

Luceco plc

30 July 2019

First Half Trading Update

Luceco delivers strong growth in the first half and remains in line with expectations

Luceco plc (the “Group”), today announces its trading statement for the six months to 30 June 2019 (the “Period”). Luceco plc is a leading manufacturer and distributor of high quality and innovative LED lighting products, wiring accessories and portable power products for a global customer base.

Highlights

- Continued solid performance – trading in line with expectations¹.
- Revenue up 10% - strong revenue growth, especially within UK retail against a weak comparative.
- Gross margin improvement in the second half of 2018 continued into the first half of 2019 - driven by product and channel mix and product cost improvements.
- Operating margin in the first half, which is typically weaker than the second, is expected to be approximately 9% - against break-even in the comparative period.
- Net debt at 1.5 x LTM EBITDA.

John Hornby, Chief Executive Officer, said:

“The Group has produced a solid performance in the first half underlining the benefit of the actions taken by the Group. Despite a more challenging second half comparative and continued weakness in UK professional demand due to the uncertain economic and political environment, we are confident of achieving ongoing growth in both revenue and operating profit in line with market expectations¹.

The strength of our brands and customer relationships are driving improved margins which, together with on-going investment in people, infrastructure and processes, will ensure the Group continues to make sustained progress.”

Supporting note:

1. The Board considers market expectations for the financial year ending 31 December 2019 are best defined by taking the range of forecasts published by analysts who consistently follow the Company. The range of underlying operating profit forecasts as at 29 July 2019, of which the Board is aware, is £17.0m to £17.2m.

Further enquiries:

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Luceco plc

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Notes to Editors:

Luceco is a manufacturer and distributor of high quality and innovative LED lighting products and wiring accessories for a global customer base.

The Group supplies trade distributors, retailers, wholesalers and project developers with a wide range of products which broadly fall into the following market recognised brands:

- Luceco and Kingfisher: energy efficient LED lighting products and associated accessories;
- British General (BG): wiring accessories (including switches, sockets), circuit protection and cable management products;
- Masterplug: cable reels, extension leads, surge protection, timers and adaptor products; and
- Ross: television wall mounts, audio visual accessories and other items.

The Luceco and Kingfisher LED lighting brands continue to benefit from the disruptive shift away from mature lighting technologies as a result of the material advancement in LED technology in recent years. The brand continues to successfully leverage the Group's existing customer base and low-cost Chinese manufacturing facility. Consequently, it remains well positioned to continue to deliver healthy organic growth.

In the electrical wiring accessories market, Luceco's BG and Masterplug brands have continued to reinforce their market leading positions through further new product development initiatives, expanding into new product adjacencies and gaining market share.