

**3DEXPERIENCE®**

# Dassault Systèmes

Q2 & H1 2020 Earnings Presentation

**Bernard Charlès,**  
Vice-Chairman & CEO

**Pascal Daloz,**  
COO & CFO

# Forward Looking Information

Statements herein that are not historical facts but express expectations or objectives for the future, including but not limited to statements regarding the Group's non-IFRS financial performance objectives 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.

# Forward Looking Information

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 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](http://www.3ds.com).

In preparing such forward-looking statements, the Group has in particular assumed an average US dollar to euro exchange rate of US\$1.13 per €1.00 as well as an average Japanese yen to euro exchange rate of JPY122.3 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 Information

Readers are cautioned that the supplemental non-IFRS information presented in this earnings presentation 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 earnings presentation 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.

# 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, the Group utilizes the following ratios: a) for new licenses revenue, the Group calculates the percentage contribution by comparing total 3DEXPERIENCE new licenses revenue to new licenses revenue for all product lines except SOLIDWORKS and acquisitions ("related new licenses revenue"); and, b) for software revenue, the Group calculates the percentage contribution by comparing total 3DEXPERIENCE software revenue to software revenue for all product lines except SOLIDWORKS and acquisitions ("related software revenue").

# Q2 & YTD 2020 Highlights Non-IFRS

## Financial Results

**Well aligned** with **guidance** - **Total revenue** growth up **10%** exFX in Q2, **14%** exFX in YTD

## A Resilient Business Model

**Recurring** software revenue (**83%** of total software revenue YTD), up **30%** exFX in Q2 and YTD with **solid renewals** on an organic basis and **good MEDIDATA** performance  
**Operating margin** and **EPS** at **high-end of guidance** on **strong operational performance**

## A Purpose-Driven Company

**Virtual twin experience** to imagine **sustainable innovation**  
From **Things** to **Life**: creating a twin experience of the human body  
From **Connections** to **Relationships**: developing customer intimacy  
From **Making** to **Growing**: helping customers to develop sustainable business  
From **Social** to **Human**: driving a human-centric innovation  
Expanding **3DEXPERIENCE Collaborative Data Science** with **Proxem**: from **Document** to **Experience**

## 2020 Financial Framework

Reaffirming **2020 EPS** with an objective of **YOY 2020 EPS** at **€3.70-3.75** (€3.65 in 2019)

# Agenda

Q2 & YTD 2020 Business & Strategy Highlights

Q2 & YTD 2020 Financial Highlights

Q3 & FY 2020 Financial Objectives

Financial Information Appendix

A young girl with her hair in a bun, wearing a white sleeveless dress, is seen from behind, playing in a public fountain. She is surrounded by multiple jets of water spraying upwards. The background shows a park-like setting with palm trees and a building under a clear sky.

The Only Progress is Human





# When Innovations are Made by People, for People, They Can Change the World

“

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

”





# Our Belief

The virtual world extends  
and improves the real world

# Dassault Systèmes' New Ambition



ACT EMOTION ●

ACT WATER ●

ACT CITIES ●

ACT ENERGY ●

ACT MOBILITY ●

ACT CONSUMPTION ●

ACT NATURE ●

ACT HEALTH ●

ACT HERITAGE ●

ACT FUTURE ●

# 10 Acts to Shape a Better Future

How can virtual worlds change  
the way we experience emotions?



On February 26 2020, Dassault Systèmes offered a unique show mixing real musical emotion and virtual art, handled by the world-renowned violinist Renaud Capuçon.

# Business Continuity with 3DEXPERIENCE Platform

## As a System of Operations

### Industry Solution Experiences



### Industry Process Experiences

### Roles & apps



3DEXPERIENCE®

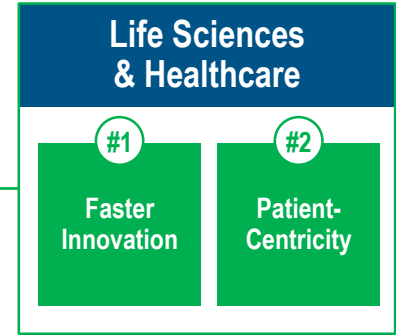
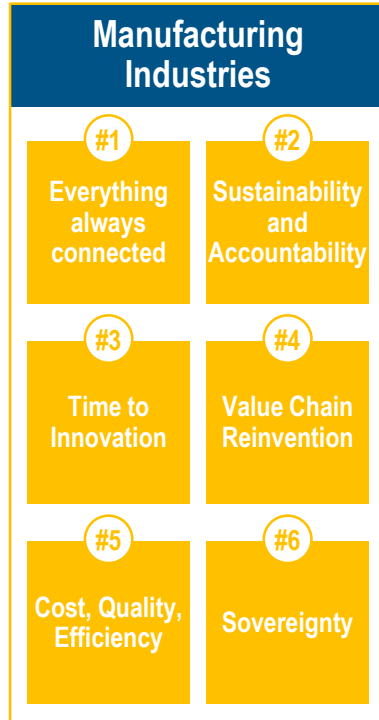
## As a Business Model

Partner of choice

Services

Content

# Trends by Key Strategic Sectors





#1

Faster  
Innovation

#2

Patient-  
Centricity



# MODERNA Adopts MEDIDATA

moderna

A clinical stage biotechnology company pioneering messenger RNA (*mRNA*) therapeutics and vaccines



## Business Values:

- ▶ Collaborating on **Moderna's mRNA-1273 trials including phase 3 trial**, to enroll **30,000 patients**
  - Moving forward with the **speed** and **urgency** necessitated by the global pandemic
  - Largest ever clinical trial to incorporate **data capture directly from patients**, decreasing the need for office visits. The "**virtualization**" of the study allows patients to use their own devices, easing the burden of having to carry around a separate, provisioned device

## Solution:

MEDIDATA Clinically Tested

- ▶ Electronic Data Capture
- ▶ Electronic Clinical Outcomes Assessment
- ▶ Centralized Statistical Analysis





#1

Faster  
Innovation



# GALAPAGOS

## Adopts 3DEXPERIENCE Platform



Galapagos

A clinical-stage biotechnology company,  
specialized in the discovery and development  
of small molecule medicines



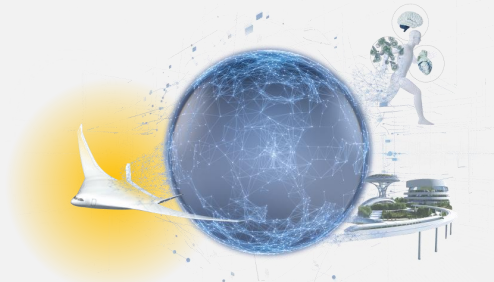
### Business Values:

Improving collaboration between scientists **by capturing knowledge & know-how** while improving scientists' efficiency through **digitization of lab** processes.

- ▶ Improving **documentation efficiency** and **support standardization** of protocols for synthetic experiments
- ▶ Supporting **information interchange** within and between **departments** and **sites**
- ▶ Enabling easy search of results and **avoid repetition of experiments**
- ▶ Reducing **compliance risks** with improved data integrity, audit trails and e-signature traceability

### Solution:

3DEXPERIENCE Platform with  
**One Lab Industry Solution**  
Experience



#1

Everything  
always  
connected



# ERICSSON Expands 3DEXPERIENCE Adoption



One of the world's leading providers of information and communication technology. First company to launch live commercial 5G networks on 4 continents



## Business Values:

- ▶ Ericsson deploys the 3DEXPERIENCE platform in a **company-wide rollout** with focus on specific functional areas, taking a stepwise approach to its digital transformation.

## Values:

- ▶ Manage the **requirements** that **drive the product definition**
- ▶ Leverage the 3DEXPERIENCE platform to **collaborate** across the **R&D** and **manufacturing workflows**

## Solution:

3DEXPERIENCE Platform with  
**High-Tech Operational  
Excellence and Highly  
Flexible Manufacturing  
Industry Solution Experiences**



#2

Sustainability  
and  
Accountability

#3

Time to  
Innovation



# NIKOLA MOTORS

## Adopts 3DEXPERIENCE Platform



US-based pioneer in electric heavy-duty SUVs and Trucks. Nikola offers both pure electric and also hydrogen electric powertrains



### Business Values:

- ▶ Rolling out an R&D platform to support rapid global expansion and design and launch **new models faster**:
  - Enabling a **scalable modular design** of Nikola's vehicles
  - Bringing together different **disciplines** and ensuring **digital continuity** across the enterprise
  - Improving **collaboration** between **regional** teams across the US and Europe
  - Allowing access to the complete vehicle data and digital mock-ups at any time, regardless of location, **and all within one system**

### Solution:

3DEXPERIENCE with  
**Electro Mobility Accelerator**  
Industry Solution Experience



#4

Value Chain  
Reinvention

#5

Cost, Quality,  
Efficiency

# GDC Technics

## Adopts 3DEXPERIENCE Platform



Engineering and technical services, modifications,  
electronic systems, R&D, and MRO services



### Business Values:

- ▶ **Model-based, data-driven approach for virtual certification of a digital twin plane**
  - Reducing **timescales**
  - Therefore reducing **cost** to clients
  - Becoming more **attractive** in the marketplace

### Solution:

3DEXPERIENCE with  
**Cleared to Operate** Industry  
Solution Experience



#6

Sovereignty



# AIRBUS DEFENCE AND SPACE

# Adopts 3DEXPERIENCE Platform

## AIRBUS

International pioneer in the aerospace sector  
(commercial aircraft, helicopters, military transports,  
satellites and launch vehicles)



### Business Values:

- ▶ **3DEXPERIENCE** will become the **new backbone** for engineering, manufacturing and services for strategic programs in Airbus Defence and Space
  - Deploying **3DEXPERIENCE** for **MALE RPAS** program (Medium Altitude Long Endurance Remotely Piloted Aircraft System)
  - **End-to-end data continuity** along the product development process from **design** to **shop floor** and **in-service operations**
  - Strategic partnership to improve **affordability**, **time-to-market** and **maintainability** of next generation products

### Solution:

**3DEXPERIENCE** platform with Aerospace & Defense Industry Solution Experiences:

- ▶ Program Excellence
- ▶ Co-Design to Target
- ▶ Ready for Rate
- ▶ Cleared to Operate
- ▶ Keep them Operating



#1

Sustainability  
and  
Resilience



# BOUYGUES CONSTRUCTION Reinforces Partnership

BOUYGUES  
CONSTRUCTION

Leader in sustainable construction

## Business Values:

- ▶ Reinventing the **construction industry** thanks to
  - The use of **virtual twins**
  - **Integrated, inclusive, and collaborative environment**
  - **Modularity**

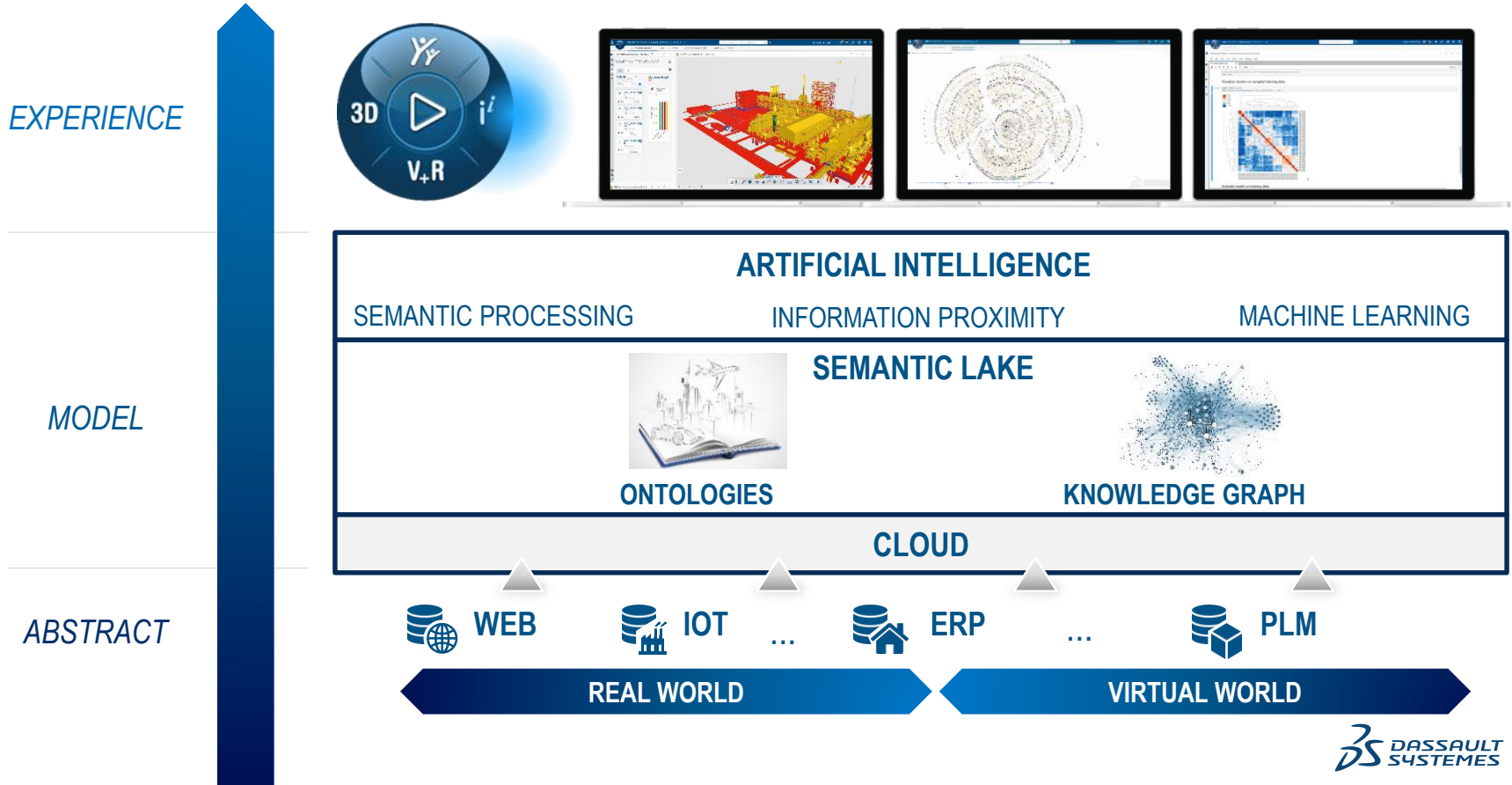
To address

- **Health and safety**
  - **Sustainable development** in all projects
  - **Efficiency**
- ▶ In the second phase of a long-term partnership, developing a **residential product line** with the **3DEXPERIENCE** platform on the cloud

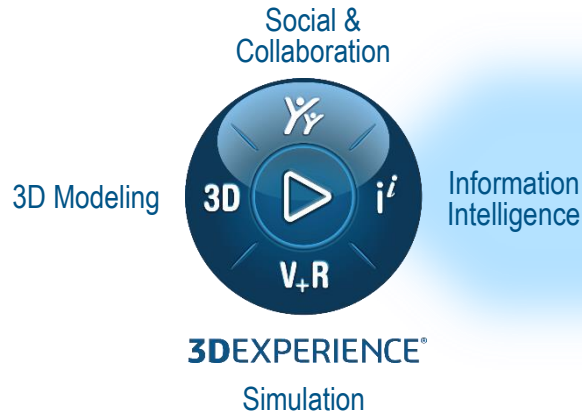
## Solution:

- ▶ **3DEXPERIENCE** Platform with **Integrated Built Environment** and **Creative Building Design** Industry Solution Experiences **on the cloud**

# 3DEXPERIENCE Collaborative Data Intelligence



# Proxem acquisition



Delivering with Proxem acquisition  
**Collaborative Data Science Experiences**  
on the **3DEXPERIENCE**

Leveraging data patrimony

Driving new learning methods and capitalization of knowledge

## Profile

- ▶ Specialist in **AI-based semantic processing**
- ▶ Transforming **text data** into **actionable content and insights**
- ▶ Privately-held company based in **France (Paris)**
- ▶ **38 employees**
- ▶ FY20 estimated revenue: €3 million

## Application Examples: from Document to Experience



### INSIGHT

Actionable insight  
from every customer  
and employees  
feedback in one platform



### DIALOGUE

Customizable  
Virtual Assistants  
and Chatbots



### KNOWLEDGE

Information extraction  
and knowledge  
management through AI  
and Semantic Analysis



# Agenda

Q2 & YTD 2020 Business & Strategy Highlights

Q2 & YTD 2020 Financial Highlights

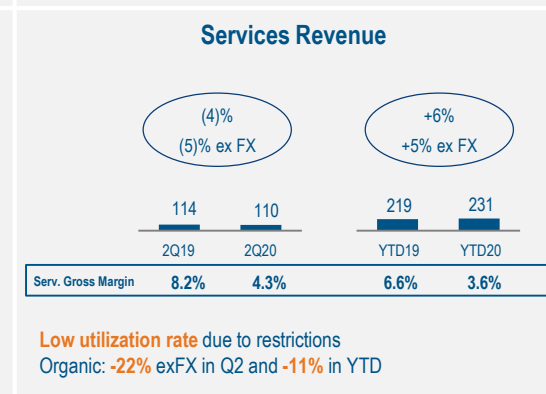
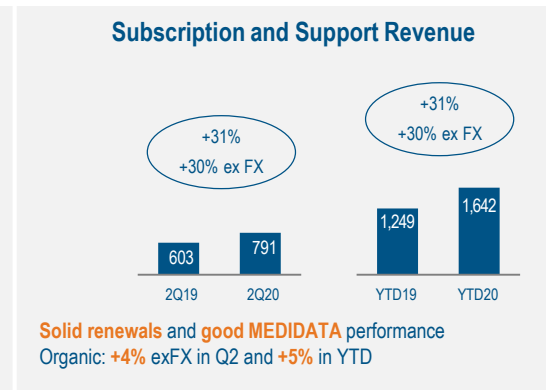
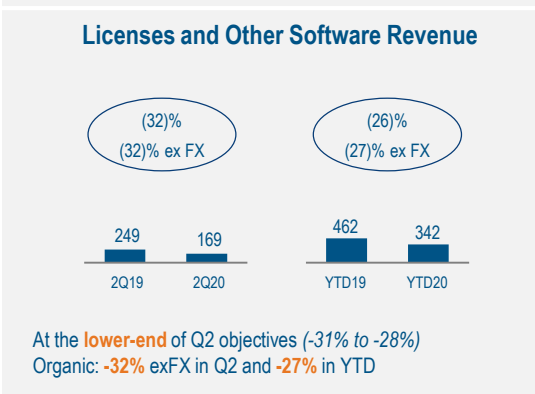
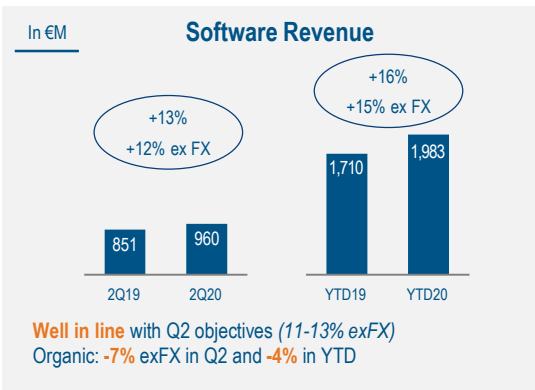
Q3 & FY 2020 Financial Objectives

Financial Information Appendix

# Q2 & YTD 2020 Performance at a Glance Non-IFRS

€M	2Q20	YTD20
Revenue	1,071	2,215
Growth	+11%	+15%
Growth exFX*	+10%	+14%
Operating Margin	26.7%	28.0%
EPS (€)	0.80	1.76
EPS Evolution	-2%	+4%

\* Well in line with Q2 objectives (9-12% exFX)  
Organic revenue: -8% exFX in Q2 and -5% in YTD



# Software Revenue by Region Non-IFRS

## EUROPE

Q2: **-4%**, YTD: **-1%** \* | Share **36%\*\***

Similar trends in **France**, **Germany** and **Northern Europe**

## ASIA

Q2: **+3%**, YTD: **+5%\***

Share **25%\*\***

Good resilience in **China** and **Japan** offset by strong decline in **India**

## AMERICAS

Q2: **+43%**, YTD: **+44%\***

Share **39%\*\***

**Organic** revenue driven by **Aerospace** and contribution from **MEDIDATA**

\* YOY Growth ex FX

\*\* YTD20 share



#2

Sustainability  
and  
Accountability

#3

Time to  
Innovation



# NIO Adopts 3DEXPERIENCE Platform



High end smart electric vehicle OEMs  
Headquartered in China  
7,500 employees



## Business Values:

- ▶ Rolling out an R&D platform to support **rapid global expansion** and design and launch **new models faster**
  - Improving **collaboration** between **regional** teams across China, the US and Europe
  - Bringing together different **disciplines** in **development** and **manufacturing** teams
  - Accessing complete vehicle data at any time, regardless of location, and verify the **vehicle's digital mockup, all within one system**

## Solution:

3DEXPERIENCE with  
Electro Mobility Accelerator  
Industry Solution Experience



#1

Faster  
Innovation



# MIGAL Adopts BIOVIA



Research and Development center of the Israeli Science and Technology Ministry, owned by the Galilee Development Company



## Business Values:

- ▶ Fast-tracking development of a **vaccine for COVID-19** based on their existing virus research
  - **Streamlining research**
  - **Accelerating actionable scientific insights**

“ We realized we needed a flexible system in order to respond to the rapid changes of the viruses, specifically for the SARS-CoV-2. ”

## Solution:

3DEXPERIENCE with  
**Designed to Cure** Industry  
Solution Experience



#4

Value Chain  
Reinvention



# DOT FOODS

## Expands Use of DELMIA Quintiq



Dot Foods distributes foodservice, convenience, retail and vending products to distributors in all 50 US states and more than 35 countries



### Business Values:

- ▶ Supporting Dot Foods' growth plans by...
  - ...Increasing **warehouse productivity**
  - ...Integrating **supply chain processes**
  - ...Meeting **customer expectations** in a highly dynamic business environment

### Solution:

DELMIA Quintiq

Optimizing pick sequencing  
in Dot Foods' 16 warehouses  
across the US and Canada

# Software Revenue by Product Line Non-IFRS

% Growth ex FX	2Q20	YTD20
<b>Industrial Innovation software revenue</b>	<b>-9%</b>	<b>-5%</b>
of which CATIA	-11%	-6%
of which ENOVIA	-11%	-11%
<b>Life Sciences software revenue</b>	<b>+526%</b>	<b>+446%</b>
<b>Mainstream Innovation software revenue</b>	<b>-2%</b>	<b>+0%</b>
of which SOLIDWORKS	-3%	+0%
<b>Total software revenue</b>	<b>+12%</b>	<b>+15%</b>

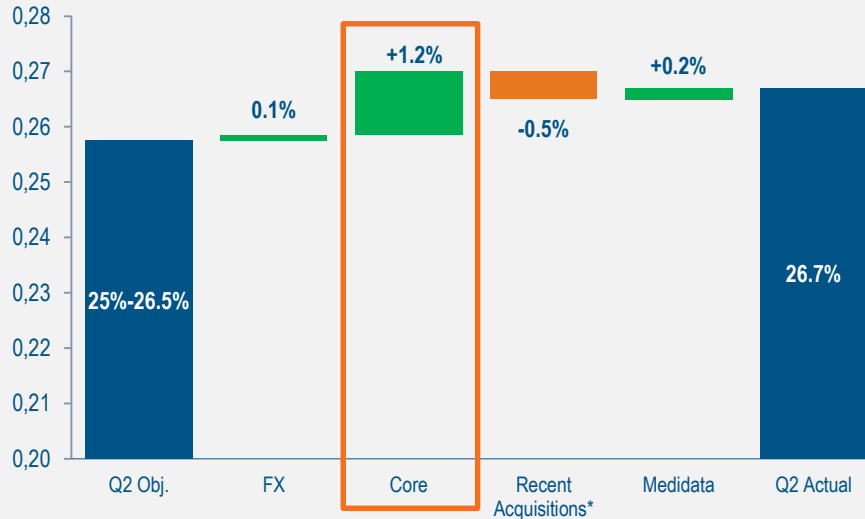
—• Good resilience of **support revenue** offset by strong decline in **CATIA** and **ENOVIA licenses**: strong base of comparison  
*(YTD 2019 licenses up 10%+ and 20%+ exFX)*

—• **MEDIDATA**: total revenue up **double-digit** in Q2 and YTD  
Confident to deliver FY20 total revenue up **13%** exFX thanks to strong **Q2 bookings**

—• **SOLIDWORKS**: continued strong recurring revenue offset by licenses decline

# Operating Margin Evolution Non-IFRS

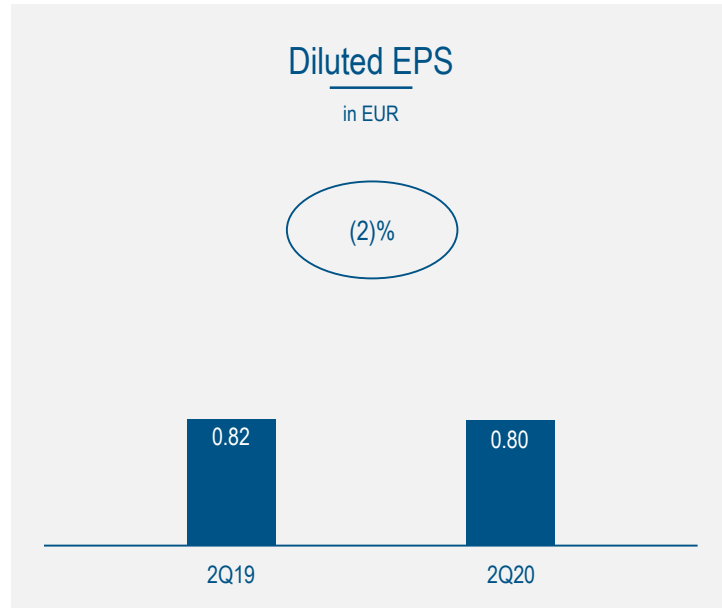
Q2 Operating Margin (Actual versus Guidance)



Mid point	25.8%	26.7%
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# EPS Non-IFRS

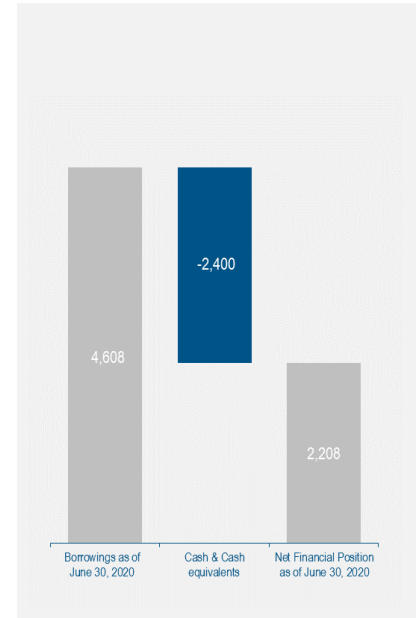
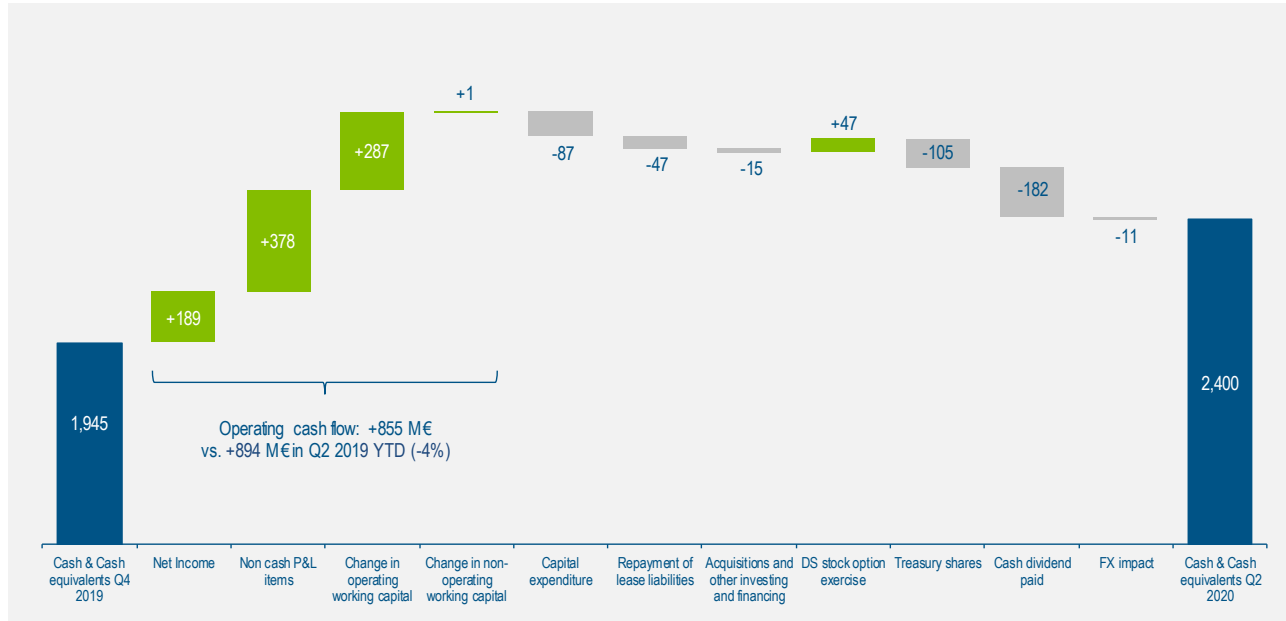


- ▶ Q2 EPS at the **high-end of guidance** exFX (FX contribution: +2 cents) on **strong operational performance**

Q2 EPS guidance €0.72-0.77

# Change in Cash and Debt Position as of June 30, 2020

IFRS



# Operating Cash Flow Evolution YTD 20

€ million	YTD20	YTD19	Changes	
<b>Operating Cash Flow</b>	<b>+855</b>	<b>+894</b>	<b>-39</b>	<b>Down 4% year over year</b>
Net income adjusted for non cash items	+567	+507	+60	
Decrease in trade accounts receivable and contract assets	+352	+253	+99	Balance down 8% exFX at constant perimeter in line with revenue - Excluding Medidata, DSO ~stable
Increase in contract liability *	+58	+88	-30	Balance up 13% exFX and 3% exFX at constant perimeter
Decrease in accrued compensation	-53	-27	-26	Mainly driven by Medidata
Decrease (increase) in accounts payable	-70	+4	-74	Medidata acquisition fees accrued on signing in June 2019 and timing difference on vendors' billings
Decrease (increase) in income taxes payable	-4	+60	-64	Lower profit before tax, effective tax rate and last payment for a known tax litigation
Other	+5	+9	-4	

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# Objectives Changes from April to July



# Proposed Objectives Non-IFRS

	Ex FX	Q3 2020		FY 2020	Ex FX
<b>Software revenue</b>	<b>+20-23%</b>		Revenue (€M)		<b>Software revenue</b> <b>+14-15%</b>
<i>of which licenses</i>	-18% to -8%	1,055-1,085	Growth	4,515-4,565	<i>of which licenses</i> -18% to -16%
<i>of which recurring</i>	+33%	+15-19%	<b>Growth ex FX</b>	+11-13%	<i>of which recurring</i> +26-27%
<b>Services revenue</b>	<b>+0% to 10%</b>	<b>+18-21%</b>	Operating Margin	<b>+12-13%</b>	<b>Services revenue</b> <b>-2 to +1%</b>
		26-26.5%	Operating Margin Growth	29.3-29.4%	
		-4.4 to -3.8 pts	EPS (€)	-2.7 to -2.6 pts	Organic operating margin decrease: ~ <b>-1.4 to -1.3</b> basis points exFX
		0.75-0.80	<b>EPS Growth</b>	3.70-3.75	Tax rate of <b>~25.2%</b>
		<b>-4% to +3%</b>	€/\$ rates	<b>+1-3%</b>	
		1.15	€/¥ rates	1.13	
		125.0		122.3	

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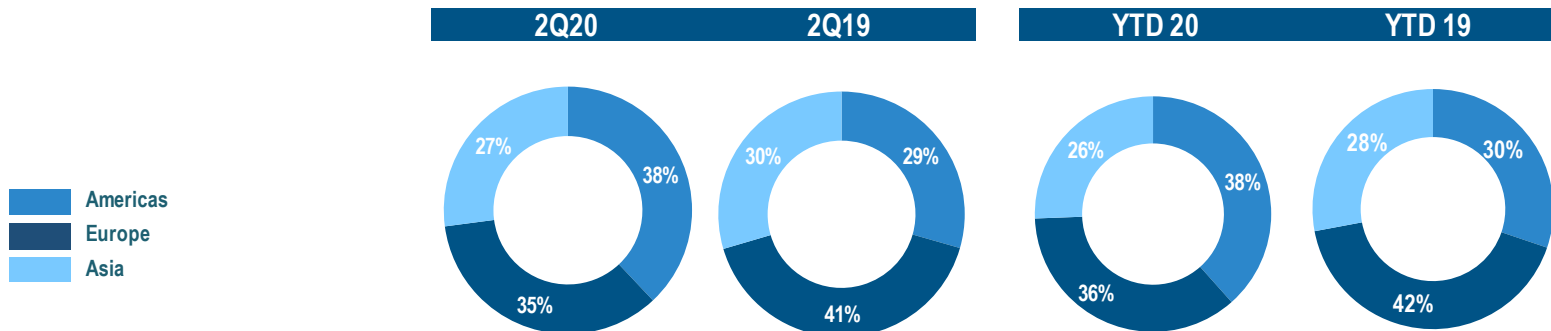
Financial Information Appendix

# Software Revenue by Region

## IFRS

in MEUR

	2Q20	2Q19	Growth	Growth ex FX	YTD 20	YTD 19	Growth	Growth ex FX
Americas	364	249	+46%	+44%	758	514	+47%	+44%
Europe	335	347	(4)%	(3)%	710	712	(0)%	(0)%
Asia	260	250	+4%	+3%	505	476	+6%	+5%
<b>Software revenue</b>	<b>959</b>	<b>847</b>	<b>+13%</b>	<b>+12%</b>	<b>1,973</b>	<b>1,703</b>	<b>+16%</b>	<b>+15%</b>



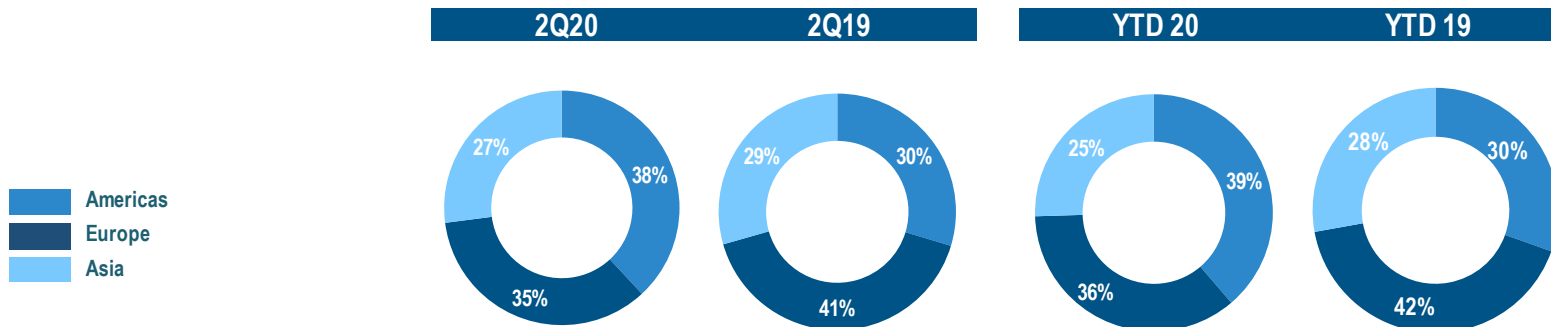


# Software Revenue by Region

## Non - IFRS

in MEUR

	2Q20	2Q19	Growth	Growth ex FX	YTD 20	YTD 19	Growth	Growth ex FX
Americas	366	252	+45%	+43%	768	521	+48%	+44%
Europe	335	348	(4)%	(4)%	710	714	(1)%	(1)%
Asia	260	250	+4%	+3%	505	476	+6%	+5%
<b>Software revenue</b>	<b>960</b>	<b>851</b>	<b>+13%</b>	<b>+12%</b>	<b>1,983</b>	<b>1,710</b>	<b>+16%</b>	<b>+15%</b>



# Revenue by Product Line

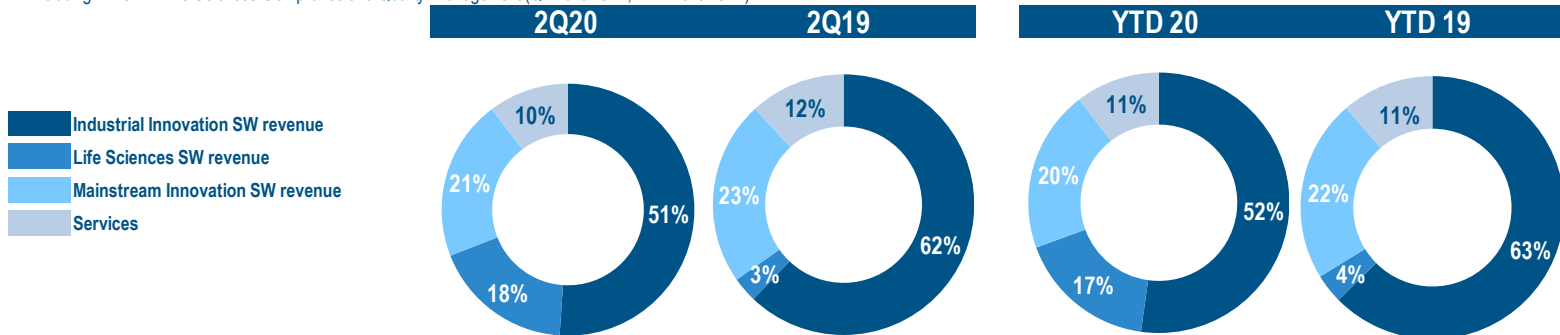
## IFRS

in MEUR

	2Q20	2Q19	Growth	Growth ex FX	YTD 20	YTD 19	Growth	Growth ex FX
<b>Industrial Innovation SW revenue</b>	<b>546</b>	<b>597</b>	<b>(9)%</b>	<b>(9)%</b>	<b>1,150</b>	<b>1,202</b>	<b>(4)%</b>	<b>(5)%</b>
<i>o/w CATIA</i>	251	280	(10)%	(11)%	522	551	(5)%	(6)%
<i>o/w ENOVIA *</i>	83	93	(11)%	(11)%	164	182	(10)%	(11)%
<b>Life Sciences SW revenue **</b>	<b>192</b>	<b>30</b>	<b>+536%</b>	<b>+526%</b>	<b>379</b>	<b>69</b>	<b>+448%</b>	<b>+437%</b>
<b>Mainstream Innovation SW revenue</b>	<b>221</b>	<b>220</b>	<b>+0%</b>	<b>(1)%</b>	<b>444</b>	<b>431</b>	<b>+3%</b>	<b>+1%</b>
<i>o/w SOLIDWORKS</i>	199	203	(2)%	(3)%	400	394	+1%	(0)%
<b>Services</b>	<b>110</b>	<b>114</b>	<b>(4)%</b>	<b>(4)%</b>	<b>230</b>	<b>218</b>	<b>+6%</b>	<b>+5%</b>
<b>Total revenue</b>	<b>1,069</b>	<b>961</b>	<b>+11%</b>	<b>+10%</b>	<b>2,203</b>	<b>1,920</b>	<b>+15%</b>	<b>+14%</b>

\* Excluding ENOVIA Life Sciences Compliance and Quality Management (Q2 2019: €4m; YTD 2019: €7m)

\*\* Including ENOVIA Life Sciences Compliance and Quality Management (Q2 2019: €4m; YTD 2019: €7m)



# Revenue by Product Line

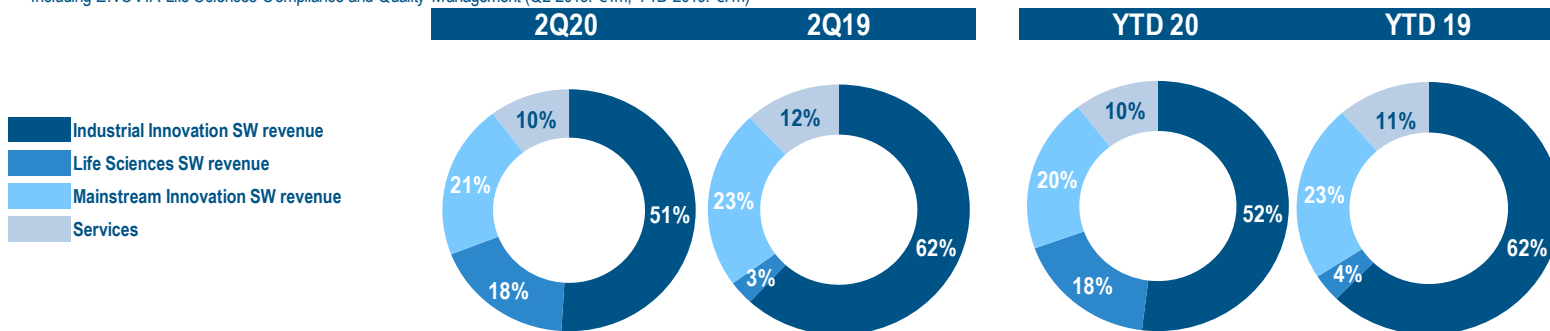
## Non - IFRS

in MEUR

	2Q20	2Q19	Growth	Growth ex FX	YTD 20	YTD 19	Growth	Growth ex FX
<b>Industrial Innovation SW revenue</b>	<b>546</b>	<b>597</b>	<b>(9)%</b>	<b>(9)%</b>	<b>1,151</b>	<b>1,202</b>	<b>(4)%</b>	<b>(5)%</b>
<i>o/w CATIA</i>	251	280	(10)%	(11)%	523	551	(5)%	(6)%
<i>o/w ENOVIA *</i>	83	93	(11)%	(11)%	164	182	(10)%	(11)%
<b>Life Sciences SW revenue **</b>	<b>194</b>	<b>30</b>	<b>+536%</b>	<b>+526%</b>	<b>389</b>	<b>70</b>	<b>+457%</b>	<b>+446%</b>
<b>Mainstream Innovation SW revenue</b>	<b>221</b>	<b>223</b>	<b>(1)%</b>	<b>(2)%</b>	<b>444</b>	<b>439</b>	<b>+1%</b>	<b>(0)%</b>
<i>o/w SOLIDWORKS</i>	199	203	(2)%	(3)%	400	394	+1%	(0)%
<b>Services</b>	<b>110</b>	<b>114</b>	<b>(4)%</b>	<b>(5)%</b>	<b>231</b>	<b>219</b>	<b>+6%</b>	<b>+5%</b>
<b>Total revenue</b>	<b>1,071</b>	<b>965</b>	<b>+11%</b>	<b>+10%</b>	<b>2,215</b>	<b>1,929</b>	<b>+15%</b>	<b>+14%</b>

\* Excluding ENOVIA Life Sciences Compliance and Quality Management (Q2 2019: €4m; YTD 2019: €7m)

\*\* Including ENOVIA Life Sciences Compliance and Quality Management (Q2 2019: €4m; YTD 2019: €7m)



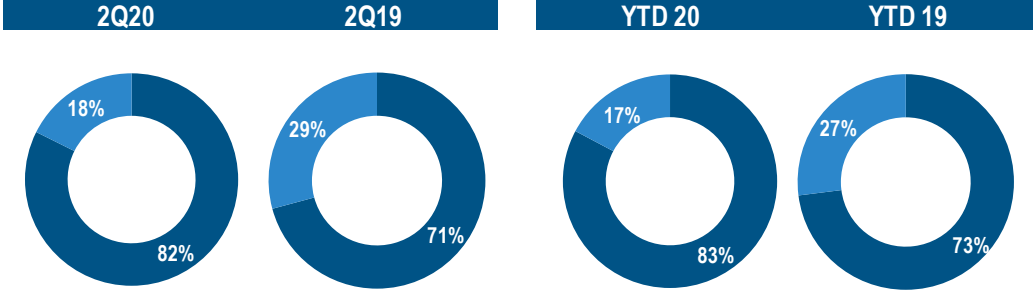
# Software Revenue Evolution

## Non - IFRS

in MEUR

	2Q20	2Q19	Growth	Growth ex FX	YTD 20	YTD 19	Growth	Growth ex FX
<b>Recurring</b> Subscription and Support revenue	791	603	+31%	+30%	1,642	1,249	+31%	+30%
<b>Non Recurring</b> Licenses and Other software revenue	169	249	(32)%	(32)%	342	462	(26)%	(27)%
<b>Software revenue</b>	<b>960</b>	<b>851</b>	<b>+13%</b>	<b>+12%</b>	<b>1,983</b>	<b>1,710</b>	<b>+16%</b>	<b>+15%</b>

Recurring  
 Non Recurring



# IFRS P&L

	Three months ended June 30,			Six months ended June 30,		
	2020	2019	YoY	2020	2019	YoY
<i>(In € million, except % and per share data)</i>						
Software revenue	958.8	847.4	+13%	1,973.0	1,702.7	+16%
Licenses and Other software revenue	169.3	248.5	(32)%	341.5	461.8	(26)%
Subscription and Support revenue	789.5	598.9	+32%	1,631.4	1,240.9	+31%
Services revenue	109.9	114.0	(4)%	230.4	217.6	+6%
<b>Total revenue</b>	<b>1,068.7</b>	<b>961.4</b>	<b>+11%</b>	<b>2,203.3</b>	<b>1,920.3</b>	<b>+15%</b>
Cost of Software revenue	(76.3)	(44.6)	+71%	(152.8)	(89.8)	+70%
Cost of Services revenue	(108.0)	(105.7)	+2%	(227.9)	(206.3)	+10%
Research and development	(243.4)	(176.9)	+38%	(473.6)	(357.2)	+33%
Marketing and sales	(315.9)	(300.5)	+5%	(647.2)	(591.7)	+9%
General and administrative	(101.0)	(75.7)	+34%	(198.4)	(152.3)	+30%
Amortization of acquired intangible assets and of tangible assets revaluation	(100.5)	(50.9)	+97%	(209.9)	(101.0)	N/A
Other operating income and expense, net	(12.9)	(24.9)	(48)%	(31.8)	(24.0)	+32%
<b>Total operating expenses</b>	<b>(958.0)</b>	<b>(779.3)</b>	<b>+23%</b>	<b>(1,941.7)</b>	<b>(1,522.4)</b>	<b>+28%</b>
<b>Operating income</b>	<b>110.7</b>	<b>182.2</b>	<b>(39)%</b>	<b>261.7</b>	<b>397.9</b>	<b>(34)%</b>
Financial income (loss), net	(6.5)	0.2	N/A	(13.0)	5.3	(344)%
Income tax expense	(24.1)	(51.1)	(53)%	(59.4)	(114.0)	(48)%
Non-controlling interest	2.9	2.8	+1%	6.1	5.6	+8%
<b>Net Income</b> (to equity holders of the parent)	<b>83.0</b>	<b>134.1</b>	<b>(38)%</b>	<b>195.4</b>	<b>294.9</b>	<b>(34)%</b>
<b>Diluted net income per share (EPS)</b>	<b>0.32</b>	<b>0.51</b>	<b>(38)%</b>	<b>0.74</b>	<b>1.13</b>	<b>(34)%</b>
<b>Average diluted shares (Million)</b>	<b>262.7</b>	<b>261.1</b>		<b>262.8</b>	<b>260.8</b>	

# IFRS P&L (%)

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	<u>% of revenue</u>		<u>% of revenue</u>	
Software revenue	+89.7%	+88.1%	+89.5%	+88.7%
Licenses and Other software revenue	+15.8%	+25.8%	+15.5%	+24.0%
Subscription and Support revenue	+73.9%	+62.3%	+74.0%	+64.6%
Services revenue	+10.3%	+11.9%	+10.5%	+11.3%
<b>Total revenue</b>	<b>+100.0%</b>	<b>+100.0%</b>	<b>+100.0%</b>	<b>+100.0%</b>
Cost of Software revenue	+7.1%	+4.6%	+6.9%	+4.7%
Cost of Services revenue	+10.1%	+11.0%	+10.3%	+10.7%
Research and development	+22.8%	+18.4%	+21.5%	+18.6%
Marketing and sales	+29.6%	+31.3%	+29.4%	+30.8%
General and administrative	+9.5%	+7.9%	+9.0%	+7.9%
Amortization of acquired intangible assets and of tangible assets revaluation	+9.4%	+5.3%	+9.5%	+5.3%
Other operating income and expense, net	+1.2%	+2.6%	+1.4%	+1.3%
<b>Total operating expenses</b>	<b>+89.6%</b>	<b>+81.1%</b>	<b>+88.1%</b>	<b>+79.3%</b>
<b>Operating income</b>	<b>+10.4%</b>	<b>+18.9%</b>	<b>+11.9%</b>	<b>+20.7%</b>
Financial income (loss), net	(0.6)%	+0.0%	(0.6)%	+0.3%
<b>Income tax rate (% of EBIT *)</b>	<b>+23.1%</b>	<b>+28.0%</b>	<b>+23.9%</b>	<b>+28.3%</b>
Non-controlling interest	+0.3%	+0.3%	+0.3%	+0.3%
<b>Net Income (to equity holders of the parent)</b>	<b><u>+7.8%</u></b>	<b><u>+13.9%</u></b>	<b><u>+8.9%</u></b>	<b><u>+15.4%</u></b>

# Non-IFRS P&L

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

	Three months ended June 30,			Six months ended June 30,		
	2020	2019	YoY	2020	2019	YoY
Software revenue	960.5	851.0	+13%	1,983.5	1,710.5	+16%
Licenses and Other software revenue	169.3	248.5	(32)%	341.5	461.8	(26)%
Subscription and Support revenue	791.2	602.5	+31%	1,641.9	1,248.7	+31%
Services revenue	110.1	114.4	(4)%	231.5	218.9	+6%
<b>Total revenue</b>	<b>1,070.6</b>	<b>965.4</b>	<b>+11%</b>	<b>2,215.0</b>	<b>1,929.4</b>	<b>+15%</b>
Cost of Software revenue	(76.7)	(43.9)	+75%	(151.1)	(88.2)	+71%
Cost of Services revenue	(105.3)	(105.0)	+0%	(223.1)	(204.4)	+9%
Research and development	(220.1)	(162.9)	+35%	(436.2)	(322.3)	+35%
Marketing and sales	(299.2)	(289.8)	+3%	(616.8)	(568.6)	+8%
General and administrative	(83.0)	(67.7)	+23%	(167.3)	(133.3)	+26%
<b>Total operating expenses</b>	<b>(784.3)</b>	<b>(669.2)</b>	<b>+17%</b>	<b>(1,594.6)</b>	<b>(1,316.8)</b>	<b>+21%</b>
<b>Operating income</b>	<b>286.2</b>	<b>296.2</b>	<b>(3)%</b>	<b>620.4</b>	<b>612.6</b>	<b>+1%</b>
Financial income (loss), net	(6.2)	(0.1)	N/A	(12.5)	4.1	(402)%
Income tax expense	(70.3)	(83.3)	(16)%	(150.1)	(178.5)	(16)%
Non-controlling interest	1.6	1.2	+33%	3.5	2.2	+59%
<b>Net Income</b> (to equity holders of the parent)	<b>211.4</b>	<b>214.0</b>	<b>(1)%</b>	<b>461.4</b>	<b>440.5</b>	<b>+5%</b>
<b>Diluted net income per share (EPS)</b>	<b>0.80</b>	<b>0.82</b>	<b>(2)%</b>	<b>1.76</b>	<b>1.69</b>	<b>+4%</b>
<b>Average diluted shares (Million)</b>	<b>262.7</b>	<b>261.1</b>		<b>262.8</b>	<b>260.8</b>	

# Non-IFRS P&L (%)

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	<u>% of revenue</u>		<u>% of revenue</u>	
Software revenue	+89.7%	+88.2%	+89.5%	+88.7%
Licenses and Other software revenue	+15.8%	+25.7%	+15.4%	+23.9%
Subscription and Support revenue	+73.9%	+62.4%	+74.1%	+64.7%
Services revenue	+10.3%	+11.8%	+10.5%	+11.3%
<b>Total revenue</b>	<b>+100.0%</b>	<b>+100.0%</b>	<b>+100.0%</b>	<b>+100.0%</b>
Cost of Software revenue	+7.2%	+4.5%	+6.8%	+4.6%
Cost of Services revenue	+9.8%	+10.9%	+10.1%	+10.6%
Research and development	+20.6%	+16.9%	+19.7%	+16.7%
Marketing and sales	+27.9%	+30.0%	+27.8%	+29.5%
General and administrative	+7.8%	+7.0%	+7.6%	+6.9%
<b>Total operating expenses</b>	<b>+73.3%</b>	<b>+69.3%</b>	<b>+72.0%</b>	<b>+68.2%</b>
<b>Operating income</b>	<b>+26.7%</b>	<b>+30.7%</b>	<b>+28.0%</b>	<b>+31.8%</b>
Financial income (loss), net	(0.6)%	(0.0)%	(0.6)%	+0.2%
<b>Income tax rate (% of EBIT *)</b>	<b>+25.1%</b>	<b>+28.1%</b>	<b>+24.7%</b>	<b>+28.9%</b>
Non-controlling interest	+0.2%	+0.1%	+0.2%	+0.1%
<b>Net Income (to equity holders of the parent)</b>	<b>+19.7%</b>	<b>+22.2%</b>	<b>+20.8%</b>	<b>+22.8%</b>



# IFRS – Non-IFRS Reconciliation QTD

## Revenue and Gross Margin

	Three months ended June 30,						Increase (Decrease)	
	2020 IFRS	Adjustment	2020 Non-IFRS	2019 IFRS	Adjustment	2019 Non-IFRS	IFRS	Non-IFRS
<i>(In € million, except %)</i>								
<b>Total Revenue</b>	<b>1,068.7</b>	<b>1.9</b>	<b>1,070.6</b>	<b>961.4</b>	<b>4.0</b>	<b>965.4</b>	<b>+11%</b>	<b>+11%</b>
<b>Total Revenue breakdown by activity</b>								
Software revenue	958.8	1.7	960.5	847.4	3.6	851.0	+13%	+13%
<i>Licenses and Other software revenue</i>	169.3		169.3	248.5		248.5	(32)%	(32)%
<i>Subscription and Support revenue</i>	789.5	1.7	791.2	598.9	3.6	602.5	+32%	+31%
<i>Recurring portion of Software revenue</i>	82%		82%	71%		71%		
Services revenue	109.9	0.2	110.1	114.0	0.4	114.4	(4)%	(4)%
<b>Total Revenue breakdown by product line</b>								
Industrial Innovation SW revenue	545.6	0.0	545.7	597.1		597.1	(9)%	(9)%
<i>o/w CATIA SW revenue</i>	251.5		251.5	280.4		280.4	(10)%	(10)%
<i>o/w ENOVIA SW revenue <sup>(1)</sup></i>	83.5		83.5	93.4		93.4	(11)%	(11)%
Life Sciences SW revenue <sup>(2)</sup>	192.3	1.5	193.8	30.2	0.2	30.5	+536%	+536%
Mainstream Innovation SW revenue	220.9	0.1	221.0	220.1	3.3	223.5	+0%	(1)%
<i>o/w SOLIDWORKS SW revenue</i>	198.5		198.5	202.8		202.8	(2)%	(2)%
Services revenue	109.9	0.2	110.1	114.0	0.4	114.4	(4)%	(4)%
<b>Total Revenue breakdown by geography</b>								
Americas revenue	412.1	1.8	413.9	295.6	3.0	298.7	+39%	+39%
Europe revenue	377.8	0.1	377.9	393.8	0.9	394.7	(4)%	(4)%
Asia revenue	278.7	0.1	278.8	272.0		272.0	+2%	+2%
<b>Gross Margin</b>								
Cost of Software revenue	(76.3)	(0.4)	(76.7)	(44.6)	0.8	(43.9)	+71%	+75%
Software Gross margin <sup>(3)</sup>	92.0%		92.0%	94.7%		94.8%		
Cost of Services revenue	(108.0)	2.6	(105.3)	(105.7)	0.8	(105.0)	+2%	+0%
Services Gross margin	1.8%		4.3%	7.2%		8.2%		

<sup>(1)</sup> Excluding ENOVIA Life Sciences Compliance and Quality Management (Q2 2019: €3.7m)

<sup>(2)</sup> Including ENOVIA Life Sciences Compliance and Quality Management (Q2 2019: €3.7m)

<sup>(3)</sup> No amortization of acquired intangible assets and of tangible assets revaluation is included in Software Gross margin calculation

# IFRS – Non-IFRS Reconciliation QTD

## Expenses & Earnings

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

	Three months ended June 30,						Increase (Decrease)	
	2020 IFRS	Adjustment	2020 Non-IFRS	2019 IFRS	Adjustment	2019 Non-IFRS	IFRS	Non-IFRS
<b>Total Operating Expenses</b>	<b>(958.0)</b>	<b>173.6</b>	<b>(784.3)</b>	<b>(779.3)</b>	<b>110.1</b>	<b>(669.2)</b>	<b>+23%</b>	<b>+17%</b>
Share-based compensation expense and related social charges	(59.4)	59.4		(34.2)	34.2			
Amortization of acquired intangible assets and of tangible assets revaluation	(100.5)	100.5		(50.9)	50.9			
Lease incentives of acquired companies	(0.7)	0.7		-	-			
Other operating income and expense, net	(12.9)	12.9		(24.9)	24.9			
<b>Operating Income</b>	<b>110.7</b>	<b>175.6</b>	<b>286.2</b>	<b>182.2</b>	<b>114.1</b>	<b>296.2</b>	<b>(39)%</b>	<b>(3)%</b>
<b>Operating Margin</b>	<b>10.4%</b>		<b>26.7%</b>	<b>18.9%</b>		<b>30.7%</b>		
Financial income (loss), net	(6.5)	0.3	(6.2)	0.2	(0.2)	(0.1)	N/A	N/A
Income tax expense	(24.1)	(46.2)	(70.3)	(51.1)	(32.2)	(83.3)	(53)%	(16)%
Non-controlling interest	2.9	(1.3)	1.6	2.8	(1.6)	1.2	+1%	+33%
<b>Net Income attributable to shareholders</b>	<b>83.0</b>	<b>128.4</b>	<b>211.4</b>	<b>134.1</b>	<b>79.9</b>	<b>214.0</b>	<b>(38)%</b>	<b>(1)%</b>
<b>Diluted net income per share, in EUR</b>	<b>0.32</b>	<b>0.49</b>	<b>0.80</b>	<b>0.51</b>	<b>0.31</b>	<b>0.82</b>	<b>(38)%</b>	<b>(2)%</b>

(In € million)

	Three months ended June 30,							
	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
Cost of revenue	(184.3)	2.1	0.2	(182.0)	(150.4)	1.5	-	(148.8)
Research and development	(243.4)	23.0	0.3	(220.1)	(176.9)	14.0	-	(162.9)
Marketing and sales	(315.9)	16.6	0.1	(299.2)	(300.5)	10.7	-	(289.8)
General and administrative	(101.0)	17.8	0.2	(83.0)	(75.7)	8.0	-	(67.7)
<b>Total</b>		<b>59.4</b>	<b>0.7</b>			<b>34.2</b>	<b>-</b>	

# IFRS – Non-IFRS Reconciliation YTD

## Revenue and Gross Margin

	Six months ended June 30,						Increase (Decrease)	
	2020 IFRS	Adjustment	2020 Non-IFRS	2019 IFRS	Adjustment	2019 Non-IFRS	IFRS	Non-IFRS
(In € million, except %)								
<b>Total Revenue</b>	<b>2,203.3</b>	<b>11.6</b>	<b>2,215.0</b>	<b>1,920.3</b>	<b>9.1</b>	<b>1,929.4</b>	<b>+15%</b>	<b>+15%</b>
<b>Total Revenue breakdown by activity</b>								
Software revenue	1,973.0	10.5	1,983.5	1,702.7	7.8	1,710.5	+16%	+16%
<i>Licenses and Other software revenue</i>	341.5		341.5	461.8		461.8	(26)%	(26)%
<i>Subscription and Support revenue</i>	1,631.4	10.5	1,641.9	1,240.9	7.8	1,248.7	+31%	+31%
<i>Recurring portion of Software revenue</i>	83%		83%	73%		73%		
Services revenue	230.4	1.1	231.5	217.6	1.3	218.9	+6%	+6%
<b>Total Revenue breakdown by product line</b>								
Industrial Innovation SW revenue	1,150.0	0.8	1,150.7	1,202.2		1,202.2	(4)%	(4)%
<i>o/w CATIA SW revenue</i>	521.8	0.8	522.6	550.5		550.5	(5)%	(5)%
<i>o/w ENOVIA SW revenue <sup>(1)</sup></i>	164.1		164.1	182.4		182.4	(10)%	(10)%
Life Sciences SW revenue <sup>(2)</sup>	379.4	9.3	388.8	69.2	0.5	69.7	+448%	+457%
Mainstream Innovation SW revenue	443.5	0.4	444.0	431.2	7.3	438.5	+3%	+1%
<i>o/w SOLIDWORKS SW revenue</i>	400.0		400.0	394.2		394.2	+1%	+1%
Services revenue	230.4	1.1	231.5	217.6	1.3	218.9	+6%	+6%
<b>Total Revenue breakdown by geography</b>								
Americas revenue	856.7	11.0	867.7	602.7	7.1	609.7	+42%	+42%
Europe revenue	799.0	0.3	799.4	802.2	2.0	804.2	(0)%	(1)%
Asia revenue	547.6	0.3	547.9	515.5		515.5	+6%	+6%
<b>Gross Margin</b>								
Cost of Software revenue	(152.8)	1.7	(151.1)	(89.8)	1.6	(88.2)	+70%	+71%
Software Gross margin <sup>(3)</sup>	92.3%		92.4%	94.7%		94.8%		
Cost of Services revenue	(227.9)	4.7	(223.1)	(206.3)	2.0	(204.4)	+10%	+9%
Services Gross margin	1.1%		3.6%	5.2%		6.6%		

<sup>(1)</sup> Excluding ENOVIA Life Sciences Compliance and Quality Management (YTD 2019: €7.0m)

<sup>(2)</sup> Including ENOVIA Life Sciences Compliance and Quality Management (YTD 2019: €7.0m)

<sup>(3)</sup> No amortization of acquired intangible assets and of tangible assets revaluation is included in Software Gross margin calculation

# IFRS – Non-IFRS Reconciliation YTD

## Expenses & Earnings

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

	Six months ended June 30,						Increase (Decrease)	
	2020 IFRS	Adjustment	2020 Non-IFRS	2019 IFRS	Adjustment	2019 Non-IFRS	IFRS	Non-IFRS
<b>Total Operating Expenses</b>	<b>(1,941.7)</b>	<b>347.1</b>	<b>(1,594.6)</b>	<b>(1,522.4)</b>	<b>205.6</b>	<b>(1,316.8)</b>	<b>+28%</b>	<b>+21%</b>
Share-based compensation expense and related social charges	(103.8)	103.8		(80.5)	80.5			
Amortization of acquired intangible assets and of tangible assets revaluation	(209.9)	209.9		(101.0)	101.0			
Lease incentives of acquired companies	(1.5)	1.5		-	-			
Other operating income and expense, net	(31.8)	31.8		(24.0)	24.0			
<b>Operating Income</b>	<b>261.7</b>	<b>358.7</b>	<b>620.4</b>	<b>397.9</b>	<b>214.7</b>	<b>612.6</b>	<b>(34)%</b>	<b>+1%</b>
<b>Operating Margin</b>	<b>11.9%</b>		<b>28.0%</b>	<b>20.7%</b>		<b>31.8%</b>		
Financial income (loss), net	(13.0)	0.5	(12.5)	5.3	(1.2)	4.1	(34)%	(402)%
Income tax expense	(59.4)	(90.7)	(150.1)	(114.0)	(64.5)	(178.5)	(48)%	(16)%
Non-controlling interest	6.1	(2.6)	3.5	5.6	(3.4)	2.2	+8%	+59%
<b>Net Income attributable to shareholders</b>	<b>195.4</b>	<b>266.0</b>	<b>461.4</b>	<b>294.9</b>	<b>145.6</b>	<b>440.5</b>	<b>(34)%</b>	<b>+5%</b>
<b>Diluted net income per share, in EUR</b>	<b>0.74</b>	<b>1.01</b>	<b>1.76</b>	<b>1.13</b>	<b>0.56</b>	<b>1.69</b>	<b>(34)%</b>	<b>+4%</b>

*(In € million)*

	Six months ended June 30,							
	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
Cost of revenue	(380.7)	6.0	0.4	(374.3)	(296.1)	3.5	-	(292.6)
Research and development	(473.6)	36.8	0.7	(436.2)	(357.2)	34.9	-	(322.3)
Marketing and sales	(647.2)	30.2	0.2	(616.8)	(591.7)	23.1	-	(568.6)
General and administrative	(198.4)	30.9	0.2	(167.3)	(152.3)	19.0	-	(133.3)
<b>Total</b>		<b>103.8</b>	<b>1.5</b>			<b>80.5</b>	<b>-</b>	

# Financial Revenue and Other

## Non - IFRS

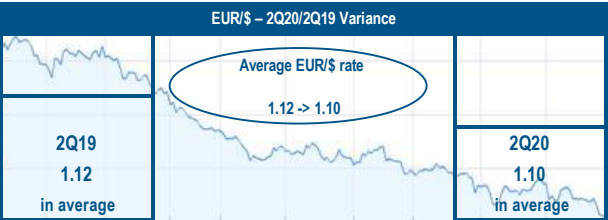
(In € million)	Three months ended June 30,			Six months ended June 30,		
	2020	2019	YoY	2020	2019	YoY
Interest Income	4.3	9.2	(4.9)	8.6	17.7	(9.1)
Interest Expense	(5.3)	(3.2)	(2.1)	(11.3)	(6.4)	(5.0)
Interest Expense on cap lease (IFRS 16)	(3.8)	(3.4)	(0.4)	(7.8)	(6.8)	(1.0)
Financial net Income	(4.8)	2.7	(7.5)	(10.5)	4.5	(15.0)
Exchange Gain / (Loss)	(1.5)	(2.8)	1.3	(2.1)	(0.3)	(1.9)
Other Income / (Loss)	0.1	0.1	0.1	0.2	(0.1)	0.3
<b>Total</b>	<b>(6.2)</b>	<b>(0.1)</b>	<b>(6.1)</b>	<b>(12.5)</b>	<b>4.1</b>	<b>(16.6)</b>

# Exchange Rate evolution

## From assumptions to actual data

Breakdown of P&L by currency for YTD 20		
	Revenue	Operating Expenses
USD	48.6%	44.7%
JPY	10.6%	4.0%

Average Exchange rates				
		2019	2020	% change
QTD	EUR/USD	1.12	1.10	-2%
	EUR/JPY	123.47	118.41	-4%
YTD	EUR/USD	1.13	1.10	-3%
	EUR/JPY	124.28	119.27	-4%



# Comparing 2Q20 with mid-range Objectives

## Non - IFRS

In € million, except %

	Revenue	Operating Expenses	Operating Profit	Operating Margin
<b>2Q20 Guidances mid-range</b>	<b>1,055.0</b>	<b>(782.8)</b>	<b>272.2</b>	<b>25.8%</b>
<b>Growth YoY</b>	<b>+9.3%</b>	<b>+17.0%</b>	<b>-8.1%</b>	<b>-4.9pts</b>
USD impact	23.7	(15.3)	8.4	+0.2pt
JPY impact including hedging	3.1	(1.7)	1.4	+0.1pt
Other currencies and other hedging impact	0.1	(0.1)	0.0	-0.0pt
<b>Total FX</b>	<b>26.9</b>	<b>(17.1)</b>	<b>9.8</b>	<b>+0.3pt</b>
<b>Activity / Cost Control / Other</b>	<b>(11.3)</b>	<b>15.6</b>	<b>4.2</b>	<b>+0.6pt</b>
<b>Delta: Reported vs guidances</b>	<b>15.6</b>	<b>(1.5)</b>	<b>14.0</b>	<b>+0.9pt</b>
<b>2Q20 Reported</b>	<b>1,070.6</b>	<b>(784.3)</b>	<b>286.2</b>	<b>26.7%</b>
<b>Growth YoY</b>	<b>+10.9%</b>	<b>+17.2%</b>	<b>-3.4%</b>	<b>-4.0pts</b>
<b>2Q19 Reported</b>	<b>965.4</b>	<b>(669.2)</b>	<b>296.2</b>	<b>30.7%</b>

# Estimated FX impact on 2Q20 Op. Results

Non - IFRS

€ millions, except % QTD	Total Revenue	Operating Expenses	Operating Income	Operating Margin
2Q20 Reported	1,070.6	(784.3)	286.2	26.7%
2Q19 Reported	965.4	(669.2)	296.2	30.7%
<i>Growth as reported</i>	+10.9%	+17.2%	-3.4%	-3.9 pts
<b>Impact of Actual Currency Rates</b>				
USD impact	7.3	(4.8)	2.5	
JPY impact including hedging	4.4	(1.2)	3.2	
Other currencies and other hedging impact	(4.6)	3.0	(1.5)	
<b>Total FX Impact adjustment</b>	<b>7.1</b>	<b>(3.0)</b>	<b>4.2</b>	
2Q19 ex FX	972.5	(672.2)	300.4	30.9%
<i>Growth ex FX</i>	+10%	+17%	-5%	-4.1 pts



# Estimated FX impact on YTD Op. Results

Non - IFRS

€ millions, except % YTD	Total Revenue	Operating Expenses	Operating Income	Operating Margin
YTD2020 Reported	2,215.0	(1,594.6)	620.4	28.0%
YTD2019 Reported	1,929.4	(1,316.8)	612.6	31.8%
<i>Growth as reported</i>	+14.8%	+21.1%	+1.3%	-3.8 pts
<b>Impact of Actual Currency Rates</b>				
USD impact	18.1	(12.1)	6.0	
JPY impact including hedging	9.3	(2.4)	6.9	
Other currencies and other hedging impact	(6.3)	4.9	(1.4)	
<b>Total FX Impact adjustment</b>	<b>21.1</b>	<b>(9.6)</b>	<b>11.5</b>	
YTD2019 ex FX	1,950.5	(1,326.3)	624.1	32.0%
<i>Growth ex FX</i>	+14%	+20%	-1%	-4.0 pts

# Consolidated Statement of Cash Flows

## IFRS

(in millions of €)	2Q20	2Q19	Variation	2Q20 YTD	2Q19 YTD	Variation
Net income attributable to equity holders of the parent	83.0	134.1	(51.1)	195.4	294.9	(99.5)
Non-controlling interest	(2.9)	(2.8)	(0.0)	(6.1)	(5.6)	(0.5)
Net income	80.1	131.2	(51.1)	189.3	289.3	(100.0)
Depreciation of property and equipment	42.8	33.6	9.3	91.7	65.3	26.5
Amortization of intangible assets	103.4	53.3	50.2	216.2	105.5	110.7
Adjustments for other non-cash items	20.1	18.8	1.3	69.8	47.3	22.6
Changes in working capital	150.5	168.2	(17.7)	287.9	386.3	(98.4)
<b>Net Cash Provided by (Used in) Operating Activities (I)</b>	<b>397.0</b>	<b>405.1</b>	<b>(8.1)</b>	<b>855.0</b>	<b>893.6</b>	<b>(38.6)</b>
Additions to property, equipment and intangibles	(27.1)	(23.2)	(4.0)	(87.4)	(48.2)	(39.2)
Payment for acquisition of businesses, net of cash acquired	(19.5)	(2.2)	(17.3)	(19.5)	(402.8)	383.3
Other	0.6	(14.0)	14.6	2.4	(17.1)	19.5
<b>Net Cash Provided by (Used in) Investing Activities (II)</b>	<b>(46.0)</b>	<b>(39.4)</b>	<b>(6.7)</b>	<b>(104.4)</b>	<b>(468.1)</b>	<b>363.7</b>
Proceeds from exercise of stock options	23.6	32.5	(8.9)	47.3	46.0	1.3
Cash dividends paid	(182.5)	(168.8)	(13.7)	(182.5)	(168.8)	(13.7)
Repurchase and sale of treasury stock	3.4	0.6	2.9	(104.7)	9.2	(113.8)
Proceeds from borrowings	0.3	-	0.3	1.8	-	1.8
Repayment of borrowings	-	-	-	-	(0.8)	0.8
Repayment of lease liabilities	(21.8)	(20.3)	(1.5)	(47.4)	(37.3)	(10.1)
<b>Net Cash Provided by (Used in) Financing Activities (III)</b>	<b>(176.9)</b>	<b>(156.0)</b>	<b>(20.9)</b>	<b>(285.4)</b>	<b>(151.7)</b>	<b>(133.6)</b>
Effect of exchange rate changes on cash and cash equivalents (IV)	(18.0)	(12.9)	(5.1)	(10.5)	9.7	(20.2)
Increase (decrease) in cash and cash equivalents (V) = (I)+(II)+(III)+(IV)	156.1	196.8	(40.7)	454.8	283.5	171.3
Cash and cash equivalents at beginning of period	2,243.5	2,896.0		1,944.9	2,809.3	
<b>Cash and cash equivalents at end of period</b>	<b>2,399.7</b>	<b>3,092.8</b>		<b>2,399.7</b>	<b>3,092.8</b>	
Cash and cash equivalents variation	156.1	196.8		454.8	283.5	

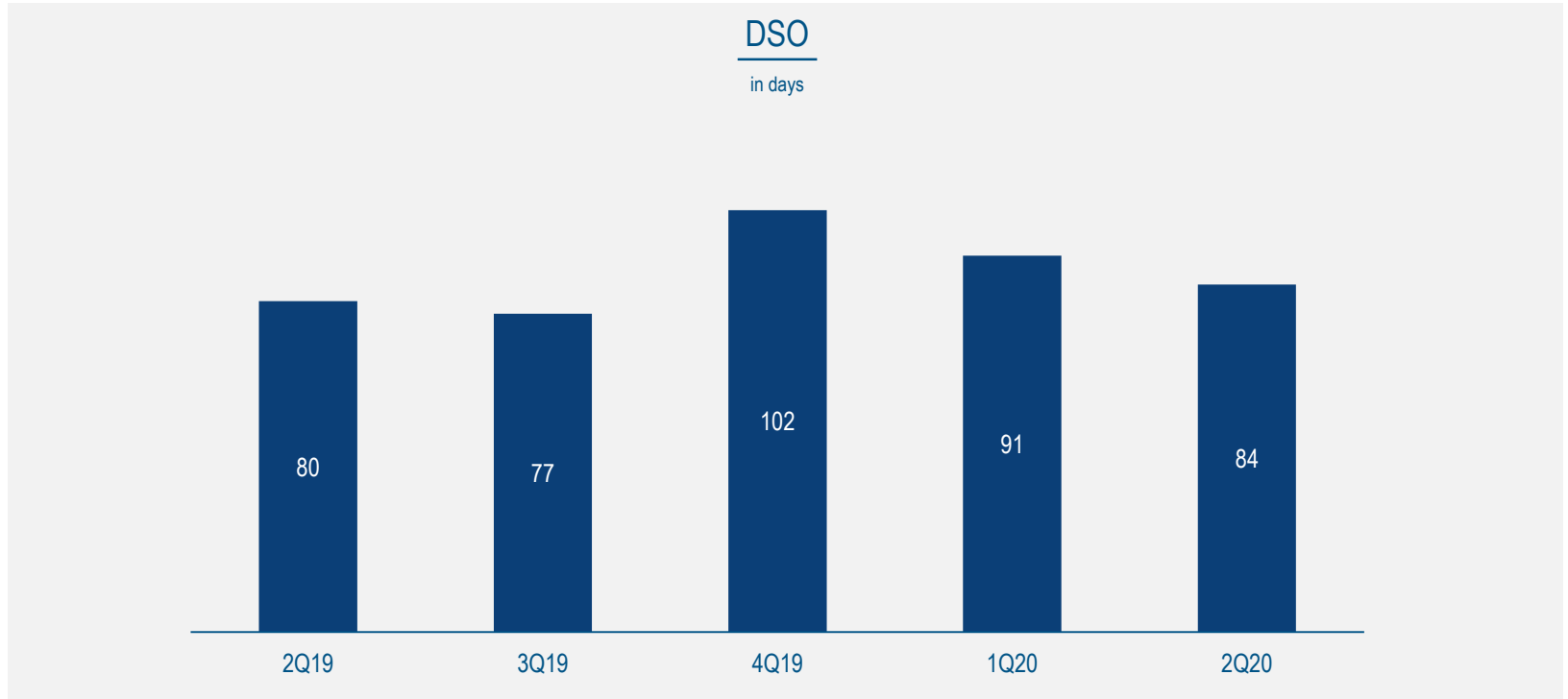
# Balance Sheet

## IFRS

(in millions of €)	End of Jun-20	End of Dec-19	Variation Jun-20 / Dec-19
Cash and cash equivalents	2,399.7	1,944.9	+454.8
Accounts receivable, net	965.3	1,319.2	-353.9
Contract assets	29.0	26.9	+2.1
Other current assets	302.9	378.0	-75.1
<b>Total current assets</b>	<b>3,696.8</b>	<b>3,669.0</b>	<b>+27.9</b>
Property and equipment, net	920.2	899.7	+20.5
Goodwill and intangible assets, net	8,771.8	8,917.0	-145.2
Other non-current assets	418.1	386.9	+31.2
<b>Total non-current assets</b>	<b>10,110.2</b>	<b>10,203.7</b>	<b>-93.5</b>
<b>Total Assets</b>	<b>13,807.0</b>	<b>13,872.6</b>	<b>-65.6</b>
Accounts payable	148.3	220.0	-71.7
Contract liabilities	1,164.1	1,093.5	+70.7
Borrowings, current	7.8	4.4	+3.4
Other current liabilities	732.8	816.0	-83.2
<b>Total current liabilities</b>	<b>2,053.0</b>	<b>2,133.8</b>	<b>-80.8</b>
Borrowings, non-current	4,600.1	4,596.8	+3.3
Other non-current liabilities	1,790.0	1,879.4	-89.4
<b>Total non-current liabilities</b>	<b>6,390.1</b>	<b>6,476.2</b>	<b>-86.0</b>
Non-controlling interest	48.2	53.9	-5.8
Parent Shareholders' equity	5,315.7	5,208.7	+107.0
<b>Total Liabilities and Shareholders' Equity</b>	<b>13,807.0</b>	<b>13,872.6</b>	<b>-65.6</b>

# Trade Accounts Receivables - DSO

IFRS

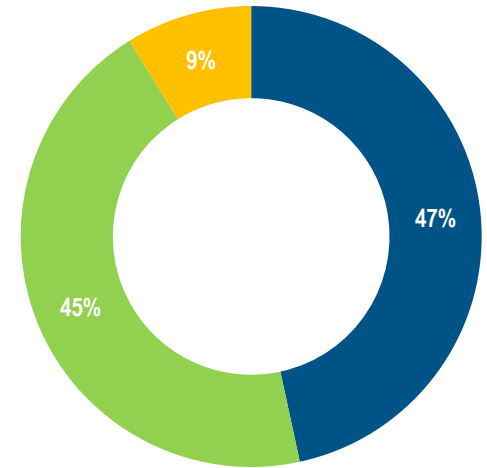


# Headcount by destination – 2Q20

## Overview

At Closing - TOTAL			
	<u>2Q20</u>	<u>2Q19</u>	<u>% growth</u>
M&S + COR Ser	9,996	8,848	+13.0%
R&D + COR SW	9,546	7,158	+33.4%
G&A	1,902	1,617	+17.6%
<b>Total</b>	<b>21,443</b>	<b>17,623</b>	<b>+21.7%</b>

Closing H/C - June 2020



■ M&S + COR Ser ■ R&D + COR SW ■ G&A

# IFRS 2020 Objectives

## Accounting elements not included in the non-IFRS 2020 Objectives

- ▶ FY 2020 estimated **contract liabilities** write-down of **~€13m**
- ▶ FY 2020 estimated **share-based compensation** expenses, including related social charges: **~€209m**
- ▶ FY 2020 estimated amortization of **acquired intangible assets** and of **tangible assets revaluation**: **~€400m**
- ▶ FY 2020 estimated **lease incentives of acquired companies**: **~€3m**
- ▶ The non-IFRS objectives also do not include any impact from other operating income and expense, net principally comprised of acquisition, integration and restructuring expenses, and impairment of goodwill and acquired intangible assets; from one-time items included in financial revenue; from one-time tax effects; and from the income tax effects of these non-IFRS adjustments.
- ▶ Finally, these estimates do not include any new stock option or share grants, or any new acquisitions or restructurings completed after June 30, 2020.

