

## GALE PACIFIC LIMITED

(ASX: GAP)

### ASX and Media Release

11 May 2022

## GALE Pacific Confirms Earnings Guidance for H2 FY22

GALE Pacific Limited (the **Company**) is pleased to confirm that it expects H2 FY22 profit before tax to be at or slightly above the \$8.5 million achieved in H2 FY21, in line with previous earnings guidance released in February 2022. The Company also anticipates H2 FY22 revenue to be slightly higher than that achieved in both H1 FY22 and H2 FY21.

Business performance for the quarter ended 31 March 2022 was robust, driven by record revenue in the Americas region and strong demand in the Australian retail and commercial sectors. The Company is well-positioned to take advantage of anticipated further positive trading trends in the fourth quarter across the commercial sector in Australia and the retail sector in the Americas, notwithstanding somewhat challenging weather conditions in the Northern Hemisphere in the early part of the summer selling season.

Though there continues to be volatility and cost inflation across international and domestic supply chains and inflation in raw materials and labor, there are some early signs of stabilisation in some of these areas; however, costs remain at or near historic highs. The Company has price increase programs in place today with additional price increase measures to be enacted throughout the fourth quarter and into FY23 to further offset a meaningful portion of these exogenous macro input cost headwinds.

The Company will continue to invest according to its strategy of building GALE Pacific into a faster-growing, world-class, global fabrics technology business, particularly in the Americas region, given its scale and long-term market potential, and in further product innovation, market expansion, and operations improvement initiatives. In line with this strategy, the Company has invested in additional marketing and selling capacity and capabilities in the Americas region throughout FY22.

The Board remains focused on building long-term shareholder value and believes that the current share price does not reflect the Company's full underlying value. The Company continues to work closely with its advisors, Luminis Partners, to evaluate options to unlock shareholder value further.

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

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### 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:

John Paul Marcantonio  
Chief Executive Officer & Managing Director  
+61 3 9518 3312  
[investor.relations@galepacific.com](mailto:investor.relations@galepacific.com)

Adrian Mulcahy  
Investor Relations  
+61 438 630 422  
[adrian.mulcahy@marketeye.com.au](mailto:adrian.mulcahy@marketeye.com.au)