

temenos

temenos

Financial Results and Business Update

20 October 2022

Quarter ended, 30 September 2022

Disclaimer

Our presentation and this document may contain forward-looking statements relating to the future of the business and financial performance of Temenos AG.

Any statements we make about our expectations, plans and prospects for the Company, including any guidance on the Company's financial performance, constitute forward-looking statements. Future events are inherently difficult to predict. Accordingly, actual results may differ materially from those indicated by these forward-looking statements as a result of a variety of factors.

The forward-looking financial information provided by the Company on the conference call and in this document represent the Company's current view and estimates as of 20 October 2022. We anticipate that subsequent events and developments may cause the Company's guidance and estimates to change.

While the Company may elect to update forward-looking information at some point in the future, the Company specifically disclaims any obligation to do so.

More information about factors that potentially could affect the Company's financial results is included in its annual report available on the Company's website.

Non-IFRS information

In its presentation and in this document, the Company may present and discuss non-IFRS measures.

Readers are cautioned that non-IFRS measures are subject to inherent limitations. Non-IFRS measures are 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 measures may not be comparable to similarly titled non-IFRS measures used by other reporting companies.

In the Appendix accompanying this presentation, the Company sets forth supplemental non-IFRS figures for revenue, operating costs, EBIT, EBITDA, net earnings and earnings per share that exclude the effect of share-based payments, 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. These tables also present the most comparable IFRS financial measures and reconciliations.

In addition, the Company provides percentage increases or decreases in its revenue (on both an IFRS and non-IFRS basis) eliminating the effect of changes in currency values when it believes that this presentation is helpful to an understanding of trends in its business. Accordingly, when trend information is expressed "in constant currencies" or "c.c.", 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

Business update

Max Chuard, CEO

Financial update

Takis Spiliopoulos, CFO

Summary

Max Chuard, CEO

Q&A

Business update

Max Chuard, CEO

Introductory remarks

Q3 performance disappointed

- Subscription revenue significantly below expectations
- SaaS and ARR showed strong momentum with growth of +41% and +16% YoY
- Macro uncertainty and sales execution impacted subscription license signings
- Majority of operational costs in line with expectations, increase driven mainly by services costs

Response

- Increased focus on sales execution - Chief Revenue Officer exit
- Jean-Paul Mergeai to resume running APAC and EMEA regions
- Colin Jarrett and Philip Barnett now running US Operations and US Sales, respectively
- Review and optimisation of sales process and forecasting, geared towards removal of complexity
- Review of short term sales incentive targets to drive performance and enhance talent retention
- Review of disclosure and guidance principles to simplify and assist market in analysing financial performance

Outlook

- FY-22 guidance revised; FY-23 and mid-term guidance to be released in Feb-23
- Delayed deals still in pipeline and expected to close
- Pipeline grew across territories and client tiers in Q3
- Success of partner strategy resulted in a decline in customised development licenses in the last 12 months
- Excluding customised development licenses, LTM-Q3 total software licensing grew 11%, expected to grow c.4% for FY-22
- Targeting a continued acceleration in ARR in FY23 driven by SaaS and subscription transition, driving profitability growth
- We expect locked in SaaS revenue by year-end to contribute c.10% points of growth in FY-23 on total software licensing

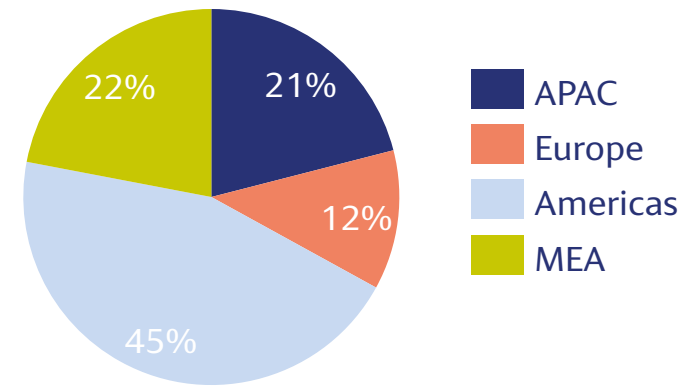
Q3-22 sales review

- Some larger banks have become more cautious in their decision-making given future macro economic uncertainty
- Lengthening sales cycles linked to a number of large deals in the pipeline
- Deals are still in the pipeline, not lost
- Sales execution also impacted deal closures; review and optimisation of sales process and forecasting to remove complexity
- Relative strong performance in the US, mix of license and SaaS
- Europe particularly impacted by lower signings
- Strong SaaS ACV of USD18m, no visible impact from macro
- 13 new client wins in the quarter, across SaaS and license

Total Software Licensing

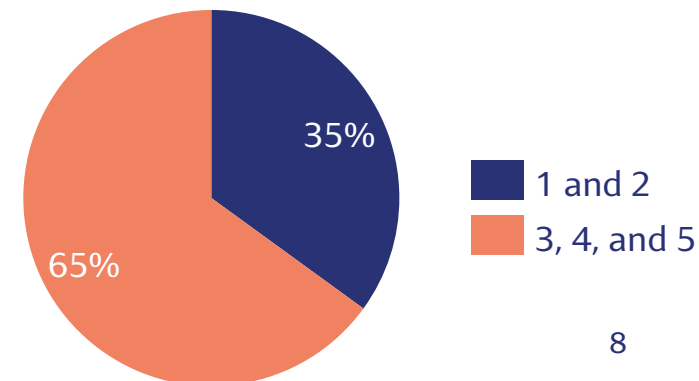
Geographic split

Q3-22



Tiers

Q3-22

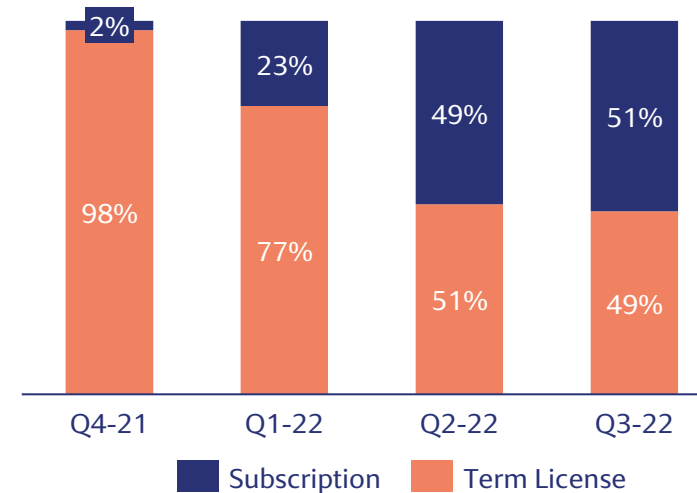


Move to subscription ongoing

- Temenos introduced 5 year subscription licenses in 2022 to replace term licenses, driven by market demand
- Lowers upfront cost for clients, increases flexibility
- Model translates into total contract value uplift for Temenos in the range of 30-60%
- Contract value and cash break-even in year 3-4
- Accelerates shift to more recurring cash flow in medium term and growth in ARR
- Subscription transition expected to be substantially complete in FY-23

Transition to subscription license accelerating

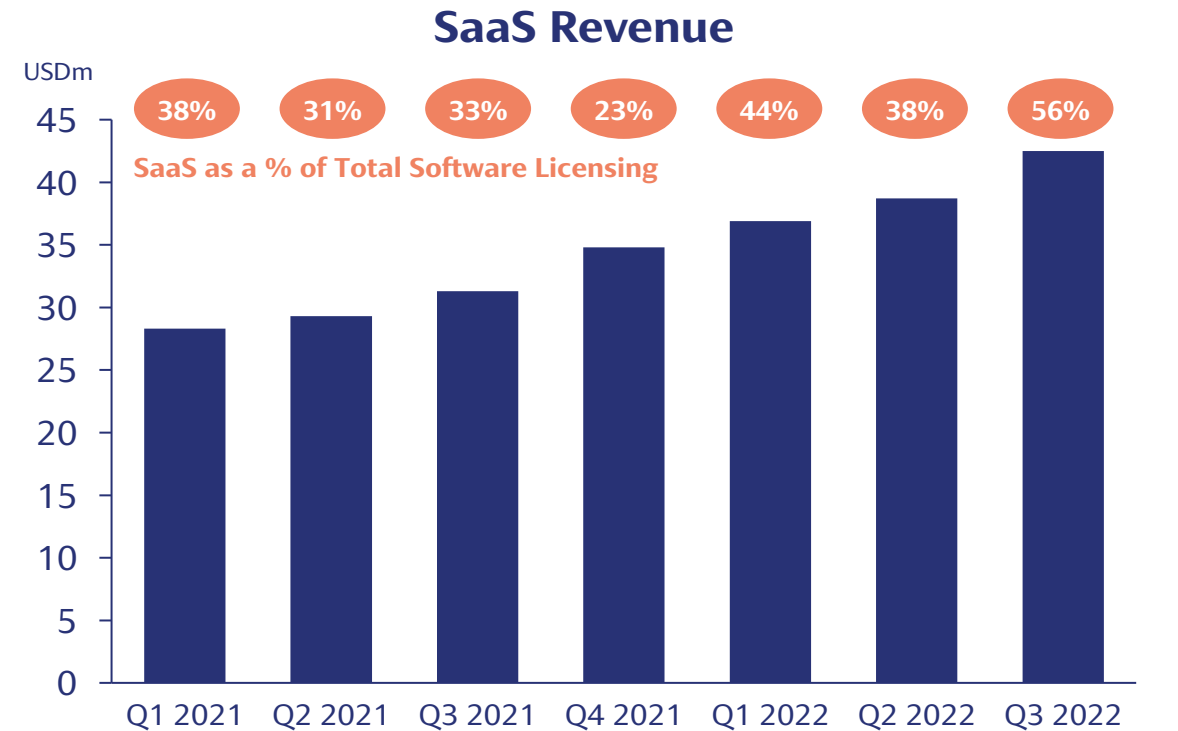
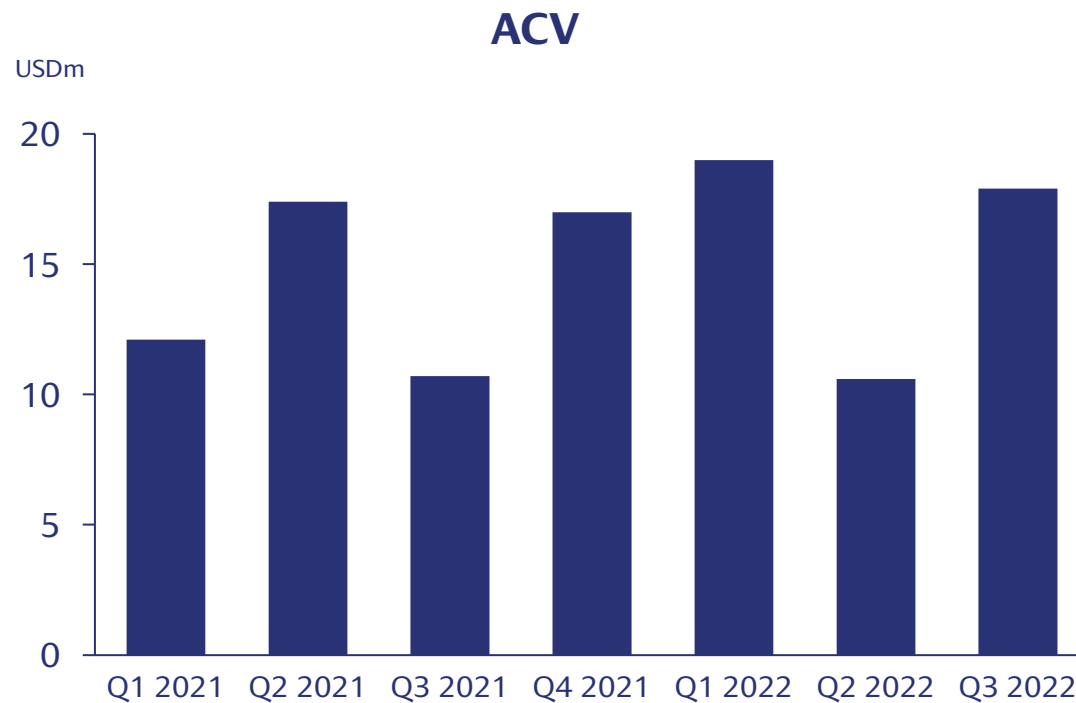
51% of Q3 licensing revenue from subscriptions



ARR growth expected to accelerate in FY-23 driven by SaaS growth and subscription transition

SaaS momentum continues

- ACV of USD18m in Q3-22 driven by a mix of new clients and additional volume consumption from existing clients
- No visible impact from macro headwinds on decision-making by non-incumbents and smaller banks
- SaaS revenue growth accelerated to 41% YoY driven by strong ACV in prior quarters
- US region the largest contributor to ACV this year

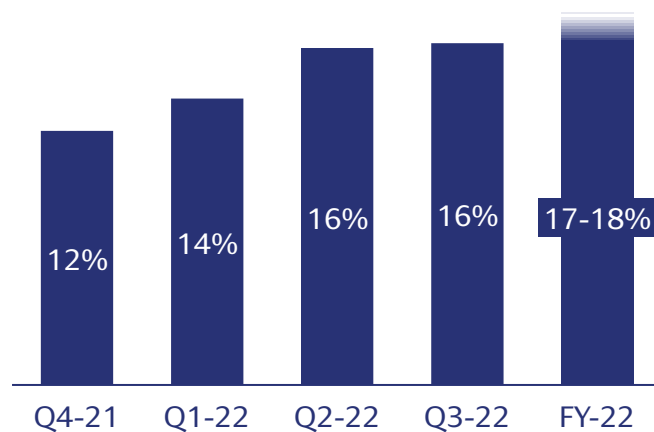


ARR and Total Bookings continued to grow

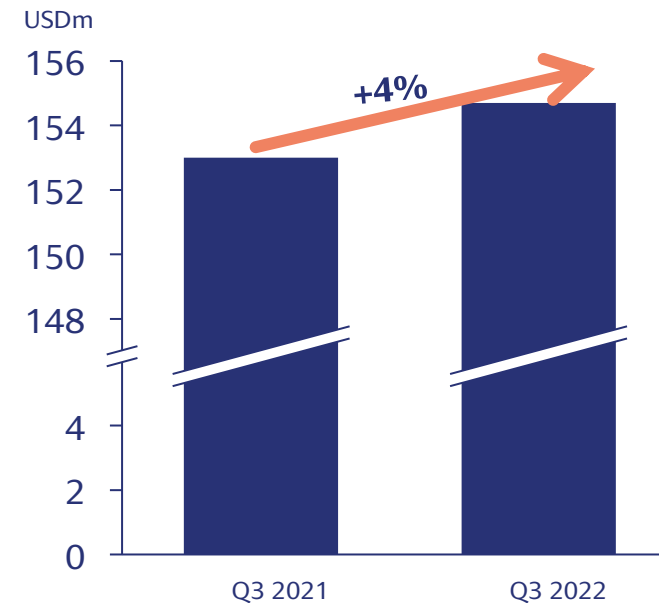
- ARR growth of 16% in Q3-22, driven by SaaS revenue growth and subscription transition
- Total Bookings growth of 4% despite macro headwinds and sales execution, driven by strong SaaS ACV

Revised guidance maintains full year sequential ARR growth

FY-22 ARR growth projected between 17-18%



Total Bookings

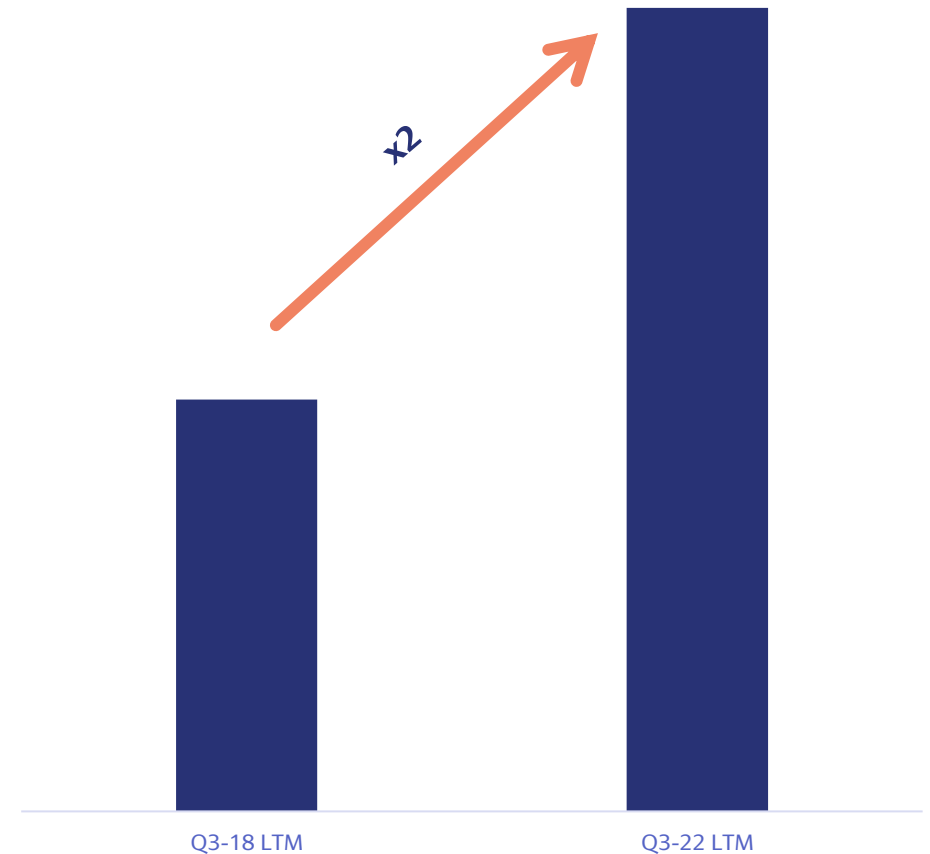


ARR growth expected to accelerate in FY-23 and drive profit growth

US business update

- Relatively strong performance in the US in Q3-22, across SaaS and license
- President of the Americas has left the business as part of the sales organization review
- Replaced by two senior Executives, Colin Jarrett, Chief Client Delivery Officer, now based in the US and running US operations, and Philip Barnett, President of Strategic Growth, now running US sales
- Colin Jarrett was previously an MD in Accenture. He joined Temenos in 2016, and assumed various leadership roles including running cloud operations and product delivery before becoming Chief Client Delivery Officer
- Philip Barnett joined Temenos in 2003, held senior sales and business development roles across all major regions including the US and owns key US client relationships

NAM total software licensing (USDm)



Investment in Mbanq to drive growth in the Banking-as-a-Service market

- Temenos has made a minority investment in Mbanq, a leading US-based provider of Banking-as-a-Service (BaaS) to capture the fast-growing BaaS market
- BaaS is the provision of banking process to enable businesses in any industry to embed financial services in their customer offering
- Mbanq will use Temenos' scalable core banking capabilities to offer a fast-track solution to fintechs, neobanks and e-commerce brands seeking to offering innovative financial services direct to their customers
- Temenos' Mbanq investment gives it direct exposure to the BaaS market, in particular in the US, which is expected to add \$3.6 trillion of market capitalization for financial services participants by 2030



Financial update

Takis Spiliopoulos, CFO

Q3-22 Non-IFRS financial highlights

Revenue and profit

- Subscription revenue of USD 17m
- SaaS revenue up 41% in Q3-22
- Total software licensing down 17% in Q3-22
- Maintenance growth of 4% in Q3-22
- Total revenue down 5% in Q3-22
- EBIT down 54% in Q3-22
- Q3-22 EBIT margin (reported) of 19.2%, down 18% pts (reported)
- EPS (reported) down 59% in Q3-22

Cash flow

- Q3-22 operating cash flow of USD 35m, down 49% y-o-y; down 10% LTM
- LTM Q3-22 operating cash conversion of 117% of IFRS EBITDA
- Q3-22 free cash flow of USD 5m, down 88% y-o-y; down 17% LTM
- DSOs at 112 days, up 1 day y-o-y and down 2 days on q-o-q

Debt and leverage

- Net debt of USD798m as of 30 September 2022
- Leverage at 2.0x at quarter end, down from 2.2x at Q3-21 and up from 1.8x at Q2-22

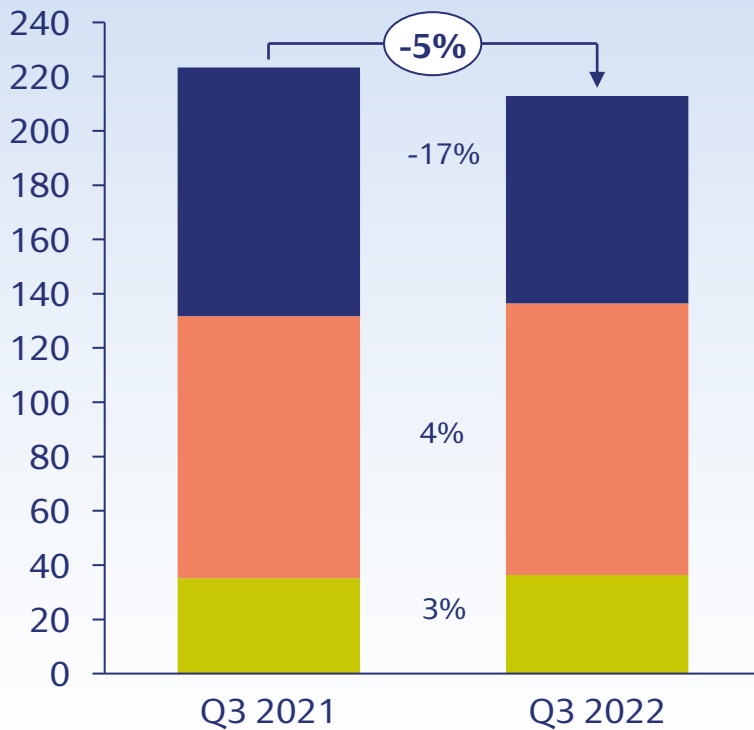
Non-IFRS income statement – operating

In USDm	Q3-22	Q3-21	Y-o-Y reported	Y-o-Y c.c.	LTM Q3-22	LTM Q3-21	Y-o-Y reported	Y-o-Y c.c.
Subscription	17.2	2.3	664%	678%	61.4	15.6	293%	298%
Term Licence	16.6	61.2	-73%	-72%	199.9	273.3	-27%	-25%
SaaS	42.5	31.3	36%	41%	153.0	115.4	33%	36%
Total software licensing	76.3	94.8	-19%	-17%	414.2	404.3	3%	6%
Maintenance	100.2	98.6	2%	4%	400.4	389.7	3%	4%
Services	36.3	38.2	-5%	3%	147.0	160.1	-8%	-5%
Total revenue	212.8	231.6	-8%	-5%	961.6	954.1	1%	3%
Operating costs	172.0	145.5	18%	27%	654.8	598.0	9%	14%
EBIT	40.8	86.0	-53%	-54%	306.8	356.0	-14%	-13%
Margin	19.2%	37.2%	-18% pts	-20% pts	31.9%	37.3%	-5% pts	-6% pts
EBITDA	63.6	108.3	-41%	-42%	400.9	444.1	-10%	-9%
Margin	29.9%	46.8%	-17% pts		41.7%	46.5%	-5% pts	

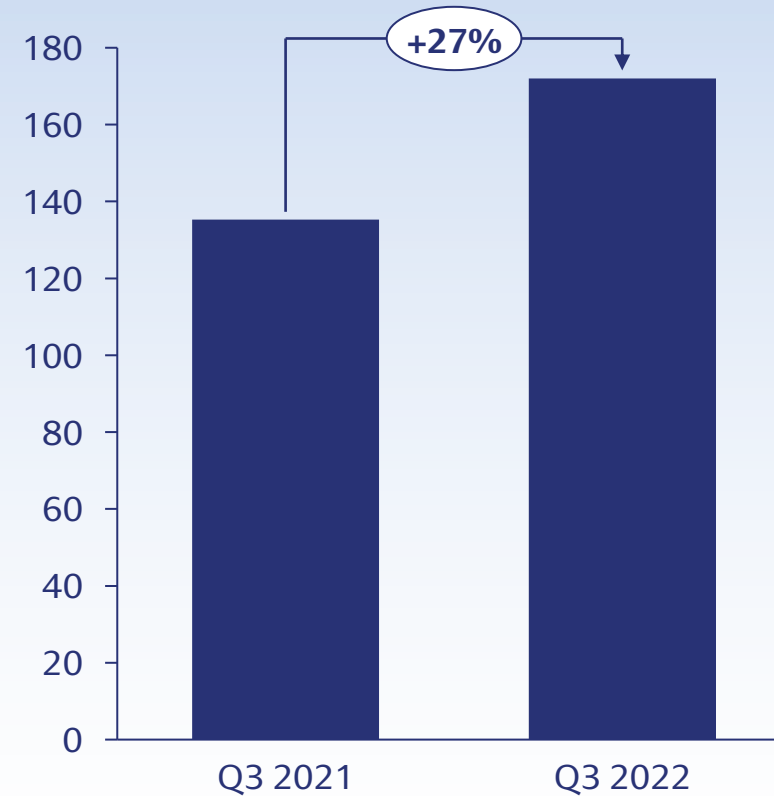
Like-for-like revenue and costs

- Q3-22 LFL non-IFRS revenues down 5%

■ Total Software License ■ Maintenance ■ Services



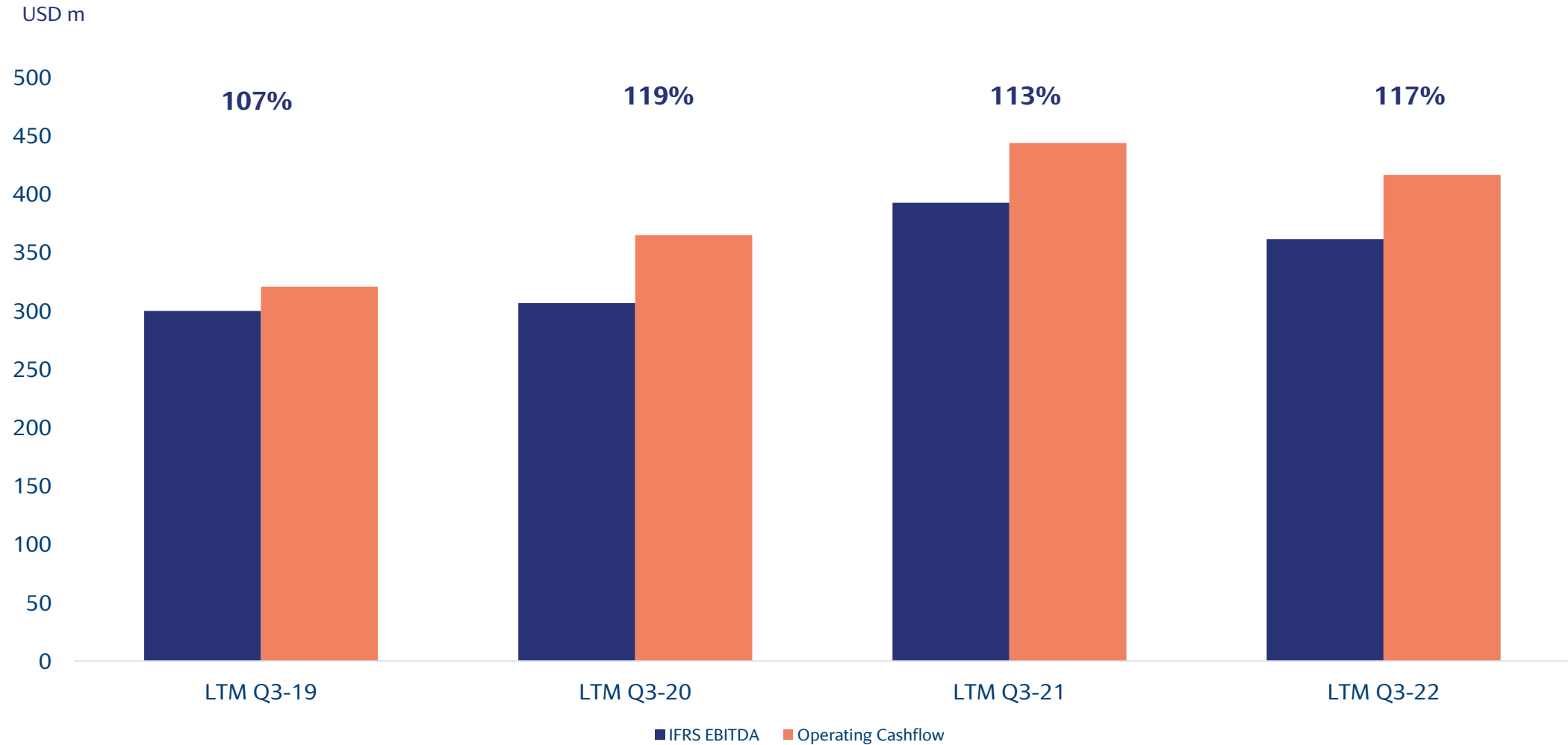
- Q3-22 LFL non-IFRS costs up 27%



Non-IFRS income statement – non-operating

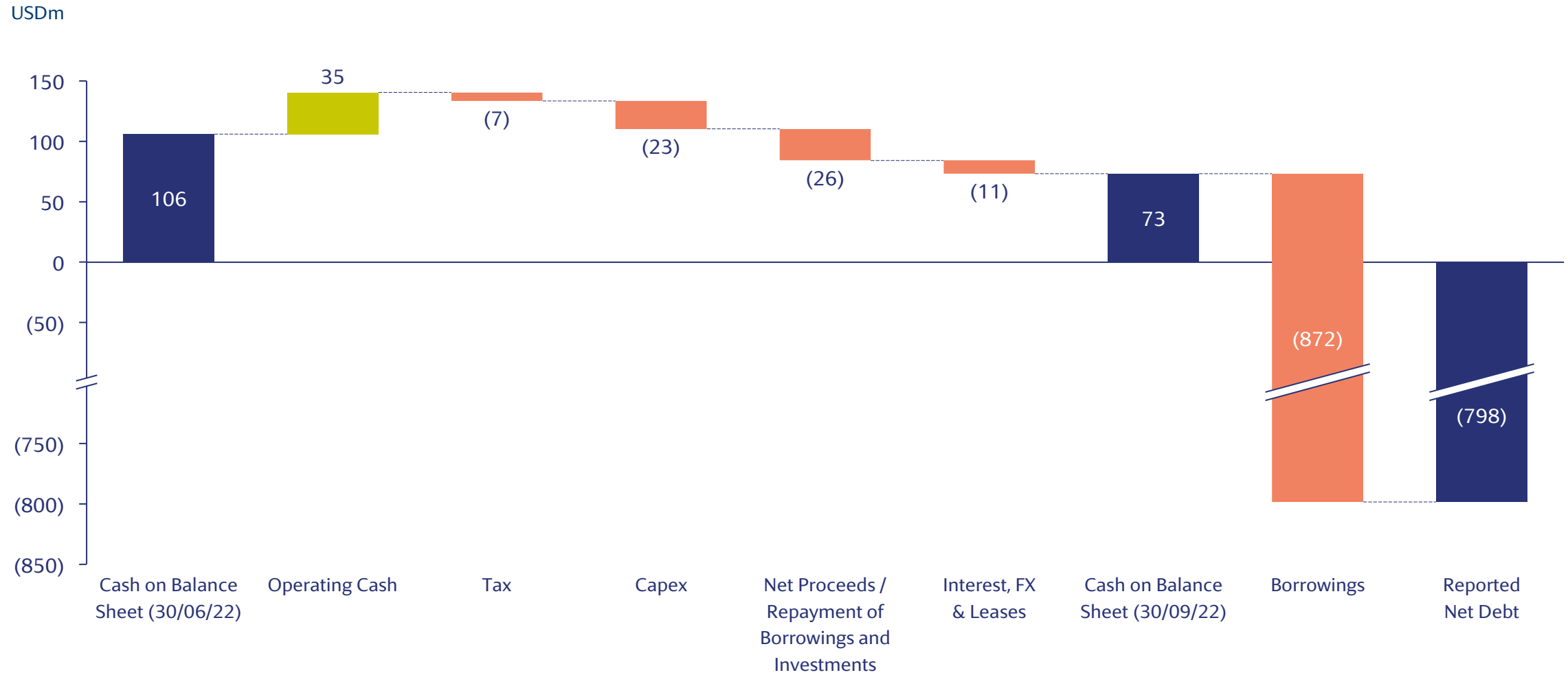
In USDm, except EPS	Q3-22	Q3-21	Y-o-Y reported	LTM Q3-22	LTM Q3-21	Y-o-Y reported
EBIT	40.8	86.0	-53%	306.8	356.0	-14%
Net finance charge	-6.1	-6.5	-7%	-22.5	-26.1	-13%
FX gain / (loss)	-0.8	0.6	-234%	-0.8	-1.0	-23%
Tax	-6.4	-13.8	-53%	-49.7	-52.7	-6%
Net profit	27.5	66.3	-59%	233.8	276.2	-15%
EPS (USD)	0.38	0.92	-59%	3.25	3.80	-14%

IFRS cash conversion



Cash conversion well above 100% target

Group liquidity



Leverage at 2.0x at quarter end Q3-22

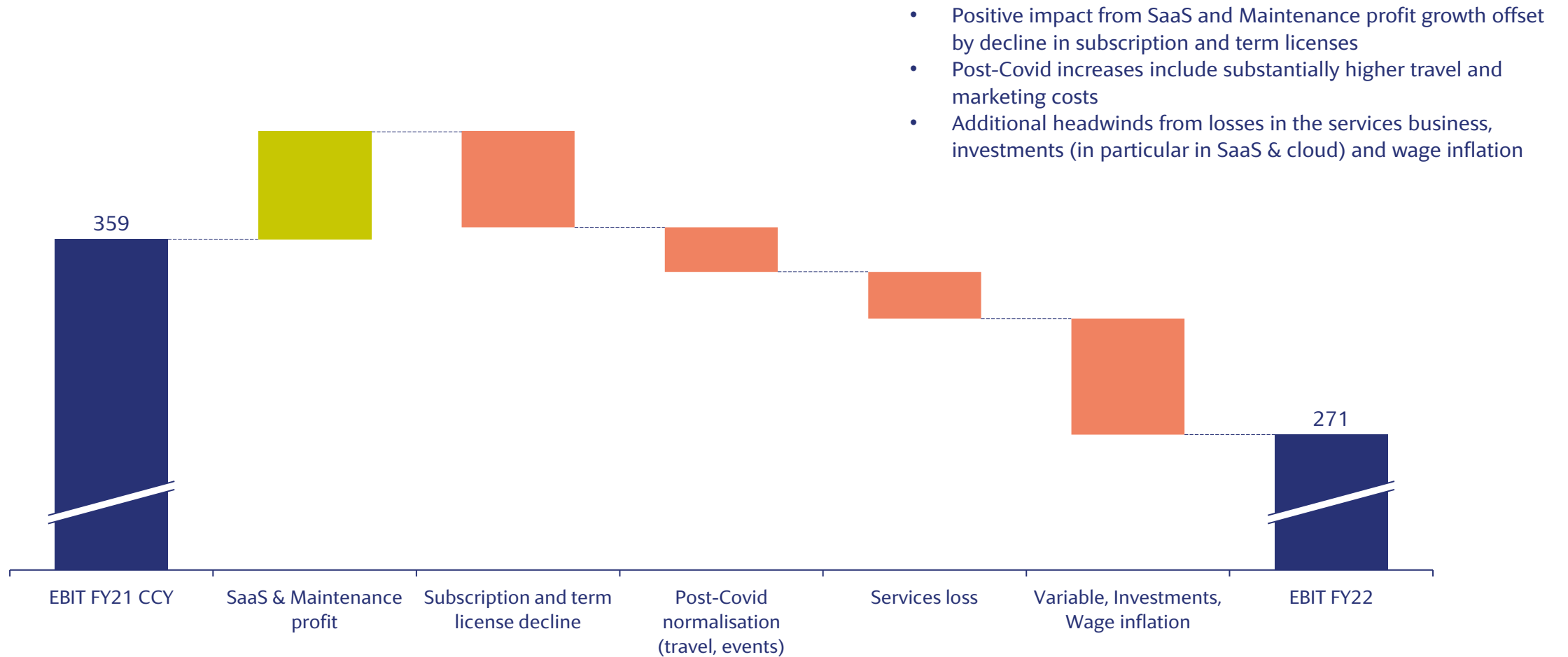
Revised 2022 guidance (non-IFRS, c.c.)

	Revised FY-22 Guidance	Prior FY-22 Guidance	FY-21 Base (CCY)
ARR	+17% - 18% growth	+18% - 20% growth	541m
Total Software Licensing (%)	0%	+16% - 18% growth	402m
Total Revenue (%)	Not provided	At least 10% growth	-
EBIT growth	-25% decline	+9% - 11% growth	359m

- Cash conversion to remain at 100%+ of EBITDA into operating cash flow
- FCF expected to decline c.50% in FY-22 due to EBIT decline, subscription transition and increased cash costs
- FY-22 tax rate expected to be between 18-20%

We expect locked in SaaS revenue by year-end to contribute c.10% points of growth in FY-23 on total software licensing

Non-IFRS EBIT Bridge 2021/2022



Summary

Max Chuard, CEO

Conclusion

- Q3-22 was a very disappointing quarter
- Clear action plan in place to address operational issues
- We are reflecting a slower and more cautious environment in our forecasts given inflation and slowdown around the world as banks are becoming more cautious
- Temenos benefits from a best-in-class product offering with state of the art, cloud native platform
- Market leading position, serving 3,000+ banks (including 41 of the top 50 global banks and 70+ challengers)
- Significant total addressable market of \$64bn, of which \$18bn spent with third parties
- Well advanced transition to SaaS and Subscription model to unlock further value
- ARR growth expected to accelerate in FY-23 driven by SaaS growth and subscription transition
- ARR growth also expected to drive profit growth
- We expect locked in SaaS revenue by year-end to contribute c.10% points of growth in FY-23 on total software licensing

Appendix

Winning cloud native product generating strong SaaS momentum

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High quality cloud native product offering



Prebuilt **Composed Banking Services**



Low-touch SaaS to enable self-service composability to banks



Extensible with Banking Capabilities from Temenos and Exchange



Cloud Native
Continuous updates
Elastically scalable
Extreme scalability
Multi cloud (Azure & AWS)

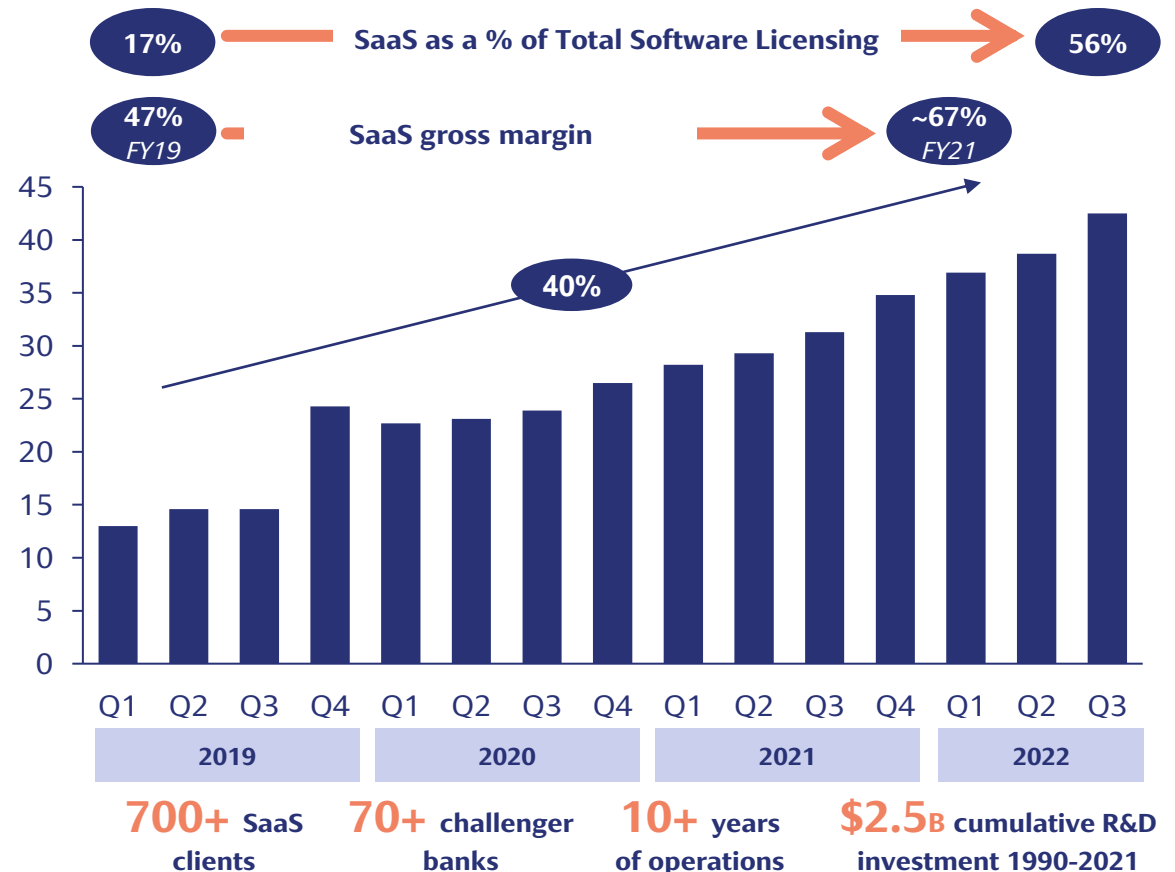


Consumption based **Subscription pricing** for cost predictability without unnecessary lock ins



Powered by the **broadest set** of banking capabilities in the market

SaaS non-IFRS revenue track record (USDm)



Tangible subscription benefits to clients and Temenos

Benefits to client



Enhanced value proposition for customers significantly expanding flexibility



Lower upfront cost, reflecting a shift to OPEX from CAPEX and the time value of money



Easier to scale with demand

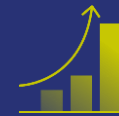


Flexible maintenance options



Easier path to SaaS

Benefits to Temenos



Significantly expanding long-term value creation potential through incremental growth, higher margins and cash flows



Accelerate the shift to more predictable financial performance driven by a much higher proportion of annual recurring revenues



Increase total contract values



Greater upsell opportunity

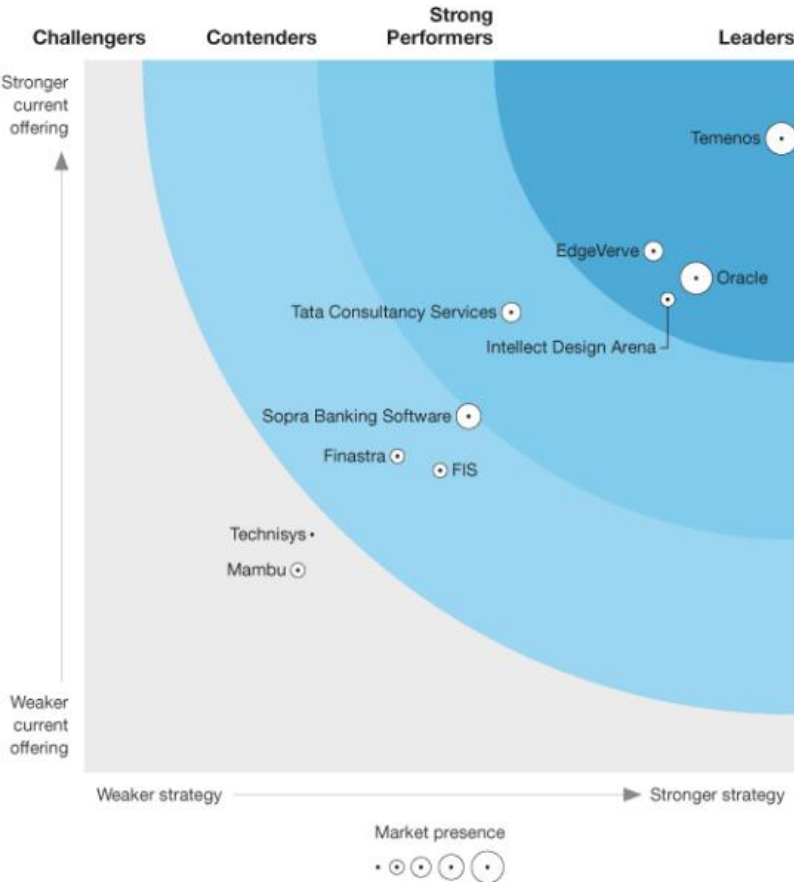


Better customer retention

A Leader in The Forrester Wave: Digital Banking Processing Platforms (DBPP) - Retail Banking & also for Corporate Banking, Q3 2022

THE FORRESTER WAVE™

Digital Banking Processing Platforms For Retail Banking
Q3 2022



THE FORRESTER WAVE™

Digital Banking Processing Platforms For Corporate Banking
Q3 2022



According to Forrester, Temenos offers a **'state-of-the-art application architecture'** that has been designed from the ground up to **offer choice to banks.'**

"The Forrester Wave™ is copyrighted by Forrester Research, Inc. Forrester and Forrester Wave™ are trademarks of Forrester Research, Inc. The Forrester Wave™ is a graphical representation of Forrester's call on a market and is plotted using a detailed spreadsheet with exposed scores, weightings, and comments. Forrester does not endorse any vendor, product, or service depicted in the Forrester Wave™. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change.

The Forrester Wave: Digital Wealth Management Platforms (DWMP), Q1 2022

Temenos recognized as a Leader.

“

Temenos stands out for its end-to-end digital wealth management capabilities. As one of the most established vendors in the DWMP space, Temenos’ knowledge of different markets has given it a diverse customer base in Europe, APAC, the Middle East, and Latin America with a target of increasing market share in North America. Temenos excels in most areas of product functionality and has a roadmap and planned enhancements to ensure they will continue to do so.”

The Forrester Wave™:
Digital Wealth Management Platforms (DWMP), Q1 2022

Temenos received the highest available score in 14 criteria of the evaluation, including the Customer Experience, Execution Roadmap, Partner Ecosystem, and Planned Enhancements criteria.

Source: Forrester Wave: Digital Wealth Management Platforms, Q1 2022, Vijay Raghavan, March 2022
The Forrester Wave™ is copyrighted by Forrester Research, Inc. Forrester and Forrester Wave are trademarks of Forrester Research, Inc. The Forrester Wave is a graphical representation of Forrester's call on a market and is plotted using a detailed spreadsheet with exposed scores, weightings, and comments. Forrester does not endorse any vendor, product, or service depicted in the Forrester Wave. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change.

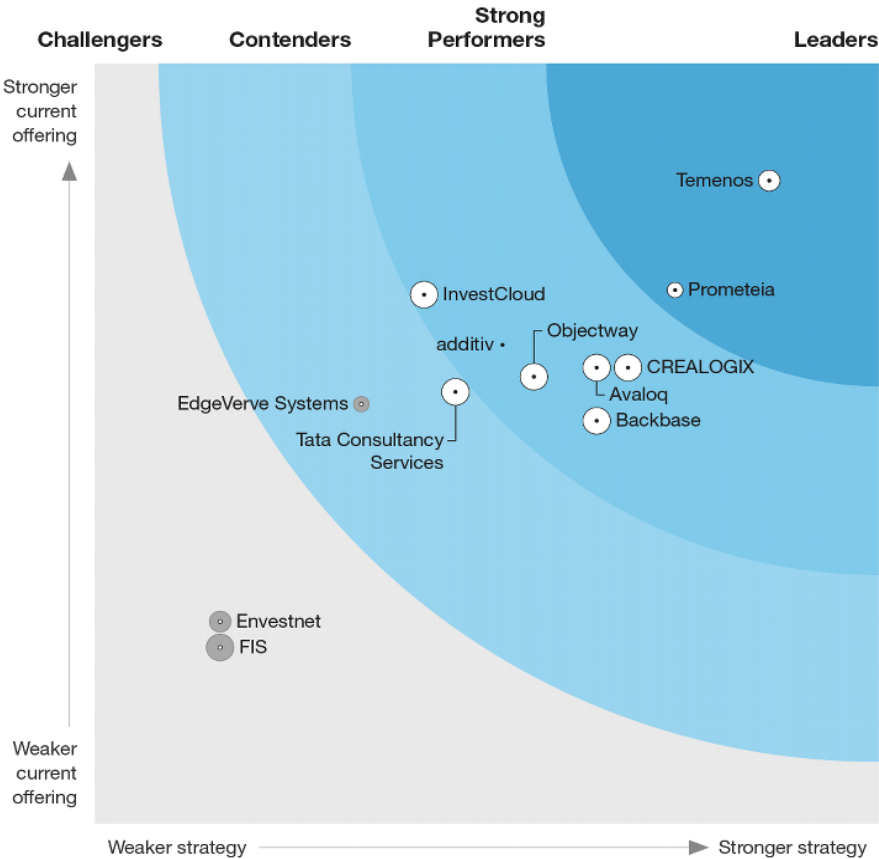
FIGURE 1

Forrester Wave™: Digital Wealth Management Platforms, Q1 2022

THE FORRESTER WAVE™

Digital Wealth Management Platforms

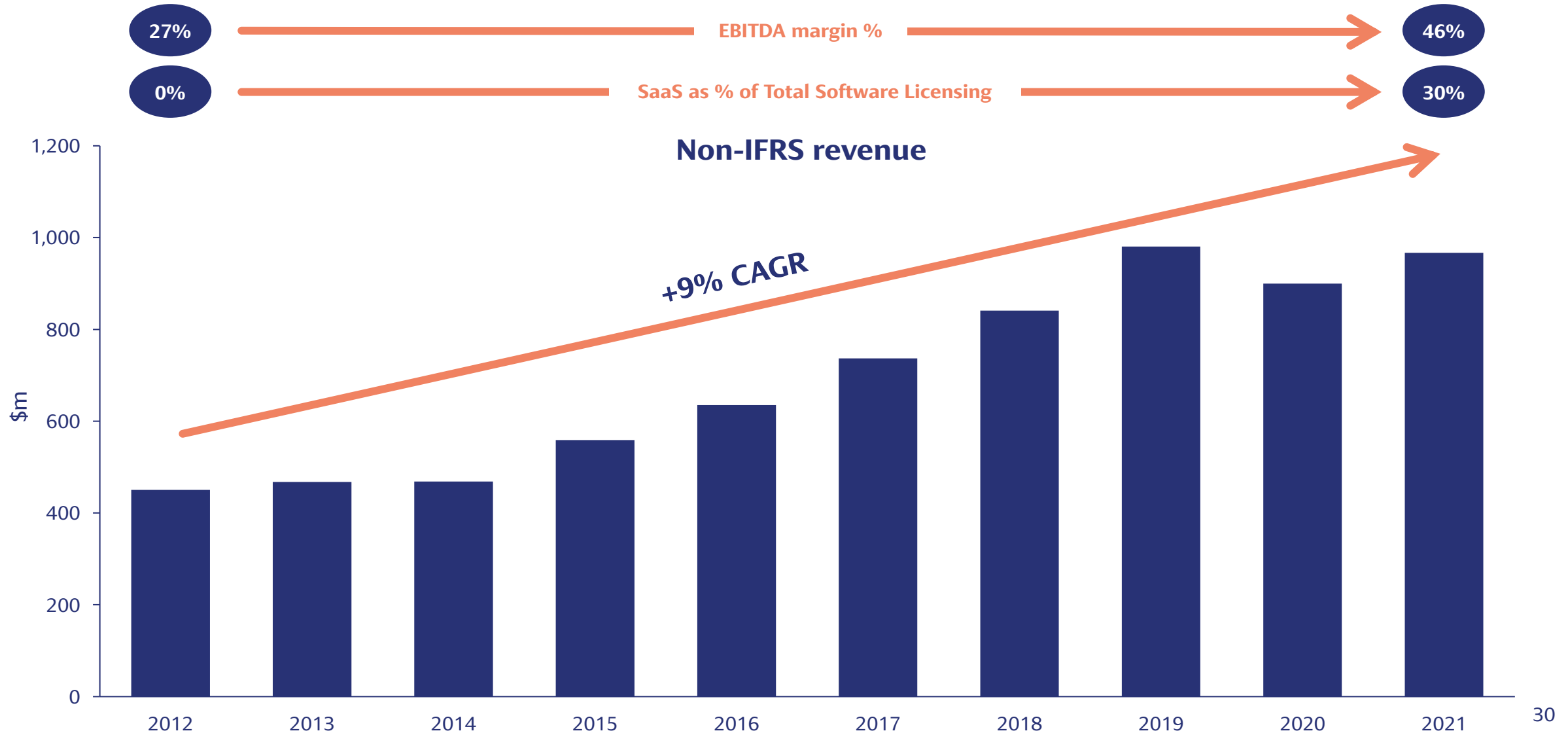
Q1 2022



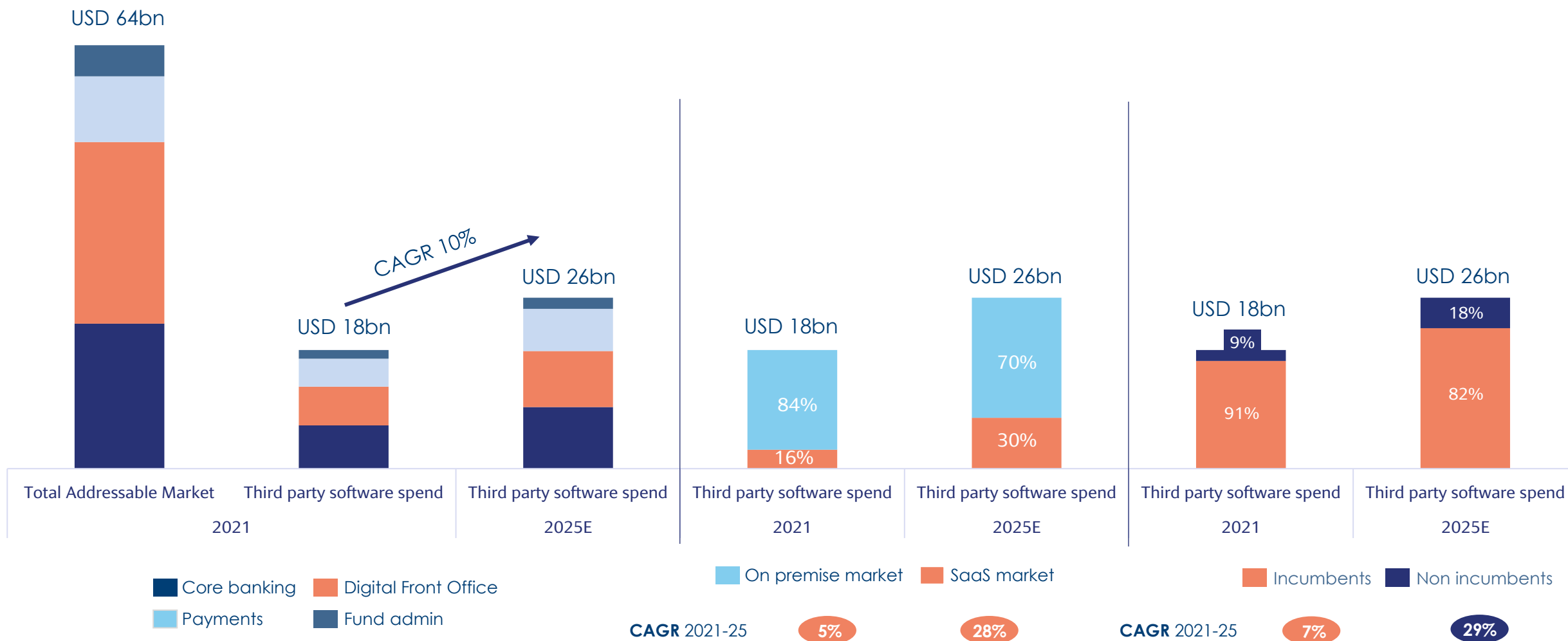
*A gray bubble or open dot indicates a nonparticipating vendor.

Source: Forrester Research, Inc. Unauthorized reproduction, citation, or distribution prohibited.

Long track record of growth and growing profitability



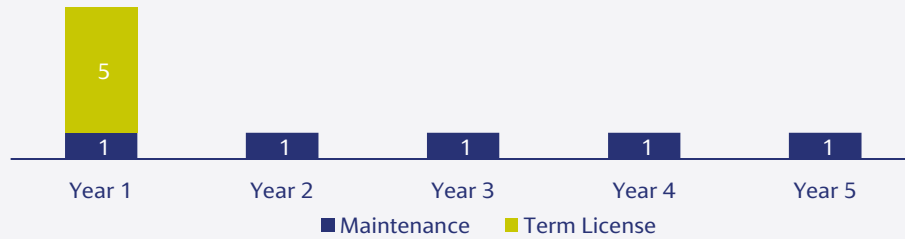
Large addressable market growing at 10% p.a.



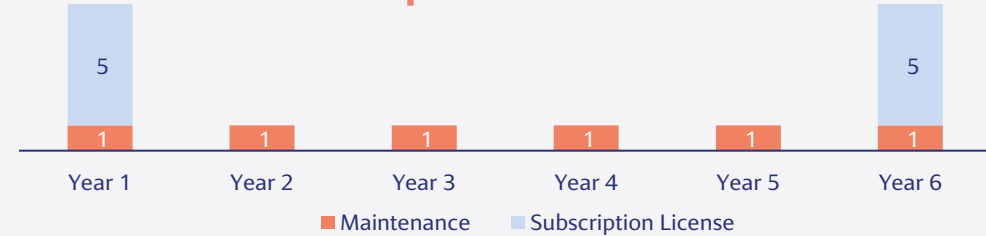
Impact of subscription transition on P&L, cashflow and ARR

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Term model – P&L



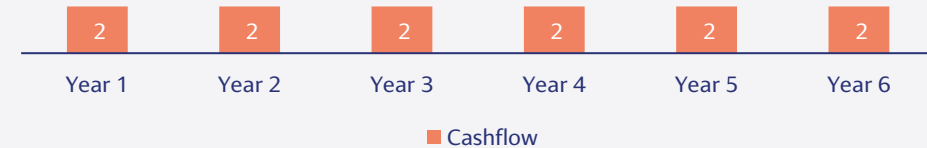
Subscription model – P&L



Term model – Cash



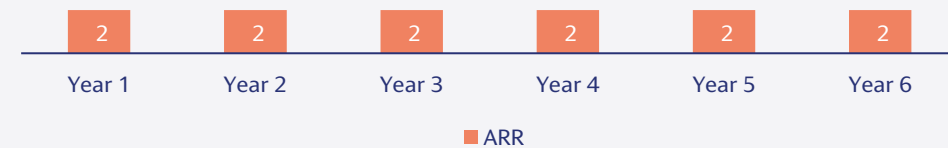
Subscription model – Cash



Term model – ARR

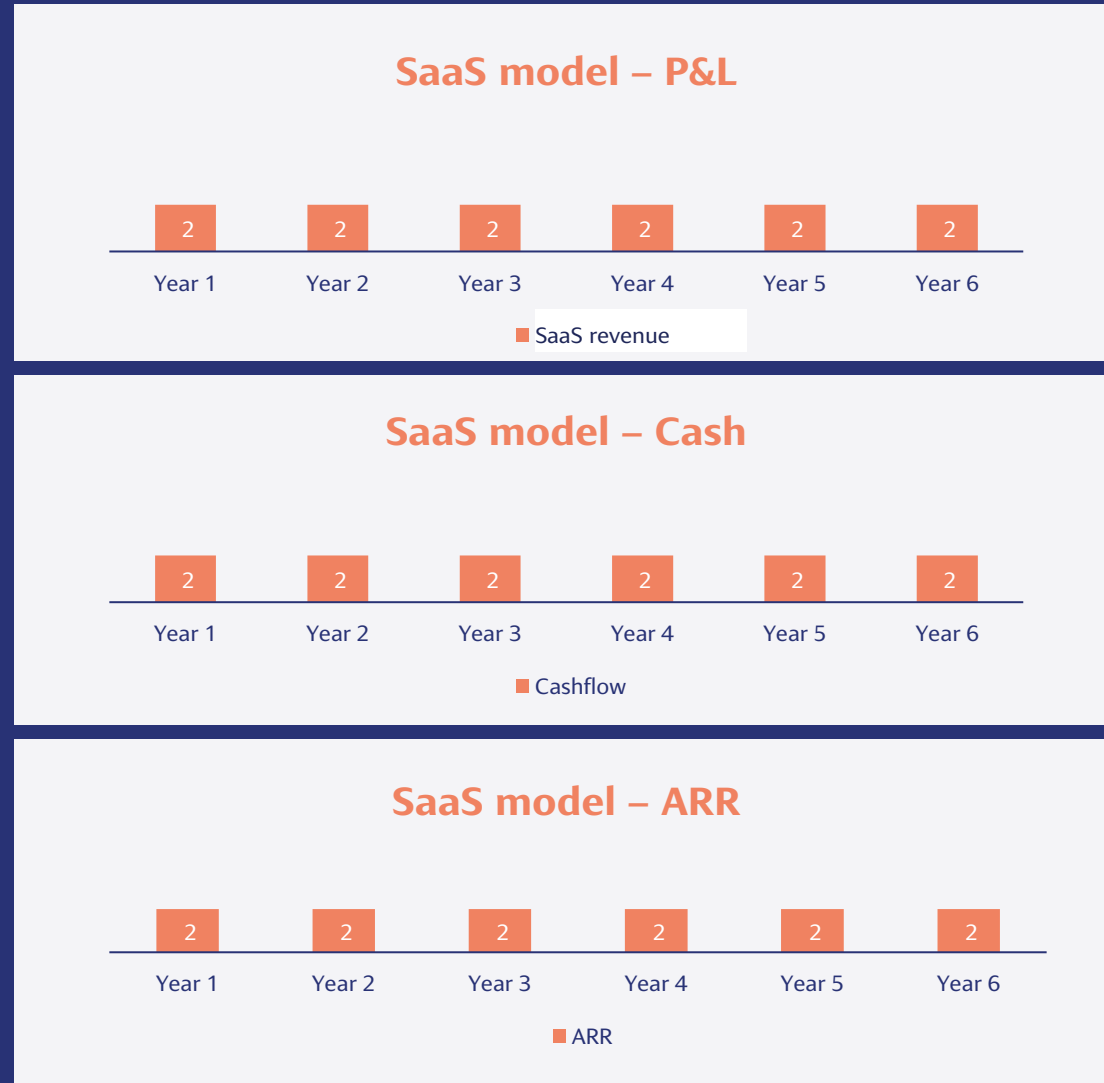


Subscription model – ARR



Impact of SaaS contracts on P&L, cashflow and ARR

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Q3-22 operational overview

- 99 go-lives including 59 implementation go-lives in Q3-22



**Taking a client live
every day**



FX assumptions underlying 2022 guidance

In preparing the 2022 guidance, the Company has assumed the following FX rates:

EUR to USD exchange rate of 1.02

GBP to USD exchange rate of 1.14; and

USD to CHF exchange rate of 0.96

FX exposure

% of total	USD	EUR	GBP	CHF	Other
Total software licensing	71%	18%	2%	1%	9%
Maintenance	77%	15%	2%	1%	5%
Services	47%	29%	4%	4%	16%
Revenues	69%	19%	2%	1%	8%
Non-IFRS costs	24%	20%	11%	5%	40%
Non-IFRS EBIT	146%	17%	(12)%	(5)%	(46)%

NB. All % are approximations based on 2021 actuals

Mitigated FX exposure – matching of revenues / costs and hedging

Quarterly SaaS ACV

USDm			Q3-18	Q4-18
SaaS ACV			2.5	3.4

USDm	Q1-19	Q2-19	Q3-19	Q4-19
SaaS ACV	2.7	2.9	6.6	8.8

USDm	Q1-20	Q2-20	Q3-20	Q4-20
SaaS ACV	5.3	3.5	14.3	11.5

USDm	Q1-21	Q2-21	Q3-21	Q4-21
SaaS ACV	12.1	17.4	10.7	17.0

USDm	Q1-22	Q2-22	Q3-22	Q4-22
SaaS ACV	19.0	10.6	17.9	

Quarterly ARR, Total Bookings, FCF

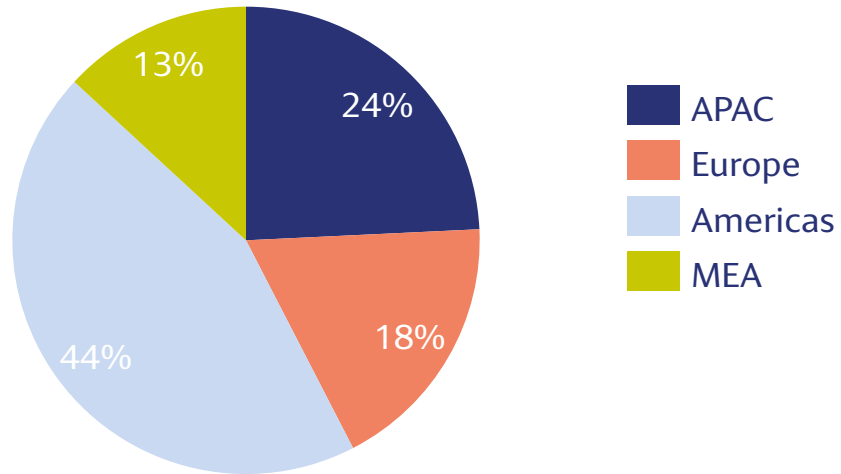
ARR, USD m	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22
ARR	468.1	475.4	486.4	493.5	500.1	514.4	530.8	553.4	568.4	581.9	595.9

Total Bookings, USD m	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22
Total Bookings	60.5	80.0	128.8	272.8	127.5	165.2	153.0	292.6	156.6	182.0	154.7

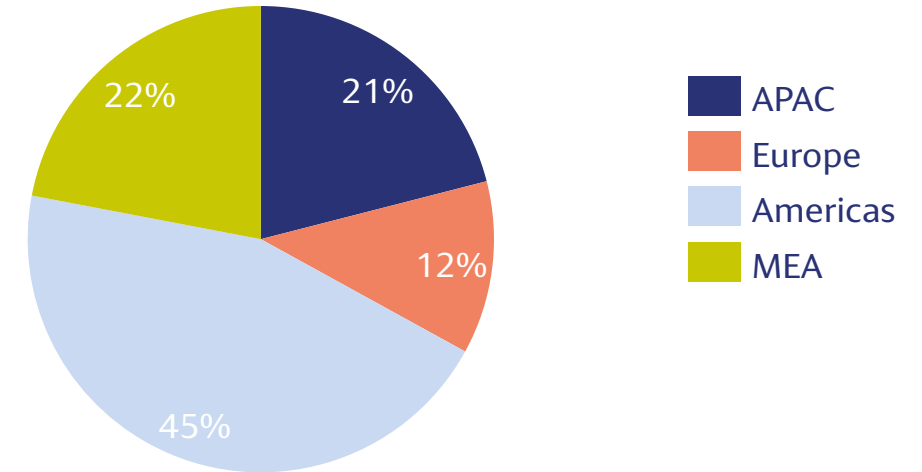
FCF, USD m	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22
FCF	36	70	34	158	46	87	40	186	32	50	5

Total software licensing revenue breakdown by geography

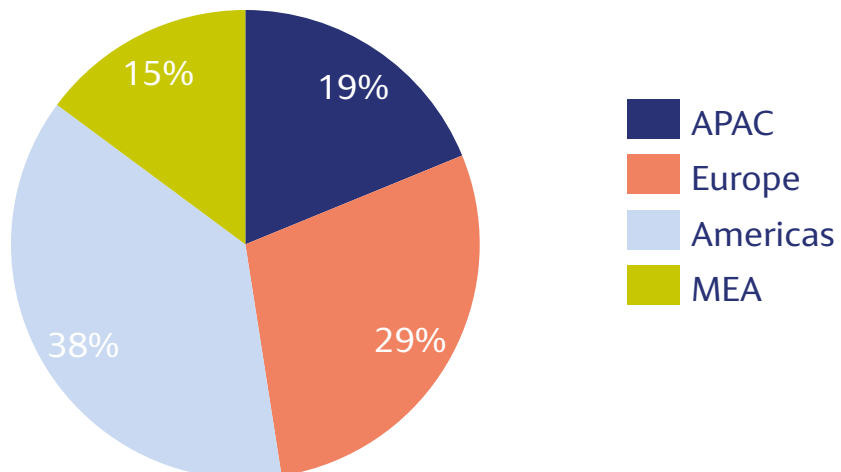
Q3 2021



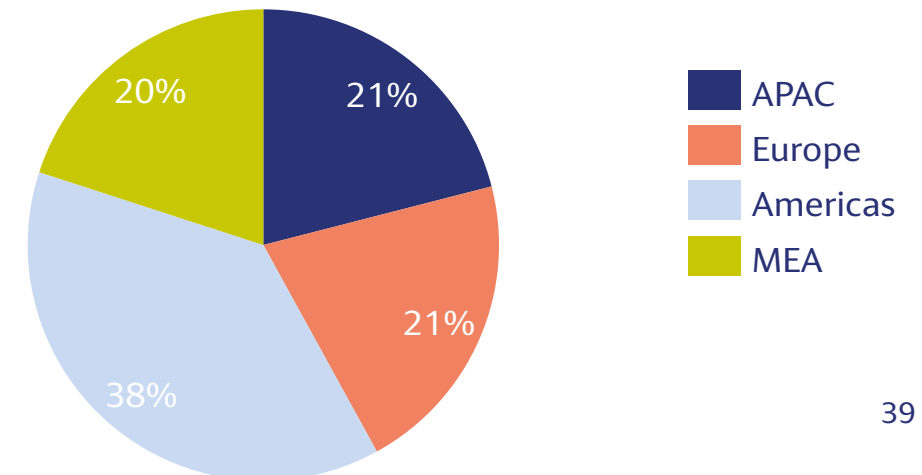
Q3 2022



LTM Q3-21

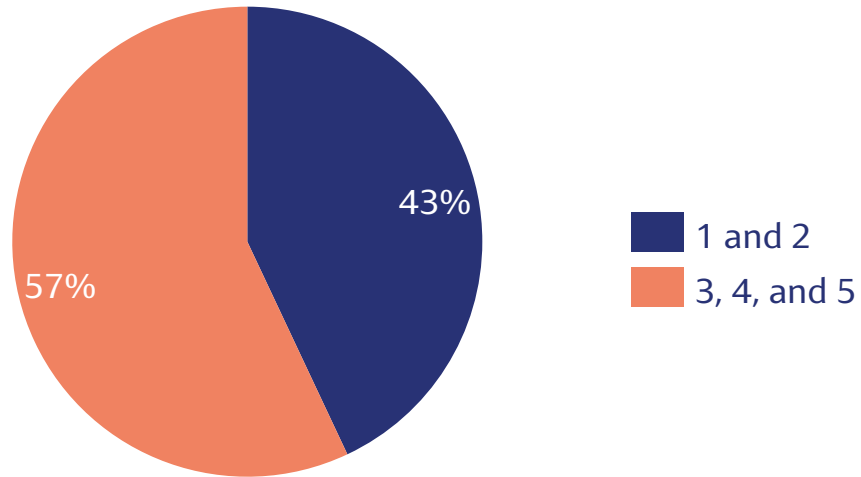


LTM Q3-22

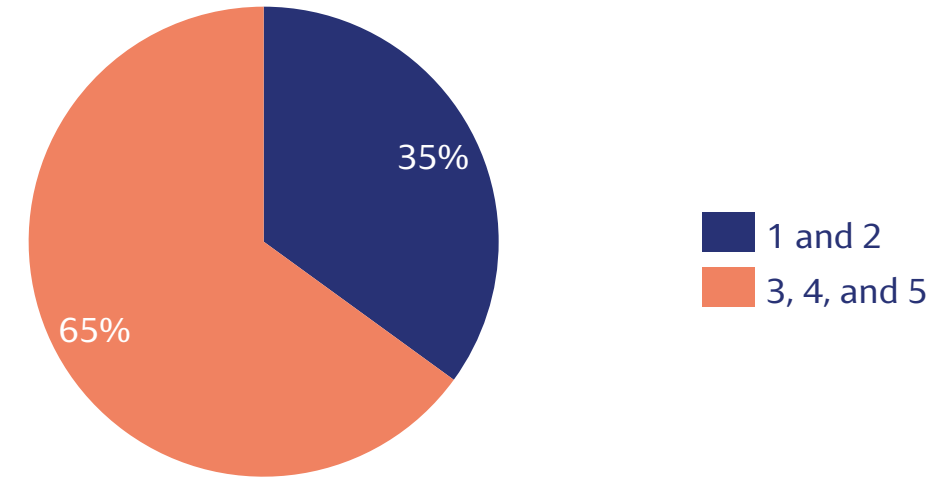


Total software licensing revenue breakdown by customer tier

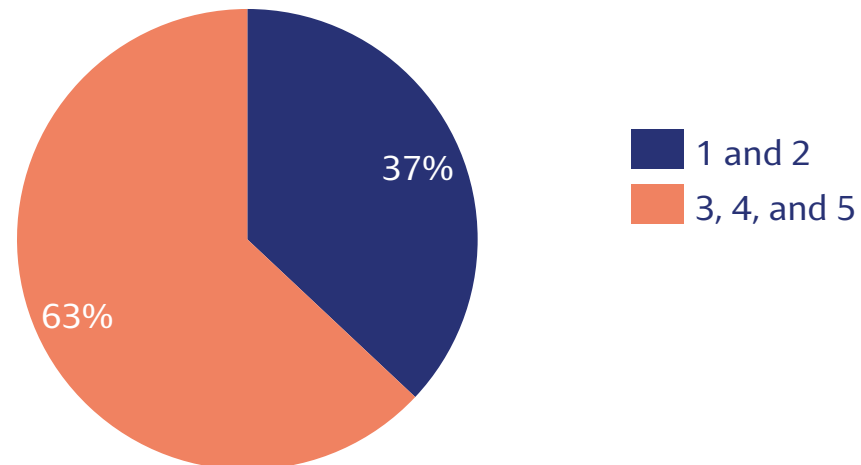
Q3 2021



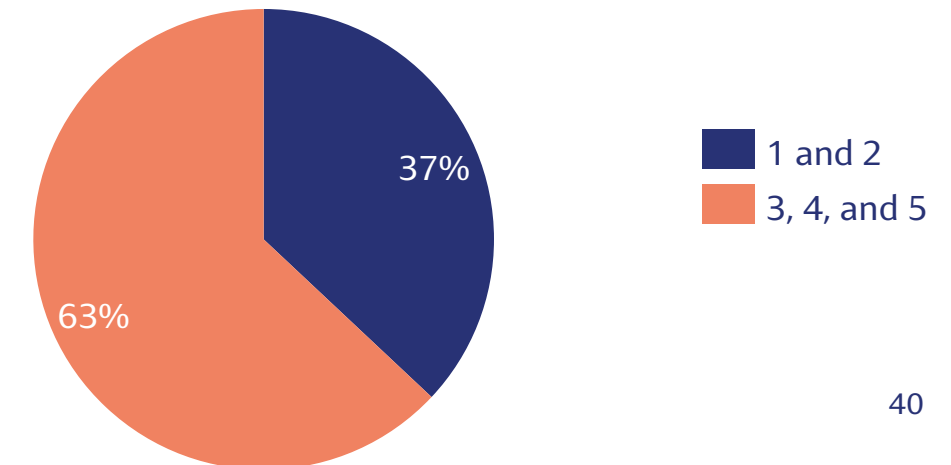
Q3 2022



LTM Q3-21

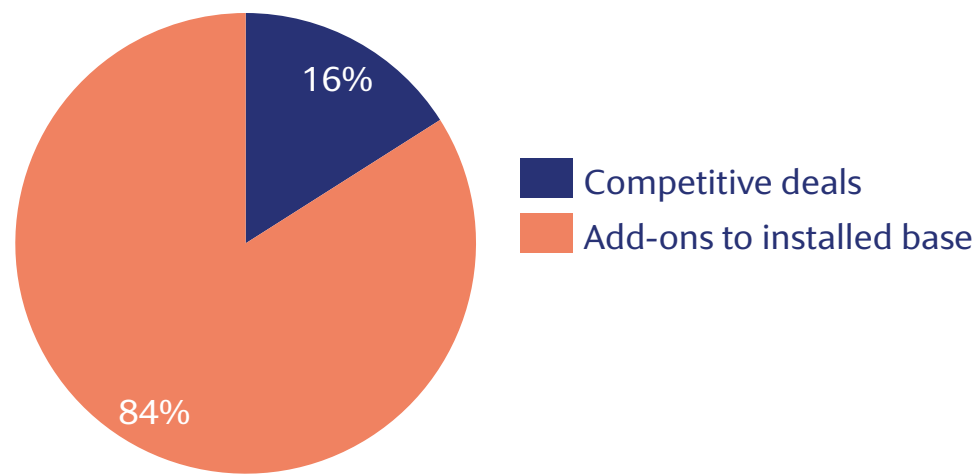


LTM Q3-22

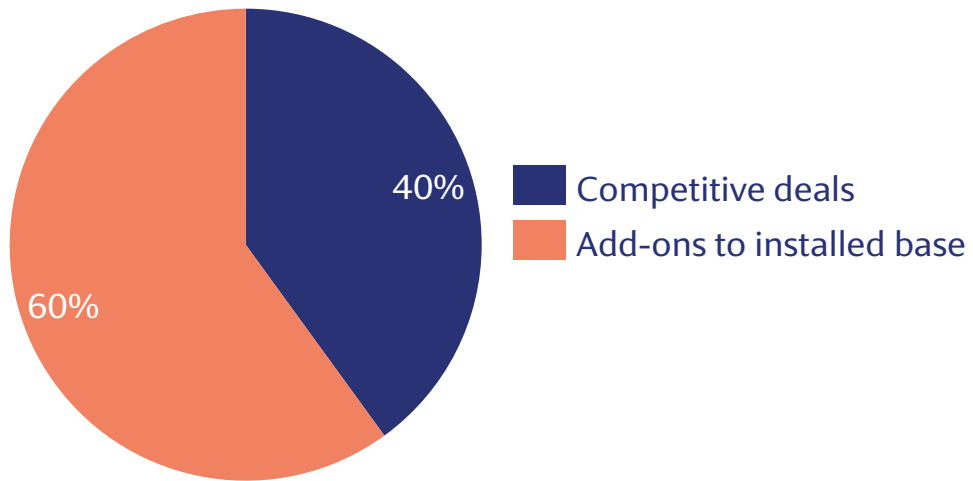


Software licensing revenue breakdown by competitive deals/ add-ons to installed base

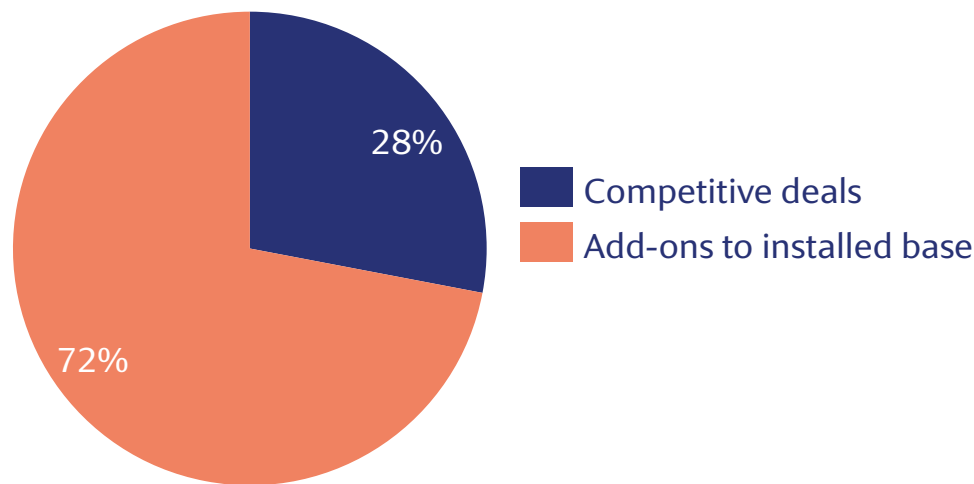
Q3 2021



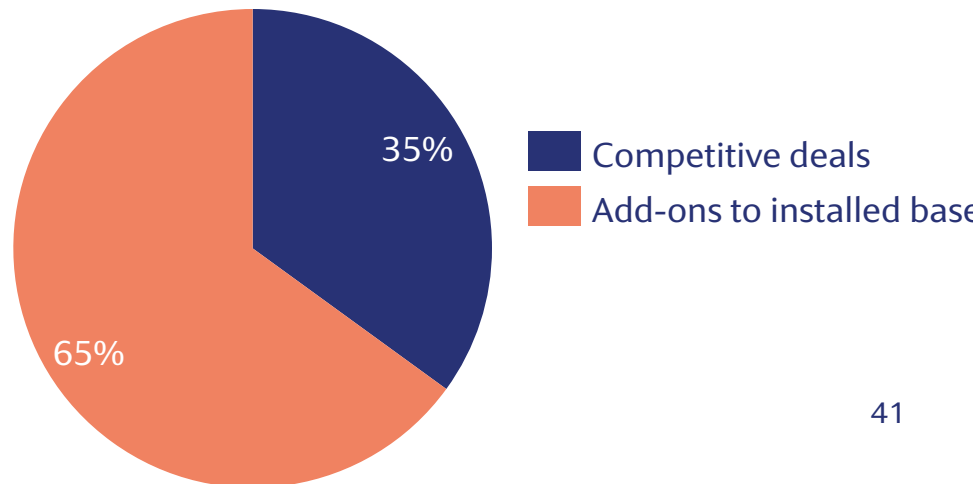
Q3 2022



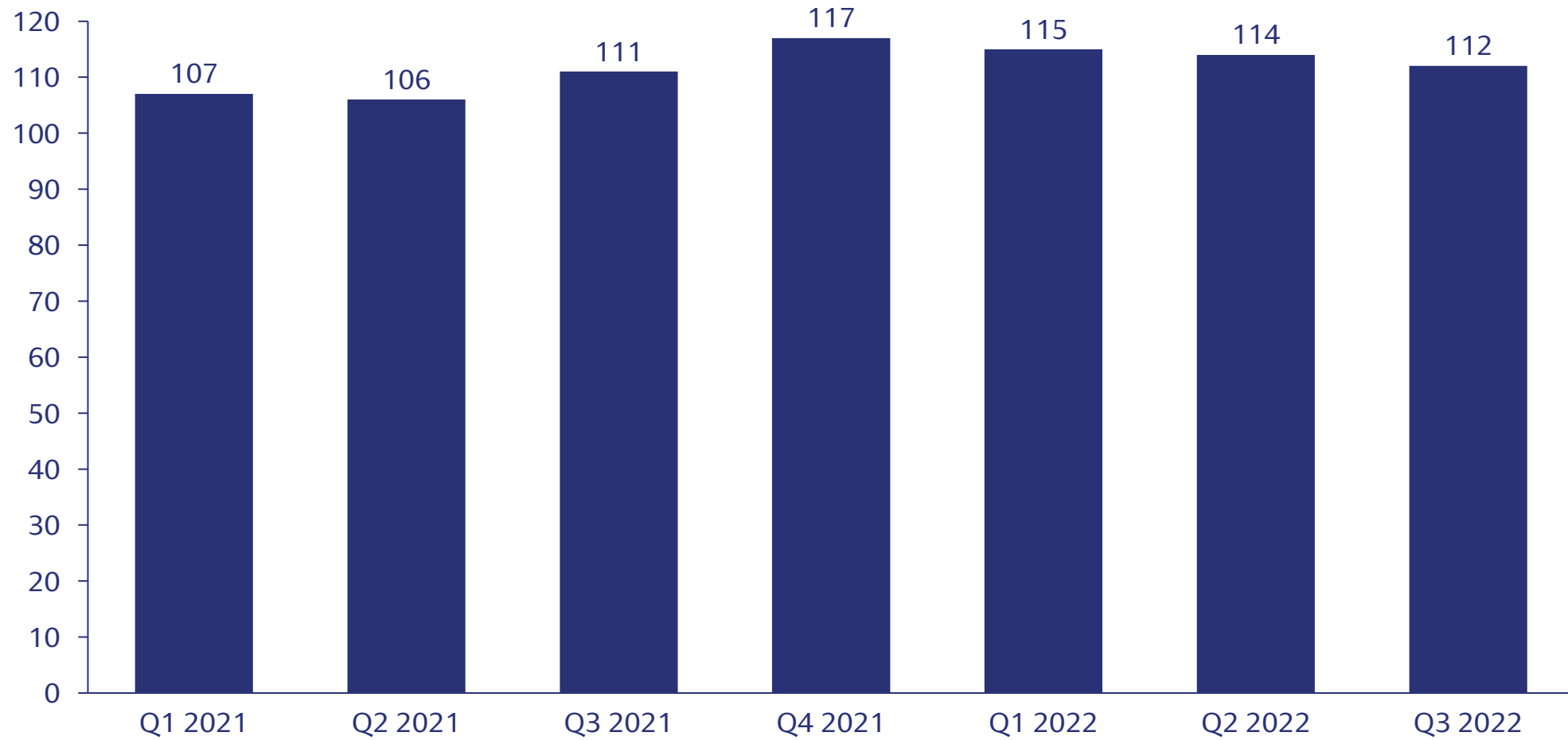
LTM Q3-21



LTM Q3-22



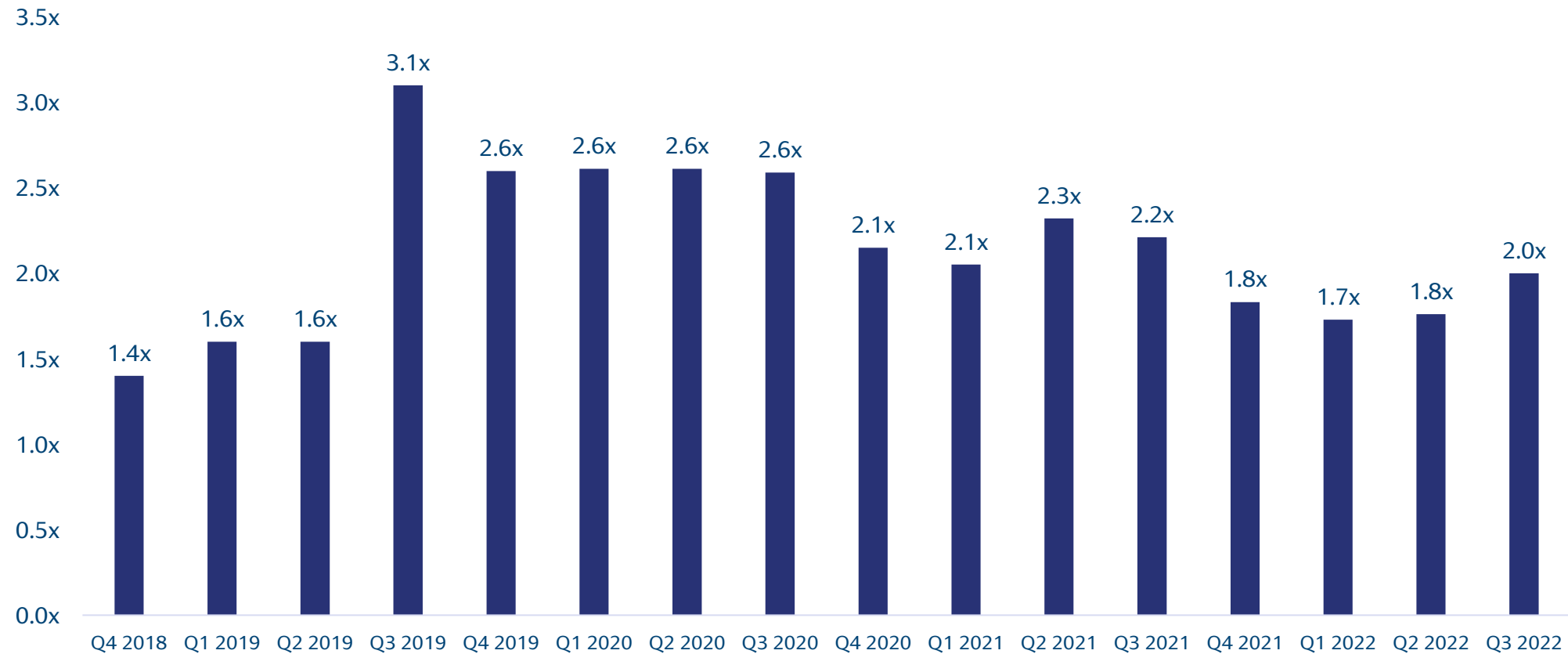
DSOs



DSOs at 112 at Q3-22

Balance sheet – debt and leverage

Net debt and leverage ratios



Capitalization of development costs

USDm	Q1-20	Q2-20	Q3-20	Q4-20	FY-20
Cap' dev' costs	(17.7)	(18.0)	(20.8)	(19.9)	(76.3)
Amortisation	12.9	13.6	13.6	13.7	53.8
Net cap' dev'	(4.8)	(4.4)	(7.2)	(6.2)	(22.6)

USDm	Q1-21	Q2-21	Q3-21	Q4-21	FY-21
Cap' dev' costs	(19.2)	(20.9)	(20.9)	(25.2)	86.2
Amortisation	13.8	15.6	15.1	17.0	61.4
Net cap' dev'	(5.4)	(5.4)	(5.8)	(8.2)	(24.8)

USDm	Q1-22	Q2-22	Q3-22	Q4-22	FY-22
Cap' dev' costs	(21.9)	(22.3)	(21.3)		
Amortisation	15.8	16.4	15.7		
Net cap' dev'	(6.1)	(6.0)	(5.6)		

Reconciliation from IFRS to non-IFRS

IFRS revenue measure

+ Deferred revenue write-down

= **Non-IFRS revenue measure**

IFRS profit measure

+/- Share-based payments and related social charges

+/- Deferred revenue write down

+ / - Discontinued activities

+ / - Amortisation of acquired intangibles

+ / - Acquisition related charges

+ / - Restructuring

+ / - Taxation

= **Non-IFRS profit measure**

Accounting elements not included in non-IFRS guidance

Below are the accounting elements not included in the 2022 non-IFRS guidance:

FY 2022 estimated share-based payments charge of c.5% of revenue

FY 2022 estimated amortisation of acquired intangibles of USD 50m

FY 2022 estimated restructuring costs of USD 14m

Restructuring costs include realising R&D, operational and infrastructure efficiencies.

These estimates do not include impact of any further acquisitions or restructuring programmes commenced after 20 October 2022. The above figures are estimates only and may deviate from expected amounts.

Earnings Reconciliation – IFRS to non-IFRS

In USDm, except EPS	3 Months Ending 30 September			3 Months Ending 30 September		
	2022		2022	2021		2021
	IFRS	Non-IFRS adj.	Non-IFRS	IFRS	Non-IFRS adj.	Non-IFRS
Subscription	17.2		17.2	2.3		2.3
Term Licence	16.6		16.6	61.2		61.2
SaaS	42.5		42.5	31.3		31.3
Total Software Licensing	76.3		76.3	94.8		94.8
Maintenance	100.2		100.2	98.6		98.6
Services	36.3		36.3	38.2		38.2
Total Revenue	212.8		212.8	231.6		231.6
Total Operating Costs	(202.7)	30.7	(172.0)	(190.8)	45.2	(145.5)
Restructuring/acq. costs	(5.1)	5.1	-	(6.6)	6.6	-
Amort of Acq'd Intang.	(11.1)	11.1	-	(12.4)	12.4	-
Share-based payments	(14.5)	14.5	-	(26.2)	26.2	-
Operating Profit	10.2	30.7	40.8	40.8	45.2	86.0
Operating Margin	5%		19%	18%		37%
Financing Costs	(6.9)		(6.9)	(5.9)	-	(5.9)
Taxation	(1.1)	(5.3)	(6.4)	(6.7)	(7.1)	(13.8)
Net Earnings	2.1	25.4	27.5	28.3	38.1	66.3
EPS (USD per Share)	0.03	0.35	0.38	0.39	0.53	0.92

EBIT & EBITDA reconciliation from IFRS to non-IFRS

USDm	Q3-22 EBIT	Q3-22 EBITDA
IFRS	10.2	44.2
Share-based payments	14.5	14.5
Deferred revenue write-down	-	-
Amortisation of acquired intangibles	11.1	-
Restructuring	4.7	4.6
Acquisition related costs	0.3	0.3
Non-IFRS	40.8	63.6

Net earnings reconciliation IFRS to non-IFRS

In USDm, except EPS	Q3-22	Q3-21
IFRS net earnings	2.1	28.3
Share-based payments	14.5	26.2
Deferred revenue write down	-	-
Amortisation of acquired intangibles	11.1	12.4
Restructuring	4.7	5.2
Acquisition related costs	0.3	1.4
Taxation	(5.3)	(7.1)
Net earnings for non-IFRS EPS	27.5	66.3
No. of dilutive shares (m shares)	71.9	72.2
Non-IFRS diluted EPS (USD)	0.38	0.92

Non-IFRS definitions

Non-IFRS adjustments

Share-based payment charges

Adjustment made for shared-based payments and social charges

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 out credits or charges

Acquisition related finance cost

Mainly relates to fees incurred on acquisition funding

Amortisation of acquired intangibles

Amortisation charges as a result of acquired intangible assets

Restructuring

Costs incurred in connection with a restructuring programme or other organisational transformation activities planned 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 mainly on deferred revenue write-down and amortization of acquired intangibles, and on the basis of Temenos' expected effective tax rate

Other

Revenue visibility

Visibility on revenue includes a combination of revenue that is contractually committed and revenue that is in our pipeline and that is likely to be booked, but is not contractually committed and therefore may not occur.

Constant currencies

Prior year results adjusted for currency movement

Like-for-like (LFL)

Adjusted prior year for acquisitions and movements in currencies

SaaS

Revenues generated from Software-as-a-Service

Subscription

Revenue from software sold on a subscription basis. License and Maintenance are recognized separately, with the License obligation reported as Subscription under Total Software Licensing.

Term license

Revenues from sale of on-premise software license on a fixed term or perpetual basis. License and Maintenance are recognized separately, with the License obligation reported as Term License under Total Software Licensing.

Total Bookings

Include fair value of licence contract value, committed maintenance contract value on licence, and SaaS committed contract value. All must be committed and evidenced by duly signed agreements.

Annual Recurring Revenues (ARR)

Annualized contract value committed at the end of the reporting period from active contracts with recurring revenue streams. Includes New Customers, up-sell/cross-sell, and attrition. Excludes variable elements.

SaaS Financial metrics definitions and reporting

Annual Contract
Value (ACV)



Annual value of incremental business taken in-year. Includes New Customers, up-sell/cross-sell. Only includes the recurring element of the contract and exclude variable elements.

Disclosure: quarterly reporting, annual reporting

Annual Recurring
Revenue (ARR)



Annualized contract value committed at the end of the reporting period from active contracts with recurring revenue streams. Includes New Customers, up-sell/cross-sell, and attrition. Excludes variable elements

Disclosure: quarterly reporting, annual reporting

Software-as-a-Service
Revenue (SaaS)



Software-as-a-Service revenues booked in a period

Disclosure: quarterly reporting, annual reporting

Thank you

temenos