



ANALYST DAY

September 2021

AGENDA

Time	Topic	Speaker
1:00 pm	Introduction	Alex Hughes
1:05 pm	Powering P&C on Guidewire Cloud Platform	Mike Rosenbaum, Chief Executive Officer
1:25 pm	Driving Cloud Adoption	Priscilla Hung, President and Chief Operating Officer
1:35 pm	Customer Success Program and Customer Q&A	Christina Colby, Chief Customer Officer
2:20 pm	Break	
2:35 pm	Executing on Cloud Innovation and Platform Roadmap	Diego Devalle, Chief Product Development Officer Roger Arnemann, General Manager of Analytics
2:55 pm	Executing on Our Cloud Model	Jeff Cooper, Chief Financial Officer
3:15 pm	Team Q&A	Executive Team
4:00 pm	End	

Cautionary Language Concerning Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding our financial outlook and our future business momentum related to our cloud vision and strategy. These forward-looking statements are made as of the date they were first issued and were based on current expectations, estimates, forecasts and projections as well as the beliefs and assumptions of management. Words such as “expect,” “anticipate,” “should,” “believe,” “hope,” “target,” “project,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond Guidewire’s control. Guidewire’s actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to, risks detailed in Guidewire’s most recent Forms 10-K and 10-Q filed with the Securities and Exchange Commission as well as other documents that may be filed by the Company from time to time with the Securities and Exchange Commission.

In particular, the following factors, among others, could cause results to differ materially from those expressed or implied by such forward-looking statements: quarterly and annual operating results may fluctuate more than expected; the impact of the COVID-19 pandemic on our employees and our business and the businesses of our customers, system integrator (“SI”) partners, and vendors; seasonal and other variations related to our customer agreements and related revenue recognition may cause significant fluctuations in our results of operations and cash flows; our reliance on sales to and renewals from a relatively small number of large customers for a substantial portion of our revenue; our ability to successfully manage any changes to our business model, including the transition of our products to cloud offerings and the costs related to cloud operations; our products or cloud-based services may experience data security breaches; we face intense competition in our market; our services revenue produces lower gross margins than our license, subscription and support revenue; our product development and sales cycles are lengthy and may be affected by factors outside of our control; changes in accounting guidance, such as revenue recognition, which have and may cause us to experience greater volatility in our quarterly and annual results; assertions by third parties that we violate their intellectual property rights could substantially harm our business; weakened global economic conditions may adversely affect the P&C insurance industry including the rate of information technology spending; general political or destabilizing events, including war, conflict or acts of terrorism; our ability to sell our products is highly dependent on the quality of our professional services and SI partners; the risk of losing key employees; the challenges of international operations, including changes in foreign exchange rates; and other risks and uncertainties. Past performance is not necessarily indicative of future results.

The forward-looking statements included in this presentation represent Guidewire’s views as of the date of this presentation. The Company anticipates that subsequent events and developments will cause its views to change. Guidewire undertakes no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. These forward-looking statements should not be relied upon as representing Guidewire’s views as of any date subsequent to the date of this presentation.

A decorative graphic on the left side of the slide, consisting of a light blue square and a dashed black line that forms an L-shape, extending from the top left towards the title area.

Powering P&C Innovation on Guidewire Cloud Platform

Mike Rosenbaum, Chief Executive Officer

A decorative dashed black line in the bottom right corner of the slide, forming an L-shape.

Understanding Guidewire Requires an Appreciation of the Importance and Size of Property and Casualty Insurance



Massive global market



**Touches almost
every person and
business on earth**



**Provides protection
from catastrophe-
driven loss**

P&C Insurance Is a Massive Global Market

~1,960 insurers

Tier 1
>\$5B

60+

Tier 2

\$1B to <\$5B

300+

Tier 3/4/5

<\$1B in DWP

~1,600+

Americas



\$1,018B

EMEA



\$771B

APAC



\$663B

Global

\$2.5T DWP

Source: SwissRe Institute "Sigma, No 3/2021"; for the US P&C insurance we've excluded U.S. A&H market premiums at \$1,037 billion, as reported by NAIC; for other regions, P&C insurance accounted as "non-life" and includes premiums for workers' compensation, medical insurance, and accident & health.

P&C Insurance Touches Almost Every Person and Business on Earth

PERSONAL LINES ~50% DWP



Automotive



Residential



Travel



Earthquake



Pet



Watercraft



Mortgage



Recreational
Vehicle



Personal Injury

COMMERCIAL LINES ~50% DWP



Property



Workers'
Comp



Ocean Marine



Environmental



General
Liability



Professional
Liability



Machinery

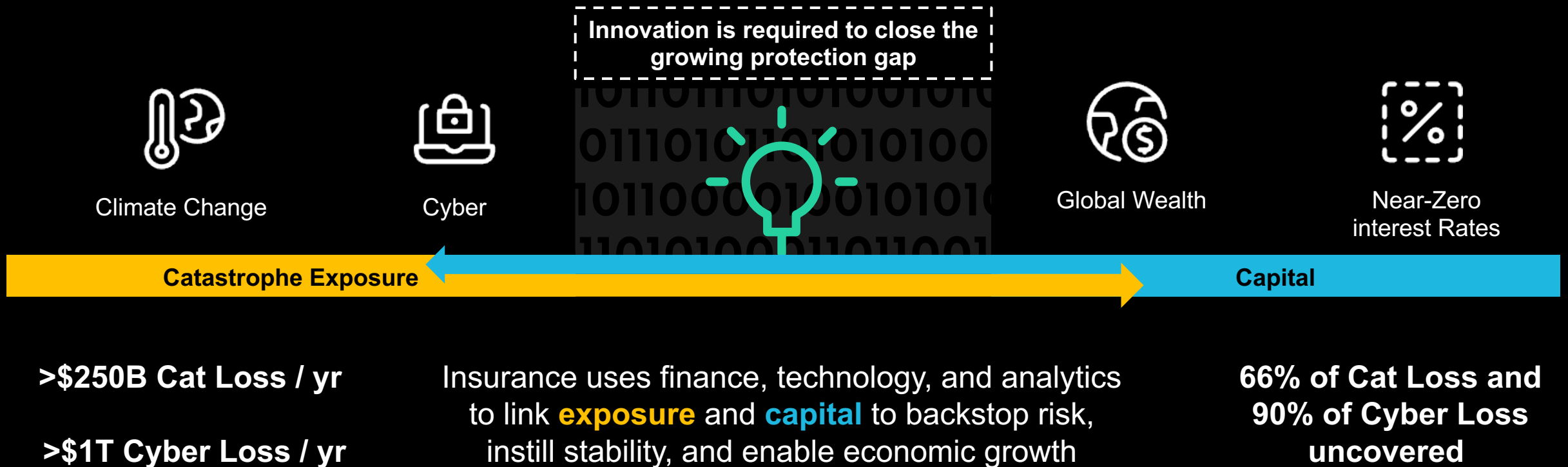


Farm



Fleet

P&C Insurance Plays a Significant Role in Managing Growing Catastrophe and Cyber Risk



We Strive Every Day Toward a Simple Mission



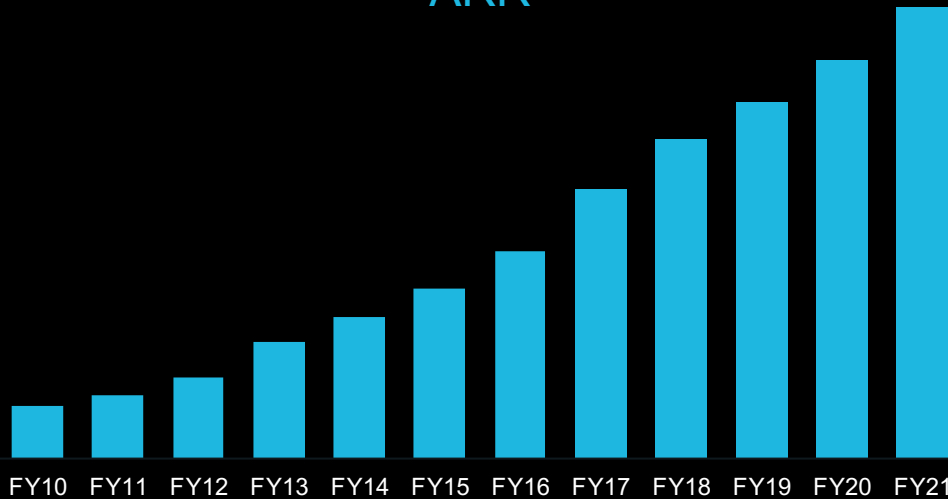
To Power Insurance Innovation

With a cloud platform the
industry trusts to **engage,**
innovate, and grow efficiently

We Are the Global Leader in P&C Core Systems

- 450+ insurance brands on Guidewire
- Touching 22% of P&C DWP
- Global reach across AMER, EMEA, APAC

ARR



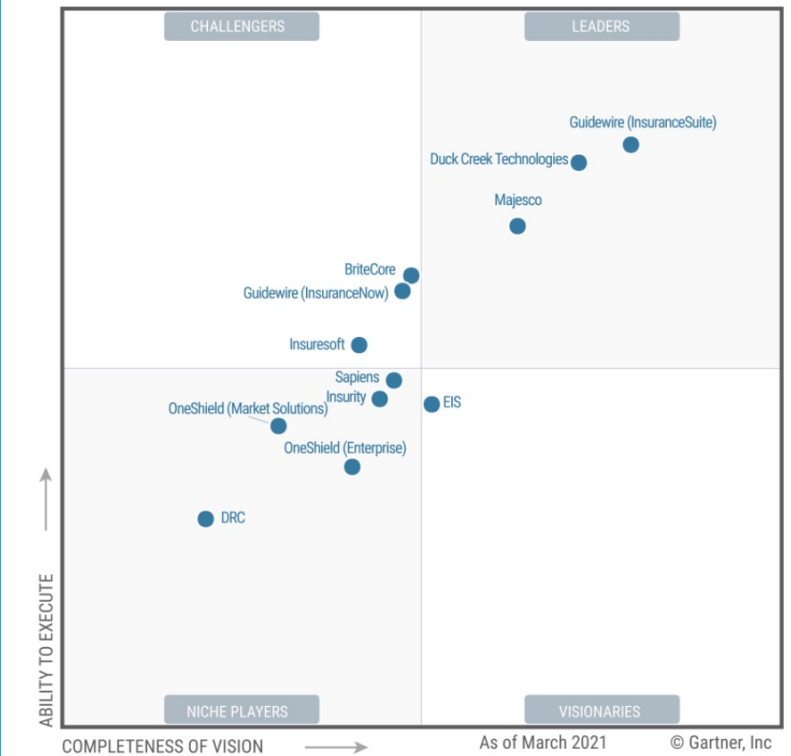
2021 Gartner® Magic Quadrant™ for P&C Core Platforms, North America

Gartner names Guidewire InsuranceSuite a 2021 Magic Quadrant Leader

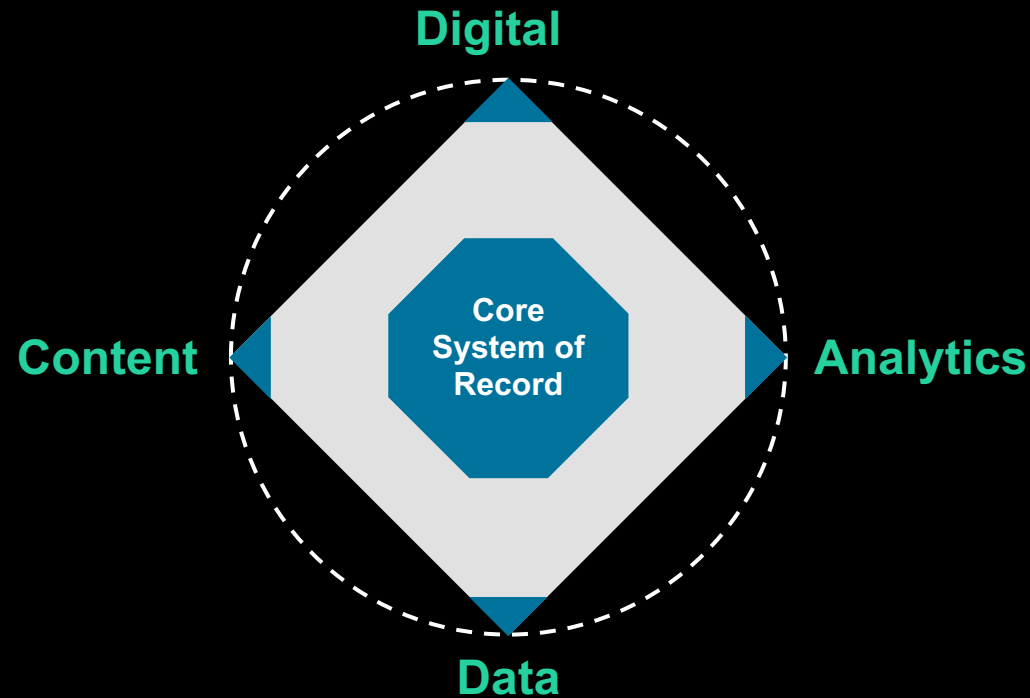
Gartner names Guidewire InsuranceNow a 2021 Magic Quadrant Challenger

Rated as a market leader by Gartner for the 7th year in a row

Figure 1. Magic Quadrant for P&C Core Platforms, North America

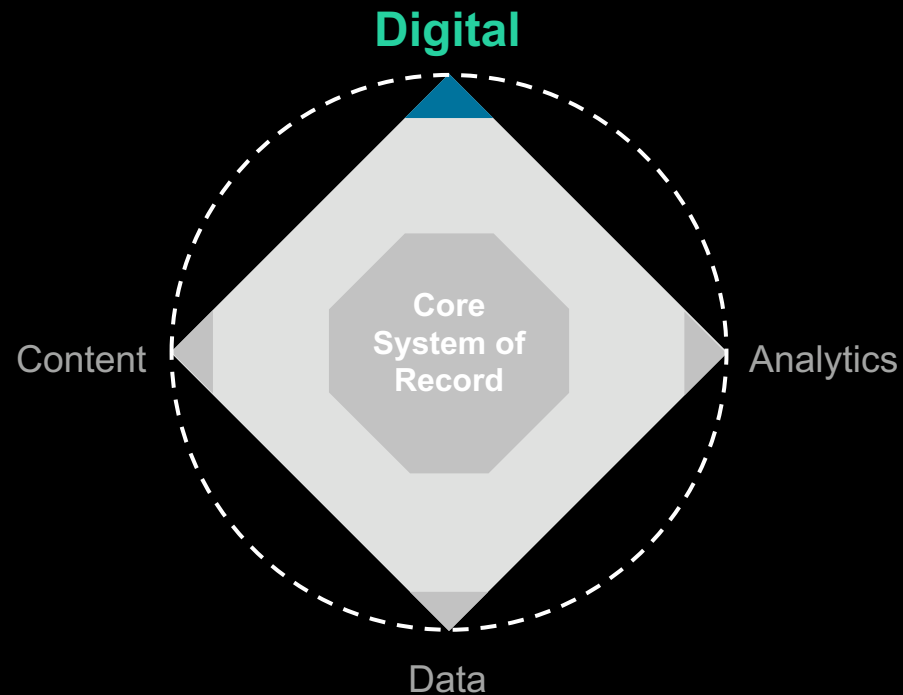


A Modern Core Platform Is Central to Every P&C Initiative



**Guidewire provides a unified Core System of Record to the P&C industry
(Underwriting, Policy Administration, Claims Management, Billing)**

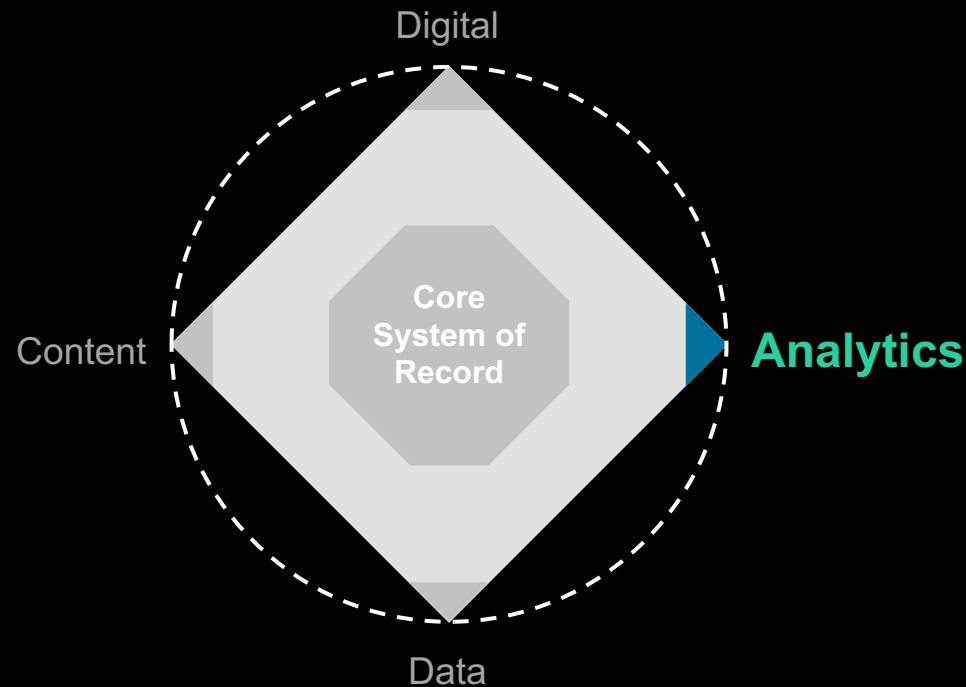
A Modern Core Platform Is Central to Every P&C Initiative



DIGITAL

Digitally transformed insurers can engage customers and agents with personalized products and responsive omnichannel service, natively connected to their core platform

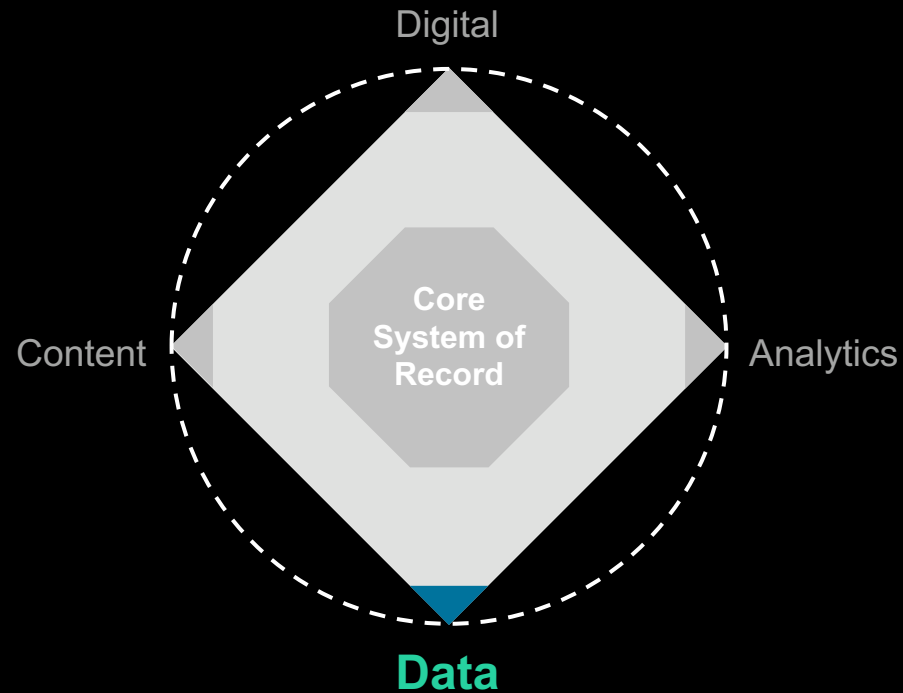
A Modern Core Platform Is Central to Every P&C Initiative



ANALYTICS

Modern analytics leveraging artificial intelligence and machine learning enables insurers to make better underwriting and claims decisions, streamline and automate processes, improving combined ratios

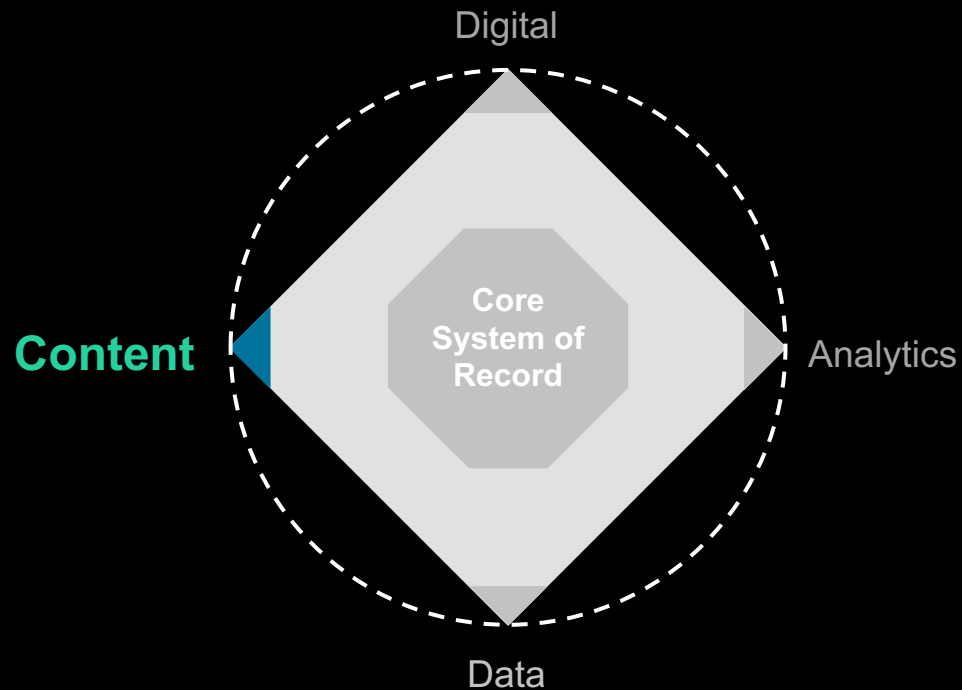
A Modern Core Platform Is Central to Every P&C Initiative



DATA

Accessing and harnessing new universes of data and data science derived insights enable insurers to underwrite and price risk in new and nontraditional ways

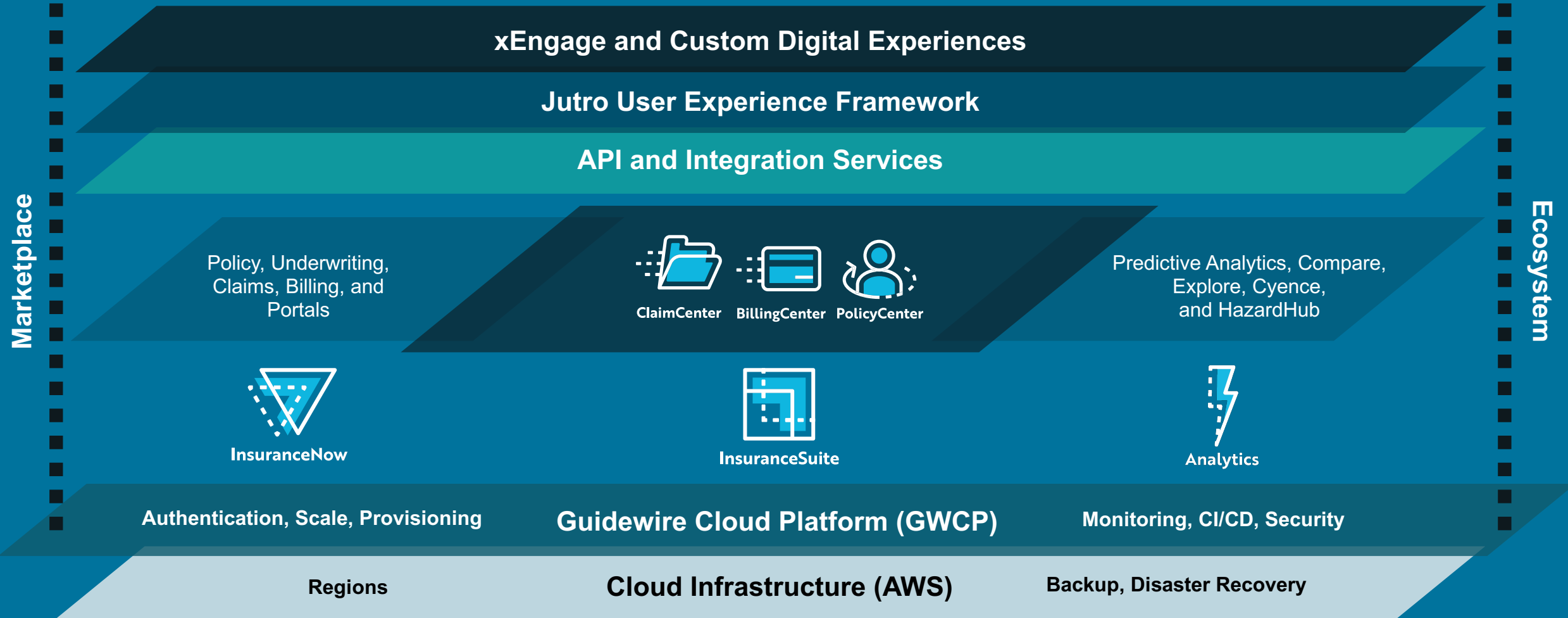
A Modern Core Platform Is Central to Every P&C Initiative



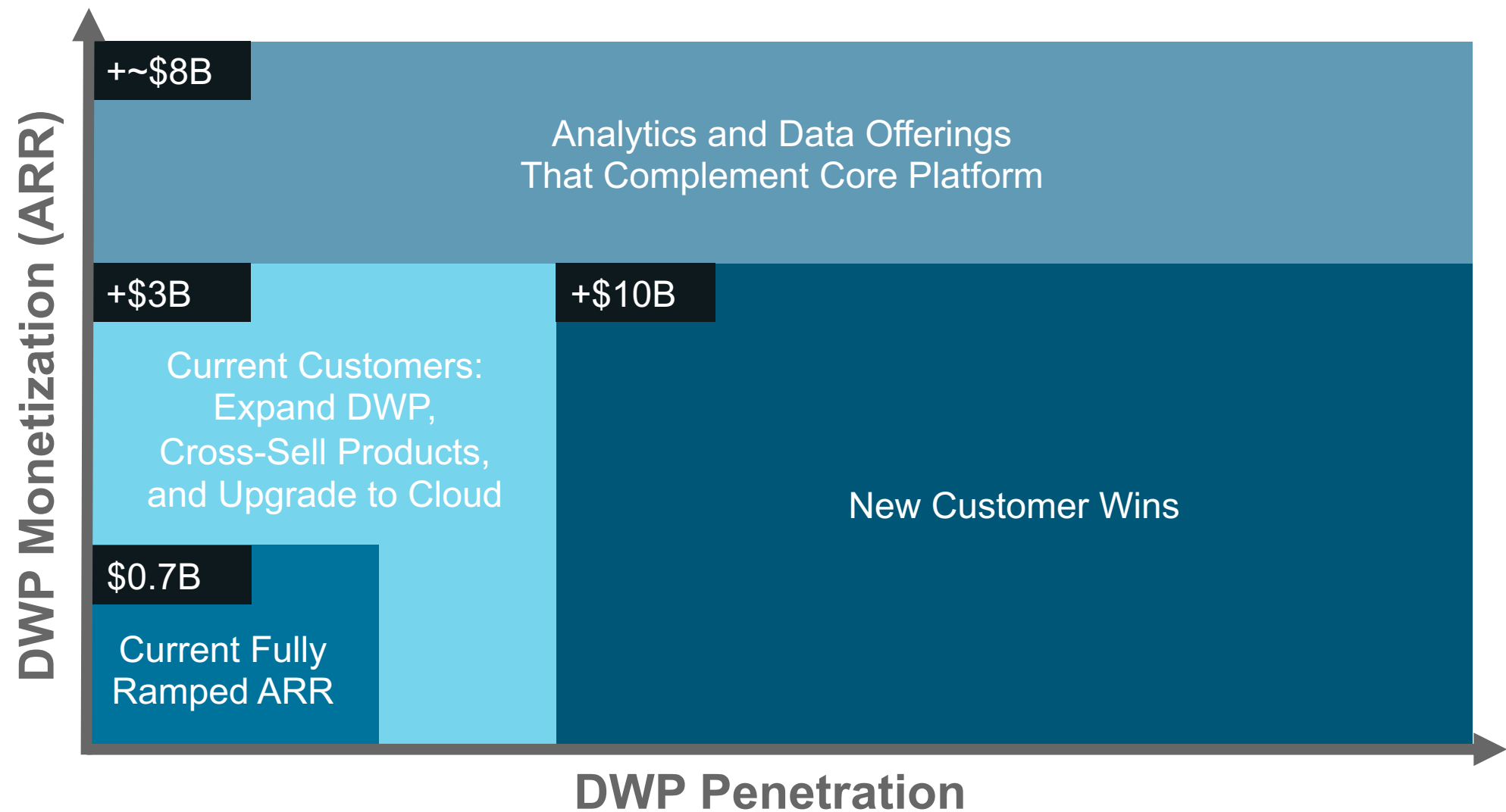
CONTENT

Preconfigured solutions that embed line-of-business, region-specific, and market-specific requirements speed time-to-market and an insurer's ability to grow efficiently

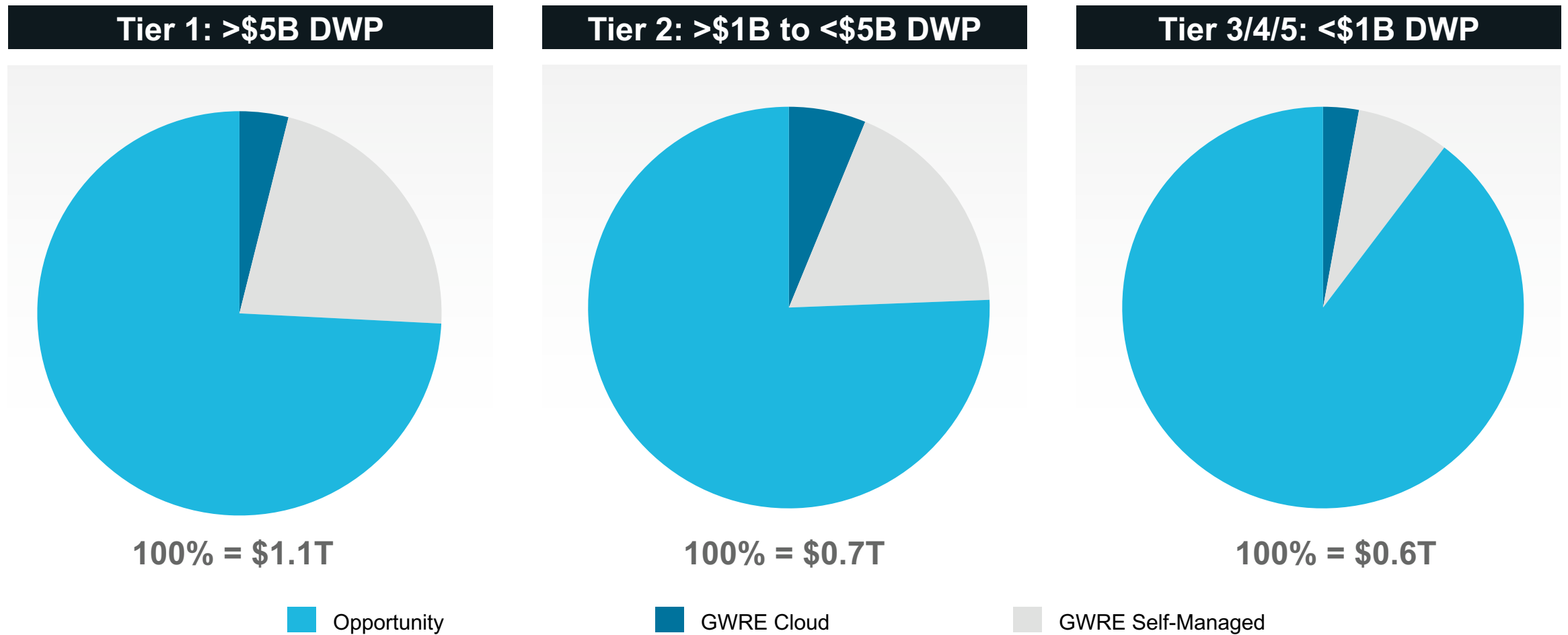
Guidewire Cloud Platform



Continued Success of Our Cloud Platform Represents a Large Addressable Opportunity



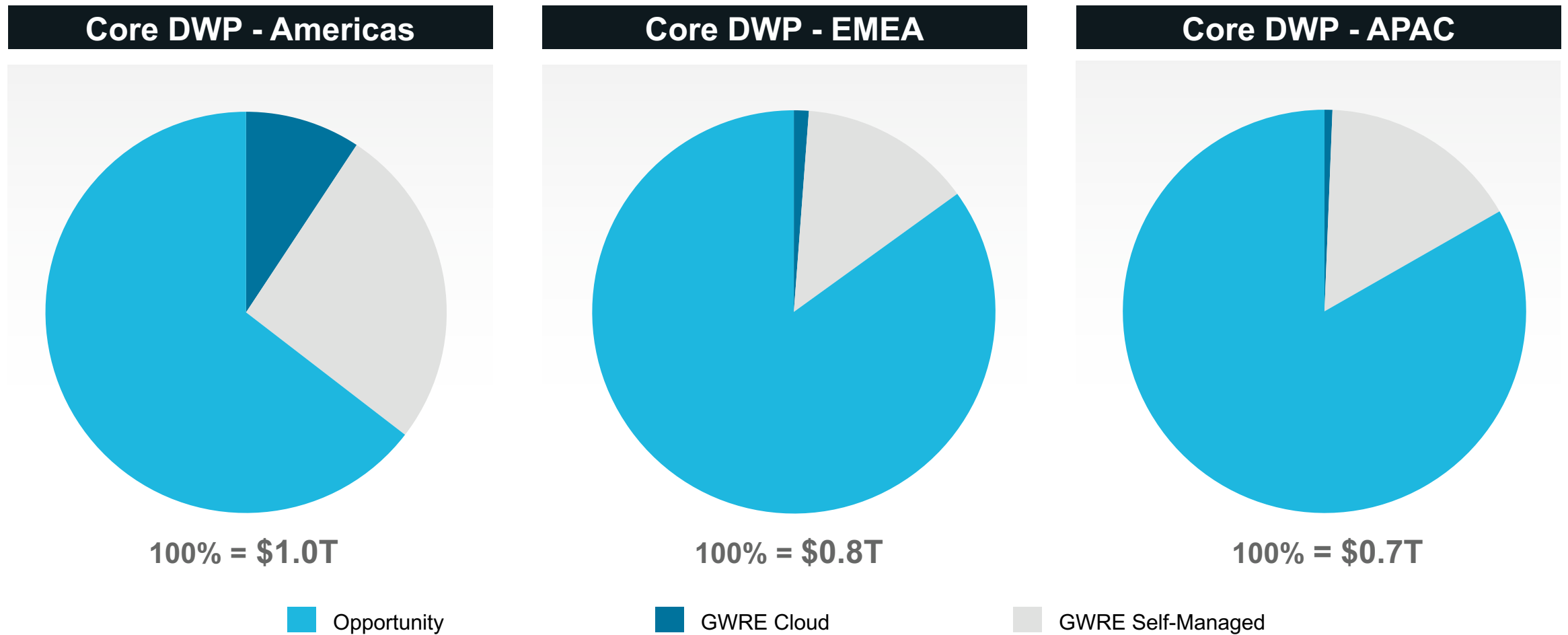
Majority of Core DWP Opportunity Remains Untapped



DWP Penetration by Tier

Source: SwissRe Institute "Sigma, No 3/2021"; for the US P&C insurance we've excluded U.S. A&H market premiums at \$1,037 billion, as reported by NAIC; for other regions, P&C insurance accounted as "non-life" and includes premiums for workers' compensation, medical insurance, and accident & health.
Guidewire Analysis

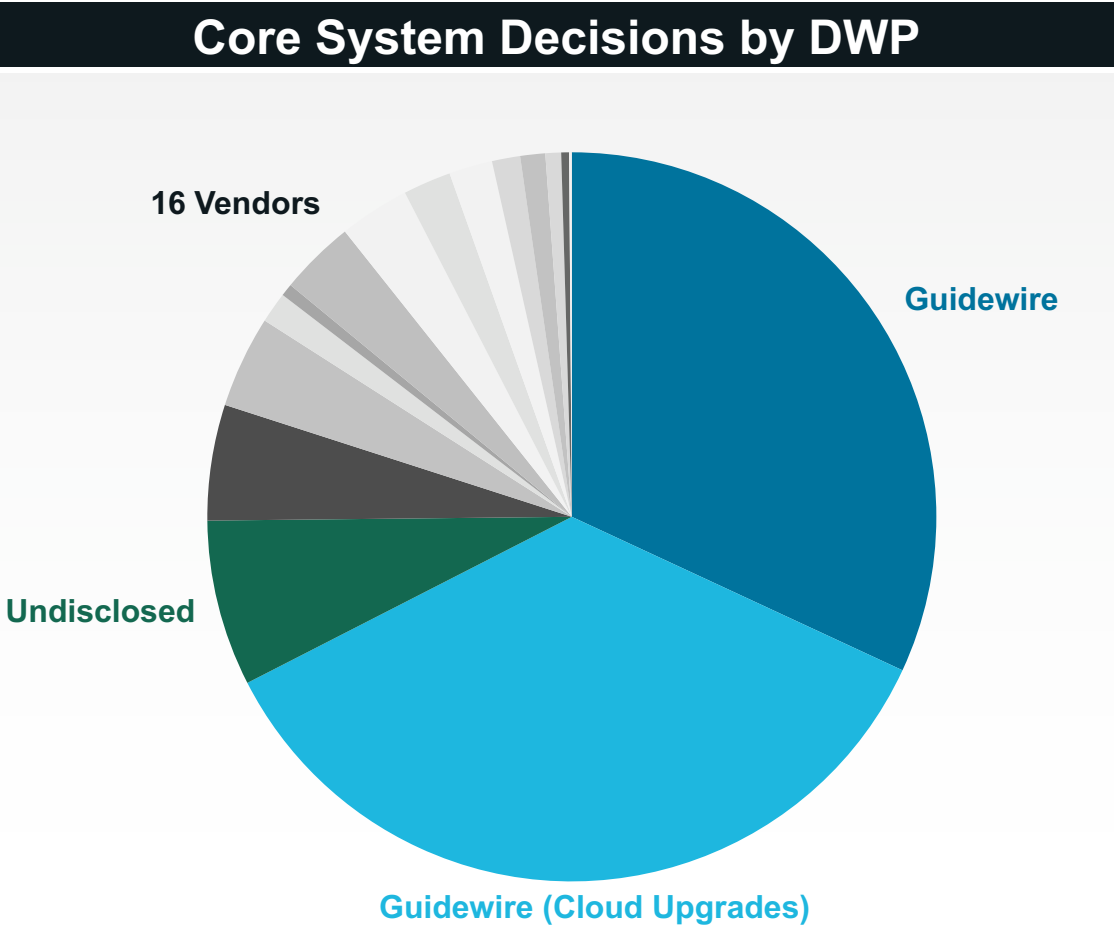
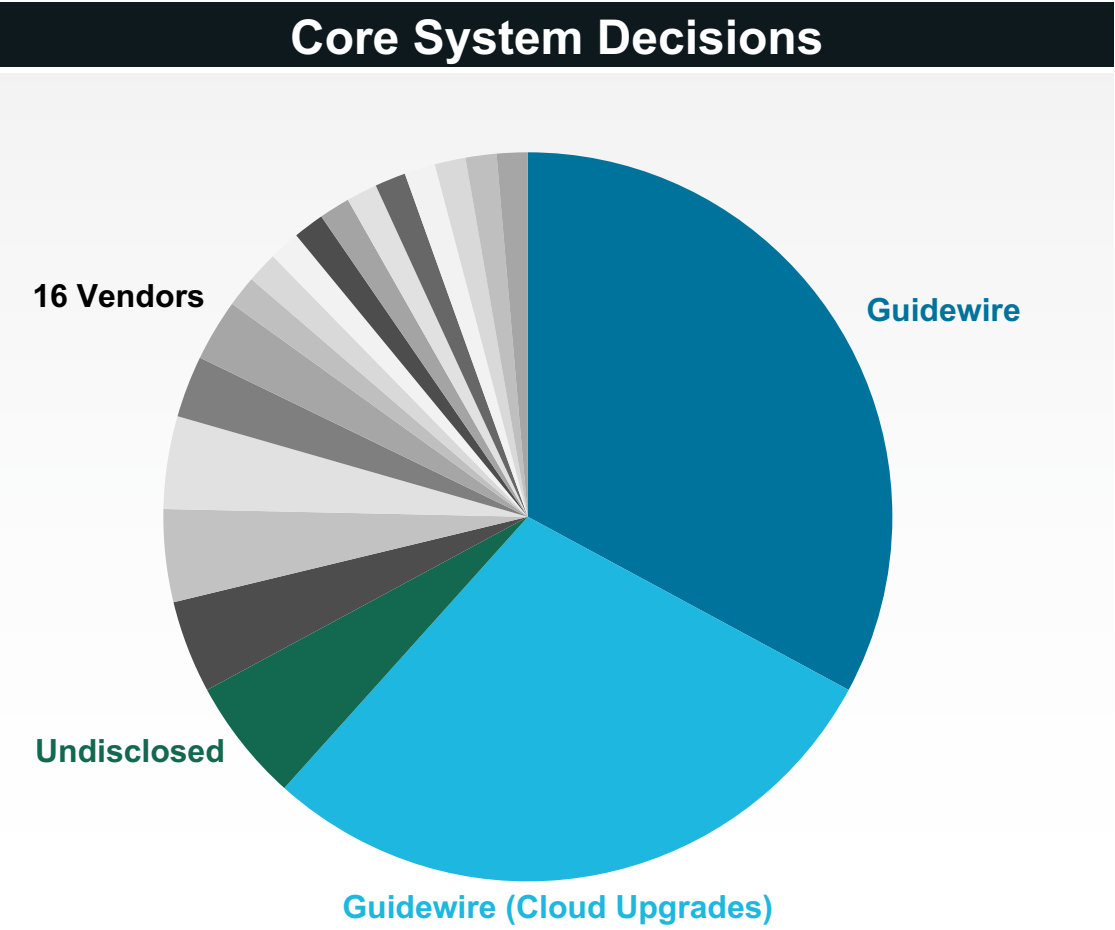
Majority of Core DWP Opportunity Remains Untapped



DWP Penetration by Region

Source: SwissRe Institute "Sigma, No 3/2021"; for the US P&C insurance we've excluded U.S. A&H market premiums at \$1,037 billion, as reported by NAIC; for other regions, P&C insurance accounted as "non-life" and includes premiums for workers' compensation, medical insurance, and accident & health.
Guidewire Analysis

We Continue to Achieve High Competitive Win Rates



Source: Guidewire Analysis; includes DWP for new core system decisions, which is not necessarily incremental to Guidewire's total DWP under management. "Undisclosed" includes decisions where selected vendor was unknown or decision was to build internally. Deals involving a cloud upgrade with new core system decisions are treated as two decisions and included in both Guidewire and Guidewire (Cloud Upgrades) and DWP is allocated.

Taking Advantage of This Opportunity Requires Execution Across Four Key Pillars



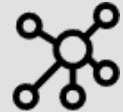
**Growing cloud
adoption and
delivery**



**Driving a repeatable
product innovation
cycle**

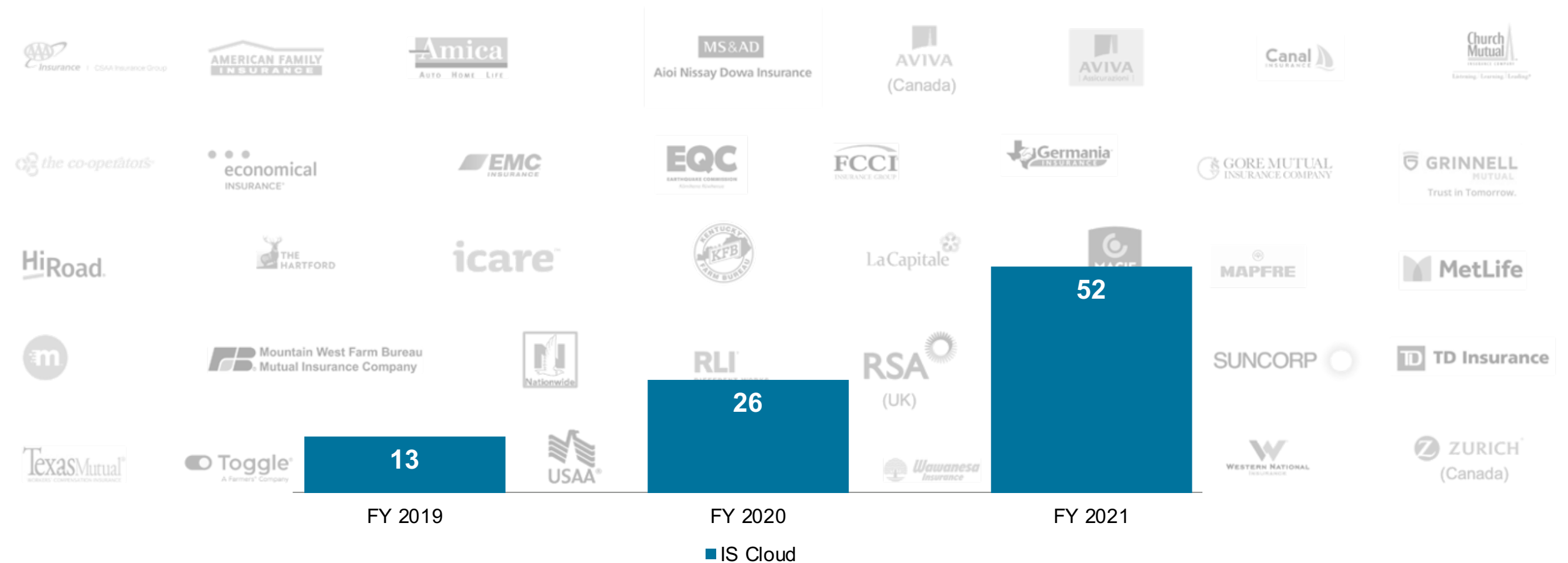


**Embedding
innovative Data and
Analytics solutions**

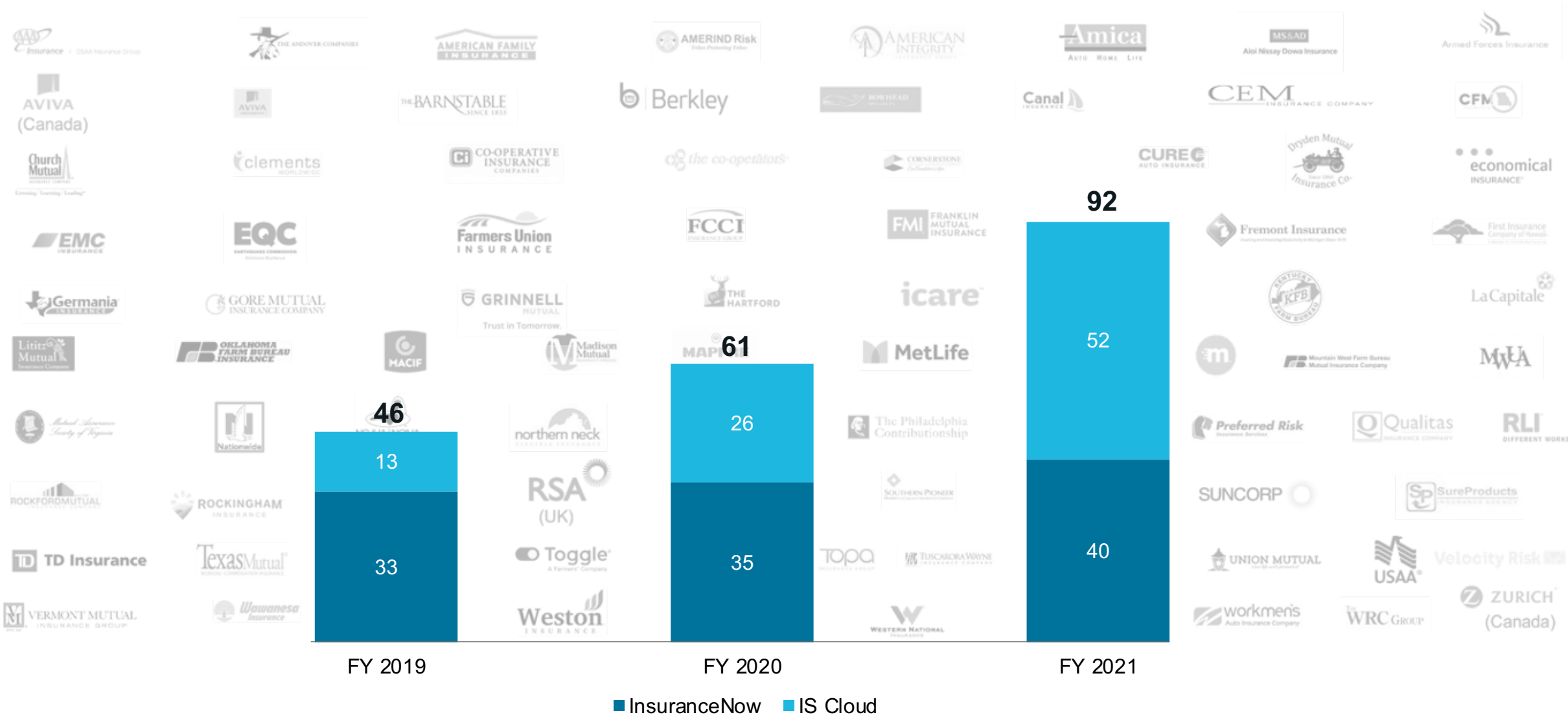


**Continued expansion
of our partner
ecosystem and
Marketplace**

InsuranceSuite Cloud Sales Are the Best Indicator of Our Cloud Transformation and Momentum

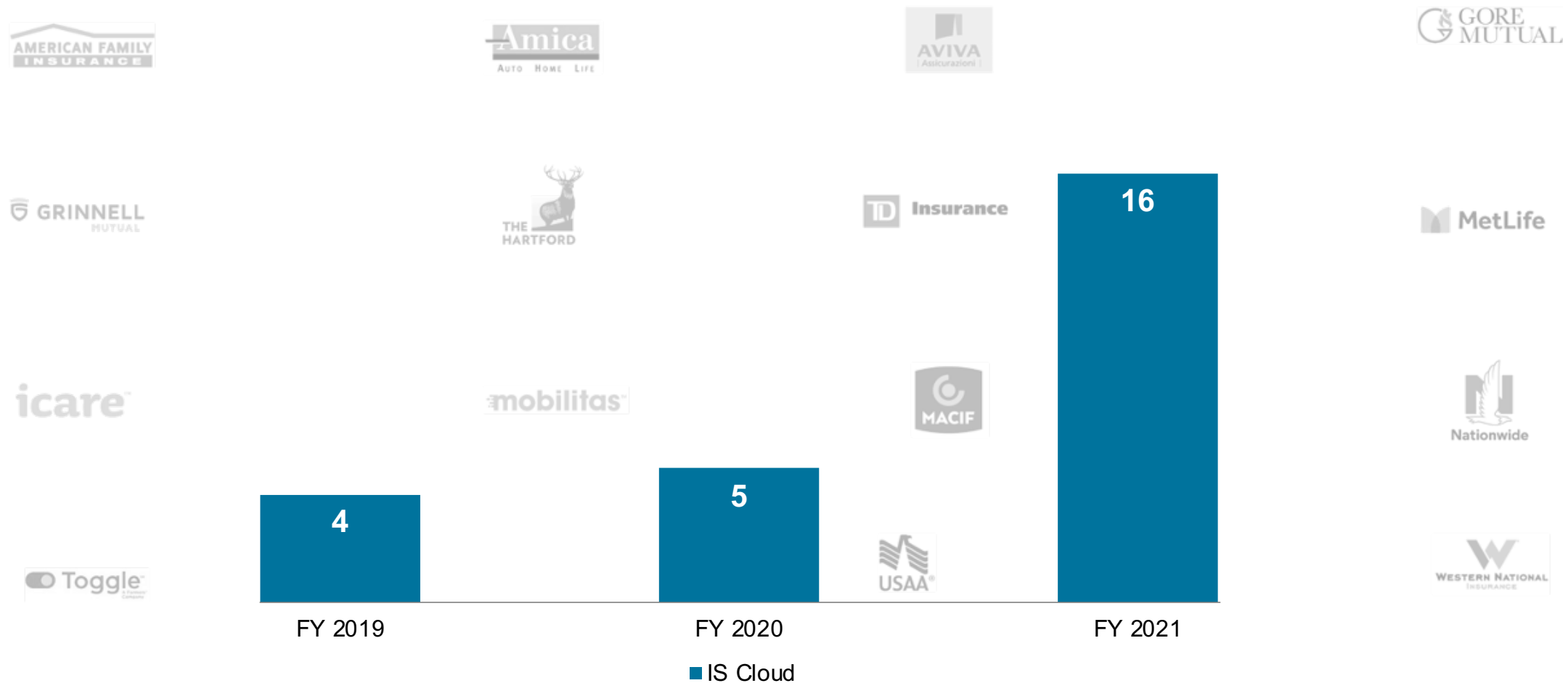


Total Cloud Adoption Is Accelerating Across InsuranceSuite and InsuranceNow



Strong Inflection in IS Cloud Production Deployments

Providing Critical Successful References to Drive New Sales



Six-Month Product Development Innovation Cycle Now Clearly Established



Seamless upgrades provide faster access to innovation

Analytics Is a Big Opportunity and Use Cases Abound in Our Customer Base

~50%

Deals in FY 2021
included at least one
Data or Analytics product

Quantify Cyber Risk

S&P Global
Ratings

Improve Risk Selection

the co-operators

Achieve Pricing Accuracy

good2go
auto insurance

Better Segment Customers and Prospects

beazley

Deliver Better Buying Experiences

DONEGAL
INSURANCE COMPANIES

Increase Subrogation Recovery

California Casualty Group

Improve Claims Operations

Amica
AUTO HOME LIFE

Increase Renewals

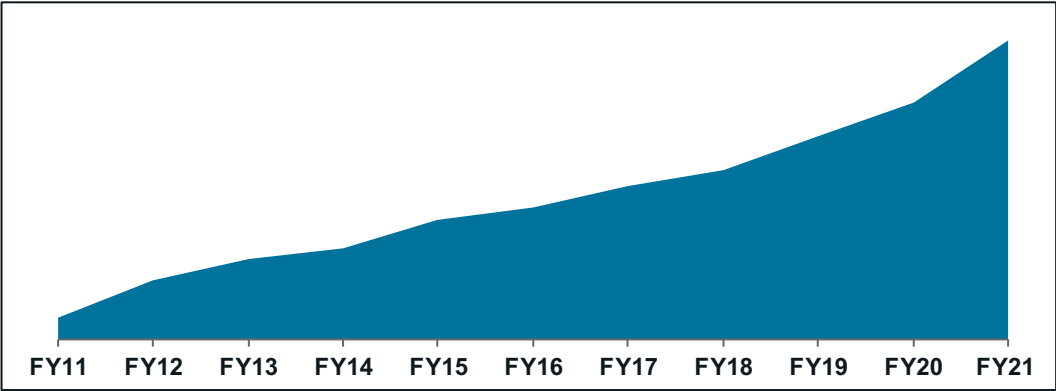
BUILDERS
MUTUAL

Our Consulting Partner Ecosystem Continues to Expand

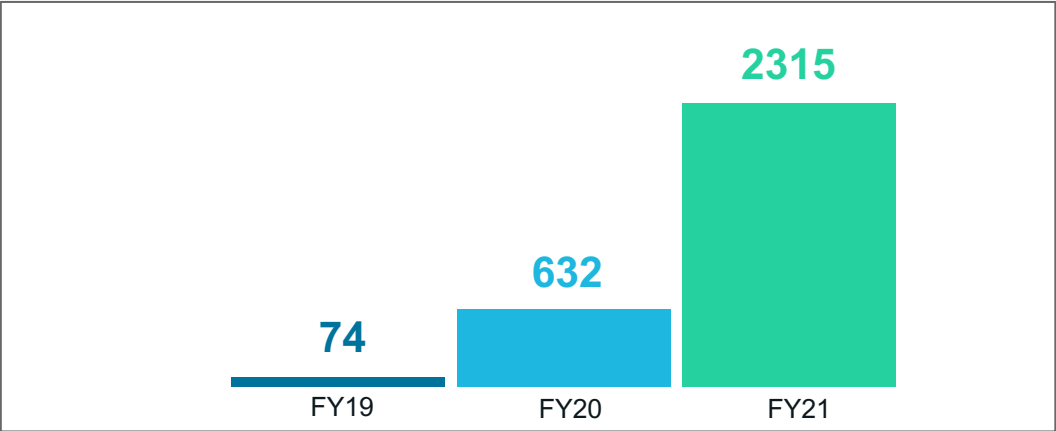
66 Consulting Partners and Business Associates



13,500+ Guidewire-trained SI consultants



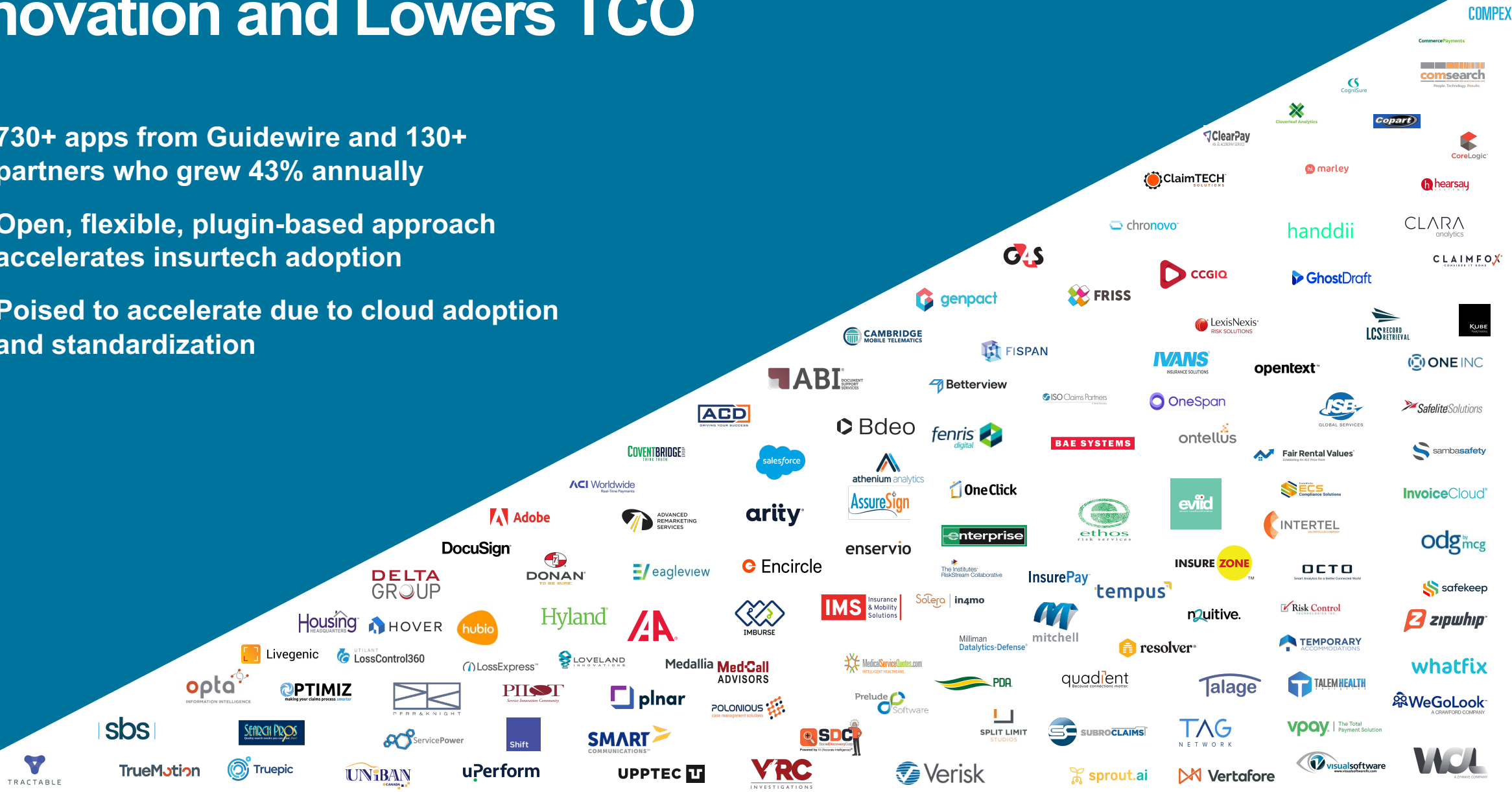
2,300+ Certified Cloud Consultants



Note: Guidewire analysis: tracks total number of consultants who have gone through Guidewire training, self-study, or partner trained programs

Guidewire Marketplace Accelerates Innovation and Lowers TCO

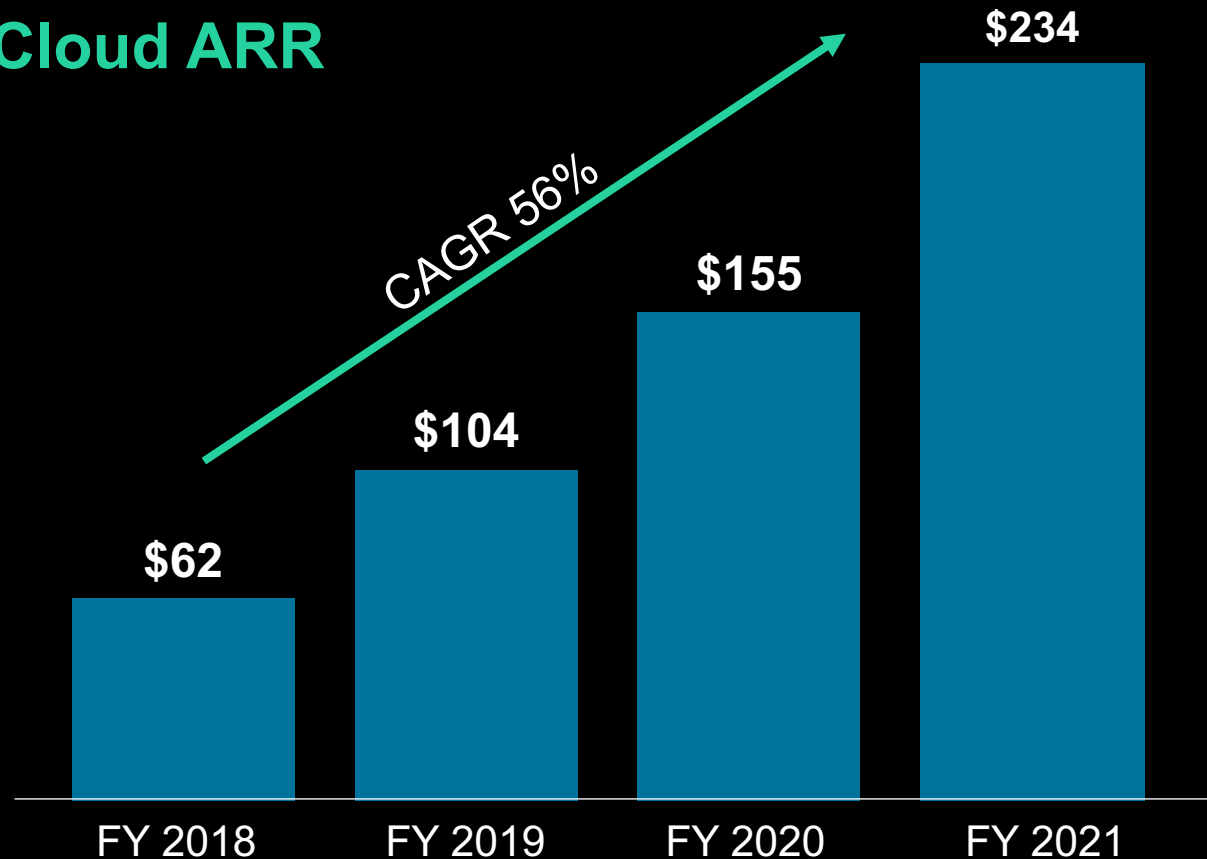
- 730+ apps from Guidewire and 130+ partners who grew 43% annually
- Open, flexible, plugin-based approach accelerates insurtech adoption
- Poised to accelerate due to cloud adoption and standardization



Cloud ARR Growth Is Best Measure of Our Success

\$ in millions

Cloud ARR



Note: Cloud ARR is defined as ARR from sale of Cloud products only. For self-managed customers upgrading to IS Cloud, the ARR of the migration contract is accounted for in its entirety in Cloud ARR upon start date of IS Cloud migration contract, with the previous self-managed ARR being reduced to zero.


































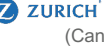











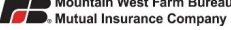





Driving Cloud Adoption

Priscilla Hung, President and Chief Operating Officer

Guidewire Cloud Platform

The Only Platform That Supports Insurers at All Tiers and in All Geographies

Tier 1	Tier 2	Tier 3	Tiers 4 and 5	Over \$2.5 Trillion in Global DWP
 A Farmers' Company    Aiol Nissay Dowa Insurance  	  Auto Home Life   Learning. Learning. Leading.  LaCapitale      CSAA Insurance Group  Auto Home Life       DIFFERENT WORKS 	    INSURANCE GROUP            Trust in Tomorrow.    	     Your Story is Ours to Protect 	<p>Guidewire's core touches 22% of global DWP</p> <p>Of the remaining 78% of global DWP not touched by Guidewire, ~50% is still using mainframe systems</p> <p>15% of InsuranceSuite installed base has adopted InsuranceSuite Cloud today</p> <p>The only cloud solution in the market to lead industry modernization for both existing and new customers worldwide</p>

Note: Chart includes examples of InsuranceSuite Cloud customers only

Guidewire Cloud Provides Significant Business and IT Value for Customers



Stability

Scale

Security



Business agility

Speed-to-market



Fast access to innovation

Lower cost of ownership

Guidewire Cloud Provides a Single Platform Supporting Greenfield *and* Large Book of Business

Greenfield

Test and learn

Net new LOB

Live on Guidewire Cloud
Platform as fast as 90 days

Existing Book of Business

Core system of record with
complex integrations

Deliberate approach

Industry's Largest Partner Ecosystem Facilitates Cloud Transformation Initiatives

Customers ask themselves

“How do we reduce project costs when over half is due to hundreds of complex integrations?”

Guidewire eases integrations with a wide marketplace of innovations pre-wired to IS Cloud

“How do we mobilize the talent necessary to ensure this transition is successful?”

Guidewire provides peace-of-mind through vast SI ecosystem of talent and expertise

“What is the best strategy for us?”

Guidewire leads integrated strategy with Customer Success Program

Each Cloud Proofpoint Accelerates Customer Adoption

Trailblazer



Successful Adoption



Market Confidence

Proof Points



Customer Success Is Paramount

Ensure that every single customer is successful in adopting Guidewire Cloud

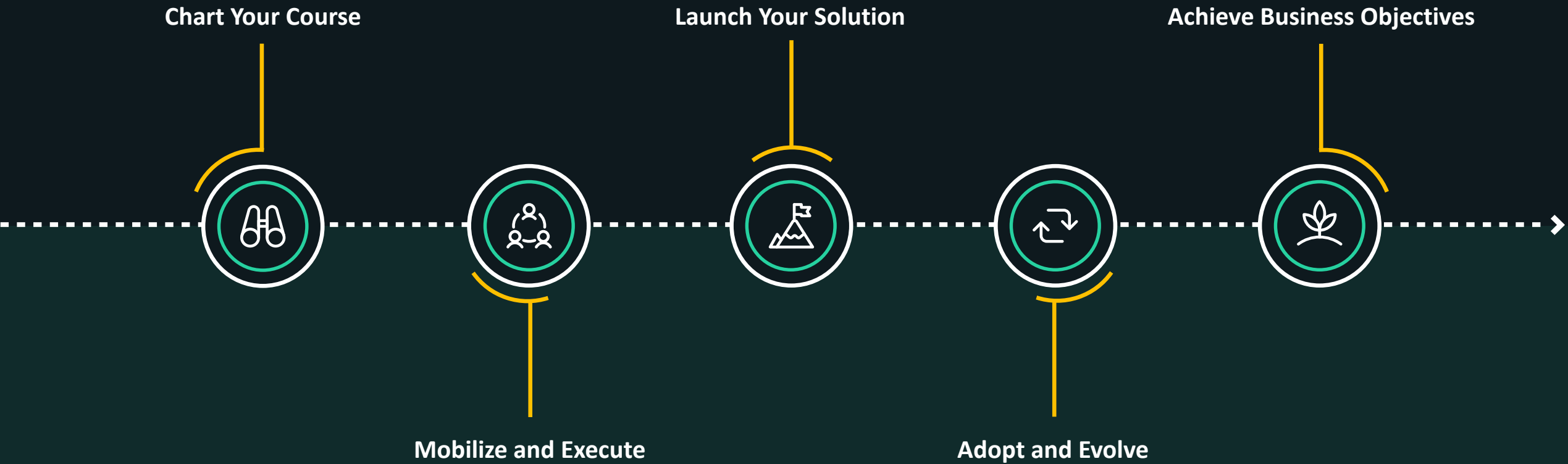
- Demonstrates our commitment to customers at every stage of their journey
- Focused on business outcomes, from adoption of Guidewire Cloud through full value realization
- Provides customers with both continuity and targeted support to take full advantage of the technology



Customer Success Program and Customer Q&A

Christina Colby, Chief Customer Officer

| Path to Success



We've Built a Cloud Service Operating Model to Maximize Our Customers' Success

Executive Sponsorship



Named relationships between customer and Guidewire executives

Direct influence and advocacy into Guidewire strategy

Customer Success Management



Multiyear success targets to business objectives

Joint planning for roadmap adoption

Technical Expertise and Support



Guided onboarding experience

Consistent engagement whether programs are led by Guidewire, partner, or customer

Comprehensive production support

Guidance and Adoption Support



Standards and guardrails that enable market differentiation in an efficient way

Boost programs to enhance capability adoption and usage

Customer Fireside Chat



Jas Dhindsa

Chief Technology and Data Officer,
Gore Mutual Insurance



Greg Pfluger

Chief Information Officer,
Personal Lines and Life,
American Family Insurance

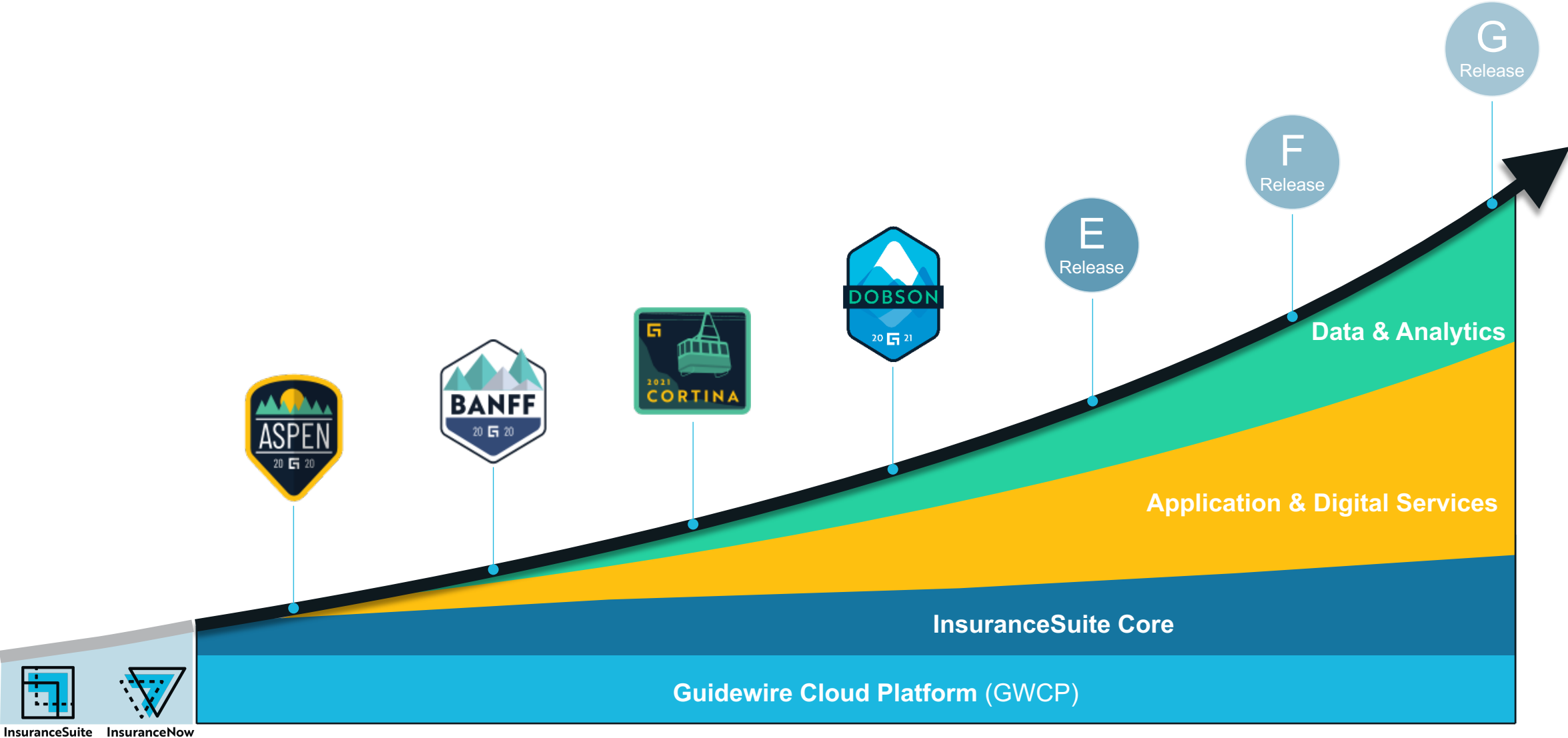




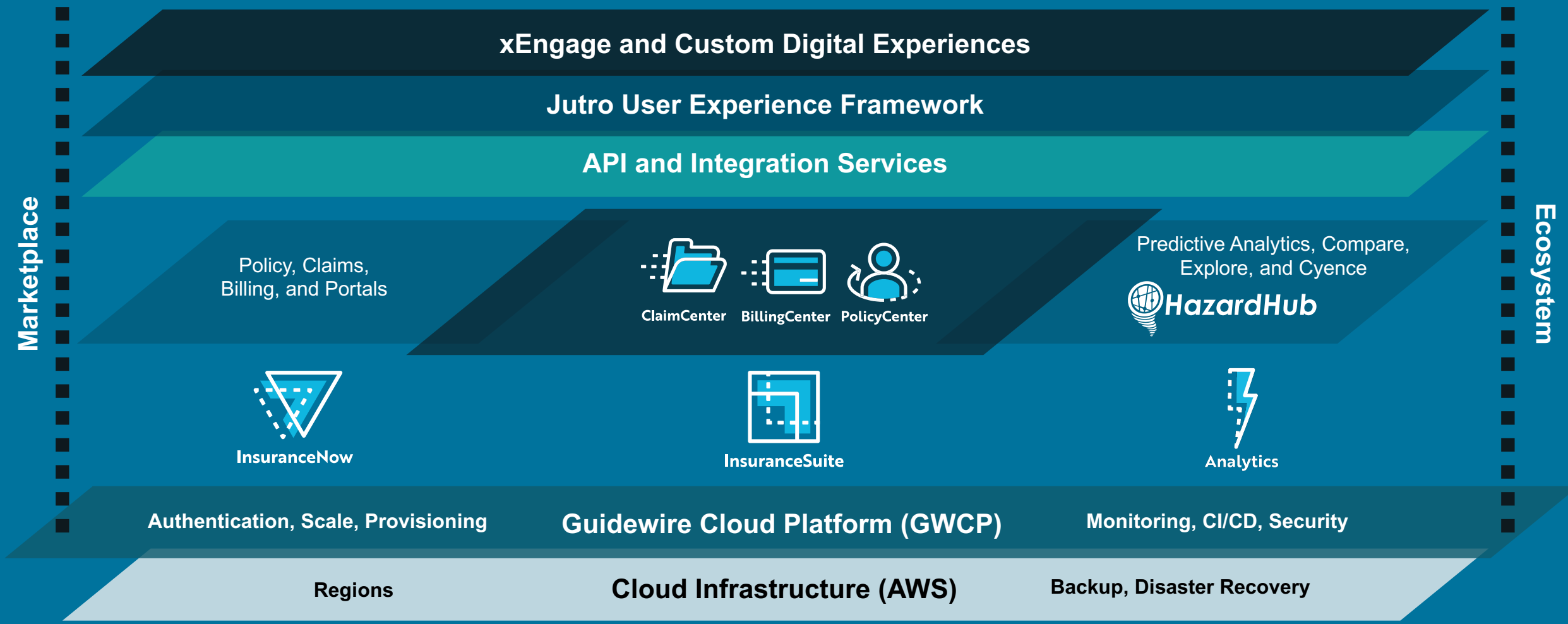
Executing on Cloud Innovation and Platform Roadmap

Diego Devalle, Chief Product Development Officer
Roger Arnemann, General Manager, Guidewire Analytics

Successfully Executing on Guidewire Cloud Platform



Guidewire Cloud Platform Services and Components



Guidewire Cloud Platform Now Available Worldwide



Rapidly Growing Scale and Maturity of GWCP

				
Regions	1	7	7	
Customers*	2	31	46**	
Environments	< 5	360+	570+	
Deployments	< 10	2,500+	4,100+	
Transactions	100/sec	1,000/sec	1,500/sec***	

*Customers on Guidewire Cloud Platform

**Excludes 6 cloud customers who have not yet moved to GWCP

***In validation as part of Dobson release criteria

GWCP Is Designed to Scale* to the Needs of Our Largest Customers

85M+

Transactions/Day



100M+

Policies in Force



15K+

Active Users



100+

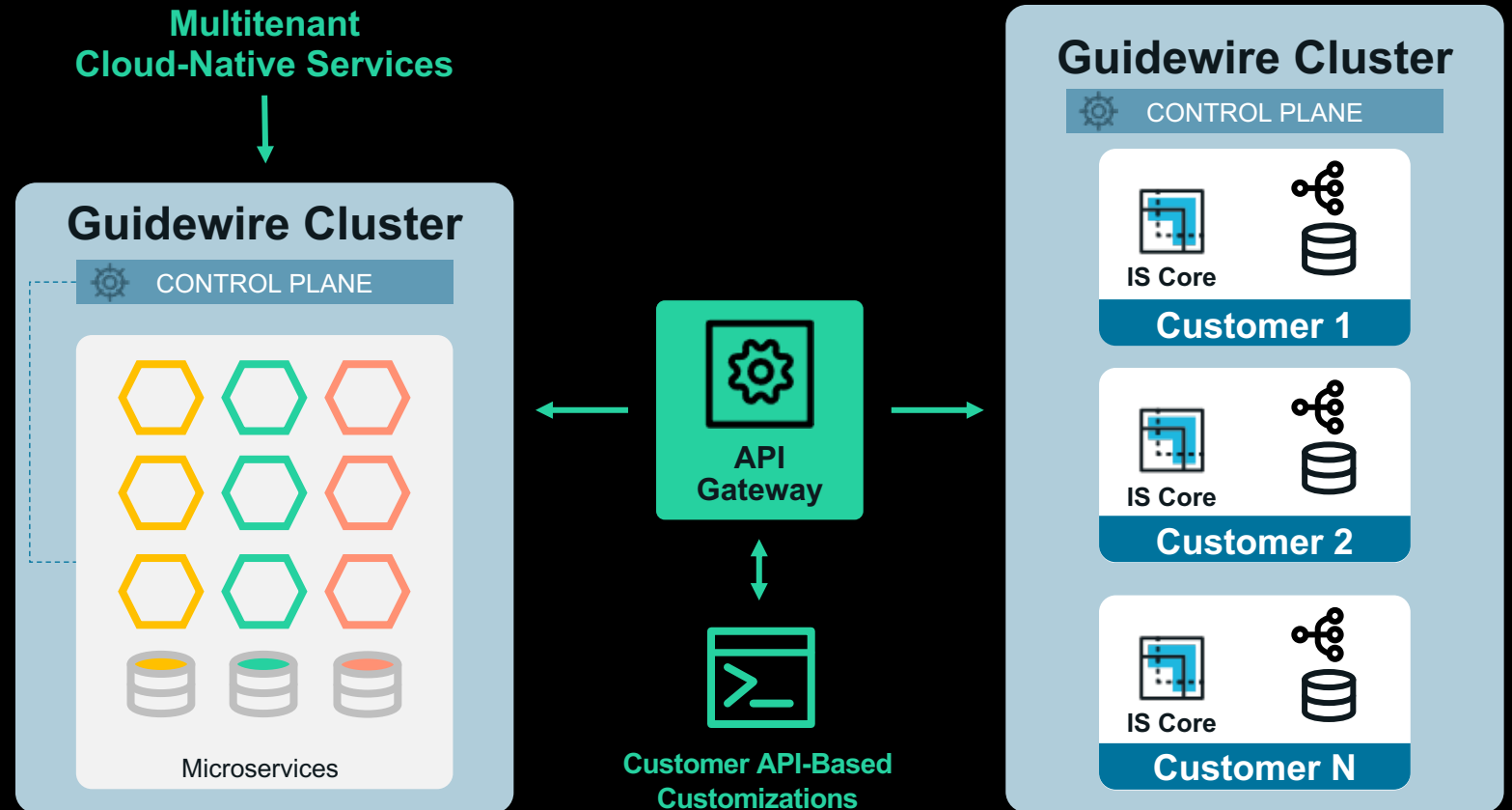
Total Integrations



**Note: Per Guidewire Cloud customer deployment*

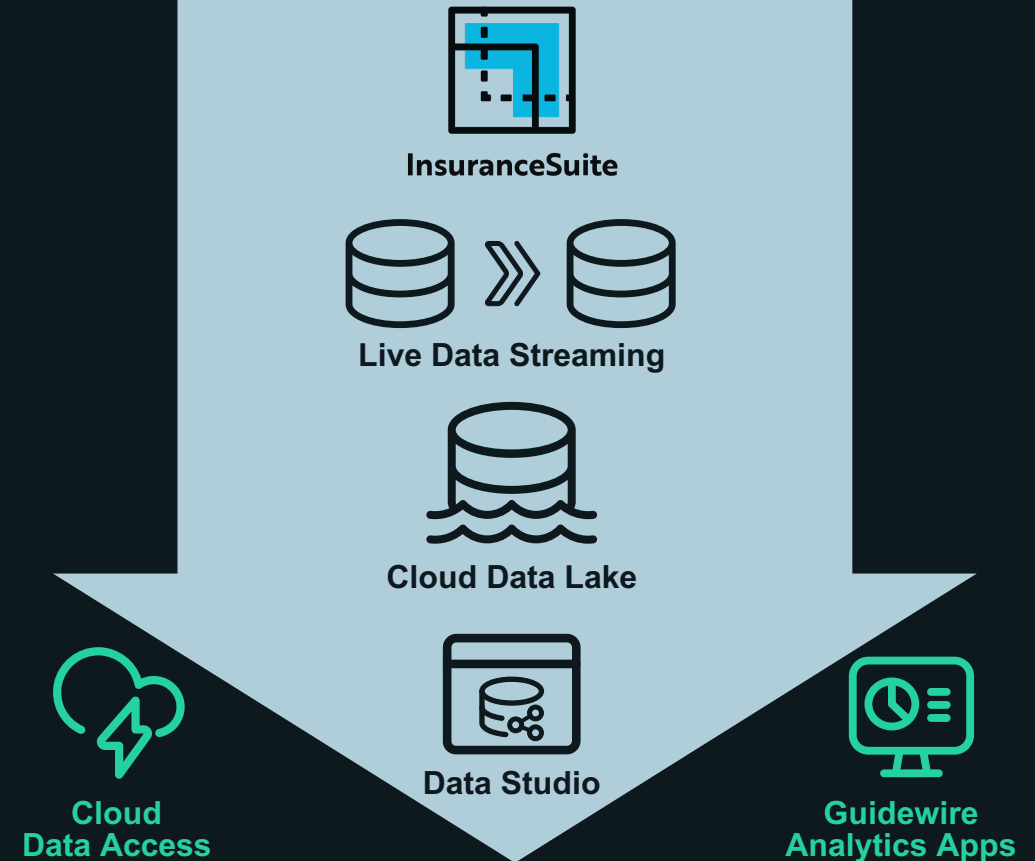
Hybrid Cloud Model Leverages, Protects, and Optimizes

- **Hybrid tenancy approach**
 - Single-tenant IS Core
 - Multitenant cloud services
- **Preserves investment in InsuranceSuite**
- **Optimizes cost efficiency**
 - Containerized workloads
 - Orchestrated by Kubernetes
- **Balances speed of adoption, performance, and cost**
- **Maximizes customer value**



A Cloud Platform That Unlocks Data in the Core

- **Cloud services for high-end analytics**
 - Dynamically scales to serve all key analytics needs
 - Customers don't need to build and maintain themselves
- **Access to core as well as third-party data**
- **Enables wide range of BI and predictive analytics apps**
- **Data Studio enables this faster than ever before**
 - Quick access to pre-curated data sets
 - Business and IT users can quickly create their own



Deliver Smart-Loop Analytics to P&C

Enabling live insights
to make people and
systems smarter



Analytics Solves P&C Insurance Business Problems

Leverage non-obvious, curated external data to better select and price risk



Inform investors of creditworthiness of businesses worldwide



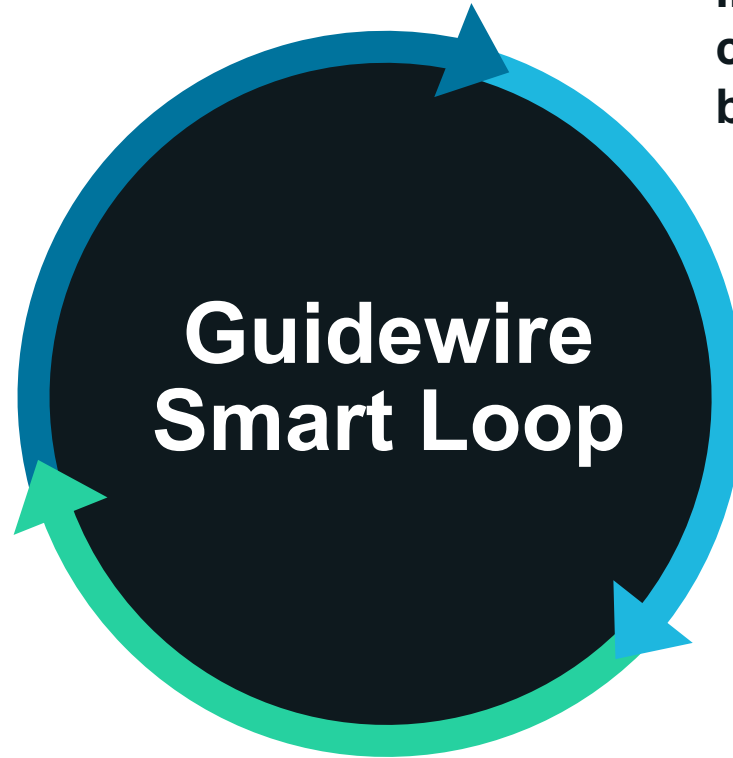
Quantify cyber-risk exposure to better manage capital and reinsurance



Automatically triage incoming submissions to focus on profitable business



Better segment customers and prospects for profitability



Leverage More Data to Drive Granular Risk Insights



Your Data

Get fast, easy access to your own data with **Guidewire Data Platform** and **Data Studio**



Curated External Data

Enrich your data with integrations to third-party data from relevant sources as well as behavioral casualty data captured in the **Cyence data listening engine**



Anonymized Peer Data

See how you are performing against your peers with anonymized peer data in **Guidewire Compare**

Make Better Decisions with HazardHub Property Data

Make informed individual decisions

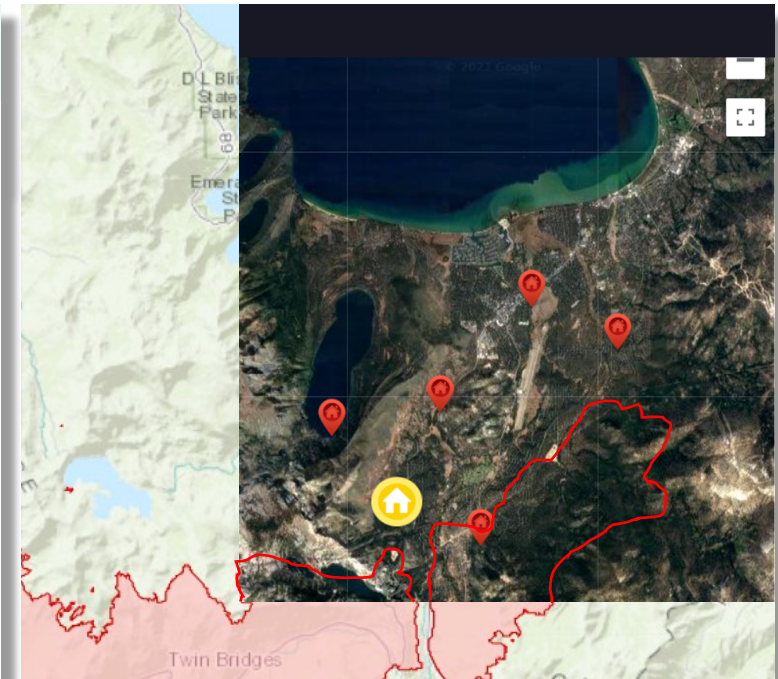
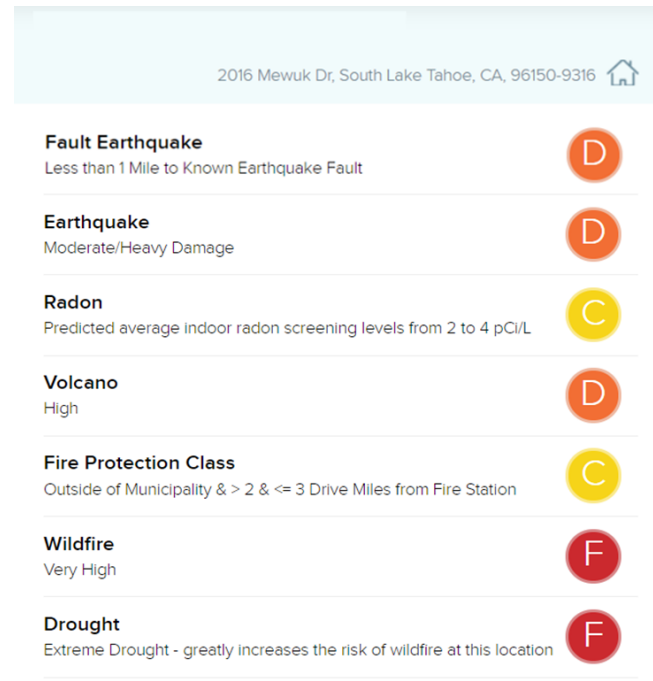
1,000+ geospatial risk variables, including perils from air, water, earth, and fire to micro-segment, prospect, write, and manage risks profitably

Assess portfolios

Portfolio view of personal and commercial U.S. property risk

Get valuable risk scores in seconds

HazardHub's API delivery for any U.S. address



Caldor Fire in South Lake Tahoe, CA
Started 08/14/21
220K acres burned & 75% contained @ 09/23/21

Embed Intelligence to Sharpen Decisions at the Edge

Apply powerful predictive models

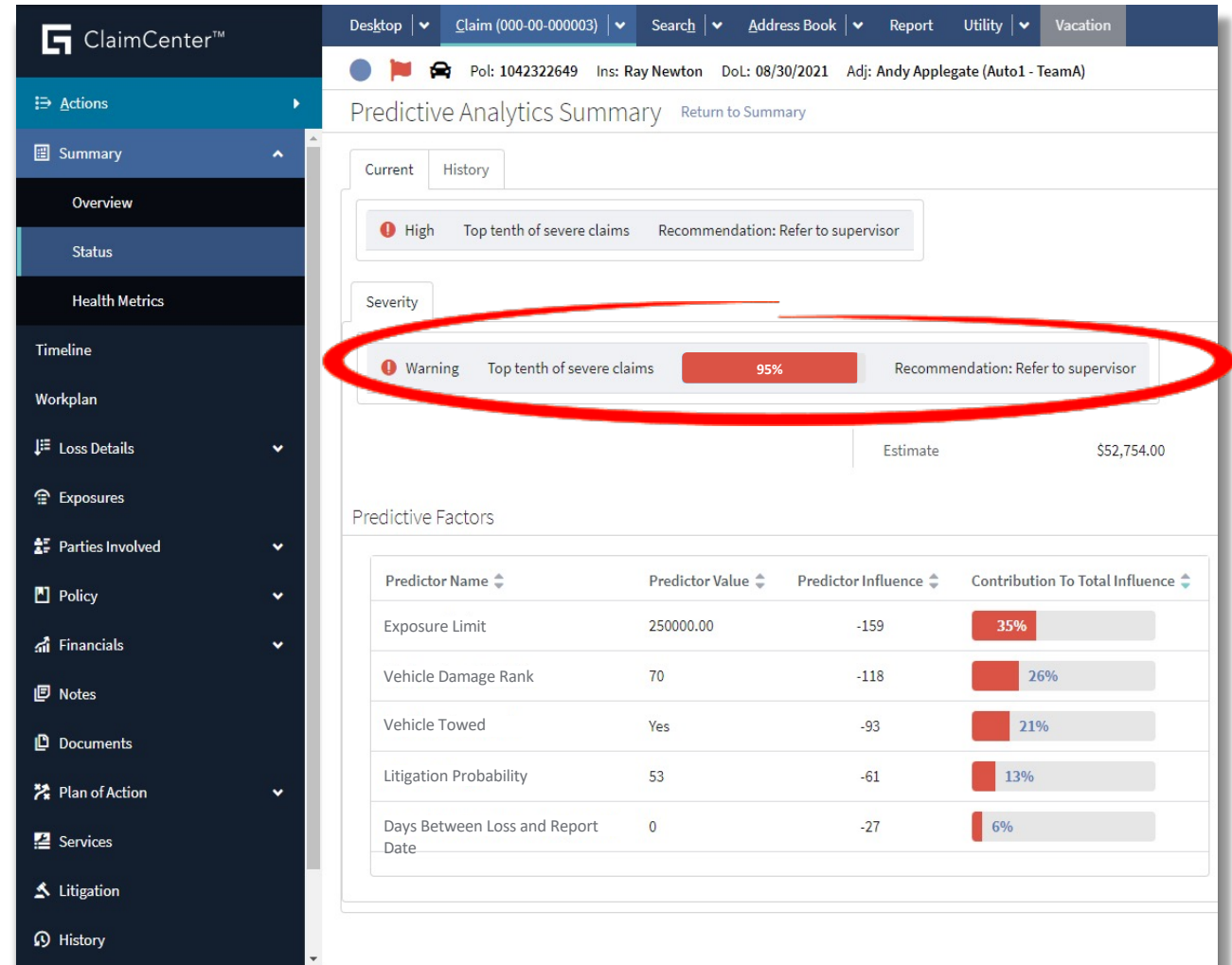
Prebuilt **Guidewire Predictive Analytics** models to deliver analytics projects faster, or your own models through open-source integration

Embed insights in workflows

Predictions in underwriting and claims workflows

Deploy quickly

Models deployed in days instead of months



Learn Continuously to Improve Outcomes

Measure your performance

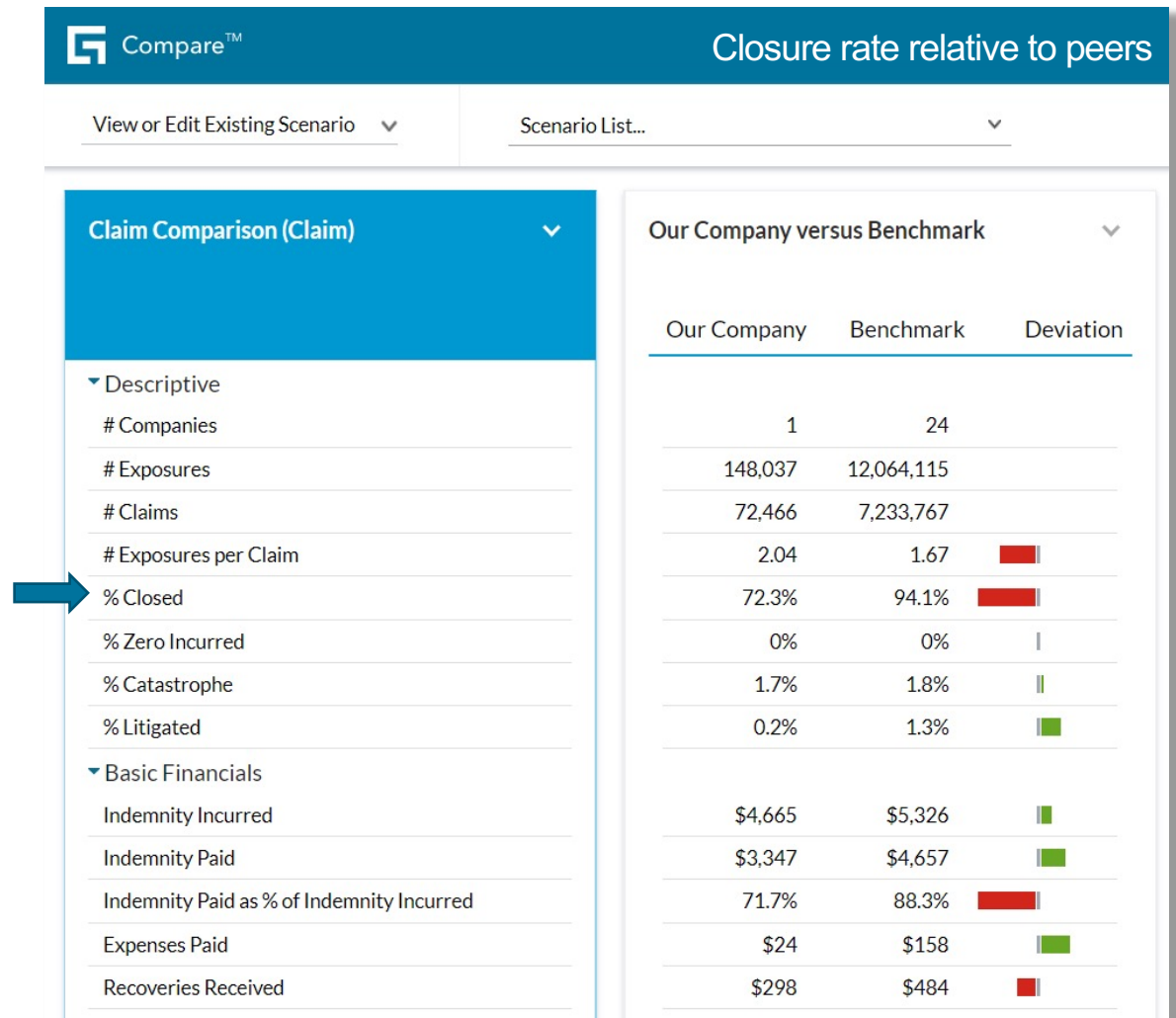
Claims and underwriting performance tracking in **Explore** and comparison to your peers in **Compare**

Conduct A/B testing

Champion | challenger approach to raise the bar

Monitor predictive models

Early detection of drift and opportunity for variable selection and micro-segmentation



Respond to Increasing Cyberattacks

\$20B

Estimated global cost from ransomware in 2020¹

600%

Increase in cybercrime since Covid-19 lockdowns began¹

66%

Of SMBs surveyed have had a cyberattack in 2019²

\$178K

Average payout by U.S. businesses for ransomware attacks³

\$1M+

Average payout by U.S. large enterprises for ransomware attacks³

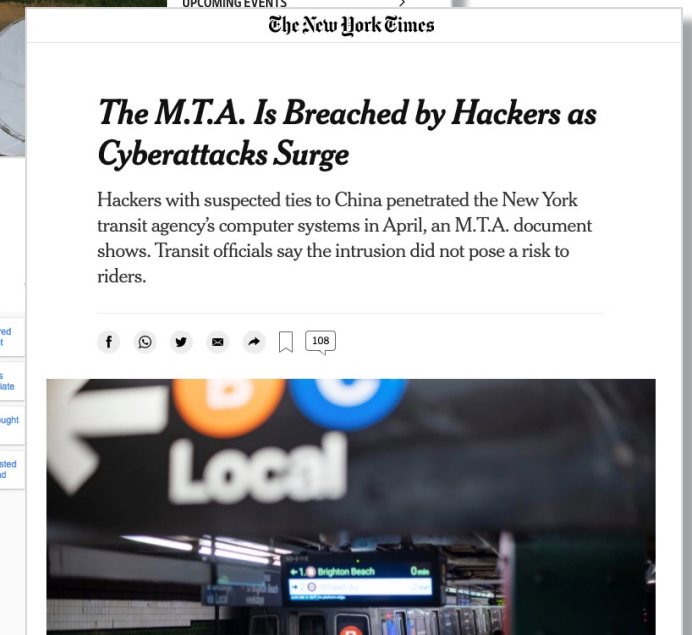


One-fifth of U.S. beef capacity wiped out by cyberattack on JBS

June 1, 2021 at 12:20 pm | Updated June 1, 2021 at 9:24 pm



The JBS meatpacking facility in Greeley, Colo., is pictured in May 2020. JBS closed beef processing facilities in Utah, Texas, Wisconsin and... (Chet Strange / For The Washington Post) More



1. [Purplesec, Cyber Security Trends in 2021](#)
2. [Ponemon Institute, 2019 State of Cybersecurity in Global Small and Medium Size Businesses](#)
3. [Coveware, Ransomware Attacks Fracture Between Enterprise and Ransomware-as-a-Service in Q2 as Demand Increase](#)

Deliver Fast, Accurate Cyber Insights with Cyence

Capture Broad Data

Cyence collects and curates cyber-risk data at scale and quickly returns information about a company

Acme Corp



Industry: Retail trade

Annual revenue: \$20M–\$50M

Employee count: 501–1000

Location: Greensboro, NC, USA

Risky software and applications

Shared hosting

Technology exposure

Website performance

Model Individual Risks

Cyence's expert data science team creates models to give you insights into target companies



Get Portfolio Insights

Cyence compares how companies interact with each other in a portfolio or industry



Cyber Portfolio

Average annual loss: \$2.7M

Ground up loss: \$369M

A Strong Roadmap Ahead



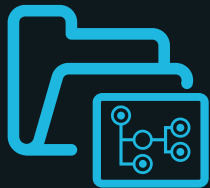
**Continue Scaling
GWCP**



**Observability
Dashboards**



**Jutro
Web Application Platform**



**“Guidewire GO”
Product Lines**

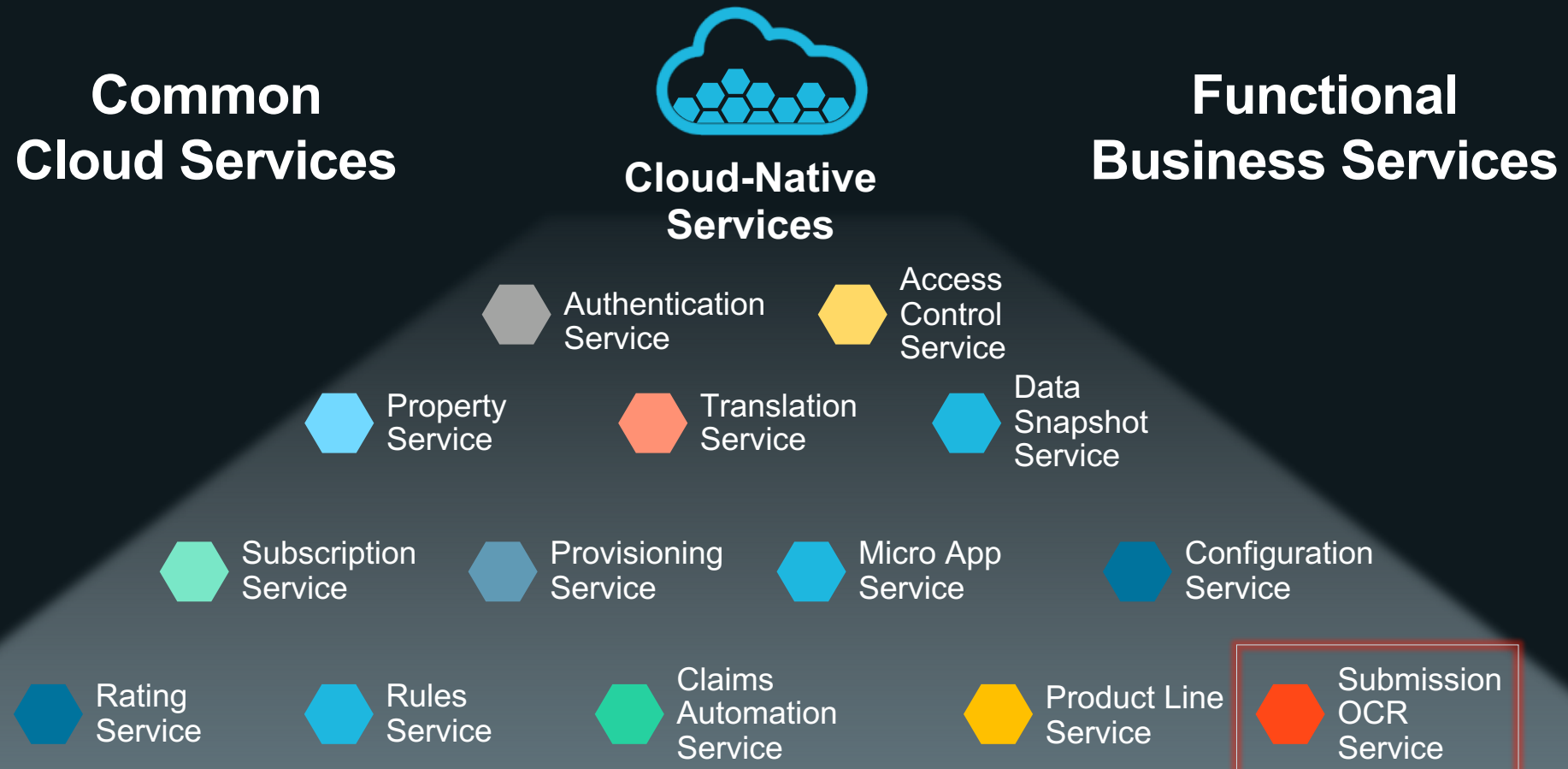


**Packaged
Solutions**



**Cloud-Native
Services**

Extending InsuranceSuite with Cloud-Native Services



Submission OCR Service Extension of InsuranceSuite

PolicyCenter™

Actions

Summary

My Activities

My Submissions

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ACORD Document Review

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Agency Name

Armstrong and Company

ACORD 130 (201705)

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ACORD WORKERS COMPENSATION APPLICATION

DATE: 03/29/2021

AGENCY NAME AND ADDRESS: Armstrong and Company, License #0056589, P O Box 3947, Fresno, CA 93850

CONTACT: Sharon Jones, (559) 222-7722, sjones@papermat.com

PRODUCER NAME: Sharon Jones, (559) 222-7722, sjones@papermat.com

AGENCY CUSTOMER ID: 00000000

WORKERS COMPENSATION APPLICATION

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AGENCY CUSTOMER ID: 00000000

STATUS OF SUBMISSION

BILLING / AUDIT INFORMATION

LOCATIONS

POLICY INFORMATION

CONTACT INFORMATION

INDIVIDUALS INCLUDED / EXCLUDED

ACORD 130 (201705)

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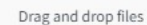
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Status	Account Number	Account Name	Organization	Producer Code	Product	Last Updated By	Last Updated On
No rows found							

Guidewire Cloud Accelerates Customer Efficiency

**Scale and capacity
on-demand**

**Continuous process
optimization**

**Lower workload
processing costs**

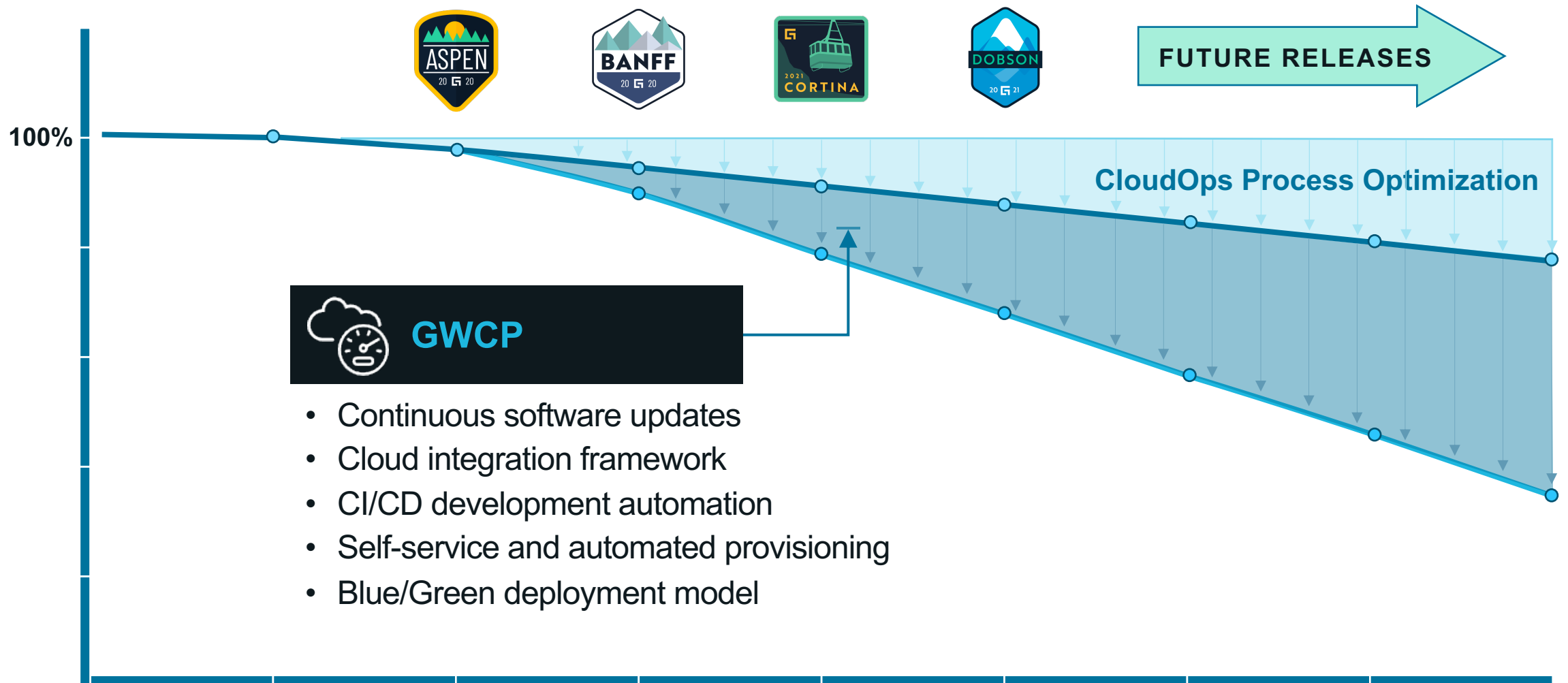


**Faster solution
deployments**

**Optimize IT
infrastructure spend**

**Worker cost reduction
through automation**

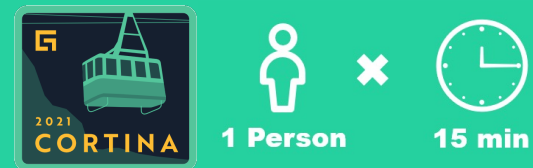
... and We're on Track in Driving Our Efficiency




Note: Illustrative, not drawn to scale.

GWCP Releases Focus on Efficiency

- ✓ Gather Provisioning Requirements
- ✓ Build CI/CD Pipelines
- ✓ Provision Tenant Environments
- ✓ Define Tenant AD Groups
- ✓ Set Up Tenant Identity Provider
- ✓ Load InsuranceSuite Code
- ✓ Define SDLC Permissions and Branches
- ✓ Register Tenant with GCC
- ✓ Set Up Tenant Logging
- ✓ Configure Tenant Environments
- ✓ Verify Tenant Onboarding
- ✓ Create Project Environment
- ✓ Deploy InsuranceSuite Code
- ✓ Register with Microservices
- ✓ Register with CDA



GWCP Efficiency by the Numbers*

	GWCP Cloud Customers	GWCP Total Environments
FY20	10	100
FY21	46**	226

*Based on fiscal year ending July 31st

**Excludes 6 cloud customers who have not yet moved to GWCP



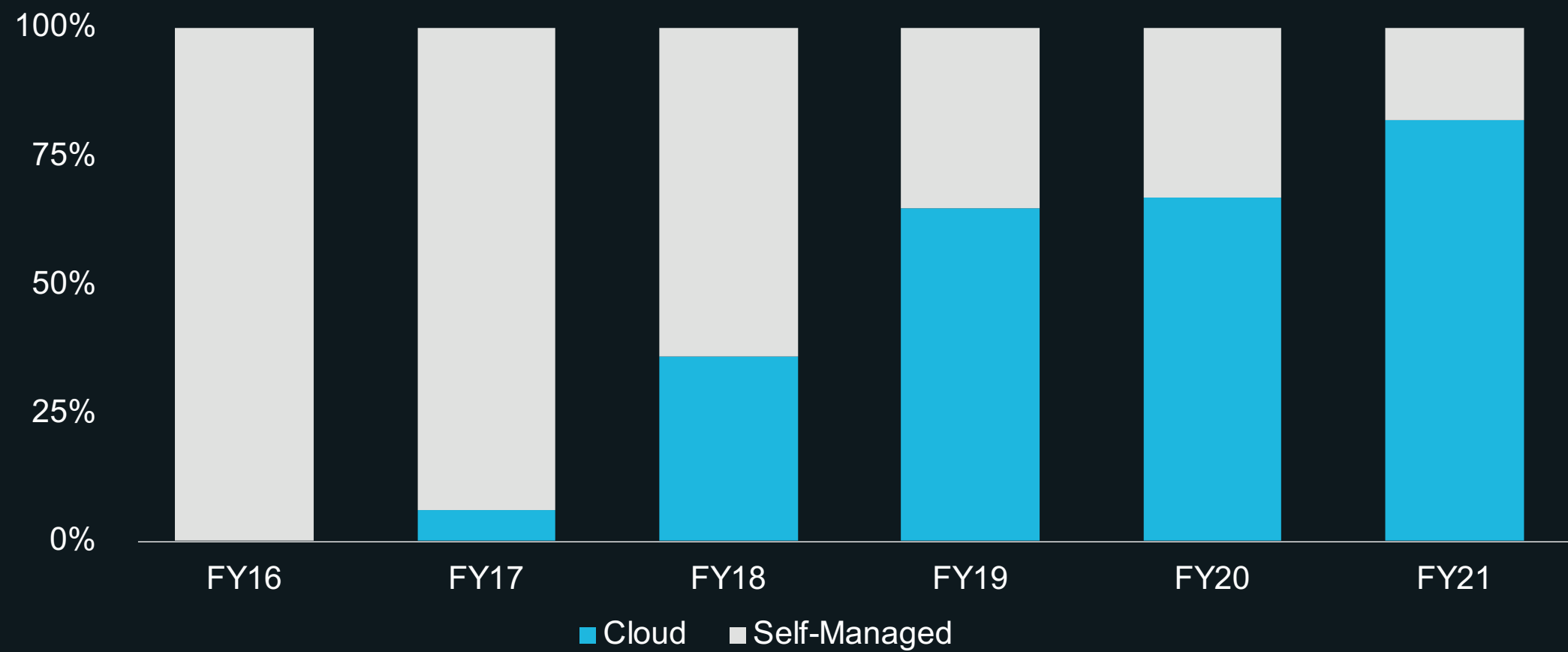
Executing on Our Cloud Model

Jeff Cooper, Chief Financial Officer



Over 80% of New Sales from Cloud in FY21

Cloud New Sales Compared with Total New Sales



Note: New Sales is defined as incremental Average Contract Value from sales activity in the period.

Benefits of Cloud Model

Cloud enables
Guidewire to best
service the P&C
insurance industry

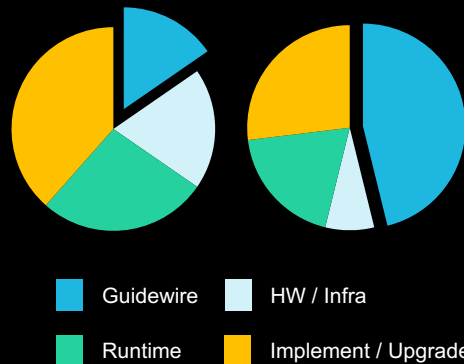
TAM Expansion

Guidewire Role Expansion

Spend on Core System

On-Prem

Cloud



Customer LTV

Recurring Revenue

Sticky Core Systems of
Record

Long Customer
Relationships

Scale Matters More

Choosing the Right
Partner Is Consequential

Market Share Key to
Building Industry Platform

Analytics and Ecosystem
Opportunity

Note: Spend on Core System is illustrative and not drawn to scale.

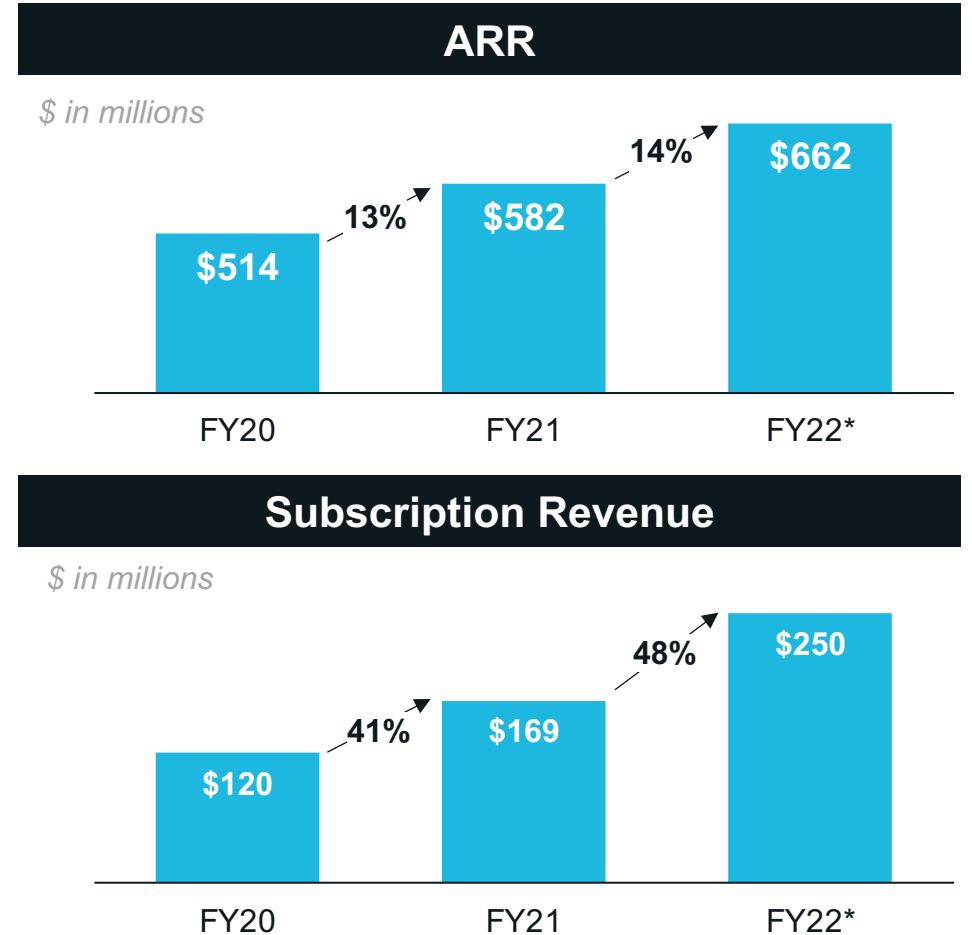
Model Gaining Momentum

ARR Growth Accelerating

Cloud Driving Subscription Revenue Inflection

Subscription Margins Starting to Show Leverage

Increased Confidence in Target Model



* FY22 numbers are per the mid-point of the outlook provided on our Q4 earnings call dated September 2, 2021.

ARR Normalizes for Divergent Revenue Patterns

- **Subscription and Support Revenue**

- **Ratable revenue recognition** over the duration of the committed term
- Cloud software usually provisioned in 30–60 days after deal execution

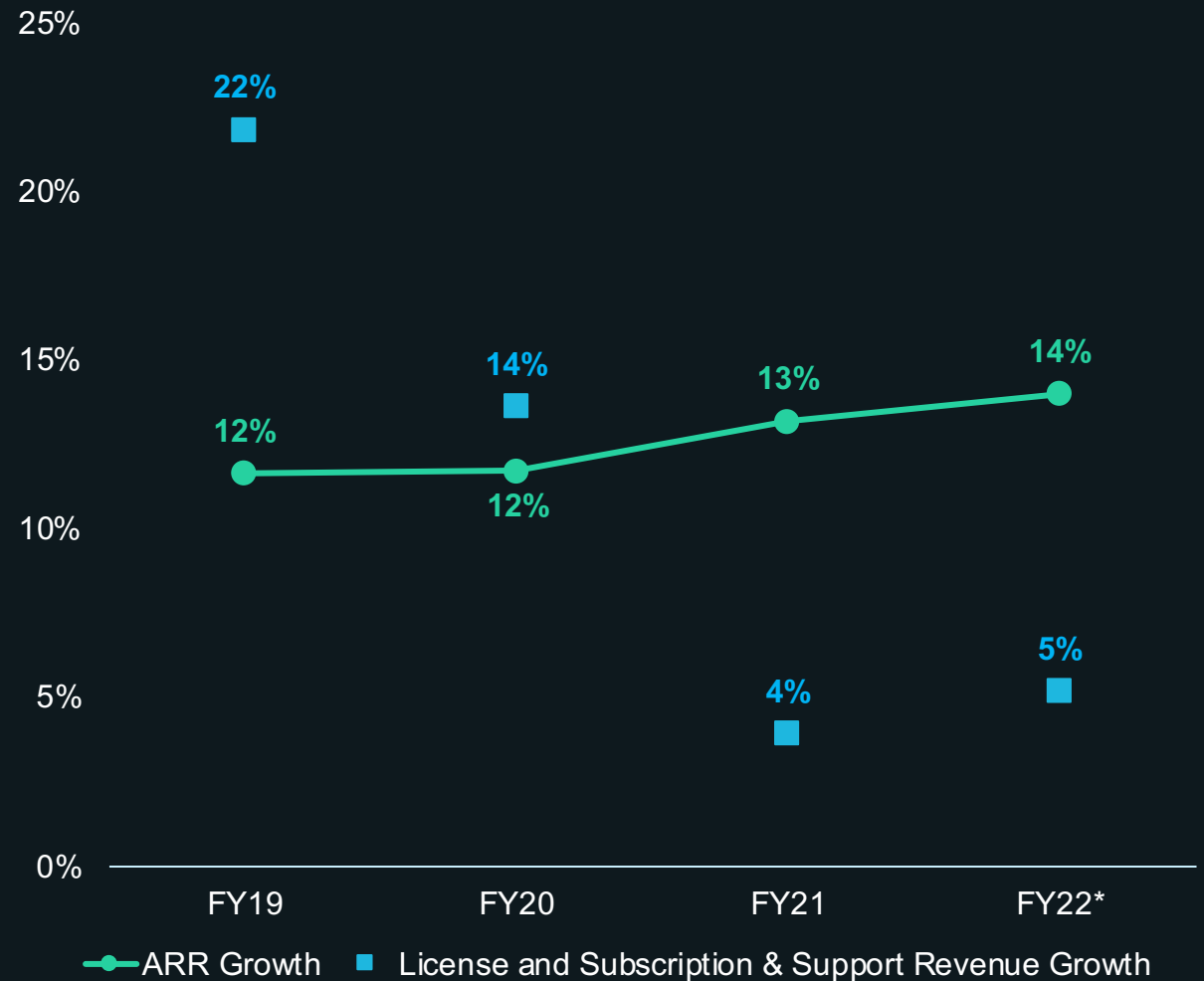
- **License Revenue**

- **Upfront revenue recognition** over the duration of the committed term
- Standard duration is 2-year initial terms followed by annual renewals

- **ARR**

- **Annualized recurring value** for all term licenses, subscription agreements, maintenance and hosting contracts
- Excludes perpetual licenses and professional services
 - In some arrangements, a portion of recurring contract value is allocated to services revenue for revenue recognition purposes, but not for ARR
- Aligns to annual invoicing amounts in ramped agreements

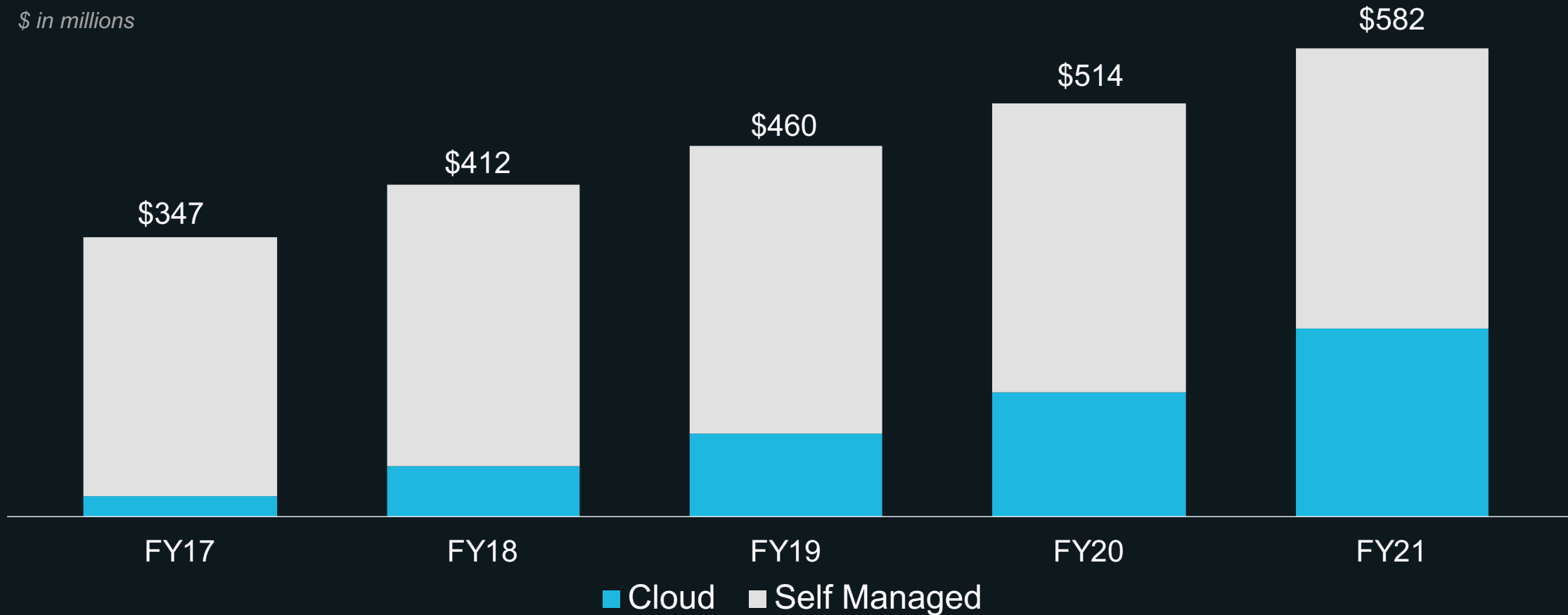
Topline Software Growth Rates



* FY22 numbers are per the mid-point of the outlook provided on our Q4 earnings call dated September 2, 2021.

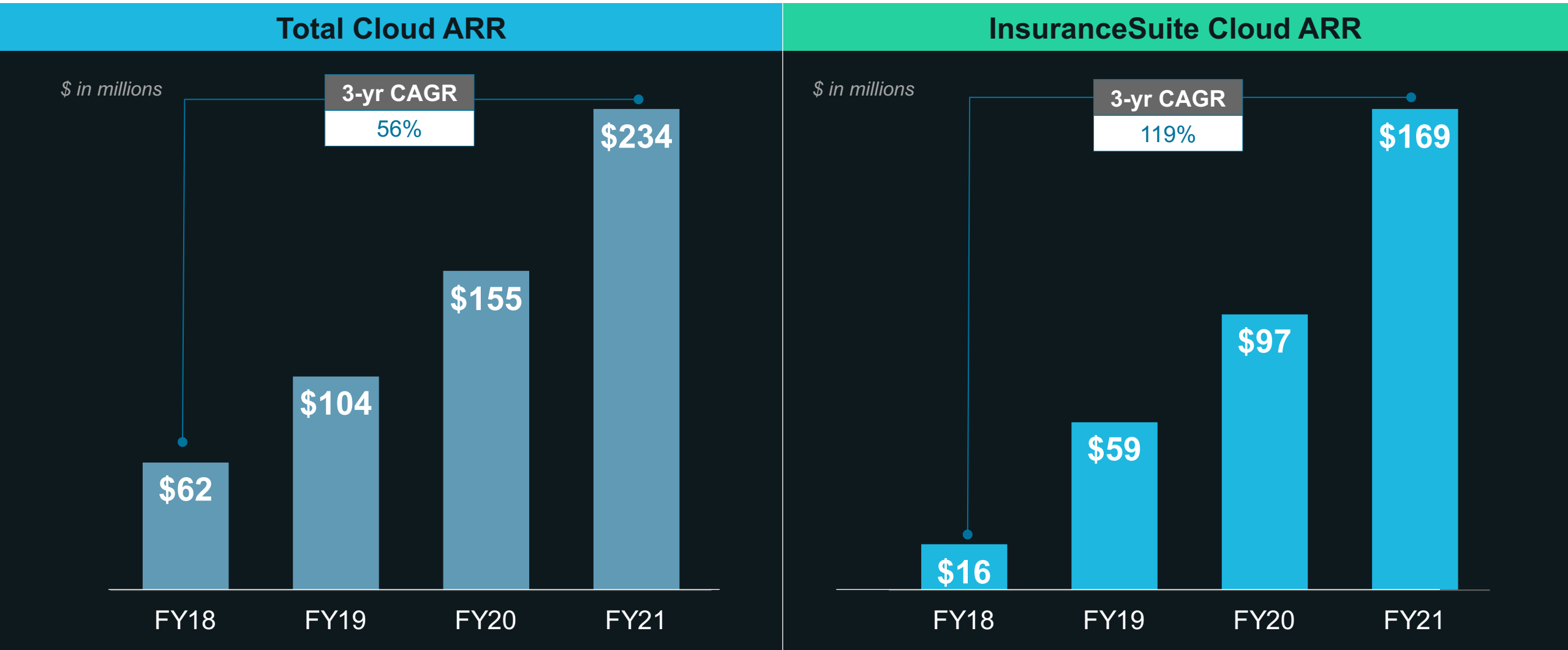
Long-Term, Durable ARR Growth Driven by Cloud

\$ in millions



Note: ARR results are as of the FX rate at end of the respective fiscal year.

Cloud Driven by InsuranceSuite Cloud Momentum

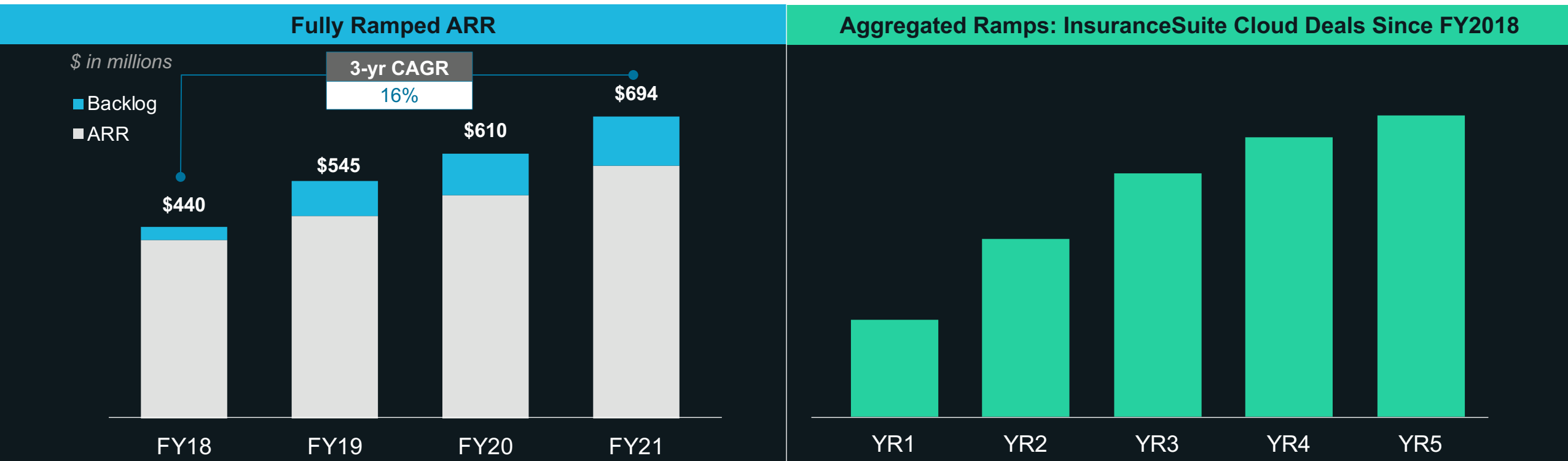


Note: Cloud ARR is defined as ARR from sale of Cloud products only. ARR for InsuranceSuite Cloud (IS Cloud) is defined as ARR from IS Cloud deals only. For self-managed customers upgrading to IS Cloud, the ARR of the migration contract is accounted for in its entirety in Cloud ARR upon start date of IS Cloud migration contract, with the previous self-managed ARR being reduced to zero.

Ramped Contracts Provide Tailwind to ARR

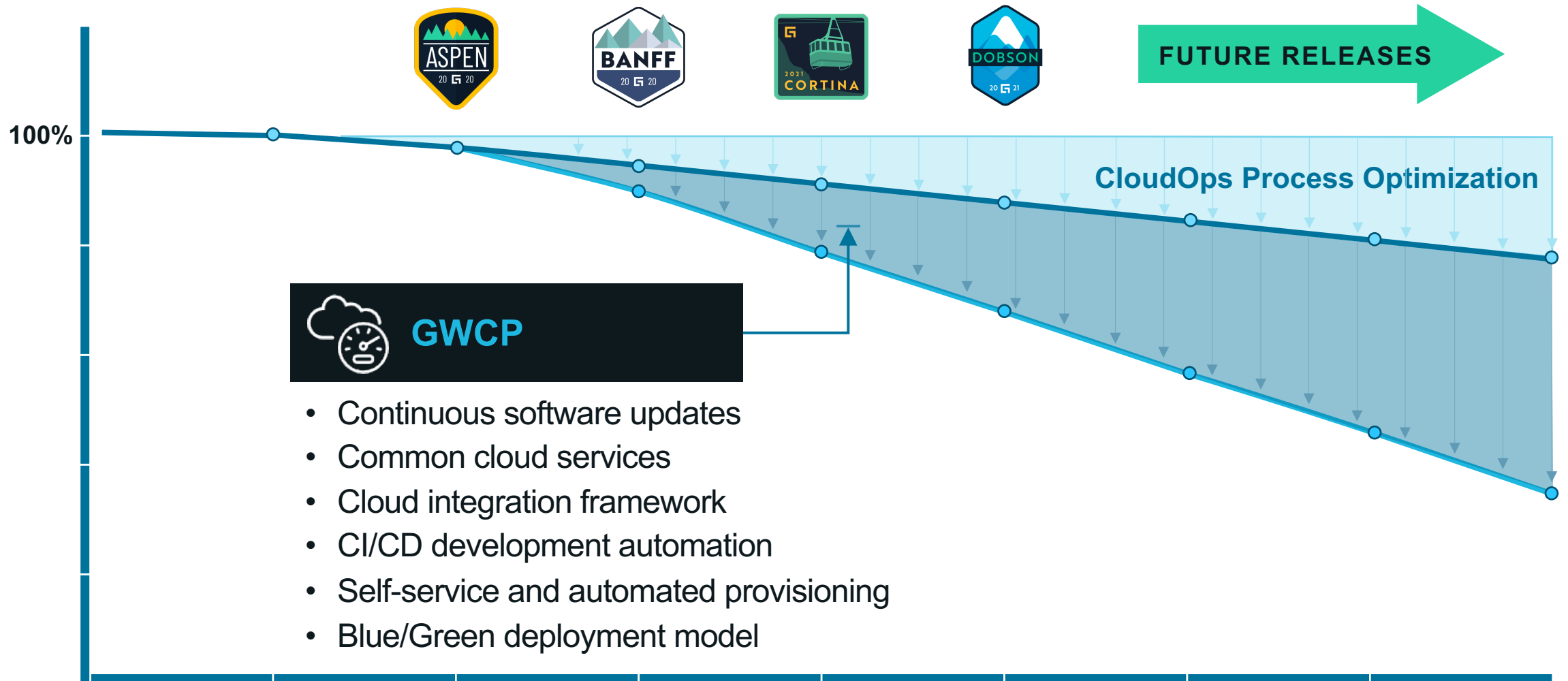
Fully ramped ARR defined as:

- Annualized value of recurring revenue at year five for ramped contracts
- Ramped pricing agreed to with customers and based off pricing schedule outlined in contract
- Pricing schedule may extend beyond the committed contract period
- Pricing schedule is time-based and not milestone-based



Note: Aggregated Ramps shows the incremental ARR from InsuranceSuite Cloud deals signed in FY2018, FY2019, FY2020 and FY2021 and aggregated into a single cohort. This analysis only includes incremental ARR as a result of the InsuranceSuite Cloud deals and excludes any existing ARR that the customers had prior to signing the Cloud deals.

Product Investments Driving Our Cloud Efficiency



Note: Illustrative, not drawn to scale.

Increased Confidence in Target Model

Cloud Transition
Phases

Early

Mid

Late

FY21A

FY22

Midpoint Outlook

FY25

ARR	\$582M	\$662M
Cloud ARR %	40%	48-53%
Total Revenue	\$743M	\$785M

Subscription and Support Gross Margin	43%	~45%
Total Gross Margin	56%	51%
Operating Margin	4%	(4%)
Operating Cash Flow Margin	15%	4%

Over \$1B

75%+

\$1.2B

\$1.5B

~95%

\$1.7B

65-67%

59-61%

14-16%

17-19%

73-75%

66-68%

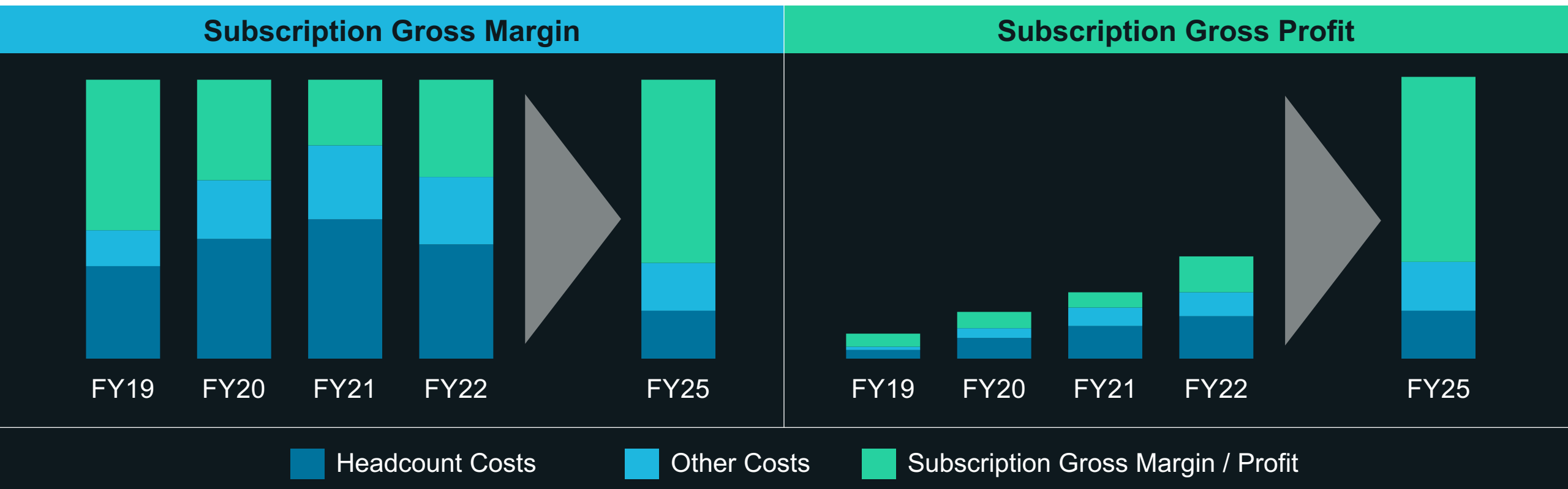
26-29%

29-32%

Note: FY22 midpoint of the outlook is from the outlook provided on our earnings call on September 2nd, 2021. Margin numbers are non-GAAP. For actuals, please see appendix for a reconciliation of GAAP to non-GAAP numbers. Operating Cash Flow Margin assumes company is not a cash taxpayer.

Growth and Efficiency Will Drive Subscription Gross Margin

- FY21 is expected to be the trough for Subscription Margin
- Margin expansion is driven by durable subscription revenue growth
- Improving cost and operating efficiencies is expected to drive margin expansion on headcount costs

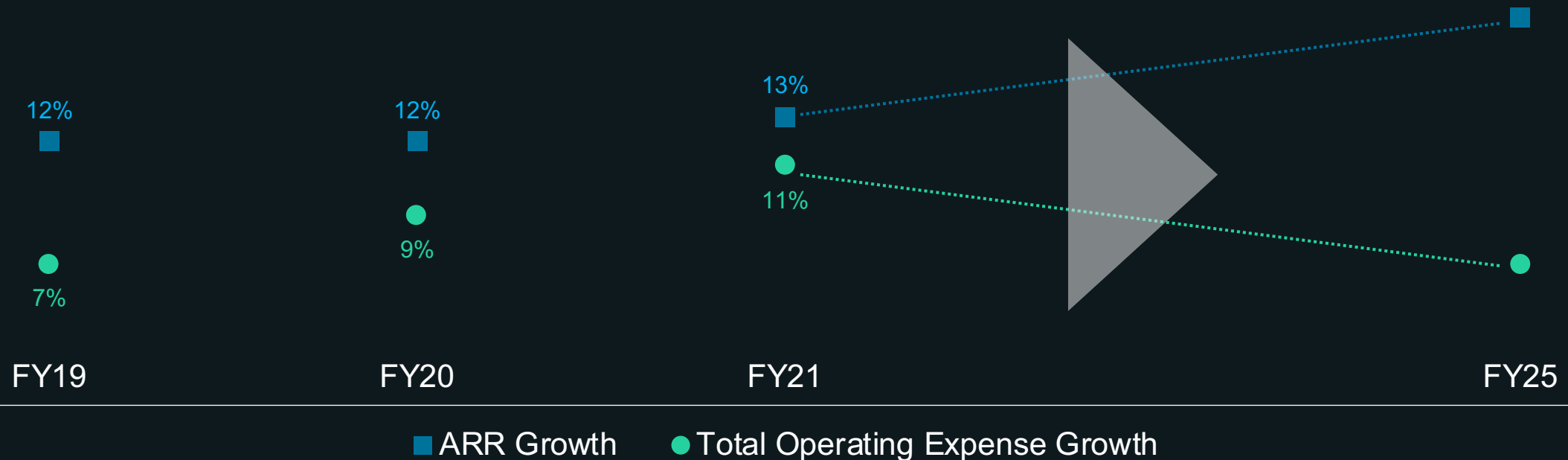


Note: Non-GAAP subscription margins; illustrative and not drawn to scale. HC Subscription Cost of Revenue includes Compensation, Benefits, Employee Welfare, Travel, Facilities, Contractors, Allocations and Intercompany adjustments. Other Subscription CoR includes Marketing, Software fees and AWS, and other costs not associated with headcount.

Investing for Profitable Growth

- Continue to invest to capitalize on huge market opportunity
- Expect to grow operating expenses at lower rates than ARR
- Expense comparisons to GAAP revenue growth are impacted by varying revenue patterns
- Investments to balance topline growth with margin expansion

Growing ARR Faster Than Operating Expenses



Note: Illustrative and not drawn to scale. Non-GAAP Total Operating Expense growth.

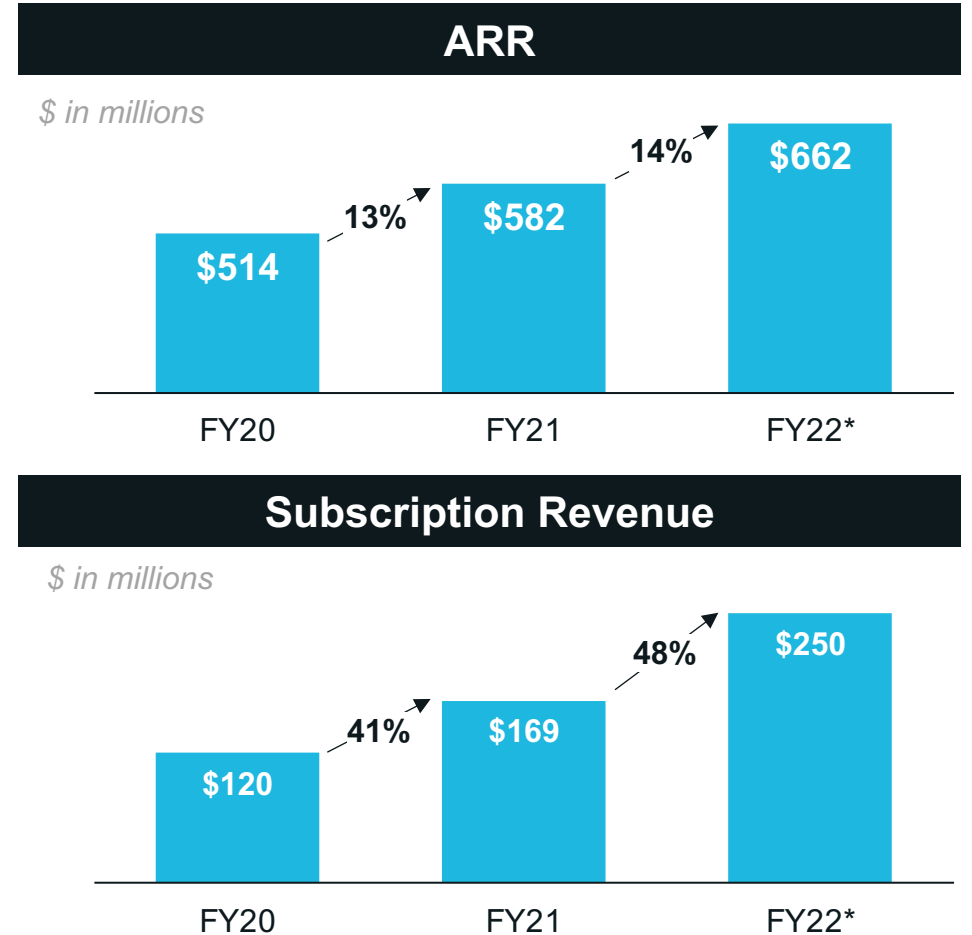
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Q&A



Navigate what's next.

Reconciliation of Non-GAAP Subscription & Support Gross Margin

	2019	2020	2021	2022 (E)
GAAP Subscription & Support Gross Margin	51%	42%	35%	39% - 41%
Non-GAAP adjustments:				
Total stock-based compensation	3%	4%	4%	3%
Amortization of intangible assets	12%	9%	5%	2%
COVID-19 Canada Emergency Wage Subsidy	-%	-%	-1%	-%
Non-GAAP Subscription & Support Gross Margin	66%	55%	43%	44% - 46%

Reconciliation of Non-GAAP Gross & Operating Margin

As % of Revenue	GAAP	Stock-based Compensation	Amortization of Intangible Assets	COVID-19 Canada Emergency Wage Subsidy	Non-GAAP
2021					
Gross Margin	50%	5%	2%	-1%	56%
Operating Margin	(14)%	16%	3%	-1%	4%
2022 (E)					
Gross Margin	46%	4%	1%	-%	51%
Operating Margin*	(21)%	16%	1%	-%	(4)%

*Excludes the impact of the acquisition holdback impacting R&D expense, which will be reflected upon completion of purchase accounting.