

The LECTRA logo is positioned in the top right corner of the slide. It features the word "LECTRA" in a white, uppercase, sans-serif font. A small red horizontal bar is placed above the letter "E". The background of the slide is a dark, monochromatic photograph of a woman's profile and a modern chair, with a vertical line separating the left and right halves.

# Financial results Q3 and 9M 2021

Daniel Harari, *Chairman & CEO*  
Jérôme Viala, *Executive Vice President*  
Olivier du Chesnay, *Chief Financial Officer*  
Maximilien Abadie, *Chief Strategy Officer*

October 28, 2021

# Financial results Q3 and 9M 2021

- **9M 2021 main highlights**
- Evolution of the environment and Lectra's markets
- Q3 2021 results
- 9M 2021 results
- Strategic roadmap for 2020-2022: progress report
- 2021-2022 outlook

# **9M 2021 main highlights**



**Strong rebound in activity and results**

**Confirmed success of new offers for Industry 4.0**

**Acquisitions of Gerber Technology, Neteven and Gemini CAD Systems**

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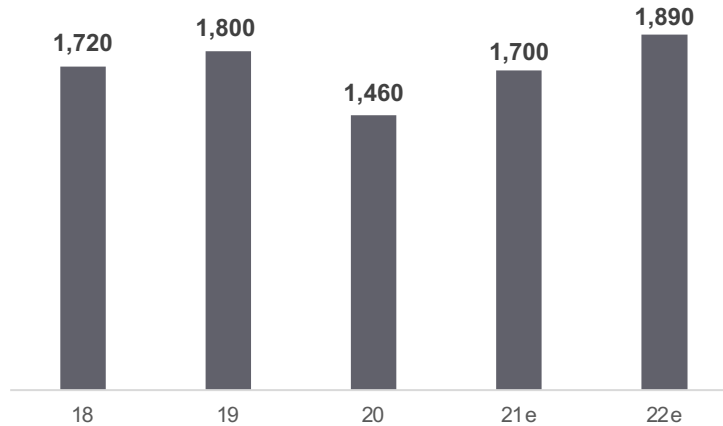
# Evolution of the environment and Lectra's markets

## Fashion: companies are reinventing themselves to respond to new consumer demands

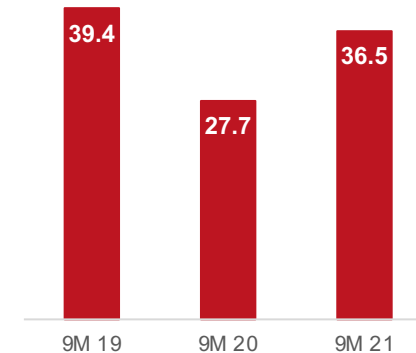
### Fashion



Worldwide fashion sales  
(in billions of dollars)



Orders for perpetual software licenses, equipment and accompanying software and non-recurring services – Fashion  
(in millions of euros – Lectra 2020 scope)



Many companies will take more time to recover: the winners will be amongst those who have substantially accelerated **online sales**, implemented more **agile processes** and switched to a **sourcing model that is sustainable, demand-driven and closer to the consumer**.

**With its offers for Industry 4.0, Lectra can help all fashion companies address the challenges of the post-COVID-19 era.**

Source: Statista

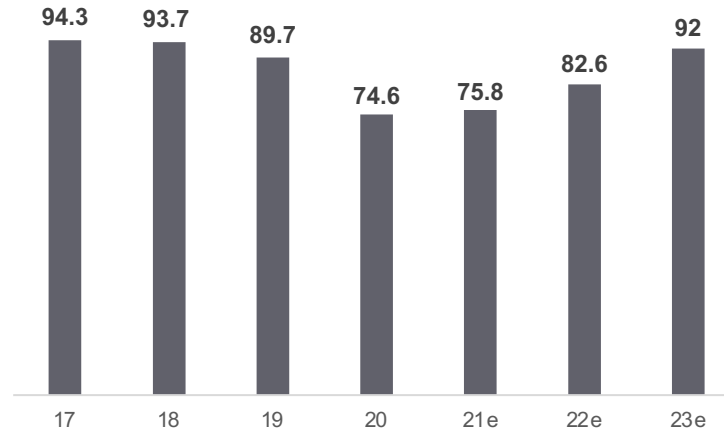
# Evolution of the environment and Lectra's markets

## Automotive: a recovery that should be gradual

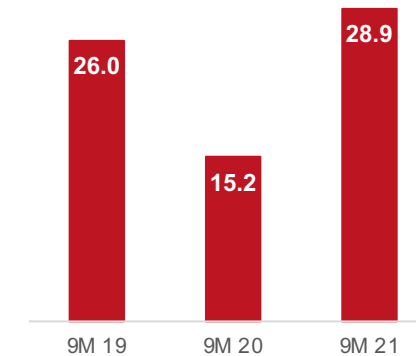
### Automotive



**Worldwide production of light vehicles**  
(in millions)



**Orders for perpetual software licenses, equipment and accompanying software and non-recurring services – Automotive**  
(in millions of euros – Lectra 2020 scope)



In a difficult market environment, **automotive subcontractors have taken the next step in optimizing their process by implementing Industry 4.0 principles** in order to be amongst the winners of tomorrow.

**Thanks to its unique technology and its expertise, Lectra is the indispensable partner for automotive subcontractors to improve quality, gain speed and increase profitability at the lowest price possible.**

Source: IHS Markit

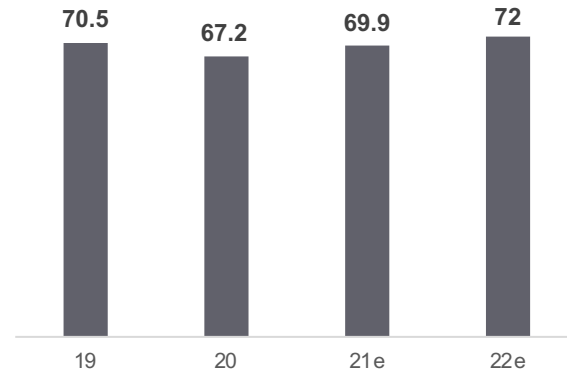
# Evolution of the environment and Lectra's markets

## Furniture: the pre-crisis level should be exceeded rapidly

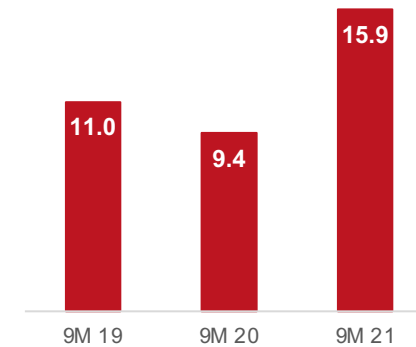
### Furniture



**Upholstered furniture sales**  
(in billions of dollars)



**Orders for perpetual software licenses, equipment and accompanying software and non-recurring services – Furniture**  
(in millions of euros – Lectra 2020 scope)



With lockdown and the development of working from home, consumers are more inclined than in previous crises to devote **a larger part of their spending to buying furniture**. Consumption improved in H2 2020 and is expected to exceed its pre-crisis level in some countries as early as 2021, including the United States (+5% vs. 2019) and Germany (+8%).

**Lectra's offer accelerates the digitalization of upholstered furniture manufacturers' value chains, while enabling brands and manufacturers to customize their furniture and manufacture on demand.**

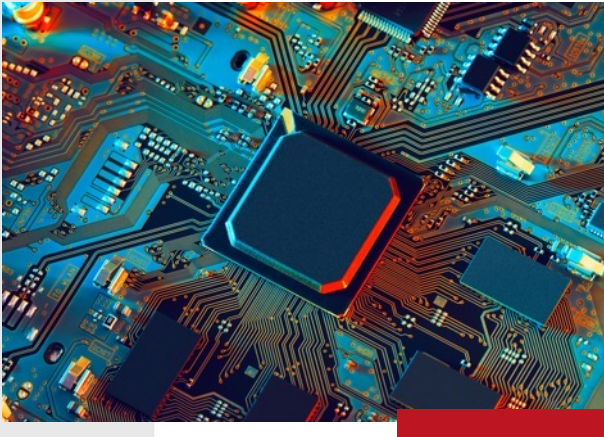
Source: CSIL



# Evolution of the environment and Lectra's markets

**Some consequences of the COVID-19 crisis and the current upturn in the global economy have had and continue to have a negative impact**

## Electronic components



Shortages of electronic components are having a negative impact on production by the Group's Automotive customers and, consequently, on its revenue from consumables and parts.

## Raw materials and transport



Supply difficulties and the rising cost of certain raw materials are affecting the Group's manufacturing schedules and costs. Maritime transport issues are causing delays in deliveries and sharply higher transport costs.

## Health situations



Some countries have faced and are still facing epidemic outbreaks. The very strict lockdown in Vietnam has led to the complete stoppage of a significant portion of manufacturing activity, and the Group's activity in the country has been severely reduced for several months

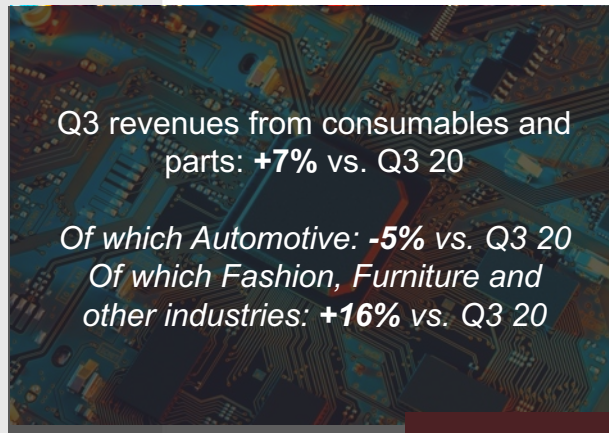


# Evolution of the environment and Lectra's markets

**Some consequences of the COVID-19 crisis and the current upturn in the global economy have had and continue to have a negative impact**

Lectra 2020 scope

## Electronic components



Shortages of electronic components are having a negative impact on production by the Group's Automotive customers and, consequently, on revenues from consumables and parts.

## Raw materials and transport

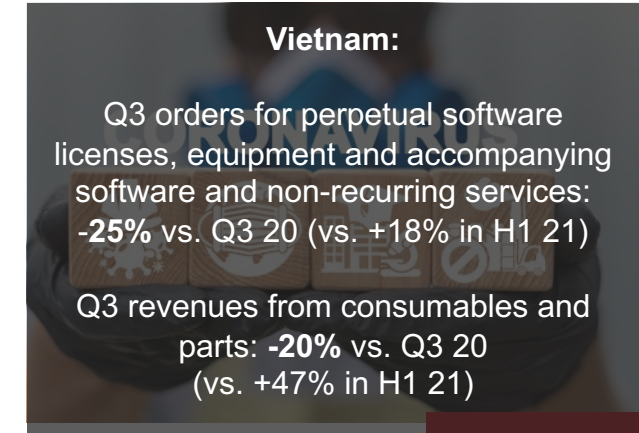


**The increase in raw materials had a limited impact on gross profit**

Supply of raw materials are affecting the Group's manufacturing schedules and costs. Maritime transport issues are causing delays in deliveries and sharply higher transport costs.

**By anticipating the supply of those products for which there was a risk of shortage, manufacturing schedules were not affected**

## Health situations



Some countries have faced and are still facing epidemic outbreaks. The very strict lockdown in Vietnam has led to the complete stoppage of a significant portion of manufacturing activity, and the Group's activity in the country has been severely reduced for several months

**So far, however, the Group has been able to limit the impact of these disruptions on its business and results.**

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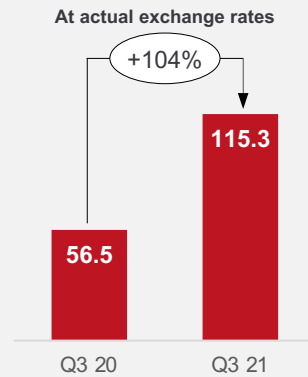
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# Q3 2021 results

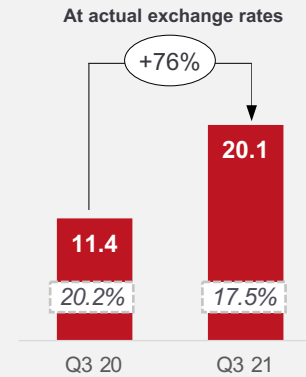
## Very strong growth in revenues and earnings

In millions of euros

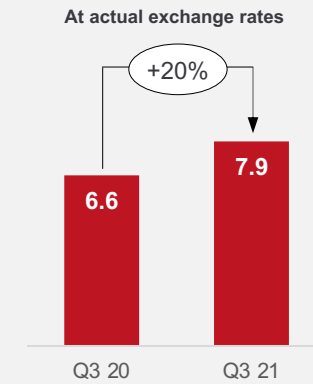
### Revenues



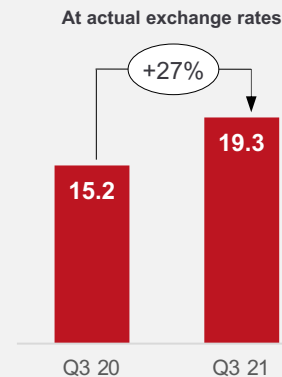
### EBITDA before non-recurring items



### Net income



### Free cash flow before non-recurring items



Q3 21 free cash flow before non-recurring items included receipt of the balance of the 2016 research tax credit of €4.5m. Q3 20 free cash flow before non-recurring items included receipt of the balance of the 2015 research tax credit of €2.6m.

Gerber Technology contributed €45.1m to revenues and €5.3m to EBITDA before non-recurring items.

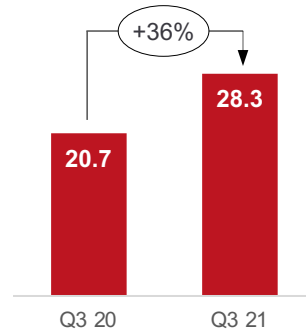
Neteven contributed €0.5m to revenues and made a negligible contribution to EBITDA before non-recurring items.

# Q3 2021 results

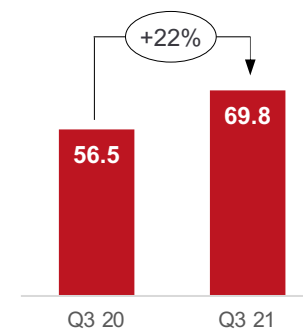
## Lectra 2020 scope: continued rebound in orders, revenues and income from operations before non-recurring items

In millions of euros

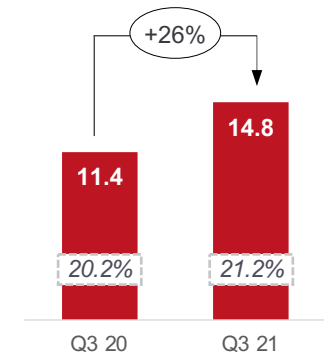
Orders for perpetual software licenses, equipment and accompanying software and non-recurring services



Revenues

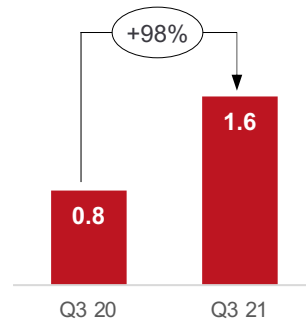


EBITDA before non-recurring items



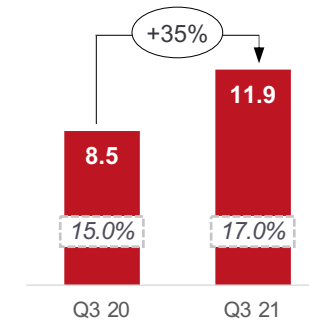
New software subscription orders

Annual value



Income from operations

before non-recurring items



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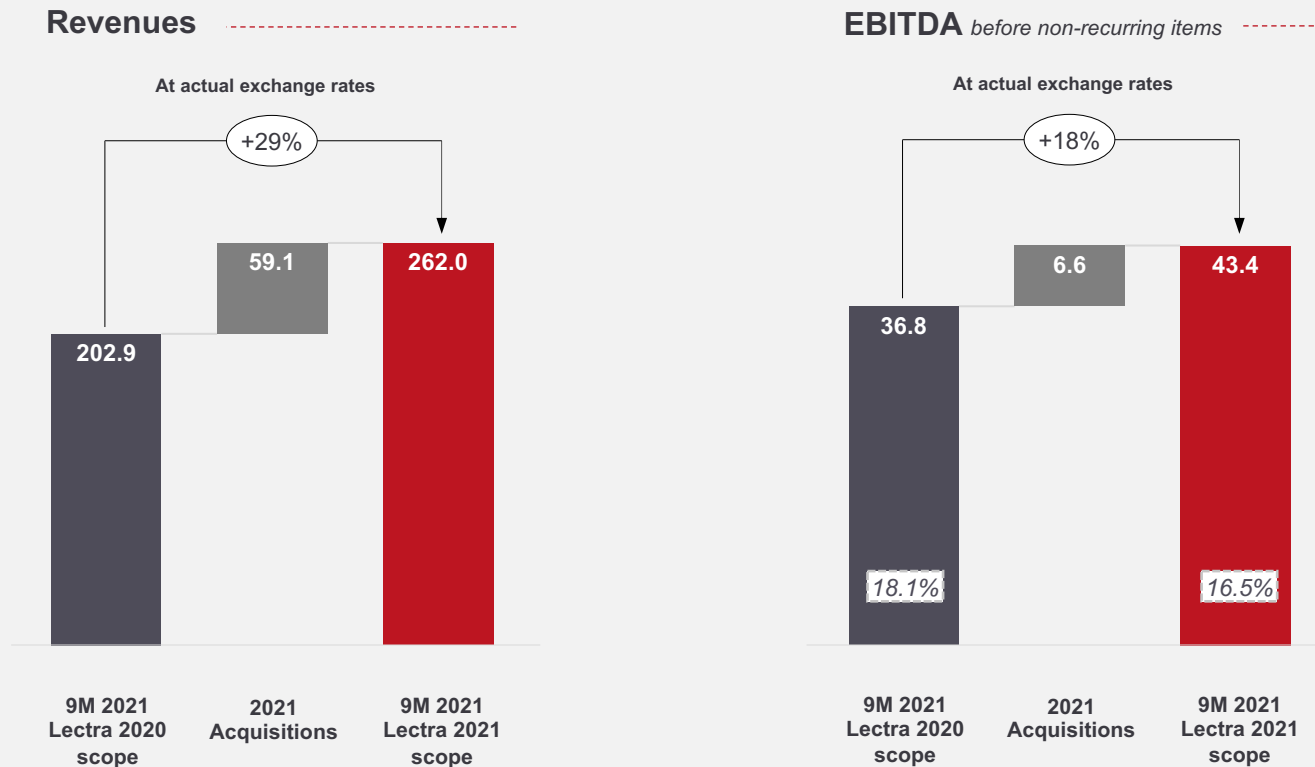
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# 9M 2021 results

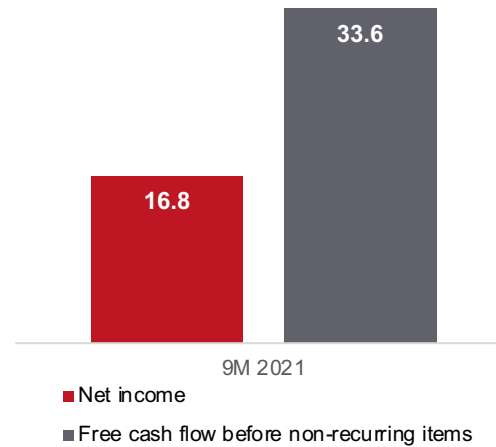
Very strong growth in revenues and EBITDA before non-recurring items, on account of the strength of the rebound in activity and external growth

In millions of euros



## Free cash flow much higher than net income

*In millions of euros*



Free cash flow before non-recurring items amounted to €33.6m. Twice as high as the net income.

After disbursement of €6.8m in 9M 2021, in respect of fees and other related expenses in connection with the acquisition of Gerber Technology, free cash-flow amounted to €26.8m, €10m higher than net income.

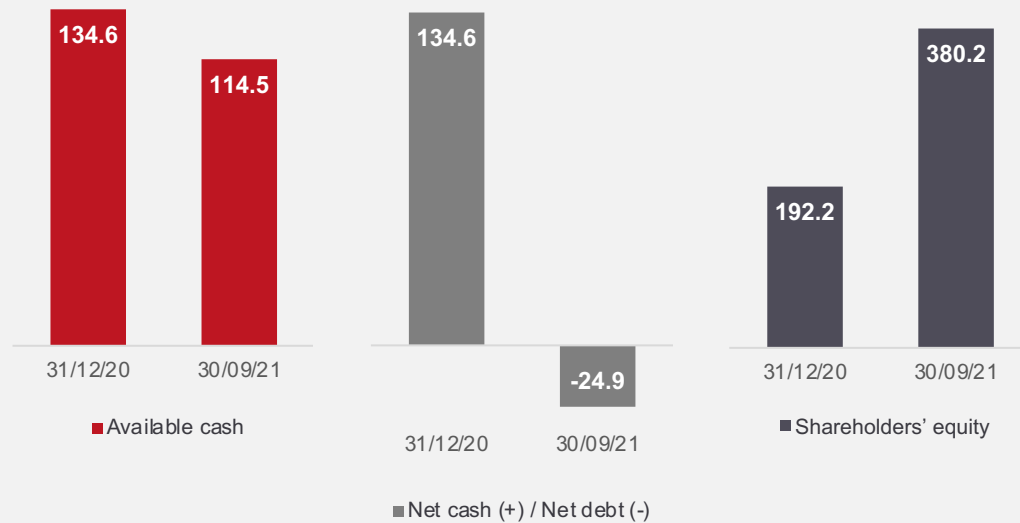


# 9M 2021 results

## Balance sheet that remains particularly robust

### Balance sheet

In millions of euros



The increase in consolidated shareholders' equity is explained mainly by the €165.3m increase in capital carried out for the purpose of the acquisition of Gerber Technology.

The Group took out a €140m loan to finance the cash portion of the acquisition price of Gerber Technology in the amount of €175m.

The dividend in respect of FY 2020 (€7.8m) was paid on May 7, 2021.

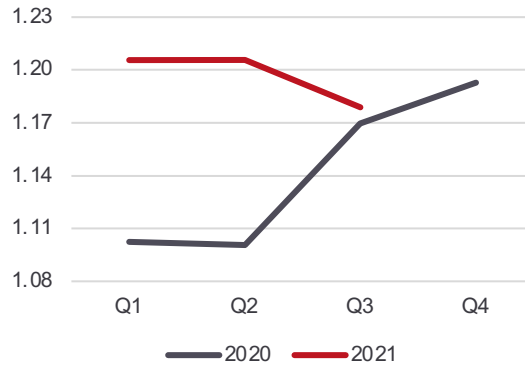
The acquisitions of Neteven (€12.4m) and Gemini CAD Systems (€7.6m) were financed by using the available cash.

# 9M 2021 results

## Lectra 2020 scope: negative impact of currency changes

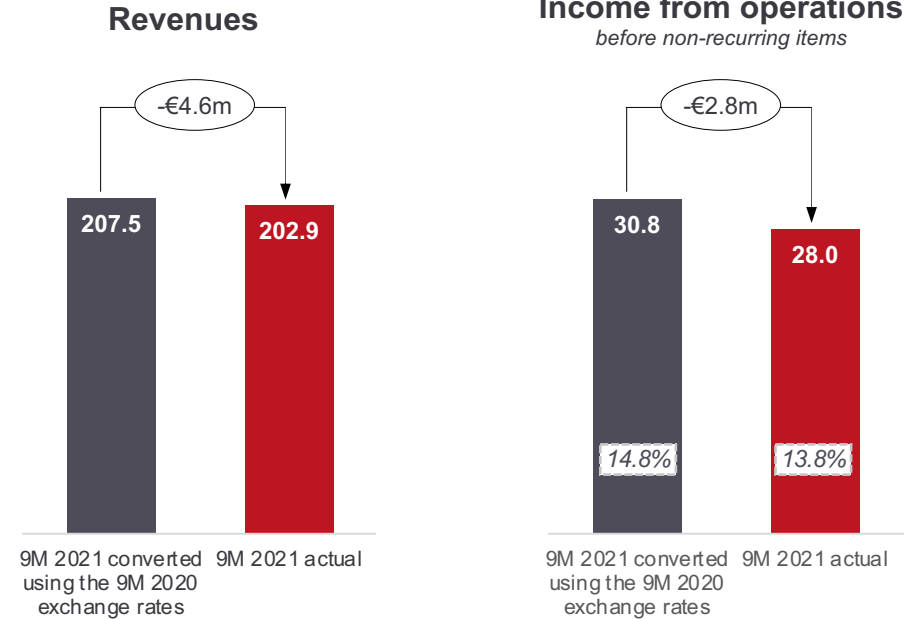
With an average exchange rate of 1.20\$ / 1€ in 9M 2021, the US dollar was down 6% compared to 9M 2020. The yuan strengthened by 2% against the euro.

Average \$ / 1€ exchange rate



### Conversion of 9M 2021 results using the 9M 2020 exchange rates

In millions of euros



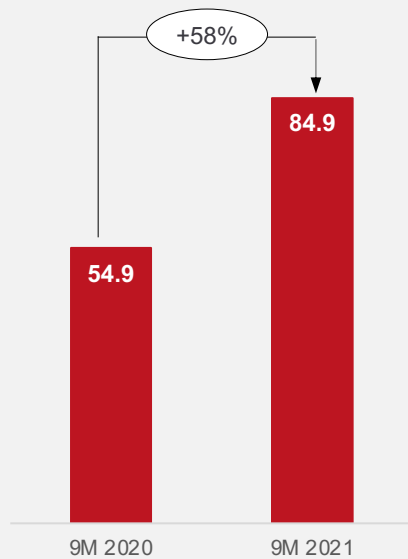
   = In % of revenues

# 9M 2021 results

## Lectra 2020 scope: strong increase in orders

### Orders for perpetual software licenses, equipment and accompanying software, and non-recurring services

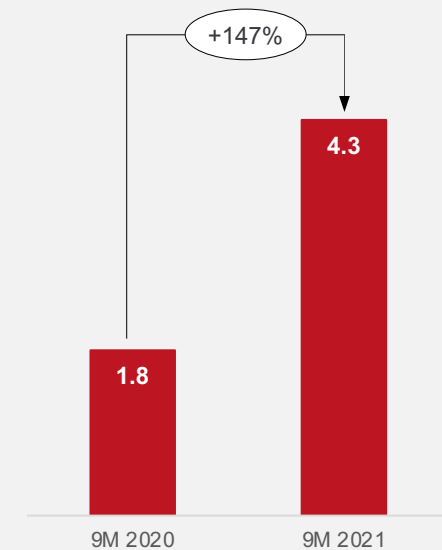
In millions of euros



	9M 2020	9M 2021	Change At actual exchange rates	Change Like-for-like
<b>Total</b>	<b>54.9</b>	<b>84.9</b>	<b>+55%</b>	<b>+58%</b>
<i>of which perpetual software licenses</i>	5.7	5.0	-12%	-10%
<i>of which equipment and accompanying software</i>	41.6	69.8	+68%	+72%
<i>of which training and consulting</i>	6.5	8.7	+33%	+35%

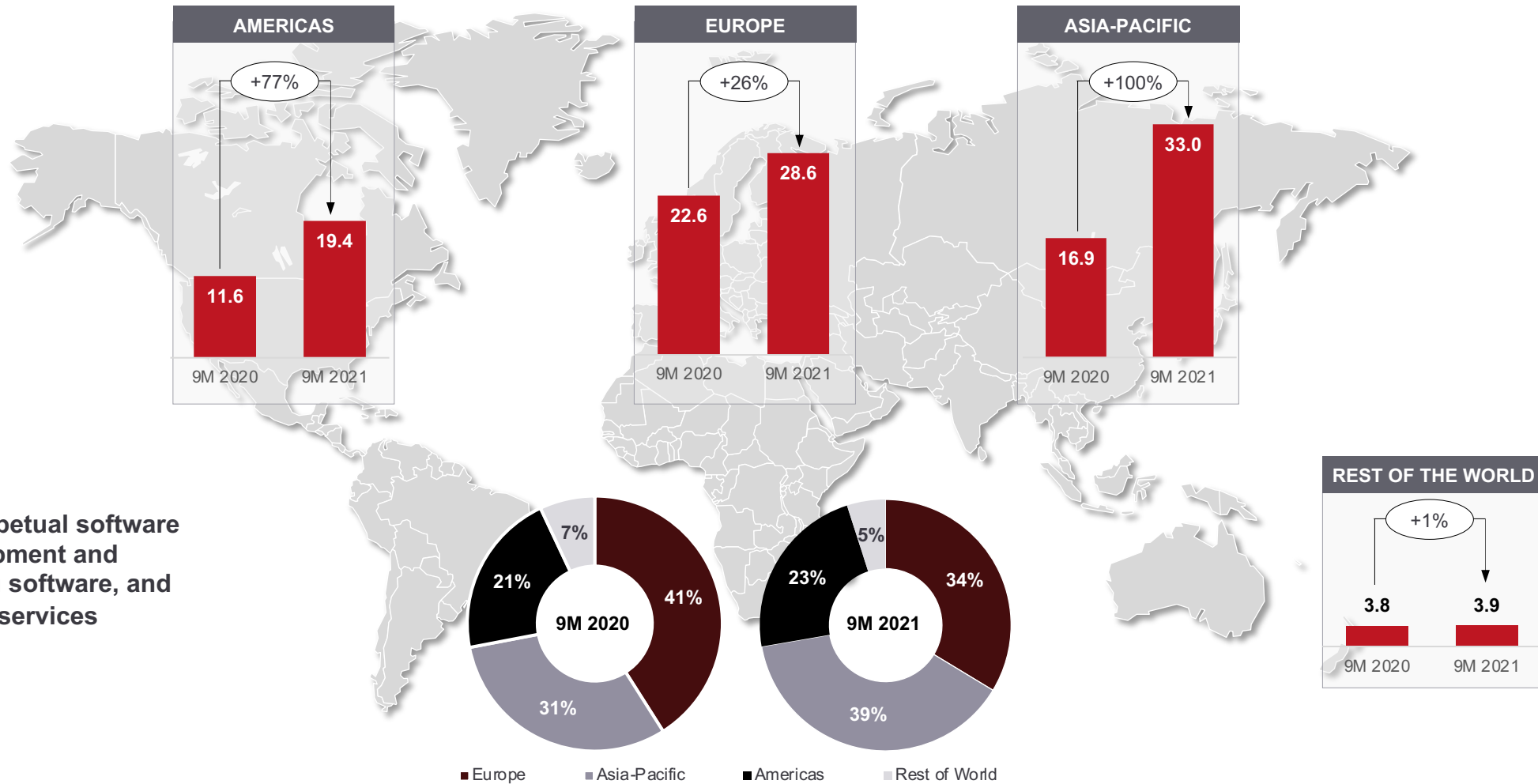
### New software subscription orders

In millions of euros, annual value



# 9M 2021 results

## Lectra 2020 scope: rebound of activity in all regions

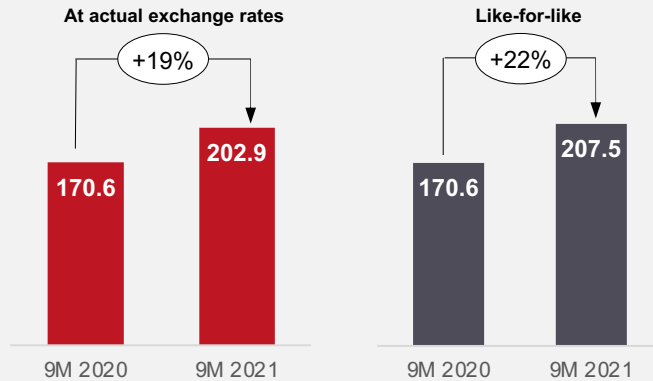


# 9M 2021 results

Lectra 2020 scope: very strong growth in revenues, income from operations before non-recurring items multiplied by 2

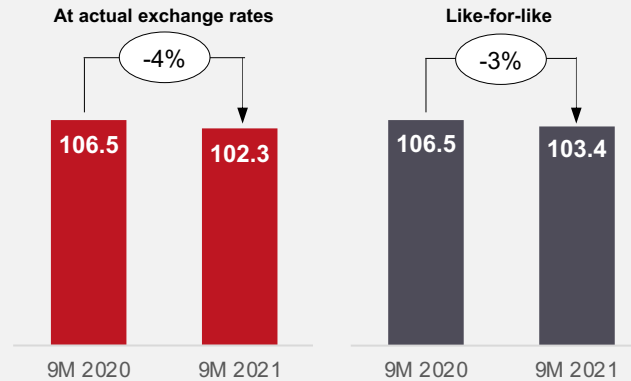
In millions of euros

## Revenues

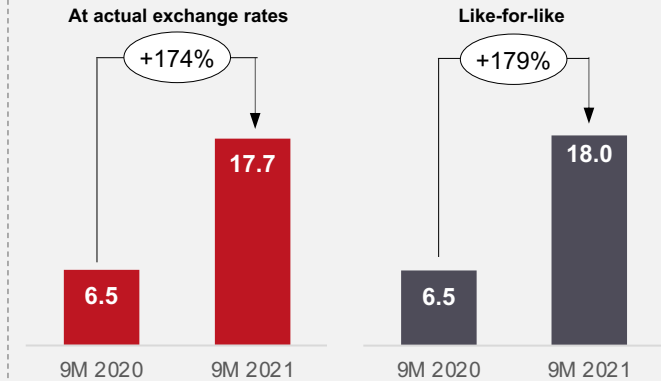


## Overhead costs

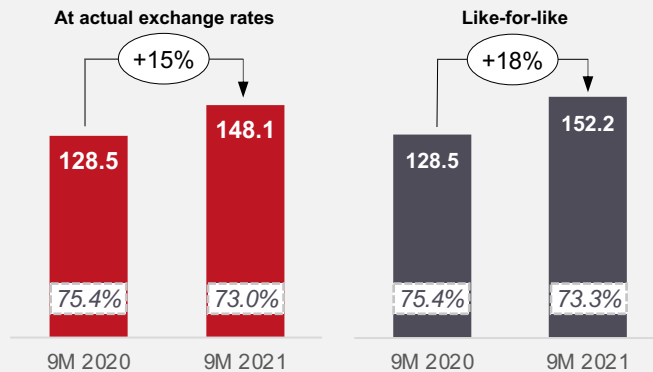
### Fixed costs



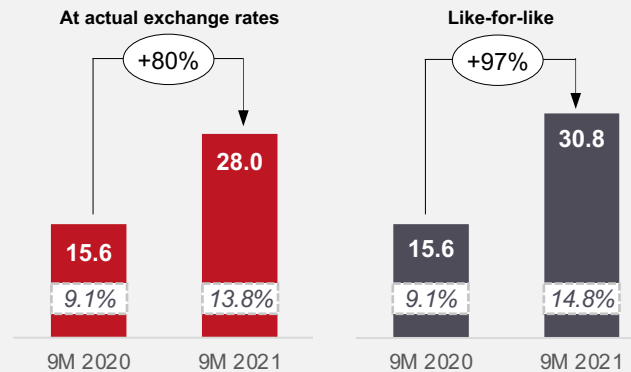
### Variable costs



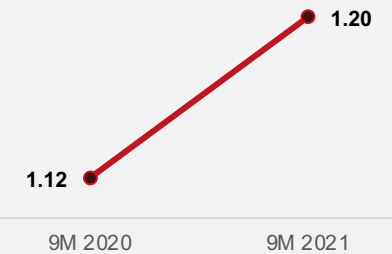
## Gross profit



## Income from operations before non-recurring items



## \$ / 1€ exchange rate

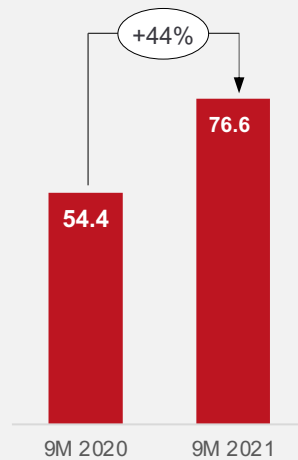


# 9M 2021 results

## Lectra 2020 scope: growth in recurring revenues, as well as in consumables and parts

### Revenues from software licenses, equipment and accompanying software, and non-recurring services

In millions of euros

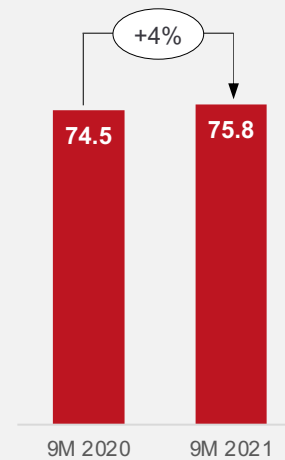


Perpetual software licenses	5.1	-10%
Equipment and accompanying software	62.2	+59%
Training and consulting	8.0	+9%

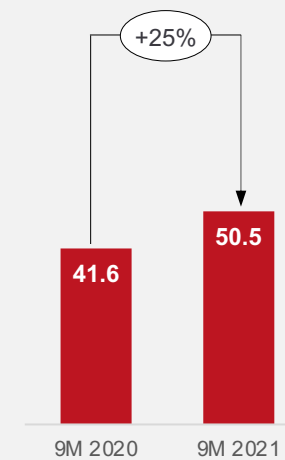
### Recurring revenues

In millions of euros

#### Recurring contracts



#### Consumables and parts



Software maintenance contracts	26.7	-4%
Software subscriptions	5.1	+105%
Equipment and accompanying software maintenance contracts	44.0	+3%

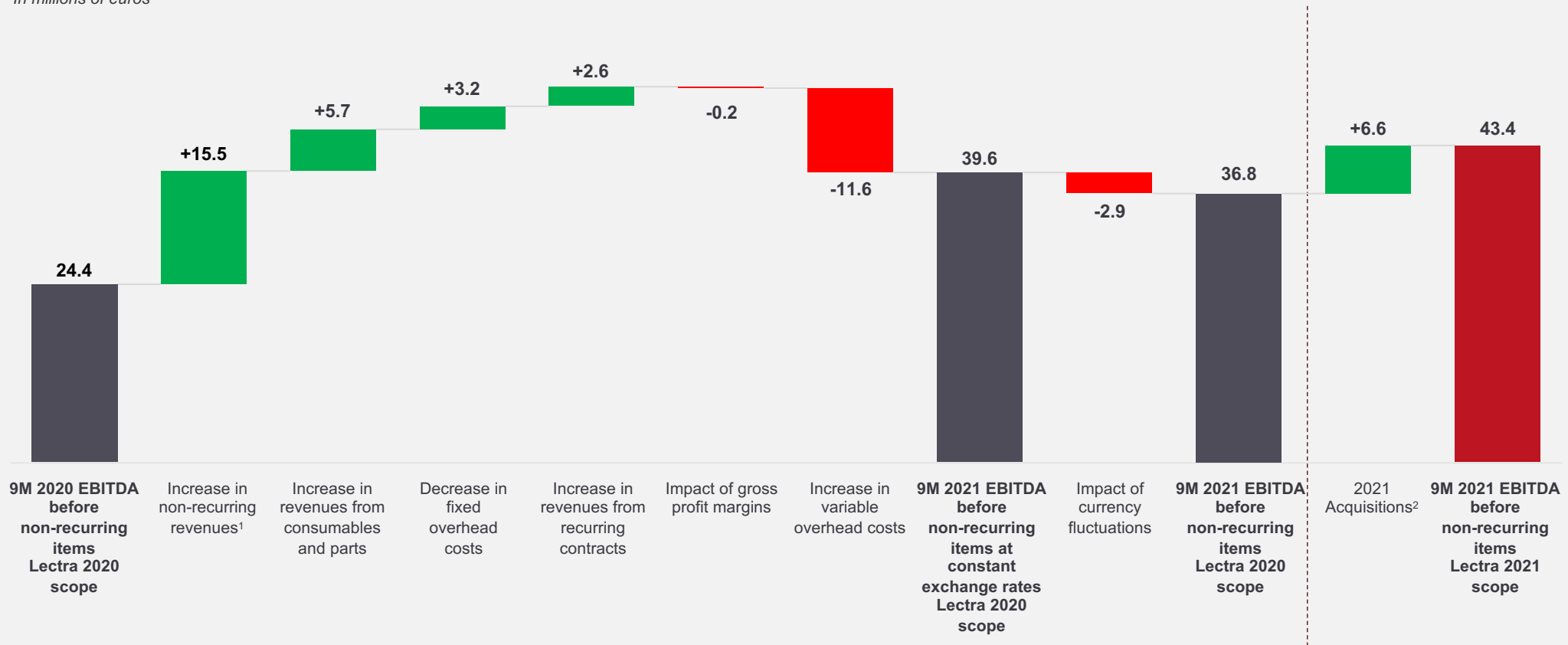
Recurring revenues are a key pillar of the Group's business model and constitute a protective factor that has mitigated the impact of the COVID-19 crisis on the earnings.

# 9M 2021 results

## Very strong growth in EBITDA on account of both organic growth and acquisitions

### Evolution of EBITDA *before non-recurring items*

In millions of euros





# 9M 2021 results

## Evolution of the share price

AT OCTOBER 26, 2021

- Share price: €34.00
- Market cap.: €1,282m
- Enterprise Value: €1,307m
- EV/LTM Revenues: 4.0x
- EV/LTM EBITDA: 23.1x
- PER LTM: 54.7x

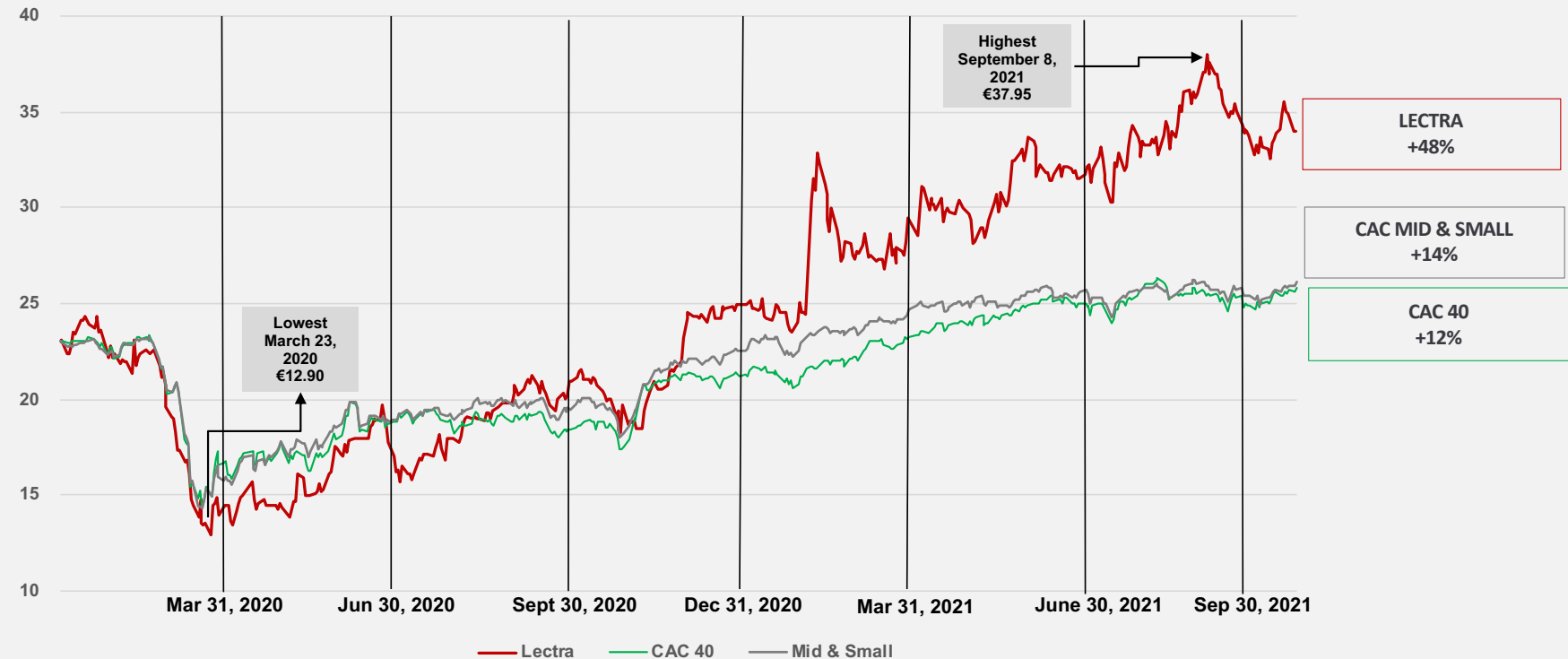
CAPITAL TRADED  
ON EURONEXT

- 9M 2021: €93.8m
- 9M 2020: €81.7m

Volume traded on Euronext represented 28% in 9M 2021 and 36% in 9M 2020 of total volume traded on all trading platforms (source Bloomberg)

### Evolution from January 1, 2020 to October 26, 2021

In euros, closing price



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# Strategic roadmap for 2020-2022: progress report

## Acceleration towards Industry 4.0

As announced on February 11, 2020, the objective of Lectra through its 2020-2022 strategic roadmap is to capture the full potential of its new offers for Industry 4.0, while delivering sustainable, profitable business growth.



The objectives of the 2020-2022 strategic roadmap remain unchanged.

# Strategic roadmap for 2020-2022: progress report

Reminder of the five strategic priorities as revised on February 10, 2021, following the announcement of the Gerber Technology acquisition project

1

Accelerate organic growth

2

Strengthen customer relations

3

Extend the offers for Industry 4.0

Develop new areas for growth

4

Capture all synergies arising from the acquisition of Gerber Technology

5

These five strategic priorities continue to guide the Group's actions: progress has been made on each of them.

# Strategic roadmap for 2020-2022: progress report

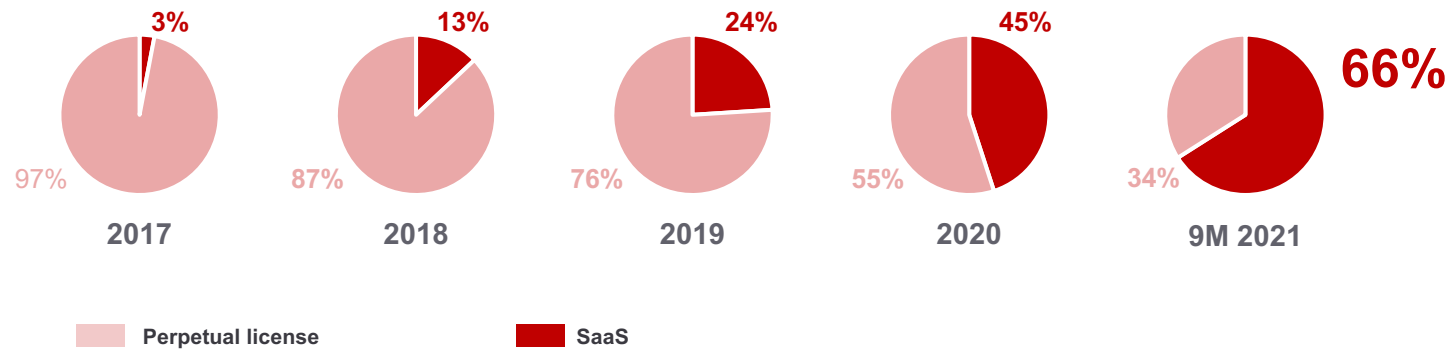
## Growing adoption of the offers for Industry 4.0 and of the transformation towards SaaS

Number of customers using one or several offers for the Industry 4.0



These results confirm the relevance of Lectra's strategy and choices since 2017.

Software orders<sup>1</sup>




<sup>1</sup> If the Group had decided to include subscription software sales in the amount of orders for new systems (by multiplying the annual value of the annual subscription contracts by 2.2). Lectra 2020 scope.

# Strategic roadmap for 2020-2022: progress report

## The 4.0 offers meet companies' long-term needs (1/3)


### FASHION ON DEMAND

by LECTRA



*"We were seeking a solution to help us cut highly specialized and costly fabrics in the most cost-efficient and fastest way possible without sacrificing quality or safety. **Fashion On Demand by Lectra helps us automate our order processing, optimize material consumption and most importantly, increase our production volume to meet rising consumer demand.**"*

**John Karban,**  
Vice-President, Operations



LECTRA

FireDex

### FURNITURE ON DEMAND

by LECTRA



*"Expanding capacity and enhancing support for specialty orders was essential for us to capitalize on a strong upturn in demand. Not only does **Furniture On Demand by Lectra** allow us to improve our matching capabilities and speed up cutting of patterned fabric but it also helps us **optimize IT integration and easily access cutting analytics.**"*

**John Palmer**  
President



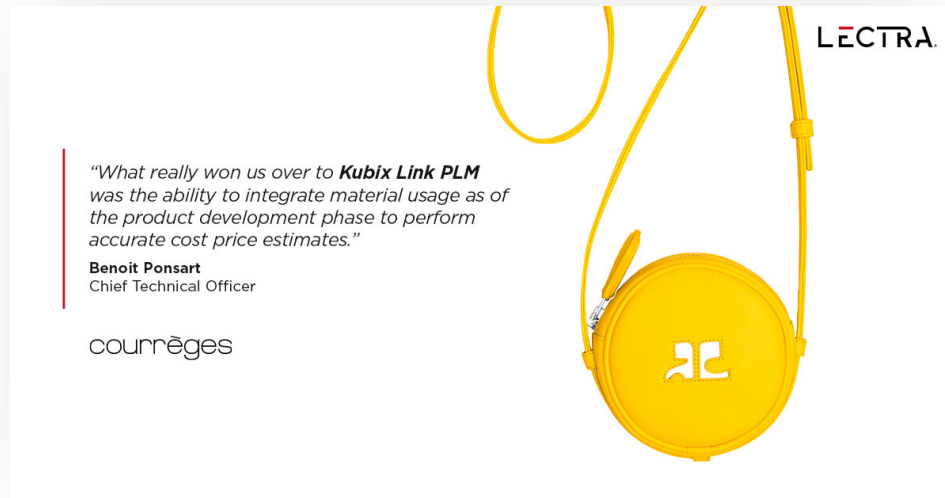
KING HICKORY  
FURNITURE SINCE 1958

LECTRA

# Strategic roadmap for 2020-2022: progress report

## The 4.0 offers meet companies' long-term needs (2/3)

### KUBIX LINK




LECTRA.

*"What really won us over to **Kubix Link PLM** was the ability to integrate material usage as of the product development phase to perform accurate cost price estimates."*

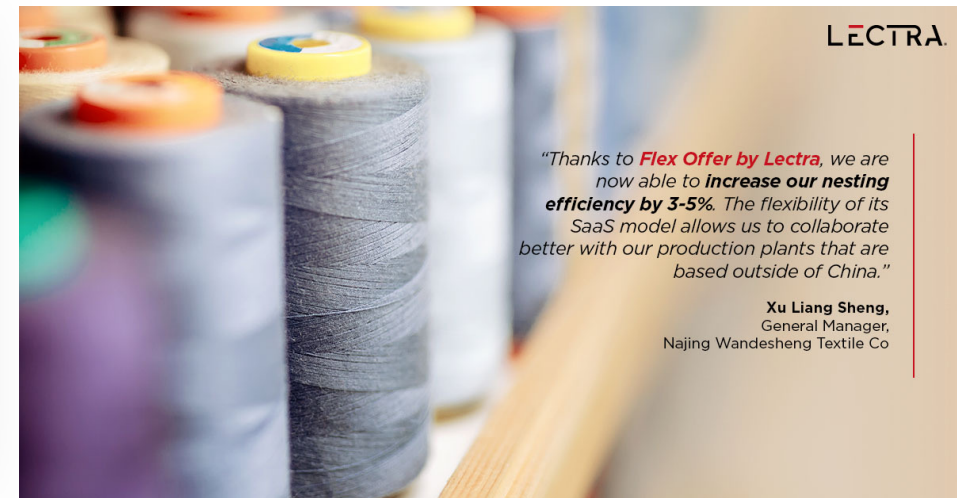
**Benoit Ponsart**  
Chief Technical Officer

cournèges



### FLEX OFFER


by LECTRA.



LECTRA.

*"Thanks to **Flex Offer by Lectra**, we are now able to **increase our nesting efficiency by 3-5%**. The flexibility of its SaaS model allows us to collaborate better with our production plants that are based outside of China."*

**Xu Liang Sheng**,  
General Manager,  
Najing Wandesheng Textile Co





# Strategic roadmap for 2020-2022: progress report

The 4.0 offers meet companies' long-term needs (3/3)

## REVIEWS



# Strategic roadmap for 2020-2022: progress report

## Pursuit of the deployment of Customer Success



Objective: optimize customers' performance through the use of Lectra solutions.

Deployment of Customer Success teams was accelerated to further strengthen relationships with its customers.

The deployment, which started at the beginning of 2020 in Italy, France and the United States, is continuing at a rapid pace in the rest of the world:

- 720 people, of which 20 Customer Success Managers dedicated to the offers for Industry 4.0.

# Strategic roadmap for 2020-2022: progress report

## Substantial increase in customer satisfaction



These results illustrate Lectra's capacity to bring long-term value to its customers through its offer and services, which as a result creates a higher level of customer loyalty.

Based on more than 2,000 customer surveys done in 2019 and 3,000 in 9M 2021.

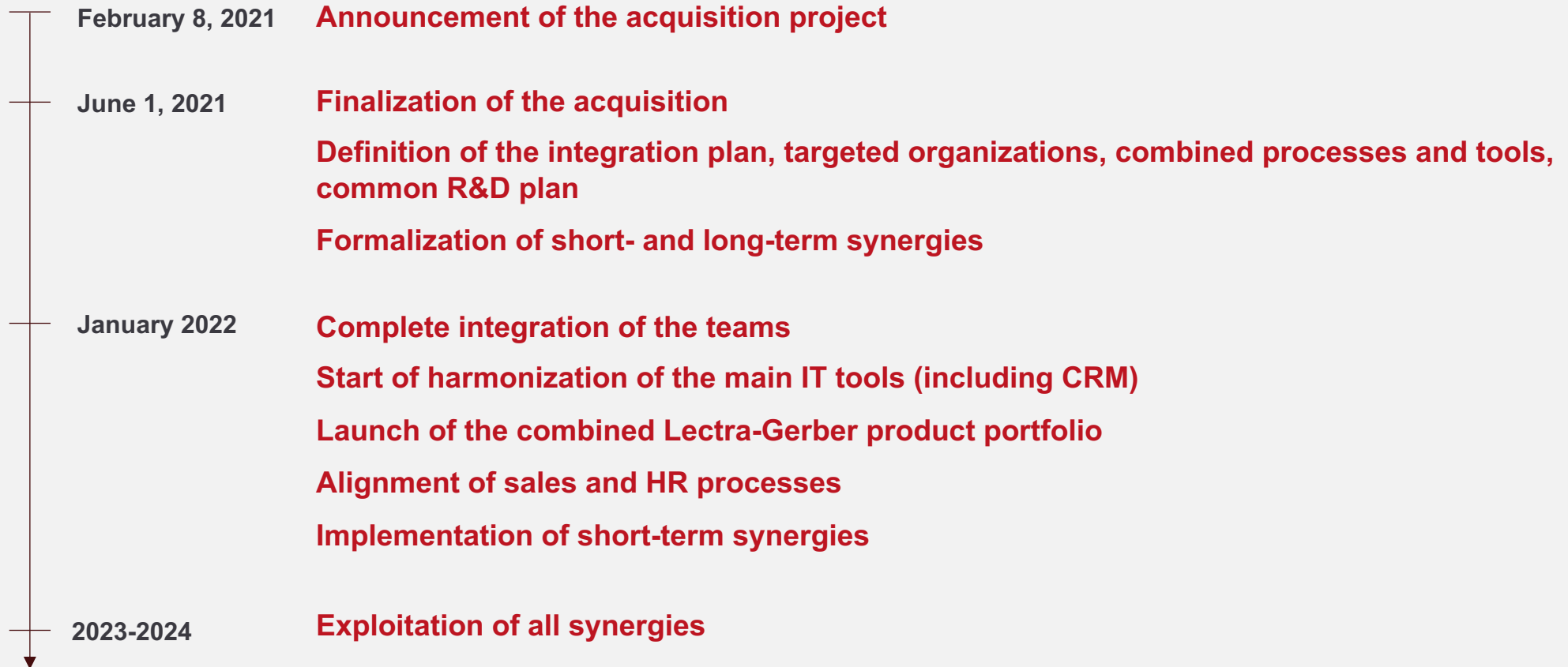
*CSAT: percentage of customers giving a score of 8, 9 or 10/10 to the question "What is your level of global satisfaction regarding Lectra"*

*Super CSAT: percentage of customers giving a score of 9 or 10/10 to the question "What is your level of global satisfaction regarding Lectra"*

*NPS (Net Promoter Score): recommendation index obtained by calculating the difference between customers who give a score of 9 or 10/10 and those who give a score of between 0 and 6/10 to the question "Would you recommend Lectra to your peers?"*

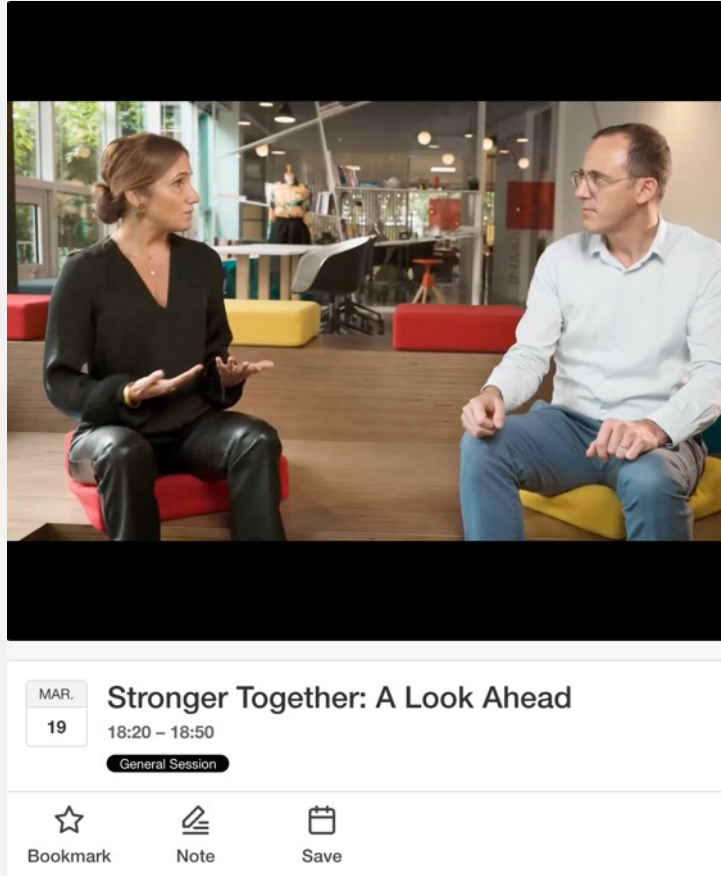
# **Strategic roadmap for 2020-2022: progress report**

## **Finalization of the Gerber Technology acquisition**



# Strategic roadmap for 2020-2022: progress report

## First major shared event of the two brands Lectra-Gerber Technology



**1,500+** registered

**48** sessions

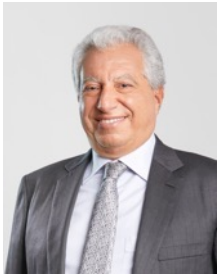
**40** speakers

**25** sponsors



# Strategic roadmap for 2020-2022: progress report

## Strengthened Executive Committee



**Daniel  
HARARI**



Maximilien  
ABADIE



Thierry  
CAYE



Celine  
CHOUSSY



Olivier  
DU  
CHESNAY



Fabio  
CANALI



Javier  
GARCIA



Karen  
GIBBS



Laurence  
JACQUOT



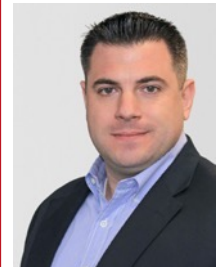
**Jérôme  
VIALA**



Edouard  
MACQUIN



Maria  
MODRONO



Leonard  
MARANO



Holger  
MAX-LANG



Theodore  
OSTENDORF



Rani  
RAO



Tao "Edward"  
WANG

# Strategic roadmap for 2020-2022: progress report

## Acquisition of Neteven to reinforce the offer around e-commerce



Founded in 2005, Neteven has developed a particularly innovative offer, based on a SaaS platform and associated services, which enables brands to simplify and effectively monitor the distribution of their products on the world's largest online marketplaces.

The Neteven team provides its technological and services expertise to prestigious brands to help them optimize their e-commerce strategy.



**Greg Zemor,**  
CEO and co-founder, Neteven

*“With Lectra, we will be able to cover the entire chain, from production to distribution. We will respond to brands’ Direct-to-Consumer strategy issues. This union will allow us to go even further in terms of innovation, value creation, and business as well as international expansion.”*



# Strategic roadmap for 2020-2022: progress report

## Acquisition of Gemini CAD Systems to enhance the depth of Lectra's fashion software portfolio



Founded in 2004, Gemini CAD Systems has developed several innovative software solutions, essentially Computer Aided Design (CAD), for small and medium-sized fashion companies.

This acquisition is in line with Lectra's strategy of expanding its presence and its value proposition in the fashion market.

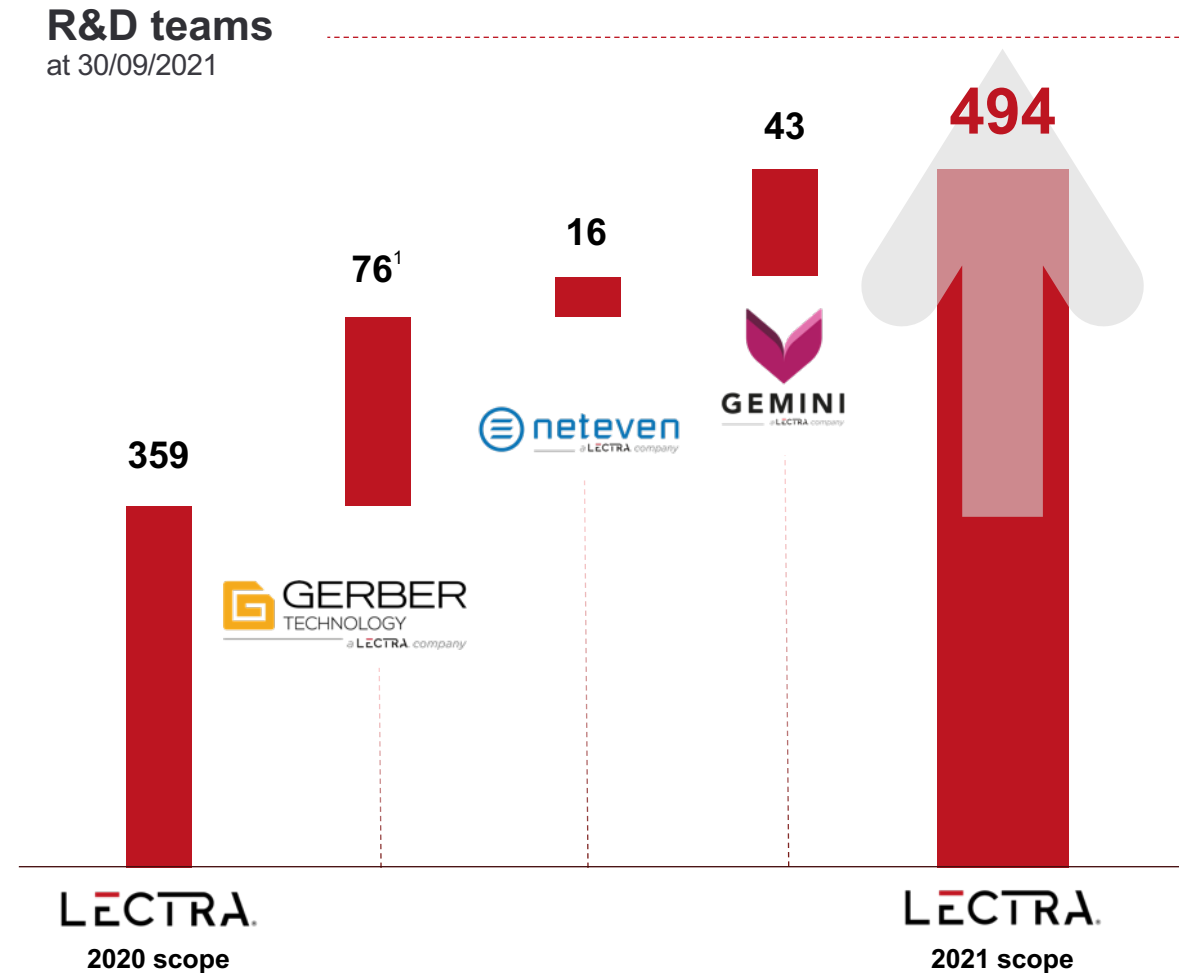


**Traian Luca,**  
CEO and founder, Gemini CAD Systems

*"We are delighted to join Lectra's family. We are convinced that with Lectra's strong leadership, its unparalleled expertise in the fashion industry and the strength of its teams, we will be able to boost our customer's competitiveness and help them accelerate their digital transformation."*

# Strategic roadmap for 2020-2022: progress report

After the 2021 Acquisitions, not one competitor has such a capacity to innovate



<sup>1</sup> To which is added the Gerber Technology's R&D subcontractors, as a large part of Gerber Technology's annual R&D investments are subcontracted.

# Financial results Q3 and 9M 2021

- 9M 2021 main highlights
- Evolution of the environment and Lectra's markets
- Q3 2021 results
- 9M 2021 results
- Strategic roadmap for 2020-2022: progress report
- **2021-2022 outlook**

# 2021-2022 outlook

## 2021: confirmation of the revised financial objectives, published on July 29, 2021

	<b>Lectra 2020 scope</b>		<b>Lectra, after the integration of Gerber Technology, scope</b> <i>(excluding Neteven and Gemini CAD Systems)</i>	
	Scenario of February 9, 2021	Scenario of July 29, 2021	Scenario of July 29, 2021	
Revenues	€250m to €268m +9% to +17%	€269m to €281m +16% to +21%	€364m to €390m +54% to +65%	
Income from operations before non-recurring items	€27m to €34m +27% to +60%	€35m to €40m +51% to +77%	€54m to €64m +44% to +71%	
	Like-for-like		At actual exchange rates	

The 2021 scenario, published on February 9, 2021, is based on like-for-like comparison.

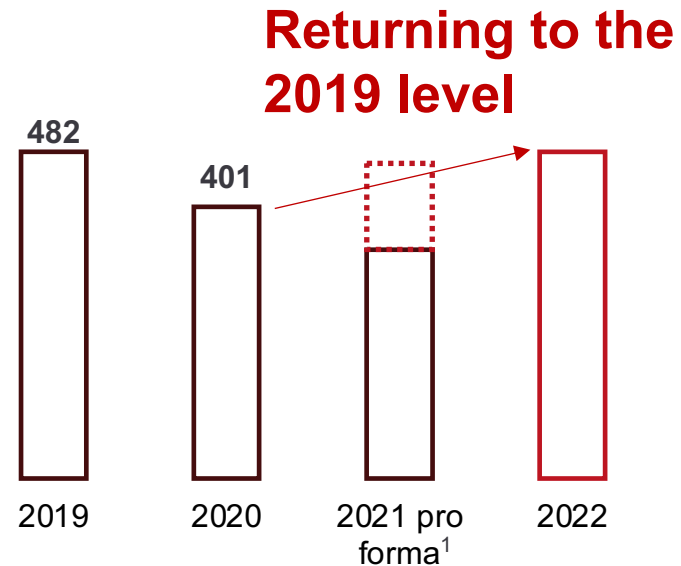
The 2021 revised scenarios, published on July 29, 2021, are based on actual exchange rates for H1, and the closing rates on June 30, 2021, particularly \$1.19/€1, for H2 2021.

# 2021-2022 outlook

## 2022: confirmation of combined Lectra and Gerber Technology financial objectives, published on February 9, 2021

### Combined revenues

*In millions of euros, Lectra 2020 scope and Gerber Technology*



### Combined EBITDA margin *before non-recurring items*<sup>2</sup>

# 17% to 20%

Including the effect of the synergies, the impact of which on the EBITDA before non-recurring items should represent between +€12m and +€18m

**2022 objectives, including Gemini CAD Systems and Neteven, will be published on February 9, 2022**

# Upcoming financial calendar

## Annual Shareholders' Meeting

April 29, 2022

## Quarterly results

**Q4** February 9, 2022

## Analyst conference

February 10, 2022

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Empowering customers through industrial intelligence