



APRIL 3<sup>RD</sup>, 2024

# INVESTORS PRESENTATION

Results 2023

CONNECTED  
TECHNOLOGIES  
FOR A **SMARTER**  
**WORLD**

# AGENDA



**Vincent BEDOUIN**  
Chief Executive Officer



**Nicolas BEDOUIN**  
Chief Operating Officer &  
Executive Vice-President  
Finance

- 01 PRESENTATION
- 02 RESULTS 2023
- 03 LEADERSHIP 2025  
& GUIDANCE 2024
- 04 UPCOMING EVENTS
- 05 QUESTIONS & ANSWERS



# PRESENTATION

AT THE HEART OF LACROIX

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A vertical image on the right side of the slide shows a night cityscape with a starry sky above. A glowing vertical beam of light, possibly representing a data stream or a city landmark, runs through the center of the city. The text "CONNECTED TECHNOLOGIES FOR A SMARTER WORLD" is overlaid in the upper right corner of this image.

CONNECTED  
TECHNOLOGIES  
FOR A **SMARTER**  
**WORLD**

An **international, tech & industrial** midcap



**€761M**  
Revenue in 2023



**~5 100**  
Collaborators in 2023



Located in  
**13** countries



**Family Group**  
on the stock market since  
**1992**

**EMEA ~ 75% REVENUE**

**TEAMS LOCATIONS**

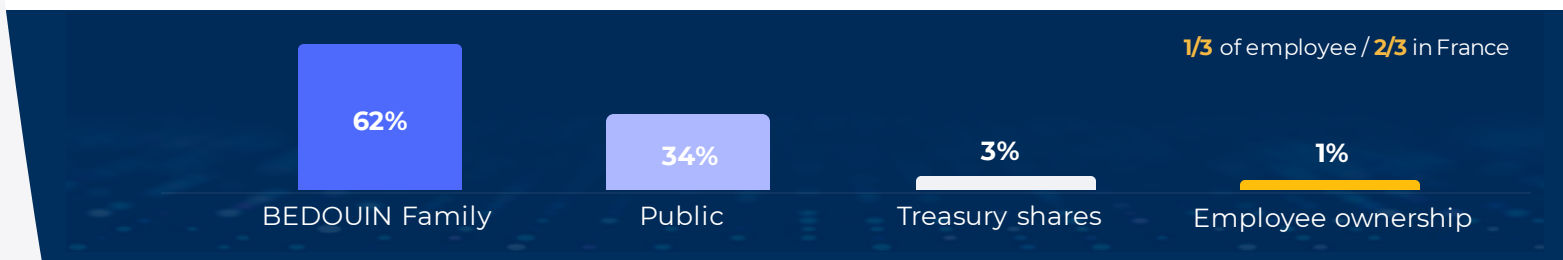
-  FRANCE
-  GERMANY
-  SPAIN
-  ITALY
-  SAUDI ARABIA
-  POLAND
-  TUNISIA
-  BELGIUM
-  MOROCCO

**NORTH AMERICA ~ 25% REVENUE**

-  USA
-  MEXICO

**APAC**

-  SINGAPORE
-  CHINA



An aerial night view of a city skyline, likely Tokyo, with numerous skyscrapers and buildings illuminated. The sky is dark blue with many small white stars, suggesting a starry night. The text is centered in the upper half of the image.

— OUR VISION —

**AT LACROIX**, WE BELIEVE TECHNOLOGY SHOULD  
CONTRIBUTE TO SIMPLE, SUSTAINABLE  
AND SAFER ENVIRONMENTS.

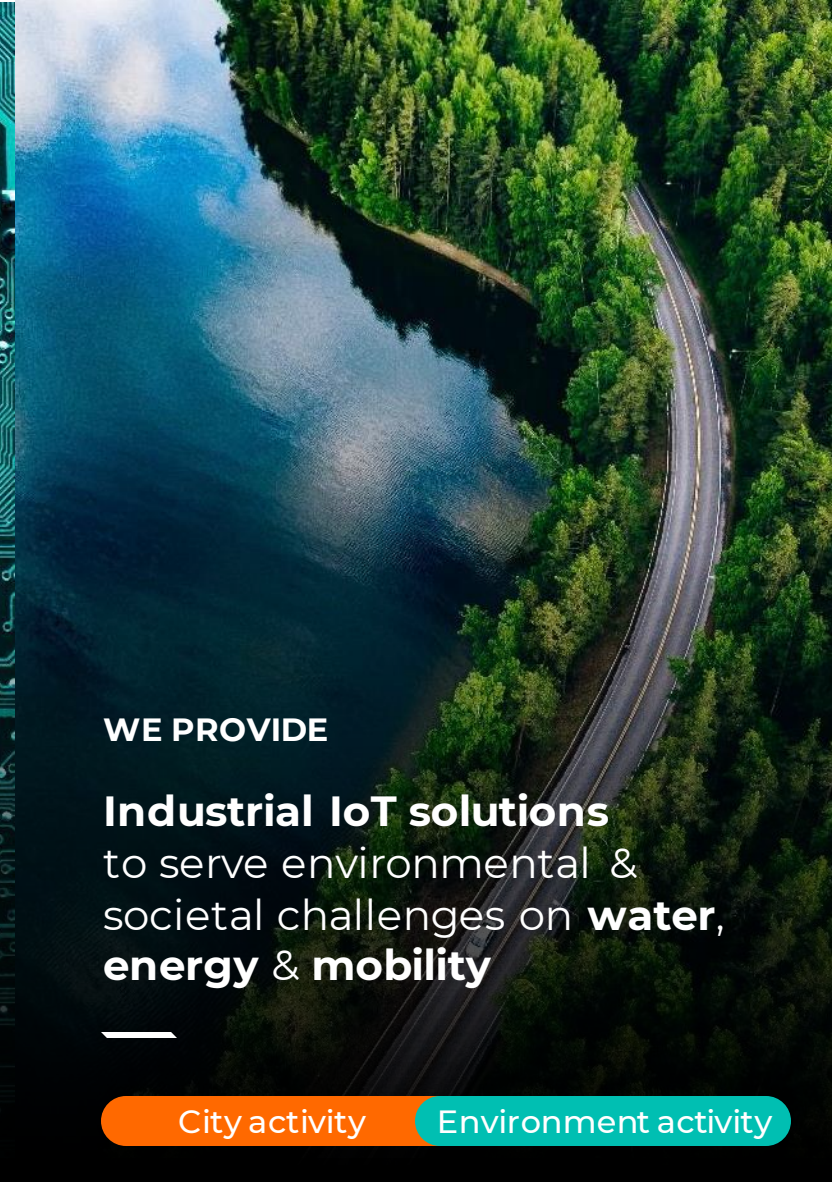
**Contribute**  
to the development  
of **more sustainable  
living ecosystems**  
through **useful,  
robust & secure  
connected  
technologies**



**WE DESIGN & MANUFACTURE**

**Electronic equipment**  
to contribute to the  
**automotive, avionics,  
HBAS & industrial** transition

Electronics activity



**WE PROVIDE**

**Industrial IoT solutions**  
to serve environmental &  
societal challenges on **water,  
energy & mobility**

City activity

Environment activity

## OUR AMBITION

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



## CUSTOMERS

### For technology & industry leaders

---

Scale-up, midcap & listed companies

### For road systems infrastructure operators

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Operators - Integrators & installers  
Design offices - Civil works  
Local authorities - Departmental councils & DIR (Interdepartmental Road Directorate)

### For utilities infrastructure operators

---

Operators - Integrators & installers  
Design offices - Manufacturers  
Local authorities – Intercommunal syndicates – Social housing landlords

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

## HBAS (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



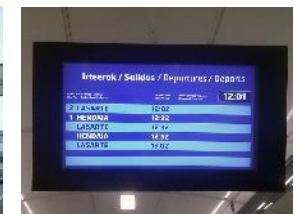
## Street lighting



## Traffic management & C-ITS (cooperative intelligent transport systems)



## Passenger information system



Our turnkey offer of equipment & solutions to optimize & secure water & energy infrastructures



## Water & wastewater



## Smart Grids



vis IT

set IT

## HVAC (Heating, Ventilation, & Air Conditioning)





## Grow positive impact business



Focus on positive impact solutions

-

Creating sustainable business models

## Design eco-efficient solutions



Eco-design our products

-

Develop plain digital solutions

## Run sustainable operations



Reduce our greenhouse gas emissions

-

Limit other environmental impacts

-

Improve practices in our supply chain

## Commit to our people & act locally



Care & share

-

Empower our people

-

Promote equity & diversity

-

Commit to our territories

## Certifications



63/100

over 62% of rated companies



61/100

against 53/100 in 2022



# RESULTS 2023

**GROWTH TARGET EXCEEDED**

-

**RESILIENT RESULTS**

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**WORLD**



## GROUP

- Good control of FCF and gearing reduction at 59%
- Communication and deployment acceleration of our CSR strategy
- Demonstrated a high level of resilience against a cyber attack of an unprecedented scale

## ENVI / CITY:

- Water, Heat networks, Smart Grids and Street Lighting business units keep a strong momentum while maintaining excellent recurring EBITDA margins
- Great advancement for the SIGNA carve-out project with the entry into exclusive negotiation with AIAC company

## ELEC:

- Strong dynamic for our 2 high value-added Electronics sites (Beaupreau FR and Willich DE)
- Electronics EMEA customer mix improving
- A promising transatlantic positioning

## ELEC:

- Difficult year for ELEC North America ending with an inventory impact of -3.1€M on Group recurring EBITDA
- Weak dynamic for European HBAS market (FY2023) & automotive market (H2 2023)
- Exceptional labor cost increase in our low-cost countries (+15-20% in MEX, POL and TUN) coupled with significant currency appreciation in these 3 countries, not fully passed on to customers

## SOLID GROWTH

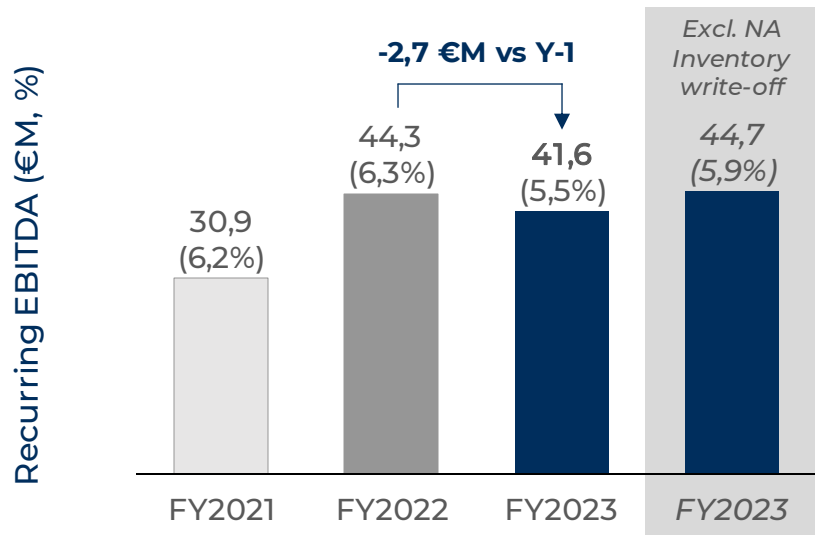
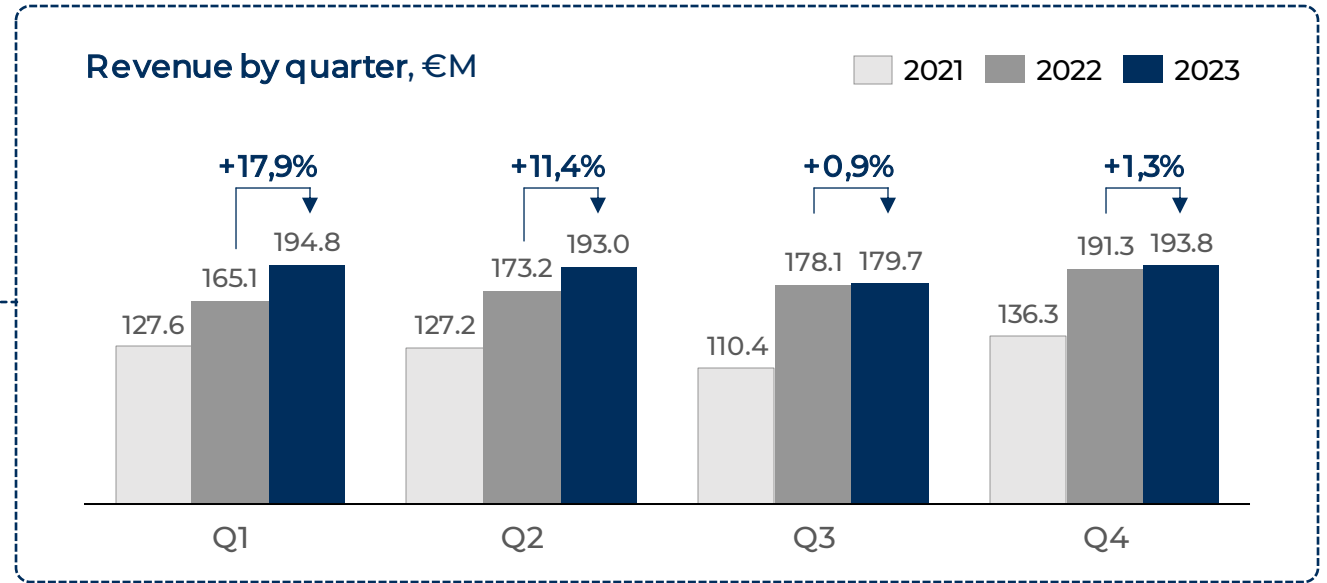
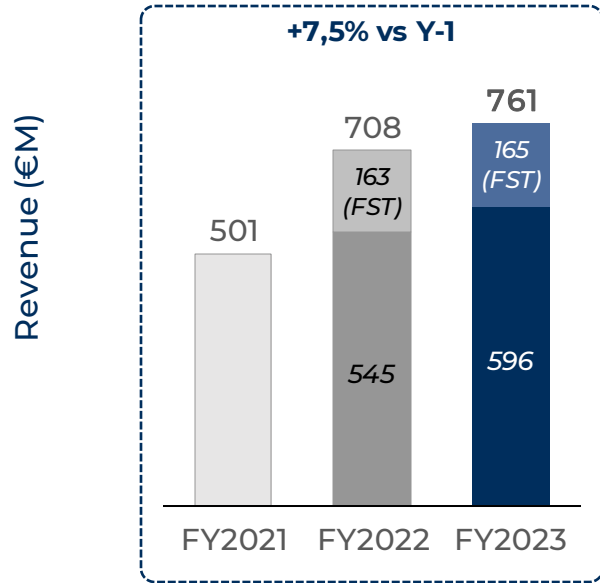
- 7,5% revenue growth vs 2022
- Performance driven by the 3 activities

## RESILIENT RESULTS

- Recurring EBITDA : 41,6M€
- 5,5% of revenue  
6,5% *excl. ELEC NA*
- Net Income Group Share:  
4,3M€

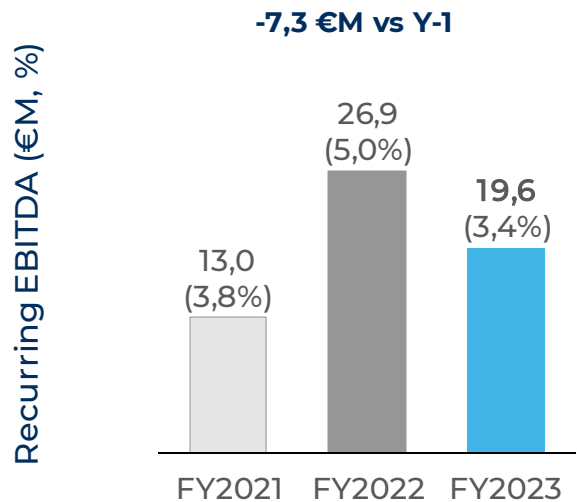
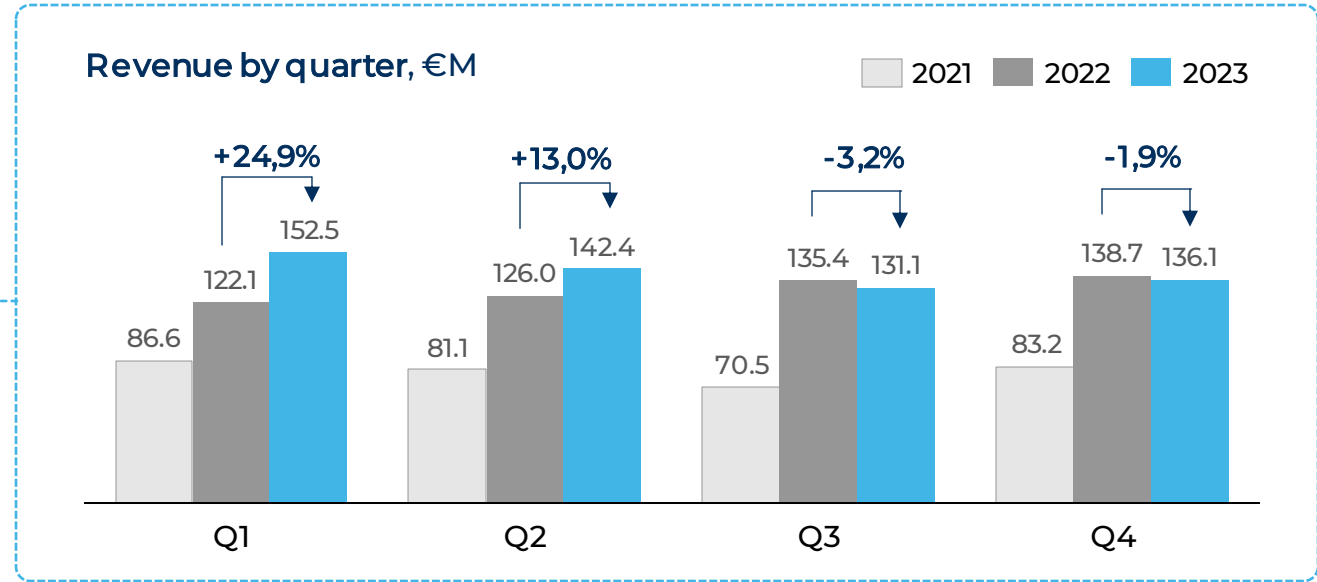
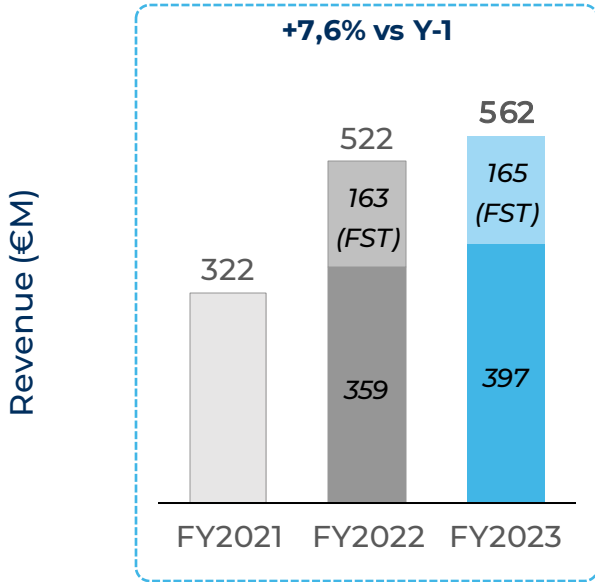
## A STRONG FINANCIAL STRUCTURE

- Shareholder's equity of 190 M€
- Gearing improvement of 59% (from 72% in 2022)



- 7,5% growth vs 2022 (7,2% excl. F/X effect) unlocking historical sales milestone of €750 million (line with guidelines)
- Strong performance overall despite a strong comparison period: 2022 already showing 8,6% growth vs 2021 (like-for-like basis)
- A more contrasted performance for H2
- RECURRING EBITDA down to 5,5% due to specific difficulties in Electronics segment currently being worked on (North America, Auto/HBAS market dynamics, FX/Labor costs increase)

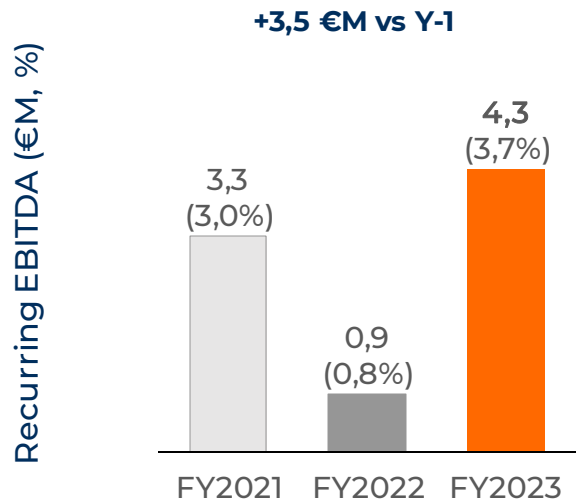
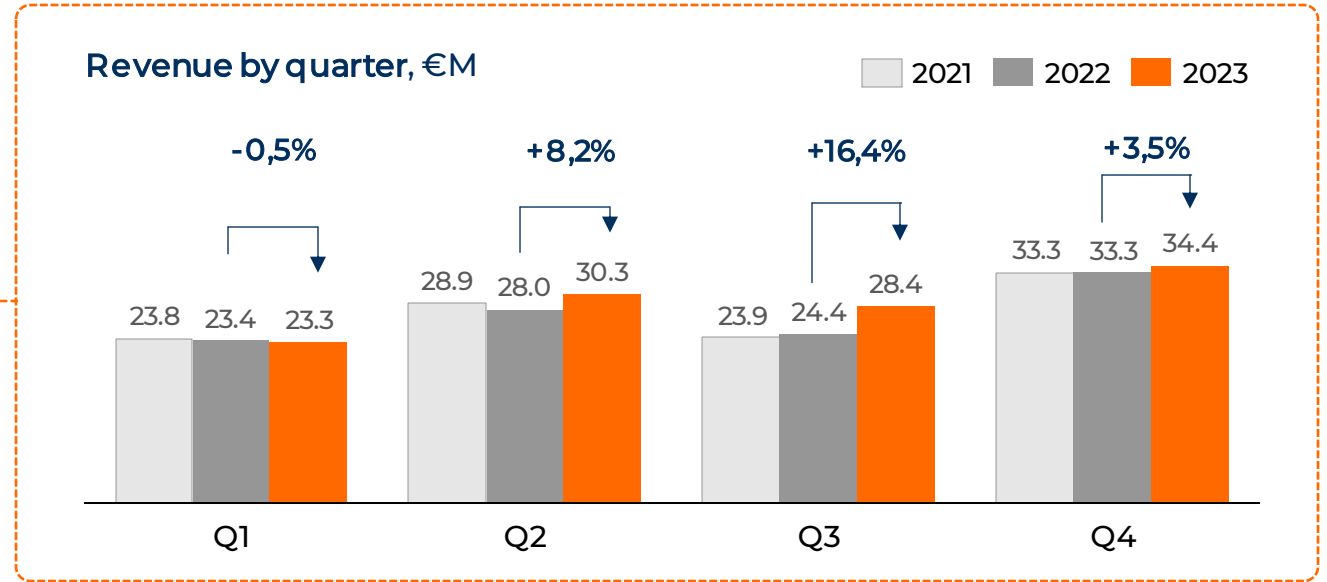
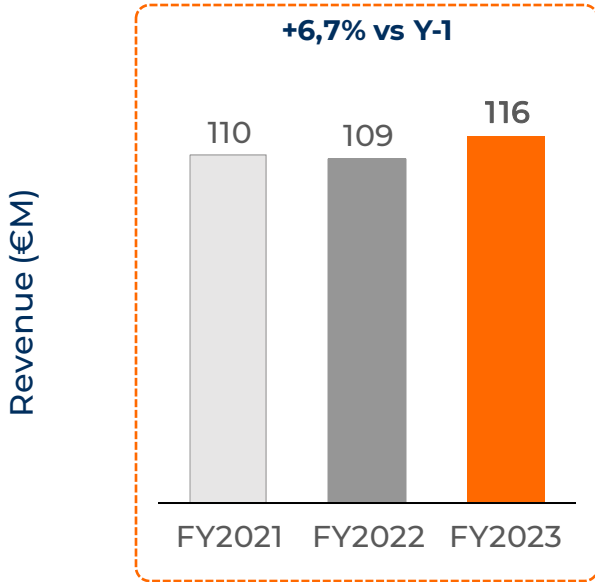
A CONTRASTED YEAR BETWEEN EMEA AND NA



- 7,6% organic growth vs 2022 in a context of supply conditions returning to normal
  - Growth driven by numerous new projects, especially in the industrial segment
  - In EMEA, 2-digits growth over industrial & mil/avionics segments; low demand in HBAS (Home & Building) & start of demand decrease in S2 for Automotive
  - Revenue also growing in North America
  - Exceptional growth in H1, more tempered over H2 depending on end-markets
- Recurring EBITDA margin growing in EMEA but dropping in North America

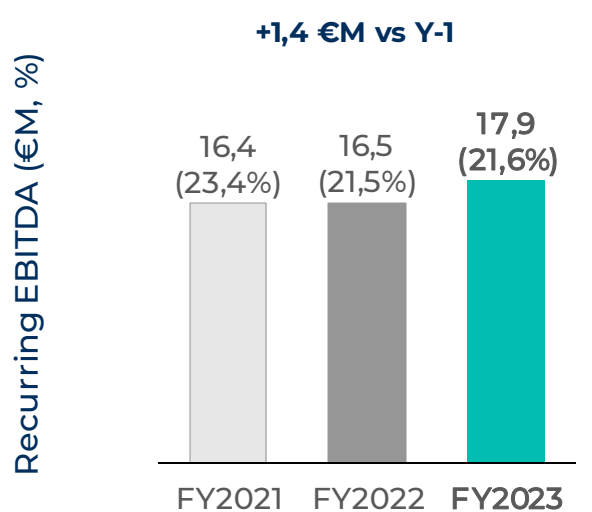
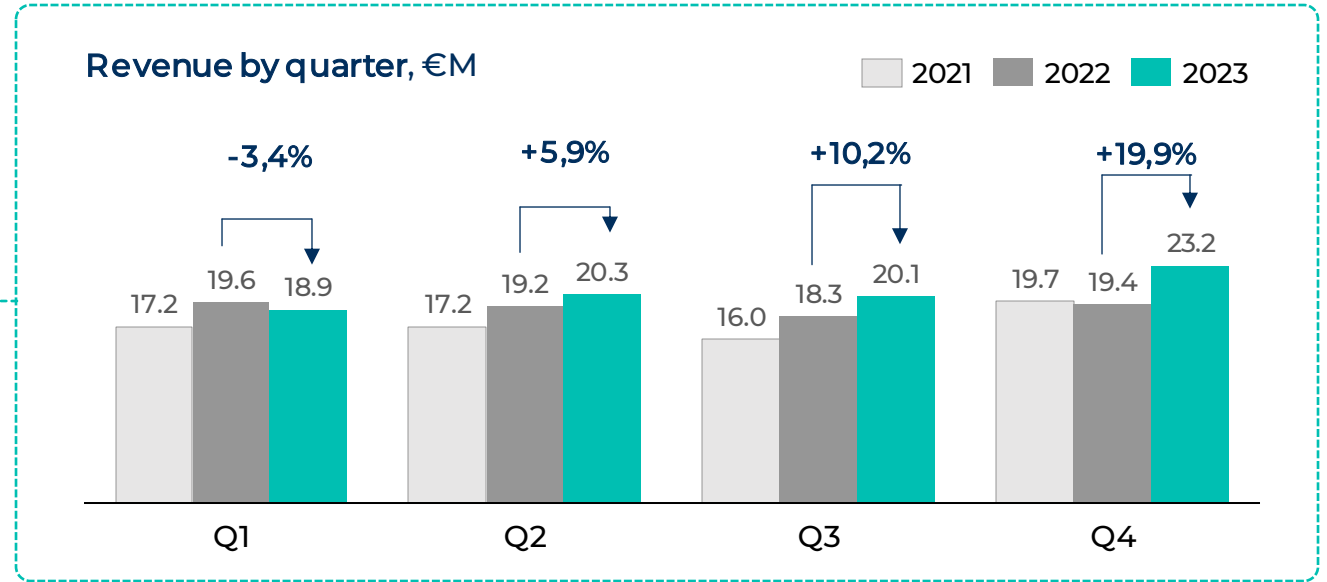
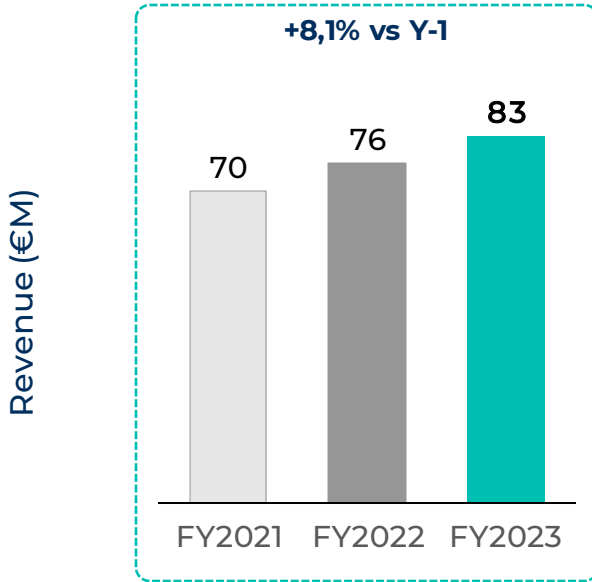


## HIGH MOMENTUM IN STREET LIGHTING AND ROAD SIGNS BUS



- 6,7% organic growth vs 2022, all segments contributing
- Street Lighting stays the main growth engine with an annual growth of +15%, driven by a good trend on the French market & the road infrastructure modernization contract in Flanders
- RECURRING EBITDA margin growing to 3,7%
- Year-end marked by the start of exclusive negotiations with the American company AIAC, in preparation to the selling of the Road Signs segment (~59M€) in Q1 2024

## EXCELLENT RESULTS DRIVEN BY SMART GRIDS AND INTERNATIONAL PROJECTS



- 8,1% organic growth vs 2022
  - Smart Grids segment posted a strong dynamic with a yearly growth of +12,1%
  - Excellent international results for Water segment showing +50% growth over Q4, driven by (in particular) the delivery of significant projects in Saudi Arabia
- Solid outlook with several contract wins, particularly internationally
- Profitability remains at a high level

In €M	December 31 2023 12 months	December 31 2022 12 months	Variation
Revenue	761,2	707,8	+7,5%
Recurring EBITDA In % Revenue	41,6 5,5%	44,3 6,3%	-6,1% -8 pp
Current operating income In % Revenue	17,8 2,3%	21,7 3,1%	-17,8% -8 pp
Operating income	3,8	21,0	-82,1%
Financial income	(8,5)	(7,2)	
Income tax expenses	1,9	(2,0)	
Net income	(2,8)	11,7	-123,9%
Net income Group share	4,3	11,9	-64,1%

- **Recurring EBITDA decrease of 6,1%**
- **Operating income of €3.8 million impacted by significant non-recurring items**
  - Exceptional amortization of the Customer List of €10 M as a consequence of the evolution of the profitability on the customer base of LACROIX Electronics MI (formerly Firstronics),
  - Consequences of the planned disposal of the Signaling BU (sale of the building and treatment as an asset available for sale)
  - Cyber attack residual impacts (mainly costs of rebuilding operational systems)
- **Financial income and expenses**, due to the full-year impact of higher interest rates.
- **Net income (Group share) of €4.3 million**, with a decrease limited by the capitalization of deferred taxes and the contribution of minority interests.

# ADJUSTED INCOME STATEMENT

In €M	31st december 2023 Non GAAP	31st december 2022 Non GAAP	31st december 2023	31st december 2022
Revenue	761,2	707,8	761,2	707,8
Recurring EBITDA In % Revenue	41,6 5,5%	44,3 6,3%	41,6 5,5%	44,3 6,3%
Current operating income In % Revenue	21,5 2,8%	25,9 3,7%	17,8 2,3%	21,7 3,1%
Operating income	21,1	25,1	3,8	21,0
Financial income	(9,0)	(7,2)	(8,5)	(7,2)
Income taxes & charges	(1,7)	(3,0)	1,9	(2,0)
Net income	10,4	15,0	(2,8)	11,7
Net income group share	13,7	14,3	4,3	11,9
Net income (pdg) per share	2,93	3,05	0,91	2,54

## Adjusted elements for a more standardized performance reading

**Current operating profit** : Adjustment of share-based payments and amortization of intangible assets

**Operating profit** : Adjustment of the impact of Road signs BU sale, building sale, the Cyber attack and the non-recurring amortization of intangible assets.

**Financial income** : restatement of fair value of non-consolidated investments

**Taxes** : Adjustment of the impact of the above changes

Conclusion :

Adjustment for non-normative items and their impact on tax, Group net income close to 2022

In €M	December 31 2023	December 31 2022
Non-current assets	232,3	252,1
Current assets (excluding cash)	332,3	316,7
Cash and cash equivalents	42,5	22,6
<b>TOTAL ASSETS</b>	<b>607,1</b>	<b>591,4</b>
Shareholders' equity	190,1	193,9
Non-current Borrowings	95,6	85,0
Other non-current liabilities	44,9	48,1
Other current liabilities	276,5	264,4
<b>TOTAL LIABILITIES</b>	<b>607,1</b>	<b>591,4</b>

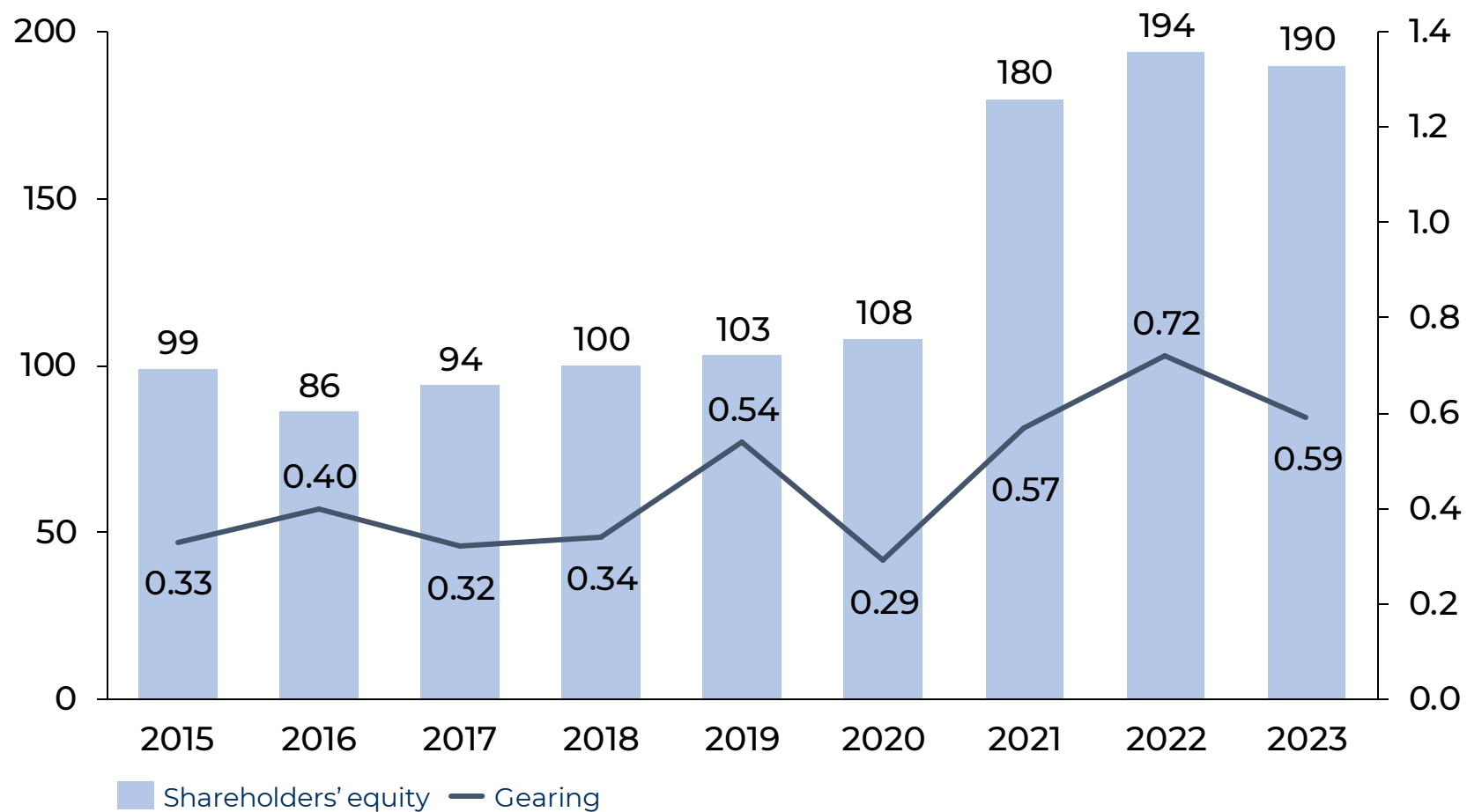
- **Total non-current assets decreasing** due to decrease of intangible assets (customer List) and accounting treatment of the sell of the BU Signaling
- **Positive cash evolution**
- **Shareholder's equity decreasing** due to impact of non recurring events on net results, and dividends distribution
- **Increase of Long Term debt of 10,6 M€**, with the implementation of a long term loan (PPR) for 10,0 M€ in the last quarter of 2023

In €M	December 31 2022 12 months	December 31 2021 12 months
Consolidated net income	(2,8)	11,7
Cash flows from operations	27,4	36,8
Changes in working capital relating to operations	8,9	(35,3)
Net cash flow from operating activities	<b>36,3</b>	<b>1,5</b>
Net cash flow from investment activities	(13,7)	(18,5)
Net cash flow from financing activities	10,2	(2,4)
Net increase (decrease) in cash and cash equivalents and bank over drafts	33,2	(20,1)
Closing cash flow	12,5	(25,8)

- **Large Free Cash Flow improvement** at €23,2M, benefiting from the beginning of an improvement in NWC
- **Mastered level of CAPEX** with ELECTRONICS remaining the main contributor, in Europe and North America
- Cash flow benefited from the positive impact of the sale of the Signaling building for 9.5 M€.

Shareholders' equity, €M

Gearing ratio



- Stable shareholders' equity
- Decrease in net debt vs 2022
- **Gearing ratio (net debt / shareholder's equity) of 59% maintained largely below the 80% ceiling set in the plan 2025**



# LEADERSHIP 2025 & GUIDANCE 2024

## PROGRESS & FUTURE CHALLENGES

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# WE KEEP PROGRESSING ON OUR 5 STRATEGIC PILLARS



## Technological leadership

Strengthening our innovation and R&D capabilities & develop Strategic partnerships

## Strategic geographical positions

Develop our 3 activities in FR/GER/US and industrial & distribution networks

## M&A

Strengthen the international presence of existing activities

## Industry 4.0

Improve digitalization, industrial efficiency & customer experience

## Transition to end-to-end solutions

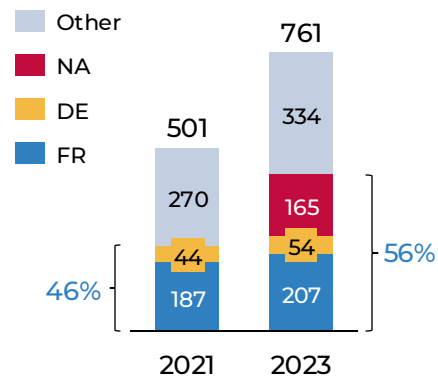
Start a transition to higher value-added products and solutions

### Environment and Street Lighting delivering strong growth and profitability

--  
>70€M in cumulative R&D investments since 2021

--  
Development of a network of technological partners

Revenue (€M)



FIRSTRONIC acquisition to launch LACROIX local presence in North America & boost cross-atlantic selling with big customers

--  
SIGNA carve-out project to focus investments on strategic markets

Opening of Symbiose, flagship of Industry 4.0 in France






--  
2<sup>nd</sup> site in Juarez to accompany North America growth

--  
~70€M of CAPEX over 2021-2023 period (3,5% of sales)

Progressive growth in sales of IoT management software applications

Launch of 2 new offers for water network supervision (supervision tool with US partner ICONICS, and AI-based dataviz for network performance)

Communication and deployment acceleration of our CSR strategy and LACROIX 2030 impact targets

		Impact indicators	Today	 2030 TARGETS
1	 <b>GROW POSITIVE IMPACT BUSINESS</b>	Share of impact business in revenue	61%	<b>80%</b>
2	 <b>DESIGN ECO-EFFICIENT SOLUTIONS</b>	Share of new LACROIX products eco-designed	25%	<b>100% in 2025</b>
3	 <b>RUN SUSTAINABLE OPERATIONS</b>	GHG emissions scopes 1&2 (vs 2021) _____ GHG emissions scopes 3 (vs 2021) _____ Waste generated per T€ of revenue _____ Share of purchasing spend covered by a CSR assessment	11.7 KtCO <sub>2</sub> e 2.35 MtCO <sub>2</sub> e 2.8 kg In progress	<b>-42%</b> Ongoing definition & validation by SBTi <b>-30%</b> <b>75% in 2025</b>
4	 <b>COMMIT TO OUR PEOPLE &amp; ACT LOCALLY</b>	LACROIX sites Great Place to Work certified _____ Women among managers	33% (on 3 test sites) 26%	<b>100%</b> <b>40%</b>



## Gaps with initial hypothesis

Extraordinary difficult year for our North American Business explained by the concomitance of several factors:

1. Slowdown in automotive demand, punctuated by an exceptional social movement
2. Rising wage costs fueled by the Mexican peso's sharp appreciation (only partially passed through)
3. Loss of productivity resulting particularly from the saturation of production capacity

Exceptional labor cost increase in our low-cost countries (+15-20% in MEX, POL and TUN)

Significant negative FX effect in all our low-cost countries (MEX, POL, TUN)

Weak dynamic for European automotive and HBAS markets in H2 2023 (which we expect to continue over 2024)



## Mitigation Plan

*launched in 2023 for impact in 2024*

1. Change of local leadership / Turnaround plan
2. Price Increase
3. Ramp-up of the new site in Juarez
4. Speed up integration process with ELEC EMEA to secure processes and accelerate synergies

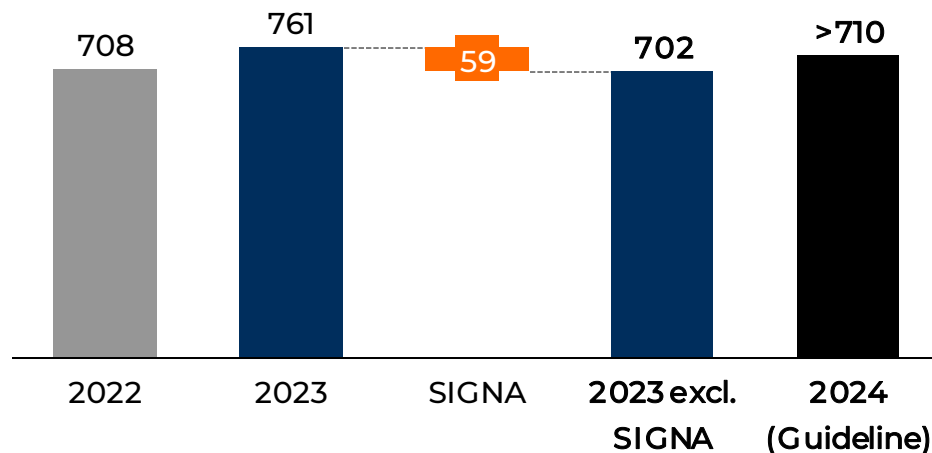
1. Aggressive price increase to offset inflation
2. Review our quotation process

1. Aggressive hedging strategy
2. Included in our pricing strategy

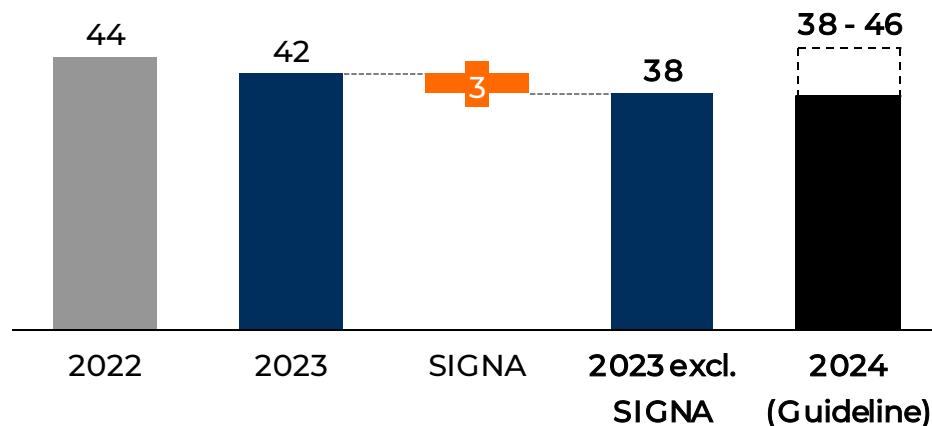
1. Reduction of our exposure to the auto segment
2. Prioritization of our commercial teams on segments with strong growth, high profitability and positive impact

# WE EXPECT 2024 REVENUE >710M€ AT CONSTANT PERIMETER AND RECURRING EBITDA MARGIN BETWEEN 5,5%-6,5%

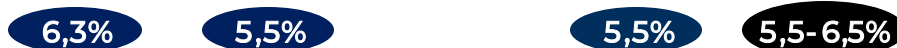
REVENUE,  
€M



Recurring  
EBITDA,  
€M



Recurring  
EBITDA,  
%



## ✓ Flat revenue at consolidated level:

- 2-digits growth for our high profitability businesses **ENVIRONMENT** (Water, HVAC, Smart Grids) and **CITY** (Street Lighting) offset by:
- **ELEC**: Continuous cleaning of projects/accounts with low profitability + Low dynamics of HBAS/Auto market in 2024
- **CITY (Mobility)**: Market slowdown and Initiation of transformation & portfolio profitability cleaning

## ✓ 2024 focus on profitability uplift:

- **ELEC**: Price increases to balance continuous cost increases (mainly labor), **topline cleaning** towards higher margins customers/projects & **purchasing price** decrease on an electronic components market back to normal
- **ELEC North America** partial turnaround & integration **acceleration** - full turnaround (incl. growing 2<sup>nd</sup> plant in Juarez) & integration will require 2 years

✓ We don't expect significant impact from M&A in 2024, however, it is still part of the 2025 plan

## Key figures

### INITIAL PLAN

~ **€800m**  
Revenue

**TARGET  
MAINTAINED**

MODULO:  
1 ADDITIONAL M&A  
EVOLUTION OF AUTO/HBAS DEMAND

CAGR 2019-25

LACROIX  
GROUP

As reported

+11%

Organic

+6%

~ **9%**  
Recurring EBITDA Margin

9% EBITDA margin remains our ultimate target  
however realistically it seems hardly achievable by 2025

We remain fully confident in the Group's ability to turn  
this corner in the medium term.

## Key figures

**<0.8**  
Gearing ratio

**>5%**  
Share of revenue  
invested in R&D

**>70%**  
Revenue out of France

**>75%**  
Internal satisfaction

**~ 30%**  
Profits distributed

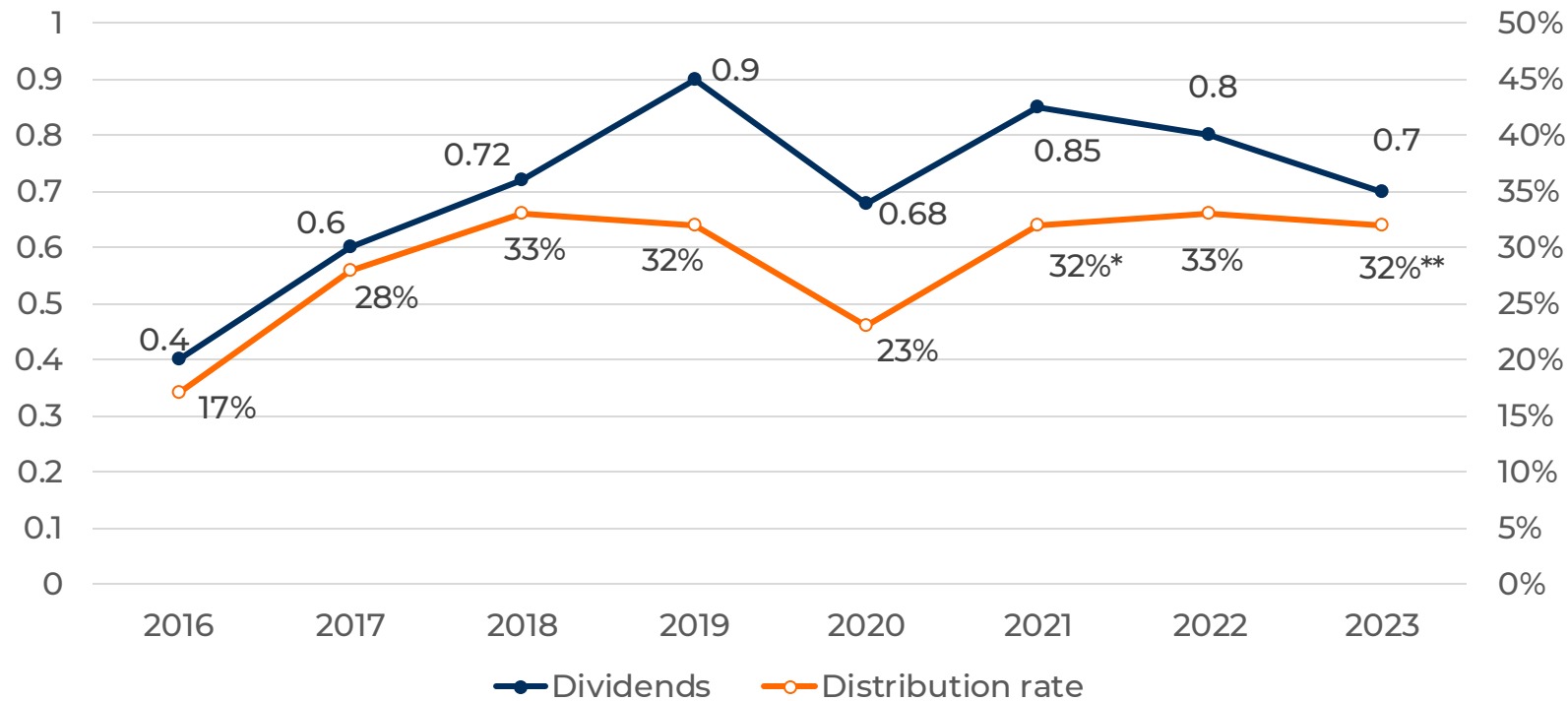


# DIVIDENDS

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# DIVIDENDS: €0,70 PER SHARE

Proposal to the Shareholders' Meeting of May 17, 2024 of a dividend of 0.70 euros per share, i.e. a distribution rate of 32%\*\*.



\* After restatement of the revaluation of Firstronic shares

\*\* Without depreciation of North America Customer List





# UPCOMING EVENTS

A night-time aerial view of a city with many lit-up buildings. A prominent vertical beam of bright orange and red light cuts through the city, extending from the bottom towards the top. The sky is dark blue with stars and a faint Milky Way galaxy visible.

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- May 13, 2024: Revenue Q1 2024
- July 23, 2024: Revenue Q2 and H1 2024
- September 30, 2024: Half-year results 2024
- November 7, 2024: Revenue Q3 2024



# QUESTIONS / ANSWERS

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