



2018 FIRST QUARTER RESULTS

Ended March 31, 2018

Forward Looking Statements Disclaimer

This presentation contains statements, including statements about future plans and expectations, which constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward looking statements are generally stated in terms of the Company's plans, expectations and intentions. These statements are based on the current beliefs, expectations and assumptions of the Company's management and the current economic environment. Forward looking statements are inherently subject to significant economic, competitive and other uncertainties and contingencies, many of which are beyond the control of management. The Company cautions that these statements are not guarantees of future performance. There are or will be important known and unknown factors and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward looking statements. These factors, include, but are not limited to, risks associated with competition, success and growth of cloud Software-as-a-Service business, cyber security attacks or other security breaches, privacy concerns and legislation, dependency on third-party cloud computing platform providers, hosting facilities and service partners, changes in general economic and business conditions, rapidly changing technology, changes in currency exchange rates and interest rates, difficulties in making additional acquisitions or effectively integrating acquired operations, products, technologies and personnel, successful execution of growth strategy, the effects of tax reforms, and the effect of newly enacted or modified laws, regulation or standards on the Company and its products; and other factors and uncertainties discussed in our filings with the U.S. Securities and Exchange Commission (the "SEC"). You are encouraged to carefully review the section entitled "Risk Factors" in our latest Annual Report on Form 20-F and in our other relevant filings with the SEC for additional information regarding these and other factors and uncertainties that could affect our future performance, and undue reliance should not be placed upon these statements. The forward-looking statements contained in this presentation are made as of the date hereof, and the Company undertakes no obligation to update or revise them, except as required by law.

Explanation of Non-GAAP measures

Non-GAAP financial measures consist of GAAP financial measures adjusted to exclude: amortization of acquired intangible assets, share-based compensation, certain business combination accounting entries, amortization of discount on long term debt, ASC 606 to ASC 605 adjustments and tax adjustment re non-GAAP adjustments. The purpose of such adjustments is to give an indication of our performance exclusive of non-cash charges and other items that are considered by management to be outside of our core operating results. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures, and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Business combination accounting rules requires us to recognize a legal performance obligation related to a revenue arrangement of an acquired entity. The amount assigned to that liability should be based on its fair value at the date of acquisition. The non-GAAP adjustment is intended to reflect the full amount of such revenue. We believe this adjustment is useful to investors as a measure of the ongoing performance of our business. We believe these non-GAAP financial measures provide consistent and comparable measures to help investors understand our current and future operating cash flow performance. These non-GAAP financial measures may differ materially from the non-GAAP financial measures used by other companies. Our non-GAAP financial measures in Q1 2018 are based on ASC 605. We elected to present our non-GAAP financial data using this approach to provide better transparency and comparability to 2017 non-GAAP financial data, which was reported under ASC 605. Reconciliation between results on a GAAP and non-GAAP basis is provided in a table immediately following the Consolidated Statements of Income, including adjustments which reconcile between ASC 606 and our ASC 605 non-GAAP reported results.

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Q1 2018 Highlights

Income Statement

Balance Sheet and Cash Flow Analysis

Outlook

Q1 2018 Highlights*

Revenue of \$341M;
growth of 11%
compared to Q1
last year

Cloud revenue
increased 33%
to \$106M

Recurring revenue
increased to 69%
of total revenue
compared to 65%
last year

Gross profit
increased 12%;
gross margin
increased to
70.6% from
69.9% last year

Operating income
increased 14% to
\$84M; operating
margin increased to
24.6% from 23.9%

EPS of \$1.03;
growth of 16%
compared to Q1
last year

**Cash from
operations** of
\$137M; compared
to \$133M last year

**Company raised
full year 2018
revenue and
EPS guidance**

* All numbers presented are Non-GAAP under ASC 605

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Q1 2018 Highlights

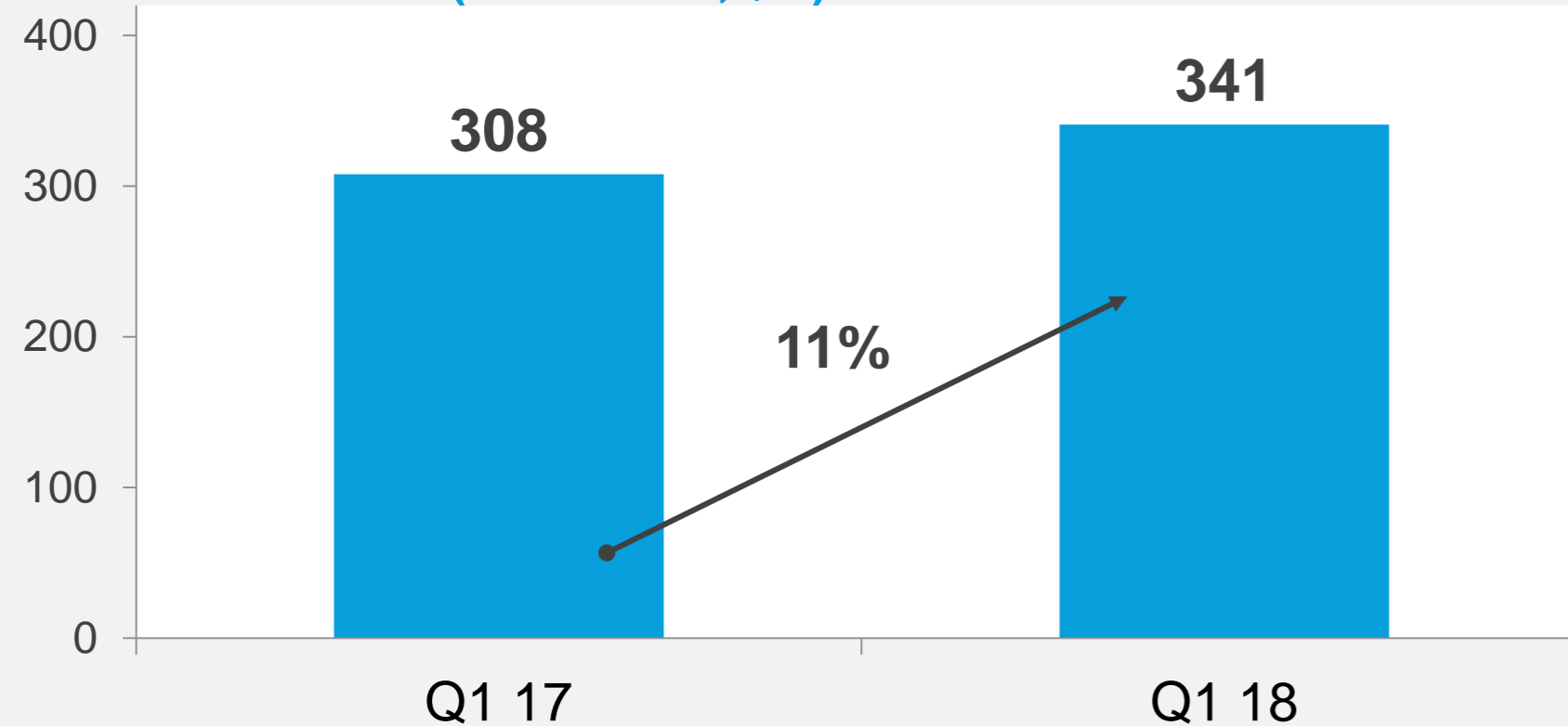
Income Statement

Balance Sheet and Cash Flow Analysis

Outlook

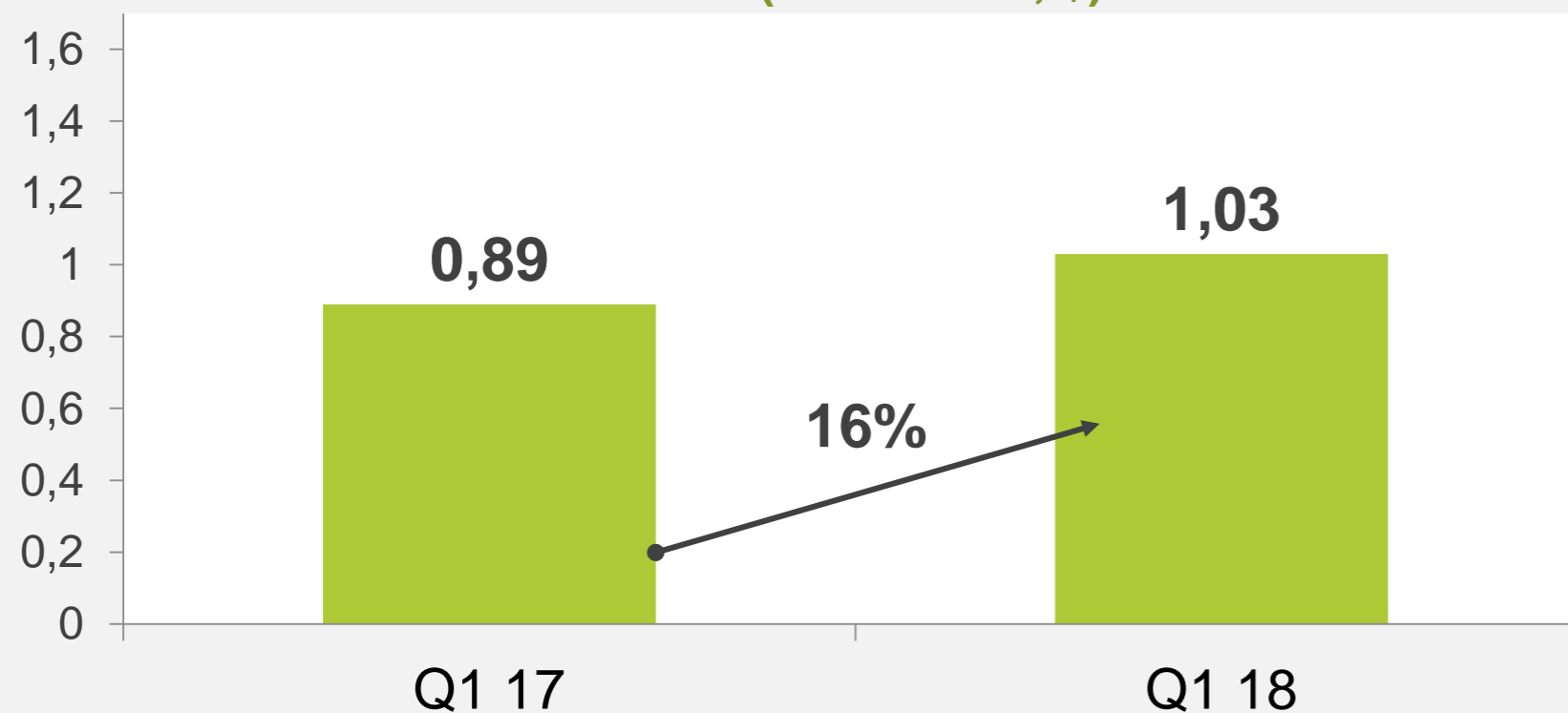
Strong Growth and Execution*

REVENUES (Non-GAAP, \$M)



- Revenue increased 11% year-over-year
- Revenue increase was driven by strong cloud revenue growth of 33%
- Recurring revenue accounted for 69% of total revenue in the first quarter of 2018 compared to 65% in the same quarter of 2017

EARNINGS PER SHARE (Non-GAAP, \$)



- Continued double digit growth in EPS due to improved gross margin and strong leverage in the business model

* All numbers presented are Non-GAAP under ASC 605

GAAP and Non-GAAP Income Statement*

\$M (except EPS)	Q1 2018	Q1 2017
GAAP revenue	335.4	305.6
Valuation adjustment on acquired deferred product revenue	0.0	0.2
Valuation adjustment on acquired deferred service revenue	0.3	1.0
Valuation adjustment on acquired deferred cloud revenue	1.9	1.2
ASC 606 to ASC 605 revenue adjustment	3.3	-
Non-GAAP revenue	340.9	308.0
GAAP Cost of revenue	118.5	115.7
Amortization of acquired intangible assets on cost of product	(2.6)	(6.3)
Amortization of acquired intangible assets on cost of services	(0.8)	(3.2)
Amortization of acquired intangible assets on cost of cloud	(12.8)	(11.0)
Valuation adjustments on acquired deferred cost of cloud	0.3	0.4
Cost of product revenue adjustment	(0.2)	(0.2)
Cost of services revenue adjustment	(1.8)	(1.9)
Cost of cloud revenue adjustment	(0.8)	(0.8)
ASC 606 to ASC 605 revenue adjustment	0.1	-
Non-GAAP cost of revenue	100.1	92.8
GAAP gross profit	216.9	189.9
Gross profit adjustments	23.9	25.3
Non-GAAP gross profit	240.8	215.2
GAAP operating expenses	182.8	161.9
Research and development	(2.3)	(2.2)
Sales and marketing	(6.3)	(5.6)
General and administrative	(4.8)	(1.9)
Amortization of acquired intangible assets	(10.6)	(10.6)
ASC 606 to ASC 605 revenue adjustment	(1.7)	-
Non-GAAP operating expenses	157.0	141.6

* Q1 2018 reconciliation from GAAP ASC 606 to non-GAAP ASC 605; Q1 2017 reconciliation from GAAP ASC 605 to non-GAAP ASC 605

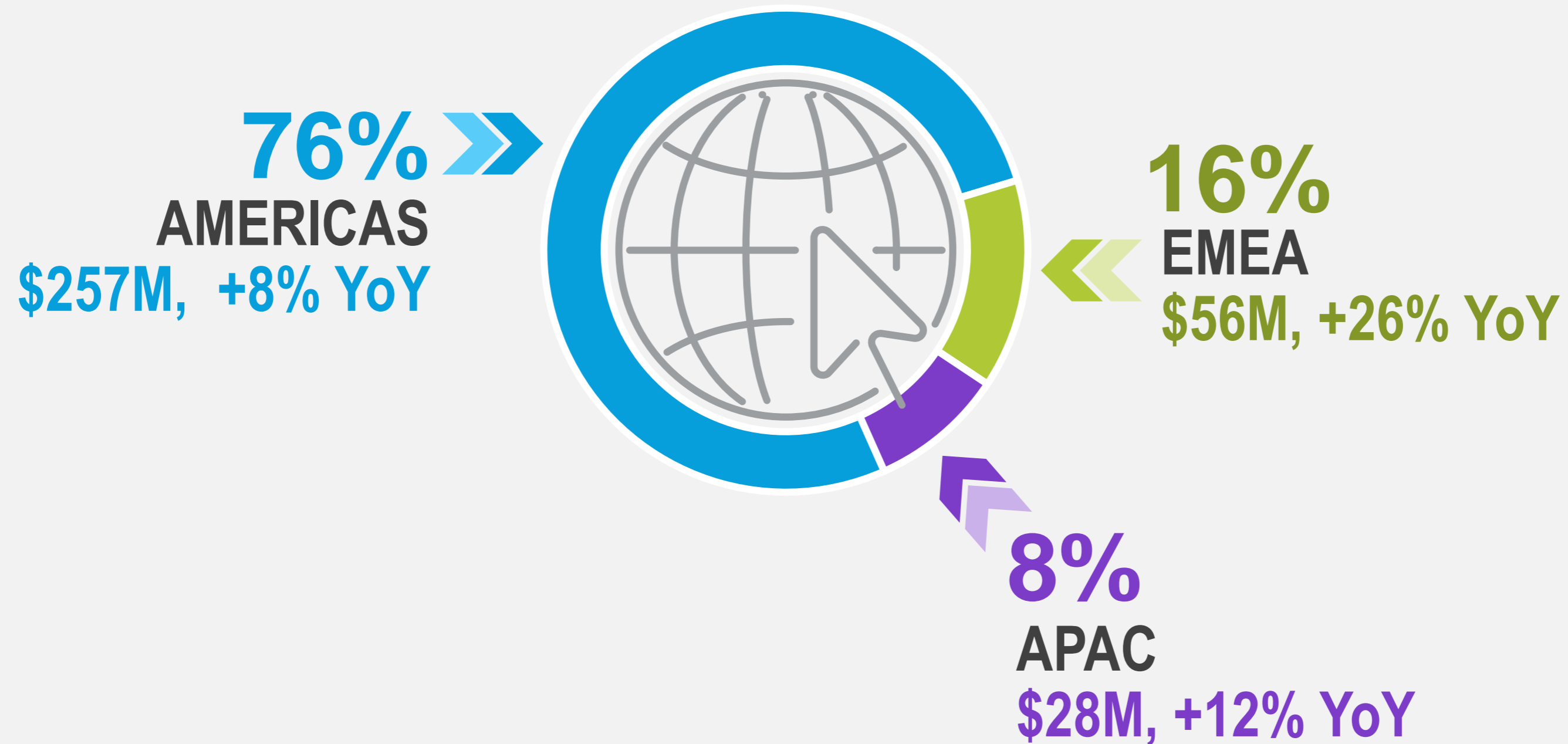
GAAP and Non-GAAP Income Statement* (cont.)

\$M (except EPS)	Q1 2018	Q1 2017
GAAP finance & other expense, net	(4.0)	(9.0)
Amortization of discount on long term debt	2.2	7.2
Non-GAAP finance & other income (expense), net	(1.8)	(1.8)
GAAP taxes on income	6.7	1.7
Tax adjustment re non-GAAP adjustments	9.8	15.0
Tax adjustment re ASC 606 to ASC 605	1.0	-
Non-GAAP taxes on income	17.5	16.7
GAAP net income	23.5	17.3
Valuation adjustment on acquired deferred revenue	2.2	2.4
Valuation adjustment on acquired deferred cost of cloud revenue	(0.3)	(0.4)
Amortization of acquired intangible assets	26.8	31.1
Share-based compensation	16.1	12.6
Amortization of discount on long term debt	2.2	7.2
Tax adjustments re non-GAAP adjustments	(9.8)	(15.0)
ASC 606 to ASC 605 revenue adjustment	3.9	-
Non-GAAP net income	64.5	55.1
GAAP diluted earnings per share	0.37	0.28
Non-GAAP diluted earnings per share	1.03	0.89

* Q1 2018 reconciliation from GAAP ASC 606 to non-GAAP ASC 605; Q1 2017 reconciliation from GAAP ASC 605 to non-GAAP ASC 605

Q1 2018

Revenue Breakdown by Region* (Non-GAAP)



* All numbers presented are Non-GAAP under ASC 605

Q1 2018

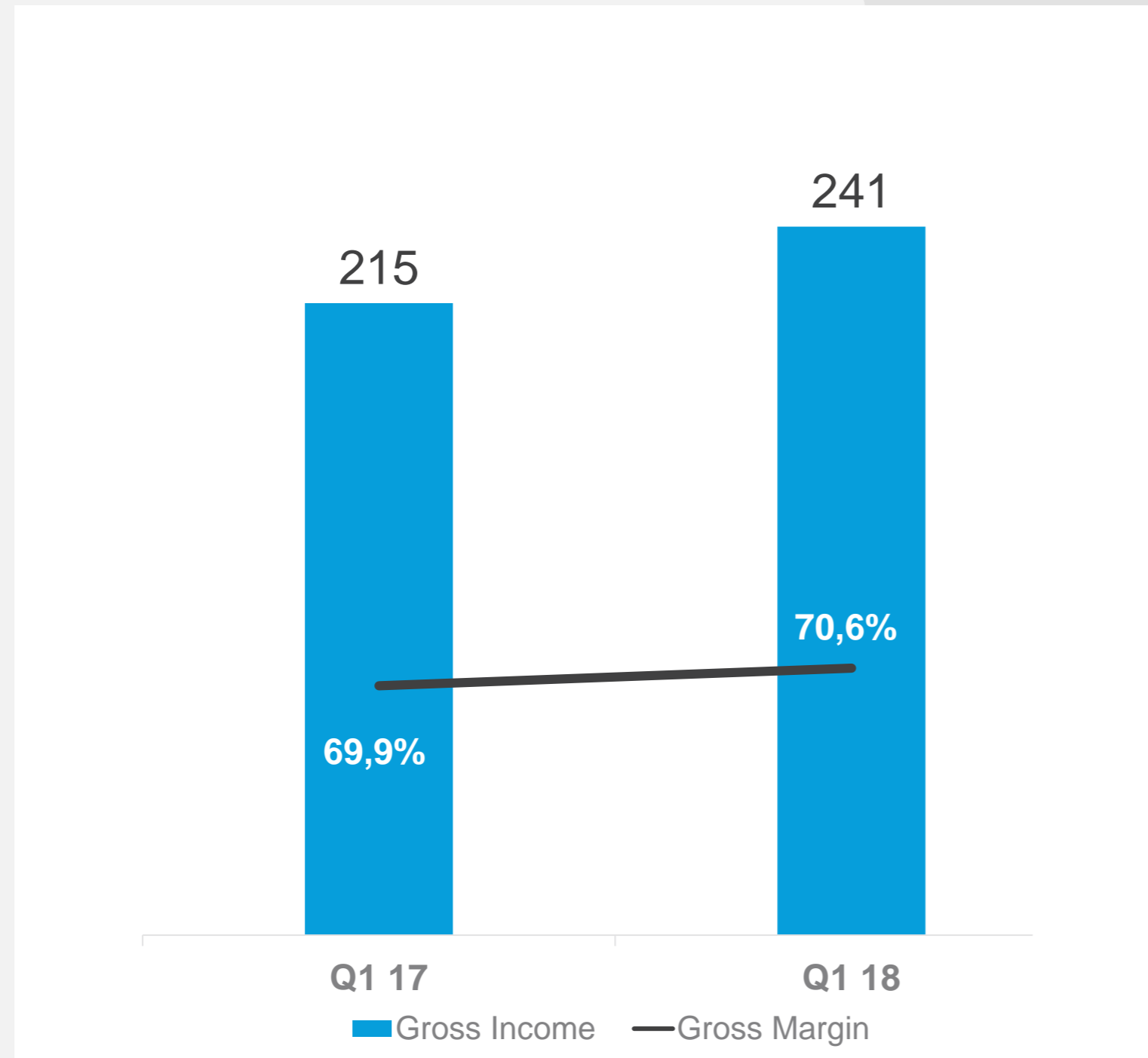
Revenue Breakdown by Business Unit* (Non-GAAP)

81% **»»**
**CUSTOMER
ENGAGEMENT**
\$275M, +13% YoY



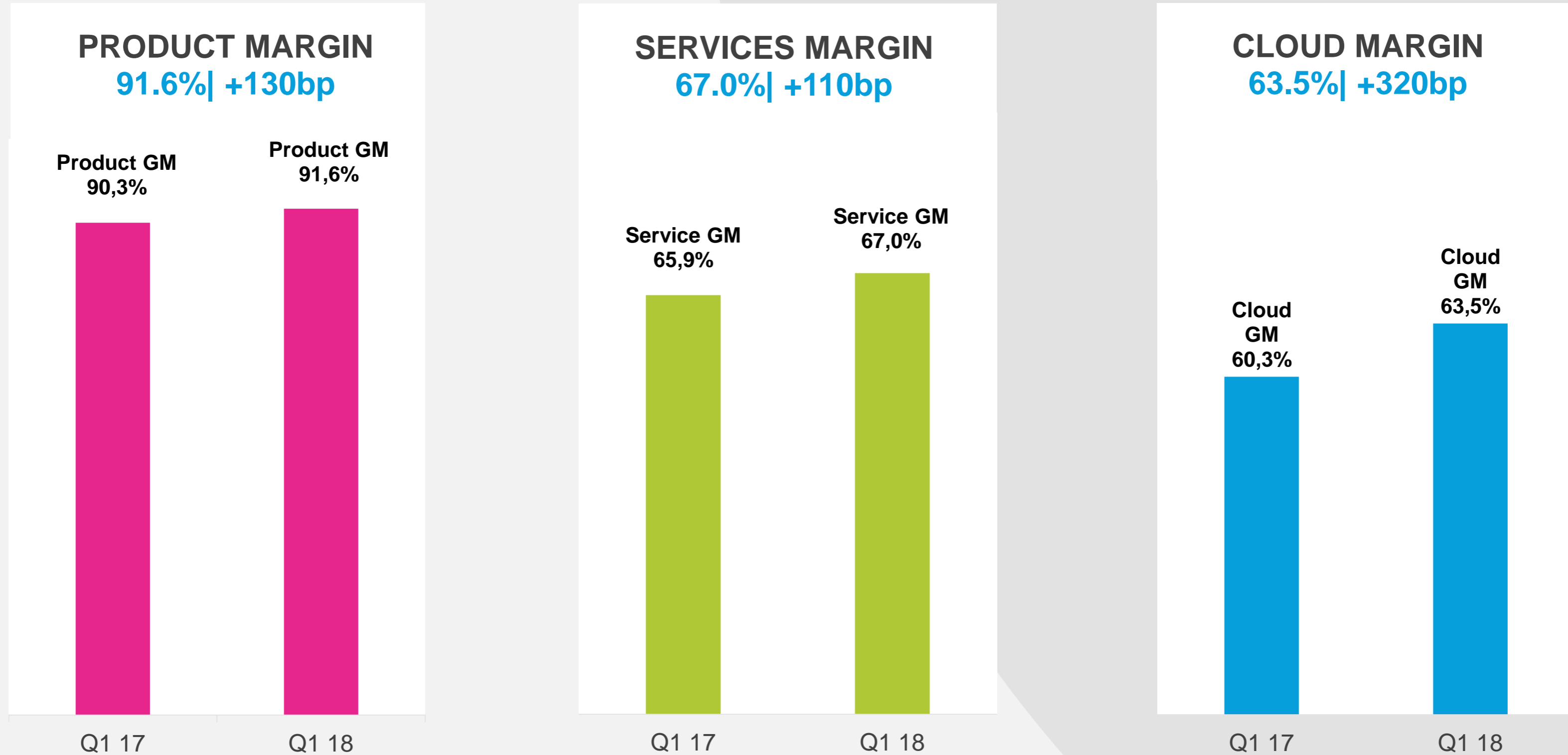
«« 19%
**FINANCIAL CRIME &
COMPLIANCE**
\$66M, +2% YoY

Gross Profit and Gross Margin* (Non-GAAP)



- Gross margin continued to expand as a result of strong gross margins in all lines of our business combined with continued sequential improvement in overall operational efficiency

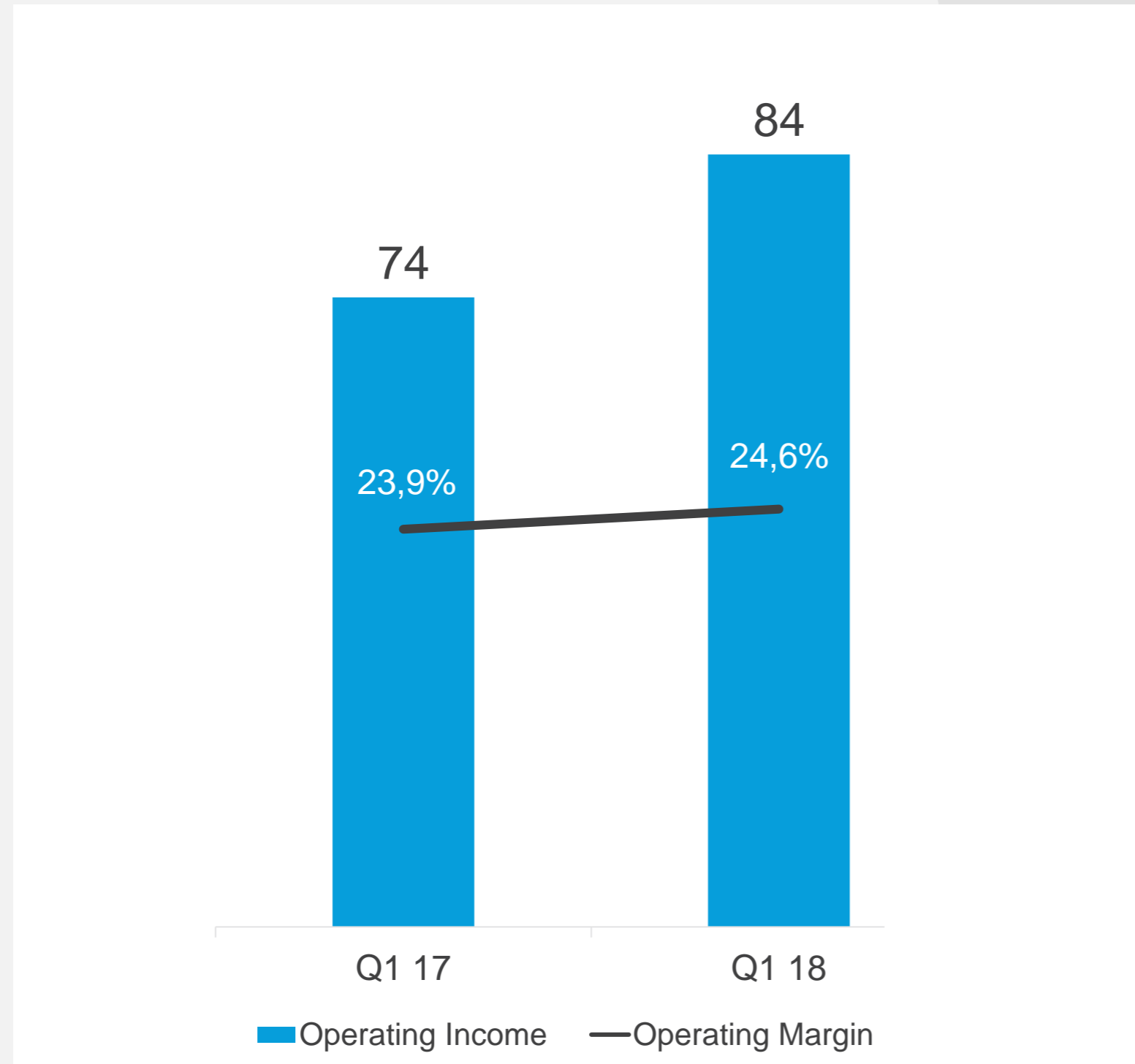
Gross Margin Q1 2018* (Non-GAAP)



- Continued expansion in the services gross margin is a result of continued efficient utilization of the services organization
- Increase in the product margin is the result of product mix
- Increase in the cloud margin is the result of continued quarter-to-quarter improvement in the integration of the inContact cloud business

* All numbers presented are Non-GAAP under ASC 605

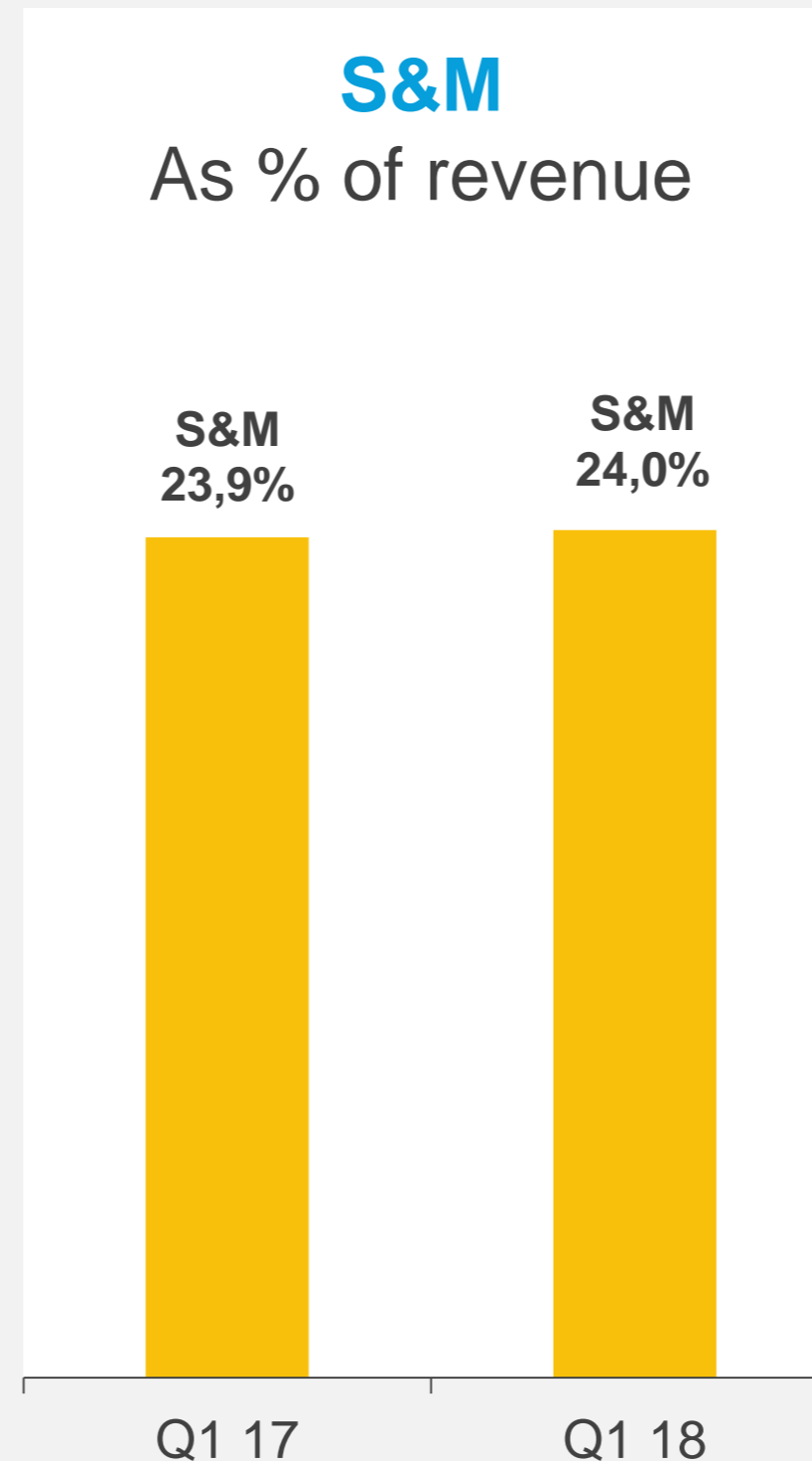
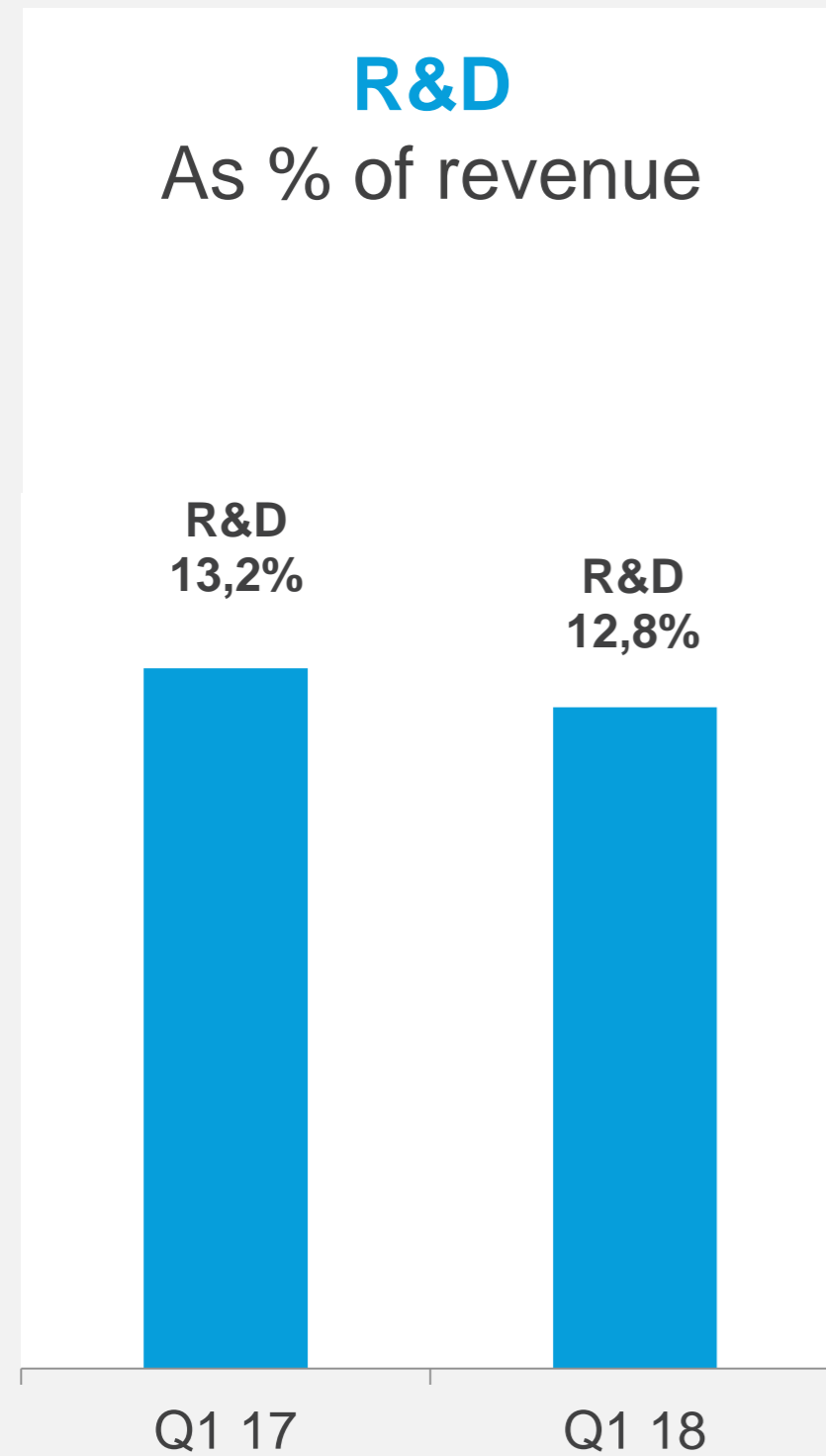
Operating Income and Operating Margin* (Non-GAAP)



- Increase in operating income and operating margin expansion is a result of revenue growth and gross margin improvement

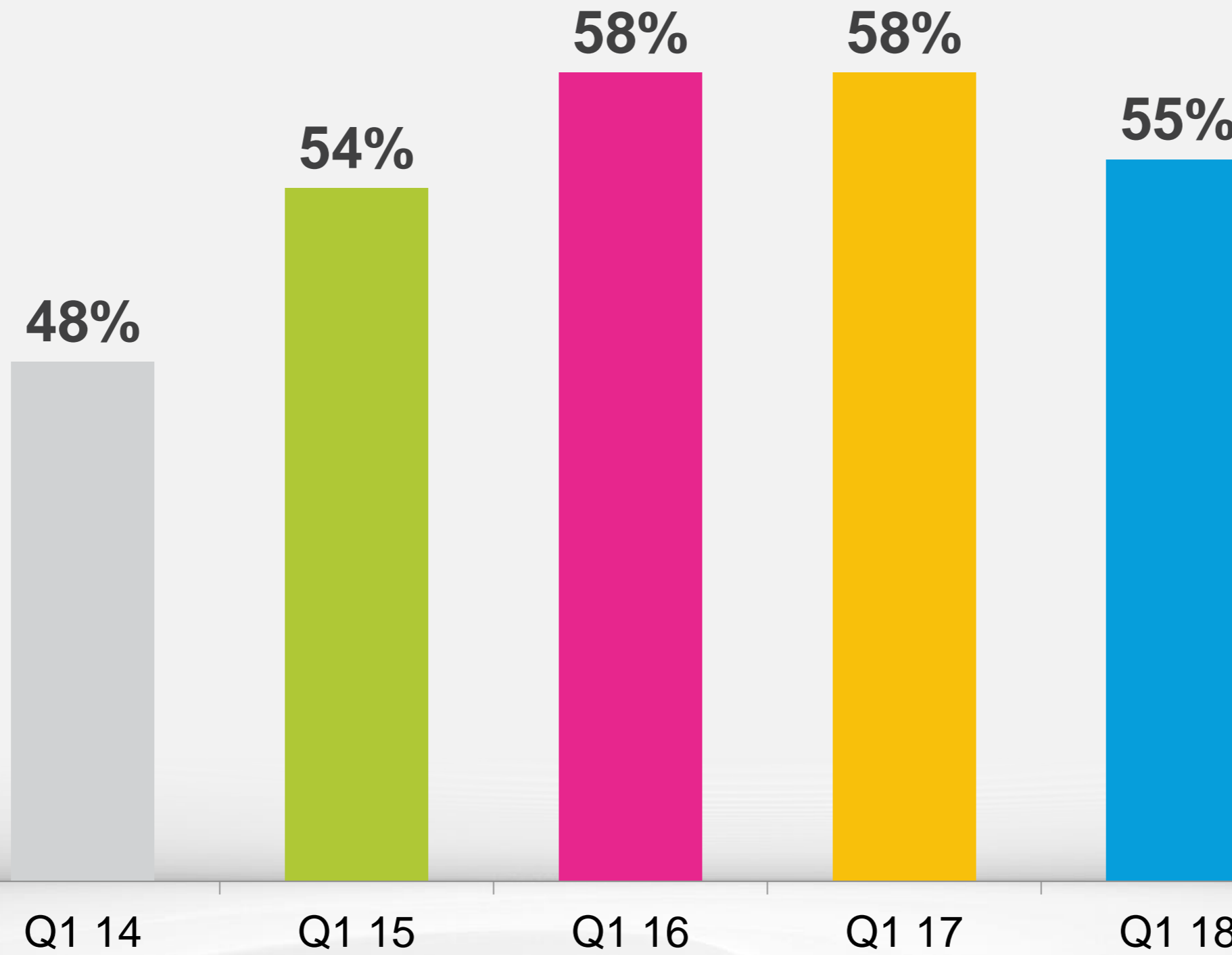
* All numbers presented are Non-GAAP under ASC 605

Cost Ratio Q1 2018* (Non-GAAP)



* All numbers presented are Non-GAAP under ASC 605

Analytics (% of New Bookings)



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Q1 2018 Highlights

Income Statement

Balance Sheet and Cash Flow Analysis

Outlook

Balance Sheet*

March 31, 2018

Assets (\$M)	03/31/2018	12/31/2017
Cash and cash equivalents	334.4	328.3
Short term investments	134.1	64.0
Trade receivables	232.5	230.7
Prepaid expenses and other current assets	79.0	70.0
Total current assets	780.0	693.0
Long term Investments	178.1	132.8
Property and equipment	120.3	118.3
Deferred tax assets	31.7	11.9
Other Intangible assets	524.6	551.3
Goodwill	1,321.8	1,318.2
Other long term assets	69.8	19.5
Total Assets	3,026.5	2,845.0

Equity & Liabilities (\$M)	03/31/2018	12/31/2017
Trade payables	24.0	29.4
Deferred revenue and advances from customers	235.3	184.6
Accrued expenses and other liabilities	307.6	309.2
Current liabilities	566.9	523.4
Deferred revenue and advances from customers	39.9	37.6
Deferred tax liabilities	88.9	57.8
Long term debt	449.7	447.6
Other long term liabilities	27.8	29.2
Total long term liabilities	606.4	572.2
Equity	1,853.2	1,749.6
Equity & Liabilities	3,026.5	2,845.0

* 2018 financial data is presented under GAAP ASC 606 with the comparison period under GAAP ASC 605

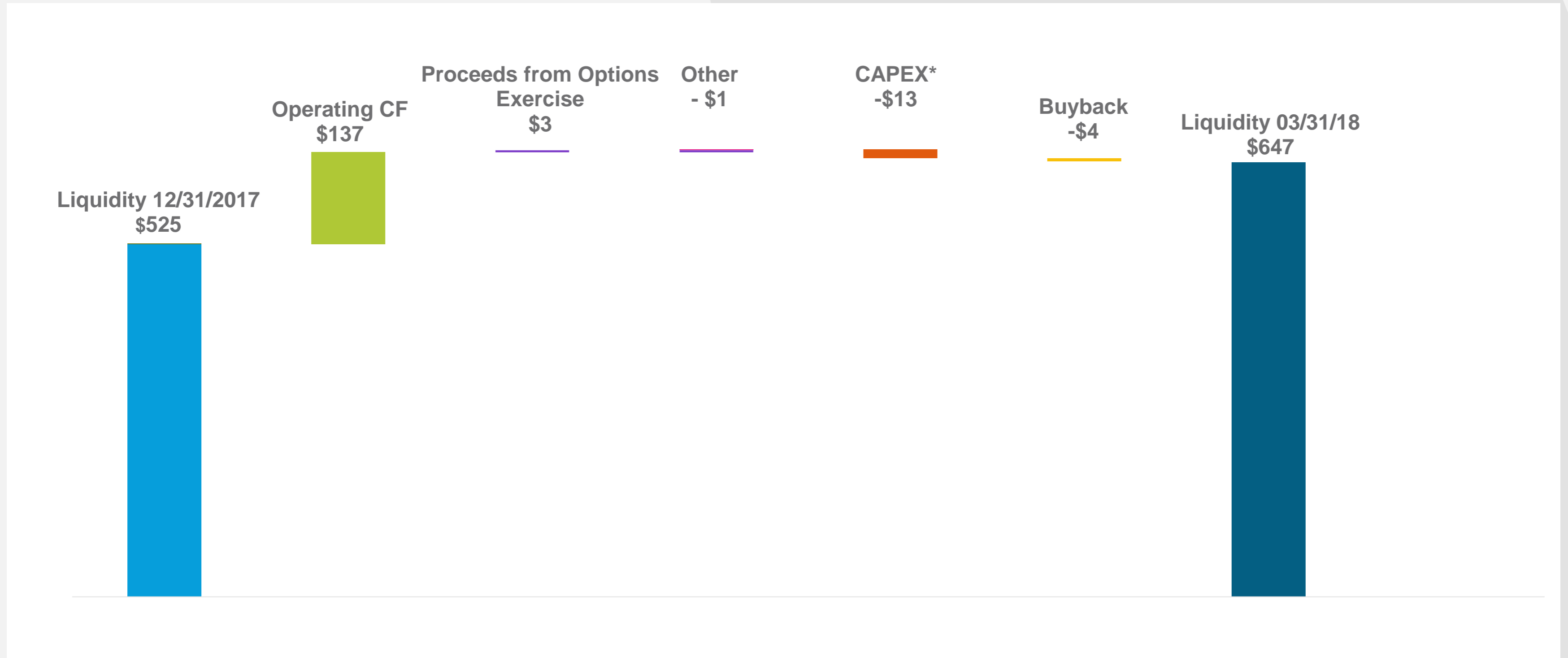
Cash Flow From Operations

\$M	Q1 18	Q1 17	%Δ
Cash flow from operations	136.9	132.7	3%
- Capital expenditure	5.3	10.4	(49%)
- Capitalization of software development	7.8	6.9	13%
Cash flow from operations after capex & software capitalization	123.8	115.4	7.3%
Cash flow from operation after capex and software capitalization as % of non-GAAP revenue	36%	37%	(1pp)
Cash conversion rate *	1.9	2.1	(10%)
Days sales outstanding (DSO)	61	67	(9%)

* Cash Conversion Rate = (Cash Flow from Operations after CAPEX and software capitalization / Non-GAAP Net Income)

Cash Movement and Liquidity

March 31, 2018



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Q1 2018 Highlights

Income Statement

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Outlook* (Non-GAAP)

	Q2 2018	FY 2018
Revenue (\$M)	338-348	1,434-1,458
EPS (\$)	1.00-1.06	4.43-4.63

The outlook is provided as of May 10, 2018. There is no guarantee that the Company will change or update these figures in this presentation should a need arise in the future to update the outlook. This is in addition to the forward-looking statements disclaimer at the beginning of the presentation.

* All numbers presented are Non-GAAP under ASC 605

Thank You

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