



**3DEXPERIENCE**<sup>®</sup>

# Q1 2017 Earnings Presentation

Bernard Charlès, Vice-Chairman of the Board  
of Directors & CEO

Thibault de Tersant, Senior EVP, 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 Company's non-IFRS financial performance objectives, are forward-looking statements.

Such forward-looking statements are based on Dassault Systèmes management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results or performances may differ materially from those in such statements due to a range of factors. The Company's current outlook for 2017 takes into consideration, among other things, an uncertain global economic environment. In light of the continuing uncertainties regarding economic, business, social and geopolitical conditions at the global level, the Company's revenue, net earnings and cash flows may grow more slowly, whether on an annual or quarterly basis. While the Company makes every effort to take into consideration this uncertain macroeconomic outlook, the Company's business results, however, may not develop as anticipated. Further, there may be a substantial time lag between an improvement in global economic and business conditions and an upswing in the Company's business results. The Company's actual results or performance may also be materially negatively affected by numerous risks and uncertainties, as described in the "Risk Factors" section of the 2016 *Document de Référence* (Annual Report) filed with the AMF (French Financial Markets Authority) on March 22, 2017, and also available on the Company's website [www.3ds.com](http://www.3ds.com).

In preparing such forward-looking statements, the Company has in particular assumed an average US dollar to euro exchange rate of US\$1.10 per €1.00 for the 2017 second quarter and US\$1.09 per €1.00 for the full year 2017 as well as an average Japanese yen to euro exchange rate of JPY117 to €1.00 for the second quarter and JPY118 to €1.00 for the full year 2017 before hedging; however, currency values fluctuate, and the Company'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 press release is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Company's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies. Further specific limitations for individual non-IFRS measures, and the reasons for presenting non-IFRS financial information, are set forth in the Company's 2016 *Document de Référence* filed with the AMF on March 22, 2017.

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

When the Company believes it would be helpful for understanding trends in its business, the Company provides percentage increases or decreases in its revenue (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 herein "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.

# Q1 2017 Highlights

- ▶ Delivering **Q1 results** slightly ahead of guidance
- ▶ **SOLIDWORKS** posting good software growth
- ▶ Increasing **leadership** in **Transportation & Mobility** and **Industrial Equipment**
- ▶ Expanding in **Consumer Packaged Goods & Retail**
- ▶ Increasing footprint in **High-Growth Countries**
- ▶ Confirming and upgrading **FY17 guidance** for currencies

# Agenda

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Q1 17 Business Review

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Q2 & FY17 Financial Objectives

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# Q1 17 Business Review

- **Q1 Performance**
- Brand | SOLIDWORKS
- Leadership | Transportation & Mobility
- Industry Diversification | Consumer Packaged Goods & Retail
- Geographic Diversification | High-Growth Countries

# Q1 17 Non-IFRS

- ▶ **Revenue, margin** and **EPS** slightly ahead of guidance
- ▶ Excluding 5 cents of Q1 16 tax reserve reversal, **EPS** up **+15%**

€ millions	Q1 17
Revenue	765.7
Growth	+10%
Growth exFX	+8%
<b>Operating Margin</b>	<b>26.2%</b>
<b>EPS (€)</b>	<b>0.53</b>
EPS Evolution	+4%

# Software Revenue by Brand Non-IFRS

- ▶ **CATIA**: consistent growth across regions
- ▶ **ENOVIA**: strong comparison base (new licenses up 30% exFX in Q1 16) - good FY17 prospects
- ▶ **SOLIDWORKS**: driven by strong new licenses dynamic
- ▶ **Other Software**: Good **SIMULIA** - Strong **QUINTIQ** and **EXALEAD** growth

## Software Revenue Growth exFX by Brand

	Q1 17
CATIA	+4%
ENOVIA	+2%
SOLIDWORKS	+12%
Other Software	+10%
<b>Software Revenue</b>	<b>+7%</b>



# Software Revenue by Region Non-IFRS

- ▶ Americas driven by growth in the **US** and strong performance in **Latin America**
- ▶ Strong growth in **France** and **Southern Europe**
- ▶ Asia driven by **Korea, China** and **India**

## Software Revenue Growth exFX by Region

	Q1 17
Americas	+5%
Europe	+10%
Asia	+6%
<b>Software Revenue</b>	<b>+7%</b>

# Q1 17 Business Review

- Q1 Performance
- **Brand | SOLIDWORKS**
- Leadership | Transportation & Mobility
- Industry Diversification | Consumer Packaged Goods & Retail
- Geographic Diversification | High-Growth Countries

# SOLIDWORKS Non-IFRS | Authentic Designer Experience

- ▶ Delivering **good** performance
  - ▷ Software revenue up **12%** exFX driven by new licenses sales dynamic across geographies
- ▶ **Success** enabled by:
  - ▷ Robust and high-performance **software**
  - ▷ For **2D** and **3D** users, opening up towards **full digitalization**
  - ▷ Efficient **indirect channel**
  - ▷ Extended and active **user community**
- ▶ Benefiting from **leadership position**



## SOLIDWORKS World 2017

5,000 engineers and designers from across the globe

# Q1 17 Business Review

- Q1 Performance
- Brand | SOLIDWORKS
- **Leadership | Transportation & Mobility**
- Industry Diversification | Consumer Packaged Goods & Retail
- Geographic Diversification | High-Growth Countries

# Driving Vehicle Innovation toward the Mobility of the Future

- ▶ **Transportation & Mobility** software revenue up **~15%** exFX in Q1 17
- ▶ Expanding at **Renault Group** with **3DEXPERIENCE** platform
- ▶ Key **3DEXPERIENCE** wins with **trucks** and **tier 1 suppliers**
- ▶ Winning **Fiat Chrysler Automobiles** with **3DEXPERIENCE** Platform for Vehicle Design

Transportation & Mobility



Car & Light  
Truck OEMs

Racing Cars

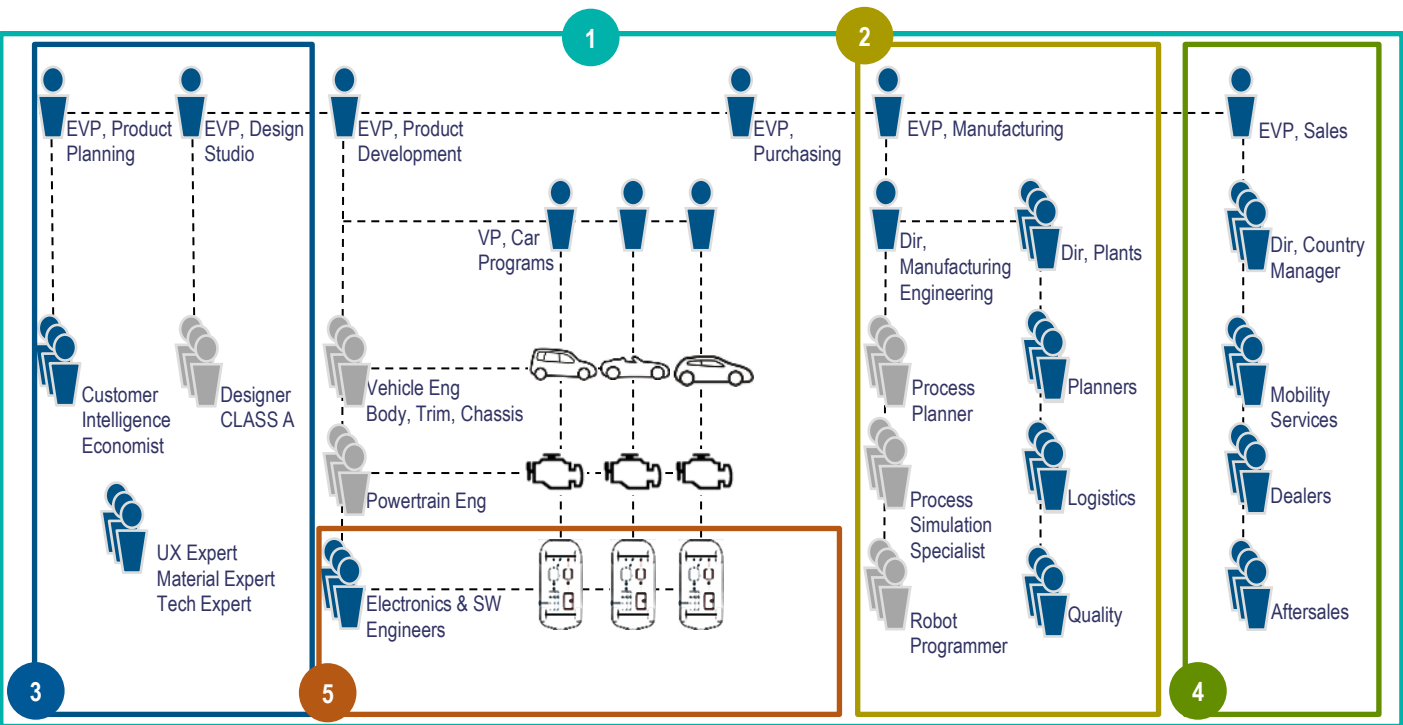
Motorcycles

T&M Industry  
Suppliers

Trucks  
& Buses

Trains

# From Engineering to Business Experience



- 1 Program Digital Continuity
- 2 Manufacturing
- 3 Innovation Lab
- 4 Marketing & Sales
- 5 Systems Engineering

# Volvo Eicher Commercial Vehicles Adopts 3DEXPERIENCE Platform



## VE Commercial Vehicles

Joint venture between Eicher Motors Limited and Volvo Group - Manufacturing wide range of trucks, buses and components

### Business Values:

- Get things **right first time**
- Increase **business process efficiency** to support frugal innovation
- Meet **emerging market requirement** by managing product complexity through **variant** and **configuration management** practices

### Solution:

- **3DEXPERIENCE Platform with Modular, Global & Secure** Industry Solution Experience

# Faurecia Uses 3DEXPERIENCE Platform from Engineering to Digital Manufacturing



## Faurecia

Global automotive equipment supplier providing automotive seating, interior systems and clean mobility

## Business Values:

3DEXPERIENCE Platform supporting development of **Faurecia digital transformation** for engineering and digital manufacturing

- **Enabling digital continuity** from engineering to manufacturing planning, simulation & robotics
- **Fostering product and process standardization**
- **Managing complexity** of growing product diversity
- **Improve efficiency** with a product/process approach

## Solution:

**3DEXPERIENCE Platform** with **Modular, Global & Secure** and **Target Zero Defect** Industry Solution Experiences which leverage **CATIA, DELMIA, SIMULIA** and **ENOVIA** applications



# Fiat Chrysler Automobiles (FCA) Adopts 3DEXPERIENCE Platform



## Fiat Chrysler Automobiles

Seventh-largest automaker in the world

### Business Values:

Unifying **global design studios** & combining **artistic style and surface quality**

- Enabling designers to harness **emotive power** within the context of the broader customer experience
- Collaborating with **different disciplines** to bring this holistic experience to life
- Shortening **cycle times** while preserving **initial design intention**

### Solution:

- **3DEXPERIENCE Platform** with **Drive Emotion** Industry Solution Experience, which leverages **CATIA** applications

# Ford Uses 3DEXPERIENCE Platform Immersive Virtual Reality Experience

## Ford Motor Company

Third-largest automaker in the world

### Business Values:

Visitors to the FordHub in New York City can virtually assemble the Ford Mustang on the roof of the Empire State Building, echoing the iconic moment in 1964 when Ford put a physical Mustang on the top of the building

Offer a premium digital experience that creates **excitement** and **emotion** around the legendary Mustang

Leverage animated content, gamification and virtual reality to spark consumers' imaginations and create a strong emotional **connection with a brand**

### Solution:

- **3DEXPERIENCE Platform** with **Virtual Garage** Industry Solution Experience, which leverages **3DEXCITE** applications



# Giving a Presentation at Bosch Connected World

Berlin March 15-16, 2017

## Virtual Testing Environment Key for Automated Driving Technology



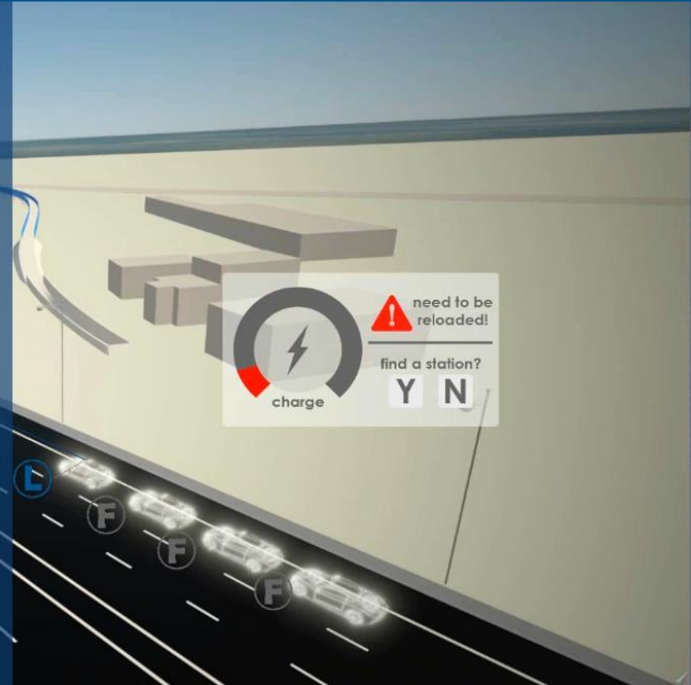
Vehicle Electrification



Driving Automation



Connected & Shared Mobility





AUTONOMOUS CAR

Automatic Braking Scenario

1

Scenario #1 - Autonomous car

2

Sunny day

3

Scenario #2 - Autonomous car

Night

4

Scenario #3 - Autonomous car

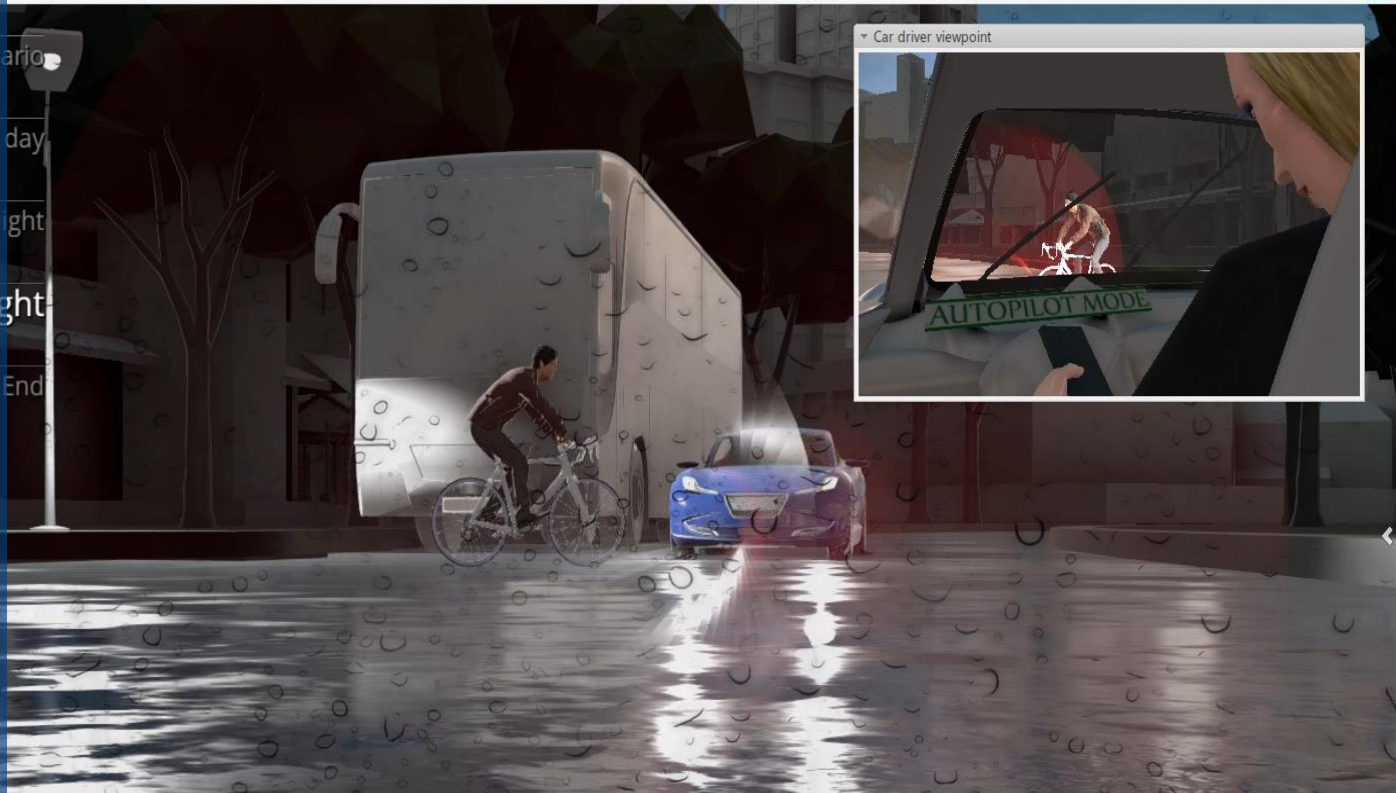
Rainy night

5

End



# Driving Automation



**>> Deliver safe driving experience  
by connecting software & hardware disciplines**



AutomaticBrakeScenario\_1

AUTONOMOUS CAR

# Automatic Braking Scenario

1

Scenario #1 - Autonomous car

2

Sunny day

3

Scenario #2 - Autonomous car

Night

4

Scenario #3 - Autonomous car

Rainy night

5

End



# Q1 17 Business Review

- Q1 Performance
- Brand | SOLIDWORKS
- Leadership | Transportation & Mobility
- **Industry Diversification | Consumer Packaged Goods & Retail**
- Geographic Diversification | High-Growth Countries

# Better, Faster, Smarter Innovation

- ▶ **Consumer Packaged Goods & Retail** software revenue up ~26% exFX in Q1 17
- ▶ Expanding at **P&G** with **3DEXPERIENCE** platform
- ▶ Starting deployment at **Unilever** with **BIOVIA**
- ▶ Expanding in **Food** and **Retail** with **QUINTIQ**

CPG-Retail



Food &  
Beverage

Beauty &  
Personal Care

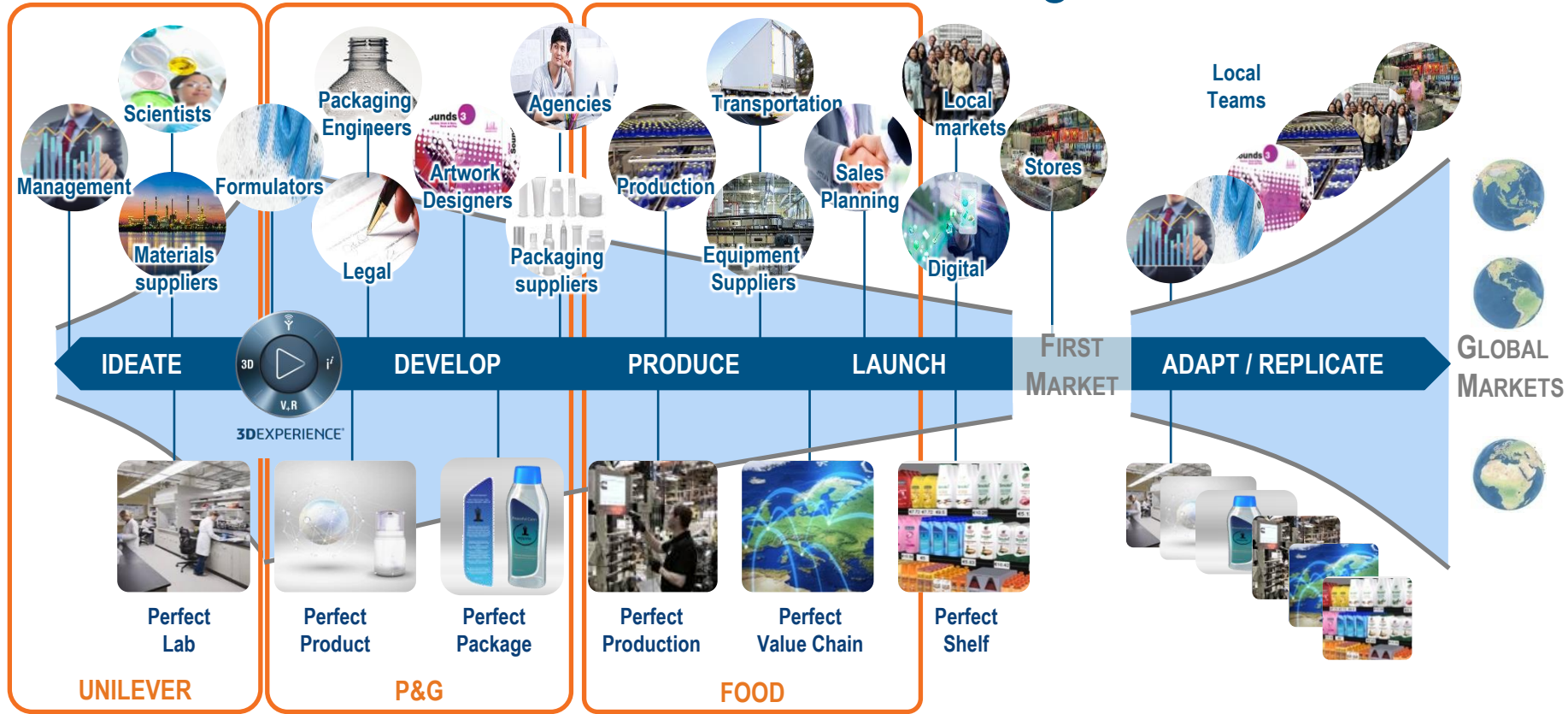
Household  
Products

Packaging

General  
Retailers

Specialty  
Retailers

# 3DEXPERIENCE for Consumer Packaged Goods





# 3DEXPERIENCE Extended Across P&G to 18,000 Users



## Procter & Gamble

One of the world's largest consumer packaged goods companies

### Business Values:

- Connecting thousands of users to **data**, **colleagues** and **consumers**
- Accelerating and improving **packaging** design, product **formulation**, **requirements** management and **program** management
- Reducing product **development time** by up to **20%** in the context of **short product lifecycles**, fluctuating **costs** of raw materials and highly variable **consumer demand**

### Solution:

- **3DEXPERIENCE Platform** with **Perfect Product** and **Perfect Package** Industry Solution Experiences

# Q1 17 Business Review

- Q1 Performance
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- Industry Diversification | Consumer Packaged Goods & Retail
- **Geographic Diversification | High-Growth Countries**

# High-Growth Countries\* Non-IFRS

- ▶ Increased **sales coverage**
- ▶ Strong software growth: **~+17%** exFX in Q1 17
- ▶ Increased **proportion of total revenue: ~16%**
  - ▷ **+1 point** compared to Q1 16

\* China, India, AP South, Latam, Czech Republic, Hungary, Slovakia, Turkey, Poland, Russia, Africa, Balkans excluding Greece and Cyprus, Israel, Middle-East, North Africa



# Ashok Leyland Adopts 3DEXPERIENCE Platform



## Ashok Leyland

Second largest manufacturer of commercial vehicles in India, and the fourth largest manufacturer of buses in the world

### Business Values:

Enabling **right-first-time innovation, from concept to production:**

- Providing an **integrated and open development platform** to enable full digital continuity from **customer order** to **vehicle assembly & delivery** and including **suppliers early in the process**
- Ensuring **flexible and global manufacturing capabilities**

### Solution:

- **3DEXPERIENCE** Platform, with **Target Zero Defect, Truck & Bus Tailors, Modular, Global & Secure** Industry Solutions Experiences

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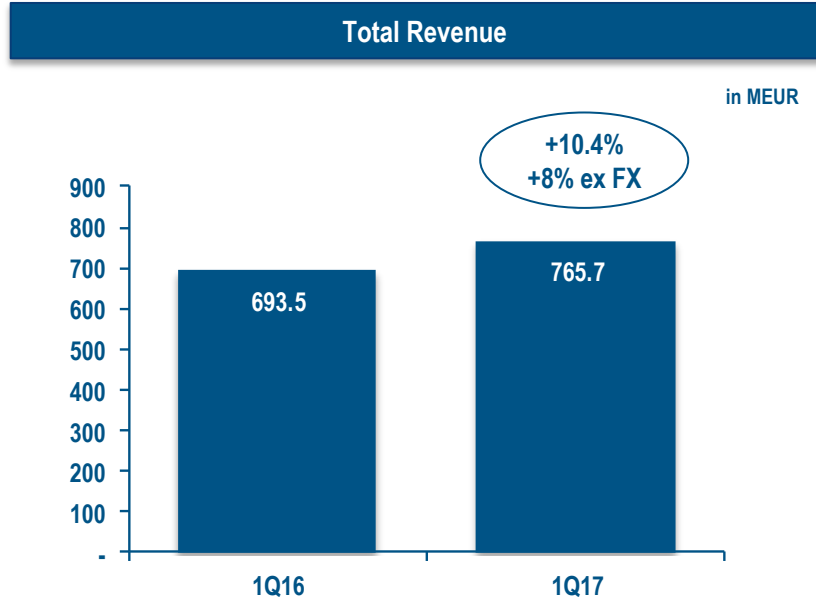
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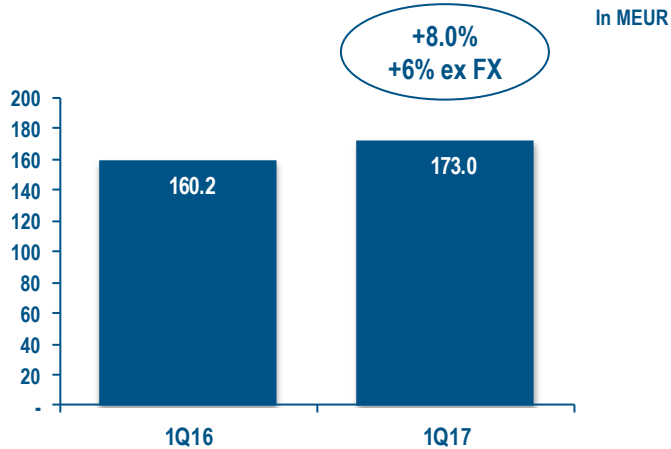
# Total Revenue Growth Non-IFRS



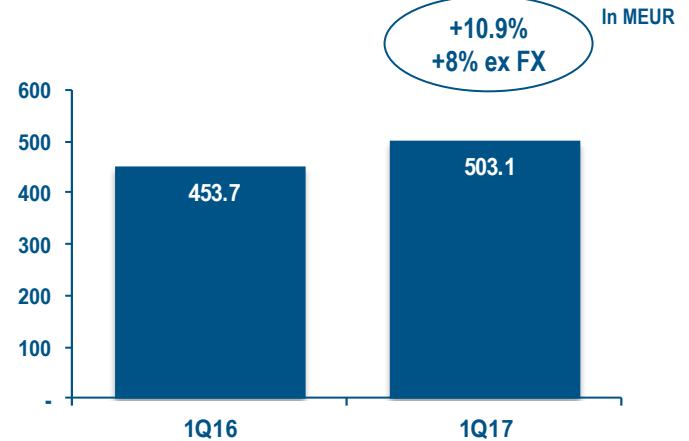
Organic revenue up **6%** exFX in Q1 17

# Software Revenue Growth Non-IFRS

## New Licenses and Other Software-related Revenue



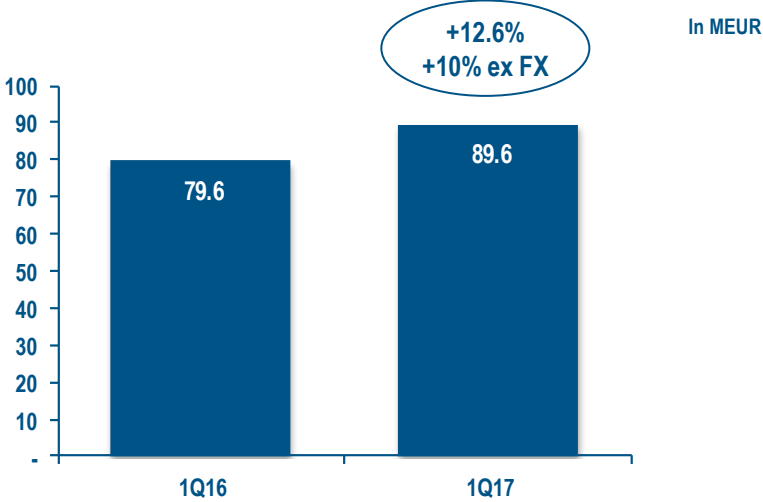
## Periodic Licenses & Maintenance Revenue



**Software** revenue up **7%** exFX in Q1 17 driven by good **recurring** revenue

# Service Revenue & Margin Evolution Non-IFRS

## Service Revenue

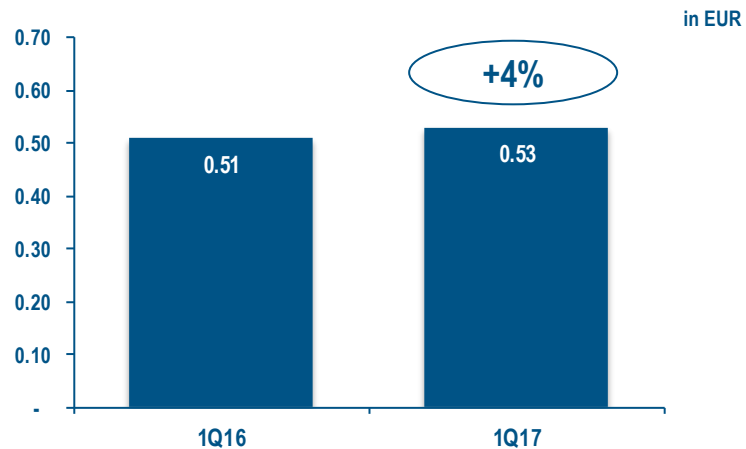


Serv. Gross Margin	3.5%	8.1%
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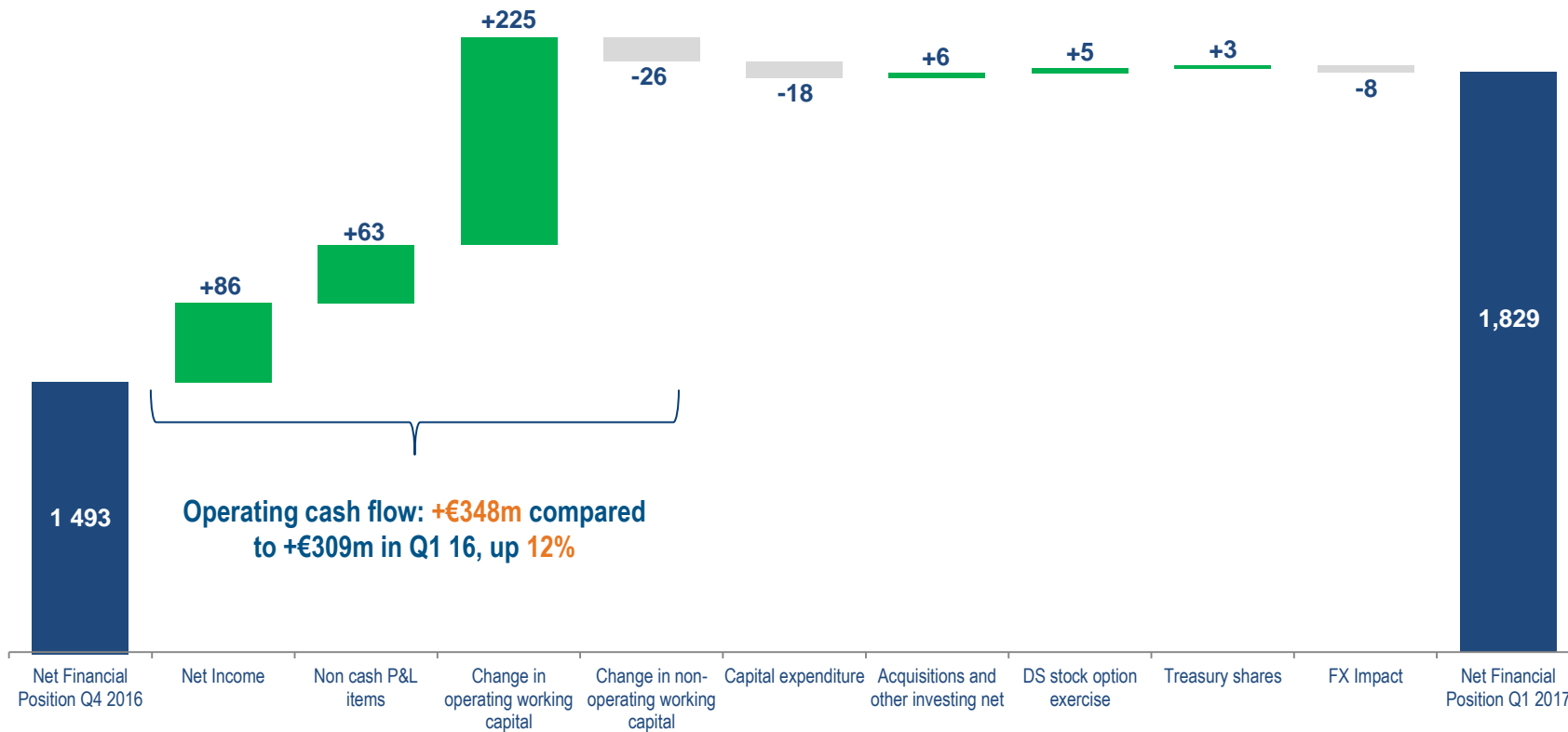
# EPS Non-IFRS

## Diluted EPS



Excluding 5 cents of Q1 16 tax reserve reversal, **EPS up 15%**

# Change in Net Financial Position



# Operating Cash Flow Evolution IFRS

€ million	Q1 17	Q1 16	Changes	
<b>Operating Cash Flow</b>	<b>+348</b>	<b>+309</b>	<b>+39</b>	
Net income adjusted for non cash items	+149	+133	+16	
Decrease in trade accounts receivable	+116	+114	+2	Trade accounts up 9% exFX compared to Q1 2016
Increase in unearned revenue	+156	+129	+27	Unearned revenue up 9% exFX
Decrease in accrued compensation	-28	-22	-6	
Decrease in accounts payable	-18	-10	-8	
Decrease in income taxes payable	-7	-33	+26	No US tax down payments in Q1 due to new US tax payment calendar (postponed to Q2)
Other	-20	-2	-18	

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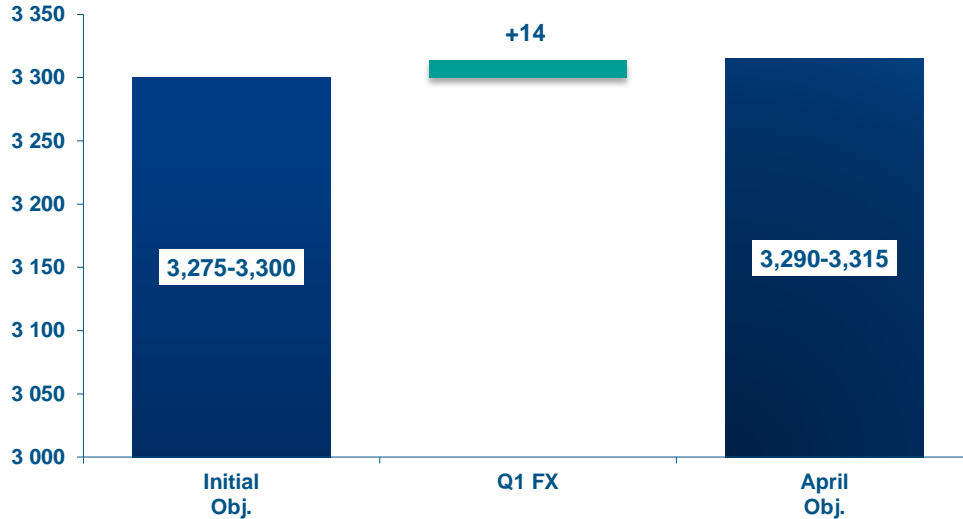
# Confirming & Upgrading FY 17 Guidance for Currencies

- ▶ Anticipating for FY 17:
  - ▷ Improved **new licenses** revenue growth, up **8-10%** exFX
  - ▷ **Recurring** revenue at a more **normalized** growth rate of **+6%** exFX, **from Q2 onwards**
- ▶ Keeping **US\$** and **JPY** unchanged from February guidance with for **Q2, Q3, Q4** (US\$ 1.10 per €1.00, JPY 117.0 per €1.00)

- ▶ On this basis, confirming and upgrading **FY17 guidance** to take into account Q1 currency variations

# Objectives Changes from February to April

## Revenue variation

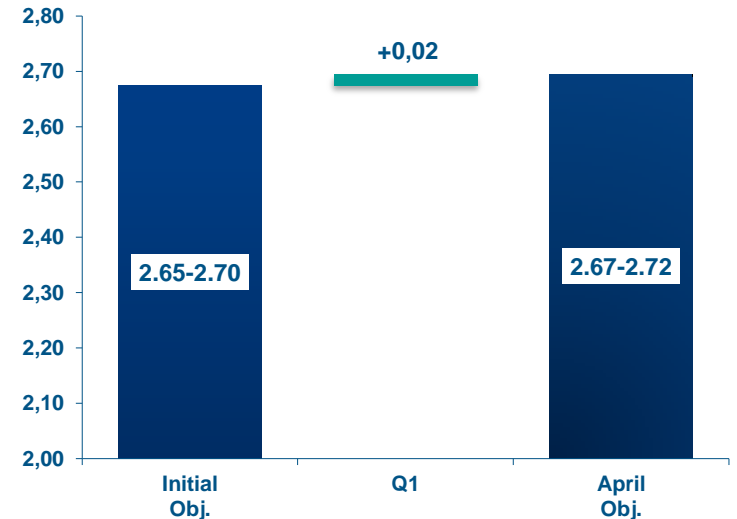


Mid-range:	3,288	3,302
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ex FX Growth: +6-7%

+6-7%

## EPS variation



Growth: +6-8%

+7-9%

# Proposed objectives

## Non-IFRS

	Q2 2017	FY 2017
Revenue (M€)	805-815	3,290-3,315
Growth	+7-8%	+7-8%
<b>Growth ex FX</b>	<b>+6-7%</b>	<b>+6-7%</b>
Operating Margin	29.4-30.4%	~31.5%
EPS (€)	0.60-0.62	2.67-2.72
<b>EPS Growth</b>	<b>+5-9%</b>	<b>+7-9%</b>
€/\$ rates	1.10	1.09
€/¥ rates	117.0	118.0

### FY 2017

- **New licenses** revenue up **8-10%** exFX
- **Recurring** revenue up **~6%** exFX
- **Organic operating margin** up **~50 basis points** exFX
- **Tax rate** of **~33.5%**
- **EPS** up **9-11%** (excluding 5 cents of Q1 16 tax reserve reversal)

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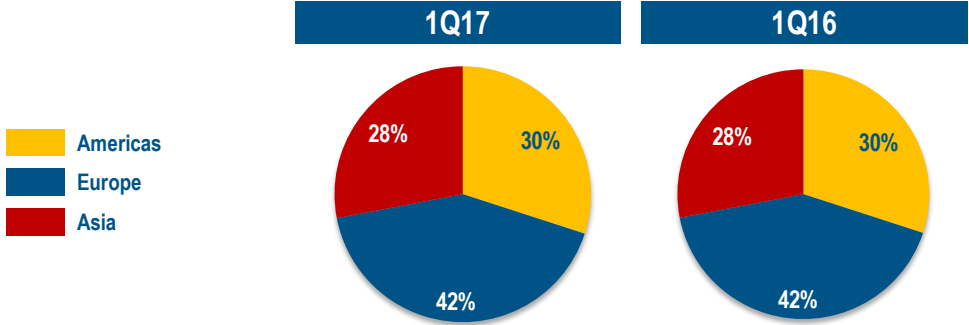
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# Software Revenue by Region

IFRS

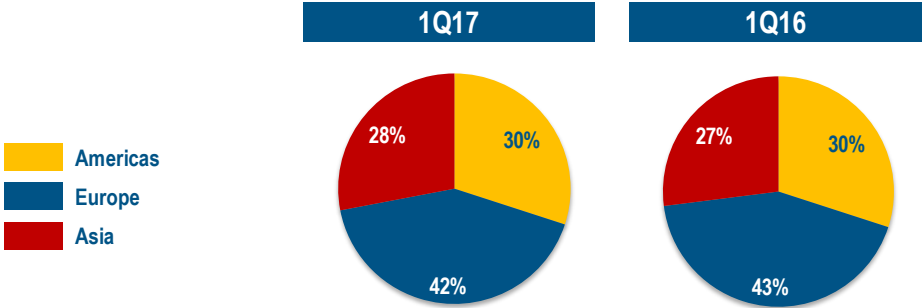
<i>in MEUR</i>	1Q17	1Q16	Growth	Growth ex FX
Americas	201.3	185.4	+8.6%	+5%
Europe	280.7	258.2	+8.7%	+9%
Asia	188.2	168.5	+11.7%	+6%
<b>Software revenue</b>	<b>670.2</b>	<b>612.1</b>	<b>+9.5%</b>	<b>+7%</b>



# Software Revenue by Region

Non-IFRS

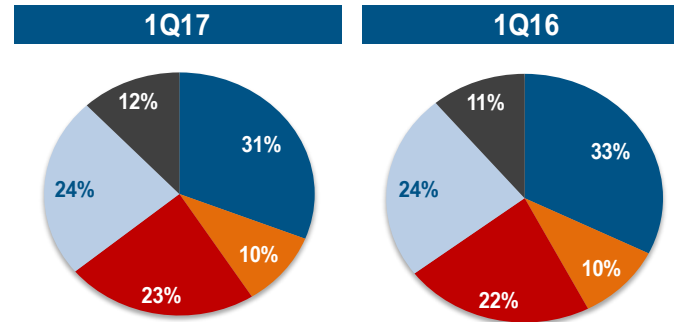
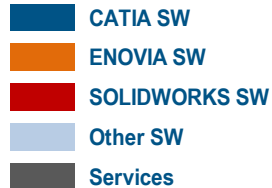
<i>in MEUR</i>	1Q17	1Q16	Growth	Growth ex FX
Americas	203.1	186.4	+9.0%	+5%
Europe	284.4	258.7	+9.9%	+10%
Asia	188.6	168.8	+11.7%	+6%
<b>Software revenue</b>	<b>676.1</b>	<b>613.9</b>	<b>+10.1%</b>	<b>+7%</b>



# Revenue by Product Line

IFRS

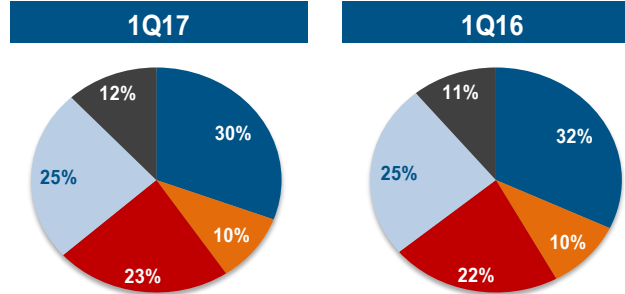
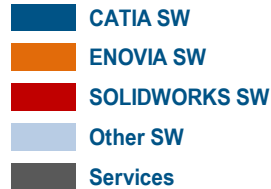
<i>in MEUR</i>	1Q17	1Q16	Growth	Growth ex FX
<b>CATIA SW</b>	236.4	221.4	+6.8%	+4%
<b>ENOVIA SW</b>	73.6	70.9	+3.8%	+2%
<b>SOLIDWORKS SW</b>	174.2	151.5	+15.0%	+12%
<b>Other SW</b>	186.0	168.3	+10.5%	+8%
<b>Services</b>	89.6	79.3	+13.0%	+11%
<b>Total revenue</b>	<b>759.8</b>	<b>691.4</b>	<b>+9.9%</b>	<b>+7%</b>



# Revenue by Product Line

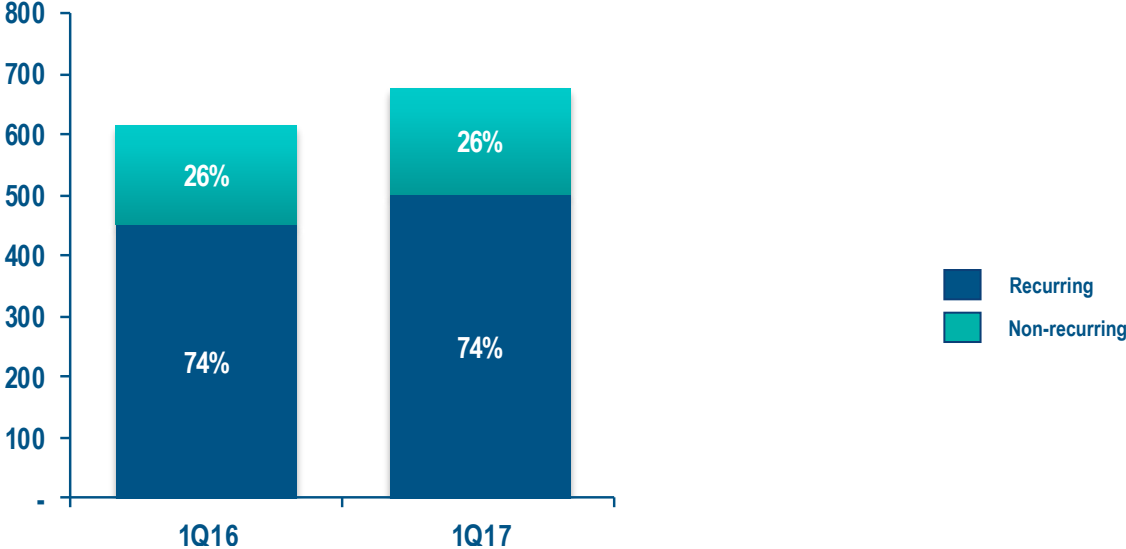
Non-IFRS

<i>in MEUR</i>	1Q17	1Q16	Growth	Growth ex FX
<b>CATIA SW</b>	236.4	221.4	+6.8%	+4%
<b>ENOVIA SW</b>	73.6	70.9	+3.8%	+2%
<b>SOLIDWORKS SW</b>	174.2	151.5	+15.0%	+12%
<b>Other SW</b>	191.9	170.1	+12.8%	+10%
<b>Services</b>	89.6	79.6	+12.6%	+10%
<b>Total revenue</b>	<b>765.7</b>	<b>693.5</b>	<b>+10.4%</b>	<b>+8%</b>



# Software Revenue Evolution

Non-IFRS



# IFRS P&L

(In millions of €, except per share data)

	Three months months ended March 31,		
	2017	2016	YoY
Software revenue	670.2	612.1	+9.5%
New licenses	169.9	157.3	+8.0%
Other software revenue	3.1	2.3	+34.8%
Periodic licenses and Maintenance	497.2	452.5	+9.9%
Service and other revenue	89.6	79.3	+13.0%
<b>Total revenue</b>	<b>759.8</b>	<b>691.4</b>	<b>+9.9%</b>
Cost of Software revenue	(40.4)	(37.5)	+7.7%
Cost of Service and other revenue	(82.8)	(77.1)	+7.4%
Research and development	(149.7)	(130.5)	+14.7%
Marketing and sales	(259.8)	(227.8)	+14.0%
General and administrative	(60.3)	(54.4)	+10.8%
Amortization of acquired intangibles	(41.2)	(39.2)	+5.1%
Other operating income and expense, net	(6.1)	(2.4)	N/A
<b>Total operating expenses</b>	<b>(640.3)</b>	<b>(568.9)</b>	<b>+12.6%</b>
<b>Operating income</b>	<b>119.5</b>	<b>122.5</b>	<b>-2.4%</b>
Financial revenue and other, net	7.2	(9.2)	N/S
Income tax expense	(40.3)	(22.6)	+78.3%
Non-controlling interest	(1.4)	(0.8)	+75.0%
<b>Net Income (to equity holders of the parent)</b>	<b>85.0</b>	<b>89.9</b>	<b>-5.5%</b>
<b>Diluted net income per share (EPS)</b>	<b>0.33</b>	<b>0.35</b>	<b>-5.7%</b>
<b>Average diluted shares (Million)</b>	<b>257.3</b>	<b>257.2</b>	

# IFRS P&L (%)

	Three months ended March 31,	
	2017	2016
	<u>% of revenue</u>	
Software revenue	88.2%	88.5%
New licenses	22.4%	22.8%
Other software revenue	0.4%	0.3%
Periodic licenses and Maintenance	65.4%	65.4%
Service and other revenue	11.8%	11.5%
<b>Total revenue</b>	<b>100.0%</b>	<b>100.0%</b>
Cost of Software revenue	5.3%	5.4%
Cost of Service and other revenue	10.9%	11.2%
Research and development	19.7%	18.9%
Marketing and sales	34.2%	32.9%
General and administrative	7.9%	7.9%
Amortization of acquired intangibles	5.4%	5.7%
Other operating income and expense, net	0.8%	0.3%
<b>Total operating expenses</b>	<b>84.3%</b>	<b>82.3%</b>
<b>Operating income</b>	<b>15.7%</b>	<b>17.7%</b>
Financial revenue and other, net	0.9%	-1.3%
<b>Income tax rate (% of IBIT)</b>	<b>31.8%</b>	<b>19.9%</b>
Non-controlling interest	-0.2%	-0.1%
<b>Net Income</b> (to equity holders of the parent)	<b><u>11.2%</u></b>	<b><u>13.0%</u></b>

# Non-IFRS P&L

	Three months months ended March 31,		
	2017	2016	YoY
(In millions of €, except per share data)			
Software revenue	676.1	613.9	+10.1%
New licenses	169.9	157.9	+7.6%
Other software revenue	3.1	2.3	+34.8%
Periodic licenses and Maintenance	503.1	453.7	+10.9%
Service and other revenue	89.6	79.6	+12.6%
<b>Total revenue</b>	<b>765.7</b>	<b>693.5</b>	<b>+10.4%</b>
Cost of Software revenue	(39.9)	(37.2)	+7.3%
Cost of Service and other revenue	(82.3)	(76.8)	+7.2%
Research and development	(137.9)	(124.0)	+11.2%
Marketing and sales	(250.5)	(222.6)	+12.5%
General and administrative	(54.4)	(51.2)	+6.3%
<b>Total operating expenses</b>	<b>(565.0)</b>	<b>(511.8)</b>	<b>+10.4%</b>
<b>Operating income</b>	<b>200.7</b>	<b>181.7</b>	<b>+10.5%</b>
Financial revenue and other, net	0.5	(3.8)	N/A
Income tax expense	(64.1)	(46.0)	+39.3%
Non-controlling interest	(1.4)	(0.8)	+75.0%
<b>Net Income</b> (to equity holders of the parent)	<b>135.7</b>	<b>131.1</b>	<b>+3.5%</b>
<b>Diluted net income per share (EPS)</b>	<b>0.53</b>	<b>0.51</b>	<b>+3.9%</b>
<b>Average diluted shares (Million)</b>	<b>257.3</b>	<b>257.2</b>	



# Non-IFRS P&L (%)

	Three months ended March 31,	
	2017	2016
Software revenue	88.3%	88.5%
New licenses	22.2%	22.8%
Other software revenue	0.4%	0.3%
Periodic licenses and Maintenance	65.7%	65.4%
Service and other revenue	11.7%	11.5%
<b>Total revenue</b>	<b>100.0%</b>	<b>100.0%</b>
Cost of Software revenue	5.2%	5.4%
Cost of Service and other revenue	10.7%	11.1%
Research and development	18.0%	17.9%
Marketing and sales	32.7%	32.1%
General and administrative	7.1%	7.4%
<b>Total operating expenses</b>	<b>73.8%</b>	<b>73.8%</b>
<b>Operating income</b>	<b>26.2%</b>	<b>26.2%</b>
Financial revenue and other, net	0.1%	-0.5%
<b>Income tax rate (% of IBIT)</b>	<b>31.9%</b>	<b>25.8%</b>
Non-controlling interest	-0.2%	-0.1%
<b>Net Income</b> (to equity holders of the parent)	<b><u>17.7%</u></b>	<b><u>18.9%</u></b>

# IFRS – Non-IFRS Reconciliation QTD

## Revenue and Gross Margin

	Three months ended March 31,						Increase (Decrease)	
	2017 IFRS	Adjustment	2017 Non-IFRS	2016 IFRS	Adjustment	2016 Non-IFRS	IFRS	Non-IFRS
<i>(€ million, except % and per share data)</i>								
<b>Total Revenue</b>	<b>759.8</b>	<b>5.9</b>	<b>765.7</b>	<b>691.4</b>	<b>2.1</b>	<b>693.5</b>	<b>9.9%</b>	<b>10.4%</b>
<b>Total Revenue breakdown by activity</b>								
Software revenue	670.2	5.9	676.1	612.1	1.8	613.9	9.5%	10.1%
<i>New Licenses revenue</i>	169.9		169.9	157.3	0.6	157.9	8.0%	7.6%
<i>Other software revenue</i>	3.1		3.1	2.3		2.3	34.8%	34.8%
<i>Periodic and Maintenance revenue</i>	497.2	5.9	503.1	452.5	1.2	453.7	9.9%	10.9%
<i>Recurring portion of Software revenue</i>	74%		74%	74%		74%		
Service and other revenue	89.6		89.6	79.3	0.3	79.6	13.0%	12.6%
<b>Total Revenue breakdown by product line</b>								
CATIA SW revenue	236.4		236.4	221.4		221.4	6.8%	6.8%
ENOVIA SW revenue	73.6		73.6	70.9		70.9	3.8%	3.8%
SOLIDWORKS SW revenue	174.2		174.2	151.5		151.5	15.0%	15.0%
Other SW revenue	186.0	5.9	191.9	168.3	1.8	170.1	10.5%	12.8%
Service and other revenue	89.6		89.6	79.3	0.3	79.6	13.0%	12.6%
<b>Total Revenue breakdown by geography</b>								
Americas revenue	233.9	1.9	235.8	215.3	1.2	216.5	8.6%	8.9%
Europe revenue	319.4	3.6	323.0	292.3	0.5	292.8	9.3%	10.3%
Asia revenue	206.5	0.4	206.9	183.8	0.4	184.2	12.4%	12.3%
<b>Gross Margin</b>								
Cost of Software revenue	( 40.4)	0.5	( 39.9)	( 37.5)	0.3	( 37.2)	7.7%	7.3%
<i>Software Gross margin*</i>	<i>94.0%</i>		<i>94.1%</i>	<i>93.9%</i>		<i>93.9%</i>		
Cost of Service and other revenue	( 82.8)	0.5	( 82.3)	( 77.1)	0.3	( 76.8)	7.4%	7.2%
<i>Service Gross margin</i>	<i>7.6%</i>		<i>8.1%</i>	<i>2.8%</i>		<i>3.5%</i>		

# IFRS – Non-IFRS Reconciliation QTD

## Expenses & Earnings

	Three months ended March 31,						Increase (Decrease)	
	2017 IFRS	Adjustment	2017 Non-IFRS	2016 IFRS	Adjustment	2016 Non-IFRS	IFRS	Non-IFRS
<i>(€ million, except % and per share data)</i>								
<b>Total Operating Expenses</b>	<b>( 640.3)</b>	<b>75.3</b>	<b>( 565.0)</b>	<b>( 568.9)</b>	<b>57.1</b>	<b>( 511.8)</b>	<b>12.6%</b>	<b>10.4%</b>
Share-based compensation expense	( 28.0)	28.0	-	( 15.5)	15.5	-		
Amortization of acquired intangibles	( 41.2)	41.2	-	( 39.2)	39.2	-		
Other operating income and expense, net	( 6.1)	6.1	-	( 2.4)	2.4	-		
<b>Operating Income</b>	<b>119.5</b>	<b>81.2</b>	<b>200.7</b>	<b>122.5</b>	<b>59.2</b>	<b>181.7</b>	<b>-2.4%</b>	<b>10.5%</b>
<b>Operating Margin</b>	<b>15.7%</b>		<b>26.2%</b>	<b>17.7%</b>		<b>26.2%</b>		
Financial revenue & other, net	7.2	( 6.7)	0.5	( 9.2)	5.4	( 3.8)	-	-
Income tax expense	( 40.3)	( 23.8)	( 64.1)	( 22.6)	( 23.4)	( 46.0)	78.3%	39.3%
Non-controlling interest	( 1.4)		( 1.4)	( 0.8)		( 0.8)	75.0%	75.0%
<b>Net Income attributable to shareholders</b>	<b>85.0</b>	<b>50.7</b>	<b>135.7</b>	<b>89.9</b>	<b>41.2</b>	<b>131.1</b>	<b>-5.5%</b>	<b>3.5%</b>
<b>Diluted net income per share, in EUR</b>	<b>0.33</b>	<b>0.20</b>	<b>0.53</b>	<b>0.35</b>	<b>0.16</b>	<b>0.51</b>	<b>-5.7%</b>	<b>3.9%</b>

*(€ million)*

	Three months ended March 31,					
	2017 IFRS	Adjust.	2017 Non-IFRS	2016 IFRS	Adjust.	2016 Non-IFRS
Cost of revenue	( 123.2)	1.0	( 122.2)	( 114.6)	0.6	( 114.0)
Research and development	( 149.7)	11.8	( 137.9)	( 130.5)	6.5	( 124.0)
Marketing and sales	( 259.8)	9.3	( 250.5)	( 227.8)	5.2	( 222.6)
General and administrative	( 60.3)	5.9	( 54.4)	( 54.4)	3.2	( 51.2)
<b>Total Share-based compensation expense</b>		<b>28.0</b>			<b>15.5</b>	

# Financial Revenue and Other

Non-IFRS

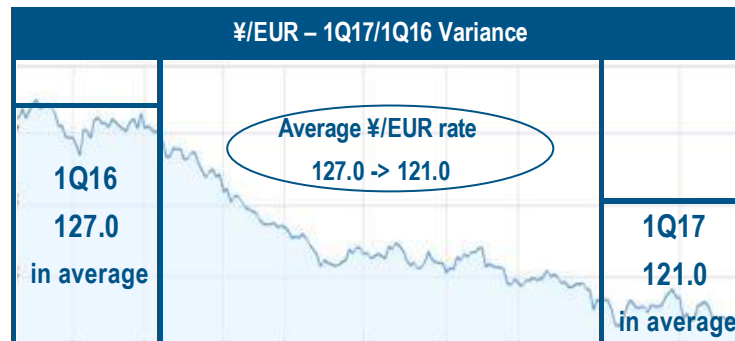
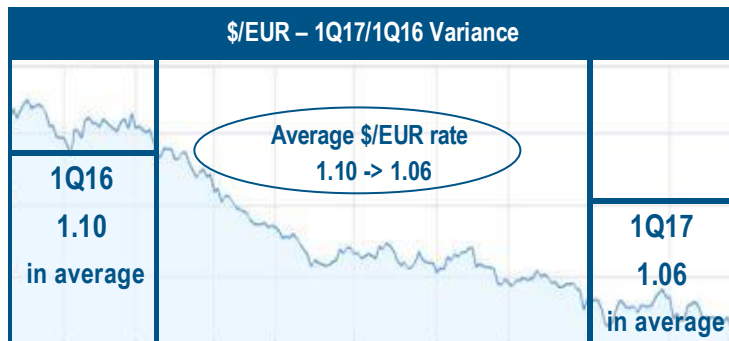
MEUR	1Q17	1Q16	var
Interest Income	4.4	4.4	0.0
Interest Expense	(3.3)	(3.1)	(0.2)
Financial net Income	1.1	1.3	(0.2)
Exchange Gain / (Loss)	(0.5)	(4.7)	4.2
Other Income / (Loss)	(0.1)	(0.4)	0.3
Total	0.5	(3.8)	4.3

# Exchange Rate evolution

From assumptions to actual data

Breakdown of P&L by currency for YTD 17		
	Revenue	Operating Expenses
USD	37.3%	35.9%
JPY	13.3%	5.3%

Average Exchange rates				
		2017	2016	% change
QTD	EUR/USD	1.06	1.10	-4%
	EUR/JPY	121.0	127.0	-5%



# Comparing 1Q17 with mid-range Objectives

## Non-IFRS

	Revenue	Operating Expenses	Operating Profit	Operating Margin
<b>1Q17 Guidances mid-range Growth YoY</b>	<b>745.0</b> <b>+7.4%</b>	<b>(555.0)</b> <b>+8.4%</b>	<b>190.0</b> <b>+4.6%</b>	<b>25.5%</b> <b>-0.7pt</b>
USD impact	10.6	(6.4)	4.2	+0.2pt
JPY impact including hedging	(1.5)	1.0	(0.5)	-0.0pt
Other currencies and other hedging impact	5.1	(3.2)	1.9	+0.1pt
<b>Total FX</b>	<b>14.2</b>	<b>(8.6)</b>	<b>5.6</b>	<b>+0.3pt</b>
<b>Activity / Cost Control / Other</b>	<b>6.5</b>	<b>(1.4)</b>	<b>5.1</b>	<b>+0.4pt</b>
<b>Delta: Reported vs guidances</b>	<b>20.7</b>	<b>(10.0)</b>	<b>10.7</b>	<b>+0.7pt</b>
<b>1Q17 Reported Growth YoY</b>	<b>765.7</b> <b>+10.4%</b>	<b>(565.0)</b> <b>+10.4%</b>	<b>200.7</b> <b>+10.5%</b>	<b>26.2%</b> <b>+0.0pt</b>
<b>1Q16 Reported</b>	<b>693.5</b>	<b>(511.8)</b>	<b>181.7</b>	<b>26.2%</b>

# Estimated FX impact on 1Q17 Op. Results

## Non-IFRS

€ millions QTD	Total Revenue	Operating Expenses	Operating Income	Operating Margin
1Q17 Reported	765.7	(565.0)	200.7	26.2%
1Q16 Reported	693.5	(511.8)	181.7	26.2%
<i>Growth as reported</i>	+10.4%	+10.4%	+10.5%	+0.0 pt
<b>Impact of Actual Currency Rates</b>				
USD impact	10.0	(6.5)	3.5	
JPY impact including hedging	6.1	(1.3)	4.8	
Other currencies and other hedging impact	0.9	(2.4)	(1.5)	
<b>Total FX Impact adjustment</b>	<b>17.0</b>	<b>(10.2)</b>	<b>6.8</b>	
1Q16 ex FX	710.5	(522.0)	188.5	26.5%
<i>Growth exFX</i>	+8%	+8%	+6%	-0.3 pt

# Consolidated Statement of Cash Flows

IFRS

(in millions of €)	1Q17	1Q16	Variation
Net income attributable to equity holders of the parent	85.0	89.9	(4.9)
Non-controlling interest	1.4	0.8	0.6
Net income	86.4	90.7	(4.3)
Depreciation of property & equipment	11.7	10.5	1.2
Amortization of intangible assets	43.3	41.2	2.1
Other non-cash P&L items	7.8	(9.3)	17.1
Changes in working capital	198.6	176.2	22.4
<b>Net Cash Provided by (Used in) Operating Activities (I)</b>	<b>347.8</b>	<b>309.3</b>	<b>38.5</b>
Additions to property, equipment and intangibles	(18.3)	(8.8)	(9.5)
Payment for acquisition of businesses, net of cash acquired	(0.4)	-	(0.4)
Sale (Purchase) of short-term investments, net	(8.8)	20.8	(29.6)
Investments, loans and others	6.3	1.1	5.2
<b>Net Cash Provided by (Used in) Investing Activities (II)</b>	<b>(21.2)</b>	<b>13.1</b>	<b>(34.3)</b>
(Purchase) Sale of treasury stock	3.1	(34.3)	37.4
Proceeds from exercise of stock-options	5.3	3.2	2.1
Cash dividend paid	-	(1.8)	1.8
<b>Net Cash Provided by (Used in) Financing Activities (III)</b>	<b>8.4</b>	<b>(32.9)</b>	<b>41.3</b>
<b>Effect of exchange rate changes on cash and cash equivalents (IV)</b>	<b>(6.3)</b>	<b>(28.0)</b>	<b>21.7</b>
<b>Increase (Decrease) in Cash (V) = (I)+(II)+(III)+(IV)</b>	<b>328.7</b>	<b>261.5</b>	<b>67.2</b>
<b>Cash and cash equivalents at Beginning of Period</b>	<b>2,436.7</b>	<b>2,280.5</b>	
<b>Cash and cash equivalents at End of Period</b>	<b>2,765.4</b>	<b>2,542.0</b>	
<b>Cash and cash equivalents variation</b>	<b>328.7</b>	<b>261.5</b>	



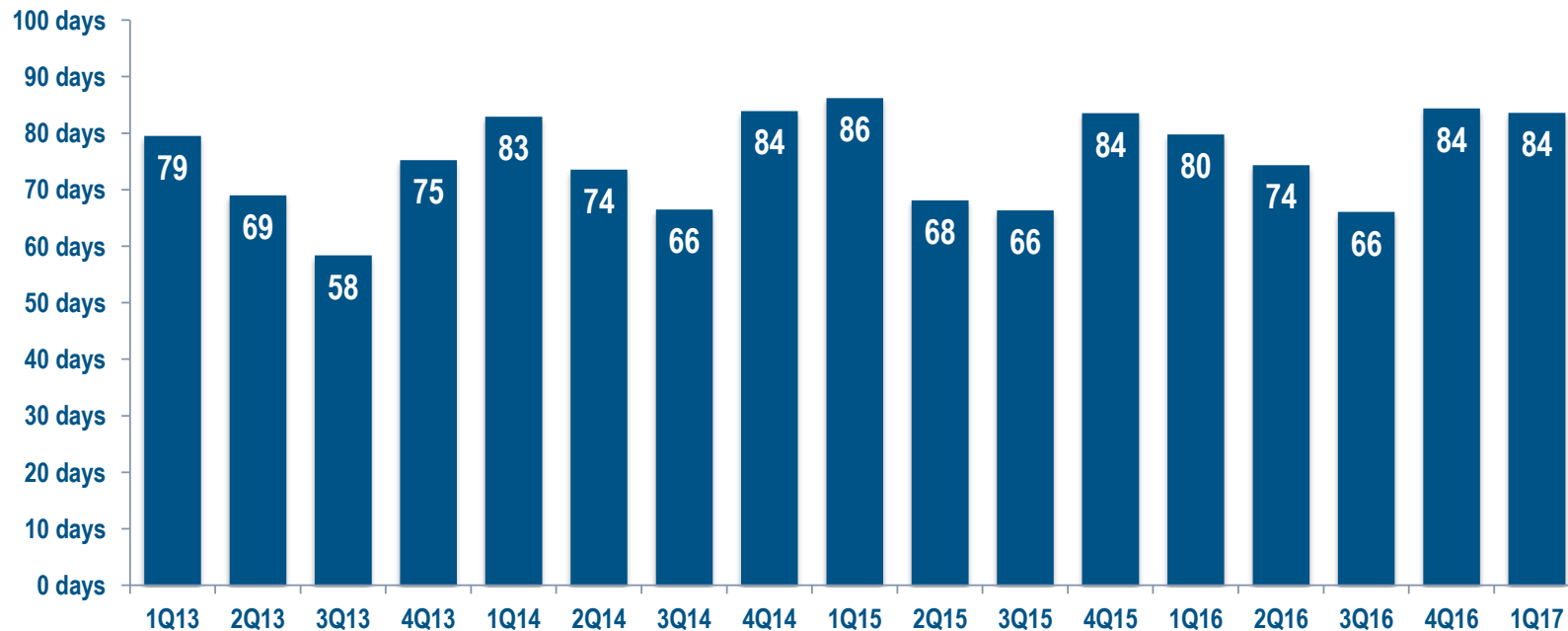
# Balance Sheet

## IFRS

(in millions of €)	End of Mar-17	End of Dec-16	Variation Mar-17 / Dec-16	End of Mar-16	Variation Mar-17 / Mar-16
Cash and cash equivalents	2 765,4	2 436,7	+328,7	2 542,0	+223,4
Short-term investments	63,6	56,1	+7,5	48,2	+15,4
Accounts receivable, net	705,6	820,4	-114,8	612,9	+92,7
Other current assets	268,7	257,2	+11,5	154,8	+113,9
<b>Total current assets</b>	<b>3 803,3</b>	<b>3 570,4</b>	<b>+232,9</b>	<b>3 357,9</b>	<b>+445,4</b>
Property and equipment, net	137,3	135,4	+1,9	130,0	+7,3
Goodwill and Intangible assets, net	2 873,7	2 926,5	-52,8	2 588,3	+285,4
Other non current assets	312,5	310,7	+1,8	254,3	+58,2
<b>Total Assets</b>	<b>7 126,8</b>	<b>6 943,0</b>	<b>+183,8</b>	<b>6 330,5</b>	<b>+796,3</b>
Accounts payable	127,1	144,9	-17,8	108,7	+18,4
Unearned revenue	1 008,9	853,1	+155,8	887,3	+121,6
Other current liabilities	489,4	467,6	+21,8	358,6	+130,8
<b>Total current liabilities</b>	<b>1 625,4</b>	<b>1 465,6</b>	<b>+159,8</b>	<b>1 354,6</b>	<b>+270,8</b>
Long-term debt	1 000,0	1 000,0	0,0	1 000,0	0,0
Other non current liabilities	581,4	594,6	-13,2	495,2	+86,2
<b>Total long-term liabilities</b>	<b>1 581,4</b>	<b>1 594,6</b>	<b>-13,2</b>	<b>1 495,2</b>	<b>+86,2</b>
Non-controlling interest	-	22,6	-22,6	16,6	-16,6
Parent Shareholders' equity	3 920,0	3 860,2	+59,8	3 464,1	+455,9
<b>Total Liabilities and Shareholders' Equity</b>	<b>7 126,8</b>	<b>6 943,0</b>	<b>+183,8</b>	<b>6 330,5</b>	<b>+796,3</b>

# Trade Accounts Receivable / DSO

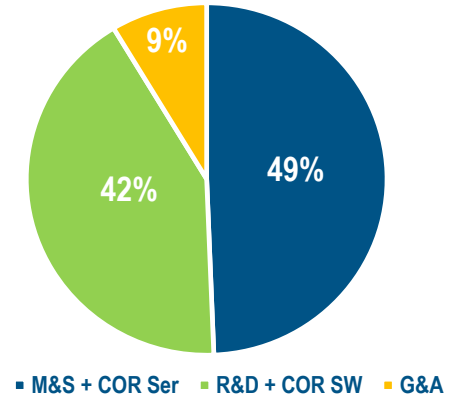
IFRS



# Headcount by destination

At Closing - TOTAL					
	<u>1Q17</u>	<u>1Q16</u>	<u>% growth</u>	<u>4Q16</u>	<u>% growth</u>
M&S + COR Ser	7,533	7,020	+7%	7,518	+0%
R&D + COR SW	6,411	5,959	+8%	6,375	+1%
G&A	1,318	1,228	+7%	1,322	-0%
<b>Total</b>	<b>15,262</b>	<b>14,207</b>	<b>+7%</b>	<b>15,215</b>	<b>+0%</b>

Closing H/C - March 2017



# IFRS 2017 Objectives

## Accounting elements not included in the non-IFRS 2017 Objectives

- FY 2017 estimated **deferred revenue** write-down of **~€12m**
- FY 2017 estimated **share-based compensation** expenses, including related social charges: **~€81m**
- FY 2017 estimated **amortization of acquired intangibles**: **~€161m**
- The non-IFRS 2017 objectives do not include any impact from other operating income and expense, net principally comprised of acquisition, integration and restructuring expenses, and from one-time items included in financial revenue and one-time tax restructuring gains and losses
- These estimates do not include any new stock option or share grants, or any new acquisitions or restructurings completed after April 26, 2017

