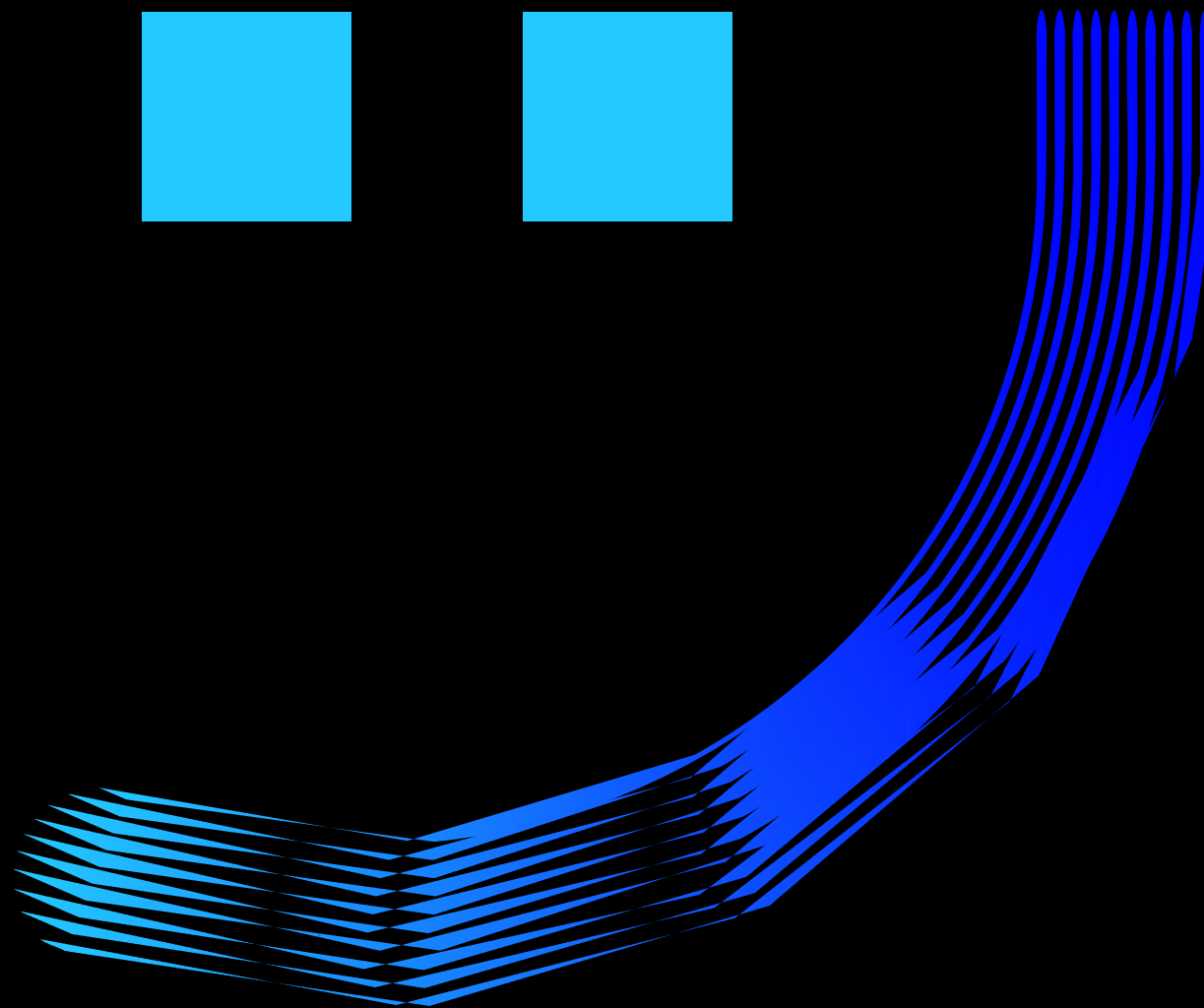




Q4 2024 Earnings Presentation

(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 December 31, 2024.

This is
NICE

**CUSTOMER
EXPERIENCE**



CREATING
Extraordinary
Customer
Experiences

**FINANCIAL CRIME
& COMPLIANCE**



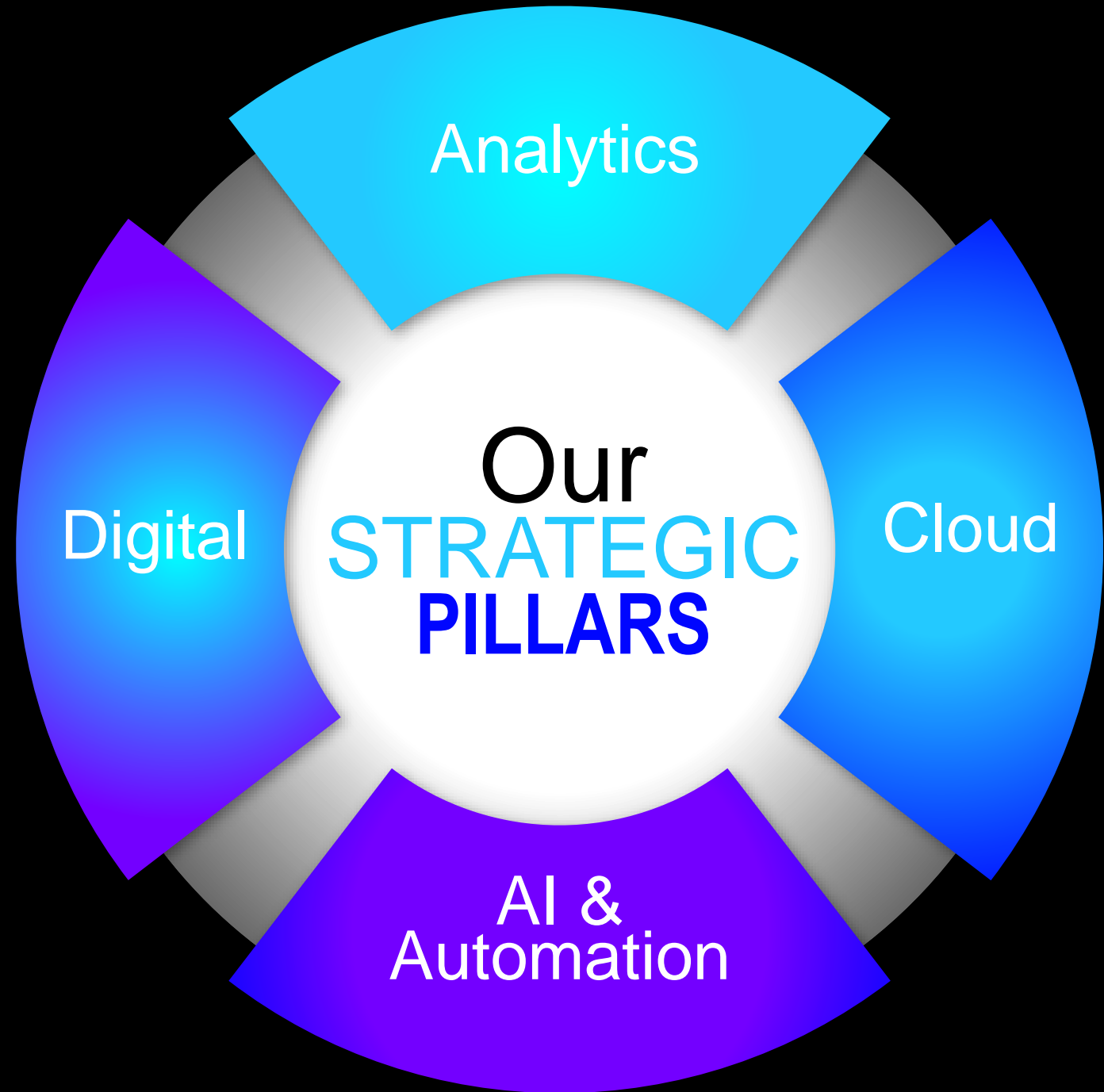
OUTSMARTING
Financial Crime
with Intelligent
Solutions

**PUBLIC SAFETY
& JUSTICE**



DRIVING
Digital Policing
Transformation

Transforming
EXPERIENCES to be
EXTRAORDINARY
and TRUSTED



FINANCIAL OVERVIEW

Quarterly Results



Q4-24 Financial Highlights

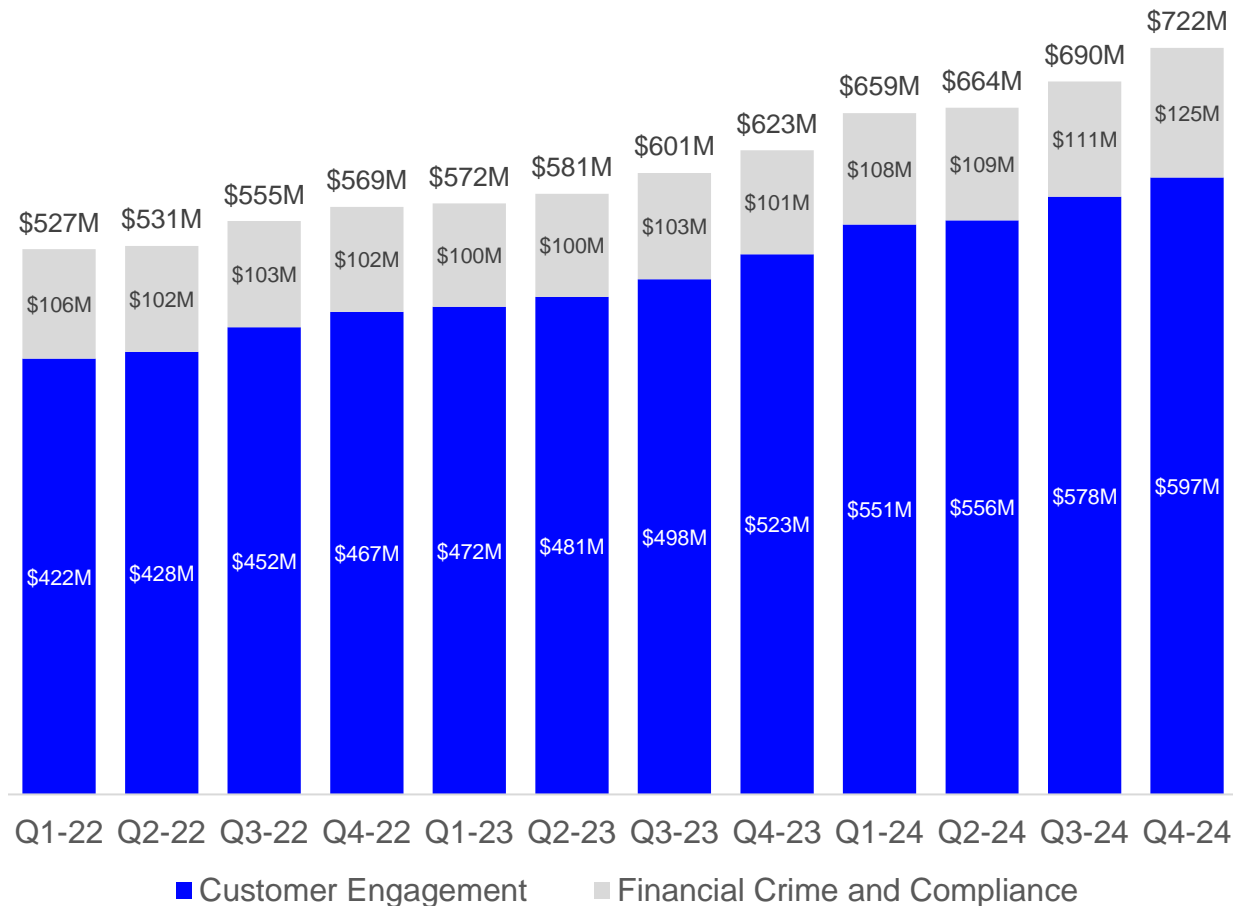
Q4 2024 Results	Quarterly Results	Increase Y/Y
Total Revenue	\$722M	16%
Cloud Revenue	\$534M	24%
Non-GAAP Operating Income	\$227M	22%
Non-GAAP Operating Margin	31.5%	150 bps
Non-GAAP EPS	\$3.02	28%
Cash from Operations	\$250M	38%

FY-24 Financial Highlights

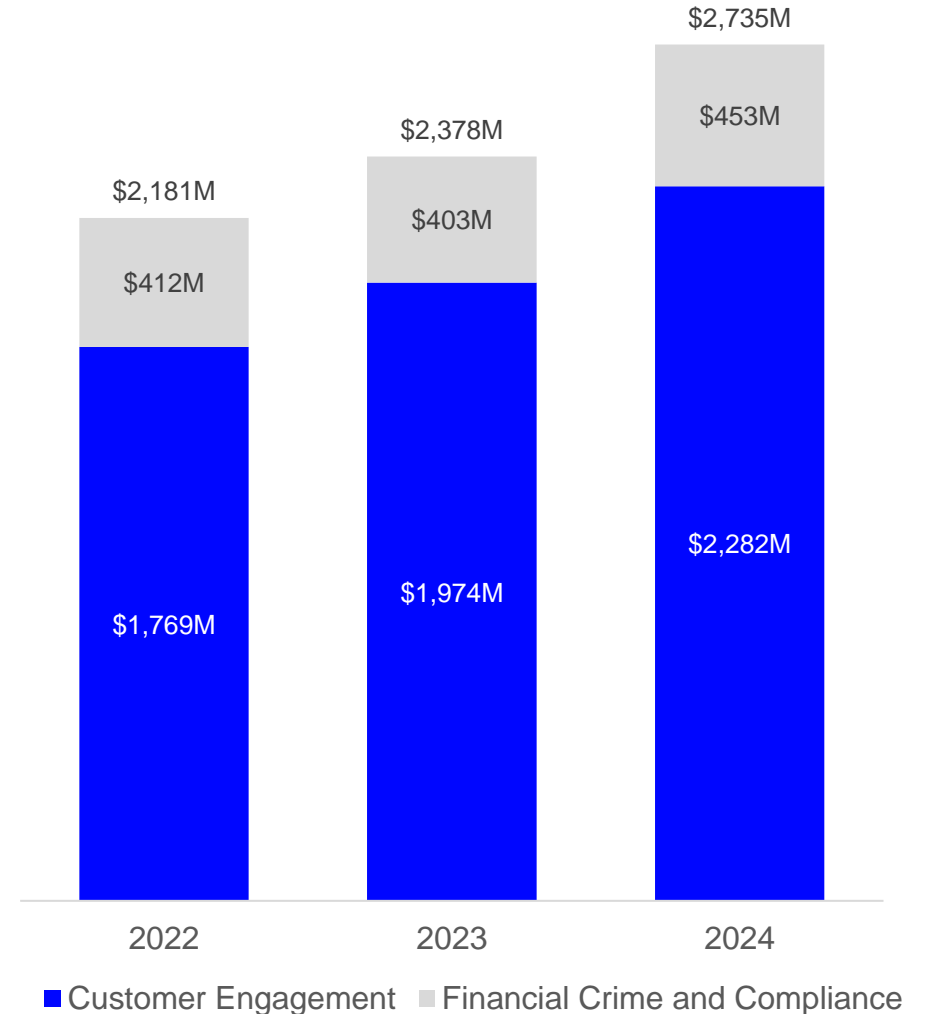
FY 2024 Results	Annual Results	Increase Y/Y
Total Revenue	\$2,735M	15%
Cloud Revenue	\$1,984M	25%
Non-GAAP Operating Income	\$850M	21%
Non-GAAP Operating Margin	31.1%	150 bps
Non-GAAP EPS	\$11.12	27%
Cash from Operations	\$833M	48%

Revenue Breakdown by Business Segment

Quarterly Revenue

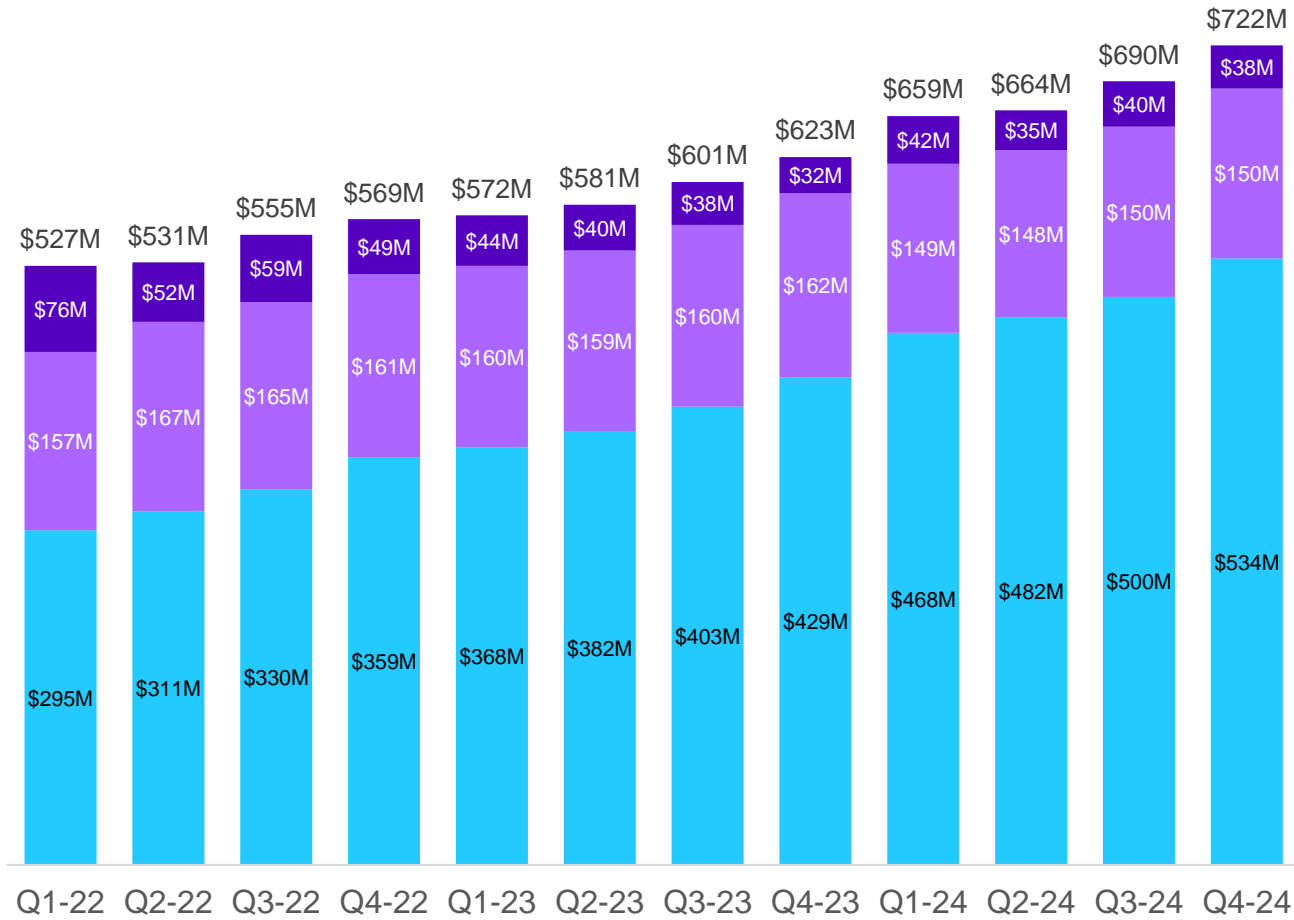


Annual Revenue



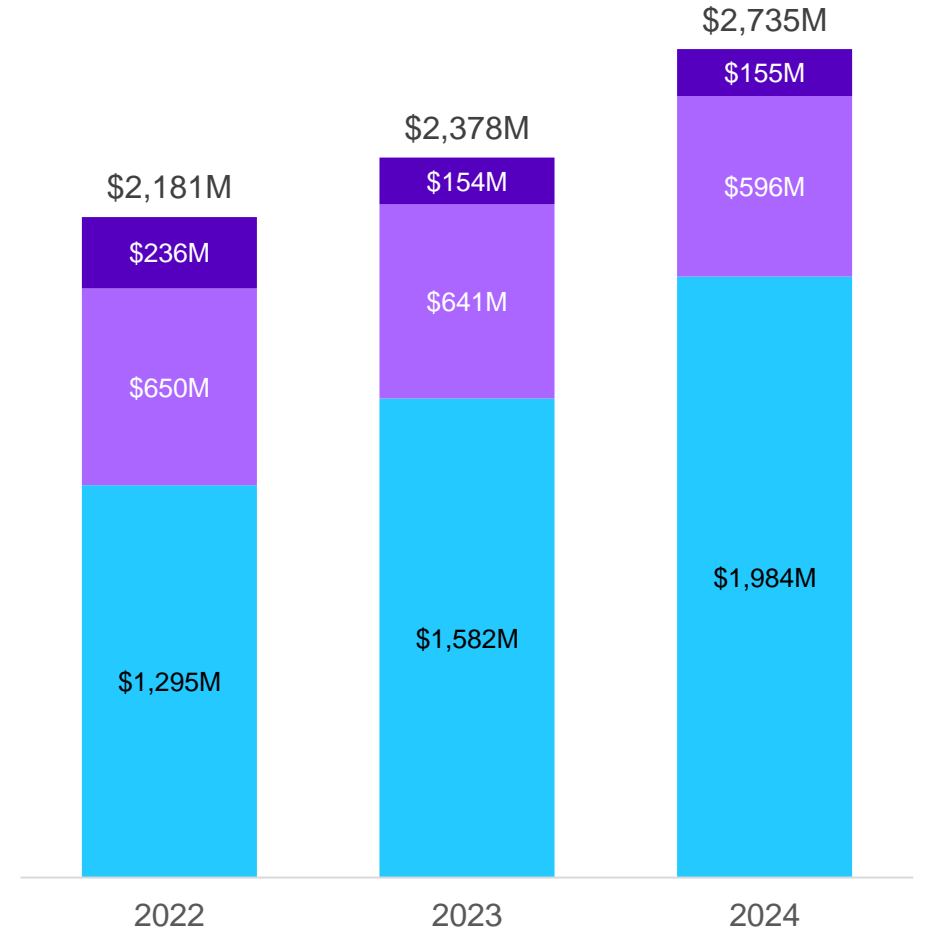
Revenue Breakdown by Business Model

Quarterly Revenue



■ Cloud ■ Services ■ Product

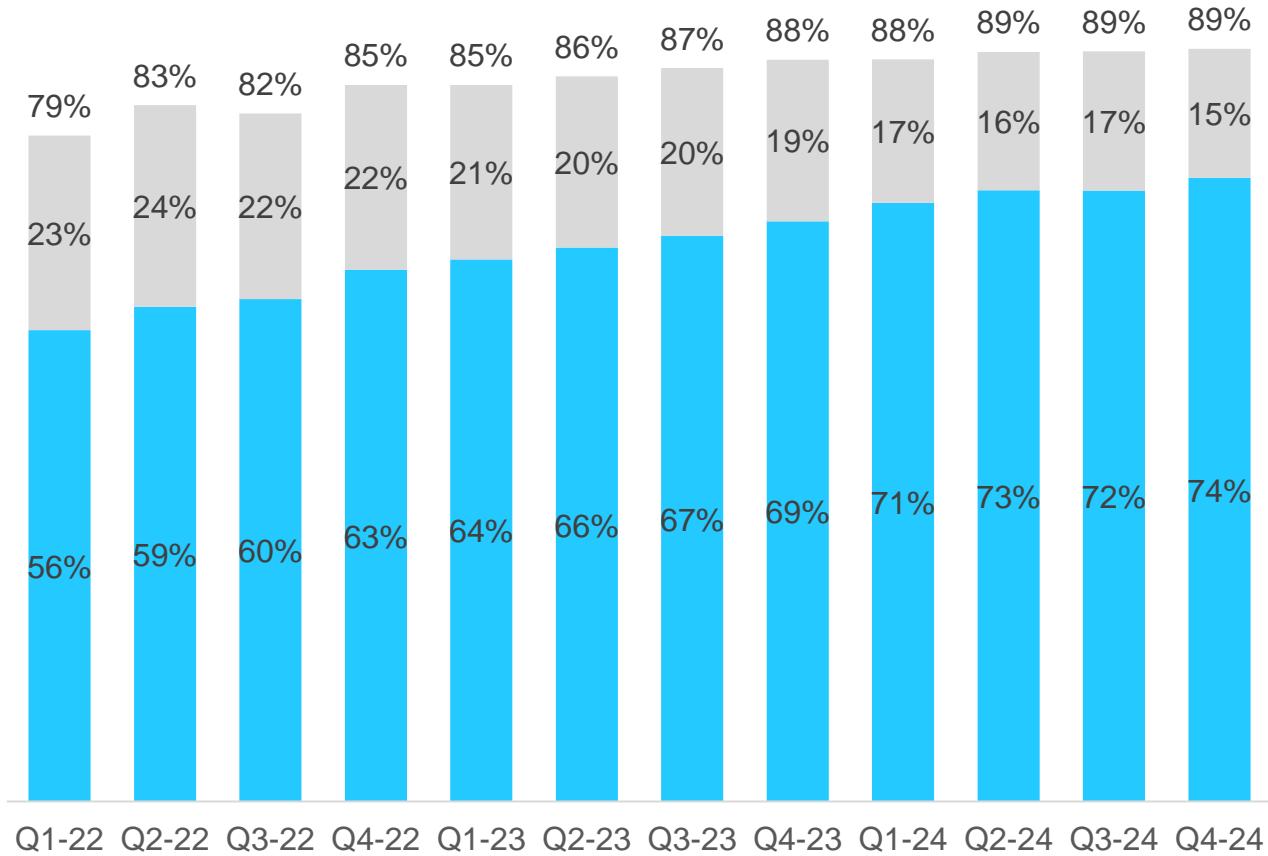
Annual Revenue



■ Cloud ■ Services ■ Product

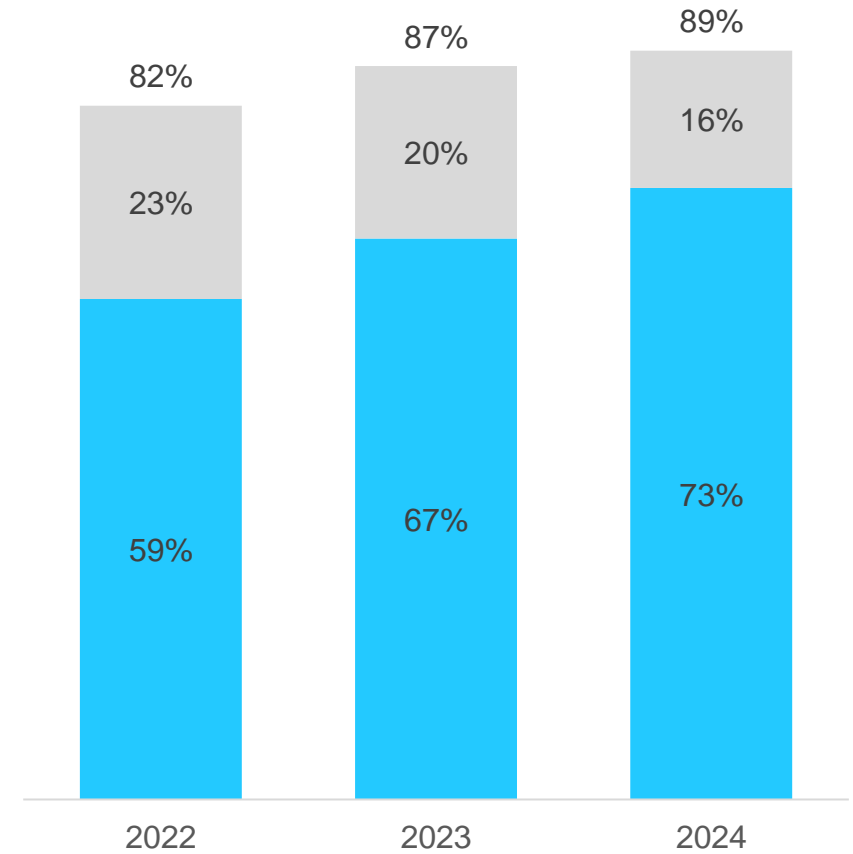
Recurring Revenue as a Percent of Total Revenue

Quarterly



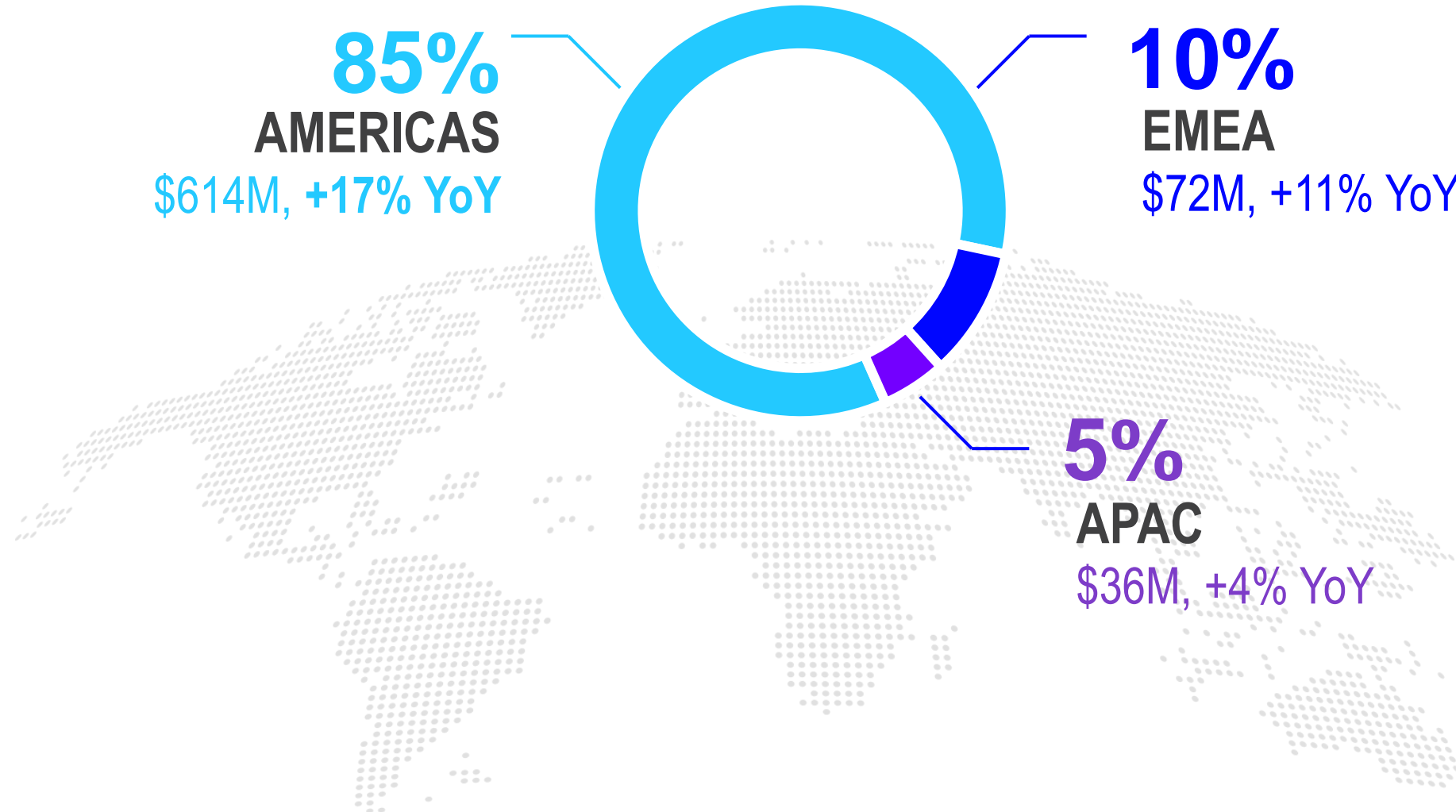
■ Cloud Revenue ■ Non-Cloud Recurring Revenue

Annual

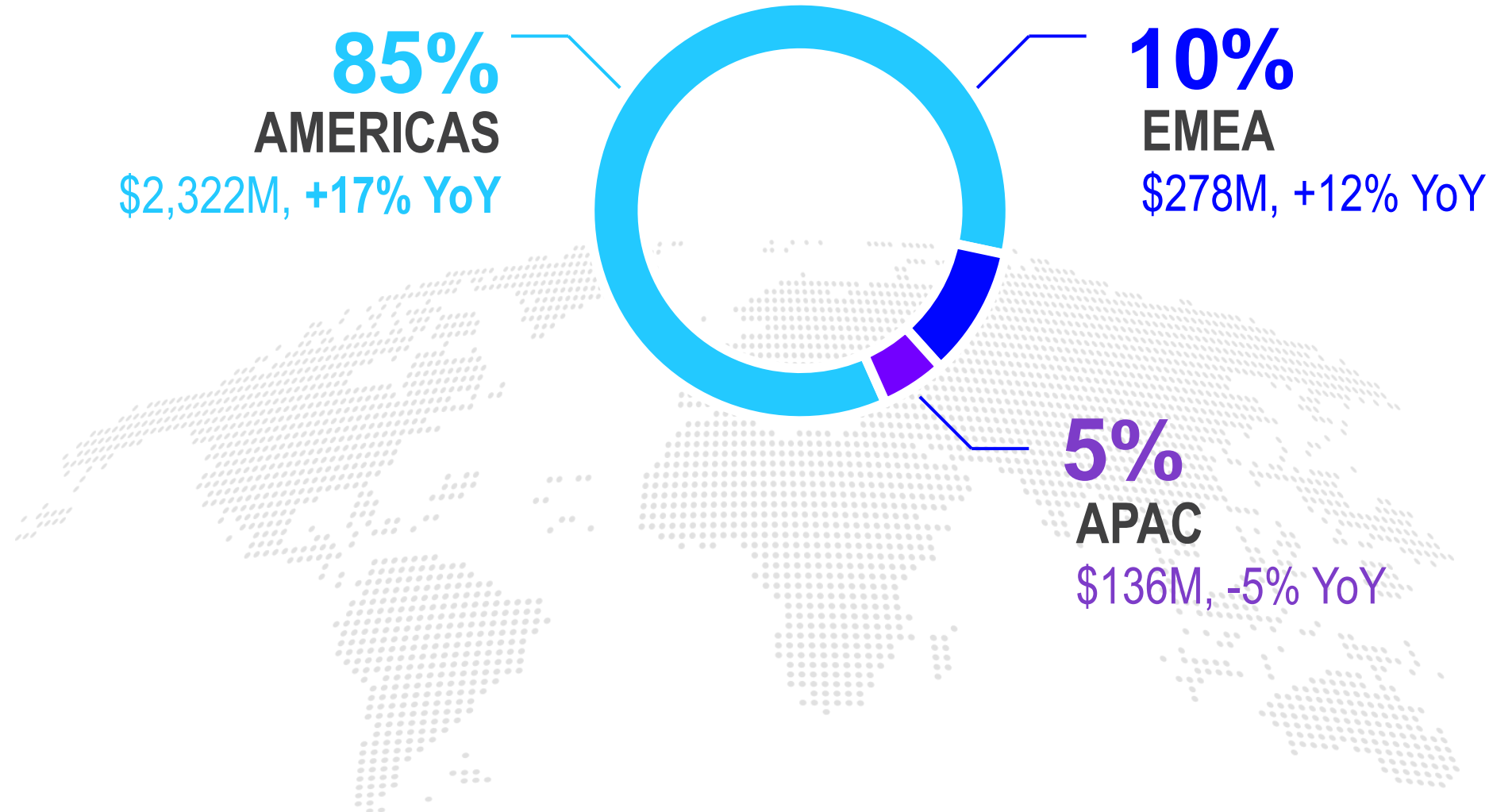


■ Cloud Revenue ■ Non-Cloud Recurring Revenue

Revenue Breakdown by Geographic Region – Q4 2024

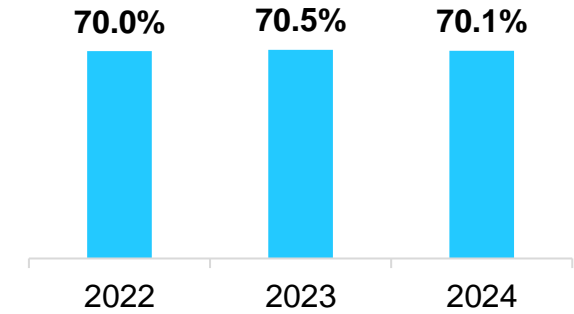
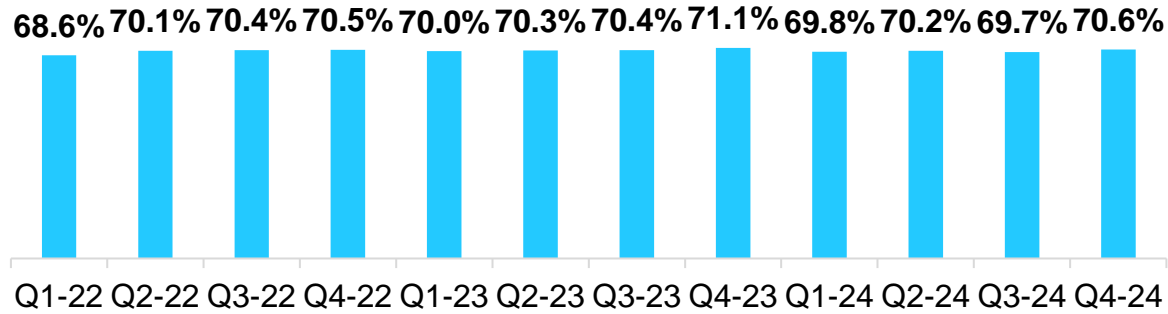


Revenue Breakdown by Geographic Region - FY 2024

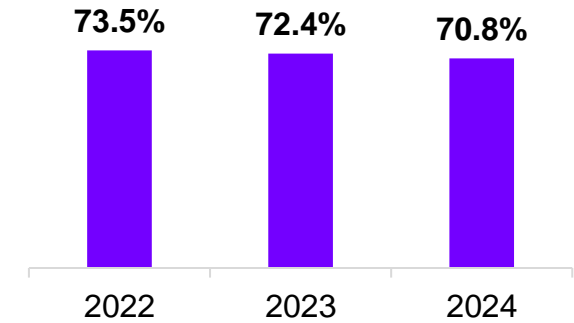
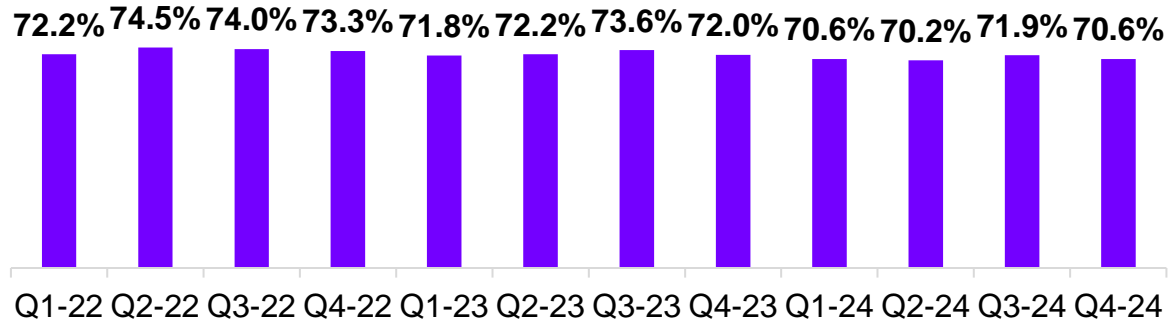


Healthy Gross Margins (Non-GAAP)

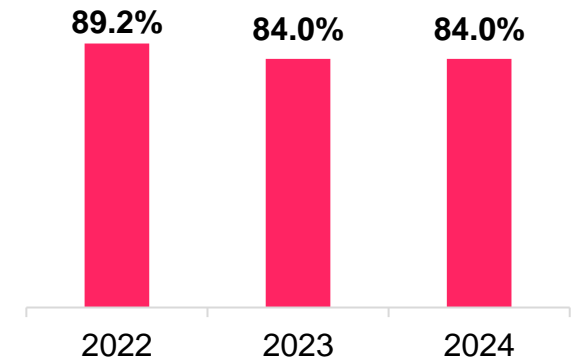
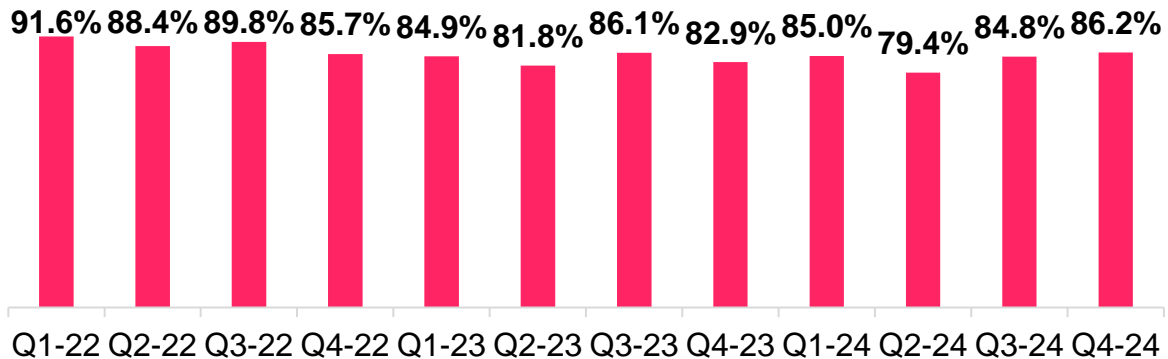
Cloud GM



Services GM

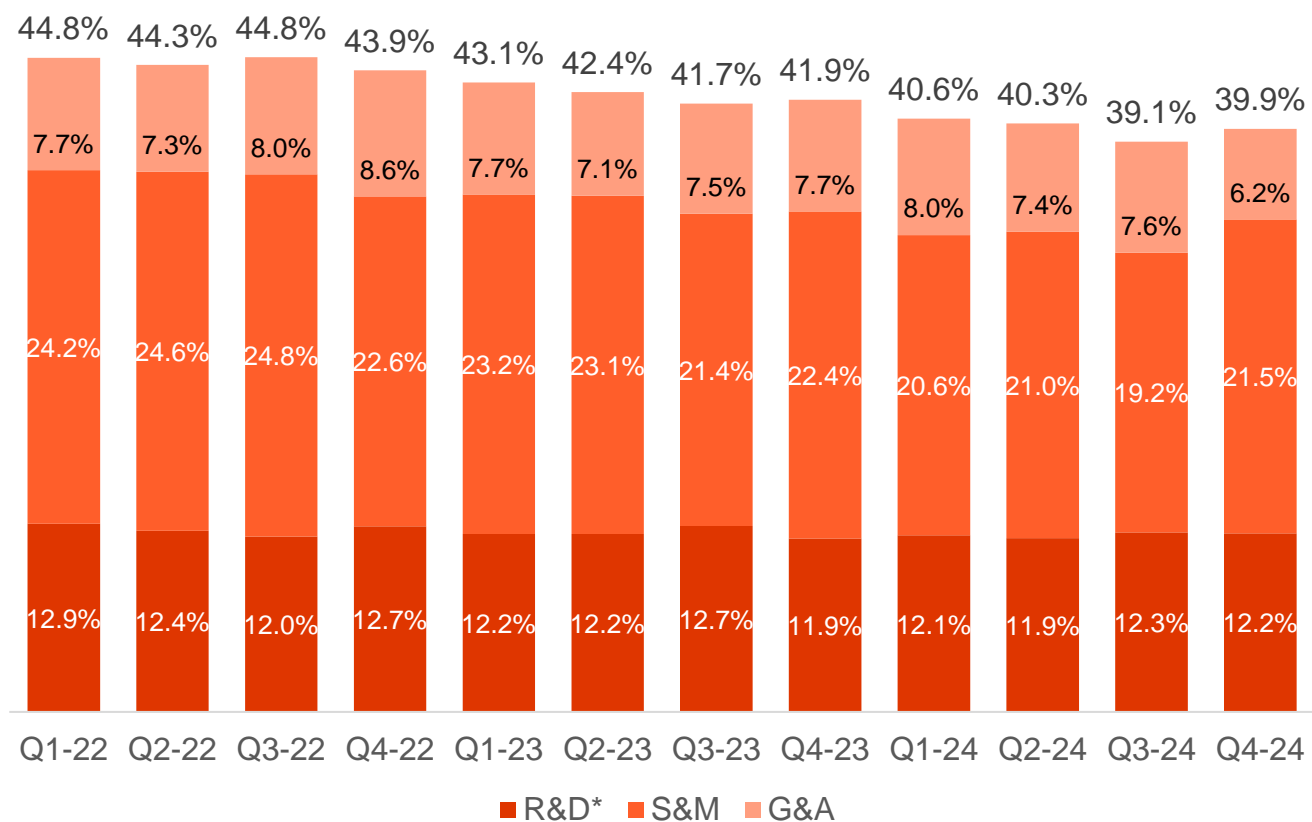


Product GM

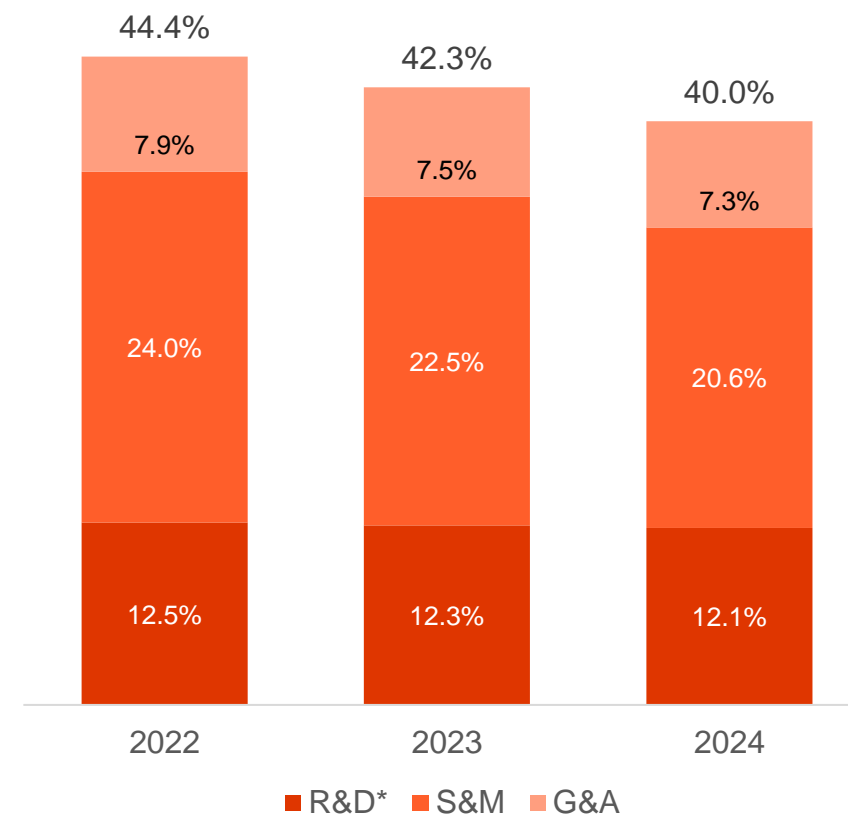


Non-GAAP Operating Expenses as a Percent of Total Revenue

Quarterly



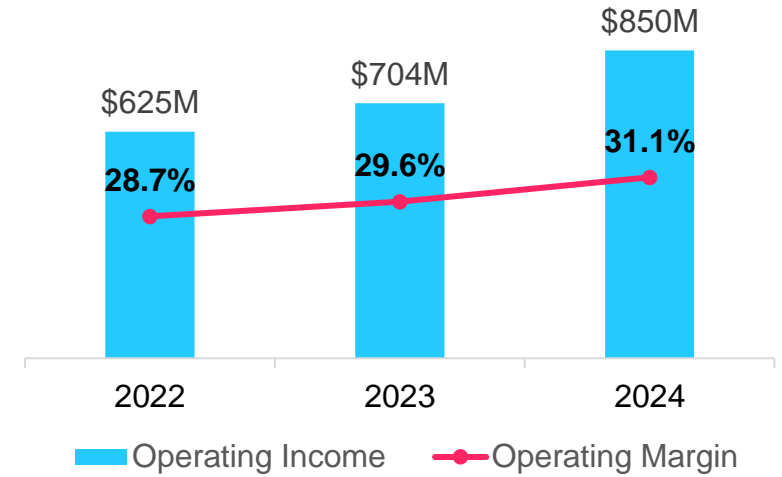
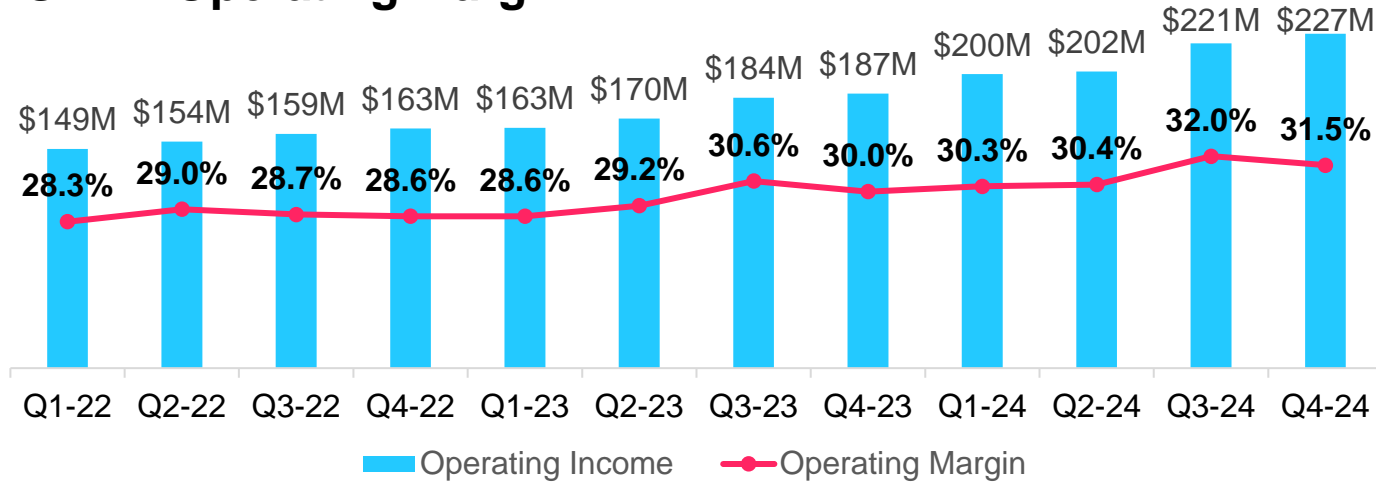
Annual



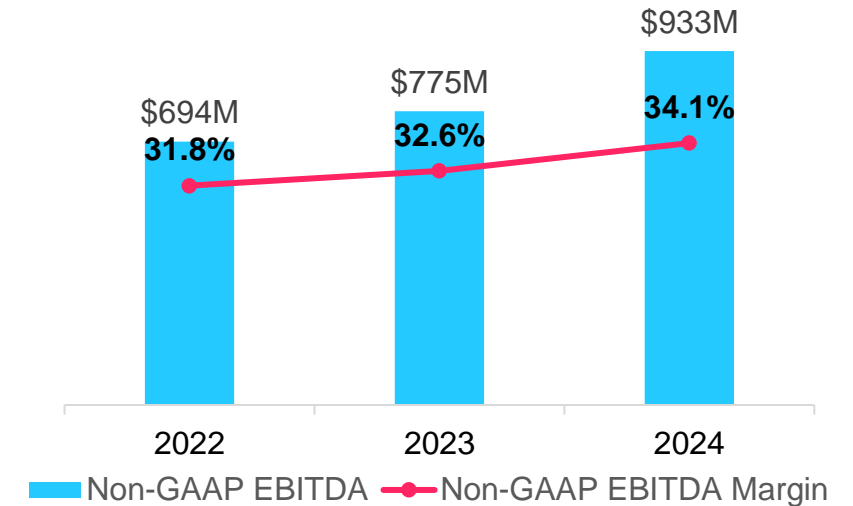
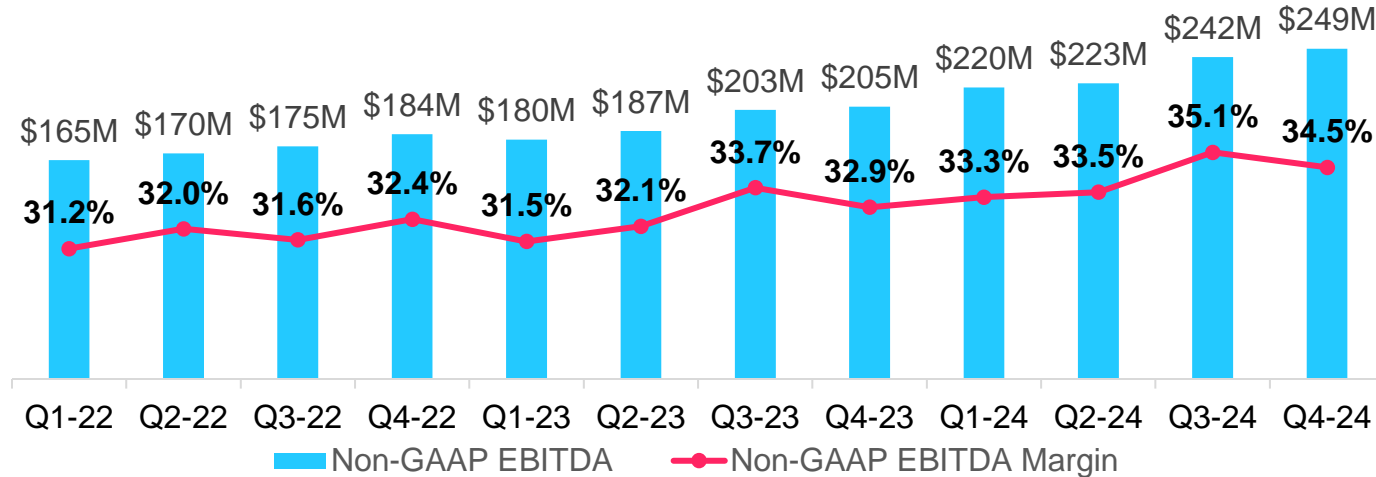
* R&D net of capitalization

Strong Operating Leverage Evident in Growing Profitability

Non-GAAP Operating Margin

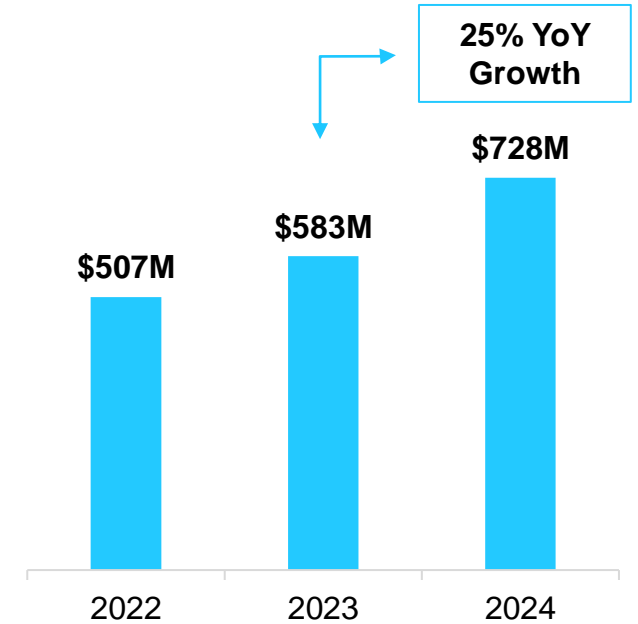
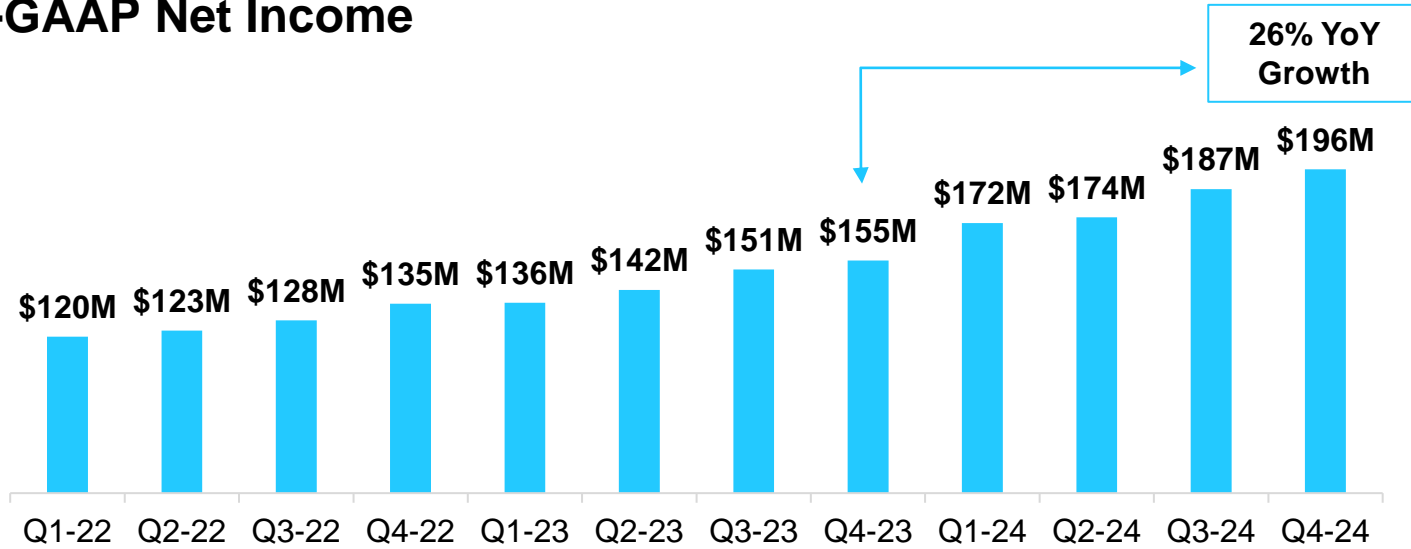


Non-GAAP EBITDA

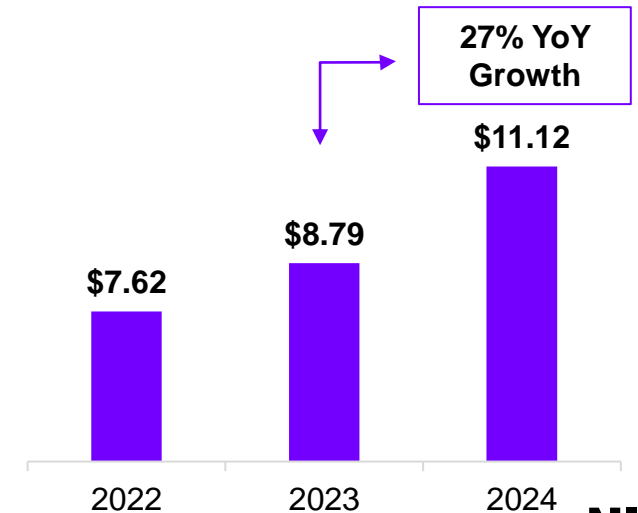
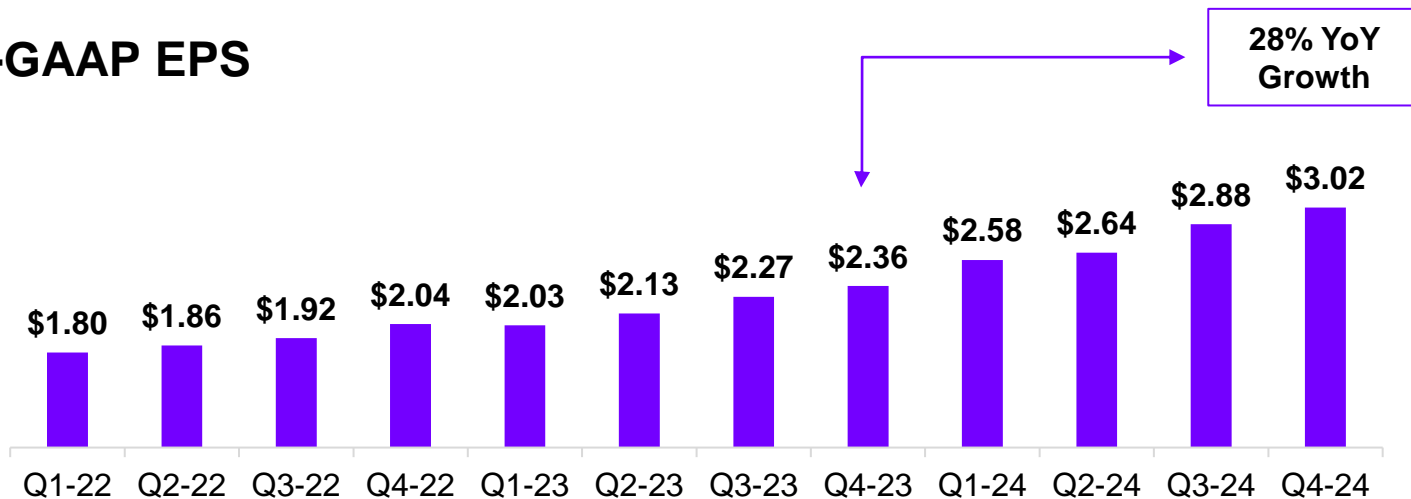


Non-GAAP Net Income and EPS Reflect NICE's Financial Strength

Non-GAAP Net Income

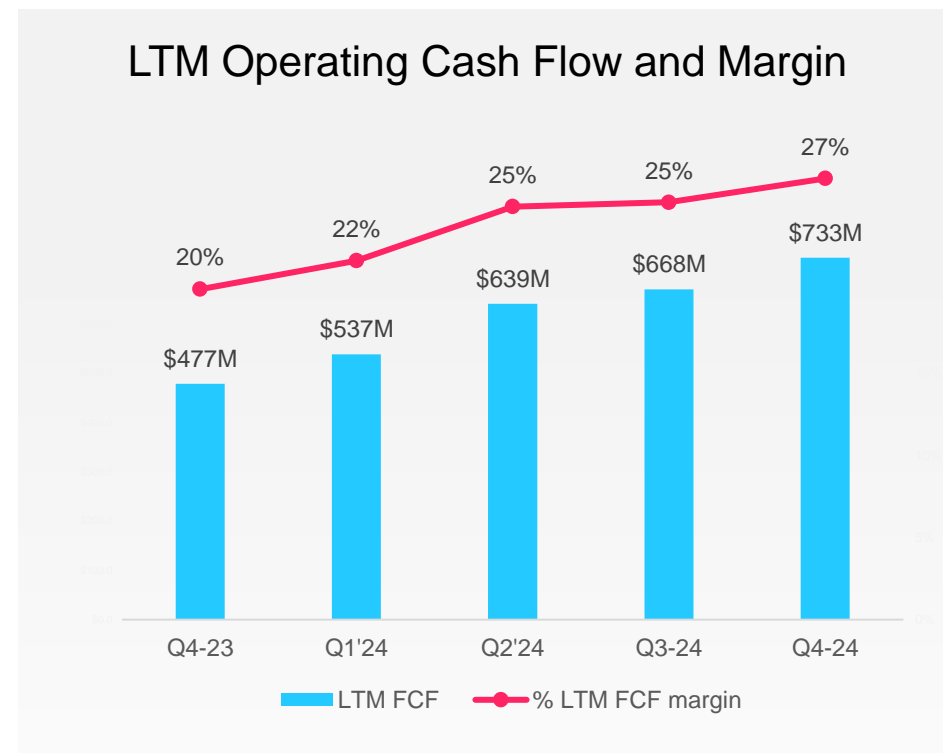


Non-GAAP EPS



Growing Cash From Operations and Free Cash Flow

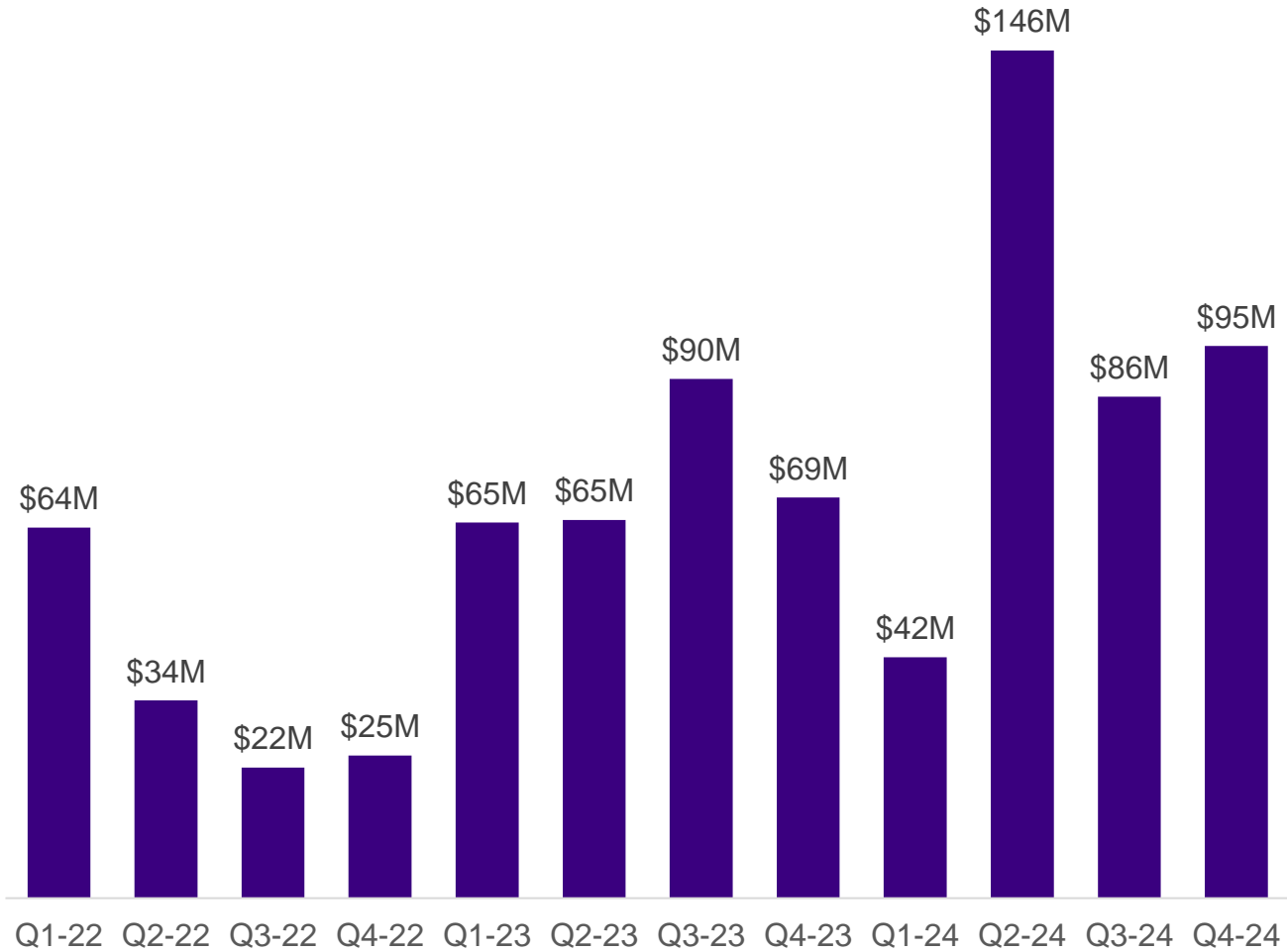
\$M	FY 2024	FY 2023
Operating Cash Flow	832.6	561.4
Capital expenditure of property and equipment	(35.0)	(29.2)
Capitalization of software development	(64.8)	(55.0)
Free cash flow	732.9	477.3
Free cash flow margin	27%	20%
Cash conversion rate *	1.0	0.8



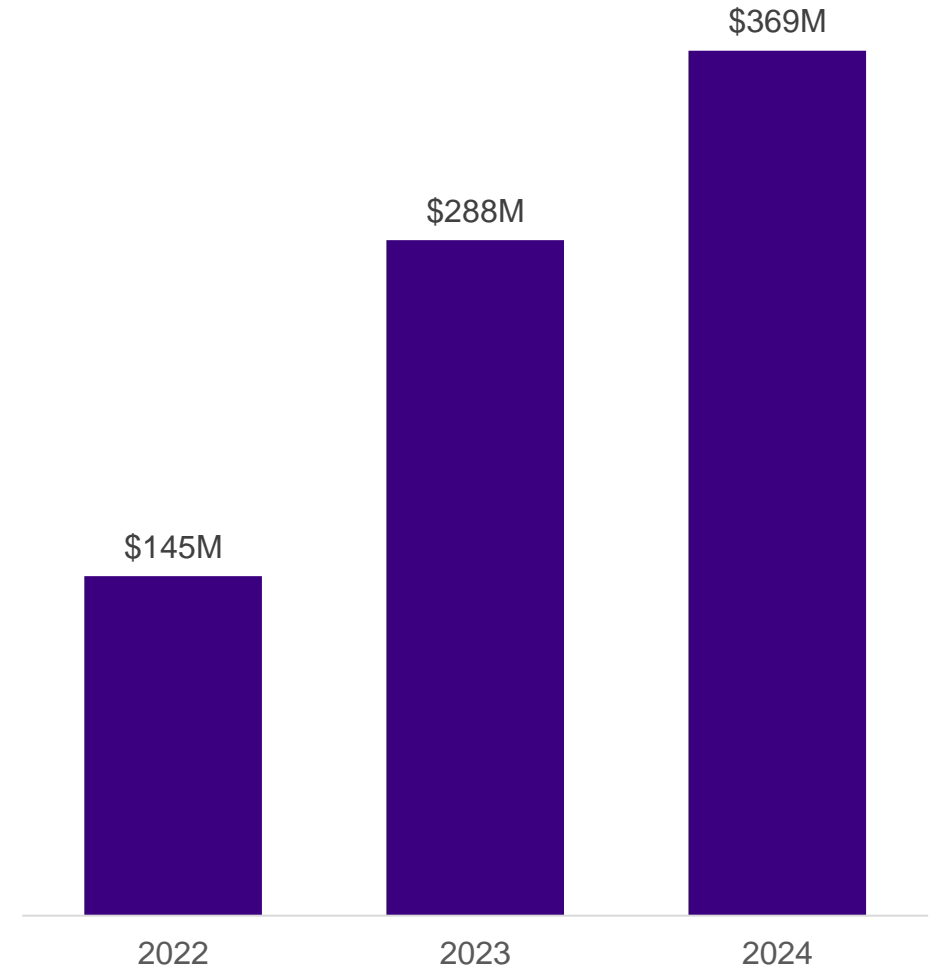
* Cash Conversion Rate = (Free Cash Flow / Non-GAAP Net Income)

Increasing Share Repurchases

Quarterly

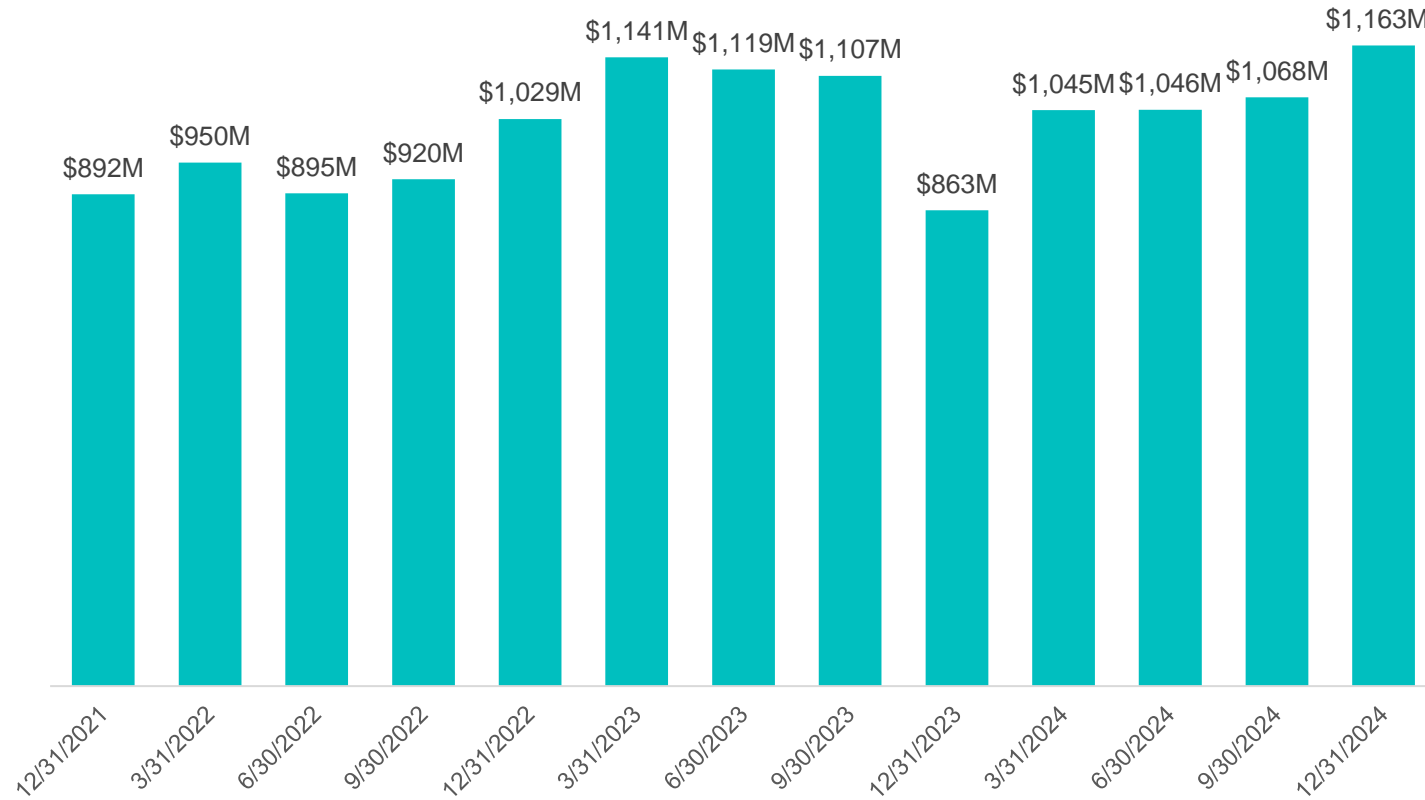


Annual

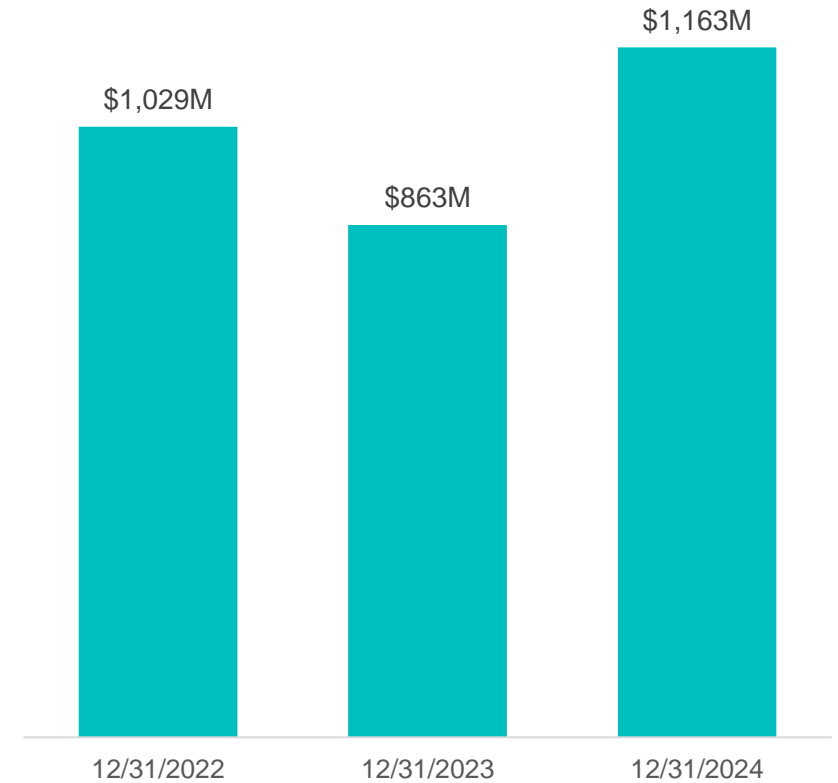


Industry Leading Strong Net Cash Position*

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)

	Q1 2025	FY 2025
Revenue (\$M)	693 – 703	2,918 – 2,938
Revenue Growth YoY at Midpoint	6%	7%
EPS (\$)	2.78 – 2.88	12.13 – 12.33
EPS Growth YoY at Midpoint	10%	10%

*The outlook is provided as of February 20, 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.

Thank You

NICE 😊

Appendix



GAAP and Non-GAAP Income Statement

USD in thousands (except EPS)

	Quarter ended December 31,		Year to date December 31,	
	2024	2023	2024	2023
GAAP revenues	\$ 721,600	\$ 623,192	\$ 2,735,272	\$ 2,377,508
Non-GAAP revenues	\$ 721,600	\$ 623,192	\$ 2,735,272	\$ 2,377,508
GAAP cost of revenue	\$ 232,386	\$ 200,878	\$ 909,524	\$ 768,173
Amortization of acquired intangible assets on cost of cloud	(19,592)	(17,935)	(93,370)	(75,667)
Amortization of acquired intangible assets on cost of product	-	(255)	(410)	(1,021)
Cost of cloud revenue adjustment (1,2)	(3,520)	(4,605)	(12,549)	(10,965)
Cost of services revenue adjustment (1)	(2,966)	(3,142)	(10,472)	(11,906)
Cost of product revenue adjustment (1)	(18)	15	(108)	121
Non-GAAP cost of revenue	\$ 206,290	\$ 174,956	\$ 792,615	\$ 668,735
GAAP gross profit	\$ 489,214	\$ 422,314	\$ 1,825,748	\$ 1,609,335
Gross profit adjustments	26,096	25,922	116,909	99,438
Non-GAAP gross profit	\$ 515,310	\$ 448,236	\$ 1,942,657	\$ 1,708,773
GAAP operating expenses	\$ 334,902	\$ 299,649	\$ 1,279,794	\$ 1,174,108
Research and development (1,2)	(6,461)	(6,997)	(28,822)	(31,402)
Sales and marketing (1,2)	(15,565)	(11,515)	(57,891)	(48,048)
General and administrative (1,2)	(21,628)	(34,588)	(81,042)	(92,291)
Amortization of acquired intangible assets	(6,263)	(3,506)	(22,087)	(15,757)
Valuation adjustment on acquired deferred commission	-	22	24	128
Change in fair value of contingent consideration	3,054	18,258	3,054	18,258
Non-GAAP operating expenses	\$ 288,039	\$ 261,323	\$ 1,093,030	\$ 1,004,996
GAAP financial and other income, net	\$ (16,938)	\$ 2,635	\$ (58,872)	\$ (22,473)
Amortization of discount and loss of extinguishment on debt	(430)	(1,182)	(1,834)	(4,668)
Realized loss on marketable securities, net	-	(12,271)	-	(12,271)
Change in fair value of contingent consideration	-	-	(115)	(817)
Non-GAAP financial and other income, net	\$ (17,368)	\$ (10,818)	\$ (60,821)	\$ (40,229)
GAAP taxes on income	\$ 71,741	\$ 38,378	\$ 162,238	\$ 119,399
Tax adjustments re non-GAAP adjustments	(22,878)	4,464	19,787	41,937
Non-GAAP taxes on income	\$ 48,863	\$ 42,842	\$ 182,025	\$ 161,336

GAAP and Non-GAAP Income Statement (cont.)

USD in thousands (except EPS)

	Quarter ended December 31,		Year to date December 31,	
	2024	2023	2024	2023
GAAP net income	\$ 99,509	\$ 81,652	\$ 442,588	\$ 338,301
Amortization of acquired intangible assets	25,855	21,696	115,867	92,445
Valuation adjustment on acquired deferred commission	-	(22)	(24)	(128)
Share-based compensation (1)	49,720	47,298	187,717	180,504
Acquisition related expenses (2)	438	13,534	3,167	13,987
Amortization of discount and loss of extinguishment on debt	430	1,182	1,834	4,668
Realized loss on marketable securities, net	-	12,271	-	12,271
Change in fair value of contingent consideration	(3,054)	(18,258)	(2,939)	(17,441)
Tax adjustments re non-GAAP adjustments	22,878	(4,464)	(19,787)	(41,937)
Non-GAAP net income	<u>\$ 195,776</u>	<u>\$ 154,889</u>	<u>\$ 728,423</u>	<u>\$ 582,670</u>
GAAP diluted earnings per share	<u>\$ 1.54</u>	<u>\$ 1.24</u>	<u>\$ 6.76</u>	<u>\$ 5.11</u>
Non-GAAP diluted earnings per share	<u>\$ 3.02</u>	<u>\$ 2.36</u>	<u>\$ 11.12</u>	<u>\$ 8.79</u>
Shares used in computing GAAP diluted earnings per share	64,802	65,749	65,506	66,265
Shares used in computing non-GAAP diluted earnings per share	64,802	65,749	65,506	66,265

GAAP and Non-GAAP Income Statement (cont.)

USD in thousands

(1) Share-based Compensation

	Quarter ended December 31,		Year to date December 31,	
	2024	2023	2024	2023
Cost of cloud revenue	\$ 3,520	\$ 4,605	\$ 12,487	\$ 10,965
Cost of services revenue	2,966	3,142	10,472	11,906
Cost of product revenue	18	(15)	108	(121)
Research and development	6,461	6,997	28,492	31,402
Sales and marketing	15,554	11,515	57,230	48,023
General and administrative	21,201	21,054	78,928	78,329
	<u>\$ 49,720</u>	<u>\$ 47,298</u>	<u>\$ 187,717</u>	<u>\$ 180,504</u>

(2) Acquisition related expenses

	Quarter ended December 31,		Year to date December 31,	
	2024	2023	2024	2023
Cost of cloud revenue	\$ -	\$ -	\$ 62	\$ -
Research and development	-	-	330	-
Sales and marketing	11	-	661	25
General and administrative	427	13,534	2,114	13,962
	<u>\$ 438</u>	<u>\$ 13,534</u>	<u>\$ 3,167</u>	<u>\$ 13,987</u>

Non-GAAP EBITDA Reconciliation

USD in thousands

	Quarter ended December 31,		Year to date December 31,	
	2024 Unaudited	2023 Audited	2024 Unaudited	2023 Audited
GAAP net income	\$ 99,509	\$ 81,652	\$ 442,588	\$ 338,301
Non-GAAP adjustments:				
Depreciation and amortization	48,776	41,212	205,020	167,360
Share-based Compensation	48,185	46,170	182,067	176,658
Financial and other expense/ (income), net	(16,938)	2,635	(58,872)	(22,473)
Acquisition related expenses	438	13,534	3,167	13,987
Change in fair value of contingent consideration	(3,054)	(18,258)	(3,054)	(18,258)
Valuation adjustment on acquired deferred commission	-	(22)	(24)	(128)
Taxes on income	71,741	38,378	162,238	119,399
Non-GAAP EBITDA	<u>\$ 248,657</u>	<u>\$ 205,301</u>	<u>\$ 933,130</u>	<u>\$ 774,846</u>

Free Cash Flow Reconciliation

USD in thousands

	Quarter ended		Year to date	
	December 31,		December 31,	
	2024	2023	2024	2023
	Unaudited	Audited	Unaudited	Audited
Free cash flow (a)				
Net cash provided by operating activities	\$ 249,522	\$ 180,496	\$ 832,641	\$ 561,430
Purchase of property and equipment	(7,567)	(6,079)	(34,962)	(29,205)
Capitalization of internal use software costs	(16,819)	(13,868)	(64,805)	(54,974)
Free Cash Flow	<u>\$ 225,136</u>	<u>\$ 160,549</u>	<u>\$ 732,874</u>	<u>\$ 477,251</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

	December 31, 2024	December 31, 2023		December 31, 2024	December 31, 2023
	Unaudited	Audited		Unaudited	Audited
ASSETS			LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash and cash equivalents	\$ 481,712	\$ 511,795	Trade payables	\$ 110,603	\$ 66,036
Short-term investments	1,139,996	896,044	Deferred revenues and advances from customers	299,367	302,649
Trade receivables	643,985	585,154	Current maturities of operating leases	12,554	13,747
Debt hedge option	-	121,922	Debt	458,791	209,229
Prepaid expenses and other current assets	239,080	197,967	Accrued expenses and other liabilities	593,109	528,660
Total current assets	<u>2,504,773</u>	<u>2,312,882</u>	Total current liabilities	<u>1,474,424</u>	<u>1,120,321</u>
LONG-TERM ASSETS:			LONG-TERM LIABILITIES:		
Property and equipment, net	185,292	174,414	Deferred revenues and advances from customers	66,289	52,458
Deferred tax assets	219,232	178,971	Operating leases	92,258	102,909
Other intangible assets, net	231,346	305,501	Deferred tax liabilities	1,965	8,596
Operating lease right-of-use assets	93,083	104,565	Debt	-	457,081
Goodwill	1,849,668	1,821,969	Other long-term liabilities	57,807	21,769
Prepaid expenses and other long-term assets	212,512	219,332	Total long-term liabilities	<u>218,319</u>	<u>642,813</u>
Total long-term assets	<u>2,791,133</u>	<u>2,804,752</u>	SHAREHOLDERS' EQUITY		
TOTAL ASSETS	<u><u>\$ 5,295,906</u></u>	<u><u>\$ 5,117,634</u></u>	Nice Ltd's equity	3,589,742	3,341,132
			Non-controlling interests	13,421	13,368
			Total shareholders' equity	<u>3,603,163</u>	<u>3,354,500</u>
			TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>\$ 5,295,906</u></u>	<u><u>\$ 5,117,634</u></u>