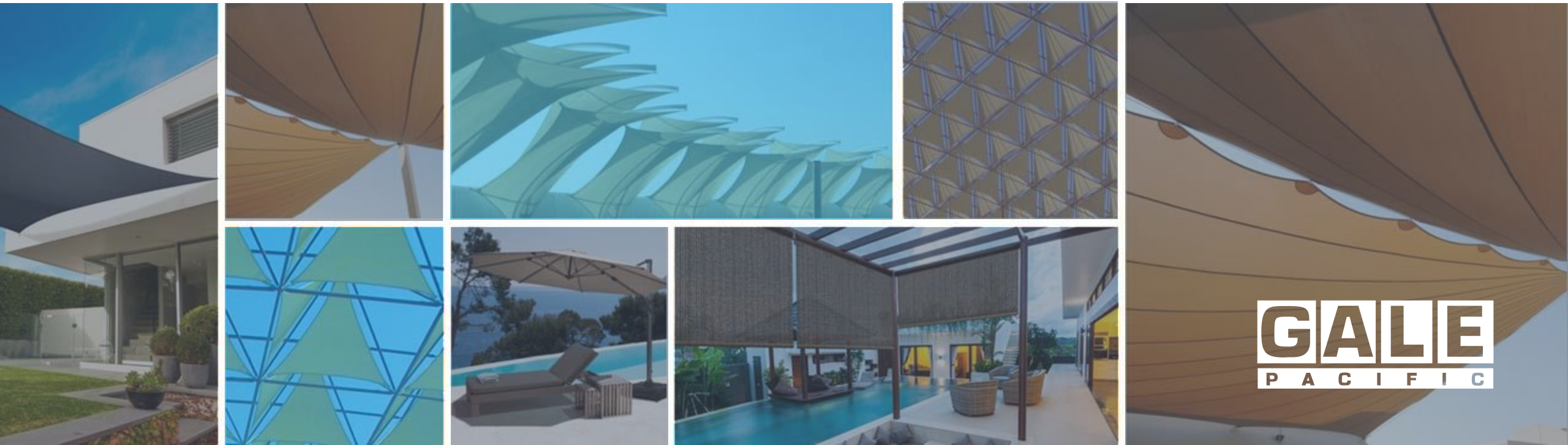


RESULTS FOR THE SIX MONTHS TO 31 DECEMBER 2018

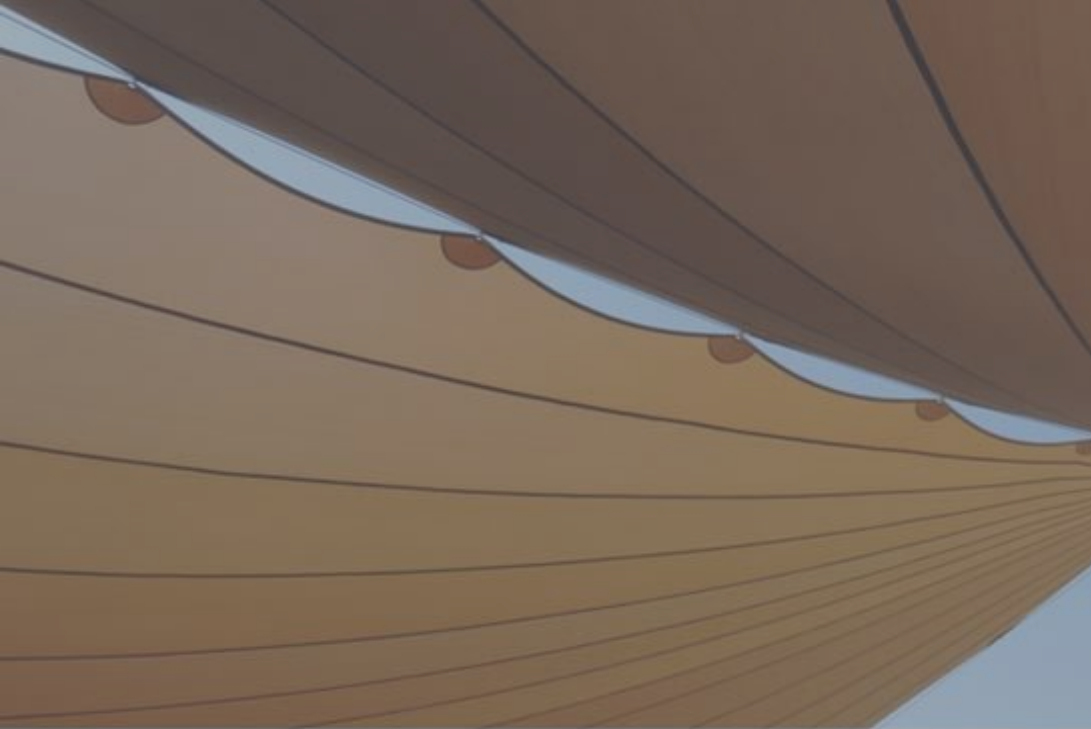
Nick Pritchard Group Managing Director

Matt Parker Chief Financial Officer

19 February 2019



GALE
P A C I F I C



1. Highlights

Nick Pritchard Group Managing Director

2. Financial Results

Matt Parker Chief Financial Officer

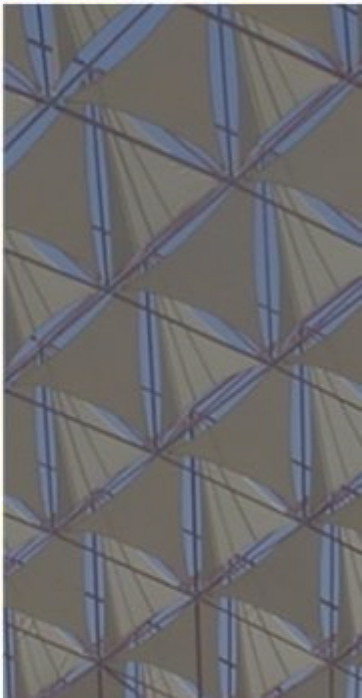
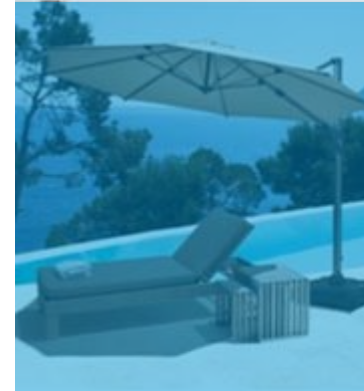
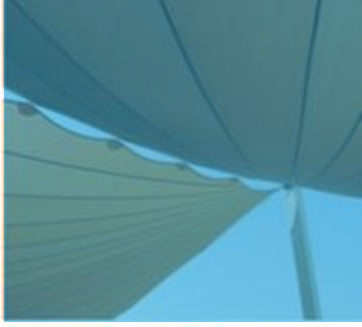
3. Strategy & Outlook

Nick Pritchard Group Managing Director



HIGHLIGHTS

HEALTH, SAFETY AND ENVIRONMENT
KEY HIGHLIGHTS
METRICS & PERFORMANCE DRIVERS



HEALTH, SAFETY AND ENVIRONMENT

Continuing to build a strong safety culture across all parts of our business

- Continuing strong performance with no major incidents or injuries during the period
- Strong hazard reporting performance – an important lead indicator of a positive safety culture
- China manufacturing facility upgrades supporting improved safety performance
- Strong commitment to safety leadership training, and training team in key safety skills
- Performance comparing favourably to external benchmarks



KEY HIGHLIGHTS

Results in line with guidance

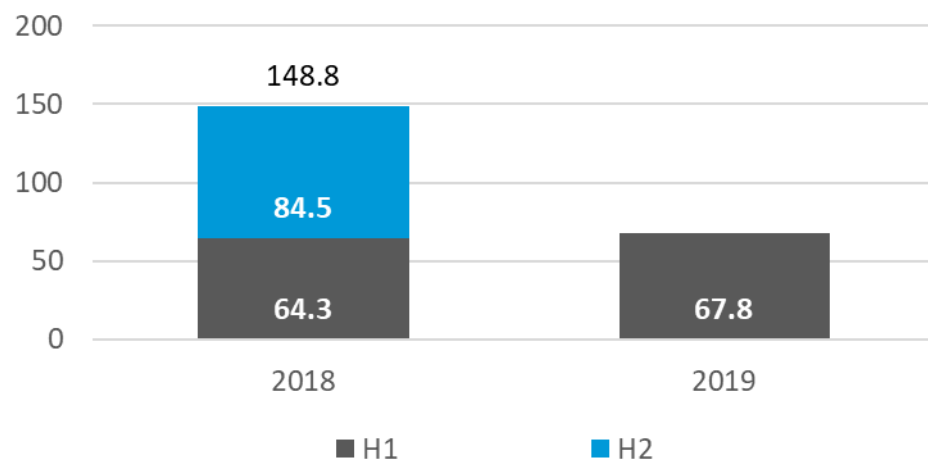
- Group revenue growth of 5% on pcp
- Continued expansion of USA sales presence with revenue growth of 53% on pcp
- ANZ revenue influenced by weather conditions impacting shade products and grain cover sales
- PBT down A\$0.4m on pcp due to currency and raw material inflation flowing through from 2018
- Expect EPS for full year to be higher than pcp; a result of strong 2H sales and profit driven by northern hemisphere businesses and more favourable raw material and cost trends
- New advanced coating line on track for March/April commissioning
- Interim dividend 1.0 cps (unfranked)



KEY METRICS & PERFORMANCE DRIVERS

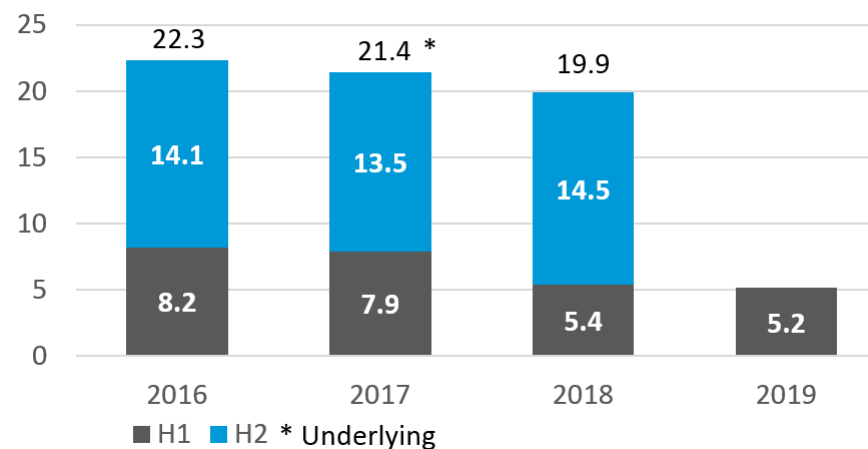
- Sales Revenue (Excl. ANZ) of A\$33.1m up 33% on pcp
- America's revenue growth of 53% with strong growth across both retail and commercial sectors
- Raw material and currency headwinds carried through from 2H 2018

Revenue * \$A million

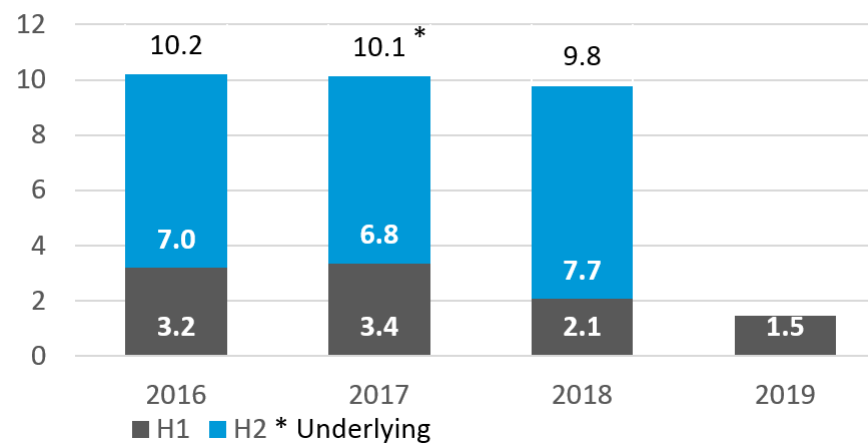


* Current and Prior Period revenue has been restated to reflect changes in accounting standards. The Groups revenue now includes fixed and variable rebates and discounts which were previously treated as a cost of goods sold.

EBITDA \$A million

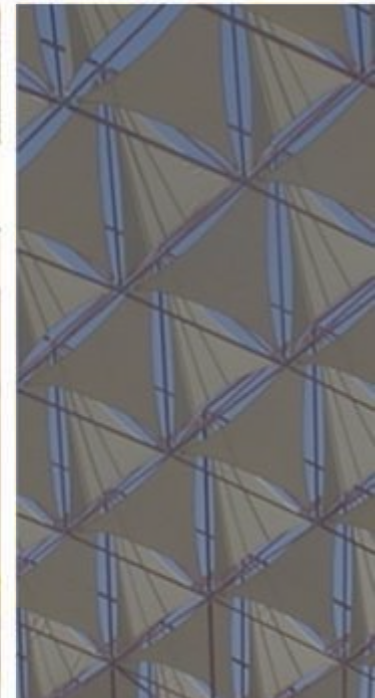


NPAT \$A million



FINANCIAL RESULT

SEGMENT REPORTING
RESULTS SUMMARY
OPERATING ENVIRONMENT
CASH FLOW
BALANCE SHEET
REGIONS



CHANGES TO SEGMENT REPORTING

- To improve the transparency of GALE Pacific's segment reporting, in FY 2019 GALE Pacific initiated an activity-based allocation method of reporting
- Intersegment sales/margin derived from manufacturing locations, and centrally held costs, have been allocated to external revenue generating segments where the final economic benefit is derived
- This enhanced method of reporting is being used throughout the business to target product costing, product line profitability analysis, customer profitability analysis, and service pricing structures
- From July 1, 2018, the Group is organised into five operating segments identified by external revenue generating geographic locations and corporate costs
- Under the improved reporting regime beginning July 1, 2018 comparative financial period ending December 31, 2017 has been restated *

* Please refer to page 3 of the half year result release for a reconciliation from statutory to the activity-based allocation method

RESULTS SUMMARY

Solid underlying performance

	31 Dec 2018	31 Dec 2017	Change
Results for the 6 months to	A\$ million	A\$ million	%
Revenue	67.8	64.3	5
EBITDA	5.2	5.4	(4)
EBIT	2.2	2.4	(7)
Profit before tax (PBT)	1.3	1.7	(22)
Profit after tax (NPAT)	1.5	2.1	(29)
Net cash provided by operating activities	(7.2)	(3.5)	(106)
Net cash / (debt)	(24.7)	(11.4)	(117)
Underlying basic earnings per share (cents)	0.51	0.70	(27)
Interim dividend per share (unfranked) (cents)	1.0	1.0	-

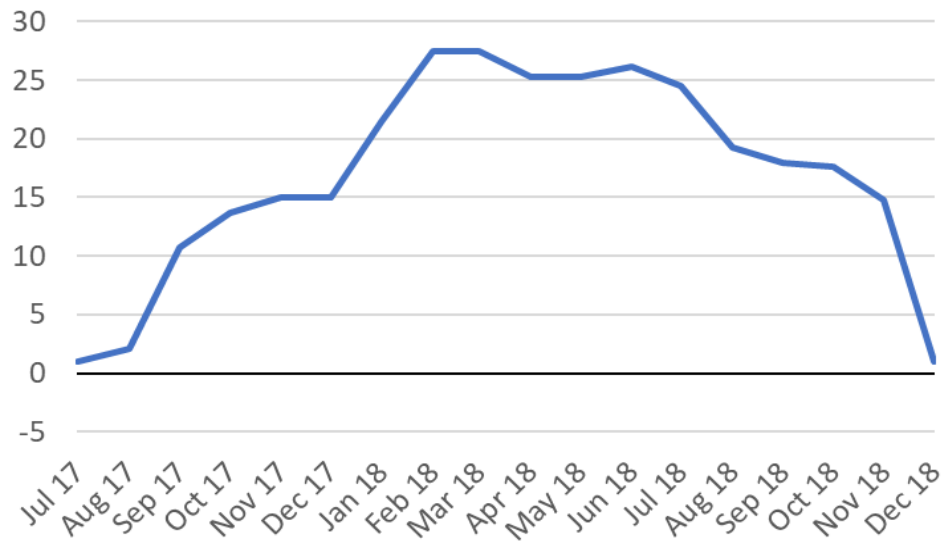
- Revenue growth driven primarily by strong performance in Americas
- Australia and New Zealand business impacted by seasonal conditions and a soft retail environment
- Strategic investments made to bolster sales/service in support of growth
- Key capital investments on track to underpin strategy
- Dividend/buy back capital management program unchanged

OPERATING ENVIRONMENT

Significant economic headwinds from the prior period easing

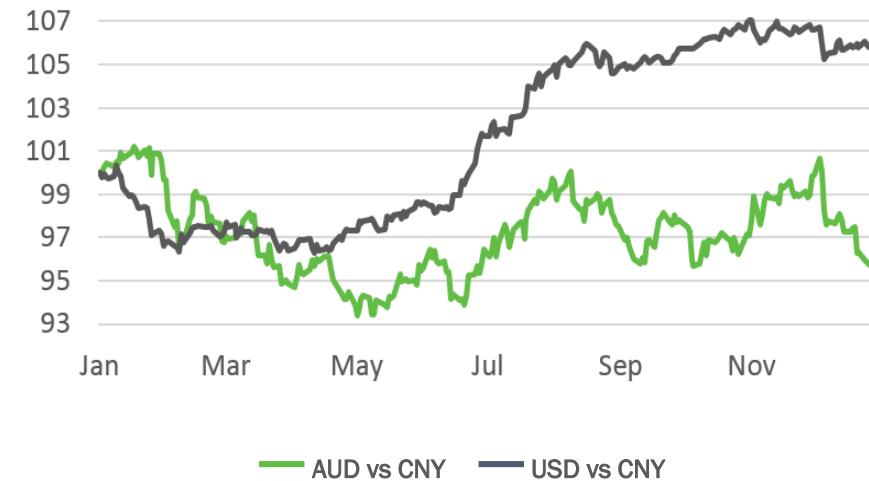
- **Currency** - CNY weakening against USD & AUD providing opportunity for margin expansion
- **Input costs** - Input cost pressure eased following a reduction in base material prices

Resin prices index 31 Dec 2018 = 100



Source: GALE Pacific actual

Key exchange rate movements index 31 Dec 2018 = 100

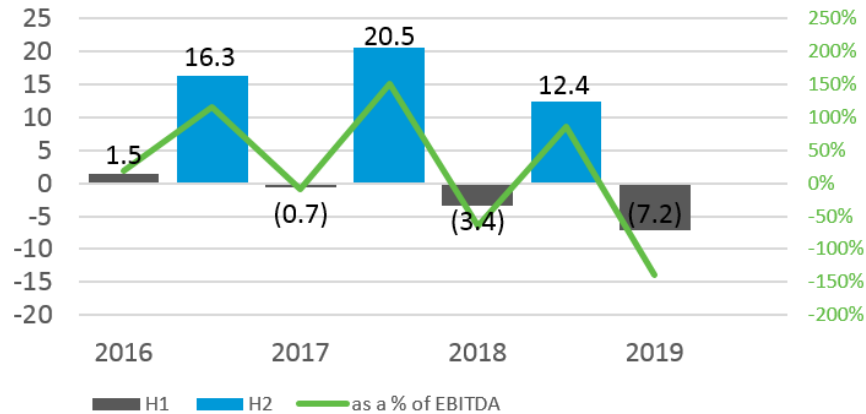


Source: Bloomberg

CASH FLOW

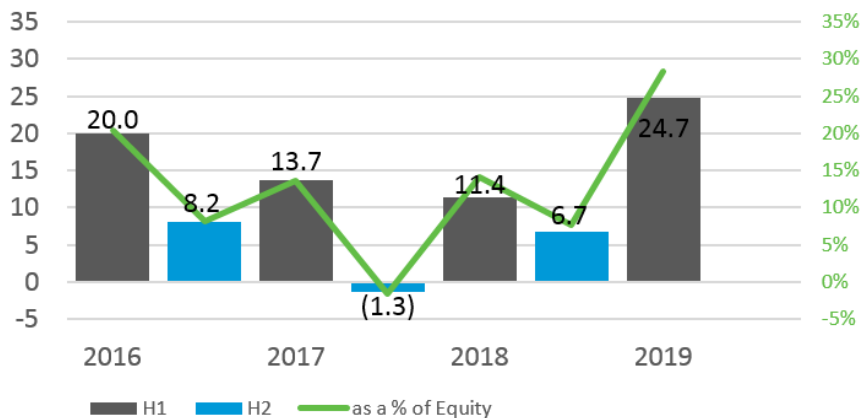
Operating cash flow impacted by higher inventory in Americas to support growth, and lower sales in ANZ

Operating cashflow \$A million



- Higher inventory to support seasonal growth
- Investment in new coating line (A\$8 million) for commercial sector growth opportunities in ANZ and abroad
- Share buyback program continues
- 1 cent per share interim dividend (unfranked)

Net Debt \$A million



AUSTRALIA & NEW ZEALAND

Seasonal and macroeconomic factors constraining growth

	31 Dec 2018	31 Dec 2017	Change
Results for the 6 months to	A\$ million	A\$ million	%
Revenue	34.7	39.5	(12)
EBITDA	2.5	3.7	(32)
PBT	1.4	2.2	(36)

- Seasonal and a soft retail sales environment saw revenue lower than prior period
- Record low grain yield, due to drought, impacted sales in grain cover fabrics
- Strong underlying revenue and margin growth in the non-grain product categories of the commercial sector
- Continued efficiency and service improvements, combined with cost reduction initiatives, drove lower operational costs
- New advanced coating line on track for March/April commissioning



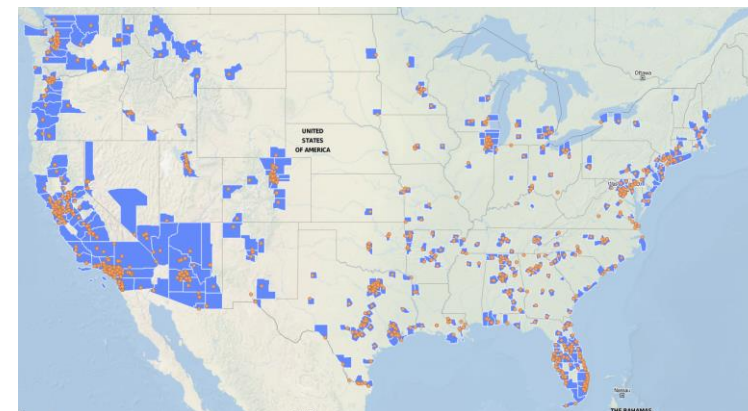
AMERICAS

Increasing retail distribution, strong commercial sector growth and continued investment

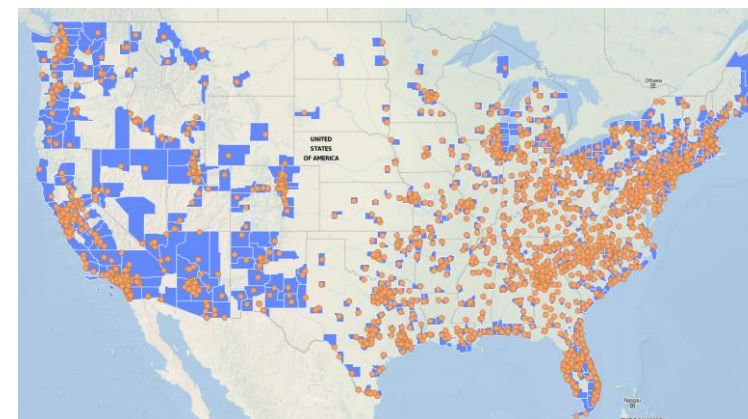
	31 Dec 2018	31 Dec 2017	Change
Results for the 6 months to	A\$ million	A\$ million	%
Revenue	24.0	15.7	53
EBITDA	1.4	1.0	50
PBT	(0.8)	(0.7)	6

- Sales growth of 53% with both retail and commercial sectors growing strongly
- Strong “sales-out” momentum with largest customers moving towards the key selling season
- New window shade programs with major customers rolled out effectively
- Strong commercial sales with some evidence of demand being brought forward ahead of planned price increases associated with higher import tariffs
- Well positioned for selling season with opportunity to further expand presence
- Strategic investments in sales, marketing and logistics to capitalise on growth opportunities

2015 USA Retail Distribution Presence



2018 USA Retail Distribution Presence



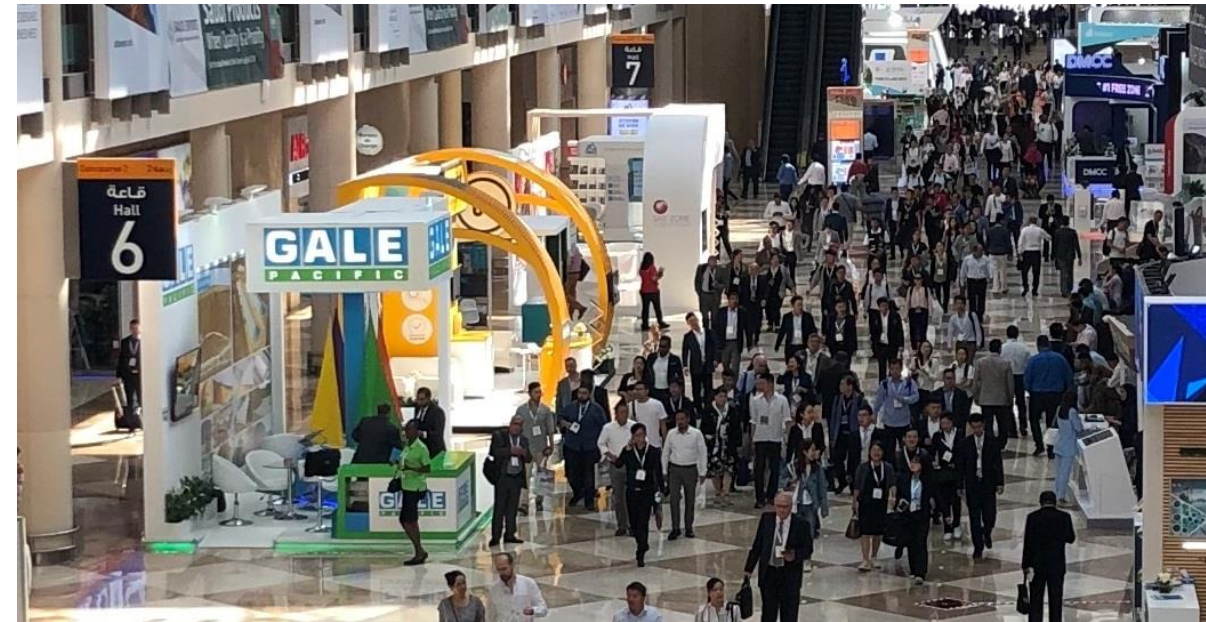
The images above show the increasing retail distribution in the USA from 2015 to 2018. Counties are shown in blue and stores (or groups of stores) are shown in orange

MIDDLE EAST/NORTH AFRICA

Challenging economic conditions

	31 Dec 2018	31 Dec 2017	Change
Results for the 6 months to	A\$ million	A\$ million	%
Revenue	7.0	7.4	(6)
EBITDA	2.0	2.2	(8)
PBT	1.8	1.8	(2)

- Challenging economic conditions continued
- Key markets, including the UAE and Saudi Arabia, particularly affected
- Continue to be active, but cautious, with conservative cash controls in place



Each year GALE Pacific exhibits at the Big 5 Show in Dubai – the largest construction show in the Middle East region

EURASIA

Improved customer and product mix driving growth and higher profit contribution

	31 Dec 2018	31 Dec 2017	Change
Results for the 6 months to	A\$ million	A\$ million	%
Revenue	2.1	1.7	23
EBITDA	1.0	0.3	292
PBT	0.8	0.2	239

- Continues to deliver a highly profitable contribution
- 23% revenue growth on pcp
- Strong margin growth driven by improved customer and product mix



School of Architecture, University Rovira I Virgili Southern
Catalonia, Spain

CHINA MANUFACTURING

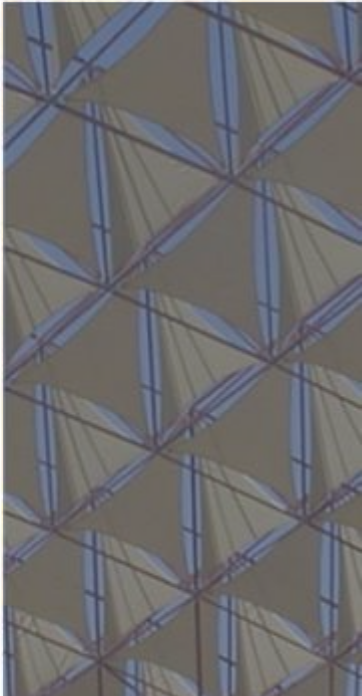
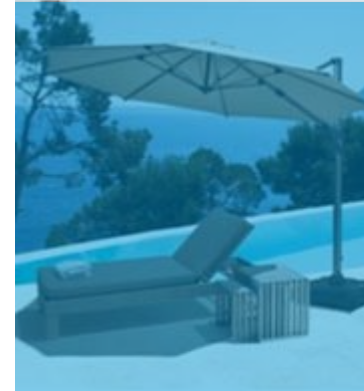
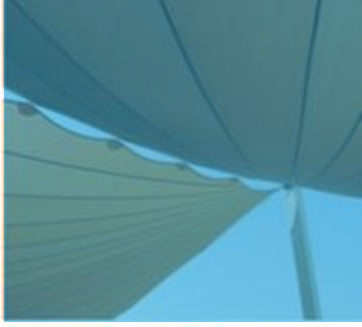
Strong ongoing operational performance whilst simultaneously delivering major projects

- Business transformation driving quality, service and efficiency improvements
- Manufacturing facilities consolidated effectively
- Strong service performance



3.STRATEGY & OUTLOOK

STRATEGY
OUTLOOK



STRATEGY

Key elements of the 2019 plan include:



Americas Region

- Effectively execute the rollout of the expanded product ranging with major retailers
- Secure new distribution with existing and new customers
- See a great opportunity to lead the shade category, as well as build a larger commercial fabrics business



Coating Manufacturing Capacity

- Effective commissioning the new \$8 million coating line in March/April more than doubling manufacturing capacity and supporting the commercial sector growth strategy in Australia, and abroad



Manufacturing Operations

- Continuing manufacturing efficiency, quality and service drive at all manufacturing facilities



Product Innovation

- Meaningful innovation in core product categories
- Many exciting developments underway and commercialisation of some of these programs expected in 2H 2019

OUTLOOK

- Despite adverse trading conditions in 1H, the Company is encouraged by the reduced commodity cost and currency pressures from 2018
- Expect this to translate into improved margins for the selling regions in 2H 2019
- Well positioned for the USA spring and summer selling seasons
- Encouraged by the strong sales out performance of products during the USA off-season
- Several new exciting product innovations due for launch in 2H
- Confident of being able to deliver EPS growth in FY 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.

