UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 14, 2025

Verint Systems Inc.
(Exact name of registrant as specified in its charter)

Delaware	**001-34807**	**11-3200514**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

225 Broadhollow Road
Melville, New York 11747
(Address of principal executive offices, and zip code)
(631) 962-9600
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.001 par value per share	**VRNT**	**The NASDAQ Stock Market, LLC (NASDAQ Global Select Market)**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure

On January 14, 2025, Verint Systems Inc. issued a press release announcing certain highlights, including management's outlook for the remainder of the fiscal year ending January 31, 2025 as well as selected preliminary outlook for the fiscal year ending January 31, 2026, from its Investor Day event to be held later that day. A copy of the press release is attached as Exhibit 99.1 hereto and is incorporated by reference in its entirety into this Item 7.01. In addition, a copy of the presentation slides that will be displayed during the Investor Day webcast are attached as Exhibit 99.2 hereto and are incorporated by reference into this Item 7.01 in their entirety.

The presentation slides attached as Exhibit 99.2 hereto are being furnished herewith and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*.

Exhibit Number	Description
99.1	Press Release of Verint Systems Inc., dated January 14, 2025
99.2	Presentation Slides
104	Cover Page Interactive Data File (embedded within XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VERINT SYSTEMS INC.

Date: January 14, 2025

By: /s/ Grant Highlander

Name: Grant Highlander

Title: Chief Financial Officer

Press Release

Investor Relations Contact
Matthew Frankel, CFA
Verint Systems Inc.
(631) 962-9600
matthew.frankel@verint.com

Verint to Hold Investor Day Today at 10:30 a.m. ET

Focus on CX Automation Category Leadership and AI Monetization Strategy

Showcase Customers Reporting Significant AI Business Outcomes

Discuss Simplification of Business and Introduce Subscription ARR and Cash Generation Metrics

Provide FYE 2026 Outlook for ARR and Free Cash Flow Growth

MELVILLE, N.Y., January 14, 2025 - **Verint®** (Nasdaq: VRNT), The CX Automation Company™, today announced highlights that will be discussed at today's Investor Day to be held at 10:30 a.m. ET.

"We are delighted to be hosting our investor day today, where we will discuss the CX market evolution, Verint's CX Automation category leadership and Verint's AI monetization strategy. In addition to hearing from Verint's management, Verint customers will discuss the significant AI business outcomes they are achieving with the Verint CX platform. The presentations will be followed by a Q&A session, and we look forward to speaking with you later today," said Verint CEO Dan Bodner.

CX Market Evolution

The primary challenge for brands in their CX initiatives is the unsustainable cost of labor. Today, brands are using many workflows in their efforts to delight customers with superior customer experience. Because these CX workflows are mostly manual, any time brands want to improve CX, they are required to increase what is already a large and expensive CX workforce.
The recent advances in AI-powered automation make it possible to fully or partially automate CX workflows. Because the economic benefits for brands are so significant, CX Automation is now an important solution category in the CX market and an integral part of the enterprise technology ecosystem.

CX Automation Category Leadership

Our platform currently offers more than 50 different AI-powered bots. Each bot is uniquely designed to fully or partially automate specific steps of a manual CX workflow. We invented a differentiated approach to CX Automation based on automating these micro-workflows with bots that are uniquely designed for each specific task. As a result, each of the Verint bots automates a specific micro-workflow and does it very well. Due to the high precision of the bots, we are able to drive the desired AI business outcome for customers. This best-of-breed approach to AI-powered bots is resonating well with our customers.
Today, our platform is highly differentiated in its ability to deliver stronger AI business outcomes than any other CX vendor, and its ability to deliver into a customer's existing ecosystem, without disrupting their operations.

AI Monetization Strategy

Our AI monetization strategy is based on our customers' preference to start with a low level of automation consumption and increase automation over time, as they see business outcomes. This drives incremental consumption and revenue growth over time for Verint. Our open platform architecture, specifically our hybrid cloud approach, is a tremendous accelerator for customer adoption and enables us to deliver outcomes faster than any competitive offering.

Introducing Subscription ARR (ARR) and Cash Generation Metrics

We have completed our transition to a subscription model with approximately 80% of our total revenue this year coming from our subscription offerings. With the completion of our transition to subscription, we will begin to report Subscription ARR, which covers all streams within our subscription business, including Bundled SaaS, Unbundled SaaS, Support, and Optional Managed Services. ARR represents the annualized quarterly run-rate value of active or signed subscription contracts, as of the end of a period. For unbundled SaaS deals, we use a ratable view in our ARR calculation.

We believe that ARR is a useful metric for investors, since it represents the true growth of our subscription business, avoiding any variability associated with ASC 606 revenue accounting. Due to this volatility, we will also begin to report cash contribution margin and operating efficiency metrics annually.

Verint Chief Financial Officer, Grant Highlander, added, "We are pleased that our business has been greatly simplified with a subscription model. Looking forward, we are optimistic about our AI monetization strategy, which gives customers the ability to adopt AI without disruption and increase usage over time, as they see value. We expect demand for our CX Automation solutions to accelerate the growth of our subscription business. For fiscal 26, we are targeting our ARR growth to improve to 8%, and with operating leverage, free cash flow will grow by double digits."

FYE 2025 and FYE 2026 ARR Outlook
Our ARR outlook is as follows:

- **For Q4 January 31, 2025:** $704 Million, reflecting 4% year-over-year growth (adjusted for prior year divesture)
- **For Q4 January 31, 2026:** $760 million, reflecting 8% year-over-year growth

Please see our Investor Dashboard on our website for historical ARR Data.

FYE 2025 Revenue and Diluted EPS Outlook
Our revenue and non-GAAP diluted EPS outlook for the year ending January 31, 2025 is as follows:

- **Revenue**: $933 million +/- 2%, reflecting 5% year-over-year growth (adjusted for the divestiture)
- **Diluted EPS:** $2.90 at the midpoint of our revenue guidance, reflecting 6% year-over-year growth.

Our non-GAAP outlook for year ending January 31, 2025 excludes the following GAAP measure which we are able to quantify with reasonable certainty:

- Amortization of intangible assets of approximately $20 million for the year ending January 31, 2025.

Our non-GAAP outlook for the year ending January 31, 2025 excludes the following GAAP measures for which we are able to provide a range of probable significance:

- Stock-based compensation expenses are expected to be between approximately $76 million and $78 million, for the year ending January 31, 2025, assuming market prices for our common stock approximately consistent with current levels.

Our non-GAAP guidance does not include the potential impact of any in-process business acquisitions that may close after the date hereof, and, unless otherwise specified, reflects foreign currency exchange rates approximately consistent with current rates.

We are unable, without unreasonable efforts, to provide a reconciliation for other GAAP measures which are excluded from our non-GAAP outlook, including the impact of future business acquisitions or acquisition expenses, future restructuring expenses, and non-GAAP income tax adjustments due to the level of unpredictability and uncertainty associated with these items. For these same reasons, we are unable to assess the probable significance of these excluded items.

Investor Day Conference Call Information
Date: January 14, 2025
Time: 10:30am ET – 12:30pm ET
Location: Virtual
Registration: Click here to receive your dial-in number and unique PIN to access the event. The live event may be accessed on Verint's Investor Relations webcast page.

About Verint Systems Inc.
Verint® (Nasdaq: VRNT) is a leader in customer experience ("CX") automation. The world's most iconic brands – including more than 80 of the Fortune 100 companies – use the Verint Open Platform and our team of AI-powered bots to deliver tangible AI business outcomes across the enterprise.

Verint. The CX Automation Company™, is proud to be Certified™ by Great Place To Work®. Learn more at Verint.com.

Cautions About Forward-Looking Statements
This press release contains forward-looking statements, including statements regarding expectations, predictions, views, opportunities, plans, strategies, beliefs, and statements of similar effect relating to Verint Systems Inc. These forward-looking statements are not guarantees of future performance and they are based on management's expectations that involve a number of known and unknown risks, uncertainties, assumptions, and other important factors, any of which could cause our actual results or conditions to differ materially from those expressed in or implied by the forward-looking statements. Some of the factors that could cause our actual results or conditions to differ materially from current expectations include, among others: uncertainties regarding the impact of changes in macroeconomic and/or global conditions, including as a result of slowdowns, recessions, economic instability, elevated interest rates, tightening credit markets, inflation, instability in the banking sector, actual or threatened trade wars, political unrest, armed conflicts, natural disasters, or outbreaks of disease (including global epidemics or pandemics), as well as the resulting impact on spending by customers or partners, on our business; risks that our customers or partners delay, downsize, cancel, or refrain from placing orders or renewing subscriptions or contracts, or are unable to honor contractual commitments or payment obligations due to challenges or uncertainties in their budgets, liquidity, or businesses; risks associated with our ability to keep pace with technological advances and challenges and evolving industry standards, including achieving, demonstrating, and maintaining the competitive differentiation of our solution platform; to adapt to changing market potential from area to area within our markets; and to successfully develop, launch, and drive demand for new, innovative, high-quality products and services that meet or exceed customer challenges and needs, while simultaneously preserving our legacy businesses and migrating away from areas of commoditization; risks due to aggressive competition in all of our markets and our ability to keep pace with competitors, some of whom may be able to grow faster than us or have greater resources than us, including in areas such as sales and marketing, branding, technological innovation and development, and recruiting and retention; risks associated with our ability to properly execute on our software as a service ("SaaS") transition, including successfully transitioning customers to our cloud platform and the increased importance of subscription renewal rates and term lengths, and risk of increased variability in our period-to-period results based on the mix, terms, and timing of our transactions; risks relating to our ability to properly identify and execute on growth or strategic initiatives, manage investments in our business and operations, and enhance our existing operations and infrastructure, including the proper prioritization and allocation of limited financial and other resources; risks associated with our ability to or costs to retain, recruit, and train qualified personnel and management in regions in which we operate either physically or remotely, including in new markets and growth areas we may enter, due to competition for talent, increased labor costs, applicable regulatory requirements, or otherwise; challenges associated with selling sophisticated solutions and cloud-based solutions, which may incorporate newer technologies, such as artificial intelligence ("AI"), whose adoption, value, and use-cases are still emerging (and may present risks of their own), including with respect to longer sales cycles, more complex sales processes and customer evaluation and approval processes, more complex contractual and information security requirements, and assisting customers in understanding and realizing the benefits of our solutions and technologies (including versus those of our competitors), as well as with developing, offering, implementing, and maintaining an enterprise-class, broad solution portfolio; risks that we may be unable to maintain, expand, or enable our relationships with partners as part of our growth strategy, including partners with whom we may overlap or compete, while avoiding excessive

concentration with one or more partners; risks associated with our reliance on third-party suppliers, partners, or original equipment manufacturers ("OEMs") for certain services, products, or components, including companies that may compete with us or work with our competitors; risks associated with our significant international operations, including exposure to regions subject to political or economic instability, fluctuations in foreign exchange rates, inflation, increased financial accounting and reporting burdens and complexities, and challenges associated with a significant portion of our cash being held overseas; risks associated with a significant part of our business coming from government contracts, and associated procurement processes and regulatory requirements; risks associated with our ability to identify suitable targets for acquisition or investment or successfully compete for, consummate, and implement mergers and acquisitions, including risks associated with valuations, legacy liabilities, reputational considerations, capital constraints, costs and expenses, maintaining profitability levels, expansion into new areas, management distraction, post-acquisition integration activities, and potential asset impairments; risks associated with complex and changing domestic and foreign regulatory environments, including, among others, with respect to data privacy, AI, cyber/information security, government contracts, anti-corruption, trade compliance, climate change or other environmental, social and governance matters, tax, and labor matters, relating to our own operations, the products and services we offer, and/or the use of our solutions by our customers; risks associated with the mishandling or perceived mishandling of sensitive or confidential information and data, including personally identifiable information or other information that may belong to our customers or other third parties, including in connection with our SaaS or other hosted or managed services offerings or when we are asked to perform service or support; risks associated with our reliance on third parties to provide certain cloud hosting or other cloud-based services to us or our customers, including the risk of service disruptions, data breaches, or data loss or corruption; risks that our solutions or services, or those of third-party suppliers, partners, or OEMs which we use in or with our offerings or otherwise rely on, including third-party hosting platforms, may contain defects, vulnerabilities, or develop operational problems; risk that we or our solutions may be subject to security vulnerabilities or lapses, including cyber-attacks, information technology system breaches, failures, or disruptions; risks that our intellectual property ("IP") rights may not be adequate to protect our business or assets or that others may make claims on our IP, claim infringement on their IP rights, or claim a violation of their license rights, including relative to free or open source components we may use; risks associated with leverage resulting from our current debt position or our ability to incur additional debt, including with respect to liquidity considerations, covenant limitations and compliance, fluctuations in interest rates, dilution considerations (with respect to our convertible notes), and our ability to maintain our credit ratings; risks that we may experience liquidity or working capital issues and related risks that financing sources may be unavailable to us on reasonable terms or at all; risks arising as a result of contingent or other obligations or liabilities assumed in our acquisition of our former parent company, Comverse Technology, Inc. ("CTI"), or associated with formerly being consolidated with, and part of a consolidated tax group with, CTI; risks associated with changing accounting principles or standards, tax laws and regulations, tax rates, and the continuing availability of expected tax benefits; risks relating to the adequacy of our existing infrastructure, systems, processes, policies, procedures, internal controls, and personnel, and our ability to successfully implement and maintain enhancements to the foregoing, for our current and future operations and reporting needs, including related risks of financial statement omissions, misstatements, restatements, or filing delays; risks associated with market volatility in the prices of our common stock and convertible notes based on our performance, third-party publications or speculation, or other factors, and risks associated with actions of activist stockholders; risks associated with Apax Partners' significant ownership position and potential that its interests will not be aligned with those of our common stockholders; and risks associated with the February 1, 2021 spin-off of our former Cyber Intelligence Solutions business, including the possibility that the spin-off transaction does not achieve the benefits anticipated, does not qualify as a tax-free transaction, or exposes us to unexpected claims or liabilities. We assume no obligation to revise or update any forward-looking statement, except as otherwise required by law. For a detailed discussion of these risk factors, see our Annual Report on Form 10-K for the fiscal year ended January 31, 2024, our Quarterly Report on Form 10-Q for the quarter ended April 30, 2024, our Quarterly Report on Form 10-Q for the quarter ended July 31, 2024, our Quarterly Report on Form 10-Q for the quarter ended October 31, 2024, and other filings we make with the SEC.

Revenue Metrics and Operating Metrics

SaaS Annual Contract Value (ACV) (formerly known as New SaaS ACV) includes the annualized contract value of all new SaaS contracts received within the period; new unbundled SaaS contracts only include the license portion of those orders. In cases where SaaS is offered to partners through usage-based contracts, we include the incremental value of usage contracts over a rolling four quarters. Orders are only included in SaaS ACV with a completed customer contract signed by both parties before the end of the period. Unbundled SaaS ACV includes only the ACV of the unbundled SaaS contracts included in SaaS ACV. Bundled SaaS ACV includes only the ACV of the bundled SaaS contracts included in SaaS ACV and is comprised of two components:

New Deals ACV, which represents the annual contract value of new bundled SaaS contracts, received within the period. This includes purchases of new applications by both new and existing customers as well as expansions of entitlements to applications already in use by existing customers, other than if in connection with a conversion. AI booking from new deals represents the portion of New Deals ACV attributable specifically to AI applications.

Conversion ACV, which represents the bundled SaaS annual contract value sold to a customer who is converting from an on-premises application to the Verint Cloud within the period. This metric also includes the value of incremental licenses or expansion of entitlements as part of the conversion, including for AI applications.

Subscription Annual Recurring Revenue (ARR) represents the annualized quarterly run-rate of our active subscription agreements at the end of the period and is comprised of the ARR calculated for our SaaS, Support, and Optional Managed Services contracts. Under ASC Topic 606, Revenue from Contracts with Customers, we are required to recognize a significant portion of our Unbundled SaaS contracts at a point in time when the software is first made available to the customer, or at the beginning of the subscription term, despite the fact that our contracts typically call for billing these amounts annually or more frequently over the life of the subscription. This point-in-time recognition of a portion of our recurring revenue creates significant variability in the revenue recognized period to period based on the timing of the subscription start date and the subscription term and can create a significant difference between the timing of our revenue recognition and the actual customer billing under the contract. We use ARR to measure the underlying performance of our subscription-based contracts and mitigate the impact of this variability as ARR reduces fluctuations due to seasonality, contract term, and the sales mix of subscriptions. ARR should be viewed independently of revenue, and does not represent our revenue under ASC 606 on an annualized basis, as it is an operating metric that is impacted by contract start and end dates and renewal rates. ARR is not intended to be a replacement for forecasts of revenue and does not include revenue reported as nonrecurring revenue in our consolidated statement of operations.

SaaS Annual Recurring Revenue (SaaS ARR) represents the annualized quarterly run-rate value of active or signed SaaS contracts as of the end of a period. For unbundled SaaS contracts, the amount included in SaaS ARR is generally consistent with the amount that we invoice the customer annually for the term-based license transaction. In the case of acquired contracts that allow for early termination, SaaS ARR will reflect the annualized amount of committed contracts in the first quarter and then proportionally increase to the remaining amount of annualized ARR in the subsequent three quarters during the first year post acquisition. We use SaaS ARR to identify the annual recurring value of customer contracts at the end of a reporting period and to monitor the growth of our recurring business as we shift to SaaS. SaaS ARR reduces fluctuations due to seasonality, contract term, and the sales mix of subscriptions for bundled SaaS and unbundled SaaS. SaaS ARR should be viewed independently of revenue, and does not represent our revenue under ASC 606 on an annualized basis, as it is an operating metric that is impacted by contract start and end dates and renewal rates. SaaS ARR is not intended to be a replacement for forecasts of SaaS revenue.

Cash Generation represents the sum of ARR and perpetual and professional services and other revenue and provides an estimate of the cash-producing potential of our entire business.

Cash Contribution Margin is defined as Cash Generation less cost of revenue and operating expenses and helps assess how effectively we convert our revenue streams into cash.

Operating Efficiency Percentage is the result of dividing Cash Contribution Margin by Cash Generation and helps assess the rate at which we convert our revenue streams into cash.

Free Cash Flow is defined as GAAP cash provided by operating activities less our capital expenditures, which include purchases of property and equipment and capitalized software development costs.

Verint® Investor Day

The CX Automation Leader
Delivering AI Business Outcomes, Now

January 14, 2025

VERINT®

Disclaimers

Forward-Looking Statements

This presentation contains "forward-looking statements," including statements regarding expectations, predictions, views, opportunities, plans, strategies, beliefs, and statements of similar effect relating to Verint Systems Inc. These forward-looking statements are not guarantees of future performance and they are based on management's expectations that involve a number of known and unknown risks, uncertainties, assumptions, and other important factors, any of which could cause our actual results to differ materially from those expressed in or implied by the forward-looking statements. The forward-looking statements contained in this presentation are made as of the date of this presentation and, except as required by law, Verint assumes no obligation to update or revise them, or to provide reasons why actual results may differ. For a more detailed discussion of how these and other risks, uncertainties, and assumptions could cause Verint's actual results to differ materially from those indicated in its forward-looking statements, see Verint's prior filings with the Securities and Exchange Commission.

Non-GAAP Financial Measures

This presentation includes financial measures which are not prepared in accordance with generally accepted accounting principles ("GAAP"), including certain constant currency measures. For a description of these non-GAAP financial measures, including the reasons management uses each measure, and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP, please see the appendices to this presentation, Verint's earnings press releases, as well as the GAAP to non-GAAP reconciliation found under the Investor Relations tab on Verint's website Verint.com.

Verint Investor Day Agenda

TOPIC	SPEAKER
Welcome & Agenda	Matt Frankel Investor Relations and Corporate Development Director
CX Market Evolution	Dan Bodner Chief Executive Officer
Verint AI Differentiation	Jaime Meritt Chief Product Officer
Outlook and Capital Allocation	Grant Highlander Chief Financial Officer
Long-Term Growth Drivers	Alan Roden Chief Corporate Development Officer
Q&A	Moderated by Matt Frankel

Dan Bodner

Chief Executive Officer


CX Market Evolution
• CX Market – Addressing the labor challenge
• CX Automation opportunity
• Verint AI momentum and customer reported AI Business Outcomes
• Verint CX Automation leadership
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The Challenge

Brands spend $2T annually on CX labor
Current CX workflows are mostly manual

Elevating CX is a strategic priority
Hiring labor to improve CX is unsustainable

CX Automation Opportunity

Automating manual CX workflows
to reduce cost and elevate CX. Now.

CX Automation – Brand Economics

Example:

A brand spends $200M annually on 5,000 CX employees

- Workforce Spend: $200M annually
- CX Automation Platform: Delivers 20% CX workforce capacity valued at $40M
- CX Automation Platform Cost: $2M
- CX Automation Drives Significant ROI: 20x

AI Business Outcomes, Now™

Customer reported outcomes

Global Fintech Provider

UK Utility

Mexican Airline

AI Business Outcomes, Now

Customer reported outcomes

fiserv.

Fintech Provider

AI Outcome: Verint bot automates compliance workflows, doing the work of 1,200 compliance managers

AI Business Outcomes, Now

Customer reported outcomes

utilita

UK Utility

AI Outcome: Verint Copilot Bots™ reduces call length by 35 seconds

AI Business Outcomes, Now

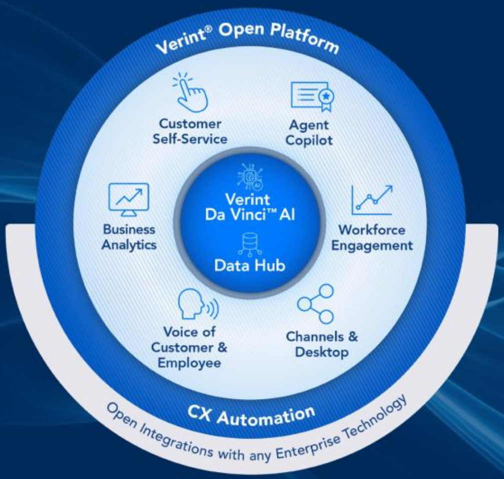
Customer reported outcomes

volaris

Mexican Airline

AI Outcome: Verint bot contains 85% of customer interactions, enabling the contact center to handle 3x the number of calls with the same number of agents

Verint Platform: Automating CX Workflows



- Today, CX workflows across the enterprise are mostly manual
- Verint Platform automates CX workflows without disruption, delivering strong AI Business Outcomes, Now.

Strong AI Innovation

Platform offers >50 bots to automate CX workflows

- Brands rely on manual workflows comprised of many micro-workflows
- Each Verint bot is designed to automate a specific micro-workflow with high precision

Verint CX Automation Leader

World’s leading brands rely on us for CX Automation

For two decades, Verint has been the WFE market leader

Top brands upgrade Verint WFE to Verint Platform to automate CX workflows

Well Positioned for CX Automation Leadership

- Verint is laser-focused on automating CX workflows
- Verint Open Platform™ is differentiated with hybrid cloud
- Our domain expertise is achieved by working with the **world's leading brands**
- Verint customers report differentiated AI Business Outcomes, Now

Completed Transition to Subscription Model

Subscription Business

~80% of revenue this year

Growth accelerating, driven by AI business outcomes

Perpetual and Professional Services

~20% of revenue this year

Jaime Meritt

Chief Product Officer

Verint AI Differentiation

Differentiated platform architecture

Differentiated AI business outcomes

What is a Verint Bot?

Verint bots automate CX micro-workflows

Deliver a Measurable Outcome

- Each bot increases automation of a micro-workflow and reduces manual effort

Complete Solution vs. AI Model/Toolkit

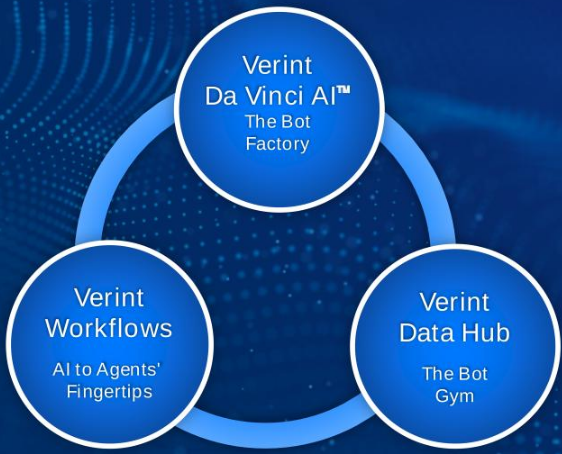
- Built on latest AI models trained on CX data, embedded in CX workflows

Differentiated Results

- Superior AI outcomes vs competition

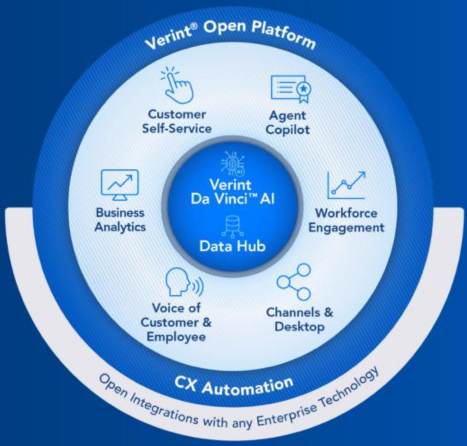
Rapid Innovation in Verint's Bot Factory

Verint Platform includes everything needed to power differentiated AI business outcomes



Hybrid Cloud Platform

Verint's open approach mitigates customer risks and helps future-proof **a customer's AI** investment



On-prem applications? No problem

Want only one bot? No problem

Want to start small? No problem

Don't want to switch telephony? No problem

Data security? No problem

AI Business Outcomes, Now

No More Science Projects

AI Business Outcomes, Now

Customer reported outcomes

vic roads

Public Service in Australia

AI Outcome: Verint Copilot Bots reduce call length by 30-50 seconds and elevate agent and customer experience

AI Business Outcomes, Now

Customer reported outcomes

BNP PARIBAS

European Bank

AI Outcome: Verint Quality Bot™ does the work of 750 quality managers and drives 25% improvement in quality

AI Business Outcomes, Now

Customer reported outcomes

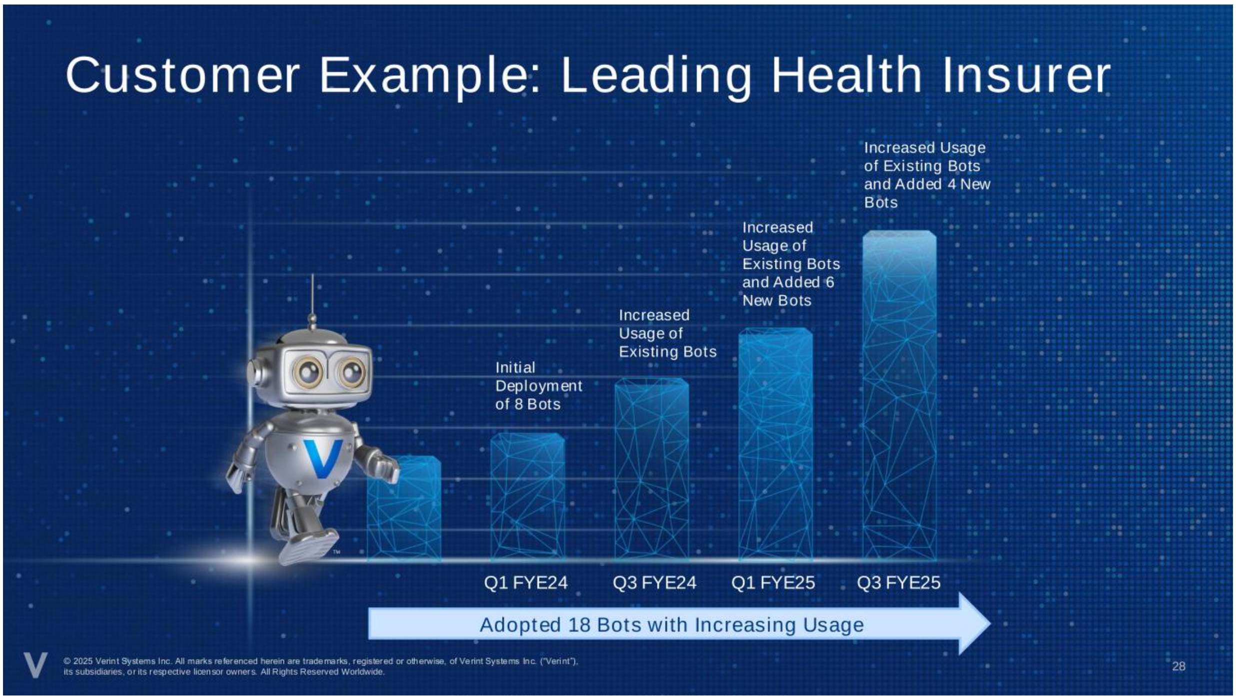
serco

Outsourcer in Australia

AI Outcome: Verint TimeFlex Bot™ drives significant reductions in employee churn

AI Business Outcomes, Now

AI Monetization


Customer Example: Leading Health Insurer
Increased Usage of Existing Bots and Added 4 New Bots
Increased Usage of Existing Bots and Added 6 New Bots
Increased Usage of Existing Bots
Initial Deployment of 8 Bots
Q1 FYE24
Q3 FYE24
Q1 FYE25
Q3 FYE25
Adopted 18 Bots with Increasing Usage
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Let's Hear from Customers

Increasing consumption of AI

Woolworths

Expanded Verint bots from one business unit to six business units.

FNB

Expanded existing bots from 100 to 1,600 licenses. Adding two new bots.

AXA

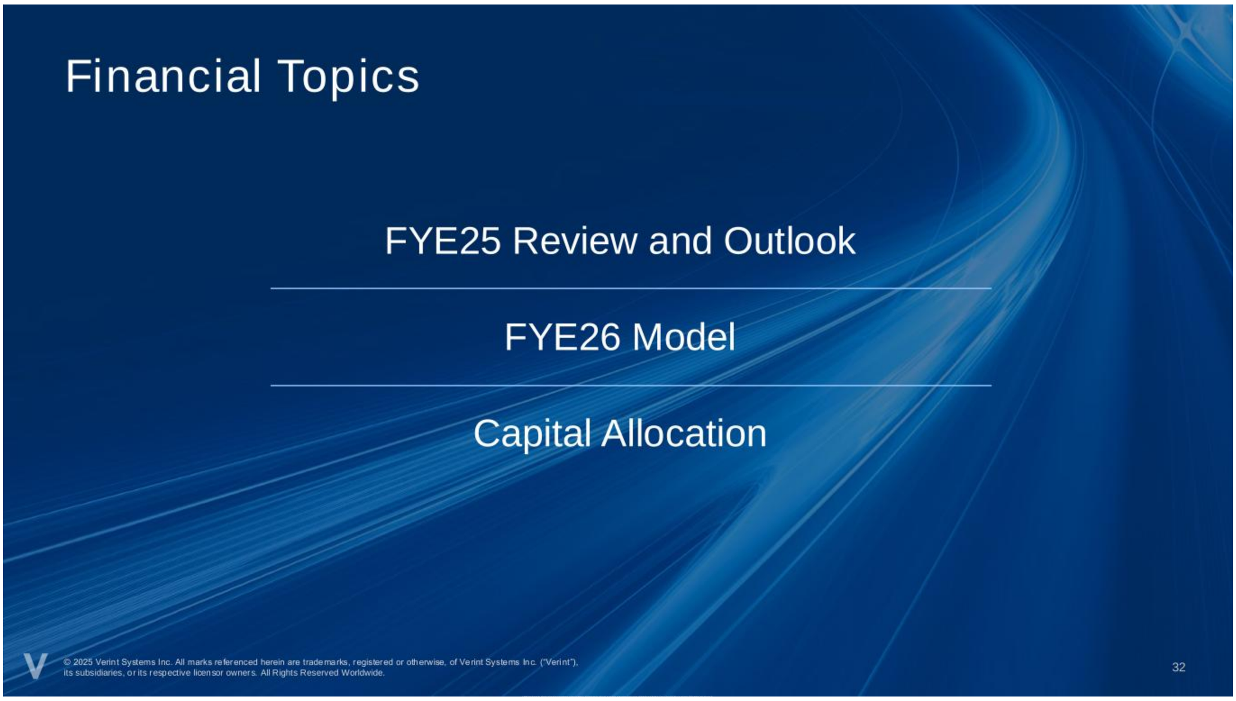
Expanded existing bots from 100 to 500 licenses. Plans to grow to 1,700 licenses in H1 this year.

Verint AI Monetization

- Customers want to prove outcomes with a control group before scaling
- Customers are seeking faster ROI
- Verint monetization approach aligns with customer needs

Grant Highlander

Chief Financial Officer


Financial Topics
FYE25 Review and Outlook
FYE26 Model
Capital Allocation
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Completed Transition to Subscription Model

Subscription Business

~80% of revenue this year

Growth accelerating, driven by AI business outcomes

Perpetual and Professional Services

~20% of revenue this year

Subscription Business: Using ARR to Measure Growth

ARR

Annual Recurring Revenue
Eliminates ASC 606 variability

- Represents the annualized quarterly run-rate value of active or signed subscription contracts, as of the end of a period. For unbundled SaaS deals, we use a ratable view in our ARR calculation.
- Provides a view of the true growth of the subscription business, regardless of the term length and is a good proxy for our annual billings.

Subscription Business: FYE25 Metrics

Bundled SaaS Revenue

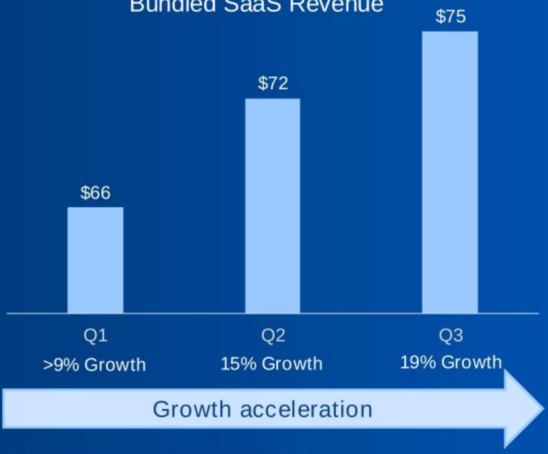
SaaS ACV Bookings

ARR

FYE25 – Bundled SaaS YTD Revenue Trends

Growth acceleration driven by AI business outcomes

Bundled SaaS Revenue



AI available to all customers in hybrid cloud model

AI deployed only in Verint Cloud via Bundled SaaS

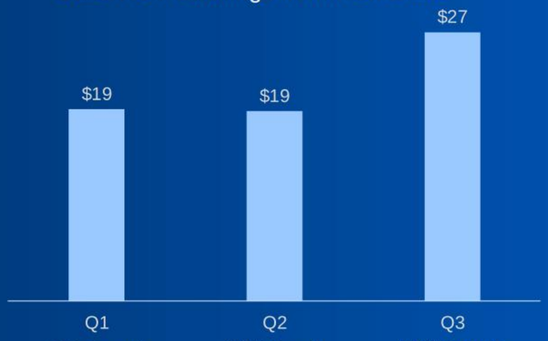
Bundled SaaS revenue proxy for AI growth

Note: Amounts in USD millions. Growth is provided on a year over year basis.

FYE25 – SaaS ACV YTD Booking Trends

AI drives strong bookings growth for new deals

SaaS ACV Bookings from New Deals



34% Growth | 29% Growth | 37% Growth

Strong growth in new deals

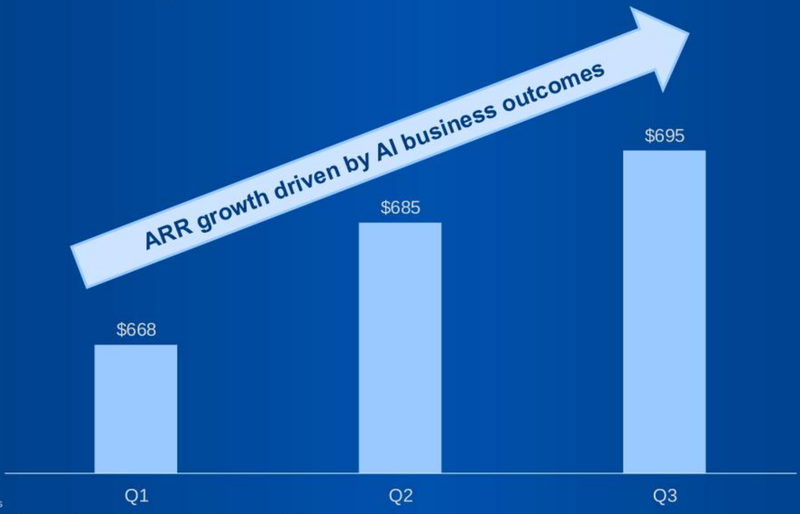
New deal activity – Strong

Conversions – Low activity due to hybrid cloud model

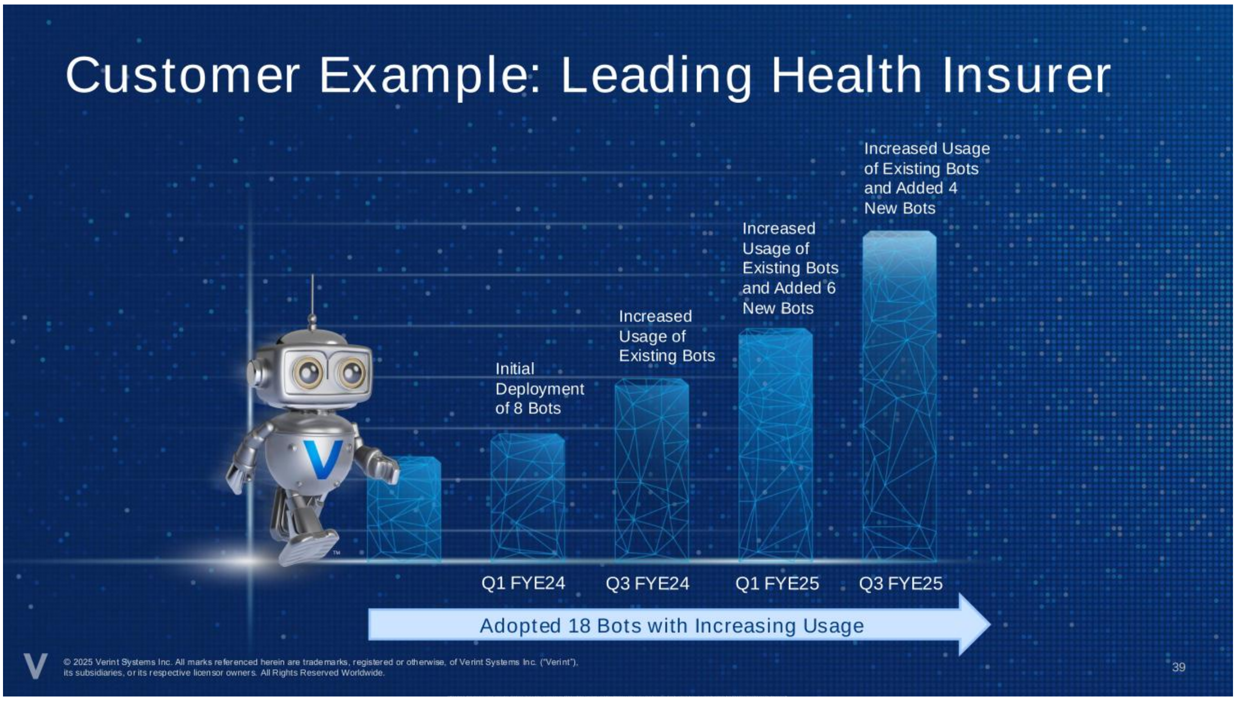
Note: Amounts in USD millions. Growth is provided on a year over year basis.

FYE25 – ARR YTD Trends

ARR reflects subscription business on a 100% ratable basis



Note: Amounts in USD millions


Customer Example: Leading Health Insurer
Initial Deployment of 8 Bots
Increased Usage of Existing Bots
Increased Usage of Existing Bots and Added 6 New Bots
Increased Usage of Existing Bots and Added 4 New Bots
Q1 FYE24
Q3 FYE24
Q1 FYE25
Q3 FYE25
Adopted 18 Bots with Increasing Usage
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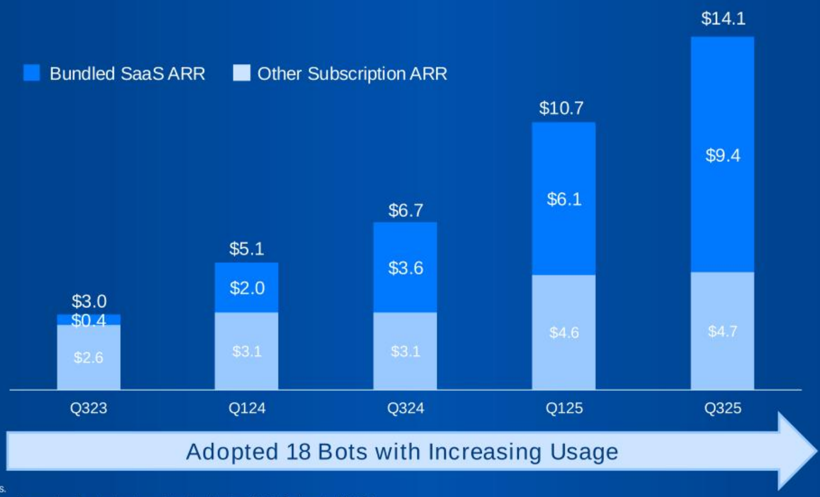
AI Monetization – Health Insurer Example

Customers increase AI consumption over time as they prove business outcomes



Note: Amounts in USD millions.

FYE25 Revenue Volatility

Quarterly trends impacted by 606 accounting

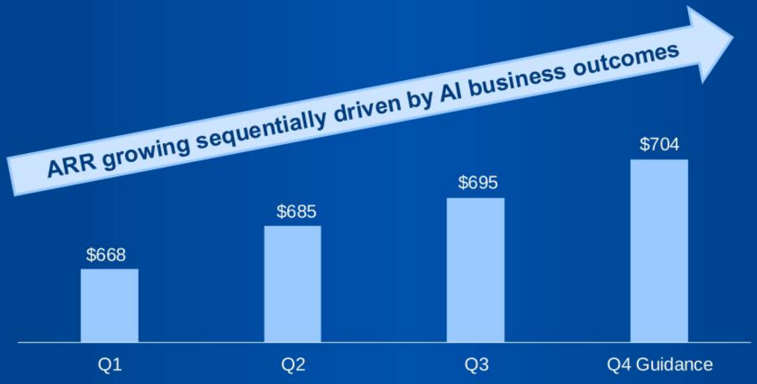
Q1 Revenue: $7 million above guidance	Q2 Revenue: $2 million below guidance	Q3 Revenue: $14 million above guidance

Volatility driven by ASC 606 accounting likely to continue; ARR neutralizes this volatility

Note: Amounts represent difference between actual result and mid-point of guidance range

Providing Q4 ARR Guidance

Having completed transition to subscription, we are now guiding to Q4 ARR



Note: Amounts in USD millions.

Cash Generation and Cash Contribution Margin

	FYE25 Guidance
Q4 ARR	$704
Perpetual and Professional Services Revenue	$201
Cash Generation	$905
Less: COGS and OpEx	($693)
Cash Contribution Margin	$212
Operating Efficiency %	23%

Due to ASC 606 related volatility, we will begin to report cash contribution margin and operating efficiency metrics annually

Note: Amounts in USD millions. Cost of revenue and operating expense represent Oct YTD Non-GAAP expenses for which a reconciliation can be found in the appendix plus our Q4 guidance, which is provided on a Non-GAAP basis only

FYE26 Modeling

ARR

Bundled SaaS Revenue

Free Cash Flow

Top-line metrics for subscription business

Metric for entire business

FYE26 – ARR Outlook

AI momentum expected to drive further growth acceleration to 8% ARR growth

Q4 ARR

	FYE25 Guidance	FYE26 Outlook
Y-o-Y Growth	4%	8%

Note: Amounts in USD millions. Growth rates provided on a year-over-year basis and are adjusted for the quality managed services divestiture, which closed January 31, 2024.

FYE26 – Bundled SaaS Revenue Outlook

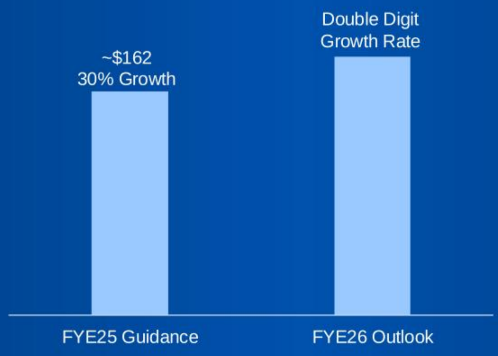
Bundled SaaS revenue is a proxy for our AI growth

Bundled SaaS Revenue

Note: Amounts in USD millions. Guidance is provided on a year over year basis.

FYE26 – Free Cash Flow

Expect double-digit free cash flow growth



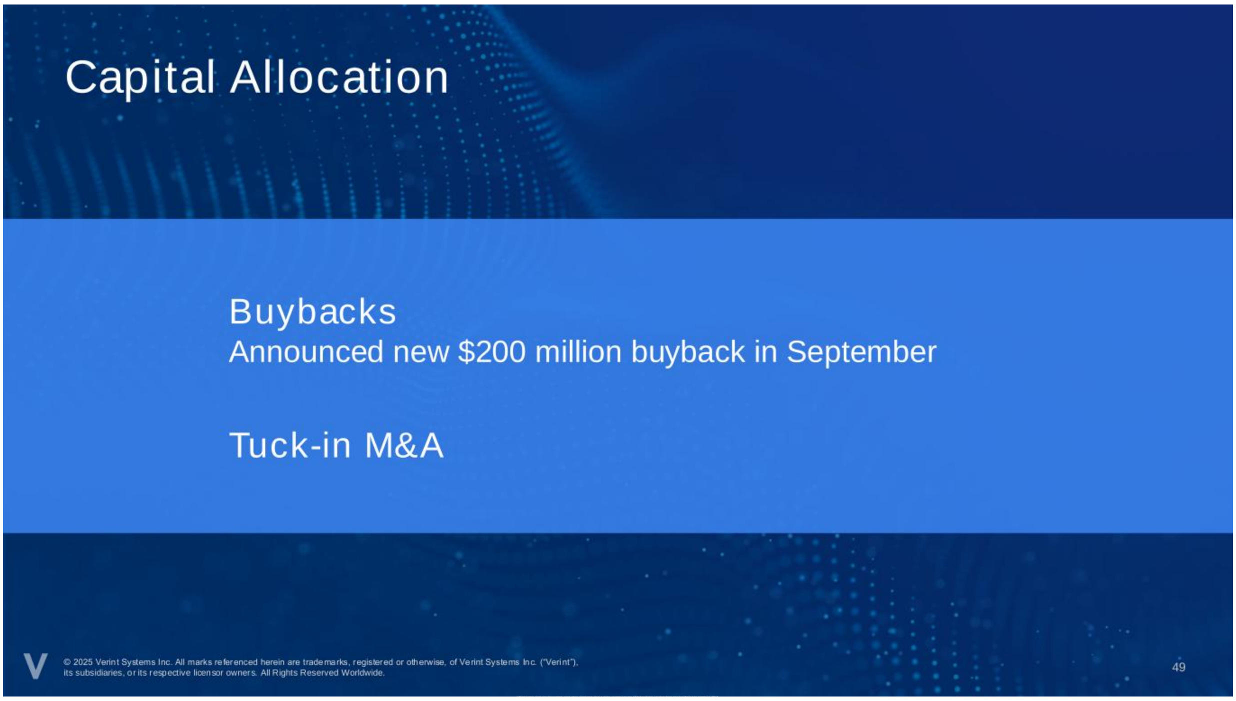
Note: Amounts in USD millions. Growth is provided on a year over year basis.

Balance Sheet

Strong balance sheet with net debt / EBITDA < 1.0x

Debt maturing in 2026

Proactive balance sheet management


Capital Allocation
Buybacks
Announced new $200 million buyback in September
Tuck-in M&A
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Summary

CX Automation category leadership

Verint AI monetization strategy aligned to customer value creation

Simplifying the business with ARR and cash generation metrics

Expect ARR growth to accelerate to 8% in FYE26 with double-digit FCF growth

Alan Roden

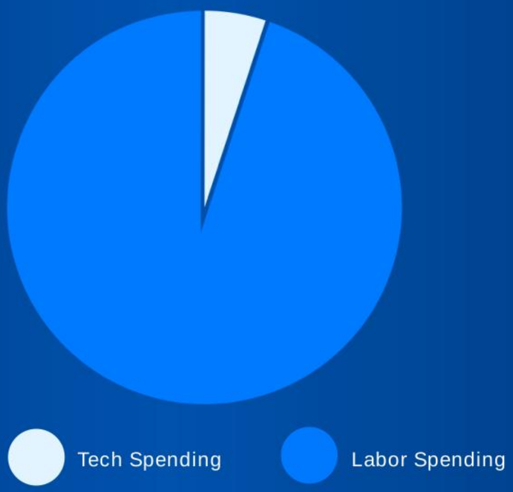
Chief Corporate Development Officer

CX Automation Category – Brands Lowering CX Spending

Labor cost greatly reduced while tech investment increases

BEFORE

Human Workforce



CX Automation Category – Brands Lowering CX Spending

Labor cost greatly reduced while tech investment increases

NEXT

People and Bots Workforce

Verint benefit:
Brands increasing their tech investment

Brands' net benefit:
Spending reduction

Tech Spending

Labor Spending

Example: A Brand Trading Agent Licenses for Bots Drives 10x Revenue Growth for Verint

CX Automation – Brand Economics

Example:
A brand spends $200M annually on 5,000 CX employees

- **Workforce Spend:** $200M annually
- **CX Automation Platform:** Delivers 20% CX workforce capacity valued at $40M
- **CX Automation Platform Cost:** $2M
- **CX Automation Drives Significant ROI:** 20x

Brand reduces agents by 20%

Brand pays Verint $2M for Bots

Verint credits Brand $200k for reduced agent licenses

Drives 10x growth for Verint

Customer Behavior Trends

Near-Term – As we continue to increase capacity for our customer base, we believe customers will make minimal workforce reductions in the near-term.

Longer term – As customers purchase more bot licenses to increase capacity even further, we expect they will trade Verint agent licenses for bot licenses.

Verint's Long-Term Growth Opportunity is Significant

$2 trillion labor spend shifts to AI that automates CX workflows

Market is in early stages and moving past science experiments, now

Verint well positioned and targeting long-term double-digit ARR growth

Q&A

Appendix

Financial Outlook

Our non-GAAP outlook for year ending January 31, 2025 excludes the following GAAP measure which we are able to quantify with reasonable certainty:

- Amortization of intangible assets of approximately $20 million for the year ending January 31, 2025.

Our non-GAAP outlook for the year ending January 31, 2025 excludes the following GAAP measures for which we are able to provide a range of probable significance:

- Stock-based compensation expenses are expected to be between approximately $76 million and $78 million, for the year ending January 31, 2025, assuming market prices for our common stock approximately consistent with current levels.

Our non-GAAP guidance does not include the potential impact of any in-process business acquisitions that may close after the date hereof, and, unless otherwise specified, reflects foreign currency exchange rates approximately consistent with current rates.

We are unable, without unreasonable efforts, to provide a reconciliation for other GAAP measures which are excluded from our non-GAAP outlook, including the impact of future business acquisitions or acquisition expenses, future restructuring expenses, and non-GAAP income tax adjustments due to the level of unpredictability and uncertainty associated with these items. For these same reasons, we are unable to assess the probable significance of these excluded items.

Subscription KPIs

($ in millions)	Year Ended	Year Ended	Three Months Ended				Year Ended	Three Months Ended			Nine Month Ended
	1/31/2021	1/31/2022	4/30/2023	7/31/2023	10/31/2023	1/31/2024	1/31/2024	4/30/2024	7/31/2024	10/31/2024 (8) (9)	10/31/2024
	Operating Metric	Operating Metric	Operating Metric	Operating Metric	Operating Metric	Operating Metric	Operating Metric	Operating Metric	Operating Metric	Operating Metric	Operating Metric
Subscription ARR (10)			$667.7	$665.0	$670.5	$676.6	$676.6	$668.1	$684.7	$695.3	$695.3
Subscription ARR Growth YoY (10)								0.1%	3.0%	3.7%	3.7%
SaaS ARR		$397.4	$493.7	$502.9	$512.3	$534.4	$534.4	$537.7	$556.5	$570.1	$570.1
SaaS ARR Growth YoY			22.9%	17.4%	11.2%	7.3%	7.3%	8.9%	10.7%	11.3%	11.3%
SaaS ACV	$66.2	$94.0	$16.0	$26.5	$25.4	$25.4	$93.3	$19.8	$21.1	$27.9	$68.8
SaaS ACV Components											
Bundled SaaS		$67.0	$11.9	$21.0	$22.3	$18.1	$73.2	$14.9	$14.8	$18.5	$48.2
Bundled SaaS - New Deals ACV			$10.4	$9.5	$16.7	$17.5	$54.1	$14.5	$13.0	$17.8	$45.3
Bundled SaaS - Conversion ACV			$1.5	$11.5	$5.5	$0.5	$19.1	$0.4	$1.8	$0.7	$2.9
Unbundled SaaS		$26.9	$4.1	$5.5	$3.1	$7.4	$20.1	$4.9	$6.2	$9.4	$20.6

(8) SaaS ACV from new deals across Bundled SaaS and Unbundled SaaS was $27.2 million, representing an increase of 37% year-over-year. New deals include expansions and new functionality.
(9) SaaS ACV from conversion deals in Q3 was minimal, $0.7 million, due to the success of our hybrid cloud model as customers know they can add AI now and convert the rest of their Verint solutions later when they are ready. Conversion deals include like-to-like conversions of existing on premises deployments to the Verint Cloud Platform in Bundled SaaS.
(10) Adjusted for the quality managed services divestiture, which closed January 31, 2024. SaaS ARR has not been adjusted for the divestiture due to the immaterial nature of the adjustments.

Cash Generation Model

($ in millions)	
Subscription ARR	
Perpetual and Professional Services Revenue	
Cash Generation	
Less: Cost of Revenue and Operating Expenses	
Cash Contribution Margin	
Operating Efficiency %	

To be reported annually starting in Q4 FYE25

Summary

($ in millions)		Year Ended 1/31/2021 GAAP	Year Ended 1/31/2021 Non-GAAP	Year Ended 1/31/2022 GAAP	Year Ended 1/31/2022 Non-GAAP	Year Ended 1/31/2023 GAAP	Year Ended 1/31/2023 Non-GAAP
Revenue Metrics	Recurring Revenue	$575.6	$586.0	$633.1	$639.3	$685.5	$688.5
	Nonrecurring Revenue	$254.6	$254.6	$241.4	$241.4	$216.7	$216.7
	Total Revenue	$830.2	$840.6	$874.5	$880.7	$902.2	$905.2
	Reported Revenue Growth, adjusted for January 31, 2024 quality managed services divestiture						
	Reported Revenue Growth	-1.9%	-3.7%	5.3%	4.8%	3.2%	2.8%
	Constant Currency Revenue Growth	-2.1%	-3.9%	4.2%	3.6%	5.3%	5.0%
Recurring Revenue Mix	% of Software Revenue that is Recurring Revenue	80.2%	80.5%	82.1%	82.2%	85.5%	85.5%
Gross Profit Metrics	Gross Profit	$542.7	$580.8	$575.9	$606.2	$607.2	$631.7
	Gross Margin %	65.4%	69.1%	65.9%	68.8%	67.3%	69.8%
	Gross Profit Growth YoY			6.1%	4.4%	5.4%	4.2%
Operating Expense Metrics	Research and Development, net	$128.2	$113.0	$123.3	$114.3	$130.6	$115.6
	% of Revenue	15.4%	13.4%	14.1%	13.0%	14.5%	12.8%
	Selling, General and Administrative	$327.3	$246.3	$376.8	$284.6	$392.9	$304.2
	% of Revenue	39.4%	29.3%	43.1%	32.3%	43.6%	33.6%
Profitability Metrics	Operating (Loss) Income	$57.4	$221.5	$46.8	$207.2	$57.4	$211.8
	Operating Margin %	6.9%	26.4%	5.4%	23.5%	6.4%	23.4%
	Adjusted EBITDA		$248.8		$232.5		$237.3
	Adjusted EBITDA Margin		29.6%		26.4%		26.2%
	Diluted EPS	($0.88)	$2.57	($0.07)	$2.28	($0.09)	$2.52

($ in millions)		Three Months Ended 4/30/2023 GAAP	4/30/2023 Non-GAAP	7/31/2023 GAAP	7/31/2023 Non-GAAP	10/31/2023 GAAP	10/31/2023 Non-GAAP	1/31/2024 GAAP	1/31/2024 Non-GAAP	Year Ended 1/31/2024 GAAP	Year Ended 1/31/2024 Non-GAAP
Revenue Metrics	Recurring Revenue	$166.4	$167.1	$161.0	$161.2	$161.1	$161.2	$210.7	$210.8	$699.2	$700.3
	Nonrecurring Revenue	$50.1	$50.1	$49.2	$49.2	$57.4	$57.4	$54.4	$54.4	$211.1	$211.1
	Total Revenue	$216.6	$217.2	$210.2	$210.4	$218.5	$218.7	$265.1	$265.2	$910.4	$911.5
	Reported Revenue Growth, adjusted for January 31, 2024 quality managed services divestiture										
	Reported Revenue Growth	-0.6%	-0.9%	-5.7%	-5.9%	-3.0%	-3.1%	12.2%	12.0%	0.9%	0.7%
	Constant Currency Revenue Growth	1.0%	0.3%	-5.8%	-6.1%	-3.6%	-3.8%	11.7%	11.5%	0.9%	0.6%
Recurring Revenue Mix	% of Software Revenue that is Recurring Revenue	87.2%	87.3%	86.5%	86.5%	86.8%	86.8%	89.1%	89.1%	87.5%	87.5%
Gross Profit Metrics	Gross Profit	$148.2	$151.5	$141.3	$146.3	$153.0	$155.9	$190.8	$198.2	$633.3	$651.9
	Gross Margin %	68.4%	69.8%	67.2%	69.5%	70.0%	71.3%	72.0%	74.7%	69.6%	71.5%
	Gross Profit Growth YoY	5.0%	2.4%	-4.4%	-4.9%	-1.2%	-3.0%	16.8%	17.1%	4.3%	3.2%
Operating Expense Metrics	Research and Development, net	$31.8	$29.3	$34.1	$28.8	$32.1	$29.0	$35.9	$32.7	$133.8	$119.8
	% of Revenue	14.7%	13.5%	16.2%	13.7%	14.7%	13.3%	13.5%	12.3%	14.7%	13.1%
	Selling, General and Administrative	$101.3	$77.1	$108.4	$76.7	$87.9	$73.3	$108.4	$82.4	$405.9	$309.4
	% of Revenue	46.8%	35.5%	51.6%	36.4%	40.2%	33.5%	40.9%	31.1%	44.6%	33.9%
Profitability Metrics	Operating (Loss) Income	$8.8	$45.1	($7.5)	$40.9	$26.7	$53.6	$40.2	$83.1	$68.2	$222.6
	Operating Margin %	4.1%	20.8%	-3.6%	19.4%	12.2%	24.5%	15.2%	31.3%	7.5%	24.4%
	Adjusted EBITDA		$51.9		$47.4		$59.2		$88.7		$247.2
	Adjusted EBITDA Margin		23.9%		22.5%		27.1%		33.4%		27.1%
	Diluted EPS	($0.03)	$0.53	($0.17)	$0.48	$0.12	$0.65	$0.37	$1.07	$0.28	$2.73

($ in millions)		Three Months Ended 4/30/2024 GAAP	4/30/2024 Non-GAAP	7/31/2024 GAAP	7/31/2024 Non-GAAP	10/31/2024 GAAP	10/31/2024 Non-GAAP	Nine Month Ended 10/31/2024 GAAP	Nine Month Ended 10/31/2024 Non-GAAP
Revenue Metrics	Recurring Revenue	$173.5	$173.5	$163.2	$163.2	$179.9	$179.9	$516.6	$516.6
	Nonrecurring Revenue	$47.7	$47.7	$46.9	$46.9	$44.3	$44.3	$139.0	$139.0
	Total Revenue	$221.3	$221.3	$210.2	$210.2	$224.2	$224.2	$655.6	$655.6
	Reported Revenue Growth, adjusted for January 31, 2024 quality managed services divestiture	5.5%	5.2%	3.2%	3.0%	5.5%	5.5%	4.7%	4.6%
	Reported Revenue Growth	2.2%	1.9%	0.0%	-0.1%	2.6%	2.5%	1.6%	1.5%
	Constant Currency Revenue Growth	2.0%	1.8%	-0.1%	-0.2%	2.0%	2.0%	1.4%	1.2%
Recurring Revenue Mix	% of Software Revenue that is Recurring Revenue	87.5%	87.5%	87.3%	87.3%	88.5%	88.5%	87.7%	87.7%
Gross Profit Metrics	Gross Profit	$157.5	$160.1	$145.4	$149.7	$158.6	$161.3	$461.6	$471.1
	Gross Margin %	71.2%	72.4%	69.2%	71.2%	70.8%	72.0%	70.4%	71.9%
	Gross Profit Growth YoY	6.3%	5.7%	2.9%	2.3%	3.7%	3.5%	4.3%	3.8%
Operating Expense Metrics	Research and Development, net	$36.7	$31.7	$35.4	$30.7	$37.7	$34.1	$109.8	$96.5
	% of Revenue	16.6%	14.3%	16.8%	14.6%	16.8%	15.2%	16.8%	14.7%
	Selling, General and Administrative	$93.3	$78.4	$93.2	$74.7	$96.0	$80.3	$282.4	$233.4
	% of Revenue	42.2%	35.4%	44.3%	35.5%	42.8%	35.8%	43.1%	35.6%
Profitability Metrics	Operating (Loss) Income	$24.4	$50.0	$13.9	$44.3	$21.7	$46.9	$60.1	$141.2
	Operating Margin %	11.0%	22.6%	6.6%	21.1%	9.7%	20.9%	9.2%	21.5%
	Adjusted EBITDA		$56.3		$50.5		$53.5		$160.3
	Adjusted EBITDA Margin		25.4%		24.0%		23.8%		24.4%
	Diluted EPS	$0.16	$0.59	$0.02	$0.49	$0.39	$0.54	$0.58	$1.62

Divestiture Revenue

($ in millions)	Three Months Ended 4/30/2023	7/31/2023	10/31/2023	1/31/2024	Year Ended 1/31/2024
Total GAAP revenue	$ 216.6	$ 210.2	$ 218.5	$ 265.1	$ 910.4
Revenue from divested offering	6.8	6.4	6.1	5.9	25.2
Total GAAP revenue without divested offering	$ 209.8	$ 203.7	$ 212.4	$ 259.2	$ 885.1
Total non-GAAP revenue	$ 217.2	$ 210.4	$ 218.7	$ 265.2	$ 911.5
Revenue from divested offering	6.8	6.4	6.1	5.9	25.2
Total non-GAAP revenue without divested offering	$ 210.4	$ 204.0	$ 212.6	$ 259.3	$ 886.2

Recurring Summary

($ in millions)		Year Ended 1/31/2021		Year Ended 1/31/2022		Year Ended 1/31/2023	
		GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
Revenue Metrics	Recurring Revenue	$575.6	$586.0	$633.1	$639.3	$685.5	$688.5
	SaaS	$218.0	$227.1	$322.8	$328.4	$444.2	$447.0
	SaaS Bundled	$146.0	$155.0	$183.0	$188.6	$222.6	$225.4
	SaaS Unbundled	$72.0	$72.2	$139.7	$139.8	$221.6	$221.6
	Support	$298.2	$298.4	$244.7	$244.8	$179.9	$180.0
	Optional Managed Services	$59.5	$60.5	$65.6	$66.2	$61.4	$61.6
	Recurring Revenue Growth YoY	7.7%	4.4%	10.0%	9.1%	8.3%	7.7%
	Constant Currency Recurring Revenue Growth YoY			8.8%	7.9%	10.6%	10.1%
	SaaS Revenue Growth YoY	32.9%	20.5%	48.1%	44.6%	37.6%	36.1%
	Constant Currency SaaS Revenue Growth YoY			46.8%	43.3%	39.9%	38.4%
Gross Profit	Recurring Gross Profit	$436.6	$450.7	$476.6	$485.4	$523.2	$530.3
	Recurring Gross Margin %	75.8%	76.9%	75.3%	75.9%	76.3%	77.0%
	Recurring Gross Profit Growth YoY			9.2%	7.7%	9.8%	9.3%

($ in millions)		Three Months Ended 4/30/2023		7/31/2023		10/31/2023		1/31/2024	
		GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
Revenue Metrics	Recurring Revenue	$166.4	$167.1	$161.0	$161.2	$161.1	$161.2	$210.7	$210.8
	SaaS	$117.1	$117.8	$113.4	$113.7	$115.7	$115.8	$168.6	$168.7
	SaaS Bundled	$59.5	$60.1	$62.1	$62.3	$63.3	$63.4	$65.8	$65.9
	SaaS Unbundled	$57.7	$57.7	$51.4	$51.4	$52.4	$52.4	$102.8	$102.8
	Support	$36.4	$36.4	$35.4	$35.4	$33.6	$33.6	$31.3	$31.3
	Optional Managed Services	$12.9	$12.9	$12.2	$12.2	$11.8	$11.8	$10.8	$10.8
	Recurring Revenue Growth YoY	4.4%	4.0%	-3.3%	-3.5%	-7.5%	-7.7%	13.6%	13.3%
	Constant Currency Recurring Revenue Growth YoY	5.9%	5.4%	-3.6%	-3.9%	-8.4%	-8.5%	13.1%	12.9%
	SaaS Revenue Growth YoY	23.7%	22.7%	10.6%	10.1%	-0.1%	-0.3%	28.6%	28.2%
	Constant Currency SaaS Revenue Growth YoY	25.1%	24.1%	10.3%	9.8%	-0.9%	-1.2%	28.1%	27.7%
Gross Profit	Recurring Gross Profit	$126.8	$127.9	$121.4	$123.5	$122.2	$122.9	$165.9	$170.5
	Recurring Gross Margin %	76.2%	76.5%	75.4%	76.6%	75.9%	76.2%	78.7%	80.9%
	Recurring Gross Profit Growth YoY	7.1%	6.3%	-3.3%	-3.0%	-9.7%	-10.3%	15.3%	17.0%

($ in millions)		Year Ended 1/31/2024		Three Months Ended 4/30/2024		7/31/2024		10/31/2024		Nine Month Ended 10/31/2024	
		GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
Revenue Metrics	Recurring Revenue	$699.2	$700.3	$173.5	$173.5	$163.2	$163.2	$179.9	$179.9	$516.6	$516.6
	SaaS	$514.8	$515.9	$141.0	$141.0	$131.1	$131.1	$148.7	$148.7	$420.7	$420.7
	SaaS Bundled	$250.5	$251.6	$65.7	$65.7	$71.6	$71.6	$75.2	$75.2	$212.5	$212.5
	SaaS Unbundled	$264.3	$264.3	$75.3	$75.3	$59.5	$59.5	$73.4	$73.4	$208.2	$208.2
	Support	$136.7	$136.7	$27.4	$27.4	$26.6	$26.6	$25.5	$25.5	$79.4	$79.4
	Optional Managed Services	$47.7	$47.7	$5.2	$5.2	$5.6	$5.6	$5.7	$5.7	$16.5	$16.5
	Recurring Revenue Growth YoY	2.0%	1.7%	4.3%	3.9%	1.4%	1.2%	11.6%	11.5%	5.7%	5.5%
	Constant Currency Recurring Revenue Growth YoY	1.9%	1.6%	4.2%	3.8%	1.5%	1.3%	10.8%	10.7%	5.5%	5.2%
	SaaS Revenue Growth YoY	15.9%	15.4%	20.3%	19.7%	15.6%	15.3%	28.5%	28.4%	21.5%	21.2%
	Constant Currency SaaS Revenue Growth YoY	15.8%	15.3%	20.2%	19.6%	15.6%	15.4%	27.5%	27.4%	21.2%	20.8%
Gross Profit	Recurring Gross Profit	$536.4	$544.7	$137.6	$138.2	$126.9	$128.1	$141.1	$141.7	$405.6	$407.9
	Recurring Gross Margin %	76.7%	77.8%	79.3%	79.6%	77.8%	78.5%	78.5%	78.8%	78.5%	79.0%
	Recurring Gross Profit Growth YoY	2.5%	2.7%	8.5%	8.0%	4.5%	3.7%	15.4%	15.3%	9.5%	9.0%

Nonrecurring Summary

	($ in millions)	Year Ended 1/31/2021		Year Ended 1/31/2022		Year Ended 1/31/2023	
		GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
Revenue Metrics	Nonrecurring Revenue	$254.6	$254.6	$241.4	$241.4	$216.7	$216.7
	Perpetual	$141.8	$141.8	$138.1	$138.1	$116.6	$116.6
	Professional Services and other	$112.8	$112.8	$103.3	$103.3	$100.1	$100.1
	Nonrecurring Revenue Growth YoY			-5.2%	-5.2%	-10.2%	-10.2%
Gross Profit	Nonrecurring Gross Profit	$124.1	$130.1	$117.2	$120.8	$97.2	$101.3
	Nonrecurring Gross Margin %	48.7%	51.1%	48.5%	50.0%	44.8%	46.8%
	Nonrecurring Gross Profit Growth YoY			-5.6%	-7.2%	-17.1%	-16.1%

	($ in millions)	Three Months Ended 4/30/2023		7/31/2023		10/31/2023		1/31/2024	
		GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
Revenue Metrics	Nonrecurring Revenue	$50.1	$50.1	$49.2	$49.2	$57.4	$57.4	$54.4	$54.4
	Perpetual	$24.3	$24.3	$25.2	$25.2	$24.6	$24.6	$25.8	$25.8
	Professional Services and other	$25.8	$25.8	$24.0	$24.0	$32.9	$32.9	$28.7	$28.7
	Nonrecurring Revenue Growth YoY	-14.4%	-14.4%	-12.9%	-12.9%	12.7%	12.7%	7.2%	7.2%
Gross Profit	Nonrecurring Gross Profit	$23.3	$23.6	$21.8	$22.8	$32.4	$33.0	$26.5	$27.7
	Nonrecurring Gross Margin %	46.5%	47.1%	44.3%	46.4%	56.4%	57.4%	48.7%	51.0%
	Nonrecurring Gross Profit Growth YoY	-11.9%	-14.3%	-15.4%	-13.9%	41.1%	39.1%	20.6%	17.8%

	($ in millions)	Year Ended 1/31/2024		Three Months Ended 4/30/2024		7/31/2024		10/31/2024	
		GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
Revenue Metrics	Nonrecurring Revenue	$211.1	$211.1	$47.7	$47.7	$46.9	$46.9	$44.3	$44.3
	Perpetual	$99.9	$99.9	$24.9	$24.9	$23.8	$23.8	$23.5	$23.5
	Professional Services and other	$111.3	$111.3	$22.8	$22.8	$23.1	$23.1	$20.9	$20.9
	Nonrecurring Revenue Growth YoY	-2.6%	-2.6%	-4.7%	-4.7%	-4.5%	-4.5%	-22.8%	-22.8%
Gross Profit	Nonrecurring Gross Profit	$104.0	$107.1	$21.3	$22.0	$20.1	$21.6	$19.0	$19.6
	Nonrecurring Gross Margin %	49.3%	50.7%	44.5%	46.0%	42.9%	46.0%	42.9%	44.2%
	Nonrecurring Gross Profit Growth YoY	7.0%	5.8%	-8.8%	-7.0%	-7.6%	-5.4%	-41.3%	-40.6%

Constant Currency

($ in millions)	Year Ended 1/31/2021	Year Ended 1/31/2022	Year Ended 1/31/2023	Three Months Ended 4/30/2023	Three Months Ended 7/31/2023	Three Months Ended 10/31/2023	Three Months Ended 1/31/2024	Year Ended 1/31/2024	Three Months Ended 4/30/2024	Three Months Ended 7/31/2024	Three Months Ended 10/31/2024	Nine Months Ended 10/31/2024
GAAP												
Revenue for the three months ended prior period	$ 846.5	$ 830.2	$ 874.5	$ 217.9	$ 222.9	$ 225.2	$ 236.2	$ 902.2	$ 216.6	$ 210.2	$ 218.5	$ 645.3
Revenue for the three months ended current period	$ 830.2	$ 874.5	$ 902.2	$ 216.6	$ 210.2	$ 218.5	$ 265.1	$ 910.4	$ 221.3	$ 210.2	$ 224.2	$ 655.6
Revenue for the three months ended current period at constant currency (1)	$ 829.0	$ 865.0	$ 921.0	$ 220.0	$ 210.0	$ 217.0	$ 264.0	$ 910.0	$ 221.0	$ 210.0	$ 223.0	$ 654.0
Reported period-over-period revenue growth	-1.9%	5.3%	3.2%	-0.6%	-5.7%	-3.0%	12.2%	0.9%	2.2%	0.0%	2.6%	1.6%
% impact from change in foreign currency exchange rates	-0.2%	-1.0%	2.1%	1.6%	-0.1%	-0.6%	-0.5%	0.0%	-0.2%	-0.1%	-0.6%	-0.2%
Constant currency period-over-period revenue growth	-2.1%	4.2%	5.3%	1.0%	-5.8%	-3.6%	11.7%	0.9%	2.0%	-0.1%	2.0%	1.4%
Non-GAAP												
Revenue for the three months ended prior period	$ 873.2	$ 840.6	$ 880.7	$ 219.2	$ 223.6	$ 225.6	$ 236.8	$ 905.2	$ 217.2	$ 210.4	$ 218.7	$ 646.3
Revenue for the three months ended current period	$ 840.6	$ 880.7	$ 905.2	$ 217.2	$ 210.4	$ 218.7	$ 265.2	$ 911.5	$ 221.3	$ 210.2	$ 224.2	$ 655.6
Revenue for the three months ended current period at constant currency (1)	$ 839.0	$ 871.0	$ 925.0	$ 220.0	$ 210.0	$ 217.0	$ 264.0	$ 911.0	$ 221.0	$ 210.0	$ 223.0	$ 654.0
Reported period-over-period revenue growth	-3.7%	4.8%	2.8%	-0.9%	-5.9%	-3.1%	12.0%	0.7%	1.9%	-0.1%	2.5%	1.5%
% impact from change in foreign currency exchange rates	-0.2%	-1.2%	2.2%	1.2%	-0.2%	-0.7%	-0.5%	-0.1%	-0.1%	-0.1%	-0.5%	-0.3%
Constant currency period-over-period revenue growth	-3.9%	3.6%	5.0%	0.3%	-6.1%	-3.8%	11.5%	0.6%	1.8%	-0.2%	2.0%	1.2%

Gross Profit

($ in millions)	Year Ended	Year Ended	Year Ended	Three Months Ended				Year Ended	Three Months Ended			Nine Months Ended
	1/31/2021	1/31/2022	1/31/2023	4/30/2023	7/31/2023	10/31/2023	1/31/2024	1/31/2024	4/30/2024	7/31/2024	10/31/2024	10/31/2024
Gross Profit and Gross Margin												
Total GAAP revenue	$ 830.2	$ 874.5	$ 902.2	$ 216.6	$ 210.2	$ 218.5	$ 265.1	$ 910.4	$ 221.3	$ 210.2	$ 224.2	$ 655.6
Recurring costs	139.0	156.6	162.3	39.6	39.6	38.9	44.8	162.9	35.9	36.3	38.7	111.0
Nonrecurring costs	130.5	124.2	119.5	26.8	27.4	25.0	27.9	107.1	26.5	26.8	25.3	78.6
Amortization of acquired technology	18.0	17.8	13.2	2.0	1.9	1.6	1.6	7.1	1.4	1.6	1.5	4.5
Total GAAP cost of revenue	287.6	298.6	295.1	68.4	68.9	65.5	74.3	277.1	63.8	64.7	65.6	194.1
GAAP gross profit	$ 542.7	$ 575.9	$ 607.2	$ 148.2	$ 141.3	$ 153.0	$ 190.8	$ 633.3	$ 157.5	$ 145.4	$ 158.6	$ 461.6
GAAP gross margin	65.4%	65.9%	67.3%	68.4%	67.2%	70.0%	72.0%	69.6%	71.2%	69.2%	70.8%	70.4%
Revenue adjustments	10.3	6.2	3.0	0.6	0.2	0.1	0.1	1.1	-	-	-	-
Amortization of acquired technology	18.0	17.8	13.2	2.0	1.9	1.6	1.6	7.1	1.4	1.6	1.5	4.5
Stock-based compensation expenses	3.3	5.0	5.7	0.4	1.4	1.1	1.2	4.1	1.1	2.2	0.9	4.2
Acquisition and divestitures expenses (benefit), net	0.4	0.3	0.2	0.1	0.3	0.0	(0.2)	0.1	-	-	0.0	0.0
Restructuring expenses	2.2	0.8	2.4	0.3	1.2	(0.0)	4.7	6.1	0.2	0.4	0.2	0.8
Separation expenses (2)	-	0.1	-	-	-	-	-	-	-	-	-	-
Impairment charges	0.1	-	-	-	-	-	-	-	-	-	-	-
Discontinued operations corporate overhead adjustment	4.7	-	-	-	-	-	-	-	-	-	-	-
Allocation methodology difference	(0.8)	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP gross profit	$ 580.8	$ 606.2	$ 631.7	$ 151.5	$ 146.3	$ 155.9	$ 198.2	$ 651.9	$ 160.1	$ 149.7	$ 161.3	$ 471.1
Non-GAAP gross margin	69.1%	68.8%	69.8%	69.8%	69.5%	71.3%	74.7%	71.5%	72.4%	71.2%	72.0%	71.9%
Recurring Gross Profit and Gross Margin												
GAAP recurring revenue	$ 575.6	$ 633.1	$ 685.5	$ 166.4	$ 161.0	$ 161.1	$ 210.7	$ 699.2	$ 173.5	$ 163.2	$ 179.9	$ 516.6
GAAP recurring costs	139.0	156.6	162.3	39.6	39.6	38.9	44.8	162.9	35.9	36.3	38.7	111.0
GAAP recurring gross profit	436.6	476.6	523.2	126.8	121.4	122.2	165.9	536.4	137.6	126.9	141.1	405.6
GAAP recurring gross margin	75.8%	75.3%	76.3%	76.2%	75.4%	75.9%	78.7%	76.7%	79.3%	77.8%	78.5%	78.5%
Recurring revenue adjustments	10.3	6.2	3.0	0.6	0.2	0.1	0.1	1.1	-	-	-	-
Recurring stock-based compensation expenses	1.1	2.0	2.9	0.3	0.7	0.5	0.6	2.1	0.5	1.1	0.5	2.2
Recurring acquisition and divestitures expenses (benefit), net	0.1	0.1	0.0	0.1	0.3	0.0	(0.2)	0.1	-	-	0.0	0.0
Recurring restructuring expenses	1.0	0.5	1.3	0.1	0.8	(0.0)	4.1	5.0	0.0	(0.0)	0.0	0.0
Recurring separation expenses (2)	-	0.0	-	-	-	-	-	-	-	-	-	-
Recurring impairment charges	-	-	-	-	-	-	-	-	-	-	-	-
Recurring discontinued operations corporate overhead adjustment	1.0	-	-	-	-	-	-	-	-	-	-	-
Recurring allocation methodology difference	0.6	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP recurring gross profit	$ 450.7	$ 485.4	$ 530.3	$ 127.9	$ 123.5	$ 122.9	$ 170.5	$ 544.7	$ 138.2	$ 128.1	$ 141.7	$ 407.9
Non-GAAP recurring gross margin	76.9%	75.9%	77.0%	76.5%	76.6%	76.2%	80.9%	77.8%	79.6%	78.5%	78.8%	79.0%
Nonrecurring Gross Profit and Gross Margin												
GAAP nonrecurring revenue	$ 254.6	$ 241.4	$ 216.7	$ 50.1	$ 49.2	$ 57.4	$ 54.4	$ 211.1	$ 47.7	$ 46.9	$ 44.3	$ 139.0
GAAP nonrecurring costs	130.5	124.2	119.5	26.8	27.4	25.0	27.9	107.1	26.5	26.8	25.3	78.6
GAAP nonrecurring gross profit	124.1	117.2	97.2	23.3	21.8	32.4	26.5	104.0	21.3	20.1	19.0	60.4
GAAP nonrecurring gross margin	48.7%	48.5%	44.8%	46.5%	44.3%	56.4%	48.7%	49.3%	44.5%	42.9%	42.9%	43.5%
Nonrecurring revenue adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Nonrecurring stock-based compensation expenses	2.2	3.0	2.8	0.1	0.7	0.6	0.6	2.0	0.5	1.0	0.4	1.9
Nonrecurring acquisition and divestitures expenses (benefit), net	0.2	0.2	0.2	-	-	-	-	-	-	-	-	-
Nonrecurring restructuring expenses (benefit)	1.2	0.3	1.2	0.2	0.3	0.0	0.6	1.1	0.2	0.4	0.2	0.8
Nonrecurring separation expenses (2)	-	0.0	-	-	-	-	-	-	-	-	-	-
Nonrecurring impairment charges	0.1	-	-	-	-	-	-	-	-	-	-	-
Nonrecurring discontinued operations corporate overhead adjustment	3.7	-	-	-	-	-	-	-	-	-	-	-
Nonrecurring allocation methodology difference	(1.4)	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP nonrecurring gross profit	$ 130.1	$ 120.8	$ 101.3	$ 23.6	$ 22.8	$ 33.0	$ 27.7	$ 107.1	$ 22.0	$ 21.6	$ 19.6	$ 63.2
Non-GAAP nonrecurring gross margin	51.1%	50.0%	46.8%	47.1%	46.4%	57.4%	51.0%	50.7%	46.0%	46.0%	44.2%	45.4%

Operating Expenses

($ in millions)	Year Ended	Year Ended	Three Months Ended				Year Ended	Three Months Ended			Nine Months Ended
	1/31/2021	1/31/2022	4/30/2023	7/31/2023	10/31/2023	1/31/2024	1/31/2024	4/30/2024	7/31/2024	10/31/2024	10/31/2024
<u>Research and Development, net</u>											
GAAP research and development, net	$ 128.2	$ 123.3	$ 31.8	$ 34.1	$ 32.1	$ 35.9	$ 133.8	$ 36.7	$ 35.4	$ 37.7	$ 109.8
as a % of GAAP revenue	15.4%	14.1%	14.7%	16.2%	14.7%	13.5%	14.7%	16.6%	16.8%	16.8%	16.8%
Stock-based compensation expenses	(3.9)	(7.6)	(2.3)	(3.5)	(3.0)	(3.1)	(11.9)	(3.5)	(4.5)	(3.1)	(11.1)
Acquisition and divestitures (expenses) benefit, net	(0.3)	(0.5)	(0.1)	(0.0)	(0.0)	(0.0)	(0.1)	-	(0.0)	(0.2)	(0.2)
Restructuring expenses	(1.4)	(0.4)	(0.1)	(0.2)	(0.0)	(0.0)	(0.3)	(1.5)	(0.2)	(0.4)	(2.0)
Separation expenses (2)	-	(0.5)	-	-	-	-	-	-	-	-	-
IT facilities and infrastructure realignment (6)	-	-	-	(1.6)	-	(0.0)	(1.7)	-	-	-	-
Other Adjustments	(0.0)	-	(0.0)	0.0	-	-	-	-	-	-	-
Discontinued operations corporate overhead adjustment	(16.9)	-	-	-	-	-	-	-	-	-	-
Allocation methodology difference	7.4	-	-	-	-	-	-	-	-	-	-
Non-GAAP research and development, net	$ 113.0	$ 114.3	$ 29.3	$ 28.8	$ 29.0	$ 32.7	$ 119.8	$ 31.7	$ 30.7	$ 34.1	$ 96.5
as a % of non-GAAP revenue	13.4%	13.0%	13.5%	13.7%	13.3%	12.3%	13.1%	14.3%	14.6%	15.2%	14.7%
<u>Selling, General and Administrative expenses</u>											
GAAP selling, general and administrative expenses	$ 327.3	$ 376.8	$ 101.3	$ 108.4	$ 87.9	$ 108.4	$ 405.9	$ 93.3	$ 93.2	$ 96.0	$ 282.4
as a % of GAAP revenue	39.4%	43.1%	46.8%	51.6%	40.2%	40.9%	44.6%	42.2%	44.3%	42.8%	43.1%
Stock-based compensation expenses	(38.0)	(52.7)	(12.2)	(14.3)	(12.1)	(13.0)	(51.6)	(13.4)	(17.1)	(14.1)	(44.6)
Acquisition and divestitures benefit (expenses), net (7)	(2.8)	(9.6)	(7.7)	1.8	0.2	(10.1)	(15.7)	(0.2)	(0.8)	(1.0)	(2.1)
Restructuring expenses	(3.6)	(4.8)	(1.0)	(1.9)	(0.5)	(1.2)	(4.6)	(1.1)	(0.4)	(0.4)	(2.0)
Separation expenses (2)	-	(12.4)	(0.1)	(0.2)	(0.2)	(0.2)	(0.8)	-	-	-	-
Accelerated lease costs (5)	(2.4)	(9.8)	(0.3)	(4.9)	(0.1)	(0.1)	(5.4)	-	-	-	-
IT facilities and infrastructure realignment (6)	-	(1.2)	(2.8)	(12.1)	(1.9)	(1.4)	(18.2)	-	-	-	-
Impairment charges	-	(1.6)	-	-	-	-	-	-	-	-	-
Other Adjustments	0.5	(0.1)	(0.0)	(0.2)	(0.0)	(0.0)	(0.2)	(0.1)	(0.1)	(0.1)	(0.3)
Discontinued operations corporate overhead adjustment	(29.3)	-	-	-	-	-	-	-	-	-	-
Allocation methodology difference	(5.5)	-	-	-	-	-	-	-	-	-	-
	$ 246.3	$ 284.6	$ 77.1	$ 76.7	$ 73.3	$ 82.4	$ 309.4	$ 78.4	$ 74.7	$ 80.3	$ 233.4
Non-GAAP selling, general and administrative expenses											
as a % of non-GAAP revenue	29.3%	32.3%	35.5%	36.4%	33.5%	31.1%	33.9%	35.4%	35.5%	35.8%	35.6%

Operating Margin

	Year Ended	Year Ended	Year Ended	Three Months Ended				Year Ended	Three Months Ended			Nine Months Ended
($ in millions)	1/31/2021	1/31/2022	1/31/2023	4/30/2023	7/31/2023	10/31/2023	1/31/2024	1/31/2024	4/30/2024	7/31/2024	10/31/2024	10/31/2024
GAAP operating (loss) income	$ 57.4	$ 46.8	$ 57.4	$ 8.8	$ (7.5)	$ 26.7	$ 40.2	$ 68.2	$ 24.4	$ 13.9	$ 21.7	$ 60.1
GAAP operating margin	6.9%	5.4%	6.4%	4.1%	-3.6%	12.2%	15.2%	7.5%	11.0%	6.6%	9.7%	9.2%
Revenue adjustments	10.3	6.2	3.0	0.6	0.2	0.1	0.1	1.1	-	-	-	-
Amortization of acquired technology	18.0	17.8	13.2	2.0	1.9	1.6	1.6	7.1	1.4	1.6	1.5	4.5
Amortization of other acquired intangible assets	29.8	29.0	26.2	6.3	6.4	6.3	6.3	25.4	3.1	3.0	3.2	9.2
Stock-based compensation expenses	45.2	65.3	76.1	15.0	19.1	16.2	17.3	67.6	18.0	23.7	18.1	59.8
Acquisition and divestitures (benefit) expenses, net (7)	3.4	10.4	1.7	7.8	(1.5)	(0.2)	9.9	16.0	0.2	0.9	1.3	2.3
Restructuring expenses	7.1	6.0	15.3	1.4	3.2	0.5	5.9	11.0	2.8	1.0	1.1	4.8
Separation expenses (2)	-	12.9	1.3	0.1	0.2	0.2	0.2	0.8	-	-	-	-
Accelerated lease costs (5)	2.4	9.8	8.3	0.3	4.9	0.1	0.1	5.4	-	-	-	-
IT facilities and infrastructure realignment (6)	-	1.2	4.5	2.8	13.7	1.9	1.4	19.9	-	-	-	-
Impairment charges	0.1	1.6	1.8	-	-	-	-	-	-	-	-	-
Other adjustments	(0.4)	0.1	3.0	0.0	0.2	0.0	0.0	0.2	0.1	0.1	0.1	0.3
Discontinued operations corporate overhead adjustment	50.9	-	-	-	-	-	-	-	-	-	-	-
Allocation methodology difference	(2.7)	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP operating income	$ 221.5	$ 207.2	$ 211.8	$ 45.1	$ 40.9	$ 53.6	$ 83.1	$ 222.6	$ 50.0	$ 44.3	$ 46.9	$ 141.2
Non-GAAP operating margin	26.4%	23.5%	23.4%	20.8%	19.4%	24.5%	31.3%	24.4%	22.6%	21.1%	20.9%	21.5%

Adjusted EBITDA Margin

	Year Ended	Year Ended	Year Ended	Three Months Ended				Year Ended	Three Months Ended			Nine Months Ended
($ in millions)	1/31/2021	1/31/2022	1/31/2023	4/30/2023	7/31/2023	10/31/2023	1/31/2024	1/31/2024	4/30/2024	7/31/2024	10/31/2024	10/31/2024
GAAP net (loss) income from continuing operations	$ (48.6)	$ 15.7	$ 15.7	$ 3.6	$ (5.8)	$ 12.9	$ 28.9	$ 39.6	$ 15.4	$ 5.7	$ 29.0	$ 50.1
As a percentage of GAAP revenue	-5.9%	1.8%	1.7%	1.7%	-2.8%	5.9%	10.9%	4.4%	7.0%	2.7%	12.9%	7.6%
Provision for (benefit from) income taxes	6.9	23.9	39.1	4.4	(2.5)	13.0	6.9	21.6	8.0	4.3	(10.7)	1.5
Other expense, net	99.1	7.3	2.6	0.8	0.8	0.9	4.4	6.9	1.1	3.9	3.4	8.4
Depreciation and amortization (3)	75.0	72.6	65.3	16.9	24.7	13.9	13.6	69.0	10.7	10.9	11.2	32.9
Revenue adjustments	10.3	6.2	3.0	0.6	0.2	0.1	0.1	1.1	-	-	-	-
Stock-based compensation expenses	45.2	65.3	76.1	15.0	19.1	16.2	17.3	67.6	18.0	23.7	18.1	59.8
Acquisition and divestitures (benefit) expenses, net (7)	3.4	10.4	1.7	7.8	(1.5)	(0.2)	9.9	16.0	0.2	0.9	1.3	2.3
Restructuring expenses	7.1	5.9	14.9	1.3	3.2	0.5	5.9	10.9	2.8	1.0	1.1	4.8
Separation expenses (2)	-	12.6	1.3	0.1	0.2	0.2	0.2	0.8	-	-	-	-
Accelerated lease costs (5)	2.4	9.8	8.3	0.3	4.9	0.1	0.1	5.4	-	-	-	-
IT facilities and infrastructure realignment (6)	-	1.2	4.5	1.0	4.0	1.7	1.4	8.1	-	-	-	-
Impairment charges	0.1	1.6	1.8	-	-	-	-	-	-	-	-	-
Other adjustments	(0.4)	0.1	3.0	0.0	0.2	0.0	0.0	0.2	0.1	0.1	0.1	0.3
Discontinued operations corporate overhead adjustment	50.9	-	-	-	-	-	-	-	-	-	-	-
Allocation methodology difference	(2.7)	-	-	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	$ 248.8	$ 232.5	$ 237.3	$ 51.9	$ 47.4	$ 59.2	$ 88.7	$ 247.2	$ 56.3	$ 50.5	$ 53.5	$ 160.3
As a percentage of non-GAAP revenue	29.6%	26.4%	26.2%	23.9%	22.5%	27.1%	33.4%	27.1%	25.4%	24.0%	23.8%	24.4%

Other Expense, Tax and Net Income

($ in millions)	Year Ended	Year Ended	Year Ended	Three Months Ended				Year Ended	Three Months Ended			Nine Months Ended
	1/31/2021	1/31/2022	1/31/2023	4/30/2023	7/31/2023	10/31/2023	1/31/2024	1/31/2024	4/30/2024	7/31/2024	10/31/2024	10/31/2024
<u>Other Expense Reconciliation</u>												
GAAP other (expense) income, net	$ (99.1)	$ (7.3)	$ (2.6)	$ (0.8)	$ (0.8)	$ (0.9)	$ (4.4)	$ (6.9)	$ (1.1)	$ (3.9)	$ (3.4)	$ (8.4)
Unrealized losses on derivatives, net	1.1	14.3	-	-	-	-	-	-	-	-	-	-
Amortization of convertible note discount	12.9	-	-	-	-	-	-	-	-	-	-	-
Expenses and losses on debt modification or retirement	1.5	2.5	-	0.2	-	-	-	0.2	-	-	-	-
Change in fair value of future tranche right	56.1	(15.8)	-	-	-	-	-	-	-	-	-	-
Acquisition and divestitures expenses (benefit), net	0.1	(3.5)	-	(0.2)	-	-	-	(0.2)	-	-	-	-
Separation expenses (benefit) (2)	-	-	1.3	(0.0)	(0.1)	(0.1)	5.1	4.8	-	-	-	-
Other adjustments	-	(1.2)	-	-	-	-	-	-	-	0.5	(0.0)	0.5
Non-GAAP other (expense) income, net	$ (27.3)	$ (11.0)	$ (1.3)	$ (0.7)	$ (0.9)	$ (1.0)	$ 0.7	$ (2.0)	$ (1.1)	$ (3.4)	$ (3.4)	$ (8.0)
<u>Tax Provision (Benefit) Reconciliation</u>												
GAAP provision for (benefit from) income taxes	$ 6.9	$ 23.9	$ 39.1	$ 4.4	$ (2.5)	$ 13.0	$ 6.9	$ 21.6	$ 8.0	$ 4.3	$ (10.7)	$ 1.5
GAAP effective income tax rate	-16.6%	60.4%	71.4%	54.6%	30.5%	50.2%	19.2%	35.3%	34.1%	42.6%	-58.2%	3.0%
Non-GAAP income tax adjustments	9.2	(2.3)	(19.9)	(0.3)	6.1	(8.6)	(0.8)	(3.6)	(1.8)	0.8	14.7	13.7
Non-GAAP provision for income taxes	$ 16.2	$ 21.6	$ 19.2	$ 4.1	$ 3.6	$ 4.3	$ 6.1	$ 18.1	$ 6.2	$ 5.1	$ 4.0	$ 15.3
Non-GAAP effective income tax rate	8.3%	11.0%	9.1%	9.2%	9.0%	8.2%	7.2%	8.2%	12.6%	12.4%	9.2%	11.5%
<u>Net (Loss) Income from Continuing Operations Attributable to Verint Systems Inc. Common Shares Reconciliation</u>												
GAAP net (loss) income from continuing operations attributable to Verint Systems Inc. common shares	$ (57.3)	$ (4.5)	$ (5.9)	$ (1.9)	$ (11.2)	$ 7.4	$ 23.5	$ 17.8	$ 10.0	$ 1.5	$ 24.7	$ 36.2
Total GAAP net (loss) income adjustments (4) (7)	234.3	177.9	196.4	36.7	42.1	40.6	54.0	183.8	32.5	34.1	14.5	81.1
Non-GAAP net income from continuing operations attributable to Verint Systems Inc.common shares	$ 177.0	$ 173.4	$ 190.5	$ 34.8	$ 30.9	$ 48.0	$ 77.5	$ 201.6	$ 42.6	$ 35.6	$ 39.2	$ 117.3

EPS and Diluted Shares Outstanding

	Year Ended	Year Ended	Year Ended	Three Months Ended				Year Ended	Three Months Ended			Nine Months Ended
($ in millions, except share and per share data; shares in thousands)	1/31/2021	1/31/2022	1/31/2023	4/30/2023	7/31/2023	10/31/2023	1/31/2024	1/31/2024	4/30/2024	7/31/2024	10/31/2024	10/31/2024
GAAP diluted net loss from continuing operations per common share attributable to Verint Systems Inc.	$ (0.88)	$ (0.07)	$ (0.09)	$ (0.03)	$ (0.17)	$ 0.12	$ 0.37	$ 0.28	$ 0.16	$ 0.02	$ 0.39	$ 0.58
Non-GAAP diluted net income from continuing operations per common share attributable to Verint Systems Inc. (4)	$ 2.57	$ 2.28	$ 2.52	$ 0.53	$ 0.48	$ 0.65	$ 1.07	$ 2.73	$ 0.59	$ 0.49	$ 0.54	$ 1.62
GAAP weighted-average shares used in computing diluted net loss from continuing operations per common share	65,173	65,591	65,332	64,940	64,294	64,144	63,080	64,318	62,845	62,631	62,803	62,761
Additional weighted-average shares applicable to non-GAAP net income from continuing operations per common share attributable to Verint Systems Inc	3,654	10,419	10,235	447	269	9,478	9,478	9,478	9,477	9,478	9,477	9,478
Non-GAAP diluted weighted-average shares used in computing net income from continuing operations per common share (4)	68,827	76,010	75,567	65,387	64,563	73,622	72,558	73,796	72,322	72,109	72,280	72,239

Debt

($ in millions)	As of 4/30/2024	As of 7/31/2024	As of 10/31/2024
Current maturities of long-term debt	$ -	$ -	$ -
Long-term debt	411.4	411.7	412.2
Unamortized debt discounts and issuance costs	3.6	3.3	2.8
Gross debt	415.0	415.0	415.0
Less:			
Cash and cash equivalents	236.6	207.8	182.8
Restricted cash and cash equivalents, and restricted bank time deposits	1.1	0.8	0.5
Short-term investments	0.8	0.8	0.8
Long-term restricted cash, cash equivalents, bank time deposits and investments	0.2	0.2	0.2
Net debt, including long-term restricted cash, cash equivalents, bank time deposits, and investments	$ 176.4	$ 205.4	$ 230.7

Revenue Metrics Reconciliation

($ in millions)	Year Ended 1/31/2021	Year Ended 1/31/2022	Three Months Ended 4/30/2022	7/31/2022	10/31/2022	1/31/2023	Year Ended 1/31/2023	Three Month Ended 4/30/2023	7/31/2023	10/31/2023	1/31/2024	Year Ended 1/31/2024
Recurring revenue- GAAP	$ 575.6	$ 633.1	$ 159.4	$ 166.4	$ 174.2	$ 185.5	$ 685.5	$ 166.4	$ 161.0	$ 161.1	$ 210.7	$ 699.2
SaaS revenue - GAAP	218.0	322.8	94.7	102.6	115.8	131.1	444.2	117.1	113.4	115.7	168.6	514.8
Optional managed services revenue - GAAP	59.5	65.6	15.9	15.8	15.4	14.3	61.4	12.9	12.2	11.8	10.8	47.7
Support revenue - GAAP	298.2	244.7	48.7	48.1	43.0	40.1	179.9	36.4	35.4	33.6	31.3	136.7
Nonrecurring revenue - GAAP	254.6	241.4	58.5	56.5	51.0	50.7	216.7	50.1	49.2	57.4	54.4	211.1
Perpetual revenue - GAAP	141.8	138.1	33.3	30.8	24.4	28.1	116.6	24.3	25.2	24.6	25.8	99.9
Professional services and other revenue - GAAP	112.8	103.3	25.3	25.7	26.5	22.6	100.1	25.8	24.0	32.9	28.7	111.3
Total revenue - GAAP	$ 830.2	$ 874.5	$ 217.9	$ 222.9	$ 225.2	$ 236.2	$ 902.2	$ 216.6	$ 210.2	$ 218.5	$ 265.1	$ 910.4
Estimated recurring revenue adjustments	10.3	6.2	1.3	0.7	0.4	0.5	3.0	0.6	0.2	0.1	0.1	1.1
Estimated SaaS revenue adjustments	9.2	5.6	1.3	0.7	0.4	0.5	2.8	0.6	0.2	0.1	0.1	1.1
Estimated optional managed services revenue adjustments	1.0	0.5	0.1	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Estimated support revenue adjustments	0.2	0.0	0.0	-	-	-	0.0	-	-	-	-	-
Estimated nonrecurring revenue adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Estimated perpetual revenue adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Estimated professional services and other revenue adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Total estimated revenue adjustments	10.3	6.2	1.3	0.7	0.4	0.5	3.0	0.6	0.2	0.1	0.1	1.1
Recurring revenue- non-GAAP	$ 586.0	$ 639.3	$ 160.7	$ 167.2	$ 174.6	$ 186.0	$ 688.5	$ 167.1	$ 161.2	$ 161.2	$ 210.8	$ 700.3
SaaS revenue - non-GAAP	227.1	328.4	96.0	103.2	116.2	131.6	447.0	117.8	113.7	115.8	168.7	515.9
Optional managed services revenue - non-GAAP	60.5	66.2	16.0	15.8	15.5	14.3	61.6	12.9	12.2	11.8	10.8	47.7
Support revenue - non-GAAP	298.4	244.8	48.7	48.1	43.0	40.1	180.0	36.4	35.4	33.6	31.3	136.7
Nonrecurring revenue - non-GAAP	254.6	241.4	58.5	56.5	51.0	50.7	216.7	50.1	49.2	57.4	54.4	211.1
Perpetual revenue - non-GAAP	141.8	138.1	33.3	30.8	24.4	28.1	116.6	24.3	25.2	24.6	25.8	99.9
Professional services and other revenue - non-GAAP	112.8	103.3	25.3	25.7	26.5	22.6	100.1	25.8	24.0	32.9	28.7	111.3
Total revenue - non-GAAP	$ 840.6	$ 880.7	$ 219.2	$ 223.6	$ 225.6	$ 236.8	$ 905.2	$ 217.2	$ 210.4	$ 218.7	$ 265.2	$ 911.5

SaaS Revenue Reconciliation

	Year Ended	Year Ended	Year Ended	Three Months Ended				Year Ended	Three Months Ended			Nine Months Ended
($ in millions)	1/31/2021	1/31/2022	1/31/2023	4/30/2023	7/31/2023	10/31/2023	1/31/2024	1/31/2024	4/30/2024	7/31/2024	10/31/2024	10/31/2024
Bundled SaaS revenue - GAAP	$ 146.0	$ 183.0	$ 222.6	$ 59.5	$ 62.1	$ 63.3	$ 65.8	$ 250.5	$ 65.7	$ 71.6	$ 75.2	$ 212.5
Unbundled SaaS revenue - GAAP	72.0	139.7	221.6	57.7	51.4	52.4	102.8	264.3	75.3	59.5	73.4	208.2
SaaS revenue - GAAP	218.0	322.8	444.2	117.1	113.4	115.7	168.6	514.8	141.0	131.1	148.7	420.7
Estimated bundled SaaS revenue adjustments	9.0	5.6	2.8	0.6	0.2	0.1	0.1	1.1	-	-	-	-
Estimated unbundled SaaS revenue adjustments	0.2	0.1	-	-	-	-	-	-	-	-	-	-
Estimated SaaS revenue adjustments	9.2	5.6	2.8	0.6	0.2	0.1	0.1	1.1	-	-	-	-
Bundled SaaS revenue - non-GAAP	155.0	188.6	225.4	60.1	62.3	63.4	65.9	251.6	65.7	71.6	75.2	212.5
Unbundled SaaS revenue - non-GAAP	72.2	139.8	221.6	57.7	51.4	52.4	102.8	264.3	75.3	59.5	73.4	208.2
SaaS revenue - non-GAAP	$ 227.1	$ 328.4	$ 447.0	$ 117.8	$ 113.7	$ 115.8	$ 168.7	$ 515.9	$ 141.0	$ 131.1	$ 148.7	$ 420.7

Footnotes

Note: Amounts may not foot throughout the workbook due to rounding.

(1) Revenue for the current period at constant currency is calculated by translating current-period GAAP or non-GAAP foreign currency revenue (as applicable) into U.S. dollars using average foreign currency exchange rates for the same prior period rather than actual current-period foreign currency exchange rates.

(2) For the quarters ended April 30, 2020, July 31, 2020, October 31, 2020 and January 31, 2021, separation expenses are considered part of discontinued operations and are, therefore, not included in the reported results from continuing operations. Effective February 1, 2024, separation expenses (benefit) are immaterial and therefore included in Other adjustments.

(3) Represents depreciation and amortization expenses that are adjusted for financing fee amortization.

(4) EPS calculation includes the more dilutive of either preferred stock dividends or conversion of preferred stock shares.

(5) Accelerated lease costs were previously included within Restructuring expenses for the three months ended April 30, 2020, July 31, 2020, October 31, 2020, April 30, 2021, July 31, 2021 and October 31, 2021.

(6) IT facilities and infrastructure realignment costs were previously included within Other Adjustments for the three months ended April 30, 2021, July 31, 2021, October 31, 2021, January 31, 2022, April 30, 2022 and July 31, 2022.

(7) For the three months and year ended January 31, 2024, acquisition and divestitures (expenses) benefit, net included a loss on the sale of our manual quality managed services business of $9.7 million, which was recorded as part of selling, general, and administrative expenses in our consolidated statement of operations. Today, our platform includes an AI-powered solution for automating the quality process. We expect our customers to adopt AI over time and believe that a people-centric managed services offering is no longer core to our offering.

Supplemental Info Non-GAAP Measures

Revenue Metrics and Operating Metrics

SaaS Annual Contract Value (ACV) (formerly known as New SaaS ACV) includes the annualized contract value of all new SaaS contracts received within the period; new unbundled SaaS contracts only include the license portion of those orders. In cases where SaaS is offered to partners through usage-based contracts, we include the incremental value of usage contracts over a rolling four quarters. Orders are only included in SaaS ACV with a completed customer contract signed by both parties before the end of the period. Unbundled SaaS ACV includes only the ACV of the unbundled SaaS contracts included in SaaS ACV. Bundled SaaS ACV includes only the ACV of the bundled SaaS contracts included in SaaS ACV and is comprised of two components:

New Deals ACV, which represents the annual contract value of new bundled SaaS contracts, received within the period. This includes purchases of new applications by both new and existing customers as well as expansions of entitlements to applications already in use by existing customers, other than if in connection with a conversion. AI booking from new deals represents the portion of New Deals ACV attributable specifically to AI applications.

Conversion ACV, which represents the bundled SaaS annual contract value sold to a customer who is converting from an on-premises application to the Verint Cloud within the period. This metric also includes the value of incremental licenses or expansion of entitlements as part of the conversion, including for AI applications.

Supplemental Info Non-GAAP Measures

Subscription Annual Recurring Revenue (ARR) represents the annualized quarterly run-rate of our active subscription agreements at the end of the period and is comprised of the ARR calculated for our SaaS, Support, and Optional Managed Services contracts. Under ASC Topic 606, Revenue from Contracts with Customers, we are required to recognize a significant portion of our Unbundled SaaS contracts at a point in time when the software is first made available to the customer, or at the beginning of the subscription term, despite the fact that our contracts typically call for billing these amounts annually or more frequently over the life of the subscription. This point-in-time recognition of a portion of our recurring revenue creates significant variability in the revenue recognized period to period based on the timing of the subscription start date and the subscription term and can create a significant difference between the timing of our revenue recognition and the actual customer billing under the contract. We use ARR to measure the underlying performance of our subscription-based contracts and mitigate the impact of this variability as ARR reduces fluctuations due to seasonality, contract term, and the sales mix of subscriptions. ARR should be viewed independently of revenue, and does not represent our revenue under ASC 606 on an annualized basis, as it is an operating metric that is impacted by contract start and end dates and renewal rates. ARR is not intended to be a replacement for forecasts of revenue and does not include revenue reported as nonrecurring revenue in our consolidated statement of operations.

SaaS Annual Recurring Revenue (SaaS ARR) represents the annualized quarterly run-rate value of active or signed SaaS contracts as of the end of a period. For unbundled SaaS contracts, the amount included in SaaS ARR is generally consistent with the amount that we invoice the customer annually for the term-based license transaction. In the case of acquired contracts that allow for early termination, SaaS ARR will reflect the annualized amount of committed contracts in the first quarter and then proportionally increase to the remaining amount of annualized ARR in the subsequent three quarters during the first year post acquisition. We use SaaS ARR to identify the annual recurring value of customer contracts at the end of a reporting period and to monitor the growth of our recurring business as we shift to SaaS. SaaS ARR reduces fluctuations due to seasonality, contract term, and the sales mix of subscriptions for bundled SaaS and unbundled SaaS. SaaS ARR should be viewed independently of revenue, and does not represent our revenue under ASC 606 on an annualized basis, as it is an operating metric that is impacted by contract start and end dates and renewal rates. SaaS ARR is not intended to be a replacement for forecasts of SaaS revenue.

Supplemental Info Non-GAAP Measures

Cash Generation represents the sum of ARR and perpetual and professional services and other revenue and provides an estimate of the cash-producing potential of our entire business.

Cash Contribution Margin is defined as Cash Generation less cost of revenue and operating expenses and helps assess how effectively we convert our revenue streams into cash.

Operating Efficiency Percentage is the result of dividing Cash Contribution Margin by Cash Generation and helps assess the rate at which we convert our revenue streams into cash.

Free Cash Flow

Free Cash Flow is defined as GAAP cash provided by operating activities less our capital expenditures, which include purchases of property and equipment and capitalized software development costs.