

**Q1 2021: strong improvement in earnings**

- Revenues: 66.7 million euros (+9%)\*
- Income from operations before non-recurring items: 8.5 million euros (+100%)\*
- Net income: 6 million euros (+77%)
- Free cash flow before non-recurring items: 9.8 million euros
- Net cash: 145.4 million euros

\* Like-for-like

in millions of euros	January 1 – March 31	
	2021	2020
Revenues	66.7	63.5
<i>Change like-for-like (%)<sup>(1)</sup></i>	+9%	
EBITDA before non-recurring items <sup>(2)</sup>	11.4	8
<i>Change like-for-like (%)<sup>(1)</sup></i>	+64%	
EBITDA margin before non-recurring items (in % of revenues)	17%	12.6%
Income from operations before non-recurring items <sup>(2)</sup>	8.5	5.1
<i>Change like-for-like (%)<sup>(1)</sup></i>	+100%	
Operating margin before non-recurring items (in % of revenues)	12.7%	8%
Net income	6	3.4
<i>Change at actual exchange rates (%)</i>	+77%	
Free cash flow before non-recurring items <sup>(2)</sup>	9.8	3.7

(1) Like-for-like: 2021 figures restated at 2020 exchange rates

(2) The definition of the performance indicators is illustrated in the Financial Report at March 31, 2021

**Paris, April 29, 2021.** Today, Lectra's Board of Directors, chaired by Daniel Harari, reviewed the unaudited consolidated financial statements for the first quarter of 2021.

*(Detailed comparisons between 2021 and 2020 are like-for-like, unless otherwise stated.)*

**Strong rebound in orders**

After the year 2020 that was broadly affected by the COVID-19 crisis, Q1 2021 confirmed the improvement observed at the end of 2020, despite the persistent consequences of the health crisis, particularly in Europe.

This was shown in orders for perpetual software licenses, equipment and accompanying software, and non-recurring services (25.9 million euros), which were up 40% compared to Q1 2020, which had suffered from the initial impacts of the containment measures put in place by China and then by many other countries. As for the annual value of new software subscription orders (0.8 million euros), it increased by 25%.

Geographically, the improvement in business activity was contrasted across regions: orders for perpetual software licenses, equipment and accompanying software, and non-recurring services were 115% higher in Asia-Pacific, 43% higher in the Americas, but only 6% higher in Europe.

**Growth in revenues, doubling of income from operations before non-recurring items**

Revenues (66.7 million euros) were up 9% compared to Q1 2020 (+5% at actual exchange rates).

Revenues from perpetual software licenses, equipment and accompanying software, and non-recurring services (25.1 million euros) increased by 19%, those from recurring contracts (24.7 million euros) by 3% and those from consumables and parts (16.8 million euros) by 7%.

Income from operations before non-recurring items (8.5 million euros) was up 100% (+66% at actual exchange rates). The operating margin before non-recurring items (12.7%) increased by 6.6 percentage points like-for-like (+4.7 percentage points at actual exchange rates). After a non-recurring charge of 1 million euros recognized in Q1 2021 for fees and other costs relating to the proposed acquisition of the company Gerber Technology, income from operations came to 7.4 million euros.

The EBITDA before non-recurring items totaled 11.4 million euros, up 64% (+42% at actual exchange rates). The EBITDA margin before non-recurring items was 17% (12.6% in Q1 2020).

Net income (6 million euros) increased by 77% at actual exchange rates.

### Strong growth in free cash flow – a particularly robust balance sheet

Free cash flow before non-recurring items totaled 9.8 million euros (3.7 million euros for Q1 2020). After disbursement of 0.4 million euros in respect of fees and other related expenses in connection with the proposed acquisition of the company Gerber Technology, free cash-flow came to 9.5 million euros.

Consolidated shareholders' equity amounted to 199.9 million euros and cash and cash equivalents, as well as net cash position, totaled 145.4 million euros.

### Proposed acquisition of Gerber Technology

On February 8, 2021, Lectra announced having entered into a Memorandum of Understanding to acquire the entire capital and voting rights of the US-based company Gerber Technology. It then announced, on March 25, 2021, having entered into an acquisition agreement and plan of merger with AIPCF VI LG Funding LP ("AIPCF VI LG"), an affiliate of American Industrial Partners (AIP), for the transfer of ownership of Gerber Technology to Lectra. Subject to regulatory approval in the United States, Lectra shareholders will be invited to vote to approve the transaction and the issuance of 5 million new Lectra shares reserved for AIPCF VI LG at an Extraordinary Shareholders' Meeting, which will be held on June 1, 2021.

### 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 of the Group following this acquisition, Lectra 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 the two groups in 2019, which came to 482 million euros, and generating an EBITDA margin before non-recurring items of between 17% and 20% by adding the synergies expected from this acquisition to the operational performance of the two groups.

## 2021 outlook and financial objectives

The uncertainty surrounding the evolution of the pandemic and its consequences on the macroeconomic environment, together with the degraded financial situation of the Group's customers continues to weigh on customers' investment decisions. The continuation of this situation could postpone or constrain the rebound in orders for new systems. The results of the first quarter of 2021 show that this continues to be the case notably in Europe.

The Group reported 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). These scenarios for 2021 have been 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).

The results at March 31, 2021 are in line with plans.

Revised 2021 objectives that take into account the acquisition of Gerber Technology, which is expected to be finalized on June 1, 2021, will be reported on July 29 with the release of the financial statements for the second quarter and first half of 2021.

*The 2020 Financial Report, as well as the Management Discussion and analysis of financial conditions and results of operations and the financial statements for Q1 2021 are available on [lectra.com](http://lectra.com). The Combined Shareholders' Meeting will be held on April 30, 2021, without the physical presence of shareholders. It will be broadcasted live and a replay will subsequently be available in French on the Company's website. Q2 and H1 2021 earnings will be published on July 29, 2021, after the close of trading on Euronext Paris.*

*For companies that breathe life into our wardrobes, car interiors, furniture and more, Lectra is crafting 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, today Lectra has 34 subsidiaries across the globe, serving customers in over 100 countries. With more than 1,700 employees, Lectra reported revenues of 236 million euros in 2020. Lectra is listed on Euronext Paris (LSS).*

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