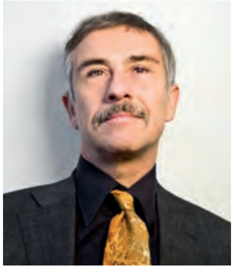

by Aurelio Volpe

MARKET CONCENTRATION IN THE LIGHTING WORLD

In the "lighting world" there are forces that push in the direction of a concentration of the market, as well as in the opposite direction. From one side, there is the need to approach more and more markets with a broad portfolio and increasing Research & Development outputs. These are the forces that go in the direction of a higher rate of concentration.
On the opposite side, disruptive innovations (like LEDs twenty years ago and IoT connected lighting nowadays) offer new comers the possibility to find new ways to the market.
Philips invested in the lighting sector twenty years ago. In the year 2005 (see table), Philips Lighting had not yet owned its residential division (Massive, from Belgium, at that time), Indalux in Spain (outdoor lighting) and many others.
More recently, the purchase of Cooper Lighting explains at least in part the jump from 7.9% to 9.7%. But, in turn, Royal Philips decided to split its lighting division, now named Signify, from the other activities (Healthcare and Appliances).
IKEA has invested a lot in the lighting sector during these years. The Swedish company Fagerhult has grown through several acquisitions and now it has a major role in the architectural lighting segment, just like iGuzzini (Italy).
Growth for the other players shown in the table comes from acquisitions (Luxo and Es-System in Glamox, for example), but also from investments in logistics (that allow Eglo to grow in America and Asia, for example), and innovation (Schreder IoT system for street lighting, for example).
Design Holding is something new in the Italian design arena, putting together Flos, B&B, ArcLinea and now Louis Poulsen (previously bought by Targetti). Artemide is a must in Italy, Germany, United States. Osram decided to concentrate in other innovative sectors, and its lighting businesses are now in Siteco, Ledvance, and Fluence Bioengeenering.

LIGHTING FIXTURES PRODUCTION IN EUROPE (30 COUNTRIES). PRODUCTION SHARE IN VALUE (ROUNDED DATA), 2005-2013-2021

		2005	2013	2021
Signify	NL	6	7.9	9.7
Zumtobel	AT	8.5	8	5.9
IKEA	SE	3	3.7	5.6
Fagerhult	SE	1.8	3.2	5.2
Eglo	AT	1.8	3.1	4.6
Trilux	DE	3	3	3.5
Schreder	BE	2.1	3.5	3.5
"Osram World"	DE	3.3	3.3	3.3
Design Holding	IT	1.5	1.5	3
Glamox	NO	1.7	2.5	2.6
Artemide	IT	0.9	1.1	0.9
Targetti Poulsen	IT	1.5	1.3	
IGuzzini	IT	1.6	1.9	
TOP PLAYERS		36.7	44	47.8

Source: CSIL

"Osram World": Siteco and Ledvance

