



Dassault Systèmes Reports Strong Third Quarter Operational Performance, Confirms its 2020 non-IFRS EPS Objective

VÉLIZY-VILLACOUBLAY, France — October 22, 2020 — [Dassault Systèmes](https://www.dassault-systemes.com) (Euronext Paris: #13065, DSY.PA) announces IFRS unaudited financial results for the third quarter and nine months ended September 30, 2020. The Group’s Board of Directors reviewed these results on October 21, 2020. This press release also includes financial information on a non-IFRS basis and reconciliations with IFRS figures in the Appendix to this communication.

Highlights and Financial Summary

(Unaudited, revenue growth in constant currencies)

- On a non-IFRS basis: Q3 EPS of €0.80 at high end and Operating Margin of 28.2% above target
- Non-IFRS organic recurring revenue up 4% in Q3 and YTD
- Mainstream Innovation non-IFRS software revenue up 9% in Q3
- 3DEXPERIENCE non-IFRS software revenue up 6% in Q3
- Medidata delivers double-digit non-IFRS revenue growth on a comparable basis in Q3 and YTD
- YTD cash flow from operations at €1 billion, stable with year-ago quarter
- Confirming 2020 non-IFRS EPS of €3.70 to €3.75, up 3% to 5% in constant currencies

In millions of Euros, except per share data and percentages
Total Revenue
Software Revenue
Operating Margin
EPS

IFRS			
Q3 2020	Q3 2019	Change	Change in constant currencies
1,029.6	914.8	13%	17%
934.3	798.5	17%	21%
12.1%	21.0%	(8.9)pts	
0.35	0.53	(34)%	

IFRS			
YTD 2020	YTD 2019	Change	Change in constant currencies
3,233.0	2,835.1	14%	14%
2,907.3	2,501.2	16%	17%
12.0%	20.8%	(8.9)pts	
1.09	1.66	(34)%	

In millions of Euros, except per share data and percentages
Total Revenue
Software Revenue
Operating Margin
EPS

Non-IFRS			
Q3 2020	Q3 2019	Change	Change in constant currencies
1,030.2	914.0	13%	17%
934.9	797.5	17%	22%
28.2%	30.3%	(2.1)pts	
0.80	0.78	3%	8%

Non-IFRS			
YTD 2020	YTD 2019	Change	Change in constant currencies
3,245.2	2,843.4	14%	15%
2,918.3	2,508.0	16%	17%
28.1%	31.3%	(3.2)pts	
2.55	2.46	4%	4%

Bernard Charlès, Dassault Systèmes’ Vice Chairman and Chief Executive Officer commented, “Recapping our progress during this quarter by our three sectors, we had a strong growth dynamic in Life Sciences & Healthcare, up double-digits on a comparable basis. Infrastructure & Cities grew 6% led by our activities in Asia. Within the Manufacturing Sector, we are seeing stable to growing year on year software performance in Industrial Equipment, High-Tech, Home & Lifestyle and Consumer Packaged Goods & Retail. Thanks to our broad market reach within Transportation & Mobility and Aerospace & Defense, we saw continued strong investments by pure-play Electric Vehicle companies and a good dynamic in Space.

“Our financial performance, client engagements and product launches demonstrate that we are enabling a broader axis of growth for the coming years.

“We are benefiting from our competitive strength, with our platform-based solutions, increasing our relevance as a strategic partner to the Life Sciences and Healthcare industry. Medidata, through its offers, is helping the industry re-imagine the future of clinical trials. Earlier this month, myMedidata LIVE became available to give researchers and patients a way to engage in remote site visits within the platform of site and patient-facing technologies they are already using on the study. On the customer front, we are pleased to share that Johnson & Johnson has extended its use of the Medidata platform for clinical trial management for the next five years.”

“In the Mainstream Innovation market served by SOLIDWORKS, we are extending the reach of the 3DEXPERIENCE platform with the 3DEXPERIENCE WORKS family of solutions. This portfolio represents the most comprehensive cloud-based portfolio offering on this market.”

“In Manufacturing Industries, we see a shift in focus from reducing the total cost of operation through software solutions to designing the next generation portfolio for a sustainable future. To imagine, develop, produce and operate a carbon-free aircraft 15 years from now, we must start designing it today. Data intelligence is another core pillar for this sector, in much the same way that part procurement was in the 20th century. In the Infrastructure and Cities sector as well, innovation is driven by the sustainability imperative. As industries increasingly interact, experience platforms are indispensable to reshape ecosystems.”

Third Quarter Financial Summary (Unaudited)

In millions of Euros, except per share data and percentages	IFRS				Non-IFRS			
	Q3 2020	Q3 2019	Change	Change in constant currencies	Q3 2020	Q3 2019	Change	Change in constant currencies
Total Revenue	1,029.6	914.8	13%	17%	1,030.2	914.0	13%	17%
Software Revenue	934.3	798.5	17%	21%	934.9	797.5	17%	22%
Services Revenue	95.3	116.3	(18)%	(15)%	95.4	116.5	(18)%	(15)%
Operating Margin	12.1%	21.0%	(8.9)pts		28.2%	30.3%	(2.1)pts	
EPS	0.35	0.53	(34)%		0.80	0.78	3%	8%

Total Software Revenue in millions of Euros, except percentages	IFRS				Non-IFRS			
	Q3 2020	Q3 2019	Change	Change in constant currencies	Q3 2020	Q3 2019	Change	Change in constant currencies
Americas	357.9	260.6	37%	45%	358.3	259.9	38%	46%
Europe	335.3	309.8	8%	10%	335.3	309.5	8%	10%
Asia	241.2	228.1	6%	10%	241.2	228.1	6%	10%

Third Quarter 2020 versus 2019 Financial Comparisons

Q3 Revenue Review

- Total revenue increased 17% (IFRS and non-IFRS), reflecting the inclusion of Medidata Solutions, Inc. following the completion of its acquisition on October 28, 2019. On an organic basis, non-IFRS total revenue decreased 3%, improving on a sequential basis from (8)% in the second quarter 2020. (All growth rates are at constant currencies.)

- Software revenue grew 21% (IFRS) and 22% (non-IFRS). Non-IFRS recurring software revenue, representing 82% of non-IFRS software revenue, increased 32% driven by growth in Life Sciences and in Mainstream Innovation. While continuing to reflect the impact of Covid-19 on investments, new licensing activity demonstrated a marked recovery, leading to licenses and other software revenue decrease, on a reported and organic basis of 11% (IFRS and non-IFRS) in the third quarter, improving from a decrease of 32% (IFRS and non-IFRS) year-on-year in the second quarter. On an organic basis, non-IFRS recurring software increased 4%. (All growth rates are at constant currencies.)
- By industry sector, while Manufacturing Industries non-IFRS software revenue decreased 2% overall, the Group saw growth in High-Tech, Consumer Packaged Goods & Retail and Home & Lifestyle and stable year-over-year software revenue results for Industrial Equipment. Life Sciences & Healthcare non-IFRS software revenue increased significantly with the addition of Medidata and represented 22% of non-IFRS software revenue in the quarter. Infrastructure & Cities non-IFRS software revenue increased 6% and represented 10% of total non-IFRS software revenue. (All growth rates at constant currencies.)
- **3DEXPERIENCE** non-IFRS software revenue increased 6% in the third quarter and represented 28% (25% in Q3 2019) of related non-IFRS software revenue. The largest transactions in the quarter were from customers in High Tech, Aerospace & Defense, Transportation & Mobility, Industrial Equipment, and Marine & Offshore. (All growth rates in constant currencies.)
- On a regional basis, non-IFRS software revenue increased 46% in the Americas, led by the addition of Medidata. Non-IFRS software revenue increased 10% in Asia led by China, Korea and Asia Pacific South. In Europe, non-IFRS software revenue also increased 10% with strong growth in Western Europe as well as Northern Europe and Russia. (All growth rates at constant currencies.)
- Services revenue decreased 15% (IFRS and non-IFRS) in the third quarter. Services revenue performance in the third quarter was negatively affected by changes in customers' plans related to new engagements and project timing extensions. (All growth rates are at constant currencies.)

Q3 Operating Review

- On an IFRS basis, operating income decreased 35%, principally reflecting the impact of acquired intangibles amortization and share-based compensation expenses, including social charges, both related to the addition of Medidata. On a non-IFRS basis, operating income of €290.9 million increased 5% as reported and 10% at constant rate. The non-IFRS operating margin of 28.2% came in above the high end of the Group's guidance range of 26.0% to 26.5% on a strong operational management. Currency headwinds had a negative 40 basis points impact on the non-IFRS operating margin in the third quarter.
- IFRS diluted net income per share was €0.35, decreasing 34%. On a non-IFRS basis, diluted net income per share of €0.80 was on the high end of the Group's guidance range of 75 to 80 cents.

First Nine Months 2020 versus 2019 Financial Comparisons (Unaudited)

In millions of Euros, except per share data and percentages	IFRS				Non-IFRS			
	YTD 2020	YTD 2019	Change	Change in constant currencies	YTD 2020	YTD 2019	Change	Change in constant currencies
Total Revenue	3,233.0	2,835.1	14%	14%	3,245.2	2,843.4	14%	15%
Software Revenue	2,907.3	2,501.2	16%	17%	2,918.3	2,508.0	16%	17%
Services Revenue	325.7	333.9	(2)%	(2)%	326.8	335.3	(3)%	(2)%
Operating Margin	12.0%	20.8%	(8.9)pts		28.1%	31.3%	(3.2)pts	
EPS	1.09	1.66	(34)%		2.55	2.46	4%	4%

Total Software Revenue in millions of Euros, except percentages	IFRS				Non-IFRS			
	YTD 2020	YTD 2019	Change	Change in constant currencies	YTD 2020	YTD 2019	Change	Change in constant currencies
Americas	1,116.0	775.0	44%	44%	1,126.4	780.5	44%	45%
Europe	1,045.0	1,022.2	2%	3%	1,045.4	1,023.5	2%	3%
Asia	746.2	704.0	6%	6%	746.6	704.0	6%	6%

9 Months Revenue Review

- IFRS total revenue increased 14%. On a non-IFRS basis, total revenue increased 15%. Its evolution is explained by the inclusion of Medidata offset in part by lower revenues of 4% on an organic basis due to the impact of the global pandemic. (All growth rates at constant currencies.)
- IFRS software revenue increased 17%. Non-IFRS software revenue also increased 17%, reflecting non-IFRS recurring software revenue growth of 31% with the addition of Medidata and organic growth of 4%, while licenses and other software revenue decreased 22% (IFRS and non-IFRS). Non-IFRS recurring software revenue represented 83% of non-IFRS software revenue and totaled €2.41 billion. (All growth rates at constant currencies.)
- Services revenue decreased 2% (IFRS and non-IFRS), reflecting the addition of services from Medidata offset by a non-IFRS organic decrease of 17% related to COVID-19 disruptions to new business and to ongoing service engagements. (All growth rates in constant currencies.)
- The Americas represented 39% (31% in YTD 2019) of total non-IFRS software revenue, Europe 36% (41% in YTD 2019) and Asia 26% (28% in YTD 2019). In the Americas, non-IFRS software revenue increased 45% led by North America. In Europe, non-IFRS software revenue increased 3% with the largest geos, Central Europe, Western Europe and Northern Europe, demonstrating resiliency. In Asia, non-IFRS software revenue increased 6% led by China and Asia Pacific South.

9 Months Operating Review

- IFRS operating income totaled €386.4 million. On a non-IFRS basis, operating income increased 2% to €911.2 million. The non-IFRS operating margin was 28.1% compared to 31.3% in the year-ago period, and principally reflected acquisition dilution of about 170 basis points and an estimated 150 basis points impact of the COVID-19 pandemic on non-IFRS new licenses and non-IFRS services activities.

- The IFRS effective tax rate was 23.7% (non-IFRS 25.1%) for the first nine months of 2020, compared to 28.6% (non-IFRS 28.4%) in the year-ago period. The principal drivers of the decrease in the effective tax rate include a favorable evolution in the geographic mix of taxable income and rates.
- IFRS diluted net income per share was €1.09. On a non-IFRS basis, diluted net income per share increased 4% to €2.55.

COO & CFO Commentary (revenue growth figures in constant currency)

Pascal Daloz, Dassault Systèmes' Chief Operating Officer, & Chief Financial Officer, commented: "Thanks to the resiliency of our recurring software revenue in combination with our savings plan, we are well positioned to achieve our objective of growing non-IFRS earnings per share for 2020. We are therefore reaffirming our 2020 non-IFRS earnings per share objective range, at €3.70 to €3.75, representing growth of approximately 3% to 5% in constant currency.

"The third quarter revealed several important factors from a top-line perspective. First, we saw an important recovery in our Mainstream Innovation market where SOLIDWORKS is the world leader, with non-IFRS software revenue up 10%. While these transaction sizes are small in amount, the global coverage of the market by SOLIDWORKS resellers makes them significant taken together. Secondly, 3DEXPERIENCE platform non-IFRS software revenue grew 6% and represented 28% of the related non-IFRS software revenue in the third quarter, resuming growth. Third, in Life Sciences, Medidata delivered a third quarter with double-digit non-IFRS revenue growth. Importantly, it had a record booking performance resulting in accelerating backlog growth and increasing its visibility for 2021. Finally, while the global pandemic and second waves are extending the expected recovery timelines, the expansion of our savings program has enabled us to absorb these variations.

"Demonstrating strong operational management globally, our third quarter non-IFRS operating margin of 28.2% came in 190 basis points above the mid-point of our guidance, more than compensating lower services activity as well as currency headwinds. In addition, our organic non-IFRS operating margin was stable year-over-year. Non-IFRS earnings per share of 80 cents came in at the high end of our guidance, delivering year over year growth of 3% or 8% excluding currency effects."

Financial Objectives Framework for the Fourth Quarter and 2020 Full Year

The Group has set the following framework as the basis for its fourth quarter and full year financial objectives. Key framework assumptions and targeted growth rates, initially outlined in April 2020, are confirmed or refined as follows:

- A significant deceleration in global GDP for the full year 2020 compared to 2019, and restrictions in a number of industries based upon current governmental plans in the Americas, Europe and Asia, leading to non-IFRS licenses and other software revenue to decrease year over year by approximately -20% to -19% in constant currencies for FY 2020 (July perspectives of -18% to -16%), anticipating in the fourth quarter a trend equivalent to the third quarter's;

- Non-IFRS recurring software revenue to maintain a strong resilience, while reflecting lower new licenses activity and some increased attrition, leading to growth of recurring revenue in the range of 26% to 27% (unchanged compared to July perspectives) in constant currencies for FY 2020;
- Services non-IFRS revenue should be lower in 2020 by -9% and -8% (July perspectives of -2% to +1%), to reflect Services volatility;
- We reflect a lower US dollar in our fourth quarter perspectives, from 1.15 to 1.18, hence a negative impact of about €15 million on our non-IFRS revenue;
- Cost savings targeting to achieve a non-IFRS operating margin in the range of 29.8% to 30.0% for FY 2020 (from July 29.3% to 29.4%);
- Non-IFRS effective tax rate of about 25.2% for FY 2020.

Dassault Systèmes' full year 2020 financial objectives presented below are given on a non-IFRS basis and reflect the principal 2020 currency exchange rate assumptions below for the US dollar and Japanese yen as well as the potential impact from additional non-Euro currencies:

	Q4 2020 Framework	FY 2020 Framework
Total non-IFRS Revenue	€1.19 to €1.22 billion	€4.44 to €4.46 billion
Growth in Constant Currencies	+2% to +4%	+11% to +12%
Non-IFRS operating Margin	34.6% to 35.2%	29.8% to 30.0%
Non-IFRS EPS	€1.15 to €1.20	€3.70 to €3.75
Non-IFRS EPS Growth	-4% to 0%	+1% to +3%
<i>US dollar</i>	<i>\$1.18 per Euro</i>	<i>\$1.14 per Euro</i>
<i>Japanese yen (before hedging)</i>	<i>JPY 125.0 per Euro</i>	<i>JPY 122.1 per Euro</i>

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

The 2020 non-IFRS financial objectives framework set forth above do not take into account the following accounting elements below and are estimated based upon the 2020 principal currency exchange rates above: contract liabilities write-downs estimated at approximately €13 million; share-based compensation expenses, including related social charges, estimated at approximately €210 million; and amortization of acquired intangibles and of tangibles reevaluation, estimated at approximately €396 million, largely impacted by the acquisition of Medidata; and lease incentives of acquired companies at approximately €3 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 stock option or share grants, or any new acquisitions or restructuring completed after September 30, 2020.

Cash Flow and Balance Sheet Information

For the 2020 nine-month period, the Group's principal sources of liquidity were cash from operations aggregating €1.0 billion as well as cash for stock options exercised of €76.0 million. During the 2020 nine-month period, cash from operations was used principally to distribute cash dividends of €182.5 million;

capital expenditures, net of €104.7 million; repurchase of shares of €103.7 million related to its stock options and share grant programs and payment for lease obligations of €69.4 million.

Dassault Systèmes' net financial position totaled €(2.1) billion at September 30, 2020, reflecting cash, cash equivalents and short-term investments of €2.5 billion and debt related to borrowings of €4.6 billion, compared to a net financial position totaling €(2.7) billion at December 31, 2019.

Summary of Recent Business, Technology and Customer Announcements

On October 14, 2020, Medidata announced the availability of myMedidata LIVE, a new feature on the myMedidata patient platform. myMedidata LIVE is a web-based, live video conferencing capability connecting patients virtually with their clinical trial study staff. Built on the industry's leading Rave EDC (electronic data capture) platform already in use at more clinical research sites globally than any other system, myMedidata LIVE gives researchers and patients a way to engage in remote site visits within the platform of site and patient-facing technologies they are already using on the study.

On September 30, 2020, Dassault Systèmes announced that the company-wide rollout of the 3DEXPERIENCE platform at Ericsson, one of the world's leading providers of information and communication technology, had been started. The start of the rollout marks the next step in Dassault Systèmes' long-term relationship with Ericsson, which enables Ericsson's digital transformation in its product management and research and development workflows.

On September 29, 2020, Dassault Systèmes unveiled 3DEXPERIENCE Edu, its new ambition to help students and professionals thrive in the workplace with in-demand industry skills for sustainable innovation. With 3DEXPERIENCE Edu, Dassault Systèmes will drive its key role in building the workforce of the future by opening up new possibilities on the 3DEXPERIENCE platform for lifelong learning and for connecting academic institutions with industry to foster employability.

On September 23, 2020, Dassault Systèmes announced it had joined the Global Enabling Sustainability Initiative (GESI), a global organization focused on enabling digital sustainability. Becoming a member of GeSI means that Dassault Systèmes is adding its name to a growing number of major information, communication, and technology (ICT) companies and organizations from around the world that are seeking to enable social and environmental sustainability through technology.

On September 22, 2020, Dassault Systèmes announced that GEA, one of the world's largest technology suppliers for food processing and a wide range of other industries, used SIMULIA applications powered by the 3DEXPERIENCE platform to simulate airflow at its Oelde, Germany employee cafeteria, which has been closed since March 2020 due to the COVID-19 pandemic, and to gain insights on how to safely reopen it for 1,900 employees.

Today's Webcast and Conference Call Information

Today, Thursday, October 22, 2020, Dassault Systèmes will host a webcasted presentation at 9:00 London Time/ 10:00 AM Paris time and will then host a conference call at 9:00 AM New York time / 3:00 PM Paris time / 2:00 PM London time. The webcasted presentation and conference call will be available online by accessing www.3ds.com/investors/.

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

Key Investor Relations Events

Capital Market Day: November 17, 2020

Fourth Quarter 2020 Earnings Release: February 4, 2021

Forward-looking Information

Statements herein that are not historical facts but express expectations or objectives for the future, including but not limited to statements regarding the Group's non-IFRS financial performance objectives or framework, are forward-looking statements. Such forward-looking statements are based on Dassault Systèmes management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results or performances may differ materially from those in such statements due to a range of factors.

The Group's current framework for 2020 takes into consideration, among other things, an uncertain global economic environment. In light of the uncertainties regarding economic, business, social, health and geopolitical conditions at the global level, Dassault Systèmes' revenue, net earnings and cash flows may grow more slowly, whether on an annual or quarterly basis, mainly due to the following factors:

- the deployment of Dassault Systèmes' solutions may represent a large portion of a customer's investments in software technology. Decisions to make such an investment are impacted by the economic environment in which the customers operate. Uncertain global geopolitical, economic and health conditions and the lack of visibility or the lack of financial resources may cause some customers, e.g. within automotive, aerospace or natural resources industries, to reduce, postpone or terminate their investments, or to reduce or not renew ongoing paid maintenance for their installed base, which impact larger customers' revenue with their respective sub-contractors; the sales cycle of Dassault Systèmes' products – already relatively long due to the strategic nature of such investments for customers – could further lengthen; and
- the political, economic and monetary situation in certain geographic regions where Dassault Systèmes operates could become more volatile and, for example, result in stricter export compliance rules or the modification of current tariff regimes;
- health conditions in some geographic areas where Dassault Systèmes operates will impact the economic situation of those regions. Specifically, it is not possible to predict the impact, length and scope of damages originating from the COVID-19 pandemic as of issuance date of this document. Health conditions, including the COVID-19 pandemic, may present risks for health and ability to travel for Dassault Systèmes employees; and
- continued pressure or volatility on raw materials and energy prices could also slow down Dassault Systèmes' diversification efforts in new industries.

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 Group's business results.

The economic context (as notably caused by the COVID-19 pandemic crisis) may also adversely impact the financial situation or financing 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 due to cash flow and profitability issues. Dassault Systèmes' ability to collect outstanding receivables may be affected. In addition, the economic environment could generate increased price pressure, as customers seek lower prices from various competitors, which could negatively impact Dassault Systèmes' revenue, financial performance and market position.

The Group's actual results or performance may also be materially negatively affected by numerous risks and uncertainties, as described in the "Risk Factors" section of the 2019 Document d'enregistrement universel (Annual Report) filed with the AMF (French Financial Markets Authority) on March 19, 2020, available on the Group's website www.3ds.com.

In preparing such forward-looking statements, the Group has in particular assumed an average US dollar to euro exchange rate of US\$1.14 per €1.00 as well as an average Japanese yen to euro exchange rate of JPY122.1 to €1.00 before hedging for the full year 2020. However, currency values fluctuate, and the Group's results of operations may be significantly affected by changes in exchange rates.

Non-IFRS Financial Information

Readers are cautioned that the supplemental non-IFRS information presented in this press release is subject to inherent limitations. This information is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. In addition, the Group's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies. Further specific limitations for individual non-IFRS measures, and the reasons for presenting non-IFRS financial information, are set forth in the Group's 2019 Document d'enregistrement universel (Annual Report) filed with the AMF on March 19, 2020.

In the tables accompanying this 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.

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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 experience twins’ of the real world with our **3DEXPERIENCE** platform and applications, our customers push the boundaries of innovation, learning and production.

Dassault Systèmes’ 20,000 employees are bringing value to more than 270,000 customers of all sizes, in all industries, in more than 140 countries. For more information, visit www.3ds.com

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Dassault Systèmes Investor Relations’ Contacts

Corporate	François-José Bordonado Béatrix Martinez	investors@3ds.com	+33.1.61.62.69.24
United States and Canada	Michele Katz	michele.katz@3ds.com	
FTI Consulting	Jamie Ricketts Arnaud de Cheffontaines		+44.20.3727.1000 +33.1.47.03.69.48

Dassault Systèmes Press Contacts

Corporate / France	Arnaud MALHERBE	arnaud.malherbe@3ds.com	+33 (0)1 61 62 87 73
North America	Suzanne MORAN	suzanne.moran@3ds.com	+1 (781) 810 3774
EMEAR	Virginie BLINDENBERG	virginie.blindenber@3ds.com	+33 (0) 1 61 62 84 21
China	Grace MU	grace.mu@3ds.com	+86 10 6536 2288
India	Santanu BHATTACHARYA	santanu.bhattacharya@3ds.com	+91 124 457 7111
Japan	Yukiko SATO	yukiko.sato@3ds.com	+81 3 4321 3841
Korea	Hyunkyung CHAE	hyunkyung.chae@3ds.com	+82 2 3271 6653
AP South	Pallavi MISRA	pallavi.misra@3ds.com	+65 9437 0714

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

Condensed consolidated statements of income

Condensed consolidated balance sheets

Condensed consolidated cash flow statements

IFRS – non-IFRS reconciliation

DASSAULT SYSTEMES - Glossary of Definitions

Information in Constant Currencies

We have followed a long-standing policy of measuring our revenue performance and setting our revenue objectives exclusive of currency in order to measure in a transparent manner the underlying level of improvement in our total revenue and software revenue by type, industry, region and product lines. We believe it is helpful to evaluate our growth exclusive of currency impacts, particularly to help understand revenue trends in our business. Therefore, we provide percentage increases or decreases in our revenue and EPS (in both IFRS as well as non-IFRS) to eliminate the effect of changes in currency values, particularly the U.S. dollar and the Japanese yen, relative to the euro. When trend information is expressed by us "in constant currencies", the results of the "prior" period have first been recalculated using the average exchange rates of the comparable period in the current year, and then compared with the results of the comparable period in the current year.

While constant currency calculations are not considered to be an IFRS measure, we do believe these measures are critical to understanding our global revenue results and to compare with many of our competitors who report their financial results in U.S. dollars. Therefore, we are including this calculation for comparing IFRS revenue figures for comparable periods as well as for comparing non-IFRS revenue figures for comparable periods. All constant currency information is provided on an approximate basis. Unless otherwise indicated, the impact of exchange rate fluctuations is approximately the same for both the Group's IFRS and supplemental non-IFRS financial data.

Information on Growth excluding acquisitions ("organic growth")

In addition to discussing total growth, we also provide financial information where we discuss growth excluding acquisitions or growth on an organic basis as used alternatively. In both cases, growth excluding acquisitions have been calculated using the following restatements of the scope of consolidation: for entities entering the consolidation scope in the current year, subtracting the contribution of the acquisition from the aggregates of the current year, and for entities entering the consolidation scope in the previous year, subtracting the contribution of the acquisition from January 1st of the current year, until the last day of the month of the current year when the acquisition was made the previous year.

Information on Industrial Sectors

Dassault Systèmes' Industries develop Solution Experiences, industry-focused offerings that deliver specific value to companies and users in a particular industry. We serve eleven industries structured into three sectors: Manufacturing Industries (Transportation & Mobility; Aerospace & Defense; Marine & Offshore; Industrial Equipment; High-Tech; Home & Lifestyle; Consumer Packaged Goods & Retail and a portion of Business Services); Life Sciences & Healthcare (Life Sciences); and Infrastructure & Cities (Energy & Materials; Construction, Cities and Territories; Business Services).

Information on Product Lines

Commencing with the first quarter of 2020 and as previously disclosed, we have introduced a new presentation of our product lines to reflect our broader ambitions. Our new product line financial reporting includes: 1) Industrial Innovation software revenue, comprised of our CATIA, ENOVIA, SIMULIA, DELMIA, GEOVIA, NETVIBES/EXALEAD, and 3DEXCITE brands; 2) Life Sciences software revenue,

comprised of our MEDIDATA and BIOVIA brands; and 3) *Mainstream Innovation* software revenue, comprised of our SOLIDWORKS brand as well as CENTRIC PLM, 3DVIA and our new 3DEXPERIENCE WORKS family.

3DEXPERIENCE Licenses and Software Contribution

To measure the progressive penetration of 3DEXPERIENCE software, we utilize the following ratios: a) for Licenses revenue, we calculate the percentage contribution by comparing total 3DEXPERIENCE Licenses revenue to Licenses revenue for all product lines except SOLIDWORKS and acquisitions (“related Licenses revenue”); and, b) for software revenue, the Group calculates the percentage contribution by comparing total 3DEXPERIENCE software revenue to software revenue for all product lines except SOLIDWORKS and acquisitions (“related software revenue”).

DASSAULT SYSTEMES
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' deferred revenue, share-based compensation expense and 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 impairment of goodwill and acquired intangible assets, certain one-time financial revenue items 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				Nine months ended			
	September 30, 2020	September 30, 2019	Change	Change in constant currencies	September 30, 2020	September 30, 2019	Change	Change in constant currencies
Revenue	€ 1,030.2	€ 914.0	13%	17%	€ 3,245.2	€ 2,843.4	14%	15%
Revenue breakdown by activity								
Software revenue	934.9	797.5	17%	22%	2,918.3	2,508.0	16%	17%
<i>Of which licenses and other software revenue</i>	167.0	196.4	(15)%	(11)%	508.5	658.1	(23)%	(22)%
<i>Of which subscription and support revenue</i>	767.9	601.1	28%	32%	2,409.8	1,849.9	30%	31%
Services revenue	95.4	116.5	(18)%	(15)%	326.8	335.3	(3)%	(2)%
Software revenue breakdown by product line								
Industrial Innovation	513.9	540.5	(5)%	(2)%	1,664.7	1,742.8	(4)%	(4)%
<i>Of which CATIA</i>	249.2	257.0	(3)%	(1)%	771.8	807.6	(4)%	(4)%
<i>Of which ENOVIA ⁽¹⁾</i>	82.2	82.2	0%	4%	246.3	264.6	(7)%	(7)%
Life Sciences ⁽²⁾	190.1	33.2	472%	498%	578.9	103.0	462%	462%
Mainstream Innovation	230.8	223.7	3%	9%	674.8	662.3	2%	2%
<i>Of which SOLIDWORKS</i>	205.5	196.1	5%	10%	605.5	590.3	3%	3%
Revenue breakdown by geography								
Americas	394.4	306.1	29%	36%	1,262.1	915.8	38%	38%
Europe	380.4	360.6	5%	7%	1,179.8	1,164.8	1%	2%
Asia	255.4	247.3	3%	7%	803.3	762.8	5%	6%
Operating income	€ 290.9	€ 276.9	5%		€ 911.2	€ 889.6	2%	
Operating margin	28.2%	30.3%			28.1%	31.3%		
Net income attributable to shareholders	€ 210.3	€ 202.5	4%		€ 671.7	€ 643.0	4%	
Diluted net income per share	€ 0.80	€ 0.78	3%	8%	€ 2.55	€ 2.46	4%	4%
Closing headcount	21,557	18,019	20%		21,557	18,019	20%	
Average Rate USD per Euro	1.17	1.11	5%		1.13	1.12	1%	
Average Rate JPY per Euro	124.05	119.32	4%		120.91	122.57	(1)%	

⁽¹⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management (Q3 2019: €2.6m; YTD 2019: €9.6m)

⁽²⁾ Including ENOVIA Life Sciences Compliance and Quality Management (Q3 2019: €2.6m; YTD 2019: €9.6m)

DASSAULT SYSTEMES
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
	September 30, 2020	September 30, 2019	Change			
Revenue QTD	1,030.2	914.0	116.3	(29.3)	178.0	(32.5)
Revenue YTD	3,245.2	2,843.4	401.8	(120.4)	533.6	(11.4)

DASSAULT SYSTEMES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (IFRS)
(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		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Licenses and other software revenue	167.0	196.4	508.5	658.1
Subscription and Support revenue	767.3	602.1	2,398.8	1,843.1
Software revenue	934.3	798.5	2,907.3	2,501.2
Services revenue	95.3	116.3	325.7	333.9
Total Revenue	€ 1,029.6	€ 914.8	€ 3,233.0	€ 2,835.1
Cost of software revenue ⁽¹⁾	(96.3)	(42.2)	(249.1)	(131.9)
Cost of services	(88.7)	(101.3)	(316.6)	(307.6)
Research and development	(230.1)	(170.5)	(703.7)	(527.7)
Marketing and sales	(294.1)	(283.8)	(941.4)	(875.5)
General and administrative	(85.9)	(69.2)	(284.3)	(221.5)
Amortization of acquired intangible assets and of tangible assets revaluation	(92.8)	(51.1)	(302.7)	(152.2)
Other operating income and expense, net	(17.0)	(4.4)	(48.9)	(28.4)
Total Operating Expenses	(904.9)	(722.5)	(2,846.6)	(2,244.8)
Operating Income	€ 124.7	€ 192.3	€ 386.4	€ 590.3
Financial income (loss), net	(5.9)	1.4	(18.9)	6.7
Income before income taxes	€ 118.8	€ 193.7	€ 367.4	€ 597.0
Income tax expense	(27.7)	(56.8)	(87.1)	(170.8)
Net Income	€ 91.0	€ 136.9	€ 280.3	€ 426.2
Non-controlling interest	0.9	0.5	6.9	6.2
Net Income attributable to equity holders of the parent	€ 91.9	€ 137.4	€ 287.3	€ 432.3
Basic net income per share	0.35	0.53	1.10	1.67
Diluted net income per share	€ 0.35	€ 0.53	€ 1.09	€ 1.66
Basic weighted average shares outstanding (in millions)	261.1	260.0	260.3	259.4
Diluted weighted average shares outstanding (in millions)	263.2	261.1	263.0	260.9

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

IFRS reported	Three months ended September 30, 2020		Nine months ended September 30, 2020	
	Change ⁽⁴⁾	Change in constant currencies	Change ⁽⁴⁾	Change in constant currencies
Revenue	13%	17%	14%	14%
Revenue by activity				
Software revenue	17%	21%	16%	17%
Services revenue	(18)%	(15)%	(2)%	(2)%
Software Revenue by product line				
Industrial Innovation	(5)%	(2)%	(5)%	(4)%
<i>Of which CATIA</i>	(3)%	(1)%	(5)%	(4)%
<i>Of which ENOVIA ⁽²⁾</i>	0%	4%	(7)%	(7)%
Life Sciences ⁽³⁾	471%	497%	456%	455%
Mainstream Innovation	3%	8%	3%	3%
<i>Of which SOLIDWORKS</i>	5%	10%	3%	3%
Revenue by geography				
Americas	28%	36%	38%	38%
Europe	5%	7%	1%	2%
Asia	3%	7%	5%	6%

⁽²⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management (Q3 2019: €2.6m; YTD 2019: €9.6m)

⁽³⁾ Including ENOVIA Life Sciences Compliance and Quality Management (Q3 2019: €2.6m; YTD 2019: €9.6m)

⁽⁴⁾ Variation compared to the same period in the prior year

DASSAULT SYSTEMES
CONDENSED CONSOLIDATED BALANCE SHEETS (IFRS)
(unaudited; in millions of Euros)

In millions of Euros	IFRS reported	
	September 30, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	2,506.1	1,944.9
Accounts receivable, net	892.9	1,319.2
Contract assets	38.9	26.9
Other current assets	294.7	378.0
Total current assets	3,732.6	3,669.0
Property and equipment, net	886.4	899.7
Goodwill and Intangible assets, net	8,337.1	8,917.0
Other non-current assets	415.0	386.9
Total non-current assets	9,638.5	10,203.7
Total Assets	€ 13,371.0	€ 13,872.6
LIABILITIES AND EQUITY		
Accounts payable	144.6	220.0
Contract liabilities	1,038.9	1,093.5
Borrowings, current	13.3	4.4
Other current liabilities	661.4	816.0
Total current liabilities	1,858.3	2,133.8
Borrowings, non-current	4,580.4	4,596.8
Other non-current liabilities	1,727.0	1,879.4
Total non-current liabilities	6,307.4	6,476.2
Non-controlling interests	45.4	53.9
Parent shareholders' equity	5,159.9	5,208.7
Total Liabilities and equity	€ 13,371.0	€ 13,872.6

DASSAULT SYSTEMES
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (IFRS)
(unaudited; in millions of Euros)

In millions of Euros	IFRS reported					
	Three months ended			Nine months ended		
	September 30, 2020	September 30, 2019	Change	September 30, 2020	September 30, 2019	Change
Net income attributable to equity holders of the parent	91.9	137.4	(45.5)	287.3	432.3	(145.0)
Non-controlling interest	(0.9)	(0.5)	(0.3)	(6.9)	(6.2)	(0.8)
Net income	91.0	136.9	(45.9)	280.3	426.2	(145.8)
Depreciation of property and equipment	43.8	33.6	10.1	135.5	98.9	36.6
Amortization of intangible assets	96.1	53.4	42.7	312.3	158.9	153.4
Adjustments for other non-cash items	33.5	27.6	5.9	103.4	74.9	28.5
Changes in working capital	(116.1)	(141.5)	25.4	171.8	244.8	(73.0)
Net Cash Provided by (Used in) Operating Activities	€ 148.3	€ 110.1	€ 38.2	€ 1,003.3	€ 1,003.7	€ (0.3)
Additions to property, equipment and intangibles	(17.3)	(28.5)	11.2	(104.7)	(76.7)	(28.1)
Purchases of short-term investments	-	(0.2)	0.2	-	(0.2)	0.2
Payment for acquisition of businesses, net of cash acquired	(0.6)	4.1	(4.6)	(20.0)	(398.7)	378.7
Other	0.1	2.8	(2.7)	2.5	(14.3)	16.8
Net Cash Provided by (Used in) Investing Activities	€ (17.8)	€ (21.7)	€ 3.8	€ (122.2)	€ (489.8)	€ 367.6
Proceeds from exercise of stock options	28.7	26.9	1.8	76.0	72.9	3.1
Cash dividends paid	-	-	-	(182.5)	(168.8)	(13.7)
Repurchase and sale of treasury stock	1.0	(44.5)	45.5	(103.7)	(35.3)	(68.3)
Proceeds from borrowings	10.4	3,652.0	(3,641.6)	12.2	3,652.0	(3,639.8)
Repayment of borrowings	(0.1)	(1,000.0)	999.9	(0.1)	(1,000.9)	1,000.8
Repayment of lease liabilities	(22.0)	(19.3)	(2.7)	(69.4)	(56.6)	(12.7)
Net Cash Provided by (Used in) Financing Activities	€ 18.0	€ 2,615.1	€ (2,597.2)	€ (267.4)	€ 2,463.3	€ (2,730.7)
Effect of exchange rate changes on cash and cash equivalents	(42.0)	59.4	(101.4)	(52.5)	69.1	(121.7)
Increase (decrease) in cash and cash equivalents	€ 106.4	€ 2,762.8	€ (2,656.4)	€ 561.2	€ 3,046.3	€ (2,485.1)
Cash and cash equivalents at beginning of period	€ 2,399.7	€ 3,092.8		€ 1,944.9	€ 2,809.3	
Cash and cash equivalents at end of period	€ 2,506.1	€ 5,855.6		€ 2,506.1	€ 5,855.6	

DASSAULT SYSTEMES
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, 2019 filed with the AMF on March 19, 2020. 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 September 30,						Change	
	2020 IFRS	Adjustment ⁽¹⁾	2020 Non-IFRS	2019 IFRS	Adjustment ⁽¹⁾	2019 Non-IFRS	IFRS	Non-IFRS ⁽⁴⁾
Total Revenue	€ 1,029.6	€ 0.6	€ 1,030.2	€ 914.8	€ (0.8)	€ 914.0	13%	13%
Total Revenue breakdown by activity								
Software revenue	934.3	0.5	934.9	798.5	(1.0)	797.5	17%	17%
Licenses and other software revenue	167.0		167.0	196.4		196.4	(15)%	(15)%
Subscription and Support revenue	767.3	0.5	767.9	602.1	(1.0)	601.1	27%	28%
<i>Recurring portion of Software revenue</i>	82%		82%	75%		75%		
Services revenue	95.3	0.1	95.4	116.3	0.2	116.5	(18)%	(18)%
Total Software Revenue breakdown by product line								
Industrial Innovation	513.9		513.9	540.5		540.5	(5)%	(5)%
<i>Of which CATIA</i>	249.2		249.2	257.0		257.0	(3)%	(3)%
<i>Of which ENOVIA⁽²⁾</i>	82.2		82.2	82.2		82.2	0%	0%
Life Sciences ⁽³⁾	189.8	0.4	190.1	33.2		33.2	471%	472%
Mainstream Innovation	230.7	0.1	230.8	224.8	(1.0)	223.7	3%	3%
<i>Of which SOLIDWORKS</i>	205.5		205.5	196.1		196.1	5%	5%
Total Revenue breakdown by geography								
Americas	393.9	0.5	394.4	306.7	(0.6)	306.1	28%	29%
Europe	380.3	0.1	380.4	360.8	(0.2)	360.6	5%	5%
Asia	255.4		255.4	247.3		247.3	3%	3%
Total Operating Expenses	€ (904.9)	€ 165.6	€ (739.3)	€ (722.5)	€ 85.5	€ (637.0)	25%	16%
Share-based compensation expense and related social charges	(55.1)	55.1	-	(30.0)	30.0	-		
Amortization of acquired intangible assets and of tangible assets revaluation	(92.8)	92.8	-	(51.1)	51.1	-		
Lease incentives of acquired companies	(0.7)	0.7	-	-	-	-		
Other operating income and expense, net	(17.0)	17.0	-	(4.4)	4.4	-		
Operating Income	€ 124.7	€ 166.2	€ 290.9	€ 192.3	€ 84.6	€ 276.9	(35)%	5%
Operating Margin	12.1%		28.2%	21.0%		30.3%		
Financial income (loss), net	(5.9)	0.2	(5.7)	1.4	0.9	2.3	(519)%	(347)%
Income tax expense	(27.7)	(46.6)	(74.3)	(56.8)	(19.4)	(76.2)	(51)%	(2)%
Non-controlling interest	0.9	(1.4)	(0.5)	0.5	(1.1)	(0.5)	57%	(5)%
Net Income attributable to shareholders	€ 91.9	€ 118.4	€ 210.3	€ 137.4	€ 65.1	€ 202.5	(33)%	4%
Diluted Net Income Per Share⁽⁵⁾	€ 0.35	€ 0.45	€ 0.80	€ 0.53	€ 0.25	€ 0.78	(34)%	3%

⁽¹⁾ In the reconciliation schedule above, (i) all adjustments to IFRS revenue data reflect the exclusion of the deferred revenue adjustment of acquired companies; (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 and related social charges, and lease incentives of acquired companies, as detailed below, and other operating income and expense, net including impairment of goodwill and acquired intangible assets (iii) adjustments to IFRS financial revenue and other, net reflect the exclusion of certain one-time items included in financial revenue and other, net, and (iv) all adjustments to IFRS income data reflect the combined effect of these adjustments, plus with respect to net income and diluted net income 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 September 30,							Change		
	2020 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2020 Non-IFRS	2019 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2019 Non-IFRS	IFRS	Non-IFRS
Cost of revenue	(185.0)	3.6	0.2	(181.2)	(143.5)	1.5	-	(142.0)	29%	28%
Research and development	(230.1)	19.9	0.3	(209.9)	(170.5)	13.2	-	(157.3)	35%	33%
Marketing and sales	(294.1)	16.4	0.1	(277.6)	(283.8)	9.9	-	(273.9)	4%	1%
General and administrative	(85.9)	15.2	0.1	(70.7)	(69.2)	5.3	-	(63.9)	24%	11%
Total		€ 55.1	€ 0.7			€ 30.0	€ -			

⁽²⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management (Q3 2019: €2.6m).

⁽³⁾ Including ENOVIA Life Sciences Compliance and Quality Management (Q3 2019: €2.6m).

⁽⁴⁾ 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.

⁽⁵⁾ Based on a weighted average 263.2 million diluted shares for Q3 2020 and 261.1 million diluted shares for Q3 2019.

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

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

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In millions of Euros, except per share data and percentages	Nine months ended September 30,						Change	
	2020 IFRS	Adjustment ⁽¹⁾	2020 Non-IFRS	2019 IFRS	Adjustment ⁽¹⁾	2019 Non-IFRS	IFRS	Non-IFRS ⁽⁴⁾
Total Revenue	€ 3,233.0	€ 12.2	€ 3,245.2	€ 2,835.1	€ 8.3	€ 2,843.4	14%	14%
Total Revenue breakdown by activity								
Software revenue	2,907.3	11.0	2,918.3	2,501.2	6.8	2,508.0	16%	16%
Licenses and other software revenue	508.5		508.5	658.1		658.1	(23)%	(23)%
Subscription and Support revenue	2,398.8	11.0	2,409.8	1,843.1	6.8	1,849.9	30%	30%
<i>Recurring portion of Software revenue</i>	<i>83%</i>		<i>83%</i>	<i>74%</i>		<i>74%</i>		
Services revenue	325.7	1.2	326.8	333.9	1.5	335.3	(2)%	(3)%
Total Software Revenue breakdown by product line								
Industrial Innovation	1,663.9	0.8	1,664.7	1,742.8		1,742.8	(5)%	(4)%
<i>Of which CATIA</i>	<i>771.0</i>	<i>0.8</i>	<i>771.8</i>	<i>807.6</i>		<i>807.6</i>	<i>(5)%</i>	<i>(4)%</i>
<i>Of which ENOVIA ⁽²⁾</i>	<i>246.3</i>		<i>246.3</i>	<i>264.6</i>		<i>264.6</i>	<i>(7)%</i>	<i>(7)%</i>
Life Sciences ⁽³⁾	569.2	9.7	578.9	102.5	0.5	103.0	456%	462%
Mainstream Innovation	674.2	0.5	674.8	656.0	6.3	662.3	3%	2%
<i>Of which SOLIDWORKS</i>	<i>605.5</i>		<i>605.5</i>	<i>590.3</i>		<i>590.3</i>	<i>3%</i>	<i>3%</i>
Total Revenue breakdown by geography								
Americas	1,250.7	11.5	1,262.1	909.3	6.5	915.8	38%	38%
Europe	1,179.4	0.4	1,179.8	1,163.0	1.8	1,164.8	1%	1%
Asia	802.9	0.4	803.3	762.8		762.8	5%	5%
Total Operating Expenses	€ (2,846.6)	€ 512.7	€ (2,333.9)	€ (2,244.8)	€ 291.1	€ (1,953.8)	27%	19%
Share-based compensation expense and related social charges	(158.9)	158.9	-	(110.5)	110.5	-		
Amortization of acquired intangible assets and of tangible assets revaluation	(302.7)	302.7	-	(152.2)	152.2	-		
Lease incentives of acquired companies	(2.2)	2.2	-	-	-	-		
Other operating income and expense, net	(48.9)	48.9	-	(28.4)	28.4	-		
Operating Income	€ 386.4	€ 524.9	€ 911.2	€ 590.3	€ 299.3	€ 889.6	(35)%	2%
Operating Margin	12.0%		28.1%	20.8%		31.3%		
Financial income (loss), net	(18.9)	0.7	(18.2)	6.7	(0.3)	6.5	(381)%	(382)%
Income tax expense	(87.1)	(137.3)	(224.4)	(170.8)	(83.9)	(254.7)	(49)%	(12)%
Non-controlling interest	6.9	(3.9)	3.0	6.2	(4.5)	1.7	13%	80%
Net Income attributable to shareholders	€ 287.3	€ 384.4	€ 671.7	€ 432.3	€ 210.7	€ 643.0	(34)%	4%
Diluted Net Income Per Share ⁽⁵⁾	€ 1.09	€ 1.46	€ 2.55	€ 1.66	€ 0.80	€ 2.46	(34)%	4%

⁽¹⁾ In the reconciliation schedule above, (i) all adjustments to IFRS revenue data reflect the exclusion of the deferred revenue adjustment of acquired companies; (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 and related social charges, and lease incentives of acquired companies, as detailed below, and other operating income and expense, net including impairment of goodwill and acquired intangible assets (iii) adjustments to IFRS financial revenue and other, net reflect the exclusion of certain one-time items included in financial revenue and other, net, and (iv) all adjustments to IFRS income data reflect the combined effect of these adjustments, plus with respect to net income and diluted net income per share, certain one-time tax effects and the income tax effect of the non-IFRS adjustments.

In millions of Euros, except percentages	Nine months ended September 30,							Change		
	2020 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2020 Non-IFRS	2019 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2019 Non-IFRS	IFRS	Non-IFRS
Cost of revenue	(565.7)	9.6	0.6	(555.4)	(439.6)	5.0	-	(434.5)	29%	28%
Research and development	(703.7)	56.6	1.0	(646.0)	(527.7)	48.1	-	(479.6)	33%	35%
Marketing and sales	(941.4)	46.6	0.3	(894.4)	(875.5)	33.0	-	(842.5)	8%	6%
General and administrative	(284.3)	46.0	0.3	(238.0)	(221.5)	24.4	-	(197.2)	28%	21%
Total		€ 158.9	€ 2.2			€ 110.5	€ -			

⁽²⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management (YTD 2019: €9.6m).

⁽³⁾ Including ENOVIA Life Sciences Compliance and Quality Management (YTD 2019: €9.6m).

⁽⁴⁾ 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.

⁽⁵⁾ Based on a weighted average 263.0 million diluted shares for YTD 2020 and 260.9 million diluted shares for YTD 2019.