TEMENOS

October 20, 2015

17:30 BST

Operator: This is conference # 60469788.

Operator: Ladies and gentlemen, thank you for standing by and welcome to the Temenos Q3 2015 results. During the conference, all participants will be in a listen-only mode. There'll be a presentation followed by a question and answer session at which time if you do wish to ask a question you will need to press star, one on your telephone keypad.

I must advise you that today's conference is being recorded on Tuesday, the 20th of October 2015. And I shall now hand the conference over to David Arnott, CEO of Temenos. Please go ahead.

David Arnott: Thank you very much. Hi, everybody, and thanks for taking the time to join today's call. As usual I'm going to start with some comments on our third quarter performance and the market backdrop, and then I'll hand over to Max for the financial update.

So, hopefully you've all been able to get hold of the presentation. And assuming you have, I'm going to start on slide five, which will give you a summary of the third quarter.

I'd like to start by saying that this has been an outstanding quarter for us, with strong growth across all revenue lines. Whilst Nordea is an important aspect of the performance, it's important to note that the volume and value of deals signed in the quarter was very strong and we had growth across all revenue lines. In particular, total software licensing is up 95 percent in the quarter and 44 percent on a like-for-like basis.

The Nordea deal was a landmark for us, the largest ever deal signed by Temenos. It demonstrates the superiority of our product offering and the strength of our unique business model. This quarter has demonstrated the traction we're building with our global partners, which continues to be a key strategic focus for us.

On top of the volume of deal signings, we also saw strong growth in our pipeline in Q3 and have had a strong start to the fourth quarter, which puts us in a good position for the balance of year and into 2016.

It's clear to us that market conditions continue to improve, and we're executing well in this environment. To capitalize on the improving market conditions, we continue to invest in the business and are focused on ensuring that we are well positioned to drive our growth into 2016 and beyond.

Given the performance over the last two quarters, I'm confident that we will meet the revised full year guidance, which we upgraded, both for the Nordea transaction and the improving market conditions, a month ago. Lastly, I would note that our deal flow and pipeline generation in Q3, our revenue visibility into 2016 and the medium term have substantially increased.

Turning now to slide six, we were very pleased with our sales execution in the quarter, with strong momentum across all geographies. The standout transaction for the quarter was clearly Nordea. Winning this deal is important to us as a company, as it reinforces our market leadership and particularly in Europe.

It also demonstrates that large banks have a growing appetite for core systems replacement, a trend that we've been talking about for a number of quarters. This is being driven by a realization that to become a digital bank requires a real-time, customer centric core banking system, with banks having to cope with ever-growing numbers of customer interactions. The improved proposition around progressive modernization help to significantly reduce implementation risk and delivery faster time to value.

The sales performance in Q3 generated good volume growth in deal signings, as well as generating incremental pipeline. This held true across all geographies and customer segments, and is reflected in both competitive deals and add-ons to the installed base. This has continued into the fourth quarter with a strong start across all geographies, in particular Asia, which we expect will grow for the full year.

We continue to invest in our product. And over time, it's becoming more and more evident that we have real product superiority versus the competition, in particular in retail and wealth. We are investing significantly in architecture, embedded analytics, and digital channels. We're well positioned to capitalize on the improving market conditions and the growing trend of tier one bank renovations.

Our relationship with our global partners is key, and it's clear we've got significant traction now with them. The combined value proposition is extremely compelling, as it provides clients with market leading software implemented by top global systems integrators who are experts in delivering business transformation projects. We see this reflected in an increase in joint go-to-market activity, as well as the investment our global partners are making in their Temenos expertise.

It's important that we extend our competitive advantage. And to this end, we're investing both in sales and marketing and product to capture the market opportunity as we see it. We had 19 new customer wins in the quarter, up from 12 in the third quarter of 2014.

Turning to slide seven now, we continue to be very focused on our partner ecosystem, as it's crucial to us in terms of implementation and delivery. Partners continue to be involved in most of our implementations. We're concentrating our effort with key strategic partners to strengthen our relationship and collaboration. And I'm pleased to report that Ernst & Young has signed with us as a new partner in North America, where we already have a strong partnership with Accenture.

Our focusing on delivering successful client implementations and strong added value through expert services continues to be reflected in the services profitability. We had a 470 basis point improvement in services margin year-on-year, with premium services, including training and consulting, contributing 19 percent of total services revenue for the quarter.

Having been focused on the contribution of services to the overall revenue mix, our services business returned to growth this quarter, as we indicated it would after the Q2 results.

Maintenance revenues continued to accelerate, growing 6 percent on a like-for-like basis. Maintenance represented 40 percent of total revenues for the quarter, which is skewed by the strong license revenue growth, of course. On an LTM basis, maintenance made up 44 percent of total revenues.

Growth in recurring revenues, both maintenance and recurring licenses, is important to the ongoing resilience of the business in the medium term. So overall, it was a strong quarter operationally, and we are very focused on delivering success for our customers.

On slide eight, I'd like to spend a little bit of time giving you an overview of the Nordea deal. On the 11th of September, we announced that we have been selected by Nordea for the replacement of its domestic retail and corporate core banking platform across the bank.

This deal is very high profile in the industry. Since the announcement, the deal has attracted a lot of attention from other banks and has led to us engaging in multiple dialogs with other banks wanting to understand how we can replicate it for them.

To give you a quick refresh on the parameters of the project, it covers four countries, Norway, Sweden, Denmark, and Finland, and will impact more than 11 million retail and corporate customers. The implementation is expected to take four to five years, but with interim rollouts as part of the solution already from next year.

As I said previously, our global partners are instrumental to our success. In this, Accenture was selected by Nordea to lead the implementation. Accenture are now really invigorated in the different geographies in which we operate and they want to replicate this success locally. And we are seeing competitive tension now between the big SIs to be Temenos's key partner on deals.

We won this deal for a number of reasons, not least of which is the superiority of Temenos's business model, in particular our packaged software solutions and local presence, which gives banks like Nordea confidence in selecting us. As the largest ever deal for Temenos, it has a material positive impact on our numbers, providing revenue visibility into 2016 and the medium term.

On slide nine, I'd like to give you a quick update on Multifonds and the fund administration opportunity. Third party administrators, or TPAs, are growing revenues at around 10 percent a year, driven by asset manager outsourcing.

The tracking and reporting of fund accounting and administration is becoming too complex for all but the largest organizations, and this is driving two trends. Firstly, the smaller ones are increasingly outsourcing to the larger players who have scale. And secondly, all these organizations, big or small, are looking to packaged software vendors to increase efficiency and handle the complexity.

As a leader in the fund administration software space and through already having a lot of the larger organizations who are picking up the business from the smaller ones already as Multifonds' customers, Multifonds is very well positioned to capitalize on this.

Multifonds is performing very well and is on track to deliver its forecast of $46 million of revenue contribution and $13 million of EBIT in 2015. As part of the Temenos Group, in other words as part of a larger software company rather than the previous private equity ownership, Multifonds has been able to raise its visibility and profile, which is helping to drive pipeline growth.

In addition and perhaps more tangibly, Multifonds are leveraging the Temenos global sales footprint to gain access in Asia and the US. The integration of Multifonds has gone very smoothly and is scheduled for completion in Q4 2015.

Now on slide 10, moving to the US, this is the world's largest financial services software market. It's dominated by a handful of large vendors with largely legacy software, and we have an opportunity to take market share through our superior product offering.

We've already demonstrated we can complete effectively against the incumbents, having won a competitive deal with a top 20 US institution in the second quarter.

Akcelerant, which we acquired in Q1, is now fully integrated and is on track to deliver its forecast of $15 million of revenue contribution in 2015. The US business is dominated by recurring revenues, although as we announced in Q2 we've also had success with traditional on-premise license deals.

The integrated sales force has made good progress in building the US pipeline, both through direct sales to higher tier customers, domestic institutions for on-premise solutions, as well as working with partners to sell across smaller community banks and credit unions.

We now have partnerships in place across all client tiers. And as I mentioned, we have signed a partnership agreement with Ernest & Young for North America. This is an excellent opportunity for us to increase joint go-to-market activity.

We are in the process of working with them on a joint marketing plan. We expect this partnership to drive pipeline generation and ultimately deal wins in the US. We've made good progress in building the US pipeline, and I'm personally spending a significant amount of time with the US team to ensure this continues.

I'll now hand you over to Max to update you on the financials for the quarter.

Max Chuard: Thank you, David. Turning now to slide 12, I'd like to start by presenting the Q3 financial highlights.

I'm very pleased with the results this quarter, with a strong financial performance across all lines. Total software licensing growth was up 95.5

percent year-on-year in Q3 and up 27.3 percent over the last 12 months in constant currencies. Of this, software licensing was up 69.5 percent year-on-year in constant currencies.

SaaS and subscription contributed 19 percent of total software licensing this quarter compared to 6 percent in Q3 2014. Maintenance grew 9.8 percent year-on-year and 8.3 percent over the last 12 months in constant currencies, showing the resilience of this revenue stream and our high retention rates.

The services margin was 5.8 percent in Q3, an increase of 470 basis points year-on-year; strong total revenue growth of 38 percent in the quarter and 13 percent over the last 12 months in constant currencies.

EBIT was up 72.3 percent year-on-year, taking the EBIT margin for the last 12 months to 29.3 percent, up around 410 basis points versus last year. Finally, Q3 operating cash flows of $37 million, with DSOs down 17 days year-on-year and 25 days excluding acquisitions.

Turning to slide 13, there are a few numbers I would like to highlight in particular. The key figure this quarter is our software licensing of $50.3 million, representing an increase of 69.5 percent year-on-year in constant currencies.

Combined with the growth in SaaS and subscription, this has driven total software licensing growth for the quarter of 95.5 percent in constant currencies and 27.3 percent over the last 12 months. Europe again was particularly strong this quarter, as demonstrated by the Nordea deal.

In addition, maintenance and services grew significantly, contributing to total revenues growth of 38.2 percent year-on-year and 13.2 percent over the last 12 months in constant currencies.

With significant leverage in the business, EBIT grew 72.3 percent in the quarter, resulting in an EBIT margin of 29.3 percent in the quarter. This represents a margin expansion of 7.2 percentage points over last year.

The Q3 2015 LTM EBIT margin of 29.3 percent is ahead of the implied guidance for the full year. This is driven by the unusually high Q4 2014 margin, which was due to the reversal of circa $10 million of variable costs on the back of a weak license number.

Lastly, our focus on client implementation and value-added services continued to deliver results, with a services margin of 9.8 percent over the last 12 months, an improvement of 7.8 percentage points.

On slide 14, we show the revenues and the costs on a like-for-like basis, removing the impact of acquisitions and currencies. Whilst the overall currency impact was less this quarter than in Q2, it did still have an impact on the revenues and costs, with both impacts in the region of $6 million, driven mainly by the weakening of the euro and the strengthening of the dollar.

Q3 like-for-like revenues are up 19 percent, which includes a 44 percent increase in total software licensing. Again, we are pleased to see strong underlying organic growth in the business. Maintenance and services are both up 6 percent on a like-for-like basis.

Total Q3 like-for-like costs were up 9 percent. The increase in costs from Q2 to Q3 2015 is being driven largely by the higher variable costs, reflecting our higher revenue expectation for the year.

Looking at slide 15, we have been consistent in our management of the below the line items. And the strong EBIT growth of 26 percent over the last 12 months is reflected in the EPS performance. As we stated previously, financing charges have increased due to the two acquisitions we've done earlier this year.

On slide 16, we are consistently converting more than 1 percent of EBITDA into cash. For the 12 months ended September 2015, it was at 108 percent, significantly ahead of our target of more than 1 percent of EBITDA conversion.

DSOs for the quarter were at 169 days, down 17 days year-on-year. On a pro forma basis, excluding the impact of acquisitions, DSOs for the quarter were 161 days, down a total of 25 days.

Looking at slide 17 now, our leverage is at 2.1 times non-IFRS EBITDA, or 1.9 times including treasury shares. As a reminder, at Q2 it was 2.4 times. This clearly demonstrates our rapid deleveraging due to the strong cash flow generation, and I'm confident in bringing leverage within the range of 1 to 1.5 times in 2016.

Turning to slide 18, I'd like to highlight elements of the guidance for 2015. We are guiding for full year total software licensing growth of 42 percent to 46 percent, implying total software licensing revenues of $202 million to $206 million. This includes software licensing growth of at least 21 percent.

We expect non-IFRS EBIT of $153 million to $158 million. With a strong start to Q4, we are confident in delivering the full year guidance.

Finally, on slide 19 we wanted to show the shareholder value created by Temenos over the last few years. Licensing revenues have at times been volatile between quarters, which is one of the reasons we guide on a full year basis. However, looking at the total return to shareholders, it is clear that the company has returned significant value over the short, medium, and long term.

This is a function of our business model, with every dollar of license revenue generating 21 percent of maintenance, which accumulates over time in a very predictable manner, driving margin expansion and profitability year-on-year.

Likewise, if you look at our functional KPIs, the growth of over time has been very strong. Over the last 10 years, total software licensing has grown at a CAGR of 14 percent, total revenues at a CAGR of 13 percent, EPS at a CAGR of 18 percent, and operating cash flow at a CAGR of 28 percent. As a management team, we are very focused on continuing to deliver value to our shareholders going forward.

With that, I would like to hand back to David.

David Arnott: Thank you, Max. So, turning to the final slide from today's deck, in summary clearly we are very pleased with the strong performance of the business for the third quarter, wherein markets are clearly recovering.

The clients have got a real burning platform around staying relevant for the future. And this is creating a sense of urgency around core replacement as a prerequisite, as a real-time view of your clients' overall position at the push of a button is key to pushing the right products to the right channel at the right time.

This is really the only way to protect others from taking your clients and also to reduce costs, which, frankly, with so many questions around what the banks' revenue future looks like, this is the only guaranteed way to deliver shareholder value. And this is increasingly coming out of our clients' strategic planning process and translating into a search for vendor solutions so that they can get on with executing their business strategies.

Our business model allows the quickest time to value, the lowest implementation risk because they're installing software that hundreds of other banks are using every day, the lowest ongoing cost of ownership, and the ability to source both the embedded analytics piece and the key frontend CRM and channels piece from the same vendor, and also to get there in a progressive renovation or modernization way which gives real business value in bite-sized chunks within annual budget timeframes, which appeals to both the CFO and the business side.

Whilst we're investing in sales and products to take advantage of the structural growth opportunity ahead of us, we remain vigilant and, as we've proven in the past, remain ruthlessly focused on controlling costs overall and delivering shareholder value no matter what rate the pickup in market demand comes.

So, for 2015 I'm confident in meeting the revised guidance, and I'm pleased that our revenue visibility is improved in 2016 and for the medium term.

With that, operator, I'd like to open up the call for questions, please.

Operator: Thank you very much. As a reminder, ladies and gentlemen, if you do wish to ask a question please press star, one on your telephone keypad. If you change your mind and wish to withdraw your question, you can press the hash or pound key. Again, that's star and one if you do have a question.

Our first question today is from the line of Michael Briest from UBS. Please go ahead.

Michael Briest: Thanks. Good afternoon and congratulations on the Nordea win and obviously some big financial impact this quarter. I was wondering, could you talk about the pipeline for similar sized and other large deals into 2016? And obviously Q3 is a very high water mark in terms of the financial contribution. You've got midterm growth goals in terms of double digit license growth. Is that something you feel comfortable committing to going into 2016?

And then secondly, just in terms of the acquisition contribution, trying to sort of back out it looked to me as though Multifonds might have done a reasonable amount of licenses, maybe sort of $4 million to $5 million. Can you confirm that?

And then just finally, David, I think you said Asia should grow for the year. When I look at your sort of nine month performance, you're already almost at the 2014 level in terms of contribution. So, maybe what are you actually seeing in Asia? Do you think you're get growth year-on-year in Q4, or will Q4 perhaps be down on last year's number? Thanks.

David Arnott: Okay, Michael. Thank you for those questions and thanks for your comment on our results. I think I scribbled them down fast enough.

So, in large deals, clearly Nordea is an outlier in terms of its size. It represents a watershed for the industry inasmuch as it's a project with a long payback to the bank. And after a rigorous selection process, to be chosen on the strength of our business model is really a validation that our strategy is the right one.

We are working a number of larger deals along the trend that we've talked about, none as large as Nordea at this stage. They're more likely to be in the normal large range, if you like, for Temenos. They're progressing very well.

As you know, we've signed a number of tier one deals over the last five or six quarters. It wasn't that Nordea was a bluebird. It's more that it's a turning point, I think, for the industry.

Large deals are not included in our outlook for the year. We are working some. They have a longer sales cycle and they give us increasing confidence that, assuming our win rate stays high, our visibility into 2016 and beyond should improve. And with that, I'm confident in reiterating the 10 percent growth over the medium term.

On Multifonds, I think Max can --.

Max Chuard: Yes, I can take it, David, if you want.

Yes, on the question on the like-for-like, there were no contributions from acquired businesses on the license as such. Obviously, there were contributions on the SaaS. But, at the license, there were no contributions on the like-for-like from either the Akcelerant or Multifonds.

David Arnott: So, the growth is all on the traditional Temenos business.

Asia has started very strongly in the fourth quarter, and we expect clearly to grow for the full year. The fundamentals there are very strong, fast growing banks a demographic trend around wealth. And obviously with our strength in both retail and wealth and our quick time to market solutions out of the box, we're a very good placed vendor to capitalize on the growth we see there.

Michael Briest: Thanks. Could I just finally ask on the guidance for Q4? I mean, it's quite a big overall range despite a fairly narrow software range. Should we assume that services could be quite varied, or is it that maybe licenses would be much higher or just at the sort of $55 million mark?

Max Chuard: Yes. Remember when we revised the guidance after the announcement of Nordea we tightened a bit the range. And yes, it's still broad. And it's true that the services, as you know, can vary. And at least what we've seen so far is now service is back on growth.

But still, you know the level can vary, which is -- that's the main factor on it. And then, obviously the license as well can vary on that.

Michael Briest: All right. Thank you.

Operator: Thank you very much. The next question today is from the line of Gerardus Vos from Barclays. Please go ahead.

Gerardus Vos: Good afternoon, and congratulations from me as well. Just a couple of questions just following on from Michael. You guys had 19 new name customers. It's the highest, I think, in the history of the group. So, it looks that the strength was broad based, even if you strip out kind of Nordea. So, I'm just trying to understand what has been really kind of driving it. Just give us a bit of insight on kind of products and countries.

And then, again going forward on this, it looks that you now have made a step up change in the kind of run rate of these kind of deals. Is the organization equipped to kind of deal with these kind of potential high volumes of deals coming through in the coming quarters, or does this require you to make some substantial increase in sales and marketing investments? Thank you.

David Arnott: Okay. Thanks, Gerardus. And I'm glad you called me on that, because I didn't want this to come across as a Nordea only centric announcement. It's definitely not.

We had momentum across all geographies. Asia-Pacific obviously is doing very well. The Americas are doing very well although, as you would expect, in North America with the way the revenue tends to come it takes a while to flow through the numbers. Middle East and Africa also did very well. And across the board in Europe as well we did pretty well.

So, from a country point of view, I can't think of any region that's really dragging different regional drivers, whether it's growth or cost cuts or getting ready for digitalization. And the key products that are selling well are the wealth suite and T24.

Interestingly, on a progressive renovation story many banks are starting to change their internal IT around components of T24 with a clear roadmap to changing everything over time. And that's getting us a good amount of revenue visibility into next year.

Gerardus Vos: Thank you.

David Arnott: And on the second part, OK, I think four or five years ago we would have struggled with the level of growth we're seeing. But, two things have really happened over the last few years.

First of all, on the delivery side we've put a lot of work into our methodologies and deskilling implementations and making our country platforms more robust out of the box, and equipping partners with the right tools and the right level of resources to pick up the growth on the services side. So, I'm not so worried about the delivery side.

On the sales side, increasingly our sales are coming through joint go-to-markets with partners. And the challenge there is to have enough presales people who can really support those partners in campaigns. But, we've been making investment in sales, in product, and in the delivery side where we need to, so more on the governance and the expert services side so we can handle a level of growth which is at least in line with the consensus over the medium term.

Gerardus Vos: So, you would not expect that you'd go through a period of kind of digestion following this kind of very strong quarter?

David Arnott: On the delivery side -- well, OK, I didn't also want to overplay that this is the inflection point. Nordea is strategically important. What I was trying to signal is that we -- at the end of a long, protracted strategic planning process in our end customers, there is now a clear consensus that they need to do something.

And that takes time to flow through the realization that they need software to do that. And that then leads to a sales cycle which is 12 to 18 months. So, I'd say we're more getting visibility into 2016 and 2017 and even 2018 around the way we track our pipeline, which is important.

For 2016, it's all about delivery. We have been given the chance to participate in some very flagship accounts like Nordea and like the one in the US, like some other ones that we've signed, as you know, over the last four quarters. And the focus is on making sure we deliver those successfully with our partners.

On the sales side, we'll continue to monitor the pipeline. It's healthy, as we've said. There are some significant deals in there that play exactly to our strengths and are driven by the market drivers we've talked about.

Gerardus Vos: Okay, very clear. Thank you.

Operator: Thank you very much. As a reminder, it’s star, one if you do have a question. The next one is from the line of Adam Wood from Morgan Stanley. Please go ahead.

Adam Wood: Hi. Good evening, everyone, and thanks for taking the question. Also congratulations from me on an excellent quarter and the Nordea win as well. Maybe kind of following up from Gerardus, but you've had periods of very strong license growth before. And Max acknowledged the fact that there's been volatility around that and periods after that strong growth where license growth has weakened.

How much confidence do you have this time round that the market environment is different? Is there anything you're worried about that would prevent you being able to sustain obviously not this type of license growth but the double digit license growth you've talked about in presentations? And what's different this time round? Is it the componentization, the partner model? Just give us a feel for how sustainable you feel this is and what the barriers could be to achieving that.

And maybe just following up on those tier one deals, I think some of the initial ones that you talked about delivering next year, maybe the deal sizes weren't quite as big as you might first have hoped. Is that fair? And then, as you deliver next year, is there upside to that as those second and third deals come through from those larger banks? Thank you.

David Arnott: Sorry, Adam. Could you just repeat the first part of that?

Adam Wood: Yes. There's been periods of fast license growth previously, and it's not been sustainable for a long period of time. Obviously the hope here is that the market has changed significantly and that we're at the phase where banks really do start to change the systems.

And it's really, from you, whether there's a sense if you can help us with what's changed in your business model. Is it the componentization of the partners? Anything you worry about that could take us off track that might lead to weaker growth in the future, just to give us confidence that the double digit license growth that you've hoped for and guided to and you're delivering now is sustainable for a longer period of time?

David Arnott: Okay. I think if you look back over the last 10 years, banks -- our growth has come from a different type of driver. It's been pressure to cut costs in a sort of conceptual way, that the costs are too high, you need to remain competitive. But, it's been semi tactical, often consolidation driven. Our win rate's been high.

What we're seeing now is a much greater sense of urgency driven by lack of visibility over the top line. So, digitalization is a real burning platform. Retaining your customers, having a digital footprint, pushing analytics at the heart of your product so you can identify exactly what they need, really getting to the hearts and minds of your competitors -- of your customers, rather, as you compete against new players like Apple and Google and Facebook and so on.

And there's a greater sense of urgency around our sales which wasn't there before. I think that's -- whether that continues, whether it accelerates, it is too early to say and I didn't want to appear overoptimistic.

But, we've been looking at data points of deals that have come through around a sense of urgency for probably six, seven quarters now. They've been translating into deals.

On your point about the deals we've signed in the last few quarters and whether we're disappointed with the revenue there, absolutely not. The revenues were exactly where we expected.

What I was really signaling there is that Nordea is unusual inasmuch as it's a very significant deal with clear commitments up front. Most of our tier one business which has come through in the last six or seven quarters has been banks who've worked back from what the end solution looks like and bought a line of business or maybe a frontend for their wealth business in a certain geography.

And that gives us a lot of revenue visibility, because you don't input one line of business on T24 and then change your mind. You will continue with the strategy with the same vendor as long as we deliver.

So, all of the accounts that we've been selling to in the last two or three years have continued that. You saw the resilience of the sales to the installed base. Much of that comes from the tier one and tier two banks, and we're very pleased with that.

So, I don't see anything. It could -- the rate at which this could go going forward is very difficult to predict. Luckily we have a longer sales cycle than most, and you can run analytics around your pipeline conversion rates and so forth.

I would say that our win rate is accelerating. We're holding value better. We're farming those accounts where we have been given a progressive renovation opportunity very successfully. And we have a number of large deals in pipeline, some of whom may make decisions and may not.

Adam Wood: Great. Thanks very much, David.

Operator: Thank you very much. And our next question is from the line of (Takis Vontobel) from Zurich.

(Takis Vontobel): Yes, thanks. David, Max, congratulations also from my side and to the entire Temenos team. Just two small ones; if you had to rank the product in terms of growth in Q3 excluding the Nordea deal, how would you do that? Is it still 24 AAA BI channels if you had to rank them in terms of growth? That would be the first question.

And the second one, maybe an update on TPS. How is that going? There is a lot of talk about payments in the market, mainly B2C. But also, how is the whole thing impacting TPS on your side? Thanks.

David Arnott: Okay. Takis, thanks for that. The product is becoming a lot more fungible because, as you look at a suite of what a bank might need over time, whether it's T24 more in the middle and back office or wealth on the front, as we move towards more componentization and progressive renovation, to Adam's point, banks will start with a different starting point.

So, we've sold deals in the third quarter on the frontend wealth side, for example. But, the real pain of some of those banks is on the backend, but they've decided that tactically they need a new frontend system to give the relationship manager the single dashboard as a prerequisite to putting T24 in on the back, and other organizations the opposite -- the other way round, rather.

BI is becoming much more embedded in the whole product stack, because whereas they were separate before, our BI offering is not a standalone analytical tool. The way T24 works is you have a single customer view. And if you embed BI analytics at the heart of that, you can identify what the next best product is for them and push it to them through the channel.

So, a typical implementation at a T24 customer, whether in private wealth or retail, would look like a frontend, which many come from Temenos increasingly, or may come from a different vendor. And that's where their burning platform is. Underneath that you'd have T24 so you can get a real-time view of the customer.

And underneath that -- or embedded in that, rather, you'd see BI to look at the data coming out of T24 real-time, identify the right product offerings when somebody's account is low or where there's a cross selling opportunity, and push the next best product to them through a different channel. So, it's becoming much more of a suite of products which overall deal with their priorities.

From a segment point of view, we're seeing good traction in wealth. Onshore private wealth is learning to live with lower assets under management, and therefore needs to run off a lower cost base.

Mass affluent and private banking in faster growth economies is much more about offering a private banking solution or a wealth management solution out of the box as quickly as possible. And obviously we're the leader in that space.

On the retail side and on the payment side, which comes largely under retail as well, we are seeing much more, as I was saying earlier, visibility around the need to digitalize quickly, have a modern core system to reduce costs, and stay relevant in the medium to long term.

And within the banks' landscape, you're right that payments is a massive burning platform. Regulation has reduced the revenues coming in significantly. This exposed the size of the cost issue. As you know, we're in the middle of four implementations of TPS at the moment, including one in the US. Within our customer base and prospect base, one of the first lines of business that a bank will typically start with would therefore be payments.

(Takis Vontobel): Thanks, (very clear).

Operator: Thank you very much. There are no further questions at this time. I would like to thank all of the participants for joining. That does conclude the conference for today.

END