

LACROIX Group Results of Financial Year 2016-2017

(Released on 19/12/17 after trading hours)

Significant increase in the Profit from Operating Activities (+€4.3M) and continued investment to carry out the Ambition 2020 plan

The Supervisory Board of LACROIX SA met on December 18th, 2017, and reviewed the corporate and consolidated financial statements of Financial Year ending September 30th, 2017.

2017 OVERVIEW: improvement of results and investment for the future

After two years of transition and lower results, LACROIX Group posted an increase by 3% in revenue and by 54 % in Profit from Operating Activities (PFOA). The net income is up +€16.8M, due to an increase by +€1.4M in the financial result amounting - €0.4M, and to a favorable base effect of non-current expenses, as 2016 was affected by high restructuring (€5.1M) and goodwill impairment (€9.5M) expenses.

This significant recovery of results is the first step in the Group's Ambition 2020 plan released in January.

Vincent BEDOUIN, Chairman of the Board, said: « *Beyond the numbers, the positioning of LACROIX Group as technological equipment provider in our complementary markets places us at the center of key issues such as Smart Mobility, Smart Environment and Smart Industry. The Group is also continuing to invest in order to strengthen or develop its leadership on these promising markets both in France and abroad, and to further accelerate towards its 2020 objective.* »

In Million Euros	30.09.2017	30.09.2016	Variation 2016/2017
Revenue	441.4	428.4	3.0%
Profit from Operating Activities (PFOA)	12.4	8.1	53.8%
Operating Profit	11.8	-6.5	€18.3M
Net income (Group share)	8.0	-8.8	€16.8M
Net debts / Equity (Group)	0.32	0.4	

Auditing procedures on consolidated accounts have been carried out. The certification report will be issued after reviewing the management report and after releasing the annual financial statements.

Dividend proposal:

Based on the improvement of the results and of the financial structure, a dividend of €0.60 per share will be proposed at the next General Meeting.

PROSPECTS FOR 2018: ride the wave

Financial Year 2017 saw the start of promising projects such as a greater opening up to international markets, the reinforcement of marketing and innovation teams, the beginning of digitalization projects, and many experiments on future innovations.

Our Ambition 2020 plan remains in effect but will not follow a straight-line trajectory. In a context of higher growth in activity for 2018, higher investment will slow down the pace of recovery in Margin from Operational Activities over the Year.

APPENDIX

2017 HIGHLIGHTS PER BUSINESS AREA:

- **LACROIX City:** return to a growth in revenue (+4.3%) driven by the acceleration in the sales of street lighting monitoring solutions, and strong recovery of PFOA (+61%). Activity remains unprofitable in line with forecast at - €2.1M but though recovery will take time, medium-term prospects still remain well oriented.
- **LACROIX Sofrel:** Stable revenue (+0.0%) and slight decline in PFOA (-1%) to €8.8M with the burden of team structuring, particularly in sales and marketing, which is offset by lower R&D expenses.
- **LACROIX Electronics:** In a context of strained components market, moderate annual growth in revenue (+3.1%) and continuous increase in PFOA (+27%) reaching €7.0M.

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Next release: First Quarter Activity Report for Financial Year 2017/2018 on February 13th, 2018, after trading hours.

Find this press release and more information about LACROIX on our website www.lacroix-group.com