

Dassault Systèmes Doubles EPS as Planned in 2018 While Embracing The Subscription Model

[Dassault Systèmes](#) (Euronext Paris: FR0014003TT8, DSY.PA), today announced IFRS unaudited estimated financial results for the fourth quarter and fiscal year ended December 31, 2023. The Group's Board of Directors approved these estimated results on January 31, 2024. This press release includes financial information on a non-IFRS basis and reconciliations with IFRS figures in the Appendix.

Summary Highlights

(unaudited, IFRS and non-IFRS unless otherwise noted,
all revenue growth rates in constant currencies)

- 4Q23 & FY23 total revenue increased 8% and 9% respectively with software revenue up 8%, all in line with objectives;
- 4Q23 & FY23 recurring revenue rose 12% and 10% respectively, driven by strong subscription growth of 22% and 16%. Licenses & other revenue were down 4% in the fourth quarter, up 2% in the full year;
- 4Q23 & FY23 **3DEXPERIENCE** revenue grew 21% and 19% respectively, supported by large transformation deals;
- 4Q23 & FY23 non-IFRS operating margin¹ of 35.9% and 32.4% respectively, reflecting acceleration of 160 basis points for the quarter in constant currencies, as anticipated and in line with objectives;
- FY23 non-IFRS diluted EPS² of €1.20, up 12% in constant currencies, achieving plan to double diluted EPS in 5 years;
- FY23 achieving net cash balance of €0.6 billion after successfully deleveraging for MEDIDATA acquisition; cash flow from operations of €1.6 billion (IFRS);
- FY24 non-IFRS objectives: Diluted EPS reaching €1.29 - €1.31 with revenue growth of 8% - 10%.

¹ 4Q23 & FY23 IFRS operating margin at 23.2% and 20.9% respectively

² FY23 IFRS diluted EPS up 12% as reported at €0.79

Bernard Charlès, Dassault Systèmes' Executive Chairman, commented:

“It is a special moment, marking the commencement of a new journey, with Pascal Daloz now serving as Chief Executive Officer since January 1st, as announced last June. I am impressed by Pascal's engagement to increase the value we bring to the giant customer base that we have. In my new role as Executive Chairman, I will organize the board's work encompassing, among others, strategy, governance, risks' oversight and corporate social & environmental responsibility. I'll ensure the executive team enjoys the same freedom to pursue innovative strategies as I have had. Furthermore, I will collaborate with Pascal on strategy, research, and developing our connections with governments and longstanding clients.

Over the years, my professional journey has been motivated by a constant commitment to inspiring significant transformations in the industry. While it has driven progress in crucial sectors such as health, mobility and energy, it now needs to adopt a reimagined approach that balances innovation with responsibility towards nature and society. We have been, and will always be a key player in this 'Industry Renaissance'. Our legacy, combining science and industrial knowledge, is crucial for upcoming metamorphoses focused on sustainable innovation.

The genius of Dassault Systèmes lies in its ability to translate a dream into reality and to drive science-guided imagination. There is more to be invented to advance our mission. We will continue to build on our legacy, aiming to provide businesses and people with **3DEXPERIENCE** universes to imagine sustainable innovations capable of harmonizing product, nature and life.”

Dassault Systèmes' Chief Executive Officer Commentary

(EPS on a non-IFRS basis, in constant currencies)

Pascal Daloz, Dassault Systèmes' Chief Executive Officer, commented:

“As the new CEO, I am honored to lead our company, alongside a talented team, into a new chapter – an evolution, not a revolution. Today, we see that the Experience Economy – that we introduced in 2012 – and the Sustainable Economy are converging. We are entering an era defined by the principles of the 'Generative Economy', centered on understanding and mirroring the magic of life's transformative method. This approach implies a metamorphosis of both the industry and society – a new equilibrium that prioritizes 'generation' over mere 'consumption'.

For decades, we have guided innovation from design to manufacturing. Today, we extend this journey into an infinite loop by seamlessly connecting the virtual and the real with real-world data. This opens up new possibilities, such as 'giving life to things' and 'generating multiple lives of things', promoting sustainability and a circular economy. Consequently, we will expand our value propositions and audiences – reaching all business users and ultimately consumers, patients and citizens.

Successfully delivering our 2018-2023 plan, we doubled our diluted EPS to €1.20, an increase mostly attributed to organic growth. This performance was achieved in five years as initially planned, despite the pandemic and geopolitical instability. During this period, we strengthened our positions in key industries, acting as a game-changer and supporting their transformation, thus laying a solid foundation for future success.

Now, we are embarking on a new five-year plan to double our EPS by 2028. Strategically positioned, we can leverage a vast market creating new opportunities. Our scientific approach, industrial know-how, modeling and simulation capabilities coupled with AI and data science, set us apart to play a critical role in the 'Generative Economy'.”

Financial Summary

In millions of Euros, except per share data and percentages	IFRS				IFRS			
	Q4 2023	Q4 2022	Change	Change in constant currencies	YTD 2023	YTD 2022	Change	Change in constant currencies
Total Revenue	1,643.4	1,583.9	4%	8%	5,951.4	5,665.3	5%	9%
Software Revenue	1,476.1	1,428.6	3%	8%	5,360.0	5,114.0	5%	8%
Operating Margin	23.2%	24.7%	(1.5)pt		20.9%	23.0%	(2.1)pts	
Diluted EPS	0.25	0.25	(0)%		0.79	0.70	12%	

In millions of Euros, except per share data and percentages	Non-IFRS				Non-IFRS			
	Q4 2023	Q4 2022	Change	Change in constant currencies	YTD 2023	YTD 2022	Change	Change in constant currencies
Total Revenue	1,643.4	1,583.9	4%	8%	5,951.4	5,665.5	5%	9%
Software Revenue	1,476.1	1,428.6	3%	8%	5,360.0	5,114.3	5%	8%
Operating Margin	35.9%	34.9%	+1.0pt		32.4%	33.4%	(1.0)pt	
Diluted EPS	0.36	0.34	6%	14%	1.20	1.13	5%	12%

Fourth Quarter 2023 Versus 2022 Financial Comparisons

(unaudited, IFRS and non-IFRS unless otherwise noted,
all revenue growth rates in constant currencies)

- **Total Revenue:** Total revenue and software revenue grew 8% to €1.64 billion and €1.48 billion respectively. Recurring revenue rose 12%, representing 76% of software revenue versus 73% in the same period last year, led by a strong growth acceleration of subscription throughout the year, to reach 22% in the fourth quarter. Licenses and other software revenue decreased 4% to €352 million. Services revenue was up 12% to €167 million.
- **Software Revenue by Geography:**
Americas revenue increased 3% to 38% of software revenue, against the strong showing of last year's fourth quarter. The region saw resilient growth dynamics, supported by significant wins in Transportation & Mobility and Aerospace & Defense with subscription shift accelerating. Europe revenue grew 15% to 41% of software revenue, benefiting from broad-based momentum with an acceleration of subscription adoption driven by transformation deals in Transportation & Mobility, Aerospace & Defense and Home & Lifestyle. Asia revenue climbed 5% and represented 21% of software revenue, with contrasted performances across countries. China and India delivered double-digit growth.
- **Software Revenue by Product Line:**
 - **Industrial Innovation** software revenue rose 11% to €837 million, representing 57% of software revenue. CATIA, SIMULIA and DELMIA delivered double-digit growth, driven by strong subscription acceleration.
 - **Life Sciences** software revenue rose 2%, to €295 million, to account for 20% of software revenue. This performance highlights a high comparison base and

continued slowdown in clinical study starts in the fourth quarter.

- **Mainstream Innovation** software revenue totaled €344 million, up 5%, representing 23% of software revenue. SOLIDWORKS transition to subscription accelerated and, at the same time, CENTRIC PLM maintained a strong momentum.
- **Software Revenue by Industry:** Transportation & Mobility, Aerospace & Defense, Home & Lifestyle and Consumer Packaged Goods & Retail displayed some of the strongest performance during the quarter.
- **Key Strategic Drivers:** 3DEXPERIENCE revenue increased 21% and represented 42% of 3DEXPERIENCE Eligible software revenue. Cloud software revenue grew by 11% and represented 23% of software revenue.
- **Operating Income and Margin:** IFRS operating income was down 3% to €382 million, as reported. Non-IFRS operating income rose to €590 million, up 13% in constant currencies or 7% as reported. The IFRS operating margin totaled 23.2% compared to 24.7% in the fourth quarter of 2022. The non-IFRS operating margin totaled 35.9%, up 100+ basis points as reported, or around 160 basis points in constant currencies, compared to the same period last year.
- **Diluted Earnings per Share:** IFRS diluted EPS was €0.25, unchanged compared to last year. Non-IFRS diluted EPS grew to €0.36 by 6% as reported, or 14% in constant currencies.

Fiscal 2023 Versus 2022 Financial Comparisons

(unaudited, IFRS and non-IFRS unless otherwise noted,
all revenue growth rates in constant currencies)

- **Total Revenue:** Total revenue grew by 9% to €5.95 billion. Software revenue increased 8% to €5.36 billion. Subscription and support revenue rose 10% to €4.27 billion; recurring revenue represented 80% of total software revenue versus 78% last year. Licenses and other software revenue were up 2% to €1.09 billion. Services revenue increased 10% to €591 million.
- **Software Revenue by Geography:** The Americas grew 7% and represented 40% of software revenue, with resilient growth dynamics. Broad-based momentum continued in Europe (38% of software revenue), up 14%. Asia increased 3%, representing 22% of software revenue. After a challenging start of the year, performance in China progressively improved but remained volatile.
- **Software Revenue by Product Line:**
 - **Industrial Innovation** software revenue rose 10% to €2.91 billion and represented 54% of software revenue. CATIA, SIMULIA, DELMIA and NETVIBES exhibited some of the higher growth rates.

- **Life Sciences** software revenue increased 6% to €1.16 billion, representing 22% of software revenue. Against a strong comparison baseline, MEDIDATA total revenue was up 10% in parts driven by high value-added study conduct services.
 - **Mainstream Innovation** software revenue increased 7% to €1.29 billion, representing 24% of software revenue. CENTRIC PLM delivered strong double-digit growth while SOLIDWORKS rose around mid-single digit. The growth dynamics are shifting at an accelerated pace in favor of the subscription model.
- **Software Revenue by Industry:** Transportation & Mobility, Aerospace & Defense, Home & Lifestyle and Consumer Packaged Goods & Retail displayed some of the strongest growth rates.
 - **Key Strategic Drivers:** 3DEXPERIENCE revenue increased 19%, representing 36% of 3DEXPERIENCE eligible software revenue. Cloud software revenue grew by 12% and represented 24% of software revenue.
 - **Operating Income and Margin:** IFRS operating income decreased 5%, as reported, to €1.24 billion. Non-IFRS operating income was up 2% at €1.93 billion, as reported. IFRS operating margin totaled 20.9% compared to 23% in 2022. The non-IFRS operating margin equaled 32.4% versus 33.4% last year.
 - **Diluted Earnings per Share:** IFRS diluted EPS was €0.79 increasing 12% as reported, impacted by a one-time tax effect in 2022. Non-IFRS diluted EPS grew to €1.20, up 5% as reported, or 12% in constant currencies, achieving the five-year plan of doubling diluted EPS by 2023.
 - **Cash Flow from Operations (IFRS):** Cash flow from operations totaled €1.57 billion, an increase of 3%, relative to the same period last year and in line with the evolution of the non-IFRS operating income at current rates. Cash flow from operations was principally used for treasury shares buy-back and employee shareholding plan net of proceeds from stock options exercise for €162 million, and cash dividend payments for €276 million.
 - **Balance Sheet (IFRS):** Dassault Systèmes' net financial position totaled €578 million as at December 31, 2023, an increase of €805 million, compared to €(227) million as at December 31, 2022. Cash, cash equivalents and short-term investments totaled €3.6 billion at the end of the year.

Dassault Systèmes' Chief Financial Officer Commentary

(revenue and operating margin growth rates in constant currencies, data on a non-IFRS basis)

Rouven Bergmann, Dassault Systèmes' Chief Financial Officer, commented:

“In 2023, we delivered the anticipated acceleration in the second half, achieving our full year objectives with 9% organic revenue growth and €1.20 diluted EPS. This performance reflects an increasing focus on accelerating growth in our core industries and domains. This is evidenced in our numbers: Transportation & Mobility up 12%, 13% in Aerospace & Defense, 23% in Home & Lifestyle. From a product standpoint, design, simulation, manufacturing and data-science enjoyed double-digit growth throughout the year.

In addition, 2023 highlights the momentum in subscription revenue, with 22% growth in the fourth quarter and 16% on a full year basis. As a result, the share of recurring revenue rose to 80% of total software revenue for this year from 78% in 2022. The **3DEXPERIENCE** and cloud adoption increased 19% and 12% respectively for the year, acting as a catalyst and driver of the successful evolution towards a sustainable subscription model.

The operating leverage strongly improved year-over-year as expected, by 160 basis points in Q4, achieving an operating margin of 35.9%. This puts us back on track to deliver consistent profit and cash flow expansion. Importantly, we have achieved a net cash balance of €0.6 billion after successfully deleveraging for the acquisition of MEDIDATA within 3 years.

Clearly, all these elements constitute the foundations of our 5-year plan. Looking towards 2024, we are targeting revenue growth of 8% to 10%. Our objective for diluted earnings per share is €1.29 to €1.31.”

Financial Objectives for 2024

Dassault Systèmes' first quarter and 2024 financial objectives presented below are given on a non-IFRS basis and reflect the principal 2024 currency exchange rate assumptions for the US dollar and Japanese yen as well as the potential impact from additional non-Euro currencies:

	Q1 2024	FY 2024
Total Revenue (billion)	€1.490 - €1.515	€6.350 - €6.425
Growth	4 - 6%	7 - 8%
Growth ex FX	7 - 8%	8 - 10%
Software revenue growth *	7 - 9%	8 - 10%
<i>Of which licenses and other software revenue growth *</i>	(3) - 2%	(1) - 3%
<i>Of which recurring revenue growth *</i>	9 - 10%	10 - 11%
Services revenue growth *	4 - 5%	9 - 10%
Operating Margin	30.6% - 30.7%	32.5% - 32.8%
EPS Diluted	€0.29 - €0.30	€1.29 - €1.31
Growth	5 - 7%	7 - 10%
Growth ex FX	10 - 11%	10 - 12%
US dollar	\$1.10 per Euro	\$1.10 per Euro
Japanese yen (before hedging)	JPY 155.0 per Euro	JPY 155.0 per Euro

* *Growth in Constant Currencies*

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

The 2024 non-IFRS financial objectives set forth above do not take into account the following accounting elements below and are estimated based upon the 2024 principal currency exchange rates above: no significant contract liabilities write-downs; share-based compensation expenses, including related social charges, estimated at approximately €167 million (these estimates do not include any new stock option or share grants issued after December 31, 2023); amortization of acquired intangibles and of tangibles reevaluation, estimated at approximately €369 million, largely impacted by the acquisition of MEDIDATA; and lease incentives of acquired companies at approximately €2 million.

The above objectives also do not include any impact from other operating income and expenses, net principally comprised of acquisition, integration and restructuring expenses, and impairment of goodwill and acquired intangible assets; from one-time items included in financial revenue; from one-time tax effects; and from the income tax effects of these non-IFRS adjustments. Finally, these estimates do not include any new acquisitions or restructuring completed after December 31, 2023.

Corporate Announcements

- February 1st, 2024: BMW Group Partners with Dassault Systèmes to Bring **3DEXPERIENCE** to Its Future Engineering Platform
- December 14, 2023: MEDITWIN brings together French science and technology excellence around virtual twins for the future of medical care
- December 14, 2023: Dassault Aviation and Dassault Systèmes Extend Collaboration to Aircraft Maintenance, Repair and Overhaul in the Cloud
- December 11, 2023: OUTSCALE, the first Cloud qualified with SecNumCloud 3.2
- November 8, 2023: Société de Livraison des Ouvrages Olympiques and Dassault Systèmes Use Simulation to Optimize Building Comfort
- October 26, 2023: MEDIDATA Announces Expansion of Multi-Year Partnership with Catalyst Clinical Research for Oncology Trials
- October 4, 2023: MEDIDATA and the National Cancer Institute Extend 15-Year Partnership for an Additional Five Years

Today's Webcast and Conference Call Information

Today, Thursday, February 1st, 2024, Dassault Systèmes will host a webcasted presentation 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 / 2:00 PM London time / 3:00 PM Paris time. The webcasted presentation and conference calls will be available online by accessing investor.3ds.com.

Additional investor information is available at investor.3ds.com or by calling Dassault Systèmes' Investor Relations at +33.1.61.62.69.24.

Investor Relations Events

- First Quarter 2024 Earnings Release: April 25, 2024
- Second Quarter 2024 Earnings Release: July 25, 2024
- Third Quarter 2024 Earnings Release: October 24, 2024

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 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 actual results or performance may be materially negatively affected by numerous risks and uncertainties, as described in the "Risk Factors" section 1.9 of the 2022 Universal Registration Document ('Document d'enregistrement universel') filed with the AMF (French Financial Markets Authority) on March 17, 2023, as updated in the 2023 Half-Year Financial Report ('Rapport Financier Semestriel' as of June 30, 2023) filed with the AMF on July 25, 2023, both available on the Group's website www.3ds.com.

In particular, please refer to the risk factor "Uncertain Global Economic Environment" in section 1.9.1.1 of the 2022 Universal Registration Document set out below for ease of reference:

"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 the automotive, aerospace, energy 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 political, economic and monetary situation in certain geographic regions where Dassault Systèmes operates could become more volatile and impact Dassault Systèmes' business, for example, due to stricter export compliance rules or the introduction of new customs tariffs;
- continued pressure or volatility on raw materials and energy prices could also slow down Dassault Systèmes' diversification efforts in new industries;
- uncertainties regarding the extent and duration of inflation could adversely affect the financial position of Dassault Systèmes; and
- the sales cycle of the Dassault Systèmes' products – already relatively long due to the strategic nature of such investments for customers – could further lengthen.

The occurrence of crises – health and political crises in particular – could have consequences both for the health and safety of Dassault Systèmes' employees and for the Company. It could also adversely impact the financial situation or financing and supply capabilities of Dassault Systèmes' existing and potential customers, commercial and technology partners, some of whom may be forced to temporarily close sites or cease operations. A deteriorating economic environment could generate increased price pressure and affect the collection of receivables, which would negatively impact Dassault Systèmes' revenue, financial performance and market position.

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."

In preparing such forward-looking statements, the Group has in particular assumed an average US dollar to euro exchange rate of US\$1.10 per €1.00 as well as an average Japanese yen to euro exchange rate of JPY155.0 to €1.00, before hedging for the first quarter 2024. The Group has in particular assumed an average US dollar to euro exchange rate of US\$1.10 per €1.00 as well as an average Japanese yen to euro exchange rate of JPY155.0 to €1.00, before hedging for the full year 2024. However, currency values fluctuate, and the Group's results may be significantly affected by changes in exchange rates.

Non-IFRS Financial Information

Readers are cautioned that the supplemental non-IFRS financial 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 in isolation from or as a substitute for IFRS measurements. The supplemental non-IFRS financial information should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with IFRS. Furthermore, the Group's supplemental non-IFRS financial information may not be comparable to similarly titled "non-IFRS" measures used by other companies. Specific limitations for individual non-IFRS measures are set forth in the Company's 2023 Universal Registration Document filed with the AMF on March 17, 2023.

In the tables accompanying this press release the Group sets forth its supplemental non-IFRS figures for revenue, operating income, operating margin, net income and diluted earnings per share, which exclude the effect of adjusting the carrying value of acquired companies' deferred revenue, share-based compensation expense and related social charges, the amortization of acquired intangible assets and of tangibles reevaluation, certain other operating income and expense, net, including impairment of goodwill and acquired intangibles, the effect of adjusting 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.

FOR MORE INFORMATION

Dassault Systèmes' **3DEXPERIENCE** platform, 3D design software, 3D Digital Mock Up and Product Lifecycle Management (PLM) solutions: <http://www.3ds.com>

Connect with Dassault Systèmes on



ABOUT DASSAULT SYSTÈMES

Dassault Systèmes, the **3DEXPERIENCE**® Company, is a catalyst for human progress. We provide business and people with collaborative virtual environments to imagine sustainable innovations. By creating virtual twin experiences of the real world with our **3DEXPERIENCE** platform and applications, our customers can redefine the creation, production and life-cycle-management processes of their offer and thus have a meaningful impact to make the world more sustainable. The beauty of the Experience Economy is that it is a human-centered economy for the benefit of all – consumers, patients and citizens. Dassault Systèmes brings value to more than 300,000 customers of all sizes, in all industries, in more than 150 countries. For more information, visit www.3ds.com

Dassault Systèmes Investor Relations Team

Beatrix Martinez: +33 1 61 62 40 73

investors@3ds.com

FTI Consulting

Arnaud de Cheffontaines: +33 1 47 03 69 48

Jamie Ricketts : +44 20 3727 1600

Dassault Systèmes Press Contacts

Corporate / France Arnaud MALHERBE

arnaud.malherbe@3ds.com

+33 (0)1 61 62 87 73

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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

Acquisitions and Foreign Exchange Impact

Condensed consolidated statements of income

Condensed consolidated balance sheet

Condensed consolidated cash flow statement

IFRS – non-IFRS reconciliation

DASSAULT SYSTÈMES - Glossary of Definitions

Information in Constant Currencies

Dassault Systèmes has followed a long-standing policy of measuring its revenue performance and setting its revenue objectives exclusive of currency in order to measure in a transparent manner the underlying level of improvement in its total revenue and software revenue by activity, industry, geography and product lines. The Group believes it is helpful to evaluate its growth exclusive of currency impacts, particularly to help understand revenue trends in its business. Therefore, the Group provides percentage increases or decreases in its revenue and expenses (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 “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, the Group believes these measures are critical to understanding its global revenue results and to compare with many of its competitors who report their financial results in U.S. dollars. Therefore, Dassault Systèmes includes this calculation for comparing IFRS revenue figures as well non-IFRS revenue figures for comparable periods. All information at constant exchange rates is expressed as a rounded percentage and therefore may not precisely reflect the absolute figures.

Information on Growth excluding acquisitions (“organic growth”)

In addition to financial indicators on the entire Group’s scope, Dassault Systèmes provides growth excluding acquisitions effect, also named organic growth. In order to do so, the data relating to the scope is restated excluding acquisitions, from the date of the transaction, over a period of 12 months.

Information on Industrial Sectors

Dassault Systèmes’ Industries develop Industry Solution Experiences, offerings specifically designed to deliver value to companies and users in a particular industry. Dassault Systèmes serves twelve industries grouped into three sectors:

- Manufacturing Industries: Transportation & Mobility; Aerospace & Defense; Marine & Offshore; Industrial Equipment; High-Tech; Home & Lifestyle; Consumer Packaged Goods - Retail. In Manufacturing Industries, Dassault Systèmes help customers virtualize their operations, improve data sharing and collaboration across their organization, reducing costs and time-to-market, and becoming more sustainable;
- Life Sciences & Healthcare: Life Sciences & Healthcare. In this sector, the Group aims to address the entire cycle of the patient journey to lead the way toward precision medicine. To reach the broader healthcare ecosystem from Research to commercial, the Group’s solutions connect all elements from molecule development to prevention to care, and combine new therapeutics, med practices, and Medtech;
- Infrastructure & Cities: Infrastructure, Energy & Materials; Architecture, Engineering & Construction; Business Services; Cities & Public Services. In Infrastructure & Cities, the Group supports the virtualization of the sector in making the construction industry more efficient and sustainable.

Information on Product Lines

The Group’s product lines financial reporting include the following financial information:

- Industrial Innovation software revenue, which includes CATIA, ENOVIA, SIMULIA, DELMIA, GEOVIA, NETVIBES, and 3DEXCITE brands;
- Life Sciences software revenue, which includes MEDIDATA and BIOVIA brands;
- Mainstream Innovation software revenue for SMEs (small and medium sized enterprises), which includes its CENTRIC PLM and 3DVIA brands, as well as its 3DEXPERIENCE WORKS family which includes the SOLIDWORKS brand.

In 2022, 3DS OUTSCALE became a brand of Dassault Systèmes. As the first sovereign and sustainable operator on the cloud, 3DS OUTSCALE enables governments and corporations from all sectors to achieve digital autonomy through a Cloud experience and with a world-class cyber governance.

GEO's

Eleven GEOs are responsible for driving the development of our business and implementing our customer-centric engagement model. Teams leverage strong network of local customers, users, partners, and influencers.

These GEOs are structured into three groups:

- the “Americas” group, made of two GEO's;
- the “Europe” group, comprising Europe, Middle East and Africa (EMEA) and made of four GEO's;
- the “Asia” group, comprising Asia and Oceania and made of five GEO's.

3DEXPERIENCE Licenses and Software Contribution

To measure the relative share of **3DEXPERIENCE** software in its revenues, Dassault Systèmes utilizes the following ratios:

- for licenses revenue, the Group calculates the percentage contribution by comparing total **3DEXPERIENCE** Licenses revenue to licenses revenue for all product lines except SOLIDWORKS on premise, MEDIDATA, CENTRIC PLM and other acquisitions (defined as “**3DEXPERIENCE** Eligible Licenses revenue”);
- for software revenue, the Group calculates the percentage contribution by comparing total **3DEXPERIENCE** software revenue to software revenue for all product lines except SOLIDWORKS on premise, MEDIDATA, CENTRIC PLM and other acquisitions (defined as “**3DEXPERIENCE** Eligible software revenue”).

Cloud revenue

Cloud revenues correspond to revenue generated through a catalog of online services to configure and run cloud solutions, delivered by Dassault Systèmes via a cloud infrastructure hosted by Dassault Systèmes, or by third party providers of cloud computing infrastructure services. This offering is available through different deployment methods: Dedicated cloud, Sovereign Trust cloud and International cloud. All cloud applications can be offered through perpetual licenses and maintenance or subscriptions models.

DASSAULT SYSTÈMES

NON-IFRS FINANCIAL INFORMATION

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

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

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

In millions of Euros, except per share data, percentages, headcount and exchange rates	Non-IFRS reported							
	Three months ended				Twelve months ended			
	December 31, 2023	December 31, 2022	Change	Change in constant currencies	December 31, 2023	December 31, 2022	Change	Change in constant currencies
Total Revenue	€ 1,643.4	€ 1,583.9	4%	8%	€ 5,951.4	€ 5,665.5	5%	9%
Revenue breakdown by activity								
Software revenue	1,476.1	1,428.6	3%	8%	5,360.0	5,114.3	5%	8%
<i>Of which licenses and other software revenue</i>	351.9	378.7	(7)%	(4)%	1,087.6	1,106.2	(2)%	2%
<i>Of which subscription and support revenue</i>	1,124.3	1,050.0	7%	12%	4,272.4	4,008.1	7%	10%
Services revenue	167.3	155.3	8%	12%	591.4	551.2	7%	10%
Software revenue breakdown by product line								
Industrial Innovation	837.3	778.9	8%	11%	2,908.0	2,719.1	7%	10%
Life Sciences	295.1	302.5	(2)%	2%	1,158.9	1,126.2	3%	6%
Mainstream Innovation	343.7	347.3	(1)%	5%	1,293.2	1,269.0	2%	7%
Software Revenue breakdown by geography								
Americas	566.7	578.8	(2)%	3%	2,141.9	2,062.0	4%	7%
Europe	601.1	535.2	12%	15%	2,027.3	1,816.4	12%	14%
Asia	308.4	314.6	(2)%	5%	1,190.8	1,235.9	(4)%	3%
Operating income	€ 589.8	€ 552.1	7%		€ 1,925.6	€ 1,892.0	2%	
Operating margin	35.9%	34.9%			32.4%	33.4%		
Net income attributable to shareholders	€ 487.2	€ 455.8	7%		€ 1,597.9	€ 1,512.2	6%	
Diluted earnings per share	€ 0.36	€ 0.34	6%	14%	€ 1.20	€ 1.13	5%	12%
Closing headcount	25,573	24,530	4%		25,573	24,530	4%	
Average Rate USD per Euro	1.08	1.02	5%		1.08	1.05	3%	
Average Rate JPY per Euro	159.12	144.24	10%		151.99	138.03	10%	

DASSAULT SYSTÈMES

ACQUISITIONS AND FOREIGN EXCHANGE IMPACT

(unaudited; in millions of Euros)

In millions of Euros	Non-IFRS reported			o/w growth at constant rate and scope	o/w change of scope impact at current year rate	o/w FX impact on previous year figures
	December 31, 2023	December 31, 2022	Change			
Revenue QTD	1,643.4	1,583.9	59.5	123.3	0.0	(63.8)
Revenue YTD	5,951.4	5,665.5	285.9	466.5	1.0	(181.6)

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

In millions of Euros, except per share data and percentages	IFRS reported			
	Three months ended		Twelve months ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Licenses and other software revenue	351.9	378.7	1,087.6	1,106.2
Subscription and Support revenue	1,124.3	1,049.9	4,272.4	4,007.9
Software revenue	1,476.1	1,428.6	5,360.0	5,114.0
Services revenue	167.3	155.3	591.4	551.2
Total Revenue	€ 1,643.4	€ 1,583.9	€ 5,951.4	€ 5,665.3
Cost of software revenue ⁽¹⁾	(124.9)	(123.3)	(453.9)	(463.8)
Cost of services revenue	(131.0)	(123.7)	(517.1)	(455.5)
Research and development expenses	(317.5)	(281.7)	(1,228.3)	(1,087.2)
Marketing and sales expenses	(429.3)	(424.7)	(1,624.5)	(1,502.6)
General and administrative expenses	(124.8)	(130.7)	(450.6)	(435.2)
Amortization of acquired intangible assets and of tangible assets revaluation	(94.9)	(102.4)	(378.9)	(401.9)
Other operating income and expense, net	(39.5)	(5.5)	(56.2)	(16.0)
Total Operating Expenses	(1,261.8)	(1,192.0)	(4,709.5)	(4,362.4)
Operating Income	€ 381.6	€ 391.8	€ 1,241.9	€ 1,302.9
Financial income (loss), net	27.8	10.0	59.0	2.8
Income before income taxes	€ 409.4	€ 401.9	€ 1,300.9	€ 1,305.6
Income tax expense	(79.1)	(73.4)	(250.7)	(375.4)
Net Income	€ 330.3	€ 328.5	€ 1,050.2	€ 930.2
Non-controlling interest	(0.3)	0.1	0.7	1.3
Net Income attributable to equity holders of the parent	€ 330.0	€ 328.6	€ 1,050.9	€ 931.5
Basic earnings per share	0.25	0.25	0.80	0.71
Diluted earnings per share	€ 0.25	€ 0.25	€ 0.79	€ 0.70
Basic weighted average shares outstanding (in millions)	1,314.1	1,314.1	1,315.1	1,312.3
Diluted weighted average shares outstanding (in millions)	1,336.6	1,330.7	1,336.8	1,332.7

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

IFRS reported	Three months ended December 31, 2023		Twelve months ended December 31, 2023	
	Change ⁽²⁾	Change in constant currencies	Change ⁽²⁾	Change in constant currencies
Total Revenue	4%	8%	5%	9%
Revenue by activity				
Software revenue	3%	8%	5%	8%
Services revenue	8%	12%	7%	10%
Software Revenue by product line				
Industrial Innovation	8%	11%	7%	10%
Life Sciences	(2)%	2%	3%	6%
Mainstream Innovation	(1)%	5%	2%	7%
Software Revenue by geography				
Americas	(2)%	3%	4%	7%
Europe	12%	15%	12%	14%
Asia	(2)%	5%	(4)%	3%

⁽²⁾ Variation compared to the same period in the prior year.

DASSAULT SYSTÈMES
CONDENSED CONSOLIDATED BALANCE SHEET
(unaudited; in millions of Euros)

In millions of Euros	IFRS reported	
	December 31, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	3,568.3	2,769.0
Trade accounts receivable, net	1,707.9	1,661.6
Contract assets	26.8	20.3
Other current assets	477.1	393.5
Total current assets	5,780.1	4,844.3
Property and equipment, net	882.8	819.9
Goodwill and Intangible assets, net	7,647.0	8,273.6
Other non-current assets	312.5	323.3
Total non-current assets	8,842.3	9,416.8
Total Assets	€ 14,622.5	€ 14,261.1
LIABILITIES		
Trade accounts payable	230.5	216.3
Contract liabilities	1,479.3	1,536.6
Borrowings, current	950.1	258.6
Other current liabilities	901.0	869.6
Total current liabilities	3,561.0	2,881.0
Borrowings, non-current	2,040.6	2,737.4
Other non-current liabilities	1,174.8	1,317.8
Total non-current liabilities	3,215.4	4,055.2
Non-controlling interests	11.9	14.2
Parent shareholders' equity	7,834.1	7,310.7
Total Liabilities	€ 14,622.5	€ 14,261.1

DASSAULT SYSTÈMES
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
(unaudited; in millions of Euros)

In millions of Euros	IFRS reported					
	Three months ended			Twelve months ended		
	December 31, 2023	December 31, 2022	Change	December 31, 2023	December 31, 2022	Change
Net income attributable to equity holders of the parent	330.0	328.6	1.4	1,050.9	931.5	119.5
Non-controlling interest	<u>0.3</u>	<u>(0.1)</u>	<u>0.4</u>	<u>(0.7)</u>	<u>(1.3)</u>	<u>0.6</u>
Net income	330.3	328.5	1.8	1,050.2	930.2	120.0
Depreciation of property and equipment	44.0	44.7	(0.7)	182.4	184.1	(1.7)
Amortization of intangible assets	96.8	105.1	(8.3)	387.1	412.7	(25.6)
Adjustments for other non-cash items	(48.8)	(144.4)	95.6	74.7	80.8	(6.1)
Changes in working capital	(128.8)	(89.2)	(39.6)	(129.2)	(82.6)	(46.6)
Net Cash From Operating Activities	€ 293.4	€ 244.6	€ 48.9	€ 1,565.2	€ 1,525.2	€ 40.0
Additions to property, equipment and intangibles assets	(42.5)	(26.3)	(16.2)	(145.3)	(132.3)	(13.0)
Payment for acquisition of businesses, net of cash acquired	(0.5)	(33.7)	33.3	(16.1)	(46.4)	30.3
Other	0.1	(4.8)	4.9	(0.3)	(35.2)	35.0
Net Cash Provided by (Used in) Investing Activities	€ (42.9)	€ (64.8)	€ 21.9	€ (161.6)	€ (213.9)	€ 52.3
Proceeds from exercise of stock options	28.5	12.7	15.7	67.0	62.0	5.0
Cash dividends paid	0.0	(0.0)	0.0	(276.2)	(223.5)	(52.7)
Repurchase and sale of treasury stock	10.6	(33.2)	43.8	(375.4)	(639.6)	264.2
Capital increase	(0.0)	-	(0.0)	146.1	198.6	(52.5)
Acquisition of non-controlling interests	(0.1)	(1.2)	1.1	(0.9)	(1.8)	0.8
Proceeds from borrowings	0.0	2.0	(2.0)	20.3	257.8	(237.4)
Repayment of borrowings	0.1	(3.3)	3.4	(28.1)	(1,143.9)	1,115.7
Repayment of lease liabilities	(26.3)	(27.5)	1.2	(89.4)	(102.0)	12.6
Net Cash Provided by (Used in) Financing Activities	€ 12.7	€ (50.5)	€ 63.2	€ (536.7)	€ (1,592.4)	€ 1,055.7
Effect of exchange rate changes on cash and cash equivalents	(63.2)	(147.8)	84.6	(67.5)	70.6	(138.1)
Increase (decrease) in cash and cash equivalents	€ 200.1	€ (18.5)	€ 218.6	€ 799.3	€ (210.5)	€ 1,009.8
Cash and cash equivalents at beginning of period	€ 3,368.1	€ 2,787.5		€ 2,769.0	€ 2,979.5	
Cash and cash equivalents at end of period	€ 3,568.3	€ 2,769.0		€ 3,568.3	€ 2,769.0	

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

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

Readers are cautioned that the supplemental non-IFRS information presented in this press release is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Group's supplemental non-IFRS financial information may not be comparable to similarly titled "non-IFRS" measures used by other companies. Further specific limitations for individual non-IFRS measures, and the reasons for presenting non-IFRS financial information, are set forth in the Group's *Document d'Enregistrement Universel* for the year ended December 31, 2022 filed with the AMF on March 17, 2023. To compensate for these limitations, the supplemental non-IFRS financial information should be read not in isolation, but only in conjunction with the Group's consolidated financial statements prepared in accordance with IFRS.

In millions of Euros, except per share data and percentages	Three months ended December 31,						Change	
	2023	Adjustment ⁽¹⁾	2023	2022	Adjustment ⁽¹⁾	2022	IFRS	Non-IFRS ⁽²⁾
	IFRS		Non-IFRS	IFRS		Non-IFRS		
Total Revenue	€ 1,643.4	-	€ 1,643.4	€ 1,583.9	-	€ 1,583.9	4%	4%
Revenue breakdown by activity								
Software revenue	1,476.1	-	1,476.1	1,428.6	-	1,428.6	3%	3%
Licenses and other software revenue	351.9	-	351.9	378.7	-	378.7	(7)%	(7)%
Subscription and Support revenue	1,124.3	-	1,124.3	1,049.9	0.0	1,050.0	7%	7%
<i>Recurring portion of Software revenue</i>	76%		76%	73%		73%		
Services revenue	167.3	-	167.3	155.3	-	155.3	8%	8%
Software Revenue breakdown by product line								
Industrial Innovation	837.3	-	837.3	778.9	-	778.9	8%	8%
Life Sciences	295.1	-	295.1	302.5	-	302.5	(2)%	(2)%
Mainstream Innovation	343.7	-	343.7	347.3	-	347.3	(1)%	(1)%
Software Revenue breakdown by geography								
Americas	566.7	-	566.7	578.8	-	578.8	(2)%	(2)%
Europe	601.1	-	601.1	535.2	-	535.2	12%	12%
Asia	308.4	-	308.4	314.6	-	314.6	(2)%	(2)%
Total Operating Expenses	€ (1,261.8)	€ 208.2	€ (1,053.6)	€ (1,192.0)	€ 160.3	€ (1,031.8)	6%	2%
Share-based compensation expense and related social charges	(73.2)	73.2	-	(51.5)	51.5	-		
Amortization of acquired intangible assets and of tangible assets revaluation	(94.9)	94.9	-	(102.4)	102.4	-		
Lease incentives of acquired companies	(0.7)	0.7	-	(0.8)	0.8	-		
Other operating income and expense, net	(39.5)	39.5	-	(5.5)	5.5	-		
Operating Income	€ 381.6	€ 208.2	€ 589.8	€ 391.8	€ 160.3	€ 552.1	(3)%	7%
Operating Margin	23.2%		35.9%	24.7%		34.9%		
Financial income (loss), net	27.8	1.0	28.8	10.0	0.6	10.6	177%	172%
Income tax expense	(79.1)	(51.3)	(130.4)	(73.4)	(33.2)	(106.6)	8%	22%
Non-controlling interest	(0.3)	(0.7)	(1.0)	0.1	(0.3)	(0.2)	(321)%	336%
Net Income attributable to shareholders	€ 330.0	€ 157.2	€ 487.2	€ 328.6	€ 127.3	€ 455.8	0%	7%
Diluted Earnings Per Share ⁽³⁾	€ 0.25	€ 0.12	€ 0.36	€ 0.25	€ 0.10	€ 0.34	(0)%	6%

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

In millions of Euros, except percentages	Three months ended December 31,								Change	
	2023 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2023 Non- IFRS	2022 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2022 Non- IFRS	IFRS	Non- IFRS
Cost of revenue	(255.9)	3.6	0.2	(252.1)	(247.0)	2.4	0.2	(244.3)	4%	3%
Research and development expenses	(317.5)	28.5	0.3	(288.7)	(281.7)	19.7	0.3	(261.7)	13%	10%
Marketing and sales expenses	(429.3)	20.9	0.1	(408.3)	(424.7)	14.7	0.1	(409.9)	1%	(0)%
General and administrative expenses	(124.8)	20.2	0.0	(104.5)	(130.7)	14.8	0.1	(115.8)	(5)%	(10)%
Total		€ 73.2	€ 0.7			€ 51.5	€ 0.8			

⁽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 1,336.6 million diluted shares for Q4 2023 and 1,330.7 million diluted shares for Q4 2022.

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

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

Readers are cautioned that the supplemental non-IFRS information presented in this press release is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Group's supplemental non-IFRS financial information may not be comparable to similarly titled "non-IFRS" measures used by other companies. Further specific limitations for individual non-IFRS measures, and the reasons for presenting non-IFRS financial information, are set forth in the Group's *Document d'Enregistrement Universel* for the year ended December 31, 2022 filed with the AMF on March 17, 2023. To compensate for these limitations, the supplemental non-IFRS financial information should be read not in isolation, but only in conjunction with the Group's consolidated financial statements prepared in accordance with IFRS.

In millions of Euros, except per share data and percentages	Twelve months ended December 31,						Change	
	2023		2023	2022		IFRS	Non-IFRS ⁽²⁾	
	IFRS	Adjustment ⁽¹⁾	Non-IFRS	IFRS	Adjustment ⁽¹⁾			Non-IFRS
Total Revenue	€ 5,951.4		€ 5,951.4	€ 5,665.3	€ 0.2	€ 5,665.5	5%	5%
Revenue breakdown by activity								
Software revenue	5,360.0		5,360.0	5,114.0	0.2	5,114.3	5%	5%
Licenses and other software revenue	1,087.6	-	1,087.6	1,106.2	-	1,106.2	(2)%	(2)%
Subscription and Support revenue	4,272.4		4,272.4	4,007.9	0.2	4,008.1	7%	7%
<i>Recurring portion of Software revenue</i>	<i>80%</i>		<i>80%</i>	<i>78%</i>		<i>78%</i>		
Services revenue	591.4	-	591.4	551.2		551.2	7%	7%
Software Revenue breakdown by product line								
Industrial Innovation	2,908.0	-	2,908.0	2,719.1	-	2,719.1	7%	7%
Life Sciences	1,158.9	-	1,158.9	1,126.2	-	1,126.2	3%	3%
Mainstream Innovation	1,293.2	-	1,293.2	1,268.8	0.2	1,269.0	2%	2%
Software Revenue breakdown by geography								
Americas	2,141.9		2,141.9	2,061.8	0.1	2,062.0	4%	4%
Europe	2,027.3	-	2,027.3	1,816.3	0.1	1,816.4	12%	12%
Asia	1,190.8	-	1,190.8	1,235.9	-	1,235.9	(4)%	(4)%
Total Operating Expenses	€ (4,709.5)	€ 683.7	€ (4,025.8)	€ (4,362.4)	€ 588.9	€ (3,773.5)	8%	7%
Share-based compensation expense and related social charges	(245.8)	245.8	-	(168.0)	168.0	-		
Amortization of acquired intangible assets and of tangible assets revaluation	(378.9)	378.9	-	(401.9)	401.9	-		
Lease incentives of acquired companies	(2.8)	2.8	-	(3.0)	3.0	-		
Other operating income and expense, net	(56.2)	56.2	-	(16.0)	16.0	-		
Operating Income	€ 1,241.9	€ 683.7	€ 1,925.6	€ 1,302.9	€ 589.1	€ 1,892.0	(5)%	2%
Operating Margin	20.9%		32.4%	23.0%		33.4%		
Financial income (loss), net	59.0	29.3	88.2	2.8	2.8	5.6	N/A	N/A
Income tax expense	(250.7)	(164.1)	(414.8)	(375.4)	(10.0)	(385.4)	(33)%	8%
Non-controlling interest	0.7	(1.9)	(1.2)	1.3	(1.3)	0.0	(44)%	N/A
Net Income attributable to shareholders	€ 1,050.9	€ 546.9	€ 1,597.9	€ 931.5	€ 580.7	€ 1,512.2	13%	6%
Diluted Earnings Per Share ⁽³⁾	€ 0.79	€ 0.41	€ 1.20	€ 0.70	€ 0.44	€ 1.13	12%	5%

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

In millions of Euros, except percentages	Twelve months ended December 31,								Change	
	2023 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2023 Non- IFRS	2022 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2022 Non- IFRS	IFRS	Non- IFRS
Cost of revenue	(971.0)	15.7	0.8	(954.4)	(919.4)	8.6	0.9	(909.9)	6%	5%
Research and development expenses	(1,228.3)	94.4	1.3	(1,132.6)	(1,087.2)	62.6	1.3	(1,023.4)	13%	11%
Marketing and sales expenses	(1,624.5)	73.6	0.5	(1,550.4)	(1,502.6)	48.0	0.5	(1,454.2)	8%	7%
General and administrative expenses	(450.6)	62.2	0.2	(388.3)	(435.2)	48.8	0.4	(386.1)	4%	1%
Total		€ 245.8	€ 2.8			€ 168.0	€ 3.0			

⁽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 1,336.8 million diluted shares for YTD 2023 and 1,332.7 million diluted shares for YTD 2022.