

# Q4 2025 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, 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.



# NiCE

## THE Cloud Leader Powering AI in Three Large Specialized Markets

\*Financial figures for the year ended December 31, 2025.

# FINANCIAL OVERVIEW

Quarterly Results



In a NiCE world

technology works for you



## Q4-25 Financial Highlights

Q4 2025 Results*	Quarterly Results	Change Y/Y
Total Revenue	\$786M	9%
Cloud Revenue	\$608M	14%
Non-GAAP Operating Income	\$244M	7%
Non-GAAP Operating Margin	31.0%	(50 bps)
Non-GAAP EPS	\$3.24	7%

\* Q4 2025 results include the financial performance of Cognigy. Q4 2025 cloud revenue growth increased 12% Y/Y excluding Cognigy.

# FY-25 Financial Highlights

FY 2025 Results*	Annual Results	Change Y/Y
Total Revenue	\$2,945M	8%
Cloud Revenue	\$2,238M	13%
Non-GAAP Operating Income	\$908M	7%
Non-GAAP Operating Margin	30.8%	(20 bps)
Non-GAAP EPS	\$12.30	11%

\* FY 2025 results include the financial performance of Cognigy from the date of the acquisition. FY 2025 cloud revenue growth increased 12% Y/Y excluding Cognigy.

# Q4 2025 Cloud Growth Fueled by AI Adoption and Customer Expansion

**\$328M**

AI & Self-Service  
ARR

**66%**

AI & Self-Service  
ARR YoY Growth

**13%**

AI & Self-Service as  
% of Total Cloud  
Revenue

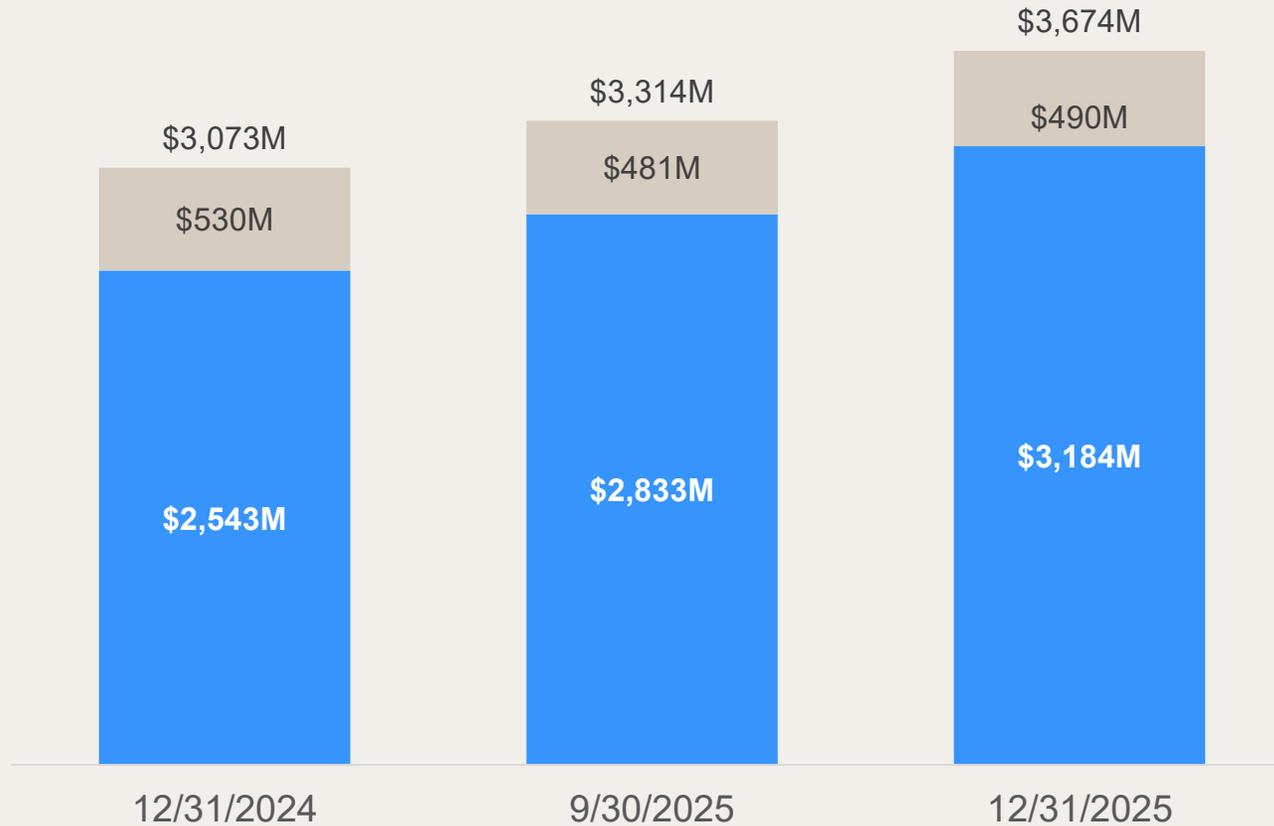
**109%**

LTM Q4/2025  
Cloud NRR

# Strong Cloud Backlog Growth

## NiCE Remaining Performance Obligations

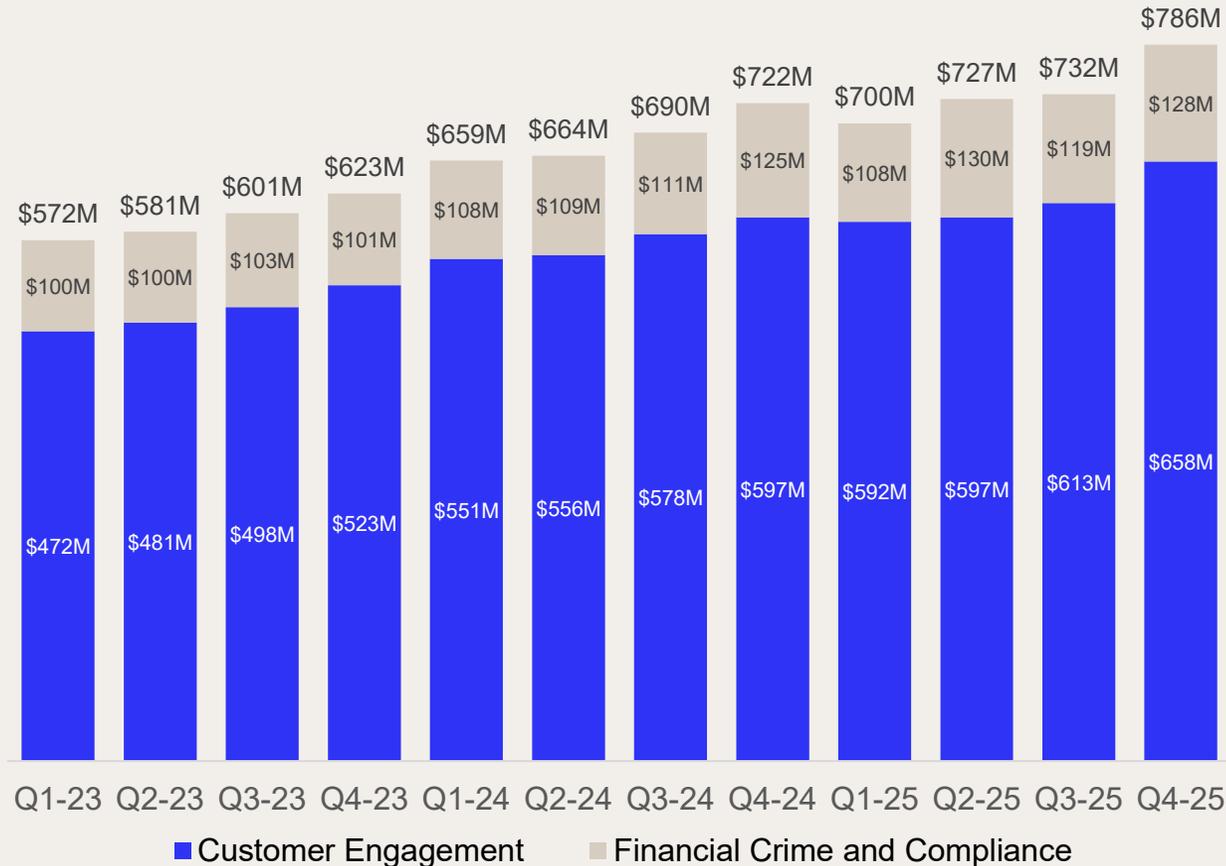
■ Cloud ■ Non-Cloud



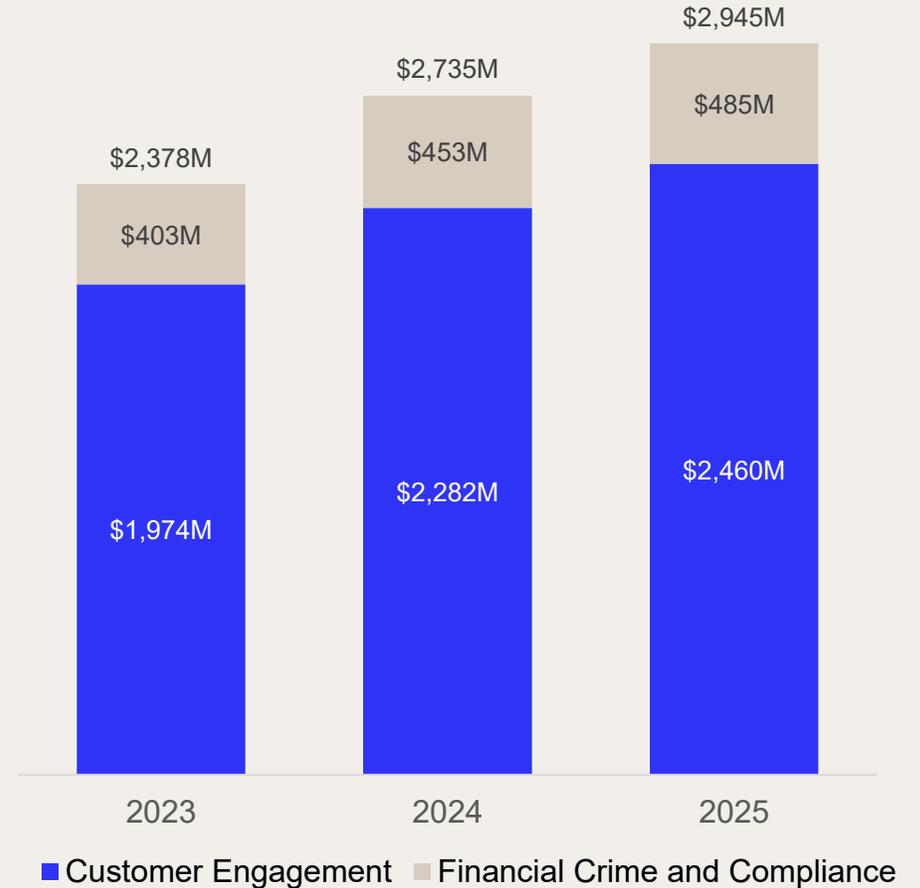
**Cloud Backlog  
+25% YoY**  
+22% YoY  
excluding Cognigy

# Revenue Breakdown by Business Segment

## Quarterly Revenue

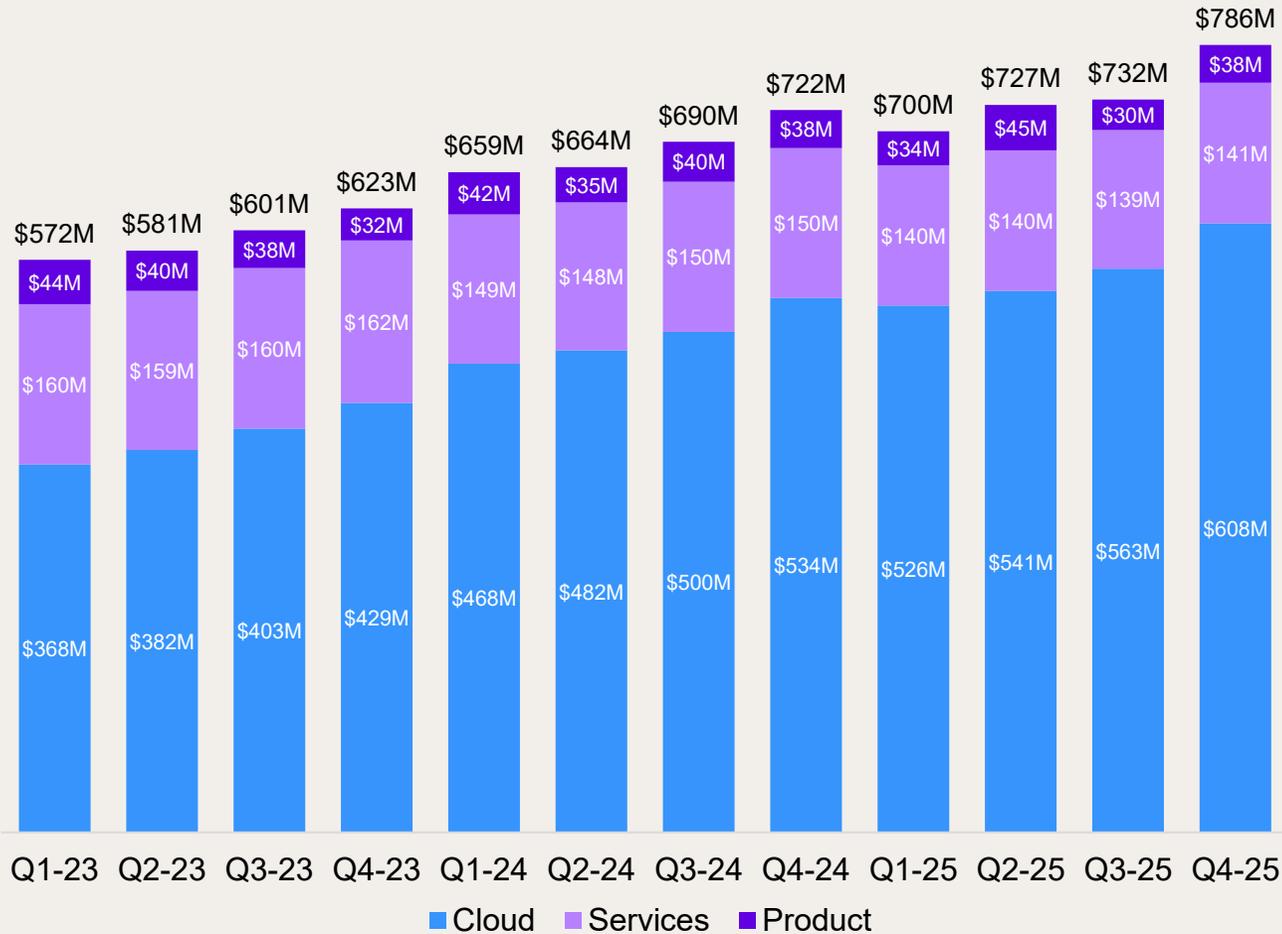


## Annual Revenue

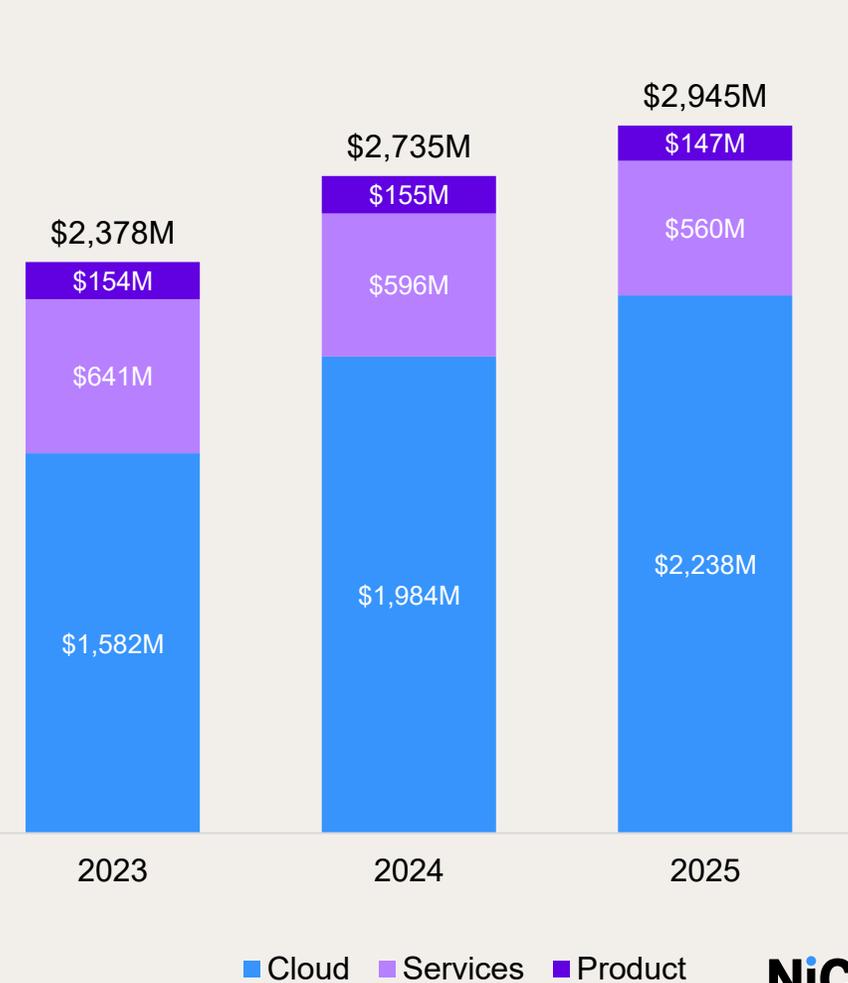


# Revenue Breakdown by Business Model

## Quarterly Revenue

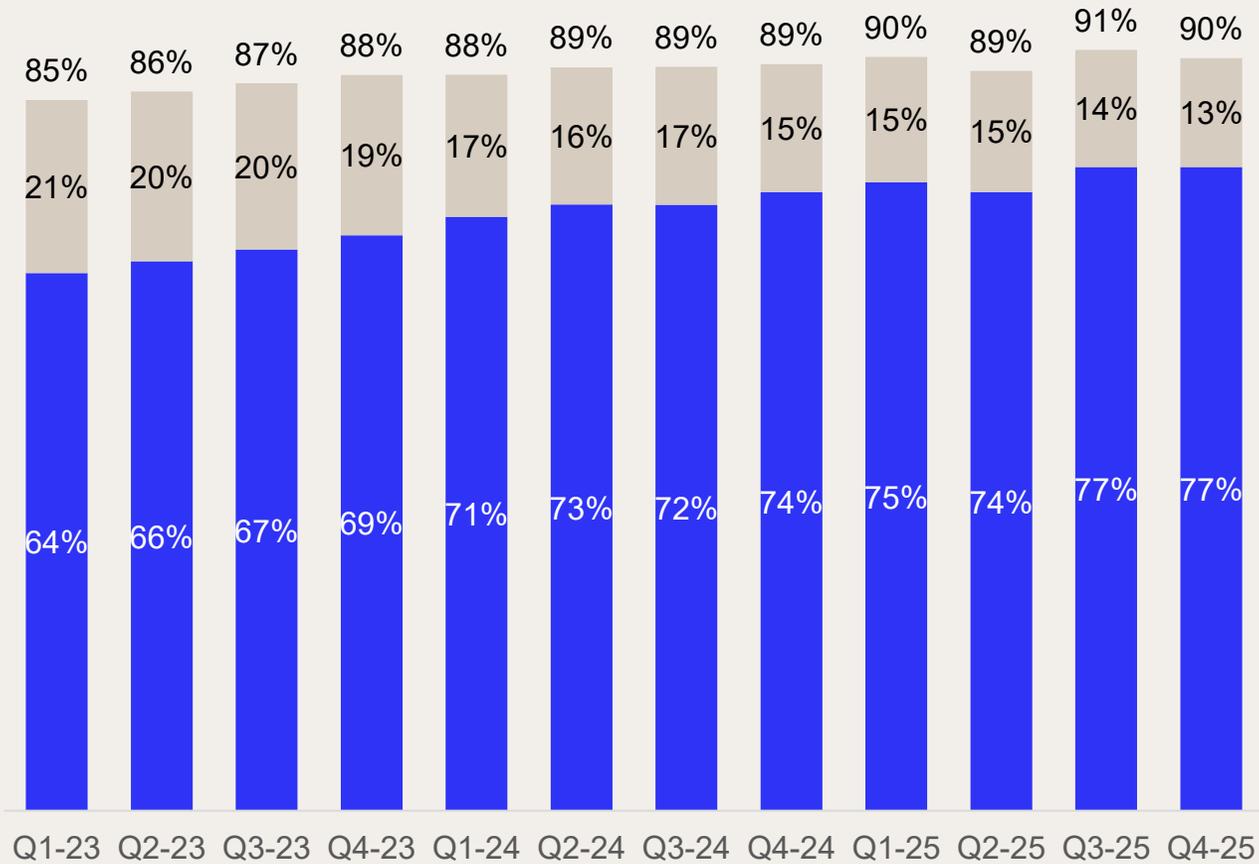


## Annual Revenue



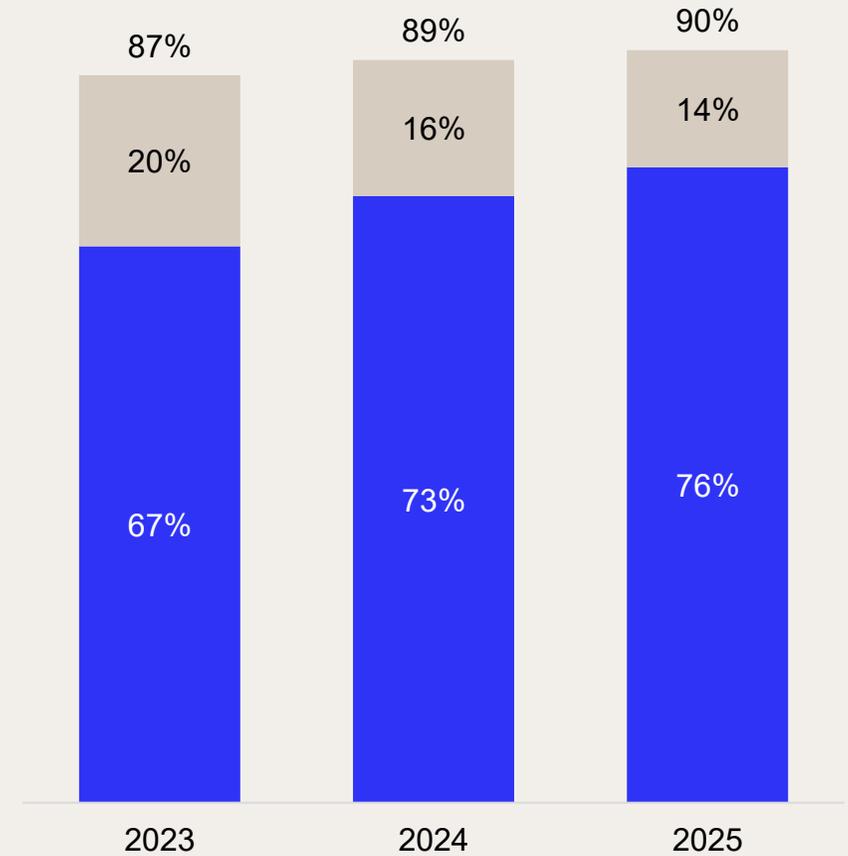
# Recurring Revenue as a Percent of Total Revenue

## Quarterly



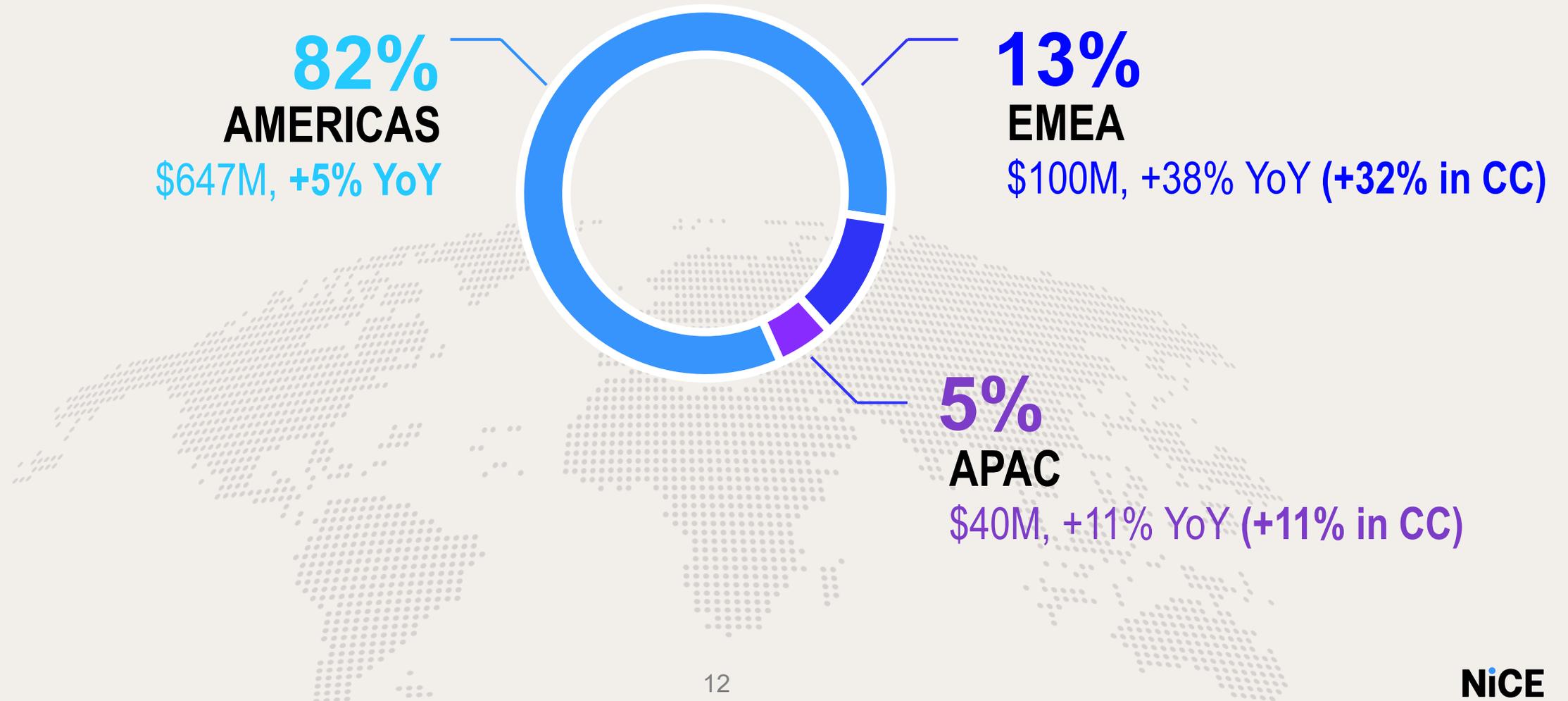
■ Cloud Revenue ■ Non-Cloud Recurring Revenue

## Annual

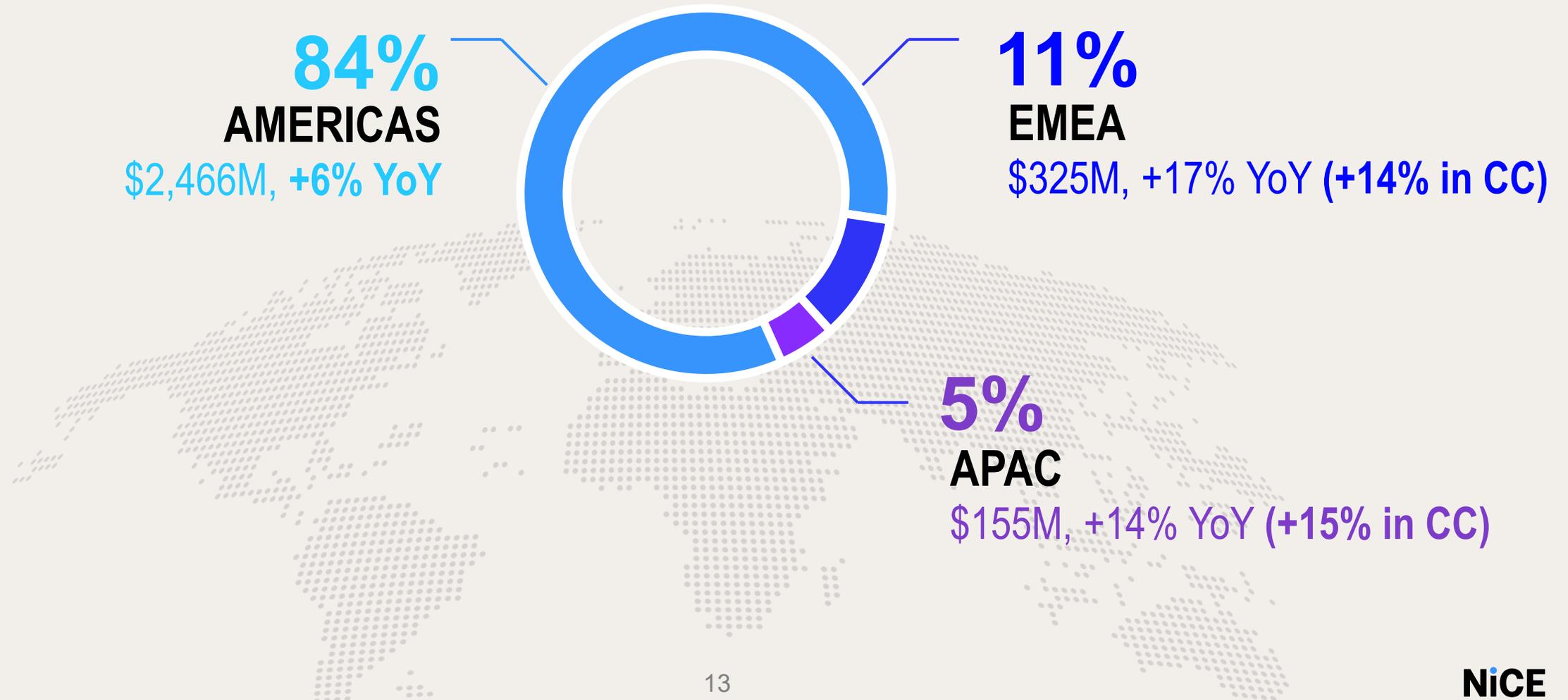


■ Cloud Revenue ■ Non-Cloud Recurring Revenue

# Revenue Breakdown by Geographic Region – Q4 2025

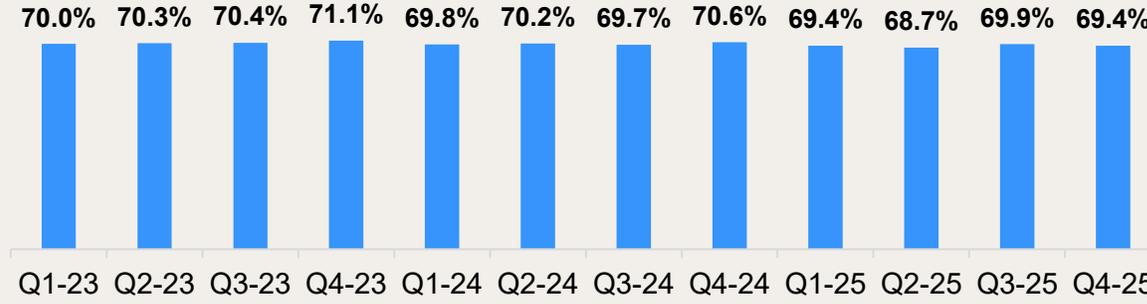


# Revenue Breakdown by Geographic Region – FY 2025

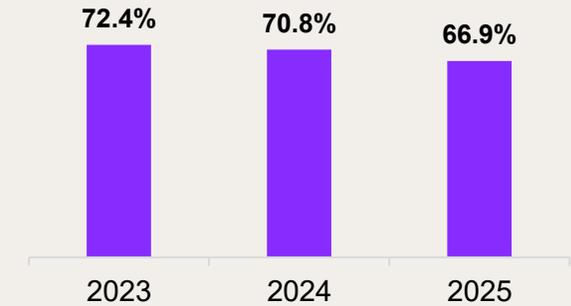
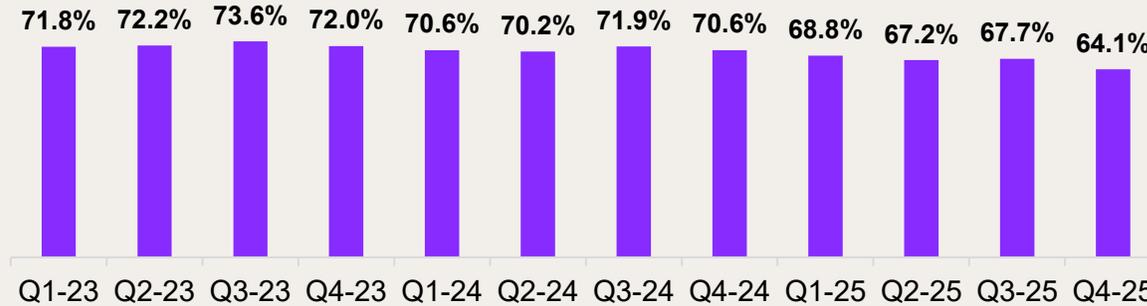


# Healthy Gross Margins (Non-GAAP)

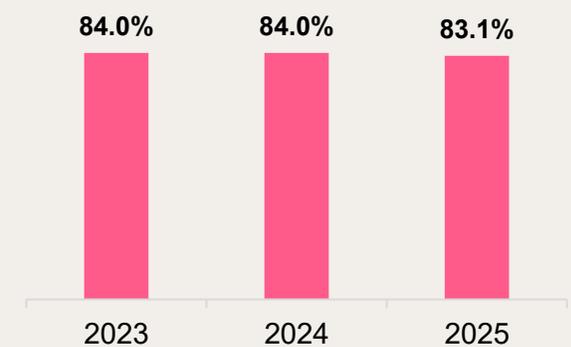
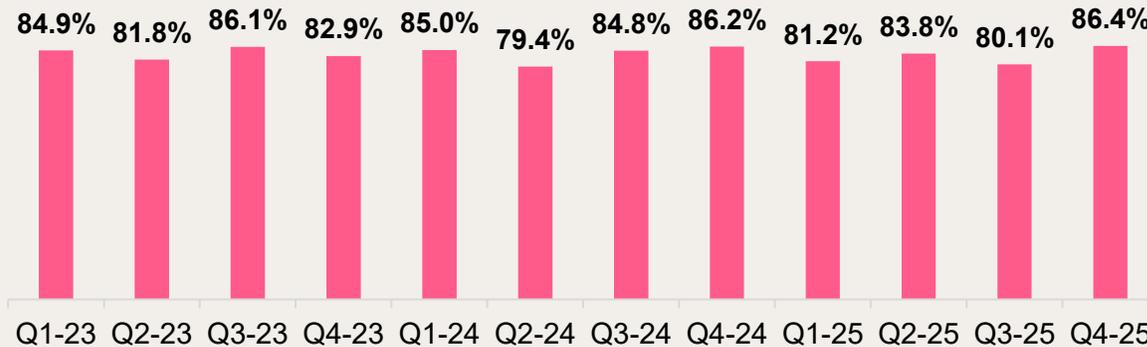
## Cloud GM



## Services GM

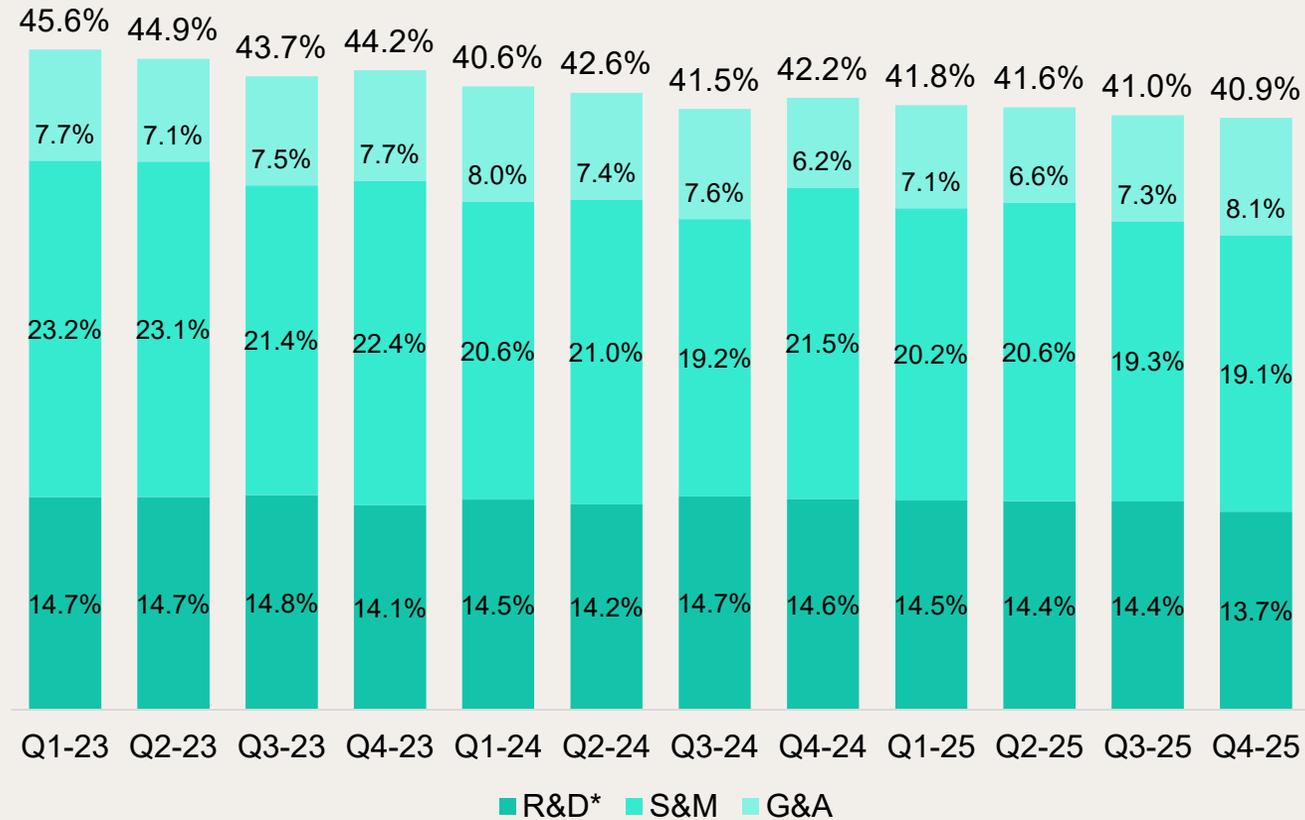


## Product GM

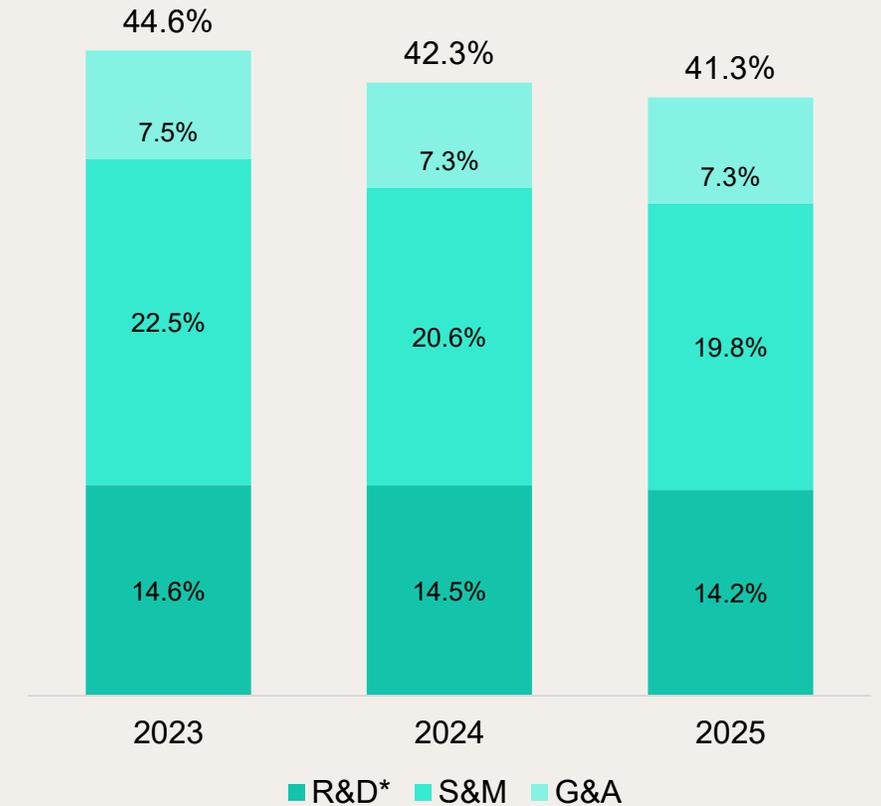


# Non-GAAP Operating Expenses as a Percent of Total Revenue

## Quarterly



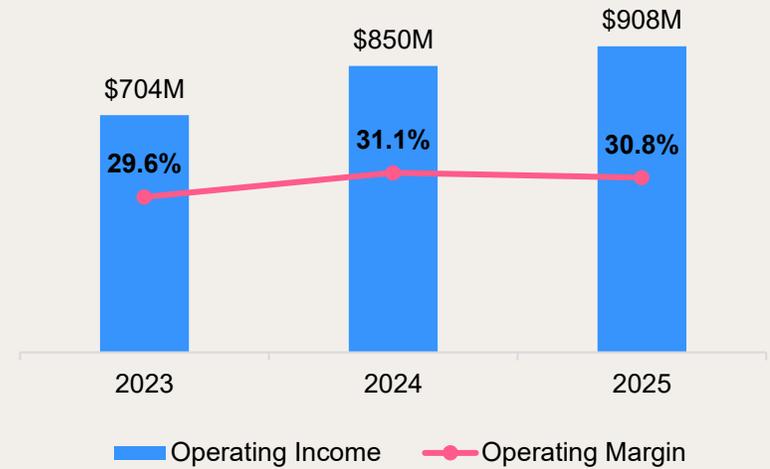
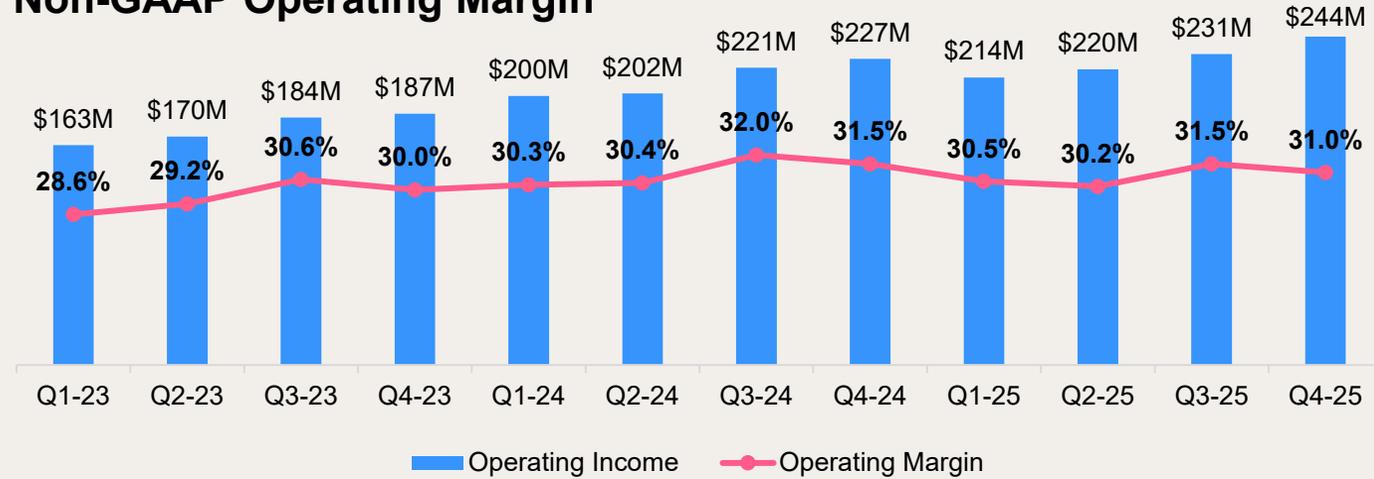
## Annual



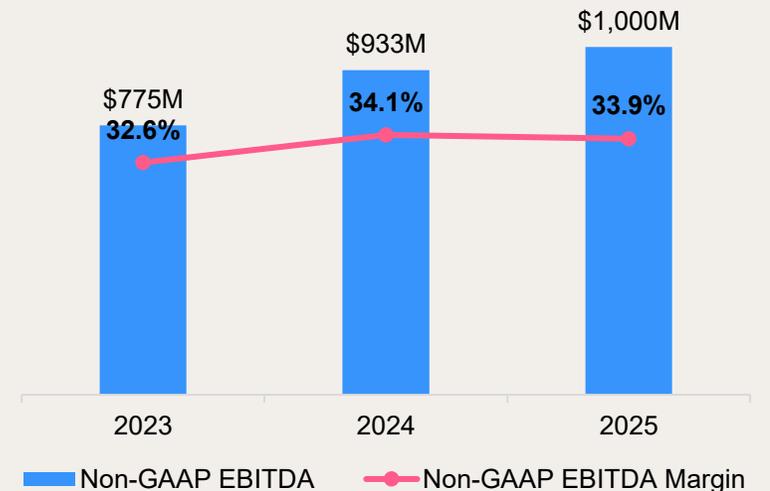
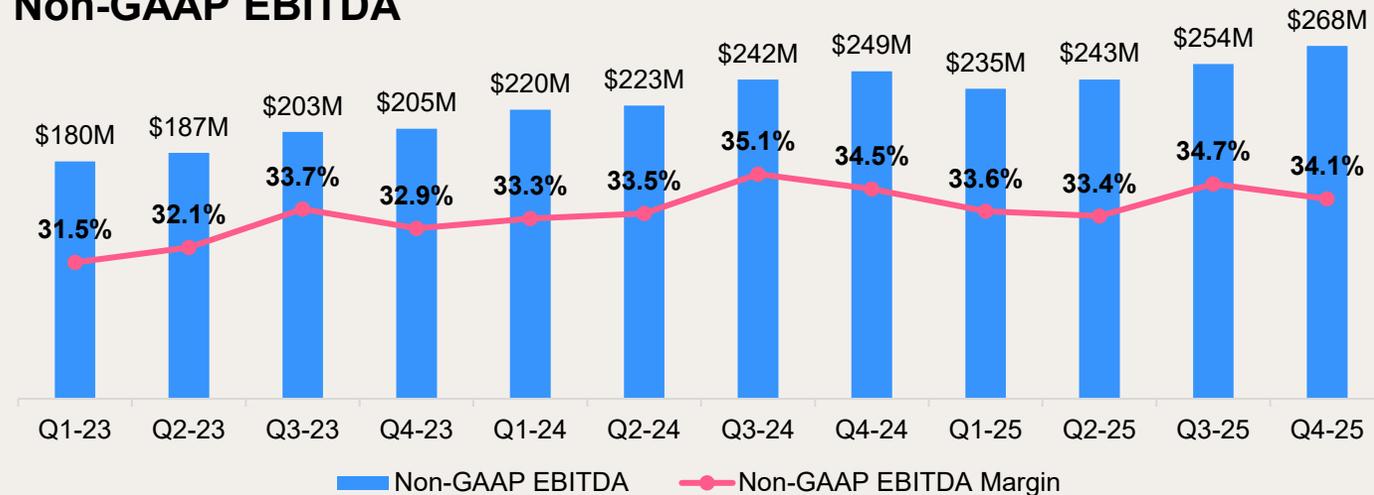
\* R&D including capitalization

# Strong Operating Profitability

## Non-GAAP Operating Margin

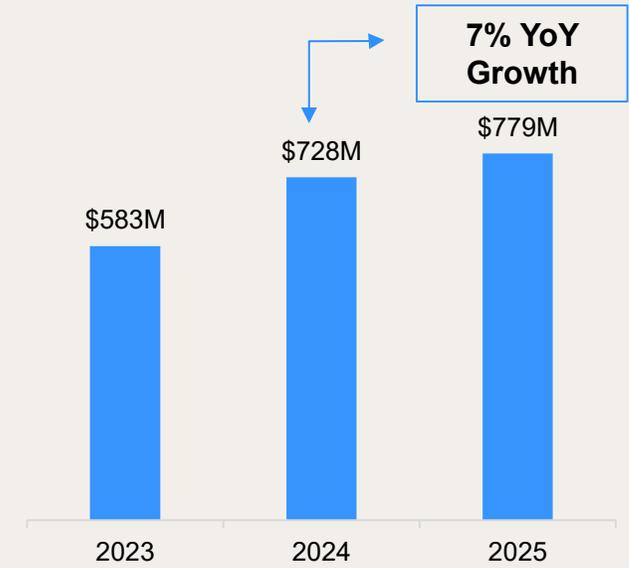
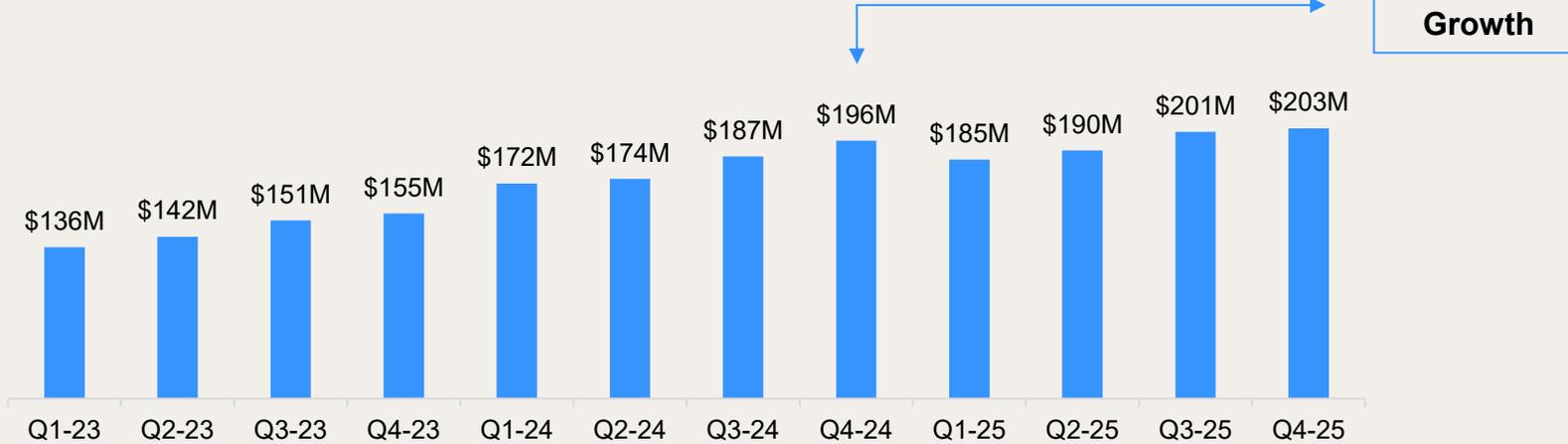


## Non-GAAP EBITDA

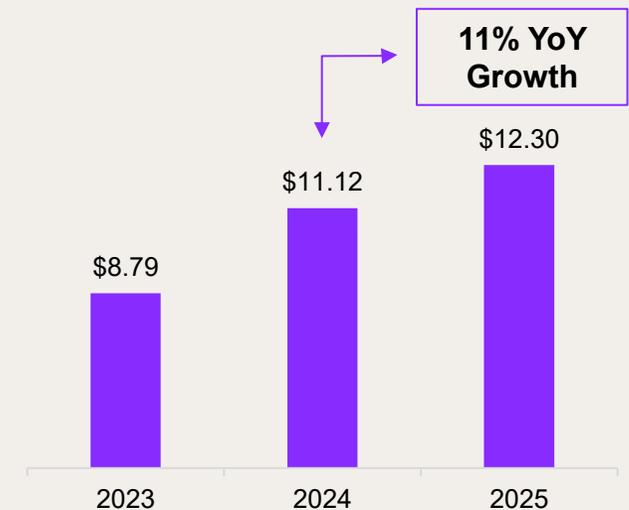


# Non-GAAP Net Income and EPS Reflect NICE's Financial Strength

## Non-GAAP Net Income



## Non-GAAP EPS

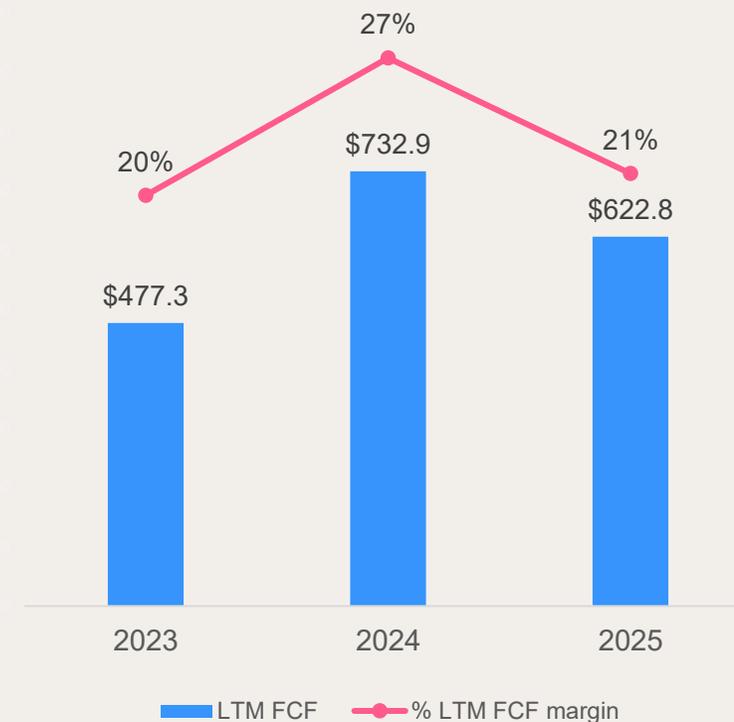


# Healthy Cash From Operations and Free Cash Flow



\$M	FY 2025	FY 2024
Operating Cash Flow	716.5	832.6
Capital expenditure of property and equipment	(18.9)	(35.0)
Capitalization of software development	(74.8)	(64.8)
<b>Free cash flow</b>	<b>622.8</b>	<b>732.9</b>
Free cash flow margin	21.1%	26.8%
Cash conversion rate *	0.8	1.0

### Annual Free Cash Flow and Margin

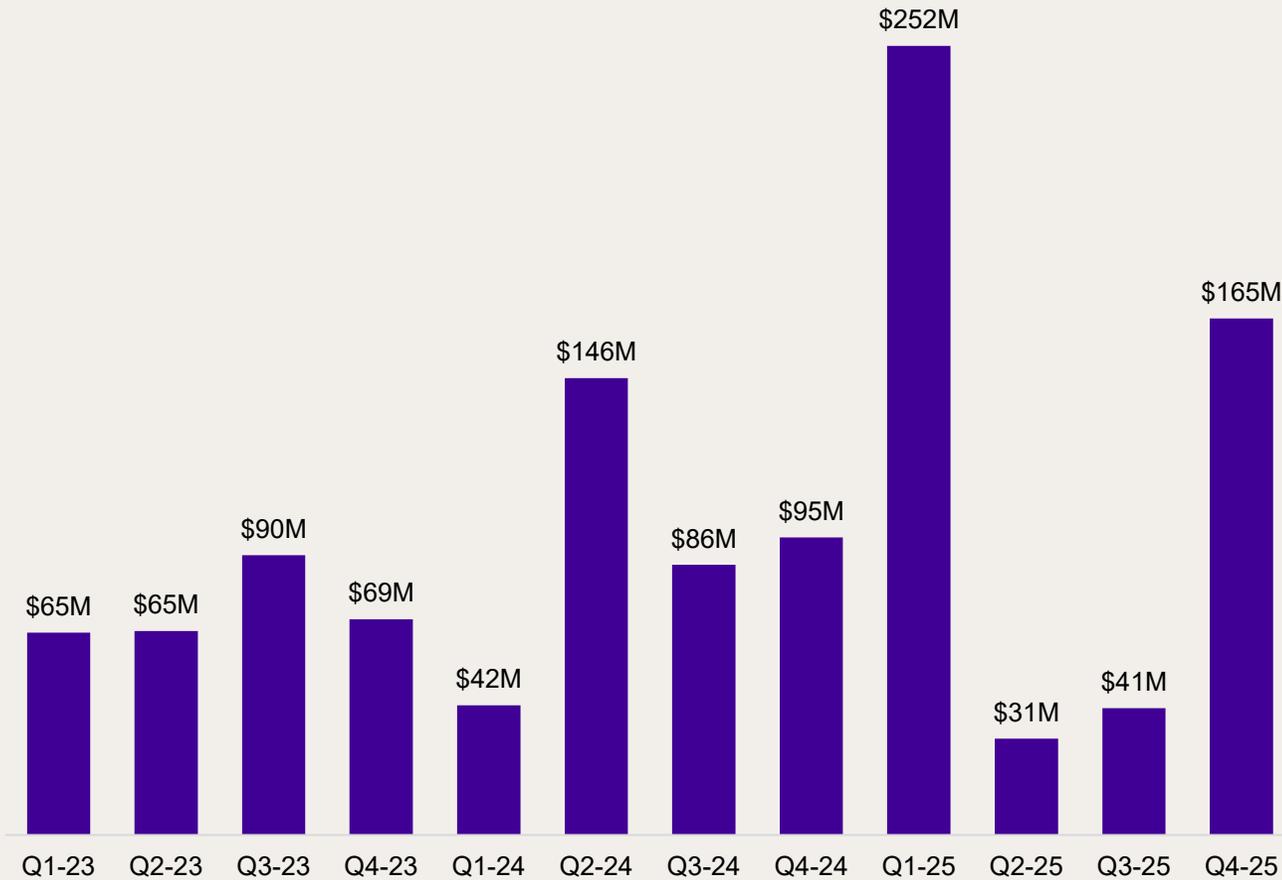


\* Cash Conversion Rate = (Free Cash Flow / Non-GAAP Net Income)

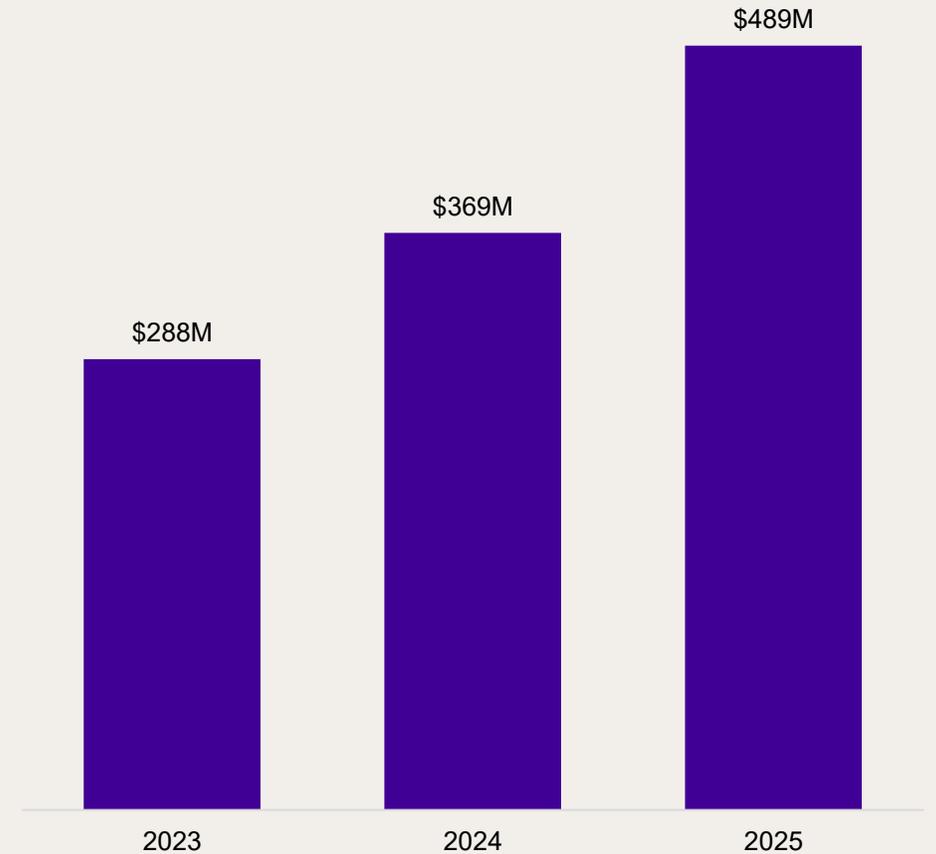
# Executing on Share Repurchase Plan



## Quarterly

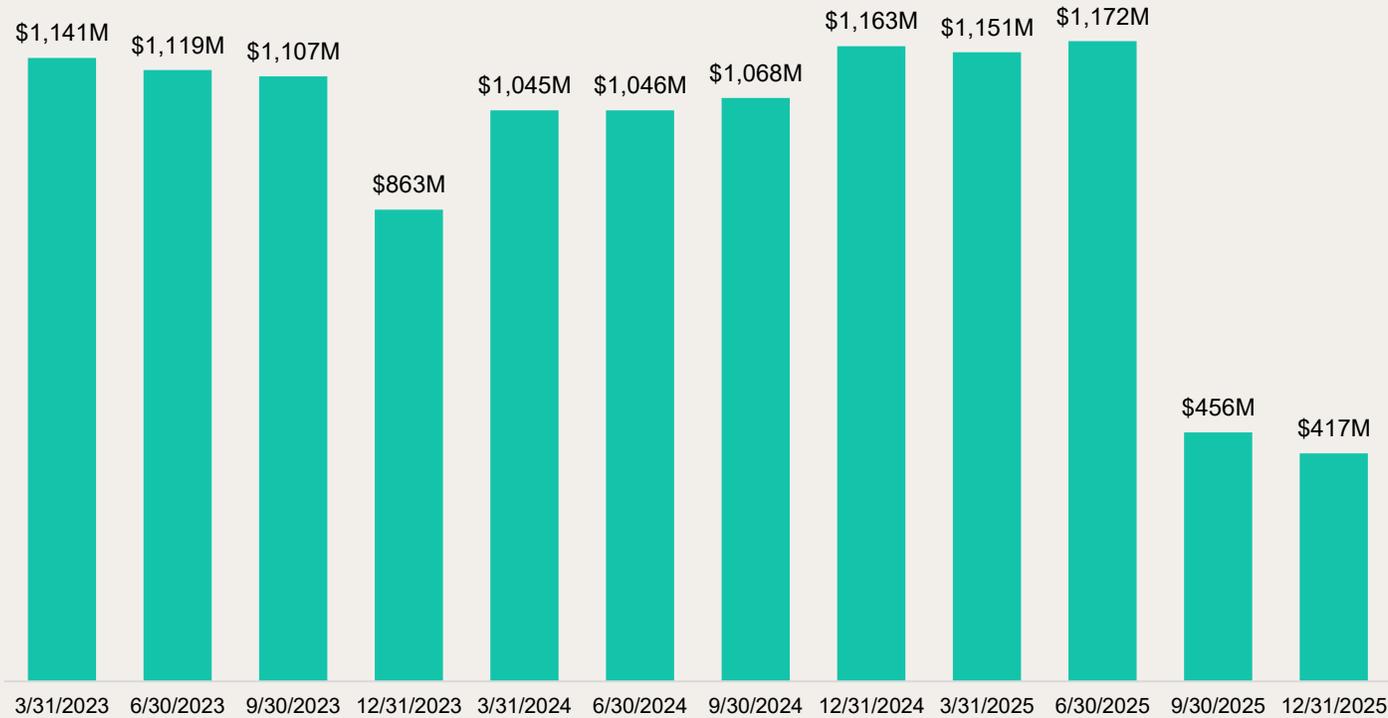


## Annual

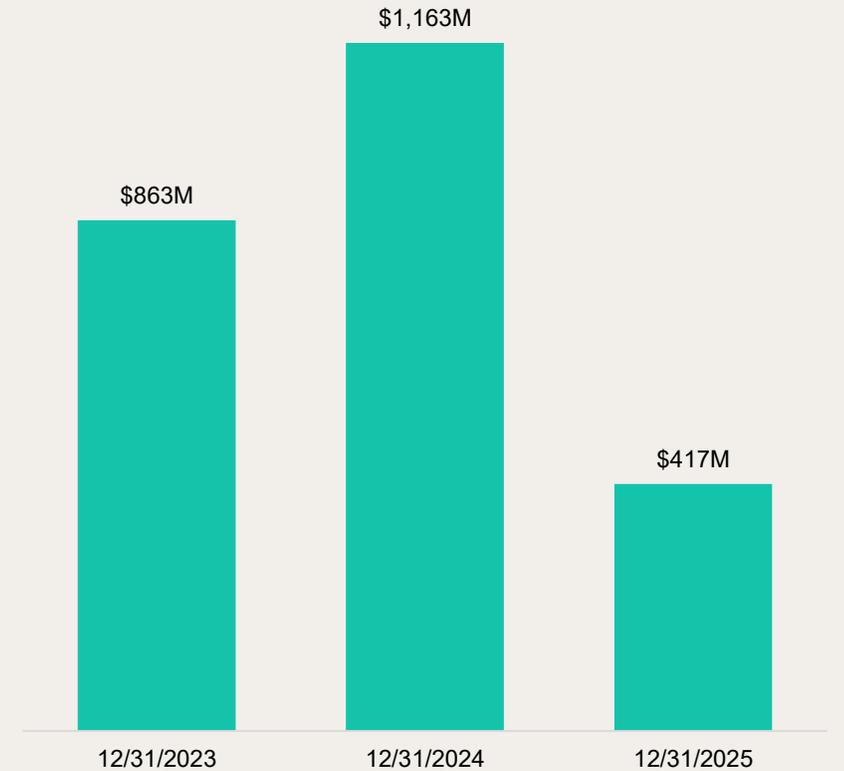


# Net Cash Position\*

## Quarterly



## Annual



Net cash and investments = cash, cash equivalents and short-term investments less total debt net of debt hedge option asset  
 Ending cash balance reflects the Cognigy acquisition, closed in September 2025, and related acquisition and debt repayment activities.

# Outlook\* (Non-GAAP)

	Q1 2026	FY 2026
Revenue	\$755 – \$765M	\$3,170 – \$3,190M
EPS	\$2.45 – \$2.55	\$10.85 – \$11.05

\*The outlook is provided as of February 19, 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.

# Appendix

A man and a woman in business attire are sitting at a wooden table in a modern office setting. 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 blue blazer over a light blue shirt. She is smiling and looking at the laptop screen. The laptop is open on the table. In the foreground, there is a small potted plant and a white container with pens. The background is a blurred office environment with wooden walls and a hanging lamp.



# GAAP and Non-GAAP Income Statement

USD in thousands (except EPS)

	Quarter ended December 31,		Year to date December 31,	
	2025	2024	2025	2024
GAAP revenues	\$ 786,496	\$ 721,600	\$ 2,945,399	\$ 2,735,272
Non-GAAP revenues	\$ 786,496	\$ 721,600	\$ 2,945,399	\$ 2,735,272
GAAP cost of revenue	\$ 272,643	\$ 232,386	\$ 989,254	\$ 909,524
Amortization of acquired intangible assets on cost of cloud	(27,151)	(19,592)	(72,933)	(93,370)
Amortization of acquired intangible assets on cost of product	-	-	-	(410)
Cost of cloud revenue adjustment (1,2)	(2,211)	(3,520)	(11,592)	(12,549)
Cost of services revenue adjustment (1)	(1,725)	(2,966)	(8,852)	(10,472)
Cost of product revenue adjustment (1)	58	(18)	(7)	(108)
Non-GAAP cost of revenue	\$ 241,614	\$ 206,290	\$ 895,870	\$ 792,615
GAAP gross profit	\$ 513,853	\$ 489,214	\$ 1,956,145	\$ 1,825,748
Gross profit adjustments	31,029	26,096	93,384	116,909
Non-GAAP gross profit	\$ 544,882	\$ 515,310	\$ 2,049,529	\$ 1,942,657
GAAP operating expenses	\$ 337,630	\$ 334,902	\$ 1,310,387	\$ 1,279,794
Research and development (1,2)	(3,879)	(6,461)	(16,512)	(28,822)
Sales and marketing (1,2)	(8,610)	(15,565)	(50,739)	(57,891)
General and administrative (1,2)	(14,771)	(21,628)	(73,722)	(81,042)
Amortization of acquired intangible assets	(9,293)	(6,263)	(27,801)	(22,087)
Valuation adjustment on acquired deferred commission	-	-	-	24
Change in fair value of contingent consideration	-	3,054	-	3,054
Non-GAAP operating expenses	\$ 301,077	\$ 288,039	\$ 1,141,613	\$ 1,093,030
GAAP financial and other income, net	\$ (6,453)	\$ (16,938)	\$ (58,259)	\$ (58,872)
Amortization of discount on debt	-	(430)	(1,210)	(1,834)
Realized gain on marketable securities, net	-	-	4,463	(115)
Non-GAAP financial and other income, net	\$ (6,453)	\$ (17,368)	\$ (55,006)	\$ (60,821)
GAAP taxes on income	\$ 32,122	\$ 71,741	\$ 91,916	\$ 162,238
Tax adjustments re non-GAAP adjustments	15,429	(22,878)	92,192	19,787
Non-GAAP taxes on income	\$ 47,551	\$ 48,863	\$ 184,108	\$ 182,025



# GAAP and Non-GAAP Income Statement (cont.)

USD in thousands (except EPS)

	Quarter ended December 31,		Year to date December 31,	
	2025	2024	2025	2024
GAAP net income	\$ 150,554	\$ 99,509	\$ 612,101	\$ 442,588
Amortization of acquired intangible assets	36,444	25,855	100,734	115,867
Valuation adjustment on acquired deferred commission	-	-	-	(24)
Share-based compensation (1)	31,138	49,720	152,358	187,717
Acquisition related expenses (2)	-	438	9,066	3,167
Amortization of discount on debt	-	430	1,210	1,834
Realized gain on marketable securities, net	-	-	(4,463)	-
Change in fair value of contingent consideration	-	(3,054)	-	(2,939)
Tax adjustments re non-GAAP adjustments	(15,429)	22,878	(92,192)	(19,787)
Non-GAAP net income	<u>\$ 202,707</u>	<u>\$ 195,776</u>	<u>\$ 778,814</u>	<u>\$ 728,423</u>
GAAP diluted earnings per share	<u>\$ 2.41</u>	<u>\$ 1.54</u>	<u>\$ 9.67</u>	<u>\$ 6.76</u>
Non-GAAP diluted earnings per share	<u>\$ 3.24</u>	<u>\$ 3.02</u>	<u>\$ 12.30</u>	<u>\$ 11.12</u>
Shares used in computing GAAP diluted earnings per share	62,576	64,802	63,323	65,506
Shares used in computing non-GAAP diluted earnings per share	62,576	64,802	63,323	65,506

# GAAP and Non-GAAP Income Statement (cont.)

USD in thousands



(1) Share-based compensation

	Quarter ended December 31,		Year to date December 31,	
	2025	2024	2025	2024
Cost of cloud revenue	\$ 2,211	\$ 3,520	\$ 11,592	\$ 12,487
Cost of services revenue	1,725	2,966	8,852	10,472
Cost of product revenue	(58)	18	7	108
Research and development	3,879	6,461	16,512	28,492
Sales and marketing	8,610	15,554	50,729	57,230
General and administrative	14,771	21,201	64,666	78,928
	<u>\$ 31,138</u>	<u>\$ 49,720</u>	<u>\$ 152,358</u>	<u>\$ 187,717</u>

(2) Acquisition related expenses

	Quarter ended December 31,		Year to date December 31,	
	2025	2024	2025	2024
Cost of cloud revenue	\$ -	\$ -	\$ -	\$ 62
Research and development	-	-	-	330
Sales and marketing	-	11	10	661
General and administrative	-	427	9,056	2,114
	<u>\$ -</u>	<u>\$ 438</u>	<u>\$ 9,066</u>	<u>\$ 3,167</u>



# Non-GAAP EBITDA Reconciliation

USD in thousands

	Quarter ended December 31,		Year to date December 31,	
	2025 Unaudited	2024 Audited	2025 Unaudited	2024 Audited
GAAP net income	\$ 150,554	\$ 99,509	\$ 612,101	\$ 442,588
Non-GAAP adjustments:				
Depreciation and amortization	62,073	48,776	199,044	205,020
Share-based compensation	29,565	48,185	146,046	182,067
Financial and other income, net	(6,453)	(16,938)	(58,259)	(58,872)
Acquisition related expenses	-	438	9,066	3,167
Change in fair value of contingent consideration	-	(3,054)	-	(3,054)
Valuation adjustment on acquired deferred commission	-	-	-	(24)
Taxes on income	32,122	71,741	91,916	162,238
Non-GAAP EBITDA	<u>\$ 267,861</u>	<u>\$ 248,657</u>	<u>\$ 999,914</u>	<u>\$ 933,130</u>



# Free Cash Flow Reconciliation

USD in thousands

	Quarter ended December 31,		Year to date December 31,	
	2025 Unaudited	2024 Audited	2025 Unaudited	2024 Audited
Net cash provided by operating activities	\$ 179,656	\$ 249,522	\$ 716,549	\$ 832,641
Purchase of property and equipment	(3,416)	(7,567)	(18,920)	(34,962)
Capitalization of internal use software costs	(20,262)	(16,819)	(74,828)	(64,805)
Free Cash Flow (a)	<u>\$ 155,978</u>	<u>\$ 225,136</u>	<u>\$ 622,801</u>	<u>\$ 732,874</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, 2025	December 31, 2024		December 31, 2025	December 31, 2024
	Unaudited	Audited		Unaudited	Audited
<b>ASSETS</b>			<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT ASSETS:</b>			<b>CURRENT LIABILITIES:</b>		
Cash and cash equivalents	\$ 379,388	\$ 481,712	Trade payables	\$ 100,782	\$ 110,603
Short-term investments	38,010	1,139,996	Deferred revenues and advances from customers	303,911	299,367
Trade receivables	737,954	643,985	Current maturities of operating leases	13,742	12,554
Prepaid expenses and other current assets	<u>223,780</u>	<u>239,080</u>	Debt	-	458,791
Total current assets	<u>1,379,132</u>	<u>2,504,773</u>	Accrued expenses and other liabilities	<u>469,192</u>	<u>593,109</u>
			Total current liabilities	<u>887,627</u>	<u>1,474,424</u>
<b>LONG-TERM ASSETS:</b>			<b>LONG-TERM LIABILITIES:</b>		
Property and equipment, net	189,395	185,292	Deferred revenues and advances from customers	61,392	66,289
Deferred tax assets	198,213	219,232	Operating leases	75,059	92,258
Other intangible assets, net	587,599	231,346	Deferred tax liabilities	109,993	1,965
Operating lease right-of-use assets	78,064	93,083	Other long-term liabilities	<u>95,431</u>	<u>57,807</u>
Goodwill	2,440,532	1,849,668	Total long-term liabilities	<u>341,875</u>	<u>218,319</u>
Prepaid expenses and other long-term assets	<u>233,095</u>	<u>212,512</u>			
Total long-term assets	<u>3,726,898</u>	<u>2,791,133</u>	<b>SHAREHOLDERS' EQUITY</b>		
<b>TOTAL ASSETS</b>	<u><u>\$ 5,106,030</u></u>	<u><u>\$ 5,295,906</u></u>	Nice Ltd's equity	3,876,528	3,589,742
			Non-controlling interests	-	<u>13,421</u>
			Total shareholders' equity	<u>3,876,528</u>	<u>3,603,163</u>
			<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u><u>\$ 5,106,030</u></u>	<u><u>\$ 5,295,906</u></u>