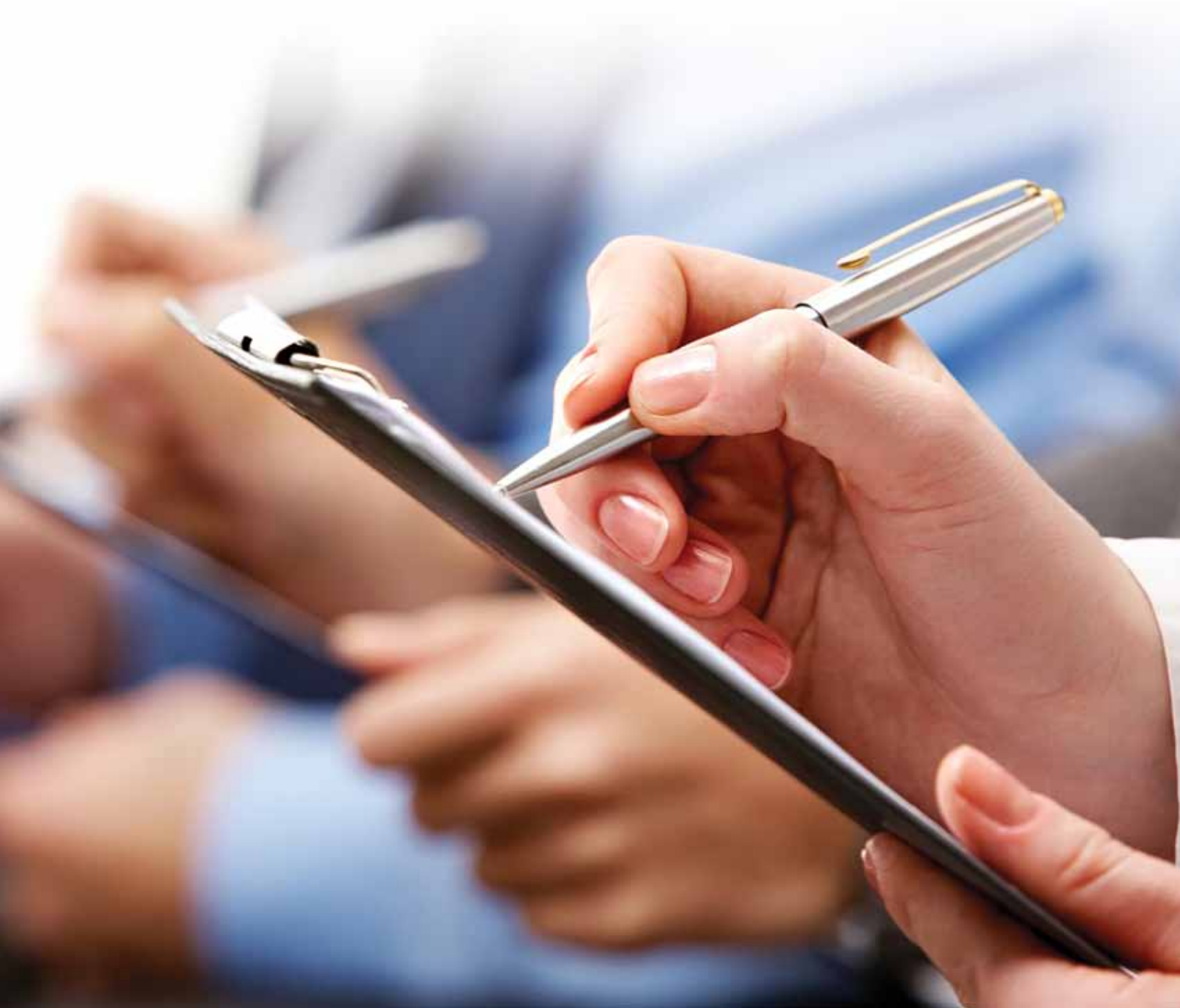




# NALMCO 60th Anniversary Member Survey Results



With NALMCO's 60th anniversary fast approaching, a member survey and census was undertaken to help existing members, potential members and the facilities community understand the substance of the association, as well as the products and services its members provide. Here's what we found:

## WE'RE BULLISH ON LIGHTING MANAGEMENT COMPANIES

In the face of a still-sluggish US economy and the rise of new, long-life lighting technologies, lighting maintenance and retrofit companies are bullish on their segment of the lighting marketplace. A survey of the members of the interNational Association of Lighting Management Companies (NALMCO) showed that both the General Member service companies and the Associate Member companies, large and small, who supply them, are growing.

Despite repeated concerns over the economy, 65 percent of General Members reported modest or rapid growth in the down economy of 2009-11; 73 percent grew in 2012 and 88 percent expect to grow in 2013.

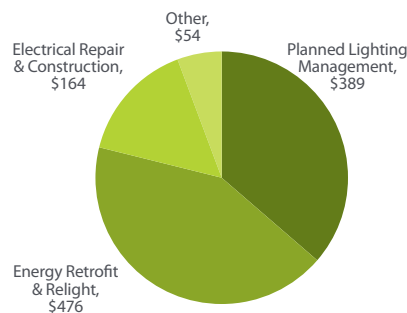
The NALMCO General Membership comprises 99 lighting service companies based in 39 states, Canada and Puerto Rico. These companies serve commercial building owners and managers who invest in planned lighting management programs, lighting & sign repairs and energy-efficient lighting upgrades – earning an estimated \$1.1 billion in revenues in 2012. NALMCO General Member companies also help their communities by providing more than 4,300 professional and technical jobs.

With energy-efficiency playing an increasingly important role, NALMCO General Members reported earning about half of their annual income from lighting management services and half from lighting retrofits. Lighting retrofit and management services are often combined under long-term contracts, emphasizing long-term quality and reliability, not just short-term savings. The maintenance activity was, on average, split between interior lighting (42 percent) and exterior lighting (41 percent), plus signage repairs (11 percent) and miscellaneous (6 percent).

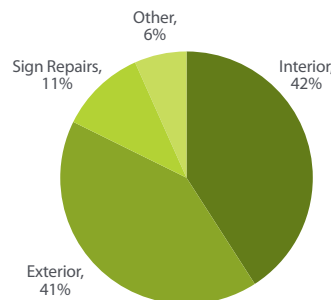
As a block, NALMCO General Members purchased an estimated \$400 million in lighting, electrical, and controls material in 2012.

As NALMCO celebrates its 60th anniversary in 2013, technology shifts have been a constant part of its history. NALMCO member companies have ushered wave after wave of new technologies into the lighting market; Associate Member companies create new lighting technology while General Member companies deploy it. All the while both member types continue to provide products and services necessary to maintain the enormous population of legacy lighting systems.

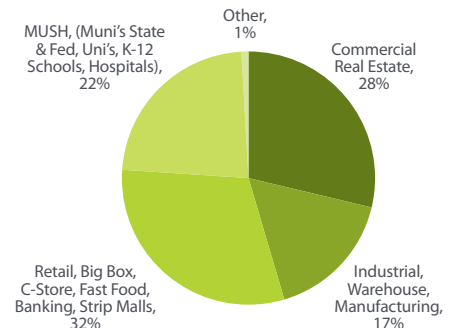
2012 General Member Revenue (Millions)



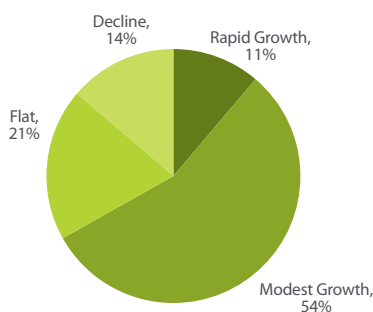
Planned Lighting Management Revenue



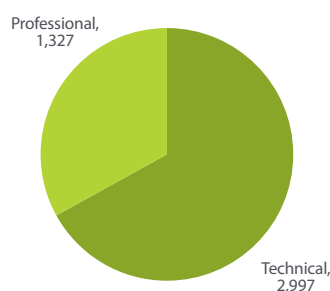
General Member Revenue by Facility Type



2009-11 General Member Revenue Growth



General Member Employees



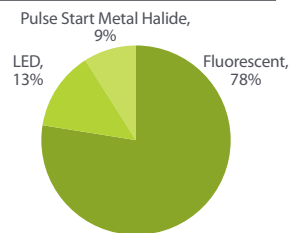
## GREEN = ENERGY CONSCIOUS, NOT INEXPERIENCED

NALMCO General Members are very active in energy efficiency, with 44 percent of their revenues coming from energy efficient lighting retrofit, relighting and controls projects. To illustrate the scale of this activity, the energy efficiency projects executed by General Members in 2012 will save more than 2.65 billion kilowatt hours (kWh) annually, the equivalent of the electricity used by 332,331 homes for 1 year. Based on the US average fuel mix for electricity generation producing 1.37 pounds of CO2 per kWh, these savings will eliminate the emission of 3.6 billion pounds of CO2 into the atmosphere: enough to offset the emissions created by 560,600 automobiles during a full year of operation.

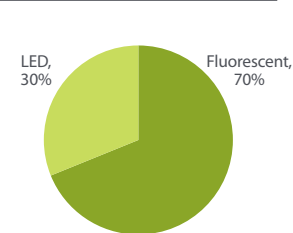
LED light sources continue to gain market share in the retrofit segment. While linear fluorescent remains the light source deployed in most retrofit and relight projects, LED light sources were utilized in 13 percent of all 2012 projects. NALMCO General Members expect the retrofit market to transform rapidly, projecting that the LED proportion will double in 2013. And by 2018, the roles are expected to be reversed: with LED as the predominant retrofit light source and just 16 percent fluorescent. Because lighting management companies often provide long-term service on the lighting systems they retrofit, they are likely to recommend only those new technologies that are also proven to be highly reliable.

Remarkably, considering the relatively young retrofit industry, the average NALMCO General Member has 25 years established in the marketplace, employs 44 people (not including subcontractors) and operates an impressive fleet of 18 service trucks including high reach equipment. The average 2012 revenue approaches \$11 million, with a \$4 million annual lighting material spend. The largest customer segment in terms of revenue is retail followed by commercial real estate, institutional and then commercial-industrial customers. About half the General Members serve a regional market, 23 percent operate nationally and 29 percent serve local markets only.

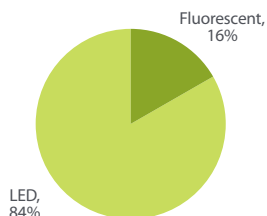
2012 - Predominate Retrofit Light Source



2013 - Predominate Retrofit Light Source



2018 - Predominate Retrofit Light Source



## ASSOCIATE MEMBERS

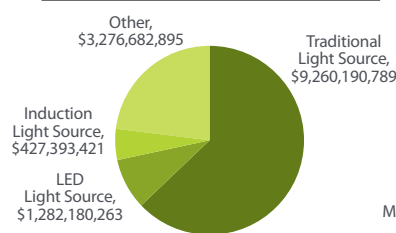
Lighting equipment and controls manufacturers are also investing their time and energy in both the lighting management sector and in NALMCO. The NALMCO Associate Membership comprises 64 companies that provide lighting and related products and services to NALMCO General Members. Many are powerhouses of the North American lighting industry, including five multinational corporations. Based on the survey responses and publicly available information, NALMCO Associate Member companies employ in excess of 75,000 persons and annual lighting and controls related revenues exceed \$14 billion.

The typical NALMCO Associate Member has been in business for more than 40 years. This "average" Associate Member company employs nearly 1200 persons, and serves a national or global market. With average annual revenue of \$223 million for 2012, NALMCO Associate Members report they generally did well in the recent down economy. Their growth is accelerating: 74 percent are seeing moderate to rapid growth in 2012 and a full 91 percent anticipate growth for 2013.

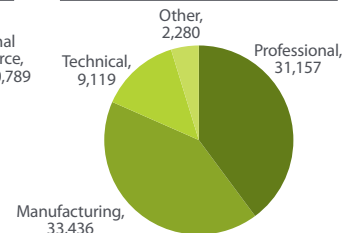
More than a third of Associate Members responding to the survey identify themselves as light source or light fixture manufacturers, and a third supply LED or conventional light source components. As a whole, NALMCO Associate Members supply the full spectrum of lighting equipment and components: lamps, luminaires, optics, power supplies, sensors and other lighting control gear. They report that while the market continues to rely on traditional light sources; LED now represents nine percent of total product sales, which equates to an estimated \$1.2 billion in 2012.

The vast majority (90 percent) of Associate Member respondents believe that participating in NALMCO pays dividends for their business. Outreach, networking and building relationships with the General Membership are the key benefits cited again and again, followed by keeping abreast of industry news and trends. These suppliers see NALMCO as a solid avenue to this corner of the lighting market, and some would like to see the organization rise in stature: attract more members, increase lobbying activity and improve outreach to end-users.

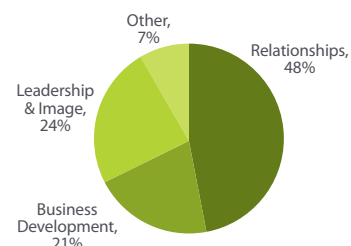
Associate Member - Annual Revenue by Light Source



Associate Member Employees



Associates - What is your primary reason for belonging to NALMCO?



# NALMCO & THE LIGHTING MANAGEMENT COMMUNITY

As the premier lighting association in this unique segment of the lighting industry, many lighting management companies invest time and energy in NALMCO and derive tremendous value in the results. According to the member satisfaction portion of the survey, 65 percent of General Members agree or strongly agree that their investment adds value to their company or to them as individuals.

As far as which programs benefit members most, about 80 percent of General Members ranked the professional certification programs; Certified Lighting Management Consultant (CLMC), Certified Sustainable Lighting Consultant (CSLC) and the technical certification programs: Certified Senior Lighting Technician (CSLT) and Certified Apprentice Lighting Technician (CALT) programs as important or somewhat important. Ninety percent valued educational resources, including training and NALMCO's online Knowledge Center.

A full 95 percent of all respondents indicated that they value the NALMCO Membership Directory, which is published annually and is also available as a searchable online database. The lighting management sector is unusual in that competitors often provide one another referrals or work together to service clients. The directory provides value to General Members as both a networking resource and a marketing tool to reach end-user customers.

Networking was listed as the number one reason that most respondents belong to NALMCO.

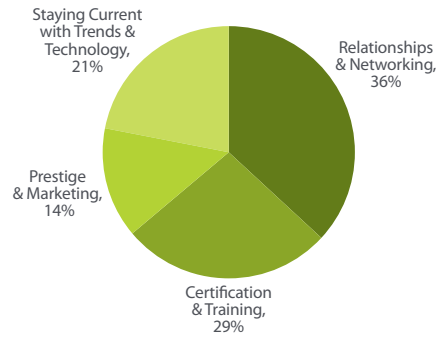
NALMCO's quarterly magazine, LM&M – Lighting Management & Maintenance, also provides value in two ways. In addition to information on industry products and trends, 92 percent of survey respondents value LM&M as an effective marketing tool. LM&M is widely circulated and read by affiliated professionals such as energy managers at governmental and commercial enterprises, utilities personnel, energy and environmental advocates and the media.

The organization gained valuable insights and identified numerous opportunities to improve as a result of the member feedback. Many thanks to all the members who filled out the survey, providing an insightful portrait of the member companies and great feedback that will improve our programs and services. ■

## NALMCO BY THE NUMBERS

- 60 = Years since NALMCO was founded in 1953
- \$1.1 Billion = General Member Annual Revenue
- 81 = Percent of NALMCO Member Companies that Grew from 2009-2011
- 39 States = With General Member Branch Office or Headquarters
- 163 = Member Companies
- 4,324 = Employed by General Members
- 1,792 = Service Vehicles and High-Reach Equipment Fleet
- 2.65 Billion = Annual kilowatt Hours Saved by 2012 General Member Retrofits
- 13 = Percent of Lighting Retrofit Projects Utilizing LED in 2012
- 84 = Percent of Lighting Retrofit Projects Utilizing LED Projected for 2018

2012 General Member Revenue (Millions)



General Member Benefit Importance

