



Financial Press Release

Paris, June 4, 2015

Revenue for the 1st quarter of 2015

Strong and balanced growth: up 19.5%
Licenses up 20.2%, Services up 17.8%

- **Solid sales momentum**
- **High repeat business of the Licenses installed base**
- **Strong growth of the Services activity**
- **Favorable impact of foreign exchange: + 9.3%**

Alain de Rouvray, ESI Group's Chairman and CEO, comments: *"First quarter revenue, entirely achieved on an organic basis, rose nearly 20% compared to the same period last year. This strong and balanced growth was helped by favorable currency effects. Such very good performance, in line with our expectations, attests to the solid sales momentum at the beginning of the fiscal year across all our business activities. In addition, our Licenses activity showed an especially high rate of repeat business on the installed base, and grew in every geographic area. At the same time, the Services activity achieved a growth of nearly 18% after our successful refocusing on high value-added projects, demonstrating the exceptional value of our Virtual Prototyping predictive solutions. Our disruptive offer enables simultaneous multi-domain optimization all the way to the virtual pre-certification of our customers' innovative products. The continued rollout of our virtual engineering products, combined with our recent, future-oriented acquisitions, gives us confidence in the success of our short- and medium-term corporate development plans."*



Change in revenue in the 1st quarter and cumulative

FY to January 31 (unaudited)

By convention, the fiscal year running from February 1, 2015 to January 31, 2016 is referred to simply as "2015."

In € millions	Q1 2015 ended April 30	Q1 2014 ended April 30	% chg.	% chg. (cer*)
Licenses	17.1	14.2	+20.2%	+10.3%
Services	7.0	5.9	+17.8%	+9.9%
Total	24.1	20.1	+19.5%	+10.2%

* cer: at constant exchange rates

Reminder: the seasonal nature of the ESI Group's Licenses business results in the recognition of the largest share of annual revenue in the fourth quarter of the year.

High growth in revenue for the 1st quarter of 2015

Revenues for the 1st quarter of 2015 were €24.1 million, a 19.5% growth in actual terms (10.2% at constant currency) as compared to the same period last year. The positive impact of exchange rates was due mainly to the favorable evolution in the US dollar and the Japanese Yen. The product mix remained stable, favoring Licenses, which accounted for 70.9% of revenues (versus 70.5% in first quarter of 2014.)

Licenses: Strong repeat business on the installed base

Licenses revenues were €17.1 million, up 20.2% in actual terms (10.3% at constant currency). This significant growth was supported by sharp increase in the installed base, of 35.1% (22.6% at constant rates), as seen in a very high rate of repeat business (95.9% at constant rates). New Business was down 19.1% at actual rates (down 24.0% at constant rates), impacted by unfavorable base effects, due in particular to the signing of a number of large contracts last year in the United States and by an unchanged adverse situation in Russia.

Services: Successful refocus on high value-added projects

Services revenue was €7.0 million, up €1.1 million or 17.8% at actual rates (9.9% at constant rates). After the strategic refocusing of Services in the United States, begun in the second quarter of 2014, the Services activity has turned and delivered a second straight quarter of high growth. This successful refocus enabled us to concentrate efforts on high value-added projects related to our core business, "the art of realistic modeling", to support the sale of Licenses for our software products.



This approach allows us to build and operate multi-domain predictive simulation models for our customers' industrial products and processes.

Geographic breakdown

At constant rates, the geographic breakdown of revenue shifted towards Asia (40.4%), up nearly 3 points versus last year, and America (17.6%), up 0.7 point, while Europe represents 42%, with a net gain in Germany and the United Kingdom.

At constant rates, business in BRIC countries remained stable at nearly 11%, the drop in Russia being offset by gains in the other countries (Brazil, India and China.)

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September 17, 2015

About ESI

[ESI](#) is a world-leading provider of Virtual Prototyping software and services with a strong foundation in the physics of materials and Virtual Manufacturing.

Founded over 40 years ago, [ESI](#) has developed a unique proficiency in helping industrial manufacturers replace physical prototypes by virtually replicating the fabrication, assembly and testing of products in different environments. [Virtual Prototyping](#) enables ESI's clients to evaluate the performance of their product and the consequences of its manufacturing history, under normal or accidental conditions. By benefiting from this information early in the process, enterprises know whether a product can be built, and whether it will meet its performance and certification objectives, before any physical prototype is built. To enable customer innovation, ESI's solutions integrate the latest technologies in high performance computing and immersive Virtual Reality, allowing companies to bring products to life before they even exist.

Today, [ESI](#)'s customer base spans nearly every industry sector. The company employs about 1,000 high-level specialists worldwide to address the needs of customers in more than 40 countries.

[ESI](#) is listed in compartment C of NYSE Euronext Paris and is granted "Entreprise Innovante" (Innovative Company) certification since 2000 by Bpifrance. [ESI](#) is eligible for inclusion in FCPI (venture capital trusts dedicated to innovation) and PEA PME.

2014 awards: winner of the 2014 ASMEP-ETI/Bpifrance award in the Innovation and industrial strategy category and of the Grand Prix des Entreprises de Croissance, in the Software and IT Services category and winner of the "Ambitions d'Entrepreneurs" trophy in the International category.

For further information, go to www.esi-group.com.

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