



1H FY23 RESULTS

21 FEBRUARY 2023



AGENDA

GALE AT A GLANCE

- A global company
- GALE's brands

RESULTS OVERVIEW

- 1H FY23 overview
- 1H FY23 results

REGIONAL OVERVIEW

- Americas
- Australia & New Zealand
- Developing Markets

COMPANY STRATEGY

OUTLOOK

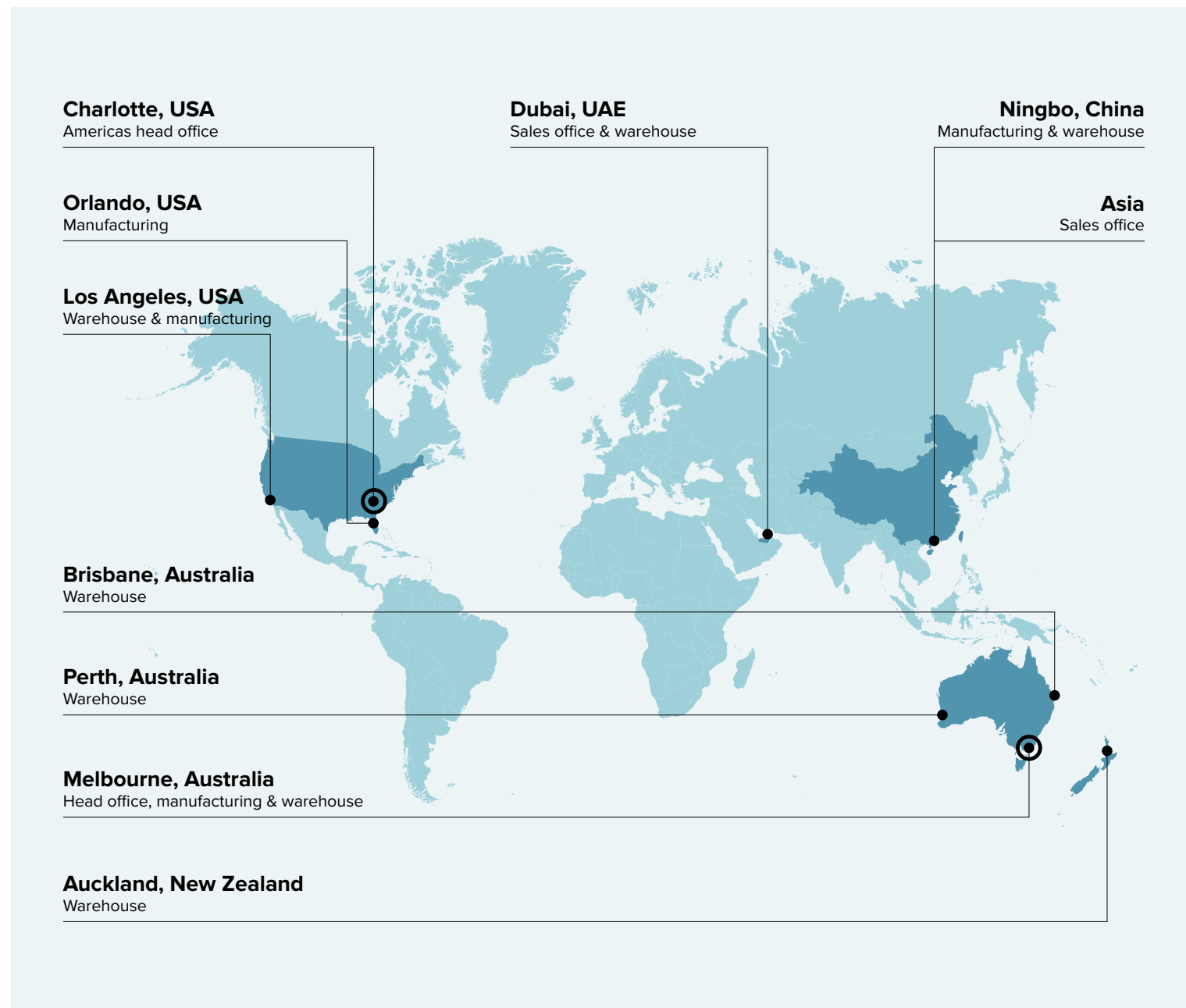


A GLOBAL COMPANY

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.



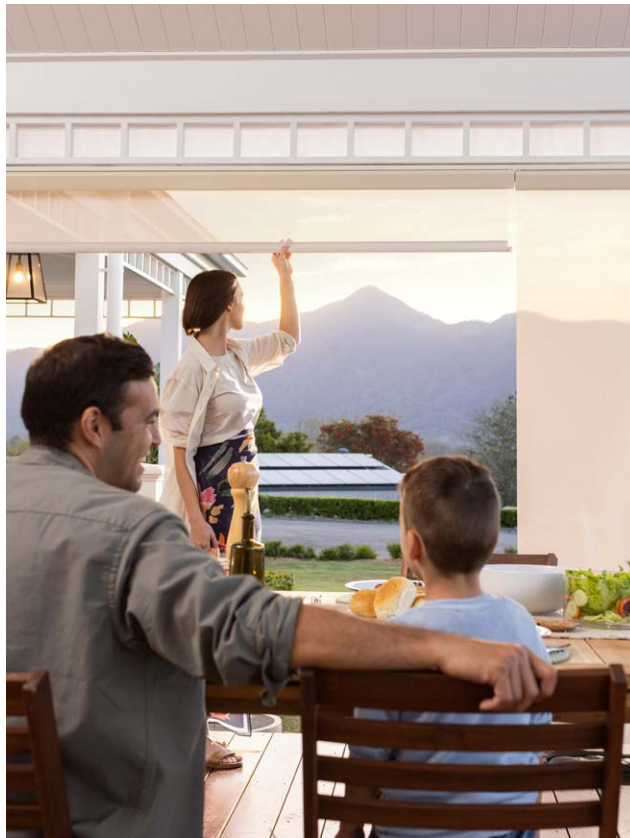
GALE PACIFIC GLOBAL BRANDS



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



1H FY23 OVERVIEW



**EAST COAST
AUSTRALIA WET/
COOL WEATHER**



**INFLATION
IMPACTING
GLOBAL
CONSUMERS**



**DEMAND
NORMALISATION
POST-PANDEMIC**



**CONTINUED
PANDEMIC
IMPACTS**



**GLOBAL
SUPPLY CHAIN
NORMALISING**



**SHIPPING &
TRANSPORTATION
NORMALISING**



**INPUT COST
INFLATION
STABILISING**



**GAP TEAM
REORGANISATION
& CHARLOTTE
RELOCATION**



**PRICE INCREASES
DELIVERED &
MAINTAINED**



**AMERICAS, ANZ
& DEVELOPING
MARKETS**



**CONTINUED
BUSINESS
IMPROVEMENT**



**INVESTING
IN GROWTH
ACCELERATION
PLAN**

RESULTS FOR 1H FY23



\$92.6m

REVENUE

PCP: \$95.9m



\$7.9m

EBITDA

PCP: \$6.3m



\$2.1m

EBIT

PCP: \$1.5m



\$0.6m

**PROFIT
BEFORE TAX**

PCP: \$0.7m



\$0.1m

**NET PROFIT
AFTER TAX**

PCP: \$(0.2)m



0.03c

**EARNINGS
PER SHARE**

PCP: (0.08)c



1.0c

**INTERIM
DIVIDEND
100%
FRANKED**

PCP: 1.0c
50% Franked

RESULTS FOR 1H FY23

Net cash from operating activities due to elevated global inventory with lower demand in Australia due to poor weather, building inventory for the summer selling season in the Americas, and continued inefficiency in global supply chains in the first quarter.

Net debt up due to higher working capital, ensuring consistent service to customers especially in the United States while global supply chains began to stabilise.



\$(11.7)m

**NET CASH FROM
OPERATING ACTIVITIES**

1H FY22: (\$6.3m)



\$24.7m

NET DEBT

1H FY22: \$12.8m

RESULTS FOR 1H FY23

EBITDA increased 25% on 1H FY22 with improved earnings in both the company's largest regions. Sales growth in the Americas, where 1H revenue was a record for the region, was outweighed by lower sales in Australia and New Zealand.

RESULTS FOR 1H FY23

	1H FY23 A\$ million	1H FY22 A\$ million	Change %
Revenue	92.6	95.9	(3)
EBITDA	7.9	6.3	25
EBIT	2.1	1.5	40
Profit before tax	0.6	0.7	(13)
Net profit after tax	0.1	(0.2)	>100
Basic EPS (cents)	0.03	(0.08)	>100
Interim dividend (cents per share)	1.0*	1.0**	(0)

*100% franked

**50% franked



REGIONAL OVERVIEW



AMERICAS

1H revenue was a record in the Americas region. This increase helped drive EBITDA expansion and return to 1H profitability. GALE benefited from invoice price increases offsetting input cost inflation, while China-US container shipping costs deflated in the second quarter.

Customers broadly destocked on-hand inventory in the 1H with global supply chains improvement, company-wide inventory reduction initiatives and moderate declines in unit sell-through.

GALE furthered distribution expansion and household penetration initiatives, securing key commitments for a strong start to the coming northern hemisphere summer selling season.

GALE continued to invest in its strategic growth plan, expanding team capability and capacity, building a strengthened, best-in-class marketing and selling team and transitioning its office to Charlotte, North Carolina.



RESULTS FOR 1H FY23

	1H FY23 A\$ million	1H FY22 A\$ million	Change %
Revenue	37.6	32.9	14
EBITDA	1.3	(0.3)	>100

AUSTRALIA & NEW ZEALAND

Lower revenue was driven primarily by unseasonably cool and wet weather across the east coast of Australia, which impacted both consumer and commercial end-markets by constraining retail sell-through and demand for the company's coated products.

Earnings expanded with the normalisation of global supply chains, enabling shipping into Australia at comparatively lower costs, and invoice price increases to offset input cost inflation.

While sell-through rates for Coolaroo® shade solutions were impacted by both weather conditions and normalisation of consumer demand post-COVID, the company successfully brought new shading products to market, maintaining or gaining shelf share across core consumer categories and expanding distribution.



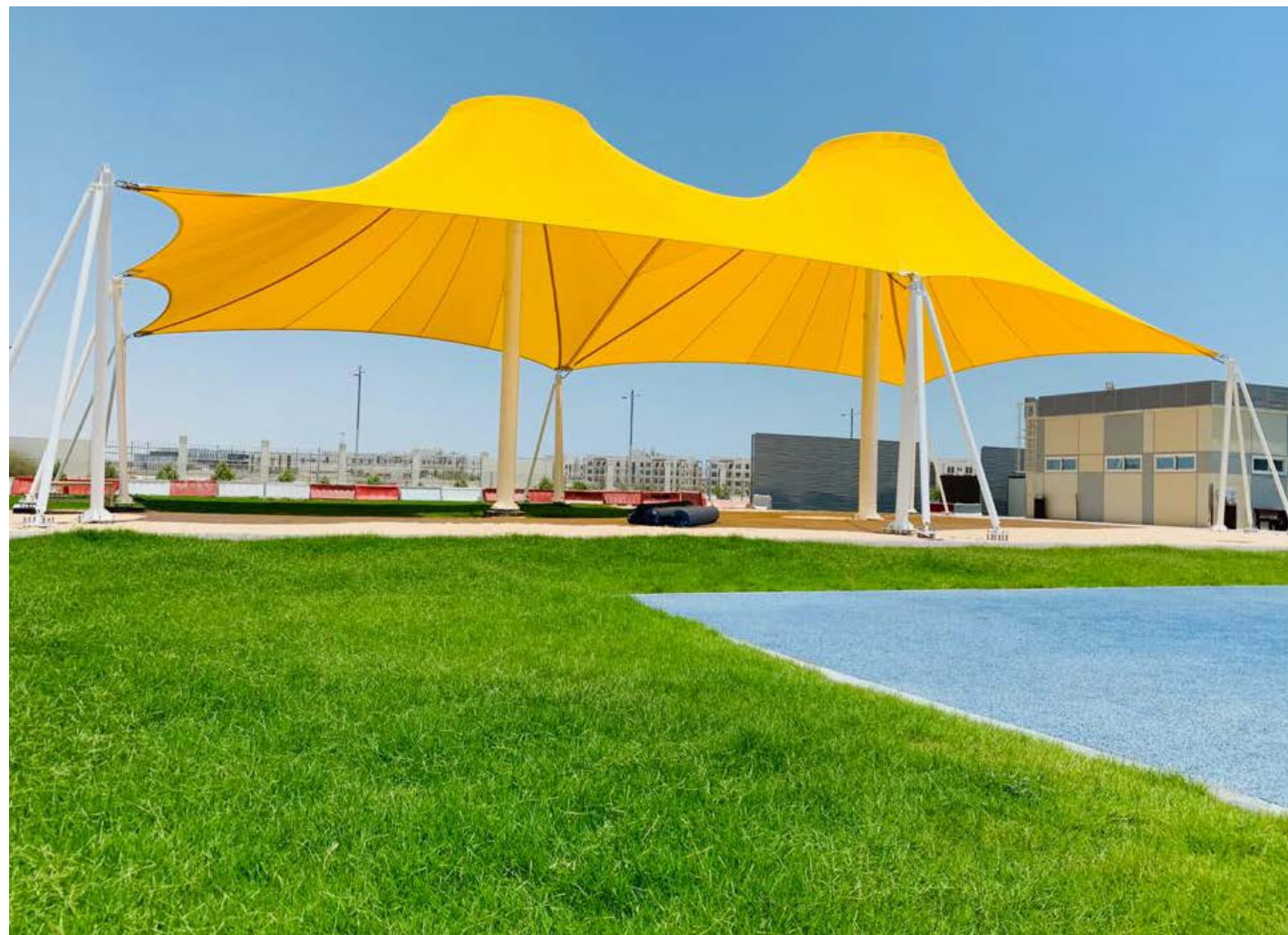
RESULTS FOR 1H FY23

	1H FY23	1H FY22	Change
	A\$ million	A\$ million	%
Revenue	50.2	57.0	(12)
EBITDA	8.1	7.0	15

DEVELOPING MARKETS

Revenue declined 20% compared to 1H FY22, driven primarily by regulating consumer demand in Japan post-COVID and strengthened credit policies and collection discipline across Middle East markets. This achieved a material reduction in both overall and long-dated debtors in the Middle East through increasingly stringent credit management and debt collection.

Demand for the company's leading range of commercial architectural shade fabrics used in large-scale, professional shading applications was relatively stable across markets. A new range of shade fabrics introduced at the end of 1H is expected to drive further market share growth.



RESULTS FOR 1H FY23

	1H FY23 A\$ million	1H FY22 A\$ million	Change %
Revenue	4.8	6.0	(20)
EBITDA	1.2	1.3	(6)



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

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OUTLOOK

GALE anticipates second half and full year FY23 revenue and profit before tax to be lower than that foreshadowed at the AGM in November 2022. FY23 revenue and profit before tax are anticipated to be comparable to the second half and full year of FY22.

- Continued stabilisation of global supply chains is anticipated in 2H with excess shipping capacity enabling comparatively low international container rates.
- GALE will further reduce manufacturing and procurement lead times and lower global inventories.
- Consumer behaviour is expected to further normalise, with some declines in year-on-year unit sell-through anticipated, offset by invoice price increases and market share gains in the United States. In Australia, marginal declines in year-over year sell-through in the retail channel is expected with lower than anticipated demand across commercial end markets in 2H.
- GALE will continue to invest in line with its **G**rowth **A**cceleration **P**lan in the second half to further build the company into a faster growing, world-class, global fabric technology business.





THANK YOU

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