

# FY 2018 RESULTS



PARIS -  
APRIL 16, 2019

## Investor's meeting

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# 1 - Introduction

1973

1985

2000

2016

2019

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# 1 - Introduction

Good vision, strategy  
Differentiated performance  
Amplify and replicate

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## 2 - Disclosure

## 2. Financials – Key figures

	FY 2015	FY 2016	FY 2017	FY 2018
<b>Revenue</b>	<b>124.7</b>	<b>140.6</b>	<b>135.3</b>	<b>139.4</b>
<i>Growth</i>	12.3%	12.7%	-3.8%	3.1%
<b>Gross Margin</b>	<b>90.4</b>	<b>103.1</b>	<b>97.8</b>	<b>101.5</b>
<i>Margin</i>	72.5%	73.3%	72.3%	72.8%
<b>EBITDA</b>	<b>14.3</b>	<b>18.3</b>	<b>12.1</b>	<b>11.2</b>
<i>Margin</i>	11.5%	13.0%	9.0%	8.0%
<b>Operating income (EBIT)</b>	<b>9.4</b>	<b>13.7</b>	<b>8.1</b>	<b>7.0</b>
<i>Margin</i>	7.5%	9.8%	6.0%	5.0%
<b>Net income</b>	<b>5.3</b>	<b>7.5</b>	<b>2.4</b>	<b>3.3</b>
<i>Margin</i>	4.3%	5.4%	1.8%	2.4%
<b>Headcount</b>	<b>1 144</b>	<b>1 190</b>	<b>1 238</b>	<b>1 232</b>
<i>Growth</i>	11.6%	4.0%	4.0%	-0.5%

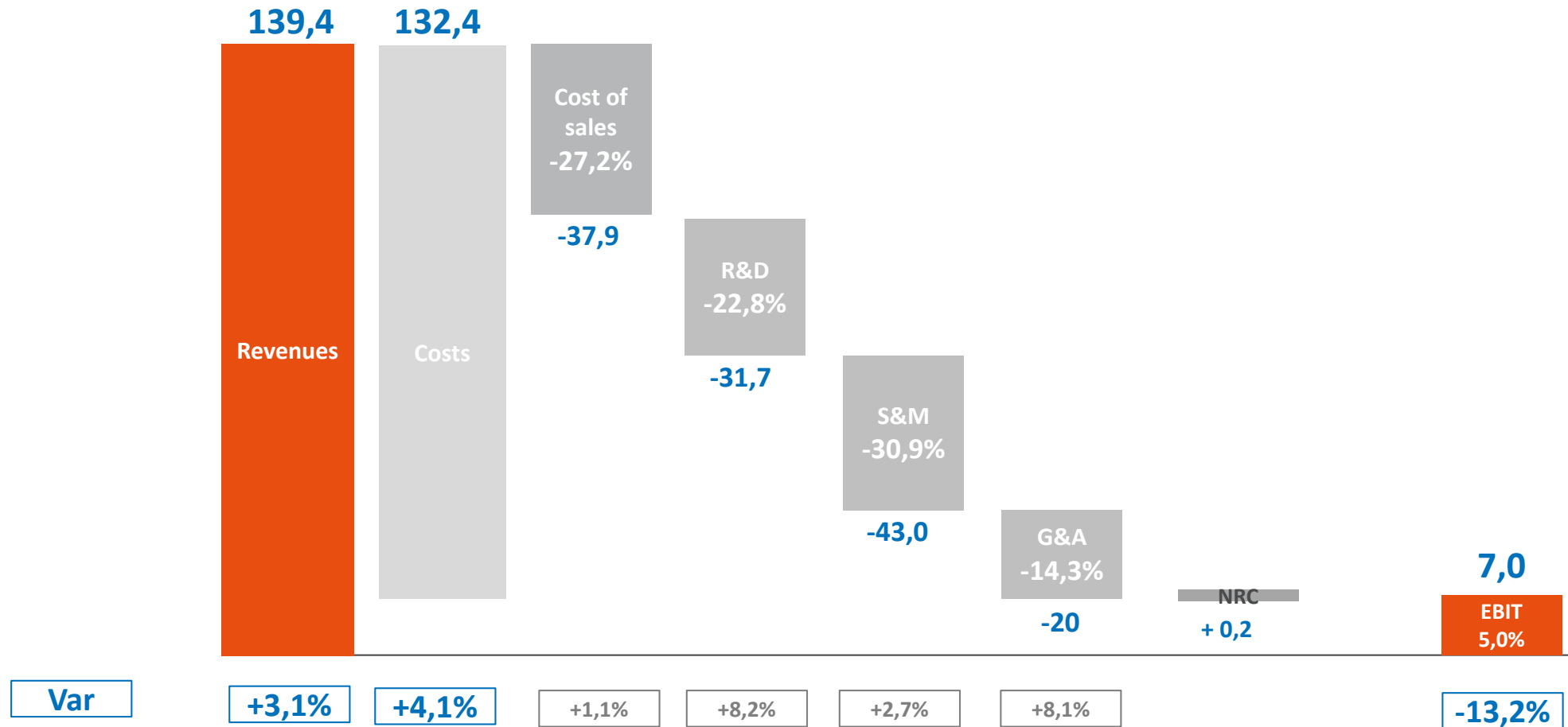
**Revenues: back to growth**

**EBITDA: slight decrease**

**Headcount: stabilized**

## 2. Financials – Transformation investments weigh on profitability

Costs increase of 4,1% in a context of moderate growth

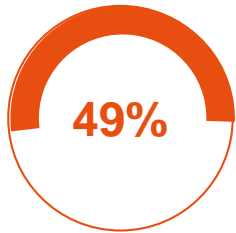




## 2. Financials – A differentiated performance

By geographies & customers maturity usage of our solution

### Per geography



#### EMEA

€68,8M +7,9%

Licenses €49,8M +9,1%  
Services €19,0M +4,8%



#### Asia

€49,8M -0,4%



#### Americas

€20,8M -3,3%

### Booking by Industry

Auto & Transportation 57% +2%

Heavy Industry 12% +6%

Aero 11% +6%

Energy 7% +11%

Others 13% +4%

### Booking top 20 customers

45% of Revenues

+12% Growth

12

4

2

Others 2

## 2. Financials – A solid business model

High rate of recurrence of Licensing revenues: 85%

### Revenue per type

109,8 m€

79%

PUL

85%  
rental

29,6 m€

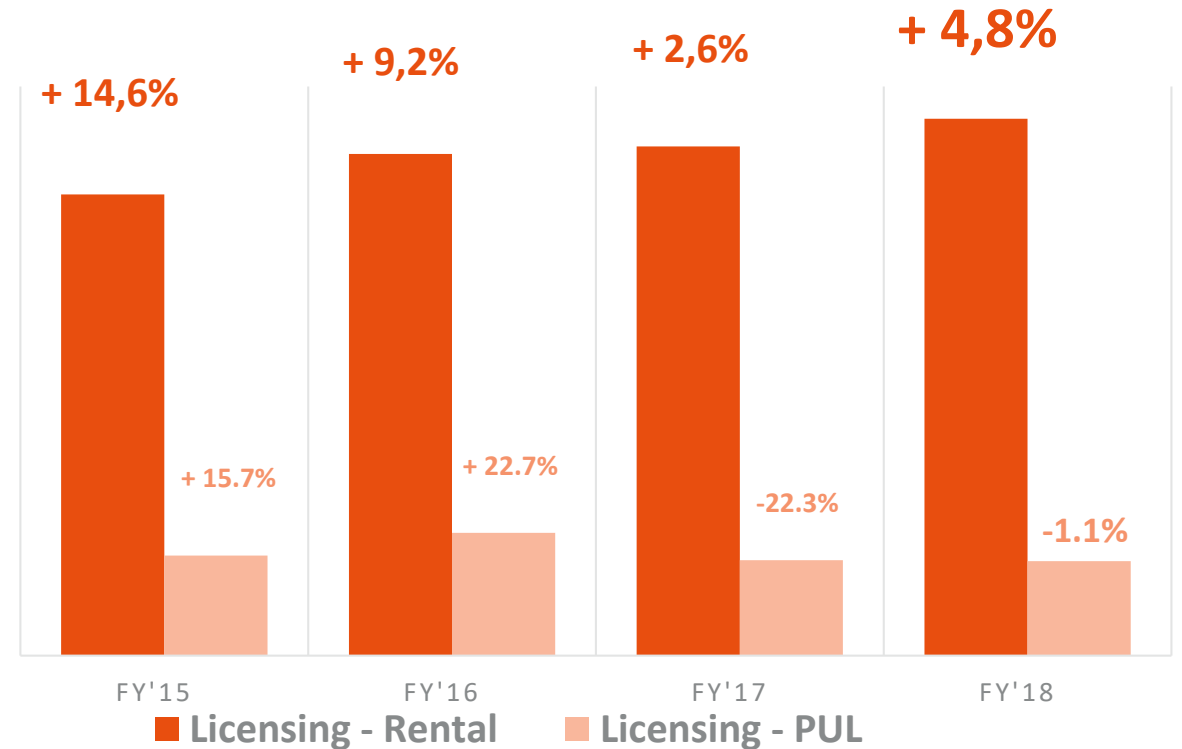
21%

#### Licensing

Gross Margin  
85,2%  
+ 3.9%

#### Services

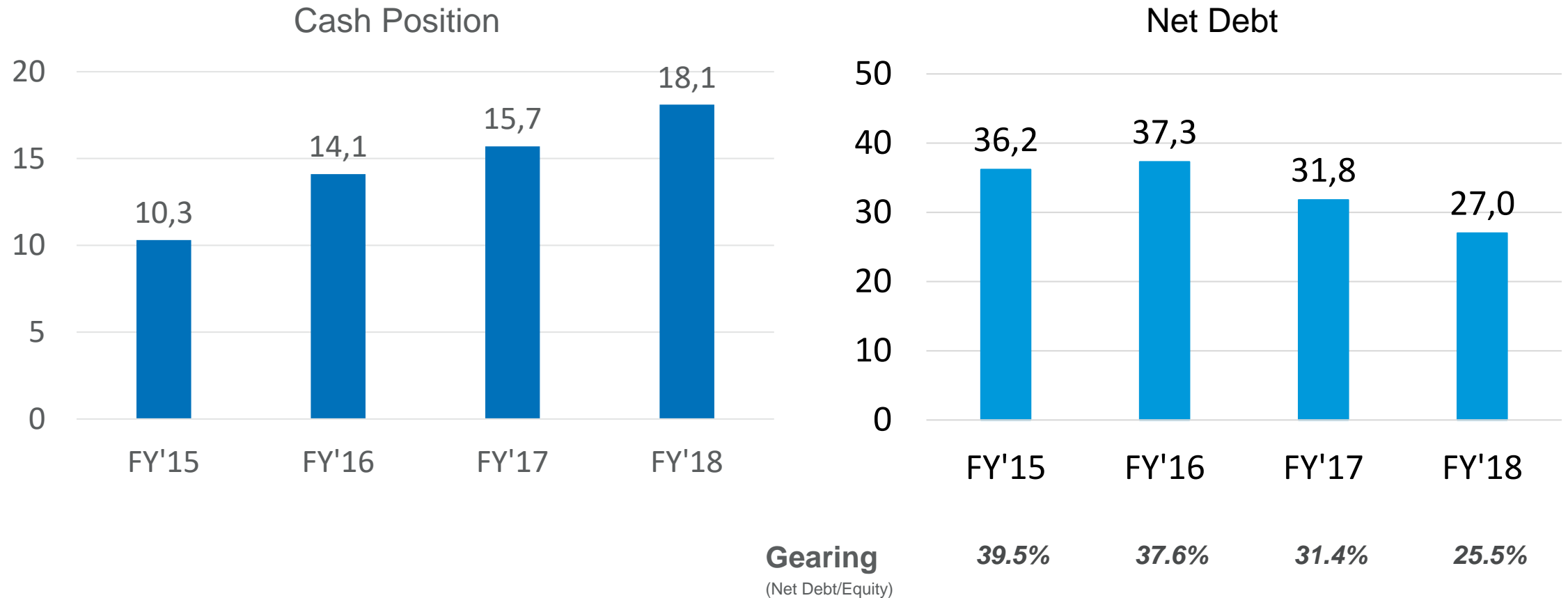
Gross Margin  
26.9%  
+ 0.2%



## 2. Financials – A strong business model

### A solid financial structure: 25.5% of gearing

Renewed trust of our banks with the closing of our new syndicated loan of 40m€ in December 2018



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## 3 - Why ESI

## 3 – Why ESI - Mission critical software for industrialists



“

*Thanks to ESI's expertise and to their VPS solution, we succeeded to develop one of our new vehicle, **using a single real prototype (first time right)**.*

”

**GROUPE  
RENAULT**



**Olivier Colmard**  
Integrated CAE & PLM,  
Engineering VP  
Groupe Renault

**esi**  
get it right®

# 3 – Why ESI - High customer loyalty

A solid installed base with blue chip companies



9th 3Y contract



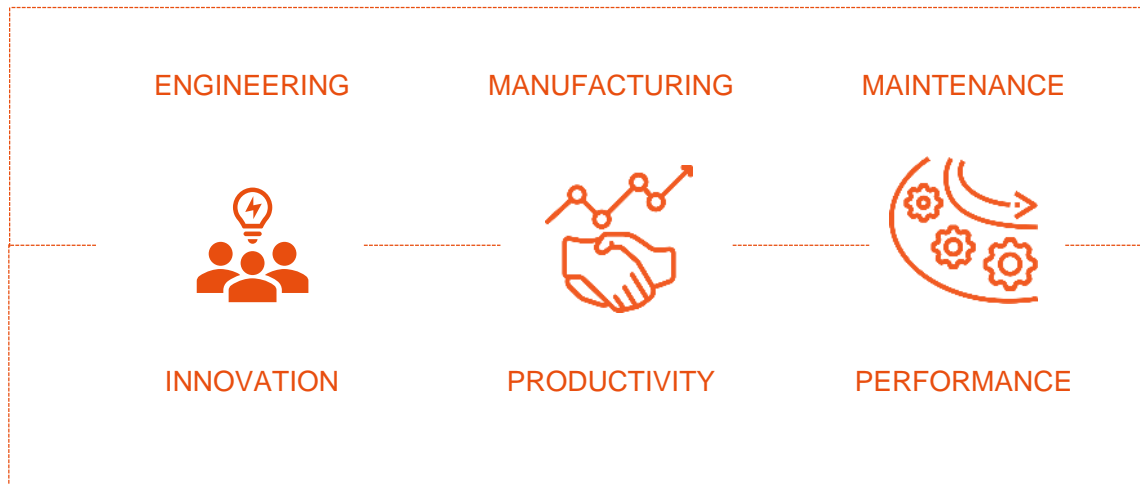
2<sup>ND</sup> 3Y contract



6+4Y contract



# 3 – Why ESI – In a skyrocketing counter-cyclical market led by innovators



**IT'S ALL ABOUT  
PERFORMANCE!**

# 3 – Why ESI – Competitive advantages

## Provider of predictive simulation



the **right technologies** to  
address our markets  
“**physics of materials**”



Extended **eco-system**  
with academics,  
and innovative industry leaders



High level expertise  
**with industry**  
**and domain** knowledge



A unique combination  
with **license and services**  
(the art of modelling)



# 3 – Why ESI – A French success story

## Expliseat – Aeronautic Sector

### Benefits of Virtual Prototyping.



Expliseat's Titanium Seat (left) seat virtual prototype (right).

the Virtual Seat Solution help to design a 4 kg (8.8 lbs) seat sturdy enough for European Aviation Safety Agency (EASA) certification?

Earlier this year, Expliseat announced that ESI Group's Virtual Seat Solution help them to certify their titanium-composite aircraft seat. The tool allowed Expliseat to bring their testing into the virtual realm allowing for more iterations and innovations. In the end, Expliseat reduced the weight of the seat significantly. But how did

2015

### Sièges d'avion : Expliseat lance le TiSeat E2 pour Boeing 737



Publié le 19 février 2018 à 14h00 par François Duclos dans [Actualité](#), [Info pratique](#), [Technologie](#) - 11 commentaires

La société française Expliseat a lancé une version de son Titanium Seat NEO pour les avions de la famille Boeing 737, le TiSeat E2.

Deux ans après la présentation du [Titanium Seat NEO](#), un concept de siège d'avion dessiné par le Peugeot Design Lab alliant confort et légèreté, Expliseat officialise le lancement d'une version de série pour les avions de la famille Boeing 737, le TiSeat E2. Ce siège de classe économique offre « 60% de réduction de masse par

rapport aux sièges équivalents tout en apportant plus de confort et de modularité aux compagnies aériennes », déclare la société dans son communiqué.

» Economie » Entreprises

### Expliseat prêt à embarquer ses sièges sur l'Airbus A 320neo

Par [Véronique Guillermand](#) | Mis à jour le 01/04/2019 à 22:20 / Publié le 01/04/2019 à 22:20



2019

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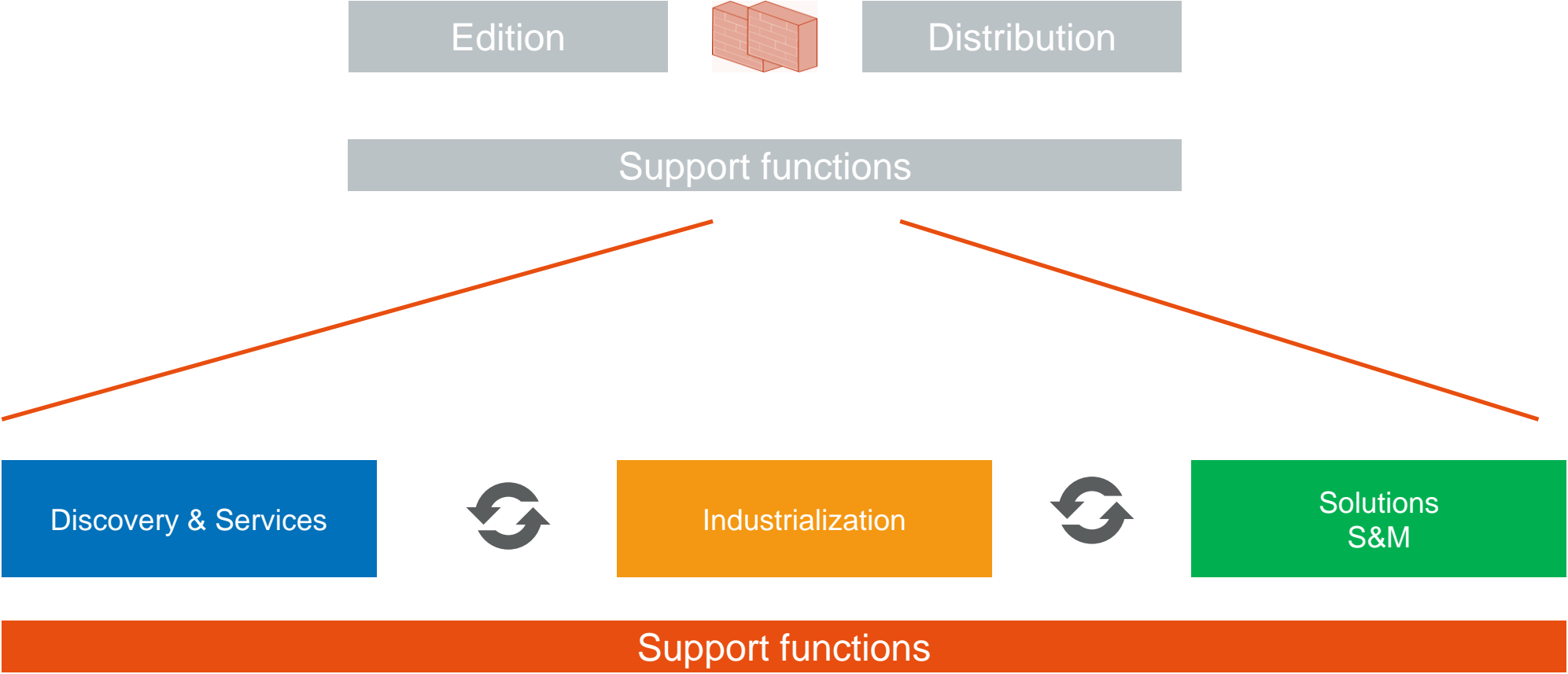
## 4 - ESI Outlook

Operational excellence

Focus

# 4 – ESI Outlook - Operational excellence

## Clarity of organisation 4.0 with associated performance criteria



# 4 – ESI Outlook - Operational excellence

Clarity of organisation 4.0 with associated performance criteria



# 4 – ESI Outlook - Our engagement

Focus our R&D, S&M & G&A teams on performance



# 4 – ESI Outlook - Focus

## Go to market strategy and resources allocation



Global **Account Management**  
Strong intimacy



Focussing our sales engagements on « winning propositions »  
**Aligned with industry** and **channels** strategy



**Strategic initiatives**

# 4 – ESI Outlook – Strategic Initiative

## John Deere using of ESI IC.IDO to build the next generation for tractors

Virtual reality technology allows the John Deere product support team to visualize tractors early in the design process, which in return shortens the time from concept to production.



“

*It saved a lot of time,” he said. “If we had waited until we had a physical build and found the repair wasn’t possible, we wouldn’t have been able to request any changes of engineering. Doing it virtually, the change took only a matter of hours.*

”



JOHN DEERE

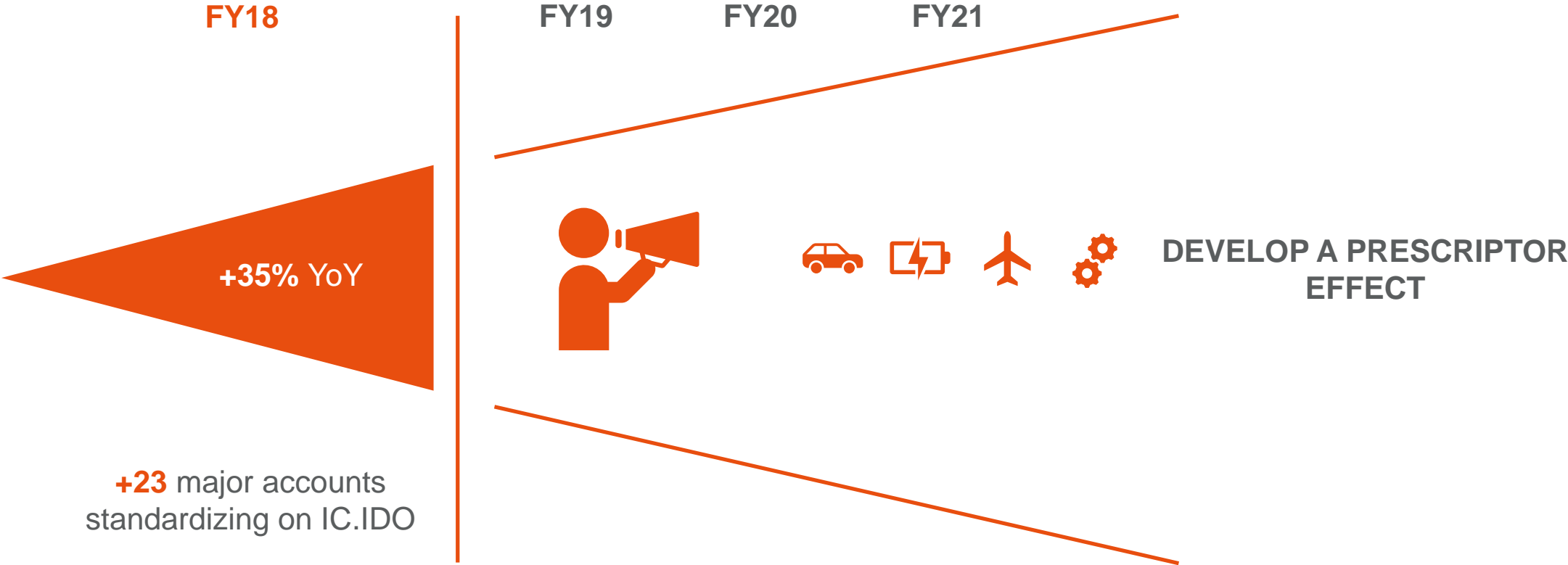
HUMAN  
CENTRIC

ESI IC.IDO



# 4 – ESI Outlook – Human Centric Assembly Validation

Establishing engines of growth inside and outside marquee customers



## GOAL

+ 30 TOP TARGETS ACROSS KEY INDUSTRIES AND REGIONS





# 4 – ESI Outlook – Focus

## Go to market strategy and resources allocation

### FY18 SUCCESSES AND FY19 PERSPECTIVES



More recurring revenue

**+4.8% YOY**



Strategic initiative

**1 in motion  
2 in the pipe**



Key Positions filled

**+2  
(in Asia & America)**

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## 5 - Conclusion

# 5 - Conclusion – Take away



Alignment  
Capital interest



Growth  
Repete & amplify  
FY18 successes



Increase  
profitability



**esi**  
get it right®

**Thank you**