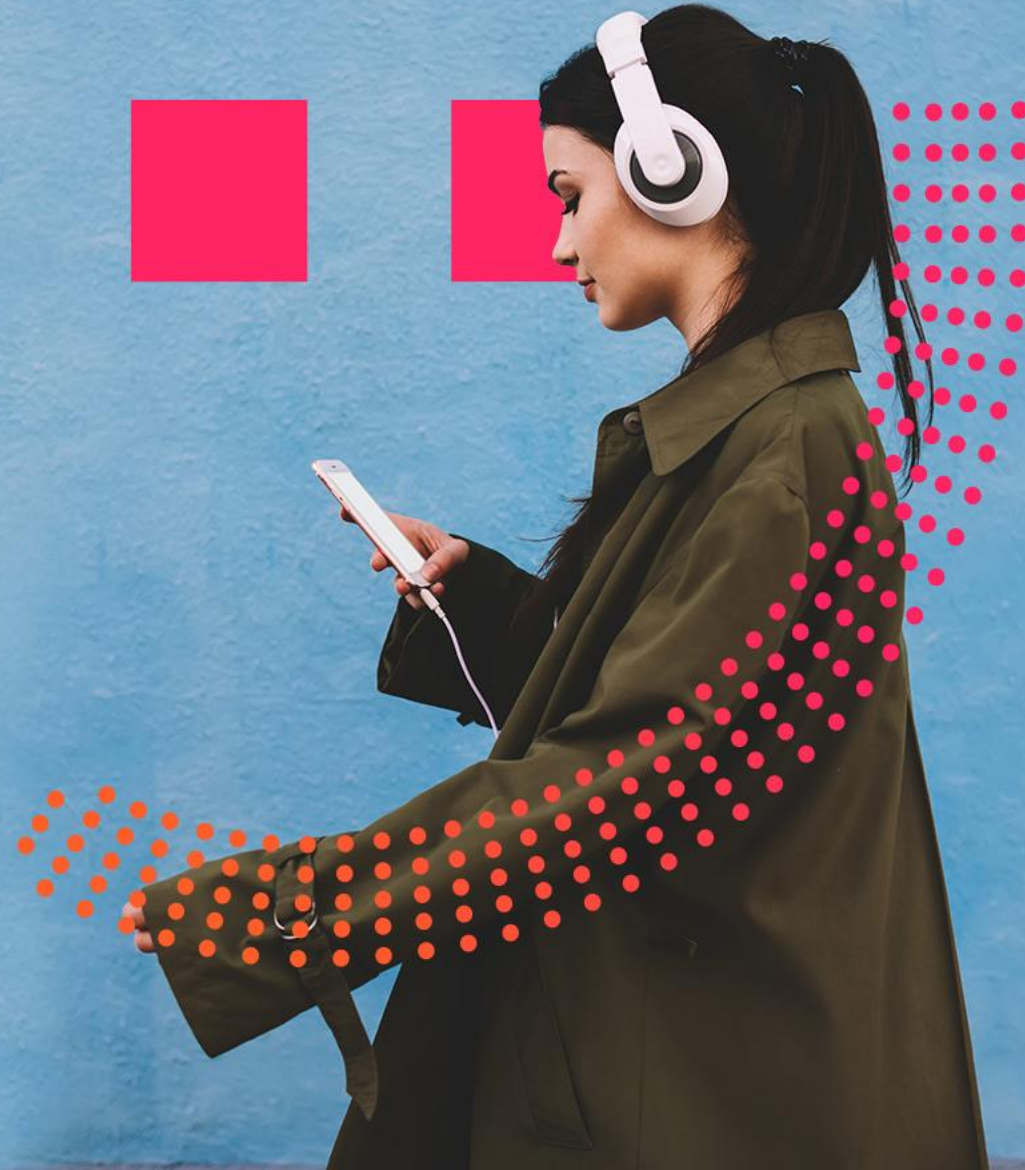


2022 Fourth Quarter Results

Ended December 31, 2022



Forward Looking Statements Disclaimer

This presentation 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 changes in economic and business conditions, competition, successful execution of the Company’s growth strategy, success and growth of the Company’s cloud Software-as-a-Service business, difficulties in making additional acquisitions or effectively integrating acquired operations, products, technologies and personnel, the Company’s dependency on third-party cloud computing platform providers, hosting facilities and service partners, rapidly changing technology, cyber security attacks or other security breaches against the Company, privacy concerns and legislation impacting the Company’s business, changes in currency exchange rates and interest rates, the effects of additional tax liabilities resulting from our global operations, the effect of unexpected events or geo-political conditions, such as the COVID-19 pandemic, that may disrupt our business and the global economy and various 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.

Disclaimer

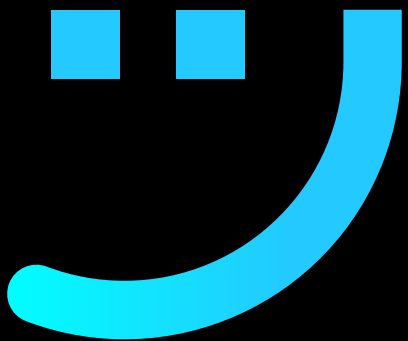
Explanation of Non-GAAP measures

Non-GAAP financial measures are included in this press release. Non-GAAP financial measures consist of GAAP financial measures adjusted to exclude share-based compensation, amortization of acquired intangible assets, acquisition related expenses, amortization of discount on debt and loss from extinguishment of debt and the tax effect of the Non-GAAP adjustments. FASB issued an accounting update, ASU 2021-08, Business Combinations, in the fourth quarter of 2021. The amendments in ASU 2021-08 require acquiring entities to apply Topic 606 to recognize and measure contract assets and contract liabilities in a business combination. Before this guidance and through December 31, 2020, business combination accounting rules required recognizing a legal performance obligation related to a revenue arrangement of an acquired entity as a liability. The amount assigned to such liability was based on its fair value at the date of acquisition. Effective January 1, 2021, the Company early adopted the new guidance retroactively to the start of the year. The Company has applied the new guidance retrospectively to all business combinations for which the acquisition date occurred on or after January 1, 2021, and therefore comparative financials for periods during 2021 have been adjusted accordingly to recognize the full amount of revenue associated with acquisitions. The Company believes that these Non-GAAP financial measures, used in conjunction with the corresponding GAAP measures, provide investors with useful supplemental information about the financial performance of our business. We believe Non-GAAP financial measures are useful to investors as a measure of the ongoing performance of our business. Our management regularly uses our supplemental Non-GAAP financial measures internally to understand, manage and evaluate our business and to make financial, strategic and operating decisions. These Non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. 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. These Non-GAAP financial measures may differ materially from the Non-GAAP financial measures used by other companies. Reconciliation between results on a GAAP and Non-GAAP basis is provided in a table immediately following the Consolidated Statements of Income. The Company provides guidance only on a Non-GAAP basis. A reconciliation of guidance from a GAAP to Non-GAAP basis is not available due to the unpredictability and uncertainty associated with future events that would be reported in GAAP results and would require adjustments between GAAP and Non-GAAP financial measures, including the impact of future possible business acquisitions. Accordingly, a reconciliation of the guidance based on Non-GAAP financial measures to corresponding GAAP financial measures for future periods is not available without unreasonable effort.

Explanation of Constant Currency (“CC”)

NICE presents constant currency information to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current results for transactions in currencies other than United States dollars are converted into United States dollars using the average exchange rates from the comparative period rather than the actual exchange rates in effect during the current period.

Future expected results for transactions in currencies other than United States dollars are converted into United States dollars using the exchange rates in effect in the last month of the reporting period. NICE has provided this financial information to aid investors in better understanding our performance. These constant currency financial measures presented in this release should not be considered as a substitute for, or superior to, the measures of financial performance prepared in accordance with GAAP.



Agenda

Q4 and Full Year 2022 Highlights

Income Statement

Balance Sheet and Cash Flow Analysis

Outlook

Q4 2022 Highlights (Non-GAAP)

Total revenue increased 10% (12% in CC) to \$569M; compared to \$516M in Q4 2021

Cloud revenue increased 26% (27% in CC) to \$359M; compared to \$285M in Q4 2021

Cloud gross margin increased 230 bps to 70.5%; compared to 68.2% in Q4 2021

Recurring revenue represented 85% of total revenue; compared to 80% in Q4 2021

Operating income increased 12% to \$163M; compared to \$146M in Q4 2021

Operating margin increased to 28.6%; compared to 28.2% in Q4 2021

Fully diluted EPS increased 18% to \$2.04; compared to \$1.73 in Q4 2021

Cash flow from operations increased 57% to \$177M; compared to \$113M in Q4 2021

FY 2022 Highlights (Non-GAAP)

Record total revenue of \$2,181M;
an increase of 13%
(14% in CC)
compared to FY 2021

Record cloud revenue of \$1,295M;
an increase of 27%
(27% in CC)
compared to FY 2021

Cloud gross margin increased 230 bps to 70.0%;
compared to 67.7% in FY 2021

Recurring revenue was 82% of total revenue;
compared to 80% in FY 2021

Gross margin increased 50 bps to 73.1%;
compared to 72.6% in FY 2020

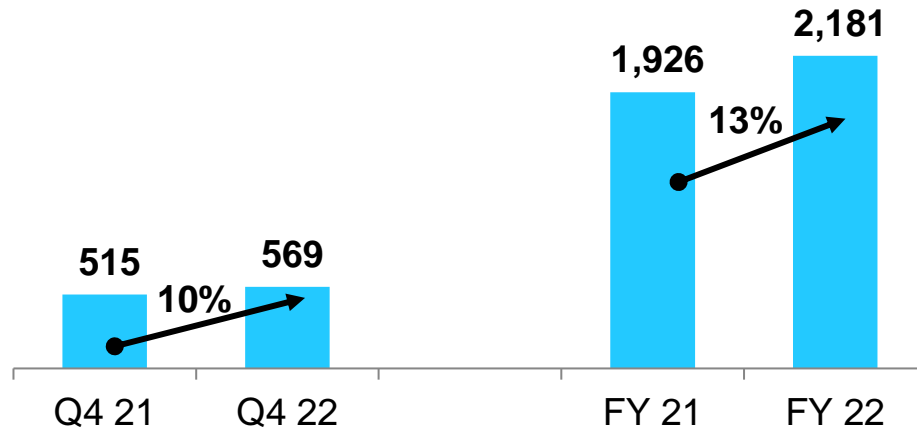
Record operating income of \$625M;
an increase of 15%
compared to FY 2021

Operating margin increased to 28.7%
compared to 28.2% in FY 2021

EPS increased 17% to a record \$7.62;
compared to \$6.52 in FY 2021

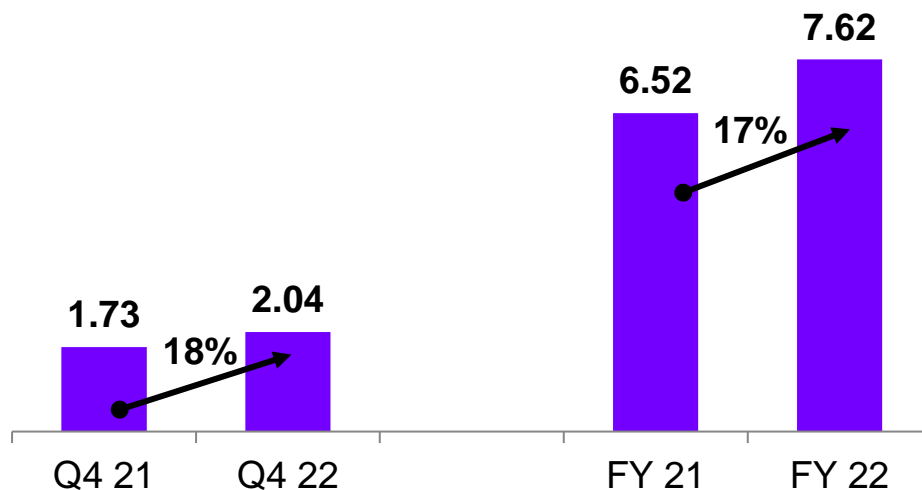
Impressive Growth and Execution

TOTAL REVENUE (Non-GAAP, \$M)



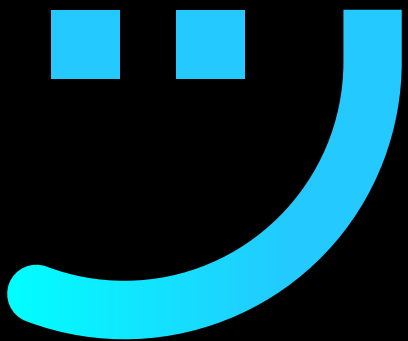
- Total revenue increased 10% (12% in CC) in Q4 2022 and 13% (14% in CC) for the full year 2022, driven by 26% and 27% growth in cloud revenue for Q4 2022 and FY 2022, respectively
- Cloud revenue in FY 2022 of \$1.3B represented 59% of total revenue in FY 2022 compared to 53% in FY 2021. Cloud revenue in Q4 2022 of \$359M represented a record 63% of total revenue.
- Recurring revenue accounted for 82% of total revenue for FY 2022 and a record 85% in Q4 2022

EARNINGS PER SHARE (Non-GAAP, \$)



- Double-digit EPS growth in Q4 2022 and FY 2022 driven primarily by expansion of cloud gross margin





Agenda

Q4 and Full Year 2022 Highlights

Income Statement

Balance Sheet and Cash Flow Analysis

Outlook

GAAP and Non-GAAP Income Statement

USD in thousands (except EPS)

	Quarter ended December 31,		Year to date December 31,	
	2022	2021	2022	2021
GAAP revenues	\$ 568,560	\$ 515,473	\$ 2,181,294	\$ 1,921,150
Valuation adjustment on acquired deferred cloud revenue	-	-	-	4,372
Valuation adjustment on acquired deferred services revenue	-	-	-	175
Non-GAAP revenues	<u>\$ 568,560</u>	<u>\$ 515,473</u>	<u>\$ 2,181,294</u>	<u>\$ 1,925,697</u>
GAAP cost of revenue	\$ 180,980	\$ 165,245	\$ 683,688	\$ 624,456
Amortization of acquired intangible assets on cost of cloud	(18,940)	(18,796)	(74,791)	(72,015)
Amortization of acquired intangible assets on cost of services	-	(669)	(377)	(4,228)
Amortization of acquired intangible assets on cost of product	(241)	(277)	(1,017)	(1,130)
Valuation adjustment on acquired deferred cost of cloud	13	21	54	97
Cost of cloud revenue adjustment (1)	(2,451)	(2,661)	(8,840)	(7,949)
Cost of services revenue adjustment (1)	(3,233)	(3,597)	(11,497)	(10,513)
Cost of product revenue adjustment (1)	(147)	(185)	(548)	(595)
Non-GAAP cost of revenue	<u>\$ 155,981</u>	<u>\$ 139,081</u>	<u>\$ 586,672</u>	<u>\$ 528,123</u>
GAAP gross profit	\$ 387,580	\$ 350,228	\$ 1,497,606	\$ 1,296,694
Gross profit adjustments	24,999	26,164	97,016	100,880
Non-GAAP gross profit	<u>\$ 412,579</u>	<u>\$ 376,392</u>	<u>\$ 1,594,622</u>	<u>\$ 1,397,574</u>
GAAP operating expenses	\$ 299,756	\$ 285,161	\$ 1,162,433	\$ 1,032,785
Research and development (1)	(9,736)	(9,980)	(33,561)	(25,221)
Sales and marketing (1)	(13,993)	(14,495)	(57,114)	(42,021)
General and administrative (1)	(20,549)	(19,403)	(73,540)	(70,776)
Amortization of acquired intangible assets	(5,748)	(10,538)	(28,901)	(41,308)
Valuation adjustment on acquired deferred commission	43	54	196	215
Non-GAAP operating expenses	<u>\$ 249,773</u>	<u>\$ 230,799</u>	<u>\$ 969,513</u>	<u>\$ 853,674</u>



GAAP and Non-GAAP Income Statement (cont.)

USD in thousands (except EPS)

	Quarter ended December 31,		Year to date December 31,	
	2022	2021	2022	2021
GAAP financial and other expense (income), net	\$ (9,127)	\$ 7,696	\$ (10,159)	\$ 23,290
Amortization of discount on debt and loss from extinguishment of debt	(1,151)	(8,874)	(5,788)	(28,279)
Non-GAAP financial and other income, net	<u>\$ (10,278)</u>	<u>\$ (1,178)</u>	<u>\$ (15,947)</u>	<u>\$ (4,989)</u>
GAAP taxes on income	\$ 25,765	\$ 6,210	\$ 79,387	\$ 41,396
Tax adjustments re non-GAAP adjustments	12,037	23,898	54,897	71,157
Non-GAAP taxes on income	<u>\$ 37,802</u>	<u>\$ 30,108</u>	<u>\$ 134,284</u>	<u>\$ 112,553</u>
GAAP net income	\$ 71,186	\$ 51,161	\$ 265,945	\$ 199,223
Valuation adjustment on acquired deferred revenue	-	-	-	4,547
Valuation adjustment on acquired deferred cost of cloud revenue	(13)	(21)	(54)	(97)
Amortization of acquired intangible assets	24,929	30,280	105,086	118,681
Valuation adjustment on acquired deferred commission	(43)	(54)	(196)	(215)
Share-based compensation (1)	50,061	50,321	185,052	154,213
Acquisition related expenses (2)	48	-	48	2,862
Amortization of discount on debt and loss from extinguishment of debt	1,151	8,874	5,788	28,279
Tax adjustments re non-GAAP adjustments	(12,037)	(23,898)	(54,897)	(71,157)
Non-GAAP net income	<u>\$ 135,282</u>	<u>\$ 116,663</u>	<u>\$ 506,772</u>	<u>\$ 436,336</u>
GAAP diluted earnings per share	<u>\$ 1.07</u>	<u>\$ 0.76</u>	<u>\$ 4.00</u>	<u>\$ 2.98</u>
Non-GAAP diluted earnings per share	<u>\$ 2.04</u>	<u>\$ 1.73</u>	<u>\$ 7.62</u>	<u>\$ 6.52</u>
Shares used in computing GAAP diluted earnings per share	66,285	67,245	66,465	66,896
Shares used in computing non-GAAP diluted earnings per share	66,285	67,245	66,465	66,896



GAAP and Non-GAAP Income Statement (cont.)

USD in thousands (except EPS)

(1) Share-based Compensation

	Quarter ended December 31,		Year to date December 31,	
	2022	2021	2022	2021
Cost of cloud revenue	\$ 2,451	\$ 2,661	\$ 8,840	\$ 7,949
Cost of services revenue	3,233	3,597	11,497	10,513
Cost of product revenue	147	185	548	595
Research and development	9,736	9,980	33,561	25,221
Sales and marketing	13,993	14,495	57,114	42,021
General and administrative	20,501	19,403	73,492	67,914
	<u>\$ 50,061</u>	<u>\$ 50,321</u>	<u>\$ 185,052</u>	<u>\$ 154,213</u>

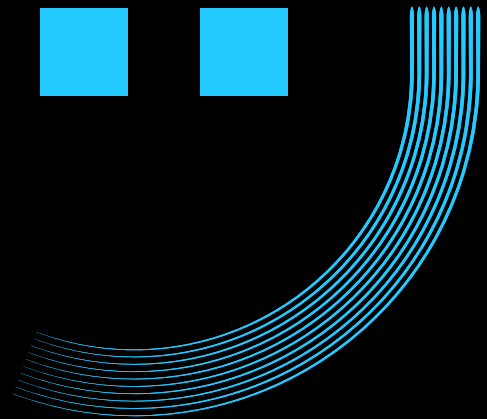
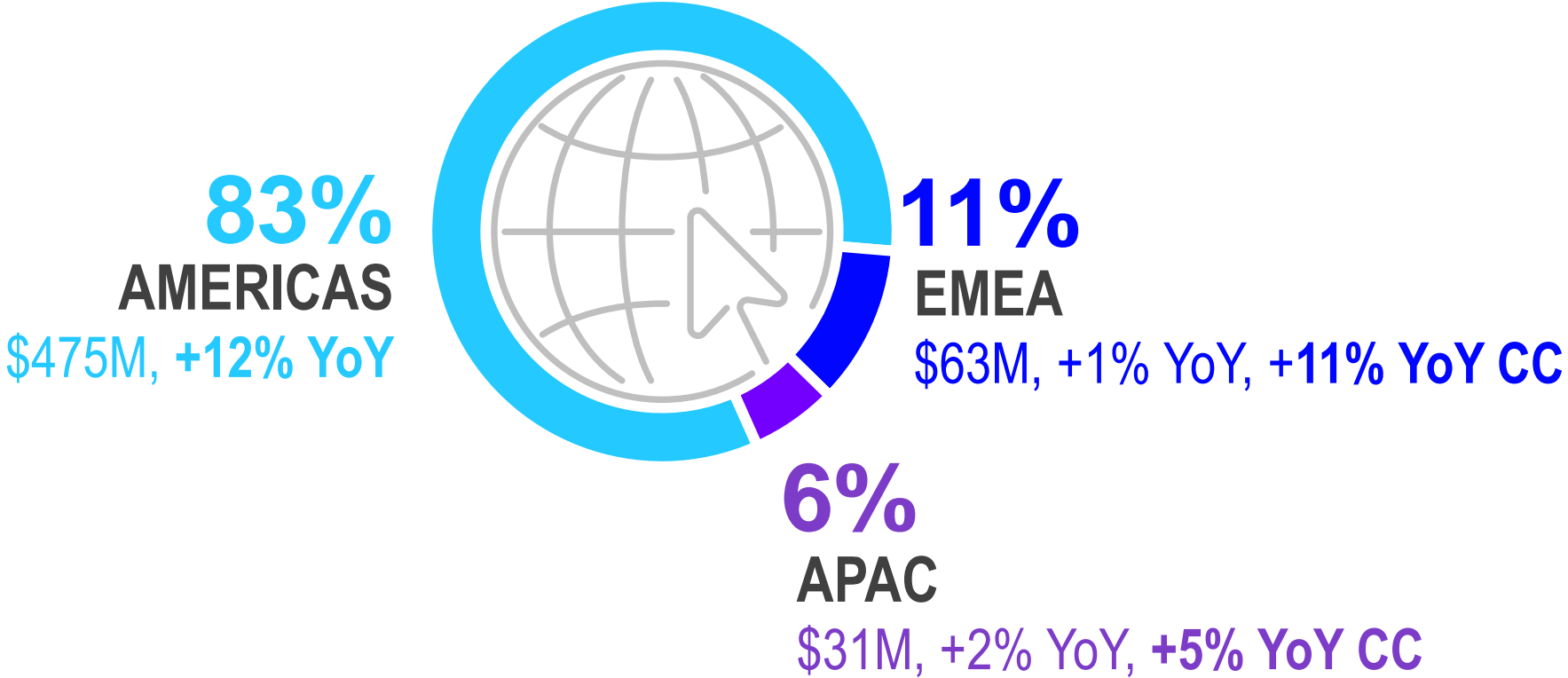
(2) Acquisition related expenses

	Quarter ended December 31,		Year to date December 31,	
	2022	2021	2022	2021
Research and development	-	-	-	-
Sales and marketing	-	-	-	-
General and administrative	48	-	48	2,862
	<u>48</u>	<u>-</u>	<u>48</u>	<u>2,862</u>



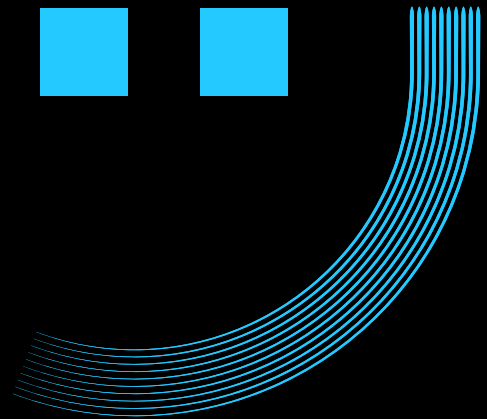
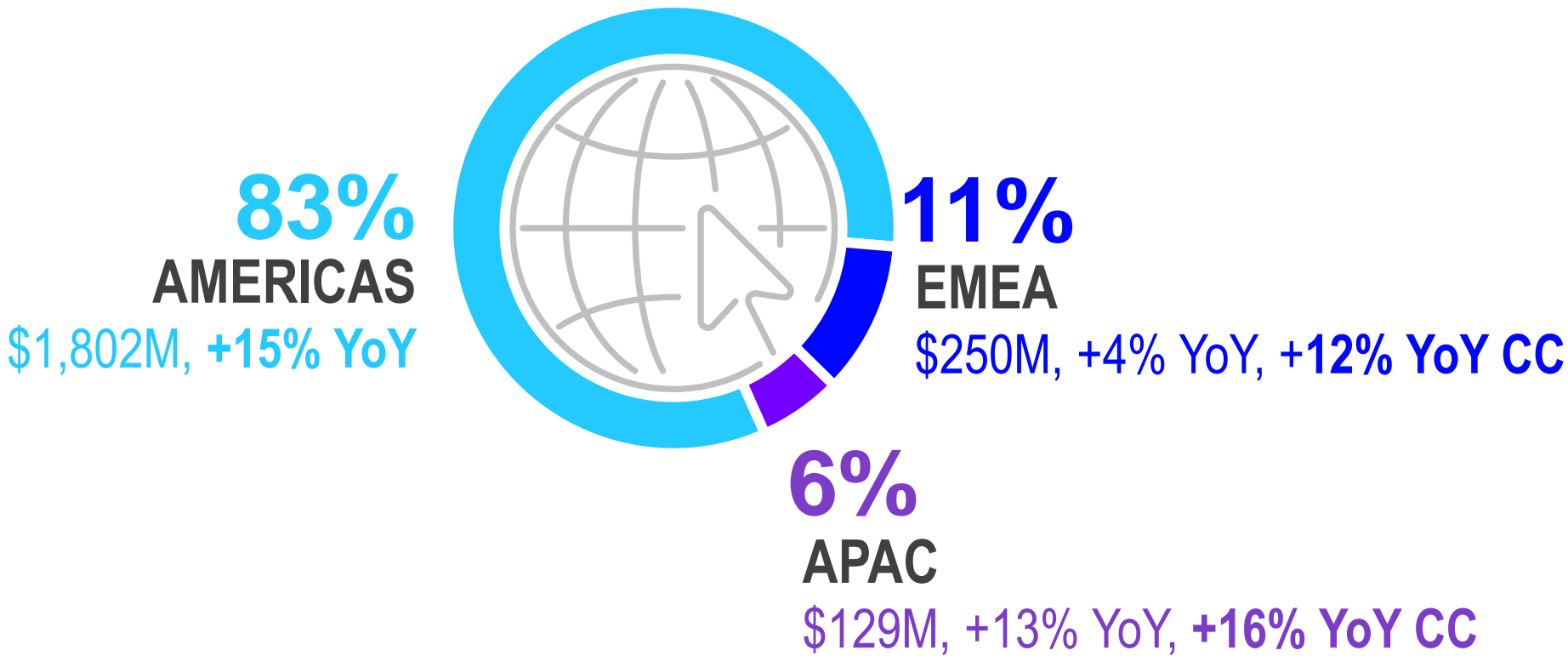
Q4 2022

Revenue Breakdown by Region (Non-GAAP)



FY 2022

Revenue Breakdown by Region (Non-GAAP)



Q4 2022

Revenue Breakdown by Business Unit (Non-GAAP)

82%
CUSTOMER
ENGAGEMENT
\$467M, +11% YoY,
+12% YoY CC



18%
FINANCIAL
CRIME &
COMPLIANCE
\$102M, +6% YoY,
+9% YoY CC

FY 2022

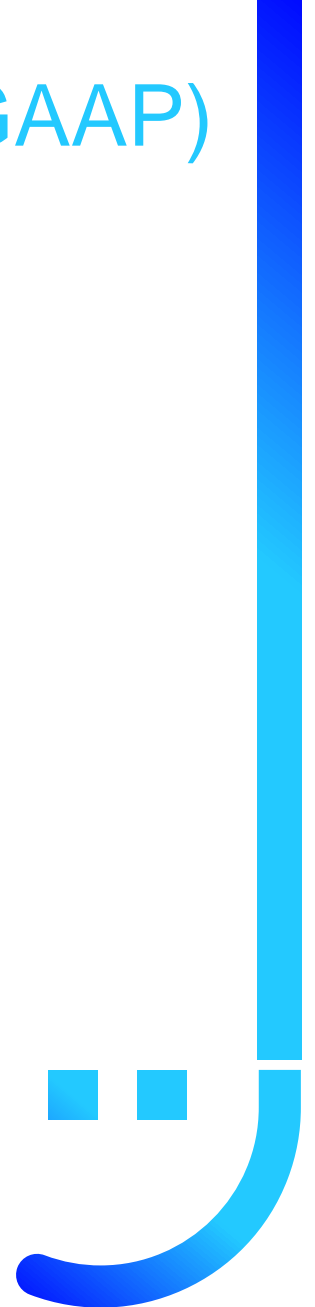
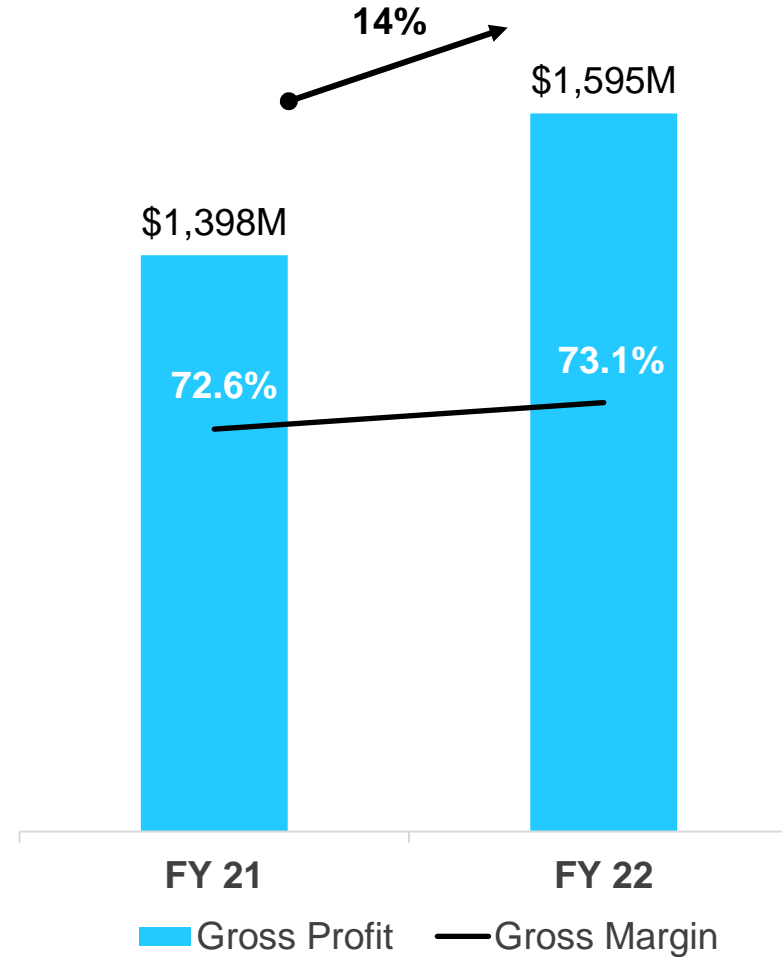
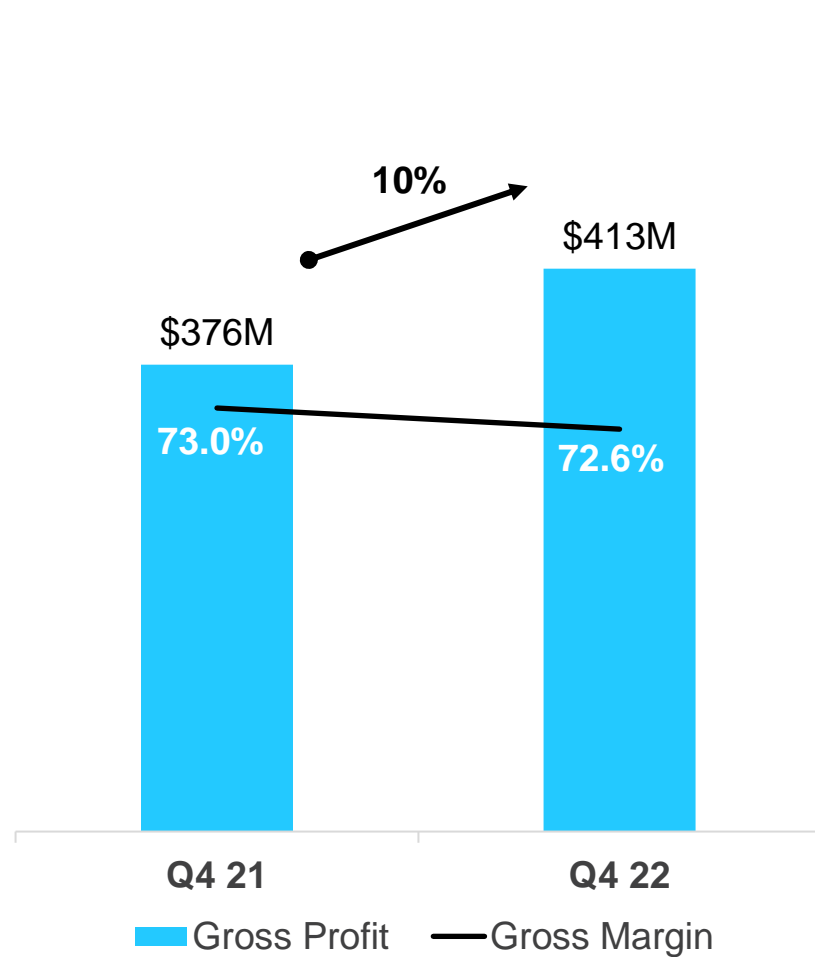
Revenue Breakdown by Business Unit (Non-GAAP)

81%
CUSTOMER
ENGAGEMENT
\$1,769M, +13% YoY
+13% YoY CC



19%
FINANCIAL
CRIME &
COMPLIANCE
\$412M, +17% YoY
+19% YoY CC

Gross Profit and Gross Margin Q4 and FY 2022 (Non-GAAP)



Gross Margin Q4 2022 (Non-GAAP)

PRODUCT MARGIN

85.7% | -600bp

Product GM
91.7%



Q4 21

Product GM
85.7%



Q4 22

SERVICES MARGIN

73.3% | -80bp

Services GM
74.1%



Q4 21

Services GM
73.3%



Q4 22

CLOUD MARGIN

70.5% | +230bp

Cloud GM
68.2%



Q4 21

Cloud GM
70.5%



Q4 22

Gross Margin FY 2022 (Non-GAAP)

PRODUCT MARGIN

89.2% | -220bp

Product GM
91.4%



FY 21

Product GM
89.2%



FY 22

SERVICES MARGIN

73.5% | +20bp

Services GM
73.3%



FY 21

Services GM
73.5%



FY 22

CLOUD MARGIN

70.0% | +230bp

Cloud GM
67.7%



FY 21

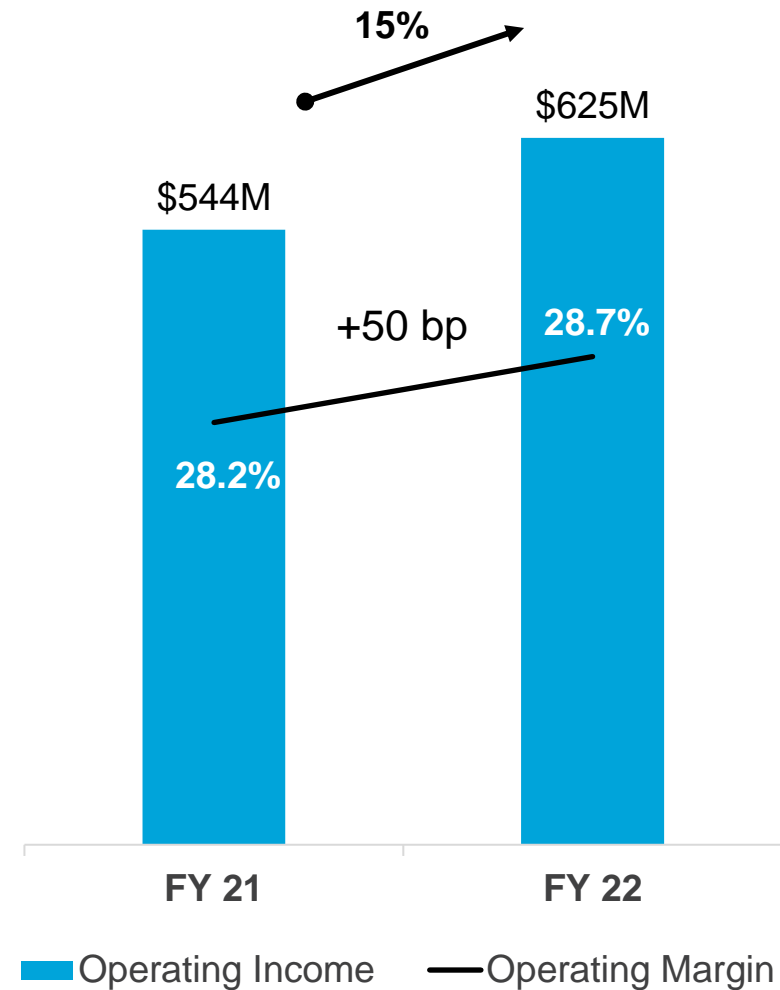
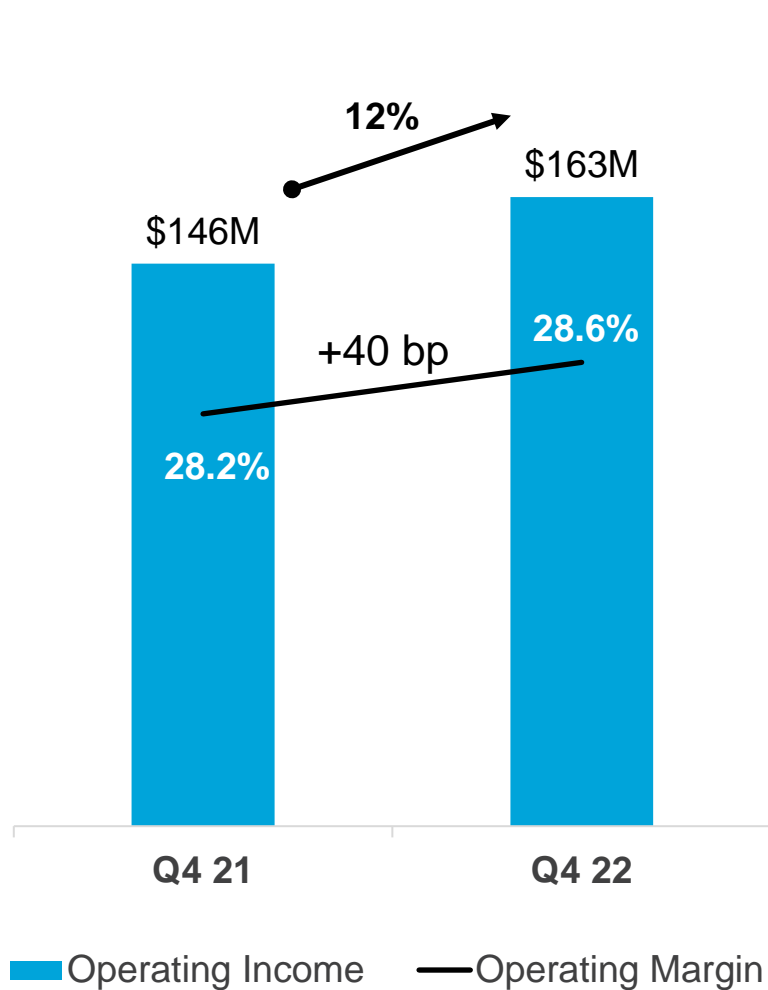
Cloud GM
70.0%



FY 22

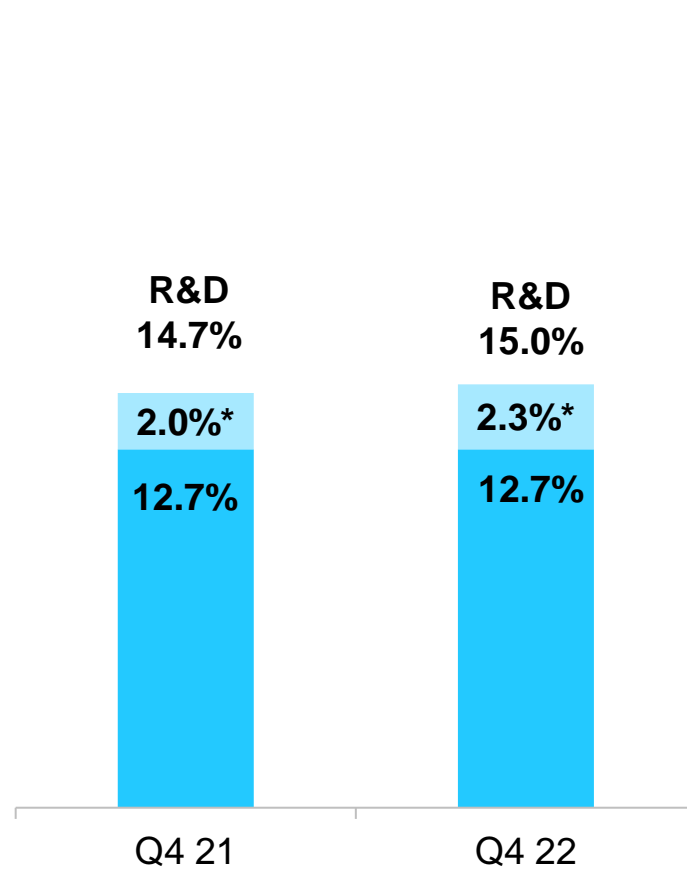
Operating Income and Operating Margin

Q4 and FY 2022 (Non-GAAP)

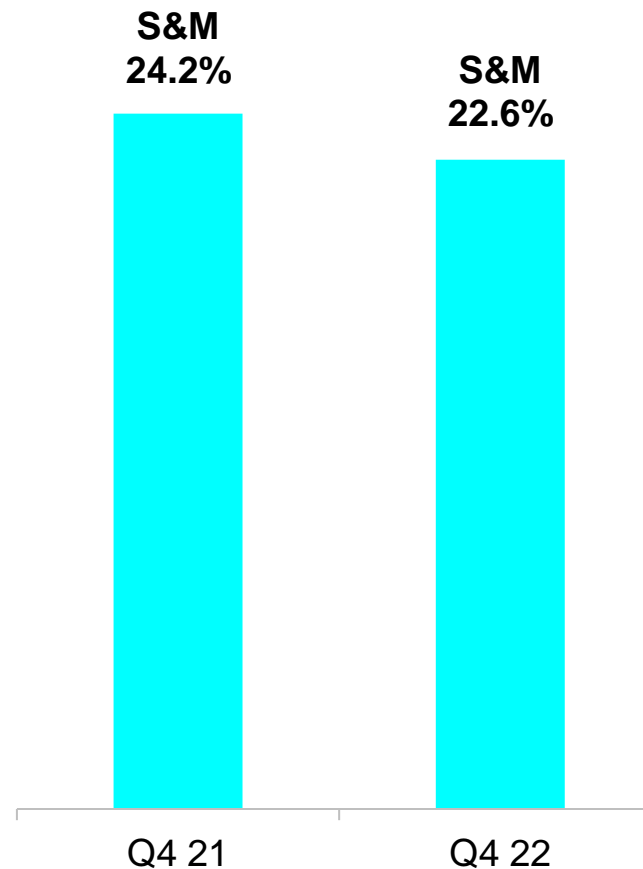


Cost Ratios Q4 2022 (Non-GAAP)

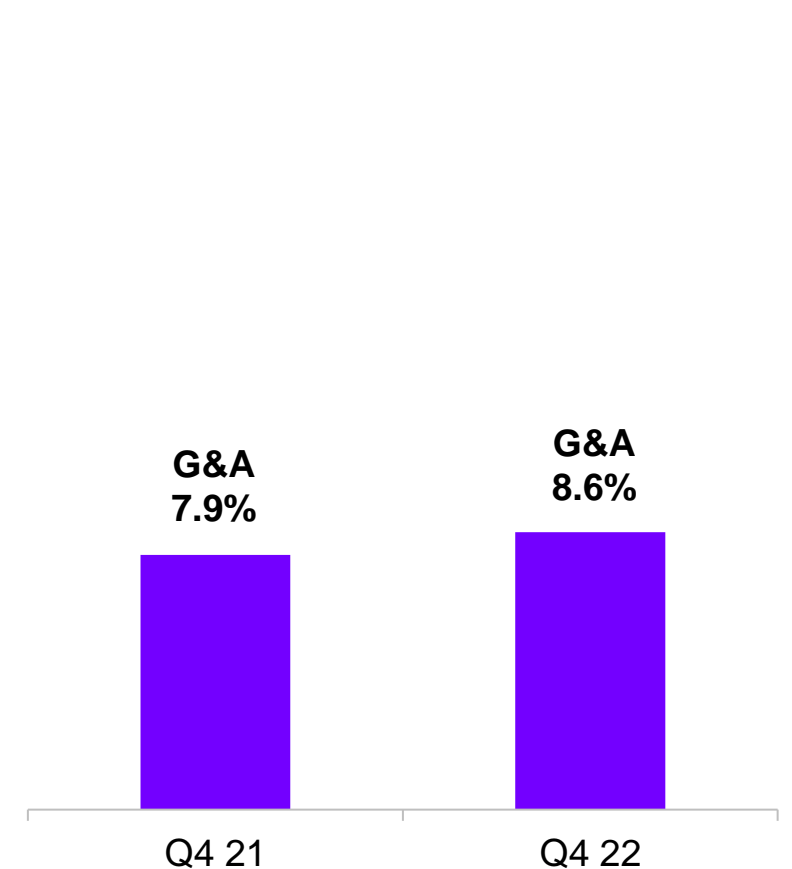
R&D as % of revenue



S&M as % of revenue

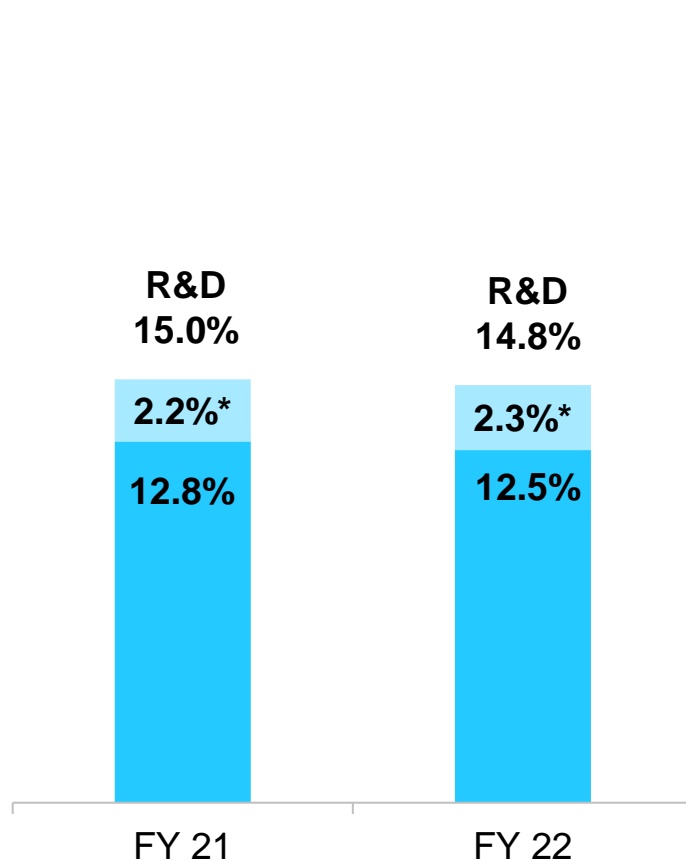


G&A as % of revenue

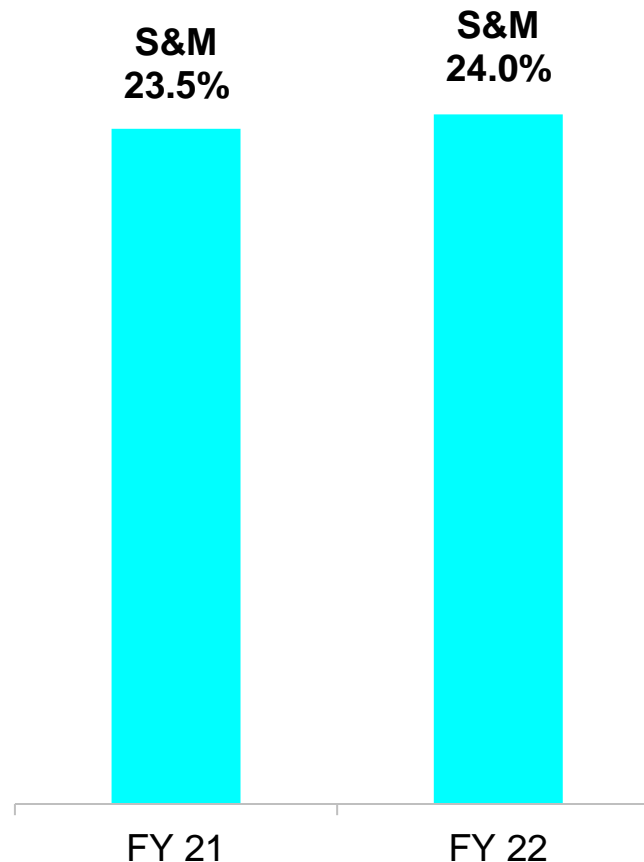


Cost Ratios FY 2022 (Non-GAAP)

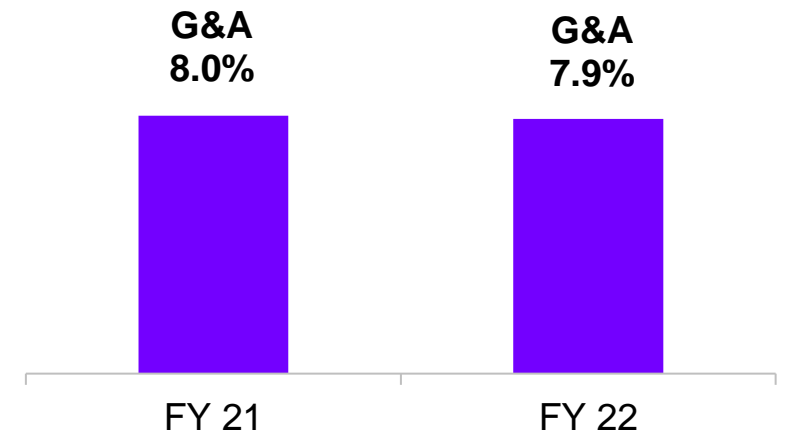
R&D as % of revenue



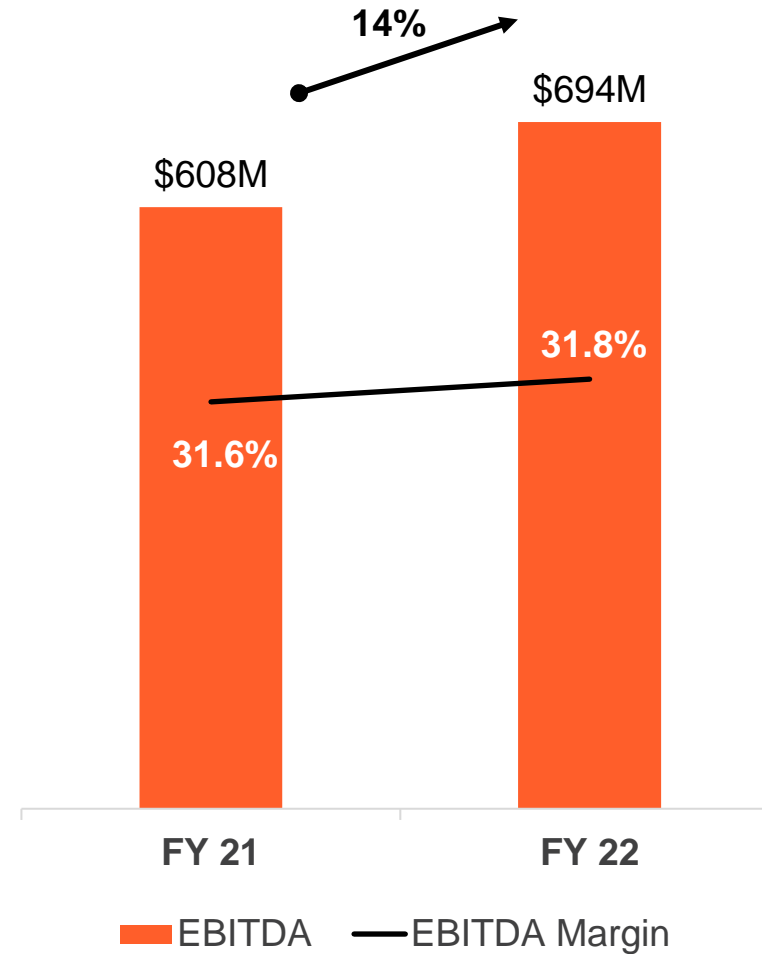
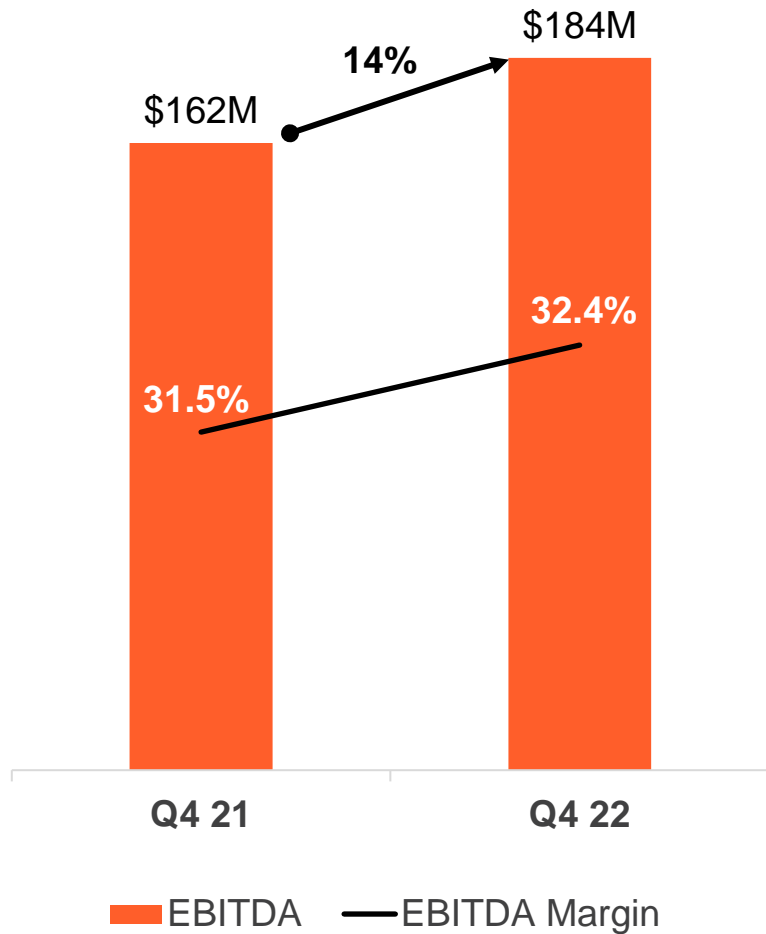
S&M as % of revenue

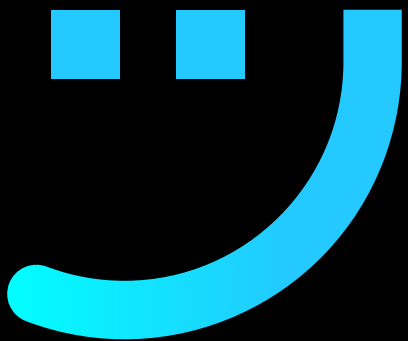


G&A as % of revenue



EBITDA and EBITDA Margin Q4 and FY 2022 (Non-GAAP)





Agenda

Q4 and FY 2022 Highlights

Income Statement

Balance Sheet and Cash Flow Analysis

Outlook

Condensed Consolidated Balance Sheet

USD in thousands

	December 31, 2022	December 31, 2021		December 31, 2022	December 31, 2021
	Unaudited	Audited		Unaudited	Audited
ASSETS			LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash and cash equivalents	\$ 529,596	\$ 378,656	Trade payables	\$ 56,019	\$ 36,121
Short-term investments	1,041,943	1,046,095	Deferred revenues and advances from customers	338,930	330,459
Trade receivables	515,730	395,583	Current maturities of operating leases	13,525	19,514
Debt hedge option	122,323	292,940	Debt	209,292	395,946
Prepaid expenses and other current assets	206,372	184,604	Accrued expenses and other liabilities	526,527	487,547
Total current assets	2,415,964	2,297,878	Total current liabilities	1,144,293	1,269,587
LONG-TERM ASSETS:			LONG-TERM LIABILITIES:		
Property and equipment, net	159,284	145,654	Deferred revenues and advances from customers	57,211	66,606
Deferred tax assets	119,821	55,246	Operating leases	99,261	81,185
Other intangible assets, net	209,605	295,378	Deferred tax liabilities	6,024	7,429
Operating lease right-of-use assets	102,893	85,055	Debt	455,382	429,267
Goodwill	1,617,118	1,606,756	Other long-term liabilities	38,587	18,379
Prepaid expenses and other long-term assets	231,496	224,445	Total long-term liabilities	656,465	602,866
Total long-term assets	2,440,217	2,412,534	SHAREHOLDERS' EQUITY		
TOTAL ASSETS	\$ 4,856,181	\$ 4,710,412	Nice Ltd's equity	3,042,085	2,825,085
			Non-controlling interests	13,338	12,874
			Total shareholders' equity	3,055,423	2,837,959
			TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 4,856,181	\$ 4,710,412



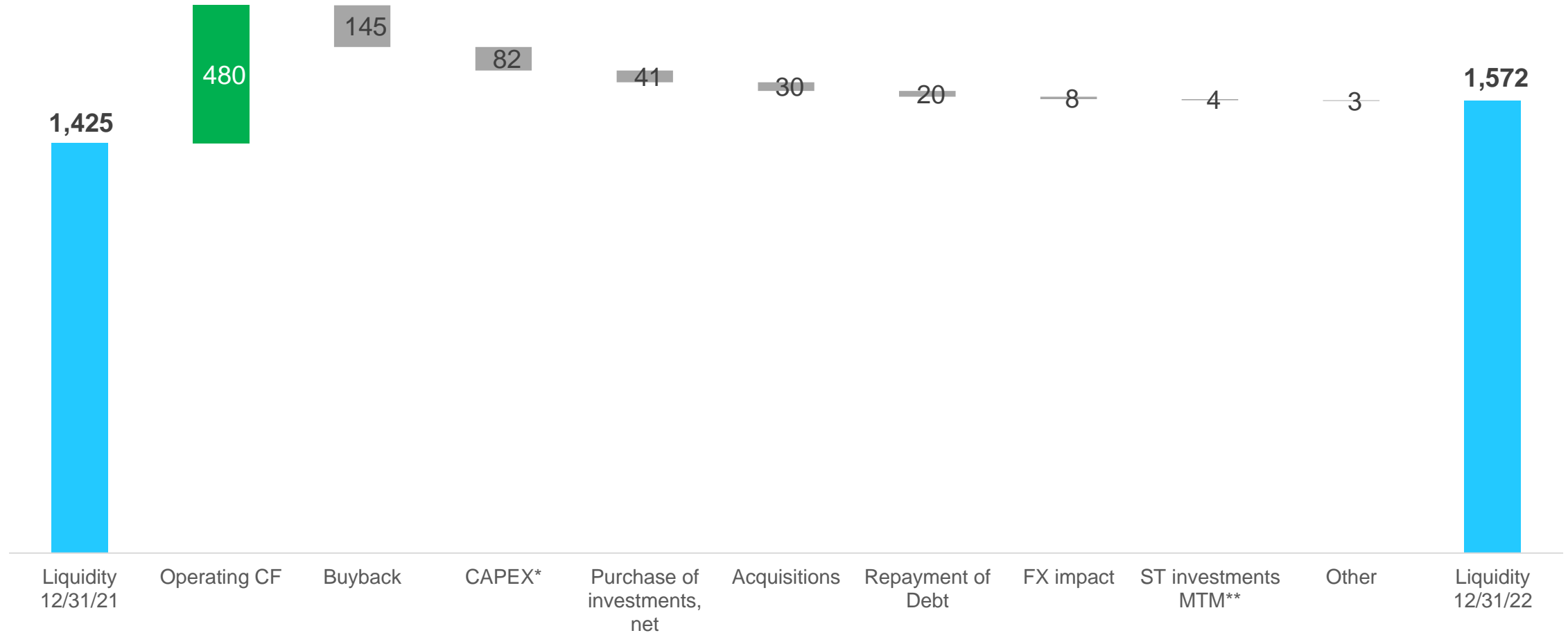
Cash Flow From Operations

\$M	Q4 22	Q4 21	%Δ	FY 22	FY 21	%Δ
Cash flow from operations	176.7	112.7	57%	479.7	461.8	4%
- Capital expenditure	10.9	3.7	199%	31.9	24.8	29%
- Capitalization of software development	12.8	10.5	23%	50.0	42.4	18%
Cash flow from operations after capex & software capitalization	153.0	98.5	55%	397.8	394.6	1%
Cash flow from operations after capex and software capitalization as % of non-GAAP revenue	27%	19%	8pp	18%	20%	(2pp)
Cash conversion rate *	1.1	0.8	38%	0.8	0.9	(11%)

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

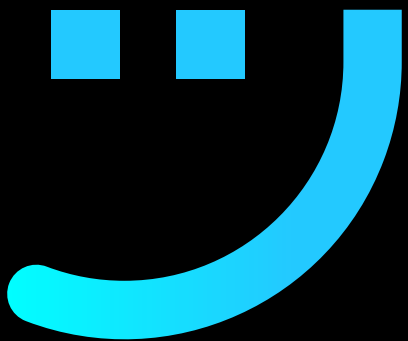
Cash Movement and Liquidity (USD in Millions)

December 31, 2022



*CAPEX movement includes R&D capitalization

**Short-term investments Mark to Market (MTM)



Agenda

Q4 and FY 2022 Highlights

Income Statement

Balance Sheet and Cash Flow Analysis

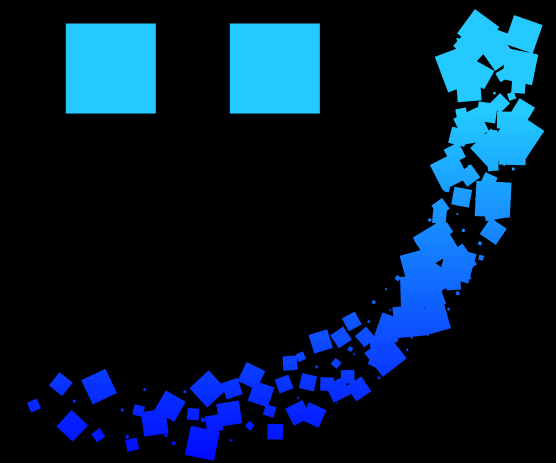
Outlook

Outlook* (Non-GAAP)

	Q1 2023	FY 2023
Revenue (\$M)	559 – 569	2,345 – 2,365
EPS (\$)	1.92 – 2.02	8.28 – 8.48

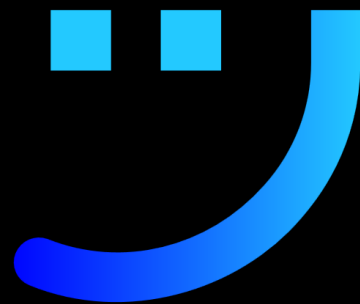
*The outlook is provided as of February 23, 2023. There is no guarantee that the Company will change or update these figures in this presentation should a need arise in the future to update the outlook. This is in addition to the forward-looking statements disclaimer at the beginning of the presentation.

Make experiences *flow*



Thank You

NICE



Make
experiences

flow