

temenos

temenos

Financial Results and Business Update

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22 July 2025

Quarter ended, 30 June 2025



Disclaimer

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

Any statements we make about our expectations, plans and prospects for the Company, including any guidance on the Company's financial performance, constitute forward-looking statements.

The forward-looking financial information provided by the Company on the conference call and in this document represent the Company's current view and estimates as of July 22nd, 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.

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

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Non-IFRS information

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

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

In the Appendix accompanying this presentation, the Company sets forth supplemental non-IFRS figures for revenue, operating costs, EBIT, EBITDA, net earnings and earnings per share that exclude the effect of share-based payments, the carrying value of acquired companies' deferred revenue, the amortization of acquired intangibles, discontinued activities, acquisition/investment related charges, restructuring costs, and the income tax effect of the non-IFRS adjustments. These tables also present the most comparable IFRS financial measures and reconciliations.

In addition, the Company provides percentage increases or decreases in its revenue (on both an IFRS and non-IFRS basis) eliminating the effect of changes in currency values when it believes that this presentation is helpful to an understanding of trends in its business. Accordingly, when trend information is expressed "in constant currencies" or "c.c.", the results of the "prior" period have first been recalculated using the average exchange rates of the comparable period in the current year, and then compared with the results of the comparable period in the current year.

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Q2-25 highlights

- Strong Q2-25 and H1-25 performance across key metrics
- Sales environment remained stable, with large deals signing
- 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
- 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 confirmed

Q2-25 deal announcements and customer success

New customer announcements



- **Banco da Amazonia, Brazilian regional development bank**
- **Core banking, payments and digital** for retail, SME and corporate
- Selected Temenos to support move to **fully digital bank** with **national reach**, launch **new products**, and **robust scalability and efficiency**



- **EastWest Bank, a leading universal bank in the Philippines**
- **SaaS core and digital** for retail, SME and corporate
- Selected Temenos for **scalability, increased efficiency and ability to drive digital transformation**, as well as **expansion into new business lines including Wealth**

Customer success



81 go-lives in Q2-25

Total of 151 go-lives in H1-25

Temenos Community Forum '25

Close to 2,000 attendees

Over **90** countries

TRF'25
Americas

TRF'25
Asia-Pacific

Key product announcements

Temenos product manager copilot

Gen AI assistant integrating Microsoft Azure OpenAI Service, embedded within the Temenos Retail core banking solution

Temenos Financial Crime Mitigation AI agent

Detect, investigate, and prevent sanctions transgressions against global watchlists, reducing false positives and evaluating alerts in real time

Global recognition



Temenos ranked
#1 in 13 categories
including Universal
Core Banking (20th
Year)



Temenos named
**Best Core
Banking System**



Temenos named
**World's Best
Core Banking
Solution**



Temenos ranked
**4th most
sustainable
company in the
world**

Strategy execution update



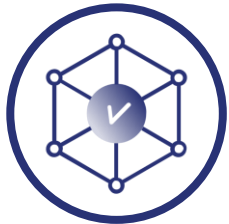
Product & technology investment



Go To Market investment



Customer lifecycle



G&A and Operating Model

Progress

- 50+ new developers and architects hired in US innovation hub
- Continued investment in new senior talent including Chief Security and Risk Officer and Chief Technology Officer
- 25+ new sales hiring in key regions globally
- Investing in our product and technology, in particular our corporate and wealth roadmaps

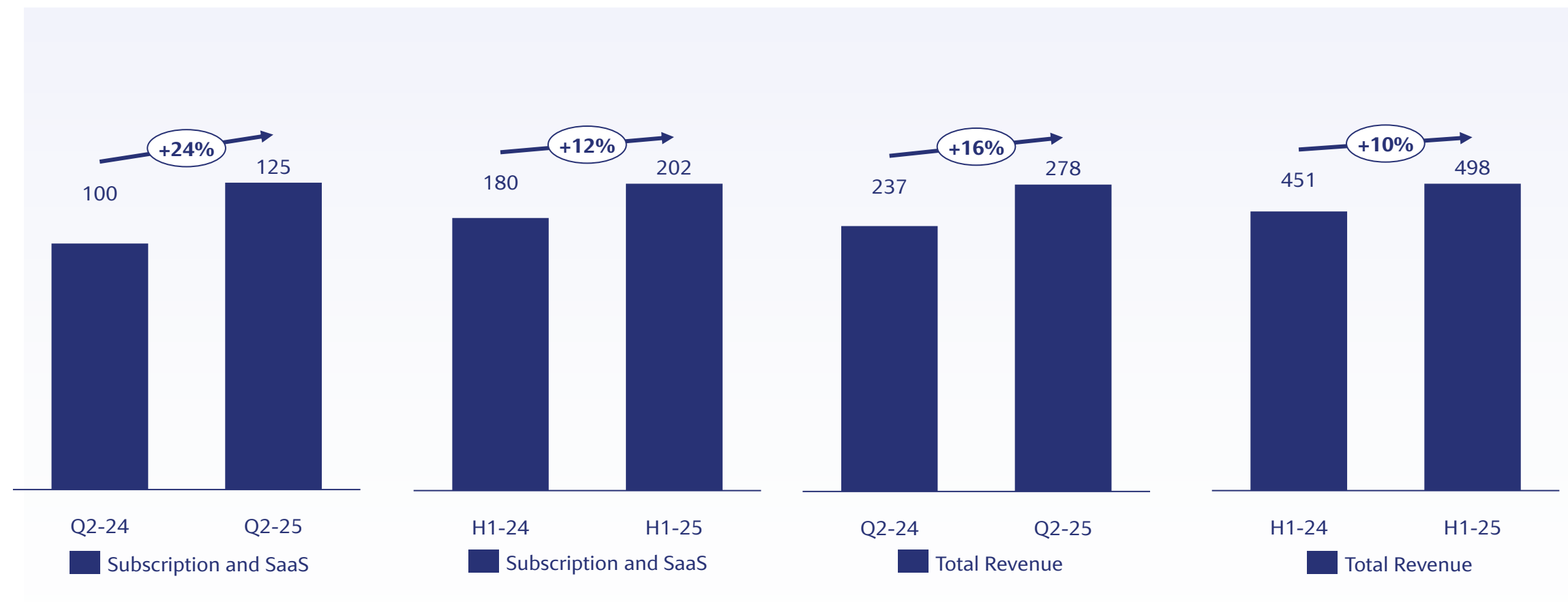
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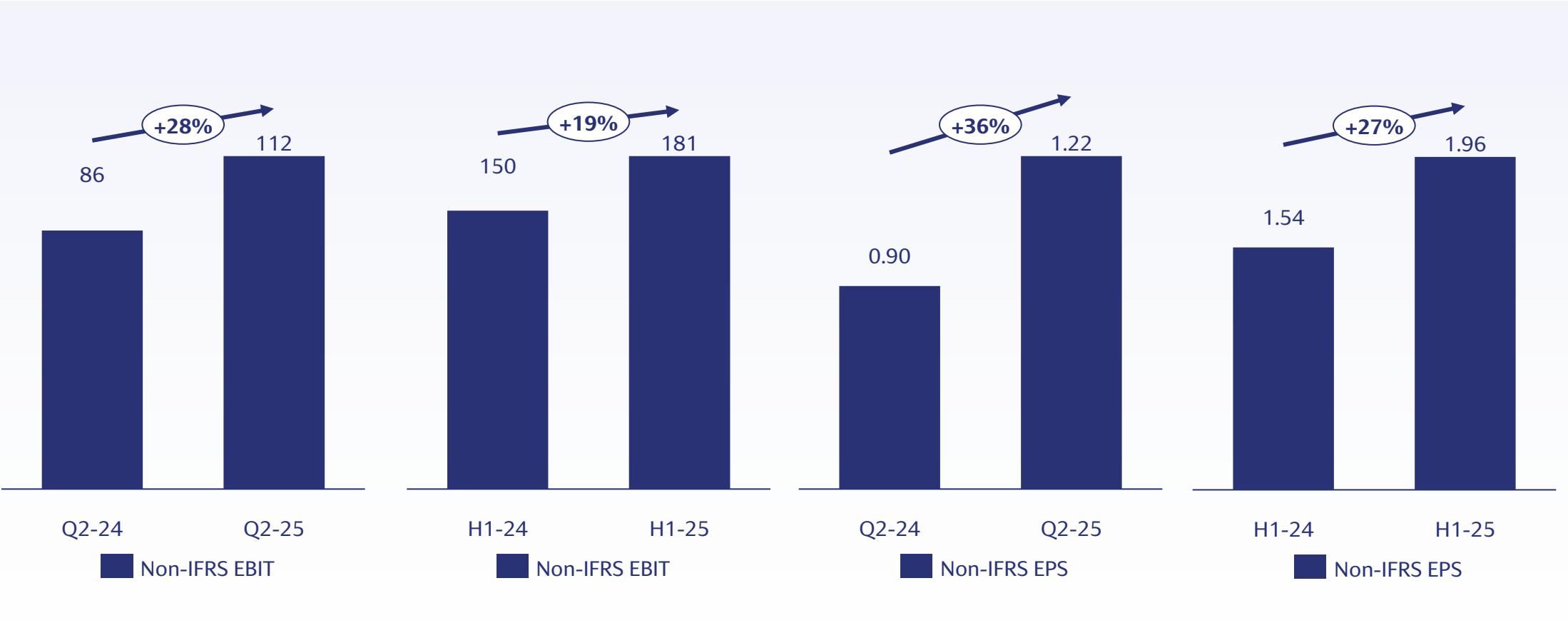
Strong Q2-25 and H1-25 revenue growth (proforma)



Significantly exceeded Q2-25 guidance range whilst absorbing headwind from BNPL client

Note: growth rates are non-IFRS c.c.. Proforma excludes Multifonds

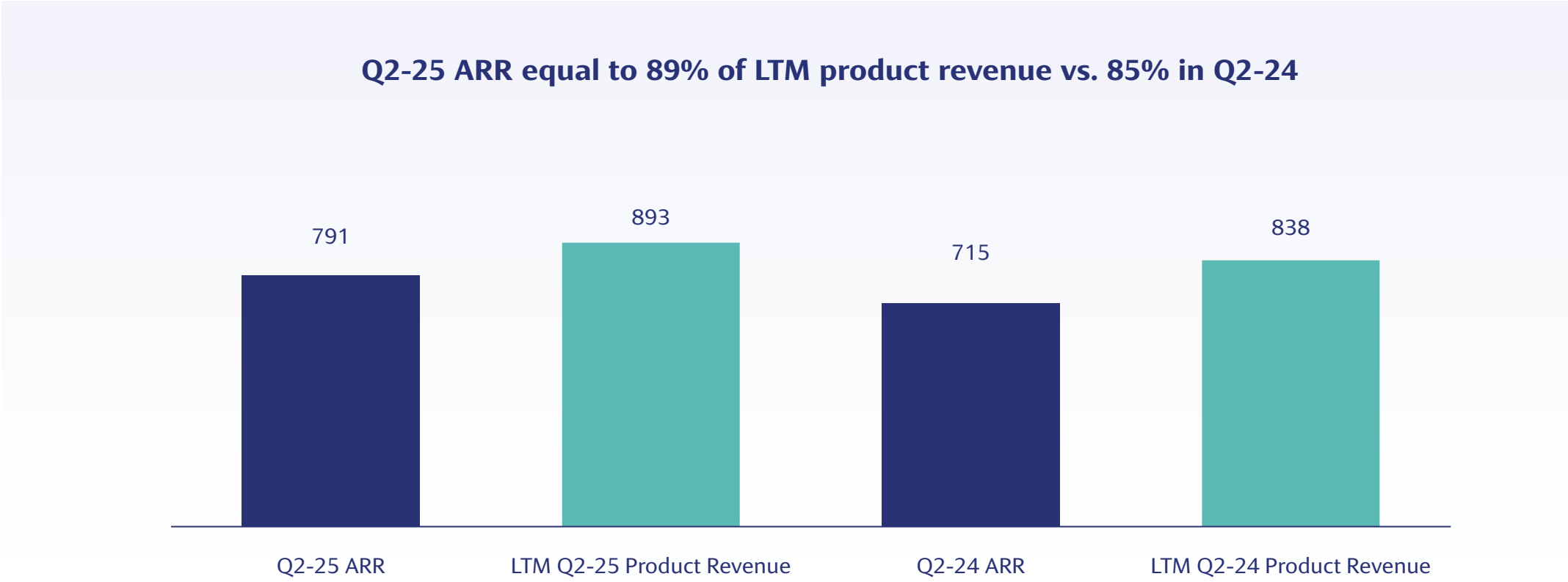
Strong growth in profit (proforma)



Ongoing targeted investments offset by cost efficiency savings and good cost control

Note: non-IFRS EBIT growth rates are c.c., non-IFRS EPS growth rates are reported. Proforma excludes Multifonds

ARR increasing as a percentage of product revenue (proforma)



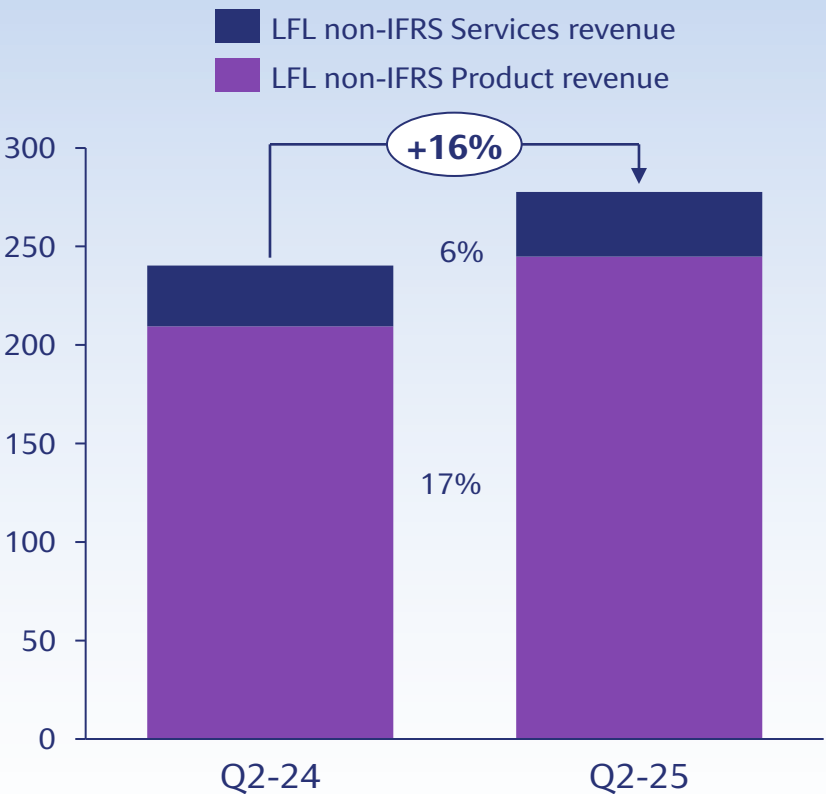
Note: Figures are non-IFRS and in constant currencies. Proforma excludes Multifonds.

Proforma ARR and non-IFRS income statement – operating

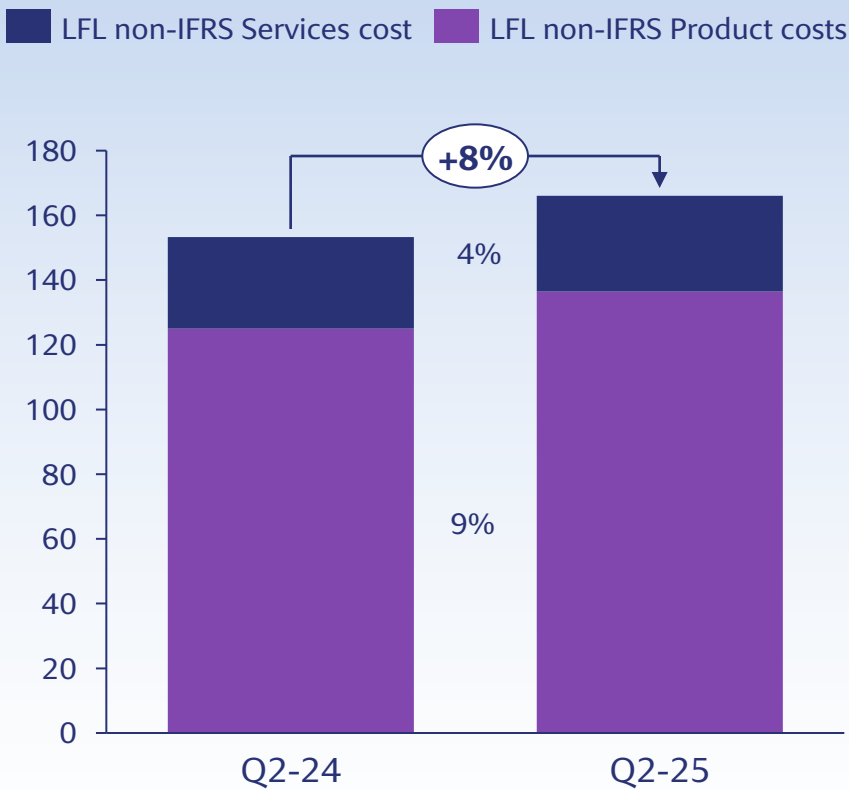
	Q2-25 proforma (excluding Multifonds)				YTD proforma (excluding Multifonds)			
ARR (USDm)	Q2-25	Q2-24	Y-o-Y reported	Y-o-Y c.c.	H1-25	H1-24	Y-o-Y reported	Y-o-Y c.c.
ARR	790.6	703.7	12%	11%	790.6	703.7	12%	11%
Income statement (USDm)	Q2-25	Q2-24	Y-o-Y reported	Y-o-Y c.c.	H1-25	H1-24	Y-o-Y reported	Y-o-Y c.c.
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 revenue	277.6	237.4	17%	16%	497.9	451.5	10%	10%
Operating costs	166.0	151.5	10%	8%	316.9	301.7	5%	5%
EBIT	111.6	85.9	30%	28%	181.1	149.8	21%	19%
Margin	40.2%	36.2%	4% pts	4% pts	36.4%	33.2%	3% pts	3% pts
EBITDA	130.6	106.0	23%	22%	219.2	190.0	15%	14%
Margin	47.0%	44.7%	2% pts	2% pts	44.0%	42.1%	2% pts	2% pt

Like-for-like proforma revenue and costs

- Q2-25 LFL non-IFRS revenue up 16%
- Q2-25 LFL non-IFRS product revenue up 17%



- Q2-25 LFL non-IFRS costs up 8%
- Q2-25 LFL non-IFRS product costs up 9%

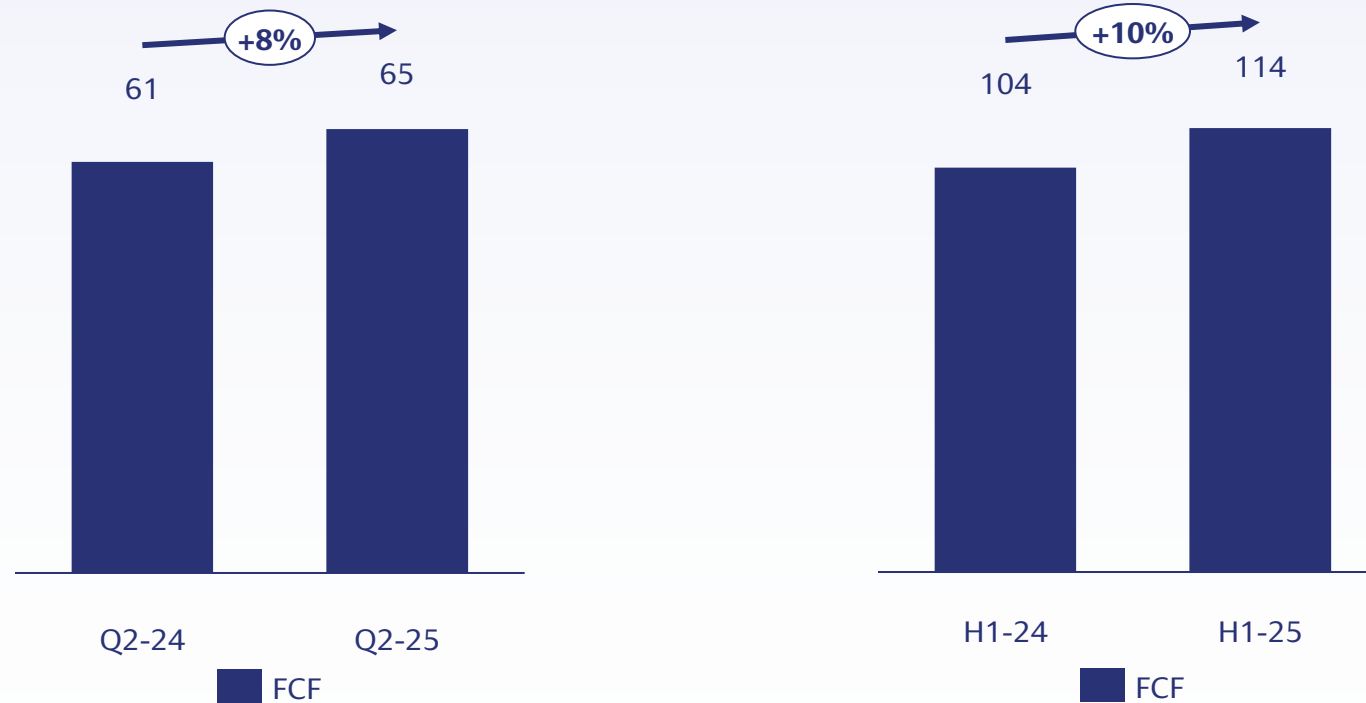


Note: figures are non-IFRS c.c. growth rates unless otherwise stated, excluding Multifonds

Non-IFRS income statement – non-operating

In USDm, except EPS	Proforma (excluding Multifonds)			Reported		
	Q2-25	Q2-24	Y-o-Y reported	Q2-25	Q2-24	Y-o-Y reported
EBIT	111.6	85.9	30%	115.7	90.4	28%
Net finance charge	(2.8)	(4.3)	(35%)	(2.7)	(4.2)	(35%)
FX gain / (loss)	(1.2)	0.9	229%	(1.2)	0.9	229%
Tax	(21.0)	(16.2)	29%	(21.8)	(17.4)	25%
Net profit	86.6	66.3	31%	90.0	69.8	29%
EPS (USD)	1.22	0.90	36%	1.27	0.94	35%

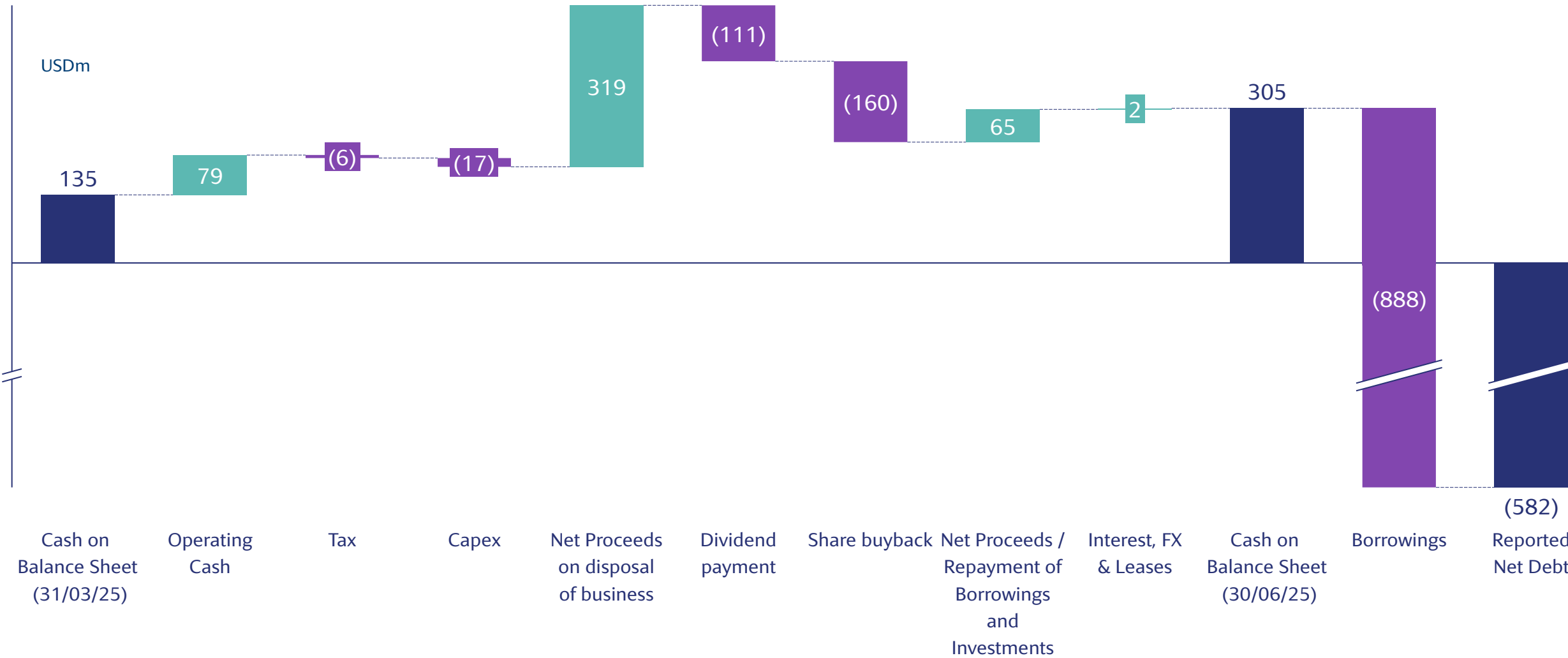
Free cash flow growing double-digit (proforma)



Free cash flow growth of 10% in H1-25

Note: Figures are non-IFRS reported growth rates. Proforma excludes Multifonds.

Group liquidity (reported)



Leverage at 1.2x at end of Q2-25

Note: Net debt is reported

Debt, leverage and capital allocation

- Received investment grade rating of BBB- with a stable outlook from S&P Global Ratings
- New RCF signed for USD 500m, no further refinancing required until 2028
- CHF 136m of shares repurchased by end of June out of a total of up to CHF 250m
- Net debt of USD 539m as of 30 June 2025
- Leverage at 1.2x at quarter end, down from 1.3x in Q1-25

FY-25 guidance raised (non-IFRS, proforma)

- FY-25 guidance raised; excludes any contribution from Multifonds
- FY-24 proforma also excludes any contribution from Multifonds and is constant currency

	New FY-25 guidance	FY-24 proforma (USD, c.c.)
ARR (c.c.)	At least 12% growth (no change)	768m
Subscription and SaaS (c.c.)	At least 6% growth (previously 5-7%)	413m
EBIT (c.c.)	At least 9% growth (previously at least 5%)	308m
EPS (reported)	10-12% growth (previously 7-9%)	3.35*
Free cash flow (reported)	At least 12% growth (no change)	223m*

- FY-24 EPS and free cash flow are not restated for currency.
- See Disclaimer at beginning of this presentation on forward-looking statements

FY-28 targets (non-IFRS)

- FY-28 targets excluding any contribution from Multifonds
- FY-24 proforma also excludes contribution from Multifonds and is constant currency

	Updated FY-28 targets (USD)	FY-24 proforma (USD, c.c.)	Implied CAGR (unchanged from Nov-24 CMD)
ARR	>1.2bn	768m	13%
EBIT	c.450m	308m	10%
Free Cash Flow (new)	c.400m	223m*	16%

- Free Cash Flow new definition includes IFRS 16 leases and interest costs
- FY-24 Free Cash Flow is reported figure and not restated, new definition includes IFRS 16 leases and interest costs
- Tax rate expected to marginally decrease from 20-22% to 19-21%
- See disclaimer at beginning of this presentation on forward-looking statements

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FX and other assumptions underlying FY-25 guidance

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

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%

FX exposure

% of total	USD	EUR	GBP	CHF	INR	RON	Other
Subscription and SaaS	70%	19%	2%	2%	0%	0%	7%
Maintenance	78%	14%	2%	1%	0%	0%	5%
Services	50%	29%	5%	7%	0%	0%	9%
Revenues	71%	18%	2%	2%	0%	0%	7%
Non-IFRS costs	31%	13%	10%	5%	17%	2%	22%
Non-IFRS EBIT	147%	28%	(13)%	(4)%	(32)%	(3)%	(23)%

NB. All % are approximations based on FY-24 actuals

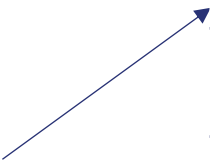
Mitigated FX exposure – matching of revenues / costs and hedging

Revenue line items and cloud ARR disclosure

- Annual disclosure on cloud ARR introduced to provide transparency on growth in cloud adoption
- Revenue disclosure updated to reflect changes in customer demand and industry best practice, with increasing use of hybrid and public cloud
- Renaming ‘total software licensing’ as ‘subscription and SaaS’ to bring in line with leading global software players
- ‘Subscription and SaaS’ will comprise subscription, term license and SaaS revenue
- Term license expected to continue declining to around USD 20-30m p.a. steady state

Previous disclosure	
ARR	
ARR	
Revenue	
Subscription	
Term license	
SaaS	
Total software licensing	
Maintenance	
Services	
Total revenue	

Updated disclosure	
ARR	
ARR	
Cloud ARR (% of total ARR)	
Revenue	
Subscription and SaaS	
Maintenance	
Services	
Total revenue	

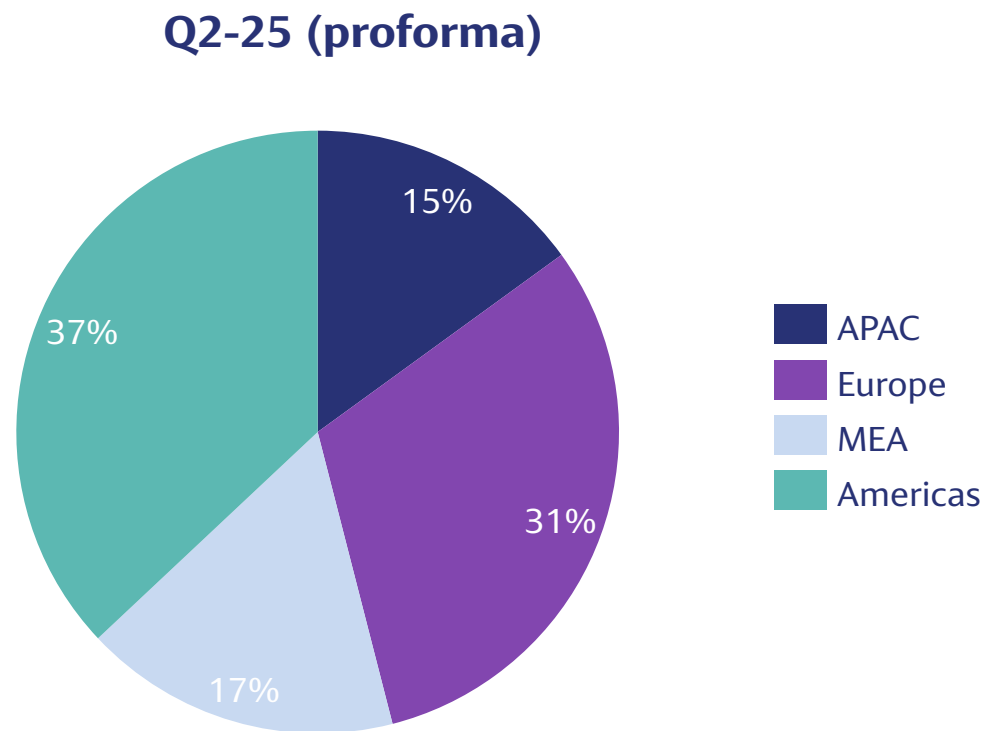


Quarterly proforma ARR and FCF

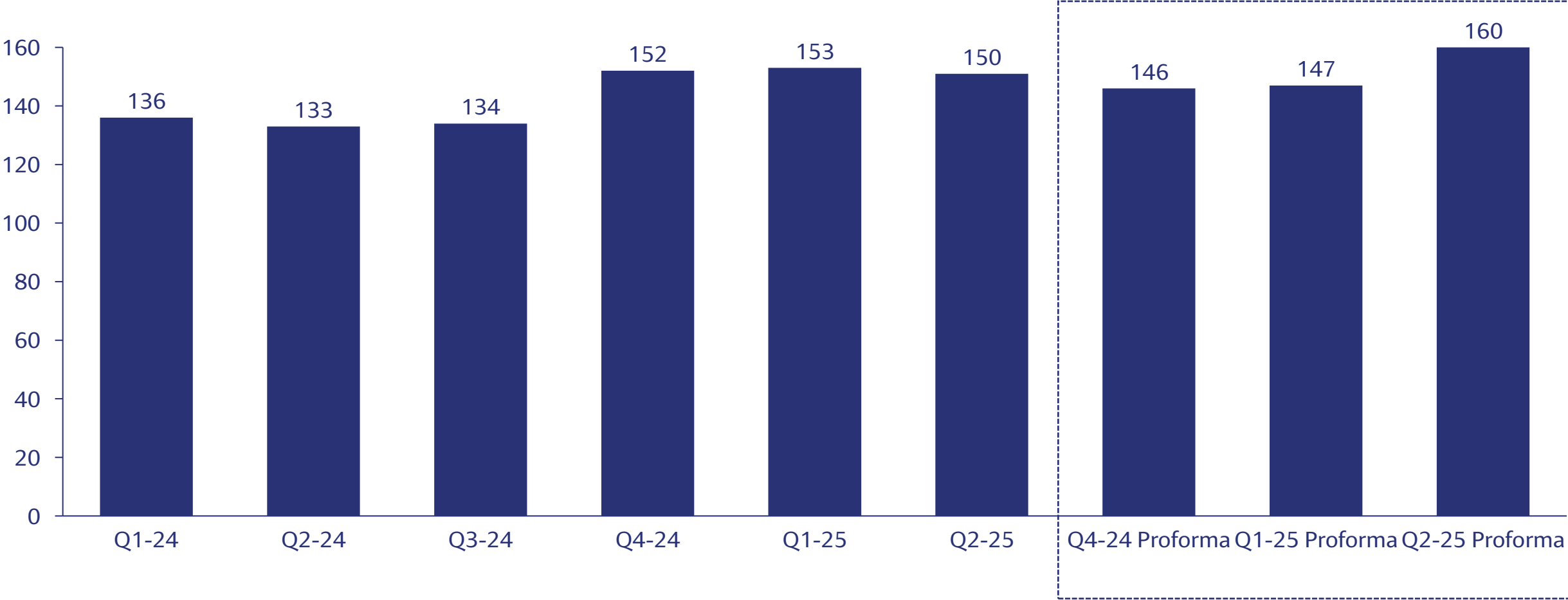
ARR, USD m	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25
ARR	683.5	703.7	721.4	749.5	741.4	790.6

FCF, USD m	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25
FCF	43.5	60.6	22.5	96.6	48.8	65.3

Total software licensing revenue breakdown by geography



DSOs

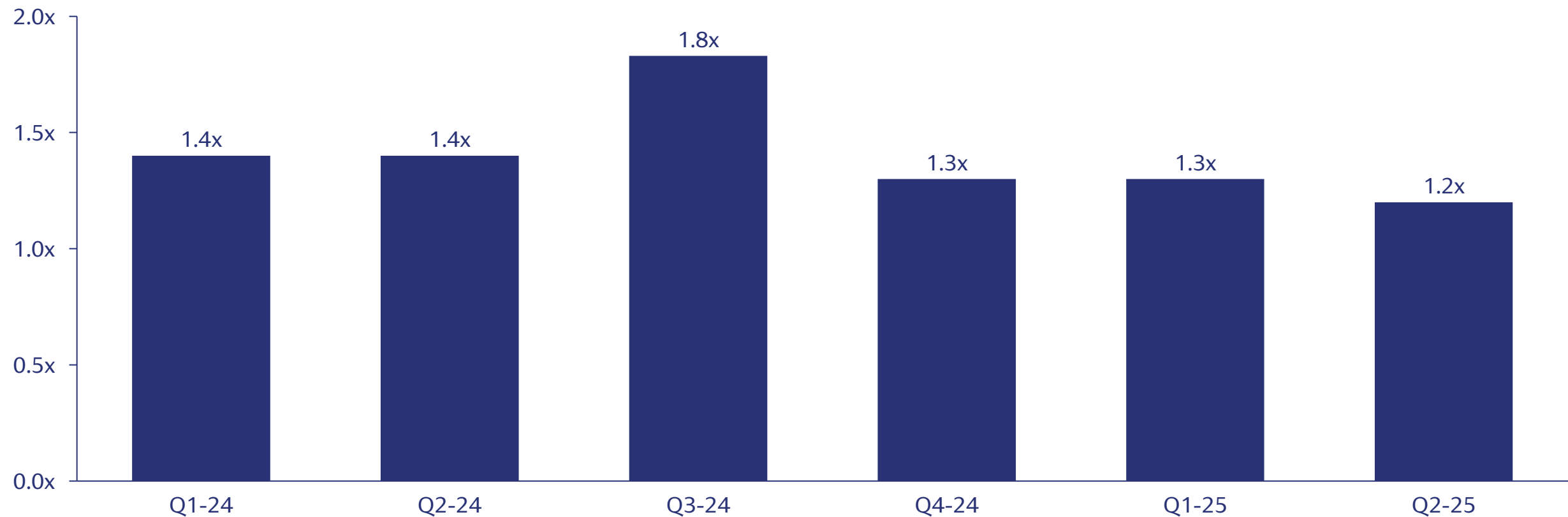


DSOs at 150 at Q2-25 (Q2-25 proforma* DSOs at 160)

Note: Proforma view excludes Multifonds revenue and receivables

Balance sheet – leverage

Leverage ratios



Note: Includes Multifonds EBITDA

Capitalization of development costs

USDm	Q1-24	Q2-24	Q3-24	Q4-24	FY-24
Cap' dev' costs	(19.3)	(17.1)	(17.4)	(16.5)	(70.3)
Amortisation	14.8	14.3	16.1	14.8	60.0
Net cap' dev'	(4.6)	(2.7)	(1.3)	(1.7)	(10.3)

Proforma, USDm	Q1-25	Q2-25	Q3-25	Q4-25	FY-25
Cap' dev' costs	(15.4)	(15.0)			
Amortisation	13.1	13.1			
Net cap' dev'	(2.2)	(1.9)			

Reconciliation from IFRS to non-IFRS

IFRS revenue measure

+ Deferred revenue write-down

= **Non-IFRS revenue measure**

IFRS profit measure

+/- Share-based payments and related social charges

+/- Deferred revenue write down

+ / - Discontinued activities

+ / - Gain/loss from sale of business

+ / - Amortisation of acquired intangibles

+ / - Restructuring / M&A related costs

+ / - Fair value change on financial investments

+ / - Taxation

= **Non-IFRS profit measure**

Accounting elements not included in non-IFRS guidance

Below are the accounting elements not included in the FY-25 non-IFRS guidance:

FY-25 estimated share-based payments charge 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

Restructuring / M&A related costs include costs incurred in connection with a restructuring programme or other organisational transformation activities planned and controlled by management, or cost related mainly to advisory fees, integration, separation, carve-out costs and earn out credits or charges. Severance charges, for example, would only qualify under this expense category if incurred as part of a company-wide restructuring plan. These estimates do not include impact of any further acquisitions or restructuring programmes commenced after July 22nd, 2025. The above figures are estimates only and may deviate from expected amounts.

Earnings Reconciliation – IFRS to non-IFRS

In USDm, except EPS	3 Months Ending 30 June			3 Months Ending 30 June		
	2025		2025	2024		2024
	IFRS	Non-IFRS adj.	Non-IFRS	IFRS	Non-IFRS adj.	Non-IFRS
Subscription and SaaS	127.0		127.0	101.9		101.9
Maintenance	125.2		125.2	115.0		115.0
Services	33.3		33.3	31.5		31.5
Total Revenue	285.5		285.5	248.4		248.4
Total Operating Costs	(207.2)	37.3	(169.8)	(195.8)	37.8	(158.0)
Restructuring/M&A costs	(16.3)	16.3		(14.8)	14.8	-
Amort of Acq'd Intang.	(10.7)	10.7		(10.6)	10.6	-
Share-based payments	(10.3)	10.3		(12.5)	12.5	-
Operating Profit	78.3	37.3	115.7	52.6	37.8	90.4
Operating Margin	27%		41%	21%		36%
Financing Costs	(13.2)	9.3	(3.9)	(4.9)	1.6	(3.3)
Gain on sale of Multifonds	136.5	(136.5)	-	-	-	-
Taxation	(36.9)	15.1	(21.8)	(10.6)	(6.8)	(17.4)
Net Earnings	164.7	(74.7)	90.0	37.1	32.7	69.8
EPS (USD per Share)	2.32	1.05	1.27	0.50	0.44	0.94

Net earnings reconciliation IFRS to non-IFRS

In USDm, except EPS	Q2-25	Q2-24
IFRS net earnings	164.7	37.1
Share-based payments	(10.3)	(12.5)
Amortisation of acquired intangibles	(10.7)	(10.6)
Restructuring / M&A related costs	(16.3)	(14.8)
Fair value change on financial instruments	(9.3)	(1.6)
Taxation	(15.1)	6.8
Gain on sale of Multifonds	136.5	0.0
Net earnings for non-IFRS EPS	90.0	69.8
No. of dilutive shares (m shares)	71.0	73.9
Non-IFRS diluted EPS (USD)	1.27	0.94

Proforma & Reported ARR and non-IFRS income statement – operating

Q2-25 proforma (excluding Multifonds)

Q2-25 reported

ARR (USDm)	Q2-25	Q2-24	Y-o-Y reported	Y-o-Y c.c.	Q2-25	Q2-24	Y-o-Y reported	Y-o-Y c.c.
ARR	790.6	703.7	12%	11%	790.6	742.4	6%	5%
Income statement (USDm)	Q2-25	Q2-24	Y-o-Y reported	Y-o-Y c.c.	Q2-25	Q2-24	Y-o-Y reported	Y-o-Y c.c.
Subscription and SaaS	124.9	99.9	25%	24%	127.0	101.9	25%	24%
Maintenance	120.0	107.4	12%	10%	125.2	115.0	9%	7%
Services	32.8	30.1	9%	6%	33.3	31.5	6%	3%
Total revenue	277.6	237.4	17%	16%	285.5	248.4	15%	13%
Operating costs	166.0	151.5	10%	8%	169.8	158.0	7%	6%
EBIT	111.6	85.9	30%	28%	115.7	90.4	28%	26%
Margin	40.2%	36.2%	4% pts	4% pts	40.5%	36.4%	4% pts	4% pts
EBITDA	130.6	106.0	23%	22%	134.7	111.9	20%	19%
Margin	47.0%	44.7%	2% pts	2% pts	47.2%	45.0%	2% pts	2% pt

Non-IFRS definitions

Non-IFRS adjustments

Share-based payment charges

Adjustment made for shared-based payments and social charges

Deferred revenue write-down

Adjustments made resulting from acquisitions

Discontinued activities

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

Gain/loss from sale of business

Gain or loss from sale of part of the business

Acquisition / Investment related finance cost

Mainly relates to acquisition & investment related financing expenses and fair value changes on investments

Amortisation of acquired intangibles

Amortisation charges as a result of acquired intangible assets

Restructuring / M&A related costs

Costs incurred in connection with a restructuring programme or other organisational transformation activities planned and controlled by management, or cost related mainly to advisory fees, integration, separation, carve-out costs and earn out credits or charges. Severance charges, for example, would only qualify under this expense category if incurred as part of a company-wide restructuring plan.

Taxation

Adjustments made to reflect the associated tax charge mainly on deferred revenue write-down, gain/loss from sale of business and amortization of acquired intangibles, fair value changes on investment and on the basis of Temenos' expected effective tax rate

Other

Proforma (excluding Multifonds)

Income statement line items and free cash flow adjusted to remove any contribution from Multifonds, with sale of Multifonds expected to close in Q2-25.

Revenue visibility

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

Constant currencies

Prior year results adjusted for currency movement

Like-for-like (LFL)

Adjusted prior year for acquisitions and movements in currencies

SaaS

Revenues generated from Software-as-a-Service, reported in Subscription and SaaS.

Subscription

Revenue from software sold on a subscription basis. License and Maintenance are recognized separately, with the License obligation reported in Subscription and SaaS.

Annual Recurring Revenues (ARR)

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

Product Revenues

Revenues from Subscription and SaaS and Maintenance combined i.e. Total revenues excluding services revenues

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