Q2 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 and divestiture 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.

25K Customers

>85% Fortune 100 Customers

>150 Countries

>9,600 Employees

>3,500 R&D Professionals

$3.1B Total Revenue*

$2.4B Cloud Revenue*

$2.8B Recurring Revenue*

$672M Cash from Operations*

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

**Financial figures for the last 12 months ended June 30, 2026.*

FINANCIAL OVERVIEW

Quarterly Results

In a NiCE world

technology works for you

Q2-26 Performance vs. Guidance

	Guidance Range	Actual
Total Revenue	$761M - $771M	$782M
Non-GAAP EPS	$2.60 - $2.70	$2.70

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Q2-26 Financial Highlights

Q2 2026 Results*	Quarterly Results	Change Y/Y
Total Revenue	$782M	7.6%
Cloud Revenue	$609M	12.6%
Non-GAAP Operating Income	$198M	(9.9%)
Non-GAAP Operating Margin	25.3%	(500 bps)
Non-GAAP EPS	$2.70	(10.3%)

* Q2 2026 results include the financial performance of Cognigy. Q2 2026 cloud revenue includes ~250 bps contribution from Cognigy.

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Q2 2026 Cloud Growth Fueled by AI Adoption and Customer Expansion

$362M	52%	15%	106%
AI & Self-Service ARR	AI & Self-Service ARR YoY Growth	AI & Self-Service as % of Total Cloud Revenue	LTM Q2/2026 Cloud NRR

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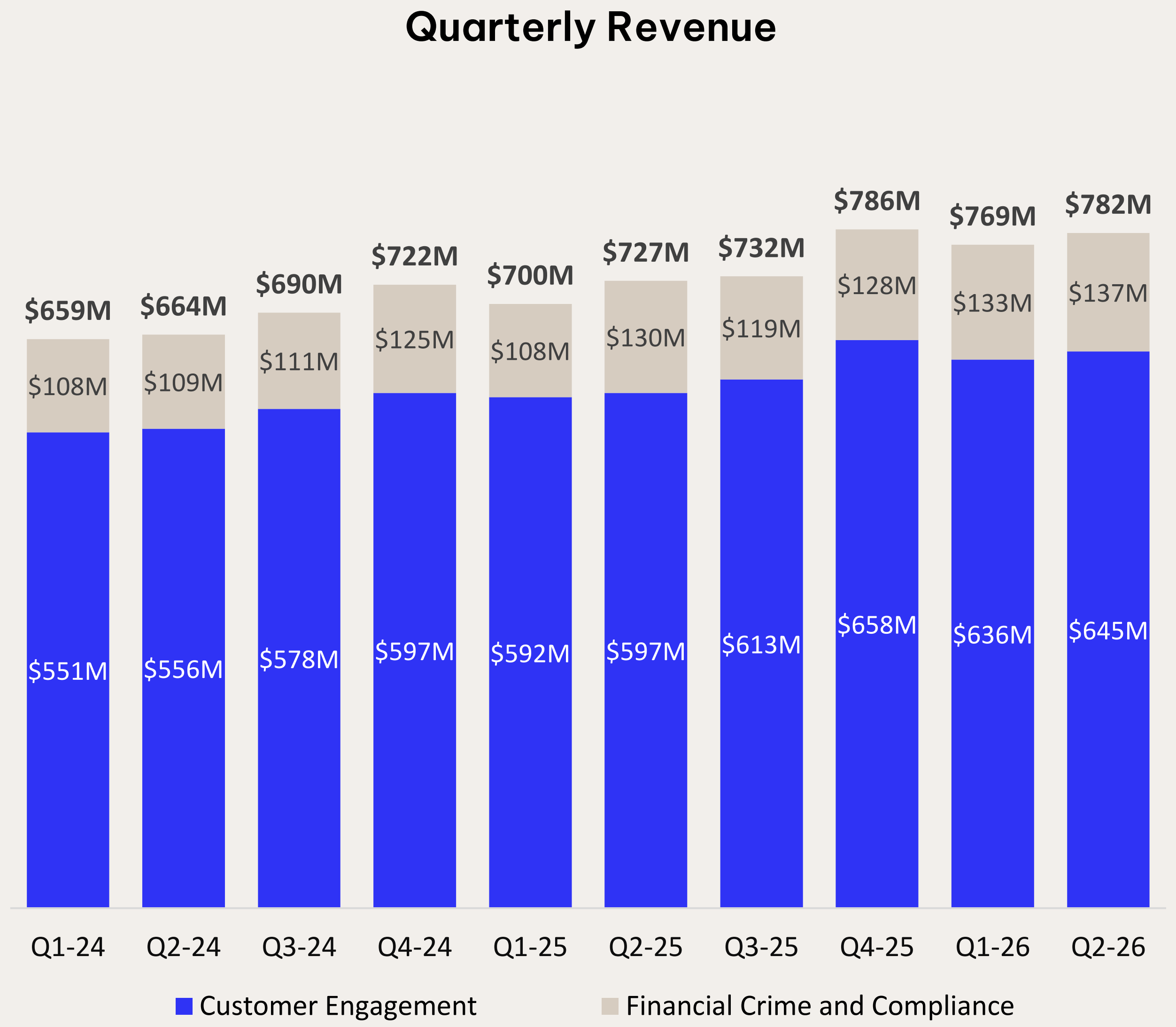
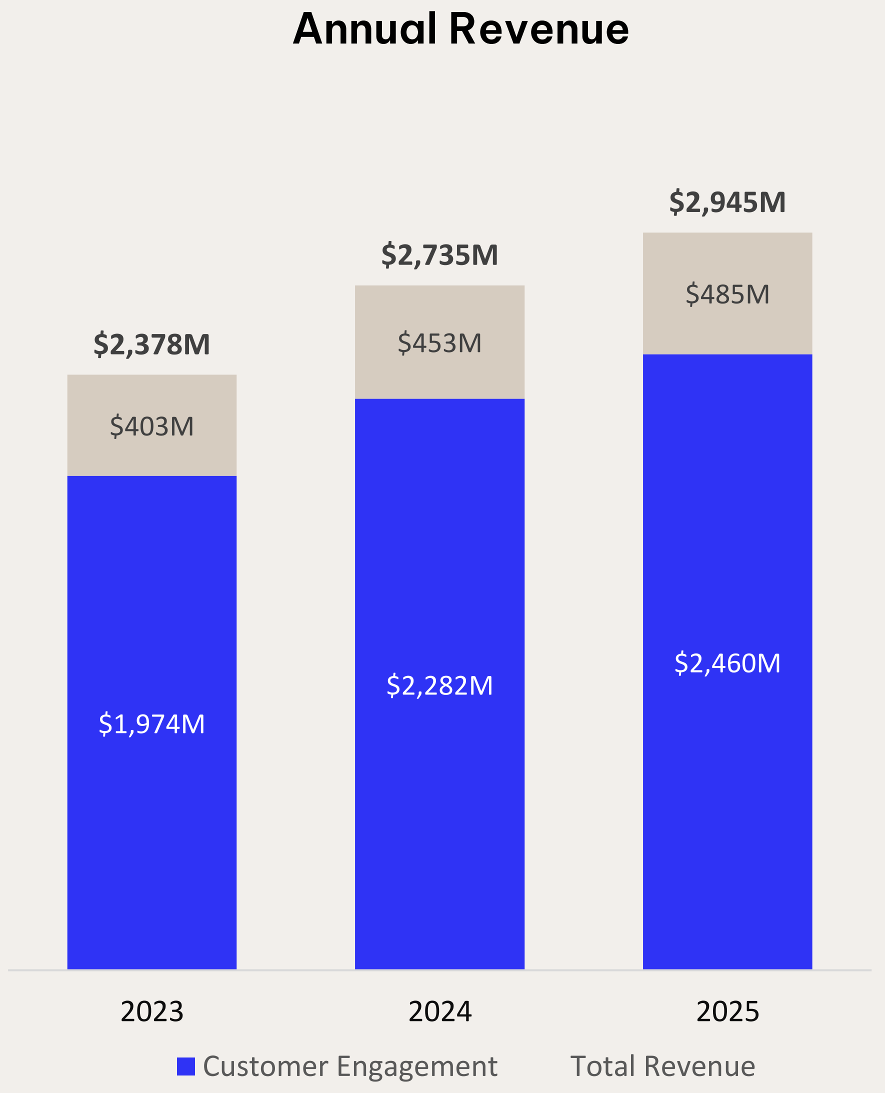
Revenue Breakdown by Business Segment





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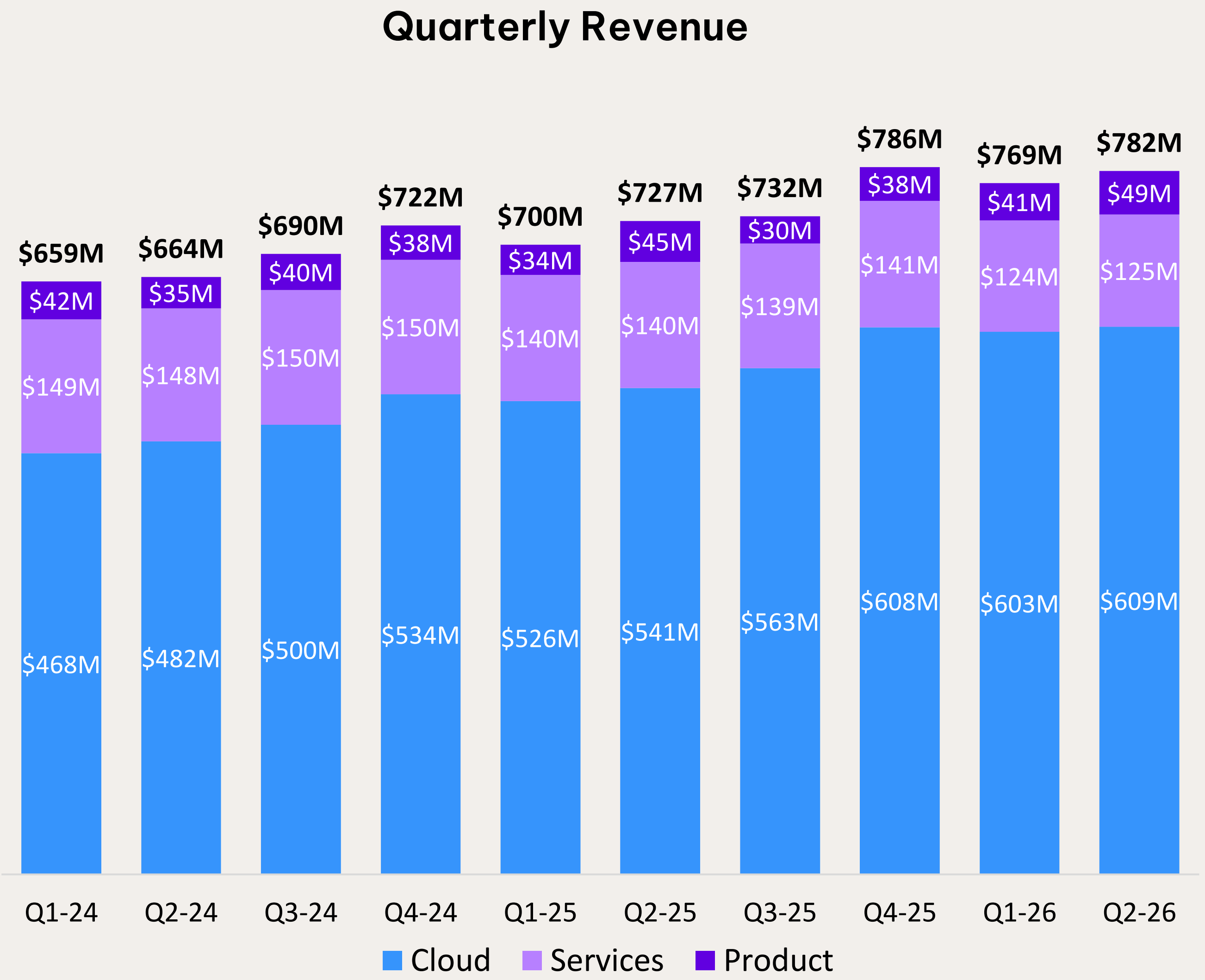
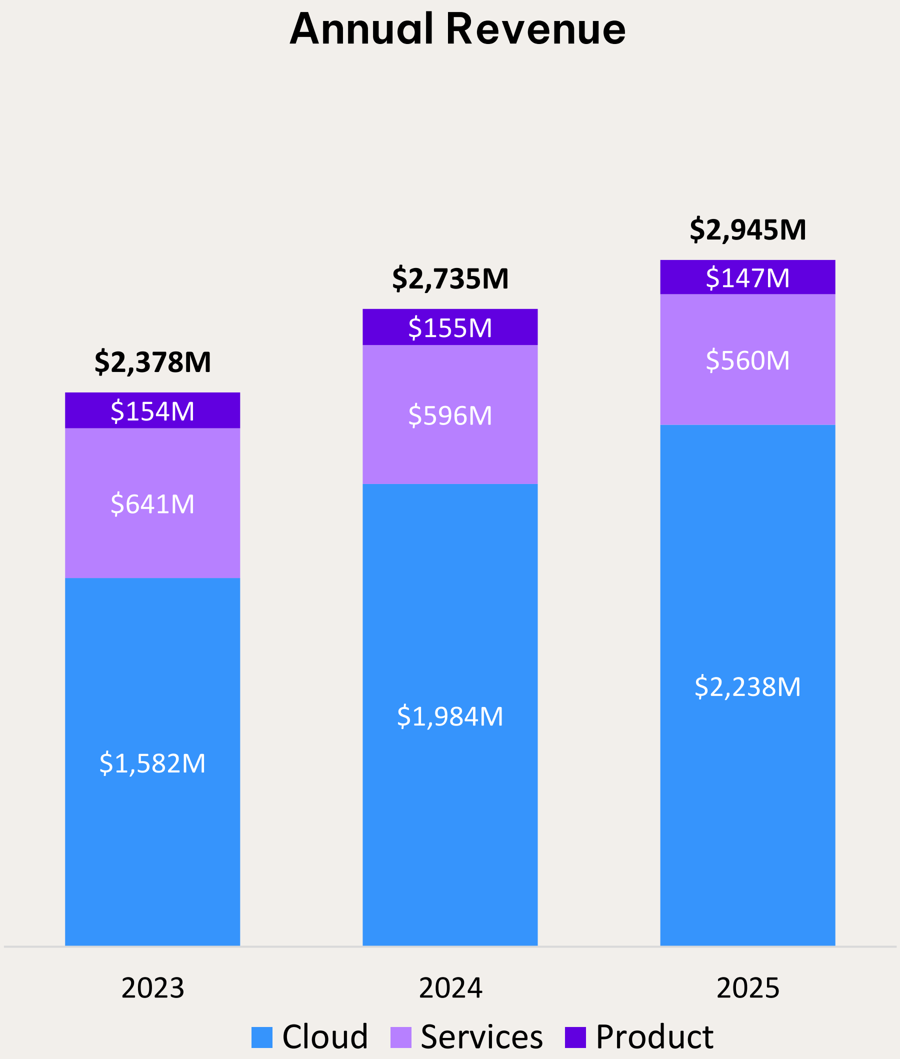
Revenue Breakdown by Business Model





Note: Figures may not sum due to rounding. See Company's financial statements for unrounded figures.

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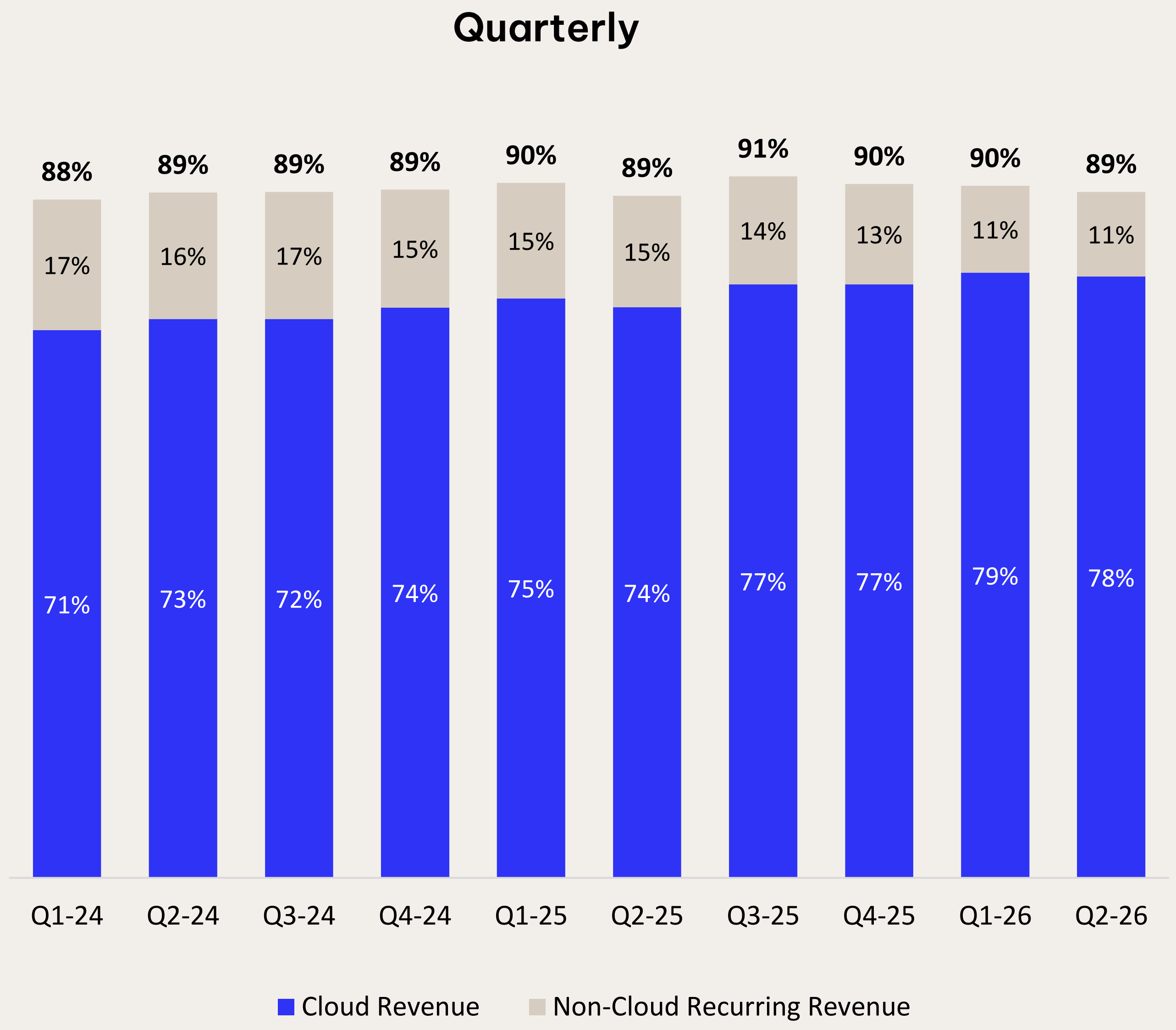
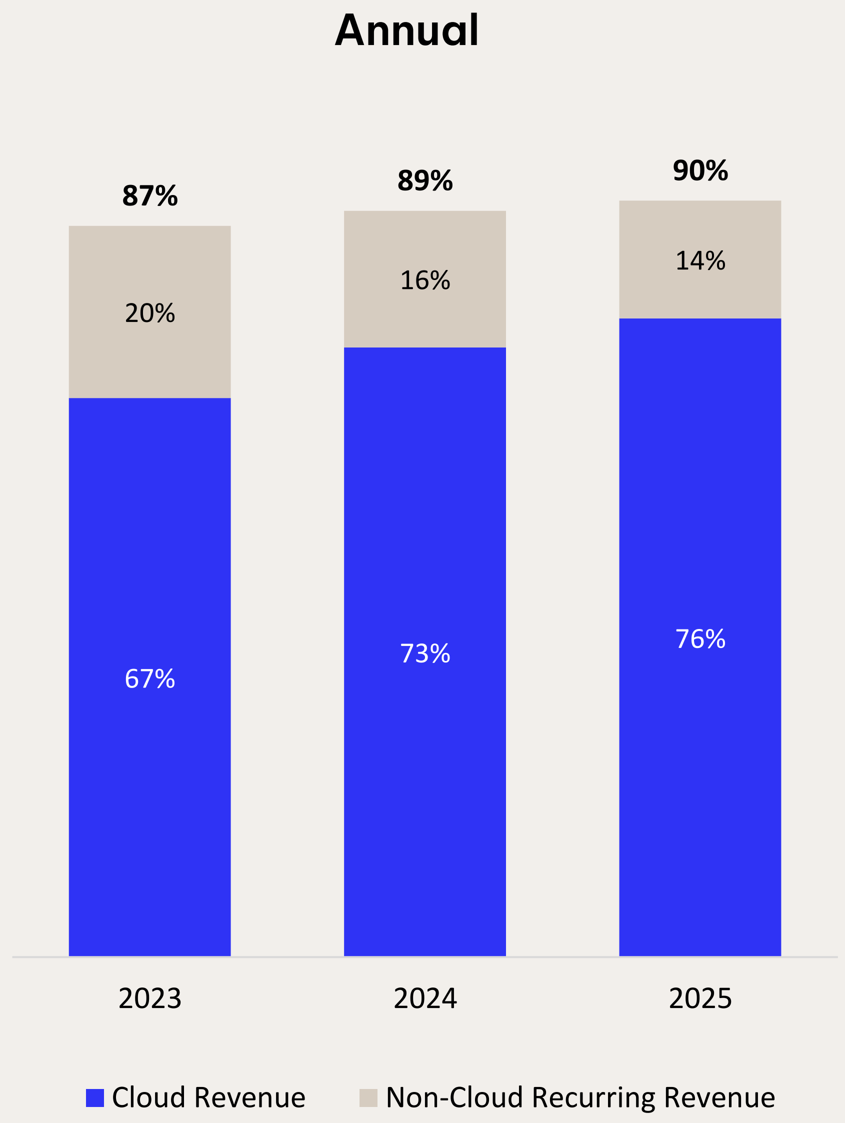
Recurring Revenue as a Percent of Total Revenue





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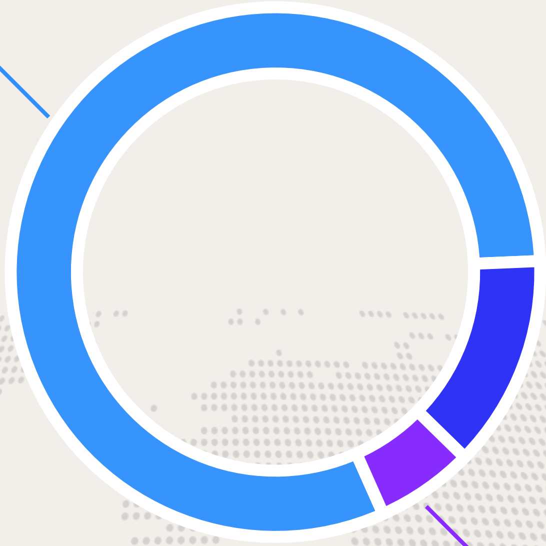
Revenue Breakdown by Geographic Region – Q2 2026



82%
AMERICAS
$640M, **+5% YoY**

13%
EMEA
$100M, +30% YoY **(+28% in CC)**

5%
APAC
$42M, +8% YoY **(+5% in CC)**

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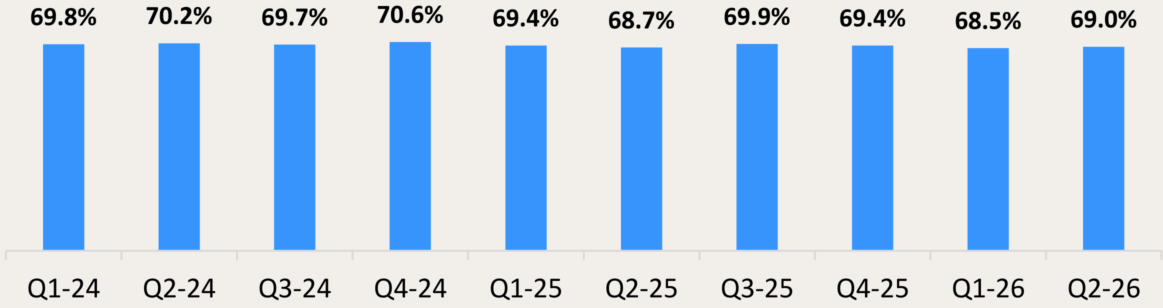
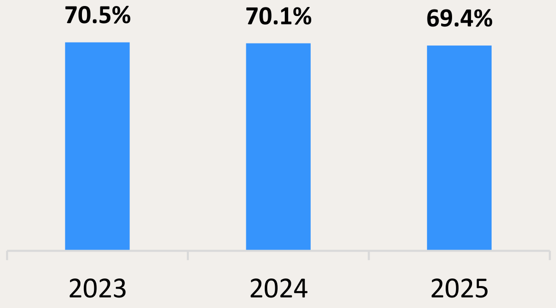
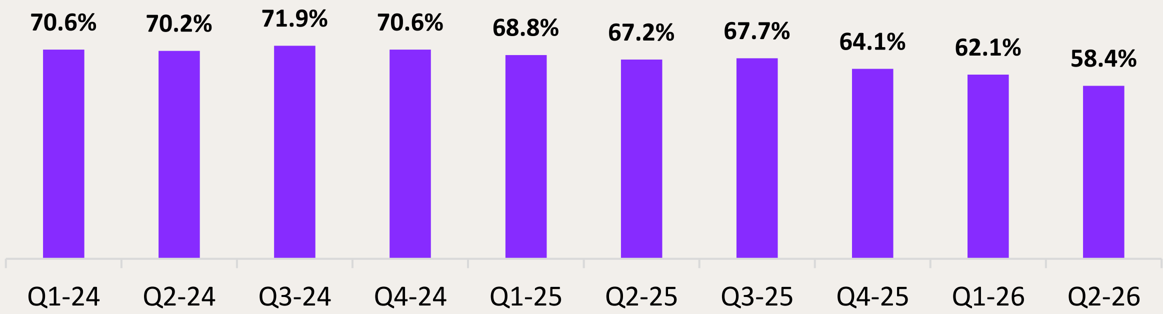
Gross Margins (Non-GAAP)

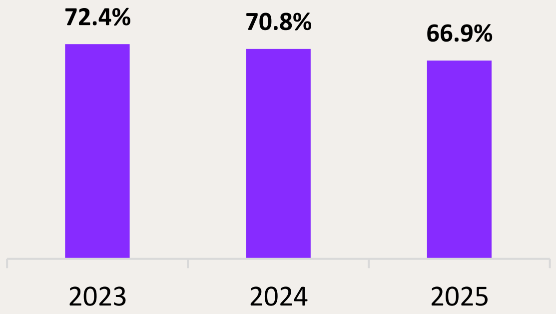
Cloud GM



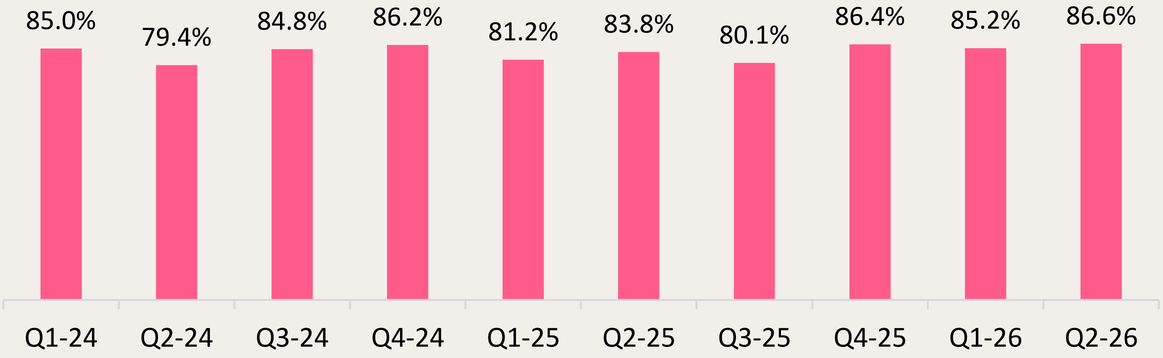


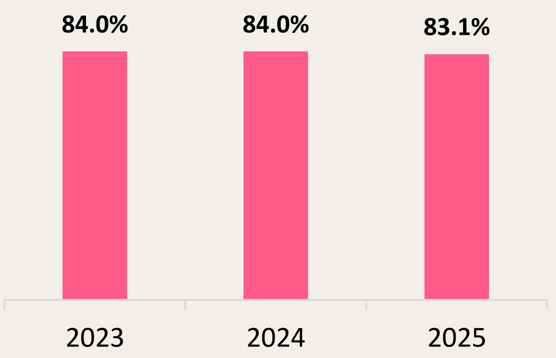
Services GM





Product GM





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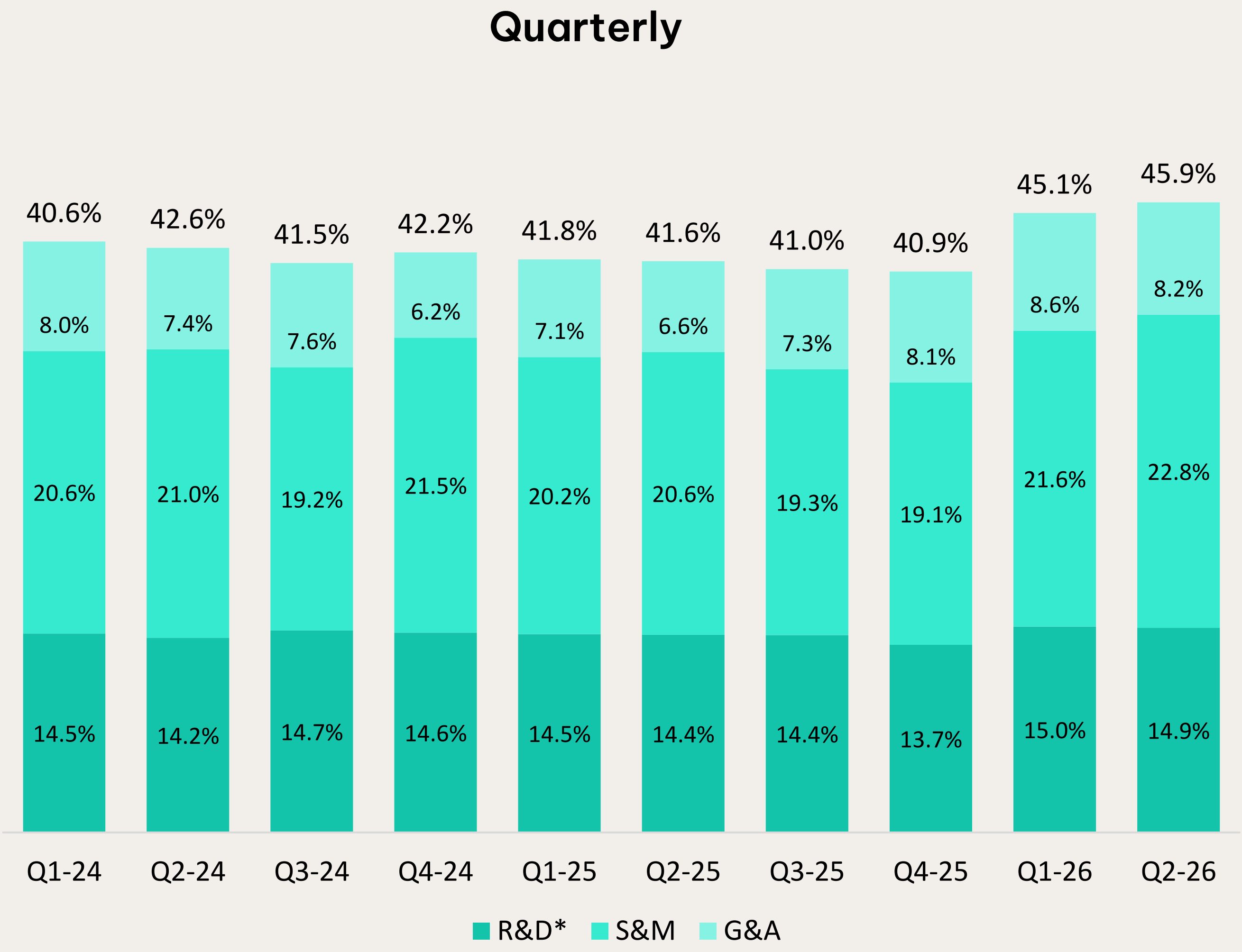
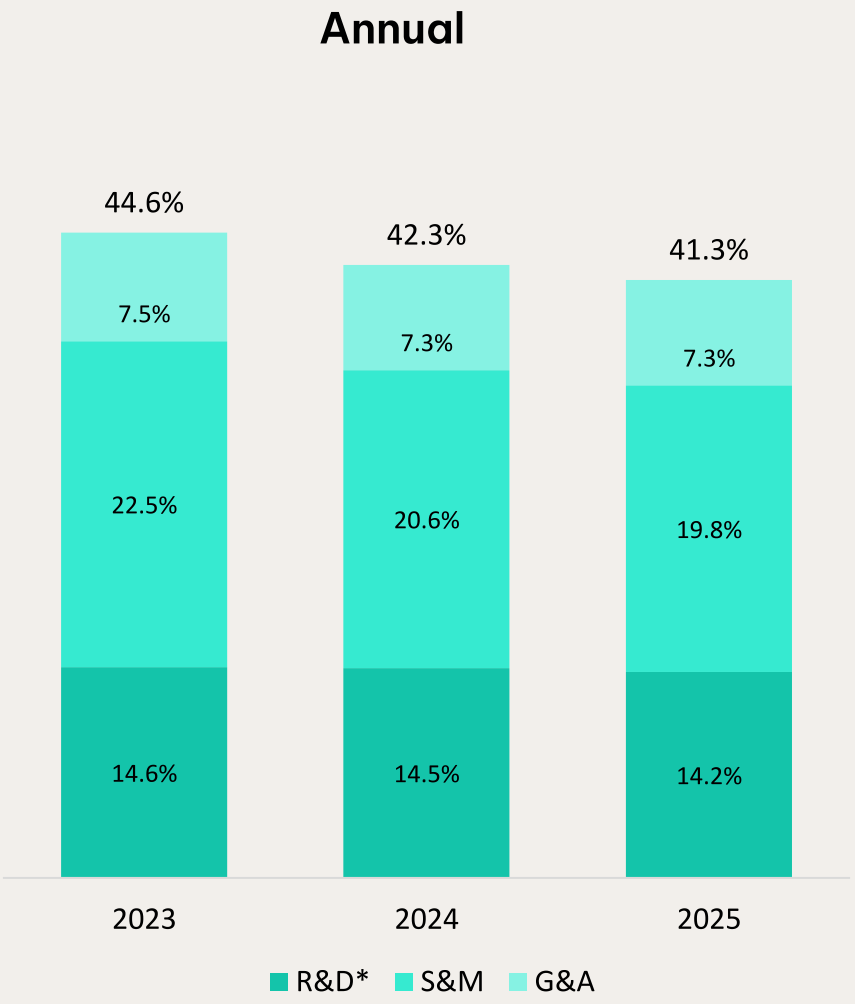
Non-GAAP Operating Expenses as a Percent of Total Revenue





* R&D including capitalization

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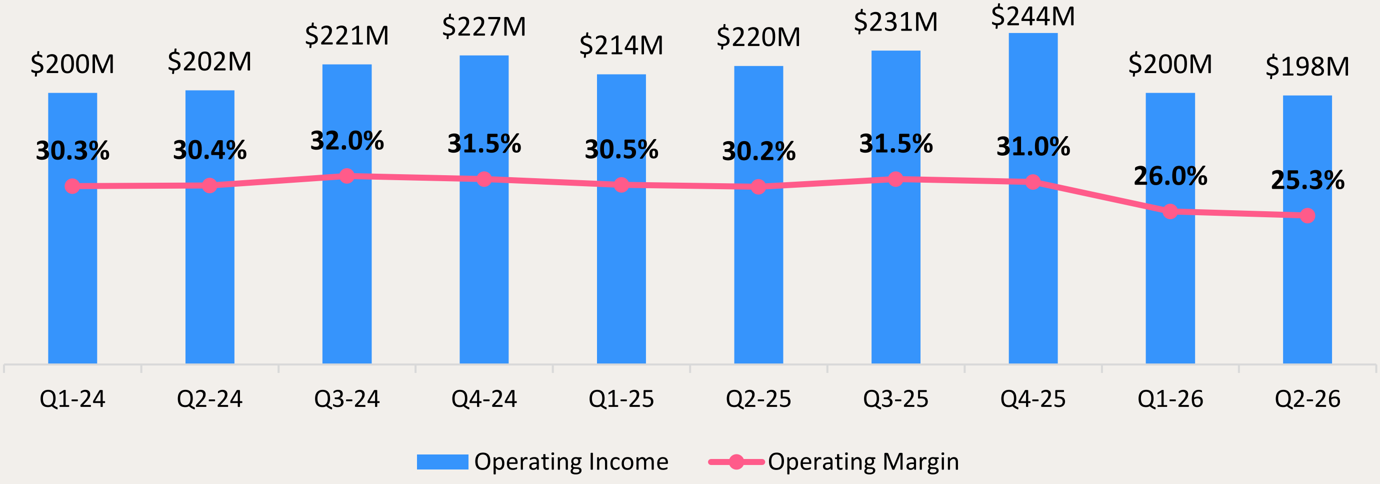
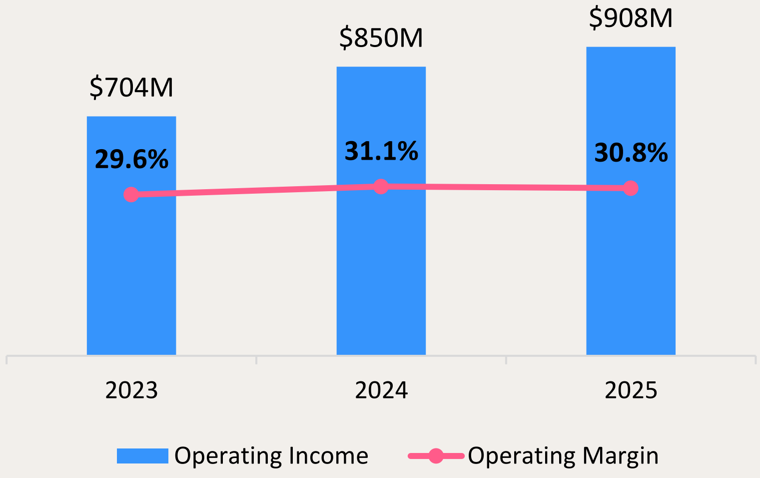
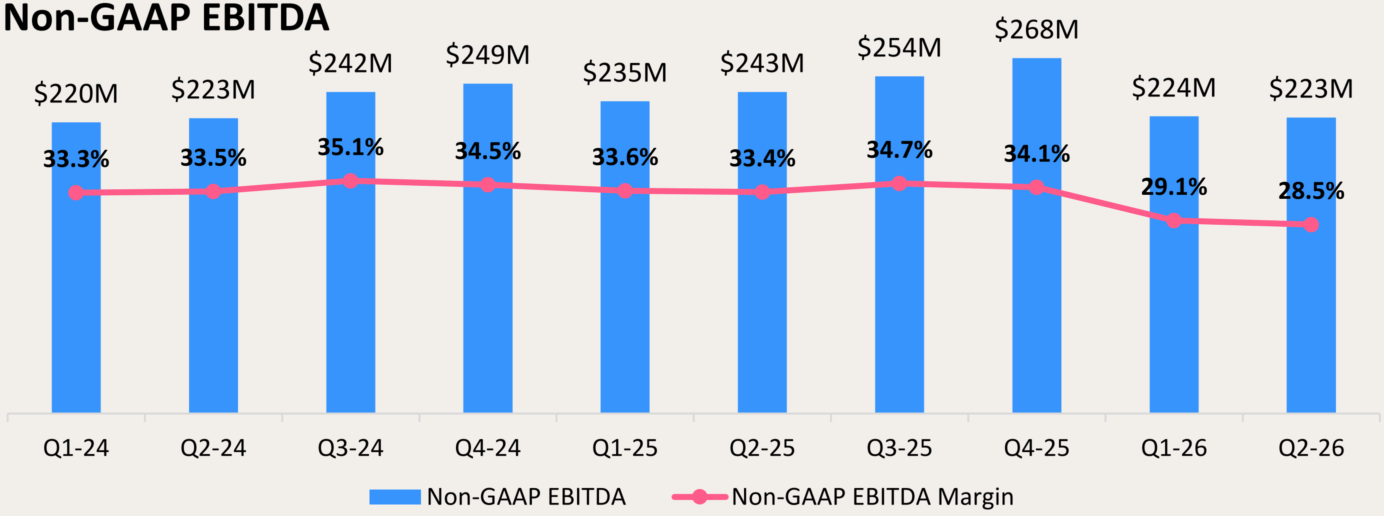
Operating Profitability

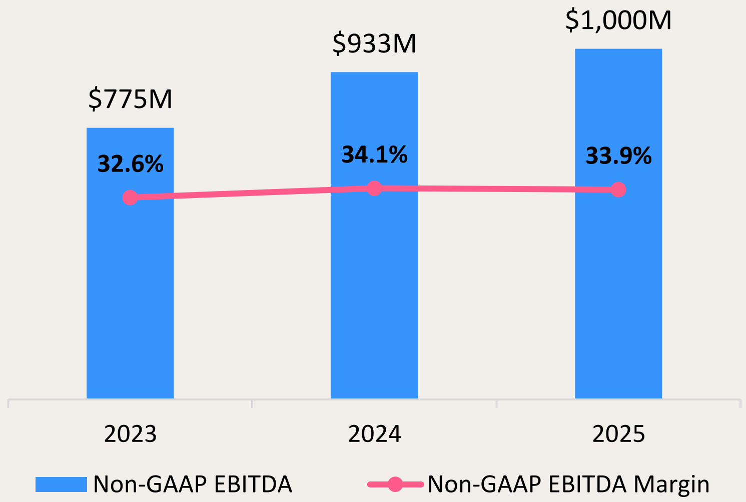
Non-GAAP Operating Margin





Non-GAAP EBITDA





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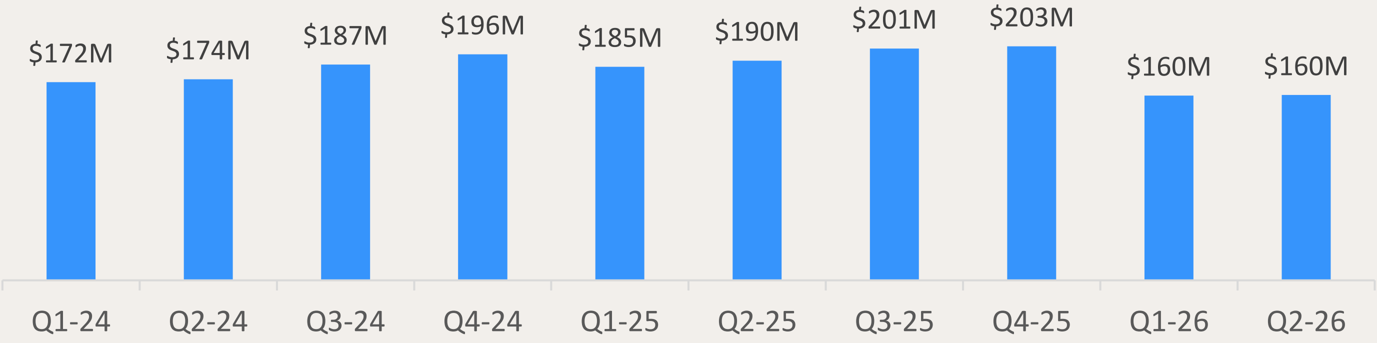
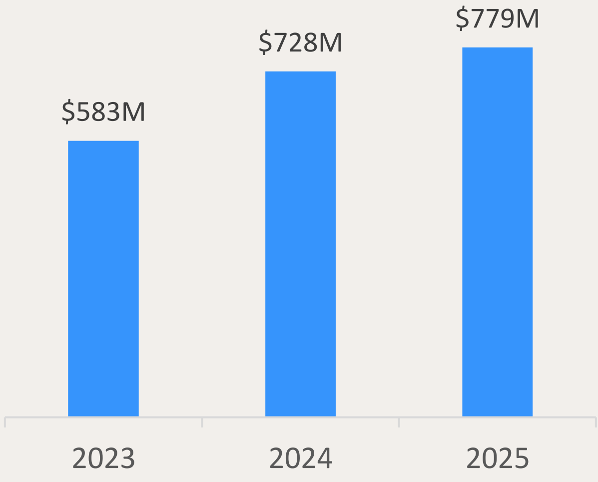
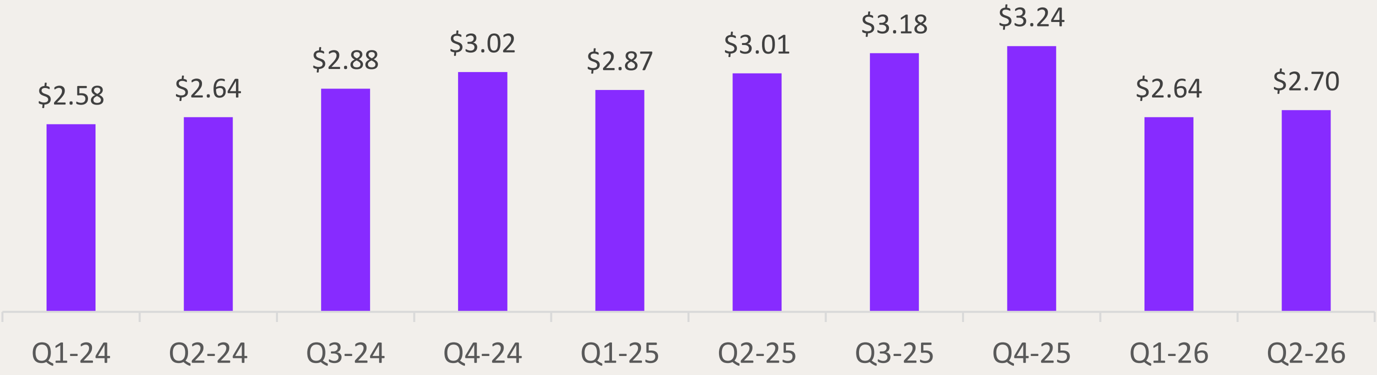
Non-GAAP Net Income and EPS

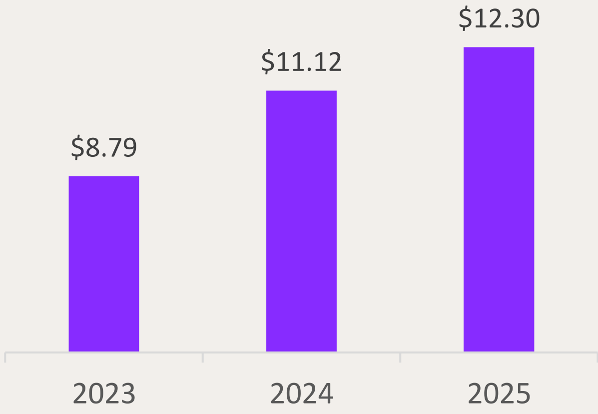
Non-GAAP Net Income





Non-GAAP EPS





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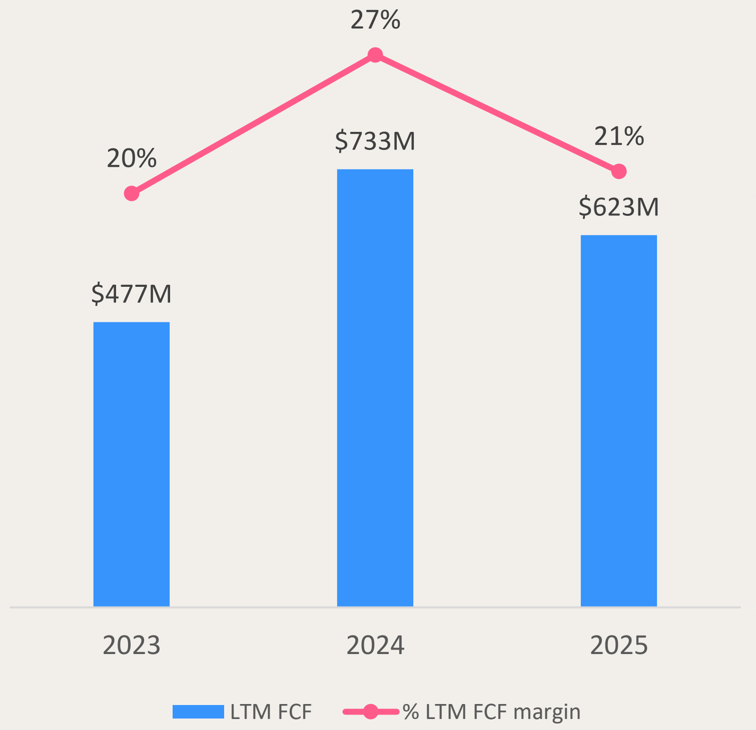
Healthy Cash From Operations and Free Cash Flow

$M	LTM Q2/2026	LTM Q2/2025
Operating Cash Flow	672.1	754.9
Capital expenditure of property and equipment	(27.9)	(26.2)
Capitalization of software development	(82.7)	(68.5)
Free cash flow	**561.5**	**660.1**
Free cash flow margin	18.3%	23.3%
Cash conversion rate *	0.8	0.9

Annual Free Cash Flow and Margin



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

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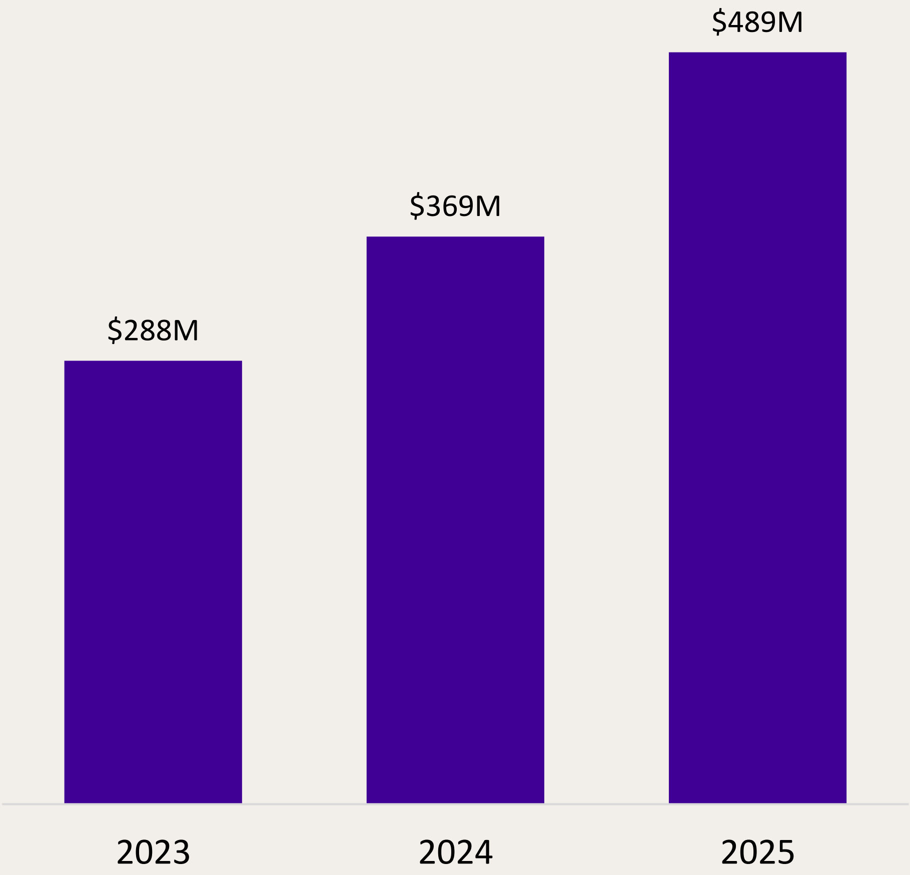
Executing on Share Repurchase Plan

Quarterly

Annual



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Outlook* (Non-GAAP)

	Q3 2026	FY 2026
Revenue ($M)	$780 – $790	$3,170 – $3,190
EPS	$2.73 – $2.83	$11.06 – $11.26

*The outlook is provided as of August 5, 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.

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Appendix

GAAP and Non-GAAP Income Statement

USD in thousands (except EPS)

	Quarter ended June 30,		Year to date June 30,	
	2026	2025	2026	2025
GAAP revenues	$ 782,293	$ 726,712	$ 1,550,910	$ 1,426,904
Non-GAAP revenues	$ 782,293	$ 726,712	$ 1,550,910	$ 1,426,904
GAAP cost of revenue	$ 281,284	$ 241,601	$ 555,102	$ 473,681
Amortization of acquired intangible assets on cost of cloud	(26,468)	(13,202)	(53,410)	(28,605)
Cost of cloud revenue adjustment (1)	(4,618)	(3,293)	(7,009)	(6,471)
Cost of services revenue adjustment (1)	(3,249)	(2,241)	(4,569)	(4,696)
Cost of product revenue adjustment (1)	(7)	(21)	(16)	(43)
Non-GAAP cost of revenue	$ 246,942	$ 222,844	$ 490,098	$ 433,866
GAAP gross profit	$ 501,009	$ 485,111	$ 995,808	$ 953,223
Gross profit adjustments	34,342	18,757	65,004	39,815
Non-GAAP gross profit	$ 535,351	$ 503,868	$ 1,060,812	$ 993,038
GAAP operating expenses	$ 397,009	$ 324,519	$ 765,058	$ 644,462
Research and development (1)	(7,852)	(3,178)	(11,134)	(7,871)
Sales and marketing (1)	(12,928)	(13,258)	(23,216)	(28,672)
General and administrative (1,2)	(29,681)	(16,924)	(49,266)	(36,482)
Amortization of acquired intangible assets	(9,153)	(6,956)	(18,308)	(11,649)
Non-GAAP operating expenses	$ 337,395	$ 284,203	$ 663,134	$ 559,788
GAAP financial and other income, net	$ (3,606)	$ (14,820)	$ (22,924)	$ (30,670)
Amortization of discount on debt	-	(428)	-	(849)
Amortization of deferred financing costs	(275)	-	(403)	-
Gains on intercompany foreign currency transactions	-	-	17,835	-
Non-GAAP financial and other income, net	$ (3,881)	$ (15,248)	$ (5,492)	$ (31,519)

GAAP and Non-GAAP Income Statement (cont.)

USD in thousands (except EPS)

	Quarter ended June 30, 2026	Quarter ended June 30, 2025	Year to date June 30, 2026	Year to date June 30, 2025
GAAP taxes on income	$ 24,379	$ (11,992)	$ 123,633	$ 22,737
Tax adjustments re non-GAAP adjustments	16,997	56,627	(40,984)	66,720
Non-GAAP taxes on income	$ 41,376	$ 44,635	$ 82,649	$ 89,457
GAAP net income	$ 83,227	$ 187,404	$ 130,041	$ 316,694
Amortization of acquired intangible assets	35,621	20,158	71,718	40,254
Share-based compensation (1)	54,127	38,915	91,002	83,840
Acquisition and divestiture related expenses (2)	4,208	-	4,208	395
Amortization of discount on debt	-	428	-	849
Amortization of deferred financing costs	275	-	403	-
Gains on intercompany foreign currency transactions	-	-	(17,835)	-
Tax adjustments re non-GAAP adjustments	(16,997)	(56,627)	40,984	(66,720)
Non-GAAP net income	$ 160,461	$ 190,278	$ 320,521	$ 375,312
GAAP diluted earnings per share	$ 1.40	$ 2.96	$ 2.17	$ 4.97
Non-GAAP diluted earnings per share	$ 2.70	$ 3.01	$ 5.34	$ 5.88
Shares used in computing GAAP diluted earnings per share	59,394	63,210	59,996	63,785
Shares used in computing non-GAAP diluted earnings per share	59,394	63,210	59,996	63,785

GAAP and Non-GAAP Income Statement (cont.)

USD in thousands

(1) Share-based compensation

	Quarter ended June 30, 2026	Quarter ended June 30, 2025	Year to date June 30, 2026	Year to date June 30, 2025
Cost of cloud revenue	$ 4,618	$ 3,293	$ 7,009	$ 6,471
Cost of services revenue	3,249	2,241	4,569	4,696
Cost of product revenue	7	21	16	43
Research and development	7,852	3,178	11,134	7,871
Sales and marketing	12,928	13,258	23,216	28,672
General and administrative	25,473	16,924	45,058	36,087
	$ 54,127	$ 38,915	$ 91,002	$ 83,840

(2) Acquisition and divestiture related expenses

	Quarter ended June 30, 2026	Quarter ended June 30, 2025	Year to date June 30, 2026	Year to date June 30, 2025
General and administrative	$ 4,208	$ -	$ 4,208	$ 395
	$ 4,208	$ -	$ 4,208	$ 395

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Non-GAAP EBITDA Reconciliation

USD in thousands

	Quarter ended June 30,		Year to date June 30,	
	2026 Unaudited	2025 Unaudited	2026 Unaudited	2025 Unaudited
GAAP net income	$ 83,227	$ 187,404	$ 130,041	$ 316,694
Non-GAAP adjustments:				
Depreciation and amortization	62,374	44,612	124,216	88,053
Share-based compensation	52,668	37,310	88,060	80,647
Financial and other income, net	(3,606)	(14,820)	(22,924)	(30,670)
Acquisition and divestiture related expenses	4,208	-	4,208	395
Taxes on income	24,379	(11,992)	123,633	22,737
Non-GAAP EBITDA	$ 223,250	$ 242,514	$ 447,234	$ 477,856

Free Cash Flow Reconciliation

USD in thousands

	Quarter ended June 30,		Year to date June 30,	
	2026 Unaudited	2025 Unaudited	2026 Unaudited	2025 Unaudited
Net cash provided by operating activities	$ 122,657	$ 61,322	$ 301,903	$ 346,393
Purchase of property and equipment	(7,838)	(4,579)	(17,214)	(8,246)
Capitalization of internal use software costs	(21,703)	(18,137)	(42,783)	(34,903)
Free Cash Flow (a)	$ 93,116	$ 38,606	$ 241,906	$ 303,244

(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, 2026 Unaudited	December 31, 2025 Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 315,384	$ 379,388
Short-term investments	39,306	38,010
Trade receivables	836,588	737,954
Prepaid expenses and other current assets	277,168	223,780
Total current assets	1,468,446	1,379,132
LONG-TERM ASSETS:		
Property and equipment, net	197,616	189,395
Deferred tax assets	173,258	198,213
Other intangible assets, net	515,880	587,599
Operating lease right-of-use assets	81,084	78,064
Goodwill	2,438,776	2,440,532
Prepaid expenses and other long-term assets	246,378	233,095
Total long-term assets	3,652,992	3,726,898
TOTAL ASSETS	$ 5,121,438	$ 5,106,030

	June 30, 2026 Unaudited	December 31, 2025 Audited
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	$ 104,095	$ 100,782
Deferred revenues and advances from customers	351,756	303,911
Current maturities of operating leases	14,032	13,742
Accrued expenses and other liabilities	635,019	469,192
Total current liabilities	1,104,902	887,627
LONG-TERM LIABILITIES:		
Deferred revenues and advances from customers	48,547	61,392
Operating leases	74,187	75,059
Deferred tax liabilities	17,595	109,993
Other long-term liabilities	98,202	95,431
Total long-term liabilities	238,531	341,875
SHAREHOLDERS' EQUITY		
Nice Ltd's equity	3,778,005	3,876,528
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 5,121,438	$ 5,106,030

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