2014 Highlights

- Lighting revenue increased by 46% to £99.9m (constant currency +50%)
- Lighting operating profit increased by 26% to £14.5m (constant currency +30%)
- Obstruction revenue increased by 16% to £17.0m (constant currency +22%)
- Group underlying EBIT increased 25% to £18.1m (constant currency +30%)
- Basic underlying EPS up 20% at 36.8 pence (2013: 30.8 pence)
- Basic statutory EPS up 12% to 29.4 pence (2013: 26.2 pence)
The Lighting Market

**Freedonia Global Estimate:**
- £50bn annual lighting market
- £3.5bn annual industrial revenue
- Dialight addresses installed base; 20+ years retro-fit cycle for light fixtures
- £70bn - £100bn Total Addressable Market (TAM)

**Dialight targets:**

**Heavy Industrial**
- Steel processing
- Pulp & paper
- Auto manufacturing plants

**Mining**
- Surface mining

**Food & Beverage**
- Food processing
- Agricultural

**Power Generation**
- Coal, nuclear
- Renewable (wind, solar, geothermal)

**Oil, Gas & Petrochem**
- Upstream (exploring & drilling)
- Downstream (refining)
Where are we on the growth curve?

Estimated LED penetration in Industrial / Hazardous Locations:
Vertical & Geographical Markets for Dialight

1%-2%

- £70bn - £100bn TAM
- Dialight estimates LED lighting sales into Industrial / Hazardous locations are between £650m to £1bn to date
- This excludes markets that Dialight does not sell into such as China, Russia, India & Africa
How does Dialight differ?

- **Integrated systems approach** – vertical integration

- **Power Supply Technology**
  - Key to reliability & fixture longevity (10 year warranty)
  - In-house designed, patent protected technology
  - Most efficient power supplies available today (93-94%)

- **Intelligent Thermal Management**
  - Temperature compensation technology managing heat from LEDs to maximize life

- **Optical Design**
  - Custom reflectors to direct light to where it is needed at the work place

- **Intelligent Controls (IoT)**
  - Controls embedded within Dialight power supply
  - Integrating with existing building / process management system infrastructure
  - Hazardous certified control systems
Channel Expansion

- Expanding distribution channel to maximise reach
- Making in-roads to customers and territories not previously available to us
- Established national distributor programs:
  - Rexel / Gexpro
  - Affiliated Distributors / SupplyFORCE
  - Consolidated Electrical Distributors (CED)
- From trials to orders to roll out

30% increase in channel to market

50% increase in no. of customers

176% increase in orders over £30k
Dialight LED Lighting Portfolio

**Linears**
- 10’ → 20’ mounting
- Indoor & outdoor rated
- Hazardous & industrial

**Flood Lights**
- 15’ → 100’ mounting
- Mostly outdoor
- Hazardous & industrial

**High Bays**
- 15’ → 100’ mounting
- Mostly indoor
- Hazardous & industrial

**Area Lights**
- 10’ → 20’ mounting
- Indoor & outdoor rated
- Hazardous & industrial
New Markets - 1,000W Replacements

60K High Bay

TAM Potential
- £4bn (20% of high bays)

Markets (indoor)
- Aerospace
- Automotive
- Steel processing
- Pulp & paper
- Other industrial indoor

55K Flood Light

TAM Potential
- £1bn (15% of flood lights)

Markets (outdoor)
- Oil, gas & petrochemicals
- Power generation
- Mining
- Other industrial & hazardous outdoor
Summary

2014

- Lighting revenue increased by 50% (constant currency)
- Lighting operating profit increased by 30% (constant currency)
- Obstruction back to growth
- 2014 – a year of strong growth

Q1 Update

- Strong growth continues
- Growing pains
- Programs to improve operational performance
- Outlook unchanged