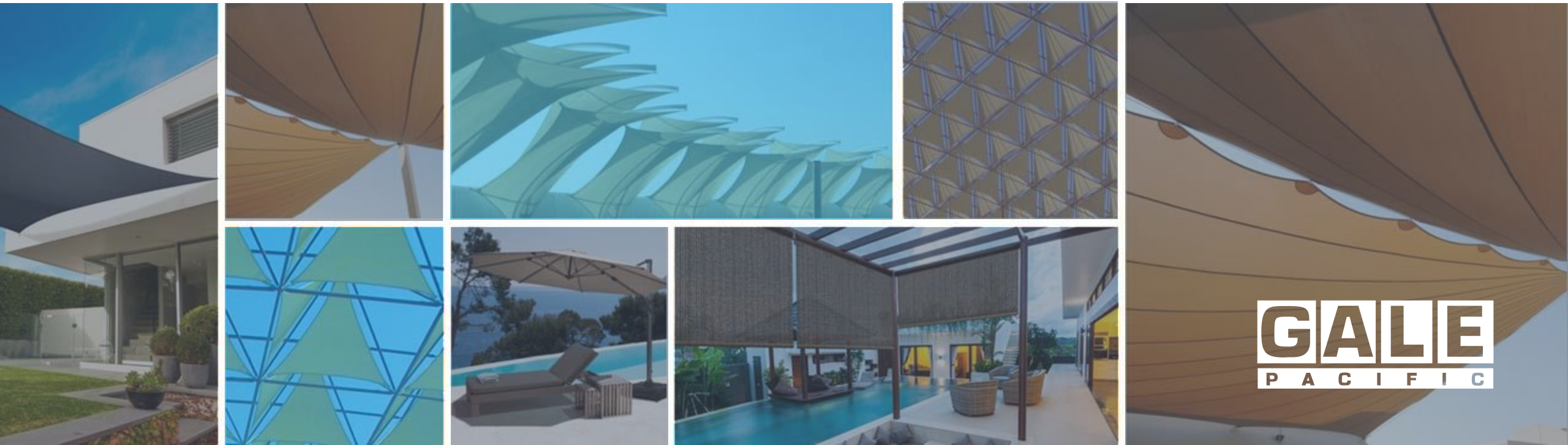


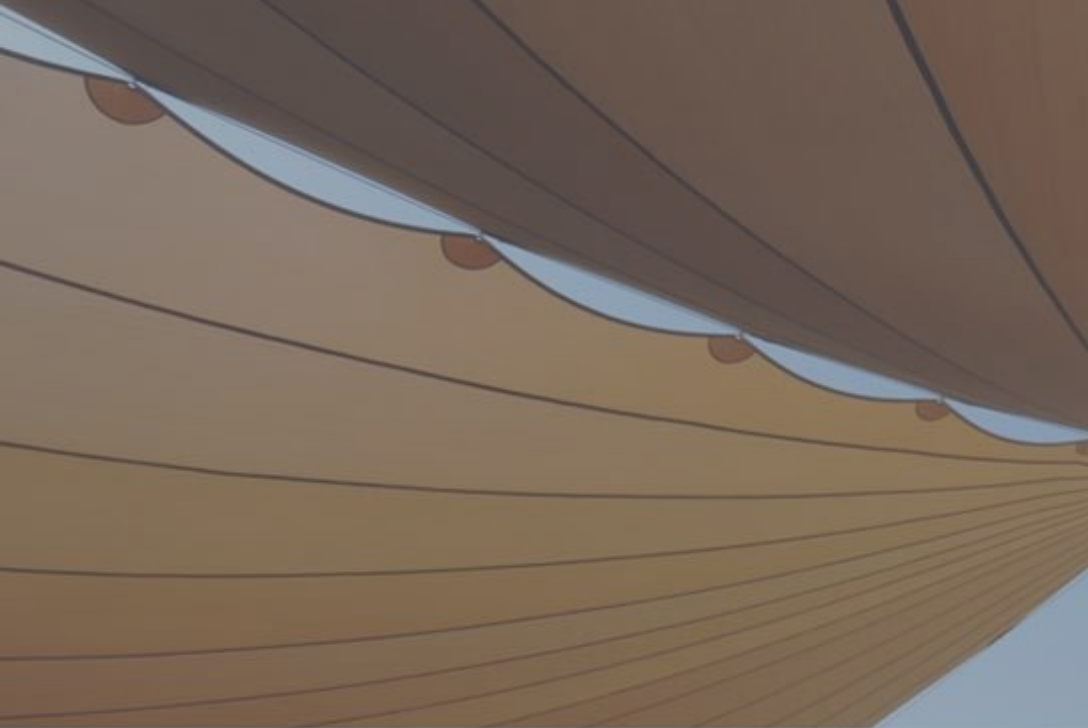
# RESULTS FOR THE YEAR TO 30 JUNE 2018

**Nick Pritchard** Group Managing Director

**Matt Parker** Chief Financial Officer

16 August 2018





## 1. FY18 Highlights

Nick Pritchard Group Managing Director

## 2. Financial Results

Matt Parker Chief Financial Officer

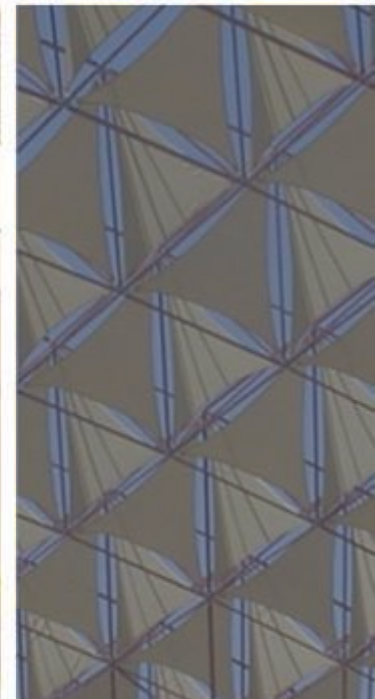
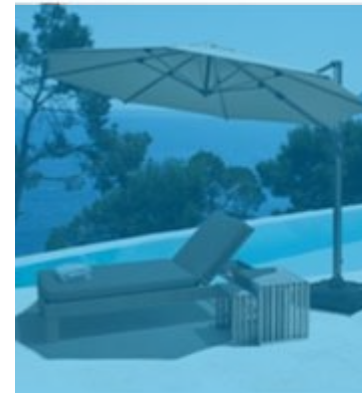
## 3. Strategy & Outlook

Nick Pritchard Group Managing Director



# FY18 HIGHLIGHTS

SAFETY  
KEY HIGHLIGHTS  
METRICS & PERFORMANCE DRIVERS

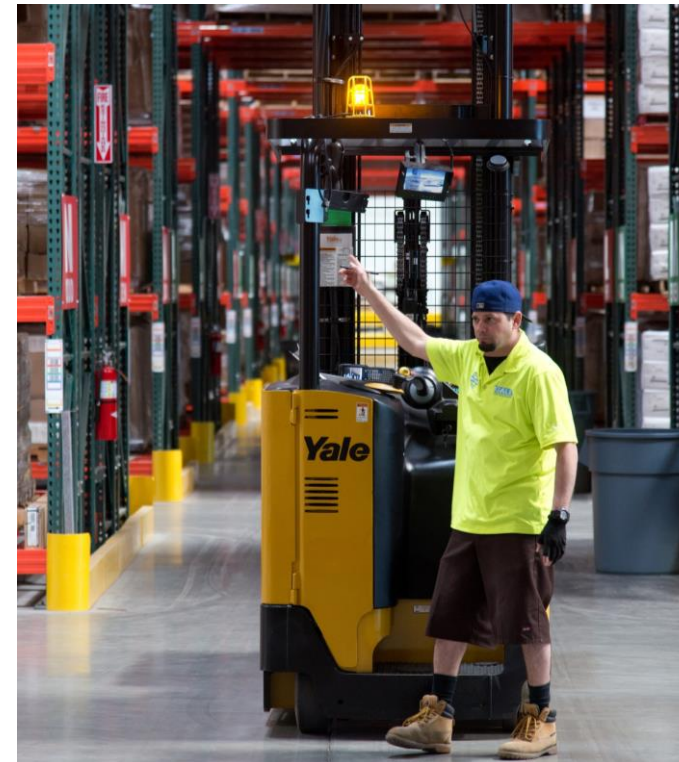




# SAFETY

Building a strong safety culture across all parts of our business

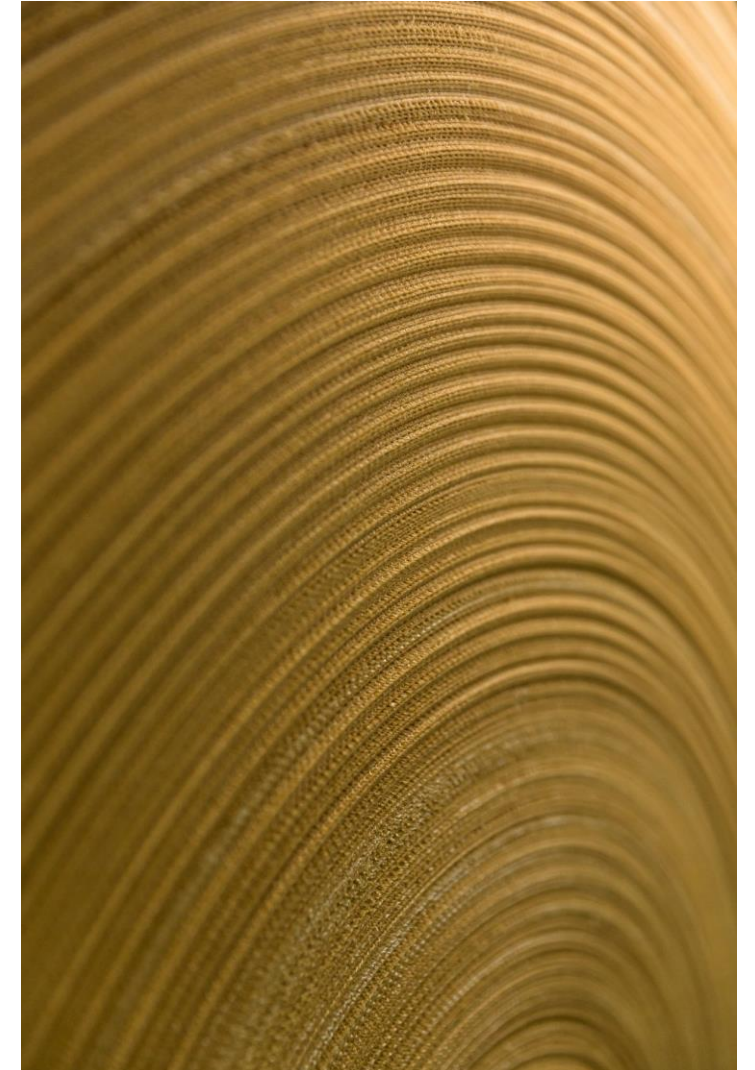
- Continuing strong performance
- No major incidents or injuries during the year
- Increased investment in safety leadership, and training our team in key safety skills



# KEY HIGHLIGHTS

## Results to the top end of guidance range

- Result at the top end of guidance range with FY18 PBT at \$12.5m; impacted by abnormal seasonal events and significant raw material cost & currency headwinds
- Expanding North American sales presence with investment in people & infrastructure to position us to capitalise on the sizeable opportunity in our categories
- Roll out of new Window Shade ranging at major USA home centre retailer commenced June - due for completion by December 2018
- Major projects (USA warehouse & China ERP system) implemented seamlessly
- Core product focus delivering cost savings and other improvements
- Manufacturing efficiencies & service improvements in both China & Australia
- \$8m state-of-the-art coating line on track for commissioning March 2019



# KEY METRICS & PERFORMANCE DRIVERS

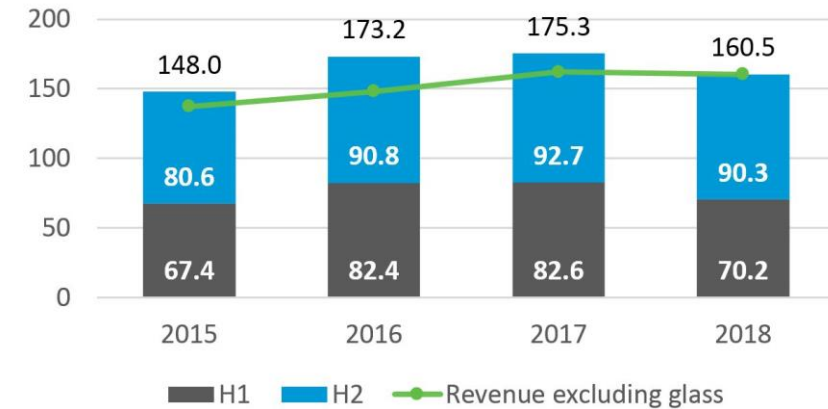
## Strong second half performance

- A strong second half with improved EBITDA margins
- 8.5% decline in revenue to \$160.5m (\$175.3m in FY17) driven by glass exit and weak grain fabric sales in 1H
  - 1% decline excluding the discontinued glass business
- Full year NPAT \$9.8m (2H NPAT + 13%)

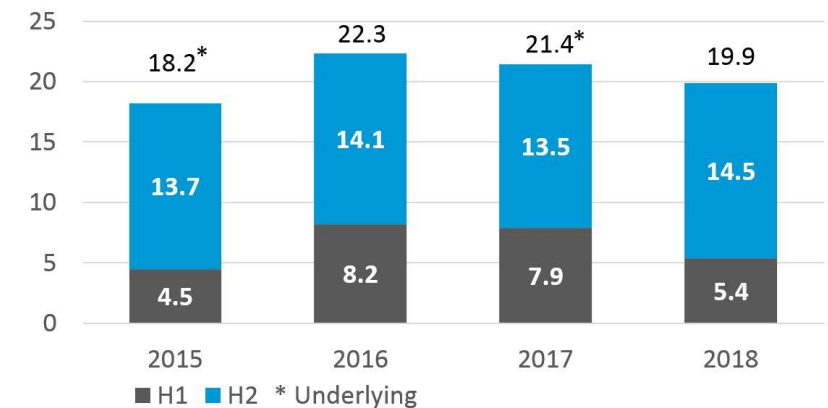
**NPAT** \$A million



**Revenue** \$A million



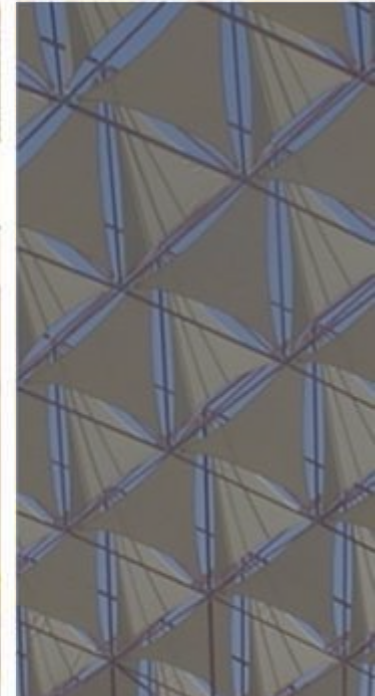
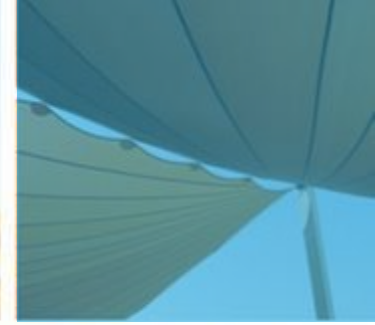
**EBITDA** \$A million





# FINANCIAL RESULT

RESULTS SUMMARY  
OPERATING ENVIRONMENT  
CASH FLOW  
BALANCE SHEET  
REGIONS



# RESULTS SUMMARY

Solid underlying performance

	FY2018 A\$ million	FY2017 A\$ million	Change %
Revenue from continuing businesses	160.5	162.0	(1)
Underlying EBITDA	19.9	21.4	(7)
Underlying EBIT	14.0	15.1	(7)
Underlying profit before tax	12.5	13.5	(8)
Underlying profit after tax	9.8	10.1	(3)
Statutory revenue	160.5	175.3	(8)
Statutory profit before tax	12.5	(4.9)	357
Statutory profit after tax	9.8	(8.0)	222
Net cash provided by operating activities	8.9	19.7	(55)
Net cash / (debt)	(6.7)	1.3	(615)
Underlying basic earnings per share (cents)	3.35	3.39	(1)
Final dividend per share (unfranked) (cents)	1.00	1.00	0
Dividends per share (unfranked) (cents)	2.00	2.00	0

- Revenue growth excluding the sale of the glass business down 1%
- Margins impacted by raw material cost increases and currency, offset by improvements following non-core business exits
- EPS down 1% to 3.35 cents
- Dividends stable at 2 cents per share

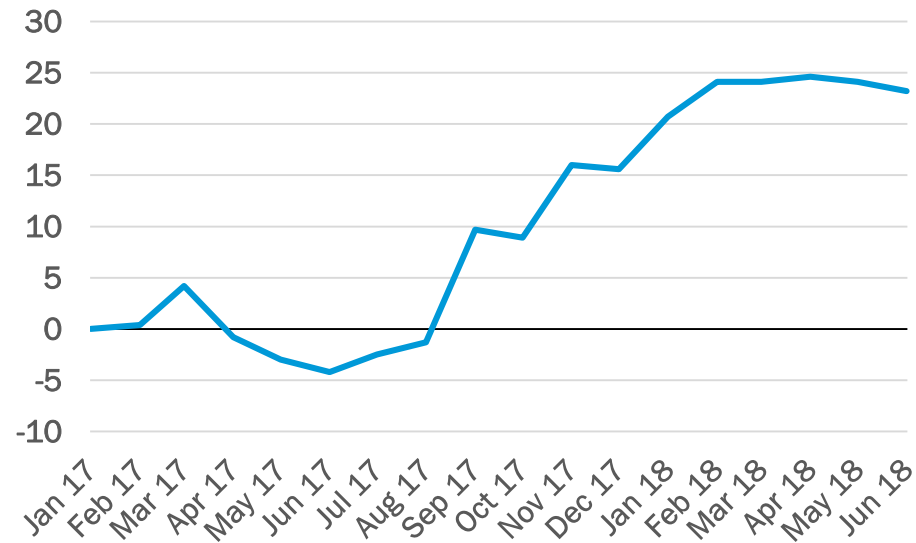


# OPERATING ENVIRONMENT

Significant economic and market headwinds over the year

- **Currency** - CNY strength against USD & AUD added to manufacturing costs
- **Input costs** - 10-year high on resin prices with Steel & Aluminium costs also increasing 20%+
- **Seasonality** - weak grain harvest in Australia, with hurricanes & unseasonal cool weather in the USA

Resin prices index 31 Dec 2016 = 100



Source: GALE Pacific actual

Key exchange rate movements index 30 Jun 2017 = 100

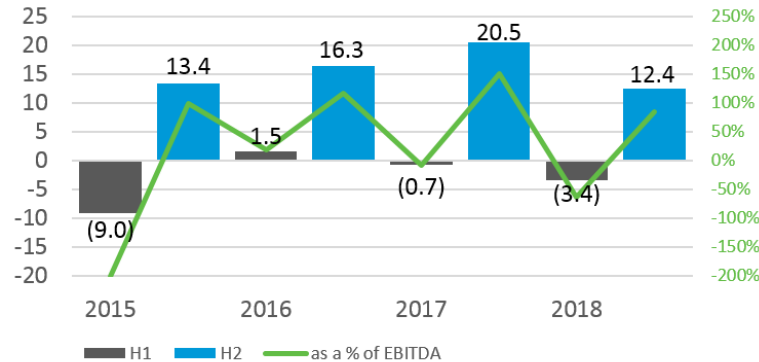


Source: Bloomberg

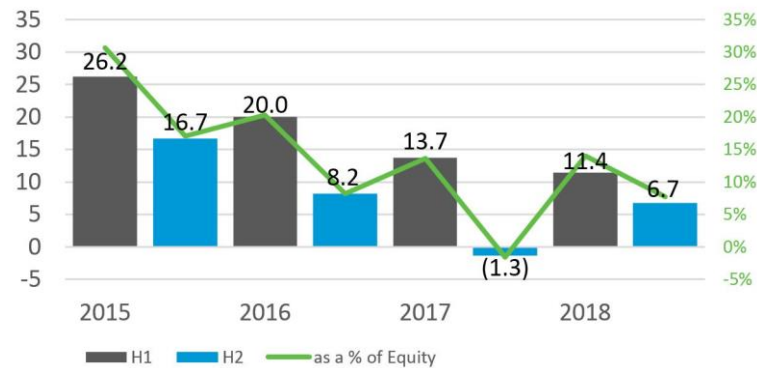
# CASH FLOW

Operating cash flow weaker due to currency, commodity prices and higher inventory

Operating cashflow \$A million



Net Debt \$A million



- Cash Flow and Net Debt impacted by:
  - Investment in new coating line
  - Investments to support new USA ranging
  - Investments in USA warehouse
  - Higher inventory levels due to lower than expected sales and Australian season inventory pre-build
  - Share buyback (10.3 million shares acquired at VWAP of \$0.36)

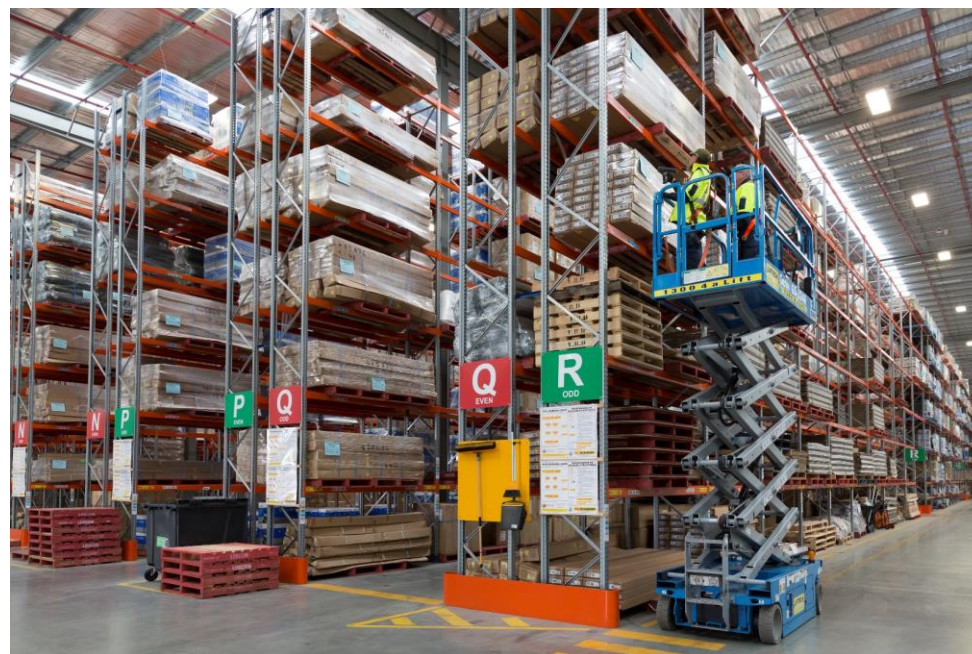


# AUSTRALIA & NEW ZEALAND

Strong underlying performance for continuing business

	FY2018 A\$ million	FY2017 A\$ million	Change %
Revenue from continuing businesses	75.4	79.1	(5)
Statutory Revenue	75.4	92.4	(18)
Underlying EBITDA	4.2	2.9	45
Underlying PBT	3.5	1.9	82

- Strong profit increase
- Retail sales growth of 7% (excluding glass)
- Growth in core product categories, excluding grain protection fabrics
- Sales impacted by exit of glass business and the weak grain harvest
- Strong operational efficiencies achieved due to category exits





# AMERICAS

## Continued progress & investment

	FY2018 A\$ million	FY2017 A\$ million	Change %
Revenue	64.3	62.0	4
EBITDA	6.1	6.5	(6)
PBT	3.7	4.4	(15)

- Sales growth of 6%, in local currency terms, despite seasonal impacts
- Strong “sales-out” performance with largest customers
- Major customer window shade rollout to all stores nationally by December 2018
- New, larger California warehouse & manufacturing commenced operations and already providing service benefits
- Investment in the sales and marketing team to capitalise on significant growth opportunities



# MIDDLE EAST/NORTH AFRICA

Challenging year despite strong demand

	FY2018 A\$ million	FY2017 A\$ million	Change %
Revenue	12.7	12.8	(1)
EBITDA	2.7	2.5	8
PBT	2.4	2.3	5

- Sales increased 2% in local currency despite continuing weaker economic conditions
- Operating margin improvement due to mix changes, and lower quality and supply chain costs
- Conservative selling posture due to market conditions



# CHINA MANUFACTURING & EURASIA

Strong operational performance combined with service improvements

	FY2018 A\$ million	FY2017 A\$ million	Change %
Revenue	8.1	8.2	(1)
Intersegment Sales (eliminated when consolidated group results)	52.6	49.8	6
EBITDA	4.8	11.5	(58)
PBT	1.4	8.0	(82)

## CHINA MANUFACTURING

- Stronger CNY and higher raw material costs weighed on manufacturing profits
- Reduced supplier count by 15% from FY17 with improved payment terms, reduced quality exposure and improved service
- New equipment & new technology implemented to further improve quality & alleviate production bottlenecks
- Exited weaving and powder coating operations to focus on core manufacturing processes
- Facility consolidation project underway to achieve efficiency & reduce complexity
- New ERP system implemented July 2018

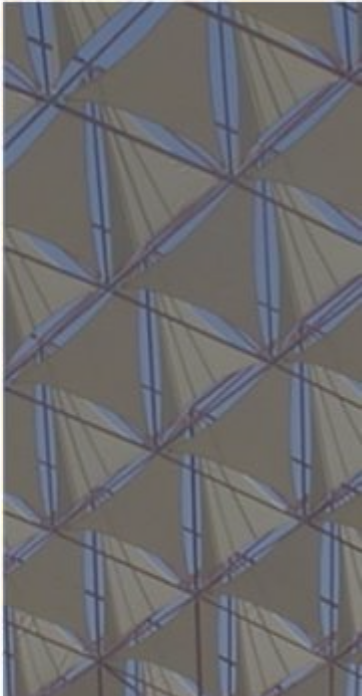
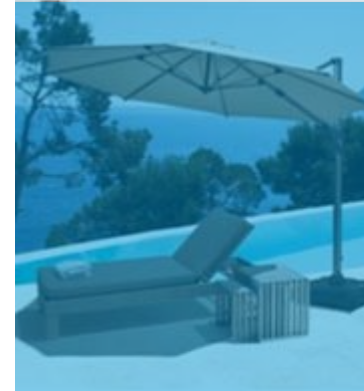
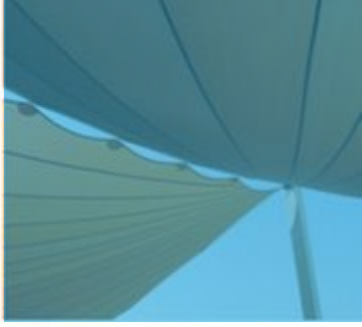
## EURASIA

- Improved product category mix and profitability
- Continuing exits from low profitability and non-core products which simultaneously reduces manufacturing complexity
- Strong growth in European commercial products



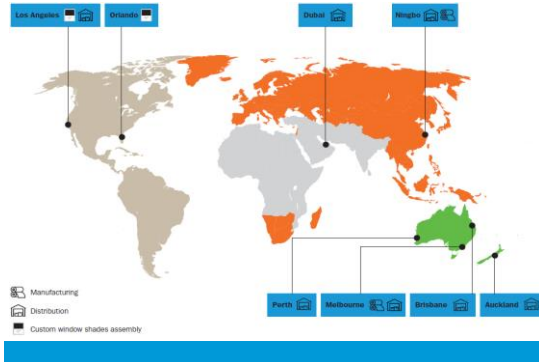
# 3.STRATEGY & OUTLOOK

STRATEGY  
RESEARCH & DEVELOPMENT  
OUTLOOK



# STRATEGY

A Global Fabrics Technology business



**Focused Geographic Expansion** – focusing on a small number of geographic markets. Strong focus on USA and Australia.



**Product Innovation** – revitalise the shade product category & development of high performance technical textiles including higher performing materials



**Coated Products** – create additional manufacturing capacity & extend our world-leading coated products to new markets

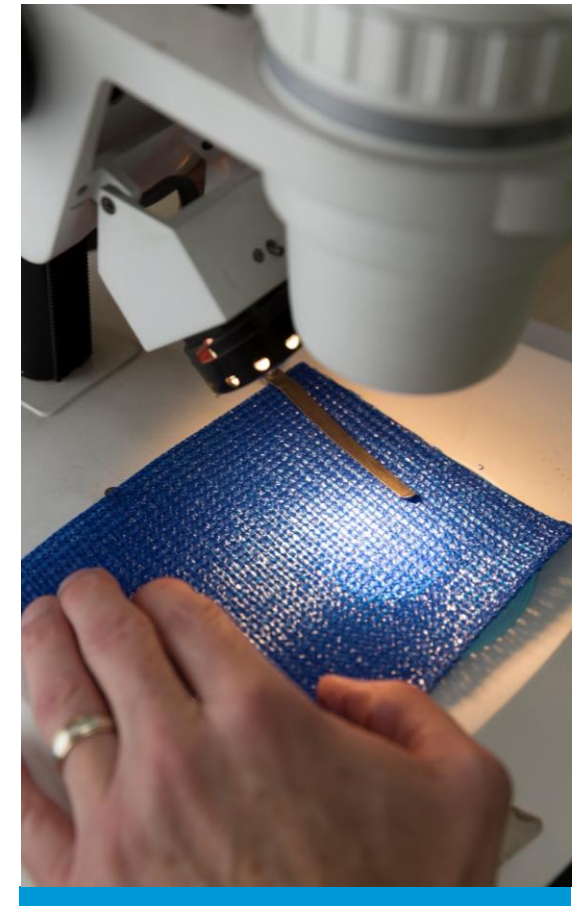


**Productivity** – drive manufacturing & other efficiencies across the business to support increased marketing & innovation investment & improved profitability

# RESEARCH & DEVELOPMENT

A pipeline of truly innovative products

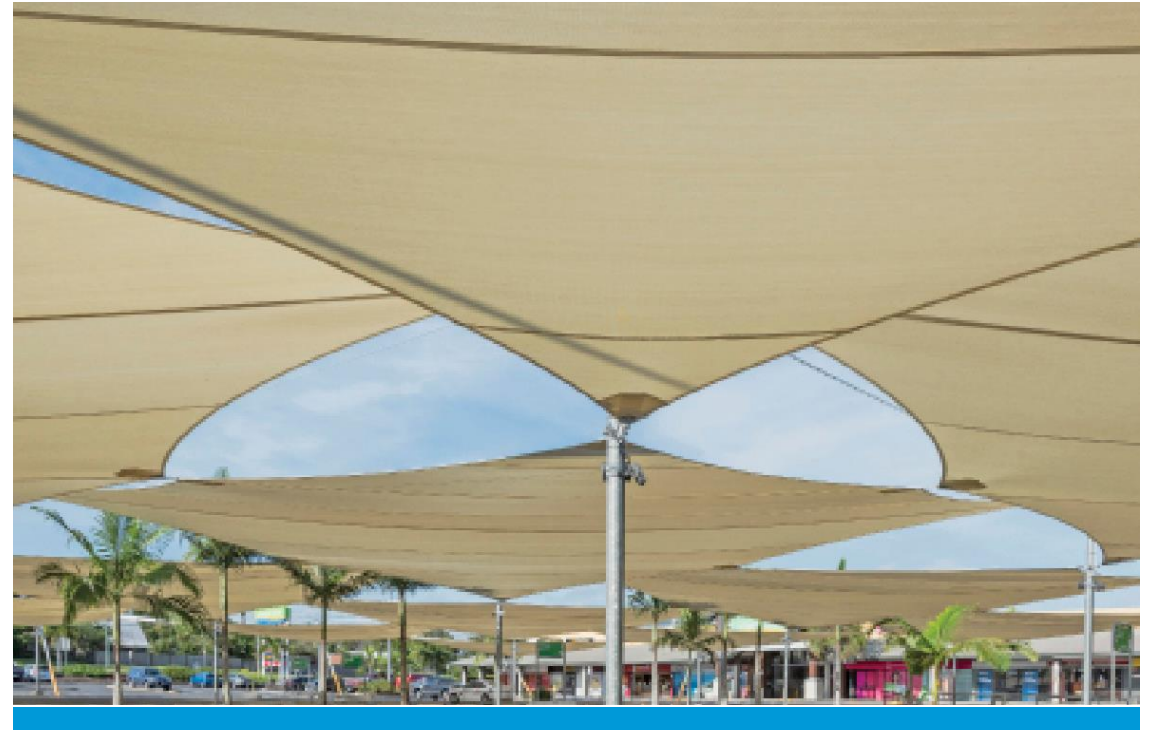
- New products to date have largely been product 'refreshes'
- Starting to deliver genuine innovation
  - Higher performing architectural fabrics
  - Solar motorised window shades
- Striving for significant breakthroughs
  - New materials
  - New technologies
  - New coated fabrics leveraging new equipment
- New Global Innovation Organisation (GIO) created linking Marketing, R&D, Product Engineering & Quality
- Increased investments in Product Engineering & Research & Development
- Key to sales growth & margin accretion





# OUTLOOK

- Trading conditions not expected to change materially
- Continued growth in demand for core product categories expected
- Encouraged by the positioning of the business in key markets
- Major USA retailer window shade program rollout to continue in 1H FY19
- Australian grain cover market expected to be similar to last year due to drought. Underlying business expected to perform well.
- Australian Summer season – well prepared
- Resin costs expected to ease throughout the year
- New coating line on track to commence in March 2019



## DISCLAIMER

Statements contained in this presentation, particularly those regarding possible or assumed future performance, estimated company earnings, potential growth of the company, industry growth or other trend projections are or may be forward looking statements. Such statements relate to future events and expectations and therefore involve unknown risks and uncertainties. Actual results may differ materially from those expressed or implied by these forward looking statements.

