



H1-FY19 RESULTS

ANALYSTS & INVESTORS CALL – SEPTEMBER 19TH, 2019



PART I

H1-FY 19 FIGURES

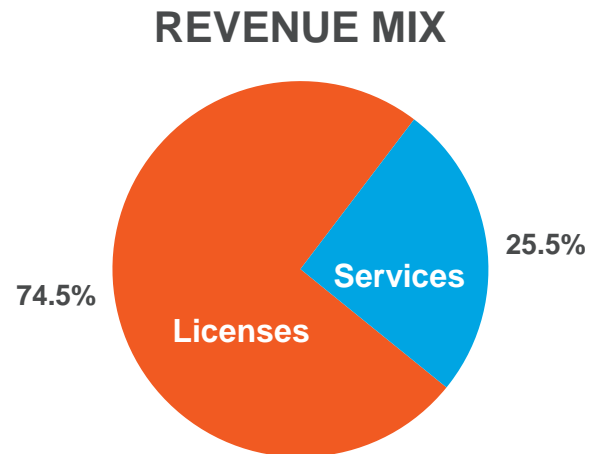
CONTEXT – H1 2019 AS A MILESTONE IN OUR HISTORY

- Change in our governance
- Implementation of new organization, tools and processes
- Global economic and industry situation

H1-FY'19 FOCUS ON REVENUE

Revenue (€m)	Licenses	Services	Total
H1-FY 2019	40.9	14.0	54.8
H1-FY 2018	39.4	13.8	53.2
Change	+3.7%	+0.9%	+3.0%
change c.e.r	+0.8%	-0.7%	+0.4%

c.e.r. – constant exchange rates



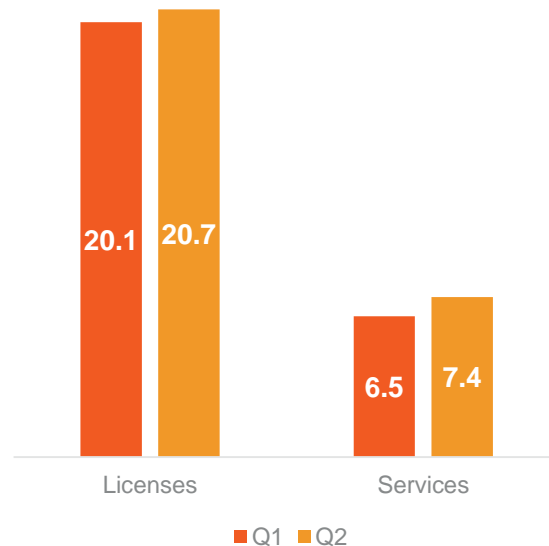
- › Growth of +3.0% at current rates
- › Growth in license sales +3.7% linked to strong installed base
- › Positive Forex impact

Q2'19 REVENUE – LICENSES & SERVICES

Revenue (€m)	Licenses	Services	Total
Q2 2019	20.7	7.4	28.2
Q2 2018	20.4	6.6	27.0
Change	+1.9%	+12.7%	+4.5%
Change c.e.r	-0.4%	+11.1%	+2.4%

c.e.r. – constant exchange rates

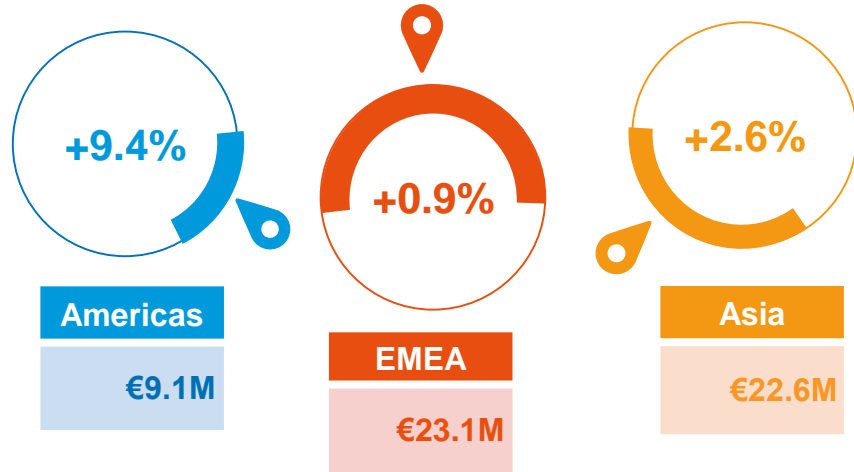
LICENSES & SERVICES IN Q1 & Q2



- › Total Q2 growth at 4.5% with higher growth in services +12.7%

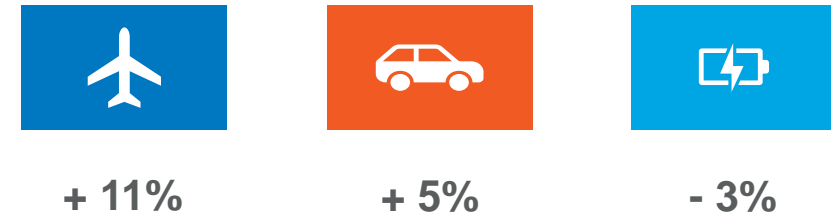
GEOGRAPHICAL & KEY INDUSTRIES BREAKDOWN

GEOGRAPHICAL MIX



- › Growth in all regions boosted by Forex
- › Ability to operate in all global markets

KEY INDUSTRIES



- › Growth on Automotive and Aerospace industries
- › Energy industry contracted slightly

FINANCE: a clear roadmap to accelerate the expected benefits of the transformation

Our commitment – Performance

Displayed in April - 2019



OneEsi:
New organisation
& Best-in class
tools / processes



Growth
Key Performance
Indicators



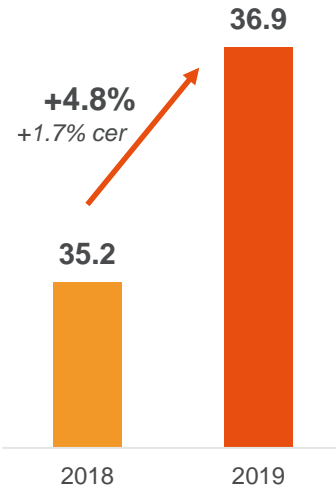
Growth
Profitability
Sustainability



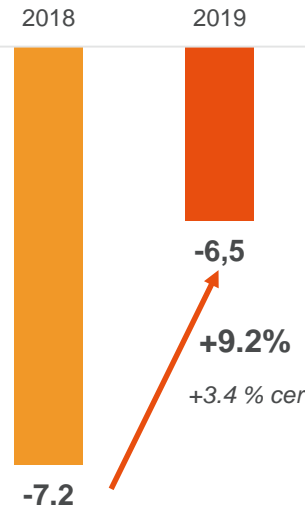
Profitability
KPIs driving allocation
of global resources

H1 FY'19 FOCUS ON RESULTS

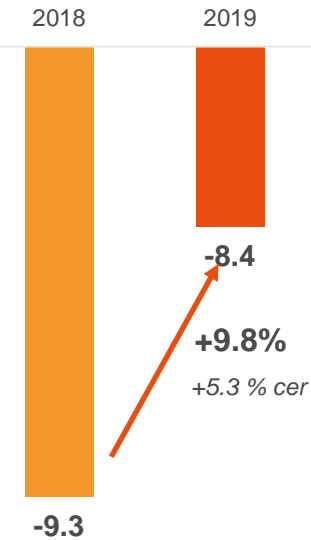
GROSS MARGIN



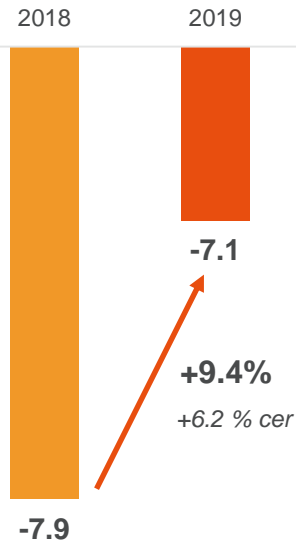
EBITDA (BEFORE IFRS 16)



OPERATING INCOME (BEFORE IFRS 16)



NET INCOME



- › Direct impact on margins
- › Negative first half results due to seasonality of license revenue.

H1 FY'19 FOCUS ON RESULTS (before IFRS16)

M€	H1 – 2019	H1 – 2018	Variation
Turnover	54.8	53.2	3.0%
Staff costs	-43.3	-43.3	+0.2%
Other costs	-20.0	-20.9	-4.5%
R&D capitalization impact	0.1	1.6	
Total costs	63.2	62.5	1.1%
Operating income	-8.4	-9.3	+9.8%



> Impact from focus & synergies

SPLIT

S&M costs	-3.2%	Focus on key marketing events
R&D costs	+6.4%	R&D capi impact
G&A costs	+4.5%	

IFRS 16 APPLICATION

- › Applicable since January 2019
- › New recognition and measure of lease assets and liabilities:
 - › property, plant and equipment
 - › real estate and vehicles
 - › lease liabilities
- › Leases expenses now split between
 - › amortization and depreciation (€2.8M)
 - › the interest on the debt (€0.1M)

IFRS 16 IMPACTS

- › On EBITDA : +€2.8 M
 - EBITDA (after IFRS16): €-3.7M
- › On Operating income: +€0.1 M
 - Operating income (after IFRS16): -€8.3M

PART II

STRATEGIC FOCUS PLAN

ESI GROUP TRANSFORMATION



Solutions sales



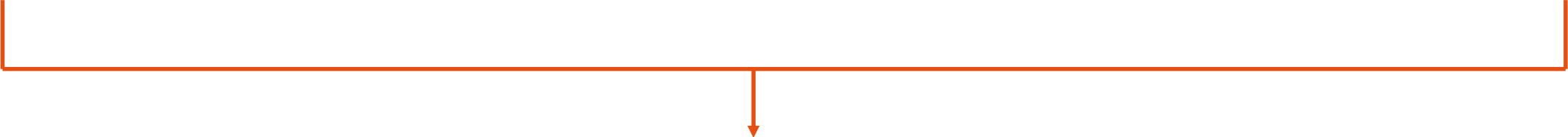
World class innovation partnership



Providing global customers support



Highly recurrent business



Drive sustainable revenue

TRANSFORM EXISTING CUSTOMERS IN KEY STRATEGIC ACCOUNTS



Winning Bid

Farasis Energy won a 10+ billion contract thanks to us and our **VPS solution.**

- › Developer and supplier of lithium-ion battery technologies

Compelling innovation: human-centric assembly line validation business case



- › Anticipate the conception thanks to VR
- › Create ergonomics workstations
- › Control risks, deadlines and manufacturing budgets

“ *We measured the gains on virtual reality usage in terms of making our tools **the first time right**. In other words, the first time right in terms of technology, implementation and safety. This gain was measured at around 15% of our tooling budget.* ”

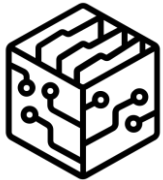
Nicolas Lepape
Virtual reality and simulation expert
Safran Nacelles

HYBRID TWIN™ MODEL - ASSET PERFORMANCE THROUGHOUT LIFE

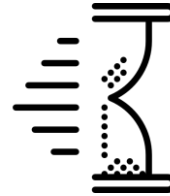
Cutting-edge simulation solutions to predict, in real-time, all products' behaviors



PHYSICS-BASED
VIRTUAL PROTOTYPE



DATA-BASED
DIGITAL TWIN



REAL-TIME
ALGORITHMS



Hybrid Twin™

**GATHERING & HARNESSING THE POWER OF DATA AND PREDICTIVE SIMULATION
TO SHAPE THE FUTURE OF INDUSTRIES**

PART III

Q&A

