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PRESENTATION

Operator

Welcome to the Temenos Group Q2 2009 results conference call. At this time, all lines are in a listen-only mode. Later, we will conduct a question-and-answer session.

(Operator Instructions)

As a reminder, this conference is being recorded Wednesday, July 29, 2009. I'll now turn the conference over to your host, Ben Robinson, Associate Director, IR and Business Strategy. Please go ahead, sir.

Ben Robinson - ***Temenos Group - Associate Director - IR and Business Strategy***

Thank you very much. Hi, everyone, and thank you for joining us this afternoon to discuss Temenos' Q2 2009 results. With me on the call are Andreas Andreades, CEO, David Arnott, CFO, and Max Chaurd, Head of Corporate Finance and Investor Relations.

The presentation to accompany this results presentation can be downloaded from our website. As usual, our prepared remarks will be followed by a Q&A session. Before I pass you over to the speakers, I would just like, as usual, to draw your attention to the legal disclaimer that's found on slide two of the presentation.

Various factors may cause actual results to differ materially from company estimates and indeed may cause company estimates to change. Therefore, undue reliance should not be placed on the forward-looking statements made during this call, which reflect the Company's opinions only as of today. I will now hand you over to Andreas for the business and strategy update.

Andreas Andreades - ***Temenos Group - CEO***

Thank you, Ben. Hi, everyone, and thank you for joining the call today. I would like to start things off by explaining where I see the business. The current downturn, the worst in probably seventy years, threw onto us an unpredictable 2008.

The management team, still with the memory of the last downturn, cut costs quickly and decisively, so coming into 2009 we were at the cost base that we were targeting to be. Furthermore, we cut costs in a way that is both sustainable and hasn't compromised our ability to grow in the future.

R&D, sales and service capacity are in place for when growth resumes. The cost cutting was underpinned by changes we made to our delivery model ,which means that the business is now both more profitable and more cash generative.

At the same time, we continue to take market share in the quarter and in the half year. Both businesses are in an excellent position from a financial and a business perspective to exploit the opportunities that the whole banking market represents, a market in which we are the leading vendor and which is underpinned by long-term structural drivers that have been strengthened by the banking crisis. And, finally, a market that is only 20% penetrated by the third-party software.

So I'm extremely satisfied with the way the business has handled itself the last six months and I believe that with the work we have done the future is very promising. Now, I would like to turn onto the numbers. Margins were up strongly again year on year. Operating profits were up 230 basis points and EBITDA was up 620 basis points. Moreover, as you can verify using the slides in the appendix of the presentation, this was only marginally helped by currency movements and was chiefly the result of strong execution.

Better margins and strong execution helped cash generation improve strongly in the quarter. EBITDA conversion was 117%. Moreover, looking at the last 12 months, we have achieved over 80 million of operating cash flow, which was our target for the full year, so we achieved this six months early.

Costs we are down again in absolute terms in Q2, for the third consecutive quarter earnings, proving the sustainability of the cost management. T24 sales continue to hold up very well and remain ahead of our internal forecasts, proving that even big banks can get decisions approved in this environment, once key stakeholders have been convinced of the need to cut costs and improve business agility. We announced our fourth tier-one deal of the year to a large US investment bank.

Taking the half year and adjusting for Metavante revenues and currency, licenses are actually 5% up over the last year, on the back of very strong sales to new customers, which were 15% up year on year, demonstrating that we continue to take market share from competitors.

Furthermore, this half-year comparison is the period pre-Lehman's, when demand conversion rates were still pretty solid. We also find one more Misys replacement customer in the quarter, taking the number to four so far this year.

Our new product, Insight, launched last quarter and ARC are selling very well. I'm going to talk about this in a minute, though. And then at our Temenos Client Forum, which many of you attended, we showcased the great steps we are taking with T24, steps which have been applauded by industry analysts. Both the Forrester Group and Gartner, for example, have included Temenos as a leader in their latest reports. Looking ahead, our forward-looking metrics continue to look healthy. The level of deal activity continues to be strong and reinforces our confident that once conversion rates normalize, we'll see strong growth.

Lastly, we have resolved the dispute that was pending with Metavante regarding our agreement in the United States. The amount of the settlement covers our receivables from Metavante and allows us to make a clean break to focus on the US market. Over on slide seven of the presentation and looking at the geographical spread of this, you can see that the new business, especially when viewed in value terms -- this is the graph at the bottom left of the slide, is coming almost completely evenly from our four regions, which means that we are very well hedged against a slowdown in any particular one.

In addition, the graph shows that after the wobble in Q4 emerging markets, which have been the backbone of Temenos' growth over the recent years are again outperforming, which we believe is a positive sign for our business. Now, over on slide eight, we have included a few more details on Inaight and ARC. ARC, which is our suite of front office solutions, was sold seven times in the quarter. This is down on last year, but the price per solution continues to rise.

The traction with Insight is really spectacular. This is a product that we only introduced at the end of Q1 and already we have sold 15 licenses, and without having to discount, as evidenced by and ASP that has remained about $200,000. I think that what Insight provides, which is the ability for banks to obtain much better-quality data and much faster than ever before is playing very well in this environment.

Now, for both ARC and Insight, we continue to see very strong levels of pipeline activity and taken together they contributed almost 10% of license revenues on an LTM basis, and this is with only one quarter of contribution from Insight.

Over on slide nine, we provide a few more details on the major project enhancements that we announced at our TCF this year. As many of you will be aware, Temenos spends more on R&D in both relative and absolute terms than any other vendor in the core banking space, and we package that R&D into one annual release, which we make available at the beginning of every year. This year, we made over 100 enhancements to T24, which included a new structure of products module, the launch of ARC Internet Bank for corporate customers and the T24 Loan Originator, which supports plan to buy processing for the whole loan life cycle and across all channels.

We also announced new SOA initiatives, such as the inclusion of the service catalogue, a comprehensive model of the business as we see in T24. Now, over on slide ten, there is a quick update on services. Service revenues in the first half and even in the second half are consistent with the services business, which is less than 35% of the revenue mix, 11 which will target other software companies.

The various initiatives we have put in place, such as Model Bank are enabling us to implement faster and more cost effectively than ever before. In the first half, we've taken 35 customers live onto our product, almost double compared to last year, at the same time as improving margins. Furthermore, we've taken on more, not less, services headcount in the last couple of quarters and we're just doing it smarter, with a higher offshore component, and using better processes.

Over on slide 11, we have the last slide in my section, covering a couple of our other initiatives. Firstly, partners. This progresses well. It's now nearly three months since we signed the Cognizant agreement and we've kicked off the training exercise. Furthermore, we've also trained the accounts managers on T24 and are already going to market together on a couple of leads.

As we said at TCF, we are in discussions with a second worldwide T24 partner and we hope to be able to conclude this partnership in the second half of the year. On acquisitions, we remain active, looking at several different opportunities, and the strong level of free cash generation in the business should enable us to fund those that we choose to pursue. The criteria for acquisitions remains the same, most notably that they must be accretive within the first 12 months. Now, with that, I would like to pass you over to David for a look at the numbers.

David Arnott - ***Temenos Group - CFO***

Thank you, Andreas. If you turn to slide 13, I'd like to start with a quick look at our second quarter financial highlights. License revenues were 19% down on 2008, due to Metavante. Total revenues were down 15% as a result of this lower licensing, as well as lower services, offset by higher maintenance revenues.

EBIT for the quarter was $10.5 million, 4% up on 2008, as our lower cost base, higher services margin and higher maintenance more than compensated for the Metavante revenue in the comparative. Adjusted EPS reached $0.16, 7% up on the prior year, reflecting the increased operating profit, good tax structure and absence of material below the line items.

The next slide shows the full P&L down to EBIT and EBITDA, as well as operating cash flow, and in addition to the points I've already made there's just a few things I'd like to highlight. Firstly, license revenues declined by 19% in the quarter to $27 million, which was driven entirely by the lower Metavante revenue.

License revenues, excluding Metavante, are 5% up, adjusted for ForEx. Secondly, the strength of the maintenance base, which grew 20% in the quarter and 24% in the last 12 months. Maintenance continues to grow into 2009, based on the locked-in growth and deals we've signed so far. We continue to see very low attrition and continue to forecast that maintenance will grow by between 15% and 20% for the full year. Finally, onto services revenues, you can see that our services revenue growth continues to slow and is back at 32% of total revenues, following a period of very strong growth on the back of 2009 and a move towards shorter implementations through Model Bank.

Services are benefiting from shorter projects and we intend to stay within our target range of under 35% of total revenues. We expect services revenue to grow in the third quarter and more so in the fourth quarter, but the extent of this growth for the full year will depend on how much we use partners, although clearly if we use more partners we'll see a significant improvement in services margins in the year.

As Andreas has mentioned, we now have over 90% of our services revenue for the year locked in. Total operating costs for the quarter were $71.5 million, a 17% decline from Q2 last year. This is the third sequential quarterly cost decline which we've delivered, whilst keeping our ability to scale quickly intact through the increased use of offshore resources.

Coupled with good T24 execution, this gives us confidence in both our profits and cash flow goals for 2009 and we'll talk about that a little bit later on in the presentation. EBIT for the quarter was $10.5 million, compared to $10.1 million in Q2 last year, a 4% increase. This is an excellent performance, given we've fully absorbed the reduction in Metavante revenues.

We achieved a 13% operating margin in the quarter, 230 basis points up on last year, and a 620 basis points improvement in EBITDA, despite absorbing better decline in Metavante revenues and a strong licensing comparator.

The strong EBITDA performance is what's going to underpin our growth in margins for the year. We generated $21 million of operating cash flow in the quarter, a $30 million year-on-year swing, bringing our last 12 months operating cash flow to $83 million. As Andreas has already mentioned, we've reached our full-year outlook of $80 million cash flow two quarters early. Slide 15 shows our second quarter and last 12 months revenue adjusted for acquisitions and the impact of ForEx, and also this time for Metavante.

We don't have all the numbers on the slide, but just to note that the trends on a reported basis are basically the same as on an underlying basis, with license adjusted for Metavante acquisitions and ForEx flat on last year. Maintenance clearly benefits from the impact of acquisitions, but grows in line with our forecasts on an underlying basis.

Let's move to the below-the-line P&L items on slide 16. Adjusted EPS is up 7% in the quarter and up 2% in the last 12 months. There are really three drivers for this. Firstly, financing costs, which you can see have increased now that we've drawn down on debt to fund our acquisitions. Our acquisitions are strongly accretive when all revenues and costs are taken into account, although clearly if you look just across the interest expense line alone, there's an increase in financing costs. Next, there's ForEx. Note that through more effective hedging ,driving a significantly lower below-the-line volatility.

The last item I briefly want to mention is tax, where once again we have a neutral tax charge as a result of our tax-efficient structure. Slide 17 shows our operating cash flow for the quarter and last 12 months and compares this to EBITDA. We generated $21 million of operating cash flow in the quarter, an excellent performance in a second quarter where we confirmed we're making significant progress on cash. This brings our last 12 months cash flow from operations to $84 million, ahead of our guidance for the full year two quarters ahead of schedule, and as a result we've taken our full-year outlook up.

We converted 117% of our quarterly EBITDA into cash and 88% of the last 12 months, which is a historically high conversion for us. Note that this cash conversion was entirely down to T24 and Metavante paid their cash after the quarter end. We're taking our operating cash flow outlook up to $110 million, as Andreas will discuss in a second, based on Metavante cash, but also stronger T24 performance. Note that this outlook is based in no improvement in DSOs, even though we now believe we can sustain a DSO reduction of between 15 and 25 days, which we think is sustainable based on shorter projects, use of partners and Model Bank and better upfront cash terms.

On the next slide, I've shown some metrics around our cash and debt. Our debt comprises $126 million of convertible bond, with a coupon of 1.5%, which matures in 2013, by which time we fully expect to convert into equity. Having commenced repaying our debt in the second quarter, we now have $60.9 million of drawn-down debt per our acquisitions, which is with a consortium of seven banks and there's fixed repayment schedules up to 2012.

So in total this gives us $188 million of debt, even if the likelihood that the bond does not convert is minimal. We've got $76 million of cash on our balance sheet and a further of $151 million of facilities in place, which we can draw down on now after the end of 2010 and repay out to the end of 2012.

This gives available funding of $227 million at the end of the quarter, which will increase as we generate significant free cash flows during the rest of the year. Q3 has started strongly, driven by Metavante and good project execution, coupled with the lower cost base.

We now anticipate generating in excess of $80 million of free cash flow for the year. We read the year right, we read the recession right and this leaves ourselves in an excellent position to capitalize on the market positions with our strong cash position. These options might include using these free cash flows to either buyback shares, repay debt or undertake further acquisitions.

My final slide discusses our relationship with Metavante. We've reached a quick and amicable settlement with Metavante, who have made a cash settlement that covers all our outstanding receivables subsequent to the end of the second quarter. As part of the settlement, all warrants have been canceled and Temenos retains all jointly developed IP. Metavante will continue as a non-exclusive distributor of T24 in the US. This leaves us free to refocus our strategy for the US markets. That ends the financial part of the presentation, so now I'd like to hand you back to Andreas for a sum up and a discussion of our outlook.

Andreas Andreades - ***Temenos Group - CEO***

Thank you, David. Now, on slide 20 and 21, I'd like to recap briefly on the points I made at the start of the presentation. We've taken a significant amount of cost out of the business and that will stay out. We've started to see a strong progression in margins and even absolute profit growth, despite lower revenues.

The business is starting to throw off cash in a way that a software business that has achieved critical mass is expected to. T24 sales are holding up well, which along with strong sales from Insight and us are helping to offset the Metavante shortfall. Pipeline is building strongly, suggesting that when conversion rates recover, licenses will begin to grow strongly again.

And, finally, the environment has stabilized, even though uncertainty still does exist. Now, this leads me into the outlook slides, beginning with slide 23. In addition to the outlook, which we've already given before, for a cost base of 310 million, an operating margin range of 19% to 20% and maintenance revenue of a minimum of 118 million, we now want the range for services.

Given that we are now halfway through the year and we have started about 20 new projects in the period April to July, including four with tier-one institutions, we have sufficient visibility, which is over 90% at this point in the year, to be confident that our full-year services revenue will fall between $130 million and $140 million.

On slide 25, we take up our outlook for operating cash to $110 million, which represents more than 100% EBITDA conversion, and this translates into free cash flow of $80 million. This is up from $50 previously.

As David said earlier, in part this reflects the Metavante settlement, but it also reflects better underlying performance and execution on the rest of the business. The absolute level of cash is for sure driven by lower costs and better margins, but the high EBITDA conversion is due to higher maintenance mix, as well as certain sales and service execution, getting more cash up front, as we've been demonstrating now for a forward quarters, and better sales, shortening implementations and executing better on our services business. Now, with that, I'd like to pass the call over to Q&A.

QUESTION AND ANSWER

Operator

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session.

(Operator Instructions)

The first question comes from Chris Grundberg, UBS. Please go ahead.

Chris Grundberg - ***UBS - Analyst***

Hi, thanks for taking my question. Just a quick one really. You touched on with Cognizant the fact that you have a couple of deals in the pipeline. I just wonder if you could give us the percents on what sort of size those deals are and when you might expect to hear further on them?

Andreas Andreades - ***Temenos Group - CEO***

Hi. It's still early days in the sales cycle to be forecasting deals from the partnership. I was -- maybe it was not clear from my script. What I said was we were following up leads, so we are in the early stages of project qualifications. So we'll give a flavor of where, if you like, the sales contribution of the partnership is shading us as the months go by. But it's very early days yet.

Chris Grundberg *- UBS - Analyst*

So it would be safe to say that there will be no meaningful contribution until FY '10.

Andreas Andreades *- Temenos Group - CEO*

Well, we've always said that it's 2010 and we stick by that. All we are saying is that we've started work.

Chris Grundberg *- UBS - Analyst*

Okay, great. Thanks.

Operator

Your next question comes from Raimo Lenschow from Banc of America. Please go ahead.

Raimo Lenschow *- Banc of America - Analyst*

Hey, thanks for taking my question. Well done in the quarter. I was interested on the services revenue side, you basically are seeming to imply that there's going to be significant ramp up in the second half on the first half run rate. First of all, we heard kind of similar comments to a degree in Q1. Can you just help me to understand where that visibility is coming from?

And then also, if I look at the cost of services that is going to be associated to that, if you ramp up significantly, how do you think about margins in the second half and margins for the full year in that respect? And then, last question is you obviously announced a deal with a big bank. What do you think -- what do you see in terms of geographies and demand in terms of customer type, tier-one banks, smaller banks, et cetera? Thank you.

David Arnott *- Temenos Group - CFO*

Hi, Raimo. This is David. Let me take the services question first. In the second quarter, we were able to finish some of the projects quicker than we thought on a time and material basis, which is good, because we were able to take them live with less revenue, but also protect the margin. In the third quarter, there's been a ramp up within services revenue already within the second quarter and that continues into the third quarter as we really get underway with our big tier-one projects in terms of the other big projects we've won. So that is driving the ramp up into the third and fourth quarter. For the full year, we've got more than 90% of the total revenue locked in at the moment at the guidance we've given.

What we don't know yet is to what extent we're going to do that ourselves, which is reflected in our numbers. Well, maybe some might come from different partners, which would be upside, because that would generate a higher margin overall. But, at this point, the numbers we've got are backed up with 90% named by name signed deals.

Raimo Lenschow *- Banc of America - Analyst*

And how much do you have to ramp up the cost to kind of deliver that, if you look at the -- I mean, your run rate seems to be around 25.

David Arnott *- Temenos Group - CFO*

I didn't deliberately avoid that part of the question. None is the answer. As Andreas has said, we've invested in capacity, offshore capacity. In the second quarter utilization was slightly lower as some of our projects finished earlier and the bigger ones only started to kick in in the middle of the second quarter. But we have the capacity to deliver all of the services revenue that's in our forecast without an increase in cost.

Raimo Lenschow - ***Banc of America - Analyst***

But then your margins go a little bit too high on services. Well, anyway, okay, I can take that offline.

Andreas Andreades - ***Temenos Group - CEO***

Let me take the business question regarding geography and segments and peers. I think from a business perspective, even today I will almost repeat the same comment that I made one quarter ago, in that we've seen emerging markets quickly come back into play after Q4 of last year. Momentarily, we had a coupling of global markets and then we saw emerging markets quickly get out of that more than compact, spending, investing in software decisions. We continue to see clearly challenges, both in the European markets, as the numbers are suggesting, and also in the US market.

We believe that the US market is going through a significant period of consolidation and change and almost trying to survive, and therefore with limited software decisions. And so Europe continues to be challenging. From a tier perspective, as I said before, we now have four new tier-one deals, which is -- it's even -- as a number of deals, it's a higher number than we've had the last five years in any one year.

So we are seeing the large banks come back to the market and start doing stuff. Maybe not all of these deals are very large in size, but they demonstrate a willingness of these large organizations to pursue strategic initiatives. So further down the tiers, tier twos, tier threes, it's much more business as usual, especially in emerging markets.

Raimo Lenschow - ***Banc of America - Analyst***

Perfect, thank you, and well done.

David Arnott - ***Temenos Group - CFO***

Thank you.

Operator

The next question comes from Roger Steiner, Kepler Capital Markets. Please go ahead.

Roger Steiner - ***Kepler Capital Markets - Analyst***

Hey, good evening, thanks. Most of my questions have been answered. I have just two small ones that I would like you to pass on. I mean, one is on your guidance on the cash flow side. Could you sort of specify what the underlying performance is, or part of the underlying performance for the delta in your guidance? And the second one is on the net financing costs. I mean, that increased quite a bit into Q2, and I just wondered whether that's going to be the run rate that we have to look for for the next few quarters.

David Arnott - ***Temenos Group - CFO***

Sorry, Roger. Let me take the first one, those questions on the cash flow. The overachievement in the quarter comes from T24, where DSO on an underlying basis, we put in the appendices, are split, are down by ten days quarter on quarter. So T24 underlying DSOs are performing strongly. Clearly, with the Metavante collected in the third quarter, that's the lump of cash which is driving the increase in guidance.

We're not formally splitting hardware much of the increase comes from Metavante, but as Andreas has said, a large chunk of that is from better T24 performance, although in our current forecast we are not forecasting a further improvement in T24 DSOs. That would be upside to the extent we can achieve it. And I hope that answers that part. Could you repeat the second part?

Roger Steiner - ***Kepler Capital Markets - Analyst***

Yes, sorry, the second one was net financing costs, which increased quite a bit into Q2 from Q1, and just wondered whether that's going to be the run rate for the remainder of the year.

David Arnott - ***Temenos Group - CFO***

Interest expense should be in the P&L or the cash flow?

Roger Steiner - ***Kepler Capital Markets - Analyst***

In the P&L.

David Arnott - ***Temenos Group - CFO***

The financing charge should be pretty much flat. In fact, they start to come down as we repay slightly our debt. There's a slight amount of lumpiness around foreign exchange as we really just have a fully effective hedging program now and the only thing left is a small amount of non-cash retranslation of the balance sheet, but you should definitely be able to take Q2 as a run rate. I can help you model that offline, if you like.

Roger Steiner - ***Kepler Capital Markets - Analyst***

Okay, thank you.

Operator

Your next question comes from Josep Bori, Deutsche Bank. Please go ahead.

Josep Bori - ***Deutsche Bank - Analyst***

Hi, good afternoon. Thanks for taking my questions. A couple of quick ones. The first one is just a clarification on the -- kind of the guidance you are providing. Obviously, I believe the implied license growth there is about 10%, 14%, and it seems to suggest a bit of an improvement in the second half, but it's not a massive increase.

But your commentary earlier seems to suggest business as usual in tier two, tier three. So would you just say that you are beyond the worst, this stage? What is your take in terms of the outlook and the big picture? And the second quick clarification is on the deal with Wall Street Investment Bank. Could you add some additional color on the impact on the P&L, maybe in Q3 and going forward, or maybe some sort of a sense of the size of that deal? Thank you.

Andreas Andreades - ***Temenos Group - CEO***

I'll take the license question. Okay, first of all, let's be clear the we are not providing a revenue outlook for licenses. Now, so from, if you like, a consensus perspective, if you were to look at what the markets have out there, I don't think it assumes a growth in licensing second half of the year. In fact, on the T24 side, if you do the math, it probably is on a flat basis. If you were to back out the Metavante second half revenues in the comparative period, you -- probably you will get down to a flat licensing number on the T24 side. This compares with a plus 5% in the first six months of the year on a like-for-like basis.

So that's the -- and one could argue that Q4 of last year was a post-Lehman's quarter and therefore a week quarter. So in many ways the view is that the second half of the year was a weaker second half. So flat on year ago and on potentially a weaker year is what the consensus has out there. Cold you please repeat the second question? I didn't quite get it.

Josep Bori - ***Deutsche Bank - Analyst***

Yes, the second question was trying to get some additional color in the tier-one deal with a Wall Street bank, if you can indicate a bit what's the expectation on the P&L impact on Q3 and beyond and how we should think about the deal in terms of size.

Andreas Andreades - ***Temenos Group - CEO***

You should think about the deal as an average T24 deal, not as a realized larger than average in size. This is about a bank that wanted to -- that was not a bank before, became a bank, commercial bank, and wanted to set up commercial operations in Asia-Pacific and started working with us. So, clearly, there was a need for software to handle a new business segment, so they went ahead with Temenos. But from a size perspective you should assume a normal T24 deal.

Josep Bori - ***Deutsche Bank - Analyst***

Excellent, thanks a lot.

Andreas Andreades - ***Temenos Group - CEO***

Thank you.

Operator

The next question comes from Panagiotis Spiliopoulos from Bank Vontobel. Please go ahead.

Panagiotis Spiliopoulos - ***Bank Vontobel - Analyst***

Yes, good afternoon. Just two small questions. Number one, on the T24 license growth, you provided us a number for Q1 which is I think 5% and 9% in local currency. What is the number for Q2 or first half in total? And the second one, on the partnership, can you elaborate a bit on that one? Is it similar size or similar type as for Cognizant or are you going to look into a different area, maybe some color of that? Thanks.

David Arnott - ***Temenos Group - CFO***

Thank you, Takis. This is David. The second quarter is around minus 4%, minus 5% on like-for-like currency, T24 total.

Panagiotis Spiliopoulos - ***Bank Vontobel - Analyst***

Okay.

Andreas Andreades - ***Temenos Group - CEO***

And your second -- please repeat your second quarter again?

Panagiotis Spiliopoulos - ***Bank Vontobel - Analyst***

Yes, the second one was on some more color on the planned second global partnership with what direction.

Andreas Andreades - ***Temenos Group - CEO***

Okay, we've started well. We started a training program. We started engaging with the accounts management organization, so we are starting selling together. There is enthusiasm on both sides, so we are very excited about the possibilities that that gives. I have to say that the commitment that we see from our partner is significant and also their market presence is quite extensive.

So, from our perspective, things are going the right direction and the numbers we talk about in terms of level of size of team trained on our products, they still fall. Clearly, we are also working on a second global partnership and, as I said, we hope we are going to be able to announce that during the second half of the year, conclude that and announce that during the second half of the year, and that's the target. And taken together, as well as the other initiatives that we've undertaken, they do really transform our services business.

Panagiotis Spiliopoulos - ***Bank Vontobel - Analyst***

Okay, would you want just more scale on a similar level with this similar business proposition, or are you targeting let's say different customer bases, different regions, a focus on different regions, anything with the second one?

Andreas Andreades - ***Temenos Group - CEO***

At this point in time, it's more of a scale. It's a scaled partnership rather than a geographical, but I would not -- I wouldn't rule it out that over a period of time it might find a geographical focus in addition to, if you like, a global skills partnership. But that over the next few months we'll see.

Panagiotis Spiliopoulos - ***Bank Vontobel - Analyst***

Thank you, well done.

Operator

The next question comes from Gregory Ramirez, Bryan Garnier. Please go ahead.

Gregory Ramirez - ***Bryan, Garnier & Co. - Analyst***

Thank you. My question has been answered.

Operator

The next question comes from Michael Studer from Bank Bellevue. Please go ahead.

Michael Studer - ***Bank am Bellevue - Analyst***

Yes, hi there. I've just also only one small question, and you're seeing the impact of the Metavante resolution of this period will be seen in Q3 and you're saying covers all outstanding receivables. Can you give us a slight indication of what this means on a P&L level or a cash level?

David Arnott - ***Temenos Group - CFO***

Hi, Michael, it's David. Let me take that one. The P&L impact has actually already been absorbed within the second quarter. We've reflected that because the outcome was before we announced our results, and it has an immaterial impact on our result, and is within the number. The cash physically arrived after the quarter end so will obviously be one of the drivers that we've talked about, about driving a very strong third quarter cash blip.

Michael Studer - ***Bank am Bellevue - Analyst***

Okay, all right. Can you give us there some indications on what the cash contribution from the Metavante deal is and what is inherent to your business.

David Arnott - ***Temenos Group - CFO***

We obviously can't give a specific number on cash, but if you look at the analyst research out there, they're coming to a range which is not far off.

Michael Studer - ***Bank am Bellevue - Analyst***

Okay, all right. Thanks.

Operator

Gentlemen, there are no further questions. Please proceed.

Ben Robinson - ***Temenos Group - Associate Director - IR and Business Strategy***

Okay, thank you very much for participating in the call. We look forward to updating you on our Q3 results in October.

Andreas Andreades - ***Temenos Group - CEO***

Thank you, bye.

David Arnott - ***Temenos Group - CFO***

Thank you.

Andreas Andreades - ***Temenos Group - CEO***

Bye-bye.

Operator

Ladies and gentlemen, that does conclude the conference call for today. Please disconnect your line and thank you for participating.