

Marketplace



HOUSING



COMMERCIAL



INDUSTRIAL



EDUCATION



HEALTHCARE



MANUFACTURING



RETAIL





—
DISPLAY



—
HOSPITALITY



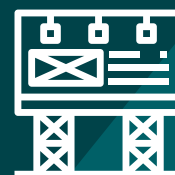
—
PHARMACEUTICAL



—
RESEARCH &
DEVELOPMENT



—
ADVERTISING



—
INFRASTRUCTURE



—
FACILITIES



Marketplace continued

UK

+7%

Revenue

- Increased business from target sectors
- Services revenue increased with improved gross contribution

Europe

+2%

Revenue

- Additional business in Germany

Netherlands

+1%

Revenue

- Fall in Lightronics revenue offset by Famostar growth
- Improved operating profit at both businesses

Other countries

-22%

Revenue

- Dampened demand in both Australia and the UAE

Q How did you continue to navigate through the impact of COVID on your day to day operations?

A Our priority remained the health and wellbeing of our employees whilst balancing the requirements of our customers. We separated the business in to distinct “bubbles” and introduced lateral flow testing on a weekly basis in an attempt to avoid an outbreak in any of our facilities. Detailed risk assessments were updated on a regular basis to enable us to continue operating at our manufacturing sites. See page 39.

Q Which market sectors are growing?

A There is growth in a number of areas that continues to justify our investment in business development.

Reduction in some sectors was offset by growth in certain target areas.

We will consider how we deploy our existing selling resources over the next few years in order to target specific sectors and territories.

Q Which sectors are you focusing on?

A Our product and solution portfolio continues to evolve and can cater for a variety of different sectors. We continue to focus on specific sectors that are investing but with some renewed endeavour on those that have reduced in previous years.

Q Do your competitors have an interest in each of these markets as well?

A We have both domestic and international competition across all of these markets, from listed multinationals to solid private businesses. We continue to differentiate ourselves with product and systems innovation, combined with excellent customer service through the life cycle of a project.

Q Are you in each of these markets in all of the geographies you operate within?

A We tend to focus on particular product ranges and technologies in new territories. We continue to work with existing partners and our Group presence in certain countries to drive export sales growth. We continue to focus on building our reputation by targeting certain sectors in these territories.



Increase in demand for technology

What this means

- Evolution of controls technology – wireless
- Connectivity with the internet and other devices – the Internet of Things
- Ability to offer customers additional functionality by adding different sensor technology and presenting data
- The Group has seen a shift in LED sales, moving from 3% to 90% of total revenue in recent years



Opportunity it provides

- Improves ability to hold specification business with our own controls offering
- Potential to supply retrofit projects with wireless controls where wired controls were cost prohibitive
- Offer solutions to provide additional data specific to the market sector
- Demand for retrofit installations replacing fluorescent lighting for LED, replacing product with wirelessly controlled technology driving energy saving



How we are responding

- SmartScan was introduced in 2016 and continues to evolve with the latest generation due for launch late 2021
- Further development of the SmartScan platform, bringing other non-lighting devices into the web portal
- Occupancy profiling, air quality sensing, and the ability to change colour temperature are all features
- All new product developments are LED based
- Continual review of LED technology offerings to take advantage of the latest advances and ensure we are offering the best solutions to our customers



International economic conditions

What this means

- Countries are recovering from COVID-19 at varying pace
- Certain sectors and businesses starting to recover but could take time
- Pressure on global supply chains – raw material price pressure, component shortages



Opportunity it provides

- Certain sectors will continue or potentially increase investment
- Governments have indicated the intention to invest to support economies
- Potential to win market share from competitors who struggle to recover



How we are responding

- Ensure our businesses are not reliant on any one sector in particular
- Continue to develop innovative product solutions in all our businesses
- Target sectors where demand is stable or increasing
- Redirect sales focus as appropriate



Globalisation

What this means

- Responding to the demands of our traditional customers who are developing a global footprint
- Harmonisation of technology from the adoption of LED brings the threat of increased competition from both Far Eastern and Western economies
- Recent global pandemic highlights the need for resilience in the supply chain



Opportunity it provides

- Chance to establish ourselves in new territories with established customers in the countries we currently supply into
- New sourcing opportunities – pricing, quality, technology
- Potential for customers to reconsider sourcing strategies and buy “local”



How we are responding

- Working with global customers
- Continual development of the supply chain
- Potential to establish new offices in chosen locations to support both customer and supply chain development in the future