

# GALE Pacific

## Group Managing Director's Presentation

October 30<sup>th</sup> 2015





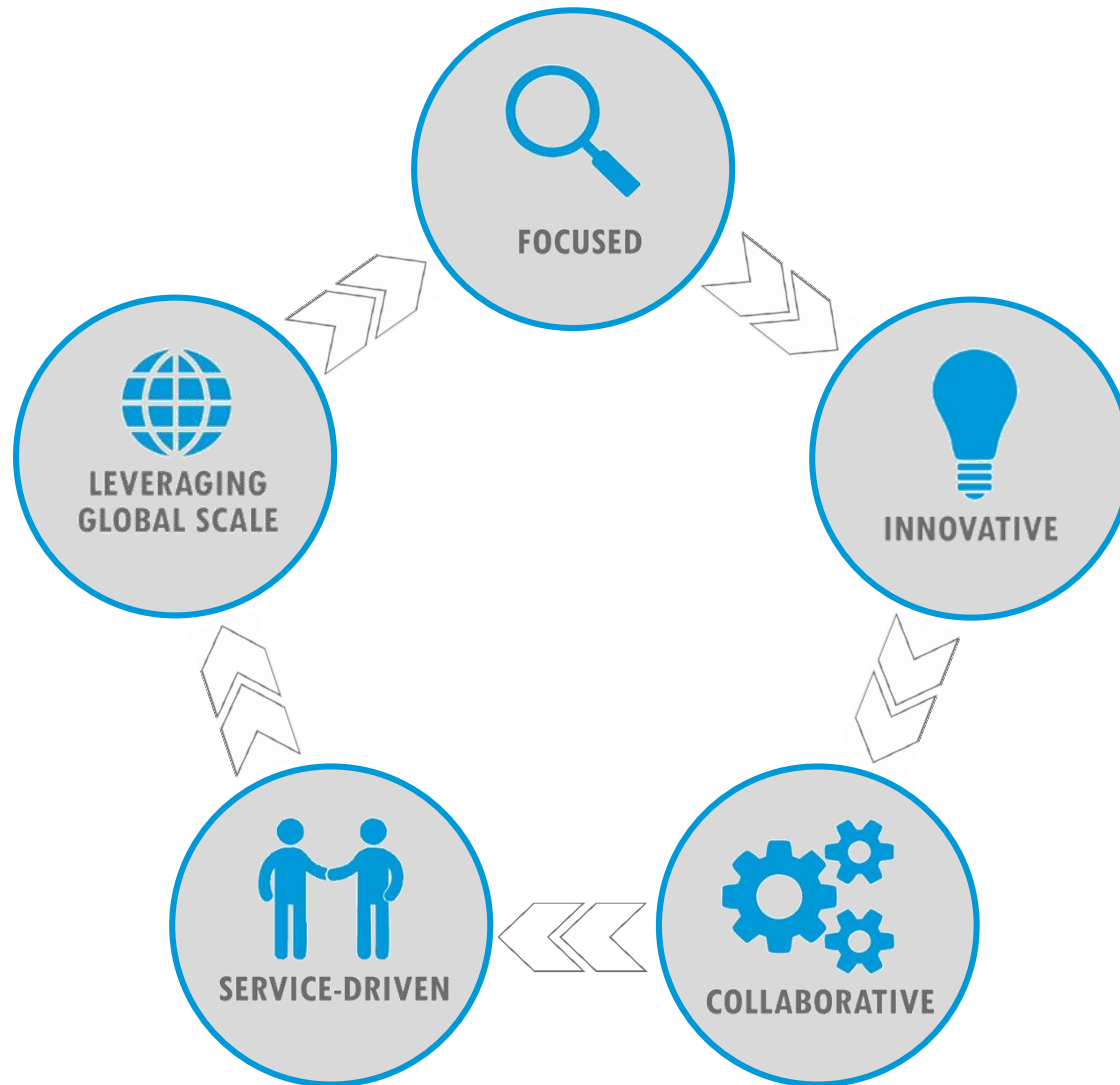
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# STRATEGY UPDATE





# » Operating Philosophy



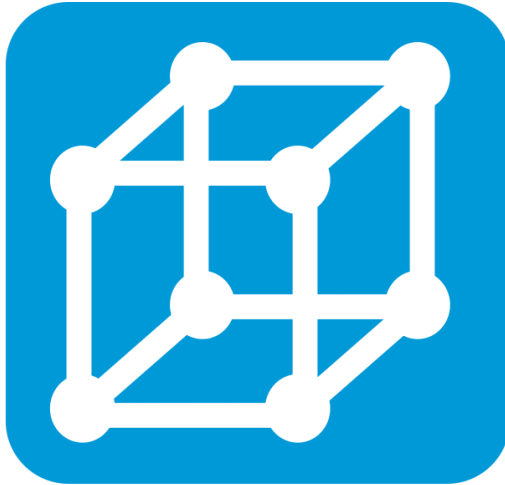


# » Key Strategies

- » Make our brands really matter
- » Build our execution capability
- » Simplify & align the business
- » Focused business expansion
- » Develop the team for growth



## »» Key Achievements - Structure



### »» Global Structure

**A new, more global  
organisation structure  
aligned with & supporting the  
strategy**



### »» Global Supply Chain Model

**First steps towards a more global  
supply chain model have already  
resulted in sizeable inventory  
reductions, fewer suppliers & more  
favourable supplier trading terms**



# » Key Achievements – Brands



» 14 brands reduced to 5

» Investment in less brands to make them more meaningful





## » 4 Key Brands



» DIY Shadecloth

» Portable Shade

» Shade Sails

» Synthetic Grass



» Pool Fencing

» Balustrade

» Mirrors

» Splashbacks



» Window Furnishings

» Homewares



» Architectural Shade

» Horticultural Shade

» Agricultural Fabrics

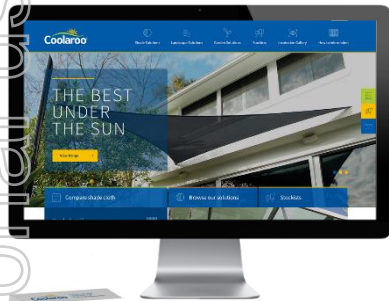
» Construction Fabrics

» Mining Fabrics

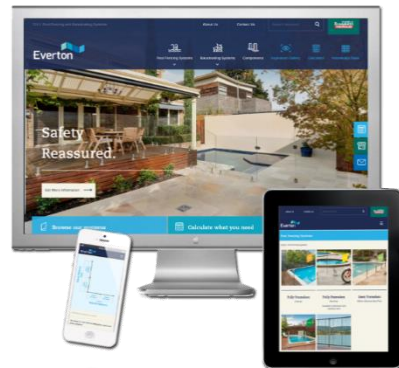


## Key Achievements – Brands (continued)

**Coolaroo**



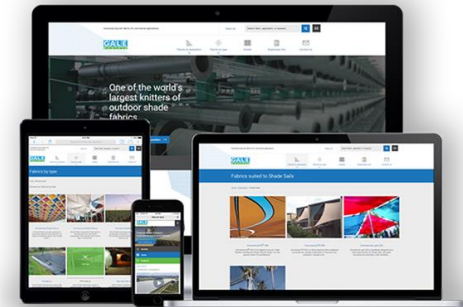
**Everton**



**zi ZONE INTERIORS**



**GALE PACIFIC**







## »» Key Achievements – Product Categories



Ergonomic Seating



Pet Kennels



Bath Mats



Hammocks



Folding Doors



Cable Ties

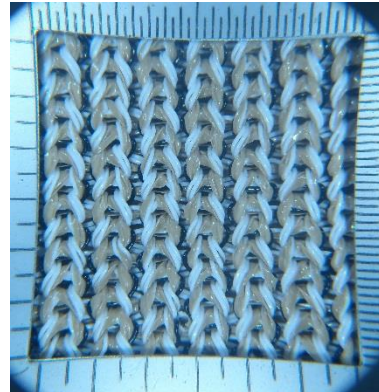
»» Product category strategy defined

»» Plans to exit non-strategic categories & focus on core business



# »» Key Achievements – Innovation

- »» Strong new product pipeline established in core categories
- »» Establishing technical alliances to assist in creating more innovative products
- »» Building consumer insights to drive new product development
- »» Significant sales wins for new products



Technical Fabrics



Cord-Safe Blinds



Butterfly Gazebo



Synthetic Grass

# Key Achievements – Collaboration

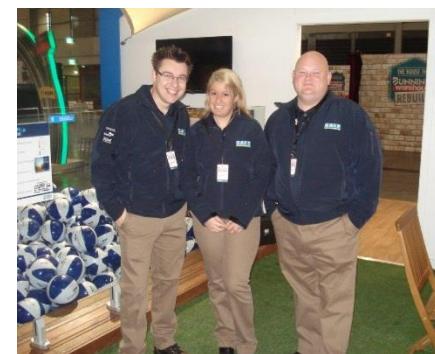
- » Collaboration across regions and also with suppliers & customers
- » Global leadership team established
- » Reducing duplication & taking advantage of scale
- » Sharing ideas & marketing programs between regions is creating sales opportunity



- » Collaborative supplier partnerships driving cost & service improvements



- » Sales & marketing teams sharing ideas & programs is creating growth opportunities



- » A culture of collaboration is reducing duplication & leveraging GALE's global scale



## »» Key Achievements – Service

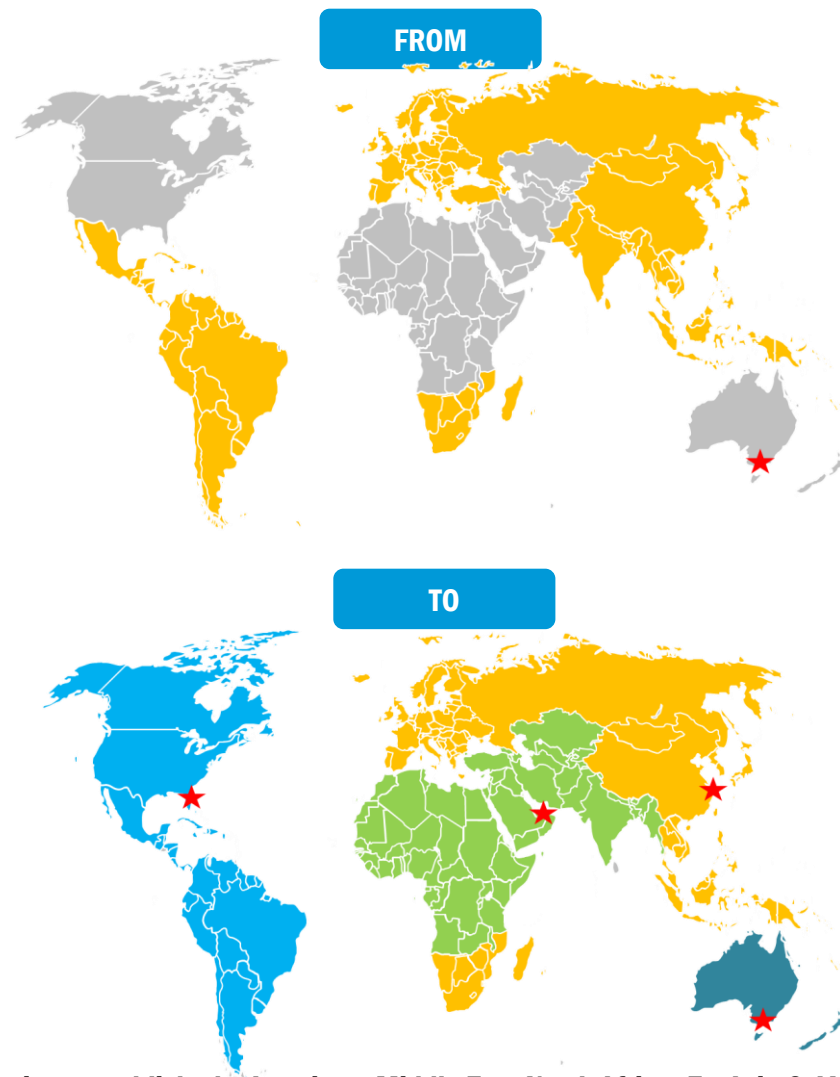
- »» **Increases in key service level metrics, particularly in Australia**
- »» **Building stronger customer service culture company-wide**





## Key Achievements – Selling Regions

- » Goal of accelerating growth outside of Australia
- » More localised selling model implemented to improve service & reduce cost
- » Dissolved “Other International” division
- » Created Eurasia region, based in Shanghai
- » Changes aimed at servicing overseas customers locally & building stronger market entry plans



4 selling regions established – Americas, Middle East North Africa, EurAsia & ANZ



# Key Achievements – Digital Strategy

- »» Digital strategies developed for all brands
- »» New brand websites built
- »» New GALE Pacific corporate website launched
- »» Ongoing investments to engage with consumers





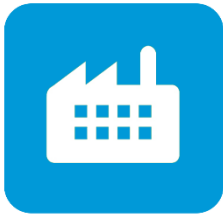
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# EFFICIENCY & EFFECTIVENESS





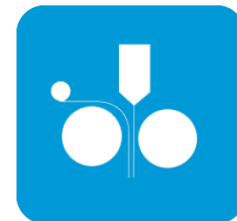
# Efficiency and effectiveness



»» **China Manufacturing Pricing Model**



»» **New Product Development**



»» **Extrusion Coating Technology Upgrade**



»» **Global Supply Chain Model**



»» **International Market & Product Review**



»» **I.T. Optimisation**



# » China Manufacturing Pricing Model



- » China manufacturing operation changed to a cost centre effective 1 July 2015
- » Improved visibility of regional profitability
- » Focus transitioned to quality, efficiency & service



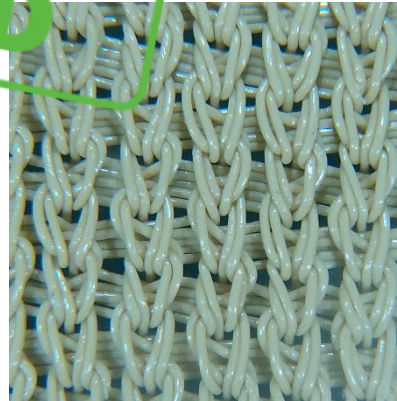


# » New Product Development



**COMPLETED**

- » Research & development processes strengthened
- » Focus on fewer, but larger, more global projects
- » Strong new product pipeline & impressive range wins



New Research & Development centres under construction in Australia & China





# » Extrusion Coating Technology Upgrade



- » New operating system & scanning technology for Australian-based extrusion coating plant
- » Quality improvements & production efficiencies already being achieved





## Efficiency and effectiveness (cont.)

**IN PROGRESS**



»» **Global Supply Chain Model**

**IN PROGRESS**



»» **International Market & Product Review**

**IN PROGRESS**



»» **I.T. Optimisation**



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# REGIONS





# Australasia



**Major Projects** - conversion from Highgrove to Everton pool fencing completed & sales now strong. ZONE Hardware brand interior blinds successfully converted to ZONE Interiors.

**Warehouse** - consolidation continued with further reductions planned. Supply chain improvements continued with reductions in inventory & cost.

**Ranging Wins** - new business secured in both retail & commercial sectors.





## » Other Regions



Coolaroo Window Shades  
– Sam's Club, USA



Ladies Club – Dubai, UAE



Big 5 Show – Dubai, UAE



Coolaroo Window Awnings  
– Japan



Gale Pacific Special  
Textiles – Beilun, China

» **Americas** – strong financial performance. Now responsible for the South American market.

» **Middle East**  
**North Africa** – strong sales & profit performance continued.

» **Eurasia** – new leadership, based in Shanghai. The region will adopt a focused approach to expansion with plans to extend into the commercial sector in Japan & build a strategy for Europe.

» **China**  
**Manufacturing** – Continued improvements in quality and waste reduction.





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**LOOKING  
FORWARD**



# GROWTH STRATEGY



PHILOSOPHY



FOCUSED



INNOVATIVE



COLLABORATIVE



SERVICE-DRIVEN



LEVERAGING  
GLOBAL SCALE

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# GROWTH STRATEGY



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## MAKE OUR BRANDS REALLY MATTER

**Brands** – Invest in 4  
global brands



**Products** – Focus on  
our core and exit  
non-core categories

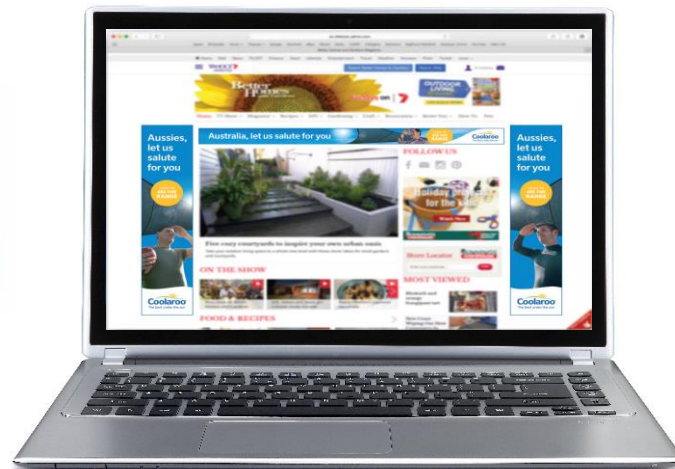
**Digital** – Build an  
integrated platform  
to engage consumers  
in each category

**Innovation** – Deliver  
real innovation in our  
core, underpinned by  
consumer insights

KEY STRATEGIES



# Coolaroo Brand Investment



# GROWTH STRATEGY



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## BUILD OUR EXECUTION CAPABILITY

**Information  
Technology** – Build a  
stronger, globally  
aligned technology  
platform

**Manufacturing** –  
Create a focused,  
efficient and agile  
manufacturing base

**Procurement** – Engage  
with a smaller number  
of strategic suppliers,  
leveraging our global  
scale

**Planning** – Build a  
robust global,  
production and  
capacity planning  
process

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**Information Technology** – Build a stronger, globally aligned technology platform

**Manufacturing** – Create a focused, efficient and agile manufacturing base

**Procurement** – Engage with a smaller number of strategic suppliers, leveraging our global scale

**Planning** – Build a robust global, production and capacity planning process

## SIMPLIFY & ALIGN THE BUSINESS

**Warehouse Facilities** – Continue to reduce the number of Australian warehouses

**Reporting** – Standardise and strengthen global reporting

**Structure** – Implement a business model supporting a global outlook and leveraging scale

**Supply Chain** – Build a more global, service-focused model that better supports growth

KEY STRATEGIES

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# » Supply Chain Improvement

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» A new Retail warehouse in Victoria is now operational and supports the consolidation of a warehouse and external storage, enabling cost reduction.



» The new facility, coupled with the company's I.T. strategy, will enable all retail product brands to be shipped on a single pallet for the first time, generating freight savings.

# GROWTH STRATEGY



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## FOCUSED BUSINESS EXPANSION

**Core Markets** – Invest for growth in Australia, Middle East, USA, Canada and New Zealand

**New Markets** – Build market insights for priority markets. Highly targeted expansion

**Europe** – Develop a plan identifying focus countries, channels and products

**Japan** – Reduce dependence on promotional retail business and enter commercial sector

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KEY STRATEGIES

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## DEVELOP THE TEAM FOR GROWTH

**Performance Culture** – Build a performance culture aligned to business strategy

**Technical Capability** – Invest in strengthening technical competence worldwide

**Talent Development** – Invest in training aligned with business goals

**Technical Centres** – Build technical centres in Australia and China

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OUR VALUES



Integrity



Respect



Collaboration



People



Community



Innovation

## SAFETY, HEALTH & ENVIRONMENT

Relentless pursuit of zero workplace incidents

A focus on products that provide a positive environmental impact



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# OUTLOOK





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# BUSINESS OF THE MEETING





## »» **ITEM 1 - Financial and Related Reports**

- »» **To receive and consider the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports in respect of the financial year ended 30 June 2015.**



## ITEM 2 - Adoption of Remuneration Report (Non-binding Vote)

- »» That the Remuneration Report of the Company and its controlled entities for the year ended 30 June 2015 be adopted.

*The vote on this item is advisory only and does not bind the Directors or the Company.*



## Proxies for resolution for the Adoption of the Remuneration Report



|                   |                    |
|-------------------|--------------------|
| For:              | 97,051,128         |
| Against:          | 1,581,947          |
| Open-Useable:     | 11,241,104         |
| Open-Conditional: | 0                  |
| Open-Unusable:    | 0                  |
| Abstain:          | 178,423            |
| Excluded:         | 3,321,302          |
| Total:            | <b>113,373,904</b> |



## »» ITEM 3 - Re-election of Director

- »» That Mr David Allman, having retired from his office as a Director in accordance with rule 7.1(f) of the Company's constitution and, being eligible under rule 7.1(h) of the Company's constitution, having offered himself for re-election, be re-elected as a Director of the Company.

## Proxies for resolution for the Re-election of Director



|                   |                    |
|-------------------|--------------------|
| For:              | 101,656,332        |
| Against:          | 276,468            |
| Open-Useable:     | 11,241,104         |
| Open-Conditional: | 0                  |
| Open-Unusable:    | 0                  |
| Abstain:          | 200,000            |
| Excluded:         | 0                  |
| Total:            | <b>113,373,904</b> |

# GALE Pacific

## 2015 Annual General Meeting Closure

October 30<sup>th</sup> 2015

