

## Dassault Systèmes: 3DEXPERIENCE Sustaining Diversification Dynamic; 2014-2019 plan to Double non IFRS EPS Overachieved

VÉLIZY-VILLACOUBLAY, France — February 6<sup>th</sup>, 2020 — [Dassault Systèmes](http://DassaultSystèmes.com) (Euronext Paris: #13065, DSY.PA) announces IFRS unaudited financial results for the 4<sup>th</sup> quarter and year ended December 31<sup>st</sup>, 2019. These results were reviewed by the Group’s Board of Directors on February 5<sup>th</sup>, 2020. This press release also includes financial information on a non-IFRS basis with reconciliations included in the Appendix to this communication. All IFRS and non-IFRS figures are presented in compliance with IFRS 15 and IFRS 16, which have been applied since January 1<sup>st</sup>, 2018 and January 1<sup>st</sup>, 2019, respectively.

### Q4 and Fiscal Year 2019 Highlights and Financial Summary (Unaudited, all revenue growth at constant currency)

- **Q4 & FY 2019: total revenue in line with guidance range**
- **Q4 non-IFRS basis: total revenue €1.21 billion, operating margin 33.6%, EPS €1.20**
- **FY non-IFRS basis: total revenue up 13% to €4.06 billion, EPS up 17% (13% at constant currency) to €3.65**
- **FY non-IFRS organic basis: recurring revenue up 8%, 200 basis points uplift over 2018\*\***
- **FY 3DEXPERIENCE non-IFRS software revenue up 22% for 2019**
- **FY Cash flow from operations up 32% to €1.19 billion**
- **Appointment of Pascal Daloz as Chief Operating Officer & Chief Financial Officer**
- **Initiating 2020 non-IFRS financial objectives: Non-IFRS total revenue growth of 21-23% at constant currency; non-IFRS EPS growth of 14-15% to €4.15 to €4.20**

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

IFRS			
Q4 2019	Q4 2018	Change	Change in cc*
1,183.1	1,026.6	15%	13%
1,038.2	895.4	16%	14%
18.8%	26.2%	-7.4pts	
0.69	0.73	-5%	

IFRS			
YTD 2019	YTD 2018	Change	Change in cc*
4,018.2	3,477.4	16%	13%
3,539.4	3,081.8	15%	12%
20.2%	22.1%	-1.9pt	
2.34	2.18	7%	

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

Non-IFRS			
Q4 2019	Q4 2018	Change	Change in cc*
1,212.3	1,030.6	18%	16%
1,065.6	898.3	19%	17%
33.6%	36.5%	-2.9pts	
1.20	1.06	13%	11%

Non-IFRS			
YTD 2019	YTD 2018	Change	Change in cc*
4,055.6	3,491.1	16%	13%
3,573.6	3,093.9	16%	13%
32.0%	31.9%	+0.1pt	
3.65	3.12	17%	13%

\*In constant currencies

\*\* 2018/2017 under IAS 18

**Bernard Charlès, Dassault Systèmes’ Vice Chairman and Chief Executive Officer commented,**  
*“In 2012, when we formulated our corporate purpose of harmonizing product, nature and life, we anticipated that the world would shift from product to experience and that sustainable experiences would become what consumers value the most. We dared to imagine a platform to create and test virtual twin experiences, the new space for collaborative innovation. 3DEXPERIENCE is delivering on that promise as it allows innovators to create new categories of solutions for new categories of consumers. Businesses in all industries are need of such a transformational approach to innovation to make our world sustainable. In*

2019, of our software revenue, **3DEXPERIENCE** amounted for one-third and diversification industries represented another third. New categories of players adopt the platform, making it the catalyst and enabler of the Industry Renaissance.

“Today, we're capable of applying the knowledge and know-how we acquired in the non-organic world to the living world: we extend our ambition and focus from things to life. We have reasons to believe that we will eventually create the complete virtual twin experience of humans just as we did with airplanes, cars or buildings. This opens up new perspective for the industry, transforming how people are cured and help them live a better life. Looking to the decade ahead, Dassault Systèmes will focus on developing its leadership in Life sciences and Healthcare alongside with its long lasting core sector, Manufacturing Industries, as well as the promising Infrastructure and Cities sector.

“To support this ambition and ensure that all operational decisions are made in a very coherent manner according to our corporate strategy, we are establishing a new leadership system, combining the talents of multi-generations, and led by Pascal Daloz as Chief Operating Officer. We are thus preparing the new leadership team to carry this forward into the future.”

#### Fourth Quarter Financial Summary (Unaudited)

In millions of Euros, except per share data and percentage	IFRS				Non-IFRS			
	Q4 2019	Q4 2018	Change	Change in cc*	Q4 2019	Q4 2018	Change	Change in cc*
Total Revenue	1,183.1	1,026.6	15%	13%	1,212.3	1,030.6	18%	16%
Software Revenue	1,038.2	895.4	16%	14%	1,065.6	898.3	19%	17%
Services Revenue	144.9	131.2	10%	8%	146.6	132.3	11%	9%
Operating Margin	18.8%	26.2%	-7.4pts		33.6%	36.5%	-2.9pts	
EPS	0.69	0.73	-5%		1.20	1.06	13%	11%

Total Software Revenue in millions of Euros and percentage	IFRS				Non-IFRS			
	Q4 2019	Q4 2018	Change	Change in cc*	Q4 2019	Q4 2018	Change	Change in cc*
Americas	333.7	243.9	37%	35%	359.6	246.2	46%	44%
Europe	447.5	413.7	8%	7%	448.2	414.3	8%	7%
Asia	257.0	237.7	8%	5%	257.9	237.8	8%	6%

\*In constant currencies

#### Fourth Quarter 2019 versus 2018 Financial Comparisons

##### Q4 Revenue Review

- In constant currencies: total revenue increased 13% (IFRS) and 16% (non-IFRS). The Group completed the acquisition of Medidata Solutions, Inc. on October 28, 2019.
- IFRS software revenue increased 14%. On a non-IFRS basis, software revenue increased 17%, reflecting the inclusion of Medidata for a two-month period as well as solid performances for SOLIDWORKS, SIMULIA, BIOVIA and Centric PLM. Licenses and other software revenue was flat (IFRS and non-IFRS), within the Group's guidance range, reflecting a strong base of comparison as well as continued softness in parts of the automotive market, notably supply chain and extended customer decision timelines. Non-IFRS recurring revenue increased 27%, reflecting the addition of Medidata and a strong performance globally for support revenue. On an organic basis, non-IFRS software revenue increased 3%

with licenses and other software flat, and a 5% growth for recurring, both in line with the Group's expectations. (All growth rates at constant currencies.)

- Services revenue increased 8% (IFRS) and 9% (non-IFRS). Non-IFRS services revenue decreased 1% on an organic basis reflecting a high comparison base (services non-IFRS revenue up 33% in Q4 2018). The Group noted strong growth for 3DEXPERIENCE and Centric PLM in the 2019 fourth quarter. (All growth rates at constant currencies.)
- On a regional basis, the Americas' growth reflected the addition of Medidata and strong underlying growth for recurring revenue. Growth in Europe continued to be driven by Northern and Southern Europe. In Asia, growth was led by Korea as well as China. The Group noted that China software growth was up 11%, but slowed in comparison with previous quarters.

#### Q4 Operating Review

- While total IFRS revenue increased 15%, IFRS operating income decreased 17%, principally due to higher amortization of intangible assets and of tangibles' reevaluation, as well as share-based expenses related to the Medidata acquisition. Non-IFRS operating income increased 8% to €407.8 million. The non-IFRS operating margin of 33.6%, was well in line with the Group's guidance.
- The IFRS effective tax rate was 17.7%, compared to 30.8% in the previous period. On a non-IFRS basis, the effective tax rate was 22.1% (27.7% in Q4 2018) in the fourth quarter, lower than the Group's prior guidance principally due to the increase in estimated benefit from of the French patent / software new regime benefits (Art. 238).
- IFRS diluted net income per share decreased 5%. Non-IFRS diluted net income per share increased 13% to €1.20 per share and about 11% at constant currency.

#### Twelve Months Financial Summary

(Unaudited)

In millions of Euros, except per share data and percentage	IFRS				Non-IFRS			
	YTD 2019	YTD 2018	Change	Change in cc*	YTD 2019	YTD 2018	Change	Change in cc*
Total Revenue	4,018.2	3,477.4	16%	13%	4,055.6	3,491.1	16%	13%
Software Revenue	3,539.4	3,081.8	15%	12%	3,573.6	3,093.9	16%	13%
Services Revenue	478.8	395.6	21%	18%	482.0	397.2	21%	18%
Operating Margin	20.2%	22.1%	-1.9pt		32.0%	31.9%	+0.1pt	
EPS	2.34	2.18	7%		3.65	3.12	17%	13%

Total Software Revenue in millions of Euros and percentage	IFRS				Non-IFRS			
	YTD 2019	YTD 2018	Change	Change in cc*	YTD 2019	YTD 2018	Change	Change in cc*
Americas	1,108.7	864.7	28%	22%	1,140.1	872.4	31%	24%
Europe	1,469.7	1,340.3	10%	9%	1,471.6	1,342.8	10%	9%
Asia	961.0	876.8	10%	7%	961.9	878.6	9%	7%

\*In constant currencies

## Twelve Months 2019 versus 2018 Financial Comparisons

### FY Revenue Review

- Total revenue increased 13% (IFRS and non-IFRS) in constant currencies. On an organic basis, non-IFRS total revenue increased 7%.
- Software revenue increased 12% (IFRS) and 13% (non-IFRS). Licenses and other software revenue increased 6% (IFRS and non-IFRS) to €1.0 billion. Non-IFRS recurring revenue increased 15% and represented 72% of non-IFRS software revenue compared to 70% in 2018. Services revenue increased 18% (IFRS and non-IFRS), principally driven by higher **3DEXPERIENCE** services activities, **3DEXCITE** and **DELMIA**. Services revenue represented 12% of total revenue (IFRS and non-IFRS). (All growth rates at constant currencies.)
- On an organic and non-IFRS basis: software revenue increased 7%, recurring software revenue was higher by 8%, licenses and other software revenue increased 3%, and services revenue increased 9%. (All growth rates at constant currencies.)
- On a regional basis and at constant currencies: Americas non-IFRS software revenue increased 24%, reflecting contributions from acquisitions and strong recurring software growth on an organic basis. Europe non-IFRS software revenue increased 9% led by double-digit software growth in Northern and Southern Europe. Asia non-IFRS software revenue increased 7% led by China as well as uniformly strong recurring software revenue trends across Asia.
- **3DEXPERIENCE** non-IFRS software revenue increased 22% at constant currencies and represented 29% (25% in 2018) of related non-IFRS software revenue, with strong growth of industry solutions embedding **CATIA**, **SIMULIA** and **DELMIA** applications. From an industry perspective, large **3DEXPERIENCE** transactions spanned Aerospace & Defense, Transportation & Mobility, High Tech, Consumer Goods, Energy & Materials and Industrial Equipment.

### FY Operating Review

- IFRS operating income increased 6%. Non-IFRS operating income increased 17% to €1.30 billion. The non-IFRS operating margin was 32.0%, compared to 31.9% in 2018, reflecting organic improvement of about 100 basis points and currency favorable effects of about 30 basis points offset in part by acquisition dilution of about 120 basis points.
- The effective tax rate was 25.7% (28.1% for 2018) on an IFRS basis and 26.5% (28.3% for 2018) on a non-IFRS basis. Principal benefits driving the lower effective tax rates for 2019 included positive impact of recent French and US legislation changes decreasing taxation of revenue from ownership of intangibles.
- IFRS diluted net income per share increased 7%. Non-IFRS diluted net income per share increased 17% to €3.65 per share, and increased an estimated 13% at constant currency.

### COO & CFO Commentary

**Pascal Daloz, Dassault Systèmes' Chief Operating Officer & Chief Financial Officer, commented:** "Looking at our top-line financial performance and before including our recent Medidata acquisition, we delivered for 2019 total non-IFRS revenue growth in line with our objective. Driving these results was our non-IFRS

recurring software revenue, which increased 8% on an organic basis at constant currency, 200 basis points above 2018\*, and at the high end of the goal we had shared.

“From an earnings perspective, 2019 represents the successful completion of our five-year plan to double our non-IFRS EPS to €3.50. We achieved this commitment thanks to the strength and sustainability of our strategic growth drivers. **3DEXPERIENCE** non-IFRS software revenue grew between 2014 and 2019 at a CAGR exceeding 20%, Diversified industries contribution to our software sales mix has improved and global geo expansion has broadened our market footprint over this timeframe.

“We are now engaged on our 2018-2023 objective to reach non-IFRS earnings per share of €6.00, notably with our **3DEXPERIENCE**, diversification growth lever in action and the Medidata strategic move completed.”

\*2018/2017 under IAS 18

## 2020 First Quarter and Full Year Financial Objectives

Dassault Systèmes’ first quarter and 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:

	First Quarter 2020	Full Year 2020
Total non-IFRS Revenue	€1.145 to €1.175 billion	€4.84 to €4.89 billion
Growth in Constant Currencies	+20% to +23%	+21% to +23%
Non-IFRS operating Margin	28.5%-29.5%	31%-31.5%
Non-IFRS EPS	€0.90 to €0.95	€4.15 to €4.20
Non-IFRS EPS Growth	+3% to +9%	+14% to +15%
US dollar	\$1.15 per Euro	\$1.15 per Euro
Japanese yen (before hedging)	JPY 125.0 per Euro	JPY 125.0 per Euro

These 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 set forth above do not take into account the following accounting elements and are estimated based upon the 2020 principal currency exchange rates above: contract liabilities write-downs estimated at approximately €12 million, largely impacted by the Medidata acquisition; share-based compensation expense, including related social charges, estimated at approximately €189 million and amortization of acquired intangibles and of tangibles reevaluation, estimated at approximately €398 million and lease incentives of acquired companies at approximately €3 million. The above objectives also do not include any impact from other operating income and expense, 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 restructurings completed after December 31, 2019.

## Implementation of IFRS 16 Leases Summary

As of January 1, 2019, Dassault Systèmes adopted the accounting standard IFRS 16 Leases, under the modified retrospective method. Under this method, the transition effect is accounted for within the consolidated equity at the date of initial application, therefore, there is no adjustment to prior year comparative information.

## Cash Flow and Balance Sheet Information

Net operating cash flow increased 32% to €1.2 billion for 2019 compared to €898.6 million in the fiscal year 2018. During 2019 cash obtained from operations was used principally for payment for acquisitions, net of cash acquired of €5.2 billion; repayment of short- and long-term debt of €1.1 billion (including Medidata repayment debt for €0.1 billion; distribution of cash dividends of €168.8 million; capital expenditures, net of €98.3 million; and payment for lease obligations of €76.3 million. The Group also received cash from exercise of stock options of €90.4 million.

Dassault Systèmes' net financial cash/(debt) position totaled €(2.7) billion at December 31, 2019, compared to €1.8 billion at December 31, 2018, reflecting cash, cash equivalents and short-term investments of €1.9 billion and debt related to borrowings of €4.6 billion.

At December 31, 2019 Dassault Systèmes Adjusted Net Debt / IFRS EBITDAO ratio stood at 2.5, based on an adjusted net debt including the lease liabilities as reported under IFRS 16 of € 3,351.4 million and an IFRS EBITDAO (IFRS EBITDA adjusted with share-based payment) of €1,325.4 million.

## Summary of Recent Business, Technology and Customer Announcements

**In a separate press release issued today, the Group announced the appointment of Pascal Daloz as Chief Operating Officer (a newly-created position) and Chief Financial Officer. In addition, the Group has created an Operations Executive Committee, reporting to Pascal Daloz and replacing the prior Executive Committee.** Members of the Operations Executive Committee include: Florence Hu-Aubigny, Research & Development; Philippe Laufer, 3DS Global Brands; Florence Verzellen, Industry Solution, Field Marketing, Global Affairs, Workforce of the Future; Olivier Ribet, EMEAR Geo Group; Samson Khaou, Asia Pacific Geo Group; Erik Swedberg, North America; Laurence Barthes, People & Information Systems; and Thibault de Tersant, General Secretary. Bernard Charlès, Vice Chairman & Chief Executive Officer and Dominique Florack, President, continue in their current positions.

**On October 28, 2019, Dassault Systèmes completed the acquisition of Medidata Solutions, Inc., Opening Up a New World of Virtual Twin Experiences for Healthcare. The 3DEXPERIENCE Platform combines modeling, simulation, data science, artificial intelligence, and collaboration in the virtual world to achieve sustainable innovation in Life Sciences.** Connecting the 3DEXPERIENCE Platform with Medidata's Clinical Trial platform connects the dots between research, development, manufacturing, clinical trials and commercial deployment throughout the entire healthcare ecosystem and positions Dassault Systèmes to be a leading partner to the digital transformation of Life Sciences in the age of personalized medicine and patient-centric experience. Dassault Systèmes acquired all of the issued and outstanding common shares of Medidata for a total enterprise value of approximately \$5.8 billion.

**In November, 2019 Dassault Systèmes announced that the electric air mobility pioneer, Eviation Aircraft, has used the 3DEXPERIENCE platform on the cloud to develop the first prototype of its zero-**

**emission, all electric regional commuter aircraft – Alice – in two years.** “Reinvent the Sky” industry solution experience provides full data security in a single, standards-based environment. Dassault Systèmes enables companies of all sizes to create new categories of sustainable air mobility systems that will change how the world travels.

### **Today’s Webcast and Conference Call Information**

Today, Thursday, February 6, 2020, Dassault Systèmes will host from Paris a webcasted meeting at 10:00 AM Paris time / 9:00 AM London 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 meeting and conference call will be available via the Internet by accessing <http://www.3ds.com/investors/> .

Additional investor information can be accessed at <http://www.3ds.com/investors/> or by calling Dassault Systèmes’ Investor Relations at 33.1.61.62.69.24.

#### **Key Investor Relations Events**

First Quarter 2020 Earnings Release: April 23, 2020  
Hold the Date: Capital Markets Day: June 12, 2020 in Paris  
Second Quarter 2020 Earnings Release: July 23, 2020  
Third Quarter 2020 Earnings Release: October 22, 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, 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 outlook for 2020 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 Group’s revenue, net earnings and cash flows may grow more slowly, whether on an annual or quarterly basis. While the Group makes every effort to take into consideration this uncertain macroeconomic outlook, the Group’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 Group’s business results. 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 2018 Document de Référence (Annual Report) filed with the AMF (French Financial Markets Authority) on March 26, 2019, the 2019 Half-Year Financial Report filed with the AMF on July 26, 2019 and the Prospectus approved by the AMF on September 12, 2019 under the approval number n°19-434, those documents being available on the Group’s website [www.3ds.com](http://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\$1.15 per €1.00 as well as an average Japanese yen to euro exchange rate of JPY125 to €1.00 before hedging for the first quarter and 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. 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 2018 Document de Référence filed with the AMF on March 26, 2019.

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, other operating income and expense, net, including impairment of goodwill and acquired intangibles, 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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### For more information:

Dassault Systèmes' **3DEXPERIENCE** platform, 3D design software, 3D Digital Mock Up and Product Lifecycle Management (PLM) solutions: <http://www.3ds.com>

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### About Dassault Systèmes

Dassault Systèmes, the **3DEXPERIENCE** Company, provides business and people with virtual universes to imagine sustainable innovations. Its world-leading solutions transform the way products are designed, produced, and supported. Dassault Systèmes' collaborative solutions foster social innovation, expanding possibilities for the virtual world to improve the real world. The group brings value to over 250,000 customers of all sizes, in all industries, in more than 140 countries. For more information, visit [www.3ds.com](http://www.3ds.com).

**3DEXPERIENCE**, the Compass logo and the 3DS logo, CATIA, SOLIDWORKS, ENOVIA, DELMIA, SIMULIA, GEOVIA, EXALEAD, 3D VIA, BIOVIA, NETVIBES and 3DEXCITE are registered trademarks of Dassault Systèmes or its subsidiaries in the US and/or other countries.



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(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

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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**

Our global customer base includes companies in 11 industrial sectors as of January 1, 2019: with “Core Industries” comprised of Transportation & Mobility; Industrial Equipment; Aerospace & Defense; and a portion of Business Services. “Diversification Industries” includes companies in High-Tech; Life Sciences; Energy & Materials; Home & Lifestyle, Construction, Cities & Territories; Consumer Packaged Goods & Retail, Marine & Offshore and a portion of Business Services.

### **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 Company calculates the percentage contribution by comparing total 3DEXPERIENCE software

revenue to software revenue for all product lines except SOLIDWORKS and acquisitions (“related software revenue”).

### **Adjusted Net Debt**

The Adjusted Net Debt corresponds to the net financial debt position (borrowings net of cash, cash equivalent and short-term investments) adjusted of IFRS 16 lease liabilities.

### **IFRS EBITDAO (Earnings Before Interest, Taxes and Amortization Operating)**

The IFRS EBITDAO corresponds to the IFRS operating income adjusted of amortization, depreciation and impairment expense of intangible and tangible assets and of non-cash share-based payment expense (excluding related social charges).

**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	Three months ended				Twelve months ended			
	December 31, 2019	December 31, 2018	Change	Change in cc*	December 31, 2019	December 31, 2018	Change	Change in cc*
<b>Non-IFRS Revenue</b>	€ 1,212.3	€ 1,030.6	18%	16%	€ 4,055.6	€ 3,491.1	16%	13%
<b>Non-IFRS Revenue breakdown by activity</b>								
Software revenue	1,065.6	898.3	19%	17%	3,573.6	3,093.9	16%	13%
<i>of which licenses and other software revenue</i>	341.5	333.9	2%	0%	999.6	918.5	9%	6%
<i>of which subscription and support revenue</i>	724.2	564.4	28%	27%	2,574.0	2,175.3	18%	15%
Services revenue	146.6	132.3	11%	9%	482.0	397.2	21%	18%
<b>Non-IFRS software revenue breakdown by product line</b>								
CATIA software revenue	292.6	288.6	1%	1%	1,100.2	1,031.0	7%	6%
ENOVIA software revenue	109.6	115.7	(5)%	(7)%	383.9	358.5	7%	5%
SOLIDWORKS software revenue	233.2	209.3	11%	9%	823.5	742.5	11%	6%
Other software revenue	430.2	284.7	51%	48%	1,266.1	961.9	32%	28%
<b>Non-IFRS Revenue breakdown by geography</b>								
Americas	416.9	288.1	45%	42%	1,332.7	1,010.0	32%	25%
Europe	509.5	483.9	5%	4%	1,674.3	1,527.5	10%	9%
Asia	285.9	258.6	11%	8%	1,048.6	953.6	10%	7%
<b>Non-IFRS operating income</b>	€ 407.8	€ 376.5	8%		€ 1,297.4	€ 1,112.5	17%	
<b>Non-IFRS operating margin</b>	33.6%	36.5%			32.0%	31.9%		
<b>Non-IFRS net income attributable to shareholders</b>	€ 316.6	€ 276.2	15%		€ 959.6	€ 812.5	18%	
<b>Non-IFRS diluted net income per share</b>	€ 1.20	€ 1.06	13%	11%	€ 3.65	€ 3.12	17%	13%
<b>Closing headcount</b>	20,394	17,030	20%		20,394	17,030	20%	
Average Rate USD per Euro	1.11	1.14	(3)%		1.12	1.18	(5)%	
Average Rate JPY per Euro	120.32	128.80	(7)%		122.01	130.40	(6)%	

\* In constant currencies

**DASSAULT SYSTEMES**  
**ACQUISITIONS AND FOREIGN EXCHANGE IMPACT**

In millions of Euros	Non-IFRS reported			o/w Growth EX FX <sup>(1)</sup>	o/w Scope <sup>(2)</sup>	o/w FX <sup>(3)</sup>
	Q4 2019	Q4 2018	Change MEUR			
Revenue QTD	1,212.3	1,030.6	181.7	27	137	18
Revenue YTD	4,055.6	3,491.1	564.5	246	228	90

(1) Growth at constant rate and constant scope

(2) Change of scope impact at current year rate

(3) FX impact on previous year figures

**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	Three months ended		Twelve months ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Licenses and other software revenue	341.5	333.9	999.6	918.5
Subscription and Support revenue	696.7	561.5	2,539.8	2,163.3
Software revenue	1,038.2	895.4	3,539.4	3,081.8
Services revenue	144.9	131.2	478.8	395.6
<b>Total Revenue IFRS</b>	<b>€ 1,183.1</b>	<b>€ 1,026.6</b>	<b>€ 4,018.2</b>	<b>€ 3,477.4</b>
Cost of software revenue <sup>(1)</sup>	(64.2)	(44.0)	(196.2)	(162.0)
Cost of services and other revenue	(129.8)	(100.5)	(437.4)	(348.8)
Research and development	(210.3)	(163.3)	(737.9)	(631.1)
Marketing and sales	(350.7)	(297.4)	(1,226.3)	(1,069.8)
General and administrative	(107.9)	(77.8)	(329.5)	(287.4)
Amortization of acquired intangible assets and of tangible assets revaluation	(91.9)	(45.3)	(244.0)	(171.6)
Other operating income and expense, net	(5.7)	(29.3)	(34.1)	(38.4)
Total Operating Expenses	(960.5)	(757.6)	(3,205.4)	(2,709.2)
<b>Operating Income</b>	<b>€ 222.6</b>	<b>€ 268.9</b>	<b>€ 812.8</b>	<b>€ 768.2</b>
Financial revenue and other, net	(3.7)	2.9	3.1	15.5
<b>Income before income taxes</b>	<b>€ 218.9</b>	<b>€ 271.9</b>	<b>€ 815.9</b>	<b>€ 783.8</b>
Income tax expense	(38.8)	(83.8)	(209.6)	(220.4)
<b>Net Income</b>	<b>€ 180.1</b>	<b>€ 188.1</b>	<b>€ 606.3</b>	<b>€ 563.4</b>
Non-controlling interest	2.8	2.9	9.0	6.0
<b>Net Income attributable to equity holders of the parent</b>	<b>€ 182.9</b>	<b>€ 191.0</b>	<b>€ 615.3</b>	<b>€ 569.4</b>
Basic net income per share	0.70	0.74	2.37	2.20
<b>Diluted net income per share</b>	<b>€ 0.69</b>	<b>€ 0.73</b>	<b>€ 2.34</b>	<b>€ 2.18</b>
Basic weighted average shares outstanding (in millions)	259.7	259.0	259.4	258.4
Diluted weighted average shares outstanding (in millions)	263.7	260.6	263.2	260.8

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

	Three months ended December 31, 2019		Twelve months ended December 31, 2019	
	Change*	Change in cc**	Change*	Change in cc**
<b>IFRS Revenue</b>	15%	13%	16%	13%
<b>IFRS Revenue by activity</b>				
Software revenue	16%	14%	15%	12%
Services revenue	10%	8%	21%	18%
<b>IFRS Software Revenue by product line</b>				
CATIA software revenue	2%	1%	7%	6%
ENOVIA software revenue	(5)%	(7)%	7%	5%
SOLIDWORKS software revenue	11%	9%	11%	6%
Other software revenue	43%	40%	29%	26%
<b>IFRS Revenue by geography</b>				
Americas	37%	34%	30%	23%
Europe	5%	4%	10%	9%
Asia	10%	7%	10%	7%

\*Variation compared to the same period in the prior year.

\*\*In constant currencies

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

In millions of Euros	December 31, 2019	December 31, 2018
<b>ASSETS</b>		
Cash and cash equivalents	1,944.9	2,809.3
Short-term investments	0.7	0.6
Accounts receivable, net	1,319.2	1,044.1
Contract assets	26.9	26.5
Other current assets	377.2	321.3
<b>Total current assets</b>	<b>3,669.0</b>	<b>4,201.8</b>
Property and equipment, net	899.7	178.2
Goodwill and Intangible assets, net	8,917.0	3,262.4
Other non-current assets	386.9	331.6
<b>Total non-current assets</b>	<b>10,203.7</b>	<b>3,772.2</b>
<b>Total Assets</b>	<b>€ 13,872.6</b>	<b>€ 7,974.0</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Accounts payable	220.0	161.7
Contract liabilities	1,093.5	907.5
Borrowings, current	4.4	350.0
Other current liabilities	816.0	603.6
<b>Total current liabilities</b>	<b>2,133.8</b>	<b>2,022.8</b>
Borrowings, non-current	4,596.8	650.0
Other non-current liabilities	1,879.4	675.4
<b>Total non-current liabilities</b>	<b>6,476.2</b>	<b>1,325.4</b>
Non-controlling interests	53.9	63.9
Parent shareholders' equity	5,208.7	4,561.9
<b>Total Liabilities and Shareholders' equity</b>	<b>€ 13,872.6</b>	<b>€ 7,974.0</b>

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

In millions of Euros	Three months ended			Twelve months ended		
	December 31, 2019	December 31, 2018	Change	December 31, 2019	December 31, 2018	Change
Net Income attributable to equity holders of the parent	182.9	191.0	(8.1)	615.3	569.4	45.9
Non-controlling interest	<u>(2.8)</u>	<u>(2.9)</u>	<u>0.1</u>	<u>(9.0)</u>	<u>(6.0)</u>	<u>(3.0)</u>
Net Income	180.1	188.1	(8.0)	606.3	563.4	42.8
Depreciation of property & equipment	43.3	14.8	28.6	142.2	57.3	84.9
Amortization of intangible assets	94.9	47.5	47.4	253.8	180.4	73.4
Other non-cash P&L items	(8.1)	107.0	(115.2)	66.8	152.8	(86.0)
Changes in working capital	(127.8)	(205.4)	77.6	117.0	(55.3)	172.3
<b>Net Cash provided by (used by) operating activities</b>	<b>€ 182.4</b>	<b>€ 152.0</b>	<b>€ 30.5</b>	<b>€ 1,186.1</b>	<b>€ 898.6</b>	<b>€ 287.5</b>
Additions to property, equipment and intangibles	(21.6)	(24.2)	2.5	(98.3)	(72.4)	(25.9)
Payments for acquisition of businesses, net of cash acquired	(4,813.0)	(4.3)	(4,808.7)	(5,211.7)	(251.6)	(4,960.1)
Sales (purchases) of short term investments, net	0.1	(0.1)	0.1	(0.1)	0.6	(0.7)
Investments, loans and others	(10.4)	1.5	(11.9)	(24.7)	0.2	(24.9)
<b>Net Cash provided by (used in) investing activities</b>	<b>(€ 4,845.0)</b>	<b>(€ 27.1)</b>	<b>(€ 4,817.9)</b>	<b>(€ 5,334.8)</b>	<b>(€ 323.2)</b>	<b>(€ 5,011.6)</b>
Acquisition of non-controlling interests	-	-	-	-	(101.5)	101.5
Proceeds of short term and long term debt	989.6	-	989.6	4,641.7	-	4,641.7
Repayment of short term and long term debt	(104.9)	-	(104.9)	(1,105.8)	(14.9)	(1,090.8)
Payments on lease obligations	(19.7)	-	(19.7)	(76.3)	-	(76.3)
Repurchase of treasury stock	(98.4)	(92.4)	(6.0)	(133.8)	(206.3)	72.6
Proceeds from exercise of stock-options	17.5	10.7	6.8	90.4	69.9	20.6
Cash dividend paid	-	-	-	(168.8)	(38.0)	(130.8)
<b>Net Cash provided by (used in) financing activities</b>	<b>€ 784.2</b>	<b>(€ 81.7)</b>	<b>€ 865.9</b>	<b>€ 3,247.5</b>	<b>(€ 290.8)</b>	<b>€ 3,538.3</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(32.3)</b>	<b>20.3</b>	<b>(52.5)</b>	<b>36.9</b>	<b>65.3</b>	<b>(28.4)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(€ 3,910.7)</b>	<b>€ 63.5</b>	<b>(€ 3,974.2)</b>	<b>(€ 864.4)</b>	<b>€ 349.9</b>	<b>(€ 1,214.3)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>€ 5,855.6</b>	<b>€ 2,745.8</b>		<b>€ 2,809.3</b>	<b>€ 2,459.4</b>	
<b>Cash and cash equivalents at end of period</b>	<b>€ 1,944.9</b>	<b>€ 2,809.3</b>		<b>€ 1,944.9</b>	<b>€ 2,809.3</b>	



**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 de référence* for the year ended December 31, 2018 filed with the AMF on March 26, 2019. 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 December 31,						Change	
	2019	Adjustment <sup>(1)</sup>	2019	2018	Adjustment <sup>(1)</sup>	2018	IFRS	Non-IFRS <sup>(2)</sup>
	IFRS		Non-IFRS	IFRS		Non-IFRS		
<b>Total Revenue</b>	€ 1,183.1	€ 29.2	€ 1,212.3	€ 1,026.6	€ 4.1	€ 1,030.6	15%	18%
<b>Total Revenue breakdown by activity</b>								
Software revenue	1,038.2	27.4	1,065.6	895.4	2.9	898.3	16%	19%
Licenses and other software revenue	341.5		341.5	333.9		333.9	2%	2%
Subscription and Support revenue	696.7	27.4	724.2	561.5	2.9	564.4	24%	28%
<i>Recurring portion of Software revenue</i>	67%		68%	63%		63%		
Services revenue	144.9	1.7	146.6	131.2	1.1	132.3	10%	11%
<b>Total Software Revenue breakdown by product line</b>								
CATIA software revenue	292.6		292.6	287.8	0.8	288.6	2%	1%
ENOVIA software revenue	109.6		109.6	115.7		115.7	(5)%	(5)%
SOLIDWORKS software revenue	233.2		233.2	209.3		209.3	11%	11%
Other software revenue	402.8	27.4	430.2	282.5	2.1	284.7	43%	51%
<b>Total Revenue breakdown by geography</b>								
Americas	389.3	27.6	416.9	285.2	3.0	288.1	37%	45%
Europe	508.8	0.7	509.5	482.8	1.0	483.9	5%	5%
Asia	284.9	0.9	285.9	258.6	0.1	258.6	10%	11%
<b>Total Operating Expenses</b>	(€ 960.5)	€ 156.0	(€ 804.5)	(€ 757.6)	€ 103.5	(€ 654.1)	27%	23%
Share-based compensation expense and related social charges	(58.0)	58.0	-	(28.9)	28.9	-		
Amortization of acquired intangible assets and of tangible assets revaluation	(91.9)	91.9	-	(45.3)	45.3	-		
Lease incentives of acquired companies	(0.5)	0.5	-	-	-	-		
Other operating income and expense, net	(5.7)	5.7	-	(29.3)	29.3	-		
<b>Operating Income</b>	€ 222.6	€ 185.2	€ 407.8	€ 268.9	€ 107.6	€ 376.5	(17)%	8%
<b>Operating Margin</b>	18.8%		33.6%	26.2%		36.5%		
Financial revenue & other, net	(3.7)	0.4	(3.2)	2.9	1.0	3.9	(225)%	(183)%
Income tax expense	(38.8)	(50.5)	(89.3)	(83.8)	(21.4)	(105.2)	(54)%	(15)%
Non-controlling interest	2.8	(1.5)	1.4	2.9	(1.9)	1.0		
<b>Net Income attributable to shareholders</b>	€ 182.9	€ 133.7	€ 316.6	€ 191.0	€ 85.2	€ 276.2	(4)%	15%
<b>Diluted Net Income Per Share</b> <sup>(3)</sup>	€ 0.69	€ 0.51	€ 1.20	€ 0.73	€ 0.33	€ 1.06	(5)%	13%

(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 December 31,							Change		
	2019	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2019	2018	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2018	IFRS	Non-IFRS
	IFRS		Non-IFRS	IFRS			Non-IFRS			
Cost of revenue	(194.0)	4.1	0.2	(189.7)	(144.5)	1.4	-	(143.1)	34%	33%
Research and development	(210.3)	21.4	0.3	(188.6)	(163.3)	12.0	-	(151.3)	29%	25%
Marketing and sales	(350.7)	16.9	0.1	(333.8)	(297.4)	8.7	-	(288.8)	18%	16%
General and administrative	(107.9)	15.5	-	(92.4)	(77.8)	6.8	-	(70.9)	39%	30%
<b>Total</b>		€ 58.0	€ 0.5			€ 28.9	€ -			

(2) 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.

(3) Based on a weighted average 263.7 million diluted shares for Q4 2019 and 260.6 million diluted shares for Q4 2018.

**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	Twelve months ended December 31,						Change	
	2019	Adjustment <sup>(1)</sup>	2019	2018	Adjustment <sup>(1)</sup>	2018	IFRS	Non-IFRS <sup>(2)</sup>
	IFRS		Non-IFRS	IFRS		Non-IFRS		
<b>Total Revenue</b>	€ 4,018.2	€ 37.4	€ 4,055.6	€ 3,477.4	€ 13.7	€ 3,491.1	16%	16%
<b>Total Revenue breakdown by activity</b>								
Software revenue	3,539.4	34.2	3,573.6	3,081.8	12.0	3,093.9	15%	16%
Licenses and other software revenue	999.6		999.6	918.5		918.5	9%	9%
Subscription and Support revenue	2,539.8	34.2	2,574.0	2,163.3	12.0	2,175.3	17%	18%
<i>Recurring portion of Software revenue</i>	72%		72%	70%		70%		
Services revenue	478.8	3.2	482.0	395.6	1.6	397.2	21%	21%
<b>Total Software Revenue breakdown by product line</b>								
CATIA software revenue	1,100.2		1,100.2	1,028.6	2.5	1,031.0	7%	7%
ENOVIA software revenue	383.9		383.9	358.5		358.5	7%	7%
SOLIDWORKS software revenue	823.5		823.5	742.5		742.5	11%	11%
Other software revenue	1,231.8	34.2	1,266.1	952.3	9.6	961.9	29%	32%
<b>Total Revenue breakdown by geography</b>								
Americas	1,298.6	34.0	1,332.7	1,001.3	8.7	1,010.0	30%	32%
Europe	1,671.8	2.5	1,674.3	1,524.3	3.2	1,527.5	10%	10%
Asia	1,047.7	0.9	1,048.6	951.8	1.8	953.6	10%	10%
<b>Total Operating Expenses</b>	€ 3,205.4	€ 447.1	€ 2,758.3	€ 2,709.2	€ 330.5	€ 2,378.6	18%	16%
Share-based compensation expense and related social charges	(168.5)	168.5	-	(120.6)	120.6	-		
Amortization of acquired intangible assets and of tangible assets revaluation	(244.0)	244.0	-	(171.6)	171.6	-		
Lease incentives of acquired companies	(0.5)	0.5	-	-	-	-		
Other operating income and expense, net	(34.1)	34.1	-	(38.4)	38.4	-		
<b>Operating Income</b>	€ 812.8	€ 484.5	€ 1,297.4	€ 768.2	€ 344.3	€ 1,112.5	6%	17%
<b>Operating Margin</b>	20.2%		32.0%	22.1%		31.9%		
Financial revenue & other, net	3.1	0.1	3.2	15.5	0.8	16.3	(80)%	(80)%
Income tax expense	(209.6)	(134.4)	(344.0)	(220.4)	(98.6)	(319.0)	(5)%	8%
Non-controlling interest	9.0	(5.9)	3.0	6.0	(3.3)	2.7		
<b>Net Income attributable to shareholders</b>	€ 615.3	€ 344.3	€ 959.6	€ 569.4	€ 243.0	€ 812.5	8%	18%
<b>Diluted Net Income Per Share</b> <sup>(3)</sup>	€ 2.34	€ 1.31	€ 3.65	€ 2.18	€ 0.94	€ 3.12	7%	17%

(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	Twelve months ended December 31,							Change		
	2019	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2019	2018	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2018	IFRS	Non-IFRS
	IFRS		Non-IFRS	IFRS			Non-IFRS			
Cost of revenue	(633.6)	9.1	0.2	(624.2)	(510.9)	4.8	-	(506.1)	24%	23%
Research and development	(737.9)	69.5	0.3	(668.2)	(631.1)	47.1	-	(584.1)	17%	14%
Marketing and sales	(1,226.3)	49.9	0.1	(1,176.3)	(1,069.8)	31.0	-	(1,038.8)	15%	13%
General and administrative	(329.5)	39.9	-	(289.6)	(287.4)	37.7	-	(249.7)	15%	16%
<b>Total</b>		€ 168.5	€ 0.5			€ 120.6	€ -			

(2) 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.

(3) Based on a weighted average 263.2 million diluted shares for YTD 2019 and 260.8 million diluted shares for YTD 2018.