

## **Consolidated revenue down 4.4% on a like-for-like basis to €169.2 million in Q2 2024**

### **Strong momentum in Environment activity, contrasting results for Electronics activity, against a backdrop of unfavorable base effect**

#### **Refocusing the scope of consolidation on the Electronics and Environment activities**

The second quarter of 2024 was marked by several changes in the scope of consolidation and accounting sectorization, following two events that took place during the period: the final sale of the Road signs segment to AIAC (press release of May 2, 2024) and the reorganization of the City activity (press release of May 22, 2024). This new organization includes the affiliation of the Street Lighting segment to the Environment activity and the project of divesting the Mobility segment (Traffic and V2X).

As a reminder, LACROIX's revenue was previously segmented as follows:

- Electronics activity
- City activity, comprising 3 segments :
  - Road Signs
  - Mobility (Traffic and V2X)
  - Street Lighting
- Environment activity

Recent developments have had several accounting impacts in the first half of 2024:

- Removal of the Road Signs segment from the scope of consolidation on April 30, 2024
- Integration into the Environment activity of the Street Lighting segment, which was previously part of the City activity (retroactive to January 1, 2024);
- Treatment of the Mobility segment as a discontinued operation, in accordance with IFRS 5<sup>1</sup>.

As such, LACROIX intends to simplify and refocus its scope on two activities, each directly addressing the ambition of the Leadership 2025 plan:

- **Electronics activity**, dedicated to the design and manufacturing of electronic equipment for the automotive, industrial, home automation, aerospace/defense and medical sectors;

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<sup>1</sup> Standard relating to non-current assets held for sale and discontinued operations. This treatment in the income statement will also be applied to the cash flow statement and balance sheet, where the assets and liabilities concerned will be reclassified under specific headings.

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- **Environment activity**, specialized in industrial IoT solutions for critical infrastructure management in the water and energy sectors.

A restatement of the 2023 financial year has been made for comparability purposes. After taking all these factors into account, the breakdown and evolution of revenue for the first half of 2024 are as follows:

<i>Revenue in million €</i>	<b>Q2 2024</b>	Q2 2023	<b>Variation</b>	<b>Q1 2024</b>	Q1 2023	<b>Variation</b>
<b>Electronics activity</b>	<b>129.5</b>	142.4	-9.1%	<b>138.4</b>	152.5	-9.2%
<b>Environment activity</b> <i>(inc. Street Lighting)</i>	<b>34.0</b>	28.6	+18.9%	<b>30.3</b>	26.0	+16.9%
<b>Road Signs segment</b> <i>(sold on April 30, 2024)</i>	<b>5.8*</b>	15.1	NS*	<b>12.1</b>	12.0	+0.5%
<b>LACROIX Group Consolidated revenue</b>	<b>169.2</b>	186.1	<b>-9.1%**</b>	<b>180.9</b>	190.5	<b>-5.1%</b>
<b>Mobility Segment</b> <i>(Discontinued operations)</i>	6.8	6.9	+1.7%	5.4	4.2	+27.4%
<b>TOTAL</b>	<b>176.0</b>	193.0	-7.6%	<b>186.3</b>	194.8	-4.4%

\*In Q2 2024, the Road Signs segment is consolidated over one single month (April).

\*\*On a like-for-like basis (excluding Road Signs), growth was -4.4%.

<i>Revenue in million €</i>	<b>H1 2024</b>	H1 2023	<b>Variation</b>
<b>Electronics activity</b>	<b>268.1</b>	294.9	-9.1%
<b>Environment activity</b> <i>(inc. Street Lighting)</i>	<b>64.4</b>	54.6	+17.9%
<b>Road Signs segment</b> <i>(sold on April 30, 2024)</i>	<b>17.9*</b>	27.1	NS*
<b>LACROIX Group Consolidated revenue</b>	<b>350.3</b>	376.6	<b>-7.0%**</b>
<b>Mobility Segment</b> <i>(Discontinued operations)</i>	12.1	11.1	9.4%
<b>TOTAL</b>	<b>362.5</b>	387.8	-6.5%

\*In H1 2024, the Road Signs segment is consolidated over four months (January-April).

\*\*On a like-for-like basis (excluding Road Signs), growth was -4.9%.

## Excellent momentum on Environment, persistent base effect on Electronics

In the first half of 2024, LACROIX posted a consolidated revenue of 350.3 million euros (M€), down 7.0%. On a like-for-like basis (excluding the Road Signs segment), the downturn was reduced to 4.9% compared with the same period last year, which saw a sharp rise in revenue (+14.6%). In the second quarter alone,

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Group sales came to €169.2 million, down 9.1% on a consolidated basis and 4.4% on a like-for-like basis. This evolution is in line with the trends communicated by LACROIX at the time of the publication of its 1st quarter revenue.

## Electronics activity

The Electronics activity posted a revenue of €129.5 million in Q2 2024, down 9.1% year-on-year. As in Q1 2024, it suffered from a high basis of comparison: its growth reached 13.0% in the second quarter of 2023, driven by a strong recovery in sales after several quarters of disruption due to shortages of electronic components.

In EMEA, the Industry and Avionics sectors continued to grow, thanks to the ramp-up of several major programs. By contrast, momentum remained weak in the Automotive and HBAS (Home & Building Automation Systems) segments. Q2 saw a decline of -5.8% vs. -11.6% in Q1, confirming the anticipated trajectory for the year.

Across the Atlantic, the deployment of operational recovery measures continues, in a context of declining business levels. The first effects of business restructuring will be visible in the second half of 2024, before accelerating from early 2025.

Cumulative Electronics revenue for the first six months of the year came to €268.1 million, down 9.1% on 2023. Compared with the first half of 2022, sales are up 8.2%. For the record, the unfavorable base effect on Electronics sales will not last beyond the first half of 2024.

## Environment activity

This activity, which now includes the Street Lighting segment - previously part of City - offers a high degree of commercial and operational coherence, with the greatest R&D synergies between platform programs and LACROIX products and solutions.

It continues to enjoy a remarkably solid momentum, with revenue totaling €34.0 m in the second quarter of 2024. Growth over this period came to 18.9%, driven by the sustained performance (>20%) of the Water business in France and abroad, as well as the Energy/HVAC segment.

For the 1st half of 2024 as a whole, Environment sales reached €63.7 million, up 17.9%, thanks to a very positive momentum across all four segments - Water, HVAC, Smart Grids and Street Lighting - driven both by a sustained international sales policy and by structurally favorable trends: the equipment and services of the Environment activity are those generating the most positive impact, with environmental benefits that can be both quantified and monetized for LACROIX customers.

## Outlook: more favorable but still contrasted second-half trends

LACROIX confirms that it expects a more favorable business trend (on a like-for-like basis) in the second half of 2024.

On the one hand, the Environment activity continues to enjoy positive momentum and visibility, with the Street Lighting segment fitting in perfectly. On the other, Electronics will benefit from a more favorable base effect in the second half of the year. However, visibility in the automotive and HBAS sectors remains low. Furthermore, LACROIX Electronics North America's difficulties will continue to weigh on the Group's performance in 2024, with the operational turnaround underway expected to produce significant effects from early 2025.

In terms of quantified forecasts, LACROIX plans to communicate new objectives for the current financial year as a whole at the time of its half-year results. As a reminder, the previous guidance included the City-Mobility segment, which is currently the subject of a divestment project.

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Beyond this, the changes in scope currently underway will strengthen LACROIX's focus on markets with high potential for growth, synergies, and the development of activities with a positive environmental impact. The Group remains fundamentally confident in its ability to continue deploying the strategic pillars of its Leadership2025 plan, which should enable it to establish itself as a global leader in industrial IoT solutions and electronic equipment for mission-critical applications.

## Upcoming reports

Results for the first half of 2024: 30 September 2024 after market closes

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## About LACROIX

Convinced that technology must contribute to simple, sustainable, and safer environments, LACROIX supports its customers in developing more sustainable living ecosystems, thanks to useful, robust, and secure electronic equipment and connected technologies.

As a listed, family-owned midcap with a €761 million euros revenue in 2023, LACROIX combines agile innovation, industrialization capacity, cutting-edge technological know-how and a long-term vision to meet environmental and societal challenges through its activities: Electronics and Environment.

Through its Electronics business, LACROIX designs and manufactures industrial IoT solutions (hardware, software, and cloud) and electronic equipment for the automotive, industrial, connected homes and buildings (HBAS), avionics and defense, and healthcare sectors. As the Group's industrial backbone, the Electronics activity of LACROIX, is ranked among the TOP 50 worldwide and TOP 10 European EMS,

Through its Environment activity, LACROIX also supplies secure and connected electronic equipment and IoT solutions to optimize the management of water networks, heating, ventilation, and air conditioning installations, as well as smart grids and street lighting networks.

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