



3DEXPERIENCE®

Dassault Systèmes Presentation

Thibault de Tersant, Senior EVP, CFO

Agenda

1

Strategy

2

Multi-Year Growth Plan

3

Q3 Business Review & FY14 Financial Objectives

Double the Addressable Market

\$4 bn

3D
Design

V3

\$8 bn

3D DMU
Digital Mock-up

V4

\$16 bn

3D PLM
Product Lifecycle
Management

V5

\$32 bn



3DEXPERIENCE

V6

Our Strategy

VIDEO

Social



Ease of use +
Mobile Apps +
Online

Industry



"Business
Solutions"

Experiences



Software +
Services +
Content




Meadwestvaco (MWW Beverage) showcasing their Insight to In-Market approach, a proprietary methodology that **converts consumer, brand and category insight into packaging experiences that drive loyalty.**


All Industries are in the Experience Economy



TRANSPORTATION & MOBILITY
“Match-making Experience”



AEROSPACE & DEFENSE
“Travelling Experience”



MARINE & OFFSHORE
“Destination Experience”



INDUSTRIAL EQUIPMENT
“Harvesting Experience”



HIGH-TECH
“Entertainment Experience”




CONSUMER GOODS RETAIL
“Lifestyle Experience”





CPG RETAIL
“Shopping Experience”




LIFE SCIENCES
“Patient Experience”




ENERGY, PROCESS & UTILITIES
“No stop Experience”




ARCHITECTURE, ENG. & CONSTRUCTION
“Lifetime Experience”



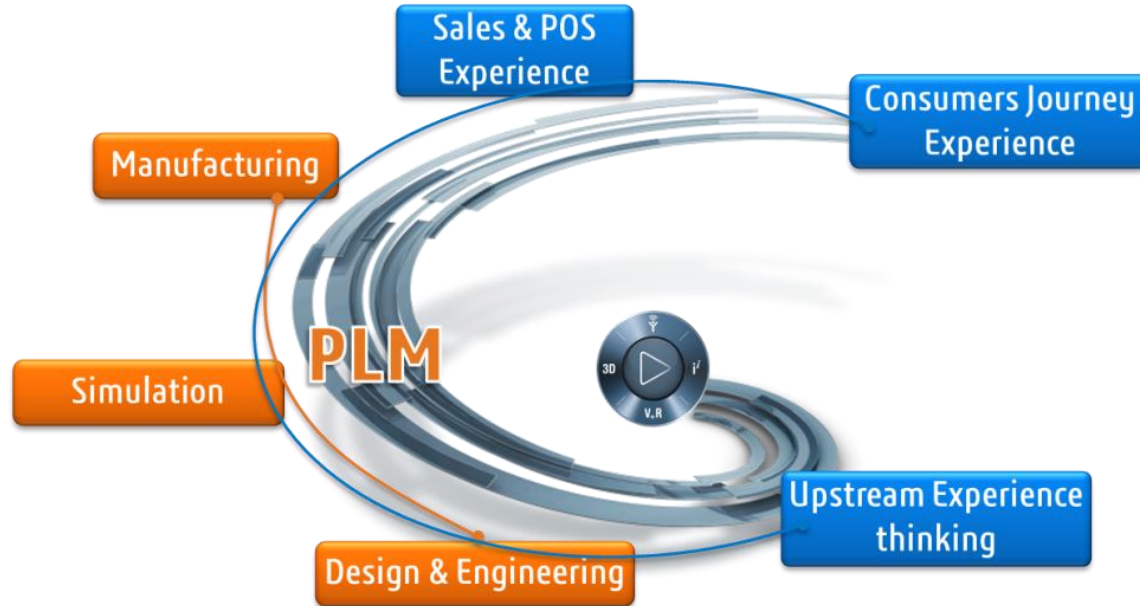
FINANCIAL & BUSINESS SERVICES
“Peace of mind Experience”



NATURAL RESOURCES
“Productivity Experience”



Innovation is Now Driven by Consumer Experience



3DEXPERIENCE the Platform | V6 the Architecture

- V6 architecture making possible the **3DEXPERIENCE platform** and **Industry Solution Experiences**
- At the core of our **diversification** to **new industries**
- **Applications** portfolio on **3DEXPERIENCE** creating **high potential**
- **Cloud** Industry Solution Experiences showing how to expand further to **SMB**



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Strategy

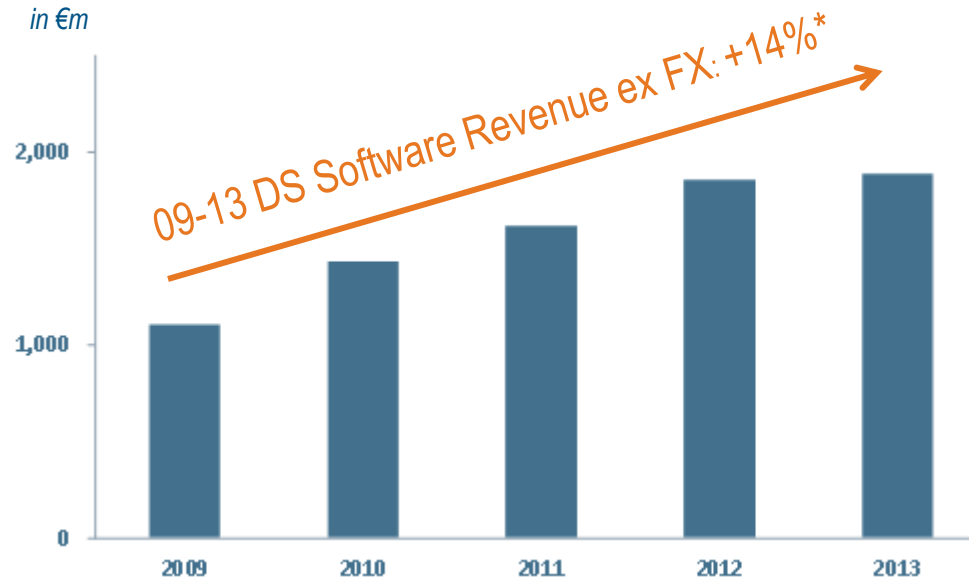
2

Multi-Year Growth Plan

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Q3 Business Review & FY14 Financial Objectives

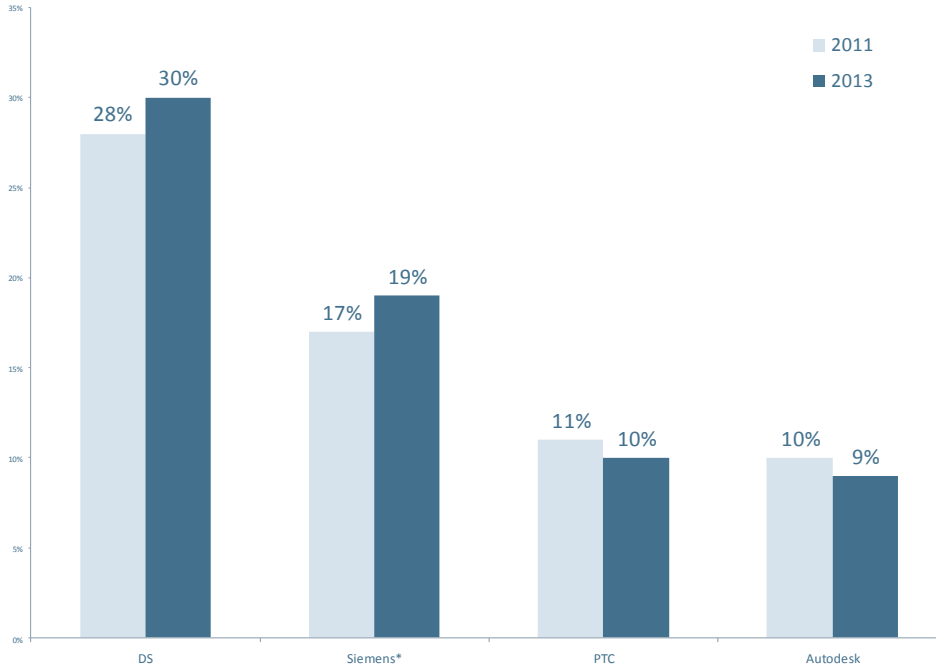
2009-2013: Software Revenue Growth non-IFRS



* 09-13 DS Organic Software Revenue ex FX: +9%

DS Leader of the PLM Market

2011-13 Market Share (PLM Software)



- DS: clear **market leader** with **~30%** market share
- DS: **+2 pts gain in market share** from 2011 to 2013
- Software PLM market sized at **\$10.9bn**
- Software PLM market including **CAD, Product Data Management, Simulation, Digital Manufacturing**

* Including LMS acquisition

2014-2019: Multiple Growth Drivers to Support Revenue Growth

Users Expansion in Core Industries

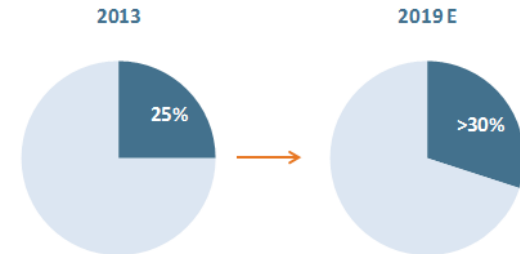


*Aerospace & Defense, Industrial Equipment, Transport & Mobility
 ** Total potential of users expansion

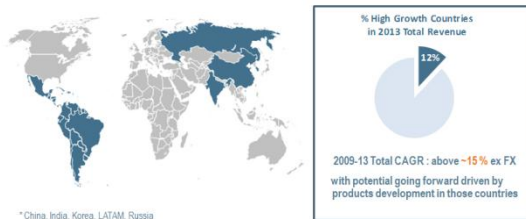
Adoption of V6 Architecture within the Installed Base



Diversification in New Industries

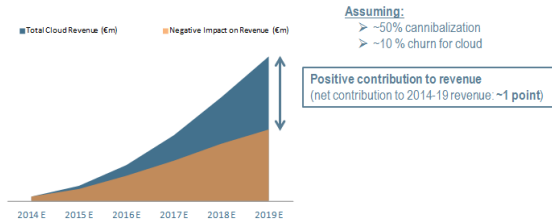


Diversification in High Growth Countries



*China, India, Korea, LATAM, Russia

Cloud + Mobile



Acquisitions



Users Expansion in Core Industries*

« 3D » **EXPERIENCE everything:**
expand with 2D to 3D migration and with systems engineering



People from all disciplines to work together: expand to new collaborative professional users and to digital marketing



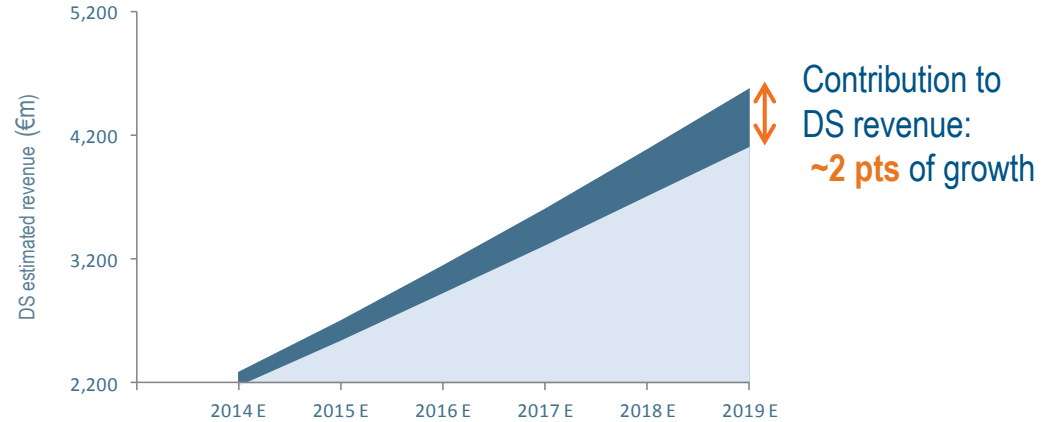
Bring intelligence to big data: expand with Data as a Service, predictive analytics and search-based applications

Improve real world thru experience: expand to shop floor workers & quality engineers - expand simulation users

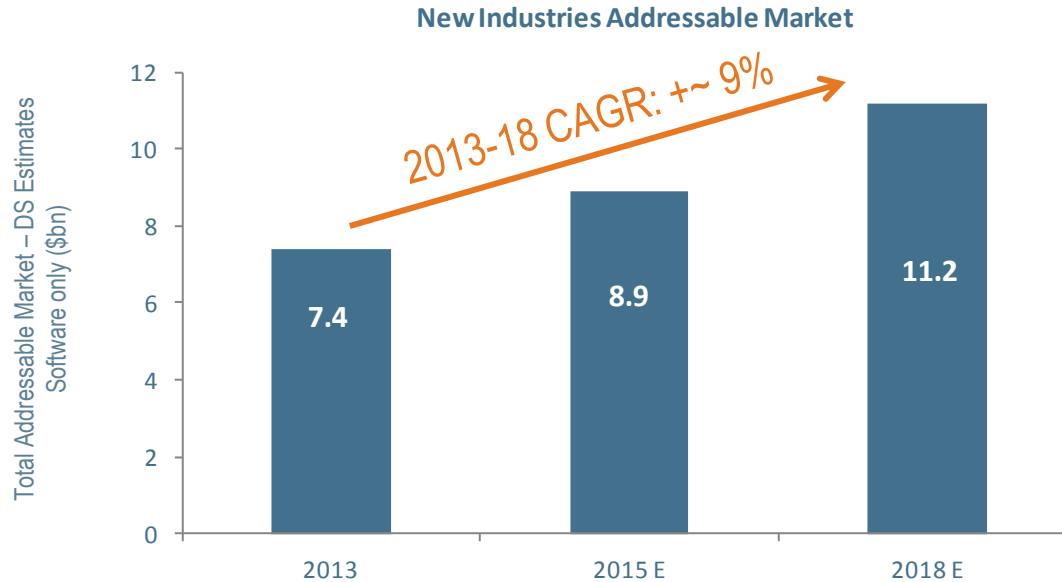
*Aerospace & Defense, Industrial Equipment, Transport & Mobility

Adoption of V6 Architecture within the Installed Base

- Benefiting from migration potential in **DS installed base**
 - 10% license fee upgrade
 - Price of Maintenance up 10% with improved service
 - Maintenance rate increase applied to 10% license fee upgrade
- And expanding **disciplines coverage** and **collaboration**

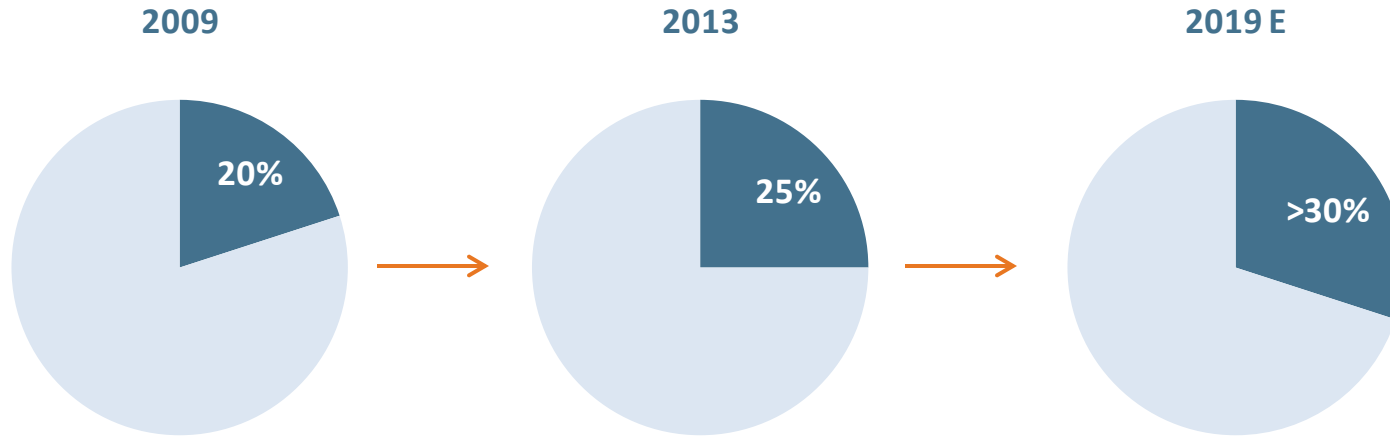


New Industries* Addressable Market



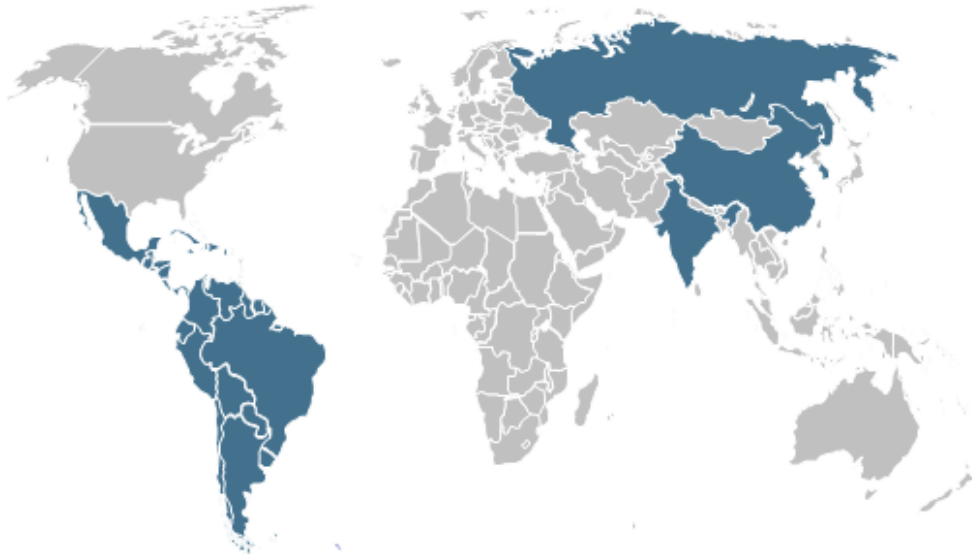
* Architecture Engineering & Construction, Consumer Goods & Retail, Consumer Packaged Goods & Retail, Energy Process & Utilities, Finance Business Services, High-Tech, Life Sciences, Natural Resources, Marine & Offshore

% New Industries* in DS Software Revenue



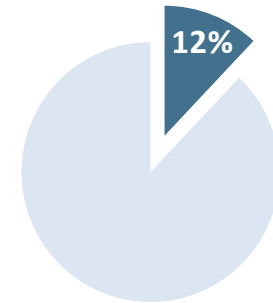
* Architecture Engineering & Construction, Consumer Goods & Retail, Consumer Packaged Goods & Retail, Energy Process & Utilities, Finance Business Services, High-Tech, Life Sciences, Natural Resources, Marine & Offshore

High Growth Countries* Diversification



* China, India, Korea, LATAM, Russia

% High Growth Countries
in 2013 Total Revenue



2009-13 Total CAGR : above **~15 %** ex FX
with potential going forward driven by new
product development in those countries

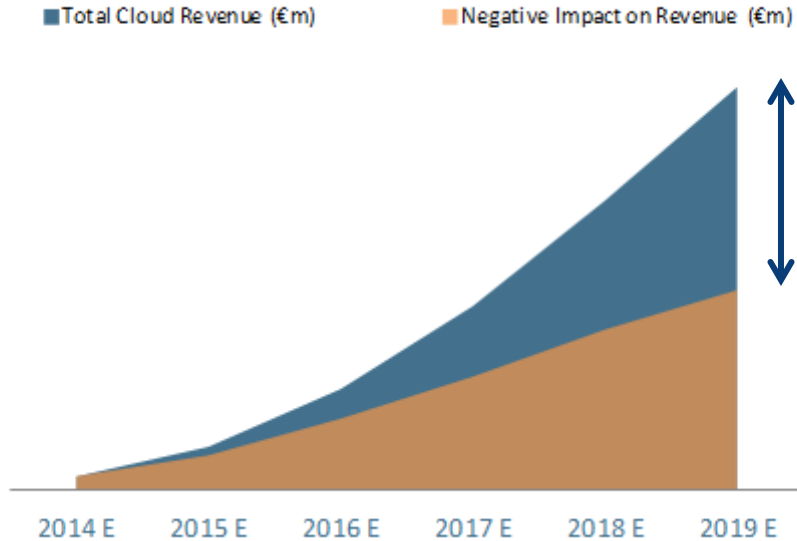
Expanding Addressable Market with Cloud + Mobile

- Accessing with Cloud+ Mobile **smaller enterprises & new industries** and expanding addressable market by **~15%**



Half of new business with Cloud is expected to be **incremental to perpetual license business**

Cloud Contributing Positively to 2014-2019 Revenue



Assuming:

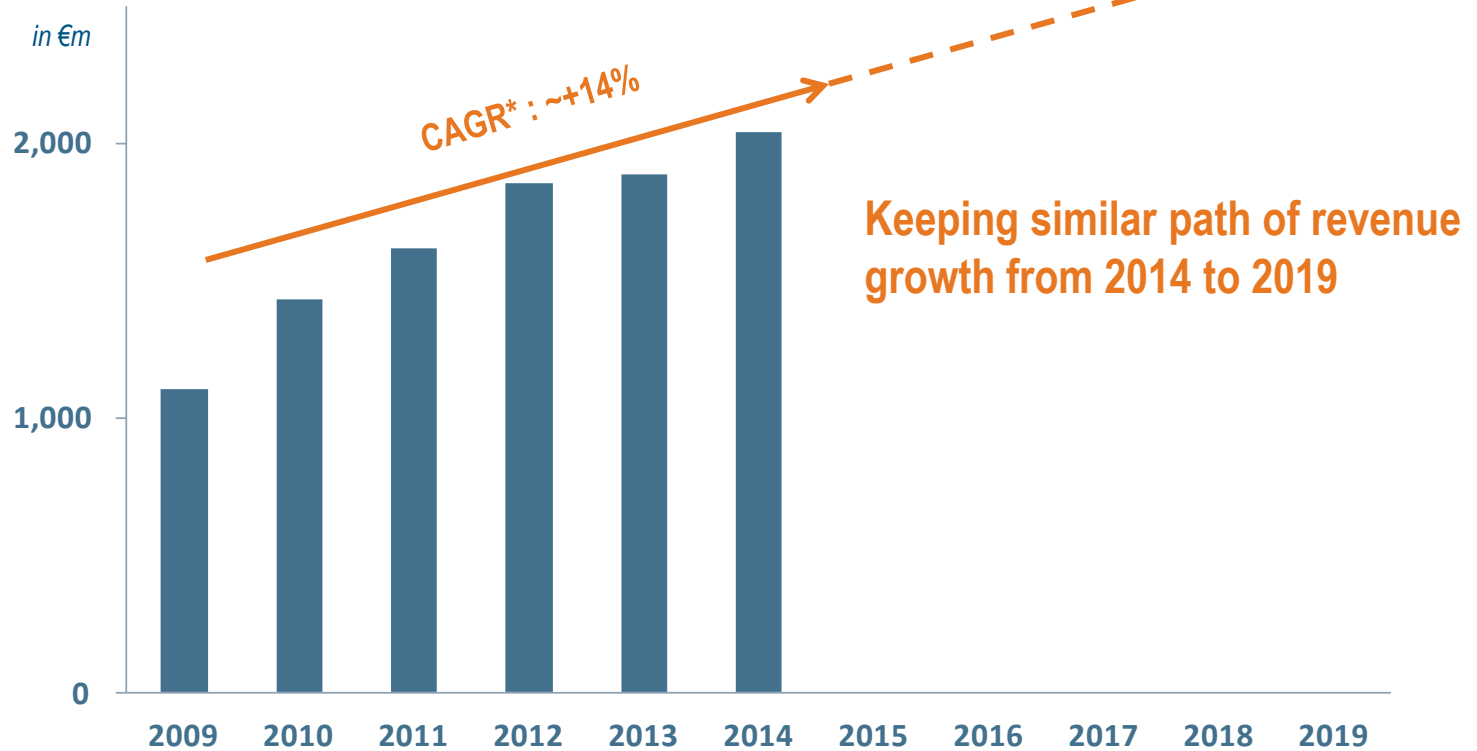
- ~50% cannibalization
- ~10% churn for cloud

Positive contribution to revenue
(net contribution to 2014-19 revenue: ~1 point)

Acquisitions Supporting Addressable Market Expansion



2014-2019: Revenue Growth



2014-2019: Dassault Systèmes to Double EPS* non-IFRS

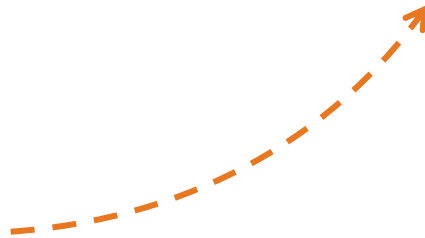
EPS objective of:

€ 3.50

~ €1.75



2014 Initial Guidance



2019

*Assuming the following currency rates: - €/US\$: 1.37
- €/JPY: 140

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Q3 2014 Highlights

- Delivering good **new licenses** growth thanks to **large accounts** and **Asia**, reflecting:
 - Continued strengthening of **Direct sales channel**
 - Elevation in customer engagement provided by **Industry Solution Experiences** approach
- Recording double-digit **CATIA** and **ENOVIA** new licenses revenue exFX
- Building upon the **expansion of our addressable market** with **BIOVIA**
- Closing **Quintiq** acquisition and expanding **DELMIA** portfolio and industry reach
- **Confirming** FY14 outlook and **updating** for **Quintiq** acquisition & **currencies**

Q3 2014 Performance Non-IFRS

- Delivering good new licenses revenue growth with **organic new licenses revenue** up **14%** exFX in Q3 and **9%** in YTD
- Currency** depreciation hiding **EPS** progression, up **7%** exFX in Q3 and **9%** in YTD

€ millions	Q3 14	YTD 14
Revenue	580	1,653
Growth	+17%	+10%
Growth exFX	+19%	+14%
New Licenses Revenue Growth exFX	+23%	+14%
Operating Margin	29.7%	28.7%
EPS (€)	0.45	1.24
EPS Evolution	+2%	+0%

Software Revenue by Brands Non-IFRS

- **CATIA** and **ENOVIA** revenue driven by new licenses revenue growth up close to respectively **+25%** exFX and **+35%** exFX in Q3
- **SOLIDWORKS** performance reflecting renewed good units growth and solid recurring
- Double-digit **SIMULIA** revenue growth
- **Organic software revenue** up **7%** in Q3, **6%** in YTD

Software Revenue Growth exFX by Brands

	Q3 14	YTD 14
CATIA	+7%	+6%
ENOVIA	+8%	+8%
SOLIDWORKS	+14%	+9%
Other Software	+38%	+27%
Total Software	+16%	+11%

Revenue by Region Non-IFRS

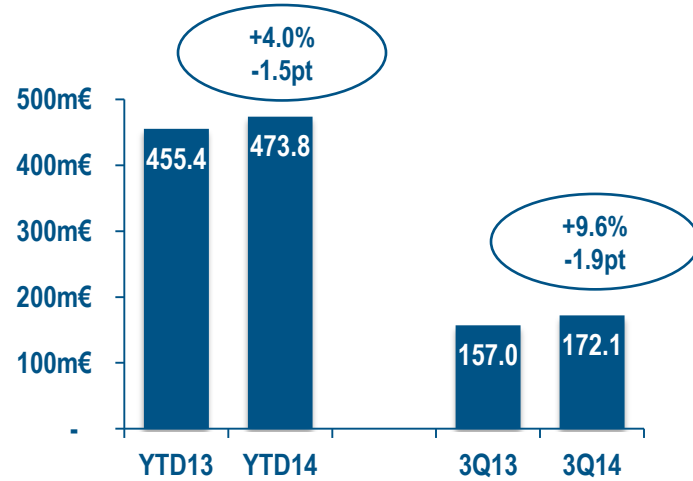
- Improved large accounts new licenses revenue growth in **North America**
- Mixed results in Europe due to **Germany** and **Russia**
- **Japan, China, Korea & India** strongly up

Revenue Growth exFX by Region

	Q3 14	YTD 14
Americas	+22%	+16%
Europe	+15%	+13%
Asia	+24%	+15%
Total Revenue	+19%	+14%

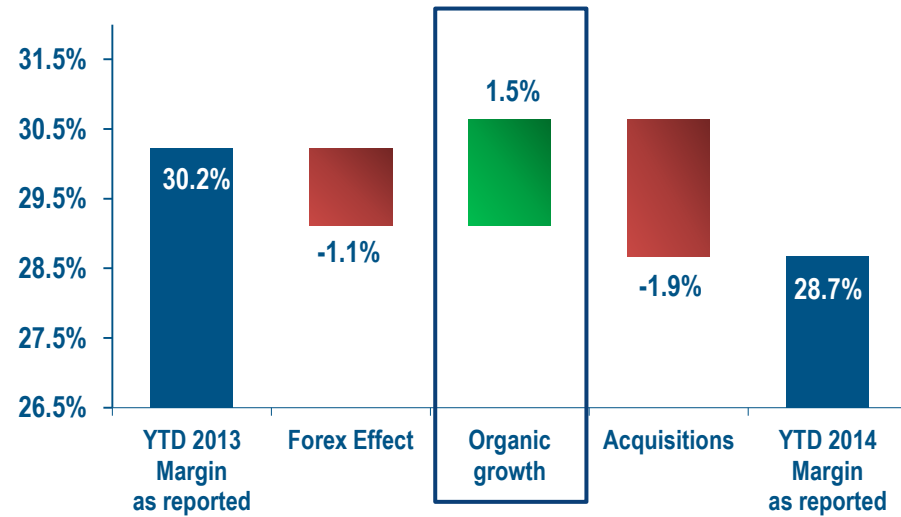
Operating Income Evolution Non-IFRS

Operating Income



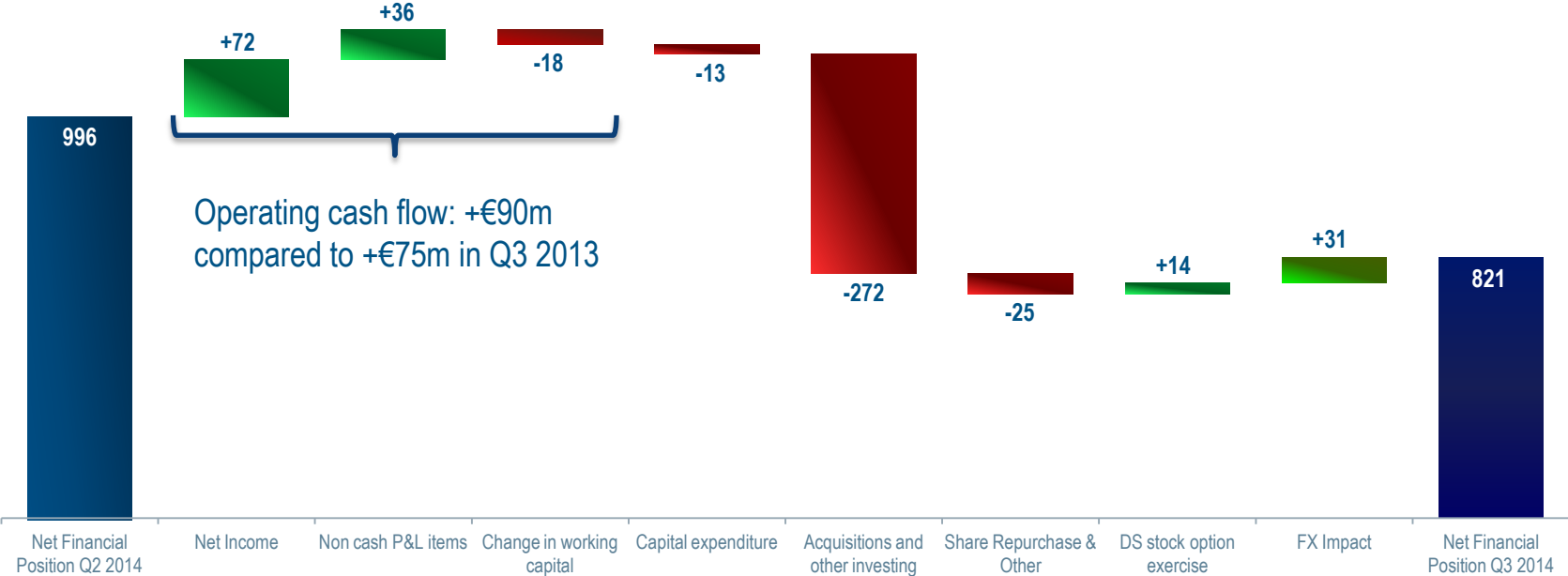
Op. Margin	YTD13	YTD14	3Q13	3Q14
	30.2%	28.7%	31.6%	29.7%

YTD Operating Margin: YoY Comparison



Organic operating margin increasing **150** basis points in YTD on **improved efficiency of global operations** → Helping mitigate the dilution impact of acquisitions

Change in Net Financial Position



Proposed objectives Non-IFRS

	Q4 2014	FY 2014
Revenue (M€)	670-680	2,325-2,335
Growth	+18-20%	+12-13%
Growth ex FX	+18-19%	+15-16%
Operating Margin	30.0-31.5%	~29.5%
Operating Margin Growth	-5 to -3 pts	~-2 pts
EPS (€)	0.50-0.55	1.75-1.80
EPS Growth	-1% to +9%	+0-3%
€/\$ rates	1.30	1.34
€/¥ rates	140.0	139.6

- ▶ Targeting FY revenue growth up **+15-16%** ex FX
- ▶ Focusing on FY organic margin improvement by **~+150 basis points** to partly offset dilution from acquisitions & currencies depreciation
- ▶ Targeting FY EPS growth of **~+8-10%** excluding currencies impact

