

H1 FY2024 RESULTS PRESENTATION

15 FEBRUARY 2024

BEACON LIGHTING GROUP

Beacon
LIGHTING

Beacon
TRADE

Beacon
COMMERCIAL

Beacon
INTERNATIONAL

LIGHT
SOURCE
SOLUTIONS

CONNECTED
LIGHT SOLUTIONS

WASSON
FOR LIGHT


CUSTOM LIGHTING
DESIGNERS OF LIGHT

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1

RESULTS OVERVIEW

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1 FINANCIAL HIGHLIGHTS

\$164.9m

Record Sales

\$46.4m

EBITDA

\$18.1m

NPAT

69.4%

Gross Profit Margin

\$36.4m

Cash⁽¹⁾

\$97.2m

Inventory

(1) Cash includes Other Financial Assets being a term deposit.

BEACON TRADE NO. 1 PRIORITY

- Beacon **TRADE** Benefits
- New **TRADE** Products
- New **TRADE** Merchandise

25.9%
STORE TRADE
SALES INCREASE

NEW STORES

Mount Baker (SA)
Mildura (VIC)
Devonport (TAS)
Warrawong (NSW)
Cranbourne (VIC)⁽¹⁾

POSITIVE COMPARATIVE STORE SALES

RELOCATED SUPPORT CENTRE

to above our
Nunawading Flagship store

Ian Robinson, Executive Chairman, received the Order of Australia Medal (OAM) as a part of the Australian Day 2024 Honours list “for service to the retail sector and to professional associations”.

(1) Cranbourne (VIC) store was a relocation.

\$'000	H1 FY2023	H1 FY2024	Change \$	Change %
Sales	164,673	164,857	184	0.1%
Gross Profit	112,045	114,337	2,292	2.0%
<i>Gross Profit Margin %</i>	68.0%	69.4%		
Other Income⁽¹⁾	542	503	(39)	(7.2%)
<i>% of Sales</i>	0.3%	0.3%		
Operating Expenses⁽²⁾	(64,428)	(68,444)	(4,016)	6.2%
<i>% of Sales</i>	39.1%	41.5%		
EBITDA⁽³⁾	48,159	46,396	(1,763)	(3.7%)
<i>EBITDA Margin %</i>	29.2%	28.1%		
EBIT⁽³⁾	33,169	29,839	(3,330)	(10.0%)
<i>EBIT Margin %</i>	20.1%	18.1%		
Net Profit After Tax	21,070	18,051	(3,019)	(14.3%)
<i>NPAT Margin %</i>	12.8%	10.9%		

(1) Other Income includes other revenue, other income and a share of net profits of associates.

(2) Operating Expenses exclude depreciation, amortisation and finance costs.

(3) Refer to Appendix for further information on Non-IFRS financial measures.

2

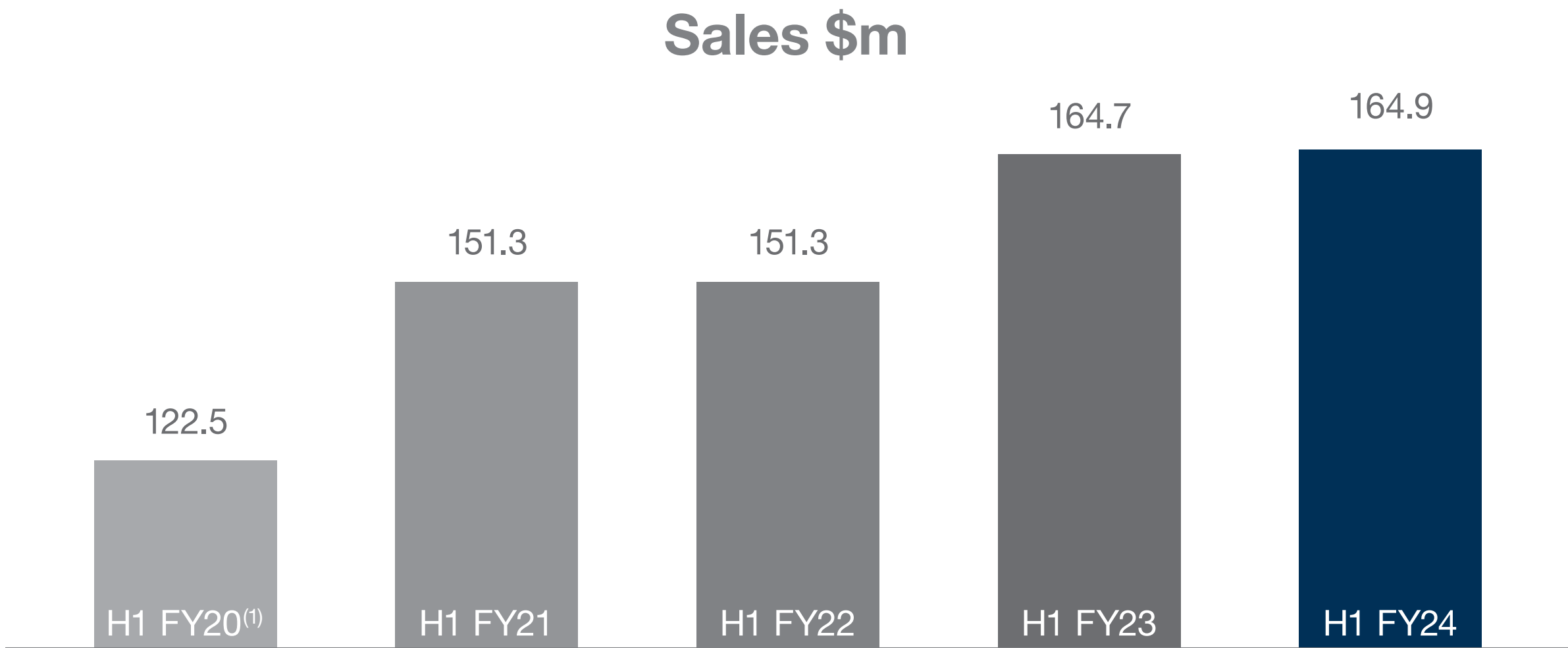
FINANCIALS



2 SALES

SALES: Increased by 0.1% to \$164.9 million

- Company store comparative sales increased by 0.1%.
- Store Trade sales increased by 25.9%.
- Total Trade sales increased by 22.9%.
- Online sales increased by 17.6%.



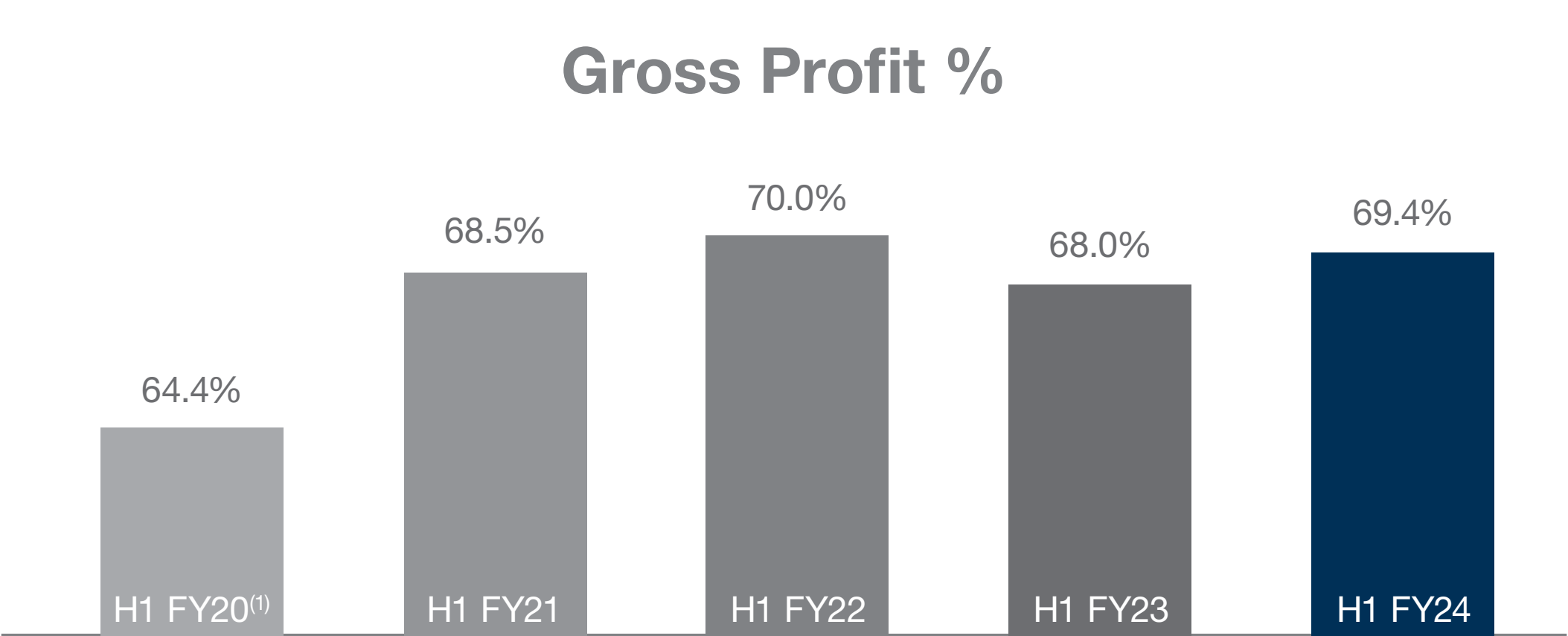
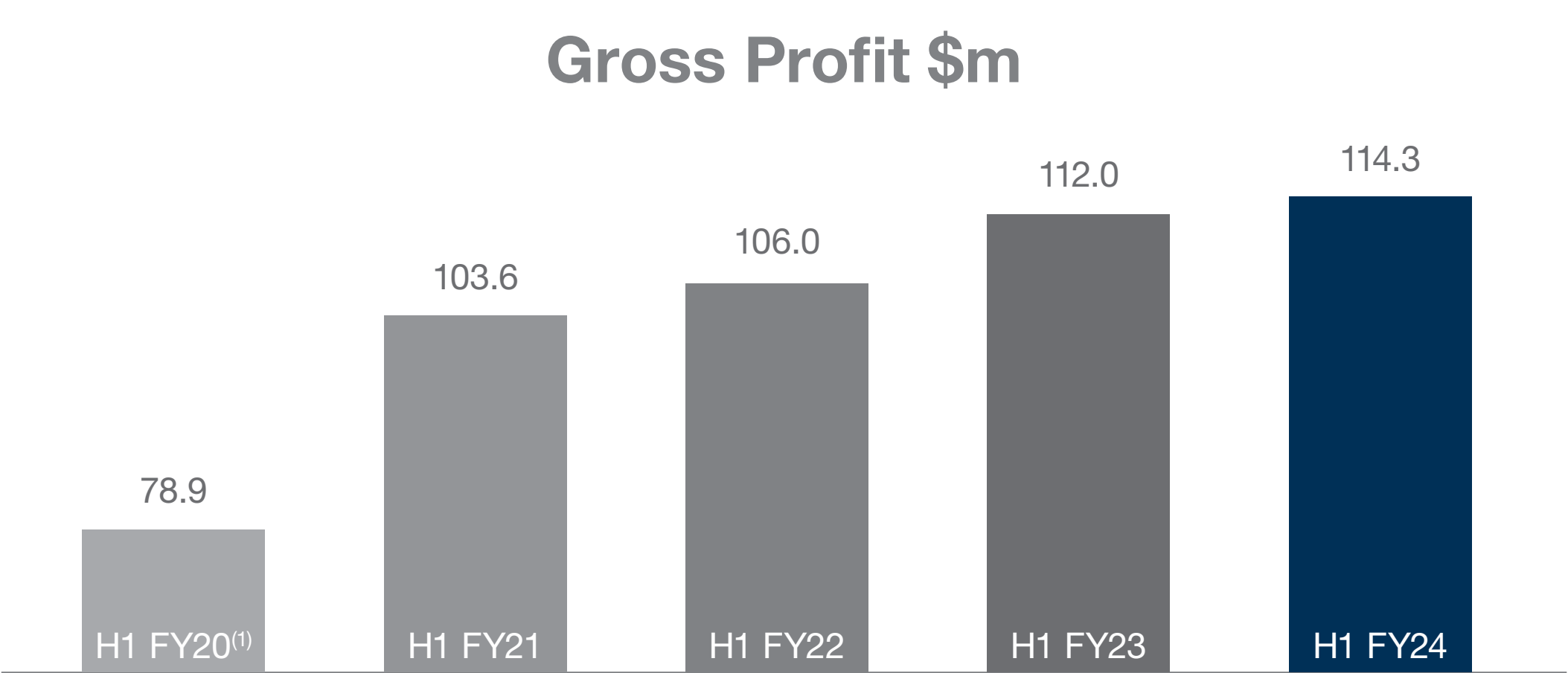
(1) Group sales less sales for Beacon Energy Solutions.



2 GROSS PROFIT

GROSS PROFIT: Increased to \$114.3 million

- Gross profit dollars increased by \$2.3 million to be 69.4% of sales.
- Being a vertically integrated business, Beacon Lighting has effectively managed the supply chain from factory to customer.
- Innovative products designed and developed in Australia continue to excite our customers and support our margins.



(1) Group Gross Profit less Beacon Energy Solutions Gross Profit.

OPEX: Increased by 6.2% of Sales to \$68.4 million

- Continued investment in marketing with an increased focus on trade.
- Inflation is impacting upon many expenses.
- Depreciation has increased, reflecting lease costs for new stores, exercised options and new leases, plus other business investments.
- Finance costs have increased, reflecting the lease costs for new stores, exercised options and new leases.



\$'000	H1 FY2023	H1 FY2024	Change \$	Change %
Marketing Expenses	8,260	8,676	416	5.0%
<i>% of Sales</i>	<i>5.0%</i>	<i>5.3%</i>		
Selling and Distribution	47,067	50,035	2,968	6.3%
<i>% of Sales</i>	<i>28.6%</i>	<i>30.4%</i>		
General and Admin	9,101	9,733	632	6.9%
<i>% of Sales</i>	<i>5.5%</i>	<i>5.9%</i>		
Operating Expenses⁽¹⁾	64,428	68,444	4,016	6.2%
<i>% of Sales</i>	<i>39.1%</i>	<i>41.5%</i>		
Depreciation	14,990	16,557	1,567	10.5%
<i>% of Sales</i>	<i>9.1%</i>	<i>10.0%</i>		
Finance Costs	3,068	3,771	703	22.9%
<i>% of Sales</i>	<i>1.9%</i>	<i>2.3%</i>		

(1) Operating expenses exclude depreciation, amortisation and finance costs.

2 CASH FLOW

- Payments to suppliers reflecting the reduced investment in inventory.
- Capital expenditure of \$5.2 million to support future growth.
- Dividend payment of \$6.6 million after the dividend reinvestment.
- Payments for financial assets for \$10.0 million was a term deposit.



\$'000	H1 FY2023	H1 FY2024
Cash Flow from Operations		
Receipts from Customers	178,797	181,941
Payment to Suppliers & Employees	(149,248)	(133,215)
Other	(2,977)	(3,679)
Income Tax Paid	(7,923)	(8,939)
Net Operating Cash Flow	18,649	36,108
Net Cash (Outflow) from Investing	(5,257)	(15,237)
Net Cash (Outflow) from Financing	(14,931)	(15,149)
Net Increase (Decrease) Cash	(1,539)	5,722

\$'000	H1 FY2023	H1 FY2024
Other Details		
Capital Expenditure	(5,343)	(5,246)
Payments for Financial Assets	-	(10,000)
Dividends Paid	(11,166)	(6,617)

- Increased cash and term deposit to \$36.4 million.
- Increase in Trade is reflected in the receivables increase to \$12.5 million.
- Reduced inventory to \$97.2 million.
- Significant increase in Right of Use Asset and Lease Liabilities.
- Borrowings have declined to \$27.0 million.



\$'000	DEC 2022	DEC 2023
Cash / Other Financial Assets	26,457	36,404
Receivables	9,318	12,482
Inventories	107,074	97,231
Other	3,192	3,348
Total Current Assets	146,041	149,465
PPE	41,559	46,449
Right of Use Asset	103,361	116,947
Investment in Associates	20,135	19,900
Intangible	13,708	13,938
Other	14,179	15,160
Total Non Current Assets	192,942	213,394
Total Assets	338,983	361,859
Payables	25,613	21,993
Borrowings	29,907	27,015
Lease Liability	27,291	27,644
Other	15,833	14,010
Total Current Liabilities	98,644	90,662
Lease Liability	94,479	109,455
Other	1,771	1,793
Total Non Current Liabilities	96,250	111,248
Total Liabilities	194,894	201,910
Net Assets	144,089	159,949



The Dividend Reinvestment Plan
(DRP) remains in place

Declared a fully franked dividend of
4.1 cents per share for H1 FY2024
(compared to 4.3 cents in H1 FY2023)

H1 FY2024 DIVIDEND:

Record date 1 March 2024
Payment date 15 March 2024

Annual payout ratio expected to be
50% to 60% of Net Profit After Tax

3

STRATEGIC PILLARS OF GROWTH



CUSTOMER

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

STORES

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

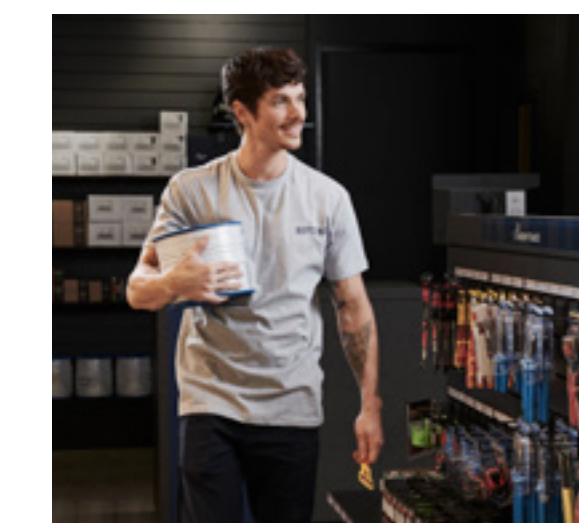
INVESTMENT IN THE
PROPERTY FUND



- Beacon Lighting now has 123 stores, with 121 company stores and 2 franchise stores.
- Opened new stores in Mount Baker (SA), Mildura (VIC), Warrawong (NSW) and Devonport (TAS). Relocated the Cranbourne (VIC) store.
- Company stores comparative sales increased by 0.1% in H1 FY2024, building on the 6.4% comparative sales increase in H1 FY2023.
- 34 Beacon Design Studio conducted premium lighting designs worth more than \$8.4 million.
- Designed and developed 190 exclusive new products to inspire our customers.
- Introduced new everyday benefits to our more than one million VIP customers.
- Store network research (from March 2023) has identified the potential for 195 Beacon Lighting stores in Australia.

3 TRADE

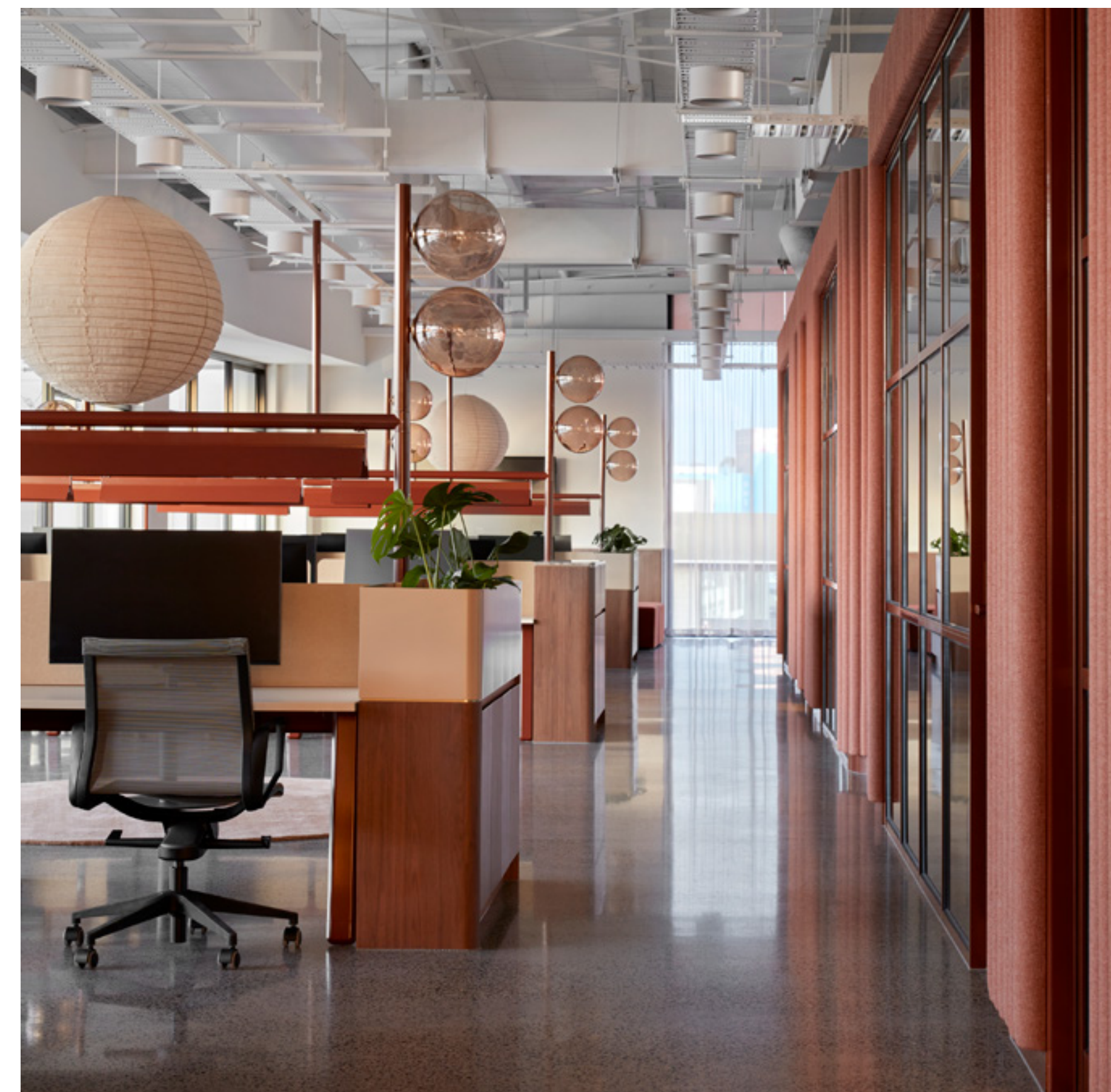
- Throughout H1 FY2024, the number one priority for Beacon Lighting was to positively impact the lives and businesses of our Trade customers.
- Introduced formal Trade specific processes and practices to all stores: attract and onboard, product selection, order and receive, and service and support.
- Trade sales through stores increased by 25.9%, total Trade sales increased by 22.7%, and Beacon Commercial sales increased by 22.9%.
- Total Trade sales have increased to 35.0% of all relevant Trade sales.
- Continued to increase Trade Club members.
- Trade Club members have enjoyed a strong uptake of Beacon cash.
- Continued to invest in the Trade marketing program, the Trade website and Trade rewards program to excite our customers.

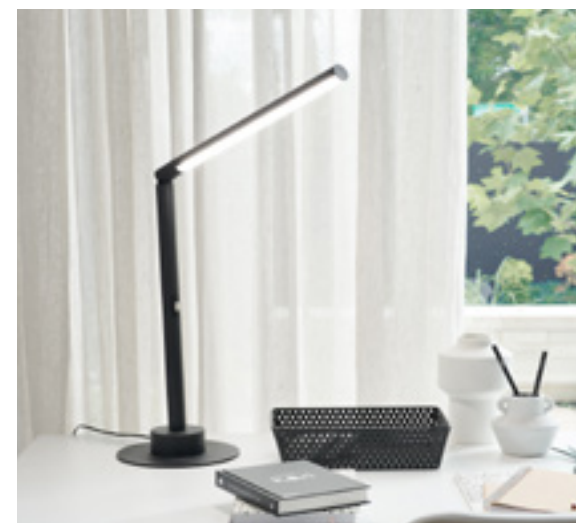




- Beacon Lighting now has 16 different business websites, with the primary websites being **www.beaconlighting.com.au** and **www.beacontrade.com.au**
- Online sales increased by 17.6% to be 11.6% of company store sales.
- Online visitation to the Trade website increased by 40.5%, while online Trade sales increased by 51.0%. Online Trade sales now account for 13.0% of total Trade sales.
- Continued to enhance the website experience for our customers by utilising customer data and smart tools.
- Provided three-hour customer delivery in major metropolitan markets or one-hour click and collect in store for our online retail and trade customers.
- Continued to offer seamless integration between the online sales channel and Beacon Lighting stores for our retail and Trade customers.

- Flat sales for Beacon International.
- Beacon International USA achieved a sales increase.
- Beacon International returned to exhibiting at the Hong Kong Lighting Fair.
- Continued to support the Custom Lighting, Connected Light Solutions, Masson For Light, and Light Source Solutions (in New Zealand) businesses.
- Beacon Lighting has a 50% interest in the Large Format Property Fund, which owns seven retail properties.
- Relocated the Beacon Group Support Centre (BGSC) to be above the Beacon Lighting flagship store in Nunawading (VIC).





- Beacon Lighting has installed 65 solar systems on our stores and distribution centres, generating electricity during peak trading periods throughout the day.
- Used the latest energy efficient LED lighting in all new stores, store renovations, and the new Beacon Group Support Centre in Nunawading (VIC).
- Removed bubble wrap and polystyrene balls for all product deliveries from the distribution centres to Beacon Lighting stores.
- Substantially eliminated all polystyrene packaging for new products purchased.
- Trade customers continued to return their Beacon Lighting packaging for free recycling.
- Beacon Lighting continued to innovate and develop new products while upgrade existing products with the latest available energy efficient technology.
- Winner of the 2023 Gold Good Design Award for Best Domestic Appliance: Sanso EVOOne, a ceiling-mounted air purifier with integrated light, reducing asthma/allergy risks and supporting a healthy circadian rhythm.



4

H2 FY2024 OUTLOOK

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FOR LIGHT


CUSTOM LIGHTING
DESIGNERS OF LIGHT

- Company store sales momentum remains consistent with H1 FY2024.
- Positively impacting the lives and businesses of our Trade customers continues to be the number one priority for Beacon Lighting.
- The Trade sales positive momentum has continued into H2 FY2024.
- Open new company stores at Melton (VIC), Auburn (NSW), Gregory Hills (NSW) and Busselton (WA).
- Open a new flagship store in Auburn (NSW) through the Large Format Property Fund.
- Beacon International to exhibit at international lighting fairs in Dallas (USA) and Frankfurt (Germany).
- Remain at the forefront of technology, fashion, and energy efficient lighting, fan, and electrical accessory products in order to continue to inspire our retail, trade and international customers.



5

QUESTIONS

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6 APPENDIX: OTHER INFORMATION

DISCLAIMER

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