2018 SECOND QUARTER RESULTS

Ended June 30, 2018

Forward Looking Statements Disclaimer

This press release contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements may be identified by words such as “believe,” “expect,” “seek,” “may,” “will,” “intend,” “should,” “project,” “anticipate,” “plan,” and similar expressions. Forward-looking statements are based on the current beliefs, expectations and assumptions of the Company’s management regarding the future of the Company’s business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Examples of forward-looking statements include guidance regarding the Company’s revenue and earnings and the growth of our cloud, analytics and artificial intelligence business.

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, and investors should not place undue reliance on them. 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 the Company’s cloud Software-as-a-Service business, cyber security attacks or other security breaches against the Company, privacy concerns and legislation impacting the Company’s business, the Company’s 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 the Company’s growth strategy, the effects of tax reforms and 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 our other filings with the SEC for additional information regarding these and other factors and uncertainties that could affect our future performance. The forward-looking statements contained in this presentation speak only as of the date hereof, and the Company undertakes no obligation to update or revise them, whether as a result of new information, future developments or otherwise, 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.

agenda

Q2 2018 Highlights

Income Statement

Balance Sheet and Cash Flow Analysis

Outlook

Q2 2018 Highlights*

Revenue of $345M; growth of 10% compared to Q2 last year

Cloud revenue increased 28% to $110M compared to Q2 last year

Recurring revenue increased to 73% of total revenue compared to 66% in Q2 last year

Gross profit increased 10%; to $244M compared to Q2 last year

Operating income of $85M; an increase of 19% compared to Q2 last year

Operating margin increased 190 basis points to 24.7%; compared to 22.8% last year

EPS of $1.06; growth of 18% compared to Q2 last year

Company increased full year 2018 EPS guidance

* All numbers presented are Non-GAAP under ASC 605

agenda

Q2 2018 Highlights

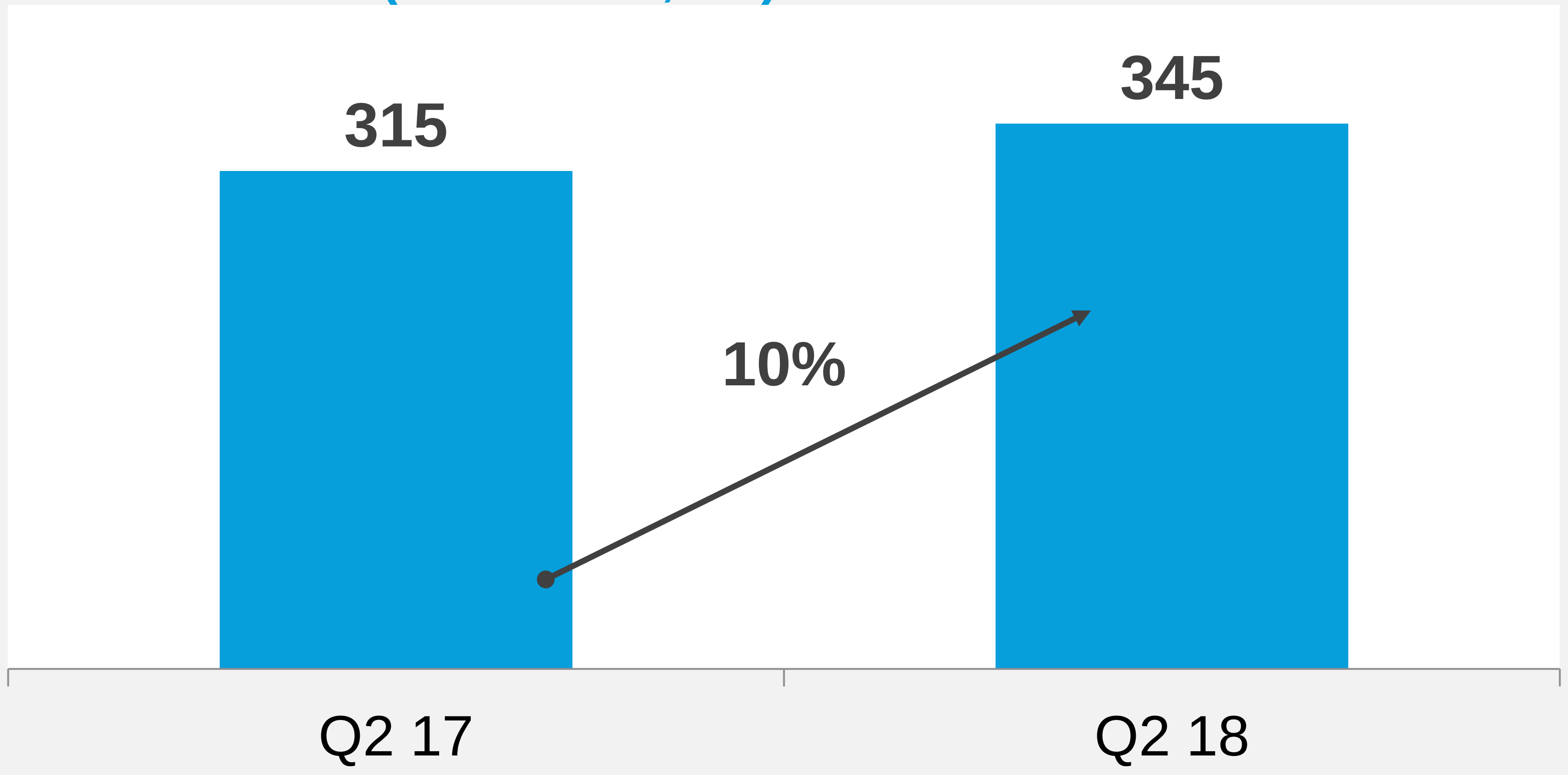
Income Statement

Balance Sheet and Cash Flow Analysis

Outlook

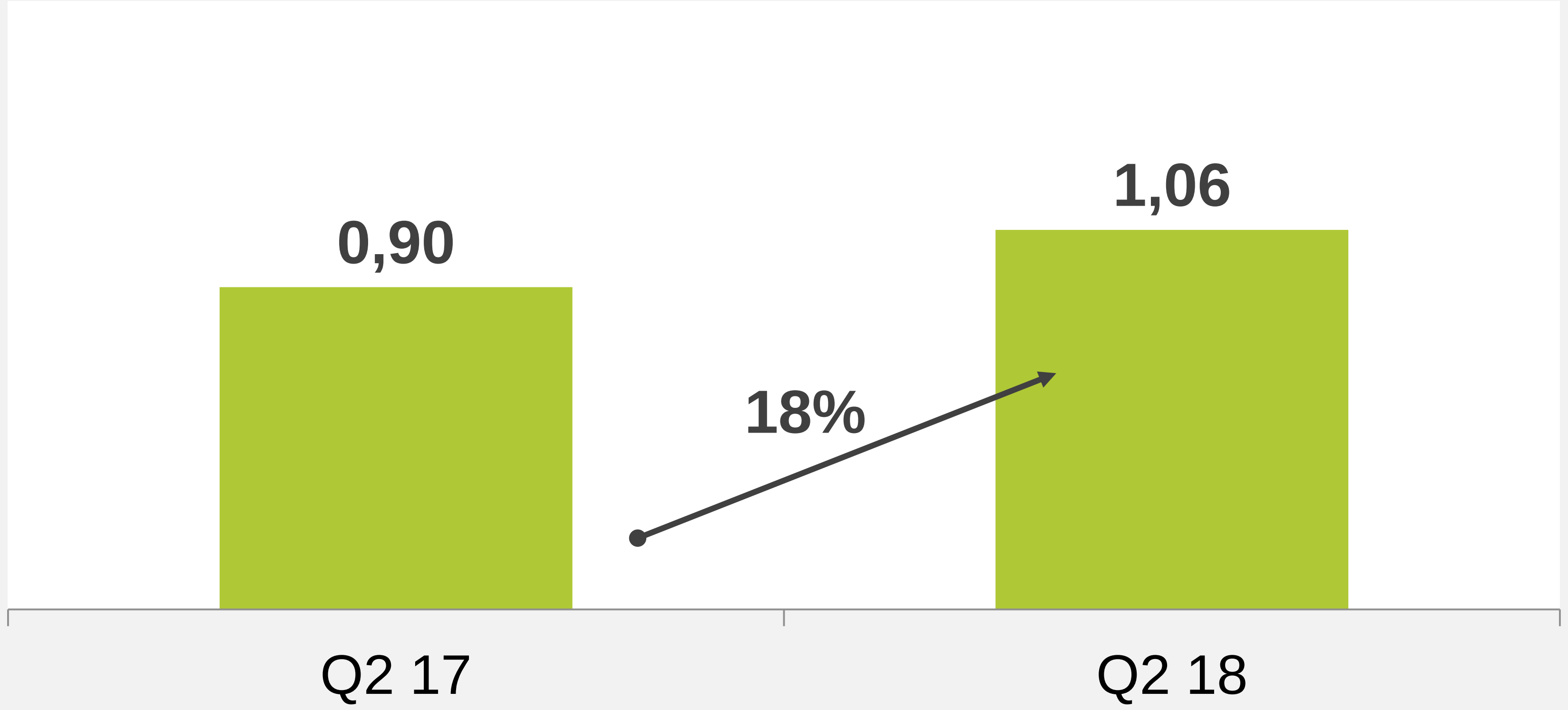
Strong Growth and Execution*

REVENUES (Non-GAAP, $M)



- Revenue increased 10% year-over-year
- Strong cloud revenue growth of 28%
- Recurring revenue accounted for 73% of total revenue compared to 66% in the same quarter of 2017

EARNINGS PER SHARE (Non-GAAP, $)



- Strong revenue growth and good leverage led to another quarter of double digit growth in EPS

NICE

GAAP and Non-GAAP Income Statement*

$M (except EPS)	Q2 2018	Q2 2017
GAAP revenue	342.0	311.5
Valuation adjustment on acquired deferred product revenue	0.0	0.0
Valuation adjustment on acquired deferred service revenue	0.2	2.1
Valuation adjustment on acquired deferred cloud revenue	1.4	1.6
ASC 606 to ASC 605 revenue adjustment	1.7	-
Non-GAAP revenue	**345.4**	**315.3**
GAAP Cost of revenue	118.7	113.6
Amortization of acquired intangible assets on cost of product	(1.3)	(6.1)
Amortization of acquired intangible assets on cost of services	(1.0)	(1.2)
Amortization of acquired intangible assets on cost of cloud	(12.7)	(11.0)
Valuation adjustments on acquired deferred cost of cloud	0.3	0.3
Cost of product revenue adjustment	-	(0.2)
Cost of services revenue adjustment	(1.9)	(1.8)
Cost of cloud revenue adjustment	(0.6)	(0.7)
ASC 606 to ASC 605 cost of revenue adjustment	0.2	-
Non-GAAP cost of revenue	**101.6**	**93.0**
GAAP gross profit	223.4	197.9
Gross profit adjustments	20.4	24.4
Non-GAAP gross profit	**243.8**	**222.3**
GAAP operating expenses	177.0	172.1
Research and development	(1.8)	(2.2)
Sales and marketing	(6.9)	(5.9)
General and administrative	(4.2)	(3.5)
Amortization of acquired intangible assets	(10.6)	(10.2)
ASC 606 to ASC 605 operating expenses adjustment	4.8	-
Non-GAAP operating expenses	**158.4**	**150.3**

* Q2 2018 reconciliation from GAAP ASC 606 to non-GAAP ASC 605; Q2 2017 reconciliation from GAAP ASC 605 to non-GAAP ASC 605

NICE®

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

$M (except EPS)	Q2 2018	Q2 2017
GAAP finance & other expense, net	(2.9)	(3.4)
Amortization of discount on long term debt	2.1	2.1
Non-GAAP finance & other income (expense), net	**(0.8)**	**(1.3)**
GAAP taxes on income	9.2	2.0
Tax adjustment re non-GAAP adjustments	9.3	12.7
Tax adjustment re ASC 606 to ASC 605	(0.7)	-
Non-GAAP taxes on income	**17.8**	**14.7**
GAAP net income	34.2	20.4
Valuation adjustment on acquired deferred revenue	1.7	3.8
Valuation adjustment on acquired deferred cost of cloud revenue	(0.3)	(0.3)
Amortization of acquired intangible assets	25.6	28.4
Share-based compensation	15.4	14.3
Amortization of discount on long term debt	2.1	2.1
Tax adjustments re non-GAAP adjustments	(9.3)	(12.7)
ASC 606 to ASC 605 adjustments	(2.7)	-
Non-GAAP net income	**66.7**	**56.0**
GAAP diluted earnings per share	0.54	0.33
Non-GAAP diluted earnings per share	**1.06**	**0.90**

* Q2 2018 reconciliation from GAAP ASC 606 to non-GAAP ASC 605; Q2 2017 reconciliation from GAAP ASC 605 to non-GAAP ASC 605

NICE

Q2 2018

Revenue Breakdown by Region* (Non-GAAP)

78%
AMERICAS
$269M, +10% YoY

14%
EMEA
$48M, +12% YoY

8%
APAC
$28M, +1% YoY

* All numbers presented are Non-GAAP under ASC 605

Q2 2018

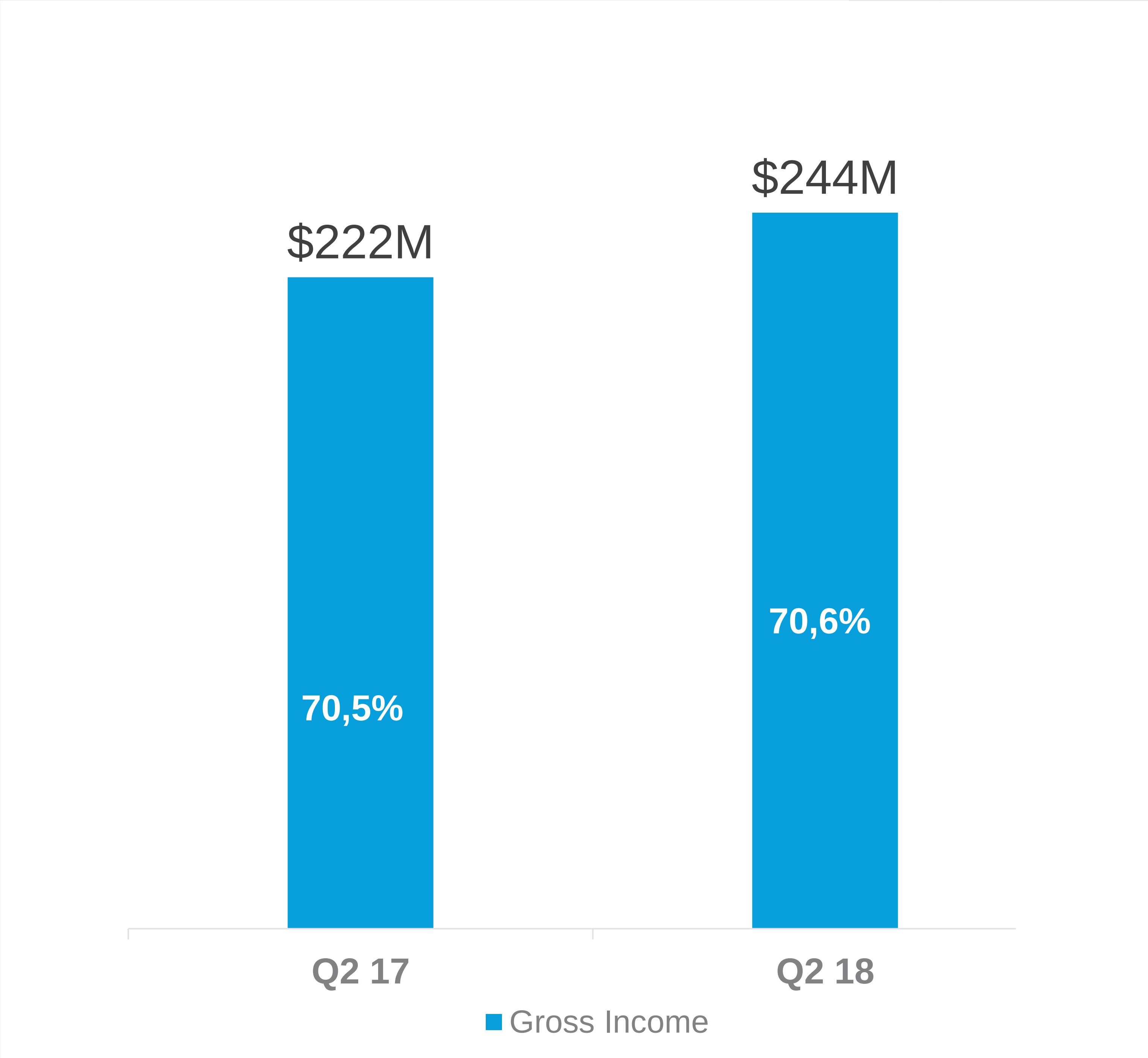
Revenue Breakdown by Business Unit* (Non-GAAP)

19%
FINANCIAL CRIME & COMPLIANCE
$64M, +4% YoY

81%
CUSTOMER ENGAGEMENT
$281M, +11% YoY

* All numbers presented are Non-GAAP under ASC 605

Gross Profit and Gross Margin* (Non-GAAP)

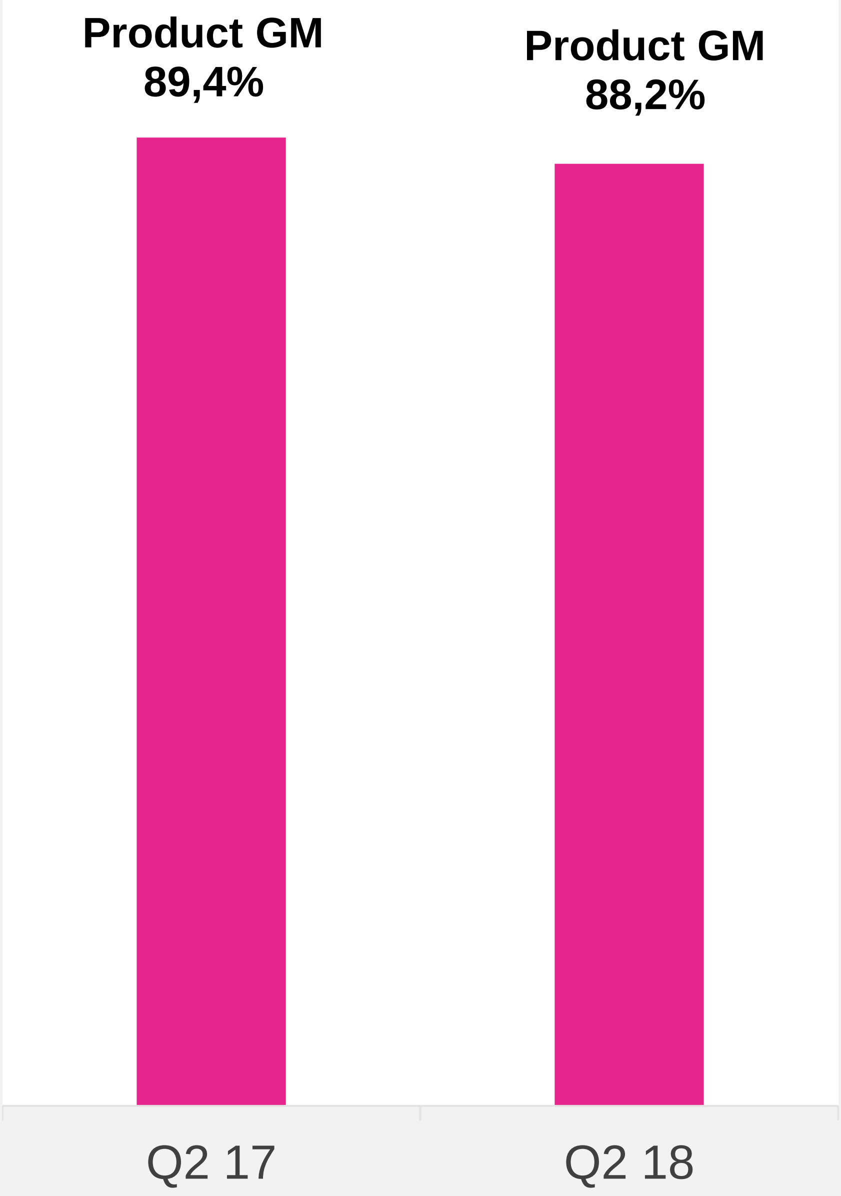


- Gross profit and gross margin increased as a result of strong revenue growth and continued efficiency in cost of goods

* All numbers presented are Non-GAAP under ASC 605

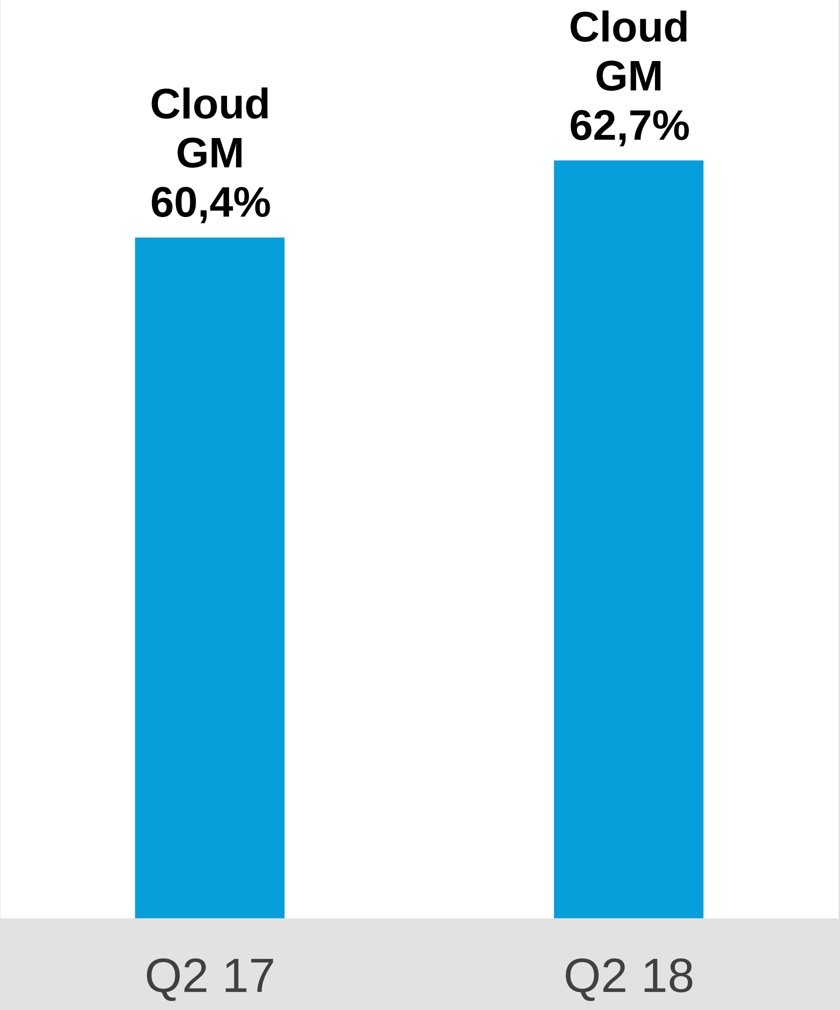
Gross Margin Q2 2018* (Non-GAAP)

PRODUCT MARGIN
88.2%| -120bp



SERVICES MARGIN
70.2%| +240bp

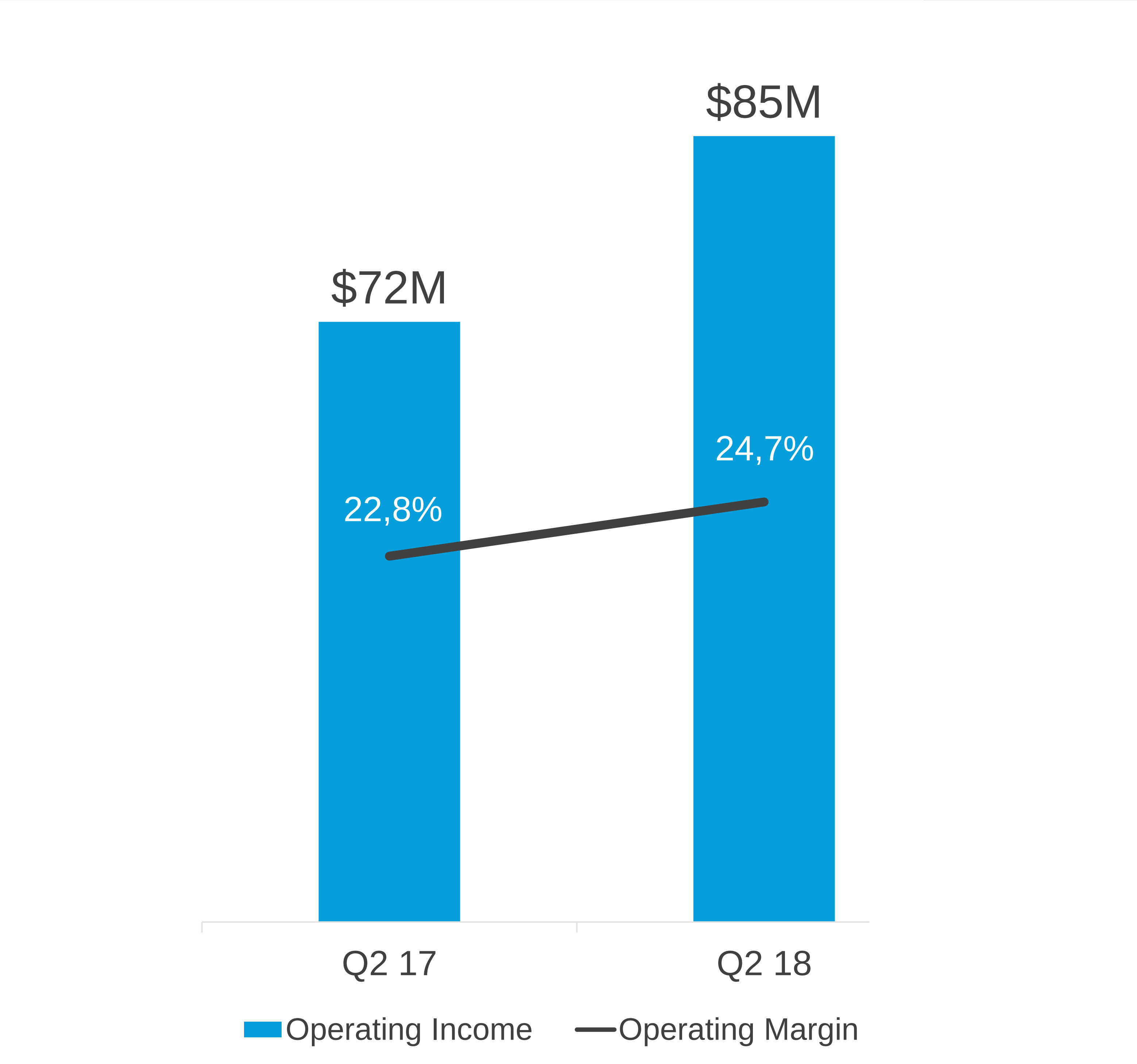
CLOUD MARGIN
62.7%| +230bp



- Continued expansion in the services gross margin is a result of continued efficient utilization of the services organization
- Increase in the cloud margin is the result of continued growth in the cloud business
- Decrease in the product margin is the result of product mix

* All numbers presented are Non-GAAP under ASC 605

Operating Income and Operating Margin* (Non-GAAP)

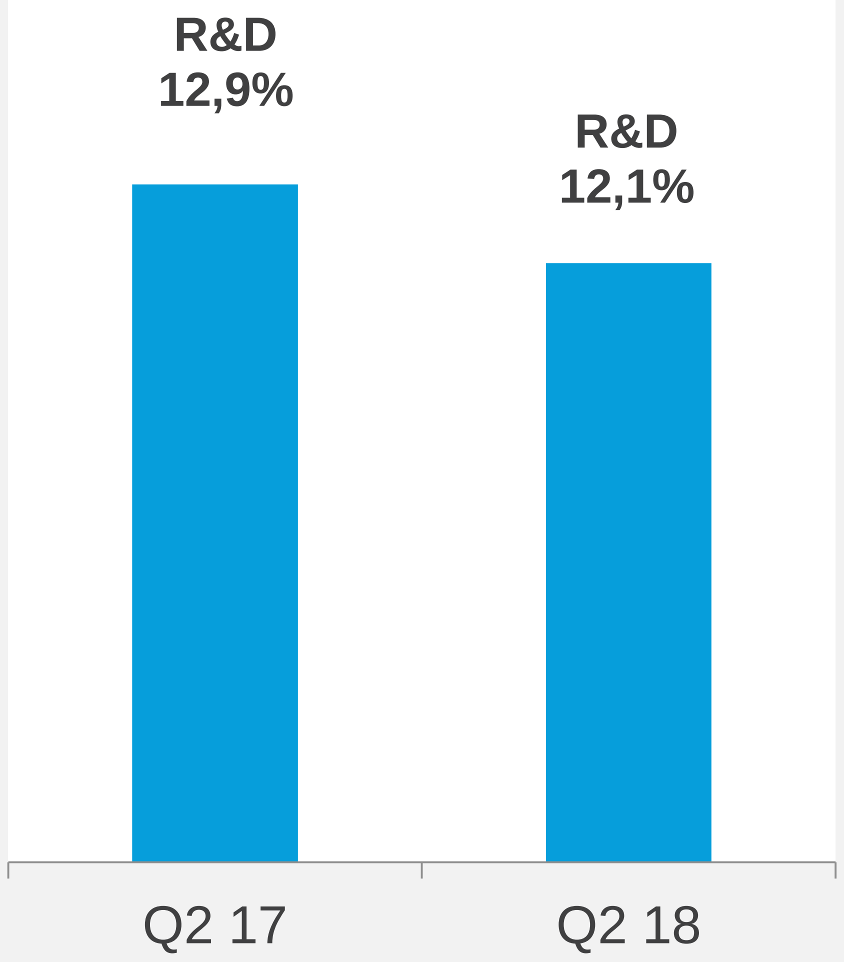


- Increase in operating income and operating margin are the result of the strong leverage in the business model

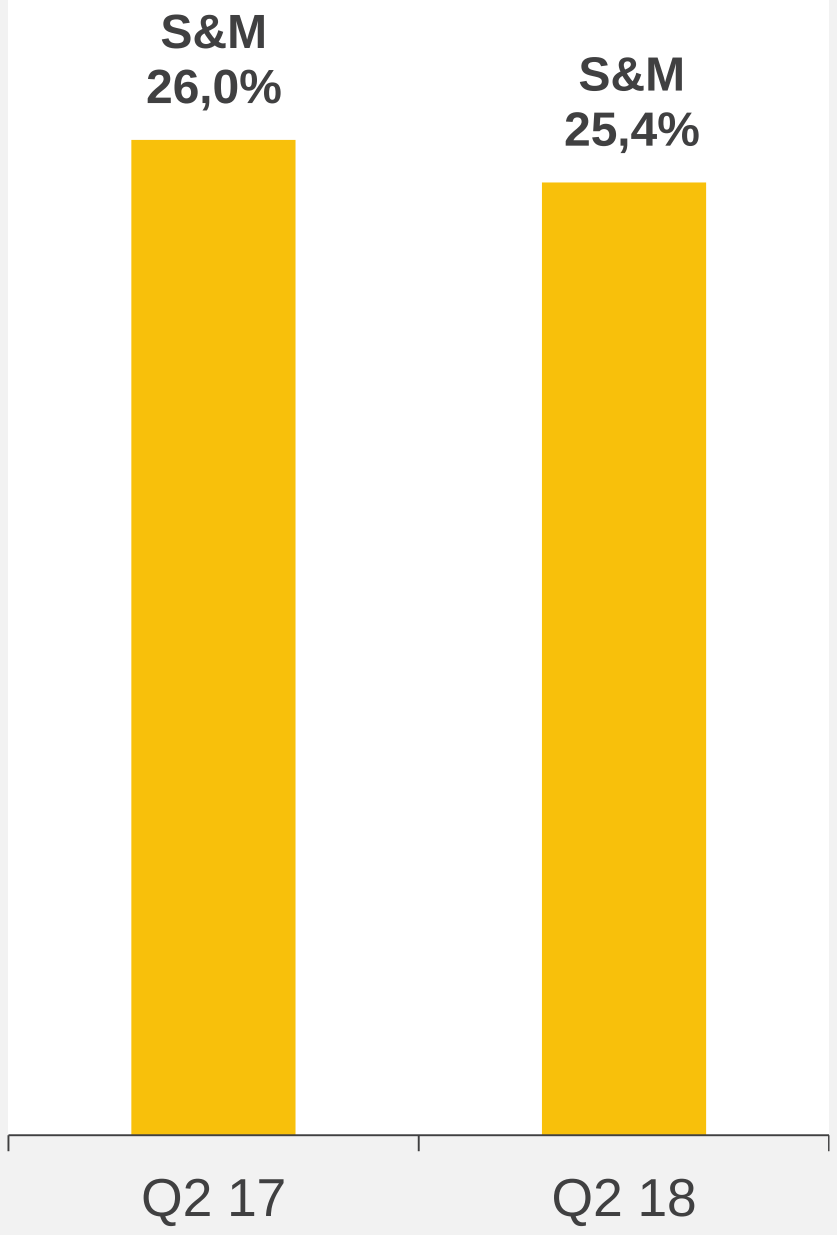
* All numbers presented are Non-GAAP under ASC 605

Cost Ratio Q2 2018* (Non-GAAP)

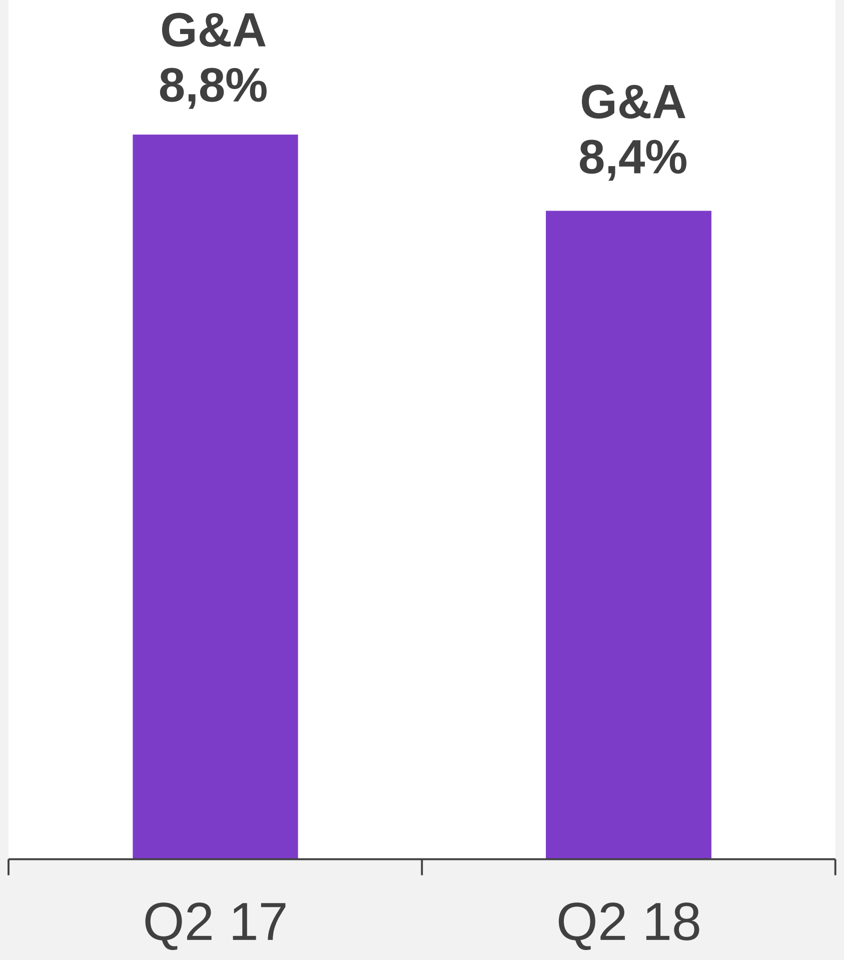
R&D
As % of revenue



S&M
As % of revenue



G&A
As % of revenue



* All numbers presented are Non-GAAP under ASC 605

NICE

agenda

Q2 2018 Highlights

Income Statement

Balance Sheet and Cash Flow Analysis

Outlook

Balance Sheet*

June 30, 2018

Assets ($M)	06/30/2018	12/31/2017
Cash and cash equivalents	364.8	328.3
Short term investments	145.8	64.0
Trade receivables	209.7	230.7
Prepaid expenses and other current assets	90.0	70.0
Total current assets	**810.3**	**693.0**
Long term Investments	177.9	132.8
Property and equipment	124.5	118.3
Deferred tax assets	13.0	11.9
Other Intangible assets	499.0	551.3
Goodwill	1,315.9	1,318.2
Other long term assets	64.3	19.5
Total Assets	**3,004.9**	**2,845.0**

Equity & Liabilities ($M)	06/30/2018	12/31/2017
Trade payables	31.7	29.4
Deferred revenue and advances from customers	212.8	184.6
Accrued expenses and other liabilities	302.0	309.2
Total current liabilities	**546.6**	**523.4**
Deferred revenue and advances from customers	38.2	37.6
Deferred tax liabilities	58.3	57.8
Long term debt	451.7	447.6
Other long term liabilities	26.8	29.2
Total long term liabilities	**575.0**	**572.2**
Equity	1,883.3	1,749.6
Equity & Liabilities	**3,004.9**	**2,845.0**

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

NICE®

Cash Flow From Operations

$M	Q2 18	Q2 17	%∆
Cash flow from operations	63.8	68.7	(7%)
- Capital expenditure	8.2	12.3	(33%)
- Capitalization of software development	7.7	7.2	7%
Cash flow from operations after capex & software capitalization	**47.9**	**49.2**	**(3%)**
Cash flow from operation after capex and software capitalization as % of non-GAAP revenue	14%	16%	(2pp)
Cash conversion rate *	0.7	0.9	(22%)
Days sales outstanding (DSO)	54	61	(11%)

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

NICE

Cash Movement and Liquidity

June 30, 2018

* CAPEX movement includes R&D capitalization

agenda

Q2 2018 Highlights

Income Statement

Balance Sheet and Cash Flow Analysis

Outlook

Outlook* (Non-GAAP)

	Q3 2018	FY 2018
Revenue ($M)	347-357	1,434-1,458
EPS ($)	1.04-1.10	4.46-4.66

The outlook is provided as of August 9, 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