



# ASX Announcement

17 June 2020

## Business Update

The Beacon Lighting Group Limited (ASX: BLX) today provides an update on the Group's COVID-19 actions, FY2020 year to date sales, FY2020 underlying profit guidance, the Parkinson Distribution Centre sale, the Beacon Energy Solutions closure and FY2020 statutory profit guidance.

### COVID-19 Actions

Throughout the COVID-19 period, the safety and wellbeing of our associates, customers, business partners and the community has been the major priority of the Beacon Lighting Group. The Group has implemented social distancing standards, invested in additional intensive cleaning and introduced hand sanitisers and restrictions on the number of customers visiting our stores. Fortunately, Beacon Lighting Stores have been able to trade throughout the COVID-19 pandemic, supplying our retail and trade customers with lighting, globes and ceiling fans.

Beacon Lighting Group CEO, Glen Robinson would like to thank the Group's associates and customers for their support throughout the COVID-19 pandemic.

"During these uncertain times the team members of Beacon Lighting have shown how adaptable they are to the changing circumstances, providing our customers with exceptional service while ensuring all health and safety guidelines are followed. The great results achieved would not have been possible without the efforts of our team and the support of our customers".

### FY2020 Year to Date Sales

During H2 FY2020 (for the period 30/12/2020 to 14/06/2020), the Beacon Lighting Group (excluding Beacon Energy Solutions) has achieved the following sales results over the corresponding period in H2 FY2019:

- Total sales growth of 15.5%
- Company stores comparative sales growth of 16.9%
- Online sales growth of 77.7%

Year to date in FY2020 (for the period 01/07/2019 to 14/06/2020), the Beacon Lighting Group (excluding Beacon Energy Solutions) has achieved the following sales results over the corresponding period in FY2019:

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ACN 164 122 785



- Total sales growth of 7.1%
- Company stores comparative sales growth of 6.4%
- Online sales growth of 47.8%

The Beacon Lighting Group has experienced significant growth in sales in H2 FY2020 as customers are spending more time working, educating and completing projects at home. Given the recent changes to customer shopping patterns and future changes in Government policies, it is uncertain as to whether the higher levels of sales will continue in the future.

#### **FY2020 Underlying Profit Guidance**

Despite the current uncertainties and given the strong sales results in H2 FY2020, the Beacon Lighting Group Underlying Net Profit After Tax result (excluding the impact of Parkinson Distribution Centre sale, the Beacon Energy Solutions closure and AASB 16 Leases impact) in FY2020 will exceed the Underlying Net Profit After Tax result of \$16.5 million in FY2019.

#### **Parkinson Distribution Centre Sale and Beacon Energy Solutions Update**

In the trading update on 9 December 2019, the Beacon Lighting Group announced the Parkinson Distribution Centre sale and the Beacon Energy Solutions closure. The Parkinson Distribution Centre was sold for \$28.0 million which realised a cash flow profit before tax of \$13.5 million. Given the sale and leaseback accounting rules, the Group realised a profit before tax of \$7.8 million in the FY2020 statutory result.

In completing existing Beacon Energy Solution contracts and meeting all obligations, the cost to close the business has exceeded the original forecasts. An increase in the cost to complete the solar projects and realising excess stock, along with ongoing warranty obligations and doubtful debts, will result in the cost of closing Beacon Energy Solutions to be approximately \$5.0 million.

#### **FY2020 Statutory Profit Guidance**

With the Parkinson Distribution Centre sale, Beacon Energy Solutions closure and AASB 16 Leases impact, the Beacon Lighting Group Forecast FY2020 Statutory Net Profit After Tax result will exceed the Forecast FY2020 Underlying Net Profit After Tax result.

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This update was authorised to be released to the ASX by the Beacon Lighting Group Board of Directors.

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