

AMDOCS Q1 2026 CONFERENCE CALL SCRIPT - FINAL
February 3, 2026
5:00 pm

Matthew Smith, Head of Investor Relations

Slide 2: Disclaimer

Thank you, operator. Before we begin, I need to call your attention to our disclaimer statement on slide 2 of the presentation. It notes that some of our comments today may be forward-looking statements and are subject to risks and uncertainties, including as described in Amdocs' SEC filings, and that we will discuss certain financial information that is not prepared in accordance with GAAP. For more information regarding our use of non-GAAP financial measures, including reconciliations of these measures, we refer you to today's earnings release, which will also be furnished with the SEC on Form 6-K.

Slide 3: Today's Speakers

Participating on the call with me today are Shuky Sheffer, President and Chief Executive Officer of Amdocs Management Limited and Tamar Rapaport-Dagim, Chief Financial and Operating Officer.

Slide 4: Earnings Call Agenda

To support today's earnings call we are providing a presentation which can be found on the Investor Relations section of our website, and, as always, a copy of today's prepared remarks will also be posted immediately following the conclusion of this call.

On today's agenda, Shuky will recap our business and financial achievements for the first fiscal quarter 2026, including our strategic progress in generative AI and Data services.

Shuky will finish by addressing our financial and business outlook, after which Tamar will provide additional details on our first quarter financial performance, and guidance for the full fiscal year 2026.

And with that, I'll turn it over to Shuky.

Slide 5: Shuky Sheffer, Chief Executive Officer

Thank you, Matt, and everyone joining us on our call today.

Slide 6: Q1 FY 2026: A Solid Start to the Fiscal Year

Beginning on slide 6, I am pleased to report a solid start to fiscal 2026 as we continue to focus on our primary goal of accelerating Amdocs' long-term growth and positioning ourselves as a market leader for the GenAI era.

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First quarter financial results were consistent with our expectations:

- Revenue of \$1.16 billion was slightly above the midpoint of guidance, rising 4.1% from a year ago, or 3.5% in constant currency
- Profitability improved by 40 basis points from a year ago and was unchanged on a sequential basis, reflecting our commitment to balance internal efficiency gains with accelerated investments to support long-term growth
- Non-GAAP diluted earnings per share was \$1.81, above the guidance range, primarily due to a lower-than-expected tax rate for the quarter, and
- We finished Q1 with 12-month backlog of \$4.25 billion, up \$60 million sequentially, and 2.7% from a year ago.

Slide 7: Q1 FY2026 Key Highlights

Turning to slide 7, I'd like to thank our people around the world for their part in delivering best-in-class mission critical operations support over the holiday period, and for achieving a high number of milestone deliveries under the many outcome-based projects and managed services engagements we are supporting for our customers.

Q1 included several important developments which strengthen our underlying business, accelerate our global growth potential and advance our generative AI strategy.

First, I'm proud to announce that we have signed a new multi-year agreement with T-Mobile that includes managed services, software development, and AI innovation.

- Under the new agreement, T-Mobile and Amdocs will collaborate to support T-Mobile's growth strategy and business objectives. Amdocs will continue to support T-Mobile's consumer and business domains including implementation of GenAI technology where applicable. As part of this agreement, Amdocs will also support integration activities related to common systems.
- Additionally, we are supporting T-Mobile in the integration of UScellular. As a reminder, integration activities by nature are non-recurring, and are ramping-down by design once the integration is complete.
- Overall, this important agreement extends our long-standing strategic collaboration with T-Mobile. Having said that, as mentioned last quarter, we

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expect a revenue decline with this customer in fiscal 2026 due to a lower level of spending.

Second, we expanded Amdocs' global customer footprint and progressed our international diversification strategy this quarter through a combination of organic and inorganic moves.

- We signed an expanded multi-year engagement at Vodafone Germany, the largest of Vodafone's operating companies, and won significant transformation awards with two new logos in Western Europe.
- Additionally, I am excited to report that we closed the acquisition of Matrixx Software for \$197 million cash at the end of Q1. Based in California, Matrixx is a strategic consolidation move which complements and extends our leading market position around the controlling hills of billing, monetization and charging solutions. As such, we believe there is amazing potential to bring our full suite of products and managed services in support of Matrixx's impressive customer base. These customers include major Tier 1 service providers such as Verizon, Telus, Telefonica, Swisscom, Three, Virgin Media O2, and Telstra, as well as a growing list of many smaller tier operators and MVNOs.

Third, I'm encouraged by the highly positive recognition Amdocs is receiving as a market leader in data and generative AI from customers and industry analysts like Gartner. In my opinion, such recognition directly reflects Amdocs' very deep domain expertise which is unmatched in the telco vertical. During Q1, our commercial momentum continued with additional GenAI-related wins at Telus and other customers. Our next-generation AI platform development is also progressing to plan with today's announcement of aOS—an agentic operating system purpose-built for telecommunications which we plan to showcase at Mobile World Congress in early March.

Slide 8: Strategic Growth Framework

Now, turning to slide 8, I'd like to provide some additional color with respect to our growth strategy which is designed to deliver the tech-led products and services our customers' need to:

- Maximize the value of generative AI and data across our customers' footprint;
- Accelerate the journey to the cloud;
- Digitalize customer experience for consumer and B2B;
- Monetize next-generation network investments; and
- Streamline and automate complex network ecosystems.

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Slide 9: Progress in Strategic Domains: Data & Generative AI (1/2)

Starting with data and generative AI on slide 9, we are busy executing on the recent GenAI-related commercial awards we have won with Optimum, Consumer Cellular, e&, Telefonica Germany and other first-mover adopters of Amdocs amAlz – our generative AI platform that leverages NVIDIA's AI capabilities.

These early awards provide proof points as to the important role of generative AI in telecom industry transformation, as witnessed by the consistent pipeline expansion and growing commercial progress we are seeing.

- As an example, Telus, Amdocs, and NVIDIA recently teamed up to deliver advanced AI-powered quality engineering solutions on the TELUS Sovereign AI Factory, specifically designed to meet Canadian data residency and compliance mandates. This strategic integration will enable secure, autonomous testing automation and validation for Canadian enterprises and government agencies, helping them to adopt generative AI securely and to roll out digital services faster.

Slide 10: Progress in Strategic Domains: Generative AI (2/2)

As to our long-term generative AI strategy, last quarter we shared that we are accelerating our investments to fast-track development of Cognitive Core – 'a next generation AI platform built on the foundation of Amdocs amAlz which integrates pre-built telco-specific agent libraries and actionable insights.

- I am pleased to say that our development roadmap is progressing as planned with today's exciting announcement of aOS – the world's first agentic operating system purpose-built for telecommunications which we plan to showcase at Mobile World Congress in Barcelona a few weeks from now. Designed to help service providers accelerate their generative AI strategies and innovate at scale, aOS operates on top of any BSS/OSS stack -- embedding Cognitive Core and intelligence directly into telecom operations to elevate customer and employee experiences, unlock new growth opportunities, and drive measurable operational efficiency by executing complex, end-to-end workflows across any BSS/ OSS environment.
- Overall, we are excited by the announcement of aOS, which we believe can emerge as a long-term growth engine for Amdocs as telcos realize its potential to simplify and accelerate their AI transformation journey.

Slide 11: Progress in Strategic Domains: Cloud

Switching to cloud on slide 11, Amdocs remains uniquely positioned as the preferred partner to lead the telco industry's journey to the cloud, reflecting our proven ability to accelerate public, private, and hybrid cloud migrations.

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- We're continuing to grow our cloud migration collaboration with AT&T, supporting them as they move another key infrastructure stack to the cloud. This represents an important next phase in AT&T's cloud modernization journey. By applying Amdocs' AI-driven migration capabilities and deep telecom domain expertise, we're helping AT&T modernize core infrastructure faster, reduce transformation risk, and improve operational efficiency, while creating the foundation for future innovation.

As discussed last quarter, our SaaS-based platforms— including Amdocs connectX, Amdocs MarketONE, and Amdocs eSIM—are also contributing to growth with rising customer adoption.

- This quarter, Amdocs MarketONE was chosen by V, formerly VIDAA, a leading Smart TV platform powering over 50 million connected TVs globally. MarketONE will drive V's global OTT subscription and streaming bundles on homeOS-equipped Smart TVs, streamlining OTT partner onboarding, enabling innovative subscription bundling, and digital service expansion across its international footprint.

Looking forward, cloud will remain a primary focus for Amdocs as we continue to support our global telco customer base, many of which are only just getting started on their multi-year cloud journeys.

Slides 12: Progress in Additional Key Strategic Pillars (1/2)

Turning to slide 12, I'd like to spotlight some additional deal wins across Amdocs' other strategic domains this quarter.

- First, I am delighted to announced that Vodafone Germany has extended its multi-year digital transformation engagement with Amdocs, as part of which it will decommission multiple legacy technology stacks to simplify its IT architecture across its fragmented cable portfolio. The program will complete with a gradual migration, following proven agile delivery, running fully in public cloud, and utilizing GenAI tools to increase delivery efficiency.
- In Western Europe, we won significant digital transformation awards with two new logos that further expand our strategic relationship with a large global telco services provider.

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- In Italy, Swisscom subsidiary, Fastweb, will broaden its use of the OMS Amdocs platform as the unified orchestration layer to manage end to end Order Management across both Wireline and Wireless consumer domains in the newco resulting from the post-merger integration with Vodafone Italy.
- Within the BSS and OSS sphere, Swiss service provider Sunrise has extended the collaboration with Amdocs to support AI evolution in CRM, strengthen the foundation for a further increase in Net Promoter Score, and to offer customers the best service at any time.
- We also signed a new four-year agreement with Telefónica Germany to renew our Actix mobile network platform. Actix plays an important role in optimizing radio network performance, helping Telefónica Germany enhance coverage and network quality at scale. This renewal reflects the ongoing value we deliver in mission-critical network operations and further strengthens our long-standing collaboration with the customer.
- Finally, we recently signed a proof-of-concept with a leading operator in Japan, deploying Amdocs RevenueONE with Billing capabilities to run real operational scenarios. This engagement reinforces the strength of our revenue management portfolio in supporting complex, strategic customer environments and creates a path for potential expansion.

Slide 13: Current Operating Environment

Turning now to the current operating environment, we believe many growth opportunities exist across our serviceable addressable market of roughly \$60 billion by:

- Tapping new domains at our largest, longstanding customers
- Capturing additional wallet-share at existing customers and new logos
- Diversifying in new geographies, such as Japan, Africa and Middle East, and
- Bringing innovative solutions in emerging strategic domains, such as Generative AI, fiber rollout, cloud migration and the rapidly evolving MVNO segment.

With our deep telco domain expertise and unique tech-led, outcomes-based business model, we are well positioned in the market, and laser-focused on monetizing the rich deal pipeline we see in front of us.

That said, we are of course closely monitoring our customers' demand and spending behavior within the prevailing global macroeconomic environment.

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Slide 14: Reiterating FY2026 Outlook

Bringing everything together on slide 14, with our solid first quarter performance and our visibility for the remainder of the year, we are reiterating our guidance for revenue growth of between 1.0% and 5.0% in constant currency for fiscal 2026.

Similarly, we are on track for non-GAAP diluted earnings per share growth of between 4.0% to 8.0% in fiscal 2026, the midpoint of which equates to an expected total shareholder return in the high-single digits, including our dividend yield.

Slide 15: Shimie Hortig to Succeed Shuky Sheffer as President and CEO, Effective March 31, 2026

On a personal note, after many years serving Amdocs in a range of leadership roles, including more than seven years as President and Chief Executive Officer, I have decided to retire from my role as President and Chief Executive Officer. It has been the greatest privilege of my professional life to lead this incredible organization and its talented people for the past seven years. I am immensely proud of what we have accomplished together: we didn't just navigate the shift to the cloud and the rise of GenAI; we transformed Amdocs into a true catalyst for the digital age. I am pleased to announce that Shimie Hortig, a long-time colleague and trusted partner who is here with me today, will succeed me as President and Chief Executive Officer, effective March 31, 2026 following a planned transition period.

I take this step with deep confidence in Amdocs' position, long-term strategy, and leadership team. Having worked closely with Shimie over many years, I have seen his ability to lead the company through periods of significant industry and technological change while maintaining a strong focus on customers and execution. This planned succession reflects the depth and strength of Amdocs' management team and ensures continuity in our strategic direction. I am confident that Shimie, supported by an experienced and highly capable executive team, will build on Amdocs' strong foundation and lead the company to new heights.

I'm delighted to say that Shimie is here with me in the room today, so let me hand things over to him to say a few words before moving to Tamar.

Shimie:

Thank you, Shuky, for the kind words and for our partnership over the years. I'm excited to lead Amdocs to the next chapter.

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During my career at amdocs across different leadership roles, I've come to appreciate what makes Amdocs a leader: our people & culture, our customers' trust, and our technology & innovation

As we look ahead, Amdocs is well positioned to combine emerging technologies with deep domain expertise to drive value for customers and shareholders.

I'm looking forward to building on everything we've accomplished and taking Amdocs to the next level.

Shuky:

Thank you, Shimie, and with that, let me turn the call over to Tamar for her remarks.

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Slide 16: Tamar Rapaport-Dagim, CFO & COO

Thank you, Shuky, and hello everyone. Thank you for joining us.

Slide 17: Solid Q1 FY2026 Financial Results

To begin, I am pleased with our solid financial performance for the first fiscal quarter, as summarized on slide 17.

Q1 revenue of approximately \$1.156 billion was up 3.5% year-over-year in constant currency. Revenue was slightly above the midpoint of our guidance, even after unfavorable foreign currency movements of roughly \$3 million compared to our guidance assumptions.

On a reported basis, revenue was up 4.1% from a year ago.

Revenue from our acquisition of Matrixx Software was immaterial in Q1 since the deal closed in the last week of the quarter.

On a regional basis:

- North America was up nearly 4% from a year ago and was higher on a sequential basis for the fourth consecutive quarter.
- Europe was up by 17% year-over-year and increased by 1% sequentially, driven by organic growth initiatives, and the December 2024 acquisition of Profinit which made little contribution to the year ago quarter.
- Rest of World was down from a year ago but improved slightly as compared with the prior quarter. Consistent with our prior guidance, our strong sales momentum provides clear visibility to continued growth in Rest of World this year, but we remind you that quarterly trends may fluctuate given the project orientation of our customer activities in the region.
- Shifting down the income statement, non-GAAP operating margin of 21.6% improved by 40 basis points from a year ago and was stable on a sequential basis as we continued to balance the benefits of internal cost and efficiency initiatives with investments designed to accelerate our long-term growth, including the development of our next-generation AI platform.
- Interest and other expenses amounted to roughly \$10 million in Q1.
- On the bottom-line, non-GAAP diluted EPS of \$1.81 was above the guidance range, primarily due to a lower-than-expected non-GAAP effective tax rate in the quarter.

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- Similarly, diluted GAAP EPS of \$1.45 exceeded the guidance range, which was also primarily due to a lower-than-expected GAAP effective tax rate in the quarter. Additionally, diluted GAAP EPS included a restructuring charge of roughly 9 cents per share which was not included in our guidance for the quarter.

Slide 18: Managed Services Revenue in Q1F26, Supporting Visibility and Business resilience

Turning to slide 18, managed services revenue of \$746 million was up 2.3% from the prior year in the first fiscal quarter.

As a share of total revenue, managed services accounted for roughly 65%, consistent with the last several quarters. During Q1, we maintained very high managed services renewal rates, signing expanded multi-year engagements which together strengthen our business resiliency.

In addition to the new agreements with T-Mobile and Vodafone Germany, we signed an agreement with Telefónica Móviles Argentina covering Product Maintenance Services, Application Managed Services, and our Software Factory.

Slide 19: Strong Balance Sheet & Cash Flow

Moving to the balance sheet and cash flow highlights on slide 19, DSOs of 76 days decreased by 5 days from a year ago and was up by 2 days sequentially.

Unbilled receivables net of deferred revenue fell by \$32 million sequentially and by \$66 million versus a year ago in Q1, aggregating the short-term and long-term balances. As a reminder, the net difference between unbilled receivables and deferred revenue fluctuates from quarter to quarter, in line with normal business activities, as well as our progress on multi-year engagements.

Free cash flow before restructuring payments was \$237 million in Q1, driven by strong earnings to cash conversion to begin the year. In fact, Q1 free cash flow already equates to roughly 33% of our full year target, which is higher than usual after just one quarter. Including restructuring payments of \$49 million, reported free cash flow was \$188 million in the quarter.

We ended Q1 with a healthy cash balance of approximately \$248 million, and aggregate borrowings of roughly \$780 million, including a drawdown of \$130 million on our \$500 million revolving credit facility to fund the acquisition of Matrixx Software, and our \$650 million senior note which matures in June 2030.

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Overall, we have ample liquidity to support our ongoing business needs while retaining the capacity to fund our future strategic growth.

Slide 20: Disciplined Capital Allocation

Switching to capital allocation on slide 20, this quarter we repurchased \$146 million of our shares.

We had up to \$840 million of remaining repurchase authority as of December 31, 2025.

We paid cash dividends of \$57 million in the first fiscal quarter.

Looking to fiscal 2026, we are on track to generate free cash flow of between \$710 million to \$730 million, not including payments we expect to make under our current restructuring program.

Our free cash flow outlook equates to a conversion rate of roughly 90% relative to expected non-GAAP net income and translates to a healthy free cash flow yield of roughly 8% relative to Amdocs' current market capitalization.

Regarding our capital allocations for the coming year, we expect to return the majority of our free cash flow to shareholders.

Slide 21: Leading Indicators & Visibility: 12-Month Backlog

Moving to slide 21, 12-month backlog was \$4.25 billion at the end of Q1, up \$60 million sequentially and 2.7% from a year ago.

Slide 22: FY2026 Revenue Growth Outlook

Now, turning to our revenue outlook on slide 22 we are continuing to closely monitor the prevailing level of macro-economic, geopolitical, business, and operational uncertainty in the current business environment. The second quarter and full fiscal year 2026 financial guidance reflects what we consider to be the most likely outcomes based on the information we have today, but we cannot predict all possible scenarios.

For the full fiscal year 2026, we expect revenue growth of between 1.5% and 5.5% as reported, roughly half of which will be inorganic in nature. This includes the acquisition of Matrixx Software which was already incorporated in our assumptions when we provided our fiscal 2026 guidance last quarter. This expected range compares with 1.7% to 5.7% previously, with the change reflecting foreign currency movements which

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are now assumed to provide a benefit of 0.5% for the full year as compared to 0.7% previously.

For the full fiscal year 2026, we are reiterating our outlook for revenue growth of between 1.0% and 5% in constant currency.

As to the second fiscal quarter, we expect revenue of between \$1.15 billion to \$1.19 billion.

Slide 23: Sustained Margin Expansion, Balancing Strategic Growth Investments with Ongoing Efficiency Benefits

Moving down the income statement, we are on track to deliver non-GAAP operating margins within our target range of 21.3% to 21.9% in fiscal 2026, the midpoint of which is roughly 20 basis points higher than the prior year of 21.4%.

Our profitability outlook reflects an intentional decision to accelerate our R&D, sales and marketing investments with respect to generative AI and our next-gen agentic operating system, while balancing this with ongoing cost and efficiency gains resulting from our continued focus on operational excellence, automation and the internal deployment of generative AI - based tools across our business.

As a reminder, our non-GAAP operating margin may fluctuate slightly on a quarter to quarter basis. Additionally, our margin outlook excludes additional restructuring charges we may take.

Below the operating line, we expect non-GAAP net interest and other expenses to be impacted by higher finance costs this year resulting from a reduced cash balance, and funding of our strategic long-term growth plans.

As anticipated in the beginning of the year, we expect our non-GAAP effective tax rate to be within an annual target range of 16% to 19% for the full fiscal year 2026. For your modelling purposes, in Q2 specifically we expect our non-GAAP effective tax rate to be above the high-end of this annual range.

Slide 24: Reiterating Outlook for High Single-digit Expected Total Shareholder Returns in FY2026

Bringing everything together on slide 24, we are reiterating our outlook for non-GAAP diluted earnings per share growth of 4% to 8% in fiscal 2026, the midpoint of which

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positions us to deliver high single-digit expected total shareholder returns when including our dividend yield of around 2.7%.

With that, back to you, Shuky

Slide 25: Q&A

Thank you, Tamar

I am pleased with of our solid start to the fiscal year, and the important progress we've made in respect to our long-term strategic partnerships, the expansion of our customer base globally and today's announcement of our new agentic operating system, aOS, which we believe can provide an additional engine of long-term growth.

With that, we are happy to take your questions.

Operator?