



3DEXPERIENCE®

Dassault Systèmes

Q2 & H1 2019 Earnings Presentation

Bernard Charlès,

Vice-Chairman & CEO

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EVP, CFO & Corporate Strategy Officer

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 Company'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 Company's current outlook for 2019 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 Company's revenue, net earnings and cash flows may grow more slowly, whether on an annual or quarterly basis. While the Company makes every effort to take into consideration this uncertain macroeconomic outlook, the Company'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 Company's business results. The Company'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 and also available on the Company's website www.3ds.com.

In preparing such forward-looking statements, the Company has in particular assumed an average US dollar to euro exchange rate of US\$1.15 per €1.00 for the 2019 third quarter and US\$1.20 per €1.00 for the 2019 fourth quarter as well as an average Japanese yen to euro exchange rate of JPY130 to €1.00 for the 2019 third and fourth quarters before hedging; however, currency values fluctuate, and the Company'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 Company'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 Company's 2018 *Document de Référence* filed with the AMF on March 26, 2019.

In the tables accompanying this press release the Company 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, 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 Company'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 Company utilizes the following ratios: a) for new licenses revenue, the Company 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 Company calculates the percentage contribution by comparing total 3DEXPERIENCE software revenue to software revenue for all product lines except SOLIDWORKS and acquisitions ("related software revenue").

H1 2019 Highlights Non-IFRS

► Good H1 2019 in terms of:

Performance

- ✓ Total revenue up **+13%** exFX
- ✓ Organic software revenue up **+9%** exFX
- ✓ **3DEXPERIENCE** software revenue* up **+40%** exFX
- ✓ Double-digit software growth in **Transportation & Mobility, Aerospace & Defense, Home & Lifestyle, High-Tech** and **Marine & Offshore**
- ✓ EPS up **+20%**

► Confirming and upgrading **FY19 guidance** for currencies
Targeting **FY19 EPS** of **€3.45-3.50** well aligned with **2014-2019** objective to double EPS

Strategy Implementation

PURPOSE	Making a significant and positive impact
SOCIAL	Cloud Adoption Benefiting early from all technological innovations
INDUSTRY	Industry Renaissance: from Transportation & Mobility to Aerospace & Defense and High-Tech
EXPERIENCE	Customer-centric, citizen-centric, patient-centric experience

* Excluding SOLIDWORKS and acquisitions

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Strategy at Work

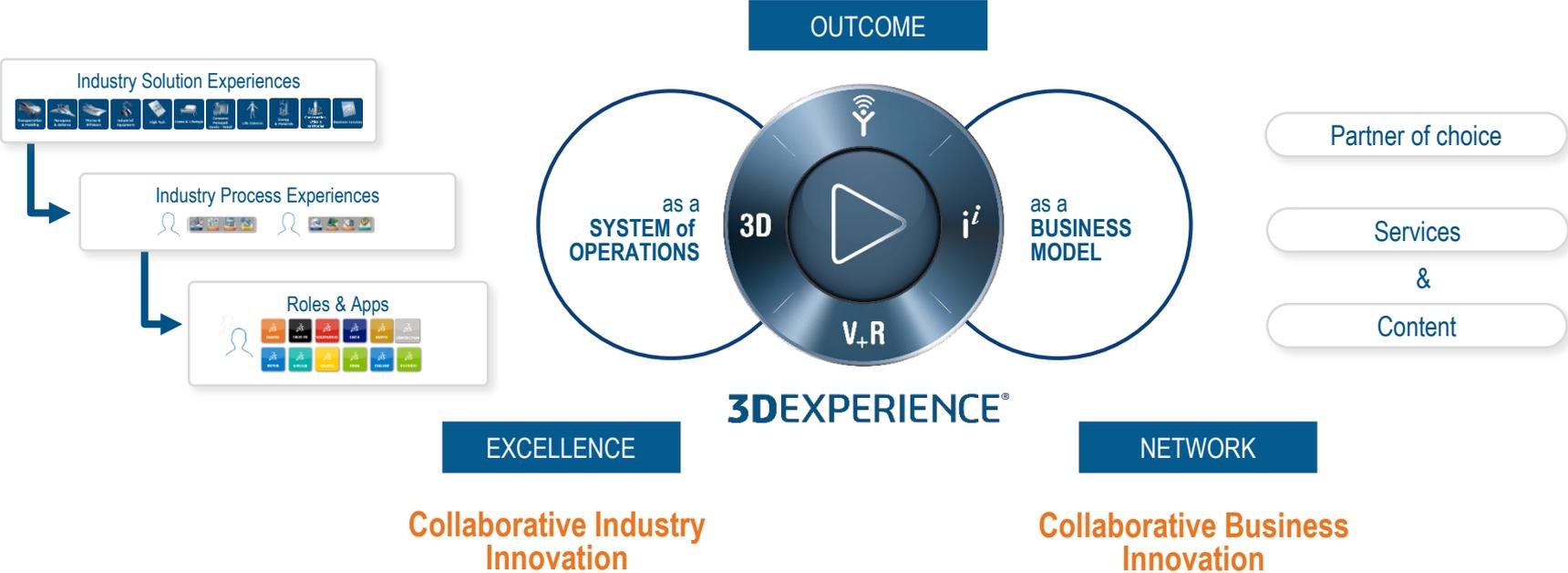
Q2 & H1 19 Business Review

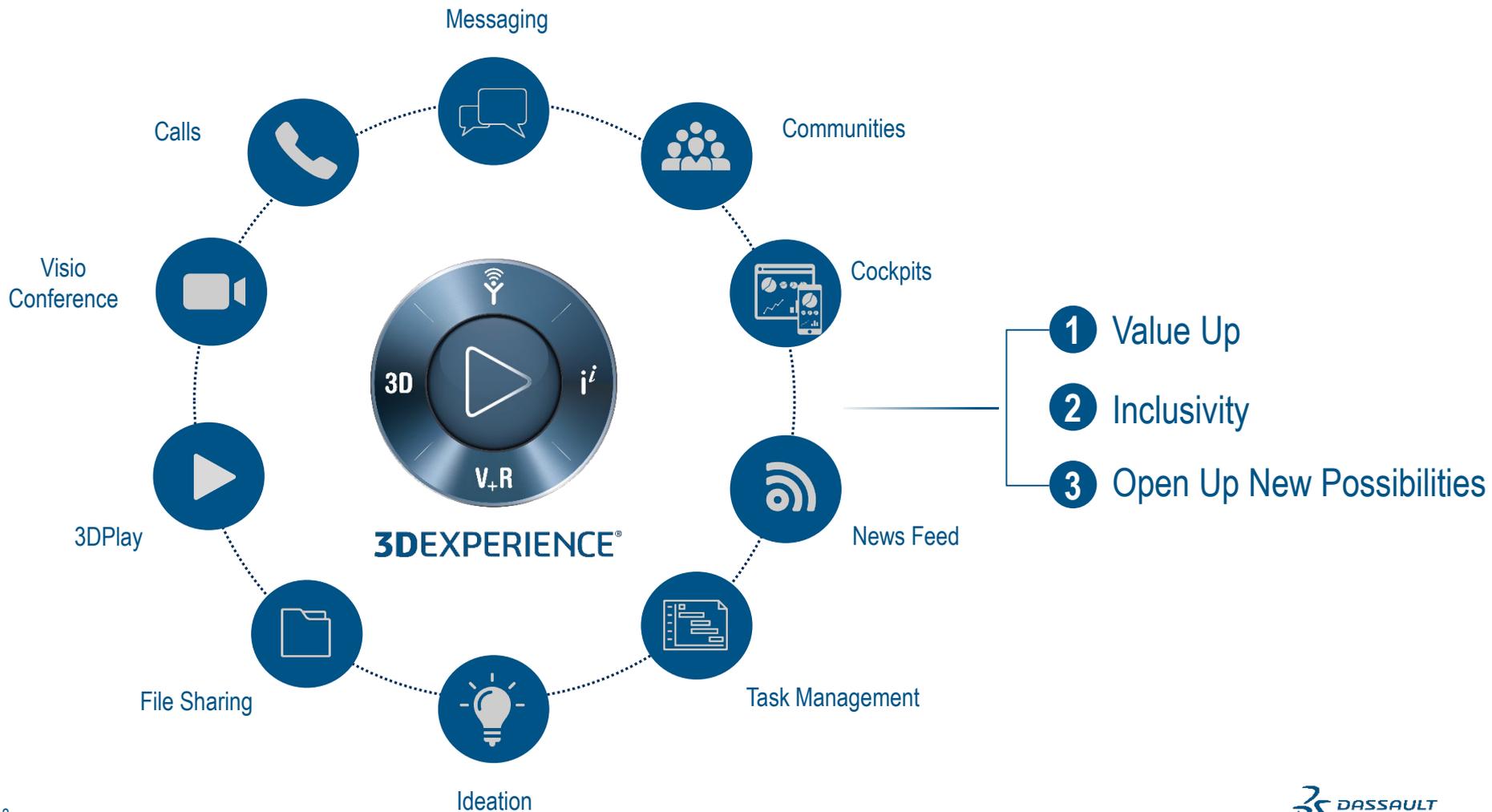
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Q3 & FY19 Financial Objectives

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The 3DEXPERIENCE Platform is a Game Changer





The **3DEXPERIENCE** Supports our Purpose

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





Delivering on Transportation & Mobility Challenges

Electric, Connected & Autonomous Vehicles

Intelligent vehicle experience delivery



Certification & Compliance

Compliance with global and local requirements



Electric Vehicles Batteries

From chemistry to cell engineering, to module engineering and integration into full vehicles



On-Target Vehicle Launch

Engineering, industrialization, manufacturing



On-demand Production

Visibility, efficiency, and control of manufacturing operations, within and across plants



PSA

To Further Deploy 3DEXPERIENCE



Leading car manufacturer and a provider of mobility solutions



Business Values:

3DEXPERIENCE platform successfully deployed

- ▶ Several **thousands of users**, including **2,000 users** in less than 1 year in 2018 at **OPEL**
- ▶ **Further deployments** to enlarge the scope of this transformation in areas such as **manufacturing**

First and only software provider recognized as Groupe PSA's preferred digital partner

Focus toward **greener**, more **electrified**, **autonomous** and **regulated mobility** → new ways to invent, develop, test, make and deliver innovative customer experiences

Solution:

3DEXPERIENCE Platform with multiple Industry Solution Experiences to offer a **holistic approach** that will enable every organization in the group to support the value creation process



GAC Group

新世代驾享先锋SUV
传祺GS5



Adopts 3DEXPERIENCE Platform



Guangzhou Automobile Group Co., Ltd. (GAC Group): Chinese automobile maker with 5 R&D centers WW : Guangzhou (H.Q), Silicon Valley, Detroit, Los Angeles and Shanghai. Self-owned brand “Trumchi” ranked #1 Best Quality of China T&M OEMs for 6 years.

Business Values:

Increasing **R&D efficiency** and enabling the best **collaborative innovation** for **4,500+ users**

- ▶ Leveraging across the enterprise the **power of models** as a **common language**
- ▶ Preserving legacy investments using **POWER'BY** functionalities
- ▶ Using a **single engineering definition reference** to support different usages including engineering and design

Solution:

3DEXPERIENCE Platform with **Global Modular Architecture** Industry Solution Experience



Renault LCI

Adopts 3DEXPERIENCE on the Cloud

GRUPE RENAULT

LCI (Cooperative Innovation Laboratory) in-house innovation laboratory of Groupe Renault for disruptive mobility solution for urban areas



Business Values:

- ▶ **Bringing together project stakeholders** from engineering, design and product marketing, each with their own challenges, **around the vehicle's digital model**
- ▶ Using a **cloud** version without any customization giving the autonomy to engage in a **new digital 'test and learn' experience** with dashboard managers, powerful realistic rendering images, urban delivery web monitoring, and virtual visualization with a headset but without data transfer or processing

Solution:

3DEXPERIENCE Platform with
Electro Mobility Accelerator
Industry Solution Experience on
the Cloud

Paris-Saclay Autonomous Lab: new autonomous, electric and shared mobility services



Delivering on Aerospace & Defense Challenges

Production Rate

Meet demand for the next few years



Growing Complexity of Systems

Accelerate program integration while decreasing costs



Supply Chain

Drive integration for first-time-quality and on time delivery



After Market

Increase fleet availability and reduce parts inventory



Start-ups

Accelerate concept to delivery from years to months



Dassault Aviation Adopts 3DEXPERIENCE for Fleet Performance



Leading aircraft manufacturer



Business Values:

Dassault Aviation appointed a single contractor for the maintenance verticalized contract of RAFALE fleet embarking all industrial partners

- ▶ Maximizing **fleet availability**
Minimizing operational **costs**
Improving contract **performance**
- ▶ **AI & big-data** for continuous learning on fleet data to deliver predictive/preventive maintenance & reliability
- ▶ **Advanced & secured collaboration** for multi partners (customer and sub-contractors) on complex operations to leverage aircraft data while protecting all relevant information

Solution:

3DEXPERIENCE twin to consolidate the massive amount of data from the real world to a virtual model for projection, contextualization and learning, with **EXALEAD** and **ENOVIA** brands



Boom Technology Adopts 3DEXPERIENCE



American startup company designing a Mach 2.2 55-passenger supersonic transport



Business Values:

- ▶ **Accelerating design and development** of Overture, Mach-2.2 commercial airliner, with an aim to make supersonic travel mainstream and affordable
- ▶ Supporting product development from **concept** through **manufacturing** and **certification**
- ▶ **Cutting development time** of its first prototype in **half**
- ▶ **Lowering the barriers to market entry**
- ▶ **Growth path** to the 3DEXPERIENCE Platform for **SOLIDWORKS** customers

Solution:

3DEXPERIENCE Platform with
“Reinvent the Sky”
Industry Solution Experience

SOLIDWORKS customer



Delivering on High-Tech Challenges

New Usages & Applications

Wearable, wireless, software-driven



Product Experience

Connected, contextual and continuously improved experience



Regulatory & Standards Certification Pressure

RoHS, energy efficiency, 5G-3GPP, EMI, DOD 254, conflict materials, trade compliance



Product Variants Explosion and Fast Technology Change

Modularity, configurable solutions, new materials, miniaturization, battery



Technology Component Supply Volatility

Supply/demand & price variability, shortage, obsolescence, counterfeit, trade wars, rare materials, compliance...



BOSCH

Adopts 3DEXPERIENCE



BOSCH

Invented for life

Bosch Car Multimedia part of Bosch Mobility Solutions: driver information, infotainment systems, freely programmable instrumentation systems



Business Values:

3DEXPERIENCE platform and model-based systems engineering approach to involve all disciplines in the development and **create a holistic digital model to test and validate** without the need for physical prototypes

- ▶ Accelerating **development time**
- ▶ Reducing **costs**
- ▶ Providing **full end-to-end traceability from OEM** requirements to individual components from suppliers

Solution:

3DEXPERIENCE Platform with multiple Industry Solution Experiences and model-based systems engineering approach



Fuji Xerox

Adopts SIMULIA



Joint venture partnership between Fujifilm Holdings (75%) and Xerox (25%) – Leading printer manufacturer



Business Values:

- ▶ Reducing the **number of physical prototypes** needed
- ▶ Shortening the **design process**
- ▶ Predicting **EMC (electromagnetic compatibility)** problems before constructing the prototype and identifying the mechanism behind any that did arise, making them easier to mitigate

Solution:

SIMULIA with CST Studio Suite

The **3DEXPERIENCE** Supports our Purpose

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Construction, Cities & Territories

Reinvent the built environment

Ensure a sustainable and resilient urban future



Southern California Institute of Architecture

The **3DEXPERIENCE** Supports our Purpose

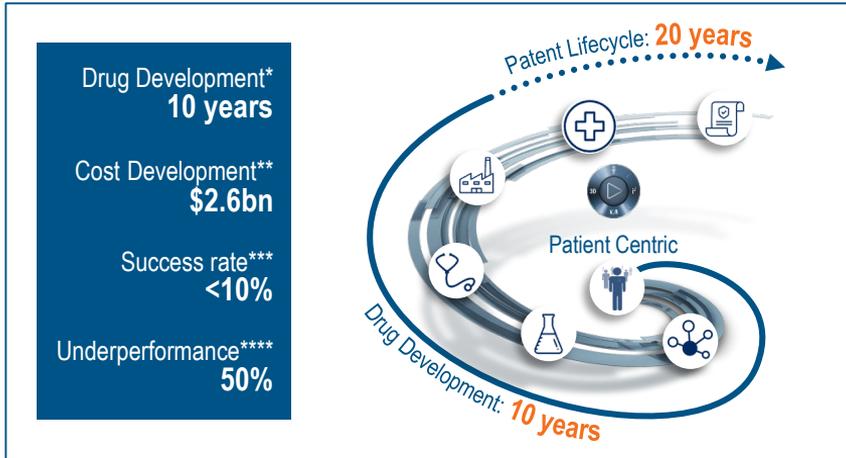
“ Dassault Systèmes provides business & people with **3DEXPERIENCE** universes to imagine sustainable innovations capable of harmonizing product, nature and life. ”





Dassault Systèmes to Acquire Medidata Solutions

Improve Patient Outcomes



Medidata's Product Portfolio



* Biopharmaceutical Research & Development: The Process Behind New Medicines, PhRMA, 2015 (page 4)

** Tufts Center for the Study of Drug Development, November 2014 (slide 5)

*** Clinical Development Success Rates 2006-2015 (page 7), BIO, Biomedtracker, Amplion

**** Bain report, September 2017



Providing Science-based Experiences

Made to Cure

Accelerate market launch and maximize return on investment



Launched to Cure



Manufacturing

License to Cure

Accelerate therapeutic development, approval, manufacturing, and supply, in a global landscape



Commercialization

Clinical testing

Clinically Approved



Research & Discovery

Designed to Cure

Speed time to market with higher quality novel therapeutics



Preclinical development

ONE Lab

Optimize your laboratories and leverage knowledge to improve time to market

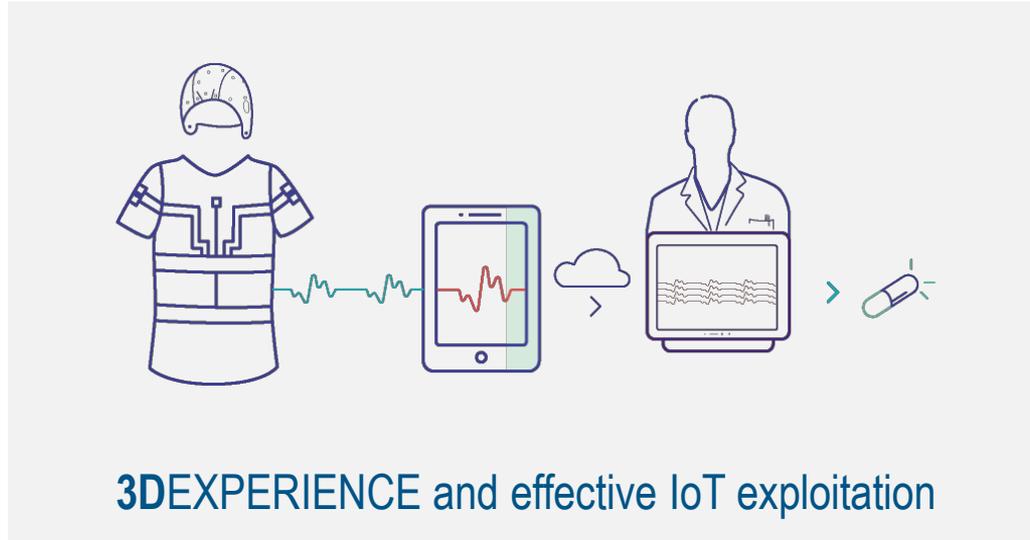


 Dassault Systèmes

 Medidata Solutions



Dassault Systèmes Investing in BioSerenity

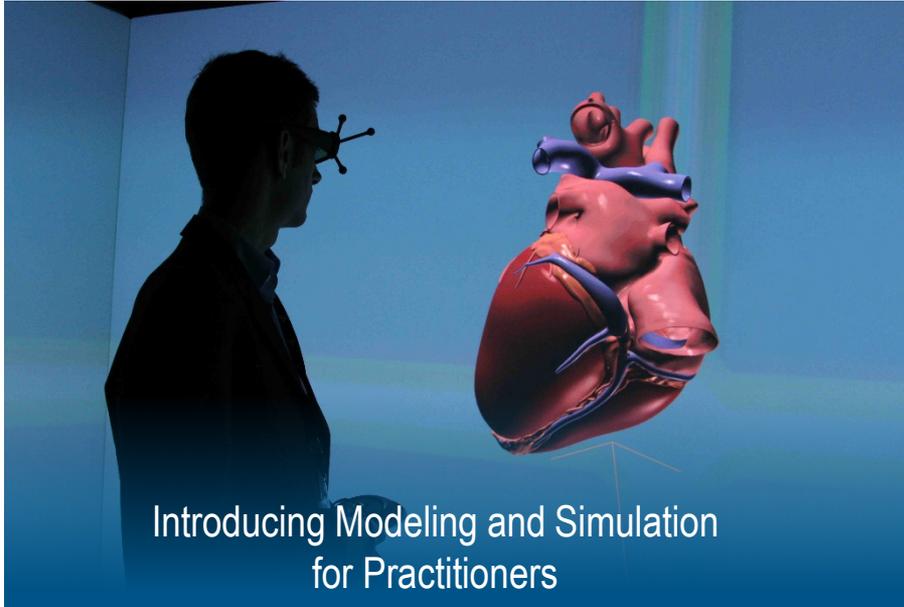


Start up involved in **3DEXPERIENCE Lab program**

Investing 1st phase **€15 million** and 2nd phase **€10 million** (in 12-15 months)
out of €50 million equity financing

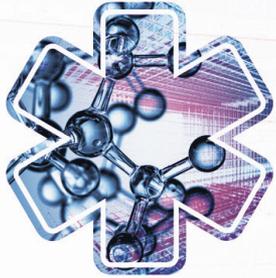


5th Annual Living Heart Symposium



July 23-24 2019 | Waltham, MA | USA

Representatives from industry, research, clinical practice and regulatory agencies are coming together to share experiences, technical advances and clinical applications of the **Living Heart**, the **first commercial and personalizable model of the human heart**, which is now available to anyone on the 3DEXPERIENCE platform in the cloud.



GLOBAL INNOVATION INDEX 2019

Release of the Global Innovation Index (GII)* 2019: *Creating Healthy Lives-The Future of Medical Innovation*

The Global Innovation Index (GII) looks forward to revealing the innovation rankings of economies and the findings of this year's theme at the global launch in **New Delhi, India**, on **Wednesday, July 24, 2019**.

Co-Publishers



Knowledge Partners



* Providing 80 detailed metrics for 129 economies, the GI has become one of the leading references for measuring an economy's innovation performance - <https://www.globalinnovationindex.org/Home>



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Q2 & H1 2019 Performance at a Glance Non-IFRS

€ millions	Q2 19	H1 19
Revenue	965	1,929
Growth	+16%	+17%
Growth exFX	+13%	+13%
Software Growth exFX	+12%	+12%
Licenses* Growth exFX	+12%	+13%
Operating Margin	30.7%	31.8%
Operating Margin	+1.3 pt	+1.4 pt
EPS (€)	0.82	1.69
EPS Evolution	+19%	+20%



% exFX Revenue growth **%** % of related revenue

* Licenses and other software revenue

** Excluding SOLIDWORKS and acquisitions

Software Revenue by Region Non-IFRS

Software Revenue Growth exFX	Q2 19	H1 19	
Americas	+14%	+16%	Large deal activity, strong recurring software growth and contributions from acquisitions
Europe	+13%	+11%	Driven by Northern, Southern Europe and France
Asia	+9%	+9%	Strong performance in China and India
Software Revenue	+12%	+12%	

Software Revenue by Brand Non-IFRS

Software Revenue Growth exFX	Q2 19	H1 19	
CATIA	+12%	+9%	Double-digit licenses revenue* growth in Q2 and H1
ENOVIA	+9%	+14%	High double-digit licenses revenue* growth in H1
SOLIDWORKS	+4%	+4%	Weakening license * revenue growth Firm support of recurring revenue Continued double-digit revenue growth in Asia
Other Software	+20%	+21%	Double-digit organic revenue growth led by DELMIA and good SIMULIA contribution
Software Revenue	+12%	+12%	

* Licenses and other software revenue

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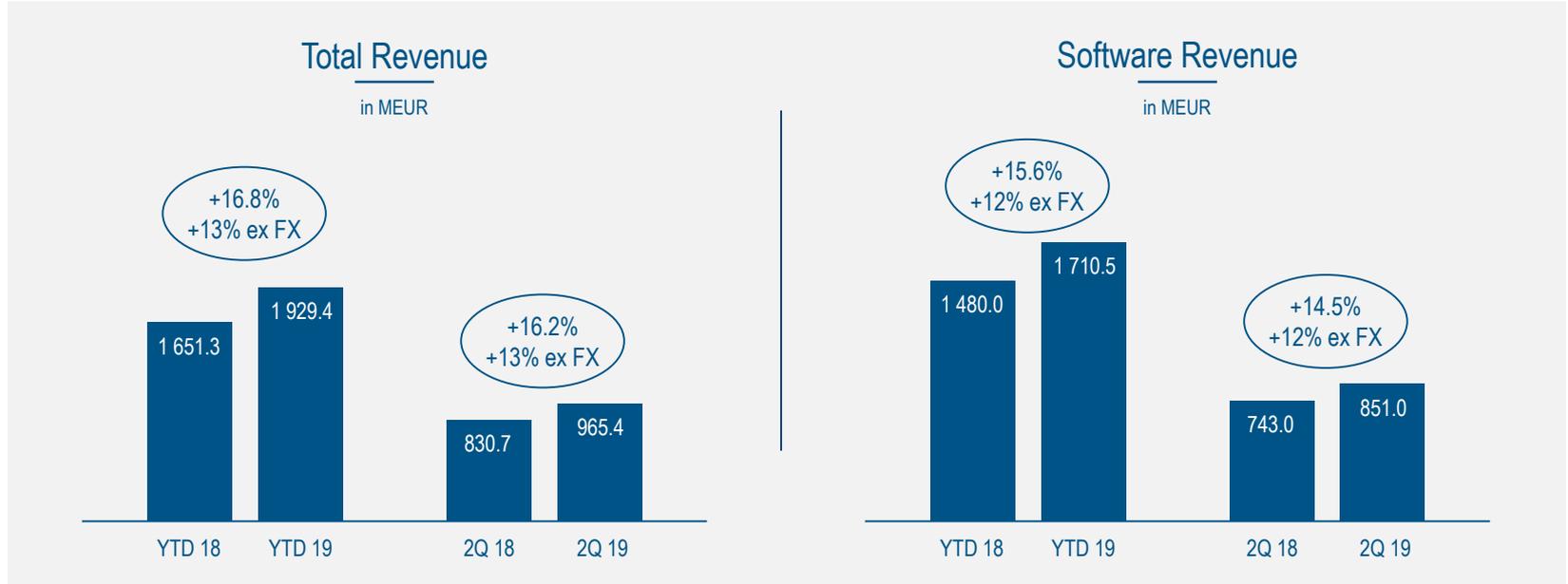
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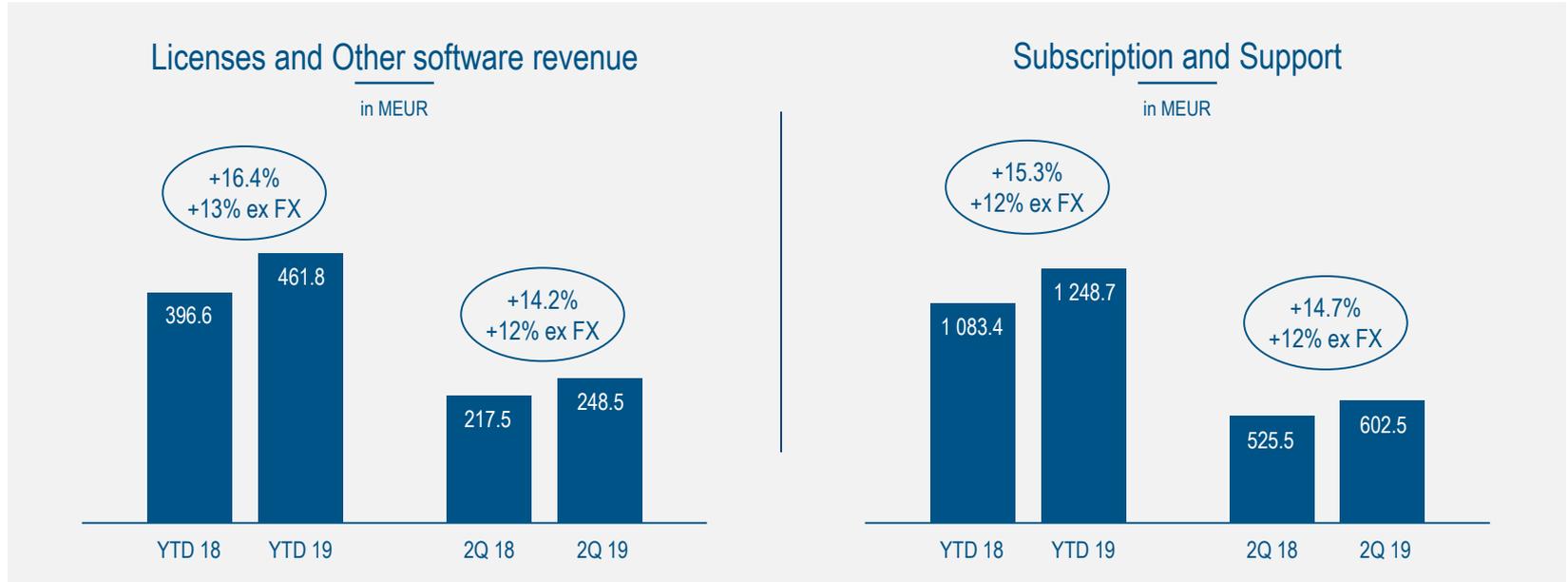
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Revenue Growth Non-IFRS



Organic revenue **+10%** exFX in Q2 and **+9%** in H1
Organic software revenue **+9%** exFX in Q2 and **+9%** in H1

Software Revenue Growth Non-IFRS

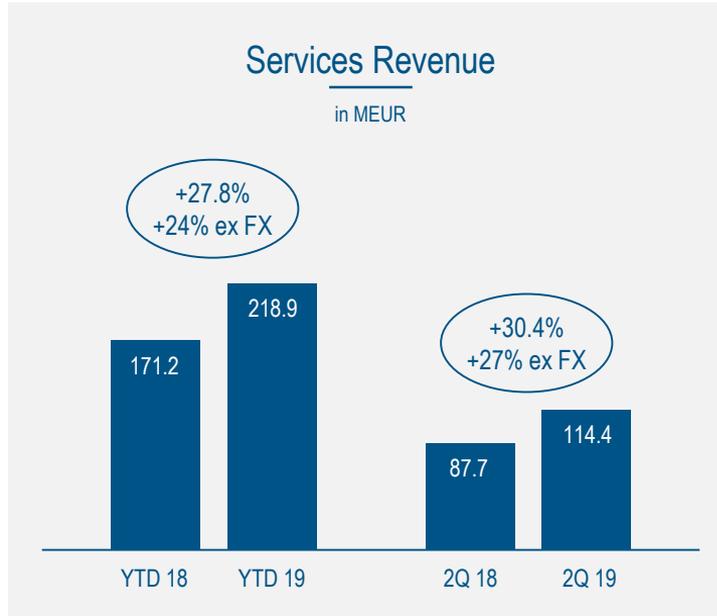


Organic **licenses*** revenue up **+7%** exFX in Q2 and **+8%** in H1
Organic **recurring**** revenue up **+9%** exFX in Q2 and **+9%** in H1

* Licenses and other software revenue

** Subscription and support revenue

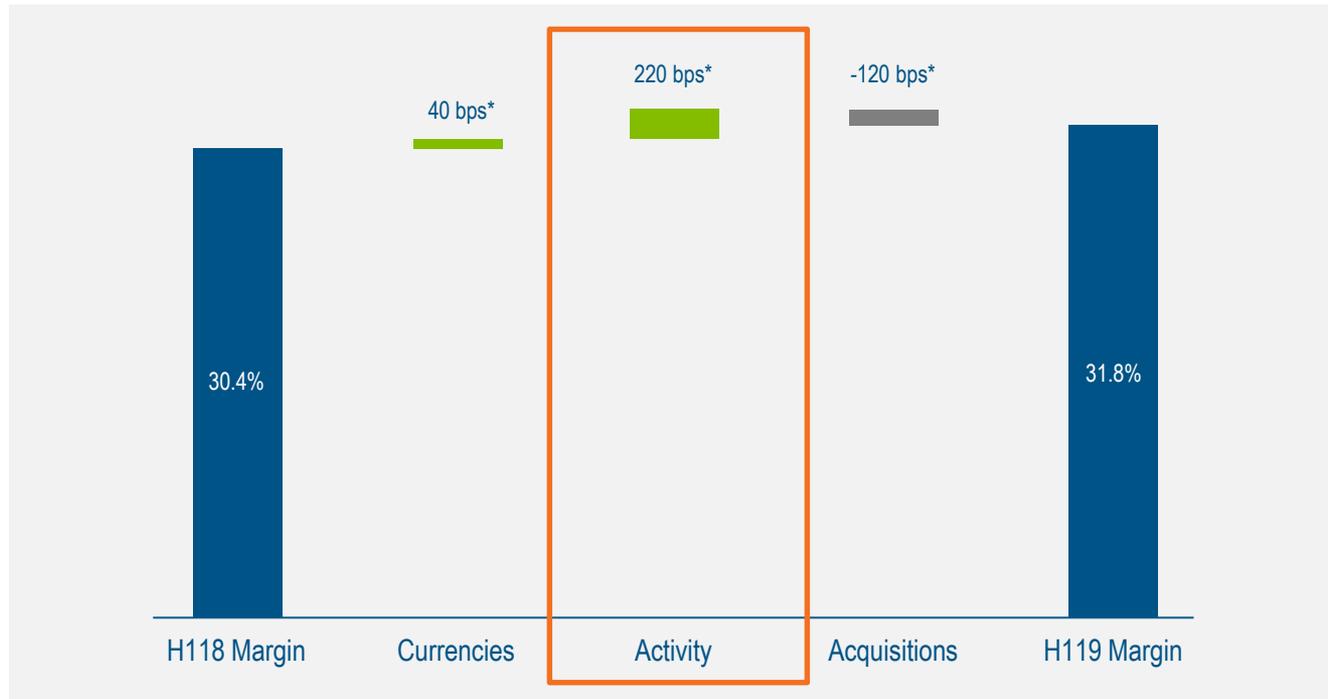
Services Revenue & Margin Evolution Non-IFRS



Organic services revenue up **+15%** exFX in Q2 and **+12%** in H1

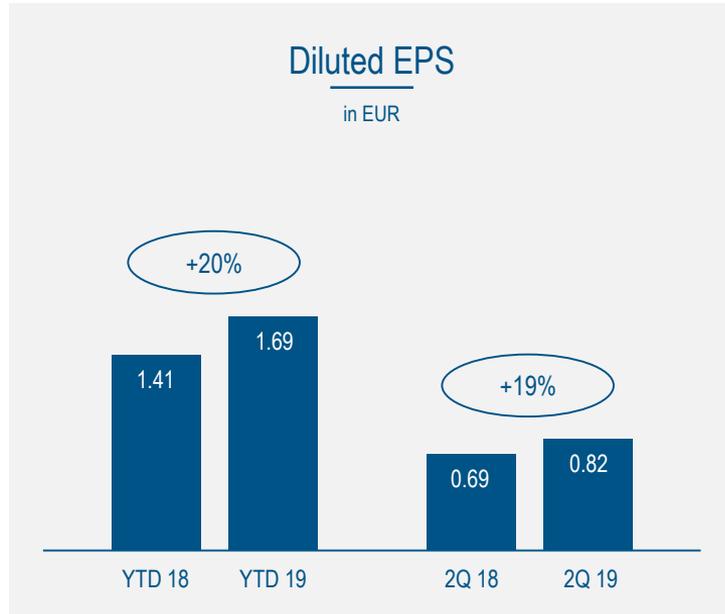
Serv. Gross Margin	6.5%	6.6%	7.4%	8.2%
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Operating Margin Evolution Non-IFRS



* bps: basis points

EPS Non-IFRS

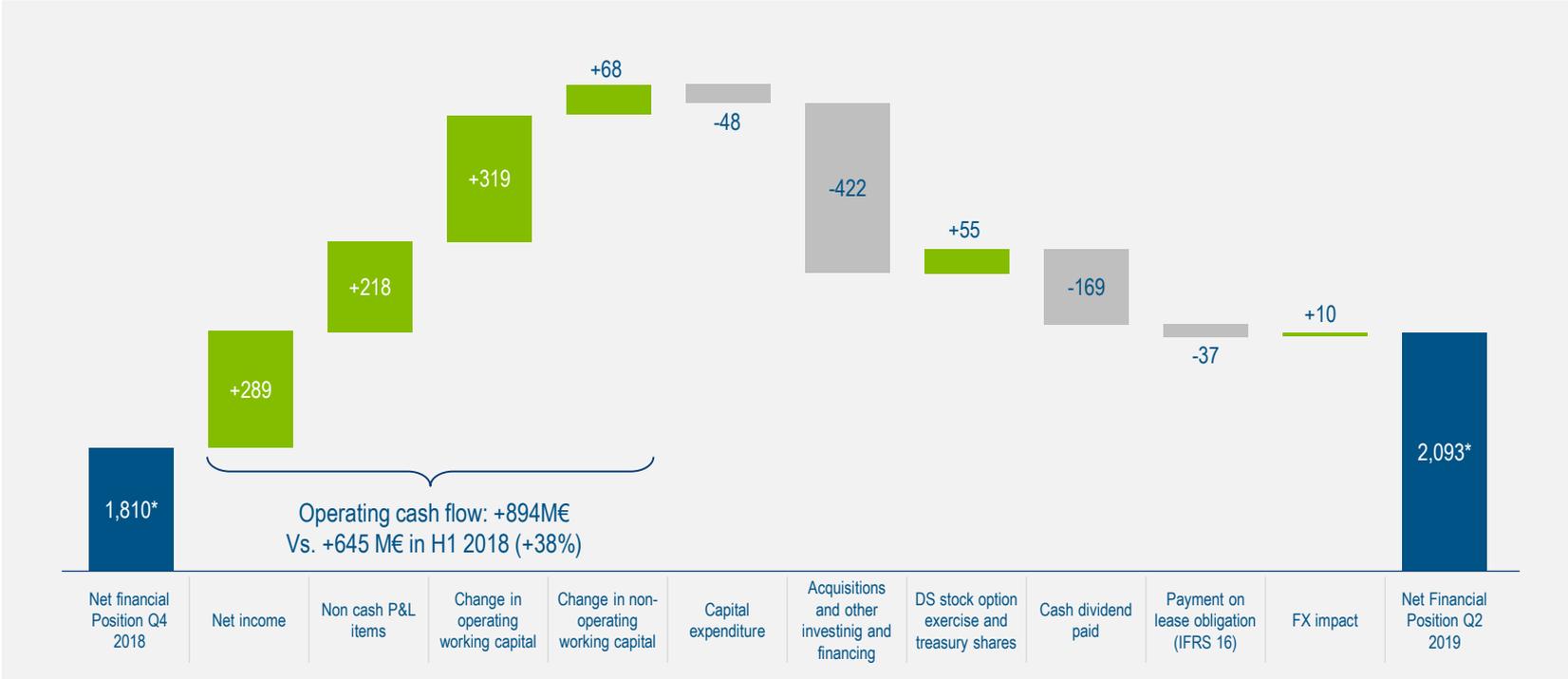


EPS driven by **top line growth**, **operating margin improvement** and **positive currency impact**

Q2 19 tax rate: **28.1%** → **+0.3 points**

H1 19 tax rate: **28.9%** → **+0.6 points**

Change in Net Financial Position IFRS



* Reflecting cash, cash equivalents, short-term investments and debt related to credit lines

Operating Cash Flow Evolution IFRS

€ million	YTD 19	YTD 18	Changes	
Operating Cash Flow	+894	+645	+249	Up 38% year on year
Net income adjusted for non cash items	+507	+414	+93	
Decrease in trade accounts receivable and contract assets	+253	+190	+63	Balance up 11% exFX at constant perimeter
Increase in contract liability *	+88	+106	-18	Balance up 8% exFX at constant perimeter
Decrease in accrued compensation	-27	-7	-20	
Increase (decrease) in accounts payable	+4	-14	+18	
Increase (decrease) in income taxes payable	+60	-25	+85	Activity growth, lower taxable income in 2018 and lower tax downpayments in 2019**
Other	+9	-19	+28	

* Previously named unearned revenue

** Due to 2018 FDII (foreign driven intangible income) revised estimation in the US

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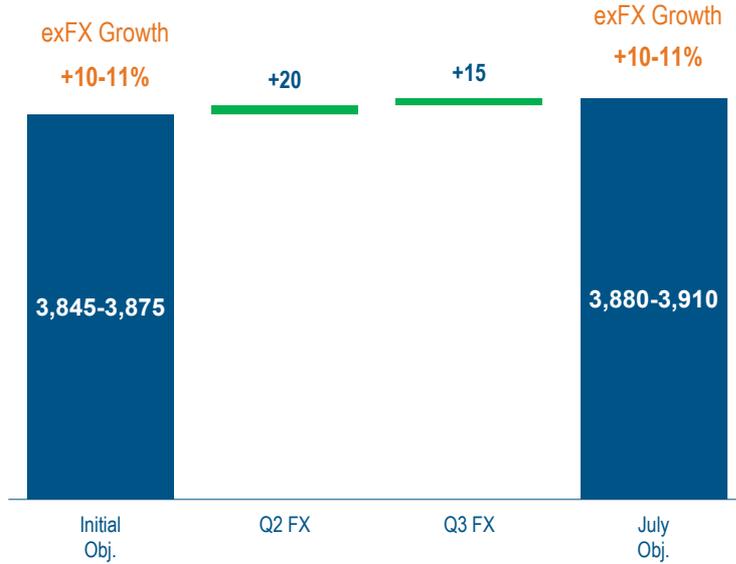
Medidata Transaction Overview Non-IFRS

Transaction	<p>Merger agreement signed on June 12th</p> <p>All cash one-step merger</p> <p>Enterprise value of \$5.8bn</p>
Financing	<p>Committed financing facility</p> <p>€4 billion debt package with targeted Strong Investment Grade rating</p> <p>€1 billion term loan and €3bn bridge-to-bond facility to be refinanced with laddered bond tranches →</p> <p>Objective of Net debt to EBITDA ratio around 1x over time across the investment cycle</p> <p>Estimated net financial cost*: ~€18 million for one quarter of 2019, ~€55 million for 2020 (descending progressively from there)</p>
Closing	<p>Antitrust clearance received in the US and in Germany</p> <p>Medidata shareholders to vote on the approval of the merger on August 16th, 2019</p> <p>Expecting to complete the acquisition in Q4 or possibly in Q3 2019 if all conditions to closing are satisfied then</p> <p>Providing Q4 and FY combined guidance at the time of Q3 earnings announcement on October 24th, 2019, if the acquisition is completed</p> <p>Save the date: Life Sciences Day on November 13th, 2019</p>

*Net financial cost reflecting lower cash earning interest, interest expense and financing costs

Objectives Changes from April to July*

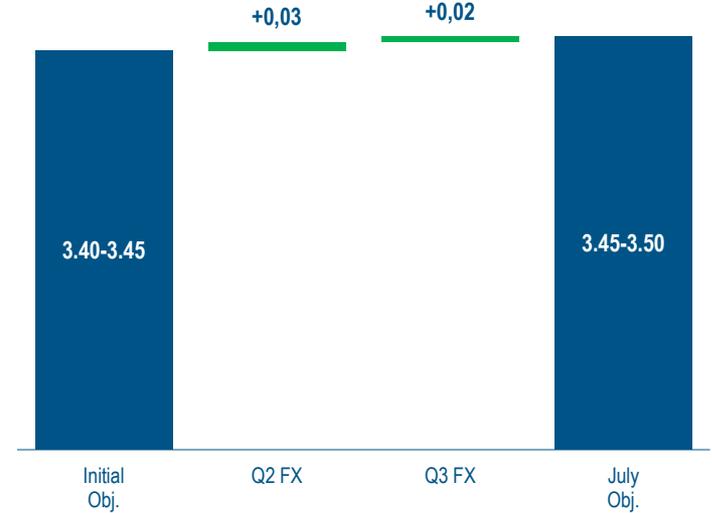
Revenue variation



Mid point 3,860

3,895

EPS variation



Mid point 3.42

3.47

* Medidata NOT included - will be included post closing

** Q3 FX: from US\$1.20 per €1.00 in April to US\$1.15 per €1.00 in July

Proposed Objectives* Non-IFRS

Q3 2019			FY 2019		
	Q3 2019		FY 2019		
Software +9-11% exFX		Revenue (M€)	3,880-3,910		Software: +10-11% exFX Licenses: +9-11% exFX Recurring: ~+10% exFX
Licenses +8-12% exFX	890-905	Growth	+11-12%		
Recurring +9-11% exFX	+10-12%	Growth ex FX	+10-11%		
	29-30%	Operating Margin	~32.5%		Organic operating margin increase: ~ +100 basis points exFX and excluding IFRS16 benefit
	Stable to +1 pt	Operating Margin Growth	~+0.6 pt		
	0.70-0.74	EPS (€)	3.45-3.50		Tax rate of ~28.9%
	+8-14%	EPS Growth	+11-12%		
	1.15	€/\$ rates	1.15		
	130.0	€/¥ rates	127.1		

* Medidata NOT included - will be included post closing

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Software Revenue by Region

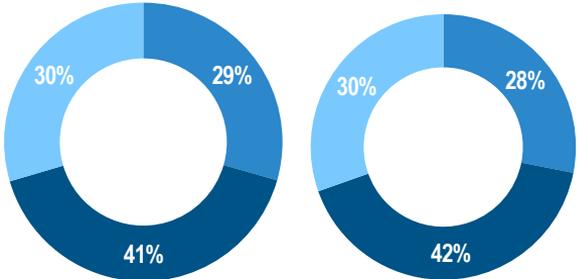
IFRS

in MEUR

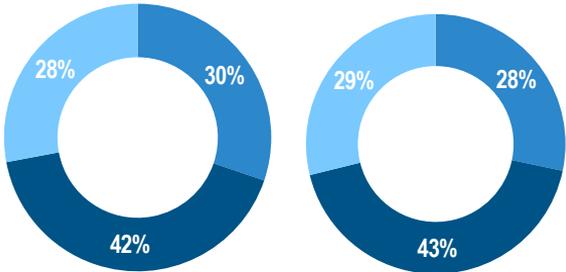
	2Q19	2Q18	Growth	Growth ex FX
Americas	249.5	208.1	+20%	+13%
Europe	347.5	306.9	+13%	+12%
Asia	250.5	225.1	+11%	+9%
Software revenue	847.4	740.1	+15%	+12%

	YTD 19	YTD 18	Growth	Growth ex FX
Americas	514.3	417.7	+23%	+15%
Europe	712.4	631.9	+13%	+11%
Asia	476.0	425.6	+12%	+9%
Software revenue	1 702.7	1 475.2	+15%	+12%

2Q19 **2Q18**



YTD 19 **YTD 18**



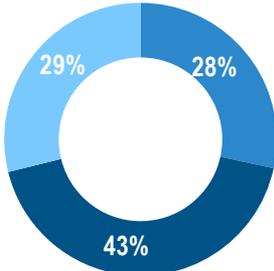
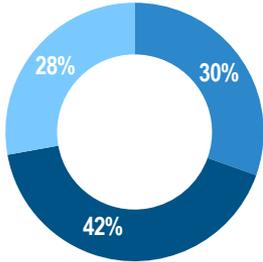
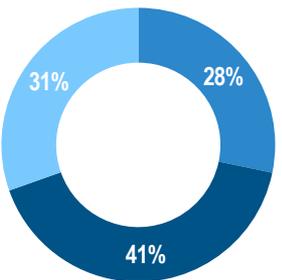
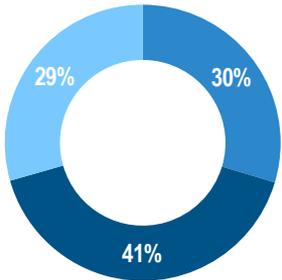
Software Revenue by Region

Non - IFRS

<i>in MEUR</i>	2Q19	2Q18	Growth	Growth ex FX	YTD 19	YTD 18	Growth	Growth ex FX
Americas	252.3	210.0	+20%	+14%	520.6	420.5	+24%	+16%
Europe	348.3	307.1	+13%	+13%	714.0	632.4	+13%	+11%
Asia	250.5	225.9	+11%	+9%	476.0	427.1	+11%	+9%
Software revenue	851.0	743.0	+15%	+12%	1 710.5	1 480.0	+16%	+12%

2Q19 **2Q18**

YTD 19 **YTD 18**



Revenue by Product Line

IFRS

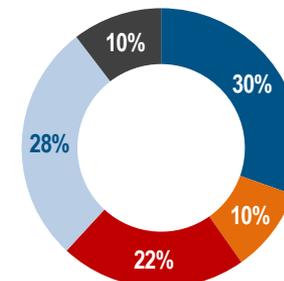
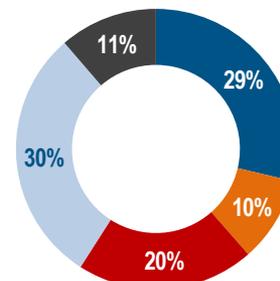
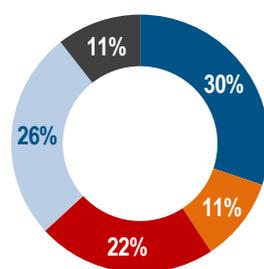
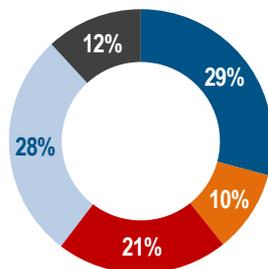
in MEUR

	2Q19	2Q18	Growth	Growth ex FX
CATIA SW	280.4	249.9	+12%	+12%
ENOVIA SW	97.1	87.3	+11%	+9%
SOLIDWORKS SW	202.8	185.9	+9%	+4%
Other SW	267.0	217.0	+23%	+19%
Services	114.0	87.7	+30%	+27%
Total revenue	961.4	827.8	+16%	+13%

	YTD 19	YTD 18	Growth	Growth ex FX
CATIA SW	550.5	500.6	+10%	+9%
ENOVIA SW	189.4	162.0	+17%	+14%
SOLIDWORKS SW	394.2	355.7	+11%	+4%
Other SW	568.5	456.9	+24%	+20%
Services	217.6	171.2	+27%	+23%
Total revenue	1 920.3	1 646.4	+17%	+13%

2Q19 2Q18

YTD 19 YTD 18



Revenue by Product Line

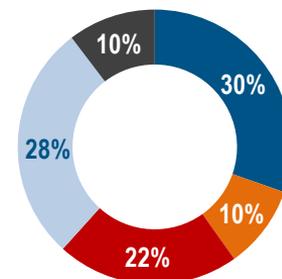
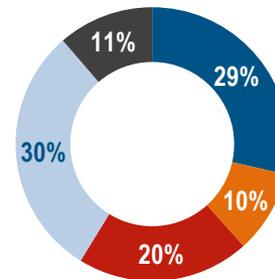
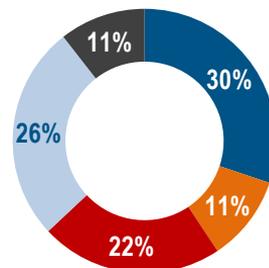
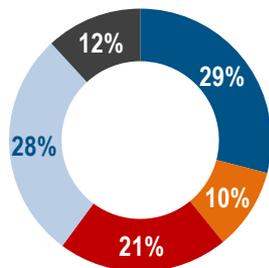
Non - IFRS

in MEUR

	2Q19	2Q18	Growth	Growth ex FX	YTD 19	YTD 18	Growth	Growth ex FX
CATIA SW	280.4	250.4	+12%	+12%	550.5	501.0	+10%	+9%
ENOVIA SW	97.1	87.3	+11%	+9%	189.4	162.0	+17%	+14%
SOLIDWORKS SW	202.8	185.9	+9%	+4%	394.2	355.7	+11%	+4%
Other SW	270.6	219.4	+23%	+20%	576.3	461.3	+25%	+21%
Services	114.4	87.7	+30%	+27%	218.9	171.2	+28%	+24%
Total revenue	965.4	830.7	+16%	+13%	1 929.4	1 651.3	+17%	+13%

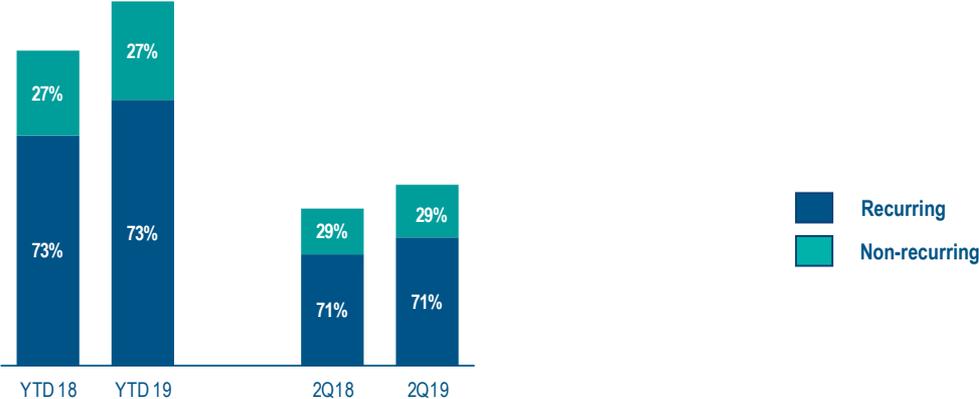
2Q19 2Q18

YTD 19 YTD 18



Software Revenue Evolution

Non - IFRS



IFRS P&L

(In millions of €, except per share data)	Three months ended June 30,			Six months ended June 30,		
	2019	2018	YoY	2019	2018	YoY
Software revenue	847.4	740.1	+14.5%	1 702.7	1 475.2	+15.4%
Licenses and Other software revenue	248.5	217.5	+14.2%	461.8	396.6	+16.4%
Subscription and Support revenue	598.9	522.5	+14.6%	1 240.9	1 078.6	+15.1%
Services revenue	114.0	87.7	+30.0%	217.6	171.2	+27.1%
Total revenue	961.4	827.8	+16.1%	1 920.3	1 646.4	+16.6%
Cost of Software revenue	(44.6)	(38.2)	+16.9%	(89.8)	(79.0)	+13.6%
Cost of Services revenue	(105.7)	(81.8)	+29.3%	(206.3)	(161.2)	+28.0%
Research and development	(176.9)	(161.4)	+9.6%	(357.2)	(314.0)	+13.7%
Marketing and sales	(300.5)	(262.8)	+14.3%	(591.7)	(515.8)	+14.7%
General and administrative	(75.7)	(69.8)	+8.4%	(152.3)	(139.6)	+9.2%
Amortization of acquired intangibles	(50.9)	(40.7)	+25.2%	(101.0)	(82.5)	+22.5%
Other operating income and expense, net	(24.9)	(4.4)	N/A	(24.0)	(6.9)	N/A
Total operating expenses	(779.3)	(659.0)	+18.2%	(1 522.4)	(1 299.0)	+17.2%
Operating income	182.2	168.7	+8.0%	397.9	347.4	+14.5%
Financial revenue and other, net	0.2	4.4	-96.3%	5.3	9.1	-41.7%
Income tax expense	(51.1)	(44.0)	+16.1%	(114.0)	(91.5)	+24.7%
Non-controlling interest	2.8	0.1	N/A	5.6	0.4	N/A
Net Income (to equity holders of the parent)	134.1	129.3	+3.7%	294.9	265.5	+11.1%
Diluted net income per share (EPS)	0.51	0.50	+2.0%	1.13	1.02	+10.8%
Average diluted shares (Million)	261.1	260.4		260.8	260.0	

IFRS P&L (%)

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
	<u>% of revenue</u>		<u>% of revenue</u>	
Software revenue	88.1%	89.4%	88.7%	89.6%
Licenses and Other software revenue	25.8%	26.3%	24.0%	24.1%
Subscription and Support revenue	62.3%	63.1%	64.6%	65.5%
Services revenue	11.9%	10.6%	11.3%	10.4%
Total revenue	100.0%	100.0%	100.0%	100.0%
Cost of Software revenue	4.6%	4.6%	4.7%	4.8%
Cost of Services revenue	11.0%	9.9%	10.7%	9.8%
Research and development	18.4%	19.5%	18.6%	19.1%
Marketing and sales	31.3%	31.8%	30.8%	31.3%
General and administrative	7.9%	8.4%	7.9%	8.5%
Amortization of acquired intangibles	5.3%	4.9%	5.3%	5.0%
Other operating income and expense, net	2.6%	0.5%	1.3%	0.4%
Total operating expenses	81.1%	79.6%	79.3%	78.9%
Operating income	18.9%	20.4%	20.7%	21.1%
Financial revenue and other, net	0.0%	0.5%	0.3%	0.6%
Income tax rate (% of EBIT)	28.0%	25.4%	28.3%	25.6%
Non-controlling interest	0.3%	0.0%	0.3%	0.0%
Net Income (to equity holders of the parent)	<u>13.9%</u>	<u>15.6%</u>	<u>15.4%</u>	<u>16.1%</u>

Non-IFRS P&L

(In millions of €, except per share data)	Three months ended June 30,			Six months ended June 30,		
	2019	2018	YoY	2019	2018	YoY
Software revenue	851.0	743.0	+14.5%	1 710.5	1 480.0	+15.6%
Licenses and Other software revenue	248.5	217.5	+14.2%	461.8	396.6	+16.4%
Subscription and Support revenue	602.5	525.5	+14.7%	1 248.7	1 083.4	+15.3%
Services revenue	114.4	87.7	+30.4%	218.9	171.2	+27.8%
Total revenue	965.4	830.7	+16.2%	1 929.4	1 651.3	+16.8%
Cost of Software revenue	(43.9)	(37.7)	+16.3%	(88.2)	(78.1)	+13.0%
Cost of Services revenue	(105.0)	(81.2)	+29.3%	(204.4)	(160.0)	+27.7%
Research and development	(162.9)	(150.5)	+8.2%	(322.3)	(291.0)	+10.8%
Marketing and sales	(289.8)	(255.3)	+13.5%	(568.6)	(501.9)	+13.3%
General and administrative	(67.7)	(61.9)	+9.3%	(133.3)	(118.4)	+12.6%
Total operating expenses	(669.2)	(586.6)	+14.1%	(1 316.8)	(1 149.5)	+14.6%
Operating income	296.2	244.1	+21.4%	612.6	501.8	+22.1%
Financial revenue and other, net	(0.1)	5.0	N/A	4.1	10.3	-59.7%
Income tax expense	(83.3)	(69.3)	+20.2%	(178.5)	(144.9)	+23.2%
Non-controlling interest	1.2	0.1	N/A	2.2	0.4	N/A
Net Income (to equity holders of the parent)	214.0	179.9	+19.0%	440.5	367.5	+19.8%
Diluted net income per share (EPS)	0.82	0.69	+18.8%	1.69	1.41	+19.9%
Average diluted shares (Million)	261.1	260.4		260.8	260.0	

Non-IFRS P&L (%)

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Software revenue	88.2%	89.4%	88.7%	89.6%
Licenses and Other software revenue	25.7%	26.2%	23.9%	24.0%
Subscription and Support revenue	62.4%	63.3%	64.7%	65.6%
Services revenue	11.8%	10.6%	11.3%	10.4%
Total revenue	100.0%	100.0%	100.0%	100.0%
Cost of Software revenue	4.5%	4.5%	4.6%	4.7%
Cost of Services revenue	10.9%	9.8%	10.6%	9.7%
Research and development	16.9%	18.1%	16.7%	17.6%
Marketing and sales	30.0%	30.7%	29.5%	30.4%
General and administrative	7.0%	7.5%	6.9%	7.2%
Total operating expenses	69.3%	70.6%	68.2%	69.6%
Operating income	30.7%	29.4%	31.8%	30.4%
Financial revenue and other, net	0.0%	0.6%	0.2%	0.6%
Income tax rate (% of EBIT)	28.1%	27.8%	28.9%	28.3%
Non-controlling interest	0.1%	0.0%	0.1%	0.0%
Net Income (to equity holders of the parent)	<u>22.2%</u>	<u>21.7%</u>	<u>22.8%</u>	<u>22.3%</u>

IFRS – Non-IFRS Reconciliation QTD

Revenue and Gross Margin

	Three months ended June 30,						Increase (Decrease)	
	2019 IFRS	Adjustment	2019 Non-IFRS	2018 IFRS	Adjustment	2018 Non-IFRS	IFRS	Non-IFRS
(€ million, except % and per share data)								
Total Revenue	961.4	4.0	965.4	827.8	3.0	830.7	16.1%	16.2%
Total Revenue breakdown by activity								
Software revenue	847.4	3.6	851.0	740.1	3.0	743.0	14.5%	14.5%
<i>Licenses and Other software revenue</i>	248.5		248.5	217.5		217.5	14.2%	14.2%
<i>Subscription and Support revenue</i>	598.9	3.6	602.5	522.5	3.0	525.5	14.6%	14.7%
<i>Recurring portion of Software revenue</i>	71%		71%	71%		71%		
Services revenue	114.0	0.4	114.4	87.7		87.7	30.0%	30.4%
Total Revenue breakdown by product line								
CATIA SW revenue	280.4		280.4	249.9	0.5	250.4	12.2%	12.0%
ENOVIA SW revenue	97.1		97.1	87.3		87.3	11.3%	11.3%
SOLIDWORKS SW revenue	202.8		202.8	185.9		185.9	9.1%	9.1%
Other SW revenue	267.0	3.6	270.6	217.0	2.4	219.4	23.1%	23.3%
Services revenue	114.0	0.4	114.4	87.7		87.7	30.0%	30.4%
Total Revenue breakdown by geography								
Americas revenue	295.6	3.0	298.7	237.1	1.9	239.0	24.7%	25.0%
Europe revenue	393.8	0.9	394.7	345.9	0.2	346.1	13.8%	14.0%
Asia revenue	272.0		272.0	244.7	0.9	245.6	11.1%	10.8%
Gross Margin								
Cost of Software revenue	(44.6)	0.8	(43.9)	(38.2)	0.5	(37.7)	16.9%	16.3%
<i>Software Gross margin*</i>	<i>94.7%</i>		<i>94.8%</i>	<i>94.8%</i>		<i>94.9%</i>		
Cost of Services revenue	(105.7)	0.8	(105.0)	(81.8)	0.6	(81.2)	29.3%	29.3%
<i>Services Gross margin</i>	<i>7.2%</i>		<i>8.2%</i>	<i>6.7%</i>		<i>7.4%</i>		

* No amortization of acquired intangibles is included in Software Gross margin calculation

IFRS – Non-IFRS Reconciliation QTD

Expenses & Earnings

	Three months ended June 30,						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>								
Total Operating Expenses	(779.3)	110.1	(669.2)	(659.0)	72.4	(586.6)	18.2%	14.1%
Share-based compensation expense	(34.2)	34.2	-	(27.3)	27.3	-		
Amortization of acquired intangibles	(50.9)	50.9	-	(40.7)	40.7	-		
Other operating income and expense, net	(24.9)	24.9	-	(4.4)	4.4	-		
Operating Income	182.2	114.1	296.2	168.7	75.4	244.1	8.0%	21.4%
Operating Margin	18.9%		30.7%	20.4%		29.4%		
Financial revenue & other, net	0.2	(0.2)	(0.1)	4.4	0.6	5.0	-96.3%	-101.7%
Income tax expense	(51.1)	(32.2)	(83.3)	(44.0)	(25.3)	(69.3)	16.1%	20.2%
Non-controlling interest	2.8	(1.6)	1.2	0.1		0.1	N/A	N/A
Net Income attributable to shareholders	134.1	79.9	214.0	129.3	50.7	179.9	3.7%	19.0%
Diluted net income per share, in EUR	0.51	0.31	0.82	0.50	0.19	0.69	2.0%	18.8%

	Three months ended June 30,					
	2019 IFRS	Adjust.	2019 Non-IFRS	2018 IFRS	Adjust.	2018 Non-IFRS
<i>(€ million)</i>						
Cost of revenue	(150.4)	1.5	(148.8)	(120.0)	1.1	(118.9)
Research and development	(176.9)	14.0	(162.9)	(161.4)	10.8	(150.5)
Marketing and sales	(300.5)	10.7	(289.8)	(262.8)	7.5	(255.3)
General and administrative	(75.7)	8.0	(67.7)	(69.8)	7.9	(61.9)
Total Share-based compensation expense		34.2			27.3	

IFRS – Non-IFRS Reconciliation YTD

Revenue and Gross Margin

	Six months ended June 30,						Increase (Decrease)	
	2019 IFRS	Adjustment	2019 Non-IFRS	2018 IFRS	Adjustment	2018 Non-IFRS	IFRS	Non-IFRS
(€ million, except % and per share data)								
Total Revenue	1 920.3	9.1	1 929.4	1 646.4	4.8	1 651.3	16.6%	16.8%
Total Revenue breakdown by activity								
Software revenue	1 702.7	7.8	1 710.5	1 475.2	4.8	1 480.0	15.4%	15.6%
<i>Licenses and Other software revenue</i>	461.8		461.8	396.6		396.6	16.4%	16.4%
<i>Subscription and Support revenue</i>	1 240.9	7.8	1 248.7	1 078.6	4.8	1 083.4	15.1%	15.3%
<i>Recurring portion of Software revenue</i>	73%		73%	73%		73%		
Services revenue	217.6	1.3	218.9	171.2		171.2	27.1%	27.8%
Total Revenue breakdown by product line								
CATIA SW revenue	550.5		550.5	500.6	0.5	501.0	10.0%	9.9%
ENOVIA SW revenue	189.4		189.4	162.0		162.0	16.9%	16.9%
SOLIDWORKS SW revenue	394.2		394.2	355.7		355.7	10.8%	10.8%
Other SW revenue	568.5	7.8	576.3	456.9	4.4	461.3	24.4%	24.9%
Services revenue	217.6	1.3	218.9	171.2		171.2	27.1%	27.8%
Total Revenue breakdown by geography								
Americas revenue	602.7	7.1	609.7	475.2	2.8	478.0	26.8%	27.6%
Europe revenue	802.2	2.0	804.2	708.1	0.6	708.7	13.3%	13.5%
Asia revenue	515.5		515.5	463.1	1.5	464.5	11.3%	11.0%
Gross Margin								
Cost of Software revenue	(89.8)	1.6	(88.2)	(79.0)	0.9	(78.1)	13.6%	13.0%
Software Gross margin*	94.7%		94.8%	94.6%		94.7%		
Cost of Services revenue	(206.3)	2.0	(204.4)	(161.2)	1.2	(160.0)	28.0%	27.7%
Services Gross margin	5.2%		6.6%	5.9%		6.5%		

* No amortization of acquired intangibles is included in Software Gross margin calculation

IFRS – Non-IFRS Reconciliation YTD

Expenses & Earnings

	Six months ended June 30,						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>								
Total Operating Expenses	(1 522.4)	205.6	(1 316.8)	(1 299.0)	149.5	(1 149.5)	17.2%	14.6%
Share-based compensation expense	(80.5)	80.5	-	(60.2)	60.2	-		
Amortization of acquired intangibles	(101.0)	101.0	-	(82.5)	82.5	-		
Other operating income and expense, net	(24.0)	24.0	-	(6.9)	6.9	-		
Operating Income	397.9	214.7	612.6	347.4	154.4	501.8	14.5%	22.1%
Operating Margin	20.7%		31.8%	21.1%		30.4%		
Financial revenue & other, net	5.3	(1.2)	4.1	9.1	1.1	10.3	-41.7%	-59.7%
Income tax expense	(114.0)	(64.5)	(178.5)	(91.5)	(53.5)	(144.9)	24.7%	23.2%
Non-controlling interest	5.6	(3.4)	2.2	0.4		0.4	-	-
Net Income attributable to shareholders	294.9	145.6	440.5	265.5	102.0	367.5	11.1%	19.8%
Diluted net income per share, in EUR	1.13	0.56	1.69	1.02	0.39	1.41	10.8%	19.9%

	Six months ended June 30,					
	2019 IFRS	Adjust.	2019 Non-IFRS	2018 IFRS	Adjust.	2018 Non-IFRS
<i>(€ million)</i>						
Cost of revenue	(296.1)	3.5	(292.6)	(240.2)	2.1	(238.1)
Research and development	(357.2)	34.9	(322.3)	(314.0)	23.1	(291.0)
Marketing and sales	(591.7)	23.1	(568.6)	(515.8)	13.9	(501.9)
General and administrative	(152.3)	19.0	(133.3)	(139.6)	21.1	(118.4)
Total Share-based compensation expense		80.5			60.2	

Financial Revenue and Other

Non - IFRS

MEUR	2Q19	2Q18	var	YTD 19	YTD 18	var
Interest Income	9.2	9.6	(0.3)	17.7	17.0	0.7
Interest Expense	(6.6)	(3.9)	(2.7)	(13.2)	(7.7)	(5.4)
Financial net Income	2.7	5.7	(3.0)	4.5	9.3	(4.8)
Exchange Gain / (Loss)	(2.8)	(0.6)	(2.2)	(0.3)	0.1	(0.4)
Other Income / (Loss)	0.1	(0.1)	0.2	(0.1)	0.9	(1.0)
Total	(0.1)	5.0	(5.1)	4.1	10.3	(6.1)

Exchange Rate evolution

From assumptions to actual data

Breakdown of P&L by currency for YTD 19		
	Revenue	Operating Expenses
USD	39.0%	36.5%
JPY	12.0%	4.4%

Average Exchange rates				
		2018	2019	% change
QTD	EUR/USD	1.19	1.12	-6%
	EUR/JPY	130.05	123.47	-5%
YTD	EUR/USD	1.21	1.13	-7%
	EUR/JPY	131.60	124.28	-6%



Comparing 2Q19 with mid-range Objectives

Non - IFRS

	Revenue	Operating Expenses	Operating Profit	Operating Margin
2Q19 Guidances mid-range	930.0	(655.6)	274.4	29.5%
Growth YoY	+12.0%	+11.8%	+12.4%	+0.1pt
USD impact	7.9	(4.9)	3.0	+0.1pt
JPY impact including hedging	4.6	(1.7)	2.9	+0.2pt
Other currencies and other hedging impact	7.0	(5.0)	2.0	-0.0pt
Total FX	19.5	(11.6)	7.9	+0.2pt
Activity / Cost Control / Other	15.9	(2.0)	13.9	+1.0pt
Delta: Reported vs guidances	35.4	(13.6)	21.8	+1.2pt
2Q19 Reported	965.4	(669.2)	296.2	30.7%
Growth YoY	+16.2%	+14.1%	+21.4%	+1.3pt
2Q18 Reported	830.7	(586.6)	244.1	29.4%

Estimated FX impact on 2Q19 Op. Results

Non - IFRS

€ millions QTD	Total Revenue	Operating Expenses	Operating Income	Operating Margin
2Q19 Reported	965.4	(669.2)	296.2	30.7%
2Q18 Reported	830.7	(586.6)	244.1	29.4%
<i>Growth as reported</i>	+16.2%	+14.1%	+21.4%	+1.3 pt
Impact of Actual Currency Rates				
USD impact	19.3	(11.2)	8.1	
JPY impact including hedging	2.7	(1.5)	1.2	
Other currencies and other hedging impact	(1.4)	0.8	(0.6)	
Total FX Impact adjustment	20.6	(11.9)	8.7	
2Q18 ex FX	851.3	(598.6)	252.7	29.7%
<i>Growth exFX</i>	+13%	+12%	+17%	+1.0 pt

Estimated FX impact on YTD 2Q19 Op. Results

Non - IFRS

€ millions YTD	Total Revenue	Operating Expenses	Operating Income	Operating Margin
YTD2019 Reported	1,929.4	(1,316.8)	612.6	31.8%
YTD2018 Reported	1,651.3	(1,149.5)	501.8	30.4%
<i>Growth as reported</i>	<i>+16.8%</i>	<i>+14.6%</i>	<i>+22.1%</i>	<i>+1.4 pt</i>
Impact of Actual Currency Rates				
USD impact	47.3	(26.4)	20.9	
JPY impact including hedging	6.2	(3.4)	2.8	
Other currencies and other hedging impact	(0.4)	0.1	(0.3)	
Total FX Impact adjustment	53.1	(29.7)	23.4	
YTD2018 ex FX	1,704.3	(1,179.2)	525.1	30.8%
<i>Growth exFX</i>	<i>+13%</i>	<i>+12%</i>	<i>+17%</i>	<i>+0.9 pt</i>

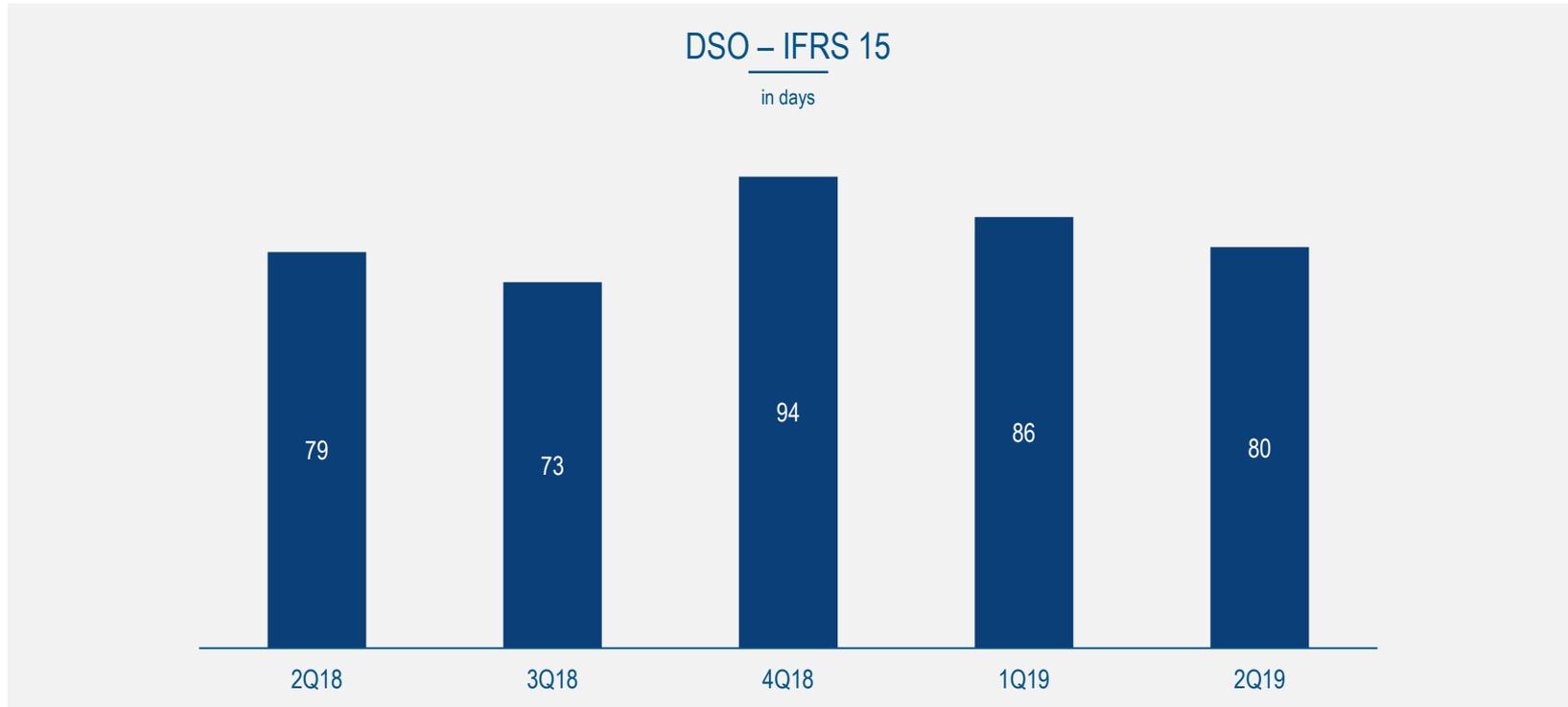
Consolidated Statement of Cash Flows

(in millions of €)	2Q19	2Q18	Variation	2Q19 YTD	2Q18 YTD	Variation
Net income attributable to equity holders of the parent	134.1	129.2	4.9	294.9	265.5	29.4
Non-controlling interest	(2.8)	(0.1)	(2.7)	(5.6)	(0.4)	(5.2)
Net income	131.2	129.1	2.1	289.3	265.1	24.2
Depreciation of property & equipment	33.6	14.5	19.1	65.3	28.2	37.1
Amortization of intangible assets	53.3	43.1	10.2	105.5	87.0	18.5
Other non-cash P&L items	18.8	16.5	2.3	47.3	33.1	14.2
Changes in working capital	168.2	35.4	132.8	386.3	232.1	154.2
Net Cash Provided by (Used in) Operating Activities (I)	405.1	238.6	166.5	893.6	645.5	248.1
Additions to property, equipment and intangibles	(23.2)	(19.3)	(3.9)	(48.2)	(31.3)	(16.9)
Payment for acquisition of businesses, net of cash acquired	(2.2)	(51.6)	49.4	(402.8)	(51.6)	(351.2)
Sale (Purchase) of short-term investments, net	0.0	40.8	(40.8)	0.0	0.7	(0.7)
Investments, loans and others	(14.0)	(1.5)	(12.5)	(17.1)	(1.5)	(15.6)
Net Cash Provided by (Used in) Investing Activities (II)	(39.4)	(31.6)	(7.8)	(468.1)	(83.7)	(384.4)
Acquisition of non-controlling interests	-	(26.2)	26.2	-	(26.2)	26.2
Repayment of short term and long term debt	-	-	-	(0.8)	-	(0.8)
Payments on lease obligations	(20.3)	-	(20.3)	(37.3)	-	(37.3)
(Purchase) Sale of treasury stock	0.6	(10.6)	11.2	9.2	(2.3)	11.5
Proceeds from exercise of stock-options	32.5	31.4	1.1	46.0	43.7	2.3
Cash dividend paid	(168.8)	(38.0)	(130.8)	(168.8)	(38.0)	(130.8)
Net Cash Provided by (Used in) Financing Activities (III)	(156.0)	(43.4)	(112.6)	(151.7)	(22.8)	(128.9)
Effect of exchange rate changes on cash and cash equivalents (IV)	(12.9)	75.8	(88.7)	9.7	44.8	(35.1)
Increase (Decrease) in Cash (V) = (I)+(II)+(III)+(IV)	196.8	239.4	(42.6)	283.5	583.8	(300.3)
Cash and cash equivalents at Beginning of Period	2 896.0	2 803.8		2 809.3	2 459.4	
Cash and cash equivalents at End of Period	3 092.8	3 043.2		3 092.8	3 043.2	
Cash and cash equivalents variation	196.8	239.4		283.5	583.8	

Balance Sheet

(in millions of€)	End of Jun-19	End of Mar-19	Variation Jun-19 / Mar-19	End of Dec-18	Variation Jun-19 / Dec-18
Cash and cash equivalents	3 092.8	2 896.0	+196.8	2 809.3	+283.5
Short-term investments	0.6	0.6	-	0.6	-
Accounts receivable, net	810.3	890.0	-79.8	1 044.1	-233.8
Contract assets	40.3	36.8	+3.5	26.5	+13.8
Other current assets	227.9	268.0	-40.1	321.3	-93.4
Total current assets	4 171.9	4 091.4	+80.4	4 201.8	-29.9
Property and equipment, net	563.1	575.3	-12.2	178.2	+384.9
Goodwill and Intangible assets, net	3 613.8	3 687.5	-73.8	3 262.4	+351.4
Other non current assets	374.7	352.7	+22.0	331.6	+43.1
Total non current assets	4 551.6	4 615.5	-63.8	3 772.2	+779.4
Total Assets	8 723.5	8 706.9	+16.6	7 974.0	+749.5
Accounts payable	163.8	135.9	+27.9	161.7	+2.2
Contract liabilities	1 019.9	1 013.3	+6.6	907.5	+112.4
Short-term debt	350.0	350.0	-	350.0	-
Other current liabilities	623.5	582.0	+41.5	603.6	+19.9
Total current liabilities	2 157.2	2 081.2	+76.0	2 022.8	+134.4
Long-term debt	650.0	650.0	-	650.0	-
Other non current obligations	1 060.9	1 085.4	-24.6	675.4	+385.5
Total long-term liabilities	1 710.9	1 735.4	-24.6	1 325.4	+385.5
Non-controlling interest	57.6	61.6	-4.0	63.9	-6.4
Parent Shareholders' equity	4 797.9	4 828.7	-30.9	4 561.9	+235.9
Total Liabilities and Shareholders' Equity	8 723.5	8 706.9	+16.6	7 974.0	+749.5

Trade Accounts Receivable | DSO

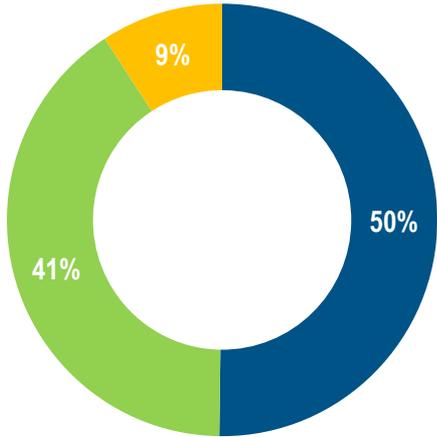


Headcount by destinations – Q2 2019

Overview

At Closing - TOTAL					
	<u>2Q19</u>	<u>2Q18</u>	<u>% growth</u>	<u>4Q18</u>	<u>% growth</u>
M&S + COR Ser	8 848	7 928	+12%	8 511	+4%
R&D + COR SW	7 158	6 696	+7%	6 885	+4%
G&A	1 617	1 597	+1%	1 634	-1%
Total	17 623	16 221	+9%	17 030	+3%

Closing H/C - June 2019



■ M&S + COR Ser ■ R&D + COR SW ■ G&A

IFRS 2019 Objectives

Accounting elements not included in the non-IFRS 2019 Objectives

- ▶ FY 2019 estimated **contract liabilities** write-down of **~€10m**
- ▶ FY 2019 estimated **share-based compensation** expenses, including related social charges: **~€125m**
- ▶ FY 2019 estimated **amortization of acquired intangibles**: **~€200m**
- ▶ 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 June 30, 2019.

