AMDOCS Q4 2023 CONFERENCE CALL SCRIPT
November 7, 2023
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 full year fiscal 2023 and will update you on the continued progress we have made executing against our strategic growth framework, including exciting developments in cloud and Generative AI.

Shuky will finish by commenting on our financial outlook for the full fiscal year 2024, after which Tamar will provide additional details on our fourth quarter financial performance, our forward guidance and our continued commitment to ESG.

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

Slide 5: Shuky Sheffer

Shuky Sheffer, Chief Executive Officer

Thanks, Matt, and good afternoon to everyone joining us on the call today.

Slide 6: Sincere Thanks– Message to Employees

To begin, I want to sincerely thank our talented and diverse group of global employees for a successful 2023 in which we continued to bring value to our customers while developing the innovative technology that forms the backbone of today's seamless, digital world.

More so, I'd like to express my deep gratitude to our employees in Israel, which in the days following the horrific attack of October 7 have shown tremendous resilience, dedication, and commitment to Amdocs and each other.

My heart felt sympathies go to all those who have lost loved ones, or who are directly suffering because of these terrible events.

As a global company, with support and development centers around the world, I am proud of the way the Amdocs family has come together to support one another in recent weeks, and we will continue to give absolute priority to the safety and wellbeing of our people, doing everything necessary to ensure they have the support they need to navigate this difficult time.

Slide 7: FY23: Record Annual Revenue, Continued Profitable Growth & Margin Improvement

With that said, I am pleased to report solid fourth quarter results consistent with our guidance, wrapping up another strong year of healthy, profitable revenue growth and robust free cash flow generation in fiscal 2023.

Summarizing the fiscal year highlights on slide 7:

- Record revenue of approximately $4.89 billion grew 7.7% in constant currency as we supported our customers' multi-year journey to the cloud, digital modernization, network automation, and the deployment and monetization of 5G and fiber networks

- We are also excited to report that revenue from cloud activities grew at a double-digit rate and exceeded 20% of Amdocs' total revenue for the first time in fiscal 2023

- Closing 12-month backlog was a record $4.15 billion up approximately 5% from a year ago, and

- We delivered double-digit non-GAAP diluted EPS growth of 11.5%, well above the 10% midpoint of our original outlook, reflecting topline growth, margin expansion and our consistent cash return to shareholders

Slide 8: Fiscal Fourth Quarter & Full Year 2023 Operational Highlights

Turning to slide 8, fiscal 2023 was another year of strong market recognition and many key wins as we continued to play a key role in our customers' modernization journeys.

- We significantly expanded activities within T-Mobile's cloud-based digital transformation and continued to progress AT&T's multi-year modernization. Additionally, we won major awards at Bell Canada, Three UK, Globe and PLDT in the Philippines, and many other customers, including a partnership at Disney for which Amdocs Vubiquity is providing direct-to-consumer platform support

Our global breadth of activities and customer wins translated to a strong performance across regions in fiscal 2023.

- North America had a record year, as did Europe which delivered strong double-digit growth as we progressed several modernization projects on behalf of leading operators like Vodafone, Wind Tre in Italy, and PPF Group in multiple affiliates
- Rest of world grew sequentially in Q4, delivering its strongest quarter in four years as we supported activities at Globe and PLDT in Philippines and M1 in Singapore. For fiscal 2023 overall, Rest of World was lower for the year.

Focused execution was another hallmark of fiscal 2023, as measured by a record number of project milestone achievements. Amdocs is continuing to support 5G fixed wireless access expansion in North America, including key launches at T-Mobile and AT&T, as well as the strategic mobile offerings of Comcast, Charter and Altice. Overseas, we executed successful deliveries at Three UK, Vodafone, XL in Southeast Asia, and many others.

Managed services had another record year, which included recent multi-year expansion at Three UK, and extension in Vodafone Netherlands, as well as at AT&T Cricket, DISH Networks, Globe Telecom and other customers as reported earlier in the year.

We also strengthened our managed services offering, launching our next generation Amdocs Cloud Management Platform which integrates generative AI capabilities from our amAIz framework to enhance operating efficiency and agility.

Slide 9: Progress in Strategic Domains (1/5): Gen-AI

Now, moving to slide 9, I'd like to update you with respect to our growth strategy, the aim of which is to bring the market-leading innovation our customers need to:

- Accelerate the journey to the cloud
- Create seamless digital experiences for consumer and B2B
- Launch and monetize new 5G services, and
- Deliver dynamic connected experiences with real-time, automated networks

Let me begin, however, with Generative AI, which following the strategy we outlined last quarter, I'd like to provide an update as we accelerate execution across the various domains.

We think of our generative AI strategy in three pillars:

- First, the infusion of generative AI into our CES product suite, including co-pilot capabilities and Gen-AI-native functions in flagship products like our enterprise catalog, CPQ and monetization platforms.
  - As a reminder, all of these capabilities are powered by our recently launched amAIz Gen-AI framework, which provides:
    - Our proprietary telco taxonomy that improves accuracy and ensures context-aware responses
    - A library of industry-tailored use case kits that package common functionality, and
    - Importantly, a robust 'Trusted AI' layer that provides data security, observability, and control
- Second, we are providing a foundation that leverages generative AI to address key telecom industry challenges by bringing together our deep telecommunications expertise and unique telco taxonomy to help our customers accelerate their adoption of generative AI.
- Third, we are building strategic partnerships in the space. We previously announced our engagement with Microsoft, where we're collaborating to integrate Microsoft's capabilities into our Customer Engagement Platform, while leveraging Microsoft and OpenAI capabilities across our portfolio.

- Today, we also announced our partnership with NVIDIA, a world leader in AI Infrastructure. Together, we will focus on utilizing the NVIDIA generative AI ecosystem to accelerate adoption and innovate to realize some of the industry's largest opportunities, from network operations to customer care

In general, we are working alongside several of our flagship customers to prioritize high-value deployments of generative AI, trying to focus on where we expect to achieve meaningful financial and operational benefits for customers as a result.

It's important to highlight that data plays an important role in the utility of generative AI. To that end, we continue to execute on our data strategy, which focuses on the cleansing, normalization, and cloudification of the vast data generated and stored by our industry, while at the same time, ensuring it is readily accessible for generative AI tools.

Finally, we continue to grow our use of generative AI capabilities to drive productivity and efficiency across Amdocs' organization, particularly in software development and operations and we expect these to generate ongoing benefits.

Slide 10: Progress in Strategic Domains (2/5): Cloud

Moving to the cloud on slide 10, customer momentum accelerated in fiscal 2023, reflecting ongoing cloud programs with AT&T and T-Mobile, and new engagements with Three UK, Vodafone Ireland, Wind Tre, PLDT, Bell Canada, TELUS, and Claro Brazil. Our win momentum continued in Q4.

  - AT&T Mexico extended an agreement with Amdocs to provide ongoing operations and support services for Amdocs applications being move to the public cloud

  - Amdocs broadened its role with Rogers in alignment with their real-time rating and metering program. This extended responsibility involves readying Roger's Cloud infrastructure to facilitate seamless processes such as CI/CD pipeline, network integration and quality engineering testing, and product deployment certification.

  - Additionally, Australia's TPG Telcom awarded Amdocs a multi-year deal to modernize and consolidate TPG's monetization platforms on AWS, replacing the current incumbents.

- Our growing list of cloud customer activities reflects Amdocs' unique telco industry expertise, robust product offering, leading web-scale provider partnerships, and an ability to remove complexity by delivering end-to-end, fully accountable cloud migration paths.

- Moreover, we continue to invest in our offering as we aim to further accelerate the industry's cloud journey.
    - For instance, service providers now have the option to migrate their Amdocs classic applications to Microsoft Azure or Oracle Cloud Infrastructure, enabling them to leverage existing investments while taking advantage of our latest CES portfolio.
    - Additionally, I am pleased to announce the recent acquisition of Astadia, which accelerates our customer cloud offering to include highly sophisticated, mainframe-to-cloud migration and modernization, end-to-end from consulting to managed services.

Slide 11: Progress in Strategic Domains (3/5): Digital Modernization

Moving to slide 11, Amdocs remains critical to enabling our customers' digital modernization journeys, including the B2B segment where service providers have potential to improve their market position with next-generation IT, including the Amdocs Customer Engagement Platform we launched in partnership with Microsoft.

As a reminder, Amdocs is already progressing two of the world's largest B2B transformation projects in Comcast and T-Mobile.

- Another great example is Australia's Optus, which recently elected to modernize its enterprise operations with Amdocs' cloud-native B2B portfolio, enabling it to simplify and accelerate the sales journey for Optus agents with end-to-end automated order fulfillment.
- Elsewhere, Amdocs is working with India's Bharti Airtel, to accelerate digital transformation, implementing an innovative monetization platform and automating billing processes to enhance end-user experience.
- In Dubai, we worked with etisalat by e& to revolutionize their in-store retail experience with one of the world's first AI-enabled telco autonomous stores, providing a personalized next-generation experience for shoppers, and
- Amdocs collaborated with Public Mobile, Canada's first 5G subscription phone service, on an eSIM application that enables customers to activate and manage their services completely digitally
- Bringing together communications and media, Amdocs' MarketONE platform is enabling A1 Group to include Netflix within the A1 portfolio service offering across six markets

- Juice, part of Vubiquity, earned its fourth Netflix Preferred Fulfillment Partner of the Year award for the Americas region, making them the highest performing partner since this program launched.

Slide 12: Progress in Strategic Domains (4/5): 5G Monetization

Turning to 5G monetization on slide 12, we continue to help service providers launch and monetize innovative offerings for the 5G standalone era.

- Amdocs currently has more than 20 cloud-based charging projects in production across a range of public, private, and hybrid environments, including at leading CSPs in North America.
- This quarter, we agreed to a multi-year managed services extension with a leading telco in sub–Saharan Africa which includes a BSS modernization to monetize 5G and data products while improving customer satisfaction.
- ATN International from the Caribbean selected Amdocs to transform their monetization operations, demonstrating a pivotal step towards achieving their strategic goal of becoming a truly customer-centric organization.

Slide 13: Progress in Strategic Domains (5/5): Network Automation

Turning to network automation on slide 13, fiscal 2023 was a year of progress during which we supported the successful expansion of DISH Wireless' 5G open RAN network, meeting and exceeding FCC commitments to reach 70% of the US population. Other highlights included key projects with Colt Technology in the UK, Bell Canada, Verizon, and the strategic acquisition of TEOCO's service assurance business to strengthen our unique end-to-end service orchestration offering.

More recently, Amdocs acquired ProCom Consulting, a US-based digital transformation services and business consulting company primarily serving operators in North America.

ProCom is a growth move for Amdocs, providing us with an expanded offering to better support telcos and newly emerging fiber operators that are focused on accelerating the rollout of fiber networks in the US and rest of world. An example is Summit Broadband, a Florida-based fiber-optics service provider which has selected Amdocs for a multi-year deal to uplift their BSS and OSS ecosystem.

Today, we also announced that Amdocs has joined AWS Integrated Private Wireless as a strategic integrator, enabling service providers to unlock new innovations in Mobile

Private Networks for enterprise customers by bringing together Amdocs' Mobile Private Network Solutions with AWS's reliable and secure infrastructure and services.

Slide 14: Summarizing a Successful Fiscal 2023 Across Multiple Dimensions
Moving to slide 14, fiscal 2023 can be summarized as a highly successful year in which we:

- Maintained a market-high win rate
- Accelerated customer and revenue momentum in cloud
- Established technology and industry leadership in Generative-AI, and
- Reinforced our customer reputation for superb project execution and seamless mission critical operations support

Slide 15: Current Environment Entering Fiscal 2024
Taking a moment to review the current environment, on slide 15, Amdocs continues to serve a large addressable market, the size of which has expanded significantly in recent years as we focused our strategy on delivering innovation for service providers to advance their journey to cloud-based 5G and fiber networks, Generative AI, and improved consumer and B2B experience.

Amdocs also has a relatively resilient business model, with highly recurring revenue streams resulting from our support of mission critical systems under long-term engagements, including managed services.

To remind you, however, Amdocs is not immune to an increased level of macro uncertainty and industry pressure, signs of which we shared with you last quarter as some operators began to prioritize strategic modernization programs while reducing discretionary spending, including investments to enhance legacy systems.

Slide 16: Fiscal 2024 Outlook
Turning then to our outlook on slide 16, we expect revenue growth within a range of 1% to 5% for the full year fiscal 2024.

- On one hand, our full year outlook reflects the previously mentioned impact of macro uncertainty and industry pressure, as well as a revenue headwind attributable to reduced legacy system investments of roughly 3%.

- With that said, we expect another year of double-digit growth in cloud. Cloud has been one of Amdocs' strategic growth pillars in the last few years and exceeded 20% of revenue in fiscal 2023 as we levered our position as the industry's technology partner of choice for multi-year strategic modernization journeys. As we shared before, we believe the industry is still in the early innings of the cloud journey, the long-term shift to which will be increasingly fueled by the arrival of Gen-AI.

- As we showed in fiscal 2023, our continual efforts to improve operational excellence through automation and other sophisticated tools are yielding results, added to which is the more recent potential of Gen-AI to further improve efficiency across our business.
    - As a result, we expect to accelerate the pace of profitability improvement in fiscal 2024, as reflected by our new outlook for non-GAAP operating margins in the range of 18.1% to 18.7%, the midpoint of which is 60 basis points better than 2023 results.
- Additionally, we expect to maintain earnings to cash conversion of roughly 100% in fiscal 2024, and we expect to return the majority of free cash flow to shareholders in the year ahead.
- Overall, we are in great position to deliver double-digit non-GAAP diluted earnings per share growth for the fourth consecutive year in fiscal 2024. In addition, I am pleased to say that our Board has today approved a 10% increase in our quarterly cash dividend payment, equating to an annualized yield of roughly 2.3%.

With that, let me turn the call over to Tamar for her remarks.

Slide 17: Tamar Rapaport-Dagim
Tamar Rapaport-Dagim, Chief Financial Officer & Chief Operating Officer

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

Slide 18: Q4 FY2023 Financial Highlights

I am pleased with our solid financial results for the fourth fiscal quarter, the highlights of which you can see on slide 18.

- Record Q4 revenue of approximately $1.243 billion was up 6.3% year-over-year in constant currency.
- On a reported basis, revenue increased 6.5% and was above the midpoint of guidance, including an immaterial impact from foreign currency movements compared to our guidance assumptions.

- Revenue from the acquisition of ProCom Consulting in late August, was immaterial this quarter.

- On a geographical basis, North America delivered a record quarter.

- Europe delivered strong growth of nearly 20% from a year ago but declined sequentially because of normal fluctuations in project activity.

- Rest of World grew on a sequential and year-over-year basis to post its best quarter in more than 4 years, primarily due to improved activity in Southeast Asia.

- Moving down the income statement, our non-GAAP operating margin of 17.8% was up 20 basis points from a year ago and unchanged as compared with the prior quarter.

- On the bottom-line, non-GAAP diluted EPS of $1.42 was slightly above the midpoint of guidance and included a non-GAAP effective tax rate of 21.8% which, as anticipated, was above our annual target range.

- Note that non-GAAP diluted EPS excludes restructuring charges of $46 million incurred in the quarter.

- Diluted GAAP EPS was $0.86 for the fourth fiscal quarter, which was above the guidance range of $0.67 to $0.81, primarily due to lower than anticipated restructuring charges.

Slide 19: Full Year Fiscal 2023 Highlights

Summarizing fiscal 2023 on slide 19, revenue grew 7.7% in constant currency, in line with our most recent guidance but slightly below the original 8% midpoint we anticipated at the start of the fiscal year.

- As a new point of disclosure, revenue from cloud activities grew at a double-digit rate and exceeded 20% of Amdocs' total revenue for the first time in fiscal 2023.
    - Revenue from cloud activities includes:
        - Modernization projects using CES suite, or our cloud enabled classic versions
        - Cloud consulting

  - Cloud migration services, and
  - Cloud operations and workloads
  - To clarify, in some cases, Cloud revenue may also overlap with revenue from managed services when above activities are provided to our customers under a multi-year managed services arrangement.

- On a regional basis, North America and Europe had record years in fiscal 2023, while Rest of World saw a slight decline of roughly 2%, despite growth in Southeast Asia.
- Further highlighting the long-term diversification of our business, while we continued to expand our business in North America, and while it is still our biggest region in fiscal 2023, six of our top 10 customers were located outside North America, two of which were new logos added in the last ten years. For comparison, a decade ago only 2 of our top10 customers were outside North America.
- Additionally, the number of countries in which we generate annual revenue of more than $40 million has almost doubled over the ten years, some of which include Italy, Germany, Mexico, India, and Malaysia.
- On the bottom-line, we delivered double-digit non-GAAP diluted earnings per share growth of 11.5% in fiscal year 2023, exceeding the 10% midpoint of our initial outlook for the year, and driven by the strong topline performance, non-GAAP operating margin improvement, and the benefits of our share repurchase activity.

Slide 20: Leading Indicators and Business Resiliency: 12-Month Backlog

Moving to slide 20, 12-month backlog was a record-high $4.15 billion, up 4.5%. On a sequential basis, our 12-month backlog was up by $10 million in Q4.

- During Q4, we continued to sign deals with new logos and existing customers. Additionally, existing deals in backlog are progressing and our managed services renewals remain at close to 100%.

As a reminder, our 12-month backlog has roughly averaged around 80% of forward-looking 12-month revenue over the years and has therefore traditionally served as a good leading indicator of our business.

Slide 21: Leading Indicators and Business Resiliency: Managed Services
Turning to slide 21, managed services closed out another record year with strong fourth quarter revenue of $718 million, equivalent to about 58% of total revenue.

Our managed services engagements support the resiliency of our business with recurring revenue streams, near 100% renewal rates and expanded activities under multi-year engagements.

A great example is Three UK, which I am pleased to say has appointed Amdocs as single supplier to simplify its IT operations under a 5-year deal which extends our relationship following the businesses recent IT transformation.

As another example, we recently signed a multi-year managed services extension with VodafoneZiggo in the Netherlands, under which we will be responsible for Vodafone Ziggo's business systems operations for fixed-line and mobile customers.

Slide 22: Balance Sheet & Cash Flow
Now, turning to the balance sheet and cash flow highlights on slide 22.

DSOs of 69 days decreased by 5 days year-over-year in Q4 and decreased by 10 days sequentially.

Unbilled receivables is higher than deferred revenue by $86 million, aggregating the short-term and long-term balances. As a reminder, the net difference between deferred revenue and unbilled receivables fluctuates from quarter to quarter, in line with normal business activities.

Reflecting strong execution, we reported free cash flow of $698 million for the full fiscal year 2023, comprised of cash flow from operations of $823 million, less $124 million in net capital expenditures and other. Full year reported free cash flow included non-recurring restructuring payments of $20 million which was not assumed in our annual free cash flow guidance of $700 million for fiscal 2023.

Overall, we ended the fiscal year with a strong balance sheet and a healthy cash balance of approximately $743 million, including aggregate borrowings of roughly $650 million.

Moreover, we have ample liquidity to support our ongoing business needs while retaining the capacity to fund our future strategic growth, including the acquisition of Astadia which closed in November for a net cash consideration of $75 million with additional consideration to be paid later based on the achievement of certain performance metrics.

Slide 23: Disciplined Capital Allocation

Turning to capital allocation on slide 23, we repurchased $155 million of our shares in the fourth quarter and paid cash dividends of $52 million.

Overall, we returned a total of $689 million to shareholders through share repurchases and dividends in fiscal 2023, equating to almost 100% of reported free cash flow.

Looking ahead, we expect free cash flow of approximately $750 million in fiscal 2024, which does not include remaining restructuring payments of approximately $26M. Our free cash flow outlook equates to a conversion rate of approximately 100% relative to non-GAAP net income, and a healthy free cash flow yield of roughly 7.6% relative to Amdocs' current market capitalization.

Regarding our capital allocations in fiscal year 2024, we expect to return the majority of our free cash flow to shareholders. This includes dividends, for which we are pleased to announce a proposed increase of 10% in our quarterly cash payment to a new rate of 47.9 cents per share, subject to shareholder approval at the annual meeting in February and represents our 11th consecutive annual dividend increase since our first payment in 2012.

Overall, I believe fiscal 2023 was another landmark year for Amdocs, which included record-high revenue, consistent profitability improvement, robust free cash flow generation and strong double-digit growth in non-GAAP diluted earnings per share.

Slide 24: FY2024 Revenue Growth Outlook

Now, turning to our outlook on slide 24.

To begin, we are continuing to closely monitor the prevailing level of macro-economic, geopolitical, business, and operational uncertainty, which remains elevated in the current business environment. Thus, the first quarter and full year fiscal 2024 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.

Beginning with the top-line, we expect revenue growth within a range of 1.2% to 5.2% year-over-year on a constant currency basis in fiscal 2024, the 3.2% midpoint of which is roughly half organic.

We expect a stronger second half to the fiscal year, based on our expected plan of execution for deals already in 12-month backlog, plus new opportunities which we anticipate will convert to signed deals and contribute to revenue this fiscal year.

We expect another year of double-digit cloud revenue growth in fiscal 2024.

Additionally, our outlook assumes no material change in the current macro-economic backdrop, and a revenue headwind of roughly 3% attributable to reduced customer investments in legacy system enhancements, among other factors.

Our annual outlook includes first fiscal quarter revenue within a range of $1.225 billion to $1.265 billion and assumes a negative $5 million sequential impact from foreign currency fluctuations as compared to Q4.

On a reported basis, we expect full year revenue growth in the range of 1.0% to 5.0% year-over-year, which anticipates a small but unfavorable impact from foreign currency of approximately 20 basis points year-over-year.

Slide 25: Accelerated Profitability Improvement

Moving down the income statement, we anticipate quarterly non-GAAP operating margins within a new and improved annual target range of 18.1% to 18.7%, as shown on slide 25. Our new target range for fiscal 2024 continues the path of consistent margin expansion we have delivered over the years. Moreover, the 18.4% midpoint of our new range represents an accelerated improvement of 60 basis points as compared with our full year non-GAAP margin of 17.8% in fiscal 2023. The improvement in margin will happen gradually through the year. This reflects the cumulative benefits of our continual initiatives to improve operational excellence through automation, other sophisticated tools, and disciplined resources management, added to which we expect the implementation of Gen-AI to drive additional cost and efficiency improvements across our business.

Below the operating line, we anticipate that foreign currency fluctuations and cost of hedging will impact our non-GAAP net interest and other expense line in the range of several million dollars on a quarterly basis.

We expect that our non-GAAP effective tax rate will remain within an unchanged annual target range of 13% to 17% for the full fiscal year 2024.

Slide 26: FY2024 Non-GAAP EPS Outlook

Bringing everything together on slide 26, we expect non-GAAP diluted earnings per share growth in the range of 8% to 12% for the full year fiscal 2024, the midpoint of which is expected to mark the fourth straight year of near double-digit growth.

Similarly, we expect to deliver double-digit total shareholders returns for the fourth year running in fiscal 2024, including our outlook for non-GAAP earnings per share growth, plus our dividend yield of about 2.3% based on the newly proposed quarterly cash payment to be approved by shareholders at February's annual meeting.

Slide 27: Committed to ESG

Moving to slide 27, this August we published our latest CSR & ESG report for the period 2022 to June 2023, which we showcased with our second annual ESG webinar for investors in September.

During Q4, we continued our focus on the environment, digital inclusion and diversity, which represent key pillars of our ESG strategy. Among the highlights, we announced our path to carbon neutrality for scope 1 and 2 emissions by 2024, launched a program to support over 1,000 women through digital and financial inclusion in Mexico and recognized Hispanic Heritage Month, celebrating Latino communities in North America.

I'd also like to make a few comments about the actions we have taken following the terrible events in Israel on October 7, since which our primary concern has been the safety and security of our employees and their families, and on providing support to them during this difficult time.

We are in continuous contact with all employees in Israel, sharing specific information about the support and services we can provide for them and their families.

Amdocs is also supporting the wider community. Over the last several weeks we have donated to mental and physical healthcare organizations, and communities in Israel's south. Many Amdocs employees have also volunteered their time to support evacuated families, local farmers, and other initiatives.

I have also been incredibly humbled and proud to hear from our employees worldwide, the vast majority of which are located outside of Israel. With our support and development centers around the world, we have come together as one family to serve our customers seamlessly, providing 24/7 service and support to all our customers and business operations worldwide without interruption.

With that, back to you, Shuky

<u>Slide 28: Q&A</u>
Shuky Sheffer, Chief Executive Officer

Thank you, Tamar..

As you can probably tell from our remarks today, we are pleased with our solid financial and operational performance in fiscal 2023 and we are looking forward to delivering a fourth consecutive year of double-digit non-GAAP earnings per share growth in fiscal 2024.

With that, we are happy to take your questions.

Operator?