Safe Harbor

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This presentation contains forward-looking statements. All statements other than statements of historical fact contained in this presentation are forward-looking statements, including, among other things, statements related to our financial projections for fiscal year 2021 and our long-term operating model; expectations regarding near- and long-term trends in financial results, operating metrics, and key growth metrics such as ARR, Fully Ramped ARR, and Cloud ARR; competitive positioning and future demand for our products and services; the size of the future market opportunity for P&C core modernization and analytics; continued momentum for our business; expected growth in our partner ecosystem and marketplace; expected benefits of our shift to providing cloud-based services; the timing and nature of future product developments, including developments related to Guidewire Cloud Platform such as speed of cloud provisioning; and expected benefits to our customers from current and future products, including efficiency gains from further development of Guidewire Cloud Platform. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only current predictions and are subject to known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from those anticipated by the forward-looking statements. These forward-looking statements are subject to a number of risks, including those described under the heading "Risk Factors" in our periodic reports we have filed with the Securities and Exchange Commission. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by law, we are under no duty to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this presentation.

In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. See the Appendix for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measure. These non-GAAP financial measures may be different from non-GAAP financial measures used by other companies.

This presentation contains statistical data that we obtained from industry publications and reports generated by third parties. Although we believe that the publications and reports are reliable, we have not independently verified this statistical data.

The following is intended to outline our general product direction. It is intended for informational purposes only, and does not, and shall not, constitute binding agreements or contractual obligations of any sort. It is not a commitment to deliver any software or functionality. The development, release, and timing of any features or functionality described remains at the sole discretion of Guidewire.
Positioning Guidewire for Cloud Growth

Mike Rosenbaum, CEO
Property and Casualty Insurance Is Our Chosen Domain

It Is Our Privilege to Have the Opportunity to Serve This Industry

Founded in 2001
And We Are Happy to Serve in Any Way We Can
P&C Insurance Is a $2.5 Trillion Global Industry

~1,500 insurers

Tier 1
>$5b

50+

Tier 2
$1b to <$5b

250+

Tier 3/4/5
<$1b in DWP

~1,200

$1,082b

$746b

$631b

Global

$2.5t DWP

Source: SwissRe Institute “Sigma, No 4/2020”; for the US P&C insurance we’ve excluded business written by health insurers at $912 billion; for other regions, P&C insurance accounted as “non-life” and includes premiums for workers compensation, medical insurance and accident & health.
For More Than 19 Years, We Have Delivered an Unprecedented Level of Customer Success

100% P&C FOCUSED

CUSTOMER COMMUNITY
400+ INSURERS
62 CLOUD CORE CUSTOMERS

MARKETPLACE
90+ PARTNERS
100s of APPLICATIONS

TRACK RECORD
1,000+ IMPLEMENTATIONS

DELIVERY SCALE
800+

R&D SCALE
700+

GUIDEWIRE
10,900+
PARTNER CONSULTANTS
We Strive to Execute a Simple Mission Every Day

Be the platform P&C insurers trust to engage, innovate, and grow efficiently
Every Insurer Is Driving These Three Essential Imperatives

ENGAGE
Make insurance convenient through digital transformation

INNOVATE
Accelerate new product introduction

GROW
Achieve profitable growth through operational efficiency

All supported, enhanced, and optimized through data and analytics
Legacy Systems Are *Still* Holding Insurers Back

- 24-hour, batch-based systems prevent fluid, convenient customer interactions
- Rigid, inflexible systems hinder business agility
- Limited data capture and support for modern analytics

Resulting in 75% of IT budget spent simply “keeping the lights on” *

* Novarica Research, 2018.
Guidewire Delivers the Most Complete P&C Platform in the World

<table>
<thead>
<tr>
<th>Digital Experience</th>
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<tbody>
<tr>
<td><img src="image" alt="Digital Experience" /></td>
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<table>
<thead>
<tr>
<th>Core Processing</th>
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<td><img src="image" alt="Product and Data Content" /></td>
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<thead>
<tr>
<th>Application Platform</th>
<th>Data Platform</th>
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<tbody>
<tr>
<td>Business Configuration Tooling</td>
<td>Visualization &amp; Machine Learning</td>
</tr>
<tr>
<td>Admin/Developer Tooling</td>
<td>Access &amp; Integration Services</td>
</tr>
<tr>
<td>UI Framework &amp; Design System</td>
<td>Prep &amp; Conformity Services</td>
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<tr>
<td>Integration Framework</td>
<td>Acquisition &amp; Intake Services</td>
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<tr>
<td>API Gateway</td>
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<td>Business Logic Engine</td>
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<th>Common Cloud Services</th>
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<td><img src="image" alt="Common Cloud Services" /></td>
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<tr>
<th>Cloud Infrastructure</th>
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<tbody>
<tr>
<td><img src="image" alt="Cloud Infrastructure" /></td>
</tr>
</tbody>
</table>
A Platform Trusted by 400 Insurers
Ranging from New Ventures to
the Largest and Most Complex
Guidewire Cloud: Easier to Manage, Easier to Upgrade, Easier to Innovate

- Starts with 19 years of experience: InsuranceSuite 10 and InsuranceNow
- Standardized infrastructure with Guidewire Cloud Platform
- Built-in data and analytics
- Externalized cloud-native services complementing the core
- Six-month release cycles
Majority of Core DWP Opportunity Remains Untapped

**Tier 1: >$5B DWP**
- 100% = $1,150 billion
- Guidewire Cloud
- Guidewire Self-Managed

**Tier 2: >$1B to <$5B DWP**
- 100% = $730 billion
- Guidewire Cloud
- Guidewire Self-Managed

**Tier 3/4/5: <$1B DWP**
- 100% = $620 billion
- Guidewire Cloud
- Guidewire Self-Managed

**DWP Penetration by Tier**

Source: SwissRe Institute “Sigma, No 4/2020”; Guidewire Analysis
Majority of Core DWP Opportunity Remains Untapped

DWP Penetration by Region

Source: SwissRe Institute "Sigma, No 4/2020"; Guidewire Analysis
P&C Core Modernization and Analytics Present a Significant Market Opportunity

Current Fully Ramped ARR

Current Customers: Expand DWP, Cross-Sell Products, and Upgrade to Cloud

New Customer Wins

Analytics and Data Offerings That Complement Core Platform

$0.6b

+$2.5b

+$~8b

+$9b

DWP Monetization (ARR)

DWP Penetration

Source: SwissRe Institute "Sigma, No 4/2020"; Guidewire Analysis
We Continue to Achieve High Competitive Win Rates

Source: Guidewire Analysis; includes DWP for new core system decisions in 2020, which is not necessarily incremental to Guidewire’s total DWP under management. "Undisclosed" includes decisions where selected vendor was unknown or decision was to build internally.
Partners Engaged for Guidewire Cloud and Self-Managed Deployments

10,900 Guidewire-trained SI consultants

Certified Guidewire Cloud Consultants

Note: Guidewire Analysis: tracks total number of consultants who have gone through Guidewire training, self-study, or partner trained programs
Guidewire Marketplace: 600 Apps from More Than 90 Partners and Guidewire

- Open, flexible, plugin-based approach accelerates insurtech innovation
- Poised to accelerate due to cloud adoption and standardization
Our Vision for Accelerating the P&C Industry Platform

- Cloud Customers
- Marketplace Solutions
- Syndicated Data
- Shared Analytics
- R&D Investment
- P&C Platform Value
- Net New Customers
- Leading P&C Platform & Install Base
Our Priorities for the Fiscal Year

- Continue to execute on cloud transformation
- Define clear upgrade to Guidewire Cloud
- Unlock greater platform value through analytics
- Execute on cloud business model
Executing on Guidewire Cloud

Diego Devalle
Chief Product Development Officer
Cloud Transformation Strategy

- Based on proven InsuranceSuite 10
- Modularize InsuranceSuite core via APIs
- Extend with new cloud-native functionality
- Business-friendly, codeless configuration
- Infused analytics for real-time decisioning
Proven Platform Modernized for the Cloud

Guidewire Cloud Platform

Cloud Infrastructure (AWS)

Cloud-Native Extensions

InsuranceSuite
Fast Cadence Releases Began the Journey

Accelerates innovation and feature delivery with seamless upgrades
Guidewire R&D Profile

FY 2019

R&D Investment Allocation

- 30% Self-Managed
- 35% Guidewire Cloud
- 10% Digital
- 25% Data & Analytics

FY 2020

R&D Investment Allocation

- 20% Self-Managed
- 45% Guidewire Cloud
- 10% Digital
- 25% Data & Analytics

FY 2021

R&D Investment Allocation

- 10% Self-Managed
- 55% Guidewire Cloud
- 10% Digital
- 25% Data & Analytics
Top Investment Priorities: Last 3 Years

<table>
<thead>
<tr>
<th></th>
<th>60%</th>
<th>25%</th>
<th>15%</th>
</tr>
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<tbody>
<tr>
<td>Guidewire Cloud</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platform</td>
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<td>Integration</td>
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<td>Framework</td>
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<tr>
<td>New Product</td>
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<tr>
<td>Innovations</td>
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</tbody>
</table>

Investment Allocation by Release

55%  25%  20%
Evolution of Guidewire Cloud Platform: Limited Economies of Scale

- Lift and shift of InsuranceSuite apps unique to each cloud customer
- Single database clusters with custom resource provisioning per application instance
- Simplified system configuration (single app server)
- Custom network topologies and connectivity
Evolution of Guidewire Cloud Platform: Standardized PaaS for Efficiency and Effectiveness

- **Dedicated to shared** and isolated resources
- Incremental scaling to on-demand and **dynamic scaling**
- Manual, error prone provisioning to automated, **infrastructure-as-code provisioning**
- Custom network topology to standardized and expandable network topology on **single control plane** (PaaS)
- Custom logging to **unified approach to observability** (logging, metrics, APM, etc.)
Guidewire Cloud Platform: Capabilities

| 1. Automated Cluster Management | Provides elastically scalable runtime environment to create, configure, and manage Kubernetes clusters. |
| 3. Multi-Region Deployments | Supports Guidewire Cloud deployments at scale across multiple regions worldwide. |
| 4. Authentication Service | Provides federated authentication service that integrates with Customer Identity Providers (IDPs) for platform access and authorization. |
| 5. Guidewire Cloud Console | Enables self-service operational control and troubleshooting for cloud customers. |
| 6. Observability Services | Provides integrated logging, monitoring, alerting, and metrics for all Guidewire Cloud workloads. |
| 7. Property/Configuration Service | Enables externalization of InsuranceSuite configuration properties to support dynamic environment provisioning and setup by tenants. |
| 8. Migration Services | Allows for migration and import of existing policies and claims from customer legacy systems. |
| 9. Base Cloud Functionality | Provides all the base cloud functionality needed for standard cloud deployments. |
| 10. API Gateway | Provides single point of entry for accepting and processing all API calls that access core platform functions and services. |
### GWCP: Balancing Efficiency and Capability

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
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<td>1. Automated Cluster Management</td>
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### Additional Features:

- **2. Hybrid Tenancy Model**
  - Allow cost and operational advantage by managing multiple insurers in the same PaaS cluster.
  - Enable core isolation by having tenant-specific InsuranceSuite instances.
  - Integrate with externalized, multitenant cloud-native services for expanded capabilities.
  - Increase innovation via external APIs for customers and internal APIs for Guidewire.

---

**GWCP: Guidance Workload Platform**

- **GWCP**
  - **Multi-tenant Cloud-Native Services**
  - **Guidewire Cluster**
  - **Customer Clusters**
    - **Control Plane**
    - **IS Core**
    - **DB**
    - **Tenant Cloud-Native Services**
    - **Microservices**

---
Cloud Provisioning Improvements

Provides elastically scalable runtime environment to create, configure, and manage Kubernetes clusters.

Supports running InsuranceSuite on multi-tenant cloud infrastructure that interoperates with multi-tenant cloud microservices.

Supports Guidewire Cloud deployments at scale across multiple regions worldwide.

Provides federated authentication service that integrates with Customer Identity Providers (IDPs) for platform access and authorization.

Enables self-service operational control and troubleshooting for cloud customers.

Provides integrated logging, monitoring, alerting, and metrics for all Guidewire Cloud workloads.

Enables externalization of InsuranceSuite configuration properties to support dynamic environment provisioning and setup by tenants.

Allows for migration and import of existing policies and claims from customer legacy systems.

Provides all the base cloud functionality needed for standard cloud deployments.

Provides single point of entry for accepting and processing all API calls that access core platform functions and services.

GWCP: Cloud Provisioning Improvements

2. Hybrid Tenancy Model

- Gather Provisioning Requirements
- Build CI/CD Pipelines
- Provision Tenant Environments
- Define Tenant AD Groups
- Set-up Tenant Identity Provider
- Load InsuranceSuite Code
- Define SDLC Permissions & Branches
- Register Tenant With GCC
- Set-up Tenant Logging
- Configure Tenant Environments
- Verify Tenant Onboarding

3. Multi-Region Deployments

4. Authentication Service

5. Guidewire Cloud Console

6. Observability Services

7. Property/Configuration Service

8. Migration Services

9. Base cloud functionality

10. API Gateway
R&D Investments Improving Cloud Efficiency

Future Releases

CloudOps Process Optimization

GWCP

Integration Framework

Note: Illustrative and not drawn to scale.
Simplifying the Cloud Upgrade

Sandia Ren, VP, Cloud Transition Practice
Guidewire Is Defining a Clear Path to Guidewire Cloud for Our Self-Managed Customers
Guidewire Is Defining a Clear Path to Guidewire Cloud for Our Self-Managed Customers
Guidewire Is Defining a Clear Path to Guidewire Cloud for Our Self-Managed Customers

Defining and enabling the upgrade path

Building tools and automation for increased efficiency
Guidewire Is Defining a Clear Path to Guidewire Cloud for Our Self-Managed Customers

- Defining and enabling the upgrade path
- Building tools and automation for increased efficiency
- Enabling successful transition
Our Prior Cloud Upgrade Strategy Had a Stopover on InsuranceSuite 10
We Saw an Opportunity to Get the Majority of Implementations to Guidewire Cloud Faster
Now, InsuranceSuite 8, 9, and 10 Implementations Have a Direct Upgrade Path to Guidewire Cloud
The Fastest, Most Effective Way to Get to Guidewire Cloud Is a Direct Path

CloudDirect

Begin realizing cloud benefits faster

Reduce complexity of upgrading to Guidewire Cloud
For InsuranceSuite 8 Customers, the Time to Act Is Now

Dates to consider

<table>
<thead>
<tr>
<th>September 2020</th>
<th>July 2022</th>
</tr>
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<tbody>
<tr>
<td>Primary Support has ended</td>
<td>• Oracle 12.1 end of life</td>
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<tr>
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<td>• SQL Server 2012 end of life</td>
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For InsuranceSuite 8 Customers, the Time to Act Is Now

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</tr>
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Time to upgrade!
Every Customer Has a Path to Guidewire Cloud

Upgrades have always been a part of the Guidewire value proposition. Guidewire is ready to partner with customers on their path to the cloud.

Hastings Mutual Guidewire Onsite Team (2004)

Guidewire Cloud Transition Practice (2020)
Unlocking Value Through Analytics

Roger Arnemann, GM, Analytics and Data Services
Insurers Need Analytics More Than Ever

- **Sharing Economy**
- **Small Businesses**
- **Work from Home**
- **IoT**
- **Catastrophes & Pandemics**
- **Cybercrime**
- **Social Inflation**
- **Analytics TAM ~$8b**

Source: Guidewire internal research
Exposures Are Changing Overnight

Joe's Pizza now does takeout only

Sally's Pizza now has outdoor seats and messengers
Predict Anticipate the Future with Guidewire Analytics

Past performance is no guarantee of future results
The Industry’s First Closed-Loop Analytics Platform Makes Insurers Brilliant in the Moment

1. Leverage your data
   - Guidewire Data Platform
   - Power app ecosystem
   - Contextual risk comparison

2. Enrich your insight
   - Cyence Data Listening Engine
   - Cyence Risk Factors by LOB
   - Compare – syndicated data
   - Behavioral & nonobvious data

3. Embed intelligence
   - Predictive Analytics – at the edge
   - Model, build, deploy, and monitor
   - Bring your own model (BYOM)
   - Open source integration

4. Learn continuously
   - Continuous underwriting
   - Portfolio performance tracking
   - Outcome-driven model refinement
   - Hypothesis A|B testing to quantify intuition
Succeed in the Growing Cyber Market

#1 Threat to US security

$6t Global loss by 2021

$20b Ransomware global loss: 5/min

Cyence for Cyber

1,000+ Data points

47 Risk factors

1.2M Policies

Source: Director of National Intelligence, 2019
Source: Cybersecurity Ventures, 2016
Source: Cybersecurity Ventures, 2019
Source: Guidewire system metrics, 2019
Improve Workers’ Compensation Outcomes

Cyence for Small Business Workers Comp

$56b US direct premium written
Source: AM Best, 2019

40 cents per dollar US expense
Source: NCCI, 2020

$10b US reserve deficiency
Source: NCCI, 2020

700+ Data points

101 Risk factors

~1% Loss ratio improvement
Source: Results achieved by a Guidewire customer
Improve Auto Claims Outcomes

6m
US auto accidents per year – 11/min
Source: Driver Knowledge, 2020

$185b
US claims in 2019
Source: Insurance Information Institute, 2020

5-10%
US claims leakage
Source: Cognizant, 2018

Guidewire Predictive Analytics

5 days
Train a model

1 day
Deploy a solution

~3%
Loss ratio improvement
Source: Results achieved by a Guidewire customer
“Guidewire Predictive Analytics and Guidewire Cyence for Small Business have significantly improved our quoting process, resulting in profitable growth, increased new business, and improved customer retention.”

Dominic Weber
VP and Chief Actuary
Society Insurance

“After conducting a review of data analytics services available in the market, we found that Cyence’s data science capabilities and engineering expertise offered us the best solution to address the challenges of today’s data-driven world.”

Adam Rich
Head of Underwriting Technology
Beazley
Growing into a Cloud-Based Model

Jeff Cooper, CFO
Financial Highlights

Leader in the Large, Underpenetrated and Evolving P&C Insurance Tech Market

Growing Momentum and Leadership Position in Cloud Based Core Systems

Long-Term Customer Relationships with Very Low Churn

Cash Flow Positive with Strong Unit Economic Model

Direct Written Premiums Under License

<table>
<thead>
<tr>
<th>Year</th>
<th>$ in billions</th>
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</thead>
<tbody>
<tr>
<td>FY10</td>
<td>$107</td>
</tr>
<tr>
<td>FY15</td>
<td>$289</td>
</tr>
<tr>
<td>FY20</td>
<td>$518</td>
</tr>
</tbody>
</table>

10-yr CAGR 17%

Annual Recurring Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>$ in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10</td>
<td>$67</td>
</tr>
<tr>
<td>FY15</td>
<td>$219</td>
</tr>
<tr>
<td>FY20</td>
<td>$514</td>
</tr>
</tbody>
</table>

10-yr CAGR 23%

Note: Direct Written Premiums (DWP) are the total premiums an insurer receives for policies before reinsurance. Annual Recurring Revenue (ARR) includes the annualized recurring value of term licenses, subscription agreements, support contracts, and hosting agreements based on customer contracts. All components that are not expected to recur (primarily perpetual licenses and services) are excluded. Four Quarter Recurring Revenue serves as a proxy for ARR prior to 2018.
### Benefits of Model Shift to Cloud

<table>
<thead>
<tr>
<th>TAM Expansion</th>
<th>Customer LTV</th>
<th>Scale Matters More</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Division of Labor with Guidewire Role Expansion</strong></td>
<td><strong>Recurring Revenue</strong></td>
<td><strong>Choosing the Right Partner is Consequential</strong></td>
</tr>
<tr>
<td><strong>Spend on Core System</strong></td>
<td><strong>Sticky Core Systems of Record</strong></td>
<td><strong>Market Share Key to Building Vertical Industry Platform</strong></td>
</tr>
<tr>
<td>On-Prem</td>
<td>Long Customer Relationships</td>
<td><strong>Analytics and Ecosystem Opportunity</strong></td>
</tr>
<tr>
<td>Cloud</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cloud Enables Guidewire to Best Service the P&C Insurance Industry

Note: Spend on Core System is illustrative and not drawn to scale.
Shift Is Already Under Way

Cloud New Sales Compare with Total New Sales

FY16 | FY17 | FY18 | FY19 | FY20
---|---|---|---|---
100% | 100% | 75% | 50% | 25%

Cloud | Self-Managed
---|---

Note: New Sales is defined as incremental Average Contract Value from sales activity in the period.
ARR Normalizes for Divergent Revenue Patterns

- **Subscription and Support Revenue**
  - **Ratable revenue recognition** over the duration of the committed term
  - Cloud software usually provisioned in 30-60 days post deal execution
- **License Revenue**
  - **Upfront revenue recognition** over the duration of the committed term
  - Standard duration is 2-year initial terms followed by annual renewals

- **ARR**
  -  **Annualized recurring value** for all term licenses, subscription agreements, maintenance and hosting contracts
  - Excludes perpetual licenses and professional services
  - Aligns to annual invoicing amounts in ramped agreements

*Midpoint of outlook, provided on September 2, 2020.*
Note: Four Quarter Recurring Revenue was defined as last four quarters of Term License and Maintenance revenue and was a proxy for ARR prior to our business model transition and adoption of ASC 606. ARR results are as of the FX rate at end of the respective fiscal year.
Cloud Momentum Driven by InsuranceSuite Cloud

**Total Cloud ARR**

<table>
<thead>
<tr>
<th>Year</th>
<th>ARR in $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18</td>
<td>$62</td>
</tr>
<tr>
<td>FY19</td>
<td>$104</td>
</tr>
<tr>
<td>FY20</td>
<td>$155</td>
</tr>
</tbody>
</table>

2-yr CAGR: 58%

**InsuranceSuite Cloud ARR**

<table>
<thead>
<tr>
<th>Year</th>
<th>ARR in $ millions</th>
</tr>
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<tbody>
<tr>
<td>FY18</td>
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</tr>
<tr>
<td>FY19</td>
<td>$59</td>
</tr>
<tr>
<td>FY20</td>
<td>$97</td>
</tr>
</tbody>
</table>

2-yr CAGR: 149%

Note: Cloud ARR is defined as ARR from sale of Cloud products only. ARR for InsuranceSuite Cloud (IS Cloud) is defined as ARR from IS Cloud deals only. For self-managed customers upgrading to IS Cloud, the ARR of the migration contract is accounted for in its entirety in Cloud ARR upon start date of IS Cloud migration contract, with the previous self-managed ARR being reduced to zero.
Ramped Contracts Provide Tailwind to ARR

Fully Ramped ARR defined as:

- Annualized value of recurring revenue at year five for ramped contracts
- Ramped pricing agreed to with customers and based off pricing schedule outlined in contract
- Pricing schedule may extend beyond the committed contract period
- Pricing schedule is time-based and not milestone based

Note: Aggregated Ramps shows the incremental ARR from InsuranceSuite Cloud deals signed in FY2018, FY2019 and FY2020 and aggregated into a single cohort. This analysis only includes incremental ARR as a result of the InsuranceSuite Cloud deals and excludes any existing ARR that the customers had prior to signing the Cloud deals.
Aggressively Investing in Cloud

Subscription & Support Revenue Mix

- **FY18**: 17%
- **FY19**: 21%
- **FY20**: 27%

Subscription & Support Gross Margin

- **FY18**: 77%
- **FY19**: 66%
- **FY20**: 55%

Note: Subscription & Support revenue mix is defined as Subscription and Support Revenue as a percent of Total Revenue. Subscription and Support Gross Margin is reported on a non-GAAP basis. For a GAAP to non-GAAP reconciliation please see the appendix.
R&D Investments Improving Cloud Efficiency

Future Releases

CloudOps Process Optimization

GWCP

Integration Framework

Note: Illustrative and not drawn to scale.
ARR Acceleration As the Industry Embraces Cloud

Cloud Upgrades
Convert previously modernized self-managed systems to our Cloud offering

New Core System Wins
Large amounts of DWP is still managed by legacy systems
New & Existing Customers

Complement the Core
Capitalize on our “Strategic High ground” in the core to sell value added offerings
New & Existing Customers
## Model at $1b and $1.5b in ARR

### Cloud Transition Phases

<table>
<thead>
<tr>
<th></th>
<th>Early FY20A</th>
<th>Mid FY21</th>
<th>Late FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ARR</strong></td>
<td>$514m</td>
<td>$566m</td>
<td>$1b</td>
</tr>
<tr>
<td><strong>Cloud ARR %</strong></td>
<td>29%</td>
<td>35-40%</td>
<td>~75%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$742m</td>
<td>$728m</td>
<td>$1.2b</td>
</tr>
<tr>
<td><strong>Subscription &amp; Support Gross Margin</strong></td>
<td>55%</td>
<td>39-41%</td>
<td>66-68%</td>
</tr>
<tr>
<td><strong>Total Gross Margin</strong></td>
<td>61%</td>
<td>~55%</td>
<td>60-62%</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>14%</td>
<td>0%</td>
<td>14-16%</td>
</tr>
<tr>
<td><strong>Operating Cash Flow Margin</strong></td>
<td>15%</td>
<td>9%</td>
<td>17-19%</td>
</tr>
<tr>
<td><strong>Target Model</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Target Model</td>
<td></td>
<td>Late</td>
</tr>
<tr>
<td><strong>ARR</strong></td>
<td>$1b</td>
<td>$1.5b</td>
<td>$1.7b</td>
</tr>
<tr>
<td><strong>Cloud ARR %</strong></td>
<td>~75%</td>
<td>~95%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$1.2b</td>
<td>$1.7b</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** FY21 midpoint of the outlook is from the outlook provided on our earnings call on September 2nd, 2020. Margin numbers are non-GAAP. For actuals, please see appendix for a reconciliation of GAAP to non-GAAP numbers. Operating Cash Flow Margin assumes company is not a cash taxpayer.
Capital Allocation Prioritize Organic Growth and Inorganic Flexibility

$1.4b

$200m

$600m

$600m

- Recurring revenue model with upfront payments results in efficient cash generation
- Minimum Cash reflects:
  - Conservative customers base that values liquidity
  - Long-term nature of customer commitments
  - Early stages of Cloud transformation
- Potential M&A reflects desire to maintain balance sheet flexibility to pursue inorganic growth opportunities
- Returning excess cash to shareholders through open market share repurchase

Note: Cash balances are rounded to the nearest $100 million.
Q&A
Customer Definition Update

• Updated customer definition in Fiscal 2020 resulted in a lower aggregate count due to insurers previously counted as customers being consolidated under a single contracting entity

• As of July 31, 2020, we had over 340 customers using this updated definition, approximately the same number as of July 31, 2019

• Customers may represent multiple Insurance Brands and we have over 400 insurance brands using our software

• As of July 31, 2020, we had 303 customers who have licensed one or more of our Core products, or core customers, for a total of $518 billion in DWP under license

• As of July 31, 2019, we had 300 core customers for a total of $504 billion in DWP under license

Note: Core Customers include customers who have purchased BillingCenter, ClaimCenter, PolicyCenter or InsuranceNow.
## Reconciliation of Non-GAAP Subscription & Support Gross Margin

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021 (E)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP Subscription &amp; Support Gross Margin</strong></td>
<td>59%</td>
<td>51%</td>
<td>42%</td>
<td>31% - 33%</td>
</tr>
<tr>
<td><strong>Non-GAAP adjustments:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total stock-based compensation</td>
<td>3%</td>
<td>3%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>15%</td>
<td>12%</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Non-GAAP Subscription &amp; Support Gross Margin</strong></td>
<td>77%</td>
<td>66%</td>
<td>55%</td>
<td>39% - 41%</td>
</tr>
</tbody>
</table>
Reconciliation of Non-GAAP Gross & Operating Margin

<table>
<thead>
<tr>
<th>As % of Revenue</th>
<th>GAAP</th>
<th>Stock-based Compensation</th>
<th>Amortization of Intangible Assets</th>
<th>Non-GAAP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Margin</td>
<td>54%</td>
<td>4%</td>
<td>3%</td>
<td>61%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>(3)%</td>
<td>14%</td>
<td>3%</td>
<td>14%</td>
</tr>
<tr>
<td><strong>2021 (E)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Margin</td>
<td>49%</td>
<td>5%</td>
<td>2%</td>
<td>55%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>(21%)</td>
<td>18%</td>
<td>3%</td>
<td>0%</td>
</tr>
</tbody>
</table>
Navigate what’s next.