



Dassault Systèmes Reports 2021 First Quarter Results Above the High End of Company Guidance

VÉLIZY-VILLACOUBLAY, France — April 28, 2021 — [Dassault Systèmes](#) (Euronext Paris: #13065, DSY.PA) announces IFRS unaudited financial results for the first quarter ended March 31, 2021. The Group's Board of Directors reviewed these results on April 27, 2021. This press release also includes financial information on a non-IFRS basis and reconciliations with IFRS figures in the Appendix to this communication.

First Quarter Highlights and Financial Summary

(Unaudited, revenue growth in constant currencies, EPS presented on a diluted basis)

- IFRS EPS of €0.66, up 54% and non-IFRS EPS of €1.14, up 20%, 28% in constant currencies
- On an organic basis, non-IFRS software revenue up 10%
- Non-IFRS licenses and other software revenue up 25%, on upside principally from China, North America and Northern Europe
- Non-IFRS software revenue: Mainstream Innovation up 20% on SOLIDWORKS and CENTRIC PLM; Life Sciences up 16% with strong MEDIDATA performance; Industrial Innovation up 4%
- Cash flow from operations up 40% to €642 million
- 2021 Non-IFRS objectives: Reaffirms revenue up 9-10%; Upgrades EPS to €4.24-4.28, up 17-18% in constant currencies

Bernard Charlès, Dassault Systèmes' Vice Chairman and Chief Executive Officer commented, "It is very clear from discussions with our clients and partners that industries are entering a new cycle of innovation driven by sustainability and characterized by a human-centric approach. These trends were very recently highlighted at the Shanghai Auto Show, where companies advanced timelines for their next generation portfolios and mobility experiences.

"Similarly, in Infrastructure & Cities, we are pleased to announce the extension of our strategic partnership with Bouygues Construction. By bringing the virtual twin experience to the construction industry, we're introducing onto the market new sustainable experiences - all on the cloud and mobile enabled - empowering all actors in the value chain to collaborate and innovate.

"The accelerated pace of innovation required in the three sectors of the global economy we are addressing, Manufacturing, Life Sciences & Healthcare, and Infrastructure & Cities, can only be achieved by the continued platformization of industries. With our 3DEXPERIENCE platform, coupling Mod-Sim with extensive data capabilities, we are well positioned to help customers become platform-driven. Building on a rich portfolio of data driven Industry Processes and Roles, the 3DEXPERIENCE platform enables to reveal real world data, from many disparate sources, elevated to a consistent actionable semantic, and activate them into virtual twin experiences of the products, assets, manufacturing facilities, or even enterprises, themselves."

Financial Summary

In millions of Euros, except per share data and percentages	IFRS				Non-IFRS			
	Q1 2021	Q1 2020	Change	Change in constant currencies	Q1 2021	Q1 2020	Change	Change in constant currencies
Total Revenue	1,172.9	1,134.7	3%	9%	1,173.6	1,144.4	3%	8%
Software Revenue	1,067.8	1,014.2	5%	11%	1,068.4	1,023.0	4%	10%
Operating Margin	19.7%	13.3%	+6.3pts		33.9%	29.2%	+4.7pts	
Diluted EPS	0.66	0.43	54%		1.14	0.95	20%	28%

First Quarter 2021 versus 2020 Financial Comparisons

(Unaudited, all revenue growth rates in constant currencies)

- **Total Revenue:** Total revenue increased 9% (IFRS). On a non-IFRS basis, total revenue of €1.17 billion increased 8%.
- **Software Revenue:** Software revenue grew 11% (IFRS) and 10% (non-IFRS). On an organic basis, non-IFRS software revenue increased 10%. Non-IFRS recurring software revenue, representing 81% of total software in the quarter, grew by 7%, with subscription revenue up double-digits driven by MEDIDATA. Licenses and other software revenue increased 25% (IFRS and non-IFRS on an organic basis) to €203.8 million. During the first quarter, the Group benefited from a strong performance in Mainstream Innovation and large deal activity, in particular in Transportation & Mobility. From a geographic perspective, results were particularly good in Asia, led by China and Korea, and recorded strong growth in North America, Northern and Southern Europe.
- **Operating Income and Margin:** IFRS operating income increased 53%. On a non-IFRS basis, operating income of €397.4 million increased 19% as reported and 27% at constant rate. The non-IFRS operating margin increased to 33.9% from 29.2%, with underlying growth of about 510 basis points offset in part by a net negative currency impact of about 40 basis points.
- **Earnings per Share:** IFRS diluted earnings per share increased 54%. On a non-IFRS basis, diluted earnings per share of €1.14 came in above the high end of the Company's guidance, growing 20% as reported or 28% excluding currency headwinds.
- **Operating Cash Flow:** Operating cash flow totaled €641.8 million in the first quarter, up 40% reflecting both strong growth in net income adjusted for non-cash items, and non-operating working capital.

Balance Sheet Information

Dassault Systèmes' net financial debt as at March 31, 2021 decreased by €559 million to €(1.48) billion, compared to €(2.04) billion as at December 31, 2020, reflecting cash, cash equivalents and short-term investments of €2.71 billion and debt related to borrowings of €4.19 billion as at March 31, 2021.

First Quarter 2021 Highlights by Product Line

(unaudited, all revenue growth rates in constant currencies)

Industrial Innovation IFRS and non-IFRS software revenue was €609 million in the first quarter and represented 57% of total software revenue.

- Industrial Innovation software performance was led by SIMULIA, with its multi-physics portfolio, and NETVIBES, in data intelligence.
- **3DEXPERIENCE** non-IFRS software revenue increased 18%, with licenses and other software revenue up sharply.
- Industrial Innovation sales activities were a large contributor to the Group's Transportation & Mobility software revenue results, which increased 14% (non-IFRS) in Q1, with a number of large transactions with global manufacturers and start-ups. The Group noted an initial recovery in the Transportation & Mobility supply network.
- Gartner Group published its Manufacturing Execution Systems Magic Quadrant with DELMIA positioned in the leaders' quadrant for the fourth year in a row.

Life Sciences software revenue was €209 million (IFRS) and €210 million (non-IFRS) in the first quarter, and represented 20% of total software revenue (IFRS and non-IFRS).

- MEDIDATA delivered a strong Q1 driven by momentum with mid-market customers and key product areas including Rave EDC, Patient Cloud and Acorn AI.
- Furthermore, the Life Sciences & Healthcare sector non-IFRS software revenue grew 16%, benefiting from growth in the Life Sciences product line as well as from increased customer activity for SOLIDWORKS with Medical Devices companies and SIMULIA. The Company noted increased customer sales engagements in manufacturing with Life Sciences companies.

Mainstream Innovation software revenue was €249 million (IFRS and non-IFRS) in the first quarter, and represented 23% of total software revenue.

- Mainstream Innovation IFRS and non-IFRS software revenue increased 20% in Q1, with SOLIDWORKS non-IFRS software revenue up 18% on broad-based global demand. Sales by SOLIDWORKS' resellers were up sharply for its **3DEXPERIENCE WORKS** cloud-based solutions. New SOLIDWORKS customers increased 22% in the first quarter.
- CENTRIC PLM saw significant growth in software revenue, driven by increased activity in key geographic markets, including Asia with expansion in China. CENTRIC PLM saw a strong increase in new customers in Home & Lifestyle including fashion and retail and early traction in Food & Beverage.

Corporate Information

As previously disclosed, Dassault Systèmes' Board of Directors is proposing to the next General Meeting of Shareholders of May 26, 2021 the approval of a dividend of €0.56 per share for the year 2020, payable in cash only. Shares would be traded ex-dividend as of May 28, 2021 and dividends would be made payable on June 1, 2021.

COO & CFO Commentary (revenue growth rates in constant currencies, data on a non-IFRS basis)

Pascal Daloz, Dassault Systèmes' Chief Operating Officer, & Chief Financial Officer, commented, "First quarter revenue results came in at the high end of our guidance range, with software above the range. On an organic basis, software revenue increased 10%, with licenses and other software revenue up 25% and subscription revenue up double-digits. Diluted EPS was well ahead of our guidance, growing 20%, or 28% in constant currencies, thanks to the combination of software growth and operating margin expansion of 470 basis points. Finally, cash flow from operations set a new quarterly record, up 40% to €642 million.

"We are seeing strong momentum in Life Sciences, led by MEDIDATA where software revenue increased 20% in the first quarter driven by Rave in clinical data management, Patient Cloud and Acorn AI. In Mainstream Innovation, software revenue increased 20%, on an outstanding first quarter from SOLIDWORKS and CENTRIC PLM. In Industrial Innovation, 3DEXPERIENCE software revenue increased 18%, and its largest industry, Transportation & Mobility, benefited from a broad return to investments with global automotive leaders, EV start-ups and the supply chain as well as large deals led by our domains strengths in simulation and data analytics.

"Looking to the full year, we are confirming our revenue growth objective range of 9 to 10%, with a higher contribution from software as we saw in the first quarter. We are increasing our non-IFRS diluted EPS objective leading to expected growth of about 12% to 14%, or about 17-18% in constant currencies, capturing the earnings upside from the first quarter."

Financial Objectives for 2021

Dassault Systèmes' full year 2021 financial objectives presented below are given on a non-IFRS basis and reflect the principal 2021 currency exchange rate assumptions below for the US dollar and Japanese yen as well as the potential impact from additional non-Euro currencies:

	Q2 2021	FY 2021
Total non-IFRS Revenue	€1.130 to €1.155 billion	€4.715 to €4.765 billion
Growth in Constant Currencies (cc)	+12-14%	+9-10%
Non-IFRS Operating Margin	29.4% to 30.1%	31.6% to 31.7%
Non-IFRS EPS	€0.94 to €0.98	€4.24 to €4.28
Non-IFRS EPS Growth	+18-23%	+12-14%
US dollar	\$1.22 per Euro	\$1.22 per Euro
Japanese yen (before hedging)	JPY 126.0 per Euro	JPY 126.5 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 2021 non-IFRS financial objectives set forth above do not take into account the following accounting elements below and are estimated based upon the 2021 principal currency exchange rates above: contract liabilities write-downs estimated at approximately €2 million; share-based compensation expenses, including related social charges, estimated at approximately €137 million; and amortization of acquired intangibles and of tangibles reevaluation, estimated at approximately €353 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 March 31, 2021.

Today's Webcast and Conference Call Information

Today, Wednesday, April 28, 2021, Dassault Systèmes will host a webcasted presentation at 9:00 London AM time/ 10:00 AM Paris time and will then host a conference call at 9:00 AM New York time / 2:00 PM London time / 3:00 PM Paris time. The webcasted presentation and conference call will be available online by accessing <https://investor.3ds.com>.

Additional investor information is available at <https://investor.3ds.com> or by calling Dassault Systèmes' Investor Relations at +33 1 61 62 69 24.

Key Investor Relations Events

Annual Meeting of Shareholders: May 26, 2021
Second Quarter 2021 Earnings Release: July 27, 2021
Third Quarter 2021 Earnings Release: October 28, 2021
Fourth Quarter 2021 Earnings Release: February 3, 2022

General Meeting of May 26, 2021

As indicated in the meeting notice published in the BALO on Friday, April 16, 2021, the General Meeting of Dassault Systèmes will be held on Wednesday, May 26, 2021 at 3:00 PM. The meeting will be broadcasted live online on the Company's website: <https://investor.3ds.com>. As the General Meeting represents a privileged occasion to interact with shareholders, the Company also wishes to give them the opportunity to physically attend the General Meeting to the extent French Government's recommendations would allow it.

The Company strongly advises shareholders to favor remote voting means available to them by using the secured electronic voting platform VOTACCESS or voting by post. Shareholders will be able to submit questions to be answered to during the General Meeting by e-mail to the following email address: investors@3ds.com.

For the latest information on how to participate and vote, shareholders are invited to regularly check the section dedicated to the General Meeting on the Company's website: <https://investor.3ds.com/shareholders-meeting/home>.

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 actual results or performance may be materially negatively affected by numerous risks and uncertainties, as described in the "Risk Factors" section of the 2020 Universal Registration Document (*'Document d'enregistrement universel'*) filed with the AMF (French Financial Markets Authority) on March 19, 2021, available on the Group's website www.3ds.com.

In particular, please refer to the risk factor "Uncertain Global Economic Environment" in section 1.9.1.1 of the 2020 Universal Registration Document set out below for ease of reference:

“In light of the uncertainties regarding economic, business, social, health, climate 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;
- 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 customs tariff;
- 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’ industry diversification efforts.”

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.

In preparing such forward-looking statements, the Group has in particular assumed an average US dollar to euro exchange rate of US\$1.22 per €1.00 as well as an average Japanese yen to euro exchange rate of JPY126.0 to €1.00 before hedging for the second, third and fourth quarters and US\$1.22 per €1.00 as well as an average Japanese yen to euro exchange rate of JPY126.5 to €1.00 before hedging for the full year 2021. 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 2020 Universal Registration Document filed with the AMF on March 19, 2021.

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 290,000 customers of all sizes, in all industries, in more than 140 countries. For more information, visit www.3ds.com

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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; expenses 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.

Information on Growth excluding acquisitions ("organic growth")

In addition to financial indicators on the entire Group's scope, Dassault Systèmes provides growth excluding acquisitions' effect, also named organic growth. The related growth rate was determined by restating the scope of activity as follows: 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 Sector: 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 Sector: Life Sciences;
- Infrastructure & Cities Sector: 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, 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 the respective portion of 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' contract liabilities (deferred revenue), share-based compensation expenses, including 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 acquisition, integration and restructuring expenses, and impairment of goodwill and acquired intangible assets, certain one-time items included in financial income (loss), net, certain one-time tax effects 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			
	March 31, 2021	March 31, 2020	Change	Change in constant currencies
Revenue	€ 1,173.6	€ 1,144.4	3%	8%
Revenue breakdown by activity				
Software revenue	1,068.4	1,023.0	4%	10%
<i>Of which licenses and other software revenue</i>	203.8	172.3	18%	25%
<i>Of which subscription and support revenue</i>	864.6	850.7	2%	7%
Services revenue	105.2	121.4	(13)%	(9)%
Software revenue breakdown by product line				
Industrial Innovation ⁽¹⁾	609.2	605.1	1%	4%
Life Sciences ⁽²⁾	209.9	195.0	8%	16%
Mainstream Innovation	249.3	223.0	12%	20%
Revenue breakdown by geography				
Americas	463.3	453.8	2%	12%
Europe	435.9	421.5	3%	5%
Asia	274.5	269.1	2%	6%
Operating income	€ 397.4	€ 334.1	19%	
Operating margin	33.9%	29.2%		
Net income attributable to shareholders	€ 301.2	€ 250.0	20%	
Diluted earnings per share	€ 1.14	€ 0.95	20%	28%
Closing headcount	21,451	21,439	0%	
Average Rate USD per Euro	1.20	1.10	9%	
Average Rate JPY per Euro	127.81	120.10	6%	

⁽¹⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management

⁽²⁾ Including ENOVIA Life Sciences Compliance and Quality Management

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
	March 31, 2021	March 31, 2020	Change			
Revenue QTD	1,173.6	1,144.4	29.3	85.7	1.1	(57.5)

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	
	March 31, 2021	March 31, 2020
Licenses and other software revenue	203.8	172.3
Subscription and Support revenue	864.0	841.9
Software revenue	1,067.8	1,014.2
Services revenue	105.1	120.5
Total Revenue	€ 1,172.9	€ 1,134.7
Cost of software revenue ⁽¹⁾	(101.7)	(76.5)
Cost of services	(93.9)	(119.9)
Research and development expenses	(237.0)	(230.2)
Marketing and sales expenses	(309.9)	(331.3)
General and administrative expenses	(93.5)	(97.4)
Amortization of acquired intangible assets and of tangible assets revaluation	(89.5)	(109.4)
Other operating income and expense, net	(16.9)	(18.9)
Total Operating Expenses	(942.3)	(983.7)
Operating Income	€ 230.6	€ 151.0
Financial income (loss), net	(2.8)	(6.5)
Income before income taxes	€ 227.8	€ 144.5
Income tax expense	(53.7)	(35.3)
Net Income	€ 174.0	€ 109.2
Non-controlling interest	0.3	3.2
Net Income attributable to equity holders of the parent	€ 174.4	€ 112.4
Basic earnings per share	0.67	0.43
Diluted earnings per share	€ 0.66	€ 0.43
Basic weighted average shares outstanding (in millions)	261.2	259.5
Diluted weighted average shares outstanding (in millions)	264.5	263.2

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

IFRS reported	Three months ended March 31, 2021	
	Change ⁽⁴⁾	Change in constant currencies
Revenue	3%	9%
Revenue by activity		
Software revenue	5%	11%
Services revenue	(13)%	(8)%
Software Revenue by product line		
Industrial Innovation ⁽²⁾	1%	5%
Life Sciences ⁽³⁾	12%	21%
Mainstream Innovation	12%	20%
Revenue by geography		
Americas	4%	14%
Europe	3%	5%
Asia	2%	6%

⁽²⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management

⁽³⁾ Including ENOVIA Life Sciences Compliance and Quality Management

⁽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	
	March 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	2,714.1	2,148.9
Trade accounts receivable, net	1,130.4	1,229.1
Contract assets	27.1	27.0
Other current assets	321.0	355.4
Total current assets	4,192.5	3,760.3
Property and equipment, net	856.4	861.1
Goodwill and Intangible assets, net	8,170.5	7,937.2
Other non-current assets	428.9	405.6
Total non-current assets	9,455.9	9,203.9
Total Assets	€ 13,648.4	€ 12,964.2
LIABILITIES AND EQUITY		
Trade accounts payable	138.0	171.7
Contract liabilities	1,345.3	1,169.1
Borrowings, current	9.9	16.0
Other current liabilities	701.2	730.1
Total current liabilities	2,194.4	2,086.9
Borrowings, non-current	4,186.5	4,174.3
Other non-current liabilities	1,649.6	1,596.9
Total non-current liabilities	5,836.2	5,771.2
Non-controlling interests	46.6	44.8
Parent shareholders' equity	5,571.1	5,061.3
Total Liabilities and equity	€ 13,648.4	€ 12,964.2

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

In millions of Euros	IFRS reported		
	Three months ended		
	March 31, 2021	March 31, 2020	Change
Net income attributable to equity holders of the parent	174.4	112.4	62.0
Non-controlling interest	(0.3)	(3.2)	2.9
Net income	174.0	109.2	64.8
Depreciation of property and equipment	43.3	48.9	(5.6)
Amortization of intangible assets	94.6	112.8	(18.2)
Adjustments for other non-cash items	65.9	49.8	16.1
Changes in working capital	263.9	137.4	126.5
Net Cash Provided by (Used in) Operating Activities	€ 641.8	€ 458.1	€ 183.7
Additions to property, equipment and intangibles	(27.5)	(60.3)	32.8
Purchases of short-term investments	(0.6)	-	(0.6)
Other	(7.9)	1.8	(9.8)
Net Cash Provided by (Used in) Investing Activities	€ (36.0)	€ (58.4)	€ 22.4
Proceeds from exercise of stock options	37.1	23.7	13.4
Repurchase and sale of treasury stock	(88.3)	(108.1)	19.8
Proceeds from borrowings	0.4	1.5	(1.1)
Repayment of borrowings	(8.3)	-	(8.3)
Repayment of lease liabilities	(24.3)	(25.5)	1.3
Net Cash Provided by (Used in) Financing Activities	€ (83.5)	€ (108.5)	€ 25.0
Effect of exchange rate changes on cash and cash equivalents	42.9	7.4	35.5
Increase (decrease) in cash and cash equivalents	€ 565.2	€ 298.6	€ 266.6
Cash and cash equivalents at beginning of period	€ 2,148.9	€ 1,944.9	
Cash and cash equivalents at end of period	€ 2,714.1	€ 2,243.5	

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, 2020 filed with the AMF on March 19, 2021. 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 March 31,						Change	
	2021 IFRS	Adjustment ⁽¹⁾	2021 Non-IFRS	2020 IFRS	Adjustment ⁽¹⁾	2020 Non-IFRS	IFRS	Non-IFRS ⁽⁴⁾
Total Revenue	€ 1,172.9	€ 0.7	€ 1,173.6	€ 1,134.7	€ 9.7	€ 1,144.4	3%	3%
Total Revenue breakdown by activity								
Software revenue	1,067.8	0.6	1,068.4	1,014.2	8.8	1,023.0	5%	4%
Licenses and other software revenue	203.8	-	203.8	172.3	-	172.3	18%	18%
Subscription and Support revenue	864.0	0.6	864.6	841.9	8.8	850.7	3%	2%
<i>Recurring portion of Software revenue</i>	<i>81%</i>		<i>81%</i>	<i>83%</i>		<i>83%</i>		
Services revenue	105.1	0.1	105.2	120.5	0.9	121.4	(13)%	(13)%
Total Software Revenue breakdown by product line								
Industrial Innovation ⁽²⁾	609.2	-	609.2	604.3	0.7	605.1	1%	1%
Life Sciences ⁽³⁾	209.4	0.5	209.9	187.2	7.8	195.0	12%	8%
Mainstream Innovation	249.2	0.1	249.3	222.7	0.3	223.0	12%	12%
Total Revenue breakdown by geography								
Americas	462.7	0.6	463.3	444.6	9.2	453.8	4%	2%
Europe	435.8	0.1	435.9	421.2	0.2	421.5	3%	3%
Asia	274.5	-	274.5	268.8	0.3	269.1	2%	2%
Total Operating Expenses	€ (942.3)	€ 166.1	€ (776.2)	€ (983.7)	€ 173.4	€ (810.3)	(4)%	(4)%
Share-based compensation expense and related social charges	(59.1)	59.1	-	(44.4)	44.4	-		
Amortization of acquired intangible assets and of tangible assets revaluation	(89.5)	89.5	-	(109.4)	109.4	-		
Lease incentives of acquired companies	(0.7)	0.7	-	(0.7)	0.7	-		
Other operating income and expense, net	(16.9)	16.9	-	(18.9)	18.9	-		
Operating Income	€ 230.6	€ 166.8	€ 397.4	€ 151.0	€ 183.1	€ 334.1	53%	19%
Operating Margin	19.7%		33.9%	13.3%		29.2%		
Financial income (loss), net	(2.8)	0.3	(2.5)	(6.5)	0.3	(6.3)	(57)%	(61)%
Income tax expense	(53.7)	(39.0)	(92.7)	(35.3)	(44.5)	(79.8)	52%	16%
Non-controlling interest	0.3	(1.3)	(1.0)	3.2	(1.3)	1.9	(90)%	(153)%
Net income attributable to shareholders	€ 174.4	€ 126.8	€ 301.2	€ 112.4	€ 137.6	€ 250.0	55%	20%
Diluted Earnings Per Share ⁽⁵⁾	€ 0.66	€ 0.48	€ 1.14	€ 0.43	€ 0.52	€ 0.95	54%	20%

⁽¹⁾ In the reconciliation schedule above, (i) all adjustments to IFRS revenue data reflect the exclusion of the effect of adjusting the carrying value of acquired companies' contract liabilities (deferred revenue); (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 expenses, including related social charges, lease incentives of acquired companies, as detailed below, and other operating income and expense, net including acquisition, integration and restructuring expenses, and impairment of goodwill and acquired intangible assets (iii) adjustments to IFRS financial income (loss), net reflect the exclusion of certain one-time items included in financial income (loss), net, and (iv) all adjustments to IFRS income data reflect the combined effect of these adjustments, plus with respect to net income and diluted earnings 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 March 31,								Change	
	2021 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2021 Non-IFRS	2020 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2020 Non-IFRS	IFRS	Non-IFRS
Cost of revenue	(195.6)	4.2	0.2	(191.2)	(196.4)	3.9	0.2	(192.3)	(0)%	(1)%
Research and development expenses	(237.0)	22.1	0.3	(214.5)	(230.2)	13.8	0.4	(216.0)	3%	(1)%
Marketing and sales expenses	(309.9)	15.7	0.1	(294.2)	(331.3)	13.6	0.1	(317.6)	(6)%	(7)%
General and administrative expenses	(93.5)	17.2	0.1	(76.3)	(97.4)	13.0	-	(84.3)	(4)%	(10)%
Total		€ 59.1	€ 0.7			€ 44.4	€ 0.7			

⁽²⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management.

⁽³⁾ Including ENOVIA Life Sciences Compliance and Quality Management.

⁽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 264.5 million diluted shares for Q1 2021 and 263.2 million diluted shares for Q1 2020.