

CONNECTED TECHNOLOGIES FOR A SMARTER WORLD

Press release

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LACROIX Group announces return to growth in the fourth quarter

LACROIX Group (LACR - FR0000066607), international technological equipment manufacturer, announces its revenue for the fourth quarter of its 2019-2020 financial year (from 1 July to 30 September 2020). By way of reminder, following the change of closure date, the current financial year will have an exceptional duration of 15 months, from 1 October 2019 to 31 December 2020, and will therefore include a fifth quarter.

Return to growth in the fourth quarter

In the fourth quarter alone, LACROIX Group experienced growth of 1.8% compared to the fourth quarter of 2018/2019 (+1.0% at constant scope) with turnover of €119.4m.

Revenue in million euros	2019/2020	2018/2019	Change	Cumulative total 2019/2020	Cumulative total 2018/2019	Change
1 st quarter	125.4	116.5	+7.6%	125.4	116.5	+7.6%
2 nd quarter	113.4	122.6	-7.5%	238.8	239.0	-0.1%
3 rd quarter	80.1	125.4	-36.1%	318.9	364.4	-12.5%
4 th quarter	119.4	117.3	+1.8%	438.3	481.7	-9.0%
Total LACROIX Group	438.3	481.7	-9.0%	438.3	481.7	-9.0%

On a cumulative basis since the start of the financial year (from 1 October 2019 to 30 September 2020), Group's revenue thus comes to €438.3m, compared to €481.7m on 30 September 2019, representing a decrease of 9.0% (-10.7% at constant scope).

"LACROIX Group's performance in the fourth quarter is very satisfactory, and confirms our good strategic orientations. Despite an unprecedented health crisis, we have demonstrated our capacity to quickly return to growth, thanks to our unique global positioning in key technological equipment, serving societal needs, more essential today than ever. The recent degradation of the health situation naturally requires us to exercise caution for the coming months. We remain nonetheless fully confident in our ability to turn this new corner and regain a long-term performance trajectory, once the situation has normalised again," notes Vincent Bedouin, CEO of LACROIX Group.

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An increase in all activities compared to the previous quarter

Over this period, amid the gradual lifting of the health restrictions which took place during the summer, all of the Group's activities show a marked recovery compared to the preceding quarters, confirming the gradual improvement observed since May.

<i>Revenue in million euros</i>	Q4 2019/2020	Q4 2018/2019	Change	Cumulative total 12 months 2019/2020	Cumulative total 12 months 2018/2019	Change
LACROIX Electronics	75.1	75.7	-0.8%	276.0	317.7	-13.1%
LACROIX City	26.7	26.6	+0.4%	96.1	104.6	-8.1%
LACROIX Environment	17.6	15.0	+17.4%	66.1	59.2	+11.6%
Total LACROIX Group	119.4	117.3	+ 1.8%	438.3	481.7	-9.0%

In the fourth quarter, LACROIX Electronics, the Group's primary business, thus recorded a revenue of €75.1m, slipping slightly by 0.8%, or -2.1% at constant scope. This development represents an excellent performance compared to the third quarter, down by 43%, at the height of the health crisis. While business among aeronautics clients remains soft, the fourth quarter benefitted from a strong upturn in the Automotive and Home & Building sectors. LACROIX Electronics also benefitted, on the one hand, from a favourable base effect related to the fire on the Tunisian site which impacted the fourth quarter of 2018/2019 (-€1.3m in Q4 2019) and, on the other, from the integration of the Group's latest acquisition, the innovative start-up eSoftThings, specialising in industrial IoT and artificial intelligence, consolidated since July and contributing €1.0m to turnover for the quarter. On a cumulative basis for the last 12 months, this activity recorded revenue of €276.0m, down 13.1% (-13.4% at constant scope).

LACROIX City also returned to a level of activity comparable to the fourth quarter of 2018/2019, with a revenue of €26.7m, slightly up 0.4% on a reported or constant scope basis, compared to the 26.6% decline recorded in the third quarter. This encouraging recovery is supported in particular by the Street Lighting and Traffic Management markets. Since the beginning of the financial year, LACROIX City has recorded a decline of 8.1% to €96.1m (-8.8% at constant scope).

LACROIX Environment, for its part, confirms its role as an accelerator of growth within the Group, with a 17.4% growth over the period in the absence of impact from scope, accounting for €17.6m, as opposed to €15.0m for the same period in the previous financial year. Business is supported by a catching-up effect in the Water segment and by the excellent commercial momentum of SAE IT Systems, a German company acquired in January 2019 in the Smart Grids field. The latter thus recorded a growth of 9.5% for the period and confirms the relevance of the Group's strengthened position in this buoyant market with the expansion of its "smart environment" offer. On a cumulative basis, LACROIX Environment recorded revenue of €66.1m, representing a growth of 11.6% (+0.9% at constant scope).

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Outlook: renewed confidence despite continuing uncertainties concerning the development of the health situation

Despite the major impact of the health crisis, the decline in cumulative revenue remains limited thanks in particular to the very good resilience of LACROIX Environment, the momentum maintained in “smart” projects, and the significant contributions of companies integrated in 2019 and 2020. Viewed over the last 12 months (October 2019 to September 2020), this decline is also less than the decrease initially expected for the period (-10%).

In terms of results, the objective of a recurring operating margin of over 2% set for the period will be met.

Due to the continuing uncertainties related to recent developments in the health situation and the latest government announcements, the Group is approaching the coming months with caution, without however envisaging an impact as strong as that seen during the months of March and April.

Beyond the next few months, LACROIX Group still retains an ideal positioning to profit from opportunities in its structurally growing markets. Its three activities, at the heart of new technological needs in the electronics industry and “smart” infrastructure projects in roads, energy and the environment, as well as orders recently taken, will be powerful supports for recovery.

In this context, the Group remains fully focussed on its ambition to become the global leader in industrial IT and electronic equipment for critical applications, and confirms, in this regard, that it will unveil its 2021-2025 strategic plan in April next year.

Upcoming dates

Full-year revenue 2019/2020 (15 months): 11 February 2021 after close

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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