

Q1 2015: Strong Growth in Revenues and Earnings

- Revenues: €56.1 million (+18%)*
- Income from operations: €5.6 million (x3)*
- Net income: €3.7 million (x2.3)*
- Free cash flow: -€1.2 million
- Net cash: €43.5 million

*at actual exchange rates

in millions of euros	January 1 – March 31	
	2015	2014 ⁽³⁾
Revenues	56.1	47.7
Change at actual exchange rates (%)	+18%	
Change like-for-like (%) ⁽¹⁾	+8%	
Income from operations	5.6	1.9
Change at actual exchange rates (%)	+192%	
Change like-for-like (%) ⁽¹⁾	+64%	
Operating margin (in % of revenues)	10%	4%
Net income	3.7	1.6
Change at actual exchange rates (%)	+134%	
Free cash flow	-1.2	2.8
Shareholders' equity ⁽²⁾	99.6	94.3
Net cash ⁽²⁾	43.5	43.1

(1) Like-for-like: 2015 figures restated at 2014 exchange rates

(2) At March 31, 2015 and December 31, 2014

(3) 2014 income from operations and shareholders' equity figures are restated to reflect the application of IFRIC 21 (2014 published figures were €2.3 million and €94.1 million respectively), the full-year impact being practically nil

Paris, April 29, 2015. Today, Lectra's Board of Directors, chaired by André Harari, reviewed the unaudited consolidated financial statements for the first quarter of 2015.

(Given the sharp currency variations and the significance of their impact, detailed comparisons between 2015 and 2014 are based both on actual exchange rates and 2014 exchange rates ("like-for-like") unless stated otherwise).

Very Positive Impact from Weaker Euro

The sharp fall in the euro since summer 2014, against the dollar and the yuan notably, has been a major event for Lectra and for its customers.

With an average parity of \$1.13/€1 in Q1 2015, the US dollar was up 22% compared to Q1 2014 (\$1.37/€1). For its part, the yuan appreciated 19%.

While Lectra has opted to maintain its R&D and manufacturing in France, and to invest in innovation to increase its competitiveness, most of its competitors—especially the main one, a US company—manufacture their equipment in China. Most of Lectra's production costs are thus euro-denominated, with practically zero inflation, while its competitors' costs are denominated in yuan, subject to continuously rising wages and social charges, along with higher inflation.

Lectra's competitive position has been bolstered significantly worldwide as a result.

In addition, sale prices in North America and Asia are mainly expressed in dollars or yuan, with a very substantial mechanical impact on revenues and earnings.

Dollar appreciation together with other currency movements mechanically increased revenues by 9% and income from operations by 79% at actual exchange rates compared with like-for-like figures.

Orders for New Systems Sales Lower than Expected by the Company

Orders for new systems sales (€21.3 million) are up 12% at actual exchange rates, but are stable like-for-like compared with Q1 2014.

Orders for new software licenses (€5.7 million) increased 7% like-for-like, and those for CAD/CAM equipment (€12.4 million) by 3%. Orders for training and consulting (€2.7 million) decreased by 22%, in the absence of significant new projects signed during the quarter.

Revenues and Income from Operations Ahead of the Company's Roadmap at Actual Exchange Rates, but Down Slightly Like-for-Like

Revenues (€56.1 million) are up 18% at actual exchange rates and 8% like-for-like.

At actual exchange rates, revenues from new systems sales (€23 million) increased by 25% and recurring revenues (€33.1 million) by 13%; like-for-like, they rose by 13% and 5% respectively.

Income from operations (€5.6 million) increased €3.7 million (+192%) at actual exchange rates and €1.2 million (+64%) like-for-like.

At actual exchange rates, revenues were €0.4 million ahead of the company's roadmap, and income from operations was ahead by €1.2 million. At the exchange rates used to set 2015 objectives (based on exchange rates at December 15, 2014, notably \$1.25/€1), revenues lagged slightly behind (€2.3 million) the roadmap, income from operations was very close.

The operating margin (10%) was up 6 percentage points at actual exchange rates and 2.1 percentage points like-for-like.

Net income (€3.7 million) increased €2.1 million (+134%) at actual exchange rates.

A Zero-Debt Company, Shareholders' Equity Bolstered Once More

Consolidated shareholders' equity reached €99.6 million.

The company was debt free as of March 31, 2015, residual financial borrowings at December 31, 2014 (€0.4 million) having been reimbursed. Cash and cash equivalents and net cash position totaled €43.5 million.

Dividend

Subject to approval by the Shareholders' Meeting of April 30, 2015, the dividend of €0.25 per share in respect of fiscal 2014 will be paid on May 7, 2015.

2015 Outlook

The company entered 2015 with even more solid operating fundamentals than in 2014 and an even stronger balance sheet.

In its February 11, 2015 financial report and its 2014 annual report, to which readers are invited to refer, the company has developed its business trends and outlook, underlining that, as for 2014, the year 2015 looked unpredictable, with limited visibility and calling for continuing caution.



It indicated that its objective is to reach in 2015 total revenues of approximately €240 million (+14% relative to 2014; +11% like-for-like) for the fiscal year, with income from operations before non-recurring items of around €29 million (+47%; +30% like-for-like), an operating margin before non-recurring items of 12% (a 1.6 percentage points increase like-for-like), and net income of around €20 million (+39%). The company has based its 2015 scenarios on exchange rates at December 15, 2014, notably \$1.25/€1.

Over the coming quarters the company plans to make good the delay relative to its roadmap and achieve its financial objectives set for 2015, despite weaker than expected orders for new systems in Q1.

Bolstered by the strength of its business model and the relevance of its strategic roadmap, the company remains confident in its growth prospects for the medium term.

The 2014 annual report was published on lectra.com. In addition to the electronic version, two interactive versions, illustrated with video testimonials, white papers and other multimedia content are available: a rich media electronic version on lectra.com, and an iPad application on App Store.

The annual Shareholders' Meeting will be held on April 30, 2015.

Q2 and H1 2015 earnings will be published on July 30, 2015.

The Management Discussion and Analysis of Financial Condition and Results of Operations and the financial statements for Q1 2015 are available on lectra.com.

With nearly 1,500 employees worldwide, Lectra is the world leader in software, CAD/CAM equipment and associated services specifically designed for industries using fabrics, leather, technical textiles and composite materials to manufacture their products. Lectra serves major world markets: fashion and apparel, automotive (car seats and interiors, airbags), and furniture, as well as a broad array of other industries (aeronautics, marine, wind power, etc.).

Lectra (code ISIN FR0000065484) is listed on Euronext (compartment B).

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