

FOS

C A P I T A L

1H25 Result Presentation

19 February 2025



Corporate Overview



FOS Capital

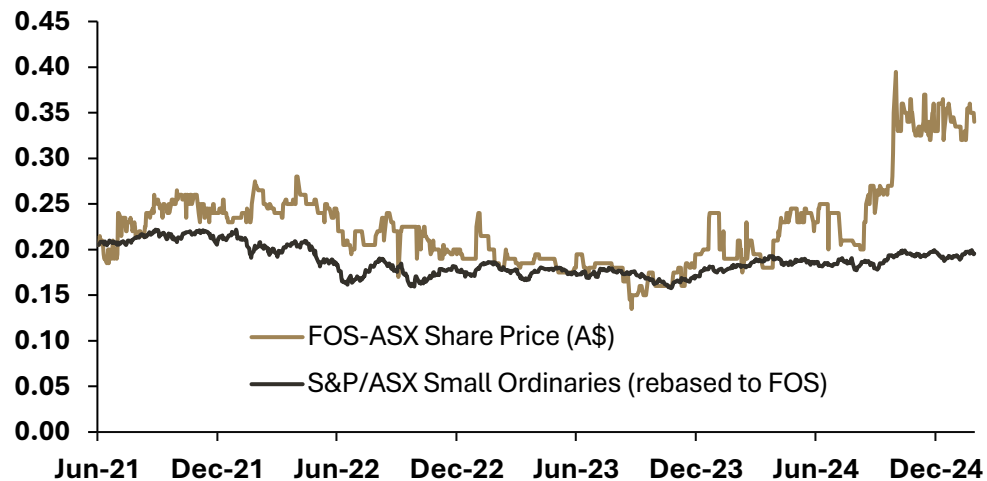
FOS-ASX

IPO date	3 June 2021
Share price (14 Feb 2025)	\$0.34
Shares on issue	53,806,139
Market capitalisation	\$18.3m
Cash (31 Dec 2024)	\$1.2m
Net Debt (31 Dec 2024)	\$0.7m

Board of Directors

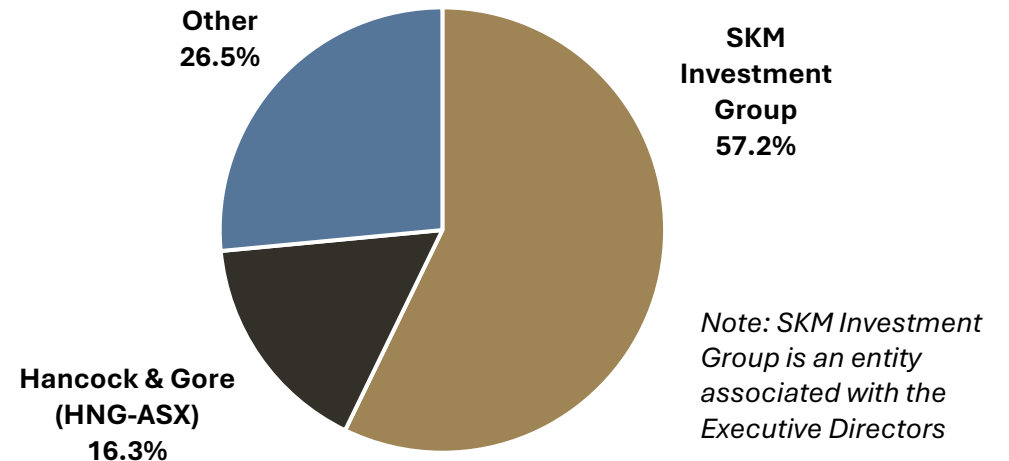
Sandy Beard	Non-Executive Chair
Con Scrinis	Managing Director
Michael Koutsakis	Executive Director
Michael Monsonogo	Non-Executive Director

FOS Share Price vs S&P/ASX Small Ords



Source: FactSet, as at 4 Feb 2025

Key Shareholders



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1H25 Highlights

Strong earnings growth as FOS builds out critical mass

Sales
\$14.0m

+42% vs pcp

EBITDA
\$1.4m

+62% vs pcp

NPAT
\$0.8m

\$0.1m in pcp

EPS
1.5cps

+508% vs pcp

Operating Cash Flow
\$2.5m

\$(0.6)m in pcp

Export Market Sales
\$1.3m

+149% vs pcp

RP Group Agreement

New Market: Emergency & Exit Lighting

Expands TAM to \$700m+



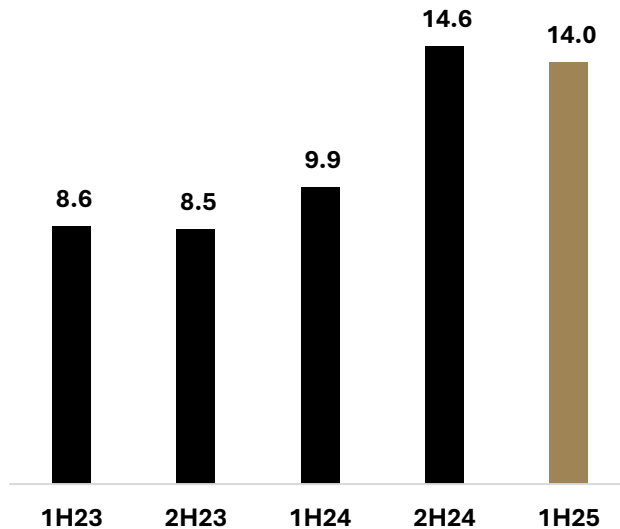
Note: pcp figures exclude restructuring costs of approx. \$600k

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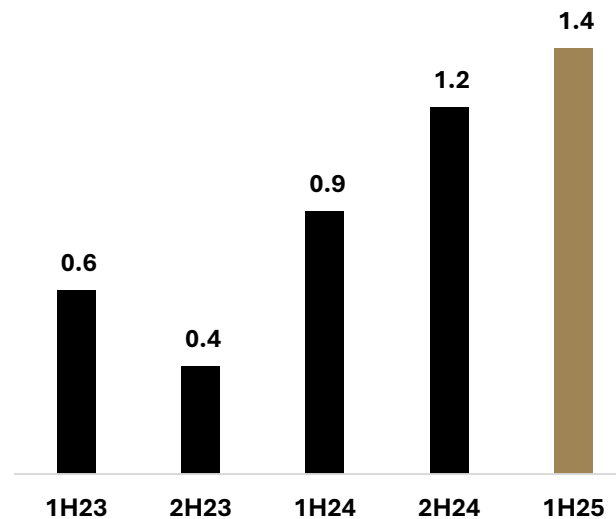
1H25 Financial Highlights

Operating leverage driving strong financial outcomes

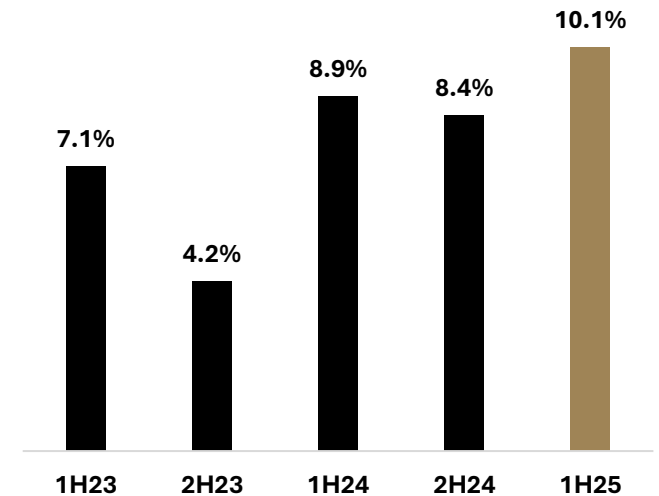
Revenue (\$m)



EBITDA (\$m)



EBITDA margin (%)



Strong financial results as FOS achieves critical mass and continues to integrate the transformational KLIK Systems acquisition, with operating leverage driving 300bp of EBITDA margin expansion since 1H23

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Growth Strategy

Consolidating fragmented markets via organic growth and M&A

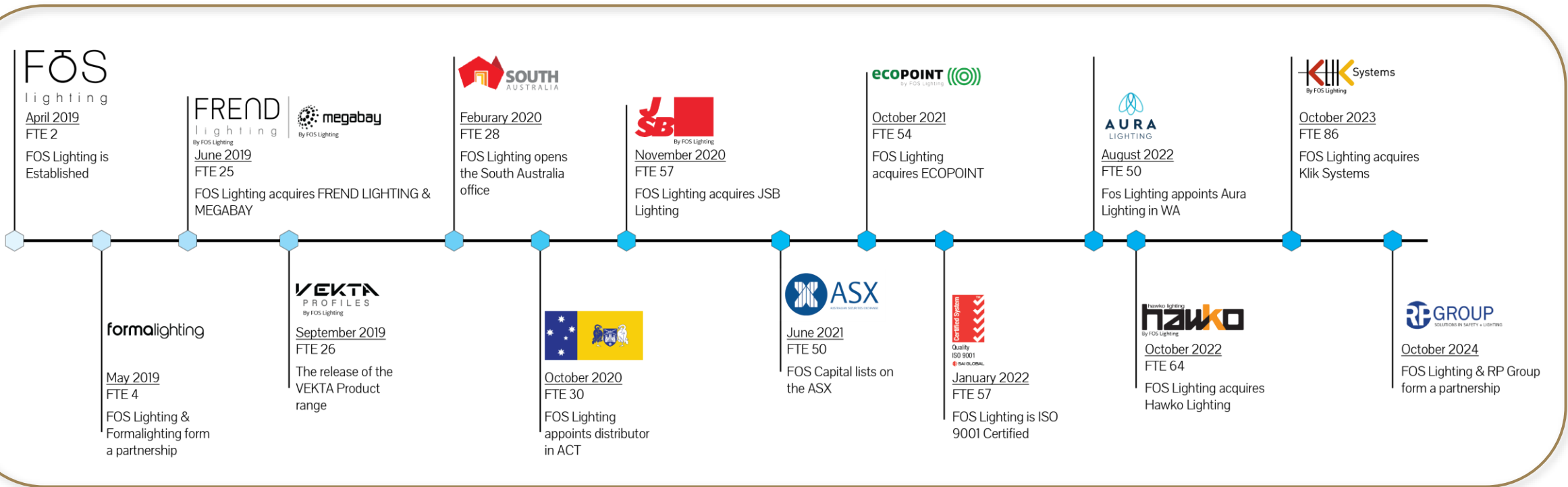
- As a leader in highly fragmented markets, FOS is able to acquire businesses and realise significant synergies, providing a base to take further market share.
- The five acquisitions executed to date have been **successfully integrated and optimised**, with the recent integration of KLIK Systems transformational for FOS Capital's operations. Subsequent business optimisation included the closure of the Sunshine Coast manufacturing facility and relocation of production to Brisbane and Sydney, **improving gross margins through scale and purchasing power**.
- These acquisitions, along with ongoing core business growth, have resulted in significant scale advantages and the **resulting operating leverage** has allowed strong top line growth to generate stronger earnings growth.
- This approach means FOS is well placed to support ongoing government infrastructure spending and remain a key provider of choice for our customers.

The upside from decisions and investments to date continue to accrue, and FOS maintains a strong focus on accretive & strategic acquisitions, with several currently under consideration

Key Acquisitions & Agreements

Track record of strategic, accretive acquisitions

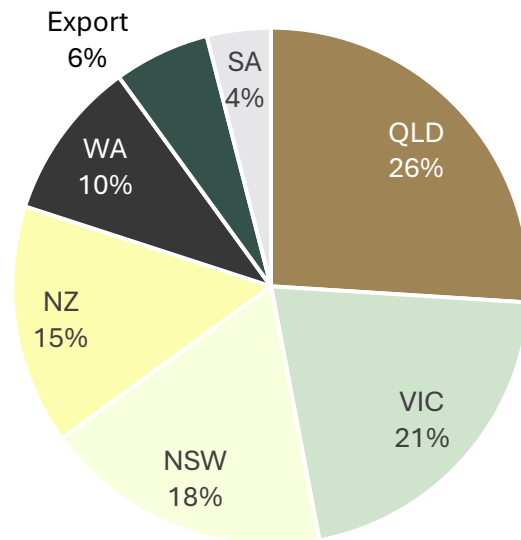
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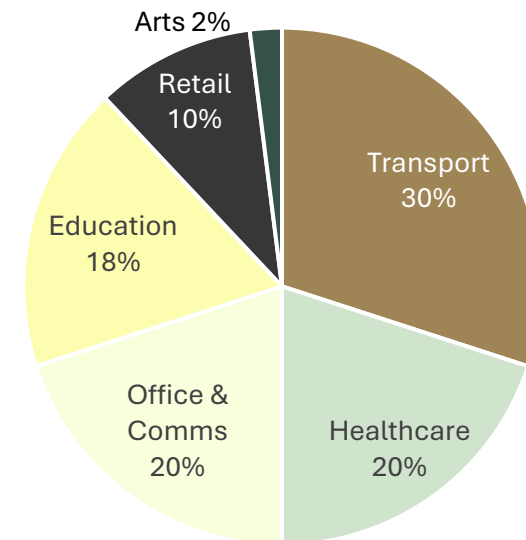
Diversification

Highly diversified with significant government project experience

Geographic exposures (FY24)



End-market exposures (FY24)



Note: Retail includes hospitality

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Entering Emergency & Exit Lighting

Exclusive agreement with leading German manufacturer expands TAM

- Today FOS has entered into an exclusive distribution agreement with leading global Emergency & Exit lighting products manufacturer RP Group.
- German-based RP Group specialises in modern emergency lighting solutions, including Central Battery & Wireless Self-Contained Systems, Smart Lighting Systems, and batteries for a wide range of applications catering to all lighting projects.
- This agreement will see RP Group products sold for the first time throughout Australia & New Zealand via the extensive FOS network, enhancing FOS' offering to end-customers and demonstrating continued focus on product development.

Escape sign luminaire series



Innovative lens system FlexiClick



The Emergency & Exit lighting sector in ANZ is worth over \$200m, and the addition of RP Group's products increases the total addressable market for FOS from approximately \$500m to more than \$700m

1H25 Income Statement

Successful execution driving earnings uplift on operating leverage

Underlying, A\$m	1H25	1H24	Change	
Sales	14.0	9.9	+42%	Sales growth driven by strong organic & acquired growth
Gross profit	6.0	4.3	+39%	
Other income	0.1	0.1	+1%	
Expenses	-4.7	-3.6	+32%	Expenses grew less than revenue on acquired business integration and strong cost management
EBITDA	1.4	0.9	+62%	
EBITDA margin	10.1%	8.9%	+124bp	Operating leverage continues to drive margin expansion, with ~590bp expansion since FY22
PBT	1.0	0.2	+478%	
NPAT	0.8	0.1	+518%	
EPS (cps)	1.5	0.2	+508%	
DPS (cps)	0.0	0.0	na	

Note: Underlying figures exclude restructuring costs of approx. \$600k

1H25 Cash Flow

Strong Cash Flow generation and stable capital management

A\$m	1H25	1H24	Change	
Receipts from customers	17.3	9.3	+87%	
Payments to suppliers & employees	-14.7	-9.8	+50%	
Other	-0.1	-0.1		
Operating Cash Flow	2.5	-0.6	nm	Strong OCF improvement on scale, earnings
Capex	-0.0	-0.0		
Acquisitions	-1.0	-2.0	-50%	KLIK acquisition key investment in FY24
Investing Cash Flow	-1.0	-2.0	-51%	
Net proceeds from borrowings	-0.7	2.8	nm	Reduced debt used to fund KLIK acquisition
Net equity issuance	0.0	0.0	nm	
Dividends paid	-0.5	0.0	nm	
Payment of lease liabilities	-0.7	-0.3	+84%	Lease liabilities higher on KLIK integration
Financing Cash Flow	-1.9	2.5	-178%	
Net change in cash	-0.4	-0.3	nm	
Closing Cash	1.2	1.2		

1H25 Balance Sheet

Well capitalised and positioned to execute on growth plans

A\$m	31 Dec-24	30 Jun-24	Change
Cash	1.2	1.7	-27%
Receivables	2.7	4.9	-45%
PP&E	1.0	1.0	-6%
Other Assets	14.7	14.2	+4%
Total Assets	19.6	21.8	-10%
Payables	1.1	2.9	-62%
Borrowings	2.0	2.7	-26%
Other Liabilities	6.3	6.3	+1%
Total Liabilities	9.4	11.9	-21%
Net Assets	10.1	9.9	+2%

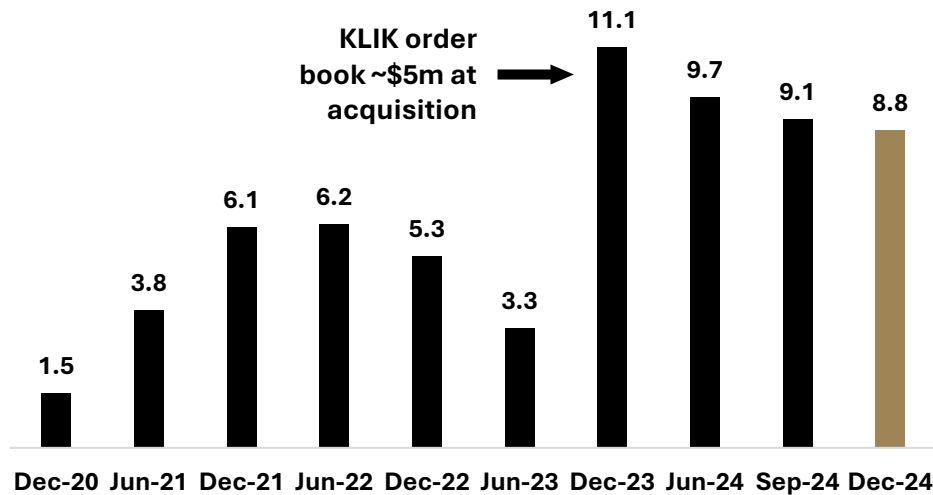
Strong working capital management alongside integration of KLIK

Debt facilities with Westpac provide additional \$2.9m of headroom

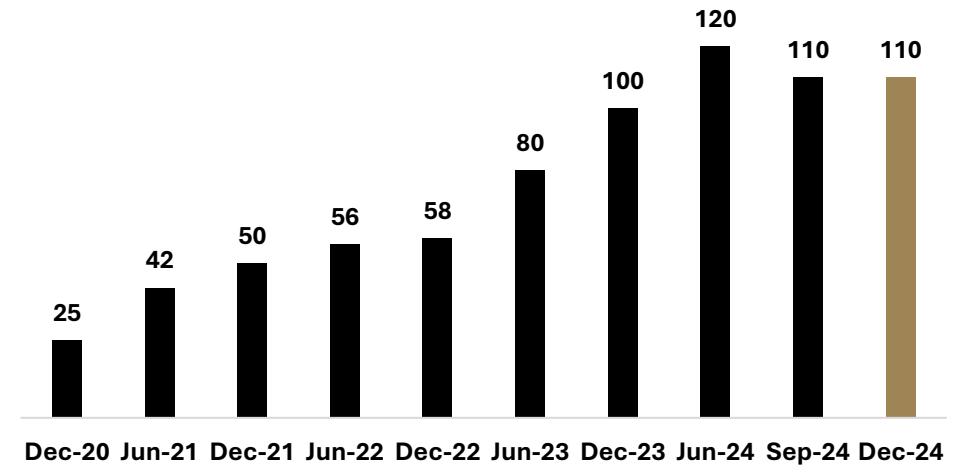
Outlook

FOS is well positioned to execute on a growing opportunity set

Orders on hand (\$m)



Active quotes (\$m)



FOS is involved in multiple infrastructure projects and continues to take market share as new revenue streams come online. Orders on Hand and Active Quotes provide good visibility heading into 2H25 and beyond.

Appendices

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FOS Capital – Introduction



Founder-led manufacturer & distributor of commercial LED lighting

- FOS **manufactures** a range of commercial luminaires, outdoor fittings, and linear extruded lighting, and **distributes** a range of commercial and architectural lighting solutions.
- The company remains founder-led and majority founder-owned, with its 75 staff based in Australia and New Zealand.
- FOS **owns 17 brands** and **2 manufacturing facilities** located in Brisbane and Sydney, and 96% of all sales are product lines that FOS has complete control over.
- Since listing in June 2021 FOS has achieved **annual revenue and EBITDA growth of 35% and 29%**, respectively, while **remaining profitable** throughout this period. This growth has been achieved through a combination of considered organic expansion and strategic, accretive M&A.
- FOS operates in **highly fragmented markets** that are worth an estimated \$500m, with adjacent markets worth more than \$1bn.

FOS is committed to increasing market share from 5% to 15% in the medium-term through a combination of continued organic growth and strategic acquisitions, at an EBITDA margin exceeding 10%

FOS Capital – Background



History

April 2019 – FOS Lighting Group (100% owned by FOS Capital) founded by FOS MD Con Scrinis and ED Michael Koutsakis to target lighting requirements in the commercial, retail, and industrial building industries

2019 to 2020 – Acquisitions of Frend Lighting and JSB Lighting

June 2021 – ASX IPO (\$0.25/share) raises \$3m to fund investment in organic growth and acquisitions

September 2021 – Acquisition of NZ-based lighting manufacturer & distributor Ecopoint, providing greater access to the New Zealand market

October 2022 – Acquisition of Queensland-based linear lighting manufacturer Hawko Lighting Group, funded by \$1.5m share placement (at 20cps)

October 2023 – Acquisition of linear & handrail lighting manufacturer & distributor Klik Systems, which has sales offices & distributors in all Australian capitals and exports to Europe & the US

Key Management



Con Scrinis
Managing Director

Over 40 years of experience in the lighting industry, including as MD of Moonlighting, Traffic Technologies (TTI-ASX), and Stokes (now SKS Technologies; SKS-ASX)



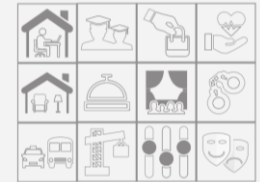
Michael Koutsakis
Executive Director (Sales & Marketing)

Over 30 years of experience in the lighting industry, including in key roles at Sun Lighting, Moonlighting, Zumbtobel, WEEF, and Stokes Ltd (now SKS Technologies Ltd; SKS-ASX)

Con Scrinis and Michael Koutsakis, along with fellow Director Michael Monsonago, are the shareholders of SKM Investment Group.

SKM owns 57.2% of FOS shares outstanding and has maintained its entire holding since listing over three years ago.

FOS Capital – Brands & Solutions



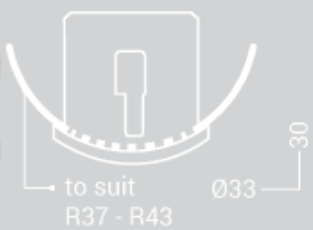
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Project Examples

FOS supports a range of major government & corporate projects



LEDPOD XL28R40



KALLI 080 BEAM DRT
LEDOPTIK IK10 OPTICS



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Contact

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Chadstone Shopping Centre's Australian-first Grid Shell Roof features 643 Viento RGBW linear LED luminaires, supplied by Megabay