



**3DEXPERIENCE®**

# Dassault Systèmes

Q4 & FY 2019 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, 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 outlook for 2020 takes into consideration, among other things, an uncertain global economic environment. In light of the continuing uncertainties regarding economic, business, social and geopolitical conditions at the global level, the Group's revenue, net earnings and cash flows may grow more slowly, whether on an annual or quarterly basis. While the Group makes every effort to take into consideration this uncertain macroeconomic outlook, the Group's business results, however, may not develop as anticipated. Further, there may be a substantial time lag between an improvement in global economic and business conditions and an upswing in the Group's business results. 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 2018 Document de Référence (Annual Report) filed with the AMF (French Financial Markets Authority) on March 26, 2019, the 2019 Half-Year Financial Report filed with the AMF on July 26, 2019 and the Prospectus approved by the AMF on September 12, 2019 under the approval number n°19-434, those documents being available on the Company's website [www.3ds.com](http://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\$1.15 per €1.00 as well as an average Japanese yen to euro exchange rate of JPY125 to €1.00 before hedging for the first quarter and 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 press release 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 2018 *Document de Référence* filed with the AMF on March 26, 2019.

In the tables accompanying this press release 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 tangible assets revaluation, lease incentives of acquired companies, other operating income and expense, net, including impairment of goodwill and acquired intangibles, 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**

Our global customer base includes companies in 11 industrial sectors as of January 1, 2019: with "Core Industries" comprised of Transportation & Mobility; Industrial Equipment; Aerospace & Defense; and a portion of Business Services. "Diversification Industries" includes companies in High-Tech; Life Sciences; Energy & Materials; Home & Lifestyle; Construction, Cities & Territories; Consumer Packaged Goods & Retail; Marine & Offshore and a portion of Business Services.

## **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").

## **Adjusted Net Debt**

The Adjusted Net Debt corresponds to the net financial debt position (borrowings net of cash, cash equivalent and short-term investments) adjusted of IFRS 16 lease liabilities.

## **IFRS EBITDAO (Earnings Before Interest, Taxes and Amortization Operating)**

The IFRS EBITDAO corresponds to the IFRS operating income adjusted of amortization, depreciation and impairment expense of intangible and tangible assets and of non-cash share-based payment expense (excluding related social charges).

# FY 2019 Highlights Non-IFRS

## ► Delivering on our Five-Year Plan (2014-2019)

<b>Doubling EPS to €3.50</b>	✓ FY19 EPS: <b>€3.65</b>
<b>Industry Diversification</b>	✓ FY19 Diversification Industries represent <b>34%</b> of software revenue (vs <b>27%</b> in 2014)
<b>3DEXPERIENCE Platform</b>	✓ FY19 3DEXPERIENCE represents <b>29%</b> of software revenue* (vs <b>15%</b> 2014)

## ► Delivering on 2019 objectives

<b>Revenue</b>	✓ FY19 revenue up <b>+13%</b> exFX to <b>€4,056m</b>
<b>Operating Margin</b>	✓ FY19 stable margin at <b>32%</b>
<b>EPS</b>	✓ FY19 EPS up <b>+17%</b> to <b>€3.65</b>

## ► Preparing the future

<b>Key Strategic Sectors</b>	✓ <b>Manufacturing Industries - Life Sciences &amp; Healthcare - Infrastructure &amp; Cities</b>
<b>Leadership</b>	✓ <b>Industrial Innovation - Life Sciences - Mainstream Innovation</b>
<b>Organization</b>	✓ <b>Preparing the next generation</b>

# Agenda

Looking Back at 2012: Introducing 3DEXPERIENCE

2020-2030: Preparing the Future

2019: Q4 & FY Financial Highlights

2020: New Revenue Reporting

2020: Q1 & FY Financial Objectives

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# 3DEXPERIENCE Introduction

## February 2012



### Dassault Systèmes Opens New Horizons with 3D Experience New 3D Experience Platform to Help Industry Leaders Create Consumer Experiences

Paris, France, February 9, 2012 — Dassault Systèmes (Euronext Paris: #13065, DSY.PA), world leader in 3D design software, 3D Digital Mock Up and Product Lifecycle Management (PLM) solutions, today announced the pursuit of a new strategy based on a 3D Experience platform that will change the way industry leaders and marketers create value for their end consumers. The 3D Experience platform transforms the way “innovators will innovate with consumers” by connecting designers, engineers, marketing managers and even consumers, in a new ‘social enterprise’.

“We have evolved the V6 platform with our customers over the last few years. The addition of intelligent information search-based technologies, social innovation capabilities and realistic 3D virtual experiences made us ready to pioneer a new technological wave: a 3D Experience platform to serve the social enterprise of the 21st century,” said Bernard Charès, President and CEO, Dassault Systèmes. “I am convinced that within this century, people will invent and innovate more than ever before. We must provide businesses and people with holistic 3D experiences to imagine sustainable innovations capable of harmonizing products, nature and life.”

3D Experiences are a catalyst for innovation, enabling any enterprise stakeholder to participate in the innovation process, contributing to drive value for the end consumer.

“The way enterprises work internally and externally will change significantly in the next coming decades,” said Monica Menghini recently appointed Executive Vice President, Industry, Marketing and Corporate Communications. “Therefore, our objective is to provide our clients with a powerful platform, which uses the universal language of 3D and the Web as the user interface, to help them to connect the dots for a game-changing increase in end-user value.”

“3D virtual store applications, 3D visual logistics applications, as well as easy and real-time-connected business dashboarding have already changed the way companies operate. With the launch of our 3DSwM brand, the acquisition of Internet companies such as Exealed and Netvibes (announced today), we are further reinforcing the Social Business Apps which are part of our 3D Experience platform,” said Bernard Charès.

“Are customers in the business of PDM or CAD or process management? No. Our customers are looking to design the safest, greenest and smartest vehicle, but also how to create the desired, valuable customer experience suiting each market need,” continued Monica Menghini. “We want to help them move from vehicle attributes to vehicle experience. We are looking at the world through their eyes. The 3D Experience platform will help them create winning consumer experiences.”

## 3DEXPERIENCE Platform

- ✓ Enabling any enterprise stakeholder to participate in the innovation process, contributing to drive value for the end consumer

## Industry Renaissance

- ✓ Helping industry leaders create consumer experiences

## Purpose-driven

- ✓ Providing businesses and people with holistic 3D experiences to imagine sustainable innovations capable of harmonizing products, nature and life



# Our Purpose

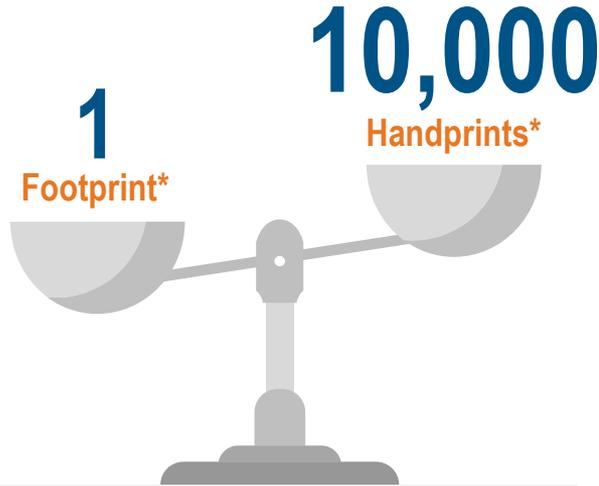
“

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

”



# A Purpose-driven Company | Handprint Leverage



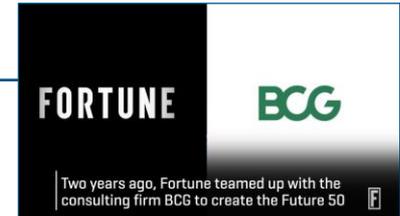
“**Dassault Systèmes** can enable sectors such as the global automotive sector to **create handprints** which are on the order of **10,000 times greater** than its own **footprint**. Clearly, this is where its sustainability efforts should rightly be focused, for the good of humanity and the planet”.

[http://hwpi.harvard.edu/files/chge/files/handprints\\_of\\_product\\_innovation.pdf](http://hwpi.harvard.edu/files/chge/files/handprints_of_product_innovation.pdf)

**#1** in 2018  
Top 100  
Most Sustainable Corporations



**#2** in 2019  
Top 10  
Fortune Future 50



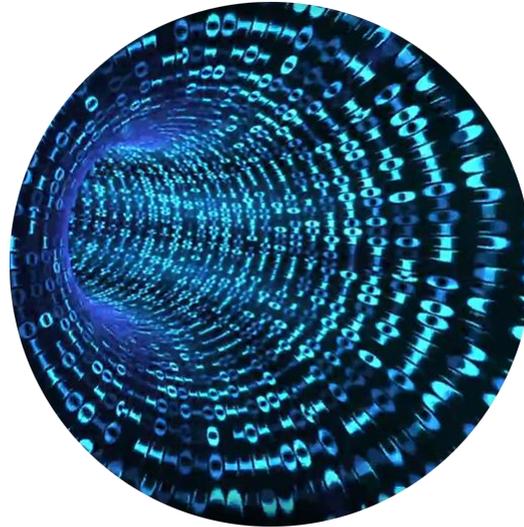
Rating Upgrade to  
**AA**  
MSCI ESG Index



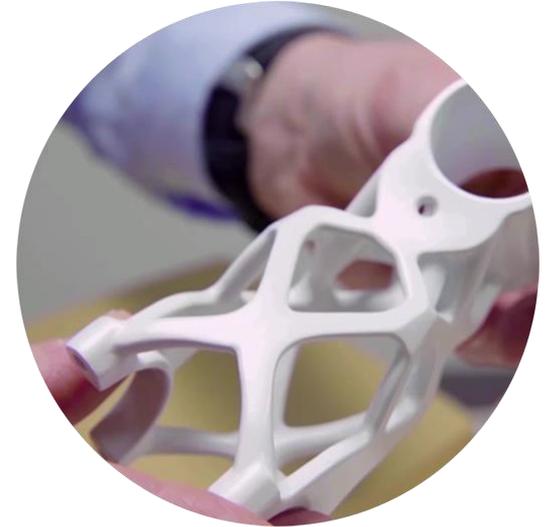
# The Industry Renaissance is here



Yesterday



Today



Tomorrow



# The 3DEXPERIENCE® platform

## Social & Collaborative Apps

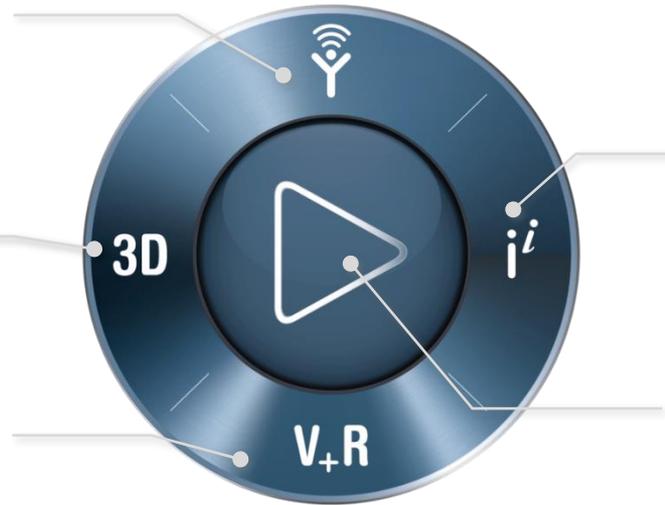
*Augmented Reality*

## 3D Modeling Apps

*Cyber systems*

## Simulation Apps

*Internet of Things*



## Information Intelligence Apps

*Artificial Intelligence*

## Real time 3DEXPERIENCE

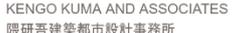
*Virtual Universes*

# 3DEXPERIENCE®

*Real World Evidence | Modeling & Simulation*



# Our Clients: Industry Leaders at the Heart of Innovation

	<b>Transportation &amp; Mobility</b>	 <b>RENAULT</b> Passion for life	 <b>PSA</b> GROUPE	 <b>LAND ROVER</b>	 <b>JAGUAR</b>	 <b>TESLA</b>	 <b>TOYOTA</b>	 <b>GAC</b>	 <b>SCANIA</b>
	<b>Aerospace</b>	 <b>BOEING</b>	 <b>AIRBUS</b>	 <b>LOCKHEED MARTIN</b>	 <b>DASSAULT AVIATION</b>	 <b>Bell Helicopter</b>	 <b>SAFRAN</b>	 <b>JOBY AVIATION</b>	
	<b>Industrial Equipment</b>	 <b>LLARS</b>	 <b>DOOSAN</b>	 <b>KÄRCHER</b>	 <b>Valmet</b> FORWARD	 <b>MASCHIO</b> GASPARRO	 <b>SCOSAN</b> HEAVY INDUSTRIES	 <b>ABB</b>	
	<b>Business Services</b>	 <b>Allianz</b>	 <b>BNP PARIBAS</b> SECURITIES SERVICES	 <b>LA POSTE</b> MOBILE	 <b>consip</b>	 <b>ABBA Lab</b>	 <b>lalux</b> ASSURANCES	 <b>LEWIS</b>	
	<b>High-Tech</b>	 <b>ERICSSON</b>	 <b>Miele</b>	 <b>LG</b>	 <b>BOSCH</b>	 <b>FUJITSU</b>	 <b>SAMSUNG</b>	 <b>BROADCOM</b>	
	<b>Home &amp; Lifestyle</b>	 <b>LUXOTICA</b>	 <b>PANDORA</b>	 <b>ECCO</b>	 <b>GEBERIT</b>	 <b>Nowy Styl Group</b>		 <b>TREK</b>	
	<b>Consumer Packaged Goods - Retail</b>	 <b>P&amp;G</b>	 <b>Unilever</b>	 <b>L'ORÉAL</b> PARIS	 <b>amcor</b>	 <b>Intermarché</b>	 <b>JUMBO</b>		
	<b>Marine &amp; Offshore</b>	 <b>MEYER WERFT</b> HERFORDEN 1711	 <b>NAOS</b> LUXURY CRYSTAL MANUFACTURER	 <b>Sunreef Yachts</b> LUXURY CRYSTAL MANUFACTURER	 <b>NAVAL</b> GROUP	 <b>CSSC</b>	 <b>DAMEN</b>		
	<b>Energy &amp; Materials</b>	 <b>edf</b>	 <b>ROSATOM</b>	 <b>ExxonMobil</b>	 <b>Chevron</b>	 <b>posco</b>	 <b>BHP</b>		
	<b>Construction, Cities &amp; Territories</b>	 <b>L'ORÉAL</b> PARIS	 <b>Smart Nation</b> SINGAPORE	 <b>METROPOLE</b> rennes	 <b>CHINA RAILWAY DESIGN CORPORATION</b>	 <b>MCG McGrath</b>	 <b>CO</b>	 <b>KENGO KUMA AND ASSOCIATES</b> 隈研吾建築都市設計事務所	
	<b>Life Sciences</b>	 <b>Jaff</b>	 <b>Medtronic</b>	 <b>B BRAUN</b>	 <b>AMGEN</b>	 <b>SANOFI</b>	 <b>Pierre Fabre</b>	 <b>REGENERON</b>	

# 2014-2019 EPS Objectives non-IFRS

Five-year plan set in June 2014

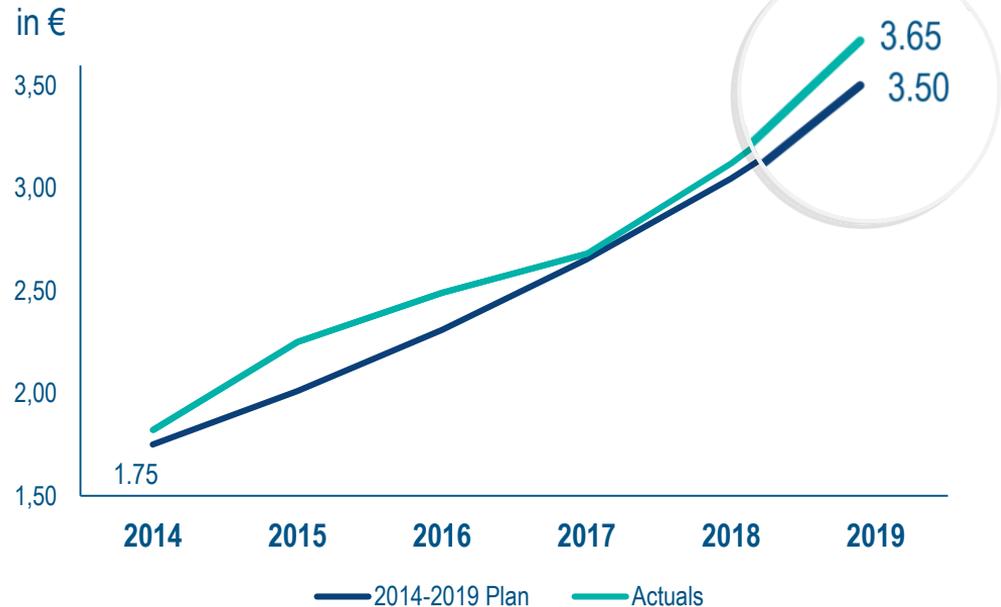
Actual EPS of: € 3.65

EPS objective of: € 3.50

€ 1.75

2014 Guidance

2019



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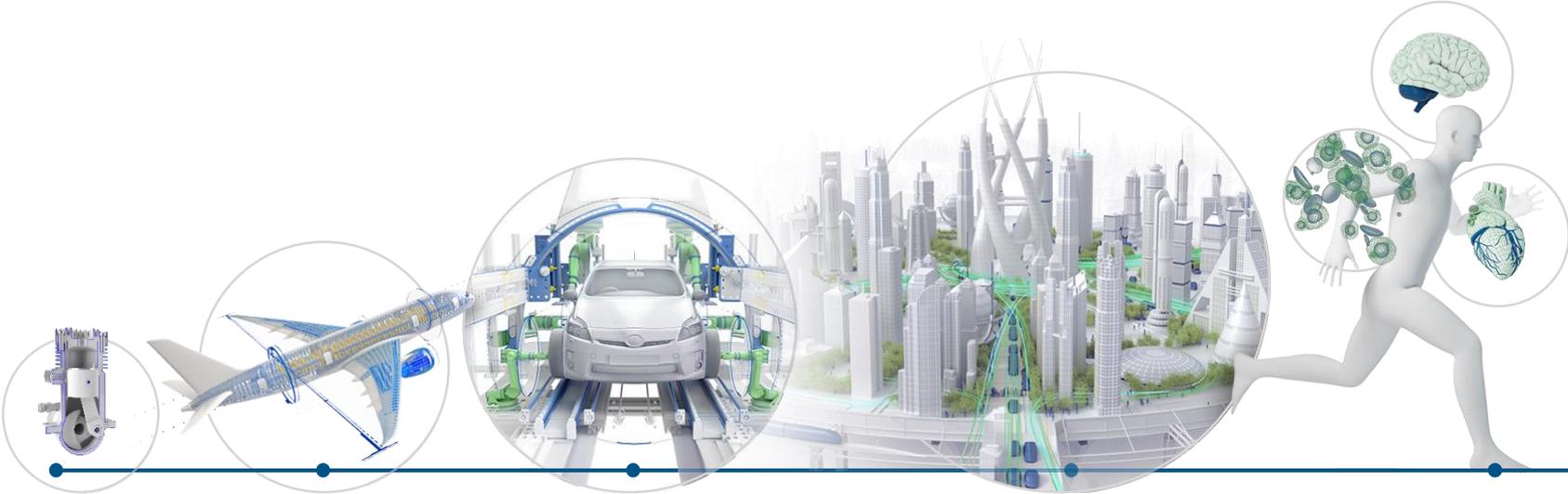
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# Our Legacy



1981  
**3D Design**

1989  
**3D DMU**  
Digital Mock-up

1999  
**3D PLM**  
Product Lifecycle Management



3DEXPERIENCE

2012  
**3DEXPERIENCE® platform**

2020  
Virtual Twin  
Experience of  
**Humans**

# Our Ambition



# Our Strategy



**Human**  
Ease of use,  
Online, Mobile



**Industry**  
Business Solutions



**Experiences**  
Software, Services,  
Content



**Bernard CHARLES**  
Vice Chairman &  
Chief Executive Officer



**Pascal DALOZ**  
Chief Operating Officer &  
Chief Financial Officer



**Dominique FLORACK**  
President

## OPERATIONS EXECUTIVE COMMITTEE

### Platform & Brands Solutions



**Elisa PRISNER**  
Business Platform Experience



**Florence HU-AUBIGNY**  
Research & Development



**Florence VERZELEN**  
Industry, Marketing,  
Global Affairs,  
Workforce of the Future



**Olivier RIBET**  
Europe, Middle East,  
Africa & Russia



**Laurence BARTHÈS**  
People & Information Systems



**Patrick JOHNSON**  
Research & Technology strategy



**Victoire de MARGERIE**  
Corporate Equity and  
Communications



**Philippe LAUFER**  
3DS Global Brands



**Samson KHAOU**  
Asia Pacific



**Thibault de TERSANT**  
General Secretary



**Ségolène MOIGNET**  
Chief of Staff  
Governance & People Ethics



**Erik SWEDBERG**  
North America

## SECTOR BOARDS

### Life Sciences & Healthcare



**Tarek SHERIF**  
Life Sciences & Healthcare

### Manufacturing Industries



**Bruno LATCHAGUE**  
Manufacturing Industries

### Infrastructure & Cities



**Sylvain LAURENT**  
Infrastructure & Cities

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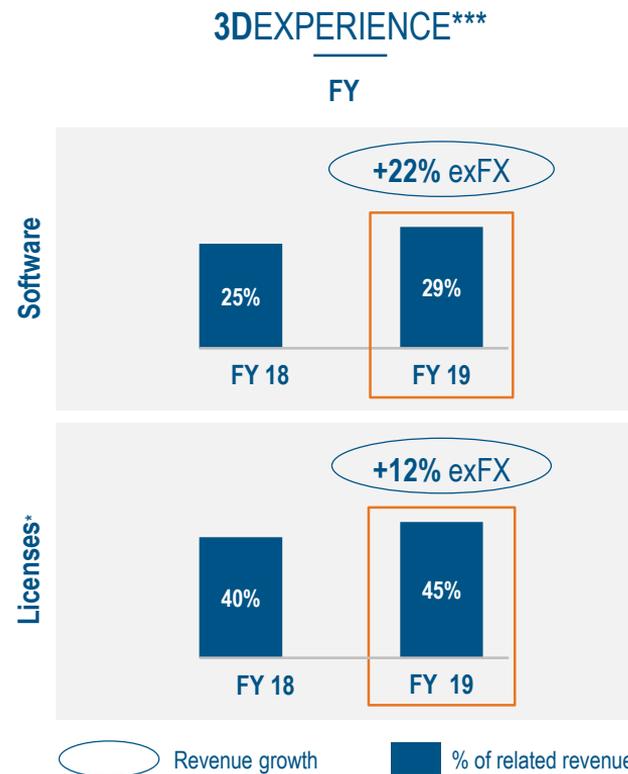
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# 2019 Performance at a Glance Non-IFRS

€ millions	Q4 19	FY 19
Revenue	1,212	4,056
Growth	+18%	+16%
<b>Growth exFX</b>	<b>+16%</b>	<b>+13%</b>
Software Growth exFX	<b>+17%</b>	<b>+13%</b>
Licenses* Growth exFX	Flat	+6%
Recurring** Growth exFX	+27%	+15%
<b>Operating Margin</b>	<b>33.6%</b>	<b>32.0%</b>
Operating Margin	-2.9 pts	+0.1 pt
EPS (€)	1.20	3.65
<b>EPS Evolution</b>	<b>+13%</b>	<b>+17%</b>





# EDF

# Expands Adoption of 3DEXPERIENCE platform



A global leader in low-carbon energy, the EDF Group covers every sector of expertise, from generation to trading and transmission grids.

166,000 employees, revenue of €69 billion in 2018

## Business Values:

- ▶ Transform nuclear engineering business for **better operational efficiency (+30%)**
- ▶ **Control costs:** quality, supply chain, construction
- ▶ **Deliver a virtual twin** of their real nuclear power plant
- ▶ **Improve certification process**

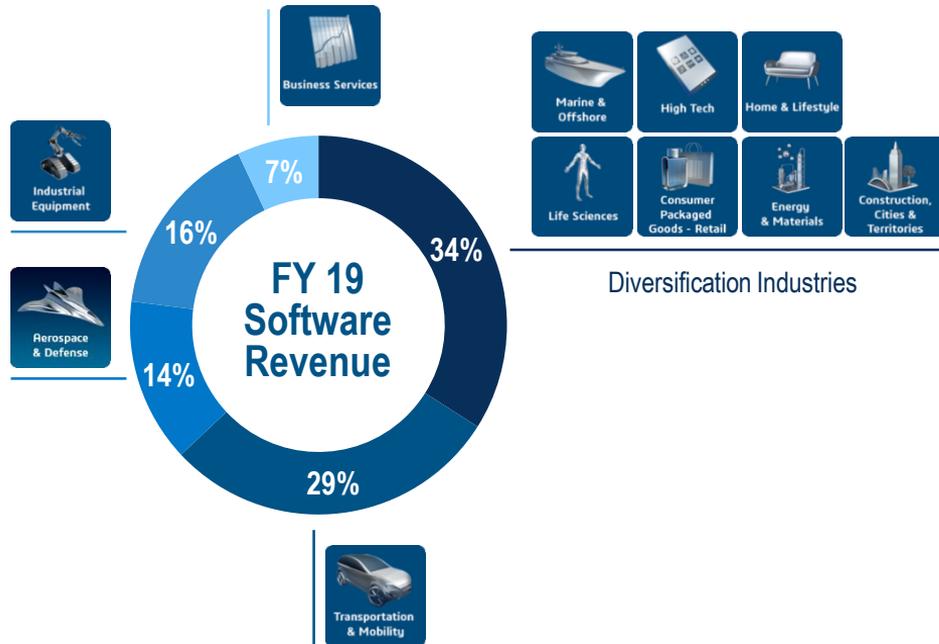
## Solution:

3DEXPERIENCE Platform with  
**Capital Facilities Information  
Excellence** Industry solution  
Experience



# Industries | 2019 Performance Non-IFRS

Double-digit software revenue growth exFX:





# B. Braun Adopts 3DEXPERIENCE



World's leading manufacturer of medical devices and pharmaceutical products and services  
64,000 employees in 64 countries, revenue of €7bn in 2018

## Business Values:

Bringing innovative medical devices **faster to patients and physicians** while **reducing cost**

- ▶ Improving **innovation, efficiency, quality** and **collaboration** in their supply chain
- ▶ Securing **regulatory compliance** to existing and new regulations worldwide
- ▶ Enabling **digital continuity** between PLM, ERP and CRM
- ▶ Progressive ramp-up to **13,000 users**

## Solution:

3DEXPERIENCE Platform with  
License to Cure Industry  
Solution Experience  
TECHNIA system integrators  
worldwide



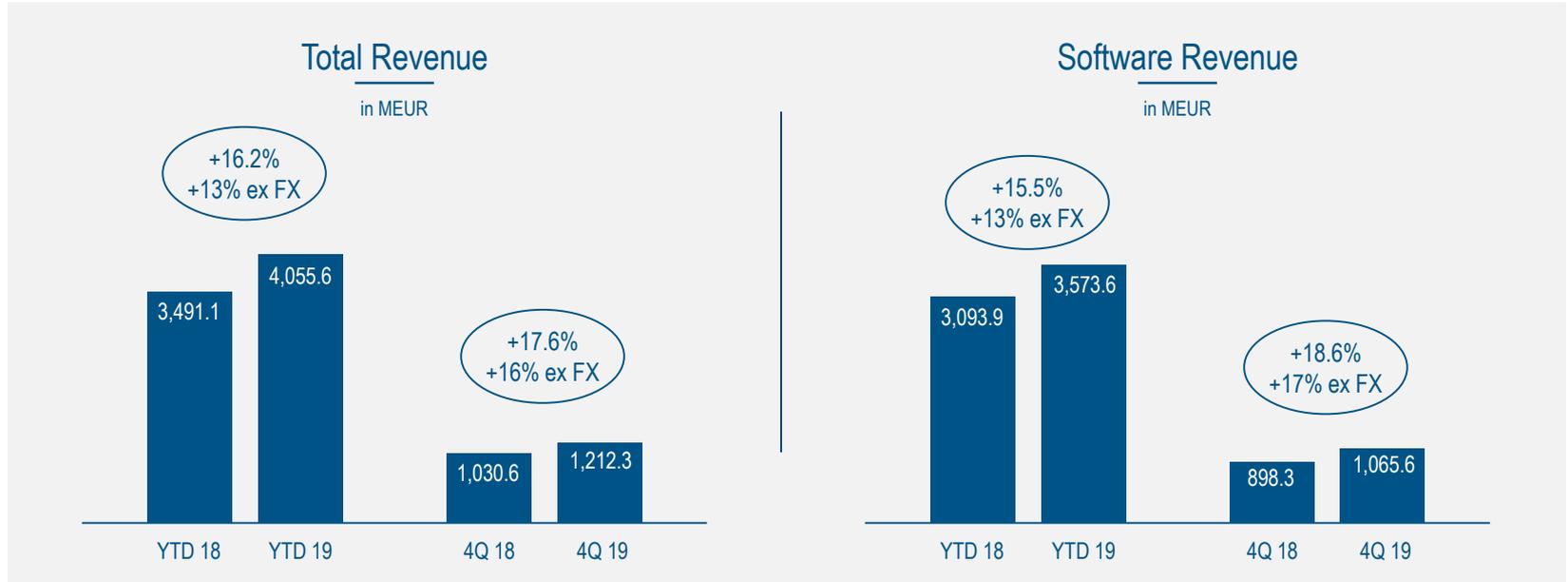
# Software Revenue by Region Non-IFRS

Software Revenue Growth exFX	Q4 19	FY 19	
Americas	+44%	+24%	Good <b>organic</b> dynamic with strong <b>subscription</b> revenue growth and contribution from <b>acquisitions</b>
Europe	+7%	+9%	Good performance in <b>Northern</b> and <b>Southern</b> Europe - Weak macro backdrop in <b>Germany</b>
Asia	+6%	+7%	<b>China</b> up +11% exFX in Q4 and 16% in 2019 <b>Korea</b> recovery in Q4
<b>Software Revenue</b>	<b>+17%</b>	<b>+13%</b>	

# Software Revenue by Brand Non-IFRS

Software Revenue Growth exFX	Q4 19	FY 19	
CATIA	+1%	+6%	Good H1 - Softening in H2 due to <b>automotive supply chain</b> in <b>Germany</b> and <b>Japan</b> while continued good performance in the <b>US</b> (driven by aerospace)
ENOVIA	-7%	+5%	Against last year's <b>strong comparatives</b> (in 2018 licenses* up 84% exFX in Q4 and 37% in FY)
SOLIDWORKS	+9%	+6%	Double-digit revenue growth in <b>Asia</b> and <b>Europe</b> in <b>Q4</b>
Other Software	+48%	+28%	Strong <b>DELMIA</b> - Good <b>SIMULA</b> - <b>BIOVIA</b> momentum <b>Medidata</b> : 2 months in Q4
<b>Software Revenue</b>	<b>+17%</b>	<b>+13%</b>	

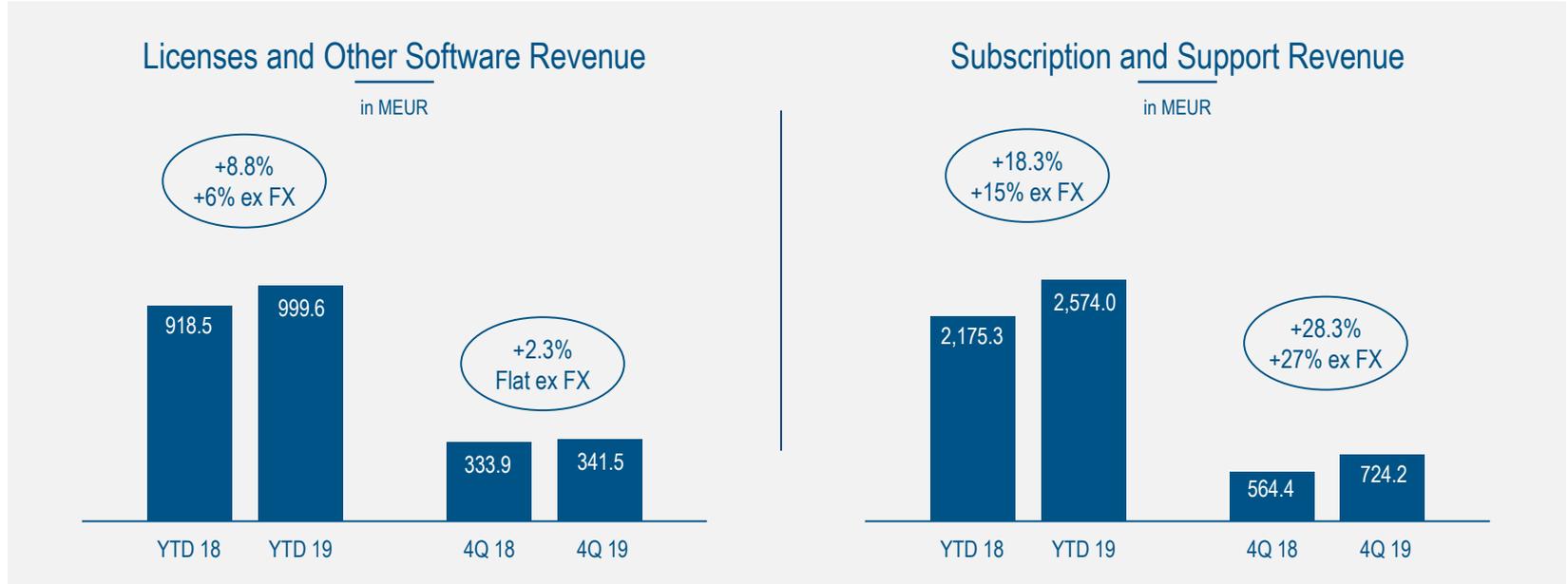
# Revenue Growth Non-IFRS



Organic revenue **+7%** exFX in 2019 and **+3%** in Q4

Organic software revenue **+7%** exFX in 2019 and **+3%** in Q4

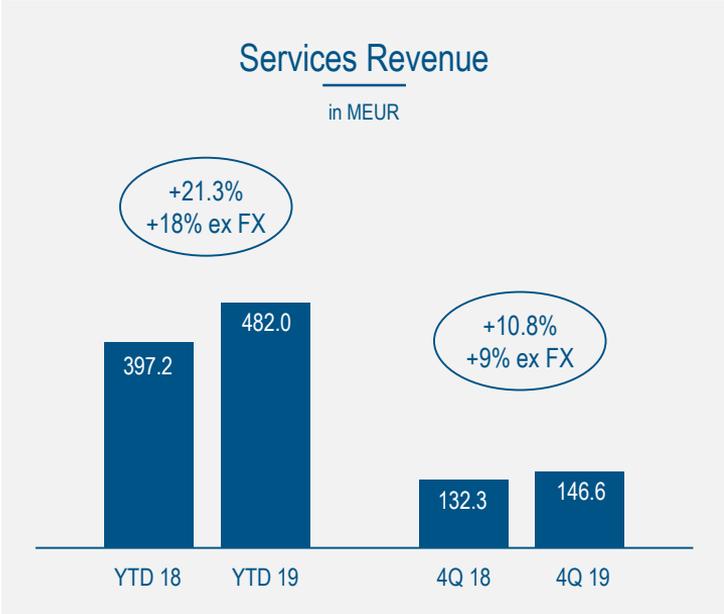
# Software Revenue Growth Non-IFRS



Organic **licenses\*** revenue up **+3%** exFX in 2019 and flat in Q4

Organic **recurring\*\*** revenue up **+8%** in 2019 (+200 basis points compared to 2018\*\*\*) and **5%** exFX in Q4

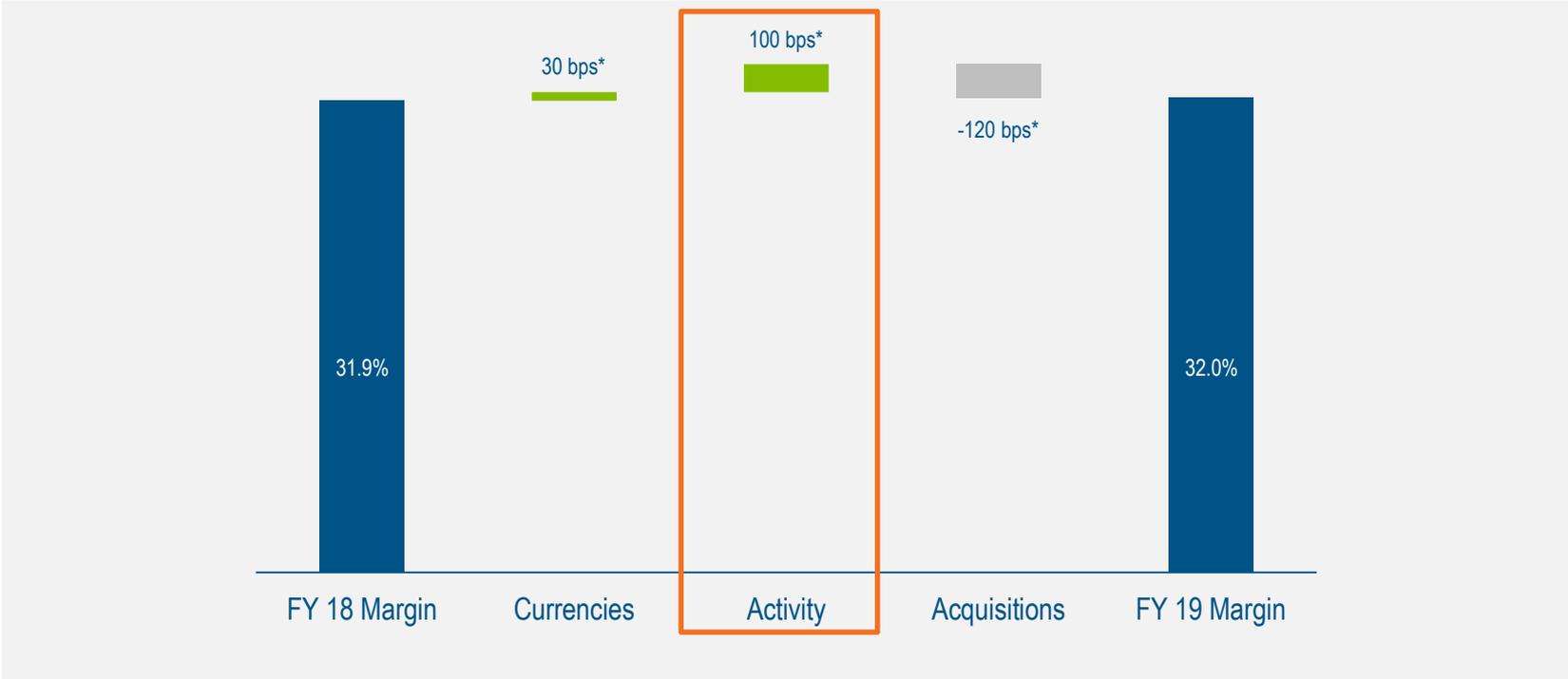
# Services Revenue & Margin Evolution Non-IFRS



Serv. Gross Margin	12.9%	10.5%	24.7%	13.9%
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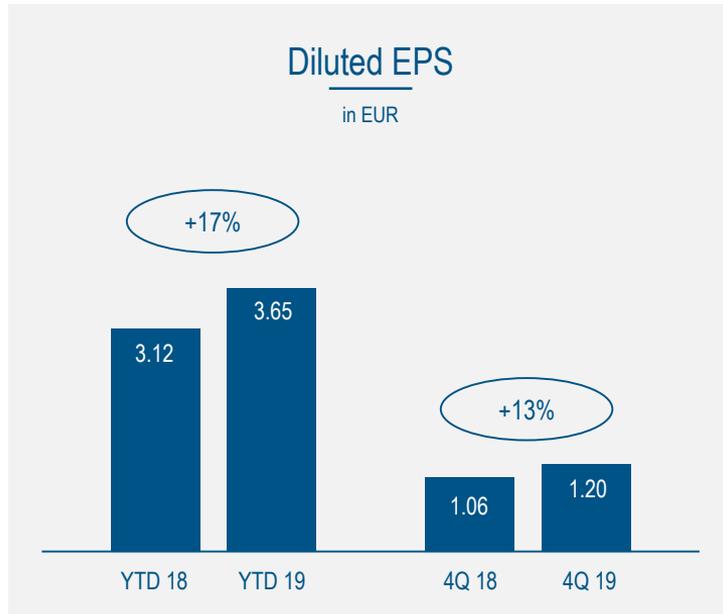
Organic services revenue **+9%** exFX in 2019 and **-1%** in Q4 (in 2018 services recovery in Q4, up **+26%** exFX organically thanks to Boeing implementation set up)

# Operating Margin Evolution Non-IFRS



\* bps: basis points

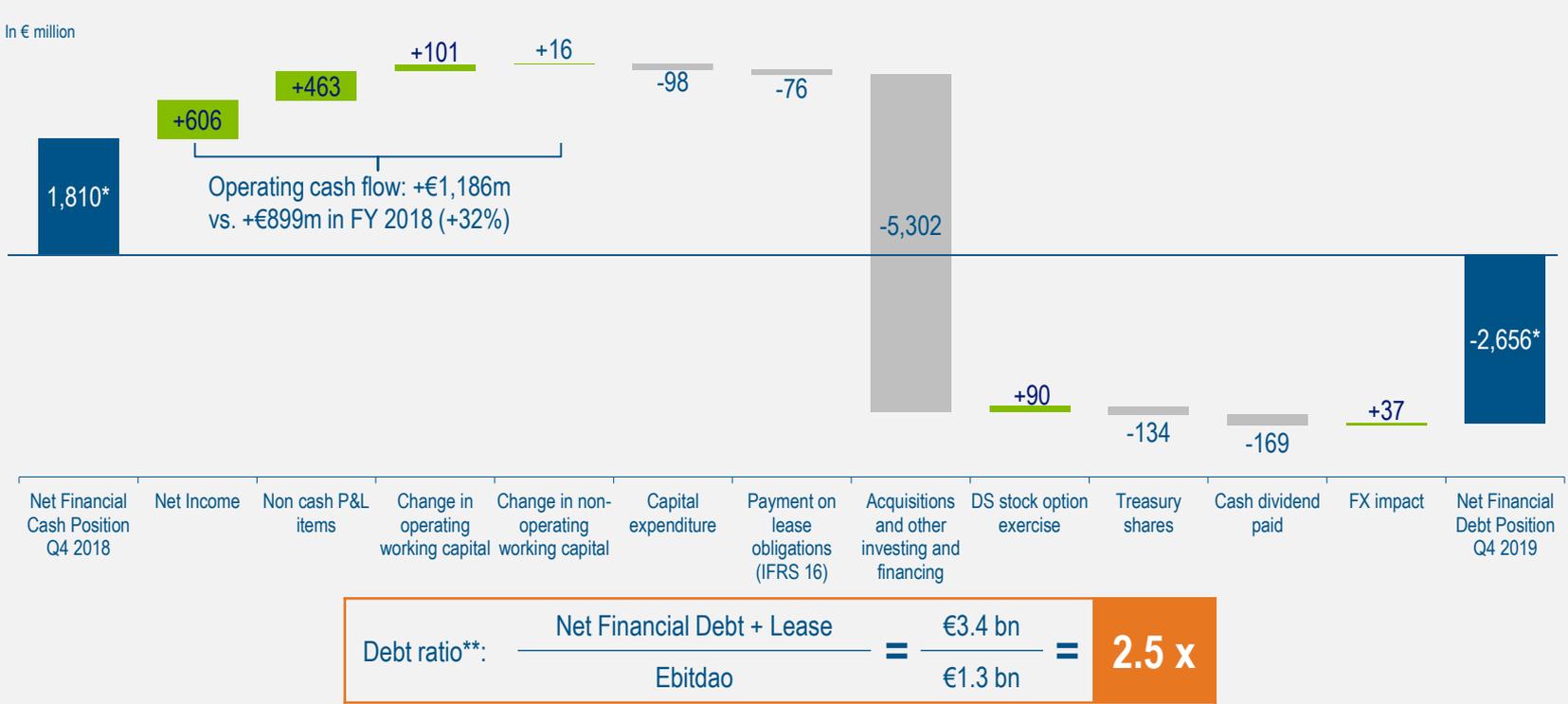
# EPS Non-IFRS



Medidata contribution to 2019 EPS:  
**2 points | 6 cents**

2019 tax rate: **26.5%** (from 28.3% in 2018)  
1.8 point decrease due to New French  
Patent/Software box regime

# Change in Net Financial Cash (Debt) Position IFRS



\* Net financial cash (debt) position = Cash and cash equivalents and short-term investments minus borrowings  
 \*\* Debt ratio calculation details in appendix

# Operating Cash Flow Evolution IFRS

€ million	YTD 19	YTD 18	Changes	
<b>Operating Cash Flow</b>	<b>+1,186</b>	<b>+899</b>	<b>+287</b>	<b>Up 32% year on year</b>
Net income adjusted for non cash items	+1,069	+954	+115	
Increase in trade accounts receivable and contract assets	-42	-142	+100	Balance up 4 % exFX at constant perimeter Excluding Medidata and IQMS, DSO ~stable
Increase in contract liabilities*	+109	+108	+1	Balance up 8 % exFX at constant perimeter
Increase in accrued compensation	+8	+44	-36	Payment of pre-acquisition stock options payroll tax by Medidata
Increase in accounts payable	+26	+6	+20	
Increase (decrease) in income taxes payable	+53	-71	+124	Activity growth, lower taxable income in 2018 and lower tax downpayments **
Other	-37	-	-37	Payment of fees related to issuance of bonds and term loans in 2019

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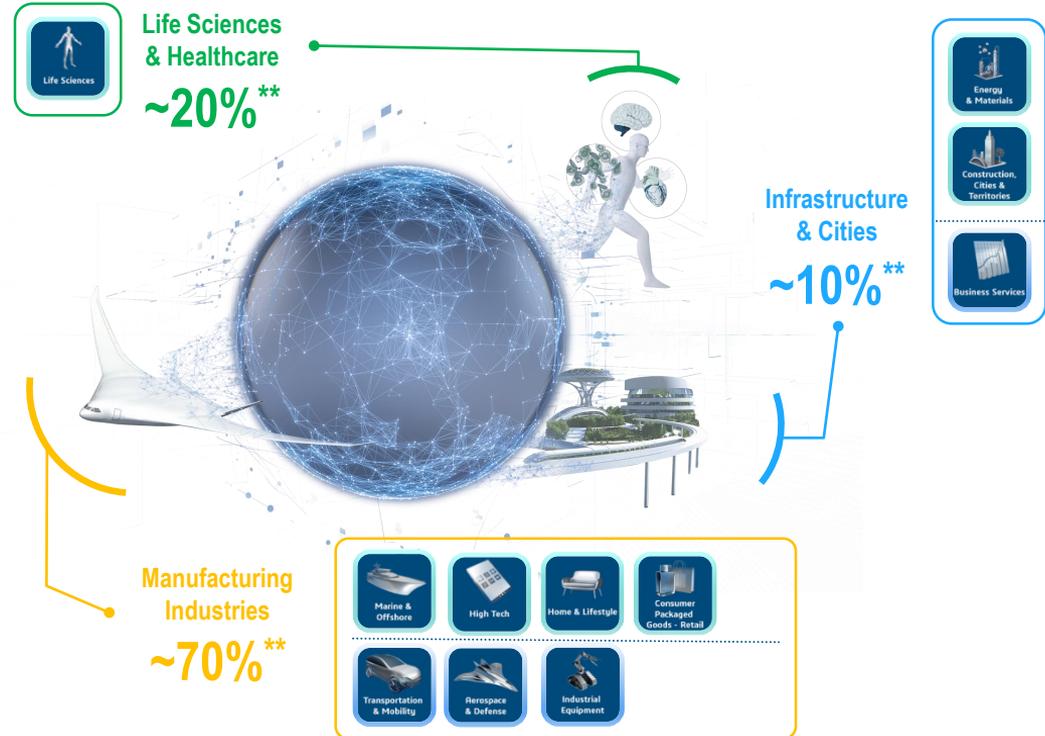
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# Dassault Systèmes Footprint

## BEFORE



## STARTING FROM 2020



\* Approximate % of non-IFRS 2019 software revenue on a like-for-like basis (as if Meditata were consolidated in 2019 3DS figures)

\*\* Approximate % of non-IFRS 2019 total revenue on a like-for-like basis (as if Meditata were consolidated in 2019 3DS figures)

# Software Revenue Breakdown by Product Line

## BEFORE

~25%*	CATIA software revenue
~10%*	ENOVIA software revenue
~20%*	SOLIDWORKS software revenue
~45%*	Other software revenue

## STARTING FROM 2020

Industrial Innovation Software Revenue	Life Sciences Software Revenue	Mainstream Innovation Software Revenue
of which CATIA software revenue		
of which ENOVIA software revenue**		
		of which SOLIDWORKS software revenue
SIMULIA, DELMIA, GEOVIA, NETVIBES/EXALEAD, 3DEXCITE	Medidata, BIOVIA***	Centric, 3DVIA, 3DEXPERIENCE.WORKS family

Unchanged

\* Approximate % of non-IFRS 2019 software revenue on a like-for-like basis (as if Medidata were consolidated in 2019 3DS figures)

\*\* Excluding ENOVIA Life Sciences Compliance and Quality Management

\*\*\* Including ENOVIA Life Sciences Compliance and Quality management

# Agenda

Looking Back at 2012: Introducing **3DEXPERIENCE**

2020-2030: Preparing the Future

2019: Q4 & FY Financial Highlights

2020: New Revenue Reporting

2020: Q1 & FY Financial Objectives

Financial Information Appendix

# Initiating 2020 Guidance Non-IFRS

## Assumptions for 2020 Guidance

- ▶ **Total revenue** growth up **21-23%** exFX
  - ▶ **Software** revenue growth up **22-23%** exFX
    - ▷ **License** revenue growth up **5-10%** exFX
    - ▷ **Recurring** revenue growth up **~28%** exFX (*up ~9.5% on a like-for-like basis*)\*
  - ▶ Increase of **organic operating margin** by **80-130 basis points** exFX
- 
- ▶ **Medidata total revenue** growth up **13%** exFX
  - ▶ **Medidata operating margin**: **~20%**
- 
- ▶ **Tax rate** decreasing to **~26.0%** (26.5% in 2019)
  - ▶ Exchange rate assumptions of **US\$1.15 per €1.00** and **JPY125 per €1.00** before hedging throughout the year

# Proposed Objectives Non-IFRS

		Q1 2020		FY 2020	
	Ex FX				Ex FX
<b>Software revenue</b>	<b>+20-23%</b>	<b>Q1 2020</b>		<b>FY 2020</b>	<b>Software revenue</b>
<i>of which licenses</i>	-5 to 0%	1,145-1,175	Revenue (M€)	4,840-4,890	<i>of which licenses</i>
<i>of which recurring</i>	+28-30%	+19-22%	Growth	+19-21%	<i>of which recurring</i>
<b>Services revenue</b>	<b>+20-25%</b>	<b>+20-23%</b>	<b>Growth ex FX</b>	<b>+21-23%</b>	<b>Services revenue</b>
		28.5-29.5%	Operating Margin	31-31.5%	
		-4.3 to -3.3 pts	Operating Margin Growth	-1 to -0.5 pt	Organic operating margin increase: ~ <b>+80-130</b> basis points exFX
		0.90-0.95	EPS (€)	4.15-4.20	Tax rate of ~ <b>26.0%</b> (26.5% in 2019)
		<b>+3-9%</b>	<b>EPS Growth</b>	<b>+14-15%</b>	
		1.15	€/\$ rates	1.15	
		125.0	€/¥ rates	125.0	

# Agenda

Looking Back at 2012: Introducing **3DEXPERIENCE**

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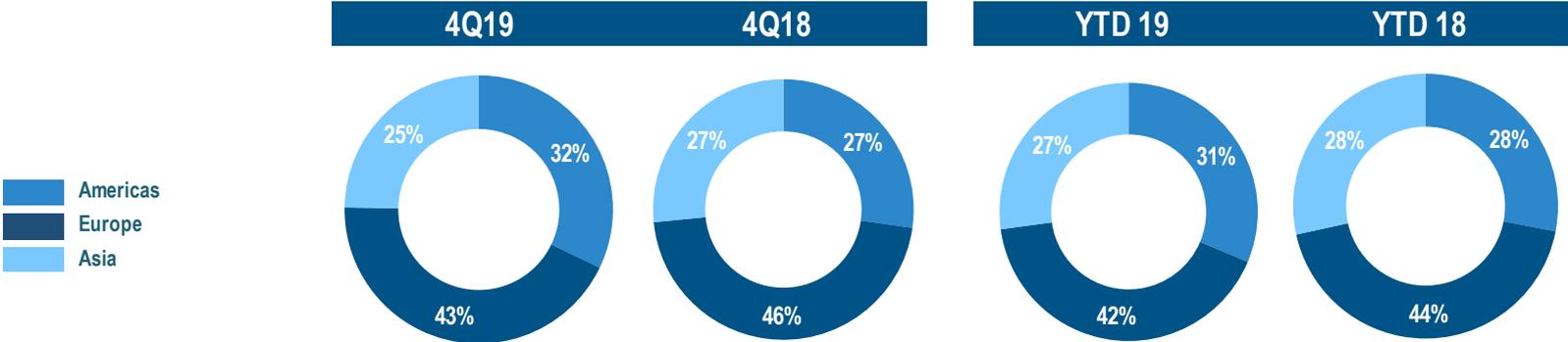
# Software Revenue by Region

## IFRS

in MEUR

	4Q19	4Q18	Growth	Growth ex FX
Americas	333.7	243.9	+36.8%	+35%
Europe	447.5	413.7	+8.2%	+7%
Asia	257.0	237.7	+8.1%	+5%
<b>Software revenue</b>	<b>1,038.2</b>	<b>895.4</b>	<b>+16.0%</b>	<b>+14%</b>

	YTD 19	YTD 18	Growth	Growth ex FX
Americas	1,108.7	864.7	+28.2%	+22%
Europe	1,469.7	1,340.3	+9.7%	+9%
Asia	961.0	876.8	+9.6%	+7%
<b>Software revenue</b>	<b>3,539.4</b>	<b>3,081.8</b>	<b>+14.8%</b>	<b>+12%</b>

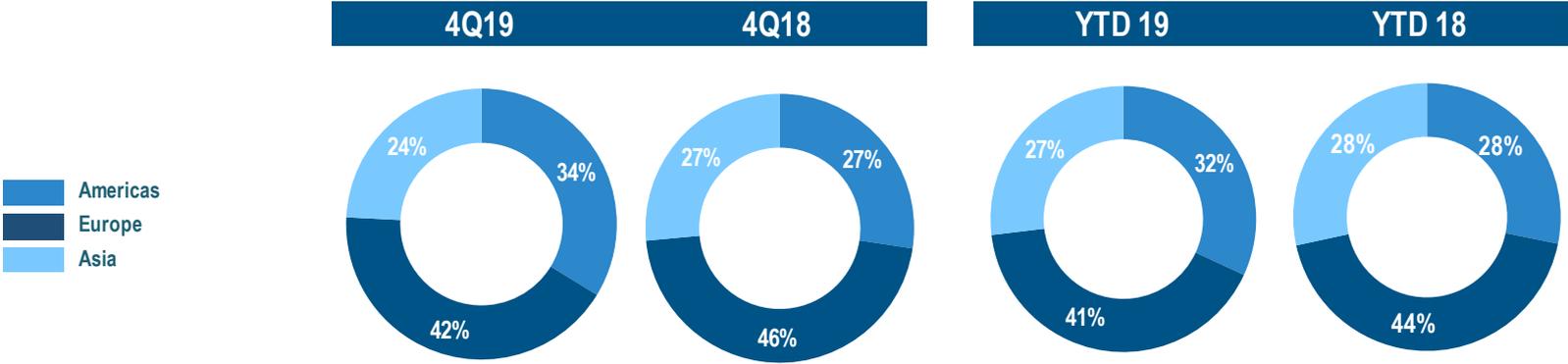


# Software Revenue by Region

Non - IFRS

*in MEUR*

	4Q19	4Q18	Growth	Growth ex FX	YTD 19	YTD 18	Growth	Growth ex FX
Americas	359.6	246.2	+46.1%	+44%	1,140.1	872.4	+30.7%	+24%
Europe	448.2	414.3	+8.2%	+7%	1,471.6	1,342.8	+9.6%	+9%
Asia	257.9	237.8	+8.4%	+6%	961.9	878.6	+9.5%	+7%
<b>Software revenue</b>	<b>1,065.6</b>	<b>898.3</b>	<b>+18.6%</b>	<b>+17%</b>	<b>3,573.6</b>	<b>3,093.9</b>	<b>+15.5%</b>	<b>+13%</b>



# Revenue by Product Line

## IFRS

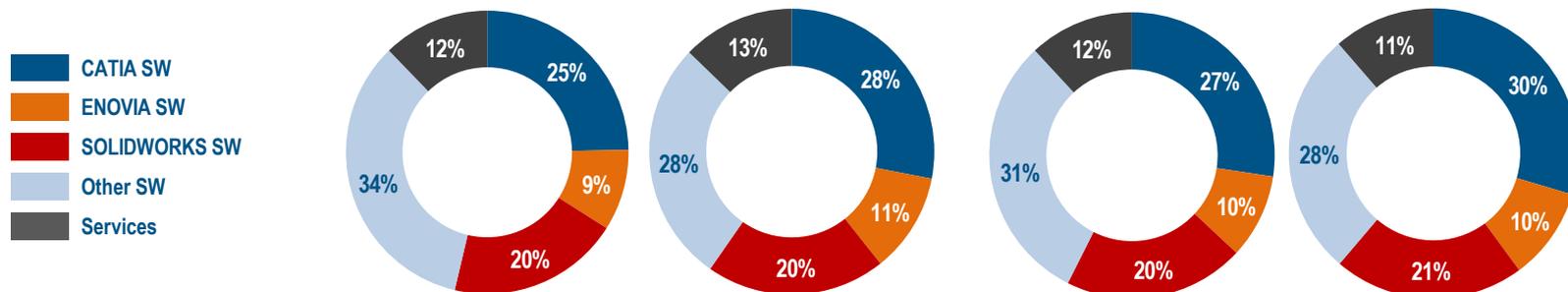
in MEUR

	4Q19	4Q18	Growth	Growth ex FX
CATIA SW	292.6	287.8	+1.7%	+1%
ENOVIA SW	109.6	115.7	(5.3)%	(7)%
SOLIDWORKS SW	233.2	209.3	+11.4%	+9%
Other SW	402.8	282.5	+42.6%	+40%
Services	144.9	131.2	+10.5%	+8%
<b>Total revenue</b>	<b>1,183.1</b>	<b>1,026.6</b>	<b>+15.3%</b>	<b>+13%</b>

	YTD 19	YTD 18	Growth	Growth ex FX
CATIA SW	1,100.2	1,028.6	+7.0%	+6%
ENOVIA SW	383.9	358.5	+7.1%	+5%
SOLIDWORKS SW	823.5	742.5	+10.9%	+6%
Other SW	1,231.8	952.3	+29.4%	+26%
Services	478.8	395.6	+21.0%	+18%
<b>Total revenue</b>	<b>4,018.2</b>	<b>3,477.4</b>	<b>+15.6%</b>	<b>+13%</b>

4Q19                      4Q18

YTD 19                      YTD 18



# Revenue by Product Line

Non - IFRS

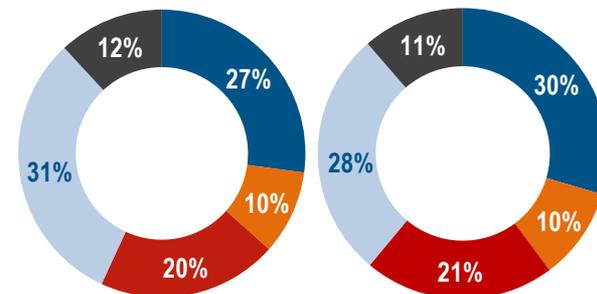
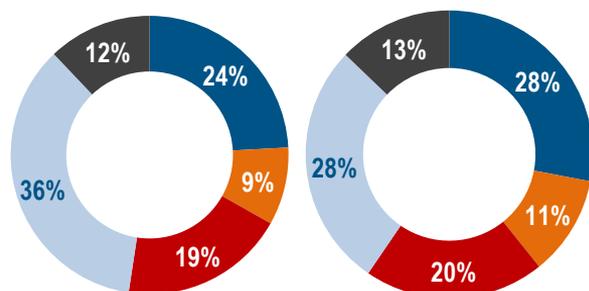
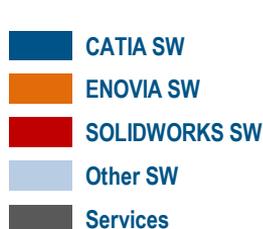
in MEUR

	4Q19	4Q18	Growth	Growth ex FX
CATIA SW	292.6	288.6	+1.4%	+1%
ENOVIA SW	109.6	115.7	(5.3)%	(7)%
SOLIDWORKS SW	233.2	209.3	+11.4%	+9%
Other SW	430.2	284.7	+51.1%	+48%
Services	146.6	132.3	+10.8%	+9%
<b>Total revenue</b>	<b>1,212.3</b>	<b>1,030.6</b>	<b>+17.6%</b>	<b>+16%</b>

	YTD 19	YTD 18	Growth	Growth ex FX
CATIA SW	1,100.2	1,031.0	+6.7%	+6%
ENOVIA SW	383.9	358.5	+7.1%	+5%
SOLIDWORKS SW	823.5	742.5	+10.9%	+6%
Other SW	1,266.1	961.9	+31.6%	+28%
Services	482.0	397.2	+21.3%	+18%
<b>Total revenue</b>	<b>4,055.6</b>	<b>3,491.1</b>	<b>+16.2%</b>	<b>+13%</b>

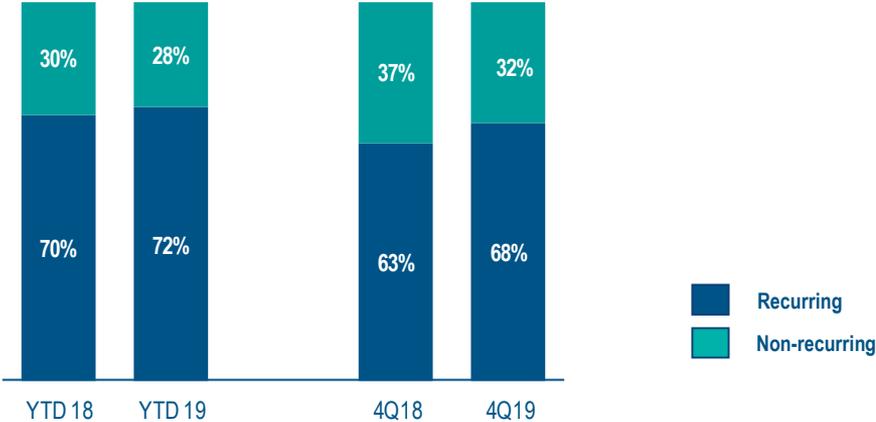
4Q19                      4Q18

YTD 19                      YTD 18



# Software Revenue Evolution

Non - IFRS



# IFRS P&L

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

	Three months ended December 31,			Twelve months ended December 31,		
	2019	2018	YoY	2019	2018	YoY
Software revenue	1,038.2	895.4	+16.0%	3,539.4	3,081.8	+14.8%
Licenses and Other software revenue	341.5	333.9	+2.3%	999.6	918.5	+8.8%
Subscription and Support revenue	696.7	561.5	+24.1%	2,539.8	2,163.3	+17.4%
Services revenue	144.9	131.2	+10.5%	478.8	395.6	+21.0%
<b>Total revenue</b>	<b>1,183.1</b>	<b>1,026.6</b>	<b>+15.3%</b>	<b>4,018.2</b>	<b>3,477.4</b>	<b>+15.6%</b>
Cost of Software revenue	(64.2)	(44.0)	+45.9%	(196.2)	(162.0)	+21.1%
Cost of Services revenue	(129.8)	(100.5)	+29.2%	(437.4)	(348.8)	+25.4%
Research and development	(210.3)	(163.3)	+28.7%	(737.9)	(631.1)	+16.9%
Marketing and sales	(350.7)	(297.4)	+17.9%	(1,226.3)	(1,069.8)	+14.6%
General and administrative	(107.9)	(77.8)	+38.8%	(329.5)	(287.4)	+14.6%
Amortization of acquired intangible assets and of tangible assets revaluation	(91.9)	(45.3)	+102.7%	(244.0)	(171.6)	+42.2%
Other operating income and expense, net	(5.7)	(29.3)	(80.5)%	(34.1)	(38.4)	(11.1)%
<b>Total operating expenses</b>	<b>(960.5)</b>	<b>(757.6)</b>	<b>+26.8%</b>	<b>(3,205.4)</b>	<b>(2,709.2)</b>	<b>+18.3%</b>
<b>Operating income</b>	<b>222.6</b>	<b>268.9</b>	<b>(17.2)%</b>	<b>812.8</b>	<b>768.2</b>	<b>+5.8%</b>
Financial revenue and other, net	(3.7)	2.9	N/S	3.1	15.5	(80.3)%
Income tax expense	(38.8)	(83.8)	(53.7)%	(209.6)	(220.4)	(4.9)%
Non-controlling interest	2.8	2.9	(3.7)%	9.0	6.0	+49.2%
<b>Net Income (to equity holders of the parent)</b>	<b>182.9</b>	<b>191.0</b>	<b>(4.2)%</b>	<b>615.3</b>	<b>569.4</b>	<b>+8.1%</b>
<b>Diluted net income per share (EPS)</b>	<b>0.69</b>	<b>0.73</b>	<b>(5.5)%</b>	<b>2.34</b>	<b>2.18</b>	<b>+7.3%</b>
<b>Average diluted shares (Million)</b>	<b>263.7</b>	<b>260.6</b>		<b>263.2</b>	<b>260.8</b>	

# IFRS P&L (%)

	Three months ended December 31,		Twelve months ended December 31,	
	2019	2018	2019	2018
	<u>% of revenue</u>		<u>% of revenue</u>	
Software revenue	+87.8%	+87.2%	+88.1%	+88.6%
Licenses and Other software revenue	+28.9%	+32.5%	+24.9%	+26.4%
Subscription and Support revenue	+58.9%	+54.7%	+63.2%	+62.2%
Services revenue	+12.2%	+12.8%	+11.9%	+11.4%
<b>Total revenue</b>	<b>+100.0%</b>	<b>+100.0%</b>	<b>+100.0%</b>	<b>+100.0%</b>
Cost of Software revenue	+5.4%	+4.3%	+4.9%	+4.7%
Cost of Services revenue	+11.0%	+9.8%	+10.9%	+10.0%
Research and development	+17.8%	+15.9%	+18.4%	+18.1%
Marketing and sales	+29.6%	+29.0%	+30.5%	+30.8%
General and administrative	+9.1%	+7.6%	+8.2%	+8.3%
Amortization of acquired intangible assets and of tangible assets revaluation	+7.8%	+4.4%	+6.1%	+4.9%
Other operating income and expense, net	+0.5%	+2.9%	+0.8%	+1.1%
<b>Total operating expenses</b>	<b>+81.2%</b>	<b>+73.8%</b>	<b>+79.8%</b>	<b>+77.9%</b>
<b>Operating income</b>	<b>+18.8%</b>	<b>+26.2%</b>	<b>+20.2%</b>	<b>+22.1%</b>
Financial revenue and other, net	(0.3)%	+0.3%	+0.1%	+0.4%
<b>Income tax rate (% of EBIT)</b>	<b>+17.7%</b>	<b>+30.8%</b>	<b>+25.7%</b>	<b>+28.1%</b>
Non-controlling interest	+0.2%	+0.3%	+0.2%	+0.2%
<b>Net Income (to equity holders of the parent)</b>	<b><u>+15.5%</u></b>	<b><u>+18.6%</u></b>	<b><u>+15.3%</u></b>	<b><u>+16.4%</u></b>

# Non-IFRS P&L

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

	Three months ended December 31,			Twelve months ended December 31,		
	2019	2018	YoY	2019	2018	YoY
Software revenue	1,065.6	898.3	+18.6%	3,573.6	3,093.9	+15.5%
Licenses and Other software revenue	341.5	333.9	+2.3%	999.6	918.5	+8.8%
Subscription and Support revenue	724.2	564.4	+28.3%	2,574.0	2,175.3	+18.3%
Services revenue	146.6	132.3	+10.8%	482.0	397.2	+21.3%
<b>Total revenue</b>	<b>1,212.3</b>	<b>1,030.6</b>	<b>+17.6%</b>	<b>4,055.6</b>	<b>3,491.1</b>	<b>+16.2%</b>
Cost of Software revenue	(63.4)	(43.4)	+46.0%	(192.9)	(160.0)	+20.6%
Cost of Services revenue	(126.3)	(99.6)	+26.8%	(431.4)	(346.1)	+24.6%
Research and development	(188.6)	(151.3)	+24.6%	(668.2)	(584.1)	+14.4%
Marketing and sales	(333.8)	(288.8)	+15.6%	(1,176.3)	(1,038.8)	+13.2%
General and administrative	(92.4)	(70.9)	+30.3%	(289.6)	(249.7)	+16.0%
<b>Total operating expenses</b>	<b>(804.5)</b>	<b>(654.1)</b>	<b>+23.0%</b>	<b>(2,758.3)</b>	<b>(2,378.6)</b>	<b>+16.0%</b>
<b>Operating income</b>	<b>407.8</b>	<b>376.5</b>	<b>+8.3%</b>	<b>1,297.4</b>	<b>1,112.5</b>	<b>+16.6%</b>
Financial revenue and other, net	(3.2)	3.9	N/A	3.2	16.3	(80.3)%
Income tax expense	(89.3)	(105.2)	(15.1)%	(344.0)	(319.0)	+7.8%
Non-controlling interest	1.4	1.0	+34.9%	3.0	2.7	+13.6%
<b>Net Income (to equity holders of the parent)</b>	<b>316.6</b>	<b>276.2</b>	<b>+14.6%</b>	<b>959.6</b>	<b>812.5</b>	<b>+18.1%</b>
<b>Diluted net income per share (EPS)</b>	<b>1.20</b>	<b>1.06</b>	<b>+13.2%</b>	<b>3.65</b>	<b>3.12</b>	<b>+17.0%</b>
<b>Average diluted shares (Million)</b>	<b>263.7</b>	<b>260.6</b>		<b>263.2</b>	<b>260.8</b>	

# Non-IFRS P&L (%)

	Three months ended December 31,		Twelve months ended December 31,	
	2019	2018	2019	2018
Software revenue	+87.9%	+87.2%	+88.1%	+88.6%
Licenses and Other software revenue	+28.2%	+32.4%	+24.6%	+26.3%
Subscription and Support revenue	+59.7%	+54.8%	+63.5%	+62.3%
Services revenue	+12.1%	+12.8%	+11.9%	+11.4%
<b>Total revenue</b>	<b>+100.0%</b>	<b>+100.0%</b>	<b>+100.0%</b>	<b>+100.0%</b>
Cost of Software revenue	+5.2%	+4.2%	+4.8%	+4.6%
Cost of Services revenue	+10.4%	+9.7%	+10.6%	+9.9%
Research and development	+15.6%	+14.7%	+16.5%	+16.7%
Marketing and sales	+27.5%	+28.0%	+29.0%	+29.8%
General and administrative	+7.6%	+6.9%	+7.1%	+7.2%
<b>Total operating expenses</b>	<b>+66.4%</b>	<b>+63.5%</b>	<b>+68.0%</b>	<b>+68.1%</b>
<b>Operating income</b>	<b>+33.6%</b>	<b>+36.5%</b>	<b>+32.0%</b>	<b>+31.9%</b>
Financial revenue and other, net	(0.3)%	+0.4%	+0.1%	+0.5%
<b>Income tax rate (% of EBIT)</b>	<b>+22.1%</b>	<b>+27.7%</b>	<b>+26.5%</b>	<b>+28.3%</b>
Non-controlling interest	+0.1%	+0.1%	+0.1%	+0.1%
<b>Net Income (to equity holders of the parent)</b>	<b>+26.1%</b>	<b>+26.8%</b>	<b>+23.7%</b>	<b>+23.3%</b>

# IFRS – Non-IFRS Reconciliation QTD

## Revenue and Gross Margin

	Three months ended December 31,						Increase (Decrease)	
	2019 IFRS	Adjustment	2019 Non-IFRS	2018 IFRS	Adjustment	2018 Non-IFRS	IFRS	Non-IFRS
(€ million, except % and per share data)								
<b>Total Revenue</b>	<b>1,183.1</b>	<b>29.2</b>	<b>1,212.3</b>	<b>1,026.6</b>	<b>4.1</b>	<b>1,030.6</b>	<b>+15.3%</b>	<b>+17.6%</b>
<b>Total Revenue breakdown by activity</b>								
Software revenue	1,038.2	27.4	1,065.6	895.4	2.9	898.3	+16.0%	+18.6%
Licenses and Other software revenue	341.5		341.5	333.9		333.9	+2.3%	+2.3%
Subscription and Support revenue	696.7	27.4	724.2	561.5	2.9	564.4	+24.1%	+28.3%
Recurring portion of Software revenue	67%		68%	63%		63%		
Services revenue	144.9	1.7	146.6	131.2	1.1	132.3	+10.5%	+10.8%
<b>Total Revenue breakdown by product line</b>								
CATIA SW revenue	292.6		292.6	287.8	0.8	288.6	+1.7%	+1.4%
ENOVIA SW revenue	109.6		109.6	115.7		115.7	(5.3)%	(5.3)%
SOLIDWORKS SW revenue	233.2		233.2	209.3		209.3	+11.4%	+11.4%
Other SW revenue	402.8	27.4	430.2	282.5	2.1	284.7	+42.6%	+51.1%
Services revenue	144.9	1.7	146.6	131.2	1.1	132.3	+10.5%	+10.8%
<b>Total Revenue breakdown by geography</b>								
Americas revenue	389.3	27.6	416.9	285.2	3.0	288.1	+36.5%	+44.7%
Europe revenue	508.8	0.7	509.5	482.8	1.0	483.9	+5.4%	+5.3%
Asia revenue	284.9	0.9	285.9	258.6	0.1	258.6	+10.2%	+10.5%
<b>Gross Margin</b>								
Cost of Software revenue	(64.2)	0.9	(63.4)	(44.0)	0.6	(43.4)	+45.9%	+46.0%
Software Gross margin*	93.8%		94.1%	95.1%		95.2%		
Cost of Services revenue	(129.8)	3.4	(126.3)	(100.5)	0.8	(99.6)	+29.2%	+26.8%
Services Gross margin	10.4%		13.9%	23.4%		24.7%		

\* 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 December 31,						Increase (Decrease)	
	2019 IFRS	Adjustment	2019 Non-IFRS	2018 IFRS	Adjustment	2018 Non-IFRS	IFRS	Non-IFRS
<i>(€ million, except % and per share data)</i>								
<b>Total Operating Expenses</b>	<b>(960.5)</b>	<b>156.0</b>	<b>(804.5)</b>	<b>(757.6)</b>	<b>103.5</b>	<b>(654.1)</b>	<b>+26.8%</b>	<b>+23.0%</b>
Share-based compensation expense and related social charges	(58.0)	58.0		(28.9)	28.9			
Amortization of acquired intangible assets and of tangible assets revaluation	(91.9)	91.9		(45.3)	45.3			
Lease incentives of acquired companies	(0.5)	0.5		-	-			
Other operating income and expense, net	(5.7)	5.7		(29.3)	29.3			
<b>Operating Income</b>	<b>222.6</b>	<b>185.2</b>	<b>407.8</b>	<b>268.9</b>	<b>107.6</b>	<b>376.5</b>	<b>(17.2)%</b>	<b>+8.3%</b>
<b>Operating Margin</b>	<b>18.8%</b>		<b>33.6%</b>	<b>26.2%</b>		<b>36.5%</b>		
Financial revenue & other, net	(3.7)	0.4	(3.2)	2.9	1.0	3.9	(224.6)%	(183.1)%
Income tax expense	(38.8)	(50.5)	(89.3)	(83.8)	(21.4)	(105.2)	(53.7)%	(15.1)%
Non-controlling interest	2.8	(1.5)	1.4	2.9	(1.9)	1.0	(3.7)%	+34.9%
<b>Net Income attributable to shareholders</b>	<b>182.9</b>	<b>133.7</b>	<b>316.6</b>	<b>191.0</b>	<b>85.2</b>	<b>276.2</b>	<b>(4.2)%</b>	<b>+14.6%</b>
<b>Diluted net income per share, in EUR</b>	<b>0.69</b>	<b>0.51</b>	<b>1.20</b>	<b>0.73</b>	<b>0.33</b>	<b>1.06</b>	<b>(5.5)%</b>	<b>+13.2%</b>

	Three months ended December 31,							
	2019 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2019 Non-IFRS	2018 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2018 Non-IFRS
<i>(€ million)</i>								
Cost of revenue	(194.0)	4.1	0.2	(189.7)	(144.5)	1.4	-	(143.1)
Research and development	(210.3)	21.4	0.3	(188.6)	(163.3)	12.0	-	(151.3)
Marketing and sales	(350.7)	16.9	0.1	(333.8)	(297.4)	8.7	-	(288.8)
General and administrative	(107.9)	15.5	-	(92.4)	(77.8)	6.8	-	(70.9)
<b>Total</b>		<b>58.0</b>	<b>0.5</b>			<b>28.9</b>	<b>-</b>	

# IFRS – Non-IFRS Reconciliation YTD

## Revenue and Gross Margin

	Twelve months ended December 31,						Increase (Decrease)	
	2019 IFRS	Adjustment	2019 Non-IFRS	2018 IFRS	Adjustment	2018 Non-IFRS	IFRS	Non-IFRS
(€ million, except % and per share data)								
<b>Total Revenue</b>	<b>4,018.2</b>	<b>37.4</b>	<b>4,055.6</b>	<b>3,477.4</b>	<b>13.7</b>	<b>3,491.1</b>	<b>+15.6%</b>	<b>+16.2%</b>
<b>Total Revenue breakdown by activity</b>								
Software revenue	3,539.4	34.2	3,573.6	3,081.8	12.0	3,093.9	+14.8%	+15.5%
<i>Licenses and Other software revenue</i>	999.6		999.6	918.5		918.5	+8.8%	+8.8%
<i>Subscription and Support revenue</i>	2,539.8	34.2	2,574.0	2,163.3	12.0	2,175.3	+17.4%	+18.3%
<i>Recurring portion of Software revenue</i>	72%		72%	70%		70%		
Services revenue	478.8	3.2	482.0	395.6	1.6	397.2	+21.0%	+21.3%
<b>Total Revenue breakdown by product line</b>								
CATIA SW revenue	1,100.2		1,100.2	1,028.6	2.5	1,031.0	+7.0%	+6.7%
ENOVIA SW revenue	383.9		383.9	358.5		358.5	+7.1%	+7.1%
SOLIDWORKS SW revenue	823.5		823.5	742.5		742.5	+10.9%	+10.9%
Other SW revenue	1,231.8	34.2	1,266.1	952.3	9.6	961.9	+29.4%	+31.6%
Services revenue	478.8	3.2	482.0	395.6	1.6	397.2	+21.0%	+21.3%
<b>Total Revenue breakdown by geography</b>								
Americas revenue	1,298.6	34.0	1,332.7	1,001.3	8.7	1,010.0	+29.7%	+31.9%
Europe revenue	1,671.8	2.5	1,674.3	1,524.3	3.2	1,527.5	+9.7%	+9.6%
Asia revenue	1,047.7	0.9	1,048.6	951.8	1.8	953.6	+10.1%	+10.0%
<b>Gross Margin</b>								
Cost of Software revenue	(196.2)	3.3	(192.9)	(162.0)	2.1	(160.0)	+21.1%	+20.6%
Software Gross margin*	94.5%		94.6%	94.7%		94.8%		
Cost of Services revenue	(437.4)	6.0	(431.4)	(348.8)	2.7	(346.1)	+25.4%	+24.6%
Services Gross margin	8.6%		10.5%	11.8%		12.9%		

\* 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

	Twelve months ended December 31,						Increase (Decrease)	
	2019 IFRS	Adjustment	2019 Non-IFRS	2018 IFRS	Adjustment	2018 Non-IFRS	IFRS	Non-IFRS
<i>(€ million, except % and per share data)</i>								
<b>Total Operating Expenses</b>	<b>(3,205.4)</b>	<b>447.1</b>	<b>(2,758.3)</b>	<b>(2,709.2)</b>	<b>330.5</b>	<b>(2,378.6)</b>	<b>+18.3%</b>	<b>+16.0%</b>
Share-based compensation expense and related social charges	(168.5)	168.5		(120.6)	120.6			
Amortization of acquired intangible assets and of tangible assets revaluation	(244.0)	244.0		(171.6)	171.6			
Lease incentives of acquired companies	(0.5)	0.5		-	-			
Other operating income and expense, net	(34.1)	34.1		(38.4)	38.4			
<b>Operating Income</b>	<b>812.8</b>	<b>484.5</b>	<b>1,297.4</b>	<b>768.2</b>	<b>344.3</b>	<b>1,112.5</b>	<b>+5.8%</b>	<b>+16.6%</b>
<b>Operating Margin</b>	<b>20.2%</b>		<b>32.0%</b>	<b>22.1%</b>		<b>31.9%</b>		
Financial revenue & other, net	3.1	0.1	3.2	15.5	0.8	16.3	(80.3)%	(80.3)%
Income tax expense	(209.6)	(134.4)	(344.0)	(220.4)	(98.6)	(319.0)	(4.9)%	+7.8%
Non-controlling interest	9.0	(5.9)	3.0	6.0	(3.3)	2.7	+49.2%	+13.6%
<b>Net Income attributable to shareholders</b>	<b>615.3</b>	<b>344.3</b>	<b>959.6</b>	<b>569.4</b>	<b>243.0</b>	<b>812.5</b>	<b>+8.1%</b>	<b>+18.1%</b>
<b>Diluted net income per share, in EUR</b>	<b>2.34</b>	<b>1.31</b>	<b>3.65</b>	<b>2.18</b>	<b>0.94</b>	<b>3.12</b>	<b>+7.3%</b>	<b>+17.0%</b>

	Twelve months ended December 31,							
	2019 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2019 Non-IFRS	2018 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2018 Non-IFRS
<i>(€ million)</i>								
Cost of revenue	(633.6)	9.1	0.2	(624.2)	(510.9)	4.8	-	(506.1)
Research and development	(737.9)	69.5	0.3	(668.2)	(631.1)	47.1	-	(584.1)
Marketing and sales	(1,226.3)	49.9	0.1	(1,176.3)	(1,069.8)	31.0	-	(1,038.8)
General and administrative	(329.5)	39.9	-	(289.6)	(287.4)	37.7	-	(249.7)
<b>Total</b>		<b>168.5</b>	<b>0.5</b>			<b>120.6</b>	<b>-</b>	

# Financial Revenue and Other

## Non - IFRS

MEUR	4Q19	4Q18	var	YTD 19	YTD 18	var
Interest Income	5.8	10.5	(4.7)	33.7	37.4	(3.8)
Interest Expense	(5.4)	(3.4)	(2.0)	(14.9)	(14.5)	(0.5)
Interest Expense on cap lease (IFRS 16)	(4.2)	(0.0)	(4.2)	(14.3)	(0.2)	(14.1)
<b>Financial net Income</b>	<b>(3.8)</b>	<b>7.0</b>	<b>(10.8)</b>	<b>4.4</b>	<b>22.8</b>	<b>(18.3)</b>
Exchange Gain / (Loss)	0.6	(3.2)	3.8	(1.3)	(7.5)	6.3
Other Income / (Loss)	(0.0)	0.1	(0.1)	0.0	1.1	(0.9)
<b>Total</b>	<b>(3.2)</b>	<b>3.9</b>	<b>(7.1)</b>	<b>3.2</b>	<b>16.3</b>	<b>(13.1)</b>

# Exchange Rate evolution

From assumptions to actual data

Breakdown of P&L by currency for YTD 19		
	Revenue	Operating Expenses
USD	40.7%	37.7%
JPY	11.2%	4.4%

Average Exchange rates				
		2018	2019	% change
QTD	EUR/USD	1.14	1.11	-3%
	EUR/JPY	128.80	120.32	-7%
YTD	EUR/USD	1.16	1.12	-5%
	EUR/JPY	130.37	122.01	-6%



# Comparing 4Q19 with mid-range Objectives

Non - IFRS

In € million	Revenue	Operating Expenses	Operating Profit	Operating Margin
<b>4Q19 Guidances mid-range</b>	<b>1,192.0</b>	<b>(795.1)</b>	<b>396.9</b>	<b>33.3%</b>
<b>Growth YoY</b>	<b>+15.7%</b>	<b>+21.6%</b>	<b>+5.4%</b>	<b>-3.2pt</b>
USD impact	18.0	(11.2)	6.8	+0.1pt
JPY impact including hedging	3.2	(1.5)	1.7	+0.1pt
Other currencies and other hedging impact	8.4	(5.0)	3.4	+0.0pt
<b>Total FX</b>	<b>29.6</b>	<b>(17.7)</b>	<b>11.9</b>	<b>+0.2pt</b>
<b>Activity / Cost Control / Other</b>	<b>(9.3)</b>	<b>8.3</b>	<b>(1.0)</b>	<b>+0.1pt</b>
<b>Delta: Reported vs guidances</b>	<b>20.3</b>	<b>(9.4)</b>	<b>10.9</b>	<b>+0.3pt</b>
<b>4Q19 Reported</b>	<b>1,212.3</b>	<b>(804.5)</b>	<b>407.8</b>	<b>33.6%</b>
<b>Growth YoY</b>	<b>+17.6%</b>	<b>+23.0%</b>	<b>+8.3%</b>	<b>-2.9pts</b>
<b>4Q18 Reported</b>	<b>1,030.6</b>	<b>(654.1)</b>	<b>376.5</b>	<b>36.5%</b>

# Estimated FX impact on 4Q19 Op. Results

Non - IFRS

€ millions QTD	Total Revenue	Operating Expenses	Operating Income	Operating Margin
4Q19 Reported	1,212.3	(804.5)	407.8	33.6%
4Q18 Reported	1,030.6	(654.1)	376.5	36.5%
<i>Growth as reported</i>	+17.6%	+23.0%	+8.3%	-2.9 pts
<b>Impact of Actual Currency Rates</b>				
USD impact	11.9	(7.0)	4.9	
JPY impact including hedging	3.0	(2.3)	0.7	
Other currencies and other hedging impact	2.7	(0.1)	2.6	
<b>Total FX Impact adjustment</b>	<b>17.6</b>	<b>(9.4)</b>	<b>8.2</b>	
4Q18 ex FX	1,048.2	(663.5)	384.7	36.7%
<i>Growth exFX</i>	+16%	+21%	+6%	-3.1 pts

# Estimated FX impact on YTD 4Q19 Op. Results

Non - IFRS

€ millions FY	Total Revenue	Operating Expenses	Operating Income	Operating Margin
FY2019 Reported	4,055.6	(2,758.3)	1,297.4	32.0%
FY2018 Reported	3,491.1	(2,378.6)	1,112.5	31.9%
<i>Growth as reported</i>	+16.2%	+16.0%	+16.6%	+0.1 pt
<b>Impact of Actual Currency Rates</b>				
USD impact	73.6	(42.6)	31.0	
JPY impact including hedging	13.7	(8.2)	5.5	
Other currencies and other hedging impact	3.1	0.2	3.3	
<b>Total FX Impact adjustment</b>	<b>90.4</b>	<b>(50.6)</b>	<b>39.8</b>	
FY2018 ex FX	3,581.5	(2,429.2)	1,152.3	32.2%
<i>Growth exFX</i>	+13%	+14%	+13%	-0.2 pt

# Adjusted Net Debt / EBITDAO

€ millions	FY 19
Reported Financial Net Debt	€ 2,656
Operating leases liabilities (IFRS 16)	€ 696
<b>Adjusted Net Debt</b>	<b>€ 3,351</b>
Operating income (IFRS)	€ 813
Amortization and impairment on intangible assets	€ 254
Amort.and depr. of tangible assets and right of use (IFRS16)	€142
Reported EBITDA	€ 1,209
Share-based payments, excluding related social charges	€116
<b>EBITDAO</b>	<b>€ 1,325</b>
<b>Adjusted Net Debt / EBITDAO</b>	<b>2.5 X</b>

# New Reporting by Product Line | 2019 Data

€ millions	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
<b>Industrial Innovation software revenue</b>	<b>605</b>	<b>597</b>	<b>541</b>	<b>649</b>	<b>2,392</b>
of which CATIA	270	280	257	293	1,100
of which ENOVIA*	89	93	82	104	369
<b>Life Sciences software revenue**</b>	<b>39</b>	<b>30</b>	<b>33</b>	<b>161</b>	<b>264</b>
<b>Mainstream Innovation software revenue</b>	<b>215</b>	<b>223</b>	<b>224</b>	<b>255</b>	<b>918</b>
of which SOLIDWORKS	191	203	196	233	824
<b>Total software revenue</b>	<b>859</b>	<b>851</b>	<b>798</b>	<b>1,066</b>	<b>3,574</b>

\* Excluding ENOVIA Life Sciences Compliance and Quality Management (Q1 2019: €3m, Q2 2019: €4m, Q3 2019: €3m, Q4 2019: €6m, FY 2019: €15m)

\*\* Including ENOVIA Life Sciences Compliance and Quality Management (Q1 2019: €3m, Q2 2019: €4m, Q3 2019: €3m, Q4 2019: €6m, FY 2019: €15m)

# Consolidated Statement of Cash Flows

## IFRS

(in millions of €)

	4Q19	4Q18	Variation	4Q19 YTD	4Q18 YTD	Variation
Net income attributable to equity holders of the parent	182.9	191.0	(8.1)	615.3	569.4	45.9
Non-controlling interest	(2.8)	(2.9)	0.1	(9.0)	(6.0)	(3.0)
Net income	180.1	188.1	(8.0)	606.3	563.4	42.8
Depreciation of property & equipment	43.3	14.8	28.6	142.2	57.3	84.9
Amorization of intangible assets	94.9	47.5	47.4	253.8	180.4	73.4
Other non-cash P&L items	(8.1)	107.0	(115.2)	66.8	152.8	(86.0)
Changes in working capital	(127.8)	(205.4)	77.6	117.0	(55.3)	172.3
<b>Net Cash Provided by (Used in) Operating Activities (I)</b>	<b>182.4</b>	<b>152.0</b>	<b>30.5</b>	<b>1,186.1</b>	<b>898.6</b>	<b>287.5</b>
Additions to property, equipment and intangibles	(21.6)	(24.2)	2.5	(98.3)	(72.4)	(25.9)
Payments for acquisition of businesses, net of cash acquired	(4,813.0)	(4.3)	(4808.7)	(5,211.7)	(251.6)	(4960.1)
Sales (Purchases) of short-term investments, net	0.1	(0.1)	0.1	(0.1)	0.6	(0.7)
Investments, loans and others	(10.4)	1.5	(11.9)	(24.7)	0.2	(24.9)
<b>Net Cash Provided by (Used in) Investing Activities (II)</b>	<b>(4,845.0)</b>	<b>(27.1)</b>	<b>(4,817.9)</b>	<b>(5,334.8)</b>	<b>(323.2)</b>	<b>(5,011.6)</b>
Acquisition of non-controlling interests	-	-	-	-	(101.5)	101.5
Proceeds of short term and long term debt	989.6	-	989.6	4,641.7	-	4641.7
Repayment of short term and long term debt	(104.9)	-	(104.9)	(1,105.8)	(14.9)	(1090.8)
Payments on lease obligations	(19.7)	-	(19.7)	(76.3)	-	(76.3)
Repurchase of treasury stock	(98.4)	(92.4)	(6.0)	(133.8)	(206.3)	72.6
Proceeds from exercise of stock-options	17.5	10.7	6.8	90.4	69.9	20.6
Cash dividend paid	-	-	-	(168.8)	(38.0)	(130.8)
<b>Net Cash Provided by (Used in) Financing Activities (III)</b>	<b>784.2</b>	<b>(81.7)</b>	<b>865.9</b>	<b>3,247.5</b>	<b>(290.8)</b>	<b>3,538.3</b>
Effect of exchange rate changes on cash and cash equivalents (IV)	(32.3)	20.3	(52.5)	36.9	65.3	(28.4)
<b>Increase (Decrease) in Cash (V) = (I)+(II)+(III)+(IV)</b>	<b>(3,910.7)</b>	<b>63.5</b>	<b>(3,974.2)</b>	<b>(864.4)</b>	<b>349.9</b>	<b>(1,214.3)</b>
Cash and cash equivalents at Beginning of Period	5,855.6	2,745.8		2,809.3	2,459.4	
<b>Cash and cash equivalents at End of Period</b>	<b>1,944.9</b>	<b>2,809.3</b>		<b>1,944.9</b>	<b>2,809.3</b>	
Cash and cash equivalents variation	(3,910.7)	63.5		(864.4)	349.9	

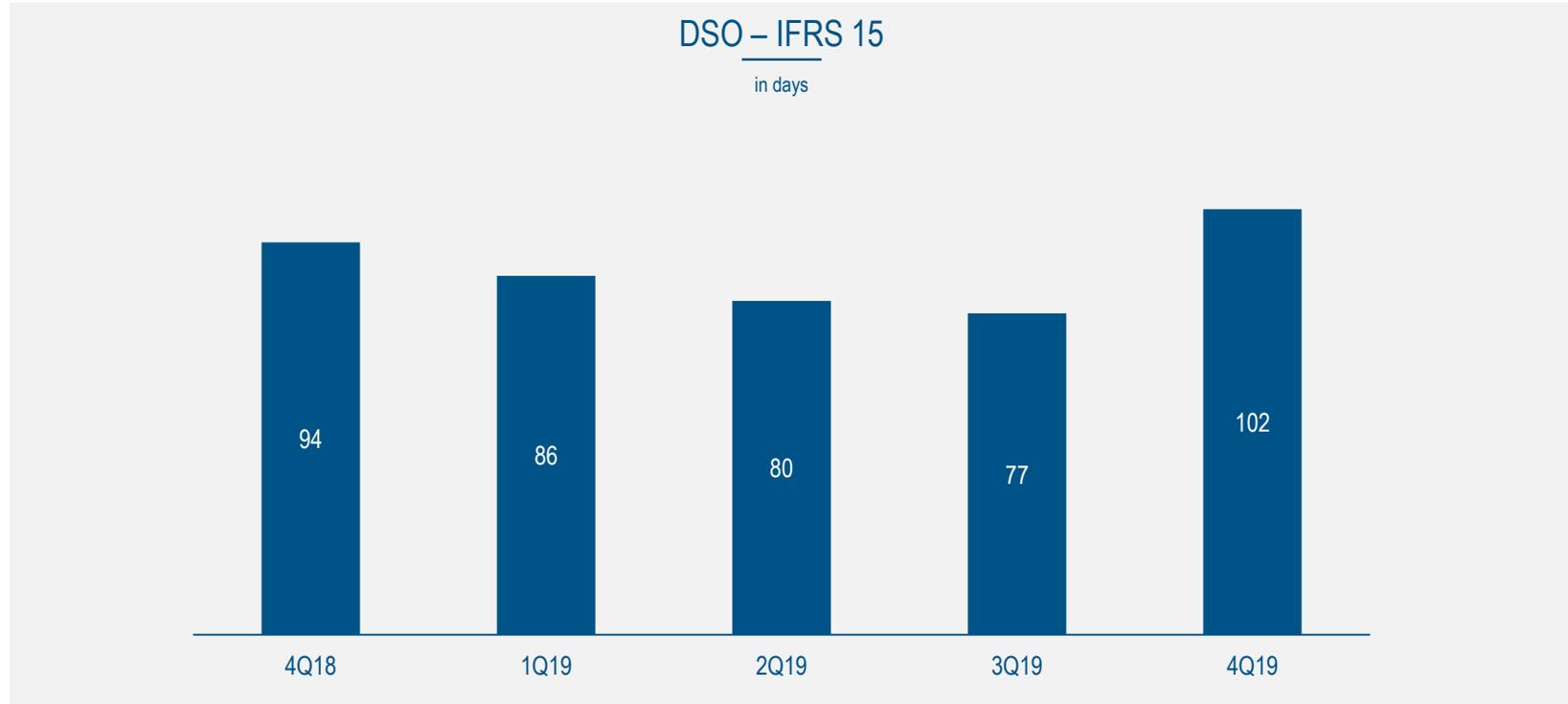
# Balance Sheet

## IFRS

(in millions of €)	End of Dec-19	End of Sep-19	Variation Dec-19 / Sep-19	End of Dec-18	Variation Dec-19 / Dec-18
Cash and cash equivalents	1,944.9	5,855.6	-3,910.7	2,809.3	-864.4
Short-term investments	0.7	0.8	-0.1	0.6	+0.1
Accounts receivable, net	1,319.2	744.0	+575.2	1,044.1	+275.1
Contract assets	26.9	39.9	-13.0	26.5	+0.4
Other current assets	377.2	424.6	-47.4	321.3	+55.9
<b>Total current assets</b>	<b>3,669.0</b>	<b>7,064.9</b>	<b>-3,395.9</b>	<b>4,201.8</b>	<b>-532.8</b>
Property and equipment, net	899.7	568.8	+330.9	178.2	+721.5
Goodwill and Intangible assets, net	8,917.0	3,675.2	+5,241.8	3,262.4	+5,654.6
Other non-current assets	386.9	343.2	+43.7	331.6	+55.3
<b>Total non-current assets</b>	<b>10,203.7</b>	<b>4,587.3</b>	<b>+5,616.4</b>	<b>3,772.2</b>	<b>+6,431.4</b>
<b>Total Assets</b>	<b>13,872.6</b>	<b>11,652.2</b>	<b>+2,220.5</b>	<b>7,974.0</b>	<b>+5,898.6</b>
Accounts payable	220.0	160.1	+59.8	161.7	+58.3
Contract liabilities	1,093.5	922.1	+171.3	907.5	+186.0
Borrowings, current	4.4	10.7	-6.2	350.0	-345.6
Other current liabilities	816.0	589.5	+226.5	603.6	+212.4
<b>Total current liabilities</b>	<b>2,133.8</b>	<b>1,682.4</b>	<b>+451.4</b>	<b>2,022.8</b>	<b>+111.0</b>
Borrowings, non-current	4,596.8	3,628.5	+968.3	650.0	+3,946.8
Other non-current liabilities	1,879.4	1,095.7	+783.6	675.4	+1,204.0
<b>Total non-current liabilities</b>	<b>6,476.2</b>	<b>4,724.1</b>	<b>+1,751.9</b>	<b>1,325.4</b>	<b>+5,150.7</b>
Non-controlling interest	53.9	58.2	-4.3	63.9	-10.0
Parent Shareholders' equity	5,208.7	5,187.4	+21.3	4,561.9	+646.8
<b>Total Liabilities and Shareholders' Equity</b>	<b>13,872.6</b>	<b>11,652.2</b>	<b>+2,220.5</b>	<b>7,974.0</b>	<b>+5,898.6</b>

# Trade Accounts Receivables - DSO

IFRS

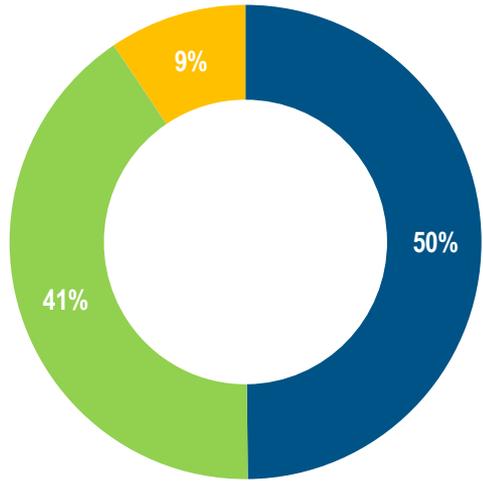


# Headcount by destinations – 4Q19

## Overview

At Closing - TOTAL			
	<u>4Q19</u>	<u>4Q18</u>	<u>% growth</u>
M&S + COR Ser	10,177	8,511	+19.6%
R&D + COR SW	8,291	6,885	+20.4%
G&A	1,926	1,634	+17.9%
<b>Total</b>	<b>20,394</b>	<b>17,030</b>	<b>+19.8%</b>

Closing H/C - December 2019



■ 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-down of **~€12m**
- ▶ FY 2020 estimated **share-based compensation** expenses, including related social charges: **~€189m**
- ▶ FY 2020 estimated amortization of **acquired intangible assets** and of **tangible assets revaluation**: **~€398m**
- ▶ 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 December 31, 2019.

