

Keeping a strong focus on Europe



Market review Pauli Pukari

The past financial year has been a busy one for iLOQ. The Company has continued on a path of growth across European markets and looks forward to continuing international growth and expansion with the support of the new owners.

Expanding southwards

From its strongholds in the Nordics and Central Europe, iLOQ has continued to build and expand its presence further south. New recruits have brought added muscle to the French organization, and new resellers have joined our network. The Spanish sales office, located in Barcelona, has started strong with its fresh sales team. These newer markets are showing a great deal of interest in the only truly battery-free digital access management solution available in their region. In these markets, the public sector has received iLOQ's solutions with particular excitement, with many cities and municipalities signing on as new customers. Some recent highlights include, for example Vall d'Hebron Barcelona Campus Hospital, Catalonia's largest hospital, as well as numerous municipalities in France.



"In our newer markets, the public sector has received iLOQ's battery-free solutions with particular excitement."

Maintaining northern strongholds

Regardless of our steady march south, the Nordic region, Finland and Sweden in particular, have remained our largest source of business. There are still plenty of mechanical locks and keys to replace for the time being. Also, the launch of the iLOQ S50 mobile access management solution opened up a whole new customer segment in the utility and industrial sector. 2019 also saw the final hurdle for universal mobile access removed as Apple opened its NFC (near field communications) capabilities for third parties with its latest iOS 13 operating system. This news was particularly well received across Scandinavia, where the iPhone is a more common device in professional use in the utility sector where iLOQ S50 is gaining popularity.

We expect the iLOQ S50 mobile access management solution to make a big impact on sales down the line. The solution came to market in a big way during 2019, but these bigger industrial-scale projects typically take more time to complete. With negotiations, testing and verification taking time, a typical sales process can take anywhere from 6 months to 2 years from start to final delivery and installation. There are a number of happy customers already utilizing the solution in environments such as solar parks, data centers and telecoms base-stations around Europe, with many more projects in the pipeline. For customers with a vast number of locks and locations in various critical and demanding environments, our solution is proving to bring true added value.



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Central Europe in focus

In 2020, we will continue to further strengthen our focus on Central Europe in terms of building our sales teams and reseller networks, supporting them with marketing activations, events and the like. Germany continues to constantly perform well, and we see that there is still a lot of untapped potential in that market. In addition to having a strong position in the residential and public sector in Germany, we see them leading the way in a trend that we anticipate being big across all of Europe. Assisted living and elderly care facilities such as the KWA Parkstift Aeskulap in Bad Nauheim, Germany, or Reinaerde in Utrecht, Holland, are one type of place where the iLOQ S10 solution has truly delivered benefits for tenants, caregivers, service providers and building owners alike. An intelligent and easy-to-manage digital solution that presents itself exactly like a traditional lock and key to the elderly end users is what makes this solution perfect for this service sector. This trend is something we are seeing take off across all our key markets.

The European market is in no way homogeneous, and each country is unique, also in terms of doing business. For example, in the Netherlands, the housing corporations such as VvE De Nieuwe Bouwmeester are among our largest customers. While, further south, the public sector rules as mentioned earlier. We have been pleased with the efforts and local understanding our subsidiaries and local sales teams have shown over the past financial year. Growth has been achieved across the board in all of Europe.

We are still looking forward to some competition in Central Europe and the countries using DIN-standard locks. More viable digital access management solutions on the market would help shift the conversation from mechanical locks vs. digital locks, to which digital solution to select for the future. With this 15-year head start, we believe this conversation will turn out in our favor as long as we continue to stay ahead in terms of technology. To this day, iLOQ is still the only company with a battery-free digital solution for DIN locks out on the market.

"Today, iLOQ is still the only company with a battery-free digital solution for DIN locks out on the market."



Sustainability trending universally

One key factor consistently driving our business across all markets is the universal concern regarding sustainability and environmental performance. This is a global megatrend that affects every market and every customer segment. We have seen the discussion surrounding our self-powered battery-free digital solution shift from the time and money savings, more into the positive environmental impact of reducing the use of batteries and waste from unsustainable mechanical locking solutions.

Sustainability is no longer the novelty topic it once was, but rather a serious consideration when making a purchase decision. This is true across Europe in the next few years. It is particularly encouraging to see that sustainability is also very high on the list of the public sector as well as large corporations, rather than just being the personal choice discussion of individual consumers like it was in the past.

"Sustainability has become a serious consideration when making a purchase decision."

We, at iLOQ, welcome this discussion and promise to continue our efforts into developing technological solutions that improve the performance and usability of digital access management solutions in a sustainable way.