

ASX | MEDIA RELEASE

FY24 RESULTS



GALE Pacific Limited
(ASX: GAP)
29 August 2024

GALE Pacific Limited (ASX: GAP) Releases FY24 Financial Year Performance Report

Melbourne, Australia – GALE Pacific Limited (GALE or the Company), a leading global manufacturer of innovative and sustainable knitted, coated and advanced polymer fabric products, today released its financial results for the year ended 30 June 2024. The Company reported a loss before tax of \$1.4 million, in line with recent guidance. The Directors have decided not to declare a final dividend for FY24.

Revenue of \$174 million was down 7% compared to FY23, while EBITDA (earnings before interest, tax, depreciation, and amortisation) was \$14.2 million, down 31% compared to FY23. Net cash from operating activities at \$26.7 million was 188% of EBITDA due to tight working capital control. This, combined with a new and more efficient banking facility structure under HSBC, enabled a reduction in net debt to \$(0.7) million at 30 June 2024, an improvement compared to \$(15.5) million prior year.

\$ million	FY24	FY23	% vs FY23
Revenue	174.0	187.6	(7)
EBITDA	14.2	20.7	(31)
EBIT	2.4	8.9	(73)
Profit before tax	(1.4)	5.3	(126)
Net profit after tax	(0.3)	3.7	(109)
Basic EPS (cents)	(0.12)c	1.34c	
Final Dividend (cents per share)	Nil	Nil	
Special final dividend (cents per share)	Nil	Nil	
Total dividends (cents per share)	Nil	1.0	
Net cash from operating activities	26.7	8.4	218
Net cash (debt)	(0.7)	(15.5)	95

All financial data in this report is recorded in Australian dollars (AU\$)

Recently appointed **CEO, Troy Mortleman**, commented “We are deeply disappointed with the results delivered in FY24. Challenging trading and adverse weather conditions were experienced in our core markets of Australia and the United States which affected our ability to deliver revenue growth. While the Company delivered net dollar margin growth, an increase in operating expenses (including costs totalling \$5.0 million associated with the implementation of our new ERP system, Dynamics 365) drove the earnings decline. A simplified and lower cost operating structure is being implemented across FY25.”

Despite these challenges, the Company centred its activity on market expansion and product innovation. Looking ahead to FY25, GALE Pacific is committed to pursuing the market opportunity and driving profitable growth in the Americas, sustaining market leadership in Australia, investing in Developing Markets, and optimizing its global operating footprint.

REGIONAL RESULTS

AMERICAS

Result for the full year to	\$ million		
	FY24	FY23	% vs FY23
Revenue	85.4	91.9	(7)
EBITDA	9.7	12.2	(20)

Revenue declined by 7% due to lower-than-expected sell-through during the peak trading season. However, market share gains were achieved through new product placements at major customers such as Walmart, Lowe's, and The Home Depot. The expansion of shelf-share with HeatShield® products and significant performance in the commercial architectural shade category, with 30% growth, positions the region for a more positive outlook in FY25.

AUSTRALIA | NEW ZEALAND

Result for the full year to	\$ million		
	FY24	FY23	% vs FY23
Revenue	73.9	82.2	(10)
EBITDA	6.0	10.4	(42)

Revenue fell by 10%, impacted by economic headwinds and reduced demand in consumer and commercial markets, in particular a poor grain season. Margin improvements were achieved through the launch of a new outdoor umbrella range at Bunnings and improved category sales mix in the commercial segment. Share growth in horticulture markets also contributed positively.

DEVELOPING MARKETS

Result for the full year to	\$ million		
	FY24	FY23	% vs FY23
Revenue	14.7	13.4	10
EBITDA	3.44	3.92	(12)

The region's revenue grew 10% over FY23, driven by strong Middle East recovery with 38% revenue growth in the UAE and Saudi Arabia. Demand for GALE's commercial architecture fabrics increased, positioning the Company to capture significant market share. Successful trials of Commercial NinetyFive® with HeatShield® in harsh climates like Dubai and Doha, coupled with revenue growth over 20% in Spain and 29% in Italy, further strengthened the region's performance.

OUTLOOK

GALE Pacific expects ongoing challenges in consumer demand but remains optimistic about improved trading conditions in certain markets. Profit improvement and cost reduction efforts are being implemented to ensure resources align with company performance and strategy. Despite recent financial challenges, the Company is confident in its core business and believes it has a solid foundation to achieve strategic growth ambitions in FY25 and beyond.

The Company expects a return to profit growth in FY25 and will provide additional FY25 performance guidance at the Annual General Meeting.

INVESTOR AND ANALYST WEBINAR

CEO, Troy Mortleman, and CFO, Sheryl Smith, will hold a webinar briefing for analysts and investors on Friday, 30th August at 10:00am AEST.

An accompanying presentation will be available via the ASX announcements platform before the call. Attendees are required to register beforehand. After registering, a confirmation email will be sent containing information on how to join the webinar.

The webinar will include an opportunity for attendees to ask questions. Alternatively, investors can submit questions before to the webinar via investor.relations@galepacific.com.

To register, please go to: [Registration Link](#)

ABOUT GALE PACIFIC

GALE Pacific, founded in Melbourne, Australia in 1951, is a global leader in technical fabrics for consumer and commercial use. With operations in Australia, New Zealand, the U.S., China, and Dubai, GALE employs over 480 people worldwide. Its products, known for their innovation, quality, and sustainability, are sold under the Coolaroo® and GALE Pacific Commercial® brands. GALE's offerings include outdoor shades, pet products, and advanced fabrics for industries such as agriculture, construction, advertising, and packaging. GALEPacific.com

GALE Pacific Limited's shares are listed on the Australian Securities Exchange (code: GAP)

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