

## Half-Year results – Financial Year 2016/2017

### Profit from Operating Activities multiplied by 2.5

The first half-year of financial year 2016/2017 records a moderate growth in revenue (+2.2%) and a sharp increase in Profit from Operating Activities (PFOA). After two years of transition and low PFOA levels, the first half-year shows a significant improvement, consistent with the Ambition 2020 programme presented in January.

In addition to this recovery, the first half-year also sees LACROIX asserting itself as an innovative player in the midst of changes in the Smart Industry, Smart Environment and Smart Mobility.

Indeed, over the period, LACROIX Electronics entered into an Alliance with an EMS provider in the United States, which opens up production capacity in Mexico. LACROIX Sofrel launched S4W, its new-generation remote management terminal for water infrastructure. LACROIX City launched Sensycity, the first communicating detection ecosystem for street lighting, and LACROIX Neavia was awarded by Ubimobility in the field of autonomous vehicles.

The second half-year will see the launch of the LACROIX Lab, a cross-organizational team to support innovation across business units.

### Half-Year results <sup>(1)</sup> – Financial Year 2016/2017:

In Million Euros	31.03.2017	31.03.2016	Variation	30.09.2016
Revenue	220.6	215.8	+2.2 %	428.4
Profit from Operating Activities (PFOA)	5.4	2.1	+150 %	8.1
Operating profit	5.1	-2.5	+303 %	-6.5
Net income (Group share)	3.0	-1.8	+266 %	-8.8
Net debts / Equity (gearing)	0.31	0.30		0.40

<sup>(1)</sup> The company's auditors performed a limited review of the accounts

#### Highlights of the first half-year:

- 1) LACROIX Electronics: moderate growth of turnover (+2.2%) and further increase of the PFOA, reaching €3.4M. Apart from the French site, all sites contributed to this improvement, although the recovery of R&D centers and the German site still remain fragile.  
In a context of higher growth, the second half-year shall confirm an improved PFOA in this business.
- 2) LACROIX Sofrel: a stable revenue (+0.1%) affected by a decline in export revenue, and a stable PFOA (€-0.1M), as the burden of team structuring is offset by lower R&D expenses. The second half-year should see a slightly improved growth level, though still low over the financial year.

- 3) LACROIX City: return to a growth in revenue (+5.5%), and a sharp increase by +€2.3M in PFOA, although this business is still unprofitable. All three business units provide a positive contribution to this improvement. LACROIX Sogexi and LACROIX Traffic take profit from higher volumes and LACROIX Signalisation from reorganizations carried out during last financial year. The second half-year will confirm (though in a lesser proportion) the positive trend and a return to breakeven will take time.

After two years of transition, the group thus confirms the good orientation of its levels of activity and results. In consistency with its Ambition 2020 programme presented in January, the year 2017 will be the first step towards PFOA recovery.

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