

2021
Historical revenue of over €500m
Great improvement on results

Objectives for 2022
Growth in revenue of at least 30%
and maintenance of the EBITDA margin rate
despite a generally uncertain environment

As a reminder, the 2019-2020 financial year had an unusual duration of 15 months, namely from 1st October 2019 to 31 December 2020. The audited figures for the 2019-2020 financial year presented here are therefore not directly comparable. For the purpose of comparing operational performance, a pro forma for a comparable 12-month period from 1 January 2020 to 31 December 2020 is proposed below for the aggregates of revenue, current EBITDA and current operating profit.

<i>in millions of euros</i>	2021 posted 12 months	2020 pro forma 12 months	Change	2019/2020 posted 15 months
	1 Jan, 21 - 31 Dec, 21	1 Jan, 20 - 31 Dec, 20		1 Oct, 19 - 31 Dec, 20
Revenue	501.5	441.0	+13.7%	566.3
Current EBITDA	30.9	26.1	+18.6%	34.6
as turnover %	6.2%	5.9%	+25bp	6.1%
Current operating profit	18.1	14.4	+25.8%	20.1
as turnover %	3.6%	3.3%	+34bp	3.6%
Operating profit	17.2			19.1
Financial income	5.8			(1.7)
Total income tax expense	(0.6)			(5.7)
Consolidated net income	22.4			11.7
Net income, Group share	21.6			11.0

More than €500m in revenue, 13.7% growth
Growth of nearly 19% of current EBITDA

In 2021, in line with the stated objective, LACROIX exceeded an annual revenue of €500 million for the first time in its history. This amounted to €501.5 million, up 13.7% compared with the same period in 2020 (from 1 January to 31 December 2020), driven by all the Group's activities. Another remarkable

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development: with growth of 2.2% compared to the comparable period in 2019 (January-December), this performance completely wipes out the impact of the crisis on turnover.

In 2021, the Group's current EBITDA came to €30.9 million, representing a margin on current EBITDA of 6.2%, above the target announced in September 2021 (range between 5.8% and 6.1%). Compared to the comparable period from January to December 2020, EBITDA increased by 18.6%.

All activities contributed to this solid performance in a context of strong demand, and despite the continuing and significant tensions on electronic component supplies.

Electronics Activity: strong rebound in a context of recovery in the main customer sectors

After being heavily impacted by the consequences of the pandemic in 2020, the Electronics Activity bounced back strongly in 2021 with growth of 16.8%, reaching €321.5 million. The marked recovery of demand in the main customer sectors is at the heart of this strong growth, held back only by the weakness of the aerospace sector and component shortages. Revenue growth is also supported by passing on increases in procurement costs to customers.

Business momentum is evidenced by profitability with EBITDA of €13.0m, i.e. 4% (compared with 2.9% for the period from January to December 2020), despite operational performance impacted by the unpredictable supply of components.

It should be noted that these good performances do not include the contribution of FIRSTRONIC, an acquisition that will not be included in the income statement until 1 January 2022. In 2021, FIRSTRONIC recorded a revenue of some USD 140 million, for adjusted EBITDA of over 9%.

City Activity: momentum consolidated over the months

City Activity performed well with a revenue of €109.9 million, up 12% compared with the comparable period in 2020 (+5.5% compared with 2019). Growth continued thanks to the momentum of the Smart Street Lighting segment and "smart" offers such as V2X (connection of road infrastructure with vehicles).

In terms of profitability, and as announced, the City Activity is returning to balanced current operating profit. Current EBITDA is positive at €3.3M for the year, representing a current EBITDA margin of 3% of revenue. This margin also improved significantly compared with the 1.7% recorded for the January to December 2020 period. It should be noted that the increase in raw materials costs at the end of the year could not be passed on to customers in its entirety over the period (lag between cost increases and the application dates of price review formulas).

Environment Activity: good performance and high profitability maintained

Lastly, with a turnover of €70.1 million in 2021, up nearly 4% compared with 2021 and 9.1% compared with 2019, the Environment Activity remains buoyant, driven by the Water and Smart Grids segments, in spite of a health context that continues to hinder the proper development of business internationally.

Business profitability over the financial year remains very strong, with EBITDA of €16.4m representing 23.4% of revenue.

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25.8% increase in current operating profit

In total, current operating profit came to €18.1 million, up 25.8% compared with the same period in 2020. Over the period, and despite the investments and recruitments required to implement the Leadership 2025 plan, operating expenses were well controlled.

After taking into account the financial result and the tax expense, boosted by the revaluation of Firstronic shares (+€8.9 million) and an investment subsidy in Poland in the form of a tax credit (+€5.3 million), net income Group share came to €21.6 million. For the 2019-2020 financial year, with an exceptional duration of 15 months, it was €11 million.

This increase reflects the recovery that has taken place in recent months, enabling the Group to return to the performance trajectory in line with its strategic plan.

A controlled financial situation to support the execution of the strategic roadmap

As of 31 December 2021, equity stood at €180.4 million, compared with €108.0 million at 31 December 2020, including the net profit for the year and the capital increase of €44.3 million carried out successfully in July 2021.

The latter strengthened the Group's financial structure and provided it with additional financial resources to lay the groundwork for future growth. In particular, LACROIX has strengthened its strike force in terms of acquisitions, enabling an initial structuring operation with the acquisition of FIRSTRONIC in the United States in December 2021.

In line with the voluntary investment policy, illustrated notably by the construction of the Symbiose 4.0 site (delivered on schedule at the end of 2021), net debt increased to €102.9 million (compared with €31.2 million as of 31 December 2020). It remains under control, with gearing of 57% (compared with 29% at end-December 2020 and 54% at end-December 2019), still well below the announced ceiling of 80% under the LEADERSHIP 2025 plan.

During the year, LACROIX also repaid all the government-guaranteed loans contracted during the crisis.

2022: in a more uncertain environment, an initial growth target of at least 30% driven by the integration of FIRSTRONIC and the solidity of new orders.

Fiscal year 2022 began with the combination of the following factors.

While the COVID crisis is not over, with a still strong impact, particularly in Asia, the Group continues to face tensions in the supply of electronic components. This situation is expected to persist at least until the second half of 2022, and should continue to affect the Group's ability to fully meet customer demand.

Another area to watch is the consequences of the Ukrainian conflict. While LACROIX's direct exposure is marginal, the indirect impact of this war on the overall level of orders as well as on the prices of raw materials or energy are areas that need to be closely watched.

However, the Group is confident in its ability to succeed in this new year in terms of growth and by maintaining at least its level of EBITDA margin.

In terms of organic growth, LACROIX will continue to rely on the robustness of its order book in its three business areas, and on prospects for conquest that remain favourable regarding both its historical customer base and new customers.

In 2022, the Group will also benefit from an expanded international scope with the integration of FIRSTRONIC, representing a significant and profitable additional volume of business over the year, and which benefits from a strong local sales momentum.

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With regard to these areas, LACROIX is setting itself a revenue growth target of at least 30% for the year. This conservative objective takes into account reduced visibility and the need for prudence imposed by the current context. In terms of results, LACROIX is focusing on a conservative objective of at least keeping its EBITDA margin at 6.2%.

These objectives are in line with the LEADERSHIP 2025 plan. As a reminder, this strategic plan should enable LACROIX to establish itself as a global leader in industrial IoT solutions and industrial equipment for critical applications. All of the objectives linked to this plan are confirmed and, in particular, the desire to achieve a revenue of €800 million by 2025 with an EBITDA margin of around 9%.

Dividend: €0.85 per share, up 25%

In support of the Group's confidence in its prospects and the good level of results achieved in 2021, a dividend of €0.85 per share will be proposed at the next General Meeting of Shareholders to be held on 6 May 2022. This proposal represents a distribution rate of approximately one third of restated net income, in accordance with the policy usually applied by the Group.

Find our annual financial report from January 1 to December 31, 2021

This document is made available in accordance with the conditions provided for by the regulations in force and can be consulted on the company's website - <https://fr.lacroix-group.com/> - in the Investors section https://www.lacroix-group.com/wp-content/uploads/2022/03/2021_Annual_Report_EN.pdf

View our financial data in our Investor Area

<https://fr.lacroix-group.com/espace-investisseurs/>

Upcoming dates

General Meeting: 6 May 2022

Turnover for the 1st quarter of 2022: 9 May 2022 after the close of trading

About LACROIX

Convinced that technology contributes to making our living environments simpler, more sustainable and safer, LACROIX supports its customers in the construction and management of intelligent living ecosystems, thanks to connected equipment and technologies.

As a publicly-listed family-owned mid-cap with a turnover of €501 million in 2021, LACROIX combines the essential agility required to innovate in an ever-changing technological sector with the ability to industrialise robust and secure equipment, cutting-edge know-how in industrial IoT solutions and electronic equipment for critical applications and the long-term vision to invest and build for the future.

LACROIX designs and manufactures electronic equipment for its customers products, along with IoT (hardware, software and cloud) and AI solutions, in particular in the automotive, home automation, aeronautical, industrial and health sectors. The 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, LACROIX works with its customers and partners to build the connection between the world of today and the world of tomorrow. It helps them to create 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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