



MARCH 29TH, 2023

INVESTORS PRESENTATION

Results 2022

CONNECTED
TECHNOLOGIES
FOR A **SMARTER**
WORLD

01 PRESENTATION

02 RESULTS

03 LEADERSHIP 2025 - OUR PROGRESS

04 OBJECTIVES 2023

05 CONCLUSION



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 a clear view of the Milky Way galaxy in the sky. The city lights are visible in the foreground, and the galaxy's bright band of stars stretches across the upper portion of the image.

CONNECTED
TECHNOLOGIES
FOR A **SMARTER**
WORLD

A family-owned group on the stock market

A **long-term vision**

An **entrepreneurial culture**

A **strong financial structure**



Vincent BEDOUIN
Chief Executive Officer



Nicolas BEDOUIN
Chief Operating Officer &
Executive Vice-President
Finance

SHAREHOLDERS

62%
BEDOUIN Family

34%
Public

3%
Treasury shares

1%
Employee
ownership

1/3 of employee
shareholder
2/3 in France

**An international,
tech & industrial
midcap**



€708M
Revenue 2022



~5,300
Collaborators in 2022



Located in
13 countries

**For road systems
infrastructure
operators**

SMARTER MOBILITY

Deliver equipment & solutions
to optimize & secure
smart road
infrastructures

SMARTER WATER & ENERGY

Deliver equipment & solutions
to optimize & secure
water & energy
infrastructures

**For utilities
infrastructure
operators**

SMARTER INDUSTRIES

Deliver end-to-end
services from design
to manufacturing
of electronic
equipment

For technology & industry leaders

OUR AMBITION

Become a **global leader in industrial IoT solutions**
& **electronic equipment** for critical applications

EMEA - 77% revenue



FRANCE



POLAND



TUNISIA



GERMANY



ITALY



MOROCCO



SPAIN



BELGIUM



SAUDI ARABIA

NORTH AMERICA - 23% revenue



USA



MEXICO

APAC



SINGAPORE



CHINA

Our customized IIoT & electronic equipment services from design to manufacturing

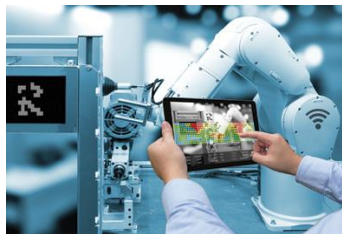


Automotive



Powertrain & e-mobility
Lighting systems
Comfort & Infotainment
Advanced Driver Assistance

Industrial



Machine/robot controls
Test & Measurement equipment
Electrical networks & recharging
Off-road & industrial vehicles

Home & building automation



Automation & Connectivity
HVAC & Energy management
Opening & Access control
Safety & Security

Avionics & Defense



Cabin & passenger comfort
Instrumentation control
In-flight management
Communication & Radio

Healthcare



Medical imaging
Professional diagnostic
Monitoring
Home-hospitalization

Our turnkey offer of equipment & solutions to optimize & secure smart road infrastructures



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 equipment & solutions to optimize & secure water and energy (smart grids, HVAC) infrastructures



Remote Terminal Units



Data loggers



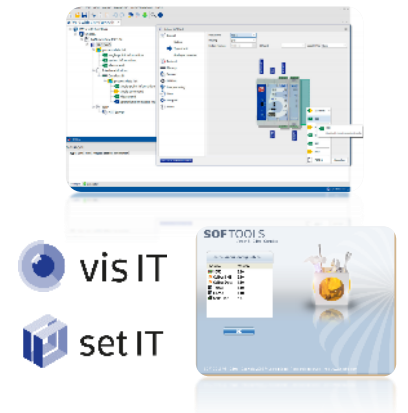
Sensors & accessories



Data centralization & cloud data management solutions



Configuration & on-site visualization tools





RESULTS 2022

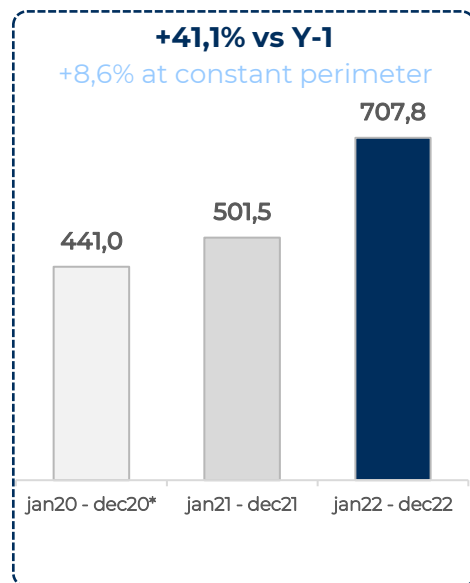
GROWTH TARGET EXCEEDED, PROFITABILITY ONLINE

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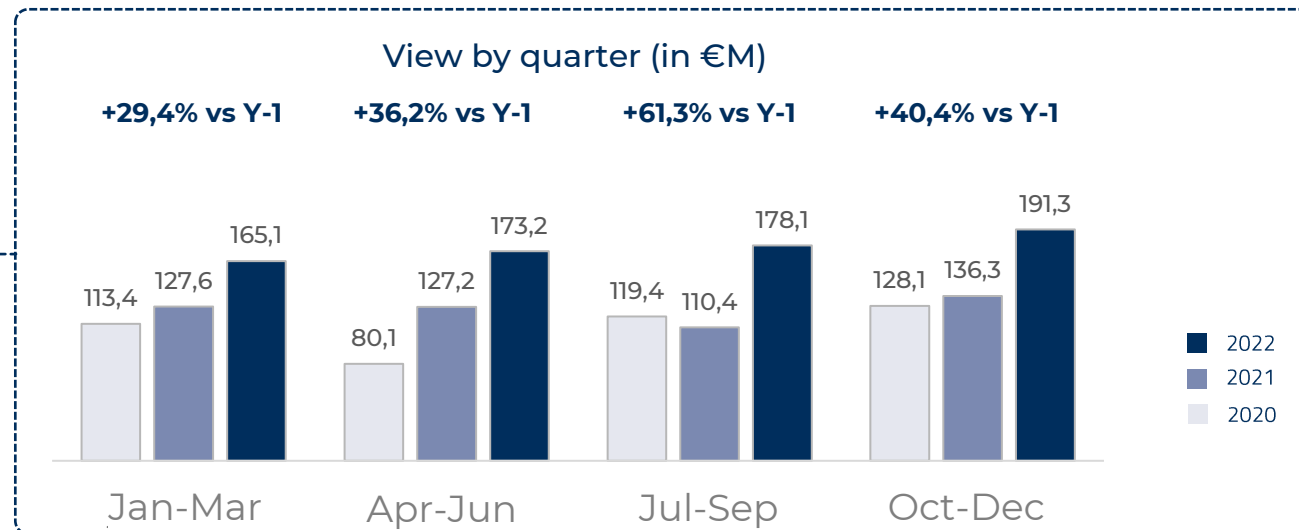
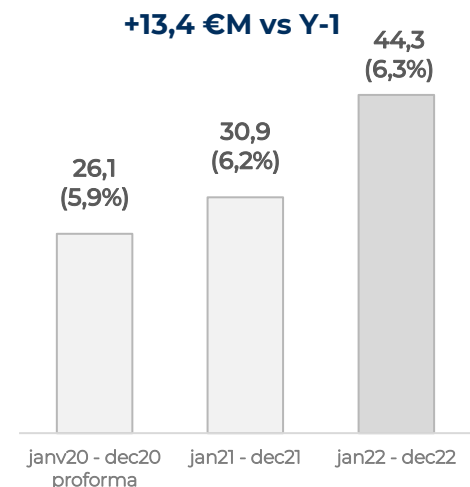


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WORLD

Revenue (€M)



Recurring EBITDA (€M, % Revenue)

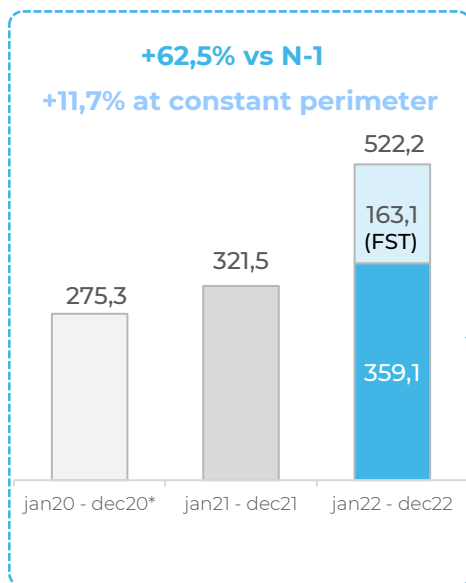


- Historic sales milestone of €700 million exceeded with steady growth every quarter
- More than 40% increase in activity, driven by the integration of Firstronic
- Organic growth of 8.6% compared to 2021
- Recuring EBITDA stable at 6.3%, in line with the announced objective

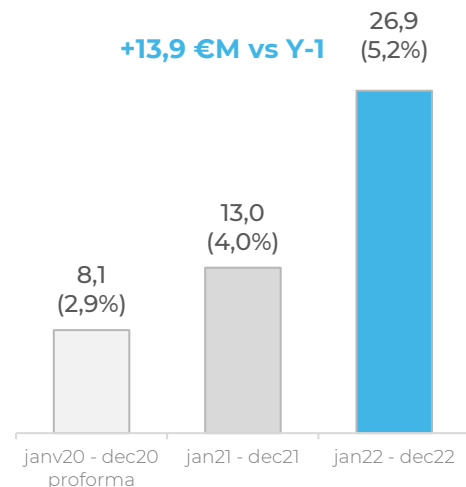
* Les chiffres de cet exercice d'une durée exceptionnelle de 15 mois (oct19 - dec20) sont présentés pro forma sur 12 mois (Janv20 - dec20) à des fins de comparaison.

A VERY DYNAMIC YEAR DESPITE SUPPLY DIFFICULTIES

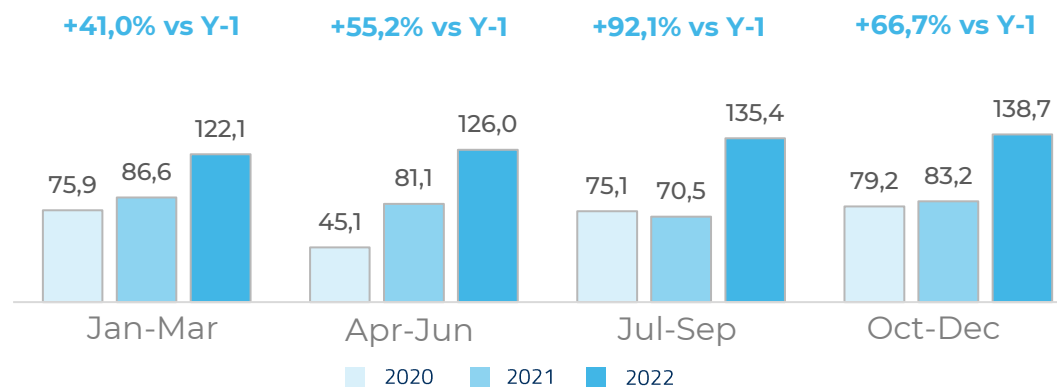
Revenue (€M)



Recurring EBITDA (€M, % Revenue)



View per quarter (in €M)

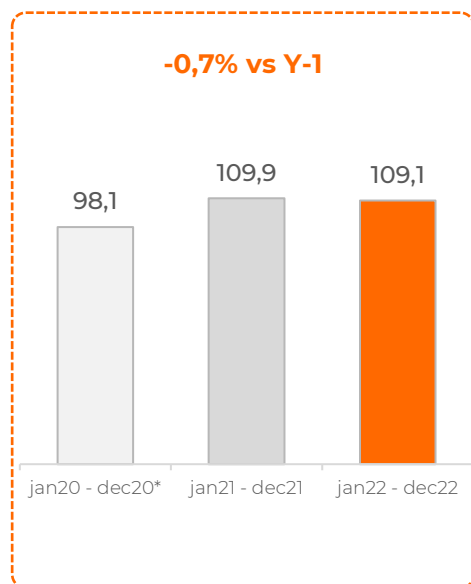


- Growth of 62.5% driven by Firstronic, whose activity will increase by 23% in 2022
- Sustained growth on a like-for-like basis (+11.7%) due to
 - The re-invoicing of additional component supply costs
 - The momentum of the Home & Building, Industry and Automotive segments
- The Avionics segment is starting to grow again
- Further increase in recurring EBITDA margin

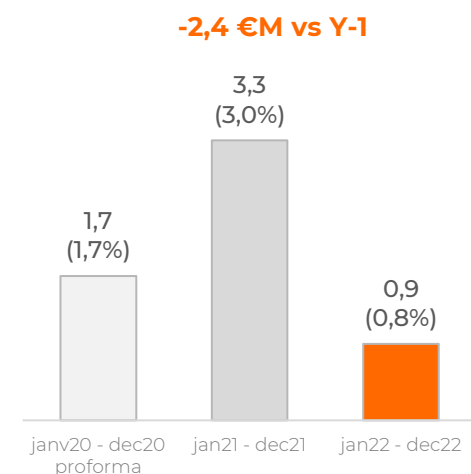
* The figures for this exceptional 15-month period (Oct 19 - Dec 20) are presented on a pro forma basis for 12 months (Jan 20 - Dec 20) for comparison purposes.

OVERALL STABILITY AND HIGH MOMENTUM IN STREET LIGHTING

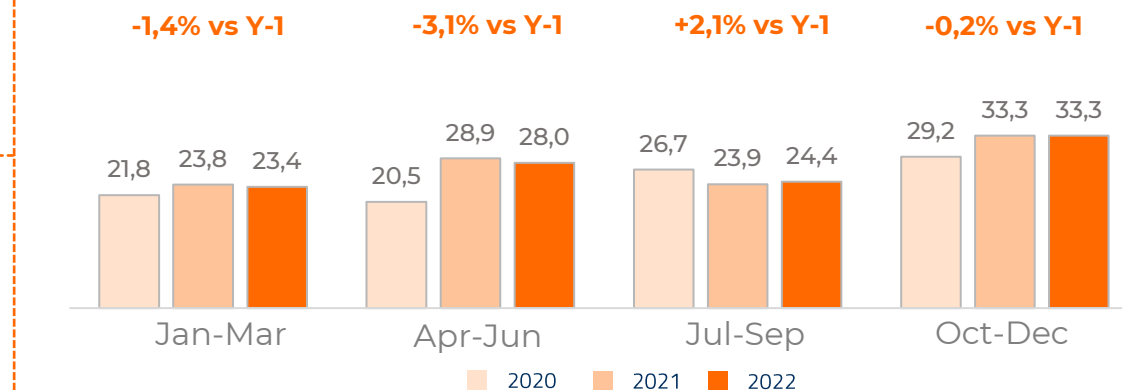
Revenue (€M)



Recurring EBITDA (€M, % Revenue)



View per quarter (in €M)

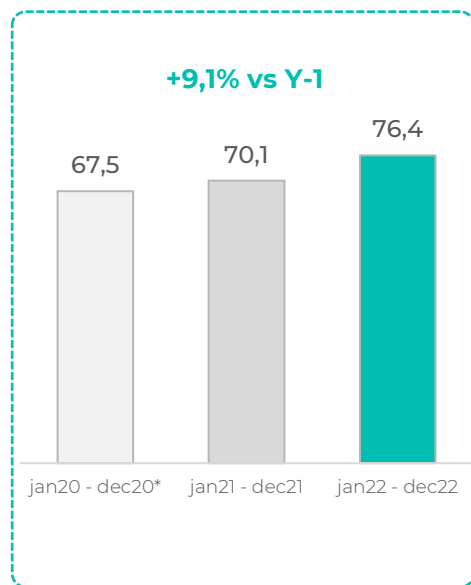


- Revenues of €109.1 million virtually stable compared with 2021
- Very strong momentum in Public Lighting (+27.1% over the year) driven by demand for energy-saving equipment
- Numerous smart lighting projects will support growth in 2023
- Decline in profitability due to higher raw material costs but also a drop-in activity or postponement of projects on the mobility part

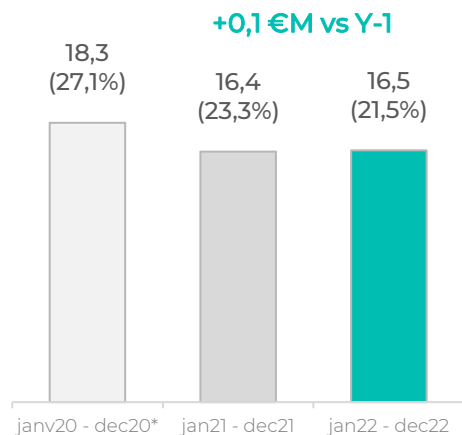
* The figures for this exceptional 15-month period (Oct 19 - Dec 20) are presented on a pro forma basis for 12 months (Jan 20 - Dec 20) for comparison purposes.

SOLID GROWTH DRIVEN BY ALL SEGMENTS

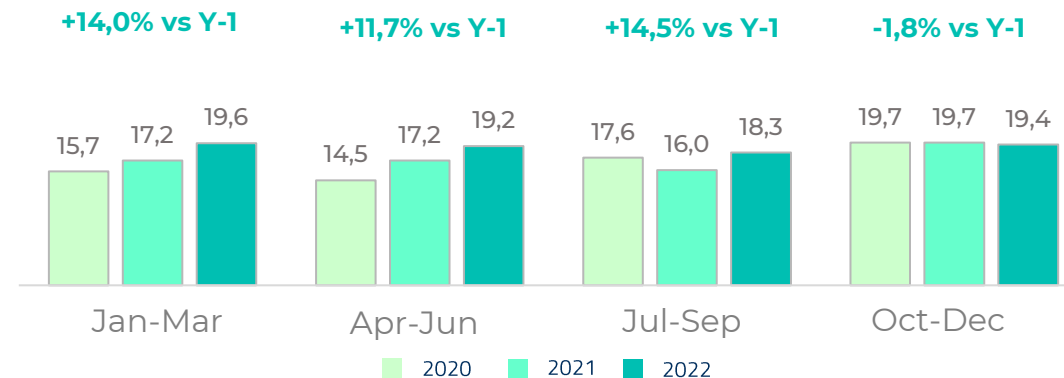
Revenue (€M)



Recurring EBITDA (€M, % Revenue)



View per quarter (in €M)



- Revenue growth of 9.1% compared to fiscal year 2021
- Strong momentum in all segments (Water, Heating Networks, Smart Grids)
- Solid outlook with several contract wins, particularly internationally
- Profitability remains at a high level

* The figures for this exceptional 15-month period (Oct 19 - Dec 20) are presented on a pro forma basis for 12 months (Jan 20 - Dec 20) for comparison purposes.

SIMPLIFIED INCOME STATEMENT

2022 RESULTS: RETURN OF NET INCOME TO A MORE NORMAL LEVEL

In €M	December 31 2022 12 months	December 31 2021 12 months	Variation
Revenue	707,8	501,5	+41,1%
EBITDA	44,3	30,9	+43,1%
In % Revenue	6,3%	6,2%	+8 pb
Current operating profit	21,7	18,1	+19,9%
In % Revenue	3,1%	3,6%	+65 pb
Operating profit	21,0	17,2	+22%
Financial result	(7,2)	5,8	
Income tax expenses	(2,0)	(0,6)	
Net income	11,7	22,4	-47,6%
Net income Group share	11,9	21,6	-45,0%

- **EBITDA growth of 43.1%**
- Increase in depreciation and amortization related to Firstronic; Operating profit up 22%
- Financial result: increase in expenses and negative comparison base after the gain (+€8.9 million) linked to the revaluation of Firstronic shares
- Return of taxes to a normative level after the tax credit recognized in 2021 (+€5.2 million)
- Net income (Group share) of €11.9m: restated for non-normative 2021 items, net income increased by €4.4m (+59%)

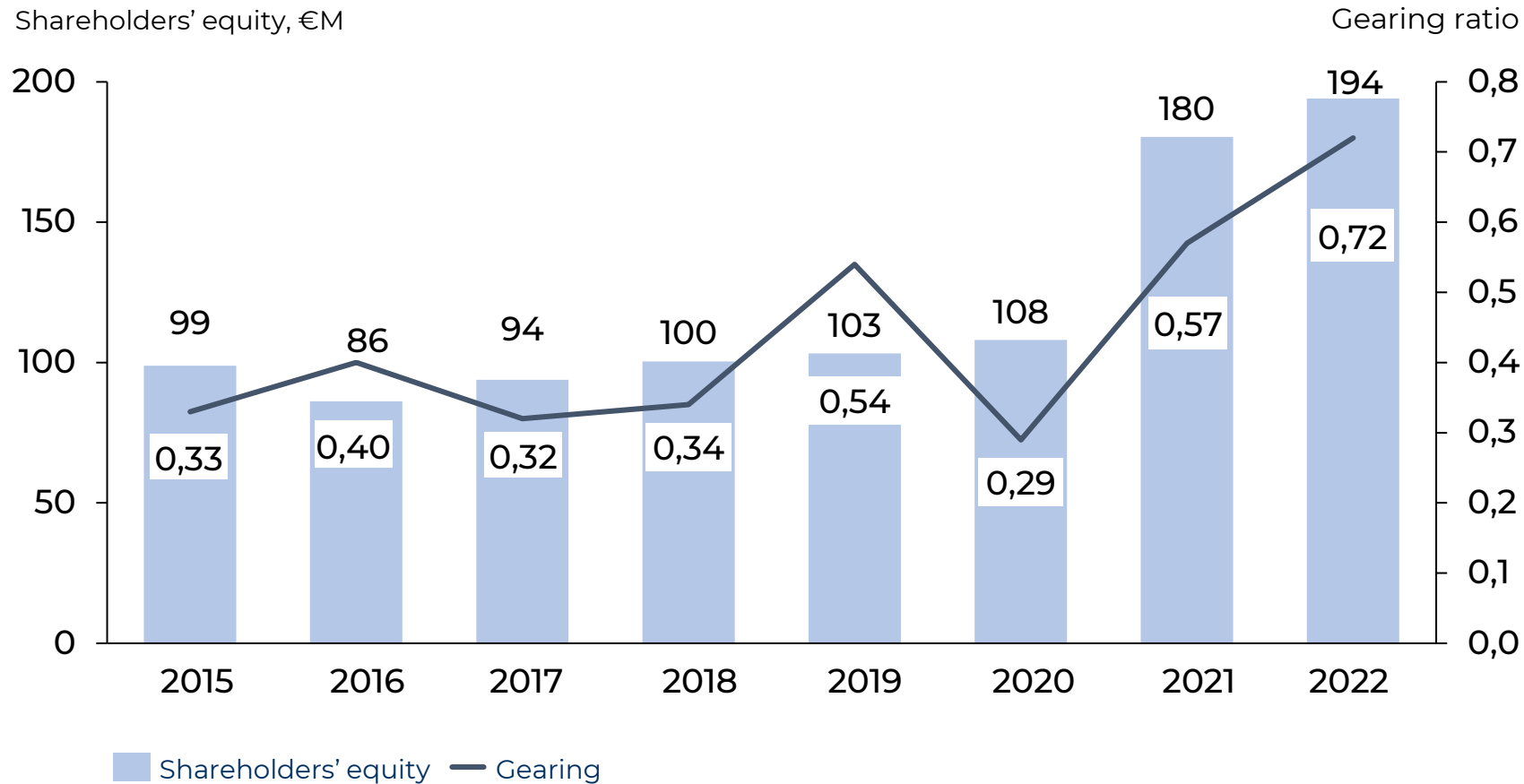
*pour rappel, la norme IFRS16 n'a pas été rétrospectivement appliquée sur les comptes de l'exercice 2018-2019, rendant ce chiffre non directement comparable.

In €M	December 31 2022	December 31 2021
Non-current assets	252,1	250,6
Current assets (excluding cash)	316,7	259,3
Cash and cash equivalents	22,6	33,4
TOTAL ASSETS	591,4	543,2
Shareholders' equity	193,9	180,4
Non-current Borrowings	85,0	74,9
Other non-current liabilities	48,1	52,2
Other current liabilities	264,4	235,8
TOTAL LIABILITIES	591,4	543,2

- Growth in shareholders' equity and increase in long and medium-term financial debt (€29.4 million in new loans)
- Strong increase in current assets linked to supply tensions generating a high level of inventory, due to:
 - shortages preventing delivery of 100% of customer demand
 - the constitution of strategic stocks

In €M	December 31 2022 12 months	December 31 2021 12 months
Consolidated net income	11,7	22,4
Cash flows from operations	36,8	20,5
Changes in working capital relating to operations	(35,3)	(15,7)
Net cash flow from operating activities	1,5	4,9
Net cash flow from investment activities	(18,5)	(102,3)
Net cash flow from financing activities	(2,4)	56,4
Net increase (decrease) in cash and cash equivalents and bank over drafts	(20,1)	(41,3)
Closing cash flow	(25,8)	(5,6)

- Increase in cash flow, to €36.8 million
- High consumption of working capital due to:
 - growth in activity
 - the building up of strategic stocks of critical components
- Return of investments to a normal level (€19.5 million excluding financials) after an exceptional year in 2021 (€30.5 million) linked to the construction of the Symbiose plant



- Increase in shareholders' equity
- Increase in net debt since 2020 to support growth (external growth and strategic stocks)
- **Gearing ratio (net debt / shareholder's equity) of 72% maintained below the 80% ceiling set in the plan 2025**



LEADERSHIP 2025

PROGRESS & FUTURE CHALLENGES



2020

€441M Revenue
5,9% EBITDA

International manufacturer of innovative technological and industrial equipment

2025

€800M Revenue
~9% EBITDA

Global leader in Industrial IoT solutions and electronic equipment for critical applications



**Technological
leadership**

**Strategic
geographical
positions**

M&A

Industry 4.0

**Transition to
end-to-end solutions**

2021

2022

2023

2024

2025

OUR PROGRESS

- ✓ **€49 M** in cumulative R&D investments
- ✓ Deployment of the **IoT platform strategy (Low power / Edge / Cloud)** generating synergies :
 - ~**15-20% savings on R&D costs**
 - Other gains:** time-to-market, maintenance, standards integration (cyber, com, AI techno), interoperability solutions
- ✓ **Acceleration on key technologies**
private 5G network / EDGE AI & computer vision / sensors / local cloud
- ✓ Development of **a network of technological partners**
(Orange, ST, Microsoft, IoTecha, ...)
- ✓ **Technological acceleration** through participation in collaborative projects
- ✓ **Strong growth in subsidies and CIR**
 - ~**20% on R&D costs in 2022 (>x2 Vs. 2020)**

THE STAKES OF 2023-2025

- ✓ Launch new generations of products based on our IoT platforms
- ✓ Capitalize on our **IoT platforms** to develop a **white-label modular IoT offer** (sensors/gateway/cloud) via the Electronics activity, in addition to our traditional design offers, by taking advantage of the European "Cyber resilience act"
- ✓ **Strengthen our expertise in eco-design and market these services** in response to the growing needs of our customers

2021

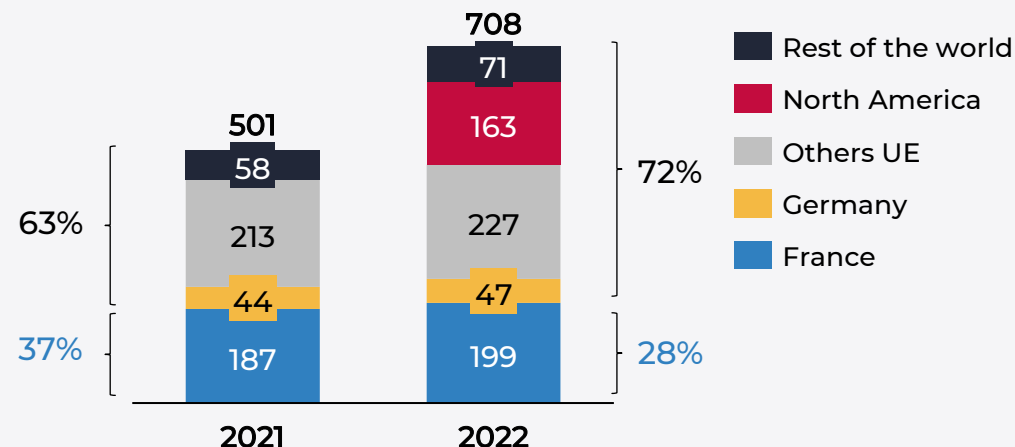
2022

2023

2024

2025

OUR PROGRESS



- ✓ **International growth dynamic**
in the City and Environment activities
(VLAAMS Belgium, FLUVIUS Belgium, Oslo, Middle East...)
- ✓ **Complementary network** of commercial subsidiaries
(Spain, Italy, Morocco, Singapore, etc.)
and "large-scale export" partners
- ✓ **First foot in North America**
with the acquisition of Firstronic, which became LACROIX

THE STAKES OF 2023-2025

- ✓ Continue our international development by **strengthening our presence in our domestic areas**
- ✓ Continue to **develop our export business** by capitalizing on our **new product ranges** (Smart Environment, Smart lighting in particular) and capitalize on the momentum of **major projects in the Middle East**
- ✓ Take a **new step (priority North America)** by acquiring a local IoT player to accelerate the marketing of "own products" internationally

2021

2022

2023

2024

2025

OUR PROGRESS

- ✓ **Acquisition of Firstronic**
followed by a successful integration



Grand Rapids, MI, USA



Juarez, Mexico

- ✓ **Success #1: Commercial synergies** beyond the target: > €40M of business gained + important pipeline thanks to our multi-continental presence
- ✓ **Success #2: Purchasing Synergies**
Massification of the purchasing base from €231M in 2021 to € 377M in 2022 (+63%) which strengthens the weight in front of the suppliers and partly allows to counterbalance a **bullish context**

THE STAKES OF 2023-2025

- ✓ Completion of **at least one other significant M&A for LACROIX:**

objective of acquiring an **Industrial IoT player** in our market segments (Smart Water, Smart Grids, Smart Lighting or Smart HVAC) in a target geographical area (North America or DACH zone)

- ✓ Secured financing plan to allow us to **execute our M&A roadmap without exceeding the debt threshold** (Gearing <0.8)

2021

2022

2023

2024

2025

OUR PROGRESS

- ✓ €52M of CAPEX over 2021 & 2022 (4.3% of sales) which will allow us **to be at the forefront of robotization** (Exotec, AGVs...) and the **digitalization** of operations without forgetting **cyber security**
- ✓ **Opening of Symbiose**, flagship of Industry 4.0 in France
- ✓ **LACROIX** assumes its position as a **leader in the electronics sector** with the Vice-presidency of the *CSF électronique** and the role of **Ambassador France 2030** for the "Electronics and Robotics" committee

* **CSF ELECTRONIQUE**: Strategic committee for the electronics industry under the chairmanship of the Minister of the Economy

THE STAKES OF 2023-2025

- ✓ Accompany **significant growth** and the **introduction of new products** with a primary focus on **customer satisfaction**
- ✓ **Double the industrial surface** area in 2024 at our Mexican site and at our logistics center in El Paso (TX) and various site extensions
- ✓ **Saturation of our plants with increased capacity**: modernize production lines and continue to automate (Cobots, AGVs...) to boost our competitiveness
- ✓ Continuing our **digitalization roadmap**, with a **rationalization of information systems** (business tools, ERP and CRM on Environment and City activities) to serve efficient operations



Symbiose, the new electronic assembly plant of the future of LACROIX (49

2021

2022

2023

2024

2025

OUR PROGRESS

- ✓ **Development of hardware and software platforms (edge/cloud) as the technological foundation** for deploying our service offerings



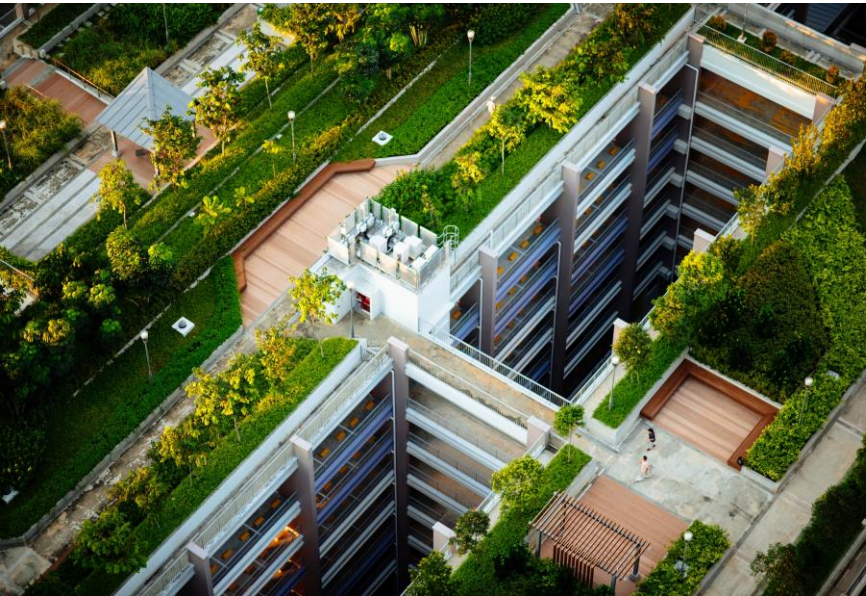
- ✓ **Experiments and "innovation awards" that confirm the appetite of customers in France and abroad** for services
- ✓ **External support** on the **service roadmap**, the business plan and the **conditions of success**

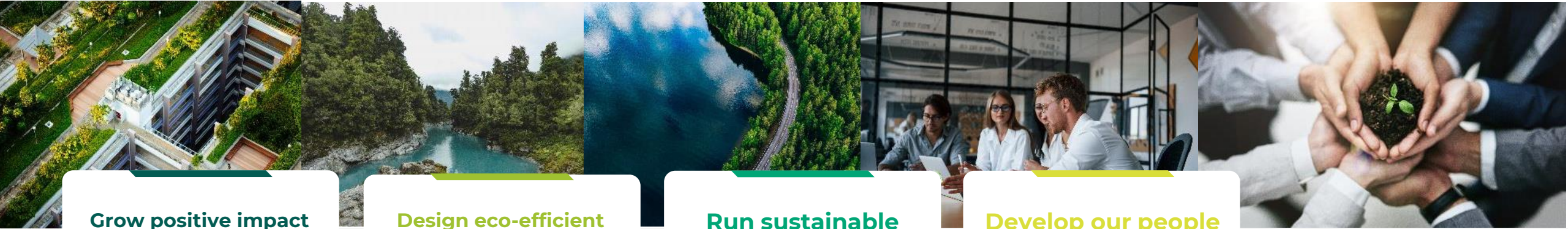
THE STAKES OF 2023-2025

- ✓ **Focus on our Smart Water and Smart Lighting segments**
- ✓ **Launch of a dedicated "Smart data services" team** to accelerate the development and deployment of new service offerings
- ✓ Capitalize on our **knowledge of markets and use cases** and **strengthen certain skills** (marketing & sales of services in SAAS mode)



Contribute to build & manage
more sustainable life ecosystems
thanks to **useful, robust & secured connected technologies**





Grow positive impact business



Focus on positive impact solutions

-

Create sustainable business models

Design eco-efficient solutions



Eco-design our products

-

Develop sober digital solutions

Run sustainable operations



Reduce our greenhouse gas emissions

-

Limit other environmental impacts

-

Improve practices in our supply chain

Develop our people & territories



Care and share

-

Empower our people

-

Commit to equity & diversity

-

Engage with our territories

Certifications



53/100

greater than or equal to 62% of companies rated



62/100

against 59/100 in 2021



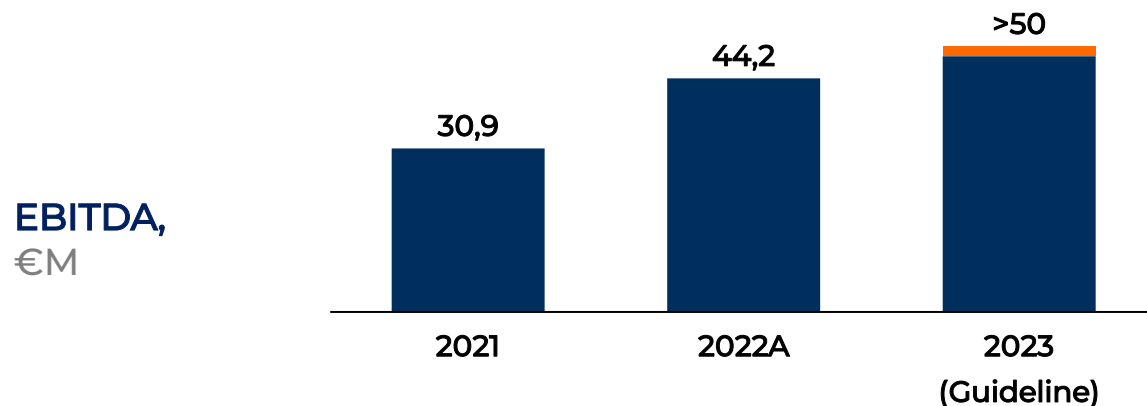
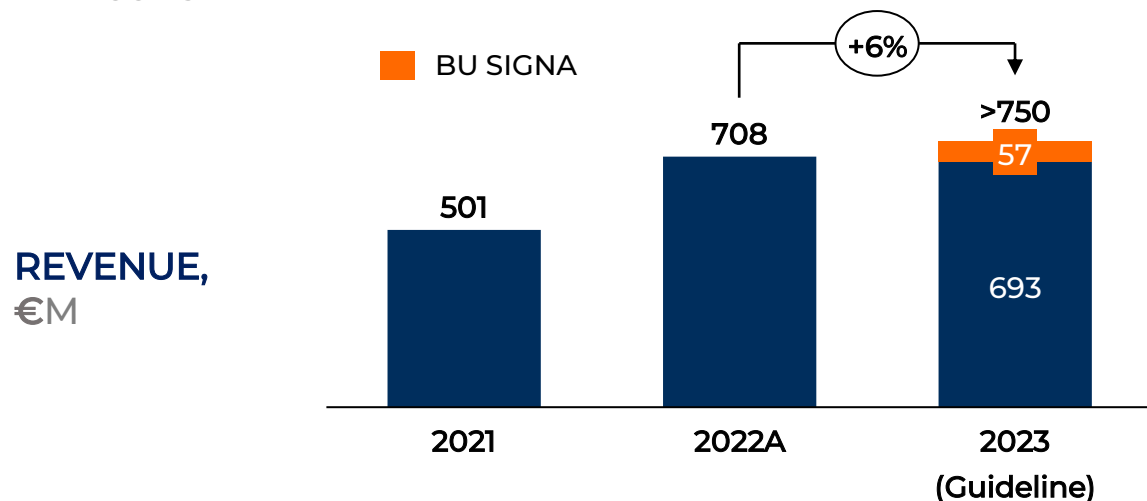
OBJECTIVES 2023



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2023, REVENUE GROWTH ABOVE 6% & A FURTHER INCREASE IN EBITDA TO EXCEED 50M€

AT CONSTANT PERIMETER



✓ The main drivers of revenue growth :

- **ELEC**: dynamic activity in all sectors
- **CITY**: booming street lighting segment in France and internationally, and resumption of delayed projects for the Trafic BU
- **ENVI**: continued growth with strong international momentum

✓ The execution of the road signage carve-out would lead to a reduction in EBITDA, but the impact should be accretive

✓ After a strong cash burn in 2022, a proactive action plan is in place to return to normal working capital levels by 2024



ROAD SIGNS BU

- ✓ A leader in road signage solutions
- ✓ **25%** market share in France: strong reputation (local authorities, road operators)
- ✓ **2** industrial sites (France / Spain)
3 distribution subsidiaries (Reunion, Mayotte and New Caledonia)
- ✓ **315** employees, **€55 M** revenue

A STRATEGIC REFOCUSING

- ✓ Priority to industrial IoT & electronic equipment
- ✓ Weak commercial and technological synergies with other segments of the City business (Public Lighting, Traffic Management) or LACROIX (R&D)
- ✓ Opportunities for the road signs BU to diversify its offer or to consolidate internationally outside the LACROIX strategy -vs- Concentration of resources on strategic markets on the LACROIX side

DISPOSAL PROCESS

- ✓ Strong focus on the industrial and social project
- ✓ First signs of interest in the study
- ✓ Progressive support for the carve-out



CONCLUSION

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A composite image of a city at night with the Milky Way galaxy visible in the sky. A white rectangular frame is overlaid on the right side of the image.

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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%

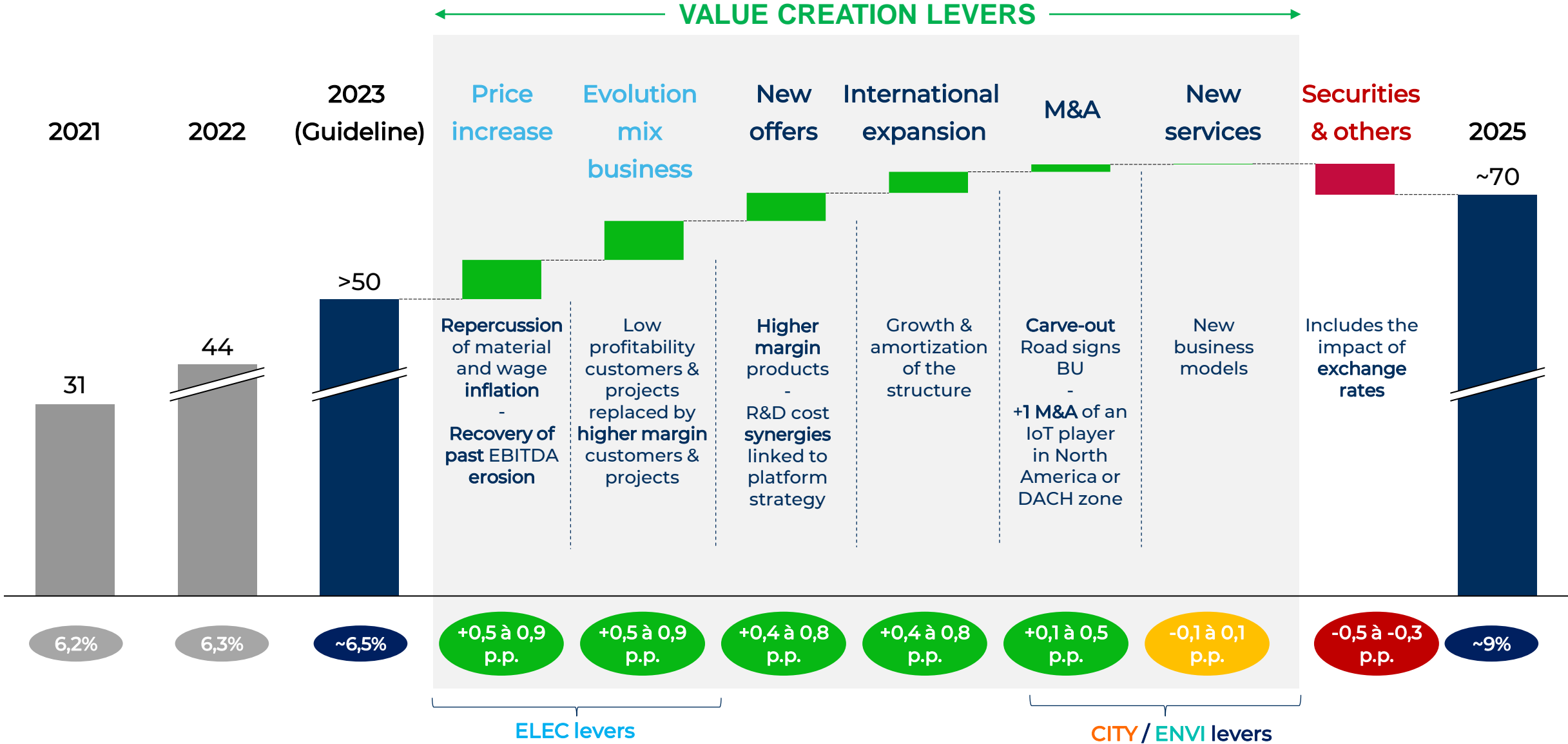
Internal satisfaction

~ 30%

Profits distributed

2025 TRAJECTORY WITH STRONG EBITDA GROWTH SUPPORTED BY CLEARLY IDENTIFIED LEVERS

EBITDA, €M AND % REVENUE, INDICATIVE IMPACTS





DIVIDENDS

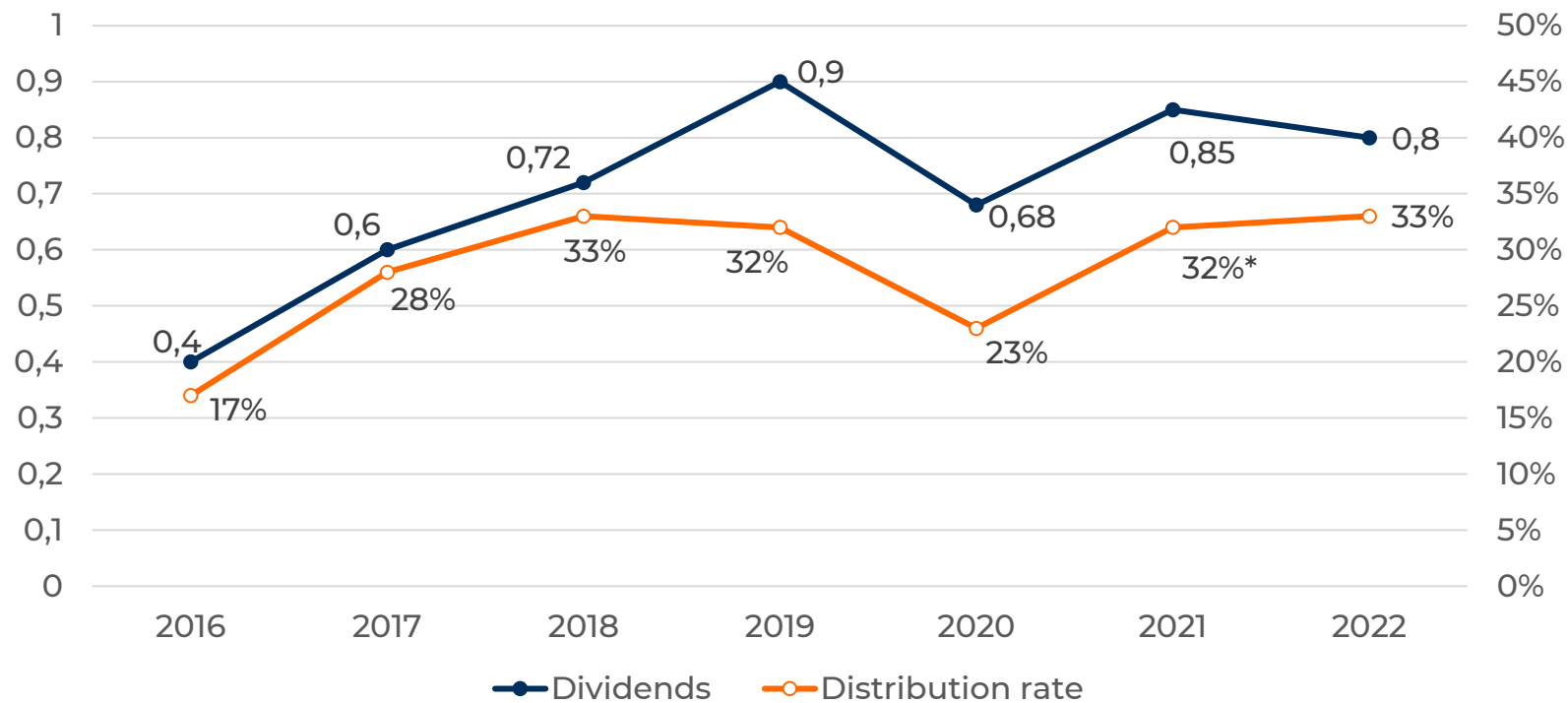
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A nighttime photograph of a city skyline, likely Tokyo, with the Milky Way galaxy visible in the dark sky above. The city lights are reflected in a body of water in the foreground.

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DIVIDENDS: €0,80 PER SHARE

Proposal to the Shareholders' Meeting of May 11, 2023 of a dividend of 0.80 euros per share, i.e. a distribution rate of 33%.



* After restatement of the revaluation of Firstronic shares



UPCOMING EVENTS

CONNECTED
TECHNOLOGIES
FOR A **SMARTER**
WORLD

- May 09, 2023: Q1 2023 revenues
- May 11, 2023: Annual General Meeting
- August 28, 2023: Q2 & H1 2023 revenues
- September 28, 2023: half-yearly results 2023
- November 7, 2023: Q3 2023 revenues



QUESTIONS / ANSWERS

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A large background image on the right side of the slide shows a nighttime cityscape with many illuminated buildings. Above the city, the Milky Way galaxy is visible in a dark, starry sky.

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