

Press Release
Rungis, France, October 28th, 2021

Third quarter and 9-month revenues 2021

ESI Group fully focused to improve growth and profitability

- **9-month revenues: + 3.3%, +5.6% at constant exchange rate (cer)**
- **9-month new business: +2.5% (+4.5% cer) at 7.8 m€**
- **9-month services: up to +9.8% (+11.7% cer) showing new investments of the industry after-Covid**
- **Unchanged guidance for FY21**

ESI Group, Paris, France, (ISIN Code: FR0004110310, Symbol: ESI), today releases its sales for the third quarter 2021 (period from July 1st to September 30th).

Cristel du Rouvray, Chief Executive Officer of ESI Group, comments: "End of Q3 sales confirm the diagnostic we presented earlier this month: ESI stands on strong differentiators that continue to sustain growth with the installed base, and a deep transformation of ESI's historic operating model is required to capture the full potential of the market. Upon announcing our "One ESI 2024- Focus to grow" plan, we immediately moved into the realm of a 2022 budget process reflecting a global approach to sales and focus on core business. We are sustaining the team's energy via active communication and coaching so that our entire leadership is focused on execution, critical to unlocking ESI's potential and value."

Revenues (€m)	2021	2020	Change	Change Constant exchange rate (cer)
Q3 - Licenses	17.9	17.0	+5.5%	+4.8%
Q3 – Services	6.3	4.9	+28.9%	+29.2%
Q3 - Total	24.2	21.8	+10.7%	+10.2%
9-month - Licenses	87.9	86.2	+2.0%	+4.4%
9-month – Services	18.1	16.5	+9.8%	+11.7%
9-month - Total	106.0	102.6	+3.3 %	+5.6%

Third quarter year-over-year comparison

In Q3 2021, ESI Group generated sales of €24.2m (+10.7%, +10.2% cer) driven by Licenses at €17.9m (+5.5 %, +4.8% cer) and in particular repeat business sales which grew by +16.9% (+15.2% cer). Services (26% sales) up to €6.3m driven by core service activities with strategic customers post COVID.

9-month, year-over-year comparison

ESI Group's sales for the first 9-months of 2021 amounted to €106.0m (+3.3%, +5.6% cer) compared to €102.6m for the same period last year. New business achieved €7.8m, up to 2.5%. The growth drivers during these 9 first months of 2021 were:

- the Automotive industry which continues to invest in simulation, accelerating its digitization.

- The EMEA region and the Americas' region which grew at the same pace in current rate, yet Americas recorded a double-digit growth at constant rates.

Illustrating the dynamic of ESI's performance in the Americas region, the Group highlighted, in a recent success story, its collaboration with Ford Motor Company aiming to implement a streamlined and zero-physical prototype approach to ensure safety, productivity and sustainability virtually. Click [here](#) to access the story.

The Repeat Business represented 77.9% of sales at €82.5m (+1.7 %, +4.0% cer). The increase of services was driven by EMEA at +16%.

9-month 2021 sales geographical breakdown by region splits was stable as follows: EMEA represents 49.4% (vs. 48.8%), Asia/Pacific represents 35.8% (vs. 36.6%) and the Americas represent 14.8% (vs. 14.6%).

Unchanged Forward-looking Statements

- FY21 Forward-looking statement

In millions, except. percentages	FY21 Range		FY20
H2	51.7	54.7	51.8
Growth	0%	6%	
Growth excl. forex	2%	8%	
FY	133.5	136.5	132.6
Growth	1%	3%	
Growth excl. forex	4%	6%	

- Long-term Forward-looking statement

At constant exchange rate	2022	2023	2024
Target revenue growth (adjusted for special projects¹)	4% - 6%	6% - 8%	7% - 9%
Target Adjusted EBIT² margin	10% - 12%	15% - 17%	20% - 22%

This release contains "forward-looking statements". These statements are subject to a number of risks and uncertainties, including those related to the COVID-19 virus and associated further economic and market disruptions; further adverse changes or fluctuations in the global economy; further adverse fluctuations in our industry, foreign exchange fluctuations, changes in the current global trade regulatory environment; fluctuations in customer demands and markets; fluctuations in demand for our products including orders from our large customers; cyber-attacks; expense overruns; and adverse effects of price changes or effective tax rates. The company directs readers to its Universal Registration Document – Chapter 3 presenting the risks associated with the company's future performance.

Upcoming events

- FY21 sales and results - February 28th, 2022

¹ For the 3-year plan, the growth of revenue excludes special projects

² Operational income – our EBIT – is adjusted for IFRS standard on leases, amortization of intangible assets related to acquisitions, stock-based compensation expense and restructuring charges

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About ESI Group

Founded in 1973, ESI Group envisions a world where Industry commits to bold outcomes, addressing high stakes concerns - environmental impact, safety & comfort for consumers and workers, adaptable and sustainable business models. ESI provides reliable and customized solutions anchored on predictive physics modeling and virtual prototyping expertise to allow industries to make the right decisions at the right time, while managing their complexity. Acting principally in automotive & land transportation, aerospace, defense & naval, energy and heavy industry, ESI is present in more than 20 countries, employs 1200 people around the world and reported 2020 sales of €132.6 million. ESI is headquartered in France and is listed on compartment B of Euronext Paris.

For further information, go to www.esi-group.com .



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