Amdocs (Q2 2026 Earnings)

May 13, 2026

Corporate Speakers:

- Matthew Smith; Amdocs; Head of Investor Relations
- Shimie Hortig; Amdocs; President, Chief Executive Officer
- Tamar Dagim; Amdocs; Chief Financial and Operating Officer
- Tal Rosenfeld; Amdocs; Incoming Chief Financial Officer

Participants:

- Tal Liani; BofA; Analyst
- Timothy Horan; Oppenheimer; Analyst
- Taran Katta; Wolfe Research; Analyst

PRESENTATION

Operator^ Thank you for standing by. And welcome to the Amdocs Second 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, Matt Smith, Head of Investor Relations.

Please go ahead, sir.

Matthew Smith^ Thank you, John.

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, uncertainties and other important factors 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.

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

To support this 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, Shimie will recap our business and financial achievements for the second fiscal quarter 2026, and he also present his vision as Amdocs's new CEO for the agentic era.

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

So with that, I'll turn it over to Shimie.

Shimie Hortig^   Thank you, Matt. And good afternoon to everyone joining us today for Amdocs Fiscal second quarter 2026 Earnings Call.

I'm pleased to join you today live from our Amdocs New Jersey offices. When I spoke to you in February, I talked about my excitement to lead Amdocs in its next chapter.

Several weeks into the CEO role and after spending more time with our customers, partners and global teams, I'm even more excited and convinced about the opportunity ahead of us.

As laid out on Slide 6, today I will divide my comments into two parts.

First, I will begin by laying out some initial thoughts on the future vision for Amdocs, where we plan to become the primary partner of choice to our customers in their agentic journey, leveraging our unique domain expertise and deep industry knowledge. From there, I will highlight the company's solid second quarter performance including new deals we have won and the operations milestones achieved for our customers that reflect the strength and discipline of our global teams. To begin on Slide 8, I want to spend a few minutes sharing my initial view on how I'm thinking about Amdocs in the agentic era.

What is changing in our industry, what I believe Amdocs is uniquely positioned to do and my vision on how we plan to turn this opportunity into meaningful outcomes for our customers.

The agentic era is an exciting opportunity for our industry and for our customers.

For communication service providers globally, the agentic revolution is a unique moment in time to fundamentally transform their IT and network ecosystems in a nonlinear fashion, simplifying complexity, rethinking critical workflows end-to-end and unlocking the ability to accelerate the launch of new offline.

I strongly believe that Amdocs is in the best position to lead our customers and turn this agent opportunity into reality.

Let me break down the reasons why.

First, we have in Amdocs decades of deep industry knowledge and domain expertise.

We have an industry context based on our telco taxonomy, ontology and the core workflows that will power the argenti era. This is our native language.

Second, Amdocs has strong engineering pedigree, a commitment to innovation and a long history of leading our customers through major technological shifts Third, we understand what it takes to design, build, deliver and operate mission-critical systems. And we are, therefore best place to lead our customers through the complex genic transformation.

Fourth, we have always been and will continue to be an outcome-based company. Amdocs has long supported customers under long-term engagement committed to predefined KPIs, and this remains highly relevant as our customers look for measurable gene-driven outcomes. To support this vision, our focus will be on the following areas highlighted on Slide 9, We will evolve our product portfolio to be agentic and automated.

Our portfolio is already moving in this direction with Amdocs AOS, our agentic operating system for telco.

We will partner with each customer to design a tailored agentic roadmap.

We recognize that every service provider has a unique baseline and we will guide each to a fully agentic operation that unlocks meaningful value.

We will also continue to work closely with leading AI and cloud partners to accelerate this vision, taking a strategic ecosystem approach in support of our customers' agentic journey, and we will accelerate our internal transformation to become a GenAI-native organization.

We are leading by example and deploying agentic technologies and capabilities across our own engineering delivery and operations.

We'll adjust our way of working has become a more agile organization.

This vision sets the foundation for a stronger future at Amdocs in the agentic era, one, defined by a sharper technology focus and greater agility.

It positions Amdocs to expand our addressable market in telco.

It also presents a potential opportunity to extend our reach into a new industry.

With that said, we are still in the process of refining our strategy. and we'll continue to update you as things progress over the next couple of quarters.

I also realized that this is going to be a journey.

But in this context, I'm glad to report that we have already made initial progress.

I will spend more on Slide 10.

At Mobile Work Congress last quarter, we officially launched AOS, Amdocs Agentic operating system purpose-built for telco.

So far, we have received excellent feedback from the market, and I'm happy to share that we already have several initial commercial agreements with customers to launch and to implement AOS.

This includes the following customers: Cricket, Lumen, Bell Canada, EchoStar and PLDT.

In PLDT, we can already report early signs of business success where more than 90% of customer requests are now resolved through the ARS platform, enabling faster handling times and higher productivity in the retail stores.

Now let me turn to Part two and address the key financial highlights, significant deals and operational milestones we achieved for the second fiscal quarter.

Starting with Slide 12.

Our second quarter results were solid with revenue of $1.17 billion and non-GAAP diluted earnings per share of $1.78, both above the midpoint of our guidance.

Our results included year-over-year revenue growth in North America as well as record revenue in Europe and a strong revenue performance in rest of the world.

Non-GAAP operating margin improved by 20 basis points from a year ago as we continue to balance our investment for; growth with a focus on operational excellence.

Overall, we closed the quarter with 12 months backlog of $4.28 billion, up $30 million sequentially and 2.6% from a year ago. Beyond the already mentioned ARS wins this quarter, we secured several significant deals which demonstrate wide-ranging demand for our products and services and the confidence customers have in Amdocs.

Slide 13 highlights many of these deal wins, but here are a few examples.

In Cricket Wireless, we signed an expanded multiyear extension of our agreement including dealer onboarding modernization to enhance partner experience and drive faster market expansion.

In Vodafone Spain, we secured a 5-year agreement covering CRM and OSS modernization alongside long-term support and enhancement services.

And in South Korea, KT has extended its multiyear agreement with Amdocs to upgrade, modernize and operate its charging system, empowering, faster service rollout and advanced 5G monetization.

Our cloud-based platform solution also generated significant customer momentum in Q2. ConnectX added multiple new names including Vanta Wireless which will launch a unique mobile service with AT&T using AI driven connectivity. Cuatro Mobile, a U.S.-based MVNO servicing span communities. And in Singapore, a leading operator went live with the platform to accelerate the digital modernization.

Additionally, Amdocs eSIM was chosen by Celio in Brazil, to support payment terminal connectivity and by Mobifone in Vietnam for seamless zero-touch customer activation.

Amdocs project execution was another highlight for the company in Q2.

We achieved a high number of project milestones across different programs for flagship customers such as AT&T, Optimum Vodafone Germany, Elisa and PLDT.

To highlight a few of them.

In AT&T, Amdocs is now servicing significant part of AT&T's 5G SA subscribers in our next-gen charging platform, and we played a key role in the recent launch of AT&T new OneConnect plan.

In Vodafone Germany, we marked a pivotal milestone in our journey as we reach commercial launch.

At Elisa in Finland, we delivered the key milestones in support of its mainframe to Google Cloud migration.

I'm also pleased to share that Bright speed, a U.S.-based fiber broadband and telecommunication provider has gone live with Amdocs Resource Manager.

This smooth deployment enables Bright speed to strengthen its network inventory management and streamline operational processes.

Now moving back to the outlook on Slide 15.

We are reiterating the midpoint of our revenue growth guidance of 3% in constant currency for the full year fiscal 2026 which is within tightened range of 2% to 4%. Likewise, we are reiterating the midpoint of our guidance for non-GAAP diluted earnings per share growth of roughly 6% in fiscal 2026. The which is within a tightened range of 5% to 7%. That said, we are, of course closely monitoring customer demand and spending behavior within the current global macroeconomic climate.

To wrap it up, we believe Amdocs is best positioned to turn agentic into reality for our customers.

We are shaping our strategy direction based on the vision and direction I discussed with you today and we will continue to share more over the next couple of quarters.

We know this is going to be a journey for us and for our customers.

But in this context, we already have initial commercial engagement on AOS.

We are building our strategy on strong business foundations demonstrated by our solid Q2 results, and we are on track to hit our full financial targets while monitoring our customer spending behavior within the current microeconomic climate.

Before we move to the financial overview, I would like to spend a few minutes talking about the CFO transition.

First and foremost, I would like to thank Tamar for a remarkable contribution to Amdocs over the last 19 years as CFO including the past eight years serving as both CFO and COO and 22 years overall with the company.

I have known her and can say that she has been an exceptional business partner and a personal friend. Tamar played an instrumental role in the evolution of Amdocs, and I know she will be missed by the entire Amdocs family.

On behalf of all of us Tamar, please accept our sincere appreciation for your angles dedication and service to Amdocs through the years, and we wish you nothing but the best on your well-deserved retirement.

I'm excited to introduce to you to Tal Rosenfeld. And welcome him as Amdocs next CFO. Tal has played a major part of Amdocs finance organization over is expressive 20-year career with us, during which is acquired extensive experience across senior and management roles in accounting and finance. Tal is also a proven business performer. He has served as a division business leader for APAC and he's currently General Manager, Head of Finance, where he has responsibility for managing the entire finance organization reporting directly to Tamar.

Our non-al for his entire career in Amdocs, and having worked closely with him on many occasions, I'm well aware of his great leadership qualities.

I strongly believe is the best speed for this word. Congratulations stale. And welcome to my leadership team.

I look forward to working together to take Amdocs to the next chapter, We say a few words in a moment, but first, let me hand the floor to Tamar.

Tamar Dagim^   Thank you, Shimie for your kind words, and hello to everybody on the call today. Amdocs has been a family to me that as Shimie said, have decided to retire and finally take some time for myself.

As you can appreciate, making this decision was neither quick nor easy.

But after almost 20 years as CFO, I felt that now was the appropriate timeframe to retire. My decision was made easier by how seamlessly Shimie has transitioned into the CEO position over the past few months and by the strong team he has built around them.

This includes Tal of whom I could not be prouder.

I personally recruited tell to Amdocs Finance 20 years ago, and I've been preparing him for CFO as part of an internal succession plan for some time.

I believe is undoubtedly the best person for this role. Congratulations on your appointment Tal.

Tal Rosenfeld^   Shimie and Tamar, thank you both for kind words, Tamar.

I want to thank you personally for your mentorship, guidance and partnership over the years. Your leadership and friendship have meant a great deal to me and I wish you only the best.

Shimie, I'm very excited by the opportunity to step into the CFO role.

I'm looking forward to building on Amdocs strong foundations and supporting new and the leadership team as we did the company forward.

Shimie Hortig^   Thank you, Tal.

Now let's get back to business. Tamar, would you like to take us through the quarterly financial summary, please.

Tamar Dagim^   Yes, of course. Thanks, Shimie. Q2 revenue of approximately $1.172 billion was up 3.9% year-over-year as reported. Revenue was above the midpoint of our guidance including a positive impact from foreign currency movements of approximately $2 million compared to our guidance assumptions.

In constant currency, our revenue was up 2.2% from a year ago.

On a regional basis, North America revenue of $754 million was up more than 2% from a year ago, but was slightly lower on a sequential basis due to normal fluctuations in customer activity.

Outside North America, our international growth continued. Europe delivered record quarter revenue of $192 million, up more than 6% year-over-year on a mix of organic growth and the active matrix acquisition. Rest of the world revenue grew by 8% year-over-year to $226 million, the highest since fiscal Q3 2024.

Rest of the World remains on track to grow in fiscal 2026 driven by the strong sales momentum of recent quarters.

As a reminder, quarterly trends in both Europe and rest of the world may fluctuate given project orientation of our customer activities in these regions.

Shifting down the income statement. Non-GAAP operating margin of 21.5% were up by 20 basis points from a year ago, reflecting internal cost and efficiency gains resulting from focus on operational excellence, automation and the deployment of AI-based tools. balanced again long-term growth investments including the development in go-to-market costs of our next-generation AOS platform.

On a sequential basis, non-GAAP operating margin declined by 10 basis points.

As a reminder, our non-GAAP operating margin may fluctuate slightly on a quarter-to-quarter basis.

Interest and other expenses amounted to roughly $14 million in Q2 which included a few million dollars for the accounting of net losses of equity-related investment activities in the quarter.

On the bottom line, non-GAAP diluted EPS of $1.78 was $0.02 above the guidance midpoint, primarily due to items below the operating line and a lower share count.

Diluted GAAP EPS of $1.28 exceeded the guidance midpoint also due to items below operating line and lower share count. Diluted GAAP EPS included a restructuring charge of nearly $0.10 per share which was not included in our guidance for the quarter and the positive impact of realized and unrealized gains from equity investments among others. Turning to Slide 20. Managed Services revenue of $759 million was up 1.6% from the prior year in the second fiscal quarter.

As a share of total revenue, managed services accounted for roughly 65% and consistent with the last several quarters.

Renewal rates remain typically high during Q2, underpinning our business resiliency as we signed expanded multiyear engagements with multiple customers.

In North America, for instance, we expanded and extended our managed services contract with Cricket Wireless for BSS and Oise services including AOS capabilities, driving faster time to market and improve customer experience. Moving to the balance sheet and cash flow highlights on Slide 21. DSO of 73 days decreased by four days from a year ago and three days sequentially.

Unbilled receivables, net of deferred revenue decreased by $42 million versus a year ago and by $2 million sequentially in Q2, aggregating the short and the 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. Free cash flow before restructuring payments was $97 million in Q2. This includes the seasonal timing of bonus payments for the prior fiscal year which typically occurs in the second fiscal quarter. Highlighting strong free cash flow for the year so far, we've already achieved nearly 50% of our fiscal 2026 targets.

Including restructuring payments of $17 million, reported free cash flow was $80 million in the quarter.

As a further update, in fiscal year to establish a U.S. commercial paper program of up to further enhance our financial flexibility and optimize Amdocs short-term funding mix. Proceeds from issuance under the program will be used for general corporate purposes.

We also upsized our revolving credit facility from $500 million to $800 million which supports the commercial paper program and further enhances our overall funding flexibility.

Overall, we ended Q2 with a healthy cash balance of approximately $214 million and aggregate borrowings of roughly $900 million including our $650 million senior notes maturing in June 2030 and short-term financing arrangements of $250 million.

As of March 31, 2026, there was no outstanding borrowing amount under the commercial paper program, and $630 million remains available on the revolving credit facility.

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

Switching to capital allocation on Slide 22. This quarter, we repurchased $138 million of our shares, leaving us with up to $702 million of remaining repurchase authority as of March 31, 2026.

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

In the last week of fiscal Q2, we acquired the business of Connect 44, a European-based provider of end-to-end network planning, building and management solutions for approximately $21 million net in cash at closing, plus future potential contingent consideration.

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 10% and 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. Moving to Slide 23.

Tomal backlog was $4.28 million at the end of Q2, up $30 million sequentially and 2.6% from a year ago.

We believe 12-month backlog remains a good leading indicator of our business and forward visibility.

Now turning to our revenue outlook on Slide 24.

We are continuing to closely monitor the prevailing level of macroeconomic, geopolitical business and operational certainty including our customer spending behavior in the current business environment.

The third 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 have tightened our revenue growth outlook to between 2.6% and 4.6% as reported, the midpoint of which is 10 basis points better than our prior outlook of 1.5% to 5.5% to to foreign currency tailwinds which are now expected to benefit by roughly 0.6% this year as compared to 0.5% previously. Consistent with our prior guidance, we expect that roughly half of the expected growth in fiscal 2026 will be inorganic in nature.

On a consistent currency basis, we are reiterating the 3% midpoint of our revenue growth outlook which we have tightened to a new range of between 2% to 4% for the full fiscal year as compared to prior outlook of 1% to 5%.

As for the third fiscal quarter, we expect revenue of between $1.155 billion to $1.195 billion.

Moving down the income statement.

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

Our profitability outlook reflects an intentional decision to accelerate our investment in Genie and our next-generation genetic operating system including R&D, sales and marketing, while balancing this with our focus on operational excellence and initiatives to drive efficiencies Below the operating line, we expect non-GAAP net interest and other expenses to be impacted by higher financing costs this year, resulting from a reduced cash balance and short-term borrowing to fund working capital.

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.

As summarized on Slide 26, we are reiterating the midpoint of our guidance for non-GAAP diluted earnings per share growth of roughly 6% in fiscal 2026 which is within a tightened range of 5% to 7% as compared to 4% to 8% previously.

With that, back to you, Shimie.

Shimie Hortig^   Thank you, Thank you for everything. And again best of luck in your future retirement.

With that, we are happy to take your questions.

Operator?

QUESTIONS AND ANSWERS

Operator^   Certainly. And our first question for today comes from the line of Tal Liani from Bank of America.

Tal Liani^   Hello Tamar, first [Shucky] now you -- what's going to happen. Good luck with your retirement. You're breaking my heart.

I want to ask you a few things.

First, when I collectively look at your space without the details of where you're playing and et cetera, but collect if you look at your space, there is tremendous investment in data centers and companies are even buying -- customers are even buying more now because buying ahead of demand because of supply constraints.

So Cisco just reported 19% order growth outside of and the environment is not that good.

Some of it has be some forward ordering. And the question is when I look at your revenues, I see some acceleration of growth, a little bit of acceleration of growth.

But the question is, -- do you have a way to participate in this massive growth we're seeing, whether it's through neo clouds or cloud or whether it's through service providers, your traditional customers who are also taking some of this traffic and they also have to build data centers.

So can you talk about your ability to play and benefit from the current cycle. Maybe we'll start with that.

I have another question, but I'll take it one by one.

Shimie Hortig^   Maybe to try to explain what I was trying to paint in the vision that I described at the beginning of the call., We see the agenetic revolution that is happening right now. There's an amazing opportunity for Amdocs.

We believe that we are the right partner for our customers to help them transform from where they are today to the future genic and leveraging all the great capabilities that this technology can bring. And as you know as of today there's a major gap between the technology and the potential and the actual adoption that we see among our customers, in general, in enterprise software and customers around the world.

So we believe that ends with our deep knowledge in this industry with our capability to transform organization to move through technological ship position us as the best partner that can take them to this future.

So definitely, a major opportunity for us going forward.

Tal Liani^   Got it.

So what changes -- Shimie, what changes are you bringing to the company? You've been there less than 100 days. How do you -- what are your focus areas in terms of growth acceleration and addressing new opportunities and things -- how long do you think also it will take you to show an impact on growth?

Shimie Hortig^   Yes.

So again as I mentioned, I think we are trying to accelerate everything that we do in the company in order to help our customers transform in this amazing technological transformation that is happening right now all over the world.

So the thing that I want to focus is the following.

First, we want to evolve, as I mentioned, our portfolio to be atgentic and automated. This is an effort that we started already, and we continue to focus on that as we provide our customers with the right solutions. The other thing is engagement with customers.

We want to tailor to each one of them a specific roadmap, how we take them from where they are today, this future agentic where they can enjoy all the benefits of this technology. The third thing that we want to do is to partner particularly with the ecosystem, leading AI and cloud partners that will help us and our customers to transform in this industry.

And last but not least, I mentioned the internal transformation.

We want to accelerate the internal information and to make sure that Amdocs is a generative organization. which means we are changing the way we operate, we implement genetic SDC within company.

We changed the structure of the teams, and we want to become a much more agile organization and to lead by example, this june.

Tal Liani^   Got it. Last question. Tamar is leaving the CFO position for some company, I think pretty well. The CFO position is extremely important just because of timing of recognition of revenues, timing of recognition of expenses, managing operating margins, et cetera., Can you give us a little bit of details on the succession plan? I know if you nominated someone with a great first name to be the successor of Tamar.

So can you give us some. You have a good day.

I have.

Tamar Dagim^   First name being a yes which is a great name.

So first of all, I fully agree with you. And I think that the fact a experience is very deep in terms of not only the professional the CPA.

I was an expert in revenue recognition in his early days in the Career did the SEC filing, like he had all the core basic things you would expect from a strong finance professional is also done different roles that included field support, the business support and including several years in my management team leading all of the finance of the business being the very strong bridge between, let's call it, the professional final domain and driving the business of the company, structuring the deals in the right way recognizing the revenue in the right way et cetera. Plus as the leader and so someone who has definitely built strong teams around him and have been able to build not just the later just about you.

It's about how you really bring the right talent, develop the right talent, create a sense of purpose, like I've seen him again and again doing that in an amazing way. And in some years, that I call it a loan to the business side to lead the APAC division.

I mean I've been talking about the APAC growth for some time now.

Now you know who is the person behind it, Tal did amazing job as leading the business there.

And then when he came back to finance to lead finance under me, definitely, there's been a big part of the succession planning.

So I feel -- while I'm sorry that I need to say good-bye as I'm retiring and of course we can stay in touch beyond the Amdocs capacity.

I feel very comfortable that we have the best person for the job, and it has been a very thorough succession process overall. You're in good hands.

Operator^   And our next question comes from the line of Timothy Horan from Oppenheimer.

Timothy Horan^   Tamar congratulations and good luck. Want to focus on the Agentic business a little bit more, can you give us any color on the deals and what the pipeline is looking like also maybe where is kind of the low-hanging fruit for customers to adopt AOS? And when do you think it starts to move the needle on revenue growth?

Shimie Hortig^   Yes. Tim.

Look, as we started to see, we're quite happy with the initial reaction from the market on our AOS launch.

We just launched it in Mobile Congress. And since then, we have quite a lot of engagement with customers.

Some of them already translate into concrete opportunities or concrete deals that we are actually implementing right now with our customer base. Those opportunities are nothing small, but we know that over time they will grow.

So if you ask if we embedded anything right now in this fiscal year, not yet, it's not so is meaningful right now but it's definitely going to grow over time. And as I mentioned before we are starting to have detailed discussions with each and every one of our customers on their journey, how we take them from where they are today into the future. And here, we're evolving with a lot of interesting discussions based on AOS us, now some of our customers would like to collaborate with us and to do things together and to implement our tools.

Some of them are even discussing with us. broader responsibility to move to Amdocs and to help them to transform the organization and to deliver the business benefits and the savings that they are looking forward.

So I hope that in the next few quarters, we can share more about those discussions, but we are having some meaningful discussions with customers these days.

Timothy Horan^   I mean so the U.S. telcos seem to be -- or at least are talking about adopting AI much, much more rapidly than what you're describing. And I think they're talking about flashing expenses, improving services. Are they doing this in-house? Are they using other AI companies?

Are they using other competitors of yours? Or are they using you? But the commentary that they're laying out is that they're adopting AI now and slashing expenses as a result of it.

Shimie Hortig^   Yes. It is true that they are implementing AI.

I think in our domain, in the area that you need to deal with mission-critical systems and to transform them into the future to become agentic autonomous and everything that we want to achieve together with them. we are the best partner to do them. They're not using it with competitors, they're having those discussions with us.

Our claim for fame was always to help our customer to transform them.

In the past, it was the cloud that we move them -- and we're still moving them from on-prem to cloud.

Now obviously the opportunity around agentic is front and center.

But they understand that in order to do it in wishing critical systems and the complexity of what we do for them, they want to partner with us. And these are exactly the discussions that we are having right now.

Operator^   (Operator Instructions) Our next question comes from the line of George Notter from Wolfe Research.

Taran Katta^   This is Taran Katta on for George Notter. Congrats, Tamar on the retirement.

I just wanted to ask if you could talk a little more about how you expect to progress in implementing AI internally to get efficiencies going forward? Are there any incremental new areas where you're finding use cases? And then as a follow-up, can you give more detail in terms of how customer conversations are progressing as you drive those gains internally.

Shimie Hortig^   Yes.

So internally, again it's a process.

We've been in this process for quite some time. My goal right now and the team is mainly to accelerate.

We're accelerating everything.

We are done with the pilot experimenting, trying it here and there.

I'm moving it to full-blown implementation across the entire company.

It includes, as I mentioned, changing the way we operate, implementing AgenticSDLC, changing the way we operate our systems leveraging the agents -- and we're going all the way to try to accelerate the internal transformation and become a more agile organization going forward.

Now the discussions that we are having with the customers are exactly along the same lines of how we can help them do the same for their organization in our domain. And some of the discussions, everyone understand that we -- the best way to help them is if we look at the flows end-to-end.

So if you look at the end-to-end business flows around these areas from the business requirements, all the way down to the provisioning, the best way to get the best outcome of implementing those agent is when you have an end-to-end workflow.

So they're engaging us right now in discussions in which we are basically expanding the footprint of what we do today going into areas that are not done today by Amdocs., But everyone realize right now that in order to get those benefits, it's better that we'll get involved and help them in the end-to-end processes.

So those discussions along these end-to-end responsibility to transform things for our customers are evolving. And as I mentioned before I hope we can share some more updates over the next couple of quarters.

Tamar Dagim^   I just want to add on that, to remind you, we've been a company pushing for an outcome-based business model forever. Like that was a way of showing confidence to our customers that we believe that we can bring them the right innovative engineering solutions as well as a commitment to deliver on certain KPIs and outcome.

So we want to take conceptually the semi idea and build based on what Jimi mentioned, this end-to-end ability to take business processes and push it forward with the customer to show accountability to bring the results that they need to say practically, what is it that they consider success? And how do we design it into the deals we are going to find.

Operator^   Thank you. This does conclude the question and answer session of today's program.

I'd like to hand the program back to Matt Smith for any further remarks.

Matthew Smith^ All right. John, thanks very much, and thanks everyone, for joining the call tonight.

If you do have any other questions, please give us a call here in the IR group. And with that, have a great evening.

Operator^ Thank you, ladies and gentlemen, for your participation in today's conference. This does conclude the program.

You may now disconnect. Good day.