LACROIX

PRESS RELEASE

30/09/2025

First half of 2025:
On continued operations (excluding Electronics North America), revenue reached €227.9 million with a current EBITDA margin of 7.5%

New 2027 Roadmap:
Strategic repositioning of Electronics and driving growth for Environment
Revenue target between €475 million and €500 million
EBITDA margin above 8%

Refocusing consolidated scope on continued operations (excluding Electronics NA)

On May 15, LACROIX announced its plan to permanently exit Electronics North America. This decision followed further contract losses and a context in North America characterized by high economic (tariffs) and sectoral (automotive market) uncertainties, which undermined the operational recovery trajectory. The execution of this plan is now well on track: the sale of the Grand Rapids operations was signed early September, and discussions with key customers and suppliers of Juarez have reached a favorable outcome. LACROIX is confident that operations can be terminated by the end of 2025, as initially announced.

For accounting purposes, Electronics North America has been classified as “Discontinued Operation” in the first half of the current fiscal year. For comparability purposes, the first-half 2024 results presented below have been restated accordingly.

In € millions	**H1 2025**	**H1 2024 restated (ex NA)**	H1 2024 reported
Revenue	**227.9**	**276.6**	350.3
Current EBITDA	**17.0**	**22.0**	18.3
% of revenue	**7.5%**	**8.0%**	5.2%
Operating profit (current)	**10.7**	**15.9**	8.2
% of revenue	**4.7%**	**5.7%**	2.3%
Operating profit	**9.4**	**12.7**	4.5
Net financial result	**0.15**	**(2.9)**	(5.5)
Income tax	**(1.2)**	**(2.0)**	(1.8)
Net income – continuing operations	**8.4**	**7.8**	(2.9)
Net income – discontinued operations	**(31.6)**	**(24.7)**	(14.0)*
Consolidated net income	**(23.2)**	**(16.9)**	(16.9)
Net incoe, Group share	**(19.6)**	**(13.3)**	(13.3)

* In H1 2024, the City-Mobility segment (divested in February 2025) was classified as “Discontinued Operation”, but still included four months from the Road signs segment, which was divested in April 2024.

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On this restated basis, LACROIX recorded revenue of €227.9 million in the first half of 2025, compared with €276.6 million a year earlier. On a like-for-like basis, i.e. excluding the Road Signs segment sold on April 30, 2024, Group revenue declined by 11.9% over the period. The decrease was attributable to the Electronics activity, affected by a challenging sector environment, while the Environment activity continued to grow strongly in the first half (+9.0%).

At mid-year, Group current EBITDA stood at €17.0 million, representing a margin of 7.5% compared to 8% in H1 2024. This reflects both the resilience of Electronics' profitability despite declining sales, and new increase in the profitability of Environment.

Electronics activity: profitability impacted by lower activity

Electronics' revenue totaled €157.9 million, down 18.7% year-on-year, but essentially stable compared to H2 2024 (-0.5%).

The year-on-year decline reflects both the voluntary discontinuation of low-margin contracts and a persistently difficult market environment. With the exception of HBAS (Home & Building Automation Systems), which was stable, all major segments declined: Industry, affected by the postponement of several projects, Automotive, impacted by the phase-out of certain programs, and Aerospace & Defense. The decline in that segment is mainly due to temporary factors (program slowdowns linked to U.S. tariffs, delivery delays caused by component shortages), without calling into question the very positive momentum observed in recent years.

Despite the steep drop in volumes, the Group maintained positive profitability thanks to strict cost control. Electronics' current EBITDA amounted to €1.4 million, representing a margin of 0.9% versus 4.9% a year earlier.

Environment activity: dynamic growth and high profitability maintained

The Environment activity continued its strong growth trajectory in H1 2025, posting revenue of €70.1 million, up 9.0%. With the exception of Smart Lighting, impacted by the end of the Flemish road modernization contract, all other activities contributed to this performance. Double-digit growth was achieved in Water (France and international), HVAC (Heating, Ventilation, Air Conditioning) and Smart Grids.

Half-year profitability also improved further: current EBITDA rose 30% to €16.4 million, representing a margin of 23.4% compared to 19.6% in H1 2024.

Net income from continued operations up to €8.4 million

After depreciation and IFRS 2 expenses of €6.4 million, current operating income stood at €10.7 million (margin: 4.7%). Operating income was €9.4 million (-26%), reflecting lower non-recurring charges related to organizational adjustments, against a favorable comparison base (a €3.0 million loss had been booked a year earlier from the sale of the Road Signs BU).

Supported by €3.0 million in foreign exchange gains, the financial result was positive at +€0.15 million. After income tax (€1.2 million), net income from continued operations came to €8.4 million as of June 30, 2025, up 8.3% year-on-year.

Net income from discontinued operations, i.e. City-Mobility (in January-February 2025) and Electronics North America, stood at -€31.6 million, including €8.7 million in operating losses and €18.3 million in non-recurring charges (mainly non-cash impairments).

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As a result, Group net income was -€19.6 million, compared with -€13.3 million in H1 2024, which had included a €10.0 million impairment charge on City-Mobility.

Net debt reduced, strong free cash flow

Shareholders' equity stood at €114.2 million as of June 30, 2025 (vs. €140.4 million at end 2024). Net debt decreased to €100.8 million, from €113.3 million six months earlier, with gearing contained at 88% vs. 81% at end-2024.
The Group posted strong free cash flow of +€12.0 million, compared with +€0.9 million a year earlier. This improvement reflects effective working capital management despite the usual seasonal effect in H1, combined with controlled investment levels (€4.5 million in H1 2025).

Outlook for H2 2025: expected improvement

As indicated at the half-year revenue release, LACROIX has adjusted its 2025 financial targets to reflect only continued operations. Based on the new scope excluding Electronics North America, the Group expects full-year revenue of around €455 million (-4% on a comparable scope excluding Road Signs segment).

This outlooks assumes:
1. Continued strong growth in Environment,
2. Stabilization of Electronics, supported by a more favorable comparison base.

EBITDA margin is expected at around 7.5% in 2025. Net debt-to-EBITDA ratio is expected below 3x. The exit from Electronics North America is expected to have only a limited impact on net debt, as restructuring and closure costs are largely financed by asset disposals.

New 2027 Roadmap

Following the divestiture of the Road Signs (April 2024) and City-Mobility (February 2025) segments, the upcoming exit from Electronics North America will be a major step for LACROIX in completing the profound restructuring of its portfolio. With a stabilized perimeter focused on Electronics and Environment, the Group is entering a new phase of sustainable, resilient growth supported by solid cash generation.

This new phase is unfolding in an environment that has evolved significantly in recent years, characterized by reduced visibility among certain clients – particularly in the automotive sector – and by a new technological equation (AI).

In this context, LACROIX intends to achieve by 2027:

- **A value-driven strategic repositioning of the Electronics activity**. The rebalancing already underway towards the strategic Aerospace & Defense, HBAS, and Industry markets will continue through 2027. This will result in reduced exposure to Automotive, particularly to large programs and clients, with a stronger focus on small and medium series as well as projects where design is a true differentiating factor. Less capital-intensive, this repositioning will require only moderate investments (<2% of revenue). Thanks to the significant investments made since 2021 (Symbiose, automation, etc.), LACROIX's industrial footprint and production capacity are now perfectly calibrated, across its sites in Beaupréau (France), Willich (Germany), Kwidzyn (Poland), and Zriba (Tunisia).

- **A driving growth for the Environment activity**. Building on the remarkable trajectory of recent years, this activity will continue through 2027 to benefit from favorable trends, in a context of aging infrastructure, increasing regulatory and environmental requirements, and growing challenges around cyber-resilience. Perfectly aligned with current market needs, the positioning of the Environment

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activity will be further strengthened around two main pillars: (1) accelerated international expansion supported by a new dedicated matrix organization, aiming for an increase of more than 30% in Environment sales outside France, and (2) the digitalization of the offering and the deployment of associated recurring services, leveraging the installed customer base of equipment, LACROIX's proprietary software, and partnerships in artificial intelligence.

The execution of this roadmap will enable LACROIX to build solid foundations by strengthening its positioning as a trusted partner for critical applications, through reliable solutions and a dependable supply chain. At the same time, the Group is targeting a more balanced sector mix, with exposure to the automotive industry expected to represent between 25% and 30% of total revenue in 2027, compared with nearly 45% in 2024.

From a financial perspective, LACROIX anticipates revenue in the range of €475 million to €500 million by 2027, with an EBITDA margin above 8%.

Cash generation will also remain a key priority over the period, supported by a focus on higher-margin segments and by working capital optimization – particularly in terms of inventory. LACROIX expects its net debt-to-EBITDA ratio to fall below 2.5x in 2026, and to 2.0x in 2027 (vs. 3.0x in 2025).

In this way, the Group aims to restore shareholder confidence, notably through the resumption of a dividend distribution policy.

Next publication

Q3 2025 revenue: November 5, 2025, after market close

More financial information available at :

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

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 € 636 million revenue in 2024, 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 activity, 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 smart lighting networks.

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