



ASX Announcement

9 December 2019

Sale of the Brisbane Distribution Centre and Beacon Energy Solutions Update

Beacon Lighting Group Limited (ASX: BLX) announce the sale of its Brisbane Distribution Centre and the winding up of its Beacon Energy Solutions business. Both developments offer a strategic realignment of resources whilst generating additional working capital for future opportunities.

Sale of the Brisbane Distribution Centre

The Beacon Lighting Group has sold its Brisbane Distribution Centre to Charter Hall for \$28 million under a sale and leaseback arrangement. The Group has entered a lease with Charter Hall for an initial term of eight years with three further five-year option on a yield of 5.38%.

The Beacon Lighting Group acquired the ex-Masters property at 58 Precinct Street, Parkinson, QLD for \$12.5 million inclusive of stamp duty in January 2019. Following construction works, the property was repurposed as a distribution centre to service the Beacon Lighting business network in QLD and NSW and to house the Beacon Commercial operation in QLD.

The profitable sale of the Brisbane Distribution Centre will enable the Beacon Lighting Group to reduce debt and generate additional capital for other business opportunities.

Beacon Energy Solutions Update

Beacon Energy Solutions has been successful in growing sales and increasing brand awareness in the commercial solar market in recent years. However, given the competitive market environment the Beacon Lighting Group has found it challenging to maintain a sustainable Beacon Energy Solutions business.

As a result, Beacon Energy Solutions has begun the process of winding up the business by not seeking new sales whilst completing current contracts and meeting all obligations. In FY2020, it is expected that the one-off cost of winding up and closing Beacon Energy Solutions including ongoing operating costs, asset realisation costs, completion of existing projects, sales and cost of sales adjustments and redundancies will be in the range of \$3.4 to \$3.9 million.



The Beacon Lighting Group believes that the resources and capital currently invested in Beacon Energy Solutions can be redeployed to other opportunities which are better aligned to its core business activities.

Glen Robinson, Chief Executive Officer of the Beacon Lighting Group said, "With the current market conditions, we were able to secure a substantial profit on the sale of our recently purchased distribution centre, generating valuable working capital to explore new business opportunities. The winding up of our Beacon Energy Solutions business will allow for the redirection of resources to support other opportunities for the Group."

Further Information

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(The person who authorised the release of this announcement was Glen Robinson).

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