Thank you for joining our Fourth Quarter & Full Year 2023 earnings conference call with Bernard Charlès, Executive Chairman, Pascal Daloz, Chief Executive Officer, and Rouven Bergmann, Chief Financial Officer, here in Velizy.

- Dassault Systèmes’ results are prepared in accordance with IFRS.
- The financial figures discussed on this conference call are on a non-IFRS basis, with revenue growth rates on a constant currency basis, unless otherwise noted.
- Some of the comments on this call contain forward-looking statements that could differ materially from actual results. Please refer to today’s press release and the Risk Factors section of our 2022 Universal Registration Document.

All earnings materials are available on our website and these prepared remarks will be available shortly after this call.

I would now like to hand over to Pascal Daloz.
Thank you, Beatrix. Good morning and good afternoon, everyone. Thank you for joining us today. It is a pleasure to be with you.

**2023 AT A GLANCE**

Let's start first with the 2023 results.

- We have delivered revenue growth of 9%,
- Built momentum in subscription revenue with an increase of 16%, accelerating over the year
- Delivered on our profitability objectives, achieving an operating margin of 32.4%, all the while continuing to invest in our future growth (with a net hiring of 1,300 people);
- On top of this, we've achieved an EPS of €1.2, up 12%

Yet, beyond these financial achievements, today marks a "special moment". Let me share a few key points.

- Firstly, 2023 reflects the successful delivery of our 2018-2023 five-year plan, doubling our EPS to €1.20. This performance was achieved in five years as originally planned despite pandemic and geopolitical instability.
- Secondly, it has provided a very solid platform for us to embark on our new five-year plan to double EPS again to reach €2.40 in 2028.
- Thirdly, this moment marks an evolution in our governance and the expansion of our horizon.
In other words, today marks the beginning of an exciting new chapter for our company.

GOVERNANCE CRAFTED OVER YEARS
First, I’m honored to take on the role of Chief Executive Officer on January 1st, 2024. I’m very proud to build on the heritage of Bernard Charlès. He has been the inspiration behind Dassault Systèmes’ strategic moves, transforming the industry. He has guided our company from a startup to a global leader.

WORKING TOGETHER FOR ALMOST 25 YEARS
We have been working together for almost 25 years now.

I’ve learned a lot from Bernard in my different positions from strategy to brands to finance to Chief Operating Officer. I thank him for his trust. We share the same vision of virtualizing the world to help customers to harmonize product, nature and life. We’re committed to making it happen for all the industries we serve.

Bernard is now Dassault Systèmes’ Executive Chairman. Everyday he energizes the Company with his amazing talent to imagine and shape the future.
Bernard, would you like to say a few words?

BERNARD CHARLES, EXECUTIVE CHAIRMAN
Hello everyone and thank you Pascal. I’m excited by Pascal taking over as CEO, as it is a very well prepared transition and a great leadership team. We share with Pascal to bring continuous value to the giant customer base that we have. Since inception, Dassault Systèmes has been built on solid long-lasting foundations and a long-term view while reacting as a startup company whenever the opportunity emerges. Pascal and his executive team approach the next decade in the same way, making the most of our legacy to expand the company’s leadership. Based on my benchmarks with Serge Dassault and Charles Edelstenne, it looks like I'm on track to follow in their footsteps!

NEW EXECUTIVE CHAIRMAN ROLE
So, what will I do in my new Role?
First, as Executive Chairman of the Board of Directors, I will ensure the Executive team enjoys the same freedom to pursue innovative strategies as I have had. I will also coach our Strategy and Research teams – or share ideas and they will decide, of course - and I will help develop Dassault Systèmes’ business and reputation by connecting with global institutions and selected historical customers with whom I have built a strong relationship. The trust has been established for the long term. I am happy to continue our duo with Pascal Daloz, similar to my 40-year duo with Charles Edelstenne.
STEPPING UP THE GENERATIVE ECONOMY

Over the years, my professional journey has been motivated by a constant commitment to inspiring significant transformations in the industry. While it has driven progress in crucial sectors such as health, mobility, and energy, it now needs to adopt a reimagined approach that balances innovation with responsibility towards nature and society.

We have been and will always be a key player in this "Industry Renaissance". Our legacy, combining science and industrial knowledge, is crucial for the upcoming metamorphoses that we need to enable for all companies to create sustainable innovation.

The genius of Dassault Systèmes lies in its ability to translate a dream into reality and to drive science-guided imagination. There is more to be invented to advance our mission.

In the past 3 years, Pascal and I have worked together to draw the path to Dassault Systèmes’ future and imagine our 2040 horizon.

It is very exciting to see the agility of Dassault Systèmes, this collection of amazing startups in one integrated company, to fulfill that Pascal is dreaming, and fulfilling with excellent execution.

Pascal, I'll hand it over to you.
PASCAL DALOZ, CHIEF EXECUTIVE OFFICER

Thank you, Bernard.

2024 marks an important stage in our strategy, as we’re introducing the “Generative Economy” as our horizon for 2040. Indeed, we anticipate that the global economy is entering a new era, as the Experience Economy and the Sustainable Economy are converging. We aim to be the catalyst and enabler of this new “Generative Economy”.

For Dassault Systèmes and our customers, this will create new possibilities in terms of markets, audiences and portfolio, just as 3DEXPERIENCE did a decade ago.

Remember, in 2012, we stated that “product is no longer enough”. We opened up the Experience Economy, centered on product usage. We defined “experience” as an extended view of products, taking their context of use into account.

In 2020, we went a step further. We declared that industry had to shift “from things to life”. We extended virtual twin experiences to living organisms - including human beings, opening new markets.

In 2024, the time has come to accelerate this shift to “life of things”. We also need to better the life of things. This is the driving principle of what we call the “Generative Economy”.

What does generative mean? Well, this is not generative AI. “Generative” is the method of life. Imagine self-healing materials. Imagine customers can grow products
rather than manufacture them. Imagine net-positive business models giving as much back to society as they take away…
So we see “generative” as the solution to “consumption”. A consumption model is not sustainable because customers just cannot afford to consume resources and energy that tend to be scarce and at high price.

We believe that the industry can be the solution to sustainability provided it reaches a new balance. All industries will have to go through this metamorphosis. And we are mission critical for businesses to imagine, create, and deliver generative experiences to their consumers, patients, workers, citizens, and society at large.

**UNIFYING THE VIRTUAL & THE REAL**
This metamorphosis can only be achieved by leveraging virtual worlds to improve the real world. Virtualization is the catalyst and enabler of the Generative Economy.

Now, we want to push our Virtual Twin Experience approach further. Let me give you a few examples.
Mobility is not about devices only, it’s about environments involving passengers, vehicles, buildings, and air quality. Cancer is not just cells: it’s the effect of an organic process.
For all this, we have to connect many virtual twins together. This is what we call UNIV+RSES. Each UNIV+RSE is a combination, a family of virtual twin experiences.
UNIV+RSES unify multiple virtual twins. They unify all stakeholders. They unify knowledge and know-how. Unlike the METAverse, we don't create a parallel world; unlike the OMNIverse, we don't create a world controlling everything. With uniVeRses, we unify the virtual and the real to reveal the world of possibilities and generate experiences.

So your question at this stage is probably, what will be our levers?
It can be summed up in one word: the IFWE Loop.

GIVING LIFE TO THINGS… GENERATING MULTIPLE LIVES OF THINGS
The IFWE Loop is our method for building up UNIV+RSES.

For 40 years, Dassault Systèmes has powered the spiral of innovation, guiding innovation from design to manufacturing. Today, we extend this journey into an infinite loop by seamlessly connecting the virtual and the real with real-world data.

This opens up new possibilities, such as 'Giving Life to Things' and 'Generating Multiple Lives of Things'. "Giving Life to Things" means that, powered by real-world data, our virtual twins breathe life into physical objects. They become augmented objects. Imagine cars monitored and optimized in real-time through their virtual counterparts.' In addition, we give possibilities for things to have multiple lives as waste becomes a resource for new products.

It’s the PLM of the 21st century! Dassault Systèmes invented Product Lifecycle Management in the 1990s. Now, we generate multiple cycles of lives of things.
Doing so, we aim to leverage the power of the numbers: broaden our value proposition and our audiences reaching all business users, consumers, patients, and citizens. This will substantially broaden our addressable market and serve as a catalyst for accelerating top-line growth.

Let's now move on to the successful delivery of the 2018-2023 Five-Year Plan of doubling EPS and the fundamental transformations that have occurred over the past five years.

**ACHIEVING THE 2018-2023 PLAN**

First, we doubled our EPS to €1.20, with two-thirds attributed to organic growth. Again, this performance was achieved in five years as originally planned despite the pandemic and geopolitical instability.

With regard to organic growth, the 3DEXPERIENCE platform's revenue has doubled over the period and for the Cloud, the combination of MEDIDATA and strong organic acceleration has allowed us to increase revenue from €30 million to €1.2 billion. Then, we have embraced the subscription model and multiplied by 4 subscription revenue to reach €1.9bn, creating a strong base line for future growth.

Finally, we are now fully deleveraged, which is important as we embark on our new plan. It gives us room to maneuver.
ACTING AS A GAME CHANGER IN KEY INDUSTRIES
What we also did during this period is act as a game changer in key industries. As a result, we either established leadership positions or assumed strong positions in promising segments.

As evidence, in the EV segment, we now have a stronger presence than in traditional thermal vehicles. In Life Sciences, where we had limited presence, we have become dominant. And in Infrastructure & Cities, while we are the challenger, we hold strong positions in high growth segments like nuclear.

GAME CHANGER
Now that we are stepping up in the Generative Economy, we are betting on significant transformations in the 3 sectors of the economy for the next 20 years.

Starting with Manufacturing Industries. This sector represents a volume of over 14 million companies worldwide. This market is enormous and far from being saturated (our penetration is only 2%). By 2030, more than 1.3 billion people will move into the upper class. However, this growth has a downside: environmental impact. It is imperative that the manufacturing sector transforms itself to continue offering products and experiences to consumers while preserving the environment.

In the Life Sciences & Healthcare sector, our mission aligns with the preciousness of life itself. With 8 billion people on earth, our goal extends beyond treating illnesses
to sustaining overall health. The era of the generative economy presents immense opportunities to forge new partnerships, leverage data science in therapeutics innovation, and pioneer groundbreaking medical care experiences, addressing complex challenges like chronic diseases, aging populations, and global health issues. We clearly want to redefine this still-fragmented market through our game-changing approach.

In the Infrastructure & Cities sector, the paramount challenge is decarbonization, given that these areas currently contribute two-thirds of global carbon emissions. As a consequence, sustainability has gained prominence in governmental and corporate agendas, with commitments to triple nuclear capacity, a shift towards clean energy investments, and innovations in materials and building techniques poised to enhance energy efficiency. We stand ready to contribute significantly to achieving these ambitious goals in this sector.

Recent customer cases underscore our transformative impact in each of the 3 sectors.

MANUFACTURING INDUSTRIES – BMW Selects 3DEXPERIENCE for its future engineering platform
Starting with Manufacturing Industries.
In Transportation & Mobility, our 3DEXPERIENCE platform has gained strong momentum, unquestionably winning market share. In 2023, we signed significant contracts with Jaguar Land Rover, Renault, Stellantis, Ford, GM, Honda, just to
name a few. This quarter we're thrilled to announce that BMW selected the 3DEXPERIENCE platform for its future engineering platform extending a long-term relationship through a 10-year partnership. This is a major success, especially considering that this client remains in Germany a pioneer in the enterprise-wide adoption of our 3DEXPERIENCE platform. This strategic move involves a substantial increase in the number of users, from 3,000 CATIA V5 users to 17,000 3DEXPERIENCE users, over time. These numbers clearly evidence that we are expanding their engineering platform across multiple disciplines. Another game-changer lies in addressing the complexities of connected, autonomous vehicle engineering through cutting-edge Virtual Twin Experiences, especially since you have only 10% identical parts between traditional cars and EVs. In addition, BMW is aiming to reduce the engineering-to-manufacturing cycle time. During the evaluation, we were able to demonstrate that, for instance, within chassis development, the cycle time could be dramatically reduced from 4 days to 3 minutes. This is creating high barriers to entry. It's not just a promising deal from a financial standpoint. This demonstrates that we are a game-changer for software-defined vehicles and that automakers are adopting our 3DEXPERIENCE platform to create personalized experiences. The value we provide with the platform goes far beyond a collection of functionalities; it is driven by key business goals, such as “Global Modular Architecture”, “Smart, Safe, and Connected”, as well as “Efficient Multi-Energy Platform”.

LIFE SCIENCES – BIOGEN Adopts 3DEXPERIENCE on the cloud to develop new drugs for neurological diseases

But that's not all. We are beginning to witness groundbreaking applications of virtual twins in drug development. For instance, the American biotech Biogen has chosen our 3DEXPERIENCE platform on the cloud to develop new drugs for neurological diseases. This involves modeling and simulating drug delivery to the brain through injection. The steps include creating a virtual twin of the brain and spinal column to understand drug delivery via cerebral spinal fluid. This avoids pre-clinical in vivo testing and helps determine the optimal location of injection for the distribution of the drug.

It is a true breakthrough, pushing the boundaries of what is possible.

We connect two virtual twins, one for the drug and one for the brain and spinal column, to validate the effects. This is an amazing example of what the uniVeRses are about.

INFRASTRUCTURE & CITIES – H2GREEN steel Selects DELMIA as the ‘backbone’ of production

Moving to Infrastructure & Cities, a notable win this quarter comes from the steel industry. Steel, being ubiquitous, is a prime example of a material with significant environmental impact. Used in various industries such as construction and automotive, steel production contributes significantly to carbon emissions. This is why H2green has chosen us to become the backbone of their steel production, reducing by ~95%, their CO2 footprint.
This clearly underscores the role of decarbonization as a driving force for this sector to adopt our solutions.

CONCLUSION

In conclusion, before handing over to Rouven, let me wrap up. We embark on a new five-year plan to once again double our EPS by 2028. We are strategically well positioned to leverage a vast market creating new opportunities. Our scientific approach combined with industrial know-how, and our modeling & simulation technologies coupled with generative AI, set us apart to play a critical role in the ‘Generative Economy’.

And, now, let's focus on Q4 & FY performance and the outlook for Q1 2024 with Rouven.
ROUVEN BERGMANN, CHIEF FINANCIAL OFFICER

SOFTWARE REVENUE BY REGION

Thank you Pascal.

Let me turn the discussion now to our fourth quarter performance across our geographies and product lines

- Europe had an excellent quarter and year with 15% and 14% growth respectively. The growth was broad based, driven across industries and multiple end markets with double digit growth in Euro-WEST, Euro-CENTRAL and Euro-North. Specifically in Germany, we saw a strong positive shift in momentum of 3DEXPERIENCE adoption driven by BMW and BOSCH extending our relationships in Q4.

- In the Americas, revenue in 2023 was up 7% for the year, while Q4 growth was rather muted due to a strong baseline comparison. The growth dynamics in the Americas remain resilient and were evidenced with strong growth in T&M and Aerospace, with Ford signing a new 3DEXPERIENCE deal and Lockheed Martin expanding their usage. In 2023, the Americas region shifted fast to embrace the subscription model and in fact Subscription revenue has surpassed Upfront License Revenue by a factor of almost 2x on top of Medidata. This is providing a strong basis for future expansions.
In Asia, revenue growth was 3% for the year mainly impacted by the volatility in China in the first half of 2023. In the second half, despite continued challenging macroeconomic conditions, growth in China accelerated. This is evidenced by an upwards trend of 6% growth in Q3 and a strong 14% in Q4. For the year, growth in China was resilient at 5%. India delivered strong 18% growth in 2023, while Japan and Korea were soft.

SOFTWARE REVENUE BY PRODUCT LINE

Now let's review our Product Line Performance:

- Industrial Innovation delivered outstanding results with double digit growth for the year and in Q4, representing 54% of total software revenue. As evidenced by these strong numbers, 3DEXPERIENCE is delivering the multiplier effect accelerating the growth in CATIA, SIMULIA, DELMIA – all up double-digit during the period, while our Data Science Business is accelerating to 20% plus growth for the year. In 2023 the subscription revenue surpassed the growth contribution from upfront License revenue.

- Mainstream Innovation reported 7% growth and now represents 24% of total software revenue. I would like to draw your attention on 2 key drivers: First, the SOLIDWORKS business model is accelerating the shift to subscription highlighted by almost triple digit growth year over year. The annual run rate for subs has reached 100M in revenue at a speed to double again. Second, we are redefining the PLM category for the Consumer Industries. The momentum of
Centric PLM is gaining strength again in Q4 delivering a record 2023. We are now signing large Enterprise level deals. We spoke about Aldi and Decathlon in previous calls, this quarter we signed multi-million dollar deals with iconic brands such as Wilson, Fila, and Petit Bateau.

- In Life Sciences, software revenue rose 6% for the year, accounting for 22% of total software revenue. In the quarter, the 2% growth is mainly associated with the two effects: First, a high comparison base and secondly the slowdown in study starts as discussed last quarter. However, important to note: Total Revenue of Medidata for the full year 2023 was up 10%. This includes services revenue adding about 3 points of growth on top of the Software revenue. These are high value-added services related to the design, launch, and conduct of studies including operating decentral clinical trials. It’s a kind of Service as a Software, a model we put in place during COVID to scale Mega Trials. We continue to support Sponsors such as Moderna and Partners in this model.

MEDIDATA GROWTH ENGINE

Now, let’s zoom in to discuss the volume impact of clinical trial starts and associated market share implications in a bit more detail. This should help you to better frame the path of how we will re-accelerate towards double digit growth in the future.

Overall, since the peak of COVID, volumes in clinical trial starts have declined by about 5% in 2022 and 10% in 2023 -- essentially, we are now back on the trendline of 2019 growth and the COVID bubble is behind us.
Important to highlight, in this period of volume compression, we actually gained market share of approx. 1 point on average for new study starts and about +4 points for the large-scale phase III trials.

However, despite these ongoing market share gains, the strong volume reduction in 2022 and 2023 impacts the overall growth of MEDIDATA, which is visible in the 2023 software revenue number.

As we project 2024, we expect volumes to return to normal / pre-pandemic growth levels. However, as for the revenue growth, we will still need to absorb the volume compression resulting from the COVID bubble -- because changes in volume of study starts typically convert to revenue with a 6–12-month delay.

In 2025, this volatility will be behind us and we are set to return to double digit growth.

We have a strong basis. We are winning market share for Phase III. We are science based. We offer the most comprehensive platform to design, launch and conduct advanced clinical trials. On top, we are expanding our share of wallet through AI, decentralized trials, and integrated data management within the larger health ecosystem. This positions us clearly as the leader as evidenced by the fact that 75% of novel drugs have been developed with our technology – as you heard from Pascal before.
MAINSTREAM OPPORTUNITY

In 2023, CENTRIC PLM continued its path of establishing its global leadership position.

With 120 customer wins in 2023, including the largest two deals in its history in 2023, CENTRIC PLM has confirmed its strong diversification, which now goes way beyond Fashion and Apparel, with strong wins in Outdoor and Sports, Food and Beverage, Cosmetics, and Consumer Electronics.

By expanding from Brands to Retailers, it has also opened the path to future expansion towards Communities.

As you can see, we are well-positioned to continue to execute on our strategy of building a significant growth opportunity. CENTRIC PLM is not just collection management. We are expanding to a business platform that serves as a backbone of e-commerce. Consequently, the growth potential for CENTRIC PLM is significant with a path of creating a billion dollar plus business in a new category of PLM.

4Q23 & YTD23 PERFORMANCE AT A GLANCE

Now let’s review the financials for the quarter and full year.

We delivered on all our financial targets in 2023. Total Revenue grew 9% and EPS 12% showing the anticipated acceleration in the second half. This is evidenced by
Q4 Recurring Revenue up 12% driven by the strong momentum in subscription revenue of 22%.

These results underscore our commitment to evolve our business model towards subscription aiming to increase the share of predictable revenue. Subscription revenue now accounts for 44% of the total Recurring Revenue up 3 pts and we expect this share to continue to increase at this rate as discussed during the Capital Market Day.

It also reflects that we are focused on executing our strategy to expand the value of 3DEXPERIENCE as the platform for Innovation and Business applying the subscription model. In 2023 we saw this trend accelerating led by an increasing share of large 3DEXPERIENCE wins with broad based adoption across GEOs and Industries, as well as an acceleration of the transition to Subscription at SOLIDWORKS.

Consequently, Recurring Revenue for the FY now accounts for 80% of total SW revenue, increasing the share of predictable revenue from 78% last year.

Upfront License revenue was up 2% for the year highlighting that the subscription transition is progressing fast and versus a strong comparison base of 2022. Together, Upfront License and Subscription are up double digit, 11% versus last year, reflecting solid organic growth. Services revenue was in line with the overall trend, up 10% versus 2022.
Throughout 2023, we focused on improving our profitability finishing strong with a Q4 Operating Margin of 35.9%, up strong 160 bps ex FX year on year, and our EPS of 36 cents representing an increase of 14% year on year.

As a result, we delivered an operating margin of 32.4% highlighting disciplined resource management throughout the year which most importantly, will continue to provide the flexibility for future investments without costly restructuring plans.

As for EPS, Pascal highlighted 2018-2023 plan achievement earlier this morning, doubling EPS to €1.20 compared to 2018.

**FY ACTUAL VS OBJECTIVES**

Now, let’s review briefly how we performed relative to our objectives for the 2023.

Total revenue was in line with our guidance, slightly below the mid-point by 3 million excluding a currency impact of €10m. Lower Software revenue was offset by a higher growth in services.

Operating margin was at 32.4%, at mid-point excluding the impact from currency. More importantly, we continued to invest to support our strategic initiatives with a net headcount growth of 1,300 for the full year. This sets a strong basis for continued margin improvement in the future.
As mentioned earlier, EPS at 1.20 EUR is reflecting the solid operating performance and Financial Income in Q4.

To summarize, the financial model of Dassault Systemes is working well and the transition to Subscription and Cloud is well underway and set to further accelerate in line with our 5 years plan.

GROWTH DRIVERS

As highlighted, we are accelerating our path to subscription revenue, hence providing greater visibility and resiliency. Our strategic growth drivers of 3DEXPERIENCE and CLOUD are at the center of this evolution.

3DEXPERIENCE revenue rose 21% in Q4 at constant currencies. This marks a new all-time record with the share of 3DEXPERIENCE at 42% of addressable Software revenue. For the full year, 3DEXPERIENCE revenue grew 19%, representing a share 36% of the addressable software revenue.

Over 2/3 of the growth is driven by deals larger than Eur 3M—highlighting strong Value Up potential.

Cloud revenue grew 12% in 2023. As anticipated, while Medidata growth contribution remained lower this quarter, 3DEXPERIENCE cloud continued high-paced growth in Q4 building a run rate of reaching 200M.
The growth in 3DEXPERIENCE Cloud reflects a strong contribution in new customer wins. Cloud is now representing 24% of our full year software revenue.

We are confident that we will further capitalize on the momentum of our growth drivers to continue to capture market share in 2024.

CHANGE IN CASH AND DEBT POSITION

Turning now to cash flow and balance sheet:

Cash and cash equivalents totaled €3.568 billion, compared to €2.769 billion at the end of 2022, an increase of €799 million.

At the end of the quarter, our net cash position totaled €578 million, an increase of €803 million versus net financial debt of €227 million on December 31, 2022. This clearly highlights a disciplined and efficient Capital Allocation policy and the strong path to deleverage since the acquisition of Medidata.

Now, let’s look at what is driving our cash position at the end of the fourth quarter:

We generated €1.565 billion Operating Cash Flow for the Full Year, increasing 3% vs last year. Changes in the Operating Working Capital reflect growth in business and timing of invoicing which we will expect to catch up in 2024. The non-operating
working capital is less favorable due to higher cash tax payments related to timing of payments. This will have a reverse positive effect in the next years.
To sum up, Operating Cash Flow was mainly used for the Cash Dividend paid in Q2 of €276 million, the net purchase of treasury shares totalling €162m, Investments in CAPEX of €134 million and repayment of lease liabilities of €89 million. Lastly, the total FX impact is about €68 million versus last year.

1Q24 & FY24 FINANCIAL OBJECTIVES

Now, let’s turn to our fiscal year 2024.

For the full year 2024, we initiate our guidance with a growth rate of 8 to 10% for both Software Revenue and Total Revenue.

This reflects an acceleration of our subscription revenue growth, at 17 to 19%. As you see evidenced in our 2023 performance, the shift to subscription is broad based and well aligned with our growth drivers of:

- **Value Up** - leveraging the 3DEXPERIENCE platform and large transformational deal activity return, evidenced in 2H23 with JLR, Ford and BMW, and in our pipeline for 2024;
- **CENTRIC PLM** based on a powerful diversification and platform expansion strategy, which is set to continue at a high double digit growth rate;
- Lastly, we are taking into account the temporary slower contribution from our Life Science business. Precisely, we expect the software revenue contribution
from Medidata to be low single digit to flat before returning to double digit growth in 2025. Consequently, we will continue to take market share and expand to virtualize the entire drug life cycle as highlighted by the BIOGEN and AMGEN cases of 2023.

On this basis, we expect a double-digit growth of our recurring revenue in 2024, in the range of 10 to 11%.

We expect our Upfront License Revenue to be in the range of -1% to +3%. Services Revenue growth is expected at 9 to 10% - in line with business growth.

We further expect the full year Operating Margin to be in the range of 32.5% to 32.8%, a year over year improvement of 30 to 50bps ex FX reflecting a continued disciplined OPEX policy while investing to sustain our growth ambition. Essentially, with this outlook, we are returning to 2022 operating margin levels exFX.

Considering the above, we target our diluted EPS to grow by 10 to 12% ex FX in 2024.

Now, for Q1 – let me provide some insights which will help you to model the starting point:
We target growth at constant currency between 7 to 8%, assuming subscription growth of 14 to 15% and Upfront License revenue between -3 to 2% growth. …
In terms of profitability, we expect the operating margin to be in the range of 30.6% to 30.7%, improving marginally, year over year, and a double-digit growth of our diluted EPS, at €0.29-€0.30.

For additional information, and to review what we’ve discussed, I’ll refer you to today’s earnings presentation.

**FINANCIAL PERFORMANCE CONCLUSION**

In conclusion --- we have achieved all key financial objectives in 2023. Our strategy is working, demonstrated by the momentum in subscription revenue growth and margin acceleration. This is putting us on track to deliver consistent Cash Flow and Operating Leverage in the years to come.

In 2024, we continue to focus our investments on executing our strategy to sustain strong revenue and EPS growth. This is what we are committed to deliver reflected in our next 5-year financial objective.

Thanks again for joining us this morning - and now, Bernard, Pascal and I look forward to taking your questions.