



A MESSAGE FROM THE GROUP CHAIRMAN REGARDING THE COVID-19 PANDEMIC.

1st June, 2020.

Dear friends and colleagues,

I am writing to you, as I am to all of our employees and our many customers, suppliers and other stakeholders in Langley businesses, to give you my personal perspective on the Covid-19 phenomenon we are all currently experiencing.

This pandemic has brought disruption to our way of life and to business on a scale previously unknown in peacetime, fear for our health and the health of those around us, grief to those who have lost loved ones and economic uncertainty for many.

First and foremost I would like to pay tribute to our many employees, numbering some 5,000 around the world who, with quiet resolve and for the most part good humour, are endeavouring to see our businesses function as near to normal as is possible in these uniquely difficult circumstances.

My thanks also go out to the many customers of our businesses that are showing patience when the disruption of working under Covid-19 restrictions brings delays, and to the supply chains and others playing their part in helping keep the wheels of our businesses turning.

Right now all 17 of our manufacturing facilities around the world are producing, albeit with some degree of limitation and, remarkably, only three of them - Wuhan, Kuala Lumpur and Detroit - were closed for an extended period. Even our Marelli motor and generator factory in Arzignano, northern Italy - at the epicentre of the European outbreak in March - managed to keep producing and, also remarkably, to maintain on-time deliveries. *Complimenti!*

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Also very challenging has been maintaining the field services activities of our various businesses. They too are now returning, if not to normal, as near to as is possible.

This may all change of course if we experience a so-called second wave but for now our businesses are all functioning under the “new normal”.

And you may be assured that our factories, warehouses and circa 80 offices and other locations around the world are all exercising strict Covid-19 security procedures, as are our field technicians and others that may visit customer and other premises.

Many of our employees have been, and many are currently, working from home for the time being. We have enabled those that are unable to interact in person to remain in contact with business associates and colleagues, as well as friends and family, via video and our group has joined more than 300 million other users globally that are regularly connecting to Zoom.

Over the last months I have encouraged our management to increase face-to-face communication via this medium, not only with their reports and between our teams, but to reach out to our customers and to other stakeholders too.

Staying connected with each other during these unprecedented times is particularly important as we all come to terms with new shared realities.

More, now than at any other time in the past, it’s good to talk. Better still to talk face-to-face.

Whereas the first wave of Covid-19 may be over for some and the pandemic likely to be controlled one way or another eventually, I believe that the economic impact will be much more far reaching and I anticipate a deep and prolonged world recession, possibly unprecedented.

Hopefully that will not be the case but it is my working assumption and I am now beginning to prepare our businesses for that eventuality.

Fortunately our group came in to this crisis with many years of strong profits behind it and, significantly, Langley has largely retained those profits, either in its balance sheet or within the family.

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Today the group has no debt and substantial cash reserves and is better placed than many to see out a prolonged downturn. But make no mistake, it is going to be tough.

However, as challenging as things may become, our group is built on solid foundations and at its heart are many thousands of people who care passionately about their company.

Finally, I would just like to reflect on a few of the positives - and there are many - that have emerged from this crisis.

As borders closed and the skies became empty, our roads and cities fell silent and the world came seemingly to a standstill, pollution fell to levels not seen this century or possibly even the last. A welcome, albeit brief, respite.

Moreover, in lock down and despite the difficulty, we have all been presented with a unique opportunity to slow down, to pause and to reflect; to make time for ourselves and for others and to appreciate the here and now.

Out of this new reality there has emerged a greater sense of community; more thoughtful of others, more aware of the fragility of life and of the planet we live on and this is something of which we can all be proud.

Furthermore, the way business is conducted is changing irreversibly due to Covid-19. Many organisations, ours included, have found that working remotely can actually be very efficient; that huge amounts of time, resource and energy, not to mention money, are wasted travelling from A to B, when in many cases a face-to-face video meeting will suffice. The days of unnecessary travel, in our organisation and I suspect many others, are over.

I believe that in the future, looking back on all of this, we will be able to take pride in how we responded to what will be seen as one of the biggest global challenges ever faced.

In the meantime, from my family to yours, my warmest good wishes.

Anthony J Langley
Chairman & Group CEO
Langley Holdings plc

