



3DEXPERIENCE[®]

Dassault Systèmes

March 2019 Presentation

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Agenda

1

Multi-Year Growth Plan

2

Q4 & FY 2018 Business Review

3

Q1 & FY 2019 Financial Objectives

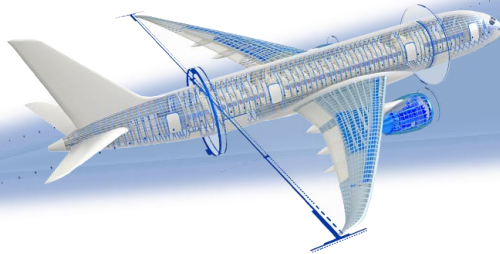
Doubling Addressable Market with 3DEXPERIENCE

\$4 bn



1981
3D
Design

\$8 bn



1989
3D DMU
Digital Mock-up

\$16 bn



1999
3D PLM
Product Lifecycle
Management

\$32 bn



3DEXPERIENCE™

2012
3DEXPERIENCE®
platform
Business Experience

Our Purpose

Dassault Systèmes provides business & people with **3DEXPERIENCE** universes to imagine sustainable innovations capable of harmonizing product, nature & life.



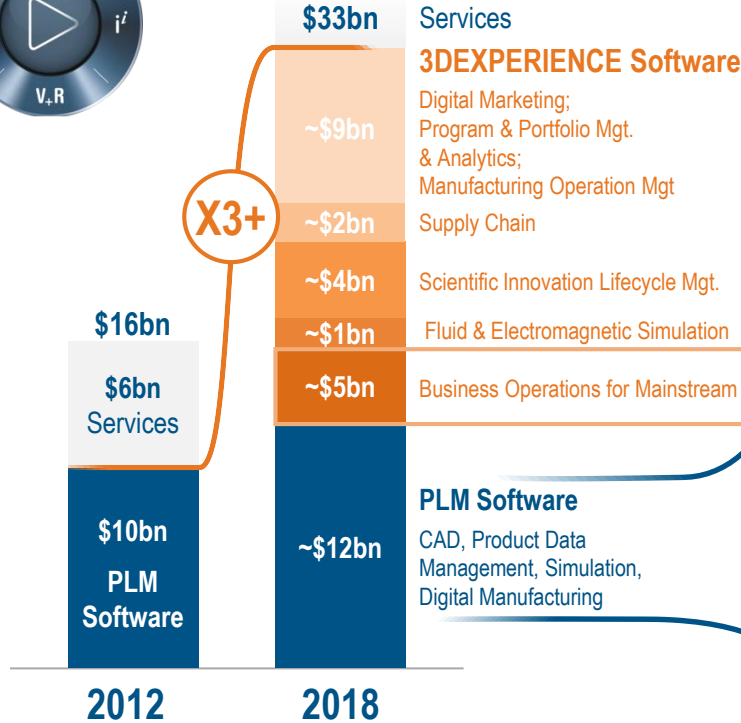


Our Belief

The virtual world extends
and improves the real world

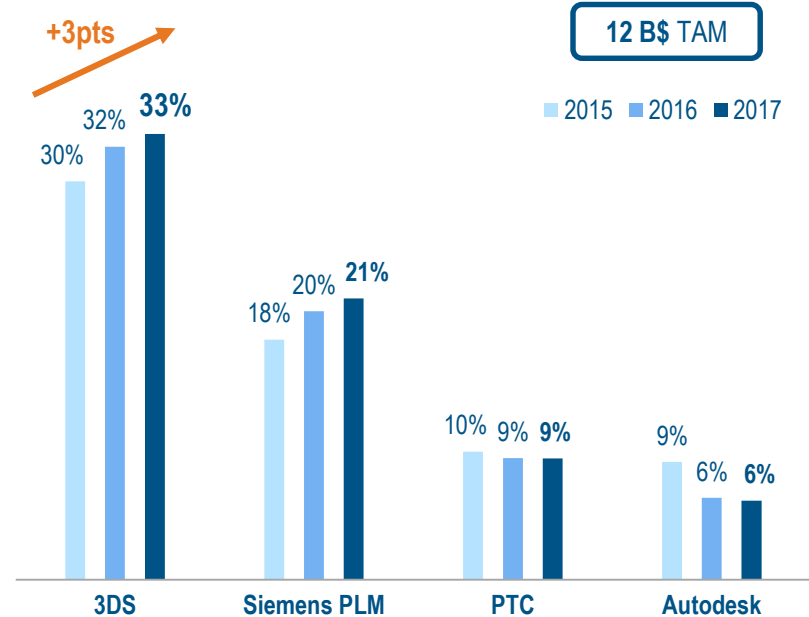
Market Expansion & Market Share Gains

MARKET EXPANSION



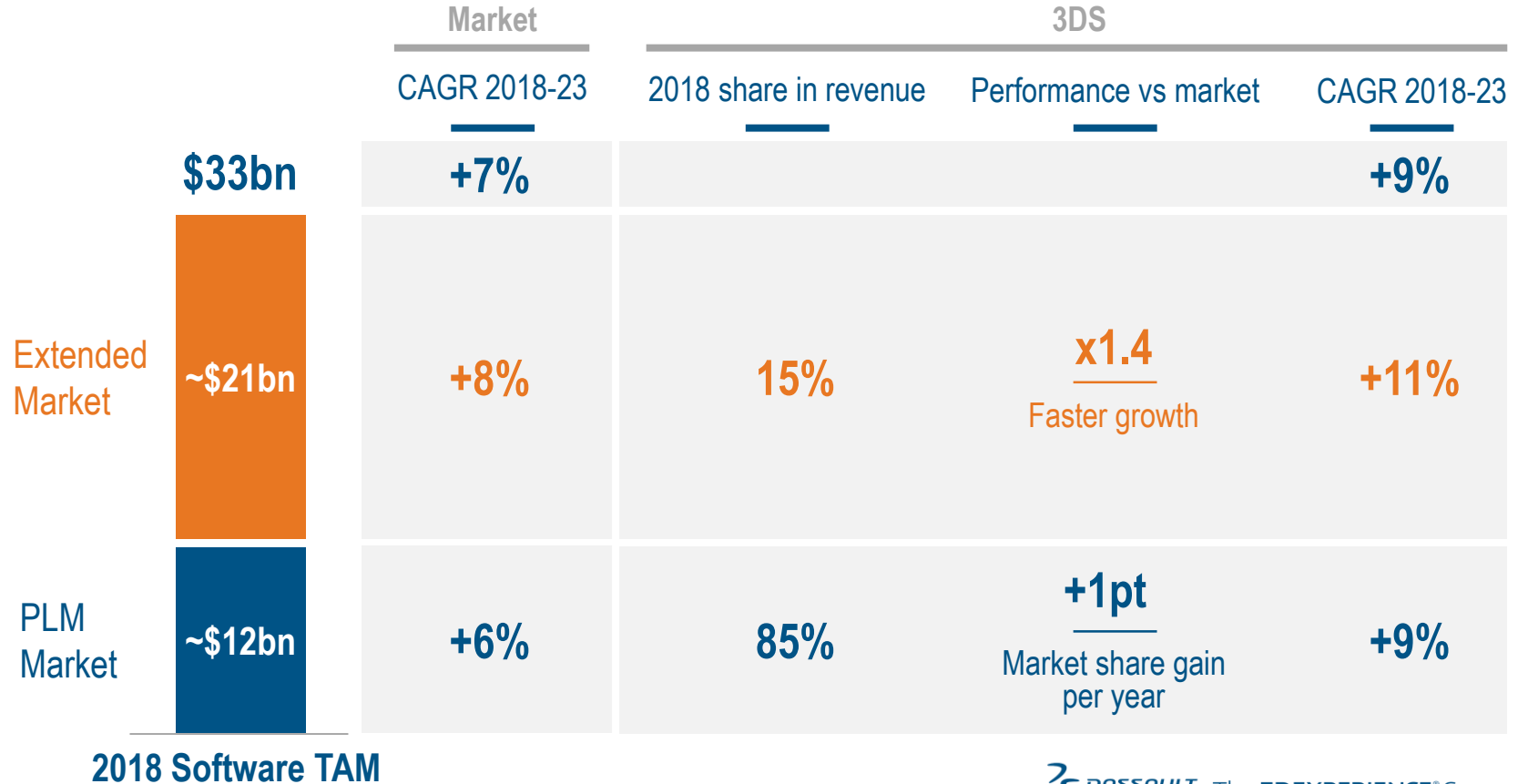
PLM MARKET SHARES*

► Software PLM market including **CAD, Simulation, Product Data Management, Digital Manufacturing**



* Market shares are based on end-user revenues

Market Trends & 3DS Perspectives



Growth Drivers

Brands
“User Experience” & Communities



APPLICATIONS

Industries
“Solution Experience”



CONTENT

12 Geo Field Operations
“Customer Experience”



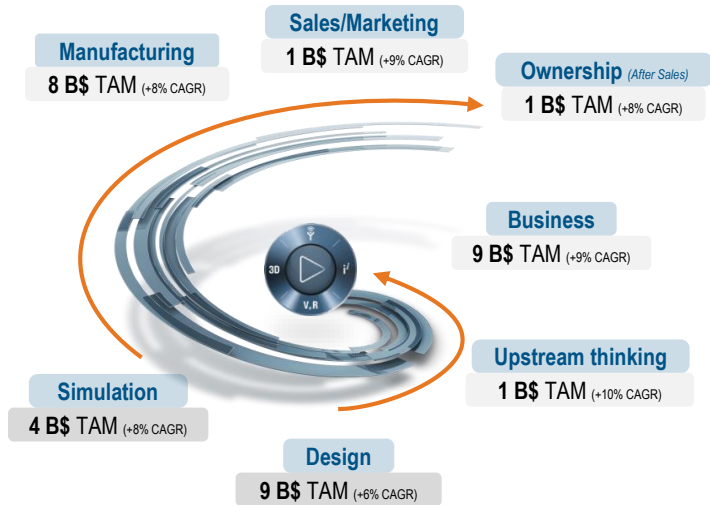
SERVICES

3DEXPERIENCE platform

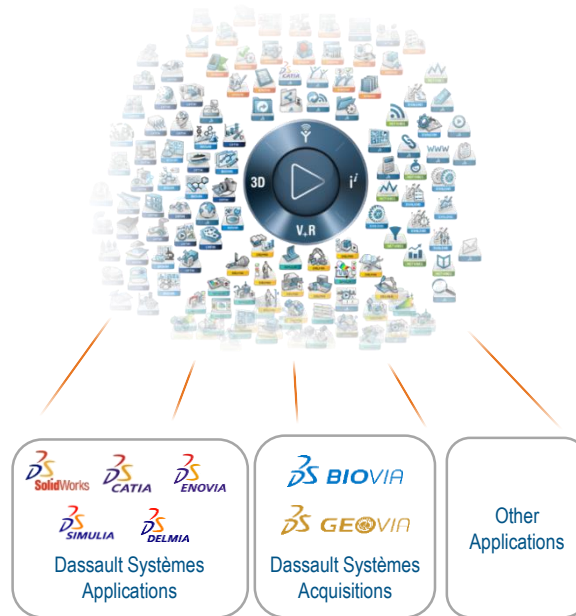
 DASSAULT SYSTEMES | The 3DEXPERIENCE® Company

3DEXPERIENCE Platform Value Proposition

DIGITAL CONTINUITY

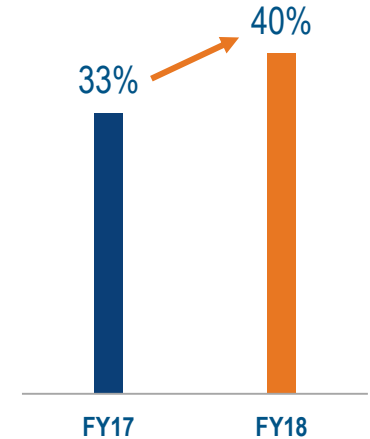


CONNECTING LEGACY



3DEXPERIENCE ADOPTION

% of 3DEXPERIENCE
in Licenses Revenue*



* Non-IFRS, excluding SOLIDWORKS and acquisitions

Delivering More Value to Customers

PORTFOLIO VALUE

Offer

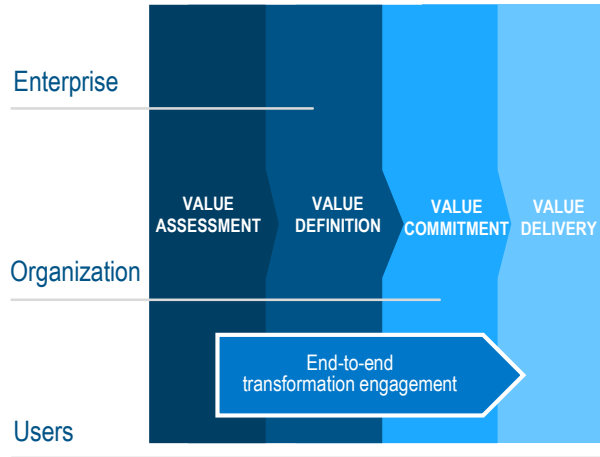
74 Solutions
538 Processes
351 Roles

Value

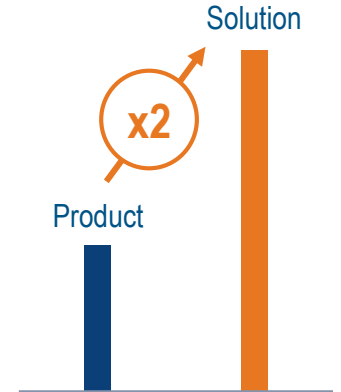
Enterprise: **Business model**
Organization: **Collaboration**
User: **Empowerment**



VALUE ENGAGEMENT



DEALS VALUE

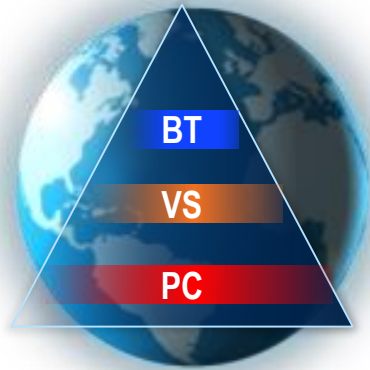


Average new licenses deal value

~90 transactions exceeding €1 million in software in 2018 (up 35%)

Reaching More Customers

GLOBAL



2018 software revenue share

System Integrators contributing to 2018 BT 3DEXPERIENCE licenses (30% joint)

LOCAL

12 GEOs, 140 countries



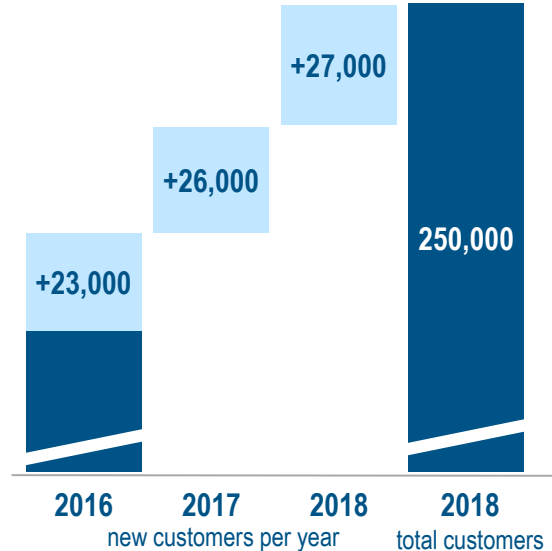
AMERICAS
29%

EUROPE
43%

ASIA
28%

Non-IFRS, FY18 % of software revenue

CLIENTS BASE



Expanding our Footprint with Cloud

CLOUD OFFER



R2019x
on the Cloud



304
Roles



87%
of the portfolio

CLOUD COVERAGE

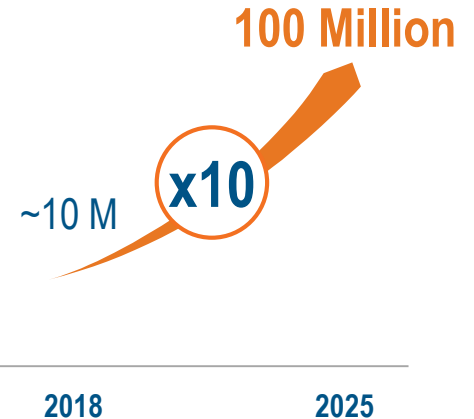
3DS Outscale and other providers



Providing cloud computing infrastructure services (IaaS) through 10 data centers

Enabling 3DEXPERIENCE Platform rapid deployment whatever the size of the company

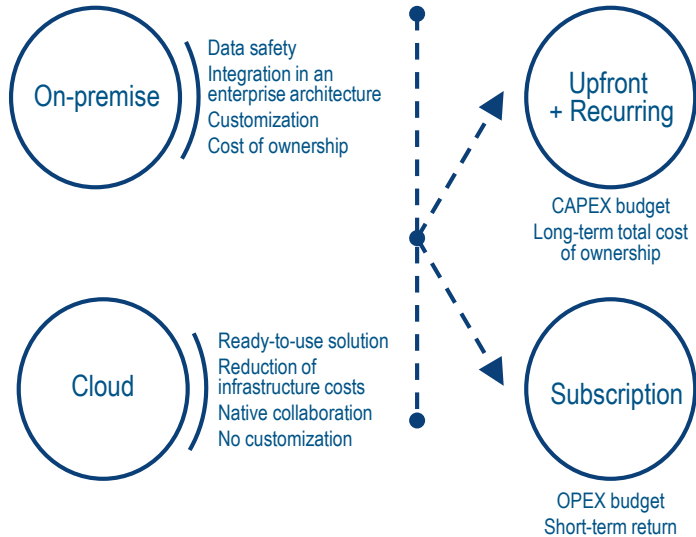
CONNECTED USERS



Adapted & Agile Business Model

CLOUD OPTIONS

Our Customers have the choice



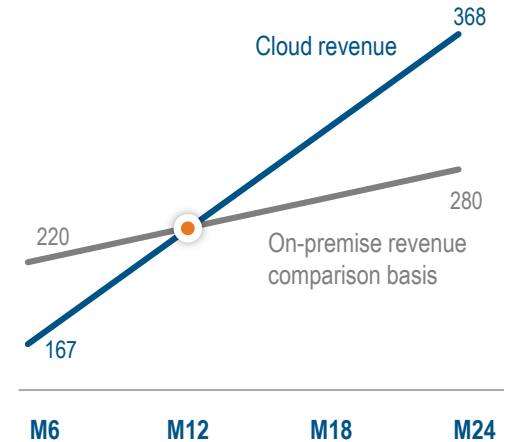
CLOUD BUSINESS MODEL

No dilution of revenue & growth

Cloud assumptions

1/3 from **market extension**

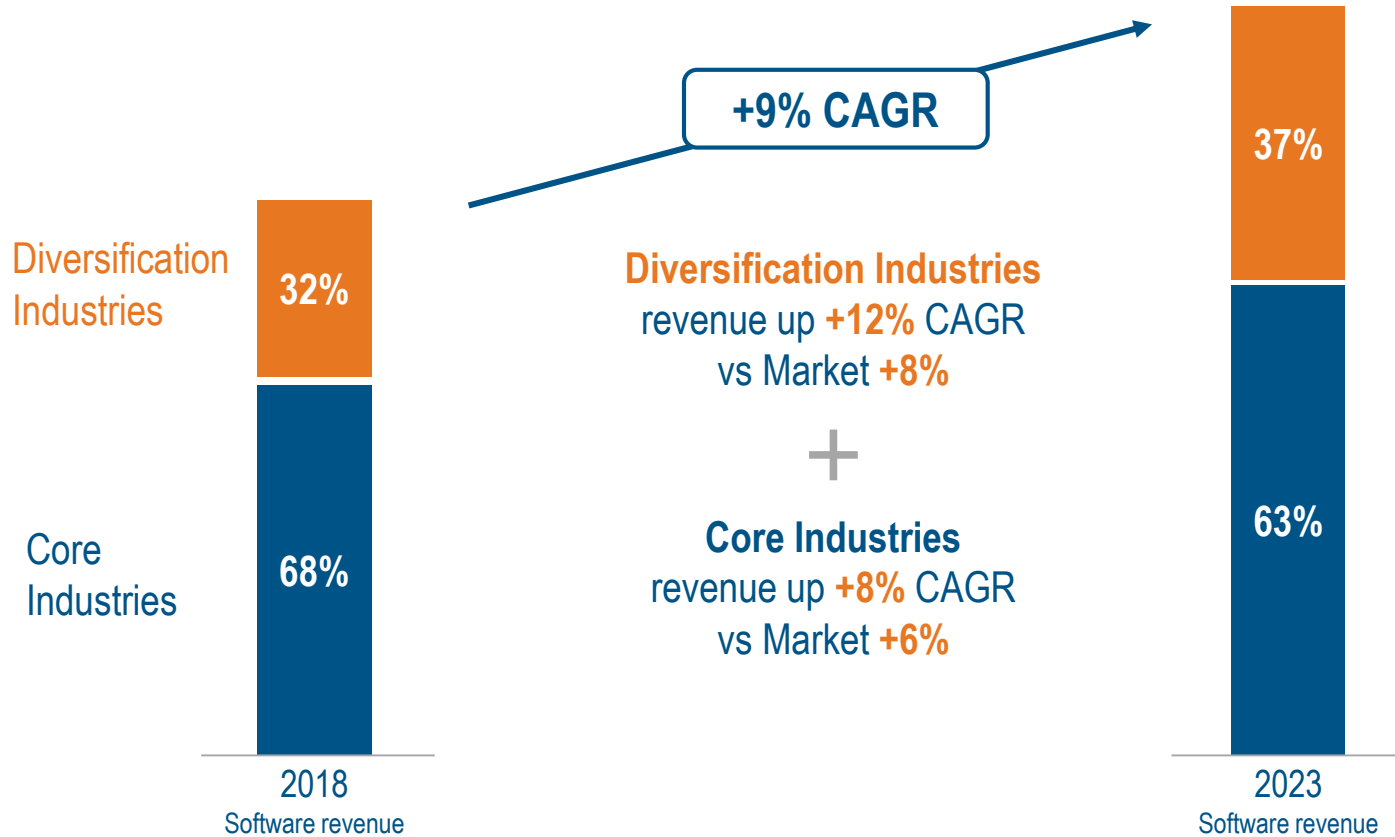
1/3 in **Upfront + Recurring** model



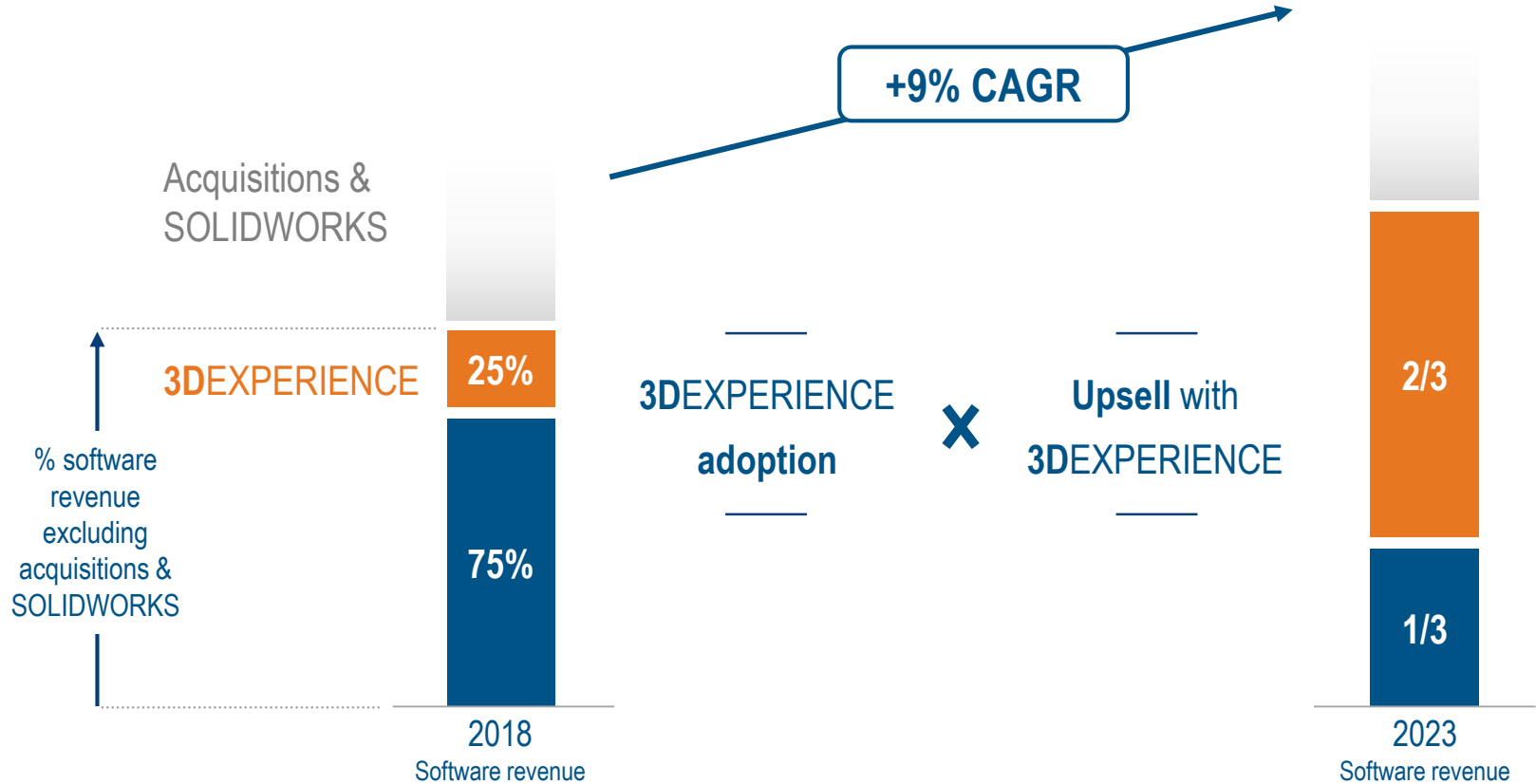
2 Perpetual license of 100€ + support

3 Cloud licenses: 2 in subscription and 1 in upfront + recurring

2018-2023: Industries Fueling our Growth...



...and 3DEXPERIENCE Product Cycle Accelerating Growth



Something is happening...



The world's most popular media owner,
creates no content



The world's largest taxi transporter,
owns no vehicles



The world's largest accommodation provider,
owns no real estate



The most valuable retailer,
has no inventory



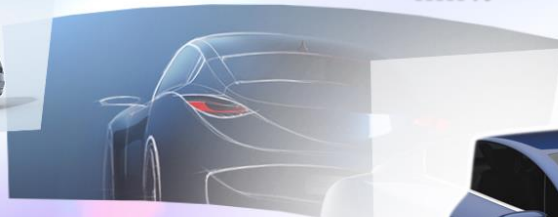
3DEXPERIENCE

The world's largest industrial manufacturer
creates no product,
owns no plant,
has no inventory...

$$\lim \partial d = 0$$

$$\lim \partial t = 0$$

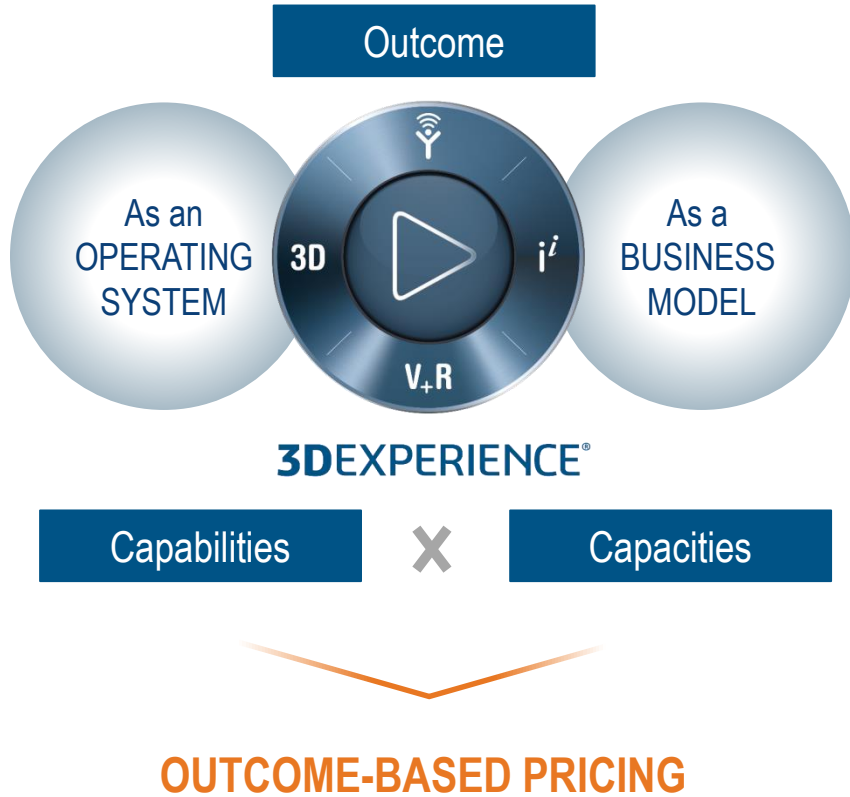
$$\lim n = \infty$$



A new world
with new principles

$$\lim \|V - \varphi\| = 0$$

3DEXPERIENCE Platform, Infrastructure of the 21th century



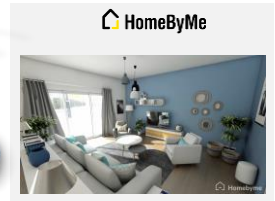
MARKETING & SALES



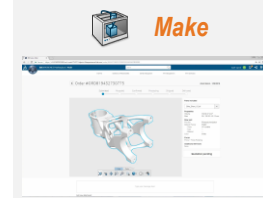
OWNERSHIP



UPSTREAM THINKING



MANUFACTURING



DESIGN & ENGINEERING



ACROSS VALUE-STREAMS

Investment Capacity to Fulfill our Purpose

1,810 M€ Net financial position
Q4 2018

899 M€ Operating Cash Flow
2018

- 1 Dividends
- 2 Share buybacks
- 3 Acquisitions

PRODUCT

Domain div
Segment div
New usages

LIFE

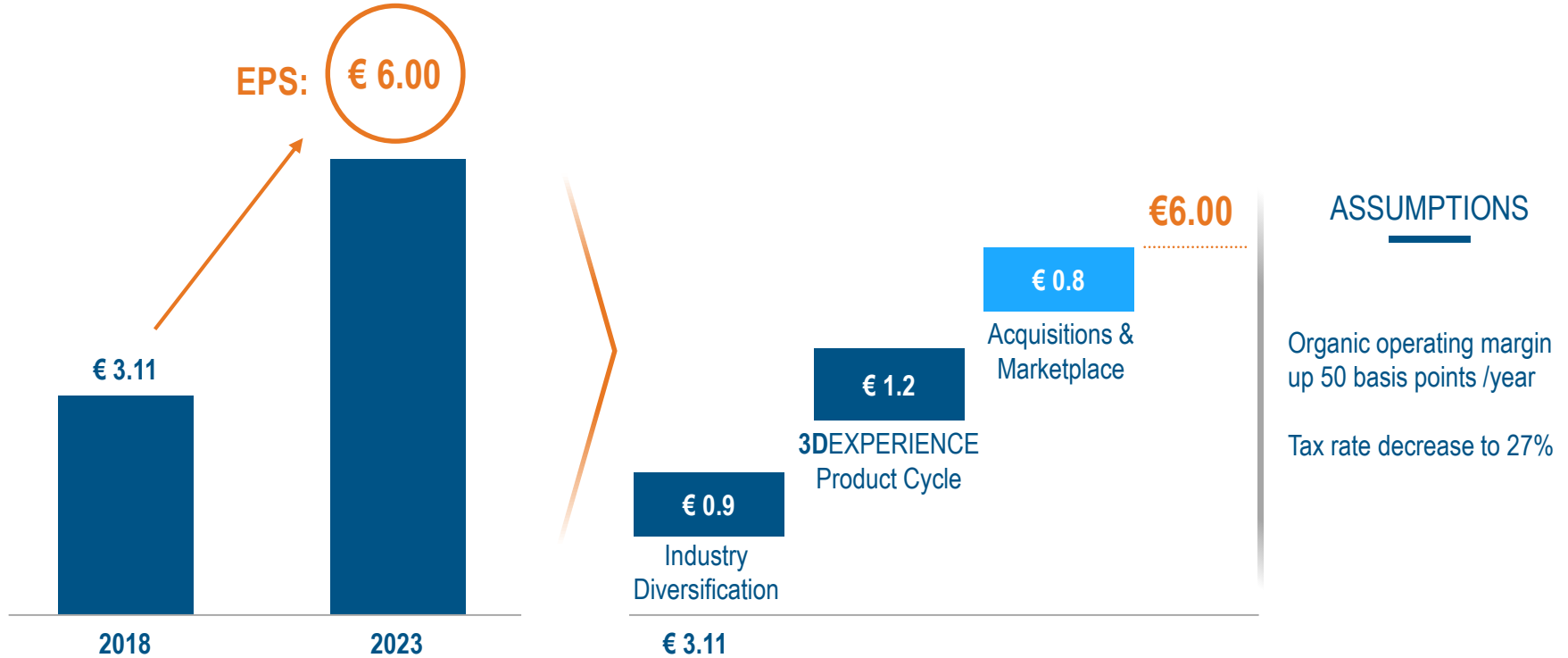
Life-Science
Health Care
Patient Care

NATURE

Territories / Cities
Natural Resources



2018-2023: 3DS to more than Double EPS_{non-IFRS*}



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FY 2018 Highlights Non-IFRS (under IAS 18)

► Delivering on all 2018 objectives

Revenue	✓ FY18 revenue up +10% exFX
License Revenue	✓ FY18 license* revenue up +11% exFX
EPS	✓ FY18 EPS up +16% (+20% exFX)

► Key elements in place for sustainable growth

Purpose in Action	✓ Making a significant and positive impact helping customers to achieve their purpose
3DEXPERIENCE Platform	✓ 3DEXPERIENCE software revenue up +24% exFX (25% of software revenue**)
Industries	✓ T&M, A&D, IE, CG-Retail, NR, AEC, FBS, M&O *** software revenue up double-digit exFX
Cloud	✓ Footprint and diversity expansion
Customer Expansion	✓ 27,000 new customers organically
Addressable Market Expansion	✓ IQMS (ERP Manufacturing), Centric Software (PLM), No Magic and Argosim (Systems), COSMOlogic (Simulation)

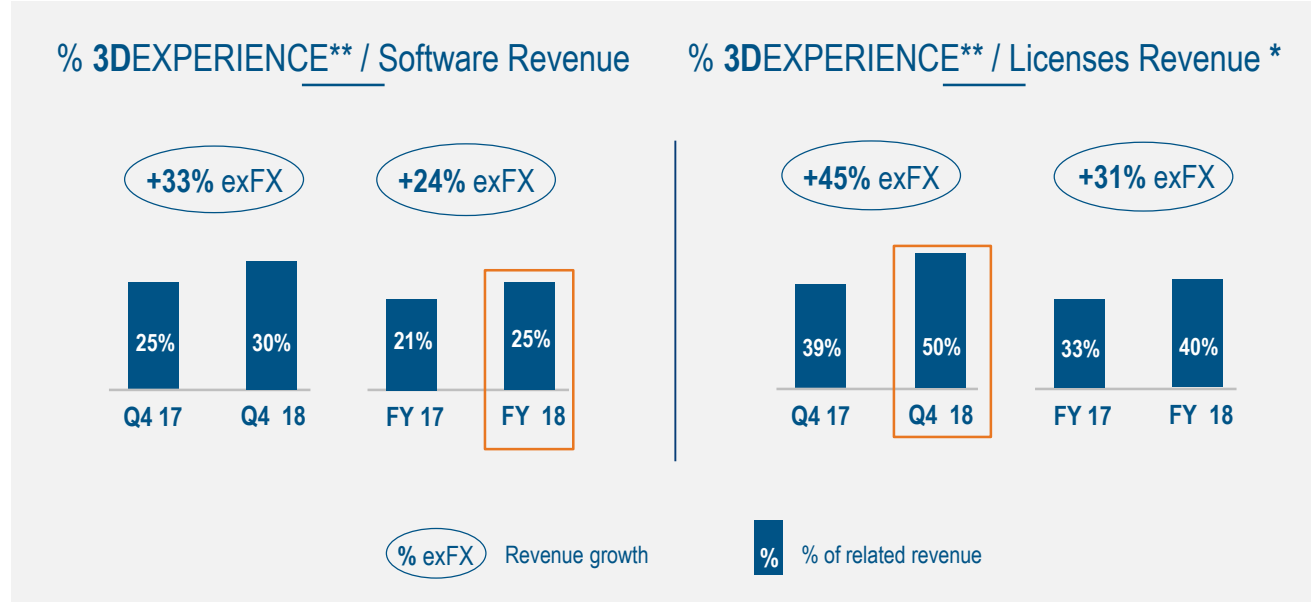
* Licenses and other software revenue

** Excluding SOLIDWORKS and acquisitions

*** T&M: Transportation & Mobility / A&D: Aerospace & Defense / IE: Industrial Equipment / CG-Retail: Consumer Goods-Retail / NR: Natural Resources / AEC: Architecture, Engineering & Construction / FBS: Finance Business Services / M&O: Marine & Offshore

FY 2018 Performance Non-IFRS (under IAS 18)

€ millions	FY 18
Revenue	3,488
Growth	+8%
Growth exFX	+10%
Software Growth exFX	+10%
Licenses* Growth exFX	+11%
Operating Margin	31.8%
EPS (€)	3.11
EPS Evolution	+16%
EPS Evolution exFX	+20%



** Excluding SOLIDWORKS and acquisitions

* Licenses and other software revenue

Industries | FY 18 Performance Non-IFRS (under IAS 18)

Double-digit software growth exFX:

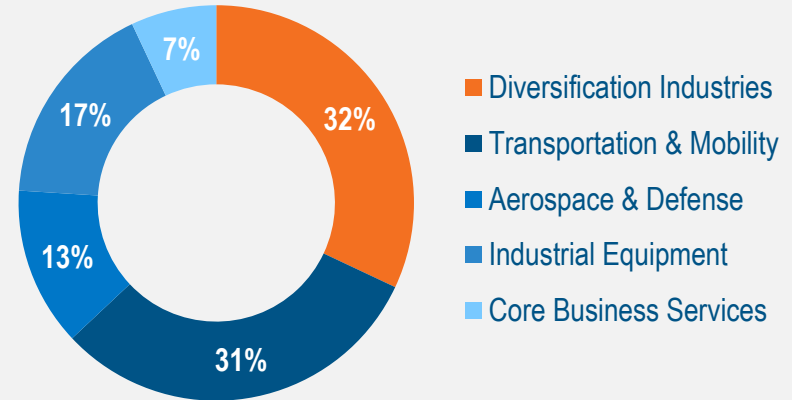
All core industries:

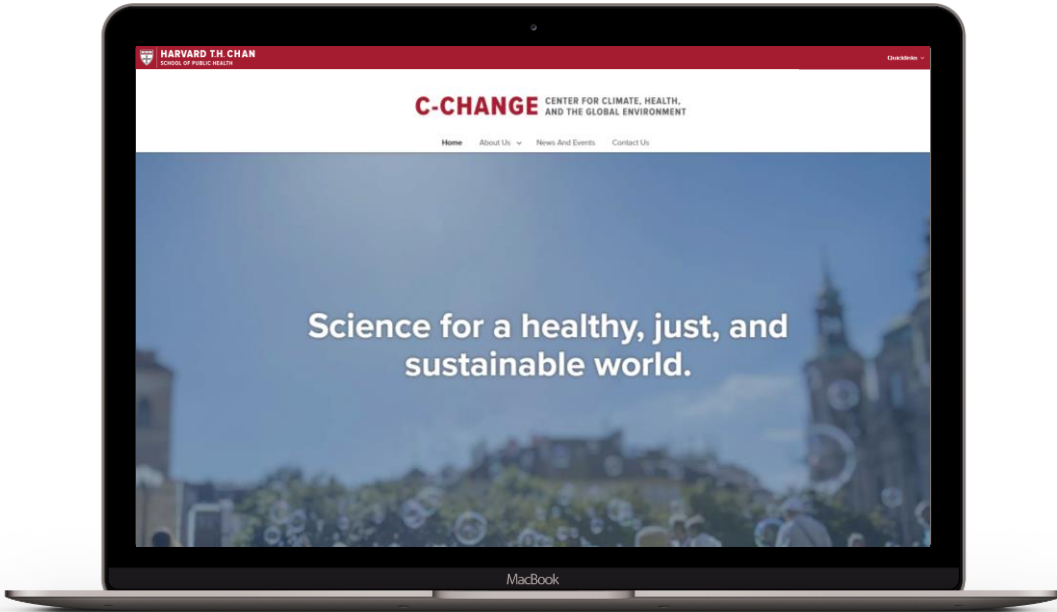


5 out of 9 diversification industries:

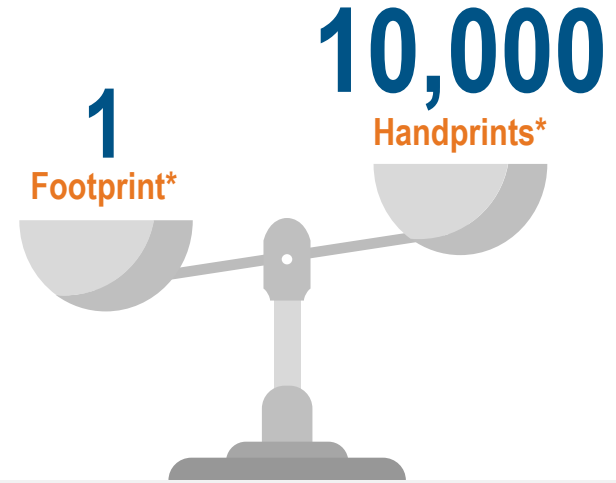


FY 18 – Software Revenue





<https://www.hsph.harvard.edu/c-change/>
http://hwpi.harvard.edu/files/chge/files/handprints_of_product_innovation.pdf



“**Dassault Systèmes** can enable sectors such as the global automotive sector to **create handprints** which are on the order of **10,000 times greater** than its own **footprint**. Clearly, this is where its sustainability efforts should rightly be focused, for the good of humanity and the planet”.

* Footprint: negative impact

** Handprint: positive impact

Our Purpose in Action

Zaha Hadid

“We work at all scales
and in all sectors.
We create **transformative**
cultural, corporate, residential
and other spaces that work in
**synchronicity with
their surroundings**”



Our Purpose in Action

Jaipur City

Indian government has launched a **Smart Cities Mission** that envisions developing 100 cities in the country as model areas

Jaipur, the capital and largest city of India's **Rajasthan** state with a population of more than **3 million people**



Adopts 3DEXPERIENCE Platform

AIRBUS

Airbus is an international pioneer in the aerospace industry - Leader in designing, manufacturing and delivering aerospace products, services and solutions to customers on a global scale – Aiming for a better-connected, safer and more prosperous world.

Business Values:

Airbus embarks on its **Global Digital Enterprise Transformation Program** with Dassault Systèmes

- ▶ Streamlining **digital aircraft design and development, manufacturing, services and support** with the 3DEXPERIENCE platform
- ▶ Roadmap for 3DEXPERIENCE deployment: **2019-2021**

Solution:

3DEXPERIENCE Platform with **Program Excellence, Winning Concept, Co-Design to Target and Ready for Rate** Industry Solution Experiences

Dassault Systèmes reaffirms its position as the **preferred technological partner** to the aerospace and defense industry, from large OEMs to small suppliers



Safran Nacelles

Adopts 3DEXPERIENCE Platform



Safran Nacelles, part of the Safran Group*, is a world leader for aircraft nacelles. The company is active in all segments of the market, from regional jets and corporate aircraft to the largest airliners

Business Values:

3DEXPERIENCE based **digital continuity** across **Manufacturing** and **After-Sales Services** to enable:

- ▶ Reduced number of non-value added tasks
- ▶ 3D for All
- ▶ Global change management
- ▶ Development of new customer services

Solution:

3DEXPERIENCE Platform with **Co-Design to Target** and **Ready for Rate** Industry Solution Experiences

* Safran Electronics & Defense 3DEXPERIENCE adoption announced in Q2 2018

Expanding Footprint and Diversity on the Cloud

 **ECCO Shoes** Adopts
3DEXPERIENCE Platform on the Cloud



 **MG McGrath** Adopts
3DEXPERIENCE Platform on the Cloud



 **SkyWay** Adopts
3DEXPERIENCE Platform on the Cloud



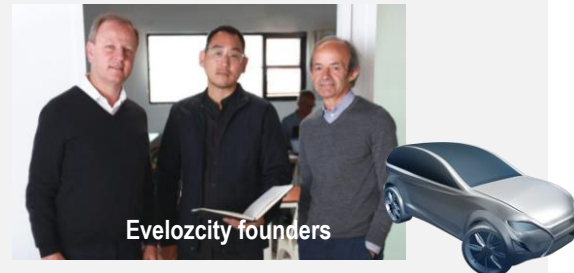
 **KARCHER** Adopts
3DEXPERIENCE Platform on the Cloud



 **TAKEMOTO** Adopts
3DEXPERIENCE Platform on the Cloud

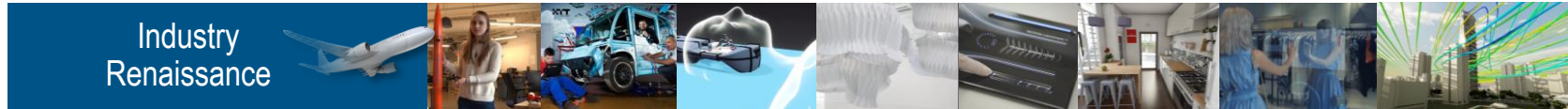


 **EVELOZCITY** Adopts
3DEXPERIENCE Platform on the Cloud



IQMS Acquisition

Extending the **3DEXPERIENCE** Platform to **Business Operations** for the **Mainstream Market**

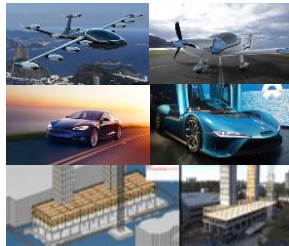


Applying to:

Industry
References



Industry
Shakers

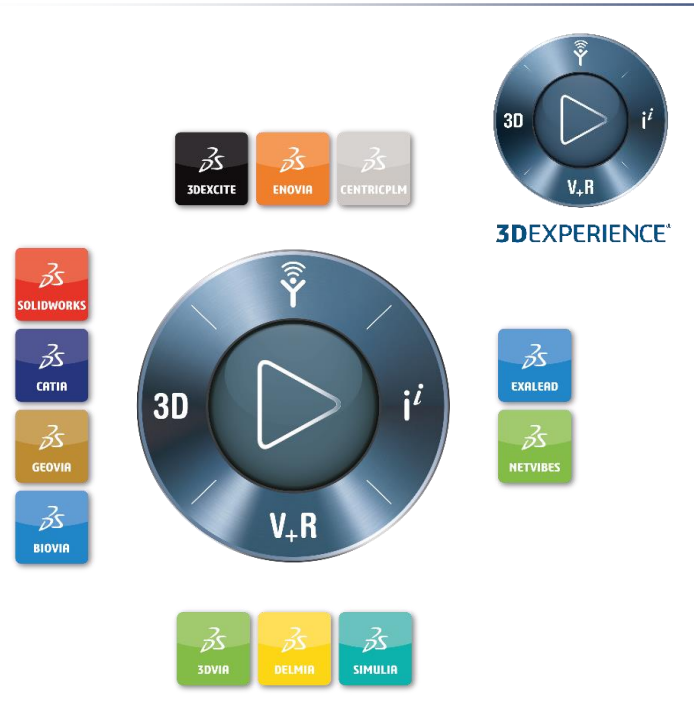


Seeking to digitally transform their business operations in today's Industry Renaissance

- ▶ **250,000** companies from \$10 to \$250 million in revenue with industrial operations
- ▶ Addressable market: **\$4.9bn** up 7% to 8% annually
- ▶ Today, only about **15%** of this market is equipped

Mainstream Manufacturing
ERP Market

Expanding to the **Mainstream Market**



3DEXPERIENCE®. WORKS

New Family of Business Applications for the Mainstream Market

SOLIDWORKS

DELMIAWORKS



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Initiating 2019 Guidance Non-IFRS (IFRS 15 & 16)

Assumptions for 2019 Guidance

- ▶ **Licenses** revenue growth up **10-12%** exFX
- ▶ **Recurring** revenue growth up **9-10%** exFX
- ▶ **Services** revenue growth up **~14%** exFX
- ▶ Increase of **organic operating margin** by **~110 basis points** exFX (~80 basis points excluding IFRS 16)
- ▶ **Tax rate** increasing to **~29%** (28.2% in 2018)
- ▶ Exchange rate assumptions of **US\$1.16 per €1.00** in Q1, **US\$1.20 per €1.00** in Q2 to Q4 and **JPY130 per €1.00** before hedging throughout the year

Proposed Objectives Non-IFRS (IFRS 15 & 16)

Q1 2019			FY 2019	
Software +9-12% exFX	Q1 2019		FY 2019	Software +10-11% exFX Licenses +10-12% exFX
Licenses +15-18% exFX	925-945	Revenue (M€)	3,810-3,840	Recurring ~+9-10% exFX
Recurring +8-9% exFX	+13-15%	Growth	+9-10%	Organic: ~+7-8% exFX +1 to 2 pts compared to 2018 +2 to 3 pts compared to 2017
	+11-13%	Growth ex FX	+10-11%	
	31-31.5%	Operating Margin	32-32.5%	
	-0.4 pt to flat	Operating Margin Growth	+0.2 to 0.6 pt	Acquisitions ~-0.7 pt, IFRS 16 ~+0.3 pt
	0.78-0.82	EPS (€)	3.35-3.40	Tax rate of ~29%
	+8-13%	EPS Growth	+7-9%	(+9-11 % exFX)
	1.16	€/\$ rates	1.19	
	130.0	€/¥ rates	130.0	

