S&P Global
Market Intelligence

# Amdocs Limited NasdaqGS:DOX

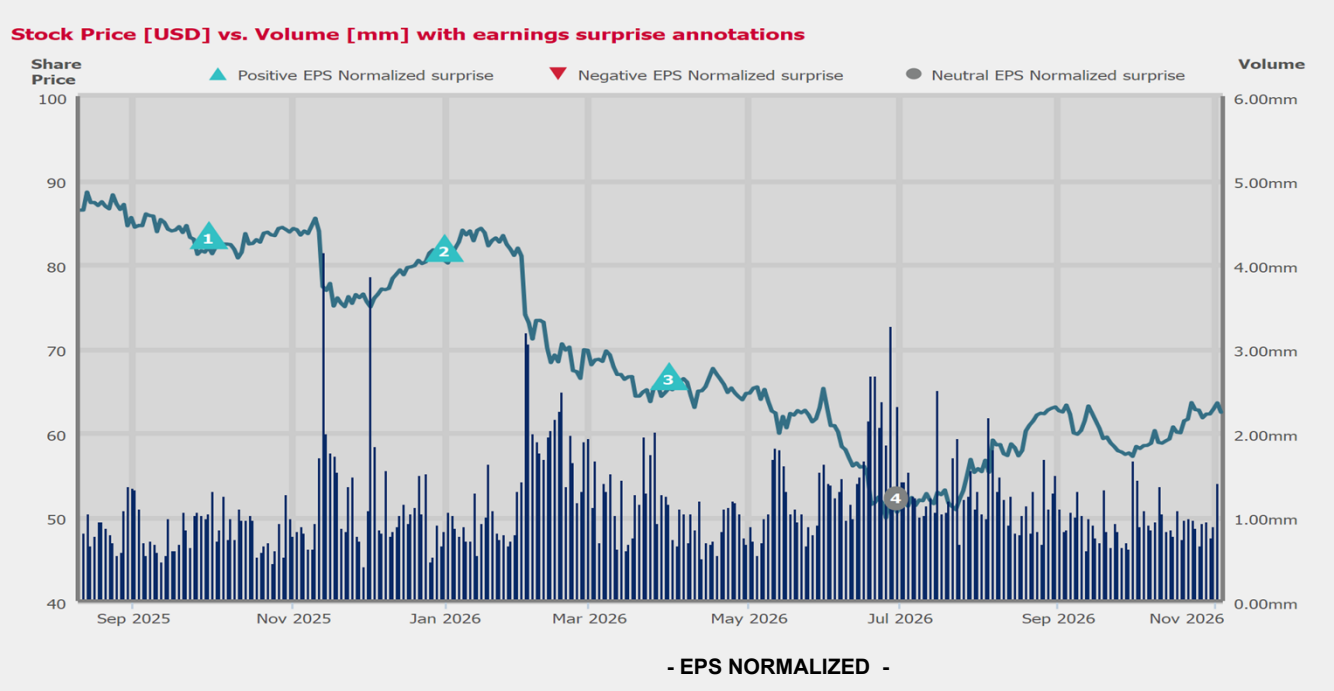
# FQ4 2026 Earnings Call Transcripts

## Tuesday, November 3, 2026 10:00 PM GMT

## S&P Global Market Intelligence Estimates

| | -FQ3 2026- | | | -FQ4 2026- | -FY 2026- | -FY 2027- |
|---|---|---|---|---|---|---|
| | CONSENSUS | ACTUAL | SURPRISE | CONSENSUS | CONSENSUS | CONSENSUS |
| EPS Normalized | 1.84 | 1.84 | 0.00 | 1.98 | 7.42 | NA |
| Revenue (mm) | 1173.13 | 1174.90 | 0.15 | 1194.52 | 4698.89 | NA |

Currency: USD
Consensus as of Aug-25-2026 5:06 PM GMT




**- EPS NORMALIZED -**

| | CONSENSUS | ACTUAL | SURPRISE |
|---|---|---|---|
| FQ4 2025 | 1.82 | 1.83 | 0.55 % |
| FQ1 2026 | 1.76 | 1.81 | 2.84 % |
| FQ2 2026 | 1.76 | 1.78 | 1.14 % |
| FQ3 2026 | 1.84 | 1.84 | 0.00 % |

COPYRIGHT © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved

# Table of Contents

Call Participants ..... 3
Presentation ..... 4
Question and Answer ..... 9

COPYRIGHT © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved

# Call Participants

## EXECUTIVES

**Matthew E. Smith**
*Secretary & Head of Investor Relations*

**Shimie Hortig**
*President, CEO & Director*

**Tal Rozenfeld**
*Chief Financial Officer*

**Unknown Executive**

## ANALYSTS

**Devin Au**
*KeyBanc Capital Markets Inc., Research Division*

**Shlomo H. Rosenbaum**
*Stifel, Nicolaus & Company, Incorporated, Research Division*

**Unknown Analyst**

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

# Presentation

**Operator**

Thank you for standing by, and welcome to the Amdocs Fourth Quarter 2026 Earnings Conference Call. [Operator Instructions] As a reminder, today's program is being recorded. And now I'd like to introduce your host for today's program, Matthew Smith, Head of Investor Relations. Please go ahead, sir.

**Matthew E. Smith**
*Secretary & Head of Investor Relations*

Thank you very much. Before we begin, I need to call your attention to our disclaimer statement on Slide 2 of the presentation. I note that some of our comments today may be forward-looking statements and are subject to risks, uncertainties and other important factors including as described in Amdocs's 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. .

Participating on the call with me today are Shimie Hortig, President and Chief Executive Officer of Amdocs Management Limited; and Tal Rosenfeld, Chief Financial Officer. To support today's earnings call, we're 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 be posted immediately following this call. Today, Shimi will review Amdocs' recent strategic progress, our fiscal 2027 guidance outlook and expectations for fiscal '28. Tal will then provide further details on our fourth quarter and full year fiscal '26 financial results and our '27 guidance. And with that, over to you, Shami.

**Shimie Hortig**
*President, CEO & Director*

Thank you, Matt. Good afternoon, everyone. I'm happy to join you from our New Jersey offices. Today, we announced solid fourth quarter and full year fiscal 2026 results, consistent with our guidance, and I'm grateful to our employees around the world for their hard work, focus and commitment in making it happen. My plan today is to cover our recent strategic progress, our fiscal 2027 guidance and our expectations for fiscal 2028. I took over as CEO 2 quarters ago with a clear mission to prepare the company for the Agentic Revolution, which I believe represents an amazing opportunity for us.

The telco industry will need to transform and change the operational model to realize the benefits of the AI revolution. For them to be successful, they will need a trusted partner to transform their mission-critical systems, 1 with deep industry expertise, engineering pedigree and transformation capabilities who can help them adopt disruptive technologies in a responsible manner. We believe that Amdocs is uniquely positioned and will be this strategic partner. To make this happen, we have moved fast to develop a new overall strategy for the company which been easy executing.

The core pillar of this strategy is AOS, Amdocs Agentic operating system for telco, which is quickly gaining traction in the market. Today, I'm delighted to announce a major milestones for ARS strategy. We signed an 8-year strategic agreement with AT&T, our largest customer. The strategic agreement is designed to accelerate the transformation of their business by adopting our Agentic technology in combination with AT&T's leading AI capabilities. Building on decades of trust and our long-term partnership with AT&T, we are proud to embark on this first of its kind, Cherney that we believe should be the leading approach for AI adoption in the telco market.

In this partnership, we are bringing together the shared expertise of AT&T and Amdocs to simplify complex work improve efficiency and bring new products and experiences to customers faster. AT&T and Amdocs will work as 1 delivery team, combining AT&T's technology environment and business priorities with Amdocs telecom and engineering expertise. We will share responsibility for delivering projects faster while reducing the total cost of modernization and operating critical systems. AT&T forward-looking approach to AI and its ambition to rethink technology delivery and operation is exactly the kind of journey Amdocs AOS was built to support. On top of AT&T, we are also happy to announce another 3 major strategic areas this quarter across Europe, Eurasia and Southeast Asia.

We signed a 10-year agreement with VEON, a global digital operator. Amdocs will leverage AOS to identify VEON's operation, customer experiences and digital services. These strategic collaborations deepens the relationship with the VEON group and presents an opportunity to further expand our business with them and across the Eurasia region. At Globe in the Philippines, we signed a multiyear agreement to modernize core business platform and strengthen IT operations by leveraging Amdocs AS. This agreement

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

also expands our scope of work to include identifying Globe's business workflows. In the U.K., Vodafone 3 selected Amdocs to support upgrade of its B2B business support systems on a new Agentic enterprise platform. Followed by AOS, the program will consolidate and upgrade multiple legacy systems onto a single Amdocs enterprise technology stack and deliver Agente capabilities across delivery and operations.

These key AOS deals with AT&T, VEON, Globe, Vodafone 3 and the 10-year deal we announced with Liberty Latin America last quarter, are great examples how AIS is enabling Amdocs to expand its activities and become the trusted partner of choice for our customers. They also demonstrate the large-scale potential of ARS as a leading solution for telco market all around the world. In addition to these large AOS deals, we also see healthy demand and strong sales momentum across Amdocs broader product and services with customers globally. In the fourth quarter, we won many significant deals. To highlight a few, Comcast renewed its multiyear managed services agreement with Amdocs across Xfinity Mobile and Comcast business.

We signed a multiyear managed services agreement with Millicom Chile designed to simplify technology operations and increase business agility. We expanded our collaboration with Erter in India to modernize its enterprise B2B monetization and billing operations. And in Hungary, Magyar Telekom selected Amdocs to deliver bidding transformation and catalog modernization. As I shared a few months ago, 1 of the pillars of our new strategy includes diversification into a new vertical. After thorough review, we decided that insurance is the right vertical for Amdocs. Insurance is a large and growing market and shares many of the same characteristics that have defined Amdocs success in telecommunication, highly regulated operating environment, complex and mission-critical platforms and data-intensive workflows.

Similar to telco, insurance providers will also need to transform and adopt AI capabilities across their core operations and business workflows. We intend to become the partner of choice leading them in this identic journey. In order to do that, we are planning to create a differentiated offering, leveraging Amdocs ARS technology endo scale, our unique transformation capabilities and our well-proven accountability business model. Execute on our strategy, I am pleased to announce today that Amdocs has acquired EIS for $340 million in cash. EIS is the leading provider of genic Insurance core systems platform, spanning policy, billing, claims and customer engagement. The company has multiline expertise in both life and annuities and property and casualties. Headquartered in San Francisco, EIS serves dozens of leading insurance carriers globally, including household names such as Aflac, Allstate, AAA, BNP Paribas carried off and more.

Disquisition is an important step into the insurance software industry and represent a strategic move to develop new growth engines for the company. We are planning to combine EIS advanced technology, deep vertical expertise and strong customer base with Amdocs AOS technology, scale, engineering a degree transformation track record and accountability model. Overall, I'm very excited about this acquisition and believe that our strategic move to the insurance software vertical we significantly expand our addressable market, creating a great long-term growth opportunity for Amdocs.

Moving to Slide 12. Focus strategy is also about deciding what not to pursue. In the past 6 months, as part of our strategic process and formalizing our new strategy, we conduct comprehensive review of our business and product offering. The purpose was to focus and to rationalize the company's activities, align them with the new Agent growth strategy and reallocate our budget and investment accordingly. This review resulted in the following: optimizing our product and services portfolio and decided to end or minimize our investment in certain legacy products. Some of these products are a result of acquisition executed over many years and still exists within the company, while some are no longer relevant given our new strategy. We further see certain nonstrategic business activities that cannot be converted into the new Agentic offering, such of the resale of the certain hardware.

We sold our media business which was no longer part of our strategy, selling Vubiquity to Premier Digital. Finally, we decided to seize or minimize our business and operation in certain territories. These initiatives are all designed to focus the company and to be the healthier, strong new base for the Agentic strategy. To reflect some of these changes, we are providing full year fiscal 2027 revenue growth guidance in pro forma constant currency so that you have a base for comparison with the prior year. As to our own internal transformation to become an identic organization, we have made meaningful progress over the last 6 months, advancing AgenticSDLC across our development and operations units -- we secured context, harness and workflows. We already see significant productivity gains.

As part of this, we completed the rollout of the new Agentic Way of Working which has reached 10,000 employees and 800 hubs, putting AI-enabled practices into use across our teams. We are building an Agente culture in DNA with hands-on expertise training, certification and knowledge sharing. On taken economies, we have established the foundations for allocating AI usage and optimizing consumption. We are also extending the program to knowledge work beyond engineering, starting with early adopters in other parts of the business. Together, these initiatives support a broader change in our operating model. Our objective is a more productive and agile Amdocs with AI embedded in everything we do.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Altogether, we are seeing great momentum in our strategy. And with the progress we have made to date, I'm confident that we are on track to generate significant new business and expand our footprint across both telco and the new insurance vertical. At the same time, we are facing a major headwinds due to the situation we have with T-Mobile. This is an isolated situation with a large customer, resulting in a significant decline in our revenue and profitability outlook for next year. As you are aware, we have seen revenue decline due to T-Mobile's reduced discretionary spending with us. In fiscal 2026, we've also completed a large-scale onetime integration project of the U.S. Cellular customers into T-Mobile. Moreover, we are also facing a dispute concerning the recently signed agreement with T-Mobile, which escalated into a legal dispute during the last quarter. Due to the confidential nature of the dispute I'm not going to get into details other than to say that we are prepared to fiercely defend our positions, including an arbitration.

These circumstances have been taken into consideration informing our conservative guidance assumptions for fiscal 2027, which reflect our best estimate of this date including in case of termination of our agreements with T-Mobile by either party. This is an isolated situation involving 1 customer. As clear from my previous remarks, this does not reflect on the rest of the business, which is expected to grow in the mid-single digits this year. Given the size of the challenge at T-Mobile and despite the great momentum we have in the rest of the business, we expect fiscal 2027 to show a decline in revenue and profitability. After adjusting for the sale of the media business and the exit of certain nonstrategic business activities, we are guiding revenue to decline between 7% and 11% in pro forma constant currency this year.

incorporating our conservative best assumptions for the T-Mobile situation as of this date. Outside of T-Mobile, the rest of Amdocs business is robust and expected to grow mid-single digits in fiscal 2027. The T-Mobile situation will also significantly impact profitability this year. We, therefore, expect non-GAAP operating margin to decline by roughly 200 basis points in fiscal 2027 at the midpoint of our guidance. And non-GAAP diluted earnings per share to decline by between 26% and 30%. As to our dividend, -- our Board has today authorized a 3% increase in the quarterly cash payment subject to shareholders' approval. Overall, although 2027 will be financially challenging, it will also be a year of strategic transition, setting us for long-term success and growth.

As we look into 2028 and beyond, we believe the growing momentum behind large-scale away wins in telco. Insurance with its sizable addressable market and strong potential growth and our internal transformation efforts will put us on track to return to growth and stronger profitability. Based on that, we expect to enter fiscal 2028 position for mid-single-digit revenue growth high single-digit growth in non-GAAP diluted EPS and steadily rising dividend. Moreover, I'm confident that Amdocs will be an even stronger, more focused company and well positioned to lead in the Agentic era for years to come.

With that, I will hand it over to Tal for the financial review. Pat, over to you.

**Tal Rozenfeld**
*Chief Financial Officer*

Thank you, Sami, and good afternoon, everyone. Starting on Slide 18, we delivered a solid fourth quarter financial performance. Q4 revenue was approximately $1.194 billion up 3.8% year-over-year as reported and in line with the midpoint of our guidance on a constant currency basis. In constant currency, revenue was up 4% from a year ago. Non-GAAP operating margin was 21.6%, unchanged from the previous quarter. Interest and other expenses amounted to roughly $40 million in Q4, consistent with recent quarters. Non-GAAP diluted earnings per share was $1.98 asset above the guidance midpoint. Diluted GAAP EPS of $1.35 was below the guidance range of $1.48 to $1.56 primarily due to restructuring charge of roughly $0.22 per share resulting from the acceleration of our internal transformation and our strategy to become an agentic-first organization. Adjusting for this change, GAAP diluted EPS would have been above the guidance range. Demonstrating consistent operating execution in core business, earnings to cash conversion was also healthy this quarter reflecting healthy free cash flow generation of $202 million before restructuring payments.

Summarizing our full fiscal year 2026 performance on Slide 19. Revenue of $4.697 billion was up 3.6% as reported and 3% in constant currency at the midpoint of our guidance. Geographically, North America grew approximately 0.6%, while Europe was up approximately 8% and rest of the world up approximately 11%. The -- non-GAAP operating margin of 21.6% improved by 20 basis points for the year, consistent with the midpoint of our guidance as we balanced our Argenti growth investment with internal cost and efficiency gains in the year. Free cash flow before restructuring payment was $729 million in line with the high end of our guidance of $710 million to $730 million. On the bottom line, non-GAAP diluted earnings per share grew 6% and in line with the midpoint of the original guidance we provided at the beginning of the year.

Turning to Slide 20. Revenue for Managed Services increased by approximately 1% in fiscal 2026. Q4 included several key managed services deals. Notably, the major are swings with AT&T VEON, Globe and Liberty Latin America were secured as part of a multiyear managed services engagement under which Amdocs takes full accountability for delivering a measurable business outcome to the customer. As a key highlight, we signed a multiyear managed services agreement with Millicom Chile, which will leverage

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Amdocs full stack BSS and OSS to streamline technology operation and respond faster to evolving business and customer needs. Additionally, we've signed managed services agreements under new multi agreement with Comcast and Ertel India.

Moving to the balance sheet and cash flow highlights. DSO of 83 days increased by 9 days from a year ago and 5 days sequentially. We unbilled receivable net of deferred revenue increased by $95 million versus a year ago and by $61 million sequentially in Q4, 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 multiyear engagements. As mentioned, free cash flow before restructuring payment was $729 million in fiscal 2026, in line with the higher end of our guidance. Including restructuring payments of $167 million, reported free cash flow was $562 million for the year. Overall, we ended Q4 with a cash balance of approximately $197 million, an aggregate borrowing of roughly $950 million, including our $650 million senior notes maturing in June 23, and $300 million outstanding notes under the commercial paper program. After the quarter, we completed the divestiture of ubiquity for cash proceeds of roughly $66 million.

We secured 2 term loans for an aggregate amount of $500 million. And in November, we completed the acquisition of EIS for $340 million in cash. Now turning to revenue outlook on Slide 22. We are continuing to closely monitor the prevailing level of macroeconomic, geopolitical business and operational uncertainty including our customers spending ever in the current business environment. The first quarter and full fiscal year 2027 financial guidance reflects what we consider to be most likely outcome based on the information we have today, but we cannot predict all possible scenarios.

With that, let me take you through the revenue outlook for fiscal 2020. I -- to begin, as Jimmy mentioned, after a thorough review of Amdocs business and offering over the past 6 months, we've taken some action to focus and rationalize the company's activities. Therefore, to help calculate our fiscal 2027, revenue growth versus fiscal 2026 in a comparable manner we are providing an adjusted pro forma number based on our assessment that revenue from the exit of the nonstrategic business activities relating to the resale of hardware activities and the divestiture of the media business were roughly $360 million in fiscal 2026. These activities substantially already ceased in Q1. We -- turning to the guidance. We expect revenue to decline by between 14.3% and 17.9% as reported in fiscal 2027, roughly 760 basis points to reflect the exit of nonstrategic business activities relating to the resale of hardware activities and the divestiture of the Media business. Adjusting for this, we expect revenue to decline by between 7% and 11% and in pro forma constant currency this year, the midpoint of which is well supported by our 12 months backlog. The pro forma outlook incorporates conservative assumptions to reflect the unique situation at T-Mobile based on what we know today. isolate and for T-Mobile, the rest of Amdocs business is expected to grow mid-single-digit growth in fiscal 2027.

As to the first fiscal quarter, we expect revenue within a range of $955 million to $995 million which assumes a favorable sequential impact of $1 million from foreign currency fluctuations as compared to Q4. Moving to Slide 23. 12 months backlog was $3.5 billion at the end of Q4. Adjusting for ubiquity and the exit of nonstrategic business activities I just referenced, 12 months backlog was down 9.6%, both sequentially and compared to a year ago. The decline in 12 months backlog on a pro forma basis primarily reflects an adjustment for the major headwinds we are seeing at T-Mobile and the conservative best estimate revenue assumptions we've taken based on the situation with this customer on this data. iStone ran ForMobile, fourth quarter 12 months backlog for the rest of Amdocs business grew by mid-single digits from a year ago on a pro forma basis, led by the ARS rated awards we've announced and robust win momentum across our core portfolio of product and services. Looking ahead, 12 months backlog equates to roughly 90% of our fiscal 2027 revenue growth outlook and thus remains a good measure of our forward visibility.

Turning to profitability. the T-Mobile situation is significantly impacting our fiscal 2027 outlook. We expect non-GAAP operating margin within a range of 19.2% to 19.8% and the midpoint of which is roughly 210 basis points lower year-over-year. At the same time, our decision to accelerate the internal implementation of Agente capability is already driving significant productivity and efficiency gains in our business, which we expect to continue. Profitability this year will also benefit from the sale of our media business and the exit of the nonstrategic business activities. We are also continuing to invest in R&D, sales and marketing to accelerate areas our Argenti growth strategy and our investment to expand in the insurance vertical. To provide some additional color to help with your modeling, we expect non-GAAP operating margin will begin the year well below the 19.5% midpoint of the annual guidance but will consistently improve as the year progresses such that by Q4, our profitability will be at the higher end of the annual guidance range.

Turning to capital allocation. We returned $142 million to shareholders through share repurchase and dividends in the fourth fiscal quarter. Looking at fiscal 2027, we expect free cash flow before restructuring payments in the range of $440 million to $500 million. Our free cash flow outlook equates to a conversion rate of 85% on relative to non-GAAP net income, which primarily reflects the timing of milestone payments in connection with large deals we've recently won. Regarding our capital allocation plan for fiscal 2027, we expect to return the majority of our free cash flow to our shareholders. We remain committed to a dividend growth and are pleased

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

to announce a proposed 3% increase in our quarterly cash payment to a new rate of $0.586 per share subject to shareholders' approval at the Annual Meeting in January 2027.

We continue to believe in share repurchases as a mechanism for returning cash to shareholders, but we expect the store pace of buyback activity in fiscal 2027 as we prioritize our investment to support our long-term growth strategy. Bringing it all together, we expect non-GAAP diluted earnings per share to decline by between 26% to 30% in fiscal 2027, as shown on Slide 26. The outlook assumes higher financing costs in fiscal 2027, resulting from our M&A activity and a non-GAAP effective tax rate within a range of 16% to 19% which is unchanged from the prior year. Looking ahead to fiscal 2028, while we aren't providing formal guidance at this point, we believe our strategic momentum will position us for a return to growth and improve profitability. With ARS Hotel co showing momentum and increasing pipeline of significant customer opportunities and expansion of our addressable market to the insurance industry, we have expectation for mid-single-digit revenue growth in fiscal 2028.

Moreover, our entire transformation initiative should support significantly better profitability, underpinning high single-digit growth in non-GAAP diluted earnings per share and a steadily rising dividend. With that, Back to him.

**Shimie Hortig**
*President, CEO & Director*
Yes. Thank you, Tal. And I think we are ready to take your questions. Operator.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

# Question and Answer

**Operator**

[Operator Instructions] Our first question comes from the line of Shlomo Rosenbaum from Stifel.

**Shlomo H. Rosenbaum**
*Stifel, Nicolaus & Company, Incorporated, Research Division*

Still with T-Mobile is extremely unfortunate, not something that I think anybody was anticipating here. I guess it would be helpful to segment the breakdown of revenue that headwind over the year between T-Mobile going away potentially, the ubiquity being sold? And then how much of this hardware resale that you're getting out of? And then -- just on that hardware resale, it feels like deja vu because 2 years ago, we saw Amdocs talk about exiting $600 million of low-margin business that was also described as some kind of hardware resales. So I'm trying to wonder -- I'm trying to understand how much of this business do you have? And why wasn't this exited 2 years ago when you were doing that initially? .

**Unknown Executive**

Yes. So -- so you mentioned a few points I would try to address all of them. So -- as we mentioned, the current situation with T-Mobile, we had to take it into account in our conservative approach for the guidance for 2027. And -- if you isolate the case, and this is an isolated case with 1 customer, the rest of the business, as we said in our prepared remarks, is planned to grow at mid-single-digit growth in 2027. So all the reduction that you see and everything else is coming from the situation in T-Mobile, which again, we have to take a conservative approach for our guidance for this year.

Now the growth that we're talking about mid-single-digit growth is coming based on some great momentum that we see right now outside of T-Mobile. So look at the new deals that we signed with AT&T a landmark, first of its kind deal that we signed with AT&T to leverage AUS together with the AI to the business of AT&T to join forces and to do something that was never done in our industry. It is fueled by the winds in VEON, the winning globe, the win with Wadafone3. And just to remind you, just 3 quarters -- 3 months ago, we announced a very large deal with -- are with Liberty Latin America.

So altogether, the accelerated growth that we could have had this year due to all these amazing deals that we signed, would have been at the mid-single digit for this year. However, the conservative approach is T-Mobile is driving the guidance that we shared. Now with regard to your other question, you talked about the strategic process, what we did over the last 6 months? we went over every activity in the company as part of trying to refocus our strategy. The new strategy that will add for the company is comprised of 4 main pillars. First is the ARS, which we have seen a lot of momentum. Two is to expand to new vertical. And today, we are announcing the entrance to insurance and buying EIS and making a first major step in our journey for this new vertical. The third growth area was about new growth horizons that we are developing right now, new ideas and new opportunities that we see, again, riding on the AI revolution. And the fourth pillar was about our internal transformation.

On the same time, we decided that there are other things that are happening in the company that we don't want to do anymore that are not part of the strategy. Therefore, you see us selling the media assets of ubiquity to Premier Digital. We minimize investment in all kinds of legacy products. We optimize the product and the portfolio. We stop all kinds of activities, including reselling of power ware and some other activities. And we minimize some of our operations and business in certain territories around the world. The whole idea was to come up with a very forward-looking strategy. And things that are not -- that we don't believe that you can convert to future agentic offering, we don't want to do any more going forward. So that's the process that we've been doing over the last 6 months.

**Unknown Executive**

Does that answer your questions?

**Shlomo H. Rosenbaum**
*Stifel, Nicolaus & Company, Incorporated, Research Division*

I guess you could go back T-Mobile was how much of revenue in 2026 and how much in 4Q '26, I guess I'll just add that straight. RECONNECT Yes. We cannot get somewhat to the details of the specific numbers right now. I can just tell you that it's a major -- right now in our assumption for next year, it's a major reduction. Without it, we could have shown a significant growth in the business of the company.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

**Operator**

[indiscernible].

**Unknown Analyst**

As a CEO. -- so I'm going to ask you the question that investors are going to ask me tomorrow, and I'm going to ask it in the way that I'm going to get the question because I want to hear your response. And the question is, what is the risk? There are fundamental issues behind T-Mobile. It's not just about a customer deciding to do it. It's a customer that decided to do things in a different way. And then it started a few quarters ago and it progresses. So I'll ask you the question in a simple way, what is the risk that another customer, a big customer, you have 6 big customers overall. But what's the risk that some other customers will go through the same process and terminate the relationship also with Amdocs. How do you view the position of other customers with the company? You don't have to talk about T-Mobile or price probably limited, but maybe you can talk about the others. .

**Unknown Executive**

Yes. So just to clarify, there is no termination of the agreement. So we are just sharing that there is -- it's escalated to a legal dispute, but we continue to support T-Mobile as we speak and to support their business. The reason that we think that it's isolated and touching and discussing right now only with T-Mobile, specifically about the contract that we signed with them earlier this year. is that we see the amazing momentum that we have all over the world. And just think about the AT&T agreement that we signed this quarter. A major partnership to accelerate the implementation of AOS and the AT&T 2s and accelerate everything that we do in a very unique partnership between AT&T and Amdocs Think about the Liberty Latin America deal that we just announced, Think about what we see right now is Globe in the Philippines, in Vodafone 3 in U.K.

So all over the world, -- it's not only that we don't see the challenges that we have with T-Mobile. We actually see completely the other direction when customers are partnering with us and would like us to be their main partner to support their Augentic journey. So the proof point is just on what we see and the deals that we are signing and the momentum and the growth that we see Therefore, we believe that T-Mobile is an isolated case. Again, I did not get to the details of this case, but I can tell you that it's an isolated case. And the rest of the business is growing very nicely.

**Unknown Analyst**

I have 3 questions. So my second question is why did you make the acquisition? What is the strategic fit for the company? And what's the vision? -- overall, what's the strategy behind it?

**Unknown Executive**

Yes. So as we discussed a quarter ago and even before, we believe that to expand into additional vertical is the right move for Amdocs. As you know, we've been discussing it for years, but the time is right. And I think -- we think that insurance is the right industry. It's a growing industry. It's an industry that has very similar characteristics to what we are doing in telecommunications have been very successful in telecommunication in terms of the complexity, mission critical systems and so on. And the time is now because they are looking for partners that will help them to transform. They are looking for customers that will help them enjoy and leverage the AI technology that exists today.

And I think there's no 1 better than Ambu to partner with them. Now what we had to do is to get into the market. So we find the right company that has the right technology that we can build on that has the Juan's knowledge and expertise that has the right set of customers, but we are planning on top of it to bring the entire Agentic offering and portfolio of Amdocs from telecommunications to combine it together with the assets that we acquired, EIS and to deliver to the market something that they don't see today, a unique differentiated offering that do not exist today in the insurance market. And again, we've been starting this industry for a while, and we think that we're going to -- what we are coming right now to the industry is very unique and will open the door for us with significant expansion of our addressable market.

**Unknown Analyst**

And if I look at the history of the company, some acquisitions were phenomenal, transforming acquisitions, some acquisitions like Vipiquidi that you're trying to sell today, or you sold it, were not that great. How do you make sure that this asset is integrated properly is like it's a different business. It's a different line of business altogether. So -- what do you have on the operational side that make sure that you're making the best effort to integrate it.

**Unknown Executive**

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Yes. So First, I think this is the first time that we are doing a significant -- not like a regular acquisition that we have done over the years. We went to media many years ago because we thought the telco customers are going to media. But this is totally the first time that we are making an intentional, well-planned, strategic move into additional industry, and we are getting ready accordingly. We have established a new unit reporting directly to me that will incorporate the new company, EIS, together with all the offerings that we have built and prepared for insurance. We are allocating all the right leaders in terms of technology, sales services and all the other support from the company, and we plan to monitor it very carefully. It's not another acquisition. It's an interest to another vertical of Amdocs, something that we have never done in the history of the company.

**Unknown Analyst**

Got it. Okay. The last question I'm getting on Amdocs, and I'm just going to use the opportunity here to ask you this. AI is a risk and opportunity. I know it's a big question. But that's exactly the question we're getting from investors. And I want to understand your strategy evolved in AI, how to benefit from AI. Can you talk about both sides of the equation and why or in how you turn AI into a tailwind and not a headwind. .

**Unknown Executive**

Yes. So we see AI as an amazing opportunity for us. It's an opportunity for the telecommunication industry to fundamentally change the way they operate. Our vision for this industry is that going forward in the domains that we are supporting them today, they will be able to run the operating systems in a fully agentic, autonomous manner, business to machine transforming significantly the way they operate today. better time to market, reduce cost structure and fundamentally change the operate today. The right company in order to do it, starting a starting point that is much different from what we are envisioning for them for the future. They will need a trusted partners to go with them to this journey. And Amdocs is the right partner to help them -- there's no 1 that has a better technology domain knowledge than us in this industry.

And combined with our ARS technology, we will be the 1 that will help them in this journey to go from wherever they are right now to the future and get the benefits of this amazing opportunity. Now we have done it in the past when they were trying to do digital transformation. We've been doing it, helping them to go to the cloud. and so on and so forth. I think now it's even a bigger opportunity. We are probably the biggest opportunity that we have had. And if you can find ourselves supporting now 400 customers all over the world, with adgentic journeys, taking them for whatever they are right now to this future, fully identity, fully autonomous business to machine concept, it's a huge opportunity for me. Now what we are doing with AT&T and what we announced today with AT&T is exactly what I'm talking about. This is exactly the representation of such strategic journey between 2 companies trying to fundamentally change the way AT&T is operating.

**Operator**

And our next question comes from the line of Devin a from KeyBanc Capital Markets. .

**Devin Au**
*KeyBanc Capital Markets Inc., Research Division*

Congrats year agreement with AT&T, I want to start there. Maybe just elaborate that a little bit. How should we think about maybe the pace of the expanded scope ramping from here? How important was AOS in helping you win that incremental work and any way to like frame the potential revenue contributions from that expansion?

**Unknown Executive**

Yes. So thank you. And you're right. This is a flagship agreement, probably the best we can think of. It's bit of many, many years of trust and partnership between AT&T and Amdocs. We're going to bring in the entire ARS portfolio of Amdocs. -- all the new offering, athenas offering Amdocs is going to be married with the AI of AT&T. AT&T by themselves are very advanced in their AI technology and their future-looking view. We're going to join forces. We're going to bring together everything that we have together with what AT&T is going to have, and we're going to accelerate significantly the transformation of AT&T. We're going to work as 1 team. It's going to be a new business model in the way we operate and the ambitions and their expectations from AT&T Board and their leadership is to do something fundamentally different from everything that they have been doing in the past, and that's exactly the great excitement that we have with this new engagement. It's also going to involve more revenue for Amdocs, growth in the revenue.

Again, I mentioned that without T-Mobile, we could have grown mid-single digits, some of it is definitely related to the new deal in AT&T and other deals that I mentioned, but that's exactly probably the best example of a strategic partnership and a strategic journey between a leading company like AT&T and Hambok Airways.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

**Devin Au**
*KeyBanc Capital Markets Inc., Research Division*

Understood. And maybe just a quick follow-up. I appreciate you've given us the mid-single-digit growth outlook ex T-Mobile for 27 and acceleration from where you ended in '26. Could you maybe speak to how much of that is from some of the recent AOS deals that you have signed or expected to ramp? And maybe kind of speak to how much EIS is kind of adding to that growth algorithm.

**Unknown Executive**

Yes. So as you said, we are very encouraged from the momentum with AOS right now. So all the deals that I mentioned with AT&T, with Vion, with Globe, with Vodafone rig -- and the 1 that we signed 3 months ago with Liberty Latin America are all contributing to the growth that you see right now. EIS is just at the beginning. So we are starting -- we're entering a new market, some revenue that's back into our plans, but we look at it as a midterm, long-term great opportunity for the company. So the main growth engine right now that is driving the growth for 2027 is the OS that we do with the telco customers.

**Operator**

[Operator Instructions] Our next question comes from the line of George Nader from Wolfe Research.

**Unknown Analyst**

This is Terren Codon for George. Can you talk a little bit about your plans to break into other verticals potentially in the near term? And I was also wondering how you will drive further penetration in the insurance industry? Does it in any way further acquisitions as well? Or would you grow off your current acquisition?

**Unknown Executive**

Yes. So as we said, when we lay out the strategy, we don't have any intentions to go multi-vertical. We are adding 1 industry. We've been focusing on telecommunication, and now we are adding -- the insurance is a new vertical for the company with a midterm, long-term new growth engine for the company. So we don't have any plans to expand beyond that. We're going to make all the focus right now to execute -- based on our strategy, we believe we have a lot of room to grow. We acquired a very good asset, EIS, with very good technology customers, insurance and knowledge -- and we are combining it with everything that we are doing very successfully right now with the telecommunication industry, our entire AOS offering, Amdocs pedigree and our knowledge in transforming large carriers in telecommunications that we now want to do with insurance, our services, our managed services or the portfolio of offering that Amdocs has, we want to bring to this new industry, and this will drive the growth of the company. this year and for many years to come.

**Operator**

And our next question is a follow-up from the line of Devin from Kevin KeyBank.

**Devin Au**
*KeyBanc Capital Markets Inc., Research Division*

Another question here. Maybe just one. It seems like you're doing a lot in driving internal efficiencies, you're further optimizing the portfolio with these additional divestitures. But those initiatives aren't really showing up in the results or in the guide, just given the headwinds that you kind of pointed out. Is there a way to help us think about where would margins be excluding Candy's headwinds? And any details you can share on kind of margin profile of T-Mobile impact to margins there?

**Unknown Executive**

Yes Yes. So you're right. We are making a lot of internal transformation, and we are seeing productivity gains -- the only reason that you don't see it in the guidance for 2027 is the fact that we took a conservative approach with our guidance for 2027, giving the situation right now with T-Mobile. More than that, if you look into the plans that we have for 2027 quarter-over-quarter, we are planning to grow in our profitability quarter after quarter. So you see the progress that we're going to make. Again, we will like to let over time, the team of a situation, and you're going to start to see quarter-over-quarter how we continue to grow. So we're going to end up 20 with a much better entry point into 2028, which makes our forecast right now that we shared with you and our expectations for 2028 to be very credible from our perspective because we know that we're going to in a much better place than we start 2027.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

So when we told you that we believe that in 2028, we're going to be mid-single-digit revenue growth, and we're going to have high single-digit EPS and dividend -- it's based on this productivity and improvement that you're going to see quarter-over-quarter coming from the internal transformation of the company.

**Unknown Executive**

Okay. Appreciate the additional context, some -- thank you. Thanks, Devin.

**Operator**

This does conclude the question-and-answer session of today's program. I'd like to hand the program back to Matthew Smith for any further remarks.

**Matthew E. Smith**
*Secretary & Head of Investor Relations*

Thanks. Thanks, everyone, for joining. And if you have any additional questions, please reach out to us here in the IR department. And with that, I've again very night. Thanks. .

**Operator**
Thank you, ladies and gentlemen, for your participation in today's conference. This does conclude the program. You may now disconnect. Good day.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Copyright © 2026 by S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved.

These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable. No content (including index data, ratings, credit-related analyses and data, research, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Market Intelligence or its affiliates (collectively, S&P Global). The Content shall not be used for any unlawful or unauthorized purposes. S&P Global and any third-party providers, (collectively S&P Global Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Global Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON "AS IS" BASIS. S&P GLOBAL PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Global Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages. S&P Global Market Intelligence's opinions, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P Global Market Intelligence may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Global Market Intelligence assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P Global Market Intelligence does not act as a fiduciary or an investment advisor except where registered as such. S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P Global publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.
© 2026 S&P Global Market Intelligence.