

CHIEF EXECUTIVE OFFICER SUCCESSION



Duncan Penny
Chief Executive Officer
(Retired as CEO 31 December 2020)

“I am pleased to report that we have delivered an excellent financial performance in the most challenging environment”

In my final update to Shareholders, I am pleased to report that we have delivered an excellent financial performance in the most challenging environment, while prioritising the safety and wellbeing of our people during the COVID-19 pandemic.

Looking back over the last 21 years at XP Power, 17 of those as CEO, it has been a remarkable journey as we transformed from a specialist distribution business, to a private label model, then to designer and design manufacturer, followed finally by our move into Radio Frequency Power and High Voltage. On our journey, we have built the enduring relations with key customers in the Healthcare, Industrial Technology and Semiconductor Manufacturing Equipment sectors that are at the heart of our success. Our target customers value our knowledge, speed and flexibility to solve their power problems and assist them to get their products to market in the shortest possible time.

As a business that designs its power solutions into capital equipment, we are subject to the inherent cyclicity of those

end markets. I have experienced several such cycles in my time at XP Power, but what is striking is that we have always made good strategic progress in a down cycle and emerged a stronger business each time. I believe the reason for this is that we continue to execute against our strategy relentlessly regardless of the circumstances we find ourselves in. The COVID-19 pandemic has been no exception.

Gavin Griggs joined XP Power as CFO in November 2017. It has been a great pleasure working with him and he has been instrumental in helping refine and execute our strategy since his arrival. While it was entirely appropriate for the Board to conduct a thorough executive search process for my replacement, I am pleased that we were able to appoint a strong internal candidate into the CEO role. I believe the benefits to our people, our customers and Shareholders in having this continuity are significant.

It has been a real privilege to lead XP Power as CEO, working with such a talented and passionate team of people. To see and experience the Group grow from its origins as a distributor to a design manufacturer and leader in its industry has been hugely rewarding. As I retire, I am confident the Group will continue to prosper and under Gavin's leadership it will enter the next successful phase of its development.

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Gavin Griggs
Chief Executive Officer
(Appointed 1 January 2021)

“The Company has a sound business model, strong customer relationships, and a passionate and dedicated workforce.”

On joining the Company as CFO in November 2017, I was immediately impressed by the passion its people had for the business and the organisation’s willingness to continually change and evolve. Since then, we have continued to develop, not just our product range, but our processes, systems and talent to build a platform for further future growth. I am excited to have been given the opportunity to serve as Chief Executive Officer and to lead the business in its next stage of development.

The Company has a sound business model, strong customer relationships, and a passionate and dedicated workforce. We are proud of the further progress we made in 2020 and the strength of the financial results we were able to deliver in what was an exceptional year due to the impact of the COVID-19 pandemic.

While the challenges and uncertainties regarding COVID-19 are not yet behind us, I am confident in the resiliency of the business and its long-term prospects.

At the outset of the pandemic we set three very clear priorities of:

1. Ensuring the safety and wellbeing of our people;
2. Keeping product flowing to our customers; and
3. Preserving our cash and maintaining liquidity.

These priorities served us well in guiding us through the challenges of 2020 and we will continue to follow these in the year ahead.

XP Power is a successful, long-term business with excellent prospects. I am looking forward to leading the Group into its next phase of development, shaping its strategy and leading a team of high-performing and committed colleagues.

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OUR APPROACH TO SUCCESSION PLANNING

Our approach to succession planning and the process the Board followed in appointing a new CEO is set out in detail in the Nomination Committee Report.



**READ MORE IN OUR NOMINATION
COMMITTEE REPORT ON PAGES 102-109**