

CONNECTED TECHNOLOGIES FOR A SMARTER WORLD

Press release

Saint-Herblain, 12 May 2020



First semester 2019-2020 Stability of the business despite significant impact from the health crisis from March onwards

<i>Turnover in euros millions</i>	First semester 2019/2020	First semester 2018/2019	Change
LACROIX Electronics	155 825	162 762	-4,3%
LACROIX City	48 935	50 081	-2,3%
LACROIX Environment	33 961	26 110	30,1%
Total LACROIX Group	238 720	239 016	-0,1%
Of which second quarter	113 371	122 564	-7,5%

LACROIX Group (LACR - FR0000066607), international technological equipment supplier, records turnover of €238.7 m for the first semester 2019-2020 (from 1st October 2019 to 31 March 2020), stable in comparison with the same period for the fiscal year 2018-2019. At constant scope, the business shows a downturn of 3.5%.

After an increase of 7.6% for the first quarter and a growth trajectory superior to 6% for January-February, fully in line with expectations, the health crisis has led to a significant and rapid downturn in business from March onwards. This impact is reflected in the evolution of turnover for the second quarter, which is in decline by 7.5% in comparison to the same period 2018-2019. The Group therefore estimates business losses in relation to this exceptional crisis at about €17 m by the end of March.

Naturally, all activities are affected by the situation. Over the semester, LACROIX Electronics records turnover for €155.8 m, a drop of 4.3%. Following an increase at the beginning of the fiscal year that confirmed the reboot of activity in Poland and a return to regular operating conditions in Tunisia, momentum was interrupted with a decrease of 12.9% in turnover for the second quarter.

For LACROIX City, the activity is holding up better with half-year turnover slipping by 2.3% (3.5% at constant scope) to €48.9 m, including a second quarter in decline by 3.2%.

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Finally, for LACROIX Environment, half-year turnover amounts to €33.9 m, an increase of 30.1% as a result of the integration of SAE-IT Systems purchased in February 2019. At constant scope, growth for this activity emerges at 1.6% for the entire semester.

In response to the situation, rapid measures detailed in the communication on 25 March were taken to ensure the safety of teams and to guarantee, wherever possible, the continuity of activity for customers. Among these measures, we recall the partial or complete closure of all the Group's industrial sites in France and in Tunisia abroad.

Decisions were also made in order to secure funding and limit the impact on cash flow: cost reduction efforts, partial unemployment, deferral of social security contributions and bank repayments. Initiatives are under way to strengthen financial support.

It is important to note that all these measures were undertaken with the constant concern of not sacrificing the Group's ability to bounce back. The R&D work plan has been upheld. Concerning the Symbiose project, the opening schedule for the new French site planned for the end of 2021 is not currently called in question.

And finally, with more than €35 m of usable funds (cash reserves and equivalents, undrawn credit and overdraft lines), the Group has substantial means available to deal with the current situation.

To date, it remains difficult to accurately gauge the impact of the crisis on the results of the current fiscal year. Although the measures taken will enable us to navigate this unprecedented period, reduced visibility has led the LACROIX Group to suspend, as of March, its annual objectives. In April activity remained largely impacted despite the partial reopening of all the industrial sites that were closed in March. Recovery is likely to be progressive, in particular on the automotive and aeronautical markets.

The LACROIX Group however, remains fully mobilised and confident in getting rapidly back on track with its performance path and setting itself new ambitions.

Upcoming dates

First semester results: 30 June 2020 after the Stock Exchange

ABOUT LACROIX Group

LACROIX Group is an international technological equipment manufacturer, aiming to serve a connected and responsible world with its technical and industrial excellence.

As a listed family-run SME, LACROIX Group combines the essential agility required to innovate in an ever-changing technological sector with the industrial capacity to produce robust, secure equipment and the long-term vision to invest and build for the future. LACROIX Group designs and produces its customers' electronic equipment, in particular in the automotive, home automation, aeronautical, industrial and health sectors. LACROIX Group also provides safe, connected equipment for the management of critical infrastructures such as smart roads (street lighting, traffic signs, traffic management, V2X) and the management and operation of water and energy systems. Drawing on its extensive experience and expertise, the Group works with its customers and partners to build the connection between the world of today and the world of tomorrow. It helps them to build the industry of the future and to make the most of the opportunities for innovation that surround them, supplying them with the equipment for a smarter world.

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