



MAY 2017

COMPANY PRESENTATION

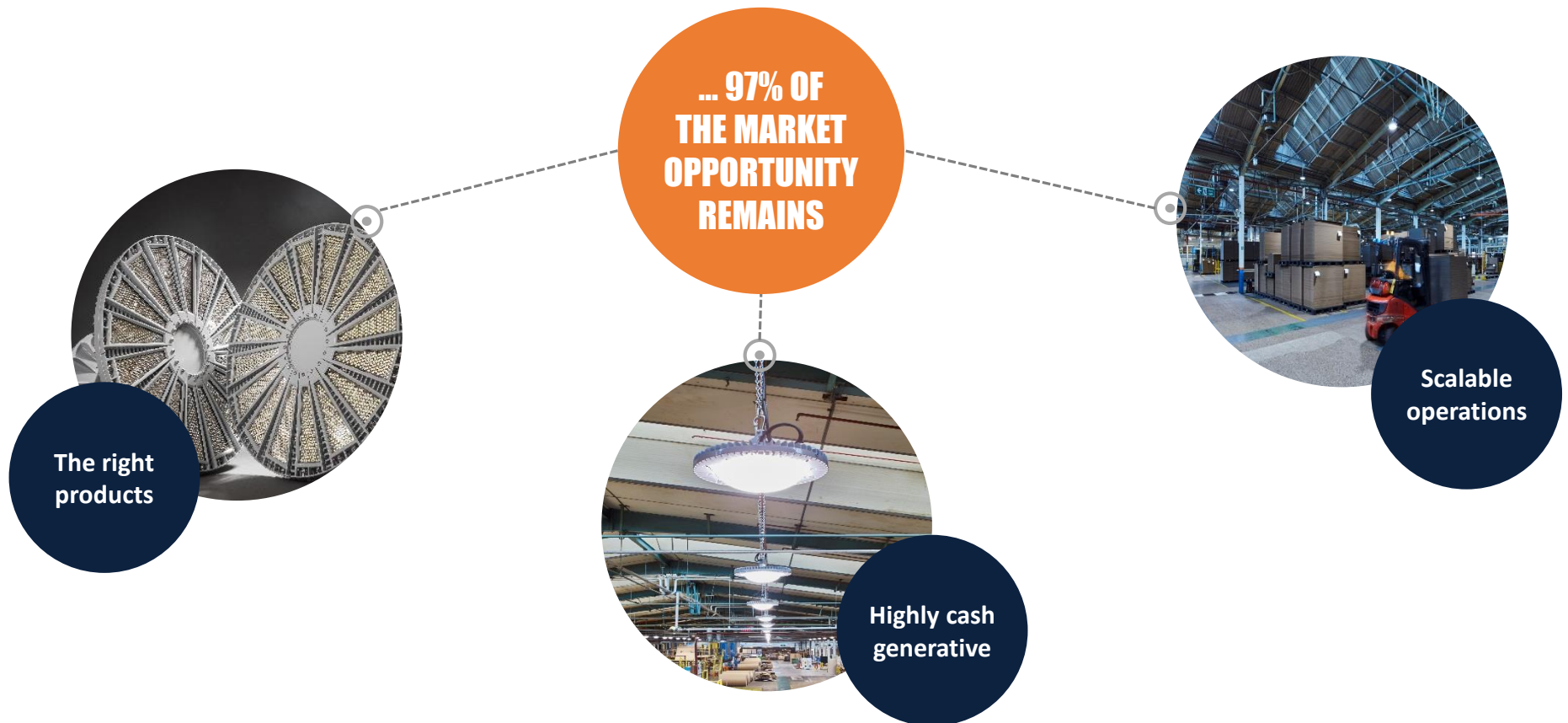
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OVERVIEW

MICHAEL SUTSKO



The world's largest installed base in heavy industrial LED lighting. Over 750,000 LED fixtures worldwide ...



Dialight fixtures have contributed to the reduction of 1.1 billion kWh of energy consumption or the equivalent of 166,000 passenger vehicles driven for 1 year!



Energy, Utilities & Mining

- Oil and Gas
- Mining
- Petrochemical
- Chemical
- Power Generation
- Metals



Industrial Processing & Manufacturing

- Heavy Industry
- Pharmaceutical & Biotech
- Food and Beverage
- Wood, Pulp and Paper
- Automotive
- Aviation & Aerospace



Infrastructure

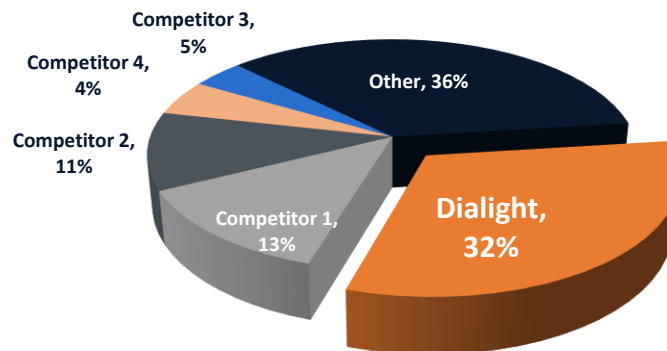
- Telecom & Broadcast
- Water treatment
- Wind Power
- Military

TYPICAL CUSTOMERS

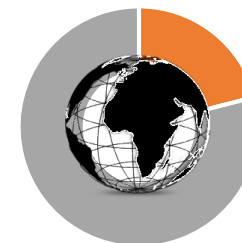


Dialight's Market Share

50%
The Americas



21%
EMEA



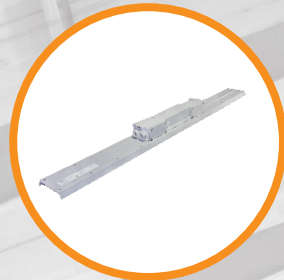
Dialight's market segments

Industry	2016	2015
Industrial processing & manufacturing	41%	40%
Energy, utilities & mining	35%	42%
Infrastructure	24%	18%

Our premium fixtures are designed and built to withstand the harshest heavy industrial and hazardous environments



High Bay



Linear



Area



Obstruction



Low Bay

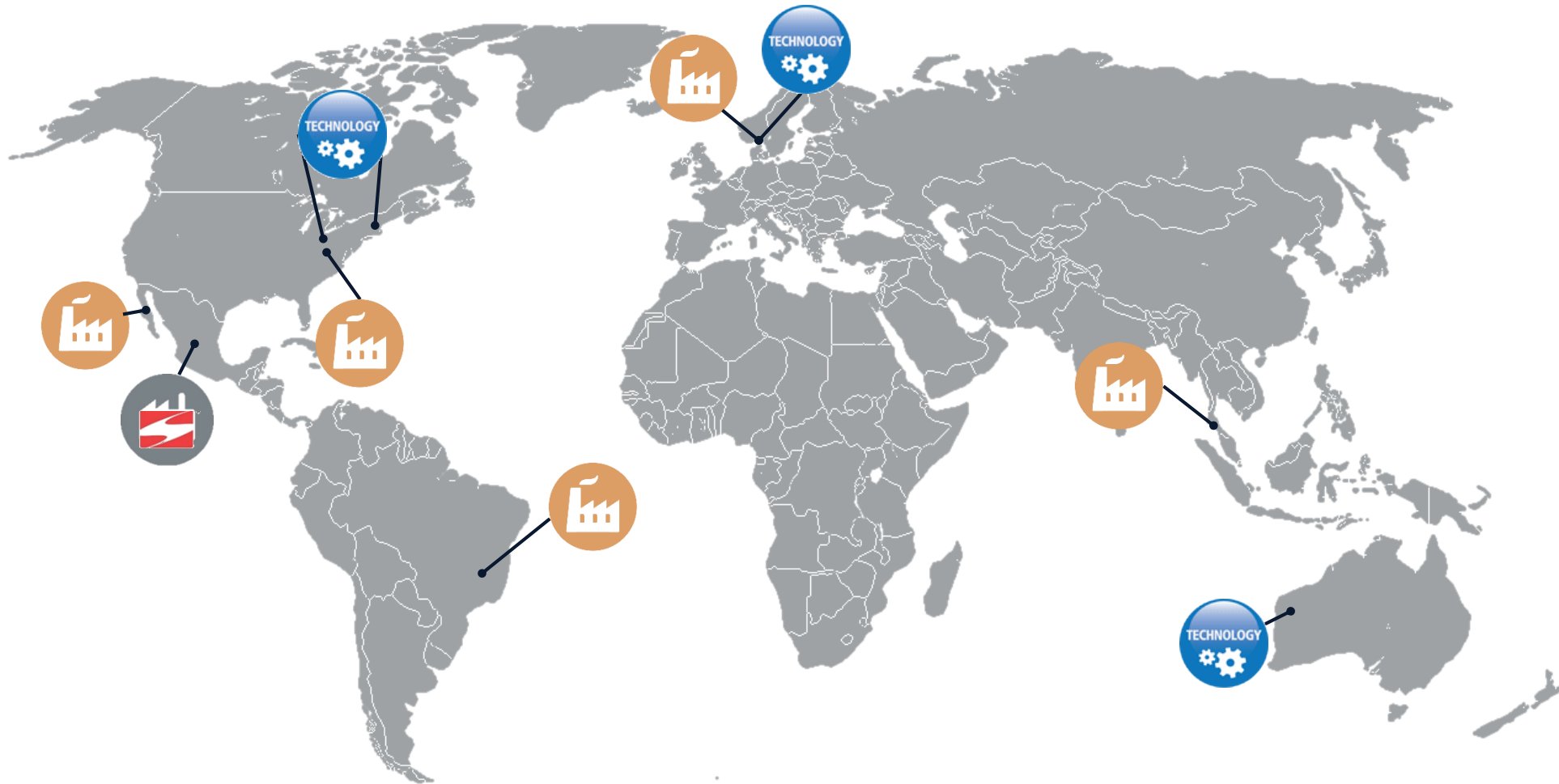


Flood



**Accessories,
Sensors &
Controls**

MANUFACTURING FOOTPRINT



Dialight owned manufacturing plant



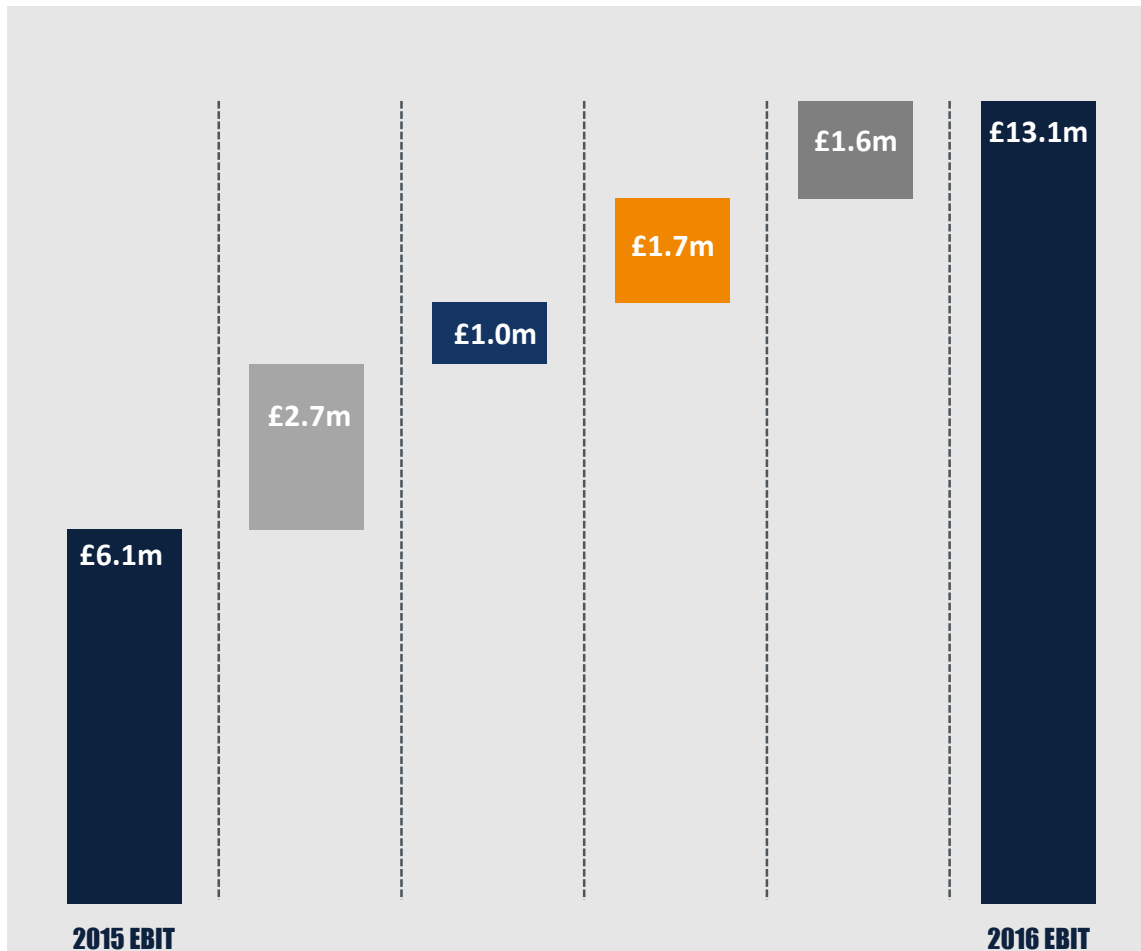
Sanmina manufacturing plant

1

FINANCIAL REVIEW

FARIYAL KHANBABI





 Material cost savings

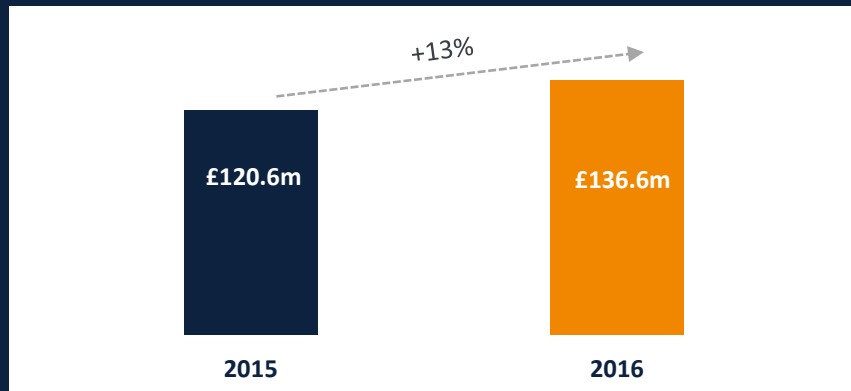
 Freight costs reductions

 Production efficiencies

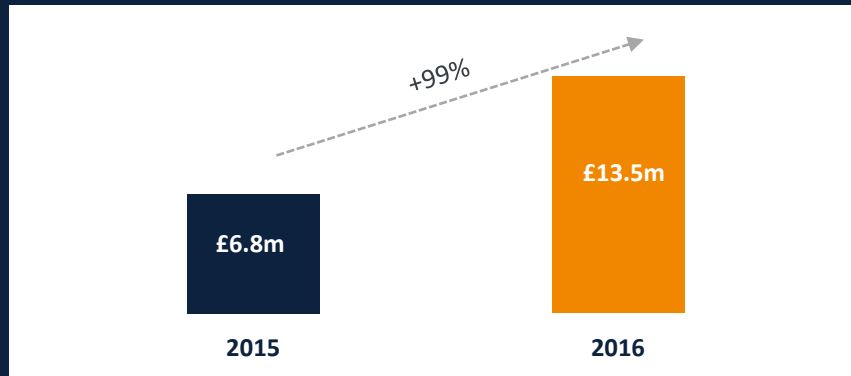
 Headcount reductions

Lighting

Revenue

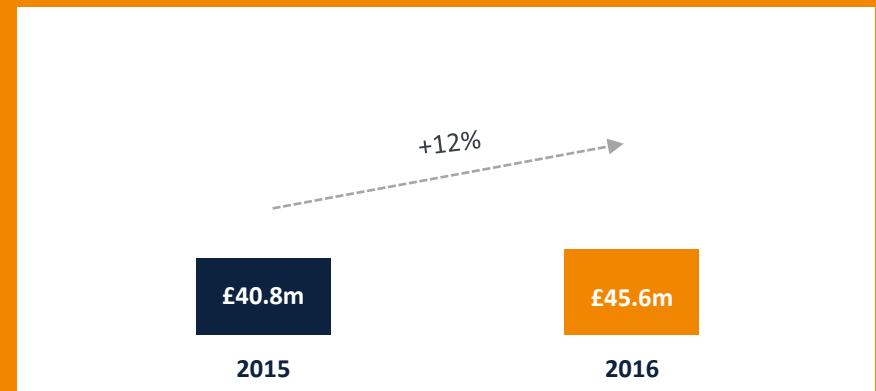


Operating profit

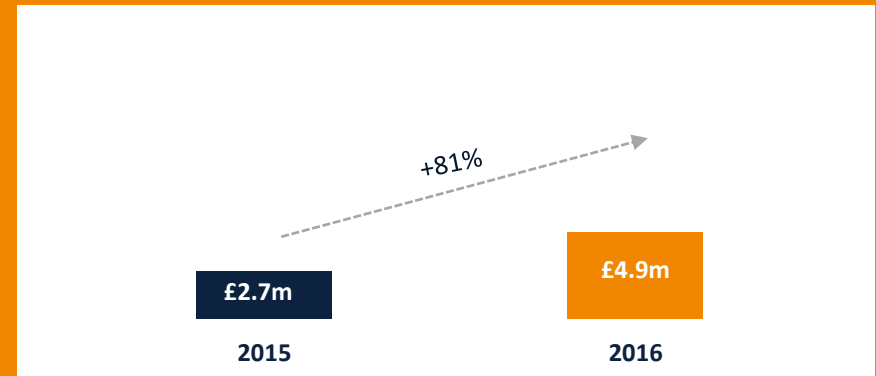


Signals & Components

Revenue



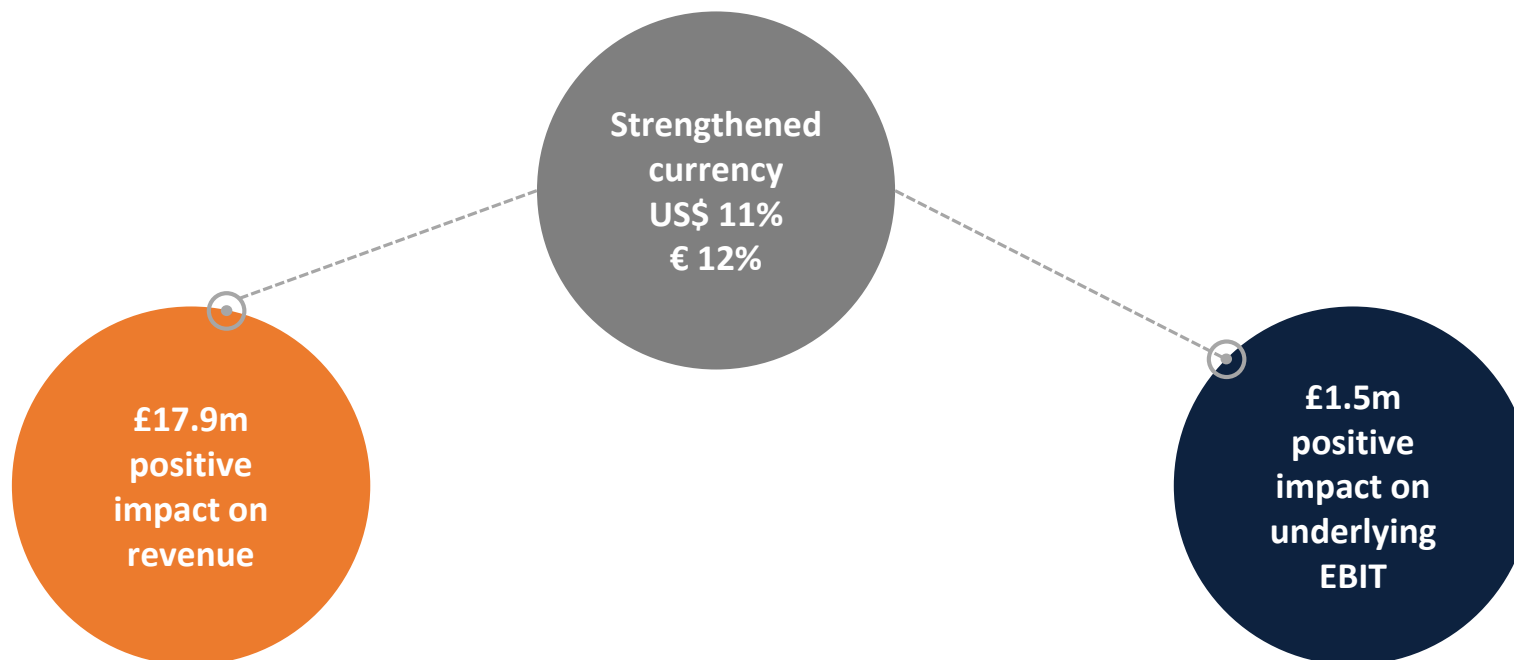
Operating profit



NON-UNDERLYING COSTS

£m	2016	2015
Employee severance and restructuring costs	5.3	1.8
Intangible asset impairment	5.1	1.0
Inventory costs	3.7	6.0
Production transfer costs	2.4	-
Other	(0.1)	0.7
Non-underlying costs	16.4	9.5
Total cash impact	4.9	2.4



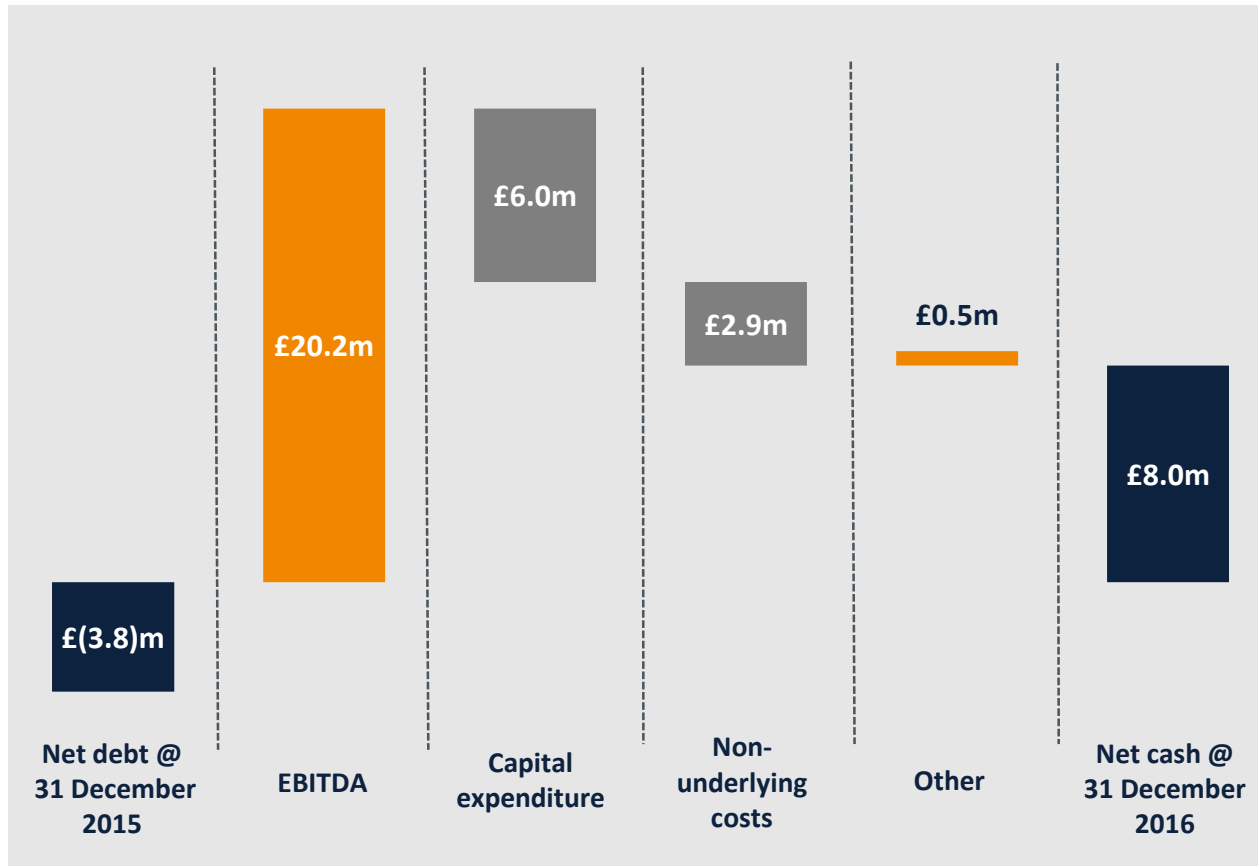


Impact on 2017

	Revenue	EBIT
\$0.01 movement	£1m	£80k
Euros 0.01 movement	£64k	£5k

US\$/£ 2016 rates

	US\$/£
Average	1.36
Closing	1.23

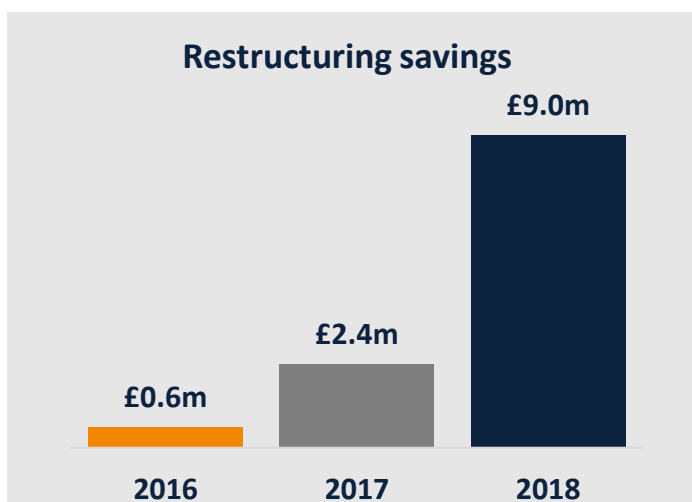


Cash conversion: 104%



FULL YEAR 2017 PLANNING ASSUMPTIONS

Income statement	Net interest	Broadly in line with 2016
	Tax rate	35%
Cash flow	Capex	c.£4m for plant upgrades, IT & product development
	Working capital	Broadly in line with 2016



Final restructuring costs of £2- £3m in 2017

2

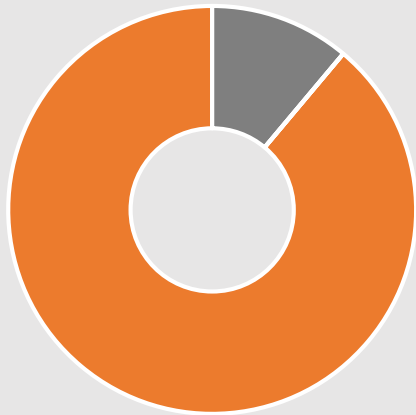
BUSINESS REVIEW

MICHAEL SUTSKO





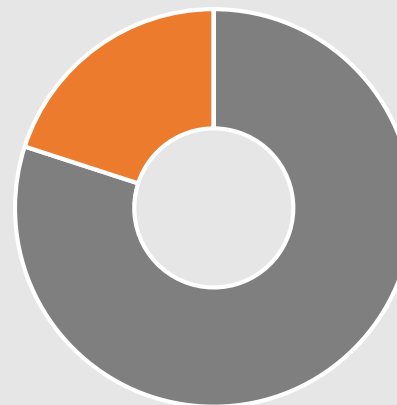
PLATFORM PRODUCT DESIGN



IMPROVED BUSINESS PROCESSES



OUTSOURCING ASSEMBLY



TALENTED AND ENGAGED TEAM



● Completed ● Outstanding



Embedded resonant power supply



Integrated mechanical & thermal design



Easy to install



Leading optical design



Advanced lighting controls

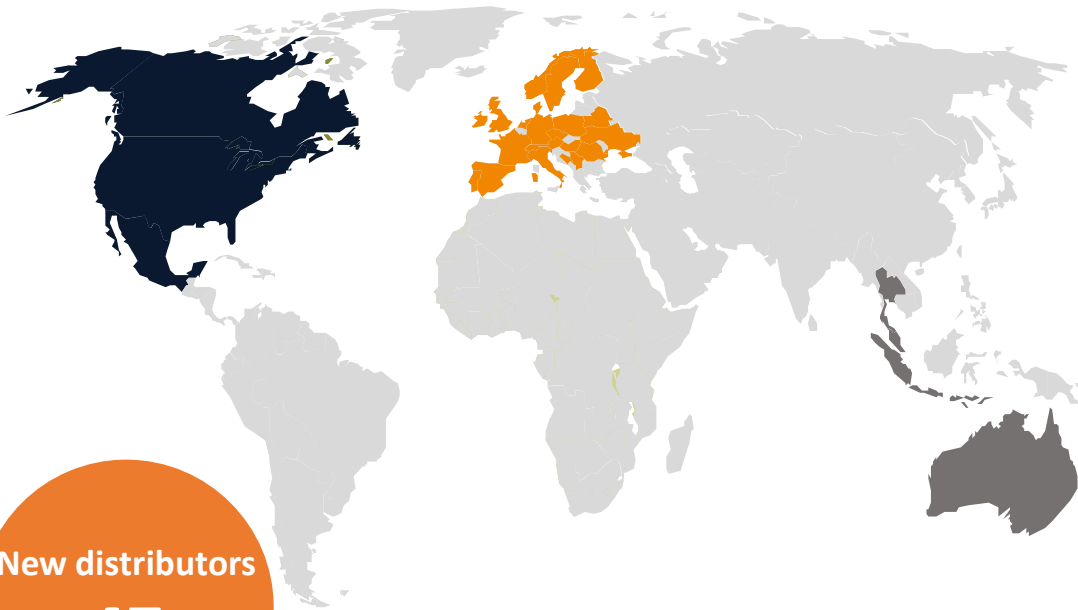


Integrated with factory automation

Technology roadmap driving to less than one-year payback provides access to customer spending

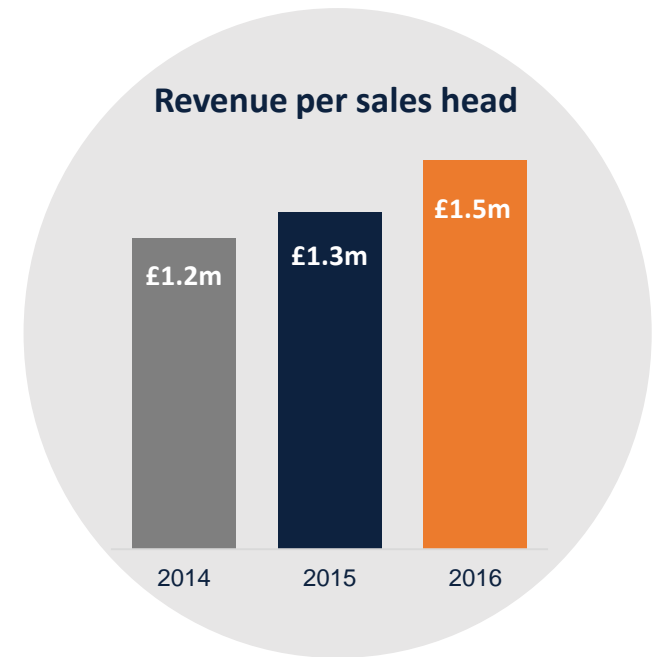
New products
37

Expanding direct and distributor coverage in our markets

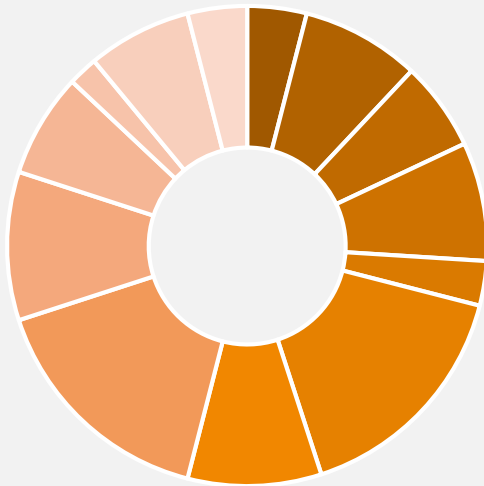


New distributors
47

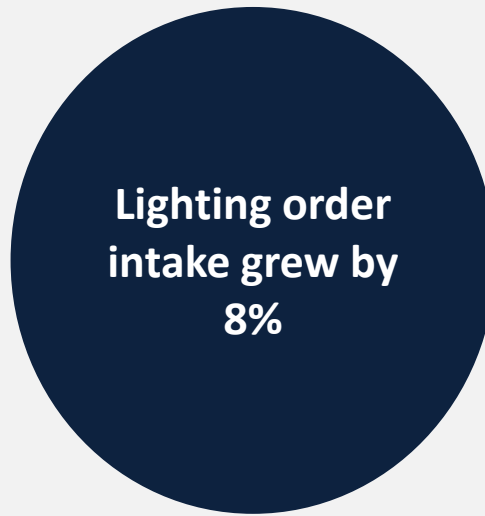
More productivity from sales team



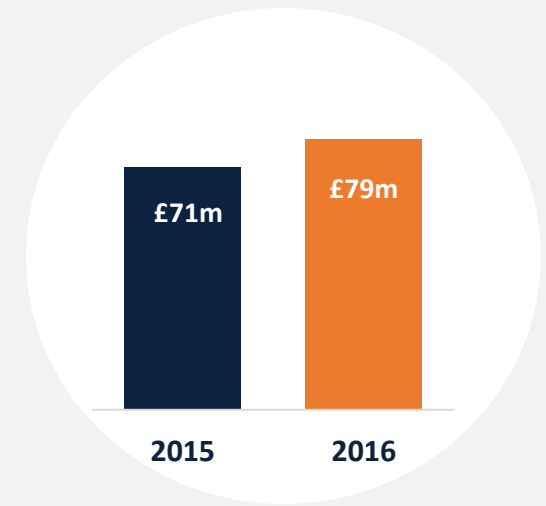
Sales not overly
reliant on a single
sector



Lighting order
intake grew by
8%



H2 revenues grew
by 11%



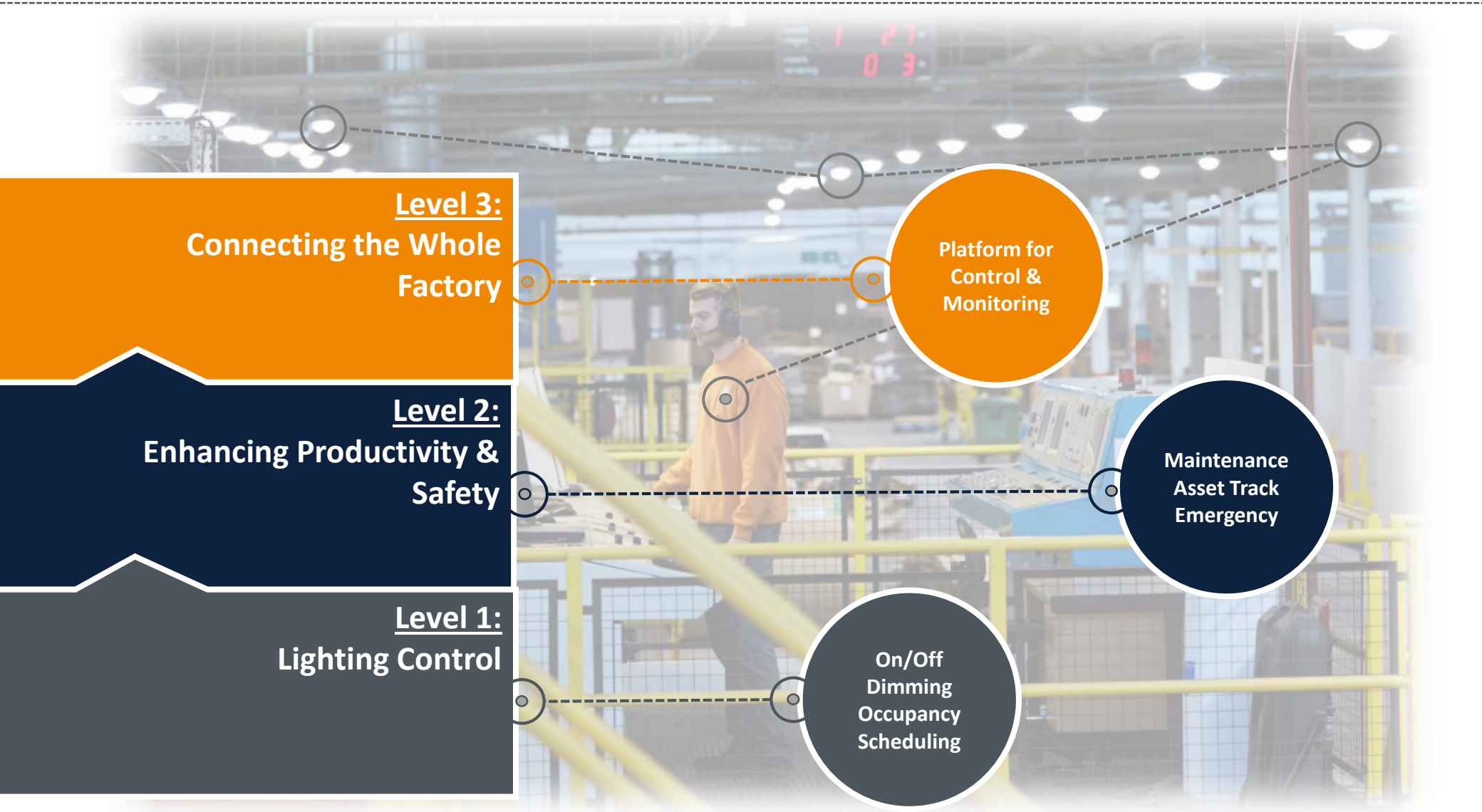
Order rate growth – 2016 vs. 2015 at actual currency – 19%
H2 revenue 2016 vs. 2015 at actual currency – 32%

Connecting to factory and facility automation



Elevating our customer engagement model





Level 3:
Connecting the Whole
Factory

Platform for
Control &
Monitoring

Level 2:
Enhancing Productivity &
Safety

Maintenance
Asset Track
Emergency

Level 1:
Lighting Control

On/Off
Dimming
Occupancy
Scheduling



OUTLOOK

2016 was a year of change for Dialight. We are making good progress with our three-year plan to return to sustainable growth. Phase one of the plan to rebuild our operating model, is largely complete. The sustainability benefits of reduced energy usage, lower carbon emissions, reduced maintenance and improved safety offer real value to our customers. This progress underpinned our encouraging financial performance in challenging market conditions.

Phase two of the plan – growth initiatives to capture the long-term opportunity in LED lighting – is underway, and on track to deliver against our strategic plan. We remain confident of the Group's prospects for 2017 and over the medium to long-term, based on current FX rates.

Questions

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INCOME STATEMENT

Variance

£m	2016	2015	Reported	Constant Currency
Revenue	182.2	161.4	13%	2%
Cost of goods sold	(112.7)	(105.2)		
Gross Profit	69.5	56.2	24%	11%
Distribution costs	(32.7)	(30.7)		
Administrative expenses	(23.7)	(19.4)		
Underlying EBIT	13.1	6.1	115%	72%
Non-underlying costs	(16.4)	(9.5)		
Finance expense	(0.5)	(0.5)		
Loss before tax	(3.8)	(3.9)		
Tax	1.0	1.9		
Loss after tax	(2.8)	(2.0)		
Underlying EPS	26.9p	13.3p		



SEGMENTAL RESULTS

Lighting

£m	2016	2015	Variance
Revenue	136.6	120.6	13%
Direct costs	(79.2)	(72.3)	(10%)
Gross Profit	57.4	48.3	19%
Gross margin	42%	40%	2%
Overheads	(43.9)	(41.5)	(6%)
EBIT	13.5	6.8	99%

Signals & Components

£m	2016	2015	Variance
Revenue	45.6	40.8	12%
Direct costs	(33.5)	(32.9)	(2%)
Gross Profit	12.1	7.9	53%
Gross margin	27%	19%	8%
Overheads	(7.2)	(5.2)	(38%)
EBIT	4.9	2.7	81%

Note: Segmental EBIT excludes unallocated overheads of £5.3m.

