



2022-10

Investor presentation Results H1 2022



AGENDA

- 01 PRESENTATION
- 02 RESULTS H1 2022
- 03 LEADERSHIP 2025 ADVANCES
- 04 OBJECTIVES 2022
- 05 NEXT MEETINGS
- 06 QUESTIONS / ANSWERS



PRESENTATION

AT THE EARTH OF LACROIX

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The background of the slide is a composite image. The top half shows a dark night sky filled with stars and the Milky Way galaxy. The bottom half shows a dense urban skyline at night, with numerous skyscrapers and city lights. A white diagonal line separates the sky from the city. On the right side, there is a white-bordered rectangular box containing text.

CONNECTED
TECHNOLOGIES
FOR A **SMARTER**
WORLD

An international, tech & industrial midcap



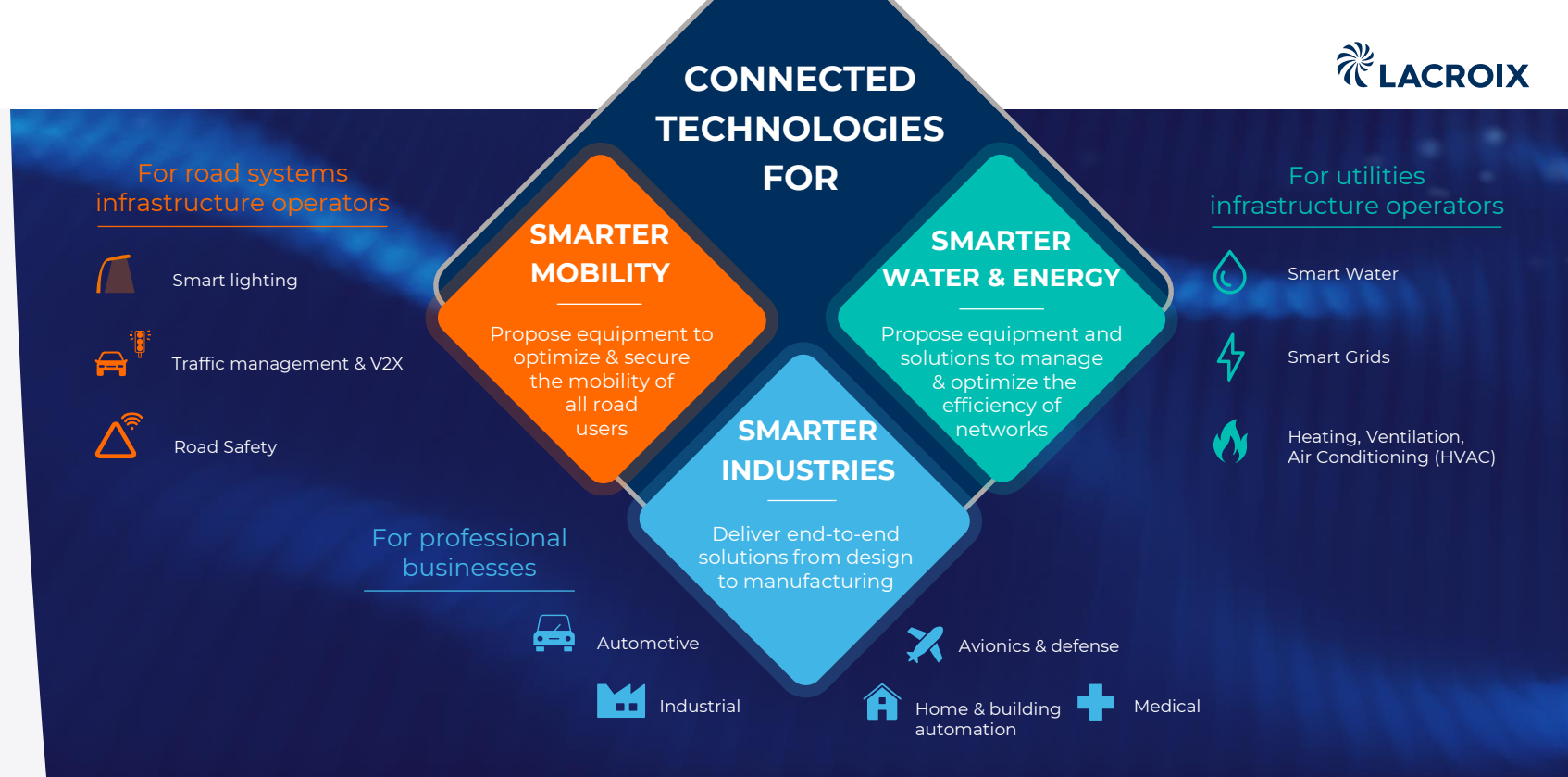
€501M
Revenues 2021



13,7%
organic growth
vs 2020 revenues











~4,000
Collaborators 2021
in 10 countries



OUR AMBITION

Become a global leader in industrial IOT solutions & electronic equipment for critical applications

EMEA

 FRANCE	 POLAND	 TUNISIA
 GERMANY	 ITALY	 MOROCCO
 SPAIN	 BELGIUM	

NORTH AMERICA

 USA
 MEXICO

APAC

 SINGAPORE
 CHINA



RESULTS H1 2022

**STRONG GROWTH IN REVENUE
& RESISTANCE IN OPERATING
PROFITABILITY**

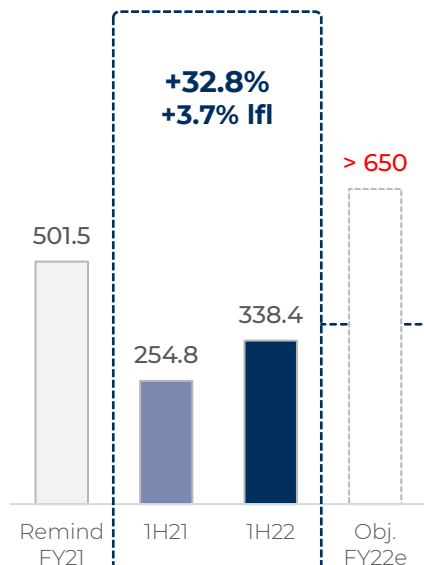
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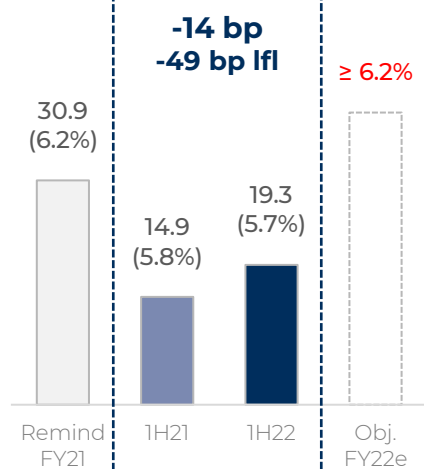
CONNECTED
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A DYNAMIC ACTIVITY IN A CONTRASTING ENVIRONMENT

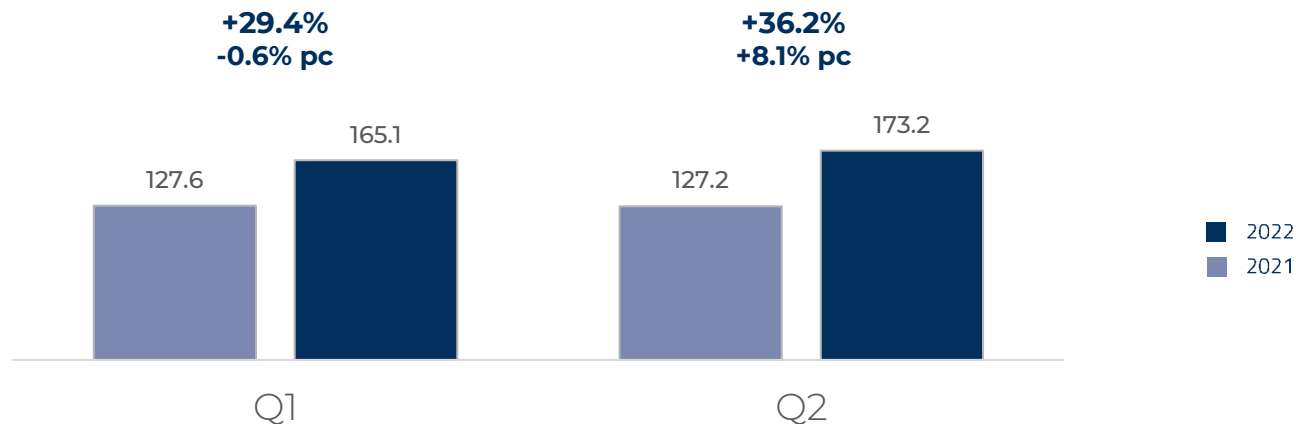
Revenue (€m)



Current EBITDA (€m, % Revenue)

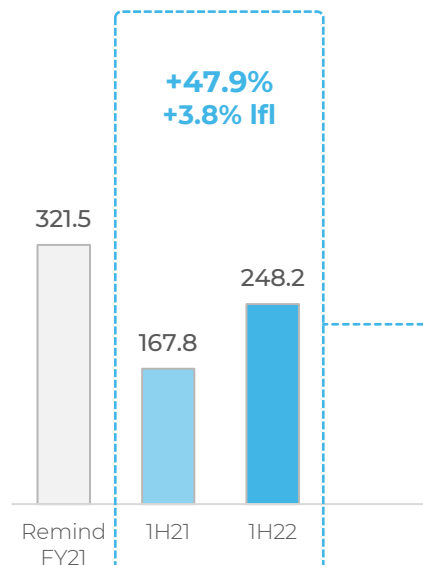


View by quarter (€m)

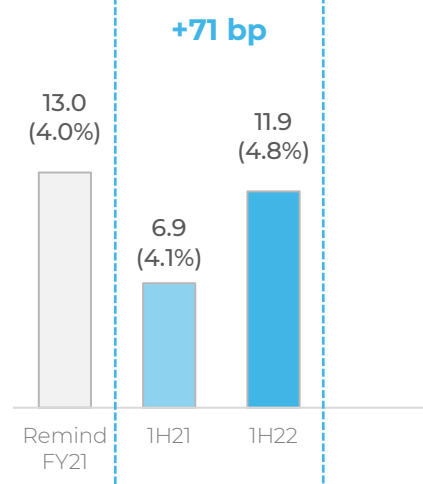


- Growing activity in the first half (**+32.8%**) and acceleration in Q2 (**+36.2%**), driven by the integration of Firstronic and the repercussions of additional costs on components
- H1 organic growth: **+3.7%**, including Q2: **+8.1%**
- Resilience of current EBITDA despite headwinds (components, inflationary context, dilutive effect of cost overruns): **-14 bp** (**-49 bp lfl**)
- Positive contribution of Firstronic in terms of margin

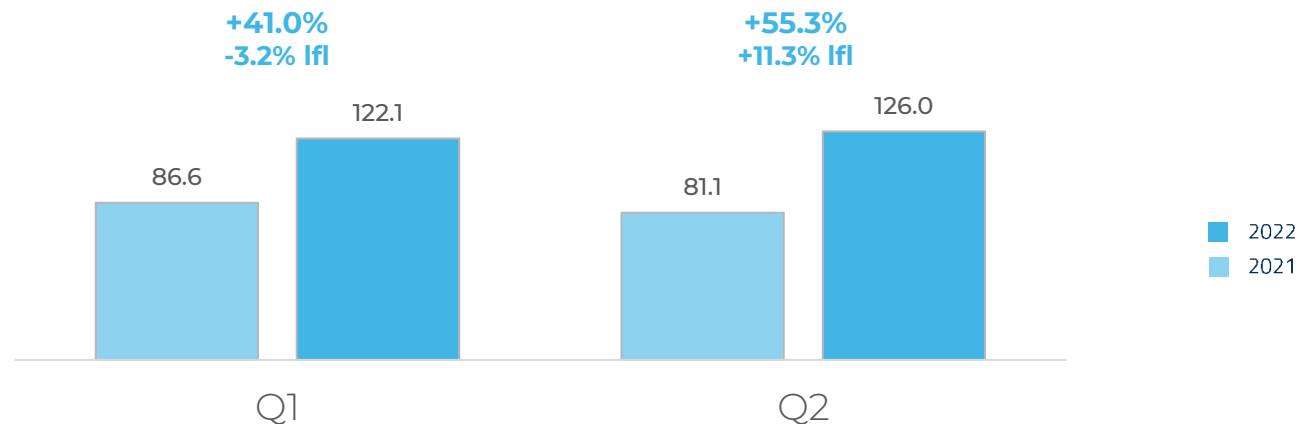
Revenue (€m)



Current EBITDA (€m, % Revenue)

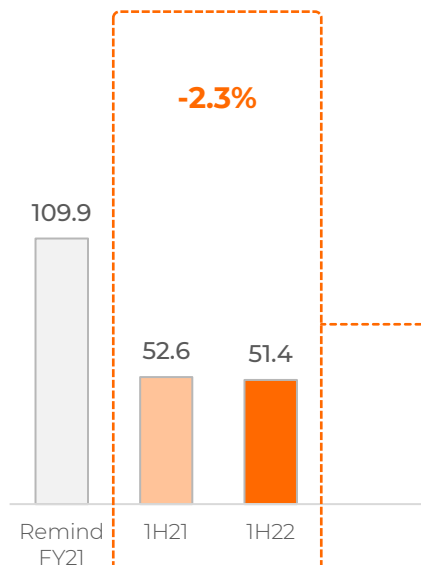


View by quarter (€m)

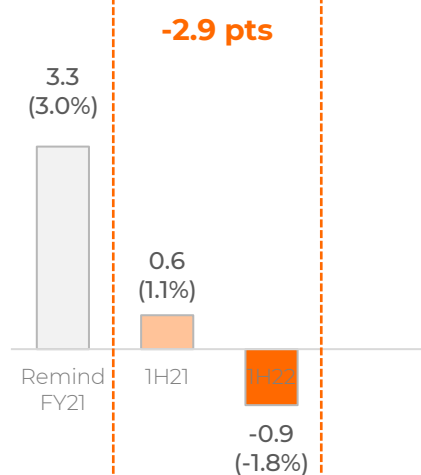


- Growth of **47.9%** in H1, driven by the integration of Firstronic and organic growth (+3.8%), despite held back by the availability of components
- Positive momentum supported by re-invoicing of excess supply costs
- Increase in operating profitability (+71 bp), despite the impact of components, more than offset by the accretive nature of Firstronic

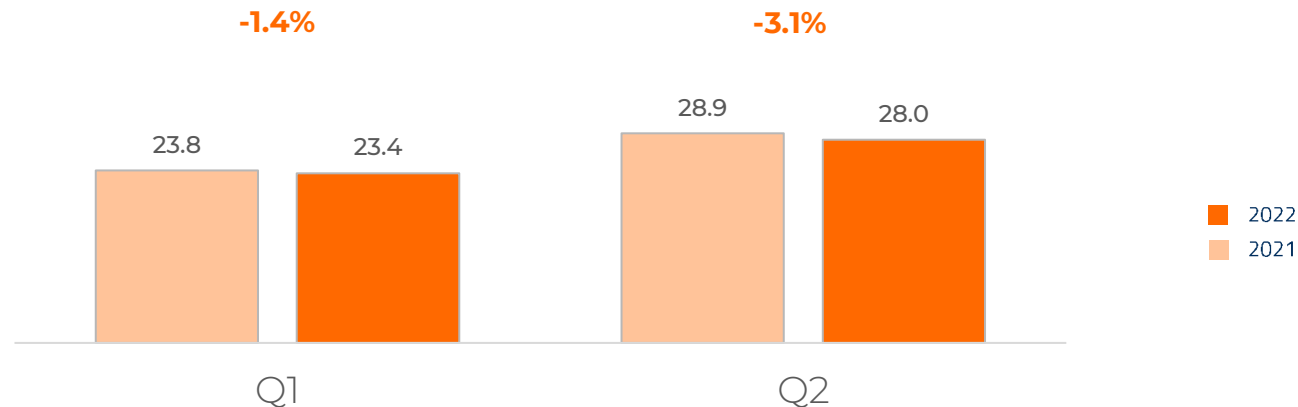
Revenue (€m)



Current EBITDA (€m, % Revenue)

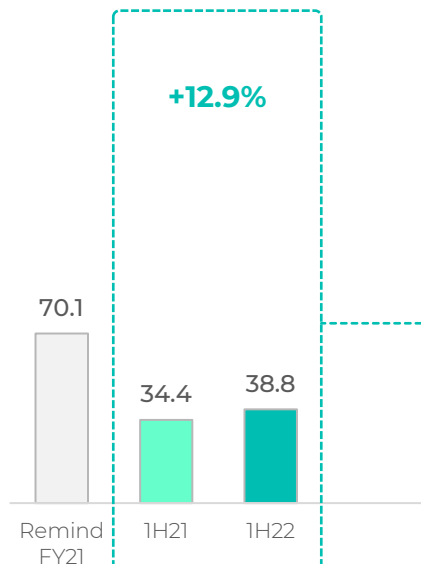


View by quarter (€m)

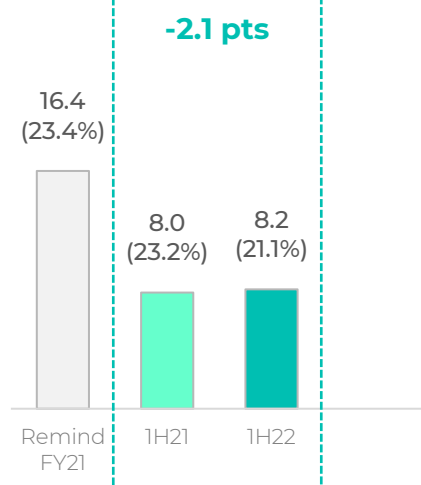


- Activity in the first half of the year was mixed: **-2.3%**
- Weakness of the Signaling and Traffic segment
- Excellent performance of the Street Lighting segment (**Q1: +20%, Q2: +17%**)
- Deterioration of operating profitability to €-0.9 million, due to the delayed impact of cost increases on sales prices (particularly in the public sector)

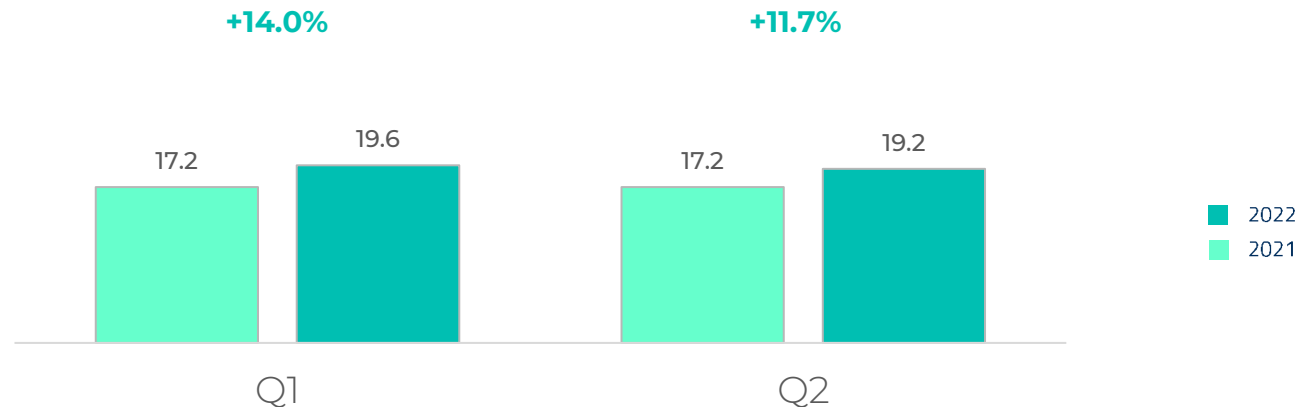
Revenue (€m)



Current EBITDA (€m, % Revenue)



View by quarter (€m)



- Continued strong growth in revenues over the first half: **+12.9%**, driven by the Water, Heat Networks and Smart Grids segments
- Price increases not covering all additional costs
- Profitability still high at 21.1%, which remains above the 2025 objective (above 20%)

SIMPLIFIED INCOME STATEMENT

EARNINGS IMPACTED BY AMORTIZATION OF INTANGIBLE ASSETS, AND NON-CURRENT AND FINANCIAL EXPENSES

In €m	H1 2022	H1 2021	Reminder FY21
Revenue	338.4	254.8	501.5
EBITDA In % Revenue	19.3 5.7%	14.9 5.8%	30.9 6.2%
Current operating profit In % Revenue	8.3 2.4%	8.6 3.4%	18.1 3.6%
Operating profit	7.3	8.2	17.2
Financial result	(3.0)	(0.1)	5.8
Income tax expense	(0.7)	(1.9)	(0.6)
Net income	3.5	6.2	22.4
Net income Group share	3.9	5.8	21.6

- Limited decline in operating profit (-93 bp) due to amortization of intangible assets related to Firstronic (\$2.9m/year)
- Operating profit: €7.3m, including €0.7m of non-recurring expenses related to the transfer of Symbiose
- Increase in cost of debt in line with production and Firstronic investments: €1.5m
€1.0m impact of revaluation of non-consolidated shares on 30/06/2021
- Net income in line with lower consolidated net income and buyout of minority interests in H1

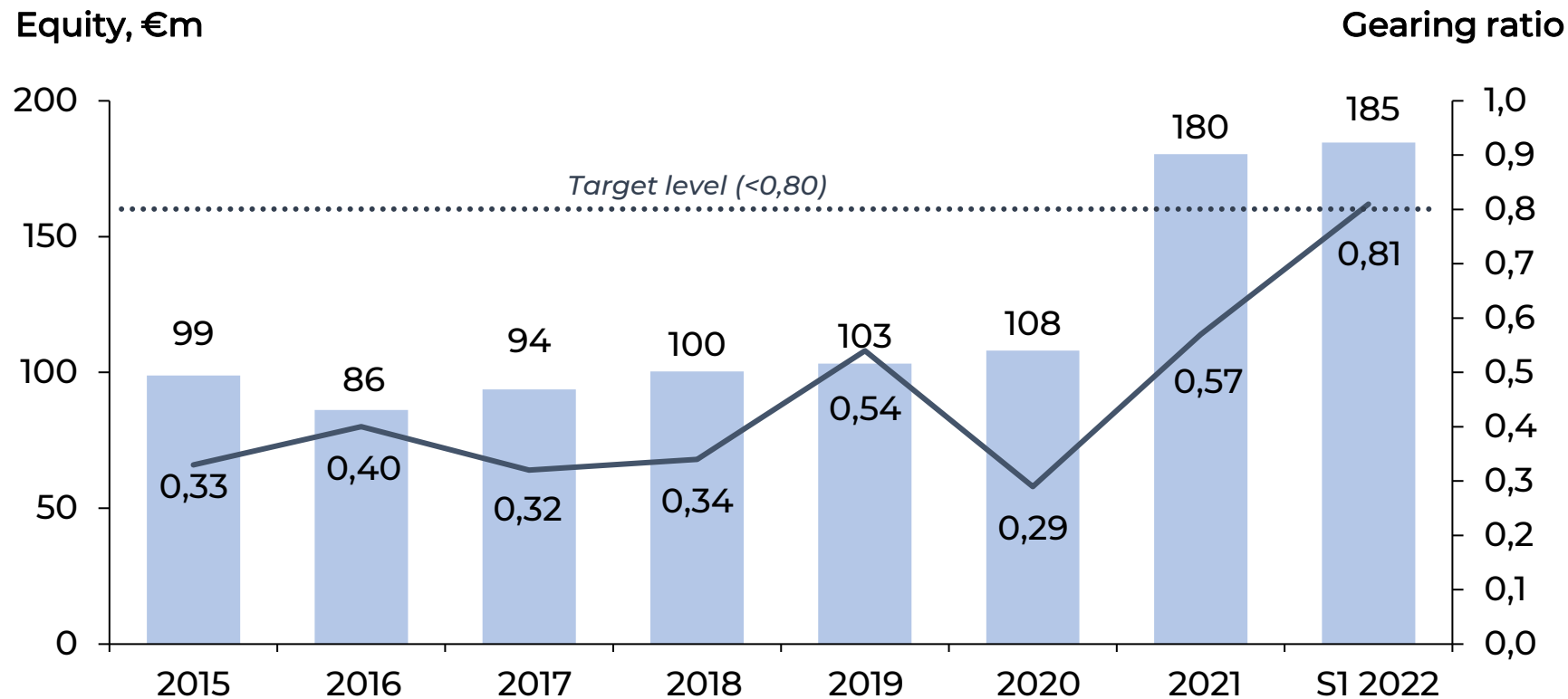
SIMPLIFIED BALANCE SHEET

In €m	June 30 2022	December 31 2021
Non-current assets	256.9	250.6
Current assets (excluding cash)	323.0	259.3
Cash and cash equivalents	19.4	33.4
TOTAL ASSETS	599.2	543.2
Shareholders' equity	184.6	180.4
Non-current borrowings	80.2	74.9
Other non-current liabilities	50.5	52.2
Other current liabilities	284.0	235.8
TOTAL LIABILITIES	599.2	543.2

- Growth in shareholders' equity vs. end 2021 (+€4.2m), driven by earnings, exchange rate and actuarial gains, and dividends
- Current financing of larger inventories, and buyout of minority interests:
 - Cash of €19.4m (vs. €33.4m on December 31)
 - Gearing of 81.3% (vs. 57.0% on December 31)

In €m	H1 2022	H1 2021	Reminder FY21
Consolidated net income	3.5	6.2	22.4
Cash flow from operations	15.5	11.3	20.5
Change in WCR	(30.1)	(8.7)	(15.7)
Net cash provided by operating activities	(14.6)	2.6	4.9
Net cash used from investing activities	(10.8)	(15.8)	(102.3)
Net cash flow from financing activities	(3.3)	(6.0)	56.4
Change in cash flow	(34.3)	(19.3)	(41.3)
Closing cash position	(39.9)	16.4	(5.6)

- Cash flow from operations up €4.2m due to significant non-cash amortization
- Strong negative variation of the WCR linked to the component situation:
 - Larger inventories due to shortages
 - Build up of strategic stocks
- Capex : -€5.0m vs H1 2021 which included Symbiose investments
- Net cash flow from financing activities, including:
 - Purchase of minority interests in Environment in Germany for €10.4m
 - Subscription of new loans



- At the initiation of 2025 Leadership plan, target gearing level defined below 80% by 2025
- Ratio expected to improve over the full year 2022



LEADERSHIP 2025

MAJOR ADVANCES

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5 STRATEGIC PILLARS TO SUPPORT OUR AMBITION



Technological leadership



Strengthen our innovation and R&D capabilities

Technological synergies
3 expertise domains:
Edge/Cloud, low power, cyber-security



Strategic partnerships



Strategic geographical positions



Develop a complete presence of our 3 activities in 3 key markets



Combination of an industrial & distribution network on 4 continents

M&A



Strengthen the international presence of existing activities



Focus on our niche segments or adjacent markets



Expand our smart offer by adding technological bricks / solutions

Industry 4.0



Improve industrial efficiency & customer experience

Automation
Real-time connectivity
Digitalization
Artificial Intelligence



Optimization of our locations

Transition to end-to-end solutions

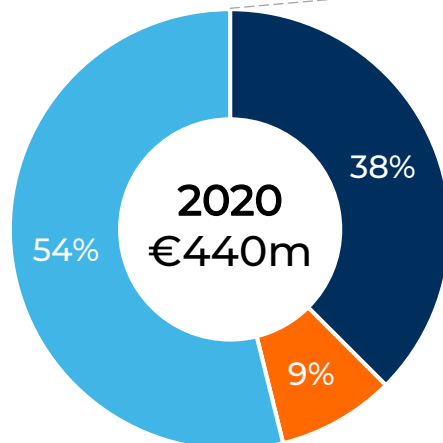


Start a transition to higher value-added products and solutions

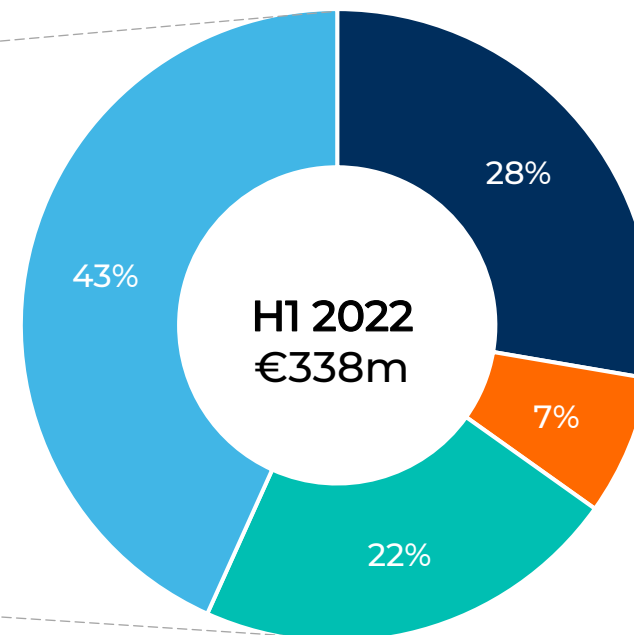


Major lever for revenue recurrence and margin appreciation

GOAL 2025
US + DE : > 30%



Contribution
US + DE : ~ 9%



Contribution
US + DE : ~ 29%

■ France
■ Germany
■ North America
■ Other countries

Stéphane KLAJZYNGER has been appointed **President of LACROIX North America**, starting from the 1st of October 2022

- Formerly Executive Managing Director of the Electronics activity of LACROIX
- Carries on the successful integration of the North America and EMEA scope of the Electronics activity
- Supports the local development of the Environment and City activities, in particular through targeted acquisitions



Communication LACROIX brand positioning

Procurement synergies

ONGOING

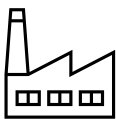
Advanced discussions underway for all of the Group's purchasing channels



Distributors



Brokers



Manufacturers

→ Up to \$1m of purchasing synergies in 2022
(target of \$5-7m cumulative by 2025)

Cross-selling

ONGOING

As of today, 5 awarded programs for 2 customers



→ Project gains up to \$30m already achieved
(\$50m objective in commercial synergies by 2025)

IT / Cybersecurity integration & security

« Symbiose reflects our determination to become more competitive while reducing France's carbon footprint and reliance on foreign countries »



Technological and digital disruption

- Automation & robotization
- Process digitization
- Cybersecurity



Environmental responsibility

- High energy & environmental performance
- Support the 460 employees with the new technologies deployed at Symbiose
- Employees well-being is valued



Social innovation



TARGET : €100m revenue by 2027. (2021 revenue : €60m)

A reaction to Europe deindustrialization
A plant 60% larger than the previous one



Successful bidder in the call for projects to support relocation



CONFIRMED OBJECTIVES

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> €650m

revenue
(i.e. a growth of more than 30%
vs 2021)

+ €11m - €15m

estimated exchange rate impact

> 6.2%

current EBITDA margin
(soit ≥ FY21)

Opportunities

- Strong demand for LACROIX solutions
- Continued policy of price readjustment
- High level of stocks, including strategic stocks
- Progressive ramp-up of the Symbiose plant

Risks

- Persistent tensions on electronic components
- Inflationary context & indirect consequences of the Russian-Ukrainian conflict:
 - Raw materials
 - Energy (additional costs or breakdown)
 - Employee costs

An ambition

2020

€441m in revenue
5,9% EBITDA

An international, industrial and
innovative technological
equipment manufacturer



2025

€800m in revenue
~9% EBITDA

A global leader
in industrial IoT solutions and
electronic equipment for
critical applications



NEXT MEETINGS

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CONNECTED
TECHNOLOGIES
FOR A **SMARTER**
WORLD

- November 7th, 2022 : Revenue Q3 2022
- November 24th, 2022 : Tech Day 2022 (digital)



QUESTIONS / ANSWERS



Key figures

€800m

Revenue

~9%

EBITDA Margin

<0.8

Gearing ratio

>70%

Revenue out of France

>5%

Share of revenue
invested in R&D

>75%

Internal satisfaction

~ 30%

Profits distributed