

**9.9% increase in revenue
for the first 9 months of the year**

**Stable business in third quarter (+0.9%) despite
unfavorable base effect and the slow down in the automotive market**

**Financial targets for 2023 :
€750 million revenue confirmed
EBITDA expected around €45 million**

**3rd quarter marked by unfavorable base effect
Solid growth over the first 9 months of the year**

In the 3rd quarter of the year, LACROIX recorded a revenue of 179.7 million euros (M€), up 0.9% on the same period of 2022. This trend, which stems solely from organic growth, includes a positive currency effect of 0.15 M€. At constant scope of consolidation and exchange rates⁽¹⁾, sales were up 0.8%.

The 3rd quarter was marked by strong momentum in the City (+16.4%) and Environment (+10.2%) activities, while the Electronics activity recorded a slight contraction (-3.2%). As a reminder, in the 3rd quarter of 2022, it included significant re-invoicing to customers of additional costs for electronic components (- €4.8 million in 2023 vs 2022). Without this one-off increase in revenue in 2022 - carrying zero margin – Electronics activity sales would have risen in Q3 2023.

Cumulatively for the first 9 months of the year, LACROIX revenue is still up by a sustained 9.9% (+9.6% on a like-for-like basis and at constant exchange rates), at 567.4 M€ over the period.

<i>Revenue in millions euros</i>	Q3 2023	Q3 2022	Variation	9M 2023	9M 2022	Variation
Electronics Activity	131,1	135,4	-3,2%	426,0	383,5	+11,1%
City Activity	28,4	24,4	+16,4%	82,0	75,8	+8,2%
Environment Activity	20,1	18,3	+10,2%	59,4	57,1	+4,1%
Total LACROIX Group	179,7	178,1	+0,9%	567,4	516,4	+9,9%

⁽¹⁾ At constant scope of consolidation and exchange rates (or fc): the currency effect is calculated by applying the exchange rates of the previous period to sales for the current period. The scope of consolidation effect is calculated by (i) eliminating sales for the current period and/or the comparable period of companies acquired during the period or the comparable period (ii) eliminating sales for the current period and/or the comparable period of companies sold during the period or the comparable period.

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Electronics Activity

Sales in the Electronics division came to €131.1 million in Q3 2023, down -3.2% on the strong 18.8% increase recorded in the first six months of the year. Apart from the base effect linked to past component re-invoicing, this trend is the result of a slowdown in the two geographic zones addressed. In EMEA, growth remained solid in the Industry and Avionics segments, slowed in the Automotive sector and remained downgraded on HBAS (Home and Building Automation Systems) after several years of hypergrowth. In North America, business was impacted at the end of the quarter by the first postponements of deliveries caused by the labor unrest at American car manufacturers.

Over the first nine months of the year, Electronics sales rose by 11.1% to €426.0 million, buoyed by the introduction of numerous new projects.

City Activity

City revenue came to €28.4 million in Q3, showing a clear acceleration of +16.4%. This dynamic performance continues to be driven by the remarkable trajectory of the Street Lighting division, but also by the excellent performance of the Traffic division, with major international orders in progress, and by growth in the Road signs segment.

With these three segments in positive territory since the start of the year, total revenue for the City activity came to €82.0 million over 9 months, up 8.2%.

Environment Activity

Revenue is also up sharply in the 3rd quarter (+10.2%), totaling €20.1 million. As anticipated, it was driven by two segments: International Water, with growth of over 30%, driven in particular by the delivery of projects in Saudi Arabia, and Smart Grids.

Overall, Environment revenue for the first nine months of the year came to €59.4 million, up 4.1% on the comparable period in 2022.

2023 objectives :

Revenue target confirmed

Adjustment of Ebitda target, still expected to be higher than in 2022

LACROIX enjoys good visibility on the growth momentum of its City and Environment activities, whose order books to September 30, 2023 remain solid. Regarding Electronics, the uncertainties mentioned at the end of September concerning the evolution of automotive demand across the Atlantic have not been lifted, despite the recent ending of the social movement that began mid-september. In addition, in the EMEA region, despite the positive trend in the Industry and Avionics segments, the slowdown in growth in the Automotive and HBAS segments is proving more marked than anticipated.

Overall, LACROIX remains confident in exceeding a revenue of €750 million by 2023 on a like-for-like basis, i.e. an increase of at least 6%. In terms of profitability, the target of EBITDA is now expected to be around €45 million, compared with an initial target of over €50 million, with the difference coming entirely from the Electronics activity in North America, impacted by the concomitance of several transitory factors. This target adjusted to take account of recent changes in business conditions, remains higher than the EBITDA achieved for fiscal year 2022 (€44,3 million).

In the longer run, structural growth drivers remain in force, and all the financial targets set out in the Leadership 2025 plan remain achievable. Their confirmation, however, remains dependent on the

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performance recovery of the North American activity and the market evolution of the automotive segment in a context of lower visibility.

Upcoming events

Annual revenue : 8th february after the market close

Find more financial information in the Investor's Zone

<https://www.lacroix-group.com/investors/>

About LACROIX

Convinced that technology should contribute to simple, sustainable, and safer environments, 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 €708 million in 2022, LACROIX combines the essential agility required to innovate in an ever-changing technological sector with the ability to industrialize 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 its customers' electronic equipment, as well as IoT (hardware, software, and cloud) and AI solutions, for the automotive, industrial, smart home and building, avionics and defense, and healthcare sectors. The Group also provides connected and secure equipment and solutions to optimize the management of critical infrastructures such as smart roads (street lighting, traffic management, V2X and traffic signs) and the remote control of water and energy infrastructures.

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 and solutions for a smarter world.

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