

Q2 2025 Earnings Presentation

(NASDAQ: NICE)

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world 



Disclaimer

Forward Looking Statements Disclaimer

This presentation contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements may be identified by words such as “believe”, “expect”, “seek”, “may”, “will”, “intend”, “should”, “project”, “anticipate”, “plan”, and similar expressions. Forward-looking statements are based on the current beliefs, expectations and assumptions of the Company’s management regarding the future of the Company’s business, performance, future plans and strategies, projections, anticipated events and trends, the economic environment, and other future conditions. Examples of forward-looking statements include guidance regarding the Company’s revenue and earnings and the growth of our cloud, analytics and artificial intelligence business.

Forward looking statements are inherently subject to significant uncertainties, contingencies, and risks, including, economic, competitive and other factors, which are difficult to predict and many of which are beyond the control of management. The Company cautions that these statements are not guarantees of future performance, and investors should not place undue reliance on them. There are or will be important known and unknown factors and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. These factors, include, but are not limited to, risks associated with changes in economic and business conditions, competition, successful execution of the Company’s growth strategy, success and growth of the Company’s cloud Software-as-a-Service business, difficulties in making additional acquisitions or effectively integrating acquired operations, products, technologies and personnel, the Company’s dependency on third-party cloud computing platform providers, hosting facilities and service partners, rapid changes in technology and market requirements, the implementation of AI capabilities in certain products and services; decline in demand for the Company’s products; inability to timely develop and introduce new technologies, products and applications, loss of market share, cyber security attacks or other security incidents, privacy concerns and legislation impacting the Company’s business, changes in currency exchange rates and interest rates, the effects of additional tax liabilities resulting from our global operations, the effect of unexpected events or geo-political conditions, including those arising from political instability or armed conflict that may disrupt our business and the global economy, our ability to recruit and retain qualified personnel, the effect of newly enacted or modified laws, regulation or standards on the Company and our products, and various other factors and uncertainties discussed in our filings with the U.S. Securities and Exchange Commission (the “SEC”).

You are encouraged to carefully review the section entitled “Risk Factors” in our latest Annual Report on Form 20-F and our other filings with the SEC for additional information regarding these and other factors and uncertainties that could affect our future performance. The forward-looking statements contained in this press release speak only as of the date hereof, and the Company undertakes no obligation to update or revise them, whether as a result of new information, future developments or otherwise, except as required by law.

Explanation of Non-GAAP measures

Non-GAAP financial measures are included in this presentation. Non-GAAP financial measures consist of GAAP financial measures adjusted to exclude share-based compensation, amortization of acquired intangible assets, acquisition related and other related expenses, amortization of discount on debt and the tax effect of the Non-GAAP adjustments.

The Company believes that these Non-GAAP financial measures, used in conjunction with the corresponding GAAP measures, provide investors with useful supplemental information about the financial performance of our business. We believe Non-GAAP financial measures are useful to investors as a measure of the ongoing performance of our business. Our management regularly uses our supplemental Non-GAAP financial measures internally to understand, manage and evaluate our business and to make financial, strategic and operating decisions. These Non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Our Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. These Non-GAAP financial measures may differ materially from the Non-GAAP financial measures used by other companies. Reconciliation between results on a GAAP and Non-GAAP basis is provided in a table in the earnings press release and in the appendix in this presentation. The Company provides guidance only on a Non-GAAP basis. A reconciliation of guidance from a GAAP to Non-GAAP basis is not available due to the unpredictability and uncertainty associated with future events that would be reported in GAAP results and would require adjustments between GAAP and Non-GAAP financial measures, including the impact of future possible business acquisitions. Accordingly, a reconciliation of the guidance based on Non-GAAP financial measures to corresponding GAAP financial measures for future periods is not available without unreasonable effort.

Create a NiCE world



Customer Experience

Automating Customer Service by Orchestrating Workflows, Agents & Knowledge



Financial Crime & Compliance

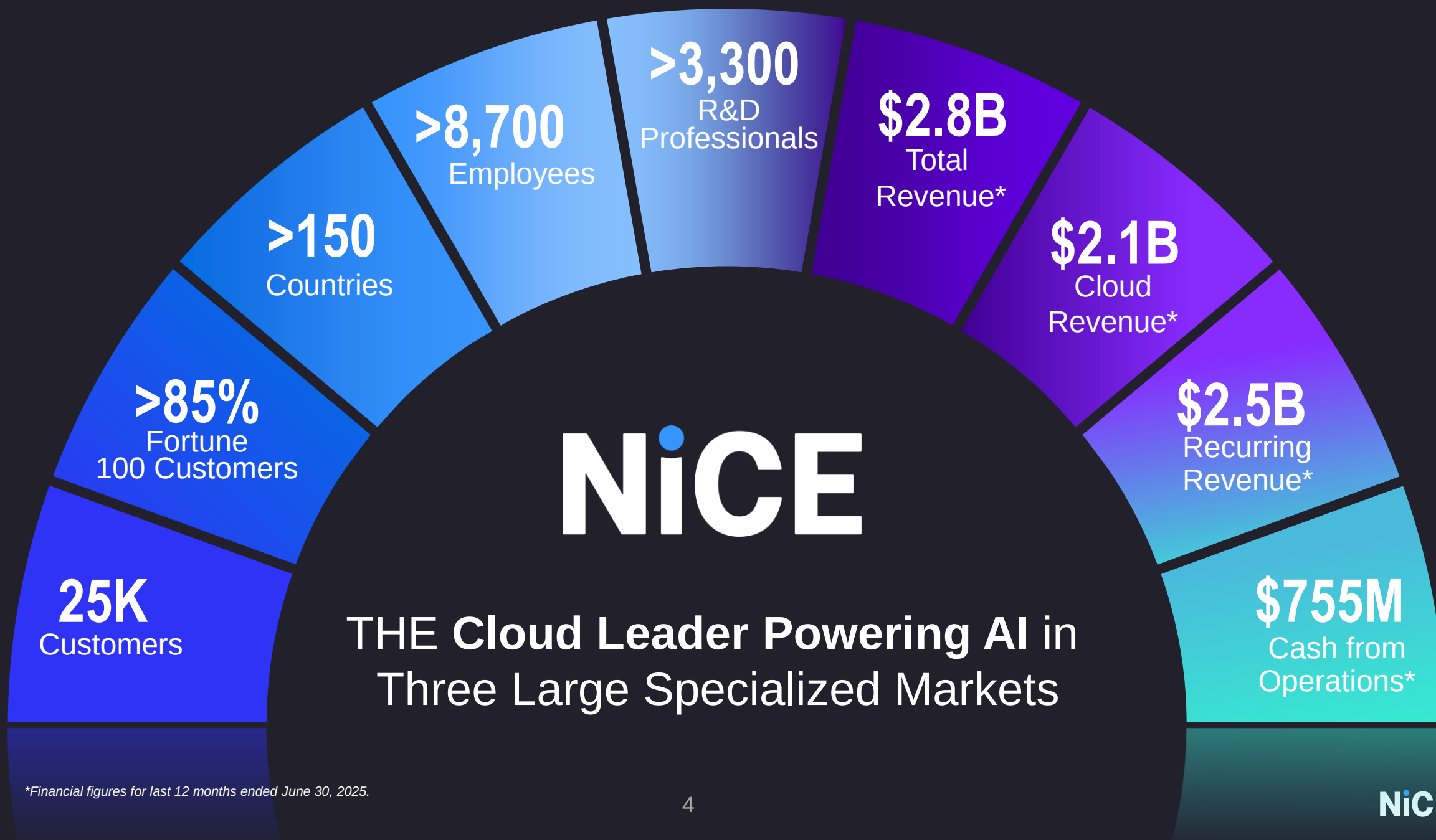
Fighting Financial Crime and Fraud



Public Safety & Justice

Digitally Transforming Criminal Justice





*Financial figures for last 12 months ended June 30, 2025.

FINANCIAL OVERVIEW

Quarterly Results

In a NiCE world

technology works for you



Q2-25 Financial Highlights

Q2 2025 Results	Quarterly Results	Increase Y/Y
Total Revenue	\$727M	9%
Cloud Revenue	\$541M	12%
Non-GAAP Operating Income	\$220M	9%
Non-GAAP Operating Margin	30.2%	(20 bps)
Non-GAAP EPS	\$3.01	14%

Cloud Growth Fueled by AI Adoption and Customer Expansion

\$238M

AI and Self-Service
ARR

42%

AI and Self-Service
ARR YoY Growth

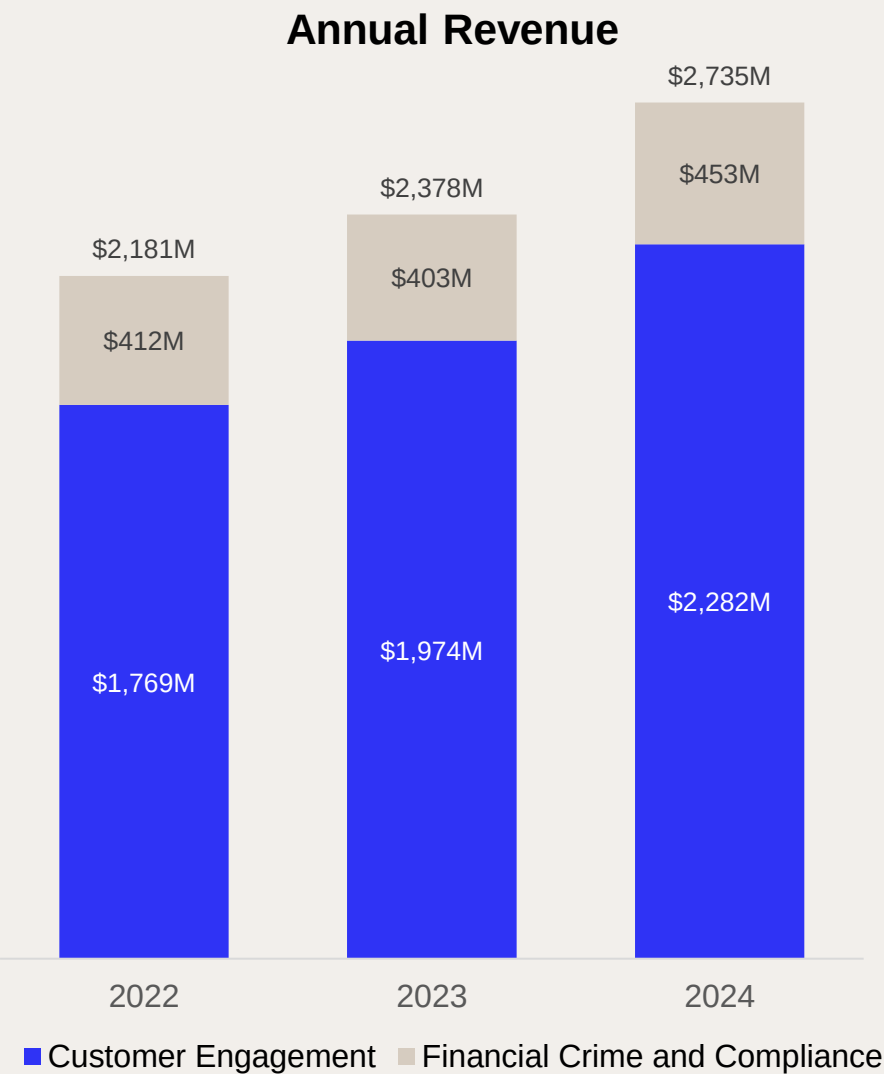
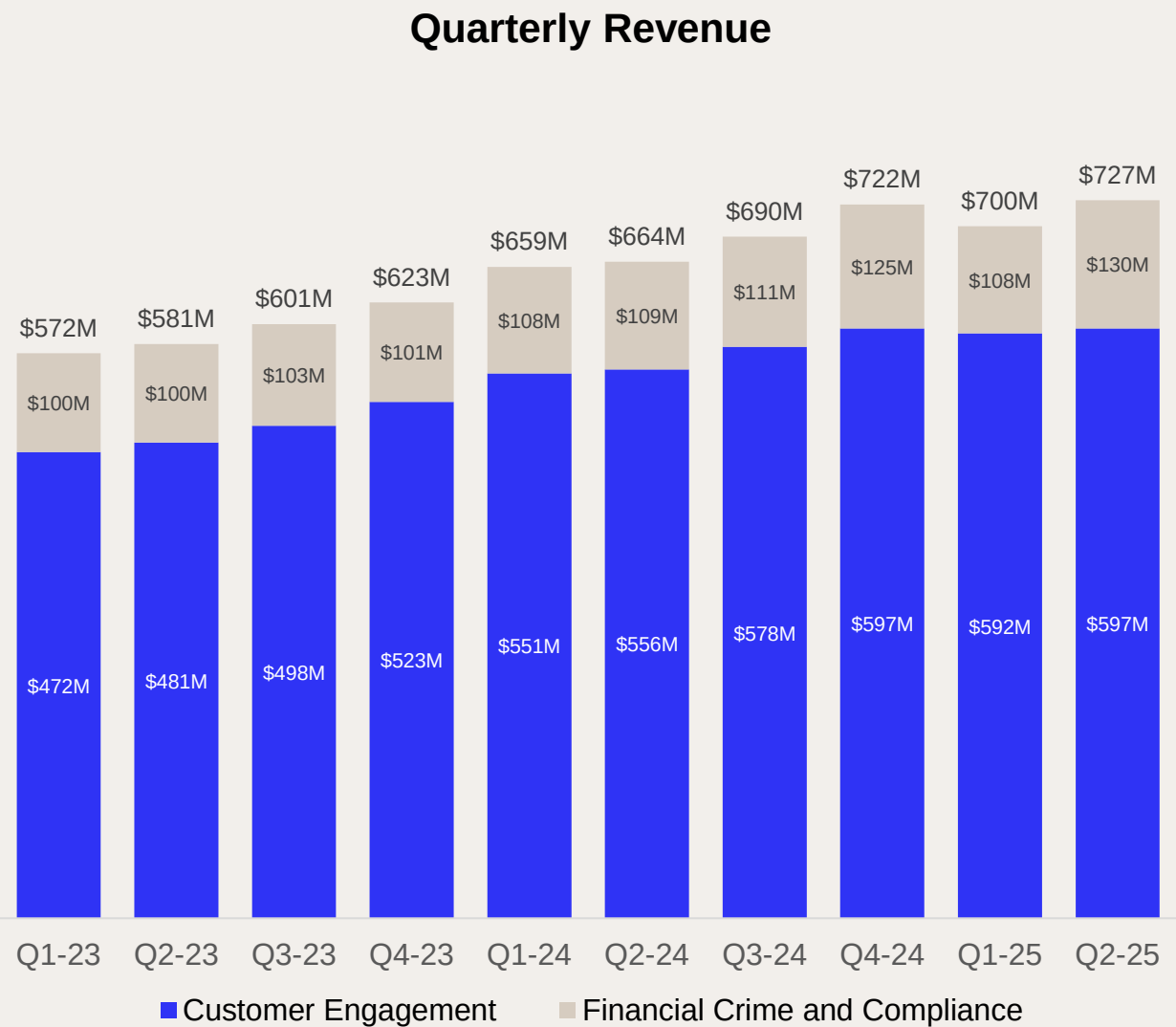
11%

AI and Self-Service as
% of Total Cloud
Revenue

111%

LTM Q2/2025
Cloud NRR

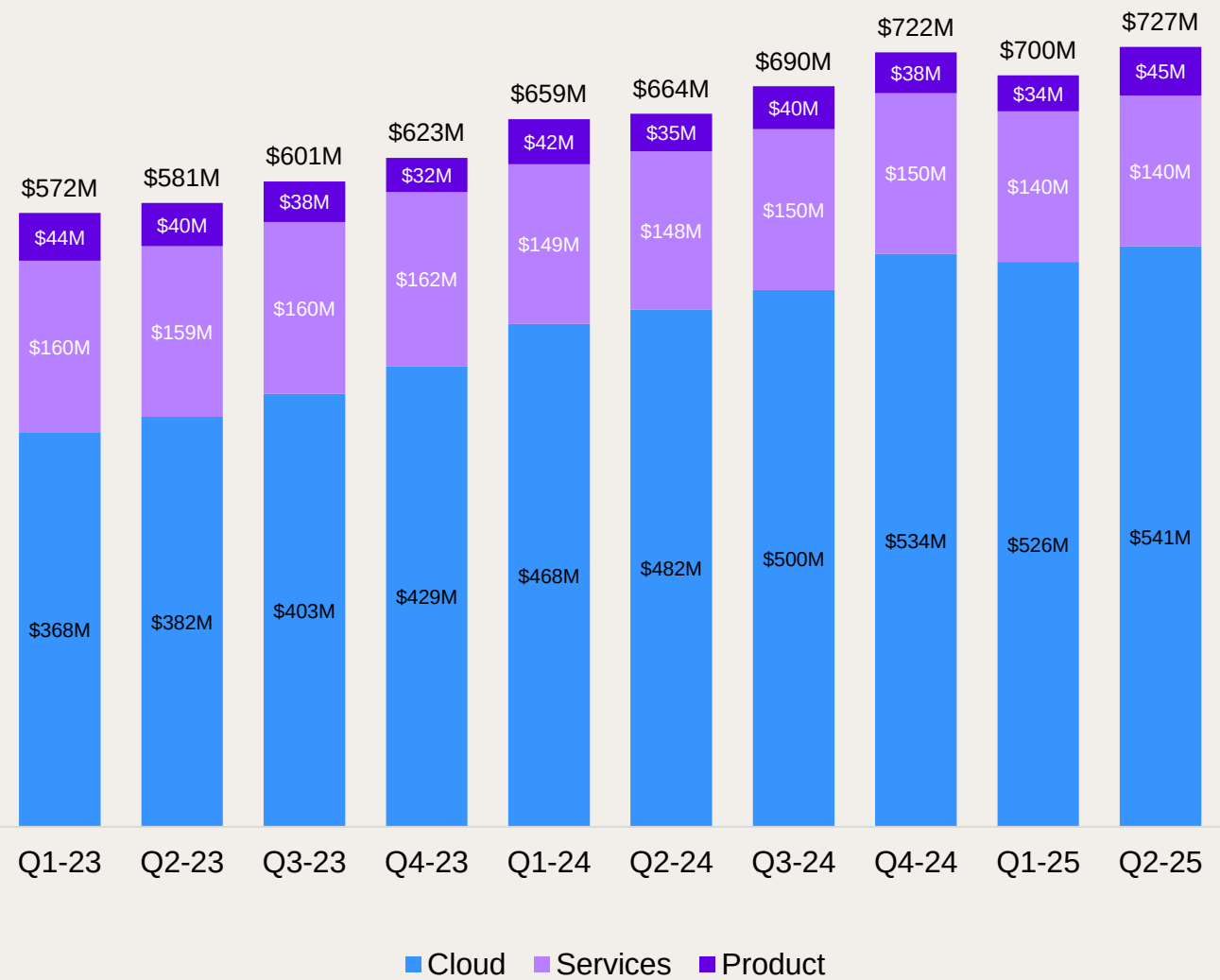
Revenue Breakdown by Business Segment



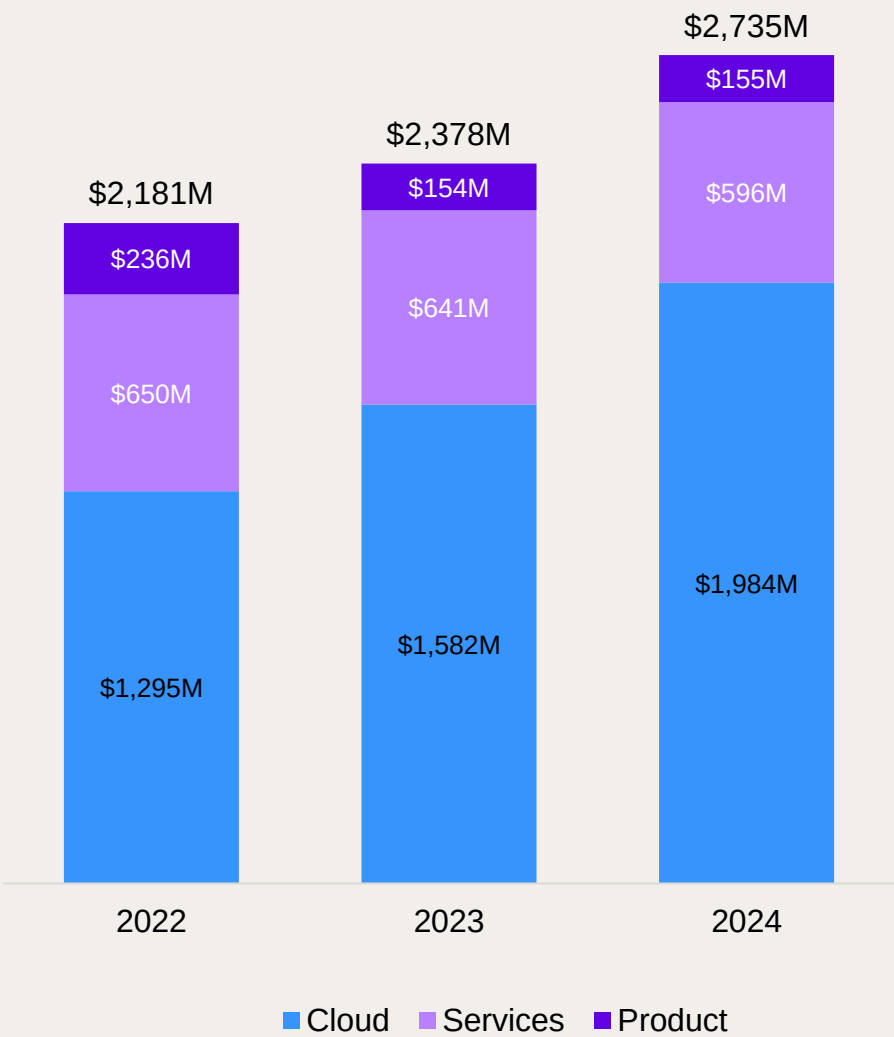
Revenue Breakdown by Business Model



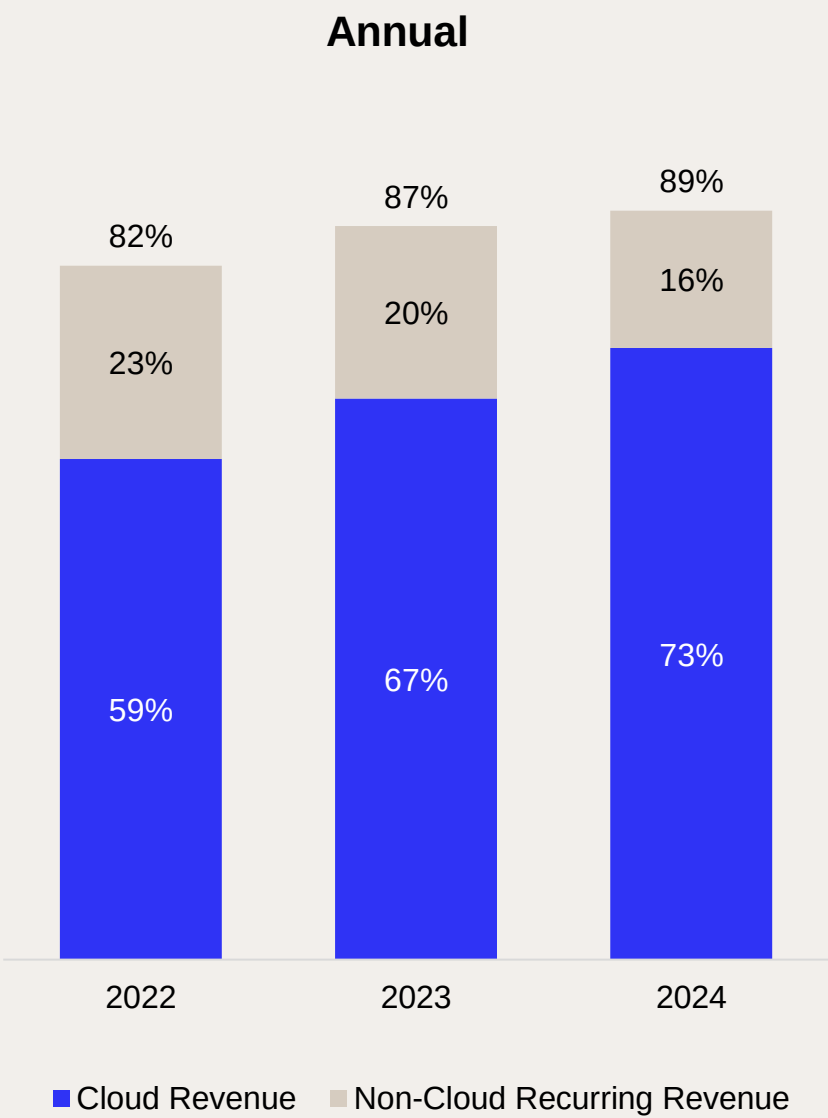
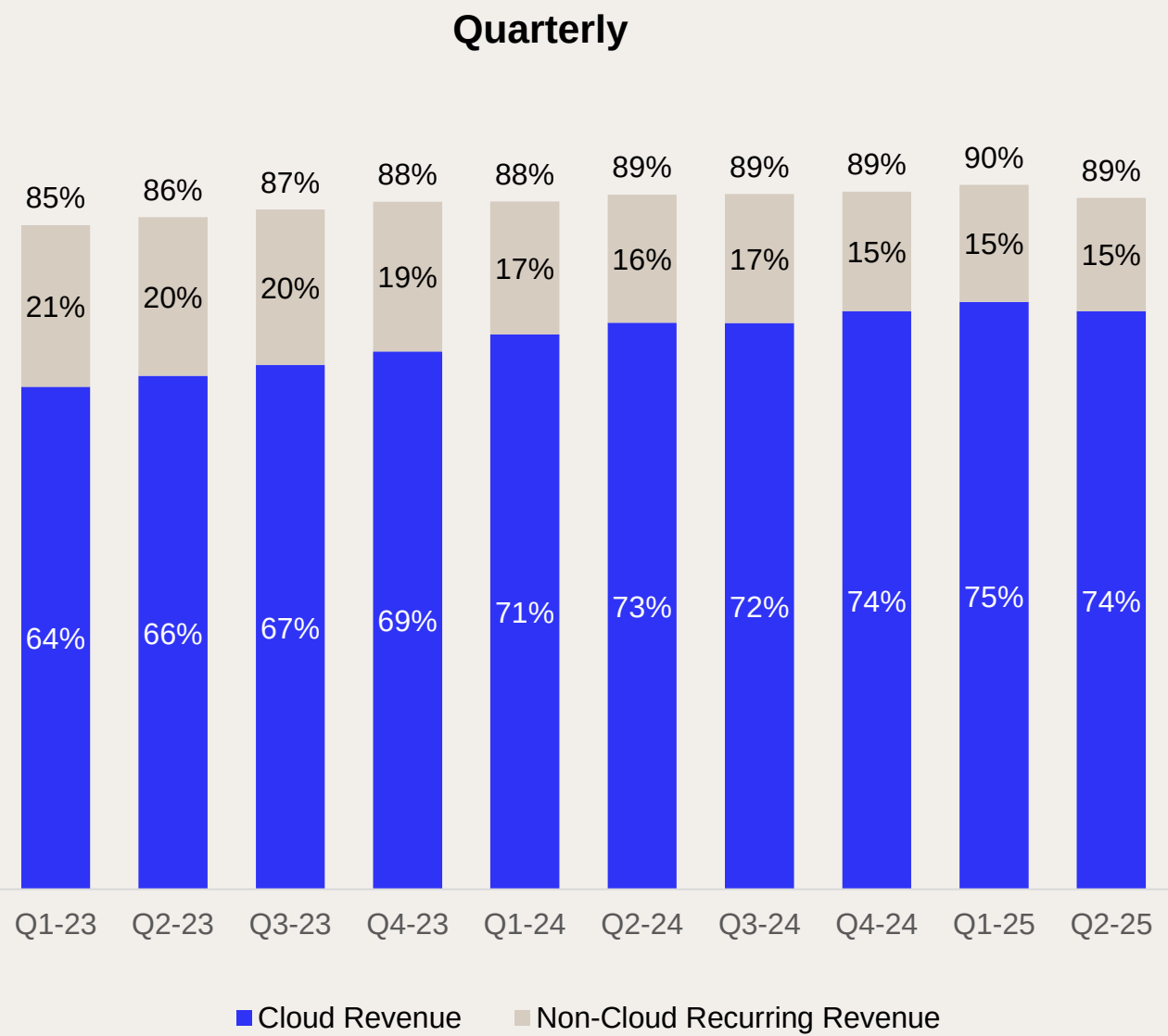
Quarterly Revenue



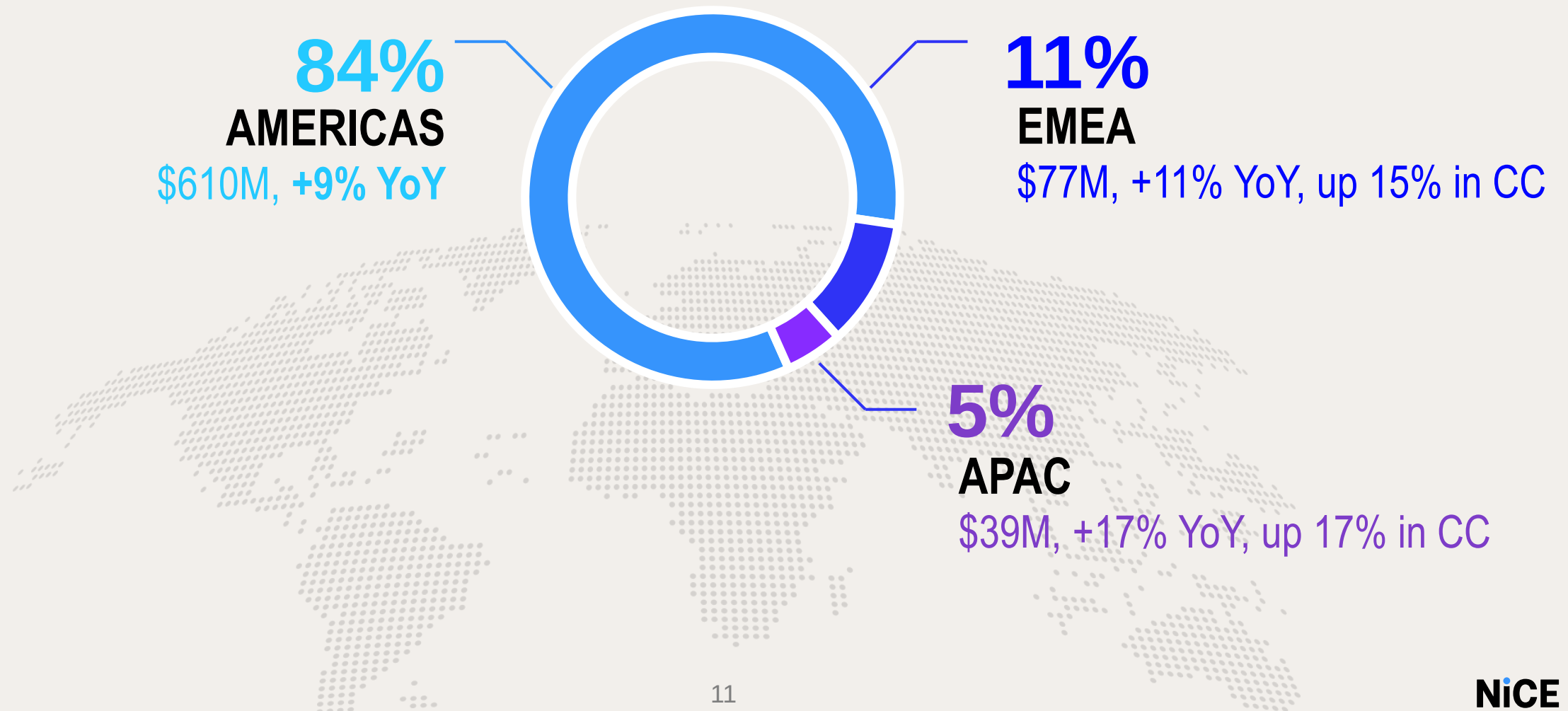
Annual Revenue



Recurring Revenue as a Percent of Total Revenue



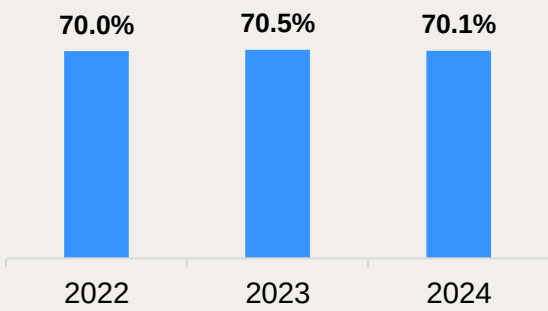
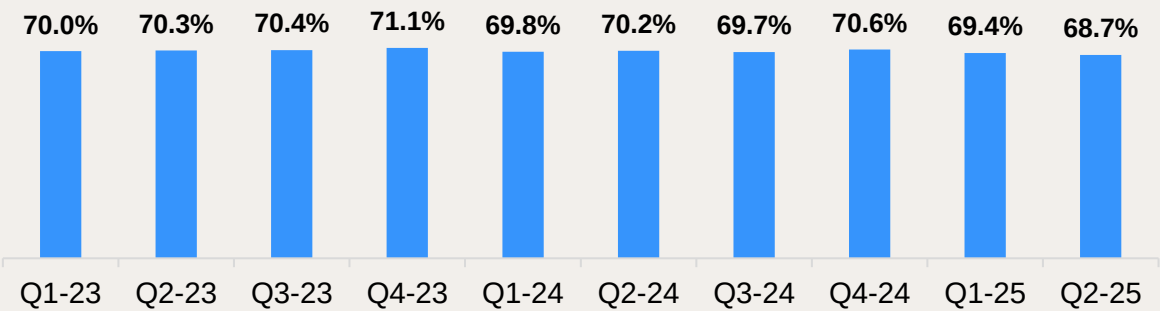
Revenue Breakdown by Geographic Region – Q2 2025



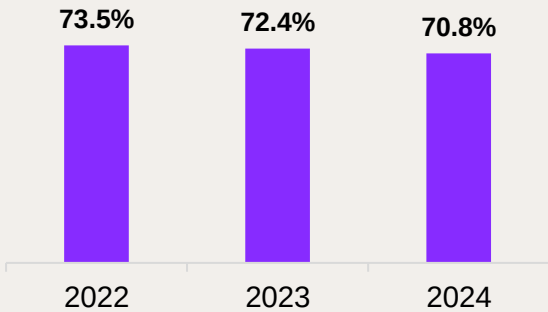
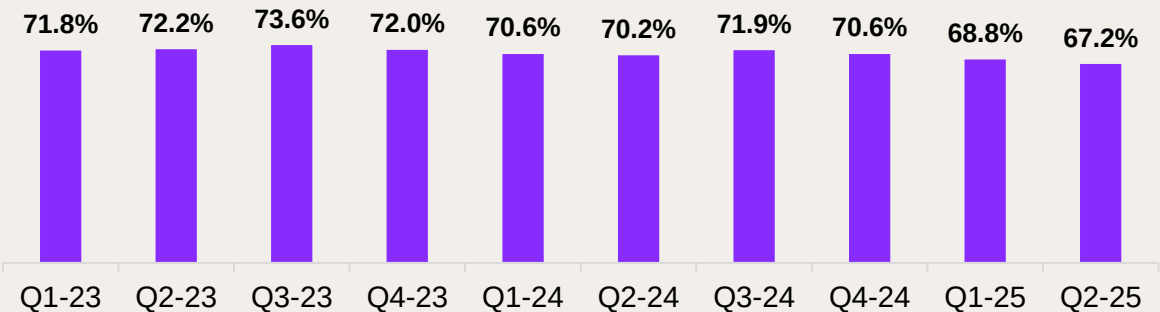
Healthy Gross Margins (Non-GAAP)



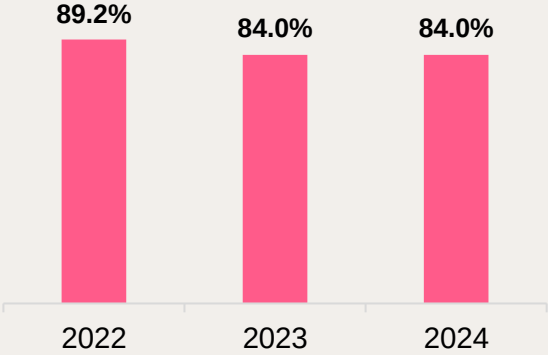
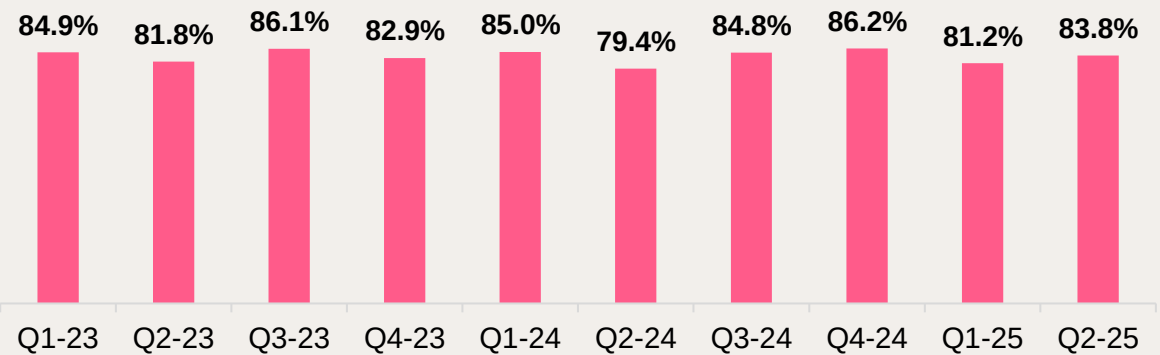
Cloud GM



Services GM



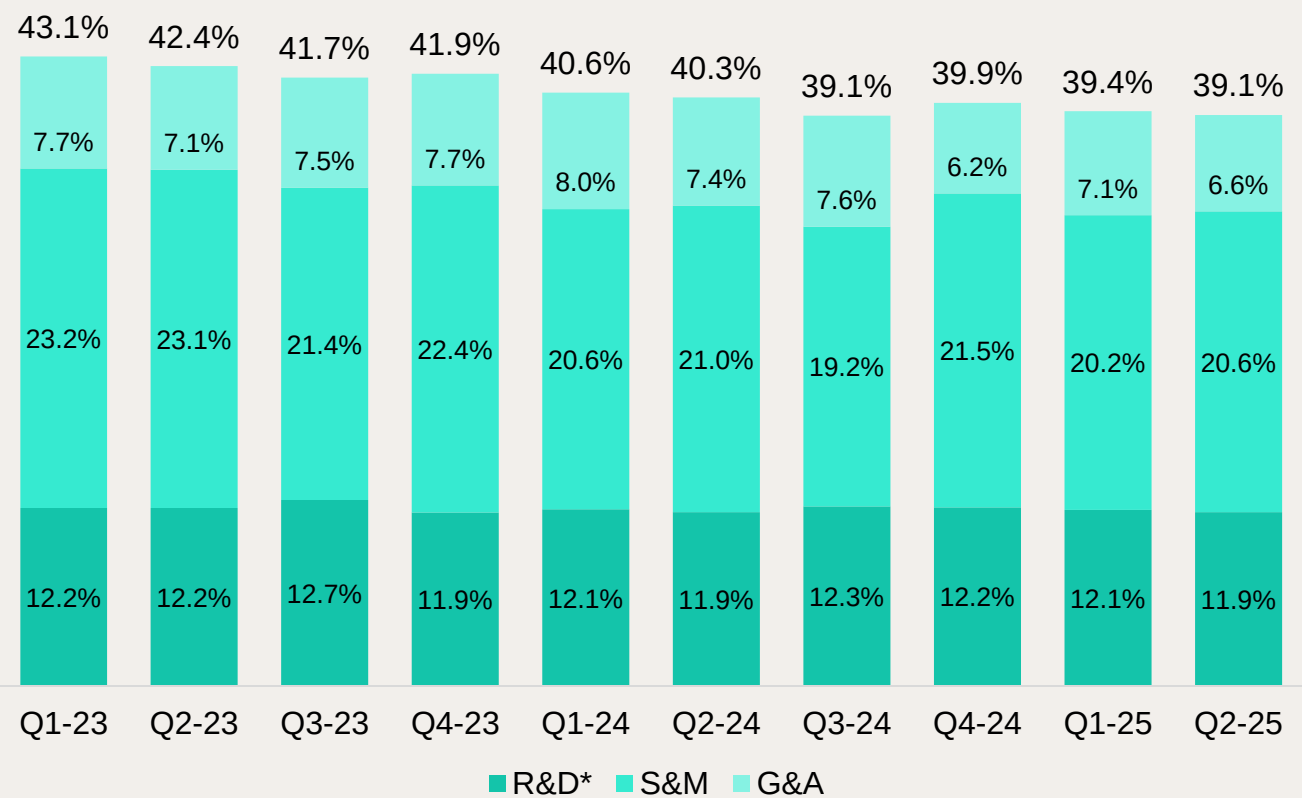
Product GM



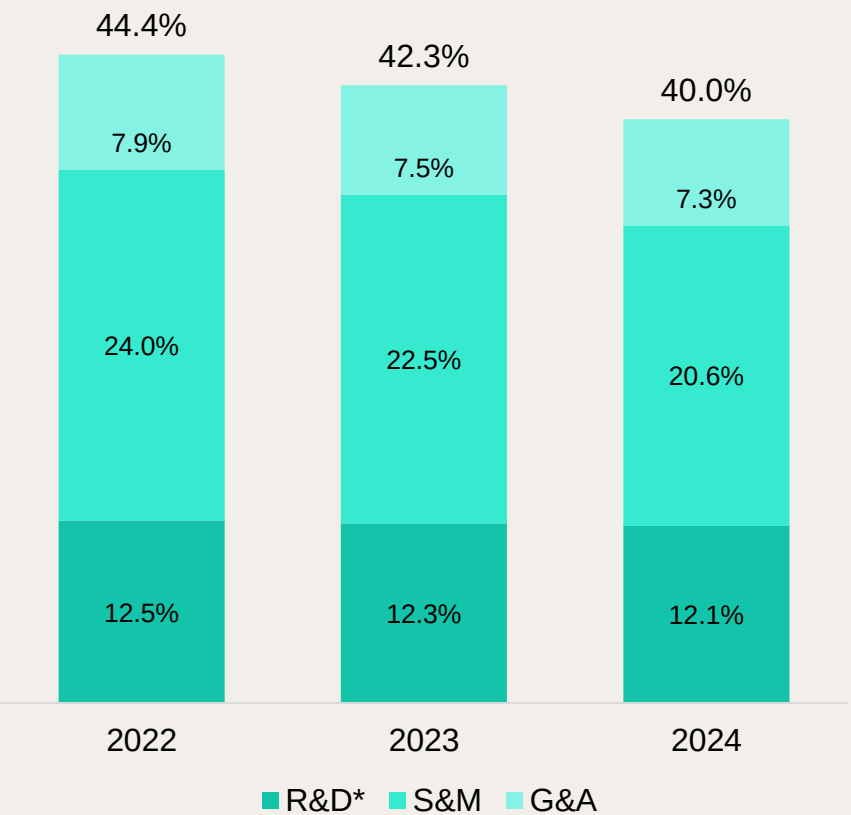
Non-GAAP Operating Expenses as a Percent of Total Revenue



Quarterly



Annual

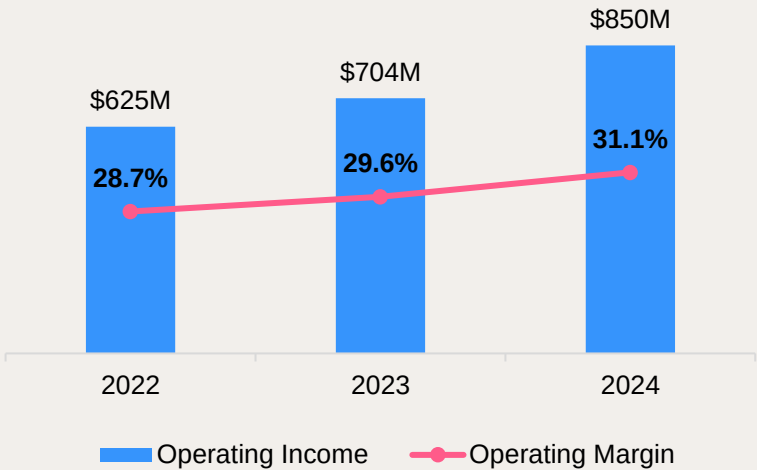
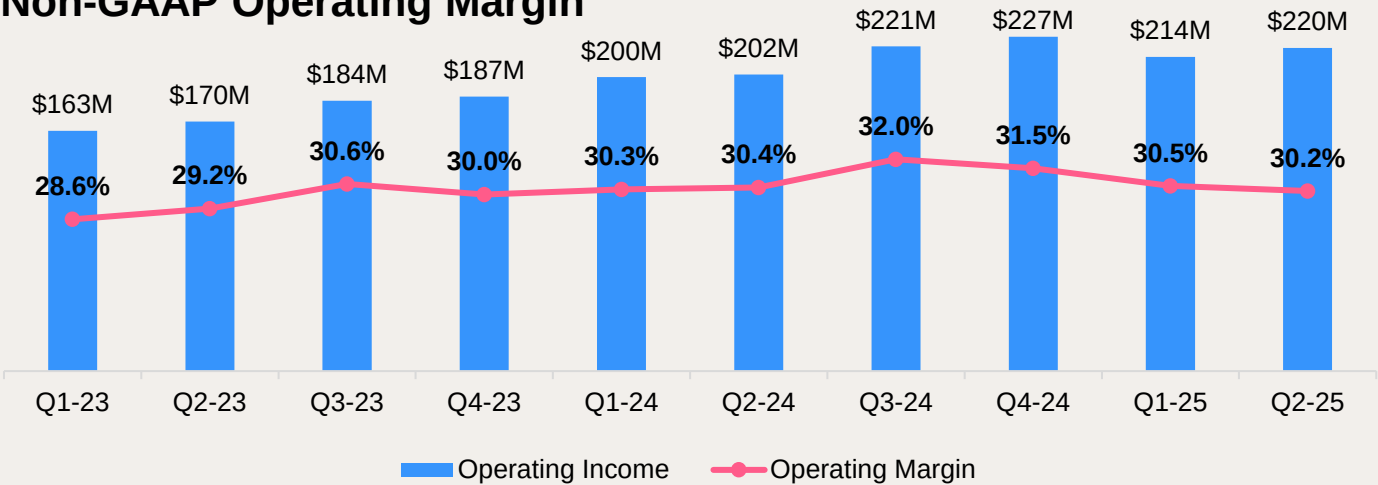


* R&D net of capitalization

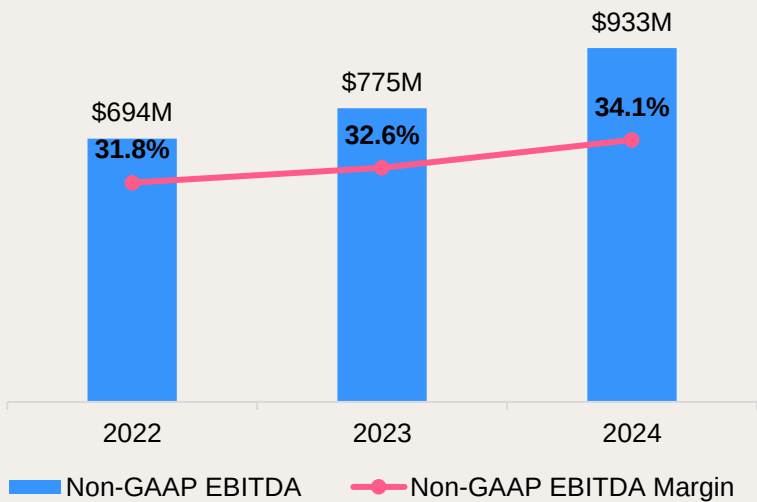
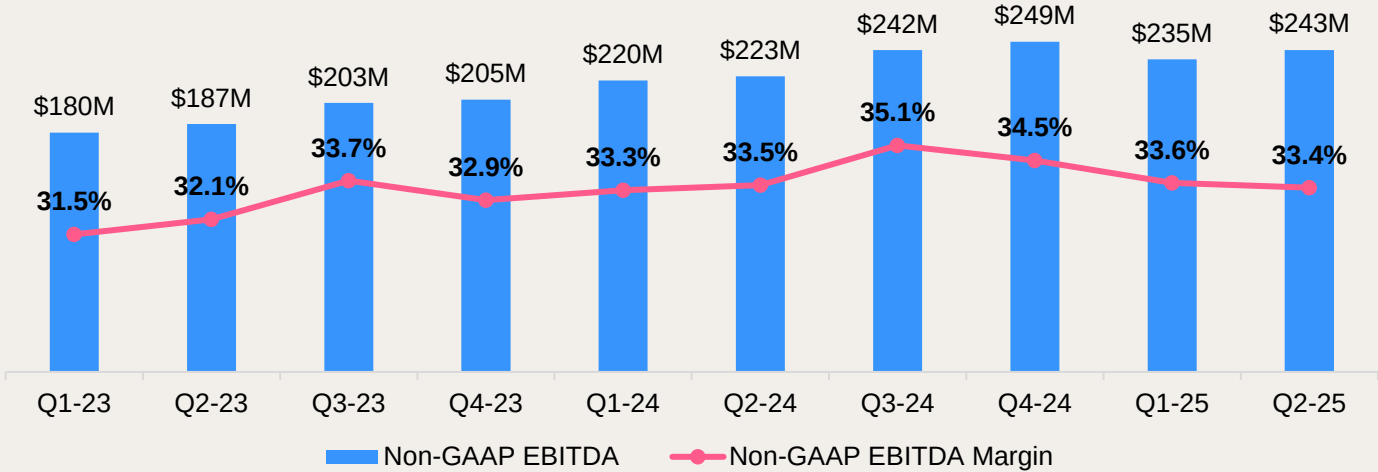
Strong Operating Leverage Evident in Growing Profitability



Non-GAAP Operating Margin

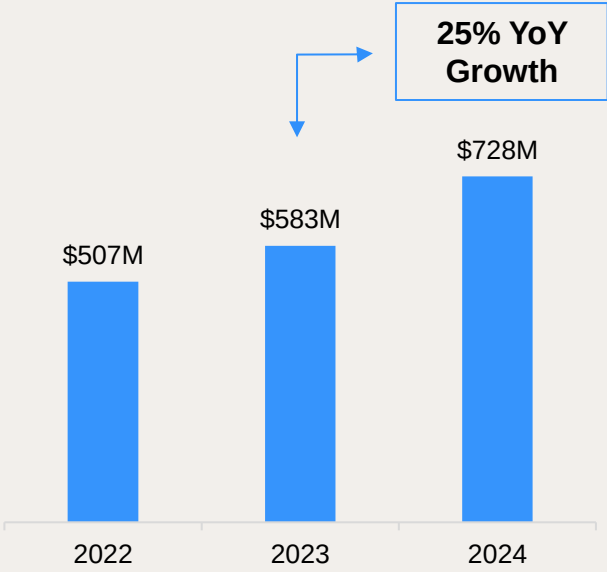
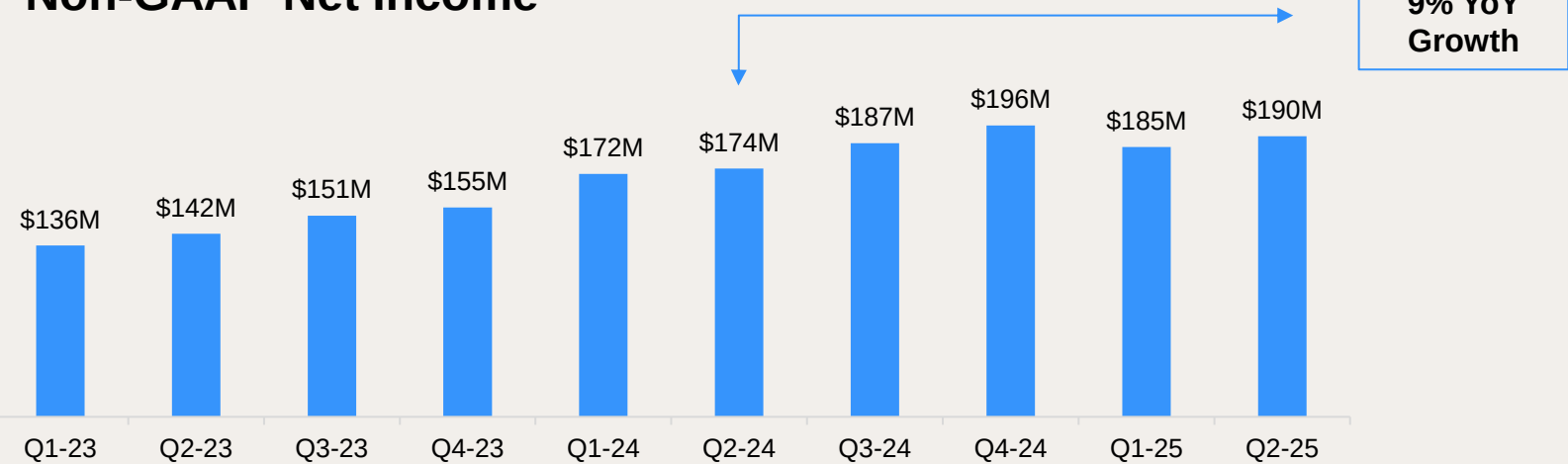


Non-GAAP EBITDA

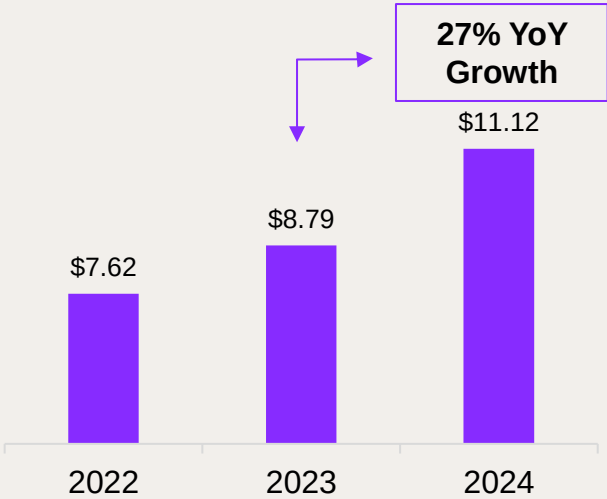
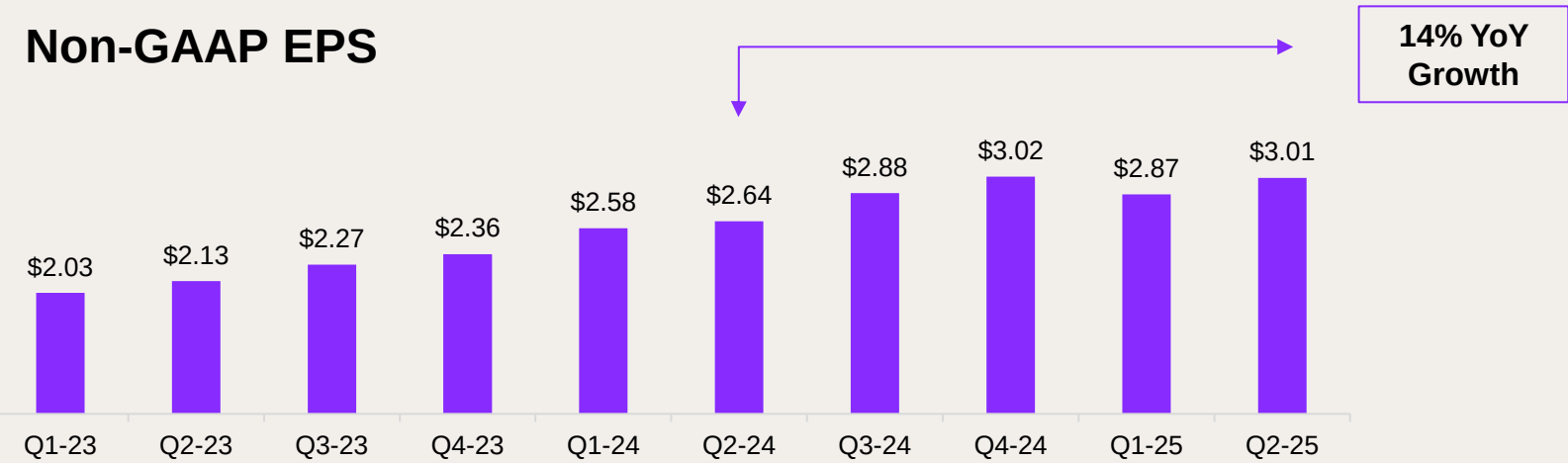


Non-GAAP Net Income and EPS Reflect NICE's Financial Strength

Non-GAAP Net Income



Non-GAAP EPS

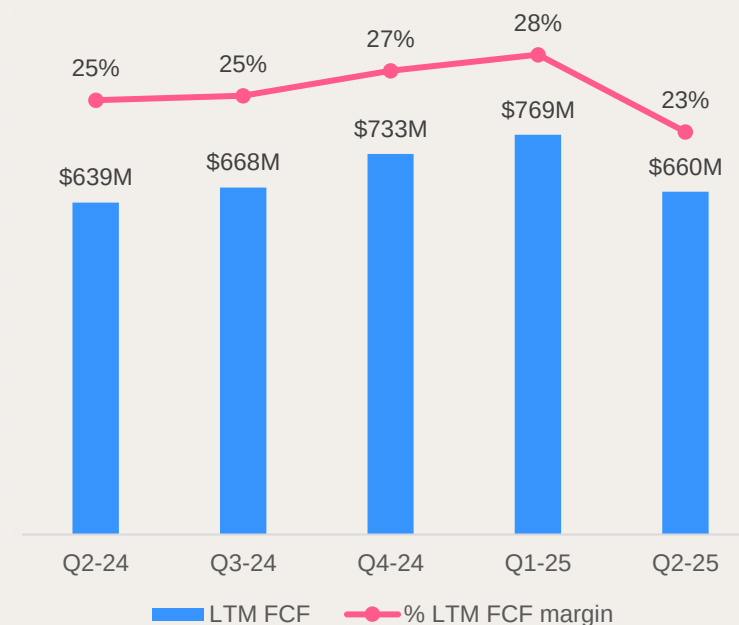


Growing Cash From Operations and Free Cash Flow



\$M	LTM Q2-25	LTM Q2-24
Operating Cash Flow	754.9	725.3
Capital expenditure of property and equipment	(26.2)	(28.6)
Capitalization of software development	(68.5)	(57.5)
Free cash flow	660.1	639.2
Free cash flow margin	23%	25%
Cash conversion rate *	0.9	1.0

LTM Free Cash Flow and Margin

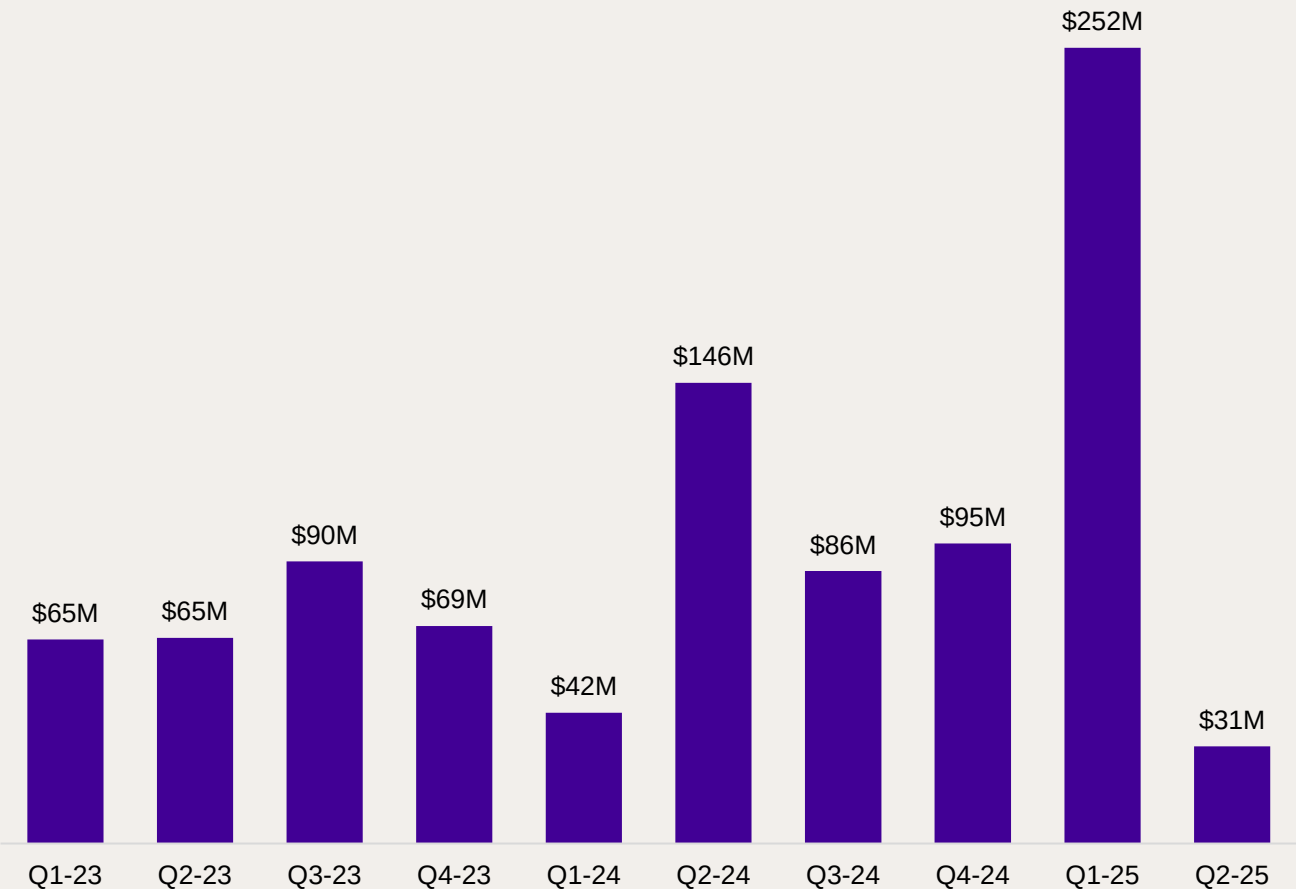


* Cash Conversion Rate = (Free Cash Flow / Non-GAAP Net Income)

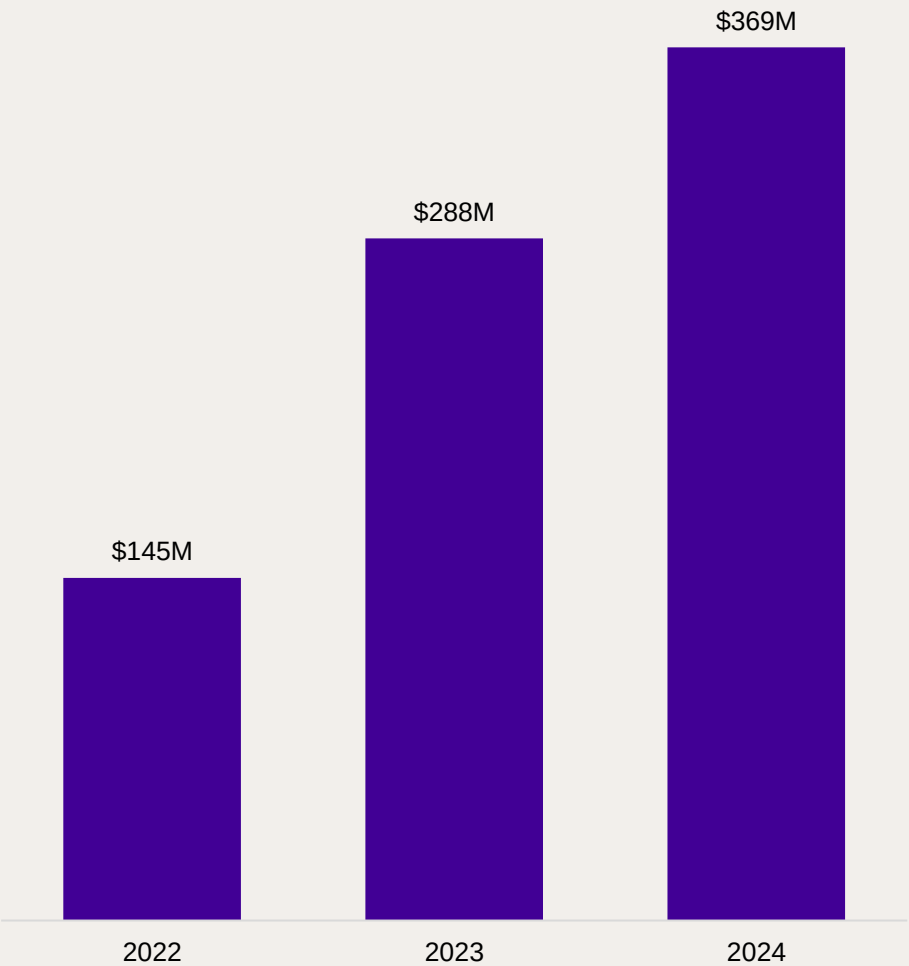
Executing on Share Repurchase Plan



Quarterly



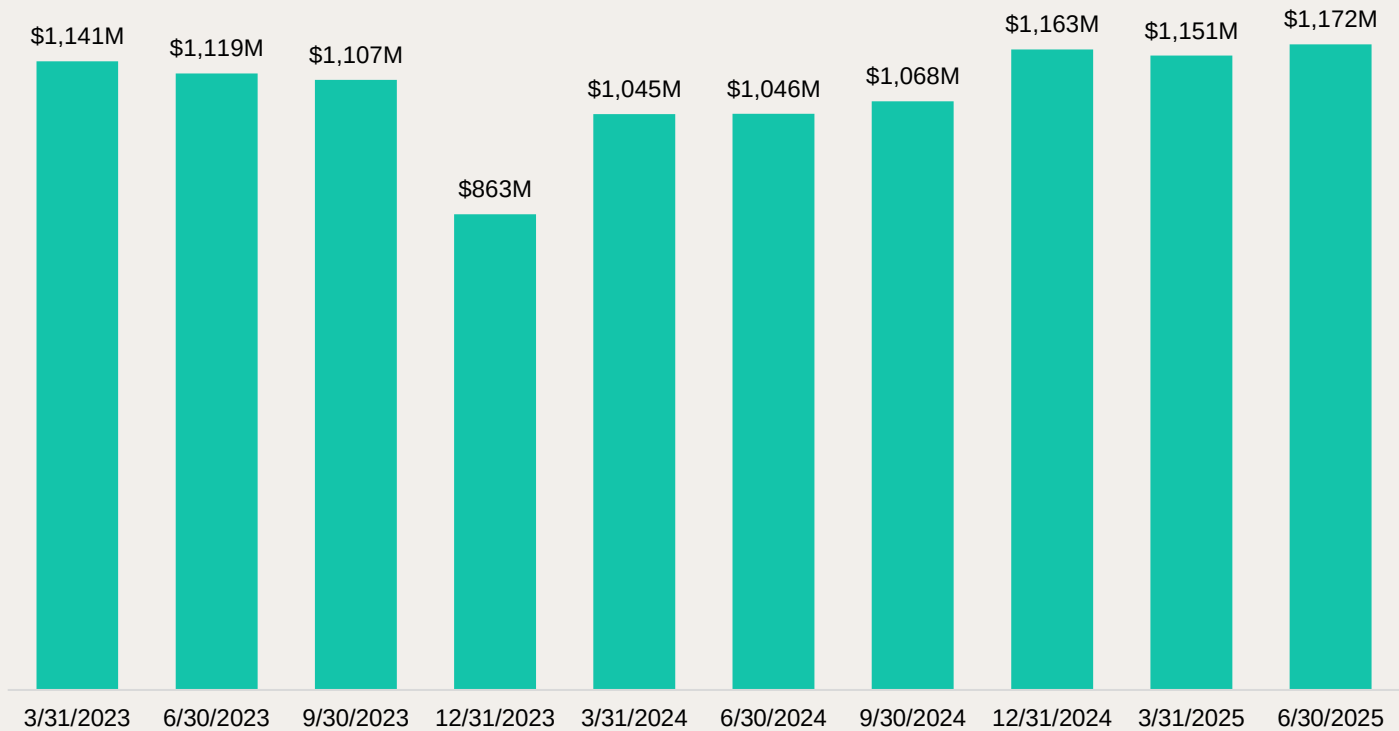
Annual



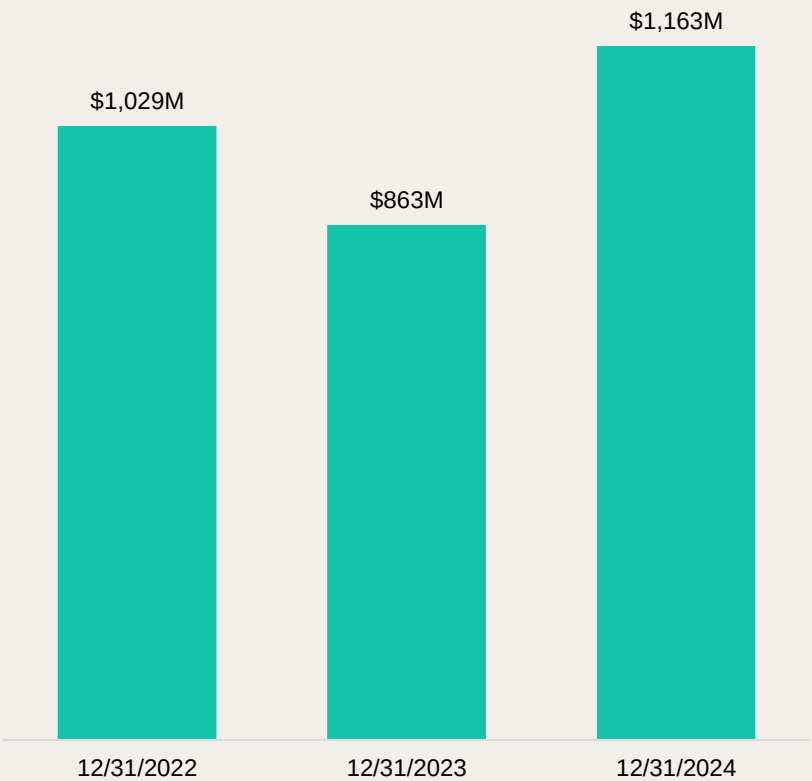
Industry Leading Strong Net Cash Position*



Quarterly



Annual



* Net cash and investments = cash, cash equivalents and short-term investments less total debt net of debt hedge option asset

Outlook* (Non-GAAP)

	Q3 2025	FY 2025
Revenue (\$M)	722 – 732	2,918 – 2,938
Revenue Growth YoY at Midpoint	5%	7%
EPS (\$)	3.12 – 3.22	12.33 – 12.53
EPS Growth YoY at Midpoint	10%	12%

*The outlook is provided as of August 14, 2025. There is no guarantee that the Company will change or update these figures in this presentation should a need arise in the future to update the outlook. This is in addition to the forward-looking statements disclaimer at the beginning of the presentation.

The planned acquisition of Cognigy is expected to close during the fourth quarter of 2025, subject to regulatory approval, and therefore this guidance excludes any planned impact from this proposed transaction

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Thank You

Appendix

A man and a woman in business attire are working together at a desk. The man, on the left, is wearing a white shirt, a patterned tie, and glasses. He is looking at a laptop screen. The woman, on the right, is wearing a dark blazer over a light blue shirt and is smiling. They are in a modern office setting with a wooden desk, a potted plant, and a pen holder. The background is blurred, showing other office furniture and a lamp.



GAAP and Non-GAAP Income Statement

USD in thousands (except EPS)

	Quarter ended June 30,		Year to date June 30,	
	2025	2024	2025	2024
GAAP revenues	\$ 726,712	\$ 664,400	\$ 1,426,904	\$ 1,323,709
Non-GAAP revenues	\$ 726,712	\$ 664,400	\$ 1,426,904	\$ 1,323,709
GAAP cost of revenue	\$ 241,601	\$ 224,783	\$ 473,681	\$ 447,452
Amortization of acquired intangible assets on cost of cloud	(13,202)	(24,133)	(28,605)	(49,500)
Amortization of acquired intangible assets on cost of product	-	(150)	-	(410)
Cost of cloud revenue adjustment (1,2)	(3,293)	(2,852)	(6,471)	(5,854)
Cost of services revenue adjustment (1)	(2,241)	(2,617)	(4,696)	(4,995)
Cost of product revenue adjustment (1)	(21)	(30)	(43)	(60)
Non-GAAP cost of revenue	\$ 222,844	\$ 195,001	\$ 433,866	\$ 386,633
GAAP gross profit	\$ 485,111	\$ 439,617	\$ 953,223	\$ 876,257
Gross profit adjustments	18,757	29,782	39,815	60,819
Non-GAAP gross profit	\$ 503,868	\$ 469,399	\$ 993,038	\$ 937,076
GAAP operating expenses	\$ 324,519	\$ 310,793	\$ 644,462	\$ 625,994
Research and development (1,2)	(3,178)	(7,484)	(7,871)	(15,627)
Sales and marketing (1,2)	(13,258)	(13,210)	(28,672)	(27,382)
General and administrative (1,2)	(16,924)	(17,429)	(36,482)	(37,260)
Amortization of acquired intangible assets	(6,956)	(4,972)	(11,649)	(10,211)
Valuation adjustment on acquired deferred commission	-	8	-	23
Non-GAAP operating expenses	\$ 284,203	\$ 267,706	\$ 559,788	\$ 535,537
GAAP financial and other income, net	\$ (14,820)	\$ (15,645)	\$ (30,670)	\$ (29,654)
Amortization of discount on debt	(428)	(425)	(849)	(974)
Change in fair value of contingent consideration	-	(35)	-	(79)
Non-GAAP financial and other income, net	\$ (15,248)	\$ (16,105)	\$ (31,519)	\$ (30,707)



GAAP and Non-GAAP Income Statement (cont.)

USD in thousands (except EPS)

	Quarter ended June 30,		Year to date June 30,	
	2025	2024	2025	2024
GAAP taxes on income	\$ (11,992)	\$ 28,684	\$ 22,737	\$ 57,759
Tax adjustments re non-GAAP adjustments	56,627	14,963	66,720	28,779
Non-GAAP taxes on income	<u>\$ 44,635</u>	<u>\$ 43,647</u>	<u>\$ 89,457</u>	<u>\$ 86,538</u>
GAAP net income	\$ 187,404	\$ 115,785	\$ 316,694	\$ 222,158
Amortization of acquired intangible assets	20,158	29,255	40,254	60,121
Valuation adjustment on acquired deferred commission	-	(8)	-	(23)
Share-based compensation (1)	38,915	43,622	83,840	89,266
Acquisition related and other expenses (2)	-	-	395	1,912
Amortization of discount on debt	428	425	849	974
Change in fair value of contingent consideration	-	35	-	79
Tax adjustments re non-GAAP adjustments	(56,627)	(14,963)	(66,720)	(28,779)
Non-GAAP net income	<u>\$ 190,278</u>	<u>\$ 174,151</u>	<u>\$ 375,312</u>	<u>\$ 345,708</u>
GAAP diluted earnings per share	<u>\$ 2.96</u>	<u>\$ 1.76</u>	<u>\$ 4.97</u>	<u>\$ 3.36</u>
Non-GAAP diluted earnings per share	<u>\$ 3.01</u>	<u>\$ 2.64</u>	<u>\$ 5.88</u>	<u>\$ 5.22</u>
Shares used in computing GAAP diluted earnings per share	63,210	65,856	63,785	66,192
Shares used in computing non-GAAP diluted earnings per share	63,210	65,856	63,785	66,192



GAAP and Non-GAAP Income Statement (cont.)

USD in thousands

(1) Share-based compensation

	Quarter ended June 30,		Year to date June 30,	
	2025	2024	2025	2024
Cost of cloud revenue	\$ 3,293	\$ 2,852	\$ 6,471	\$ 5,792
Cost of services revenue	2,241	2,617	4,696	4,995
Cost of product revenue	21	30	43	60
Research and development	3,178	7,484	7,871	15,297
Sales and marketing	13,258	13,210	28,672	26,739
General and administrative	16,924	17,429	36,087	36,383
	<u>\$ 38,915</u>	<u>\$ 43,622</u>	<u>\$ 83,840</u>	<u>\$ 89,266</u>

(2) Acquisition related and other expenses

	Quarter ended June 30,		Year to date June 30,	
	2025	2024	2025	2024
Cost of cloud revenue	\$ -	\$ -	\$ -	\$ 62
Research and development	-	-	-	330
Sales and marketing	-	-	-	643
General and administrative	-	-	395	877
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 395</u>	<u>\$ 1,912</u>



Non-GAAP EBITDA Reconciliation

USD in thousands

	Quarter ended June 30,		Year to date June 30,	
	2025	2024	2025	2024
	Unaudited	Unaudited	Unaudited	Unaudited
GAAP net income	\$ 187,404	\$ 115,785	\$ 316,694	\$ 222,158
Non-GAAP adjustments:				
Depreciation and amortization	44,612	51,520	88,053	103,280
Share-based compensation	37,310	42,226	80,647	86,630
Financial and other expense/ (income), net	(14,820)	(15,645)	(30,670)	(29,654)
Acquisition related and other expenses	-	-	395	1,912
Valuation adjustment on acquired deferred commission	-	(8)	-	(23)
Taxes on income	(11,992)	28,684	22,737	57,759
Non-GAAP EBITDA	<u>\$ 242,514</u>	<u>\$ 222,562</u>	<u>\$ 477,856</u>	<u>\$ 442,062</u>

Free Cash Flow Reconciliation

USD in thousands



	Quarter ended June 30,		Year to date June 30,	
	2025	2024	2025	2024
	Unaudited	Unaudited	Unaudited	Unaudited
Net cash provided by operating activities	\$ 61,322	\$ 169,668	\$ 346,393	\$ 424,158
Purchase of property and equipment	(4,579)	(6,455)	(8,246)	(16,976)
Capitalization of internal use software costs	(18,137)	(15,238)	(34,903)	(31,174)
Free Cash Flow (a)	<u>\$ 38,606</u>	<u>\$ 147,975</u>	<u>\$ 303,244</u>	<u>\$ 376,008</u>

(a) Free cash flow from continuing operations is defined as operating cash flows from continuing operations less capital expenditures of the continuing operations and less capitalization of internal use software costs.

Condensed Consolidated Balance Sheet

USD in thousands



	June 30, 2025 Unaudited	December 31, 2024 Audited		June 30, 2025 Unaudited	December 31, 2024 Audited
ASSETS			LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash and cash equivalents	\$ 535,050	\$ 481,712	Trade payables	\$ 81,624	\$ 110,603
Short-term investments	1,096,638	1,139,996	Deferred revenues and advances from customers	355,944	299,367
Trade receivables	680,963	643,985	Current maturities of operating leases	12,516	12,554
Prepaid expenses and other current assets	223,409	239,080	Debt	459,639	458,791
			Accrued expenses and other liabilities	473,317	593,109
Total current assets	2,536,060	2,504,773	Total current liabilities	1,383,040	1,474,424
LONG-TERM ASSETS:			LONG-TERM LIABILITIES:		
Property and equipment, net	186,141	185,292	Deferred revenues and advances from customers	66,645	66,289
Deferred tax assets	243,665	219,232	Operating leases	66,879	92,258
Other intangible assets, net	191,613	231,346	Deferred tax liabilities	1,574	1,965
Operating lease right-of-use assets	68,783	93,083	Other long-term liabilities	60,306	57,807
Goodwill	1,866,226	1,849,668			
Prepaid expenses and other long-term assets	217,200	212,512	Total long-term liabilities	195,404	218,319
Total long-term assets	2,773,628	2,791,133	SHAREHOLDERS' EQUITY		
TOTAL ASSETS	\$ 5,309,688	\$ 5,295,906	Nice Ltd's equity	3,731,244	3,589,742
			Non-controlling interests	-	13,421
			Total shareholders' equity	3,731,244	3,603,163
			TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 5,309,688	\$ 5,295,906