

# Financial results Q4 & FY 2021

Daniel Harari, *Chairman & CEO*

Jérôme Viala, *Executive Vice President*

Olivier du Chesnay, *Chief Financial Officer*

February 10, 2022

- **2021 main highlights**
  - Evolution of the environment and Lectra's markets
  - Q4 2021 results
  - FY 2021 results
  - A new dimension for Lectra
  - 2022 outlook

# 2021 main highlights

**Very strong growth in revenues and EBITDA before non-recurring items, on account of the rebound in activity and external growth**

**Confirmed success of new offers for Industry 4.0**

**Acquisitions of Gerber Technology, Neteven and Gemini CAD Systems**

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- **Evolution of the environment and Lectra's markets**
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- FY 2021 results
- A new dimension for Lectra
- 2022 outlook

Financial statements incorporate the acquisitions of Gerber Technology ("Gerber"), consolidated since June 1, 2021, Neteven, since July 28, 2021, and Gemini CAD Systems ("Gemini"), since September 27, 2021 ("2021 Acquisitions").

To facilitate an analysis of them, Lectra's financial statements before taking into account the 2021 Acquisitions (the "Lectra 2020 scope") are analyzed separately from the financial statements relating to the 2021 Acquisitions. For the Lectra 2020 scope, comparisons between 2021 and 2020 are based on 2020 exchange rates unless otherwise stated.

# Evolution of the environment and Lectra's markets

## A gradual recovery of all Lectra's market sectors

### Fashion



The winners will be amongst those who have substantially accelerated online sales, implemented more agile processes and switched to a sourcing model that is sustainable, demand-driven and closer to the consumer.

### Automotive



In a difficult market environment, automotive subcontractors have taken the next step in optimizing their process by implementing Industry 4.0 principles in order to be amongst the winners of tomorrow.

### Furniture

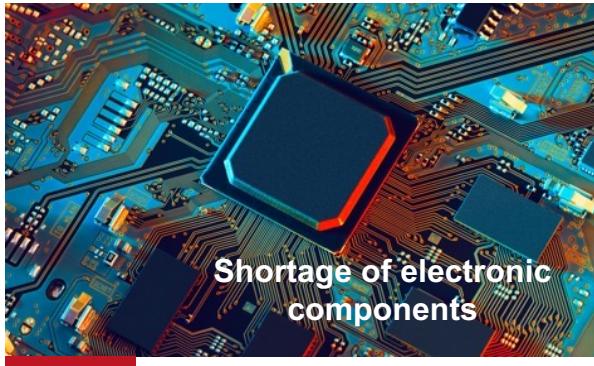


With lockdown and the development of working from home, consumers are more inclined than in previous crises to devote a larger part of their spending to buying furniture. Consumption improved in H2 2020 and now exceeds its pre-crisis level in some countries.

**With its offers for Industry 4.0, Lectra can help all companies within its markets address the challenges of the post-COVID-19 era.**

# Evolution of the environment and Lectra's markets

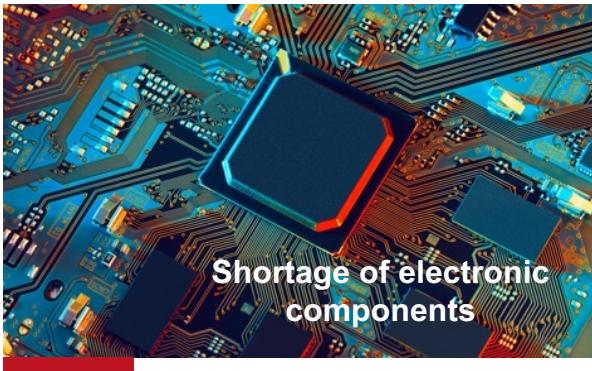
**A more favorable macroeconomic environment, but one that remains heterogeneous and uncertain**



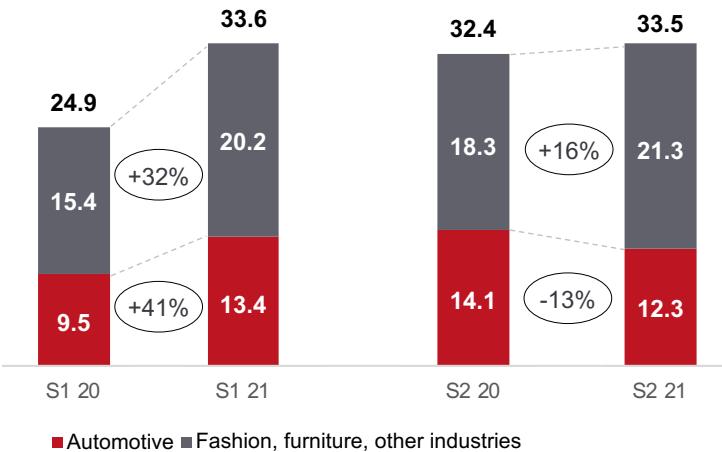
**In 2021, the Group has been able to limit the impact of these disruptions on its business and results.**

# Evolution of the environment and Lectra's markets

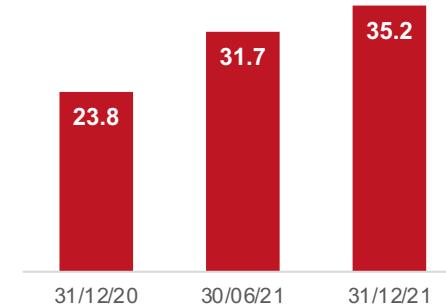
A more favorable macroeconomic environment, but one that remains heterogeneous and uncertain



Revenues from consumables and parts



Order backlog for perpetual software licenses, equipment and accompanying software, and training and consulting



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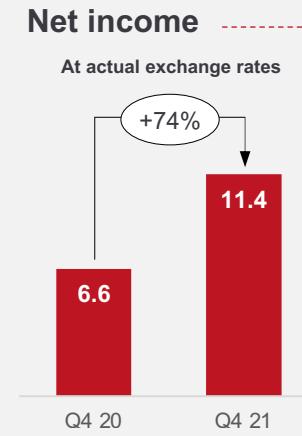
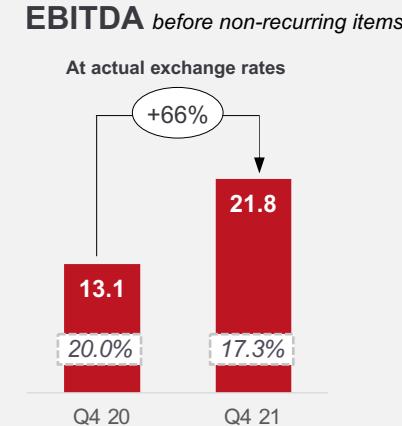
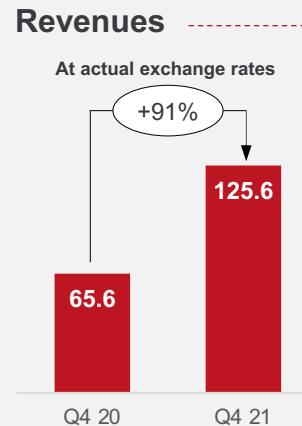
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# Q4 2021 results

## Very strong growth in revenues and earnings

In millions of euros



Gerber contributed €47.9m to revenues and €6.7m to EBITDA before non-recurring items.

Neteven and Gemini contributed €1m and €0.5m to revenues, respectively and €0.2m overall to EBITDA before non-recurring items.



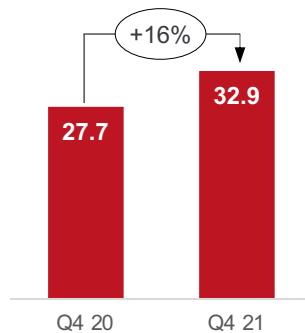
= In % of revenues

# Q4 2021 results

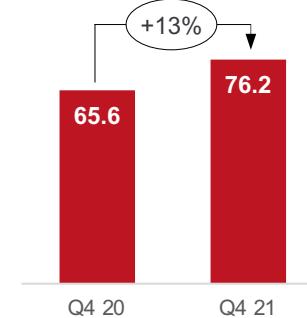
**Lectra 2020 scope: continued rebound in orders, revenues and income from operations before non-recurring items**

*In millions of euros*

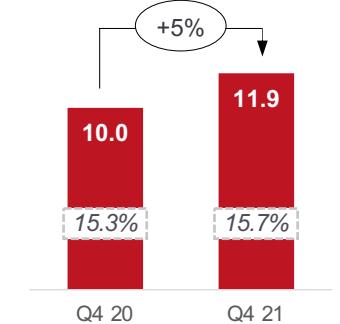
**Orders for perpetual software licenses, equipment and accompanying software and non-recurring services**



**Revenues** -----

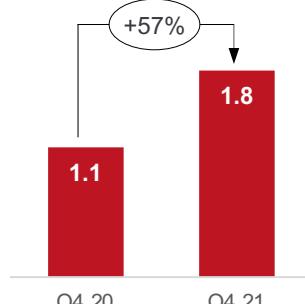


**Income from operations before non-recurring items**



**New software subscription orders**

*Annual value*



= In % of revenues

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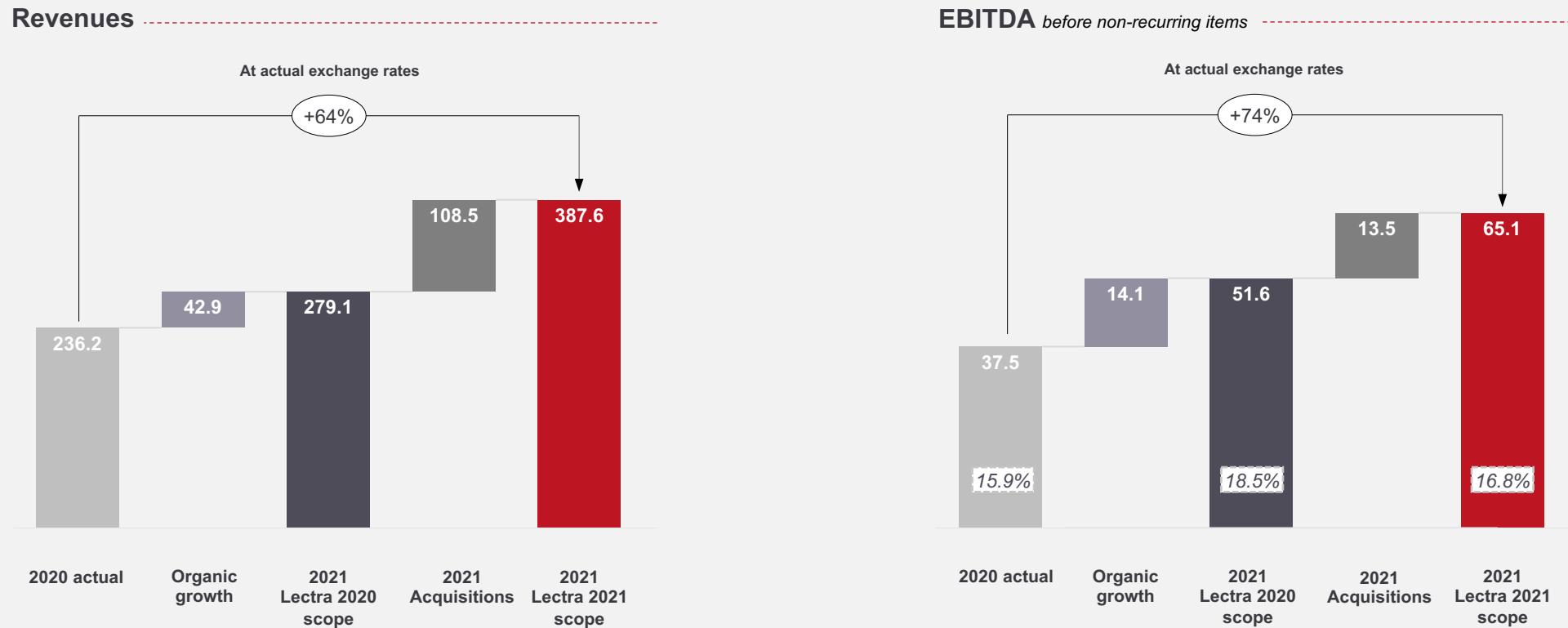
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# FY 2021 results

**Very strong increase in revenues and earnings thanks to the rebound in activity and the acquisition of Gerber Technology**

*In millions of euros*



[ ] = In % of revenues

# FY 2021 results

**Earnings at the high end of the revised financial objectives range of July 29, 2021**

*In millions of euros*

## Lectra 2020 scope

	Scenario of February 9, 2021	Scenario of July 29, 2021	Actual
Revenues	€250m to €268m +9% to +17%	€269m to €281m +16% to +21%	<b>€279m</b> +19%
Income from operations before non-recurring items	€27m to €34m +27% to +60%	€35m to €40m +51% to +77%	<b>€40m</b> +61%

**Like-for-like**

## Lectra, after the integration of Gerber, scope (excluding Neteven and Gemini)

	Scenario of July 29, 2021	Actual
Revenues	€364m to €390m +54% to +65%	<b>€386m</b> +63%
EBITDA before non-recurring items	€54m to €64m +44% to +71%	<b>€65m</b> +73%

**At actual exchange rates**

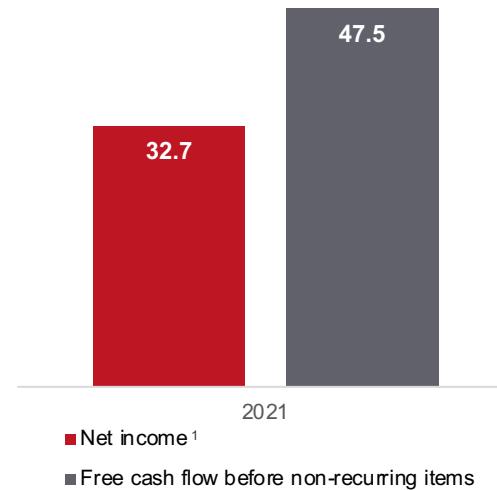
*Neteven and Gemini have contributed €1.4m and €0.5m to revenues, respectively. Neteven's and Gemini's contribution to EBITDA before non-recurring items was €0.2m overall.*



= In % of revenues

## Free cash flow much higher than net income

*In millions of euros*



<sup>1</sup> Before non-recurring items.

Free cash flow before non-recurring items was 1.5x higher than the net income before non-recurring items.

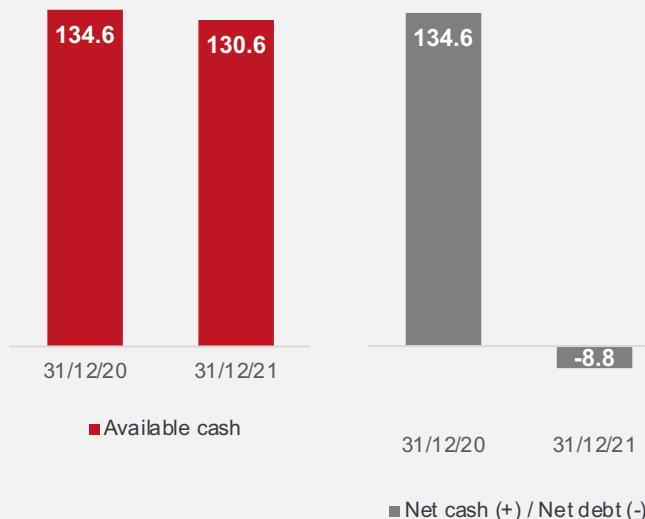
After disbursement of €8.0m in respect of fees and other related expenses in connection with the acquisition of Gerber, 2021 free cash-flow amounted to €39.5m, €11.3m higher than actual net income (€28.2m).

# FY 2021 results

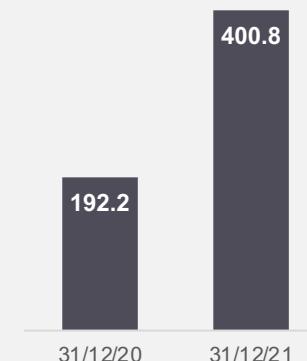
## Balance sheet that remains particularly robust, after the acquisitions of 2021

In millions of euros

### Cash



### Shareholders' equity



The increase in consolidated shareholders' equity is explained mainly by the €165.3m increase in capital carried out for the purpose of the acquisition of Gerber.

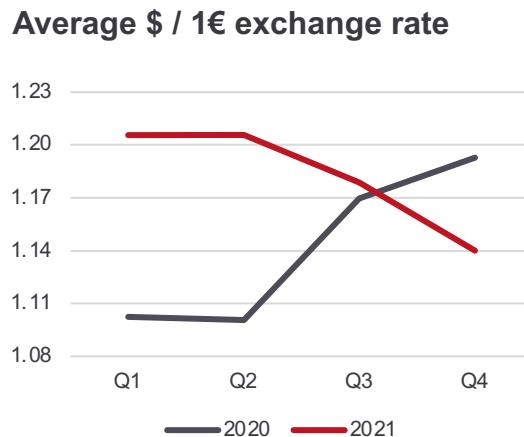
The Group took out a €140m loan to finance the cash portion of the acquisition price of Gerber in the amount of €175m.

The dividend in respect of FY 2020 (€7.8m) was paid on May 7, 2021.

The acquisitions of Neteven (€12.4m) and Gemini (€7.6m) were financed by using the available cash.

## Lectra 2020 scope: negative impact of currency changes

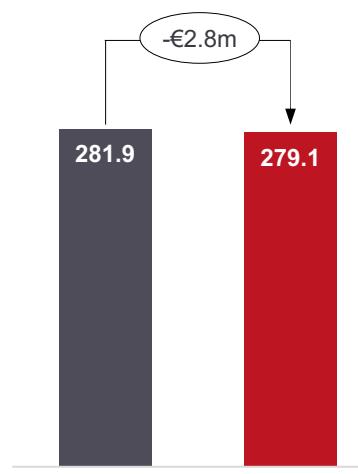
With an average exchange rate of 1.18\$ / 1€ in 2021, the US dollar was down 4% compared to 2020. The yuan strengthened by 3% against the euro.



### Conversion of 2021 results using the 2020 exchange rates

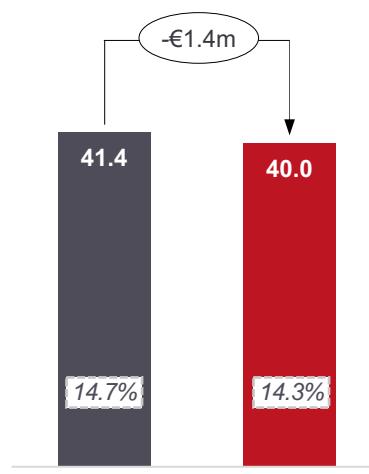
*In millions of euros*

#### Revenues



2021 converted using the 2020 exchange rates  
2021 actual

#### Income from operations before non-recurring items



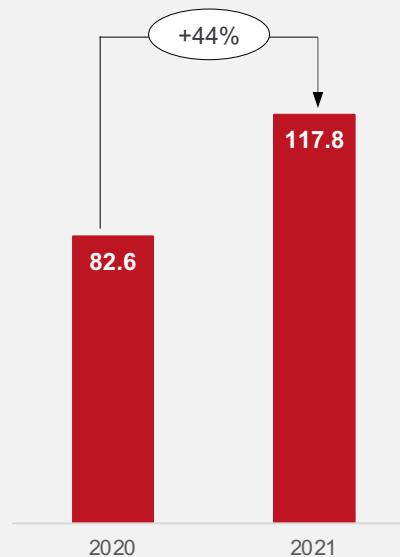
2021 converted using the 2020 exchange rates  
2021 actual

# FY 2021 results

## Lectra 2020 scope: strong increase in orders

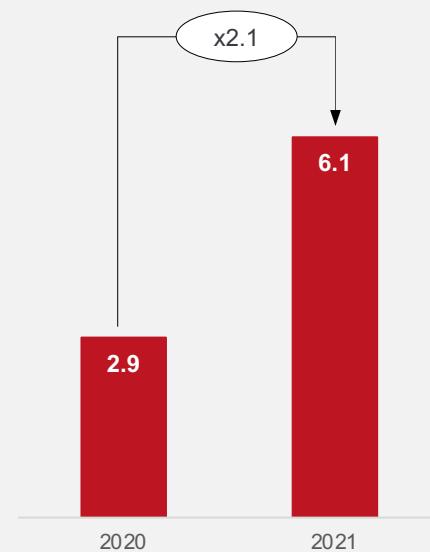
Orders for perpetual software licenses, equipment and accompanying software, and non-recurring services

In millions of euros



New software subscription orders

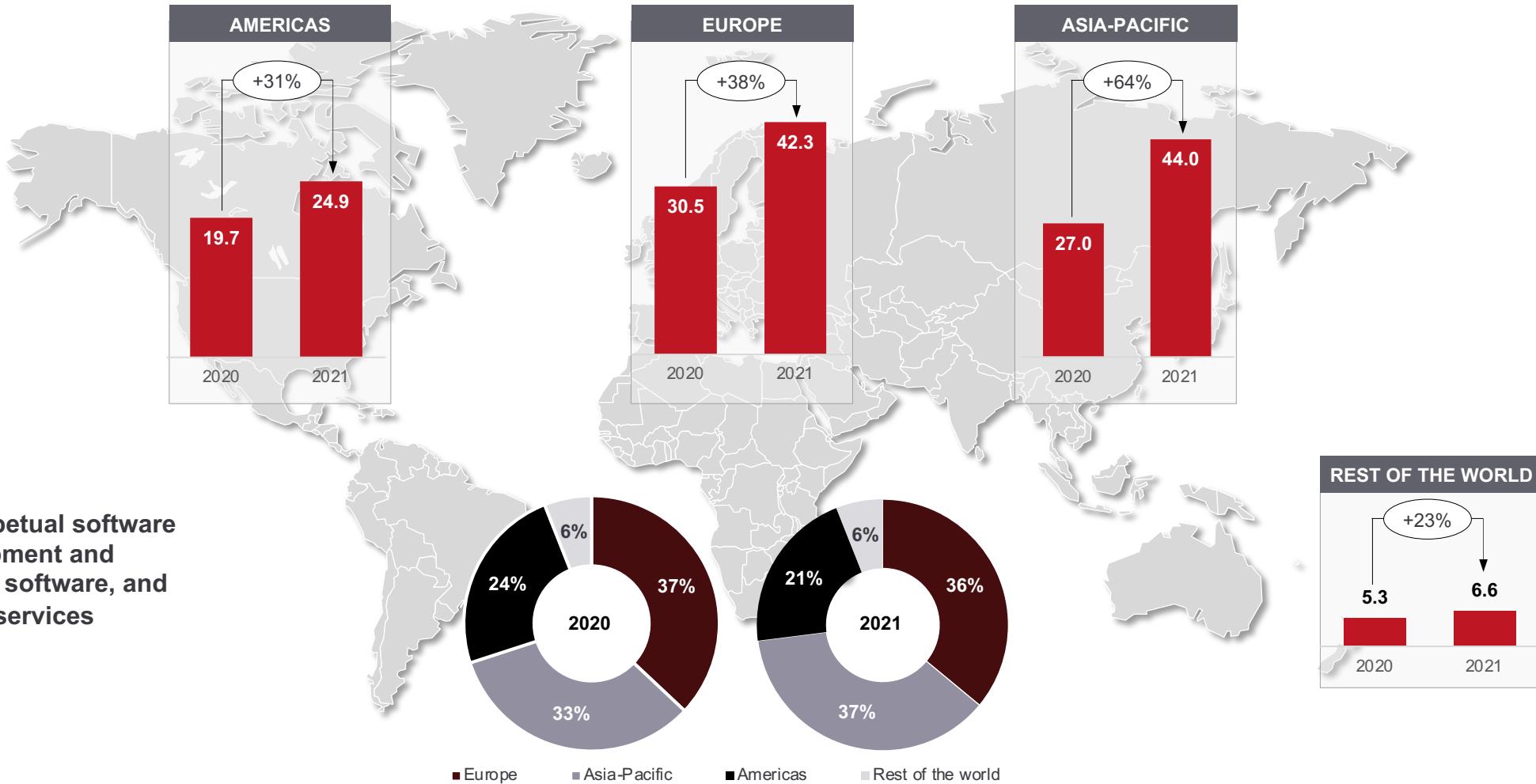
In millions of euros, annual value



When combining new software subscription orders (annual value multiplied by 2.2) to those of perpetual licenses, the increase in software orders is 41%.

# FY 2021 results

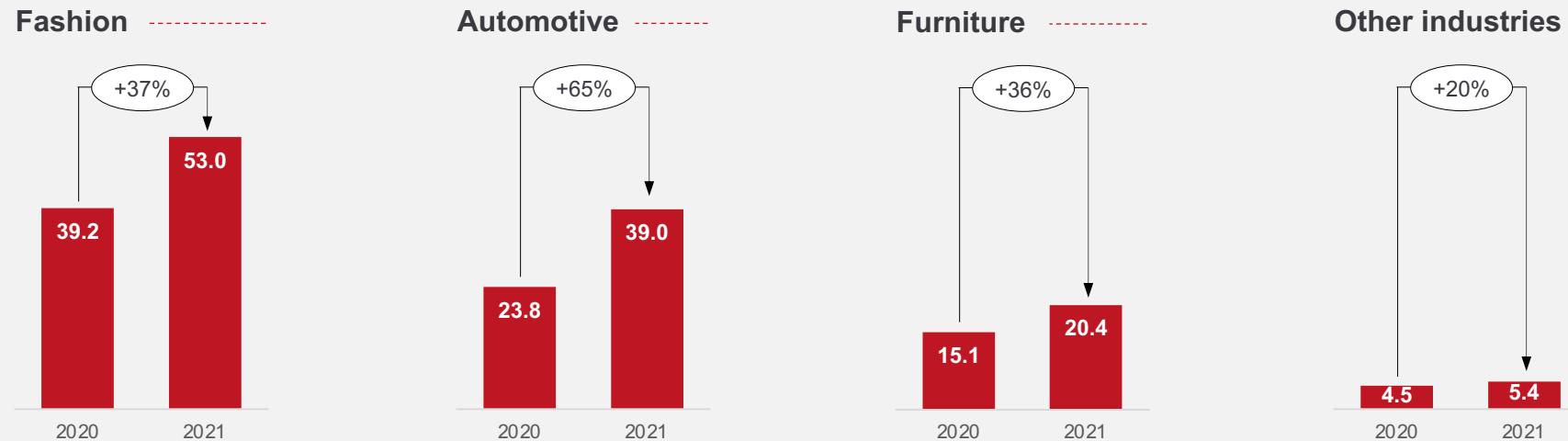
## Lectra 2020 scope: rebound of activity in all regions



# FY 2021 results

## Lectra 2020 scope: rebound of activity in all market sectors

Orders for perpetual software licenses, equipment and accompanying software, and non-recurring services, in millions of euros

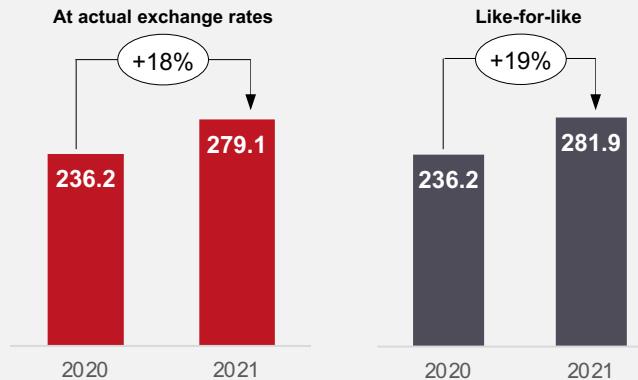


# FY 2021 results

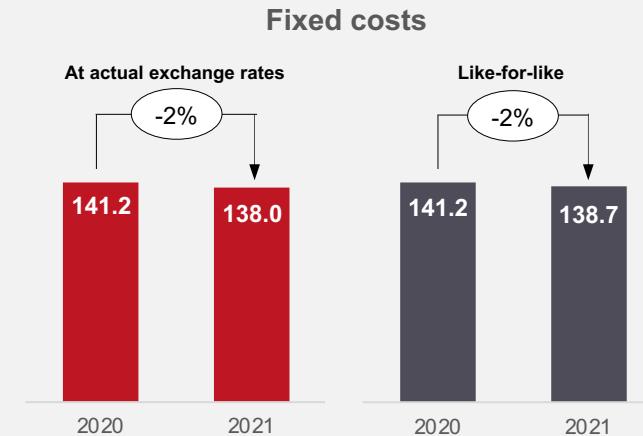
**Lectra 2020 scope: very strong growth in revenues and in income from operations before non-recurring items**

*In millions of euros*

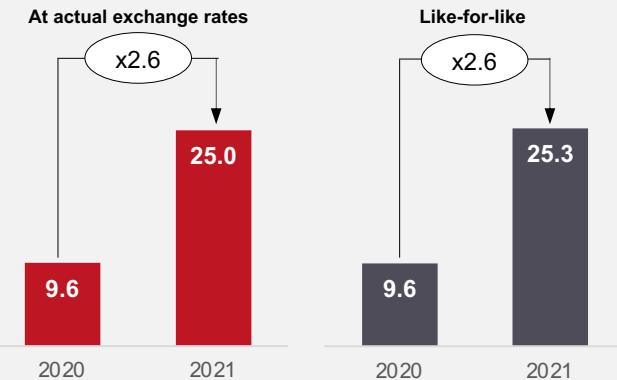
## Revenues



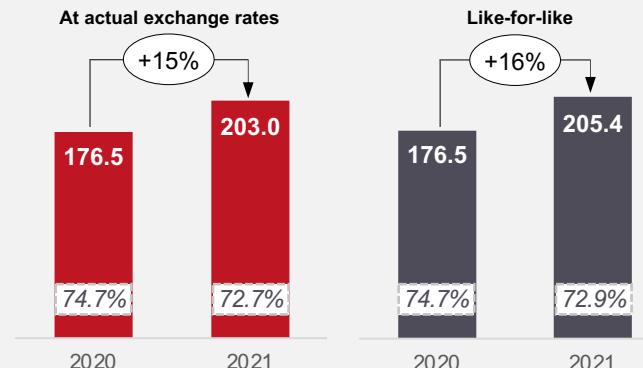
## Overhead costs



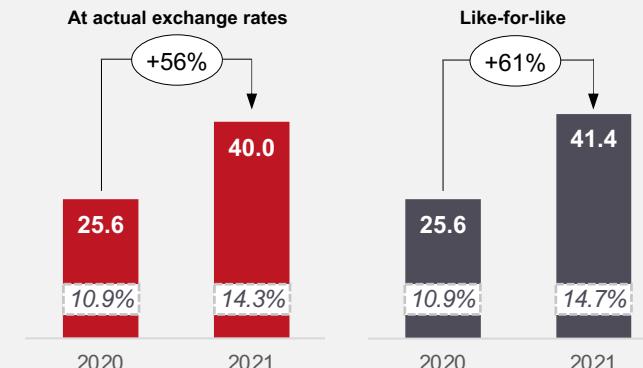
## Variable costs



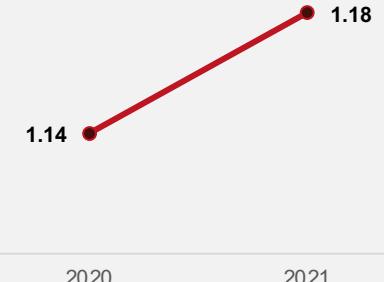
## Gross profit



## Income from operations before non-recurring items



## \$ / 1€ exchange rate



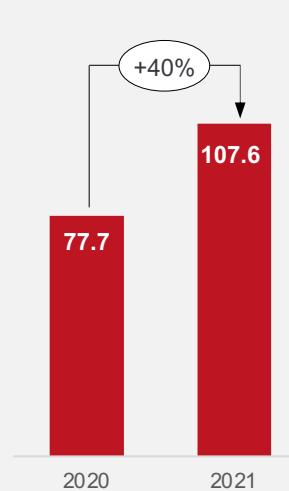
= In % of revenues

# FY 2021 results

## Lectra 2020 scope: very strong growth in recurring revenues, as well as in consumables and parts

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

In millions of euros



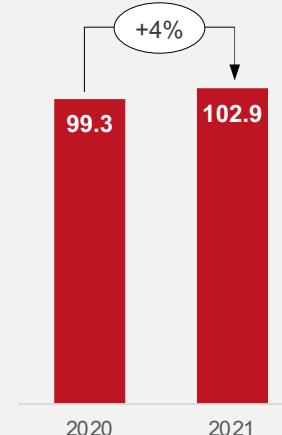
The amount reported for orders for perpetual software licenses, equipment and accompanying software, and non-recurring services was €10.2m higher than the corresponding revenues figure: this difference is primarily due to the strong growth in orders, and issues regarding the availability of maritime transport, which have caused delays in shipping and invoicing.

Perpetual software licenses	6.6	—	-20%
Equipment and accompanying software	87.9	—	+54%
Training and consulting	11.1	—	+13%

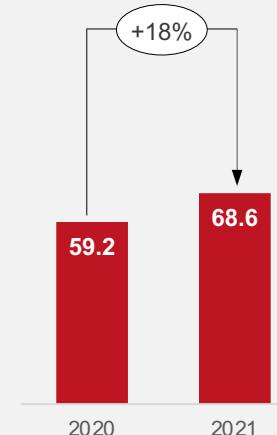
### Recurring revenues

In millions of euros

#### Recurring contracts



#### Consumables and parts



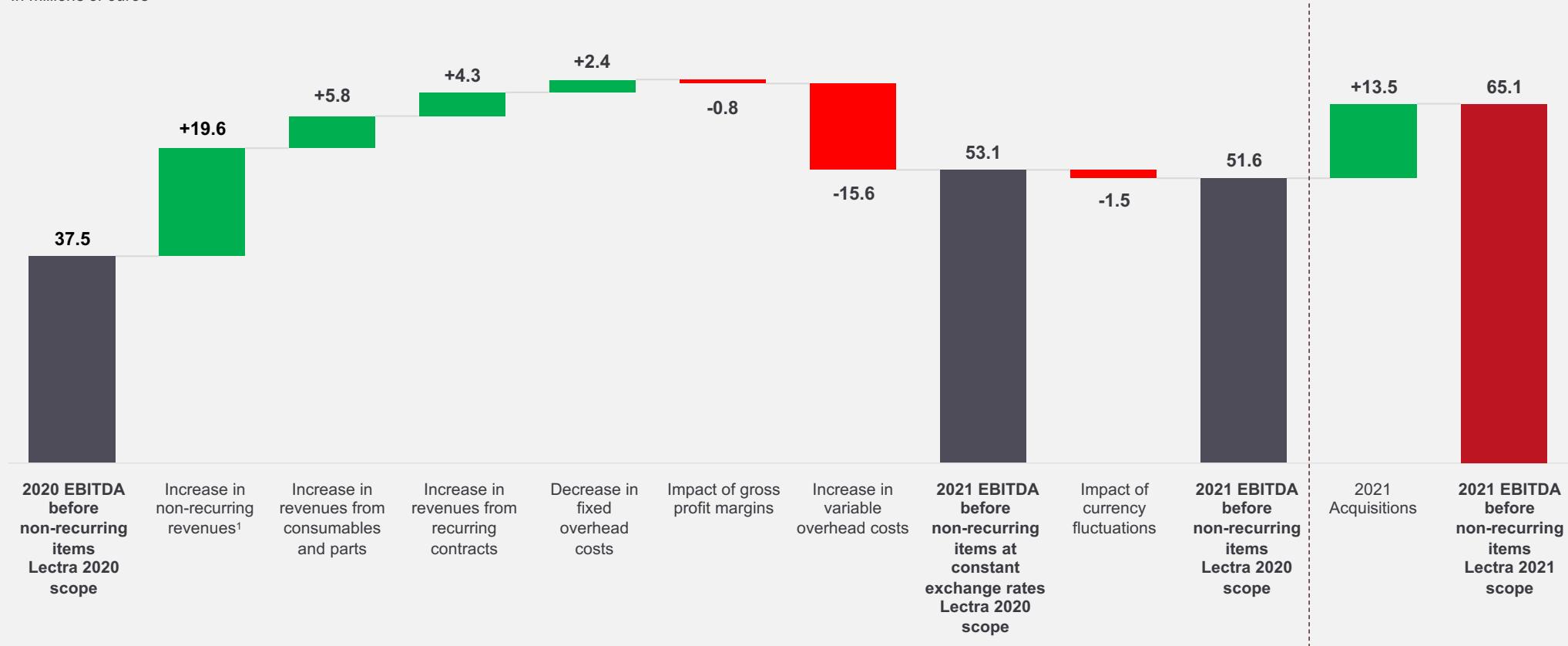
Software maintenance contracts	36.0	—	-3%	Software contracts: +6%
Software subscriptions	7.5	—	+104%	
Equipment and accompanying software maintenance contracts	59.4	—	+3%	

# FY 2021 results

**Very strong growth in EBITDA on account of both organic growth and acquisitions**

## Evolution of EBITDA before non-recurring items

*In millions of euros*



# FY 2021 results

## Evolution of the share price

### AT FEBRUARY 8, 2022

- Share price: €36.75
- Market cap.: €1,387m
- Enterprise Value: €1,396m
- EV/2021 Revenues<sup>1</sup>: 3.0x
- EV/2021 EBITDA<sup>1,2</sup>: 19.1x

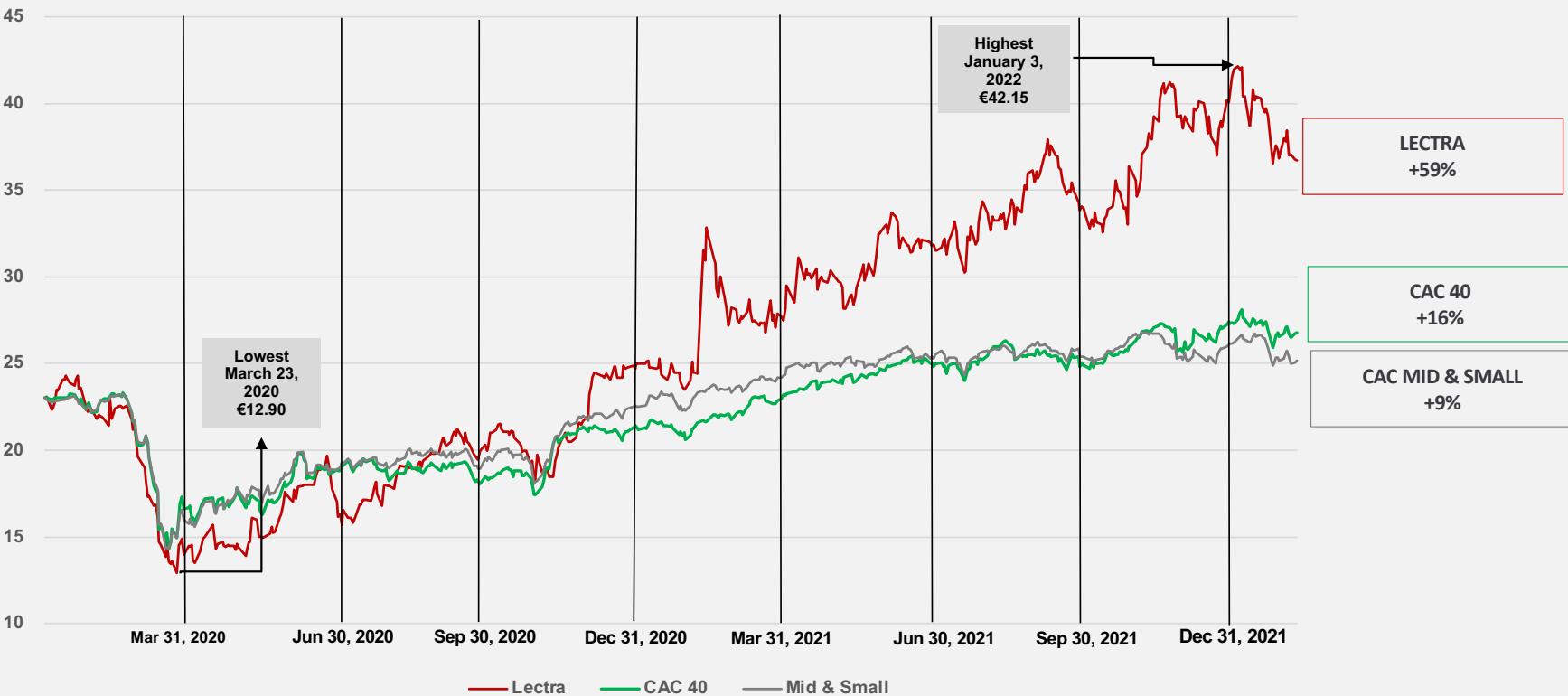
### CAPITAL TRADED ON EURONEXT

- 2021: €137.8m
- 2020: €106.6m

Volume traded on Euronext represented 30% in 2021 and 36% in 2020 of total volume traded on all trading platforms (source Bloomberg)

### Evolution from January 1, 2020 to February 8, 2022

*In euros, closing price*



<sup>1</sup> Based on 2021 proforma accounts (including acquisitions for the full year)

<sup>2</sup> Before non-recurring items

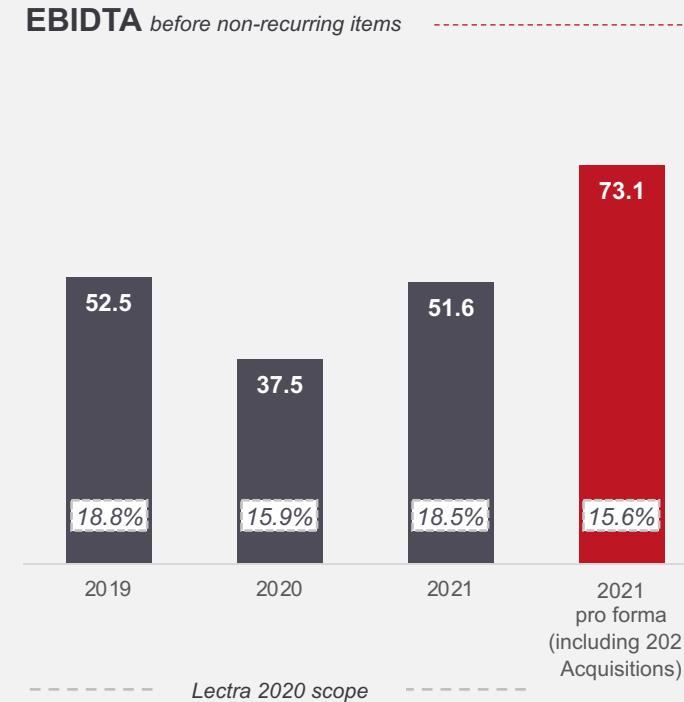
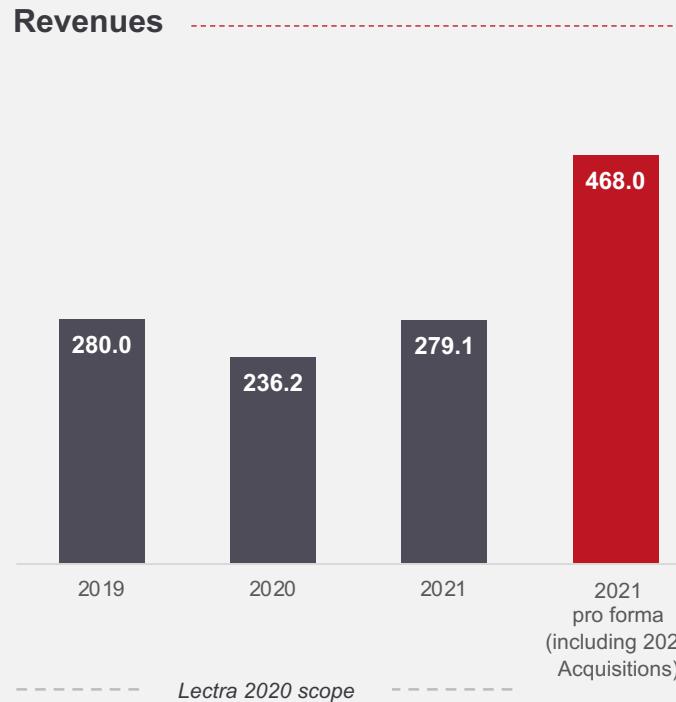
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- **A new dimension for Lectra**
- 2022 outlook

# A new dimension for Lectra

**A global, premier advanced technology group, leading player in Industry 4.0 for the fashion, automotive and furniture markets**

*In millions of euros*

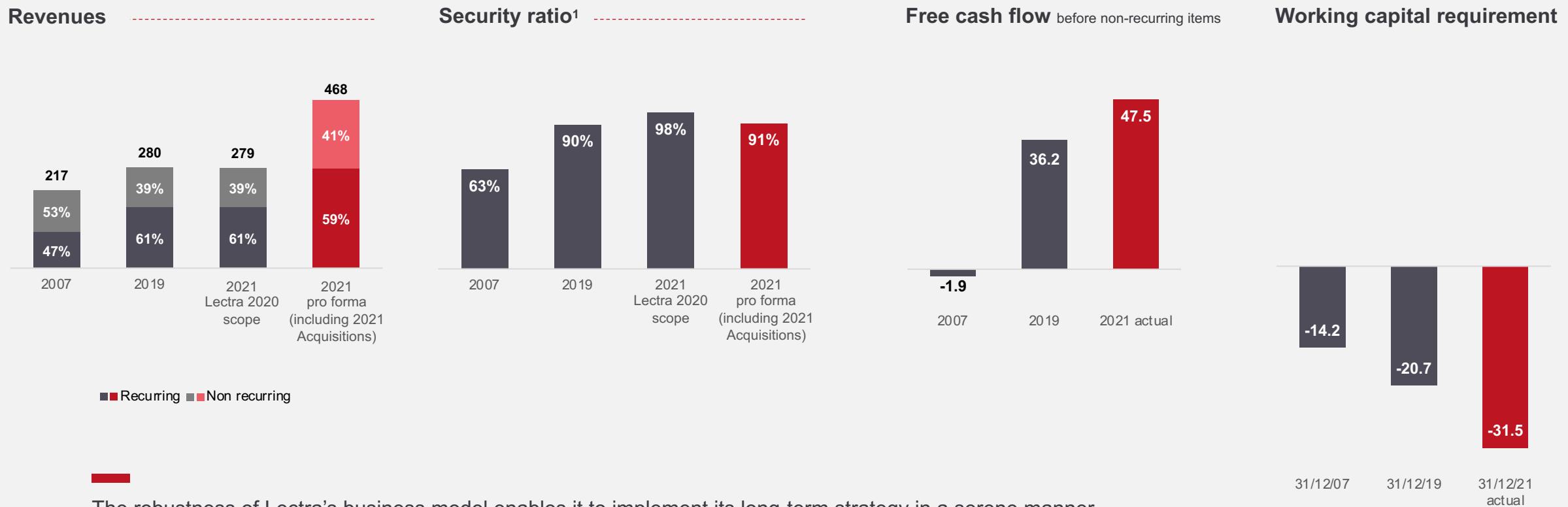


Following the acquisitions of Gerber, Neteven and Gemini, Lectra has become a global, premier advanced technology group, able to quickly meet changing customer needs in all its markets and deliver even more value through seamlessly integrated solutions.

# A new dimension for Lectra

## A virtuous business model that keeps reinforcing itself

In millions of euros



The robustness of Lectra's business model enables it to implement its long-term strategy in a serene manner.

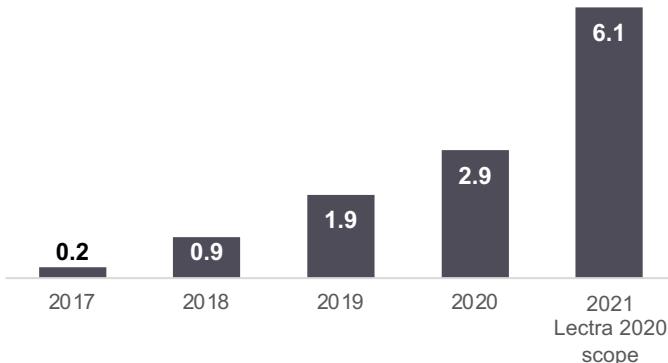
# A new dimension for Lectra

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



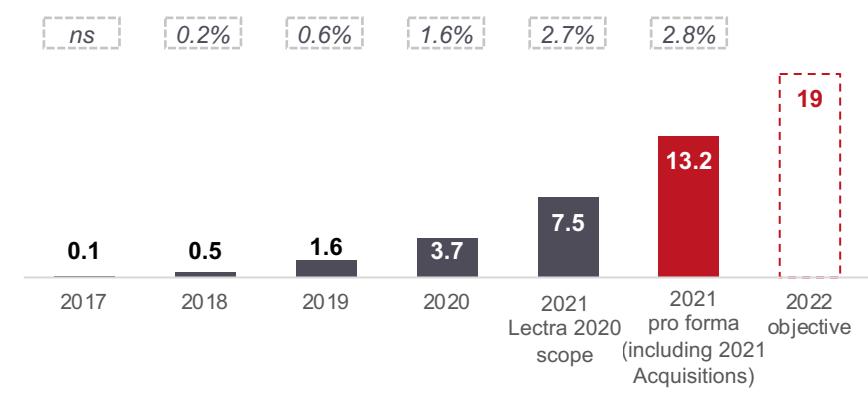
### New software subscription orders

Annual value, in millions of euros



### Revenues from software subscriptions

In millions of euros



= In % of revenues

# A new dimension for Lectra

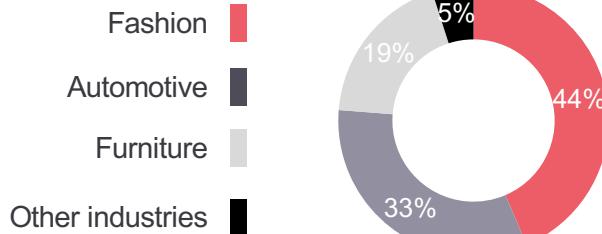
## A worldwide, well-balanced presence

2021 revenues from perpetual software licenses, equipment and accompanying software, and non-recurring services

LECTRA®

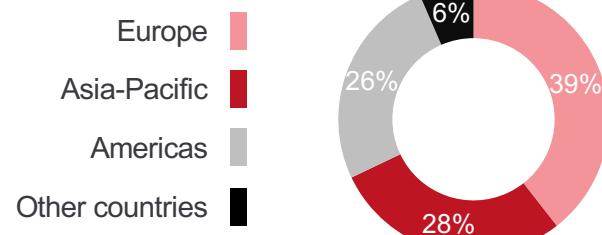
2020 scope

**€108 million**



2021 revenues

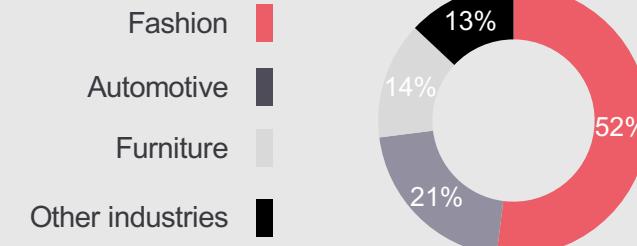
**€279 million**



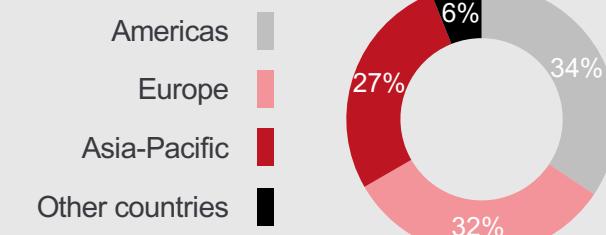
LECTRA®

2021 revenues, pro forma

**€190 million**



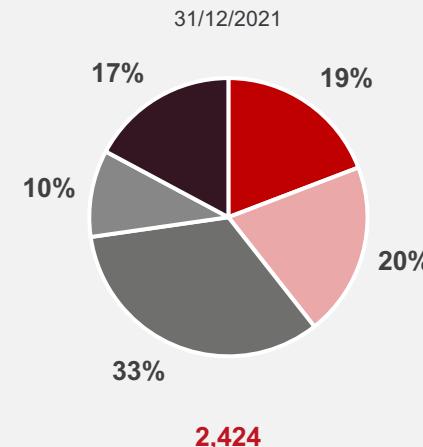
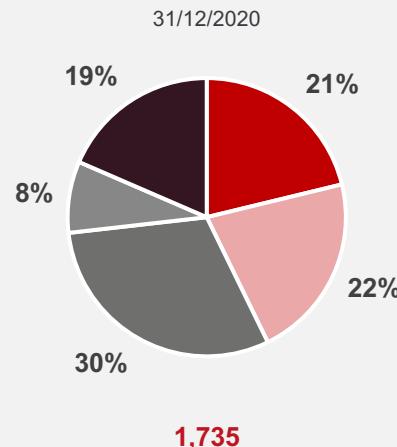
**€468 million**



# A new dimension for Lectra

## Unique business-line expertise and technological know-how

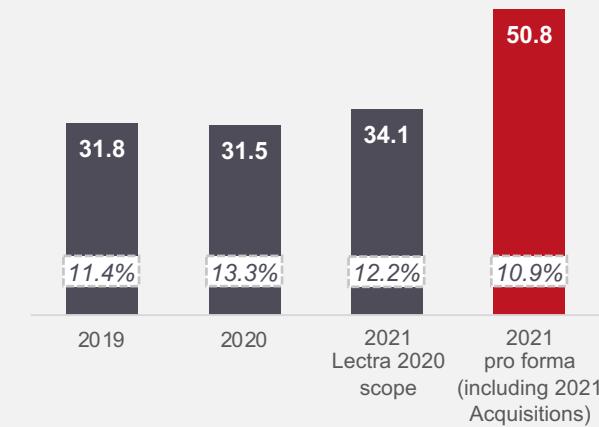
### Headcount by function



■ Marketing, Sales ■ R&D ■ Services ■ Purchasing, Production, Logistics ■ Administration, Finance, HR, IT

### R&D investment

*In millions of euros*



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

Lectra's teams are dedicated to supporting customers and being by their side throughout their transformation towards Industry 4.0.

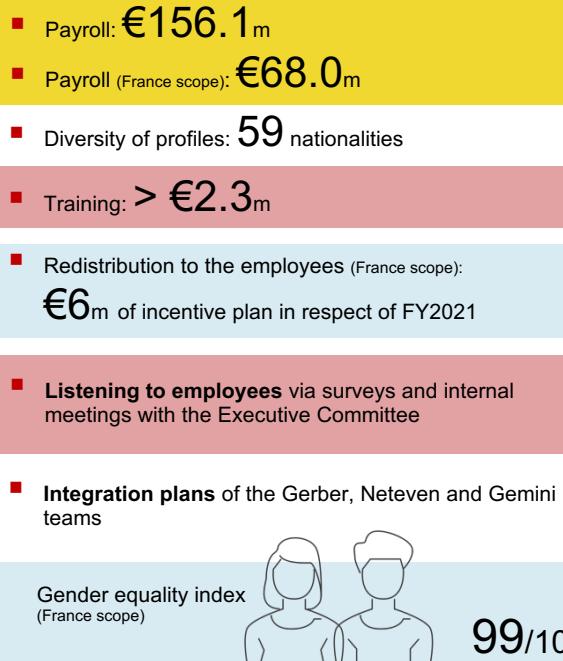
 = In % of revenues

# A new dimension for Lectra

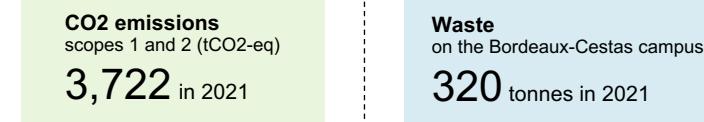
## A sustainable group, committed to social, societal and environmental matters



### EMPLOYEES



### ENVIRONMENTAL IMPACT OF THE GROUP'S ACTIVITY



**76/100**

**ecovadis**

**44/100**

**CDP**  
CLIMATE CHANGE



### SUPPLIERS AND PARTNERS

in *Nouvelle Aquitaine* region: **26%**  
in France (excluding *Nouvelle Aquitaine* region): **55%**  
in Europe (excluding France): **13%**  
in the rest of the world: **6%**

- **Responsible purchasing** charter
- **Partnerships** signed with Microsoft, Arts et Métiers Acceleration, and Plug & Play
- **8 proof of concepts** developed, 2 think tanks organized by the Innovation Lab
- **16 meetups with start-ups** (the start-ups come to the Bordeaux-Cestas campus and pitch in front of the teams)

Group scope before acquisitions

Group scope after acquisitions

France scope before acquisitions

NFS scope after acquisitions (China, France, Germany, Italy, Portugal, Spain, United States)

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## Strategic roadmap for 2020-2022: acceleration towards Industry 4.0

As announced on February 11, 2020, 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.



The objectives of the 2020-2022 strategic roadmap remain unchanged.

# 2022 outlook

**Reminder of the five strategic priorities as revised on February 10, 2021, following the announcement of the Gerber Technology acquisition project**

**1**

Accelerate organic growth

**2**

Strengthen customer relations

**3**

Extend the offers for Industry 4.0

Develop new areas for growth

**4**

Capture all synergies arising from the acquisition of Gerber Technology

**5**

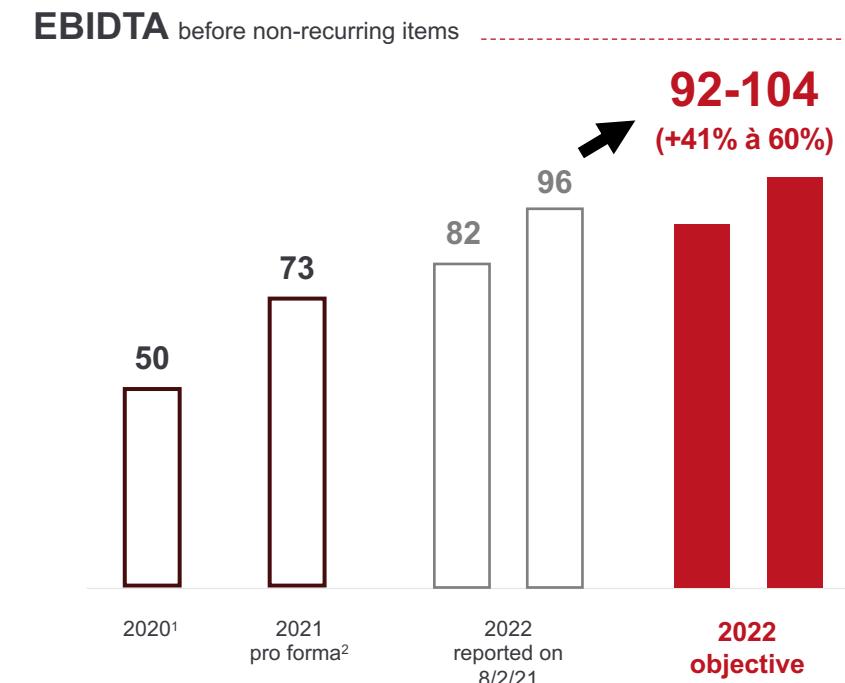
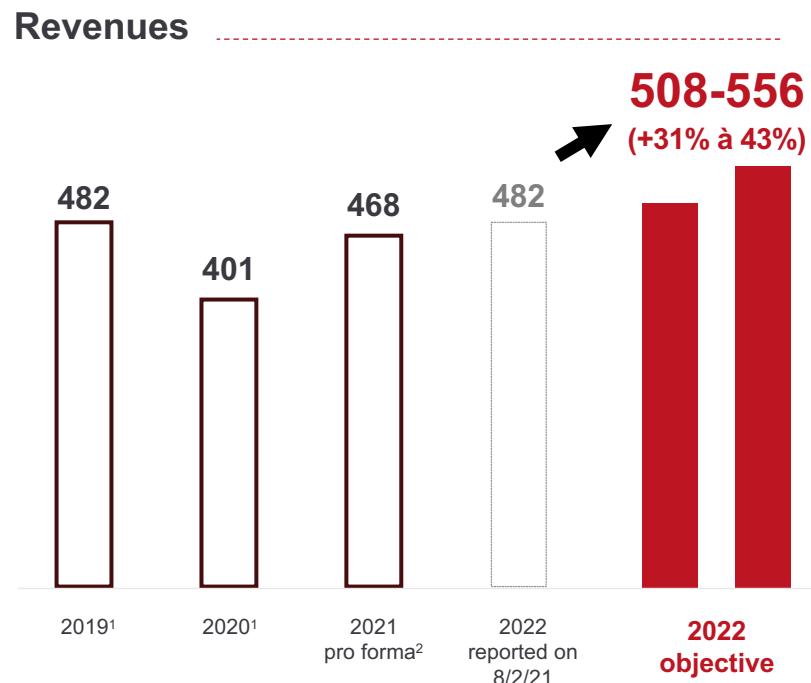
These five strategic priorities will continue to guide the Group's actions in 2022

## 2022: Financial objectives revised higher

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

Lectra subsequently acquired Neteven and Gemini, the rebound in activity in 2021 was greater than the Group expected and the dollar strengthened against the euro.

*In millions of euros*



<sup>1</sup> Lectra 2020 scope and Gerber Technology

<sup>2</sup> Including 2021 Acquisitions

Change at actual exchange rates vs. 2021 actual

# Upcoming financial calendar

## Annual Shareholders' Meeting

April 29, 2022

## Quarterly results

**Q1** April 28, 2022

**Q2** July 28, 2022

**Q3** October 26, 2022

**Q4** February 8, 2023

## Analyst conference

October 27, 2022

February 9, 2023

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