

Tariff Impact Likely Positive for FOS

4 April 2025

FOS Capital Limited (ASX: FOS, “FOS” or the “Company”) notes the recent announcement of a 10% tariff on most Australian-originating goods sold into the United States.

FOS export sales to the US in 2024 were A\$2m, equivalent to 6% of total sales.

The products that FOS exports to the US is specification-grade, favoured by engineers and architects for its quality and high performance. This product by nature is not generally price sensitive.

FOS believes its US-exposed business is a net beneficiary of the 10% tariff as our respective competitors are all importers into the US and are facing equivalent or higher tariffs, including:

- EU (20% tariff);
- UK (10% tariff); and
- India (26% tariff).

There is no US-based manufacturer of substance for the products that FOS exports to the US.

In terms of recent Australian government trade commentary, FOS notes that efforts to promote the buying of Australian-made goods have a positive readthrough as FOS is one of a small number of lighting companies that manufacture in Australia. In addition, a proposed \$1bn export loan facility to assist Australian export-focused companies could facilitate the acceleration of FOS’ more nascent export markets, namely Italy, the UK, and UAE.

The proposal to provide \$50m to various industry peak bodies to support affected sectors is unlikely to directly benefit FOS. A more tangible action to support local manufacturers would be reducing or removing payroll tax.

FOS will keep the market updated with any further trade policy developments as they relate to the Company.

Contact

Con Scrinis

Managing Director

con@foslighting.com.au

This announcement has been authorised for release to the ASX by the FOS Capital Limited Board of Directors

-- ENDS --