

PRESS RELEASE

FOR IMMEDIATE RELEASE

July 22, 2025

Ad hoc announcement pursuant to Art. 53 LR

Temenos announces strong Q2-25 results; FY-25 guidance raised on back of strong H1-25

Q2-25 and H1-25 summary (proforma, excluding Multifonds)

- Q2-25 ARR of USD 791m, up 11% y-o-y c.c.
- Non-IFRS Q2-25 subscription and SaaS up 24% c.c.; H1-25 subscription and SaaS up 12% c.c.
- Non-IFRS Q2-25 maintenance up 10% c.c.; H1-25 maintenance up 10% c.c.
- Non-IFRS Q2-25 EBIT up 28% c.c. with 4 points of margin expansion; H1-25 EBIT up 19% c.c.
- Non-IFRS Q2-25 EPS up 36% reported; H1-25 EPS up 27% reported
- Q2-25 free cash flow (FCF) of USD 65m, up 8% reported; H1-25 FCF up 10% reported
- FY-25 guidance raised; Subscription and SaaS growth of at least 6% c.c. (up from 5-7%), EBIT growth of at least 9% c.c. (increased from at least 5%), EPS growth of 10-12% reported (increased from 7-9%); ARR guidance of at least 12% c.c. and FCF guidance of at least 12% reported reconfirmed
- FY-28 targets reconfirmed (non-IFRS, constant currency, excluding Multifonds) with ARR to reach more than USD 1.2bn, EBIT to reach c.USD 450m and FCF to reach c.USD 400m

GRAND-LANCY, Switzerland, July 22, 2025 – Temenos AG (SIX: TEMN), a global leader in banking technology, today announces its second quarter 2025 results.

Annual Recurring Revenue (ARR, proforma)

USDm, except EPS	Proforma (excluding Multifonds)			
	Q2-25	Q2-24	Change	CC*
Annual Recurring Revenue	790.6	703.7	12%	11%

Income statement and free cash flow (proforma)

USDm, except EPS	Q2-25 non-IFRS (proforma, excluding Multifonds)				H1-25 non-IFRS (proforma, excluding Multifonds)			
	Q2-25	Q2-24	Change	CC*	H1-25	H1-24	Change	CC*
Subscription and SaaS	124.9	99.9	25%	24%	201.7	179.6	12%	12%
Maintenance	120.0	107.4	12%	10%	233.5	210.2	11%	10%
Services	32.8	30.1	9%	6%	62.8	61.6	2%	1%
Total revenues	277.6	237.4	17%	16%	497.9	451.5	10%	10%
EBIT	111.6	85.9	30%	28%	181.1	149.8	21%	19%
EBIT margin	40.2%	36.2%	4% pts	4% pts	36.4%	33.2%	3% pts	3% pts
EPS (USD)	1.22	0.90	36%		1.96	1.54	27%	
Free cash flow	65.3	60.6	8%		114.1	104.1	10%	

The definition of non-IFRS adjustments is provided below. * Constant currency (c.c.) adjusts prior year for movements in currencies

Business update

- Strong Q2-25 and H1-25 performance across key metrics
- Sales environment remained stable
- Strong performance in Europe and the Americas in particular
- Good traction with existing customers, also winning significant number of new logos
- Continued executing targeted investments across the business including new senior hires in sales and product and technology

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- Strong growth in profitability driven by good cost control and ongoing savings from cost efficiency programs
- New AI-integrated products launched at Temenos Community Forum
- Sale of Multifonds completed as planned on 31st May 2025
- FY-25 guidance raised; FY-28 targets reconfirmed

Commenting on the results, **Temenos CEO Jean-Pierre Brulard said:**

"I was pleased with our performance in the second quarter, which more than compensated for the slower start to the year. We benefited from a stable sales environment and strong execution, particularly in Europe and the Americas. We successfully closed a couple of large deals, in addition to catching up all the delayed deals from the first quarter. We saw strong demand from existing clients as well as signing a significant number of new logos.

From an operational perspective, the simplification of our product and technology organization is now largely complete and our teams are implementing our new SAFE operational framework. We continued to make selective senior hires to strengthen our talent pool and have been actively hiring in sales across all regions globally, with more than 25 new salespeople hired in Q2. We had over 50 new product and technology developers join our US innovation hub to support our US and AI strategies and will look to make further hires over the coming quarters. I am confident we are making the right investments at speed, building capacity to deliver on our full year 2025 and FY-28 targets."

Commenting on the proforma results (excluding Multifonds), **Temenos CFO Takis Spiliopoulos said:**

"The second quarter performance was significantly stronger, with good execution across most regions. ARR grew 11% in constant currency in the quarter, again driven by a combination of strong subscription license signings as well as another strong quarter for maintenance, largely linked to good performance of our premium maintenance. Subscription and SaaS grew 24% in constant currency in the quarter and 12% for H1-25, which is very strong growth given we are still compensating for the headwind on SaaS from our BNPL customer as communicated with the Q1-25 results.

The investments we are making across the business continue to be largely self-funded through our cost saving program and we maintained our strong cost discipline in the quarter. Non-IFRS EBIT grew 28% in constant currency in the quarter and 19% for H1-25, reflecting both the strong revenue growth, our good cost control and ongoing savings from cost efficiency programs.

We generated USD 65m of free cash flow in the quarter, up 8% year-on-year and 10% in H1-25, and we ended the quarter with leverage at 1.2x net debt to non-IFRS EBITDA, well within our target operating leverage of 1.0x to 1.5x. I was pleased to announce the closure of the Multifonds sale at the end of May, as well as successfully closing a new RCF for USD 500m with a strong syndicate of US, European and Swiss banks. We now have no refinancing requirements until 2028 at the earliest. Our refinancing of the RCF was helped by the investment grade credit rating we received from S&P Global in the quarter.

Based on our H1-25 performance and our view of the sales environment, we are raising our guidance for FY-25. Furthermore, we have reconfirmed our FY-28 targets."

Revenue

Reported IFRS and non-IFRS revenue was USD 285.5m for the quarter, an increase of 15% vs. Q2-24

Proforma non-IFRS revenue (excluding Multifonds) was USD 277.6m for the quarter, an increase of 17% vs. Q2-24

Reported IFRS and non-IFRS subscription and SaaS revenue for the quarter was USD 127.0m, an increase of 25% vs. Q2-24.

Proforma non-IFRS subscription and SaaS revenue (excluding Multifonds) for the quarter was USD 124.9m, an increase of 25% vs. Q2-24.

EBIT

Reported IFRS EBIT was USD 78.3m for the quarter, an increase of 49% vs. Q2-24.

Reported non-IFRS EBIT was USD 115.7m for the quarter, an increase of 28% vs. Q2-24.

Proforma non-IFRS EBIT (excluding Multifonds) was USD 111.6m for the quarter, an increase of 30% vs. Q2-24.

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Earnings per share (EPS)

Reported IFRS EPS was USD 2.32 for the quarter, an increase of 364% vs. Q2-24.

Reported non-IFRS EPS was USD 1.27 for the quarter, an increase of 35%.

Proforma non-IFRS EPS (excluding Multifonds) was USD 1.22 for the quarter, an increase of 36% vs. Q2-24.

Cash flow

USD 65.3m of free cash flow (excluding Multifonds) was generated in the quarter, an increase of 8% vs. Q2-24.

Revenue line items and new cloud ARR disclosure

Temenos introduced new annual disclosure of cloud ARR at the time of its Q4-24 results announcement in February 2025, to provide transparency on the growth in cloud adoption. Its revenue disclosure was also updated to reflect changes in customer demand and industry best practice, with increasing use of hybrid and public cloud. 'Total software licensing' was renamed as 'subscription and SaaS' to bring disclosure in line with leading global software players. 'Subscription and SaaS' comprises subscription, term license and SaaS revenue. Term license is expected to continue declining to around USD 20-30m p.a. steady state.

Previous disclosure	Updated disclosure
ARR	ARR
ARR	ARR
	Cloud ARR (% of total ARR)
Revenue	Revenue
Subscription	Subscription and SaaS
Term license	Maintenance
SaaS	Services
Total software licensing	Total revenue
Maintenance	
Services	
Total revenue	

FY-25 non-IFRS guidance raised

The guidance for FY-25 is non-IFRS and in constant currencies, except for EPS and FCF which are reported. The guidance excludes any contribution from Multifonds. FCF includes IFRS 16 leases and interest costs.

- ARR growth of at least 12% c.c. (no change)
- Subscription and SaaS growth of at least 6% c.c. (previously 5-7%)
- EBIT growth of at least 9% c.c. (previously at least 5%)
- EPS growth of 10-12% reported (previously 7-9%)
- FCF growth of at least 12% reported (no change)

Currency assumptions for FY-25 guidance

In preparing the FY-25 guidance, the Company has assumed the following:

- EUR to USD exchange rate of 1.16;
- GBP to USD exchange rate of 1.34; and
- USD to CHF exchange rate of 0.80

The Company has also assumed the following for FY-25 guidance:

- FY-25 tax rate expected to be between 15-17%, benefiting from one off tax impact of c.USD 15m from prior years; normalized tax rate of 19-21%

FY-28 targets

FY-28 targets exclude contribution from Multifonds. FCF includes IFRS 16 leases and interest costs.

- ARR of at least USD 1.2bn

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- EBIT of c. USD 450m
- FCF of c. USD 400m

The guidance provided above and other statements about Temenos' expectations, plans and prospects in this press release constitute forward-looking financial information and represent the Company's current view and estimates as of July 22, 2025. We anticipate that subsequent events and developments may cause the Company's guidance and estimates to change. Future events are inherently difficult to predict. Accordingly, actual results may differ materially from those indicated by these forward-looking statements as a result of a variety of factors. More information about factors that potentially could affect the Company's financial results is included in its annual report available on the Company's website.

Conference call and webcast

At 18.30 CET / 17.30 GMT / 12.30 EST today, July 22, 2025, Jean-Pierre Brulard, CEO, and Takis Spiliopoulos, CFO, will host a webcast to present the results and offer an update on the business outlook. The webcast can be accessed through the following link:

[Q2 2025 webcast link](#)

Please use the webcast in the first instance to avoid delays in joining the call. For those who cannot access the webcast, the following dial-in details can be used as an alternative. Please dial in 15 minutes before the call commences.

Switzerland / Europe: + 41 (0) 58 310 50 00

United Kingdom: + 44 (0) 207 107 06 13

United States: + 1 (1) 631 570 56 13

Non-IFRS financial information

Readers are cautioned that the supplemental non-IFRS information presented in this press release is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Company's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies. The Company's non-IFRS figures exclude share-based payments and related social charges costs, any deferred revenue write-down resulting from acquisitions, discontinued activities that do not qualify as such under IFRS, gain/loss from business disposals, acquisition/investment/carve out related charges such as financing costs, advisory fees and integration costs and fair value changes on investments, charges as a result of the amortization of acquired intangibles, costs incurred in connection with a restructuring program or other organizational transformation activities planned and controlled by management, and adjustments made to reflect the associated tax charge relating to the above items.

Below are the accounting elements not included in the FY-25 non-IFRS guidance, which remain unchanged

- FY-25 estimated share-based payments and related social charges of c.5% of revenue
- FY-25 estimated amortisation of acquired intangibles of USD 45m
- FY-25 estimated restructuring/M&A related costs of USD 35m

– Ends –

About Temenos

Temenos (SIX: TEMN) is a global leader in banking technology. Through our market-leading core banking suite and best-in-class modular solutions, we are modernizing the banking industry. Banks of all sizes utilize our adaptable technology – deployed on-premises, in the cloud, or as SaaS – to deliver next-generation services and AI-enhanced experiences that elevate banking for their customers. Our mission is to create a world where people can live their best financial lives. For more information, please visit www.temenos.com.



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Investor and media contacts

Investors

Adam Snyder
Head of Investor Relations, Temenos
Email: asnyder@temenos.com
Tel: +44 207 423 3945

International media

Conor McClafferty
FGS Global on behalf of Temenos
Email: Conor.McClafferty@fgsglobal.com
Tel: +44 7920 087 914

Swiss media

Martin Meier-Pfister
IRF on behalf of Temenos
Email: meier-pfister@irf-reputation.ch
Tel: +41 43 244 81 40

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Appendix I – Q2-25 reported income statement

Reported income statement

<i>USDm, except EPS</i>	Reported							
	Non-IFRS				IFRS			
	Q2-25	Q2-24	Change	CC*	Q2-25	Q2-24	Change	CC*
Subscription and SaaS	127.0	101.9	25%	24%	127.0	101.9	25%	24%
Maintenance	125.2	115.0	9%	7%	125.2	115.0	9%	7%
Services	33.3	31.5	6%	3%	33.3	31.5	6%	3%
Total revenues	285.5	248.4	15%	13%	285.5	248.4	15%	13%
EBIT	115.7	90.4	28%	26%	78.3	52.6	49%	45%
EBIT margin	40.5%	36.4%	4% pts	4% pts	27.4%	21.2%	6% pts	6% pts
EPS (USD)	1.27	0.94	35%		2.32	0.50	364%	

The definition of non-IFRS adjustments is provided below. * Constant currency (c.c.) adjusts prior year for movements in currencies

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Appendix II – Q2-25 IFRS primary statements

TEMENOS AG

All amounts are expressed in thousands of US dollars

except earnings per share

	Three months to 30 June 2025	Three months to 30 June 2024	Twelve months to 30 June 2025	Twelve months to 30 June 2024
Revenues				
Subscription and SaaS	127,024	101,875	471,768	435,434
Maintenance	125,160	114,971	482,643	444,551
Services	33,288	31,539	129,097	132,982
<i>Total revenues</i>	285,472	248,385	1,083,508	1,012,967
Operating expenses				
Sales and marketing	(81,085)	(64,075)	(312,221)	(294,473)
Services	(31,923)	(32,069)	(127,884)	(133,874)
Software development and maintenance	(70,485)	(68,409)	(290,225)	(281,509)
General and administrative	(23,660)	(31,256)	(102,506)	(103,016)
<i>Total operating expenses</i>	(207,153)	(195,809)	(832,836)	(812,872)
Operating profit	78,319	52,576	250,672	200,095
Other				
Gain on sale of business	136,530	-	136,530	-
Net interest expenses	(2,731)	(4,218)	(12,604)	(18,379)
Foreign exchange loss and movement in fair value from financial instruments	(10,503)	(669)	(14,625)	(7,619)
<i>Total other income / (expenses)</i>	123,296	(4,887)	109,301	(25,998)
Profit before taxation	201,615	47,689	359,973	174,097
Taxation	(36,899)	(10,625)	(58,381)	(38,981)
Profit for the period	164,716	37,064	301,592	135,116
Earnings per share (in US\$):				
<i>basic</i>	2.34	0.51	4.26	1.86
<i>diluted</i>	2.32	0.50	4.21	1.85

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TEMENOS AG

All amounts are expressed in thousands of US dollars

	30 June 2025	31 March 2025	31 December 2024	30 June 2024
Assets				
Current assets				
Cash and cash equivalents	305,364	134,556	114,154	193,947
Trade receivables	182,594	165,979	179,918	201,028
Other receivables and financial assets	124,351	111,741	107,709	111,333
	612,309	412,276	401,781	506,308
Assets classified as held for sale	-	243,417	235,269	-
Total current assets	612,309	655,693	637,050	506,308
Non-current assets				
Property, plant and equipment	50,243	48,027	50,841	57,764
Intangible assets	1,300,411	1,283,212	1,280,873	1,496,040
Trade receivables	261,864	223,679	206,435	167,916
Other long term assets	88,678	49,192	47,598	42,350
Deferred tax assets	75,101	58,394	53,891	61,200
Total non-current assets	1,776,297	1,662,504	1,639,638	1,825,270
Total assets	2,388,606	2,318,197	2,276,688	2,331,578
Liabilities and equity				
Current liabilities				
Trade and other payables	264,687	223,853	218,316	219,745
Deferred revenues	444,329	438,065	437,931	418,419
Income tax liabilities	145,556	118,366	115,645	86,669
Borrowings	297,147	265,011	257,157	19,980
	1,151,719	1,045,295	1,029,049	744,813
Liabilities relating to assets classified as held for sale	-	42,849	44,390	-
Total current liabilities	1,151,719	1,088,144	1,073,439	744,813
Non-current liabilities				
Borrowings	590,566	451,965	469,566	745,769
Deferred tax liabilities	58,155	55,703	55,876	100,320
Trade and other payables	21,940	3,518	1,722	2,129
Deferred revenues	16,165	16,361	18,956	21,998
Retirement benefit obligations	16,341	19,048	18,155	18,239
Total non-current liabilities	703,167	546,595	564,275	888,455
Total liabilities	1,854,886	1,634,739	1,637,714	1,633,268
Shareholders' equity				
Share capital	236,245	254,764	254,764	254,764
Treasury shares	(271,115)	(352,957)	(403,945)	(256,312)
Share premium and capital reserves	(506,505)	(287,522)	(250,427)	(258,447)
Fair value and other reserves	(268,228)	(217,837)	(219,402)	(193,968)
Retained earnings	1,343,323	1,287,010	1,257,984	1,152,273
Total shareholders' equity	533,720	683,458	638,974	698,310
Total equity	533,720	683,458	638,974	698,310
Total liabilities and equity	2,388,606	2,318,197	2,276,688	2,331,578

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TEMENOS AG

All amounts are expressed in thousands of US dollars

	Three months to 30 June 2025	Three months to 30 June 2024	Twelve months to 30 June 2025	Twelve months to 30 June 2024
Cash flows from operating activities				
Profit before taxation	201,615	47,689	359,973	174,097
Adjustments:				
Depreciation and amortization	30,951	32,199	125,979	130,533
Gain on sale of business	(136,530)	-	(136,530)	-
Other non-cash and non-operating items	30,492	19,009	90,863	84,093
Changes in working capital:				
Trade and other receivables	(49,393)	361	(139,423)	(45,522)
Trade and other payables, and retirement benefit obligations	4,839	13,743	39,872	16,202
Deferred revenues	(3,288)	(16,349)	39,935	39,674
Cash generated from operations	78,686	96,652	380,669	399,077
Income taxes paid	(5,939)	(4,138)	(32,096)	(50,640)
Net cash generated from operating activities	72,747	92,514	348,573	348,437
Cash flows from investing activities				
Purchase of property, plant and equipment	(280)	(1,383)	(4,307)	(7,901)
Disposal of property, plant and equipment	-	-	163	165
Purchase of intangible assets	(383)	(1,242)	(2,444)	(2,698)
Capitalized development costs	(16,834)	(17,069)	(68,598)	(75,125)
Repayment for long-term loans	-	-	-	3,000
Proceeds on sale of business, net of cash disposed	319,045	-	319,045	-
Settlement of financial instruments	(12,865)	2,940	(17,631)	7,357
Interest received	679	645	1,658	2,515
Net cash generated from / (used in) investing activities	289,362	(16,109)	227,886	(72,687)
Cash flows from financing activities				
Dividend paid	(110,549)	(96,938)	(110,549)	(96,938)
Disposal of treasury shares	-	67,447	-	102,160
Acquisition of treasury shares	(159,553)	(39,361)	(346,975)	(39,361)
Proceeds from borrowings	107,574	56,022	391,451	320,043
Repayments of borrowings	(324,823)	-	(664,284)	(286,874)
Proceeds from issuance of bonds	281,976	-	281,976	220,840
Repayment of bond	-	(166,181)	-	(366,373)
Proceeds from long-term loans	-	-	467	-
Payment of lease liabilities	(3,417)	(3,619)	(14,331)	(14,422)
Interest paid	(499)	(6,380)	(20,422)	(20,769)
Settlement of financial instruments	-	5,752	(245)	4,350
Payment of other financing costs	(716)	(978)	(2,683)	(3,857)
Net cash used in financing activities	(210,007)	(184,236)	(485,595)	(181,201)
Effect of exchange rate changes	18,706	(678)	20,553	(1,490)
Net increase / (decrease) in cash and cash equivalents in the period	170,808	(108,509)	111,417	93,059
Cash and cash equivalents at the beginning of the period	134,556	302,456	193,947	100,888
Cash and cash equivalents at the end of the period	305,364	193,947	305,364	193,947



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Appendix III – reconciliation of IFRS to non-IFRS Q2-25 Income Statement

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

To compensate for these limitations, the supplemental non-IFRS financial information should not be read in isolation, but only in conjunction with the Company's consolidated financial statements prepared in accordance with IFRS.

IFRS - Non- IFRS Reconciliation Thousands of US Dollars	3 Months Ending 30 June						Change	
	2025		2025	2024		2024	IFRS	Non-IFRS
	IFRS	Non-IFRS adjustments	Non-IFRS	IFRS	Non-IFRS adjustments	Non-IFRS		
Subscription and SaaS	127,024	-	127,024	101,875	-	101,875	25%	25%
Maintenance	125,160		125,160	114,971		114,971	9%	9%
Services	33,288		33,288	31,539		31,539	6%	6%
Total Revenue	285,472	-	285,472	248,385	-	248,385	15%	15%
Total Operating Expenses	(207,153)	37,346	(169,807)	(195,809)	37,845	(157,964)	6%	7%
Restructuring	(16,310)	16,310	-	(14,752)	14,752	-	11%	
Amort of Acquired Intangibles	(10,707)	10,707	-	(10,599)	10,599	-	1%	
Share based payment	(10,329)	10,329	-	(12,494)	12,494	-	(17%)	
Operating Profit	78,319	37,346	115,665	52,576	37,845	90,421	49%	28%
Operating Margin	27%		41%	21%		36%	6.3% pts	4.1% pts
Gain on sale of business	136,530	(136,530)	-	-	-	-	NA	
Finance Costs	(13,234)	9,300	(3,934)	(4,887)	1,600	(3,287)	171%	20%
Taxation	(36,899)	15,136	(21,763)	(10,625)	(6,756)	(17,381)	247%	25%
Net Earnings	164,716	(74,748)	89,968	37,064	32,689	69,753	344%	29%
EPS (USD per Share)	2.32	(1.05)	1.27	0.50	0.44	0.94	364%	35%