

Company Background & Strategy

- **Who is Lectra**
- Lectra 4.0 strategy
- Strategic roadmap for 2020-2022
- 2022 outlook
- Appendices

WHO IS LECTRA?

Company at a glance

Founded in **1973**

2,500 Employees

€468 million 2021 pro forma Revenues¹
59% of which comes from recurring revenues

€73 million 2021 pro forma EBITDA
(15.6% of pro forma Revenues)¹

€47.5 million 2021 Free cash flow²

€3.8 million Net cash³

-€13.4 million Working capital requirement³

Listed on Euronext and member of the Euronext Tech Leaders

WE PIONEER. YOU LEAD.

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.

Values

Open-minded thinkers | Trusted Partners | Passionate innovators

INDUSTRY 4.0



Software



Equipment



Data



Services



¹If Lectra had completed the acquisitions of Gerber Technology, Neteven and Gemini on January 1, 2021.

²Actual consolidated figures, Gerber Technology is consolidated since June 1, 2021, Neteven, since July 28, 2021, and Gemini CAD Systems, since September 27, 2021.

³As of September 30, 2022.

WHO IS LECTRA?

50 years of innovation and challenges

Lectra has consistently demonstrated its resilience

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 becomes the leader 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.

2020: Lectra shows great resilience in addressing the continuing impact of the COVID-19 pandemic.

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.

2022: Lectra acquires the business assets of Glengo Teknoloji and the majority of the capital of TextileGenesis.

WHO IS LECTRA?

Serving world-class customers in different market segments for decades



Fashion

52%¹

- Brands
- Manufacturers
- Retailers



Automotive

21%¹

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



Furniture

14%¹

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



Other Industries

13%¹

- Sign & graphics
- Aeronautic
- Marine



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 September 2022)

- 36 % in France
- 22 % in Europe (excluding France)
- 19 % in Americas
- 16 % in Asia-Pacific
- 7 % in other countries

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

7 international expertise centers

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

● % of 2021 pro forma revenues (if Lectra had completed the acquisitions of Gerber Technology, Neteven and Gemini on January 1, 2021).

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&D¹ fully expensed

11%

of 2021 pro forma revenues¹

560

R&D resources² 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 quicker all the potential of Industry 4.0.



WHO IS LECTRA?

Lectra's offer at the leading-edge of technology

Software sold in perpetual licenses and in SaaS mode

KALEDO





GERBER ACCUMARK
GERBER ACCUNEST



MODARIS





DIAMINO

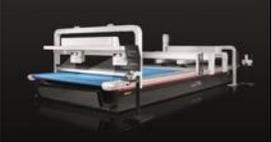
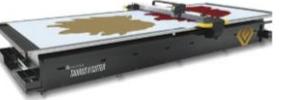
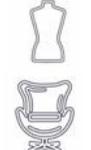
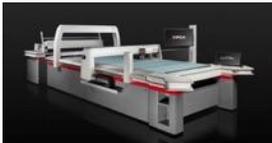


GEMINI
LECTRA company

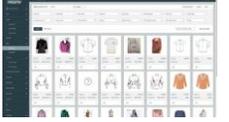
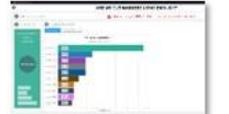
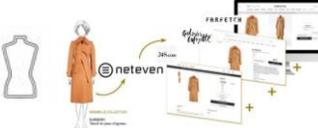
DESIGNCONCEPT



Equipment and accompanying software

	<p>VECTOR</p> 		<p>GERBER ATRIA</p> 
	<p>VERSALIS</p> 		<p>GERBER PARAGON</p> 
	<p>FOCUSQUANTUM</p> 		<p>GERBER TAURUS</p> 
	<p>VIRGA</p> 		<p>GERBER Z1</p> 

Software sold in SaaS¹ mode only

 <p>FASHION ON DEMAND <small>LECTRA</small></p>  <p>QUICK OFFER FLEX OFFER <small>LECTRA</small></p>  <p>KUBIX LINK</p>  <p>GERBER YUNIQUEPLM</p>  <p>ALGOPEX™ VALIA</p> 	 <p>FURNITURE ON DEMAND <small>LECTRA</small></p>  <p>RETIEWS</p>  <p>neteven <small>LECTRA company</small></p>  <p>TextileGenesis <small>LECTRA company</small></p> 
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WHO IS LECTRA?

A sustainable Group, committed to social, societal and environmental matters

We carry out our business and operating practices with an objective in mind, which is to make a positive impact on the society. Through our technology and partnerships, we empower customers to become more socially responsible and sustainable.

We cultivate a work environment where our own employees can thrive while adhering to high ethical standards.



EMPLOYEES¹

- Diversity of profiles: **59** nationalities
- Training: **> €2.3 million²**
- Redistribution to the employees (France scope) **€6 million** of incentive plan in respect of FY2021²
- Gender equality index (France scope) **99/100²**
- **Listening to employees** via surveys and internal meetings with the Executive Committee. February 2022 internal engagement survey outcomes:
 - **81%** Global participation rate
 - **80%** of respondents are proud to work at Lectra Group
- **Integration plans** of the Gerber Technology, Neteven and Gemini teams



ENVIRONMENTAL IMPACT OF THE GROUP'S ACTIVITY¹

CO2 emissions⁴
scopes 1 and 2 (tCO2-eq)
3,722 in 2021

Waste (France)²
on the Bordeaux-Cestas campus
320 tonnes in 2021

76/100



Scores 2021 

44/100

ecovadis



Climat change



SUPPLIERS AND PARTNERS^{1,2}

Number of suppliers and partners

- in *Nouvelle Aquitaine* region: **26%**
- in France (excluding *Nouvelle Aquitaine* region): **55%**
- in Europe (excluding France): **13%**
- in the rest of the world: **6%**
- **Responsible purchasing** charter
- **8 proof of concepts** developed, 2 think tanks organized by the Innovation Lab
- **16 meetups with start-ups** (the start-ups come to the Bordeaux-Cestas campus and pitch in front of the teams)

¹Information is given for 2021 unless stated otherwise.

²2021 Group scope before acquisitions.

³2021 Group scope after acquisitions.

⁴NFS (Non-financial Statement) scope after acquisitions (China, France, Germany, Italy, Portugal, Spain, United States).

WHO IS LECTRA?

A governance committed to achieving Lectra's vision

Board of Directors



Daniel Harari
Chairman and
Chief Executive Officer



Bernard Jourdan
Lead Director



Céline Abecassis-Moedas



Anne Binder



Jean Marie (John) Canan



Ross Mcinnes



Nathalie Rossiensky



Hélène Viot Poirier

Executive Committee



Daniel Harari
Chairman and
Chief Executive Officer



Jérôme Viala
Executive Vice
President



Maximilien Abadie
Chief Strategy Officer



Fabio Canali
President, Southern
Europe & North Africa



Thierry Caye
Chief Technology
Officer



Olivier du Chesnay
Chief Financial Officer



Javier Garcia
President, Asia-Pacific



Karen Gibbs
Deputy Chief Financial
Officer



Laurence Jacquot
Chief Customer
Success Officer



Eric Lespinasse
Chief Industrial Officer



Leonard Marano
President, Americas



Holger Max-Lang
President, Northern &
Eastern Europe,
Middle East



Maria Modrono
Chief Marketing and
Communications
Officer



Rani Rao
Chief People Officer



Edward Wang
Senior Vice-President,
Asia-Pacific

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

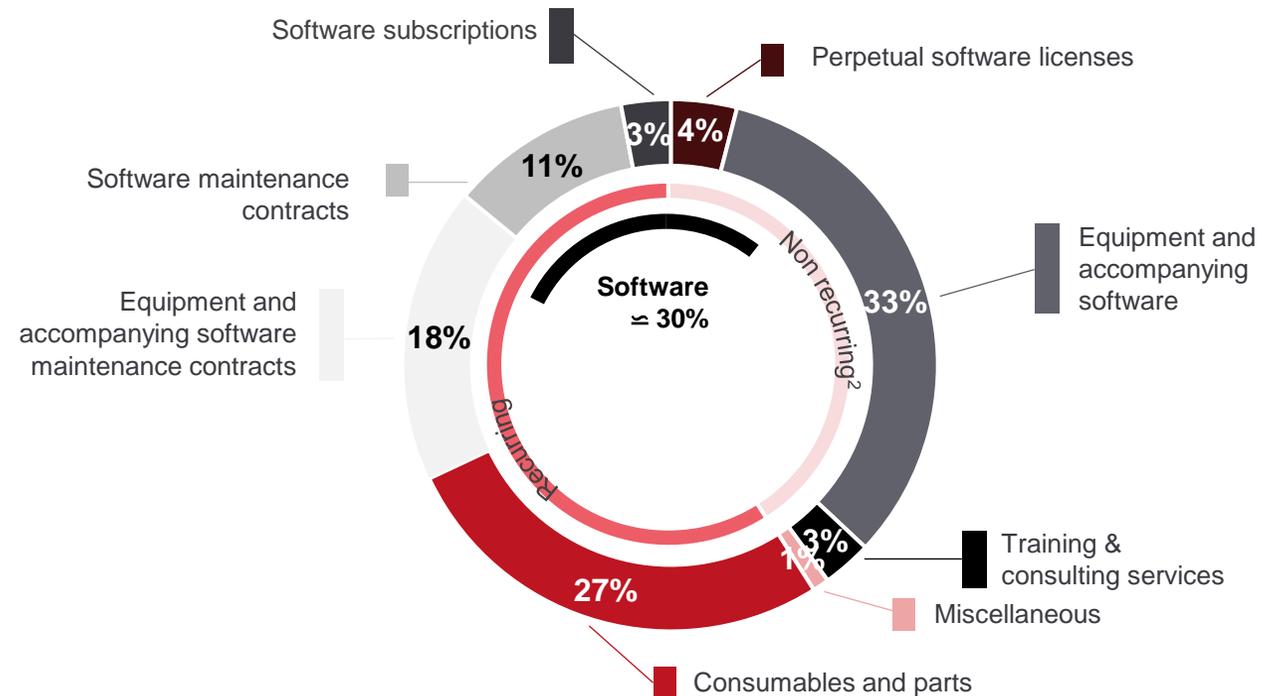
A balanced revenue mix between revenues from software licenses, equipment and non recurring services and recurring revenues.

91% 2021 Security ratio³

3

The generation of significant annual free cash flow.

Breakdown of 2021 revenues¹



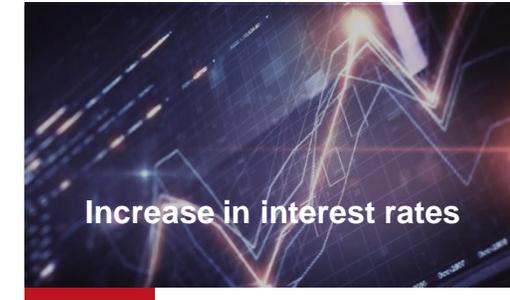
¹2021 pro forma revenues (if Lectra had completed the acquisitions of Gerber Technology, Neteven and Gemini on January 1, 2021).

²Perpetual software licenses, equipment and accompanying software, and non-recurring services.

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

WHO IS LECTRA?

A great resiliency in a degraded environment



In this environment, the Group has once again demonstrated its resiliency, with strong earnings growth.

AGENDA

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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'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**.

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

Mechanization, steam, water power

End of the 18th century

INDUSTRY 1.0



Mass production, electricity

Start of the 20th century

INDUSTRY 2.0



Electronic, IT systems, automation

The early 1970s

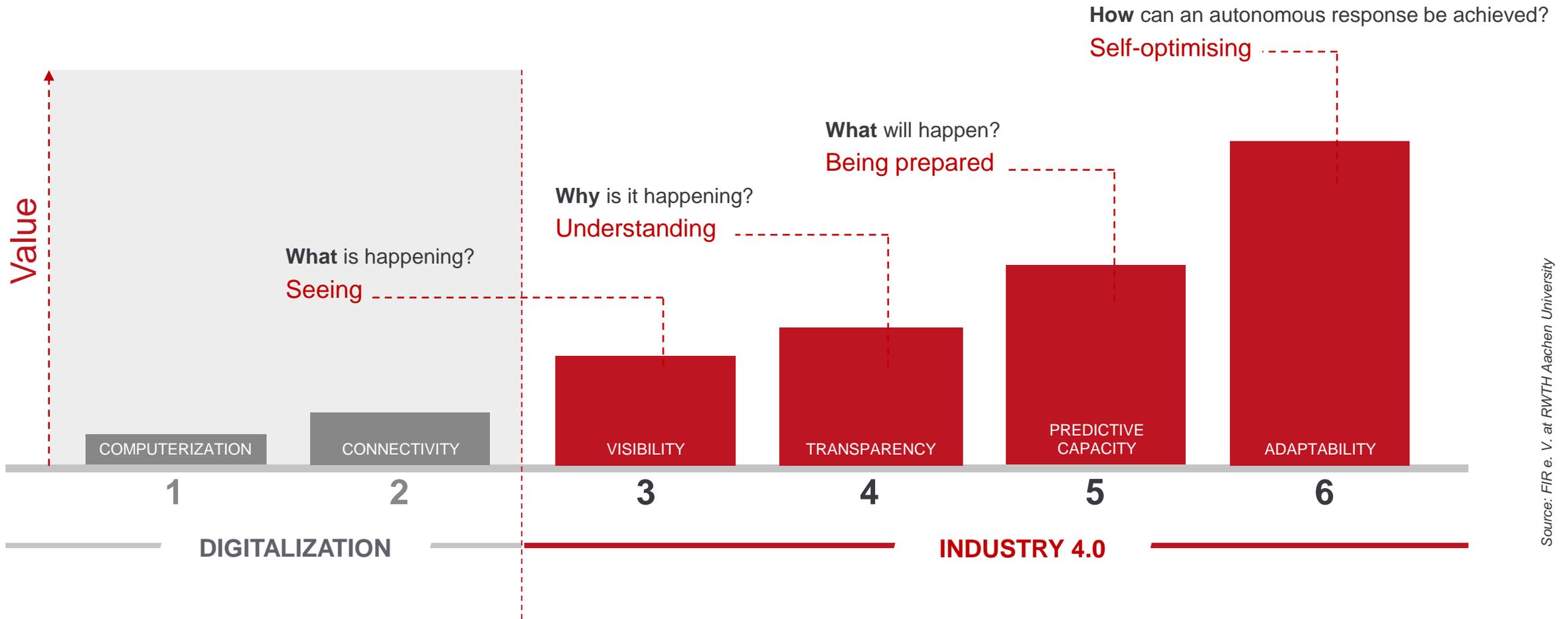
INDUSTRY 3.0



INDUSTRY 4.0



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



Source: FIR e. V. at RWTH Aachen University

A 4-pillar 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 already has the fundamentals necessary for Industry 4.0

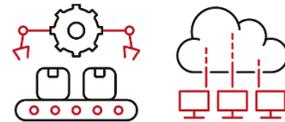
INDUSTRY 4.0



15 years of experience in IoT

7600+ cutting machines, equipped with sensors and capable of being connected to the Internet, are compatible with the new offers for Industry 4.0.

Prestigious customer base



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 technological leadership



Strong business-line expertise

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

Virtuous business model and strong financial position

AGENDA

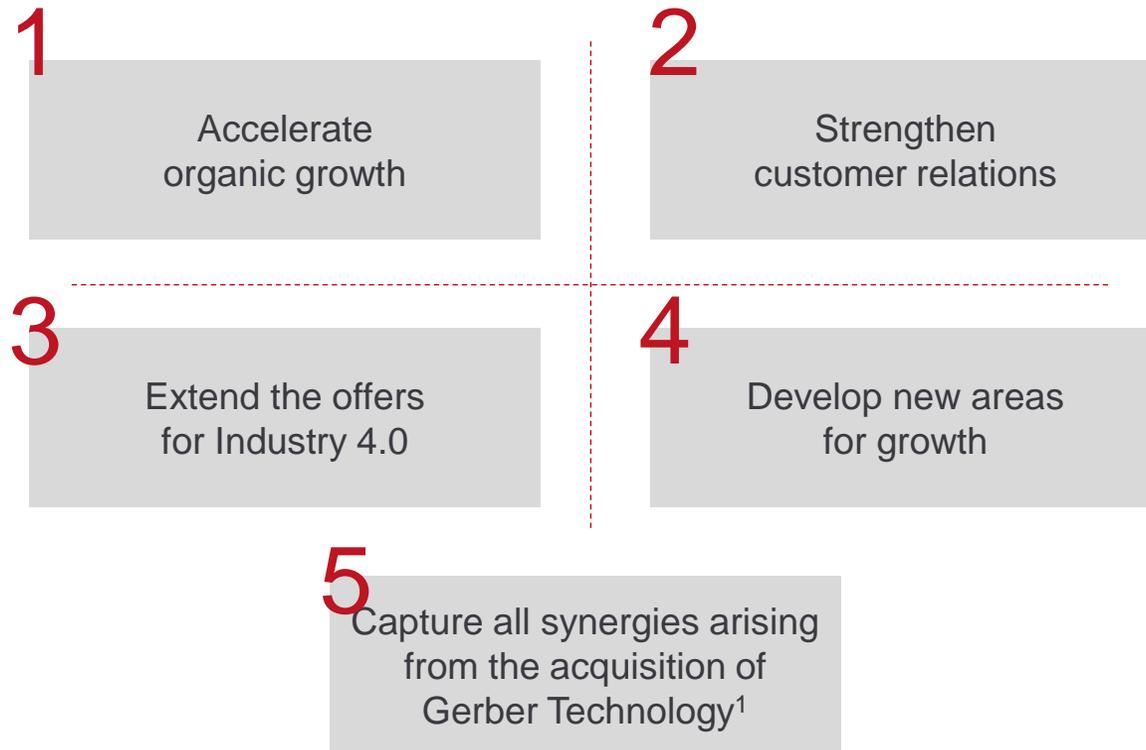
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STRATEGIC ROADMAP FOR 2020-2022

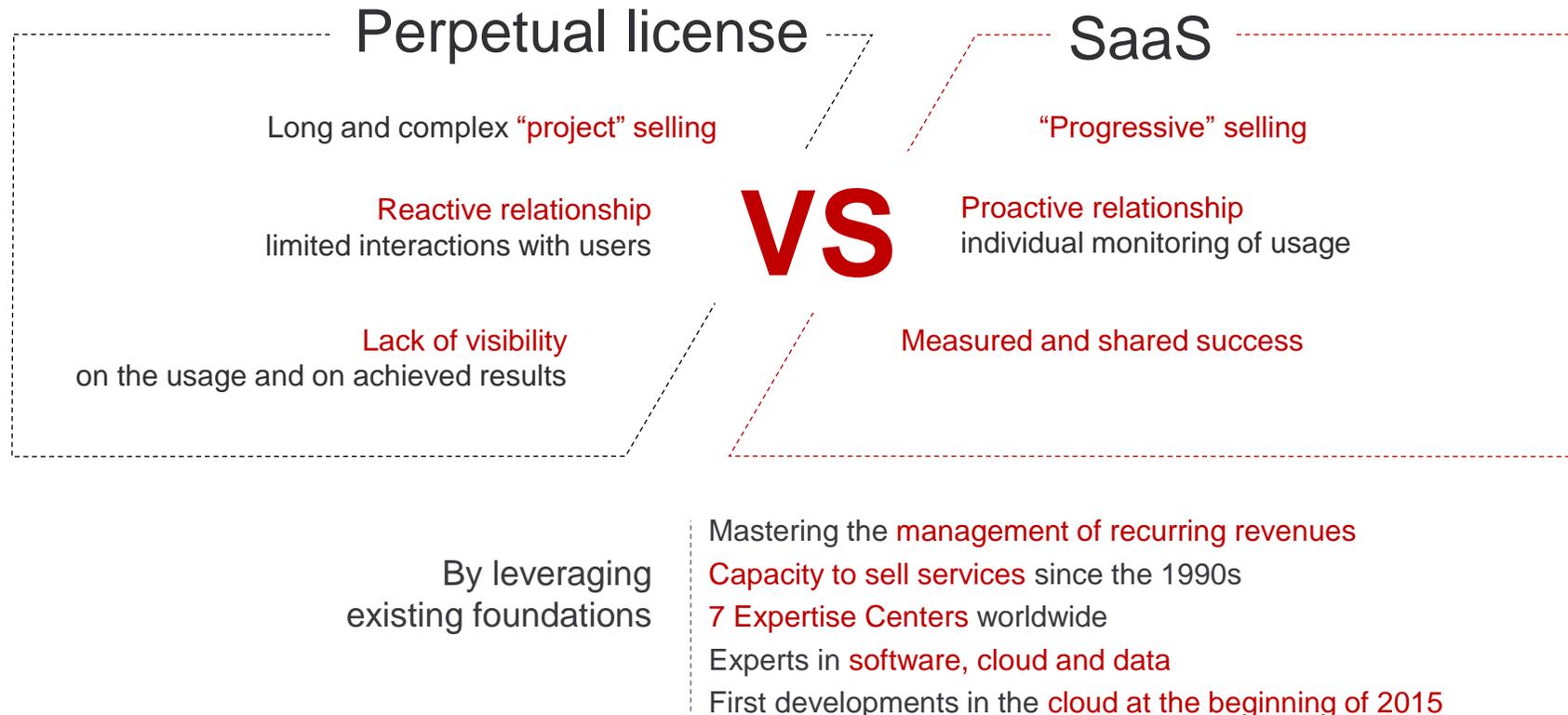
Acceleration towards Industry 4.0

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



Transform internal processes to support the rollout of SaaS offers



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

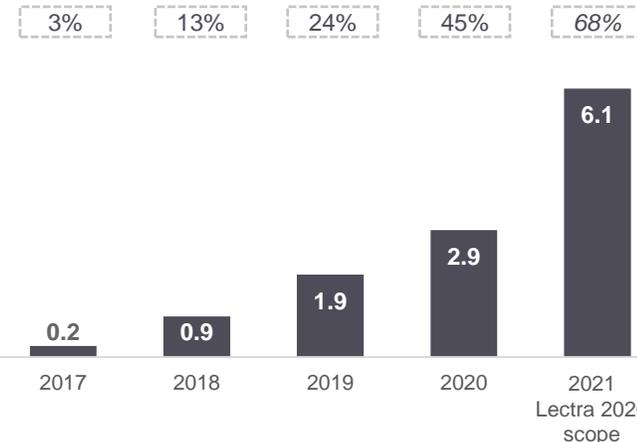
Number of customers using one or several offers for the Industry 4.0



Of which Neteven customers (120)

New software subscription orders

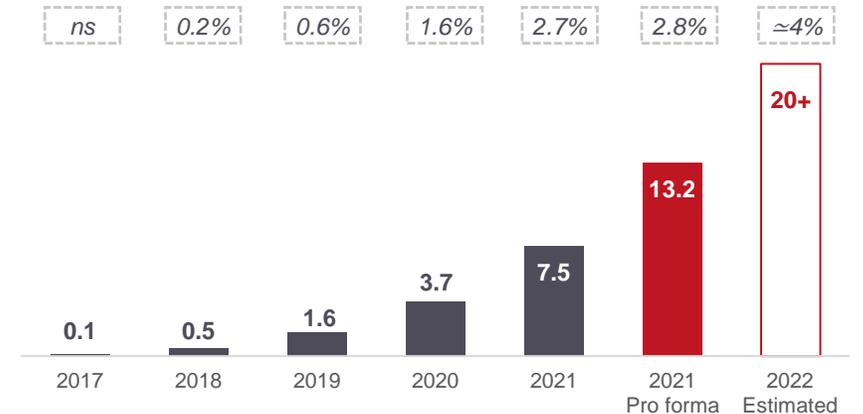
Annual value, in millions of euros



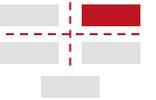
 = % Software subscription orders in total new software orders¹

Revenues from software subscriptions

In millions of euros



 = In % of revenues



Pursuit of the deployment of Customer Success

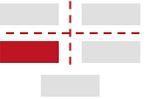
Objective: optimize customers' performance through the use of Lectra solutions.



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:

- ~900 people, of which 30 Customer Success Managers dedicated to the offers for Industry 4.0.



Bringing more value to Industry 4.0 offerings

Lectra will continue to develop these offerings by adding new functionalities and expanding their business coverage

To enable its customers to implement the principles of Industry 4.0, Lectra began marketing new Industry 4.0 offerings in SaaS mode for all software in early 2018.

■ New product lines

■ Complement existing software and cutters

FASHION ON DEMAND
by LECTRA

FURNITURE ON DEMAND
by LECTRA

RETVIEWS

KUBIX LINK

 **neteven**
a LECTRA company

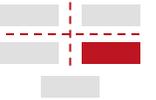
 **TextileGenesis**
a LECTRA company

QUICKOFFER
by LECTRA

FLEX OFFER
by LECTRA

ALGOPEX™

VALIA



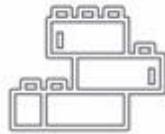
Intensifying external growth and partnerships

Acquisitions

Since 2018, Lectra has realized 5 acquisitions, notably, Kubix Lab, Retviews, Gerber Technology, Neteven and Gemini.



Complete range of products



Incorporate technological "brick"



Increase market share

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

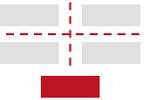
Partnerships

Since 2021, Lectra initiated its partnership strategy, resulting in collaborations with major actors on the market. Notably with:



Intentionally our growing partners ecosystem is composed of business partners and technological partners.

Our partnership strategy is set to support both our market penetration, enrichment of our solutions use cases, and customers' projects in the long run.



Gerber Technology: Strong value creation from synergies

In 2021, Lectra acquired Gerber Technology with the ambition to create a world-class, leading Industry 4.0 player for the fashion, automotive and furniture markets.

Strong value creation from synergies

LECTRA

GERBER
TECHNOLOGY
a LECTRA company

Cross-sell opportunities

Channel optimization

Supply chain & procurement

Revenues & Gross profit

Fixed costs optimization

Customer support structure

Team consolidation

Overhead costs

Benefits from combining strengths and competencies



- Global leader in value and volume, with world-class customers and leadership around the world.
- Best of best technology and integrated solutions.
- The largest worldwide installed base of product development software and cutting solutions in operations.
- The strongest R&D and business-line expert teams.
- A greater critical mass, giving higher headroom to execute the strategy.

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2022: Financial objectives

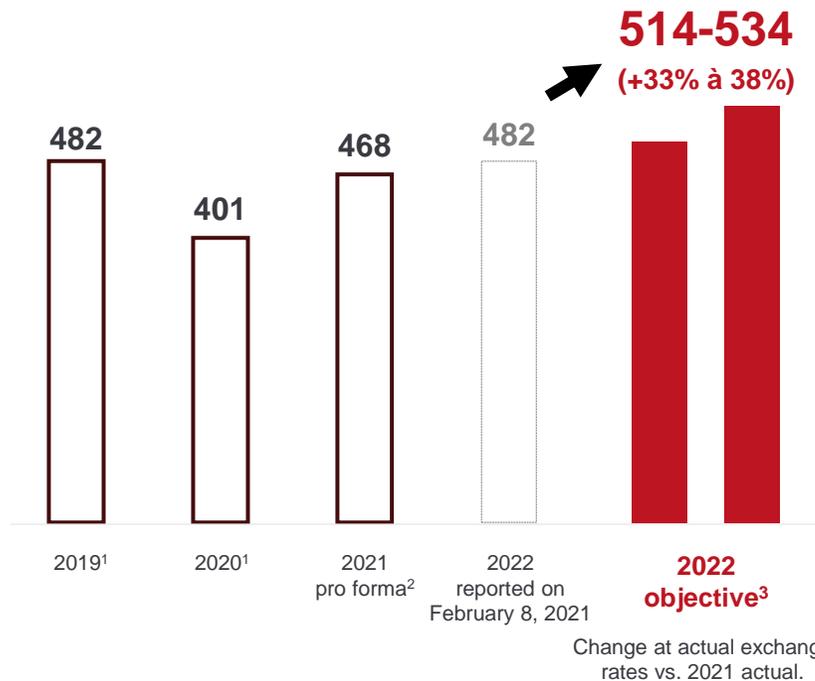
On February 8, 2021, Lectra reported on the 2022 financial objectives: returning to the level of combined revenue achieved by Lectra and Gerber Technology in 2019 (€482m) and generating an EBITDA margin before non-recurring items in the range of 17% to 20%.

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.

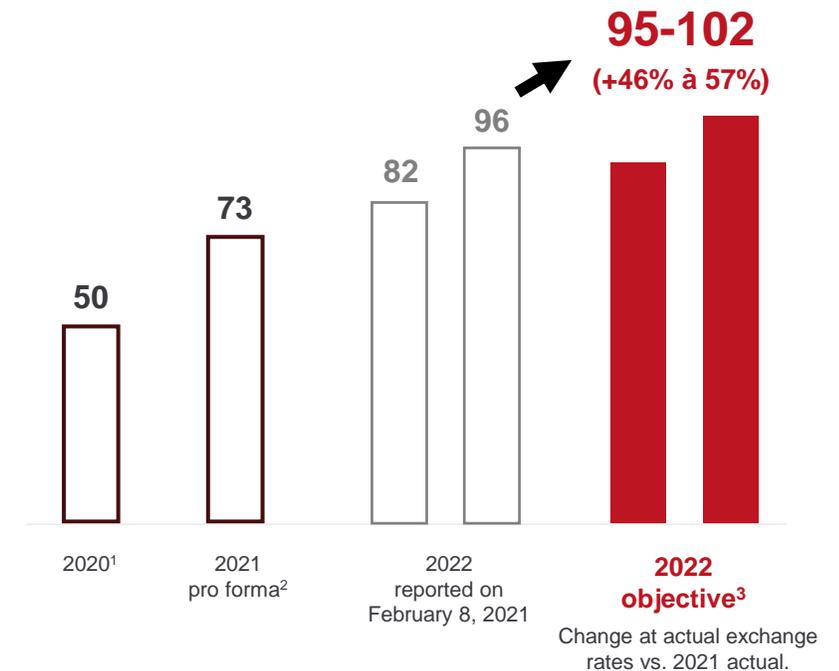
The third quarter 2022 results enable Lectra to confirm the revised targets announced on July 28, 2022.

In millions of euros

Revenues



EBIDTA before non-recurring items



¹Lectra 2020 scope and Gerber Technology.

²2021 pro forma figures (if Lectra had completed the acquisitions of Gerber Technology, Neteven and Gemini on January 1, 2021).

³Reviewed as of July 28, 2022.

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On December 8, 2022, Lectra announced the acquisition of the majority of the capital of TextileGenesis. At the beginning of January, Lectra will acquire 51% of TextileGenesis for 15.2 million euros. The acquisition of the remaining share capital and voting rights is expected to take place in two stages, in 2026 and 2028, for an amount that will be calculated based on a multiple of the 2025 and 2027 recurring revenues.

With this acquisition, the Group will extend its software offer to material traceability and reinforces its position in Industry 4.0.



Date of creation: 2018



Offices: Amsterdam (Netherlands), Hong-Kong, Bangalore (India)



Employees: 30

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.



+30 of the world's most prestigious fashion brands and leading sustainable fiber producers have been already convinced by the innovative value proposition of TextileGenesis.



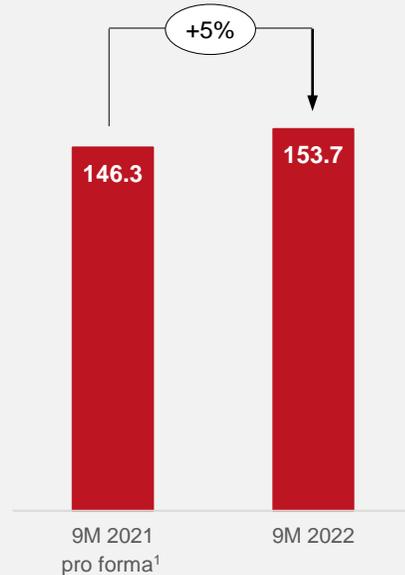
OUR COMMON GOAL

Become a key player in the textile value chain to support our customers in their transparency and sustainability objectives.

Increase in orders of new systems

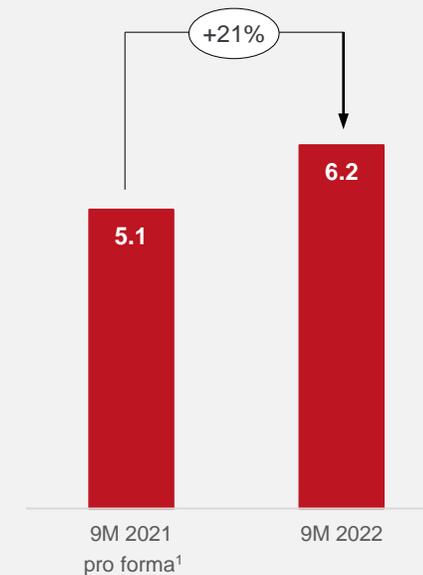
Orders for perpetual software licenses, equipment and accompanying software, and non-recurring services

In millions of euros



New software subscription orders

In millions of euros, annual value



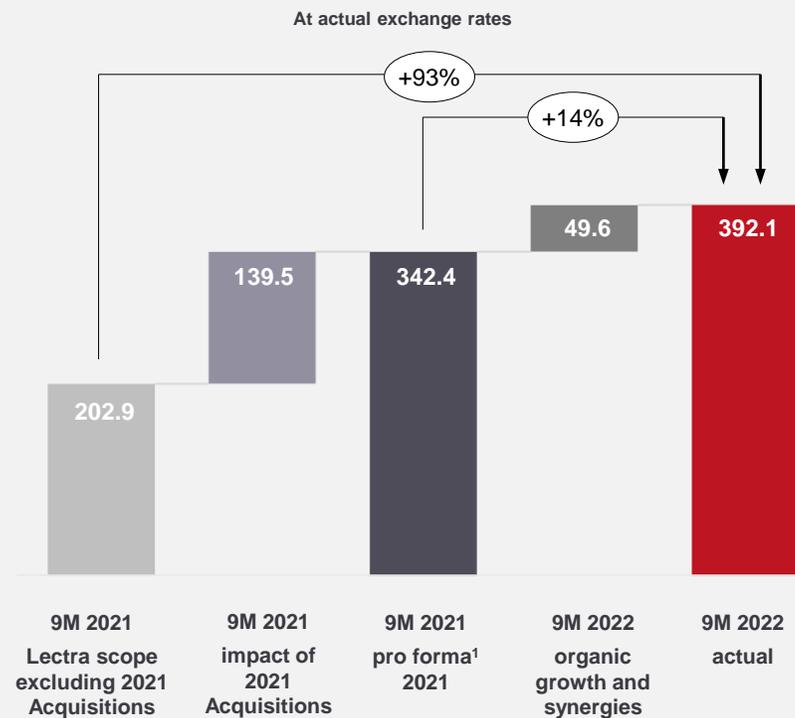
Geographically, the improvement in business activity was contrasted across regions: orders for perpetual software licenses, equipment and accompanying software, and non-recurring services increased by 22% in the Americas, 1% in Europe and decreased by 11% in Asia-Pacific (of which 24% in China). They increased by 53% in the rest of the world (including Northern Africa, South Africa, Turkey, and the Middle East ...).

APPENDICES – 9M 2022 RESULTS

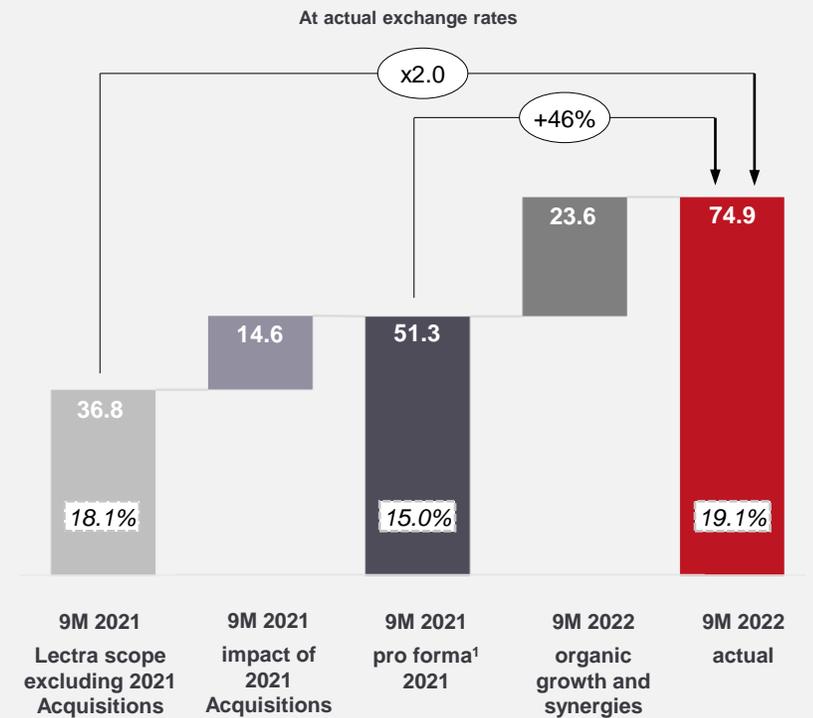
Very strong increase in revenues and earnings

In millions of euros

Revenues



EBITDA before non-recurring items

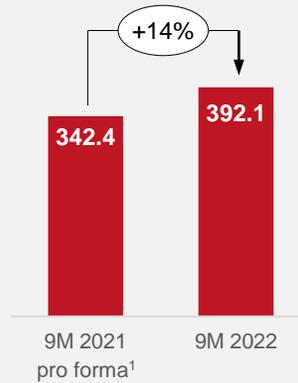


APPENDICES – 9M 2022 RESULTS

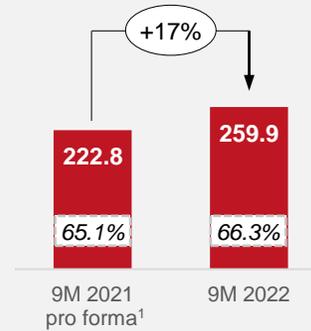
Very strong increase in results

In millions of euros

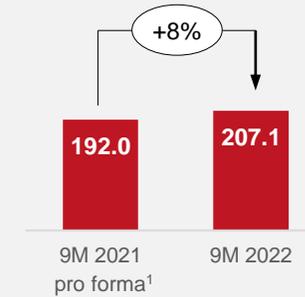
Revenues



Gross profit

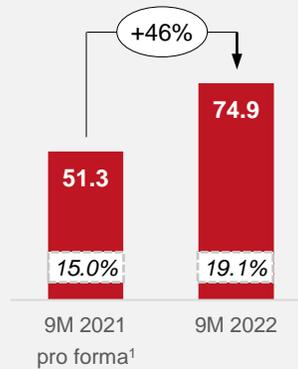


Overhead costs



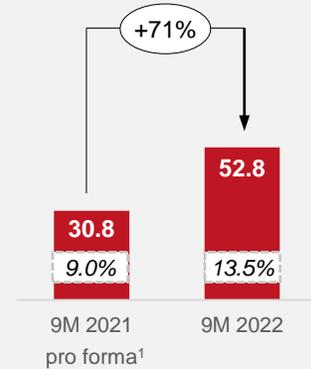
EBITDA

before non-recurring items



Income from operations

before non-recurring items



Net Income

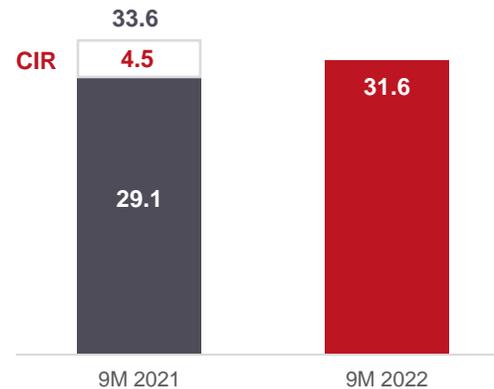


Slight decrease of the free cash flow before non-recurring items

Free cash flow

before non-recurring items

In millions of euros



9M 2022 free cash flow before non-recurring items (€31.6m) was down slightly compared to 9M 2021 (€33.6m) and lower than the net income of the same period due to a temporary increase in working capital requirement.

This increase stems from the payment in 2022 of the variable portion of compensation and the incentive plan for 2021, which were €10.5m higher than the amount paid in 2021 in respect of 2020 performance, and due to the €15.8m increase in inventories since January 1st to cover mainly the risk of shortages in certain components.

After disbursement of €2.6m in respect of non-recurring charges, 9M 2022 free cash flow came to €29.0m. 9M 2021 free cash flow was €26.8m after a €6.8m non-recurring disbursement.

CIR: research tax credit (Crédit d'Impôt Recherche)

APPENDICES – 9M 2022 RESULTS

A particularly strong balance sheet and a positive net cash position

Balance sheet

In millions of euros



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

A first installment of €21.0m was paid back on June 1, 2022.

The dividend in respect of FY 2021 (€13.6m) was paid on May 6, 2022.

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