

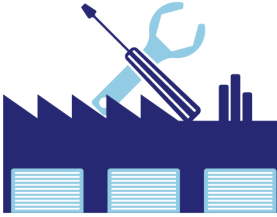


# Hawko Lighting Acquisition Presentation

ASX:FOS

# FOS Lighting Overview

- FOS was established April 2019
- FOS designs, manufactures and distributes quality LED lighting solutions to the commercial construction industry with sectors including offices, hospitals, schools, warehouses, railway, galleries & museums
- FOS is led by an experienced management team with a proven industry track record
- FOS has completed 4 acquisitions since inception to create an ANZ operation
- FOS is profitable, cashflow positive, debt free and has built the foundations to launch the business into its next expansion phase
- FOS paid a dividend in its first year as a listed company.
- FOS's medium term stated intentions are to grow organically and by acquisition to create a +\$50M revenue group that can produce net profit margins in excess of 10%



FÖS  
CAPITAL

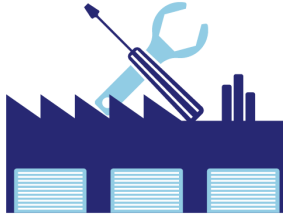
# Hawko Lighting Acquisition



- Hawko Lighting Group
- Established over 30 years, based on Sunshine Coast, Queensland
- Manufactures an extensive range of LED linear lighting
- Services the Australian market through distributors
- 14 employees
- FY22 Sales \$3.3M
- FY22 normalised EBIT \$300K
- Initial synergy benefits \$250K (to be realised over first 6 months)
- Purchase price \$1M cash upfront \$300K deferred 12 months linked to sale of stock .

# Acquisition Rationale

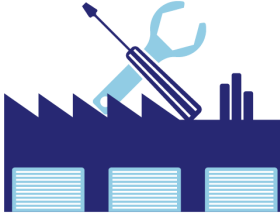
- Hawko linear lighting range similar to FOS Vekta
- Expands FOS's market share in linear lighting
- Linear lighting is FOS's fastest growing product range
- Hawko has products and tooling that fills gaps in FOS's range
- Significant synergies available through shared manufacturing with FOS Brisbane facility
- Increases production capacity
- Hawko will benefit from FOS distribution network in Australia and NZ
- Continues consolidation of lighting manufacturing sector
- Earnings per share accretive
- Continues FOS's stated objectives of growth through acquisition



FOS  
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# Capital Raising

- FOS Capital has raised \$1.5M via a sophisticated investor placement
- Morgans Corporate Ltd acted as sole Financial Advisor to the offer
  - Offer price \$0.20
  - Total shares on issue prior to Offer 46,306,139
  - Shares issued under Placement Offer 7,500,000
  - Total funds raised from Offer \$1.5M
  - Total shares on issue at completion of the offer 53,806,139
- Hancock & Gore (ASX:HNG) and associated entities subscribed to \$1M of the placement
- All Directors participated in placement (subject to shareholder approval)

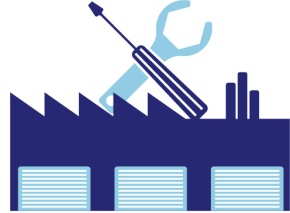


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# FOS Group Inclusive of Hawko



+\$20M  
Annualized Sales



3  
Manufacturing &  
Warehousing facilities



6  
Sales offices



7  
Distributors



15  
Product ranges



64  
Employees



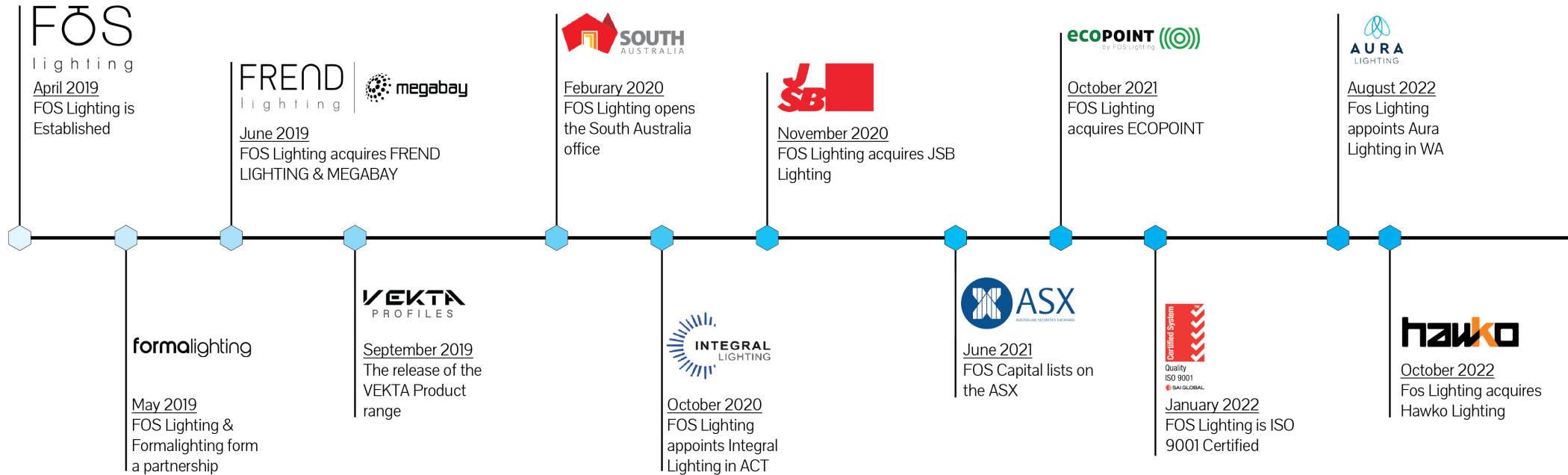
+\$7M  
Order Book



\$60M  
Quote pipeline

FOS  
CAPITAL

# FOS Timeline



# FY22 Financials

P&L (\$m)	FY22	FY21
Sales	13.5	8.1
Gross Profit	5.7	3.3
Other income	0.4	1.4
Expenses	5.7	3.9
PBT	0.41	0.79
NPAT	0.35	0.74
Operating cashflow	0.7	(0.9)
Dividends per share	0.5c	0

Balance Sheet (\$m)	June 22	Dec 21	June 21
Cash & Receivables	3.7	3.9	5.3
Stock, P&E, Other	8.1	8.7	5.7
Total Assets	11.8	12.6	11
Payables	1.8	1.6	1.6
Other	2.4	3.5	2.4
Total Liabilities	4.2	5.1	4.1
Net Assets	7.6	7.5	6.9



# FY22 Comparative analysis

