

First half 2021: strong growth in revenues and earnings

- Revenues: 146.7 million euros (+29%)*
- EBITDA before non-recurring items: 23.2 million euros (+80%)*
- Net income: 8.9 million euros (+101%)*
- Free cash flow before non-recurring items: 14.3 million euros

* At actual exchange rates

In millions of euros	April 1 – June 30		January 1 – June 30	
	2021	2020	2021	2020
Revenues	80	50.5	146.7	114
<i>Change at actual exchange rates (%)</i>	<i>+58%</i>		<i>+29%</i>	
EBITDA before non-recurring items ⁽¹⁾	11.9	4.9	23.2	12.9
<i>Change at actual exchange rates (%)</i>	<i>+140%</i>		<i>+80%</i>	
EBITDA margin before non-recurring items (in % of revenues)	14.8%	9.8%	15.8%	11.3%
Net income	2.9	1.1	8.9	4.5
<i>Change at actual exchange rates (%)</i>	<i>+175%</i>		<i>+101%</i>	
Free cash flow before non-recurring items ⁽¹⁾	4.5	(2.2)	14.3	1.5
Shareholders' equity ⁽²⁾			370	192.2
Net cash (+) / Net financial debt (-) ⁽¹⁾⁽²⁾			(21.9)	134.6

(1) The definition of the key performance indicators is shown in the June 30, 2021 Financial Report

(2) At June 30, 2021 and December 31, 2020

Paris, July 29, 2021. Today, Lectra's Board of Directors, chaired by Daniel Harari, reviewed the consolidated financial statements for the first half of 2021, which take into account the acquisition of the company Gerber Technology, which has been consolidated since June 1, 2021. Financial statements for the first half have been subject to a limited review by the Statutory Auditors. To facilitate analysis of the Group's second quarter and first half financial statements, the impact of Gerber Technology (the "Gerber scope") on the income statement is analyzed separately from the results of Lectra excluding the acquisition (the "Lectra 2020 scope"). For the Lectra 2020 scope, detailed comparisons between 2021 and 2020 are based on 2020 exchange rates unless otherwise stated ("like-for-like").

1. SUMMARY FOR Q2 2021

Q2 2021 revenues (80 million euros) increased by 58% at actual exchange rates. EBITDA before non-recurring items (11.9 million euros) was multiplied by 2.4 at actual exchange rates and the EBITDA margin before non-recurring items was 14.8%.

For its first month of consolidation, Gerber Technology contributed 13.5 million euros to revenues and 1.2 million euros to EBITDA before non-recurring items.

Income from operations before non-recurring items (7.7 million euros) included a 0.8-million-euro charge for amortization of intangible assets arising from the acquisition of Gerber Technology. After a non-recurring charge of 3.8 million euros, recognized in Q2 2021, for fees and other costs relating to the acquisition of Gerber

Technology, income from operations amounted to 4 million euros. Net income totaled 2.9 million euros (+175% at actual exchange rates).

1.1 Lectra 2020 scope

Business activity and results in Q2 2020 had been severely affected by the COVID-19 crisis. Despite the persistent consequences of this health crisis, particularly in Europe, Q2 2021 confirmed the improvement observed at the end of 2020 and then in Q1 2021.

Orders for perpetual software licenses, equipment and accompanying software, and non-recurring services (30.6 million euros) more than doubled (+112%) compared to Q2 2020. The annual value of new software subscription orders (2 million euros) was multiplied by close to 6.

Revenues (66.5 million euros) increased by 36%.

Income from operations before non-recurring items (7.7 million euros) was multiplied by 4.5 and the operating margin before non-recurring items (11.6%) increased by 9.3 percentage points.

1.2 Acquisition of the company Neteven

On June 24, 2021, the Company announced the signature of an agreement to acquire the entire capital and voting rights of the French company Neteven (see press release issued on that date).

2. FIRST HALF 2021

H1 2021 revenues (146.7 million euros) increased by 29% at actual exchange rates. EBITDA before non-recurring items (23.2 million euros) increased by 80% at actual exchange rates and the EBITDA margin before non-recurring items was 15.8%.

Consolidated income from operations before non-recurring items amounted to 16.2 million euros. After a non-recurring charge of 4.8 million euros, recognized in H1 2021, for fees and other costs relating to the acquisition of Gerber Technology, income from operations amounted to 11.4 million euros.

Net income (8.9 million euros) increased by 101% at actual exchange rates.

Free cash flow before non-recurring items came to 14.3 million euros (1.5 million euros in H1 2020). This sharp rise is attributable mainly to the improvement in earnings. After disbursement of 2.8 million euros in H1, in respect of fees and other related expenses in connection with the acquisition of Gerber Technology, free cash-flow amounted to 11.5 million euros.

2.1 Lectra 2020 scope

With an average exchange rate of \$1.21/€1 in H1, the US dollar was down 9% compared to H1 2020 and the yuan declined by 1% against the euro. Currency changes mechanically decreased revenues by 5.1 million euros (-4%) and income from operations before non-recurring items by 3.1 million euros (-16%) at actual exchange rates, compared to like-for-like figures.

Strong growth in orders and revenues, income from operations before non-recurring items multiplied by 2.7

Revenues (133.2 million euros) increased by 21% (+17% at actual exchange rates) compared to H1 2020, which had suffered the effects of the health crisis

Orders for perpetual software licenses, equipment and accompanying software, and non-recurring services (56.6 million euros) increased by 71%.

The annual value of new software subscription orders (2.7 million euros) was multiplied by close to 3 compared to H1 2020.

Revenues from perpetual software licenses, equipment and accompanying software, and non-recurring services (49.2 million euros) increased by 35%, those from recurring contracts by 3% and those from consumables and parts, which were affected by the acute reduction in business activity of the Group's customers due to the health crisis, by 35%.

Income from operations before non-recurring items (16.2 million euros) was multiplied by 2.7 compared to H1 2020 (multiplied by 2.3 at actual exchange rates), and the operating margin before non-recurring items (12.1%) increased by 7.8 percentage points like-for-like (+5.9 percentage points at actual exchange rates).

2.2 Balance sheet at June 30, 2021

The balance sheet at June 30, 2021 includes the effects of the acquisition of Gerber Technology. Consolidated shareholders' equity amounted to 370 million euros (192.2 million euros at December 31, 2020). This increase is explained mainly by the capital increase carried out for the purpose of the acquisition of Gerber Technology in the total amount of 165.3 million euros.

The Group took out a 140-million-euro loan to finance the cash portion of the acquisition price of Gerber Technology in the amount of 175 million euros. At June 30, 2021, the Group's net financial debt stood at 21.9 million euros, consisting in financial debt of 139.3 million euros and available cash of 117.4 million euros.

The working capital requirement at June 30, 2021 was a negative 30.8 million euros.

3. BUSINESS TRENDS AND OUTLOOK

In its 2019 Financial Report, published February 11, 2020, Lectra had reported its long-term vision and its new strategic roadmap for the 2020-2022 period. While the COVID-19 epidemic and its consequences had a very significant impact in 2020, most of the objectives of this 2020-2022 strategic roadmap remain valid, and particularly the acceleration towards Industry 4.0.

Financial objectives for 2022

Following the February 8, 2021 announcement of Lectra's proposal to acquire Gerber Technology, the Group reported on the 2022 financial objectives for the combined entity.

To provide a better indicator for measuring the results following this acquisition, the Group has decided to employ EBITDA before non-recurring items to measure its operational performance.

Lectra has set itself the 2022 objective of returning to the level of combined revenue achieved by Lectra and Gerber Technology in 2019, which came to 482 million euros, and generating an EBITDA margin before non-recurring items in the range of 17% to 20% by adding the expected synergies to the operational performance of the two groups.

2021 outlook and financial objectives

Earlier in the year, the Group stated its 2021 objectives before taking into account the acquisition of Gerber Technology, namely, to achieve revenues in the range of 250 to 268 million euros (+9% to +17% like-for-like) and income from operations before non-recurring items in the range of 27 to 34 million euros (+27% to +60% like-for-like).

In light of the results for the first half of the year and the order backlog on June 30, the Group has raised its objectives for the Lectra 2020 scope to revenues in the range of 269 to 281 million euros (+16% to +21% like-for-like) and income from operations before non-recurring items in the range of 35 to 40 million euros (+51% to +77% like-for-like).

After the integration of Gerber Technology, the Group has set the objectives of achieving 2021 revenues in the range of 364 to 390 million euros (+54% to +65% at actual exchange rates) and EBITDA before non-recurring items in the range of 54 to 64 million euros (+44% to +71% at actual exchange rates).

These scenarios for 2021 are based on actual exchange rates for H1, and the closing rates on June 30, 2021, particularly \$1.19/€1, for H2 2021.

Confidence in growth prospects for the short and medium-term

Bolstered by the strength of its business model, its roadmap fully geared to the demands of Industry 4.0, and the new opportunities arising from the acquisition of Gerber Technology, the Group is confident in its prospects for the short and medium-term.

The 2020 Annual Financial Report, as well as the Management Discussion and Analysis of Financial Conditions and Results of Operations and the financial statements for H1 2021 are available on lectra.com. Q3 and the first nine months of 2021 earnings will be published on October 27, 2021.

For companies that breathe life into our wardrobes, car interiors, furniture and more, Lectra crafts the premium technologies that facilitate the digital transformation of their industry. Lectra's offer empowers brands, manufacturers and retailers from design to production, providing them with the market respect and peace of mind they deserve. Founded in 1973, the company reported revenues of 236 million euros in 2020 and is listed on Euronext Paris (LSS). In June 2021, Lectra acquired Gerber Technology, a USA-based company founded in 1968. Like Lectra, Gerber Technology develops software and automation solutions for fashion, automotive, furniture and other businesses across the globe. By uniting, Lectra and Gerber Technology will become the ultimate Industry 4.0 partner for their customers. For more information, please visit www.lectra.com and www.gerbertechnology.com

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