Dassault Systèmes Presentation

Thibault de Tersant, Senior EVP, CFO
Agenda

1. Strategy
2. Multi-Year Growth Plan
4. Apriso Acquisition
Dassault Systèmes at a Glance

- At the heart of **product innovation** in **12 industries**
- Targeting **~$32bn market**
- **~170,000** customers, with **+20,000** in 2012
- Dynamic **eco-system** (software, sales, research, education)
- Serving **~140 countries**
- 2002-12 average **revenue** growth up **~14%** *
- 2002-12 average **headcount** growth up **~ 10%**
- **Long-term strategy** – Investments in **R&D** (~4,500 engineers) – Stable **shareholders**

* Non-IFRS, in USD
Opening a New Horizon with 3DEXPERIENCE

$32 bn
$16 bn
$8 bn
$4 bn

3D Design
3D DMU
Digital Mock-up
3D PLM
Product Lifecycle Management

V3
V4
V5
V6
Our 3DEXPERIENCE Platform

- Based on **V6 Architecture**
- Powering our **Brands**
Let’s navigate the platform together!
Industry Solution Experiences  Life sciences example
SMITH & NEPHEW
A global medical technology business with leadership positions in Orthopaedic Reconstruction, Advanced Wound Management, Sports Medicine and Trauma

Business Values
• Common regulatory submission system for the planning, tracking, authoring, review, approval, assembly, export, and long-term management of the product registrations
• Harmonization of regulatory processes across business units

Solution
• 3DEXPERIENCE Platform based solution: Licensed to Cure for Medical Device
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Revenue Growth 2002-2012 non-IFRS

02-12 DS Software Revenue (in $m): +14%

CAGR 02-12

- Software Revenue: 14%
- CATIA: 11%
- ENOVIA: 19%
- Other PLM: 23%
- SolidWorks: 14%
Opening a New Horizon with 3DEXPERIENCE

3D Design
3D DMU
Digital Mock-up
3D PLM
Product Lifecycle Management

V3
V4
V5
V6

$4 bn
$8 bn
$16 bn
$32 bn
Growth Strategy

- Double potential addressable market from $16B to $32B
- Continue to gain market share

Thanks to the 3DEXPERIENCE Platform and Industry Solution Experiences.
Growth Strategy: Social & Collaborative apps

- Expand to **new collaborative professional users** with **structured applications**
  - 5-10X design users

Connect the dots within and outside the company
QOROS Adopts 3DEXPERIENCE Platform

QOROS
A joint venture between Chery Automobile and Israel Corp. Qoros is developing western-standard vehicles for the global market

Business Values
• Save time-to-market through global and efficient concurrent design & collaboration
• Improve design-to-manufacturing processes using a single platform for information management
• Increase engineering efficiency by leveraging a configured Digital Mock-Up context

Solution
• 3DEXPERIENCE Platform with CATIA Apps and ENOVIA Apps
Growth Strategy: 3D Modeling apps

- **Expand 3D modeling users**
  - 37% of 3D potential market (5.5 m engineers) are 3D users → 52%* end of 2019

- **Expand with specialized applications**
  - Accelerate customers’ deployment and maximize productivity gains

* Assumption: number of users migrating from 2D to 3D increases by 6% per year & market growth by 1.5% per year
Metso Pulp, Paper & Power Adopts
3DEXPERIENCE Platform

METSO PULP, Paper & Power

World leader in pulp, paper, board and tissue making:
2012 Sales: €3.0B / 12,500 employees in 26 countries / Headquartered in Finland

Business Values

- Design anywhere – build anywhere: global engineering process across collaborative ecosystem
- Increase efficiency and flexibility: platform for future global operations development
- Grow services worldwide

Solution

- 3DEXPERIENCE Platform with CATIA Apps and ENOVIA Apps
Growth Strategy: Simulation apps

- Serve manufacturing engineers in all industries
- Expand to shop floor workers & quality engineers
  - 10 x the number of manufacturing engineers
- Expand simulation users
  - Replace heterogeneous and homegrown fragmented customers’ solutions
  - Develop simulation beyond product to nature and life

Improve real world understanding as we experience it
Mazda Adopts SIMULIA

Mazda Balances Performance and Weight in a Steel Car Body

Isight streamlines and automates complex CAE optimization study

MAZDA
Leading automotive company headquartered in Japan

Business Values

• Balance performance and weight in a steel car body

• Increase quality with optimized design: parts with low contribution to performance made thinner; those with strong contribution became thicker

Solution

• SIMULIA Apps
Growth Strategy: Information Intelligence apps

Reveal Information Intelligence

- Expand with **Data as a Service**
  - Extract information intelligence from big data
  - E-business, bio intelligence …

- Expand with **analytics and search-based applications**
  - Extract information intelligence with focused applications in a very simple manner and without data warehouse
NOKIA Adopts 3DEXPERIENCE Platform

NOKIA
Leading High Tech Company headquartered in Finland

Business Values
• Improve collaboration, internally and externally
• Protect intellectual property

Solution
• 3DEXPERIENCE Platform
• CATIA, DELMIA, ENOVIA Apps
• EXALEAD for Information Intelligence
On-track to Achieve 2009-2014 Plan

On-track to achieve 2009-2014 objective to more than double EPS with the assumption of an unchanged economic environment for the remaining period.

- Revenue: X2
  - 2009: 1,253
  - 2012: +6%
  - 2014P: 2,300-2,500

- EPS
  - 2009: 1.86
  - 2012: +5%
  - 2014P: 3.70-4.00

Implied objective with 09-14 CAGR
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Q2 2013 Highlights

- New licenses revenue returning to growth in Q2
- Further strengthening positions in Asia
- Confirming strong dynamic of DELMIA and entering into Manufacturing Operations Management with Apriso acquisition
- Deploying V6 and introducing groundbreaking V6 R2014 release for 3DEXPERIENCE
- Upgrading FY13 objectives
Q2 & H1-13 Performance  Non-IFRS*

- **New licenses** revenue returning to growth in Q2

- **Strong EPS** growth driven by revenue growth and margin expansion

<table>
<thead>
<tr>
<th>€ millions</th>
<th>Q2 13</th>
<th>YTD 13</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>522</td>
<td>1,011</td>
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<tr>
<td>Growth</td>
<td>+4%</td>
<td>+5%</td>
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<tr>
<td>Growth exFX</td>
<td>+6%</td>
<td>+7%</td>
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<tr>
<td>New Licenses Growth exFX</td>
<td>+4%</td>
<td>+1%</td>
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<tr>
<td>Operating Margin</td>
<td>30.0%</td>
<td>29.5%</td>
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<tr>
<td>Operating Margin Growth</td>
<td>+0.8 pt</td>
<td>+0.3 pt</td>
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<tr>
<td>EPS (€)</td>
<td>0.83</td>
<td>1.61</td>
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<tr>
<td>EPS Growth</td>
<td>+9%</td>
<td>+10%</td>
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</tbody>
</table>

* For a reconciliation to IFRS financial information, please refer to the tables in the Appendix.
Change in Net Financial Position

Operating cash flow: +€168million (compared to €188million in Q2 2012)

- Excellent cash conversion rate
- Continued improvement in accounts receivables management but at a lower pace than in 2012

Net Financial Position Q1 2013: 1,491
Net Financial Position Q2 2013: 1,578

Note: Net financial position is defined as Cash and Cash Equivalents + Short Term Investments – Long-term debt
Upgrading FY13 Objectives: non-IFRS objectives change: from April to July

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<tr>
<th>Mid-range</th>
<th>Revenue (€m)</th>
<th>EPS (€)</th>
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<tbody>
<tr>
<td></td>
<td>exFX Growth</td>
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<tr>
<td></td>
<td>+6-7%</td>
<td>+2-7%</td>
</tr>
<tr>
<td></td>
<td>+6-7%</td>
<td>+5-8%</td>
</tr>
<tr>
<td></td>
<td>+7-8%</td>
<td>+6-9%</td>
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<tr>
<th>Initial Obj.</th>
<th>FX impact</th>
<th>Activity Q2</th>
<th>Activity H2</th>
<th>New Obj. Old perimeter</th>
<th>Apriso</th>
<th>New Obj. New perimeter</th>
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<tr>
<td>1,850</td>
<td>2.50</td>
<td>2.75</td>
<td>3.00</td>
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<td>1,900</td>
<td>2.60</td>
<td>2.80</td>
<td>3.10</td>
<td>3.35</td>
<td>3.65</td>
<td>3.90</td>
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<tr>
<td>1,950</td>
<td>2.70</td>
<td>2.90</td>
<td>3.20</td>
<td>3.45</td>
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<td>4.05</td>
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<td>2,050</td>
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<td>3.75</td>
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<td>2,100</td>
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<td>3.90</td>
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<td>2,150</td>
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<td>3.60</td>
<td>4.05</td>
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<td>4.70</td>
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*Mid-range values for Revenue (€m): 2,085, 2,105, 2,125*
## Proposed Objectives Non-IFRS

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<thead>
<tr>
<th>€ millions</th>
<th>3Q 2013</th>
<th>FY 2013</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>+~520</td>
<td>2,115-2,130</td>
</tr>
<tr>
<td>Growth</td>
<td>+~3%</td>
<td>+~4%</td>
</tr>
<tr>
<td><strong>Growth exFX</strong></td>
<td><strong>+8-9%</strong></td>
<td><strong>+7-8%</strong></td>
</tr>
<tr>
<td>Operating Margin</td>
<td>~31%</td>
<td>~31-32%</td>
</tr>
<tr>
<td>EPS (€)</td>
<td>~0.92</td>
<td>3.57-3.67</td>
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<tr>
<td><strong>EPS Growth</strong></td>
<td>+~3%</td>
<td>+6-9%</td>
</tr>
<tr>
<td>€/$ rates</td>
<td>1.35</td>
<td>1.33</td>
</tr>
<tr>
<td>€/¥ rates (before hedging)</td>
<td>130</td>
<td>128</td>
</tr>
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Extending to Manufacturing Operations Management (MOM)

BUSINESS PLATFORM

CONTENT & SIMULATION APPLICATIONS
Where virtual worlds meet reality

OPERATIONS

MODELING

Expanding Addressable Market by ~$1bn
Becoming a Major Player in MOM with:

- Manufacturing Operations Management software
- FY12 revenue: ~ US$ 50million
- Revenue breakdown: 65% Software, 35% Services
- 2008-2012 average revenue growth: above +15%
- Privately held company
- Headquartered in Long Beach, California, USA
- ~ 280 employees

Customers choosing Apriso for:
- Flexibility to quickly adapt to market changes while driving best-in-class manufacturing
- Standardization across multiple factories to establish best practices
- Operations monitoring to synchronize product releases across all manufacturing operations
Apriso Acquisition Closing

- Closed on **July 1st, 2013**
- Price: enterprise value of **US$ 205 million**, plus net cash acquired
- Impact on non-IFRS FY13 objectives
  - ~ **+€20 million** revenue
  - Estimated **positive impact** on EPS of ~2 cents