

4 DRIVE CULTURAL CHANGE

Our culture underpins every aspect of our business. It's the strategic priority that enables us to manage all the other priorities effectively.

Since 2015, we have been creating a dynamic, results oriented, and high performing culture. Our programme has four main strands: accelerating performance management culture; improving leadership skills and capabilities; improving recognition; building confidence in the business through improved communication.

There is strong evidence of better performance management across the Group in FY19. We achieved this by better alignment of objectives across functions at all levels of the organisation, as well as enhanced succession development. Last year, half the appointments to the senior leadership team were of internal candidates.

We have been focusing over the last three years on training our managers and leaders in the skills required to improve performance, through an established leadership development programme. We have also changed the senior leadership team structure, streamlining operations and reducing layers.

The platform put in place in 2016 to enable De La Rue colleagues to recognise others' effort and commitment is now becoming the norm. People have sent 100,000 recognitions since it was launched. We continued to improve our internal and external communications by adding more initiatives in the last year.

As announced in May 2019, we will undergo some significant changes during the next 12 months. The proposed delayering of structure and the changing of the operating model will change the way we operate, as well as the way we think and behave. It requires a more agile and high performing culture to sustain it.

Looking ahead

In the next two years, we will face some significant challenges. Replacing the contribution from the UK passport contract will be hard, and the anticipated market pressure in the banknote print market will have an impact on margin. That said, we must raise our game to stay competitive.

The proposed reorganising and right sizing of the business will allow better strategic focus and bring cost benefits in the short term.

For the long term, riding on the strong momentum in the GRS market and stable growth in brand protection, we expect PA&T to double its revenue within the next three years. The cost out programme to reduce corporate and factory overhead and production costs will enable us to compete more effectively in the banknote print market, and to partially offset the impact on margin. Thus, we remain confident about the long term future of the business.



Award winning

We always strive for the best and are proud to be recognised as leaders in both innovation and design. In recent years, we have won 14 industry awards for design, four Queen's Award for innovation, and two Central Banking Innovation awards for our cash cycle management software DLR Analytics.

In 2019 we were awarded the prestigious Currency Services Provider of the Year by Central Banking. Most recently, De La Rue has been recognised as one of the Superbrands in the UK.



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