

First nine months of 2024: revenues and EBITDA continued to grow, despite the degraded environment

- Revenues: 394.2 million euros (+10%)*
- EBITDA before non-recurring items: 68.5 million euros (+16%)*

*At actual exchange rates

In millions of euros	July 1 – September 30		January 1 – September 30	
	2024 ⁽¹⁾	2023	2024 ⁽¹⁾	2023
Revenues	131.9	118.7	394.2	358.3
<i>Change at actual exchange rates (in %)</i>	11%		10%	
EBITDA before non-recurring items ⁽²⁾	26.2	23.9	68.5	59.2
<i>Change at actual exchange rates (in %)</i>	10%		16%	
EBITDA margin before non-recurring items (in % of revenues)	19.9%	20.1%	17.4%	16.5%
Income from operations before non-recurring items ⁽²⁾	15.7	16.4	37.3	36.7
<i>Change at actual exchange rates (in %)</i>	-5%		2%	
Net income ⁽³⁾	10.1	11.0	21.2	24.9
Free cash flow before non-recurring items ⁽²⁾	21.6	15.5	49.9	32.1

(1) The 2024 amounts include Launchmetrics since January 23, 2024

(2) The definition for performance indicators appears in the September 30, 2024 Financial Report

(3) In 2023, net income included the impact of non-recurring income of 2.6 million euros

Paris, October 30, 2024. Today, Lectra's Board of Directors, chaired by Daniel Harari, reviewed the consolidated financial statements for the third quarter and the first nine months of 2024, which have not been reviewed by the Statutory Auditors. To facilitate the analysis of the Group's results in its new scope, the accounts of Lectra excluding Launchmetrics (the "Lectra 2023 scope") and those of Launchmetrics are analyzed separately.

The detailed 2024 vs 2023 comparisons are based on actual exchange rates, except for the Lectra 2023 scope stated on a like-for-like basis.

1. Q3 2024

The macroeconomic and geopolitical environment experienced further degradation in the third quarter but with heterogeneous situations across different geographical markets and market sectors.

This situation resulted in a cautious position on the part of the Group's customers in their investment decisions, resulting in a negative effect, particularly on orders for new systems.

However, driven by both the integration of Launchmetrics and the improvement in the Group's fundamentals –growth in recurring revenues, higher gross profit, growth in EBITDA before non-recurring items and near-coverage of all fixed costs through recurring activity– Q3 2024 revenues (131.9 million euros) and EBITDA before non-recurring items (26.2 million euros) increased significantly (by 11% and 10%, respectively). The EBITDA margin before non-recurring items stood at 19.9%.

Lectra 2023 scope

Orders for perpetual software licenses, equipment and accompanying software, and non-recurring services (32.2 million euros) were stable compared to Q3 2023.

The annual value of new subscriptions for software came to 2.6 million euros, up 17% compared to Q3 2023.

Q3 2024 revenues came to 120.8 million euros, up 3% compared Q3 2023. EBITDA before non-recurring items was 23.5 million euros and EBITDA margin before non-recurring items stood at 19.5% (-0.5 percentage point).

2. FIRST NINE MONTHS OF 2024

Revenues for the first nine months of 2024 were 394.2 million euros, up 10%, with the following breakdown: 111.3 million euros in revenues from new systems (28% of total revenues, down 5%) and 282.9 million euros in recurring revenues (72% of total revenues, up 18%), including 56.4 million euros in SaaS revenue (14% of total revenues, multiplied by 2.6)

Gross profit came to 281.6 million euros, up 13% compared to the first nine months of 2023, and the gross profit margin came to 71.4%, up 1.7 percentage points.

EBITDA before non-recurring items totalled 68.5 million euros, up 16%, and the EBITDA margin before non-recurring items rose to 17.4%, up 0.9 percentage point.

Consolidated income from operations before non-recurring items amounted to 37.3 million euros, up 2%. This included a 16.8 million euros charge for amortization of intangible assets arising from acquisitions made since 2021, including 7.4 million euros for Launchmetrics.

Considering this amortization, the increase in financial expenses and an income tax charge of 10.0 million euros, net income totalled 21.2 million euros. Net income for the first nine months of 2023 (24.9 million euros) included the impact of a non-recurring income of 2.6 million euros in Q3 2023.

Free cash flow before non-recurring items came to 49.9 million euros, up sharply from 32.1 million euros in the first nine months of 2023.

As of September 30, 2024, the Group has a particularly robust balance sheet, with consolidated shareholders' equity of 332.7 million euros, a negative working capital requirement of 8.7 million euros and net financial debt of 41.0 million euros after payment of the first tranche of the acquisition of Launchmetrics, i.e., 77.0 million euros.

Lectra 2023 scope

In the first nine months of 2024, orders for perpetual software licenses, equipment and accompanying software, and non-recurring services (106.3 million euros) were stable compared to the same period in 2023. The annual value of new software subscription orders came to 8.0 million euros, up 4% compared to the first nine months of 2023.

Revenues amounted to 364.0 million euros, up 2% compared to the first nine months of 2023.

EBITDA before non-recurring items was 63.2 million euros, up 8%, and the EBITDA margin before non-recurring items came to 17.4%, up 1.0 percentage point compared to 2023.

3. BUSINESS TRENDS AND OUTLOOK

In its financial report on the fourth quarter and full year 2023, published on February 14, 2024, Lectra reiterated its long-term vision, as well as the objectives of its 2023-2025 strategic roadmap and its ambitions for 2025: revenues of 600 million euros, of which 400 million euros in recurring revenues, including 90 million euros in SaaS revenues, and an EBITDA margin before non-recurring items exceeding 20%.

The Group also stated that while the substantial improvement in the fundamentals of the Group's business model in 2023 would have a positive impact on 2024 results, persistent macroeconomic and geopolitical uncertainties could continue to weigh on investment decisions by its customers.

On February 14, the Group reported its objectives for 2024, before including the Launchmetrics acquisition (i.e., for the Lectra 2023 scope): to achieve revenues in the range of 480 to 530 million euros (+2% to +12%) and EBITDA before non-recurring items in the range of 85 to 107 million euros (+10% to +40%).

The Group also reported that Launchmetrics revenues (for the consolidation period from January 23 to December 31, 2024) were projected to be in the range of 42 to 46 million euros, with an EBITDA margin before non-recurring items of more than 15%.

These scenarios were prepared based on the closing exchange rates on December 29, 2023, and particularly \$1.10/€1.

Given the results for the first nine months of 2024, full year revenues and EBITDA before non-recurring items are expected to reach the lower end of the indicated ranges.

The 2024 Annual Financial Report, as well as the Management Discussion and Analysis of Financial Conditions and Results of Operations and the financial statements for the first nine months of 2024 are available on [lectra.com](https://www.lectra.com). Q3 and the first nine months of 2024 earnings will be published on October 30, 2024.

About Lectra

A major player in the fashion, automotive and furniture markets, Lectra contributes to the development of Industry 4.0 with boldness and passion, fully integrating Corporate Social Responsibility (CSR) into its global strategy.

The Group offers industrial intelligence solutions - software, cutting equipment, data analysis solutions and associated services - that facilitate the digital transformation of the companies it serves. In doing so, Lectra helps its customers push boundaries and unlock their potential. The Group is proud to state that its 3,000 employees are driven by three core values: being open-minded thinkers, trusted partners and passionate innovators.

Founded in 1973, Lectra reported revenues of 478 million euros in 2023. The company is listed on Euronext, where it is included in the following indices: CAC All Shares, CAC Technology, EN Tech Leaders and ENT PEA-PME 150.

For more information, visit [lectra.com](https://www.lectra.com).