



TRT Lighting



For the first time since its inception, TRT failed to grow this past year. Following a difficult finish to the 2016/17 financial year, the business responded positively to increased price competition and the commoditisation of the basic street light offering. Prices have dropped, which has necessitated a dramatic increase in volume to keep revenues close to those of the previous year, but has resulted in a lower operating profit for 2017/18.

Where TRT has been successful is in securing volume orders with local authorities, with the launch of products to compete at the value end of the sector. A focus on factory efficiency was required to improve output; this has taken time, but efficiency improved in the second half of the year.

Tunnel lighting business has been non-existent this year; however, these projects can be sporadic, and a number of opportunities in this sector remain active. TRT has developed a couple of new solutions for this market that include retrofit kits to replace lighting in a number of projects the business has supplied in the past.

Product development remains key, particularly in the current value driven market. In the next few months, TRT will launch a new product, named Optio, which will differentiate the business in

the street lighting market. Key features include selectable light distributions and power settings as well as an adjustable column mounting that will result in a one-product-fits-all solution for the majority of customers.

The in-house printed circuit board assembly facility is now operational, supporting not only TRT but also other companies in the Group. The addition of new painting facilities were deferred to allow TRT to focus on its factory efficiency improvements, but will be revived during the new financial year.

TRT again starts the year with a good order book from a street lighting perspective. Improved margins and continued factory efficiency will be key to supporting improved operating performance in 2018/19.

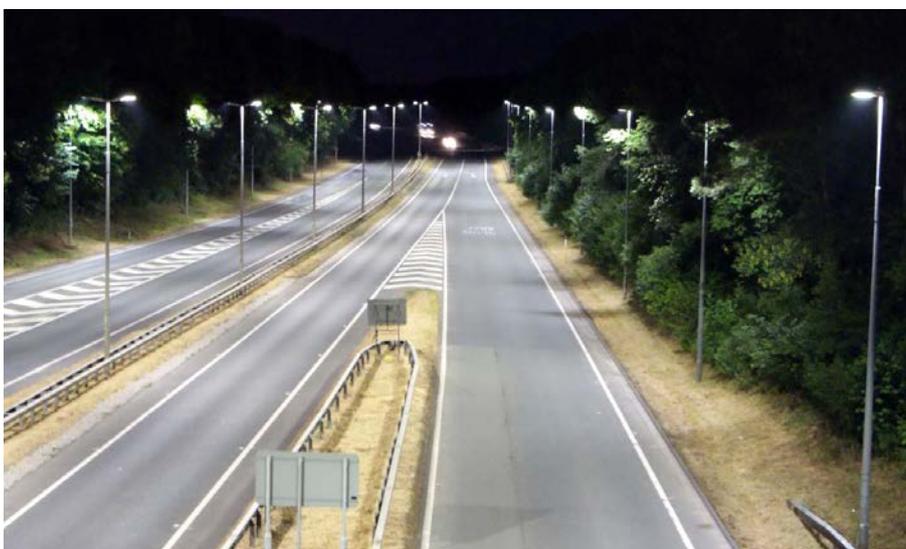
Revenue

£8.6m
-2%

(2017: £8.8m +5%)



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Pictured: Traffic Route, North and Mid Wales Trunk Road Agency, Wales