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Luceco

Industrials

17 September 2025

Focus shifts to energy transition, and synergies

Luceco delivered a solid H125, with revenue up 14.7% y-o-y to £125.7m and adjusted operating profit of £13.8m (+9.5%), equating to 44% of FY25 consensus (£31.2m) versus 43% in H124. Luceco appears broadly on track to hit consensus, given normal seasonality. Adjusted EPS rose 3.5% y-o-y to 5.9p, supported by improved operating cash flow of £16.6m in H125 versus £5.1m in H124. The interim dividend was raised 5.9% to 1.8p. Bank net debt increased to £68.0m (1.6x last 12-month EBITDA) following the acquisitions of CMD and D-Line, but remains within the group's target range of 1.0–2.0x. Management is confident the company will meet consensus expectations which, according to LSEG, include £31.2m adjusted operating profit for FY25, implying H2 operating profit of £17.4m.

UK and Professional Wholesale drive sales growth

By sales channel, growth was strongest in Professional Wholesale, increasing by 8.5% y-o-y, which Luceco says was driven by electric vehicle sales. Retail was broadly flat and Hybrid declined 2.0% as timing of Chinese New Year distorted comparatives. Professional Projects sales declined 0.7% y-o-y, although management noted a strong H2 order book. UK revenues grew 17.5% to £102m, boosted by the CMD acquisition, while Europe and the Americas grew 12.6% and 6.8%, respectively, supported by the D-Line acquisition. Asia-Pacific fell 23.5% and the Middle East and Africa declined 17.9%, both reflecting 'timing issues in revenue'.

Energy transition is a big opportunity for Luceco

In the last few years, Luceco has leveraged its vertically integrated manufacturing and R&D capabilities to enter new, higher-growth markets like EV charging and home energy management systems. These markets benefit from structural growth tailwinds from electrification and regulatory shifts. The Sync Energy EV charger business delivered 93% y-o-y growth in H125 and Luceco guides to a continued strong performance.

Acquisitions remain central to the strategy

CMD contributed £11.3m to UK revenues in H1, underpinning >3% underlying growth in the region, while D-Line boosted sales in Europe and the Americas. Together, the deals added £15.5m to H1 revenue, broadened Luceco's product and channel exposure and supported l-f-l momentum in Professional Wholesale. Integration is reported to be progressing to plan, with synergies expected to benefit H2. While leverage increased to 1.6x EBITDA following these transactions, it remains within the target range, with balance sheet headroom supported by the new £120m revolving credit facility, maturing in 2028.

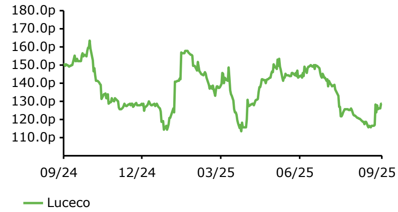
Consensus estimates

Year end	Revenue (£m)	EBITDA (£m)	EBIT (£m)	EPS (p)	P/E (x)
12/24	242.5	36.9	29.0	12.50	10.0
12/25e	264.5	39.1	31.2	13.00	9.6
12/26e	274.0	42.8	32.6	14.30	8.7

Source: LSEG Data & Analytics. Note: EPS is adjusted.

Price	125.00p
Market cap	£201m

Share price performance



Share details

Code	LUCE
Listing	LSE
Shares in issue	160.8m
Net cash/(debt) at H125	£(68.0)m

Business description

Luceco manufactures and distributes wiring accessories, LED lighting and portable power products under brands BG Electrical, Masterplug, Luceco Lighting, Kingfisher Lighting, DW Windsor, D-Line, CMD, and Sync Energy, among others.

Bull points

- Timing issues affected H1, but management is confident of meeting FY25 consensus.
- Two big acquisitions in the last two years should boost earnings.
- Debt should fall as the business remains strongly cash generative.

Bear points

- Acquisitions carry risk.
- The company remains sensitive to the interest rate environment.
- Luceco's customers are relatively consolidated.

Analysts

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