



03-2022

Investors presentation 2021 Results



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PRESENTATION

AT THE HEART OF LACROIX

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A large, vertical image on the right side of the slide shows a nighttime cityscape with numerous illuminated buildings. The sky above the city is dark and filled with stars, with the Milky Way galaxy visible as a bright, curved band of light. A white rectangular frame is overlaid on the right side of the image, containing text.

CONNECTED
TECHNOLOGIES
FOR A **SMARTER**
WORLD

A family-owned group on the stock market



Vincent BEDOUIN

Chairman and CEO



Nicolas BEDOUIN

COO & EVP Finance

SHAREHOLDERS

62%
BEDOUIN Family

34%
Public

3%
Treasury shares

1%
Employee
ownership

1/3 of employee shareholder

2/3 in France

OUR MISSION

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



THANKS TO
Our ability
to manage **key
technologies**



WE PROVIDE
Useful & robust
**technological
equipment &
industrial IoT
solutions**



SERVING
Societal challenges
focusing on
**Water, Energies,
Mobility &
Industries 4.0**

An international, tech & industrial midcap



€501M
Revenues 2021



13,7%
growth
vs 2020 (revenues)



~4,000
Collaborators in 10 countries



LOCATIONS

EMEA

 FRANCE
 GERMANY
 SPAIN
 ITALY

 POLAND
 TUNISIA
 BELGIUM
 MOROCCO

NORTH AMERICA

 USA
 MEXICO

APAC

 SINGAPORE
 CHINA

Our customized IoT and electronic equipment offer from design to manufacturing

| Automotive | Home & Building | Industrial | Aeronautic & Defense | Healthcare



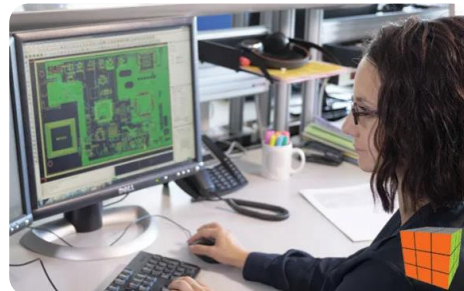
Design

Development of Industrial IoT and electronic products for critical applications



Industrialize

Industrialization and product/process robustification services. International sourcing of components



Manufacture

Industrial sites close to the end markets (France, Germany, USA). Nearby "offshore" sites (Poland, Tunisia, Mexico)



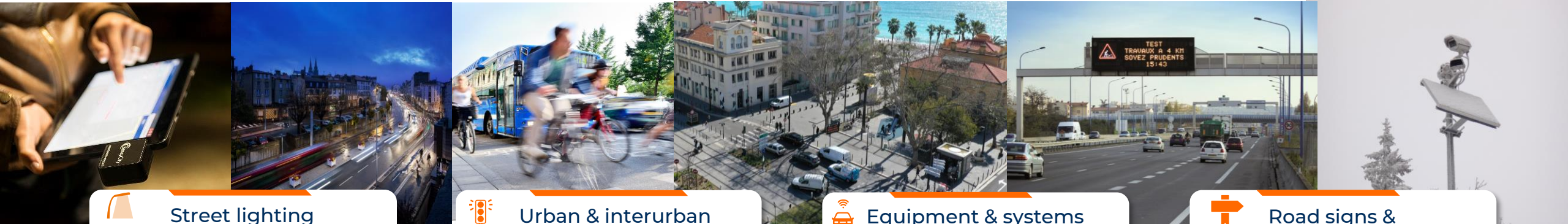
Sustain

Obsolescence management and redesign of products to extend their lifespan



Our turnkey offer of IoT and equipment to control road infrastructures

| Street lighting | Traffic management | V2X | Road signs



Street lighting management equipment & ecosystems



Urban & interurban traffic management equipment



Equipment & systems for connected or autonomous mobility

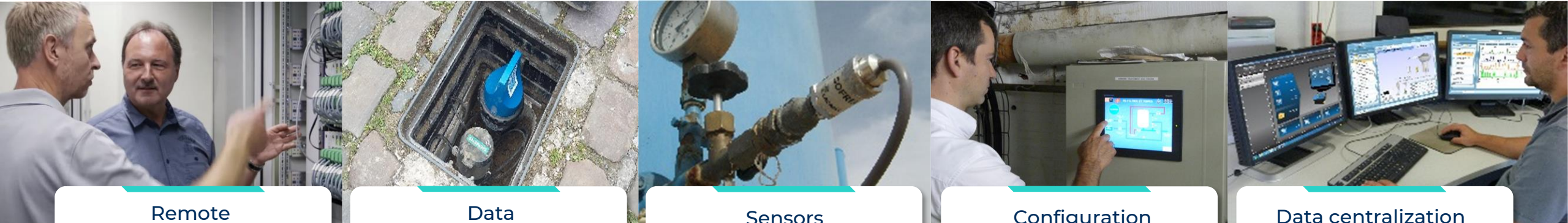


Road signs & urban planning



Our turnkey offer of IoT and equipment to control water and energy infrastructures

| Drinking and waste water | Heating, ventilation & Air-conditioning (HVAC) | Smart Grids



Remote
Terminal Units



Data
Loggers



Sensors
& accessories



Configuration
& on site
visualization tools



Data centralization
& Cloud data
management solutions



Our ambition reminder

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

Electronics - profitable growth driven by new needs

3-4%

CAGR 19-25 Organic revenue

> 6%

EBITDA Margin 2025
(including external growth)

- Development driven by electrification, connection and smart functions in vehicles, buildings or industry.
- Increased competitiveness of our sites thanks to Industry 4.0.
- Increased profitability driven by the growing share of LACROIX design and the rebalancing of the customer base.

City - profitable growth through new products

5-7%

CAGR 19-25 Organic revenue

> 8%

EBITDA Margin 2025
(including external growth)

- "Smart" offers and international growth in public lighting and traffic management.
- Stability of the traditional signage market.
- Return to normative profitability levels with smart and connected products.

Environment - continued momentum

8-10%

CAGR 19-25 Organic revenue

> 20%

EBITDA Margin 2025
(including external growth)

- International growth in water, smart grids and development of the HVAC niche in France.
- Expansion of the product range and development of indirect sales networks.
- Maintaining a very high level of profitability.

Key figures

€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

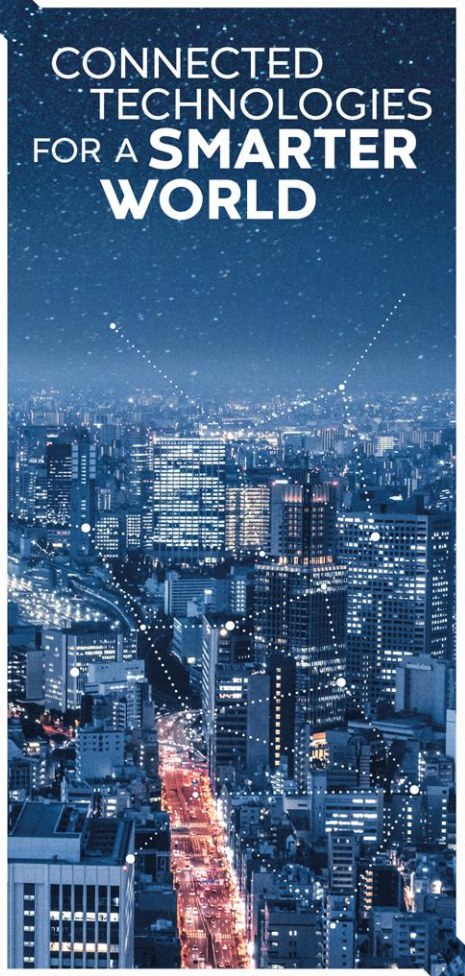
~ 30%

Profits distributed



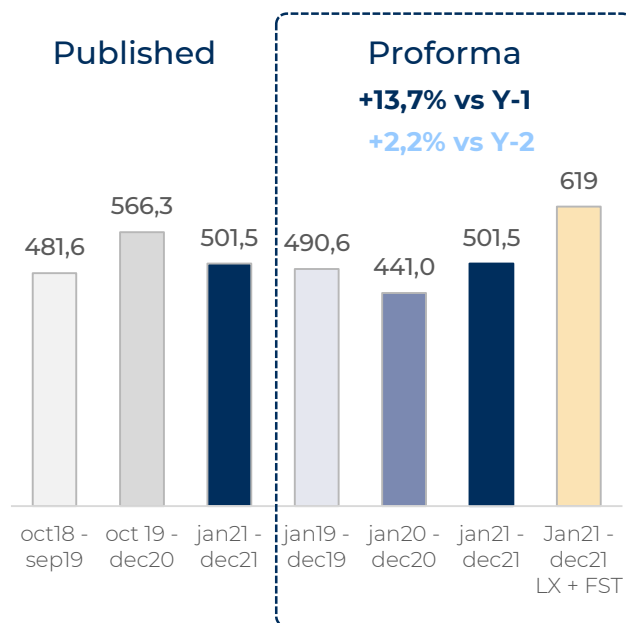
2021

**GROWTH TARGET
ACHIEVED,
REVISED PROFITABILITY
EXCEEDED**

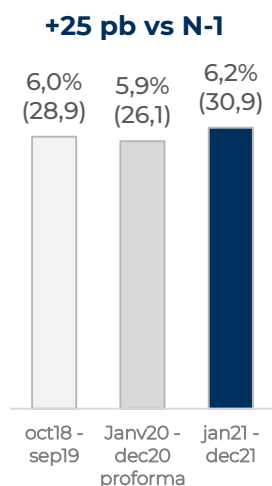


REVENUE REACHES €500M

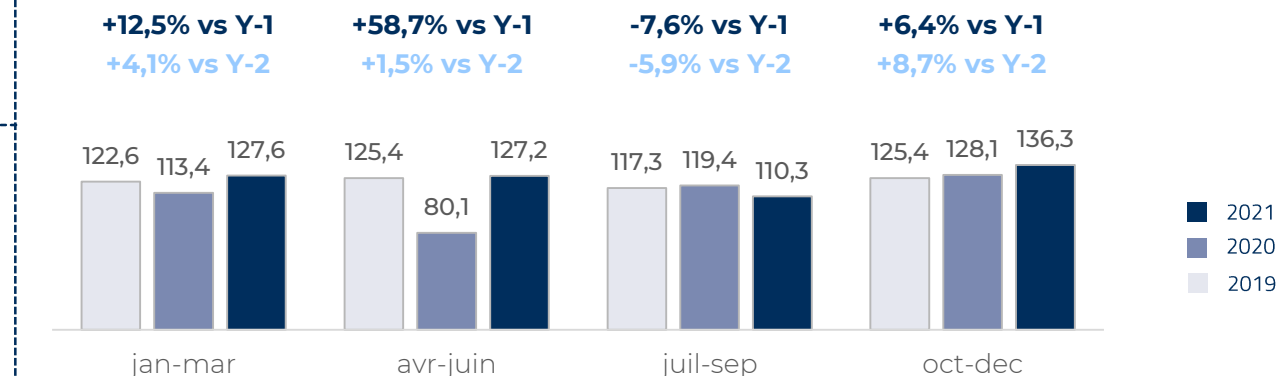
Revenue (€M)



Recurring EBITDA (€M, % Revenue)



View by quarter (in M€)



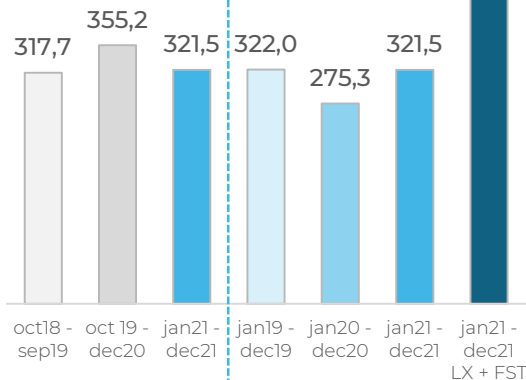
- Historical threshold of €500 million in revenues exceeded
- Organic growth of 13.7% compared to 2020
- 2.2% growth over 2019: proven resilience
- A structuring acquisition, FIRSTRONIC, not contributing to the year's activity
- EBITDA growth at the top of the range announced in September

*as a reminder, IFRS16 has not been retrospectively applied to the 2018-2019 financial statements, making this figure not directly comparable.

A SATISFACTORY YEAR IN A STILL DEMANDING CONTEXT

Revenue (€M)

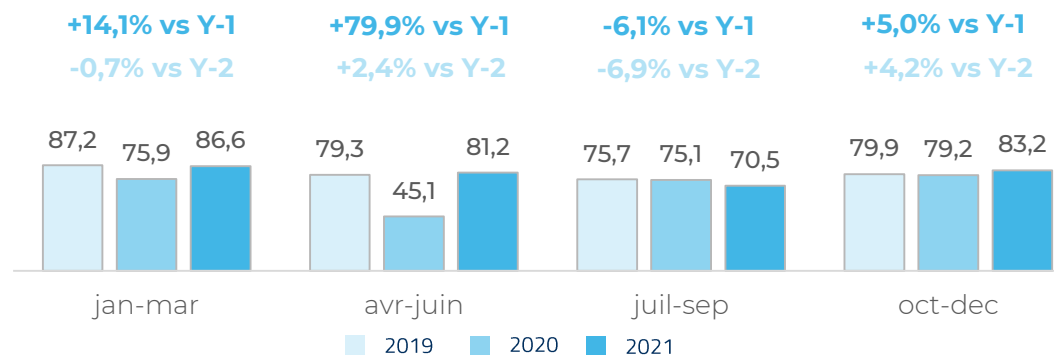
Published



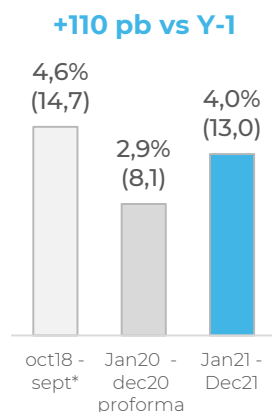
Proforma

+16,8% vs Y-1
-0,2% vs Y-2

View by quarter (in M€)



Recurring EBITDA (€M, % Revenue)



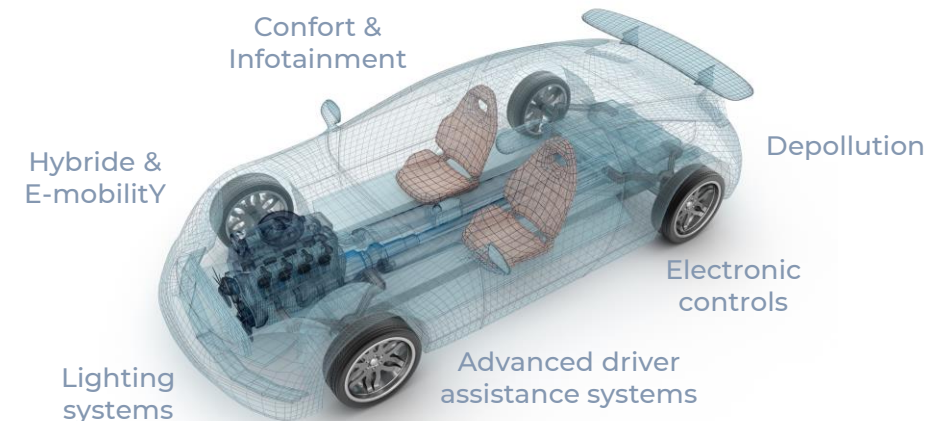
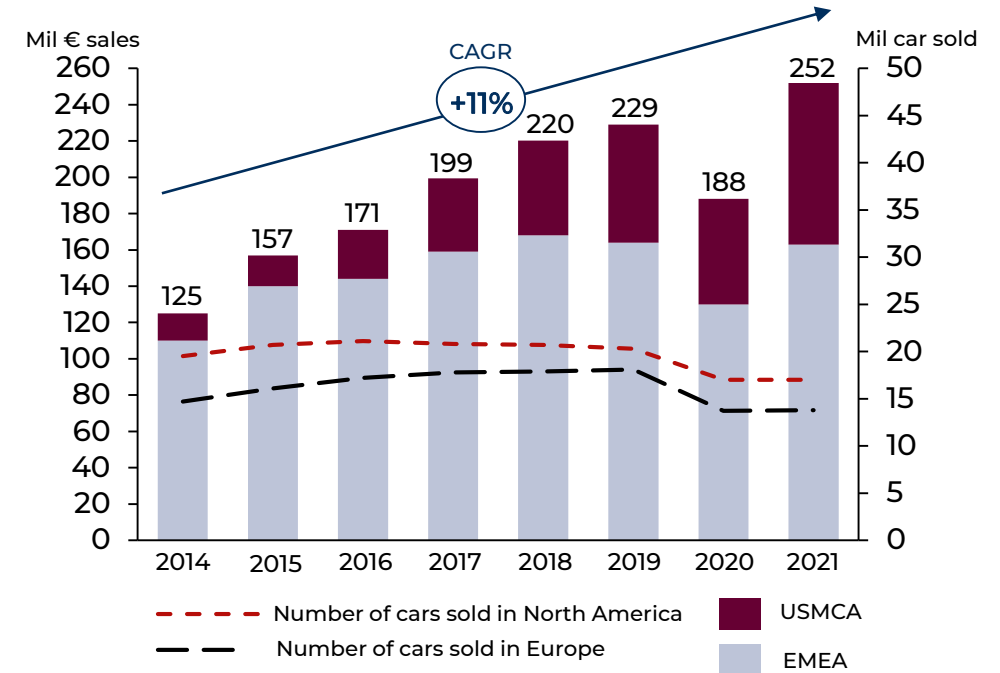
- 16.8% increase over 2020.
- Stable compared to 2019.
- Satisfactory performance given :
 - component supply issues
 - the aeronautical market, which is still heavily impacted.
- Solid commercial momentum (new customers and new programs) that will support the business from 2022.
- Strong increase in EBITDA margin.

*as a reminder, IFRS16 has not been retrospectively applied to the 2018-2019 financial statements, making this figure not directly comparable..

ELECTRONICS ACTIVITY

AUTOMOTIVE FOCUS, AN ENGINE FOR THE FUTURE GROWTH

- This sector represents **€252 M** in revenues in 2021, or **41%** of LACROIX's proforma sales (LACROIX+FIRSTRONIC).
- A dynamic sector that is outpacing the growth of the automotive market with a double-digit CAGR between 2014 and 2021 ...
 - ... stimulated by the increase of electronics in vehicles: 35% in 2010, 50% in 2030.
- Solid growth drivers in the short and medium term:
 - development of electric engines,
 - infotainment, connectivity,
 - safety requirements for equipment, driving assistance and autonomous vehicles.
- With a wide range of world leaders:



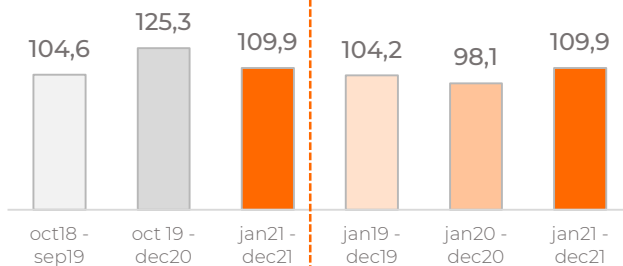
A CONFIRMED DYNAMIC DRIVEN BY THE "SMART" OFFERS

Revenue (€M)

Published

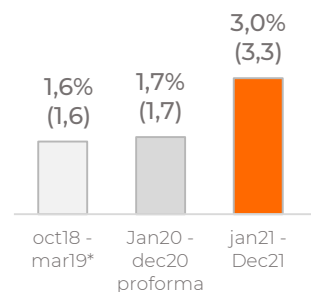
Proforma

+12,0% vs Y-1
+5,5% vs Y-2



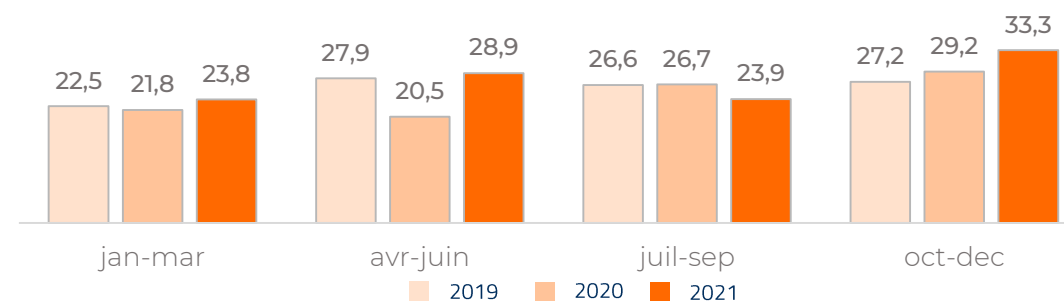
Recurring EBITDA (€M, % Revenue)

+129 pb vs Y-1



View by quarter (in M€)

+9,3% vs Y-1
+5,7% vs Y-2 **+40,8% vs Y-1**
+3,4% vs Y-2 **-10,4% vs Y-1**
-10,0% vs Y-2 **+14,2% vs Y-1**
+22,6% vs Y-2

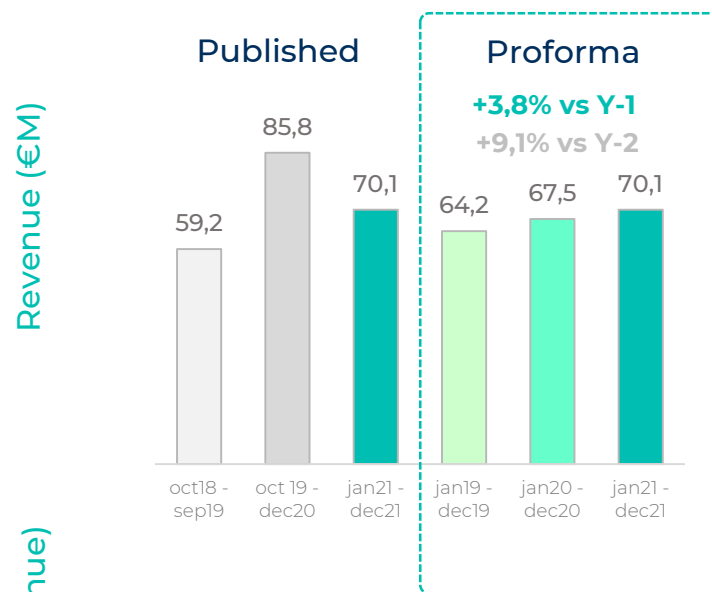


- Revenues of €109.9 million, up 12% compared to 2020 and 5.5% compared to 2019.
- Dynamic growth driven by the smart public lighting market and "smart" offers (V2X, etc.).
- Strong order intake that will continue to drive growth in 2022.
- Strong appreciation of EBITDA margin and a return to breakeven as announced.

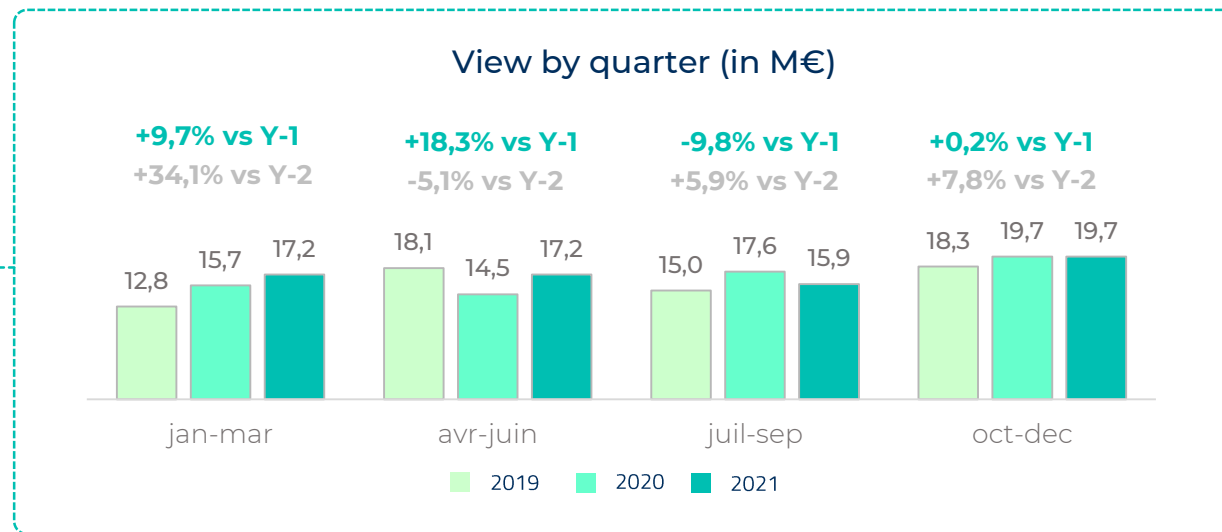
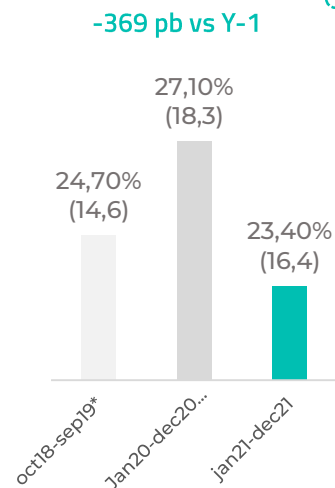
*as a reminder, IFRS16 has not been retrospectively applied to the 2018-2019 financial statements, making this figure not directly comparable..

ACTIVITÉ ENVIRONNEMENT : a sustained growth

DESPITE INTERNATIONAL ACTIVITY STILL HELD BACK BY THE SANITARY CONTEXT



Recurring EBITDA (€M, % Revenue)



- Growth of 3.8% over 2020 and 9.1% over 2019 to €70.1M.
- Another historic fourth quarter at nearly €20m.
- Continued strong demand in the Water, Energy and Smart Grids markets...
- ...but international sales penalized by the sanitary context.
- Profitability still at high levels.

*as a reminder, IFRS16 has not been retrospectively applied to the 2018-2019 financial statements, making this figure not directly comparable.

SIMPLIFIED INCOME STATEMENT

2021 RESULTS: EARNINGS GROWTH AND MARGIN APPRECIATION

In €M	December 31 2021 12 months	December 31 2020 proforma 12 months	December 31 2020 15 months
Revenue	501,5	441,0	566,3
EBITDA In % Revenue	30,9 6,2%	26,1 5,9%	34,6 6,1%
Current operating profit In % Revenue	18,1 3,6%	14,4 3,3%	20,1 3,6%
Operating profit	17,2		19,1
Financial result	5,8		(1,7)
Income tax expenses	(0,6)		(5,7)
Net income	22,4		11,7
Net income Group share	21,6		11,0

- Current operating profit up by +3.7 M€.
- Financial result benefiting from the revaluation of Firstronic shares for +8.9 M€.
- Taxes including an investment subsidy in the form of a tax credit for +5.3 M€.
- Net income (Group share) up by +10.6 M€ (+96%)

*pour rappel, la norme IFRS16 n'a pas été rétrospectivement appliquée sur les comptes de l'exercice 2018-2019, rendant ce chiffre non directement comparable.

SIMPLIFIED BALANCE SHEET

In €M	December 31 2021	December 31 2020
Non-current assets	250,6	129,7
Current assets (excluding cash)	259,3	190,3
Cash and cash equivalents	33,4	54,4
TOTAL ASSETS	543,2	374,4
Shareholders' equity	180,4	109,1
Non current Borrowings	74,9	33,3
Other non-current liabilities	52,2	54,4
Other current liabilities	235,8	177,6
TOTAL LIABILITIES	543,2	374,4

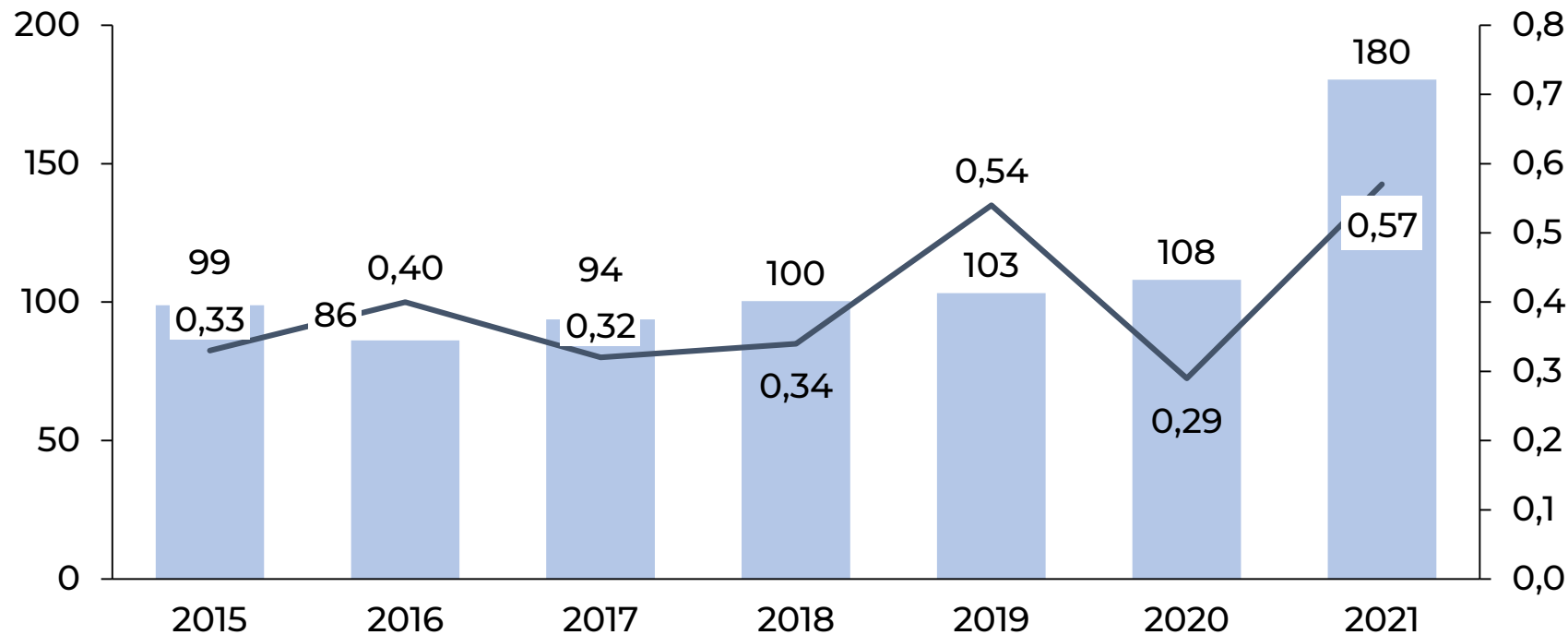
- Growth in shareholders' equity due to the capital increase (+43.3M€) and the results (+22.4M€)
- Increase in long-term financial debts partly financing the acquisition of Firstronic
- Strong increase in non-current assets in connection with
 - the Symbiose project (€20m)
 - Acquisition of Firstronic (Goodwill of €40.2m and customer base for €38.4m)

In €M	December 31 2021 12 months	December 31 2020 15 months
Consolidated net income	22,4	11,7
Cash flows from operations	20,5	26,3
Changes in working capital relating to operations	(15,7)	21,7
Net cash flow from operating activities	4,9	48,0
Net cash flow from investment activities	(102,3)	(23,2)
Net cash flow from financing activities	56,4	18,5
Net increase (decrease) in cash and cash equivalents and bank overdrafts	(41,3)	43,5
Closing cash flow	(5,6)	35,7

- Significant non-cash flows
- Consumption of working capital
 - linked to business growth
 - amplified by the impact of the components crisis on inventories
- A strong year of investment:
 - "Current" Capex = €10 M
 - Symbiose (€20 M)
 - Firstronic (€72,1 M ; shares + negative cash flow)
- Net cash flow linked to financing including in particular :
 - Capital increase
 - Subscription of new loans
 - Repayment of PGE

Shareholders' equity, €M

Gearing ratio



- A **strong increase** of equity.
- A gearing ratio contained at 0.57, maintaining room for maneuver for the remainder of the plan.



LEADERSHIP 2025 : IMPORTANT ADVANCES

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WORLD



Technological leadership



Strengthen our innovation and R&D capabilities around 3 areas of expertise:

**Edge/Cloud,
Low power,
Connectivity/cyber-security**



Strategic partnerships

Strategic Geographical positions



Develop a complete presence of our 3 activities in **3 key markets**



Combination of an industrial & distribution network on **4 continents**

M&A



Strengthen the international presence of existing activities



Focus on our niche segments or adjacent markets



Expand our smart offer by adding technological bricks / solutions

Industry 4.0



Improve industrial efficiency & customer experience

Automation
Real-time connectivity
Digitalization
Artificial intelligence



Optimization of our locations

Transition to end-to-end solutions



Start a transition to higher value-added products and solutions



Major lever for revenue recurrence and margin appreciation



44%

of 2021 sales
generated by products
designed by LACROIX

target 2025 : 42%



4%

of 2021 sales invested in R&D,
i.e. 19.8 million euros

target 2025 : 5%



6

Patent filings
in 2021



10%

of 2021 revenues
from products launched
after 2020 (versus 6% in 2020)

target 2025 : 50%



€2,7M

of grants received
on collaborative projects

target 2025 : €5M



2 Strategic partnerships
under development

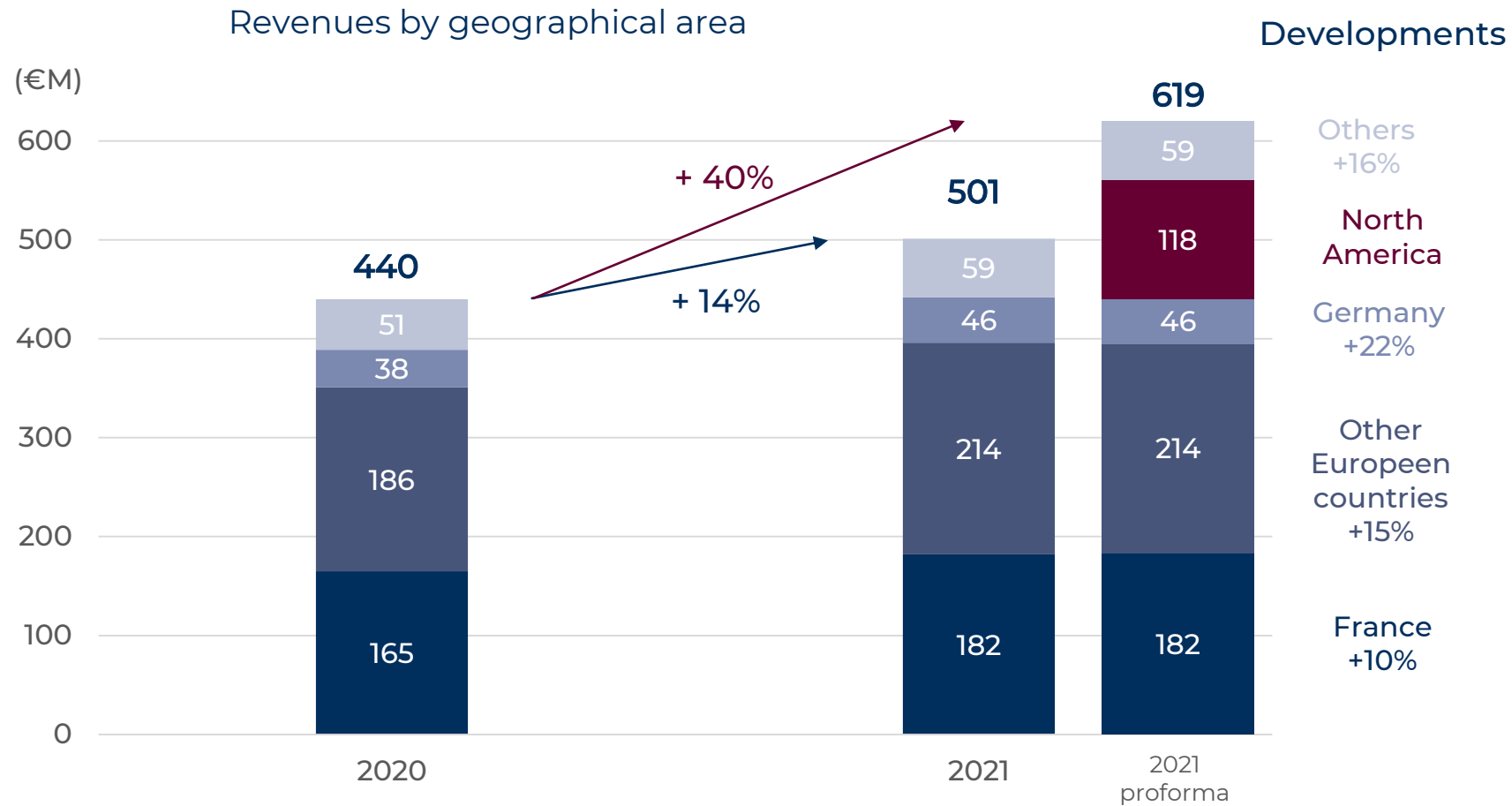
IoT Continuum
  

 Microsoft



Awarded of the call for projects to support relocation

16% GROWTH OUTSIDE FRANCE



- Satisfactory growth given the still contrasting health situation
- FIRSTRONIC's proforma contribution: 2021 sales: €118M

EXTERNAL GROWTH THROUGH THE ACQUISITION OF FIRSTRONIC

**FIRSTRONIC**

Founded in 1980

"Electronics Manufacturing Services"

2 plants :
Michigan (USA)
Juarez (Mexico)

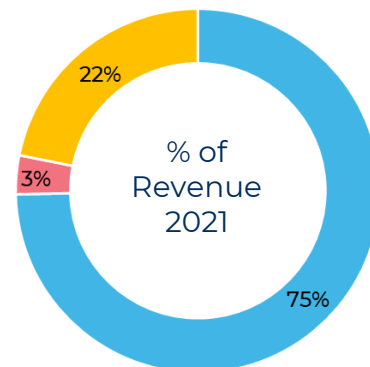
1,300 employees

Sales of 123M€ in 2021

for an EBITDA > 9%.

**MARKETS
ADDRESSED**

- Automotive
- Industry
- Healthcare

**BENEFITS**

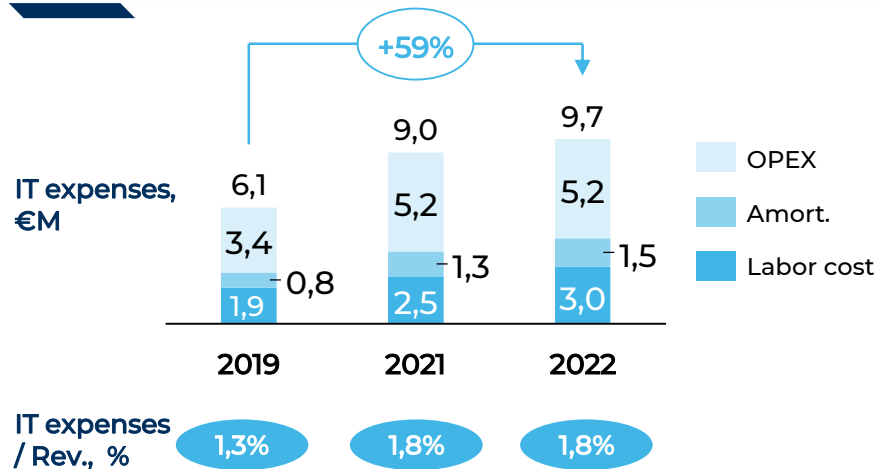
- Creation of a multi-continental leader in line with the LEADERSHIP 2025.
- Immediately accretive acquisition.
- Strong opportunities for commercial & purchasing synergies.
- Industrial base in \$ zone ensuring a better balance of our revenues in foreign currencies.

**TERMS AND CONDITIONS
OF THE OPERATION**

- First equity investment in 2017 (12.5%).
- Distribution of capital post acquisition :
 - LACROIX: 62% of the capital
 - BPI France: 26%.
 - Firstronic managers: 7%.
 - Chinese partner: 5%.
- Integrated balance sheet as of 31/12/2021, income statement flow as of 01/01/2022.

SYMBIOSE DELIVERY COMPLETED

A voluntary strategy on all the Group's sites: automation & robotization, digitalization of processes, cybersecurity, etc.



SYMBIOSE

OBJECTIVE: 100 M€ of turnover in 2027. (2021 SALES: €60 M)

- Work completed by the end of 2021.
- Operational from May 2022.
- Strong increase in IT spending to support digitization.



Awarded the call for projects to support relocation





2022 OBJECTIVES:

>30% GROWTH

**MAINTAINING A MINIMUM
MARGIN RATE IN A STILL
UNCERTAIN CONTEXT**



> €650 M

revenues
(i.e. a growth of
more than 30% vs. 2021)

> 6,2%

EBITDA margin
(i.e. maintaining at least
our 2021 margin rates)

Our assets to succeed

- A solid portfolio of strategic customers and embedded programs and new customers in all activities.
- The integration of FIRSTRONIC.
- An order book that remains strong in the various sectors, with sustained sales momentum in all geographical areas.
- An expected recovery in demand in the aeronautics sector.

Points of uncertainty

- The COVID crisis is not over, with a still strong impact, especially in Asia.
- The components crisis: tensions will remain high in 2022.
- The increase in raw material and energy prices.
- The impact of the war in Ukraine: no direct exposure to date, but indirect consequences on demand in the coming months.



Successful integration of FIRSTRONIC

4 priorities

- Implement purchasing synergies, objective: **\$5M to \$7M cumulative between 2022 and 2025.**
- Develop commercial synergies (cross selling) objective: **~\$50M in awards by 2025.**
- Strengthen the IT and cybersecurity organization.
- Single brand strategy to support LACROIX development on the North American market.



Preparing our future acquisitions

Our geographical priorities

- USA and Germany.
- Target markets: Environment (Smart Water, Smart Grids,...) & City (traffic management, Smart Lighting).
- Extension of the IoT technology portfolio.



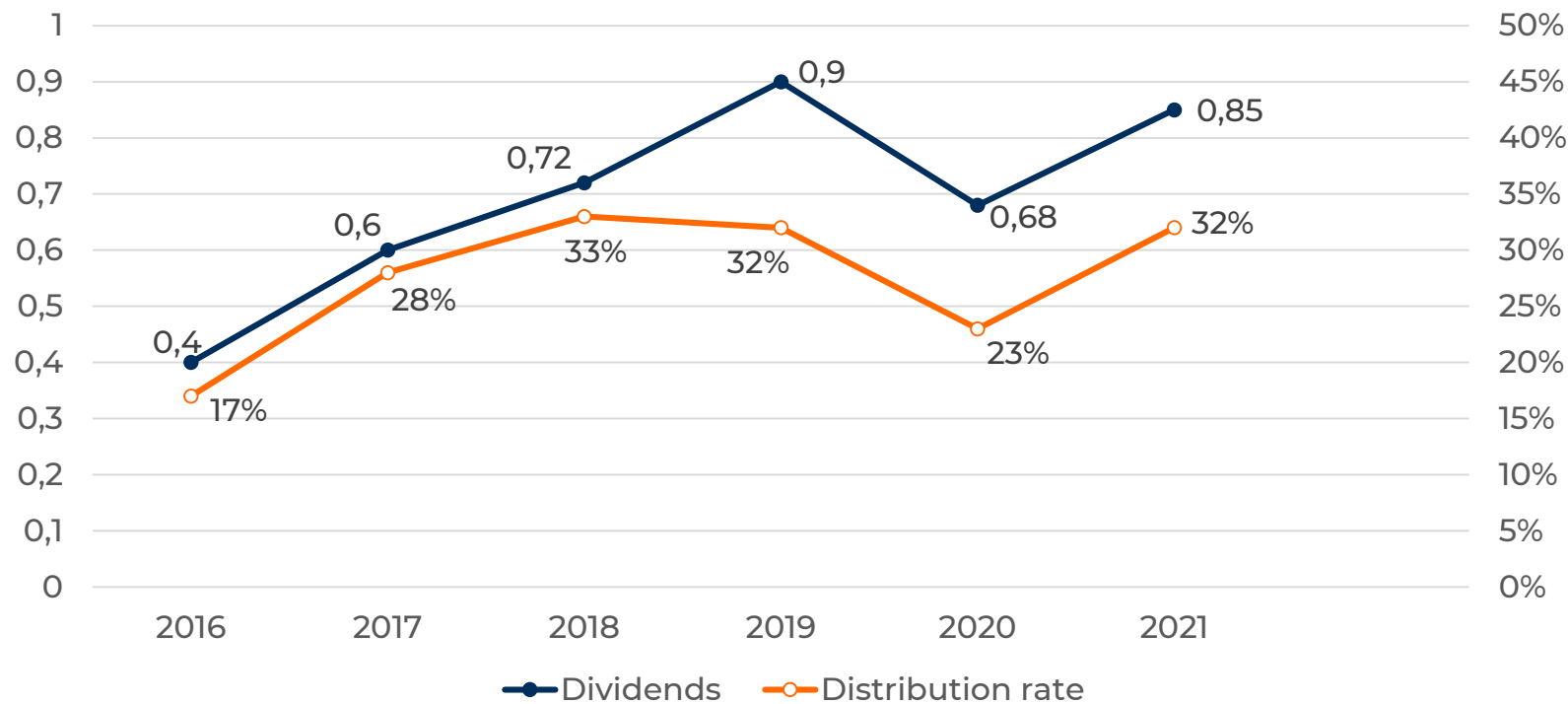
DIVIDENDS



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DIVIDEND: €0.85 PER SHARE, UP 25%.

After a dividend on the 2020 accounts incorporating a 20% reduction in the usual distribution rate to take account of the context, a dividend of 0.85 euros per share, i.e. a distribution rate of 32%*, will be proposed to the General Meeting of May 6, 2022.



*After restatement of the revaluation of Firstronic shares



UPCOMING EVENTS

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- May 06, 2022: Annual General Meeting
- May 9, 2022: Q1 2022 revenues
- August 25, 2022: Q2 and H1 2022 revenues
- September 29, 2022: half-yearly results 2022
- November 7, 2022: Q3 2022 revenues
- Closing 2023: CSR Objective 2030



QUESTIONS / ANSWERS



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