

Beacon
TRADE CLUB

Power

CHOICE

powermesh

IXPNXP

Beacon
TRADE

LET'S
MAKE
LIGHT
WORK

BEACON TRADE
26 MAY 2022

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1

BEACON LIGHTING

1 BEACON LIGHTING



3,500
Products in
Core Range

118
Retail
Stores



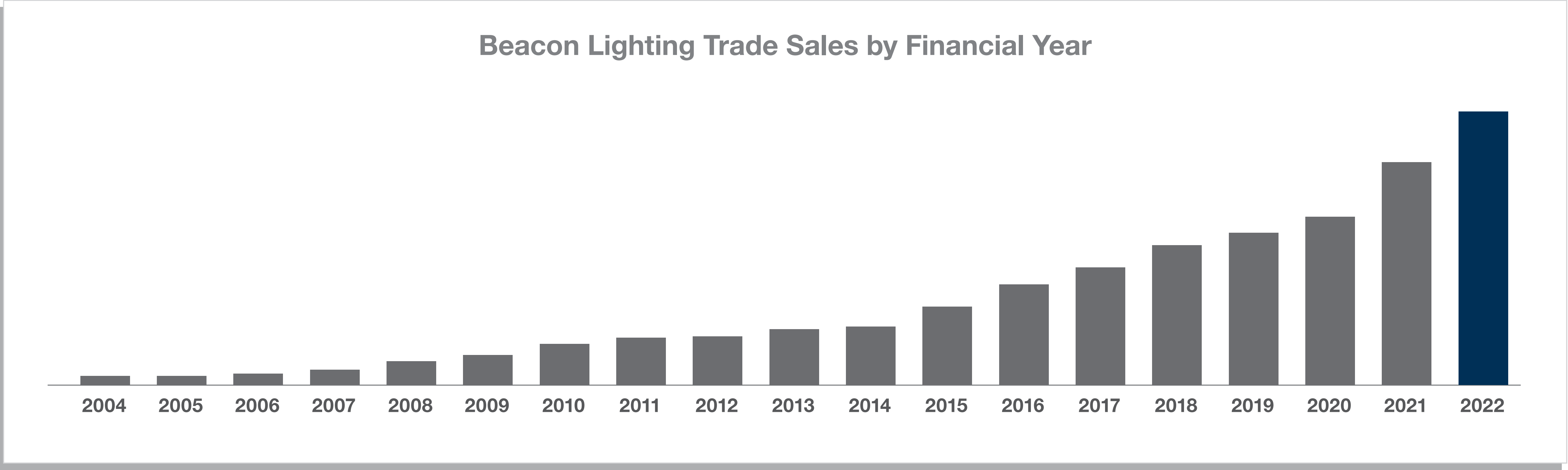
900
Store
Associates

200
Support
Associates

1 BEACON TRADE



- Beacon Lighting has been partnering with trade customers for 50 years. Beacon Lighting has had a Trade Club for more than 10 years.
- It was during FY2020, that growing Beacon Trade became the number one priority of Beacon Lighting.
- Today, growing Beacon Trade remains the number one priority of Beacon Lighting and Trade is one of four Strategic Pillars of Growth for the Beacon Lighting Group.



VISION

By 2030, Beacon Lighting will be the largest trade supplier of lighting, ceiling fans and associated electrical products for the Australian home.

PURPOSE

At Beacon Lighting, our purpose is to have a positive impact upon the lives and businesses of our trade customers.

1 TRADE DEFINITION & CUSTOMERS



BEACON TRADE DEFINITION	BEACON TRADE CUSTOMERS
 Beacon Trade Club	 Electricians
 Commercial	 Volume Residential Builders
 Masson For Light	 Builders
 Custom Lighting	 Interior Designers
	 Architects
	 Other Professionals
 Residential Home Owners	

Beacon Lighting’s advantage is to be able to bring together the electrician, the architect, the builder and the interior designer to deliver a better outcome for the residential home owner.



- In 2020, Beacon Lighting decided to partner with Trout to gain insights and define a clear strategic roadmap into how Beacon Lighting can better serve our trade customers. Trout has been delivering brand-led growth and innovation for the Reece Group for 27 years. Beacon Lighting has learnt a lot from Trout in understanding how Reece serves their trade and retail customers.
- In partnering with Trout, Beacon Lighting has conducted research to help gain a greater understanding of what matters most to our trade customers, and how we can truly help them in their business.





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TRADE MARKET

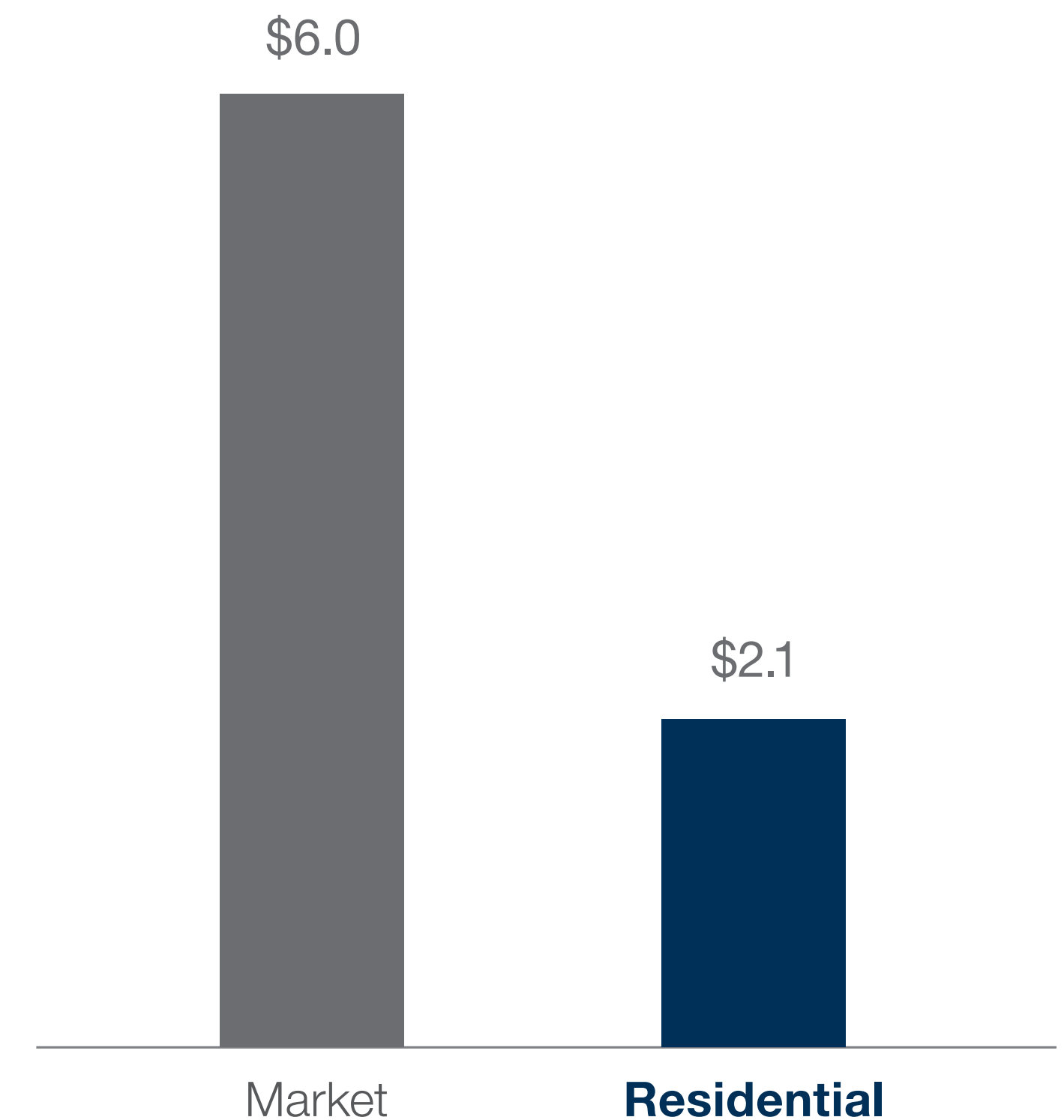
2 TRADE MARKET

- The electrical wholesale products market in Australia is estimated to be worth \$6.0 billion per annum⁽¹⁾.
- The trade market for Beacon Lighting, specific to residential products is estimated to be worth \$2.1 billion per annum⁽¹⁾.
- The trade market customer base is highly fragmented. There are also no major players in the residential electrical services market.
- There are 43,800 registered electrical businesses in Australia who have more than 104,000 employees⁽²⁾. 95% of electrical businesses have less than 5 employees.
- More than 40% of electrical businesses have no employees and operate as sole proprietors or partnerships⁽²⁾.
- There is currently strong demand for the services of electrical businesses driven by the demand from residential constructions and renovations.

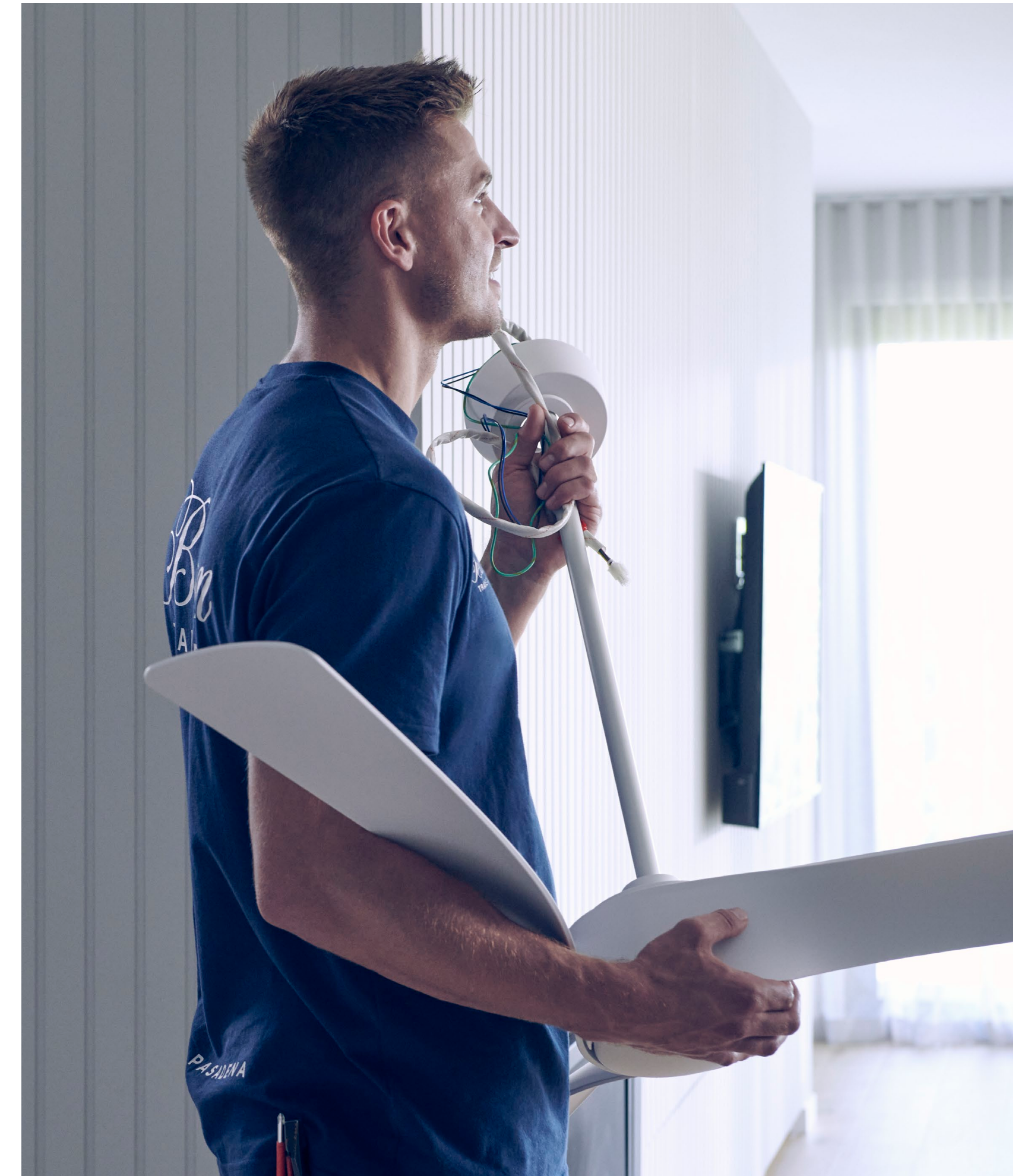
(1). Beacon Lighting Group estimates

(2). IBIS World, Electrical Services in Australia, February 2022

Electrical Wholesale Products Market \$ Billions



- Product supply in the electrical wholesale market is very diverse with more than 1,200 branches.
- Wholesalers have focused on a bricks and mortar strategy which may not be able to respond to the way electricians want to purchase in the future.
- Wholesalers offer a broad range of products to meet the total electrical market and do not have a consistent stock holding from branch to branch.
- Wholesalers typically process orders and quotes, there is little proactive selling or value added services.
- Most electrical contracting businesses will have accounts with 2 to 3 wholesalers for convenience and cash flow.
- There is little vertical integration or self supply for wholesalers who rely on suppliers with complicated rebate and incentive structures for products and profitability.
- Wholesalers only sell to the electrical trade, they do not sell to or have any exposure to builders, interior designers, architects or the residential home owners.







3

TRADE STRATEGY

Beacon Trade is looking to have a positive impact upon the lives and businesses of our trade customers, not just sell products.

Beacon Trade is the only electrical business that has the opportunity to work with all stakeholders in the residential supply chain including the architect, builder, electrician and residential home owner.

With customer referrals, **Beacon Trade Club** members can get the benefits of Beacon Cash, while their customers enjoy the products and services of Beacon Lighting stores.

Beacon Lighting has the largest range of quality lighting, ceiling fan and electrical products for the residential home. Being vertically integrated, Beacon Lighting will be the first to market with new innovative trade products.

Beacon Lighting's 118 stores are open 7 days a week.

Beacon Trade online is available 24 hours a day, seven days a week.

Beacon Lighting's 'TRADE ESSENTIALS' pricing ensures that Beacon Lighting is competitive on all fast moving price sensitive products.

- The Beacon Lighting Group has 118 stores, 5 commercial sales offices, Masson For Light, Custom Lighting, 3 distribution centres and a team of support associates whose number one priority is to have a positive impact upon the lives and the businesses of our trade customers.
- Weekly Trade Force meetings are attended by the Executive Directors, all trade associated business managers and support department managers.





- Beacon Lighting stores service our trade customers the same way across every store in every state and territory in Australia.
- Beacon Lighting stores are open 7 days a week for our trade customers. On weekdays, some stores open at 7:00am while all stores open no later than 7:30am to make it easier for our trade customers to shop at a time that is convenient for them.
- Every Beacon Lighting store has a Trade Consultant whose primary responsibility is to have a positive impact upon the lives and the businesses of their trade customers.
- Multiple stores in each major market are bulked up with trade products in order to assist with stock availability for our online trade customers in that market.
- Beacon Lighting has a range of lighting design services including the In-Studio Premium Design Service for our trade customers and their residential home owner customers.

Every Beacon Lighting store will have either a Trade Room, a Trade Wall or a Trade Desk.



TRADE ROOM



TRADE WALL



TRADE DESK

- Beacon Lighting has 1,100 team members whose number one priority is to improve the life and the business of our trade customers.
- Beacon Lighting has 900 Sales Associates in stores across all states and territories. There are 235 Accredited Lighting Design Consultants who are trained to prepare a professional lighting design for trade customers and their residential home owner customers.
- There is also professional trade training programs for All Store Managers, Assistant Managers and Trade Consultants in order to provide consistent and outstanding service to our trade customers.
- Every week there is an internal trade webinar on different topics in order to keep our Associates up to date on the latest trade trends.
- All Sales Associates are measured on their trade sales performance each month and participate in a bonus scheme comparing their sales performance against budget.
- Where additional trade capabilities are required, Beacon Lighting will recruit new Associates (e.g. Executive General Manager Trade and Business Development Managers) to complement the existing team.





- The Beacon Trade Club is free to join and available to all relevant trade businesses.
- Beacon Lighting already has a successful Trade Club. Some of the benefits of the current Beacon Trade Club include:
 - Exclusive trade pricing across the entire range
 - Bonus Beacon Cash for all purchases
 - Referral card offering discounts for customers of Trade Club members. Trade Club members also accumulate Beacon points on referral card sales
 - Free Lighting Design Consultations
 - Free delivery for online orders
 - Product warranties from 12 months up to 5 years
 - Beacon packaging can be returned any time to a store for recycling and disposal
 - Trade credit accounts can be made available
 - Early store opening hours

- Volume residential builders are an important trade customer group who are supported by the Beacon Commercial Sales Offices in five major capital cities around Australia.
- Volume residential builders are not members of the Beacon Trade Club, instead they get benefits which include:
 - Negotiated and contract pricing for the key products in their range
 - Automatic discounts off the RRP for all other items
 - Electrical and lighting design consultations
 - Dedicated and personal service from their local Beacon Commercial Sales Office





- Beacon Lighting now has a dedicated marketing plan, budget and resources specific to the trade customer.
- The marketing plan is focused both on the acquisition and retention of our trade customers. Activities include the promotion of Beacon Trade on Triple M football, online podcasts, catch up TV, YouTube and Sunrise weather sponsorship.
- Trade Club members can also get the latest news on products, stores and other trade projects by following Beacon Trade on Facebook and Instagram.
- Beacon Lighting wants to support programs that matter to our trade customers. Beacon is proud to partner with LIVIN who are breaking down the stigma of mental health and improving people's mental health through early intervention and prevention initiatives.



- All Trade Club members have exclusive access to the Beacon Trade Club website using their Google or Facebook login.
- Products can be purchased online at trade and trade essential prices. Trade exclusive clearance products are also available online.
- Online purchases have free shipping always, same day delivery in metropolitan markets or 3 hour click and collect in store.
- Recent purchases and current orders are all available for review.
- Current balance of Beacon cash and points is also available.
- Technical photometric drawings and IES files can be downloaded.
- Members home store and trade consultant contact information is available.
- There is a dedicated online support team available 7 days a week.





- Beacon has extended the trade rewards beyond pricing and Beacon Cash in order to “surprise and delight” our Trade Customers.
- Beacon Trade has partnered with Nena and Pasadena (NXP) to create a fantastic range of merchandise including hoodies, beanies and caps.
- Other Beacon Rewards include Sherrin Footballs, Yeti Coolers and other rewards.



- All of the Beacon Lighting core range of 3,500 products, have always been available to trade customers. Of this range, over 900 products have been identified as being core to the trade customers. These items include products in the downlight, ceiling fans, bathroom, flush mount, outdoor and globe categories.
- Since Beacon Trade has become a priority, a further 200 trade specific products have been developed and sourced. Many of these products such as switches and powerpoints, cable and electrical accessories are only available to Beacon Trade Club members.
- Beacon Lighting have identified more than 500 light, fan and electrical accessories as “Trade Essential” products. These are fast moving price sensitive products where deeper discounts than the regular trade pricing are offered to ensure Beacon Trade pricing is always competitive on comparable key selling items.
- Being vertically integrated, Beacon Lighting will be the first to market with innovative trade products.
- Beacon Lighting is approximately half way through the product development and sourcing of products for a broad range of trade specific products.





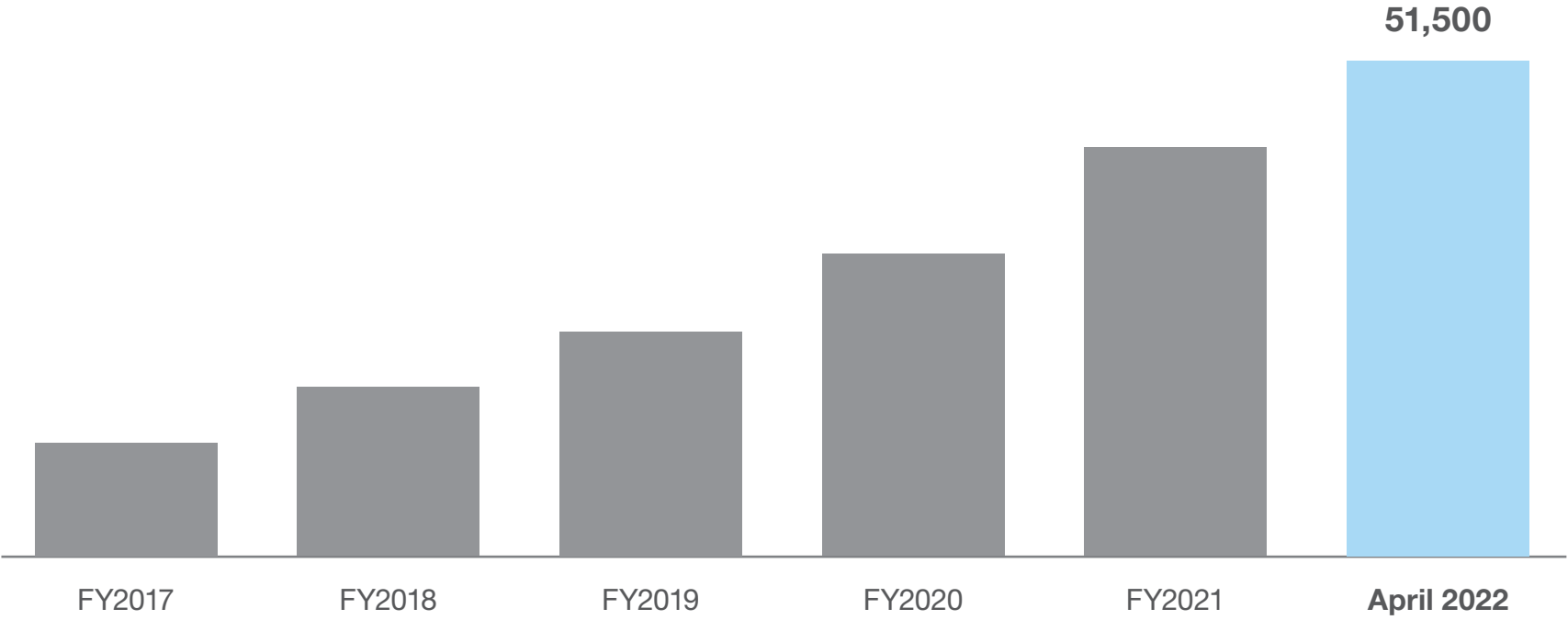
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SUCCESS TO DATE

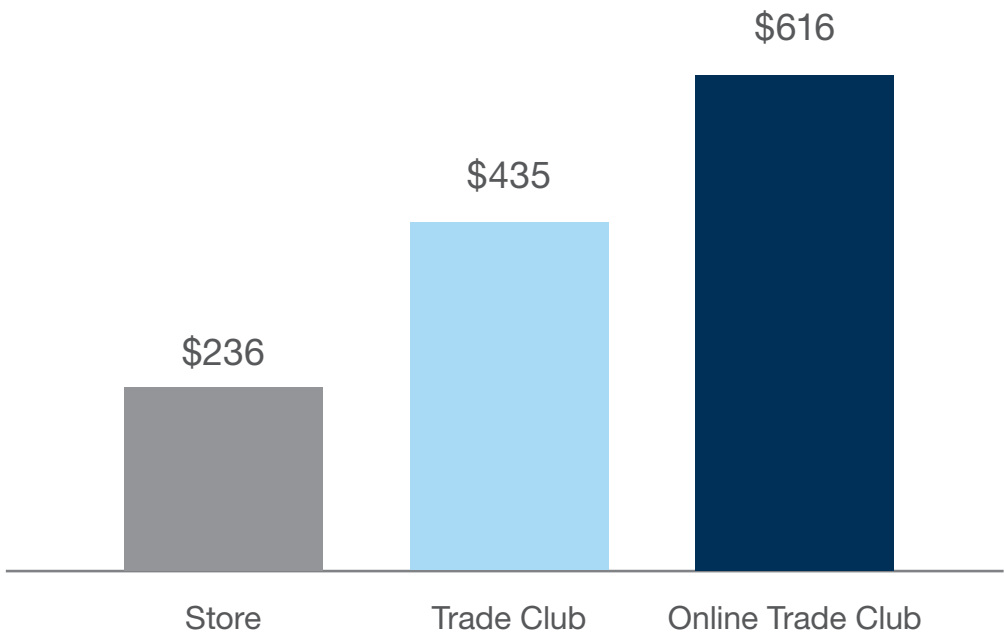
4 TRADE CLUB CUSTOMERS



Trade Club Customers

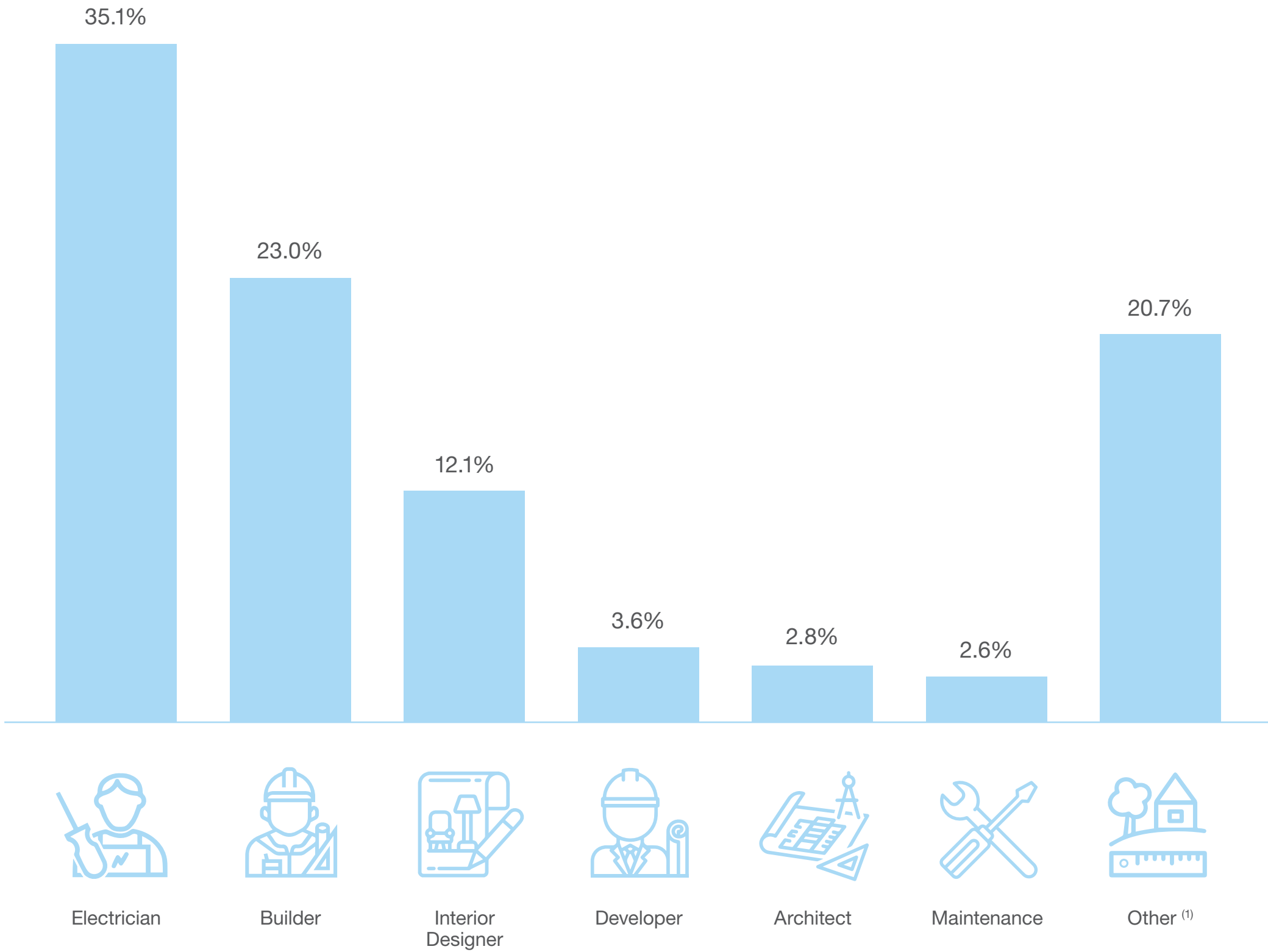


Average Sales Values ⁽¹⁾



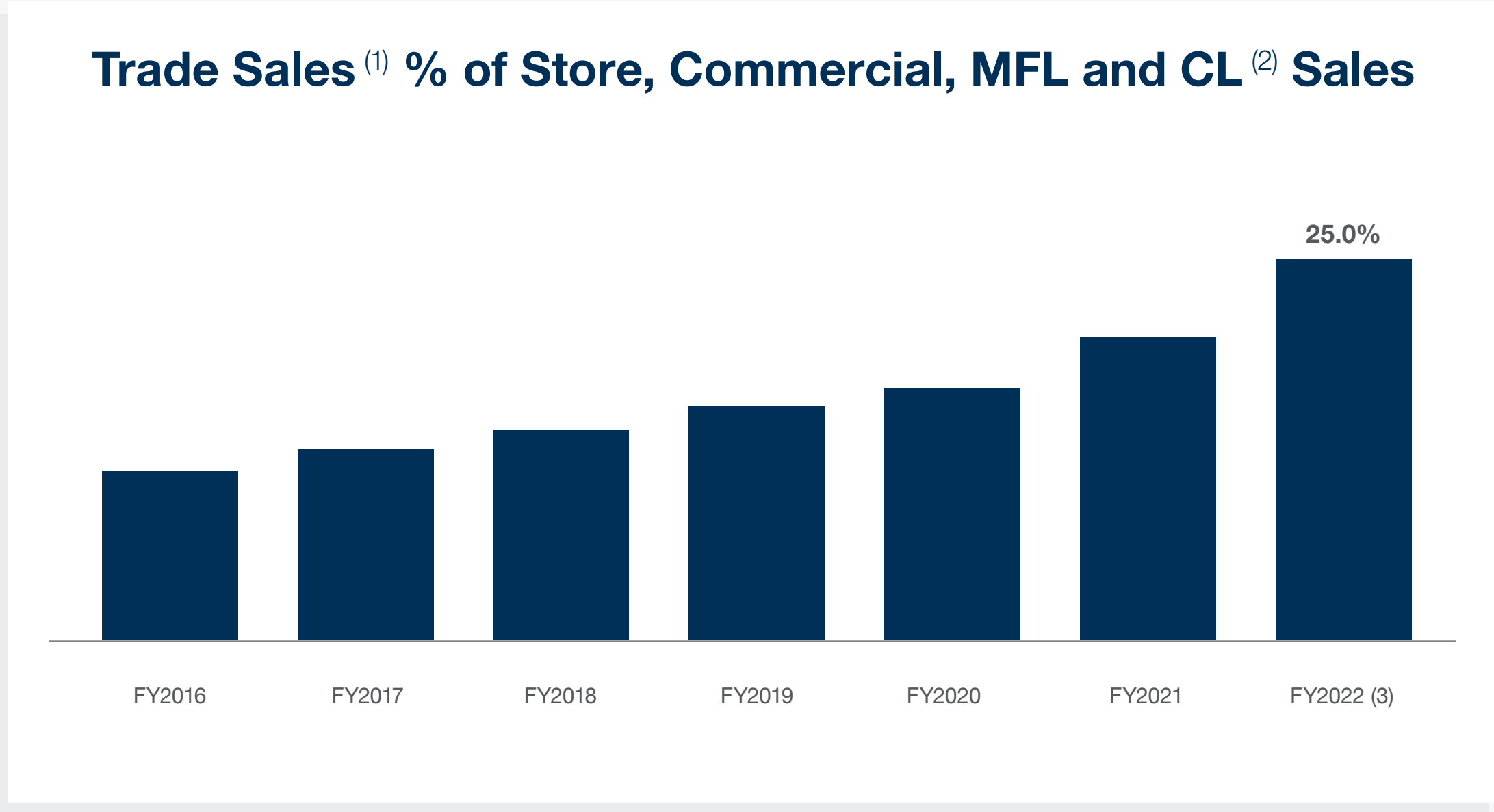
(1) Average Sales Values are inclusive of GST

Trade Club Customers by Profession



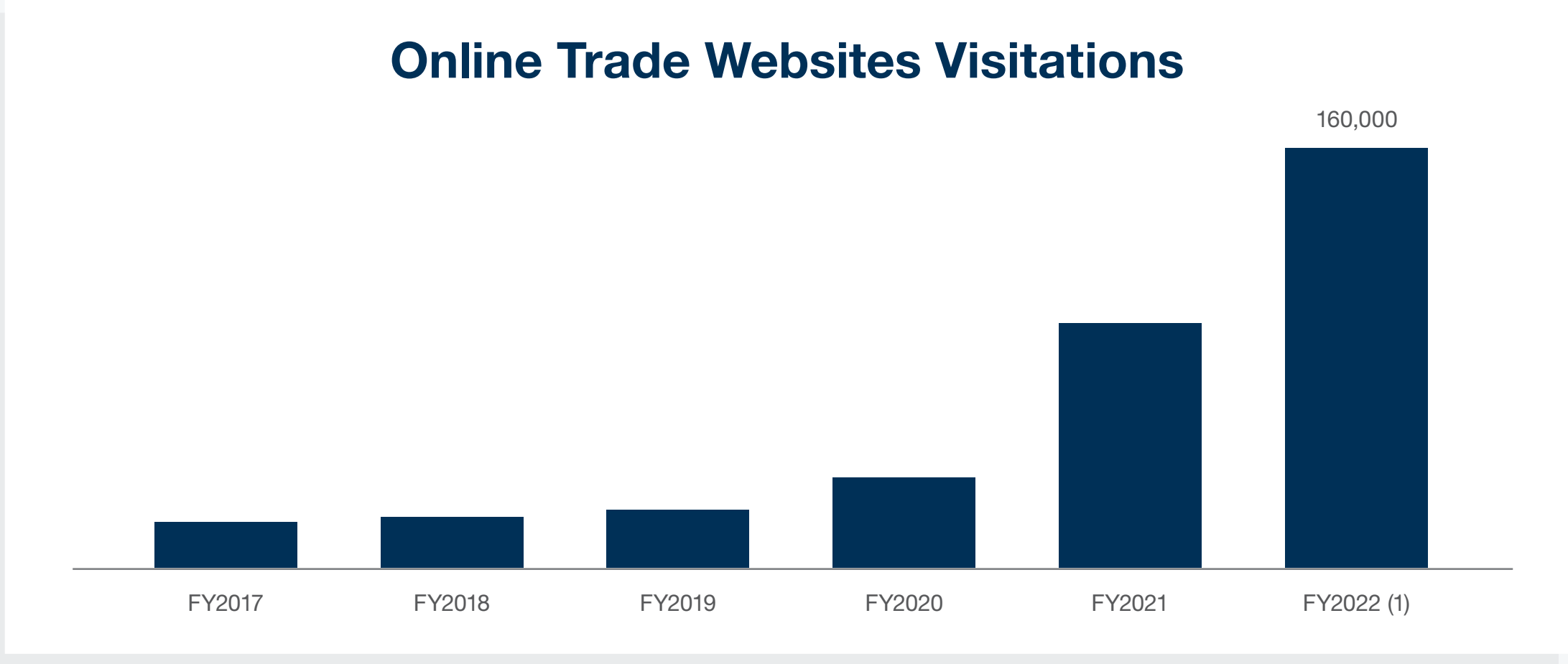
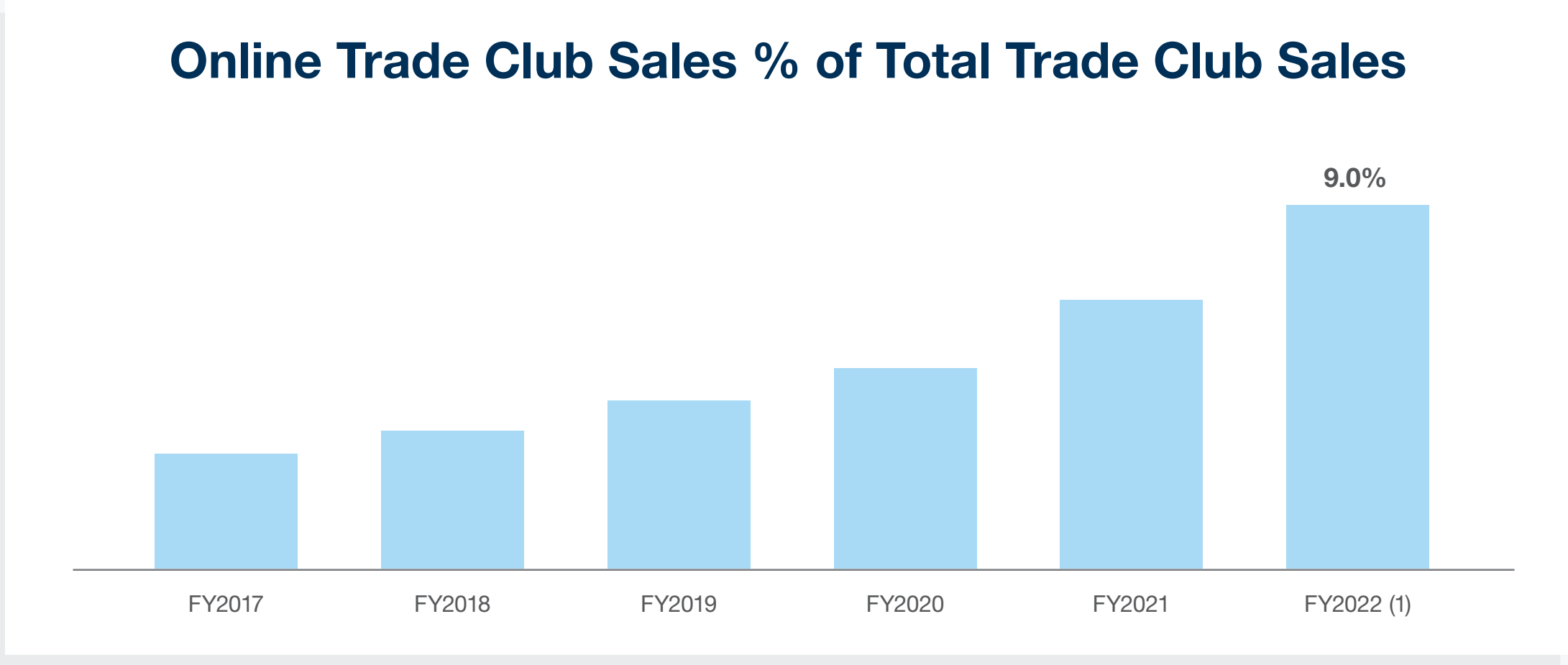
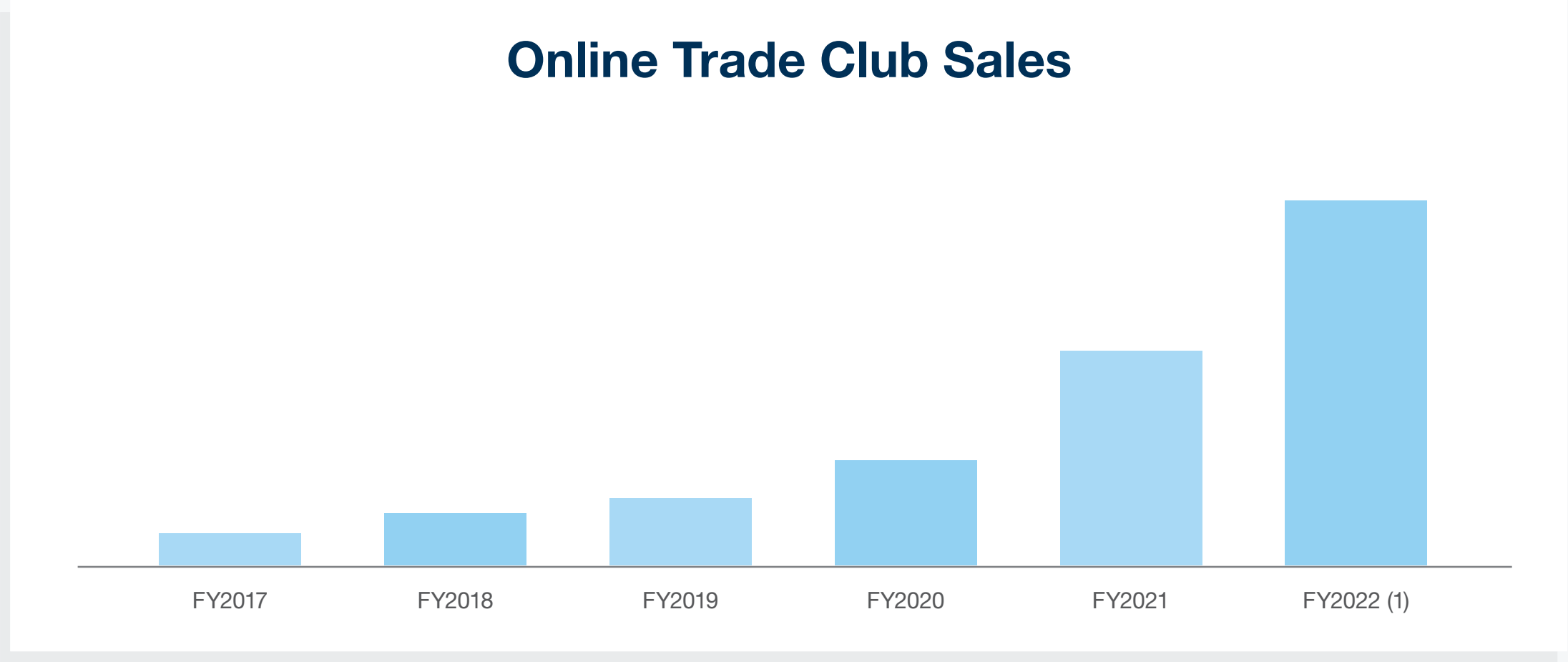
(1) Other includes such professionals as landscapers, hoteliers, engineers and specifiers etc

4 TRADE SALES



(1) Trade Sales equals sales through the Beacon Trade Club, Commercial, Masson For Light and Custom Lighting
(2) Store, Commercial, MFL and CL sales equals sales through Beacon Lighting stores, Commercial, Masson For Light and Custom Lighting
(3) FY2022: Actuals for April 2022 YTD plus forecast for May and June 2022

4 TRADE CLUB ONLINE



(1) FY2022: Actuals for April 2022 YTD plus forecast for May and June 2022



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WHAT'S NEXT

The Beacon Lighting Group's objective for FY2023 is to:

Grow trade sales by MORE THAN 25% for the Group in FY2023

The objective for each business and support department is focused on how they can contribute to the achievement of the Group's objective in FY2023.

- Continue to develop and enhance the current trade strategies
- Re-launch the Beacon Trade Club which will include an improved digital presence for mobile wallets and making it easier to encourage referral sales which will reward trade customers with Beacon Cash.
- The rollout of trade rooms to more than 30 stores and trade desks to another 30 stores.
- There will be an increased budget in FY2023 for trade marketing focused on the acquisition and retention of our trade customers.
- Beacon Lighting will be looking to work with peak industry bodies such as the Master Electricians Australia in order to better partner with our trade customers.
- Introduce endless aisle technology to stores to enable stores to present the full trade product range and all products at Trade Club prices.
- The sourcing and development of another 200 products to ensure that a comprehensive range of trade products for the Australian home can be purchased by our Trade Club customers.
- New trade product ranges will include Lucci Gravity switchgear, electrical consumables, smoke alarms, Vynco switchgear, Siemens circuit breakers and boards, sensors, cable and security products.



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