Financial results & business update
Quarter ended 31 March 2014
29 April 2014
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 29 April 2014. 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 29 April 2014.
# Agenda

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</tbody>
</table>
Summary

Strong Q1 results across all key performance indicators

Software licencing growth above full year guidance

Continued strong execution on services strategy with LTM margin approaching breakeven

Better revenue mix and operational leverage drives non-IFRS EBIT and margin expansion

Strong cash inflows and conversion with DSOs down

High levels of customer activity in all regions

Strong and growing pipeline for Q2 and remainder of 2014

Strong Q1 and pipeline underpins confidence in achieving full year guidance
Q1 2014 sales and pipeline overview

Strong Q1 licensing growth of 22% taking growth on an LTM basis to 13%

Good sales to both the installed base and to new customers
• 9 new customer wins (Q1 2013:7)
• very strong growth from Americas including Banesco and Banco de la Nacion del Peru

High levels of customer activity in all regions
• improving macro backdrop
• greater confidence within banks to face challenges ahead
• re-emergence of larger deals continues in all regions

Taking market share as multi-product remains winning model
• significant activity in Channels
• demand for unique integrated front-to-back office private banking solution

Fruition of investments made drives strong sales and pipeline growth
Q1 2014 operational overview

Continued strong execution
• 20 implementation go-lives (Q1 2013: 7)
• 40 go-lives in total (Q1 2013: 32)

Deepening and maturing relationship with partner ecosystem
• partners leading on increasing number of implementations
• growing opportunity for partners

Increased sales of “premium” services - 26% of services revenues in Q1

Improving non-IFRS services margin - approaching breakeven on an LTM basis

More innovation than ever before to be showcased at TCF including new frameworks, new apps on Windows 8 and major enhancements to our channels offerings

Excellence in execution
Update on the US

Profile continues to be raised in the US market

New customers signed for T24 in Q1
• signings with both community banks and credit unions
• provides platform from which to build further in both markets

On track for go-lives of T24 on a SaaS basis throughout 2014

Over 50 new customers signed in Q1 for other Temenos products
• good sales of BI, AML and compliance products
• widens cross-sell opportunity

Continued progress made on US strategy
3rd party validation of market leadership

- Sole vendor at the top of both pyramids
- 9th consecutive year as “Global Power Seller”

New-named clients

- Temenos
- Infosys, SAP, TCS

Global power sellers

Global challengers

Global pursuers

Regional pursuers

Base players

- Asseco, BML, Capital Banking, Cobiscorp, CSC, D+H, Eri, Flexsoft, ICS FS, Infrasoft Intl, InfrasoftTech, ITS, Minsys, Profile

*Standard was successful outside of core banking

All counted deals

- Temenos
- FIS, Infosys, Minsys, Polaris FT, SAP, TCS

Top global players

Major global players

Global players

Strong players

Solid players

- Asseco, BML, Capital Banking, Cobiscorp, CSC, D+H, Eri, Flexsoft, ITS, InfrasoftTech, Infrasoft, Nucleus, Profile

*Standard had a strong focus outside of core banking

Taking market share in a consolidating marketplace

- 1st position again - 6th time in 7 years
- Twice number of deals of nearest competitor

Source: Forrester “Global Banking Platform deals 2013”
Source: International Banking Systems “Sales League Table 2014 (results Jan-Dec 2013)”, published March 2014
The most profitable banks run Temenos

### Higher return on assets

- **32%**

### Higher return on equity

- **42%**

### Lower cost to Income ratio

- **8.1 Percentage Points**

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_The Banker – ‘Top 1000 Banks 2008 – 2012’. Average values for Temenos customers compared with average values for banks with legacy systems._

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**Quantifiable benefits from running Temenos**
## Agenda

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Q1 2014 financial highlights

- LFL software licencing growth of 20% with LTM growth of 12%
- 7.3% pts improvement in non-IFRS services margin; approaching breakeven for LTM
- Non-IFRS EBIT up 47%
- Non-IFRS EBIT margin up 5.1% points in Q1 with LTM margin of 25.2%
- Non-IFRS EPS up 54%
- Q1 operating cashflow inflow of USD 20.4m with LTM inflow of USD 181.6m
- LTM cash conversion of 119% with DSOs down 18 days vs Q1 2013

Strong operational performance translated into strong financial performance
Non-IFRS income statement - operating

<table>
<thead>
<tr>
<th>In USDm</th>
<th>Q1 14</th>
<th>Q1 13</th>
<th>Y-o-Y</th>
<th>LTM 14</th>
<th>LTM 13</th>
<th>Y-o-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software licensing</td>
<td>29.8</td>
<td>24.5</td>
<td>21.7%</td>
<td>143.1</td>
<td>126.2</td>
<td>13.4%</td>
</tr>
<tr>
<td>SaaS</td>
<td>1.7</td>
<td>NA</td>
<td>NA</td>
<td>6.6</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Total software licensing</td>
<td>31.5</td>
<td>24.5</td>
<td>28.8%</td>
<td>149.6</td>
<td>126.2</td>
<td>18.6%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>53.8</td>
<td>51.0</td>
<td>5.6%</td>
<td>215.3</td>
<td>204.1</td>
<td>5.5%</td>
</tr>
<tr>
<td>Services</td>
<td>24.2</td>
<td>28.1</td>
<td>-14.0%</td>
<td>108.8</td>
<td>123.2</td>
<td>-11.7%</td>
</tr>
<tr>
<td>Total revenue</td>
<td>109.6</td>
<td>103.6</td>
<td>5.7%</td>
<td>473.8</td>
<td>453.5</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

| Non-IFRS operating costs | 89.7  | 90.2  | -0.5%       | 354.6  | 360.0  | -1.5%       |
| Non-IFRS EBIT            | 19.8  | 13.5  | 47.3%       | 119.1  | 93.4   | 27.5%       |
| Margin                   | 18.1% | 13.0% | 5.1% pts    | 25.2%  | 20.6%  | 4.5% pts    |
| Non-IFRS EBITDA          | 30.4  | 21.6  | 40.6%       | 158.3  | 127.4  | 24.2%       |
| Margin                   | 27.8% | 20.9% | 6.9% pts    | 33.4%  | 28.1%  | 5.3% pts    |
| Non-IFRS services margin | -6.2% | -13.5%| 7.3% pts    | -1.7%  | -7.6%  | 6.0% pts    |

Better revenue mix and operational leverage drives margin expansion
Like-for-like revenue and costs

Q1 LFL revenue up 3%

Revenue mix continues to improve

Q1 LFL non-IFRS costs down 2%
Non-IFRS income statement – non-operating

<table>
<thead>
<tr>
<th>In USDm, except EPS</th>
<th>Q1 14</th>
<th>Q1 13</th>
<th>Y-o-Y</th>
<th>LTM 14</th>
<th>LTM 13</th>
<th>Y-o-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-IFRS EBIT</td>
<td>19.8</td>
<td>13.5</td>
<td>47%</td>
<td>119.1</td>
<td>93.4</td>
<td>28%</td>
</tr>
<tr>
<td>Net finance charge</td>
<td>-2.5</td>
<td>-1.6</td>
<td>-61%</td>
<td>-9.9</td>
<td>-7.3</td>
<td>-34%</td>
</tr>
<tr>
<td>FX gain</td>
<td>-0.5</td>
<td>-0.6</td>
<td>23%</td>
<td>-2.0</td>
<td>-2.2</td>
<td>9%</td>
</tr>
<tr>
<td>Tax</td>
<td>-2.8</td>
<td>-2.5</td>
<td>-12%</td>
<td>-16.9</td>
<td>-13.0</td>
<td>-30%</td>
</tr>
<tr>
<td>Non-IFRS net profit</td>
<td>14.0</td>
<td>8.8</td>
<td>60%</td>
<td>90.4</td>
<td>70.9</td>
<td>28%</td>
</tr>
<tr>
<td>Non-IFRS EPS (USD)</td>
<td>0.20</td>
<td>0.13</td>
<td>54%</td>
<td>1.30</td>
<td>1.02</td>
<td>27%</td>
</tr>
</tbody>
</table>

Efficient below the line management drives EPS growth above EBIT growth
Cash conversion

Consistent improvement in operating cashflows; strong conversion
Balance sheet – debt and financing

<table>
<thead>
<tr>
<th>In USDm</th>
<th>31 Mar 14</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt</td>
<td>316.5</td>
<td>USD 350m facility and CHF 200m bonds</td>
</tr>
<tr>
<td>Cash</td>
<td>(220.3)</td>
<td>Held in short term deposits</td>
</tr>
<tr>
<td>Net debt</td>
<td>96.2</td>
<td>0.6x LTM EBITDA</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>(58.7)</td>
<td>Reflects market value as of 31 March 2014</td>
</tr>
<tr>
<td>Net debt inc. treasury shares</td>
<td>37.5</td>
<td>0.3x LTM EBITDA</td>
</tr>
<tr>
<td>LTM EBITDA</td>
<td>153.0</td>
<td></td>
</tr>
</tbody>
</table>

2nd public listed bond to further diversify funding & strengthen balance sheet
2014 guidance

**Software licensing growth of 10% to 15%** (implying software licensing revenue of USD 152m to USD 158m)*

**Non-IFRS revenue growth of 5% to 10%** (implying revenue of USD 491m to USD 515m)*

**Non-IFRS EBIT margin of 25.1%** (implying non-IFRS EBIT of USD 123m to USD 129m)*

**100%+ conversion** of EBITDA into operating cashflow

**Tax rate of 17% to 18%**

* Currency assumptions in Appendix
  See Appendix for definition of non-IFRS
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TCF 2014 – Rome: 20 to 22 May 2014

• Separate analyst & investor track
• See innovation
• Hear about industry trends
• Hear from eminent industry speakers
• Meet senior executives
• Hear directly from our customers and partners

The biggest and best TCF ever
Summary

• Strong Q1 results across all key performance indicators

• Strong operational performance translated into strong financial performance

• High levels of customer activity in all regions

• Pipeline underpins confidence in achieving full year guidance
Appendices
FX assumptions underlying 2014 guidance

In preparing the 2014 guidance, the Company has assumed the following, which remains unchanged since the announcement of the company’s Q4 and FY 2013 results:

- USD to Euro exchange rate of 0.734;
- USD to GBP exchange rate of 0.607; and
- USD to CHF exchange rate of 0.903.
## Net earnings reconciliation

<table>
<thead>
<tr>
<th>In USDm, except EPS</th>
<th>Q1 14</th>
<th>Q1 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFRS net earnings</td>
<td>11.8</td>
<td>3.7</td>
</tr>
<tr>
<td>Acquisition related charges</td>
<td>-</td>
<td>0.3</td>
</tr>
<tr>
<td>Amortisation of acquired intangibles</td>
<td>1.9</td>
<td>2.6</td>
</tr>
<tr>
<td>Restructuring</td>
<td>0.6</td>
<td>2.3</td>
</tr>
<tr>
<td>Taxation</td>
<td>(0.3)</td>
<td>(0.2)</td>
</tr>
<tr>
<td><strong>Net earnings for non-IFRS EPS</strong></td>
<td><strong>14.0</strong></td>
<td><strong>8.7</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No. of dilutive shares</th>
<th>Q1 14</th>
<th>Q1 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>69.5</td>
<td>70.0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-IFRS diluted EPS (USD)</th>
<th>Q1 14</th>
<th>Q1 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.20</td>
<td>0.13</td>
<td></td>
</tr>
</tbody>
</table>
Total software licensing revenue breakdown by geography

Q1 2013

- APAC: 21%
- Europe: 40%
- Americas: 13%
- MEA: 26%

LTM Q1 2013

- APAC: 26%
- Europe: 40%
- Americas: 12%
- MEA: 22%

Q1 2014

- APAC: 14%
- Europe: 26%
- Americas: 41%
- MEA: 19%

LTM Q1 2014

- APAC: 23%
- Europe: 42%
- Americas: 18%
- MEA: 17%
Total software licensing revenue breakdown by customer tier

Q1 2013
- 1 and 2: 43%
- 3, 4 and 5: 57%

LTM Q1 2013
- 1 and 2: 37%
- 3, 4 and 5: 63%

Q1 2014
- 1 and 2: 14%
- 3, 4 and 5: 86%

LTM Q1 2014
- 1 and 2: 22%
- 3, 4 and 5: 78%
Total software licensing revenue breakdown by new / existing

Q1 2013
- New: 33%
- Existing: 67%

Q1 2014
- New: 42%
- Existing: 58%

LTM Q1 2013
- New: 37%
- Existing: 63%

LTM Q1 2014
- New: 27%
- Existing: 73%
DSOs down 19 days vs Q1 2013
Capitalisation of development costs

<table>
<thead>
<tr>
<th>USDm</th>
<th>Q1 12</th>
<th>Q2 12</th>
<th>Q3 12</th>
<th>Q4 12</th>
<th>FY 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cap’ dev’ costs</td>
<td>-9.6</td>
<td>-9.6</td>
<td>-9.6</td>
<td>-13.0</td>
<td>-41.8</td>
</tr>
<tr>
<td>Amortisation</td>
<td>6.2</td>
<td>6.7</td>
<td>6.5</td>
<td>6.1</td>
<td>25.5</td>
</tr>
<tr>
<td>Net cap’ dev’</td>
<td>-3.4</td>
<td>-2.9</td>
<td>-3.1</td>
<td>-6.9</td>
<td>-16.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>USDm</th>
<th>Q1 13</th>
<th>Q2 13</th>
<th>Q3 13</th>
<th>Q4 13</th>
<th>FY 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cap’ dev’ costs</td>
<td>-9.7</td>
<td>-9.6</td>
<td>-9.8</td>
<td>-12.7</td>
<td>-41.9</td>
</tr>
<tr>
<td>Amortisation</td>
<td>6.0</td>
<td>6.1</td>
<td>7.6</td>
<td>8.0</td>
<td>27.7</td>
</tr>
<tr>
<td>Net cap’ dev’</td>
<td>-3.6</td>
<td>-3.6</td>
<td>-2.3</td>
<td>-4.7</td>
<td>-14.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>USDm</th>
<th>Q1 14</th>
<th>Q2 14</th>
<th>Q3 14</th>
<th>Q4 14</th>
<th>FY 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cap’ dev’ costs</td>
<td>-9.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation</td>
<td>8.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cap’ dev’</td>
<td>-1.3</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Net capitalised development costs reducing; expected to be <$10m in 2014
# Reconciliation from IFRS EBIT to non-IFRS EBIT

<table>
<thead>
<tr>
<th>USDm</th>
<th>Q1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IFRS EBIT</strong></td>
<td><strong>17.3</strong></td>
</tr>
<tr>
<td>Deferred revenue write-down</td>
<td>-</td>
</tr>
<tr>
<td>Discontinued activities</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition-related charges</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation of acquired intangibles</td>
<td><strong>1.9</strong></td>
</tr>
<tr>
<td>Restructuring</td>
<td><strong>0.6</strong></td>
</tr>
<tr>
<td><strong>Non-IFRS EBIT</strong></td>
<td><strong>19.8</strong></td>
</tr>
</tbody>
</table>
Reconciliation from IFRS to non-IFRS

IFRS revenue measure

\[ \text{IFRS revenue measure} \]
\[ + \quad \text{Deferred revenue write-down} \]
\[ = \quad \text{Non-IFRS revenue measure} \]

IFRS profit measure

\[ \text{IFRS profit measure} \]
\[ + / - \quad \text{Discontinued activities} \]
\[ + / - \quad \text{Acquisition related charges} \]
\[ + / - \quad \text{Amortisation of acquired intangibles} \]
\[ + / - \quad \text{Restructuring} \]
\[ + / - \quad \text{Taxation} \]
\[ = \quad \text{Non-IFRS profit measure} \]
Definitions

Non-IFRS adjustments

Deferred revenue write-down
Adjustments made resulting from acquisitions

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

Acquisition related charges
Relates mainly to advisory fees and integration costs

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

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

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

Other

Like-for-like (LFL)
Excludes contributions from acquisitions and adjusts for movements in currencies