LECTRA

Press Release

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Q1 2025: Business slowdown due to unprecedented environment

- Revenues: 134.4 million euros (+4%)*
- EBITDA before non-recurring items: 21.1 million euros (stable)*
- Net income: 5.8 million euros (-13%)*
- Update of 2025 annual forecast premature

At actual exchange rates

(in millions of euros)	2025	2024	Changes 2025/2024 Actual exchange rates	Like-for-like[1]
	January 1 - March 31			
Revenues	134.4	129.6	+4%	+1%
ARR [2]	90.3		+2%	+3%
EBITDA before non-recurring items	21.1	21.1	+0%	-6%
EBITDA margin before non-recurring items	*15.7%*	*16.3%*	*-0,6 point*	*-0,9 point*
Net income	5.8	6.7	-13%	-
Shareholders' Equity	368.8	341.6	-	-
Net cash (+) / Net financial debt (-)	-4.6	-18.8	-	-

[1] On a constant currency basis and for a comparable scope of consolidation
[2] At December 31, 2024 and March 31, 2025

Paris, April 24, 2025. Today, Lectra's Board of Directors, chaired by Daniel Harari, reviewed the unaudited consolidated financial statements for the first quarter of 2025.

1. MACROECONOMIC AND GEOPOLITICAL SITUATION: AN UNPRECEDENTED SHOCK

Since early March, the global economic situation has deteriorated. The unexpectedly sweeping new tariffs announced on April 2 have caused considerable volatility in global financial markets and led to significant declines in market valuations and indices across all countries. They have also had major negative impacts on businesses worldwide, creating uncertainty and restraining their near-term growth prospects.

Limited direct impact

As of today, software and services are not subject to customs duties. Half of the equipment sales in the United States come from local production. On the other hand, a small portion of this production is sold in China. Therefore, only 10% of the revenue is affected by the announced customs duties.

The Group has reflected the increased customs duties in its selling prices.

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Robust competitive position

The distortion of competition regarding equipment is virtually nil in the near term, as manufacturing by competitors in the United States is extremely limited. Were the situation to continue over the long term, it would be expected to work in Lectra's favor, as competitors manufacture for the most part in Asia and in Europe. The Group is also the only one to have three production sites, in France, China and the United Sates.

A sense of apprehension that reinforces customers' wait-and-see attitude

Customers and contract manufacturers must now adjust to this new economic landscape -- in terms of pricing policy, production, investment, or future strategy.

The long-term effects of these new tariffs, if confirmed, could have repercussions on inflation, growth, and supply chains.

Should the situation deteriorate, a global economic slowdown could be observed, with higher prices for consumers and lower profits for companies, leading to financing difficulties and reduced investment.

2. SUMMARY FOR Q1 2025

To facilitate the analysis of the Group's results, the accounts are compared to those published for 2024 (at actual exchange rates) and, for the 2025 vs 2024 comparisons, to the aux 2024 pro-forma accounts (presented on a like-for-like basis), including Launchmetrics from January 1.

Given the importance of SaaS activity for Lectra, the Group has decided to publish a new indicator, ARR *(Annual Recurring Revenue),* which is commonly used in the SaaS industry.

ARR at March 31, 2025, came to 90.3 million euros, up 3% higher than at the end of 2024 at comparable exchange rates.

Q1 2025 revenues (134.5 million euros) were up 4% at actual exchange rates and up 1% on a like-for-like basis, reflecting the slowdown observed early in March.

EBITDA before non-recurring items totaled 21.1 million euros, holding stable at actual exchange rates and down 6% on a like-for-like basis. The EBITDA margin before non-recurring items was 15.7%.

After accounting for an amortization charge of intangible assets amounting to 5.9 million euros, the income from operation before non-recurring items decreased by 12% on a comparable basis, to 10.3 million euros.

Net income amounted to 5.8 million euros, down 13% at actual exchange rates.

High free cash flow before non-recurring items

Free cash flow before non-recurring items remained high at 17.7 million euros in Q1 2025, after the record level of 22.0 million euros posted in Q1 2024.

A particularly robust sheet

At March 31, 2025, the Group had a particularly robust balance sheet with a consolidated shareholders' equity of 368.8 million euros and a net financial debt of 4.6 million euros. The Group has thus continued to reduce its debt at a sustained pace, 14 months after financing the acquisition of a majority stake in Launchmetrics.

3. OUTLOOK

In the management discussion and analysis of the consolidated financial statements for the fourth quarter and full year 2024, published on February 12, 2025, Lectra reiterated its long-term vision, together with the objectives of its strategic roadmap for 2023-2025.

The Group noted that in a challenging environment, having proven its resilience and the quality of its fundamentals, Lectra had approached the year 2025 with confidence, pursuing its strategy by meeting customers' needs as closely as possible through the quality of its offer for Industry 4.0 and by developing its SaaS activity.

In light of the unprecedented circumstances stemming from economic and policy announcements, leading to a stronger-than-anticipated wait-and-see attitude among its customers, it is premature to provide updated annual forecasts at this time.

The 2024 Financial Report, as well as the Management Discussion and analysis of financial conditions and results of operations and the financial statements for Q1 2025 are available on lectra.com. The Shareholders' General and Special Meetings will be held on April 25, 2025, in the Company's offices. Q2 and H1 2025 earnings will be published on July 24, 2025, after the close of the Paris Stock Exchange.

About Lectra

At the forefront of innovation since its founding in 1973, Lectra provides industrial intelligence technology solutions—combining software in SaaS mode, cutting equipment, data, and associated services—to players in the fashion, automotive and furniture industries. With boldness and passion, Lectra accelerates the transformation and success of its customers in a world in perpetual motion thanks to the key technologies of Industry 4.0: AI, big data, cloud and the internet of things.

The Group is present in more than one hundred countries. It operates three production sites for its cutting equipment, located in France, China and the United States. Lectra's 3,000 employees are driven by three core values: being open-minded thinkers, trusted partners and passionate innovators. They all share the same concern for social responsibility, which is one of the pillars of Lectra's strategy to ensure its sustainable growth and that of its customers.

Lectra reported revenues of €527 million in 2024, including €77 million coming from its SaaS offerings. The company is listed on Euronext, and is included in the CAC All Shares, CAC Technology, EN Tech Leaders and ENT PEA-PME 150 indices.

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