

A grayscale background image divided into three vertical panels. The left panel shows a close-up of a leather car seat. The middle panel shows a woman's profile with long dark hair. The right panel shows a modern armchair in a room.

**COMPANY BACKGROUND & STRATEGY**

# **Lectra company background & strategy**

- **Who is Lectra?**
- **Lectra 4.0 strategy**
- **Strategic roadmap for 2020-2022**
- **2022 outlook**
- **Appendices**
  - 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 (Gemini)

# Who is Lectra?

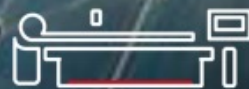
For companies that breathe life into our wardrobes, car interiors, furniture and more, Lectra is crafting the premium technologies that facilitate the digital transformation of their industry.

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

52%\*

- Brands
- Manufacturers
- Retailers
- Hybrid Manufacturers



Automotive

21%\*

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



Furniture

14 %\*

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



Other Industries

13%\*

- Sign & graphics
- Aeronautic
- Marine



# Who is Lectra?

## A unique worldwide presence

**€468 MILLION**  
2021 pro forma revenues\*

**€73 MILLION**  
2021 pro forma EBITDA before non-recurring items\*

**59%** of which comes from recurring revenues\* | **> ≈ 95%** of revenues\* is generated outside of France

% of 2021 pro forma revenues\*

Americas **34%**  
Europe **32%**  
Asia Pacific **27%**  
Other countries **6%**



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

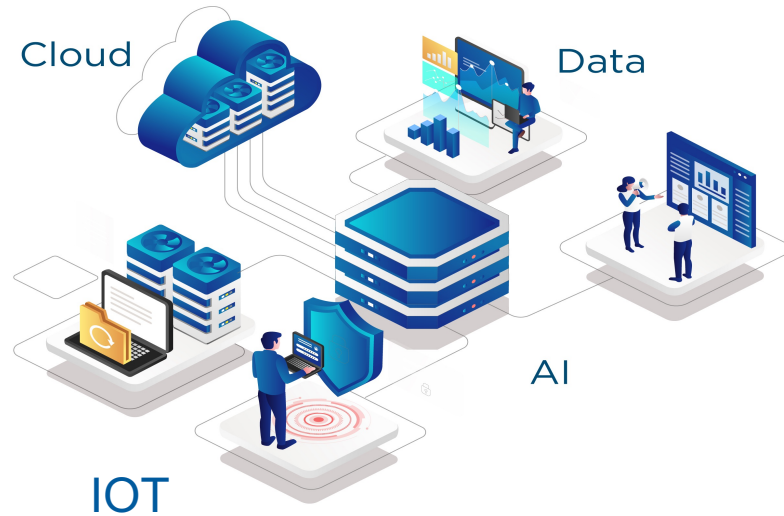
**7** international call centers

**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

**€51 million**

2021 pro forma investments in R&D\*

**11%**

of 2021 pro forma revenues\*

An unmatched investment in innovation to go beyond state of the art and unlock quicker all the potential of Industry 4.0.

# 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.

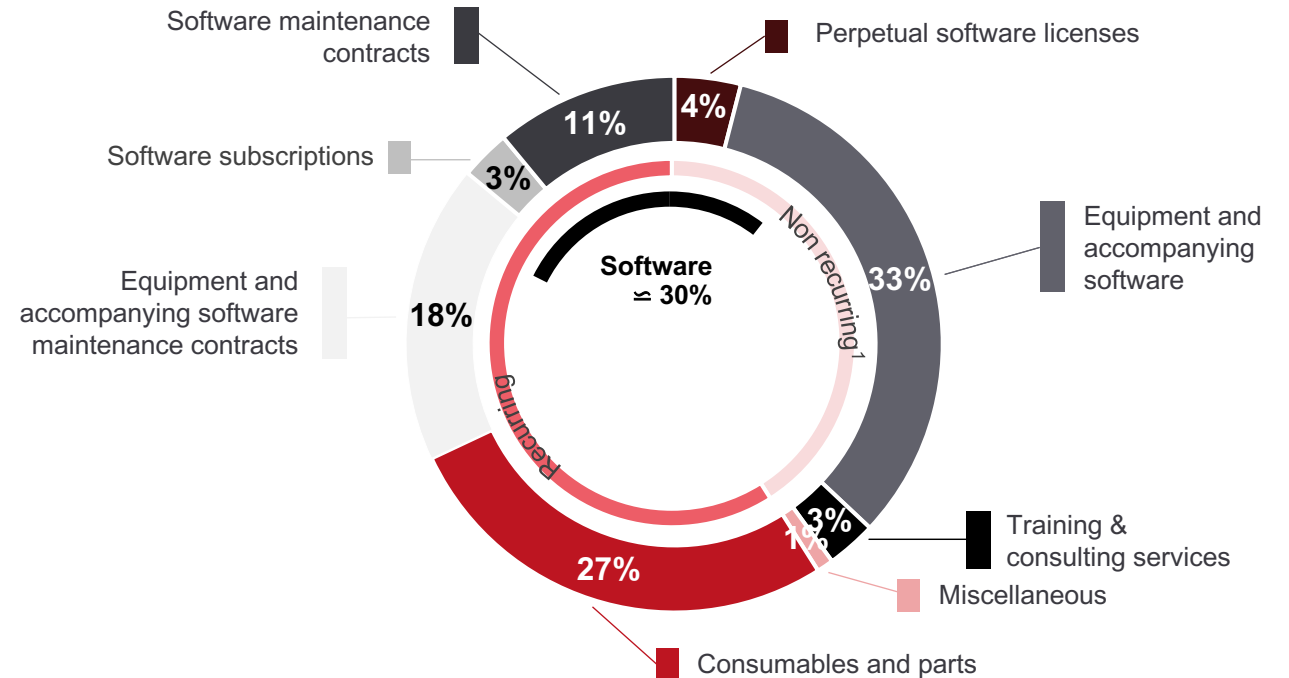
2

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 2021 revenues\*



<sup>1</sup> 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

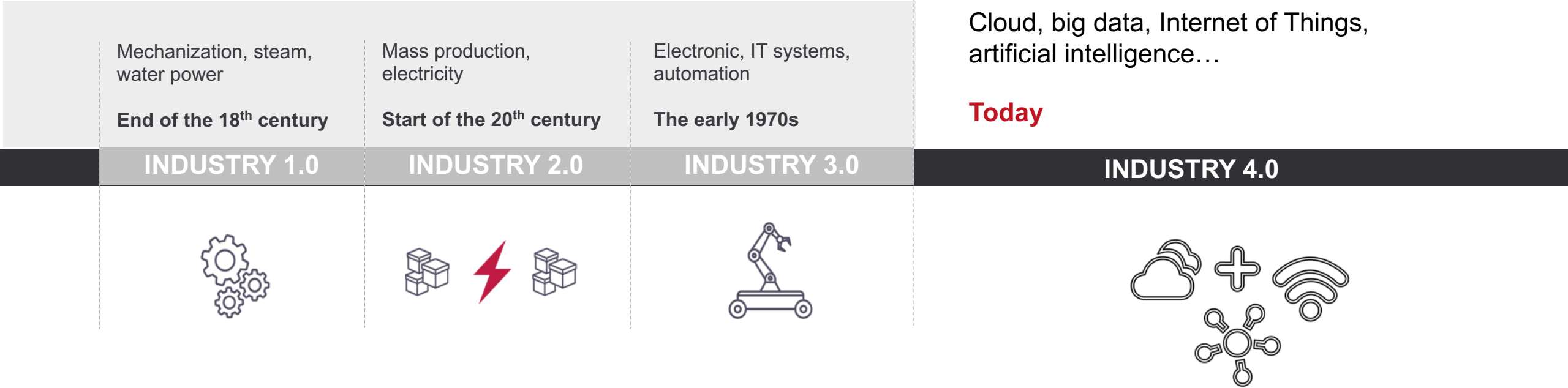
## Industry 4.0 is transforming industrial processes

Factories are at the heart of the value chain

driving a new digitalized product lifecycle that will benefit consumers

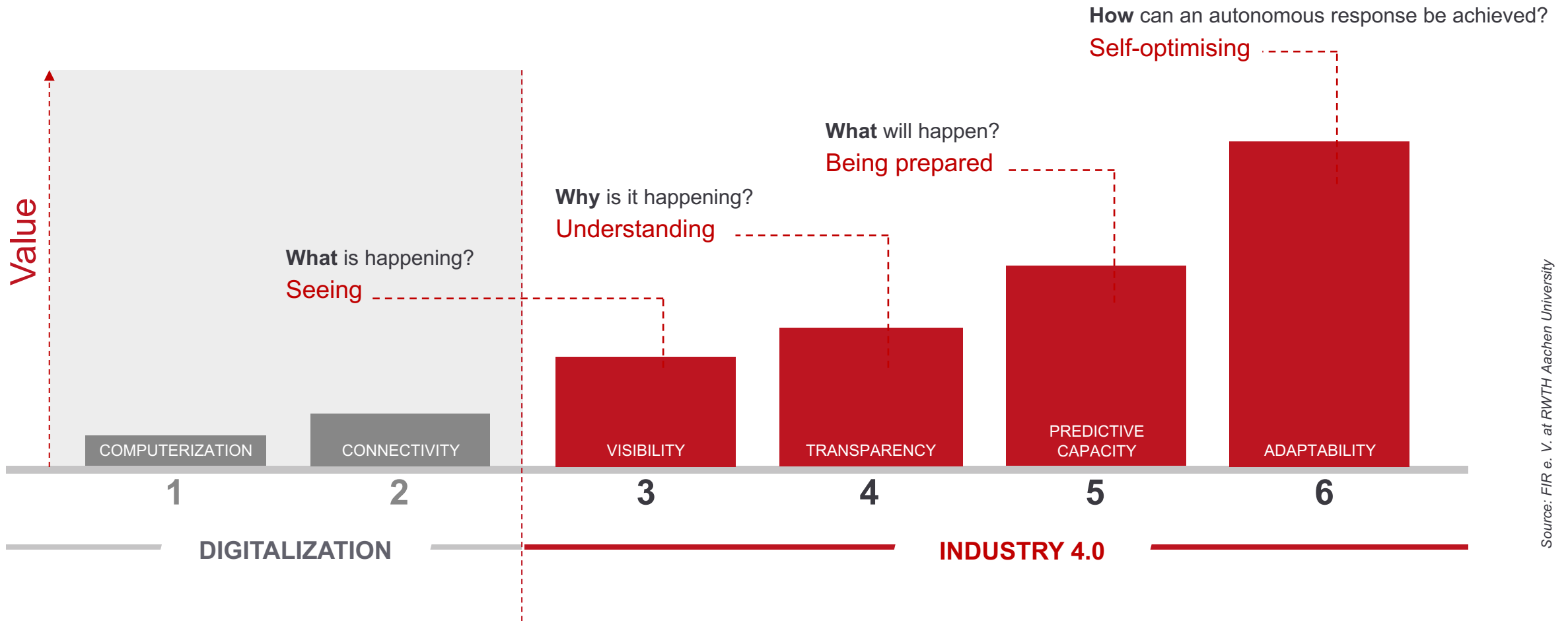
Cloud, big data, Internet of Things, artificial intelligence...

**Today**



# Lectra 4.0 strategy

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



# 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

### 15 years of experience in IoT

7,000+ 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

550 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

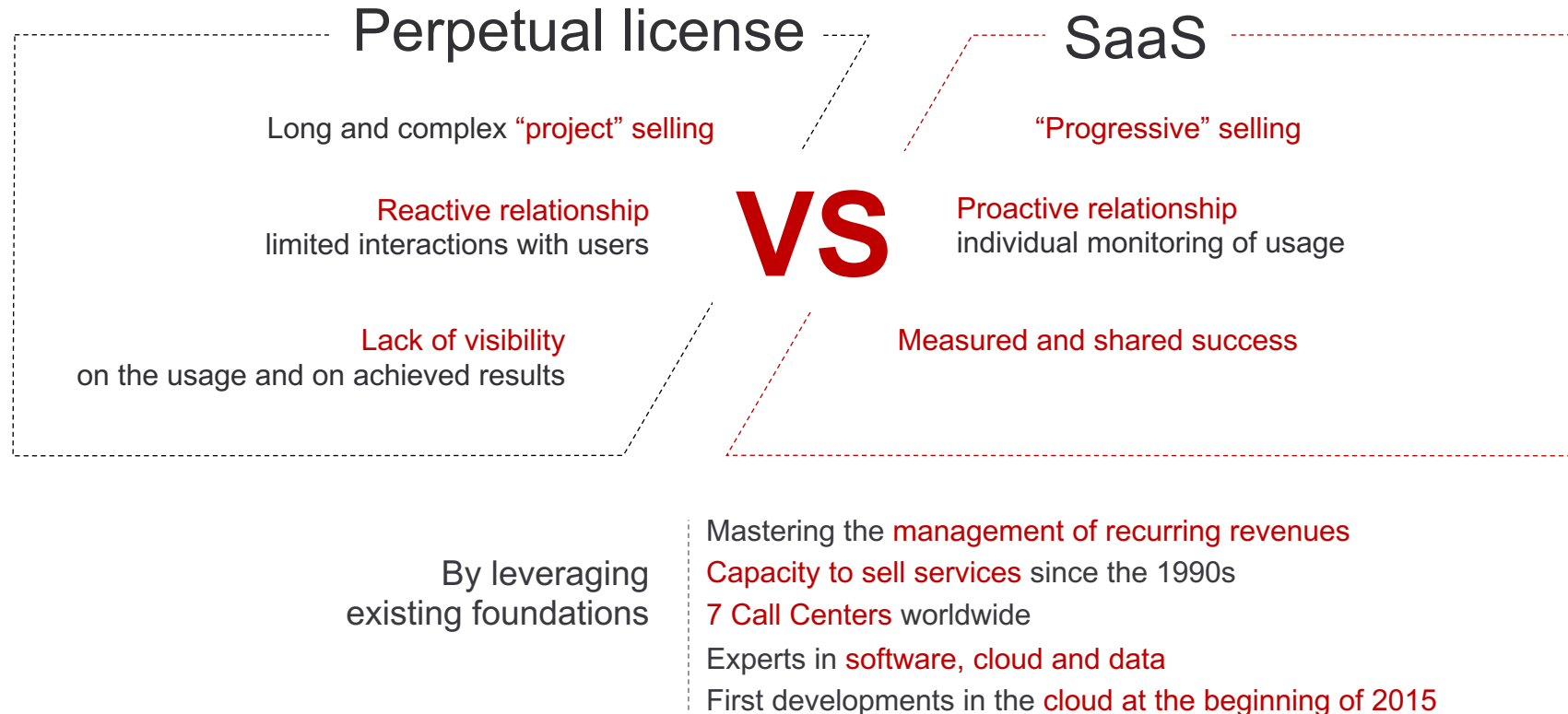
Develop new areas for growth

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

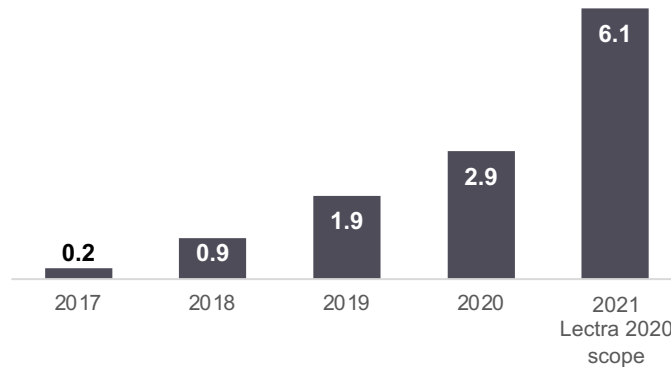
## Acceleration of the adoption of the offers for Industry 4.0 and of the transformation towards SaaS

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



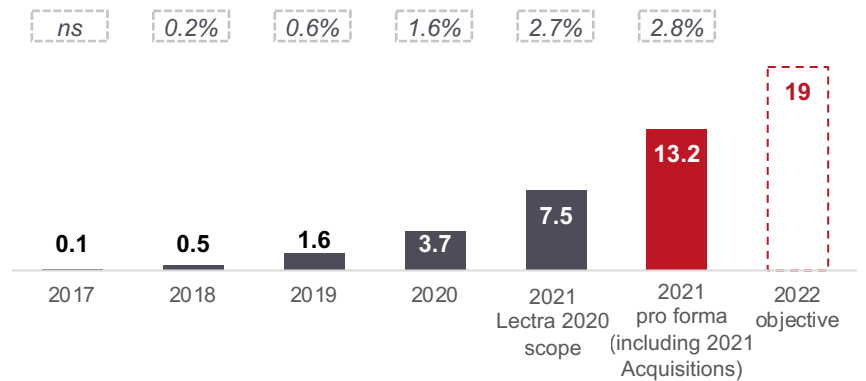
New software subscription orders

Annual value, in millions of euros



Revenues from software subscriptions

In millions of euros



   = In % of revenues

# Strategic roadmap for 2020-2022

## Pursuit of the deployment of Customer Success

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



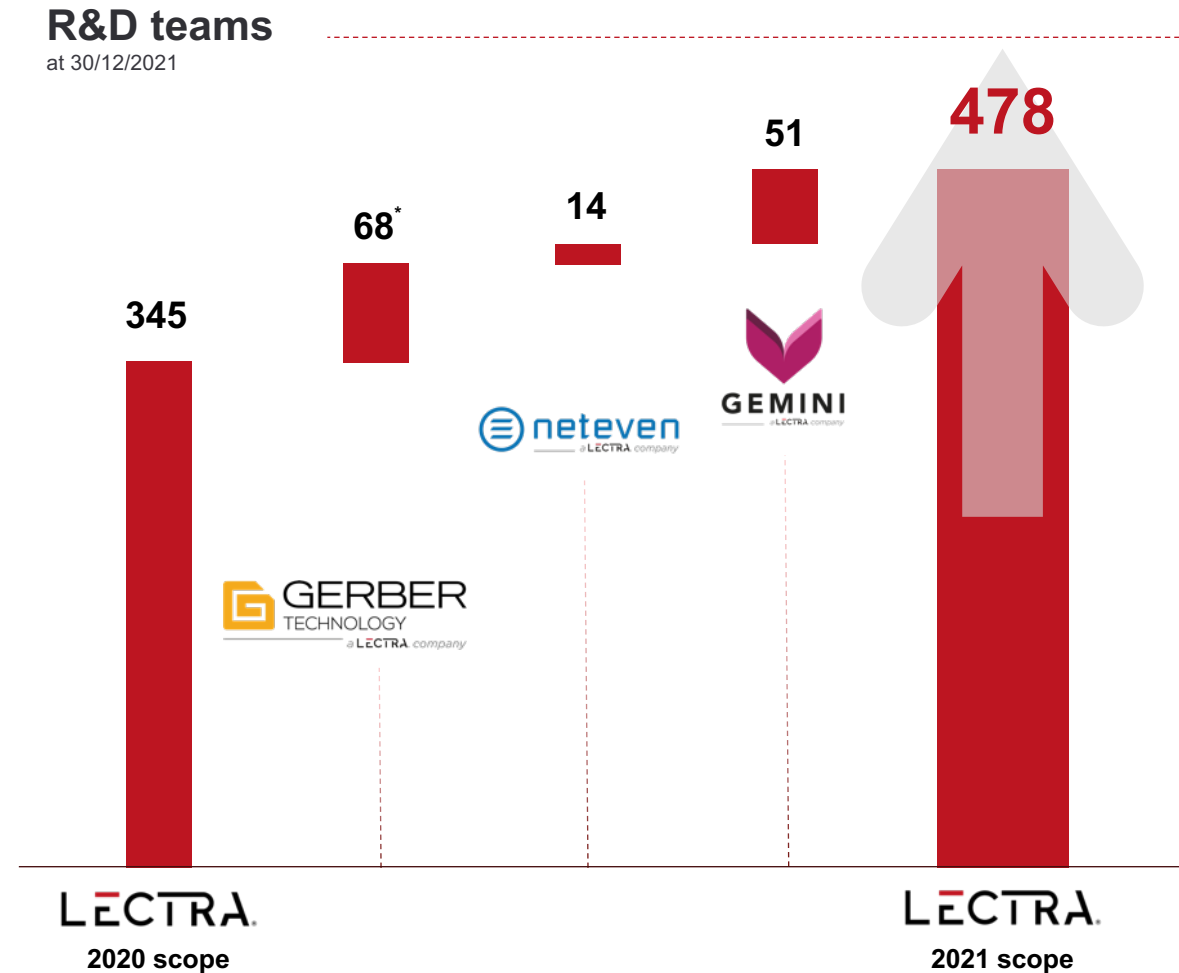
Deployment of Customer Success teams was accelerated to further strengthen relationships with its customers.

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



\* To which is added close to 50 outside R&D subcontractors.

# Strategic roadmap for 2020-2022

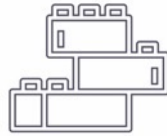
## Intensify targeted acquisitions

### Objectives of external growth

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Complete range of products



Incorporate technological "brick"



Increase market share

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

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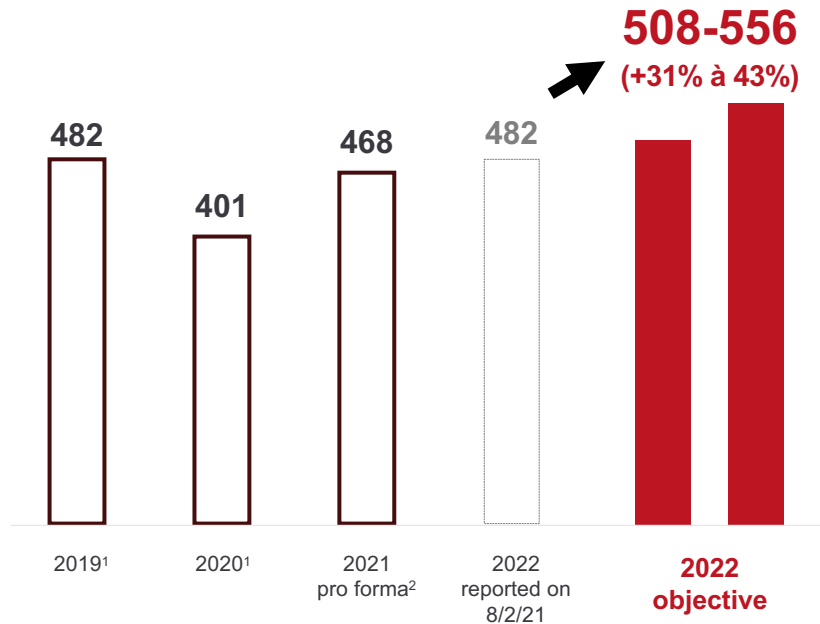
## 2022: Financial objectives

On February 8, 2021, Lectra reported on the 2022 financial objectives: returning to the level of combined revenue achieved by Lectra and Gerber in 2019 (€482m), and generating an EBITDA margin before non-recurring items in the range of 17% to 20%.

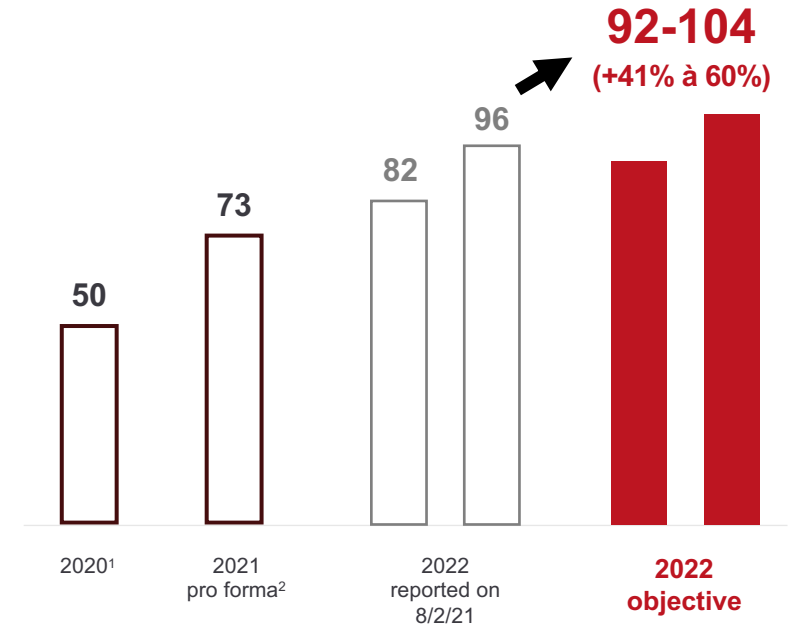
Lectra subsequently acquired Neteven and Gemini, the rebound in activity in 2021 was greater than the Group expected and the dollar strengthened against the euro.

*In millions of euros*

### Revenues



### EBIDTA before non-recurring items



<sup>1</sup> Lectra 2020 scope and Gerber Technology

<sup>2</sup> Including 2021 Acquisitions

Change at actual exchange rates vs. 2021 actual



# Lectra company background & strategy

## APPENDICES

- **2021 results**
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# 2021 results

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

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

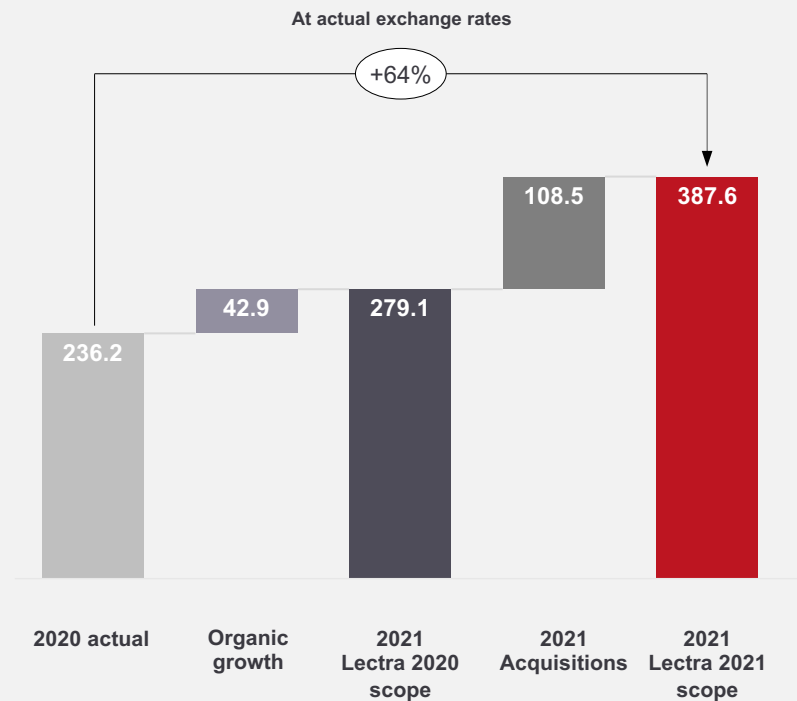
**Acquisitions of Gerber Technology, Neteven and Gemini CAD Systems**

# 2021 results

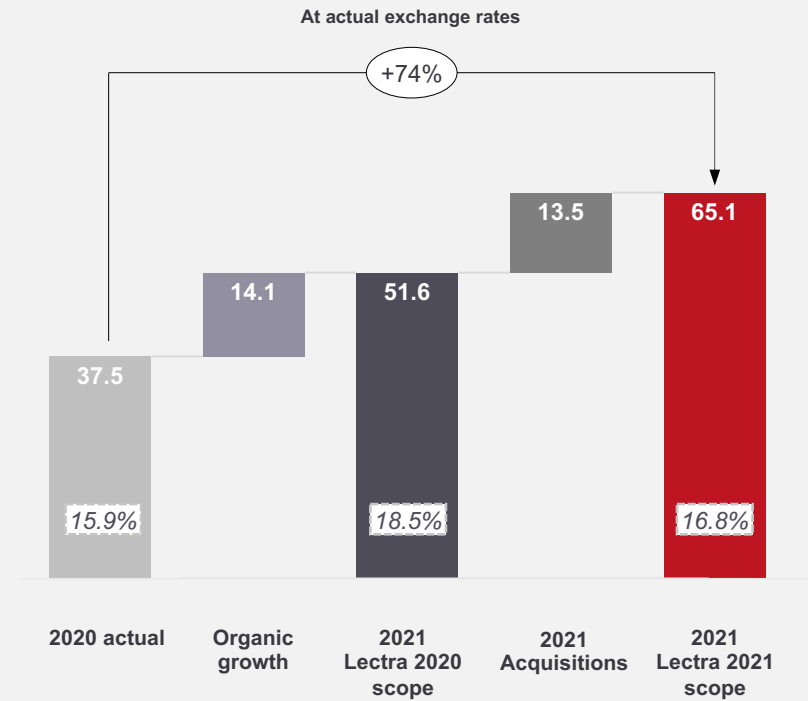
Very strong increase in revenues and earnings thanks to the rebound in activity and the acquisition of Gerber Technology

In millions of euros

## Revenues



## EBITDA before non-recurring items



   = In % of revenues

# 2021 results

## Earnings at the high end of the revised financial objectives range of July 29, 2021

In millions of euros

### Lectra 2020 scope

	Scenario of February 9, 2021	Scenario of July 29, 2021	Actual
Revenues	€250m to €268m +9% to +17%	€269m to €281m +16% to +21%	€279m +19%
Income from operations before non-recurring items	€27m to €34m +27% to +60%	€35m to €40m +51% to +77%	€40m +61%

Like-for-like

### Lectra, after the integration of Gerber, scope (excluding Neteven and Gemini)

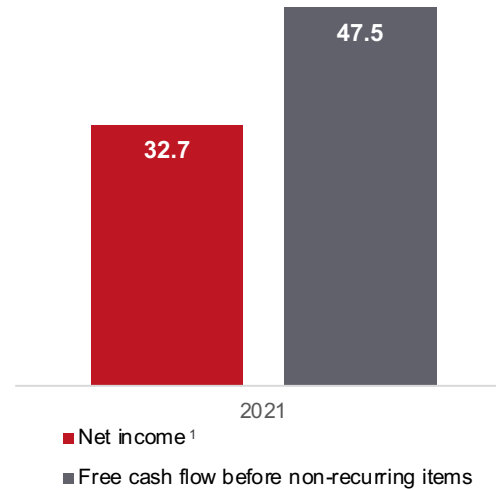
	Scenario of July 29, 2021	Actual
Revenues	€364m to €390m +54% to +65%	€386m +63%
EBITDA before non-recurring items	€54m to €64m +44% to +71%	€65m +73%

At actual exchange rates

Neteven and Gemini have contributed €1.4m and €0.5m to revenues, respectively. Neteven's and Gemini's contribution to EBITDA before non-recurring items was €0.2m overall.

## Free cash flow much higher than net income

In millions of euros



<sup>1</sup> Before non-recurring items.

Free cash flow before non-recurring items was 1.5x higher than the net income before non-recurring items.

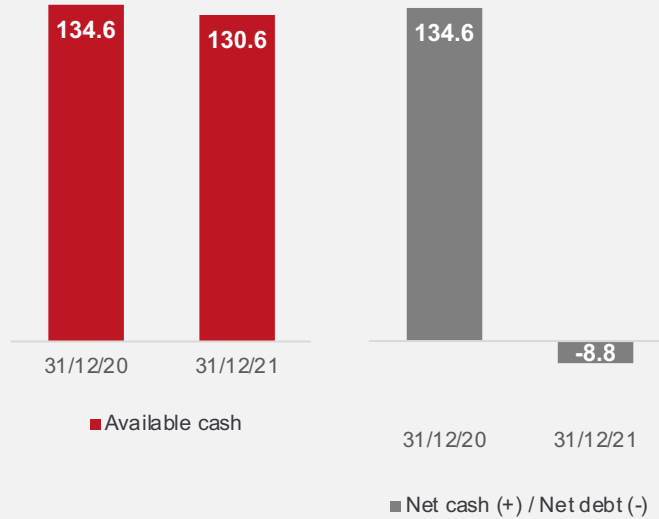
After disbursement of €8.0m in respect of fees and other related expenses in connection with the acquisition of Gerber, 2021 free cash-flow amounted to €39.5m, €11.3m higher than actual net income (€28.2m).

# 2021 results

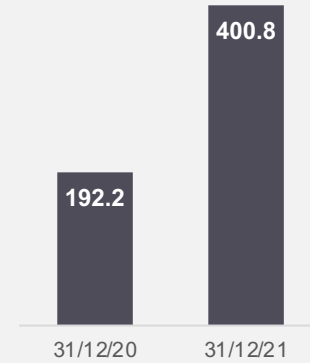
## Balance sheet that remains particularly robust, after the acquisitions of 2021

In millions of euros

### Cash



### Shareholders' equity



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.

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

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

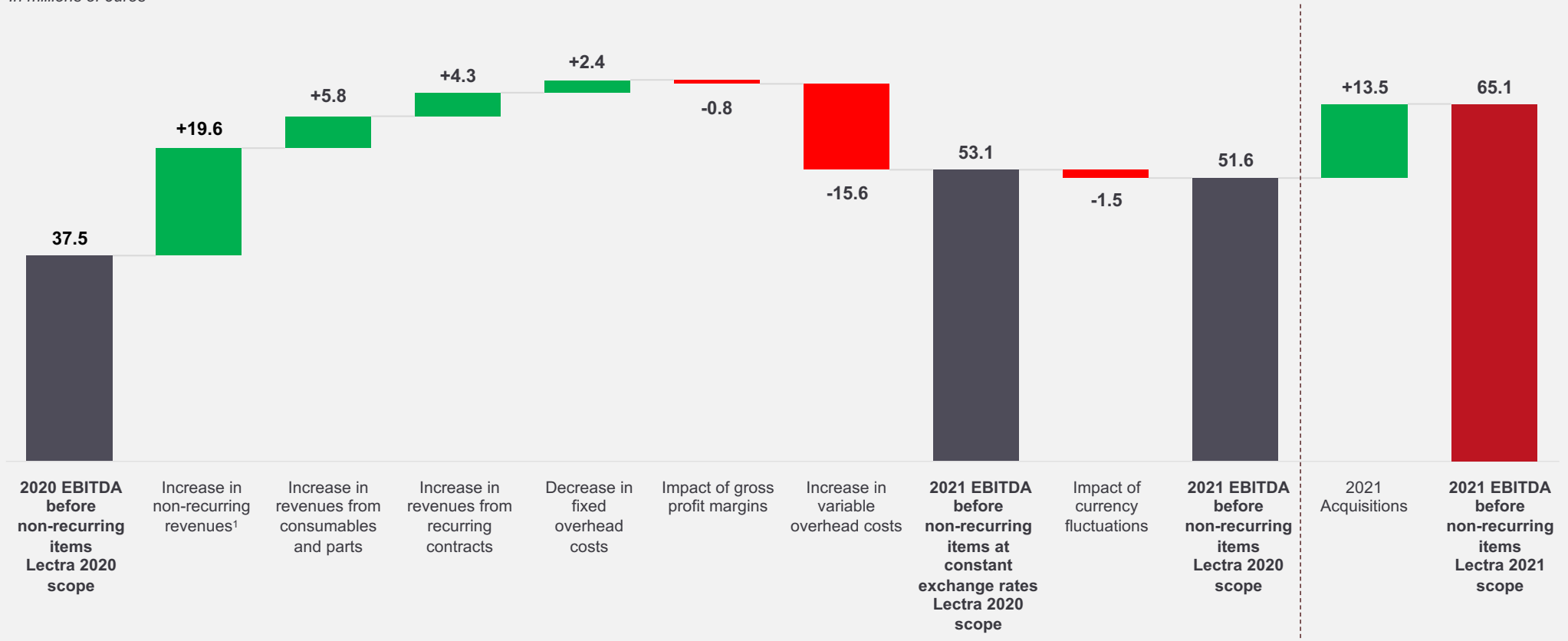
The acquisitions of Neteven (€12.4m) and Gemini (€7.6m) were financed by using the available cash.

# 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*



# Lectra company background & strategy

## APPENDICES

- 2021 results
- **Product portfolio**



## Lectra's offer at the leading-edge of technology


### Software sold in perpetual licenses

**KALEDO**





**GERBER ACCUMARK**  
**GERBER ACCUNEST**




**MODARIS**





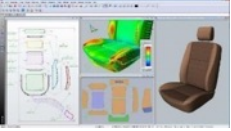
**DIAMINO**










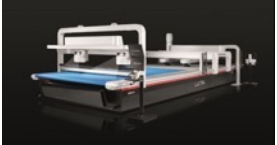
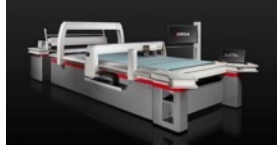









**GEMINI**  
a LECTRA company





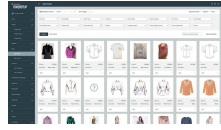



**DESIGNCONCEPT**



### Equipment and accompanying software

       	<p><b>VECTOR</b></p>  <p><b>VERSALIS</b></p>  <p><b>FOCUSQUANTUM</b></p>  <p><b>VIRGA</b></p> 	      	<p><b>GERBER ATRIA</b></p>  <p><b>GERBER PARAGON</b></p>  <p><b>GERBER TAURUS</b></p>  <p><b>GERBER Z1</b></p> 
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### Software sold in SaaS mode

 <p><b>FASHION ON DEMAND</b> <small>a LECTRA company</small></p>  <p><b>QUICK OFFER</b> <b>FLEX OFFER</b> <small>a LECTRA company</small></p>  <p><b>KUBIX LINK</b></p>  <p><b>GERBER YUNIQUEPLM</b></p> 	<p><b>FURNITURE ON DEMAND</b> <small>a LECTRA company</small></p>  <p><b>RETREVIEWS</b></p>  <p><b>neteven</b> <small>a LECTRA company</small></p> 
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**Thank you!**

**Investor relations**

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