

## GALE PACIFIC LIMITED

(ASX: GAP)

### ASX and Media Release

19 June 2024

# GALE Pacific FY24 Earnings Update

**GALE Pacific Limited (GALE or the Company)** today announced revised guidance for FY24.

The Company expects revenue of \$172 million to \$174 million and profit before tax of \$(1) to \$(2) million for the 2024 financial year as compared to prior guidance that revenue for FY24 would be above FY23 revenue of \$187.6 million and profit before tax for FY24 would be greater than the FY23 result of \$5.3 million.

The factors influencing this performance are:

- lower than forecast sell-through at retail customers across the United States since mid-April due to the macroeconomic effect on consumer sentiment and spending;
- further on-hand inventory destocking by retailers across the US; and
- higher than anticipated implementation costs of approximately \$4.9 million, for the Company's new ERP system, most of which will not re-occur in FY25.

Increased distribution and new product launches in the United States in Q3, coupled with increased revenue in the Developing Markets region and expansion in group gross margins, partially offset the negative demand and cost factors in the second half.

The Company has moved to action cost reduction initiatives entering FY25 to better align its operating cost structure and capacity to the current, lower demand environment. These initiatives, once complete, will position the Company for improved earnings in FY25 and FY26.

The Company plans to release FY24 results pre-market open on 19 August 2024 with an interactive investor and analyst video conference to follow. Registration details will be released prior to the call.

**Approved** by the GALE Pacific Limited Board of Directors

-Ends-

### ABOUT GALE PACIFIC

GALE Pacific is a market-leading manufacturer of technical fabrics used for consumer and commercial applications around the world. Founded in Melbourne, Australia in 1951, today GALE has operations in Australia, New Zealand, the United States, China, and Dubai and employs more than 600 people worldwide. GALE's products are sold across Australia, New Zealand, Asia, the Americas, Europe, the Middle East, and a growing number of additional markets.

GALE's products are recognised around the world for their innovative technology, quality, durability, and reliability. The company's consumer products, marketed under the Coolaroo® brand, include outdoor roller shades, shade sails, shade and garden fabrics, shade structures and pet products. They can be found at market leading major retailers, both in-store and online, around the world.

The Company's commercial products, marketed under the GALE Pacific Commercial® brand, include knitted, coated, and advanced polymer fabrics used in a growing number of applications across the agricultural, horticultural, aquacultural, architectural, construction, mining, and packaging industries.

GALE's core strategy is to accelerate its growth as a world-class global fabrics technology business through product innovation, category expansion, expanded distribution in existing and new markets, and improved operational efficiency and flexibility.

GALE Pacific Limited's shares are listed on the Australian Securities Exchange (code: GAP).

For further information please contact:

**Corporate**

**John Paul Marcantonio**

Chief Executive Officer & Managing Director

[investor.relations@galepacific.com](mailto:investor.relations@galepacific.com)

**Investors**

**Adrian Mulcahy**

+61 438 630 422

[adrian.mulchay@atomicgroup.com.au](mailto:adrian.mulchay@atomicgroup.com.au)