

FY26 Results

GALE Pacific delivers increased EBITDA, stronger margins, materially improved cash flow and a net cash position

GALE Pacific Limited (GALE, the **Company** or the **Group**), a leading global manufacturer of innovative and sustainable shade solutions, today released its financial results for the year ended 30 June 2026 (FY26).

FY26 Highlights

- **Group revenue** of \$155.5 million, down 9.6% on FY25.
- **Group EBITDA** of \$12.3 million, up 2.5% on FY25, with the EBITDA margin expanding 0.9 percentage points to 7.9% on a favourable product and customer mix and cost discipline.
- **Net loss after tax** narrowed to \$2.9 million, an improvement of \$2.3 million on the FY25 loss of \$5.2 million.
- **Positive operating cash flow** of \$21.4 million (FY25: \$0.1 million), driven by disciplined working capital management and a material reduction in inventory.
- **Stronger balance sheet** with a net cash position of \$4.9 million, an improvement from net debt of \$8.9 million (FY25) – a turnaround of \$13.8 million.
- **Operating expenses** reduced \$7.2 million year-on-year, reflecting operating model reform, lower employee costs and reduced IT expenditure.

Key Financial Summary

Metric (A\$m unless stated)	FY26	FY25	Change
Revenue	155.5	172.0	(9.6%)
EBITDA	12.3	12.0	+2.5%
Net Loss After Tax	(2.9)	(5.2)	43.2% improvement
Basic EPS (cents)	(1.03)	(1.82)	43.4% improvement
Final Dividend (cents per share)	Nil	Nil	—
Operating Cash Flow*	21.4	0.1	+\$21.3m
Net Cash / (Debt)	4.9	(8.9)	To net cash

All figures in A\$ millions unless otherwise stated. Prior comparative period (PCP) is FY25.

* As defined in the Financial Statements – excludes repayment of leases.

Result Overview

Revenue of \$155.5 million was 9.6% lower than FY25, reflecting deliberate inventory efficiency initiatives within GALE and its US retail channels, including closer alignment of retail fulfilment with consumer sell-through. Softer US consumer confidence, the Middle East conflict and normalised grain storage coated-fabric volumes in Australia also contributed to the decline. Despite lower revenue, Group EBITDA rose 2.5% to \$12.3 million and the EBITDA margin expanded 0.9 percentage points to 7.9%, supported by an improved product and customer mix and a \$7.2 million reduction in operating expenses. The cost reduction reflected operating model reform, lower employee and IT costs and continued cost discipline.

The statutory net loss after tax narrowed by \$2.3 million to \$2.9 million, after absorbing costs associated with the operating model reform and a \$3.0 million foreign exchange expense that was largely a non-cash USD/CNY balance-sheet revaluation.

Cash generation was the standout feature of the year. Operating cash flow increased to \$21.4 million (FY25: \$0.1 million) as disciplined working capital management reduced inventory by \$8.6 million to \$42.7 million and lowered the working capital to sales ratio to 33.4% (FY25: 35.5%). The Group's net cash position improved \$13.8 million, moving from net debt of \$8.9 million to net cash of \$4.9 million.

Regional Performance

Segment (A\$m)	Revenue		EBITDA		EBITDA Margin	
	FY26	FY25	FY26	FY25	FY26	FY25
Americas	64.3	75.7	13.1	14.8	20.4%	19.6%
Australia & New Zealand	76.4	79.5	11.5	9.4	15.1%	11.8%
Developing Markets	14.8	16.8	4.1	6.9	27.7%	41.1%

Regional EBITDA does not include the Other Items segment, and does not sum to Group EBITDA of \$12.3 million.

Americas

Revenue of \$64.3 million was 15% lower and EBITDA of \$13.1 million declined 11%, while EBITDA margin improved 0.8 percentage points to 20.4%. US retail demand remained subdued through the peak season amid softer consumer confidence. During the year, retail inventory fulfilment was deliberately realigned with consumer sell-through, reducing excess channel inventory, improving channel health and supporting cash generation. The Americas operating model was reset through simplification of the organisation, reducing the workforce by approximately 24% and delivering \$3.1 million in FY26 cash savings. The region also expanded its Commercial business development capability, secured several new major retail and distribution partnerships that significantly expanded market reach, and grew e-commerce sales, which nearly doubled from a developing base.

Australia / New Zealand

Revenue of \$76.4 million declined 4%, while EBITDA increased 22% to \$11.5 million and EBITDA margin expanded 3.2 percentage points to 15.1%. The region's market-leading positions, improved margins and disciplined cost management supported a strong earnings outcome despite lower revenue. Retail performance remained resilient, grain storage coated-fabric demand remained above long-term averages despite normalising from an exceptional FY25, and Commercial segment growth continued across architectural shade and water containment. A long-term paper coating agreement with Visy further strengthened the outlook for future commercial volumes.

Developing Markets

Revenue of \$14.8 million was 12% lower and EBITDA of \$4.1 million declined 41%, with the EBITDA margin at 27.7%. The Middle East delivered positive growth in the first half before customer orders halted from mid-February through March as the Middle East conflict intensified. Activity resumed from April, with revenue returning to prior year levels during the fourth quarter. Inventory holdings in Dubai enabled continued customer service and supported new business wins during the recovery period, while disciplined credit and collections management was maintained throughout. Europe delivered growth by capitalising on strong demand during a hot northern hemisphere summer, momentum continued to build across Asia, and horticulture trials commenced with new customers in the Middle East and India.

Outlook & Priorities

FY27 will be the first full year under the Group's refined strategy. Additional resources have been deployed to accelerate Commercial segment growth through increased customer acquisition across priority market segments. Retail category expansion in the US remains a priority, leveraging established customer relationships to broaden category participation. These initiatives are intended to support profitable, cash-generative growth.

The Company will provide a performance update at the Annual General Meeting in November.

CEO, Troy Mortleman, commented:

"FY26 was a year of meaningful change. While profitability remained below expectations, we materially simplified and strengthened the business through improved margins, stronger cash generation, lower inventory, a leaner operating model and a return to net cash. These outcomes reflect the progress achieved through our strategic reset and provide a much stronger foundation for the future."

"FY27 is the first full year under our refined strategy. With execution underway across the business and a stronger balance sheet supporting future opportunities, our focus remains clear: restoring sustainable profitability through profitable growth and disciplined execution".

Investor and analyst webinar

Chief Executive Officer, Troy Mortleman and Chief Financial Officer, Dexter Clarke will hold a webinar briefing for analysts and investors on Wednesday, 26 August 2026 at 11am (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 prior to the webinar via investor.relations@galepacific.com.

To register, please go to: <https://events.teams.microsoft.com/event/a0974802-98f9-4322-acfb-e039d0c4e90a@24c273b3-c88e-4a8b-a196-eb387bcc499d>

This announcement should be read in conjunction with the Company's Appendix 4E and the FY26 financial statements lodged with the ASX. EBITDA is a non-IFRS financial measure that has not been subject to audit or review. It represents earnings before interest, tax, depreciation and amortisation, and is presented to assist users in understanding the Group's operating performance.



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 400 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 shade solution provider 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).

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