

# 2019 ANNUAL GENERAL MEETING

17 APRIL 2019

...Dialight



# KEY POINTS

**Results in line with revised expectations**

**All product assembly now back in-house, full exit from Former manufacturing partner by end of H1 2019**

**Expanded market opportunity, 3 new products in 2019**

**Regional development centres**

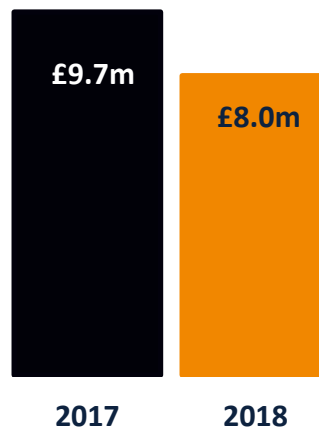
**Two new manufacturing facilities**

**Board's expectations of further progress in 2019 unchanged, with usual H2 weighting**

## Revenue



## Underlying EBIT



## Statutory PBT



**36%**

Underlying  
gross margin  
(2017: 37%)

**£2.9m**

Net debt  
(2017: Net cash £12.8m)

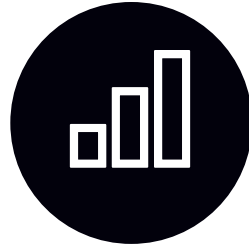
**16.4p**

Statutory EPS  
(2017: 4.8p)

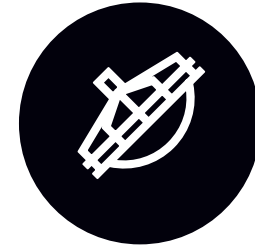
# OUR PRIORITIES



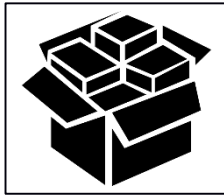
**SCALEABLE  
OPERATIONS**



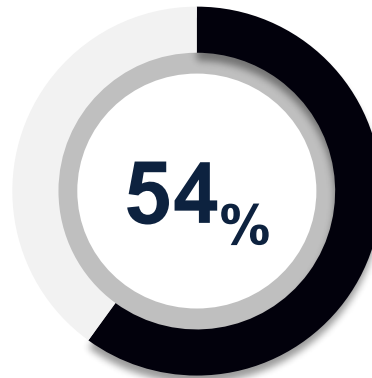
**MARKET  
EXPANSION**



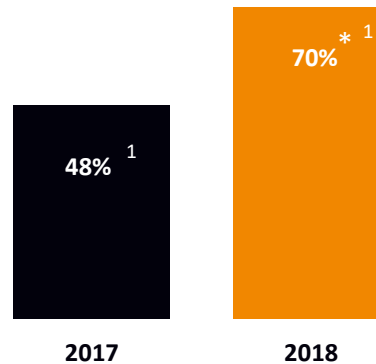
**INCREASED  
CAPACITY FOR  
NEW PRODUCT  
DEVELOPMENT**



**% improvement in level of late orders**



**On time delivery**

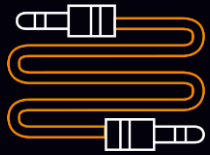


- All final assembly in house
- Manufacturing partnership terminated on 27 September 2018
- Machinery to be transferred by end of H1 2019
- New plants in Mexico and Malaysia
- Remaining inventory at former manufacturing partner under negotiation
- Targeting 95% on time delivery

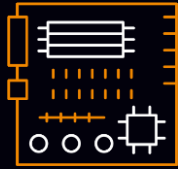
\* On time delivery includes overdue order backlog transferred from former manufacturing partner  
<sup>1</sup> Lighting on time delivery at the end of the year

# HYBRID MANUFACTURING IN PLACE

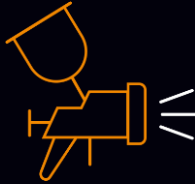
## External/Internal



Cables



PCBAS

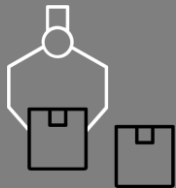


Machining & painting

Regional suppliers to support sub-assembly requirements:

- Suppliers expertise in specific process/products
- Competitive prices
- Risk Managed supply chain

## Internal



Final assembly & supply chain



Distribution

- Regional assembly facilities
- Global purchasing with local delivery
- Fulfilment from regional hubs
- Regional customer service



Reduced lead times



Competitive pricing



Improved margins

# EXPANDED MARKET OPPORTUNITY

## Current market

£0.5 bn



## Expanded market

£2.0 bn



**Leverage existing sales channel**

Existing channel partners to support

**Target current customer base**

Focus on lighter duty applications in current customer facilities

**New products for large niches**

Reduce need to discount price of established high performance products

**Product customisation**

Improved alignment of pricing with features

# NEW PRODUCT DEVELOPMENT CAPACITY



## Current team

Improve efficiency  
and output by process  
optimisation



## New regional teams

New teams set up in  
London and Penang



## External support

Use of ODMs and  
design firms

**22 new platform products targeted over the medium term**  
**Investment funded through growth**



# OUTLOOK

Dialight plc (LSE: DIA.L), the global leader in LED lighting for heavy industrial applications today publishes a trading update for the current financial year, ahead of its Annual General Meeting taking place later today.

Since the Group's full year 2018 results announcement on 25 February 2019, the Group has continued to focus on addressing its operational issues. We have continued to make progress in our recovery, including positive momentum in order intake and final assembly output. All but two of our smaller product lines have reached acceptable on-time delivery levels and all are expected to be fully recovered by the end of H1 2019. Our exit from our former manufacturing partner is ongoing and we expect this to be completed by the end of H1 2019.

We have continued to execute on our strategy to address an expanded industrial LED market by increasing our capacity to develop new products, with the first of the new products targeting an expanded market expected to launch in May 2019.

Our global end markets continue to be robust and we are increasingly well positioned to recover and grow. The Board's expectations of further progress in 2019 remain unchanged, with the Group's results to be heavily weighted to H2, reflecting both the ongoing resolution of our operational issues and normal industry seasonality.

The Group's half year results announcement for the half year ending 30 June 2019 will be released on 5 August 2019.

