

AMDOCS Q3 2025 CONFERENCE CALL SCRIPT - FINAL

August 6, 2025

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 third quarter and full fiscal year 2025 and will update you on our strategic progress, including our continued sales momentum in cloud and recent commercial developments in Generative AI and Data services.

Shuky will finish by discussing our financial outlook for the full fiscal year 2025, after which Tamar will provide additional details on our third quarter financial performance, and our forward guidance.

As we communicated previously, Shuky and Tamar will compare certain financial metrics on a pro forma basis which adjusts prior fiscal year 2024 revenue by approximately \$600 million to reflect the end of certain low margin, non-core business activities which were substantially already ceased in the first quarter of fiscal 2025.

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

Slide 5: Shuky Sheffer, Chief Executive Officer

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

Slide 6: Q3 FY 2025: Solid Financial Results

Starting on slide 6, Amdocs delivered solid financial results and achieved important business milestones in Q3 as our global team of amazing people continued to support the strategic business imperatives of our customers with innovative cloud, digital and AI-based solutions.

Touching on the quarterly financial highlights:

- Revenue of \$1.14 billion was up 3.5% from a year ago in pro forma constant currency, exceeding the midpoint of guidance with sequential growth in all regions and a record quarter in Europe.
- Profitability improved by 10 basis points sequentially, driven by internal efficiency improvements
- Non-GAAP diluted earnings per share was \$1.72, a penny above the midpoint of expectations, and
- We wrapped up the quarter with healthy 12-month backlog of \$4.15 billion, up 3.0% from a year ago, pro forma

Slide 7: Q3 Operational Highlights

Jumping to slide 7, Q3 featured several important wins which showcase Amdocs' market and technology leadership and our proven ability to power the mission critical needs of our telco customers.

We have continued to see positive sales momentum in cloud where we have recently won key modernization and migration deals which expand our longstanding partnerships with Elisa in Finland, Claro Brazil and a leading Eastern European operator, leveraging our end-to-end cloud offerings and telco-vertical expertise.

In the emerging domain of Generative AI and Data Services, I am encouraged to say that our tech leadership and key partner collaborations with NVIDIA and Microsoft are bearing fruit as we start to convert previously discussed PoC's into commercial success. Notably, we recently won strategic, GenAI-related deals with three customers – including a leading US service provider, Consumer Cellular and e& UAE – which I believe provide a foundation on which to demonstrate Amdocs' GenAI capabilities and to further expand our customer activities over time.

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Turning to project execution, Amdocs is engaged in complex, mission critical transformations, closely working with our customers as a key partner. During Q3, we delivered a near record number of deployments, achieving key outcome milestones at AT&T, Comcast, Vodafone in Italy and Netherlands, PLDT in Philippines, and others.

- Among the highlights, Bell Canada and Amdocs have set a new benchmark by moving critical billing systems to the cloud—simplifying thousands of daily operations and interfaces in the process. We also supported the go-live of our B2B platform for Optus in Australia and completed a BSS modernization supporting 25 million subscribers for Telkom South Africa.

Rounding out my operational review, Q3 was another record quarter in managed services. Moreover, we have recently strengthened our managed services engagements with several key customers, including a leading service provider in the US, BT in the UK and Telstra in Australia.

Slide 8: Strategic Growth Framework

Turning to slide 8, I'd like to elaborate on our growth strategy which is built to address our customers' strategic business imperatives and investments needed to:

- Accelerate the journey to the cloud
- Simplify and accelerate the adoption of Generative AI and Data services
- Digitalize customer experience for consumer and B2B
- Monetize next-generation network investments, and
- Streamline and automate complex network ecosystems

The execution of our growth strategy is enabled by Amdocs' unique, tech-led business model, which integrates cutting-edge technology across platforms and solutions, project deployment and IP-based IT operations support. By continuously investing in innovation to further extend our tech-led offering and capabilities, we are consistently able to bring value to our customers. We see every engagement as an opportunity to showcase our value proposition and gradually scale activities within our existing customers, as well as new ones.

Slide 9: Progress in Strategic Domains (1/3): Cloud

A great example of our model at work is the way in which we help our customers on their journey to the cloud. As you can see on slide 9, more customers are choosing Amdocs as their primary partner for public, private, and hybrid cloud migrations, using our comprehensive cloud solutions and telco expertise.

- We're happy to announce the expansion of our partnership with Elisa Finland to modernize their B2B platform using the Amdocs CES Digital Suite, deployed on Google Cloud (GCP). This transformation will enable Elisa to accelerate time-to-market, streamline the lead-to-order journey, and deliver a unified experience across mobile and fixed services—all on a single, convergent digital platform. It marks a significant step forward in enhancing agility, improving customer engagement, and supporting Elisa's long-term growth in the B2B space.

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- We're also pleased to announce a new win with one of Eastern Europe's leading service providers who will be leveraging our cloud-based Customer Experience platform—a solution designed to transform customer experience and operational agility. As part of this engagement, Amdocs will also work with the service provider to migrate newly acquired mobile customers to the platform, driving long-term efficiency and innovation.
- Among other notable awards, Amdocs has finalized an agreement with Claro Brazil to modernize their enterprise systems.
- I also want to highlight Amdocs' unique suite of SaaS-based cloud solutions which are gaining market traction and contributing to growth.
 - Our suite includes connectX which is helping MVNO's and telcos to launch strong, powerful brands created to target specific consumer groups with unique user experiences.
 - ConnectX was recently adopted by Consumer Cellular and several other new logos, in addition to which we have deepened our collaboration with AT&T by extending our connectX platform agreement to accelerate its next-gen market offerings.
 - An example of the way in which connectX is supporting our customers is Mobifone, a leading Vietnamese operator, which recently used the platform to launch Saymee, its new digital brand specifically tailored to meet the evolving needs of young, tech savvy, Gen Z subscribers.

Supported by our strong sales momentum of the last several quarters, we expect to reach our double-digit revenue growth target for cloud in fiscal 2025. Furthermore, we believe cloud will remain a primary growth engine for Amdocs in the foreseeable future as most of our customers are only just getting started on their multi-year migration journeys.

Slide 10: Progress in Strategic Domains (2/3): Gen-AI & Data Services

Turning to slide 10, we are intensifying our focus on Generative AI and Data Services as a key growth pillar for Amdocs. Let me take a moment to elaborate.

- First, a leading US service provider has signed an expanded multi-year agreement which extends managed services to transform its billing, commerce catalog and order management, through GenAI powered solutions. These include the GenAI-enabled amAIz Agent, Bill Presenter, to simplify billing inquiries and enhance customer experience.
- Second, Amdocs has expanded its multi-year agreement with Consumer Cellular as this wireless provider transitions to an AI-powered MVNE. Building on our recent deployment

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of connectX, this agreement leverages Amdocs' AI & Data Platform, Customer Experience Insights, and amAlz Suite to transform telecom data into actionable insights and real-time, predictive analytics for greater automation and intelligence.

- Third, I'm pleased to share that we've expanded our collaboration with the UAE's largest service provider, e& UAE, through additional new GenAI use cases. This development builds on the successful implementation of our amAlz platform and marks another step in the journey toward fully powering all of e& UAE's customer-facing channels with GenAI.
- Overall, I'm encouraged by these recent deals because they reflect Amdocs' GenAI and data services leadership in the telco industry, and because they provide a strategic foundation on which we can demonstrate value and gradually scale our customer activities in this emerging domain over time.

Slide 11: Progress in Additional Key Strategic Pillars (3/3)

Moving on, Q3 also included notable customer developments across our additional key strategic pillars, as shown on slide 11.

- BT has awarded Amdocs a digital transformation project, starting date to be finalized, that will enhance their consumer customer experience as part of a multi-year managed services engagement.
- Comcast extended their multi-year commitment to leverage the Amdocs Bill Presentment solution across all services.
- In network, we have extended our engagement with Australia's Telstra, where we are continuing a multi-year OSS digitization which will enable Telstra to benefit from our GenAI and network automation capabilities.

Additionally:

- AT&T renewed its Openet policy managed services engagement with Amdocs under an expanded long-term agreement
- Claro Brazil expanded its policy platform agreement with Amdocs to better serve the evolving needs of its prepaid and postpaid customers, and
- Globe Telecom in Philippines selected Amdocs to deliver end-to-end RAN optimization services. This engagement covers the full spectrum of RAN services—including installation, commissioning, integration testing, acceptance and optimization of radio sites.

Global service providers are also accelerating their fiber network expansion investments to enable converged, value-added offerings which bundle broadband and mobile together.

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- The trend is creating strong demand for fiber network design, deployment, orchestration and digital infrastructure management solutions which Amdocs is positioned to support with our next-gen fiber solution.
- For instance, we have significantly increased our Fiber Engineering services in support of AT&T's Fiber expansion, serving them as their connectivity design partner across the majority of AT&T's markets.
- To further augment our capabilities and market position in fiber, we recently closed a deal to acquire the telco network engineering business of Mobia, a privately owned company which will expand our fiber offering and fiber customer footprint in Canada.

Finally, in next-gen network monetization, A1 Group has selected Amdocs' billing, charging, and product catalog solutions to establish a converged, cloud-ready monetization platform for its Macedonian affiliate.

Slide 12: Current Operating Environment

Turning now to the current operating environment on slide 12:

- We continue to see a rich and encouraging pipeline of opportunities across our large, serviceable addressable market of nearly \$60 billion.
- Our 12-month backlog position is healthy, and as I mentioned, we are on track to achieve our double-digit growth target in cloud this year.
- That said, we are closely watching for any impacts of the uncertain global macroeconomic environment on us and our customers' spending behavior.

Slide 13: On-track to Deliver Expected Double- Digit Total Shareholder Returns for the 5th Year Running in FY2025

- Bringing it all together on slide 13, we now expect slightly better revenue growth of roughly 2.9% in pro forma constant currency at the midpoint of our fiscal 2025 outlook, equating to an improvement of about 20 basis points compared with our prior guidance.
- We are also on track to deliver double-digit expected total shareholder returns for the fifth consecutive year assuming the midpoint of our non-GAAP diluted earnings per share outlook, supported by significantly improved profitability and robust earnings to cash conversion.

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

Slide 14: Tamar Rapaport-Dagim, CFO & COO

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

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Before I begin, in today's comments I will compare certain financial metrics on a pro forma basis which adjusts prior fiscal year 2024 revenue by approximately \$600 million, to reflect the phaseout of certain low margin, non-core business activities which were substantially already ceased in the first quarter of fiscal 2025. To further assist your modelling, the regional mix of this revenue was similar to the overall company, and it contributed roughly \$150 million per quarter.

Slide 15: Solid Q3 FY2025 Financial Results

To begin, I am pleased with our solid financial performance for the third fiscal quarter, as detailed on slide 15.

- Q3 revenue of approximately \$1.14 billion was up 3.5% year-over-year in pro forma constant currency and exceeded the midpoint of our guidance even after adjusting for a positive impact from foreign currency movements of approximately \$9 million compared to our assumptions.
- Reflecting the phase out of certain business activities, reported revenue declined by 8.4% from a year ago.
- On a regional basis:
 - North America improved by 1% sequentially, posting its strongest quarter of the fiscal year
 - Europe delivered a record quarter, with year-over-year revenue growth of nearly 8% driven primarily by the ramp-up of new deal activities as well as some contribution from the earlier acquisition of Profinit which closed end of Q1.
 - Rest of World was slightly higher on a sequential basis. We continue to see mixed trends where Southeast Asia growth is partially off-set by weakness in Latin America.
- Shifting down the income statement, non-GAAP operating margin of 21.4% improved by 280 basis points from a year ago, reflecting the announced phase out of low margin, non-core business activities and the benefits of ongoing efficiency gains within our operations.
- Non-GAAP operating margin improved by 10 basis points sequentially.
- Interest and other expenses amounted to roughly \$11.7 million in the third quarter, and included a one-time charge taken in respect to the \$2.5 million write-off of a small minority investment this quarter.
- On the bottom-line, non-GAAP diluted EPS of \$1.72 was a penny above the midpoint of guidance, and diluted GAAP EPS of \$1.39 was slightly above our guidance range in the third quarter.

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Slide 16: Record Managed Services Revenue in Q3 FY2025, Supporting Visibility and Business resilience

Turning to slide 16, revenue from managed services was a record \$771 million in the third fiscal quarter, up 4.1% from a year ago.

Accounting for roughly two thirds of revenue, managed services engagements are a key measure of Amdocs' long-term visibility and business resiliency, underpinned by customer renewal rates which have historically approached 100%.

To provide some recent examples of the ways in which we deliver value to our managed services customers over time:

- We recently signed a significant multi-year agreement which extends and expands our managed services engagement with a leading US service provider, leveraging our Generative AI powered platform
- In Australia, Telstra extended its managed services engagement, continuing a multi-year OSS digitization which will enable it to benefit from our GenAI and network automation capabilities, and
- BT has awarded Amdocs a digital transformation project, starting date to be finalized, that will enhance their consumer customer experience as part of a multi-year managed services engagement.

Slide 17: Strong Balance Sheet & Cash Flow

Moving to the balance sheet and cash flow highlights on slide 17, DSOs of 76 days was down by 1 day sequentially and up 2 days year over year, reflecting normal fluctuations in business activity.

Unbilled receivables net of deferred revenue declined by \$71 million sequentially in Q3, aggregating the short-term and long-term balances. This is the second consecutive quarter of sequential improvement in this metric as billings have been running higher than revenue. As a reminder, the net difference between unbilled receivables and deferred revenue fluctuates from quarter to quarter, in line with normal business activities, as well as our progress on multi-year transformation programs.

With free cash flow before restructuring payments of \$230 million in Q3, we are on track to achieve our annual target. Including restructuring payments of \$19 million, reported free cash flow was \$212 million.

Overall, we ended Q3 with a healthy cash balance of approximately \$342 million, and an available \$500 million revolving credit facility, providing ample liquidity to support our ongoing business needs while retaining the capacity to fund our future strategic growth.

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Slide 18: Disciplined Capital Allocation

Switching to capital allocation on slide 18, this quarter we repurchased \$135 million of our shares.

Including the new \$1 billion share repurchase authorization approved by our Board last quarter, we had up to \$1.12 billion of remaining repurchase authority as of June 30, 2025.

We paid cash dividends of \$59 million in the third fiscal quarter.

Looking ahead, we are reiterating our annual free cash flow target of between \$710 million to \$730 million in fiscal 2025, which is before restructuring payments.

Our annual free cash flow outlook equates to a conversion rate of more than 90% relative to expected non-GAAP net income and translates to a healthy free cash flow yield of more than 7% relative to Amdocs' current market capitalization.

Regarding our capital allocations in fiscal year 2025, we expect to return the majority of our free cash flow to shareholders.

Slide 19: Leading Indicators & Visibility: 12-Month Backlog

Moving to slide 19, 12-month backlog was \$4.15 billion at the end of Q3, up 3.0% from a year ago on a pro forma basis.

We expect 12-month backlog to represent roughly 90% of forward-looking revenue, further underscoring the importance of this metric as a leading indicator of our business.

Slide 20: FY2025 Revenue Growth Outlook

Now, turning to our revenue outlook on slide 20, we are continuing to closely monitor the prevailing level of macro-economic, geopolitical, business, and operational uncertainty in the current business environment. The fourth quarter and full fiscal year 2025 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 2025, we now expect revenue growth of between 2.4% and 3.4% in pro forma constant currency, the 2.9% midpoint of which equates to an improvement of roughly 20 basis points as compared with our previous outlook.

Our annual guidance incorporates double-digit growth in cloud and some contribution from inorganic deal activity.

As to the fourth fiscal quarter, we expect revenue of between \$1.125 billion to \$1.165 billion.

For your modelling purposes, revenue from the acquisition of Mobia's network engineering business will be immaterial in Q4.

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Slide 21: Driving Continued Profitable Growth

Moving down the income statement, we are on-track to produce non-GAAP operating margins within our guidance range of 21.1% to 21.7% in fiscal 2025. The midpoint of our guidance equates to a substantial increase of roughly 300 basis points this fiscal year, roughly 230 basis points of which is from the previously announced phased-out of business activities. Another 60 to 70 basis points of margin expansion is resulting from our continued focus on operational excellence, automation and the gradual implementation of Gen AI.

As part of our process of accelerating the internal adoption of GenAI across everything we do at Amdocs, we are proactively evaluating our strategic investment priorities for fiscal 2026, having regard to our future workforce allocation and the optimal mix of technology, infrastructure, workspace and other resources.

Below the operating line, foreign currency fluctuations and hedging costs are expected to impact non-GAAP net interest and other expense by roughly several million dollars on a quarterly basis.

We expect our non-GAAP effective tax rate for fiscal 2025 to be within an annual target range of 15% to 17% for the full fiscal year 2025, consistent with our initial guidance.

Slide 22: On Track to Deliver Double-digit Expected Total Shareholder Returns for the 5th Consecutive Year in FY2025E

Wrapping everything together on slide 22, we now expect non-GAAP diluted earnings per share growth within a tighter range of 8.0% and 9.0% for the full fiscal year 2025, the 8.5% midpoint of which is unchanged as compared with our prior outlook of 6.5% to 10.5% previously.

Assuming the 8.5% midpoint, we are on track to achieve double-digit expected total shareholder returns for a fifth consecutive year in fiscal 2025, including our dividend yield.

With that, back to you, Shuky.

Slide 23: Q&A

Thank you, Tamar.

I am pleased with of our solid financial performance and business achievements in the third fiscal quarter, including our ongoing momentum in cloud and encouraging signs of commercial progress in GenAI and data services. With our unique, technology-led business model, we are on-track to meet our financial targets for the full fiscal year.

With that, we are happy to take your questions.

Operator?

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