



Acquisition of Multifonds

Broadening our portfolio of mission-critical banking software

4 March 2015

Disclaimer

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

In particular, the forward-looking financial information provided by the company in this conference call represent the company's estimates as of 4 March 2015. We anticipate that subsequent events and developments will cause the company's estimates to change.

However, while the company may elect to update this forward-looking financial information at some point in the future, the company specifically disclaims any obligation to do so. This forward-looking information should not be relied upon as representing the company's estimates of its future financial performance as of any date subsequent to 4 March 2015.

Agenda

Transaction summary

David Arnott, CEO

About Multifonds

Oded Weiss, CEO of Multifonds

Financials

Max Chuard, CFO

Q&A

Transaction summary

- ✓ Acquiring a leader in fund administration software, a complementary, adjacent market for Temenos
- ✓ The acquisition will give Temenos
 - access to highly complementary products
 - client relationships with more than 30 of the world's largest FIs
 - entry point to the fast-growing fund administration market
 - additional scale to fund future growth
- ✓ Adds USD 34m of annual recurring revenues – increasing visibility and predictability
- ✓ Double-digit EPS accretion in first full year of ownership

Together providing mission-critical software to 38 of the world's top 50 banks



What the transaction brings to Temenos

A leader in fund administration software

- Global leader in fund administration software, processing USD5trn in assets
- Mission critical products on a single software platform
- Fund administration is a new, complementary market for Temenos

Tier 1 client base and global coverage

- Excellent tier 1 client base - high levels of retention
- Supplier to 9 of the world's top 15 fund administrators
- Global presence with 470 employees in 14 offices worldwide

Strong financial profile

- Strong historical revenue and EBITDA growth
- Highly recurring and visible revenue model with “sticky” products
- Double-digit EPS accretion in first full year of ownership

Experienced management team

- Experienced and highly knowledgeable management team
- CEO of Multifonds and executive management team to continue driving future growth



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Third party administrator market overview

- Assets under management are growing at c.7% p.a...
 - Growth in global wealth, especially Asia
- ...But, asset managers' margins are under pressure
 - Outsourcing to third-party administrators (TPAs), whose revenues growing at c.10% p.a (large tier 1 TPAs seeing even faster growth in consolidating market)
 - Moving to third-party software to improve efficiency
- Multifonds well-placed to capitalise on this trend
 - Market-leading provider to TPAs (used by 9 of top 15 custodians)
 - Unrivalled record on efficiency savings (c.40% on average)

A structural need for 3rd-party software

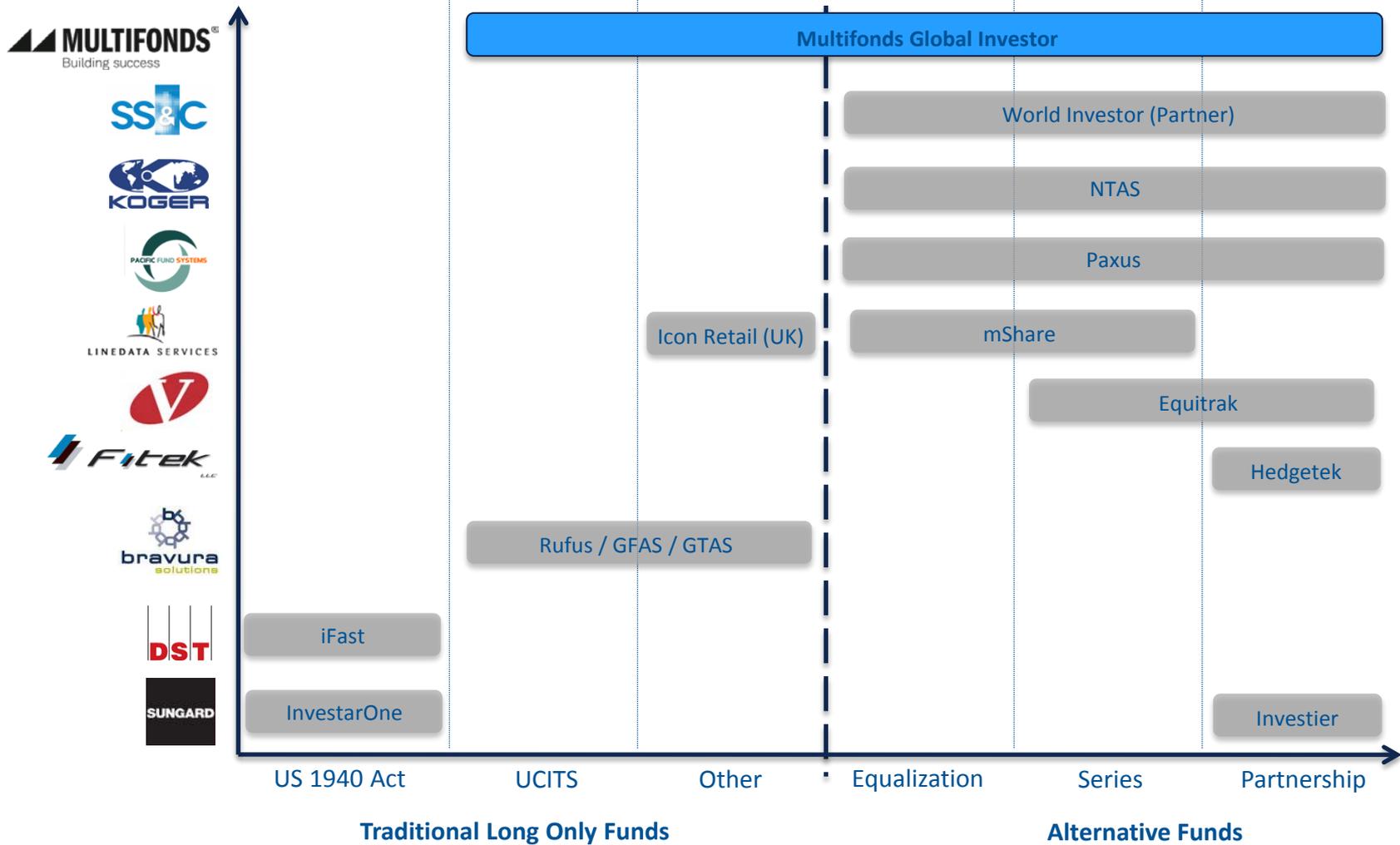


Overview of Multifonds' solutions

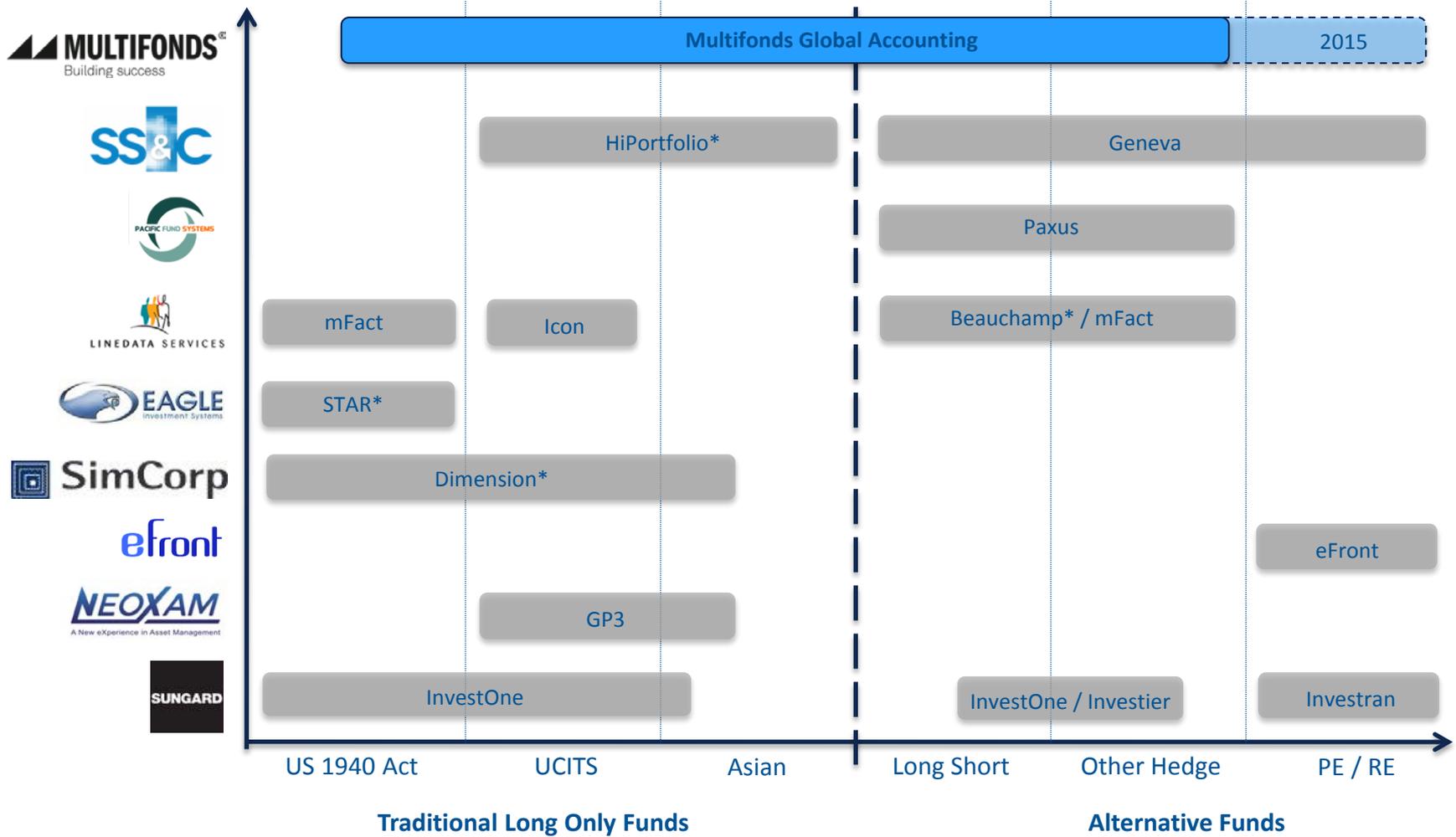


Broad functionality delivered from a single platform

Competitive landscape (Investor Servicing / Transfer Agency)



Competitive landscape (Fund administration)



* Primarily Middle Office (Portfolio Accounting) – limited Fund Accounting usage

Tier 1 client base across all key regions globally



Cross-sell opportunity with major clients of both Temenos and Multifonds

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Multifonds as part of Temenos

- Joint go-to-market and branding activities to commence straight away
- Global accounts structure will be leveraged immediately to seek cross-sell opportunities
- Temenos partner network to be leveraged to help scale sales and delivery
- Products to be brought together over time to create full suite of integrated solutions for fund management industry
- Back-office integration will begin immediately
- Greater resources to fund organic and inorganic growth

Faster growth with better profitability



Financial impact

- The consideration for the acquisition is EUR 235m
- Expected to contribute revenues of USD46m in 2015 (USD56m on a pro-forma basis), of which more than 60% will be recurring revenues (see Appendix)
- Multifonds has been growing total revenues at around 10% per annum over recent years
- Temenos expects to incur restructuring charges of USD 11m related to this acquisition, the acquisition of Akcelerant and other cost rationalisation activities across the group
- The acquisition is expected to be 4% accretive to non-IFRS EPS in 2015 and 10% in 2016
- Leverage to increase to around 2.4x EBITDA (back to 1-1.5x within 12-18 months)

Double-digit EPS accretion in first full year of ownership



Revised non-IFRS 2015 guidance

Total software licensing growth of 36% to 41% (implying total software licensing revenue of USD 194m to USD 202m)

- includes **software licensing growth of 13%+** (implying software licensing revenue of at least USD 154m)

Revenue growth of 18% to 23% (implying revenue of USD 528m to USD 550m)

EBIT margin of 28.5% (implying EBIT of USD 150m to USD 157m)

100%+ conversion of EBITDA into operating cashflow

Tax rate of 17% to 18%

Note: growth at constant currency (see rates in the appendix)

Key takeaways

- ✓ Acquiring a leader in fund administration software
- ✓ The acquisition will give Temenos
 - access to highly complementary products
 - client relationships with more than 30 of the world's largest FIs
 - entry point to the fast-growing fund administration market
 - scale to fund future growth
- ✓ Increasing visibility and predictability of revenues
- ✓ Double-digit EPS accretion in first full year of ownership

A compelling strategic rationale





Appendices

FX assumptions underlying 2015 guidance

In preparing the 2015 guidance, the Company has assumed the following:

- USD to Euro exchange rate of 0.891
- USD to GBP exchange rate of 0.666; and
- USD to CHF exchange rate of 0.890.

Multifonds 2015 non-IFRS income statement

Non-IFRS (USDm)	10 month contribution to Temenos	Full year basis
Software licensing	5	6
SaaS and subscriptions	25	30
Total software licensing	30	36
Maintenance	3	4
Services	13	16
Total revenues	46	56
Costs	33	40
EBIT	13	16



Thank you
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