

## GALE PACIFIC LIMITED

(ASX: GAP)

### ASX and Media Release

9 November 2021

#### Market Update

GALE Pacific Limited (**the Company**) announces that it now anticipates profit before tax for the half year ending 31 December 2021 to be in the range of \$(1.5) million to \$0.5 million as compared to \$8.8 million in 1H FY21. The guidance reflects higher than forecast overall input cost inflation, particularly in logistics and distribution, some of which are expected to be transitory and have been partially offset by price increases.

While it was previously announced that the Company's first half profit would be below the prior corresponding period, significant cost inflation, capacity constraints, and overall volatility in international shipping and transportation are having a more significant impact than anticipated. It is difficult to predict when this market volatility will temper, however the Company expects these conditions to continue into calendar 2022.

Though first half FY22 revenue is anticipated to be more moderate as compared to the first half of FY21, the Company expects revenue to be materially above that achieved in the first half of FY20. The Company has forecast for revenue growth in the second half of FY22 with an improvement on the first half result anticipated.

The Company remains committed to its stated strategy of investing in future growth strategies, in particular, in the America's region given its scale and long-term market potential.

In Australia/New Zealand, the Company is currently launching a number of new products across its core consumer shade categories into the retail channel, including those endorsed exclusively by Cancer Council Australia. Pleasingly, strength across the Australian agricultural sector has continued with high demand for the Company's coated fabrics used in grain handling applications.

In the Americas, the Company is endeavouring to expand and consolidate its business foundations for the coming Northern Hemisphere summer selling season, with new products, promotions, and expanded assortments in its core consumer categories underway. In line with its strategy to build a more significant business in the region over the coming years, the Company is investing in additional marketing and selling capacity and capabilities.

The Board remains focused on driving strategies to enhance long term shareholder value.

An investor call will be held today, 9 November 2021, at 9.30am (AEST). To register for this conference, please use the following link below:

**Investor Call details:** [Conference Call registration link](#)

You will be provided with the dial in number, the **Passcode**, and your unique access **PIN** which will give you immediate access to the event.

-Ends

**Authorised** by the GALE Pacific Board of Directors

## **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:

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