



3DEXPERIENCE[®]

Dassault Systèmes

Q3 & YTD 2020 Earnings Presentation

Bernard Charlès,
Vice-Chairman & CEO

Pascal Daloz,
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.

Forward Looking Information

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 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 JPY122.1 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.

Non-IFRS Information

Readers are cautioned that the supplemental non-IFRS information presented in this earnings presentation is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Group's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies. Further specific limitations for individual non-IFRS measures, and the reasons for presenting non-IFRS financial information, are set forth in the Group's 2019 Document d'enregistrement universel (annual report) filed with the AMF on March 19, 2020.

In the tables accompanying this earnings presentation the Group sets forth its supplemental non-IFRS figures for revenue, operating income, operating margin, net income and diluted earnings per share, which exclude the effect of adjusting the carrying value of acquired companies' deferred revenue, share-based compensation expense and related social charges, the amortization of acquired intangible assets and of tangibles reevaluation, other operating income and expense, net, including acquisition, integration and restructuring expenses, impairment of goodwill and acquired intangibles, lease incentives of acquired companies, certain one-time items included in financial revenue and other, net, and the income tax effect of the non-IFRS adjustments and certain one-time tax effects. The tables also set forth the most comparable IFRS financial measure and reconciliations of this information with non-IFRS information.

Glossary of Definitions

Information in Constant Currencies

We have followed a long-standing policy of measuring our revenue performance and setting our revenue objectives exclusive of currency in order to measure in a transparent manner the underlying level of improvement in our total revenue and software revenue by type, industry, region and product lines. We believe it is helpful to evaluate our growth exclusive of currency impacts, particularly to help understand revenue trends in our business. Therefore, we provide percentage increases or decreases in our revenue and EPS (in both IFRS as well as non-IFRS) to eliminate the effect of changes in currency values, particularly the U.S. dollar and the Japanese yen, relative to the euro. When trend information is expressed by us "in constant currencies", the results of the "prior" period have first been recalculated using the average exchange rates of the comparable period in the current year, and then compared with the results of the comparable period in the current year.

While constant currency calculations are not considered to be an IFRS measure, we do believe these measures are critical to understanding our global revenue results and to compare with many of our competitors who report their financial results in U.S. dollars. Therefore, we are including this calculation for comparing IFRS revenue figures for comparable periods as well as for comparing non-IFRS revenue figures for comparable periods. All constant currency information is provided on an approximate basis. Unless otherwise indicated, the impact of exchange rate fluctuations is approximately the same for both the Group's IFRS and supplemental non-IFRS financial data.

Information on Growth excluding acquisitions ("organic growth")

In addition to discussing total growth, we also provide financial information where we discuss growth excluding acquisitions or growth on an organic basis as used alternatively. In both cases, growth excluding acquisitions have been calculated using the following restatements of the scope of consolidation: for entities entering the consolidation scope in the current year, subtracting the contribution of the acquisition from the aggregates of the current year, and for entities entering the consolidation scope in the previous year, subtracting the contribution of the acquisition from January 1st of the current year, until the last day of the month of the current year when the acquisition was made the previous year.

Information on Industrial Sectors

Dassault Systèmes' Industries develop Solution Experiences, industry-focused offerings which deliver specific value to companies and users in a particular industry. We serve eleven industries structured into three sectors: Manufacturing Industries (Transportation & Mobility; Aerospace & Defense; Marine & Offshore; Industrial Equipment; High-Tech; Home & Lifestyle; Consumer Packaged Goods & Retail and a portion of Business Services); Life Sciences & Healthcare (Life Sciences); and Infrastructure & Cities (Energy & Materials; Construction, Cities and Territories; Business Services).

Information on Product Lines

Commencing with the first quarter of 2020 and as previously disclosed, we are introducing a new presentation of our product lines to reflect our broader ambitions. Our new product line financial reporting includes: 1) Industrial Innovation software revenue, comprised of our CATIA, ENOVIA, SIMULIA, DELMIA, GEOVIA, NETVIBES/EXALEAD, and 3DEXCITE brands; 2) Life Sciences software revenue, comprised of our MEDIDATA and BIOVIA brands; and 3) Mainstream Innovation software revenue, comprised of our SOLIDWORKS brand as well as CENTRIC PLM, 3DVIA and our new 3DEXPERIENCE WORKS family.

3DEXPERIENCE Licenses and Software Contribution

To measure the progressive penetration of 3DEXPERIENCE software, the Group utilizes the following ratios: a) for new licenses revenue, the Group calculates the percentage contribution by comparing total 3DEXPERIENCE new licenses revenue to new licenses revenue for all product lines except SOLIDWORKS and acquisitions ("related new licenses revenue"); and, b) for software revenue, the Group calculates the percentage contribution by comparing total 3DEXPERIENCE software revenue to software revenue for all product lines except SOLIDWORKS and acquisitions ("related software revenue").

Q3 & YTD 2020 Highlights Non-IFRS

Financial Results

License activity showing **improvement** from Q2, yet not anticipating a return to normal in 2020
Total revenue growth of **17%** exFX in Q3, **15%** exFX YTD
Software revenue (**90%** of total revenue YTD) well aligned with guidance: up **22%** exFX in Q3, **17%** exFX YTD

A Resilient Business Model

Recurring software revenue (**83%** of total software revenue YTD), up **32%** exFX in Q3, **31%** exFX YTD
Solid renewals on an organic basis and **good MEDIDATA** commercial performance
Q3 EPS high end of guidance, **Operating Margin** above, thanks to **strong operational performance**

A Purpose-Driven Company

Human Industry Experience for human-centric innovation (Patient / Customer / Citizen)
3DEXPERIENCE Platform, one single platform, to bring together all aspects of a business

2020 Financial Framework

Reaffirming **2020 EPS** objective of **€3.70-3.75** (€3.65 in 2019) despite the US dollar weakening

Agenda

Q3 & YTD 2020 Business & Strategy Highlights

Q3 & YTD 2020 Financial Highlights

Q4 & FY 2020 Financial Objectives

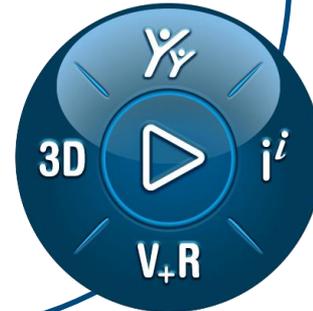
Financial Information Appendix

Our Strategy

Industry



Human



Experiences

Trends by Key Strategic Sectors

Manufacturing Industries





Faster
Innovation



Janssen Extends Multi-year Agreement with MEDIDATA



PHARMACEUTICAL COMPANIES OF
Johnson & Johnson

Janssen: pharmaceutical companies of
Johnson & Johnson and a top 10 global pharma



Business Values:

- ▶ **Multi-year extension** in order to:
 - meet the demanding needs of the industry thanks to flexibility, scalability and ability to **unify** and **streamline workflows** in **clinical trials**
 - Hence, **drive better outcomes**

Solution:

MEDIDATA Clinically Approved

- ▶ MEDIDATA's next generation unified platform for clinical development



DS DASSAULT
SYSTEMES



Faster
Innovation



INCYTE Adopts BIOVIA



Our world-class researchers are focused on transforming the treatment of cancer, inflammatory and autoimmune conditions



Business Values:

- ▶ Connecting R&D and Manufacturing teams to **simplify technology transfer** and optimizing biologic processes
 - **Designing and optimizing** biologic processes including bioreactor cell growth, harvest and purification
 - Eliminating paper processes to fully **digital laboratory** data capture
 - Capitalizing on digital understanding of biologic processes to **improve and optimize yield**

Solution:

ONE Lab Industry Solution Experience

- ▶ Biologics Process Development
- ▶ Drug Product Development
- ▶ Analytical Development





Faster
Innovation



ABBOTT Expands SIMULIA



Our purpose is to make the world a better place by bringing life-changing health technologies to the people who need them. That's our commitment to helping you live your best life.



Business Values:

- ▶ More virtual testing during the time of COVID-19 **conventional bench testing is not practical** and more expensive **during the pandemic**
 - Performing more **virtual testing** using simulation **in lieu of expensive bench testing**
 - Leveraging Dassault Systèmes **knowledge and know-how** in simulating the performance of **cardiovascular medical devices**
 - Expanding **virtual testing** into **more product teams**

Solution:

Single Source for Speed
Industry Solution Experience
(including Living Heart roles)



DS DASSAULT
SYSTEMES



Quality
of Life



SNCF Adopts 3DEXPERIENCE



SNCF Matériel, part of SNCF, is the main French railways fleet operator, and a key player in the railways industry

Business Values:

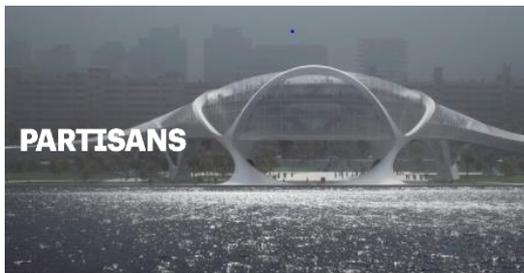
- ▶ 3DEXPERIENCE will foster **SNCF's digital transformation program** to improve acquisition and renovation projects and to rationalize internal studies, by enabling to:
 - Better **leverage** and **manage** rolling stocks **data**
 - Sustain the **engineering** and **service definition** of rolling stocks, and their **compliance** throughout their life cycle
 - Improve **collaboration** with rolling stocks **suppliers**

Solution:

- ▶ 3DEXPERIENCE Platform on the cloud for Asset Management
- ▶ ~5,000 users



3DEXPERIENCE on the Cloud: Construction, Cities & Territories



Integration of design
and technology



Digitally-designed
and manufactured architecture



Organic architecture,
ecological and inspired by nature



Large scale 3D printing



Building a future full of life
on earth and beyond

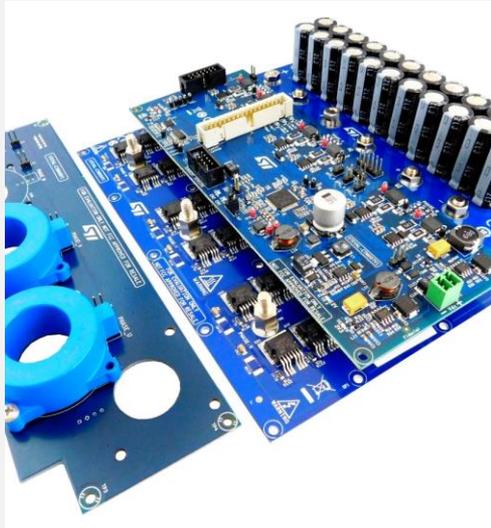


Competencies in manufacturing
and general contracting





New Usages



STMicroelectronics

Adopts 3DEXPERIENCE



Among the world's largest semiconductor companies



Business Values:

- ▶ 3DEXPERIENCE platform enables better:
 - Multisite collaboration to reach **productivity improvements** and **time to market targets**
 - Quality and process management to achieve **“First-Pass Silicon Success”**
 - **R&D efficiency**

Solution:

3DEXPERIENCE Platform with
**High Performance
Semiconductor**
Industry Solution Experiences





Consumer Markets



8000 SKUs

2500 Offline stores

25 Categories
Including Home/3C/Fashion/ Food Beverage/Cosmetics/Travel



Adopts Centric PLM

Founded by [Liu Qiangdong](#) on June 18, 1998, JD.com is China's #1 and world's #20 largest retailer, with \$79 billion net revenue in 2019



Business Values:

- ▶ The program is starting from one of their private label divisions [J.ZAO](#) , which manages product data
- ▶ Cutting **time to market**
- ▶ Reducing **costs**
- ▶ Driving **collaboration**

Solution:

Centric PLM





Sovereignty



Ball Aerospace

Adopts 3DEXPERIENCE Platform



Part of Ball Corporation, manufacturer of spacecraft, components, and instruments for national defense, civil space and commercial space applications



Business Values:

- ▶ 3DEXPERIENCE platform selected as a digital engineering solution to:
 - Promote **digital continuity** through the use of the **virtual twin**
 - Accelerate **digital collaboration**, from design to manufacturing engineering, simulation, tests and program management, throughout the enterprise and its value chain
 - Work as a **single integrated solution** to support program execution activities

Solution:

3DEXPERIENCE platform with Aerospace & Defense Industry Solution Experiences:

- ▶ Program Excellence
- ▶ Co-Design to Target
- ▶ Build to Operation
- ▶ Cleared to Operate



3S DASSAULT
SYSTEMES

Patient Experience

mymedidata **LIVE**



myMedidata

myMedidata provides patients with virtual access to all of the studies they participate in via a single web application → Patient Platform: collecting data + providing services

Availability of myMedidata LIVE: Patient-Facing Video Visit Capability to engage in remote site visits

Introducing BioStamp nPoint®

Making Virtual Clinical Trials a Reality

- Class II FDA 510(k) cleared
- Soft, Flexible, Conformal Bio-Sensors
- Multi-modal, Multi-location sensing
- 44 Standard Metrics in Vital Signs, Activity, Posture, Sleep, and eEMG
- Ideal for capture of eCOA and PRO



Optimized for in-home use, BioStamp nPoint® simplifies and consolidates the process of collecting physiological data and PRO for clinical trials.

MC10 Acquisition

Extending MEDIDATA's offerings around the integration of sensor data from multiple sensors

Better execution of remote patient studies thanks to device data analytics

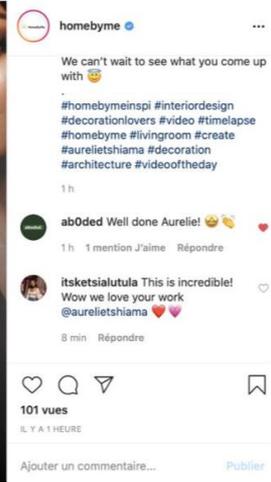
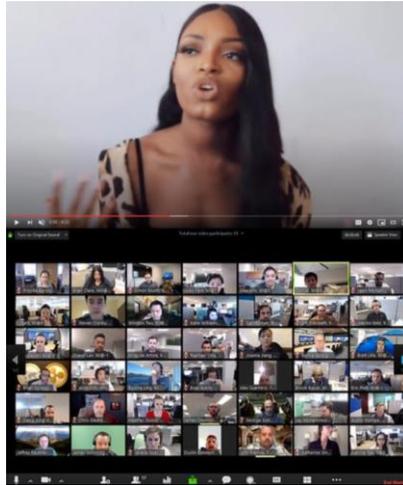


Consumer Experience

Design Masterclass - Aurélie Tshiana - UK



A 3-Day class on how to use HomeByMe by Aurélie Tschiana
All classes were sold out





Industry Platformization

3DEXPERIENCE | My3DEXPERIENCE

Search

3D V.R

As a System of Operations As a Business Model

One Platform, Endless Possibilities

Bring together all aspects of your business on a single platform to increase collaboration, improve execution and accelerate innovation and create virtual twin to connect the creation and the representation of the virtual experience with the data from the real experience

ANTICIPATE PROBLEMS | UNDERSTAND CONSEQUENCES | APPRECIATE INTERDEPENDENCIES
BE PREPARED FOR ALTERNATIVES | ADDRESS RELEVANT OPPORTUNITIES

At the click of a finger, get the full power of the 3DEXPERIENCE platform on the Cloud

- Immediate Access**
Easy to deploy & ready to use without an IT investment
- All-in-One Solution**
A complete package offering (SaaS, PaaS, IaaS)
- Accessible Technology**
A portfolio of enterprise-class technologies including your favorite apps: CATIA, SIMULIA, DELMIA, ENOVIA

3DEXPERIENCE Collaborative Innovation

3DEXPERIENCE WORKS

3DEXPERIENCE Industries

3DEXPERIENCE Healthcare & Life Sciences

3DEXPERIENCE Edu



Powering Visionary Brands with 3DEXPERIENCE on the Cloud



Aerospace
& Defense

Xsun
Europe



Transportation
& Mobility

Canoo
Americas



Transportation
& Mobility

**QEV
Technologies**
Europe



Industrial
Equipment

Toyo Tires
Asia



Business Services

**INNOCEPT
ENG.**
Europe



Life Sciences

**Digital
Orthopedics**
Europe



Construction,
Cities &
Territories

**Dasan
Consultants**
Asia



Construction,
Cities &
Territories

Boxxcraft
Americas



DEEPCELL Adopts 3DEXPERIENCE Platform



Non-invasive genetic testing company



#1

Faster Innovation



Business Values:

- ▶ Facilitating **collaboration** between a **team of diverse backgrounds**
- ▶ Accelerating **pace of innovation**
- ▶ Ultimately, contributing to **precision medicine** with non-invasive genetic testing
- ▶ Using a solution: **out of the box - easy to use - scalable - with no infrastructure required - and seamless integration with SOLIDWORKS**

Solution:

3DEXPERIENCE Platform with ENOVIA.Works on the Cloud

SOLIDWORKS customer





A Scientific Company: Q4 Events

SCIENCE IN THE AGE OF EXPERIENCE 2020

13 October-10 November 2020 | Virtual Event

Science in the Age of Experience is a reference event for science leaders who strive at making the world be foremost for people. Our theme is Science powering a sustainable & resilient world. Our focus is enabling innovations to revolutionize how we make, work, and live our life experiences.

medidata joins **DASSAULT SYSTEMES**

GLOBAL

NEXT GLOBAL
A PATIENT FIRST SERIES
October 27-29, 2020

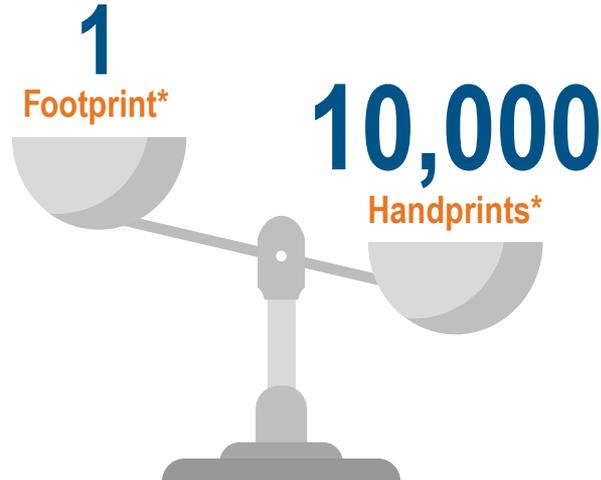


A Purpose-driven Company | Handprint Leverage



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

- ▶ Defining an ambitious CO2 emissions reduction target



- ▶ Developing sustainable offers for all industries
- ▶ Joining the Ellen MacArthur Foundation to build a circular economy

* Footprint: negative impact

** Handprint: positive impact

http://hwpi.harvard.edu/files/chge/files/handprints_of_product_innovation.pdf

Agenda

Q3 & YTD 2020 Business & Strategy Highlights

Q3 & YTD 2020 Financial Highlights

Q4 & FY 2020 Financial Objectives

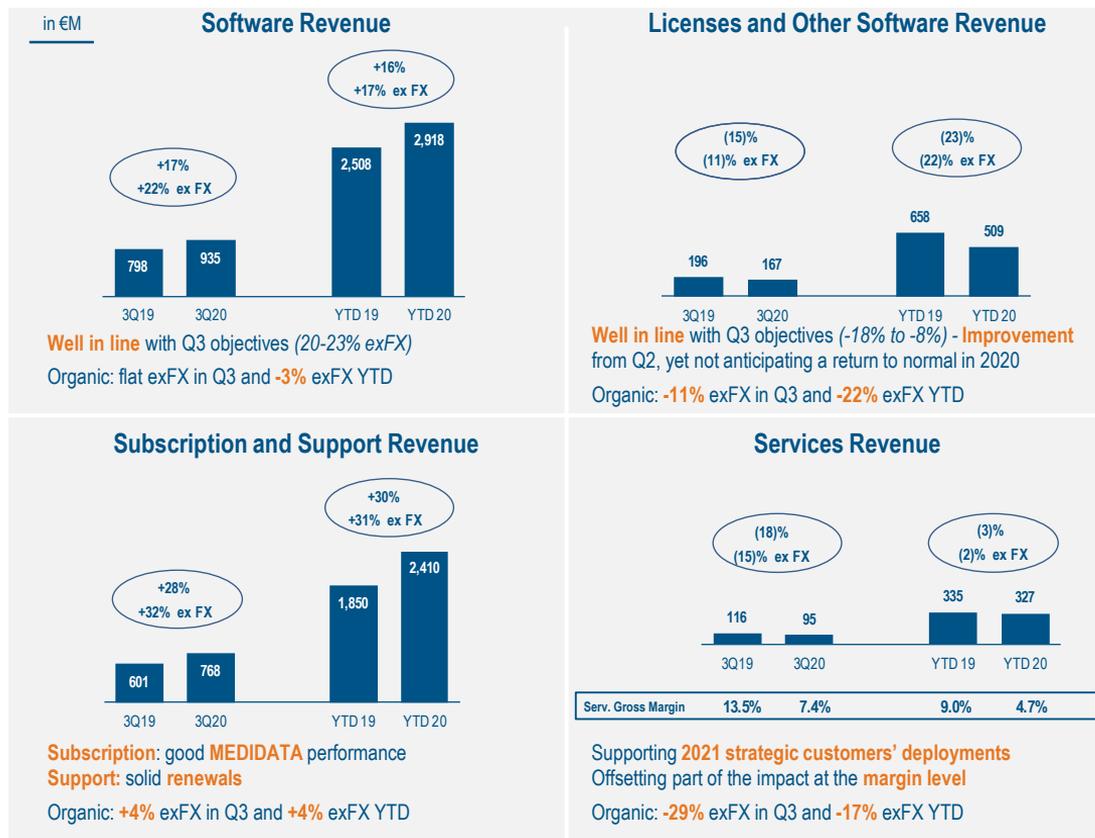
Financial Information Appendix

Q3 & YTD 2020 Performance at a Glance

Non - IFRS

€M	3Q20	YTD20
Revenue	1,030	3,245
Growth	+13%	+14%
Growth exFX*	+17%	+15%
Operating Margin	28.2%	28.1%
EPS (€)	0.80	2.55
EPS Evolution	+3%	+4%

* Organic revenue: -3% exFX in Q3 and -4% exFX YTD



Software Revenue by Region Non-IFRS

EUROPE

Q3: **+10%**, YTD: **+3%*** | Share **36%****

Strong improvement of **Q3 organic performance** from Q2 driven by **France, Northern Europe** and improvement in **Southern Europe**

ASIA

Q3: **+10%**, YTD: **+6%***
Share **26%****

Recovery in **China, AP South** and **Korea** (up double-digit in Q3) offset by softness in **Japan** and difficult environment in **India**

AMERICAS

Q3: **+46%**, YTD: **+45%***
Share **38%****

Strong **MEDIDATA** contribution

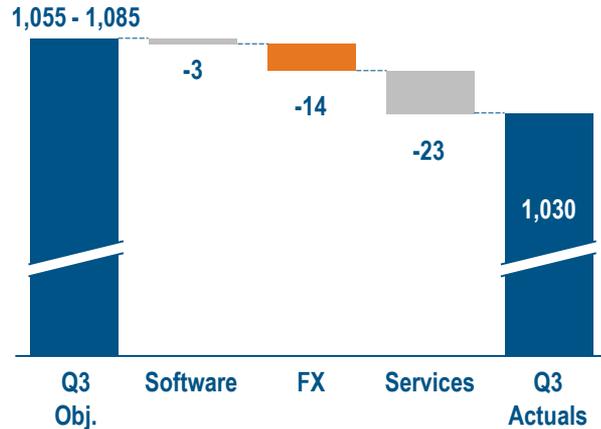
* YOY Growth ex FX
** YTD20 share

Software Revenue by Product Line Non-IFRS

% Growth ex FX	3Q20	YTD20	
Industrial Innovation software revenue	-2%	-4%	<ul style="list-style-type: none"> Double-digit ENOVIA license revenue growth in Q3
of which CATIA	-1%	-4%	
of which ENOVIA	+4%	-7%	
Life Sciences software revenue	+498%	+462%	<ul style="list-style-type: none"> MEDIDATA: total revenue up 13% in Q3 Backlog to benefit for 2021
Mainstream Innovation software revenue	+9%	+2%	<ul style="list-style-type: none"> SOLIDWORKS: strong recurring revenue and net improvement of licenses performance from Q2
of which SOLIDWORKS	+10%	+3%	
Total software revenue	+22%	+17%	

Revenue & Operating Margin Evolution Non-IFRS

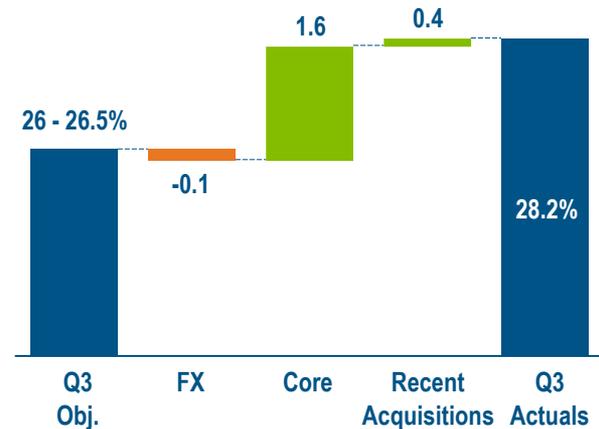
Q3 Revenue variation (M€)



Mid Point

1,070

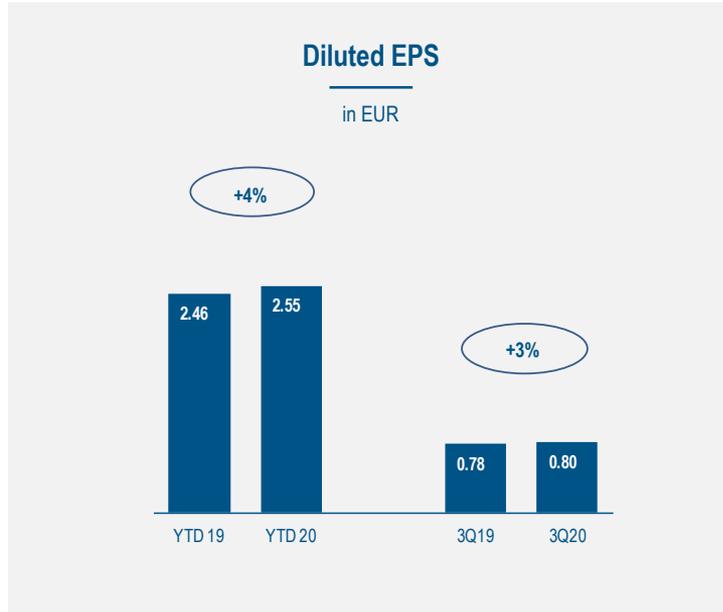
Q3 Operating margin variation



Mid Point

26.3%

EPS Non-IFRS



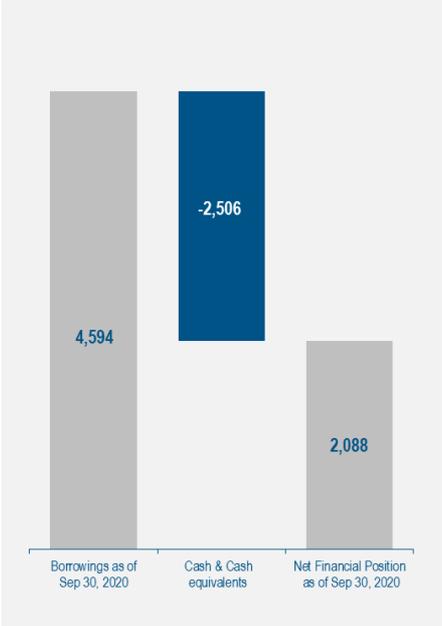
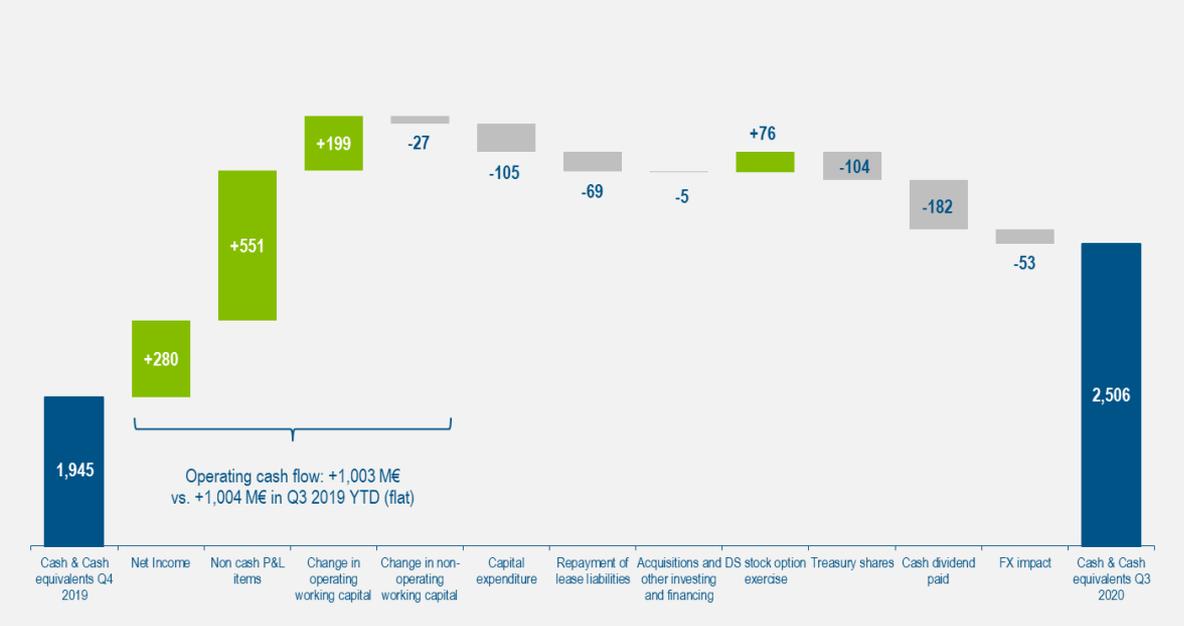
- ▶ Q3 EPS at the **high-end of guidance** thanks to **strong operational performance** and despite negative FX impact (2 cents)

Q3 EPS guidance €0.75-0.80

- ▶ Q3 EPS up **8%** exFX YOY

Change in Cash and Debt Position as of Sept. 30, 2020

IFRS



Agenda

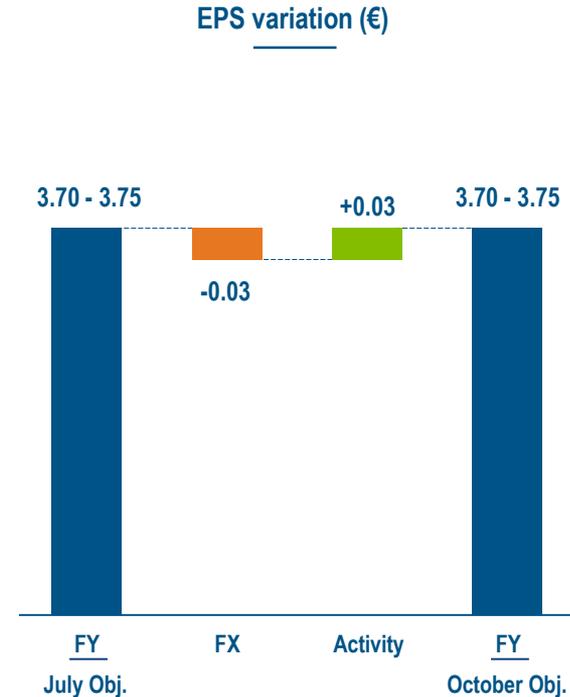
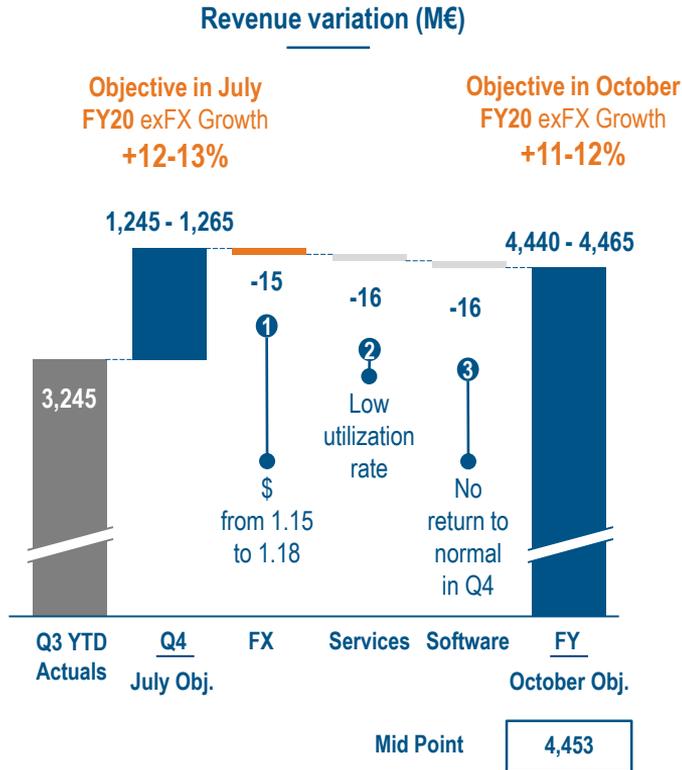
Q3 & YTD 2020 Business & Strategy Highlights

Q3 & YTD 2020 Financial Highlights

Q4 & FY 2020 Financial Objectives

Financial Information Appendix

Objectives Changes from July to October



Confirming 2020 EPS of **€3.70 to €3.75**, aligning well to the Financial Framework shared in April

Proposed Objectives Non-IFRS

	Ex FX	Q4 2020		FY 2020	Ex FX
Software revenue	+6-7%		Revenue (€M)		Software revenue ~+14%
<i>of which licenses</i>	-15 to -12%	1,195-1,220	Growth	4,440-4,465	<i>of which licenses</i> -20 to -19%
<i>of which recurring</i>	+15-17%	-1 to 1%	Growth ex FX	+9-10%	<i>of which recurring</i> +26-27%
Services revenue	-25 to -21%	+2-4%	Operating Margin	+11-12%	Services revenue -9 to -8%
		34.6-35.2%	Operating Margin Growth	29.8-30.0%	Organic operating margin decrease: -0.6 to -0.3 basis points exFX
		+1.0-1.6 pts	EPS (€)	-2.2 to -2 pts	Tax rate of ~25.2%
		1.15-1.20	EPS Growth	3.70-3.75	
		-4 to 0%	€/\$ rates	+1-3%	
		1.18	€/¥ rates	1.14	
		125.0		122.1	

Agenda

Q2 & YTD 2020 Business & Strategy Highlights

Q2 & YTD 2020 Financial Highlights

Q3 & FY 2020 Financial Objectives

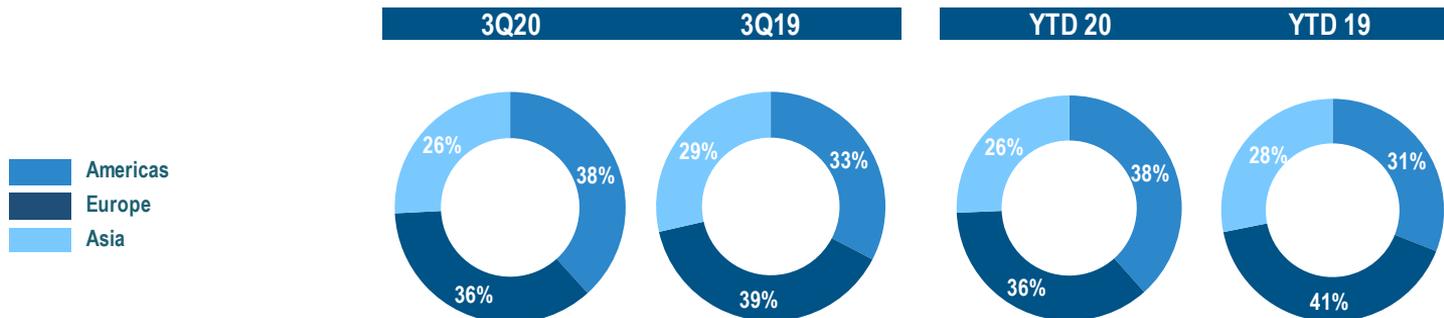
Financial Information Appendix

Software Revenue by Region

IFRS

in MEUR

	3Q20	3Q19	Growth	Growth ex FX	YTD 20	YTD 19	Growth	Growth ex FX
Americas	358	261	+37%	+45%	1,116	775	+44%	+44%
Europe	335	310	+8%	+10%	1,045	1,022	+2%	+3%
Asia	241	228	+6%	+10%	746	704	+6%	+6%
Software revenue	934	799	+17%	+21%	2,907	2,501	+16%	+17%

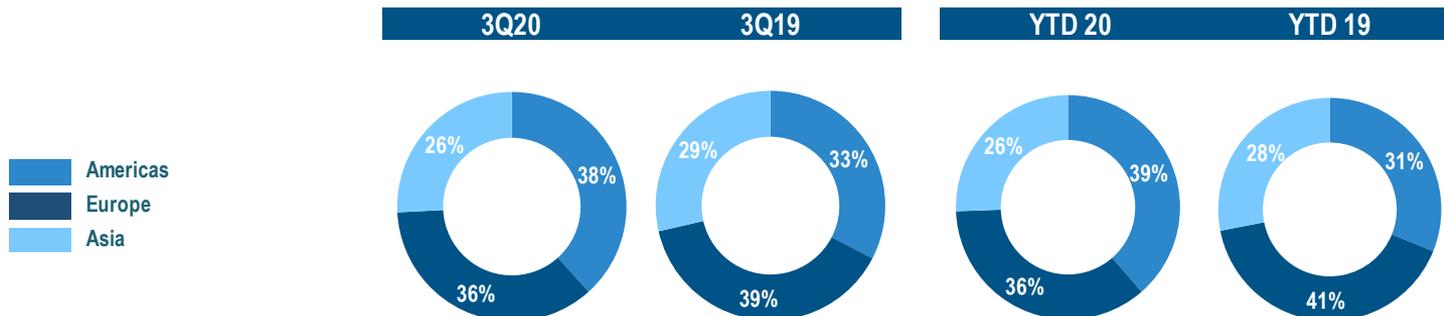


Software Revenue by Region

Non - IFRS

in MEUR

	3Q20	3Q19	Growth	Growth ex FX	YTD 20	YTD 19	Growth	Growth ex FX
Americas	358	260	+38%	+46%	1,126	781	+44%	+45%
Europe	335	310	+8%	+10%	1,045	1,023	+2%	+3%
Asia	241	228	+6%	+10%	747	704	+6%	+6%
Software revenue	935	798	+17%	+22%	2,918	2,508	+16%	+17%



Revenue by Product Line

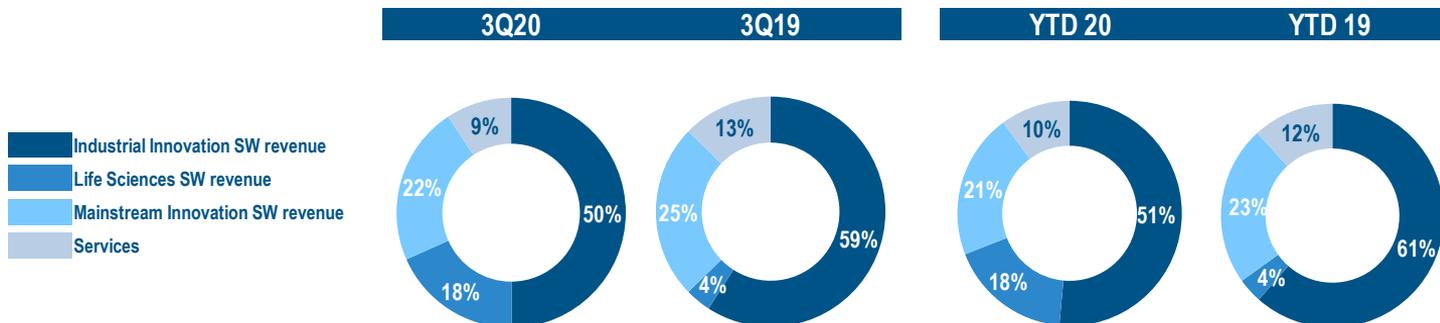
IFRS

in MEUR

	3Q20	3Q19	Growth	Growth ex FX	YTD 20	YTD 19	Growth	Growth ex FX
Industrial Innovation SW revenue	514	541	(5)%	(2)%	1,664	1,743	(5)%	(4)%
o/w CATIA	249	257	(3)%	(1)%	771	808	(5)%	(4)%
o/w ENOVIA *	82	82	+0%	+4%	246	265	(7)%	(7)%
Life Sciences SW revenue **	190	33	+471%	+497%	569	102	+456%	+455%
Mainstream Innovation SW revenue	231	225	+3%	+8%	674	656	+3%	+3%
o/w SOLIDWORKS	205	196	+5%	+10%	606	590	+3%	+3%
Services	95	116	(18)%	(15)%	326	334	(2)%	(2)%
Total revenue	1,030	915	+13%	+17%	3,233	2,835	+14%	+14%

* Excluding ENOVIA Life Sciences Compliance and Quality Management (Q3 2019: €3m; YTD 2019: €10m)

** Including ENOVIA Life Sciences Compliance and Quality Management (Q3 2019: €3m; YTD 2019: €10m)



Revenue by Product Line

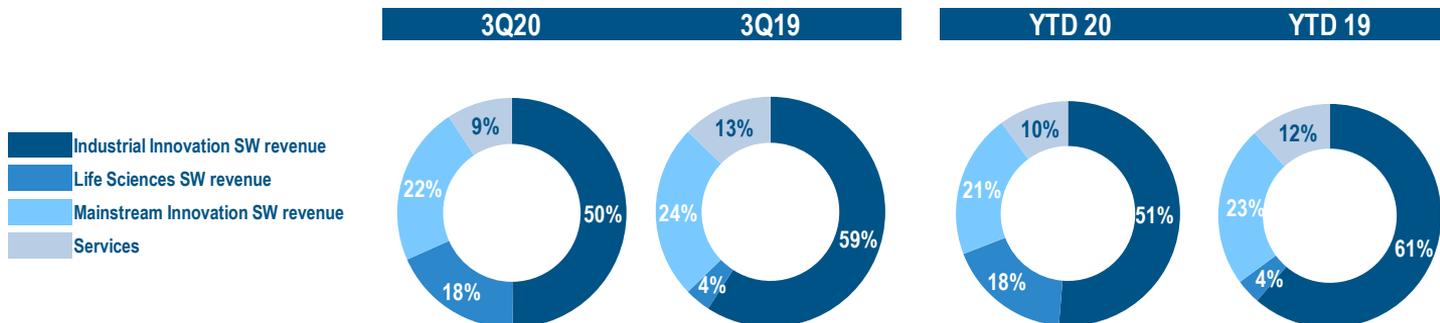
Non - IFRS

in MEUR

	3Q20	3Q19	Growth	Growth ex FX	YTD 20	YTD 19	Growth	Growth ex FX
Industrial Innovation SW revenue	514	541	(5)%	(2)%	1,665	1,743	(4)%	(4)%
o/w CATIA	249	257	(3)%	(1)%	772	808	(4)%	(4)%
o/w ENOVIA *	82	82	+0%	+4%	246	265	(7)%	(7)%
Life Sciences SW revenue **	190	33	+472%	+498%	579	103	+462%	+462%
Mainstream Innovation SW revenue	231	224	+3%	+9%	675	662	+2%	+2%
o/w SOLIDWORKS	205	196	+5%	+10%	606	590	+3%	+3%
Services	95	116	(18)%	(15)%	327	335	(3)%	(2)%
Total revenue	1,030	914	+13%	+17%	3,245	2,843	+14%	+15%

* Excluding ENOVIA Life Sciences Compliance and Quality Management (Q3 2019: €3m; YTD 2019: €10m)

** Including ENOVIA Life Sciences Compliance and Quality Management (Q3 2019: €3m; YTD 2019: €10m)

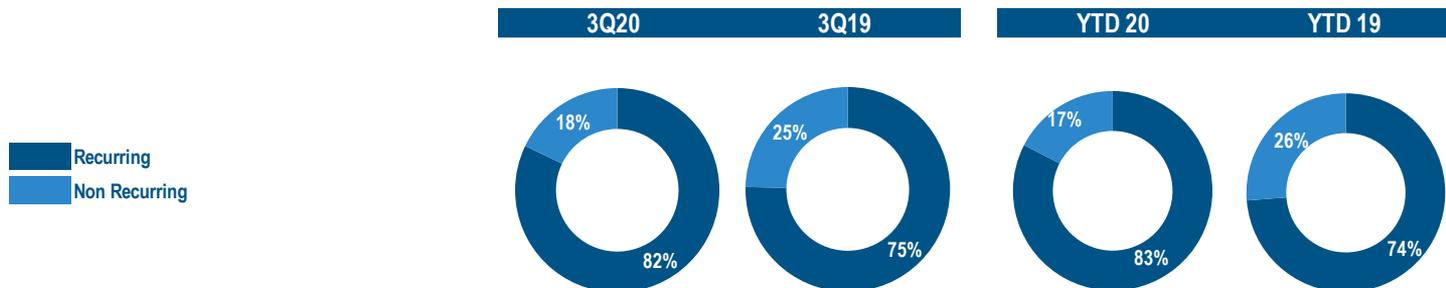


Software Revenue Evolution

Non - IFRS

in MEUR

	3Q20	3Q19	Growth	Growth ex FX	YTD 20	YTD 19	Growth	Growth ex FX
Recurring Subscription and Support revenue	768	601	+28%	+32%	2,410	1,850	+30%	+31%
Non Recurring Licenses and Other software revenue	167	196	(15)%	(11)%	509	658	(23)%	(22)%
Software revenue	935	798	+17%	+22%	2,918	2,508	+16%	+17%



IFRS P&L

	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	YoY	2020	2019	YoY
<i>(In € million, except % and per share data)</i>						
Software revenue	934.3	798.5	+17%	2,907.3	2,501.2	+16%
Licenses and Other software revenue	167.0	196.4	(15)%	508.5	658.1	(23)%
Subscription and Support revenue	767.3	602.1	+27%	2,398.8	1,843.1	+30%
Services revenue	95.3	116.3	(18)%	325.7	333.9	(2)%
Total revenue	1,029.6	914.8	+13%	3,233.0	2,835.1	+14%
Cost of Software revenue	(96.3)	(42.2)	+128%	(249.1)	(131.9)	+89%
Cost of Services revenue	(88.7)	(101.3)	(12)%	(316.6)	(307.6)	+3%
Research and development	(230.1)	(170.5)	+35%	(703.7)	(527.7)	+33%
Marketing and sales	(294.1)	(283.8)	+4%	(941.4)	(875.5)	+8%
General and administrative	(85.9)	(69.2)	+24%	(284.3)	(221.5)	+28%
Amortization of acquired intangible assets and of tangible assets revaluation	(92.8)	(51.1)	+81%	(302.7)	(152.2)	+99%
Other operating income and expense, net	(17.0)	(4.4)	+291%	(48.9)	(28.4)	+72%
Total operating expenses	(904.9)	(722.5)	+25%	(2,846.6)	(2,244.8)	+27%
Operating income	124.7	192.3	(35)%	386.4	590.3	(35)%
Financial income (loss), net	(5.9)	1.4	(519)%	(18.9)	6.7	(381)%
Income tax expense	(27.7)	(56.8)	(51)%	(87.1)	(170.8)	(49)%
Non-controlling interest	0.9	0.5	+57%	6.9	6.2	+13%
Net Income (to equity holders of the parent)	91.9	137.4	(33)%	287.3	432.3	(34)%
Diluted net income per share (EPS)	0.35	0.53	(34)%	1.09	1.66	(34)%
Average diluted shares (Million)	263.2	261.1		263.0	260.9	

IFRS P&L (%)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	<u>% of revenue</u>		<u>% of revenue</u>	
Software revenue	+90.7%	+87.3%	+89.9%	+88.2%
Licenses and Other software revenue	+16.2%	+21.5%	+15.7%	+23.2%
Subscription and Support revenue	+74.5%	+65.8%	+74.2%	+65.0%
Services revenue	+9.3%	+12.7%	+10.1%	+11.8%
Total revenue	+100.0%	+100.0%	+100.0%	+100.0%
Cost of Software revenue	+9.3%	+4.6%	+7.7%	+4.7%
Cost of Services revenue	+8.6%	+11.1%	+9.8%	+10.9%
Research and development	+22.3%	+18.6%	+21.8%	+18.6%
Marketing and sales	+28.6%	+31.0%	+29.1%	+30.9%
General and administrative	+8.3%	+7.6%	+8.8%	+7.8%
Amortization of acquired intangible assets and of tangible assets revaluation	+9.0%	+5.6%	+9.4%	+5.4%
Other operating income and expense, net	+1.7%	+0.5%	+1.5%	+1.0%
Total operating expenses	+87.9%	+79.0%	+88.0%	+79.2%
Operating income	+12.1%	+21.0%	+12.0%	+20.8%
Financial income (loss), net	(0.6)%	+0.2%	(0.6)%	+0.2%
Income tax rate (% of EBIT *)	+23.3%	+29.3%	+23.7%	+28.6%
Non-controlling interest	+0.1%	+0.1%	+0.2%	+0.2%
Net Income (to equity holders of the parent)	+8.9%	+15.0%	+8.9%	+15.2%

Non-IFRS P&L

	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	YoY	2020	2019	YoY
<i>(In € million, except % and per share data)</i>						
Software revenue	934.9	797.5	+17%	2,918.3	2,508.0	+16%
Licenses and Other software revenue	167.0	196.4	(15)%	508.5	658.1	(23)%
Subscription and Support revenue	767.9	601.1	+28%	2,409.8	1,849.9	+30%
Services revenue	95.4	116.5	(18)%	326.8	335.3	(3)%
Total revenue	1,030.2	914.0	+13%	3,245.2	2,843.4	+14%
Cost of Software revenue	(92.9)	(41.3)	+125%	(244.0)	(129.5)	+88%
Cost of Services revenue	(88.3)	(100.7)	(12)%	(311.4)	(305.0)	+2%
Research and development	(209.9)	(157.3)	+33%	(646.0)	(479.6)	+35%
Marketing and sales	(277.6)	(273.9)	+1%	(894.4)	(842.5)	+6%
General and administrative	(70.7)	(63.9)	+11%	(238.0)	(197.2)	+21%
Total operating expenses	(739.3)	(637.0)	+16%	(2,333.9)	(1,953.8)	+19%
Operating income	290.9	276.9	+5%	911.2	889.6	+2%
Financial income (loss), net	(5.7)	2.3	(347)%	(18.2)	6.5	(382)%
Income tax expense	(74.3)	(76.2)	(2)%	(224.4)	(254.7)	(12)%
Non-controlling interest	(0.5)	(0.5)	(5)%	3.0	1.7	+80%
Net Income (to equity holders of the parent)	210.3	202.5	+4%	671.7	643.0	+4%
Diluted net income per share (EPS)	0.80	0.78	+3%	2.55	2.46	+4%
Average diluted shares (Million)	263.2	261.1		263.0	260.9	

Non-IFRS P&L (%)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	<u>% of revenue</u>		<u>% of revenue</u>	
Software revenue	+90.7%	+87.3%	+89.9%	+88.2%
Licenses and Other software revenue	+16.2%	+21.5%	+15.7%	+23.1%
Subscription and Support revenue	+74.5%	+65.8%	+74.3%	+65.1%
Services revenue	+9.3%	+12.7%	+10.1%	+11.8%
Total revenue	+100.0%	+100.0%	+100.0%	+100.0%
Cost of Software revenue	+9.0%	+4.5%	+7.5%	+4.6%
Cost of Services revenue	+8.6%	+11.0%	+9.6%	+10.7%
Research and development	+20.4%	+17.2%	+19.9%	+16.9%
Marketing and sales	+26.9%	+30.0%	+27.6%	+29.6%
General and administrative	+6.9%	+7.0%	+7.3%	+6.9%
Total operating expenses	+71.8%	+69.7%	+71.9%	+68.7%
Operating income	+28.2%	+30.3%	+28.1%	+31.3%
Financial income (loss), net	(0.6)%	+0.3%	(0.6)%	+0.2%
Income tax rate (% of EBIT *)	+26.1%	+27.3%	+25.1%	+28.4%
Non-controlling interest	(0.1)%	(0.1)%	+0.1%	+0.1%
Net Income (to equity holders of the parent)	<u>+20.4%</u>	<u>+22.2%</u>	<u>+20.7%</u>	<u>+22.6%</u>

IFRS – Non-IFRS Reconciliation QTD

Revenue and Gross Margin

	Three months ended September 30,						Increase (Decrease)	
	2020 IFRS	Adjustment	2020 Non-IFRS	2019 IFRS	Adjustment	2019 Non-IFRS	IFRS	Non-IFRS
<i>(In € million, except %)</i>								
Total Revenue	1,029.6	0.6	1,030.2	914.8	(0.8)	914.0	+13%	+13%
Total Revenue breakdown by activity								
Software revenue	934.3	0.5	934.9	798.5	(1.0)	797.5	+17%	+17%
<i>Licenses and Other software revenue</i>	167.0		167.0	196.4		196.4	(15)%	(15)%
<i>Subscription and Support revenue</i>	767.3	0.5	767.9	602.1	(1.0)	601.1	+27%	+28%
<i>Recurring portion of Software revenue</i>	82%		82%	75%		75%		
Services revenue	95.3	0.1	95.4	116.3	0.2	116.5	(18)%	(18)%
Total Revenue breakdown by product line								
Industrial Innovation SW revenue	513.9		513.9	540.5		540.5	(5)%	(5)%
<i>o/w CATIA SW revenue</i>	249.2		249.2	257.0		257.0	(3)%	(3)%
<i>o/w ENOVIA SW revenue ⁽¹⁾</i>	82.2		82.2	82.2		82.2	+0%	+0%
Life Sciences SW revenue ⁽²⁾	189.8	0.4	190.1	33.2		33.2	+471%	+472%
Mainstream Innovation SW revenue	230.7	0.1	230.8	224.8	(1.0)	223.7	+3%	+3%
<i>o/w SOLIDWORKS SW revenue</i>	205.5		205.5	196.1		196.1	+5%	+5%
Services revenue	95.3	0.1	95.4	116.3	0.2	116.5	(18)%	(18)%
Total Revenue breakdown by geography								
Americas revenue	393.9	0.5	394.4	306.7	(0.6)	306.1	+28%	+29%
Europe revenue	380.3	0.1	380.4	360.8	(0.2)	360.6	+5%	+5%
Asia revenue	255.4		255.4	247.3		247.3	+3%	+3%
Gross Margin								
Cost of Software revenue	(96.3)	3.4	(92.9)	(42.2)	0.9	(41.3)	+128%	+125%
<i>Software Gross margin ⁽³⁾</i>	89.7%		90.1%	94.7%		94.8%		
Cost of Services revenue	(88.7)	0.5	(88.3)	(101.3)	0.6	(100.7)	(12)%	(12)%
<i>Services Gross margin</i>	6.9%		7.4%	12.9%		13.5%		

⁽¹⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management (Q3 2019: €2.6m)

⁽²⁾ Including ENOVIA Life Sciences Compliance and Quality Management (Q3 2019: €2.6m)

⁽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

	Three months ended September 30,						Increase (Decrease)	
	2020 IFRS	Adjustment	2020 Non-IFRS	2019 IFRS	Adjustment	2019 Non-IFRS	IFRS	Non-IFRS
<i>(In € million, except % and per share data)</i>								
Total Operating Expenses	(904.9)	165.6	(739.3)	(722.5)	85.5	(637.0)	+25%	+16%
Share-based compensation expense and related social charges	(55.1)	55.1		(30.0)	30.0			
Amortization of acquired intangible assets and of tangible assets revaluation	(92.8)	92.8		(51.1)	51.1			
Lease incentives of acquired companies	(0.7)	0.7		-	-			
Other operating income and expense, net	(17.0)	17.0		(4.4)	4.4			
Operating Income	124.7	166.2	290.9	192.3	84.6	276.9	(35)%	+5%
Operating Margin	12.1%		28.2%	21.0%		30.3%		
Financial income (loss), net	(5.9)	0.2	(5.7)	1.4	0.9	2.3	(519)%	(347)%
Income tax expense	(27.7)	(46.6)	(74.3)	(56.8)	(19.4)	(76.2)	(51)%	(2)%
Non-controlling interest	0.9	(1.4)	(0.5)	0.5	(1.1)	(0.5)	+57%	(5)%
Net Income attributable to shareholders	91.9	118.4	210.3	137.4	65.1	202.5	(33)%	+4%
Diluted net income per share, in EUR	0.35	0.45	0.80	0.53	0.25	0.78	(34)%	+3%

	Three months ended September 30,							
	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
<i>(In € million)</i>								
Cost of revenue	(185.0)	3.6	0.2	(181.2)	(143.5)	1.5	-	(142.0)
Research and development	(230.1)	19.9	0.3	(209.9)	(170.5)	13.2	-	(157.3)
Marketing and sales	(294.1)	16.4	0.1	(277.6)	(283.8)	9.9	-	(273.9)
General and administrative	(85.9)	15.2	0.1	(70.7)	(69.2)	5.3	-	(63.9)
Total		55.1	0.7			30.0	-	

IFRS – Non-IFRS Reconciliation YTD

Revenue and Gross Margin

	Nine months ended September 30,						Increase (Decrease)	
	2020 IFRS	Adjustment	2020 Non-IFRS	2019 IFRS	Adjustment	2019 Non-IFRS	IFRS	Non-IFRS
<i>(In € million, except %)</i>								
Total Revenue	3,233.0	12.2	3,245.2	2,835.1	8.3	2,843.4	+14%	+14%
Total Revenue breakdown by activity								
Software revenue	2,907.3	11.0	2,918.3	2,501.2	6.8	2,508.0	+16%	+16%
<i>Licenses and Other software revenue</i>	508.5		508.5	658.1		658.1	(23)%	(23)%
<i>Subscription and Support revenue</i>	2,398.8	11.0	2,409.8	1,843.1	6.8	1,849.9	+30%	+30%
<i>Recurring portion of Software revenue</i>	83%		83%	74%		74%		
Services revenue	325.7	1.2	326.8	333.9	1.5	335.3	(2)%	(3)%
Total Revenue breakdown by product line								
Industrial Innovation SW revenue	1,663.9	0.8	1,664.7	1,742.8		1,742.8	(5)%	(4)%
<i>o/w CATIA SW revenue</i>	771.0	0.8	771.8	807.6		807.6	(5)%	(4)%
<i>o/w ENOVIA SW revenue ⁽¹⁾</i>	246.3		246.3	264.6		264.6	(7)%	(7)%
Life Sciences SW revenue ⁽²⁾	569.2	9.7	578.9	102.5	0.5	103.0	+456%	+462%
Mainstream Innovation SW revenue	674.2	0.5	674.8	656.0	6.3	662.3	+3%	+2%
<i>o/w SOLIDWORKS SW revenue</i>	605.5		605.5	590.3		590.3	+3%	+3%
Services revenue	325.7	1.2	326.8	333.9	1.5	335.3	(2)%	(3)%
Total Revenue breakdown by geography								
Americas revenue	1,250.7	11.5	1,262.1	909.3	6.5	915.8	+38%	+38%
Europe revenue	1,179.4	0.4	1,179.8	1,163.0	1.8	1,164.8	+1%	+1%
Asia revenue	802.9	0.4	803.3	762.8		762.8	+5%	+5%
Gross Margin								
Cost of Software revenue	(249.1)	5.1	(244.0)	(131.9)	2.4	(129.5)	+89%	+88%
<i>Software Gross margin ⁽³⁾</i>	91.4%		91.6%	94.7%		94.8%		
Cost of Services revenue	(316.6)	5.2	(311.4)	(307.6)	2.6	(305.0)	+3%	+2%
<i>Services Gross margin</i>	2.8%		4.7%	7.9%		9.0%		

⁽¹⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management (YTD 2019: €9.6m)

⁽²⁾ Including ENOVIA Life Sciences Compliance and Quality Management (YTD 2019: €9.6m)

⁽³⁾ No amortization of acquired intangible assets and of tangible assets revaluation is included in Software Gross margin calculation

IFRS – Non-IFRS Reconciliation YTD

Expenses & Earnings

(In € million, except % and per share data)

	Nine months ended September 30,						Increase (Decrease)	
	2020 IFRS	Adjustment	2020 Non-IFRS	2019 IFRS	Adjustment	2019 Non-IFRS	IFRS	Non-IFRS
Total Operating Expenses	(2,846.6)	512.7	(2,333.9)	(2,244.8)	291.1	(1,953.8)	+27%	+19%
Share-based compensation expense and related social charges	(158.9)	158.9		(110.5)	110.5			
Amortization of acquired intangible assets and of tangible assets revaluation	(302.7)	302.7		(152.2)	152.2			
Lease incentives of acquired companies	(2.2)	2.2		-	-			
Other operating income and expense, net	(48.9)	48.9		(28.4)	28.4			
Operating Income	386.4	524.9	911.2	590.3	299.3	889.6	(35)%	+2%
Operating Margin	12.0%		28.1%	20.8%		31.3%		
Financial income (loss), net	(18.9)	0.7	(18.2)	6.7	(0.3)	6.5	(381)%	(382)%
Income tax expense	(87.1)	(137.3)	(224.4)	(170.8)	(83.9)	(254.7)	(49)%	(12)%
Non-controlling interest	6.9	(3.9)	3.0	6.2	(4.5)	1.7	+13%	+80%
Net Income attributable to shareholders	287.3	384.4	671.7	432.3	210.7	643.0	(34)%	+4%
Diluted net income per share, in EUR	1.09	1.46	2.55	1.66	0.80	2.46	(34)%	+4%

(In € million)

	Nine months ended September 30,							
	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	(565.7)	9.6	0.6	(555.4)	(439.6)	5.0	-	(434.5)
Research and development	(703.7)	56.6	1.0	(646.0)	(527.7)	48.1	-	(479.6)
Marketing and sales	(941.4)	46.6	0.3	(894.4)	(875.5)	33.0	-	(842.5)
General and administrative	(284.3)	46.0	0.3	(238.0)	(221.5)	24.4	-	(197.2)
Total		158.9	2.2			110.5	-	

Financial Revenue and Other

Non - IFRS

(In € million)	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	YoY	2020	2019	YoY
Interest Income	3.3	10.2	(6.9)	11.9	27.9	(16.0)
Interest Expense	(4.6)	(3.2)	(1.4)	(15.9)	(9.6)	(6.4)
Interest Expense on cap lease (IFRS 16)	(4.2)	(3.3)	(0.9)	(11.9)	(10.1)	(1.9)
Financial net Income (loss)	(5.5)	3.7	(9.2)	(16.0)	8.2	(24.2)
Exchange Gain / (Loss)	(0.5)	(1.6)	1.1	(2.6)	(1.8)	(0.8)
Other Income / (Loss)	0.2	0.2	0.1	0.4	0.1	0.3
Total	(5.7)	2.3	(8.1)	(18.2)	6.5	(24.7)

Exchange Rate evolution

From assumptions to actual data

Breakdown of P&L by currency for YTD 20		
	Revenue	Operating Expenses
USD	48.5%	44.5%
JPY	10.3%	4.0%

Average Exchange rates				
		2019	2020	% change
QTD	EUR/USD	1.11	1.17	+5%
	EUR/JPY	119.32	124.05	+4%
YTD	EUR/USD	1.12	1.13	+1%
	EUR/JPY	122.57	120.91	-1%



Comparing 3Q20 with mid-range Objectives

Non-IFRS

In € million, except %	Revenue	Operating Expenses	Operating Profit	Operating Margin
3Q20 Guidances mid-range	1,070.0	(788.6)	281.4	26.3%
Growth YoY	+17.1%	+23.8%	+1.6%	-4.0pts
USD impact	(10.5)	5.8	(4.7)	-0.2pt
JPY impact including hedging	0.1	(0.3)	(0.2)	-0.0pt
Other currencies and other hedging impact	(3.5)	3.2	(0.3)	+0.1pt
Total FX	(13.9)	8.7	(5.2)	-0.1pt
Activity / Cost Control / Other	(25.9)	40.6	14.7	+2.0pts
Delta: Reported vs guidances	(39.8)	49.3	9.5	+1.9pt
3Q20 Reported	1,030.2	(739.3)	290.9	28.2%
Growth YoY	+12.7%	+16.1%	+5.0%	-2.1pts
3Q19 Reported	914.0	(637.0)	276.9	30.3%

Estimated FX impact on 3Q20 Op. Results

Non - IFRS

€ millions, except % QTD	Total Revenue	Operating Expenses	Operating Income	Operating Margin
3Q20 Reported	1,030.2	(739.3)	290.9	28.2%
3Q19 Reported	914.0	(637.0)	276.9	30.3%
<i>Growth as reported</i>	<i>+12.7%</i>	<i>+16.1%</i>	<i>+5.0%</i>	<i>-2.1 pts</i>
Impact of Actual Currency Rates				
USD impact	(23.7)	13.0	(10.7)	
JPY impact including hedging	(2.3)	1.2	(1.1)	
Other currencies and other hedging impact	(6.5)	5.2	(1.3)	
Total FX Impact adjustment	(32.5)	19.4	(13.1)	
3Q19 ex FX	881.5	(617.6)	263.9	29.9%
<i>Growth exFX</i>	<i>+17%</i>	<i>+20%</i>	<i>+10%</i>	<i>-1.7 pt</i>

Estimated FX impact on YTD Op. Results

Non - IFRS

€ millions, except % YTD	Total Revenue	Operating Expenses	Operating Income	Operating Margin
YTD2020 Reported	3,245.2	(2,333.9)	911.2	28.1%
YTD2019 Reported	2,843.4	(1,953.8)	889.6	31.3%
<i>Growth as reported</i>	+14.1%	+19.5%	+2.4%	-3.2 pts
Impact of Actual Currency Rates				
USD impact	(5.6)	0.9	(4.7)	
JPY impact including hedging	7.0	(1.2)	5.8	
Other currencies and other hedging impact	(12.8)	10.1	(2.7)	
Total FX Impact adjustment	(11.4)	9.8	(1.6)	
YTD2019 ex FX	2,832.0	(1,943.9)	888.0	31.4%
<i>Growth exFX</i>	+15%	+20%	+3%	-3.3 pts

Consolidated Statement of Cash Flows

IFRS

(in millions of €)	3Q20	3Q19	Variation	3Q20 YTD	3Q19 YTD	Variation
Net income attributable to equity holders of the parent	91.9	137.4	(45.5)	287.3	432.3	(145.0)
Non-controlling interest	(0.9)	(0.5)	(0.3)	(6.9)	(6.2)	(0.8)
Net income	91.0	136.9	(45.9)	280.3	426.2	(145.8)
Depreciation of property and equipment	43.8	33.6	10.1	135.5	98.9	36.6
Amortization of intangible assets	96.1	53.4	42.7	312.3	158.9	153.4
Adjustments for other non-cash items	33.5	27.6	5.9	103.4	74.9	28.5
Changes in working capital	(116.1)	(141.5)	25.4	171.8	244.8	(73.0)
Net Cash Provided by (Used in) Operating Activities (I)	148.3	110.1	38.2	1,003.3	1,003.7	(0.3)
Additions to property, equipment and intangibles	(17.3)	(28.5)	11.2	(104.7)	(76.7)	(28.1)
Purchases of short-term investments	-	(0.2)	0.2	-	(0.2)	0.2
Payment for acquisition of businesses, net of cash acquired	(0.6)	4.1	(4.6)	(20.0)	(398.7)	378.7
Other	0.1	2.8	(2.7)	2.5	(14.3)	16.8
Net Cash Provided by (Used in) Investing Activities (II)	(17.8)	(21.7)	3.8	(122.2)	(489.8)	367.6
Proceeds from exercise of stock options	28.7	26.9	1.8	76.0	72.9	3.1
Cash dividends paid	-	-	-	(182.5)	(168.8)	(13.7)
Repurchase and sale of treasury stock	1.0	(44.5)	45.5	(103.7)	(35.3)	(68.3)
Proceeds from borrowings	10.4	3,652.0	(3641.6)	12.2	3,652.0	(3639.8)
Repayment of borrowings	(0.1)	(1,000.0)	999.9	(0.1)	(1,000.9)	1000.8
Repayment of lease liabilities	(22.0)	(19.3)	(2.7)	(69.4)	(56.6)	(12.7)
Net Cash Provided by (Used in) Financing Activities (III)	18.0	2,615.1	(2,597.2)	(267.4)	2,463.3	(2,730.7)
Effect of exchange rate changes on cash and cash equivalents (IV)	(42.0)	59.4	(101.4)	(52.5)	69.1	(121.7)
Increase (decrease) in cash and cash equivalents (V) = (I)+(II)+(III)+(IV)	106.4	2,762.8	(2,656.4)	561.2	3,046.3	(2,485.1)
Cash and cash equivalents at beginning of period	2,399.7	3,092.8		1,944.9	2,809.3	
Cash and cash equivalents at end of period	2,506.1	5,855.6		2,506.1	5,855.6	
Cash and cash equivalents variation	106.4	2,762.8		561.2	3,046.3	

Balance Sheet

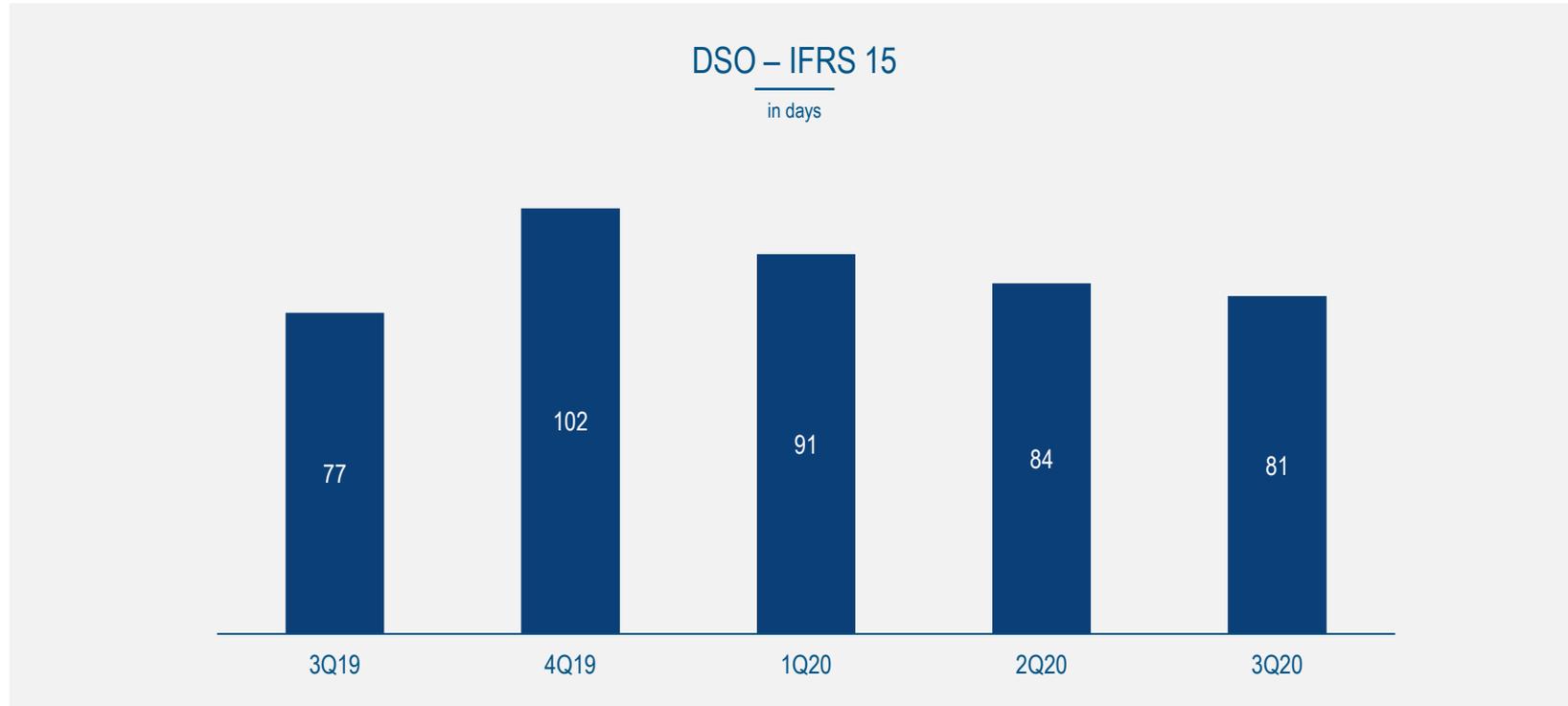
IFRS

(in millions of €)	End of Sep-20	End of Dec-19	Variation Sep-20 / Dec-19
Cash and cash equivalents	2,506.1	1,944.9	+561.2
Trade accounts receivable, net	892.9	1,319.2	-426.3
Contract assets	38.9	26.9	+12.0
Other current assets	294.7	378.0	-83.3
Total current assets	3,732.6	3,669.0	+63.6
Property and equipment, net	886.4	899.7	-13.4
Goodwill and Intangible assets, net	8,337.1	8,917.0	-579.9
Other non-current assets	415.0	386.9	+28.0
Total non-current assets	9,638.5	10,203.7	-565.2
Total Assets	13,371.0	13,872.6	-501.6
Trade accounts payable	144.6	220.0	-75.3
Contract liabilities	1,038.9	1,093.5	-54.6
Borrowings, current	13.3	4.4	+8.9
Other current liabilities	661.4	816.0	-154.5
Total current liabilities	1,858.3	2,133.8	-275.5
Borrowings, non-current	4,580.4	4,596.8	-16.4
Other non-current liabilities	1,727.0	1,879.4	-152.4
Total non-current liabilities	6,307.4	6,476.2	-168.8
Non-controlling interest	45.4	53.9	-8.5
Parent Shareholders' equity	5,159.9	5,208.7	-48.8
Total Liabilities and Equity	13,371.0	13,872.6	-501.6

Operating Cash Flow Evolution YTD 20

€ million	YTD20	YTD19	Changes	
Operating Cash Flow	+1,003	+1,004	-1	Stable year over year
Net income adjusted for non cash items	+832	+759		
Decrease in trade accounts receivable and contract assets	+377	+339	+38	Balance down 6% exFX at constant perimeter DSO down 3 days excluding MEDIDATA
Increase in contract liability *	-28	-40	+12	Balance up 5% exFX at constant perimeter
Decrease in accrued compensation	-84	-45	-39	Mainly driven by performance shares social charges and MEDIDATA
Decrease (increase) in accounts payable	-67	-4	-63	MEDIDATA acquisition fees accrued on signing in June 2019 and timing difference on vendors billings
Decrease (increase) in income taxes payable	-20	+38	-58	Lower profit before tax, effective tax rate and last payment for a known tax litigation
Other	-7	-43	+36	Mainly due to early retirement plan in France in 2020

Trade Accounts Receivables - DSO

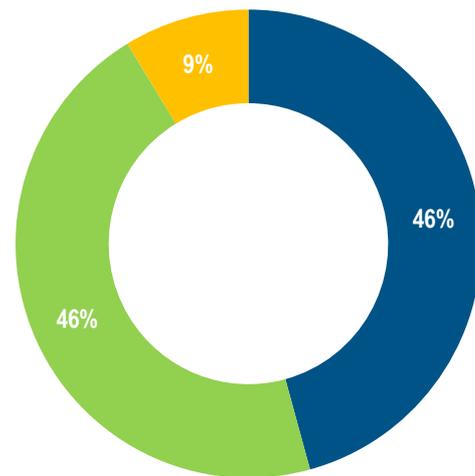


Headcount by destinations – 3Q20

Overview

At Closing - TOTAL			
	<u>3Q20</u>	<u>3Q19</u>	<u>% growth</u>
M&S + COR Ser	9,859	9,075	+8.6%
R&D + COR SW	9,822	7,265	+35.2%
G&A	1,875	1,679	+11.7%
Total	21,557	18,019	+19.6%

Closing H/C - September 2020



■ M&S + COR Ser ■ R&D + COR SW ■ G&A

IFRS 2020 Objectives

Accounting elements not included in the non-IFRS 2020 Objectives

- ▶ FY 2020 estimated **contract liabilities** write-downs of **~€13m**
- ▶ FY 2020 estimated **share-based compensation** expenses, including related social charges: **~€210m**
- ▶ FY 2020 estimated amortization of **acquired intangible assets** and of **tangible assets revaluation**: **~€396m**
- ▶ FY 2020 estimated **lease incentives of acquired companies**: **~€3m**
- ▶ The non-IFRS objectives also do not include any impact from other operating income and expense, net principally comprised of acquisition, integration and restructuring expenses, and impairment of goodwill and acquired intangible assets; from one-time items included in financial revenue; from one-time tax effects; and from the income tax effects of these non-IFRS adjustments.
- ▶ Finally, these estimates do not include any new stock option or share grants, or any new acquisitions or restructurings completed after September 30, 2020.

