



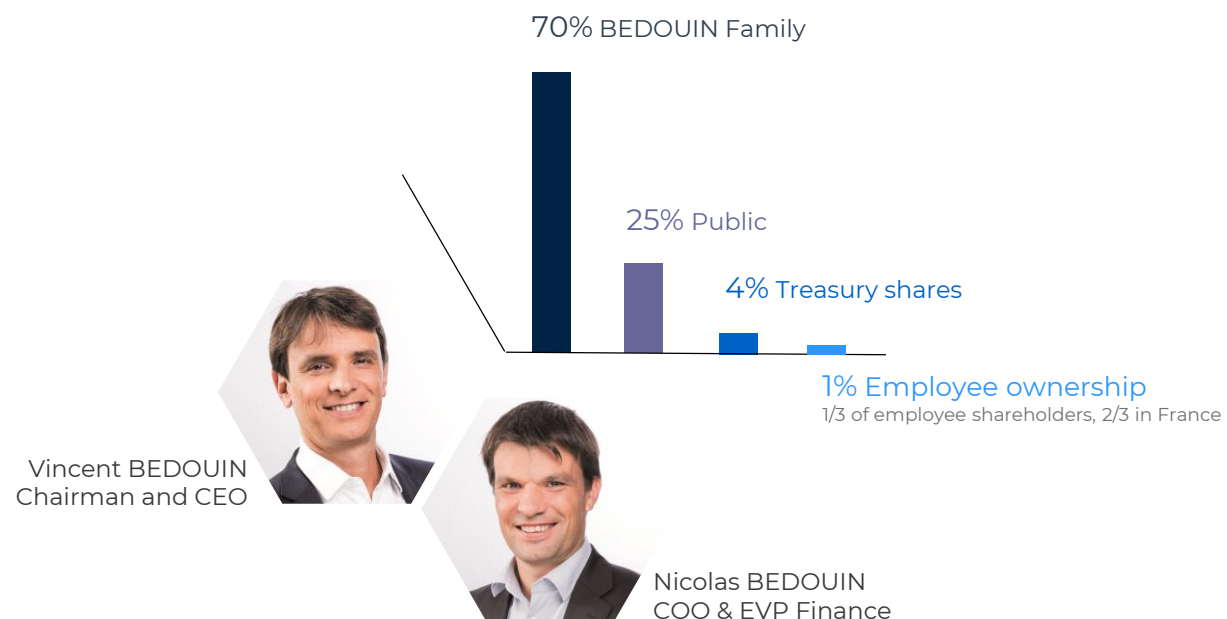
APRIL 7 2021

Strategic plan presentation Leadership 2025



A family-owned company with a mid-term vision

SHAREHOLDERS



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SHORT PRESENTATION

AT THE HEART OF LACROIX

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A large, vertical image on the right side of the slide. It shows a dense cityscape at night, with numerous illuminated buildings and streets. The sky above the city is dark and filled with stars, suggesting a connection to technology and innovation. The image is framed by a white border.

CONNECTED
TECHNOLOGIES
FOR A **SMARTER**
WORLD

At LACROIX, we believe technology should contribute to simple, safer and sustainable environments

Since 2015, we focus our energy only on markets with high societal and environmental stakes

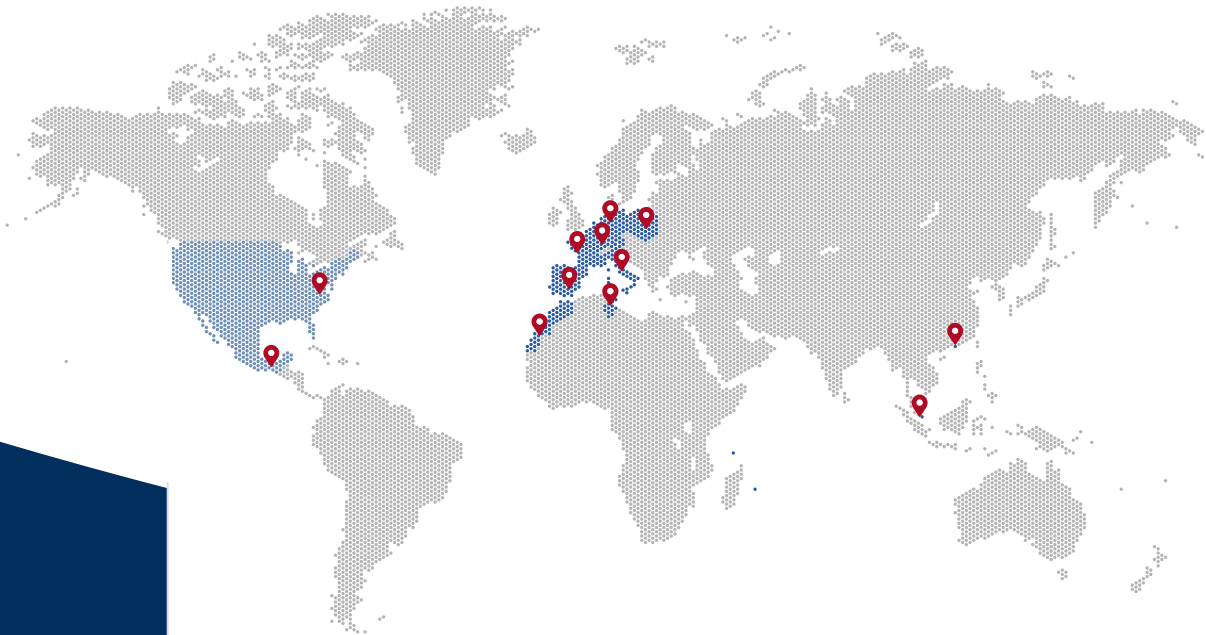


ENVIRONMENT

MOBILITY

INDUSTRY 4.0

An international, industrial and innovative technological equipment provider



IMPLANTATIONS

NAFTA
USA ;
MEXICO

EMEA :
FRANCE (1 233 emp.) ; SPAIN (95 emp.) ;
GERMANY (220 emp.) ; ITALY (8 emp.) ;
POLAND (1 946 emp.) ; BELGIUM (13 emp.) ;
TUNISIA (707 emp.) ; MOROCCO

APAC :
SINGAPORE ;
CHINA

€441M * revenue
of which **60%** out of **France**

* Proforma revenue Jan-Dec 2020

~4,000 employees in **10** countries

A renowned actor
in innovation and industry

10 R&D centers
10 industrial sites



MARKET POSITIONING

For industrial customers



For street and road infrastructure operators

For utilities infrastructure operators

Electronics activity

Embedded and connected electronics for the industry

City activity

Equipments for smart road infrastructure management

Environment activity

Equipments for water and energy infrastructure management

EXPERTISE



Connected devices - IIoT



Smart sensors & actuators



Smart power



LED lighting



Device management & cybersecurity



Public lighting



Traffic management



Traffic signs



V2X



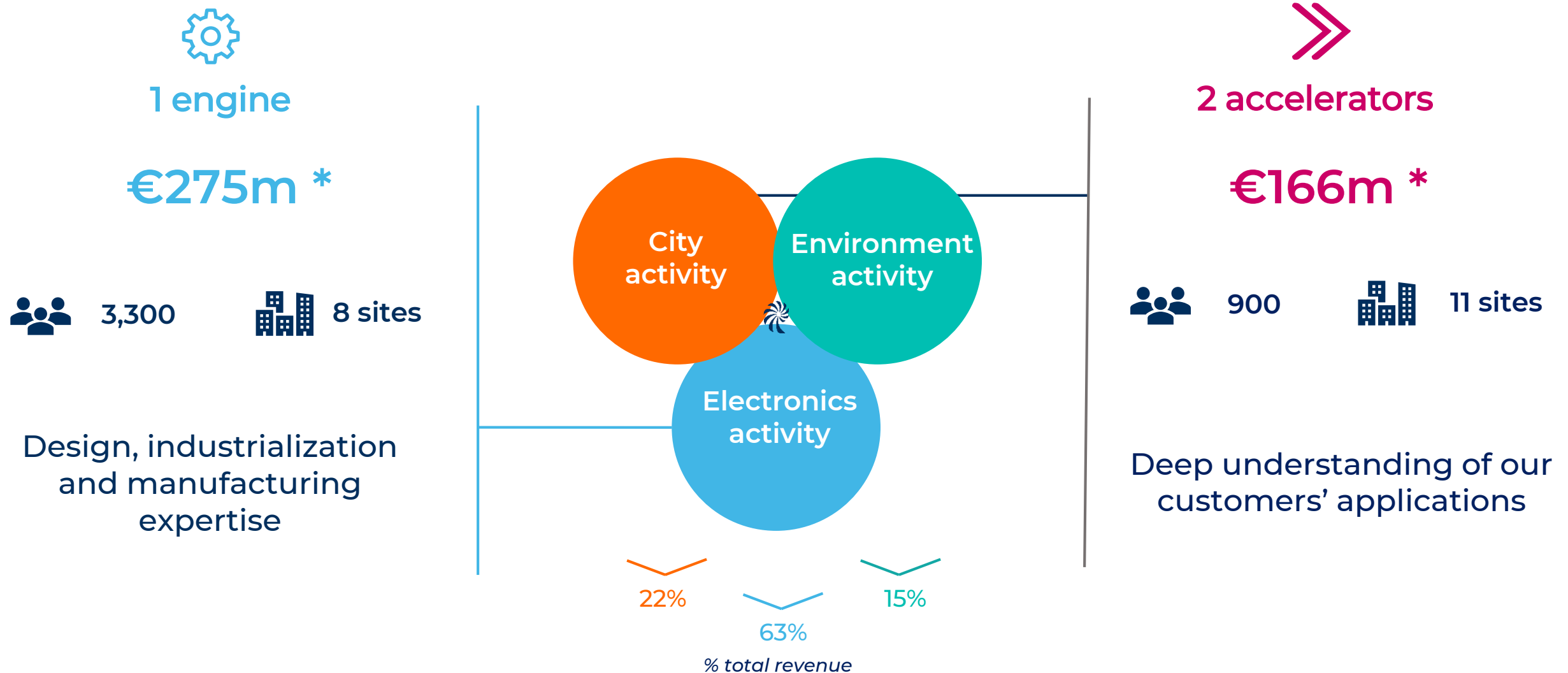
Clean water and wastewater



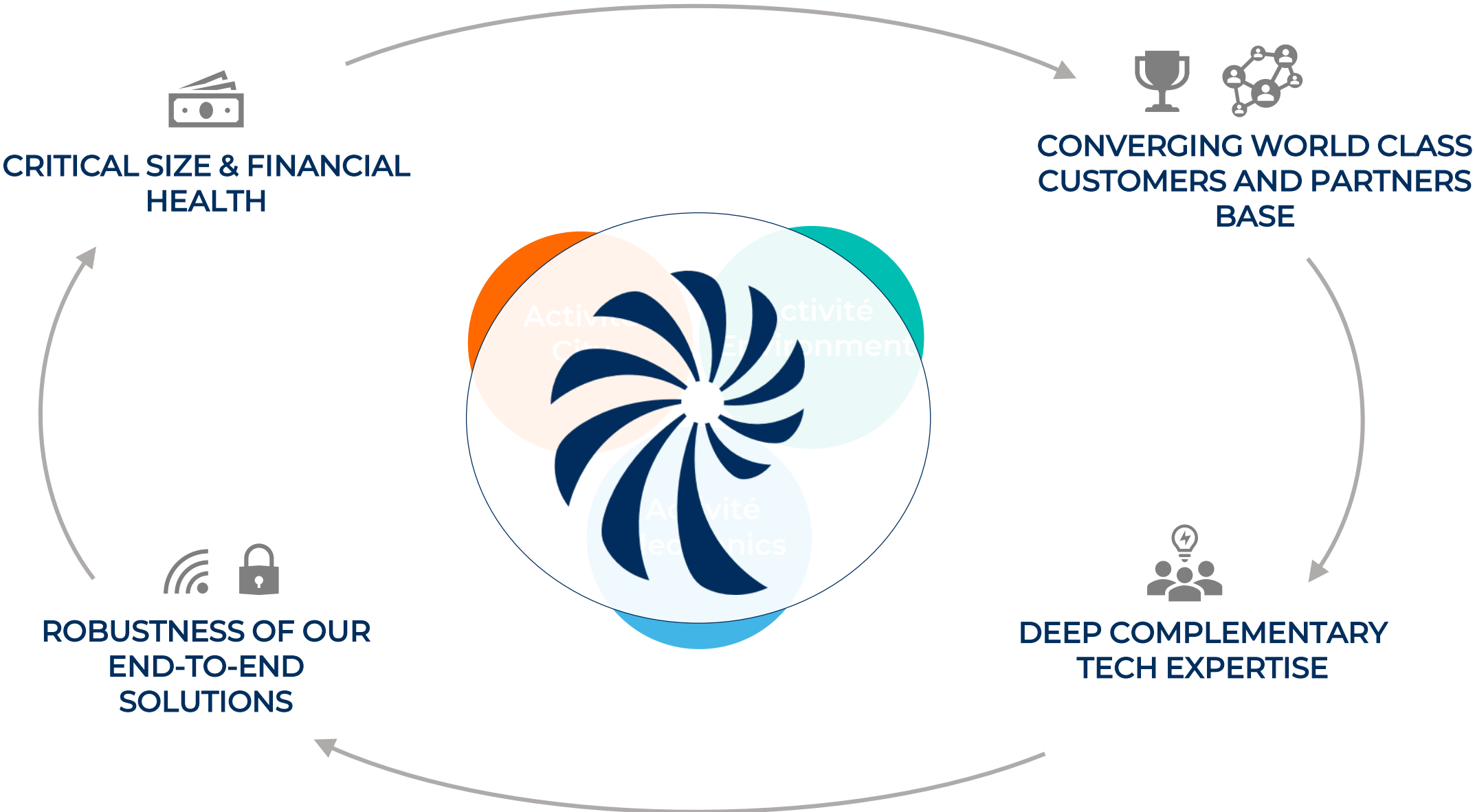
Smart grids



HVAC



* Proforma revenue Jan-Dec 2020 (total €441m)

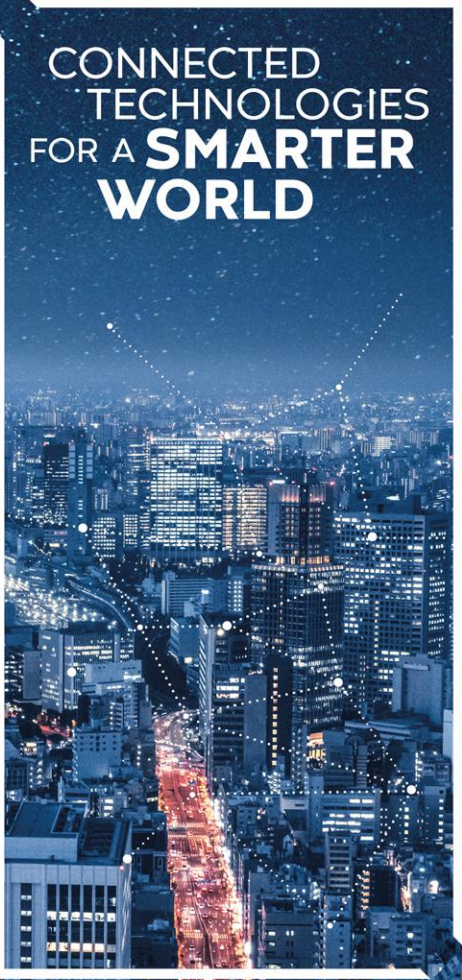




LOOKING BACK AT AMBITION 2020

2016 – 2020

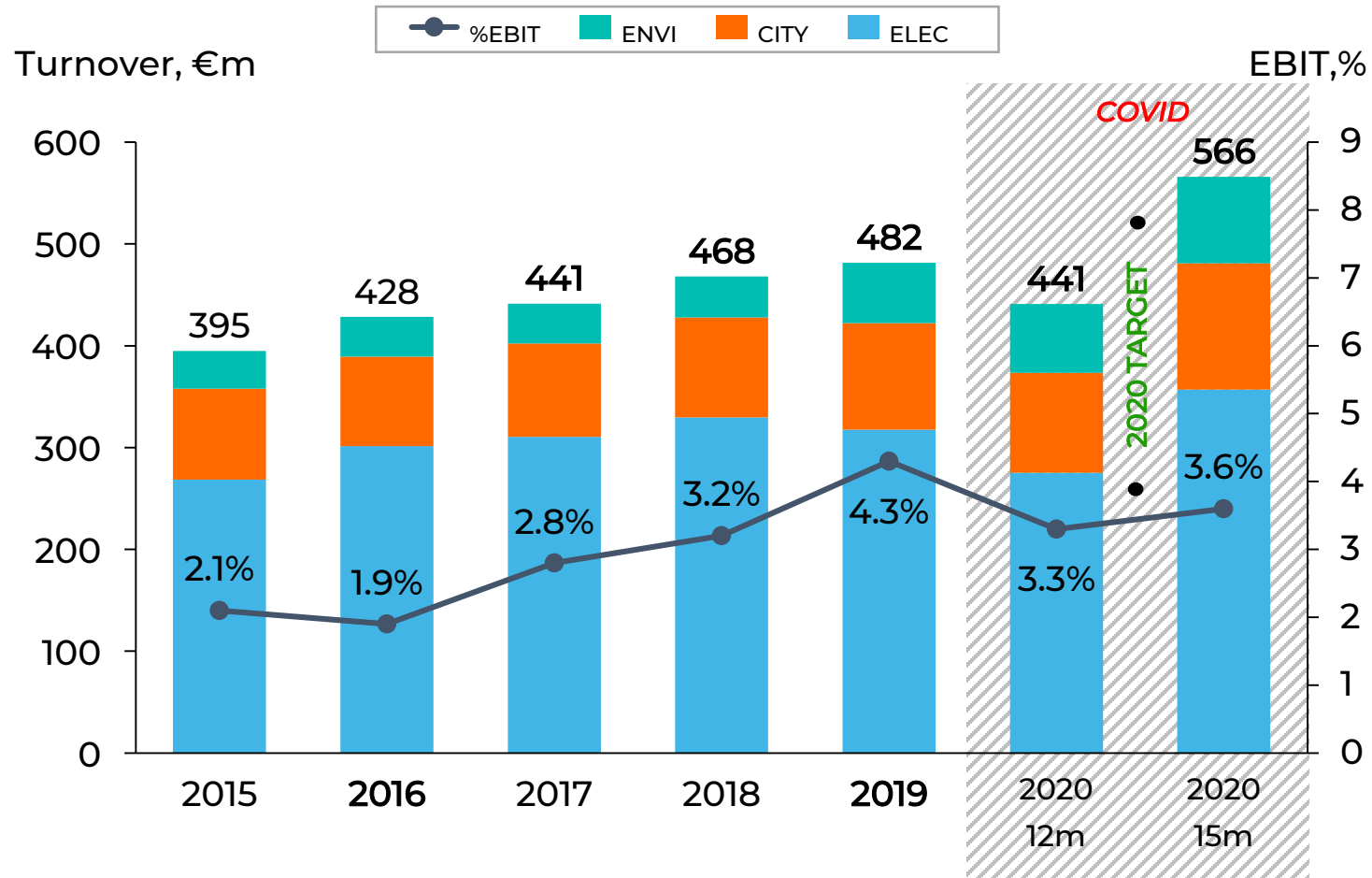
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We've achieved profitable growth over the last 5 years, excluding COVID

2015 – 2020 Turnover (€m) and EBIT %*

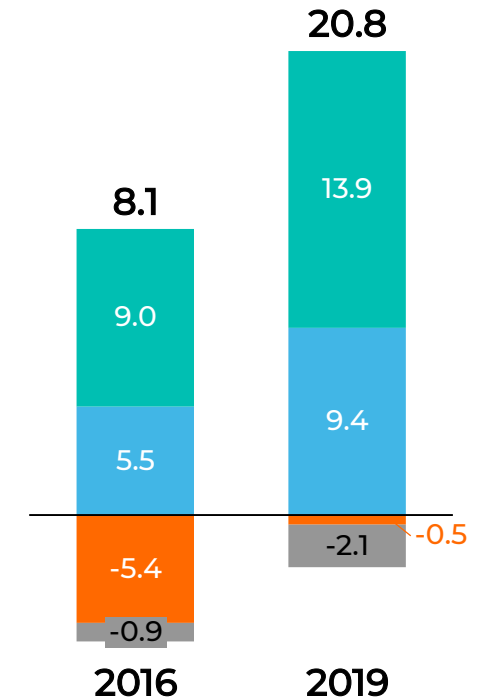
* Starting from 2019, « CVAE » recategorized as « IS » (not impacting EBIT anymore)



Reference years for plan performance measurement

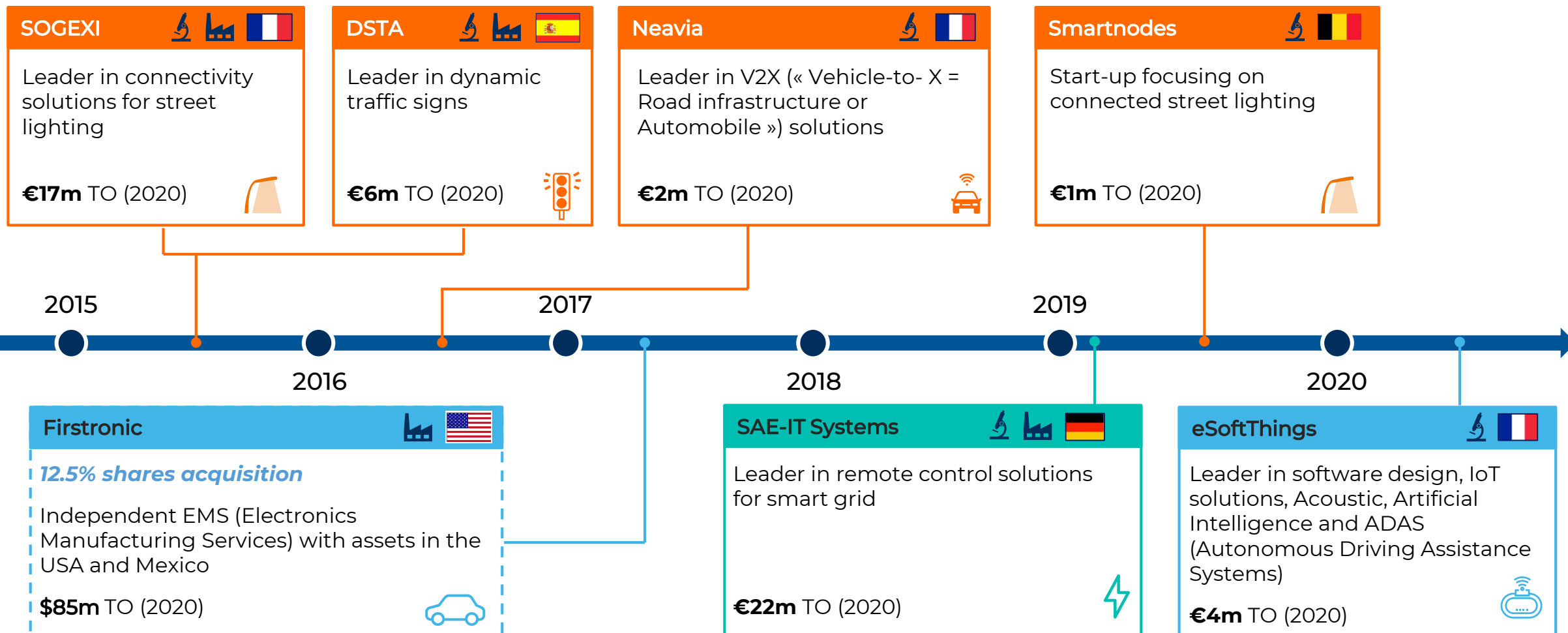
2016 and 2019 EBIT by activity, €m

ENVI CITY ELEC Corp.



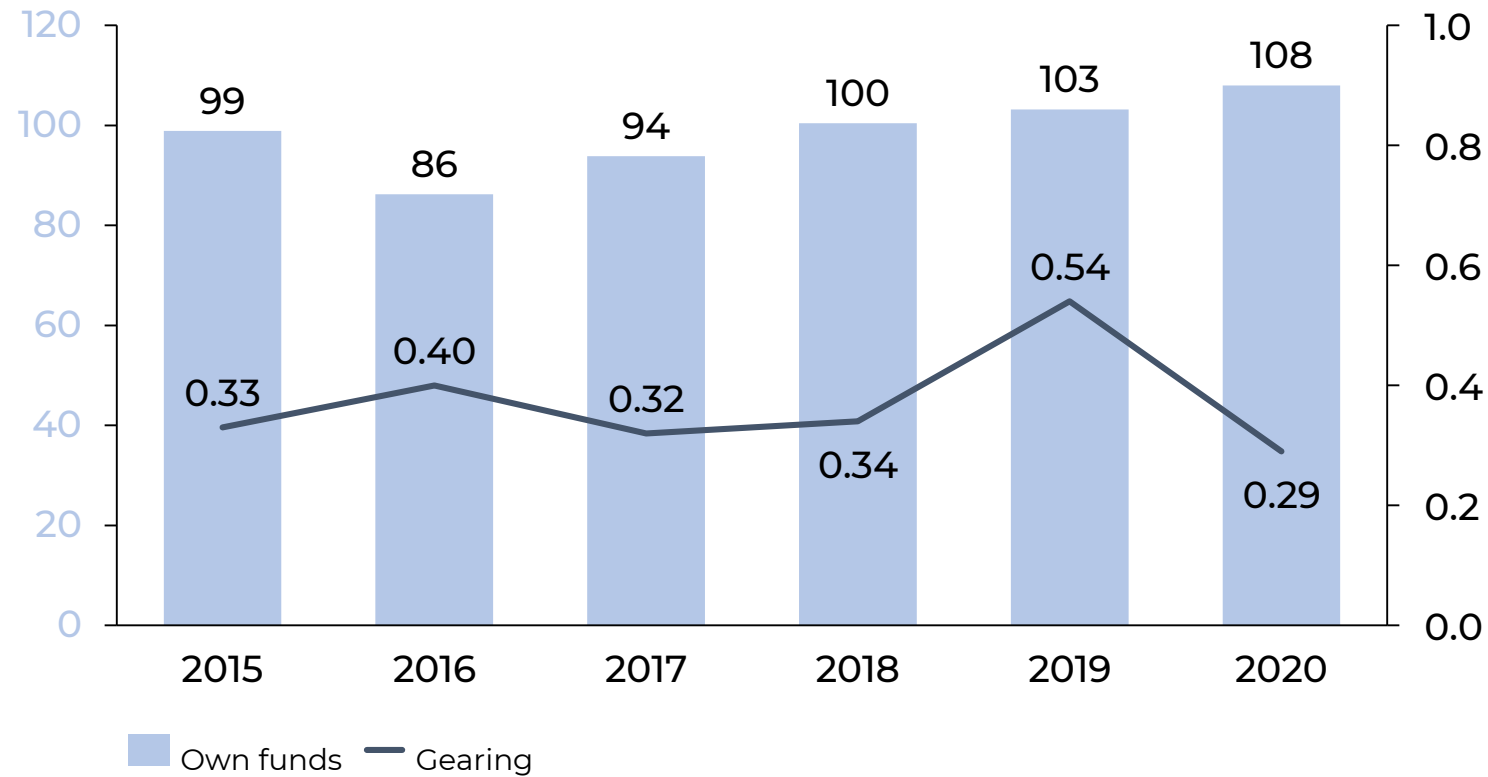
Supported by acquisitions reinforcing our positioning of technological leader

■ Electronics ■ City ■ Environment



Own funds, €M

Gearing ratio



€11m

of dividend paid over
2015 - 2020

- A gearing ratio **maintained below 0.54** over 2015 – 2020 despite multiple acquisitions
- A **steady increase** in own funds since 2016



SUCCESS OF THE FIRST EMPLOYEE SHARE OWNERSHIP PLAN

37%

- 40 000 shares from treasury (1%)
- 37% participation rate of total eligible staff, 66% in France and 46% in Germany

INTERNAL SATISFACTION SURVEY

72%

- From 69% in 2016 to 72% in 2020
- Strong confidence in LACROIX strategy among employees

AMBITIOUS PLAN TO STRENGTHEN AND TRAIN MANAGEMENT



- Top management reinforcement : new recruitments representing 43% out of 150 managers
- Internal MBA, middle management program, technical ladders...



United Nations
Global Compact

2017



2020
ranking

94*
/ 230

* Gaia Rating, Ethifinance's ESG rating agency, conducts an annual data collection campaign covering most of the 230 SMEs listed in France



The diagram illustrates a commercial strategy combining two main components. On the left, an orange triangle labeled 'CONQUEST' is positioned above a dark blue trapezoid labeled 'DEVELOPMENT of a large customer base'. A large blue plus sign is placed between them. To the right of each component is a corresponding colored box containing a list of strategic points. The orange box for 'CONQUEST' lists 'Gaining new customers / business' and 'Growing international footprint'. The dark blue box for 'DEVELOPMENT' lists 'Focus on strategic customers, 60% of revenue' with three sub-points, followed by a conclusion: '⇒ Greatest potential for development in the short and medium term'.

CONQUEST

- Gaining new customers / business
- Growing international footprint



**DEVELOPMENT
of a large customer base**

- Serving existing needs
- Increase of growth drivers
- Increase in project size

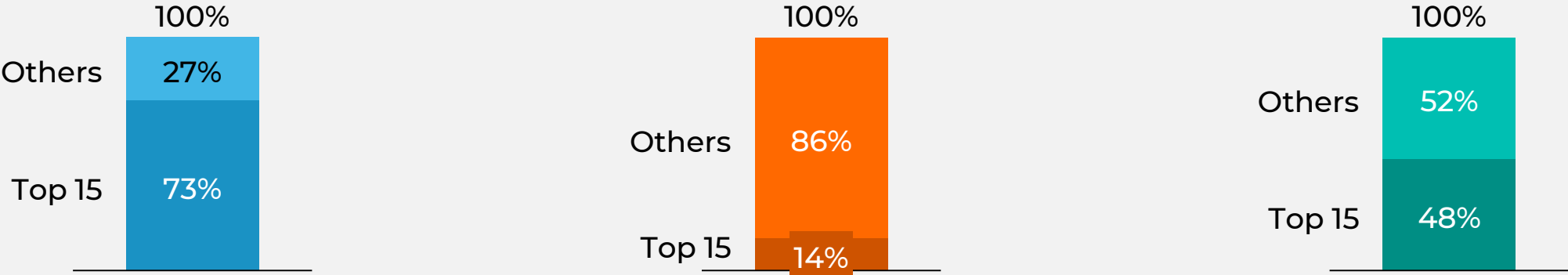
- **Focus on strategic customers, 60% of revenue**
 - Leaders in markets that they often outperform
 - Growing need for innovation over long sales cycles
 - Developing a mature strategy with their ecosystem & key partners
- ⇒ **Greatest potential for development in the short and medium term**

Profitable growth and resilience in IoT & Electronics

#1 COMMERCIAL STRATEGY COMBINING RECURRENCE & CONQUEST (2/2)

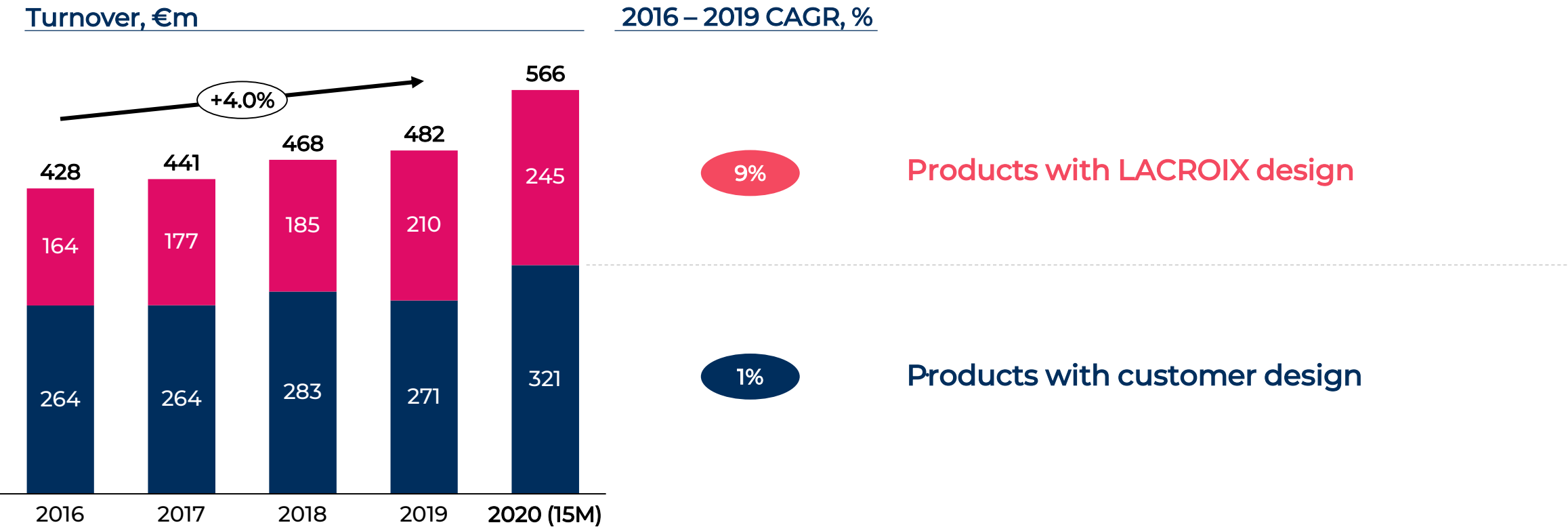


AN IDEAL SHARE OF ACTIVITY 2020 TURNOVER WITH TOP 15 ACCOUNTS, %



Profitable growth and resilience in IoT & Electronics

#2 AN INCREASING SHARE OF SMART & CONNECTED OFFERS AND IP

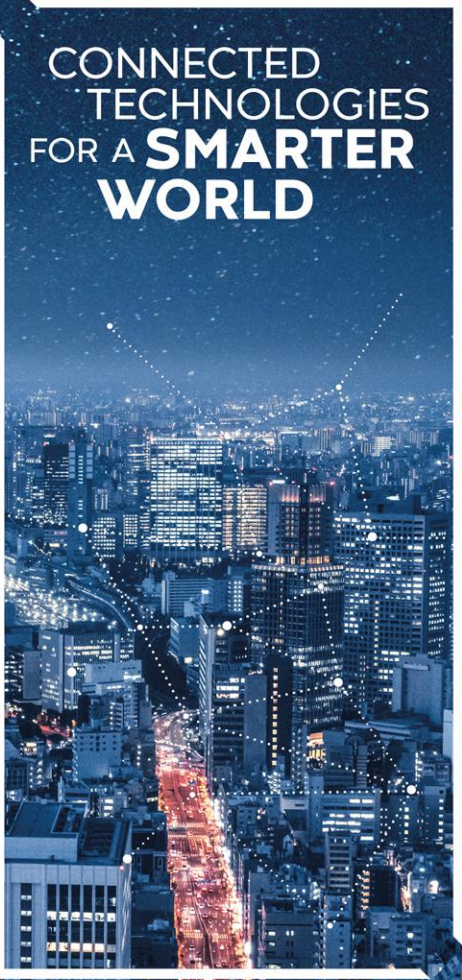


	In 2020	Change Vs. 2016
Reinforced MARKETING and R&D teams	36 product managers 191 R&D FTE	x 3 x 2.3



LEADERSHIP 2025

VISION & MARKETS



LEADERSHIP 2025

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

Our mission is a strong guideline

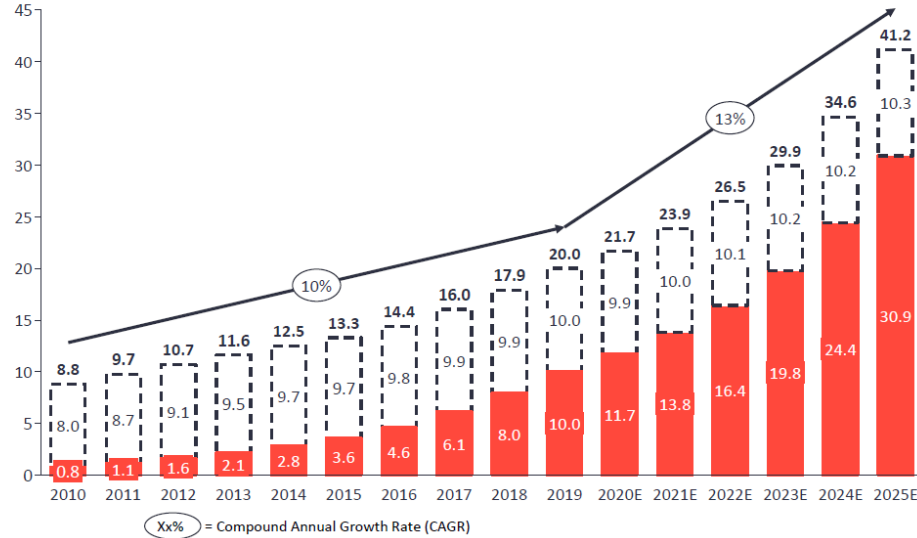


Enable our customers
to build & manage
smarter life ecosystems
thanks to useful, robust & secured
connected technologies

Industrial IoT will be the main driver for smart applications

GLOBAL BOOM OF IOT MARKET

Number of global active Connections (installed base) in Bn



Non IoT includes all mobile phones, tablets, PC and landlines

IoT includes all B2C and B2B connected devices

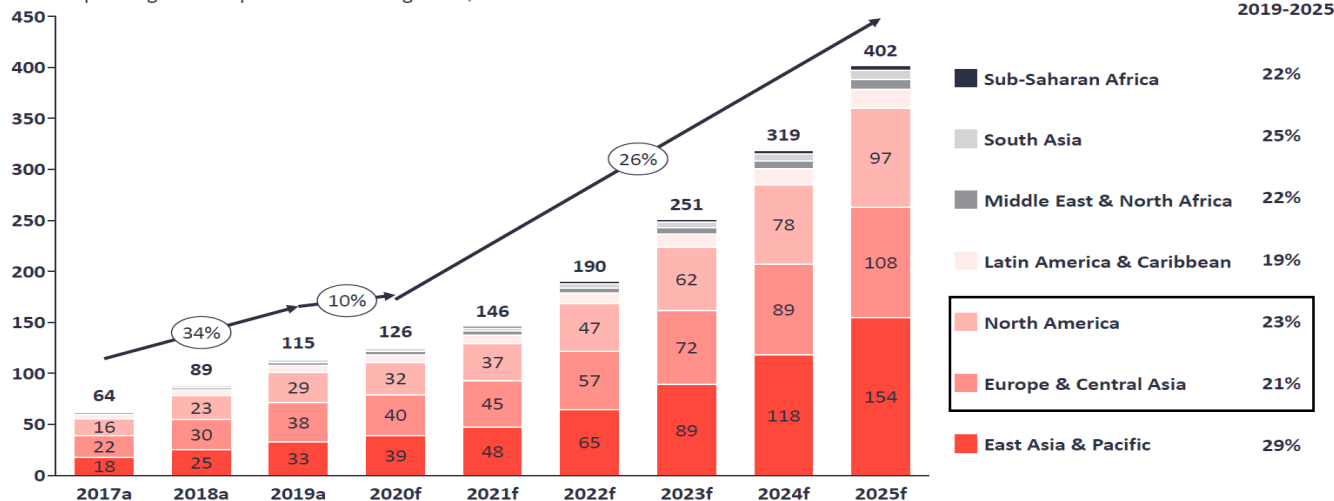
We enter a new maturity phase



Positive growth outlook in our focus markets (CAGR 19-25)

- **+27%** Shared mobility
- **+13%** Traffic management
- **+13%** Smart lighting
- **+11%** Smart grid & renewable energies
- **+10%** Water distribution networks

Global spending on Enterprise IoT technologies in \$B



COVID impact: Slight short-term slowdown in investments

Powerful long-term accelerator in IoT use cases:

- Remote access
- Touchless applications
- Connecting previously unconnected assets



01

ACCELERATED DIGITALISATION

Massive deployment of **sensors and electronic functions** in all sectors of activity.



02

NEW USES : SMART MOBILITIES, GRIDS, ...

Leading to **increased requirement for electronics, networking and data.**



03

ENVIRONMENTAL PRESSURE

Rising resource costs and growing awareness of environmental issues.



04

REGULATORY FRAMEWORK

Stricter, particularly as regards environmental issues, **which favours the development of smart solutions.**



05

RENEWAL OF AGEING INFRASTRUCTURES

With the **integration of new connected technologies.**



06

NEED FOR ROBUSTNESS

Growing demand for **cyber-secured industrial solutions for large-scale deployments.**



07

TECHNOLOGICAL MATURITY

Increased maturity of connected technologies and reduction in associated costs.



08

CRITICAL SIZE THAT FAVOURS INVESTMENT

Pooling of local authority missions or privatization of **infrastructure managers who deploy standardized equipment.**



09

PRIORITY TO FRENCH / EUROPEAN INDUSTRIAL RELOCATION

Political awareness and sovereignty stakes in the electronics industry

MAJOR ELECTRONIC GROWTH DRIVERS IN OUR FOCUS MARKETS

Automotive



- **Electrification**
- **Connected cars**
- **Assisted / autonomous driving**

Home & building



- **Interoperability of home equipment**
- Active environmental performance
- New home functionalities

Industry



- **Digitalization & real time monitoring**
- Predictive maintenance
- Reduced CO2 emissions
- Power efficiency

Industrial IoT



Focus on Industry 4.0, Smart Cities, Smart Utilities and Smart Agriculture

Defense



- Strategic national projects
- Cyber defense

Avionics



- Aircraft performance
- Reduced environmental footprint

Fastest-growing segments

SIGNIFICANT IMPROVEMENTS BOTH IN REVENUE GROWTH AND PROFITABILITY

3-4%

CAGR 19-25
Organic revenue

- Driven by international growth, staying focused on our core markets
- Including cleaning of our customer base to focus on profitable business


> 6%

EBITDA Margin 2025
Including external growth

- Increasing share of LACROIX design, either for own product development (IIoT) or on behalf of customers, both driving higher margins
- Higher competitiveness of our manufacturing sites driven by Industry 4.0


MAJOR GROWTH DRIVERS IN OUR FOCUS MARKETS

Traffic management




Detection segment

Public Lighting



- Switch to LED
- **Remote control**
- **Box junctions**

V2X



- **Connected highways**
- Public Transport


Fastest-growing segments

Traffic signs




Dynamic signage

Water




International growth with new platform

HVAC
(Heating networks)



HVAC development

Smart Grid



- Renewable energies
- Regulation

Fastest-growing segments

PROFITABLE GROWTH THROUGH NEW PRODUCTS

5-7%

CAGR 19-25
Organic revenue

- Driven by **international growth** and smart offers (with double-digit growth)
- Despite **stable signage market**

8-10%

CAGR 19-25
Organic revenue

- Driven by **international growth**
- Enabled by **indirect sales**

> 8%

EBITDA Margin 2025
Including external growth

- Return to **normative EBITDA levels**
- Driven by **smart offers** and **connected products**

> 20%

EBITDA Margin 2025
Including external growth

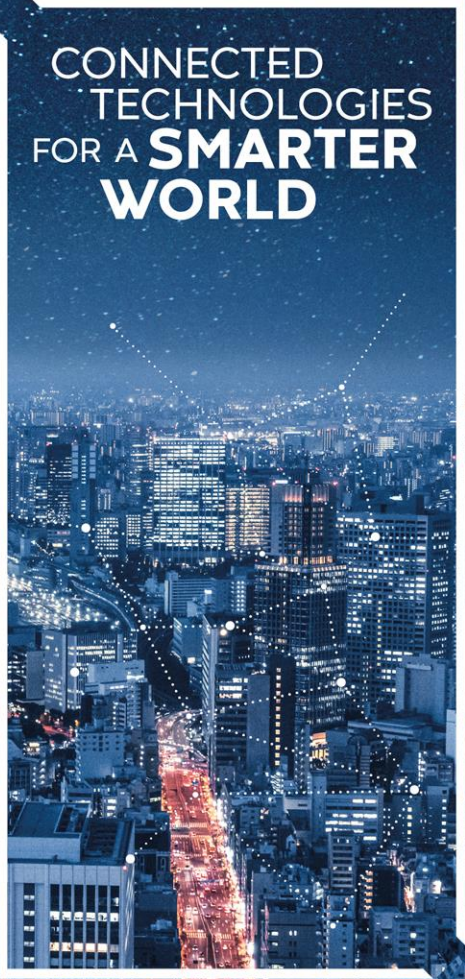
- Maintaining **very high profitability levels**



LEADERSHIP 2025

5 STRATEGIC PILLARS
TO SUPPORT OUR AMBITION

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1 – Develop our technological leadership



STRENGTHENING LACROIX INNOVATION AND R&D CAPABILITIES

- Technological synergies & mutualized platforms
- Specific applications per segment
- Stepping up of IP management & funding from collaborative projects
- Mobilizing all domains of expertise around **3 KEY PROGRAMS**

EDGE/CLOUD
computing platforms

LOW POWER
computing platforms

**CONNECTED &
CYBER-SECURED**
connected platforms

LEVERAGING STRONG PARTNERSHIPS TO ACCELERATE ACCESS TO TECHNOLOGY



2025

>50%

Revenue from new products*

* Products with LACROIX design

+60%

R&D engineers

x2

R&D investments

20

Patents per year
(Top 10 French SMEs)



2 – Accelerate our Industry 4.0 leadership



INDUSTRY 4.0

- **Continuous performance improvement through:**
 - Increased **robotization & digitalization** of operational flows and data exchange with stakeholders
 - **State-of-the art** communication, **data systems** and **artificial intelligence**
- **Serving clear objectives:**
 - Lower production costs, maximized efficiency and flexibility
 - Exceptional customer journey



INDUSTRIAL FOOTPRINT OPTIMIZATION

- Lean philosophy & manufacturing sites close to end markets
- Optimization of global supply chain
- Maximized industrial synergies developed between activities



1st 4.0 grade
electronic plant in
France (end 2021)

100%
of our industrial
sites with
a leading position
in Industry 4.0
by 2025

3 - Leverage strategic geographical positions



3 DOMESTIC MARKETS WITH EXTENSIVE LOCAL FOOTPRINT



FRANCE

Leader



DACH

Established player



North America

New market

- Local development of our 3 activities on largest (potential) markets
- Active local presence & ecosystem participation and communication



A COMBINATION OF SUBSIDIARIES & A NETWORK OF DISTRIBUTORS



SPAIN



ITALY



BELGIUM



MOROCCO



SINGAPORE

- Sales and technical support teams to boost and sustain business locally and/or regionally
- A global network of qualified local distributors & integrators



COMPLEMENTARY INDUSTRIAL FOOTPRINTS (in addition to plants in Domestic zones)



POLAND



TUNISIA



MEXICO



(CHINA)

- Production on 4 continents for an optimal trade-off between «competitiveness» and continental «supply chains»

2025

>70%

Revenue our
of France

~60% in 2020

>30%

Revenue in Germany
& USA

~9% in 2020

4 – Boost all 3 activities through significant M&A

INVESTMENT CRITERIA



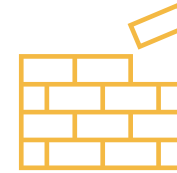
**Reinforcing international presence
of existing business**

Consolidate our leadership
Accelerate market penetration



**Focus on our niche
segments or
complementary markets**

Stay focused on our strategic
domains



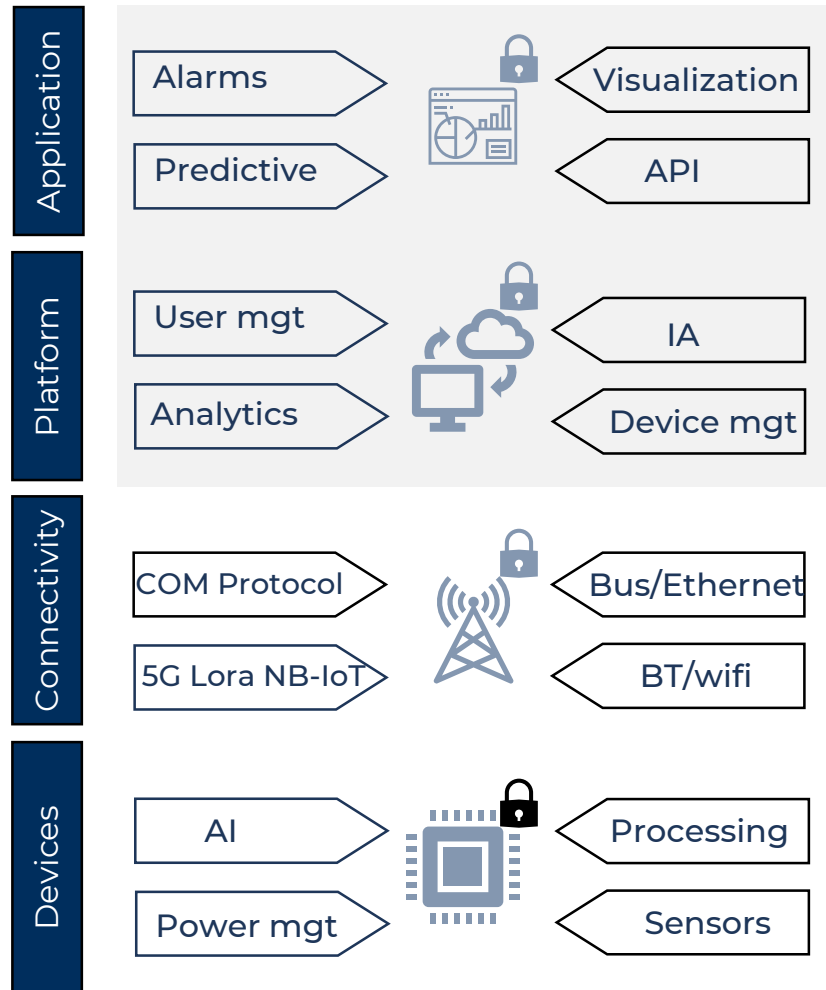
**Adding value-added
technological bricks or
solutions**

Expanding our “smart” offers

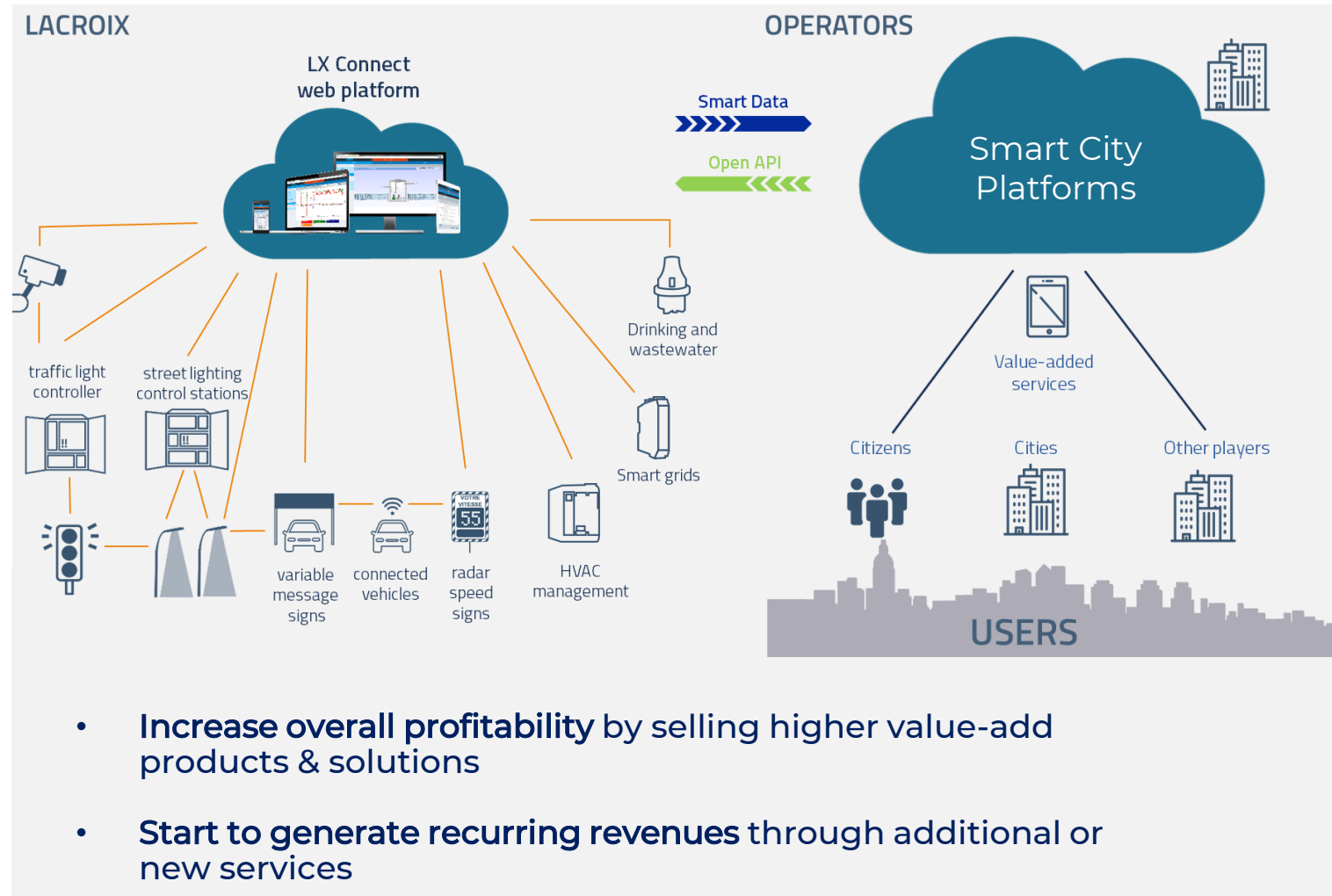
**The new maturity phase of our markets leads to a consolidation of the players
and brings numerous acquisition opportunities**

5 – Prepare the move from equipment to end-to-end solution provider

Common technological bricks



End-to-end Solutions to address specific applications



5 pillars supporting a powerful ambition

“

Become a global
leader...

...in industrial IoT and electronic
equipment...

...for critical
applications”



LEADERSHIP 2025

KEY TAKEAWAYS

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CONNECTED
TECHNOLOGIES
FOR A **SMARTER**
WORLD

What makes LACROIX unique and with an ideal profile to become a leader



More dedicated to our niche markets than the global players



More global than the small players specialized in a single segment



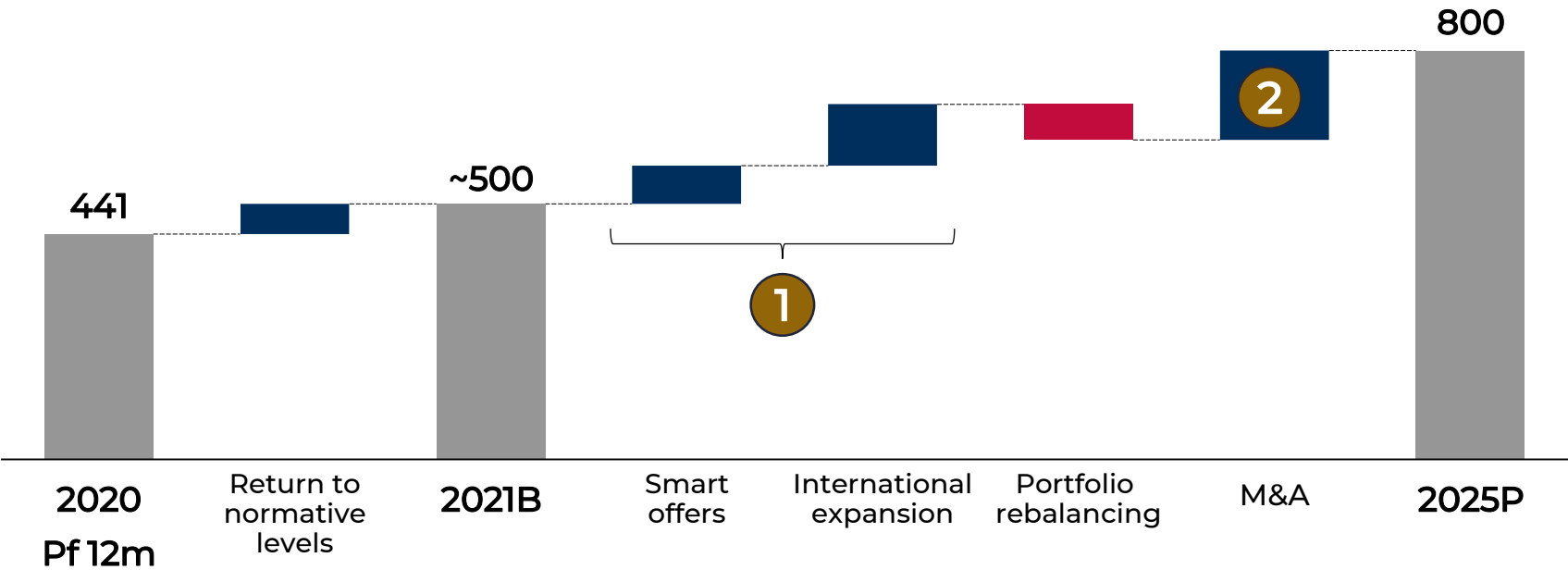
Right-sized: critical enough to stay at the edge of technology and pioneer Industry 4.0 investments



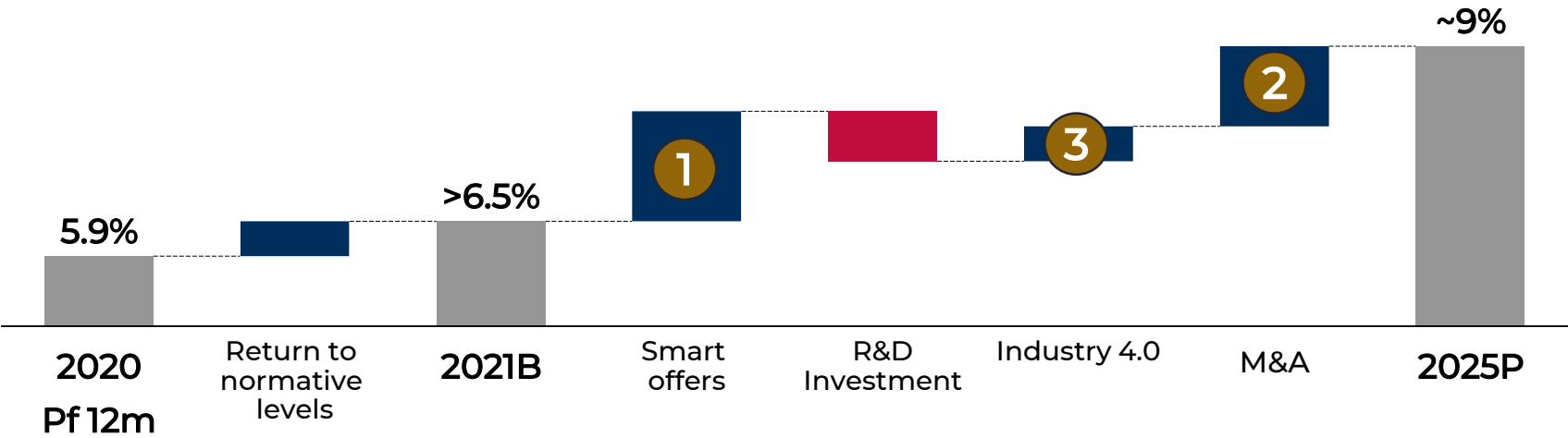
An attractive and reassuring profile for our clients or strategic partners that we will not compete with.

Contribution ranked by order of importance

Revenue (€m)



EBITDA Margin (%)



€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



Q&A



