

Dassault Systèmes Reports First Quarter Revenue and EPS Growth Up Double-digits, Reaffirms 2019 Financial Objectives and Updates for Currency

VÉLIZY-VILLACOUBLAY, France — April 24, 2019 — [Dassault Systèmes](http://www.dassault-systemes.com) (Euronext Paris: #13065, DSY.PA), announces IFRS unaudited financial results for the first quarter ended March 31, 2019. These results were reviewed by the Company’s Board of Directors on April 23, 2019. This press release also includes financial information on a non-IFRS basis with reconciliations included in the Appendix to this communication. All IFRS and non-IFRS figures are presented in compliance with IFRS 15 and IFRS 16 standards.

First Quarter Highlights and Financial Summary (Unaudited, all revenue growth at constant currency)

- On an organic basis, Q1 non-IFRS total revenue, software revenue and recurring software revenue up 8%; licenses & other software up 9%, all at constant currency
- **3DEXPERIENCE** software revenue up 26% at constant currency
- Cash flow from operations up 20% to €489 million
- Reaffirms FY Objectives & updates for currency: non-IFRS EPS €3.40-3.45, up 9%-11%
- Board of Directors proposes 12% increase in annual dividend to €0.65 for the 2018 FY
- BHP and Dassault Systèmes sign long-term partnership, with BHP adopting the **3DEXPERIENCE** platform

In millions of Euros, except per share data	IFRS				Non-IFRS			
	Q1 2019	Q1 2018	Change	Change in cc*	Q1 2019	Q1 2018	Change	Change in cc*
Total Revenue	958.9	818.7	17%	13%	964.0	820.6	17%	13%
Software Revenue	855.3	735.1	16%	12%	859.5	737.0	17%	12%
Operating Margin	22.5%	21.8%	+0.7pts		32.8%	31.4%	+1.4pts	
EPS	0.62	0.53	17%		0.87	0.72	21%	13%

*In constant currencies

Bernard Charlès, Dassault Systèmes’ Vice Chairman and Chief Executive Officer commented, *“With the purpose of imagining sustainable innovations capable of harmonizing product, nature and life, the **3DEXPERIENCE** platform makes us a partner of choice for the world’s largest businesses and for small and medium-sized firms in all sectors as they transform themselves in the Industry Renaissance underway.*

*“BHP, a world leading resources company and the largest mining company in the world, has decided to establish a long-term partnership with Dassault Systèmes to digitally transform the mining industry, a world first in the sector, using the **3DEXPERIENCE** twin to improve sustainability and predictability, and empower the workforce of the future.*

“In Life Sciences, the largest pharmaceutical companies in the world as well as small innovative research labs, are adopting our solutions, led by BIOVIA, to transform their industry, and drive improved patient outcomes through end to end innovation.

“For the mainstream market, we introduced **3DEXPERIENCE.WORKS**, a new business applications family that brings the platform advantages to small and mid-sized companies - improved collaboration, manufacturing efficiency, business agility and an empowered workforce. **3DEXPERIENCE.WORKS** will leverage our **POWER'BY** strategy, which is proving very effective in enabling companies to connect their existing software investments to the **3DEXPERIENCE** platform, and benefit from the platform’s full innovation capabilities in terms of business operations and business model.”

First Quarter Financial Summary (Unaudited)

In millions of Euros, except per share data	IFRS				Non-IFRS			
	Q1 2019	Q1 2018	Change	Change in cc*	Q1 2019	Q1 2018	Change	Change in cc*
Total Revenue	958.9	818.7	17%	13%	964.0	820.6	17%	13%
Software Revenue	855.3	735.1	16%	12%	859.5	737.0	17%	12%
Services Revenue	103.6	83.5	24%	19%	104.5	83.5	25%	20%
Operating Margin	22.5%	21.8%	+0.7pts		32.8%	31.4%	+1.4pts	
EPS	0.62	0.53	17%		0.87	0.72	21%	13%

Total Software Revenue in millions of Euros	IFRS				Non-IFRS			
	Q1 2019	Q1 2018	Change	Change in cc*	Q1 2019	Q1 2018	Change	Change in cc*
Americas	264.9	209.6	26%	17%	268.3	210.5	27%	18%
Europe	364.9	325.0	12%	10%	365.7	325.3	12%	10%
Asia	225.5	200.6	12%	9%	225.5	201.2	12%	8%

*In constant currencies

First Quarter 2019 versus 2018 Financial Comparisons

Revenue Review

- In constant currencies: Total revenue increased 13% (IFRS and non-IFRS). On an organic basis, non-IFRS total revenue increased 8%.
- Total software revenue increased 12% (IFRS and non-IFRS). Licenses and other software revenue increased 15% (IFRS and non-IFRS). Non-IFRS recurring revenue increased 11% reflecting double-digit growth for both support as well as subscription revenue. On an organic basis, total software revenue increased 8% with licenses and other software revenue growing 9% and recurring software revenue higher by 8%. Services revenue increased 20% in total, 9% on an organic basis and represented about 11% of total revenue (IFRS). (All growth rates at constant currencies.)
- From an industry perspective and in constant currencies: Non-IFRS software revenue increased double-digits in seven of the Company’s eleven industries (regrouped as of January 1, 2019, see Appendix for details): Transportation & Mobility, Aerospace & Defense, Industrial Equipment, Marine & Offshore, High Tech, Life Sciences and Home & Lifestyle.
- On a regional basis and at constant currencies: Americas non-IFRS software revenue increased 18%, reflecting the contribution from acquisitions, large deal activity and strong

recurring software growth. Europe non-IFRS software revenue increased 10%, on large deal activity in multiple geographies, most notably Central and Southern Europe. Asia non-IFRS software revenue increased 8% led by China and Asia Pacific, and to a lesser extent by India and Japan. On an organic basis, all three regions reported high single-digit software revenue growth.

- **3DEXPERIENCE** software revenue increased 26% at constant currency and represented 23% of related software revenue, led by large **3DEXPERIENCE** transactions, both new and expansions, with clients in Industrial Equipment, Transportation & Mobility, Aerospace & Defense and High Tech, among others.

Operating Review

- IFRS operating income increased 21%. Non-IFRS operating income increased 23% to €316.4 million. The non-IFRS operating margin was 32.8% in the first quarter, compared to 31.4% in the year-ago quarter, reflecting underlying organic improvement of 210 basis points, currency favorable effect of 50 basis points and estimated acquisition dilution of 120 basis points.
- IFRS effective tax rate was 28.5%, compared to 25.9% in the prior year quarter. On a non-IFRS basis, the first quarter 2019 effective tax rate was 29.7%, compared to 28.8% in the year-ago quarter.
- IFRS diluted net income per share increased 17%. Non-IFRS diluted net income per share increased 21% as reported to €0.87 per share, and increased about 13% at constant currency.

CFO Commentary

(In the discussion below figures are on a non-IFRS basis, with revenue growth rates in constant currencies.)

Pascal Daloz, Dassault Systèmes' Executive Vice President, CFO and Corporate Strategy Officer, commented, "We checked a number of boxes in the first quarter, leading to double-digit revenue and earnings per share growth exclusive of any currency benefits.

- ✓ *It was a dynamic quarter with important customers' business decisions, most notably in Transportation & Mobility, High Tech, Industrial Equipment, Life Sciences and Energy & Materials.*
- ✓ *We had strong momentum with **3DEXPERIENCE**, where software revenue increased 26%, on core industries large clients' adoption.*
- ✓ *Our organic growth continued to strengthen, with recurring software, representing 75% of our total software, up 8% organically.*
- ✓ *Finally, cash flow from operations set a strong performance, at €489 million, up 20%.*

“We are reaffirming our constant currency non-IFRS revenue growth range of 10% to 11% for 2019. Our growth outlook for software revenue is similar to 2018, and importantly as we stated at the outset of this year, we see a stronger contribution coming from recurring software revenue.

“Based upon this visibility, we are updating our 2019 reported non-IFRS revenue and earnings per share guidance ranges for the better than expected currency upside we saw in the first quarter and updated second quarter currency rate assumptions, leading us to add €35 million at the mid-point to our revenue range, now €3.845 billion to €3.875 billion and 5 cents per share to our earnings per share range, now €3.40 to €3.45.”

2019 Second Quarter and Full Year Financial Objectives

The Company’s second quarter and full year 2019 financial objectives presented below are given on an IFRS 15 and IFRS 16, non-IFRS basis and reflect the principal 2019 currency exchange rate assumptions below for the US dollar and Japanese yen as well as the potential impact from additional non-Euro currencies representing about 18% of the Company’s total revenue in 2018:

	Second Quarter 2019	Full Year 2019
Total Revenue	~€920 to €940 million	~€3.845 to €3.875 billion
Growth in Constant Currencies	10% to 13%	10% to 11%
Non-IFRS operating Margin	~29.5%	32.0% to 32.5%
Non-IFRS EPS	€0.74 to €0.77	€3.40 to €3.45
EPS Growth	7% to 12%	9% to 11%
<i>US dollar</i>	<i>\$1.15 per Euro</i>	<i>\$1.17 per Euro</i>
<i>Japanese yen (before hedging)</i>	<i>JPY 130.0 per Euro</i>	<i>JPY 128.8 per Euro</i>

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

The 2019 non-IFRS financial objectives set forth above do not take into account the following accounting elements and are estimated based upon the 2019 principal currency exchange rates above: contract liabilities write-downs estimated at approximately €12 million; share-based compensation expense, including related social charges, estimated at approximately €121 million and amortization of acquired intangibles estimated at approximately €196 million. The above 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 April 24, 2019.

Implementation of IFRS 16 Leases Summary

As of January 1st 2019, Dassault Systèmes adopted the new accounting standard IFRS 16 *Leases*, under the modified retrospective method. Under this method, the transition effect is accounted for within the consolidated equity at the date of initial application, therefore, there is no adjustment to prior year comparative information.

Cash Flow and Other Financial Highlights

Net operating cash flow increased 20% to €488.5 million for the 2019 first quarter compared to €406.9 million in the prior year period principally reflecting growth in net income and working capital improvement.

Dassault Systèmes' net financial position increased to €1.90 billion at March 31, 2019, compared to €1.81 billion at December 31, 2018, with cash, cash equivalents and short-term investments of €2.9 billion and debt related to credit lines of €1.0 billion.

Cash Dividend Recommendation, Annual Shareholders' Meeting Date and Filing of Regulatory Annual Report

The Board of Directors has scheduled the Annual Shareholders' Meeting for May 23, 2019 and is recommending a dividend per share equivalent to €0.65 per share for the fiscal year ended December 31, 2018, representing an increase of approximately 12% compared to the prior year €0.58 per share. Shares will be traded ex-dividend as of May 29, 2019. Dividends will be made payable on May 31, 2019. These recommendations are subject to approval by shareholders at the Annual Shareholders' Meeting. For further information, see the Company's 2018 *Document de Référence* filed with the French *Autorité des Marchés Financiers (AMF)* on March 26, 2019. The 2018 *Document de Référence* and an English language translation of this document are available on the Company's website.

Summary of Recent Business, Technology and Customer Announcements

- **BHP and Dassault Systèmes sign long-term partnership, with BHP adopting the 3DEXPERIENCE platform.** Dassault Systèmes and BHP have engaged in a long-term strategic partnership to leverage the application of digital technologies to mining. Combining the experience and resources of each company, the ambition is to unlock value by applying technologies proven in other industries to the core mining fundamentals of geoscience and resource engineering. The partnership intends to create a new level of understanding of resource and operational potential, underpinned by both company's commitments to safety and sustainability.
- **On March 26, 2019, Dassault Systèmes announced that Eurostar has chosen DELMIA Quintiq applications powered by the 3DEXPERIENCE platform** to optimize its resource and maintenance planning.
- **On March 12, 2019, Dassault Systèmes announced that it will supply Alstom with its 3DEXPERIENCE platform** to accelerate the delivery of 150 tailored trains to its customer, Trenitalia, the Italian national rail operator and part of Ferrovie dello Stato, introducing a new virtual product experience in the rail industry.
- **On March 5, 2019, Dassault Systèmes announced that it had acquired the startup Argosim to leverage proven artificial intelligence technology** as the backbone of model-based systems engineering and architecture for embedded systems.

- **On February 28, 2019, ABB and Dassault Systèmes jointly announced a wide spanning global partnership** to offer customers in digital industries a unique software solutions portfolio ranging from product life cycle management to asset health solutions. The companies will focus, in a staged approach, on factory automation and robotics, process industry automation, as well as electrification solutions for smart buildings.
- **On February 11, 2019, Dassault Systèmes announced the signing of a definitive agreement to acquire the elecworks electrical and automation design software product line from Trace Software International.** Through the agreement, a team of 21 skilled professionals will join Dassault Systèmes. The acquisition of the elecworks assets will streamline and boost Dassault Systèmes' development of an integrated mechatronics solution on the **3DEXPERIENCE** platform to help its **SOLIDWORKS** customers address electrical design challenges in the development of smart products.
- **On February 7, 2019, Dassault Systèmes announced that Naval Energies, a leader in marine renewables, is using the 3DEXPERIENCE platform** to develop new offshore floating wind turbines and Ocean Thermal Energy Conversion (OTEC) turnkey solutions, and drive its leadership in marine renewable energies.
- **On February 6, 2019, Airbus and Dassault Systèmes announced the signing of a five-year Memorandum of Agreement to cooperate on the implementation of collaborative 3D design, engineering, manufacturing, simulation and intelligence applications.** Under the agreement, Airbus will deploy Dassault Systèmes' **3DEXPERIENCE** platform, which delivers digital continuity, from design to operations, in a single data model for a unified user experience, making digital design, manufacturing and services (DDMS) a company-wide reality for all Airbus divisions and product lines.
- **In February, 2019 Dassault Systèmes unveiled the creation of 3DEXPERIENCE.WORKS, a new portfolio of industry-aware applications on the 3DEXPERIENCE platform that is tailored to the needs of SOLIDWORKS customers and small and mid-sized companies.** **3DEXPERIENCE.WORKS** uniquely combines social collaboration with design, simulation and manufacturing ERP capabilities in a single digital environment to help growing businesses become more inventive, efficient and responsive in today's Industry Renaissance.
- **On January 8, 2019, Dassault Systèmes and Cognata, Ltd. announced that they are partnering to embed Cognata's Autonomous Vehicle Simulation Suite into Dassault Systèmes' 3DEXPERIENCE platform.** The partnership will provide a first-of-its-kind solution for autonomous vehicle makers to define, test and experience autonomous driving throughout the development cycle within the **3DEXPERIENCE** platform. This will make a fully integrated autonomous vehicle development process resulting in faster, more accurate and safer autonomous vehicles on the road.

Today's Webcast and Conference Call Information

Today, Wednesday, April 24, 2019, Dassault Systèmes will first host from London a webcasted meeting at 8:30 AM London time/9:30 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 meeting and conference call will be available via the Internet by accessing <http://www.3ds.com/investors/>. Please go to the website at least 15 minutes prior to the webcast or conference call to register, download and install any necessary software.

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 23, 2019
Second Quarter 2019 Earnings Release: July 24, 2019
Third Quarter 2019 Earnings Release: October 24, 2019
Fourth Quarter 2019 Earnings Release: February 6, 2020

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 second quarter and US\$1.20 per €1.00 for the 2019 second half as well as an average Japanese yen to euro exchange rate of JPY130 to €1.00 for the 2019 second quarter and second half before hedging; however, currency values fluctuate, and the Company'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 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.

This press release constitutes the quarterly financial information required by article L.451-1-2 IV of the French Monetary and Financial Code (Code Monétaire et Financier).

About Dassault Systèmes

Dassault Systèmes, the **3DEXPERIENCE** Company, provides business and people with virtual universes to imagine sustainable innovations. Its world-leading solutions transform the way products are designed, produced, and supported. Dassault Systèmes' collaborative solutions foster social innovation, expanding possibilities for the virtual world to improve the real world. The Group brings value to over 250,000 customers of all sizes, in all industries, in more than 140 countries. For more information, visit www.3ds.com.

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(Tables to Follow)

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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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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 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, 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”).

DASSAULT SYSTEMES
NON-IFRS FINANCIAL INFORMATION

(unaudited; in millions of Euros, except per share data, 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, other operating income and expense, net, 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 and percentages	Three months ended			
	March 31, 2019	March 31, 2018	Change	Change in cc*
Non-IFRS Revenue	€ 964.0	€ 820.6	17%	13%
Non-IFRS Revenue breakdown by activity				
Software revenue	859.5	737.0	17%	12%
<i>of which licenses and other software revenue</i>	213.2	179.1	19%	15%
<i>of which subscription and support revenue</i>	646.2	557.9	16%	11%
Services revenue	104.5	83.5	25%	20%
Non-IFRS software revenue breakdown by product line				
CATIA software revenue	270.1	250.7	8%	6%
ENOVIA software revenue	92.3	74.7	24%	19%
SOLIDWORKS software revenue	191.4	169.9	13%	5%
Other software revenue	305.7	241.7	26%	22%
Non-IFRS Revenue breakdown by geography				
Americas	311.1	239.0	30%	21%
Europe	409.5	362.6	13%	11%
Asia	243.5	219.0	11%	8%
Non-IFRS operating income	€ 316.4	€ 257.8	23%	
Non-IFRS operating margin	32.8%	31.4%		
Non-IFRS net income attributable to shareholders	€ 226.5	€ 187.6	21%	
Non-IFRS diluted net income per share	€ 0.87	€ 0.72	21%	13%
Closing headcount	17,574	16,067	9%	
Average Rate USD per Euro	1.14	1.23	-7%	
Average Rate JPY per Euro	125.08	133.17	-6%	

* In constant currencies

DASSAULT SYSTEMES
ACQUISITIONS AND FOREIGN EXCHANGE IMPACT

In millions of Euros	Non-IFRS reported			o/w Growth EX FX ⁽¹⁾	o/w Scope ⁽²⁾	o/w FX ⁽³⁾
	Q1 2019	Q1 2018	Change MEUR			
Revenue QTD	964.0	820.6	143.4	71	40	32

(1) Growth at constant rate and constant scope

(2) Change of scope impact at current year rate

(3) FX impact on previous year figures

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

In millions of Euros, except per share data and percentages	Three months ended	
	March 31, 2019	March 31, 2018
Licenses and other software revenue	213.2	179.1
Subscription and Support revenue	642.0	556.0
Software revenue	855.3	735.1
Services revenue	103.6	83.5
Total Revenue IFRS	€ 958.9	€ 818.7
Cost of software revenue (excluding amortization of acquired intangibles)	(45.2)	(40.9)
Cost of services and other revenue	(100.6)	(79.4)
Research and development	(180.3)	(152.7)
Marketing and sales	(291.2)	(253.0)
General and administrative	(76.7)	(69.7)
Amortization of acquired intangibles	(50.1)	(41.8)
Other operating income and expense, net	0.9	(2.5)
Total Operating Expenses	(743.1)	(639.9)
Operating Income	€ 215.8	€ 178.7
Financial revenue and other, net	5.2	4.7
Income before income taxes	221.0	183.5
Income tax expense	(62.9)	(47.5)
Net Income	€ 158.0	€ 136.0
Non-controlling interest	2.8	0.3
Net Income attributable to equity holders of the parent	€ 160.8	€ 136.3
Basic net income per share	0.62	0.53
Diluted net income per share	€ 0.62	€ 0.53
Basic weighted average shares outstanding (in millions)	258.8	256.9
Diluted weighted average shares outstanding (in millions)	260.5	259.3

	Three months ended March 31, 2019	
	Change*	Change in cc**
IFRS Revenue IFRS	17%	13%
IFRS Revenue by activity		
Software revenue	16%	12%
Services revenue	24%	19%
IFRS Software Revenue by product line		
CATIA software revenue	8%	6%
ENOVIA software revenue	24%	19%
SOLIDWORKS software revenue	13%	5%
Other software revenue	26%	21%
IFRS Revenue by geography		
Americas	29%	19%
Europe	13%	11%
Asia	12%	8%

*Variation compared to the same period in the prior year. **In constant currencies

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

In millions of Euros	March 31, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	2,896.0	2,809.3
Short-term investments	0.6	0.6
Accounts receivable, net	890.0	1,044.1
Contract assets	36.8	26.5
Other current assets	268.0	321.3
Total current assets	4,091.4	4,201.8
Property and equipment, net	575.3	178.2
Goodwill and Intangible assets, net	3,687.5	3,262.4
Other non-current assets	352.7	331.6
Total Assets	€ 8,706.9	€ 7,974.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	135.9	161.7
Contract liabilities	1,013.3	907.5
Short-term debt	350.0	350.0
Other current liabilities	582.0	603.6
Total current liabilities	2,081.2	2,022.8
Long-term debt	650.0	650.0
Other non-current obligations	1,085.4	675.4
Total long-term liabilities	1,735.4	1,325.4
Non-controlling interests	61.6	63.9
Parent shareholders' equity	4,828.7	4,561.9
Total Liabilities and Shareholders' equity	€ 8,706.9	€ 7,974.0

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

In millions of Euros	Three months ended		
	March 31, 2019	March 31, 2018	Change
Net Income attributable to equity holders of the parent	160.8	136.3	24.5
Non-controlling interest	<u>(2.8)</u>	<u>(0.3)</u>	<u>(2.5)</u>
Net Income	158.0	136.0	22.0
Depreciation of property & equipment	31.7	13.7	18.0
Amortization of intangible assets	52.3	43.9	8.4
Other non cash P&L items	28.4	16.7	11.7
Changes in working capital	218.1	196.6	21.5
Net Cash provided by operating activities	€ 488.5	€ 406.9	€ 81.6
Additions to property, equipment and intangibles	(25.1)	(11.9)	(13.2)
Payments for acquisition of businesses, net of cash acquired	(400.6)	-	(400.6)
Sale (purchase) of short term investments, net	-	(40.1)	40.1
Investments, loans and others	(3.0)	(0.1)	(2.9)
Net Cash provided by (used in) investing activities	(€ 428.7)	(€ 52.1)	(€ 376.6)
Repayment of short term and long term debt	(0.9)	-	(0.9)
Payments on lease obligations	(17.0)	-	(17.0)
(Purchase) Sale of treasury stock	8.6	8.4	0.2
Proceeds from exercise of stock-options	13.5	12.3	1.2
Net Cash provided by (used in) financing activities	€ 4.2	€ 20.7	(€ 16.5)
Effect of exchange rate changes on cash and cash equivalents	22.7	(31.1)	53.8
Increase (decrease) in cash and cash equivalents	€ 86.7	€ 344.4	(€ 257.7)
Cash and cash equivalents at beginning of period	€ 2,809.3	€ 2,459.4	
Cash and cash equivalents at end of period	€ 2,896.0	€ 2,803.8	

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

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

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 *Document de référence* for the year ended December 31, 2018 filed with the AMF on March 26, 2019. To compensate for these limitations, the supplemental non-IFRS financial information should be read not in isolation, but only in conjunction with the Company'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	
	2019 IFRS	Adjustment (1)	2019 Non-IFRS	2018 IFRS	Adjustment (1)	2018 Non-IFRS	IFRS	Non-IFRS (2)
Total Revenue	€ 958.9	€ 5.1	€ 964.0	€ 818.7	€ 1.9	€ 820.6	17%	17%
Total Revenue breakdown by activity								
Software revenue	855.3	4.2	859.5	735.1	1.9	737.0	16%	17%
Licenses and other software revenue	213.2		213.2	179.1		179.1	19%	19%
Subscription and Support revenue	642.0	4.2	646.2	556.0	1.9	557.9	15%	16%
<i>Recurring portion of Software revenue</i>	75%		75%	76%		76%		
Services revenue	103.6	0.9	104.5	83.5		83.5	24%	25%
Total Software Revenue breakdown by product line								
CATIA software revenue	270.1		270.1	250.7		250.7	8%	8%
ENOVIA software revenue	92.3		92.3	74.7		74.7	24%	24%
SOLIDWORKS software revenue	191.4		191.4	169.9		169.9	13%	13%
Other software revenue	301.5	4.2	305.7	239.8	1.9	241.7	26%	26%
Total Revenue breakdown by geography								
Americas	307.0	4.0	311.1	238.1	0.9	239.0	29%	30%
Europe	408.4	1.1	409.5	362.2	0.4	362.6	13%	13%
Asia	243.5		243.5	218.4	0.6	219.0	12%	11%
Total Operating Expenses	(€ 743.1)	€ 95.5	(€ 647.6)	(€ 639.9)	€ 77.1	(€ 562.8)	16%	15%
Share-based compensation expense	(46.3)	46.3	-	(32.8)	32.8	-		
Amortization of acquired intangibles	(50.1)	50.1	-	(41.8)	41.8	-		
Other operating income and expense, net	0.9	(0.9)	-	(2.5)	2.5	-		
Operating Income	€ 215.8	€ 100.6	€ 316.4	€ 178.7	€ 79.0	€ 257.8	21%	23%
Operating Margin	22.5%		32.8%	21.8%		31.4%		
Financial revenue & other, net	5.2	(0.9)	4.2	4.7	0.5	5.2	9%	-19%
Income tax expense	(62.9)	(32.3)	(95.2)	(47.5)	(28.2)	(75.6)	33%	26%
Non-controlling interest	2.8	(1.8)	1.0	0.3		0.3		
Net Income attributable to shareholders	€ 160.8	€ 65.7	€ 226.5	€ 136.3	€ 51.4	€ 187.6	18%	21%
Diluted Net Income Per Share (3)	€ 0.62	€ 0.25	€ 0.87	€ 0.53	€ 0.20	€ 0.72	17%	21%

(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 intangibles, share-based compensation expense and related social charges, and other operating income and expense, (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 for net income and diluted net income per share, certain one-time tax effects and the income tax effect of the non-IFRS adjustments.

(2) 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.

(3) Based on a weighted average 260.5 million diluted shares for Q1 2019 and 259.3 million diluted shares for Q1 2018.

In millions of Euros	Three months ended March 31,						Change	
	2019 IFRS	Adjustment	2019 Non-IFRS	2018 IFRS	Adjustment	2018 Non-IFRS	IFRS	Non-IFRS
Cost of revenue	(145.7)	2.0	(143.8)	(120.3)	1.0	(119.3)	21%	21%
Research and development	(180.3)	20.9	(159.4)	(152.7)	12.2	(140.4)	18%	14%
Marketing and sales	(291.2)	12.4	(278.8)	(253.0)	6.4	(246.6)	15%	13%
General and administrative	(76.7)	11.1	(65.6)	(69.7)	13.2	(56.5)	10%	16%
Total share-based compensation expense		€ 46.3			€ 32.8			