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# H1 FY2024 RESULTS PRESENTATION

15 FEBRUARY 2024



## 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

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# RESULTS OVERVIEW



BEACON  
LIGHTING  
GROUP

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*Beacon*  
LIGHTING

*Beacon*  
TRADE

*Beacon*  
COMMERCIAL

*Beacon*  
INTERNATIONAL

**LIGHT  
SOURCE  
SOLUTIONS**

**CONNECTED**  
LIGHT SOLUTIONS

**MASSON**  
FOR LIGHT

  
CUSTOM LIGHTING  
DESIGNERS OF LIGHT

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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<sup>(1)</sup>

**\$97.2m**  
Inventory

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

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# OPERATIONAL HIGHLIGHTS

**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)<sup>(1)</sup>

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

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# FINANCIALS



PARKING  
→

Beacon  
LIGHTING

Beacon  
LIGHTING

Beacon  
LIGHTING  
1300 BEACON  
beaconlighting.com.au

SUPER SPECIALS

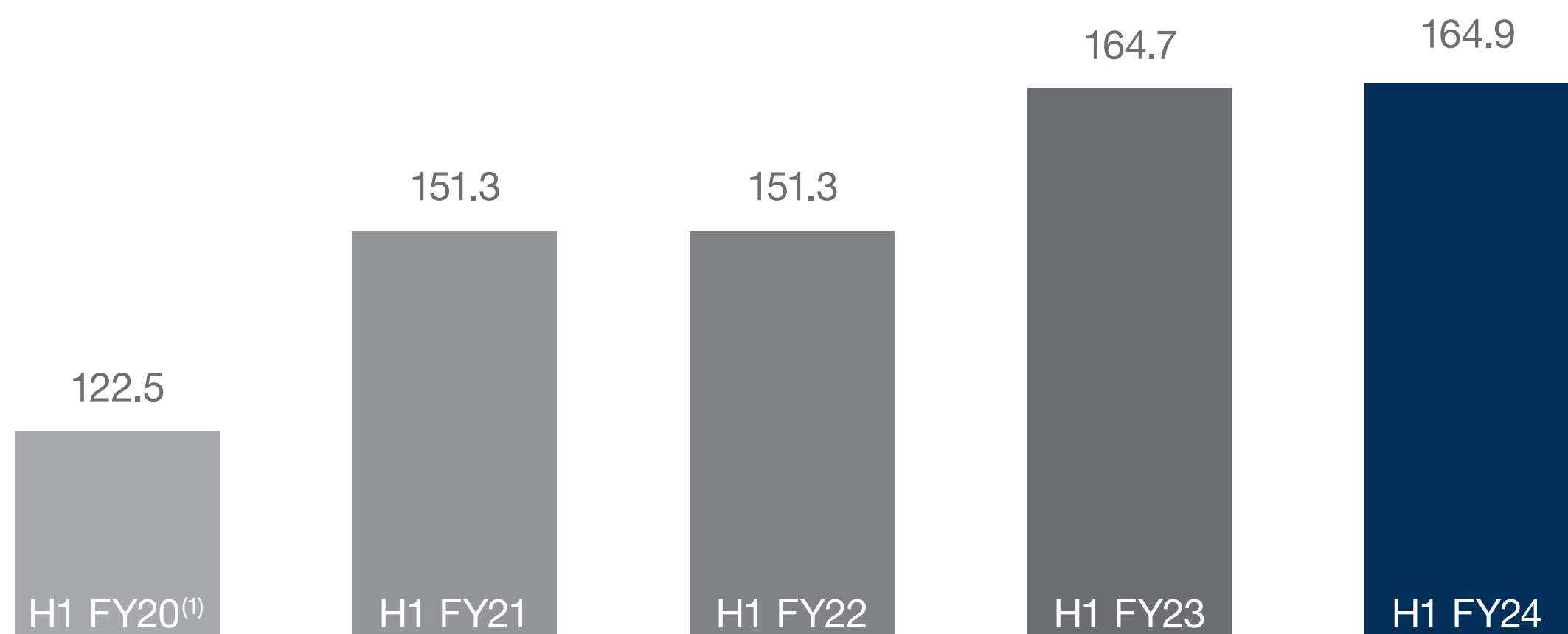
boow...

# 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%.

Sales \$m



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





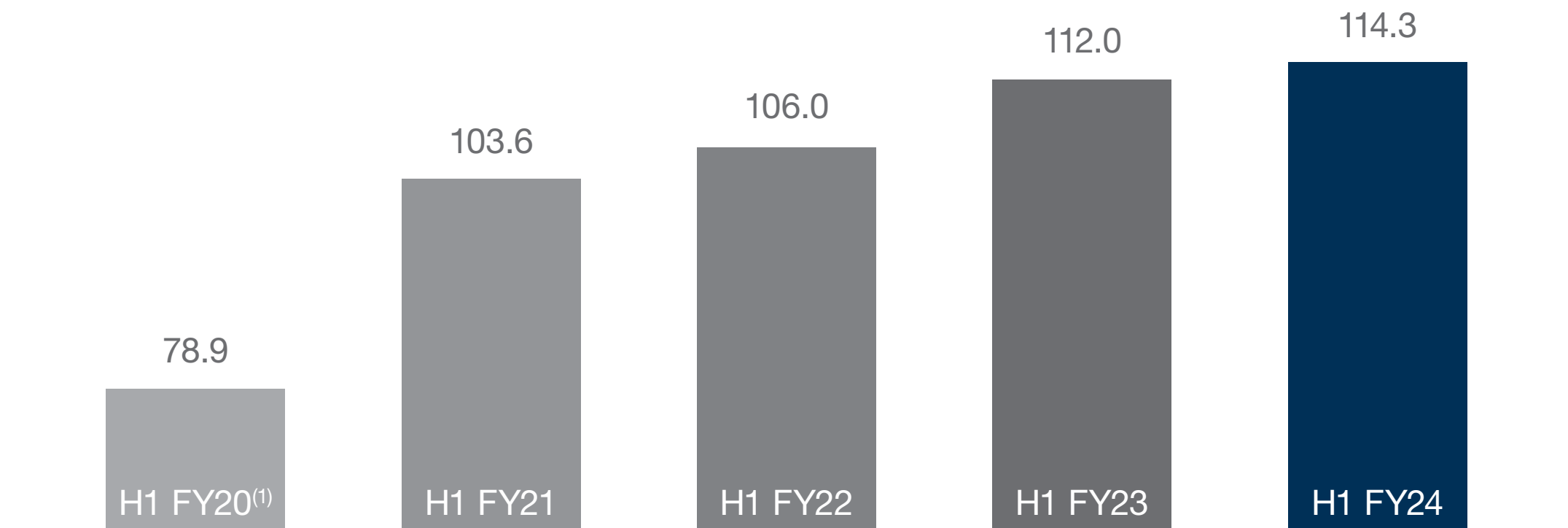
# 2 GROSS PROFIT

**GROSS PROFIT:** Increased to \$114.3 million

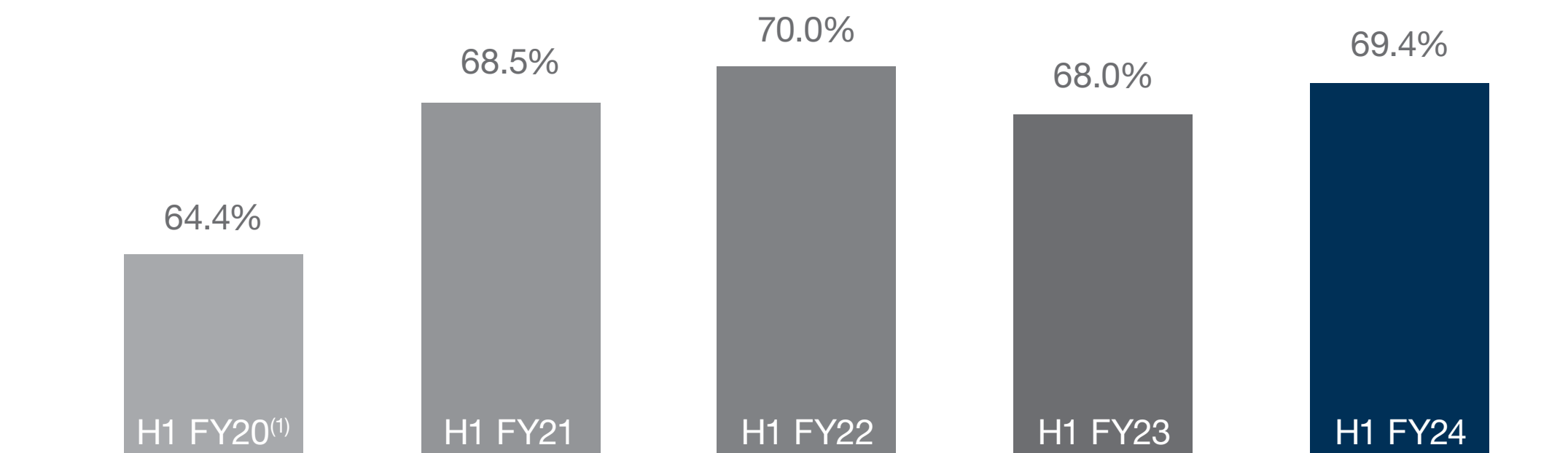
- Gross profit dollars increased by \$2.3 million to be 69.4% of sales.
- Being a vertically integrated business, Beacon Lighting has effectively managed the supply chain from factory to customer.
- Innovative products designed and developed in Australia continue to excite our customers and support our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



Gross Profit \$m



Gross Profit %



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

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## 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 %
<b>Marketing Expenses</b>	<b>8,260</b>	<b>8,676</b>	<b>416</b>	<b>5.0%</b>
<i>% of Sales</i>	<i>5.0%</i>	<i>5.3%</i>		
<b>Selling and Distribution</b>	<b>47,067</b>	<b>50,035</b>	<b>2,968</b>	<b>6.3%</b>
<i>% of Sales</i>	<i>28.6%</i>	<i>30.4%</i>		
<b>General and Admin</b>	<b>9,101</b>	<b>9,733</b>	<b>632</b>	<b>6.9%</b>
<i>% of Sales</i>	<i>5.5%</i>	<i>5.9%</i>		
<b>Operating Expenses<sup>(1)</sup></b>	<b>64,428</b>	<b>68,444</b>	<b>4,016</b>	<b>6.2%</b>
<i>% of Sales</i>	<i>39.1%</i>	<i>41.5%</i>		
<b>Depreciation</b>	<b>14,990</b>	<b>16,557</b>	<b>1,567</b>	<b>10.5%</b>
<i>% of Sales</i>	<i>9.1%</i>	<i>10.0%</i>		
<b>Finance Costs</b>	<b>3,068</b>	<b>3,771</b>	<b>703</b>	<b>22.9%</b>
<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
<b>Cash Flow from Operations</b>		
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)
<b>Net Operating Cash Flow</b>	<b>18,649</b>	<b>36,108</b>
Net Cash (Outflow) from Investing	(5,257)	(15,237)
Net Cash (Outflow) from Financing	(14,931)	(15,149)
<b>Net Increase (Decrease) Cash</b>	<b>(1,539)</b>	<b>5,722</b>

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

## 2 BALANCE SHEET

- 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
<b>Total Current Assets</b>	<b>146,041</b>	<b>149,465</b>
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
<b>Total Non Current Assets</b>	<b>192,942</b>	<b>213,394</b>
<b>Total Assets</b>	<b>338,983</b>	<b>361,859</b>
Payables	25,613	21,993
Borrowings	29,907	27,015
Lease Liability	27,291	27,644
Other	15,833	14,010
<b>Total Current Liabilities</b>	<b>98,644</b>	<b>90,662</b>
Lease Liability	94,479	109,455
Other	1,771	1,793
<b>Total Non Current Liabilities</b>	<b>96,250</b>	<b>111,248</b>
<b>Total Liabilities</b>	<b>194,894</b>	<b>201,910</b>
<b>Net Assets</b>	<b>144,089</b>	<b>159,949</b>

## 2 DIVIDENDS



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

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# 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

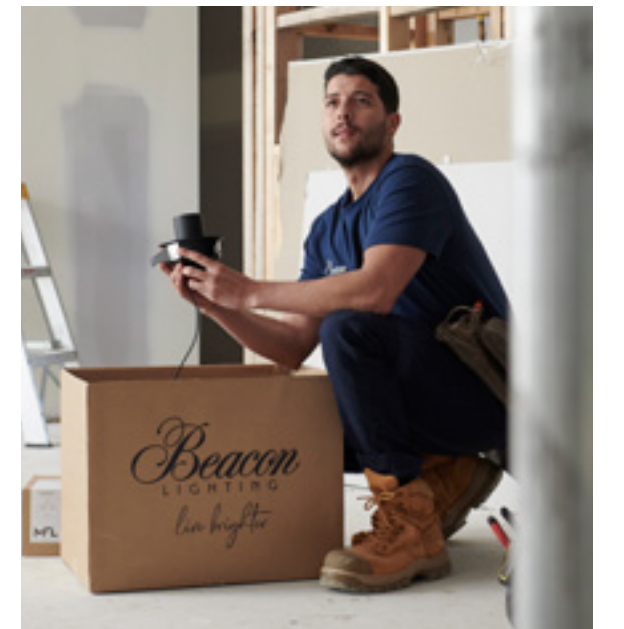
# 3 STORES



- 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.



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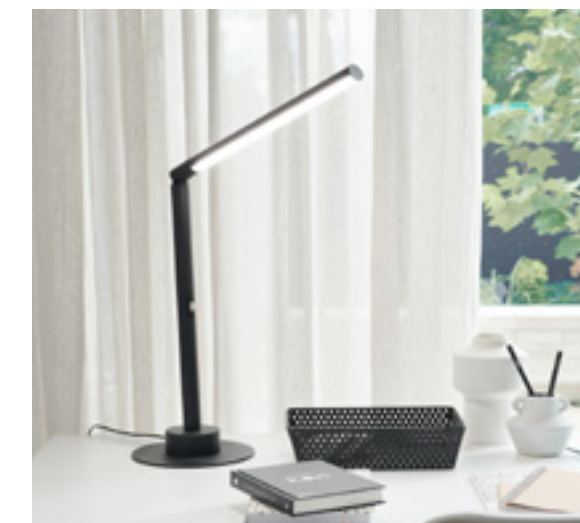




- Beacon Lighting now has 16 different business websites, with the primary websites being **[www.beaconlighting.com.au](http://www.beaconlighting.com.au)** and **[www.beacontrade.com.au](http://www.beacontrade.com.au)**
- Online sales increased by 17.6% to be 11.6% of company store sales.
- Online visitation 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.

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# H2 FY2024 OUTLOOK

## BEACON LIGHTING GROUP

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*Beacon*  
LIGHTING

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**LIGHT**  
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- 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.



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# QUESTIONS

BEACON  
LIGHTING  
GROUP

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# 6 APPENDIX: OTHER INFORMATION

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