

# FYE25 First Quarter Conference Call

The CX Automation Leader

*Delivering AI Business Outcomes NOW*

June 4, 2024

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## Non-GAAP Financial Measures

This presentation includes financial measures which are not prepared in accordance with generally accepted accounting principles ("GAAP"), including certain constant currency measures. For a description of these non-GAAP financial measures, including the reasons management uses each measure, and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP, please see the appendices to this presentation, Verint's earnings press releases, as well as the GAAP to non-GAAP reconciliation found under the Investor Relations tab on Verint's website [Verint.com](https://www.verint.com).

# Q1 FYE25 Earnings Call Topics



**Strong Q1 Momentum – Results Ahead of Guidance**

**Verint Open Platform Delivers Tangible Business Outcomes NOW**

**Raising Outlook for FYE25**

# Our Opportunity to Deliver AI Business Outcomes in Contact Centers

Creating agent capacity and lowering costs while improving CX

Contact Center:

**PAST**

- Pressure to Hire More People
- Challenging to Deliver CX Expectations

Increasing  
CX Automation

Contact Center:

**TODAY & FUTURE**

- Data and AI-centric Platform
- Higher Workforce Productivity at Lower Overall Cost
- Elevating CX with Same Resources

# Strong Q1 Momentum – Results Ahead of Guidance

## Revenue

**\$221 million**

*\$7 million ahead of guidance*

## Gross Margin

**GAAP: 71.2%**

*Up 280bps year-over-year*

**Non-GAAP: 72.4%**

*Up 260bps year-over-year*

## Diluted EPS

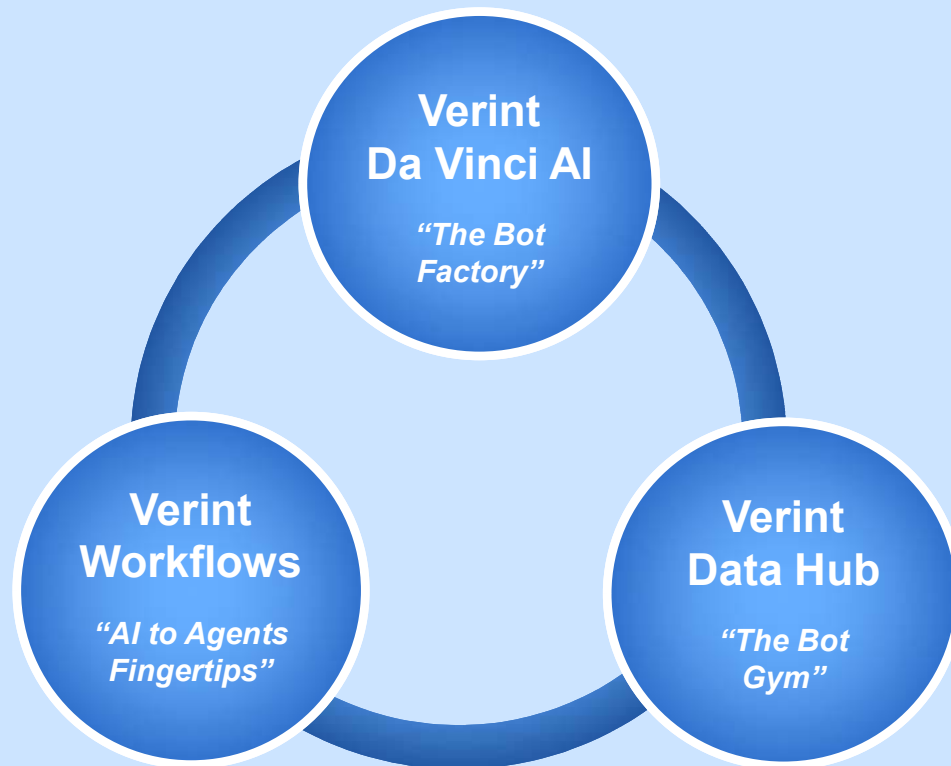
**GAAP: \$0.16**

**Non-GAAP: \$0.59**

*Up 11% year-over-year*

Note: Q1 revenue is the same on a GAAP and Non-GAAP basis. GAAP diluted EPS y-o-y growth not provided as it does not provide meaningful data.

# Verint Open Platform Delivers 'AI Business Outcomes' Now



# Large Competitive Wins from Leading Global Brands

Press Release

## Verint Wins an Eight-Digit Contract to Deliver AI Business Outcomes

MELVILLE, N.Y., April 30, 2024 – Verint® (NASDAQ: VRNT) announced today an eight-digit order from a Fortune 500 company to deliver artificial intelligence (AI) business outcomes through a team of AI-powered bots.

"Customers today are looking to increase CX automation to elevate the customer experience, and to open, centered on behavioral data, and offer automation leadership, and we continue to lead the industry," said Verint's chairman and chief executive officer.

Press Release

## Verint Secures \$7 Million Contract with a Fortune 100 Insurance Company for AI Business Outcome Expansion and Multi-Year Renewal

MELVILLE, N.Y., May 13, 2024 – Verint® (NASDAQ: VRNT) announced today a \$7 million dollar three-year contract to deploy the Verint Open Platform in a hybrid cloud environment.

The insurer embraced Verint's vision of enabling brands that drives AI business outcomes, now. Included in the team of specialized AI-powered bots available from Verint, and behavioral data to ensure the right work is assigned, increasing workforce efficiency.

Press Release

## Verint Wins \$7 Million Contract to Deliver AI Business Outcomes for Fortune 500 Brand

MELVILLE, N.Y., May 9, 2024 – Verint® (NASDAQ: VRNT), The Automation Company™, a Fortune 500 company has selected the company to deploy a team of AI-powered bots.

As an existing on-premises customer the brand is taking advantage supported by the Verint Open Platform. They decided to keep their four AI-powered bots in the cloud. The Verint Open Platform supports enable customers to quickly deploy AI-powered bots and immediate outcomes without the need to first migrate legacy solutions to the cloud.

Press Release

## Verint Wins \$4 Million Contract to Increase CX Automation for a Top Five U.S. Bank

MELVILLE, N.Y., May 22, 2024 – Verint® (NASDAQ: VRNT) announced today that a top five U.S. bank chose the Verint Open Platform to increase CX automation in their contact center.

Verint was awarded a multi-year contract for \$4 million across 5,000 agents. The bank has 40,000 agents over 100 business units, and the awarded contract covers one-to-one option in the contract to expand. In addition, Verint and several AI-powered bots which are not included in the contract.

Press Release

## Verint Wins \$4 million Deal Including 4 AI- Powered Bots

MELVILLE, N.Y., June 3, 2024 – Verint® (NASDAQ: VRNT), The CX Automation Company™, announced today a leading regional healthcare insurer has selected Verint to deploy AI business outcomes, now.

The insurer chose the Verint Open Platform to replace several applications deployed by a 10-year incumbent provider and at the same time to expand AI business outcomes with 4 AI-powered bots including Data Insights Bot, Interaction Wrap Up Bot, Coaching Bot, and Quality Bot.

"Brands are choosing the Verint Open Platform to modernize their contact centers and at the same time increase CX Automation with an AI-powered platform" says Verint's Steve Seger Americas CRO. "This win highlights our ability to help customers quickly introduce AI-powered bots to transform their business. The healthcare insurer replaced legacy applications from another vendor and purchased the Verint open platform with behavioral data hub and 4 AI-powered bots to deploy AI business outcomes now".

# \$14 Million Win from One of the World's Largest Retailers

Deploying bots, displacing competitors, and unifying data silos

## Multiple Bots Being Deployed



Data Insights Bot



Quality Bot



Transcription Bot



Data Redaction Bot



# Verint Customers Achieving AI Business Outcomes, Now



## *Containment Bot*

**80%**

**Containment for  
Financial Services  
Company**



## *Time Flex Bot*

**30%**

**Less Agent Attrition for  
Insurance Company**



## *Coaching Bot*

**48%**

**Increase in Upsell Close  
Rates for a Bank**

# Verint is Well Positioned

Tangible AI Business Outcomes Now – Unique and Sustainable Differentiator

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Verint Open Platform Delivers Contact Centers the Latest AI Innovation

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Raising FYE25 Guidance and Targeting ‘Rule of 40’ in FYE27

Note: Guidance is provided on a non-GAAP basis.

# Financial Review



# Q1 Results – Ahead of Guidance

Driven by demand for our AI innovation

## Strong Q1 Results

### Revenue

\$221 million, up 2% year-over-year as reported  
Up 5% year-over-year adjusted for divestiture

### Gross Margin

GAAP: 71.2%, up 280bps year-over-year  
Non-GAAP: 72.4%, up 260bps year-over-year

### Diluted EPS

GAAP: \$0.16  
Non-GAAP: \$0.59; up 11% year-over-year

Note: 5% revenue growth accounts for the quality managed services divestiture (closed January 31, 2024) which generated \$6.8 million in Q1 FYE24. Q1 revenue is the same on a GAAP and Non-GAAP basis. GAAP diluted EPS y-o-y growth not provided as it does not provide meaningful data.

# Strong SaaS Momentum with Positive AI Leading Indicators

## Strong SaaS Momentum

### SaaS Revenue

Up 20% year-over-year

### Bundled SaaS New ACV Bookings

Up 25% year-over-year

## Positive AI Leading Indicators

### % of SaaS Deals with AI

80% of Bundled SaaS Contracts Have Bots

### SaaS Term Lengths

30% longer compared to Q1 in prior year  
Reflects commitment to CX Automation strategy

### Advanced Stage Bundled SaaS Pipeline

Up >20% year-over-year  
>80% of pipeline includes bots

Note: SaaS revenue growth is the same on a GAAP and non-GAAP basis.

# Verint is Well Positioned to Accelerate Growth

Large Base of 4 Million Agents

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Hybrid Cloud Architecture Makes it Easy for Base to Adopt AI Without Disruption

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AI Adoption and Consumption Model Positive for Revenue Growth and Margins

# Raising FYE25 Guidance

**Revenue:** \$933 million +/- 2, up 5% (growth rate adjusted for divestiture)

**Gross Margin Expansion:** 73%, up ~150bps

**Operating Income Growth:** Up high single digits %

**Non-GAAP Diluted EPS:** \$2.90

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## Below the Line Items

**Average Quarterly Interest and Other Expense, Net:** ~\$500,000

**Quarterly Net Income from Non-Controlling Interest:** ~\$250,000

**FYE25 Tax Rate:** ~12% cash tax rate

**FYE25 Fully Diluted Shares Outstanding:** ~72.5 million

Note: Guidance is provided on a non-GAAP basis. Growth rates are on a year-over-year basis.

# Q2 Outlook and Quarterly Dynamics

Q2: Expect revenue of \$210 million to \$214 million with strong Bundled SaaS revenue growth

## Bundled SaaS Revenue

Revenue grows sequentially each quarter  
driven by AI adoption

## Unbundled SaaS Revenue

Quarterly cadence to be similar to last year  
driven by timing of renewals

Note: Guidance is provided on a non-GAAP basis.



# Balance Sheet, FCF and Share Buyback

Strong Balance Sheet with Low Leverage

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FYE25 FCF Outlook: Increase >40% y-o-y to \$180 million

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Share Buyback Ongoing

Note: y-o-y represents year-over-year

# Delivering AI Business Outcomes Now

Strong Start to FYE25; Raising Outlook

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Verint AI-Powered Bots Deliver Economic Benefits for Verint and Brands

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Targeting 'Rule of 40' in FYE27 with Revenue Acceleration and Margin Expansion

Note: Guidance is provided on a non-GAAP basis.

# Thank You

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# Financial Outlook

## FYE 2025 Outlook

We are raising our non-GAAP outlook for the year ending January 31, 2025.

- **Revenue:** \$933 million +/- 2%, reflecting 5% year-over-year growth (adjusted for the divestiture discussed above)
- **Diluted EPS:** \$2.90 at the midpoint of our revenue guidance, reflecting 6% year-over-year growth

Our non-GAAP outlook for three months ending July 31, 2024 and year ending January 31, 2025 excludes the following GAAP measure which we are able to quantify with reasonable certainty:

- Amortization of intangible assets of approximately \$5 million and \$18 million, for the three months ending July 31, 2024 and year ending January 31, 2025, respectively.

Our non-GAAP outlook for the three months ending July 31, 2024 and year ending January 31, 2025 excludes the following GAAP measures for which we are able to provide a range of probable significance:

- Stock-based compensation expenses are expected to be between approximately \$18 million and \$20 million, and \$74 million and \$78 million, for the three months ending July 31, 2024 and year ending January 31, 2025, respectively, assuming market prices for our common stock approximately consistent with current levels.

Our non-GAAP guidance does not include the potential impact of any in-process business acquisitions that may close after the date hereof, and, unless otherwise specified, reflects foreign currency exchange rates approximately consistent with current rates.

We are unable, without unreasonable efforts, to provide a reconciliation for other GAAP measures which are excluded from our non-GAAP outlook, including the impact of future business acquisitions or acquisition expenses, future restructuring expenses, and non-GAAP income tax adjustments due to the level of unpredictability and uncertainty associated with these items. For these same reasons, we are unable to assess the probable significance of these excluded items. While historical results may not be indicative of future results, actual amounts for the three months ended April 30, 2024 and 2023 for the GAAP measures excluded from our non-GAAP outlook appear in this presentation.

# Financial Outlook

Our non-GAAP three-year targets exclude various GAAP measures, including:

- Amortization of intangible assets.
- Stock-based compensation expenses.
- Acquisition expenses.
- Restructuring expenses.

Our non-GAAP three-year targets also reflect income tax provisions on a non-GAAP basis.

We are unable, without unreasonable efforts, to provide a reconciliation for these GAAP measures which are excluded from our non-GAAP three-year targets, due to the level of unpredictability and uncertainty associated with these items. For these same reasons, we are unable to assess the probable significance of these excluded items. Our non-GAAP three-year targets reflect foreign currency exchange rates approximately consistent with current rates.

# SaaS KPIs

| (\$ in millions)                               | Year Ended       | Year Ended       | Year Ended       | Three Months Ended |                  |                  |                  | Year Ended       | Three Months Ended |
|--|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|--------------------|
|  | 1/31/2021        | 1/31/2022        | 1/31/2023        | 4/30/2023          | 7/31/2023        | 10/31/2023       | 1/31/2024        | 1/31/2024        | 4/30/2024          |
|  | Operating Metric | Operating Metric | Operating Metric | Operating Metric   | Operating Metric | Operating Metric | Operating Metric | Operating Metric | Operating Metric   |
| SaaS ARR                                       |                  | \$397.4          | \$498.0          | \$493.7            | \$502.9          | \$512.3          | \$534.4          | \$534.4          | \$537.7            |
| SaaS ARR Growth YoY                            |                  |                  | 25.3%            | 22.9%              | 17.4%            | 11.2%            | 7.3%             | 7.3%             | 8.9%               |
| New SaaS ACV                                   |                  |                  |                  | \$16.0             | \$26.5           | \$25.4           | \$25.4           |                  | \$19.8             |
| New SaaS ACV - Last Twelve Months              | \$66.2           | \$94.0           | \$102.1          | \$94.0             | \$93.1           | \$91.7           | \$93.3           | \$93.3           | \$97.1             |
| New SaaS ACV - Last Twelve Months - Growth YoY |                  | 42.0%            | 8.6%             | -5.3%              | -6.8%            | -15.4%           | -8.6%            | -8.6%            | 3.3%               |
| New SaaS ACV - Bundled SaaS Component          |                  | \$67.0           | \$64.7           | \$11.9             | \$21.0           | \$22.3           | \$18.1           | \$73.2           | \$14.9             |
| Growth YoY                                     |                  |                  | -3.5%            | -21.1%             | 25.9%            | 28.2%            | 15.8%            | 13.2%            | 25.4%              |
| New SaaS ACV - Unbundled SaaS Component        |                  | \$26.9           | \$37.4           | \$4.1              | \$5.5            | \$3.1            | \$7.4            | \$20.1           | \$4.9              |
| Growth YoY                                     |                  |                  | 38.7%            | -54.3%             | -48.5%           | -67.0%           | -10.9%           | -46.3%           | 19.0%              |

# Summary

| (\$ in millions)                 |   | Year Ended |          | Year Ended |          | Year Ended |          | Three Months Ended |          |           |          |            |          |           |          | Year Ended |          | Three Months Ended |         |
|----------------------------------|---|------------|----------|------------|----------|------------|----------|--------------------|----------|-----------|----------|------------|----------|-----------|----------|------------|----------|--------------------|---------|
|                                  |   | 1/31/2021  |          | 1/31/2022  |          | 1/31/2023  |          | 4/30/2023          |          | 7/31/2023 |          | 10/31/2023 |          | 1/31/2024 |          | 1/31/2024  |          | 4/30/2024          |         |
|                                  |   | GAAP       | Non-GAAP | GAAP       | Non-GAAP | GAAP       | Non-GAAP | GAAP               | Non-GAAP | GAAP      | Non-GAAP | GAAP       | Non-GAAP | GAAP      | Non-GAAP | GAAP       | Non-GAAP |                    |         |
| Revenue Metrics                  | Recurring Revenue   | \$575.6    | \$586.0  | \$633.1    | \$639.3  | \$685.5    | \$688.5  | \$166.4            | \$167.1  | \$161.0   | \$161.2  | \$161.1    | \$161.2  | \$210.7   | \$210.8  | \$699.2    | \$700.3  | \$173.5            | \$173.5 |
|                                  | Nonrecurring Revenue  | \$254.6    | \$254.6  | \$241.4    | \$241.4  | \$216.7    | \$216.7  | \$50.1             | \$50.1   | \$49.2    | \$49.2   | \$57.4     | \$57.4   | \$54.4    | \$54.4   | \$211.1    | \$211.1  | \$47.7             | \$47.7  |
|                                  | Total Revenue   | \$830.2    | \$840.6  | \$874.5    | \$880.7  | \$902.2    | \$905.2  | \$216.6            | \$217.2  | \$210.2   | \$210.4  | \$218.5    | \$218.7  | \$265.1   | \$265.2  | \$910.4    | \$911.5  | \$221.3            | \$221.3 |
|                                  | Reported Revenue Growth   | -1.9%      | -3.7%    | 5.3%       | 4.8%     | 3.2%       | 2.8%     | -0.6%              | -0.9%    | -5.7%     | -5.9%    | -3.0%      | -3.1%    | 12.2%     | 12.0%    | 0.9%       | 0.7%     | 2.2%               | 1.9%    |
|                                  | Reported Revenue Growth, adjusted for January 31, 2024 quality managed services divestiture |            |          |            |          |            |          |                    |          |           |          |            |          |           |          |            |          |                    | 5.5%    |
| Constant Currency Revenue Growth | -2.1%   | -3.9%      | 4.2%     | 3.6%       | 5.3%     | 5.0%       | 1.0%     | 0.3%               | -5.8%    | -6.1%     | -3.6%    | -3.8%      | 11.7%    | 11.5%     | 0.9%     | 0.6%       | 2.0%     | 1.8%               |         |
| Recurring Revenue Mix            | % of Software Revenue that is Recurring Revenue   | 80.2%      | 80.5%    | 82.1%      | 82.2%    | 85.5%      | 85.5%    | 87.2%              | 87.3%    | 86.5%     | 86.5%    | 86.8%      | 86.8%    | 89.1%     | 89.1%    | 87.5%      | 87.5%    | 87.5%              | 87.5%   |
| Gross Profit Metrics             | Gross Profit  | \$542.7    | \$580.8  | \$575.9    | \$606.2  | \$607.2    | \$631.7  | \$148.2            | \$151.5  | \$141.3   | \$146.3  | \$153.0    | \$155.9  | \$190.8   | \$198.2  | \$633.3    | \$651.9  | \$157.5            | \$160.1 |
|                                  | Gross Margin %  | 65.4%      | 69.1%    | 65.9%      | 68.8%    | 67.3%      | 69.8%    | 68.4%              | 69.8%    | 67.2%     | 69.5%    | 70.0%      | 71.3%    | 72.0%     | 74.7%    | 69.6%      | 71.5%    | 71.2%              | 72.4%   |
|                                  | Gross Profit Growth YoY   |            |          | 6.1%       | 4.4%     | 5.4%       | 4.2%     | 5.0%               | 2.4%     | -4.4%     | -4.9%    | -1.2%      | -3.0%    | 16.8%     | 17.1%    | 4.3%       | 3.2%     | 6.3%               | 5.7%    |
| Operating Expense Metrics        | Research and Development, net   | \$128.2    | \$113.0  | \$123.3    | \$114.3  | \$130.6    | \$115.6  | \$31.8             | \$29.3   | \$34.1    | \$28.8   | \$32.1     | \$29.0   | \$35.9    | \$32.7   | \$133.8    | \$119.8  | \$36.7             | \$31.7  |
|                                  | % of Revenue  | 15.4%      | 13.4%    | 14.1%      | 13.0%    | 14.5%      | 12.8%    | 14.7%              | 13.5%    | 16.2%     | 13.7%    | 14.7%      | 13.3%    | 13.5%     | 12.3%    | 14.7%      | 13.1%    | 16.6%              | 14.3%   |
|                                  | Selling, General and Administrative   | \$327.3    | \$246.3  | \$376.8    | \$284.6  | \$392.9    | \$304.2  | \$101.3            | \$77.1   | \$108.4   | \$76.7   | \$87.9     | \$73.3   | \$108.4   | \$82.4   | \$405.9    | \$309.4  | \$93.3             | \$78.4  |
|                                  | % of Revenue  | 39.4%      | 29.3%    | 43.1%      | 32.3%    | 43.6%      | 33.6%    | 46.6%              | 35.5%    | 51.6%     | 36.4%    | 40.2%      | 33.5%    | 40.9%     | 31.1%    | 44.6%      | 33.9%    | 42.2%              | 35.4%   |
| Profitability Metrics            | Operating (Loss) Income   | \$57.4     | \$221.5  | \$46.8     | \$207.2  | \$57.4     | \$211.8  | \$8.8              | \$45.1   | (\$7.5)   | \$40.9   | \$26.7     | \$53.6   | \$40.2    | \$83.1   | \$68.2     | \$222.6  | \$24.4             | \$50.0  |
|                                  | Operating Margin %  | 6.9%       | 26.4%    | 5.4%       | 23.5%    | 6.4%       | 23.4%    | 4.1%               | 20.8%    | -3.6%     | 19.4%    | 12.2%      | 24.5%    | 15.2%     | 31.3%    | 7.5%       | 24.4%    | 11.0%              | 22.6%   |
|                                  | Adjusted EBITDA   |            | \$248.8  |            | \$232.5  |            | \$237.3  |                    | \$51.9   |           | \$47.4   |            | \$59.2   |           | \$88.7   |            | \$247.2  |                    | \$56.3  |
|                                  | Adjusted EBITDA Margin  |            | 29.6%    |            | 26.4%    |            | 26.2%    |                    | 23.9%    |           | 22.5%    |            | 27.1%    |           | 33.4%    |            | 27.1%    |                    | 25.4%   |
|                                  | Diluted EPS   | (\$0.88)   | \$2.57   | (\$0.07)   | \$2.28   | (\$0.09)   | \$2.52   | (\$0.03)           | \$0.53   | (\$0.17)  | \$0.48   | \$0.12     | \$0.65   | \$0.37    | \$1.07   | \$0.28     | \$2.73   | \$0.16             | \$0.59  |

# Divestiture Revenue

| (\$ in millions)  | Three Months Ended |           |            |           | Year Ended |
|---|--------------------|-----------|------------|-----------|------------|
|   | 4/30/2023          | 7/31/2023 | 10/31/2023 | 1/31/2024 | 1/31/2024  |
| <b>Total GAAP revenue</b>                               | \$ 216.6           | \$ 210.2  | \$ 218.5   | \$ 265.1  | \$ 910.4   |
| Revenue from divested offering                          | 6.8                | 6.4       | 6.1        | 5.9       | 25.2       |
| <b>Total GAAP revenue without divested offering</b>     | \$ 209.8           | \$ 203.7  | \$ 212.4   | \$ 259.2  | \$ 885.1   |
| <b>Total non-GAAP revenue</b>                           | \$ 217.2           | \$ 210.4  | \$ 218.7   | \$ 265.2  | \$ 911.5   |
| Revenue from divested offering                          | 6.8                | 6.4       | 6.1        | 5.9       | 25.2       |
| <b>Total non-GAAP revenue without divested offering</b> | \$ 210.4           | \$ 204.0  | \$ 212.6   | \$ 259.3  | \$ 886.2   |



# Recurring Summary

| (\$ in millions)                                      | Year Ended<br>1/31/2021 |          | Year Ended<br>1/31/2022 |          | Year Ended<br>1/31/2023 |          | Three Months Ended |          |           |          |            |          |           |          | Year Ended<br>1/31/2024 |          | Three Months Ended<br>4/30/2024 |          |  |
|---|-------------------------|----------|-------------------------|----------|-------------------------|----------|--------------------|----------|-----------|----------|------------|----------|-----------|----------|-------------------------|----------|---------------------------------|----------|--|
|   | GAAP                    | Non-GAAP | GAAP                    | Non-GAAP | GAAP                    | Non-GAAP | 4/30/2023          |          | 7/31/2023 |          | 10/31/2023 |          | 1/31/2024 |          | GAAP                    | Non-GAAP | GAAP                            | Non-GAAP |  |
|   |                         |          |                         |          |                         |          | GAAP               | Non-GAAP | GAAP      | Non-GAAP | GAAP       | Non-GAAP | GAAP      | Non-GAAP |                         |          |                                 |          |  |
| <b>Revenue Metrics</b>                                |                         |          |                         |          |                         |          |                    |          |           |          |            |          |           |          |                         |          |                                 |          |  |
| <b>Recurring Revenue</b>                              | \$575.6                 | \$586.0  | \$633.1                 | \$639.3  | \$685.5                 | \$688.5  | \$166.4            | \$167.1  | \$161.0   | \$161.2  | \$161.1    | \$161.2  | \$210.7   | \$210.8  | \$699.2                 | \$700.3  | \$173.5                         | \$173.5  |  |
| <b>SaaS</b>   | \$218.0                 | \$227.1  | \$322.8                 | \$328.4  | \$444.2                 | \$447.0  | \$117.1            | \$117.8  | \$113.4   | \$113.7  | \$115.7    | \$115.8  | \$168.6   | \$168.7  | \$514.8                 | \$515.9  | \$141.0                         | \$141.0  |  |
| <b>SaaS Bundled</b>                                   | \$146.0                 | \$155.0  | \$183.0                 | \$188.6  | \$222.6                 | \$225.4  | \$59.5             | \$60.1   | \$62.1    | \$62.3   | \$63.3     | \$63.4   | \$65.8    | \$65.9   | \$250.5                 | \$251.6  | \$65.7                          | \$65.7   |  |
| <b>SaaS Unbundled</b>                                 | \$72.0                  | \$72.2   | \$139.7                 | \$139.8  | \$221.6                 | \$221.6  | \$57.7             | \$57.7   | \$51.4    | \$51.4   | \$52.4     | \$52.4   | \$102.8   | \$102.8  | \$264.3                 | \$264.3  | \$75.3                          | \$75.3   |  |
| <b>Support</b>  | \$298.2                 | \$298.4  | \$244.7                 | \$244.8  | \$179.9                 | \$180.0  | \$36.4             | \$36.4   | \$35.4    | \$35.4   | \$33.6     | \$33.6   | \$31.3    | \$31.3   | \$136.7                 | \$136.7  | \$27.4                          | \$27.4   |  |
| <b>Optional Managed Services</b>                      | \$59.5                  | \$60.5   | \$65.6                  | \$66.2   | \$61.4                  | \$61.6   | \$12.9             | \$12.9   | \$12.2    | \$12.2   | \$11.8     | \$11.8   | \$10.8    | \$10.8   | \$47.7                  | \$47.7   | \$5.2                           | \$5.2    |  |
| <b>Recurring Revenue Growth YoY</b>                   | 7.7%                    | 4.4%     | 10.0%                   | 9.1%     | 8.3%                    | 7.7%     | 4.4%               | 4.0%     | -3.3%     | -3.5%    | -7.5%      | -7.7%    | 13.6%     | 13.3%    | 2.0%                    | 1.7%     | 4.3%                            | 3.9%     |  |
| <b>Constant Currency Recurring Revenue Growth YoY</b> |                         |          | 8.8%                    | 7.9%     | 10.6%                   | 10.1%    | 5.9%               | 5.4%     | -3.6%     | -3.9%    | -8.4%      | -8.5%    | 13.1%     | 12.9%    | 1.9%                    | 1.6%     | 4.2%                            | 3.8%     |  |
| <b>SaaS Revenue Growth YoY</b>                        | 32.9%                   | 20.5%    | 48.1%                   | 44.6%    | 37.6%                   | 36.1%    | 23.7%              | 22.7%    | 10.6%     | 10.1%    | -0.1%      | -0.3%    | 28.6%     | 28.2%    | 15.9%                   | 15.4%    | 20.3%                           | 19.7%    |  |
| <b>Constant Currency SaaS Revenue Growth YoY</b>      |                         |          | 46.8%                   | 43.3%    | 39.9%                   | 38.4%    | 25.1%              | 24.1%    | 10.3%     | 9.8%     | -0.9%      | -1.2%    | 28.1%     | 27.7%    | 15.8%                   | 15.3%    | 20.2%                           | 19.6%    |  |
| <b>Gross Profit</b>                                   |                         |          |                         |          |                         |          |                    |          |           |          |            |          |           |          |                         |          |                                 |          |  |
| <b>Recurring Gross Profit</b>                         | \$436.6                 | \$450.7  | \$476.6                 | \$485.4  | \$523.2                 | \$530.3  | \$126.8            | \$127.9  | \$121.4   | \$123.5  | \$122.2    | \$122.9  | \$165.9   | \$170.5  | \$536.4                 | \$544.7  | \$137.6                         | \$138.2  |  |
| <b>Recurring Gross Margin %</b>                       | 75.8%                   | 76.9%    | 75.3%                   | 75.9%    | 76.3%                   | 77.0%    | 76.2%              | 76.5%    | 75.4%     | 76.6%    | 75.9%      | 76.2%    | 78.7%     | 80.9%    | 76.7%                   | 77.8%    | 79.3%                           | 79.6%    |  |
| <b>Recurring Gross Profit Growth YoY</b>              |                         |          | 9.2%                    | 7.7%     | 9.8%                    | 9.3%     | 7.1%               | 6.3%     | -3.3%     | -3.0%    | -9.7%      | -10.3%   | 15.3%     | 17.0%    | 2.5%                    | 2.7%     | 8.5%                            | 8.0%     |  |

# Nonrecurring Summary

| (\$ in millions) |   | Year Ended |          | Year Ended |          | Year Ended |          | Year Ended |          | Three Months Ended |          |
|------------------|---|------------|----------|------------|----------|------------|----------|------------|----------|--------------------|----------|
|                  |   | 1/31/2021  |          | 1/31/2022  |          | 1/31/2023  |          | 1/31/2024  |          | 4/30/2024          |          |
|                  |   | GAAP       | Non-GAAP | GAAP       | Non-GAAP | GAAP       | Non-GAAP | GAAP       | Non-GAAP | GAAP               | Non-GAAP |
| Revenue Metrics  | <b>Nonrecurring Revenue</b>                 | \$254.6    | \$254.6  | \$241.4    | \$241.4  | \$216.7    | \$216.7  | \$211.1    | \$211.1  | \$47.7             | \$47.7   |
|                  | <b>Perpetual</b>                            | \$141.8    | \$141.8  | \$138.1    | \$138.1  | \$116.6    | \$116.6  | \$99.9     | \$99.9   | \$24.9             | \$24.9   |
|                  | <b>Professional Services and other</b>      | \$112.8    | \$112.8  | \$103.3    | \$103.3  | \$100.1    | \$100.1  | \$111.3    | \$111.3  | \$22.8             | \$22.8   |
|                  | <b>Nonrecurring Revenue Growth YoY</b>      |            |          | -5.2%      | -5.2%    | -10.2%     | -10.2%   | -2.6%      | -2.6%    | -4.7%              | -4.7%    |
| Gross Profit     | <b>Nonrecurring Gross Profit</b>            | \$124.1    | \$130.1  | \$117.2    | \$120.8  | \$97.2     | \$101.3  | \$104.0    | \$107.1  | \$21.3             | \$22.0   |
|                  | <b>Nonrecurring Gross Margin %</b>          | 48.7%      | 51.1%    | 48.5%      | 50.0%    | 44.8%      | 46.8%    | 49.3%      | 50.7%    | 44.5%              | 46.0%    |
|                  | <b>Nonrecurring Gross Profit Growth YoY</b> |            |          | -5.6%      | -7.2%    | -17.1%     | -16.1%   | 7.0%       | 5.8%     | -8.8%              | -7.0%    |

# Constant Currency

| (\$ in millions)   | Year Ended   | Year Ended  | Year Ended  | Three Months Ended |              |              |              | Year Ended  | Three Months Ended |  |
|--|--------------|-------------|-------------|--------------------|--------------|--------------|--------------|-------------|--------------------|--|
|  | 1/31/2021    | 1/31/2022   | 1/31/2023   | 4/30/2023          | 7/31/2023    | 10/31/2023   | 1/31/2024    | 1/31/2024   | 4/30/2024          |  |
| <b>GAAP</b>  |              |             |             |                    |              |              |              |             |                    |  |
| Revenue for the three months ended prior period                            | \$ 846.5     | \$ 830.2    | \$ 874.5    | \$ 217.9           | \$ 222.9     | \$ 225.2     | \$ 236.2     | \$ 902.2    | \$ 216.6           |  |
| Revenue for the three months ended current period                          | \$ 830.2     | \$ 874.5    | \$ 902.2    | \$ 216.6           | \$ 210.2     | \$ 218.5     | \$ 265.1     | \$ 910.4    | \$ 221.3           |  |
| Revenue for the three months ended current period at constant currency (1) | \$ 829.0     | \$ 865.0    | \$ 921.0    | \$ 220.0           | \$ 210.0     | \$ 217.0     | \$ 264.0     | \$ 910.0    | \$ 221.0           |  |
| Reported period-over-period revenue growth                                 | -1.9%        | 5.3%        | 3.2%        | -0.6%              | -5.7%        | -3.0%        | 12.2%        | 0.9%        | 2.2%               |  |
| % impact from change in foreign currency exchange rates                    | -0.2%        | -1.0%       | 2.1%        | 1.6%               | -0.1%        | -0.6%        | -0.5%        | 0.0%        | -0.2%              |  |
| Constant currency period-over-period revenue growth                        | <b>-2.1%</b> | <b>4.2%</b> | <b>5.3%</b> | <b>1.0%</b>        | <b>-5.8%</b> | <b>-3.6%</b> | <b>11.7%</b> | <b>0.9%</b> | <b>2.0%</b>        |  |
| <b>Non-GAAP</b>  |              |             |             |                    |              |              |              |             |                    |  |
| Revenue for the three months ended prior period                            | \$ 873.2     | \$ 840.6    | \$ 880.7    | \$ 219.2           | \$ 223.6     | \$ 225.6     | \$ 236.8     | \$ 905.2    | \$ 217.2           |  |
| Revenue for the three months ended current period                          | \$ 840.6     | \$ 880.7    | \$ 905.2    | \$ 217.2           | \$ 210.4     | \$ 218.7     | \$ 265.2     | \$ 911.5    | \$ 221.3           |  |
| Revenue for the three months ended current period at constant currency (1) | \$ 839.0     | \$ 871.0    | \$ 925.0    | \$ 220.0           | \$ 210.0     | \$ 217.0     | \$ 264.0     | \$ 911.0    | \$ 221.0           |  |
| Reported period-over-period revenue growth                                 | -3.7%        | 4.8%        | 2.8%        | -0.9%              | -5.9%        | -3.1%        | 12.0%        | 0.7%        | 1.9%               |  |
| % impact from change in foreign currency exchange rates                    | -0.2%        | -1.2%       | 2.2%        | 1.2%               | -0.2%        | -0.7%        | -0.5%        | -0.1%       | -0.1%              |  |
| Constant currency period-over-period revenue growth                        | <b>-3.9%</b> | <b>3.6%</b> | <b>5.0%</b> | <b>0.3%</b>        | <b>-6.1%</b> | <b>-3.8%</b> | <b>11.5%</b> | <b>0.6%</b> | <b>1.8%</b>        |  |

# Gross Profit

| (\$ in millions)   | Year Ended      | Year Ended      | Year Ended      | Three Months Ended |                 |                 |                 | Year Ended      | Three Months Ended |
|--|-----------------|-----------------|-----------------|--------------------|-----------------|-----------------|-----------------|-----------------|--------------------|
|  | 1/31/2021       | 1/31/2022       | 1/31/2023       | 4/30/2023          | 7/31/2023       | 10/31/2023      | 1/31/2024       | 1/31/2024       | 4/30/2024          |
| <b>Gross Profit and Gross Margin</b>                               |                 |                 |                 |                    |                 |                 |                 |                 |                    |
| <b>Total GAAP revenue</b>  | \$ 830.2        | \$ 874.5        | \$ 902.2        | \$ 216.6           | \$ 210.2        | \$ 218.5        | \$ 265.1        | \$ 910.4        | \$ 221.3           |
| Recurring costs  | 139.0           | 156.6           | 162.3           | 39.6               | 39.6            | 38.9            | 44.8            | 162.9           | 35.9               |
| Nonrecurring costs   | 130.5           | 124.2           | 119.5           | 26.8               | 27.4            | 25.0            | 27.9            | 107.1           | 26.5               |
| Amortization of acquired technology                                | 18.0            | 17.8            | 13.2            | 2.0                | 1.9             | 1.6             | 1.6             | 7.1             | 1.4                |
| <b>Total GAAP cost of revenue</b>                                  | <b>287.6</b>    | <b>298.6</b>    | <b>295.1</b>    | <b>68.4</b>        | <b>68.9</b>     | <b>65.5</b>     | <b>74.3</b>     | <b>277.1</b>    | <b>63.8</b>        |
| <b>GAAP gross profit</b>   | <b>\$ 542.7</b> | <b>\$ 575.9</b> | <b>\$ 607.2</b> | <b>\$ 148.2</b>    | <b>\$ 141.3</b> | <b>\$ 153.0</b> | <b>\$ 190.8</b> | <b>\$ 633.3</b> | <b>\$ 157.5</b>    |
| <b>GAAP gross margin</b>   | <b>65.4%</b>    | <b>65.9%</b>    | <b>67.3%</b>    | <b>68.4%</b>       | <b>67.2%</b>    | <b>70.0%</b>    | <b>72.0%</b>    | <b>69.6%</b>    | <b>71.2%</b>       |
| Revenue adjustments  | 10.3            | 6.2             | 3.0             | 0.6                | 0.2             | 0.1             | 0.1             | 1.1             | -                  |
| Amortization of acquired technology                                | 18.0            | 17.8            | 13.2            | 2.0                | 1.9             | 1.6             | 1.6             | 7.1             | 1.4                |
| Stock-based compensation expenses                                  | 3.3             | 5.0             | 5.7             | 0.4                | 1.4             | 1.1             | 1.2             | 4.1             | 1.1                |
| Acquisition and divestitures expenses (benefit), net               | 0.4             | 0.3             | 0.2             | 0.1                | 0.3             | 0.0             | (0.2)           | 0.1             | -                  |
| Restructuring expenses   | 2.2             | 0.8             | 2.4             | 0.3                | 1.2             | (0.0)           | 4.7             | 6.1             | 0.2                |
| Separation expenses (2)  | -               | 0.1             | -               | -                  | -               | -               | -               | -               | -                  |
| Impairment charges   | 0.1             | -               | -               | -                  | -               | -               | -               | -               | -                  |
| Discontinued operations corporate overhead adjustment              | 4.7             | -               | -               | -                  | -               | -               | -               | -               | -                  |
| Allocation methodology difference                                  | (0.8)           | -               | -               | -                  | -               | -               | -               | -               | -                  |
| <b>Non-GAAP gross profit</b>                                       | <b>\$ 580.8</b> | <b>\$ 606.2</b> | <b>\$ 631.7</b> | <b>\$ 151.5</b>    | <b>\$ 146.3</b> | <b>\$ 155.9</b> | <b>\$ 198.2</b> | <b>\$ 651.9</b> | <b>\$ 160.1</b>    |
| <b>Non-GAAP gross margin</b>                                       | <b>69.1%</b>    | <b>68.8%</b>    | <b>69.8%</b>    | <b>69.8%</b>       | <b>69.5%</b>    | <b>71.3%</b>    | <b>74.7%</b>    | <b>71.5%</b>    | <b>72.4%</b>       |
| <b>Recurring Gross Profit and Gross Margin</b>                     |                 |                 |                 |                    |                 |                 |                 |                 |                    |
| <b>GAAP recurring revenue</b>                                      | <b>\$ 575.6</b> | <b>\$ 633.1</b> | <b>\$ 685.5</b> | <b>\$ 166.4</b>    | <b>\$ 161.0</b> | <b>\$ 161.1</b> | <b>\$ 210.7</b> | <b>\$ 699.2</b> | <b>\$ 173.5</b>    |
| GAAP recurring costs   | 139.0           | 156.6           | 162.3           | 39.6               | 39.6            | 38.9            | 44.8            | 162.9           | 35.9               |
| <b>GAAP recurring gross profit</b>                                 | <b>436.6</b>    | <b>476.6</b>    | <b>523.2</b>    | <b>126.8</b>       | <b>121.4</b>    | <b>122.2</b>    | <b>165.9</b>    | <b>536.4</b>    | <b>137.6</b>       |
| <b>GAAP recurring gross margin</b>                                 | <b>75.8%</b>    | <b>75.3%</b>    | <b>76.3%</b>    | <b>76.2%</b>       | <b>75.4%</b>    | <b>75.9%</b>    | <b>78.7%</b>    | <b>76.7%</b>    | <b>79.3%</b>       |
| Recurring revenue adjustments                                      | 10.3            | 6.2             | 3.0             | 0.6                | 0.2             | 0.1             | 0.1             | 1.1             | -                  |
| Recurring stock-based compensation expenses                        | 1.1             | 2.0             | 2.9             | 0.3                | 0.7             | 0.5             | 0.6             | 2.1             | 0.5                |
| Recurring acquisition and divestitures expenses (benefit), net     | 0.1             | 0.1             | 0.0             | 0.1                | 0.3             | 0.0             | (0.2)           | 0.1             | -                  |
| Recurring restructuring expenses                                   | 1.0             | 0.5             | 1.3             | 0.1                | 0.8             | (0.0)           | 4.1             | 5.0             | 0.0                |
| Recurring separation expenses (2)                                  | -               | 0.0             | -               | -                  | -               | -               | -               | -               | -                  |
| Recurring impairment charges                                       | -               | -               | -               | -                  | -               | -               | -               | -               | -                  |
| Recurring discontinued operations corporate overhead adjustment    | 1.0             | -               | -               | -                  | -               | -               | -               | -               | -                  |
| Recurring allocation methodology difference                        | 0.6             | -               | -               | -                  | -               | -               | -               | -               | -                  |
| <b>Non-GAAP recurring gross profit</b>                             | <b>\$ 450.7</b> | <b>\$ 485.4</b> | <b>\$ 530.3</b> | <b>\$ 127.9</b>    | <b>\$ 123.5</b> | <b>\$ 122.9</b> | <b>\$ 170.5</b> | <b>\$ 544.7</b> | <b>\$ 138.2</b>    |
| <b>Non-GAAP recurring gross margin</b>                             | <b>76.9%</b>    | <b>75.9%</b>    | <b>77.0%</b>    | <b>76.5%</b>       | <b>76.6%</b>    | <b>76.2%</b>    | <b>80.9%</b>    | <b>77.8%</b>    | <b>79.6%</b>       |
| <b>Nonrecurring Gross Profit and Gross Margin</b>                  |                 |                 |                 |                    |                 |                 |                 |                 |                    |
| <b>GAAP nonrecurring revenue</b>                                   | <b>\$ 254.6</b> | <b>\$ 241.4</b> | <b>\$ 216.7</b> | <b>\$ 50.1</b>     | <b>\$ 49.2</b>  | <b>\$ 57.4</b>  | <b>\$ 54.4</b>  | <b>\$ 211.1</b> | <b>\$ 47.7</b>     |
| GAAP nonrecurring costs  | 130.5           | 124.2           | 119.5           | 26.8               | 27.4            | 25.0            | 27.9            | 107.1           | 26.5               |
| <b>GAAP nonrecurring gross profit</b>                              | <b>124.1</b>    | <b>117.2</b>    | <b>97.2</b>     | <b>23.3</b>        | <b>21.8</b>     | <b>32.4</b>     | <b>26.5</b>     | <b>104.0</b>    | <b>21.3</b>        |
| <b>GAAP nonrecurring gross margin</b>                              | <b>48.7%</b>    | <b>48.5%</b>    | <b>44.8%</b>    | <b>46.5%</b>       | <b>44.3%</b>    | <b>56.4%</b>    | <b>48.7%</b>    | <b>49.3%</b>    | <b>44.5%</b>       |
| Nonrecurring revenue adjustments                                   | -               | -               | -               | -                  | -               | -               | -               | -               | -                  |
| Nonrecurring stock-based compensation expenses                     | 2.2             | 3.0             | 2.8             | 0.1                | 0.7             | 0.6             | 0.6             | 2.0             | 0.5                |
| Nonrecurring acquisition and divestitures expenses (benefit), net  | 0.2             | 0.2             | 0.2             | -                  | -               | -               | -               | -               | -                  |
| Nonrecurring restructuring expenses (benefit)                      | 1.2             | 0.3             | 1.2             | 0.2                | 0.3             | 0.0             | 0.6             | 1.1             | 0.2                |
| Nonrecurring separation expenses (2)                               | -               | 0.0             | -               | -                  | -               | -               | -               | -               | -                  |
| Nonrecurring impairment charges                                    | 0.1             | -               | -               | -                  | -               | -               | -               | -               | -                  |
| Nonrecurring discontinued operations corporate overhead adjustment | 3.7             | -               | -               | -                  | -               | -               | -               | -               | -                  |
| Nonrecurring allocation methodology difference                     | (1.4)           | -               | -               | -                  | -               | -               | -               | -               | -                  |
| <b>Non-GAAP nonrecurring gross profit</b>                          | <b>\$ 130.1</b> | <b>\$ 120.8</b> | <b>\$ 101.3</b> | <b>\$ 23.6</b>     | <b>\$ 22.8</b>  | <b>\$ 33.0</b>  | <b>\$ 27.7</b>  | <b>\$ 107.1</b> | <b>\$ 22.0</b>     |
| <b>Non-GAAP nonrecurring gross margin</b>                          | <b>51.1%</b>    | <b>50.0%</b>    | <b>46.8%</b>    | <b>47.1%</b>       | <b>46.4%</b>    | <b>57.4%</b>    | <b>51.0%</b>    | <b>50.7%</b>    | <b>46.0%</b>       |

# Operating Expenses

| (\$ in millions)   | Year Ended | Year Ended | Year Ended | Three Months Ended |           |            |           | Year Ended | Three Months Ended |  |
|--|------------|------------|------------|--------------------|-----------|------------|-----------|------------|--------------------|--|
|  | 1/31/2021  | 1/31/2022  | 1/31/2023  | 4/30/2023          | 7/31/2023 | 10/31/2023 | 1/31/2024 | 1/31/2024  | 4/30/2024          |  |
| <b>Research and Development, net</b>                         |            |            |            |                    |           |            |           |            |                    |  |
| <b>GAAP research and development, net</b>                    | \$ 128.2   | \$ 123.3   | \$ 130.6   | \$ 31.8            | \$ 34.1   | \$ 32.1    | \$ 35.9   | \$ 133.8   | \$ 36.7            |  |
| <b>as a % of GAAP revenue</b>                                | 15.4%      | 14.1%      | 14.5%      | 14.7%              | 16.2%     | 14.7%      | 13.5%     | 14.7%      | 16.6%              |  |
| Stock-based compensation expenses                            | (3.9)      | (7.6)      | (12.6)     | (2.3)              | (3.5)     | (3.0)      | (3.1)     | (11.9)     | (3.5)              |  |
| Acquisition and divestitures (expenses) benefit, net         | (0.3)      | (0.5)      | (0.2)      | (0.1)              | (0.0)     | (0.0)      | (0.0)     | (0.1)      | -                  |  |
| Restructuring expenses                                       | (1.4)      | (0.4)      | (2.1)      | (0.1)              | (0.2)     | (0.0)      | (0.0)     | (0.3)      | (1.5)              |  |
| Separation expenses (2)                                      | -          | (0.5)      | -          | -                  | -         | -          | -         | -          | -                  |  |
| IT facilities and infrastructure realignment (6)             | -          | -          | -          | -                  | (1.6)     | -          | (0.0)     | (1.7)      | -                  |  |
| Other Adjustments  | (0.0)      | -          | (0.1)      | (0.0)              | 0.0       | -          | -         | -          | -                  |  |
| Discontinued operations corporate overhead adjustment        | (16.9)     | -          | -          | -                  | -         | -          | -         | -          | -                  |  |
| Allocation methodology difference                            | 7.4        | -          | -          | -                  | -         | -          | -         | -          | -                  |  |
| <b>Non-GAAP research and development, net</b>                | \$ 113.0   | \$ 114.3   | \$ 115.6   | \$ 29.3            | \$ 28.8   | \$ 29.0    | \$ 32.7   | \$ 119.8   | \$ 31.7            |  |
| <b>as a % of non-GAAP revenue</b>                            | 13.4%      | 13.0%      | 12.8%      | 13.5%              | 13.7%     | 13.3%      | 12.3%     | 13.1%      | 14.3%              |  |
| <b>Selling, General and Administrative expenses</b>          |            |            |            |                    |           |            |           |            |                    |  |
| <b>GAAP selling, general and administrative expenses</b>     | \$ 327.3   | \$ 376.8   | \$ 392.9   | \$ 101.3           | \$ 108.4  | \$ 87.9    | \$ 108.4  | \$ 405.9   | \$ 93.3            |  |
| <b>as a % of GAAP revenue</b>                                | 39.4%      | 43.1%      | 43.6%      | 46.8%              | 51.6%     | 40.2%      | 40.9%     | 44.6%      | 42.2%              |  |
| Stock-based compensation expenses                            | (38.0)     | (52.7)     | (57.9)     | (12.2)             | (14.3)    | (12.1)     | (13.0)    | (51.6)     | (13.4)             |  |
| Acquisition and divestitures benefit (expenses), net (7)     | (2.8)      | (9.6)      | (1.3)      | (7.7)              | 1.8       | 0.2        | (10.1)    | (15.7)     | (0.2)              |  |
| Restructuring expenses                                       | (3.6)      | (4.8)      | (10.8)     | (1.0)              | (1.9)     | (0.5)      | (1.2)     | (4.6)      | (1.1)              |  |
| Separation expenses (2)                                      | -          | (12.4)     | (1.3)      | (0.1)              | (0.2)     | (0.2)      | (0.2)     | (0.8)      | -                  |  |
| Accelerated lease costs (5)                                  | (2.4)      | (9.8)      | (8.3)      | (0.3)              | (4.9)     | (0.1)      | (0.1)     | (5.4)      | -                  |  |
| IT facilities and infrastructure realignment (6)             | -          | (1.2)      | (4.5)      | (2.8)              | (12.1)    | (1.9)      | (1.4)     | (18.2)     | -                  |  |
| Impairment charges   | -          | (1.6)      | (1.8)      | -                  | -         | -          | -         | -          | -                  |  |
| Other Adjustments  | 0.5        | (0.1)      | (2.9)      | (0.0)              | (0.2)     | (0.0)      | (0.0)     | (0.2)      | (0.1)              |  |
| Discontinued operations corporate overhead adjustment        | (29.3)     | -          | -          | -                  | -         | -          | -         | -          | -                  |  |
| Allocation methodology difference                            | (5.5)      | -          | -          | -                  | -         | -          | -         | -          | -                  |  |
| <b>Non-GAAP selling, general and administrative expenses</b> | \$ 246.3   | \$ 284.6   | \$ 304.2   | \$ 77.1            | \$ 76.7   | \$ 73.3    | \$ 82.4   | \$ 309.4   | \$ 78.4            |  |
| <b>as a % of non-GAAP revenue</b>                            | 29.3%      | 32.3%      | 33.6%      | 35.5%              | 36.4%     | 33.5%      | 31.1%     | 33.9%      | 35.4%              |  |

# Operating Margin

| (\$ in millions)   | Year Ended      | Year Ended      | Year Ended      | Three Months Ended |                |                |                | Year Ended      | Three Months Ended |
|--|-----------------|-----------------|-----------------|--------------------|----------------|----------------|----------------|-----------------|--------------------|
|  | 1/31/2021       | 1/31/2022       | 1/31/2023       | 4/30/2023          | 7/31/2023      | 10/31/2023     | 1/31/2024      | 1/31/2024       | 4/30/2024          |
| <b>GAAP operating (loss) income</b>                      | \$ 57.4         | \$ 46.8         | \$ 57.4         | \$ 8.8             | \$ (7.5)       | \$ 26.7        | \$ 40.2        | \$ 68.2         | \$ 24.4            |
| <b>GAAP operating margin</b>                             | <b>6.9%</b>     | <b>5.4%</b>     | <b>6.4%</b>     | <b>4.1%</b>        | <b>-3.6%</b>   | <b>12.2%</b>   | <b>15.2%</b>   | <b>7.5%</b>     | <b>11.0%</b>       |
| Revenue adjustments                                      | 10.3            | 6.2             | 3.0             | 0.6                | 0.2            | 0.1            | 0.1            | 1.1             | -                  |
| Amortization of acquired technology                      | 18.0            | 17.8            | 13.2            | 2.0                | 1.9            | 1.6            | 1.6            | 7.1             | 1.4                |
| Amortization of other acquired intangible assets         | 29.8            | 29.0            | 26.2            | 6.3                | 6.4            | 6.3            | 6.3            | 25.4            | 3.1                |
| Stock-based compensation expenses                        | 45.2            | 65.3            | 76.1            | 15.0               | 19.1           | 16.2           | 17.3           | 67.6            | 18.0               |
| Acquisition and divestitures (benefit) expenses, net (7) | 3.4             | 10.4            | 1.7             | 7.8                | (1.5)          | (0.2)          | 9.9            | 16.0            | 0.2                |
| Restructuring expenses                                   | 7.1             | 6.0             | 15.3            | 1.4                | 3.2            | 0.5            | 5.9            | 11.0            | 2.8                |
| Separation expenses (2)                                  | -               | 12.9            | 1.3             | 0.1                | 0.2            | 0.2            | 0.2            | 0.8             | -                  |
| Accelerated lease costs (5)                              | 2.4             | 9.8             | 8.3             | 0.3                | 4.9            | 0.1            | 0.1            | 5.4             | -                  |
| IT facilities and infrastructure realignment (6)         | -               | 1.2             | 4.5             | 2.8                | 13.7           | 1.9            | 1.4            | 19.9            | -                  |
| Impairment charges                                       | 0.1             | 1.6             | 1.8             | -                  | -              | -              | -              | -               | -                  |
| Other adjustments  | (0.4)           | 0.1             | 3.0             | 0.0                | 0.2            | 0.0            | 0.0            | 0.2             | 0.1                |
| Discontinued operations corporate overhead adjustment    | 50.9            | -               | -               | -                  | -              | -              | -              | -               | -                  |
| Allocation methodology difference                        | (2.7)           | -               | -               | -                  | -              | -              | -              | -               | -                  |
| <b>Non-GAAP operating income</b>                         | <b>\$ 221.5</b> | <b>\$ 207.2</b> | <b>\$ 211.8</b> | <b>\$ 45.1</b>     | <b>\$ 40.9</b> | <b>\$ 53.6</b> | <b>\$ 83.1</b> | <b>\$ 222.6</b> | <b>\$ 50.0</b>     |
| <b>Non-GAAP operating margin</b>                         | <b>26.4%</b>    | <b>23.5%</b>    | <b>23.4%</b>    | <b>20.8%</b>       | <b>19.4%</b>   | <b>24.5%</b>   | <b>31.3%</b>   | <b>24.4%</b>    | <b>22.6%</b>       |

# Adjusted EBITDA Margin

| (\$ in millions)   | Year Ended      | Year Ended      | Year Ended      | Three Months Ended |                |                |                | Year Ended      | Three Months Ended |
|--|-----------------|-----------------|-----------------|--------------------|----------------|----------------|----------------|-----------------|--------------------|
|  | 1/31/2021       | 1/31/2022       | 1/31/2023       | 4/30/2023          | 7/31/2023      | 10/31/2023     | 1/31/2024      | 1/31/2024       | 4/30/2024          |
| <b>GAAP net (loss) income from continuing operations</b> | \$ (48.6)       | \$ 15.7         | \$ 15.7         | \$ 3.6             | \$ (5.8)       | \$ 12.9        | \$ 28.9        | \$ 39.6         | \$ 15.4            |
| <b>As a percentage of GAAP revenue</b>                   | <b>-5.9%</b>    | <b>1.8%</b>     | <b>1.7%</b>     | <b>1.7%</b>        | <b>-2.8%</b>   | <b>5.9%</b>    | <b>10.9%</b>   | <b>4.4%</b>     | <b>7.0%</b>        |
| Provision for (benefit from) income taxes                | 6.9             | 23.9            | 39.1            | 4.4                | (2.5)          | 13.0           | 6.9            | 21.6            | 8.0                |
| Other expense, net                                       | 99.1            | 7.3             | 2.6             | 0.8                | 0.8            | 0.9            | 4.4            | 6.9             | 1.1                |
| Depreciation and amortization (3)                        | 75.0            | 72.6            | 65.3            | 16.9               | 24.7           | 13.9           | 13.6           | 69.0            | 10.7               |
| Revenue adjustments                                      | 10.3            | 6.2             | 3.0             | 0.6                | 0.2            | 0.1            | 0.1            | 1.1             | -                  |
| Stock-based compensation expenses                        | 45.2            | 65.3            | 76.1            | 15.0               | 19.1           | 16.2           | 17.3           | 67.6            | 18.0               |
| Acquisition and divestitures (benefit) expenses, net (7) | 3.4             | 10.4            | 1.7             | 7.8                | (1.5)          | (0.2)          | 9.9            | 16.0            | 0.2                |
| Restructuring expenses                                   | 7.1             | 5.9             | 14.9            | 1.3                | 3.2            | 0.5            | 5.9            | 10.9            | 2.8                |
| Separation expenses (2)                                  | -               | 12.6            | 1.3             | 0.1                | 0.2            | 0.2            | 0.2            | 0.8             | -                  |
| Accelerated lease costs (5)                              | 2.4             | 9.8             | 8.3             | 0.3                | 4.9            | 0.1            | 0.1            | 5.4             | -                  |
| IT facilities and infrastructure realignment (6)         | -               | 1.2             | 4.5             | 1.0                | 4.0            | 1.7            | 1.4            | 8.1             | -                  |
| Impairment charges                                       | 0.1             | 1.6             | 1.8             | -                  | -              | -              | -              | -               | -                  |
| Other adjustments  | (0.4)           | 0.1             | 3.0             | 0.0                | 0.2            | 0.0            | 0.0            | 0.2             | 0.1                |
| Discontinued operations corporate overhead adjustment    | 50.9            | -               | -               | -                  | -              | -              | -              | -               | -                  |
| Allocation methodology difference                        | (2.7)           | -               | -               | -                  | -              | -              | -              | -               | -                  |
| <b>Adjusted EBITDA</b>                                   | \$ <b>248.8</b> | \$ <b>232.5</b> | \$ <b>237.3</b> | \$ <b>51.9</b>     | \$ <b>47.4</b> | \$ <b>59.2</b> | \$ <b>88.7</b> | \$ <b>247.2</b> | \$ <b>56.3</b>     |
| <b>As a percentage of non-GAAP revenue</b>               | <b>29.6%</b>    | <b>26.4%</b>    | <b>26.2%</b>    | <b>23.9%</b>       | <b>22.5%</b>   | <b>27.1%</b>   | <b>33.4%</b>   | <b>27.1%</b>    | <b>25.4%</b>       |

# Other Expense, Tax and Net Income

| (\$ in millions)   | Year Ended | Year Ended | Year Ended | Three Months Ended |           |            |           | Year Ended | Three Months Ended |
|--|------------|------------|------------|--------------------|-----------|------------|-----------|------------|--------------------|
|  | 1/31/2021  | 1/31/2022  | 1/31/2023  | 4/30/2023          | 7/31/2023 | 10/31/2023 | 1/31/2024 | 1/31/2024  | 4/30/2024          |
| <b>Other Expense Reconciliation</b>  |            |            |            |                    |           |            |           |            |                    |
| <b>GAAP other (expense) income, net</b>  | \$ (99.1)  | \$ (7.3)   | \$ (2.6)   | \$ (0.8)           | \$ (0.8)  | \$ (0.9)   | \$ (4.4)  | \$ (6.9)   | \$ (1.1)           |
| Unrealized losses on derivatives, net  | 1.1        | 14.3       | -          | -                  | -         | -          | -         | -          | -                  |
| Amortization of convertible note discount  | 12.9       | -          | -          | -                  | -         | -          | -         | -          | -                  |
| Expenses and losses on debt modification or retirement   | 1.5        | 2.5        | -          | 0.2                | -         | -          | -         | 0.2        | -                  |
| Change in fair value of future tranche right   | 56.1       | (15.8)     | -          | -                  | -         | -          | -         | -          | -                  |
| Acquisition and divestitures expenses (benefit), net   | 0.1        | (3.5)      | -          | (0.2)              | -         | -          | -         | (0.2)      | -                  |
| Separation expenses (benefit) (2)  | -          | -          | 1.3        | (0.0)              | (0.1)     | (0.1)      | 5.1       | 4.8        | -                  |
| Other adjustments  | -          | (1.2)      | -          | -                  | -         | -          | -         | -          | -                  |
| <b>Non-GAAP other (expense) income, net</b>  | \$ (27.3)  | \$ (11.0)  | \$ (1.3)   | \$ (0.7)           | \$ (0.9)  | \$ (1.0)   | \$ 0.7    | \$ (2.0)   | \$ (1.1)           |
| <b>Tax Provision (Benefit) Reconciliation</b>  |            |            |            |                    |           |            |           |            |                    |
| <b>GAAP provision for (benefit from) income taxes</b>  | \$ 6.9     | \$ 23.9    | \$ 39.1    | \$ 4.4             | \$ (2.5)  | \$ 13.0    | \$ 6.9    | \$ 21.6    | \$ 8.0             |
| <b>GAAP effective income tax rate</b>  | -16.6%     | 60.4%      | 71.4%      | 54.6%              | 30.5%     | 50.2%      | 19.2%     | 35.3%      | 34.1%              |
| Non-GAAP tax adjustments   | 9.2        | (2.3)      | (19.9)     | (0.3)              | 6.1       | (8.6)      | (0.8)     | (3.6)      | (1.8)              |
| <b>Non-GAAP provision for income taxes</b>   | \$ 16.2    | \$ 21.6    | \$ 19.2    | \$ 4.1             | \$ 3.6    | \$ 4.3     | \$ 6.1    | \$ 18.1    | \$ 6.2             |
| <b>Non-GAAP effective income tax rate</b>  | 8.3%       | 11.0%      | 9.1%       | 9.2%               | 9.0%      | 8.2%       | 7.2%      | 8.2%       | 12.6%              |
| <b>Net (Loss) Income from Continuing Operations Attributable to Verint Systems Inc.</b>                    |            |            |            |                    |           |            |           |            |                    |
| <b>Common Shares Reconciliation</b>  |            |            |            |                    |           |            |           |            |                    |
| <b>GAAP net (loss) income from continuing operations attributable to Verint Systems Inc. common shares</b> | \$ (57.3)  | \$ (4.5)   | \$ (5.9)   | \$ (1.9)           | \$ (11.2) | \$ 7.4     | \$ 23.5   | \$ 17.8    | \$ 10.0            |
| Total GAAP net (loss) income adjustments (4) (7)   | 234.3      | 177.9      | 196.4      | 36.7               | 42.1      | 40.6       | 54.0      | 183.8      | 32.5               |
| <b>Non-GAAP net income from continuing operations attributable to Verint Systems Inc. common shares</b>    | \$ 177.0   | \$ 173.4   | \$ 190.5   | \$ 34.8            | \$ 30.9   | \$ 48.0    | \$ 77.5   | \$ 201.6   | \$ 42.6            |



# EPS and Diluted Shares Outstanding

| (\$ in millions, except share and per share data; shares in thousands)  | Year Ended    | Year Ended    | Year Ended    | Three Months Ended |               |               |               | Year Ended    | Three Months Ended |
|---|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|---------------|--------------------|
|   | 1/31/2021     | 1/31/2022     | 1/31/2023     | 4/30/2023          | 7/31/2023     | 10/31/2023    | 1/31/2024     | 1/31/2024     | 4/30/2024          |
| GAAP diluted net loss from continuing operations per common share attributable to Verint Systems Inc.   | \$ (0.88)     | \$ (0.07)     | \$ (0.09)     | \$ (0.03)          | \$ (0.17)     | \$ 0.12       | \$ 0.37       | \$ 0.28       | \$ 0.16            |
| Non-GAAP diluted net income from continuing operations per common share attributable to Verint Systems Inc. (4)                                     | \$ 2.57       | \$ 2.28       | \$ 2.52       | \$ 0.53            | \$ 0.48       | \$ 0.65       | \$ 1.07       | \$ 2.73       | \$ 0.59            |
| <b>GAAP weighted-average shares used in computing diluted net loss from continuing operations per common share</b>                                  | <b>65,173</b> | <b>65,591</b> | <b>65,332</b> | <b>64,940</b>      | <b>64,294</b> | <b>64,144</b> | <b>63,080</b> | <b>64,318</b> | <b>62,845</b>      |
| Additional weighted-average shares applicable to non-GAAP net income from continuing operations per common share attributable to Verint Systems Inc | 3,654         | 10,419        | 10,235        | 447                | 269           | 9,478         | 9,478         | 9,478         | 9,477              |
| <b>Non-GAAP diluted weighted-average shares used in computing net income from continuing operations per common share (4)</b>                        | <b>68,827</b> | <b>76,010</b> | <b>75,567</b> | <b>65,387</b>      | <b>64,563</b> | <b>73,622</b> | <b>72,558</b> | <b>73,796</b> | <b>72,322</b>      |

# Debt

| (\$ in millions)  | As of<br>1/31/2023 | As of<br>4/30/2023 | As of<br>7/31/2023 | As of<br>10/31/2023 | As of<br>1/31/2024 | As of<br>4/30/2024 |
|---|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
| Current maturities of long-term debt  | \$ -               | \$ -               | \$ -               | \$ -                | \$ -               | \$ -               |
| Long-term debt  | 408.9              | 409.7              | 410.0              | 410.5               | 411.0              | 411.4              |
| Unamortized debt discounts and issuance costs   | 6.1                | 5.3                | 5.0                | 4.5                 | 4.0                | 3.6                |
| <b>Gross debt</b>   | <b>415.0</b>       | <b>415.0</b>       | <b>415.0</b>       | <b>415.0</b>        | <b>415.0</b>       | <b>415.0</b>       |
| Less:   |                    |                    |                    |                     |                    |                    |
| Cash and cash equivalents   | 282.1              | 260.7              | 231.3              | 209.6               | 241.4              | 236.6              |
| Restricted cash and cash equivalents, and restricted bank time deposits                                     | 0.3                | 0.3                | -                  | 1.8                 | 1.3                | 1.1                |
| Short-term investments  | 0.7                | 3.6                | 1.5                | 0.7                 | 0.7                | 0.8                |
| Long-term restricted cash, cash equivalents, bank time deposits and investments                             | 0.3                | 0.3                | 0.2                | 0.2                 | 0.2                | 0.2                |
| <b>Net debt, including long-term restricted cash, cash equivalents, bank time deposits, and investments</b> | <b>\$ 131.6</b>    | <b>\$ 150.1</b>    | <b>\$ 182.0</b>    | <b>\$ 202.7</b>     | <b>\$ 171.5</b>    | <b>\$ 176.4</b>    |

# Revenue Metrics Reconciliation

| (\$ in millions)  | Year Ended      | Year Ended      | Year Ended      | Three Month Ended |                 |                 |                 | Year Ended      |
|---|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|-----------------|-----------------|
|   | 1/31/2021       | 1/31/2022       | 1/31/2023       | 4/30/2023         | 7/31/2023       | 10/31/2023      | 1/31/2024       | 1/31/2024       |
| <b>Recurring revenue- GAAP</b>                                | <b>\$ 575.6</b> | <b>\$ 633.1</b> | <b>\$ 685.5</b> | <b>\$ 166.4</b>   | <b>\$ 161.0</b> | <b>\$ 161.1</b> | <b>\$ 210.7</b> | <b>\$ 699.2</b> |
| SaaS revenue - GAAP   | 218.0           | 322.8           | 444.2           | 117.1             | 113.4           | 115.7           | 168.6           | 514.8           |
| Optional managed services revenue - GAAP                      | 59.5            | 65.6            | 61.4            | 12.9              | 12.2            | 11.8            | 10.8            | 47.7            |
| Support revenue - GAAP  | 298.2           | 244.7           | 179.9           | 36.4              | 35.4            | 33.6            | 31.3            | 136.7           |
| <b>Nonrecurring revenue - GAAP</b>                            | <b>254.6</b>    | <b>241.4</b>    | <b>216.7</b>    | <b>50.1</b>       | <b>49.2</b>     | <b>57.4</b>     | <b>54.4</b>     | <b>211.1</b>    |
| Perpetual revenue - GAAP                                      | 141.8           | 138.1           | 116.6           | 24.3              | 25.2            | 24.6            | 25.8            | 99.9            |
| Professional services and other revenue - GAAP                | 112.8           | 103.3           | 100.1           | 25.8              | 24.0            | 32.9            | 28.7            | 111.3           |
| <b>Total revenue - GAAP</b>                                   | <b>\$ 830.2</b> | <b>\$ 874.5</b> | <b>\$ 902.2</b> | <b>\$ 216.6</b>   | <b>\$ 210.2</b> | <b>\$ 218.5</b> | <b>\$ 265.1</b> | <b>\$ 910.4</b> |
| <b>Estimated recurring revenue adjustments</b>                | <b>10.3</b>     | <b>6.2</b>      | <b>3.0</b>      | <b>0.6</b>        | <b>0.2</b>      | <b>0.1</b>      | <b>0.1</b>      | <b>1.1</b>      |
| Estimated SaaS revenue adjustments                            | 9.2             | 5.6             | 2.8             | 0.6               | 0.2             | 0.1             | 0.1             | 1.1             |
| Estimated optional managed services revenue adjustments       | 1.0             | 0.5             | 0.2             | 0.0               | 0.0             | 0.0             | 0.0             | 0.0             |
| Estimated support revenue adjustments                         | 0.2             | 0.0             | 0.0             | -                 | -               | -               | -               | -               |
| <b>Estimated nonrecurring revenue adjustments</b>             | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>          | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>        |
| Estimated perpetual revenue adjustments                       | -               | -               | -               | -                 | -               | -               | -               | -               |
| Estimated professional services and other revenue adjustments | -               | -               | -               | -                 | -               | -               | -               | -               |
| <b>Total estimated revenue adjustments</b>                    | <b>10.3</b>     | <b>6.2</b>      | <b>3.0</b>      | <b>0.6</b>        | <b>0.2</b>      | <b>0.1</b>      | <b>0.1</b>      | <b>1.1</b>      |
| <b>Recurring revenue- non-GAAP</b>                            | <b>\$ 586.0</b> | <b>\$ 639.3</b> | <b>\$ 688.5</b> | <b>\$ 167.1</b>   | <b>\$ 161.2</b> | <b>\$ 161.2</b> | <b>\$ 210.8</b> | <b>\$ 700.3</b> |
| SaaS revenue - non-GAAP                                       | 227.1           | 328.4           | 447.0           | 117.8             | 113.7           | 115.8           | 168.7           | 515.9           |
| Optional managed services revenue - non-GAAP                  | 60.5            | 66.2            | 61.6            | 12.9              | 12.2            | 11.8            | 10.8            | 47.7            |
| Support revenue - non-GAAP                                    | 298.4           | 244.8           | 180.0           | 36.4              | 35.4            | 33.6            | 31.3            | 136.7           |
| <b>Nonrecurring revenue - non-GAAP</b>                        | <b>254.6</b>    | <b>241.4</b>    | <b>216.7</b>    | <b>50.1</b>       | <b>49.2</b>     | <b>57.4</b>     | <b>54.4</b>     | <b>211.1</b>    |
| Perpetual revenue - non-GAAP                                  | 141.8           | 138.1           | 116.6           | 24.3              | 25.2            | 24.6            | 25.8            | 99.9            |
| Professional services and other revenue - non-GAAP            | 112.8           | 103.3           | 100.1           | 25.8              | 24.0            | 32.9            | 28.7            | 111.3           |
| <b>Total revenue - non-GAAP</b>                               | <b>\$ 840.6</b> | <b>\$ 880.7</b> | <b>\$ 905.2</b> | <b>\$ 217.2</b>   | <b>\$ 210.4</b> | <b>\$ 218.7</b> | <b>\$ 265.2</b> | <b>\$ 911.5</b> |

# SaaS Revenue Reconciliation

| (\$ in millions)                             | Year Ended      | Year Ended      | Year Ended      | Three Months Ended |                 |                 |                 | Year Ended      | Three Months Ended |
|--|-----------------|-----------------|-----------------|--------------------|-----------------|-----------------|-----------------|-----------------|--------------------|
|  | 1/31/2021       | 1/31/2022       | 1/31/2023       | 4/30/2023          | 7/31/2023       | 10/31/2023      | 1/31/2024       | 1/31/2024       | 4/30/2024          |
| Bundled SaaS revenue - GAAP                  | \$ 146.0        | \$ 183.0        | \$ 222.6        | \$ 59.5            | \$ 62.1         | \$ 63.3         | \$ 65.8         | \$ 250.5        | \$ 65.7            |
| Unbundled SaaS revenue - GAAP                | 72.0            | 139.7           | 221.6           | 57.7               | 51.4            | 52.4            | 102.8           | 264.3           | 75.3               |
| <b>SaaS revenue - GAAP</b>                   | <b>218.0</b>    | <b>322.8</b>    | <b>444.2</b>    | <b>117.1</b>       | <b>113.4</b>    | <b>115.7</b>    | <b>168.6</b>    | <b>514.8</b>    | <b>141.0</b>       |
| Estimated bundled SaaS revenue adjustments   | 9.0             | 5.6             | 2.8             | 0.6                | 0.2             | 0.1             | 0.1             | 1.1             | -                  |
| Estimated unbundled SaaS revenue adjustments | 0.2             | 0.1             | -               | -                  | -               | -               | -               | -               | -                  |
| <b>Estimated SaaS revenue adjustments</b>    | <b>9.2</b>      | <b>5.6</b>      | <b>2.8</b>      | <b>0.6</b>         | <b>0.2</b>      | <b>0.1</b>      | <b>0.1</b>      | <b>1.1</b>      | <b>-</b>           |
| Bundled SaaS revenue - non-GAAP              | 155.0           | 188.6           | 225.4           | 60.1               | 62.3            | 63.4            | 65.9            | 251.6           | 65.7               |
| Unbundled SaaS revenue - non-GAAP            | 72.2            | 139.8           | 221.6           | 57.7               | 51.4            | 52.4            | 102.8           | 264.3           | 75.3               |
| <b>SaaS revenue - non-GAAP</b>               | <b>\$ 227.1</b> | <b>\$ 328.4</b> | <b>\$ 447.0</b> | <b>\$ 117.8</b>    | <b>\$ 113.7</b> | <b>\$ 115.8</b> | <b>\$ 168.7</b> | <b>\$ 515.9</b> | <b>\$ 141.0</b>    |

# Footnotes

- (1) Revenue for the current period at constant currency is calculated by translating current-period GAAP or non-GAAP foreign currency revenue (as applicable) into U.S. dollars using average foreign currency exchange rates for the same prior period rather than actual current-period foreign currency exchange rates.
- (2) For the quarters ended April 30, 2020, July 31, 2020, October 31, 2020 and January 31, 2021, separation expenses are considered part of discontinued operations and are, therefore, not included in the reported results from continuing operations. Effective February 1, 2024, separation expenses (benefit) are immaterial and therefore included in Other adjustments.
- (3) Represents depreciation and amortization expenses that are adjusted for financing fee amortization.
- (4) EPS calculation includes the more dilutive of either preferred stock dividends or conversion of preferred stock shares.
- (5) Accelerated lease costs were previously included within Restructuring expenses for the three months ended April 30, 2020, July 31, 2020, October 31, 2020, April 30, 2021, July 31, 2021 and October 31, 2021.
- (6) IT facilities and infrastructure realignment costs were previously included within Other Adjustments for the three months ended April 30, 2021, July 31, 2021, October 31, 2021, January 31, 2022, April 30, 2022 and July 31, 2022.
- (7) For the three months and year ended January 31, 2024, acquisition and divestitures (expenses) benefit, net included a loss on the sale of our manual quality managed services business of \$9.7 million, which was recorded as part of selling, general, and administrative expenses in our consolidated statement of operations. Today, our platform includes an AI-powered solution for automating the quality process. We expect our customers to adopt AI over time and believe that a people-centric managed services offering is no longer core to our offering.

# Supplemental Info Non-GAAP Measures

The following tables include reconciliations of certain financial measures not prepared in accordance with Generally Accepted Accounting Principles ("GAAP"), consisting of non-GAAP revenue, non-GAAP recurring revenue, non-GAAP nonrecurring revenue, non-GAAP perpetual revenue, non-GAAP support revenue, non-GAAP professional services revenue, non-GAAP SaaS revenue, non-GAAP bundled SaaS revenue, non-GAAP unbundled SaaS revenue, non-GAAP optional managed services revenue, non-GAAP revenue from divested manual quality managed services, non-GAAP recurring gross profit and gross margins, non-GAAP nonrecurring gross profit and gross margins, non-GAAP gross profit and gross margins, non-GAAP research and development, net, non-GAAP selling, general and administrative expenses, non-GAAP operating income and operating margins, non-GAAP other income (expense), net, non-GAAP provision for (benefit from) income taxes and non-GAAP effective income tax rate, non-GAAP net income (loss) attributable to Verint Systems Inc. common shares, non-GAAP diluted net income (loss) per common share attributable to Verint Systems Inc., adjusted EBITDA and adjusted EBITDA as a percentage of non-GAAP revenue, net debt and constant currency measures. The tables above include a reconciliation of each non-GAAP financial measure for completed periods presented in this press release to the most directly comparable GAAP financial measure.

We believe these non-GAAP financial measures, used in conjunction with the corresponding GAAP measures, provide investors with useful supplemental information about the financial performance of our business by:

- facilitating the comparison of our financial results and business trends between periods, by excluding certain items that either can vary significantly in amount and frequency, are based upon subjective assumptions, or in certain cases are unplanned for or difficult to forecast,
- facilitating the comparison of our financial results and business trends with other technology companies who publish similar non-GAAP measures, and
- allowing investors to see and understand key supplementary metrics used by our management to run our business, including for budgeting and forecasting, resource allocation, and compensation matters.

We also make these non-GAAP financial measures available because a number of our investors have informed us that they find this supplemental information useful.

Non-GAAP financial measures should not be considered in isolation, as substitutes for, or superior to, comparable GAAP financial measures. The non-GAAP financial measures we present have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP, and these non-GAAP financial measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP financial measures. These non-GAAP financial measures do not represent discretionary cash available to us to invest in the growth of our business, and we may in the future incur expenses similar to or in addition to the adjustments made in these non-GAAP financial measures. Other companies may calculate similar non-GAAP financial measures differently than we do, limiting their usefulness as comparative measures.

Our non-GAAP financial measures are calculated by making the following adjustments to our GAAP financial measures:

• **Revenue adjustments.** For acquisitions completed prior to February 1, 2023, we exclude from our non-GAAP revenue the impact of fair value adjustments required under previous GAAP guidance relating to SaaS services, optional managed services and customer support contracts acquired in a business acquisition, which would have otherwise been recognized on a stand-alone basis. Beginning February 1, 2023, we adopted accounting guidance which eliminates the fair value provision that resulted in the accounting adjustment on a prospective basis. We believe that it is useful for investors to understand the total amount of revenue that we and the acquired company would have recognized on a stand-alone basis under GAAP, absent the accounting adjustment associated with the business acquisition under prior accounting guidance. Our non-GAAP revenue also reflects certain adjustments from aligning an acquired company's revenue recognition policies to our policies. We believe that our non-GAAP revenue measure helps management and investors understand our revenue trends and serves as a useful measure of ongoing business performance.

• **Amortization of acquired technology and other acquired intangible assets.** When we acquire an entity, we are required under GAAP to record the fair values of the intangible assets of the acquired entity and amortize those assets over their useful lives. We exclude the amortization of acquired intangible assets, including acquired technology, from our non-GAAP financial measures because they are inconsistent in amount and frequency and are significantly impacted by the timing and size of acquisitions. We also exclude these amounts to provide easier comparability of pre- and post-acquisition operating results.

• **Stock-based compensation expenses.** We exclude stock-based compensation expenses related to restricted stock unit and performance stock unit awards, stock bonus programs, bonus share programs, and other stock-based awards from our non-GAAP financial measures. We evaluate our performance both with and without these measures because stock-based compensation is typically a non-cash expense and can vary significantly over time based on the timing, size and nature of awards granted, and is influenced in part by certain factors which are generally beyond our control, such as the volatility of the price of our common stock. In addition, measurement of stock-based compensation is subject to varying valuation methodologies and subjective assumptions, and therefore we believe that excluding stock-based compensation from our non-GAAP financial measures allows for meaningful comparisons of our current operating results to our historical operating results and to other companies in our industry.



# Supplemental Info Non-GAAP Measures

• **Unrealized gains and losses on certain derivatives, net.** We exclude from our non-GAAP financial measures unrealized gains and losses on certain derivatives which are not designated as hedges under accounting guidance. We exclude unrealized gains and losses on foreign currency derivatives that serve as economic hedges against variability in the cash flows of recognized assets or liabilities, or of forecasted transactions. These contracts, if designated as hedges under accounting guidance, would be considered "cash flow" hedges. These unrealized gains and losses are excluded from our non-GAAP financial measures because they are non-cash transactions which are highly variable from period to period. Upon settlement of these foreign currency derivatives, any realized gain or loss is included in our non-GAAP financial measures.

• **Amortization of convertible note discount.** Our non-GAAP financial measures for periods prior to February 1, 2021 exclude the amortization of the imputed discount on our convertible notes. Under GAAP, certain convertible debt instruments that may be settled in cash upon conversion were required to be bifurcated into separate liability (debt) and equity (conversion option) components in a manner that reflected the issuer's assumed non-convertible debt borrowing rate. For GAAP purposes, we were required to recognize imputed interest expense on the difference between our assumed non-convertible debt borrowing rate and the coupon rate on our 1.50% convertible notes. This difference is excluded from our non-GAAP financial measures because we believe that this expense is based upon subjective assumptions and does not reflect the cash cost of our convertible debt. Effective with the February 1, 2021 adoption of Accounting Standards Update ("ASU") 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity, we no longer record the conversion feature of our convertible senior notes in equity. Instead, we combined the previously separated equity component with the liability component, which together is classified as debt, thereby eliminating the subsequent amortization of the debt discount as interest expense.

• **Expenses and losses on debt modification or retirement.** We exclude from our non-GAAP financial measures losses on early retirements of debt attributable to refinancing or repaying our debt, and expenses incurred to modify debt terms, because we believe they are not reflective of our ongoing operations.

• **Change in fair value of future tranche right.** On December 4, 2019, we entered into an Investment Agreement with an affiliate of Apax Partners (the "Apax Investor"), whereby the Apax Investor agreed to make an investment in us of up to \$400.0 million of convertible preferred stock. In connection with the Apax Investor's first \$200.0 million investment on May 7, 2020 (for 200,000 shares of Series A Preferred Stock), we determined that our obligation to issue, and the Apax Investor's obligation to purchase the Series B Preferred Stock in connection with the completion of the spin-off of our former Cyber Intelligence Solutions business and the satisfaction of other customary closing conditions (the "Future Tranche Right") met the definition of a freestanding financial instrument. This Future Tranche Right was reported at fair value as an asset or liability on our consolidated balance sheet and was remeasured at fair value each reporting period until the settlement of the right at the time of issuance of the Series B Preferred Stock, which occurred on April 6, 2021. Changes in its fair value were recognized as a non-cash charge or benefit within other income (expense), net on the condensed consolidated statement of operations. We excluded this change in fair value of the Future Tranche Right from our non-GAAP financial measures because it was unusual in nature, could vary significantly in amount, and was unrelated to our ongoing operations.

• **Acquisition and divestitures expenses (benefit), net.** In connection with acquisition activity (including with respect to acquisitions that are not consummated), we incur expenses (benefits), including legal, accounting, and other professional fees, integration costs, changes in the fair value of contingent consideration obligations, and other costs. Integration costs may consist of information technology expenses as systems are integrated across the combined entity, consulting expenses, marketing expenses, and professional fees, as well as non-cash charges to write-off or impair the value of redundant assets. In connection with divestiture activity, we exclude the gain or loss on divestiture as well as any expenses incurred, including legal, accounting, and other professional fees. We exclude these expenses from our non-GAAP financial measures because they are unpredictable, can vary based on the size and complexity of each transaction, and are unrelated to our continuing operations or to the continuing operations of the acquired businesses.

• **Restructuring expenses (benefit).** We exclude restructuring expenses (benefit) from our non-GAAP financial measures, which include employee termination costs, facility exit costs (except as included in accelerated lease costs and IT facilities and infrastructure realignment described below), certain professional fees, asset impairment charges (except as included in acquisition or IT facilities and infrastructure realignment), and other costs directly associated with resource realignments incurred in reaction to changing strategies or business conditions. All of these costs can vary significantly in amount and frequency based on the nature of the actions as well as the changing needs of our business and we believe that excluding them provides easier comparability of pre- and post-restructuring operating results.

• **Separation expenses (benefit).** On February 1, 2021, we completed the spin-off of our former Cyber Intelligence Solutions business. We exclude from our non-GAAP financial measures expenses incurred (benefit from) in connection with the spin-off, including third-party advisory, accounting, legal, tax, consulting, and other similar services related to the separation as well as costs associated with the operational separation of the two businesses, including those related to human resources, brand management, real estate, and information technology (which are included in Separation expenses to the extent not capitalized). Separation expenses also include incremental cash income taxes related to the reorganization of legal entities and operations in order to effect the separation and other expense adjustments associated with tax-related indemnification asset as a result of the spin-off. These costs are incremental to our normal operating expenses and are being incurred solely as a result of the separation transaction. Accordingly, we are excluding these separation expenses from our non-GAAP financial measures in order to evaluate our performance on a comparable basis. Separation expenses incurred through January 31, 2024 are recorded under this category in this document. Effective February 1, 2024, these expenses are included in impairment charges and other adjustments, as defined below.

# Supplemental Info Non-GAAP Measures

•**Accelerated lease costs.** We exclude from our non-GAAP financial measures accelerated facility costs and associated accelerated lease expenses, including losses on terminations, due to the early termination or abandonment of certain office leases as a result of our move to a hybrid work model because these charges are not reflective of our ongoing business and operating results.

•**IT facilities and infrastructure realignment.** We exclude from our non-GAAP financial measures nonrecurring IT facilities and infrastructure realignment costs and other IT charges associated with modifying the workplace, including consolidating and/or migrating data centers and labs to the cloud, simplifying the corporate network, and one-time costs for implementing collaboration tools to enable our work from anywhere strategy, as well as asset impairment charges, accelerated depreciation and IT facility exit costs.

•**Impairment charges and other adjustments.** We exclude from our non-GAAP financial measures asset impairment charges (other than those already included within restructuring, acquisition, or IT facilities and realignment activity), rent expense for redundant facilities, gains or losses on sales of property, gains or losses on settlements of certain legal matters, and certain professional fees unrelated to our ongoing operations, all of which are unusual in nature and can vary significantly in amount and frequency. Effective February 1, 2024, separation expenses excluded from our non-GAAP financial measures are included in this category within this document. We exclude from our non-GAAP financial measures separation expenses incurred in connection with the spin-off of our former Cyber Intelligence Solutions business, including third-party advisory, accounting, legal, tax, consulting, and other similar services related to the separation as well as costs associated with the operational separation of the two businesses, including those related to human resources, brand management, real estate, and information technology. Separation expenses also include incremental cash income taxes related to the reorganization of legal entities and operations in order to effect the separation and other expense adjustments associated with a tax-related indemnification asset as a result of the spin-off. These costs were incremental to our normal operating expenses and were incurred solely as a result of the separation transaction. Separation expenses (benefit) incurred through January 31, 2024 are included in the Separation expenses (benefit) category of this document, as defined above.

•**Discontinued operations corporate overhead adjustment.** These amounts represent general corporate overhead costs related to executive management, finance, legal, information technology, and other shared services functions that were historically allocated to Cognyte, but are not permitted to be included in discontinued operations under GAAP guidelines as they represent indirect expenses of Cognyte.

•**Allocation methodology difference.** These amounts are the result of presenting our former Cyber Intelligence Solutions business on a discontinued operations basis for quarters previously reported due to the completion of the spin-off on February 1, 2021. This adjustment represents the difference between the allocation of shared corporate support expenses under GAAP guidelines for reporting discontinued operations compared to management's previously estimated allocations of those shared corporate support expenses.

•**Non-GAAP income tax adjustments.** We exclude from our non-GAAP measures of net income attributable to Verint Systems Inc., our GAAP provision for (benefit from) income taxes and instead include a non-GAAP provision for income taxes, determined by applying a non-GAAP effective income tax rate to our income before provision for income taxes, as adjusted for the non-GAAP items described above. The non-GAAP effective income tax rate is generally based upon the income taxes we expect to pay in the reporting year. Our GAAP effective income tax rate can vary significantly from year to year as a result of tax law changes, settlements with tax authorities, changes in the geographic mix of earnings including acquisition activity, changes in the projected realizability of deferred tax assets, and other unusual or period-specific events, all of which can vary in size and frequency. We believe that our non-GAAP effective income tax rate removes much of this variability and facilitates meaningful comparisons of operating results across periods. Our non-GAAP effective income tax rate for the year ending January 31, 2025 is currently approximately 13%, and was 8% for the year ended January 31, 2024, 9% for the year ended January 31, 2023, 11% for the year ended January 31, 2022, 8% for the year ended January 31, 2021. We evaluate our non-GAAP effective income tax rate on an ongoing basis, and it can change from time to time. Our non-GAAP income tax rate can differ materially from our GAAP effective income tax rate.



# Supplemental Info Non-GAAP Measures

## Revenue Metrics and Operating Metrics

Recurring revenue, on both a GAAP and non-GAAP basis, is the portion of our revenue that we believe is likely to be renewed in the future, and primarily consists of SaaS revenue, optional managed services revenue and initial and renewal post contract support.

Nonrecurring revenue, on both a GAAP and non-GAAP basis, primarily consists of our perpetual licenses, consulting, implementation and installation services, hardware, training and patent license royalties.

SaaS revenue includes bundled SaaS, software with standard managed services and unbundled SaaS (including associated support) that we account for as term licenses where managed services are purchased separately.

Optional Managed Services are recurring services that are intended to improve our customers' operations and reduce expenses.

Percentage of software revenue that is recurring revenue is calculated as the sum of SaaS revenue, optional managed services revenue and support revenue as a percentage of total SaaS revenue, optional managed services revenue, support revenue, and perpetual revenue.

New SaaS Annual Contract Value (ACV) includes the annualized contract value of all new SaaS contracts received within the period; new unbundled SaaS contracts only include the license portion of those orders. In cases where SaaS is offered to partners through usage-based contracts, we include the incremental value of usage contracts over a rolling four quarters. Orders are only included in New SaaS ACV with a completed customer contract signed by both parties before the end of the period.

SaaS Annual Recurring Revenue (SaaS ARR) represents the annualized quarterly run-rate value of active or signed SaaS contracts as of the end of a period. For unbundled SaaS contracts, the amount included in SaaS ARR is generally consistent with the amount that we invoice the customer annually for the term-based license transaction. We use SaaS ARR to identify the annual recurring value of customer contracts at the end of a reporting period and to monitor the growth of our recurring business as we shift to SaaS. SaaS ARR reduces fluctuations due to seasonality, contract term, and the sales mix of subscriptions for bundled SaaS and unbundled SaaS. SaaS ARR should be viewed independently of revenue, and does not represent our revenue under ASC 606 on an annualized basis, as it is an operating metric that is impacted by contract start and end dates and renewal rates. SaaS ARR is not intended to be a replacement for forecasts of SaaS revenue.

## Adjusted EBITDA

Adjusted EBITDA is a non-GAAP measure defined as net income (loss) before interest expense, interest income, income taxes, depreciation expense, amortization expense, stock-based compensation expenses, revenue adjustments, restructuring expenses, acquisition expenses, separation expenses, accelerated lease costs, IT facilities and infrastructure realignment, and other expenses excluded from our non-GAAP financial measures as described above. We believe that adjusted EBITDA is also commonly used by investors to evaluate operating performance between companies because it helps reduce variability caused by differences in capital structures, income taxes, stock-based compensation expenses, accounting policies, and depreciation and amortization policies. Adjusted EBITDA is also used by credit rating agencies, lenders, and other parties to evaluate our creditworthiness.

## Net Debt

Net Debt is a non-GAAP measure defined as the sum of long-term and short-term debt on our consolidated balance sheet, excluding unamortized discounts and issuance costs, less the sum of cash and cash equivalents, restricted cash, restricted cash equivalents, restricted bank time deposits, and restricted investments (including long-term portions), and short-term investments. We use this non-GAAP financial measure to help evaluate our capital structure, financial leverage, and our ability to reduce debt and to fund investing and financing activities and believe that it provides useful information to investors.

## Free Cash Flow

Free Cash Flow is defined as GAAP cash provided by operating activities less our capital expenditures, which include purchases of property and equipment and capitalized software development costs.

# Supplemental Info Non-GAAP Measures

## **Supplemental Information About Constant Currency**

Because we operate on a global basis and transact business in many currencies, fluctuations in foreign currency exchange rates can affect our consolidated U.S. dollar operating results. To facilitate the assessment of our performance excluding the effect of foreign currency exchange rate fluctuations, we calculate our GAAP and non-GAAP revenue, recurring revenue, and SaaS revenue on both an as-reported basis and a constant currency basis, allowing for comparison of results between periods as if foreign currency exchange rates had remained constant. We perform our constant currency calculations by translating current-period results into U.S. dollars using prior-period average foreign currency exchange rates or hedge rates, as applicable, rather than current period exchange rates. We believe that constant currency measures, which exclude the impact of changes in foreign currency exchange rates, facilitate the assessment of underlying business trends.

Unless otherwise indicated, our financial outlook, which is provided on a non-GAAP basis, reflects foreign currency exchange rates approximately consistent with rates in effect when the outlook is provided.

We also incur foreign exchange gains and losses resulting from the revaluation and settlement of monetary assets and liabilities that are denominated in currencies other than the entity's functional currency. Our financial outlook for diluted earnings per share includes net foreign exchange gains or losses incurred to date, if any, but does not include potential future gains or losses.