Dassault Systèmes

Q1 2020 Earnings Presentation

Bernard Charlès,

Vice-Chairman & CEO

Pascal Daloz,

EVP, COO & CFO

Forward Looking Information

Statements herein that are not historical facts but express expectations or objectives for the future, including but not limited to statements regarding the Group's non-IFRS financial performance objectives or framework, are forward-looking statements. Such forward-looking statements are based on Dassault Systèmes management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results or performances may differ materially from those in such statements due to a range of factors.

The Group's current framework for 2020 takes into consideration, among other things, an uncertain global economic environment. In light of the uncertainties regarding economic, business, social, health and geopolitical conditions at the global level, Dassault Systèmes' revenue, net earnings and cash flows may grow more slowly, whether on an annual or quarterly basis, mainly due to the following factors:

▶ the deployment of Dassault Systèmes' solutions may represent a large portion of a customer's investments in software technology. Decisions to make such an investment are impacted by the economic environment in which the customers operate. Uncertain global geopolitical, economic and health conditions and the lack of visibility or the lack of financial resources may cause some customers, e.g. within automotive, aerospace or natural resources industries, to reduce, postpone or terminate their investments, or to reduce or not renew ongoing paid maintenance for their installed base, which impact larger customers' revenue with their respective sub-contractors; the sales cycle of the Dassault Systèmes' products – already relatively long due to the strategic nature of such investments for customers – could further lengthen; and

▶ the political, economic and monetary situation in certain geographic regions where Dassault Systèmes operates could become more volatile and, for example, result in stricter export compliance rules or the modification of current tariff regimes;

▶ health conditions in some geographic areas where Dassault Systèmes operates will impact the economic situation of those regions. Specifically, it is not possible to predict the impact, length and scope of damages originating from the coronavirus pandemic as of issuance date of this document. Health conditions, including the COVID-19 pandemic, may present risks for health and ability to travel for Dassault Systèmes employees; and

▶ continued pressure or volatility on raw materials and energy prices could also slow down Dassault Systèmes' diversification efforts in new industries.

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Dassault Systèmes makes every effort to take into consideration this uncertain macroeconomic outlook. Dassault Systèmes' business results, however, may not develop as anticipated. Furthermore, due to factors affecting sales of Dassault Systèmes' products and services, there may be a substantial time lag between an improvement in global economic and business conditions and an upswing in the Company's business results.

The economic context (as notably caused by the COVID-19 pandemic health crisis) may also adversely impact the financial situation or financing capabilities of the Dassault Systèmes' existing and potential customers, commercial and technology partners, some of whom may be forced to temporarily close sites or cease operations due to cash flow and profitability issues. Dassault Systèmes' ability to collect outstanding receivables may be affected. In addition, the economic environment could generate increased price pressure, as customers seek lower prices from various competitors, which could negatively impact the Dassault Systèmes revenue, financial performance and market position.

The Group's actual results or performance may also be materially negatively affected by numerous risks and uncertainties, as described in the "Risk Factors" section of the 2019 Document d'enregistrement universel (Annual Report) filed with the AMF (French Financial Markets Authority) on March 19, 2020, available on the Group's website www.3ds.com.

In preparing such forward-looking statements, the Group has in particular assumed an average US dollar to euro exchange rate of US$1.14 per €1.00 as well as an average Japanese yen to euro exchange rate of JPY123.8 to €1.00 before hedging for the full year 2020; however, currency values fluctuate, and the Group's results of operations may be significantly affected by changes in exchange rates.

Q1 2020 Highlights Non-IFRS

COVID-19 Q1 Financial Impact	**Revenue** coming in **2.5% below** the low-end objective exFX **- Total revenue** growth up **17%** exFX
A Resilient Business Model	**Recurring** software revenue (83% of total software revenue), up **30%** exFX with **solid renewals** and **good MEDIDATA** momentum **Operating margin** and **EPS** at the **high end of objectives**
A Purpose-Driven Company	Providing **Frontline COVID-19 Support** **Together Smart, Safe** and **Connected** Smart working, safe working on the **3DEXPERIENCE Cloud** **R2021x Release:** The Platform is the Channel The **virtual world** extends and improves the **real world**
2020 Objectives Framework	Updating **2020 financial outlook** and providing a **framework** for analysts and investors

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Q1 2020 Business & Strategy Highlights

Q1 2020 Financial Highlights

Q2 & FY 2020 Financial Objectives

Financial Information Appendix
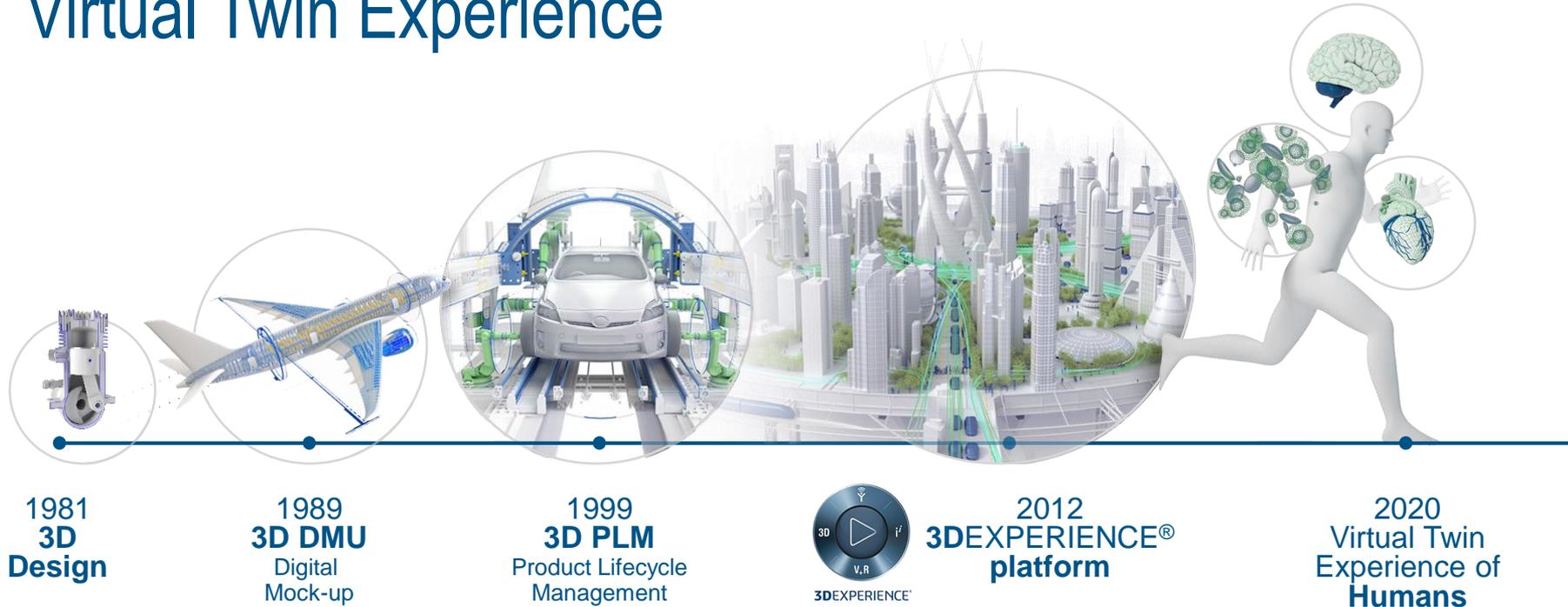
Our Belief

The virtual world extends
and improves the real world

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Our Legacy: Revealing a new Adoption of Virtual Twin Experience

1981
3D
Design

1989
3D DMU
Digital
Mock-up

1999
3D PLM
Product Lifecycle
Management

2012
3DEXPERIENCE®
platform

2020
Virtual Twin
Experience of
Humans

Revealing the Invisible & Unknown in COVID-19 Pandemic

3DEXPERIENCE

MODEL THE BIOSPHERE
Accelerate new drug candidates identification

REVEAL THE WORLD WE LIVE IN
Simulation of virus dispersal in ventilation systems to prevent contamination

POWER SMARTER TREATMENTS AND HEALTHIER PEOPLE
COVID-19 Trials Utilizing MEDIDATA

NURTURE AND EMPOWER DISRUPTIVE PROJECTS
COVID-19 open & online community: Empowering collective intelligence to fight COVID-19

PREPARE THE WORKFORCE OF THE FUTURE
The **3D**EXPERIENCE platform: your Virtual Classroom

Transforming Scientific Innovation

https://blogs.3ds.com/biovia/structural-modeling-and-refinement-of-the-sars-cov-2-s-protein/

Structural Modeling and Refinement of the SARS-CoV-2 S Protein

March 30, 2020
By Adam Green

The novel coronavirus, SARS-CoV-2, has swept the globe and brought local economies to a near crushing halt as the number of cases and deaths continue to rise. As of March 30, 2020, the total number of confirmed cases is over 739,000 with more than 35,000 deaths.[1]

Zoom into the Molecular Level

At the molecular level, the novel virus fuses with human cells by binding a protein receptor referred to as ACE2. The point of contact between the virus and ACE2 is referred to as the spike (S) protein. The S protein binds ACE2 in a specific conformation referred to as the 'up' conformation to initialize the fusion of the virus with the human cell. The mechanism of entry is analogous to other coronaviruses including SARs (Severe Acute Respiratory Syndrome). In addition, the genetic sequence of the SARs S protein is similar to SARS-CoV-2; nevertheless, previous research shows that biotherapeutics (e.g., monoclonal antibodies)
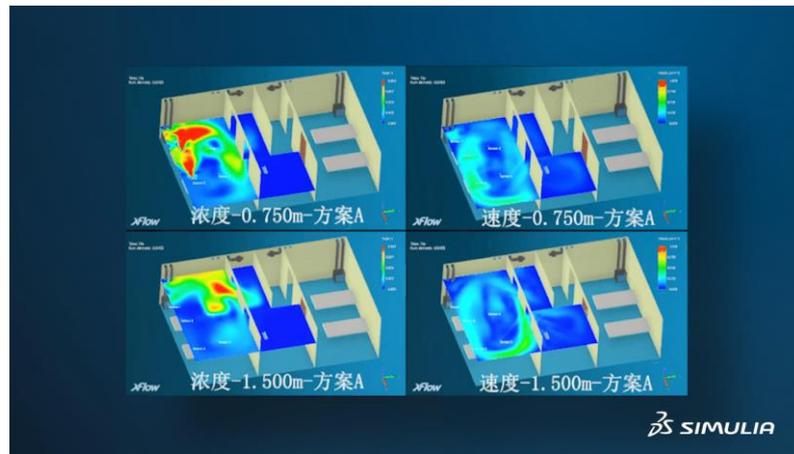
The New York Times

China Pledged to Build a New Hospital in 10 Days. It's Close.

State news outlets reported that the 1,000-bed facility would accept patients from Monday even as construction workers raced to complete it.

By **Amy Qin**

Published Feb. 3, 2020   Updated Feb. 7, 2020
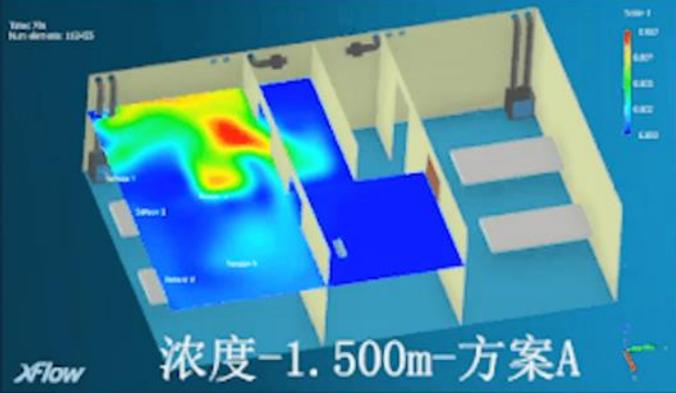
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Hospital construction in Wuhan on Jan. 24. Agence France-Presse — Getty Images

The same site on Sunday. Getty Images

Hospital in operation 10 days later

浓度-0.750m-方案A

速度-0.750m-方案A

浓度-1.500m-方案A

速度-1.500m-方案A
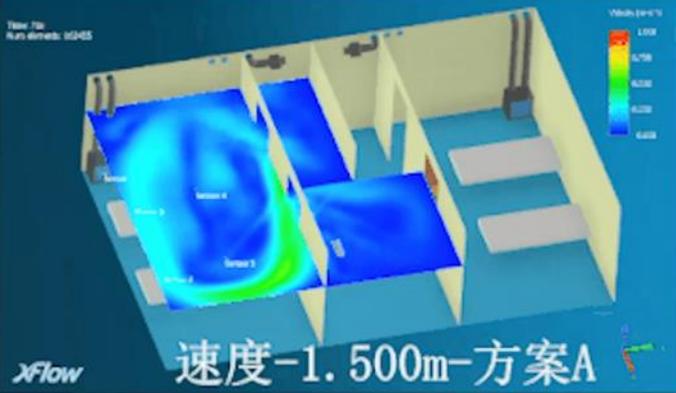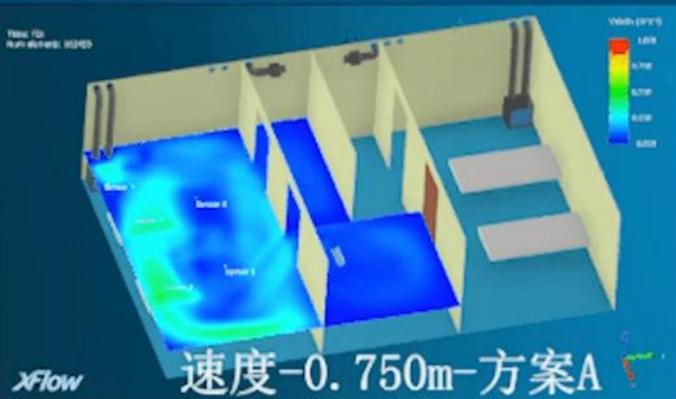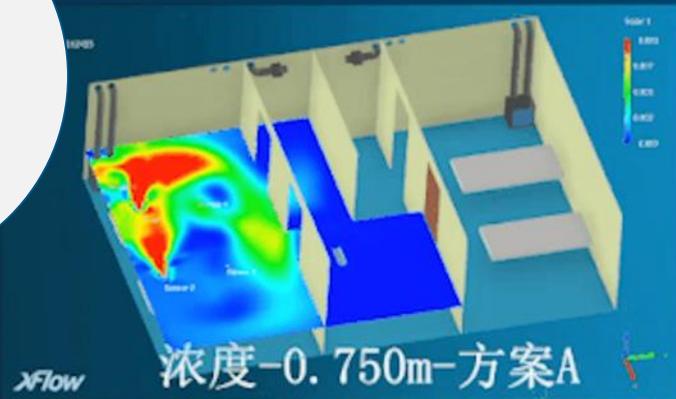
COVID-19: "Multidimensional Trials Powered by MEDIDATA"

▶ **~60% of Worldwide COVID-19 Trials** on **MEDIDATA Platform**

▶ To double in the **coming weeks**

▶ Leveraging **Artificial Intelligence**

▶ Improving **connection** between **the clinical trials and the patient journey**

  ▷ *See MyMedidata*

Adopts MEDIDATA

PPD® Leading global contract research organization
Offices in 46 countries and 23,000 professionals worldwide

Business Values:

First project to address studies affected by COVID-19
Multi-year collaboration to accelerate pharmaceutical
and medical device trials with **next generation data
analytics** and **predictive modeling**

AI and advanced analytics are transforming clinical trial
processes, making them:
▶ **more efficient**,
▶ **more rapid**,
▶ and **accessible to patients**

Solution:

MEDIDATA Clinically Tested

Data Science: data analytics
and predictive modeling
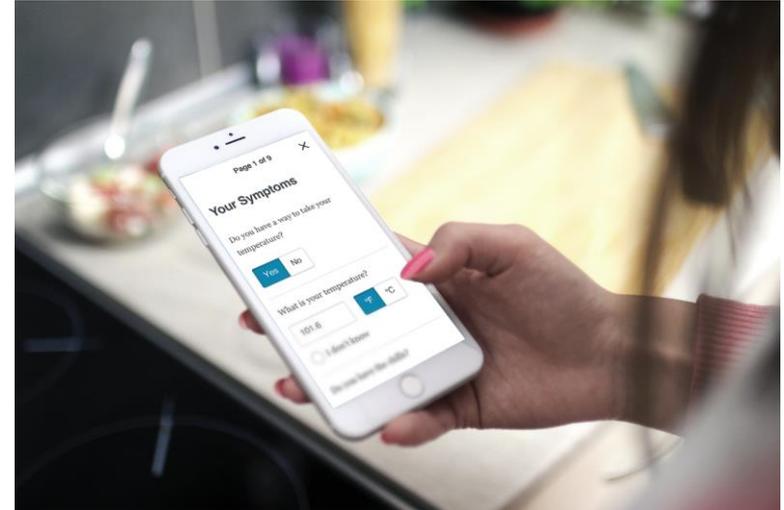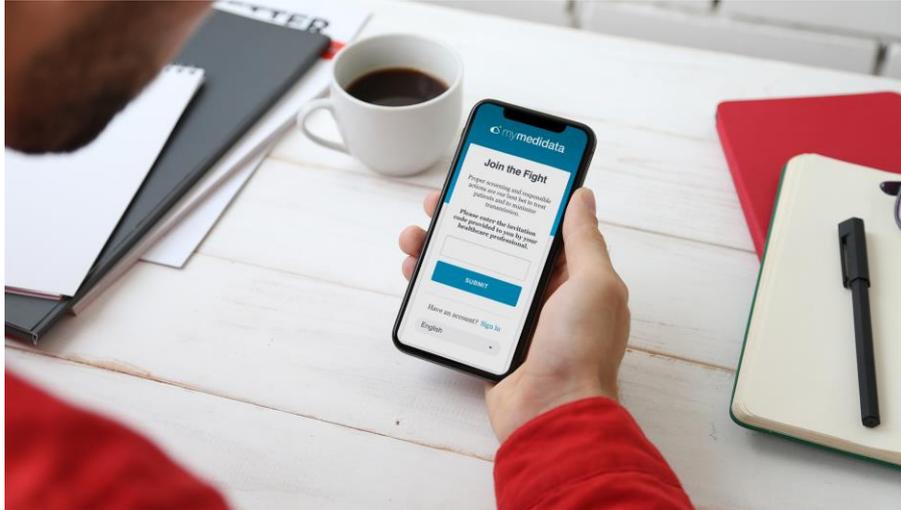
Patient-centered technologies to simplify clinical trials
and evolve the patient journey
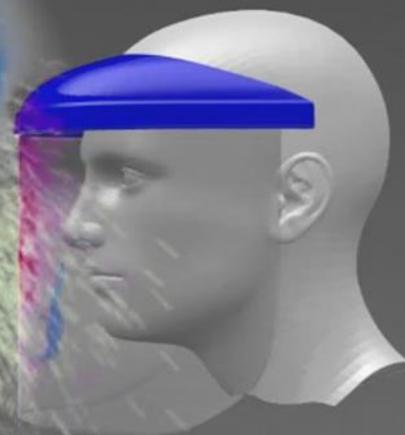
Simulation

Upstream Thinking | Design & Engineering
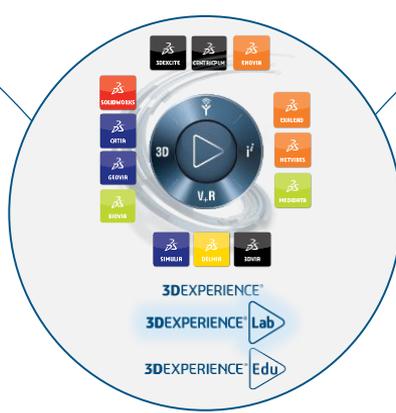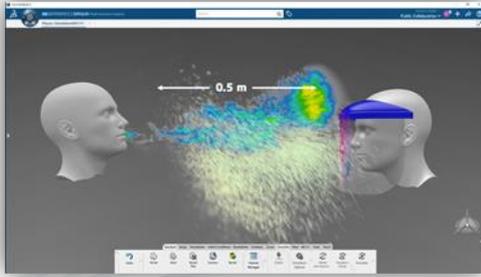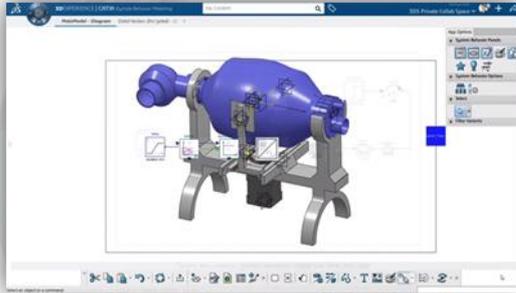
Data Intelligence

3DEXPERIENCE Lab

OPEN COVID-19
Almost 100 projects WW
More than 300 members

OPEN COVID-19

Connect the Ecosystems

3DEXPERIENCE

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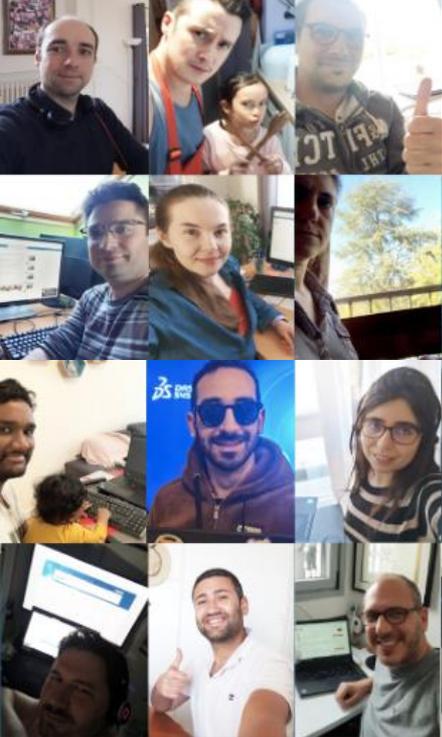
Young Talents Redefine
the Workforce of the Future

Clients & Champion Users are Revealing the Value of an Integrated Collaboration

Smart working, safe working...
on the cloud

Try the full power of the **3D**EXPERIENCE®
platform on the cloud today and ensure
business continuity

▶ **Business can go on even when team must work remotely**

▷ Working on a secure public cloud means no IT, no setup and no VPN required!

▶ **Customers and partners assistance**

▷ 24/7 assistance and consulting

3DEXPERIENCE Platform
« Our Platform is the new Channel »
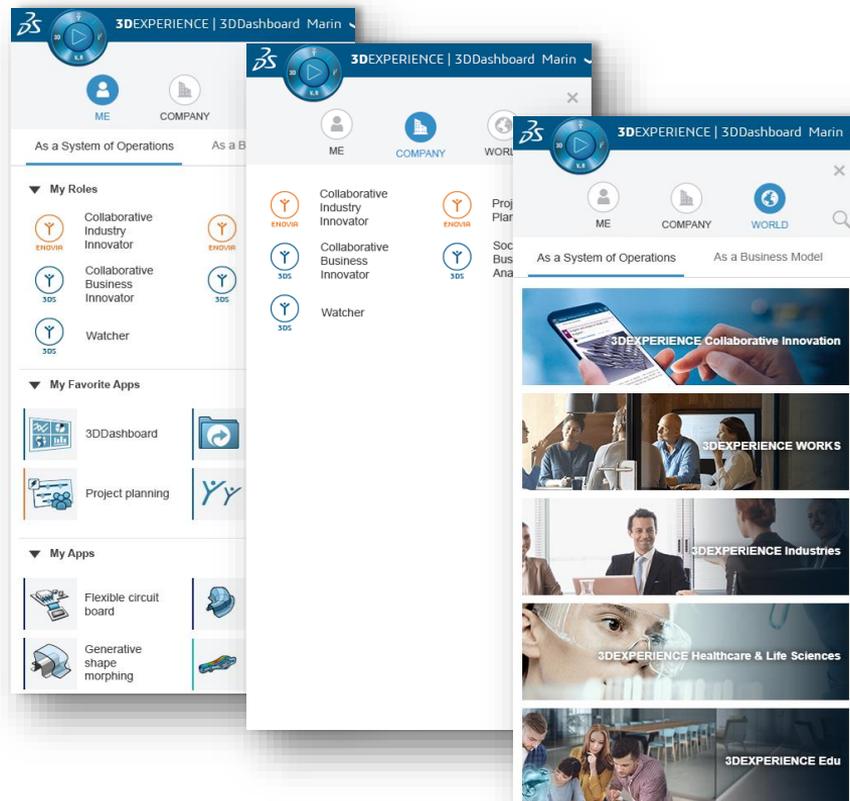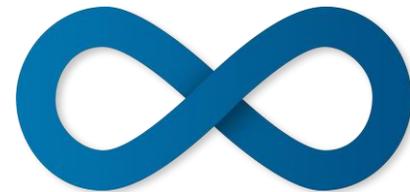
▶ **As a System of Operations**

▷ **ME** = my Roles & Apps

▷ **COMPANY** = Roles available for request

▷ **WORLD** = 3DS Solution Portfolio Navigation

▶ **As a Business Model**

▷ Marketplaces

▶ Make Online

▶ Engineering Services

▶ Supply Online

3DEXPERIENCE Platform
Collaborative Innovation: Connect People | Ideas | Projects | Processes

1. Community, 2. Conversation, 3. Search (Tag, Ontology), 4. Ideation, 5. Audio Conferencing, 6. Video Conferencing,
7. 3DPLAY (experience), 8. Project Management and 9. Analytics
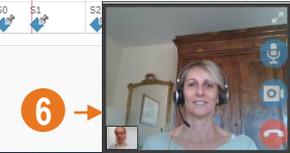
The virtual world extends and improves the real world

Life Sciences & Healthcare Trends

Personalized Health
Develop a holistic approach to care that encompasses genomics, behavior and the environment through precision medicine

Knowledge Capitalization
Connect systems, people and data in a virtual ecosystem

Total Quality
Achieve regulatory compliance with exceptional quality standards

Development and Manufacturing Excellence
Smart, predictive and adaptive manufacturing

Reinventing the Value Chain
Create new, connected patient experiences

Celsion Adopts MEDIDATA Synthetic Control Arm

Pharma company with a high-potential portfolio of innovative cancer treatments

Business Values:

Celsion's OVATION 1 Study with GEN-1 in ovarian cancer shows **strong progression-free survival treatment effect** utilizing MEDIDATA Synthetic Control Arm

► Advance the **scientific validity** of **single arm trials**
► Reduce **time** and **cost**
► Expose **fewer patients** to **placebos** or existing **standard-of-care treatments** that might not be effective for them

Celsion plans to use the synthetic control as part of a breakthrough therapy submission to FDA

Solution:

MEDIDATA Clinically Tested

Data Science:
Synthetic Control Arm

The virtual world extends and improves the real world

Infrastructure & Cities Trends

Sustainable, Secure and Resilient Future
Establish a digital referential to enable modeling and using scenario simulation

Maximize Project Outcomes
Design more effectively and efficiently

Create Collectively
Access to real-time information and seamlessly exchange knowledge

Modernize Craftsmanship
Allow architecture, engineering and construction professionals to gain precision and control
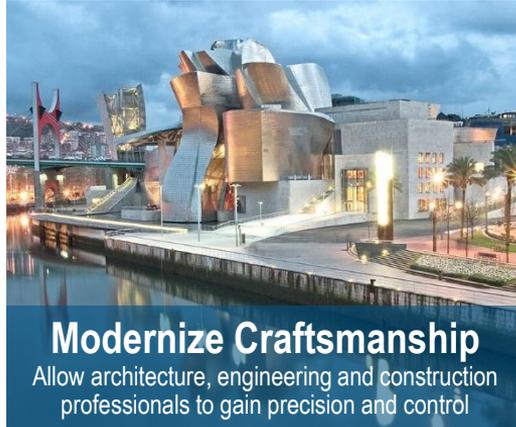
Respect the Art
Achieve total creative flexibility and win design competitions

Modular Affordable Construction

▶ Wuhan hospital **LEI SHEN SHAN**, 1,500 beds in 12 days

In order to resolve the emergence request from Wuhan City for the accommodation of coronavirus patients, China government decide to build 2 infectious diseases hospital ,called " HUO SHEN SHAN " and "LEI SHEN SHAN".
▷ This top national project is requested to complete in **12 days** @ **China speed**
▷ Ensure at least **1.000+** construction worker with **24 hours** in the work site
▷ Nearly **1,500** beds of each hospital to accommodate of coronavirus patients
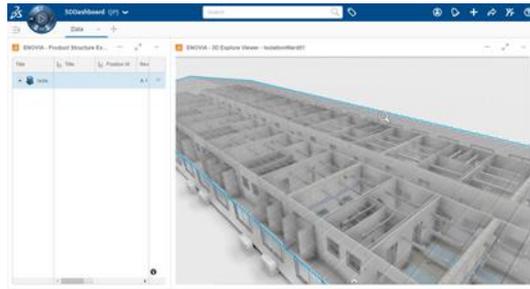
▶ Learning from manufacturing

▶ **Building with Design for Manufacturing and Assembly** principles
  ▷ Faster
  ▷ More resilient supply chain
  ▷ Less material and energy waste
  ▷ Improved labor productivity
  ▷ Less risk for workers

Full adoption of virtual twin experience to develop new hospital from engineering, construction and procurement to operations and maintenance

The virtual world extends and improves the real world

Manufacturing Industries | CPG-R Trends

The New Consumer
React more quickly to deliver meaningful innovation on shorter timelines

Production Complexity
Manage production complexity to provide the right product at the right time

Margin Pressure
Drive sustainable growth and increase profits

Regulatory Compliance
Support health and wellness trends and manage regulatory compliance efficiently

The Last Mile
Adaptive value chain optimization

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Supply Chains: Moving from Functions to Platform

FACTORIES

Evolving constraints
- Production Costs
- Plant Storage Capacities (in/out)
- Multi Site capacities

Evolving constraints
- Finished Goods
- Raw Materials
- Recipes for each plant

PRODUCTS

VIRTUAL TWIN EXPERIENCE
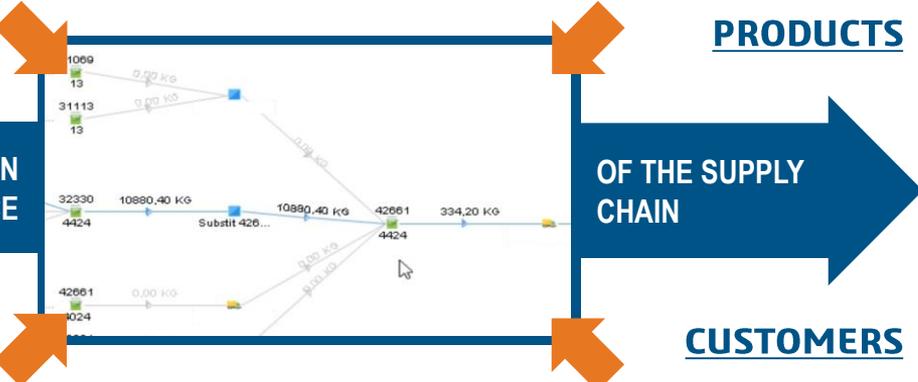
OF THE SUPPLY CHAIN

CUSTOMER VALUE:

- ✓ Reduce sourcing costs
- ✓ Reduce production costs
- ✓ Reduce transportation costs
- ✓ Protect service levels
- ✓ AGILE RECONFIGURATION

SUPPLIERS

CUSTOMERS

Evolving constraints
- Seasonal Production Capacity
- Contracts with Suppliers
- Buying Costs
- Distances & Transportation Costs from Suppliers

Evolving constraints
- Real time Demand
- Distances & Transportation Costs to Customers

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With COVID-19 pandemic, our purpose is in action in every industry we serve

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

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Q1 2020 Business & Strategy Highlights

Q1 2020 Financial Highlights

Q2 & FY 2020 Financial Objectives

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Q1 2020 Performance at a Glance Non-IFRS

€ millions	Q1 2020	Guidance
Revenue	1,144	
Growth	+19%	
Growth exFX	**+17%**	
Software Growth exFX	**+17%**	
Licenses* Growth exFX	-20%	*-5% to 0%*
Recurring** Growth exFX	+30%	*+28-30%*
Operating Margin	**29.2%**	**28.5-29.5%**
EPS (€)	0.95	
EPS Evolution	**+9%**	**+3-9%**

Trends by Key Strategic Sectors Non-IFRS

Transportation & Mobility strongly impacted

Good Aerospace resilience

Consumer Packaged Goods - Retail strong performance

Manufacturing Industries

~70%*

Marine & Offshore | High Tech | Home & Lifestyle | Consumer Packaged Goods - Retail

Transportation & Mobility | Aerospace & Defense | Industrial Equipment

Double-digit growth

Life Sciences & Healthcare

~20%*

Life Sciences

Double-digit growth

Infrastructure & Cities

~10%*

Energy & Materials | Construction, Cities & Territories | Business Services

☐ double-digit growth

* % of non-IFRS software revenue

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HYUNDAI PHARM Adopts MEDIDATA

HYUNDAI PHARM

Manufacturing and distribution of pharmaceutical products
Health Food Drinks - Medical Equipment

HYUNDAI PHARM

Development and sales of competitive new products
to create profit and contribute to public health

Business Values:

Hyundai Pharm, the first pharmaceutical in South Korea to run **Phase III trial** of drug that treats **Alzheimer's Disease**

With an integrated approach (from Electronic Data Capture to Electronic Trial Master File), successfully carrying out R&D for innovative treatments and managing:

► **Strict regulations**
► **Multi-national and multi-site clinical trials**

Solution:

MEDIDATA Clinically Tested

► Electronic Data Capture
► Trial Supply Management
► Targeted Source Data
► Electronic Trial Master File

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Nextlogic Adopts DELMIA Quintiq

Nextlogic provides optimization as a service for all container barge movements within the Port of Rotterdam

Business Values:

► Increase the competitiveness of the Port of Rotterdam by…

… reducing waiting times

… increasing throughput

… improving capacity utilization

… improving on-time performance

Mid-April 2020: platform live for practice-based trials with all stakeholders

Mid-June 2020: Integrated Planning fully commissioned

Solution:

DELMIA Quintiq

► Integrated chain optimization across all container handling parties in the port

Software Revenue by Product Line Non-IFRS

% Growth ex FX	Q1 2020
Industrial Innovation software revenue	**-1%**
of which CATIA	-1%
of which ENOVIA	-11%
Life Sciences software revenue	**+384%**
Mainstream Innovation software revenue	**+2%**
of which SOLIDWORKS	+3%
Total software revenue	**+17%**

CATIA and **ENOVIA**: good recurring revenue offset by sharp decline of licenses for ENOVIA, and to a lesser extent CATIA
Strong **DELMIA** performance

MEDIDATA: good performance - in line with plan

SOLIDWORKS: strong recurring revenue partly offset by licenses decline
CENTRIC: sharp growth slowdown (fashion)

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Software Revenue by Region Non-IFRS

EUROPE

YoY Growth **+2%*** | Share **37%**

Good performance in **Northern** Europe offset by strong decline in **Southern** Europe

ASIA

YoY Growth **+7%***

Share **24%**

Lockdowns starting from end of January impacting **China**, **India**, **Korea** and **Japan** (China exports)

Rebound at the end of Q1 in China with large accounts deals in **High Tech** and **Transportation & Mobility**

AMERICAS

YoY Growth **+46%***

Share **39%**

Organic growth driven by **Aerospace** and contribution from **MEDIDATA**

* % Growth ex FX

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Adopts MEDIDATA

R&G — One of the top contract research organizations (CRO) in China

Business Values:

Expanding Partnership with MEDIDATA
Accelerating **Clinical Trial Efficiency** amid the **COVID-19 Epidemic**

► **Streamlining**, **accelerating** and **improving trial management**, while ensuring **regulatory compliance** and **inspection readiness**

► Since the outbreak of COVID-19, taking full advantage of **MEDIDATA in remote data collection, monitoring and other corrections**, flexibly taking action in correspondence to particular data types and data loss

Solution:

MEDIDATA Clinically Tested

► Trial Supply Management
► Clinical Trial Management

Revenue Growth Non-IFRS

Total Revenue
in €M

+19%
+17% ex FX

964   1,144

1Q 19   1Q 20

Software Revenue
in €M

+19%
+17% ex FX

859   1,023

1Q 19   1Q 20
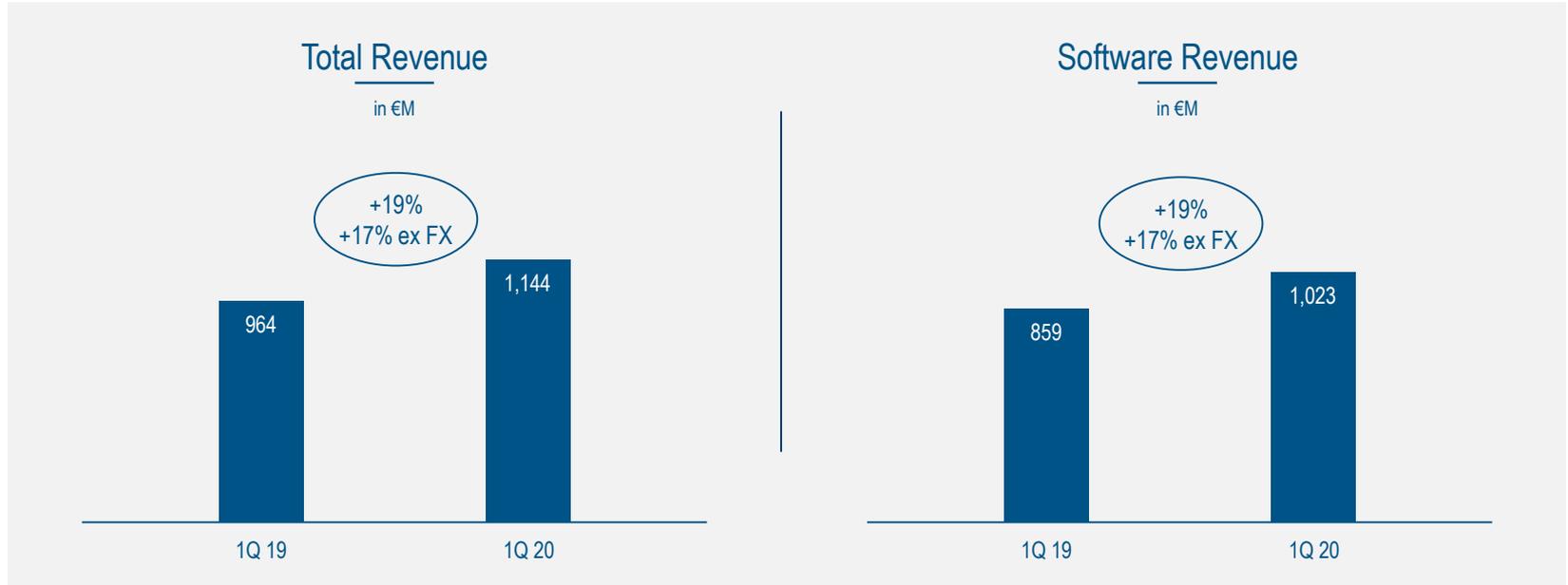
Organic revenue **-1%** exFX in Q1
Organic software revenue **-1%** exFX in Q1

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Software Revenue Growth Non-IFRS

Licenses and Other Software Revenue
in €M

(19)%
(20)% ex FX

213 — 1Q 19
172 — 1Q 20

Subscription and Support Revenue
in €M

+32%
+30% ex FX

646 — 1Q 19
851 — 1Q 20
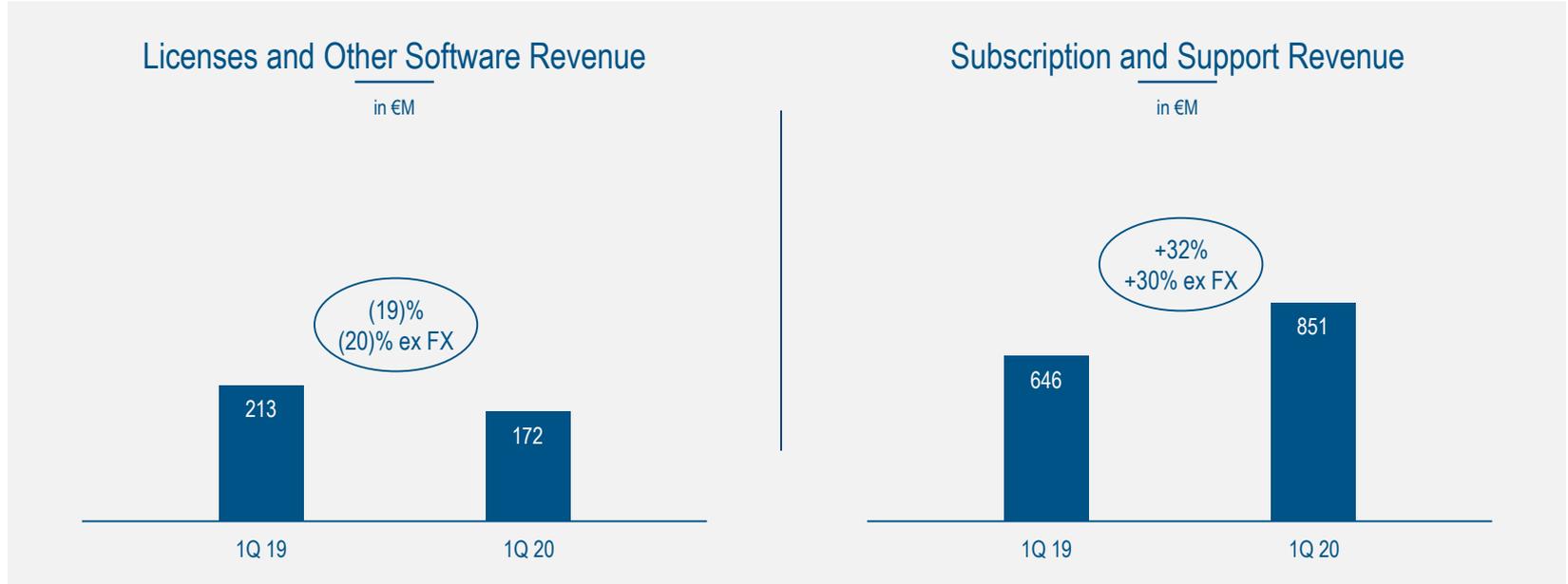
Organic **licenses*** revenue **-20%** exFX

Organic **recurring**** revenue up **+5%** led by solid renewals and MEDIDATA up **+13%**

* Licenses and other software revenue

** Subscription and support revenue

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Services Revenue & Margin Evolution Non-IFRS

Services Revenue

in €M

+16%
+14% ex FX

105

121
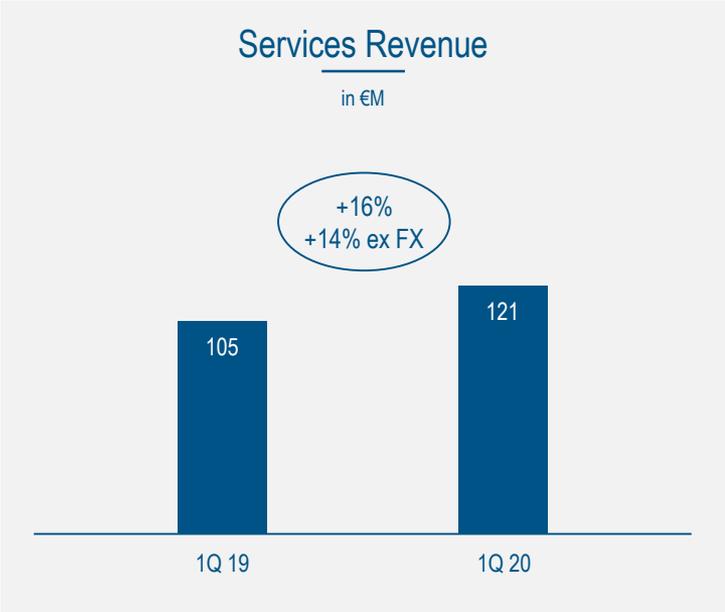
1Q 19

1Q 20

| Serv. Gross Margin | 4.9% | 2.9% |

Organic services revenue **+1%** exFX in Q1

Low utilization rate due to restrictions

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Operating Margin Evolution Non-IFRS

Q1 Operating Margin (Actual versus Guidance)

Q1 Obj. — 28.5% -29.5%
FX — +0,2%
Core — +0.5%
Recent Acquisitions* — -0.2%
Medidata — +0.2%
Q1 Actual — 29.2%

Mid point	**29.0%**		**29.2%**

* CENTRIC PLM and IQMS

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EPS Non-IFRS

Diluted EPS
in EUR

+9%

0.87 — 1Q 19
0.95 — 1Q 20
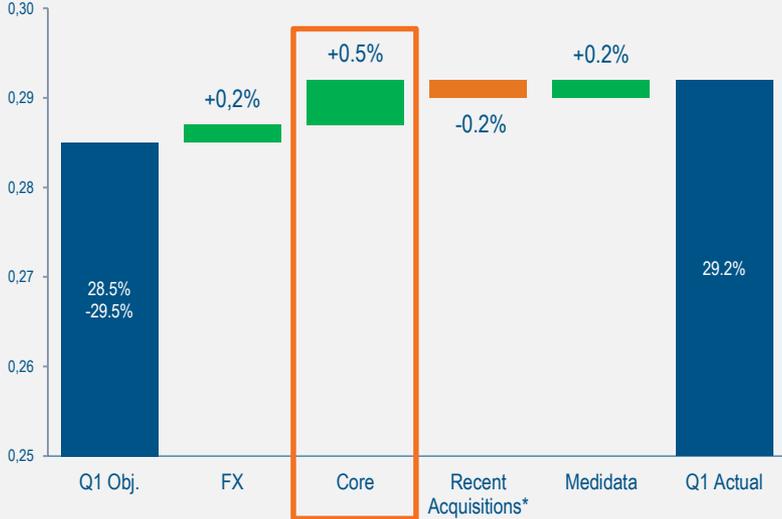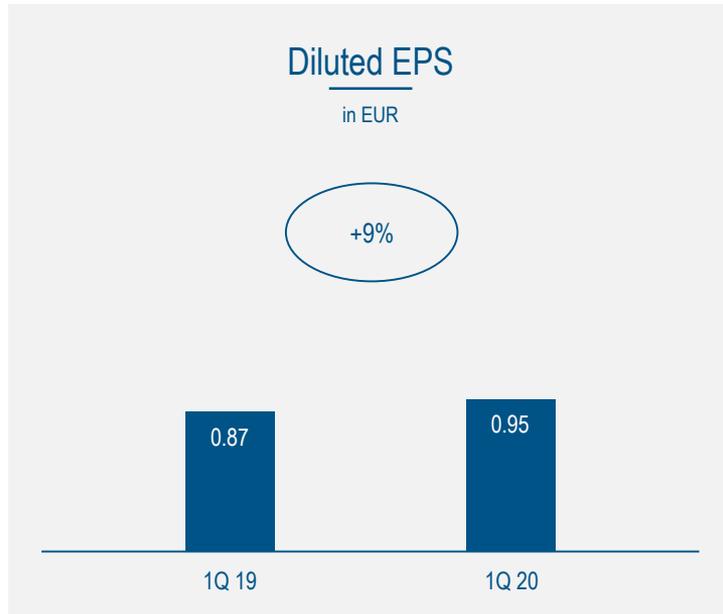
EPS driven by:

▶ **top line growth**

▶ **lower tax rate** at **24.3%** (29.7% in 1Q 19) reflecting the positive impact of the new French and US tax regimes on revenues from patents and technology and a more favorable geographical mix

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Change in Net Financial Position

Operating cash flow: +458 M€
vs. +489 M€ in Q1 2019 (-6%)

Net Financial Position Q4 2019	Net Income	Non cash P&L items	Change in operating working capital	Change in non-operating working capital	Capital expenditure	Repayment of lease liabilities	DS stock option exercise	Treasury shares	FX impact	Net Financial Position Q1 2020
-2,656*	+109	+212	+163	-26	-60	-26	+24	-108	-5	-2,373*
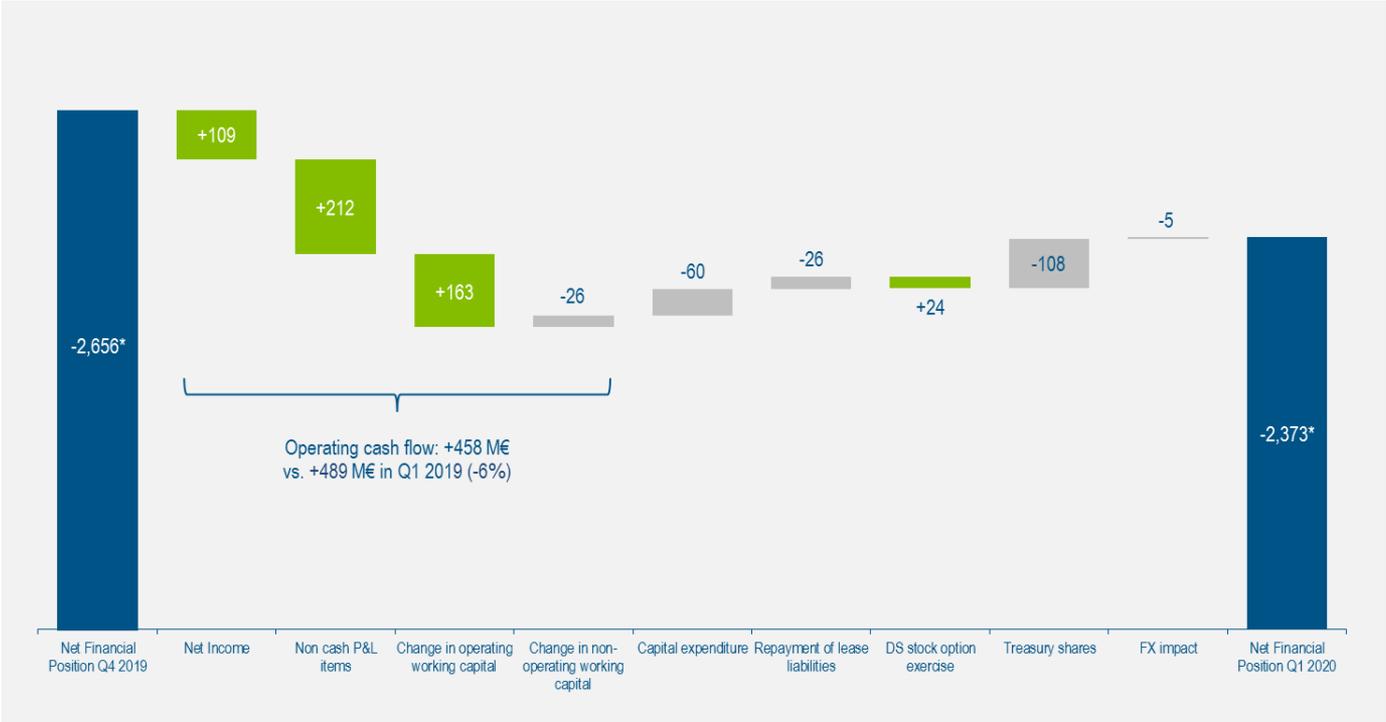
Board of Directors proposing **8%** increase in annual dividend to **€0.70** for 2019

* Net financial position = Cash and cash equivalents and short-term investments minus borrowings

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Operating Cash Flow Evolution 1Q20

€ million	1Q20	1Q19	Changes	
Operating Cash Flow	**+458**	**+489**	**-31**	**Down 6% year over year**
Net income adjusted for non cash items	+321	+270	+51	
Decrease in trade accounts receivable and contract assets	+209	+179	+30	Balance stable exFX at constant perimeter Excluding MEDIDATA, DSO ~stable
Increase in contract liability *	+76	+85	-9	Balance up 5.1% exFX at constant perimeter
Decrease in accrued compensation	-66	-26	-40	Mainly driven by MEDIDATA
Decrease in accounts payable	-55	-27	-28	Mainly timing difference on invoicing
Decrease (increase) in income taxes payable	-50	+6	-56	Lower profit before tax, effective tax rate and last payment for a known tax litigation
Other	+23	+2	+21	Mainly accrual on new French early retirement plan

* Previously named unearned revenue

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2020 Financial Objectives Framework Non-IFRS

▶ Significant deceleration in global GDP in Q2
Progressive recovery in Q3 and Q4
consistent with current government plans

FY20 new licenses revenue **-20% to -17%** exFX

▶ Recurring revenue to maintain a strong
resilience while reflecting lower new business
activity and to a lesser extent increased attrition

FY20 recurring revenue **+26% to +27%** exFX

▶ Savings Programs
with continued selective investments

FY20 operating margin at **~29.5%**

▶ Effective tax rate of **25.2%** (26.0% in previous guidance) due to change of the geo mix

▶ Exchange rate assumptions unchanged from Q2 to Q4: **US$1.15 per €1.00** and **JPY125 per €1.00**
before hedging throughout the year

Objectives Changes from February to April

New Licenses

M€

- Initial Obj.: +5-10% ex FX
- ~ -25pts
- April Obj.: -20% to -17% ex FX
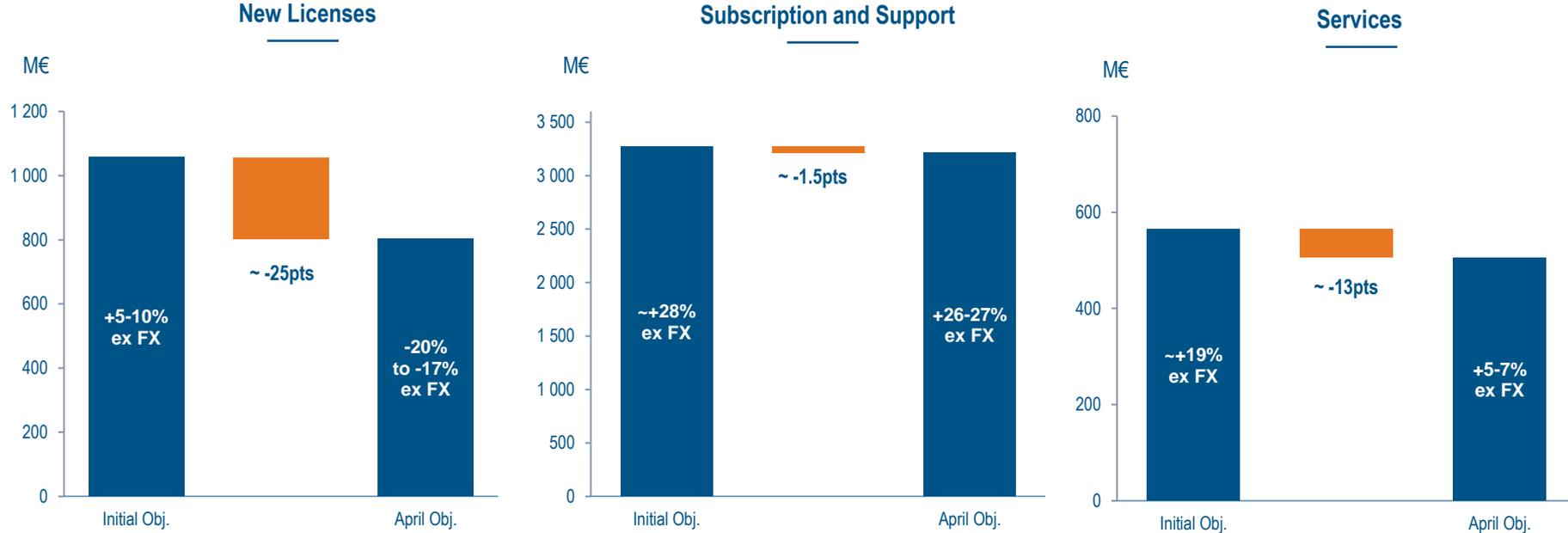
Mid-point

-255M€

Q2 new licenses revenue **-31% to -28%** exFX
H2 new licenses revenue **-14% to -11%** exFX

Subscription and Support

M€

- Initial Obj.: ~+28% ex FX
- ~ -1.5pts
- April Obj.: +26-27% ex FX

-55M€

Progressive **lowering of organic support revenue growth** as in 2009

Services

M€

- Initial Obj.: ~+19% ex FX
- ~ -13pts
- April Obj.: +5-7% ex FX

-60M€

Lower activity and **restrictions**

48

Objectives Changes from February to April

Operating Expenses
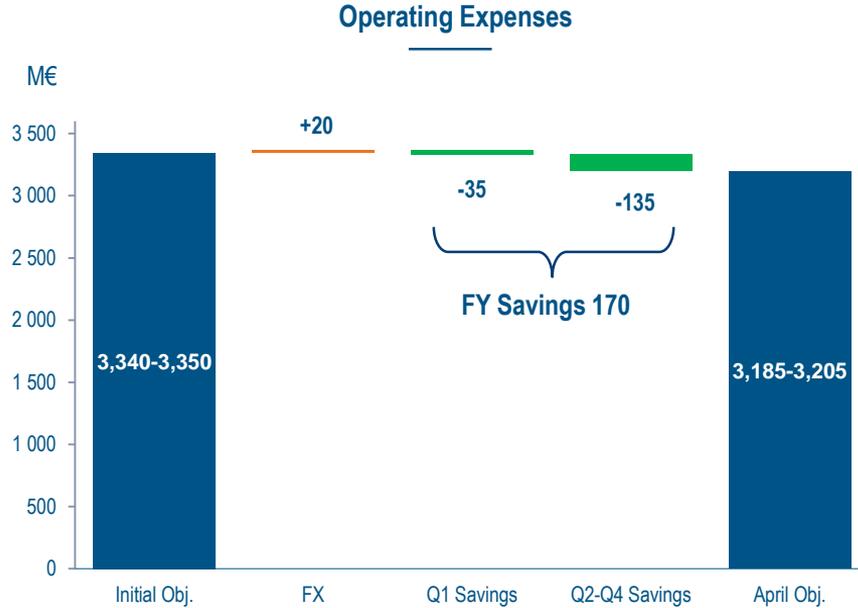
Savings programs to offset half of the revenue impact

▶ ½ of savings → non-related personnel costs: travels, events, professional fees, third party royalties …

▶ ½ of savings → personnel costs: subcontractors reduction but continued selective hirings

Objectives Changes from February to April

Revenue variation

in €M

exFX Growth **+21-23%**

+30

-46

-324

FY Activity -370

exFX Growth **+12-13%**

4,840-4,890

4,500-4,550

Initial Obj. | FX | Q1 activity | Q2-Q4 Activity | April Obj.
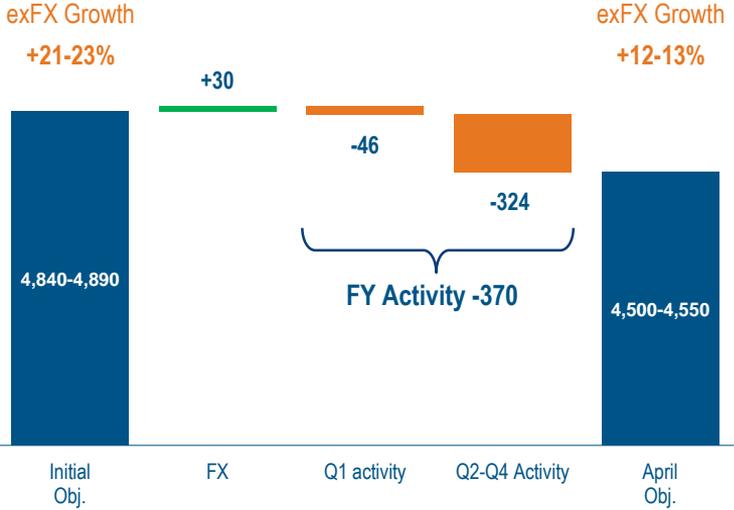
Mid point 4,865   4,525

EPS variation

in €M

Growth **+14-15%**

+0,03

-0.58

+0,04

+0,03

Growth **+0-2%**

4.15-4.20

3.65-3.72

Initial Obj. | FX | Activity | Taxes | Minority Interest & Nb of Shares | April Obj.

Mid point 4.17   3.69

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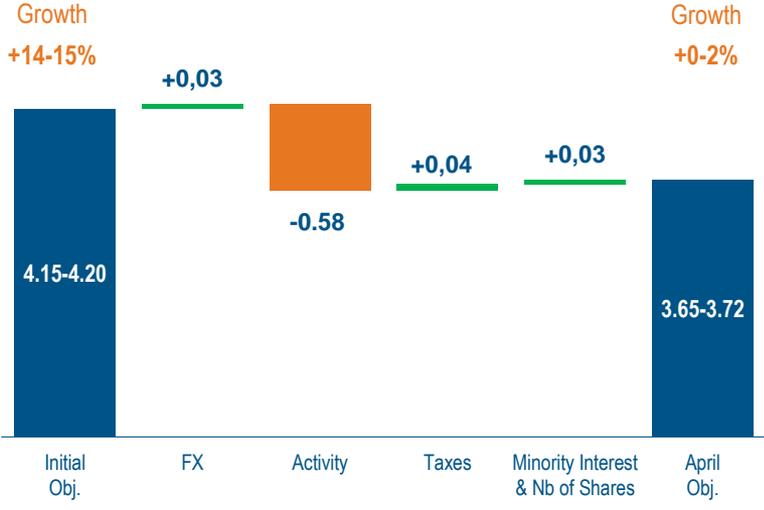
Proposed Objectives Non-IFRS

	Q2 2020		FY 2020	
Ex FX	**Q2 2020**		**FY 2020**	**Ex FX**
Software revenue +11-13%	1,040-1,070	Revenue (M€)	4,500-4,550	**Software revenue** +13-14%
of which licenses -31% to -28%	+8-11%	Growth	+11-12%	*of which licenses* -20% to -17%
of which recurring +28-30%				*of which recurring* +26-27%
Services revenue -3% to 6%	**+9-12%**	**Growth ex FX**	**+12-13%**	**Services revenue** +5-7%
	25-26.5%	Operating Margin	~29.5%	Organic operating margin decrease:
	-5.7 to -4.2 pts	Operating Margin Growth	-2.5 pts	~ **-1.3 to -1** basis points exFX
	0.72-0.77	EPS (€)	3.65-3.72	Tax rate of ~**25.2%** (26% in previous guidance)
	-12% to -6%	**EPS Growth**	**+0-2%**	
	1.15	€/$ rates	1.14	
	125.0	€/¥ rates	123.8	

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Agenda

Q1 2020 Business & Strategy Highlights

Q1 2020 Financial Highlights

Q2 & FY 2020 Financial Objectives

Financial Information Appendix

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Software Revenue by Region

IFRS

in MEUR	1Q20	1Q19	Growth	Growth ex FX
Americas	394	265	+49%	+44%
Europe	375	365	+3%	+3%
Asia	245	225	+9%	+7%
Software revenue	**1,014**	**855**	**+19%**	**+17%**

1Q20	1Q19

- Americas
- Europe
- Asia
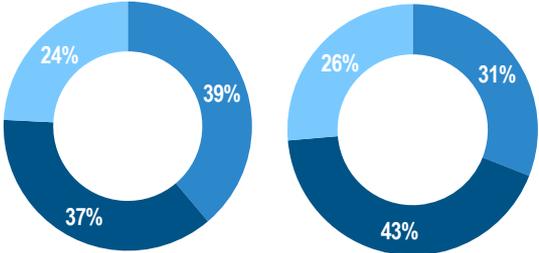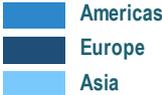
Software Revenue by Region

Non - IFRS

in MEUR	1Q20	1Q19	Growth	Growth ex FX
Americas	402	268	+50%	+46%
Europe	375	366	+3%	+2%
Asia	246	225	+9%	+7%
Software revenue	**1,023**	**859**	**+19%**	**+17%**

1Q20	1Q19

Americas
Europe
Asia

1Q20: Americas 39%, Europe 37%, Asia 24%
1Q19: Americas 31%, Europe 43%, Asia 26%

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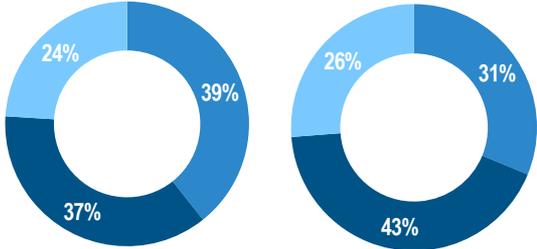
Revenue by Product Line

IFRS

in MEUR	1Q20	1Q19	Growth	Growth ex FX
Industrial Innovation SW revenue	**604**	**605**	**(0)%**	**(1)%**
o/w CATIA	270	270	+0%	(1)%
o/W ENOVIA*	81	89	(9)%	(11)%
Life Sciences SW revenue **	**187**	**39**	**+380%**	**+368%**
Mainstream Innovation SW revenue	**223**	**211**	**+5%**	**+3%**
o/w SOLIDWORKS	201	191	+5%	+3%
Services	**120**	**104**	**+16%**	**+15%**
Total revenue	**1,135**	**959**	**+18%**	**+17%**

* Excluding ENOVIA Life Sciences Compliance and Quality Management (Q1 2019: €3m)

** Including ENOVIA Life Sciences Compliance and Quality Management (Q1 2019: €3m)

Legend:
- Industrial Innovation SW revenue
- Life Sciences SW revenue
- Mainstream Innovation SW revenue
- Services

1Q20: Industrial Innovation 53%, Life Sciences 16%, Mainstream Innovation 20%, Services 11%

1Q19: Industrial Innovation 63%, Life Sciences 4%, Mainstream Innovation 22%, Services 11%
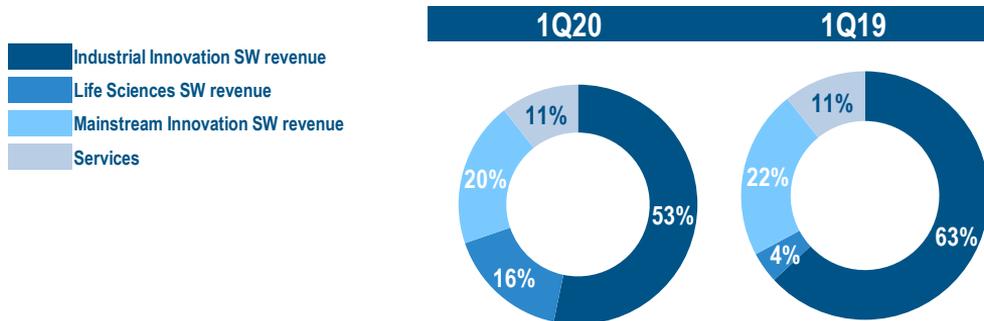
Revenue by Product Line

Non - IFRS

in MEUR	1Q20	1Q19	Growth	Growth ex FX
Industrial Innovation SW revenue	**605**	**605**	**(0)%**	**(1)%**
o/w CATIA	271	270	+0%	(1)%
o/W ENOVIA *	81	89	(9)%	(11)%
Life Sciences SW revenue **	**195**	**39**	**+396%**	**+384%**
Mainstream Innovation SW revenue	**223**	**215**	**+4%**	**+2%**
o/w SOLIDWORKS	201	191	+5%	+3%
Services	**121**	**105**	**+16%**	**+14%**
Total revenue	**1,144**	**964**	**+19%**	**+17%**

* Excluding ENOVIA Life Sciences Compliance and Quality Management (Q1 2019: €3m)

** Including ENOVIA Life Sciences Compliance and Quality Management (Q1 2019: €3m)

Legend:
- Industrial Innovation SW revenue
- Life Sciences SW revenue
- Mainstream Innovation SW revenue
- Services

1Q20: 53%, 17%, 19%, 11%
1Q19: 63%, 4%, 22%, 11%
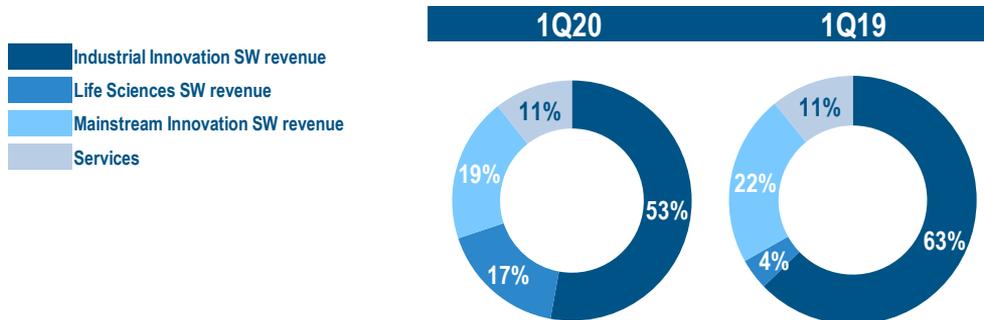
Software Revenue Evolution

Non - IFRS

in MEUR	1Q20	1Q19	Growth	Growth ex FX
Recurring Subscription and Support revenue	851	646	+32%	+30%
Non Recurring Licenses and Other software revenue	172	213	(19)%	(20)%
Software revenue	**1,023**	**859**	**+19%**	**+17%**

1Q20	1Q19

1Q20: 17% / 83%

1Q19: 25% / 75%
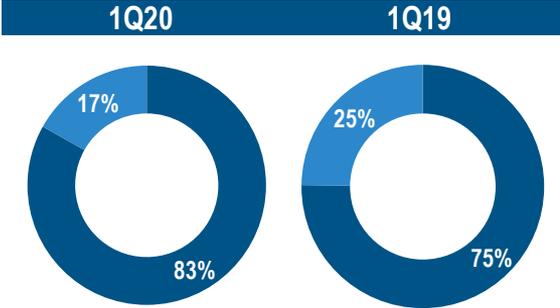
- Recurring
- Non Recurring

IFRS P&L

(In € million, except % and per share data)	Three months ended March 31,		
	2020	**2019**	**YoY**
Software revenue	1,014.2	855.3	+19%
Licenses and Other software revenue	172.3	213.2	(19)%
Subscription and Support revenue	841.9	642.0	+31%
Services revenue	120.5	103.6	+16%
Total revenue	**1,134.7**	**958.9**	**+18%**
Cost of Software revenue	(76.5)	(45.2)	+69%
Cost of Services revenue	(119.9)	(100.6)	+19%
Research and development	(230.2)	(180.3)	+28%
Marketing and sales	(331.3)	(291.2)	+14%
General and administrative	(97.4)	(76.7)	+27%
Amortization of acquired intangible assets and of tangible assets revaluation	(109.4)	(50.1)	+118%
Other operating income and expense, net	(18.9)	0.9	N/A
Total operating expenses	**(983.7)**	**(743.1)**	**+32%**
Operating income	**151.0**	**215.8**	**(30)%**
Financial revenue and other, net	(6.5)	5.2	(227)%
Income tax expense	(35.3)	(62.9)	(44)%
Non-controlling interest	3.2	2.8	+16%
Net Income (to equity holders of the parent)	**112.4**	**160.8**	**(30)%**
Diluted net income per share (EPS)	**0.43**	**0.62**	**(31)%**
Average diluted shares (Million)	**263.2**	**260.5**	

IFRS P&L (%)

	Three months ended March 31,	
	2020	**2019**
	% of revenue	
Software revenue	+89.4%	+89.2%
Licenses and Other software revenue	+15.2%	+22.2%
Subscription and Support revenue	+74.2%	+67.0%
Services revenue	+10.6%	+10.8%
Total revenue	**+100.0%**	**+100.0%**
Cost of Software revenue	+6.7%	+4.7%
Cost of Services revenue	+10.6%	+10.5%
Research and development	+20.3%	+18.8%
Marketing and sales	+29.2%	+30.4%
General and administrative	+8.6%	+8.0%
Amortization of acquired intangible assets and of tangible assets revaluation	+9.6%	+5.2%
Other operating income and expense, net	+1.7%	(0.1)%
Total operating expenses	**+86.7%**	**+77.5%**
Operating income	**+13.3%**	**+22.5%**
Financial revenue and other, net	(0.6)%	+0.5%
Income tax rate (% of EBIT)	**+24.4%**	**+28.5%**
Non-controlling interest	+0.3%	+0.3%
Net Income (to equity holders of the parent)	**+9.9%**	**+16.8%**

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Non-IFRS P&L

(In € million, except % and per share data)	Three months ended March 31,		
	2020	2019	YoY
Software revenue	1,023.0	859.5	+19%
Licenses and Other software revenue	172.3	213.2	(19)%
Subscription and Support revenue	850.7	646.2	+32%
Services revenue	121.4	104.5	+16%
Total revenue	**1,144.4**	**964.0**	**+19%**
Cost of Software revenue	(74.4)	(44.4)	+68%
Cost of Services revenue	(117.8)	(99.4)	+19%
Research and development	(216.0)	(159.4)	+36%
Marketing and sales	(317.6)	(278.8)	+14%
General and administrative	(84.3)	(65.6)	+29%
Total operating expenses	**(810.3)**	**(647.6)**	**+25%**
Operating income	**334.1**	**316.4**	**+6%**
Financial revenue and other, net	(6.3)	4.2	(249)%
Income tax expense	(79.8)	(95.2)	(16)%
Non-controlling interest	1.9	1.0	+91%
Net Income (to equity holders of the parent)	**250.0**	**226.5**	**+10%**
Diluted net income per share (EPS)	**0.95**	**0.87**	**+9%**
Average diluted shares (Million)	263.2	260.5	

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Non-IFRS P&L (%)

	Three months ended March 31,	
	2020	2019
Software revenue	+89.4%	+89.2%
Licenses and Other software revenue	+15.1%	+22.1%
Subscription and Support revenue	+74.3%	+67.0%
Services revenue	+10.6%	+10.8%
Total revenue	**+100.0%**	**+100.0%**
Cost of Software revenue	+6.5%	+4.6%
Cost of Services revenue	+10.3%	+10.3%
Research and development	+18.9%	+16.5%
Marketing and sales	+27.8%	+28.9%
General and administrative	+7.4%	+6.8%
Total operating expenses	**+70.8%**	**+67.2%**
Operating income	**+29.2%**	**+32.8%**
Financial revenue and other, net	(0.5)%	+0.4%
Income tax rate (% of EBIT)	***+24.3%***	***+29.7%***
Non-controlling interest	+0.2%	+0.1%
Net Income (to equity holders of the parent)	**+21.8%**	**+23.5%**

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IFRS – Non-IFRS Reconciliation QTD

Revenue and Gross Margin

(In € million, except % and per share data)	Three months ended March 31,						Increase (Decrease)	
	2020 IFRS	Adjustment	2020 Non-IFRS	2019 IFRS	Adjustment	2019 Non-IFRS	IFRS	Non-IFRS
Total Revenue	**1,134.7**	**9.7**	**1,144.4**	**958.9**	**5.1**	**964.0**	**+18%**	**+19%**
Total Revenue breakdown by activity								
Software revenue	1,014.2	8.8	1,023.0	855.3	4.2	859.5	+19%	+19%
Licenses and Other software revenue	172.3		172.3	213.2		213.2	(19)%	(19)%
Subscription and Support revenue	841.9	8.8	850.7	642.0	4.2	646.2	+31%	+32%
Recurring portion of Software revenue	*83%*		*83%*	*75%*		*75%*		
Services revenue	120.5	0.9	121.4	103.6	0.9	104.5	+16%	+16%
Total Revenue breakdown by product line								
Industrial Innovation SW revenue	604.3	0.7	605.1	605.1		605.1	(0)%	(0)%
o/w CATIA SW revenue	*270.3*	*0.7*	*271.1*	*270.1*		*270.1*	*+0%*	*+0%*
o/w ENOVIA SW revenue [1]	*80.6*		*80.6*	*89.0*		*89.0*	*(9)%*	*(9)%*
Life Sciences SW revenue [2]	187.2	7.8	195.0	39.0	0.2	39.3	+380%	+396%
Mainstream Innovation SW revenue	222.7	0.3	223.0	211.1	4.0	215.1	+5%	+4%
o/w SOLIDWORKS SW revenue	*201.5*		*201.5*	*191.4*		*191.4*	*+5%*	*+5%*
Services revenue	120.5	0.9	121.4	103.6	0.9	104.5	+16%	+16%
Total Revenue breakdown by geography								
Americas revenue	444.6	9.2	453.8	307.0	4.0	311.1	+45%	+46%
Europe revenue	421.2	0.2	421.5	408.4	1.1	409.5	+3%	+3%
Asia revenue	268.8	0.3	269.1	243.5		243.5	+10%	+11%
Gross Margin								
Cost of Software revenue	(76.5)	2.1	(74.4)	(45.2)	0.8	(44.4)	+69%	+68%
Software Gross margin [3]	*92.5%*		*92.7%*	*94.7%*		*94.8%*		
Cost of Services revenue	(119.9)	2.1	(117.8)	(100.6)	1.2	(99.4)	+19%	+19%
Services Gross margin	*0.5%*		*2.9%*	*2.9%*		*4.9%*		

[1] *Excluding ENOVIA Life Sciences Compliance and Quality Management (Q1 2019: €3.3m)*
[2] *Including ENOVIA Life Sciences Compliance and Quality Management (Q1 2019: €3.3m)*
[3] *No amortization of acquired intangible assets and of tangible assets revaluation is included in Software Gross margin calculation*

IFRS – Non-IFRS Reconciliation QTD

Expenses & Earnings

(In € million, except % and per share data)	Three months ended March 31,						Increase (Decrease)	
	2020 IFRS	Adjustment	2020 Non-IFRS	2019 IFRS	Adjustment	2019 Non-IFRS	IFRS	Non-IFRS
Total Operating Expenses	**(983.7)**	**173.4**	**(810.3)**	**(743.1)**	**95.5**	**(647.6)**	**+32%**	**+25%**
Share-based compensation expense and related social charges	(44.4)	44.4		(46.3)	46.3			
Amortization of acquired intangible assets and of tangible assets revaluation	(109.4)	109.4		(50.1)	50.1			
Lease incentives of acquired companies	(0.7)	0.7		-	-			
Other operating income and expense, net	(18.9)	18.9		0.9	(0.9)			
Operating Income	**151.0**	**183.1**	**334.1**	**215.8**	**100.6**	**316.4**	**(30)%**	**+6%**
Operating Margin	**13.3%**		**29.2%**	**22.5%**		**32.8%**		
Financial revenue & other, net	(6.5)	0.3	(6.3)	5.2	(0.9)	4.2	(227)%	(249)%
Income tax expense	(35.3)	(44.5)	(79.8)	(62.9)	(32.3)	(95.2)	(44)%	(16)%
Non-controlling interest	3.2	(1.3)	1.9	2.8	(1.8)	1.0	+16%	+91%
Net Income attributable to shareholders	**112.4**	**137.6**	**250.0**	**160.8**	**65.7**	**226.5**	**(30)%**	**+10%**
Diluted net income per share, in EUR	**0.43**	**0.52**	**0.95**	**0.62**	**0.25**	**0.87**	**(31)%**	**+9%**

(In € million)	Three months ended March 31,							
	2020 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2020 Non-IFRS	2019 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2019 Non-IFRS
Cost of revenue	(196.4)	3.9	0.2	(192.3)	(145.7)	2.0	-	(143.8)
Research and development	(230.2)	13.8	0.4	(216.0)	(180.3)	20.9	-	(159.4)
Marketing and sales	(331.3)	13.6	0.1	(317.6)	(291.2)	12.4	-	(278.8)
General and administrative	(97.4)	13.0	-	(84.3)	(76.7)	11.1	-	(65.6)
Total		**44.4**	**0.7**			**46.3**	**-**	

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Financial Revenue and Other

Non - IFRS

(In € million)	Three months ended March 31,		
	2020	2019	YoY
Interest Income	**4.3**	**8.4**	**(4.1)**
Interest Expense	**(6.0)**	**(3.2)**	**(2.8)**
Interest Expense on cap lease (IFRS 16)	**(4.0)**	**(3.4)**	**(0.6)**
Financial net Income	**(5.7)**	**1.9**	**(7.5)**
Exchange Gain / (Loss)	**(0.7)**	**2.5**	**(3.2)**
Other Income / (Loss)	**0.0**	**(0.2)**	**0.2**
Total	**(6.3)**	**4.2**	**(10.5)**

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Exchange Rate evolution

From assumptions to actual data

Breakdown of P&L by currency for Q12020YTD		
	Revenue	Operating Expenses
USD	**49.2%**	**45.6%**
JPY	**9.9%**	**4.2%**

Average Exchange rates					
		2019	2020	% change	
QTD	EUR/USD	1.14	1.10	-4%	
	EUR/JPY	125.08	120.10	-4%	
YTD	EUR/USD	1.14	1.10	-4%	
	EUR/JPY	125.08	120.10	-4%	

EUR/$ – 1Q20/1Q19 Variance

Average EUR/$ rate

1.14 -> 1.10

1Q19
1.14
in average

1Q20
1.10
in average

EUR/¥ – 1Q20/1Q19 Variance

Average EUR/¥ rate

125.08 -> 120.10

1Q19
125.08
in average

1Q20
120.10
in average

Comparing 1Q20 with mid-range objectives

Non - IFRS

In € million	Revenue	Operating Expenses	Operating Profit	Operating Margin
1Q20 Guidances mid-range *Growth YoY*	**1,160.0** **+20.3%**	**(823.6)** **+27.2%**	**336.4** **+6.3%**	**29.0%** **-3.8pts**
USD impact	23.7	(15.7)	8.0	+0.1pt
JPY impact including hedging	3.3	(1.5)	1.8	+0.1pt
Other currencies and other hedging impact	3.8	(2.7)	1.1	-0.0pt
Total FX	**30.8**	**(19.9)**	**10.9**	**+0.2pt**
Activity / Cost Control / Other	**(46.4)**	**33.2**	**(13.2)**	**+0.0pt**
Delta: Reported vs guidances	**(15.6)**	**13.3**	**(2.3)**	**+0.2pt**
1Q20 Reported *Growth YoY*	**1,144.4** **+18.7%**	**(810.3)** **+25.1%**	**334.1** **+5.6%**	**29.2%** **-3.6pts**
1Q19 Reported	**964.0**	**(647.6)**	**316.4**	**32.8%**

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Estimated FX impact on 1Q20 Op. Results

Non - IFRS

€ millions QTD	Total Revenue	Operating Expenses	Operating Income	Operating Margin
1Q20 Reported	1,144.4	(810.3)	334.1	29.2%
1Q19 Reported	964.0	(647.6)	316.4	32.8%
Growth as reported	*+18.7%*	*+25.1%*	*+5.6%*	*-3.6 pts*
Impact of Actual Currency Rates				
USD impact	10.8	(7.3)	3.5	
JPY impact including hedging	4.9	(1.2)	3.7	
Other currencies and other hedging impact	(1.8)	1.9	0.2	
Total FX Impact adjustment	13.9	(6.6)	7.4	
1Q19 ex FX	978.0	(654.2)	323.8	33.1%
Growth ex FX	*+17%*	*+24%*	*+3%*	*-3.9 pts*

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Consolidated Statement of Cash Flows

IFRS

(in millions of €)	1Q20	1Q19	Variation
Net income attributable to equity holders of the parent	112.4	160.8	(48.4)
Non-controlling interest	(3.2)	(2.8)	(0.4)
Net income	109.2	158.0	(48.8)
Depreciation of property and equipment	48.9	31.7	17.2
Amortization of intangible assets	112.8	52.3	60.5
Adjustments for other non-cash items	49.8	28.4	21.4
Changes in working capital	137.4	218.1	(80.7)
Net Cash Provided by (Used in) Operating Activities (I)	**458.1**	**488.5**	**(30.5)**
Additions to property, equipment and intangibles	(60.3)	(25.1)	(35.2)
Payment for acquisition of businesses, net of cash acquired	-	(400.6)	400.6
Other	1.8	(3.0)	4.8
Net Cash Provided by (Used in) Investing Activities (II)	**(58.4)**	**(428.7)**	**370.3**
Proceeds from exercise of stock options	23.7	13.5	10.2
Repurchase and sale of treasury stock	(108.1)	8.6	(116.7)
Proceeds from borrowings	1.5	-	1.5
Repayment of borrowings	-	(0.9)	0.9
Repayment of lease liabilities	(25.5)	(17.0)	(8.5)
Net Cash Provided by (Used in) Financing Activities (III)	**(108.5)**	**4.2**	**(112.7)**
Effect of exchange rate changes on cash and cash equivalents (IV)	**7.4**	**22.7**	**(15.3)**
Increase (decrease) in cash and cash equivalents (V) = (I)+(II)+(III)+(IV)	**298.6**	**86.7**	**211.9**
Cash and cash equivalents at beginning of period	**1,944.9**	**2,809.3**	
Cash and cash equivalents at end of period	**2,243.5**	**2,896.0**	
Cash and cash equivalents variation	**298.6**	**86.7**	

Balance Sheet

IFRS

(in millions of €)	End of **Mar-20**	End of **Dec-19**	**Variation** **Mar-20 / Dec-19**
Cash and cash equivalents	2,243.5	1,944.9	+298.6
Accounts receivable, net	1,111.6	1,319.2	-207.6
Contract assets	30.1	26.9	+3.3
Other current assets	337.3	378.0	-40.7
Total current assets	**3,722.5**	**3,669.0**	**+53.6**
Property and equipment, net	949.7	899.7	+50.0
Goodwill and Intangible assets, net	8,991.4	8,917.0	+74.4
Other non-current assets	393.6	386.9	+6.7
Total non-current assets	**10,334.8**	**10,203.7**	**+131.1**
Total Assets	**14,057.3**	**13,872.6**	**+184.7**
Accounts payable	166.2	220.0	-53.8
Contract liabilities	1,184.4	1,093.5	+91.0
Borrowings, current	7.0	4.4	+2.6
Other current liabilities	721.0	816.0	-95.0
Total current liabilities	**2,078.6**	**2,133.8**	**-55.2**
Borrowings, non-current	4,609.7	4,596.8	+12.9
Other non-current liabilities	1,902.0	1,879.4	+22.6
Total non-current liabilities	**6,511.7**	**6,476.2**	**+35.5**
Non-controlling interest	52.1	53.9	-1.8
Parent Shareholders' equity	5,414.9	5,208.7	+206.2
Total Liabilities and Shareholders' Equity	**14,057.3**	**13,872.6**	**+184.7**

Trade Accounts Receivable / DSO

IFRS

Headcount by Destinations – Q1 2020

At Closing - TOTAL			
	1Q20	**1Q19**	**% growth**
M&S + COR Ser	10,266	8,856	+15.9%
R&D + COR SW	9,192	7,101	+29.4%
G&A	1,981	1,617	+22.6%
Total	**21,439**	**17,574**	**+22.0%**

Closing H/C - March 2020

- M&S + COR Ser: 48%
- R&D + COR SW: 43%
- G&A: 9%