



**3D**EXPERIENCE

# Dassault Systèmes Presentation

Thibault de Tersant, Senior EVP, CFO

# Agenda

1

Strategy

2

Multi-Year Growth Plan

3

Q2 13 Financial Review – Q3 & FY13 Financial Objectives

4

Apriso Acquisition

# Dassault Systèmes at a Glance

- ▶ At the heart of **product innovation** in **12 industries**
- ▶ Targeting **~\$32bn market**
- ▶ **~170,000** customers, with **+20,000** in 2012
- ▶ Dynamic **eco-system** (software, sales, research, education)
- ▶ Serving **~140 countries**
- ▶ 2002-12 average **revenue** growth up **~14% \***
- ▶ 2002-12 average **headcount** growth up **~ 10%**
- ▶ **Long-term strategy** – Investments in **R&D** (~4,500 engineers) – Stable **shareholders**

\* Non-IFRS, in USD

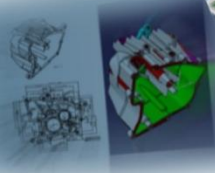
# Opening a New Horizon with 3DEXPERIENCE

\$32 bn

\$16 bn

\$8 bn

\$4 bn



3D  
Design

V3



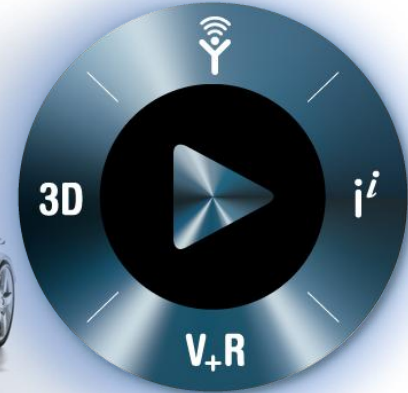
3D DMU  
Digital Mock-up

V4



3D PLM  
Product Lifecycle  
Management

V5



3DEXPERIENCE

V6

# Our 3DEXPERIENCE Platform

- ✓ Based on **V6 Architecture**
- ✓ Powering our **Brands**





Let's navigate the platform together!

# Industry Solution Experiences Life sciences example





# Licensed to Cure for Medical Device



## SMITH & NEPHEW

*A global medical technology business with leadership positions in Orthopaedic Reconstruction, Advanced Wound Management, Sports Medicine and Trauma*

### Business Values

- **Common regulatory submission system** for the planning, tracking, authoring, review, approval, assembly, export, and long-term management of the product registrations
- **Harmonization of regulatory processes** across business units

### Solution

- **3DEXPERIENCE Platform** based solution: **Licensed to Cure for Medical Device**



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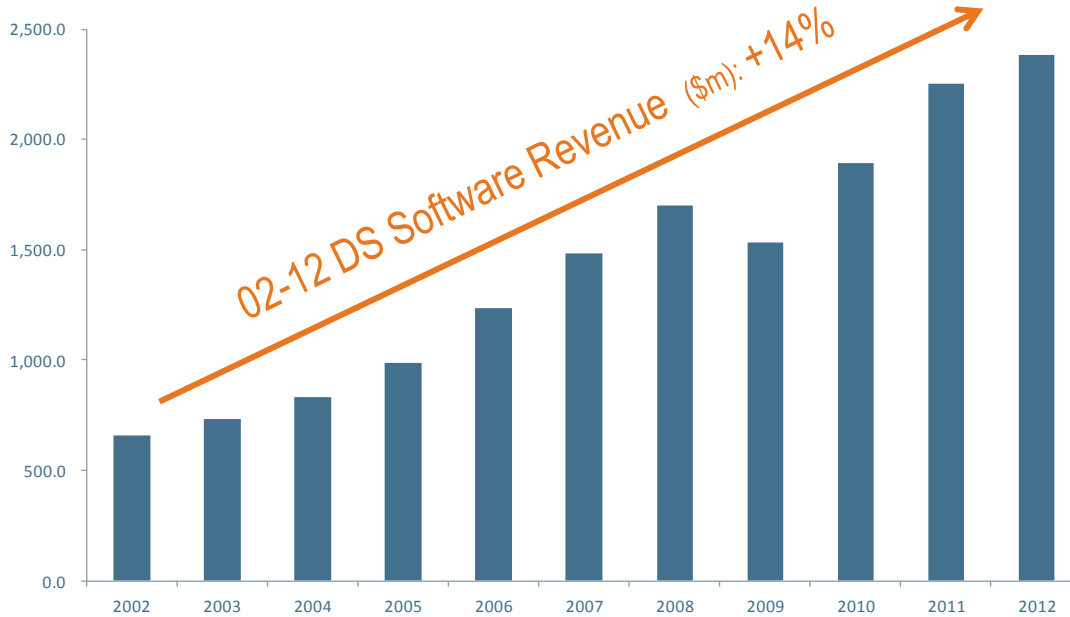
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# Revenue Growth 2002-2012 non-IFRS



		CAGR 02-12
In \$	Software Revenue	14%
	CATIA	11%
	ENOVIA	19%
	Other PLM	23%
	SolidWorks	14%

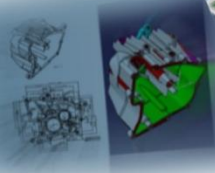
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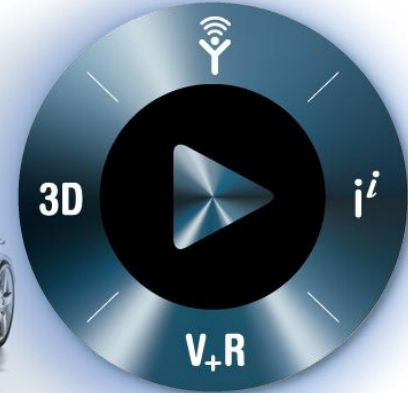
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3DEXPERIENCE

V6

# Growth Strategy

- ▶ **Double** potential addressable market from **\$16B to \$32B**
- ▶ Continue to **gain market share**

Thanks to

3DEXPERIENCE Platform

Industry Solution Experiences



# Growth Strategy: Social & Collaborative apps

Connect the dots within and outside the company

- ▶ Expand to **new collaborative professional users** with **structured applications**
  - ▶ **5-10 X** design users



# QOROS Adopts 3DEXPERIENCE Platform



## QOROS

*A joint venture between Chery Automobile and Israel Corp.  
Qoros is developing western-standard vehicles for the global market*

## Business Values

- **Save time-to-market** through global and efficient concurrent design & collaboration
- **Improve design-to-manufacturing processes** using a single platform for information management
- **Increase engineering efficiency** by leveraging a configured Digital Mock-Up context

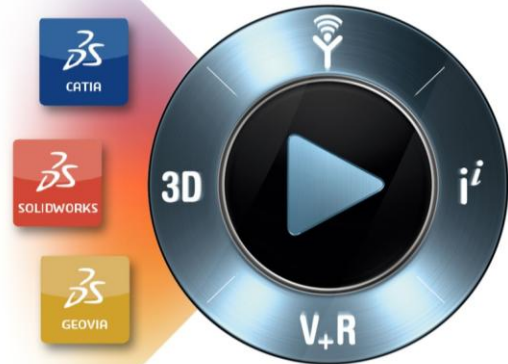
## Solution

- **3DEXPERIENCE Platform** with **CATIA Apps** and **ENOVIA Apps**

# Growth Strategy: 3D Modeling apps

Deliver with 3D a complete workflow from imagination to 3DEXPERIENCE

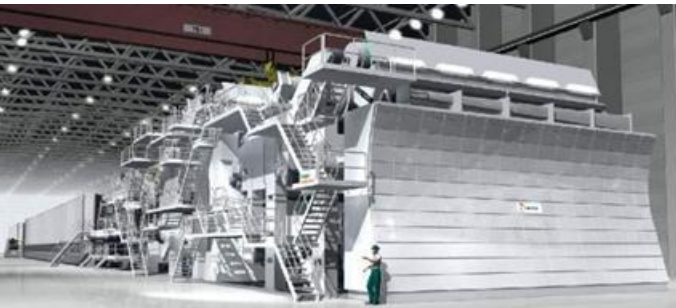
- ▶ **Expand 3D modeling users**
  - ▷ 37% of 3D potential market (5.5 m engineers) are 3D users → 52%\* end of 2019
- ▶ **Expand with specialized applications**
  - ▷ Accelerate customers' deployment and maximize productivity gains



\* Assumption: number of users migrating from 2D to 3D increases by 6% per year & market growth by 1.5% per year



# Metso Pulp, Paper & Power Adopts 3DEXPERIENCE Platform



## METSO PULP, Paper & Power

*World leader in pulp, paper, board and tissue making:*

*2012 Sales: €3.0B / 12,500 employees in 26 countries / Headquartered in Finland*

### Business Values

- **Design anywhere – build anywhere:** global engineering process across collaborative ecosystem
- **Increase efficiency and flexibility:** platform for future global operations development
- **Grow services worldwide**

### Solution

- **3DEXPERIENCE Platform** with **CATIA Apps** and **ENOVIA Apps**

# Growth Strategy: Simulation apps

Improve real world understanding as we experience it

- ▶ Serve **manufacturing engineers** in all industries
- ▶ Expand to **shop floor workers & quality engineers**
  - ▷ 10 x the number of manufacturing engineers
- ▶ Expand **simulation users**
  - ▷ Replace heterogeneous and homegrown fragmented customers' solutions
  - ▷ Develop simulation beyond product to nature and life



# Mazda Adopts SIMULIA



## Mazda Balances Performance and Weight In a Steel Car Body

Insight streamlines and automates complex CAE optimization study



The Mazda CX-5 was the focus of a reduction design optimization investigation.

### MAZDA

*Leading automotive company headquartered in Japan*

#### Business Values

- Balance **performance** and **weight** in a steel car body
- Increase **quality** with **optimized design**: parts with low contribution to performance made thinner; those with strong contribution became thicker

#### Solution

- **SIMULIA** Apps

# Growth Strategy: Information Intelligence apps

## Reveal Information Intelligence

- ▶ Expand with **Data as a Service**
  - ▷ Extract information intelligence from big data
  - ▷ E-business, bio intelligence ...
- ▶ Expand with **analytics and search-based applications**
  - ▷ Extract information intelligence with focused applications in a very simple manner and without data warehouse



# NOKIA Adopts 3DEXPERIENCE Platform



## NOKIA

*Leading High Tech Company headquartered in Finland*

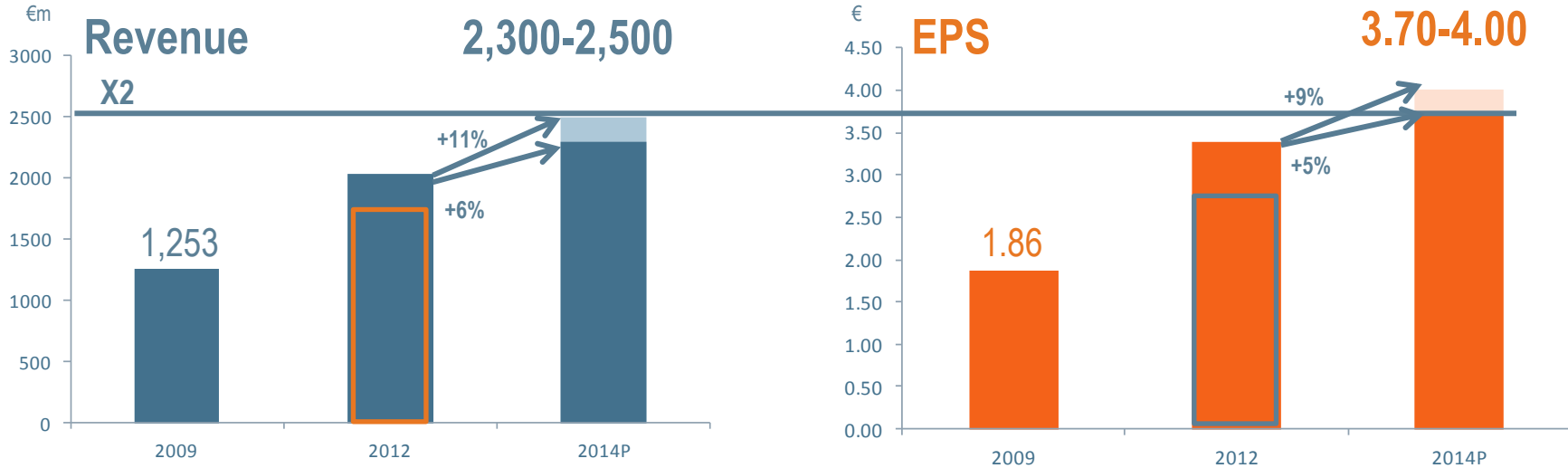
### Business Values

- Improve **collaboration**, internally and externally
- Protect **intellectual property**

### Solution

- **3DEXPERIENCE** Platform
- **CATIA, DELMIA, ENOVIA** Apps
- **EXALEAD** for Information Intelligence

# On-track to Achieve 2009-2014 Plan



**On-track** to achieve 2009-2014 objective to **more than double EPS** with the assumption of an **unchanged economic environment for the remaining period**

□ Implied objective with 09-14 CAGR

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# Q2 2013 Highlights

- ▶ **New licenses** revenue **returning to growth** in Q2
- ▶ Further strengthening positions in **Asia**
- ▶ Confirming strong dynamic of **DELMIA** and entering into **Manufacturing Operations Management** with Apriso acquisition
- ▶ Deploying **V6** and introducing groundbreaking **V6 R2014 release** for **3DEXPERIENCE**
- ▶ Upgrading **FY13 objectives**

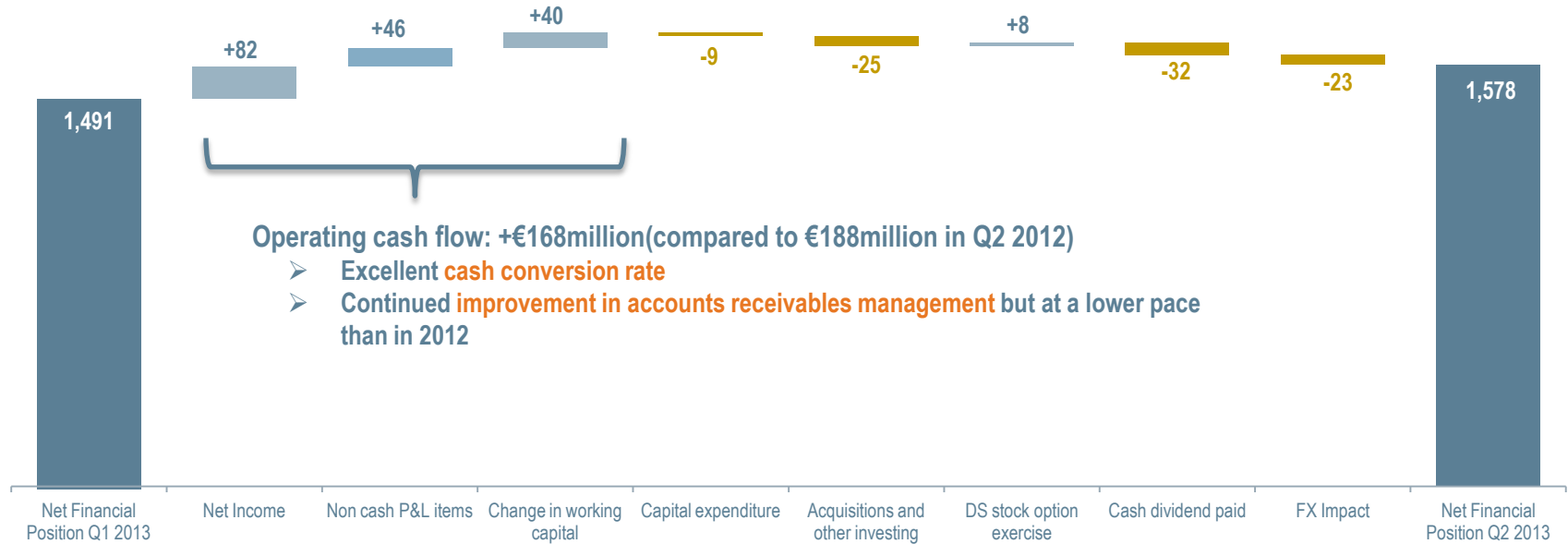
# Q2 & H1-13 Performance Non-IFRS\*

- ▶ **New licenses** revenue **returning to growth** in Q2
- ▶ Strong **EPS** growth driven by **revenue growth** and **margin expansion**

€ millions	Q2 13	YTD 13
Revenue	522	1,011
Growth	+4%	+5%
<b>Growth exFX</b>	<b>+6%</b>	<b>+7%</b>
New Licenses Growth exFX	+4%	+1%
Operating Margin	30.0%	29.5%
<b>Operating Margin Growth</b>	<b>+0.8 pt</b>	<b>+0.3 pt</b>
EPS (€)	0.83	1.61
<b>EPS Growth</b>	<b>+9%</b>	<b>+10%</b>

\* For a reconciliation to IFRS financial information, please refer to the tables in the Appendix.

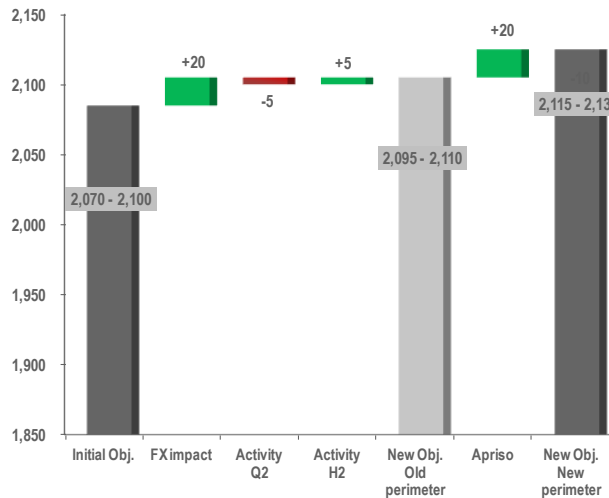
# Change in Net Financial Position



Note: Net financial position is defined as Cash and Cash Equivalents + Short Term Investments – Long-term debt

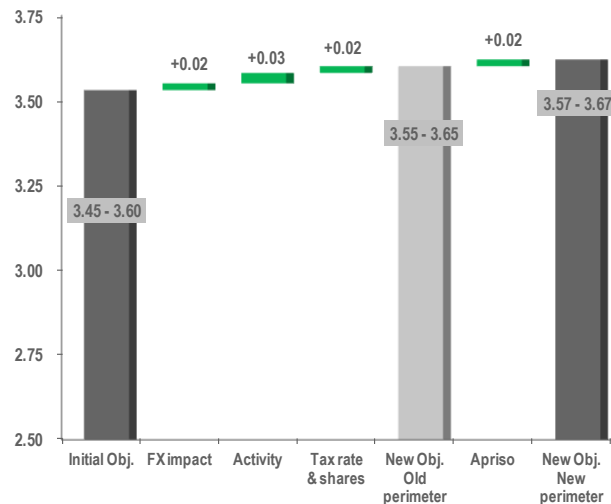
# Upgrading FY13 Objectives: non-IFRS objectives change: from April to July

## Revenue (€m)



Mid-range	2,085	2,105	2,125
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## EPS (€)



Mid-range	3.53	3.60	3.62
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exFX Growth

+6-7%

+6-7%

+7-8%

Growth

+2-7%

+5-8%

+6-9%

# Proposed Objectives Non-IFRS

€ millions	3Q 2013	FY 2013
Revenue	+~520	2,115-2,130
Growth	+~3%	+~4%
<b>Growth exFX</b>	<b>+8-9%</b>	<b>+7-8%</b>
Operating Margin	~31%	~31-32%
EPS (€)	~0.92	3.57-3.67
<b>EPS Growth</b>	<b>+~3%</b>	<b>+6-9%</b>
€/\$ rates	1.35	1.33
€/¥ rates (before hedging)	130	128

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# Extending to Manufacturing Operations Management (MOM)



**OPERATIONS**

Expanding  
Addressable  
Market by ~\$1bn



**SIMULATION**

**MODELING**



# Becoming a Major Player in MOM with:



- ▶ **Manufacturing Operations Management** software
- ▶ FY12 revenue: ~ **US\$ 50million**
- ▶ Revenue breakdown: 65% Software, 35% Services
- ▶ 2008-2012 average revenue growth: above **+15%**
- ▶ Privately held company
- ▶ Headquartered in Long Beach, California, USA
- ▶ ~ **280** employees
  
- ▶ **Customers choosing Apriso for:**
  - ▷ **Flexibility** to quickly adapt to market changes while driving best-in-class manufacturing
  - ▷ **Standardization** across multiple factories to establish best practices
  - ▷ **Operations monitoring** to synchronize product releases across all manufacturing operations

World-class Customer Base across Multiple Industries



# Apriso Acquisition Closing

- ▶ Closed on **July 1<sup>st</sup>, 2013**
- ▶ Price: enterprise value of **US\$ 205 million**, plus net cash acquired
- ▶ Impact on non-IFRS FY13 objectives
  - ▷ **~ +€20 million** revenue
  - ▷ Estimated **positive impact** on **EPS** of **~2 cents**



