

# Results Announcement

18<sup>th</sup> February 2016

## H1 FY2016: Record Sales and Profit Result

### Result Summary

- Sales up 8.5% to \$98.5m
- Company stores comparative sales increase of 5.1%
- Gross profit dollars increased by 11.5%
- Operating expenses fell as a percentage of sales by 0.5%
- EBITDA up 21.4% to \$17.5m
- NPAT up 22.1% to \$11.1m
- Fully franked dividend up 27.8% to 2.3 cents per share

\$'000	H1 FY2015	H1 FY2016	Change \$	Change %
Sales	90,829	98,514	7,685	8.5%
Gross Profit	58,247	64,934	6,687	11.5%
Operating Expenses (1)	(45,817)	(49,143)	(3,326)	7.3%
EBITDA	14,464	17,554	3,090	21.4%
Net Profit After Tax	9,089	11,098	2,009	22.1%
Fully Franked Dividend	1.8 cents	2.3 cents	0.5 cents	27.8%

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

### Result Commentary

Beacon Lighting Group Limited (the “Group”) (ASX: BLX) today announced a Net Profit After Tax (NPAT) result of \$11.1m for the 26 weeks ending 27<sup>th</sup> December 2015. This was an increase of \$2.0m or 22.1% over the 26 weeks ending 28<sup>th</sup> December 2014. The NPAT increase was the result of the company stores comparative sales increase, strong gross profit dollars increase and operating expense productivity gains.

Sales increased by 8.5% to \$98.5m. Company store comparative sales was the most significant contributor to the overall sales increase with a 5.1% growth over H1 FY2015. Sales increases for Commercial Sales Offices, Beacon International, the new Light Source Solutions business (i.e. the GE Globes Distribution business), new store openings and franchised store acquisitions all contributed to the overall sales increase.

#### Beacon Lighting Group Ltd

5 Bastow Place, Mulgrave, VIC 3170 Phone +613 8561 1555 Fax +613 8561 1566

PO Box 108, Mount Waverley, VIC 3149

[www.beaconlightinggroup.com.au](http://www.beaconlightinggroup.com.au)

ACN 164 122 785



The gross profit dollars increased by 11.5% with a strong gross profit margin of 65.9%. This result was due to innovative new products, effective price management and a favourable foreign exchange position. Productivity gains were also realised with operating expenses as a percentage of sales falling by 0.5%.

Beacon Lighting has continued to reinvest in the business with new stores, franchised store acquisitions and major information technology projects. The Group continues to maintain a strong cash position and maintains a conservative Balance Sheet. The Group paid a fully franked dividend of 2.4 cents for H2 FY2015. The Directors have also declared a fully franked dividend 2.3 cents per share for H1 FY2016.

### **Strategy Highlights**

Late in H1 FY2016, Beacon Lighting opened two new company stores at Bundall (QLD) and Maribyrnong (VIC). The Essendon (VIC) and Watergardens (VIC) franchised stores were also purchased and converted to company operated stores. The Group also introduced 205 new fashion, on trend and technologically advanced products in H1 FY2016. The JustEnough replenishment and forecasting system also went live. In September 2015, Beacon Lighting also commenced the Light Source Solutions business focused on the distribution and development under licence of GE branded light globes and fittings in Australia and New Zealand.

### **Outlook**

Company store comparative sales have made a positive start to the new half year. In addition, the key growth strategies remain consistent for Beacon Lighting moving into H2 FY2016. These strategies include new store rollouts, optimising the existing store portfolio, further development of the Light Source Solutions business, supplying the latest fashion, on trend and technologically advanced products for our customers. The Group also aims to enhance its online activities, leverage existing capabilities, actively investigate acquisition opportunities, support its emerging businesses and realise expense efficiency gains.

Beacon Lighting looks forward to continued success in H2 FY2016.

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