

2022 Investor conference



“OneESI 2024 – Focus to Grow” plan update

investors@esi-group.com

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External Use Only

esi-group.com

Welcome



Florence Barré
Chief of Staff to the CEO

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Introduction



Cristel de Rouvray
Chief Executive Officer

The ESI Leadership Team



Francis Griffiths
EVP of Sales



Emmanuel Leroy
EVP Product, Innovation
& Industry Solutions



Cristel de Rouvray
CEO



Olfa Zorgati
EVP Operations &
CFO



**Corinne Romefort-
Régnier**
SVP General Secretary
& Governance



Dominique Lefebvre
SVP Product
Development Planning



Florence Barré
Chief of Staff



Yannick Charron
VP Human Resources

The logo consists of the lowercase letters 'e', 's', and 'i' in a bold, rounded, orange font. The 'e' is a simple counter-clockwise curve. The 's' is a continuous, flowing curve. The 'i' is a vertical bar with a rounded top.

get it right

A CORE strategic vision to inspire and focus

To be a leading software partner in selected virtual test markets, by leveraging our predictive physics IP and platform for chaining.

2022 Investor conference headlines

1



Strong market & customer base

4



Many efforts ahead

2



A strong foundation

5



Commitment to improving our growth and profitability year after year

3



Inspiring progress on 3-year plan

**Very exciting MARKET and GREAT PROGRESS
on strategic FOCUS to deliver A SCALABLE OFFERING**



Emmanuel Leroy

EVP Product, Innovation & Industry Solutions

A vibrant Simulation & Analysis Market

Toward **CLEAN**, **SAFE** and **PRODUCTIVE** industries

\$13 billion in 2026

10.2% CAGR

Based on 2022 « Simulation & Analysis » report of CIMdata



Automotive



Heavy Industry



Aerospace



Energy

Progress of the last 12 months

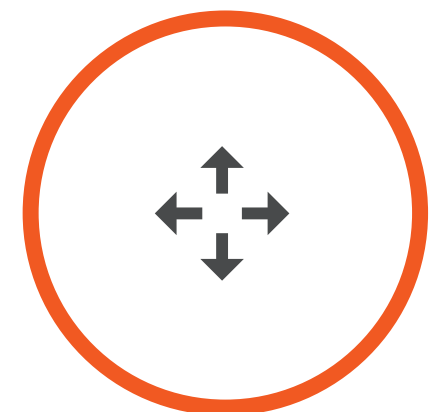


**FOCUS R&D ON
THE CORE**

**SIMPLIFIED
PACKAGING &
PRICING**

**INVEST TO WIN –
NEW PRODUCTS
and INNOVATION**

Focus on the core



R&D Alignment on CORE

R&D refocused on core solutions

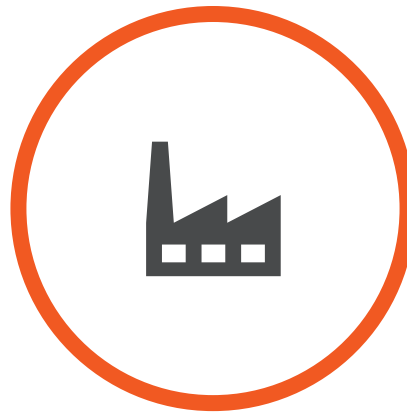
Democratization

UX improvement to bring more value and address a broader class of users

Partnerships

Integration with the ecosystem of our customers, digital thread

Focus on the CORE products – Our Business Lines



**Product
Performance**

**Smart
Manufacturing**

Human Centric

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get it right

Progress of the last 12 months

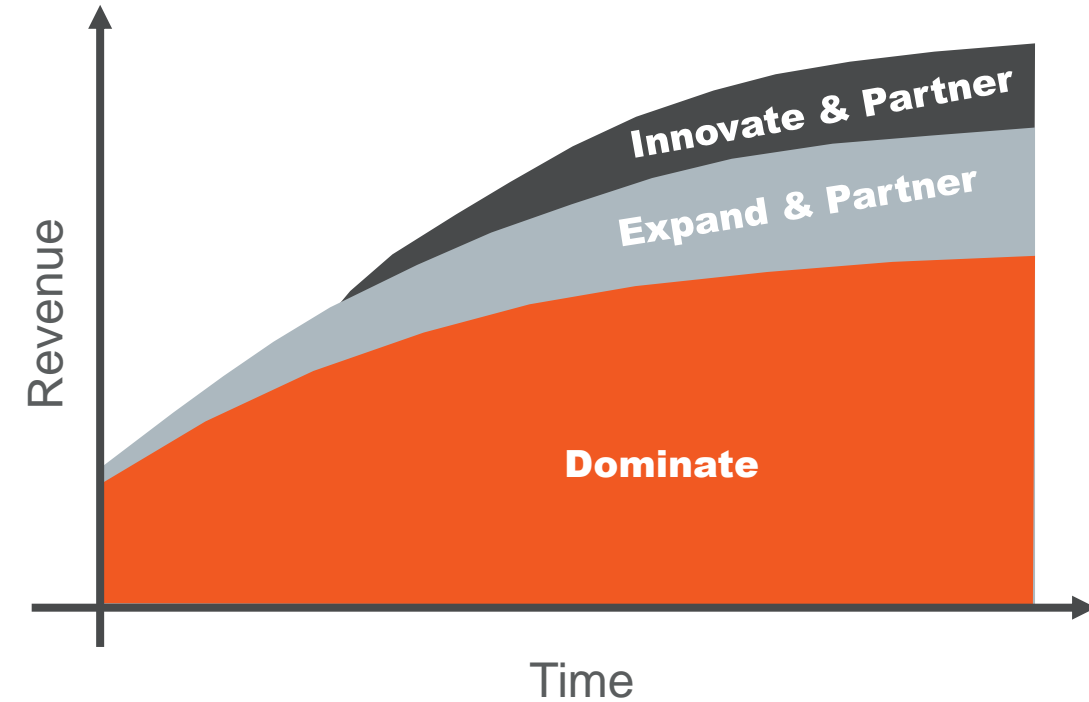
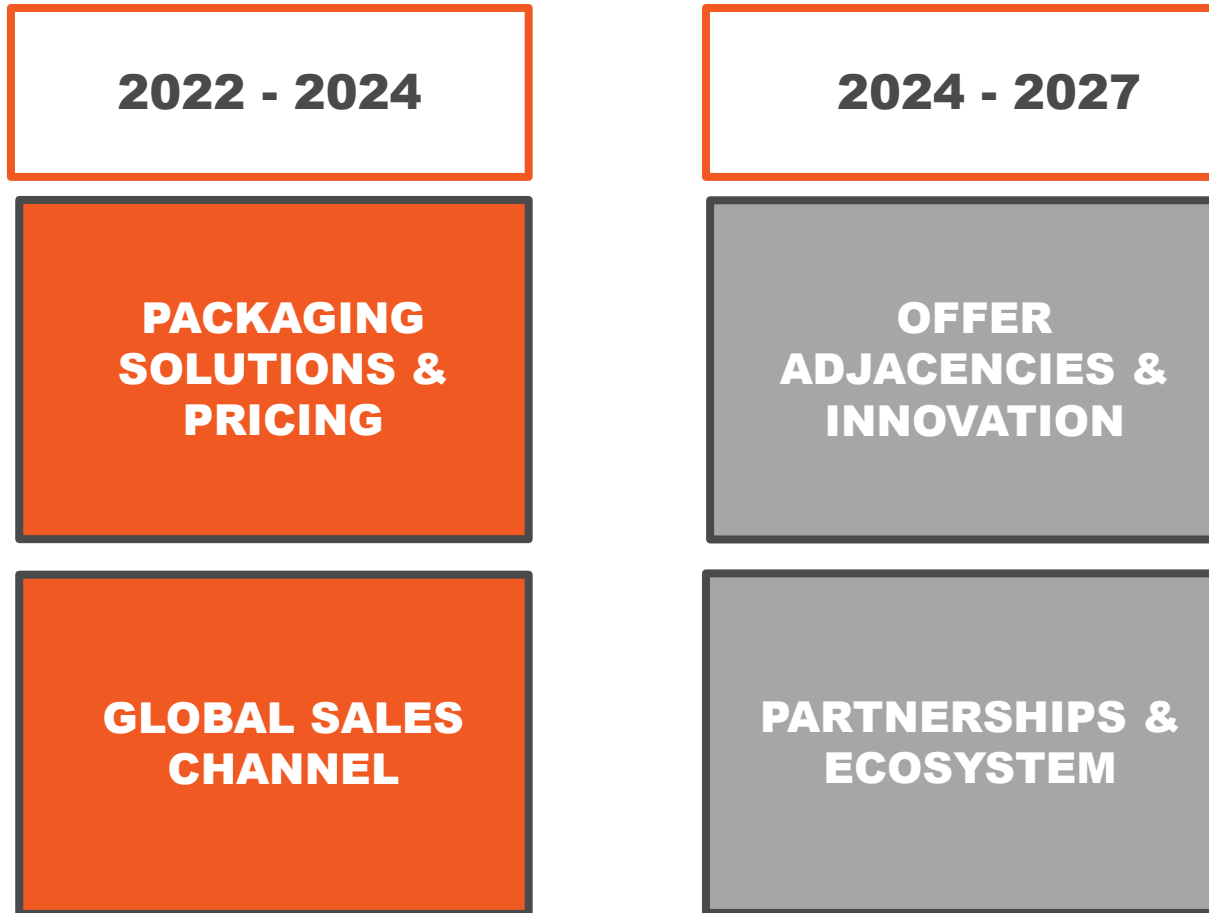


**FOCUS R&D ON
THE CORE**

**SIMPLIFIED
PACKAGING &
PRICING**

**INVEST TO WIN –
NEW PRODUCTS
and INNOVATION**

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



Steady progress ON DELIVERING GROWTH



Francis Griffiths
EVP of Sales

Helping Our Customers Achieve Their Business Objectives

CUSTOMERS OBJECTIVES



Accelerate Time to Market



Lower your operational costs



Reduce risk & improve quality – less recalls



Reduce environmental footprint

ESI VALUE PROPOSITION



1. More Virtual testing
2. Democratization
3. Continuity with the digital thread

Steady progress ON DELIVERING GROWTH



**CUSTOMER
SUCCESS**



**PRICING &
PACKAGING**



EXECUTION

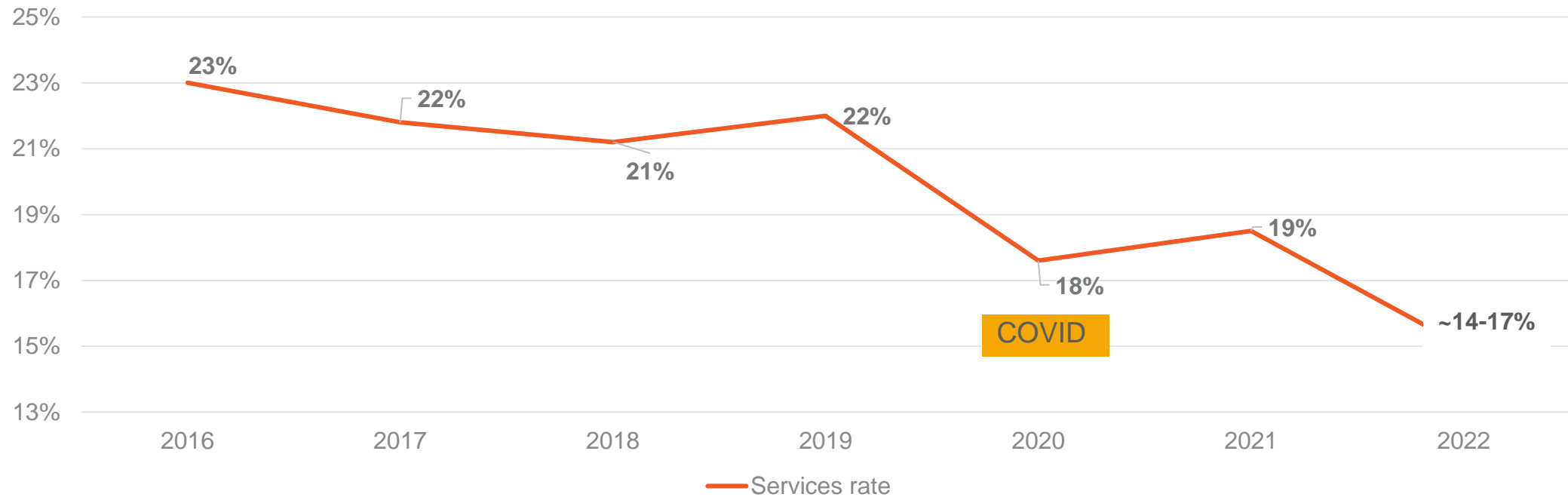
Steady progress ON DELIVERING PROFIT



Olfa Zorgati
EVP Operations & CFO

Driving a SOFTWARE Company strategy

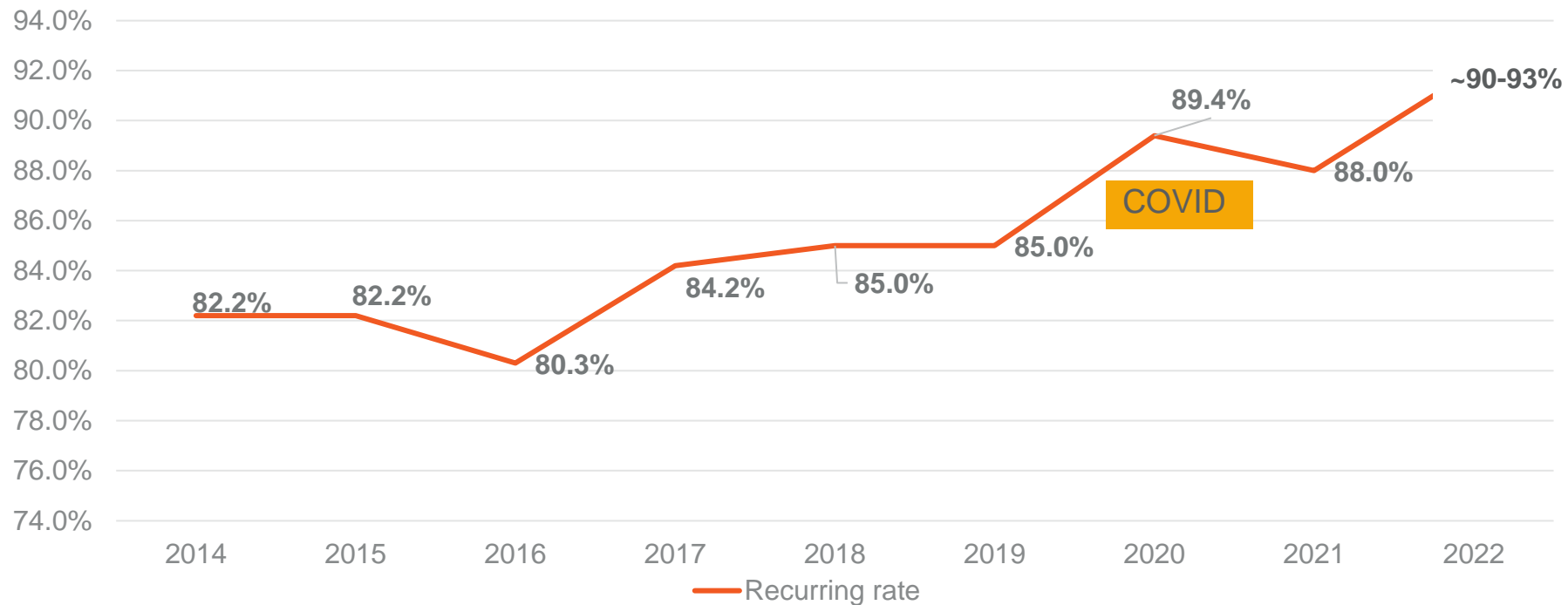
Decreasing our non-core services business



* Services rate is our Services revenue (consulting+others) divided by our total revenues

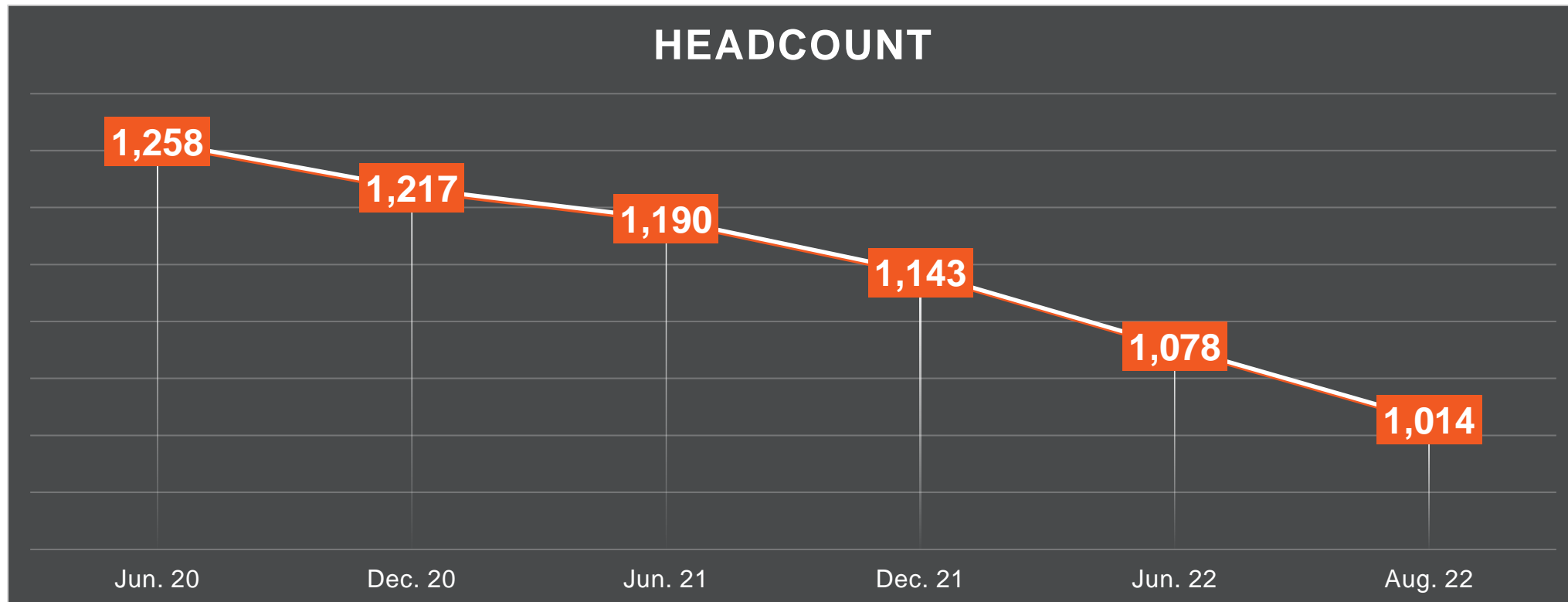
A Long-term & strategic partner for our customers

Steadily increasing our recurring business*



* Recurring business rate as our total licenses booking number excluding our perpetual license revenue divided by our total licenses booking number.

A leaner organization (-244 employees since June 20, -19%)*



* Reduction linked to divestitures about 20 employees

A global & leaner organization

Leverage historical centers of Excellence & shared services in low-cost geographies



Invest in R&D with focused software development



Best-in-class cloud tools



Multiyear migration to a leaner facilities structure



“*OneESI 2024 – Focus to Grow*” financials



Olfa Zorgati
EVP Operations & CFO

FY22 Proforma reviewed guidelines

Driven by a faster shift in recurring revenue versus perpetual licenses and accelerated decrease in non-profitable, non-core services

| Proforma ¹ | FY22 | FY22 |
|----------------------------|------------------------|-----------------------|
| | Constant exchange rate | Current exchange rate |
| Growth ² | 0% - 2% | 2% - 4% |
| Adjusted EBIT ³ | 9% - 11% | 9% - 11% |

1 Pro-forma estimates exclude the CFD activity that was divested in July (~ €4.6m in FY 21) & the Russia Business (~ €1.6m in FY 21)

2 Revenue Excluding Special projects (FY20 = €4m)

3 Adjusted EBIT is a non-GAAP indicator based on EBIT (IFRS). Adjusted EBIT corresponds to EBIT before stock-based compensation expenses, restructuring charges, impairment and amortization of intangibles related to acquisitions, IFRS 16 standard on leases, and other non-recurring items

FY23 – FY25 Goals

| Proforma ¹ | FY23 | FY24 | FY25 |
|----------------------------|-----------|-----------|----------|
| Growth ² | 5% - 7% | 6% - 9% | 7% - 10% |
| Adjusted EBIT ³ | 13% – 15% | 17% - 20% | > 20% |

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2 Revenue Excluding Special projects (FY20 = €4m)

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Healthy GOVERNANCE



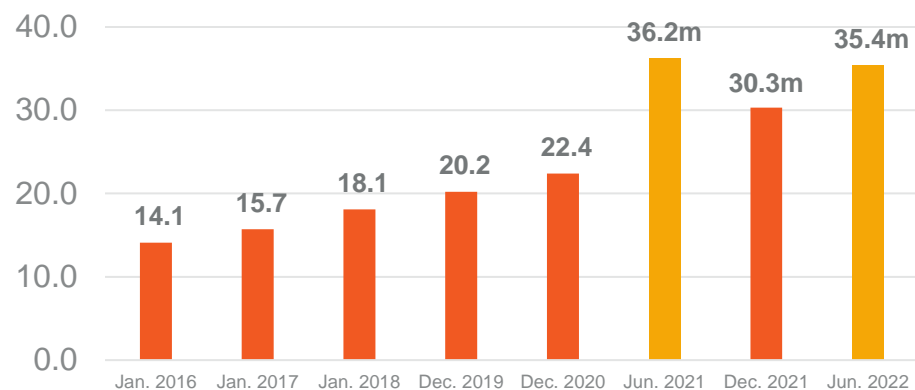
Olfa Zorgati
EVP Operations & CFO



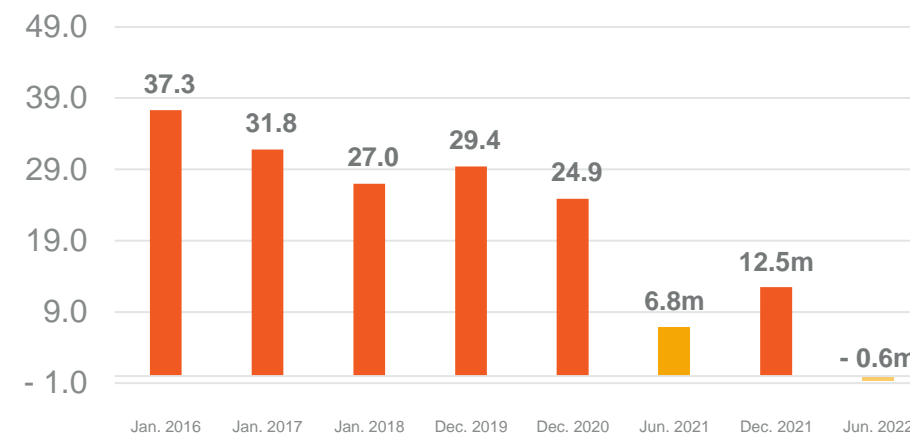
Cristel de Rouvray
Chief Executive Officer

A solid financial situation before cash proceeds from divestitures in July 2022 (~ €21m)

Cash & Cash equivalents

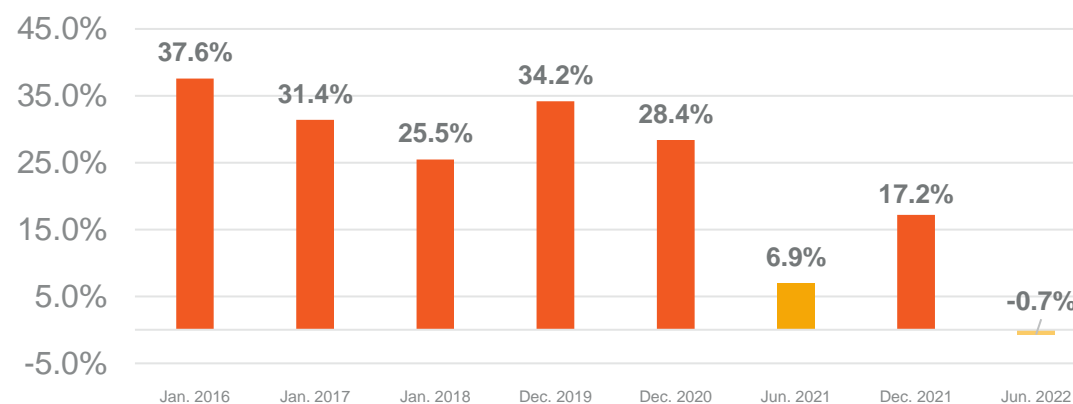


Net financial debt



Gearing

Net financial debt/Equity

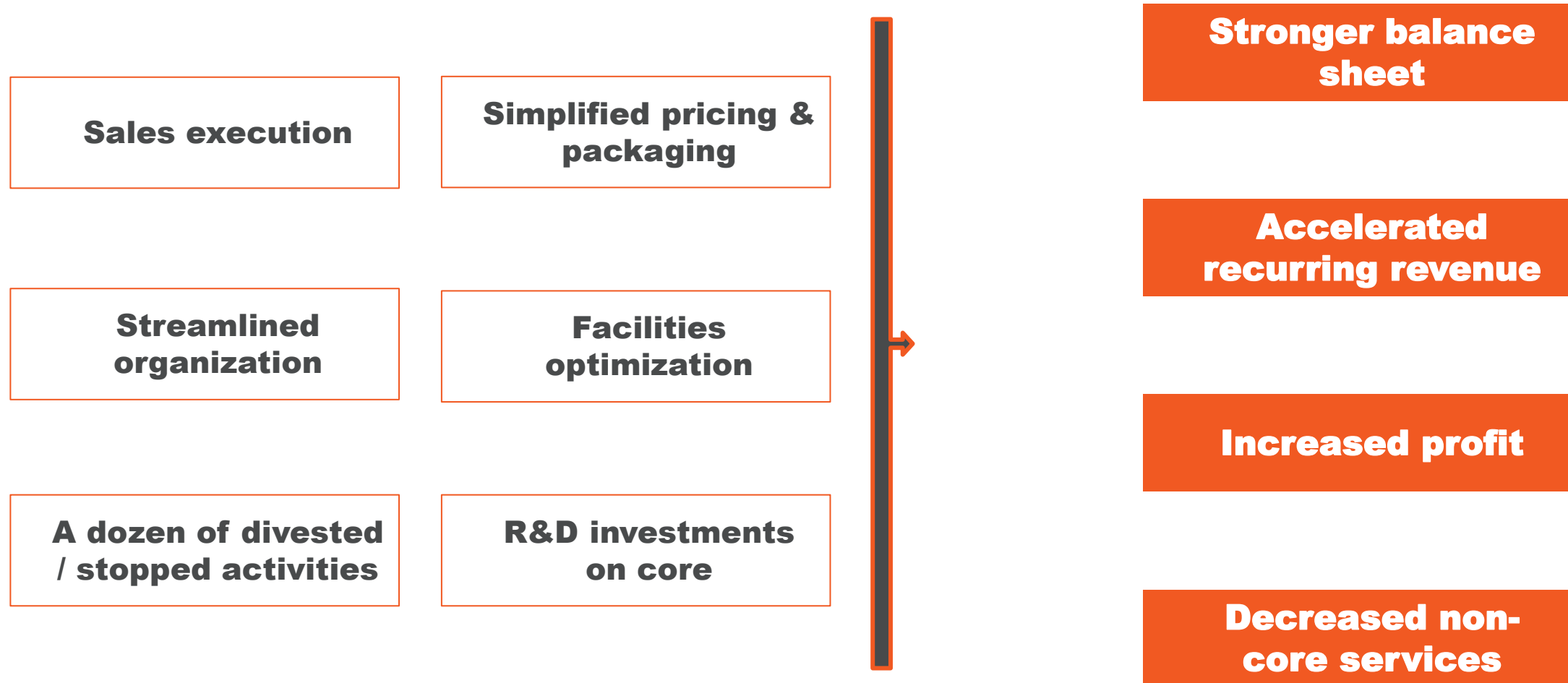


Conclusion

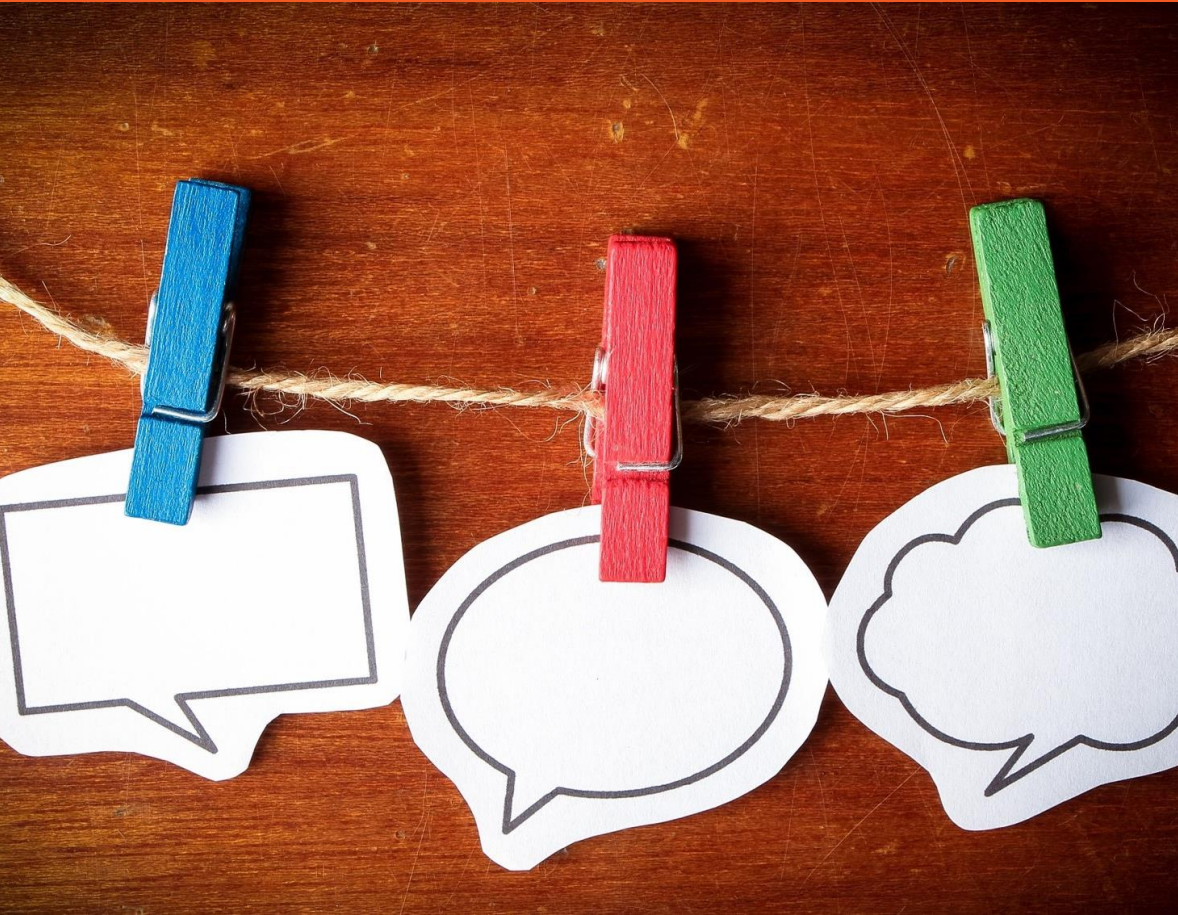


Cristel de Rouvray
Chief Executive Officer

The magnitude of our transformation



Thank you!



Any Questions?

Florence Barré

Chief of Staff to the CEO

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