

## The LISI Group hits its financial targets in 2021

- Sales reached €1,163.9 M, down -5.4% from 2020. This reflects in particular the negative effects of the reduction in inventories in the aeronautics sector;
- Key financial indicators are in line with set targets:
  - at €45.5 M, the comparable<sup>1</sup> EBIT, before the extension of depreciation periods as of January 1, 2021 stands €4.0 M higher than in 2020;
  - the comparable current operating margin increased by 0.5 points to 3.9% of sales (3.4% in 2020);  
These improvements reflect in particular the lowering of the breakeven point for the second consecutive year thanks to the cost slashing actions undertaken since the start of the pandemic;
  - the comparable net income is up very sharply to €28.4 M (2020: - €37.3 M);
  - Free Cash-Flow is largely positive at €49.5 M;
- The strategy of refocusing on high value-added activities continued with the disposals of Jeropa (LISI MEDICAL, United States) on January 11, 2021 and LACE (LISI AEROSPACE, France) on March 4, 2021, and the acquisition B&E Manufacturing (LISI AEROSPACE, United States) consolidated since August 1, 2021;
- Future outlook:
  - return to organic sales growth in 2022;
  - improvement of financial indicators in an inflationary context.

The LISI Board of Directors met under the chairmanship of Mr. Gilles Kohler and reviewed the final audited financial statements for the period ended December 31, 2021. They will be submitted for approval to the Ordinary General Meeting on April 28, 2022.

### Key figures as of December 31

<i>12 months ending December 31,</i>		<i>2021</i>	<i>2020</i>	<i>Changes</i>
<b>Key components of the income statement</b>				
Sales	€M	1,163.9	1,230.0	- 5.4 %
EBITDA	€M	153.5	166.7	- 7.9 %
EBITDA margin	%	13.2	13.6	- 0.4 pt
Reported EBIT	€M	66.6	41.5	+ 60.5 %
Reported current operating margin	%	5.7	3.4	+ 2.3 pts
Reported net earnings	€M	44.0	- 37.3	N/A
Net earnings per share	€	0.83	- 0.71	N/A
<b>Operating cash flow</b>				
Operating cash flow	€M	129.0	111.8	+ €17.2 M
Net industrial CAPEX	€M	- 65.9	- 72.6	- 9.2 %
Operating free cash flow*	€M	49.5	109.4	- €59.9 M
<b>Net debt</b>				
Net debt	€M	272.3	220.8	+ €51.5 M
Ratio of net debt to equity	%	25.8	22.3	+ 3.5 pts

<sup>1</sup> « Comparable » refers throughout this press release to data before the extension of depreciation periods.  
"Published" refers throughout this press release to data after the extension of depreciation periods.  
See press release of July 22, 2021

		2021	2020	Change
<b>Comparable data</b>				
Comparable EBIT	€M	45.5	41.5	+ 9.6 %
Comparable current operating margin	%	3.9 %	3.4 %	+ 0.5 pt
Comparable income for the period attributable to equity holders of the company	€M	28.4	- 37.3	N/A

## **Change in estimate of depreciation periods (IAS 8 standard) as announced on July 22, 2021**

An analysis of recent experience and the technological evolution of production processes have highlighted the need for the LISI Group to extend the depreciation periods for certain equipment, in particular heavy equipment acquired in recent years, in order to align them with their actual lifespan.

The implementation of more ambitious maintenance plans also allows the equipment to be used for longer. Such changes were also made necessary by the comparison with certain competitors of LISI.

This analysis made it possible to obtain reliable information meeting the criteria of IAS 8 on changes in accounting estimates. These were accounted for prospectively as of January 1, 2021. The changes made to the depreciation periods mainly relate to the "Equipment and Tools" categories which are now depreciated over 15 to 20 years (compared to 10 years previously) and to a lesser extent to "IT equipment" which is depreciated over 5 years (and no longer over 3 years).

### **IMPACT FOLLOWING EXTENSION OF DEPRECIATION PERIODS**

	Difference in depreciation at 12/31/2021 compared to previous estimates			
	LISI AEROSPACE	LISI AUTOMOTIVE	LISI-MEDICAL	TOTAL
<i>in € M</i>				
Technical facilities		0,5		<b>0,5</b>
Industrial equipment	11,4	7,7	0,3	<b>19,5</b>
Industrial tools	0,1	0,1		<b>0,2</b>
IT hardware		0,5		<b>0,5</b>
Others	0,1		0,3	<b>0,4</b>
<b>TOTAL</b>	<b>11,6</b>	<b>8,8</b>	<b>0,7</b>	<b>21,1</b>
<b>Breakdown of impacts</b>	<b>55%</b>	<b>42%</b>	<b>3%</b>	<b>100%</b>
Gross value of the fixed assets concerned	210,3	174,3	28,5	<b>413,1</b>
<i>% difference in depreciation compared to gross value</i>	<i>5,5%</i>	<i>5,1%</i>	<i>2,3%</i>	<i>5,1%</i>

## **Summary of impacts on the Group's key financial aggregates as at December 31, 2021:**

<i>in € M</i>	<b>12/31/2021 comparable</b>	<b>Impact of change of estimate</b>	<b>12/31/2021 reported</b>
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### **Impact on earnings**

Depreciation	-115,7	21,1	-94,6
EBIT	45,5	21,1	66,6
Current operating margin	3,9%	1.8 point	5,7%
Profit (loss) for the period	28,7	15,6	44,4
Attributable to equity holders	28,4	15,6	44,0

### **Impact on balance sheet**

Net tangible assets	677,2	21,1	698,2
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### **Ratios**

ROCE	3,5%	1.5 point	5,0%
ROE	2,8%	1.4 point	4,2%

## **Continued deployment of the New Deal plan in markets still disrupted by the global health crisis**

The LISI Group operated in 2021 in an environment that was still disrupted by the COVID-19 pandemic and characterized by:

- sharp increases in the cost of raw materials (steel and plastics) mainly in the LISI AUTOMOTIVE division,
- an overall increase in production consumables and freight costs,
- local tensions in the labor markets in a context of gradual recovery in global economic activity.

Against that specific backdrop, the LISI Group continued to deploy the New Deal plan implemented from the first months of the crisis.

The main cost adjustment measures that make up the "adaptation" pillar of the New Deal plan were initiated for the most part in 2020 and continued in 2021. Among the most significant actions, note the adjustment of the workforce (- 196 registered in 2021; - 1,495 in 2020), lower fixed costs (- €19.1 M in 2021; - €112.8 M in 2020) and negotiations with all customers of the LISI AUTOMOTIVE division to pass on the increase in the cost of raw materials to the selling prices. Actions aimed at preserving and anticipating short- and medium-term cash requirements have been maintained while maintaining expenditure related to innovation, the robotization of production tools and the ramp-up of new products.

The second pillar of the New Deal plan devoted to "repositioning" materialized through strategic moves aimed at continuing to refocus the Group on high value-added activities (see above), through market share gains and new product launches.

## **Thanks to the recovery in business in Q4, the decline in consolidated sales for the 2021 financial year was limited to - 5.4 % compared to 2020**

The change in sales, which reached €1,163.9 M, takes the following elements into account:

- A scope effect of - €10.1 M resulting from the following transactions:
  - deconsolidation of LISI AUTOMOTIVE Mohr + Friedrich GmbH on June 26, 2020, LISI MEDICAL Jeropa in the United States on January 11, 2021 and LACE (LISI AEROSPACE) on March 4, 2021, for an impact of - €19.4 M (- 1.7 % of sales);

- acquisition of B&E Manufacturing, consolidated since August 1, 2021 (see press release of July 23, 2021), i.e. a contribution of + €9.3 M (+ 0.8 % of sales);
- An unfavorable currency effect of - €16.5 M (i.e. - 1.4 % of sales), mainly tied to the weakening of average US dollar exchange rate against the euro.

On a like-for-like basis and restated for the currency effect, sales were down - 3.3 % compared to 2020.

### **Development of quarterly reported sales (in EUR M)**

	Q1		Q2		Q3		Q4		Total	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
LISI AEROSPACE	226,7	139,4	154,3	134,7	137,5	127,9	144,8	156,0	663,3	558,1
LISI AUTOMOTIVE	136,3	140,3	60,4	119,7	121,0	111,0	133,4	113,6	451,2	484,6
LISI MEDICAL	35,1	29,8	24,4	29,9	28,4	28,4	28,4	33,8	116,3	122,0
<b>LISI Consolidé</b>	<b>397,9</b>	<b>309,4</b>	<b>238,8</b>	<b>284,3</b>	<b>286,7</b>	<b>267,1</b>	<b>306,5</b>	<b>303,2</b>	<b>1 230,0</b>	<b>1 163,9</b>

	Q1 2021		Q2 2021		Q3 2021		Q4 2021		Total 2021	
	Δ	Δ like for like*	Δ	Δ like for like*	Δ	Δ like for like*	Δ	Δ like for like*	Δ	Δ like for like*
LISI AEROSPACE	-38,5%	-35,8%	-12,7%	-7,0%	-7,0%	-7,7%	+7,7%	+5,8%	-15,9%	-14,2%
LISI AUTOMOTIVE	+2,9%	+6,9%	+98,2%	+106,1%	-8,2%	-9,1%	-14,9%	-16,5%	+7,4%	+8,6%
LISI MEDICAL	-15,1%	-6,0%	+22,6%	+38,0%	0,0%	+7,0%	+19,3%	+26,0%	+4,9%	+14,1%
<b>LISI Consolidé</b>	<b>-22,2%</b>	<b>-18,8%</b>	<b>+19,0%</b>	<b>+25,9%</b>	<b>-6,8%</b>	<b>-7,0%</b>	<b>-1,1%</b>	<b>-2,4%</b>	<b>-5,4%</b>	<b>-3,3%</b>

Δ like for like\* = on a like-for-like and constant exchange rate basis

### **Comments on Q4 activity**

On a like-for-like and constant exchange rate basis, Q4 sales dropped by - 2.4 % compared to the same period the previous year. The gradual pickup of business in the LISI AEROSPACE division and the positive momentum in the LISI MEDICAL division support the sequential improvement in Q4 sales compared to Q3, despite the drop in activity of the LISI AUTOMOTIVE division.

### **Business analysis by division**

#### **LISI AEROSPACE**

The annual sales of the LISI AEROSPACE division amount to €558.1 M, down - 15.9 % compared to 2020. Q4 2021 at €156.0 M marks a return to growth (+ 7.7 % compared to the same period of the previous financial year) and consolidates the sequential improvement observed in the previous three quarters.

"Structural Components" is the segment that displays the most robust recovery. It confirms the anticipated needs for basic parts intended for long-cycle equipment (engines) to meet the increase in production rates among aircraft manufacturers as well as for those intended for maintenance. The annual sales of this segment are thus up + 8.0 % compared to 2020.

The "Fasteners" segment, which had hit a low point during the first half of the year (- 39.6 % compared to the same period in 2020), picked up again at the end of the period, particularly in Europe, thanks to the reduction in inventories and the gradual increase in single-aisle production rates. The sales of the last quarter mark the return to growth (+ 5.5 % compared to the same period of the previous financial year). This confirms the gradual improvement recorded over the previous three quarters (- 46.7 % in Q1; - 30.3 % in Q2 and - 19.2 % in Q3).

On a like-for-like basis and restated for the effect of currencies, LISI AEROSPACE division sales increased by + 5.8 % in the Q4, but were down - 14.2 % over the entire year.



## LISI AUTOMOTIVE

In a market marked by the - 3.2 % decline in the production of its ecosystem over the year as a whole, the sales of the LISI AUTOMOTIVE division (€484.6 M) increased by + 7,4 % compared to the same period of the previous year. The division once again confirms its ability to gain market share. This mainly concerns new products that meet the growing needs in terms of electromobility (powertrain and related functions). Thus, the order intake for the division's new products increased by + 5.6 % to nearly €57 M (12.0 % of sales). In accordance with the strategy deployed for several years, the expansion of the customer base and exposure to electric vehicles have progressed.

On a like-for-like basis and restated for the effect of currencies, the annual sales of the LISI AUTOMOTIVE division are up + 8.6 %.

## LISI MEDICAL

The sales for the LISI MEDICAL division amounted to €122.0 M, up + 4.9 % compared to 2020. Q4 marked a clear rebound (+ 19.3 % compared to the same period of the previous financial year) after a very sharp decline at the start of the year (-15.1 % in Q1). Sales growth is driven by market share gains for new products achieved over the past three years and by the favorable trend in demand.

At constant exchange rates and perimeter, the annual sales of the LISI MEDICAL division increased by + 14.1 % compared to 2020, taking into account in particular the deconsolidation of Jeropa in the United States.

### **Key financial indicators are in line with set targets**

EBITDA stood at 13.2 % of sales, confirming the strong resilience of the Group's business model (2020: 13.6 % of sales) in an environment marked by inflationary trends in all production costs, disruptions linked to absenteeism (COVID-19) and rising tensions in the job market in a context of gradual recovery in global economic activity. It nevertheless remained at a good level thanks to the effectiveness of the cost adjustment measures initiated in 2020. The LISI Group's breakeven point fell significantly (- €311 M) and reached €1,111 M in 2021 (€1,422 M in 2019). This decrease is notably driven by the significant reduction in fixed costs, which fell by - €131.9 M from 2019 and by - €19.1 M from 2020.

Depreciation is down 1.4 points compared to 2020 due in particular to the change in estimated durations mentioned above (- 1.8 points). Net provisions are down €7.8 M. They benefit from the reversal of provisions linked to the depreciation of inventories, the turnover of which has been accelerated by the gradual recovery in activity as well as by the increase in the order books to be delivered in the LISI AEROSPACE division.

Comparable EBIT reached € 45.5 M. At 3.9 % of sales, the comparable current operating margin increased by 0.5 points compared to 2020. At 5.7 % of sales, the reported operating margin gained 2.3 points compared to 2020.

The annual impairment tests did not reveal any indication of impairment.

Financial earnings are positive at + €4.8 M (- €16.8 M in 2020). this is explained by the following main factors:

- the revaluation of debts and receivables mainly denominated in USD + €14.5 M (- €16.3 M in 2020),
- the negative impact of the fair value of hedging instruments relating to currencies intended to protect the Group against the fall of the dollar for - €3.2 M (+ €5.2 M in 2020),
- the increase in financial expenses corresponding to the increased cost of net debt following the acquisition of B&E Manufacturing. They amounted to - €7.1 M (- €6.4 M in 2020). The average cost of debt excluding IFRS 16 is 1.8% (1.7% in 2020),
- gains on current cash investments amounted to + €0.6 M versus + €0.7 M in 2020.

Net financial expenses compared to financial debt excluding IFRS16 therefore amount to 1.7% (1.5% in 2020).

The income tax charge, calculated on the basis of corporation tax and compared to net earnings before tax, shows an effective average tax rate of 26.8%, compared to 16.3% in 2020 which reflected tax credits generated on tax losses.



Non-current expenses (- €10.7 M) are down sharply compared to the 2020 financial year, which had been marked by the recognition of expenses related to the disposal of non-strategic assets LISI AUTOMOTIVE Mohr und Friedrich and LISI MEDICAL Jeropa, as well as provisions related to workforce adaptation plans for a total amount of - €69.6 M.

As a result, the 2021 financial year ended with comparable net earnings that became positive again at €28.4 M (2.4% of sales) compared to a net loss of - €37.3 M in 2020. The reported net profit amounted to €44.0 M, or 3.8% of sales.

### **Free Cash Flow remains largely positive after the record level reached last year**

The financial balance remains robust with operating cash flow standing at €129.0 M (11.1 % of sales) which finances an investment plan of €65.9 M. They remained focused on:

- actions to improve performance and modernize means of production, particularly in the LISI AUTOMOTIVE division (€ 23.0 M), including:
  - the installation of a new capacity section to produce electric parking brake components for the Chinese market;
  - the installation of an industrial demonstrator to mechanically assemble different materials using the innovative and patented  $\mu$ -MAC-AP process (laser texturing and powder spraying);
  - the start-up of a new production unit in Morocco in the free zone of Tangier to produce wiring channels for electric and hybrid vehicles;
  - the development of solutions for digitizing and supervising production in real time with the Melisey site being labeled as an "Industry of the Future" showcase;
- the ramp-up of new products for LISI AEROSPACE (€ 37.5 M) and LISI MEDICAL (€ 5.5 M) such as:
  - high-pressure compressor blades for Pratt and Whitney's GTF engines;
  - high-pressure hydraulic fittings intended to serve major aeronautical contractors;
  - the OPTIBLIND™ structural blind fastener system designed by LISI AEROSPACE, which is entering its industrialization phase;
  - robotic surgical stapling systems;
  - harmonic scalpels;
  - the new hip stems for a major customer in the orthopedic sector.

Taking these elements into account and despite the increase in inventories due to the anticipation of ramp-ups with the main clients of the LISI AEROSPACE division, Free Cash Flow remains largely positive at €49.5 M (4.3 % of sales).

### **The strategic acquisition of B&E Manufacturing did not affect the Group's financial solidity**

The LISI Group maintained its bank financing needs at a low level of € 55.9 M (€ 35.3 M in 2020). The financing lines available cover all of its borrowing maturities up to 2031.

At € 272.3 M, the net debt amounts to 25.8 % of equity (22.3 % at December 31, 2020) and includes € 97.5 M in debt relating to IFRS 16. It also includes all of the debt related to the acquisition of B&E Manufacturing (€ 67.6 M). Relative to the EBITDA, the net debt ratio stood at 1.8x (1.3x at December 31, 2020). It would be 1.4x without the acquisition of B&E Manufacturing, thus reflecting the Group's ability to resist an environment disrupted by the COVID-19 pandemic.

The return on capital employed before tax improved and stood at 5.0 % (3.4 % in 2020).

The Board of Directors will ask the Shareholders' Ordinary General Meeting to approve setting the dividend at € 0.29 per share for the 2021 financial year.



## LISI AEROSPACE

- Sales: €558.1 M, down - 15.9 % compared to 2020 under the effect of the drop in inventories in the sector and despite the recovery in Q4;
- Gradual increase in order books perceptible from the start of the year in the "Structural Components" segment and in Q4 in the "Fasteners" segment;
- Good performance of the EBITDA at 15.0 % despite the decline in sales;
- Good level of Free Cash Flow at € 27.8 M, on an exceptionally high comparison basis last year (€ 78.0 M);
- Continuation of actions to refocus on high value-added activities with the sale of LACE (France) on March 4, 2021 and the acquisition of B&E Manufacturing (United States) consolidated since August 1, 2021 (cf. press release of July 23, 2021).

12 months ending December 31, In EUR M	2021	2020	Changes
Sales	558.1	663.4	- 15.9 %
EBITDA	83.7	109.1	- 23.2 %
Reported EBIT	37.3	37.8	- 1.5 %
Operating cash flow	60.8	77.8	- 21.8 %
Net industrial CAPEX	- 37.5	- 40.0	- 6.2 %
Free Cash Flow	27.8	78.0	- €50.2 M
Employed at year-end	5,402	5,504	- 1.9 %
Average full-time equivalent workforce	4,856	5,063	- 4.1 %

## LISI AUTOMOTIVE

- Sales: €484.6 M, up + 7.4 % compared to 2020;
- Business strongly impacted by the global shortage of electronic components which affected all car manufacturers as of Q2;
- Strong global tensions over the prices and supply of steel and plastics, particularly marked in Europe and North America;
- Positive current operating profit and Free Cash Flow;
- Development and gradual ramp-up of new products resulting from market share gains for programs intended for electromobility.

12 months ending December 31, In EUR M	2021	2020	Changes
Sales	484.6	451.2	+ 7.4 %
EBITDA	54.0	45.8	+ 17.9 %
Reported EBIT	23.6	3.6	N/A
Operating cash flow	47.4	33.0	+ 43.4 %
Net industrial CAPEX	- 23.0	- 26.8	- 14.3 %
Free Cash Flow	3.3	27.5	- €24.2 M
Employed at year-end	3,273	3,393	- 3.5 %
Average full-time equivalent workforce	3,218	3,046	+ 5.6 %



## LISI MEDICAL

- Sales at €122.0 M, up + 4.9 % from 2020; positive momentum throughout the year and strong acceleration in Q4 (+ 19.3 %);
- Greater visibility due to the resumption of surgical activities (minimally invasive and orthopedic);
- Ramp-up of new products in the minimally invasive surgery sector;
- EBITDA at 13.5% of sales (+ 4.6 points compared to 2020);
- Good level of free cash flow at €4.2 M;
- Refocus on high value-added activities with the sale of Jeropa in the United States on January 11, 2021 (€ 8.4 M sales in 2020).

12 months ending December 31, In EUR M	2021	2020	Changes
Sales	122.0	116.3	+ 4.9 %
EBITDA	16.4	10.4	+ 58.6 %
Reported EBIT	7.3	0.1	N/A
Operating cash flow	14.5	8.2	+ 77.2 %
Net industrial CAPEX	- 5.5	- 5.2	+ 4.6 %
Free Cash Flow	4.2	4.8	- €0.6 M
Employed at year-end	768	744	+ 3.2 %
Average full-time equivalent workforce	769	808	- 4.8 %

## Outlook

### LISI AEROSPACE

Unless the COVID-19 pandemic worsens, the aerospace market should enter a new growth cycle. The division's major customers are confirming the prospects for ramping up production, particularly in single-aisle aircrafts. The level of the rebound in activity will however be conditioned by the capacity of the supply chain to meet needs but also by the availability of raw materials and labor in a very tight job market.

The division is ready to face these challenges thanks to the level of automation of its manufacturing processes and thanks to the anticipation of the constitution of stocks of raw materials. The management of manufacturing costs and investment expenditure will remain a necessity given the high inflation in all production costs and a still uncertain health context.

### LISI AUTOMOTIVE

Even though an improvement can be noted at the start of the 2022 financial year, the conditions for returning to a normalized supply of electronic components could disrupt the assembly lines for several more months. Inflationary pressures on raw materials should also persist.

In this context, the LISI AUTOMOTIVE division will be faced with a two-fold necessity:

- continue to adapt its production capacities and costs to the level of activity,
- neutralize as much as possible the effects of rising raw material prices (steel and plastics).

Meanwhile, the division will continue to focus its efforts on the development and industrialization of new products with high added value intended for the growing needs of the market in terms of electromobility.





### **LISI MEDICAL**

The markets for minimally invasive surgery, like that of orthopedic reconstruction, are faring better and benefit from the resumption of more standardized activity in hospitals. The division's priority will be to the continued development of new products and to ramping up production volumes.

### **LISI CONSOLIDATED**

The LISI Group will still have to meet many challenges in 2022, such as absorbing inflation on manufacturing costs and the ability to increase volumes and in particular to hire in a tight labor market. At the same time, it will have to ensure the continued development and ramp-up of new products in its strategic business niches.

The actions already undertaken for a long time by the Group and which were reinforced during the crisis to lower the breakeven point of its activities, make its production capacities more flexible, digitize and automate both industrial and administrative processes as well as deploy a policy in terms of effective corporate social responsibility (CSR), will be pursued. The Group will rely on its strengths to make a difference in a global economic environment that is expected to remain highly disrupted.

Subject to a preserved health and economic context, the LISI Group should return to organic growth in its activity in 2022 and continue to improve its main financial indicators.

Free Cash Flow will remain positive in 2022, while ensuring the expected increase in investments in equipment and productivity.

## LISI consolidated income statement

(in thousands of euros)	12/31/2021	12/31/2020
<b>PRE-TAX SALES</b>	<b>1 163 897</b>	<b>1 229 958</b>
Changes in stock, finished products and production in progress	22 478	(22 442)
Total production	<b>1 186 374</b>	<b>1 207 515</b>
Other revenues	35 549	39 507
<b>TOTAL OPERATING REVENUES</b>	<b>1 221 923</b>	<b>1 247 022</b>
Consumed goods	(334 126)	(321 007)
Other purchases and external expenses	(251 354)	(265 251)
Taxes and duties	(9 209)	(12 317)
Payroll costs (including temporary workers)	(473 756)	(481 762)
<b>EBITDA</b>	<b>153 478</b>	<b>166 685</b>
Depreciation	(94 641)	(117 095)
Net provisions	7 774	(8 082)
<b>CURRENT OPERATING PROFIT (EBIT)</b>	<b>66 611</b>	<b>41 509</b>
Non-recurring operating revenues	(10 749)	(69 618)
<b>OPERATING PROFIT</b>	<b>55 862</b>	<b>(28 109)</b>
<b>Financing expenses and revenue on cash</b>	<b>(5 304)</b>	<b>(5 164)</b>
<i>Revenue on cash</i>	987	1 231
<i>Financing expenses</i>	(6 291)	(6 396)
<b>Other interest revenue and expenses</b>	<b>10 076</b>	<b>(11 595)</b>
<i>Other financial items</i>	32 529	31 866
<i>Other interest expenses</i>	(22 453)	(43 461)
Taxes (including CVA (Tax on Companies' Added Value))	(16 272)	7 323
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>44 362</b>	<b>(37 544)</b>
Attributable as company shareholders' equity	44 048	(37 321)
Interest not granting control over the company	314	(223)
<b>EARNINGS PER SHARE (IN €)</b>	<b>0,83</b>	<b>(0,71)</b>
<b>DILUTED EARNINGS PER SHARE (IN €)</b>	<b>0,82</b>	<b>(0,70)</b>

# Statement of overall earnings

(in thousands of euros)	12/31/2021	12/31/2020
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>44 362</b>	<b>(37 544)</b>
<b>Other items of overall income applied to shareholders' equity</b>		
Actuarial gains and losses out of employee benefits (gross element)	(4 764)	6 693
Actuarial gains and losses out of employee benefits (tax impact)	1 892	(1 876)
<b>Other items of overall income that will cause a reclassification of income</b>		
Exchange rate differences resulting from foreign business	33 554	(30 116)
Hedging instruments (gross element)	(10 438)	6 667
Hedging instruments (tax impact)	2 206	(1 963)
<b>TOTAL OTHER PORTIONS OF GLOBAL EARNINGS FOR THE PERIOD, AFTER TAXES</b>	<b>22 449</b>	<b>(20 595)</b>
<b>TOTAL OVERALL INCOME FOR THE PERIOD</b>	<b>66 811</b>	<b>(58 139)</b>

## TOTAL ASSETS

ASSETS (in thousands of euros)	12/31/2021	12/31/2020
<b>NON-CURRENT ASSETS</b>		
Goodwill	401 877	332 093
Other intangible assets	27 933	30 150
Tangible assets	698 231	680 580
Non-current financial assets	11 414	6 853
Deferred tax assets	51 054	48 626
Other non-current assets	91	143
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1 190 599</b>	<b>1 098 448</b>
<b>CURRENT ASSETS</b>		
Inventories	332 721	300 389
Taxes - Claim on the state	10 400	12 977
Trade and other receivables	174 810	205 367
Cash and cash equivalents	215 870	242 144
<b>TOTAL SHORT-TERM ASSETS</b>	<b>733 802</b>	<b>760 877</b>
<b>TOTAL ASSETS</b>	<b>1 924 401</b>	<b>1 859 324</b>

## TOTAL EQUITY AND LIABILITIES

TOTAL EQUITY AND LIABILITIES (in thousands of euros)	12/31/2021	12/31/2020
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	21 646	21 646
Additional paid-in-capital	75 329	75 329
Treasury shares	(19 480)	(19 788)
Consolidated reserves	908 804	950 372
Conversion reserves	28 629	(4 757)
Other income and expenses recorded directly as shareholders' equity	(8 595)	2 495
Profit (loss) for the period	44 048	(37 321)
<b>TOTAL SHAREHOLDERS' EQUITY - GROUP'S SHARE</b>	<b>1 050 383</b>	<b>987 978</b>
Minority interest	3 110	2 439
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1 053 493</b>	<b>990 417</b>
<b>NON-CURRENT LIABILITIES</b>		
Non-current provisions	72 005	70 698
Non-current borrowings	320 621	316 719
Other non-currents liabilities	7 163	8 140
Deferred tax liabilities	38 600	34 697
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>438 389</b>	<b>430 254</b>
<b>SHORT-TERM LIABILITIES</b>		
Current provisions	23 305	38 606
Current borrowings	167 529	146 205
Trade and other accounts payable	241 889	253 842
Taxes due	(204)	0
<b>TOTAL SHORT-TERM LIABILITIES</b>	<b>432 520</b>	<b>438 653</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1 924 401</b>	<b>1 859 324</b>
* of which banking facilities	1 133	5 981

## Change in LISI consolidated shareholders' equity

	Capital stock	Capital-linked premiums	Treasury shares	Consolidated reserves	Conversion reserves	Other income and expenses recorded directly as shareholders' equity	Profit for the period, Group share	Group's share of shareholders' equity	Minority interests	Total shareholders' equity
(in thousands of euros)										
<b>SHAREHOLDERS' EQUITY AT JANUARY 1, 2020</b>	<b>21 646</b>	<b>75 329</b>	<b>(14 435)</b>	<b>844 386</b>	<b>21 819</b>	<b>(6 877)</b>	<b>69 773</b>	<b>1 011 642</b>	<b>9 740</b>	<b>1 021 382</b>
Profit (loss) for the period N (a)							(37 321)	(37 321)	(223)	(37 544)
Translation differences (b)					(26 576)			(26 576)	(3 540)	(30 116)
Payments in shores (c)				(1 027)				(1 027)		(1 027)
Capital increase		0						0	0	0
Restatement of treasury shores (d)			(5 353)	(169)				(5 522)		(5 522)
Actuarial gains and losses out of employee benefits (g)						4 817		4 817		4 817
Appropriation of N-1 earnings				69 773			(69 773)	0		0
Change in scope				37 460				37 460	(3 066)	34 394
Dividends distributed				0				0	(452)	(452)
Restatement of financial instruments (f)						4 724		4 724	(20)	4 704
Various (e)				(219)				(219)		(219)
<b>SHAREHOLDERS' EQUITY AT DECEMBER 31, 2020</b>	<b>21 646</b>	<b>75 329</b>	<b>(19 788)</b>	<b>950 372</b>	<b>(4 757)</b>	<b>2 495</b>	<b>(37 321)</b>	<b>987 978</b>	<b>2 439</b>	<b>990 417</b>
including total income and expenses reported for the year (a) + (b) + (c) + (d) + (e) + (f)					(26 576)	9 541	(37 321)	(54 356)	(3 783)	(58 139)
<b>SHAREHOLDERS' EQUITY AT JANUARY 1, 2021</b>	<b>21 646</b>	<b>75 329</b>	<b>(19 788)</b>	<b>950 372</b>	<b>(4 757)</b>	<b>2 495</b>	<b>(37 321)</b>	<b>987 978</b>	<b>2 439</b>	<b>990 417</b>
Profit (loss) for the period N (a)							44 048	44 048	314	44 362
Translation differences (b)					33 386			33 386	168	33 554
Payments in shores (c)				1 265				1 265		1 265
Capital increase										
Restatement of treasury shores (d)			308	88				396		396
Actuarial gains and losses out of employee benefits (g)				2 105		(2 872)		(767)		(767)
Appropriation of N-1 earnings				(37 321)			37 321			
Change in scope				(203)				(203)	203	
Dividends distributed				(7 437)				(7 437)		(7 437)
Restatement of financial instruments (f)						(8 217)		(8 217)	(14)	(8 232)
Various (e)				(67)				(67)		(67)
<b>SHAREHOLDERS' EQUITY AT DECEMBER 31, 2021</b>	<b>21 646</b>	<b>75 329</b>	<b>(19 480)</b>	<b>908 804</b>	<b>28 629</b>	<b>(8 595)</b>	<b>44 048</b>	<b>1 050 383</b>	<b>3 110</b>	<b>1 053 493</b>
including total income and expenses reported for the year (a) + (b) + (c) + (d) + (e) + (f)					33 386	(11 090)	44 048	66 344	468	66 811

## LISI consolidated cash flow table

(in thousands of euros)	12/31/2021	12/31/2020
<b>OPERATING ACTIVITIES</b>		
NET EARNINGS	44 362	(37 545)
ELIM. OF THE INCOME OF COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD		
Elimination of net expenses not affecting cash flows:		
- Depreciation and non-recurrent financial provisions	95 667	116 917
- Changes in deferred taxes	4 035	(21 249)
- Incarne on disposals, provisions for liabilities and others	(12 623)	49 609
GROSS CASH FLOW MARGIN	131 441	107 732
Net changes in provisions provided by or used for current operations	(2 472)	4 036
OPERATING CASH FLOW	128 969	111 768
Income tax expense elimination	12 237	13 927
Elimination of net borrowing costs	4 635	4 734
Effect of changes in inventory on cash	(28 270)	9 504
Effect of changes in accounts receivable and accounts payable	11 611	59 364
NET CASH PROVIDED BY OR USED FOR OPERATIONS BEFORE TAX	129 181	199 296
Tax paid	(9 104)	(12 580)
<b>CASH PROVIDED BY OR USED FOR OPERATING ACTIVITIES (A)</b>	<b>120 077</b>	<b>186 718</b>
<b>INVESTMENT ACTIVITIES</b>		
Acquisition of consolidated companies	(67 602)	
Acquired cash	405	
Acquisition of tangible and intangible fixed assets	(66 637)	(73 427)
Change in granted loans and advances	(272)	2 394
TOTAL CASH USED FOR INVESTMENT ACTIVITIES	<b>(134 106)</b>	<b>(71 033)</b>
Divested cash	(24)	(2 913)
Disposal of consolidated companies	5 802	3 705
Disposal of tangible and intangible fixed assets	705	802
Disposal of financial assets	(877)	5
TOTAL CASH FROM DISPOSALS	5 605	1 599
<b>CASH PROVIDED BY OR USED FOR INVESTMENT ACTIVITIES (B)</b>	<b>(128 500)</b>	<b>(69 434)</b>
<b>FINANCING ACTIVITIES</b>		
Capital increase	1	
Dividends paid to shareholders of the Group	(7 437)	
Dividends paid to minority interests of consolidated companies		(452)
TOTAL CASH FROM EQUITY OPERATIONS	<b>(7 436)</b>	<b>(452)</b>
Issue of Non-current loans	76 673	11 508
Issue of short-term loans	85 375	66 856
Repayment of Non-current loans	(25 584)	(29 420)
Repayment of short-term loans	(142 777)	(144 105)
Net interest expense paid	(4 635)	(4 734)
TOTAL CASH FROM OPERATIONS ON LOANS AND OTHER FINANCIAL LIABILITIES	<b>(10 949)</b>	<b>(99 895)</b>
<b>CASH PROVIDED BY OR USED FOR FINANCING ACTIVITIES (C)</b>	<b>(18 385)</b>	<b>(100 347)</b>
Effect of change in foreign exchange rates (D)	5 178	(3 955)
Effect of adjustments in treasury shores (D)	203	(5 352)
CHANGES IN CASH (A+B+C+D)	<b>(21 428)</b>	<b>7 629</b>
Cash at January 1 (E)	236 163	228 533
Cash at year-end (A+B+C+D+E)	<b>214 736</b>	<b>236 163</b>
Cash and cash equivalents	215 870	242 144
Short-term banking facilities	(1 133)	(5 981)
<b>CLOSING CASH POSITION</b>	<b>214 737</b>	<b>236 163</b>