



STOKES LIMITED (ASX:SKS)

Capital Raising Presentation – June 2017

AUDIOVISUAL LIGHTING

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Capital Raising Overview

- \$2.3m capital raising to be undertaken at \$0.30 per share
- Between 6.33m and 7.693m new shares to be issued, the higher representing 25% of current issued capital
- One (1) share option will be issued for every one (1) new shares subscribed at no additional cost, exercisable at any time prior to 30 June 2019 at an Exercise Price of \$0.35 per share.

Use of funds include:

- Repayment of convertible debt approximately \$1.3m with \$2.3m on issue
 - An estimated \$1.3m of the \$2.6m of the 30 June 2017 convertible notes will convert into ordinary shares at \$0.35/share. This includes Directors who own 26% of the convertible notes
- Working capital requirements

Timeline

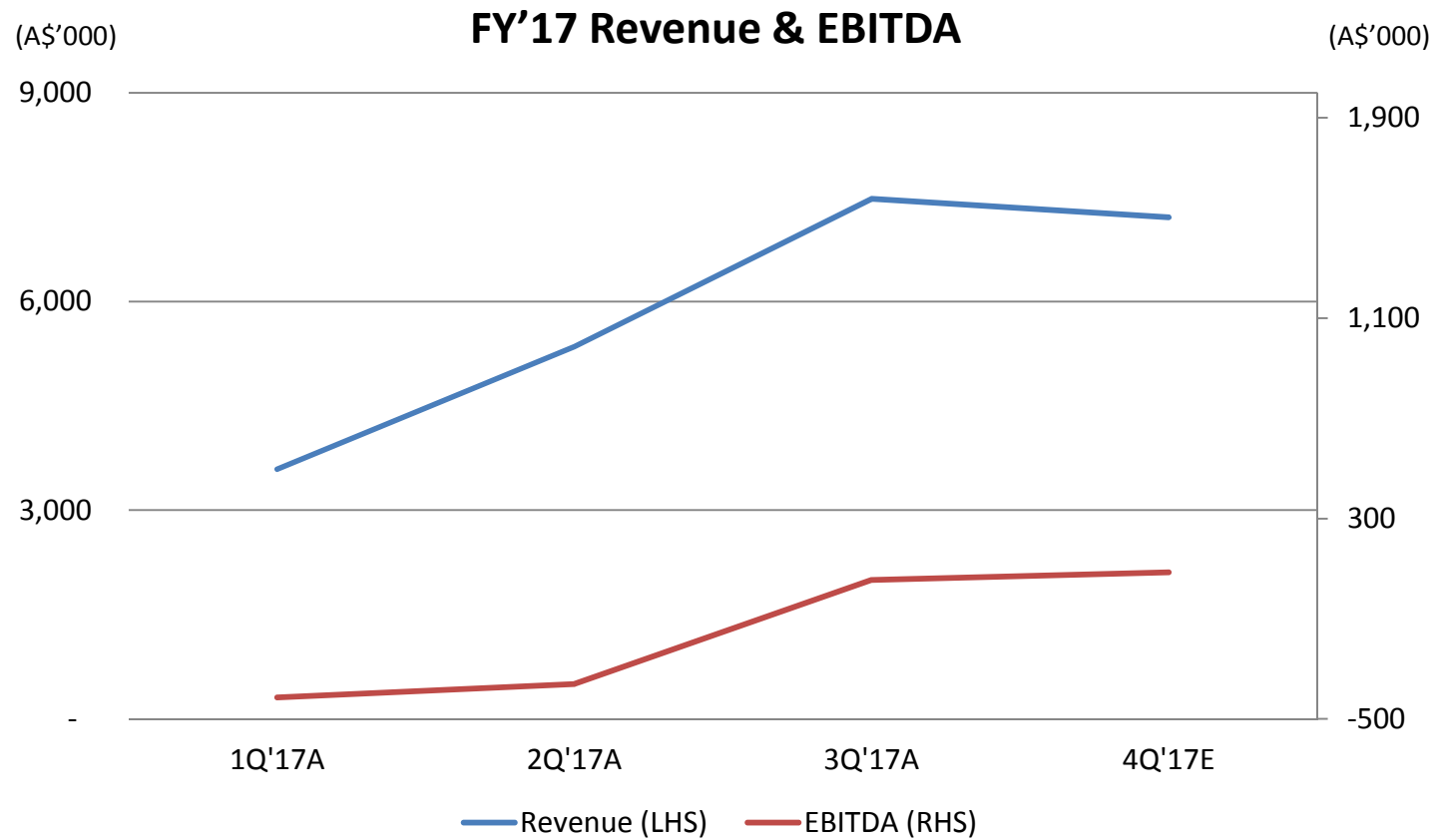
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|------------------------------------------------------------------|------------------------|
| ➤ Trading Halt and Placement conducted | Monday, 5 June 2017 |
| ➤ Resume Trading, announce results of Placement | Wednesday, 7 June 2017 |
| ➤ Settlement of placement shares | Friday, 9 June 2017 |
| ➤ Allotment and trading of New Shares issued under the Placement | Tuesday, 13 June 2017 |

Financial Highlights

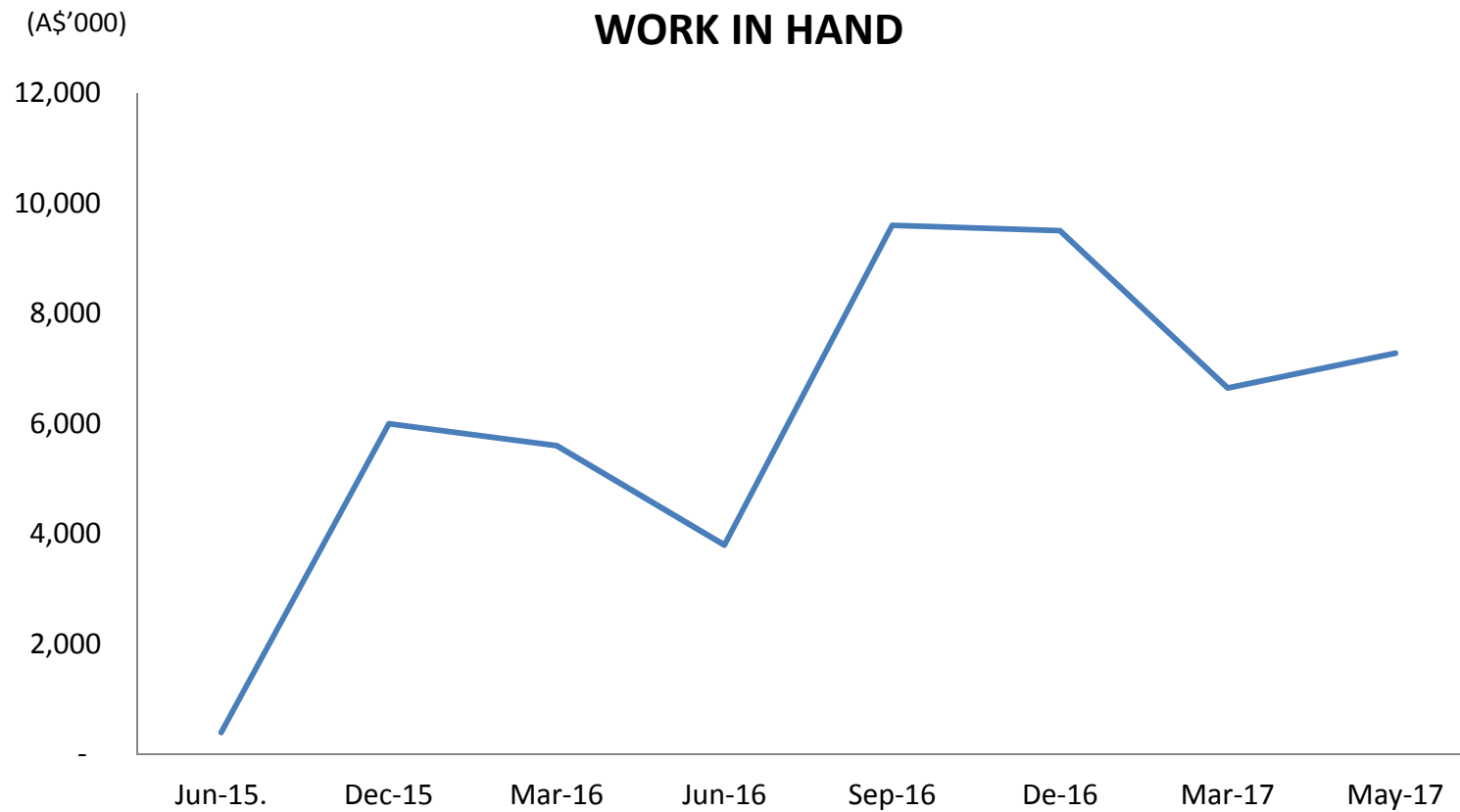
Details	Half Year 31-Dec-16 \$'000	Half Year 31-Dec-15 \$'000	FY2016 30-Jun-16 \$'000	FY2015 30-Jun-15 \$'000
Revenue	10,218	5,673	16,526	3,528
EBITDA	501	(1,157)	(932)	(1,773)
EBIT	409	(1,215)	(1,068)	(1,839)
Profit/(Loss) - discontinued operation	-	1,764	1,547	(1,328)
NPAT	133	370	55	(3,574)
Operating Cash flow	(1,711)	(2,304)	(1,699)	(1,969)
Net Debt	5,496	2,997	2,702	3,306



Financial Highlights



Financial Highlights



Balance Sheet

Details	Half Year 31-Dec-16 \$'000	Half Year 31-Dec-15 \$'000	FY2016 30-Jun-16 \$'000	FY2015 30-Jun-15 \$'000
Receivables and WIP	5,278	2,934	4,597	2,535
PP&E	609	488	508	327
Inventory	3,312	989	1,234	394
Other	525	295	156	2,407
Goodwill	773	122	122	-
Total assets	10,497	4,828	6,617	5,663
Payables	4,921	2,422	4,775	2,910
Net debt	5,496	2,997	2,702	3,306
Other	490	237	284	645
Total liabilities	10,907	5,656	7,761	6,861
Issued capital	11,026	10,426	10,426	10,426
Retained earnings and reserves	(11,436)	(11,254)	(11,570)	(11,624)
Equity	(410)	(828)	(1,144)	(1,198)



Audio Visual Integration Division

- Stokes Technologies operates in the commercial specification market working with consulting engineers and end users to design & supply high end fully integrated AV projects to the commercial and retail sector.
- Stokes Technologies designs and supply's digital content delivery solutions including LED Video Wall technology.
- Several major projects have successfully been completed to date.
- Strong order book and opportunity pipeline ahead



Lighting Division

- Acquired street lighting and pole business Artcraft Urban Group – November 2016
- Acquired Forlite commercial lighting brand in QLD – February 2017
- Commercial and Street Lighting business units now trade as Urban Lighting Group (ULG)
- The business operates in the commercial specification market working with consulting engineers and architects.
- ULG operates from VIC, NSW, QLD and SA.
- Exclusive distributor of Forma, AEC, Faelluce and Neri



Audio Visual & IT Distribution Division “Dueltek”

- National distributor of structured data cabling systems provider AT&T Cabling Systems
- National distributor of Trendnet, globally recognized brand of networking equipment.
- Approved supplier for Australian Government Department of Defense and Lockheed Martin
- Strong on-line presence



Top Shareholders

Directors & Management	46%
JM Financial Group	23%
Top 20 Shareholders	87%

Capital Structure

Shares on issue	30.8m
Convertible notes	8.4m
Share price	\$0.30
Market cap (ords)	\$10m
52-week high	\$0.50
52-week low	\$0.30

Directors & Management

Peter Jinks	Managing Director
Greg Jinks	Executive Director
Terry Grigg	Non-Executive Director



Outlook

- Exciting new opportunities in the digital content delivery sector
- Stabilised operating structure to meet continued strong growth
- Strong work in hand position
- Significant recent contract wins
 - Westin Hotel \$2.0M
 - Westpac office fit out \$1.1M
- Strong pipeline of opportunity ~ \$23.0M
- Forecasted Revenue for FY17 is \$24.0M
- Overhead recovery more aligned with growth in revenue

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