TEMENOS

The software specialist for banking and finance

Financial results & business update

Quarter and year ended 31 December 2015
11 February 2016

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Disclaimer

Any remarks that we may make about future expectations, plans and prospects for the company constitute forward-looking statements. Actual results may differ materially from those indicated by these forward-looking statements as a result of various factors.

In particular, the forward-looking financial information provided by the company in the conference call represent the company's estimates as of 11 February 2016. We anticipate that subsequent events and developments will cause the company's estimates to change.

However, while the company may elect to update this forward-looking financial information at some point in the future, the company specifically disclaims any obligation to do so. This forward-looking information should not be relied upon as representing the company's estimates of its future financial performance as of any date subsequent to 11 February 2016.

Non-IFRS Information

Readers are cautioned that the supplemental non-IFRS information presented in this presentation is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Company's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies.

In the tables accompanying this presentation the Company sets forth its supplemental non-IFRS figures for revenue, operating costs, EBIT, EBITDA, net earnings and earnings per share, which exclude the effect of adjusting the carrying value of acquired companies' deferred revenue, the amortization of acquired intangibles, discontinued activities, acquisition related charges, restructuring costs, and the income tax effect of the non-IFRS adjustments. The tables also set forth the most comparable IFRS financial measure and reconciliations of this information with non-IFRS information.

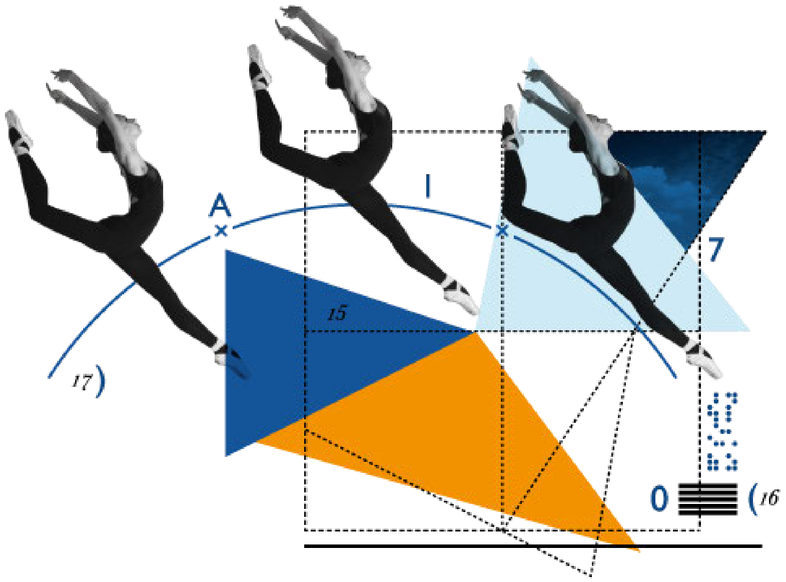
When the Company believes it would be helpful for understanding trends in its business, the Company provides percentage increases or decreases in its revenue (in both IFRS as well as non-IFRS) to eliminate the effect of changes in currency values. When trend information is expressed herein "in constant currencies", the results of the "prior" period have first been recalculated using the average exchange rates of the comparable period in the current year, and then compared with the results of the comparable period in the current year.

Agenda

1.	Business update	David Arnott
2.	Financial update and 2016 guidance	Max Chuard
3.	Summary	David Arnott
4.	Q&A	

Business update

David Arnott



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Summary

- Outstanding performance across all KPIs in Q4, delivered FY 2015 guidance
- Total software licensing up 63% for the quarter, 31% like-for-like
- Strong progress on larger deals and in the U.S., major growth drivers for the future
- Strong pipeline generation in Q4 gives confidence for 2016
- Investment made in the business to position for the 2016 opportunity
- Significant deleveraging post 2015 acquisitions, strong balance sheet for future opportunities
- Highest total revenue visibility ever, driven by high recurring revenues and progressive renovation

2015 a landmark year; outlook for 2016 is positive

Q4 and Full Year sales update

- Mobility trend forcing banks to modernize their IT infrastructure
- Outstanding year in Europe driven by high levels of activity, especially in large banks
- Asia growth driven by leadership position in Wealth, particularly in mature markets
- Momentum in the U.S., gaining key references and building critical mass
- Absorbed weakness in Emerging Markets (EM was 22% of total software licensing in 2015, vs. 46% in 2014)
- Significant growth across all products in Q4, with Private Banking and Channels particularly strong
- Strong win rates against all competition, increasing market share
- 30 new customer wins in Q4 2015 versus 12 in Q4 2014 as we expand product portfolio

Strong sales momentum across the business

Q4 and Full Year operational overview

Partner ecosystem expanding

- Increase in joint go-to-market activities, strengthening the value proposition
- Partner involvement in nearly all implementations
- New partners on-boarded in Q4 to meet client needs in specific geographies
- Focus on strategic partners to strengthen implementation and sales commitment

Improving services profitability

- 340 bps improvement in non-IFRS services margin in FY 2015
- Premium services contributed 24% of total services revenue in FY 2015

Continued delivery of customer go lives

- 10 implementation go lives in Q4 2015 vs. 7 in Q4 2014

FY 2015 maintenance revenue growth of 7% (LFL)

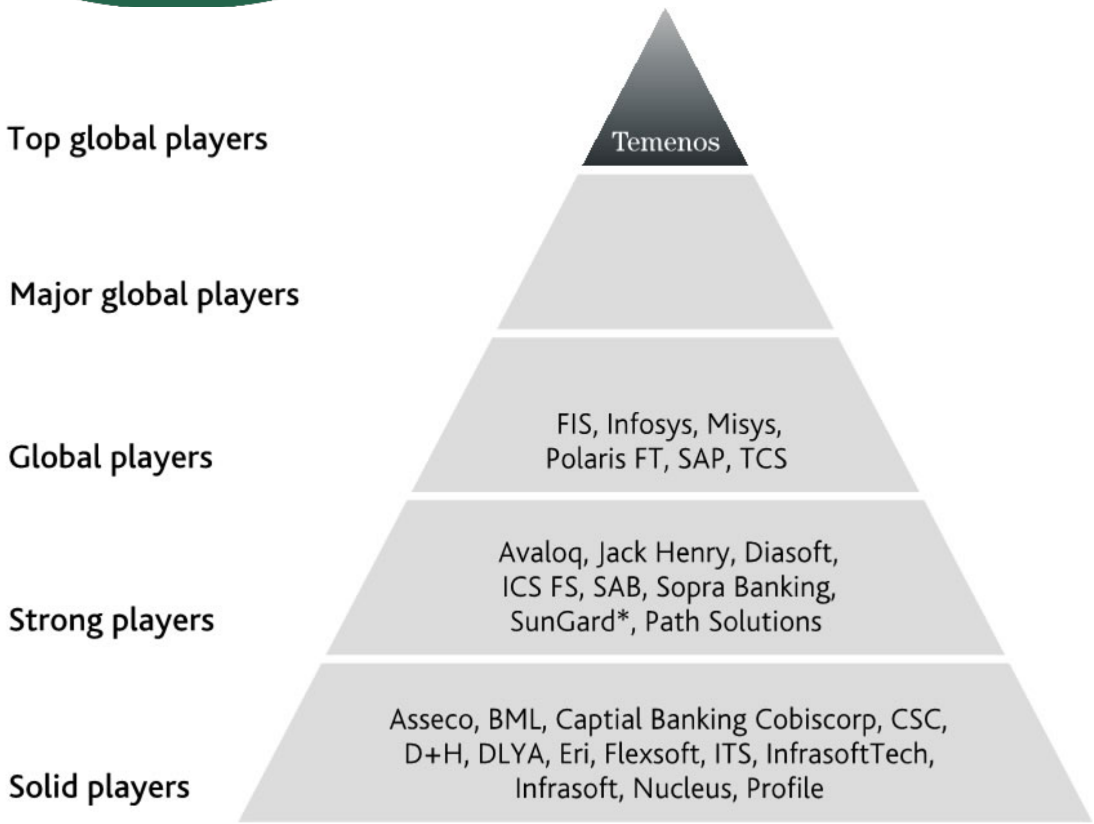
Delivering customer success through operational excellence

Highly differentiated product

- Packaged, upgradable
- Front-to-back, vertically integrated
- Progressive renovation
- Scalable
- Model bank
- Open architecture

Clear water between Temenos and the competition

FORRESTER



*SunGard had a strong focus outside of core banking.

IBS INTELLIGENCE
global independent perspective
on financial technology

1st position again –
15th time in 16 years

137

Total number of go-lives in 2015

Update on Multifonds

- Leader in fund administration and fund accounting software
- Well positioned to capitalise on growth of third-party administrator revenues (c.10% p.a.) and move from internal to external software
- Exceeded financial targets for 2015
- Strong pipeline growth in 2015 giving confidence for 2016
- Leveraging Temenos' global footprint to gain traction outside of Europe

Update on the U.S.

- World's largest financial services market, dominated by few large vendors with legacy technology; significant opportunity for Temenos to capture market share
- Differentiated product value proposition – real time, upgradable, modular architecture
- Akcelerant delivered financial targets for 2015
- Gaining critical mass post acquisitions, increasing traction with top tier banks and credit unions
- Key wins with top tier domestic banks in 2015, building references
- Built qualified pipeline of more than US$20m in last six months
- Joint go-to-market with top U.S. partners

Looking forward to 2016

- 78% of 2015 total software licensing revenues from developed markets
- Our clients are well capitalised with strong balance sheets
- P&L volatility drives costs base scrutiny as only way to deliver shareholder value
- Core renovation is not discretionary spend – quantifiable cost savings in a defined time frame
- Highest ever revenue visibility, committed spend from progressive renovations
- Significant installed base opportunity, selling to clients who understand the value proposition

Financial update and 2016 guidance

Max Chuard

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Q4 and Full Year 2015 non-IFRS financial highlights (c.c.)

- Total software licensing up 63.5% in Q4 2015 and 52.1% for FY 2015
  - of which software licensing up 46.0% in Q4 2015
- SaaS and subscription contributed 15% of total software licensing in Q4 2015 vs. 4% in Q4 2014
- Maintenance growth of 13.1% in Q4 2015 and 10.7% for FY 2015
- Total revenue growth of 36.4% in Q4 2015 and 25.8% for FY 2015
- EBIT up 11.1% on Q4 2015, with FY 2015 EBIT margin of 28.1%, up 80bps (reported) vs. FY 2014
- Q4 operating cashflows of USD 161m, up 36% Y-o-Y; DSOs down 27 days Y-o-Y (30 days proforma)
- Proposed FY 2015 dividend of CHF 0.45 per share – 12.5% increase

Outstanding performance across all financial metrics

Performance vs. 2015 guidance

2015 non-IFRS guidance*	2015 non-IFRS results*
• Total software licensing growth of 42% to 46%	✓ 52.1% growth
• Software licensing growth of 21%+	✓ 30.6% growth
• Revenue growth of 20.5% to 24.5%	✓ 25.8% growth
• EBIT of USD 153m to USD 158m	✓ USD 157m EBIT
• 100%+ conversion of IFRS EBITDA into operating cashflow	✓ 133% conversion FY 2015

* constant currency

All guidance measures achieved

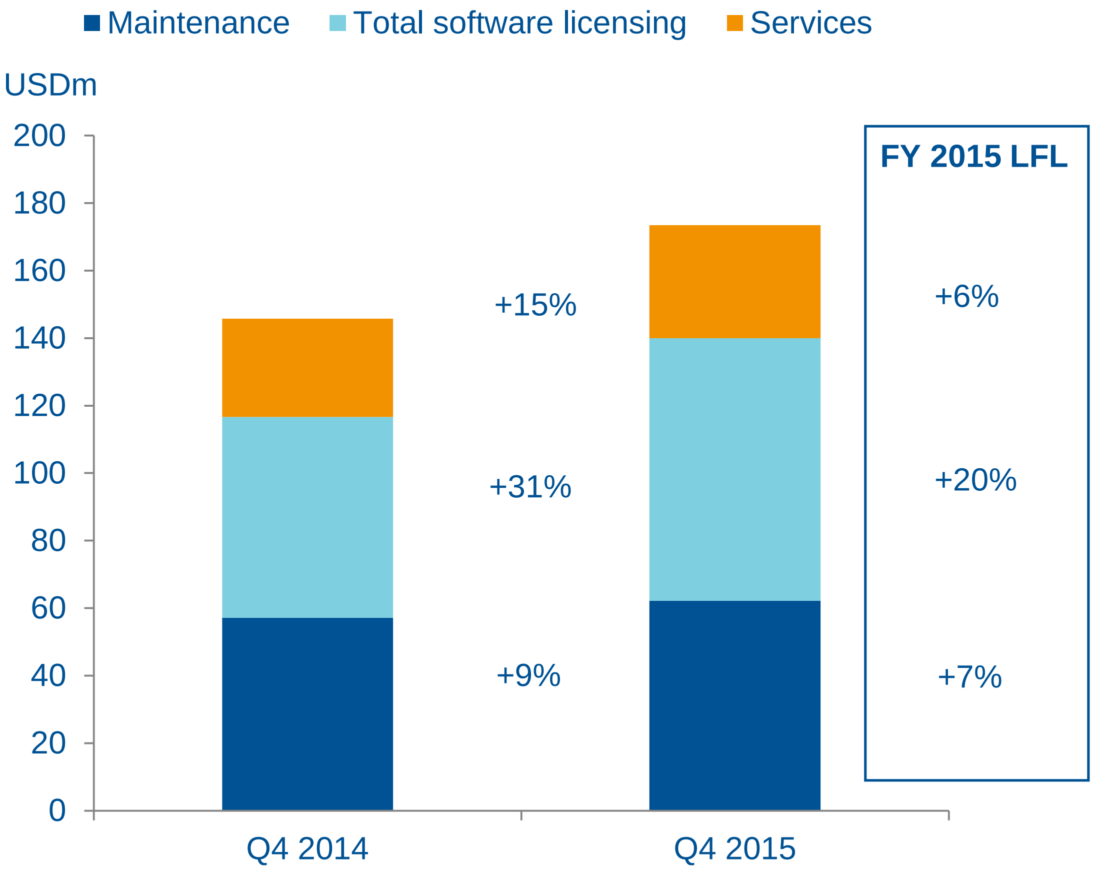
Non-IFRS income statement – operating

In USDm	Q4 15	Q4 14	Y-o-Y reported	Y-o-Y c.c.	FY 15	FY 14	Y-o-Y reported	Y-o-Y c.c.
Software licensing	66.3	48.3	37.3%	46.0%	173.4	139.7	24.2%	30.6%
SaaS and subscription	11.4	2.1	433.2%	434.7%	40.6	8.0	410.2%	413.1%
Total software licensing	**77.8**	**50.5**	**54.2%**	**63.5%**	**214.0**	**147.6**	**45.0%**	**52.1%**
Maintenance	62.2	56.9	9.3%	13.1%	235.4	223.4	5.4%	10.7%
Services	33.4	25.7	30.0%	36.4%	109.6	97.7	12.2%	20.4%
Total revenue	**173.4**	**133.1**	**30.3%**	**36.4%**	**559.0**	**468.7**	**19.3%**	**25.8%**
Operating costs	108.2	72.8	48.6%	58.2%	402.0	340.9	17.9%	26.8%
EBIT	**65.2**	**60.3**	**8.2%**	**11.1%**	**157.0**	**127.8**	**22.8%**	**23.3%**
Margin	37.6%	45.3%	-7.7% pts		28.1%	27.3%	0.8% pts	
EBITDA	**76.2**	**70.3**	**8.4%**	**10.9%**	**202.2**	**169.7**	**19.2%**	**19.5%**
Margin	43.9%	52.8%	-8.9% pts		36.2%	36.2%	-	
Services margin	17.9%	25.9%	-8.0% pts		8.5%	5.1%	3.4% pts	

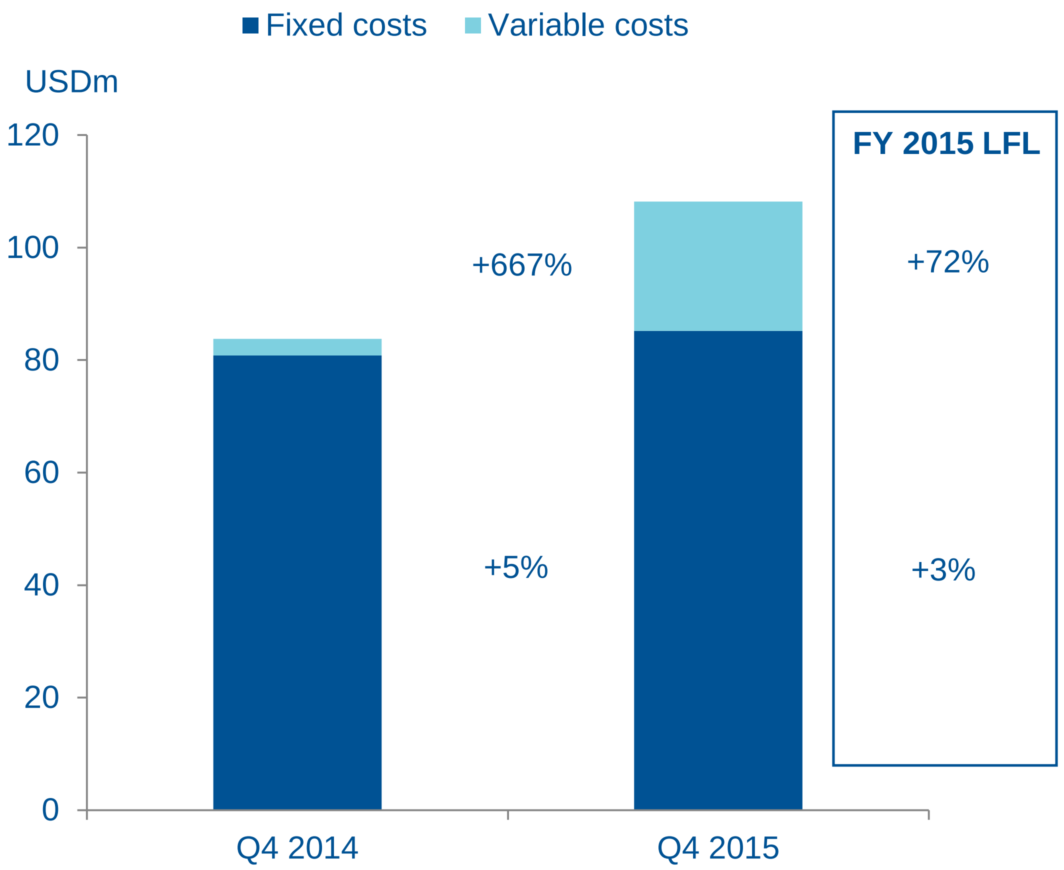
Strong performance across all operating metrics

Like-for-like revenue and costs

Q4 LFL non-IFRS revenues up 19%



Q4 LFL non-IFRS costs up 29%



Significant Q4 deal flow driving increase in variable costs

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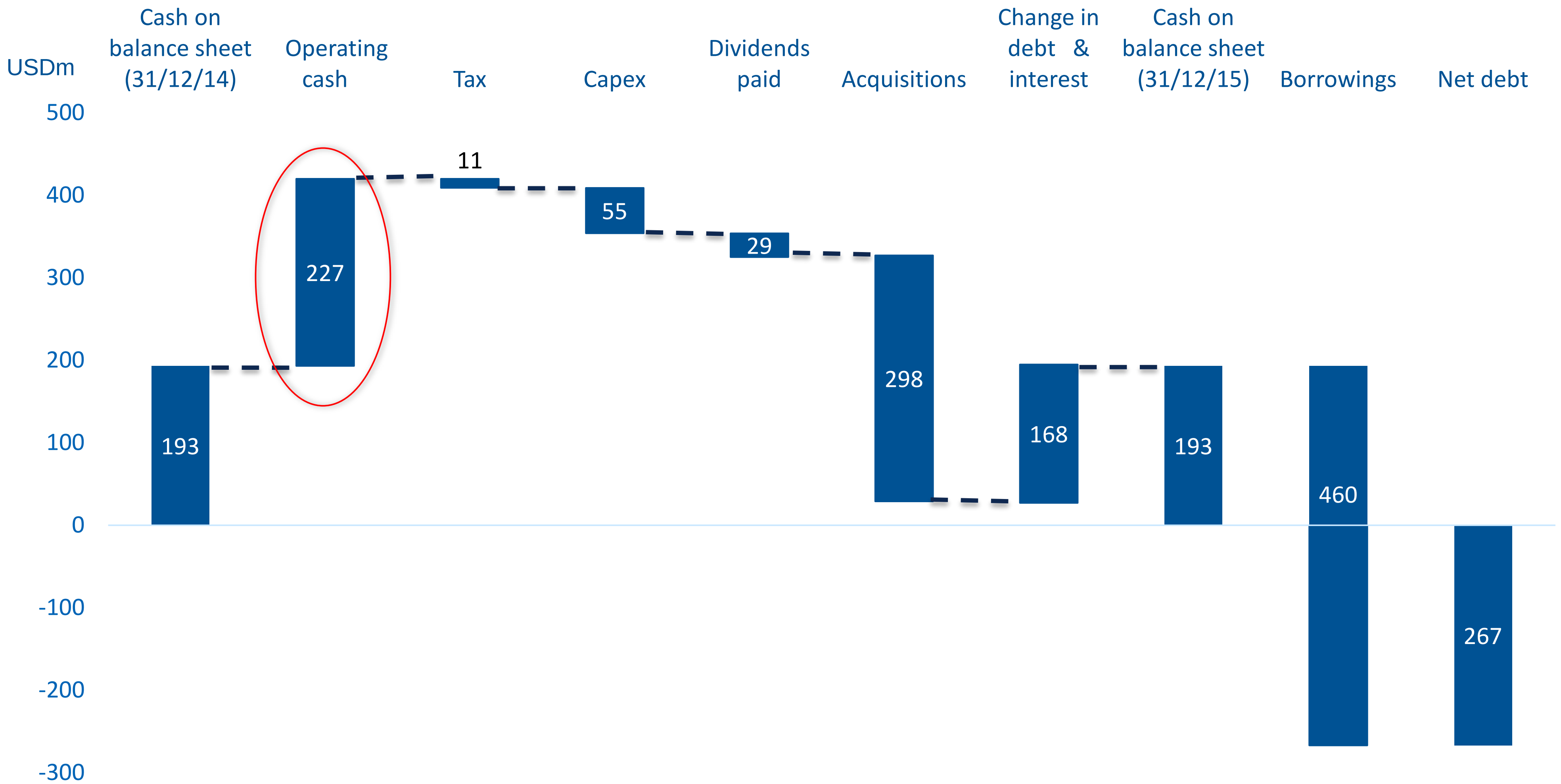
Non-IFRS income statement – non-operating

In USDm, except EPS	Q4 15	Q4 14	Y-o-Y	FY 15	FY 14	Y-o-Y
EBIT	**65.2**	**60.3**	**8.2%**	**157.0**	**127.8**	**22.8%**
Net finance charge	-4.7	-2.9	60.5%	-17.5	-11.2	56.9%
FX gain / (loss)	-0.7	-0.4	63.5%	-1.2	-0.7	66.3%
Tax	-7.9	-6.8	17.6%	-16.8	-16.2	4.0%
Net profit	**51.9**	**50.2**	**3.4%**	**121.5**	**99.7**	**21.8%**
EPS (USD)	**0.73**	**0.74**	**-1.4%**	**1.73**	**1.44**	**20.1%**

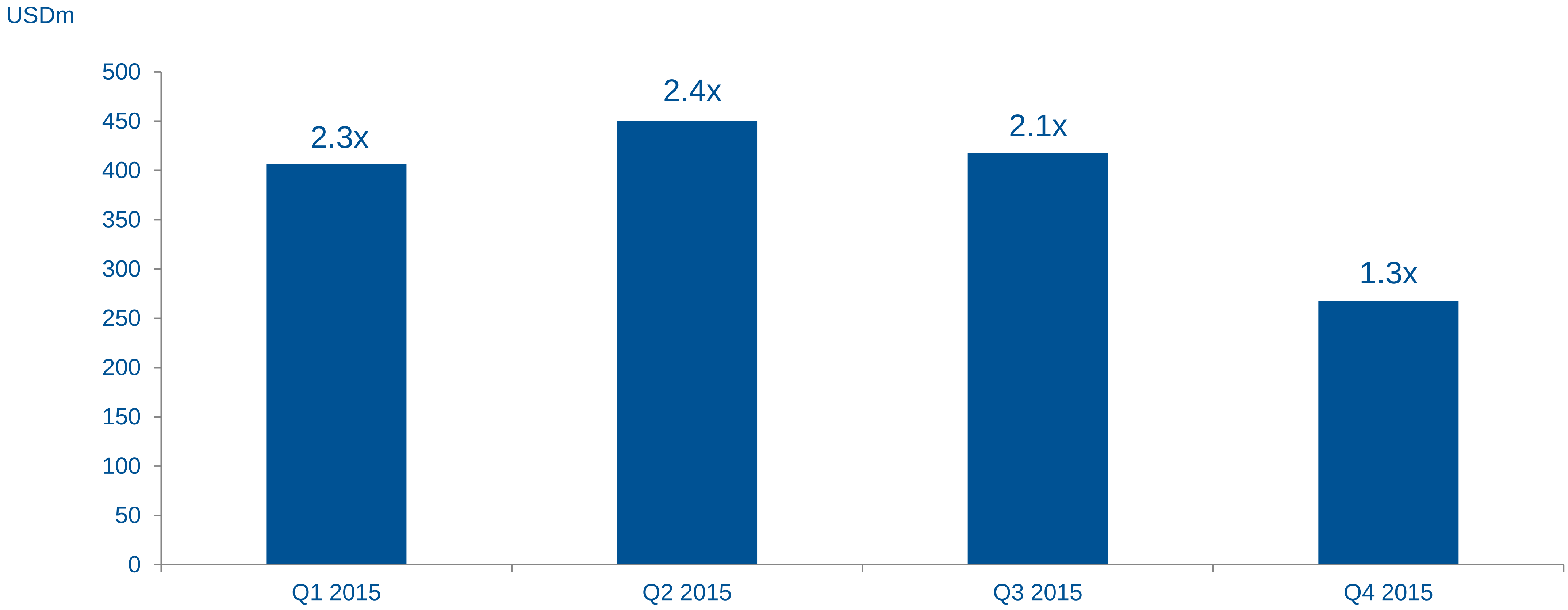
Efficient management of below-the-line items

Stable group liquidity while making largest acquisition



Operating cash up 19% in 2015, cash conversion of 133%

Net debt and leverage ratios*



* proforma non-IFRS EBITDA

Continued rapid deleveraging

2016 guidance

- **Non-IFRS total software licensing growth at constant currency of 10% to 15%** (implying total software licensing revenue of USD 234m to USD 245m)
- **Non-IFRS revenue growth at constant currency of 7.5% to 11.0%** (implying revenue of USD 594m to USD 614m)
- **Non-IFRS EBIT at constant currency of USD 180m to 185m** (implying non-IFRS EBIT margin of c.30%)
- **100%+ conversion** of EBITDA into operating cashflow
- **Tax rate of 17% to 18%**

Strong growth expected to continue in 2016

- Currency assumptions on slide 30
- See slide 31 for 2015 income statement restated for currency
- See slide 38 for definition of non-IFRS

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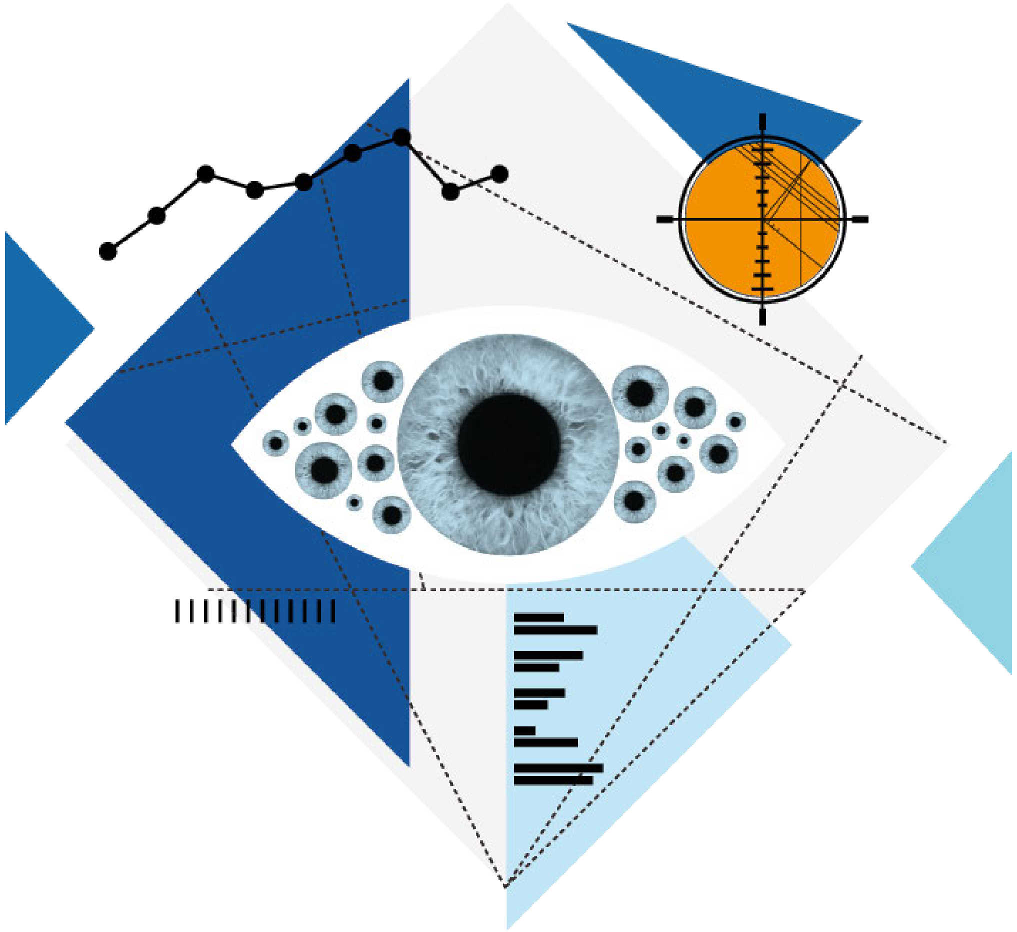
Summary

David Arnott



Temenos Analyst & Investor Day: London, 12 February 2016

10.00 - 10.45	Strategy and vision	David Arnott, CEO
10.45 - 11.30	Digitizing the bank	Joseph Edwin, Head of Core Banking Programme, Nordea
11.30 - 11.45	Coffee	
11.45 - 12.30	Product leadership	Mark Winterburn, Group Product Director
12.30 - 12.50	Creating shareholder value	Max Chuard, CFO / COO
12.50 - 13.15	Q&A	
13.15 - 14.00	Lunch	

UBS Conference Centre, 1 Finsbury Avenue, Ground Floor, London EC3M 2PP

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Updated medium term targets

- Non-IFRS total software licensing growth of 15% CAGR
- Non-IFRS revenue growth of 10% CAGR
- Non-IFRS EBIT margin improvement of 100 to 150bps on average p.a.
- Non-IFRS EPS growth of 15% CAGR
- Cash conversion over 100% p.a.
- DSOs reducing by 10 to 15 days p.a.
- Tax rate of 17% to 18%

- Growth at constant currency - currency assumptions on slide 30
- See appendix for definition of non-IFRS

Summary

- 2015 was a landmark year for Temenos
- We are capitalising on the market recovery
- Banks are beginning to react to reality, and our business model meets their needs
- Our growth is driven by Tier 1 and 2 progressive renovation and significant sales into the installed base
- The business is well positioned to capitalise on the momentum into 2016
- Highest ever revenue visibility for 2016 and medium term

Focus on delivering customer success and shareholder value

Appendices

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FX exposure

% of total	USD	EUR	GBP	CHF	Other
Total software licensing	36%	45%	8%	8%	3%
Maintenance	65%	20%	6%	6%	3%
Services	45%	29%	10%	10%	6%
Revenues	**49%**	**31%**	**8%**	**8%**	**4%**
Non-IFRS costs	**20%**	**20%**	**20%**	**10%**	**30%**
Non-IFRS EBIT	**127%**	**60%**	**-24%**	**1%**	**-64%**

NB. All % are approximations based on 2015 actuals

Mitigated FX exposure - matching of revenues / costs and hedging

FX assumptions underlying 2016 guidance

In preparing the 2016 guidance, the Company has assumed the following:

- USD to Euro exchange rate of 0.901
- USD to GBP exchange rate of 0.691; and
- USD to CHF exchange rate of 0.992

2015 income statement restated for currency

2015 non-IFRS income statement	2015 actual	Restated at 2016 currency guidance
Software licensing	173.4	172.0
SaaS and subscriptions	40.6	40.9
Total software licensing	**214.0**	**212.9**
Maintenance	235.4	232.3
Services	109.6	107.7
Total revenues	**559.0**	**552.9**
Costs	**402.0**	**396.0**
EBIT	**157.0**	**156.9**

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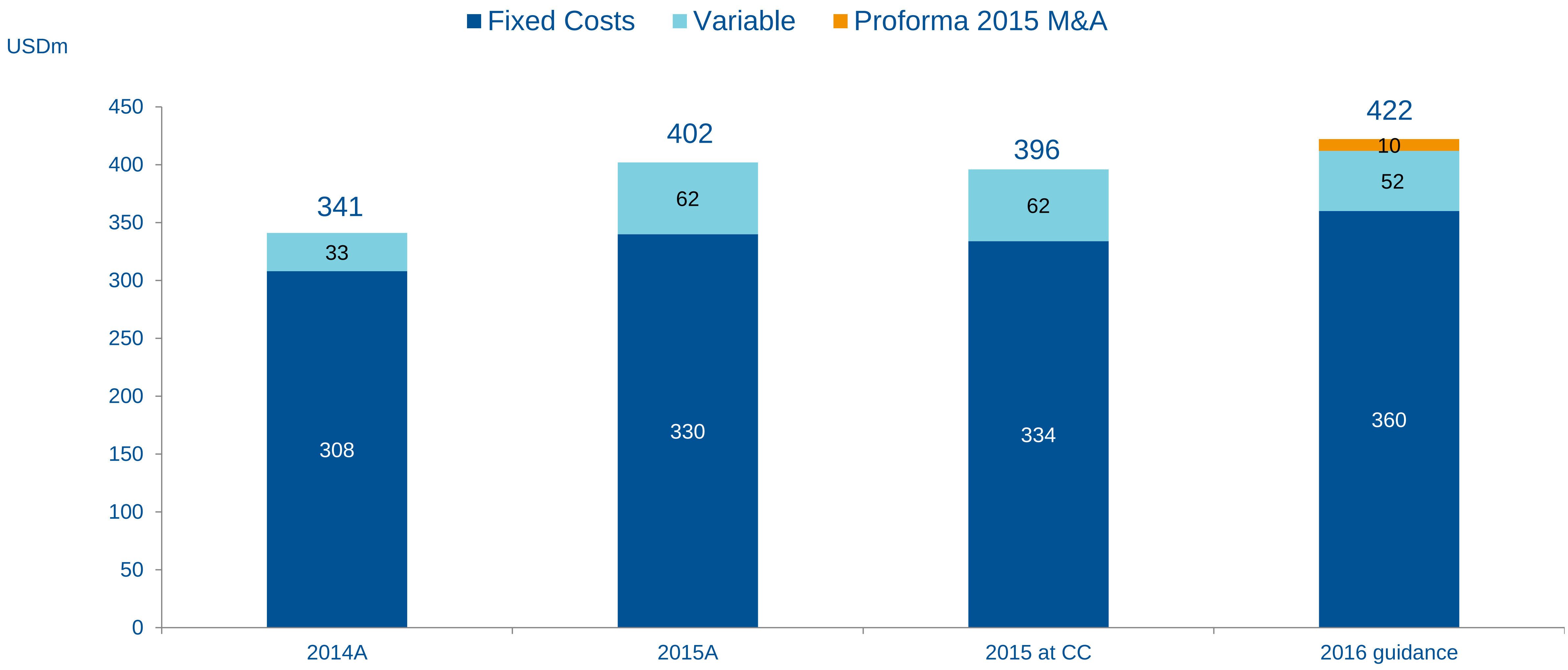
2016 non-IFRS cost base



2016 non-IFRS costs up 7% on a LFL basis

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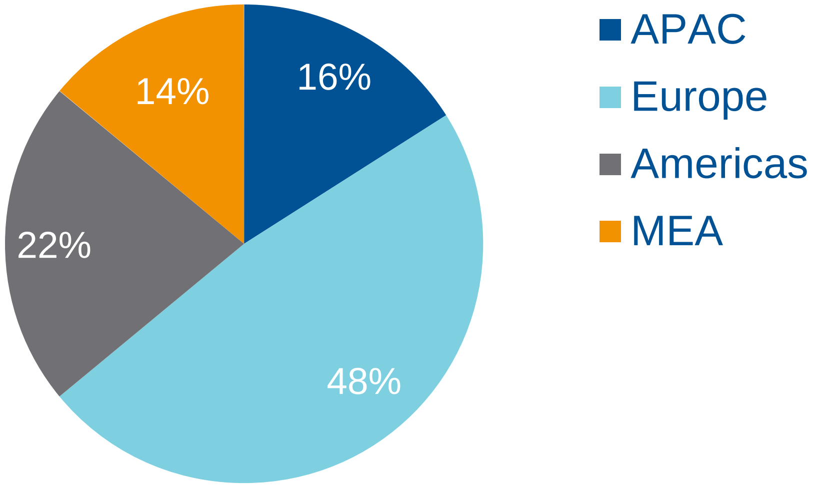
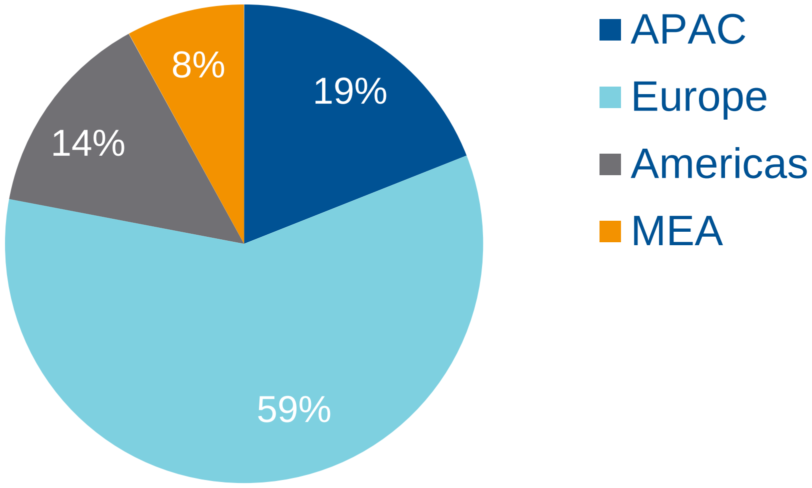
Total software licensing revenue breakdown by geography

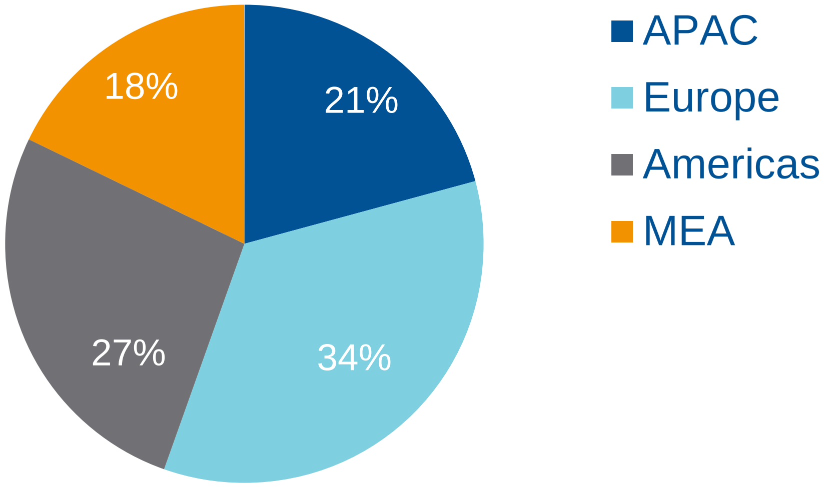
Q4 2014



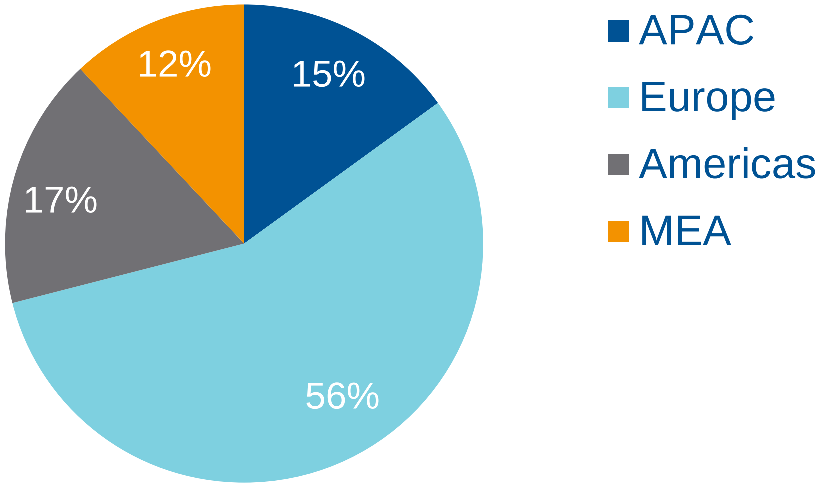
Q4 2015



FY 2014



FY 2015



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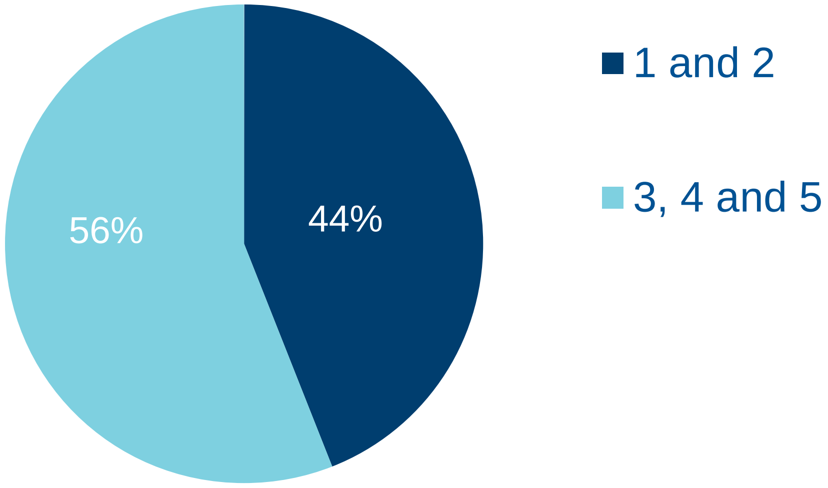
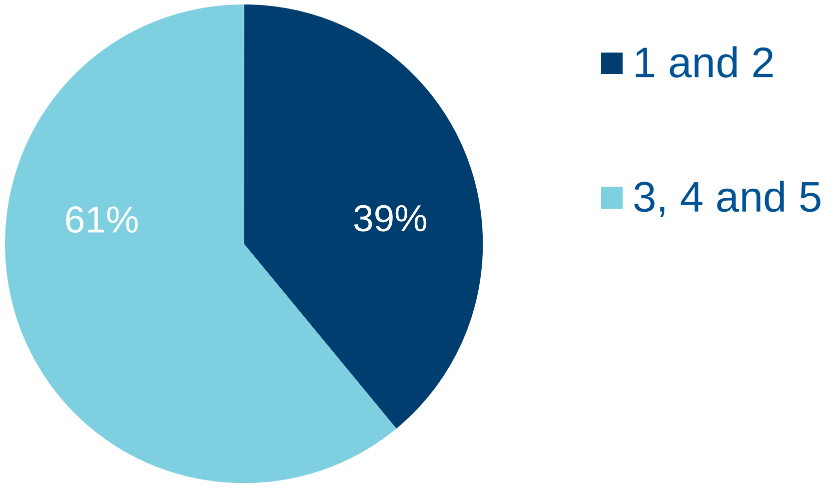
Total software licensing revenue breakdown by customer tier

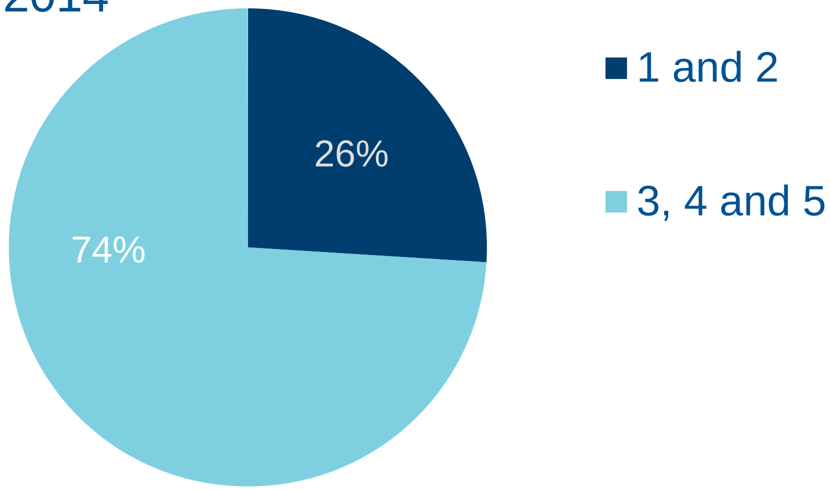
Q4 2014



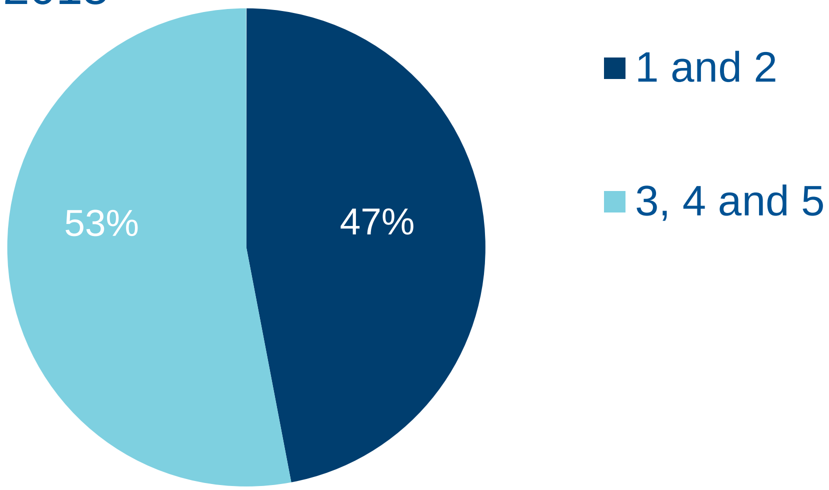
Q4 2015



FY 2014



FY 2015



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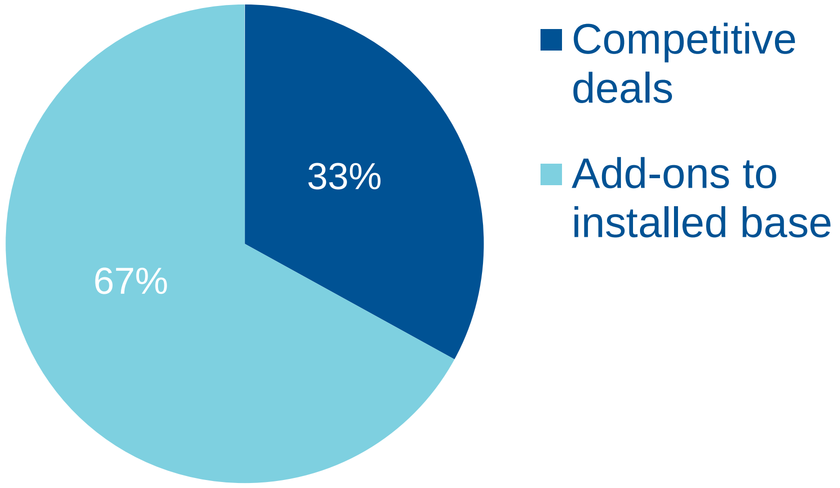
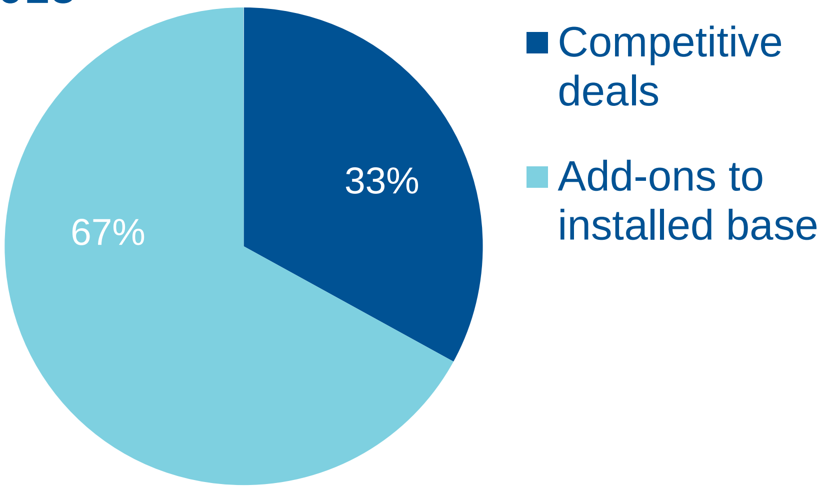
Software licensing revenue breakdown by competitive deals / add-ons to installed base

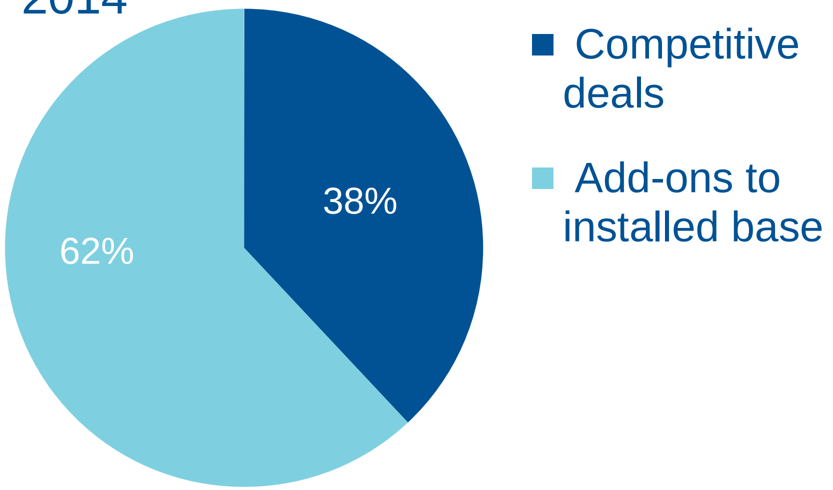
Q4 2014



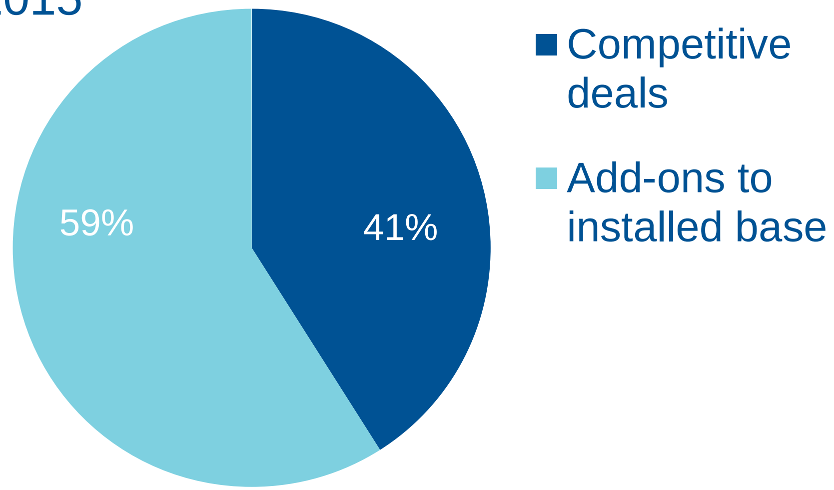
Q4 2015



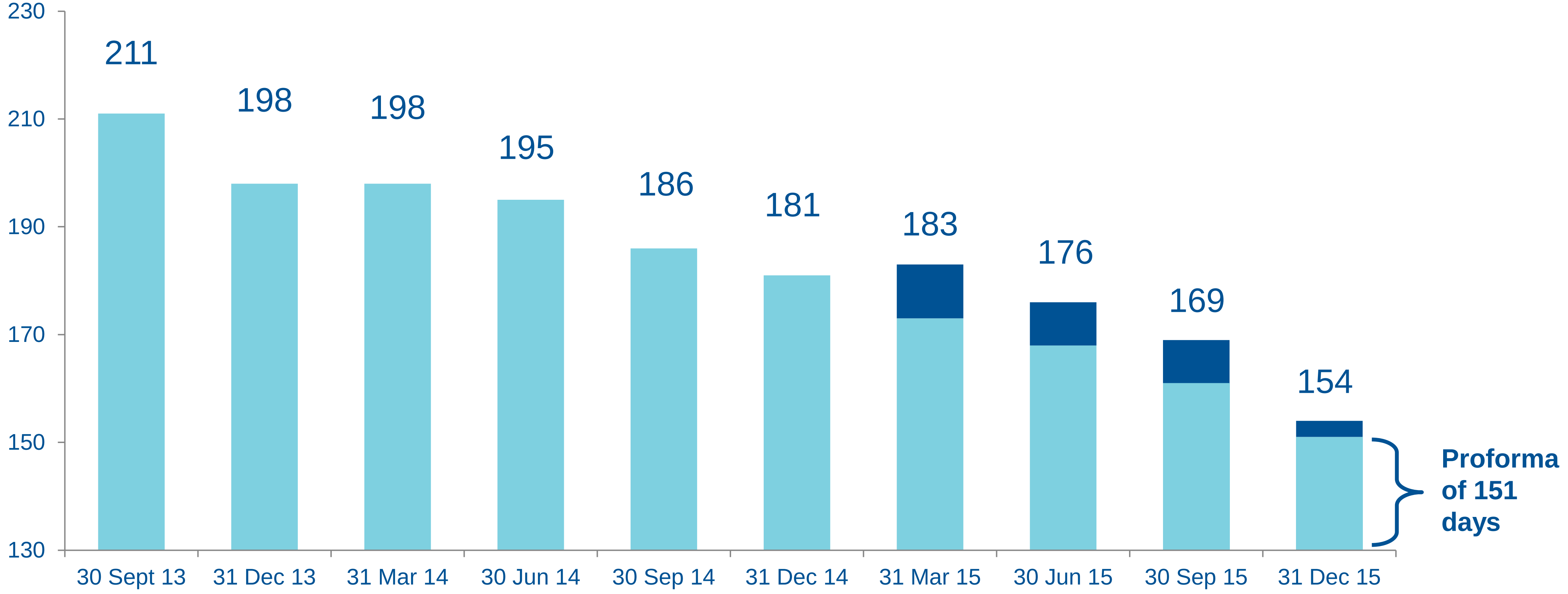
FY 2014



FY 2015



DSOs continue to decline



- DSO in Q4-15 ended at 154 days, of which 3 are due to acquisitions

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Capitalisation of development costs

USDm	Q1 13	Q2 13	Q3 13	Q4 13	FY 13
Cap’ dev’ costs	-9.7	-9.6	-9.8	-12.7	**-41.9**
Amortisation	6.0	6.1	7.6	8.0	**27.7**
Net cap’ dev’	**-3.6**	**-3.6**	**-2.3**	**-4.7**	**-14.2**

USDm	Q1 14	Q2 14	Q3 14	Q4 14	FY 14
Cap’ dev’ costs	-9.7	-9.8	-9.7	-13.9	**-43.1**
Amortisation	8.3	8.3	8.3	8.5	**33.4**
Net cap’ dev’	**-1.3**	**-1.5**	**-1.4**	**-5.5**	**-9.8**

USDm	Q1 15	Q2 15	Q3 15	Q4 14	FY 15
Cap’ dev’ costs	-10.3	-11.2	-10.8	-13.0	**-45.3**
Amortisation	8.8	8.8	8.7	8.7	**35.0**
Net cap’ dev’	**-1.5**	**-2.4**	**-2.1**	**-4.3**	**-10.3**

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Reconciliation from IFRS to non-IFRS

	IFRS revenue measure
+	Deferred revenue write-down
=	**Non-IFRS revenue measure**

	IFRS profit measure
+/-	Deferred revenue writedown
+ / -	Discontinued activities
+ / -	Acquisition related charges
+ / -	Amortisation of acquired intangibles
+ / -	Restructuring
+ / -	Taxation
=	**Non-IFRS profit measure**

Accounting elements not included in non-IFRS guidance

Below are the accounting elements not included in the 2016 non-IFRS guidance:

- FY 2016 estimated amortisation of acquired intangibles of USD 35m
- FY 2016 estimated restructuring costs of USD 4m

Restructuring costs include completion of Multifonds integration and realising R&D efficiencies in acquired products. These estimates do not include impact of any further acquisitions or restructuring programmes commenced after 11 February 2016.

The above figures are estimates only and may deviate from expected amounts.

Reconciliation from IFRS to non-IFRS

In USDm, except EPS	3 Months Ending 31 December						Change	
	2015		2015	2014		2014		
	IFRS	Adj.	Non-IFRS	IFRS	Adj.	Non-IFRS	IFRS	Non-IFRS
Total Software Licensing	73.3	4.5	77.8	50.5		50.5	45%	54%
Maintenance	61.8	0.4	62.2	56.9		56.9	8%	9%
Services	33.3	0.1	33.4	25.7		25.7	30%	30%
Total Revenue	**168.4**	**5.0**	**173.4**	**133.1**		**133.1**	**26%**	**30%**
Total Operating Costs	**(118.2)**	**10.0**	**(108.2)**	**(75.3)**	**2.4**	**(72.8)**	**57%**	**49%**
Restructuring	(1.1)	1.1	0.0	(0.6)	0.6	0.0	91%	
Amort of Acq'd Intang.	(8.9)	8.9	0.0	(1.9)	1.9	0.0	382%	
Operating Profit	**50.1**	**15.1**	**65.2**	**57.9**	**2.4**	**60.3**	**(13)%**	**8%**
Operating Margin	**30%**		**38%**	**43%**		**45%**	**-13% pts**	**-7% pts**
Financing Costs	(5.4)		(5.4)	(3.3)		(3.3)	61%	61%
Taxation	(6.4)	(1.5)	(7.9)	(6.4)	(0.3)	(6.8)	0%	18%
Net Earnings	38.3	13.6	51.9	48.1	2.1	50.2	(20)%	3%
EPS (USD per Share)	**0.54**	**0.19**	**0.73**	**0.71**	**0.03**	**0.74**	**(24)%**	**(1)%**

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Net earnings reconciliation

In USDm, except EPS	Q4 15	Q4 14	FY 15	FY 14
IFRS net earnings	**38.3**	**48.1**	**66.3**	**91.6**
Deferred revenue write-down	5.0	-	16.5	-
Amortisation of acquired intangibles	8.9	1.9	29.3	7.7
Restructuring	1.1	0.6	9.5	1.9
Acquisition related costs	-	-	5.0	-
Taxation	-1.5	-0.3	-5.1	-1.5
Net earnings for non-IFRS EPS	**51.9**	**50.2**	**121.5**	**99.8**

No. of dilutive shares	70.9	67.5	70.1	69.2
Non-IFRS diluted EPS (USD)	**0.73**	**0.74**	**1.73**	**1.44**

Reconciliation from IFRS to non-IFRS for EBIT and EBITDA

USDm	Q4 2015 EBIT	Q4 2015 EBITDA	FY 2015 EBIT	FY 2015 EBITDA
IFRS	**50.2**	**70.1**	**96.8**	**171.2**
Deferred revenue write-down	5.0	5.0	16.5	16.5
Amortisation of acquired intangibles	8.9	-	29.3	-
Restructuring	1.1	1.1	9.5	9.5
Acquisition-related charges	-	-	5.0	5.0
Non-IFRS	**65.2**	**76.2**	**157.0**	**202.2**

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Non-IFRS adjustments

Deferred revenue write-down
Adjustments made resulting from acquisitions

Discontinued activities
Discontinued operations at Temenos that do not qualify as such under IFRS

Acquisition related charges
Relates mainly to advisory fees, integration costs and earn outs

Amortisation of acquired intangibles
Amortisation charges as a result of acquired intangible assets

Restructuring
Costs incurred in connection with a restructuring plan implemented and controlled by management
Severance charges, for example, would only qualify under this expense category if incurred as part of a company-wide restructuring plan

Taxation
Adjustments made to reflect the associated tax charge relating to the above items

Other

Constant currencies
Prior year results adjusted for currency movement

Like-for-like (LFL)
Adjusted prior year for acquisitions and movements in currencies

SaaS and subscription
Revenues generated from Software-as-a-Service and subscription licenses

Thank you

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