

GLOBAL MARKETPLACE

GLOBAL STRATEGIC TEAM

This team was formed initially to manage and retain business that was transitioning from the UK and Europe to lower cost countries in Asia 16 years ago. The team has expanded and now encompasses Strategic Account Management ('SAM') servicing multinationals. We work with their corporate teams to leverage business opportunities, becoming a Full Service Provider ('FSP'), and support them in multiple locations with a consistent customer centric service.

Within the team we have sourcing experts managing the 'AVL' vendors that are critical to the supply chain, product specialists, and a project management team working in tandem with global marketing.

We work with our local sites in a bottom up / top down method using the business intelligence and relationships that are key to winning and retaining business with these discerning customers. Of course we have to be commercially competitive but the value add of the service we provide is a currency too.

This is a key pillar in our sales strategy and we have seen consistent growth in the top 100 accounts, and our penetration into more of their sites.

Reflecting on the financial year, my synopsis is that it has been an exciting year, not without some challenges, but rich with opportunities. We faced some unknowns at the start of the year with Brexit and the American elections and how both of these unusual situations could affect some areas of our business. However, I was convinced that we had enough traction with our global sales strategy and that we would be able to ride it out, as we have, and still have a long term solid pipeline of business in place.

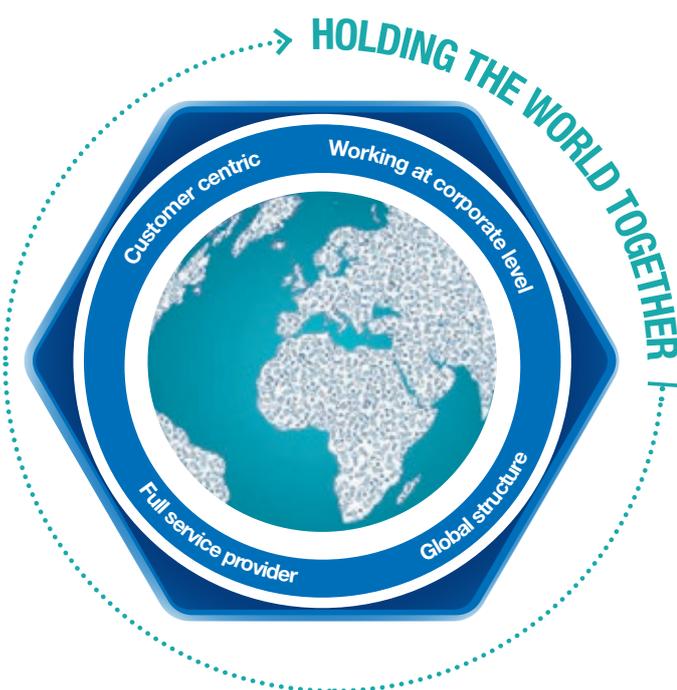
The sales and marketing strategy is constantly being reviewed, refined and enhanced. We have had strategies in place to manage each of the key sectors for automotive, electronics, domestic appliances, other and sales to key distributors since 2008.

Our global strategic business team is made up of Global Account Directors 'GADs', and Strategic Account Managers 'SAMs' who work at corporate level with multinational companies across the world. Their role is to penetrate more of the sites giving them the service level they require, with all the systems and processes they expect. These are very discerning clients, but once we have been approved as a vendor to supply, the doors open to a world of opportunity in their multiple sites. From early design involvement, providing proactive technical support right through to the logistics service that we provide is where we add value. We are seen as an 'FSP' and that elevates our status above that of many of our competitors. This is the highest growth area of our business and we work very closely with over 100 companies globally, with multiple sites, on this basis.

We have regional, and very important accounts that are strategic to our local sites, either based on turnover value or potential for growth. We follow the same strategies at regional level and these are serviced by Business Development Managers ('BDM'), many of whom have technical backgrounds which is a vital part of the customer requirements.

There has been significant growth this year through the distributors who purchase our proprietary products, much of which we manufacture ourselves in the UK and in Singapore. We are constantly adding additional sizes to enhance the range and despite, or because, of Brexit we have seen our sales in Europe from the UK grow substantially. This is due to the excellent service we are able to offer and our sound stocking policies, ensuring we have the right stock positioned to take advantage of the increased interest from Europe. Both Lancaster Fasteners and TR Fastenings, Uckfield have seen the most growth during this time, and it continues unabated. We have had successes with two major catalogue companies who carry an extensive range of our Group products, and we have work in progress with a third company. Sales of our self-clinch product, the plastics range and the newly launched enclosure range has further enhanced the sales growth.

In essence we have a channel to market strategy for each sector, type of customer, including the transactional 'one off sales' where we have an extensive stock range that meets their needs with a fast delivery turnaround.





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Our focus is on constantly adding more products to our portfolio to increase our 'share of wallet' in existing customers and creating new sales to new customers. This year we launched the enclosure range of products. This has been the most ambitious and extensive range that we have ever brought to market. We have substantial sales already with sheet metal and enclosure companies and following the principal of increasing our penetration with these existing accounts.

We have a further two new product ranges to bring to market this year which will stimulate more organic growth within existing customers and attract new potential ones.

We have had challenges in the UK since Brexit and the ensuing forex issues. We have worked with our global AVL vendors to try to at least share the burden of the price increases or leverage more volumes with them to negate increases. We are having some degree of success and as our revenue continues to grow they will see the benefits of this reflected in new business.

Our global enquiry log continues to show that we have a strong pipeline ahead of us, particularly in the automotive sector. Many of the platform builds that we have won have a life span of at least six years. The enquiry data it provides assists us with our forecasting as we track our wins, for which TR site and when the builds commence, proving once again what an invaluable and unique tool this is.

The marketplace is buoyant and we have seen growth in the electronics industry particularly in middle and eastern Europe. Our product is in the biggest brands in the world supplying companies that want the support and service that we provide in these volume and fast paced production facilities.

We also have seen hard work pay off in less buoyant markets such as Northern Ireland where there has been dogged determination by the team to take a larger slice of a smaller cake. So much so that their site is bursting at the seams and they will be moving to a new and larger facility soon.

Together with the strategic team we put a plan together to open a site in Barcelona to capitalise on the growing automotive and electronics sectors. We now have an ultra-modern site in a great location, close to the automotive clusters, and we have been operational since March 2017.

The Houston team have had double digit revenue growth this year and have seen automotive grow to 26% of their turnover. They have a strong forward pipeline and they too will move to much larger premises this year, as they have outgrown the facility that we only opened six years ago.

Asia is embracing the automotive sector too as we follow and develop the same companies we are servicing in Europe who have now located out there. TR China have grown their automotive business to 27% of their turnover in less than four years and have some large recently won contracts already secured.

We continue to recruit technical sales engineers, and three new engineers have recently started in the UK, China and Japan.

Our strategy for growth continues and I am confident that we have enough momentum to achieve our forecasts.

Glenda Roberts
Group Sales Director