
H1-FY 2020 Results

Investor's presentation



September 10, 2020

BUSINESS UPDATES

8.5% revenue reduction



Temporary
interruption in new
projects



Solid global
installed base,
overperformance
for top customers

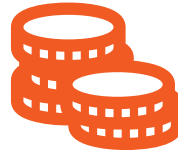


Growing number of customer
engagements positioned at the
level of “outcome” and mounting
interest in ESI’s offer

ADAPTING TO THE CURRENT CONTEXT, SHORT & MEDIUM-TERM



Pivoting
to work-from-home



New methods for marketing
(almost 50% reduction in
travel and marketing costs)



Decreased variable
compensation (linked
to revenue growth)



Continuation of
development of new
ways of driving business

Our target is to reduce cost on FY20 and to start FY21 with a healthy run-rate

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2 Perspectives

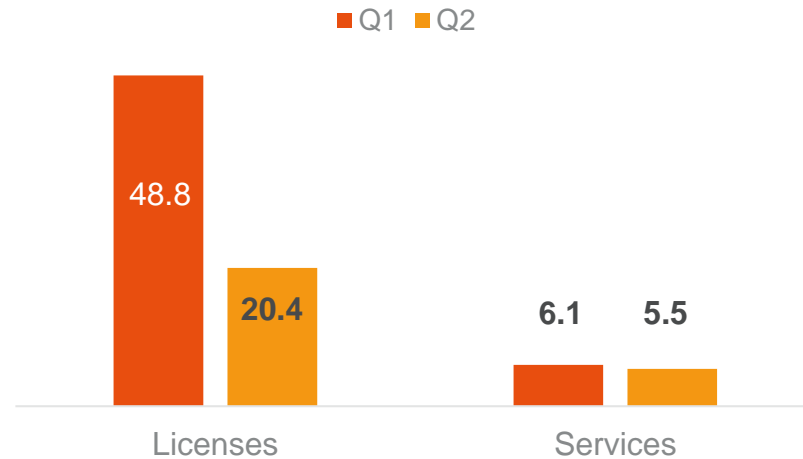
1.

H1-FY 20 FIGURES

Q2 2020 FOCUS ON REVENUES

(€m)	06/30/2020 3m	06/30/2019 3m proforma	Change	Change cer
Q2 – sales	25.9	29.9	(13.2%)	(13.5%)
Licenses	20.4	22.5	(9.4%)	(9.7%)
Services	5.5	7.4	(24.8%)	(24.9%)

LICENSES & SERVICES IN Q1 & Q2



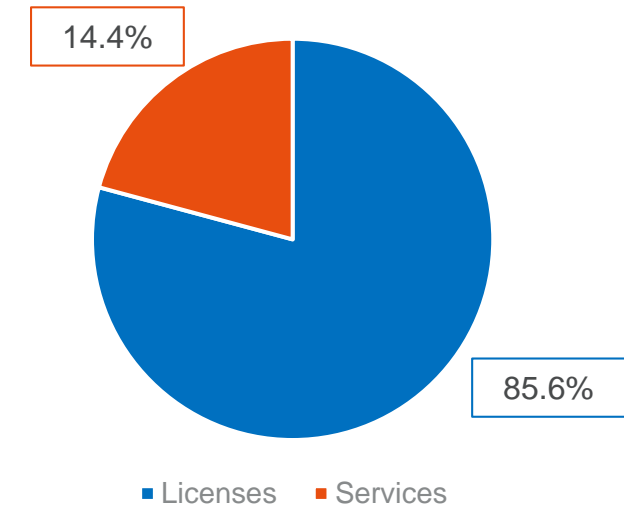
- A crisis becoming global in Q2
- Q2 is a smaller quarter for ESI

H1-FY'20 FOCUS ON REVENUES

- Covid-19 impact on business:
 - Resilience of Licenses (85.6% of revenue): -5.6%
 - Decrease in Services (14.4% of revenue): - 22.5%

(€m)	06/30/2020 6m	06/30/2019 6m proforma	Change	Change cer
H1 – sales	80.8	88.3	(8.5%)	(9.1%)
Licenses	69.2	73.3	(5.6%)	(6.3%)
Services	11.6	15.0	(22.5%)	(22.9%)

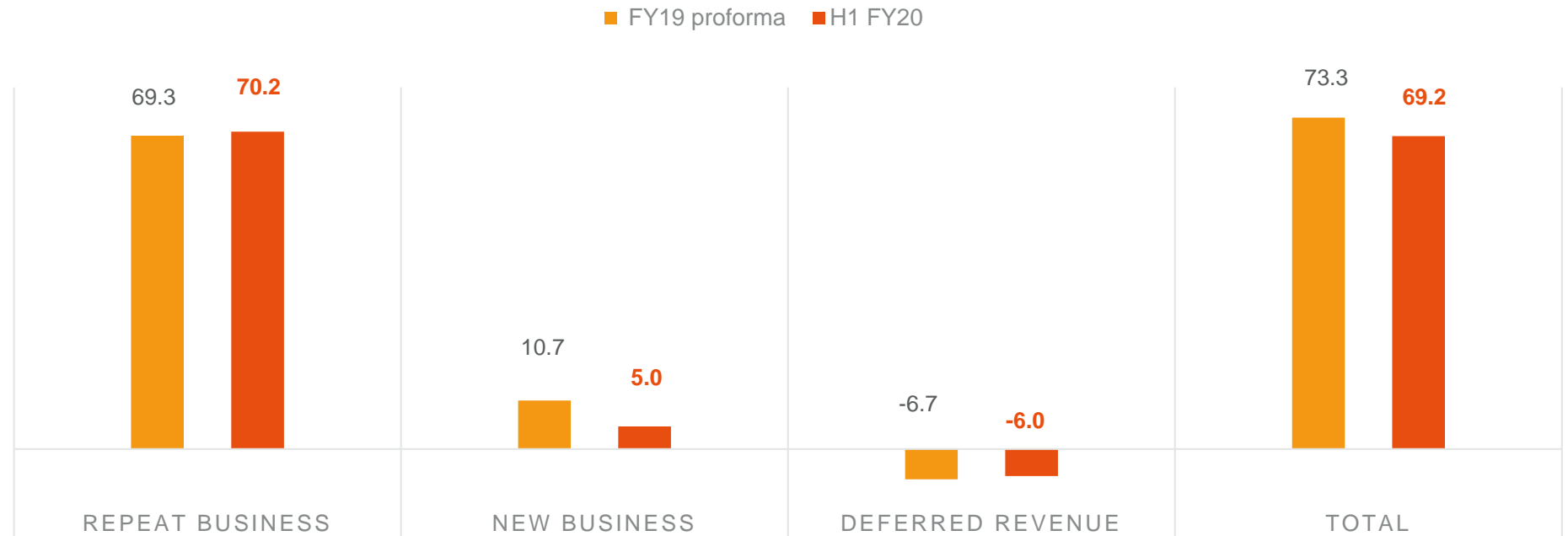
Total Revenue Breakdown (H1 2020)



Revenue mix evolving towards Licenses, representing 85.6% of total revenue (vs 83.1% in H1 19)

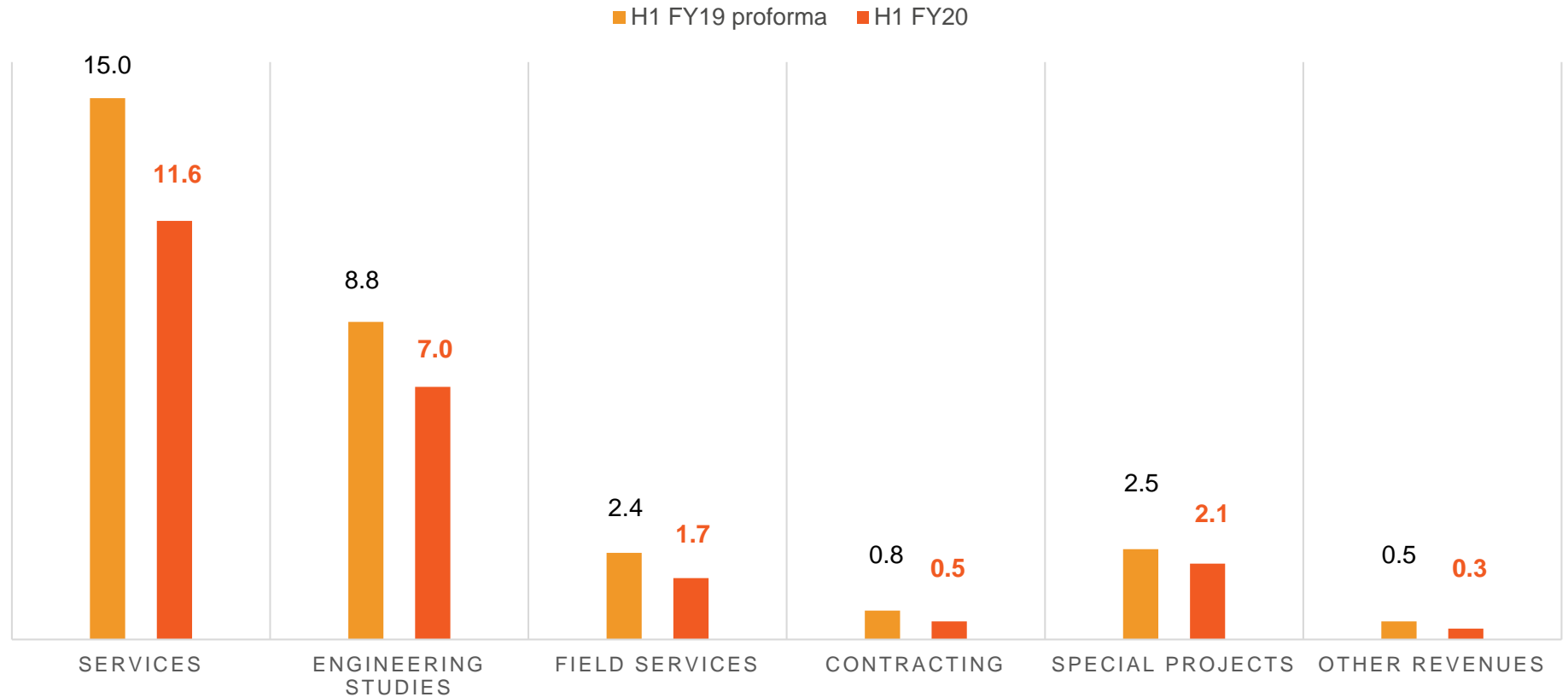
A SOLID AND RESILIENT BUSINESS MODEL

Licenses Split in €m (H1 2020)



- **High level** of licenses recurrence: **repeat rate 87.7%**
- Repeat business **increased by 1.2%**
- New Business impacted by the lockdown measures (-53%)
- Perpetual Licenses = €4.3m vs €9m in H1 FY19

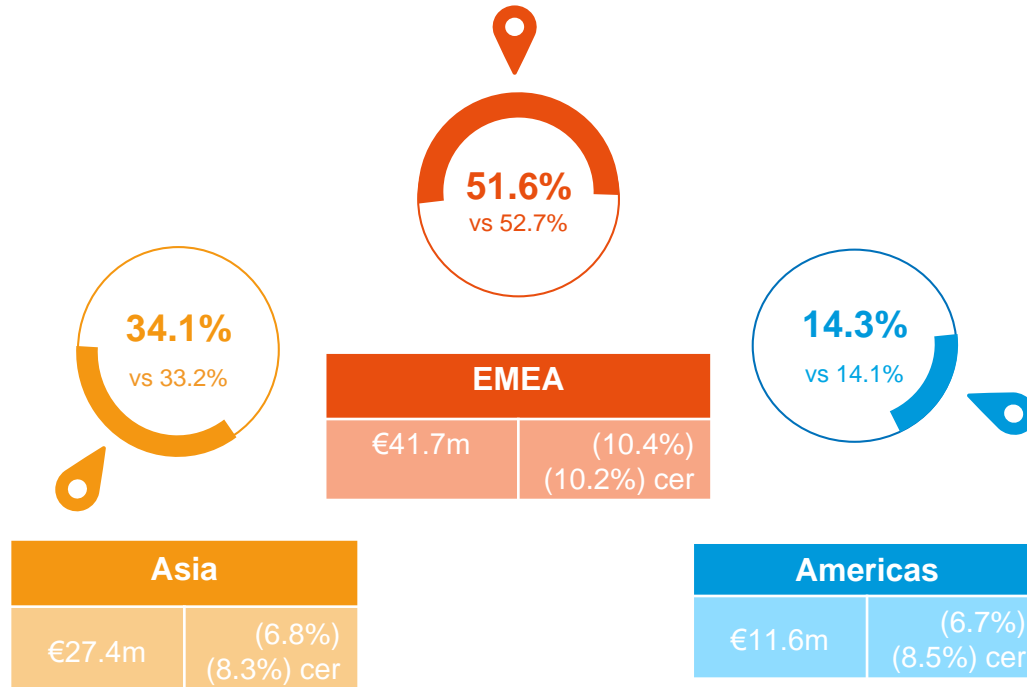
SERVICES IMPACTED BY THE CRISIS



- Impact on all categories of Services as expected in context of shutdown

GEOGRAPHIC AND SECTOR FOOTPRINT UNCHANGED

GEOGRAPHICAL MIX



KEY INDUSTRIES

87% of the total booking during the period from four main industries



H1-FY'20 FOCUS ON RESULTS

(€m)	06/30/2020 6m	06/30/2019 6m proforma	Change	Change cer
H1 – sales	80.8	88.3	(8.5%)	(9.1%)
Gross margin	62.4	68.6	(9.1%)	(9.8%)
<i>% Sales</i>	<i>77.3%</i>	<i>77.7%</i>		
EBITDA (before IFRS 16)	15.0	21.3	(29.5%)	(31.4%)
<i>% Sales</i>	<i>18.6%</i>	<i>24.2%</i>		
EBIT (before IFRS 16)	12.5	19.6	(36.3%)	(38.4%)
<i>% Sales</i>	<i>15.4%</i>	<i>22.2%</i>		
IFRS 16 – Impacts				
- EBITDA	3.0	2.8		
- EBIT	0.2	-		

FOCUS ON COSTS

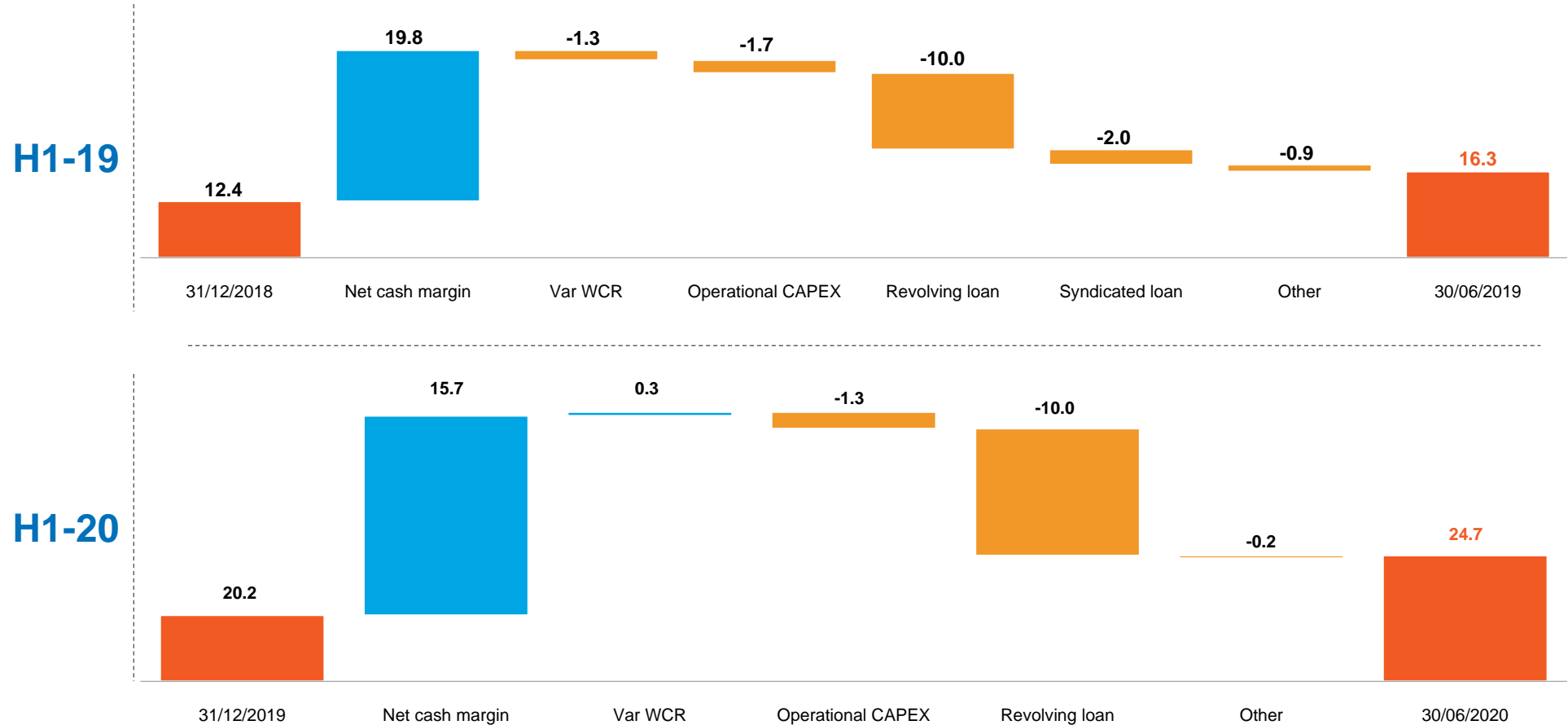
(Before IFRS16)

(€m)	06/30/2020 6m	06/30/2019 6m proforma	Variation
Turnover	80.8	88.3	(8.5%)
<i>Staff costs</i>	(47.3)	(47.4)	(0.3%)
<i>Other costs</i>	(21.1)	(21.3)	(1.2%)
Total costs to EBIT	(68.3)	(68.7)	(0.6%)
<i>EBIT – Before IFRS 16</i>	12.5	19.6	(36.3%)

**Our target is to reduce cost on FY20
and to start FY21 with a healthy run-rate**

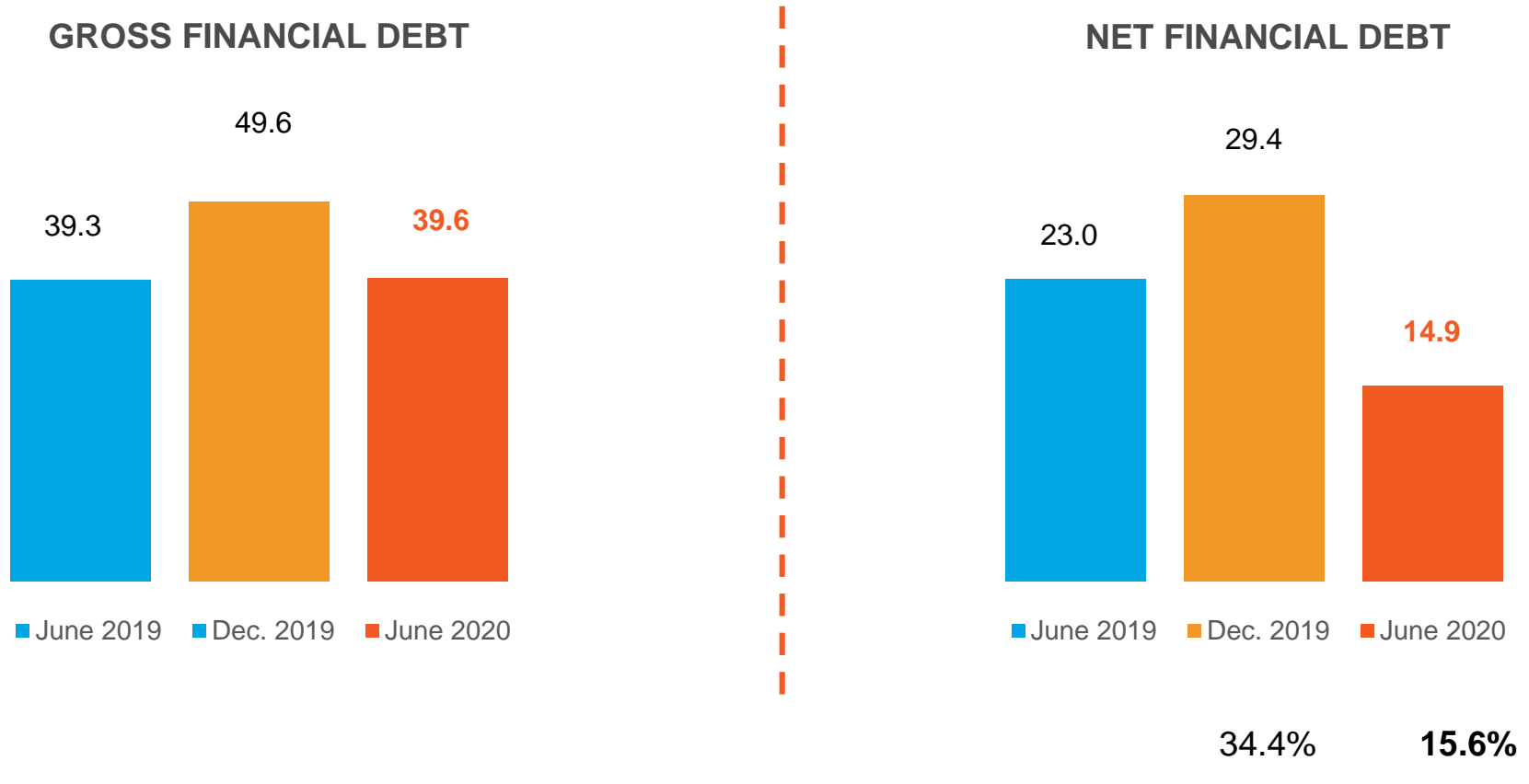
CASH MANAGEMENT UNDER CONTROL

(Before IFRS16)



Proactive cash payment collection monitoring

EVOLUTION OF FINANCIAL DEBT



Approval of State-guaranteed loan (PGE) from our French banking pool and Bpifrance for €13.75m

2.

PERSPECTIVES

CONTINUATION OF OUR TRANSFORMATION PLAN

A good momentum

BUSINESS CASE: STRONGER THAN EVER



Support from industry leaders



A growing wave of projects that deliver holistic product performance lifecycle outcomes to our focus industries

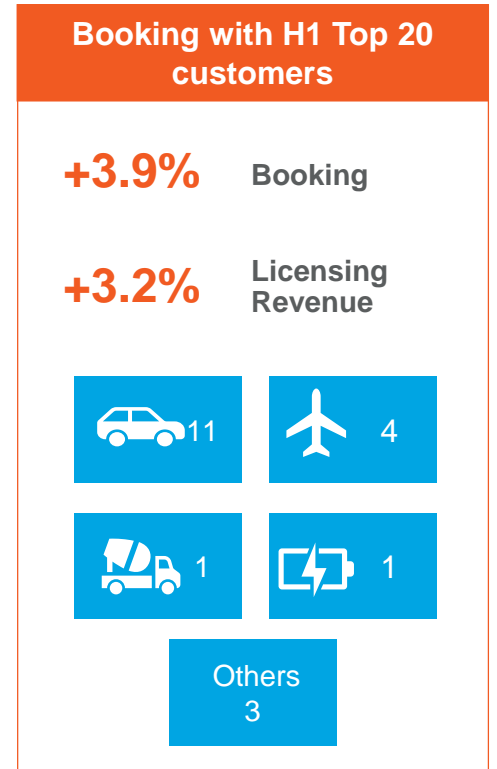
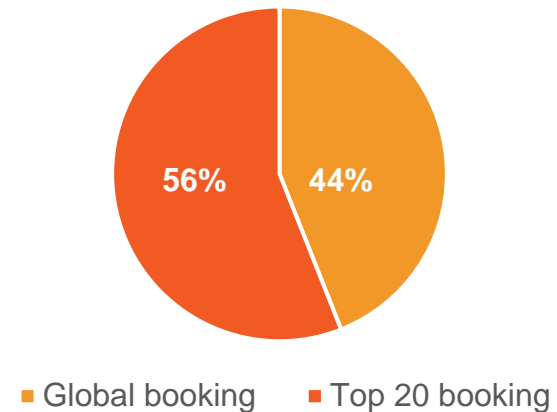
GROWING MIND-SHARE AND MARKETING PRESENCE

OVERPERFORMANCE OF THE H1 TOP 20

Top 20 showed a **continuous interest** for the Group innovative solutions

Services : 21% of services booking (vs. 15% for all customers).

Booking split



PERSPECTIVE – Project example



OUTCOME:
reduction of fan noise and power consumption

Reducing the time needed for design
space exploration studies



Creation of a digital twin & Hybrid Twin™
to study existing machines and to
develop advanced control systems to
improve the performance of existing
system

Enabling instantaneously runs in-
order to facilitate real-time prediction

INCREASING MIND-SHARE



India – A rising EV Enterprise

612 registrations, 319 attendees, 25+ CXO level attendance, 18 countries, 150+ companies, nearly half from Automotive.

XR Event

600 registrations – 360 attendees – 40 countries

**Save
the date**

Nov. 5th, 2020

From 9am to 4pm CET

**ESI Live
Drive Transformative
Value**

INCREASING MIND-SHARE – AMPLIFICATION

L'USINE NOUVELLE

[Covid-19] Ce que la simulation peut nous apprendre sur la circulation du virus dans les espaces de travail

Afin d'éviter d'associer au retour au travail une contamination massive des collaborateurs, le spécialiste de la simulation ESI Group a simulé différentes configurations de travail afin de déterminer quelles organisations étaient les plus propices à limiter la contamination des salariés.



La simulation permet de visualiser la dispersion du virus l'open space.

[Podcast] "On est passé de la gestion du changement à la gestion de l'inévitable", selon Cristel de Rouvray (Esi Group)

CHRISTORNE BYD | FEMME DE L'INDUSTRIE, NUMERIQUE | PUBLIE LE 09/06/2020 À 18H30
 PODCAST Chaque semaine, L'Usine Nouvelle et radio village innovation vous donnent rendez-vous avec une femme travaillant dans l'innovation pour un podcast original. Cette semaine, Cristel de Rouvray, CEO d'ESI Group a répondu à nos questions.

ESI Group's Scientific Expertise Honored Again

BUSINESSWIRE LIVE FEED
04/22/2020 09:20

ESI Group, a world player in virtual prototyping software and services for industrials, is pleased to announce that Dr. Ruben Ibanez, Researcher at the chair Create ID hosted by ESI Group and Ecole nationale supérieure d'arts et métiers (ENSAM) and member of the ESI Group Scientific Department, has won the award for best doctoral thesis in computational mechanics in both France and Spain.

La lettre de la bourse

Olfa Zorgati, directrice administrative et financière d'ESI Group : « la digitalisation de l'industrie s'accélère »

Dans un entretien accordé à La Lettre de la Bourse, Olfa Zorgati, directrice administrative et financière d'ESI Group, détaille les perspectives de cet éditeur de logiciels d'essais virtuels pour 2020 et au-delà, à l'aune du développement des process numériques chez ses clients, dans l'automobile et dans d'autres industries. L'occasion de revenir sur les premières retombées du nouveau cap stratégique engagé il y a quelques mois, simultanément à l'arrivée d'une nouvelle équipe de direction.

24 juin (111 ko)



現実ソフトウェアを活用＝仏ESI[BW]

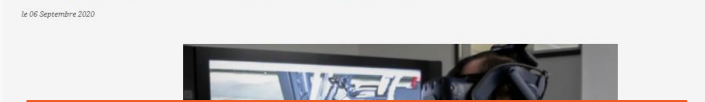
2020年09月29日08時29分

【ビジネスワイヤ】製造業向けバーチャル・プロトタイプング技術大手の仏ESIグループは、産業用トラック大手の独キオン・グループの製品開発を支援していると発表した。キオンが活用しているESI製仮想現実ソフトウェアの「IC_IDO」は、高度な視覚化機能を備え、物理プロトタイプ作成前のシミュレーションが可能。独自のインターフェースにより自然な操作が可能で、工学系の専門知識がなくても使用できる。市場投入期間の短縮と全体的なコストの削減に役立つ。

英語原文はwww.businesswire.comへ。

CIO

Le groupe Kion conçoit et teste ses produits à l'aide de la réalité virtuelle



KION Group Relies on ESI's Virtual Reality Software Solution to Rev up Product Development

le 06 Septembre 2020

Kion Relies on ESI's Virtual Reality Software to Rev up Product Development

Aug 25, 2020--

chain solutions, in the design of its product development. ESI's Virtual Reality software IC_IDO, enables them to accelerate their digital transformation and increase productivity by reducing or even eliminating the need for physical prototypes during

CLOSING REMARKS

SHORT-TERM

- ESI's H1 performance underpinned the resilience of our business model
- Targeting a healthy cost run-rate for the start of FY21

LONG-TERM

- Promising prospects for industrial companies accelerating their digitalization, reinforced by a real appetite for ESI solutions
- A transformation plan to anchor ESI in a sustainable future

Q&A



Thank You