

Dassault Systèmes Reports First Quarter Financial Results With Recurring Software, Operating Margin and EPS At the High End of Its Non-IFRS Guidance

VÉLIZY-VILLACOUBLAY, France — April 23, 2020 — [Dassault Systèmes](http://DassaultSystèmes.com) (Euronext Paris: #13065, DSY.PA) announces IFRS unaudited financial results for the first quarter ended March 31, 2020. These results were reviewed by the Group’s Board of Directors on April 22, 2020. This press release also includes financial information on a non-IFRS basis with reconciliations with IFRS figures included in the Appendix to this communication.

Q1 2020 Highlights and Financial Summary (Unaudited)

- Q1 non-IFRS basis: total revenue €1.14 billion, operating margin 29.2%, EPS €0.95, up 9%
- Q1 non-IFRS recurring software revenue 83% of total software
- Q1 Cash flow from operations of €458 million
- Board of Directors proposes annual dividend of €0.70 for the 2019 FY
- 2020 non-IFRS financial framework: Targeting Stable YoY 2020 non-IFRS EPS of about €3.65

In millions of Euros, except per share data and percentages	IFRS				Non-IFRS			
	Q1 2020	Q1 2019	Change	Change in constant currencies	Q1 2020	Q1 2019	Change	Change in constant currencies
Total Revenue	1,134.7	958.9	18%	17%	1,144.4	964.0	19%	17%
Software Revenue	1,014.2	855.3	19%	17%	1,023.0	859.5	19%	17%
Operating Margin	13.3%	22.5%	(9.2)pts		29.2%	32.8%	(3.6)pts	
EPS	0.43	0.62	(31)%		0.95	0.87	9%	7%

Bernard Charlès, Dassault Systèmes’ Vice Chairman and Chief Executive Officer commented, “Thanks to our people, we have demonstrated impressive selfless dedication and speed to support our clients and users to work seamlessly from home, help them sustain their development activities, adapt their production and ecosystems for safety, thus facing the global health crisis through “people first” constructive actions.

“As a purpose-driven company we bring Science, Engineering and Manufacturing capabilities with a virtual collaboration platform: The **3DEXPERIENCE** collaborative process in multiple disciplines, thus demonstrating that the Virtual world can extend and improve the real world. The simulation of hospital safety, critical medical equipment extension with 3D printing, the acceleration of clinical trials with data analytics worldwide, or Experience-based education are true reveals of such new possibilities.

“The significant investment made on **3DEXPERIENCE** Cloud as well as the Medidata platform for life sciences could not be more relevant and impactful in such current world disruption with the SARS-CoV-2 Pandemic.”

First Quarter Financial Summary (Unaudited)

In millions of Euros, except per share data and percentages	IFRS				Non-IFRS			
	Q1 2020	Q1 2019	Change	Change in constant currencies	Q1 2020	Q1 2019	Change	Change in constant currencies
Total Revenue	1,134.7	958.9	18%	17%	1,144.4	964.0	19%	17%
Software Revenue	1,014.2	855.3	19%	17%	1,023.0	859.5	19%	17%
Services Revenue	120.5	103.6	16%	15%	121.4	104.5	16%	14%
Operating Margin	13.3%	22.5%	(9.2)pts		29.2%	32.8%	(3.6)pts	
EPS	0.43	0.62	(31)%		0.95	0.87	9%	7%

Total Software Revenue in millions of Euros, except percentages	IFRS				Non-IFRS			
	Q1 2020	Q1 2019	Change	Change in constant currencies	Q1 2020	Q1 2019	Change	Change in constant currencies
Americas	393.9	264.9	49%	44%	402.2	268.3	50%	46%
Europe	375.0	364.9	3%	3%	375.2	365.7	3%	2%
Asia	245.3	225.5	9%	7%	245.6	225.5	9%	7%

First Quarter 2020 versus 2019 Financial Comparisons

Q1 Revenue Review

- In constant currencies: total revenue increased 17% (IFRS and non-IFRS), reflecting the inclusion of Medidata Solutions, Inc. following the completion of its acquisition on October 28, 2019. On an organic basis, non-IFRS total revenue decreased 1% largely due to the global Covid-19 pandemic impact on new licenses and services activities, offset in part by non-IFRS recurring software revenue, which increased 5% on an organic basis.
- Software revenue increased 17% (IFRS and non-IFRS). Non-IFRS recurring software revenue grew 30% reflecting a six-fold increase in Life Sciences, non-IFRS recurring software revenue growth of 6% for Industrial Innovation non-IFRS software revenue, and growth of 9% for Mainstream Innovation. Non-IFRS recurring software revenue represented 83% of non-IFRS software revenue in the first quarter. Licenses and other software revenue decreased 20% (IFRS and non-IFRS), largely reflecting the impact of Covid-19-related restrictions affecting businesses, initially in China and at the very end of the quarter throughout the world. The Company's licenses guidance had been -5% to 0%, principally based on a high Q1 2019 base of comparison and reflecting macro and end-markets in early February with the health emergency difficult to factor in. (All growth rates at constant currencies).
- Services revenue increased 15% (IFRS) and 14% (non-IFRS) reflecting the addition of Medidata, and organic growth of 1%. Softer services activity on an organic basis was related to lower new licenses activity as well as to Covid-19 related restrictions. (All growth rates at constant currencies).
- In the Americas, non-IFRS software revenue increased 46% in total, reflecting the inclusion of Medidata with a large North American customer base, and growth of 3% on an organic basis. Europe non-IFRS software revenue increased 2% with strong growth in Northern Europe as well as Russia, largely offset by Southern Europe. In Asia, non-IFRS software revenue increased 7% on acquisition impact as well

as strong growth in AP South. Both Europe and Asia posted a decrease in software revenue on an organic basis on sharply lower new licenses revenue. (All growth rates at constant currencies).

- **3DEXPERIENCE** non-IFRS software revenue represented 22% of related software revenue in the first quarter, similar to the year-ago period, and included business from customers from Aerospace & Defense, Transportation & Mobility, Industrial Equipment and Marine & Offshore, among others. Reflecting a sharp postponement of enterprise decisions due to the global health crisis, as well as a high base of comparison, **3DEXPERIENCE** software revenue decreased 1% in the quarter in constant currencies.

Q1 Operating Review

- Operating income decreased 30% on an IFRS basis, reflecting the impact of acquired amortization intangibles arising from the Medidata acquisition, while increasing 6% to €334.1 million on a non-IFRS basis. The non-IFRS operating margin of 29.2% came in near the high end of the Group's guidance range of 28.5% to 29.5%.
- The IFRS effective tax rate was 24.4% (non-IFRS 24.3%), compared to 28.5% (non-IFRS 29.7%) in the year-ago quarter, reflects the positive impact of the new French and US tax regimes on revenues from patents and technology and the finalization of the US BEAT consequences. These changes were fully recognized both in Q4 2019 for the full year and in Q1 2020 while Q1 2020 also reflects a favorable evolution in the geographic mix of taxable income.
- IFRS diluted net income per share decreased 31%. Non-IFRS diluted net income per share grew 9% to €0.95 per share, and increased an estimated 7% at constant currency.

COO & CFO Commentary

Pascal Daloz, Dassault Systèmes' EVP, Chief Operating Officer & Chief Financial Officer, commented:
"The global health emergency which unfolded during the first quarter underscored the power of the 3DEXPERIENCE platform to run our business from anywhere and to engage digitally with our customers and partners with 3DEXPERIENCE Cloud. With a complete cloud portfolio, we are working closely with our indirect partners to prioritize cloud, in particular for SOLIDWORKS customers with 3DEXPERIENCE WORKS. While our business is not immune, our financial model and financial strength enables us to continue to invest in our strategic priorities advancing our significant investments in Life Sciences & Healthcare and in Infrastructure & Cities while well supporting our Manufacturing sector.

"First quarter financial results demonstrated the improved balance of our end-markets with Life Sciences now our second largest industry, representing 19% of our total non-IFRS software. During the first quarter, Medidata passed the 1,500-customer milestone and achieved several important competitive displacements. IFRS and non-IFRS recurring revenue, representing 83% of total software revenue in the first quarter, demonstrated its resilience, with a solid organic performance across geographies as well as industries along with the contribution from Medidata. While licenses and services were negatively affected, recurring revenue, operating margin and EPS came in at the high end of our guidance. In total, our non-IFRS revenue increased 17% at constant currency and non-IFRS earnings per share increased 9%.

“Looking forward, our goal is to maintain a stable non-IFRS earnings per share for 2020 in comparison to 2019.

- We are assuming that there will be a significant reduction in global GDP with restrictions in a number of the industries we serve, with the most dramatic impact in Q2, consistent with what most economists are estimating. There may be some timing differentials among geographies, but globally we would expect that to be the case.*
- Our planning framework assumes a progressive recovery in Q3 and Q4, based upon the current governmental plans, and important advances in therapeutics and vaccine development.*

“We have enacted a savings plan to achieve our EPS target while maintaining our global workforce and continuing to invest selectively for the future. Indeed, all industries are affected by this health pandemic, but for some the effects began sooner and will last longer. We believe in customers as partners and we will continue to work closely with them to help navigate over these two timeframes ahead – a pre-vaccine one and the new world thereafter.”

Second Quarter and 2020 Full Year Financial Objectives Framework

The Company has set the following framework as the basis for its second quarter and full year financial objectives. These objectives are being used by the Company to conduct its internal planning. Key framework assumptions are as follows:

- A significant deceleration in global GDP and restrictions in a number of industries based upon current governmental plans in the Americas, Europe and Asia, leading to non-IFRS licenses software revenue to decrease year over year by approximately -20% to -17% in constant currencies for FY 2020;
- Non-IFRS recurring software revenue to maintain a strong resilience, while reflecting lower new licenses activity and some increased attrition, leading to growth of recurring revenue in the range of 26% to 27% in constant currencies for FY 2020;
- Cost savings targeting to achieve a non-IFRS operating margin of about 29.5% for FY 2020;
- Non-IFRS effective tax rate of about 25.2% for FY 2020.

Dassault Systèmes’ full year 2020 financial objectives presented below are given on a non-IFRS basis and reflect the principal 2020 currency exchange rate assumptions below for the US dollar and Japanese yen as well as the potential impact from additional non-Euro currencies:

	Q2 2020 Framework	FY 2020 Framework
Total non-IFRS Revenue	€1.04 to €1.07 billion	€4.50 to €4.55 billion
Growth in Constant Currencies	+9% to +12%	+12% to +13%
Non-IFRS operating Margin	25.0% to 26.5%	~29.5%
Non-IFRS EPS	€0.72 to €0.77	€3.65 to €3.72
Non-IFRS EPS Growth	-12% to -6%	+0% to +2%
<i>US dollar</i>	<i>\$1.15 per Euro</i>	<i>\$1.14 per Euro</i>
<i>Japanese yen (before hedging)</i>	<i>JPY 125.0 per Euro</i>	<i>JPY 123.8 per Euro</i>

These framework objectives are prepared and communicated only on a non-IFRS basis and are subject to the cautionary statement set forth below.

The 2020 non-IFRS financial objectives/framework set forth above do not take into account the following accounting elements and are estimated based upon the 2020 principal currency exchange rates above: contract liabilities write-downs estimated at approximately €12 million, largely impacted by the Medidata acquisition; share-based compensation expense, including related social charges, estimated at approximately €139 million and amortization of acquired intangibles and of tangibles reevaluation, estimated at approximately €403 million and lease incentives of acquired companies at approximately €3 million. The above objectives also do not include any impact from other operating income and expenses, 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 March 31, 2020.

Cash Flow and Balance Sheet Information

Net operating cash flow totaled €458.1 million for the 2020 first quarter compared to €488.5 million in the year-ago period. During the 2020 first quarter, cash obtained from operations was used principally for capital expenditures, net of €60.3 million; repurchase of shares of €108.1 million related to its stock options and share grants programs, and payment for lease obligations of €25.5 million. The Group also received cash from exercise of stock options of €23.7 million.

Dassault Systèmes' net financial position totaled €(2.37) billion at March 31, 2020, compared to €(2.66) billion at December 31, 2019, reflecting cash, cash equivalents and short-term investments of €2.24 billion and debt related to borrowings of €4.62 billion.

Summary of Recent Business, Technology and Customer Announcements

On March 29, 2020, Dassault Systèmes unveiled initiatives supporting its customers, partners and communities to work from anywhere with the full power of 3DEXPERIENCE collaboration during the Covid-19 pandemic.

On March 26, 2020 Celsion Corporation, a leading oncology drug development company, jointly announced with Medidata, a Dassault Systèmes company, that the use of a regulatory grade synthetic control arm (SCA) in Phase Ib dose-escalating OVATION I Study with GEN-1 in Stage III/IV ovarian cancer patients revealed progression-free survival (PFS) in the treatment group. Synthetic Control Arms have the potential to revolutionize clinical trials in certain oncology indications and some other diseases where a randomized control is not ethical or practical. SCAs are formed by carefully selecting control patients from historical clinical trials to match the demographic and disease characteristics of the patients treated with the new investigational product. SCAs have been shown to mimic the results of traditional randomized controls so that the treatment effects of an investigational product can be visible by comparison to the SCA. SCAs can help advance the scientific validity of single arm trials, and in certain indications, reduce time and cost, and expose fewer patients to placebos or existing standard-of-care treatments that might not be effective for them. Medidata is in a unique position to create fit-for-purpose synthetic controls because of access to a pool of more than six million anonymized patients from nearly 20,000 previous clinical trials.

On February 10, 2020, Dassault Systèmes introduced the new 3DEXPERIENCE WORKS commercial offers that provide SOLIDWORKS users with a connected, integrated and automated way to streamline their creative process, and save time and money. The new offers – Standard, Professional and Premium – feature SOLIDWORKS standard, professional and premium applications that are installed from, licensed from, and updated in the 3DEXPERIENCE platform, with data stored in it. With this connection, SOLIDWORKS customers use the same desktop applications that they rely on to design and engineer new customer experiences, all while benefitting from the advantages of a digital platform: improved collaboration, embedded and easy-to-use data management, automatic software updates, and flexible access to the latest project data readily available in one place. The scalable offers also include 3D Creator and 3D Sculptor - next generation design applications that run in any browser, anywhere - and enable users to extend and improve what they can do with SOLIDWORKS by selecting from dozens of other powerful 3DEXPERIENCE WORKS applications and use only the ones they need for their tasks.

Today's Webcast and Conference Call Information

Today, Thursday, April 23, 2020, Dassault Systèmes will host a webcasted presentation at 9:00 London Time/ 10:00 AM Paris time and will then host a conference call at 9:00 AM New York time / 3:00 PM Paris time / 2:00 PM London time. The webcasted presentation and conference call will be available via the Internet by accessing <http://www.3ds.com/investors/> .

Additional investor information can be accessed at <http://www.3ds.com/investors/> or by calling Dassault Systèmes' Investor Relations at +33.1.61.62.69.24.

Key Investor Relations Events

Annual Meeting of Shareholders: May 26, 2020 (see notice below herein)

Capital Market Day initially planned for June 12, 2020 is postponed to November 17, 2020 to be webcasted from Paris live. During this Capital Market Day, the Company will notably discuss the update of our 2023 objectives.

Second Quarter 2020 Earnings Release: July 23, 2020

Third Quarter 2020 Earnings Release: October 22, 2020

Fourth Quarter 2020 Earnings Release: February 4, 2021

General Meeting of May 26, 2020

As indicated in the meeting notice published in BALO on Friday April 17, 2020, the General Meeting of Dassault Systèmes called to be held on Tuesday May 26, 2020 at 3:00 p.m. will be held behind closed doors without the shareholders and other persons entitled to attend the meeting being present. The practicalities of participation in the General Meeting and consultation of documents relating to this General Meeting are detailed in the meeting notice available on the Company's website: <https://investor.3ds.com/fr/shareholders-meeting/home> .

Shareholders will be invited to follow the General Meeting live and remotely via an audio webcast with a written presentation on the Company's website www.3DS.com, provided of course that the conditions for this retransmission are met.

Due to the impossibility of asking oral questions during the General Meeting and in replacement, the Company proposes that its shareholders may send questions by email to the following email address

investors@3ds.com at the latest at 3 p.m. the day before the date of the General Meeting (i.e. no later than May 25, 2020 at 3 p.m. CET). Emails shall attach the shareholder's registration certificate. The Company will make its best reasonable efforts to respond to such questions during the General Meeting.

Dassault Systèmes also announces that it has posted on its website a supplementary report to the 2019 corporate governance report of the Board of Directors. This document is available on the Company's website at the address mentioned below and supplements the information in section 5.1 of the 2019 Document d'enregistrement universel (Annual Report) also available on the Company's website.

The Company will keep its shareholders informed of any possible development relating to the methods of participation and voting at the General Meeting and, to this end, shareholders are invited to regularly consult the section dedicated to the General Meeting on the website of the Company: <https://investor.3ds.com/fr/shareholders-meeting/home>.

Forward-looking Information

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

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

- the deployment of Dassault Systèmes' solutions may represent a large portion of a customer's investments in software technology. Decisions to make such an investment are impacted by the economic environment in which the customers operate. Uncertain global geopolitical, economic and health conditions and the lack of visibility or the lack of financial resources may cause some customers, e.g. within automotive, aerospace or natural resources industries, to reduce, postpone or terminate their investments, or to reduce or not renew ongoing paid maintenance for their installed base, which impact larger customers' revenue with their respective sub-contractors; the sales cycle of the Dassault Systèmes' products – already relatively long due to the strategic nature of such investments for customers – could further lengthen; and
- the political, economic and monetary situation in certain geographic regions where Dassault Systèmes operates could become more volatile and, for example, result in stricter export compliance rules or the modification of current tariff regimes;
- health conditions in some geographic areas where Dassault Systèmes operates will impact the economic situation of those regions. Specifically, it is not possible to predict the impact, length and scope of damages originating from the coronavirus pandemic as of issuance date of this document. Health conditions, including the Covid-19 pandemic, may present risks for health and ability to travel for Dassault Systèmes employees; and
- continued pressure or volatility on raw materials and energy prices could also slow down Dassault Systèmes' diversification efforts in new industries

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

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

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

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

Non-IFRS Financial 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 2019 Document d'enregistrement universel (Annual Report) filed with the AMF on March 19, 2020.

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 tangibles reevaluation, other operating income and expense, net, including impairment of goodwill and acquired intangibles, lease incentives of acquired companies, certain one-time items included in financial revenue and other, net, and the income tax effect of the non-IFRS adjustments and certain one-time tax effects. The tables also set forth the most comparable IFRS financial measure and reconciliations of this information with non-IFRS information.

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About Dassault Systèmes

Dassault Systèmes, the 3DEXPERIENCE Company, is a catalyst for human progress. We provide business and people with collaborative 3D virtual environments to imagine sustainable innovations. By creating virtual experience twins of the real world with our 3DEXPERIENCE platform and applications, our customers push the boundaries of innovation, learning and production. Dassault Systèmes brings value to more than 270,000 customers of all sizes, in all industries, in more than 140 countries. For more information, visit www.3ds.com

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(Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures).

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Non-IFRS Financial Information

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Condensed consolidated balance sheets

Condensed consolidated cash flow statements

IFRS – non-IFRS reconciliation

DASSAULT SYSTEMES - Glossary of Definitions

Information in Constant Currencies

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

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

Information on Growth excluding acquisitions (“organic growth”)

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

Information on Industrial Sectors

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

Information on Product Lines

Commencing with the first quarter of 2020 and as previously disclosed, we are introducing a new presentation of our product lines to reflect our broader ambitions. Our new product line financial

reporting includes: 1) Industrial Innovation software revenue, comprised of our CATIA, ENOVIA, SIMULIA, DELMIA, GEOVIA, NETVIBES/EXALEAD, and 3DEXCITE brands; 2) Life Sciences software revenue, comprised of our Medidata and BIOVIA brands; and 3) Mainstream Innovation software revenue, comprised of our SOLIDWORKS brand as well as Centric PLM, 3DVIA and our new 3DEXPERIENCE.WORKS family.

3DEXPERIENCE Licenses and Software Contribution

To measure the progressive penetration of **3DEXPERIENCE** software, we utilize the following ratios: a) for Licenses revenue, we calculate the percentage contribution by comparing total **3DEXPERIENCE** Licenses revenue to Licenses revenue for all product lines except SOLIDWORKS and acquisitions (“related 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”).

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.

DASSAULT SYSTEMES
NON-IFRS FINANCIAL INFORMATION

(unaudited; in millions of Euros, except per share data, percentages, headcount and exchange rates)

Non-IFRS key figures exclude the effects of adjusting the carrying value of acquired companies' deferred revenue, share-based compensation expense and related social charges, amortization of acquired intangible assets and of tangible assets revaluation, lease incentives of acquired companies, other operating income and expense, net, including the impairment of goodwill and acquired intangible assets, certain one-time financial revenue items and the income tax effects of these non-IFRS adjustments.

Comparable IFRS financial information and a reconciliation of the IFRS and non-IFRS measures are set forth in the separate tables within this Attachment.

In millions of Euros, except per share data, percentages, headcount and exchange rates	Non-IFRS reported			
	Three months ended			
	March 31, 2020	March 31, 2019	Change	Change in constant currencies
Revenue	€ 1,144.4	€ 964.0	19%	17%
Revenue breakdown by activity				
Software revenue	1,023.0	859.5	19%	17%
<i>of which licenses and other software revenue</i>	172.3	213.2	(19)%	(20)%
<i>of which subscription and support revenue</i>	850.7	646.2	32%	30%
Services revenue	121.4	104.5	16%	14%
Software revenue breakdown by product line				
Industrial Innovation	605.1	605.1	(0)%	(1)%
<i>Of which CATIA</i>	271.1	270.1	0%	(1)%
<i>Of which ENOVIA ⁽¹⁾</i>	80.6	89.0	(9)%	(11)%
Life Sciences ⁽²⁾	195.0	39.3	396%	384%
Mainstream Innovation	223.0	215.1	4%	2%
<i>Of which SOLIDWORKS</i>	201.5	191.4	5%	3%
Revenue breakdown by geography				
Americas	453.8	311.1	46%	42%
Europe	421.5	409.5	3%	3%
Asia	269.1	243.5	11%	9%
Operating income	€ 334.1	€ 316.4	6%	
Operating margin	29.2%	32.8%		
Net income attributable to shareholders	€ 250.0	€ 226.5	10%	
Diluted net income per share	€ 0.95	€ 0.87	9%	7%
Closing headcount	21,439	17,574	22%	
Average Rate USD per Euro	1.10	1.14	(4)%	
Average Rate JPY per Euro	120.10	125.08	(4)%	

⁽¹⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management (Q1 2019: €3.3m)

⁽²⁾ Including ENOVIA Life Sciences Compliance and Quality Management (Q1 2019: €3.3m)

DASSAULT SYSTEMES
ACQUISITIONS AND FOREIGN EXCHANGE IMPACT

(unaudited; in millions of Euros)

In millions of Euros	Non-IFRS reported			o/w growth at constant rate and scope	o/w change of scope impact at current year rate	o/w FX impact on previous year figures
	Q1 2020	Q1 2019	Change			
Revenue QTD	1,144.4	964.0	180.4	(9.0)	175.4	13.9

DASSAULT SYSTEMES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (IFRS)
(unaudited; in millions of Euros, except per share data and percentages)

In millions of Euros, except per share data and percentages	IFRS reported	
	Three months ended	
	March 31, 2020	March 31, 2019
Licenses and other software revenue	172.3	213.2
Subscription and Support revenue	841.9	642.0
Software revenue	1,014.2	855.3
Services revenue	120.5	103.6
Total Revenue	€ 1,134.7	€ 958.9
Cost of software revenue ⁽¹⁾	(76.5)	(45.2)
Cost of services and other revenue	(119.9)	(100.6)
Research and development	(230.2)	(180.3)
Marketing and sales	(331.3)	(291.2)
General and administrative	(97.4)	(76.7)
Amortization of acquired intangible assets and of tangible assets revaluation	(109.4)	(50.1)
Other operating income and expense, net	(18.9)	0.9
Total Operating Expenses	(983.7)	(743.1)
Operating Income	€ 151.0	€ 215.8
Financial revenue and other, net	(6.5)	5.2
Income before income taxes	€ 144.5	€ 221.0
Income tax expense	(35.3)	(62.9)
Net Income	€ 109.2	€ 158.0
Non-controlling interest	3.2	2.8
Net Income attributable to equity holders of the parent	€ 112.4	€ 160.8
Basic net income per share	0.43	0.62
Diluted net income per share	€ 0.43	€ 0.62
Basic weighted average shares outstanding (in millions)	259.5	258.8
Diluted weighted average shares outstanding (in millions)	263.2	260.5

⁽¹⁾ Excluding amortization of acquired intangible assets and of tangible assets revaluation

IFRS reported	Three months ended March 31, 2020	
	Change ⁽⁴⁾	Change in constant currencies
Revenue	18%	17%
Revenue by activity		
Software revenue	19%	17%
Services revenue	16%	15%
Software Revenue by product line		
Industrial Innovation	(0)%	(1)%
<i>Of which CATIA</i>	0%	(1)%
<i>Of which ENOVIA ⁽²⁾</i>	(9)%	(11)%
Life Sciences ⁽³⁾	380%	368%
Mainstream Innovation	5%	3%
<i>Of which SOLIDWORKS</i>	5%	3%
Revenue by geography		
Americas	45%	41%
Europe	3%	3%
Asia	10%	9%

⁽²⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management (Q1 2019: €3.3m)

⁽³⁾ Including ENOVIA Life Sciences Compliance and Quality Management (Q1 2019: €3.3m)

⁽⁴⁾ Variation compared to the same period in the prior year

DASSAULT SYSTEMES
CONDENSED CONSOLIDATED BALANCE SHEETS (IFRS)
(unaudited; in millions of Euros)

In millions of Euros	IFRS reported	
	March 31, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	2,243.5	1,944.9
Accounts receivable, net	1,111.6	1,319.2
Contract assets	30.1	26.9
Other current assets	337.3	378.0
Total current assets	3,722.5	3,669.0
Property and equipment, net	949.7	899.7
Goodwill and Intangible assets, net	8,991.4	8,917.0
Other non-current assets	393.6	386.9
Total non-current assets	10,334.8	10,203.7
Total Assets	€ 14,057.3	€ 13,872.6
LIABILITIES AND EQUITY		
Accounts payable	166.2	220.0
Contract liabilities	1,184.4	1,093.5
Borrowings, current	7.0	4.4
Other current liabilities	721.0	816.0
Total current liabilities	2,078.6	2,133.8
Borrowings, non-current	4,609.7	4,596.8
Other non-current liabilities	1,902.0	1,879.4
Total non-current liabilities	6,511.7	6,476.2
Non-controlling interests	52.1	53.9
Parent shareholders' equity	5,414.9	5,208.7
Total Liabilities and equity	€ 14,057.3	€ 13,872.6

DASSAULT SYSTEMES
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (IFRS)
(unaudited; in millions of Euros)

In millions of Euros	IFRS reported		
	Three months ended		
	March 31, 2020	March 31, 2019	Change
Net income attributable to equity holders of the parent	112.4	160.8	(48.4)
Non-controlling interest	<u>(3.2)</u>	<u>(2.8)</u>	<u>(0.4)</u>
Net income	109.2	158.0	(48.8)
Depreciation of property and equipment	48.9	31.7	17.2
Amortization of intangible assets	112.8	52.3	60.5
Adjustments for other non-cash items	49.8	28.4	21.4
Changes in working capital	137.4	218.1	(80.7)
Net Cash Provided by (Used in) Operating Activities	€ 458.1	€ 488.5	€ (30.5)
Additions to property, equipment and intangibles	(60.3)	(25.1)	(35.2)
Payment for acquisition of businesses, net of cash acquired	-	(400.6)	400.6
Other	1.8	(3.0)	4.8
Net Cash Provided by (Used in) Investing Activities	€ (58.4)	€ (428.7)	€ 370.3
Proceeds from exercise of stock options	23.7	13.5	10.2
Repurchase and sale of treasury stock	(108.1)	8.6	(116.7)
Proceeds from borrowings	1.5	-	1.5
Repayment of borrowings	-	(0.9)	0.9
Repayment of lease liabilities	(25.5)	(17.0)	(8.5)
Net Cash Provided by (Used in) Financing Activities	€ (108.5)	€ 4.2	€ (112.7)
Effect of exchange rate changes on cash and cash equivalents	7.4	22.7	(15.3)
Increase (decrease) in cash and cash equivalents	€ 298.6	€ 86.7	€ 211.9
Cash and cash equivalents at beginning of period	€ 1,944.9	€ 2,809.3	
Cash and cash equivalents at end of period	€ 2,243.5	€ 2,896.0	

DASSAULT SYSTEMES
SUPPLEMENTAL NON-IFRS FINANCIAL INFORMATION
IFRS – NON-IFRS RECONCILIATION

(unaudited; in millions of Euros, except per share data and percentages)

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 *Document d'Enregistrement Universel* for the year ended December 31, 2019 filed with the AMF on March 19, 2020. To compensate for these limitations, the supplemental non-IFRS financial information should be read not in isolation, but only in conjunction with the Group's consolidated financial statements prepared in accordance with IFRS.

In millions of Euros, except per share data and percentages	Three months ended March 31,						Change	
	2020 IFRS	Adjustment ⁽¹⁾	2020 Non-IFRS	2019 IFRS	Adjustment ⁽¹⁾	2019 Non-IFRS	IFRS	Non-IFRS ⁽⁴⁾
Total Revenue	€ 1,134.7	€ 9.7	€ 1,144.4	€ 958.9	€ 5.1	€ 964.0	18%	19%
Total Revenue breakdown by activity								
Software revenue	1,014.2	8.8	1,023.0	855.3	4.2	859.5	19%	19%
Licenses and other software revenue	172.3		172.3	213.2		213.2	(19)%	(19)%
Subscription and Support revenue	841.9	8.8	850.7	642.0	4.2	646.2	31%	32%
Recurring portion of Software revenue	83%		83%	75%		75%		
Services revenue	120.5	0.9	121.4	103.6	0.9	104.5	16%	16%
Total Software Revenue breakdown by product line								
Industrial Innovation	604.3	0.7	605.1	605.1		605.1	(0)%	(0)%
Of which CATIA	270.3	0.7	271.1	270.1		270.1	0%	0%
Of which ENOVIA ⁽²⁾	80.6		80.6	89.0		89.0	(9)%	(9)%
Life Sciences ⁽³⁾	187.2	7.8	195.0	39.0	0.2	39.3	380%	396%
Mainstream Innovation	222.7	0.3	223.0	211.1	4.0	215.1	5%	4%
Of which SOLIDWORKS	201.5		201.5	191.4		191.4	5%	5%
Total Revenue breakdown by geography								
Americas	444.6	9.2	453.8	307.0	4.0	311.1	45%	46%
Europe	421.2	0.2	421.5	408.4	1.1	409.5	3%	3%
Asia	268.8	0.3	269.1	243.5		243.5	10%	11%
Total Operating Expenses	€ (983.7)	€ 173.4	€ (810.3)	€ (743.1)	€ 95.5	€ (647.6)	32%	25%
Share-based compensation expense and related social charges	(44.4)	44.4	-	(46.3)	46.3	-		
Amortization of acquired intangible assets and of tangible assets revaluation	(109.4)	109.4	-	(50.1)	50.1	-		
Lease incentives of acquired companies	(0.7)	0.7	-	-	-	-		
Other operating income and expense, net	(18.9)	18.9	-	0.9	(0.9)	-		
Operating Income	€ 151.0	€ 183.1	€ 334.1	€ 215.8	€ 100.6	€ 316.4	(30)%	6%
Operating Margin	13.3%		29.2%	22.5%		32.8%		
Financial revenue & other, net	(6.5)	0.3	(6.3)	5.2	(0.9)	4.2	(227)%	(249)%
Income tax expense	(35.3)	(44.5)	(79.8)	(62.9)	(32.3)	(95.2)	(44)%	(16)%
Non-controlling interest	3.2	(1.3)	1.9	2.8	(1.8)	1.0	16%	91%
Net Income attributable to shareholders	€ 112.4	€ 137.6	€ 250.0	€ 160.8	€ 65.7	€ 226.5	(30)%	10%
Diluted Net Income Per Share ⁽⁵⁾	€ 0.43	€ 0.52	€ 0.95	€ 0.62	€ 0.25	€ 0.87	(31)%	9%

⁽¹⁾ In the reconciliation schedule above, (i) all adjustments to IFRS revenue data reflect the exclusion of the deferred revenue adjustment of acquired companies; (ii) adjustments to IFRS operating expense data reflect the exclusion of the amortization of acquired intangible assets and of tangible assets revaluation, share-based compensation expense and related social charges, and lease incentives of acquired companies, as detailed below, and other operating income and expense, net including impairment of goodwill and acquired intangible assets (iii) adjustments to IFRS financial revenue and other, net reflect the exclusion of certain one-time items included in financial revenue and other, net, and (iv) all adjustments to IFRS income data reflect the combined effect of these adjustments, plus with respect to net income and diluted net income per share, certain one-time tax effects and the income tax effect of the non-IFRS adjustments.

In millions of Euros, except percentages	Three months ended March 31,							Change		
	2020 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2020 Non-IFRS	2019 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2019 Non-IFRS	IFRS	Non-IFRS
Cost of revenue	(196.4)	3.9	0.2	(192.3)	(145.7)	2.0	-	(143.8)	35%	34%
Research and development	(230.2)	13.8	0.4	(216.0)	(180.3)	20.9	-	(159.4)	28%	36%
Marketing and sales	(331.3)	13.6	0.1	(317.6)	(291.2)	12.4	-	(278.8)	14%	14%
General and administrative	(97.4)	13.0	-	(84.3)	(76.7)	11.1	-	(65.6)	27%	29%
Total		44.4	0.7			46.3	-			

⁽²⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management (Q1 2019: €3.3m)

⁽³⁾ Including ENOVIA Life Sciences Compliance and Quality Management (Q1 2019: €3.3m)

⁽⁴⁾ The non-IFRS percentage increase (decrease) compares non-IFRS measures for the two different periods. In the event there is non-IFRS adjustment to the relevant measure for only one of the periods under comparison, the non-IFRS increase (decrease) compares the non-IFRS measure to the relevant IFRS measure

⁽⁵⁾ Based on a weighted average 263.2 million diluted shares for Q1 2020 and 260.5 million diluted shares for Q1 2019