

GALE PACIFIC LIMITED

(ASX: GAP)

ASX Release

5 May 2025

GALE Pacific Trading Update

GALE Pacific Limited, (the **Company**), a trusted leading global marketer and manufacturer of branded screening and shading products for domestic, commercial and industrial applications, is today providing a trading update.

Key Developments

US Market:

- Q4 trading in the US is expected to be impacted by reduced consumer demand through our retail partners as a result of the effects of new tariff levels introduced on 2 April 2025.
- Existing US inventory is not affected by tariffs introduced after 2 April 2025.
- US retail partners adopting a cautious approach to replenishing inventory.
- Tariff related price negotiations with US customers are ongoing.

Australia / New Zealand and Developing Markets:

- Performance in Australia / New Zealand and Developing Markets remains in line with expectations.

Manufacturing Diversification:

- The Company's strategy to diversify its manufacturing footprint outside of China is progressing well.

Financial outlook:

- Revised full year guidance for EBITDA is between \$10 and \$12 million.

GALE CEO Troy Mortleman commented "After a solid first half of FY25, anticipated declining consumer confidence along with a cautious approach to inventory replenishment by key customers will have an effect on our US business as we head into the busy summer selling season in the northern hemisphere."

He further noted "Performance in Australia, New Zealand and Developing Markets, especially in the Middle East, continues to meet expectations, reflecting the strength and resilience of our diversified portfolio."

Regarding the US-China trade dispute, Mortleman added, "GALE has been actively exploring opportunities to diversify our manufacturing footprint across Asia even before the recent imposition of reciprocal tariffs. These efforts have now intensified."

Previous guidance update

On the **27th of February 2025**, following a strong first half of FY25, the Company issued EBITDA guidance of between \$18 million and \$20 million.

Given the uncertainty in the US market, the Company is revising its full year EBITDA to be between \$10 million and \$12 million.

Further details regarding tariffs, market conditions and operational changes will be shared as new information becomes available and in the Company's FY25 full year results.

-Ends

Authorised by the GALE Pacific Board of Directors

For further information, please contact:

Troy Mortleman

Chief Executive Officer

+61 417 051 777

troy.mortleman@GalePacific.com

Adrian Mulcahy

Investor Relations

+61 438 630 422

adrian.mulcahy@automicgroup.com.au