



Beacon Lighting Group Limited

ANNUAL GENERAL MEETING

20 OCTOBER 2015



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CEO PRESENTATION



FY2015 RESULTS OVERVIEW

FY2015 HIGHLIGHTS

- Record sales and record profit results
- Sales increased by \$29.0m, 19.3% ahead of last year
- Company store comparative sales increase of 10.4%
- Strong gross profit dollar increase of 20.1%
- Opened seven new company stores, purchased one franchise store and closed one company store
- Designed and developed 440 exclusive new products
- Increased sales across all divisions and sales channels
- Achieved expense productivity gains across all aspects of the business
- Operating expenses down 3.0% as a percentage of sales on FY2014
- EBITDA increased by \$7.3m, 36.4% ahead of FY2014
- NPAT increased by \$5.1m, 43.6% ahead of FY2014
- Inclusion in the ASX All Ordinaries Index



YEAR-ON-YEAR RESULT



	FY2014 \$'000	FY2015 \$'000	\$ + / - on Last Year	% + / - on Last Year
Sales	150,338	179,386	29,048	19.3%
Gross Profit	96,660	116,041	19,381	20.1%
<i>Gross Profit Margin</i>	<i>64.3%</i>	<i>64.7%</i>		
Other Income	5,521	3,949	(1,572)	(28.5%)
<i>% of Sales</i>	<i>3.7%</i>	<i>2.2%</i>		
Operating Expenses ⁽¹⁾	(82,095)	(92,595)	(10,500)	12.8%
<i>% of Sales</i>	<i>54.6%</i>	<i>51.6%</i>		
EBITDA	20,086	27,395	7,309	36.4%
<i>EBITDA Margin %</i>	<i>13.4%</i>	<i>15.3%</i>		
EBIT	18,066	25,042	6,976	38.6%
<i>EBIT Margin %</i>	<i>12.0%</i>	<i>14.0%</i>		
Net Profit After Tax	11,797	16,939	5,142	43.6%
<i>NPAT Margin %</i>	<i>7.8%</i>	<i>9.4%</i>		

(1) Operating Expenses exclude depreciation, amortisation and financing costs.

BALANCE SHEET



	FY2014 \$'000	FY2015 \$'000	\$ + / - on Last Year	% + / - on Last Year
Cash	11,427	11,779	352	3.1%
Receivables	8,217	7,017	(1,200)	(14.6%)
Inventories	32,194	44,656	12,462	38.7%
Other	365	997	632	173.2%
Total Current Assets	52,203	64,449	12,246	23.5%
PPE	16,818	19,121	2,303	13.7%
Intangible	4,125	5,085	960	23.3%
Other	3,832	5,481	1,649	43.0%
Total Non Current Assets	24,775	29,687	4,912	19.8%
Total Assets	76,978	94,135	17,158	22.3%
Payables	16,566	15,686	(880)	(5.3%)
Borrowings	13,592	18,090	4,498	33.1%
Other	5,621	7,336	1,715	30.5%
Total Current Liabilities	35,779	41,112	5,333	14.9%
Borrowings	774	1,278	504	65.1%
Other	2,221	2,340	119	5.4%
Total Non Current Liabilities	2,995	3,618	623	20.8%
Total Liabilities	38,774	44,730	5,956	15.4%
Net Assets	38,204	49,406	11,202	29.3%

BEACON LIGHTING TEAM



Beacon
LIGHTING

GROWTH STRATEGIES

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GROWTH STRATEGIES



GROWTH STRATEGY	UPDATE
NEW STORE ROLLOUT	<ul style="list-style-type: none"> • Target six new stores dependent on suitable sites, negotiations and availability. • Independent analysis conducted showing growth for additional locations for the foreseeable future.
OPTIMISING STORE PORTFOLIO AND OPERATIONS	<ul style="list-style-type: none"> • Drive increased sales and profits from the existing store network. • Plan store expansions, store refits and merchandise upgrades. • Manage store systems and processes to improve performance. • Continue to grow trade sales by catering to their specific service requirements.
NEW PRODUCTS AND RANGES	<ul style="list-style-type: none"> • Introduce the latest fashion oriented products developed by our internal team exclusively for Beacon Lighting. • Continue to build awareness for the GE and Lucci brands. • Increase the number of value products to drive sales and store traffic. • Increase the range of trade products to better cater for this customer segment.
ONLINE	<ul style="list-style-type: none"> • Implement better functionality within our core Beacon Lighting website. • Continue to use social media to drive traffic and brand awareness. • Investigate and introduce other online sales channels.
TECHNOLOGY IN LIGHTING	<ul style="list-style-type: none"> • Research and develop the latest in technologically advanced lighting, globes and ceiling fan products. • Bring the latest technology to market. • Continue to roll out LED technology throughout the product range.

GROWTH STRATEGIES



GROWTH STRATEGY UPDATE

ACQUISITIONS	<ul style="list-style-type: none">• Acquire Beacon Lighting franchise stores as they become available.• Consider further acquisitions of existing lighting retail stores throughout Australia.• Consider and investigate acquisitions that are complementary to the Group.
EMERGING BUSINESSES	<ul style="list-style-type: none">• Ensure that the emerging businesses are complementary to the core business.• Support and nurture the Beacon Solar and Beacon International businesses as they continue to become established.• Support and grow the new GE Distribution and Product Licence Agreement business.
EFFICIENCY GAINS	<ul style="list-style-type: none">• Further efficiency gains may be realised by managing the cost base as the business continues to grow.



FY2016 OUTLOOK

FY2016 OUTLOOK



Strategy Update

- Company store comparative sales have made a positive start to the year
- Acquired the Essendon (VIC) and Watergardens (VIC) franchise stores in September 2015
- GE Globes Licence and Sole Distribution Agreement commenced operation in September 2015
- Bundall (QLD), Maribyrnong (VIC), Preston (VIC), Gungahlin (ACT) and Fairfield Townsville (QLD) to open in FY2016
- Already released 132 new products for the Lamp and Spring/Summer Catalogues
- Implemented a new sales channel through ebay.com.au in July 2015

Market Conditions

- General market conditions remain supportive of Beacon Lighting

Summary

- Beacon Lighting expects the current growth strategies to continue to drive improved sales and profits in FY2016

A modern interior scene featuring three pendant lights with copper-colored bases and shades in grey, white, and teal. They hang over a light-colored wooden table. On the table is a small potted plant in a white vase, a white bowl, and a copper cup. The background is a large window with a view of a green landscape and a white sofa is visible on the right.

QUESTIONS