DASSAULT SYSTEMES

Second Quarter 2026 Earnings Conference Call

23 July 2026 – Full Transcript

Marie Dumas, Investor Relations Director:

Good morning and thank you for joining our second quarter 2026 earnings conference call.

I am with Pascal Daloz, Chief Executive Officer and Chairman of Dassault Systemes; and Rouven Bergmann, Chief Financial Officer. They're both on the line with me to discuss our second quarter 2026 results.

Dassault Systemes' 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 current 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 2025 Universal Registration Document. All earnings materials are available on your -- our website, and these prepared remarks will be available shortly after this call.

I would like now to hand over to Pascal Daloz.

PASCAL DALOZ, CHIEF EXECUTIVE OFFICER & CHAIRMAN:

Good morning, everyone. Thank you, Marie, and thank you all for joining us today.

Before Rouven will walk through our financial results, I really would like to spend a few minutes on what I believe is a bigger story. This quarter is about much more than the numbers. It's about the execution.

It's about the steady progress we are making against the strategy we set at the beginning of the year. As you remember, I said from the start that 2026 will be the foundation year. Not because we expect less, but because we are building for much more. Transforming industry does not happen in a single quarter. It happened customer at a time, one deployment at a time, and one innovation at a time. And this is exactly what this quarter reflects.

This quarter, our business performed well. We are reaffirming our full year guidance. Revenue grew 4%, subscription revenue grew twice as fast as the overall business, and earnings per share increased 8%. I think these results reflect the disciplined execution we had. But the numbers, as I was saying, are only a part of the story. The more important story is what we are seeing happening with our customers.

Across every major industry we serve, company are accelerating their digital transformation. They are moving to the cloud, they are preparing their data, and increasingly they are investing in industrial AI. The conversation has really changed. Customer are no longer asking whether AI will transform engineering or manufacturing. They are asking how fast they can deploy it, and this is really an important shift.

Why so? Because AI need context. It need trusted data, needs a virtual model of products, factories, operations, and this is exactly what the 3DEXPERIENCE platform was built to provide. This is really why we believe we are uniquely positioned for the next era of industrial innovation.

Now, our strategy remain focused on three priorities for this year. First, helping our existing customers transform. More of the world-leading industrial company are adopting the 3DEXPERIENCE platform on the cloud as their digital foundations. They are connecting engineering, manufacturing, and operation in a single platform. And they are preparing to deploy AI for virtual twin at the enterprise scale.

Second, expanding into new industry. We continue to build the momentum in high-tech, new space, and consumer industry. And with the acquisition of ArisGlobal, we are significantly strengthening our position in life sciences. Each of those industry expands our opportunity, and together they make our business stronger and more resilient.

Third, we continue to invest on the platform itself. As AI is becoming the new interface to industrial software, our ambition is not simply to add AI feature, it's to build an agentic platform where the virtual companion become the trusted collaborators for engineers, scientists, and business leader.

In the first quarter, we introduced the architecture behind those visions. This quarter, we are bringing it to life. We are delivering the first agentic 3DEXPERIENCE platform, powering the new generation of AI-native experiences. And I think we believe this is the beginning of a profound shift in how industrial innovation will happen over the next decade.

Now, let me show you what this strategy look like in practice.

Our customers, they operate in a very different industry. They build cars, aircrafts, semiconductors, medicine, consumer products. But today, you know why? All of them, they are facing the same reality. Complexity is growing faster than ever. Product are becoming smarter. Engineering is becoming more collaborative, supply chain are more connected, regulation are more demanding, and now AI is fundamentally changing how product will be imagined,developed, and produced.

To take advantage of AI, company needs first to trust the digital foundation they are building. And again, this is exactly what the 3DEXPERIENCE platform provides. It connects data, people, and knowledge. And increasingly, it connects also AI at every stage of the life cycle. This is why we are seeing a momentum across every industry we serve.

In Transportation & Mobility, manufacturers are accelerating the vehicle developments while connecting engineering teams across increasingly complex global ecosystems. In Aerospace & Defense, the well-established leader are scaling their productions while at the same time, the growing new space ecosystem is building its next generation of program on 3DEXPERIENCE platform.

In High-Tech, consumers are managing unprecedented semiconductor complexity by connecting design, engineering, manufacturing, and lifecycle in one single environment. And across consumer industry, companies are transforming product creation by connecting design, sourcing, manufacturing, and the consumer experience, again, on one single platform.

In Life Sciences, I think the organization are bringing together research, development, manufacturing, and patient outcomes through the Virtual Twins. And now, with the acquisition of ArisGlobal, we are taking an important step forward, a unified AI intelligent platform that connect molecules, patients, and the real-world outcomes.

In Infrastructures and Cities, customers are also using the virtual environment to design, build, and operate more resilient and more sustainable infrastructure.

And finally, our Mainstream Innovation business continues to demonstrate the breadth of this opportunity. SOLIDWORKS this quarter deliver a broad-based growth across geography with a double-digit unit expansion. Why I took the time to give you this perspective? Because this is reflecting the strength of the portfolio and our ability to attract the next generation of engineers, designer, and innovators.

Let me bring this to life with few example. All those customers I was speaking about, they are operating in a very complete different industries, but all of them are reaching the same conclusions. To compete in the AI era, they need more than software, they really need a platform.

So, Mahindra & Mahindra expanded its deployments of the 3DEXPERIENCE platform on the cloud to modernize the product development across its global engineering organizations, but also to build the digital foundations ready to deploy AI-powered virtual twin at the enterprise scale. Their challenge is very simple. They want to reduce the time to market, and the value we bring to them is obvious. It's connecting all the engineering teams across the ecosystems.

We are also delivering several important competitive win this quarter. One of them is the world-leading memory semiconductor manufacturers in Korea selecting the 3DEXPERIENCE platform to create the digital continuity across the entire product lifecycle. From engineering with CATIA, to product information with GEOVIA, to manufacturing with DELMIA. One platform, one single source of truth from the concept to production.

In consumer industry, we have an interesting case, I didn't know this company, I discovered it, it's very famous in the U.S. It's so called Polyconcept North America. They are the leader in the personalized goods.

And what do they do? They are selecting CENTRIC to connect the product design and the manufacturing and the consumer experience while they are embedding AI in their innovation process to generate automatically these personalizations.

So, across every industry, we see, again, the same patterns. Customer are no longer investing simply to improve today's engineering, they are standardizing on 3DEXPERIENCE platform and the cloud because building the digital foundation for tomorrow AI-powered enterprise is becoming a must. And they are standardizing on 3DEXPERIENCE platform and the cloud because they understand the competitive advantage will come from the data, the knowledge, and the people. AI is an accelerator, but the platform is a foundation.

This is what brings me to the next chapter. And today, I'm extremely pleased to announce an important milestone in our life science strategy, the acquisition of ArisGlobal. I think you should look at this much more than adding another software company within Dassault Systemes. It really completes our vision for life sciences. It closes a very important loop between the scientific discovery, the clinical development, and manufacturing, and the real-world patient outcomes. And I think this is creating something the industry has never had before, a continuous intelligent platform powered by AI.

So, why does this matter? Because life sciences face a remarkable paradox. It's the industry investing the most in research and development. But yet, fewer than 1 in 10 of drugs entering into the development reach the patients. So, the challenge is definitely not the lack of science. It's not the lack of data. It's coming from the fact that the data remains fragmented. Scientific data, clinical data, manufacturing and quality data, safety data. Too often why they live in a separate systems and too often the critical decisions still depend on documents rather than connected intelligence.

And AI is a game changer in this case because we can only be a powerful tools as soon as the data is there to support it. This is the reason why this entire industry is moving now towards a connected platform that brings together science, operation and AI in one single environment.

This has been our strategy for years. It's BIOVIA for the discovery, MEDIDATA for the clinical development, DELMIA for manufacturing. And now with ArisGlobal, we had the final missing dimension: the real-world evidence.

Why ArisGlobal is so important? Because this company is a leading enterprise platform for pharmacovigilance, regulatory affair, and safety. And it's deeply embedded in the operation of the world's leading pharmaceutical companies and the health authorities, both.

To give you an order of magnitude, nearly half of the top 50 pharma companies rely on them. Their software processes approximately 12 million safety cases every year, amongst 25 million worldwide. So, half of the safety cases are part of their systems.

And more importantly, and you will see why this is important, 80% of those safety cases are not public, they are private. So, which basically means if you do not get access to it, you will never have the resources of the real-world evidence to train your systems for AI. So, this is the reason why this is a very important asset for the entire Dassault Systemes strategy.

Now, ArisGlobal, they have already demonstrated how AI can create tangible value with their AI capabilities. It's already deployed, delivering productivity gains of more than 30%. They are helping customers to identify safety signal faster, to make better informed decisions. And remember, this is not only an automation, it's an intelligent decision support in one of the most highly regulated industry of the world.

So, what excite us the most is what happen when ArisGlobal become part of Dassault Systemes, because for the first time, life sciences company will be able to connect every stage of the pharmaceutical life cycle on a single intelligent platform against discovery, clinical development, manufacturing, regulatory compliance, and real-world safety. Every new pieces of evidence improves every stage that comes before.

For example, the scientific model becomes smarter because you could anticipate some adverse effect. The clinical trial becomes much more informed because when you test the drug, if you already know there are adverse effects, you should do this. Manufacturing become more adaptive, and patient outcome continuously improve future innovation. So, instead of disconnected systems, the customer, again, havea lot to gain with the continuous learning loop. And this is what AI needs, not isolated models, but connected knowledge, trusted data, and continuous feedback.

Looking ahead, the acquisition is about much more than expanding our footprint in life sciences. I think it demonstrates the strategy we are executing across Dassault Systemes, building an intelligent platform where data continuously become knowledge, where AI continuously improve decisions, and where every customer interaction make the platform stronger.

And ArisGlobal is an important milestone in that journey. But it also preview of where all the industry are heading because whether our customers, they design aircrafts, develop medicines, or build factories, the future belongs to the platform that continuously learn and this is exactly what we are building.

Now, let me show you how that vision is coming to life through the new AI-native solution we are introducing this quarter. If you remember last quarter, we introduced our AI architecture.

This quarter, we put it at work.

The 3DEXPERIENCE platform is becoming an agentic platform, powering the Virtual Companion and a new generation of AI-native solutions. And this is an important distinction.

Why so? Because much of today's AI has been added on top of existing software, a kind of chatbot if you want layer over the legacy applications.

We took a different approach. We built AI at the core of the platform because industrial AI is fundamentally different. It doesn't just answer to the questions, it has to help engineers to solve their problems, to understand the products, to understand the physics, to understand the scientific model, and it understand the context in which all the decision are made. This is what makes AI useful in mission-critical industry.

Now, at the center of this experience, there are the virtual companions. Each is designed for a specific role. You remember, AURA helps the business users to navigate enterprise knowledge and execute business processes. And to give you a concrete example, with AURA Project Management, a business objective can become an executable project, plan up to 10 times faster.

LEO support engineers as they design, optimize and validate the complex products. And again an example, LEO, mechanical engineer can begin with an idea, generate high-performance manufacturable designs while maintaining the full engineering traceability.

Marie assists the scientist with the modeling and simulations and scientific decision making across the research lifecycle. They are not general-purpose assistants, they are really domain experts, and each companion understands the language, the objectives and the constraints of the people it works with.

So, because each one is built on a decade of engineering expertise, scientific knowledge, and industry best practice, this is how we are making the difference. So, now every quarter, those companion, they are becoming more capable. This quarter alone, we introduce more than 11 new industrial competencies and every new competencies transcends every customer using the platform. This is the power of the AI-native architecture.

Everything I just said is orchestrated by the 3DEXPERIENCE Agentic platform. The platform provides the governance, the security, the traceability, the digital continuity required for an enterprise-scale AI.

And for some of our customers running on our sovereign AI infrastructure, OUTSCALE, it's also an extremely important topic because it's for them the way to retain the complete control of their intellectual property while they are deploying AI in the most critical environment.

This matters because many AI system can retrieve information. Some can generate content, some can predict the outcomes, but an industrial AI must do something far more demanding. It must generate results that engineers can trust. Resulta that scientists can validate, results that manufacturers can certify. And you cannot certify an aircraft engine with an AI that understands only the language. You cannot develop a life-saving therapies with an AI that understands text, but not biology.

Trust comes from understanding how the physical world behave, and this is why our industry world models are so important. They don't simply learn the pattern from the data, they capture the scientific discipline, the engineering discipline, the industrial knowledge that governs the real world, and at the same time, they are protecting the intellectual property of our customers.

This is what makes industrial AI trustable. This is what allow our customers to move from experimentations to enterprise-scale deployment.

Now, let me bring all of this to life with one example. And I took one, we --I'm sure you will be very interested with BMW. BMW group is a very good illustration on how industrial AI look like in practice, not from a CIO view, from a pure engineer view, the one doing the job on a daily basis. BMW is in designing increasingly sophisticated vehicle under constant pressure to innovate faster, to reduce the cycle time and to meet ever more demanding performance requirements.

Take something as familiar than the car door or the central console of the car. Behind what looks very simple, you have components, which has been designed with a lot of constraints. Weight, crash performance, stiffness, manufacturability, cost, durability. And the challenge is not to develop only one door or one central console, it's really to find the best design among thousands of possible alternatives. And this is where our application and AI work together.

Firstly, using CATIA today engineers, they can generate and analyze around 50 high-quality design variants from a parametric model. But you know why? Rather than me telling you the story, let's show how BMW engineers are already applying it.

Please launch the video.

(Audio-Video Presentation)

As you saw at the application level, CATIA and SIMULIA enable engineers to rapidly explore multiple concepts while preserving the engineering intent and the design quality. This approach give already a strong accuracy, but far from time-consuming analysis, which limits how many design possibility their engineer can be -- could explore.

So, the next step is what? A better orchestration across design and simulation can accelerate the design space exploration with our application powered by the generic frontier model over an MCP protocol. Every high-fidelity simulation contributes to build what we call the trusted surrogate model of the design space.Using these surrogates, the engineer, they can predict the performance of hundred of new design alternative in minutes, not hours or maybe days. And they do it by expanding the design space explored by an order of magnitudes.

Watch how this play at BMW.
(Audio-Video Presentation)

As you saw, more variant can be explored, but the level of accuracy drops. So, ultimately, what should we do? I think BMW needs to explore the full design space with high level of accuracy. And this is where our 3DEXPERIENCE agentic platform brings everything together. In the platform, user can interact naturally with LEO, our mechanical engineering virtual companions. And you know why? LEO understand engineering objectives. He knows how to orchestrate CATIA and SIMULIA to leverage the industrial model, to explore the best design alternatives, and more importantly, keeping every engineering decision fully traceable from the first concept to the final certifications.

So, here is LEO orchestrating the entire journey at BMW. Please launch the video.
(Audio-Video Presentation)

So, with this integrated approach, the full design space can be in floor with 100% accuracy and the full traceability. So, this is really the future of the engineering. Application creates AI-powered simulations predicts, and the virtual companion, they do the orchestrations. And when it's powered by the agentic 3DEXPERIENCE platform, you why the engineer, they can explore more possibility, make better decision, and move from concept to certification faster with a great level of confidence. And this is what I'm calling industrial AI in action. It's not a vision. All those capabilities are already deliver by you to our customers today.

Now, let me summarize before we transition to Rouven. This quarter reflect a continued execution against our strategy. We deliver solid results in line with our objectives.

Two customers are deeply -- their commitment to the 3DEXPERIENCE platform, and is visible through the adoption of the cloud, which continue to accelerate.

Third, industrial AI is moving from visions to deployments. And with the acquisition of ArisGlobal, we are taking a major step forward in life sciences.

I think now Rouven will lead and then go through all the financial performance in detail and explain why ArisGlobal financial opportunity is a compelling as a strategic one. Rouven, the floor is yours.

ROUVEN BERGMANN, CHIEF FINANCIAL OFFICER

Thank you Pascal. Good Morning for those joining

Good Q2 performance keeps us firmly on track for the full year. As you heard from Pascal - we're not just executing — we're transforming the company, launching new AI product categories, all while improving cash flow and margin. This is growth and discipline, together.

Now, let me look at the details of the financials for the quarter.

Total revenue reached €1,556 million, up 4%, with subscription growing twice as fast at 8%. Services Revenue was up 6%.

Our recurring revenue continues to perform well, rising 5% ex-FX. Thanks to the very healthy subscription growth, subscriptions now represent 50% of our recurring revenue. This is driven by good dynamics, particularly in our Industrial and Mainstream Innovation businesses.

Top line leverage and operating discipline translated to a nice uplift of 7% in Operating profit and operating margin of 30%, which is up 90 basis pts ex-fx. EPS was €0.31, growing 8% ex-FX.

Year to date that brings us to: €3,065m in total revenue, growing 3% underpinned by solid expansion in operating profit of 5%, driving operating margin improvement up 40 bps to 30.1%. EPS was €0.61, up a healthy 6% ex-FX year to date.

So, in summary, revenue and profit are well placed versus our Q2 objectives.

Looking more closely at our recurring business growth:

In the quarter, we added €73m in annualized contract value when compared to Q1. This brings total ARR to €4,443m. This includes as you know, all active subscriptions and maintenance contracts, as well as the annualized value of multi-year subscriptions.

So what drove our ARR growth this quarter? We continued to grow the share of cloud bookings and the contribution from multi-year subscription deals with higher total contract values. This broad-based momentum translated into double-digit Subscription ARR growth. In fact over 70% of the net increase was driven by a strong SaaS growth, in our core Industrial business, with Centric and Medidata all generating sequential growth.

Turning now to our growth drivers.

Both 3DEXPERIENCE and Cloud were up 14% in the second quarter driven by stong 3DEXPERIENCE Cloud growth of 60%.

We saw good traction with clients adopting and expanding to the 3DEXPERIENCE platform as they look to transform their operations to capture AI-powered Virtual Twin opportunities in the future. In this quarter, clients as Mahindra & Mahindra, Orano, Venus Aerospace and XPeng just to name a few, highlight our momentum and competitive edge across many industries.

All of the above creates a solid foundation for future AI deployments. Adopting 3DEXPERIENCE and Cloud is a critical step to fully embrace the power of our Gen7 portfolio.

From a geographic perspective, growth was particulary strong in Asia at 8%, complemented by solid performance in the Americas with 5% growth and flat growth in Europe.

The excellent quarter in Asia was driven by India, as well as Korea and Japan, with strong momentum in Transportation and Mobility, and High Tech, specifically in Korea. While China was down in H1, we expect improvement in H2, driven by industrial opportunities.

Americas showed the anticipated growth pick up over Q1, driven by very solid growth in the Manufacturing Industries, as mentioned in particular Home & Lifestyle and High Tech.

Europe had a softer quarter after strong growth in Q1. While the automotive sector was challenging, we saw healthy growth across key segments such as Energy, Industrial Equipment and Aerospace & Defense.

Moving to our performance by Product Line.

Industrial Innovation delivered solid growth of 5% showing the anticipated uptick over Q1. This growth was led by strong performance in 3DEXPERIENCE and Cloud with CATIA, ENOVIA and DELMIA driving the momentum. Overall key competitive wins across Automotive, I have mentioned the example of Mahindra, High Tech, Space and Defense demonstrate that our platform adoption continues to gain traction.

Continuing from the strong first quarter, Mainstream Innovation delivered an excellent 2nd quarter, up 8%. SOLIDWORKS continued its broad-based momentum across geographies, with unit growth up double digits. It underscores our strong value proposition in the mainstream market, where shorter sales cycles and time-to-value are essential.

CENTRIC delivered excellent performance in the second quarter, highlighted by several significant competitive wins, including a global leader in Retail and global leader in sports merchandising and licensing. Both are US companies. This reinforces a key point: Q1 was not an outlier. CENTRIC sits at the center of consumer-driven transformation across Food & Beverage, Retail, and Sports Apparel — powered by an integrated platform and AI. Revenue performance was in the high teens growth, which we expect to further normalize in H2.

Now to Life Sciences – Here as anticipated, Q2 revenue growth was impacted as a result of low booking volumes across 2025 and the Moderna impact, driving Medidata to -3%. This was factored into our model for H1.

An important point to note is the shift in the Partner business model in light of the deal we signed with WCT, Worldwide Clinical Trials, in Q1, so last quarter. But what that highlights is that we are stabilizing the growth trend for CROs. And overall it supports our growth in the volume market. The momentum in our Mid-Market remains healthy. And as discussed last quarter - for 2026, we expect H2 to improve over H1, as we are building ARR momentum to support sustainable recovery.

As you heard from Pascal, now a few words to ArisGlobal, as I ‘m discussing the life sciences sector. With the acquisition of ArisGlobal, we are entering the next phase to transform the Life Sciences Industry. Let me provide a few complementary points that help to better connect the strategic rationale as presented by Pascal with the financial profile and value creation:

This acquisition is a gamechanger for us. Today, ArisGlobal is the premier AI-enabled life sciences safety and regulatory platform, providing a mission-critical system of record.

The market is projected to reach $7.5 billion by 2030, double-digit-growth rate, where software and AI capture a larger share of spend every year. It represents less than 40% of the TAM today.

ArisGlobal brings an outstanding financial profile: $175 million in estimated 2026 revenue, a highly-recurring SaaS model and an operating margin profile, which is consistent with Dassault Systèmes’.

In doing this transaction, we are establishing the industry’s first continuous, real-world evidence loop spanning the entire therapeutic lifecycle. By uniting ArisGlobal’s compliance data with our molecular design, clinical trial, and manufacturing domains, we transform life sciences industry from fragmented, document-heavy workflows to a unified, model-based intelligence platform.

Now coming to the transaction terms, we structured this acquisition with disciplined terms: we will pay $1.8bn in cash at closing, with up to $200 million in additional consideration tied strictly to AI-related revenue milestones over the next three years. We will fund this transaction with balance sheet cash, at the same time, we are preserving our robust financial flexibility.

It is a compelling investment case: ARISGLOBAL brings an attractive financial profile, with good standalone revenue growth and margins. In addition, revenue synergy opportunities are mainly driven by cross-selling to the mid-market and leveraging the AI platform to expand our reach to capture the entire drug lifecycle. Consequently, we expect the transaction to be both revenue growth and EPS-accretive in the first year post-close

We aim to close the transaction by late Q3/ early Q4 of 2026, of course Ssubject to customary closing conditions and regulatory approvals. We look forward to welcoming ARISGLOBAL's exceptional leadership team and 1,300 global employees to the Dassault Systèmes family upon closing. They are committed to joining us, and together pioneering the next chapter of life sciences innovation.

Welcome guys!

Now, let me turn back to our Q2 results – specifically to Cash Flow performance:

We generated strong Operating Cash Flow in 1H, €1,237m, up 8% YOY and 11% ex-FX. This was driven by strong operating performance and working capital, which was up slightly on higher billing activities.

A brief comment on Q2, Operating cash flow was mainly impacted by 2 factors: First, collections that shifted to July, which have all been secured in the first 2 weeks of Q3. So it is only a temporary effect. Second, we had lower accrued compensation.

Free cash flow was up 13% ex-FX in H1, driven by strong operating cash flow, which was mainly used for dividend payouts and the repayment of commercial paper.

Overall, this first-half performance demonstrates the strength of our cash generation. As a result, cash conversion for H1 reached 134%, an improvement versus 123% last year. Important to note, we remain on target for full year 2026 cash conversion to improve from 2025 and be back in line with 2024 levels. The consistent transition of our business towards subscription and cloud creates an opportunity for continued improvement in cash conversion.

To complete the picture:

Cash and cash equivalents reached €5,660m as at June 2026, reflecting a half-year increase of +€1,535m. It was +€785m in Q2. This was positively impacted by the issuance, successful placement of the €1bn Senior bond in June, the proceeds of which, will be using to refinance the upcoming maturity of €900m, due September 2026.

The net cash position strengthened to €2.3bn, +€750m during the first 6 months. You can see that this has also put us in a solid cash position to fund the ArisGlobal transaction from our own strong balance sheet.

Now turning to objectives:

We enter the second half of the year with a solid foundation, and we confirm our full year outlook: Total Revenue of €6,296 to €6,416 million, representing 3% to 5% growth ex-FX, Operating Margin in the range of 32.2% to 32.6%, and EPS of €1.30 to €1.34, representing 3% to 6% growth ex-FX.

Now for Q3, we expect Total Revenue in the range of €1,497 to €1,537 million, up 3% to 5% ex-FX — with Software revenue growing 3% to 5% and Services up 4% to 8%. We target an Operating Margin between 31.0% and 31.1%, and EPS of €0.30 to €0.31, growing 4% to 7% ex-FX.

These targets are based on FX assumptions, that are consistent compared to the beginning of the year, $/€ at 1.18 and ¥/€ at 170.0, and a tax rate assumption of 17% for Q3.

Finally, to note: we will reflect the impact of the ArisGlobal acquisition following the close of the deal, which as mentioned is expected in late Q3 / early Q4. However, the financial impact on 2026 should not be significant, given the timing of revenue contribution and also timing of cash payment for the acquisition.

In summary: we delivered a solid first half, in line with our objectives, and we confirm our full-year guidance objectives. Our growth drivers show the strategy is working – Subscription growing twice as fast as total revenue, and 3DEXPERIENCE and Cloud are accelerating. We remain squarely focused on execution as we enter H2, with operating discipline to drive solid margins and strong cash conversion.

This gives us the foundation to invest in long-term growth, accelerate our AI strategy — and create tangible value for our clients, employees, and shareholders.

Now, thank you for listening. Pascal and I look forward to taking your questions.