Dialight plc
AGM
April 18th 2012
Highlights

- Underlying Profit before tax of £15.1m (2010: £11.3m) – 33.6% Growth
- Full year Revenues grew 14.4% to £113.5m (2010: £99.2m)
- Signals/Illumination segment revenues increased 29.0% to £78.8m (2010: £61.1m)
- Lighting sales more than doubled to £26.3m (2010: £11.6m)
- Strong operating cash flow leading to net cash of £13.7m (2010: £10.4m)
- Final dividend of 6.7 pence (2010: 5.2 pence) an increase of 28.8%
## 2011 Financial Results

<table>
<thead>
<tr>
<th>Description</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2010 EBIT</strong></td>
<td>11.2</td>
</tr>
<tr>
<td>Indication Volume – Exceptional Q1 2010</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Signals &amp; Illumination</td>
<td>10.1</td>
</tr>
<tr>
<td>Foreign Currency Translation</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Increased Production Costs – Volume Related</td>
<td>(2.1)</td>
</tr>
<tr>
<td>Development investment and capitalisation</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Investment in Additional Sales &amp; Marketing</td>
<td>(2.0)</td>
</tr>
<tr>
<td>Lower Administration Costs</td>
<td>0.4</td>
</tr>
<tr>
<td>Increased Bonus Provision</td>
<td>(0.7)</td>
</tr>
<tr>
<td>Other costs</td>
<td>(0.2)</td>
</tr>
<tr>
<td><strong>2011 EBIT</strong></td>
<td>15.1</td>
</tr>
</tbody>
</table>
## Signals/Illumination - Five Year History

<table>
<thead>
<tr>
<th></th>
<th>2011 £m</th>
<th>2010 £m</th>
<th>2009 £m</th>
<th>2008 £m</th>
<th>2007 £m</th>
<th>2006 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>78.8</td>
<td>61.1</td>
<td>46.4</td>
<td>43.3</td>
<td>33.4</td>
<td>28.6</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>13.8</td>
<td>8.7</td>
<td>3.3</td>
<td>1.7</td>
<td>0.1</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Return on Sales %</td>
<td>17.5</td>
<td>14.2</td>
<td>7.1</td>
<td>3.9</td>
<td>0.3</td>
<td>n/a</td>
</tr>
<tr>
<td>% of Group Profit</td>
<td>91.3</td>
<td>77.7</td>
<td>62.2</td>
<td>30.4</td>
<td>2.2</td>
<td>n/a</td>
</tr>
</tbody>
</table>
Signals/Illumination Revenue

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportatation</td>
<td>8.2</td>
<td>9.8</td>
</tr>
<tr>
<td>Traffic</td>
<td>26.5</td>
<td>27.4</td>
</tr>
<tr>
<td>Obstruction</td>
<td>17.8</td>
<td>12.3</td>
</tr>
<tr>
<td>Lighting</td>
<td>26.3</td>
<td>11.6</td>
</tr>
</tbody>
</table>

Total Revenue

- **£78.8m**
- **£61.1m**

Contribution %

- **43.7%**
- **42.2%**
LED Obstruction Lighting
• 45% year on year growth versus continued guidance of 30-50%
• Margin improvement driven by new Beacon and Strobe designs
• More than 7000 White Strobes supplied to US Cell Tower market since 2007 – 73000 to go – opportunity value $200+m! Only FAA approved supplier
• Sales to 9 of the top 10 tower operators now
• Introduced High Intensity Strobe for Broadcast/Tall Tower Market
New Products – High Intensity Strobe

First LED high intensity strobe to market

**Vigilant™ LED High Intensity Strobe**
- 270,000 candelas of white light
- Towers above 500’
- FAA certified
- Replaces unreliable Xenon technology
- Reduces massive maintenance costs

**Scale of opportunity**
- ~1,800 towers with high intensity systems in US
- Average 9 flash heads per tower
- Total US tower opportunity
- $150 - 200M
Illumination
• Revenues up over 128% versus guidance of 100%
• 75,000+ Industrial White Lights shipped in the year
• High Bay Light major success
• Sales to many new customers in 2011
• Pipeline of new/improved products
• 2012 starting strongly
Vertically Focused – Hazardous & Industrial

**Regulated Primary Markets**
- Oil & Gas
- Power Gen
- Mining
- Chemical
- Pharmaceutical
- Water & Sewage
- Food & Beverage

**Secondary Markets**
- Manufacturing
- Warehousing
- Cold Storage
- Data Centers
How big is the market, is the opportunity real?

- Freedonia says Industrial Lighting is approx., $5Bn Annually
- We address the installed base which is probably 10 times that size
- Hazardous and Heavy is about 20% of that
- Dialight has achieved between 0.1 and 0.5% penetration
- Major investment in channel expansion

2010 Global Projection: $75 Billion

- Residential: 21%
- Parts & Accessories: 17%
- Portable: 17%
- Commercial: 20%
- Outdoor: 17%
- Industrial: 7%

Source: Freedonia IMS

2010 Global Industrial Sales: $5.25 billion
Lighting Sales Force Expansion - more than doubled in 12 months
Product Portfolio
Dialight’s LED Lighting Fixtures – Broadest in the Industry

**High Bay**
- Power Consumption: 123-170W
- Replaces: 400W HID
- Energy Savings: 65%
- Typical Payback: 1-3 years

**Linear Fixture**
- Power Consumption: 50-100W
- Replaces: 200W Fluor
- Energy Savings: 50%
- Typical Payback: < 2 years

**Area Light**
- Power Consumption: 43-70W
- Replaces: 200W Fluor
- Energy Savings: 50%
- Typical Payback: < 2 years

**Low Bay**
- Power Consumption: 80W
- Replaces: 150W HID
- Energy Savings: 50%
- Typical Payback: < 2 years

**Wallpack / Bulkhead**
- Power Consumption: 11-24W
- Replaces: 70W HID
- Energy Savings: 70%
- Typical Payback: 2-4 years
So how does Dialight provide value to LEDs?

**Mechanical design / thermal heatsinking**
Key to longevity of LED fixtures is proper heat management

**Electrical design**
Highly efficient universal power supplies built custom for each luminaire, tailored to meet specific certifications, extreme temperatures and rugged environments.

**LED optical design**
Concentrate light to the targeted area, rather than wasted on walls, the tops of shelves or into the night sky.

**Highly durable & efficient lenses**
Extremely durable lens options for a range of indoor and outdoor applications.
Dialight LED High Bay

• 60,000+ units – total installed base
• Multiple award winning luminaire
• Fixture efficiency – 100 lm/W (*industry avg – 77 lm/W)
• Mounting options for any application
• 200 different variations
  - Certifications
  - Lumen output, power consumption
  - Light distribution patterns
  - Color temperatures
  - Voltages
  - Occupancy sensors
  - Dimmable

*Based on DesignLights Consortium QPL 08/2/2012
Here’s what we were able to accomplish with our high bay

2009
8,000 lumens
53 lm/W

2010
12,000 lumens
80 lm/W

2011
14,000 lumens
90 lm/W

PRESENT
17,000 lumens
100 lm/W
The Future

• Multi-Billion Dollar addressable Market in Lighting
• Low penetration
• Improving paybacks for the customer base as Dialight’s products improve with LED efficiency and internally driven innovation
• Lighting Revenues potential to double year on year
• Almost $0.5Bn addressable market in Obstruction
• Low penetration
• Obstruction Revenues potential to grow more than 30% a year
• Operational leverage and maintained/improving contributions will drive the Groups operating Income
• Continued doubling lighting through ’14 would triple the size of the Group
• £100m Incremental Revenue drives £30m Incremental EBIT
Dialight

Challenging the status quo in the lighting industry