

**3DEXPERIENCE**

# Dassault Systèmes Presentation

*A Strategic Move Towards Natural Resources*

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# Q1 2012 Highlights

- ▶ Delivering **18% increase ex FX in new licenses revenue**
- ▶ Demonstrating **established PLM business continues to strongly progress**
- ▶ **Customers** sharing enthusiasm for **3DExperience platform**
- ▶ Announcing new **GEOVIA** brand, **Gemcom Software International** acquisition and **Natural Resources** as new target industry
- ▶ Updating **2012 objectives** for the **full amount of Q1 over-performance** and updating **currency assumptions**

# Agenda

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Q1 2012 Business & Strategy Review

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New GEOVIA brand & Gemcom Acquisition

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Q2 & FY12 Financial Objectives

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Financial Information Appendix

# Delivering 18% Increase ex FX in New Licenses Revenue

Non-IFRS\*

- ▶ **New business growth** well distributed across geographies & brands, leading to **double-digit top line growth**
- ▶ **Revenue growth** reflected in **operating margin expansion** and **double-digit EPS growth**

€ millions	Q1 12
Revenue	462.4
Growth	+13%
<b>Growth ex FX</b>	<b>+10%</b>
New Licenses Growth ex FX	<b>+18%</b>
Operating Margin	29.3%
<b>Operating Margin Growth</b>	<b>+1.0pt</b>
EPS (€)	0.71
<b>EPS Growth</b>	<b>+13%</b>

\* For a reconciliation to IFRS financial information, please refer to the tables in the Appendix.

# Revenue by Product Line

Non-IFRS\*

- ▶ Q1 new business growth demonstrates relevance of **DS diversified portfolio**
- ▶ Strong **ENOVIA** new business growth supported by V6 platform deployments
- ▶ Good **SolidWorks** performance showing continued dynamic for DS market

## Software Revenue Growth ex FX by Product Line

	Q1 12
<b>PLM</b>	<b>+9%</b>
CATIA	+6%
ENOVIA	+17%
Other PLM SW	+12%
<b>SolidWorks</b>	<b>+13%</b>
<b>Total Software</b>	<b>+10%</b>

\* For a reconciliation to IFRS financial information, please refer to the tables in the appendix

# Revenue by Region

Non-IFRS\*

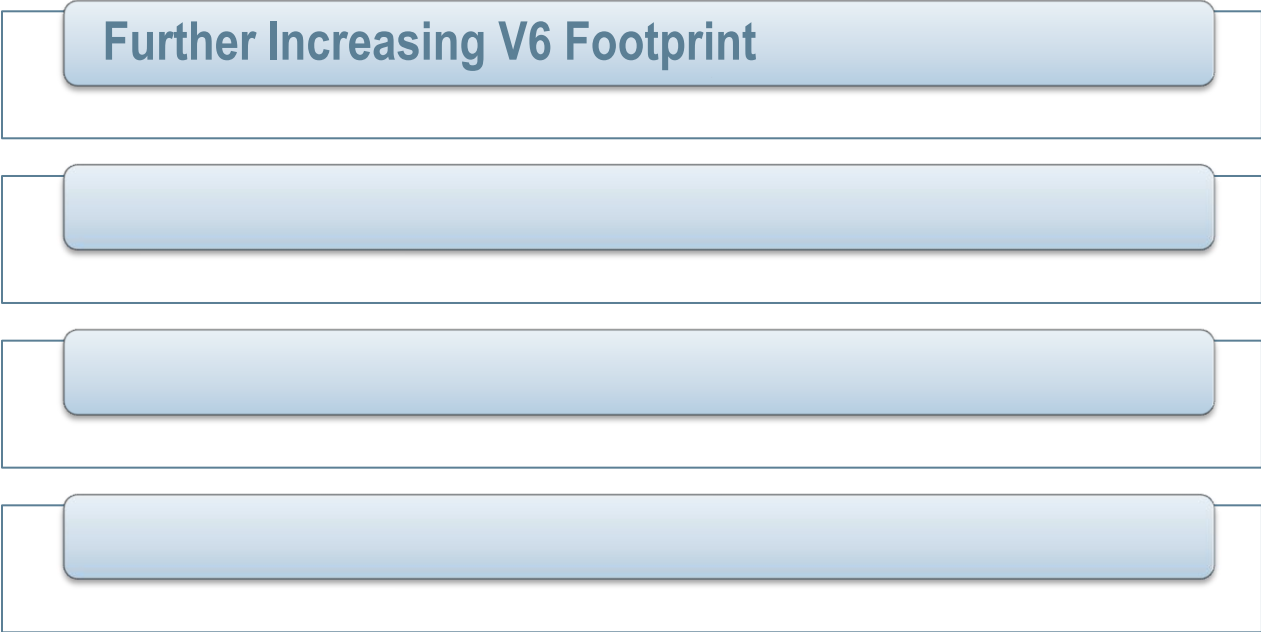
- ▶ Improved revenue growth in **Americas**
- ▶ Continued good performance in **Europe** after 2 years of sustained investments
- ▶ **Asia** driven by strong performance in **China**, good quarter in **India & Korea** and better dynamic in **Japan**

## Revenue Growth ex FX by Region

	Q1 12
Americas	+8%
Europe	+8%
Asia	+15%
<b>Total Revenue</b>	<b>+10%</b>

\* For a reconciliation to IFRS financial information, please refer to the tables in the appendix

# Demonstrating Established PLM Business Continues to Strongly Progress



# Further Increasing V6 Footprint

- ▶ **Beginning of a new product cycle with V6**
  - ▷ **V6 online platform adoption:** more than 1,000 V6 large customers
  - ▷ **Start of CATIA migration cycle:** CATIA V6 R2012X released in December 2011
- ▶ **Q1 2012**
  - ▷ **ENOVIA non-IFRS software revenue growth: +17%** ex FX
  - ▷ **Total V6 new licenses revenue: ~15%** of PLM new licenses revenue





Automotive technology, naturally

# Valeo Selecting ENOVIA V6

## ► Context

- ▷ Leading automotive supplier of components, integrated systems and modules, in particular for the reduction of CO<sub>2</sub> emissions
- ▷ 2011 revenue: ~€11bn - 68,000 employees

## ► Challenges

- ▷ **Develop new complex products** putting together electronics, software and mechanical components
- ▷ **Foster worldwide collaboration across 185 sites**

## ► Targeted achievements

- ▷ Provide a **fully integrated solution for mechatronics**
- ▷ Enable more than **12,000 worldwide users** to access on-line a single product data repository



# Demonstrating Established PLM Business Continues to Strongly Progress

Further Increasing V6 Footprint

**Broadening Industry Coverage and Diversification**

# Broadening Industry Coverage and Diversification

- ▶ **Broad-based growth** across **11 targeted industries** in Q1 2012
- ▶ Excellent performance in **automotive**
- ▶ Continued strengthening of new industries especially in **consumer goods** and **consumer packaged goods**

\* New industries: High Tech, Consumer Goods, Consumer Packaged Goods, Life Sciences, Energy, Construction, Business Services

# Expanding in High Tech with Lenovo

## ▶ Context

- ▷ Lenovo, leading high tech company
- ▷ 2011 revenue: \$22bn - ~1,700 engineers in 46 labs

## ▶ Challenges

- ▷ Create **high quality** and **reliable strong notebook** while keeping **cost** and **product development time down**

## ▶ Achievements

- ▷ Selected **SIMULIA** to perform **flexibility analysis, weight optimization, keystroke feel** improvement
- ▷ **SIMULIA** providing **close correlation** with **physical testing**

**lenovo**



### Keystroke feel:

Simulated the effects of keystroke pressure on the central component that provides each key with resistance and spring back

# Demonstrating Established PLM Business Continues to Strongly Progress

Further Increasing V6 Footprint

Broadening Industry Coverage and Diversification

**Deepening Regional Market Diversification**

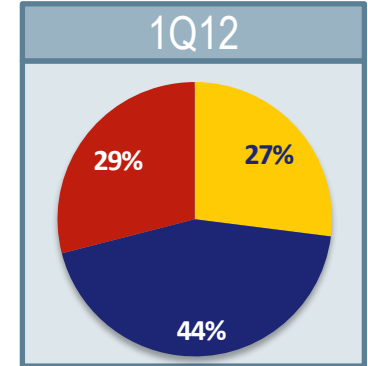


# Deepening Regional Market Diversification

- ▶ **Expanding** presence in **all geographic markets** in Q1 2012
- ▶ High growth countries non-IFRS software revenue growth:  
~ **+17%** ex FX

High Growth Countries: India / Asia Pacific South, Great China , Korea , Euro Growth, Latam

## Revenue by Region



Americas

Europe

Asia

# Diversifying in China with Hisense

## ▶ Context

- ▶ Hisense Electric, leading High Tech company headquartered in China - Subsidiary of Hisense Group
- ▶ Flat screen television leader in China
- ▶ 2010 Hisense Group revenue: ~\$10bn - Employees: 60,000

## ▶ Challenges

- ▶ **Adapt to important television market changes**, viewers turning to online video → make television set **more intelligent & interactive**

## ▶ Achievements

- ▶ Selected **ENOVIA V6**
- ▶ **Enhanced reuse** and **reduced development costs by 70%**
- ▶ **Avoid unnecessary and costly purchases** due to incorrect data

**Hisense** 海信



# Demonstrating Established PLM Business Continues to Strongly Progress

Further Increasing V6 Footprint

Broadening Industry Coverage and Diversification

Deepening Regional Market Diversification

Expanding User Universe



# Expanding User Universe

- ▶ **Connecting the dots with 3DExperience, enlarging users to:**
  - ▷ Engineering
  - ▷ Marketing
  - ▷ R&D
  - ▷ Sales
  - ▷ Executives

# Expanding to Manufacturing with PSA

## ▶ Context

- ▷ PSA, leading automotive OEM
- ▷ 2011 revenue: €60bn - ~400,000 vehicles sold

## ▶ Challenges

- ▷ Introduce **innovation** while complying **with production schedule**

## ▶ Achievements

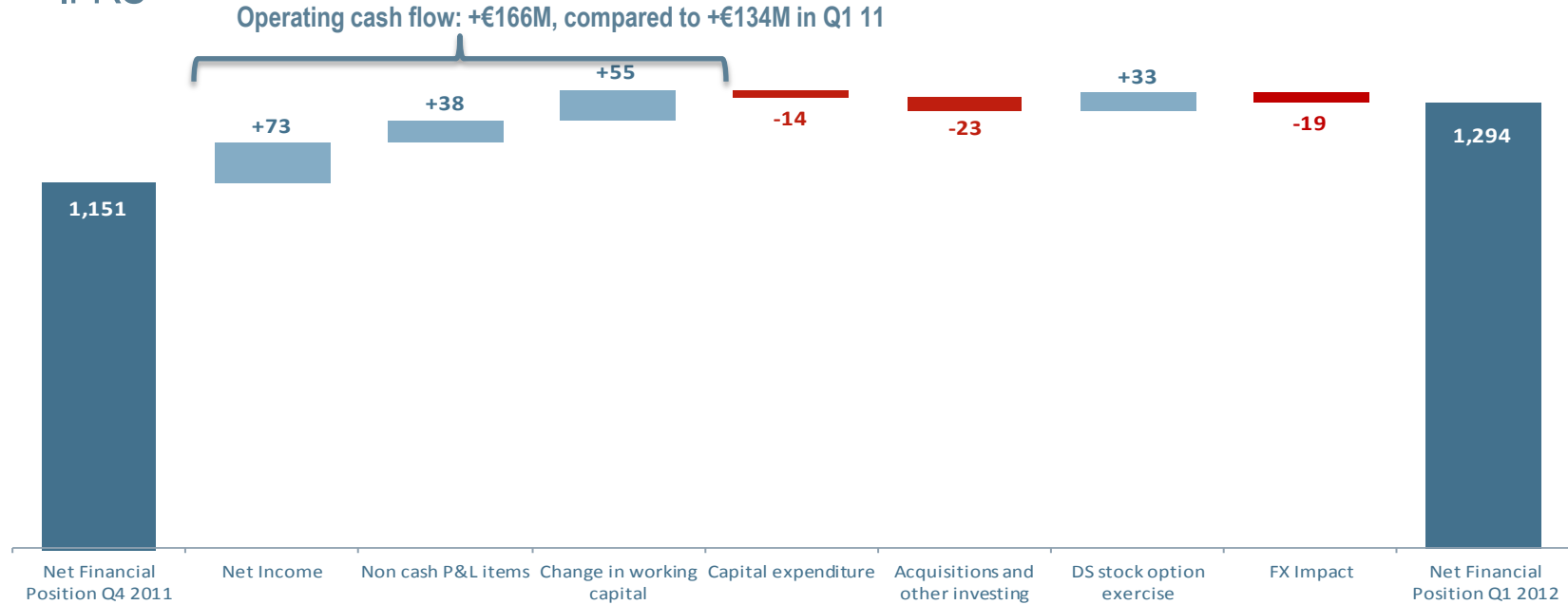
- ▷ Extending **DELMIA** to **powertrain division**
- ▷ DELMIA supporting now: assembly simulation, painting, factory layout, stamping, powertrain
- ▷ **400 new users** in 7 production sites from **process engineers** to **shop floor workers**

PSA PEUGEOT CITROËN



# Change in Net Financial Position

IFRS



Note: Net financial position is defined as Cash and Cash Equivalents + Short Term Investments – Long-term debt

The Q4 2011 and Q1 2012 net financial position are also net of the €200 million financial debt which has been reclassified from long-term to short-term debt as of December 31, 2011

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# Dassault Systèmes' Purpose



“Dassault Systèmes provides Business & People  
with **3DEXPERIENCE** Universes to imagine  
sustainable innovations capable of harmonizing  
Products, Nature and Life”

Bernard CHARLES  
President & Chief Executive Officer

# A New Brand to Advance in Fulfilling our Purpose



- ▶ Creation of the brand **GEOVIA** to model & simulate our **Planet**
- ▶ Model and simulate Nature to **improve** predictability, efficiency, safety and sustainability

# Gemcom Company profile

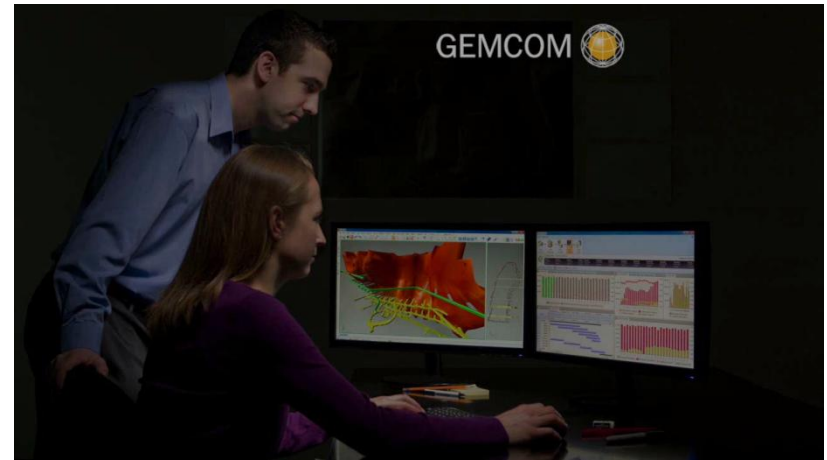
## ▶ Key facts

- ▶ **#1** in software mining
- ▶ FY11 revenue: **~ US\$ 90m**, up **~25%**
- ▶ Privately held company
- ▶ **Worldwide** coverage
- ▶ Headquartered in Vancouver, Canada
- ▶ **360** employees

▶ **Software** and **services** for mining customers to discover, measure, design, plan and manage their mining operations from exploration to production

▶ Customers: individual mines and mining organizations

- ▶ **Top 10 mining** groups
- ▶ **30** companies within the **Top 40**
- ▶ Over **2,200** customer locations



GEMCOM 

# Gemcom Acquisition

- ▶ Transaction signed on April 25, 2012
- ▶ Closing planned in **July 2012**
- ▶ Price: **approximately US\$ 360 million** in cash
- ▶ Gemcom financials to be included in **Q3 2012**
- ▶ Immediately **accretive** to **non-IFRS earnings**
- ▶ **Neutral** to **non-IFRS operating margin** once integrated

## Extend DS Reach



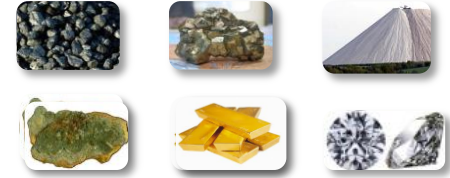


# Mining: a Strategic and Fast Growing Sector

- ▶ A very **large** and **fast growing sector**
  - ▷ Estimated annual mineral production market value > 1.8T\$<sup>(1)</sup>
  - ▷ 22% Revenues CAGR<sup>(2)</sup> driven by coal & metals consumption increase
- ▶ Facing major **challenges**
  - ▷ Resources availability: Safety, Compliancy, Skills Shortage...
  - ▷ ...driving today high demand for Software

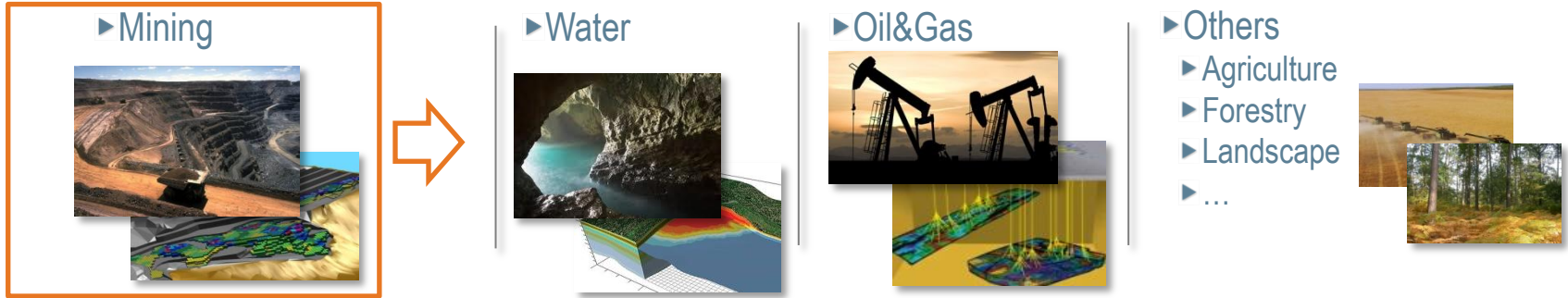
(1): In 2010, internal research based on production volumes given by USGS and public material market prices (ex: LME spot prices, Xerfi 2011 Commodity Reports...)

(2): Based on TOP 40 mining companies 03-10 revenue growth, source: PwC 2011



# New Target Industry: Natural Resources

- ▶ Mining is a key vertical in the **Natural Resources** industry



- ▶ Benefits DS & GEMCOM will bring **to mining**

- ▷ **Resources Availability** : Geological Modelisation & Production Management for better exploration & productivity
- ▷ **Safety** : Risk Assessment & Evaluation Solutions for better safety
- ▷ **Compliance** : Compliance Solutions to shorten mining projects study phases & minimize mining impact on planet
- ▷ **Skills Shortage** : Collaboration Platform to enable mining people to minimize travels

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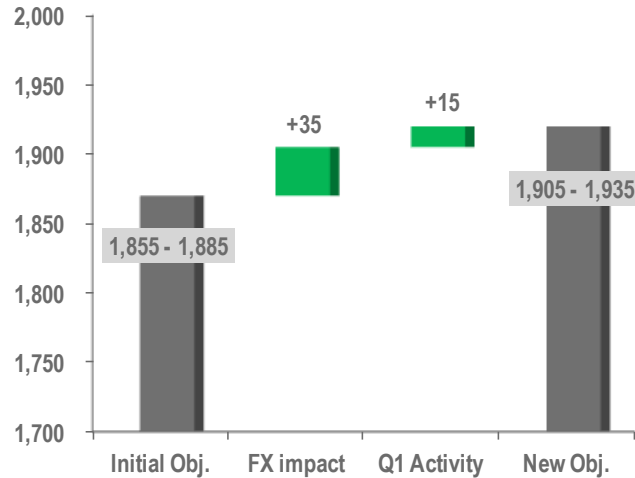
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# Upgrading FY 2012 Financial Objectives

- ▶ **Upgrading 2012** financial objectives for **full Q1 revenue over-performance**
- ▶ **Leaving unchanged revenue growth assumptions ex FX for the nine-month period**
  - ▷ Continued good trend in Q2
  - ▷ Cautious H2 stance given the volatility of the economic environment
- ▶ **Updating US\$ rate assumptions for the 3 remaining quarters**
  - ▷ from US\$1.40 per €1.00 to US\$1.36 → FY12 : US\$1.35
- ▶ **NOT** including Gemcom acquisition

# Objectives change: from February to April Non-HFRS

## Revenue (€m)



Mid-range 1,870

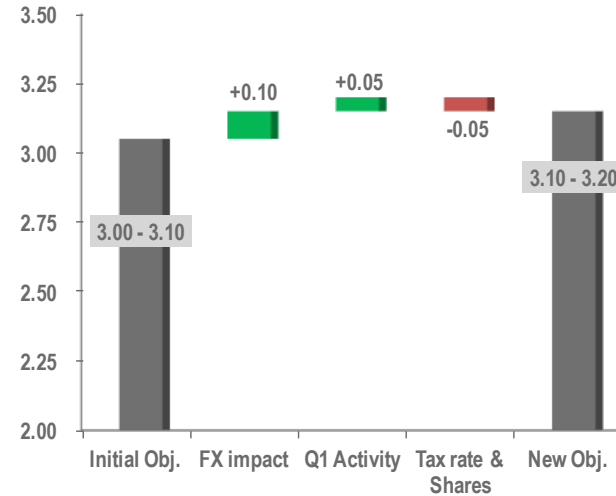
1,920

Ex fx Growth

+5-7%

+6-8%

## EPS (€)



Mid-range 3.05

3.15

Growth

+3-6%

+6-10%

# Proposed Objectives Non-IFRS

€ millions	2Q 2012	FY 2012
Revenue	470-480	1,905-1,935
Growth	+10-12%	+7-8%
<b>Growth ex FX</b>	<b>+7-9%</b>	<b>+6-8%</b>
Operating Margin	~28%	~30%
EPS (€)	0.68-0.72	3.10-3.20
<b>EPS Growth</b>	<b>+6-12%</b>	<b>+6-10%</b>
€/\$ rates	1.36	1.35
€/¥ rates (before hedging)	115.0	112.0

