



# **CEO & MANAGING DIRECTOR'S ADDRESS**

**JOHN PAUL MARCANTONIO**  
CEO & MANAGING DIRECTOR





# ABOUT GALE PACIFIC

**F**ounded in Melbourne, Australia, in 1951, GALE Pacific is the market-leading manufacturer of technical fabrics used for consumer and commercial applications around worldwide. Today, GALE employs more than **550+ people** based in Australia, China, the United States, Europe, and Asia, with products recognised around the world for their quality, durability, sustainability, and reliability.

GALE Pacific is on a mission to inspire life to thrive with textile innovations guided by four principles:  
**Design, Comfort, Protection, and Sustainability.**



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.

## PRODUCT CATEGORIES

- Architectural Shade Fabric
- Horticultural Knitted Fabric
- Commercial Netting
- Agricultural Shade and Protection
- All-Weather Advertising Banners
- Coated Polyfabrics
- Food-Grade Coated Non-Wovens



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.

## PRODUCT CATEGORIES

- Roller Shades
- Shade Sails
- Shade Fabric
- Pergolas and Gazebos
- Umbrellas
- Grow and Utility Bags
- Pet Beds





# BUSINESS OVERVIEW

Map legend: Head Office Sales Office Warehouse Manufacturing



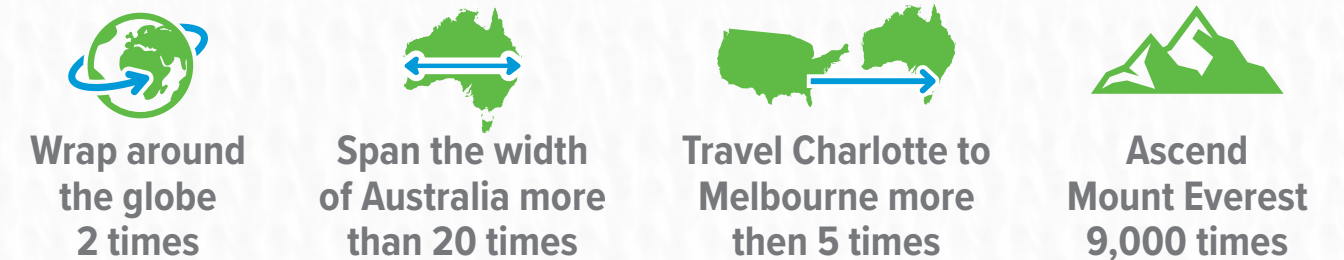
# DID YOU KNOW?

Since the start of FY19 GALE Pacific has...

processed over **50,000 tonnes** of material. That is the same weight as:



& produced over **80 million metres** or **262 million feet** of fabric. That would:



## COMPANY MILESTONES

**1951**

Harry and Barbara Gale establish Gale Scarves in Victoria, Australia. Barbara weaves products from home, while Harry sells them to local merchants.

**1974**

The Gales experimented with new materials and processes, eventually creating a fabric which doesn't fray or tear under tension – resulting in the invention of high density polyethylene shade fabric.

**1982**

The demand for shade fabric continues to grow, prompting entry into the U.S. market with the opening of the first GALE office in Orlando, Florida. GALE has been servicing major U.S. retailers and distributors ever since.

**1996**

GALE relocates the head office, assembly floor, and warehouse to Braeside, Melbourne. The Coolaroo® brand is born, and all consumer products are consolidated under one brand.

**2000**

GALE Pacific lists on the Australian Securities Exchange (ASX: GAP). GALE acquires the coated fabrics business from VISY, enabling innovation such as Landmark grain covers and growth into new verticals. GALE Middle East established.

**2005**

GALE builds and opens its wholly-owned, state of the art, purpose-built manufacturing facility in Ningbo, China to serve our growing global customer base.

**2018**

Roller Shades expand in the U.S. and Australia making it GALE's largest category. Cancer Council Australia's 2020 endorsement of Coolaroo and GALE Pacific products reinforces the company's leadership role in sun protection.

**2023**

US HQ moves to Charlotte, North Carolina, a major US textile hub and home to some of our largest customers. New textile innovations, HeatShield® and Ecobanner, launch.



# GALE PACIFIC DIFFERENTIATORS



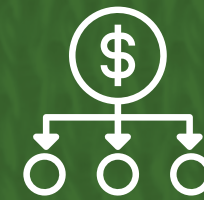
**Category & market  
leading brands**



**High quality,  
innovative products**



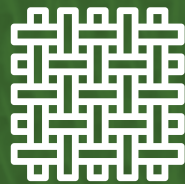
**Customer  
partnerships**



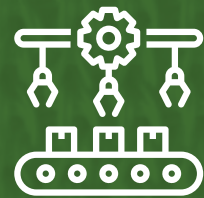
**Consumer & commercial  
diversification**



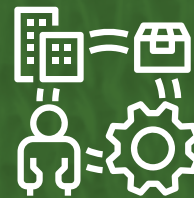
**Sustainable  
product portfolio**



**Technical fabrics  
expertise**



**Vertically integrated  
manufacturing**



**Global distribution  
& supply chain**



**On-trend, outdoor  
environments**



**Sun safety  
awareness**



# MACRO BACKDROP | RESULT DRIVERS

Challenging trading conditions leading to demand headwinds in FY23 due to:



Historically aggressive interest rate hikes



Broad market inflation for consumers, end users



Consumers shifting spend from goods to travel & services



Housing market challenged by affordability & availability



Poor weather across AUS & US in prime selling seasons



# 2023 RESULTS AT A GLANCE

**\$187.6M**  
REVENUE  
*PCP: \$205.5m*

**\$20.7M**  
EBITDA  
*PCP: \$22.9m*

**\$8.4M**  
NET CASH FROM OPERATIONS  
*PCP: \$7.2m*

**\$8.9M**  
EBIT  
*PCP: \$13.0m*

**\$15.8M**  
NET DEBT  
*PCP: \$5.5m*

**1.34c**  
EARNINGS  
PER SHARE  
*PCP: 2.76c*

**1.0c**  
TOTAL  
DIVIDEND  
*PCP: 2.0c*

Global inventory reduced by  
**\$27.1 million**  
*(\$80.4 million to \$53.3 million)*  
*November - June*

Opened new US HQ in  
**Charlotte, NC**

Product lead-times  
reduced by  
**by 50%**  
*globally*

Design phase completed  
**Dynamics 365 cloud ERP**

Restructuring programs to deliver  
**\$5 million**  
*in three year savings*

**Launched**

**HEAT SHIELD™**  
technology

**Over \$4.7 million saved**  
via operational excellence initiatives

**ecobanner™**



# AMERICAS

- Revenue FY23: \$91.9 million, a 4% decline vs FY22
- 6% EBITDA decline due to lower volumes, manufacturing inefficiencies & warehousing costs
- Revenue up 25% & EBITDA up 3% vs pre-pandemic
- Inventory reduced by USD \$10.3 million or 45% from Nov to Jun
- New placements of key products and distribution of Coolaroo® products with HeatShield®
- Q4 best quarter for Commercial fabric sales – up 11%
- Relocated HQ to Charlotte, NC; team now in place to deliver growth plan



	FY23	FY22	FY21	FY20	% vs FY22	% vs FY21	% vs FY20
Revenue	91.9	95.6	96.2	73.3	(4)	(4)	25
EBITDA	12.2	13.0	13.5	11.8	(6)	(10)	3



# AUSTRALIA/NEW ZEALAND

- Revenue FY23: \$82.2 million, 12% decline vs FY22
- 10% EBITDA decline due to lower volumes & manufacturing inefficiencies
- Revenue up 27% and EBITDA nearly double pre-pandemic levels
- Inventory reduced \$14.3 million or 40% from November peak
- Secured placements at Bunning's; expanded e-commerce
- Horticultural growth – orchard netting products
- Commercial trials for recyclable grain storage fabrics
- Ecobanner™ launched on Glebe Island billboard; market expansion underway
- Developing partnerships for sustainable food packaging innovation for the AUS market



	FY23	FY22	FY21	FY20	% vs FY22	% vs FY21	% vs FY20
Revenue	82.2	93.7	92.0	64.6	(12)	(11)	27
EBITDA	10.4	11.5	14.4	5.4	(10)	(28)	92



# DEVELOPING MARKETS

- Revenue FY23: \$13.4 million, a 17% decline vs FY22
- 5% EBITDA decline; price maintenance & cost control measures
- 20% revenue growth in Europe and Southeast Asia
- Reduced outstanding debtor balances by 34%
- Strict credit policies and operating measures in place
- Improved margins across commercial architectural shade to limit annual EBITDA decline
- Further development activities to expand usage across Europe and Asia in FY24



	FY23	FY22	FY21	FY20	% vs FY22	% vs FY21	% vs FY20
Revenue	13.4	16.2	17.0	18.4	(17)	(21)	(27)
EBITDA	3.9	4.1	4.9	4.8	(5)	(21)	(19)



# **COMPANY STRATEGY**



# COMPANY 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

The Growth Acceleration Plan defines how we will grow our company over the coming years by focusing our efforts, investments and teams on growing our categories, markets, supply chain, capabilities and people.

## CATEGORIES

Consumer and commercial technical fabrics and associated finished goods



## VALUES

Integrity | Respect  
Collaboration  
People  
Community  
Innovation



## VISION

Build GALE Pacific into a fast-growing, world-class, global fabrics technology business



## TEAM

A high-performance culture of great leaders and functional experts known for best-in-class results



## MARKETS

Americas  
Australia & New Zealand  
Developing Markets



# GROWTH ACCELERATION PLAN

# HOW WE GROW

Delivered with **EDGE:**  
Every Day Great Execution



## CATEGORIES

**Develop and launch** breakthrough innovation in our core categories

**Accelerate** new & near-neighbour category entry

**Accelerate** penetration via leadership brand activation and communication



## MARKETS

**Drive category growth** in retail & commercial in Australia & the U.S.

**Rapidly expand** distribution & availability in the U.S.

**Extend our borders** into Latin America & Southeast Asia; expand Canada, Middle East & Europe



## PEOPLE

**Develop** our functional leadership capabilities throughout 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**



## 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



## 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





## GROWTH ACCELERATION PLAN

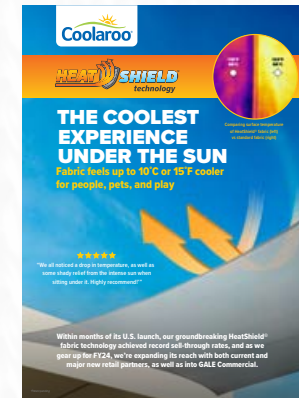
# CATEGORIES



Double protection technology makes fabrics up to 10°C cooler and leading to category GROWTH



PVC-free printable banner fabric capable of 100% closed loop recycle & reuse solution



Digital and in-store awareness and trial campaigns led to record sell through and impressions

**Develop & Launch** breakthrough innovation in our core categories

**Accelerate** new and near neighbour category entry

**Accelerate** penetration via leadership brand activation and communication





## GROWTH ACCELERATION PLAN

# MARKETS

**BUNNINGS**

Breakthrough new umbrella program launching at Bunnings to drive overall category growth in FY24

**Walmart** 

Nationwide elevated pet beds with HeatShield™ launching in 2H FY24



**COSTCO**  
WHOLESALE

 **PriceSmart**

**ecobanner**™ 

Core shade & pet expansion in LATAM; Market development in Europe

**Drive Category Growth**  
in retail & commercial in  
Australia & the U.S.

**Rapidly Expand**  
distribution & availability  
in the United State

**Extend Our Borders into**  
Latin America & Southeast  
Asia; expand Canada,  
Middle East & Europe





# GROWTH ACCELERATION PLAN

## PEOPLE

<b>GALE</b> <b>Leadership Behaviours</b> "Leadership is action, not position." - Simon Sinek	<b>Drives for Results</b> - Understands the value of the business - Takes full and visible responsibility - Owns outcomes and takes responsibility for success - Inspires and motivates others	<b>Develops and Empowers Others</b> - Understands and respects others' feedback - Provides constructive feedback - Makes and gives full credit to the team - Owns 360° feedback - Develops others through coaching
<b>Acts with Courage</b> - Challenges the status quo - Makes tough decisions - Is not afraid to take difficult conversations - Actively seeks the team through challenges	<b>Exemplifies Authenticity</b> - Welcomes feedback - Demonstrates vulnerability - Shows respect for team and contribution - Owns mistakes and learns from them	<b>Fosters Collaboration</b> - Shares ideas and helps team others to achieve - Resolves conflict through open dialogue - Is inclusive - Fosters a culture of trust and respect - Creates a learning environment

New training & talent development tools launched in FY23; individualised development plans

Global engagement well above benchmarks; recognition & communication; engagement teams launched in AUS, US & China.

Executive functional and regional leadership reorganization complete; new, high caliber, capability and capacity Americas team in place to deliver growth aspirations for both the company and individuals.

**Develop our functional leadership capabilities throughout organization**

**Embed our Attract, Engage, Develop organizational development model**

**Build & empower the team to double by becoming an employer of choice for top talent to grow their careers**

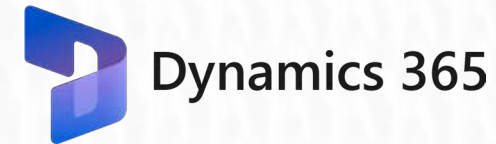




## GROWTH ACCELERATION PLAN

# CAPABILITIES

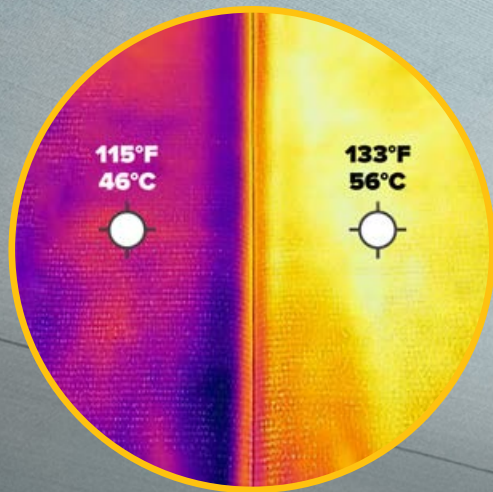
Reorganized, streamlined global and regional teams with clear operating processes and defined accountability for improved, more efficient outcomes



Completed design and soon to begin implementing new global ERP system to enable efficiency while increasing data transparency & security



Currently in-field with target consumers in the United States to unlock attitudes and usage insights for consumer sun protection for people, pets and assets to fuel product and technology development funnel.



**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





# GROWTH ACCELERATION PLAN

# SUPPLY CHAIN

**Reduced inventory by \$27.2 million or 34% and lowered product lead-times by 50% in FY23 because of improvements in process, people and capability**

**Restructuring programs launched in AUS & US; Custom roller shades; 3-year savings of +5 million**

**Over \$4.7 million saved in FY23 because of global processes focused on reducing cost of inefficiency coupled with operational excellence initiatives in sourcing, manufacturing, global logistics and quality.**

**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 and deliverability, and attack trapped cost of failure**





# OUTLOOK

- First half trading conditions expected to remain challenging with continued demand headwinds
- Profit-enhancing & structural cost reducing measures actioned in Australia and the Americas exiting FY23 to benefit FY24
- Accelerated productivity and operating efficiency programs at our manufacturing facilities in China and Australia actioned
- Investing in growth, focusing on increasing distribution, product innovation, demand generation & expanding market reach in the US and Australia
- Key growth programs in the US & Australia secured for FY24
- Planning for full-year revenue and profit growth in FY24 with growth in the Americas in 2H offset by lower revenue, profit in 1H.

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