



OCTOBER 1ST, 2024

INVESTORS PRESENTATION

HALF-YEAR RESULTS 2024

CONNECTED
TECHNOLOGIES
FOR A **SMARTER**
WORLD



AGENDA



Vincent BEDOUIN
Chief Executive Officer



Nicolas BEDOUIN
Chief Operating Officer &
Executive Vice-President
Finance

01 Accelerating the transformation

02 H1 2024 results

03 Perspectives

04 Q&A



ACCELERATING THE TRANSFORMATION

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An **international, tech & industrial** midcap



€675M*
Revenue in 2023

761M€*



~4 700
Collaborators in 2023

~5 100*



Located in
12 countries

13 pays*



Family group
On the stock market since
1992

LOCATIONS

EMEA ~ 75% revenue

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

NORTH AMERICA ~ 25% revenue

- USA
- MEXICO

APAC

- SINGAPORE
- CHINA

62%

34%

3%

1%

BEDOUIN Family

Public

Treasury shares

Employee ownership

* Old perimeter including City Mobility & Signalisation

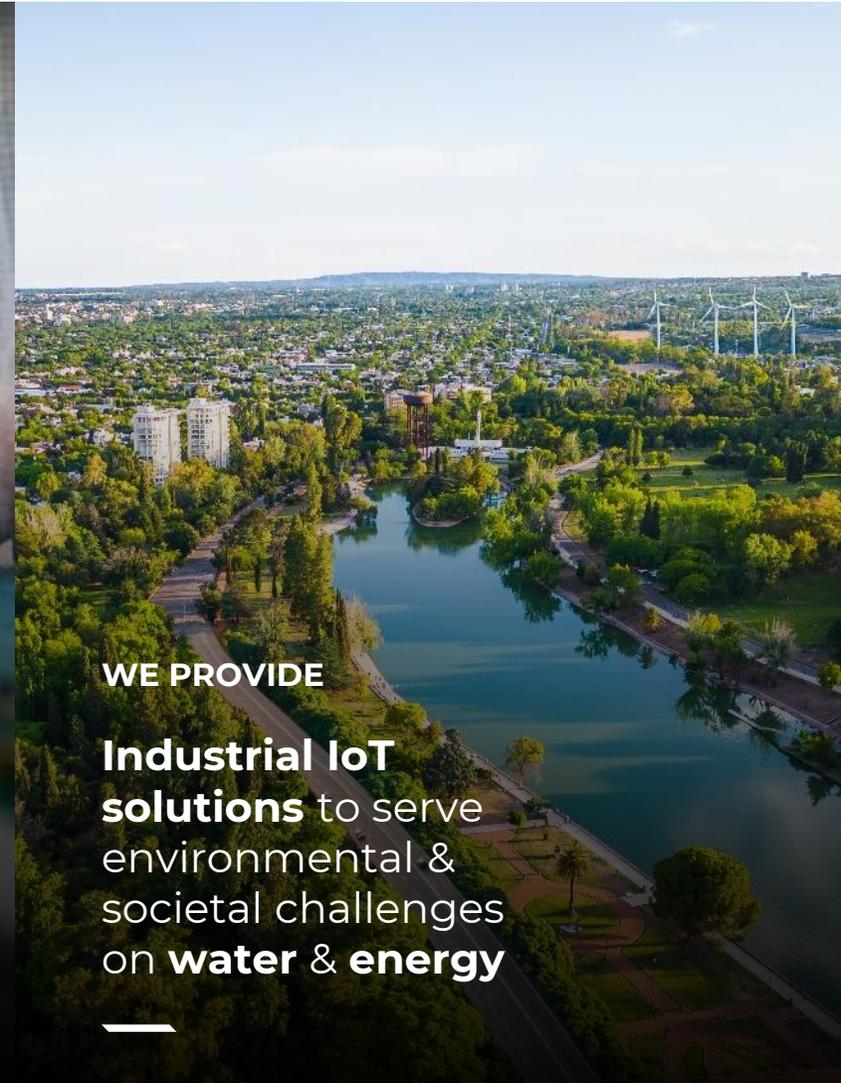
Become a **global leader in industrial IoT solutions & electronic equipment** for critical applications



WE DESIGN & MANUFACTURE

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

Electronics activity



WE PROVIDE

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

Environment activity



Old sectorization

ELECTRONICS Activity

- AUTOMOTIVE
- INDUSTRIAL
- HBAS
- AERO/DEFENCE
- MEDICAL

ENVIRONMENT Activity

- SMART WATER
- SMART HVAC
- SMART GRIDS

CITY Activity

- SIGNALISATION : Divest. on April 30, 2024
- MOBILITY : carve-out project engaged
- SMART LIGHTING: Moved to ENVI

New sectorization

ELECTRONICS Activity

- AUTOMOTIVE
- INDUSTRIAL
- HBAS
- AERO/DEFENCE
- MEDICAL

ENVIRONMENT Activity

- SMART WATER
- SMART HVAC
- SMART GRIDS
- SMART LIGHTING

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



Water networks



Heating, Ventilation & Air Conditioning (HVAC)



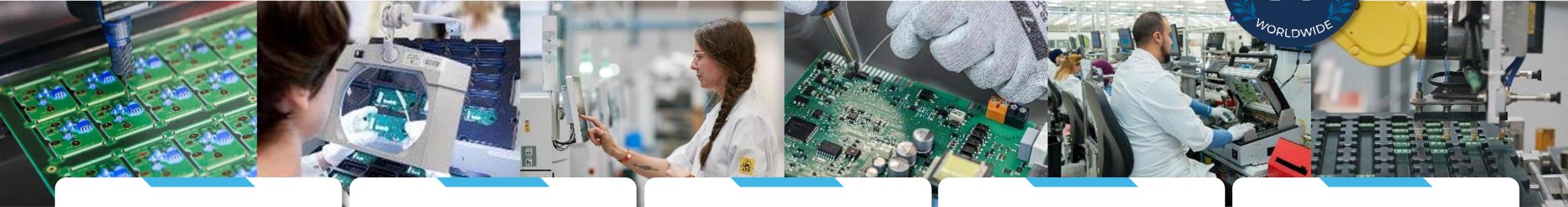
Smart Grids



Street Lighting



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

Excluding North America, LACROIX maintains its LEADERSHIP2025 trajectory:

- Voluntary strategy to build a simplified structure, focused on value-creative activities : Refocusing on the most profitable activities & customers, targeting markets with strong potential for growth, synergies and development with a positive environmental impact
- Remarkable momentum confirmed for Environment activity (and each of its vertical) : and for ELECTRONICS sites in France and Germany (ahead of plan):
- Strong resistance of ELECTRONICS EMEA “nearshore” sites in a contrasted environment:
 - EBITDA margin resilience: great control of price & costs structure
 - Accelerating reduction of less contributive customers
 - HVAC market crisis (esp. heat pumps)
 - Strong labor inflation (POL & TUN)

ELEC North America : A situation impacting Group guidance and requiring a deeper turnaround than expected

Results integrating significant nonrecurring charges or with no direct impact on cash

A solid financial structure



H1 2024 RESULTS

STRONG RESILIENCE OF THE ACTIVITY

-

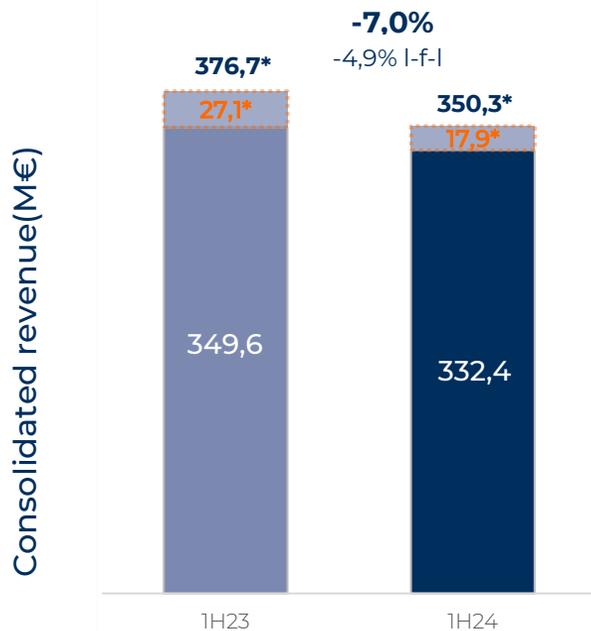
RESULTS IMPACTED BY ELEC NORTH AMERICA & NON RECURRING EVENTS

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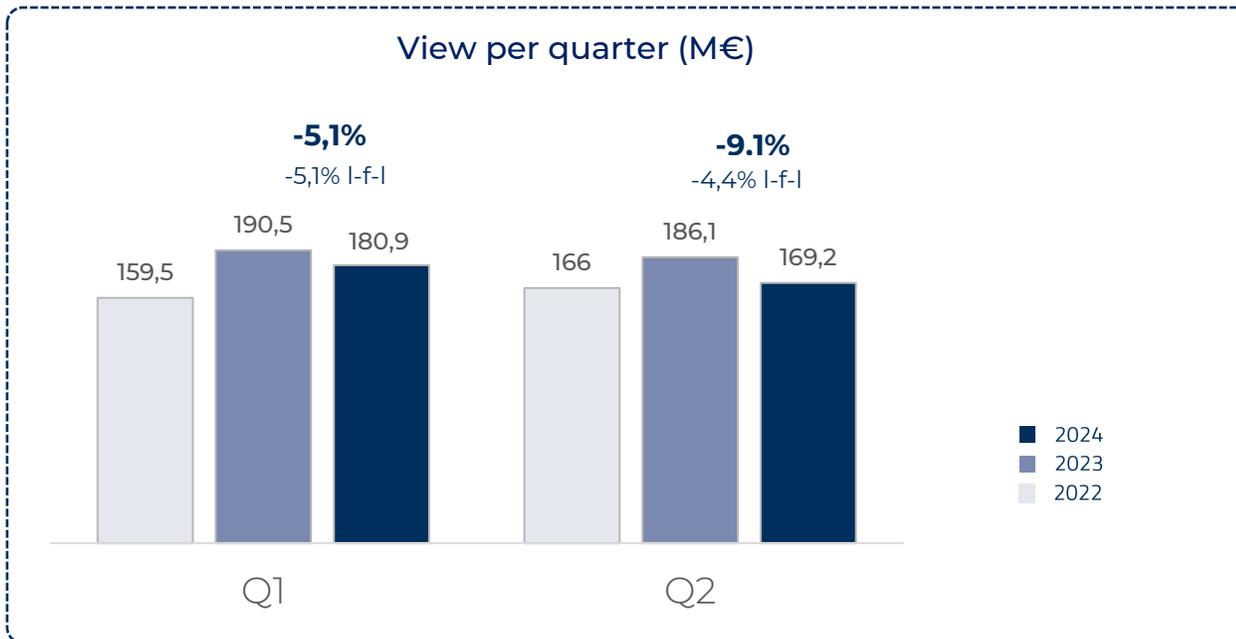


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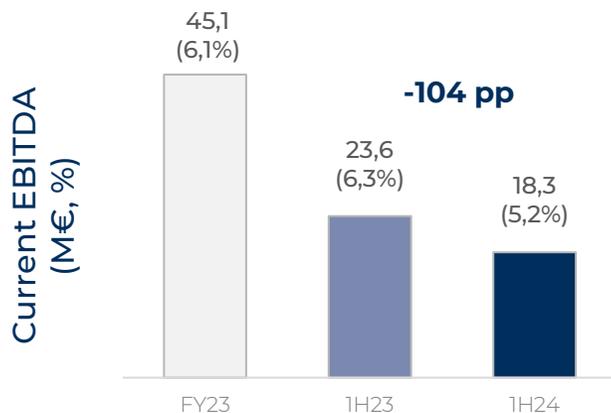
RESILIENT RESULTS (-4,9% I-f-I) DESPITE STRONG COMPARISON EFFECT



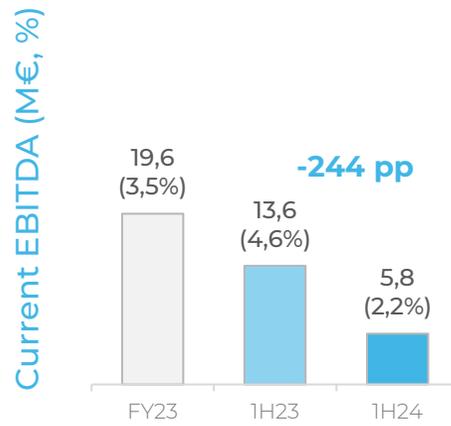
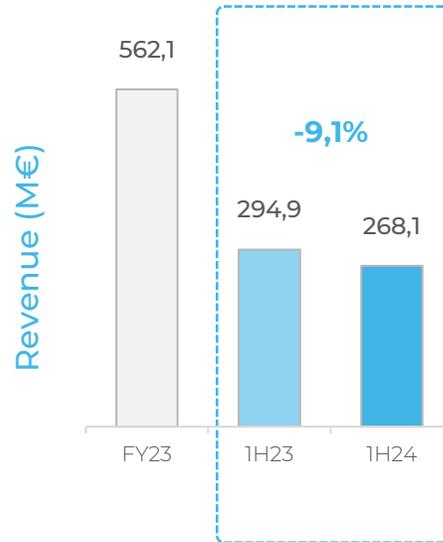
***Signalisation** segment consolidated over 6 months for H1 2023 and 4 months for H1 2024
 *Consolidated revenue doesn't include City-Mobility, treated as discontinued activity (revenue : 12,1 M€ in H1 2024 Vs. 11,1 M€ in H1 2023)



- A revenue of 350,3 M€ in H1 2024, down 7.0% compared to a first half of 2023 which saw a sharp rise in revenue (+14,6%)
- Decline is reduced to 4.9% on a like-for-like basis, excluding the Road sign segment, which was deconsolidated on April 30, 2024,
- Current EBITDA at 18,3 M€ or a margin of 5,2%, which would have reached 7,9% excluding North America



DECLINE IN PROFITABILITY LARGELY DRIVEN BY ELECTRONICS NORTH AMERICA



- Activity slow-down (-9,1%) vs a very high basis of comparison in H1 2023 (catch-up that accompanied the normalization of electronic component supplies) ; Compared with the first half of 2022, Electronics sales were up 8.2% in the first half of 2024.
- Growth in the Industrial & Avionics sectors and a decline in the Auto and HBAS segments. Revenue declined across the Atlantic
- Decline in current EBITDA largely driven by North America, stable profitability rate for the EMEA region reflects excellent operational control of both personnel and procurement costs

Step 1 (H2 2023)

- ✓ **Crisis situation**
 - ✓ Labor inflation
 - ✓ Peso effect (F/X)
 - ✓ Multiple quality issues
 - ✓ Inventory discrepancies (curative)
- ✓ **Change of historical management**
 - ✓ GM North America
 - ✓ Sales Director
 - ✓ Operations Director
- ✓ **Launch of a deep diagnostic**
 - ✓ Financial
 - ✓ Commercial
 - ✓ Industrial (manufacturing & supply chain)
 - ✓ Organizational

Step 2 (H1 2024)

- ✓ **Commercial**
 - ✓ **Price increase** to counterbalance part of inflation and F/X effect
 - ✓ **Continuous transformation** of commercial pipe and profitability assessment per program
- ✓ **Organizational**
 - ✓ Ramp up of **2nd plant** in Ciudad Juarez and **global layout assessment**
 - ✓ **Complete entity integration** to secure processes and develop synergies
- ✓ **Reinforcement of local management and new experienced General Manager**
- ✓ **Industrial reporting & control tools improvement**

Step 3 (H2 2024 – 2025)

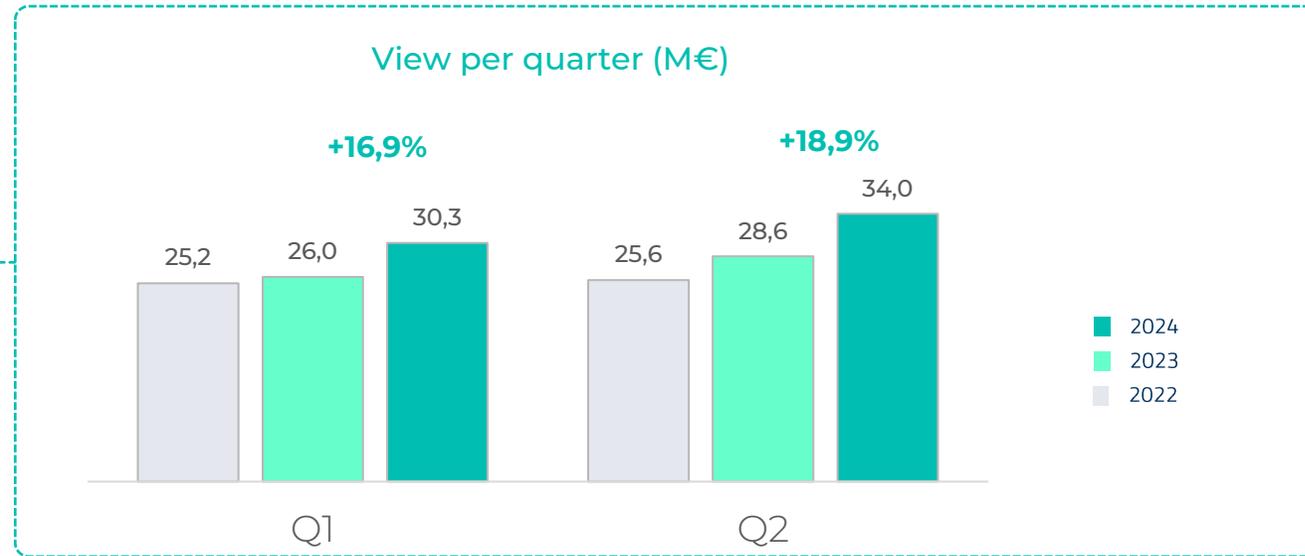
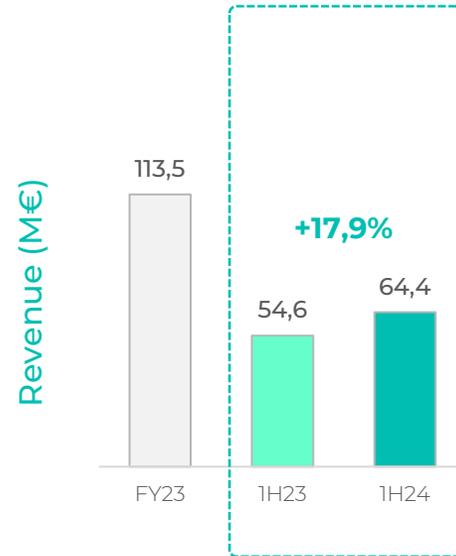
- ✓ **Industrial**
 - ✓ **Re-establishing all operational basics:**
 - ✓ Planning (S&OP, MPS, PDP...)
 - ✓ Industrialization
 - ✓ Quality
 - ✓ Productivity (lean, 5S, footprint...)
 - ✓ Stock management: rotating inventories and bi-annual totals
 - ✓ **Securing existing customers** (team reinforcement: expertise and quality control)
- ✓ **Commercial**
 - ✓ **Reorganization of commercial function** (distinction Account management and Business Development) **and new objectives to re-boost growth**

TURNAROUND HEAVIER THAN EXPECTED

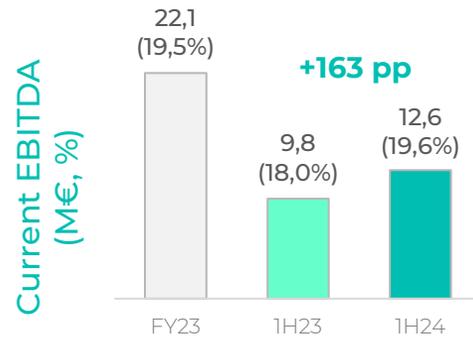
GOAL : BACK TO NORMATIVE EBITDA TARGET IN 2026

ENVIRONNEMENT ACTIVITY

CONTINUOUS EXCELLENT MOMENTUM BOTH IN SALES AND PROFITABILITY



Street Lighting segment is now integrated within ENVIRONMENT activity, restated accordingly for H1 2023 and 2024.



- Strong growth (+17,9% in H1) of Environment activity, now integrating Street Lighting segment
- A momentum driven by structural trends across all segments (Water, Energy, Smart Grids and Smart Lighting)
- Profitability up from a high base, with recurring EBITDA margin reaching 19.6%

SIMPLIFIED INCOME STATEMENT

In M€	H1 2024	H1 2023	Variation
Revenue	350,3	376,6	-7,0%
Recurring EBITDA In % Revenue	18,3 5,2%	23,6 6,3%	-22,4% -104 pb
Current operating income In % Revenue	8,2 2,3%	12,2 3,2%	-33,4% -92 pb
Operating income	4,5	11,5	-61,4%
Financial income	(5,5)	(3,6)	
Income tax expenses	(1,8)	0,2	
Net income – continued activities	(2,9)	8,1	
Net income – discontinued activities	(14,0)	(3,6)	
Net income consolidated	(16,9)	4,6	
Net income Group share	(13,3)	5,6	

- **Operating income of 4,5 M€** impacted by significant non-recurring expenses:
 - Capital loss on final disposal of the Signa BU (€3.0m)
 - Organizational adjustments
- **Higher cost of debt** linked to interest rates
- Change in tax expense mainly due to the capitalization of deferred taxes in 2023
- Net income from the Mobility business is treated as income from discontinued operations. It includes an **impairment charge of €10.0m on the City - Mobility segment** (provisions for risks and impairment of non-current assets).

SIMPLIFIED INCOME STATEMENT – proforma excluding nonrecurring costs

In M€	H1 2024 Non GAAP	H1 2023 Non GAAP	H1 2024	H1 2023
Revenue	350,3	376,6	350,3	376,6
Recurring EBITDA In % Revenue	19,3 5,5%	25,8 6,8%	18,3 5,2%	23,6 6,3%
Current operating income In % Revenue	9,1 2,6%	14,4 3,8%	8,2 2,3%	12,2 3,2%
Operating income	8,4	13,7	4,5	11,5
Financial income	(5,5)	(3,6)	(5,5)	(3,6)
Income tax expenses	(2,2)	(0,3)	(1,8)	0,2
Net income – continued activities	0,7	9,8	(2,9)	8,1
Net income – discontinued activities			(14,0)	(3,6)
Net income consolidated	0,7	9,8	(16,9)	4,6
Net income Group share	4,3	10,6	(13,3)	5,6

Restated elements for a more normative reading of performance

COI : Restatement of share-based payments and amortization of intangible assets

OI : Restatement of the impact of the sale of the Signa BU

Taxes: restatement of the impact of the above restatements

Neutralization of income from discontinued operations

Consolidated net income down over the period but at breakeven
A positive Net Income - Group share

SIMPLIFIED BALANCE SHEET

In €M	June 30 2024	December 31 2023
Non-current assets	231,1	232,3
Current assets (excluding cash)	290,7	303,2
Cash and cash equivalents	29,9	42,5
Assets held for sale	24,4	29,2
TOTAL ASSETS	576,1	607,1
Shareholders' equity	171,0	190,1
Non-current Borrowings	85,2	95,6
Other non-current liabilities	41,9	44,9
Other current liabilities	258,1	250,3
Liabilities of discontinued operations	19,9	26,3
TOTAL LIABILITIES	576,1	607,1

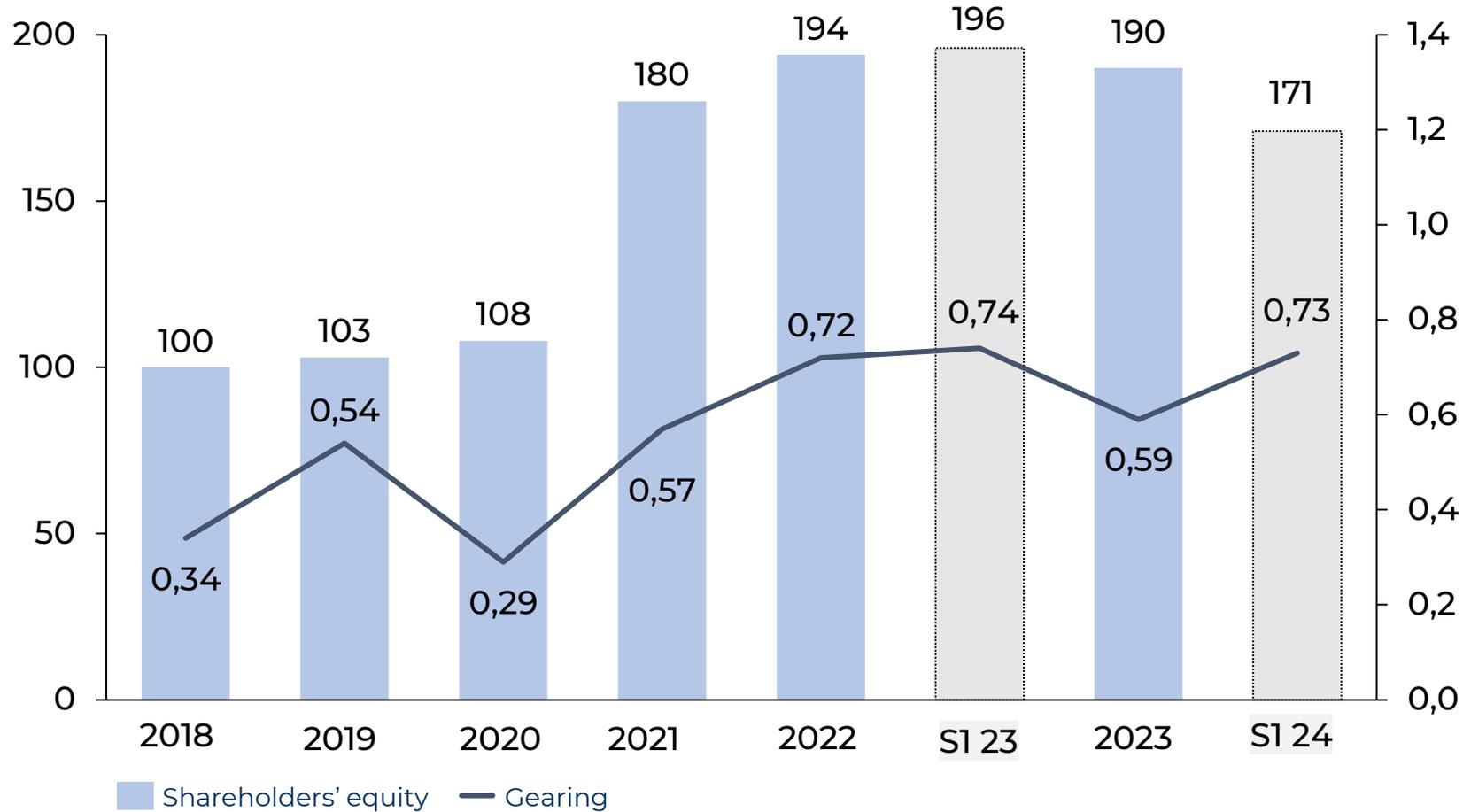
- Decrease in current assets related to the treatment of City-Mobility
- Treatment of City-Mobility as assets and liabilities held for sale (N.B.: in 2023 assets and liabilities held for sale relate to the Signaling BU)
- **Positive cash flow of €29.9 million**
- **Decline in shareholders' equity** linked to net income, impacted by non-recurring items

In M€	H1 2024	H1 2023
Consolidated net income	(16,9)	4,6
Cash flows from operations	10,3	16,1
Changes in working capital relating to operations	(1,7)	(6,2)
Net cash flow from discontinued operations	(2,1)	(2,3)
Net cash flow from operating activities	6,5	7,6
Net cash flow from investment activities	(5,6)	(7,4)
FREE CASH FLOW	+0,9	+0,2
Net cash flow from financing activities	(14,1)	(2,1)
Net increase (decrease) in cash and cash equivalents and bank over drafts	(13,9)	(1,5)
Closing cash flow	(6,4)	(27,2)

- Cash flow from operations of €10.3 million
- Net cash flow from operating activities of 6,5 M€ (incl. -2,1 M€ from discontinued operations)
- Limited growth in WC despite seasonality
- **A controlled level of investment**, at €5.6 million in H1 2024, benefiting from the impact of the disposal of the Signa BU
- **Free cash flow remains positive** at +0.9 M€

Shareholders' equity, €M

Gearing ratio



- Shareholder's equity impacted by net income and dividend payout
- Contained increase in net debt, from €112.9 million to €124.8 million
- **A gearing ratio of 73%, down from 74% on June 30, 2023**



PERSPECTIVES

**STRATEGIC DIRECTION MAINTAINED
DESPITE MIXED OUTLOOK**



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A graphic overlay on the cityscape showing a glowing orange and red vertical path through the city, with dotted lines and arrows indicating connectivity and data flow between buildings.

WE KEEP PROGRESSING ON OUR 5 STRATEGIC PILLARS

Technological leadership

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

Deployment of our technological platform within ENVIRONMENT

--
Launch (via ELEC) of our custom IoT offers based on our platforms

--
Development of a technological partner network

Strategic geographical positions

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

ELECTRONICS
Transatlantic positioning balancing our exposure and beneficial for our international customers
--
~20% CAGR 21-24 of international sales for **ENVIRONMENT**

M&A

Strengthen the international presence of existing activities

Strategic acquisition in the US
--
Carve-out of SIGNA finalized
--
Carve-out City Mobility in progress
--
Next M&A ENVI delayed

Industry 4.0

Improve digitalization, industrial efficiency & customer experience

Rationalization and acceleration of our industrial deployment at our various sites
--
Launch of 2nd site in Juarez to structure and secure turnaround

Transition vers des solutions end-to-end

Start a transition to higher value-added products and solutions

Gradual structuring of IoT software application sales
--
Launch of new offers
--
Software service revenues x3 since 2021

GROWTH WITH IMPACT:

ECODESIGN :

SUSTAINABLE OPERATIONS:

GREAT PLACE TO WORK :

73% of ELEC new businesses won in 2024 are products with positive impact or useful, 100% for ENVI

Complete deployment across our Business Units + internal training

Carbon trajectory and sustainable procurement policy deployed by end of 2024, as planned

Already 5 sites labeled over 12

MIXED OUTLOOK FOR H2

For the second half of the current financial year, LACROIX anticipates the **continuation of contrasted trends**

- ✓ **ENVIRONMENT** : continued positive momentum driven by water and smart grids - slight slowdown expected after excellent 1st half performance
- ✓ **ELECTRONICS** : more favorable base effect in the second half - visibility still limited for Automotive and HBAS in EMEA, restructuring underway in NA (positive effects will impact P&L only in 2025)



UPDATED ANNUAL TARGETS (NEW PERIMETER)

Revenue

640M€

EBITDA
Margin

4.0-4.5%

Excl. City-Mobility
&
Incl. only 4 months of
SIGNA segment





NEXT MEETINGS

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November 7, 2024 : Revenue Q3 2024

February 10, 2025 : Revenue Q4 2024

March 31, 2025 :
FY2024 Results
New trajectory 2025-2027



Q&A

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