

Q1 2026 Earnings Presentation

(NASDAQ: NICE)

Create a
NiCE
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.

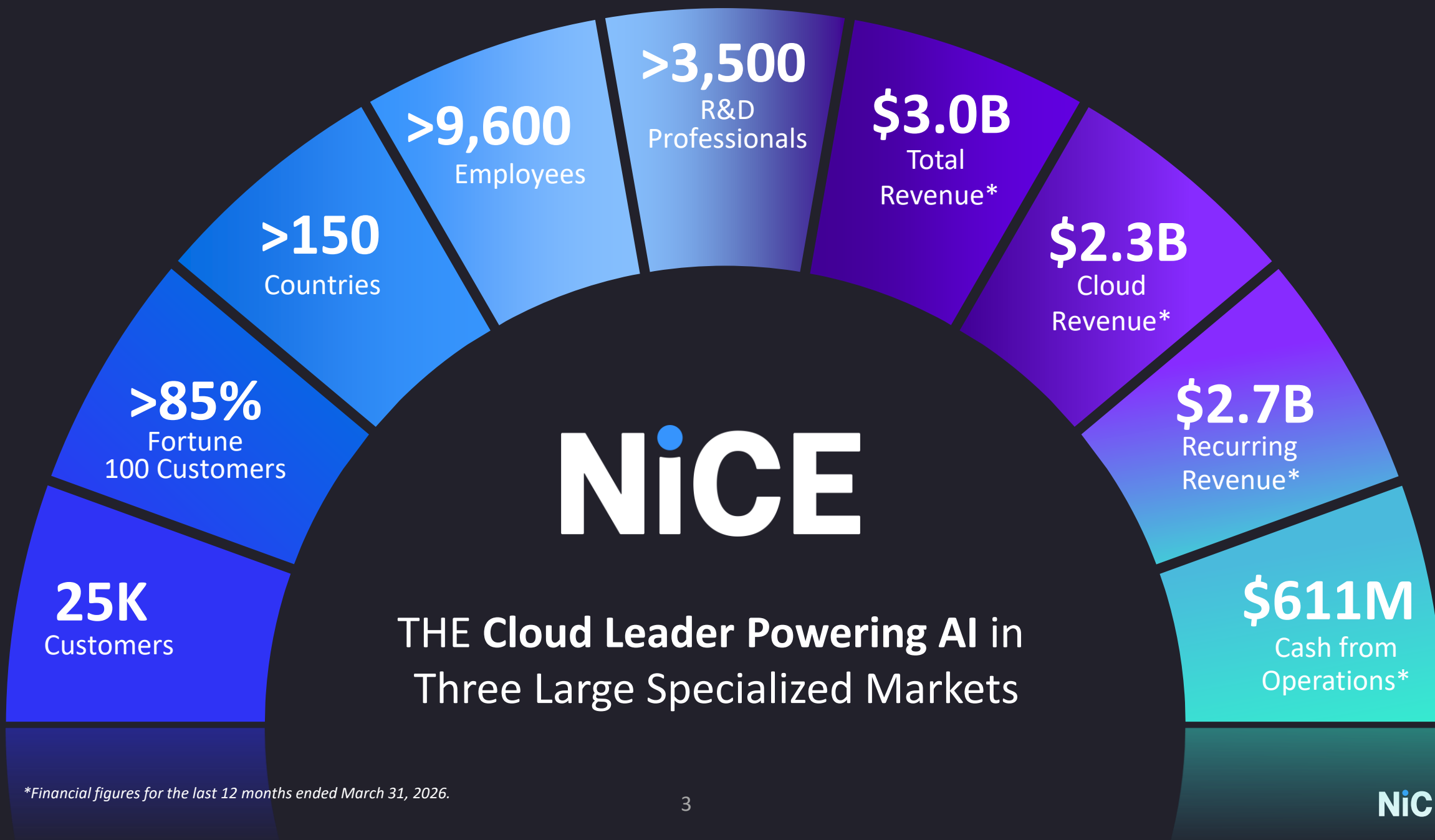
Forward looking statements are inherently subject to significant uncertainties, contingencies, and risks, including, economic, competitive and other factors, which are difficult to predict and many of which are beyond the control of management. The Company cautions that these statements are not guarantees 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 expenses, gains on intercompany foreign currency transactions, amortization of deferred financing costs, amortization of discount on debt, the tax effect of the Non-GAAP adjustments, and the tax rate impact resulting from the non-U.S. intercompany transaction.

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.



**Financial figures for the last 12 months ended March 31, 2026.*

FINANCIAL OVERVIEW

Quarterly Results

A photograph showing a business meeting. Two people are looking at a tablet displaying a financial chart. One person is pointing at the screen with their index finger, and the other is holding a pen. A smartphone is also visible on the table.

In a NiCE world

technology works for you



Q1-26 Performance vs. Guidance

	Guidance Range	Actual
Total Revenue	\$755M - \$765M	\$769M
Non-GAAP EPS	\$2.45 - \$2.55	\$2.64

Q1-26 Financial Highlights

Q1 2026 Results*	Quarterly Results	Change Y/Y
Total Revenue	\$769M	9.8%
Cloud Revenue	\$603M	14.6%
Non-GAAP Operating Income	\$200M	(6%)
Non-GAAP Operating Margin	26.0%	(450 bps)
Non-GAAP EPS	\$2.64	(8%)

* Q1 2026 results include the financial performance of Cognigy. Q1 2026 cloud revenue growth increased 12% Y/Y excluding Cognigy.

Q1 2026 Cloud Growth Fueled by AI Adoption and Customer Expansion

\$345M

AI & Self-Service
ARR

66%

AI & Self-Service
ARR YoY Growth

14%

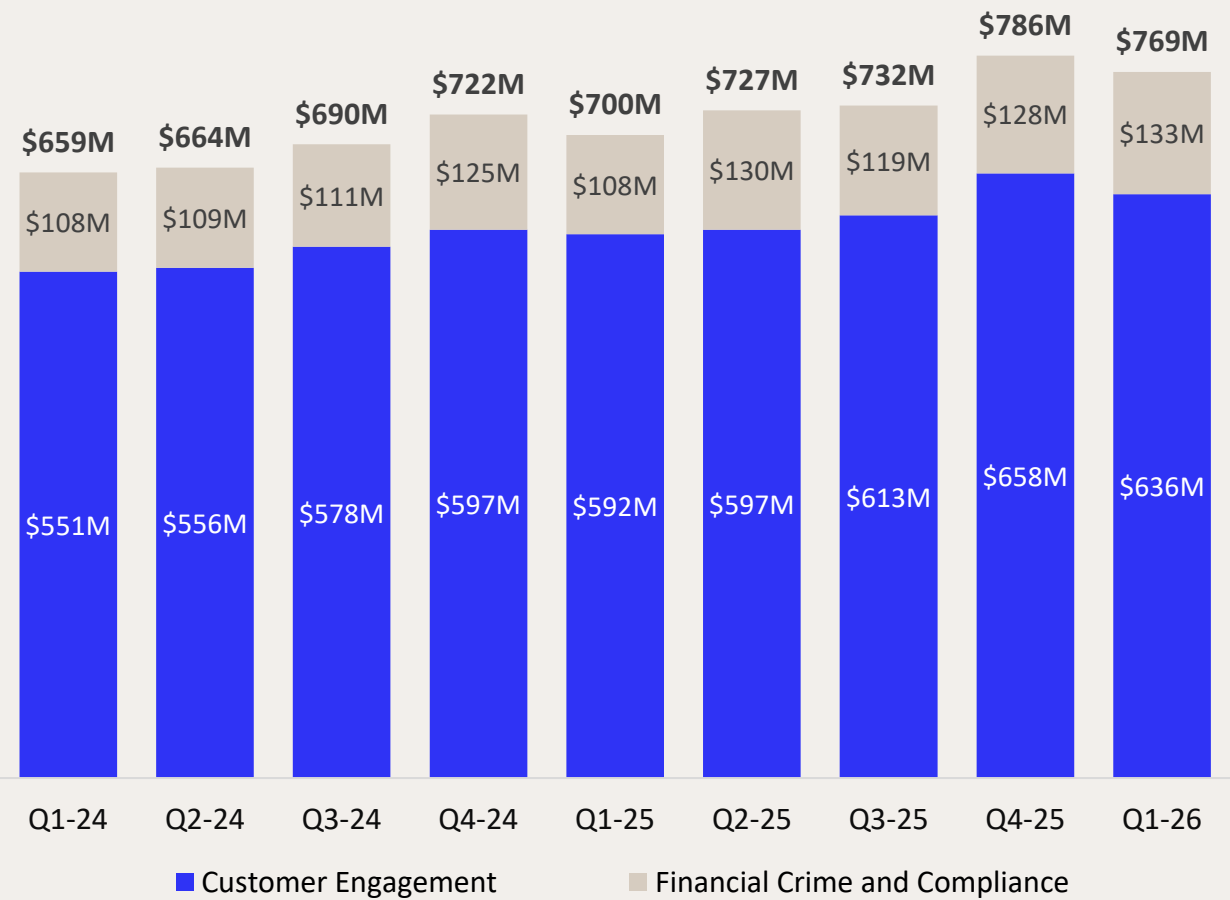
AI & Self-Service as
% of Total Cloud
Revenue

107%

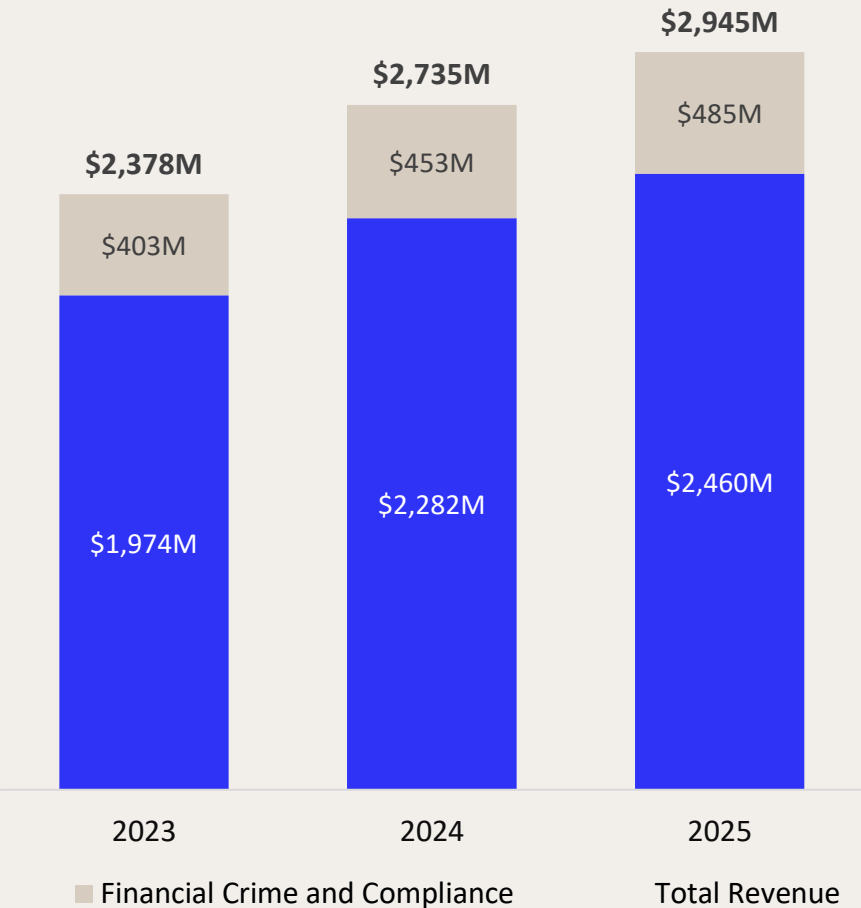
LTM Q1/2026
Cloud NRR

Revenue Breakdown by Business Segment

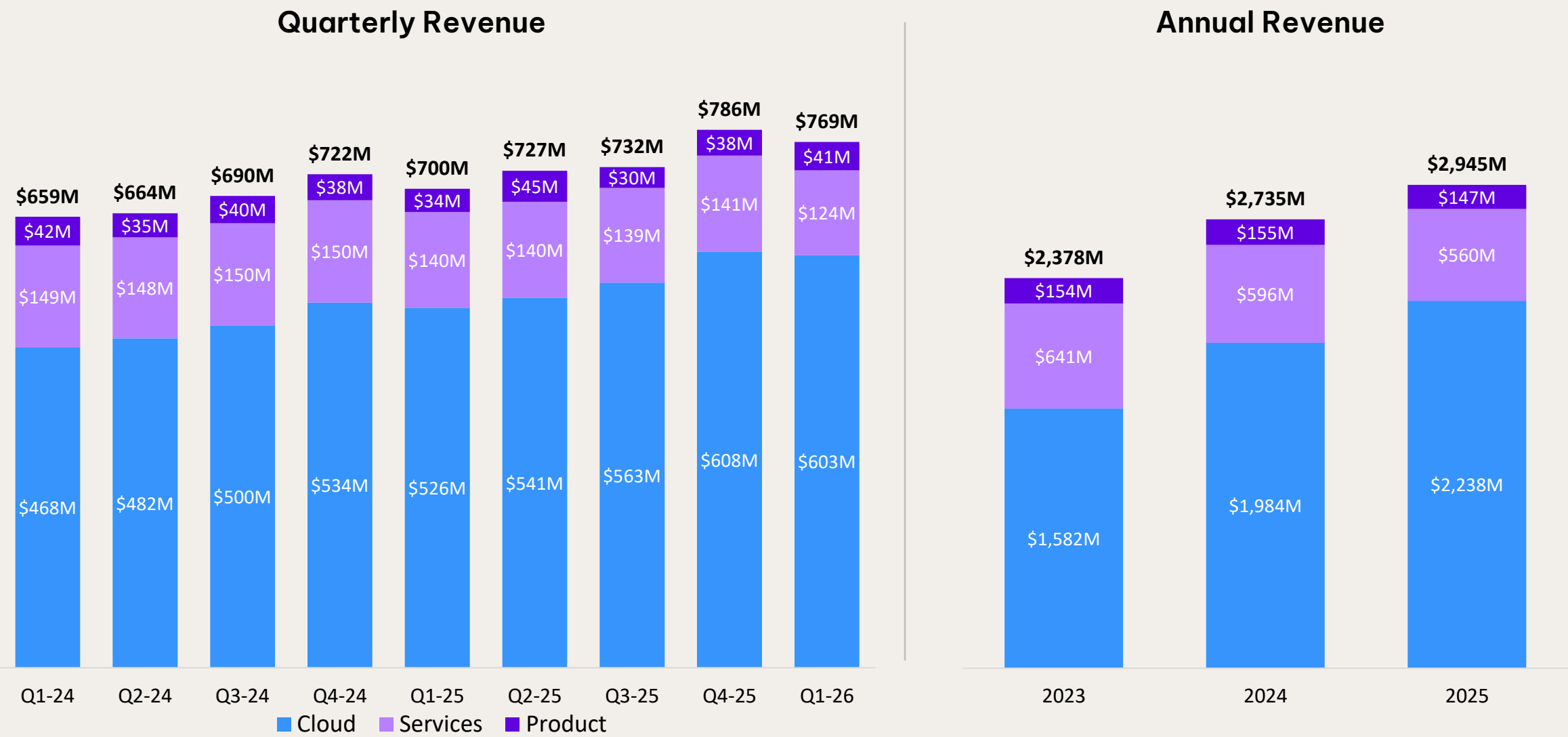
Quarterly Revenue



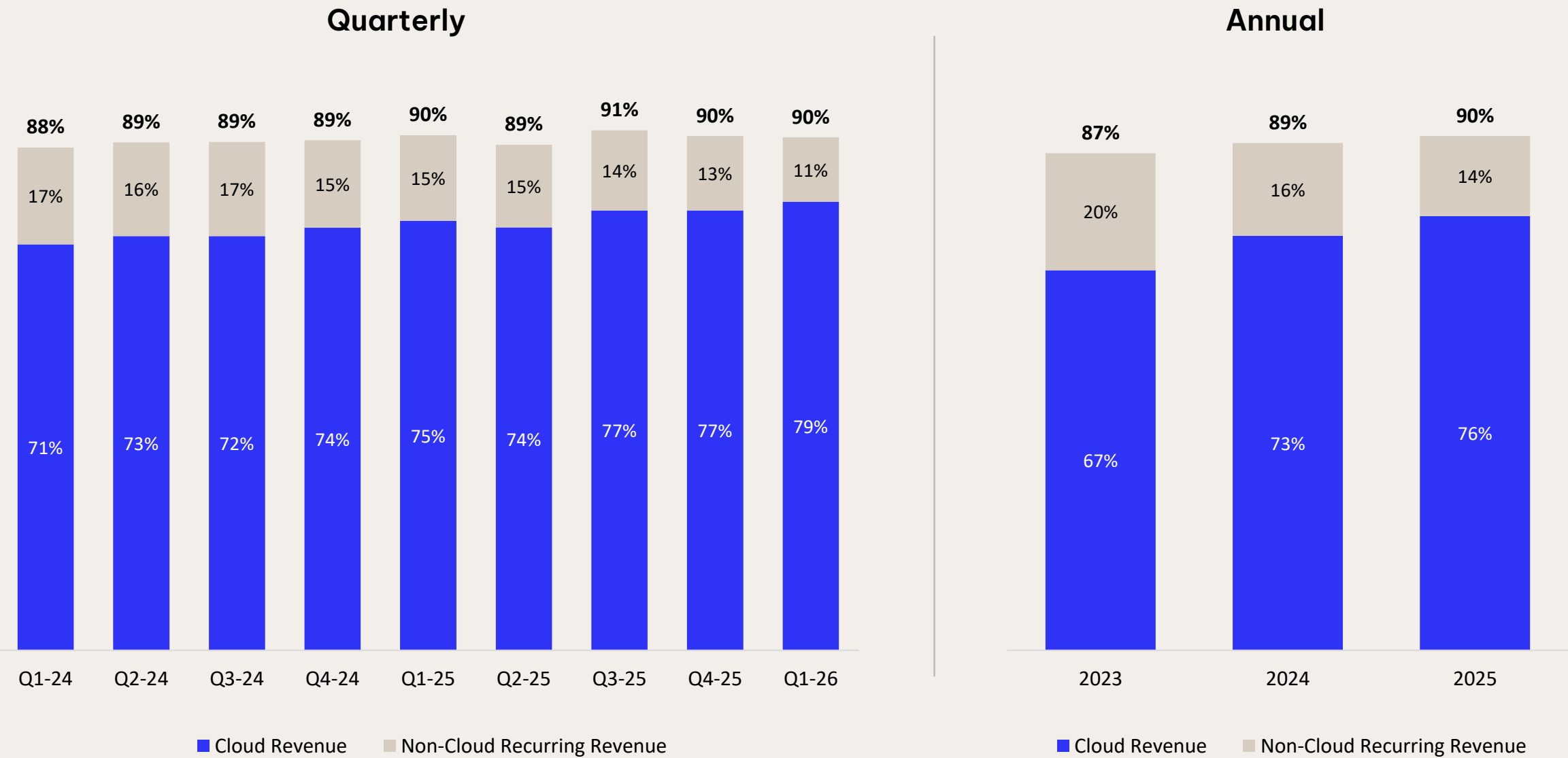
Annual Revenue



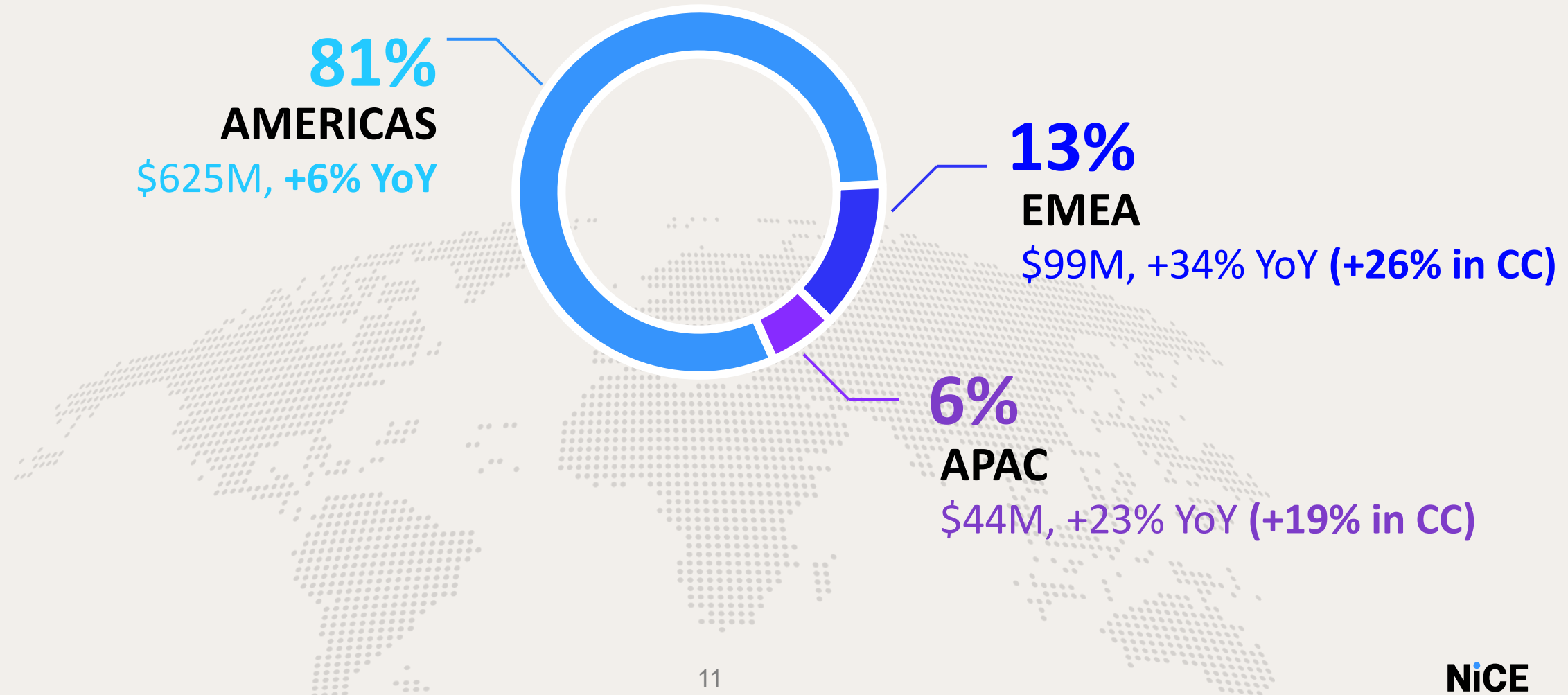
Revenue Breakdown by Business Model



Recurring Revenue as a Percent of Total Revenue

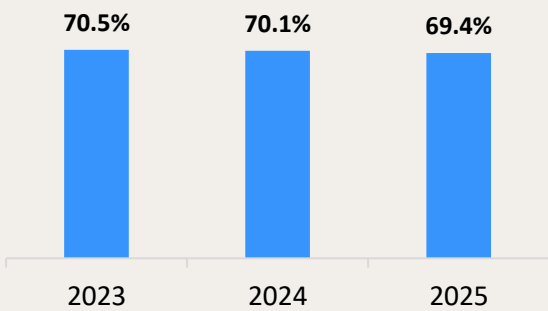
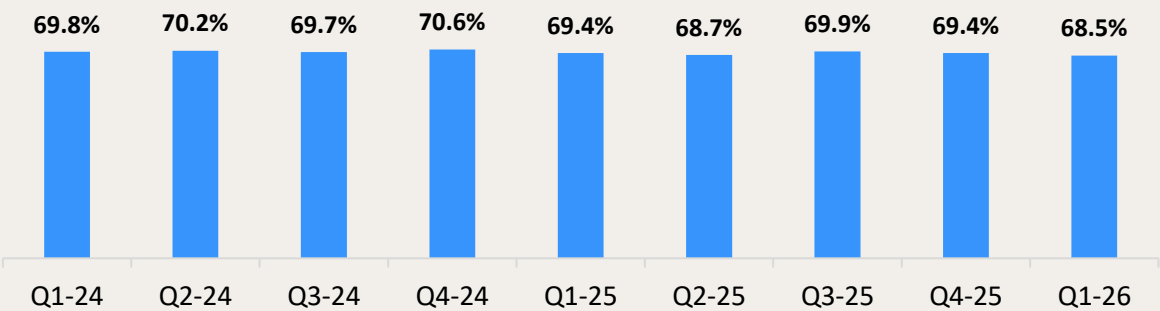


Revenue Breakdown by Geographic Region – Q1 2026

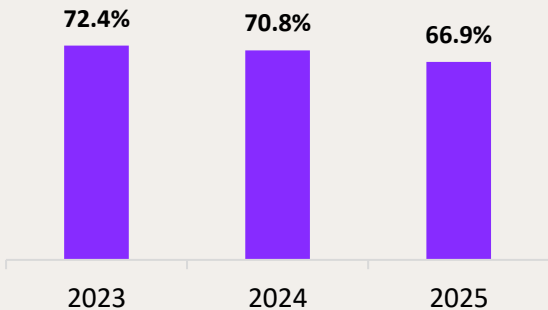
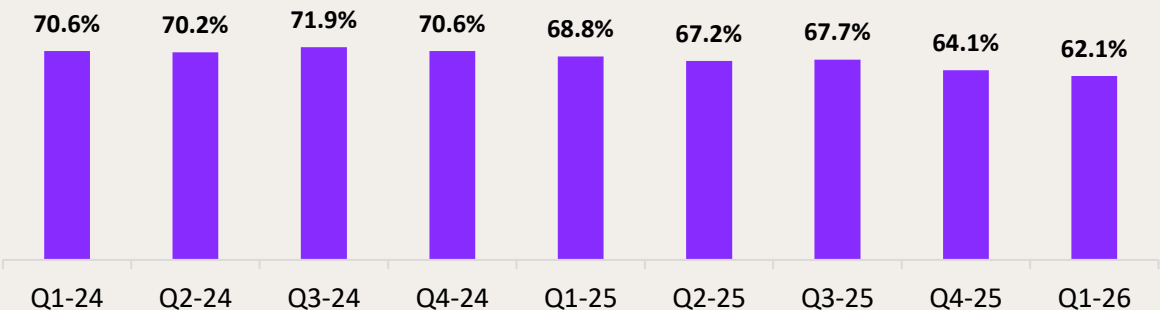


Gross Margins (Non-GAAP)

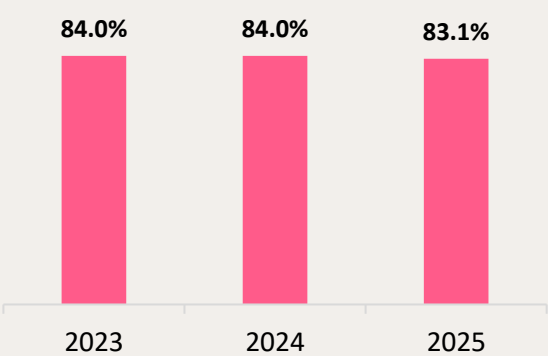
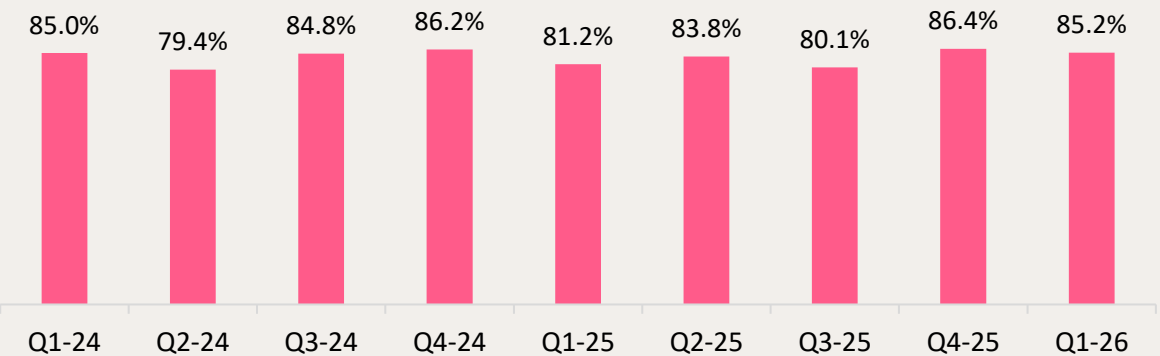
Cloud GM



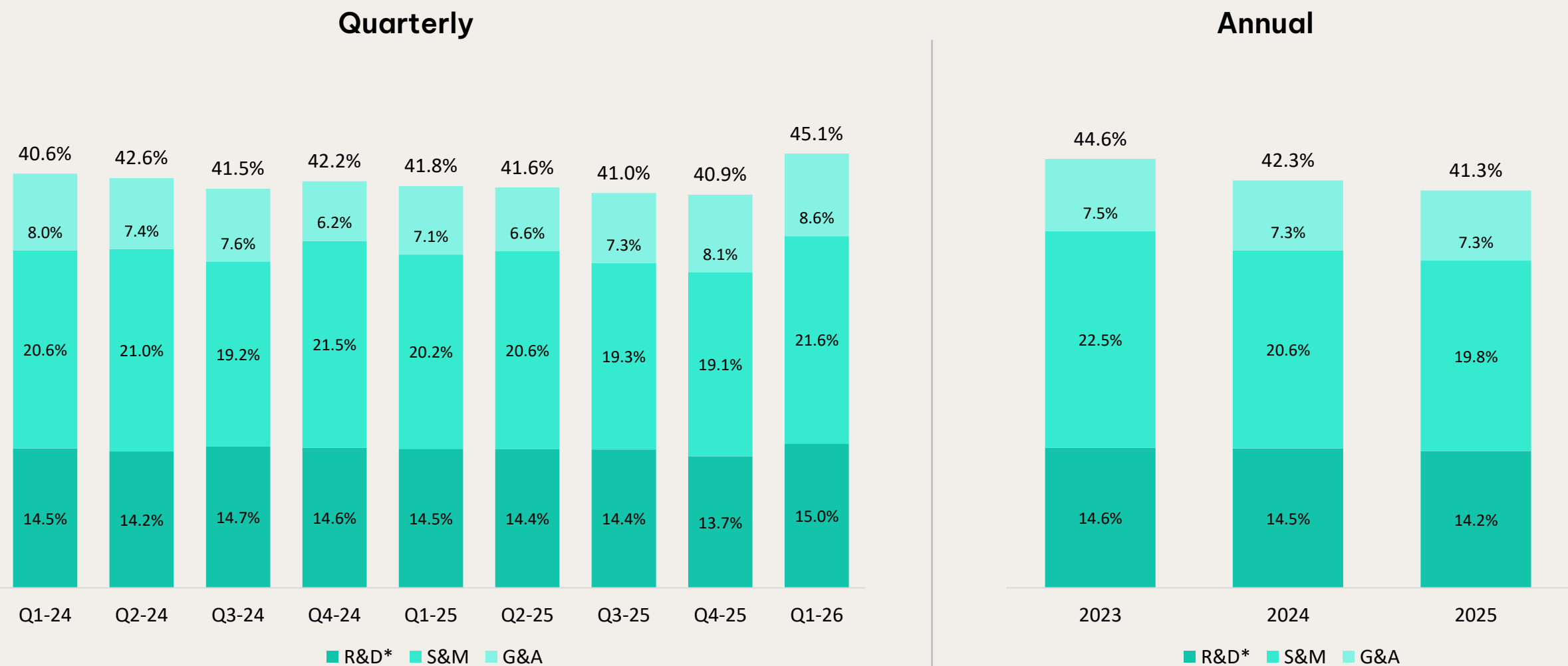
Services GM



Product GM



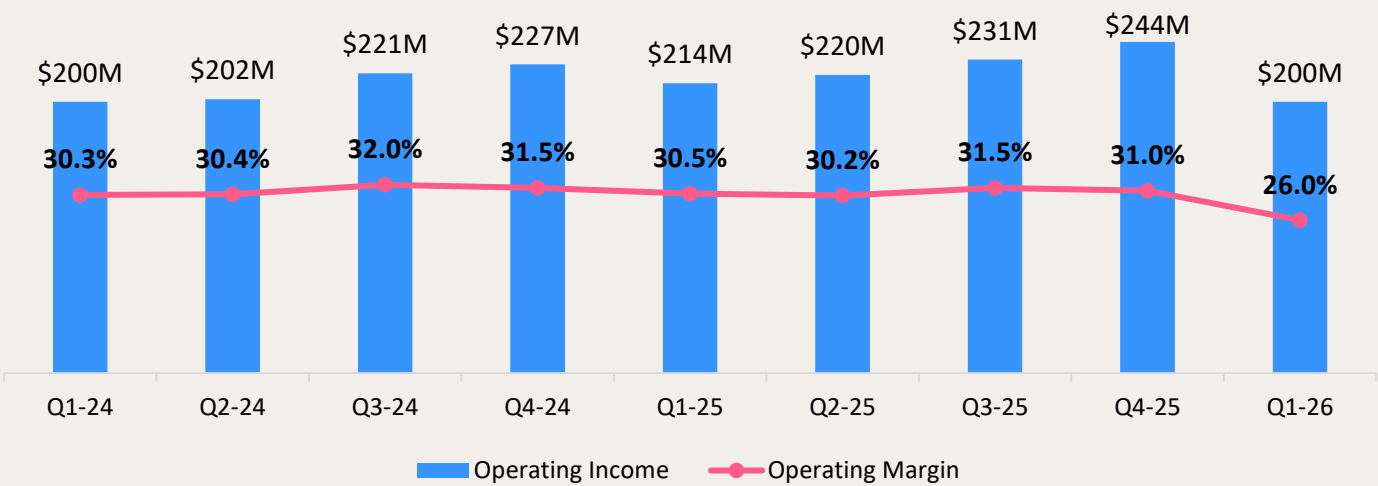
Non-GAAP Operating Expenses as a Percent of Total Revenue



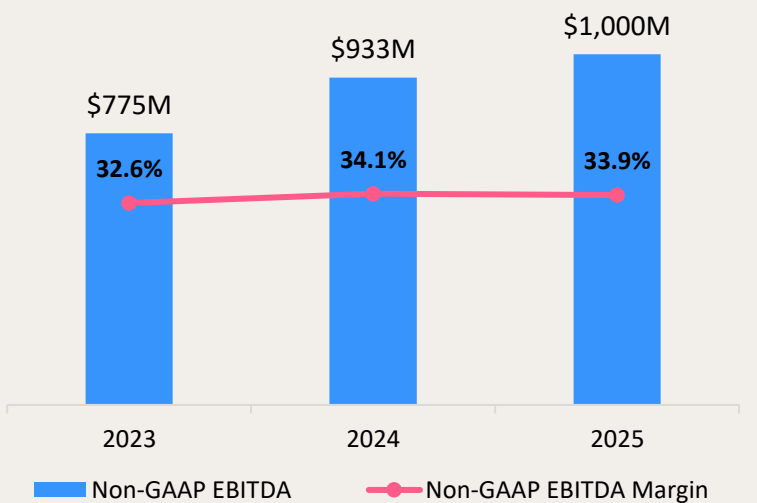
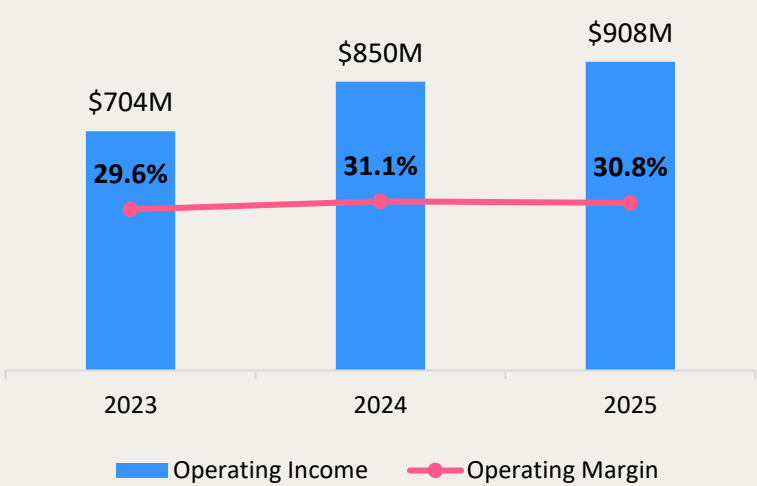
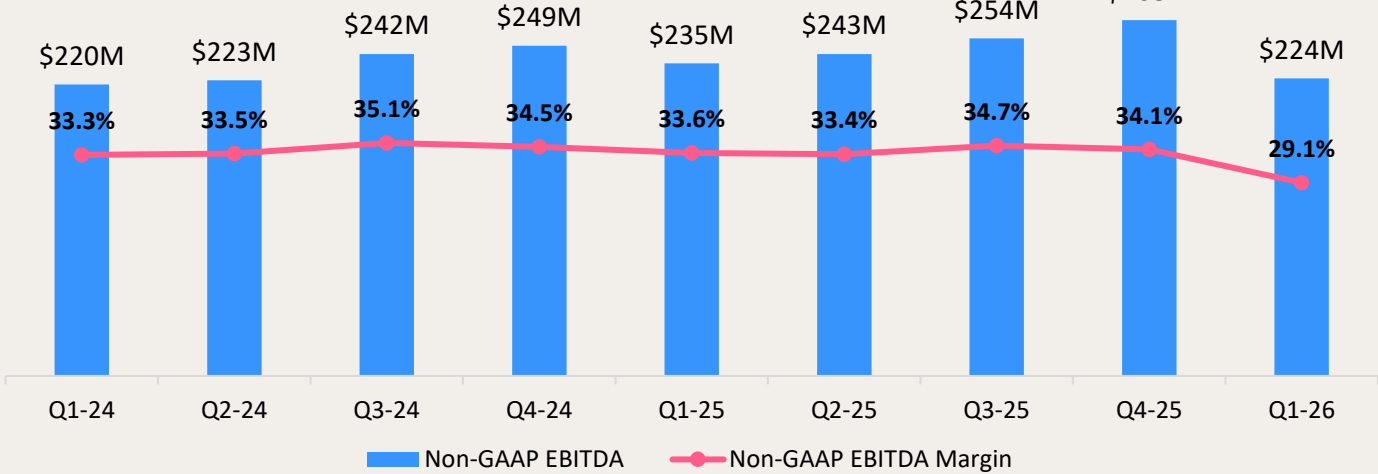
* R&D including capitalization

Operating Profitability

Non-GAAP Operating Margin

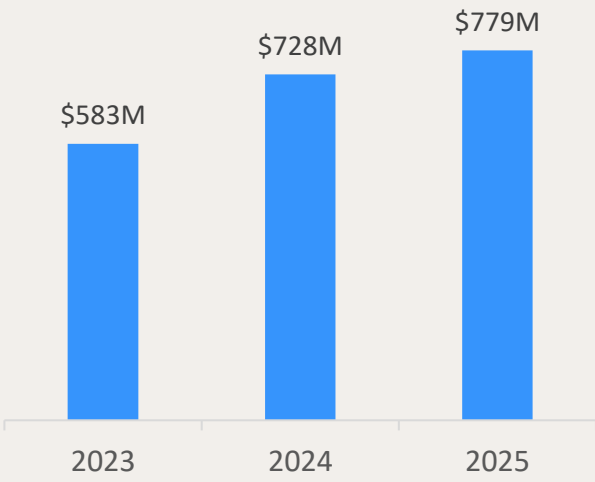
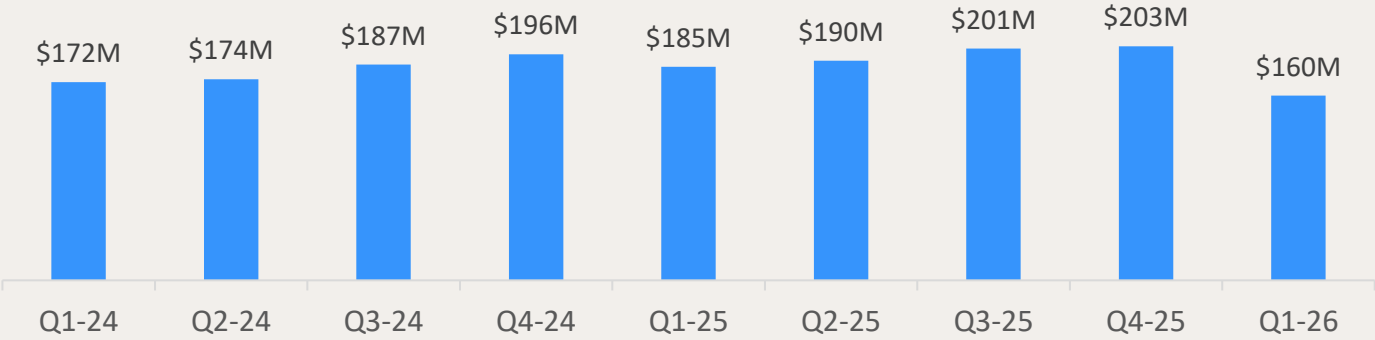


Non-GAAP EBITDA

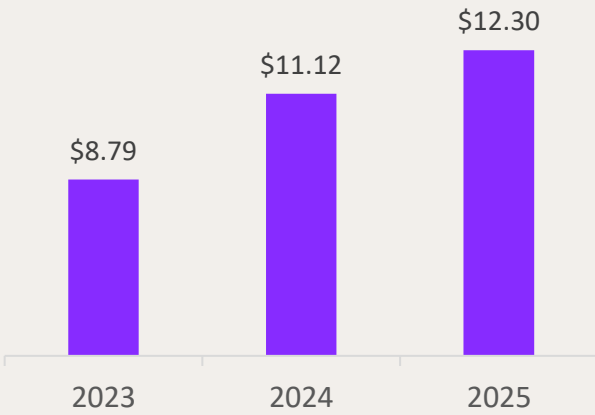
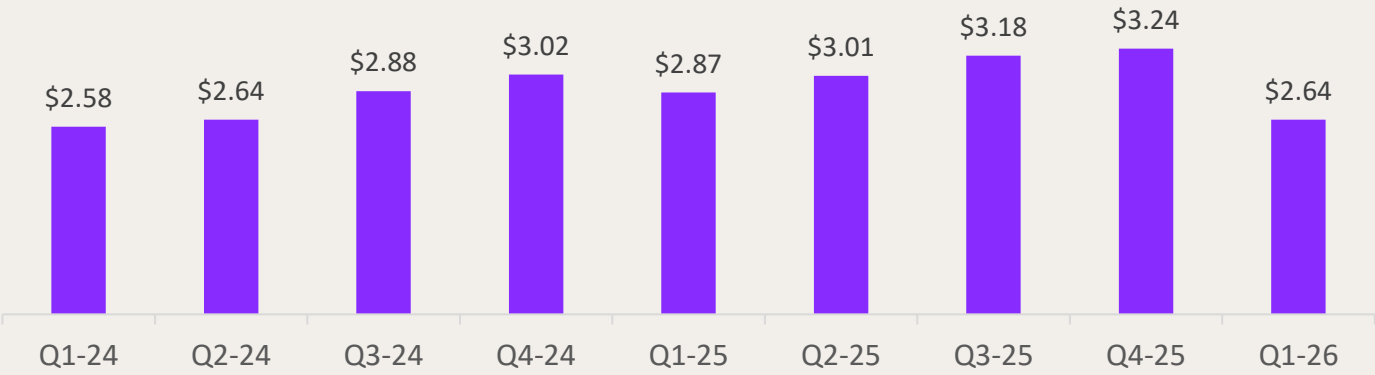


Non-GAAP Net Income and EPS

Non-GAAP Net Income



Non-GAAP EPS

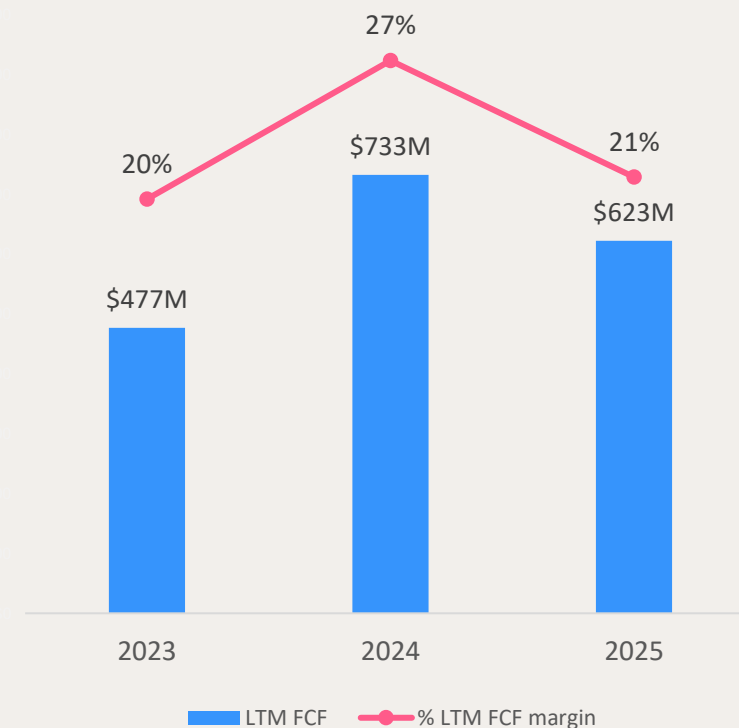


Healthy Cash From Operations and Free Cash Flow



\$M	LTM Q1/2026	LTM Q1/2025
Operating Cash Flow	610.7	863.2
Capital expenditure of property and equipment	(24.6)	(28.1)
Capitalization of software development	(79.1)	(65.6)
Free cash flow	507.0	769.5
Free cash flow margin	16.8%	27.7%
Cash conversion rate *	0.7	1.0

Annual Free Cash Flow and Margin

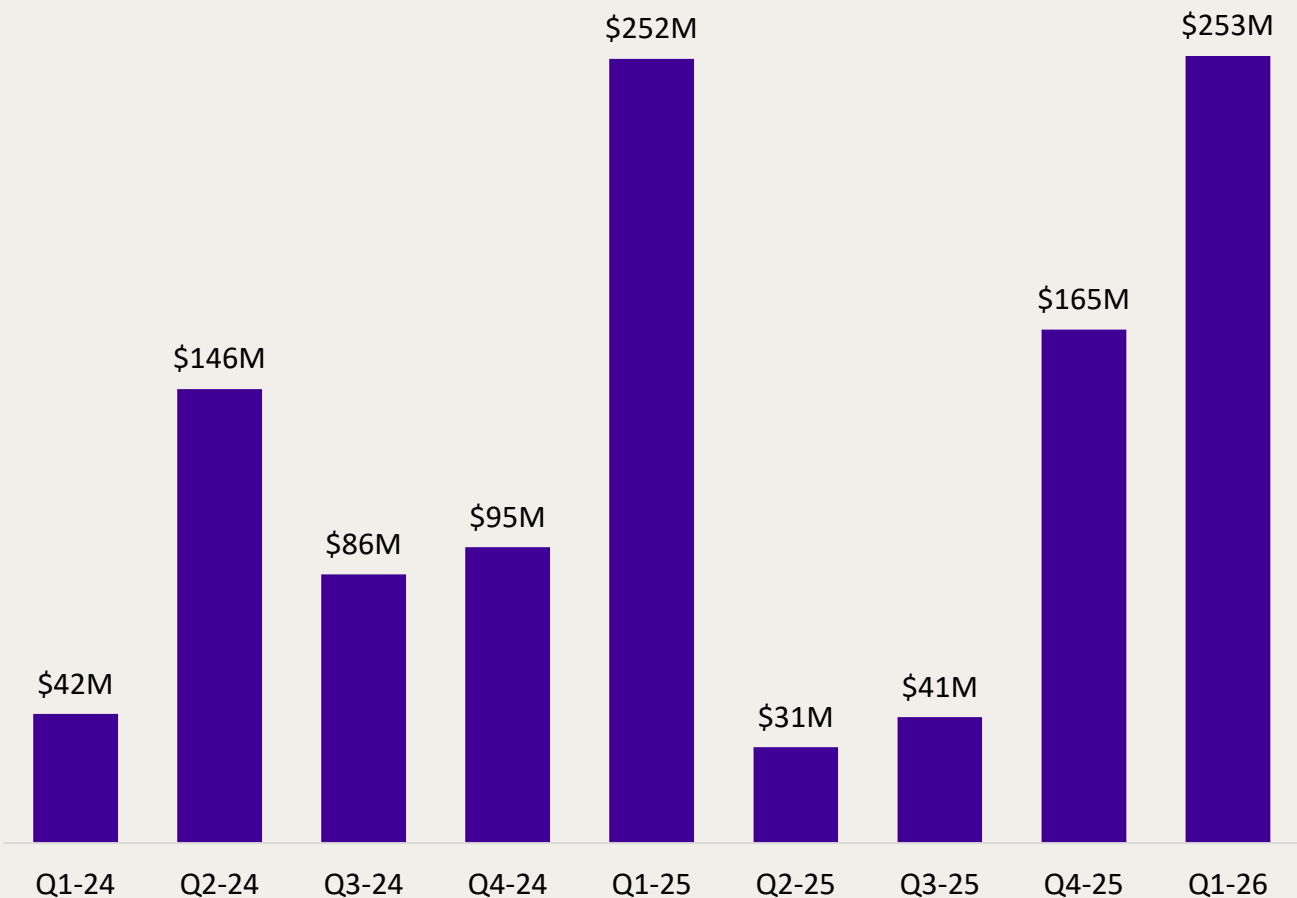


* Cash Conversion Rate = (Free Cash Flow / Non-GAAP Net Income)

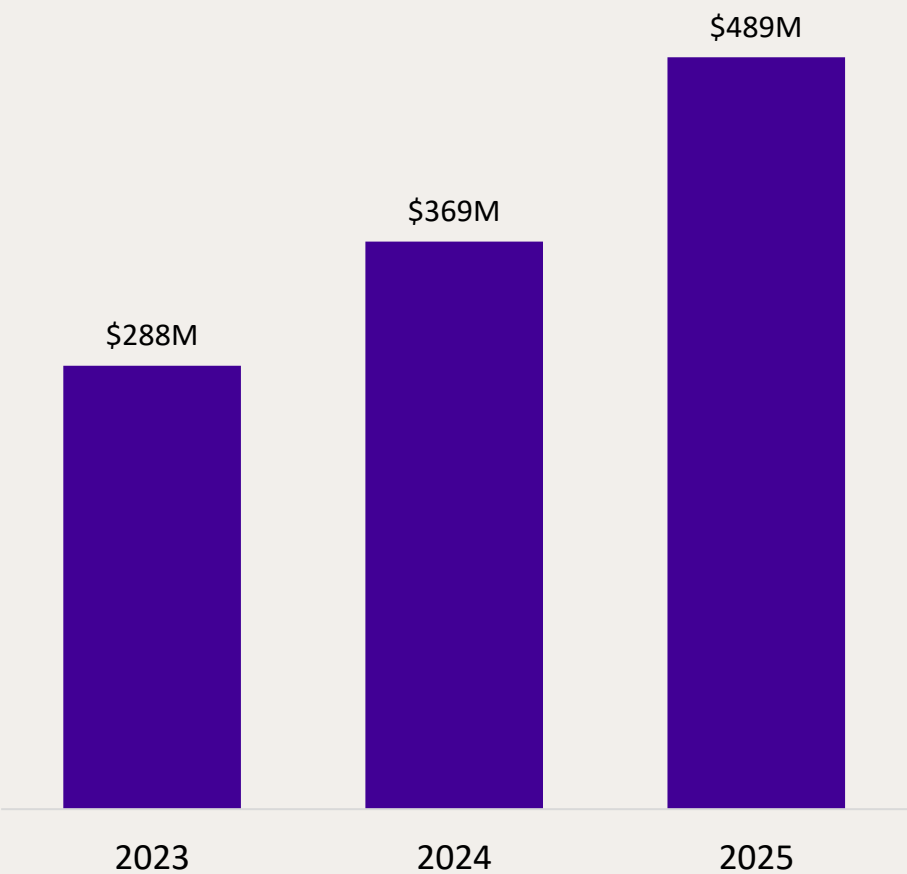
Executing on Share Repurchase Plan



Quarterly



Annual



Outlook* (Non-GAAP)

	Q2 2026	FY 2026
Revenue (\$M)	\$761 – \$771	\$3,170 – \$3,190
EPS	\$2.60 – \$2.70	\$10.98 – \$11.18

*The outlook is provided as of May 6, 2026. 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.



Appendix



GAAP and Non-GAAP Income Statement

USD in thousands (except EPS)

	Quarter ended March 31,	
	2026	2025
GAAP revenues	\$ 768,617	\$ 700,192
Non-GAAP revenues	\$ 768,617	\$ 700,192
GAAP cost of revenue	\$ 273,818	\$ 232,080
Amortization of acquired intangible assets on cost of cloud	(26,942)	(15,403)
Cost of cloud revenue adjustment (1)	(2,391)	(3,178)
Cost of services revenue adjustment (1)	(1,320)	(2,455)
Cost of product revenue adjustment (1)	(9)	(22)
Non-GAAP cost of revenue	\$ 243,156	\$ 211,022
GAAP gross profit	\$ 494,799	\$ 468,112
Gross profit adjustments	30,662	21,058
Non-GAAP gross profit	\$ 525,461	\$ 489,170
GAAP operating expenses	\$ 368,049	\$ 319,943
Research and development (1)	(3,282)	(4,693)
Sales and marketing (1)	(10,288)	(15,414)
General and administrative (1,2)	(19,585)	(19,558)
Amortization of acquired intangible assets	(9,155)	(4,693)
Non-GAAP operating expenses	\$ 325,739	\$ 275,585
GAAP financial and other income, net	\$ (19,318)	\$ (15,850)
Amortization of discount on debt	-	(421)
Amortization of deferred financing costs	(128)	-
Gains on intercompany foreign currency transactions	17,835	-
Non-GAAP financial and other income, net	\$ (1,611)	\$ (16,271)



GAAP and Non-GAAP Income Statement (cont.)

USD in thousands (except EPS)

	Quarter ended March 31,	
	2026	2025
GAAP taxes on income	\$ 99,254	\$ 34,729
Tax adjustments re non-GAAP adjustments	(57,981)	10,093
Non-GAAP taxes on income	<u>\$ 41,273</u>	<u>\$ 44,822</u>
GAAP net income	\$ 46,814	\$ 129,290
Amortization of acquired intangible assets	36,097	20,096
Share-based compensation (1)	36,875	44,925
Acquisition related expenses (2)	-	395
Amortization of discount on debt	-	421
Amortization of deferred financing costs	128	-
Gains on intercompany foreign currency transactions	(17,835)	-
Tax adjustments re non-GAAP adjustments	57,981	(10,093)
Non-GAAP net income	<u>\$ 160,060</u>	<u>\$ 185,034</u>
GAAP diluted earnings per share	<u>\$ 0.77</u>	<u>\$ 2.01</u>
Non-GAAP diluted earnings per share	<u>\$ 2.64</u>	<u>\$ 2.87</u>
Shares used in computing GAAP diluted earnings per share	60,603	64,368
Shares used in computing non-GAAP diluted earnings per share	60,603	64,368

GAAP and Non-GAAP Income Statement (cont.)

USD in thousands



(1) Share-based compensation

	Quarter ended March 31,	
	2026	2025
Cost of cloud revenue	\$ 2,391	\$ 3,178
Cost of services revenue	1,320	2,455
Cost of product revenue	9	22
Research and development	3,282	4,693
Sales and marketing	10,288	15,414
General and administrative	19,585	19,163
	<u>\$ 36,875</u>	<u>\$ 44,925</u>

(2) Acquisition related expenses

	Quarter ended March 31,	
	2026	2025
Cost of cloud revenue	\$ -	\$ -
Research and development	-	-
Sales and marketing	-	-
General and administrative	-	395
	<u>\$ -</u>	<u>\$ 395</u>

Non-GAAP EBITDA Reconciliation

USD in thousands



	Quarter ended March 31,	
	2026	2025
	Unaudited	Unaudited
GAAP net income	\$ 46,814	\$ 129,290
Non-GAAP adjustments:		
Depreciation and amortization	61,842	43,441
Share-based compensation	35,392	43,337
Financial and other income, net	(19,318)	(15,850)
Acquisition related expenses	-	395
Taxes on income	99,254	34,729
Non-GAAP EBITDA	<u>\$ 223,984</u>	<u>\$ 235,342</u>

Free Cash Flow Reconciliation

USD in thousands



	Quarter ended	
	March 31,	
	2026	2025
	Unaudited	Unaudited
Net cash provided by operating activities	\$ 179,246	\$ 285,071
Purchase of property and equipment	(9,376)	(3,667)
Capitalization of internal use software costs	(21,080)	(16,766)
Free Cash Flow (a)	<u>\$ 148,790</u>	<u>\$ 264,638</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



	March 31, 2026 Unaudited	December 31, 2025 Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 257,539	\$ 379,388
Short-term investments	46,528	38,010
Trade receivables	767,275	737,954
Prepaid expenses and other current assets	230,404	223,780
Total current assets	1,301,746	1,379,132
LONG-TERM ASSETS:		
Property and equipment, net	194,095	189,395
Deferred tax assets	178,867	198,213
Other intangible assets, net	551,482	587,599
Operating lease right-of-use assets	75,850	78,064
Goodwill	2,437,484	2,440,532
Prepaid expenses and other long-term assets	243,121	233,095
Total long-term assets	3,680,899	3,726,898
TOTAL ASSETS	\$ 4,982,645	\$ 5,106,030

	March 31, 2026 Unaudited	December 31, 2025 Audited
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 101,917	\$ 100,782
Deferred revenues and advances from customers	356,096	303,911
Current maturities of operating leases	13,591	13,742
Accrued expenses and other liabilities	591,244	469,192
Total current liabilities	1,062,848	887,627
LONG-TERM LIABILITIES:		
Deferred revenues and advances from customers	57,479	61,392
Operating leases	72,485	75,059
Deferred tax liabilities	16,454	109,993
Other long-term liabilities	96,999	95,431
Total long-term liabilities	243,417	341,875
SHAREHOLDERS' EQUITY		
Nice Ltd's equity	3,676,380	3,876,528
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 4,982,645	\$ 5,106,030