

2020: strong resilience in earnings and free cash flow, despite the consequences of the health crisis

- Revenues: 236.2 million euros (-14%)*
- Income from operations before non-recurring items: 25.6 million euros (-32%)*
- Net income: 17.6 million euros (-40%)
- Free cash flow: 25.2 million euros
- Net cash: 134.6 million euros
- Dividend** : 24 per share

* Like-for-like

** Proposed to the Annual Shareholders' Meeting on April 30, 2021

In millions of euros	October 1	December 31	January 1	December 31
	2020	2019	2020	2019
Revenues	65.6	74.2	236.2	280
<i>Change like-for-like (%)⁽¹⁾</i>	-8%		-14%	
Income from operations before non-recurring items ⁽²⁾	10	11.2	25.6	40.9
<i>Change like-for-like (%)⁽¹⁾</i>	+5%		-32%	
Operating margin before non-recurring items (in % of revenues)	15.3%			



The annual value of new software subscription orders amounted to 1.1 million euros, up 53%, confirming once again the success of Lectra's new offers for Industry 4.0, sold in SaaS mode.

Revenues (65.6 million euros) decreased by 8% (-12% at actual exchange rates). They had fell by 28% in Q2, then by 15% in Q3.

Income from operations before non-recurring items (10 million euros) was up 5% (-10% at actual exchange rates) and the operating margin before non-recurring items (15.3%) increased by 2.2 percentage points (+0.3 percentage points at actual exchange rates) compared to Q4 2019.

Net income (6.6 million euros) was down 18% at actual exchange rates.

2020

The COVID-19 epidemic and its consequences had a very significant impact in 2020.

From the start of the crisis, the Group to

recurring contracts, on the other hand, rose by 3% to 99.3 million euros. This component of the revenue stream is a key pillar of the Group's business model and constitutes a protective factor that has mitigated the impact of the COVID-19 crisis on the earnings.

Income from operations came to 24.9 million euros, after a non-recurring charge of 0.8 million euros recognized in 2020 for fees and other costs relating to the proposed acquisition of the company Gerber Technology.

Net income totaled 17.6 million euros, down 40% at actual exchange rates.

Free cash flow amounted to 25.2 million euros, compared to 36.2 million euros in 2019. Free cash flow exceeded net income by 7.6 million euros in 2020; the decline from 2019 was slightly less than the decline in net income, which again confirms the strength and resiliency of the Group's business model, including in a challenging environment.

A particularly robust balance sheet positive net cash position of close to 135 million euros

ended at 192.2 million euros and cash and cash equivalents, as well as net cash position, totaled 134.6 million euros, after payment on May 8 of the dividend of 12.8 million euros (1.28 euros per share) declared in respect of FY 2019.

2020-2022 strategic roadmap: first progress report

The Lectra 4.0 strategy was launched in 2017 with the aim of positioning Lectra as a key Industry 4.0 player in its markets before 2030. It has been implemented to date through two consecutive strategic roadmaps.

The first roadmap, for 2017-2019, established the key fundamentals for the future of the Group. These included the successful integration into its new offers of the key new technologies for Industry 4.0 (cloud computing, the Internet of Things, big data and artificial intelligence), the strengthening of the Executive Committee, the reorganization of subsidiaries into four main regions, and the launch of the first software offers in SaaS mode.

The second roadmap, for 2020-2022, was published in the financial report dated February 11, 2020. It will enable Lectra to capture the full potential of its new offers for Industry 4.0, while delivering sustainable, profitable business growth.

Despite the consequences of the economic crisis caused by the COVID-19 pandemic, most of the objectives of the 2020



Announcement of proposed acquisition of the company 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 (see press release issued on that date).

The Board of Directors will propose to the Shareholders the payment of a dividend at the end of the year in respect of fiscal year 2020.

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.

The Group already noted the uncertainties linked to the COVID-19 epidemic, which has since become a

Impact of exchange rate fluctuations

Lectra prepared its 2021 scenarios 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).

In 2020, the euro appreciated against the dollar and many other currencies. If the 2020 closing rates had applied throughout the year, the Group's 2020 results would have been negatively affected, as follows. Revenues and income from operations before non-recurring items would have been lower by 6.9 million and 4.4 million euros, respectively, at 229.3 and 21.3 million euros. The operating margin before non-recurring items would have been 1.6 points lower, at 9.3%.

Financial objectives

Taking into account the information set out above, Lectra has set the objectives of achieving 2021 revenues in the range of 250 to 263 million euros (+9% to