

The LECTRA logo is positioned in the top right corner of the slide. It features the word "LECTRA" in a clean, white, sans-serif font. A small red horizontal bar is placed above the letter "E". The background of the slide is a dark, monochromatic collage of images: a leather car seat on the left, a woman's profile in the center, and a modern armchair on the right.

LECTRA®

Financial results Q4 & FY 2020

Daniel Harari, *Chairman & CEO*
Jérôme Viala, *Executive Vice President*

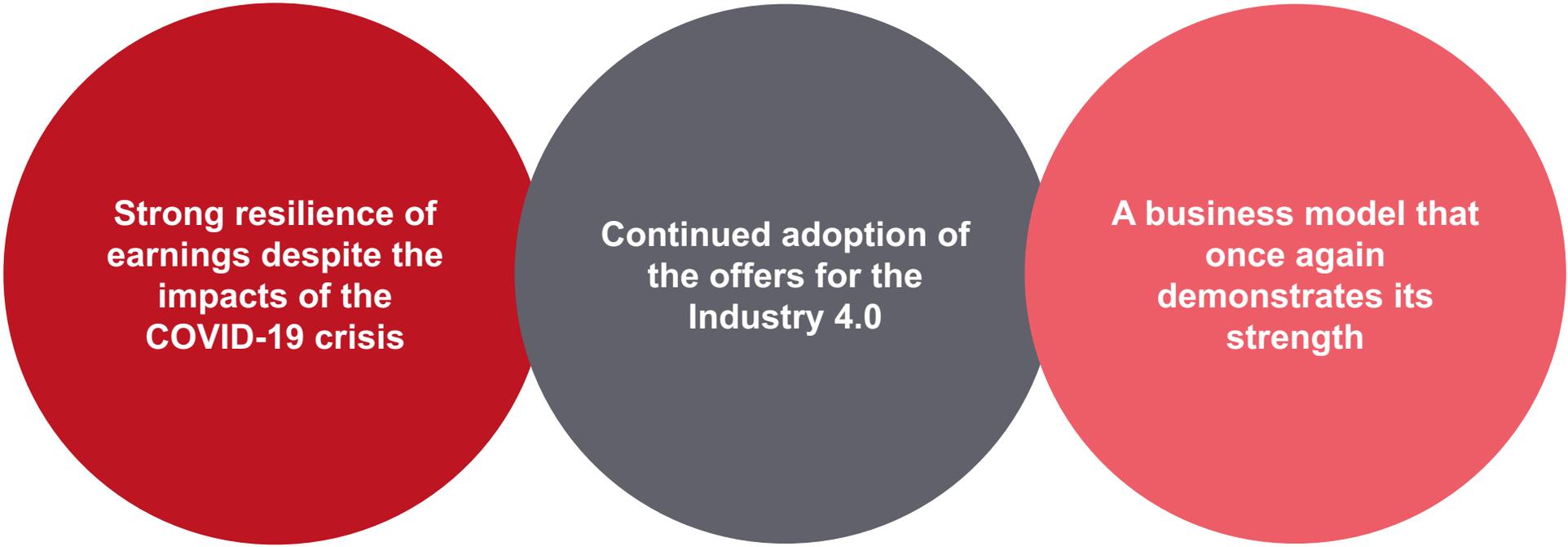
February 11, 2021

Financial results Q4 & FY 2020

- **2020 main highlights**
- Q4 2020 results
- FY 2020 results
- Strategic roadmap for 2020-2022: first progress report
- Gerber Technology acquisition project
- Outlook

Unless stated otherwise, comparisons are 'like-for-like' (2020 figures restated at 2019 exchange rates).

2020 main highlights



Strong resilience of earnings despite the impacts of the COVID-19 crisis

Continued adoption of the offers for the Industry 4.0

A business model that once again demonstrates its strength

2020 main highlights

Different impact of the COVID-19 crisis depending on the market sector

Fashion



All businesses (brands, subcontractors, retailers) face profound changes and an unprecedented pace of consumer habits. Some of them face difficult cash situations.

Automotive



A severe shock to a market having already faced difficulties over the last few years.

Furniture



The home has become a central part of consumer lives.

Lectra's three strategic market sectors—fashion, automotive and furniture—have been strongly impacted, though the furniture market experienced a rebound starting in the third quarter.

2020 main highlights

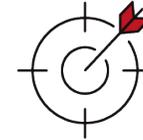
Main measures taken by Lectra to face the crisis



Safeguard the health of employees, customers and suppliers



Guarantee the continuity of service to customers



Pursue the execution of the Lectra 4.0 strategy

Strengthen customer relations and digital marketing actions



Reduce overhead costs



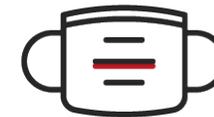
In light of its sound financial position, capacity for resilience, and medium-term outlook, the Group decided not to put in place short-time working arrangements (under the partial activity scheme), and not to benefit from any financial support from the French government.

2020 main highlights

Mobilization of Lectra's teams to produce protective equipment voluntarily



15,000 GOWNS
cut for hospitals and
teaching hospitals

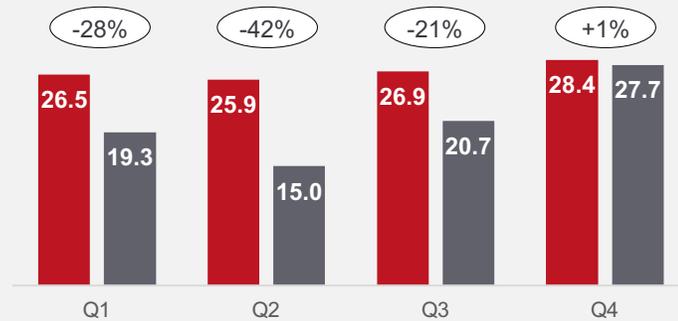


390,000 MASKS
cut for the general public,
190,000 of which for the French
initiative "United masks"

2020 main highlights

Following a strongly impacted H1 by the COVID-19 crisis, several signs of improvement observed in Q3, confirmed in Q4

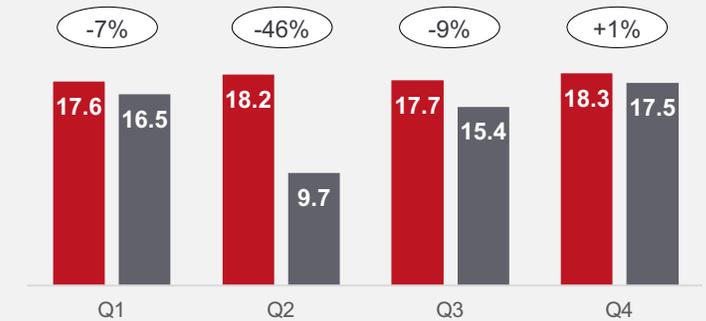
Orders for perpetual software licenses, equipment and accompanying software, and non-recurring services



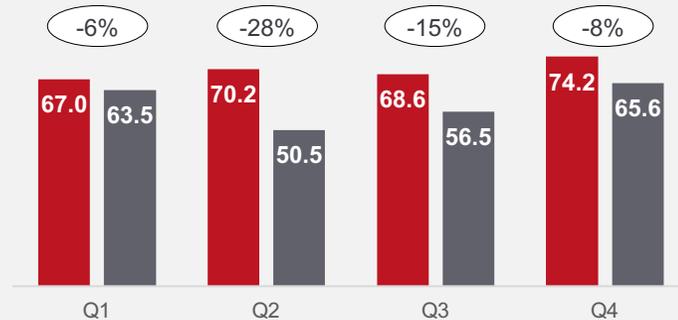
New software subscription orders



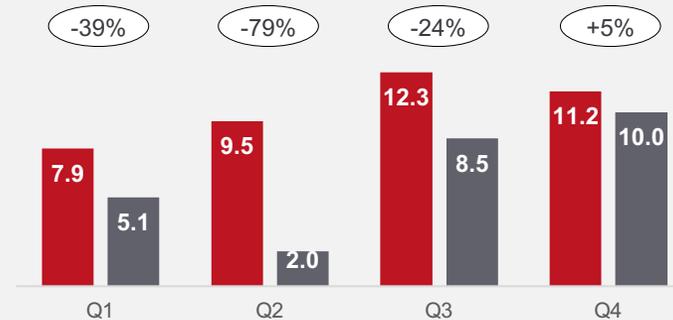
Revenues from consumables and parts



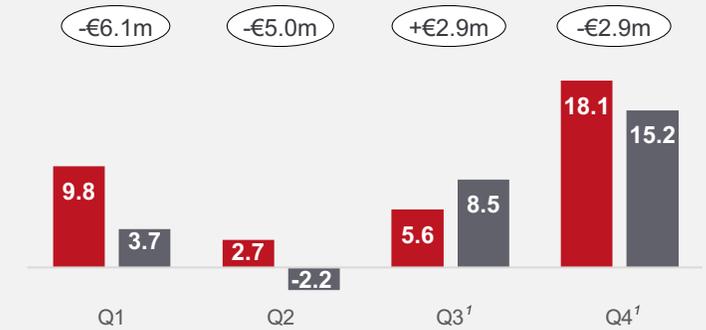
Revenues



Income from operations before non-recurring items



Free cash flow



■ 2019 ■ 2020

¹ Q3 20 free cash flow includes receipt of the balance of the 2016 research tax credit of €2.6m (the balance of the 2015 research tax credit of €5.7m was received in Q4 19).

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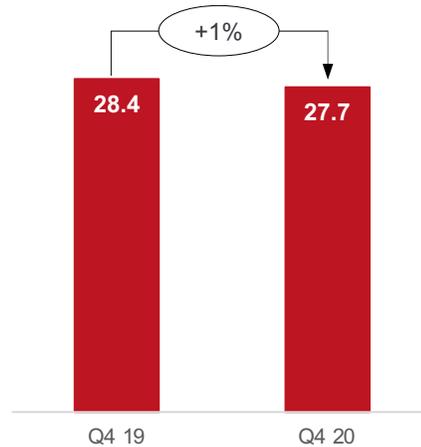
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Q4 2020 results

Growth in orders

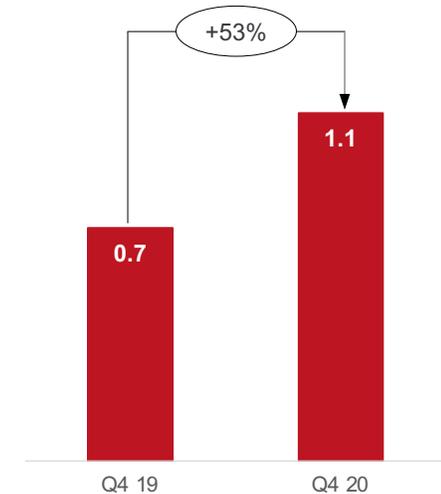
Orders for perpetual software licenses, equipment and accompanying software, and non-recurring services

In millions of euros



New software subscription orders

In millions of euros, annual value



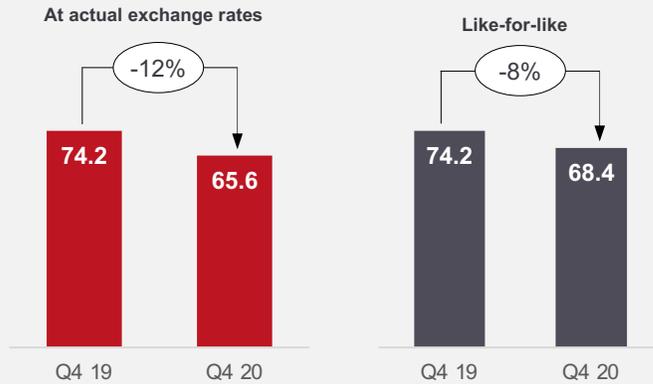
While overall business activity improved in the closing months of the year, many customers were still operating below pre-crisis levels and therefore made reductions in capital expenditures or operating expenses.

Q4 2020 results

Revenues and earnings still impacted by the COVID-19 crisis

In millions of euros

Revenues



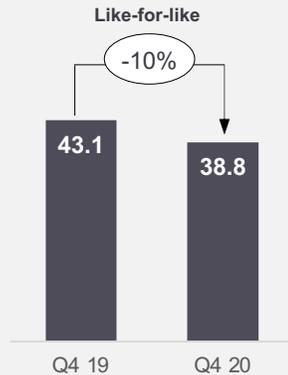
Income from operations *before non-recurring items*



\$/€1 exchange rate

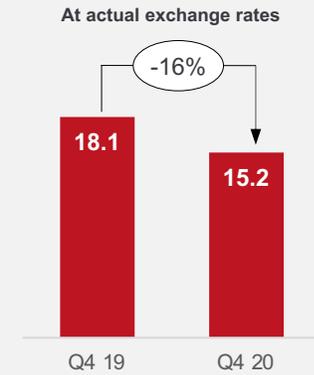


Overhead costs



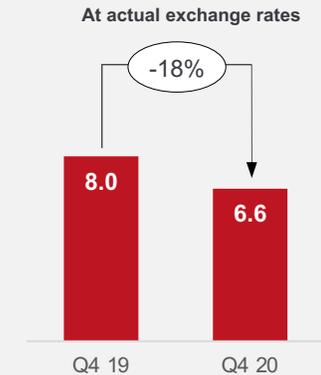
Decrease notably thanks to the measures implemented since March to control spending, and maintained in Q4.

Free cash flow



Q4 19 free cash flow included receipt of the balance of the 2015 research tax credit of (€5.7m) while receipt of the balance of the 2016 research tax credit was received in Q3 20.

Net income



= In % of revenues

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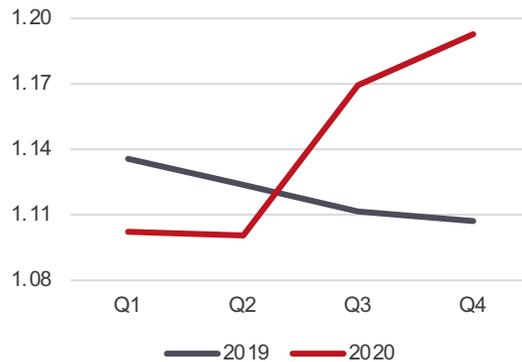
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FY 2020 results

Negative impact of currency changes

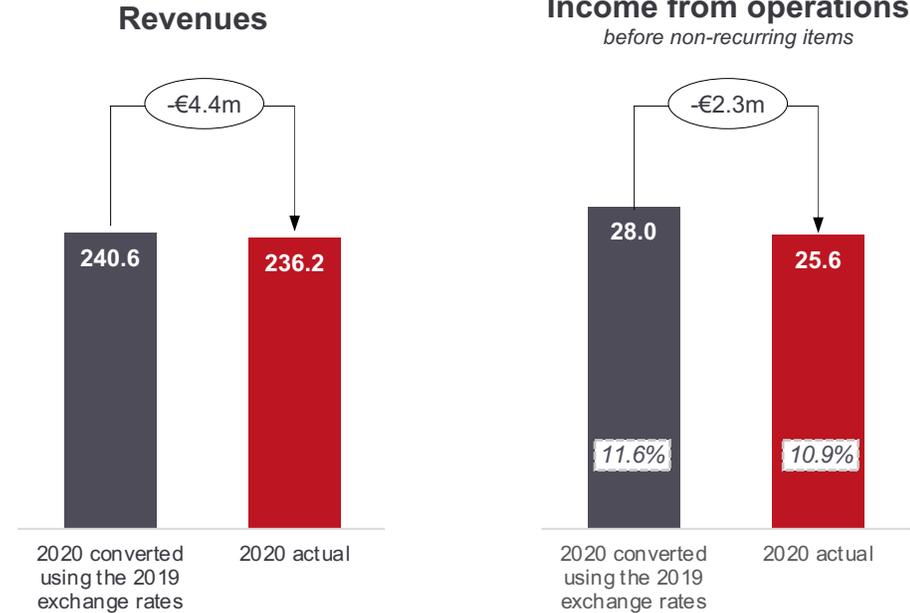
With an average exchange rate of \$1.14/€1 in 2020, the US dollar was down 2% compared to 2019. The slide in the dollar intensified late in the year, and the exchange rate stood at \$1.23 to the euro on December 31, 2020. The yuan also declined by 2% against the euro.

Average \$/€1 exchange rate



Conversion of 2020 results using the 2019 exchange rates

In millions of euros



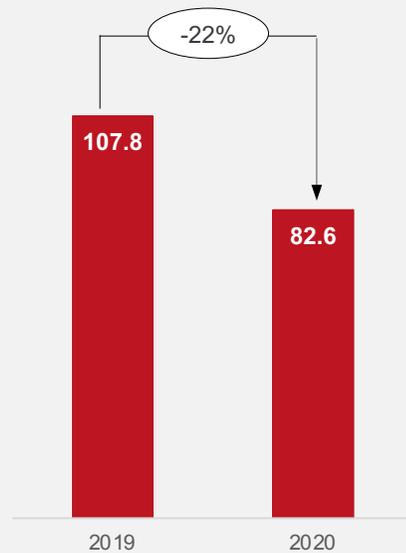
11.6% = In % of revenues

FY 2020 results

Orders down overall, strong growth in software subscription sales

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

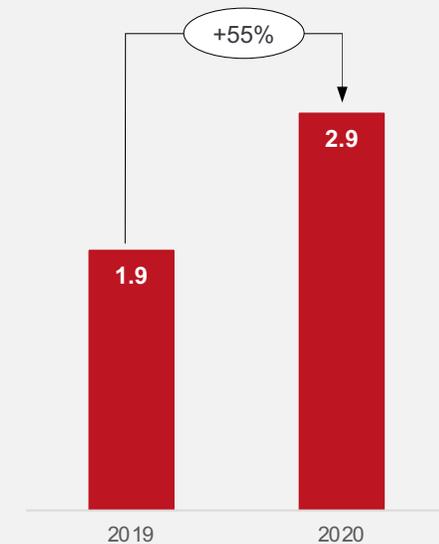
In millions of euros



	2019	2020	Change At actual exchange rates	Change Like-for-like
Total	107.8	82.6	-23%	-22%
<i>of which perpetual software licenses</i>	12.8	7.8	-39%	-39%
<i>of which equipment and accompanying software</i>	80.2	64.3	-20%	-18%
<i>of which training and consulting</i>	12.4	9.0	-27%	-27%

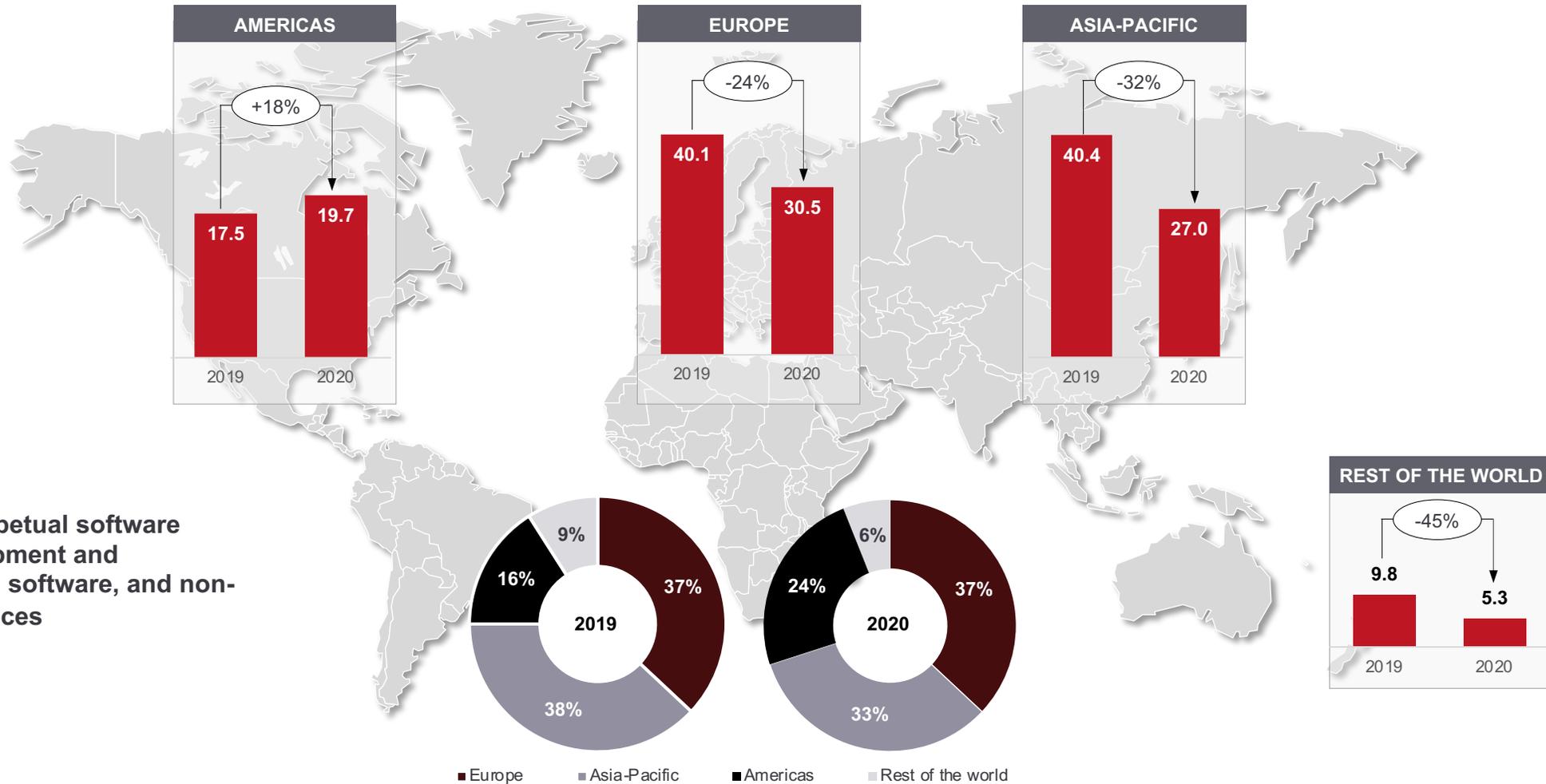
New software subscription orders

In millions of euros, annual value



FY 2020 results

Contrasted geographical activity



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

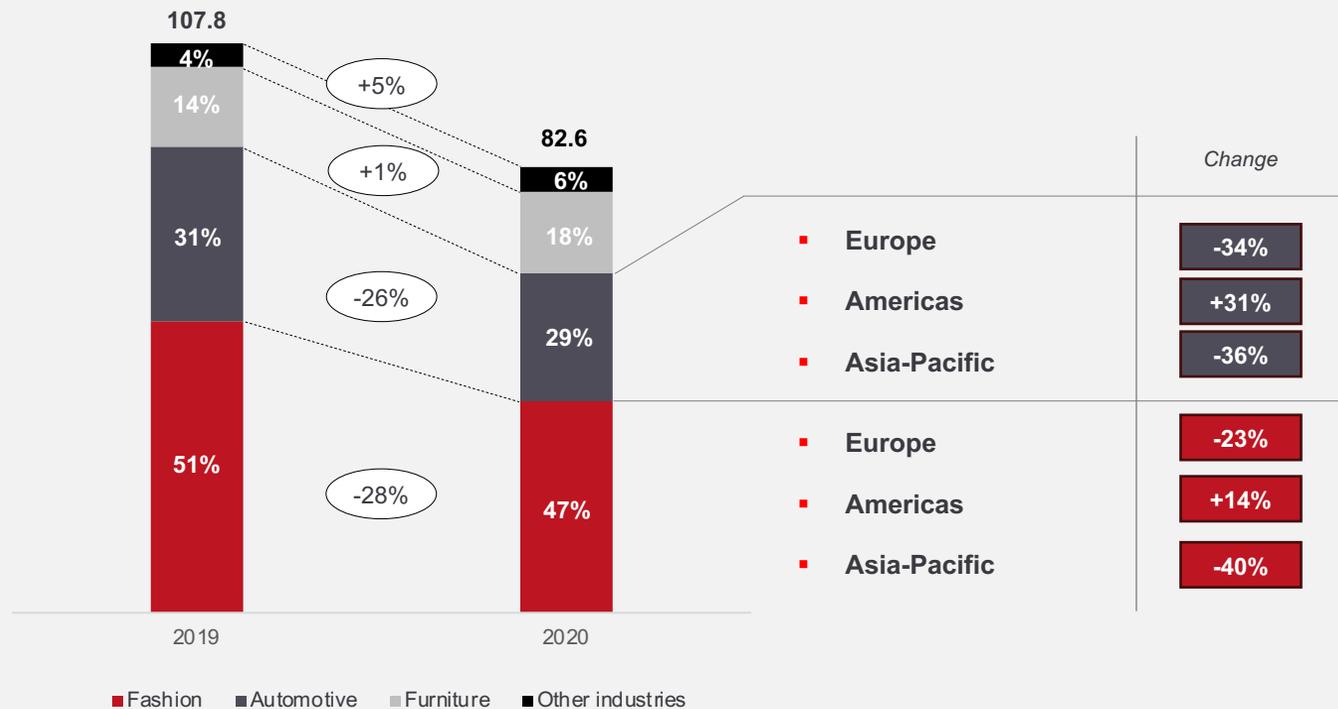
In millions of euros

FY 2020 results

Decline in orders in fashion and automotive – Slight increase in furniture and other industries

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

In millions of euros

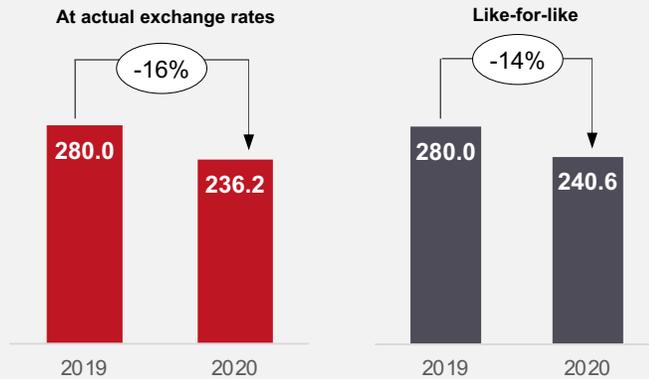


FY 2020 results

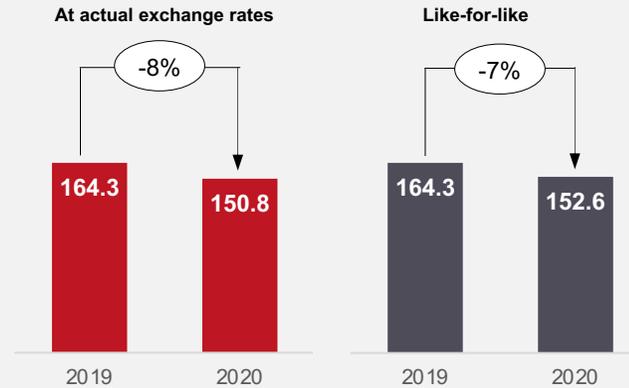
Strong resilience in earnings and free cash flow, despite the consequences of the health crisis

In millions of euros

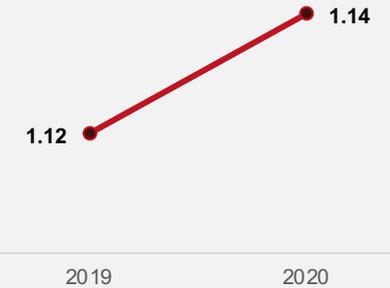
Revenues



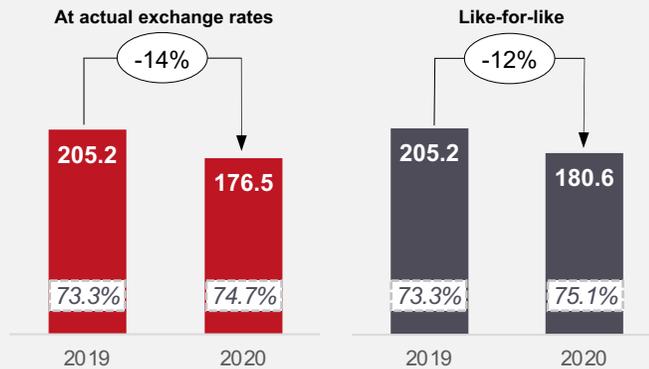
Overhead costs



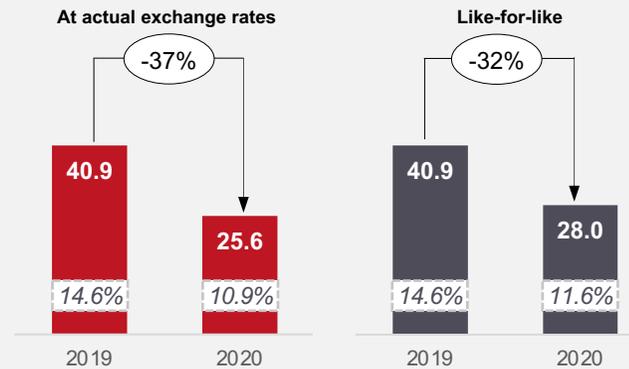
\$/€1 exchange rate



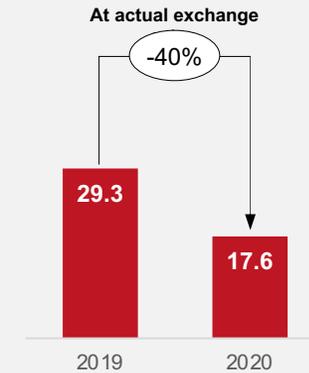
Gross profit



Income from operations before non-recurring items



Net income



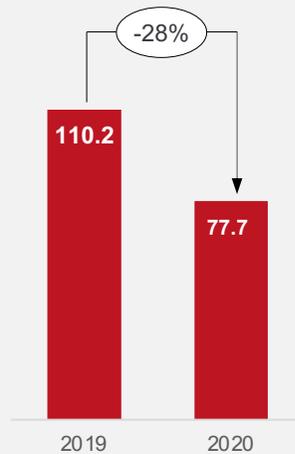
= In % of revenues

FY 2020 results

Slight increase in recurring contracts

Revenues from software licenses, equipment and accompanying software, and non-recurring services

In millions of euros

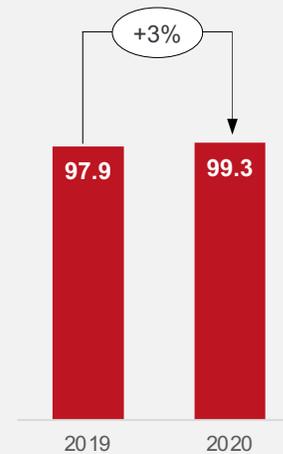


Perpetual software licenses	8.4	-37%
Equipment and accompanying software	57.7	-28%
Training and consulting	9.9	-18%

Recurring revenues

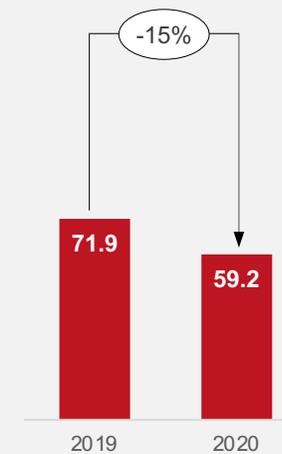
In millions of euros

Recurring contracts



Software maintenance contracts	37.5	-1%
Software subscriptions	3.7	+137%
Equipment and accompanying software maintenance contracts	58.2	+2%

Consumables and parts



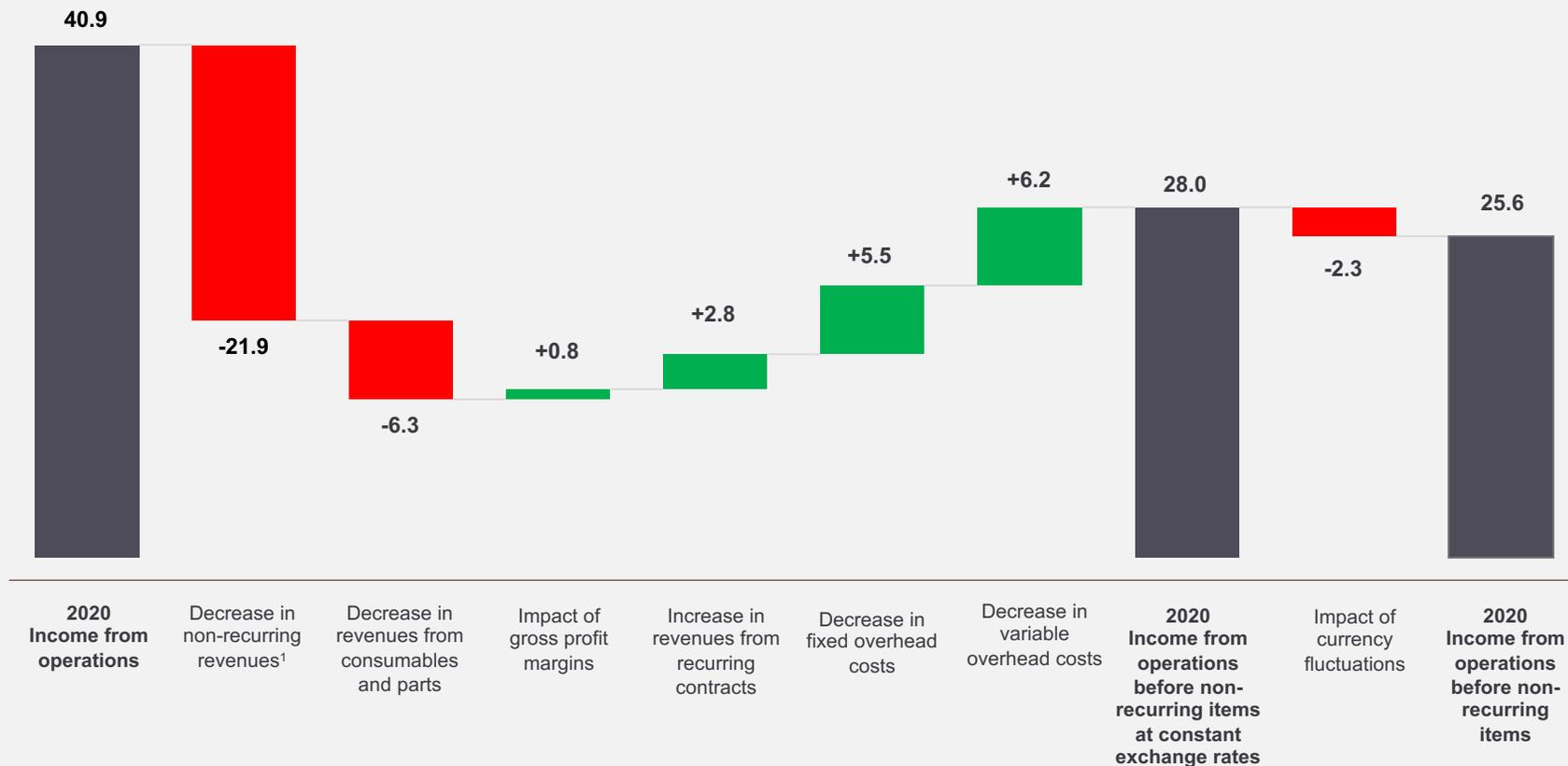
Recurring revenues are a key pillar of the Group's business model and constitute a protective factor that has mitigated the impact of the COVID-19 crisis on the earnings.

FY 2020 results

Resilient income from operations

Evolution of income from operations *before non-recurring items*

In millions of euros

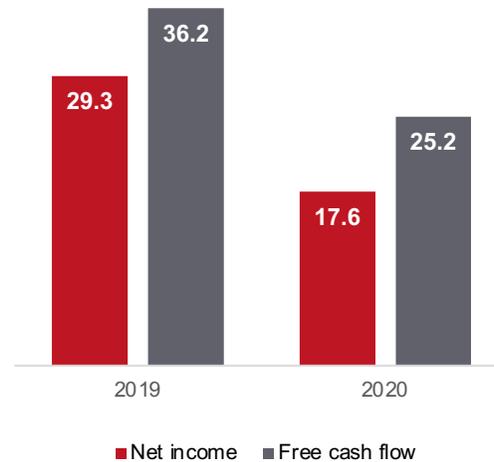


Lectra has implemented measures to reduce its overhead costs, which were initially budgeted to increase by 8% in 2020 (-7% 2020 vs. 2019), by cancelling or postponing all non-essential expenses.

¹ Revenues from software licenses, equipment and accompanying software, and non-recurring services

Free cash flow higher than net income

In millions of euros



Free cash flow amounted to €25.2m (€36.2m in 2019). Free cash flow exceeded net income by €7.6m in 2020.

The decline in free cash flow from 2019 (-€11m) was slightly less than the decline in net income (-€11.7m), which again confirms the strength and resiliency of the Group's business model, including in a challenging environment.

FY 2020 results

Particularly robust balance sheet

Balance sheet

In millions of euros



The group has no financial debt.

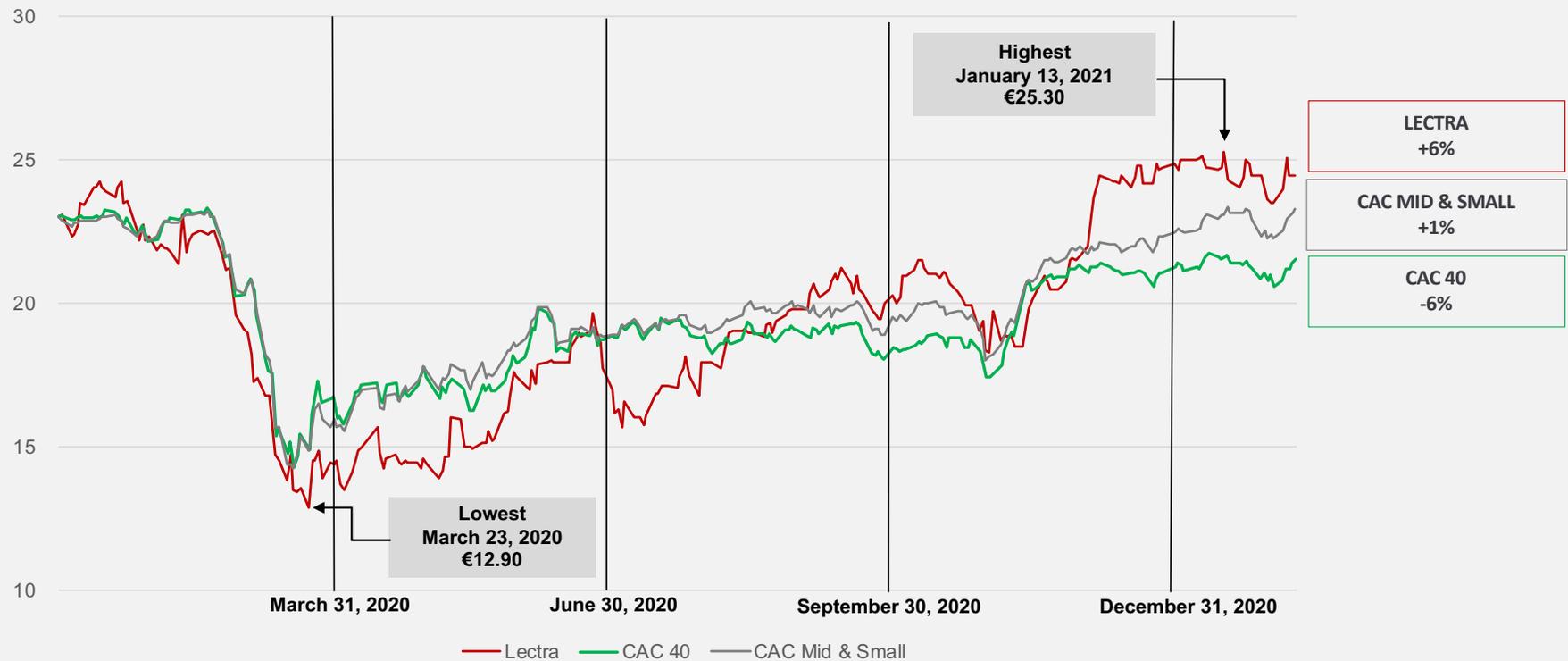
Net cash is close to €135m.

FY 2020 results

Evolution of the share price

Evolution from January 1, 2020 to February 5, 2021

In euros, closing price



AT FEBRUARY 5, 2021

- Share price: €24.45
- Market cap.: €795m
- Enterprise Value: €660m
- EV/2020 Revenues: 2.8x
- EV/2020 EBITDA: 17.6x
- PER 2020: 43.8x

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Strategic roadmap for 2020-2022: first progress report

Acceleration towards Industry 4.0

The objective of Lectra through its 2020-2022 strategic roadmap is to capture the full potential of its new offers for Industry 4.0, while delivering sustainable, profitable business growth.



Despite the consequences of the economic crisis caused by the COVID-19 pandemic, most of the objectives of the 2020-2022 strategic roadmap remain unchanged, particularly the acceleration towards Industry 4.0. The only adjustments to the original objectives are in the growth targets for the end of the three-year period – particularly following the proposed acquisition of the company Gerber Technology.

Strategic roadmap for 2020-2022: first progress report

Four strategic priorities

1

Accelerate organic growth

2

Strengthen customer relations

Extend the offers for Industry 4.0

3

Develop new areas for growth

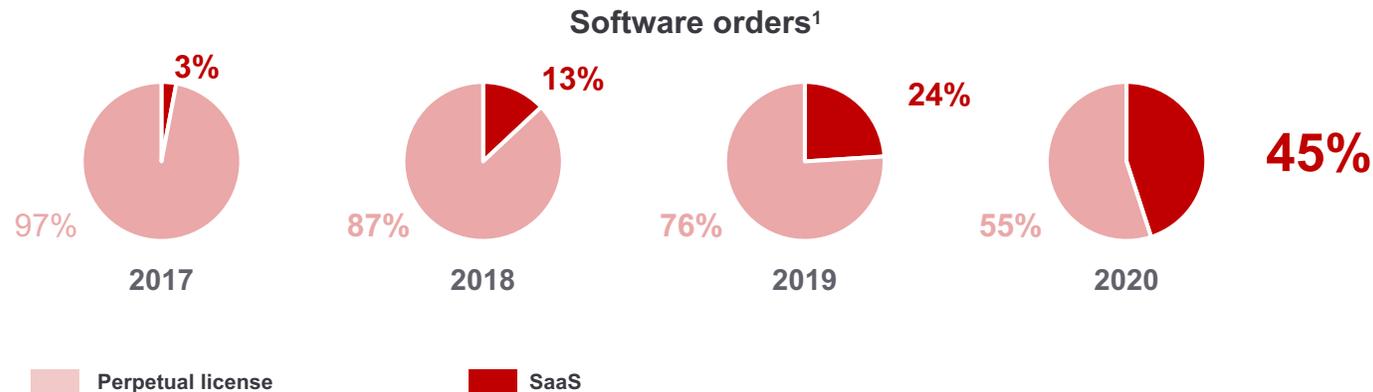
4

These four strategic priorities guided the Group's action in 2020.

Strategic roadmap for 2020-2022: first progress report

Growing adoption of the offers for the Industry 4.0

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



This success confirms the relevance of Lectra's strategy and choices since 2017.

These offers, which will be further expanded in the next two years, mean that Lectra will be fully capable of helping all companies in its markets to meet the challenges of the post-COVID-19 world.

¹ If the Group had decided to include subscription software sales in the amount of orders for new systems (by multiplying the annual value of the annual subscription contracts by 2.2).

Strategic roadmap for 2020-2022: first progress report

New 4.0 offers meet companies' long-term needs

FASHION ON DEMAND

by LECTRA

"We were looking for a partner in managing the complexity and scalability of a made-to-measure business. The complex comes from having to alter patterns for each individual garment while ensuring marker efficiency and accurate motif matching. That was when we found Lectra to embark on this journey with us."

Delman Lee
President and CTO

TAL Apparel

FURNITURE ON DEMAND

by LECTRA

"We wanted to minimize production costs and, at the same time, offer quality products manufactured in fully controlled conditions, with repeatability and full traceability of suppliers and the raw materials used. Lectra made it possible for us."

Paweł Suchorski
Managing Director

Euroline

KUBIX LINK

Riccardo Romani
Head of International Production

Calzedonia Group

"Having enjoyed years of solid and fruitful partnership with Lectra, we have decided to choose them again for their Kubix Link solution to overcome the challenge of digitizing our processes."

RETVIEWS

a LECTRA company

Christian D'Antoni
Head of Merchandising

Miroglio Group

"We needed to find a solution that would allow us to monitor the market in order to streamline our product positioning strategies. With Lectra, our trusted technological partner, we evaluated Retviews as the most efficient solution for the acquisition and display of market data in real time."

QUICK ESTIMATE

Masayo Epp
Head of industrialization
department, Women

agnès b.

QUICK NEST

"The accuracy of the information transmitted by the pattern-markers translates into a rapid gain in efficiency in the product development process."

Strategic roadmap for 2020-2022: first progress report

Addition of a fifth strategic priority¹



¹ If and when the acquisition is consummated

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Gerber Technology acquisition project

Lectra's ambition: to create a world-class, leading Industry 4.0 player for the fashion, automotive and furniture markets

LECTRA[®]

**GERBER**
TECHNOLOGY



Gerber Technology acquisition project

Transaction rationale

LĒCTRA

Strengths

- Very solid presence in Europe and strong position in Asia-Pacific
- Undisputed technology leadership
- Prestigious European fashion customers
- World leader in Automotive
- 100% inhouse manufacturing
- 34 subsidiaries, 90%+ sales direct
- Solid business model and balance sheet
- High value-added offers for the Industry 4.0

LĒCTRA  **GERBER**
TECHNOLOGY

Opportunities

- Highly complementary customer bases and geographic market positions: upsell and cross-sell opportunities
- More value to customers through seamlessly integrated solutions
- Cost rationalization and economies of scale for sales, support and admin operations
- Mutualized future R&D development, addressing notably a broader customer base
- Accelerated digital transformation in fashion, automotive and furniture industries

 **GERBER**
TECHNOLOGY

Strengths

- Very solid presence in North America and strong position in Asia-Pacific
- Integrated and industry leading solutions
- Renowned brand reputation
- Prestigious American fashion customers
- 100% outsourced manufacturing
- Very high level of recurring activities
- Thousands of Industry 4.0 ready products in use

Gerber Technology acquisition project

Benefits from combining strengths and competencies

LECTRA®

 GERBER
TECHNOLOGY

Global leader in value and volume, with world-class customers and leadership around the world

Industry's most capable player to help fashion, automotive and furniture companies seize the opportunities of the Industry 4.0 era

A greater critical mass, giving higher headroom to execute the strategy

The largest worldwide installed base of product development software and cutting solutions in operations

Best of best technology and integrated solutions

The strongest R&D and business-line expert teams

An attractive combined financial profile with very strong recurring revenue and cash flow generation

A strong combined management team recognized for value creation and success in previous combinations

Gerber Technology acquisition project

Envisioned transaction overview

Anticipated transaction structure

- Acquisition price, on a cash-free debt-free basis: €175m (cash+debt combined) and shares (5m newly issued to AIPCF VI LG, an affiliate of American Industrial Partners that is Gerber Technology's sole shareholder) – Total amount of about €300m based on Lectra's closing share price on February 5, 2021
- Lectra to own 100% of Gerber Technology
- AIPCF VI LG to own c. 13.3% of Lectra capital (pro-forma), Daniel Harari to own c. 14.6%

Company name & headquarters

- Lectra to remain the combined company name
- Both Lectra and Gerber Technology brands will remain
- Euronext Paris listing, c. 39 million fully diluted shares outstanding post closing
- Headquarters in Paris, France

Leadership & governance

- Chairman and CEO: Daniel Harari – Gerber Technology CEO, Mohit Uberoi, to assume special advisor role to Daniel Harari until end-2021
- Board of Directors: one new Director representing AIPCF VI LG

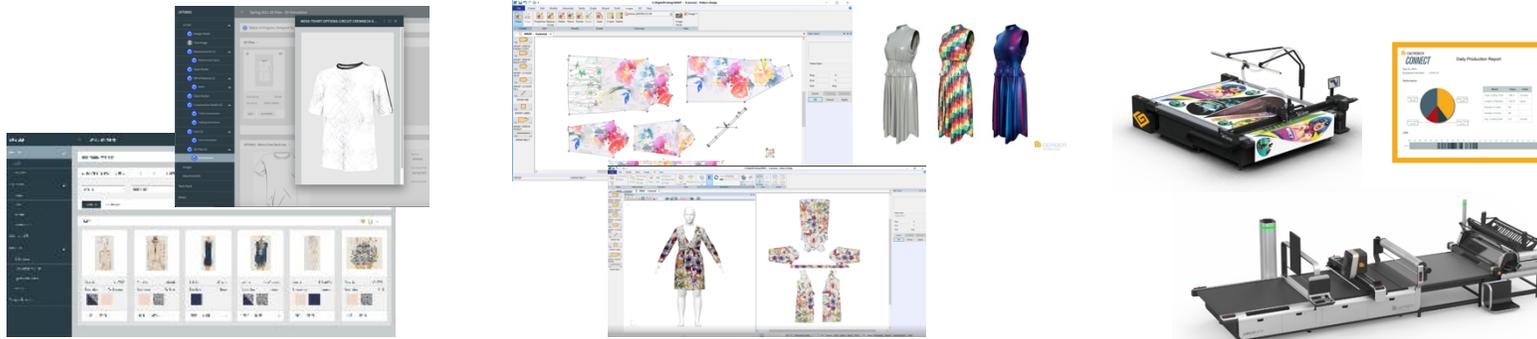
Timing & closing requirement

- Extraordinary Shareholders' Meeting expected on April 30, 2021 to vote on the issuance of the 5 million new Lectra shares reserved to AIPCF VI LG
- Subject to customary conditions, including regulatory approval in the US – French work council of Lectra to be consulted
- Expected closing mid-Q2

Gerber Technology acquisition project

Gerber Technology overview

Gerber Technology builds enterprise-wide solutions for automating the design and production of flexible materials based on its proprietary technologies, deep domain expertise, and multi-decade customer relationships



€165 million

2020 revenues

645 employees

Americas: 52%
Asia-Pacific: 28%
EMEA: 19%

Fashion PLM¹
software

Software for development,
production and industrialization

Automated cutting
solutions with
Industry 4.0 capabilities

10% of revenues
dedicated to R&D

1968 H. Joseph Gerber invents the GERBERcutter which automatically cut large amounts of material with a computer-controlled knife

1988 Launch of Accumark

2009 Acquisition of Yunique Solutions

2011 Vector Capital and CITIC Capital Partners buy all outstanding shares of Gerber Scientific and exit the Group from the stock exchange

2016 American Industrial Partners acquires full ownership of Gerber Technology

2018 Acquisitions of MCT Digital and Avametric

Gerber Technology acquisition project

Complementary customer base

LECTRA®

GERBER
TECHNOLOGY



Gerber Technology acquisition project

A large combined installed base, with upgrade and Industry 4.0 opportunities



Software sold in perpetual licenses



13,000

licenses under contract

Equipment and accompanying software



1,700

Industry 4.0 compatible

3,400

15+ years

Software sold in SaaS mode



€2.2m

2020 revenues



18,000

licenses under contract



4,700

Industry 4.0 compatible

1,400

15+ years



€3.7m

2020 revenues

Gerber Technology acquisition project

Combining two financially strong and efficient companies

2020 revenues and earnings of both companies were impacted by the COVID-19 crisis

2020	LECTRA	GERBER TECHNOLOGY	LECTRA GERBER TECHNOLOGY Aggregated ¹ , pre-synergies
Total revenues	€236m	€165m	€401m
Recurring revenues	€159m	€98m	€256m
Recurring revenues as a % of total revenues	67%	59%	64%
EBITDA	€37m	€13m (adjusted ²)	€50m
EBITDA margin	16%	8% (adjusted ²)	13%
Free cash flow	€25m	€9m	€34m
Security ratio ³	91%	91% (adjusted ²)	91%

¹ Simple aggregation of 2020 results (unaudited for Gerber Technology, US GAAP) prior to any required accounting adjustments

² Adjusted figures by Lectra to offset non-recurring expenses

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

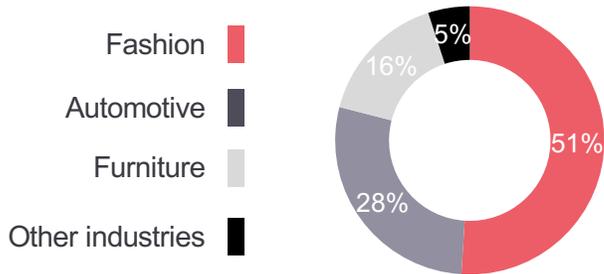
Gerber Technology acquisition project

A worldwide, well-balanced presence

LECTRA

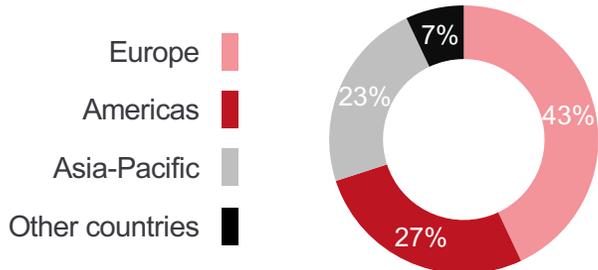
€78 million

2020 revenues from perpetual software licenses, equipment and accompanying software, and non-recurring services



€236 million

2020 revenues

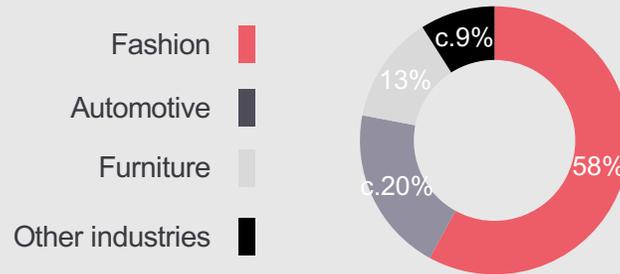


LECTRA **GERBER TECHNOLOGY**

Aggregated revenues¹, pre-synergies

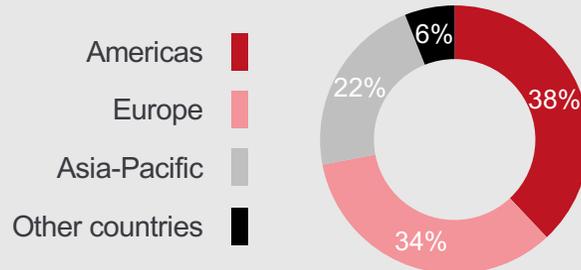
€145 million

2020 revenues from perpetual software licenses, equipment and accompanying software, and non-recurring services



€401 million

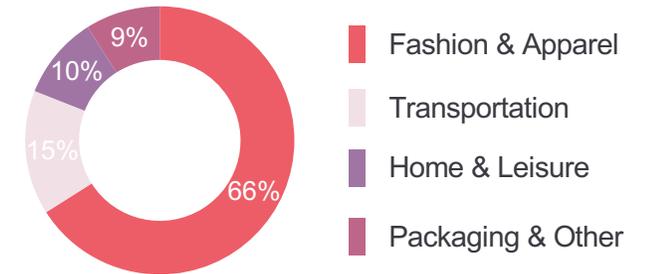
2020 revenues



GERBER TECHNOLOGY

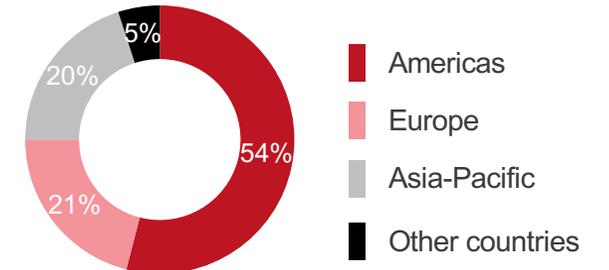
€67 million

2020 revenues from perpetual software licenses, equipment and accompanying software, and non-recurring services



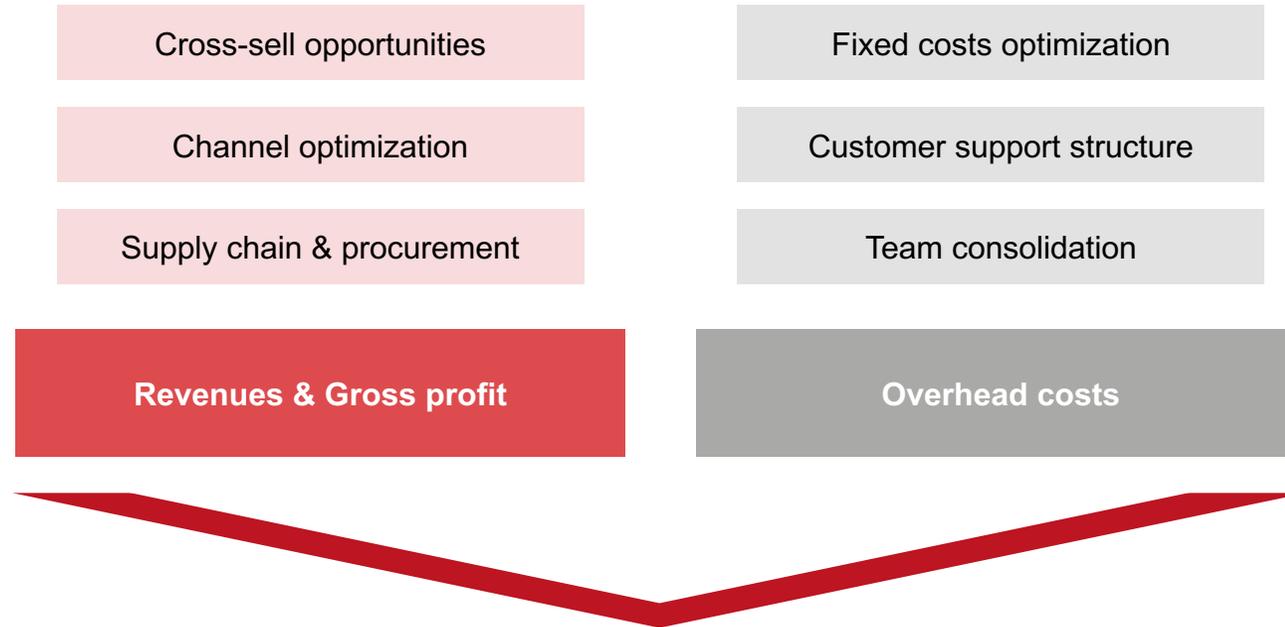
€165 million

2020 revenues



Gerber Technology acquisition project

Strong value creation from synergies



+€12-18 million

Expected increase in
EBITDA¹ in 2022

¹ Excluding non-recurring expenses related to the implementation of synergies

Gerber Technology acquisition project

Combination will benefit all stakeholders

Customers

- Greater capabilities and resources to address customer needs
- Combined R&D benefiting to both companies' customers
- Increased interoperability between both companies' solutions

Employees

- More opportunities to build a career in a large group
- Strong commitment to drive engagement and development
- Complementary company culture and DNA

Industry

- Improved positioning to address new industry requirements
- Unmatched investment in innovation to surpass current state of the art
- Unleash the full potential of the Industry 4.0 faster

Shareholders

- Attractive combined financial profile, with €250+m of recurring revenues
- Solid and experienced combined management team, minimizing integration risk
- Accretive transaction from 2022

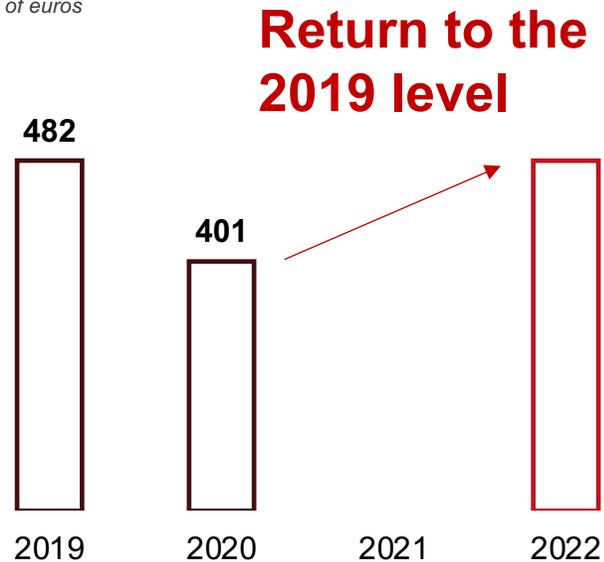
Financial results Q4 & FY 2020

- 2020 main highlights
- Q4 2020 results
- FY 2020 results
- Strategic roadmap for 2020-2022: first progress report
- Gerber Technology acquisition project
- **Outlook**

2022: Lectra and Gerber Technology's combined financial objectives

Combined revenues

In millions of euros



Combined EBITDA margin before non-recurring items¹

17% to 20%

Including the effect of the synergies that should have an impact of between +€12m and +€18m on EBITDA before non-recurring items

¹ Excluding non-recurring expenses, notably those related to the implementation of synergies

2021: external factors weighing on the outlook

Before taking the acquisition of Gerber Technology into account

Uncertain macroeconomic environment, coronavirus epidemic, degraded financial situations

These items could weigh on customers' investment decisions and postpone or constrain the rebound in orders for new systems.

Impact of exchange rate fluctuations

2021 scenarios prepared on the basis of the closing rates on December 31, 2020, and particularly \$1.23/€1 (compared to the average rate of \$1.14/€1 in 2020).

Conversion of 2020 results using the 2021 exchange rates used for scenarios:

- Revenues: -€6.9m
- Income from operations before non-recurring items: -€4.4m
- Operating margin before non-recurring items: -1.6 percentage point

2021: financial objectives

Before taking the acquisition of Gerber Technology into account

Revenues	€250m to €268m	+9% to +17%	Like-for-like
Income from operations before non-recurring items	€27m to €34m	+27% to +60%	

Based on the order backlog at December 31, 2020, revenues and income from operations before non-recurring items for Q1 2021 are expected to be substantially higher than those reported for Q1 2020.

The objectives will be adjusted at the time of the completion of the Gerber Technology acquisition, which is expected to occur during Q2 2021.

Upcoming Financial Calendar

Annual Shareholders' Meeting

April 30, 2021

Quarterly results

Q1 April 29, 2021

Q2 July 29, 2021

Q3 October 27, 2021

Q4 February 9, 2022

Analyst conferences

October 28, 2021

February 10, 2022

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Empowering customers through industrial intelligence