# Thorlux Lighting

Results are disappointing when compared with last year's; however, they need to be viewed in the context of the record results achieved in 2016/17. The integration of the Compact business bolstered revenue but affected operating costs, leading to revenue marginally below that of last year. On a positive note, SmartScan continued to deliver, supporting order income during the year.


Across the Group, Thorlux has the widest product portfolio, supplying a variety of markets and sectors. Demand increased in the healthcare, commercial and logistics sectors, but softened in automotive and industrial. We also need to consider that confidence in the construction sector was dented midway through 2017/18 with the demise of a major contractor; although we were not directly impacted, we believe this slowed demand.

Thorlux continues to be the focus of product development for the rest of the Group. Further enhancements of the SmartScan platform were delivered and will continue into the coming year, with additional functionality to measure certain conditions of the environment in order to monitor the performance of a space. Thorlux orders and sales may not have hit the heights of last year; however, SmartScan revenue exceeded £14.0m in its second year.

Group collaboration remains a key focus, combining the expertise of our outdoor lighting companies, TRT and Lightronics, lens development skills from Luxintec and decades of lighting product development experience from Thorlux. This has resulted in a number of new products being brought to the market, with a number in the pipeline for launch during 2018/19.

In another notable collaboration, a major project was secured by our sales office in the UAE and supplied by Thorlux, TRT, Philip Payne, and Luxintec in Spain.

Further energy saving projects with the NHS were delivered, and the retail business outperformed in its first full year under the Thorlux umbrella.

Overseas, both Ireland and Australia performed well. Germany was disappointing in spite of investment in personnel; however, the stand-out performance was that of the UAE.

Investment in Thorlux continues. Systems and processes have been a major focus this year, with investment in our main system to improve day-to-day activities that have not necessarily evolved with the business over the years. This will continue over the next few years. Manufacturing capacity has been increased: an additional printed circuit board line has been installed at our TRT facility, controlled by Thorlux but for use by the Group as a whole.

Our investment in selling resources has not grown orders this year, but we will continue this for the long term. Our product portfolio continues to evolve, as does our selling presence in different territories and market sectors. Further streamlining of our operational processes, which will include the closure of our Portsmouth facility, should improve profit margins in 2019. Thorlux will continue to aim for growth; this will be difficult in the current economic climate, but the business has the right building blocks to maintain its performance and move it forwards.

**Revenue**

**£68.6m**

**–1%**

(2017: £69.1m +22%)

"Thorlux continues to be the focus of product development for the rest of the Group."

**Pictured:** Girls High School, Sheffield