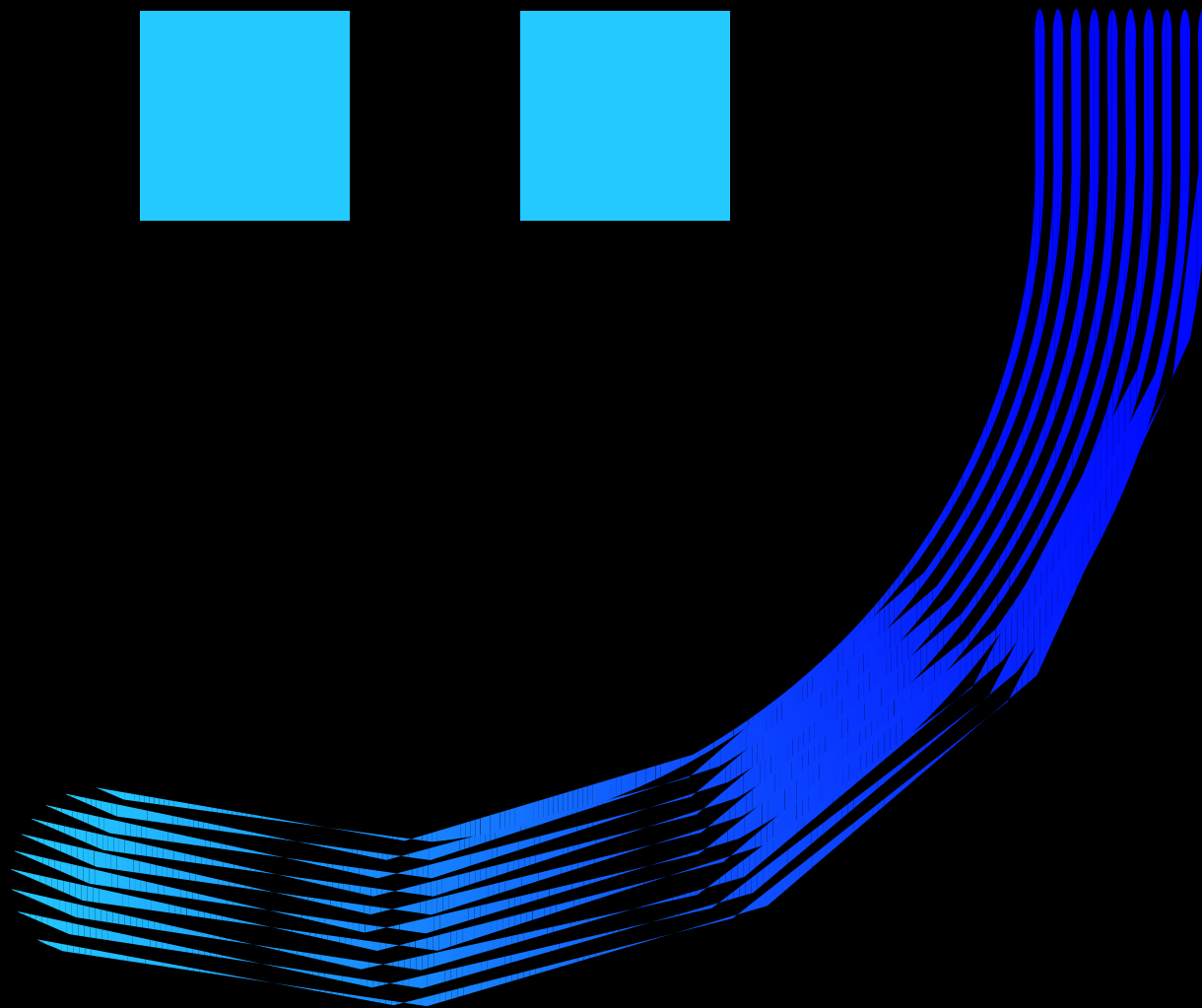




Q3 2024 Earnings Presentation

(NASDAQ: NICE)



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, rapidly changing technology, cyber security attacks or other security breaches against the Company, 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, such as the impact of conflicts in the Middle East, that may disrupt our business and the global economy 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 presentation 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 loss from extinguishment of 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.



NICE

THE Cloud Leader Powering AI in Three Large Specialized Markets

*Financial figures for last 12 months ended September 30, 2024.

This is
NICE

**CUSTOMER
EXPERIENCE**



CREATING
Extraordinary
Customer
Experiences

**FINANCIAL CRIME
& COMPLIANCE**



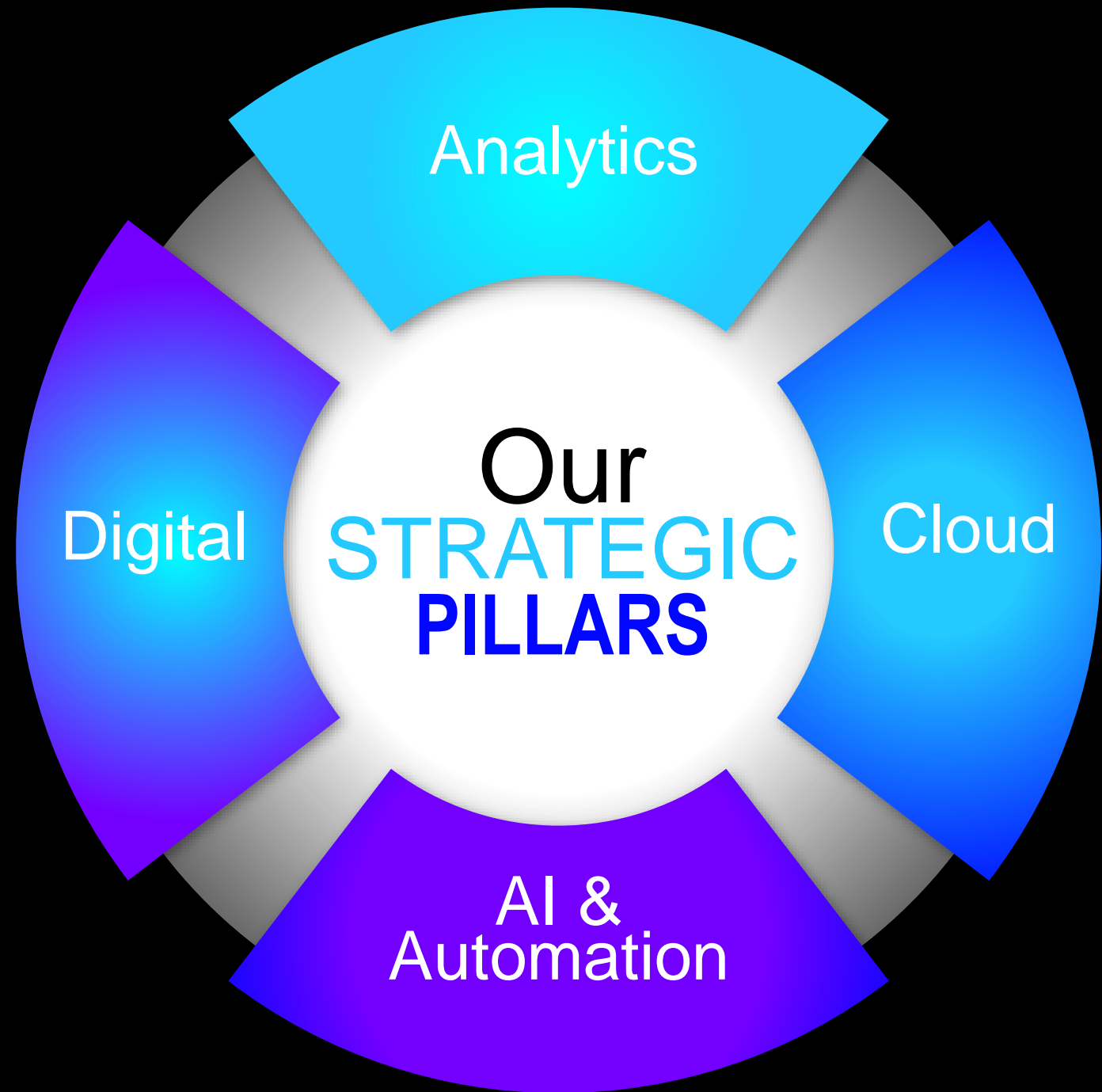
OUTSMARTING
Financial Crime
with Intelligent
Solutions

**PUBLIC SAFETY
& JUSTICE**



DRIVING
Digital Policing
Transformation

Transforming
EXPERIENCES to be
EXTRAORDINARY
and TRUSTED



FINANCIAL OVERVIEW

Quarterly Results

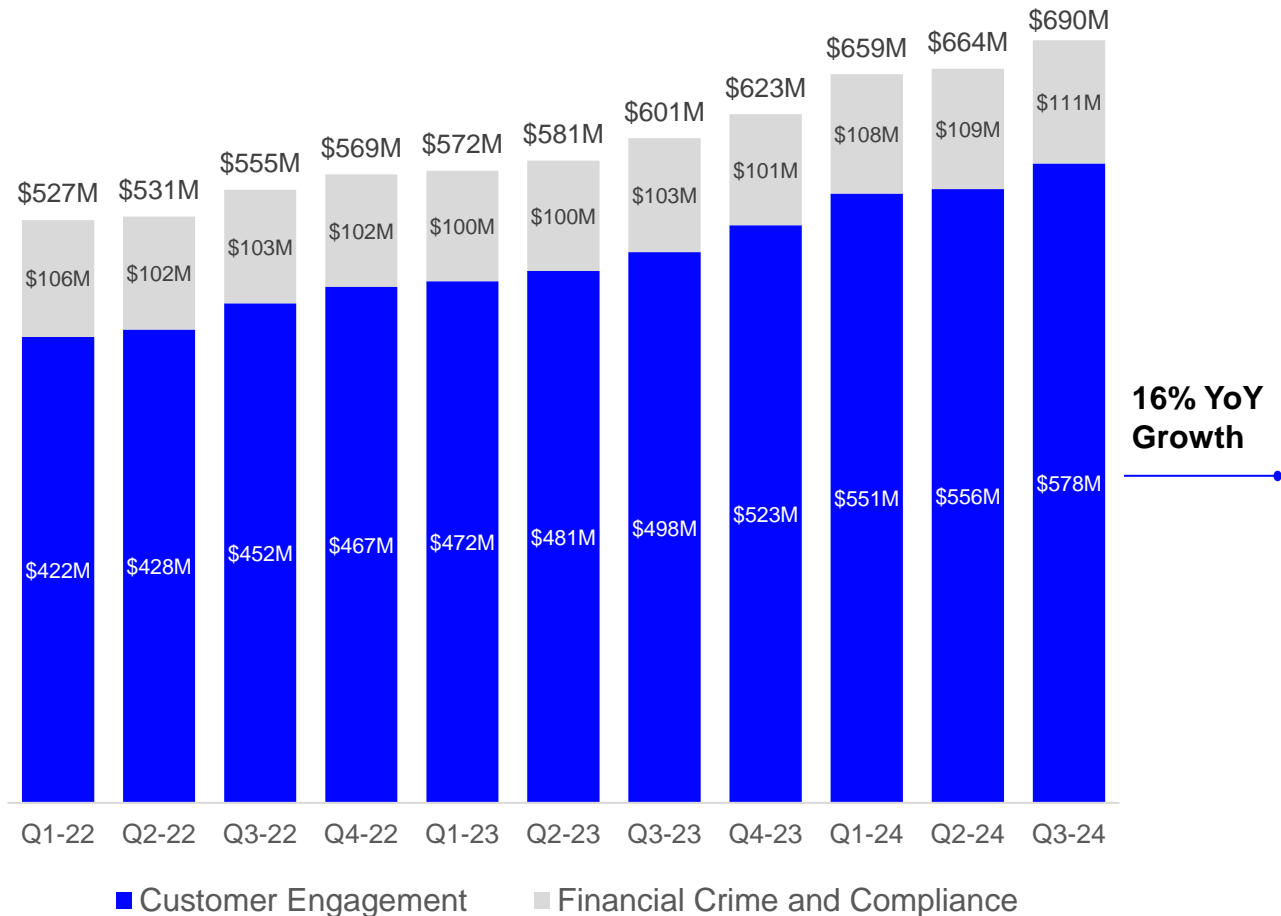


Q3-24 Financial Highlights

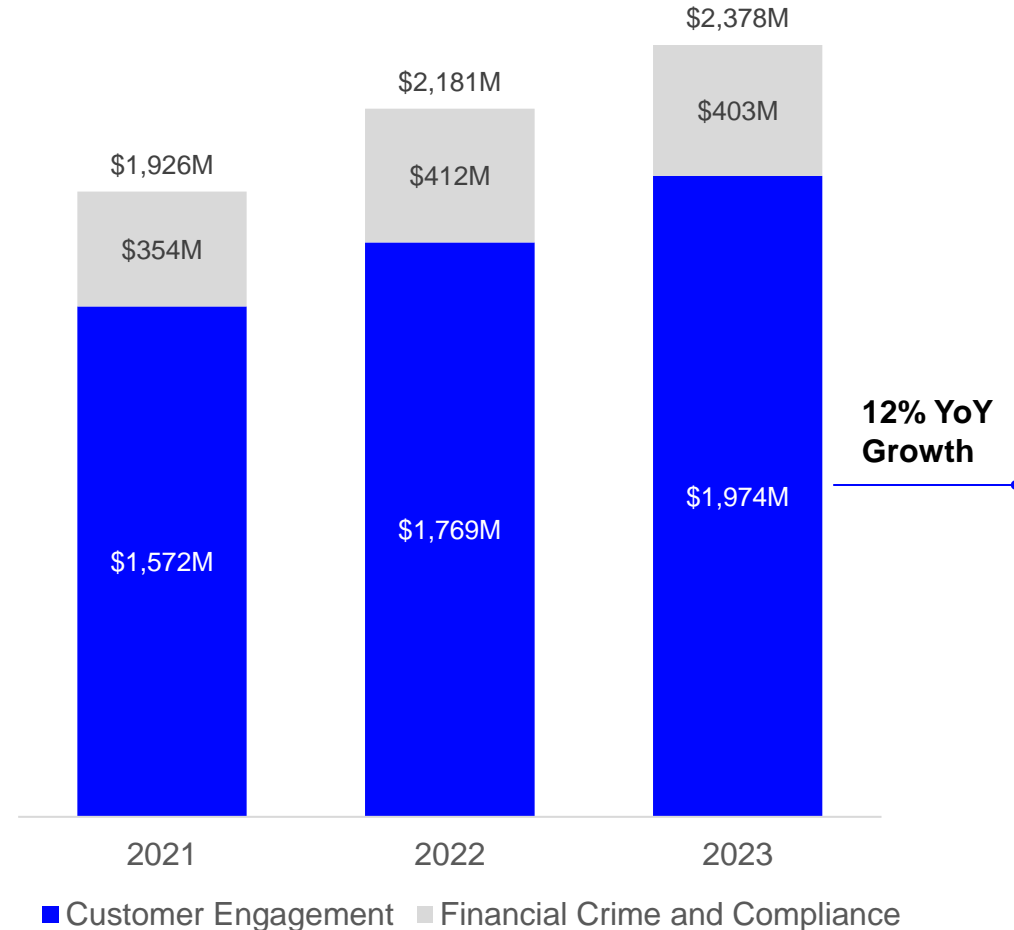
Q3 2024 Results	Quarterly Results	Increase (Decrease) Y/Y
Total Revenue	\$690M	15%
Cloud Revenue	\$500M	24%
Non-GAAP Operating Income	\$221M	20%
Non-GAAP Operating Margin	32.0%	140 bps
Non-GAAP EPS	\$2.88	27%
Cash from Operations	\$159M	32%

Revenue Breakdown by Business Segment

Quarterly Revenue

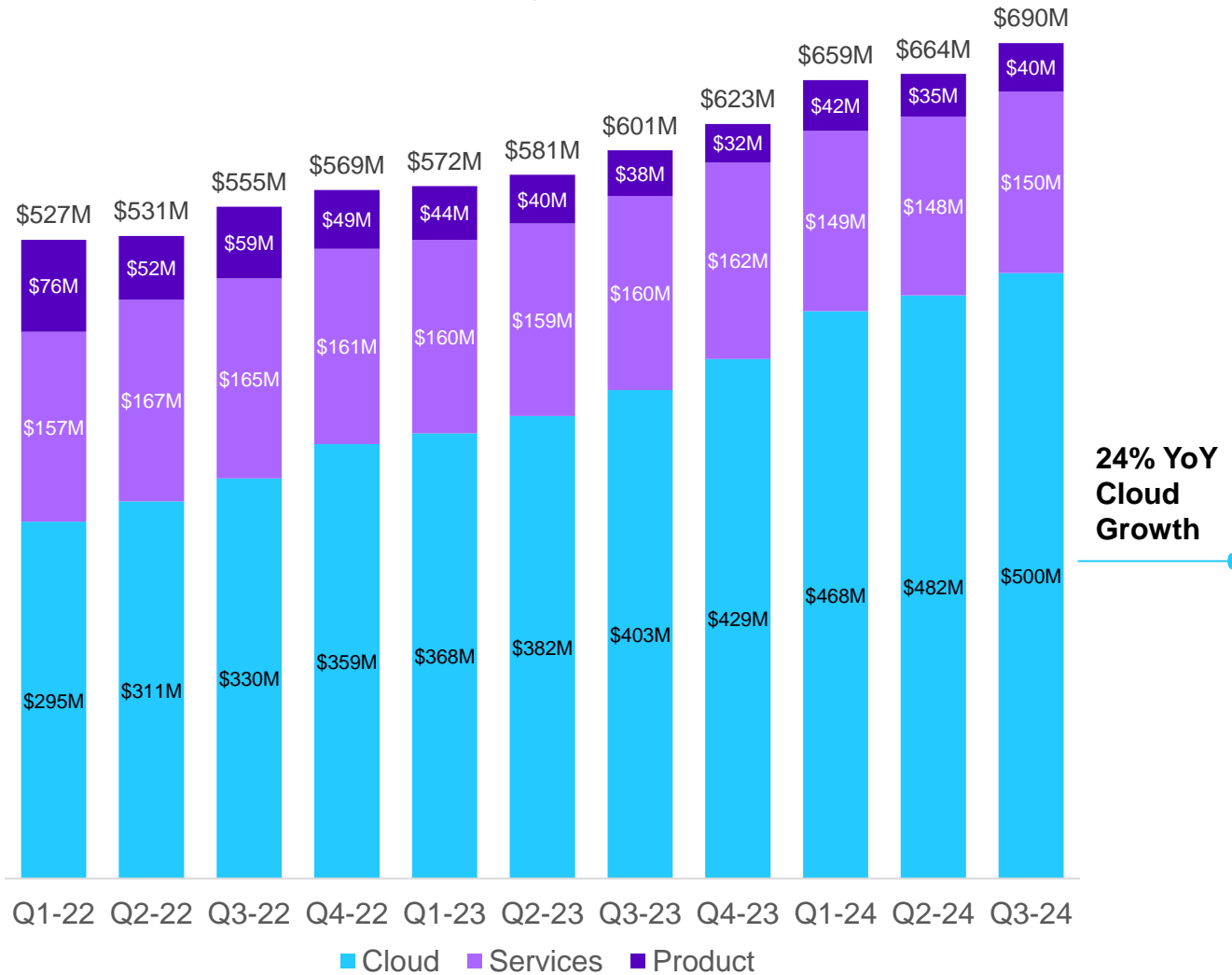


Annual Revenue

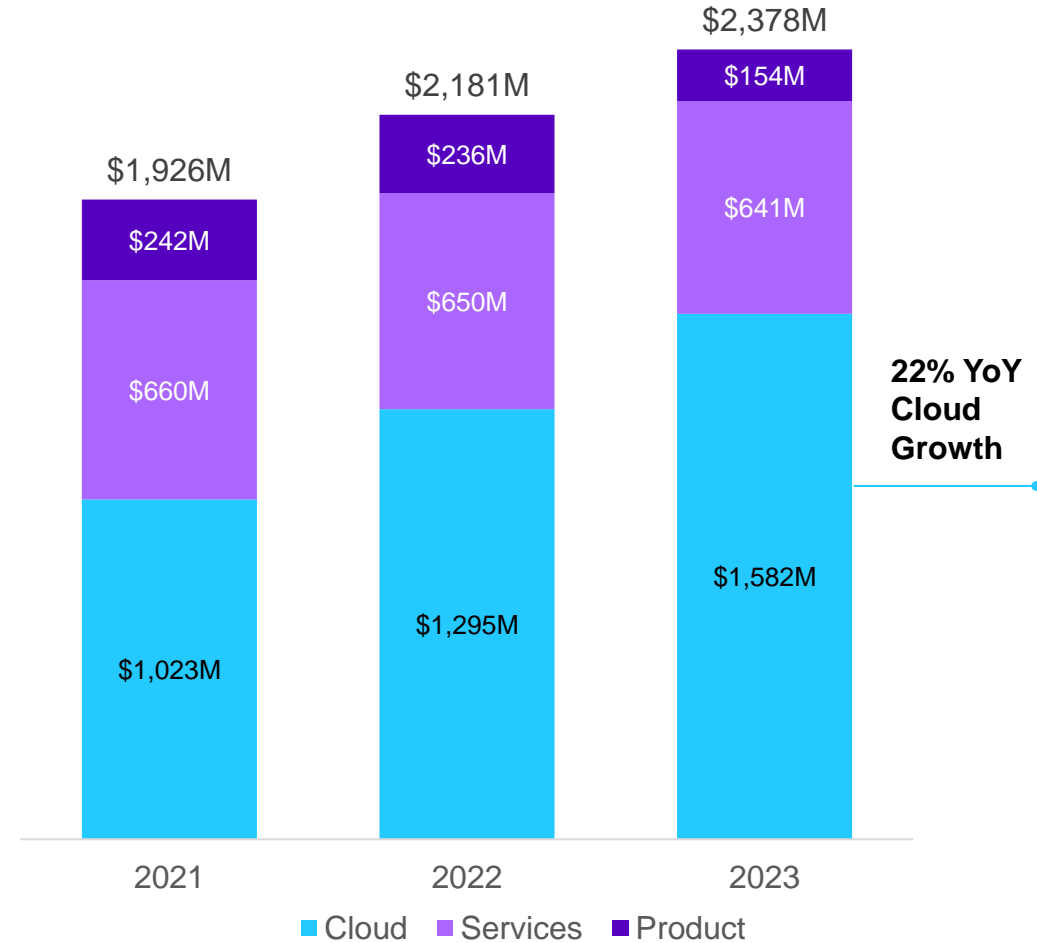


Revenue Breakdown by Business Model

Quarterly Revenue

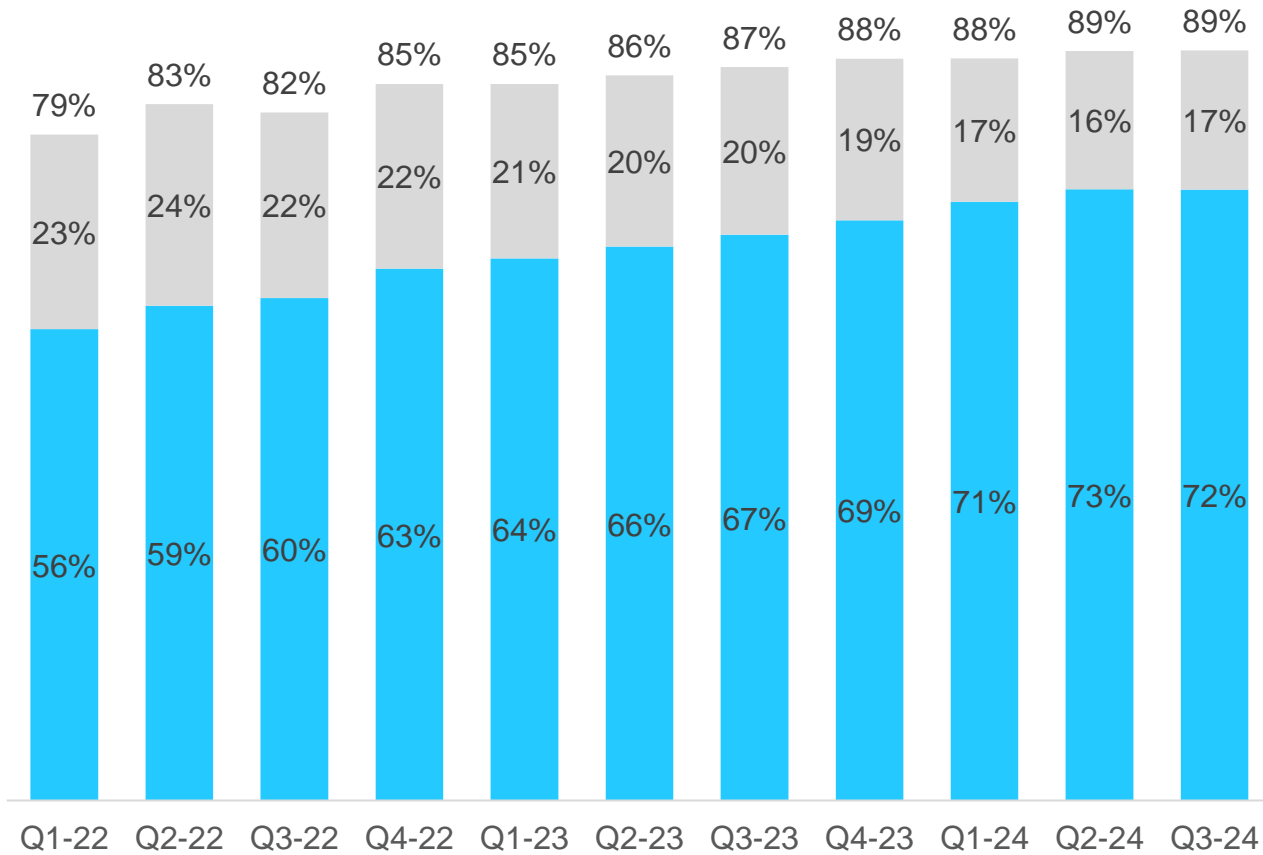


Annual Revenue



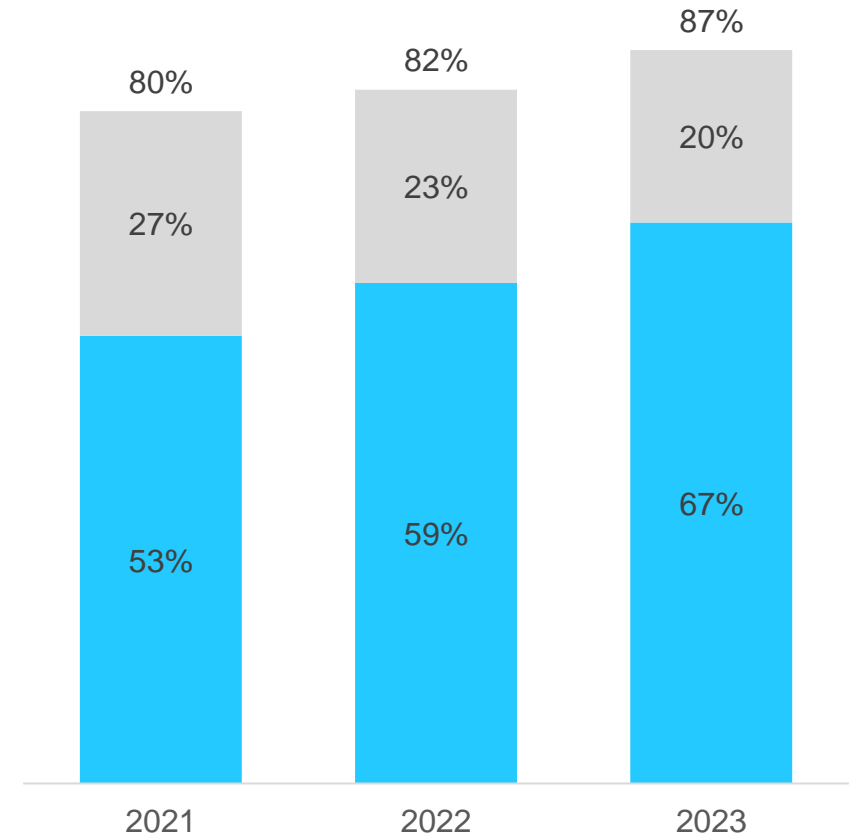
Recurring Revenue as a Percent of Total Revenue

Quarterly



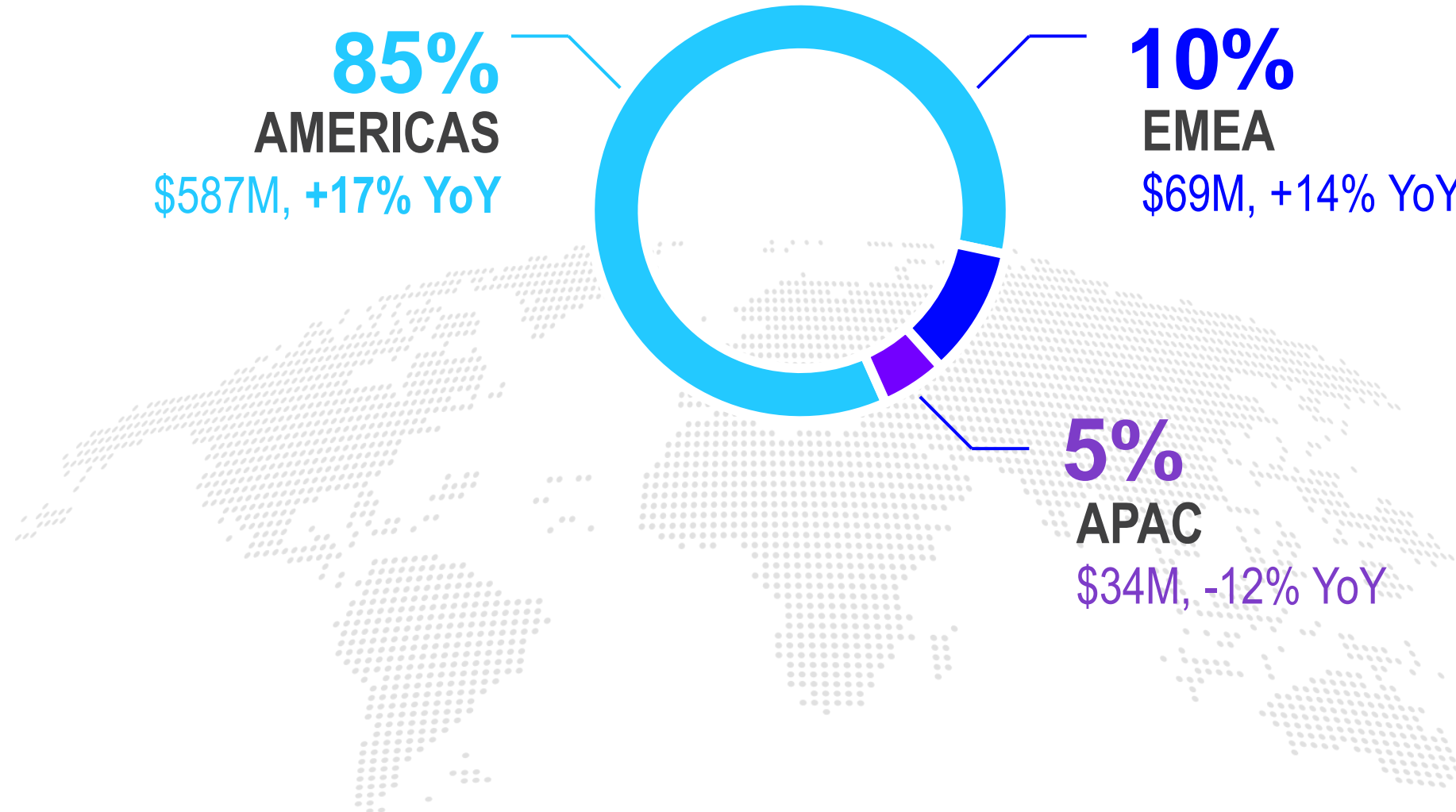
■ Cloud Revenue ■ Non-Cloud Recurring Revenue

Annual



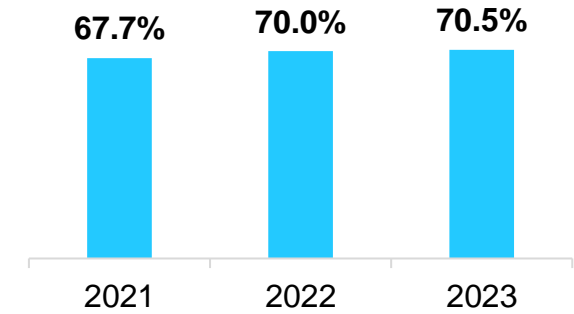
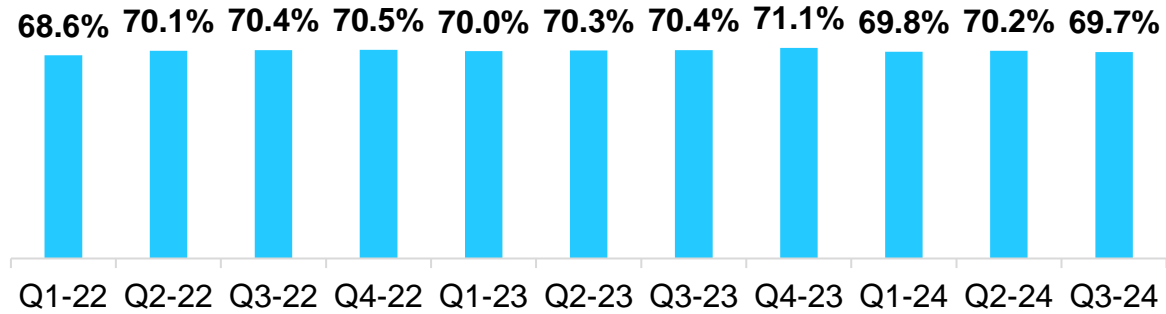
■ Cloud Revenue ■ Non-Cloud Recurring Revenue

Revenue Breakdown by Geographic Region - Q3 2024

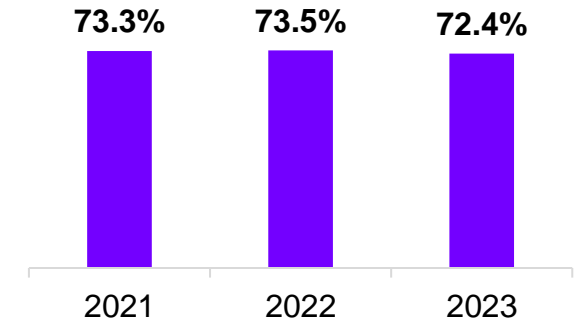
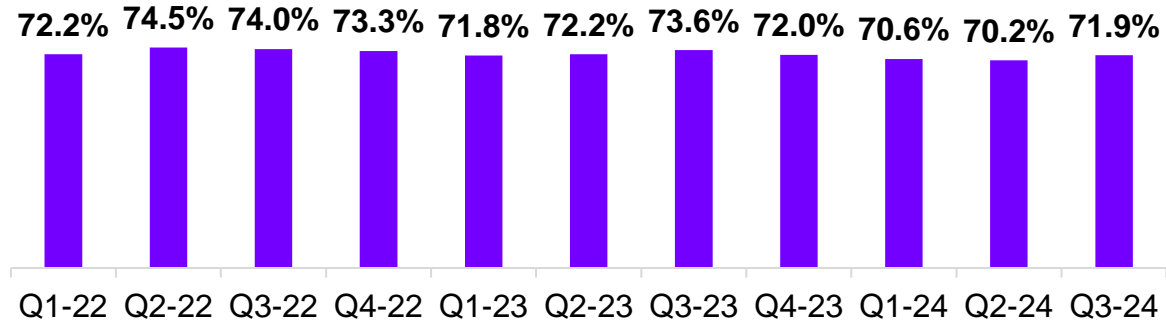


Healthy Gross Margins (Non-GAAP)

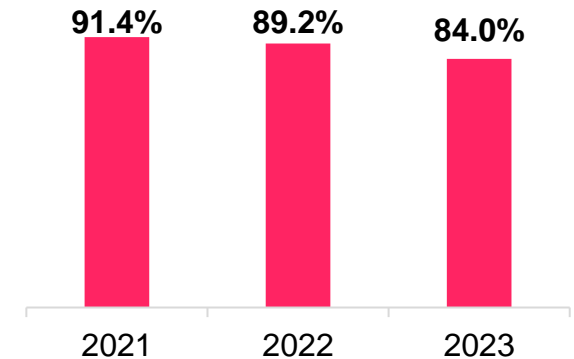
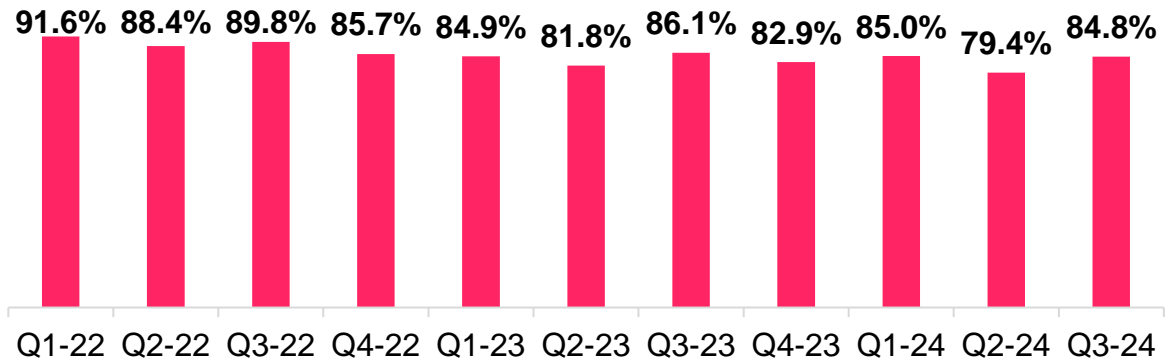
Cloud GM



Services GM

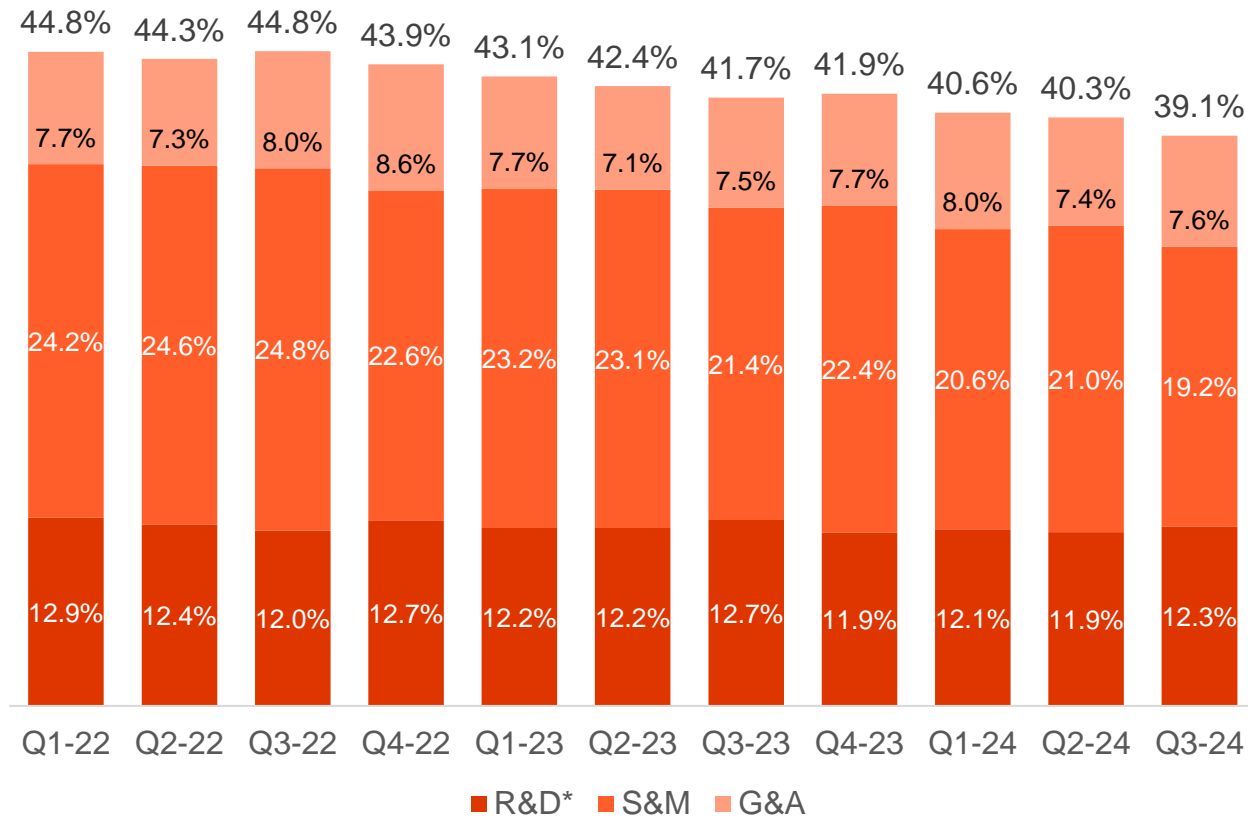


Product GM

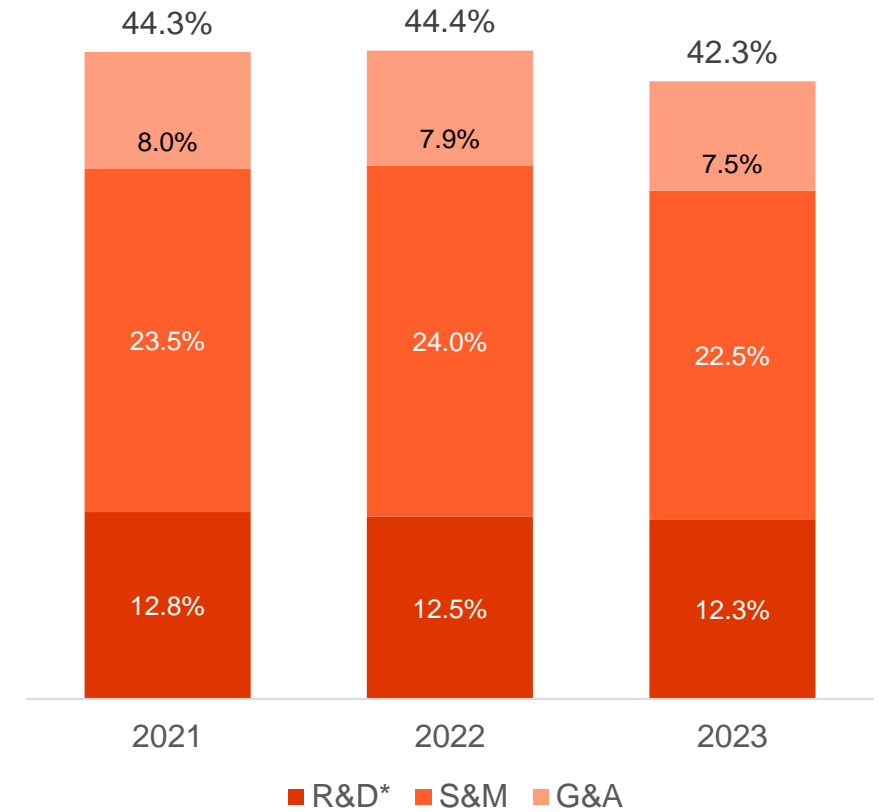


Non-GAAP Operating Expenses as a Percent of Total Revenue

Quarterly



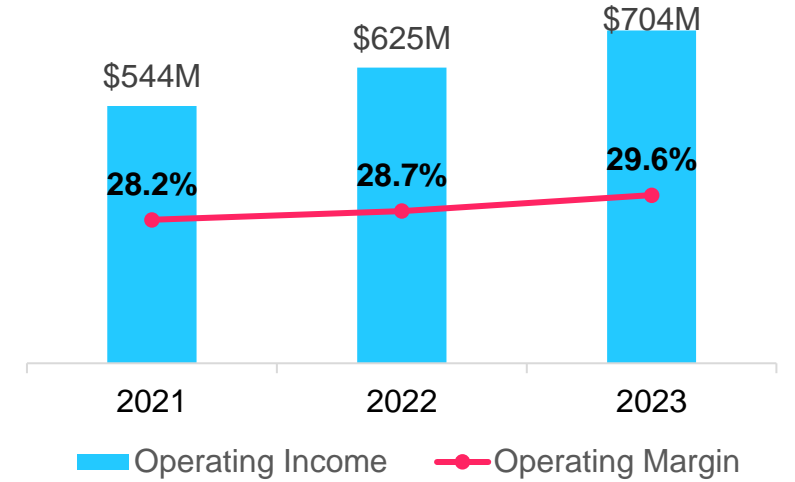
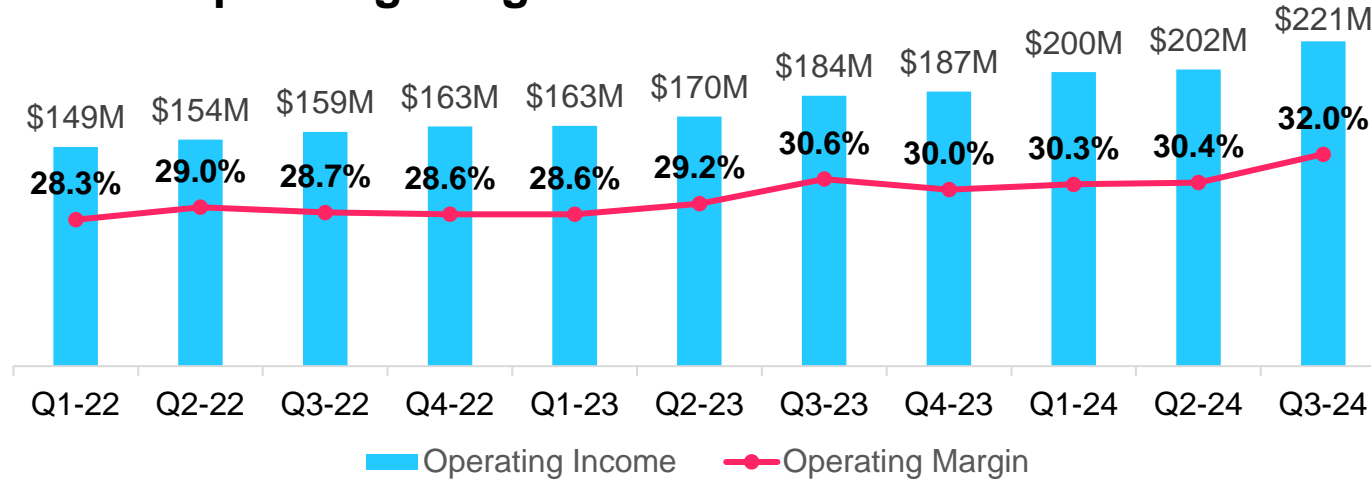
Annual



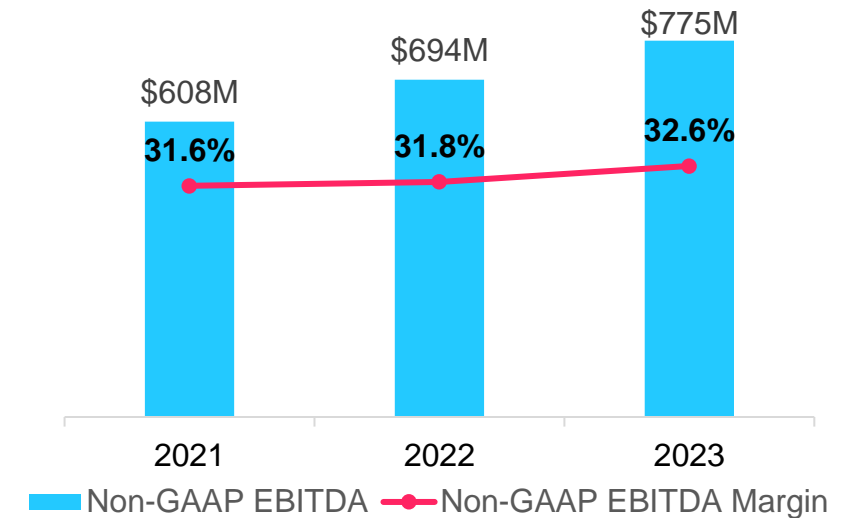
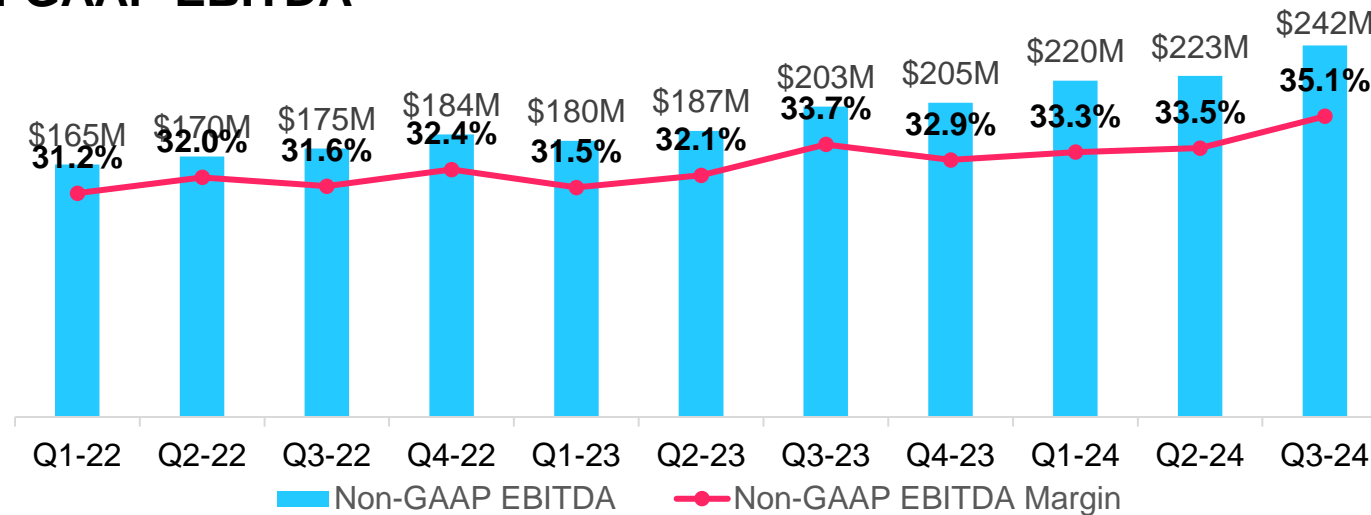
* R&D net of capitalization

Strong Operating Leverage Evident in Growing Profitability

Non-GAAP Operating Margin

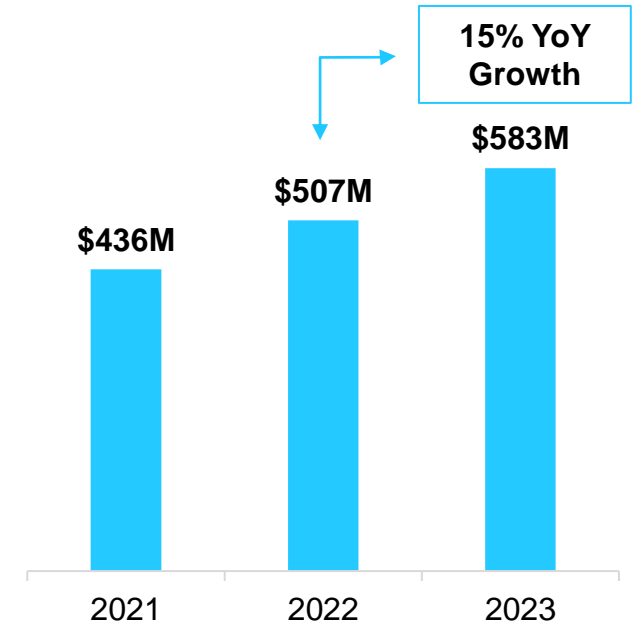
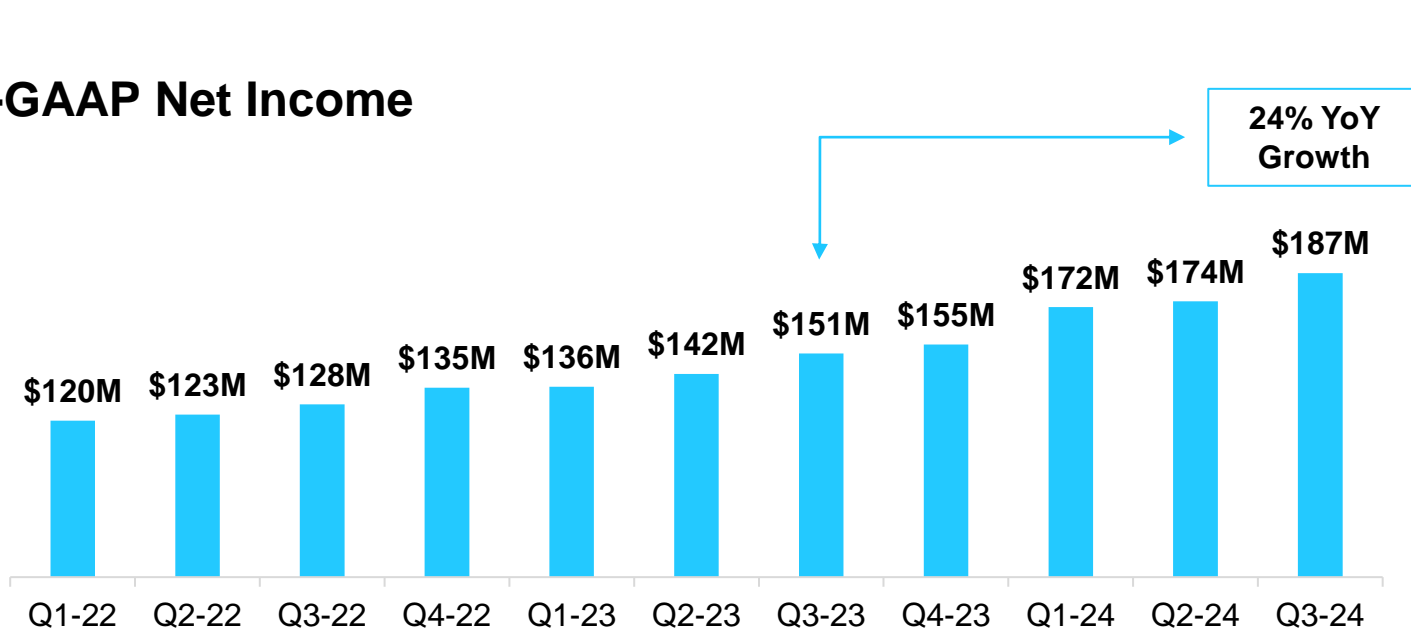


Non-GAAP EBITDA

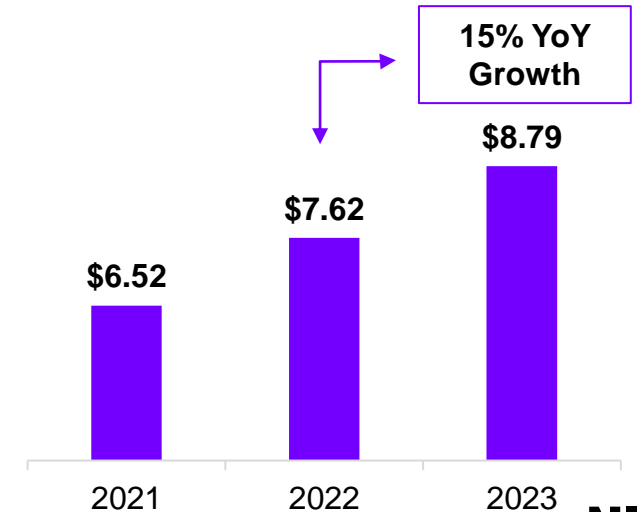
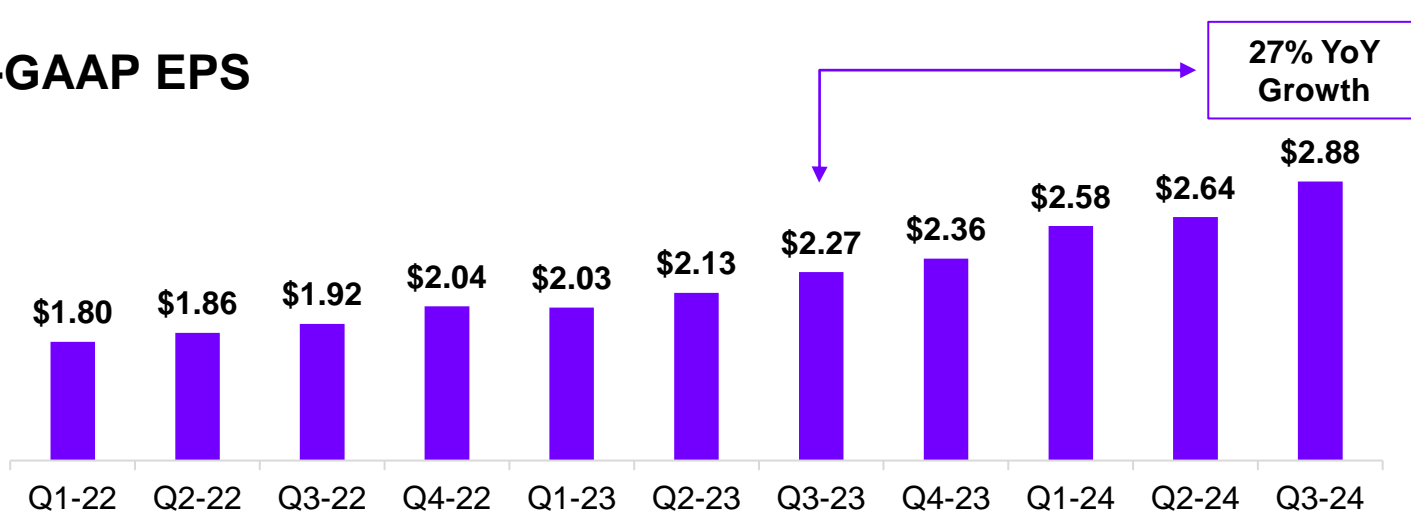


Non-GAAP Net Income and EPS Reflect NICE's Financial Strength

Non-GAAP Net Income

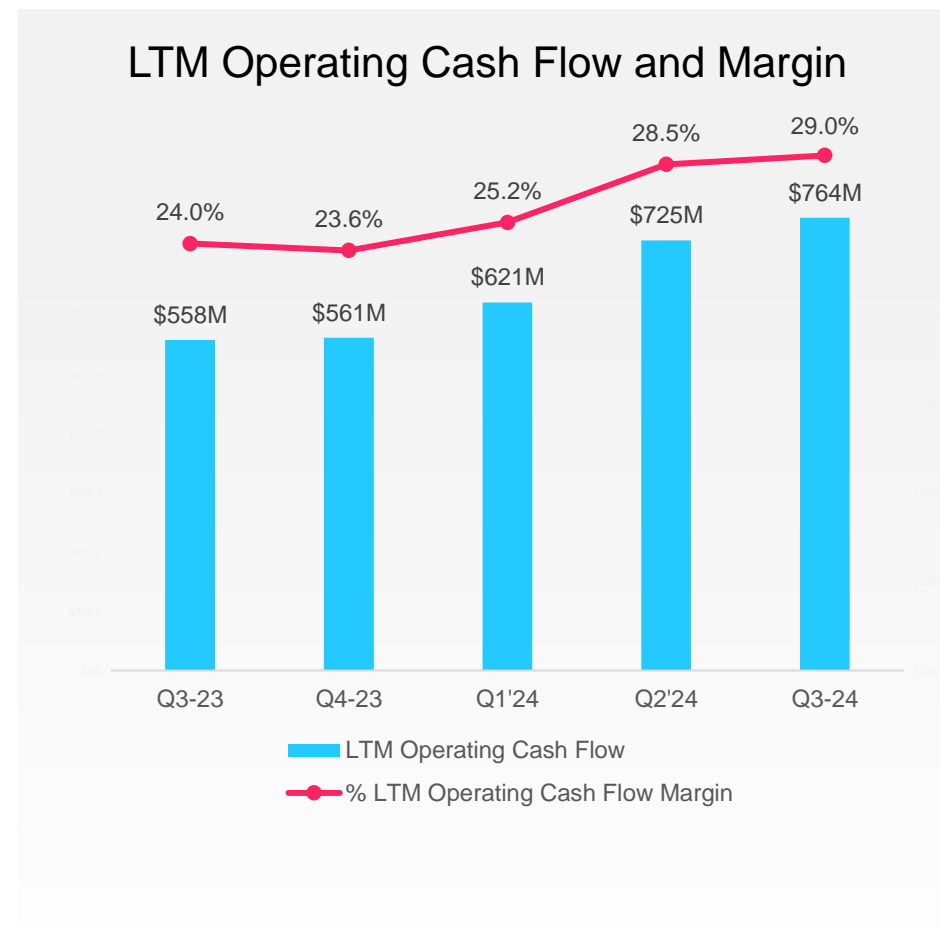


Non-GAAP EPS



Growing Cash From Operations and Free Cash Flow

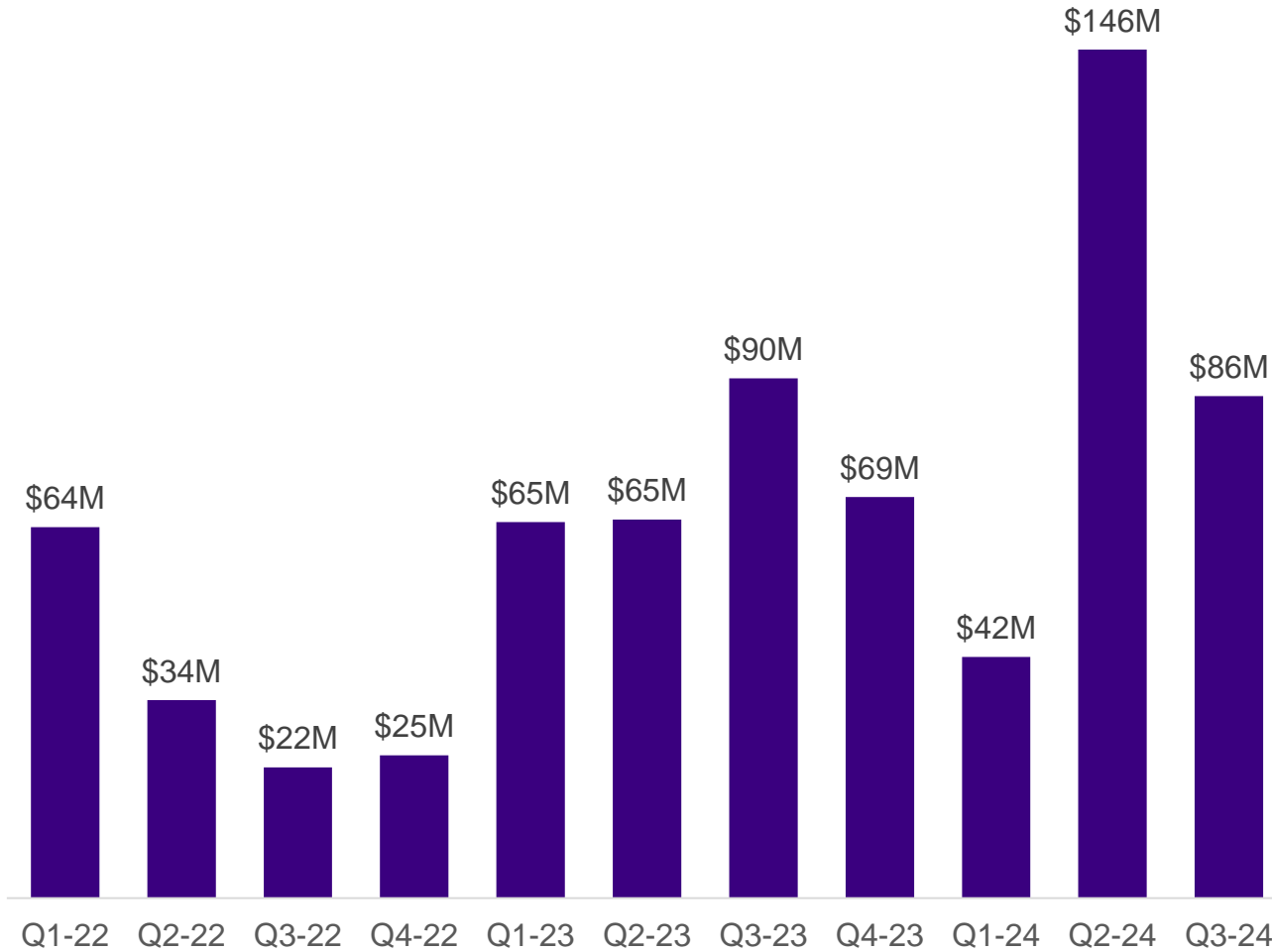
\$M	LTM Q3-24	LTM Q3-23
Operating Cash Flow	763.6	557.6
Capital expenditure of property and equipment	(33.5)	(34.1)
Capitalization of software development	(61.8)	(53.9)
Free cash flow	668.3	469.6
Free cash flow margin	25%	20%
Cash conversion rate *	1.0	0.7



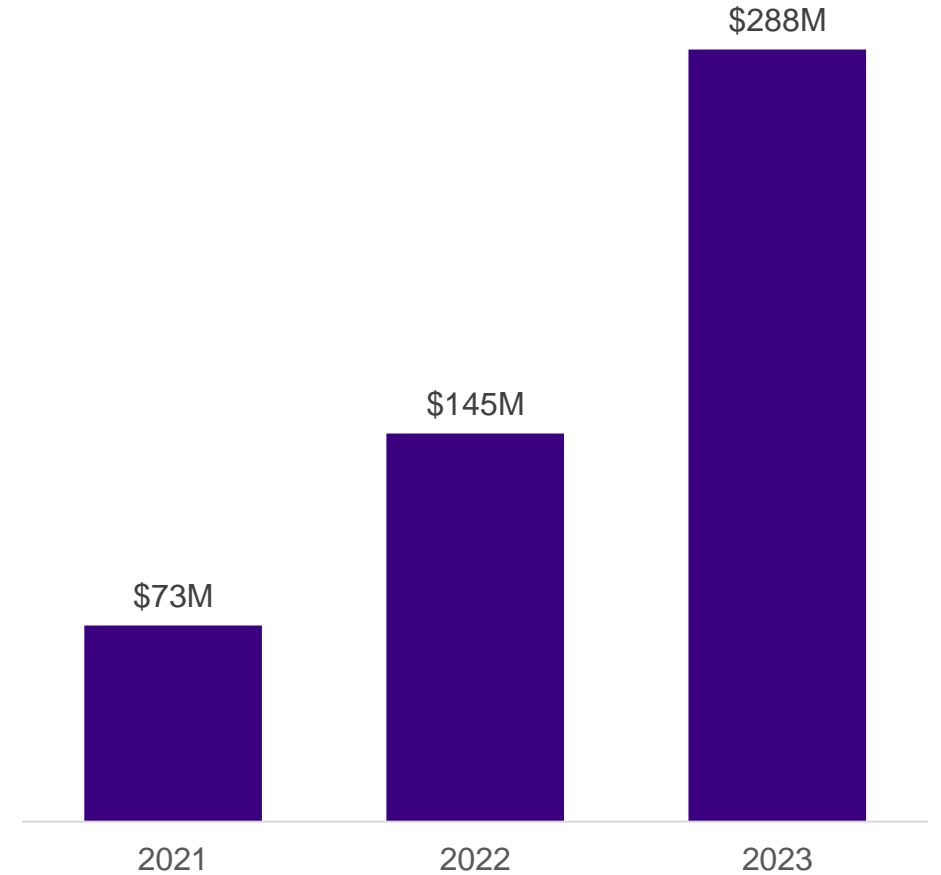
* Cash Conversion Rate = (Free Cash Flow / Non-GAAP Net Income)

Increasing Share Repurchases

Quarterly

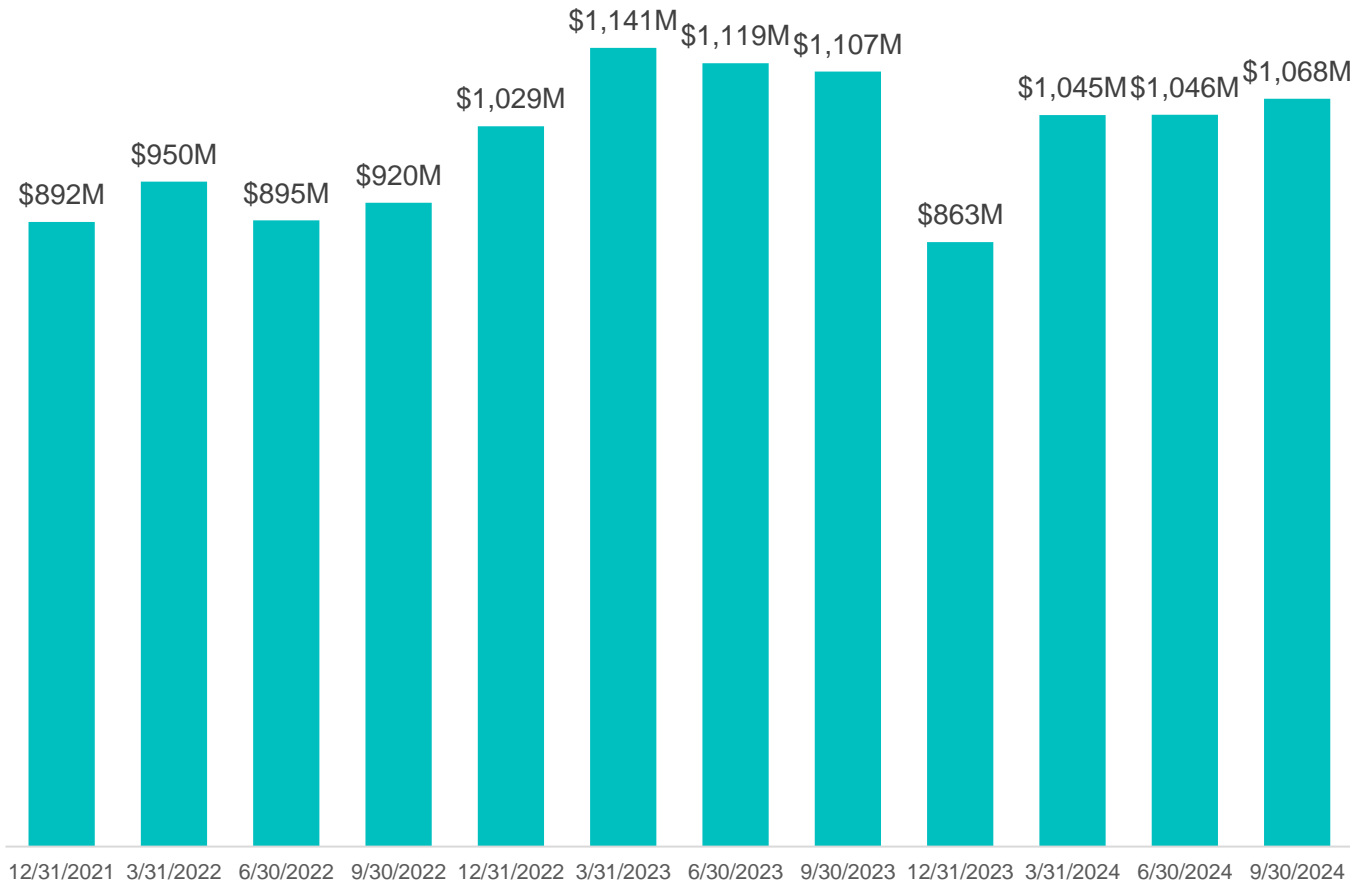


Annual

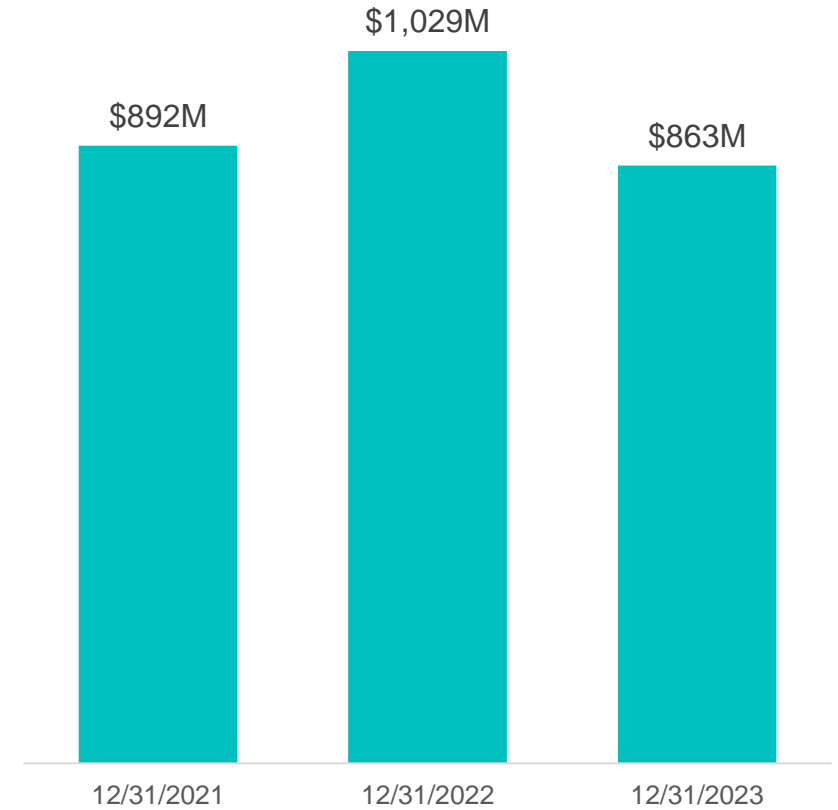


Industry Leading Strong Net Cash Position*

Quarterly



Annual



* Net cash and investments = cash, cash equivalents and short-term investments less total debt net of debt hedge option asset
 Decline in Net Cash position on 12/31/2023 due to financing of LiveVox acquisition which closed in December 2023.

Outlook* (Non-GAAP)

	FY 2024
Revenue (\$M)	2,715 – 2,735
Revenue Growth YoY at Midpoint	15%
EPS (\$)	10.95 – 11.15
EPS Growth YoY at Midpoint	26%

*The outlook is provided as of Nov. 14, 2024. 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.

Thank You

NICE 😊

Appendix



GAAP and Non-GAAP Income Statement

USD in thousands (except EPS)

	Quarter ended September 30,		Year to date September 30,	
	2024	2023	2024	2023
GAAP revenues	\$ 689,963	\$ 601,344	\$ 2,013,672	\$ 1,754,316
Non-GAAP revenues	\$ 689,963	\$ 601,344	\$ 2,013,672	\$ 1,754,316
GAAP cost of revenue	\$ 229,686	\$ 190,986	\$ 677,138	\$ 567,295
Amortization of acquired intangible assets on cost of cloud	(24,278)	(18,967)	(73,778)	(57,732)
Amortization of acquired intangible assets on cost of product	-	(260)	(410)	(766)
Cost of cloud revenue adjustment (1,2)	(3,175)	(2,160)	(9,029)	(6,360)
Cost of services revenue adjustment (1)	(2,511)	(3,016)	(7,506)	(8,764)
Cost of product revenue adjustment (1)	(30)	384	(90)	106
Non-GAAP cost of revenue	\$ 199,692	\$ 166,967	\$ 586,325	\$ 493,779
GAAP gross profit	\$ 460,277	\$ 410,358	\$ 1,336,534	\$ 1,187,021
Gross profit adjustments	29,994	24,019	90,813	73,516
Non-GAAP gross profit	\$ 490,271	\$ 434,377	\$ 1,427,347	\$ 1,260,537
GAAP operating expenses	\$ 318,898	\$ 296,732	\$ 944,892	\$ 874,459
Research and development (1,2)	(6,734)	(8,224)	(22,361)	(24,405)
Sales and marketing (1,2)	(14,944)	(12,376)	(42,326)	(36,533)
General and administrative (1,2)	(22,154)	(22,348)	(59,414)	(57,703)
Amortization of acquired intangible assets	(5,613)	(3,308)	(15,824)	(12,251)
Valuation adjustment on acquired deferred commission	1	30	24	106
Non-GAAP operating expenses	\$ 269,454	\$ 250,506	\$ 804,991	\$ 743,673
GAAP financial and other income, net	\$ (12,280)	\$ (7,037)	\$ (41,934)	\$ (25,108)
Amortization of discount and loss of extinguishment on debt	(430)	(1,166)	(1,404)	(3,486)
Change in fair value of contingent consideration	(36)	(239)	(115)	(817)
Non-GAAP financial and other income, net	\$ (12,746)	\$ (8,442)	\$ (43,453)	\$ (29,411)
GAAP taxes on income	\$ 32,738	\$ 28,310	\$ 90,497	\$ 81,021
Tax adjustments re non-GAAP adjustments	13,886	13,372	42,665	37,473
Non-GAAP taxes on income	\$ 46,624	\$ 41,682	\$ 133,162	\$ 118,494

GAAP and Non-GAAP Income Statement (cont.)

USD in thousands (except EPS)

	Quarter ended September 30,		Year to date September 30,	
	2024	2023	2024	2023
GAAP net income	\$ 120,921	\$ 92,353	\$ 343,079	\$ 256,649
Amortization of acquired intangible assets	29,891	22,535	90,012	70,749
Valuation adjustment on acquired deferred commission	(1)	(30)	(24)	(106)
Share-based compensation (1)	48,731	47,287	137,997	133,206
Acquisition related and other expenses (2)	817	453	2,729	453
Amortization of discount and loss of extinguishment on debt	430	1,166	1,404	3,486
Change in fair value of contingent consideration	36	239	115	817
Tax adjustments re non-GAAP adjustments	(13,886)	(13,372)	(42,665)	(37,473)
Non-GAAP net income	<u>\$ 186,939</u>	<u>\$ 150,631</u>	<u>\$ 532,647</u>	<u>\$ 427,781</u>
GAAP diluted earnings per share	<u>\$ 1.86</u>	<u>\$ 1.39</u>	<u>\$ 5.22</u>	<u>\$ 3.86</u>
Non-GAAP diluted earnings per share	<u>\$ 2.88</u>	<u>\$ 2.27</u>	<u>\$ 8.10</u>	<u>\$ 6.44</u>
Shares used in computing GAAP diluted earnings per share	64,838	66,223	65,741	66,438
Shares used in computing non-GAAP diluted earnings per share	64,838	66,223	65,741	66,438

GAAP and Non-GAAP Income Statement (cont.)

USD in thousands

(1) Share-based compensation

	Quarter ended		Year to date	
	September 30,		September 30,	
	2024	2023	2024	2023
Cost of cloud revenue	\$ 3,175	\$ 2,160	\$ 8,967	\$ 6,360
Cost of services revenue	2,511	3,016	7,506	8,764
Cost of product revenue	30	(384)	90	(106)
Research and development	6,734	8,224	22,031	24,405
Sales and marketing	14,937	12,351	41,676	36,508
General and administrative	21,344	21,920	57,727	57,275
	<u>\$ 48,731</u>	<u>\$ 47,287</u>	<u>\$ 137,997</u>	<u>\$ 133,206</u>

(2) Acquisition related and other expenses

	Quarter ended		Year to date	
	September 30,		September 30,	
	2024	2023	2024	2023
Cost of cloud revenue	\$ -	\$ -	\$ 62	\$ -
Research and development	-	-	330	-
Sales and marketing	7	25	650	25
General and administrative	810	428	1,687	428
	<u>\$ 817</u>	<u>\$ 453</u>	<u>\$ 2,729</u>	<u>\$ 453</u>

Non-GAAP EBITDA Reconciliation

USD in thousands

	Quarter ended September 30,		Year to date September 30,	
	2024 Unaudited	2023 Unaudited	2024 Unaudited	2023 Unaudited
GAAP net income	\$ 120,921	\$ 92,353	\$ 343,079	\$ 256,649
Non-GAAP adjustments:				
Depreciation and amortization	52,964	42,269	156,244	126,148
Share-based compensation	47,252	46,213	133,882	130,488
Financial and other income, net	(12,280)	(7,037)	(41,934)	(25,108)
Acquisition related and other expenses	817	453	2,729	453
Valuation adjustment on acquired deferred commission	(1)	(30)	(24)	(106)
Taxes on income	32,738	28,310	90,497	81,021
Non-GAAP EBITDA	<u>\$ 242,411</u>	<u>\$ 202,531</u>	<u>\$ 684,473</u>	<u>\$ 569,545</u>

Free Cash Flow Reconciliation

USD in thousands

	Quarter ended September 30,		Year to date September 30,	
	2024 Unaudited	2023 Unaudited	2024 Unaudited	2023 Unaudited
Net cash provided by operating activities	\$ 158,961	\$ 120,610	\$ 583,119	\$ 380,934
Purchase of property and equipment	(10,419)	(5,507)	(27,395)	(23,126)
Capitalization of internal use software costs	(16,812)	(12,479)	(47,986)	(41,106)
Free Cash Flow (a)	<u>\$ 131,730</u>	<u>\$ 102,624</u>	<u>\$ 507,738</u>	<u>\$ 316,702</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

	September 30, 2024	December 31, 2023		September 30, 2024	December 31, 2023
	Unaudited	Audited		Unaudited	Audited
ASSETS			LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash and cash equivalents	\$ 666,734	\$ 511,795	Trade payables	\$ 71,349	\$ 66,036
Short-term investments	859,955	896,044	Deferred revenues and advances from customers	333,968	302,649
Trade receivables	629,850	585,154	Current maturities of operating leases	13,065	13,747
Debt hedge option	-	121,922	Debt	458,360	209,229
Prepaid expenses and other current assets	213,560	197,967	Accrued expenses and other liabilities	548,048	528,660
Total current assets	2,370,099	2,312,882	Total current liabilities	1,424,790	1,120,321
LONG-TERM ASSETS:			LONG-TERM LIABILITIES:		
Property and equipment, net	187,447	174,414	Deferred revenues and advances from customers	55,223	52,458
Deferred tax assets	222,268	178,971	Operating leases	95,206	102,909
Other intangible assets, net	246,037	305,501	Deferred tax liabilities	9,887	8,596
Operating lease right-of-use assets	96,743	104,565	Debt	-	457,081
Goodwill	1,853,115	1,821,969	Other long-term liabilities	23,261	21,769
Prepaid expenses and other long-term assets	212,904	219,332	Total long-term liabilities	183,577	642,813
Total long-term assets	2,818,514	2,804,752	SHAREHOLDERS' EQUITY		
TOTAL ASSETS	\$ 5,188,613	\$ 5,117,634	Nice Ltd's equity	3,567,727	3,341,132
			Non-controlling interests	12,519	13,368
			Total shareholders' equity	3,580,246	3,354,500
			TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 5,188,613	\$ 5,117,634