



Dassault Systèmes Reports First Half Revenue and EPS Growth Up Double-digits, Reaffirms 2019 Financial Objectives

VÉLIZY-VILLACOUBLAY, France — July 24, 2019 — Dassault Systèmes (Euronext Paris: #13065, DSY.PA), announces IFRS unaudited financial results for the second quarter and the first half ended June 30, 2019. These results were reviewed by the Company's Board of Directors on July 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, which have been applied respectively since January 1st 2018 and January 1st, 2019.

Q2 and H1 Highlights and Financial Summary (Unaudited, all revenue growth at constant currency)

- Q2 total non-IFRS revenue and software revenue up 13% and 12%, respectively, at high end of Dassault Systèmes' financial objectives range
- On an organic basis, non-IFRS revenue up 10% & non-IFRS software revenue up 9% in Q2
- **3DEXPERIENCE** non-IFRS software revenue up 40% in H1
- Solid Core and Diversification Industries performance for H1
- Cash flow from operations up 38% to €894 million for H1
- Dassault Systèmes and Medidata signed definitive acquisition agreement on June 12, 2019
- Confirming and Updating 2019 Financial Objectives: Targeting non-IFRS EPS of €3.45-3.50, well aligned with our five-years plan to double non-IFRS earnings per share in 2019

In millions of Euros, except per share data
Total Revenue
Software Revenue
Operating Margin
EPS

IFRS			
Q2 2019	Q2 2018	Change	Change in cc*
961.4	827.8	16%	13%
847.4	740.1	15%	12%
18.9%	20.4%	-1.4pt	
0.51	0.50	2%	

IFRS			
YTD 2019	YTD 2018	Change	Change in cc*
1,920.3	1,646.4	17%	13%
1,702.7	1,475.2	15%	12%
20.7%	21.1%	-0.4pt	
1.13	1.02	11%	

In millions of Euros, except per share data
Total Revenue
Software Revenue
Operating Margin
EPS

Non-IFRS			
Q2 2019	Q2 2018	Change	Change in cc*
965.4	830.7	16%	13%
851.0	743.0	15%	12%
30.7%	29.4%	+1.3pt	
0.82	0.69	19%	15%

Non-IFRS			
YTD 2019	YTD 2018	Change	Change in cc*
1,929.4	1,651.3	17%	13%
1,710.5	1,480.0	16%	12%
31.8%	30.4%	+1.4pt	
1.69	1.41	20%	14%

*In constant currencies

Bernard Charlès, Dassault Systèmes' Vice Chairman and Chief Executive Officer commented, "We believe the **3DEXPERIENCE** platform is a critical enabler for innovation and transformation across all major industries where the drive to provide new types of customer experiences and new business models is emerging and accelerating. We see these possibilities across the three spheres addressed by our purpose: Product, Nature and Life and the proof points with our strategic wins across a number of diverse industries over the last two years.

"Our plan to acquire Medidata, announced in June, fits perfectly into our strategy in that regard. As the Life Sciences industry shifts to science-based experience, we believe scientific innovation

and industrial performance call for a unified new approach and this is what we have been working towards with our investments in Life Sciences over the past years. The acquisition of Medidata, with its clinical and commercial solutions, reinforces our position as a science-based company by providing the Life Sciences industry with an integrated business experience platform for an end-to-end approach to research and discovery, development, clinical testing, manufacturing and commercialization of new therapies and health technologies.

“Thanks to our platform strategy, more companies view us as a strategic partner to help them transform. We were very honored and pleased that Groupe PSA has named Dassault Systèmes a key supplier, and its preferred digital partner for its digital transformation. With Dassault Systèmes as Groupe PSA’s preferred digital partner, the two companies are engaging in a long-term strategy with the intent to deploy the 3DEXPERIENCE platform as a key innovation enabler across the group’s activities.”

Second Quarter Financial Summary (Unaudited)

In millions of Euros, except per share data	IFRS				Non-IFRS			
	Q2 2019	Q2 2018	Change	Change in cc*	Q2 2019	Q2 2018	Change	Change in cc*
Q2 2019 Total Revenue	961.4	827.8	16%	13%	965.4	830.7	16%	13%
Q2 2019 Software Revenue	847.4	740.1	15%	12%	851.0	743.0	15%	12%
Q2 2019 Services Revenue	114.0	87.7	30%	27%	114.4	87.7	30%	27%
Q2 2019 Operating Margin	18.9%	20.4%	-1.4pt		30.7%	29.4%	+1.3pt	
Q2 2019 EPS	0.51	0.50	2%		0.82	0.69	19%	15%

Total Software Revenue in millions of Euros	IFRS				Non-IFRS			
	Q2 2019	Q2 2018	Change	Change in cc*	Q2 2019	Q2 2018	Change	Change in cc*
Americas	249.5	208.1	20%	13%	252.3	210.0	20%	14%
Europe	347.5	306.9	13%	12%	348.3	307.1	13%	13%
Asia	250.5	225.1	11%	9%	250.5	225.9	11%	9%

*In constant currencies

Second Quarter 2019 versus 2018 Financial Comparisons

Q2 Revenue Review

- In constant currencies: Total revenue increased 13% (IFRS and non-IFRS). On an organic basis, non-IFRS total revenue increased 10%.
- Total software revenue increased 12% (IFRS and non-IFRS). Licenses and other software revenue increased 12% (IFRS and non-IFRS). Non-IFRS recurring revenue increased 12% with double-digit growth for support as well as subscription revenue. On an organic basis, total non-IFRS software revenue increased 9% reflecting recurring software revenue growth of 9% and licenses & other software non-IFRS revenue growth of 7%. Recurring software represented 71% of non-IFRS software. Brands recording the strongest non-IFRS software revenue growth in the second quarter included CATIA, ENOVIA, DELMIA, GEOVIA and 3DEXCITE. (All growth rates at constant currencies.)

- Services revenue increased 27% (IFRS and non-IFRS) and represented 12% of total revenue (IFRS). Services revenue (non-IFRS) increased 15% on an organic basis, with strong growth in 3DEXPERIENCE and marketing activities with 3DEXCITE. (All growth rates at constant currencies.)
- On a regional basis and at constant currencies: Americas non-IFRS software revenue increased 14% led by North America, with large deal activity and strong recurring non-IFRS software growth, and improvement in Latin America. Europe non-IFRS software revenue increased 13% led by North, West and South Europe. Asia non-IFRS software revenue increased 9% led by China and India.
- 3DEXPERIENCE non-IFRS software revenue increased 52% at constant currency on strong growth for CATIA, DELMIA, SIMULIA and ENOVIA, and represented 31% (23% in second quarter 2018) of related non-IFRS software revenue.

Q2 Operating Review

- IFRS operating income increased 8%. Non-IFRS operating income increased 21% to €296.2 million. The non-IFRS operating margin increased to 30.7%, compared to 29.4% in the year-ago quarter, reflecting underlying organic improvement of 230 basis points, currency favorable effect of 30 basis points and estimated acquisition dilution of 130 basis points.
- IFRS effective tax rate increased to 28.0%, compared to 25.4% in the prior year quarter principally reflecting the U.S. BEAT tax mechanism rate increase from 5% to 10%. On a non-IFRS basis, the second quarter 2019 effective tax rate was 28.1%, compared to 27.8% in the year-ago quarter.
- IFRS diluted net income per share increased 2% with operating income growth of 8% partly offset by the higher effective tax rate noted above. Non-IFRS diluted net income per share increased 19% as reported to €0.82 per share, and increased about 15% at constant currency.

First Half 2019 versus 2018 Financial Comparisons

In millions of Euros, except per share data	IFRS				Non-IFRS			
	YTD 2019	YTD 2018	Change	Change in cc*	YTD 2019	YTD 2018	Change	Change in cc*
YTD 2019 Total Revenue	1,920.3	1,646.4	17%	13%	1,929.4	1,651.3	17%	13%
YTD 2019 Software Revenue	1,702.7	1,475.2	15%	12%	1,710.5	1,480.0	16%	12%
YTD 2019 Services Revenue	217.6	171.2	27%	23%	218.9	171.2	28%	24%
YTD 2019 Operating Margin	20.7%	21.1%	-0.4pt		31.8%	30.4%	+1.4pt	
YTD 2019 EPS	1.13	1.02	11%		1.69	1.41	20%	14%

Total Software Revenue in millions of Euros	IFRS				Non-IFRS			
	YTD 2019	YTD 2018	Change	Change in cc*	YTD 2019	YTD 2018	Change	Change in cc*
Americas	514.3	417.7	23%	15%	520.6	420.5	24%	16%
Europe	712.4	631.9	13%	11%	714.0	632.4	13%	11%

Asia	476.0	425.6	12%	9%	476.0	427.1	11%	9%
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*In constant currencies

Revenue Review

- Total revenue increased 13% (IFRS and non-IFRS) in constant currencies on double-digit growth for both software and services revenue.
- Software revenue increased 12% (IFRS and non-IFRS). Licenses and other software revenue increased 13% (IFRS and non-IFRS). Non-IFRS recurring revenue increased 12% reflecting double-digit growth for both support as well as subscription revenue. Services revenue increased 24% (non-IFRS) and represented 11% of total revenue (IFRS). (All growth rates at constant currencies.)
- On an organic and non-IFRS basis, total revenue increased 9%. Software revenue increased 9% with licenses and other software revenue up 8% and recurring software revenue up 9%. Services revenue increased 12%. (All growth rates at constant currencies.)
- From an industry perspective and in constant currencies: Non-IFRS software revenue increased double-digits in five of the Company's eleven industries (regrouped as of January 1, 2019, see Glossary for details): Transportation & Mobility, Aerospace & Defense, Marine & Offshore, High Tech, and Home & Lifestyle, well supported by growth dynamics in Industrial Equipment and Life Sciences.
- On a regional basis and at constant currencies: Americas non-IFRS software revenue increased 16%, reflecting the combined contribution from large deal activity, strong recurring software growth and contributions from acquisitions. Europe non-IFRS software revenue increased 11%, on notable strength in Northern, Western and Southern Europe. Asia non-IFRS software revenue increased 9% led by China and India.
- **3DEXPERIENCE** software revenue non-IFRS increased 40% at constant currencies and represented 27% (21% in H118) of related software revenue, led by large **3DEXPERIENCE** transactions in Aerospace & Defense, Transportation & Mobility, Consumer Goods, Energy & Materials, Industrial Equipment and Marine & Offshore.

Operating Review

- IFRS operating income increased 15%. Non-IFRS operating income increased 22% to €612.6 million. The non-IFRS operating margin increased 140 basis points to 31.8%, compared to 30.4% in the year-ago first half, reflecting underlying organic improvement of about 220 basis points and currency favorable effect of 40 basis points offset in part by estimated acquisition dilution of 120 basis points.
- IFRS effective tax rate increased to 28.3%, up from 25.6% in the year-ago period principally due to the U.S. BEAT tax mechanism rate increase from 5% to 10%. On a non-

IFRS basis, the First Half 2019 effective tax rate was 28.9%, compared to 28.3% in the prior year period.

- IFRS diluted net income per share increased 11%. Non-IFRS diluted net income per share increased 20% as reported to €1.69 per share, and increased an estimated 14% 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: *“Second quarter non-IFRS results came in at the high end of our guidance on strong software and services results. Based upon our Q2 and H1 performance, we are reaffirming our 2019 constant currency growth objectives and updating for currency, leading to a non-IFRS EPS objective range of €3.45 to €3.50 for 2019. We are well aligned with our five-year plan to double our non-IFRS earnings per share to €3.50 in 2019, thanks to our key growth drivers.*

“First, we benefited from the continued strengthening of our organic growth led by our recurring non-IFRS software, with strong growth for both our subscription and support revenue. In both Q2 and H1 software revenue and recurring software were up 9% in constant currencies on an organic non-IFRS basis. Second, for the 2019 First Half, 3DEXPERIENCE non-IFRS software revenue increased over 40% and represented 27% of related software revenue, up six percentage points. Third, our progress is also visible with good traction with companies in our Core Industries and Diversification Industries, both delivering double-digit non-IFRS software growth for the First Half of 2019.

“With respect to our proposed acquisition of Medidata, Dassault Systèmes and Medidata Solutions have received antitrust clearance and continue to work constructively with regulators to obtain other required regulatory approvals. The Medidata Solutions shareholders are convened to vote on the approval of the merger on August 16, 2019. We expect to complete the acquisition in the third or in the fourth quarter of 2019 if all conditions to closing are satisfied then. We also anticipate providing Q4 and FY combined guidance at the time of our Q3 earnings announcement on October 24, 2019, should the acquisition be completed.”

2019 Third Quarter and Full Year Financial Objectives

Dassault Systèmes' third quarter and full year 2019 financial objectives presented below are given on an 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:

	Third Quarter 2019	Full Year 2019
Total Revenue	~€890 to €905 million	~€3.880 to €3.910 billion
Growth in Constant Currencies	10% to 12%	10% to 11%
Non-IFRS operating Margin	29.0% to 30.0%	~ 32.5%
Non-IFRS EPS	€0.70 to €0.74	€3.45 to €3.50

EPS Growth	8% to 14%	11% to 12%
<i>US dollar</i>	<i>\$1.15 per Euro</i>	<i>\$1.15 per Euro</i>
<i>Japanese yen (before hedging)</i>	<i>JPY 130.0 per Euro</i>	<i>JPY 127.1 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 €10 million; share-based compensation expense, including related social charges, estimated at approximately €125 million and amortization of acquired intangibles estimated at approximately €200 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 June 30, 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

For the 2019 First Half, the Company's principal sources of liquidity were cash from operations aggregating €893.6 million as well as cash for stock options exercised of €46.0 million. During the 2019 First Half cash obtained from operations was used principally for payment for acquisitions, net of cash acquired of €402.8 million; to distribute cash dividends of €168.8 million; capital expenditures, net of €48.2 million; and payment for lease obligations of €37.3 million.

Dassault Systèmes' net financial position increased to €2.09 billion at June 30, 2019, compared to €1.81 billion at December 31, 2018, with an increase in cash, cash equivalents and short-term investments of €0.283 billion to €3.09 billion from €2.81 billion, less debt-related credit lines of €1.0 billion.

Summary of Recent Business, Technology and Customer Announcements

- **On June 12, 2019 Dassault Systèmes and Medidata Solutions, Inc. (NASDAQ: MDSO), leader of the digital transformation of the Life Sciences industry for clinical development, commercial, and real-world data intelligence, announced the signing of a definitive agreement for Dassault Systèmes to acquire Medidata in an all-cash transaction at a price of \$92.25 per share of Medidata, representing an enterprise value of about \$5.8 billion.** The transaction was unanimously approved by the Boards of Directors of both companies. With the acquisition of U.S.-based Medidata and its clinical and commercial solutions, Dassault Systèmes will reinforce its position as a science-

based company by providing the Life Sciences industry with an integrated business experience platform for an end-to-end approach to research and discovery, development, clinical testing, manufacturing and commercialization of new therapies and health technologies. Thirteen of the top 15 drugs sold in 2018 were powered by Medidata's technology. Eighteen of the top 25 pharmaceutical companies and nine of the top 10 CROs are all Medidata customers. Founded in 1999, Medidata is headquartered in New York City, with 16 offices across seven countries, notably in the U.S., Japan, Korea, and the U.K., and counts 2,800 employees and contractors. Medidata's fiscal year ended December 31, 2018, and its revenue was \$636 million.

- **On June 18, 2019 Dassault Systèmes announced its further support of innovation for the Life Sciences industry for patient-centric experiences with its minority participation in a fundraising with other investors for BioSerenity, a startup developing a comprehensive and efficient health solution involving textiles equipped with sensors and online telehealth services to diagnose and monitor chronic pathologies.** Founded in 2014 and headquartered in Paris, BioSerenity – which has been part of the 3DEXPERIENCE Lab – is developing wearable medical devices and digital point-of-care solutions that leverage textile innovation and artificial intelligence, as well as electronic patient-reported outcome (ePRO), internet of things and cloud technologies.

Other Corporate Announcements

- **On May 23, 2019, at the Annual Shareholders' Meeting, Dassault Systèmes' shareholders approved a dividend for the fiscal year 2018 equivalent to €0.65 per share, representing an increase of 12% compared to the prior year €0.58 per share.** On May 31, 2019, the cash dividend was paid in the aggregate amount of €168.8 million.

Today's Webcast and Conference Call Information

Today, Wednesday, July 24, 2019, Dassault Systèmes will first host from Paris a webcasted meeting at 9:00 AM 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 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

Third Quarter 2019 Earnings Release: October 24, 2019 in London
Life Sciences Day: November 13, 2019 in New York
Fourth Quarter 2019 Earnings Release: February 6, 2020 in Paris

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 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.

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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APPENDIX TABLE OF CONTENTS

(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.)

Glossary of Definitions

Non-IFRS Financial Information

Condensed consolidated statements of income

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 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				Six months ended			
	June 30, 2019	June 30, 2018	Change	Change in cc*	June 30, 2019	June 30, 2018	Change	Change in cc*
Non-IFRS Revenue	€ 965.4	€ 830.7	16%	13%	€ 1,929.4	€ 1,651.3	17%	13%
Non-IFRS Revenue breakdown by activity								
Software revenue	851.0	743.0	15%	12%	1,710.5	1,480.0	16%	12%
<i>of which licenses and other software revenue</i>	248.5	217.5	14%	12%	461.8	396.6	16%	13%
<i>of which subscription and support revenue</i>	602.5	525.5	15%	12%	1,248.7	1,083.4	15%	12%
Services revenue	114.4	87.7	30%	27%	218.9	171.2	28%	24%
Non-IFRS software revenue breakdown by product line								
CATIA software revenue	280.4	250.4	12%	12%	550.5	501.0	10%	9%
ENOVIA software revenue	97.1	87.3	11%	9%	189.4	162.0	17%	14%
SOLIDWORKS software revenue	202.8	185.9	9%	4%	394.2	355.7	11%	4%
Other software revenue	270.6	219.4	23%	20%	576.3	461.3	25%	21%
Non-IFRS Revenue breakdown by geography								
Americas	298.7	239.0	25%	18%	609.7	478.0	28%	19%
Europe	394.7	346.1	14%	13%	804.2	708.7	13%	12%
Asia	272.0	245.6	11%	9%	515.5	464.5	11%	8%
Non-IFRS operating income	€ 296.2	€ 244.1	21%		€ 612.6	€ 501.8	22%	
Non-IFRS operating margin	30.7%	29.4%			31.8%	30.4%		
Non-IFRS net income attributable to shareholders	€ 214.0	€ 179.9	19%		€ 440.5	€ 367.5	20%	
Non-IFRS diluted net income per share	€ 0.82	€ 0.69	19%	15%	€ 1.69	€ 1.41	20%	14%
Closing headcount	17,623	16,221	9%		17,623	16,221	9%	
Average Rate USD per Euro	1.12	1.19	-6%		1.13	1.21	-7%	
Average Rate JPY per Euro	123.47	130.05	-5%		124.28	131.60	-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⁾
	Q2 2019	Q2 2018	Change MEUR			
Revenue QTD	965.4	830.7	134.7	81	33	21
Revenue YTD	1,929.4	1,651.3	278.1	153	73	53

(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		Six months ended	
	June 30,	June 30,	June 30,	June 30,
	2019	2018	2019	2018
Licenses and other software revenue	248.5	217.5	461.8	396.6
Subscription and Support revenue	598.9	522.5	1,240.9	1,078.6
Software revenue	847.4	740.1	1,702.7	1,475.2
Services revenue	114.0	87.7	217.6	171.2
Total Revenue IFRS	€ 961.4	€ 827.8	€ 1,920.3	€ 1,646.4
Cost of software revenue (excluding amortization of acquired intangibles)	(44.6)	(38.2)	(89.8)	(79.0)
Cost of services and other revenue	(105.7)	(81.8)	(206.3)	(161.2)
Research and development	(176.9)	(161.4)	(357.2)	(314.0)
Marketing and sales	(300.5)	(262.8)	(591.7)	(515.8)
General and administrative	(75.7)	(69.8)	(152.3)	(139.6)
Amortization of acquired intangibles	(50.9)	(40.7)	(101.0)	(82.5)
Other operating income and expense, net	(24.9)	(4.4)	(24.0)	(6.9)
Total Operating Expenses	(779.3)	(659.0)	(1,522.4)	(1,299.0)
Operating Income	€ 182.2	€ 168.7	€ 397.9	€ 347.4
Financial revenue and other, net	0.2	4.4	5.3	9.1
Income before income taxes	€182.3	€173.1	€403.3	€356.6
Income tax expense	(51.1)	(44.0)	(114.0)	(91.5)
Net Income	€ 131.2	€ 129.1	€ 289.3	€ 265.1
Non-controlling interest	2.8	0.1	5.6	0.4
Net Income attributable to equity holders of the parent	€ 134.1	€ 129.3	€ 294.9	€ 265.5
Basic net income per share	0.52	0.50	1.14	1.03
Diluted net income per share	€ 0.51	€ 0.50	€ 1.13	€ 1.02
Basic weighted average shares outstanding (in millions)	259.5	258.9	259.2	257.9
Diluted weighted average shares outstanding (in millions)	261.1	260.4	260.8	260.0

	Three months ended June 30, 2019		Six months ended June 30, 2019	
	Change*	Change in cc**	Change*	Change in cc**
IFRS Revenue	16%	13%	17%	13%
IFRS Revenue by activity				
Software revenue	15%	12%	15%	12%
Services revenue	30%	27%	27%	23%
IFRS Software Revenue by product line				
CATIA software revenue	12%	12%	10%	9%
ENOVIA software revenue	11%	9%	17%	14%
SOLIDWORKS software revenue	9%	4%	11%	4%
Other software revenue	23%	19%	24%	20%
IFRS Revenue by geography				
Americas	25%	18%	27%	19%
Europe	14%	13%	13%	12%
Asia	11%	9%	11%	9%

*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	June 30, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	3,092.8	2,809.3
Short-term investments	0.6	0.6
Accounts receivable, net	810.3	1,044.1
Contract assets	40.3	26.5
Other current assets	227.9	321.3
Total current assets	4,171.9	4,201.8
Property and equipment, net	563.1	178.2
Goodwill and Intangible assets, net	3,613.8	3,262.4
Other non-current assets	374.7	331.6
Total non-current assets	4,551.6	3,772.2
Total Assets	€ 8,723.5	€ 7,974.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	163.8	161.7
Contract liabilities	1,019.9	907.5
Short-term debt	350.0	350.0
Other current liabilities	623.5	603.6
Total current liabilities	2,157.2	2,022.8
Long-term debt	650.0	650.0
Other non-current obligations	1,060.9	675.4
Total long-term liabilities	1,710.9	1,325.4
Non-controlling interests	57.6	63.9
Parent shareholders' equity	4,797.9	4,561.9
Total Liabilities and Shareholders' equity	€ 8,723.5	€ 7,974.0

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

In millions of Euros	Three months ended			Six months ended		
	June 30, 2019	June 30, 2018	Change	June 30, 2019	June 30, 2018	Change
Net Income attributable to equity holders of the parent	134.1	129.2	4.9	294.9	265.5	29.4
Non-controlling interest	<u>(2.8)</u>	<u>(0.1)</u>	<u>(2.7)</u>	<u>(5.6)</u>	<u>(0.4)</u>	<u>(5.2)</u>
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 operating activities	€ 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)
Payments 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	-	40.8	(40.8)	-	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	(€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	(€156.0)	(€43.4)	(€112.6)	(€151.7)	(€22.8)	(€128.9)
Effect of exchange rate changes on cash and cash equivalents	(12.9)	75.8	(88.7)	9.7	44.8	(35.1)
Increase (decrease) in cash and cash equivalents	€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	

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 June 30,						Change	
	2019 IFRS	Adjustment ⁽¹⁾	2019 Non-IFRS	2018 IFRS	Adjustment ⁽¹⁾	2018 Non-IFRS	IFRS	Non-IFRS ⁽²⁾
Total Revenue	€ 961.4	€ 4.0	€ 965.4	€ 827.8	€ 3.0	€ 830.7	16%	16%
Total Revenue breakdown by activity								
Software revenue	847.4	3.6	851.0	740.1	3.0	743.0	15%	15%
Licenses and other software revenue	248.5		248.5	217.5		217.5	14%	14%
Subscription and Support revenue	598.9	3.6	602.5	522.5	3.0	525.5	15%	15%
<i>Recurring portion of Software revenue</i>	<i>71%</i>		<i>71%</i>	<i>71%</i>		<i>71%</i>		
Services revenue	114.0	0.4	114.4	87.7		87.7	30%	30%
Total Software Revenue breakdown by product line								
CATIA software revenue	280.4		280.4	249.9	0.5	250.4	12%	12%
ENOVIA software revenue	97.1		97.1	87.3		87.3	11%	11%
SOLIDWORKS software revenue	202.8		202.8	185.9		185.9	9%	9%
Other software revenue	267.0	3.6	270.6	217.0	2.4	219.4	23%	23%
Total Revenue breakdown by geography								
Americas	295.6	3.0	298.7	237.1	1.9	239.0	25%	25%
Europe	393.8	0.9	394.7	345.9	0.2	346.1	14%	14%
Asia	272.0		272.0	244.7	0.9	245.6	11%	11%
Total Operating Expenses	(€ 779.3)	€ 110.1	(€ 669.2)	(€ 659.0)	€ 72.4	(€ 586.6)	18%	14%
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%	21%
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%	-102%
Income tax expense	(51.1)	(32.2)	(83.3)	(44.0)	(25.3)	(69.3)	16%	20%
Non-controlling interest	2.8	(1.6)	1.2	0.1		0.1		
Net Income attributable to shareholders	€ 134.1	€ 79.9	€ 214.0	€ 129.3	€ 50.7	€ 179.9	4%	19%
Diluted Net Income Per Share (3)	€ 0.51	€ 0.31	€ 0.82	€ 0.50	€ 0.19	€ 0.69	2%	19%

(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 261.1 million diluted shares for Q2 2019 and 260.4 million diluted shares for Q2 2018.

In millions of Euros	Three months ended June 30						Change	
	2019 IFRS	Adjustment	2019 Non-IFRS	2018 IFRS	Adjustment	2018 Non-IFRS	IFRS	Non-IFRS
Cost of revenue	(150.4)	1.5	(148.8)	(120.0)	1.1	(118.9)	25%	25%
Research and development	(176.9)	14.0	(162.9)	(161.4)	10.8	(150.5)	10%	8%
Marketing and sales	(300.5)	10.7	(289.8)	(262.8)	7.5	(255.3)	14%	14%
General and administrative	(75.7)	8.0	(67.7)	(69.8)	7.9	(61.9)	8%	9%
Total share-based compensation expense		€ 34.2			€ 27.3			

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

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

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In millions of Euros, except per share data and percentages	Six months ended June 30,						Change	
	2019 IFRS	Adjustment ⁽¹⁾	2019 Non-IFRS	2018 IFRS	Adjustment ⁽¹⁾	2018 Non-IFRS	IFRS	Non-IFRS ⁽²⁾
Total Revenue	€ 1,920.3	€ 9.1	€ 1,929.4	€ 1,646.4	€ 4.8	€ 1,651.3	17%	17%
Total Revenue breakdown by activity								
Software revenue	1,702.7	7.8	1,710.5	1,475.2	4.8	1,480.0	15%	16%
Licenses and other software revenue	461.8		461.8	396.6		396.6	16%	16%
Subscription and Support revenue	1,240.9	7.8	1,248.7	1,078.6	4.8	1,083.4	15%	15%
<i>Recurring portion of Software revenue</i>	<i>73%</i>		<i>73%</i>	<i>73%</i>		<i>73%</i>		
Services revenue	217.6	1.3	218.9	171.2		171.2	27%	28%
Total Software Revenue breakdown by product line								
CATIA software revenue	550.5		550.5	500.6	0.5	501.0	10%	10%
ENOVIA software revenue	189.4		189.4	162.0		162.0	17%	17%
SOLIDWORKS software revenue	394.2		394.2	355.7		355.7	11%	11%
Other software revenue	568.5	7.8	576.3	456.9	4.4	461.3	24%	25%
Total Revenue breakdown by geography								
Americas	602.7	7.1	609.7	475.2	2.8	478.0	27%	28%
Europe	802.2	2.0	804.2	708.1	0.6	708.7	13%	13%
Asia	515.5		515.5	463.1	1.5	464.5	11%	11%
Total Operating Expenses	(€ 1,522.4)	€205.6	(€ 1,316.8)	(€ 1,299.0)	€149.5	(€ 1,149.5)	17%	15%
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	15%	22%
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	-42%	-60%
Income tax expense	(114.0)	(64.5)	(178.5)	(91.5)	(53.5)	(144.9)	25%	23%
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%	20%
Diluted Net Income Per Share (3)	€ 1.13	€0.56	€ 1.69	€ 1.02	€0.39	€ 1.41	11%	20%

(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 260.8 million diluted shares for H1 2019 and 260.0 million diluted shares for H1 2018.

In millions of Euros	Six months ended June 30						Change	
	2019 IFRS	Adjustment	2019 Non-IFRS	2018 IFRS	Adjustment	2018 Non-IFRS	IFRS	Non-IFRS
Cost of revenue	(296.1)	3.5	(292.6)	(240.2)	2.1	(238.1)	23%	23%
Research and development	(357.2)	34.9	(322.3)	(314.0)	23.1	(291.0)	14%	11%
Marketing and sales	(591.7)	23.1	(568.6)	(515.8)	13.9	(501.9)	15%	13%
General and administrative	(152.3)	19.0	(133.3)	(139.6)	21.1	(118.4)	9%	13%
Total share-based compensation expense		€ 80.5			€ 60.2			