

# Q1 2022 Sales



Investors presentation

ESI Group  
May 2<sup>nd</sup>, 2022

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# Speakers



**Cristel de Rouvray**

CEO



**Olfa Zorgati**

EVP Operations & CFO

# Solid growth in ESI's focus industries

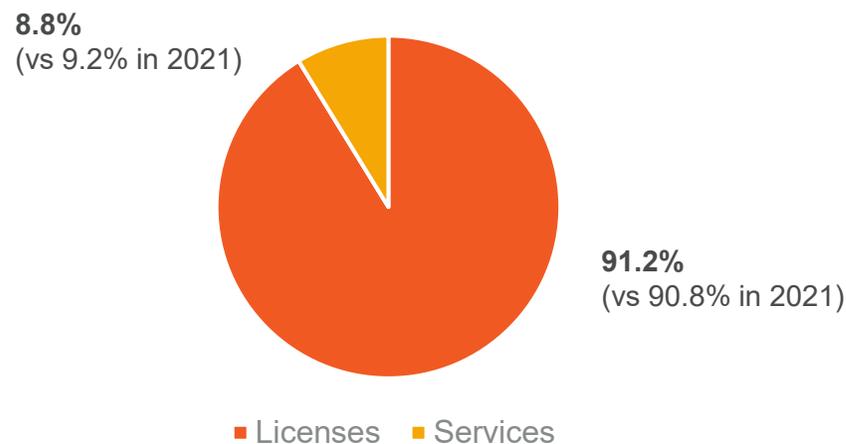
# Solid Q1 2022

- Q1 revenues in the upper range of the communicated guidance led by:
  - Solid rental revenue → sustainable business
  - Automotive industry → a leading sector driven by “good auto” trends (clean, safe, and productive)
  - Asian market → development of healthy and sustainable business with key customers
  
- First execution quarter of our “*OneESI 2024 – Focus to Grow*” plan → we deliver on our commitments while transforming in-depth our company
  
- Bold commitment of our team to transform our Group and shift our operating model
  
- Full year financial objectives reaffirmed

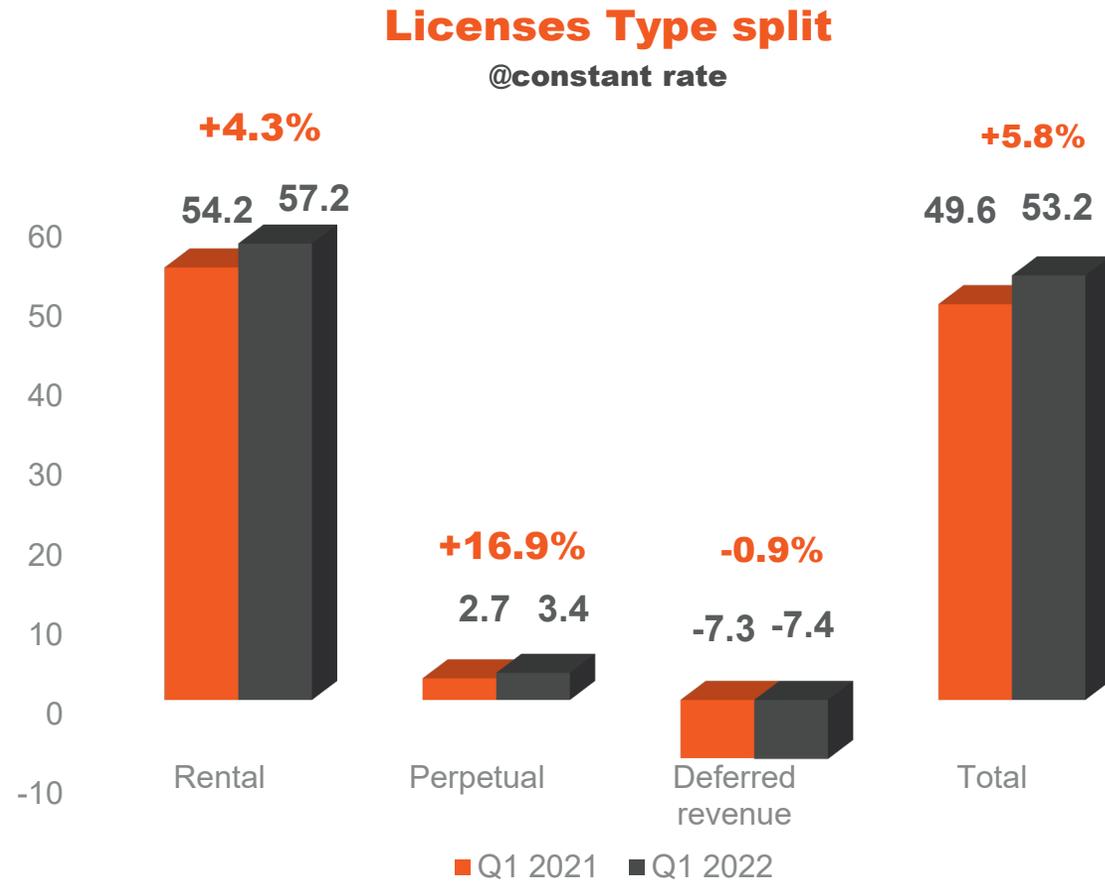
## Q1 revenues : solid growth +6.6%, + 5.3% cer, in the upper range of the guidance (+ 4% - 6%) driven by License activity

Revenues (€m)	Q1-2022	Q1-2021	Change	Change Constant exchange rate (cer)
Licenses	53.2	49.6	+7.1%	+5.8%
Services	5.1	5.1	+1.7%	+0.6%
<b>Total</b>	<b>58.3</b>	<b>54.7</b>	<b>+6.6%</b>	<b>+5.3%</b>

### REVENUES SPLIT

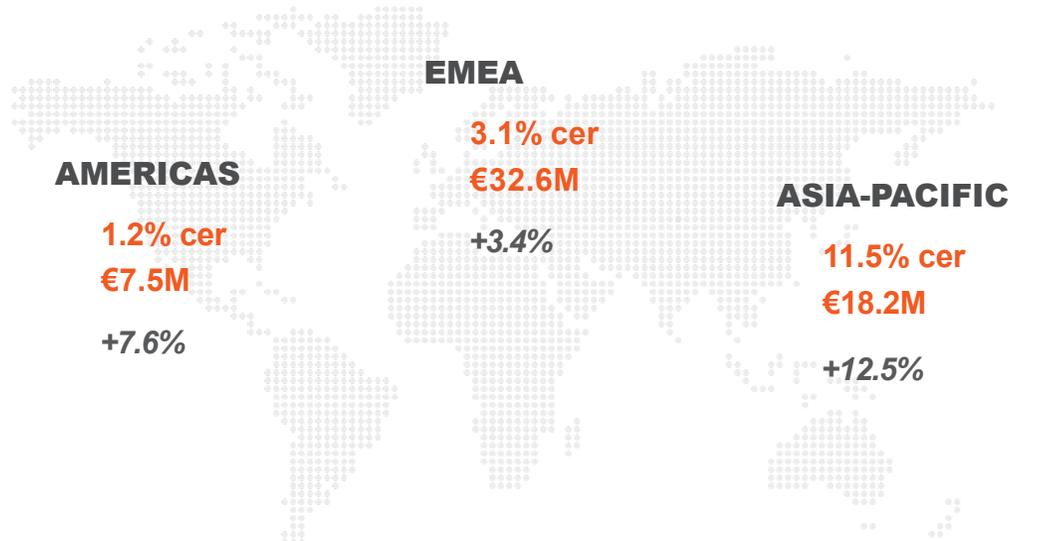


# Q1 2022 revenue: a sustainable license business



# Q1 2022 revenue per geography & industry

## GEOGRAPHY SPLIT



Asia led the growth, at **+11.5% cer** and **+11.7% cer** for its **licenses business** driven by strategic customers solid growth

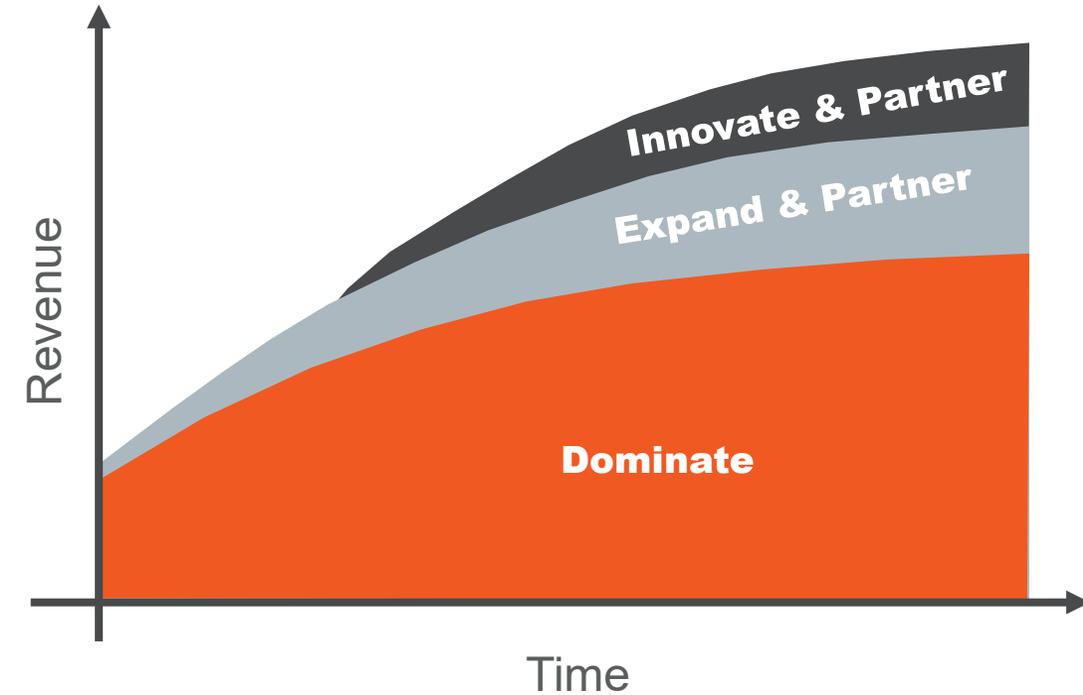
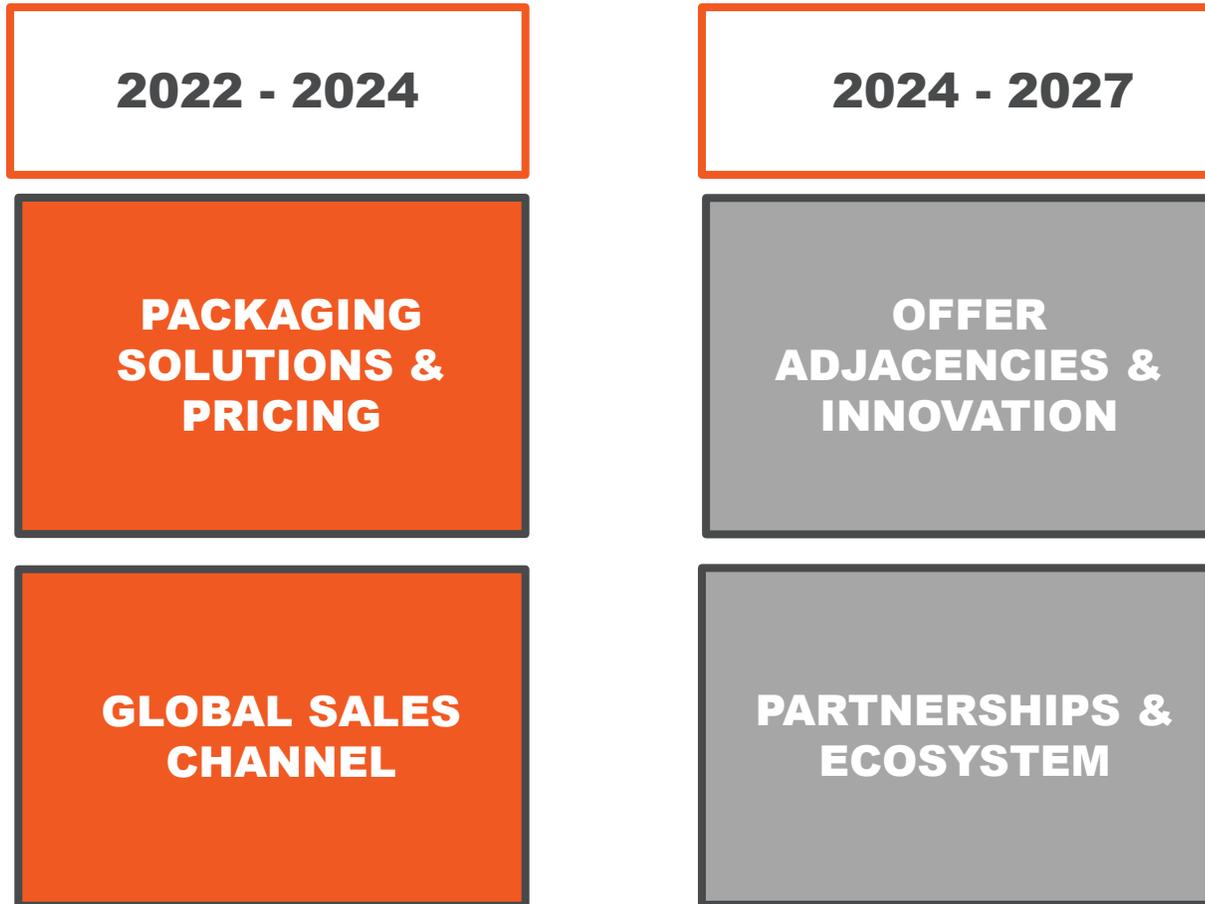
## INDUSTRY SPLIT

**91.5%** of the license revenue (before deferred revenue) from four focus industries

**Automotive & Land Transportation** leading the growth of the Group – in line with the plan communicated in October 21.

**Delivering the 3-year plan**  
***“OneESI 2024 – Focus to grow”***

# Levers of Growth: benefits of today's decisions staggered over time



CUSTOMER VOICE

# Volvo Group

Volvo has brought Collaborative Virtual Workspaces from concept to productive use

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## Highlights

With ESI's collaborative extended reality (XR) ecosystem solutions and ubiquitous availability built on top of NVIDIA's CloudXR streaming technology, teams work in shared, easy-to-use XR environments for immediate solution identification and decisions.



## On-Demand Video

NVIDIA GTC March 2022

<https://www.youtube.com/watch?v=-jOEdJq-7mc>

# Multi-horizon levers of growth – Innovation – Descartes Program

## ESI's role

- **Performance simulation solutions** (VPS, VA One, Simulation X, etc.)
- Expertise in hybridization and model reduction
- **Engineering expertise** to optimize the platform in which the data will be used to make the right decision at the right time.

More info [HERE](#)

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What area of expertise will ESI bring to the program? 🗣️ Francisco Chinesta, our Scientific Director and the Director of the DesCartes program, talks about the [#DesCartesprogram](#) – a collaborative project aiming to transform [#Singapore](#) into a hybrid, ethical and [#sustainable](#) Smart Nation, with the help of the expertise and knowledge of ESI Group in the physics of materials, [#manufacturing](#) process and structural performance. Read more: <https://bit.ly/3AvVtfu>

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What area of expertise will ESI bring to the program?

# ESG focus – A best-in-class investment asset – differentiators

## CREATING A SUSTAINABLE INDUSTRY



## BEST-IN-CLASS GOVERNANCE & MANAGEMENT PRACTICES

**85.7%**

of the board of directors are independent members

**40%**

of the ESI Leadership Team are women

# Reaffirming our financial objectives

@ constant rate

	H1-FY22	FY22	FY23	FY24
Growth <sup>1</sup>	4% - 6%	4% - 6%	6% - 8%	7% - 9%
Adjusted EBIT		10% – 12%	15% - 17%	> 20%

<sup>1</sup> Revenue Excluding Special projects and Russian business



In the light of recent events and the Russian aggression against Ukraine over the last weeks, ESI Group has decided to suspend all business development with Russia and Belarus customers, which represents less than 1.5% of revenues in 2021.

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

# Key take-aways

**Growth in upper range of our guidance**

**Ongoing transformation with growth levers staggered over time**

**Full team is focused and committed to delivering on our strategic plan**

# Upcoming events



- **Annual General Meeting – June 28<sup>th</sup>, 2022**
- **Half Year results 2022 – September 7<sup>th</sup>, 2022 (5:35pm CET)**

 **FY22 investor's conference September 27<sup>th</sup>, 2022**

# Thank you



## Any Questions?

Email: [investors@esi-group.com](mailto:investors@esi-group.com)