MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS FOR FOURTH QUARTER AND FULL YEAR OF 2024

Dear Shareholders,

We report below on Lectra group's (the "Group") business activity and consolidated financial statements for the fourth quarter and full year ending December 31, 2024. These financial statements include the accounts of Launchmetrics, which has been consolidated since January 23, 2024.

The Statutory Auditors have performed their auditing procedures on the financial statements for the year and their certification report will be issued after the Board of Directors meeting on February 27, 2025.

To facilitate analysis of the Group's results in its new scope of consolidation (the "Lectra 2024 scope"), the accounts of Lectra excluding Launchmetrics (the "Lectra 2023 scope") are analyzed separately from the Launchmetrics accounts. The detailed 2024 vs 2023 comparisons for the Lectra 2024 scope and for Launchmetrics are based on actual exchange rates, whereas the comparisons for the Lectra 2023 scope are stated on a like-for-like basis.

Orders analysis is reported using two indicators: on the one hand, orders for "new systems," which include the value of software sold separately under perpetual software licenses ("perpetual software licenses"), equipment and accompanying software (also sold in the form of perpetual licenses) and non-recurring services; and on the other hand, "new SaaS software subscriptions," which report the annual value of new subscriptions for Software-as-a-Service (SaaS contracts).

The detailed tables of orders for new systems, for revenues, and the income statements are provided in the additional information of this report, starting on page 13.

1. 2024: IMPROVED FINANCIAL RESULTS IN WHAT REMAINS A DEGRADED ENVIRONMENT

The year 2024 was marked by a severely degraded macroeconomic and geopolitical environment, prompting the Group's customers to exercise prudence in their investment decisions, though situations varied across geographies and market sectors.

Under these conditions, for the Lectra 2023 scope, orders for new systems were stable, and new SaaS subscriptions grew by 8%, confirming their success and increasing adoption by the Group's customers.

2024 earnings in line with recent estimates

On October 30, the Group reported that revenues and EBITDA before non-recurring items were expected to be near the lower end of the ranges indicated on February 14, i.e., revenues of 480 million euros and EBITDA before non-recurring items of 85 million euros for the Lectra 2023 scope; and 42 million euros in revenues and EBITDA margin before non-recurring items of over 15% for Launchmetrics, i.e., revenues of 522 million and EBITDA margin before non-recurring items of 91.3 million euros for the Lectra 2024 scope.

Overall, full-year 2024 revenues grew 10% to 526.7 million euros and EBITDA before non-recurring items increased 15% to 91.1 million euros.

Successful integration of Launchmetrics

Launchmetrics achieved revenues of 41.2 million euros and an EBITDA before recurring items of 7.0 million euros, and exceeded the Group's profitability expectations with an EBITDA margin before non-recurring items of 16.9%.

What's more, this acquisition has considerably expanded Lectra's SaaS activity, providing the basis for a twofold increase in SaaS revenues to 77.4 million euros at end-2024 and strengthening SaaS's future potential.

The integration -- in terms of processes, teams and products -- is already a proven success and enables Lectra to form a coherent set of SaaS activities. Launchmetrics has also contributed its top-level practices in the area of SaaS, thus enriching the customer experience across the Group.

Continuing improvement in the fundamentals of the Group's business model

The fundamentals of the Group's business model were substantially improved, notably on the basis of the strict cost control policy implemented since May 2023, and the contribution of Launchmetrics. Recurring revenues increased by 18%, with margins covering nearly all fixed costs, and the EBITDA margin before non-recurring items rose 0.8 percentage point, to 17.3%. Free cash flow before non-recurring items generated in 2024 came to 72.1 million euros (+59%) and the Group's net debt was brought down to 20.6 million euros.

2. SUMMARY FOR Q4 2024

2.1 Lectra 2024 scope

Strong increase in recurring revenues, especially for software-as-a-service (SaaS) subscriptions

Q4 2024 revenues came to 132.5 million euros, an 11% increase over Q4 2023, with the following breakdown: 35.3 million euros in revenues from new systems (27% of total revenues, down 4%) and 97.1 million euros in recurring revenues (73% of total revenues, up 18%). The recurring revenues included SaaS revenues of 20.9 million euros, which were 2.5 times higher than in Q4 2023, on the strength of organic growth and the integration of Launchmetrics.

Launchmetrics contributed 11.0 million euros to revenues.

Increase in EBITDA before non-recurring items

EBITDA before non-recurring items came to 22.6 million euros, up 14%, and the EBITDA margin before non-recurring items was 17.1% (0.5 percentage point higher than in Q4 2023). Launchmetrics continued to improve its profitability, contributing 1.7 million euros in EBITDA before non-recurring items in Q4, or an EBITDA margin before non-recurring items of 15.2%.

Strong growth of free cash flow before non-recurring items

Free cash flow before non-recurring items came to 22.2 million euros (13.2 million euros in Q4 2023).

2.2 Lectra 2023 scope

With an average exchange rate of €1/$1.07 in Q4, the dollar was stable compared to Q4 2023. For the Lectra 2023 scope, currency changes had only a limited impact on the result, mechanically raising revenues by 0.4 million euros and raising EBITDA before non-recurring items by 0.5 million euros.

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Orders

In Q4, despite the degraded macroeconomic environment, orders for new systems (38.6 million euros) were stable compared to the same period in 2023.

The ramp-up of orders for new software subscriptions continued, as the annual value of orders for SaaS subscriptions came to 3.6 million euros, a 17% increase over a year before, again confirming customers' growing adoption of SaaS solutions.

Revenues and EBITDA before non-recurring items

Q4 2024 revenues came to 121.5 million euros, a 1% over a year before. Revenues for new systems fell 6%, while recurring revenues were 5% higher, with increases both in SaaS subscriptions (up 21%) and in recurring contracts (up 3%).

EBITDA before non-recurring items came to 21.0 million euros and the EBITDA margin before non-recurring items was 17.3% (up 0.3 percentage point over Q4 2023).

3. CONSOLIDATED FINANCIAL STATEMENTS FOR 2024

3.1 Lectra 2024 scope

Full-year 2024 revenues came to 526.7 million euros, up 10% compared to 2023, with the following breakdown: 146.6 million euros in revenues for new systems (28% of total revenues, down 5%) and 380.1 million euros in recurring revenues (72% of total revenues, up 18%). The recurring revenues included SaaS revenues of 77.4 million euros (which accounted for 15% of total revenues and represented 2.5 times 2023 revenues).

Launchmetrics, which has been consolidated since January 23, 2024, contributed 41.2 million euros to 2024 revenues.

Gross profit came to 376.9 million euros, up 13%, and the gross profit margin was 71.6%, up 1.8 percentage points over 2023.

EBITDA before non-recurring items came to 91.1 million euros, up 15%, and the EBITDA margin before non-recurring items rose 0.8 percentage point to 17.3%, reflecting the Group's very effective cost control amid a challenging business environment.

Income from operations before non-recurring items amounted to 49.3 million euros, stable compared to 2023. This included a 22.7-million-euro charge for amortization of intangible assets arising from the acquisitions carried out since 2021, including 10.1 million euros for Launchmetrics.

Research and development costs (67.6 million euros), which are fully expensed in the period and included in fixed overhead costs, represented 12.8% of revenues (55.8 million euros and 11.7% of revenues in 2023). After deducting the research tax credit applicable in France and grants received, net research and development costs totaled 62.0 million euros.

Financial income and expenses represented a net charge of 6.0 million euros (2.8 million euros in 2023) due to higher interest rates and the financing of the Launchmetrics acquisition.

Foreign exchange gains and losses generated a net loss of 2.2 million euros.

Taking into account the amortization of intangible assets, the increase in financial expenses, and an income tax expense of 10.9 million euros, net income amounted to 29.6 million euros.

Net earnings per share were €0.82 on basic capital and on diluted capital (€0.90 on basic capital and €0.89 on diluted capital in 2023).

Free cash flow before non-recurring items was significantly higher, at 72.1 million euros (45.3 million euros in 2023). After disbursement of 0.9 million euros in respect of non-recurring charges, free cash flow amounted to 71.2 million euros.

At December 31, 2024, the Group had a particularly robust balance sheet with a consolidated shareholders' equity of 374.4 million euros, a negative working capital requirement of 25.2 million euros and net debt of 20.6 million euros, after paying in full the first tranche of the acquisition of Launchmetrics, i.e. 77.0 million euros. The net debt consisted of financial debt of 102.5 million euros and cash of 81.9 million euros.

3.2 Lectra 2023 scope

With an average exchange rate of €1/$1.08 in 2024, the dollar was stable compared to 2023. Due to currency changes, revenues decreased by 1.9 million euros (-0.4%) and EBITDA before non-recurring items by 0.5 million euros (-0.6%), at actual exchange rates compared to like-for-like figures.

Orders for new systems

Orders for new systems (144,9 million euros) were stable compared to 2023.

Orders for perpetual software licenses (11.4 million euros) fell by 18% — as most new software is now sold in SaaS mode— while orders for equipment and accompanying software (113.0 million euros), and for training and consulting (17.3 million euros) rose by 2% and 9%, respectively.

Geographically, while orders for new systems declined by 12% in the Americas, 16% in Europe, and 24% in the rest of the world (including South Africa, Turkey, and Tunisia**),** they increased by 32% in Asia-Pacific.

Orders rose by 1% in the automotive and fashion markets, and decreased by 28% in the furniture market, compared to 2023.

Orders for new SaaS (software as a service) subscriptions

The 8% increase in the annual value of orders for new SaaS subscriptions, which came to 11.6 million euros, confirms that the Group's customers are increasingly adopting these new solutions and the strategic shift towards SaaS.

Revenues

Revenues came to 485.5 million euros, up 2% compared to 2023, both at actual exchange rates and on a like-for-like basis.

Revenues for new systems

Revenues for new systems (144.6 million euros) were down 6%. This item contributed 30% of revenues (32% in 2023), and included mainly:

- perpetual software licenses (12.1 million euros), which decreased by 12% and accounted for 3% of revenues, or the same percentage as in 2023;
- equipment and accompanying software (112.4 million euros), which decreased by 5% and accounted for 23% of revenues (25% in 2023);
- training and consulting (16.9 million euros), which decreased by 2% and accounted for 3% of revenues, or the same percentage as in 2023.

At December 31, 2024, the order backlog for new systems stood at 36.5 million euros; this was stable on a like-for-like basis but increased by 4% at actual exchange rates.

Revenues from recurring contracts, consumables and parts

Recurring revenues, which represented 70% of revenues (68% in 2023), amounted to 340.9 million euros, a 6% increase:

- SaaS subscriptions came to 38.2 million euros, up 26%, representing 8% of revenues (6% in 2023);
- software maintenance contracts (53.1 million euros), down 1% from 2023, represented 11% of revenues, the same percentage as in 2023;
- equipment and accompanying software maintenance contracts (102.6 million euros), up 6%, represented 21% of revenues, the same percentage as in 2023.

In parallel, revenues from consumables and parts (147.0 million euros) increased by 4% and represented 30% of revenues, the same percentage as in 2023.

Gross profit

Gross profit amounted to 337.6 million euros, up 2% compared to 2023. The gross profit margin came to 69.5%, down 0.2 percentage point.

Personnel expenses and other operating expenses incurred in the execution of maintenance contracts or in training and consulting are not included in the cost of goods sold but are accounted for in overhead costs.

Overhead costs

Overhead costs of 283.9 million euros remained stable relative to the year before, on the strength of the cost containment plan introduced in May 2023 to restrain the increase in fixed costs. The breakdown is 263.4 million euros in fixed overhead costs and 20.5 million euros in variable costs.

EBITDA before non-recurring items

EBITDA before non-recurring items was 84.2 million euros, up 7% and the EBITDA margin before non-recurring items came to 17.3%, up 0.9 percentage point, compared to 2023.

4. APPROPRIATION OF EARNINGS

Dividend at €0.40 per share

As a result of the strong increase in free cash flow, the Board of Directors will propose the payment of a dividend at €0.40 per share in respect of fiscal year 2024 (€0.36 in respect of fiscal year 2023). This dividend would represent a payout ratio of 51% of 2024 consolidated net income, together with a yield of 1.5% based on the December 31, 2024, closing share price.

Subject to approval by the Shareholders' Meeting of April 25, 2025, the dividend will be made payable on May 5, 2025.

5. CHANGES IN GOVERNANCE

Following a disagreement with the Chairman and Chief Executive Officer regarding the role of the Lead Director, Ross McInnes has decided to resign from his position as Director, effective April 24, 2025. The Board of Directors thanks him for his contribution over the past three years.

As of April 25, 2025, the Board of Directors of Lectra will consist of 7 members: Daniel Harari (Chairman and Chief Executive Officer), Nathalie Rossiensky (Lead Director, Independent Director), Céline

Abecassis-Moedas (Independent Director), Karine Calvet (Independent Director), Pierre-Yves Roussel (Independent Director), Jérôme Viala (non-Independent Director) and Hélène Viot-Poirier (Independent Director)

6. ASSESSMENT OF THE 2023-2025 STRATEGIC ROADMAP – SECOND PROGRESS REPORT

Launched in 2017, the Lectra 4.0 strategy aims to position the Group as a key Industry 4.0 player in its three strategic market sectors: fashion, automotive and furniture, before 2030. The strategy has been implemented up to now through three strategic roadmaps.

The first strategic roadmap, which covered the 2017-2019 period, established the key fundamentals for the future of the Group. These included the successful integration into its new offers of the key technologies for Industry 4.0 (cloud computing, the Internet of Things, big data, and artificial intelligence), the strengthening of the Executive Committee, the transformation of sales organizations into four main regions, and the launch of the first software offers in SaaS mode.

The second roadmap, which ran from 2020 through 2022, achieved a new dimension for the Group – primarily through the acquisition of Gerber in June 2021 – and opened new perspectives, with a financial position stronger than ever before, an extended worldwide presence, a broader customer base, a powerful product portfolio, a growing number of customers using its new offers for Industry 4.0, and a new brand image.

The Lectra 4.0 strategy and each of the chapters of the 2023-2025 strategic roadmap are summarized below, followed by a second progress report describing the actions taken in this connection in 2024.

Lectra 4.0: a long-term vision

Markets undergoing profound changes

Lectra customers throughout the world continue to be affected by changes in consumer behavior, the macroeconomic and geopolitical events of recent years and the growing importance of ethical and sustainable development stakes.

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. The fashion sector's main objective is to produce only the products it can actually sell, at the right price to meet customer demand.

The automotive industry is facing major challenges. The progressive shift from internal combustion to electric vehicles with costly technologies is placing pressure on their cost structure. The emergence of new players, most notably Chinese, in electric vehicles has disrupted the European and American ecosystem. To remain competitive, automotive suppliers must improve the performance of their production tools and reduce their material consumption. Similarly, carmakers seek to optimize spending in areas such as seats and interiors, which account for a significant portion of total costs, in order to preserve their margins.

Finally, furniture industry players are continuing to modernize, digitize and automate their industrial facilities, while also transforming their production methods and processes in a shift towards on-demand production to better meet consumer expectations.

Accelerating adoption of key Industry 4.0 technologies

Industry 4.0 calls for a new approach to organizing production plants, which is now based on communication across a configuration of increasingly flexible players and production tools, while optimizing the use of available resources.

The COVID-19 crisis, and its impact on consumer habits and ecosystems, are driving ever increasing structural changes in product value chains. These developments have substantially accelerated the digitalization of processes, from creation to point of sale; the introduction of modular, intelligent and communicating production lines; and the adoption of the key technologies for Industry 4.0. These preliminary steps aim to harness the full potential of the fourth industrial revolution to subsequently automate and then continuously optimize all processes.

Ultimately, Industry 4.0 will be a major step forward in interconnecting all participants in the value chain, driving higher performance, making production lines more flexible, more agile and more capable of meeting demand for personalization.

Corporate Social Responsibility: an increasingly central focus

No company going forward can ignore ethical, environmental, social and societal issues in conducting its business. Increasing numbers of consumers are expressing their expectations in terms of ethics, sustainability, and product traceability. More and more countries are introducing regulations to guarantee products' origins and content. And many employees, especially younger people, are more demanding regarding their company's values and working conditions.

To address these issues, organizations must reassess the way they operate and their decision-making processes. Eco-design is increasingly the norm; optimizing production systems a necessity; and transparency an absolute imperative. This is the new environment to which all players in the fashion, automotive and furniture industries will have to adjust.

Lectra's long-term strategy more relevant than ever before

Launched in 2017, the Lectra 4.0 strategy, which aims to position the Group as a key Industry 4.0 player in its three strategic market sectors before 2030, has proven its effectiveness. The changing environment and the new demands of the markets Lectra serves reinforce the relevance of the 5 pillars of the strategy:

- acknowledged premium positioning, further strengthened since the Gerber acquisition in 2021, based on 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;
- integration of customers into the heart of the Group’s activities, with a commitment from its teams to do everything in their power to enable customers to make optimal use of its solutions and accordingly increase customer satisfaction;
- the gradual market introduction of new 4.0 services combining data analysis, Lectra’s expertise, and artificial intelligence, empowering customers to continuously improve their operations;
- a committed CSR policy with a firm determination to adhere to increasingly demanding social, societal, ethical and environmental standards in all practices and activities.

For the Group's customers, Lectra's 4.0 strategy is reflected in the growing integration of key Industry 4.0 technologies in the product portfolio and new offers, particularly in software available exclusively in SaaS mode, and thus aligned with transformations in customers' business models. These offers have been launched progressively since 2018; they were initially developed in-house by Lectra's R&D teams, or came with the acquisitions of Kubix Lab, Retviews, Neteven, TextileGenesis and Launchmetrics. These offers are only at the start of their lifecycle and have major growth potential ahead.

Strategic roadmap for 2023-2025

Objective: strengthen Lectra's position as an Industry 4.0 leader

Lectra continues to implement the Lectra 4.0 strategy through the strategic roadmap for 2023-2025.

The Group's ambition during this period is to take full advantage of its change in dimension to accelerate growth, to significantly increase the volume of SaaS in revenues, and to seize acquisition opportunities. With the commitment of employees, and recognition by customers, Lectra stands at the forefront in building a more sustainable future.

Six strategic priorities

To achieve these objectives, the Group has set six strategic priorities for 2023-2025.

First, reinforce implementation of ethical, social, societal and environmental best practices internally, and provide customers with tools for them to do this in turn. Formalized in 2021, Lectra's structured CSR policy will enable it to sustain growth while fully integrating the expectations of all stakeholders.

Second, leverage all synergies arising from the Gerber acquisition. With this acquisition, all of Lectra's fundamentals have been strengthened. No competitor can match Lectra's rich, robust, advanced experience in the key technologies of Industry 4.0 – or Lectra's business expertise, worldwide presence, customer base, leadership and business model.

By leveraging the potential of its expanded customer base, unifying R&D efforts, reorganizing industrial operations around three sites –Bordeaux-Cestas in France, Shanghai in China and Tolland in the United States– and launching new joint offers, Lectra intends to maximize the impact of all these synergies to accelerate growth and improve profitability.

Third, accelerate the transition of software sales to the SaaS model. The Group intends to pursue efforts to strengthen market penetration of its software offers sold in SaaS mode, accelerate R&D investments to upgrade current offers and launch new solutions that will further enhance the product portfolio.

Fourth, accelerate the transformation of the Group's customer relationship and customer engagement model, which will continue to evolve to better sustain the development of solutions for Industry 4.0 and thus deliver growth in recurring revenues. The aim is to increase customer satisfaction and loyalty, optimize and maximize their use of Lectra solutions, and enhance the penetration of new offers.

Fifth, following on from the previous two roadmaps, continue to pursue external growth. Lectra thus privileges companies – mainly start-ups – that have technological building blocks capable of being incorporated into the existing product portfolio or have brought to market offers that could complete Lectra's current range of products. In building expertise in fashion, in areas beyond its core operations, the Group will thus access additional growth drivers in the long-term, enabling it to sell more products to its customers.

Sixth, prepare Lectra for the 2026-2030 period, in order to achieve more rapidly and more efficiently its ambition to become an indispensable player in Industry 4.0 in all three strategic market sectors.

The Group will continue to dedicate a significant share of R&D investments –roughly 10% of annual revenues – to developing new solutions that will be available starting in 2026.

Furthermore, in order to concentrate its efforts on the most promising activities going forward, the Group will progressively phase out certain non-strategic activities, which accounted for roughly 25 million euros of the Group's 2022 revenues.

Finally, Lectra's governance structure will adjust to meet timely challenges and ensure successful execution of its long-term strategy.

These six strategic priorities provide the Group with a structure for the work required to achieve the ambitions of its strategic roadmap.

Second progress report

Despite the continuing degraded environment and the unstable economic and geopolitical climate, Lectra successfully maintained its long-term strategic orientations. Further, all the fundamentals of the Group's business model improved significantly and customer adoption of the SaaS model accelerated.

The six strategic priorities of Lectra's strategic roadmap for 2023-2025 guided the actions carried out in 2024:

- Major projects connected to Lectra's CSR policy were carried out in 2024 and action continued on projects launched in 2023. An analysis of the environmental impact of the Group's activities was conducted, with many teams involved in awareness-raising initiatives including a training course intended for all employees. Training programs tailored to specific roles will continue to be implemented. Further, based on the Group's comprehensive carbon footprint assessment introduced in 2023, a climate transition plan has been established to map out the path for reducing greenhouse gas emissions through 2030.

  Moreover, Lectra’s contribution to reducing the environmental impact of its customers is another pillar of its CSR policy, and its offers that are constantly evolving in this direction. TextileGenesis, the key solution to fashion industry traceability issues, was further enhanced to ensure the traceability of conventional materials back up the supply chain. The new Valia Fashion and Valia Furniture offers have integrated dashboards for tracking electricity consumption of Lectra brand equipment.

  Deployment of the Lectra Way program was accelerated. The Lectra Way is a set of values and management practices that embody the corporate culture promoted by Lectra. It aims notably to ensure employee well-being, promote the advancement of young talents, raise employee engagement, and enhance career prospects. The impact is measured by employee surveys, which had an 85% response rate in 2024 and identified an employee engagement rate of 60%.
- Synergies arising from the Gerber acquisition continued to advance, with the replacement of existing contracts by maintenance agreements compatible with Lectra’s performance-based maintenance standards. Best practices for the sale of consumables have been aligned across the Group, leading to significantly improved sales performance; excluding sales of consumables and parts in the non-strategic Sign & Graphics activity, which is being gradually phased out, the Group's revenues from consumables and parts increased by 6% compared to 2023.
  Moreover, deployment of all best practices in place at the Bordeaux-Cestas and Tolland sites in France and the United States to the Suzhou industrial site in China has contributed to considerable improvements in quality of service and customer satisfaction for Gerber-branded products, and allowed for the first Vector machine to be assembled in Suzhou at the end of 2024. These three sites will form the foundation of the Group's long-term industrial strategy;

- Industry adoption of new software solutions sold in SaaS mode again accelerated in 2024. SaaS subscriptions accounted for 15% of revenues in 2024, compared with 6% in 2023, and 0% in 2017. Kubix Link, TextileGenesis and Launchmetrics booked record levels of new SaaS subscriptions from prestigious customers, as the three offers accounted for 65% of new subscriptions sold in 2024. The Group is continuing to transform its sales organization to ensure alignment with SaaS best practices.
- The Group has continued to develop its customer relationship model, particularly by reinforcing the Customer Success teams; one of their key missions is to optimize customer performance through the use of Lectra solutions.
- The Group maintained its strong investment in R&D, which amounted to 67.6 million euros in 2024, or 12.8% of revenue. R&D continues to strengthen Lectra's expertise in the Internet of Things, cloud computing, big data and artificial intelligence, with the aim of enhancing current offers and supporting the development of future offers. The cloud-based Valia solution was extended in 2024 to the fashion and furniture markets. Embodying Lectra's vision for Industry 4.0 and pioneering Cutting Room 4.0, Valia combines the power of artificial intelligence with Lectra's unique expertise in an intelligent digital platform that connects, automates and streamlines every step of garment and upholstery production —from order processing to fabric cutting, while optimizing material use.
- The external growth policy continued, with the acquisition of a majority stake in Launchmetrics, a major player in digital marketing for the fashion industry, in January 2024.
- Strategic partnerships were concluded with Six Atomic, a start-up that develops solutions based on AI, particularly generative intelligence, that accelerate the garment design and development process for the fashion market, in September 2024, and with AQC, a start-up that develops AI-based solutions and innovative equipment for automatic recognition of textile defects, in October 2024.
- Changes in the Group's governance bodies were the following: Jérôme Viala retired from his position as Executive Vice President on March 31, 2024, and joined the Board of Directors of Lectra as Director on April 26, 2024. Also during the year, Antonella Capelli, President EMEA, and Michael Jaïs, CEO and CoFounder of Launchmetrics, joined the Executive Committee.

Financial objectives

In light of the improved fundamentals of the Group’s business model, the acquisition of the majority of the capital of the company Launchmetrics, and the continuing degraded environment, Lectra revised the financial objectives announced in February 2023, and reported in February 2024 its ambition to achieve 2025 revenues of over 600 million euros, including 90 million euros in SaaS revenues, and an EBITDA margin before non-recurring items of over 20% (based on the closing exchange rates on December 29, 2023, in particular €1/$1.10). The objectives for 2025 are set out in section 10 of this report, “Business trends and outlook”.

The Company maintained its attractive shareholder compensation policy with dividends representing a payout ratio of about 40% of net income in 2023 and 50% in 2024, excluding non-recurring items. The Company foresees maintaining this policy for the 2025 financial year.

Free cash flow generation will continue to contribute to financing future acquisitions, and to the repayment of debt.

7. SHARE CAPITAL – OWNERSHIP – SHARE PRICE PERFORMANCE

Change in share capital

At December 31, 2024, the share capital came to €37,966,274, divided into 37,966,274 shares with a par value of €1.00. Since January 1, 2024, share capital increased by €133,309 (with a total share premium of €2,091,642) due to the creation of 133,309 shares, resulting from the exercise of stock options.

Main shareholders

On June 4, 2024, the Company was informed that AIPCF VI LG Funding (United States) had sold all the shares it held. It was previously informed that AIPCF VI LG Funding (United States) had fallen below the 5% thresholds of share capital and voting rights on February 21, 2024.

On February 25, 2024, Daniel Harari, who had held 14.6% of the share capital and 14.5% of the voting rights, reported to the Company that he had sold 700,000 shares of Lectra to repay loans taken out many years before, and did not intend, in the foreseeable future, to sell other shares of the Company.

At the date of publication of this report, and to the Company's knowledge:

- Daniel Harari holds 12.7% of the capital and 12.6% of the voting rights;
- Alantra EQMC Asset Management SGIIC (Spain), Brown Capital Management (United States), Fidelity Management and Research (United States), and Kempen Oranje Participaties (The Netherlands), each hold more than 5% (and less than 10%) of the share capital and voting rights.

No other shareholder has reported holding more than 5% of the share capital and voting rights.

Treasury shares

At December 31, 2024, the Company held 0.09% of its own shares in treasury shares, within the framework of the liquidity agreement contracted with Natixis ODDO BHF.

Share price performance and trading volumes

The market capitalization stood at 0.99 billion euros at December 31, 2024 (1.18 billion euros at December 31, 2023).

The Company's share price at December 31, 2024 was €26.00, down 17% compared to December 31, 2023 (€31.25). In 2024, it reached a low of €23.35 on October 30 and a high of €35.20 on February 16.

According to Bloomberg, 15.1 million shares were traded on all platforms in 2024 (16.1 million in 2023), including 26% on Euronext.

The Company is included in the CAC All Shares, CAC Technology, EN Tech Leaders and ENT PEA-PME 150 indices. However, since September 20, 2024, the Company has no longer been included in the SBF 120, CAC Mid & Small et CAC All-Tradable indices because of the low liquidity of the share on Euronext.

The Company's shares are eligible for the Euronext Deferred Settlement Service (SRD), which allows French investors to defer settlement or delivery of shares. In its press release of April 17, 2024, the Company confirmed its eligibility for inclusion in French SME ("PEA-PME") equity savings plans.

8. SIGNIFICANT POST-CLOSING EVENTS SINCE DECEMBER 31, 2024

No significant event is to be reported.

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9. FINANCIAL CALENDAR

The Annual Shareholders' Meeting will take place on April 25, 2025.

First, second, and third quarter earnings for 2025 will be published on April 24, July 24, and October 29, 2025, respectively, after the close of trading on Euronext.

Full-year earnings for 2025 will be published on February 11, 2026.

10. BUSINESS TRENDS AND OUTLOOK

In the challenging environment of 2024, Lectra demonstrated its resilience, confirming the relevance of its strategy and the quality of its fundamentals—crucial assets for the Group's continued development.

Outlook for 2025

While initial positive signs can be detected, the lack of visibility in what remains an uncertain economic and geopolitical context, could continue to weigh on investment decisions by the Group's customers going forward.

In this context, the Group has begun the year 2025 with confidence and will pursue its strategy by meeting the needs of its customers as closely as possible via the quality of its offers for Industry 4.0 and by developing its SaaS activity.

As in the previous two years, visibility regarding orders for new systems remains low—as in the previous two years—with no way of anticipating the timing or magnitude of a possible rebound which could nevertheless occur during the course of the year.

Recurring revenues, which accounted for 72% of total revenues in 2024, are expected to grow further in 2025, notably on the strength of expanding SaaS activity.

Furthermore, the Group will maintain strict cost controls and anticipates a mix of orders that will favorably impact the gross margin.

In light of the above, Lectra has set the 2025 objective of achieving recurring revenues of over 400 million euros, including 90 million euros of SaaS revenues.

Overall, revenues are expected to be between 550 and 600 million euros, with an EBITDA margin before non-recurring items close to 20%, based on exchange rates at December 31st, 2024, particularly of $1.04/€1.

The Board of Directors
February 12, 2025

LECTRA

ADDITIONAL INFORMATION – FOURTH QUARTER 2024

LECTRA 2024 SCOPE

(Including Launchmetrics since January 23rd 2024)

BREAKDOWN OF REVENUES – ACTUAL

Revenues by type of business	Three Months Ended December 31							
	2024						2023	Changes 2024/2023
(in thousands of euros)	Lectra 2023 scope	%	Launchmetrics	%	Lectra 2024 scope	%	Lectra 2023 scope	Actual exchange rates
Revenues from perpetual software licenses, equipment and accompanying software, and non-recurring services, of which:	34,938	29%	367	3%	35,305	27%	36,725	-4%
- Perpetual software licenses	2,859	2%	-	-	2,859	2%	3,481	-18%
- Equipment and accompanying software	26,909	22%	-	-	26,909	20%	27,868	-3%
- Training and consulting services	4,238	3%	247	2%	4,485	3%	4,295	+4%
- Miscellaneous	931	1%	120	1%	1,052	1%	1,081	-3%
Recurring revenues, of which:	86,554	71%	10,595	97%	97,149	73%	82,597	+18%
- Software subscriptions (SaaS)	10,354	9%	10,595	97%	20,948	16%	8,521	+146%
- Software maintenance contracts	13,387	11%	-	-	13,387	10%	13,458	-1%
- Equipment and accompanying software maintenance contracts	26,201	22%	-	-	26,201	20%	24,805	+6%
- Consumables and parts	36,613	30%	-	-	36,613	28%	35,813	+2%
Total	121,492	100%	10,962	100%	132,454	100%	119,322	+11%
€ / $ average parity	*1.07*		*1.07*		*1.07*		*1.08*	

CONSOLIDATED INCOME STATEMENT – ACTUAL

	Three months ended December 31				
	2024			2023	Changes 2024/2023
(in thousands of euros)	Lectra 2023 scope	Launchmetrics	Lectra 2024 scope	Lectra 2023 scope	Actual exchange rates
Revenues	121,492	10,962	132,454	119,322	+11%
Cost of goods sold	(36,609)	(536)	(37,145)	(35,707)	+4%
Gross profit	84,882	10,426	95,308	83,614	+14%
(in % of revenues)	69.9%	95.1%	72.0%	70.1%	+1.9 points
Research and development	(14,181)	(1,698)	(15,879)	(13,022)	+22%
Selling, general and administrative expenses	(57,453)	(10,031)	(67,484)	(58,252)	+16%
Income from operations before non-recurring items	13,248	(1,304)	11,945	12,341	-3%
(in % of revenues)	10.9%	-11.9%	9.0%	10.3%	-1.3 points
Non-recurring income	-	-	-	-	na
Non-recurring expenses	(93)	87	(6)	(5,777)	-100%
Income from operations	13,155	(1,216)	11,939	9,100	+31%
(in % of revenues)	10.8%	-11.1%	9.0%	7.6%	+1.4 points
Income before tax	10,620	(1,218)	9,402	8,790	+7%
Income tax	(2,300)	1,383	(917)	(1,096)	-16%
Share of result from associates (1)	(76)	-	-	-	na
Net income	8,244	165	8,408	7,695	+9%
of which, Group share	8,311	83	8,394	8,030	5%
of which, Non-controlling interests	(68)	82	14	(336)	na
Income from operations before non-recurring items	13,248	(1,304)	11,945	12,341	-3%
+ Net depreciation and amortization of non-current assets	7,725	2,973	10,698	7,473	+43%
EBITDA before non-recurring items	20,974	1,669	22,643	19,814	+14%
(in % of revenues)	17.3%	15.2%	17.1%	16.6%	+0.5 points
€ / $ average parity	*1.07*	*1.07*	*1.07*	*1.08*	

(1) The share of results from associates corresponds to the acquisition of interests in AQC and Six Atomic in 2024 (Cf. Note 3 to the Consolidated Financial Statements)

LECTRA

ADDITIONAL INFORMATION – FOURTH QUARTER 2024

LECTRA 2023 SCOPE

ORDERS FOR NEW SYSTEMS – LIKE-FOR-LIKE

Three Months Ended December 31

Perpetual software licenses, equipment and accompanying software and non-recurring services	2024			2023		Changes 2024/2023	
(in thousands of euros)	Actual	%	At 2023 exchange rates	Actual	%	Actual exchange rates	Like-for-like
Perpetual software licenses	2,684	7%	2,644	3,731	10%	-28%	-29%
Equipment and accompanying software	30,608	79%	30,272	28,585	74%	+7%	+6%
Training and consulting services	4,348	11%	4,303	4,897	13%	-11%	-12%
Miscellaneous	931	2%	924	1,081	3%	-14%	-15%
Total	38,571	100%	38,142	38,294	100%	+1%	0%
€ / $ average parity	*1.07*		*1.08*	*1.08*			

Three Months Ended December 31

New software subscriptions (SaaS)	2024			2023		Changes 2024/2023	
(in thousands of euros)	Actual	%	At 2023 exchange rates	Actual	%	Actual exchange rates	Like-for-like
Annual value of new software subscriptions (SaaS)	3,643	na	3,609	3,082	na	+18%	+17%
€ / $ average parity	*1.07*		*1.08*	*1.08*			

BREAKDOWN OF REVENUES – LIKE-FOR-LIKE

Revenue distribution by geographical market is reported on an indicative basis. Trends for the fiscal year cannot be extrapolated based on one single quarter.

Three Months Ended December 31

Revenues by region	2024			2023		Changes 2024/2023	
(in thousands of euros)	Actual	%	At 2023 exchange rates	Actual	%	Actual exchange rates	Like-for-like
Europe, of which:	37,561	31%	37,461	38,876	33%	-3%	-4%
- France	7,047	6%	7,048	6,321	5%	+11%	+11%
Americas	41,808	34%	41,773	40,099	33%	+4%	+4%
Asia-Pacific	31,730	27%	31,569	27,142	23%	+17%	+16%
Other countries	10,392	9%	10,269	13,204	11%	-21%	-22%
Total	121,492	100%	121,072	119,322	100%	+2%	+1%
€ / $ average parity	*1.07*		*1.08*	*1.08*			

Three Months Ended December 31

Revenues by type of business	2024			2023		Changes 2024/2023	
(in thousands of euros)	Actual	%	At 2023 exchange rates	Actual	%	Actual exchange rates	Like-for-like
Revenues from perpetual software licenses, equipment and accompanying software, and non-recurring services, of which:	34,938	29%	34,624	36,725	31%	-5%	-6%
- Perpetual software licenses	2,859	2%	2,833	3,481	3%	-18%	-19%
- Equipment and accompanying software	26,909	22%	26,629	27,868	23%	-3%	-4%
- Training and consulting services	4,238	3%	4,239	4,295	4%	-1%	-1%
- Miscellaneous	931	1%	924	1,081	1%	-14%	-15%
Recurring revenues, of which:	86,554	71%	86,447	82,597	69%	+5%	+5%
- Software subscriptions (SaaS)	10,354	9%	10,337	8,521	7%	+22%	+21%
- Software maintenance contracts	13,387	11%	13,365	13,458	11%	-1%	-1%
- Equipment and accompanying software maintenance contracts	26,201	22%	26,111	24,805	21%	+6%	+5%
- Consumables and parts	36,613	30%	36,634	35,813	30%	+2%	+2%
Total	121,492	100%	121,072	119,322	100%	+2%	+1%
€ / $ average parity	*1.07*		*1.08*	*1.08*			

LECTRA

ADDITIONAL INFORMATION – FOURTH QUARTER 2024

LECTRA 2023 SCOPE

CONSOLIDATED INCOME STATEMENT – LIKE-FOR-LIKE

Income statement at constant exchange rates

	Three months ended December 31				
	2024		2023	Changes 2024/2023	
(in thousands of euros)	Actual	At 2023 exchange rates	Actual	Actual exchange rates	Like-for-like
Revenues	121,492	121,072	119,322	+2%	+1%
Cost of goods sold	(36,609)	(36,602)	(35,707)	+3%	+3%
Gross profit	84,882	84,469	83,614	+2%	+1%
(in % of revenues)	69.9%	69.8%	70.1%	-0.2 points	-0.3 points
Research and development	(14,181)	(14,155)	(13,022)	+9%	+9%
Selling, general and administrative expenses	(57,453)	(57,529)	(58,252)	-1%	-1%
Income from operations before non-recurring items	13,248	12,785	12,341	+7%	+4%
(in % of revenues)	10.9%	10.6%	10.3%	+0.6 points	+0.3 points
Non-recurring income	-	-	2,536	na	na
Non-recurring expenses	(93)	(92)	(5,777)	-98%	-98%
Income from operations	13,155	12,693	9,100	+45%	+39%
(in % of revenues)	10.8%	10.5%	7.6%	+3.2 points	+2.9 points
Income before tax	10,620	10,152	8,790	+21%	+15%
Income tax	(2,300)	na	(1,096)	+110%	na
Share of result from associates	(76)	na	-	na	na
Net income	8,244	na	7,695	na	na
of which, Group share	8,311	na	8,030	+3%	na
of which, Non-controlling interests	(67)	na	(336)	na	na
Income from operations before non-recurring items	13,248	12,785	12,341	+7%	+4%
+ Net depreciation and amortization of non-current assets	7,725	7,704	7,473	+3%	+3%
EBITDA before non-recurring items	20,974	20,489	19,814	+6%	+3%
(in % of revenues)	17.3%	16.9%	16.6%	+0.7 points	+0.3 points
€ / $ average parity	*1.07*	*1.08*	*1.08*		

LECTRA

ADDITIONAL INFORMATION – FULL YEAR 2024

LECTRA 2024 SCOPE

(Including Launchmetrics since January 23rd 2024)

BREAKDOWN OF REVENUES – ACTUAL

Revenues by type of business

(in thousands of euros)	2024 Lectra 2023 scope	%	2024 Launchmetrics[1]	%	2024 Lectra 2024 scope	%	2023 Lectra 2023 scope	Changes 2024/2023 Actual exchange rates
Revenues from perpetual software licenses, equipment and accompanying software, and non-recurring services, of which:	144,596	30%	1,987	5%	146,583	28%	154,347	-5%
- Perpetual software licenses	12,149	3%	-	-	12,149	2%	13,813	-12%
- Equipment and accompanying software	112,393	23%	-	-	112,393	21%	118,772	-5%
- Training and consulting services	16,879	3%	807	2%	17,685	3%	17,260	+2%
- Miscellaneous	3,174	1%	1,180	3%	4,355	1%	4,502	-3%
Recurring revenues, of which:	340,893	70%	39,198	95%	380,091	72%	323,232	+18%
- Software subscriptions (SaaS)	38,194	8%	39,198	95%	77,391	15%	30,381	+155%
- Software maintenance contracts	53,075	11%	-	-	53,075	10%	53,633	-1%
- Equipment and accompanying software maintenance contracts	102,584	21%	-	-	102,584	19%	97,284	+5%
- Consumables and parts	147,041	30%	-	-	147,041	28%	141,934	+4%
Total	485,489	100%	41,184	100%	526,674	100%	477,579	+10%
€ / $ average parity	*1.08*		*1.08*		*1.08*		*1.08*	

Twelve Months Ended December 31

(1) As of January 23rd 2024

CONSOLIDATED INCOME STATEMENT – ACTUAL

Twelve months ended December 31

(in thousands of euros)	2024 Lectra 2023 scope	2024 Launchmetrics[1]	2024 Lectra 2024 scope	2023 Lectra 2023 scope	Changes 2024/2023 Actual exchange rates
Revenues	485,489	41,184	526,674	477,579	+10%
Cost of goods sold	(147,914)	(1,886)	(149,801)	(144,402)	+4%
Gross profit	337,575	39,298	376,873	333,177	+13%
(in % of revenues)	69.5%	95.4%	71.6%	69.8%	+1.8 points
Research and development	(56,317)	(5,639)	(61,955)	(51,301)	+21%
Selling, general and administrative expenses	(227,621)	(38,042)	(265,663)	(232,824)	+14%
Income from operations before non-recurring items	53,638	(4,382)	49,255	49,052	+0%
(in % of revenues)	11.0%	-10.6%	9.4%	10.3%	-0.9 points
Non-recurring income	-	-	-		na
Non-recurring expenses	(457)	-	(457)	(5,777)	na
Income from operations	53,181	(4,382)	48,798	48,450	+1%
(in % of revenues)	11.0%	-10.6%	9.3%	10.1%	-0.8 points
Income before tax	45,183	(4,584)	40,599	43,968	-8%
Income tax	(13,081)	2,190	(10,890)	(11,354)	-4%
Share of result from associates [2]					
Net income	32,102	(2,394)	29,632	32,615	-9%
of which, Group share	32,442	(1,202)	31,164	33,904	-8%
of which, Non-controlling interests	(340)	(1,192)	(1,532)	(1,289)	na
Income from operations before non-recurring items	53,638	(4,382)	49,255	49,052	0%
+ Net depreciation and amortization of non-current assets	30,526	11,333	41,859	29,966	+40%
EBITDA before non-recurring items	84,163	6,951	91,114	79,018	+15%
(in % of revenues)	17.3%	16.9%	17.3%	16.5%	+0.8 points
€ / $ average parity	*1.08*	*1.08*	*1.08*	*1.08*	

(1) As of January 23rd 2024
(2) The share of results from associates corresponds to the acquisition of interests in AQC and Six Atomic in 2024 (Cf. Note 3 to the Consolidated Financial Statements)

LECTRA

ADDITIONAL INFORMATION – FULL YEAR 2024

LECTRA 2023 SCOPE

ORDERS FOR NEW SYSTEMS – LIKE-FOR-LIKE

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

1.1. By product line

	Twelve Months Ended December 31						
	2024			2023		Changes 2024/2023	
(in thousands of euros)	Actual	%	At 2023 exchange rates	Actual	%	Actual exchange rates	Like-for-like
Perpetual software licenses	11,386	8%	11,422	13,962	10%	-18%	-18%
Equipment and accompanying software	113,031	78%	113,218	111,057	76%	+2%	+2%
Training and consulting services	17,304	12%	17,390	15,921	11%	+9%	+9%
Miscellaneous	3,174	2%	3,179	4,502	3%	-29%	-29%
Total	144,895	100%	145,208	145,442	100%	0%	0%
€ / $ average parity	*1.08*		*1.08*	*1.08*			

1.2. By region

	Twelve Months Ended December 31						
	2024			2023		Changes 2024/2023	
(in thousands of euros)	Actual	%	At 2023 exchange rates	Actual	%	Actual exchange rates	Like-for-like
Europe	33,567	23%	33,471	39,819	27%	-16%	-16%
Americas	34,901	24%	35,106	40,006	28%	-13%	-12%
Asia-Pacific	62,753	43%	62,974	47,670	33%	+32%	+32%
Other countries	13,674	9%	13,657	17,947	12%	-24%	-24%
Total	144,895	100%	145,208	145,442	100%	0%	0%
€ / $ average parity	*1.08*		*1.08*	*1.08*			

1.3. By market

	Twelve Months Ended December 31						
	2024			2023		Changes 2024/2023	
(in thousands of euros)	Actual	%	At 2023 exchange rates	Actual	%	Actual exchange rates	Like-for-like
Fashion	74,598	51%	74,800	73,705	51%	+1%	+1%
Automotive	47,497	33%	47,617	47,377	33%	0%	+1%
Furniture	10,911	8%	10,880	15,165	10%	-28%	-28%
Other industries	11,889	8%	11,911	9,194	6%	+29%	+30%
Total	144,895	100%	145,208	145,442	100%	0%	0%
€ / $ average parity	*1.08*		*1.08*	*1.08*			

2. New software subscriptions (SaaS)

	Twelve Months Ended December 31						
	2024			2023		Changes 2024/2023	
(in thousands of euros)	Actual	%	At 2023 exchange rates	Actual	%	Actual exchange rates	Like-for-like
Annual value of new software subscriptions (SaaS)	11,633	na	11,658	10,809	na	+8%	+8%
€ / $ average parity	*1.08*		*1.08*	*1.08*			

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ADDITIONAL INFORMATION – FULL YEAR 2024

LECTRA 2023 SCOPE

BREAKDOWN OF REVENUES – LIKE-FOR-LIKE

Revenues by region

	Twelve Months Ended December 31						
	2024			2023		Changes 2024/2023	
(in thousands of euros)	Actual	%	At 2023 exchange rates	Actual	%	Actual exchange rates	Like-for-like
Europe, of which:	148,917	31%	148,570	156,202	33%	-5%	-5%
- France	24,876	5%	24,877	25,599	5%	-3%	-3%
Americas	167,858	35%	168,744	171,452	36%	-2%	-2%
Asia-Pacific	127,411	26%	128,889	109,620	23%	+16%	+18%
Other countries	41,303	9%	41,172	40,305	8%	+2%	+2%
Total	485,489	100%	487,375	477,579	100%	+2%	+2%
€ / $ average parity	*1.08*		*1.08*	*1.08*			

Revenues by type of business

	Twelve Months Ended December 31						
	2024			2023		Changes 2024/2023	
(in thousands of euros)	Actual	%	At 2023 exchange rates	Actual	%	Actual exchange rates	Like-for-like
Revenues from perpetual software licenses, equipment and accompanying software, and non-recurring services, of which:	144,596	30%	144,998	154,347	32%	-6%	-6%
- Perpetual software licenses	12,149	3%	12,185	13,813	3%	-12%	-12%
- Equipment and accompanying software	112,393	23%	112,646	118,772	25%	-5%	-5%
- Training and consulting services	16,879	3%	16,989	17,260	3%	-2%	-2%
- Miscellaneous	3,174	1%	3,179	4,502	1%	-29%	-29%
Recurring revenues, of which:	340,893	70%	342,376	323,232	68%	+5%	+6%
- Software subscriptions (SaaS)	38,194	8%	38,279	30,381	6%	+26%	+26%
- Software maintenance contracts	53,075	11%	53,196	53,633	11%	-1%	-1%
- Equipment and accompanying software maintenance contracts	102,584	21%	103,094	97,284	21%	+5%	+6%
- Consumables and parts	147,041	30%	147,807	141,934	30%	+4%	+4%
Total	485,489	100%	487,375	477,579	100%	+2%	+2%
€ / $ average parity	*1.08*		*1.08*	*1.08*			

ADDITIONAL INFORMATION – FULL YEAR 2024

LECTRA 2023 SCOPE

CONSOLIDATED INCOME STATEMENT – LIKE-FOR-LIKE

Income statement at constant exchange rates

	Twelve months ended December 31				
	2024		2023	Changes 2024/2023	
(in thousands of euros)	Actual	At 2023 exchange rates	Actual	Actual exchange rates	Like-for-like
Revenues	485,489	487,375	477,579	+2%	+2%
Cost of goods sold	(147,914)	(148,363)	(144,402)	+2%	+3%
Gross profit	337,575	339,012	333,177	+1%	+2%
(in % of revenues)	69.5%	69.6%	69.8%	-0.3 points	-0.2 points
Research and development	(56,317)	(56,346)	(51,301)	+10%	+10%
Selling, general and administrative expenses	(227,621)	(228,569)	(232,824)	-2%	-2%
Income from operations before non-recurring items	53,638	54,097	49,052	+9%	+10%
(in % of revenues)	11.0%	11.1%	10.3%	+0.7 points	+0.8 points
Non-recurring income	-	-	5,174	na	na
Non-recurring expenses	(457)	(457)	(5,777)	-92%	-92%
Income from operations	53,181	53,640	48,450	+10%	+11%
(in % of revenues)	11.0%	11.0%	10.1%	+0.9 points	+0.9 points
Income before tax	45,183	45,637	43,968	+3%	+4%
Income tax	(13,081)	na	(11,354)	+15%	na
Share of result from associates	(76)	na	-	na	na
Net income	32,026	na	32,615	-2%	na
of which, Group share	32,366	na	33,904	-5%	na
of which, Non-controlling interests	(340)	na	(1,289)	na	na
Income from operations before non-recurring items	53,638	54,097	49,052	+9%	+10%
+ Net depreciation and amortization of non-current assets	30,526	30,594	29,966	+2%	+2%
EBITDA before non-recurring items	84,163	84,691	79,018	+7%	+7%
(in % of revenues)	17.3%	17.4%	16.5%	+0.8 points	+0.9 points
€ / $ average parity	*1.08*	*1.08*	*1.08*		

LECTRA

Company certification of the fourth quarter and fiscal year 2024 report

We certify that, to our knowledge, the financial statements of the fourth quarter and fiscal year 2024 have been prepared in accordance with currently applicable accounting standards and provide a fair view of the assets, financial condition, and financial results of the Company and of its consolidated companies. We further certify that the report on operations for the fourth quarter and for the fiscal year 2024 presents a true and sincere view of the operations, results and financial condition of the Company and its consolidated companies, and that it describes the main risks and uncertainties that they face.

Paris, February 12, 2025

Daniel Harari
Chairman and Chief Executive Officer

Olivier du Chesnay
Chief Financial Officer

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(in thousands of euros)	**December 31, 2024**[1]	December 31, 2023
Goodwill	369,470	297,306
Other intangible assets	188,036	129,014
Leasing rights-of-use	28,351	26,322
Property, plant and equipment	23,430	25,800
Investments in associates [2]	3,854	-
Other non-current assets	13,078	18,150
Deferred tax assets	13,247	13,591
Total non-current assets	639,467	510,183
Inventories	63,423	70,686
Trade accounts receivable	102,601	91,859
Other current assets	28,293	21,441
Cash and cash equivalents	81,901	115,049
Total current assets	276,218	299,035
Total assets	**915,685**	**809,218**

EQUITY AND LIABILITIES

(in thousands of euros)	**December 31, 2024**[1]	December 31, 2023
Share capital	37,966	37,833
Share premium	142,869	140,777
Treasury shares	(937)	(885)
Currency translation adjustments	35,390	16,977
Retained earnings and net income	137,999	215,124
Non-controlling interests	21,063	8,033
Total equity	374,350	417,860
Retirement benefit obligations	10,930	10,593
Non-current lease liabilities	22,223	22,074
Minority shares purchase commitments	117,887	49,536
Deferred tax liabilities	19,012	2,733
Borrowings, non-current portion	86,773	76,684
Derivative financial instruments	664	-
Total non-current liabilities	257,490	161,620
Trade and other current payables	101,150	88,493
Deferred revenues	111,845	94,103
Current income tax liabilities	6,545	5,504
Current lease liabilities	9,941	9,144
Minority shares purchase commitments	29,766	1,702
Borrowings, current portion	15,704	21,405
Provisions for other liabilities and charges	8,893	9,386
Total current liabilities	283,844	229,738
Total equity and liabilities	**915,685**	**809,218**

(1) The 2024 amounts integrate Launchmetrics since January 23, 2024 (see note 3 hereafter).
(2) The 2024 amount corresponds to the equity interest in Six Atomic and AQC Industry (see note 3 hereafter).

LECTRA

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Twelve months ended December 31, 2024[(1)]	Twelve months ended December 31, 2023
Revenues	526,674	477,579
Cost of goods sold	(149,801)	(144,402)
Gross profit	376,873	333,177
Research and development	(61,955)	(51,301)
Selling, general and administrative expenses	(265,663)	(232,824)
Income from operations before non-recurring items	49,255	49,052
Non-recurring income [(2)]	-	5,174
Non-recurring expenses [(3)]	(457)	(5,777)
Income from operations	48,798	48,450
Financial income	2,258	3,098
Financial expenses	(8,269)	(5,936)
Foreign exchange income (loss)	(2,189)	(1,644)
Income before tax	40,599	43,968
Income tax	(10,890)	(11,354)
Share of result from associates	(76)	-
Net income	**29,632**	**32,615**
of which, Group share	**31,164**	**33,904**
of which, Non-controlling interests	(1,532)	(1,289)

(in euros)		
Earnings per share, Group share:		
- basic	0.82	0.90
- diluted	0.82	0.89
Shares used in calculating earnings per share:		
- basic	37,873,739	37,794,184
- diluted	38,161,144	38,134,888

(in thousands of euros)		
Income from operations before non-recurring items	49,255	49,052
+ Net depreciation and amortization of non-current assets	41,859	29,966
EBITDA before non-recurring items	**91,114**	**79,018**

STATEMENT OF COMPREHENSIVE INCOME, GROUP SHARE [(4)]

(in thousands of euros)	Twelve months ended December 31, 2024[(1)]	Twelve months ended December 31, 2023
Net income, Group share	31,164	33,904
Currency translation adjustments	18,414	(13,257)
Changes in derivative financial instruments	(664)	
Tax effect	166	(112)
Other comprehensive income to be reclassified in net income	17,916	(13,369)
Remeasurement of the net liability arising from defined benefits pension plans	777	(1,006)
Tax effect	(182)	241
Other comprehensive income not to be reclassified in net income	596	(765)
Total other comprehensive income	18,511	(14,134)
Comprehensive income, Group share	**49,675**	**19,770**

(1) The 2024 amounts integrate Launchmetrics since January 23, 2024 (see note 3 hereafter).

(2) Non-recurring income corresponded for 2.6 million euros to the unused portion of a provision reversed in the second quarter of 2023, after the agreement reached on a tax dispute following the acquisition of Gerber, and for 2.5 million euros to unused reversals of tax risk provisions following the acquisition of Gerber.

(3) In 2024, non-recurring expenses correspond mainly to costs related to the acquisition of Launchmetrics. In 2023, non-recurring expenses corresponded for 4.6 million euros to an additional tax risk provision related to ongoing discussions with the French tax administration (see note 6 hereafter), and for 1.2 million euros to costs related to acquisitions.

(4) The Group considered as non-material the information regarding the comprehensive income of the non-controlling interests (for Neteven, Gemini CAD Systems, Glengo Lectra Teknoloji, TextileGenesis and Launchmetrics, see note 3 hereafter) and thus only presents the comprehensive income of the Group share.

LECTRA

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	Twelve months ended December 31, 2024[1]	Twelve months ended December 31, 2023
I - OPERATING ACTIVITIES		
Net income	29,632	32,615
Net depreciation and amortization (non-current assets)	41,859	29,966
Net depreciation and provisions (current assets)	1,209	(1,107)
Non-cash operating expenses	1,925	(761)
Loss (profit) on sale of fixed assets	39	96
Changes in deferred income taxes	(2,286)	(1,349)
Changes in inventories	4,943	5,631
Changes in trade accounts receivable	10,247	1,949
Changes in other current assets and liabilities	(1,084)	(8,149)
Changes in other operating non-current assets	1,831	681
Net cash provided by (used in) operating activities	88,316	59,572
II - INVESTING ACTIVITIES		
Purchases of intangible assets	(4,236)	(3,846)
Purchases of property, plant and equipment	(2,534)	(3,239)
Proceeds from sales of intangible and tangible assets	286	18
Acquisition cost of companies purchased [2]	(71,590)	(17,677)
Acquisition cost of equity investments [3]	(3,782)	-
Purchases of financial assets [4]	(5,721)	(10,994)
Proceeds from sales of financial assets [4]	6,651	11,493
Net cash provided by (used in) investing activities	(80,926)	(24,245)
III - FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares by the parent company	2,225	687
Proceeds from issuance of ordinary shares to non controlling interests	228	-
Dividend paid	(14,113)	(18,126)
Change in share of interests in controlled entities [5]	(4,200)	(482)
Purchases of treasury shares	(5,289)	(10,588)
Sales of treasury shares	5,193	10,558
Subscription of long-term and short-term debt	99,012	-
Repayment of lease liabilities	(11,526)	(10,579)
Repayments of long-term and short-term borrowings	(115,755)	(21,000)
Net cash provided by (used in) financing activities	(44,225)	(49,530)
Increase (decrease) in cash and cash equivalents	**(36,834)**	**(14,203)**
Cash and cash equivalents at opening	115,049	130,634
Increase (decrease) in cash and cash equivalents	(36,834)	(14,203)
Effect of changes in foreign exchange rates	3,686	(1,382)
Cash and cash equivalents at closing	81,901	115,049
Net cash provided by (used in) operating activities	88,316	59,572
+ Net cash provided by (used in) investing activities	(80,926)	(24,245)
- Acquisition cost of companies purchased	71,590	17,677
-Acquisition cost of equity investments [5]	3,782	-
- Repayment of lease liabilities	(11,526)	(10,579)
Free cash flow	71,237	42,425
Non-recurring items of the free cash flow	(875)	(2,920)
Free cash flow before non-recurring items	72,112	45,345
Income tax (paid) / reimbursed, net	(8,117)	(9,051)
Interest (paid) on lease liabilities	(777)	(539)
Interest (paid)	(6,299)	(4,504)

(1) *The 2024 amounts integrate Launchmetrics since January 23, 2024 (see note 3 hereafter).*

(2) *In 2024, this amount corresponds to the acquisition cost, net of cash acquired, of Launchmetrics. In 2023, it corresponded to the acquisition cost, net of cash acquired, of TextileGenesis, and the business takeover in China (see note 3 hereafter).*

(3) *The amount corresponds to the acquisition cost of equity interest in Six Atomic and AQC Industry (see note 3 hereafter).*

(4) *These amounts mainly correspond to the valuation of purchases and sales of treasury shares made through the liquidity agreement, and for which the counterpart is shown in the corresponding cash flows arising from financing activities.*

(5) *In 2024, this amount corresponds to the purchase of a portion of the shares held in Gemini by minority shareholders (see note 3 hereafter). The 2023 amount corresponded to the purchase of the part of one Neteven's co-founder after his departure.*

LECTRA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of euros, except for par value per share expressed in euros)	Share capital: Number of shares	Share capital: Par value per share	Share capital: Share capital	Share premium	Treasury shares	Currency translation adjustments	Retained earnings and net income	**Equity, Group share**	Non controlling interests	**Total equity**
Balance at December 31, 2022	37,788,949	1.00	37,789	140,134	(1,037)	30,346	242,269	449,501	2,719	452,220
Net income							33,904	33,904	(1,289)	32,615
Other comprehensive income						(13,369)	(765)	(14,134)	(52)	(14,186)
Comprehensive income						(13,369)	33,139	19,770	(1,341)	18,429
Exercised stock options	44,016	1.00	44	643				687		687
Fair value of stock options							1,499	1,499		1,499
Sale (purchase) of treasury shares					152			152		152
Profit (loss) on treasury shares							(137)	(137)		(137)
Internal transfer of intellectual property with non-controlling interests							(2,380)	(2,380)	2,380	-
Minority shares purchase for Neteven							482	482	(131)	351
Integration of TextileGenesis and minority shares purchase commitment(1)							(45,416)	(45,416)	4,406	(41,010)
Discounting and revision of minority shares purchase commitments							3,795	3,795		3,795
Dividend paid							(18,126)	(18,126)		(18,126)
Balance at December 31, 2023	37,832,965	1.00	37,833	140,777	(885)	16,977	215,124	409,827	8,033	417,860
Net income							31,164	31,164	(1,532)	29,632
Other comprehensive income						18,414	98	18,511	392	18,903
Comprehensive income						18,414	31,261	49,675	(1,140)	48,535
Exercised stock options	133,309	1.00	133	2,092				2,225	228	2,453
Fair value of stock options							1,419	1,419	67	1,486
Sale (purchase) of treasury shares					(52)			(52)		(52)
Profit (loss) on treasury shares							(85)	(85)		(85)
Integration of Launchmetrics and minority shares purchase commitment(2)							(105,405)	(105,405)	17,277	(88,128)
Discounting and revision of minority shares purchase commitments							7,256	7,256		7,256
Purchase of Gemini minority stakes							2,045	2,045	(2,904)	(859)
Dividend paid							(13,615)	(13,615)	(498)	(14,113)
Balance at June 30, 2024	**37,966,274**	**1.00**	**37,966**	**142,869**	**(937)**	**35,390**	**137,999**	**353,287**	**21,063**	**374,350**

(1) *These amounts stem from the takeover of TextileGenesis on January 9, 2023 (see note 3 hereafter).*

(2) *These amounts stem from the takeover of Launchmetrics on January 23, 2024 (see note 3 hereafter).*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2024

1. BUSINESS ACTIVITY

A French high technology company, Lectra has developed privileged and long-term relationships with its customers in over 100 countries. They all have operational excellence in common and the soft materials they use – fabrics and leather, but also technical textile and composite materials – to manufacture their products (garments, car seats and interiors, airbags, sofas…).

To increase customers' competitiveness, Lectra creates premium technologies specifically for its customers' markets – mainly fashion, automotive and furniture. Lectra's solutions, combining software, automated cutting equipment, data and associated services, enable customers to automate and optimize product design, development and manufacturing, and to digitalize their processes.

Lectra's offer supports customers to achieve their strategic objectives: to boost productivity; to reduce cutting costs; to reduce time-to-market; to meet the challenges of globalization; to enhance product quality; to increase production capacity; and to develop their brands. In addition, customers now face challenges specific to Industry 4.0, such as securing digital communications along an extended supply chain and making the factory more agile, as well as sustainability issues, such as traceability and optimization of material use.

Established in 1973, Lectra has been listed on Euronext since 1987.

Business model

Lectra's business model is based on three pillars:

- a 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;
- a balanced revenue mix between revenue from non-recurring revenue and recurring revenue;
- the generation of significant annual free cash flow.

Worldwide presence

Since the mid-1980s Lectra, with headquarters located in France, has established its global footprint.

Since the acquisition of Launchmetrics on January 23, 2024, as well as the acquisition of TextileGenesis in January 2023, the creation of a Chinese entity (Lectra Suzhou) in December 2023, in addition to the parent company, the Group has an unrivalled network of 82 subsidiaries, from which Lectra generates more than 85% of its revenue.

Lectra welcomes customers from around the world in its Experience Centers in Bordeaux-Cestas (France), Atlanta and New York (USA) and Shanghai (China). The Group has twelve international Expertise Centers, based in Bordeaux-Cestas (France), Atlanta and Tolland (USA), Blumenau (Brazil), Hô Chi Minh (Vietnam), Istanbul (Turkey), Madrid (Spain), Milan (Italy), Osaka (Japan), Porto (Portugal), Seoul (South Korea) and Shanghai (China).

Customers

From global or national corporations to smaller companies, Lectra's customers are, for the most part, fashion and apparel brands, manufacturers and retailers, automotive equipment manufacturers and subcontractors, and furniture brands and manufacturers.

Products and services

Lectra designs, manufactures and markets end-to-end integrated technology solutions, which combine software, automated cutting equipment, data and associated services. The distinctive feature of Lectra's offer is to integrate business expertise with the best industrial practices for each market sector. The services include technical maintenance, support, training and consulting. The Group also sells consumables and parts for its automated cutting equipment.

The automated cutting equipment manufactured by the Group in France is assembled from parts produced by a network of subcontractors and tested in the Company's industrial facilities in Bordeaux-Cestas (France). Cutting machines on the market since 2007 incorporate hundreds of sensors which connect them to Lectra's Expertise Centers, enabling preventive and predictive maintenance.

The manufacturing of the automated cutting equipment developed by Gerber is partly carried out in the United States and partly in China, after the takeover in December 2023 of the activity previously subcontracted to a company located in China (see note 3 hereafter).

People

Lectra's strength draws on the skills and experience of nearly 3,000 employees worldwide. Thanks to Lectra's global presence, the Group is close to all its customers, wherever they are in the world.

2. SUMMARY OF ACCOUNTING RULES AND METHODS

The consolidated financial statements are compliant with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board as adopted within the European Union, and available for consultation on the European Commission website:

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en

The condensed consolidated financial statements at December 31, 2024, have been prepared in accordance with IAS 34 – Interim Financial Statements. They do not comprise all the financial disclosures required in the complete financial statements and should be read in conjunction with the Group's consolidated financial statements and corresponding notes for the fiscal year 2023, available on Lectra.com.

The consolidated financial statements at December 31, 2024, have been prepared in accordance with the same rules and methods as those applied in the preparation of the 2023 financial statements. They have been prepared under the responsibility of the Board of Directors at its meeting of February 12, 2025. Audit procedures have been applied to the consolidated financial statements. The statutory auditors' certification report will be issued after the Board of Directors meeting on February 27, 2025, which will approve the notes to the consolidated financial statements. The Q4 financial statements have not been reviewed separately by the statutory auditors.

The standards, amendments and interpretations adopted by the European Union whose application is required for fiscal years starting from January 1, 2024 have no impact on the Group's financial statements. The Group has not adopted in advance any standard, amendment or interpretation whose application is not required for fiscal years starting from January 1, 2024.

Seasonality

Comparability of the Group's interim and annual accounts may be affected by the slightly seasonal nature of the Group's business, which mostly achieves a higher level of revenue during the fourth quarter of the year. This, in particular, applies to new systems sales. Moreover, overhead costs are reduced during the third quarter due to the summer holidays in France and in European subsidiaries. These two items have a positive impact on income from operations in these quarters.

Critical accounting estimates and judgments

Preparation of the financial statements in accordance with IFRS demands that certain critical accounting estimates be made. Management is also required to exercise its judgment in applying the Group's accounting policies.

The areas involving a higher degree of judgment or complexity or requiring material assumptions and estimates in relation to the establishment of the consolidated financial statements, relate to the calculation of the recoverable amount of goodwill and fixed assets, the evaluation of minority shares purchase commitments and the evaluation of deferred tax assets.

Revenue

Contracts with customers comprise multiple obligations such as: equipment and accompanying software, software licenses in the form of subscription or perpetual licenses, consumables and parts, training and consulting, installation, maintenance, evolution and online services contracts for equipment and software (updates).

Software sales are only recognized separately when the customer can benefit from the software independently from the other goods and services promised in the contract. In particular, the software accompanying automated cutting equipment (called pilots) are not recognized separately from these, as they are an inseparable part of the equipment: without the pilot, the equipment would be useless, and without the equipment, the pilot has no use either. On the other hand, specialized software (for instance, software for collection management, patternmaking, simulation), sold under perpetual license separately from the equipment and usually installed on the clients' computers are considered separate performance obligations.

The other obligations are considered as separate under IFRS 15 and are thus accounting for based on the following elements among others:

- installation of equipment and specialized software is made in a few days and easy to implement, and does not modify their characteristics;
- training is short-term and had no interdependence relationship with the other obligations;
- consulting usually regards the optimization of clients' design and production processes and is very often sold separately to clients;
- regarding maintenance of software and equipment, these are mostly yearly contracts in which the Group's commitment is a stand-ready type, or an obligation to make future not-yet-developed versions of the software available.
- The solutions (equipment and software) are distinct from maintenance since they are entirely ready to work upon delivery and since maintenance services are not critical for the client to use the solution.
- Equipment is sold most often with one or two years of maintenance, and the client holds renewal options that are not discounted compared to the initial price for subscribing maintenance. Renewal options are thus not considered as significant rights that would require separate accounting under IFRS 15.

The Group determines stand-alone selling prices of the multiple elements by using observable data as much as possible. For elements which are not sold separately on a customary basis, stand-alone selling prices are estimated based on the Company's pricing policy, reflecting expected costs plus an appropriate margin.

Revenue from sales of equipment (including pilot software) is recognized when the control has been transferred to the purchaser. These conditions are fulfilled upon physical transfer of the equipment in accordance with the contractual sale terms.

Software sold as perpetual licenses is regarded as right-of-use licenses under IFRS 15, for which revenue is booked at a certain date, generally the time of installation of the software on the customer's computer (either by USB flash drive or downloading).

Revenue from subscription sales of software (granting the customer with an access right to the said software licenses) is spread over the duration of the customer's commitment.

Revenue from training and consulting is recognized based on the completion of hours or days of work.

Revenue from equipment and specialized software installation is recognized when these services are rendered.

Revenue from software and equipment maintenance contracts is spread linearly over the duration of the contracts, as they are 'stand-ready obligations'.

Lectra acts as principal in the sale of equipment insofar as parts and sub-ensembles assembled by the Group in France, in the United States and in China only constitute inputs used in the manufacturing of finished goods sold to customers.

Cost of goods sold

Cost of goods sold comprises all purchases of raw materials included in the costs of manufacturing, the net change in inventory and inventory write-downs, all labor costs included in manufacturing costs which constitute the added value, freight out costs on equipment sold, and a share of depreciation of the manufacturing facilities.

Cost of goods sold does not include salaries and expenses associated with service revenue, which are included under 'Selling, General and Administrative Expenses'.

Research and development costs

The technical feasibility of software and equipment developed by the Group is generally not established until a prototype has been produced or until feedback is received from its pilot sites, setting the stage for their commercialization. Consequently, the technical and economic criteria requiring the recognition of development costs in assets at the moment they occur are not met, and these, together with research costs, are therefore fully expensed in the period in which they are incurred.

The French research tax credit (*crédit d'impôt recherche*), as well as grants linked to R&D projects, if any, are deducted from R&D expenses.

Earnings per share

Basic net earnings per share are calculated by dividing net income by the weighted-average number of shares outstanding during the period, excluding the weighted-average number of treasury shares.

Diluted net earnings per share are calculated by dividing net income by the weighted-average number of shares adjusted for the dilutive effect of stock options outstanding during the period and excluding the weighted-average number of treasury shares held solely under the liquidity agreement.

The dilutive effect of stock options is computed in accordance with the share repurchase method provided by IAS 33. The assumed proceeds from exercise of stock options are regarded as having been used to repurchase shares at the average market price during the period. The number of shares thus obtained is deducted from the total number of shares resulting from the exercise of stock options.

Only options with an exercise price below the said average share price are included in the calculation of the number of shares representing the diluted capital.

Performance indicators

The Group uses performance indicators such as income from operations, EBITDA before non-recurring items, free cash flow, and the security ratio, as defined below; it considers these aggregates appropriate for management of the Group and for measurement of the implementation of its strategy.

Income from operations before non-recurring items and income from operations

The Group uses an intermediate balance referred to as ‘Income from operations’, defined as income excluding financial operations, companies accounted for by the equity method, discontinued operations or those held for sale, and income tax.

When the Group identifies non-recurring items, it tracks its operating performance by means of an intermediate balance referred to as ‘Income from operations before non-recurring items’. This financial metric reflects income from operations less non-recurring income and plus non-recurring expenses, as set forth in CNC (French National Accounting Council) recommendation 2009-R.03.

Where applicable, non-recurring items are presented on a specific line and reflect the impact on the financial statements of events that are either unusual, abnormal, or infrequent. There are very few of these and their amounts are significant.

EBITDA before non-recurring items

The Group defines EBITDA before non-recurring items (Earnings Before Interest, Tax, Depreciation and Amortization) as the addition of operating income before non-recurring items and net depreciation and amortization of non-current assets.

This indicator allows the Group to monitor its operating performance directly related to business activity, excluding the impacts of capitalized investments.

Free cash flow before non-recurring items and free cash flow

Free cash flow is equal to net cash provided by operating activities minus cash used in investing activities, excluding cash used for acquisitions of companies and minority interests (net of cash acquired), and minus repayments of lease liabilities according to IFRS 16.

Within free cash flow, the Group isolates non-recurring cash-ins and -outs, corresponding to the income and expenses of the same nature in the income from operations. Restated from these elements presented on a specific line, the Group thus identifies the free cash flow before non-recurring items.

The Group considers this definition of free cash flow before non-recurring items as a performance indicator of its work on cash management.

Security ratio

The security ratio is defined by the Group as the percentage of annual fixed overhead costs covered by gross profit on recurring revenue.

This ratio is used by the Group to measure the coverage of annual fixed overhead costs by revenues that do not depend on customer’s investment decisions from one year to the next.

Operating segments

Operating segment reporting is based directly on the Group's performance tracking and review systems. The segments disclosed in note 4 are identical to those covered by the information regularly communicated to the Executive Committee, in its capacity as the Group's 'chief operating decision maker'.

Reported segments refer to the major marketing regions. The regions concerned are the Americas, Europe, Middle East and Africa (EMEA); and Asia-Pacific. These regions provide sales and services to their customers. They do not perform any industrial activities or R&D. They draw on centralized competencies and a wide array of functions that are pooled among all the regions, including marketing, business development, logistics, procurement, production, R&D, finance, legal affairs, human resources, information systems, etc. All these cross-divisional activities are reported as an additional column referred to here as 'Corporate' and which allows for reconciliation with the amounts presented in the Group's financial statements.

Performance is measured by the segment's EBITDA before non-recurring items and impairment of assets, if any. Marketing regions derive their revenue from external customers; all inter-segment billings are excluded from this item. The gross profit margin rates used to determine operating performance are identical for all regions. They are computed for each product line and include added value supplied by Corporate. Consequently, for products or services supplied in full or in part by Corporate, a percentage of consolidated gross profit is retained in the income computed for Corporate to cover its costs. Since most of Corporate's general overheads are fixed, its profit margin and consequently its EBITDA before non-recurring items depend mainly on the volume of business generated by marketing regions.

3. SCOPE OF CONSOLIDATION

On December 31, 2024, the Group's scope of consolidation comprised the parent company, Lectra SA, together with 76 fully consolidated companies, 17 of which come from the acquisition of Launchmetrics and two entities consolidated under equity method. Five companies are not consolidated.

Acquisition of Launchmetrics

On January 9, 2024, the Group announced the signature of an agreement to acquire the majority of the capital and voting rights of the American company Launchmetrics. The transaction was finalized on January 23, 2024.

It involves, in 2024, the acquisition of 50.2% of Launchmetrics' capital and voting rights for an amount of 83.2 million dollars (77.0 million euros). The acquisition of the remaining capital and voting rights (minority shares purchase commitment – with cross puts and calls) will take place in five phases in 2025, 2026, 2027, 2028 and 2030 and will bring the total cost of the acquisition to an estimated amount between 200 and 240 million dollars, based on an expected two-digits-growth of both recurring revenues and EBITDA before non-recurring items, over the 2024-2029 period.

The purchase price accounting is in the process of being finalized, and the main impacts on the Group financial statements to date are as follows:

- Recording of 100% of total net assets of 37.9 million dollars (34.8 million euros at January 23, 2024 exchange rate), resulting from:
    - intangible assets relating to customer relationships, technology, data base and trademark for the respective amounts of 38.7, 20.1, 16.5 and 3.5 million dollars (35.5, 18.5, 15.2 and 3.2 million euros respectively at January 23, 2024 exchange rate);

- a deferred tax liability related to these intangible assets of 20.5 million dollars (18.8 million euros at January 23, 2024 exchange rate);
- a negative 20.5 million dollars of net acquired asset (18.8 million euros at January 23, 2024 exchange rate);

– Recording of non-controlling interests (“partial goodwill” method), valued at their share in the net assets of the company (i.e. 49.8% of the total net assets above), for 18.8 million dollars (17.3 million euros at January 23, 2024 exchange rate);

– Recording of a goodwill of 64.2 million dollars (59.6 million euros at January 23, 2024 exchange rate);

– Recording of a debt to recognize the minority shares purchase commitment, booked for a total amount of 114.7 million dollars (105.3 million euros at January 23, 2024 exchange rate), before discounting impact, classified as non-current liabilities. The counterpart is recorded in ‘Equity, Group share’.

The acquisition cost for Lectra, net of cash acquired, has been entirely disclosed under the heading ‘Acquisition cost of companies purchased’ in the statement of cash flows, for an amount of 71.6 million euros.

Launchmetrics has been fully consolidated since January 23, 2024.

Creation of Lectra Suzhou

In December 2023, Lectra took over the business of Gerber’s former subcontractor in China, after the creation of a dedicated entity, Lectra Suzhou (100%-subsidiary). This entity took over the subcontractor’s assets and hired part of its employees, for 5.6 million euros.

The purchase price accounting is now finalized, and the main impacts on the Group financial statements to date are as follows:

– Inventory in the amount of 3.4 million euros;

– Recording of a goodwill of 1.0 million euros.

Acquisition of TextileGenesis

On December 8, 2022, Lectra had announced the signature of an agreement to acquire the majority of the capital and voting rights of the Dutch company TextileGenesis. The transaction was finalized on January 9, 2023.

It involves the acquisition of 50.5% of TextileGenesis for 15.2 million euros including an increase in the working capital of 2.0 million euros fully subscribed by Lectra. The acquisition of the remaining capital and voting rights (minority shares purchase commitment – with cross puts and calls) will take place in January 2026 and in January 2028 and will bring the total cost of the acquisition to 64.6 million euros.

The purchase price accounting is now finalized, and the main impacts on the Group financial statements to date are as follows:

– Recording of net assets of 8.9 million euros, including intangible assets relating to technology and customer relationships for the respective amounts of 2.6 and 4.9 million euros, generating a deferred tax liability of 1.6 million euros;

– Recording of non-controlling interests, valued at their share in the net assets of the company (“partial goodwill” method), for 4.4 million euros;

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– Recording of a goodwill of 10.7 million euros;
– Recording of a debt to recognize the minority shares purchase commitment, recorded for a total amount of 49.5 million euros, before discounting impact, classified as non-current liabilities. The counterpart is recorded in ‘Equity, Group share’.

The acquisition cost for Lectra, net of cash acquired, has been entirely disclosed under the heading ‘Acquisition cost of companies purchased’ in the statement of cash flows, for an amount of 12.0 million euros.

TextileGenesis has been fully consolidated since January 9, 2023.

Acquisition of a minority interest in Six Atomic

Following the signing of an agreement on September 16, 2024, Six Atomic carried out a capital increase of 2.5 million dollars, reserved for Lectra, allowing it to acquire 17.9% of the company's shares and voting rights. Lectra also holds options for progressively increasing its stake in the company in order to support its development.

Founded in 2020, Six Atomic develops and sells SaaS solutions based on Artificial Intelligence, particularly generative intelligence, to streamline and accelerate the garment design and development process for the fashion market.

The Group will have two representatives on Six Atomic's Board of Directors, which is composed of five members in total. This representation on the Board of Directors allows Lectra to exert significant influence over Six Atomic's strategic decisions.

The interest in Six Atomic has been accounted for using the equity method in the consolidated financial statements since September 16, 2024.

Acquisition of a minority interest in AQC Industry (AQC)

Following the signing of an agreement on October 7, 2024, Six Atomic carried out a capital increase of 1.3 million euros, reserved for Lectra, allowing it to acquire 28.9 % of the company's shares and voting rights. Lectra also holds options for progressively increasing its stake in the company in order to support its development.

Founded in 2019, AQC is a French company which develops and sells SaaS solutions based on Artificial Intelligence and innovative equipment for automatic textile defect recognition powered by machine learning algorithms. AQC aims to accelerate the textile quality control processes, which are still largely manual and rely on the expertise of highly skilled operators and bring textile quality control into the era of Industry 4.0.

The interest in AQC Industry SAS has been accounted for using the equity method in the consolidated financial statements since October 7, 2024.

Minority shares purchase commitments

During the acquisition of Neteven, Glengo, TextileGenesis and Launchmetrics, the Groupe did not acquire 100% of the capital and voting right at one, but committed to later purchases (sometimes staggered), with cross puts and calls. This entails the recording of a liability (short- or long-term, depending on the scheduling of the options).

Regarding Gemini, an agreement was signed with the minority shareholders on October 21, 2024, regarding the purchase of the remaining 40% minority stakes.

The shareholders have agreed on the following operations:

- Distribution of dividends to shareholders amounting to 1.2 million euros;
- Purchase by Lectra of 15% of Gemini's capital for a fixed amount of 2.5 million euros;
- Buyback by Gemini of 10% of its share capital from the minority shareholders for an amount of 1.7 million, bringing Lectra stake in Gemini to 83% after the cancellation of these treasury shares;

The acquisition of the remaining 17% will take place either in two phases of 50%, in September 2025 and September 2026, or all at once by September 2026 for a fixed amount of 3.5 million euros.

Out-scoping of Lectra Russia

As soon as the conflict began in 2022, the Group decided to cease its operations in Russia, by suspending the activity of its subsidiary Lectra Russia and stopping all deliveries of products or services. In the consolidated financial statements at December 31, 2022, the Group had recorded an impairment of its net assets in Russia.

Given the absence of exposure for the Group, it was decided to take Lectra Russia out of the consolidation scope, without sale or dilution, as from July 1, 2023. After the impairment of assets carried out in 2022 and the stop of activities in the country, the impact on the Group's consolidated financial statements is not significant.

There was no other change in the scope of consolidation in 2024, nor in 2023.

Non-consolidated entities

Historically, five sales and services subsidiaries were not consolidated, their revenue being immaterial both separately and combined. On December 31, 2024, their combined revenue amounted to 2.8 million euros, and their combined assets amounted to 3.7 million euros. They had no financial debt outside of the Group. Most of the sales activity of these subsidiaries is billed directly by Lectra SA.

Transactions with these subsidiaries mainly concern purchases from Lectra SA for the purposes of their local operations, or charges and commissions billed to Lectra SA to cover their overheads when they act as agents. The amount of these transactions was not significant on December 31, 2024.

4. OPERATING SEGMENTS INFORMATION

Twelve months ended December 31, 2024 (in thousands of euros)	EMEA [1]	Americas	Asia-Pacific	Corporate	Total
Revenues	219,049	176,095	131,529	-	526,674
EBITDA before non-recurring items	35,037	29,247	11,471	15,359	91,114

Twelve months ended December 31, 2023 (in thousands of euros)	EMEA [1]	Americas	Asia-Pacific	Corporate	Total
Revenues	196,508	171,452	109,620	-	477,579
EBITDA before non-recurring items	29,553	9,908	6,259	33,298	79,018

(1) This segment covers the following regions: Europe, Middle East and Africa.

The ‘Corporate’ column allows for the reconciliation with the amounts in the Group’s financial statements.

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5. CONSOLIDATED CASH FLOW SUMMARY

Twelve months ended December 31, 2024 (in thousands of euros)	Cash and cash equivalents	Financial debts	Net cash
Free cash flow before non-recurring items	72,112	-	72,112
Non-recurring items included in free cash flow	(875)	-	(875)
Proceeds from issuance of ordinary shares (1)	2,225	-	2,225
Proceeds from issuance of ordinary shares to non controlling intrests	228	-	228
Sale and purchase of treasury shares (2)	(96)	-	(96)
Acquisition cost of companies purchased (3)	(71,590)	-	(71,590)
Acquisition cost of equity investments (4)	(3,782)	-	(3,782)
Change in share of interests in controlled entities	(4,200)	-	(4,200)
Dividend paid	(14,113)	-	(14,113)
Change in scope (5)	-	(21,686)	(21,686)
Subscriptions to long-term and short-term debt	99,012	(99,012)	-
Repayment of short-term and long-term debt	(115,755)	115,755	-
Impact of currency variations	3,686	555	4,241
Change in cash position for the period	(33,148)	(4,388)	(37,536)
Cash position at December 31, 2023	115,049	(98,089)	16,960
Cash position at December 31, 2024	81,901	(102,477)	(20,576)
Change in cash position for the period	(33,148)	(4,388)	(37,536)

(1) Resulting solely from the exercise of stock options.
(2) Carried out solely under the liquidity agreement administered by Natixis Oddo BHF (see note 7).
(3) This amount corresponds to the acquisition cost, net of cash acquired, of Launchmetrics (see note 3).
(4) The amount corresponds to the acquisition cost of equity interest in Six Atomic and AQC Industry (see note 3).
(5) This amount comes from Launchmetrics' financial debts existing at the date of acquisition. These debts were or will be deducted from the first four payments of the share purchase.

Free cash flow before non-recurring items at December 2024, was 72.1 million euros.

When deducting non-recurring cash-outs for 0.9 million euros, incurred for costs relating to the acquisition of Launchmetrics, free cash flow amounted to 71.2 million euros.

This figure results from a combination of 88.3 million euros in cash flows provided by operating activities, including a decrease in working capital of 14.1 million euros and an increase in other operating non-current assets of 1.8 million euros (corresponding to the deduction of research tax credits from the corporate income tax due by Lectra SA, Neteven and Launchmetrics France for 2024 – see note 6 hereafter) as well as capital expenditures of 5.6 million euros. Finally, the repayment of lease liabilities (according to IFRS 16), for 11.5 million euros, was considered.

The change in working capital is explained as follows:

– - 10.2 million euros corresponding to the decrease in trade accounts receivable (the variation in trade accounts receivable shown in the consolidated statement of cash flows includes 'Deferred revenues' in the statement of financial position, which for the most part comprises the share of recurring contracts billed but not yet recognized in revenue);
– - 4.9 million euros corresponding to the decrease in inventory;
– + 2.2 million euros resulted from the decrease in trade payable;
– - 1.1 million euros arising from the changes in other current assets and liabilities; taken individually, these changes are all immaterial.

The working capital on December 31, 2024 was negative at 27.0 million euros. It comprised the current portion (11.0 million euros) of the 13.4 million euros receivable on the French tax administration in respect of the research tax credit, which has not been received and has not been deducted from the corporate income tax.

LECTRA

6. RESEARCH TAX CREDIT

When the research tax credit applicable in France recognized in the year cannot be deducted from the corporate income tax, it is treated as a receivable on the French tax administration. If unused in the three following years, it is historically repaid to the Company in the fourth year.

The Group presents separately the current and non-current (to be repaid in over a year, and time-discounted) part of the income tax receivable related to the French research tax credit.

The Group received 6.9 million euro in July 2024 in respect of 2020 tax research credits.

The research tax credit (5.7 million euros) for 2024 was accounted for but not received.

Thus, on December 31, 2024, the Group held a 13.4 million euros receivable on the French tax administration (of which 2.4 million euros classified within other non-current assets), comprised of:

- the remaining amount of the research tax credit, after deduction from the corporate income tax due by Lectra SA in the same year: 0.3 million euros for 2024, none for 2023 and 2022 (since the research tax credit was fully deducted from the corporate income tax of those periods), 2021 (6.0 million euros) and 2018 (5.0 million euros);
- the remaining amount of the research tax credit (1.3 million euros) generated by Launchmetrics France.
- the remaining amount of the research tax credit (0.8 million euros) generated by Neteven.

Besides, the previous amounts due in more than one year have been reduced by a discounting impact of 0.2 million euros.

The Group had also recorded a provision for risk of 6.6 million euros in December 2023, considering ongoing discussions with the French administration concerning the Lectra SA research tax credit.

Considering its estimates of tax credits and corporate income tax for the next three fiscal years, the Group does not expect to make any payment in respect of corporate income tax in France, from which will be deducted in full the research tax credit of each fiscal year. Thus, Lectra should receive the outstanding balance of these non-deducted tax credits as follows: 2025 (in respect of 2018 and 2021), 2026 (in respect of 2022), 2027 (in respect of 2023) and 2028 (in respect of 2024). This situation will last for as long as the amount of the annual tax credits exceeds the amount of income tax payable.

If the income tax expense were to rise above the amounts of tax credit for the year, the Company would continue not to pay corporate income tax until the corresponding receivable is deducted in full. Thereafter it would deduct these tax credits each year from the income tax expense for the same year in full and would be required to pay the residual amount.

7. TREASURY SHARES

Since January 1, 2024, the Company has purchased 178,222 shares and sold 174,163 shares at an average price of €29.68 and €29.82 respectively under the liquidity agreement administered by Natixis Oddo BHF.

On December 31, 2024, the Company held 35,468 Lectra shares (i.e. 0.09% of the share capital) with an average purchase price of €26.43 entirely under the liquidity agreement.

8. CASH AND CASH EQUIVALENTS AND NET CASH

(in thousands of euros)	December 31, 2024	December 31, 2023
Available cash	81,901	111,049
Cash equivalents	-	4,000
Borrowings and financial debts	(102,477)	(98,089)
Net cash / (net debt)	(20,576)	16,960

Lease liabilities, accounted for under IFRS 16, and minority shares purchase commitment are not considered as financial debts here.

The Company had subscribed on June 1, 2021, to a 140 million euros loan to finance the acquisition of Gerber Technology with a five-year maturity, payable by four yearly instalments of 15% and 40% *in fine*. It bore interest at the 3-month or 6-month Euribor rate, to which a margin was added, depending on a leverage ratio and set at 85 base points for the first year and 75 base points for the second one. Two instalments of 21.0 million euros each were respectively paid back on June 1, 2022, and June 1, 2023.

This loan was fully repaid on June 27, 2024, for the remaining amount of 98 million euros. The costs related to the set-up of this loan that was not yet amortized at the repayment date were recognized as financial expenses for 0.3 million euros, as this loan is accounted for as an extinguishment of the debt under IFRS 9.

The Company signed an agreement with its banks in January 2024 for a 100 million euros loan with a five-year maturity, payable by eight semi-annual instalments of 7.5% and 40% *in fine*. It bears interest at the 3-month or 6-month Euribor rate, to which a margin is added, depending on a leverage ratio and set at 175 base points for the first year. This loan was drawn down on June 27, 2024.

The costs related to the set-up of the loan were deducted from the initial amount recorded in the balance sheet and will be amortized over the duration of the loan (amortized cost under IFRS 9).

In parallel, an interest rate hedge has been established through an interest rate swap for one-third of the borrowed amount over three years. The fair value of this financial instrument as of December 31, 2024, represents a liability of 0.7 million

The Company also has a Revolving Credit Facility (RCF) of a maximum amount of 60 million euros, it bears interest at the Euribor rate of the period, to which a margin is added, depending on a leverage ratio and set at 135 base points for the first year.

On December 31, 2024, Launchmetrics' financial debts amounted to 3.2 million euros, of which 0.5 million euros classified as short-term loan.

The maturity of the financial instruments was as follows:

(in thousands of euros)	December 31, 2024	December 31, 2023
Borrowings		
Short term – less than one year	15,704	21,405
Long term – more than one year, and less than five years	86,773	76,684
Total	102,477	98,089
Derivative financial instruments		
Long term – more than one year, and less than five years	664	-
Total	664	-

9. FOREIGN EXCHANGE RISK

In 2024, the average parity between the US dollar and the euro was $1.08/€1.

Exchange risk hedging instruments

For Lectra's legacy entities, the Group's currency risk hedging policy is unchanged relative to December 31, 2023.

Exchange risk hedging instruments on December 31, 2024, were comprised of forward sales and purchases of foreign currencies (mainly US dollar) for a net total equivalent value (purchases minus sales) of 52.7 million euros, intended to hedge existing balance sheet positions. Thus, the Company has hedged almost all its balance sheet positions.

10. SENSITIVITY ANALYSIS

Sensitivity of revenues and EBITDA before non-recurring items to a change in exchange rates

The sensitivity of revenues and EBITDA before non-recurring items to a change in exchange rates was based on December 31, 2024, exchange rates for the relevant currencies, in particular $1.04/€1. The sensitivity to a change in exchange rates takes past acquisitions into account.

In view of the estimated share of revenues and costs denominated in US dollars or in currencies correlated with the US dollar, a 5-cent fall in the euro against the US dollar (leading to an annual average exchange rate of $0.99/€1) would mechanically increase 2024 annual revenues by approximately 12.0 million euros and annual EBITDA before non-recurring items by 5.4 million euros. Conversely, a 5-cent appreciation of the euro against the US dollar (i.e. $1.09/€1) would mechanically reduce annual revenues and EBITDA before non-recurring items by the same amounts.