
GERARD
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Gerard Lighting Group Limited
Investor Briefing
Annual results – Year ended 30 June 2011

22 August 2011

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professional lighting solutions

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comes to
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Important note

As a result of GLG becoming the holding company from 31 December 2009, the statutory results for the previous financial year ending 30 June 2010, reflect the six month period from 1 January 2010 rather than a 12 month financial year.

For the purpose of this presentation, GLG has prepared pro forma financial results for the company for FY10 on a full year basis which have been calculated consistent with the pro forma information presented in GLG's Prospectus. The company believes that the FY10 pro forma results enable a more meaningful comparison to the performance of the company for the year ending 30 June 2011, and comparisons to the Prospectus forecasts.

All references in this release to FY10, or comparisons to prior year, are to the FY10 pro forma results unless otherwise stated.

Agenda



- Result highlights
- Achievements against what we said – “Investor Promise”
- Financials - FY11 vs IPO forecast and Pro forma FY10
- Future growth drivers
- Key priorities and guidance

Highlights

- Revenues of \$404.4m, up 11.7% on pro forma FY2010 and exceeded IPO forecast of \$399.8m
- EBIT of \$38.2m, up 20.9% on pro forma FY 2010 of \$31.6m and exceeded IPO forecast of \$35.5m by \$2.7m

Note – after allowing for earnings from acquisitions of \$1.2m, EBIT still exceeded IPO forecast by \$1.5m

- EBIT to Sales of 9.4% vs 8.9% for pro forma FY 2010 and IPO forecast
- Net profit of \$19.5m, up 81.4% on pro forma FY 2010 of \$10.7m and exceeded IPO forecast of \$18.4m by \$1.1m



Highlights continued

- EPS of 11.37 cents up from 5.67 cents per share and exceeded IPO forecast of 10.4 cents
- Final dividend per share of 2.8 cents, fully franked taking total dividend for the year to 5.5 cents, fully franked against IPO forecast of 5.2 cents
- Gearing reduced to 35% (Debt to Debt plus Equity) from 40% at FY10
- Cash from Operations, \$42.8m (before Interest and Tax) vs IPO forecast of \$38.1m

Achievements – “Investor Promise”



- Exceeded Prospectus forecast – Sales, EBIT & NPAT ✓
- Exceeded IPO dividend of 5.2 cents ✓
- Bolt on acquisitions ✓
- Customer solutions through product innovation /iLP ✓
- Reduction of debt and interest cost ✓
- Long term bank support locked in ✓
- Working with the worlds best lighting companies ✓
- Committed team of experienced management ✓
- Implementation of Tribe loyalty program ✓

Financial Results

\$000's	Forecast FY2011	Actual FY2011	%		Proforma FY2010	%
			Change			Change
Sales	399,850	404,417	1.1%	✓	362,112	11.7%
EBITDA	40,234	42,211	4.9%	✓	35,380	19.3%
Depreciation and amortisation	4,691	4,030			3,792	
EBIT	35,543	38,181	7.4%	✓	31,588	20.9%
Net finance costs	8,370	8,533			13,915	
Equity investee - loss	-	36			-	
PBT	27,173	29,612	9.0%	✓	17,673	67.6%
Tax expense	8,773	10,093			6,913	
NPAT	18,400	19,519	6.1%	✓	10,760	81.4%
EBIT % sales	8.9%	9.4%			8.7%	
Interest cover	4.2	4.5		✓	2.3	
Gearing ratio ¹	38.1%	34.5%			39.9%	
Return on funds ²	17.7%	18.8%			17.0%	

1. Gearing ratio = Debt/Debt + equity

2. Return on funds = EBIT/Total assets - current liabilities

Financial Results - continued

Balance Sheet \$000's	Actual FY2011	Actual FY2010	Cash Flows \$000's	Actual FY2010
Current Assets	170,137	166,166	Cash from Ops	42,826
Non-current Assets	123,908	109,585	Less	
TOTAL ASSETS	294,045	275,751	Interest (net)	7,480
Current Liabilities	91,311	89,672	Tax	6,401
Non-current Liabilities	80,590	77,581	CAPEX	5,283
TOTAL LIABILITIES	171,901	167,253	Acquisitions	9,731
NET ASSETS	122,144	108,498	Dividends	8,319
Interest bearing debt	84,273	86,635	Other (net)	321
Less Cash	19,981	14,690	Net cash movt.	5,291 ✓
NET DEBT	64,292 ✓	71,945	Opening cash	14,690
WORKING CAPITAL	85,374 ✓	84,134	Closing cash	19,981

Key priorities 2012



- Continue pursuit of growth in revenue and earnings in accordance with strategic objectives
- Continuing focus on acquisition strategy
- “People Talent” Retention and Investment
- Continue to capture ever growing opportunities in the area of Energy Efficient Lighting Solutions



2012 and Beyond

- Current market conditions are “patchy” and “challenging”.
- Anticipate growth in roadway, mining and healthcare categories while high end commercial and architectural remain challenging due to funding.
- The Board and Management are more optimistic about the period beyond 2012 and for this reason continue to invest in people, technology, process and strategic initiatives to build a platform for our 5 year growth expectations
- The Group is in a very strong position to capture gains resulting from energy saving demands of the future

Disclaimer

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Statements contained within this presentation regarding possible or assumed future performance, estimated company earnings, potential growth of the company, industry or other trend projections are forward looking statements. Such statements relate to future events and expectations and therefore involve unknown risks and uncertainties. Actual results may differ materially from those expressed or implied by these forward looking statements.

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