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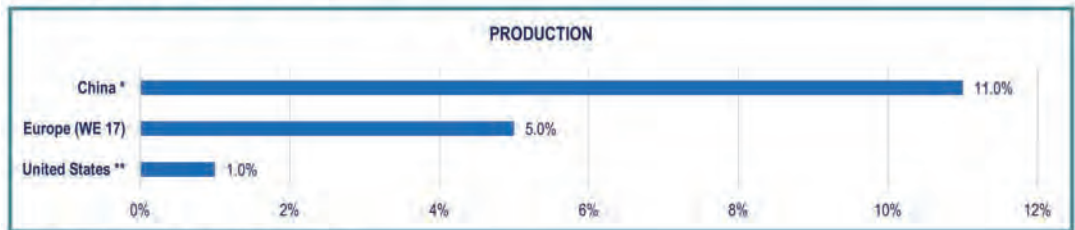
# THE CHINESE LIGHTING INDUSTRY ON THE STOCK EXCHANGE

Today, major Chinese manufacturers of lighting fixtures (and related equipment) are mostly listed on the stock exchange. For some 30 companies among them it is possible to compare the 2016 and 2017 figures, and they are impressive. In one year, growth is approximately 15% on the domestic market and 12% abroad. These 30 companies have a cumulative turnover of approximately USD 10 billion. The overall market, especially export, is growing at a lower pace.

## OPPLE LIGHTING

**Opple Lighting** turnover in 2017 is around 7 billion RMB (one billion USD) with a growth in excess of 20%. The company has vertically integrated production facilities of 560,000 sq.m. in China and a total of 5,600 employees (formerly 6,000) including a high-tech R&D department with a staff of about 350. Opple runs 6,000 stores in China and 34,000 abroad (80% lighting stores, 20% hardware) with branch-

2017 production, exports and imports of lighting fixtures, worldwide. Yearly variation in USD



(\* Only big players ; (\*\*) 1.5%-2.0% big players



\* 4.7% in Eur



\* 3.3% in Eur

Source: CSIL processing data

es in the Netherlands, Hong Kong, South Africa, Dubai, Thailand, India, and Brazil. The company is now investing in Myanmar, Indonesia, and the Philippines. In 2017, R&D investment amounted to 221 million Yuan, accounting for 3.17% of operating income. In the second half of 2017, Opplé won a series of commercial projects, such as: The Saudi BMW Car showroom project, Colombo apartment building project, and South Africa Solar lighting project.

#### SHANGHAI FEILO ACOUSTICS

Founded in 1984, **Shanghai Feilo Acoustics** is quoted on the Shenzhen stock exchange. In 2017 the company totalled sales for around RMB 5450 million (80% fixtures, 25% lamps, 5% car lighting). Sales are stable for lighting fixtures while are strongly diminishing for lamps.

A further 30% decrease is registered for the first quarter 2018. On the overall lighting business, the Contract segment is going down while the Wholesale/Retail is growing. Company brands include Yaming (lamps and lighting fixtures), Shenan (contract lighting) and Sunlight (automotive lamps). Yaming is owned by Feilo since 2002. Sunlight has been purchased in 2012. Shenan followed in 2014. In January 2016 the former activities of Havells in Europe were added (brands Concord, Sylvania and Lumiance). So far, Feilo has 17 manufacturing bases, 1 logistic center and 1 R&D center across China (10 manufacturing plants), Germany, Belgium, Tunisia, UK, France, and Colombia. Feilo has more than 8,000 dealers worldwide.

#### EBITDA (%) in the lighting sector worldwide, 2017

Company	WE Europe (17)	CE Europe (13)	China	United States
Average	9	7	8	10
Best group	20	15	16	16
Leading player	10% (Philips)		12% (Opplé)	16% (Acuity)

Source: CSIL processing data

#### NVC AND FSL

**NVC** is among the largest lighting fixtures manufacturer in China. Overall turnover was RMN 8 billion in 2016 and 10 billion in 2017. Lighting fixture sales increased by 9%, mainly coming from commercial lighting and home lighting. LED revenues amounted to about 74% of the total representing an increase of 17% on 2016. NVC export sales of lighting fixtures amounted to RMB 1250 million in 2017.

**Foshan Electrical & Lighting (FSL)** is the first experimental enterprise of stock system transformed from the former state-owned (Foshan Bulbs Factory established in 1958) to a private enterprise Foshan Electrical and Lighting Company in October 1992. The group operates its headquarters with more than 20 factory buildings (covering a total areal of some 20 hectares). Total number of employees is about 9,000 people in 2017 (1,000 more on 2016). Sales stood at USD 579 million in 2017 (+20% on 2016). EBITDA is 12,7%. CSIL estimated breakdown of sales is as follows: 60% lighting fixtures and 40% lamps.

#### TOSPO AND MLS ELECTRONICS

The major exporters in Europe are probably Yankon and Tospo. **Yankon** took over the Danish

Nordlux in early 2018. **Tospo** employs 5,000 workers in 2017 (increasing on 2016). Sales of lighting in 2017 were RMB 4 billion (+17% on 2016). Tospo Lighting is a wholly owned subsidiary company of Hengdian Group. The Group operates in three main industries: Electronics, Chemical and Pharmaceutical and Film and Entertainment industry. Philips has been the first major customer, followed by Panasonic.

**MLS Electronics Co Ltd** is among the top ten largest LED manufacturers in the world. The company was founded in 1997 and listed on the Shenzhen stock exchange in early 2015. MLS sales in 2017 reached RMB 8.1 billion (RMB 5.5 billion in 2016). Since 2017 MLS is owner (together with a financial fund) of Ledvance, a spin-off of Osram Lighting.

The CSIL Report 'The Lighting Fixtures Market in China', XI edition, year 2018 is available for online purchase and download at: [www.lighting.csilmilano.com](http://www.lighting.csilmilano.com)