



LECTRA

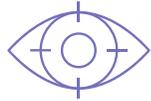
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# Company Background and Strategy

November 2024

- **Who is Lectra?**
- The Lectra 4.0 strategy
- 2023-2025 strategic roadmap
- 2024 and 2025 outlook

## WE PIONEER. YOU LEAD.



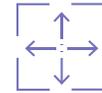
### Vision

Big things happen when we connect.



### Purpose

As a major player in the fashion, automotive and furniture markets, Lectra contributes to the Industry 4.0 revolution with boldness and passion by providing best-in-class technologies.



### Promise

Pushing boundaries together to unlock your potential

## VALUES

*Open-minded thinkers | Trusted Partners | Passionate innovators*

## INDUSTRY 4.0



Software



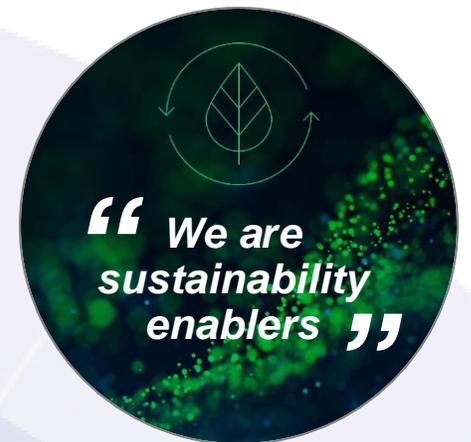
Equipment



Data



Services



# Who is Lectra?



<sup>1</sup>Simple aggregation of 2023 results from Lectra and Launchmetrics

<sup>2</sup>As of September 30, 2024

<sup>3</sup>Excluding Launchmetrics

<sup>4</sup>Percentage of annual fixed overhead costs covered by gross profit on recurring revenue

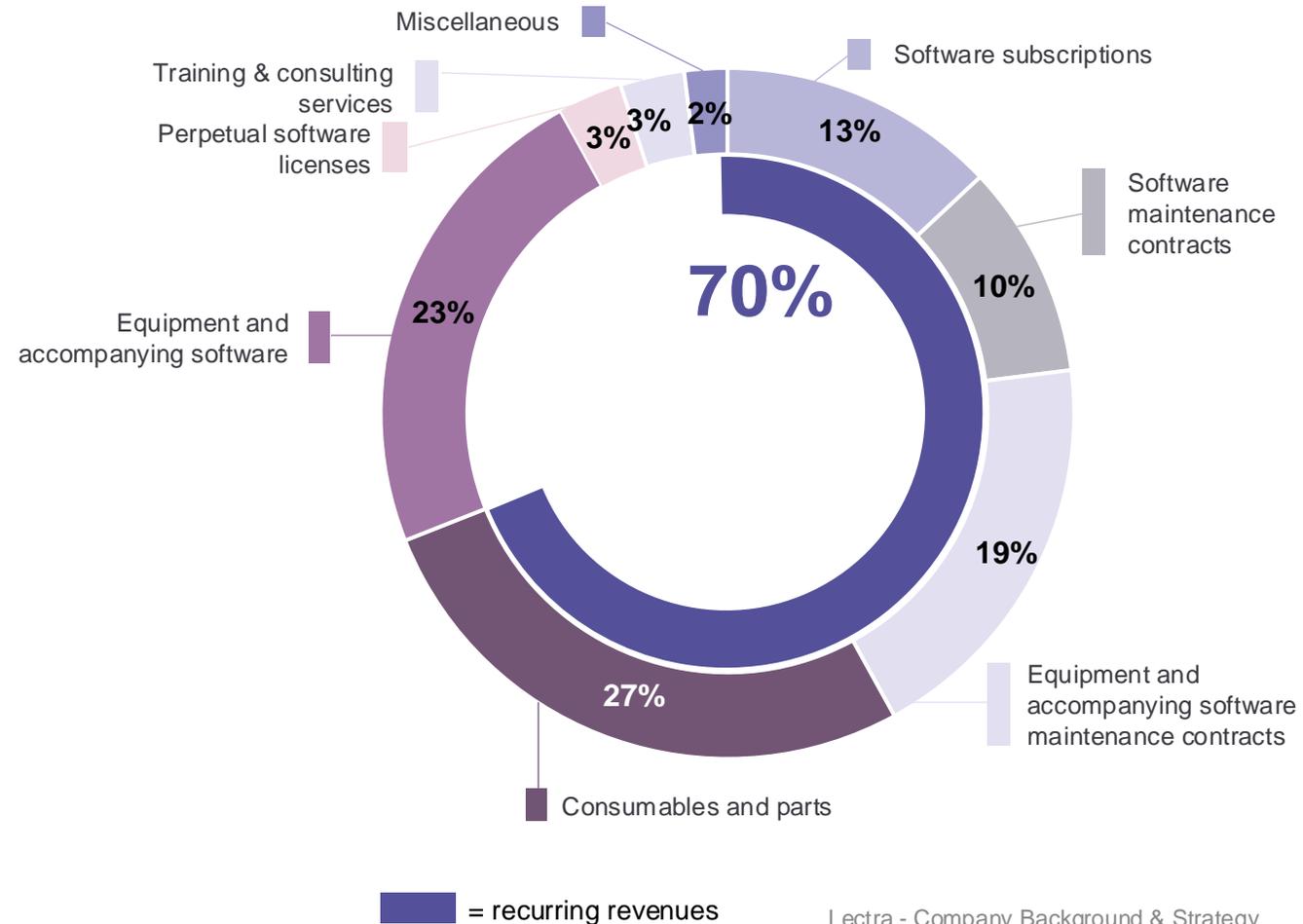
# Who is Lectra?

## 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.

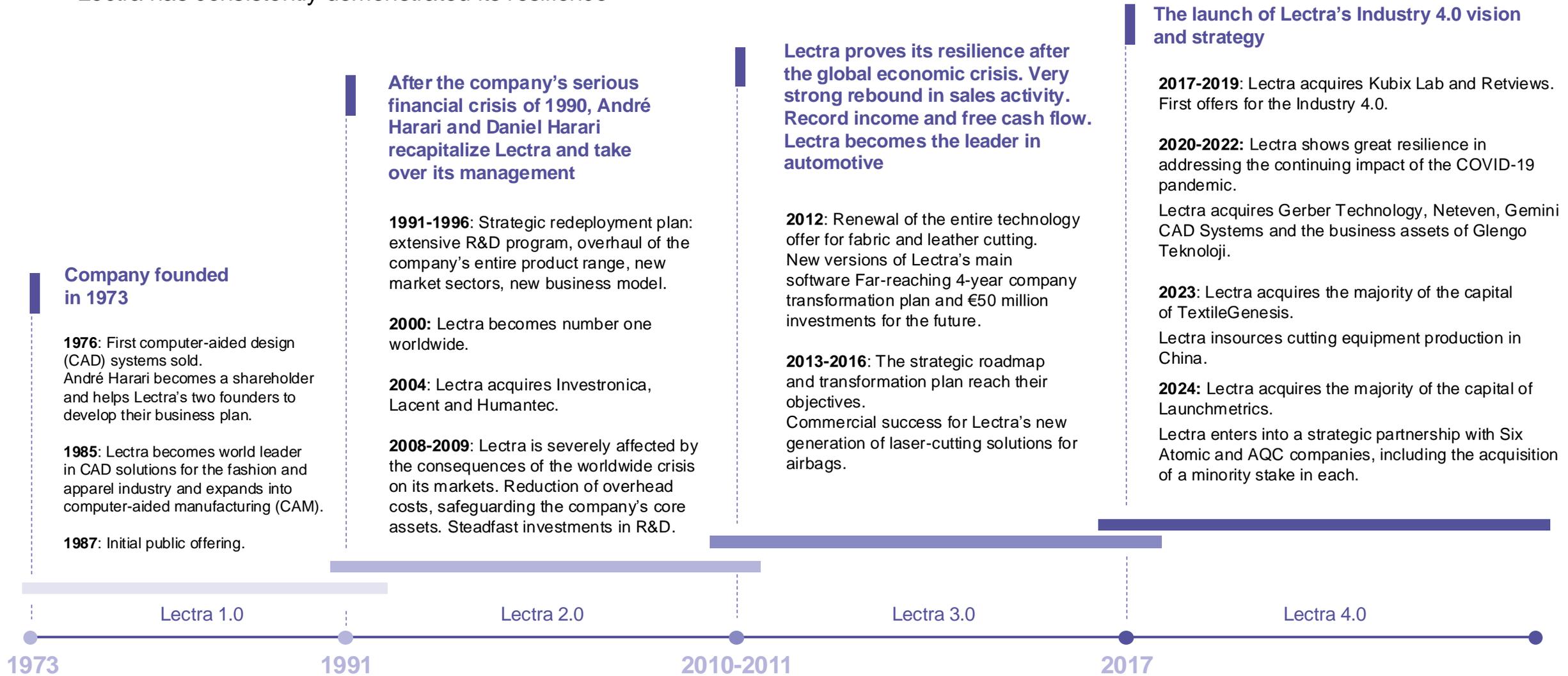
### Breakdown of 2023 revenues (including Launchmetrics)<sup>1</sup>



# Who is Lectra?

## 50 years of innovation and challenges

Lectra has consistently demonstrated its resilience



## Strong dedication to Corporate Social Responsibility recognized by the ecosystem

With five main areas of action, the Group is demonstrating its commitment to making CSR a central pillar of its strategy. Lectra's ambition is to meet all current and future challenges.

01

Respecting the **highest ethical standards**



Lectra recognized as one of the 19 French Best Managed Companies 2024 by Deloitte for the third consecutive year.

02

Designing **eco-responsible offers**



Lectra received the Bronze medal by Ecovadis. Its overall score of **57/100** places the Group in the top 35% of all rated companies.

03

Promoting an **inclusive, diverse and vibrant work culture**



Lectra is awarded gold level recognition by EthiFinance ESG Ratings in 2023 with a score of **74/100** (+7pts vs. 2021).

04

Reducing the **environmental footprint** of our activities

- Very significant Teams' engagement rate: **65%**
- **98/100** score on the official gender equality index in France
- **18%** reduction in CO<sub>2</sub> emissions (scopes 1 and 2) in 2023 compared to 2022
- **29%** women in Group-level management positions

05

Providing support for the **next generation**

2023 figures, excluding Launchmetrics

# Who is Lectra?

Serving world-class customers in different market segments for decades

## Fashion



- Brands
- Manufacturers
- Retailers

50%<sup>1</sup>

## Automotive



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

32%<sup>1</sup>



## Furniture



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

9%<sup>1</sup>

## Other Industries



- Sign & graphics
- Aeronautic
- Marine

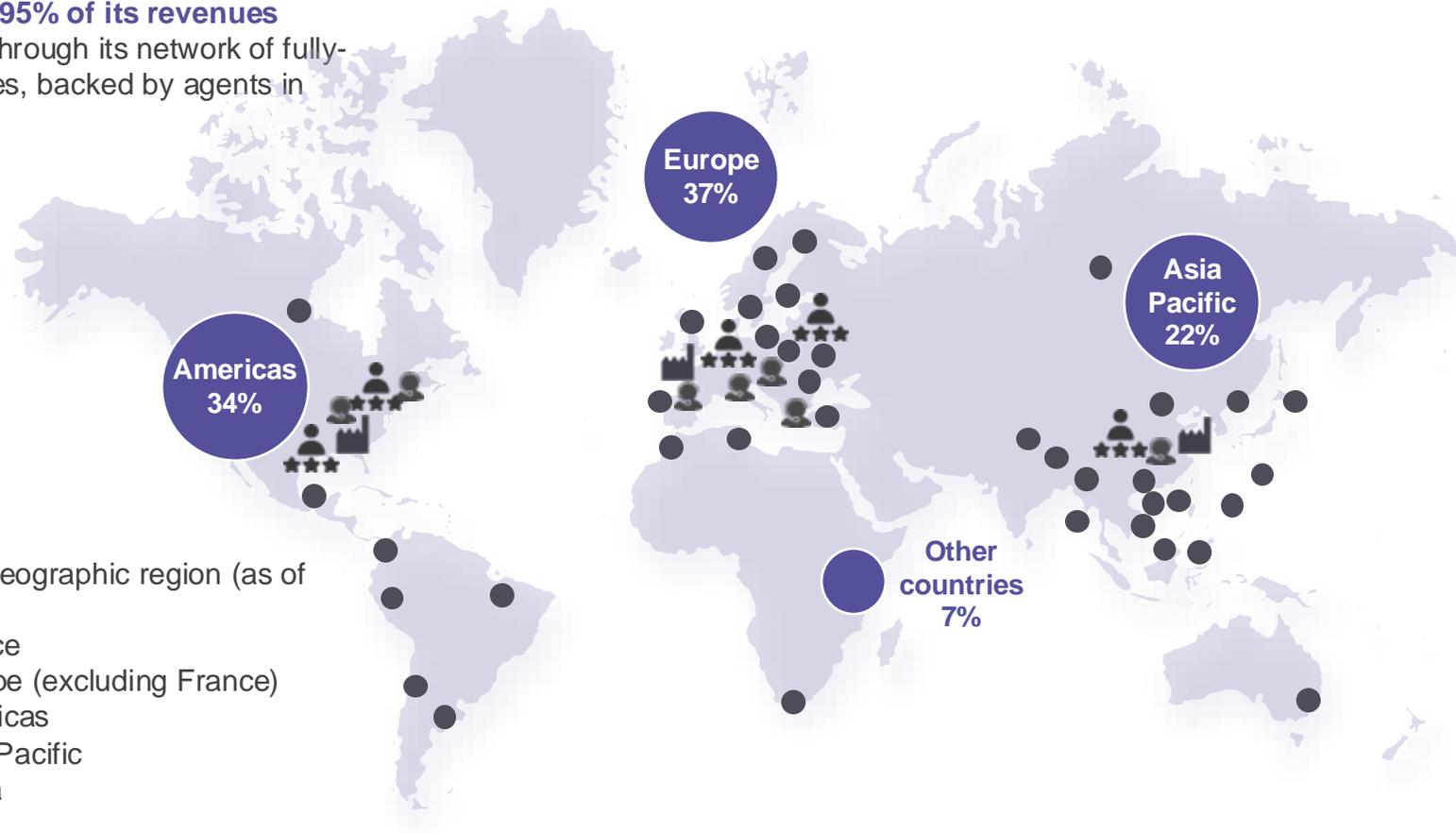
8%<sup>1</sup>



# Who is Lectra?

## A unique worldwide presence

Lectra generates **95% of its revenues outside France** through its network of fully-owned subsidiaries, backed by agents in certain regions



Employees by geographic region (as of 31 March 2024)

- 32 % in France
- 33 % in Europe (excluding France)
- 16 % in Americas
- 17 % in Asia-Pacific
- 2 % in Africa

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

**150** people serving customers in **12** international expertise centers

**5** international experience centers in Atlanta, Bordeaux-Cestas, Milan, Shanghai, and 1 innovation lab in Bordeaux-Cestas

**3** production sites in Bordeaux-Cestas, Suzhou and Tolland.

# Who is Lectra?

Innovation at the service of excellence

Innovation is an integral part of  
Lectra's genetic code



## R&D at Lectra

**€62.2 million<sup>1,2</sup>**

2023 investments in R&D fully expensed

**12.0%<sup>1</sup>**

of 2023 revenues

**675<sup>1</sup>**

R&D resources<sup>3</sup> with competencies in mechanics, software development, data, cloud, IoT, cyber security, electronics, etc.

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

<sup>1</sup>Simple aggregation of 2023 results from Lectra and Launchmetrics

<sup>2</sup>Launchmetrics R&D investments recalculated following Lectra's methodology

<sup>3</sup>645 internal and 30 external R&D resources as of December 2023.

# Who is Lectra?

A governance committed to achieving Lectra's vision

## Board of Directors



**Daniel Harari**  
Chairman and  
Chief Executive Officer



**Ross McInnes**  
Lead Director



**Céline Abecassis-Moedas**



**Karine Calvet**



**Nathalie Rossiensky**



**Pierre-Yves Roussel**



**Jérôme Viala**



**Hélène Viot Poirier**

## Executive Committee



**Daniel Harari**  
Chairman and  
Chief Executive Officer



**Maximilien Abadie**  
Chief Strategy Officer,  
Chief Product Officer



**Anne Borfiga**  
General Secretary



**Antonella Capelli**  
President, EMEA



**Thierry Caye**  
Chief Technology  
Officer



**Olivier du Chesnay**  
Chief Financial  
Officer



**Javier Garcia**  
Chief Customer  
Officer



**Laurence Jacquot**  
Chief Customer  
Success Officer



**Michael Jaïs**  
CEO Launchmetrics



**Leonard Marano**  
President, Americas



**Maria Modrono**  
Chief Marketing and  
Communications  
Officer



**Frédéric Morel**  
President, Asia Pacific

# Who is Lectra?

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

### Software sold in perpetual licenses and in SaaS mode

*Product development*

**KALEDO**



**GERBER ACCUMARK  
GERBER ACCUNEST**



*Product development*

**MODARIS**

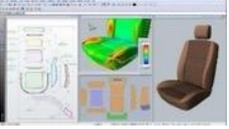


**DIAMINO**



**GEMINI**  
a LECTRA company

**DESIGNCONCEPT**



### Equipment and accompanying software

**VECTOR**



**GERBER ATRIA**



**VERSALIS**



**GERBER PARAGON**



**FOCUSQUANTUM**



**GERBER TAURUS**



**VIRGA**



**GERBER Z1**



### Software sold in SaaS<sup>1</sup> mode only

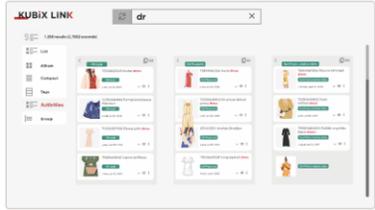
**VALIA**



*Connect, automate and streamline every step of production*



**KUBIX LINK**  
*Collection management*



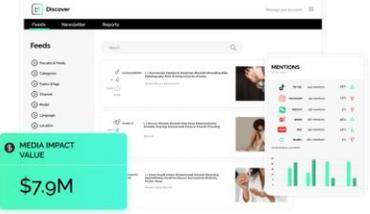
**TextileGenesis**  
a LECTRA company  
*Traceability*



**RETVIEWS**  
*Benchmarking*



**LAUNCHMETRICS**  
a LECTRA company  
*Brand performance*



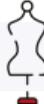
**neteven**  
*Marketplace integration*



# Who is Lectra?

Lectra's offer at the leading edge of technology

 FASHION	 AUTOMOTIVE	 FURNITURE	
<p><b>FLEX OFFER</b> <small>by LECTRA</small></p> <p><b>ALGOPEX™</b></p> 	<p><i>Extended Cutting room 4.0</i></p> <p><b>VECTOR.</b></p> <p><b>VERSALIS.</b></p> <p><b>VIRGA.</b></p> <p><b>FOCUSQUANTUM.</b></p>	<p><b>GERBER PARAGON</b></p> <p><b>GERBER ATRIA</b></p> <p><b>GERBER Z1</b></p> <p><b>GERBER TAURUS</b></p>	<p><b>FASHION ON DEMAND</b> <small>by LECTRA</small></p> <p><b>FURNITURE ON DEMAND</b> <small>by LECTRA</small></p>

 FASHION					
<p><i>Product development</i></p> <p><b>MODARIS</b></p> <p><b>GERBER ACCUMARK</b></p>	<p><i>Collection management</i></p> <p><b>KUBiX LiNK</b></p> <p><b>CONNECTED PIM</b> <small>by LECTRA</small></p>	<p><i>Marketplace integration</i></p> <p><b>NETEVEN</b></p>	<p><i>Benchmarking</i></p> <p><b>RETVIEWS</b></p>	<p><i>Brand performance</i></p> <p><b>LAUNCHMETRICS</b> <small>by LECTRA company</small></p>	<p><i>Traceability</i></p> <p> <b>TextileGenesis</b> <small>by LECTRA company</small></p>

- Who is Lectra?
- **The Lectra 4.0 strategy**
- 2023-2025 strategic roadmap
- 2024 and 2025 outlook

# Reminder of the Lectra 4.0 strategy

## A long term vision

Supported by a long-term vision, launched in 2017, the Lectra 4.0 strategy aims to position Lectra as a key Industry 4.0 player in its three strategic market sectors before 2030.



# Reminder of the Lectra 4.0 strategy

## Markets undergoing profound changes

### Fashion



Fashion industry players **must undertake far-reaching transformations** in their distribution networks and supply chains, **taking into account Corporate Social Responsibility (CSR) issues**, and the continuous adjustment of their product range and positioning strategies.

### Automotive



Automotive suppliers face major challenges induced by macroeconomic and geopolitical events. To remain competitive, suppliers have to **boost the performance of their production tools and optimize material consumption**.

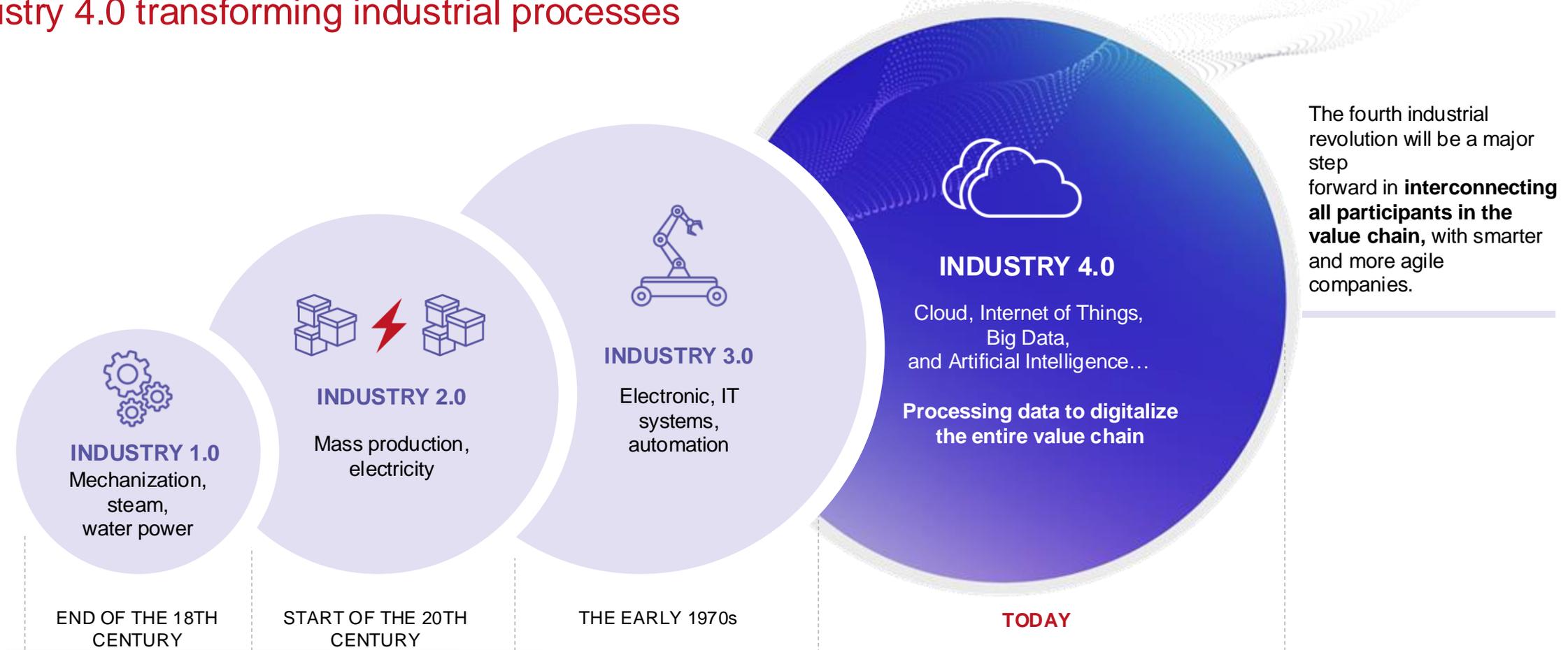
### Furniture



Furniture industry players are continuing to modernize, digitize and automate their industrial facilities, while also **transforming their production methods and processes** to give greater priority to on-demand production.

# Reminder of the Lectra 4.0 strategy

## Industry 4.0 transforming industrial processes

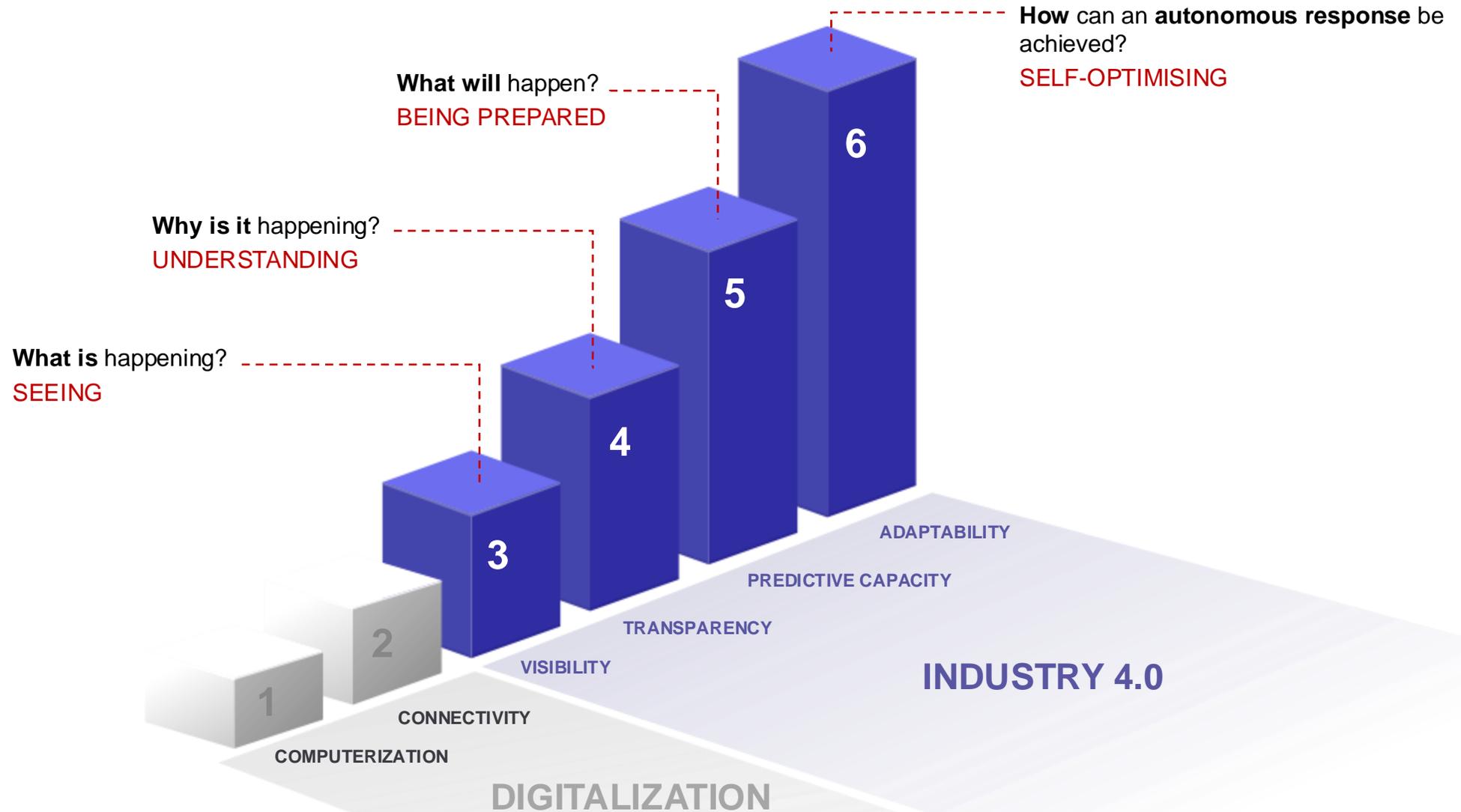


### ACCELERATING ADOPTION OF KEY INDUSTRY 4.0 TECHNOLOGIES

The COVID-19 crisis, and its impact on consumer habits and ecosystems, are **accelerating the digitalization of processes in product value chains.**

# Reminder of the Lectra 4.0 strategy

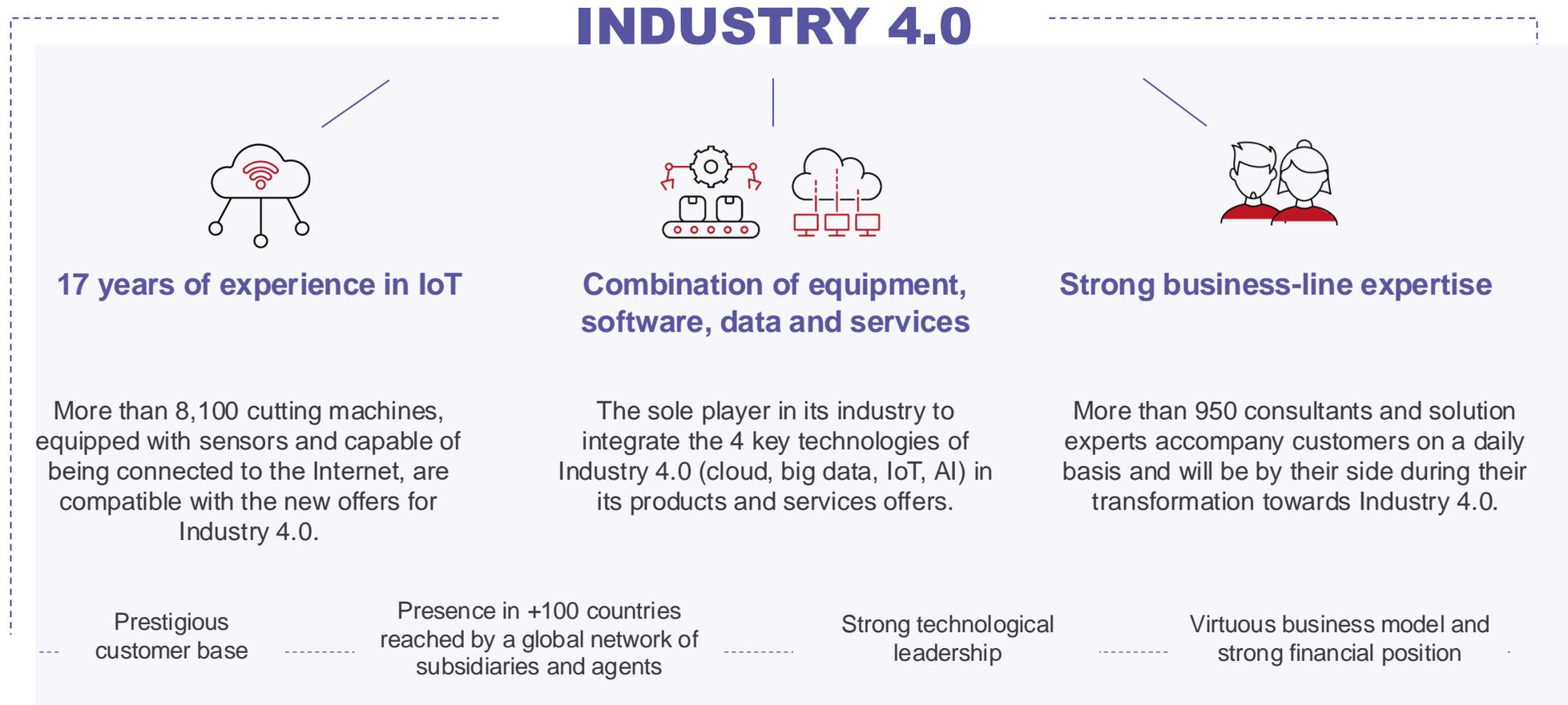
## Six key steps to exploit the full potential of Industry 4.0



Source: FIR e. V. at RWTH Aachen University

# Reminder of the Lectra 4.0 strategy

Lectra is a key Industry 4.0 player with strong strategic assets



## Industry 4.0 serving Corporate Social Responsibility (CSR)

### ECONOMY

- Improve operations
- Optimize product lifespan (e.g. predictive maintenance)
- Increase industrial capacities' efficiency
- Measure industrial performance

*Go beyond profit margin optimization by redefining the business model*



### SOCIAL

- Automate non-value-added tasks
- Improve flexibility and work-life balance
- Reinforce employees' experience thanks to a better work environment
- Facilitate informed decision-making based on Artificial Intelligence

*Tools serve people, not the other way around*

### ENVIRONMENT

- Improve energy productivity
- Reduce environmental footprint (e.g. remote maintenance)
- Limit waste and rubbish
- Optimize the use of natural resources

*Match production to demand*

# Reminder of the Lectra 4.0 strategy

Fundamentals of the Lectra 4.0 strategy enriched since 2023 with a pillar dedicated to CSR

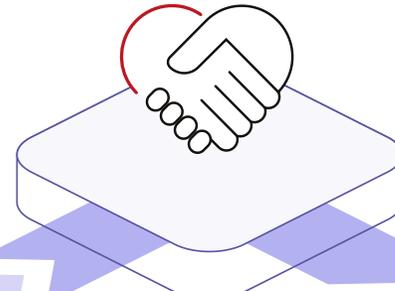
## Premium positioning

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



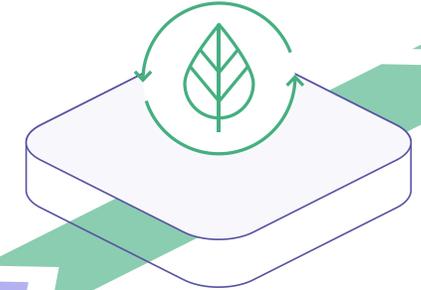
## Customers at the heart of the activities

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



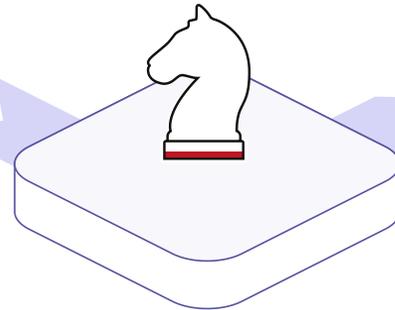
## A committed CSR policy

Capitalize on the Group's achievements in terms of CSR and continue leading the way by integrating social, societal, ethical and environmental responsibilities in all business activities and practices.



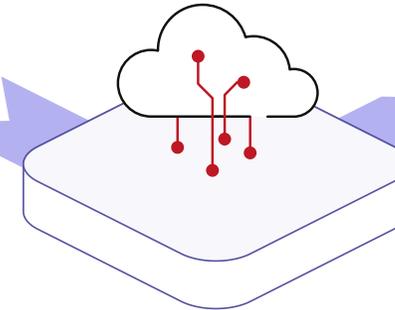
## Focus on three strategic market sectors

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



## New 4.0 services

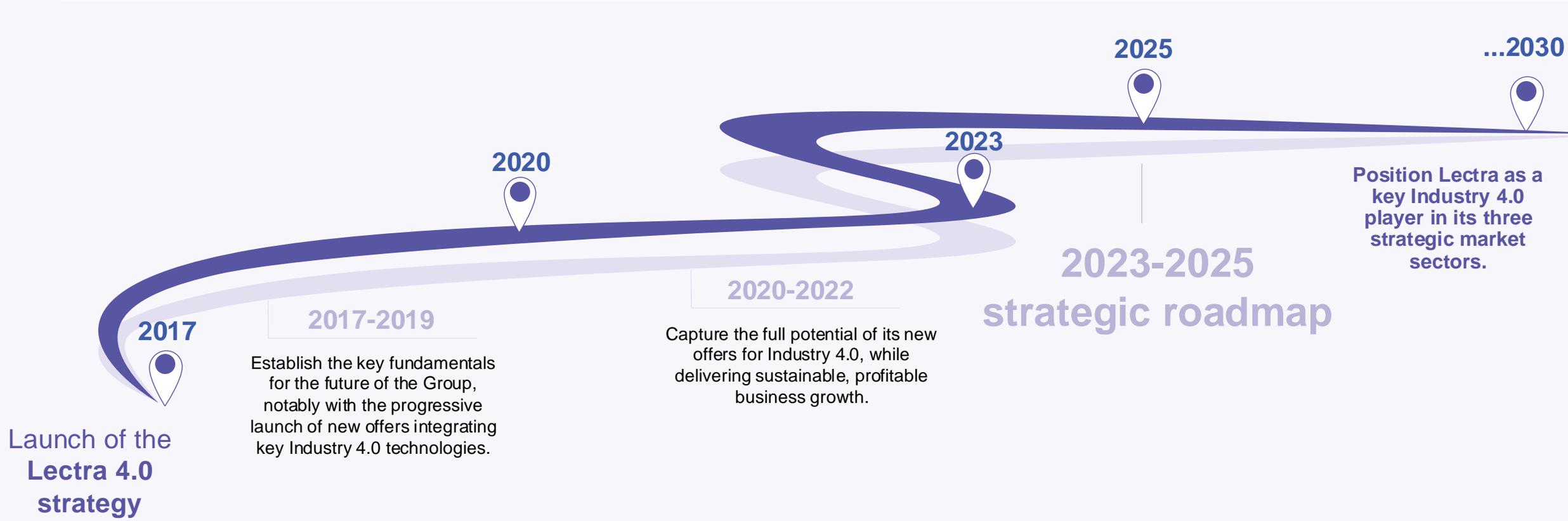
Gradually launched on the market, they will combine data analysis, Lectra's expertise and artificial intelligence, to enable customers to continuously improve their operations.



- Who is Lectra?
- The Lectra 4.0 strategy
- **2023-2025 strategic roadmap**
- 2024 and 2025 outlook

# 2023-2025 strategic roadmap

3-year strategic roadmaps to implement a long-term strategy



# 2023-2025 strategic roadmap

Further position Lectra as an Industry 4.0 leader

TAKE FULL ADVANTAGE OF  
THE GROUP'S CHANGE IN DIMENSION  
TO ACCELERATE GROWTH

SIGNIFICANTLY INCREASE THE  
VOLUME OF SAAS IN THE GROUP'S  
TOTAL REVENUES

SEIZE ACQUISITION  
OPPORTUNITIES

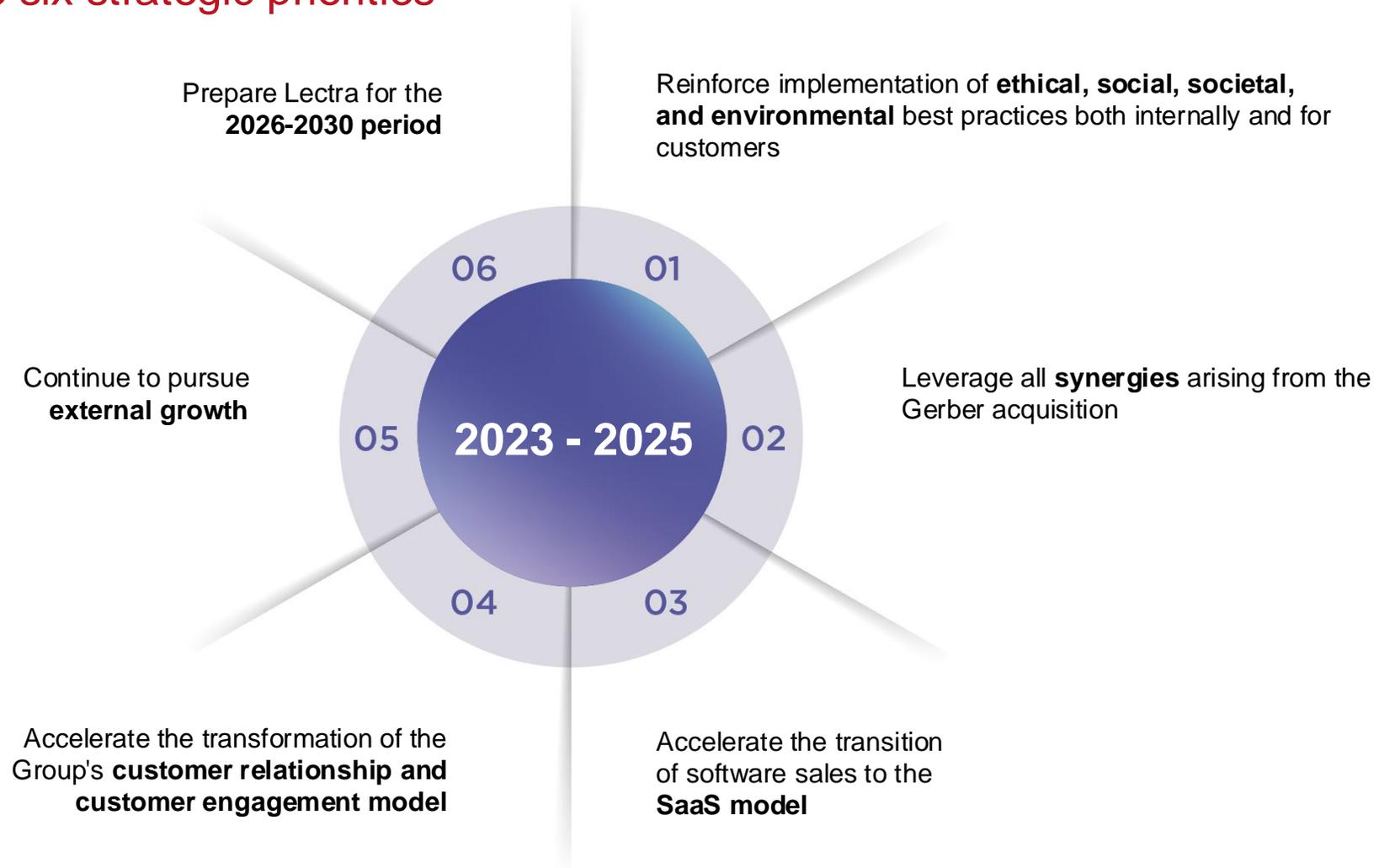
## INDUSTRY 4.0

With the commitment of its employees, and recognition by customers, Lectra will be at the forefront of a more sustainable future.

**In a deteriorated environment, Lectra was able to maintain its strategic ambitions while reinforcing its financial strength.**

# 2023-2025 strategic roadmap

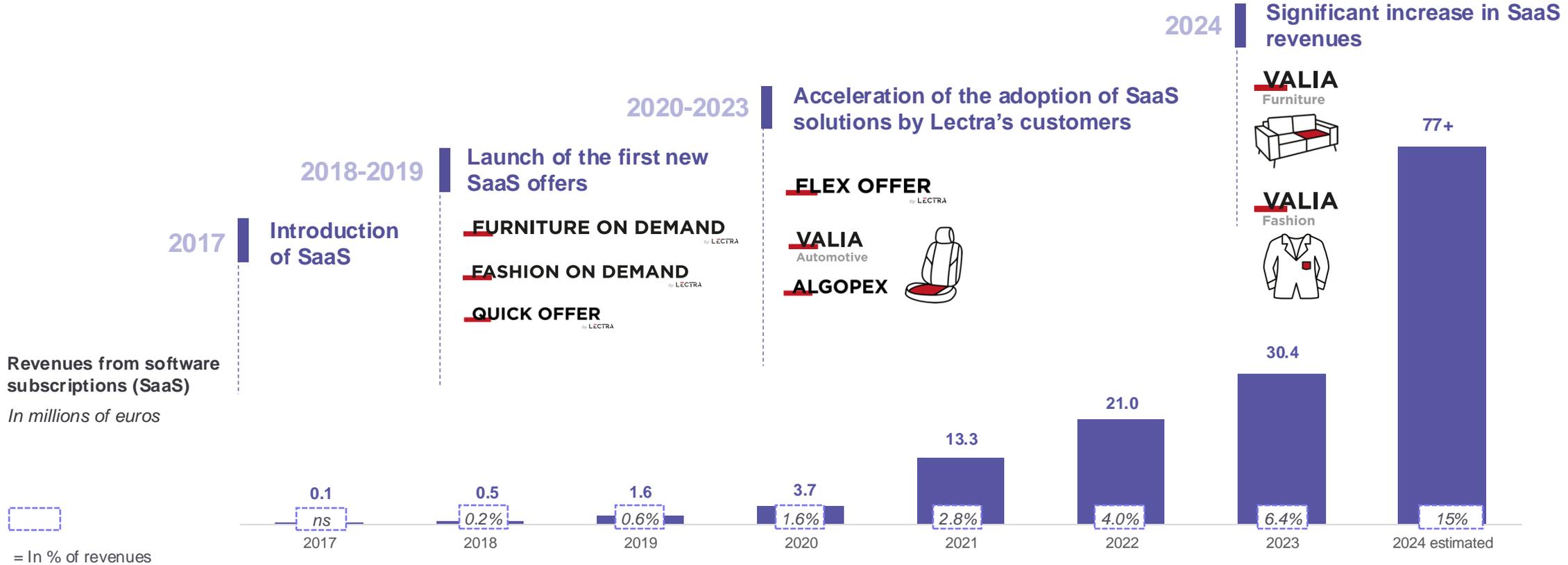
## Reminder of the six strategic priorities



**These six strategic priorities guided the Group's actions carried out since 2023.**

# 2023-2025 strategic roadmap

A very significant step forward in the world of SaaS



Important technological innovations to address the current and future challenges of Lectra's customers

## H2 2023 / H1 2024

Launch of a new generation of intelligent and connected cutting equipment dedicated to Fashion, Furniture, Automotive and Other industries, which replaces both the previous Gerber and Lectra models

### VECTOR



Improve the productivity, flexibility and environmental footprint of the cutting room

## H1 2024

Enrichment of the Furniture On Demand offer with Valia for furniture players

### VALIA Furniture



Promote profitable, smarter, more sustainable production, and enable the development of digital skills

# 2023-2025 strategic roadmap

October 9, 2024 - Launch of Valia Fashion:  
a new technological era for fashion brands and manufacturers thanks to Lectra

Effortless, transparent and  
seamlessly connected



New intelligent digital platform designed for the fashion industry combining the power of AI and Lectra's unique expertise in Fashion.

Valia Fashion connects, automates and streamlines each stage of apparel production, from order processing to fabric cutting, while optimizing the use of materials.

It revolutionizes the fashion ecosystem by breaking down the barriers between the various industrialization and production processes.

Acquisition of TextileGenesis\* - TextileGenesis' business is growing strongly

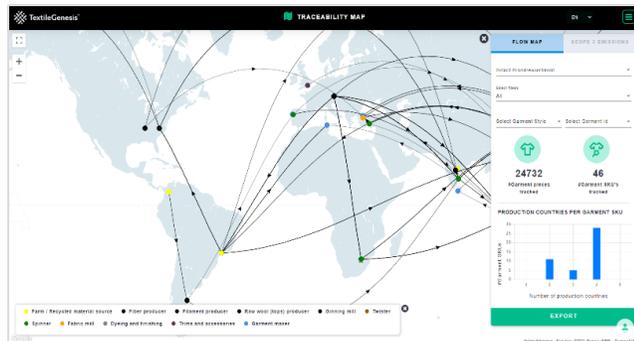


87%

of fashion executives believe sustainability regulations will impact their business in 2024

Source: BOF / McKinsey and Company, State of Fashion 2024

TextileGenesis provides a SaaS platform that enables fashion brands and sustainable textile manufacturers to ensure a reliable, secure, and fully digital mapping of their textiles, from the fiber to the consumer, and thereby guarantee their authenticity and origins



Nearly **650 million products** were traced in 2023 on the TextileGenesis platform

New module *Supply Chain Discovery*

Since the end of 2023, TextileGenesis has allowed fashion players to trace the **origin of all the materials they use, sustainable or generic**, from its platform

# 2023-2025 strategic roadmap

## Acquisition of Lauchmetrics - Overview of the company

Launchmetrics develops and sells an innovative cloud-based SaaS platform, composed of seven modules, dedicated to brand performance, for marketing and communications professionals in the Fashion, Lifestyle and Beauty markets.



~\$45m revenues in 2023, of which \$40+m SaaS  
~\$5m adjusted EBITDA in 2023  
425 employees

### 1,700 customers in 20 countries



Acquisition in January 2024 of 50.3% of Launchmetrics for about 85 million dollars, this amount will depend on recurring revenues and EBITDA for 2023. Acquisition of the remaining capital and voting rights is planned in five stages: in 2025, 2026, 2027, 2028 and 2030. Total acquisition price estimated between 200 and 240 million dollars.



## Acquisition of Launchmetrics - Lectra x Launchmetrics synergies

### LECTRA

#### STRENGTH

- **Undisputed technology leadership**
- **Broad portfolio of Industry 4.0 offers**, based on the 4 key technologies: Cloud, IoT, Big Data, Artificial Intelligence
- **Prestigious customers in Fashion**
- **A virtuous business model and strong financial strength**
- **A premium positioning and customers at the heart of the activities**
- **Global presence in +100 countries** reached by a global network of subsidiaries and agents

#### OPPORTUNITIES

- **Strengthen the Group's position in Fashion** by covering other strategic links in the customer value chain
- **Benefit from the expansion of the customer base** – for cross-sell opportunities and to strengthen relationships with C-levels
- **Combine expertise in technology**, particularly around data and Artificial Intelligence (AI) to drive innovation
- **Enrich the respective offers** with complementary marketing and product data in order to offer customers a unique value proposition
- **Accelerate the transition to SaaS**

### LAUNCHMETRICS a LECTRA company

#### STRENGTH

- **Unrivalled mastery of data and strong expertise in AI**
- **Specialized in Fashion, with prestigious customers**
- **Technological know-how and innovation at the heart of the DNA**
- **Premium positioning and customer-centric approach**
- **International and established presence**

## Two strategic partnerships covering two additional links in the value chain of Lectra's customers in Fashion

### The Group invests in AI to revolutionize...

...product design and development in Fashion.



Creation date: 2019

Headquarters: Singapore

Six Atomic develops and sells SaaS solutions **based on AI, particularly GenAI, to streamline and accelerate the garment design and development process** for the fashion market.

This strategic partnership involves the acquisition of a minority stake of about 18% in the capital of Six Atomic, through a capital increase of \$2.5M. Lectra has options to gradually increase its stake in Six Atomic to support its development.

...textile quality control.



Creation date: 2019

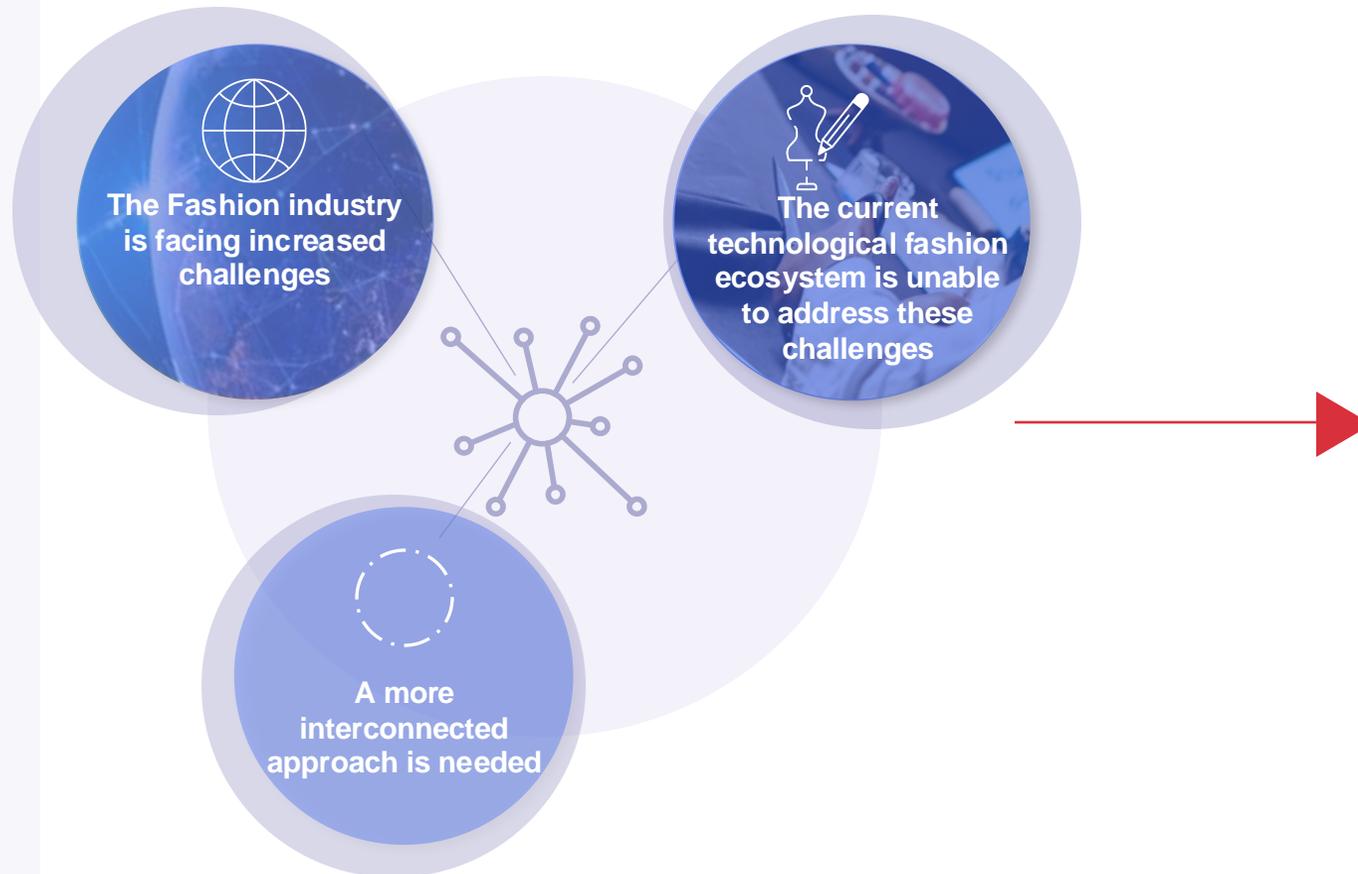
Headquarters: Paris, France

AQC develops and sells SaaS solutions **based on AI and innovative equipment for automatic textile defect recognition powered by machine learning algorithms.**

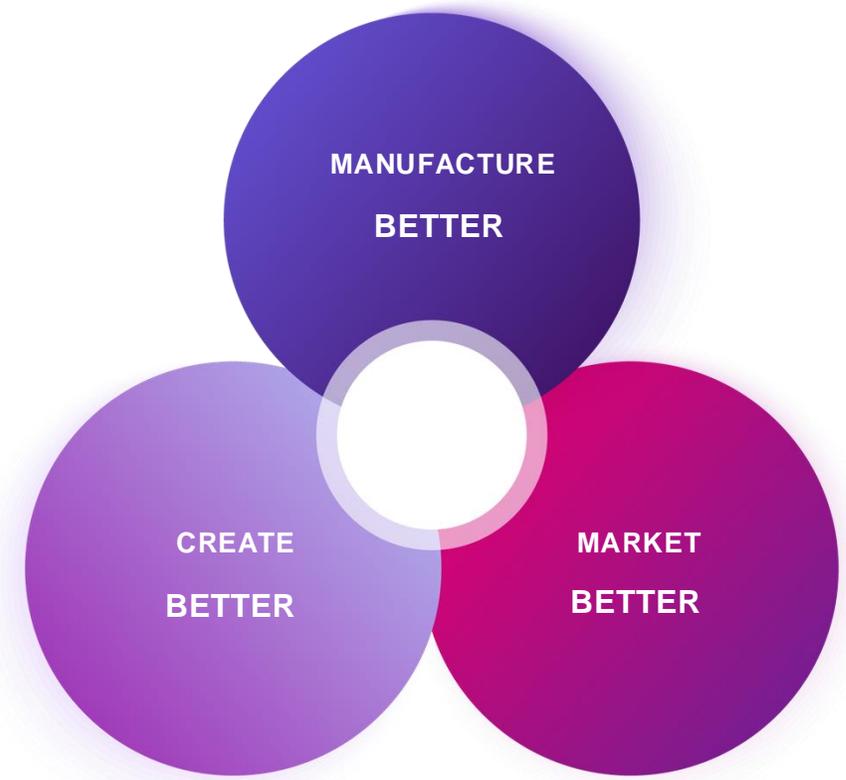
This strategic partnership involves the acquisition of a minority stake of about 30% in the capital of AQC, through a capital investment of €1.3M. Lectra has options to gradually increase its stake in AQC to support its development.

## Evolution of Lectra's value proposition in Fashion (1/3)

**Manage complexity, with constrained resources, and a fragmented value chain**

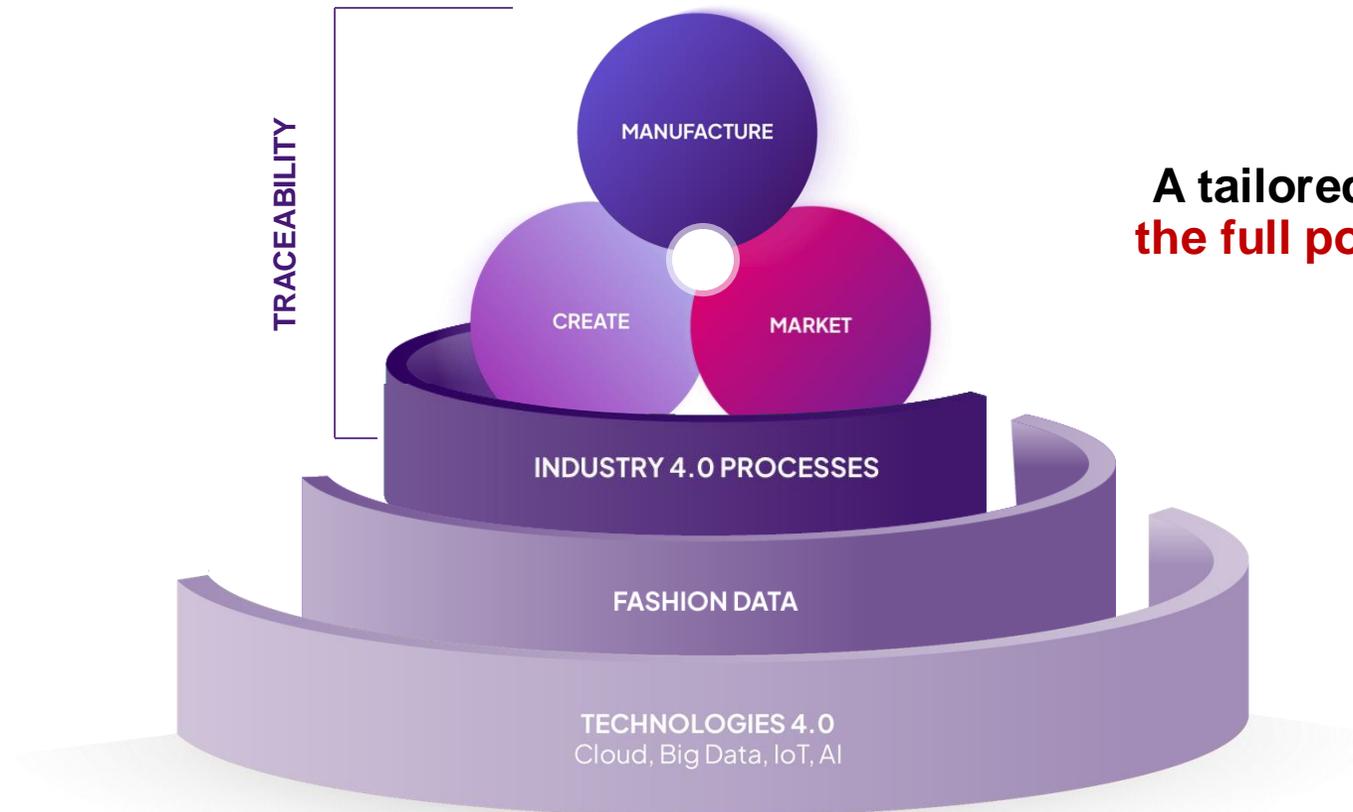


**3 areas that must perform collectively**



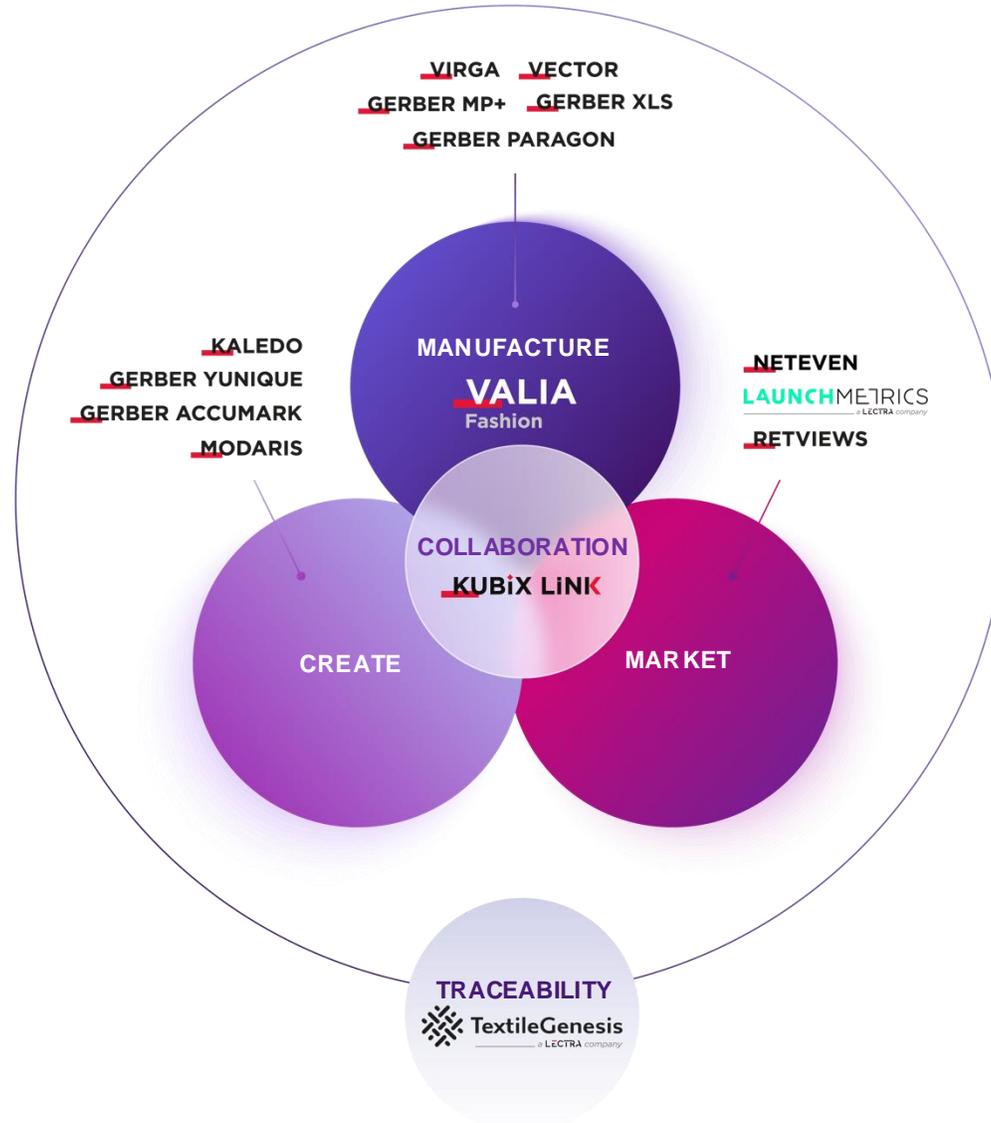
# 2023-2025 strategic roadmap

## Evolution of Lectra's value proposition in Fashion (2/3)



A tailored approach to **unleash**  
the **full potential** of digitalization  
for Fashion

## Evolution of Lectra's value proposition in Fashion (3/3)



**Turn Fashion's unique challenges into opportunities**

Ensure top-line growth

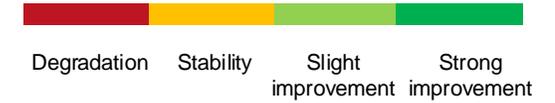
Achieve long-term profitability

Stand out with sustainability

- Who is Lectra?
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- **2024 and 2025 outlook**

# 2024 and 2025 outlook

An environment that remains uncertain with a deterioration in Europe



*Situation at the end of 2023*

*Situation at the end of September 2024*



# 2024 and 2025 outlook

## 2025 financial objectives

2025  
objectives

REVENUES

**€600+m**

of which €400+m  
recurring revenues

SAAS REVENUES

**€90+m**

EBITDA MARGIN  
BEFORE NON-RECURRING ITEMS

**20+%**

All scenarios were prepared on the basis of the closing exchange rates on December 29, 2023, particularly \$1,10 / €1.

## 2024 Perspectives

### 2024 Objectives

	2023 Lectra scope <sup>1</sup>		Launchmetrics From January 23 to December 31
Revenues	<b>€480m to €530m</b> +2% to +12%	Revenues	<b>€42m to €46m</b>
EBITDA Before non-recurring items	<b>€85m to €107m</b> +10% to +40%	EBITDA margin Before non-recurring items	<b>15+%</b>

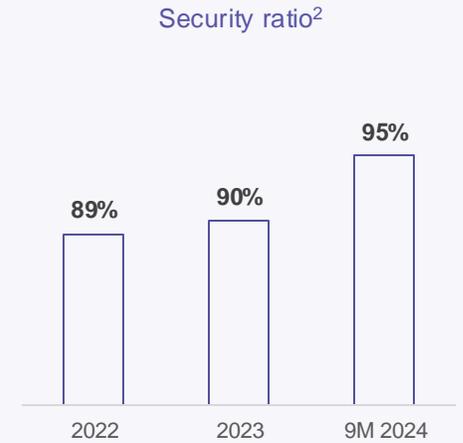
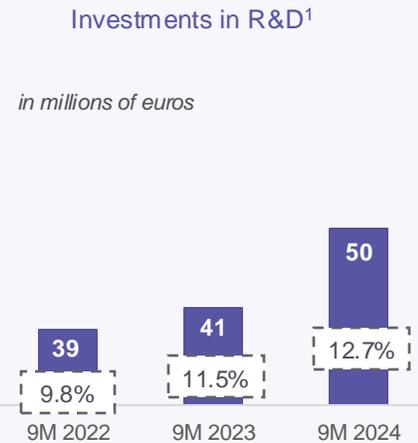
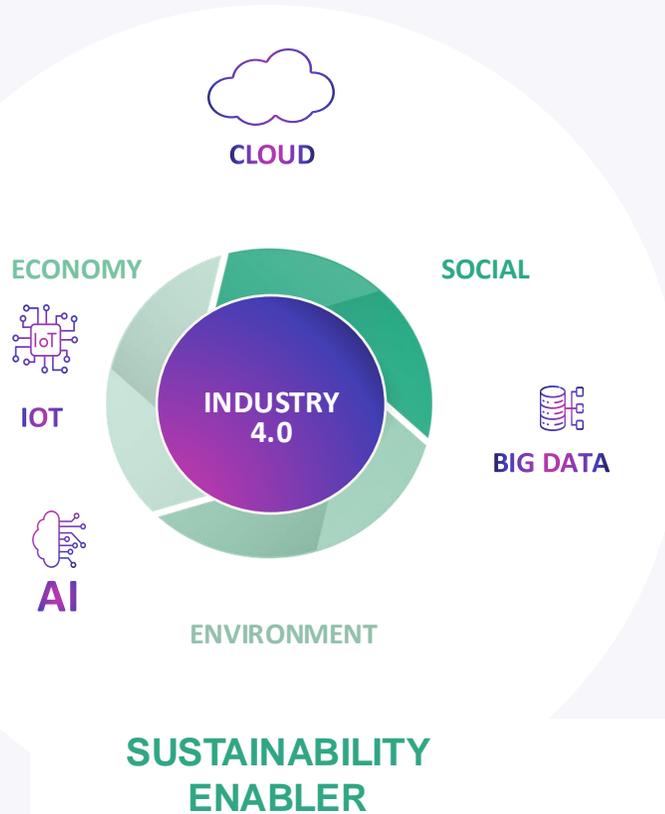
Given the results of the first nine months of 2024, revenue and EBITDA before non-recurring items are expected to be close to the low end of these ranges.

All scenarios were carried out on the basis of exchange rates on December 29, 2023, in particular \$1.10 / €1.

## Solid foundations for long-term growth

A value proposition aligned with customer expectations, strengthened by sustained investments in R&D

Financial fundamentals further strengthened with strong growth in recurring revenues and an improved safety ratio



   = In % of revenues

<sup>1</sup> Before deduction of the research tax credit and grants

<sup>2</sup> Part of the annual fixed overhead costs covered by the gross margin generated by recurring activity

**LECTRA**

We pioneer. You lead.