



Paris, March 14, 2013

**ESI** is the leader and a pioneer in virtual prototyping solutions

#### Stock market information

Listed on compartment C of the NYSE Euronext Paris  
[ISIN FR 0004110310](#)

FTSE 977

Bloomberg ESI FP

Reuters ESIG.LN

Granted “*entreprise innovante*” (innovative company) certification on January 20, 2000 by OSEO, [ESI Group](#) is eligible for inclusion in FCPI (venture capital trusts dedicated to innovation)

#### Financial schedule

##### 2012/13 annual results:

**April 25, 2013**  
(after market)

#### Contacts

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[www.esi-group.com](http://www.esi-group.com)

#### Social media



## 2012/13 annual sales: +15.7% to 109.0 million euros

- **Dynamic organic growth and successful integration of acquisitions**
- **Substantial growth in Services associated with the need for methodological support**
- **Growth in activity in BRIC countries**

Alain de Rouvray, ESI Group's Chairman and CEO, comments: “*The solid growth recorded over this financial year has further strengthened ESI Group's leadership position in the virtual prototyping market, which has seen its rate of growth accelerate amongst key accounts where there is evident demand for technological breakthroughs and innovation. This trend explains the substantial growth in Services, particularly in sectors facing increasing competitive pressure and environmental constraints, where the technological and methodological added value of ESI's approach is a response to these essential challenges.*

*To be as close as possible to major industrial zones, the Group has successfully strengthened its presence to support the growth in BRIC countries, and notably in China and Russia.*

*The integration of our recent acquisitions is progressing well and we are maintaining our external growth strategy. However the unexpected slowdown observed in the United States in our fourth quarter and negative exchange rate expectations suggest caution in the beginning of the year.”*

## 4<sup>th</sup> quarter and annual sales

The Company's financial year runs to January 31

€ millions	Q4	Q4	Δ	Δ	2012/13	2011/12	Δ	Δ
	2012/13*	2011/12	(euros)	(cc**)			(euros)	(cc**)
<b>Licenses</b>	33.2	32.4	<b>+2.4%</b>	+2.3%	77.5	68.8	<b>+12.6%</b>	+9.6%
<b>Services</b>	9.2	7.6	<b>+20.7%</b>	+20.7%	31.5	25.4	<b>+24.1%</b>	+20.5%
<b>Total</b>	<b>42.4</b>	<b>40.0</b>	<b>+5.9%</b>	+5.8%	<b>109.0</b>	<b>94.2</b>	<b>+15.7%</b>	+12.6%

\*the 4<sup>th</sup> quarter of 2012/2013 includes activity recorded by OpenCFD, acquired on September 12, 2012

\*\*cc: constant currency

## Breakdown in sales by quarter

The Company's financial year runs to January 31 (unaudited data)

€ millions	2012/13				2011/12			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Licenses</b>	14.4	15.8	14.2	33.2	11.6	13.3	11.5	32.4
<b>Services</b>	6.8	7.8	7.7	9.2	5.7	6.0	6.1	7.6
<b>Total</b>	<b>21.2</b>	<b>23.5</b>	<b>21.9</b>	<b>42.4</b>	<b>17.3</b>	<b>19.3</b>	<b>17.6</b>	<b>40.0</b>

## 4<sup>th</sup> quarter sales

Sales for the 4<sup>th</sup> quarter of 2012/13 totalled 42.4 million euros, up +5.9% in actual terms compared with the same quarter of 2011/12. The seasonal effect inherent to ESI Group's activity over the period remained very strong, despite a slight weakening in a quarter that accounted for 39% of annual sales, as opposed to 42.5% a year ago.

The scope over the 4<sup>th</sup> quarter of 2012/13 was similar to that of the 4<sup>th</sup> quarter of 2011/12, as sales associated with the integration of OpenCFD's activity were relatively insignificant over the period (€343k). The growth recorded over the 4<sup>th</sup> quarter can therefore be considered as essentially organic.

Licenses activity recorded sales of 33.2 million euros, an increase of +2.4% in actual terms when compared to the same period the previous year; a growth negatively impacted by patently difficult economic factors observed in the United States. The installed base grew by +3.9% to 30.9 million euros, giving a high repeat business rate of 84%, whilst New Business remained stable at 6.9 million euros.

Services activity maintained its high growth rate, with sales increasing by +20.7% in actual terms to 9.2 million euros. This growth was essentially achieved in Europe and Asia, United States remained stable due to budget issues, notably regarding governmental projects.

In the 4<sup>th</sup> quarter, total activity improved slightly in favour of Asia (28% vs. 27%) and Europe (51% vs. 50%) to the detriment of the Americas (21% vs. 23%).

### Annual sales

The Group's annual sales came to 109.0 million euros in 2012/13, an increase of +15.7% in actual terms and +12.6% at constant currency. Excluding acquisitions, annual sales would have totalled 106.0 million euros, giving an organic growth of +12.6%. The product mix moved towards Services, which represented 28.9% of annual sales (vs. 26.9% the previous year), whilst Licenses accounted for 71.1% of annual sales (vs. 73.1%).

Over 2012/13, Licenses sales totalled 77.5 million euros, up +12.6% in actual terms. This increase was notably the result of New Business, which totalled 17.0 million euros in 2012/13 compared with 15.9 million euros a year earlier; an increase of +6.6%. Growth was also driven by the substantial increase of +11.7% in the installed base to 61.2 million euros, giving a repeat business rate that remained high at 86.5% (vs. 87.4% in 2011/12).

Services sales recorded buoyant growth of +24.1% to 31.5 million euros, reflecting the growing demand for high value-added projects.

The geographical split in activity remained globally stable: Europe 43%, Asia 37% and the Americas 20%.

### 2012/13 highlights

Despite the economic difficulties observed in the United States in the 4<sup>th</sup> quarter, ESI Group has seen a further migration of manufacturing industry towards digital factories and engineering. The figures recorded over the 2012/2013 financial year again emphasise the acceleration in virtual prototyping in a growing number of industrial sectors; a phenomenon particularly noticeable in the sectors that are the most competitive and subject to major regulatory constraints.

- ***Successful integration of the Efield, IC.IDO and OpenCFD acquisitions***

The “VR” virtual reality activity resulting from the acquisition of IC.IDO in mid-2011 has seen buoyant growth following the investments carried out through the Group’s distribution network, notably in Asia.

The Group’s physical modelling activity has been strengthened by the acquisition of OpenCFD, which has enabled ESI Group to respond to the burgeoning demand in the virtual engineering market for ‘open source’ software by integrating the software and trademark of OpenFOAM®, leader in the field of computational fluid dynamics. This acquisition creates value for clients, who can benefit from ESI Group’s domain expertise and provides benefit to the Group by providing access to a vast global user base and excellent opportunities for developing and diversifying its sales.

- ***Progression and diversification of activity in industrial sectors***

The development of activity, notably in sectors such as the transportation sector that are affected by the economic situation, emphasises the “anti-crisis” aspect of ESI Group’s solutions. The need for methodological breakthroughs is also noticeable in the manufacturing industries where the Group is experiencing an increase in partnerships with major companies, including the partnership signed with EADS/Astrium in the field of Aeronautics in November 2012.

- ***Further buoyant growth in orders from key accounts***

Sales from our top twenty clients increased by +20%, compared to a +16% increase for revenue as a whole over the period. This analysis reveals a significant acceleration in the use of virtual prototyping solutions, especially amongst key players in the Automotive, Aeronautical and Energy sectors.

- ***Strengthening of ESI Group’s presence in BRIC countries***

The proportion of orders booked in BRIC emerging countries (Brazil, Russia, India, China) was 11.9% in 2012/13, compared with 11.5% in 2011/12. This further improvement is the result of the success in these new economies, where an aggressive innovation policy on top of competitive pricing has become a strategic priority. It is also the result of the decisions made to move closer to key industrial zones by, for example, opening an ESI office in Yekaterinburg in Russia in September 2012 and signing a Joint Venture framework agreement with aerospace manufacturer AVIC in China in November 2012.



#### About ESI

ESI is a pioneer and world-leading provider in Virtual Prototyping that takes into account the physics of materials. ESI boasts a unique know-how in Virtual Product Engineering, based on an integrated suite of coherent, industry-oriented applications. Addressing manufacturing industries, Virtual Product Engineering aims to replace physical prototypes by realistically simulating a product's behavior during testing, to fine-tune fabrication and assembly processes in accordance with desired product performance, and to evaluate the impact of product use under normal or accidental conditions. ESI's solutions fit into a single collaborative and open environment for End-to-End Virtual Prototyping. These solutions are delivered using the latest technologies, including immersive Virtual Reality, to bring products to life in 3D; helping customers make the right decisions throughout product development. The company employs about 900 high-level specialists worldwide covering more than 30 countries. ESI Group is listed in compartment C of NYSE Euronext Paris.

For further information, visit [www.esi-group.com](http://www.esi-group.com).

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