



LECTRA®

COMPANY BACKGROUND & STRATEGY

November 2021

Lectra company background & strategy

- **Who is Lectra?**
- **Lectra 4.0 strategy**
- **Strategic roadmap for 2020-2022**
- **Gerber Technology acquisition project**
- **Business trends & outlook**
- **Appendices**
 - 9M 2021 results
 - Product portfolio

Who is Lectra?

More than 40 years of innovation and challenges

Lectra has consistently demonstrated its resilience

LECTRA

“LECTEUR” that can read

“TRACEUR” that can draw

Lectra 1.0

1973

Company founded

1976: First computer-aided design (CAD) systems sold. André Harari becomes a shareholder and helps Lectra's two founders to develop their business plan

1985: Lectra becomes world leader in CAD solutions for the fashion and apparel industry and expands into computer-aided manufacturing (CAM)

1987: Initial public offering

Lectra 2.0

1991

After the company's serious financial crisis of 1990, André Harari and Daniel Harari recapitalize Lectra and take over its management

1991-1996: Strategic redeployment plan: extensive R&D program, overhaul of the company's entire product range, new market sectors, new business model

2000 : Lectra becomes number one worldwide

2004: Lectra acquires Investronica, Lacent and Humantec

2008-2009: Lectra is severely affected by the consequences of the worldwide crisis on its markets. Reduction of overhead costs, safeguarding the company's core assets. Steadfast investments in R&D

Lectra 3.0

2010-2011

Lectra proves its resilience after the global economic crisis. Very strong rebound in sales activity. Record income and free cash flow. Lectra increases its leadership in automotive

2012: Renewal of the entire technology offer for fabric and leather cutting. New versions of Lectra's main software. Far-reaching 4-year company transformation plan and €50 million investments for the future

2013-2016: The strategic roadmap and transformation plan reach their objectives. Commercial success for Lectra's new generation of laser-cutting solutions for airbags

Lectra 4.0

2017

The launch of Lectra's Industry 4.0 vision and strategy

2018: Lectra acquires Kubix Lab. Launch of new Industry 4.0 compliant offers

2019: Lectra acquires Retviews. Global roll out of the offers for the Industry 4.0. Record levels of recurring revenues and free cash flow

2021: Lectra acquires Gerber Technology to create a world-class leader within Industry 4.0 for the fashion, automotive and furniture markets

Lectra acquires Neteven and Gemini CAD Systems

Who is Lectra?

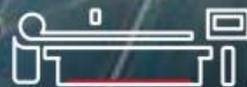
For companies that breathe life into our wardrobes, car interiors, furniture and more, Lectra is crafting the premium technologies that facilitate the digital transformation of their industry.

Lectra's offer empowers brands and manufacturers from design to production, providing them with the market respect and peace of mind they deserve.

Software



Equipment



Data



Services



Who is Lectra?

Serving world-class customers in different market segments



Fashion

47% | 58%*

- Brands
- Manufacturers
- Retailers
- Hybrid Manufacturers



Automotive

29% | 20%*

- Fabric car seat and interiors
- Leather car seats and interiors
- Airbags



Furniture

18% | 13%*

- Residential
- Outdoors
- Contract (Hospitality, offices, etc.).



Other Industries

6% | 9%*

- Sign & graphics
- Aeronautic
- Marine



LECTRA

GERBER TECHNOLOGY
a LECTRA company



Who is Lectra?

A unique worldwide presence

€236 MILLION | €401 MILLION*
2020 revenues

64%* of which comes from recurring revenues | > ≈ 95%* of revenue is generated outside of France

% as Lectra combined

Americas	27% 38%
Europe	43% 34%
Asia Pacific	23% 22%
Other countries	7% 6%



Presence in +100 countries reached by a global network of subsidiaries, agents and distributors

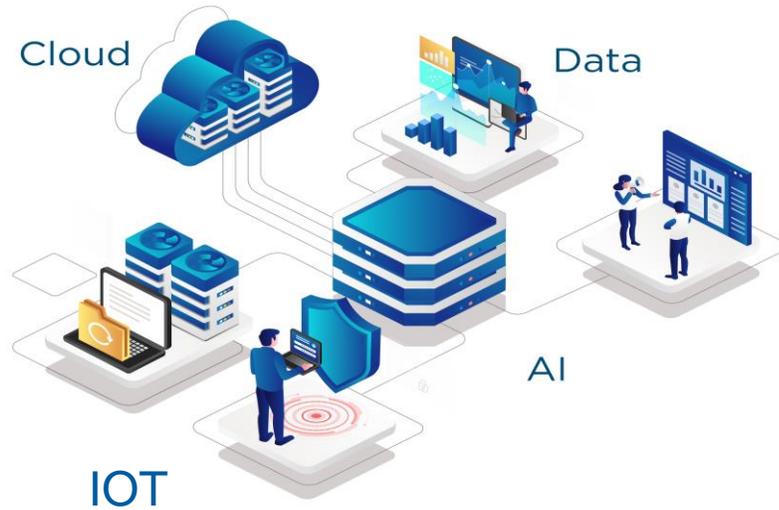
7 international call centers

6 international advanced technology centers in Atlanta, Bordeaux-Cestas, Milan, Shanghai, innovation center in New-York and innovation lab in Bordeaux-Cestas

2,400 employees

Who is Lectra?

Innovation at the service of excellence



Innovation is an integral part of Lectra's genetic code

€32 million | **€50 million***

cumulated investments in R&D in 2020

The company intends to pursue its policy of substantial investments in R&D and innovation, to further extend its technological lead and its value proposition. In October 2018, Lectra instituted the Innovation Lab at the heart of its International Advanced Technology Center in Bordeaux-Cestas to promote cross-fertilization of ideas and an open innovation ecosystem.

Who is Lectra?

A solid proven business model

The three pillars of Lectra's business model

1

The distribution of business activity over market sectors and geographical markets with cycles that are different from each other, and the very large number of customers throughout the world.

2

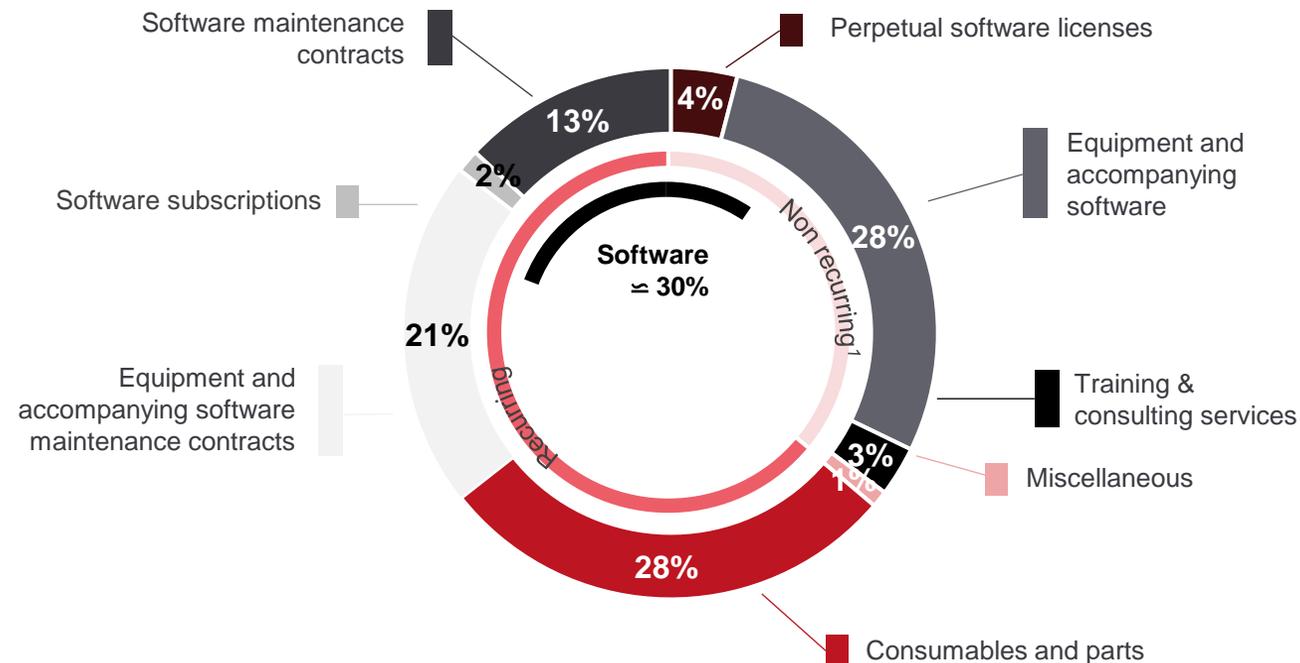
A balanced revenue mix between revenues from software licenses, equipment and non recurring services and recurring revenues.

3

The generation of significant annual free cash flow.

Breakdown of 2020 revenues

Lectra + Gerber Technology*



¹ Perpetual software licenses, equipment and accompanying software, and non-recurring services

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Lectra 4.0 strategy

A long-term vision



Continuing its focus on the long-term, the **Lectra 4.0 strategy**, launched in 2017, aims to position Lectra as a key Industry 4.0 player in its market sectors between now and 2030.

Lectra 4.0 strategy

Lectra's markets are undergoing profound changes

Fashion



Fashion brands and manufacturers must rethink the **in-store and digital experience**, be always **more creative**, shorten **time-to-market**, demonstrate their **eco-responsibility** while also reducing **inventories, markdowns, and unsold stock**.

Automotive



Automotive suppliers, under pressure from carmakers and faced with **difficult market conditions**, must also reinvent themselves to **maintain their margins**, while laying the groundwork for **car interiors of the future**.

Furniture



Furniture industry players are forced to adapt without delay to the demands of **younger generations** yearning for **configurable and personalized** furniture, **changing lifestyles**, and the challenges of **digital technology**.

Lectra 4.0 strategy

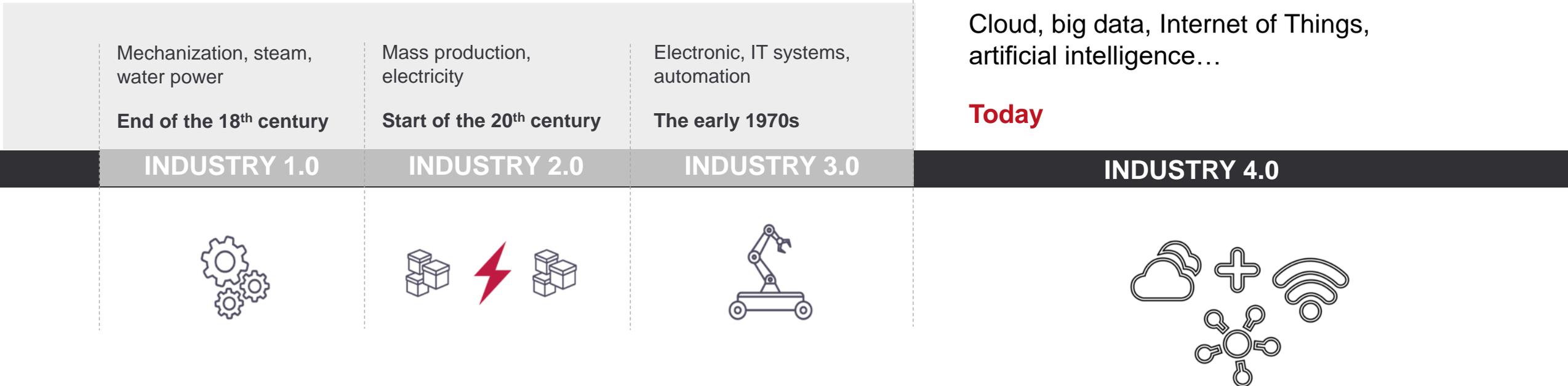
Industry 4.0 is transforming industrial processes

Factories are at the heart of the value chain

driving a new digitalized product lifecycle that will benefit consumers

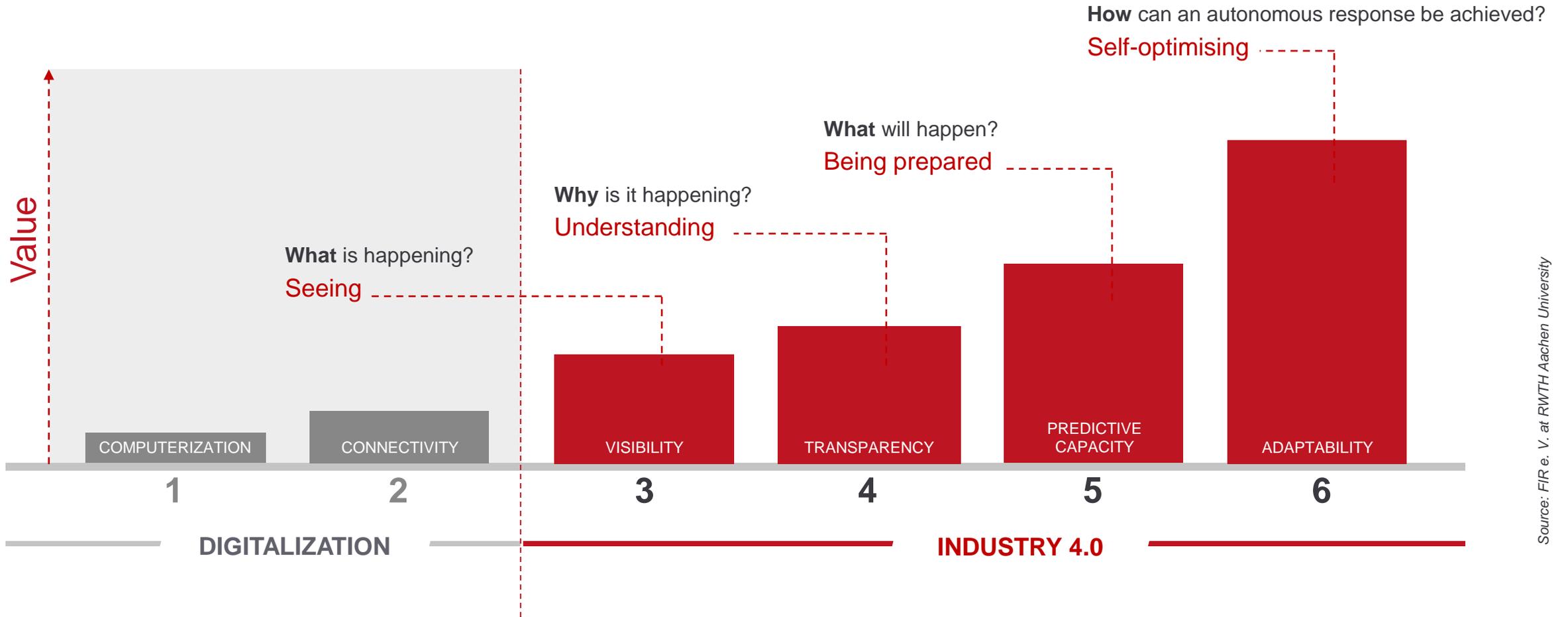
Cloud, big data, Internet of Things, artificial intelligence...

Today



Lectra 4.0 strategy

Six key steps to exploit the full potential of the Industry 4.0



Source: FIR e. V. at RWTH Aachen University

Lectra 4.0 strategy

Lectra 4.0: a strategy to address the challenges of the Industry 4.0

Premium positioning

High value-added solutions and services with strong business-line expertise.



Focus on three strategic market sectors

Fashion, automotive, and furniture, with a specific approach for each in terms of offers, organization and processes.



Customers at the heart of the activities

A commitment from Lectra teams to do everything in their power to enable customers to make optimal use of its solutions.



New 4.0 services

Gradually launched on the market, they will combine data analysis, Lectra's expertise and artificial intelligence, to enable customers to continuously improve their operations.



Lectra 4.0 strategy

Lectra already has the fundamentals necessary for Industry 4.0

14 years of experience in IoT

Close to 6,400 cutting machines, equipped with sensors and capable of being connected to the Internet, are compatible with the new offers for Industry 4.0.

Combination of equipment, software, data and services

The sole player in its industry to integrate the 4 key technologies of Industry 4.0 (cloud, big data, IoT, AI) in its products and services offers.

Strong business-line expertise

540 consultants and solution experts accompany customers on a daily basis and will be by their side during their transformation towards Industry 4.0.

Prestigious customer base

Global presence with a network of 61 subsidiaries

Strong technological leadership

Virtuous business model and strong financial position

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Strategic roadmap for 2020-2022

Acceleration towards Industry 4.0



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.

Five strategic priorities

1

Accelerate organic growth

2

Strengthen customer relations

3

Extend the offers for Industry 4.0

4

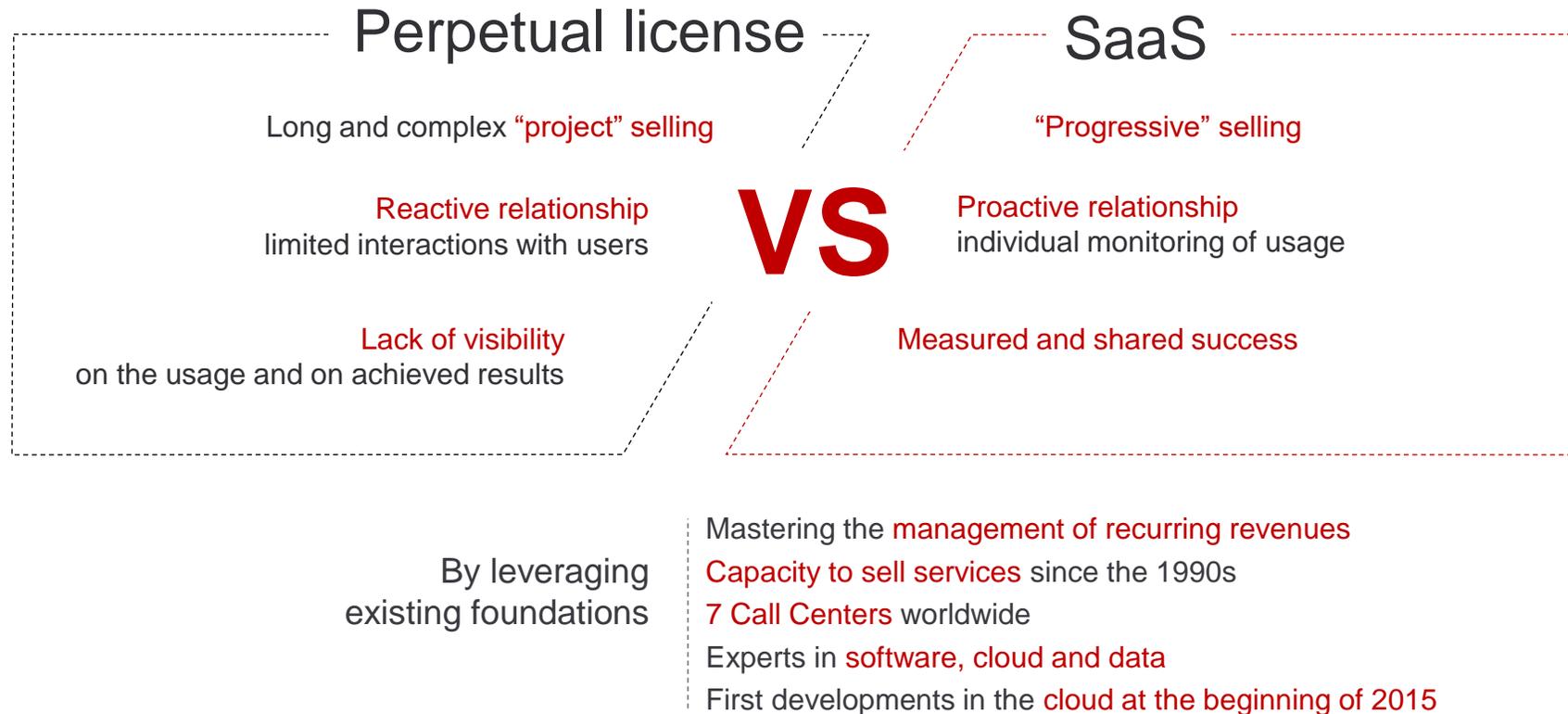
Develop new areas for growth

5

Capture all synergies arising from the acquisition of Gerber Technology

Strategic roadmap for 2020-2022

Transform internal processes to support the rollout of SaaS offers



Strategic roadmap for 2020-2022

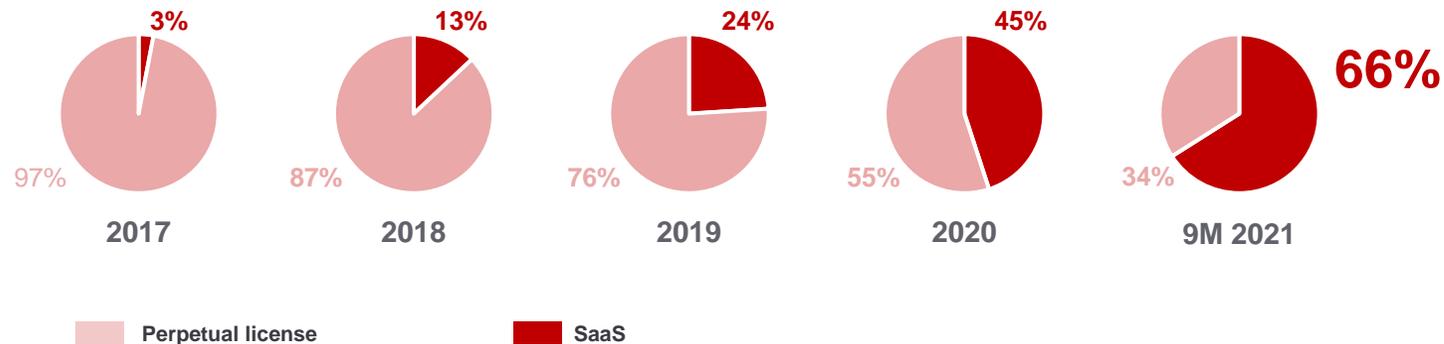
Growing adoption of the offers for Industry 4.0 and of the transformation towards SaaS

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*



* 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

Pursuit of the deployment of Customer Success

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



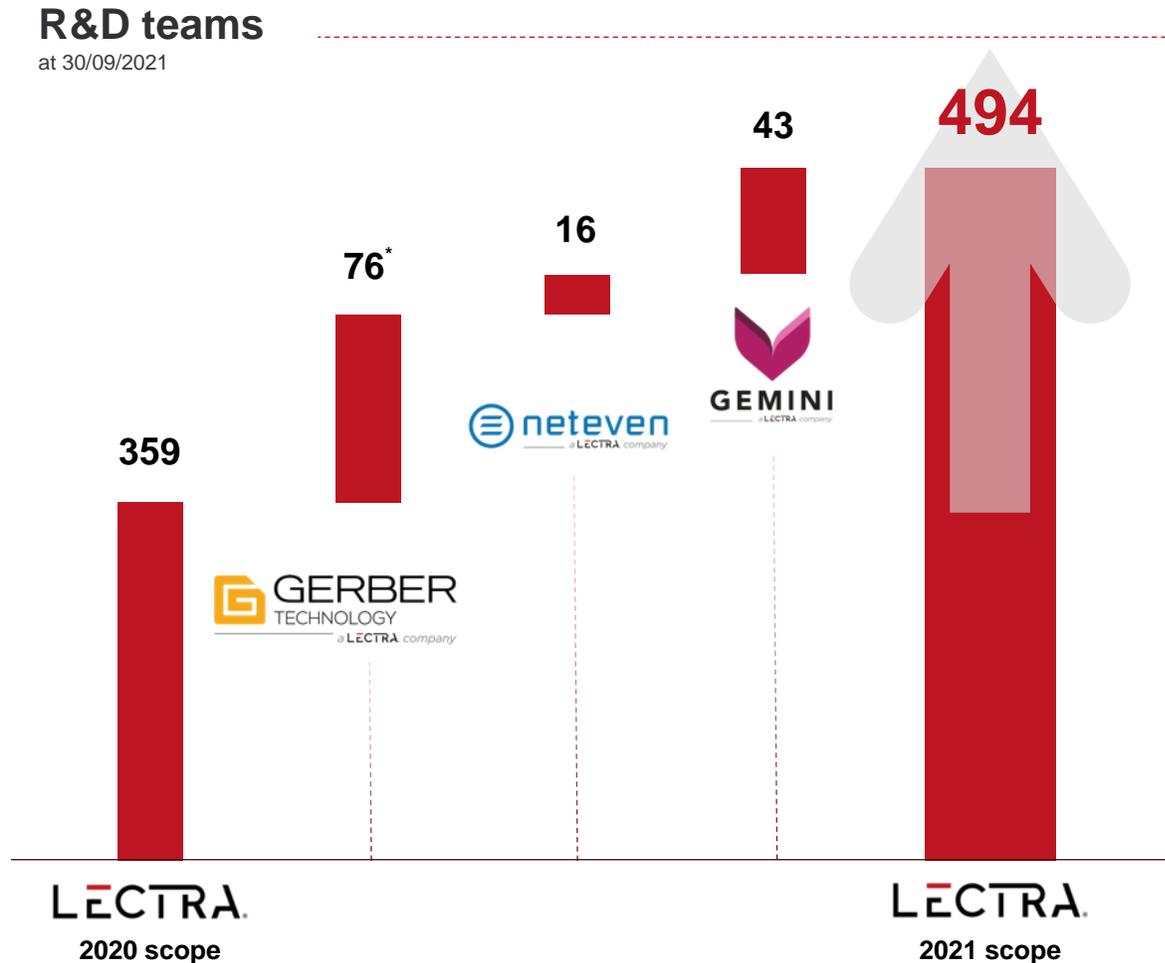
Deployment of Customer Success teams was accelerated to further strengthen relationships with its customers.

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

After the acquisitions done in 2021, not one competitor has such a capacity to innovate



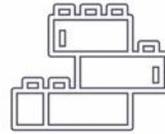
Strategic roadmap for 2020-2022

Intensify targeted acquisitions

Objectives of external growth



Complete range of products



Incorporate technological "brick"



Increase market share

Lectra mainly targets companies whose value is between €10m and €60m

Lectra company background & strategy

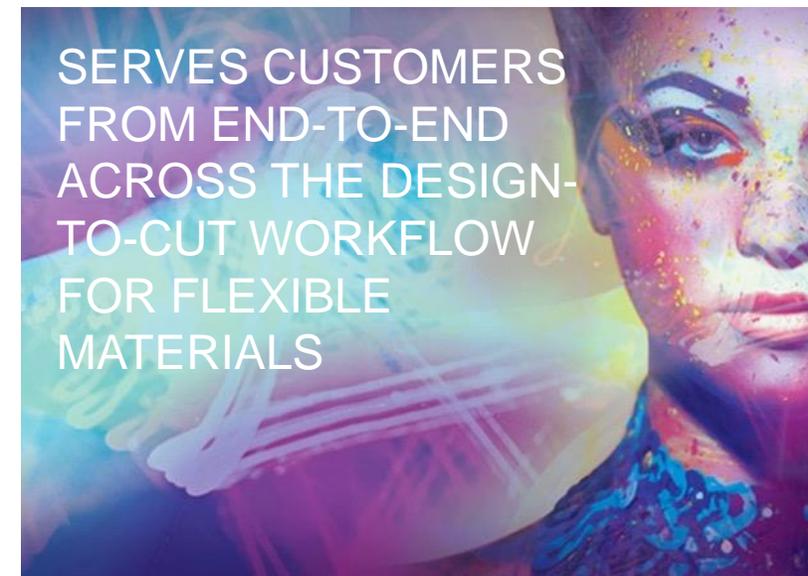
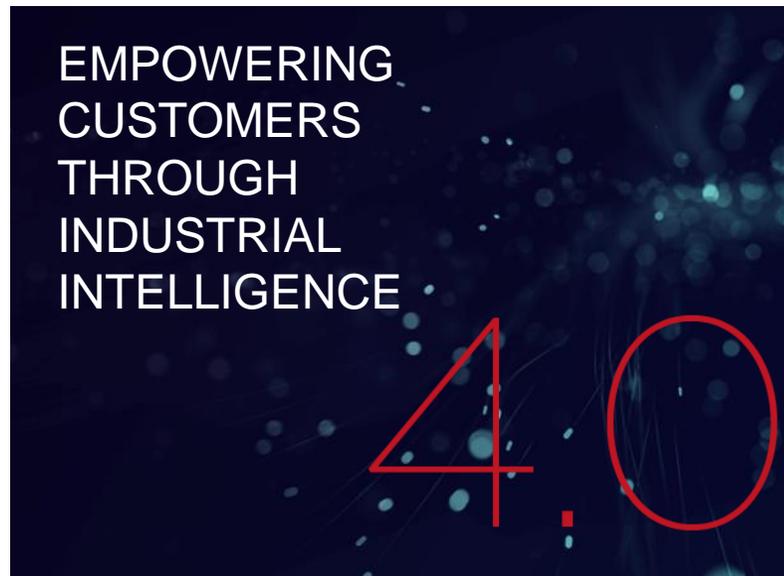
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Gerber Technology acquisition project

Lectra's ambition: to create a world-class, leading Industry 4.0 player for the fashion, automotive and furniture markets

LECTRA[®]

GERBER
TECHNOLOGY



Gerber Technology acquisition project

Transaction rationale

LECTRA

Strengths

- Very solid presence in Europe and strong position in Asia-Pacific
- Undisputed technology leadership
- Prestigious European fashion customers
- World leader in Automotive
- 100% inhouse manufacturing
- 34 subsidiaries, 90%+ sales direct
- Solid business model and balance sheet
- High value-added offers for the Industry 4.0

LECTRA  **GERBER**
TECHNOLOGY

Opportunities

- Highly complementary customer bases and geographic market positions: upsell and cross-sell opportunities
- More value to customers through seamlessly integrated solutions
- Cost rationalization and economies of scale for sales, support and admin operations
- Mutualized future R&D development, addressing notably a broader customer base
- Accelerated digital transformation in fashion, automotive and furniture industries

 **GERBER**
TECHNOLOGY

Strengths

- Very solid presence in North America and strong position in Asia-Pacific
- Integrated and industry leading solutions
- Renowned brand reputation
- Prestigious American fashion customers
- 100% outsourced manufacturing
- Very high level of recurring activities
- Thousands of Industry 4.0 ready products in use

Gerber Technology acquisition project

Transaction overview

Transaction structure

- Acquisition price, on a cash-free debt-free basis: €175m (cash+debt combined) and shares (5m newly issued to AIPCF VI LG, an affiliate of American Industrial Partners that is Gerber Technology's sole shareholder) – Total amount of about €300m based on Lectra's closing share price on February 5, 2021
- Lectra to own 100% of Gerber Technology
- At closing, AIPCF VI LG owned c. 13.3% of Lectra capital (pro-forma), Daniel Harari owned c. 14.6%

Company name & headquarters

- Lectra to remain the combined company name
- Both Lectra and Gerber Technology brands will remain
- Euronext Paris listing, c. 39 million fully diluted shares outstanding at closing
- Headquarters in Paris, France

Leadership & governance

- Chairman and CEO: Daniel Harari – Gerber Technology CEO, Mohit Uberoi, to assume special advisor role to Daniel Harari until end-2021
- Board of Directors: one new Director representing AIPCF VI LG – Jean Marie (John) Canan

Timing & closing requirement

- Transaction approved by Lectra's Board of Directors on March 25, 2021
- Closing on the June 1, 2021, following Shareholders' Meeting (to vote on the issuance of the 5 million new Lectra shares reserved to AIPCF VI LG)

Gerber Technology acquisition project

Combining two financially strong and efficient companies

2020 revenues and earnings of both companies were impacted by the COVID-19 crisis

2020	 LECTRA	 GERBER TECHNOLOGY	  GERBER TECHNOLOGY Aggregated ¹ , pre-synergies
Total revenues	€236m	€165m	€401m
Recurring revenues	€159m	€98m	€256m
Recurring revenues as a % of total revenues	67%	59%	64%
EBITDA	€37m	€13m (adjusted ²)	€50m
EBITDA margin	16%	8% (adjusted ²)	13%
Free cash flow	€25m	€9m	€34m
Security ratio ³	91%	91% (adjusted ²)	91%

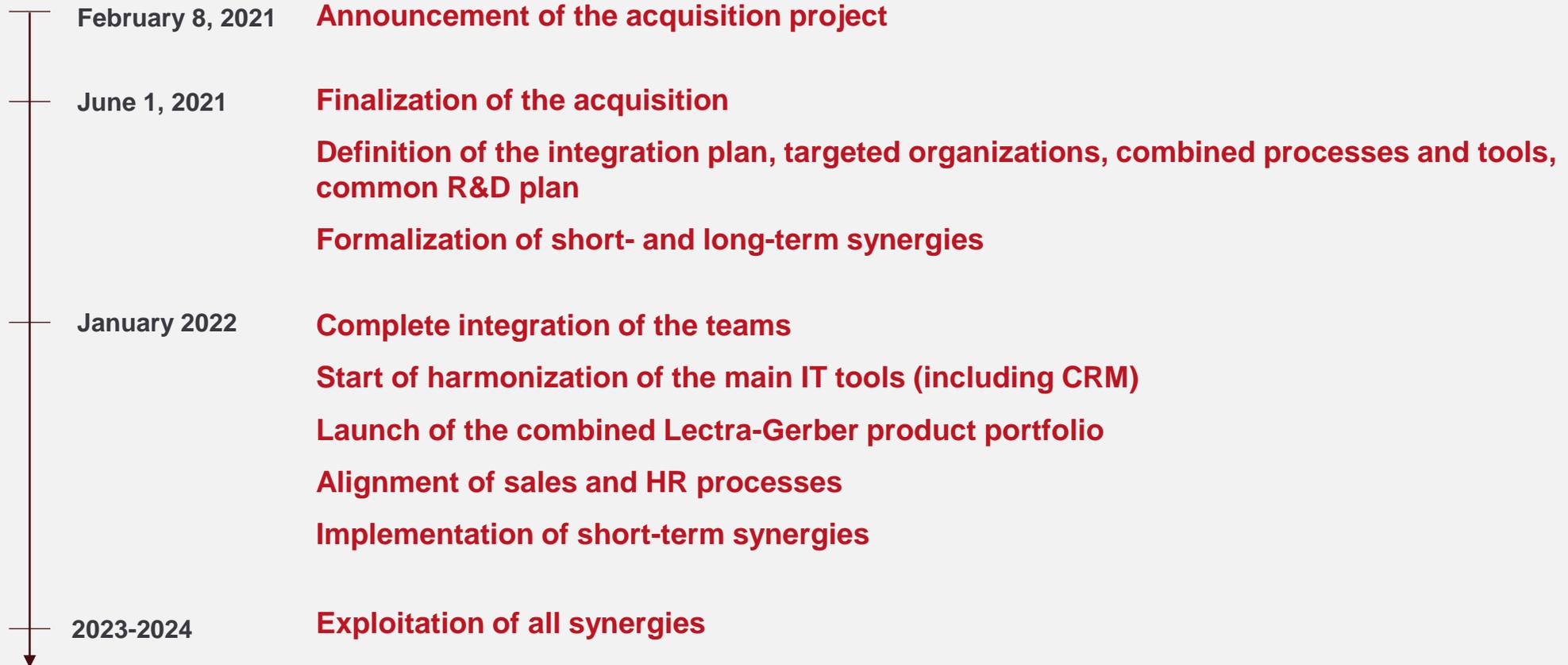
¹ Simple aggregation of 2020 results (unaudited for Gerber Technology, US GAAP) prior to any required accounting adjustments

² Adjusted figures by Lectra to offset non-recurring expenses

³ Percentage of annual fixed overhead costs covered by gross profit on recurring revenues

Gerber Technology acquisition project

Finalization of the Gerber Technology acquisition



Lectra company background & strategy

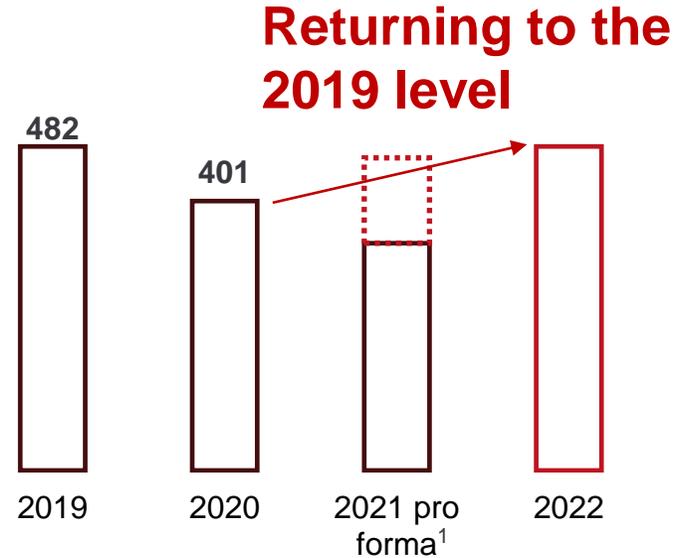
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Business trends & outlook

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*²

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

Business trends & outlook

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

Lectra 2020 scope

	Scenario of February 9, 2021	Scenario of July 29, 2021
Revenues	€250m to €268m +9% to +17%	€269m to €281m +16% to +21%
Income from operations before non-recurring items	€27m to €34m +27% to +60%	€35m to €40m +51% to +77%

Like-for-like

Lectra, after the integration of Gerber Technology, scope (excluding Neteven and Gemini CAD Systems)

	Scenario of July 29, 2021
Revenues	€364m to €390m +54% to +65%
EBITDA before non-recurring items	€54m to €64m +44% to +71%

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.

Lectra company background & strategy

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9M 2021 results

Strong rebound in activity and results

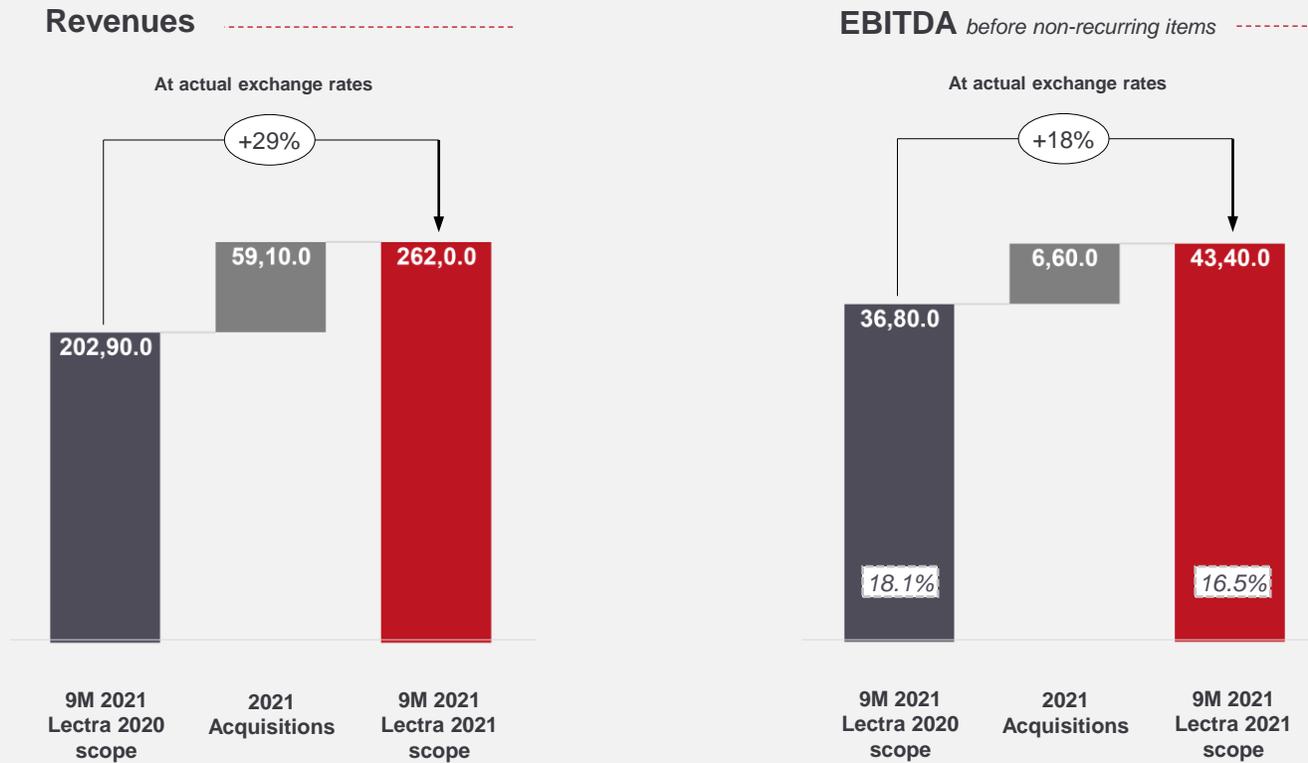
Confirmed success of new offers for Industry 4.0

Acquisitions of Gerber Technology, Neteven and Gemini CAD Systems

9M 2021 results

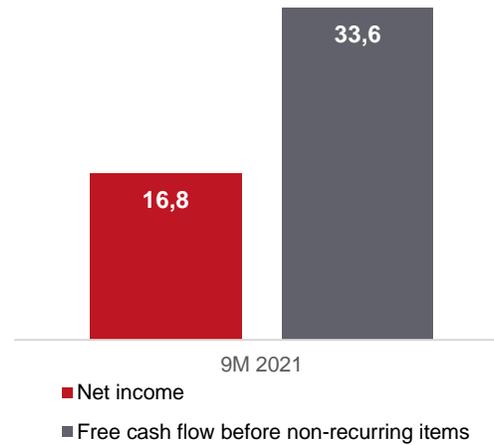
Very strong growth in revenues and EBITDA before non-recurring items, on account of the strength of the rebound in activity and external growth

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.

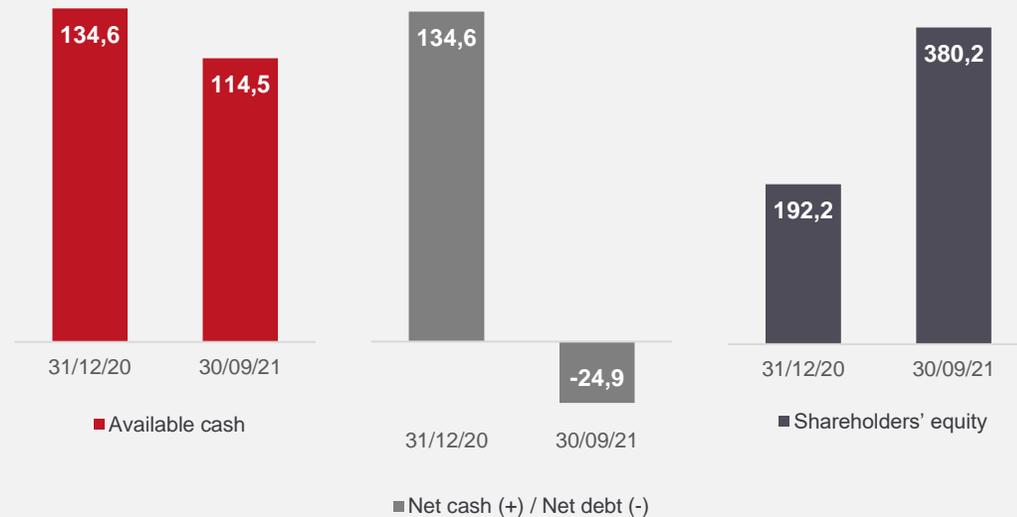
After disbursement of €6.8m in 9M 2021, in respect of fees and other related expenses in connection with the acquisition of Gerber Technology, free cash-flow amounted to €26.8m, €10m higher than net income.

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.

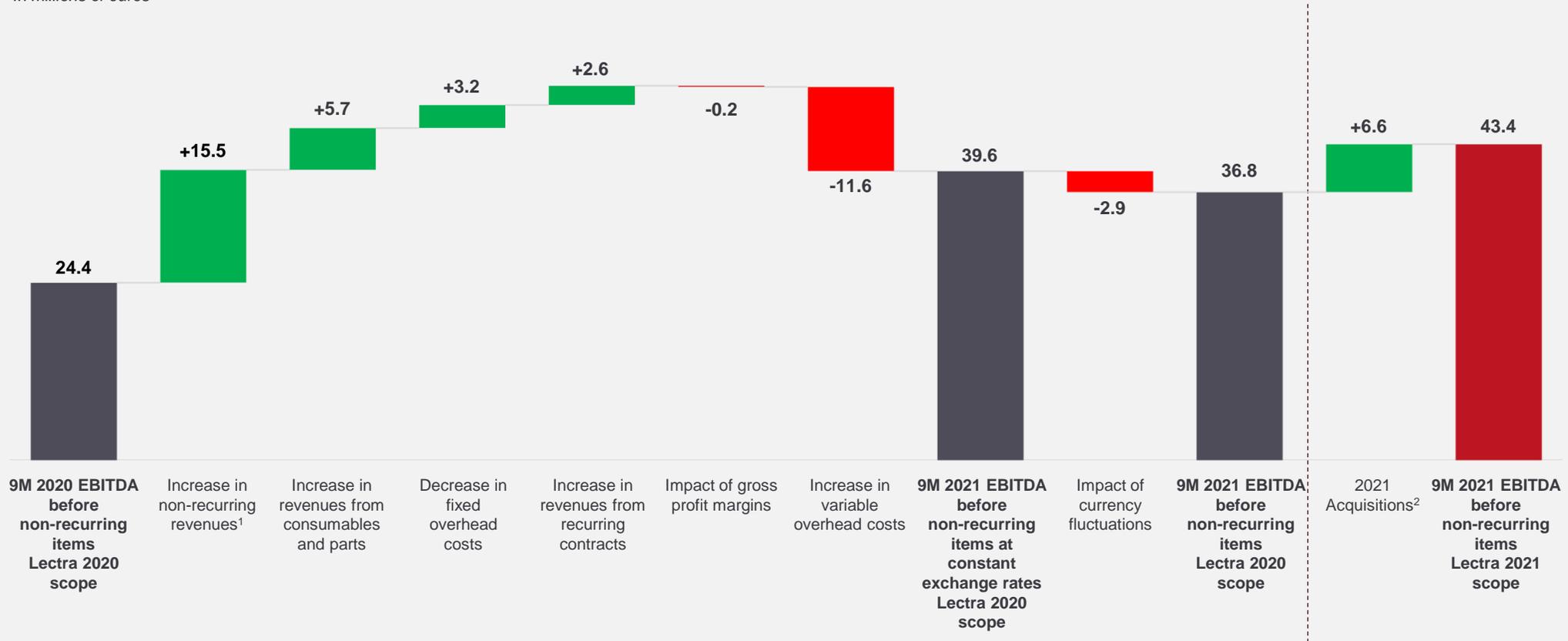
The acquisitions of Neteven (€12.4m) and Gemini CAD Systems (€7.6m) were financed by using the available cash.

9M 2021 results

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

Evolution of EBITDA *before non-recurring items*

In millions of euros



¹ Revenues from software licenses, equipment and accompanying software, and non-recurring services

² Gerber Technology's contribution (since June 1) was positive €6.6m, and Neteven's contribution (since July 28) was negligible.

Lectra company background & strategy

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- 9M 2021 results
- **Product portfolio**

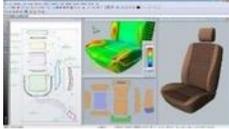
Lectra's offer at the leading-edge of technology

Software sold in perpetual licenses

KALEDO



DESIGNCONCEPT



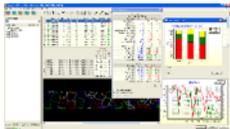
MODARIS



DIAMINO



OPTIPLAN



Equipment and accompanying software

VECTOR



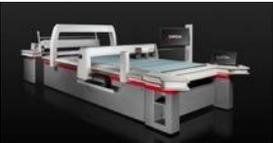
VERSALIS



FOCUSQUANTUM



VIRGA



Software sold in SaaS mode

FASHION ON DEMAND



FURNITURE ON DEMAND



QUICK ESTIMATE



QUICK NEST



KUBIX LINK



RETIEWS



neteven



Thank you!

Investor relations

investor.relations@lectra.com