Q3 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.



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

FINANCIAL OVERVIEW

Quarterly Results



In a NiCE world

technology works for you

Q3-26 Performance vs. Guidance

	Guidance Range	Actual
Total Revenue	$780M - $790M	$791M
Non-GAAP EPS	$2.73 - $2.83	$2.84

Q3-26 Financial Highlights

Q3 2026 Results*	Quarterly Results	Change Y/Y
Total Revenue	$791M	8.0%
Cloud Revenue	$623M	10.6%
Non-GAAP Operating Income	$214M	(7.4%)
Non-GAAP Operating Margin	27.0%	(450 bps)
Non-GAAP EPS	$2.84	(10.7%)

* Q3 2026 results include the financial performance of Cognigy. Q3 2026 cloud revenue includes ~170 bps inorganic contribution from Cognigy.

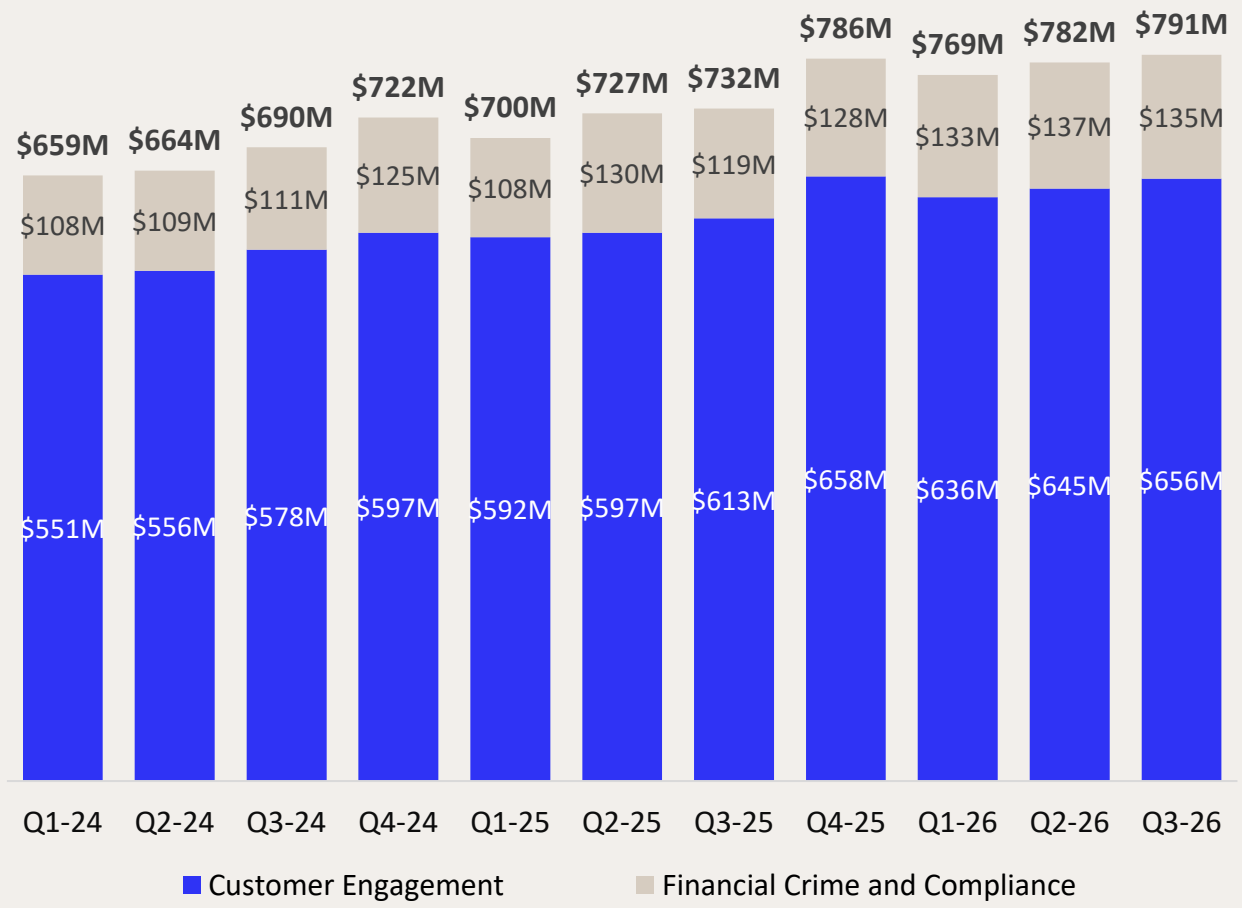
Q3 2026 Cloud Growth Fueled by AI Adoption and Customer Expansion

$392M	46%	16%	106%
AI ARR	AI ARR YoY Growth	AI ARR as % of Total Cloud Revenue	LTM Q3/2026 Cloud NRR

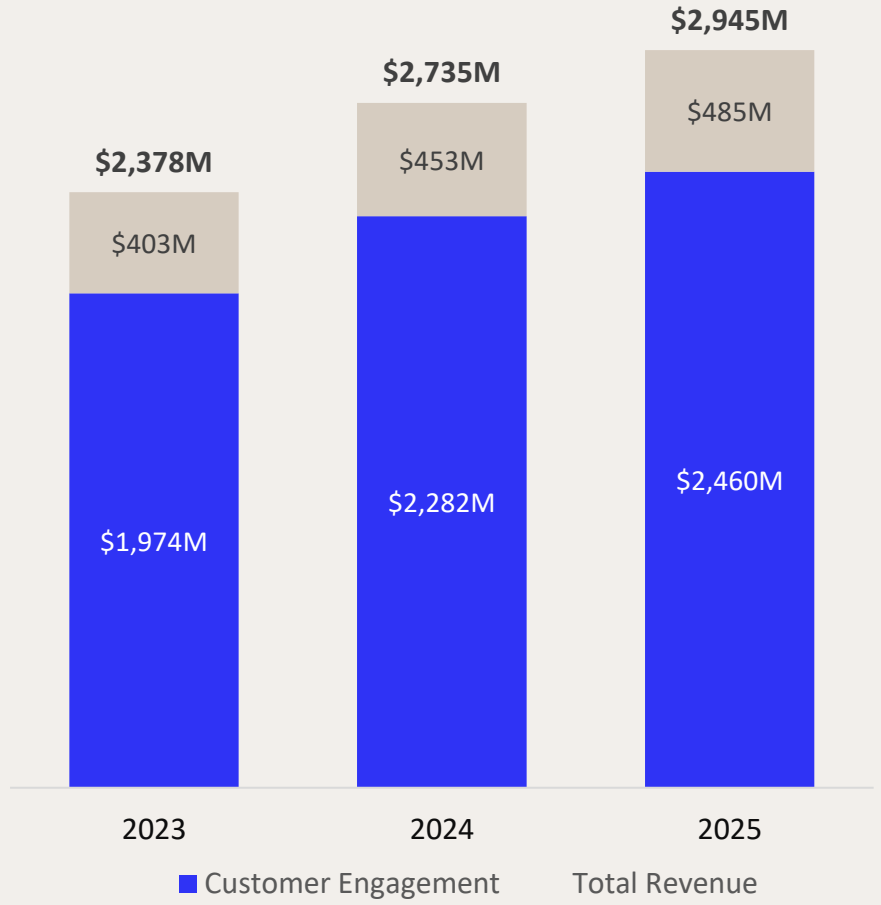
*AI ARR = CX AI and Self-Service ARR.

Revenue Breakdown by Business Segment

Quarterly Revenue



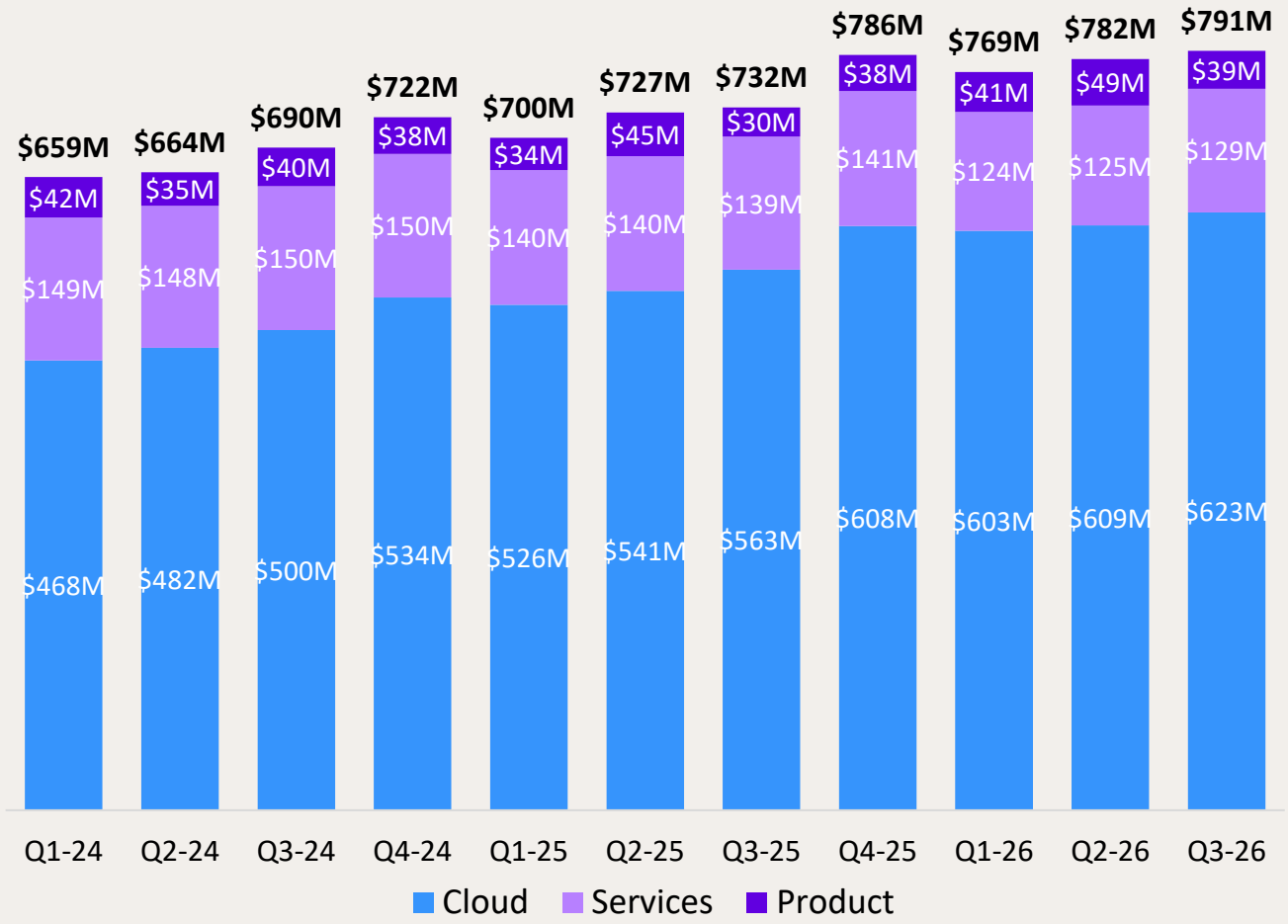
Annual Revenue



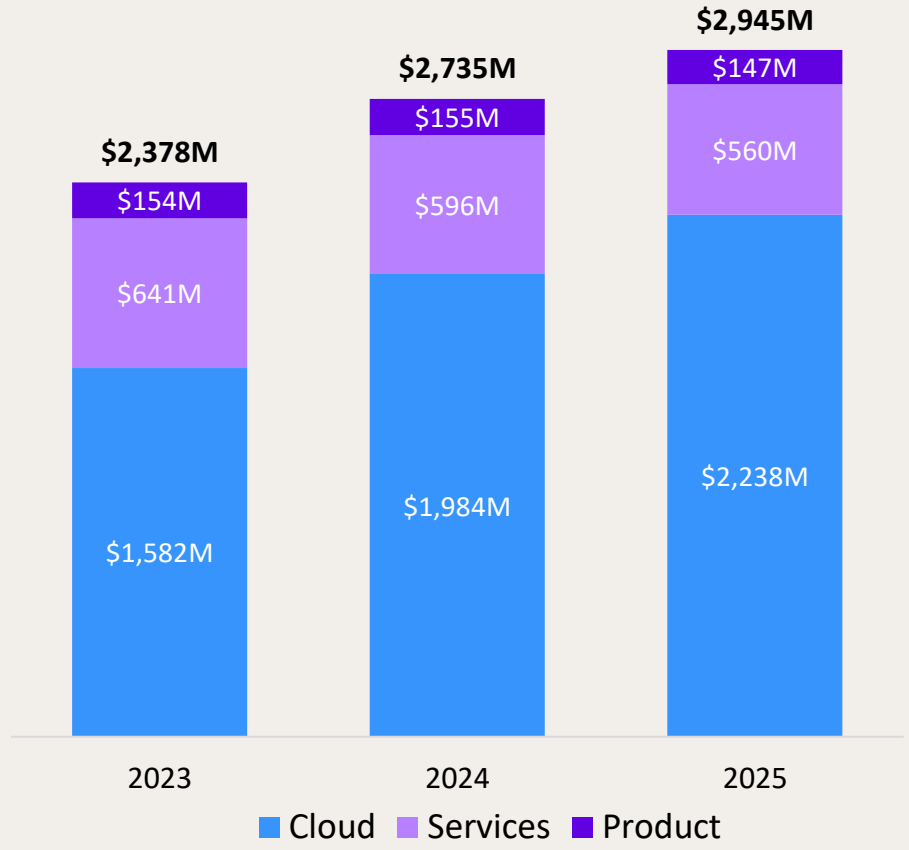
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Revenue Breakdown by Business Model

Quarterly Revenue



Annual Revenue

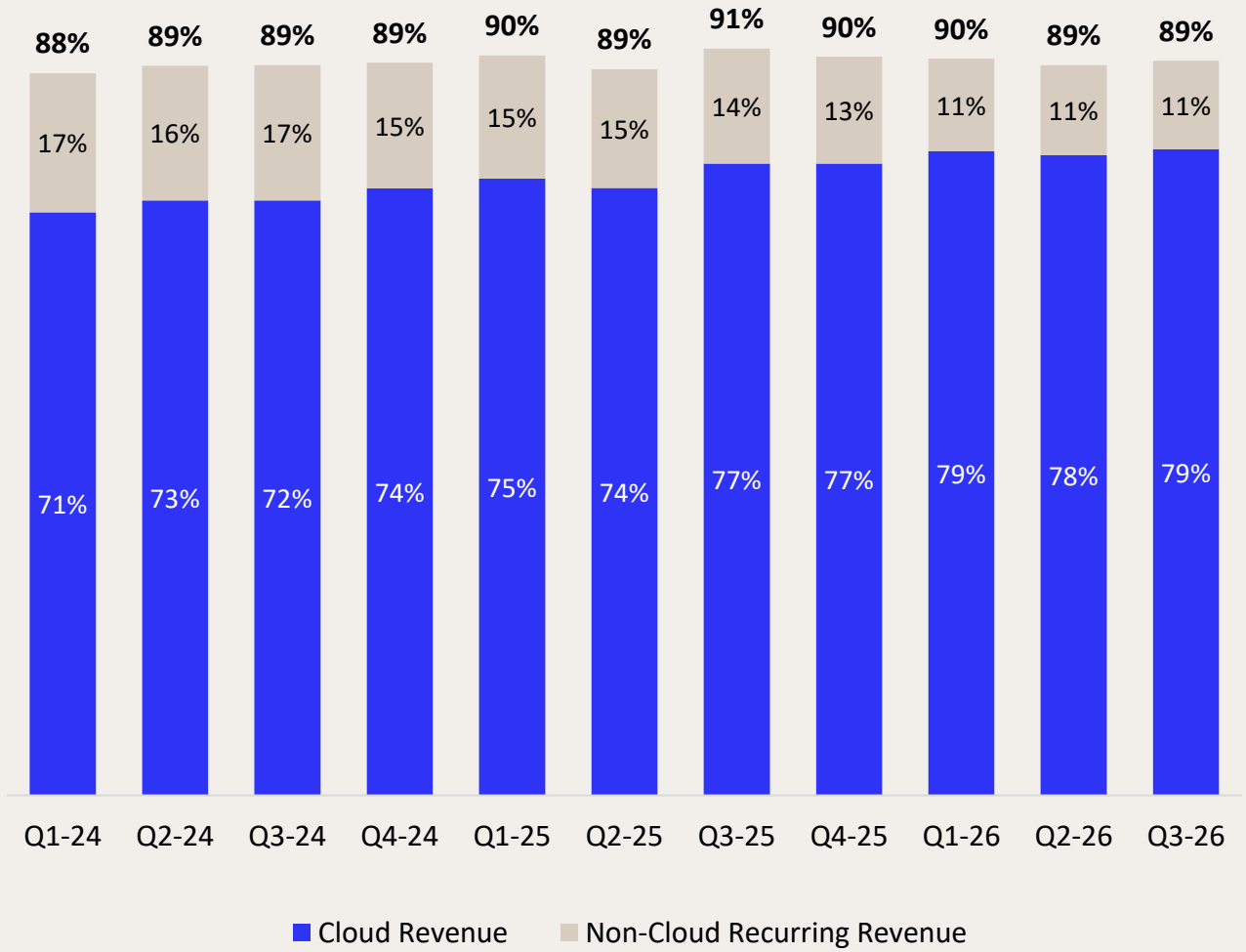


Note: Figures may not sum due to rounding. See Company's financial statements for unrounded figures.

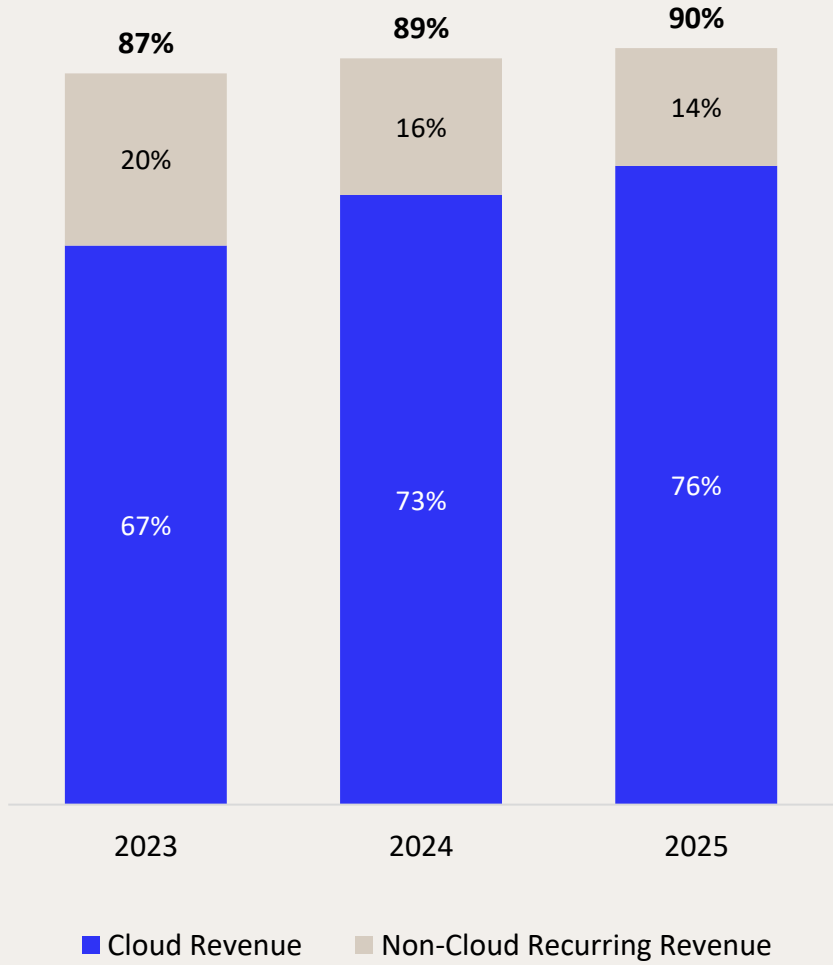
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Recurring Revenue as a Percent of Total Revenue

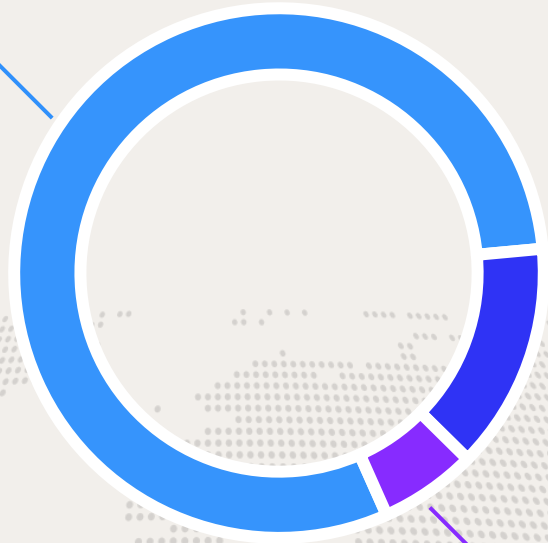
Quarterly



Annual



Revenue Breakdown by Geographic Region – Q3 2026



81%
AMERICAS
$638M, **+3% YoY**

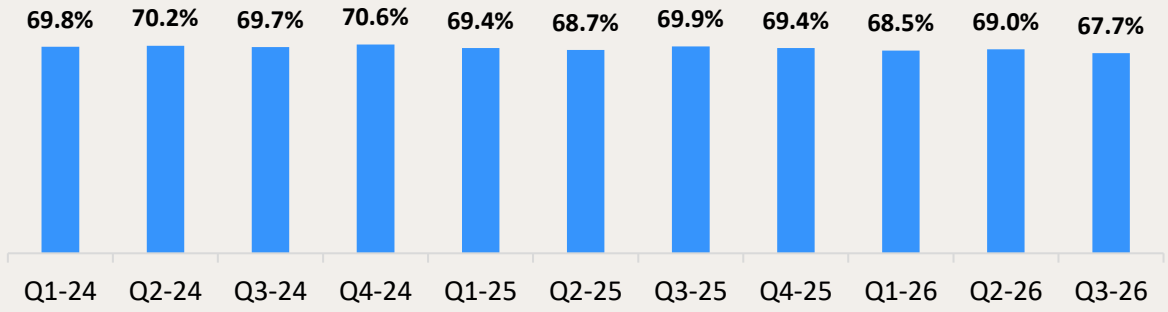
13%
EMEA
$108M, +45% YoY **(+46% in CC)**

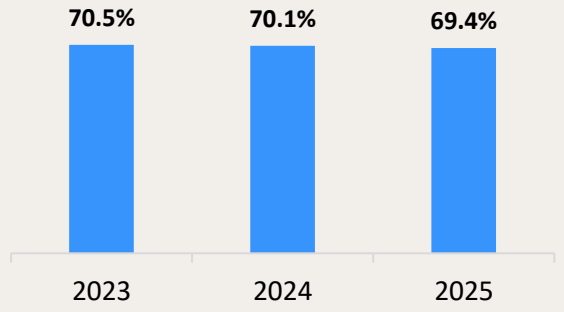
6%
APAC
$45M, +12% YoY **(+10% in CC)**

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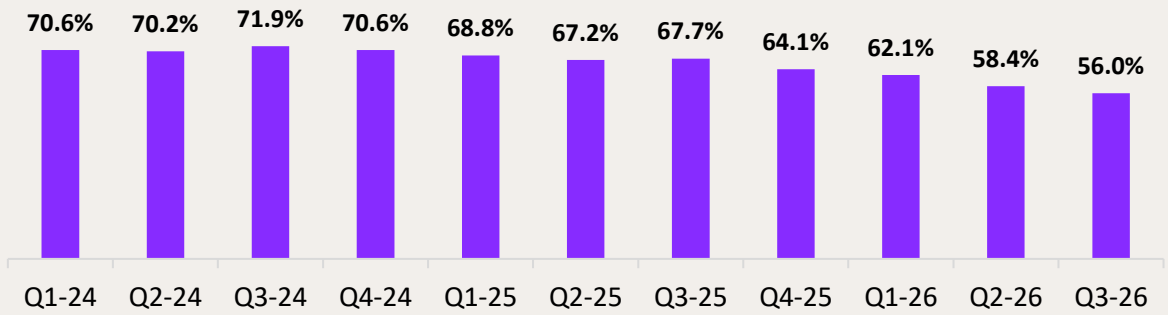
Gross Margins (Non-GAAP)

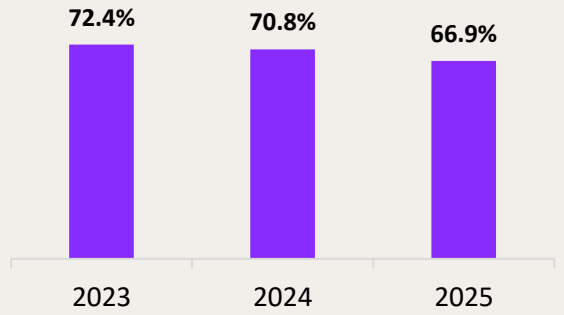
Cloud GM



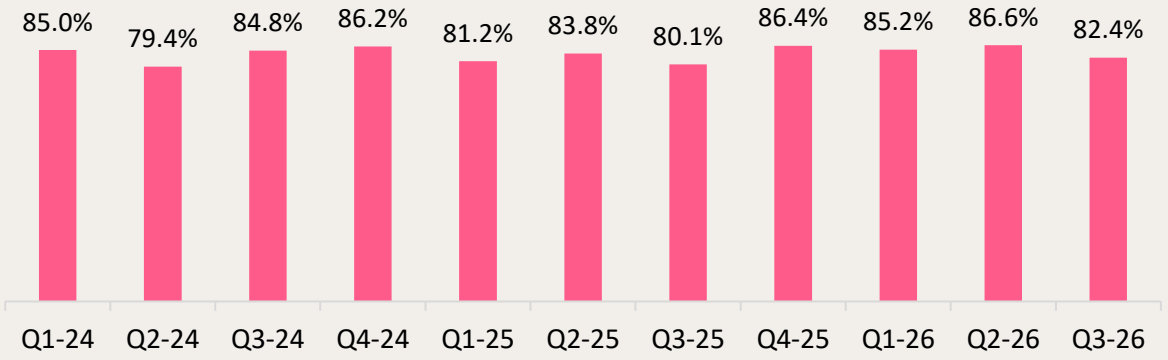


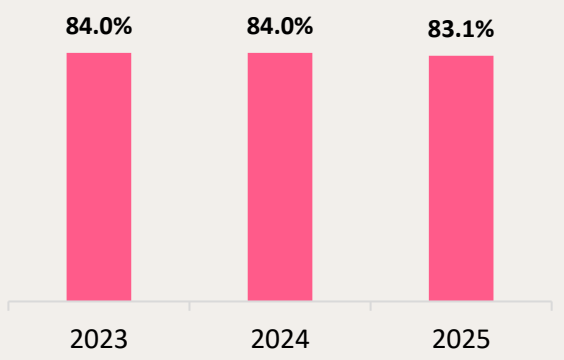
Services GM





Product GM

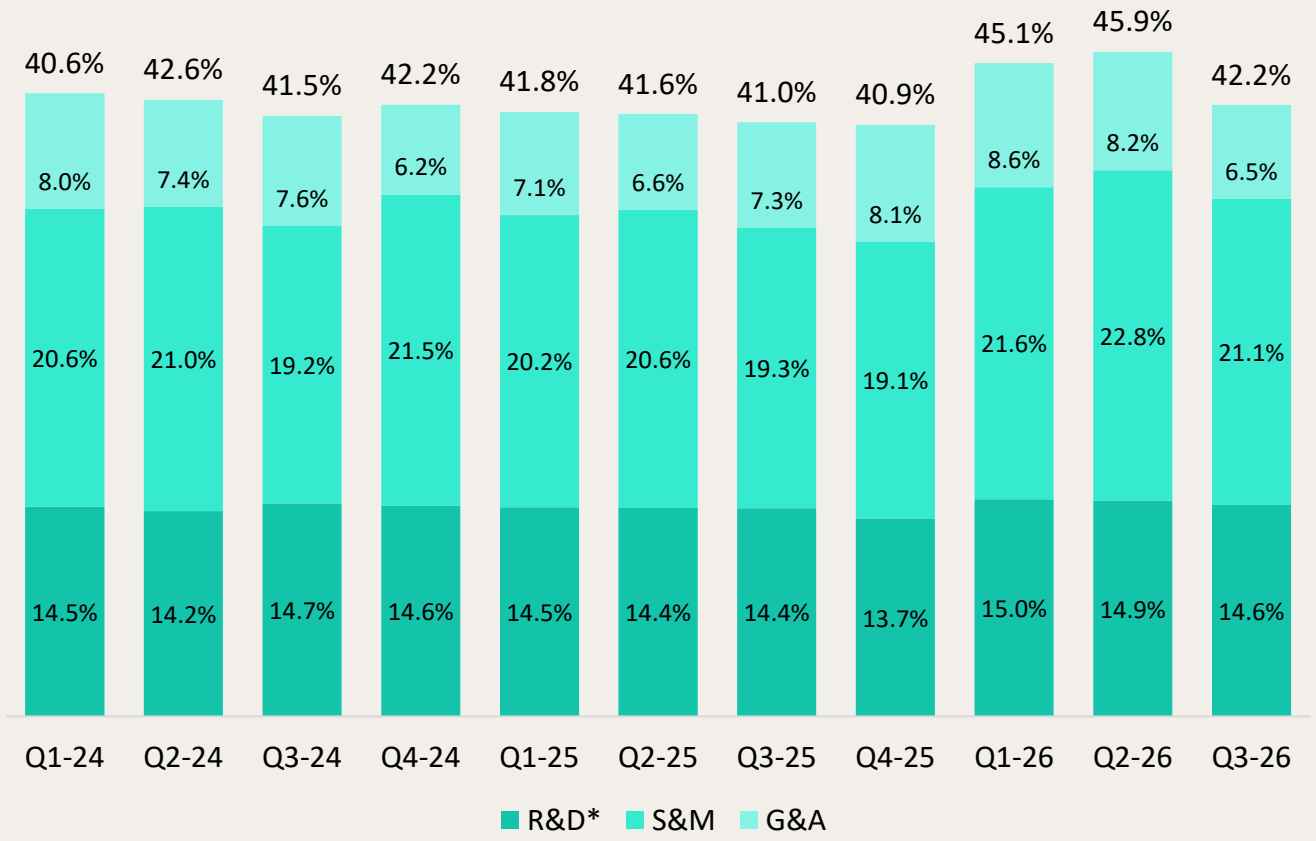




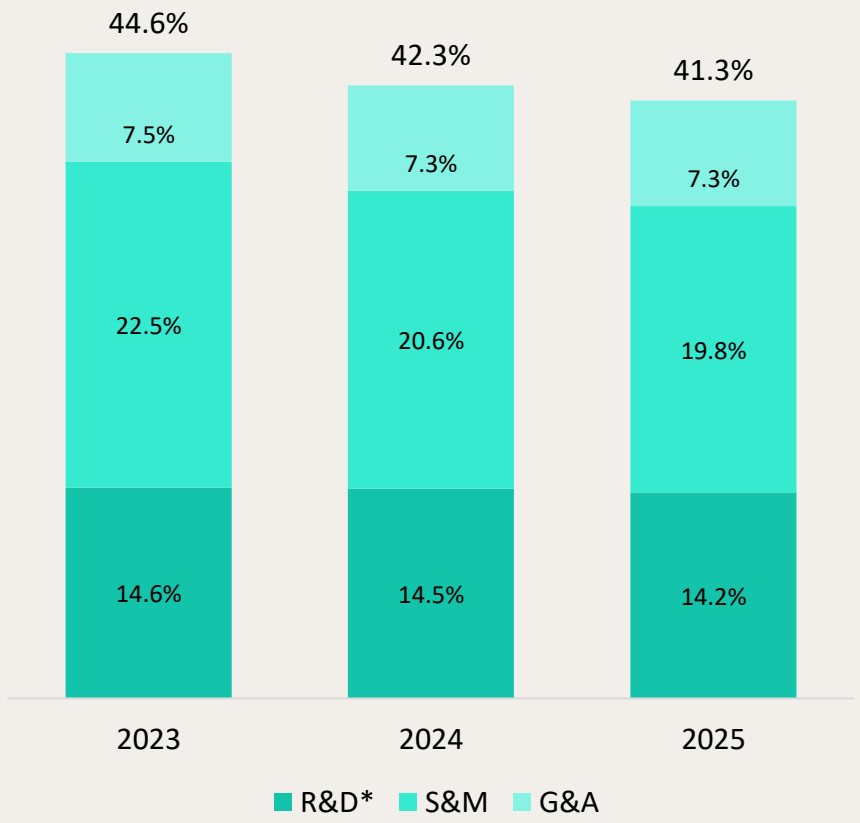
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Non-GAAP Operating Expenses as a Percent of Total Revenue

Quarterly



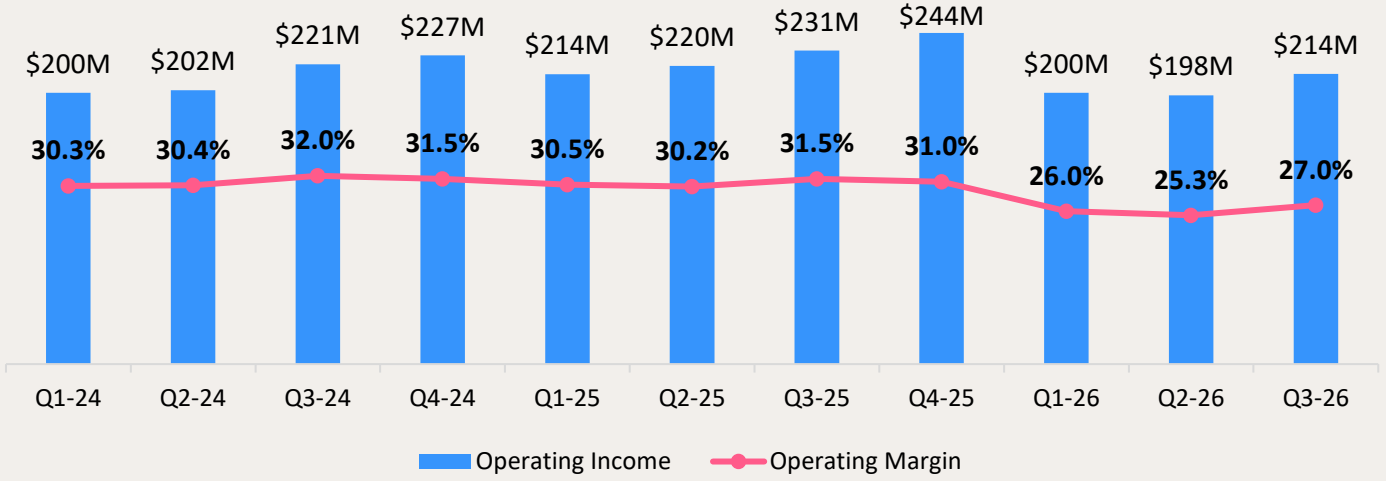
Annual

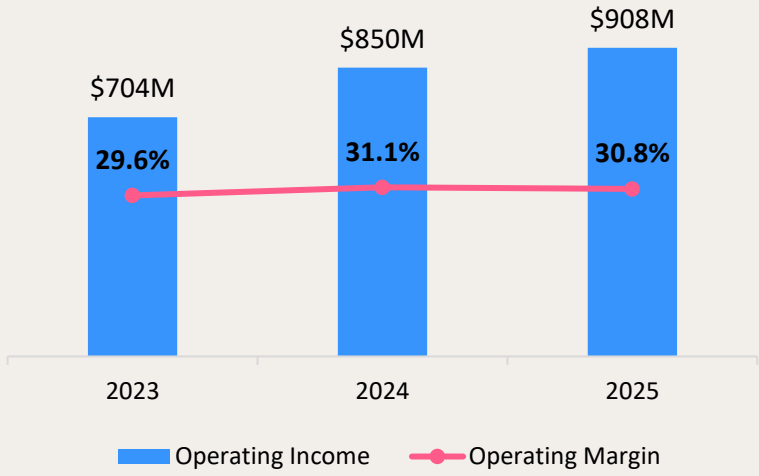


* R&D including capitalization

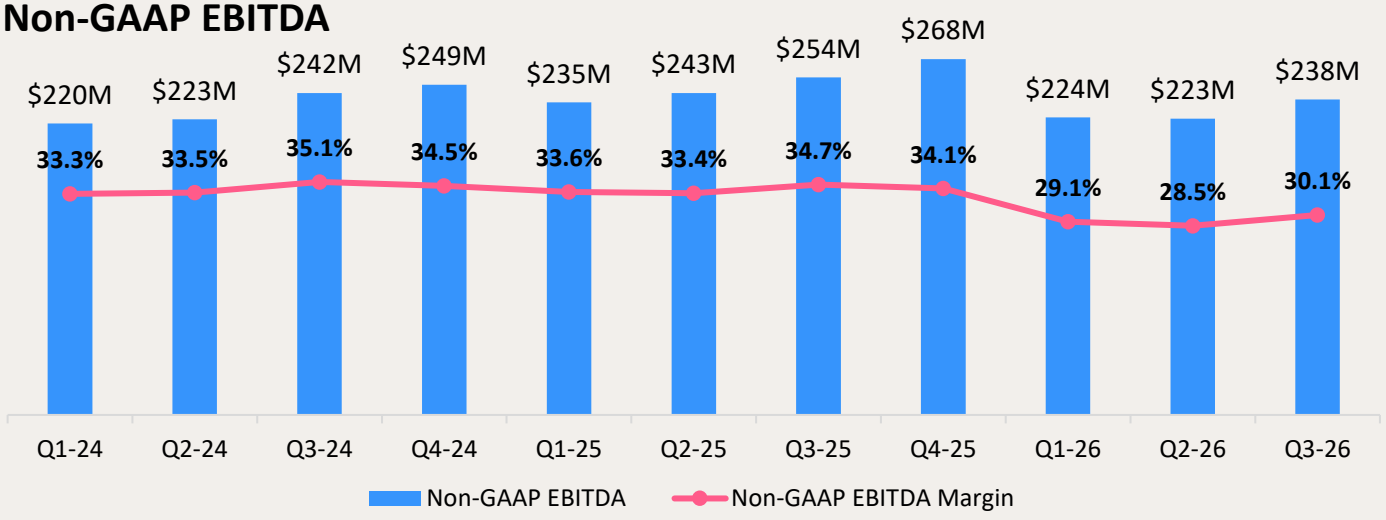
Operating Profitability

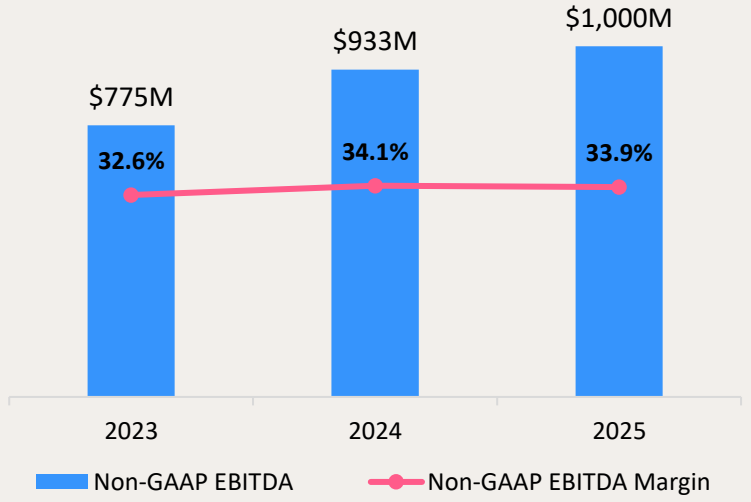
Non-GAAP Operating Margin





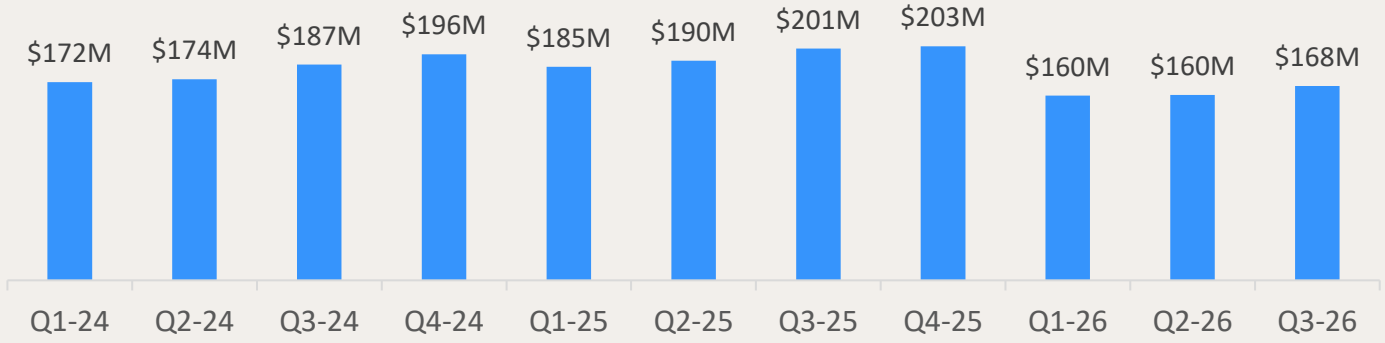
Non-GAAP EBITDA

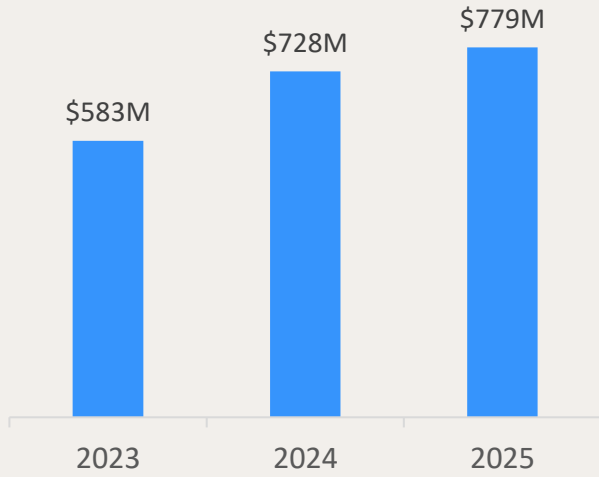




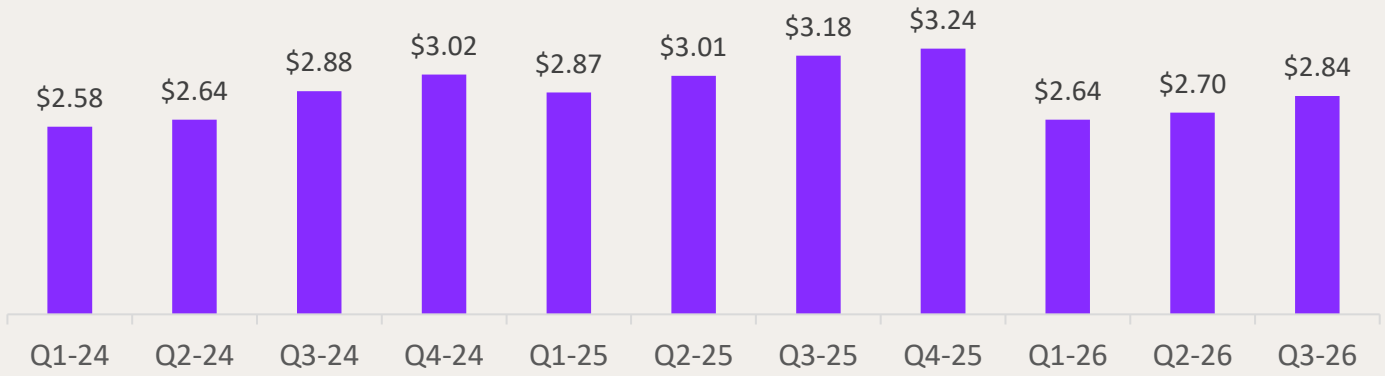
Non-GAAP Net Income and EPS

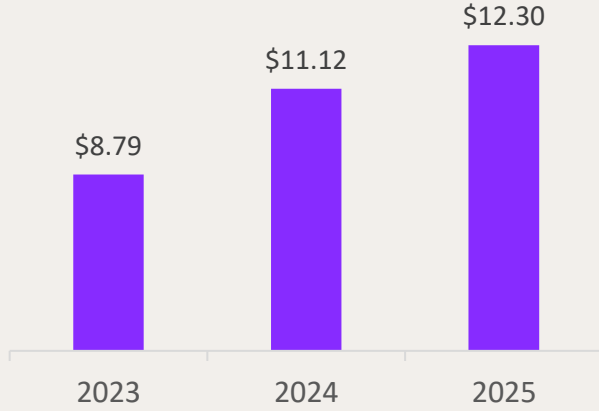
Non-GAAP Net Income





Non-GAAP EPS



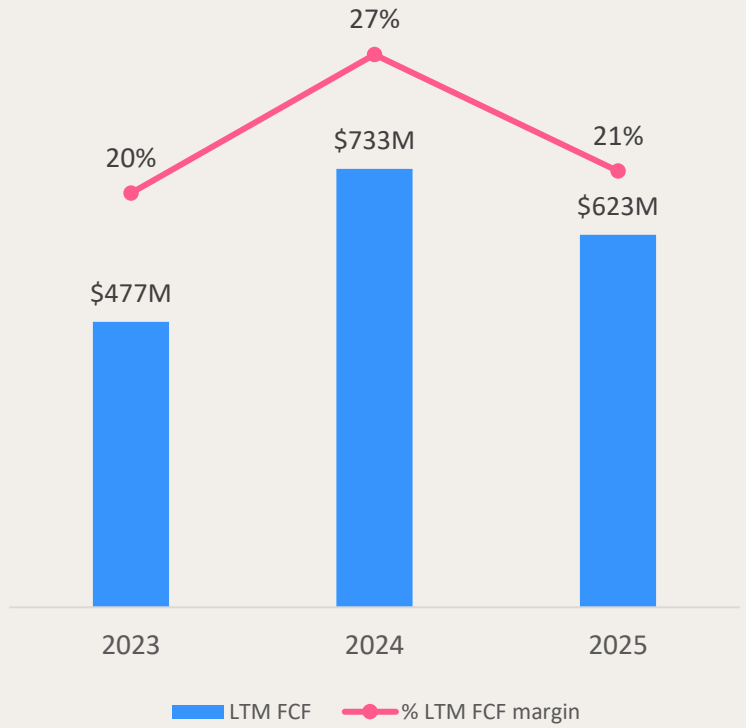


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Healthy Cash From Operations and Free Cash Flow

$M	LTM Q3/2026	LTM Q3/2025
Operating Cash Flow	579.3	786.4
Capital expenditure of property and equipment	(27.9)	(23.1)
Capitalization of software development	(84.5)	(71.4)
Free cash flow	466.9	692.0
Free cash flow margin	14.9%	24.0%
Cash conversion rate *	0.7	0.9

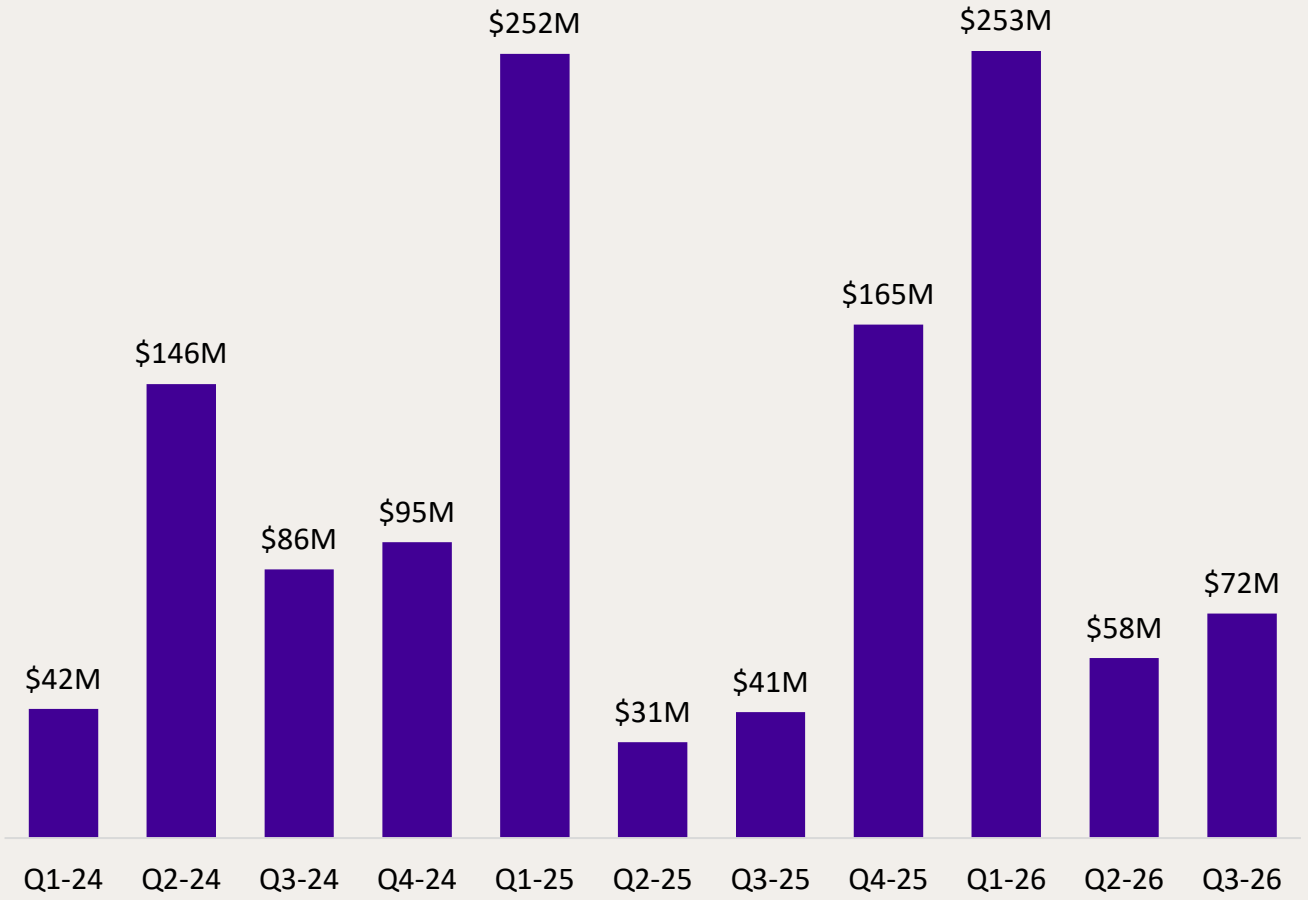
Annual Free Cash Flow and Margin



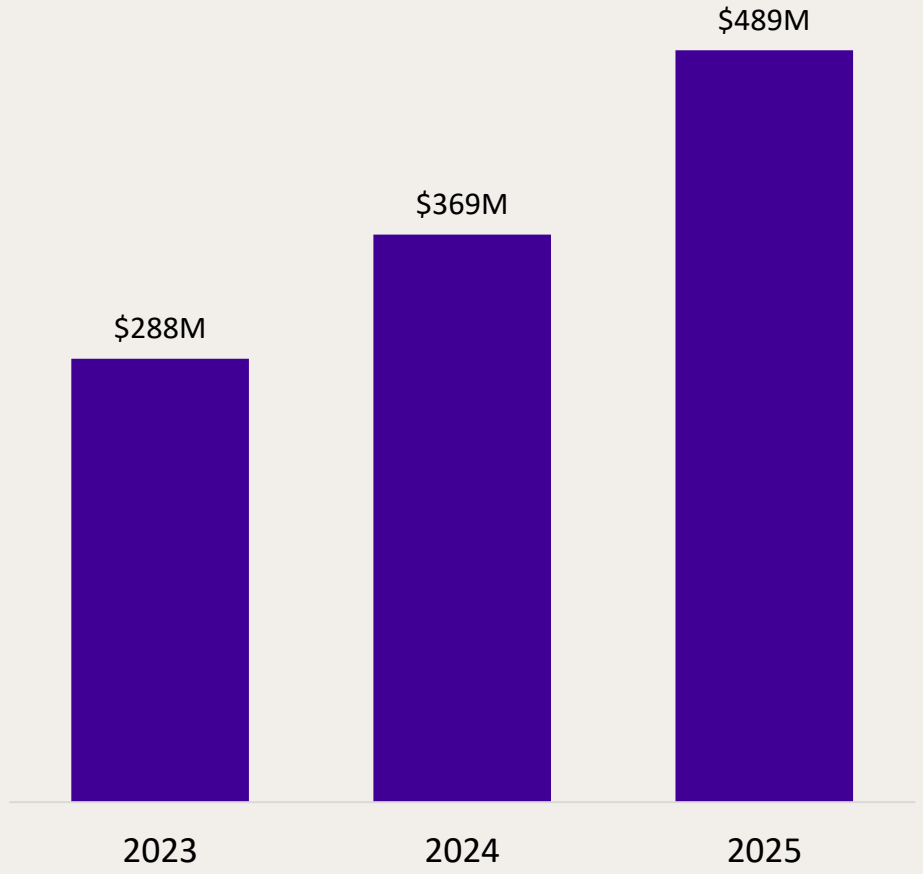
* Cash Conversion Rate = (Free Cash Flow / Non-GAAP Net Income)

Executing on Share Repurchase Plan

Quarterly



Annual



Outlook* (Non-GAAP)

	FY 2026
Revenue ($M)	$3,170 – $3,190
EPS	$11.12 – $11.32

*The outlook is provided as of November 4, 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 September 30,		Year to date September 30,	
	2026	2025	2026	2025
GAAP revenues	$ 790,741	$ 731,999	$ 2,341,651	$ 2,158,903
Non-GAAP revenues	$ 790,741	$ 731,999	$ 2,341,651	$ 2,158,903
GAAP cost of revenue	$ 297,536	$ 242,930	$ 852,638	$ 716,611
Amortization of acquired intangible assets on cost of cloud	(25,592)	(17,177)	(79,002)	(45,782)
Cost of cloud revenue adjustment (1,2)	(3,948)	(2,910)	(10,957)	(9,381)
Cost of services revenue adjustment (1)	(3,428)	(2,431)	(7,997)	(7,127)
Cost of product revenue adjustment (1)	-	(22)	(16)	(65)
Non-GAAP cost of revenue	$ 264,568	$ 220,390	$ 754,666	$ 654,256
GAAP gross profit	$ 493,205	$ 489,069	$ 1,489,013	$ 1,442,292
Gross profit adjustments	32,968	22,540	97,972	62,355
Non-GAAP gross profit	$ 526,173	$ 511,609	$ 1,586,985	$ 1,504,647
GAAP operating expenses	$ 372,608	$ 328,295	$ 1,137,666	$ 972,757
Research and development (1,2)	(7,069)	(4,762)	(18,203)	(12,633)
Sales and marketing (1,2)	(21,412)	(13,457)	(44,628)	(42,129)
General and administrative (1,2)	(22,643)	(22,469)	(71,909)	(58,951)
Amortization of acquired intangible assets	(9,064)	(6,859)	(27,372)	(18,508)
Non-GAAP operating expenses	$ 312,420	$ 280,748	$ 975,554	$ 840,536
GAAP financial and other expense (income), net	$ 1,117	$ (21,136)	$ (21,807)	$ (51,806)
Amortization of discount on debt	-	(361)	-	(1,210)
Amortization of deferred financing costs	(275)	-	(678)	-
Realized gain on marketable securities, net	-	4,463	-	4,463
Gains on intercompany foreign currency transactions	-	-	17,835	-
Non-GAAP financial and other expense (income), net	$ 842	$ (17,034)	$ (4,650)	$ (48,553)

GAAP and Non-GAAP Income Statement (cont.)

USD in thousands (except EPS)

	Quarter ended September 30,		Year to date September 30,	
	2026	2025	2026	2025
GAAP taxes on income	$ 24,405	$ 37,057	$ 148,038	$ 59,794
Tax adjustments re non-GAAP adjustments	20,306	10,043	(20,678)	76,763
Non-GAAP taxes on income	$ 44,711	$ 47,100	$ 127,360	$ 136,557
GAAP net income	$ 95,075	$ 144,853	$ 225,116	$ 461,547
Amortization of acquired intangible assets	34,656	24,036	106,374	64,290
Share-based compensation (1)	53,723	37,380	144,725	121,220
Acquisition and divestiture related expenses (2)	4,777	8,671	8,985	9,066
Amortization of discount on debt	-	361	-	1,210
Amortization of deferred financing costs	275	-	678	-
Realized gain on marketable securities, net	-	(4,463)	-	(4,463)
Gains on intercompany foreign currency transactions	-	-	(17,835)	-
Tax adjustments re non-GAAP adjustments	(20,306)	(10,043)	20,678	(76,763)
Non-GAAP net income	$ 168,200	$ 200,795	$ 488,721	$ 576,107
GAAP diluted earnings per share	$ 1.60	$ 2.29	$ 3.77	$ 7.26
Non-GAAP diluted earnings per share	$ 2.84	$ 3.18	$ 8.18	$ 9.06
Shares used in computing GAAP diluted earnings per share	59,306	63,161	59,762	63,574
Shares used in computing non-GAAP diluted earnings per share	59,306	63,161	59,762	63,574

GAAP and Non-GAAP Income Statement (cont.)

USD in thousands

(1) Share-based compensation

	Quarter ended September 30,		Year to date September 30,	
	2026	**2025**	**2026**	**2025**
Cost of cloud revenue	$ 3,770	$ 2,910	$ 10,779	$ 9,381
Cost of services revenue	3,428	2,431	7,997	7,127
Cost of product revenue	-	22	16	65
Research and development	6,955	4,762	18,089	12,633
Sales and marketing	21,170	13,447	44,386	42,119
General and administrative	18,400	13,808	63,458	49,895
	$ 53,723	$ 37,380	$ 144,725	$ 121,220

(2) Acquisition and divestiture related expenses

	Quarter ended September 30,		Year to date September 30,	
	2026	**2025**	**2026**	**2025**
Cost of cloud revenue	$ 178	$ -	$ 178	$ -
Research and development	114	-	114	-
Sales and marketing	242	10	242	10
General and administrative	4,243	8,661	8,451	9,056
	$ 4,777	$ 8,671	$ 8,985	$ 9,066

Non-GAAP EBITDA Reconciliation

USD in thousands

	Quarter ended September 30,		Year to date September 30,	
	2026	**2025**	**2026**	**2025**
	Unaudited	Unaudited	Unaudited	Unaudited
GAAP net income	$ 95,075	$ 144,853	$ 225,116	$ 461,547
Non-GAAP adjustments:				
Depreciation and amortization	59,871	48,918	184,087	136,971
Share-based compensation	52,445	35,834	140,505	116,481
Financial and other expense (income), net	1,117	(21,136)	(21,807)	(51,806)
Acquisition and divestiture related expenses	4,777	8,671	8,985	9,066
Taxes on income	24,405	37,057	148,038	59,794
Non-GAAP EBITDA	$ 237,690	$ 254,197	$ 684,924	$ 732,053

Free Cash Flow Reconciliation

USD in thousands

	Quarter ended September 30,		Year to date September 30,	
	2026	**2025**	**2026**	**2025**
	Unaudited	Unaudited	Unaudited	Unaudited
Net cash provided by operating activities	$ 97,728	$ 190,500	$ 399,631	$ 536,893
Purchase of property and equipment	(7,295)	(7,258)	(24,509)	(15,504)
Capitalization of internal use software costs	(21,419)	(19,663)	(64,202)	(54,566)
Free Cash Flow (a)	$ 69,014	$ 163,579	$ 310,920	$ 466,823

(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, 2026 Unaudited	December 31, 2025 Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 312,307	$ 379,388
Short-term investments	38,629	38,010
Trade receivables	896,932	737,954
Prepaid expenses and other current assets	293,985	223,780
Total current assets	1,541,853	1,379,132
LONG-TERM ASSETS:		
Property and equipment, net	207,406	189,395
Deferred tax assets	180,156	198,213
Other intangible assets, net	481,223	587,599
Operating lease right-of-use assets	78,310	78,064
Goodwill	2,437,880	2,440,532
Prepaid expenses and other long-term assets	275,733	233,095
Total long-term assets	3,660,708	3,726,898
TOTAL ASSETS	$ 5,202,561	$ 5,106,030

	September 30, 2026 Unaudited	December 31, 2025 Audited
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	$ 131,614	$ 100,782
Deferred revenues and advances from customers	326,233	303,911
Current maturities of operating leases	13,188	13,742
Accrued expenses and other liabilities	669,550	469,192
Total current liabilities	1,140,585	887,627
LONG-TERM LIABILITIES:		
Deferred revenues and advances from customers	43,623	61,392
Operating leases	70,561	75,059
Deferred tax liabilities	4,325	109,993
Other long-term liabilities	97,173	95,431
Total long-term liabilities	215,682	341,875
SHAREHOLDERS' EQUITY		
Nice Ltd's equity	3,846,294	3,876,528
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 5,202,561	$ 5,106,030