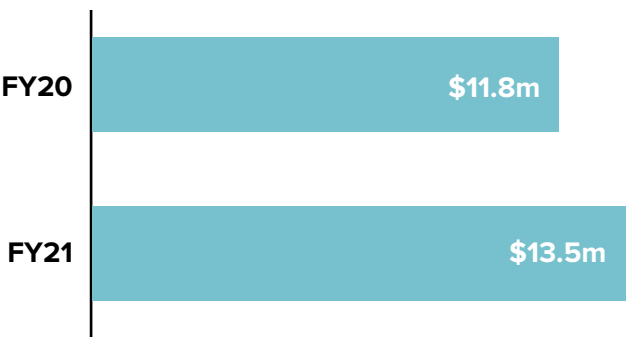
GALE expanded operational capacity across customer service, custom roller shade manufacturing, and distribution, including direct-to-consumer shipments, to service the increased demand.



REVENUE



EBITDA



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

AUSTRALIA & NEW ZEALAND

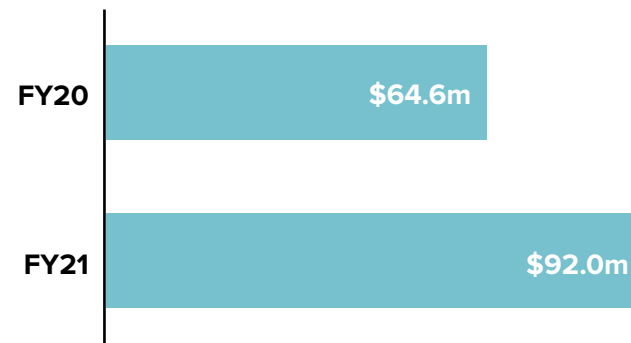
FIRST-HALF REVENUE OF \$62.4 MILLION WAS UP 70%, DRIVEN BY INCREASED DEMAND FOR GALE'S COMMERCIAL COATED FABRICS USED IN GRAIN HANDLING AND STRONG GROWTH ACROSS CONSUMER CATEGORIES.

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



ANZ GROWTH DRIVERS



**NEW PRODUCT
LAUNCHES**



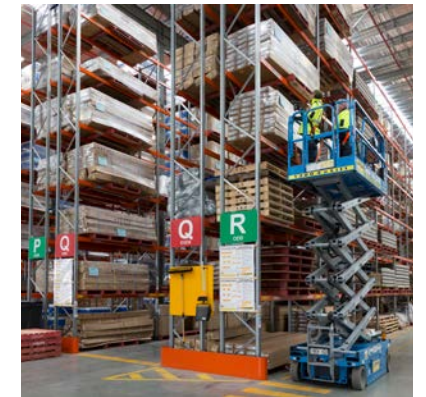
**CUSTOMER
PARTNERSHIPS**



**DEMAND
GENERATION**



**MANUFACTURING
CAPACITY EXPANSION**



**SUPPLY CHAIN
IMPROVEMENTS**

STRATEGIC INVESTMENTS TO ACCELERATE GROWTH

PEOPLE & CAPABILITIES

PRODUCT INNOVATION

DISTRIBUTION EXPANSION

SUPPLY CHAIN EFFICIENCY

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.



MENA AND EURASIA



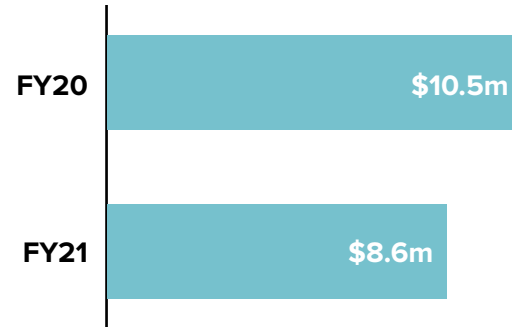
MENA

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

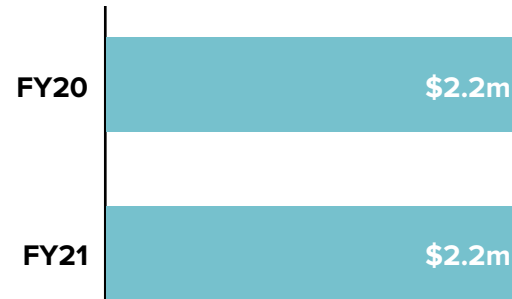
Though overall debtors decreased and long-dated debtors showed signs of improvement exiting the year, challenges persisted.

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

REVENUE



EBITDA



EURASIA

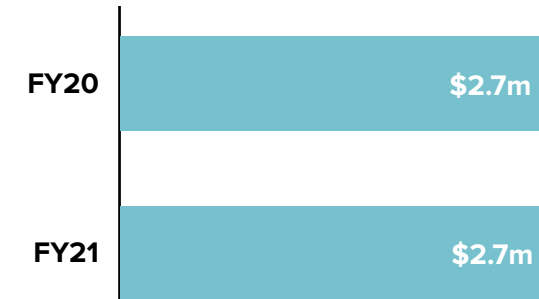
Growth accelerated in the second half due to increased demand for commercial fabrics and consumer product ranges.

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



COMPANY STRATEGY



FOUR CORE STRATEGY

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

PRODUCT
INNOVATION

CATEGORY
GROWTH

IMPROVED
OPERATIONS

NEW
MARKETS



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.



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



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.



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.



GALE PACIFIC STRENGTHS



**CATEGORY &
MARKET LEADING
BRANDS**



**HIGH QUALITY,
INNOVATIVE
PRODUCTS**



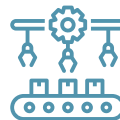
**CUSTOMER
PARTNERSHIPS**



**CONSUMER &
COMMERCIAL
DIVERSIFICATION**



**TECHNICAL
FABRICS
EXPERTISE**



**VERTICALLY
INTEGRATED
MANUFACTURING**



**GLOBAL
DISTRIBUTION &
SUPPLY CHAIN**

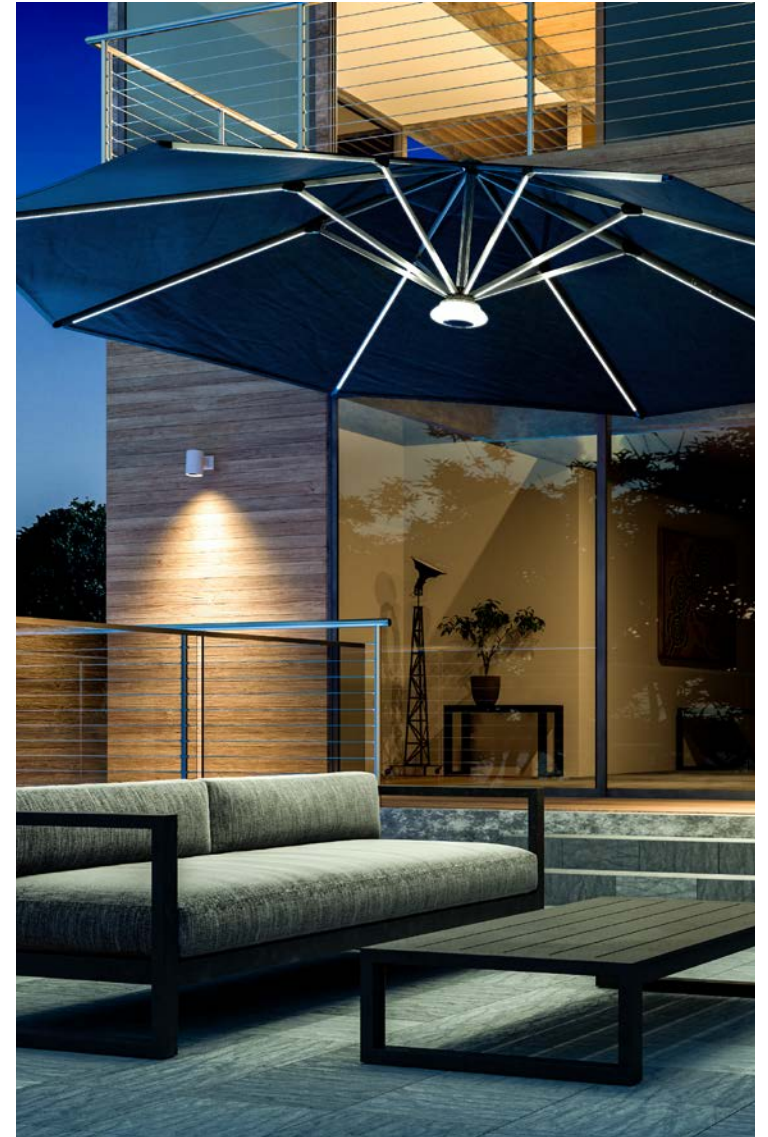


**ON-TREND,
OUTDOOR
ENVIRONMENTS**

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 pcg 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.





THANK YOU

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