

Business over pre-crisis levels, driven by all Group activities

Profitability growth in line with expectations

Business portfolio on track, but an end of year impacted by supply tensions

As a reminder, the 2019-2020 financial year had an exceptional duration of 15 months, i.e. from 1st October 2019 to 31 December 2020. Hence, the audited figures for the 1st half-year of 2019-2020 relate to the period from 1st October 2019 to 31 March 2020, and the half-year data presented here are therefore not directly comparable.

<i>in millions of euros</i>	2021 6 months	2019/2020 6 months
	Jan 1, 21 - Jun 30, 21	Oct 1, 19 - Mar 31, 20
Revenue	254.8	238.7
Current EBITDA	14.9	12.3
as a % of revenue	5.8%	5.2%
Current operating profit	8.6	6.3
as a % of revenue	3.4%	2.6%
Operating profit	8.2	6.2
Financial income	(0.1)	(0.5)
Income taxes	(1.9)	(2.4)
Consolidated net income	6.2	3.2
Net income - Group share	5.8	2.9

Business in the first half above pre-crisis levels

In the 1st half of 2021, LACROIX's revenue amounted to €254.8 million, compared with €193.5 million recorded over the comparable period from 1st January to 30 June 2020, i.e. an increase of 31.7%. For information purposes, revenue for the 1st half of 2019-2020 (October 2019 to March 2020), impacted at the end of the period by the first effects of the health crisis, was €238.7 million. In addition to a highly favourable base effect linked to a relative normalisation of the health situation, LACROIX's recorded business in the first 6 months of the year marked by a rise to pre-crisis progression levels, with growth of 2.8% compared to the period from 1st January to 30 June 2019, a performance driven by sustained strong growth across all 3 LACROIX activities.

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Half-year results driven by all 3 Activites of the Group

Over the period, Group current EBITDA amounted to €14.9 million, i.e. a current EBITDA margin of 5.8%, a better performance compared to the first 6 months of the previous year (€12.3 million), i.e. a margin of 5.2% at the end of March 2020, bearing in mind that this reference period is not directly comparable. In line with expectations, the level of profitability recorded in the first half of 2021 can be explained, in particular, by the continued recovery of the City Activity and the improvement in the Electronics Activity, combined with strong profitability being maintained in the Environment Activity despite the ongoing significant supply tensions for electronic components and other raw materials.

Electronics activity

By far the activity most affected by the health crisis in 2020, the Electronics activity benefitted more broadly from a favourable base effect with growth of 38.6% compared to the previous period, at €167.8 million. Despite a half-year marked by component shortages and persistent weakness in the aeronautics sector, Electronics recorded business 0.8% higher than the comparable pre-crisis period (period from the beginning of January to the end of June 2019), a clear sign of renewed and consolidated momentum over the months.

With price increases linked to the supply shortages, essentially passed on to the customer, this dynamic growth is reflected in the profitability of Electronics, which posted a 4.1% current EBITDA margin (€6.9 million), compared with 3.3% for the first 6 months of the 2019-2020 financial year (€5.1 million).

City activity

The City activity had a good performance over the half-year with revenue of €52.6 million, up significantly by 24.6% compared with the comparable period in 2020, but also by 4.4% compared with the period from January to June 2020, thereby eliminating the impact of the health crisis, thanks to double-digit growth in street lighting and V2X and the return of signalling and traffic to their pre-crisis levels.

City's operational performance continued to improve over the period. With positive current EBITDA of €0.6 million for the 1st half-year, the current EBITDA margin is 1.1% of revenue, a strong increase compared to the -1.6% recorded for the period from October 2019 to March 2020.

Environment activity

Lastly, with turnover of €34.4 million for the half-year, up 13.8% compared with the first 6 months of 2020 and 11.2% compared with 2019, the Environment activity fully confirms its role as a growth accelerator for the Group, driven by the Water and Smart Grids segments.

In the 1st half of 2021, with current EBITDA of €8.0 million, Environment's profitability was down compared with the 1st period from 1st October 2019 to 31 March 2020 (27.4%, as a reminder not directly comparable), but remains very high at 23.3% of revenue. This change is mainly due to the impact of the 2020 recruitment drive to accelerate business development.

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A solid financial situation

As of 30 June 2021, equity stood at €112.8 million compared with €108.0 million as of 31 December.

Net debt increased to €51.6 million compared with €31.2 million, with gearing at 46% compared with 29%. This change can be explained by unfavourable mid-year seasonality, the components crisis beginning to have an impact on stocks, and by the continuation of significant investments (€16.0 million in the first half of the year) relating to construction of the Symbiose plant, which is still scheduled for delivery at the end of the year.

With a solid financial situation, LACROIX proceeded to pay off at the beginning of July the guaranteed government loans contracted during the crisis (post-closure event).

Successful capital increase to finance the roll-out of Leadership 2025

Lastly, as announced on 26 July 2021 and therefore post-closing, LACROIX completed a capital increase with preferential subscription rights for a total gross amount of €44.3 million, to which the historical family shareholders contributed €15.0 million. In addition to a significant expansion of the free float of nearly 27% (compared with 16% before the offer), the success of this transaction with both existing and new shareholders confirms the relevance of the Group's new strategic priorities, first and foremost with the strengthening of LACROIX's firepower in terms of acquisitions.

At the end of this operation, LACROIX has the means to deploy an acquisition budget of around €100 million.

Business portfolio on track but 2021 target slightly impacted by supply tensions

In an already tense market when it comes to electronic components, LACROIX noted increased volatility in supply conditions at the end of the current year, reflected in particular by last-minute postponements of component deliveries impacting the proper organisation of its production and its ability to deliver. In this context of uncertainty, the LACROIX teams remain mobilised to serve customers to the best of their ability. The situation nevertheless impacts the conditions for recording revenue and the margin objective initially announced may not be achieved. LACROIX nevertheless remains confident in its ability to achieve profitability close to its pre-crisis levels, i.e. a current EBITDA margin of between 5.8% and 6.1%.

In addition to the continued strong momentum fuelled by a growing business and project portfolio since the beginning of the year, LACROIX will also benefit from the price increases passed on to customers, leading it to confirm its sales target of €500 million for the 2021 financial year.

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Upcoming dates

Turnover for the 3rd quarter of 2021: 8 August 2021 after the market close

View our financial data on our Investors' Zone

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

About LACROIX

Convinced that technology should contribute 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 €441 million in 2020, 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 its customers' electronic equipment, in particular in the automotive, home automation, aeronautical, industrial and health sectors. LACROIX 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, the Group 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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