

FY2022 RESULTS PRESENTATION

18 AUGUST 2022

BEACON LIGHTING GROUP

Beacon
LIGHTING

Beacon
TRADE

Beacon
COMMERCIAL

Beacon
INTERNATIONAL

LIGHT
SOURCE
SOLUTIONS

CONNECTED
LIGHT SOLUTIONS

MASSON
FOR LIGHT

CL
CUSTOM LIGHTING
DESIGNERS OF LIGHT

CONTENTS

BEACON
LIGHTING
GROUP

1 RESULTS OVERVIEW

2 FINANCIALS

3 STRATEGIC PILLARS OF GROWTH

4 FY2023 OUTLOOK

5 QUESTIONS

6 APPENDIX



1

RESULTS OVERVIEW



BEACON LIGHTING GROUP

Beacon
LIGHTING

Beacon
TRADE

Beacon
COMMERCIAL

Beacon
INTERNATIONAL

**LIGHT
SOURCE
SOLUTIONS**

CONNECTED
LIGHT SOLUTIONS

MASSON
FOR LIGHT


CUSTOM LIGHTING
DESIGNERS OF LIGHT

\$304.3m

Record Sales

+50 bps

Gross Profit Margin

39.0%

OPEX % of Sales

\$92.7m

Record EBITDA

\$40.7m

Record NPAT

9.3¢

Record Annual Dividend

1 OPERATIONAL HIGHLIGHTS

NEW TRADE
Initiatives

+

22.3%
Trade Sales
Increase

5 & 3

5 New Stores
3 Relocated Stores

9.0%

H2 FY2022 Company
Store Comparative
Sales Increase

31.3%

Online Sales
Increase

51.9%

Beacon Lighting USA
Sales Increase

\$'000	FY2021	FY2022	Change \$	Change %
Sales	288,679	304,299	15,620	5.4%
Gross Profit⁽¹⁾	197,999	210,368	12,369	6.2%
<i>Gross Profit Margin %</i>	68.6%	69.1%		
Other Income⁽²⁾	817	991	174	21.3%
<i>% of Sales</i>	0.3%	0.3%		
Operating Expenses⁽³⁾	(112,854)	(118,669)	(5,815)	5.2%
<i>% of Sales</i>	39.1%	39.0%		
EBITDA	85,962	92,690	6,728	7.8%
<i>EBITDA Margin %</i>	29.8%	30.5%		
EBIT	59,502	63,793	4,291	7.2%
<i>EBIT Margin %</i>	20.6%	21.0%		
Net Profit After Tax	37,658	40,726	3,068	8.1%
<i>NPAT Margin %</i>	13.0%	13.4%		

(1) Gross Profit includes all rebates received. (2) Other Income includes other revenue, other income and a share of net profit of associates. (3) Operating Expenses excludes interest, depreciation and amortisation.

2

FINANCIALS

BEACON LIGHTING GROUP

Beacon
LIGHTING

Beacon
TRADE

Beacon
COMMERCIAL

Beacon
INTERNATIONAL

**LIGHT
SOURCE
SOLUTIONS**

CONNECTED
LIGHT SOLUTIONS

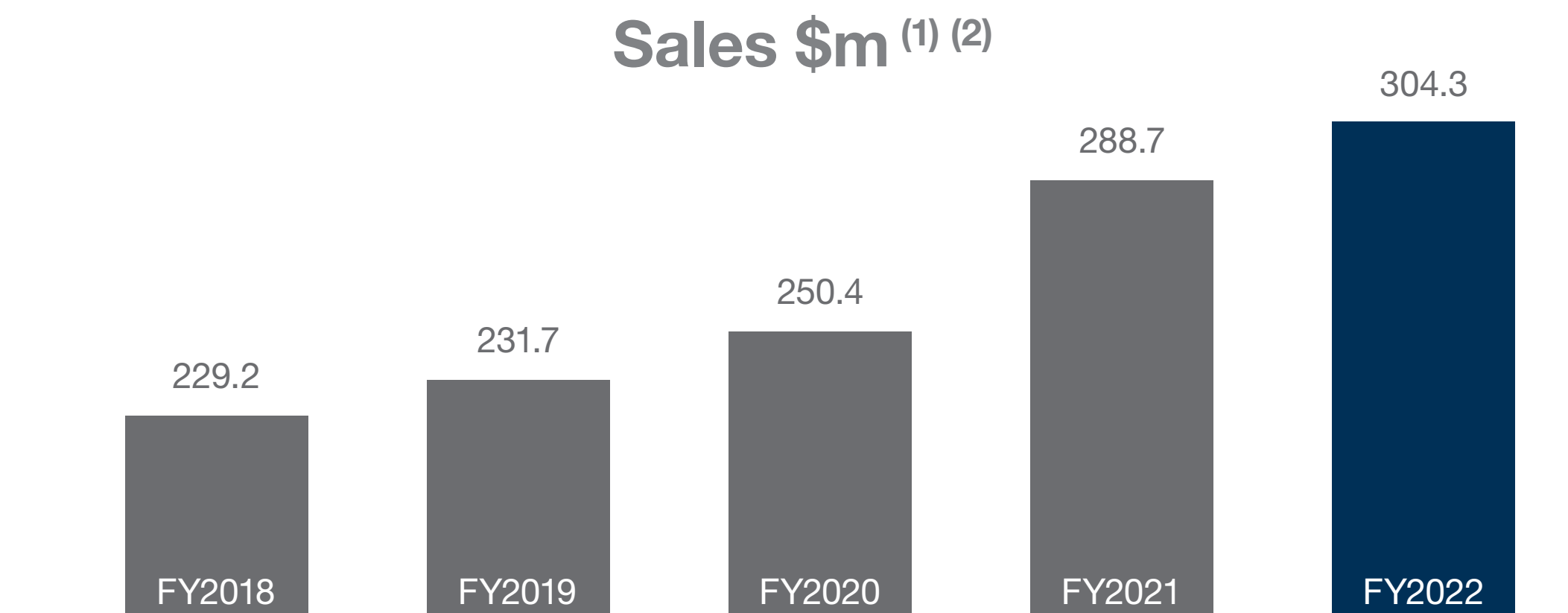
MASSON
FOR LIGHT


CUSTOM LIGHTING
DESIGNERS OF LIGHT

2 SALES

SALES: \$304.3m increased by 5.4%

- Company store comparative sales increased by 0.3%. H1 FY22 comparative sales (impacted by lockdowns) declined by 7.1% and H2 FY22 comparative sales increased by 9.0%
- Trade sales increased by 22.3%, online trade sales increased by 67.6%
- Online sales increased by 31.3% to \$34.1m
- Beacon International USA sales increased by 51.9%



(1) Underlying result for FY2019 and FY2020. (2) Statutory result for FY2018 less Beacon Energy Solutions.



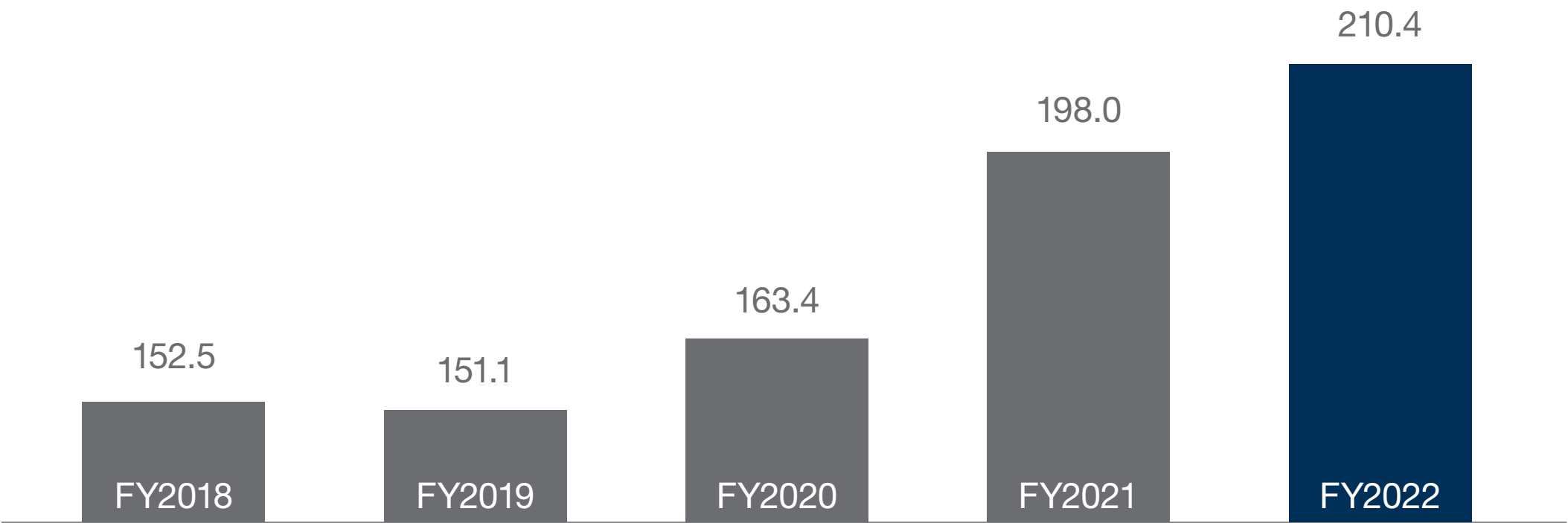
2 GROSS PROFIT

GROSS PROFIT: 69.1% of sales to \$210.4m

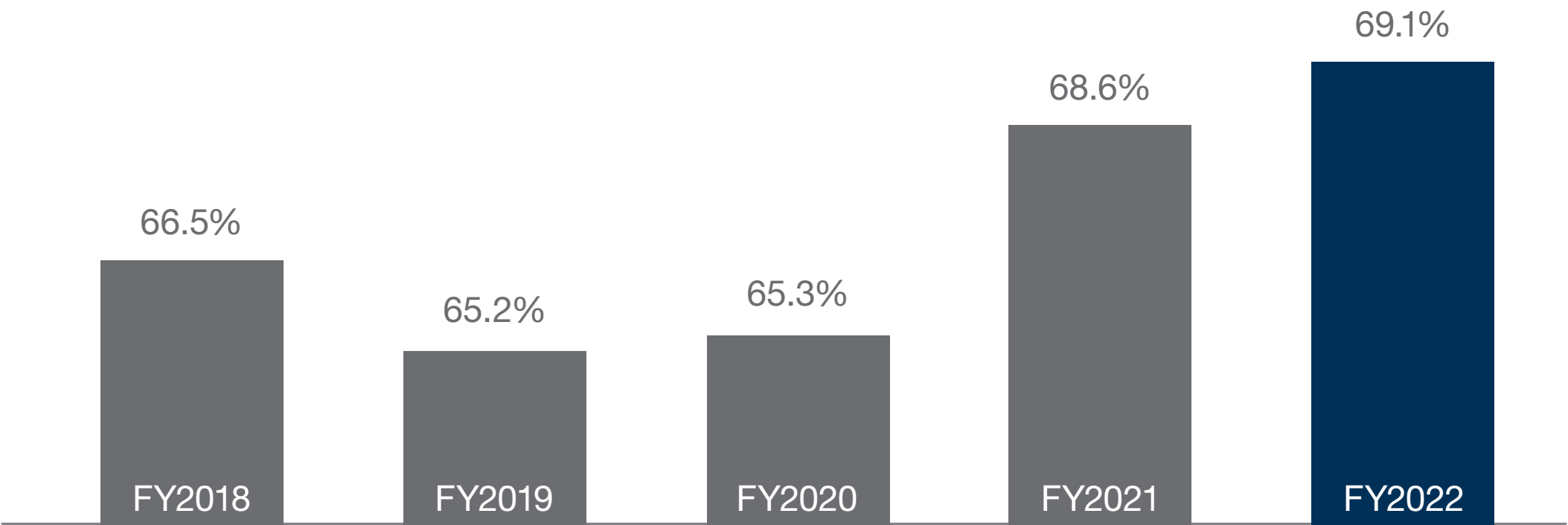
- Exciting product ranges and outstanding customer service has helped to support sales
- 492 new products designed and developed in Australia continue to excite our customers and support our margins



Gross Profit \$m ^{(1) (2)}



Gross Profit % ^{(1) (2)}



(1) Underlying result for FY2019 and FY2020. (2) Statutory result for FY2018 less Beacon Energy Solutions

OPEX: 39.0% of sales for a total of \$118.7m

- Other income increased reflecting the income from the Larger Format Property Fund
- Recovered the investment in marketing to support the stores, trade and international growth strategies
- Increases in the selling and distribution expenses inline with sales
- Modest increase in general and administration expenses
- Depreciation increase reflecting the relocation and opening of new stores



\$'000	FY2021	FY2022
Other Income	817	991
<i>% of Sales</i>	<i>0.3%</i>	<i>0.3%</i>
Marketing Expenses	13,045	14,459
<i>% of Sales</i>	<i>4.5%</i>	<i>4.8%</i>
Selling and Distribution	82,809	86,929
<i>% of Sales</i>	<i>28.7%</i>	<i>28.6%</i>
General and Admin	17,000	17,281
<i>% of Sales</i>	<i>5.9%</i>	<i>5.7%</i>
Operating Expenses	112,854	118,669
<i>% of Sales</i>	<i>39.1%</i>	<i>39.0%</i>
Depreciation	26,460	28,896
<i>% of Sales</i>	<i>9.2%</i>	<i>9.5%</i>

- Strong profit performance has generated strong cash flows
- Payments to suppliers reflect the additional investment in inventory
- \$9.6 million Capex investment
- \$4.8 million investment in the property fund
- Record dividend payments of \$19.9 million



\$'000	FY2021	FY2022
Cash Flow from Operations		
Receipts from Customers	318,869	333,410
Payments to Suppliers & Employees	(234,508)	(258,060)
Other	(5,524)	(5,593)
Income Tax Paid	(17,615)	(17,348)
Net Operating Cash Flow	61,222	52,409

\$'000	FY2021	FY2022
Other Items		
Capital Expenditure	(7,911)	(9,604)
Payments for Property Investments	(15,240)	(4,840)
Borrowings	(11,781)	943
Dividends Paid	(12,642)	(19,876)

- Retained a strong cash balance of \$28.0m
- Increased investment in Inventory to \$93.1m
- Increased property investment to \$20.0m.
- Borrowings remain stable at \$19.6m
- Retained a positive net cash position



\$'000	FY2021	FY2022
Cash	33,830	27,996
Receivables	7,788	8,591
Inventories	67,936	93,094
Other	1,337	2,081
Total Current Assets	110,891	131,762
Property, Plant and Equipment	35,252	38,957
Intangibles	13,738	13,718
Right of Use Assets	100,746	105,186
Investments in Property	15,241	19,971
Other	14,157	12,951
Total Non Current Assets	179,134	190,783
Total Assets	290,025	322,545
Payables	23,417	30,694
Borrowings	18,617	19,561
Lease Liabilities	25,079	26,718
Other	12,097	11,894
Total Current Liabilities	79,210	88,867
Lease Liabilities	97,680	97,742
Other	939	1,801
Total Non Current Liabilities	98,619	99,543
Total Liabilities	177,829	188,410
Net Assets	112,196	134,135

3

STRATEGIC PILLARS OF GROWTH

CUSTOMER

Underpinning everything we do at Beacon is a deep understanding of our customers' needs.

RETAIL

A REWARDING
CUSTOMER EXPERIENCE

THE LATEST RANGE OF
LIGHTING & FANS

INSPIRATIONAL STORE DESIGN

VIP MEMBER BENEFITS

STORE NETWORK EXPANSION
& OPTIMISATION

TRADE

INDUSTRY LEADING
TRADE CLUB

PRODUCT EXTENSION
& DIVERSIFICATION

CUSTOMER LED
& DATA DRIVEN

BUILD TRADE & COMMERCIAL
PARTNERSHIPS

eCOMMERCE

ENGAGING WEBSITES

ONLINE SALES GROWTH

SEAMLESS CUSTOMER
EXPERIENCE IN-STORE
AND ONLINE

NEW BUSINESS

EMERGING BUSINESSES

INTERNATIONAL SALES
OPPORTUNITIES

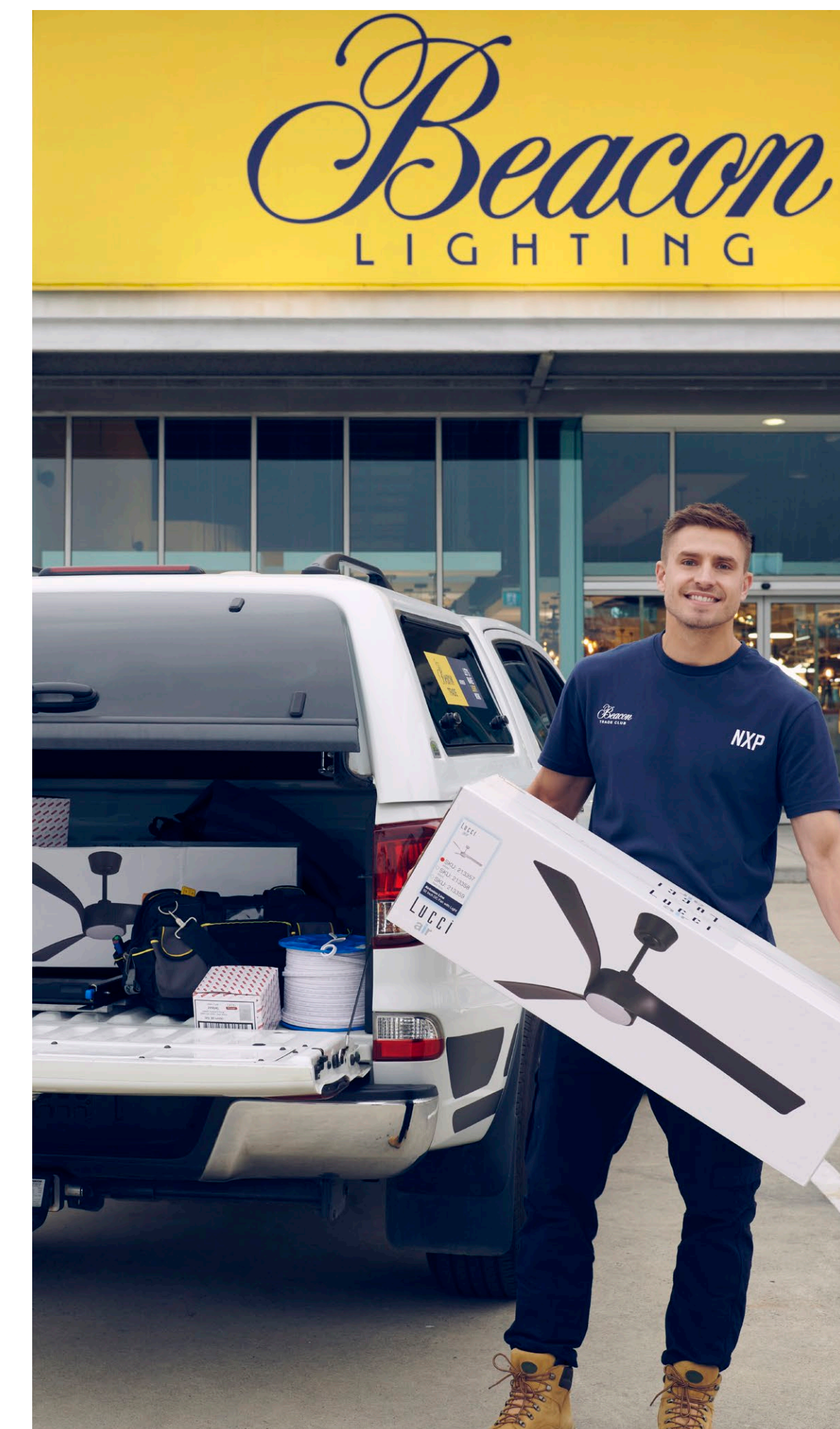
NEW BUSINESS ACQUISITIONS

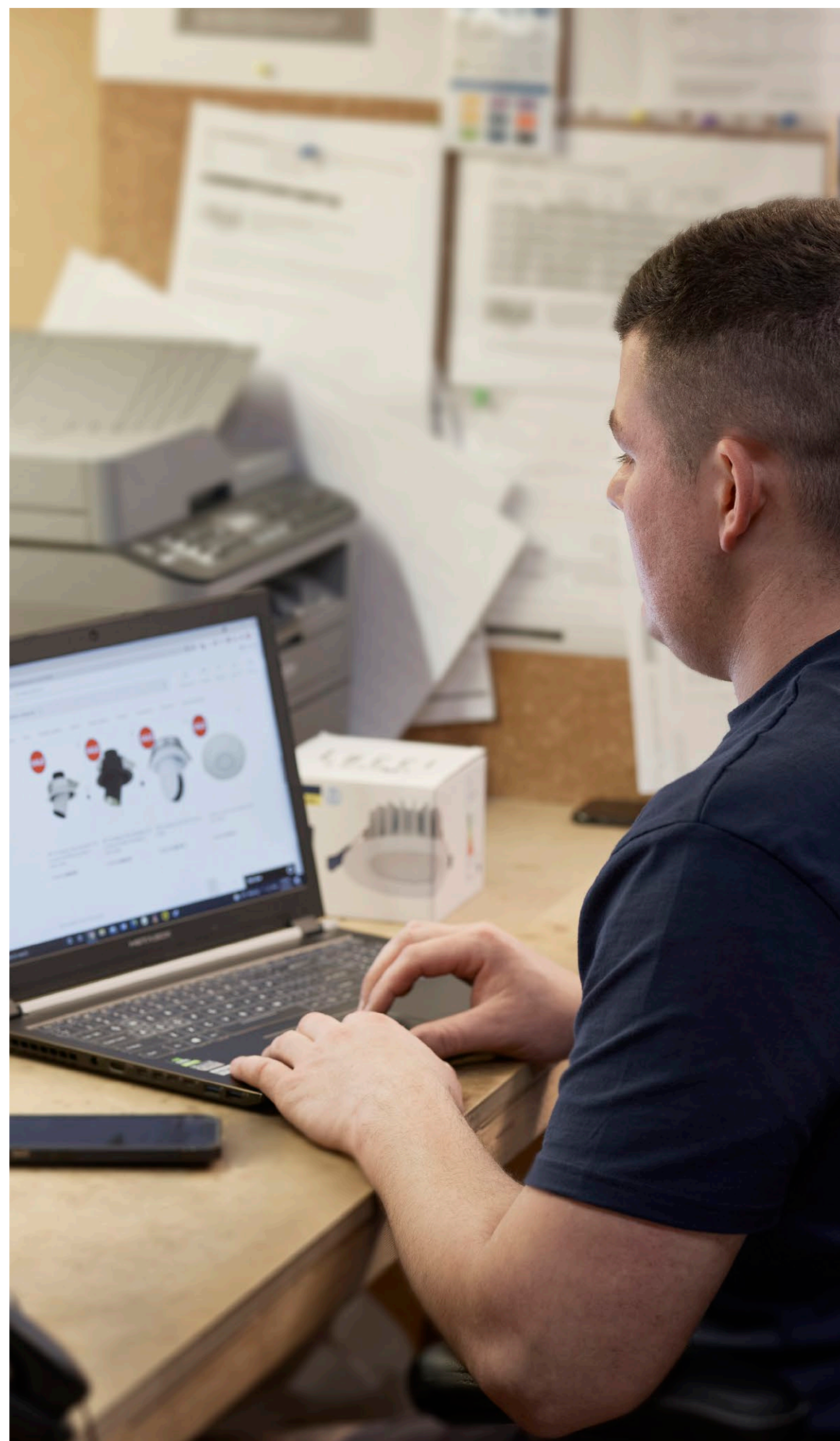
PROPERTY



- Beacon Lighting finished FY2022 with 117 company stores and 2 franchised stores
- Lockdowns in Sydney, Melbourne and Canberra impacted sales in Q1 FY2022
- Company store comparative sales increase by 0.3% in FY2022. In H1 FY2022, comparative sales declined by 7.1% (impacted by lockdowns) and in H2 FY2022, increased by 9.0%
- Impacted retail trading days due to lockdowns were 4,800 days in H1 FY2022 compared to 2,400 days in H1 FY2021
- Opened new company stores in Ellenbrook (WA), Bundaberg (QLD), Traralgon (VIC), Tuggerah (NSW) and Butler (WA)
- Relocated company stores at Port Macquarie (NSW), Burleigh (QLD) and the Camberwell (VIC) store to Hawthorn (VIC)
- Closed the Parramatta (NSW) store in anticipation of the new store opening in Auburn (NSW) in FY2023
- Despite the COVID lockdowns, the number of projects won by Beacon Design Services increased by 5.4%
- Designed and developed 492 exclusive new products to expand the core range of products to 3,500
- VIP customers increased to 928,000 who continue to receive special offers and services
- Store network research has identified the potential for 184 Beacon Lighting stores in Australia

- The number one priority for Beacon Lighting in FY2022 was to have a positive impact upon the lives and businesses of our trade customers
- Trade Club sales increased by 24.0% and total trade sales increased by 22.3%
- Trade online sales increased by 67.6%
- Beacon Commercial sales increased by 15.8%
- Trade Club members increased by 7,800 to nearly 52,000 members
- Established the new role of Executive General Manager Trade
- Implemented trade desks to all Beacon Lighting stores and began the process of rolling out trade rooms and trade walls to specific stores
- Introduced new trade products to complement the existing trade product range
- Conducted almost 3,400 lighting design consultations for the volume residential builders
- Beacon Commercial customer order pipeline increased by 36.5%
- Continued to refine the trade marketing program, the trade website and trade rewards to better meet the needs of our trade customers





- Online sales channel was critical during the COVID store restrictions in Sydney, Melbourne and Canberra in Q1 FY2022
- Online sales increased by 31.3% to \$34.1 million
- Online sales are now 12.9% of retail sales
- Online Trade Club visitations increased by 80.7% and online trade sales increased by 67.6%
- Online Trade Club sales are now 9.0% of total Trade Club Sales
- Launched the Beacon Lighting USA B2C website to build market presence in the USA
- Upgraded the Beacon Trade, Fanaway, Lucci Air, Beacon International, Mammoth Fans and Connected Light Source Solutions websites to the new technology platform
- Continued to have seamless integration between the online sales channel and Beacon Lighting stores

- Beacon Lighting USA increased sales by 51.9%
- Established a new USA sales channel on the website www.beaconlighting.us
- Beacon International sales increased by 27.9% to \$15.7 million
- Established a new online ceiling fan sales channel in China with Tmall Global
- Masson For Light sales increase by 32.4%, Custom Lighting sales increased by 29.0% and Connected Light Solutions increased by 23.8%
- Through the Large Format Property Fund, Beacon Lighting acquired a 50% interest in retail property at Modbury (SA), Bathurst (NSW) and Mildura (VIC)
- The Large Format Property Fund development project at Traralgon (VIC) opened as a Beacon Lighting store in December 2021





- Beacon Lighting continues to develop new retail and trade products and upgrade existing ones with the latest available energy efficient technology
- During the recent power shortages on the east coast of Australia, Beacon Lighting limited the use of power during the day and turned off all lights at night for all relevant stores
- 61 solar systems have been installed on Beacon Lighting stores generating electricity during peak operating periods throughout the day
- In FY2022, Beacon Lighting was awarded the Sustainability Award by the Lighting Council Australia (LCA) for demonstrating “a long-standing commitment to advancing the sustainability and environmental aims of LCA”
- In FY2022, Beacon Lighting was awarded the Outstanding Achievement Award in Sustainable Packaging Operations by the Australian Packaging Covenant Organisation (APCO)

4

FY2023 OUTLOOK

BEACON
LIGHTING
GROUP

Beacon
LIGHTING

Beacon
TRADE

Beacon
COMMERCIAL

Beacon
INTERNATIONAL

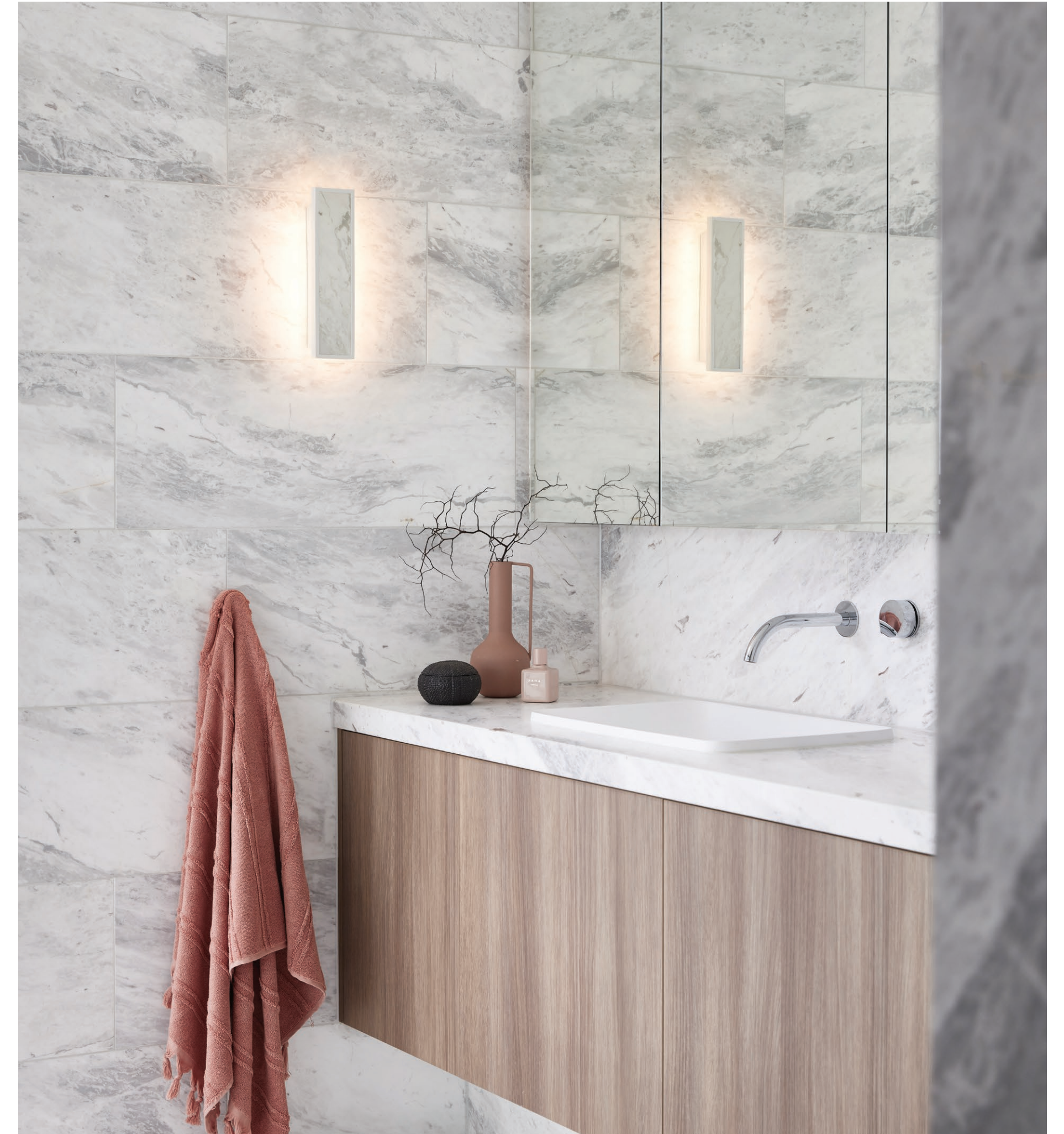
**LIGHT
SOURCE
SOLUTIONS**

CONNECTED
LIGHT SOLUTIONS

MASSON
FOR LIGHT


CUSTOM LIGHTING
DESIGNERS OF LIGHT

- Pleased to have stores not being impacted by lockdowns and encouraged by the sales for the start of the new year
- Improving the lives and businesses of our trade customers will continue to be the number one priority for Beacon Lighting. The positive trade sales momentum has continued into the start of FY2023
- Re-launch of the Beacon Trade Club with an improved digital presence and making it easier for members to encourage referral sales
- Continue to acquire new trade products in order to create a comprehensive range of products for our trade customer
- Continued expansion of the Australian designed products into the USA, China, Asian and European markets
- Development of the Large Format Property Fund properties at Auburn (NSW) and Southport (QLD) into Beacon Lighting stores
- The opening of 5 new Beacon Lighting stores in Pimpama (QLD), Warrawong (NSW), Armadale (NSW), Mt Barker (SA) and Auburn (NSW). Relocation of the Southport (QLD) and Nunawading (VIC) stores



5

QUESTIONS

BEACON LIGHTING GROUP

Beacon
LIGHTING

Beacon
TRADE

Beacon
COMMERCIAL

Beacon
INTERNATIONAL

**LIGHT
SOURCE
SOLUTIONS**

CONNECTED
LIGHT SOLUTIONS

MASSON
FOR LIGHT


CUSTOM LIGHTING
DESIGNERS OF LIGHT

DISCLAIMER

The presentation contains “forward-looking statements”. All statements other than those of historical facts included in the presentation are forward-looking statements. Where the Group expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. The Group will not necessarily release publicly any revisions to any such forward-looking statement.

The presentation contains general background information about the Group and its activities current as at the date of this presentation. The information in this presentation is in summary form only and does not contain all the information necessary to fully evaluate whether or not to buy or sell shares in the Group. It should be read in conjunction with the Group’s other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

This presentation is not a prospectus, disclosure document or other offering document. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for or purchase any security and does not form the basis of any contract or commitment.

NON-IFRS FINANCIAL MEASURES

The Group’s results are reported under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Group discloses certain Non-IFRS measures in this presentation, that are not audited or reviewed by the Group’s auditor. The Directors believe the presentation of Non-IFRS financial measures are useful for the users of this presentation as they provide additional and relevant information that reflect the underlying financial performance of the Group.

BEACON LIGHTING GROUP

