

GUIDEWIRE
CONNECTIONS

FY24 Analyst Day

November 13th, 2023



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 regarding our sales activity, operational scale, financial targets (including, without limitation, ARR and Fully Ramped ARR), gross and operating margins, operational efficiency, and our associated product leadership, 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 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; seasonal and other variations related to our customer agreements and related revenue recognition may cause significant fluctuations in our results of operations, ARR, 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 and security; the timing, success, and number of professional services engagements and the billing rates and utilization of our professional services employees and contractors; recent global events (including, without limitation, global pandemics, the ongoing wars between Israel-Hamas and Russia-Ukraine, escalating tensions in the South China Sea, inflation higher than we have seen in decades, bank failures and associated financial instability and crises, and supply chain issues) and their impact on our employees and our business and the businesses of our customers, system integrator (“SI”) partners, and vendors; data security breaches of our cloud-based services or products or unauthorized access to our customers’ data, particularly in connection with our transition to a hybrid in-person and remote workforce; our competitive environment and changes thereto; issues in the development and use of artificial intelligence combined with an uncertain regulatory environment; 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; the impact of new regulations and laws (including, without limitation, security, privacy, artificial intelligence and tax regulations and laws, and accounting standards); assertions by third parties that we violate their intellectual property rights; 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. Guidewire 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.



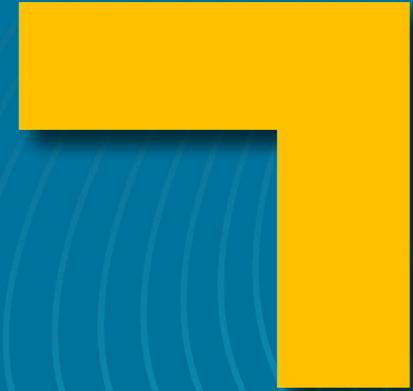
Agenda

Time	Topic	Speaker
4:30 pm	Introduction	Alex Hughes
4:35 pm	Powering P&C and Long-term Growth	Mike Rosenbaum
	Executing on a Large Market Opportunity	John Mullen
	Q&A	
5:20 pm	Delivering Innovation and Scale	Diego Devalle
	Driving Customer Success	Christina Colby
	Q&A	
6:00 pm	Growing into our Target Model	Jeff Cooper
	Q&A	
6:45 pm	45 minute Cocktail Reception	



Powering P&C Insurance Agility

Mike Rosenbaum, Chief Executive Officer



Our Mission

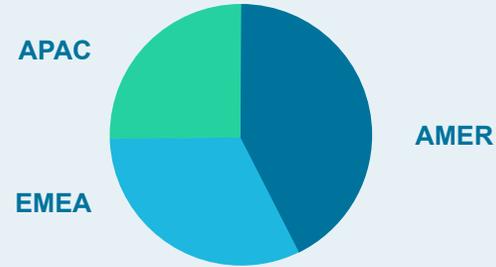
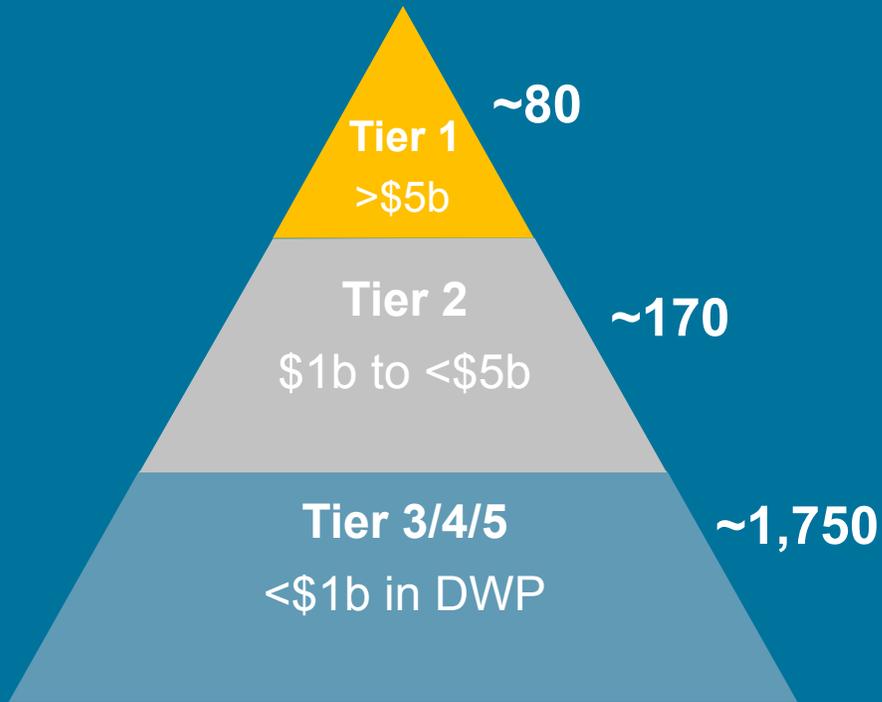
To power insurance agility with
the platform P&C insurers trust to
engage, innovate, and grow efficiently

Moderator: Miyul
Speakers: Christi
Amy Mollin, Vice

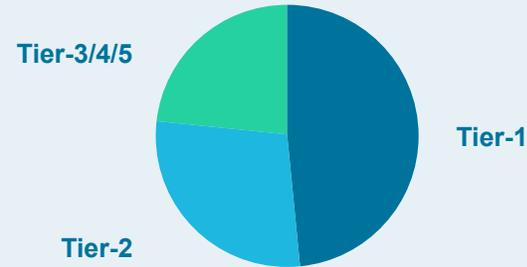


Understanding Guidewire requires an understanding of P&C insurance

~2,000 insurers



Global industry w/ DWP across AMER / EMEA / APAC



DWP concentrated w/ largest insurers

\$2.7t DWP



P&C insurance is critical to our economy and society

\$2.7t of annual Direct Written Premium impacts all aspects of our economy and society

~51% DWP PERSONAL LINES



Automotive



Residential



Travel



Earthquake



Pet



Watercraft



Mortgage



Recreational
Vehicle



Personal Injury

~49% DWP COMMERCIAL LINES



Property



Workers' Comp



Ocean Marine



Environmental



General Liability



Professional
Liability



Machinery



Farm



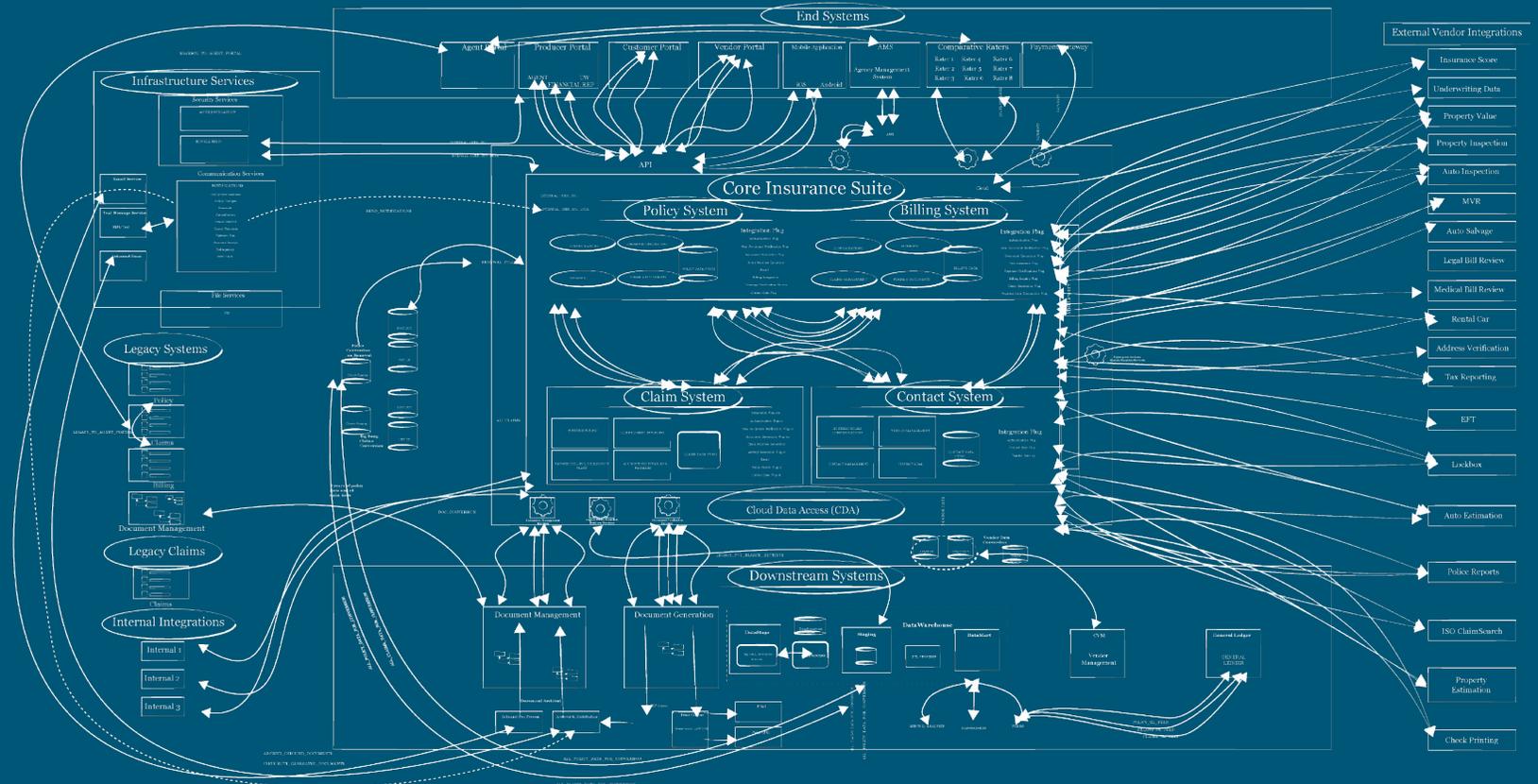
Fleet

Technical operations of a modern insurance company are highly complex

Highly integrated systems designed to manage regulatory and financial complexity at scale

Not suited to support agility required to adapt to changes in market conditions, risk, and consumer expectations

Typical landscape of systems, integrations, and data flows at P&C insurer



Insurers face a technology trade-off between reliability and flexibility

Core system should be

Reliable

Secure

Scalable

Efficient



Innovative

Flexible

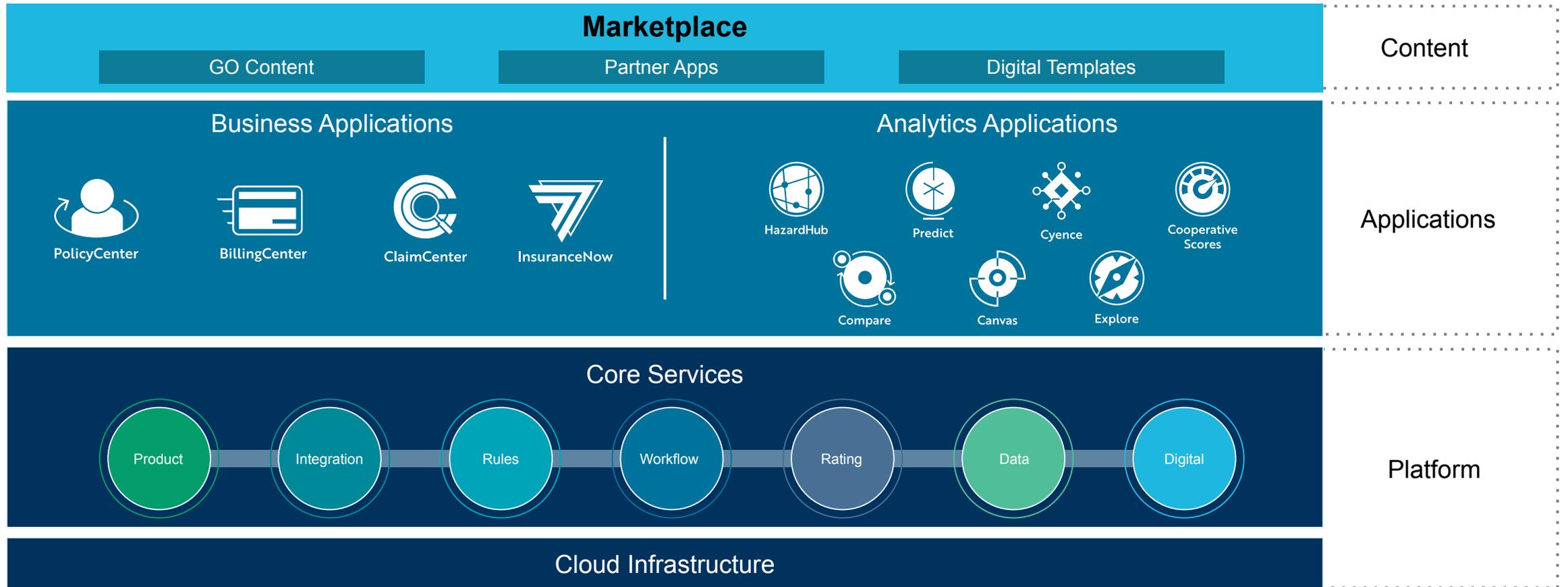
Fast

Extensible



Guidewire solves this dilemma

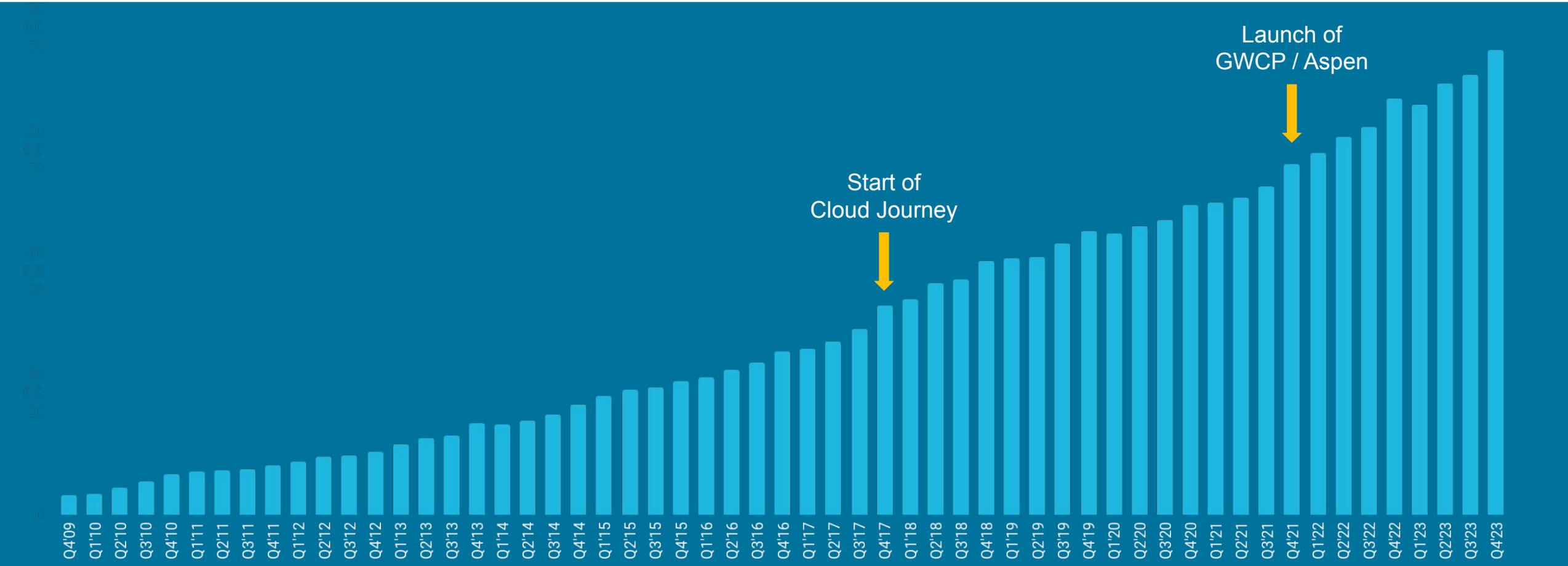
Scalable, reliable, secure, agile cloud based platform which evolves 3x per year



Only Guidewire provides a unified platform supporting a complete insurance lifecycle



Consistent strategic focus has produced nearly two decades of reliable growth

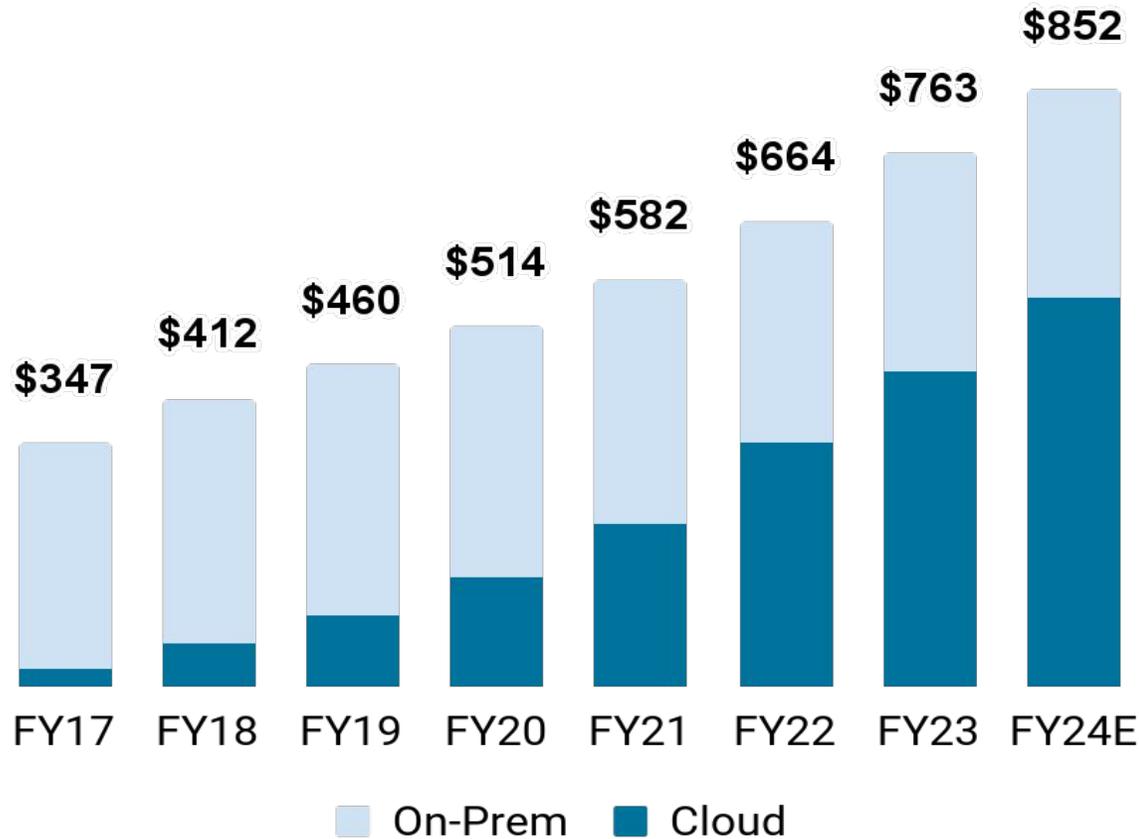


Note: Rolling Four Quarter Recurring Revenue used as a comparable metric for ARR through Q3'17. Quarterly ARR results are as of the FX rate at the end of each previous fiscal year.

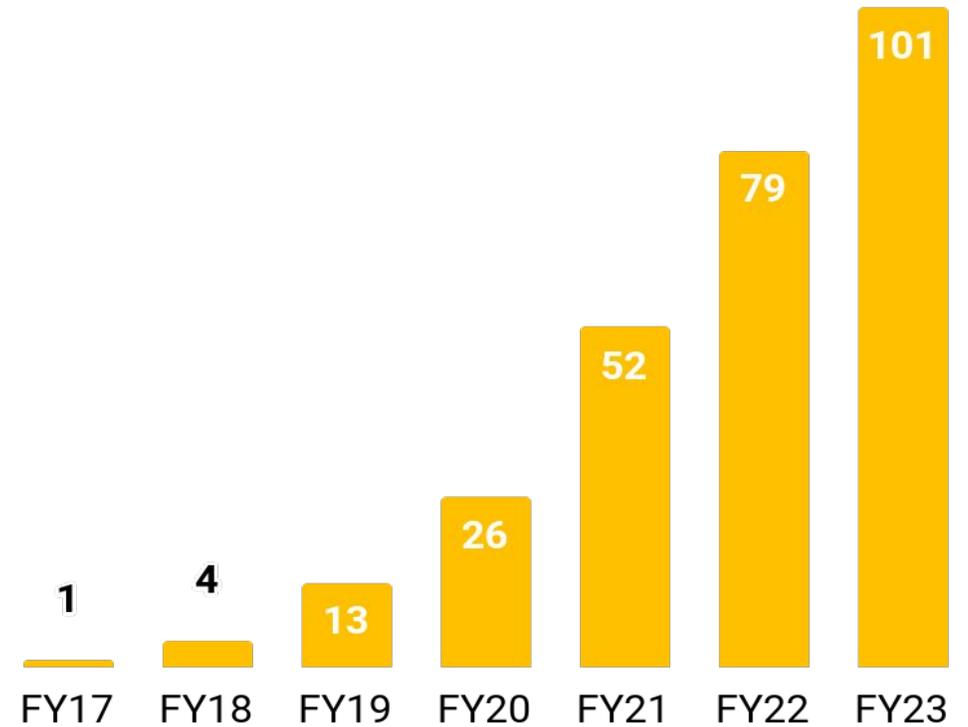


Four year transformation from on-prem leader to cloud leader creates potential for two more decades of continued success

ARR



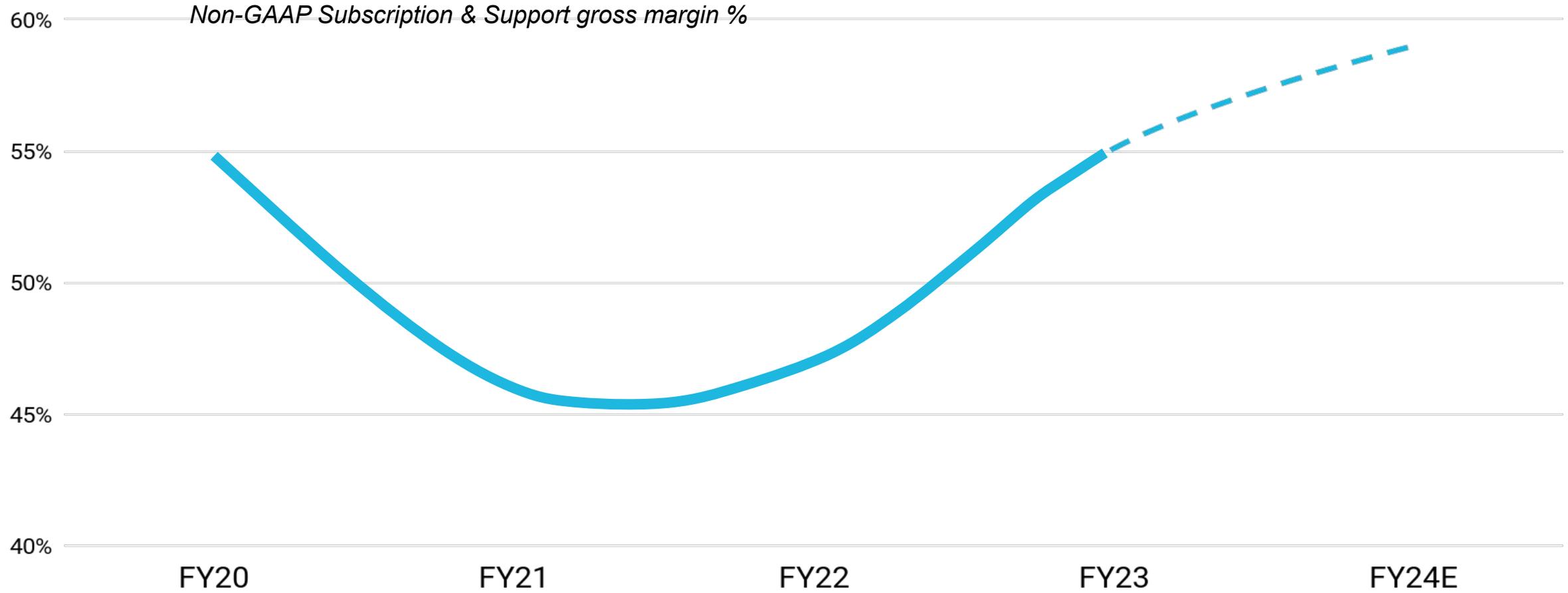
InsuranceSuite Cloud Customers



Note: ARR results are as of the FX rate at the end of each respective fiscal year. FY24E is the midpoint of the outlook provided on the previous earnings call.



This strategic pivot required significant investment but is now beginning to pay off



Source: Guidewire Analysis. FY21 - FY24E presented using new allocations methodology implemented in FY22. FY20 presented using previous allocations methodology. FY24E is the midpoint of the outlook provided on the previous earnings call.

We are seeing strong momentum across our ecosystem

540+

Insurers

40

Countries

23,000+

SI Consultants

~\$600b

Direct Written
Premium

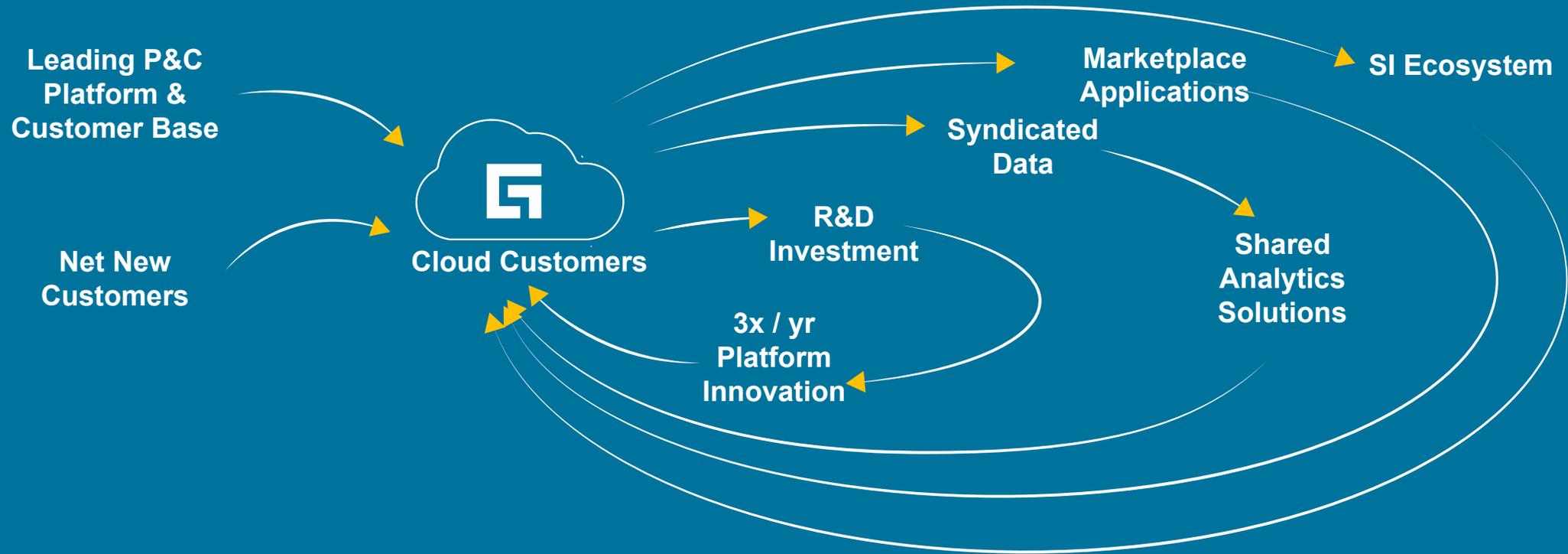
190+

Solution partners



Note: Guidewire DWP based on DWP under license for at least one Guidewire core application as of the end of FY23. Guidewire DWP under license was approximately \$600 billion as of 7/31/23.

Cloud adoption drives a powerful ecosystem flywheel



Execution priorities will yield durable profitable growth

Core Platform and Applications

Continued category leadership and innovation

Profitability

Drive efficient scale and profitability with growth

Ecosystem

Further expand application Marketplace and implementation ecosystem

Add-on Products

Develop and grow analytics, data and core adjacent insurance products

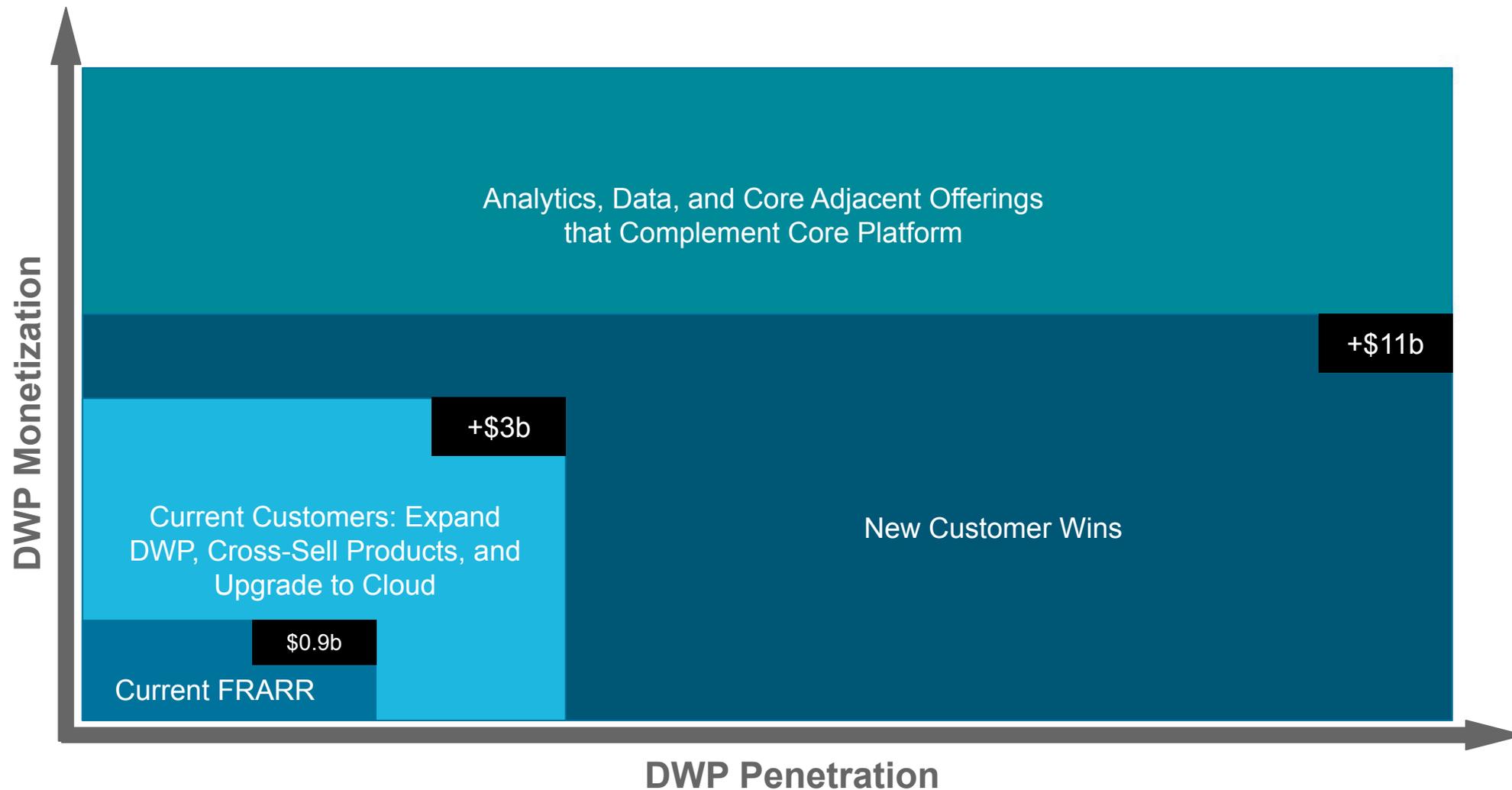


Executing on a Large Market Opportunity

John Mullen, President and Chief Revenue Officer



Our market represents a significant and increasingly accessible opportunity

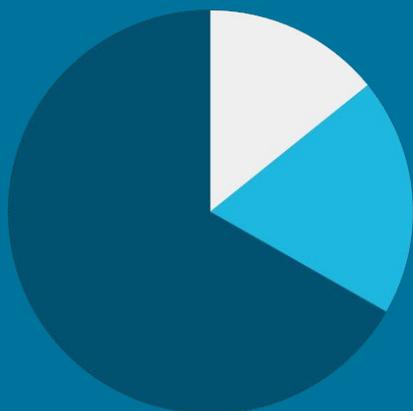


Note: Guidewire Analysis. For illustrative purposes, not drawn to scale. FRARR is an acronym for Fully Ramped Annual Recurring Revenue. DWP Monetization represents ARR potential per dollar of DWP.

Majority of core DWP opportunity remains untapped

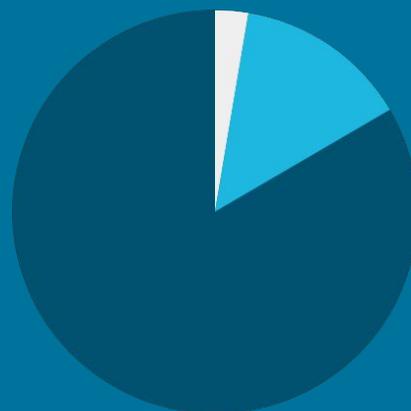
DWP penetration by region

Core DWP - Americas



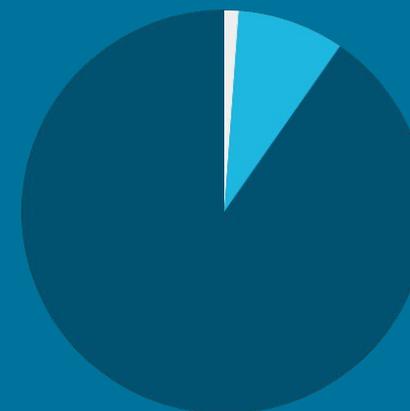
100% = \$1.2t

Core DWP - EMEA



100% = \$0.8t

Core DWP - APAC



100% = \$0.7t

Opportunity

GWRE Cloud

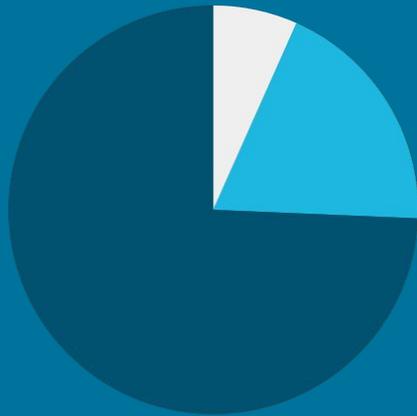
GWRE On-Prem



Majority of core DWP opportunity remains untapped

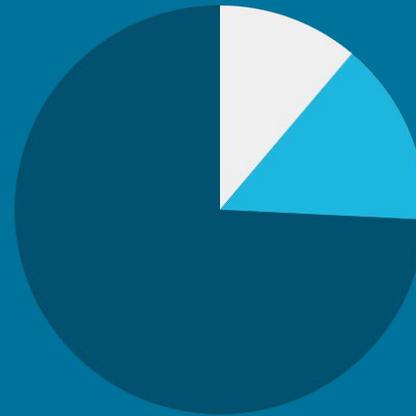
DWP penetration by tier

Tier 1: >\$5B DWP



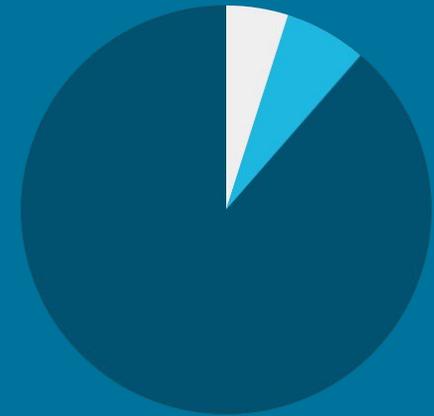
100% = \$1.3t

Tier 2: >\$1B to <\$5B DWP



100% = \$0.8t

Tier 3/4/5: <\$1B DWP



100% = \$0.6t

Opportunity

GWRE Cloud

GWRE On-Prem



Immense pressure on carriers increases the need for GWCP and partnership

Speed to market

Business model and market making agility

Severe weather and cat

Business agility and operational excellence in concert

Portfolio management

Regulatory, Macroeconomic and Geopolitical

Innovation — connected to the operation and outcomes

Interaction and interoperability with partners

Risk selection and pricing

Social inflation and nuclear verdicts

Improved decisions and embedded decisions

Customer engagement and convenience



Growth priorities

Win net new deals

Accelerate migration portfolio

Portfolio expansion - existing accounts + win the top 25 global

Accelerate international growth

Grow analytics business



Expanded market motion across deals, accounts, and markets is extending our leadership position

Deals

Top class, systematic execution

Value based methodology

Continuing to invest in global consistency and talent

Accounts

Long term planning aligned to driving value

Proactive business plans to substantiate the migration to GWCP

Strategic relationships with customers and SIs

Markets

Country-specific content is key differentiator

Comprehensive line of business coverage

Common platform brings standards, best practices

Power Increased rate of business change for carriers



We are well positioned to be part of the strategic fabric of the world's leading insurance brands

\$900b+

P&C Premium of
top 25 global carriers

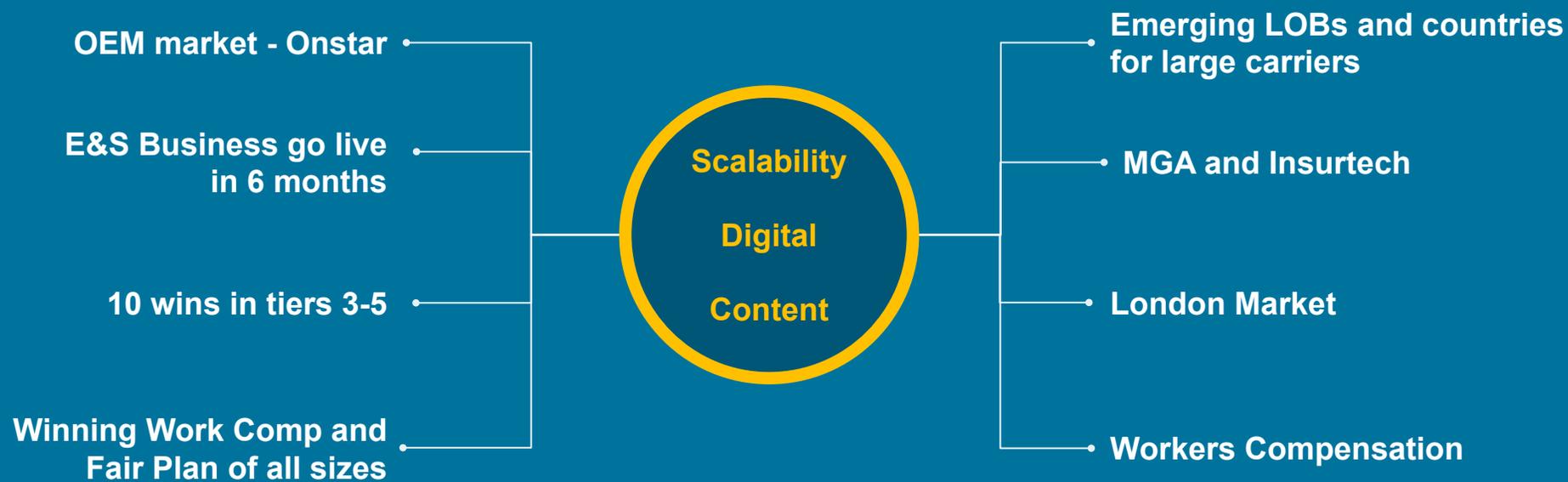
22 of the **top 25** are
Guidewire customers today

“Guidewire has worked to really get to know us over the years. Their investment in claims makes them the clear leader and we look forward to addressing opportunities with them”

- **Byron Olexa, Sr. Executive IT Business Leader**
Progressive Insurance



The scalability and agility of GWCP provides flexibility that unlocks potential at all points of the market



Our analytics portfolio is powering insights and decisions... on the screens where the industry works

Analytics Applications

Guidewire is increasingly the System of Record standard for P&C

Guidewire has the greatest volume of high fidelity data in service of P&C

GW screens are where work gets done and decisions are made in P&C



HazardHub



Predict



Cyence



Cooperative Scores



Compare



Canvas



Explore

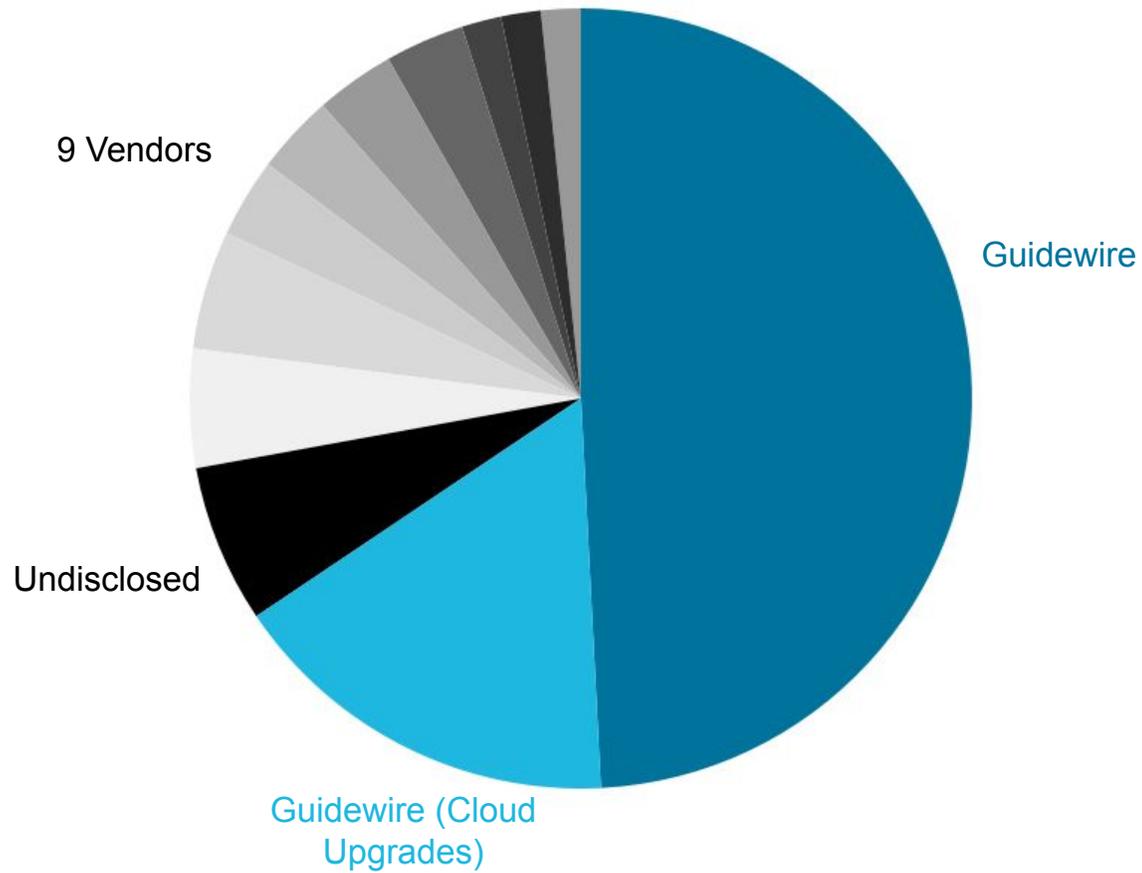
Enriching decisions at the point of impact at scale

Empowering portfolio analytics at enterprise level

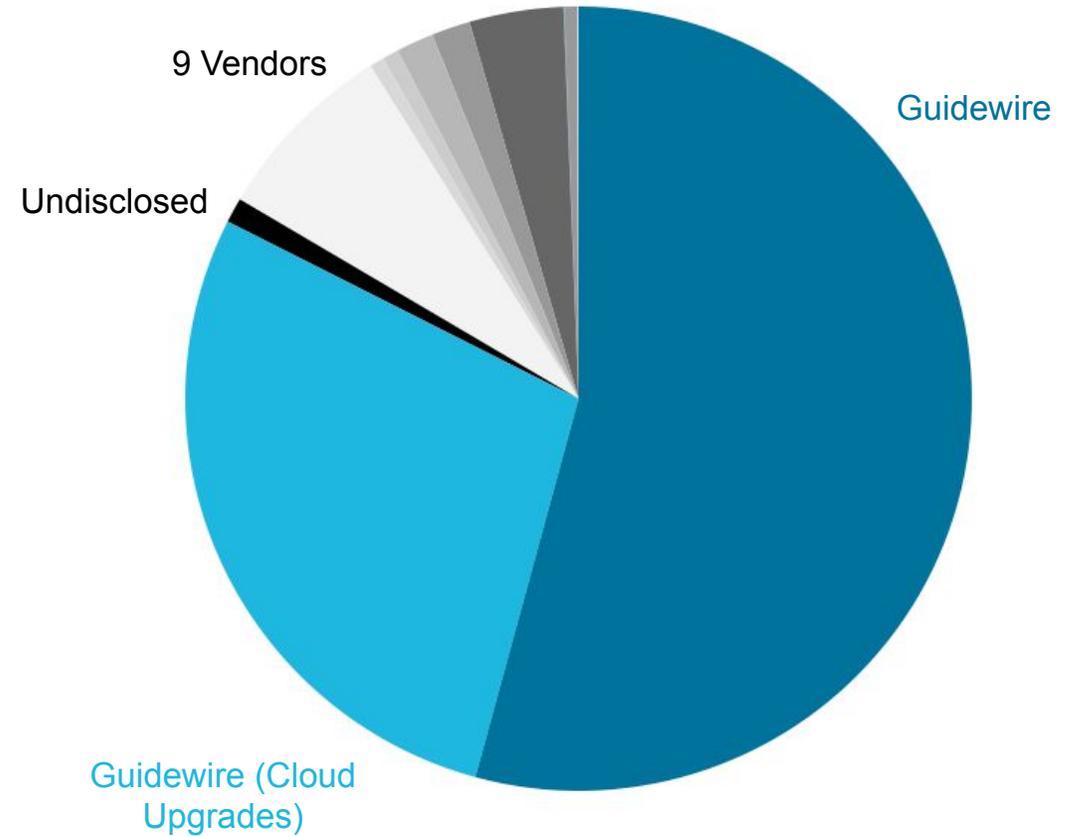
Enabling interactions across the industry

We are winning at a high rate...

Core System Decisions

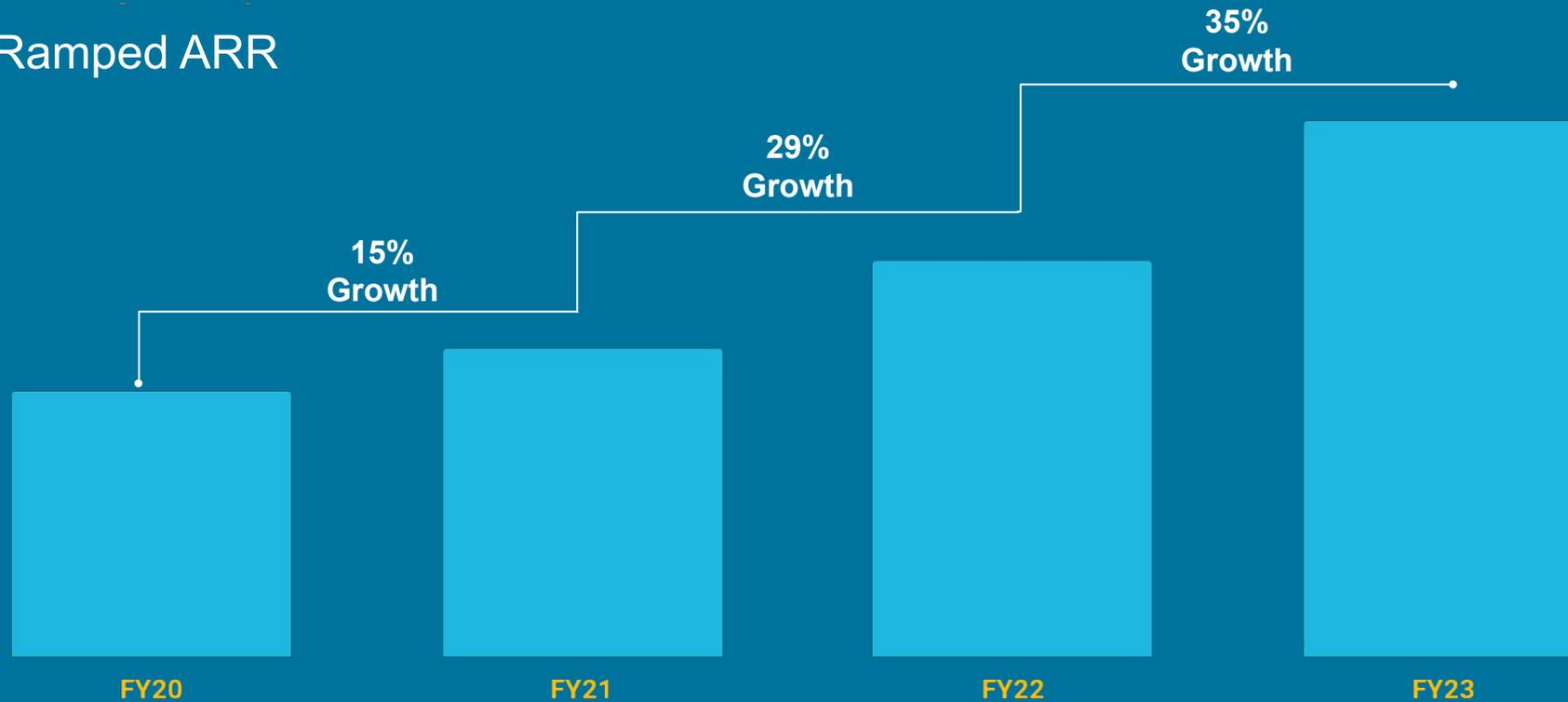


Core System Decisions by DWP



...and delivering record sales results

Net New Fully Ramped ARR



New sales activity drove FY23 aggregate Fully Ramped ARR growth of 17%



Growth priorities

Win net new deals

Product pace and relevance toward industry standard solution

Accelerate migration portfolio

Business value and tooling

Portfolio expansion - existing accounts + win the top 25 global

Business outcomes digital and data

Accelerate international growth

Country specific content and brand in region

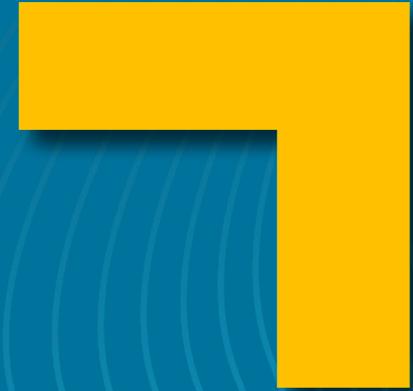
Grow analytics business

Invest in relevant dynamic portfolio



Guidewire Platform: Delivering Innovation and Scale

Diego Devalle, Chief Product Development Officer



Leveraging the cloud as an opportunity to transform and grow



**InsuranceSuite
Core**



**P&C Optimized
Infrastructure**



**API-First
Development**



**Cloud-Native
Digital & Data**



**Foundation
for Innovation**

Cloud transformation imperatives across 3 key areas



PLATFORM

Efficient to operate

Safe and secure

Easy to update



APPLICATIONS

Enable innovation

Flexible and extensible

Easy to configure



CONTENT

Faster implementation

Market-specific solutions

Greater customer adoption

InsuranceSuite Cloud platform is scaling up to handle rapid customer adoption

101

Customers

10

Regions

1,405

Environments

164k

Deployments

48

Updates



Note: Guidewire Cloud information as of end of FY23.

Outcomes over last 12 months ahead of target

Actions in Last 12 Months

- ✓ Enable Customer self-service operations (-70 HC)
- ✓ 2 customer migrations from Classic to GWCP
- ✓ Cloud Platform cost optimization

Results to Date

- ✓ Lowered platform cost while maintaining current HC
- ✓ Ahead of product gross margin reduction target
- ✓ ~100 customers have now adopted GWCP

75% gross margin now in sight

Cloud Ops Optimization

1. Operational best practices
2. Process optimization/coordination
3. Repetitive task automation
4. Knowledge/competency sharing
5. Technical/operational specialization

Platform Optimization

1. Automated scale down of NPEs
2. Kubernetes-native database
3. App-level Kubernetes sidecars
4. Lower cost EC2 instance types
5. Multi-cluster fleet management

Target Outcomes

- ✓ 59% Subscription and Support Gross Margin in FY24
- ✓ Continued improvement in platform efficiency
- ✓ Incremental IS Cloud customers once fully ramped already at 75%*



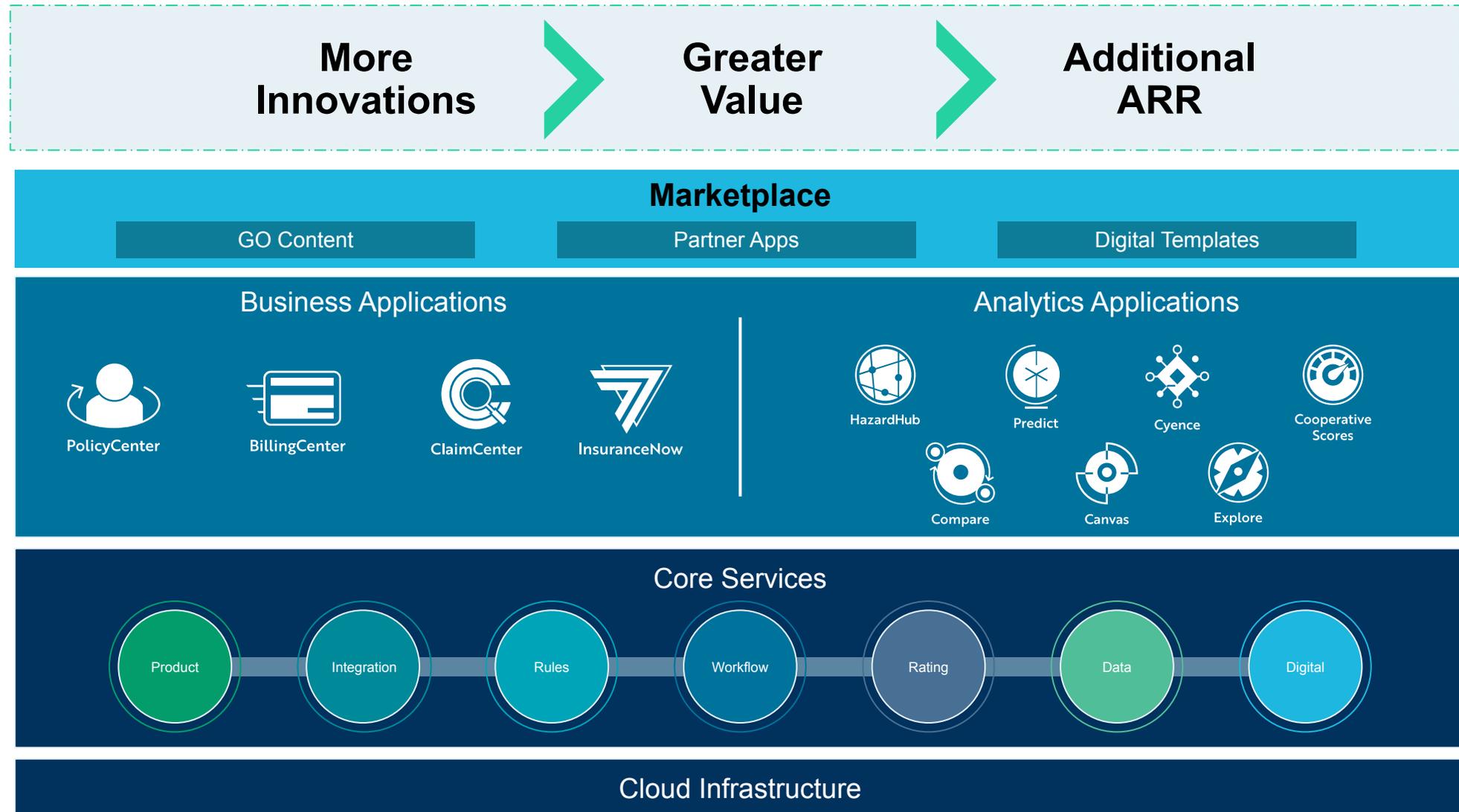
* Analysis looks at gross margin based on fully ramped ARR and is not reflective of GAAP revenue during initial term of a cloud contract.



The world's best platform for P&C

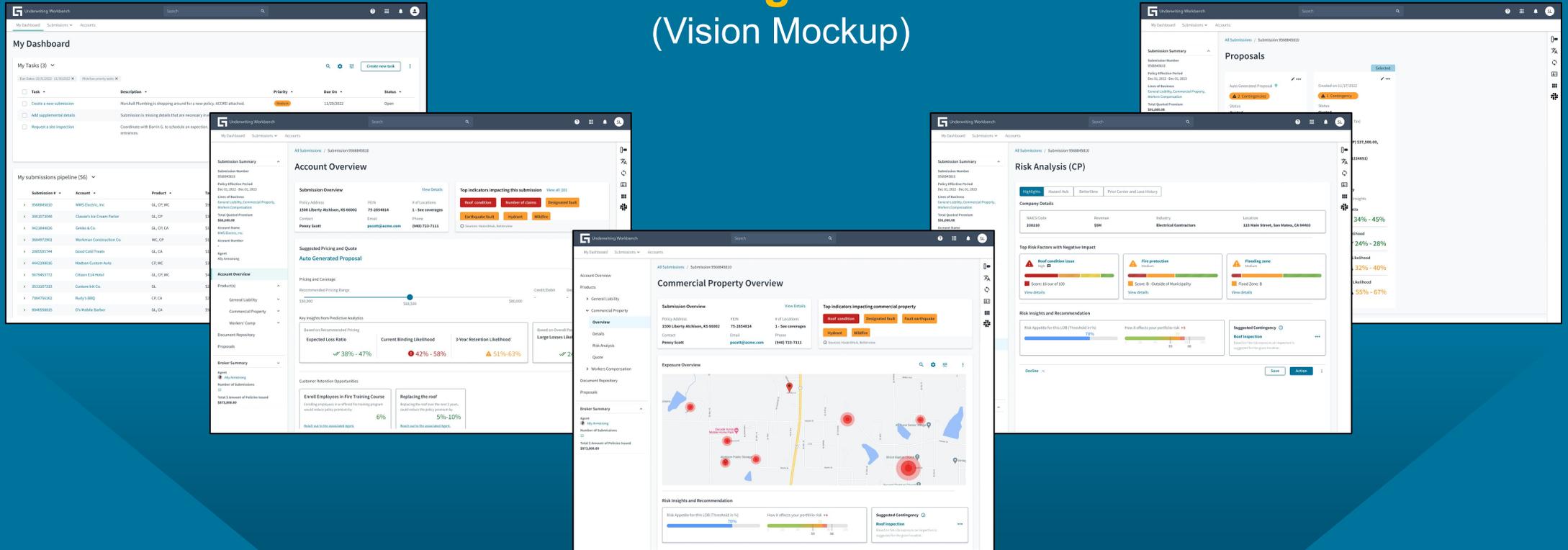


Market-leading platform fosters continued growth



Next generation business applications drive future growth

Underwriting Workbench (Vision Mockup)

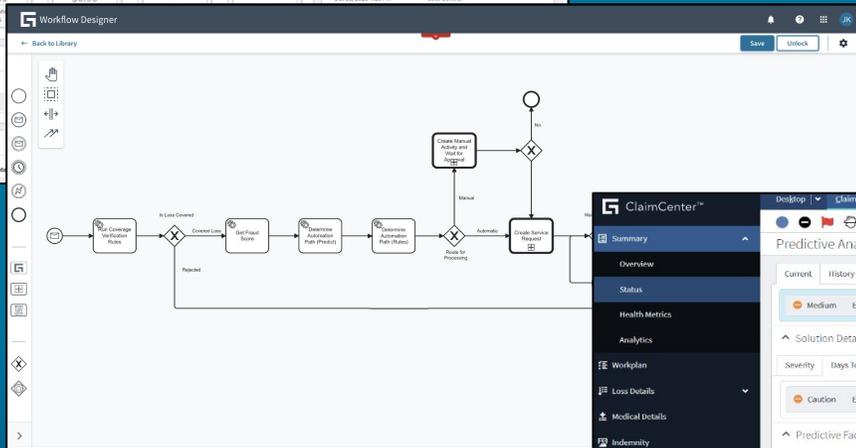


Gen AI enables delivery of greater customer value faster

Generative AI Capabilities

The loss history for this policy includes the following incidents:

1. On January 15, 2023, a customer visiting Tyler Electric Company's retail store slipped and fell in the entrance area due to a wet floor. The customer sustained minor injuries, leading to a liability claim. The claim was filed on February 1, 2023, and the amount was \$5,000 for medical expenses and pain and suffering.
2. On April 22, 2023, a third-party contractor hired by Tyler Electric Company inadvertently damaged a neighboring business's property while performing electrical work. The neighboring business filed a claim for property damage. The claim was filed on May 5, 2023, and the amount was \$10,000 for repair and restoration of the damaged property.
3. On August 7, 2023, Tyler Electric Company's technician accidentally damaged a customer's expensive electronic equipment during an installation. The customer requested compensation for the repair and replacement of the damaged devices. The claim was filed on August 26, 2023, and the amount was \$3,500 for equipment repair and replacement costs.



ClaimCenter™
Predictive Analytics Summary

Current: Medium Expected medium severity Recommendation: Normal processing

Severity: Days To Close
Caution Estimated normal time to close: 33% Recommendation: Process normally

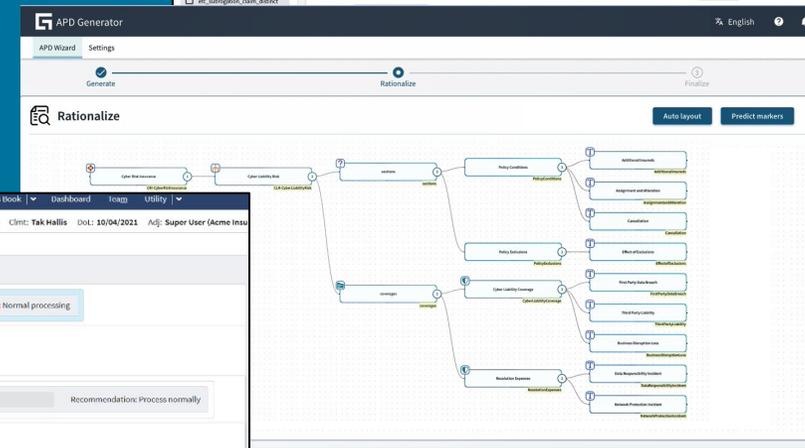
Predictive Factors

Predictor Name	Predictor Value	Predictor Influence	Contribution To Total Influence
Claimant's age		78	52%
Hospitalization	No	71	47%
Jurisdiction	California	10	7%
Injury severity	fatal	-9	6%
Days in between loss and report date	0	-3	2%

Unsaved query X

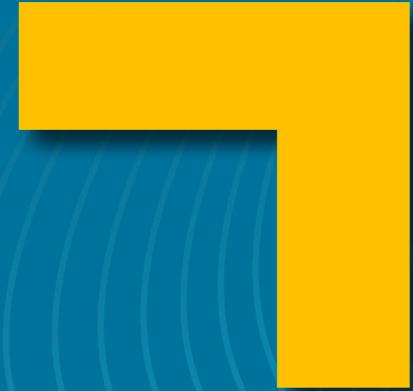
```
SQL 1 SELECT Id, Company, County, Industry, Revenue, State, Zipcode, Description FROM cc_claim cl JOIN cc_payment p on cl.id=p.claim_id
```

zipcode	description
77323	Cybercriminal steals company funds L...
92001	Replacement of stolen inventory fro...
33805	Product liability claim due to a defect...
90009	Vandalism Causing destruction of off...
21202	Cybercriminal steals company funds L...
70003	Cyber extortion threat forces busines...
05013	Business email compromise leads to...



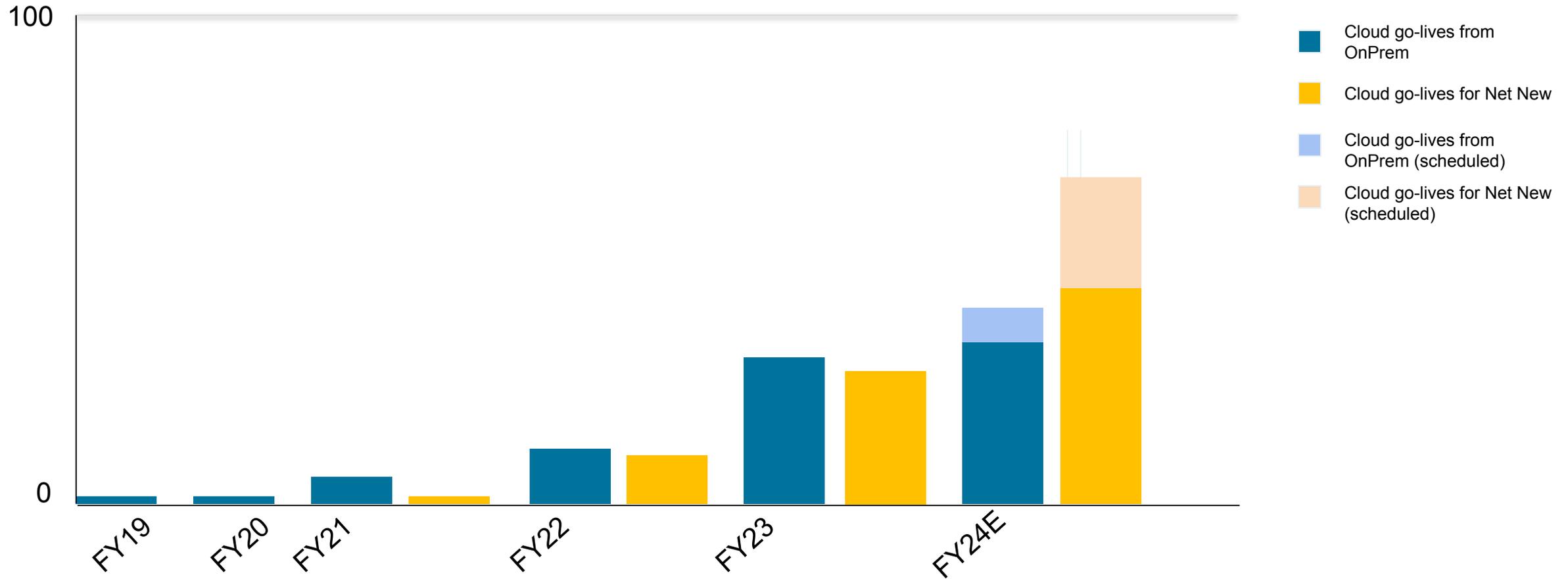
Driving Customer Success

Christina Colby, Chief Customer Officer



Our customers continue to be successful getting to the platform predictably and reliably

Cumulative Live InsuranceSuite Cloud Customers



Transforming a customer to cloud is a significant effort and undertaking

We have gained tremendous experience to leverage, and we are rapidly proving that cloud is a customer's last major upgrade

~3,500,000

lines of configuration code inspected and optimized for customers live on Cloud to date

500+

databases migrated from on-premise and re-platformed to Aurora for Guidewire Cloud

~50,000

API calls per second during active work week for integrations brought into Guidewire Cloud

95%

customer-reported reduction in developer effort comparing on-prem minor upgrades to a Cloud update



Go-live is important, but it isn't the destination

beneva

Canadian insurer for Personal and Commercial Lines

Migration of InsuranceSuite from on-prem

Enhanced business processes and customer service

Updating versions with limited downtime and business impact

 **WESTFIELD™**

US-based global Specialty Lines start-up

Greenfield PolicyCenter implementation

Deployed 5 business units and 42 speciality products in just 8.5 months

Reduced quote and bind time by 66% and policy issuance time by 80%

Hollard.

Insurer in Australia and New Zealand, direct and via brokers

ClaimCenter Cloud and Digital

Improved claims lodgment time by 50%

Decreased claims handling timeframes through the introduction of the digital claims portal

 **GRINNELL
MUTUAL.**

US Midwest carrier for Auto, Home, Farm & Business

Upgraded from Classic to GWCP

Allows Grinnell to be at the forefront of Guidewire innovation, like automation of claims and processes



Our customers are unlocking continuous value as the ease of our update process is proven out

beneva

“In the past, performing an upgrade took more than 12 months, and our IT teams were not delivering business value to the business. We can now be up-to-date with GWCP... with minimum effort, having access to new features much quicker and can deliver timely business value to our business stakeholders.”

Eric Marcoux

Vice-President of Solutions Optimisation & Property and Casualty Insurance

definity.

“The update process was very seamless for Definity. It showed the true value of cloud for us. There was minimal investment from our perspective and no business outage.”

Nabeel Shah

Assistant Vice President, Platform Engineering, Technology Solutions

TexasMutual[®]
Insurance Company

“We expected to realize great benefit from shifting much of the upgrade burden from Texas Mutual teams to Guidewire, and it’s nice to be able to state unequivocally that we experienced that benefit.”

Jeannette Sprague

Senior Vice President & Chief Information Officer

Our system integrator partnerships are a trusted and expanding advantage

38 partners

23,000+ trained resources



SI experience and repeatability enables migration acceleration

Badges for Migration Acceleration

The Capgemini logo, featuring the word "Capgemini" in a blue script font followed by a blue circular icon with a white shape inside.The Cognizant logo, featuring a blue and white geometric icon followed by the word "cognizant" in a blue sans-serif font.The Deloitte logo, featuring the word "Deloitte." in a bold black sans-serif font.The EY logo, featuring a yellow triangle above the letters "EY" in a bold black sans-serif font, with the tagline "Building a better working world" in a smaller black font below.The PwC logo, featuring a colorful bar chart icon above the letters "pwc" in a bold black sans-serif font.

Our extensive solution ecosystem is another rapidly growing differentiator for Guidewire and our customers

We have the largest and most comprehensive solution ecosystem, and our technology partners represent some of the most exciting and innovative SaaS vendors with solutions tailor-made for P&C carriers.

100%

P&C focused

220+

Partner apps

60+

Insurtech Vanguards

190+

Technology partners

Our open architecture enables our customers with choice and flexibility to select from a wide variety of complementary partners and solutions that can be rapidly integrated for incremental business value.

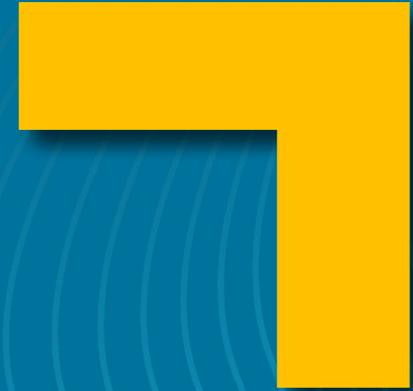


This creates a virtuous circle of shared benefit



Scaling Guidewire Platform and Growing into our Target Model

Jeff Cooper, Chief Financial Officer



Key financial highlights

Durable ARR Growth Supported by Accelerating Cloud Leadership

Decades Long Customer Relationships with Best in Class Churn Profile

Visible Cloud Gross Margin Expansion Leveraging Platform Investments

Focused Operating Expense Discipline

Exciting Profitability Inflection Point

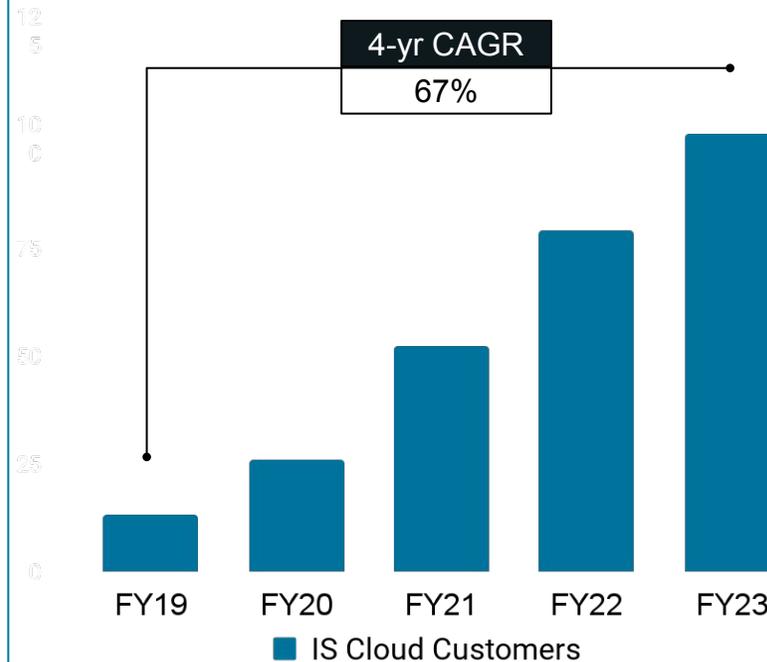


Three critical milestones define our cloud transition

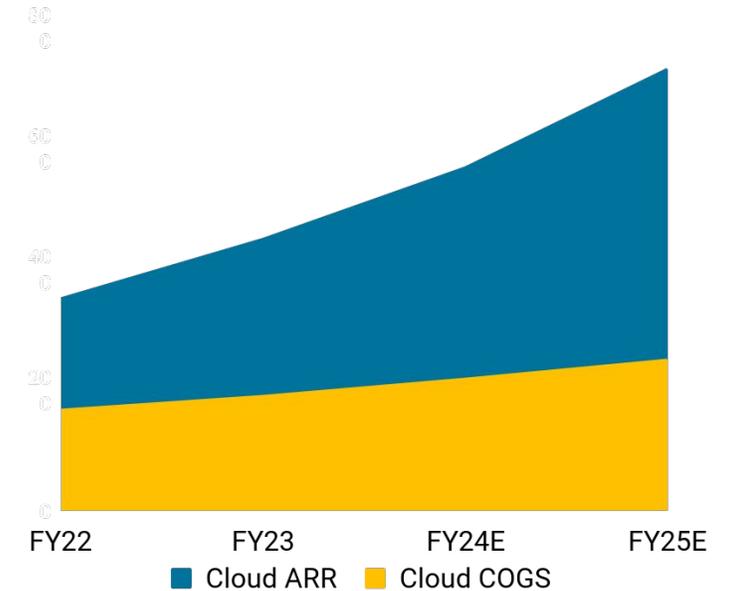
1. Establish a scalable cloud architecture



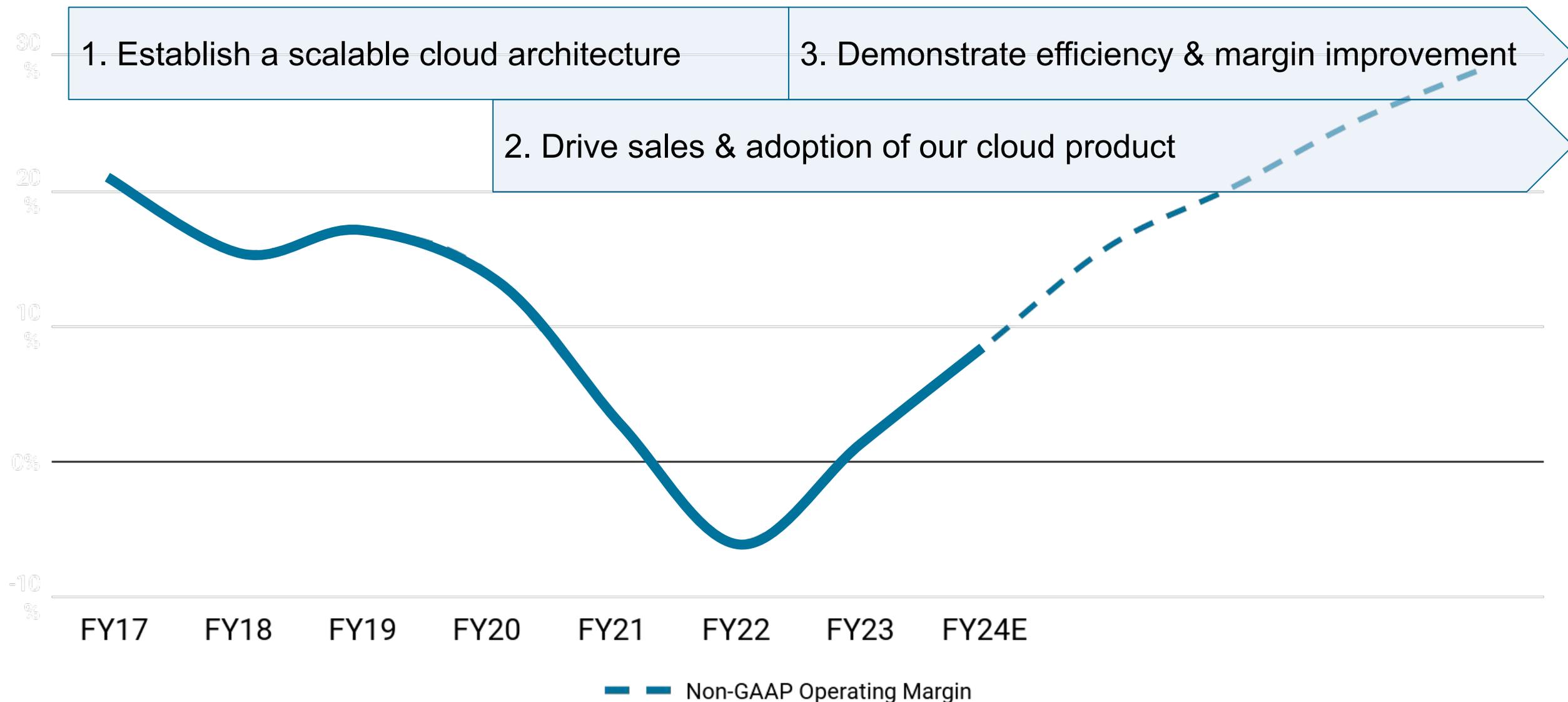
2. Drive sales and adoption of our cloud product



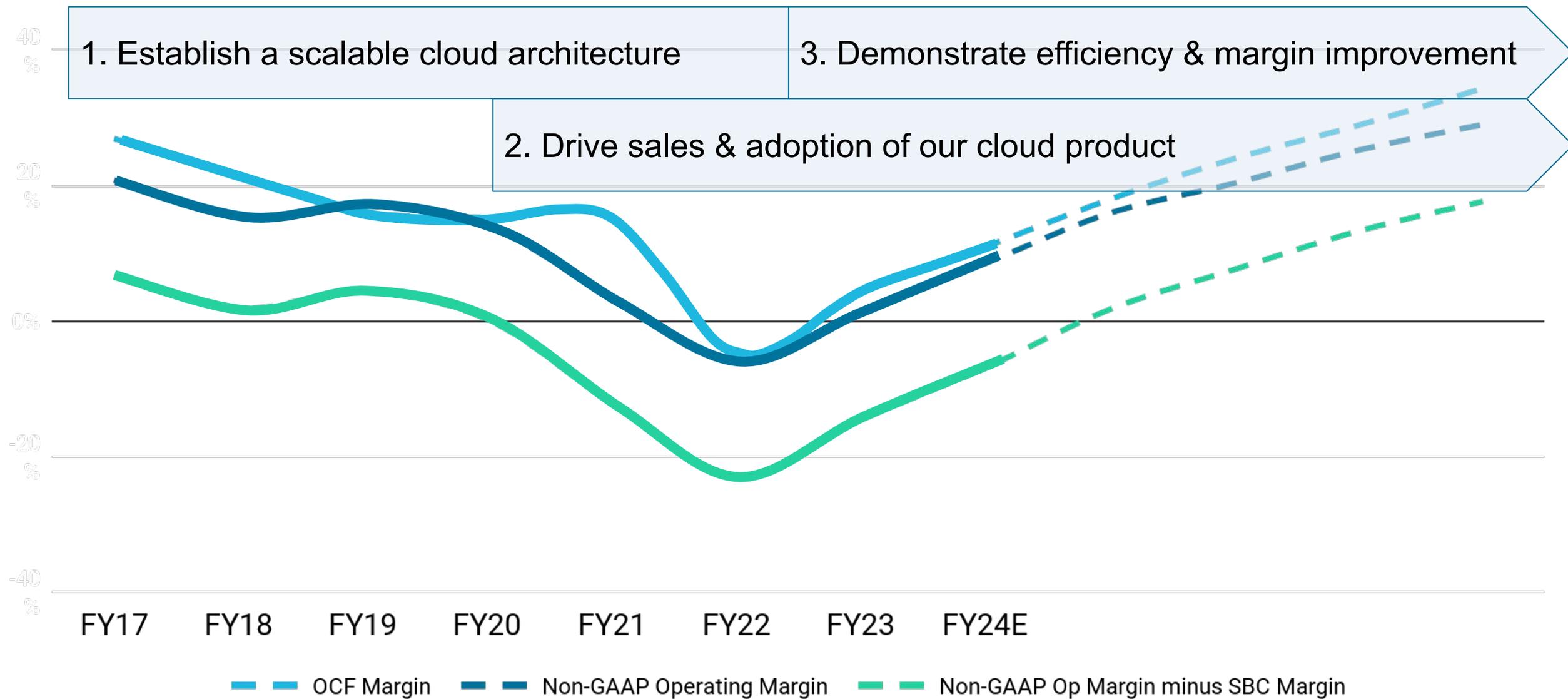
3. Demonstrate efficiency and margin improvement



Leading to an exciting profitability inflection point



Leading to an exciting profitability inflection point



Increasing our FY25 margin targets

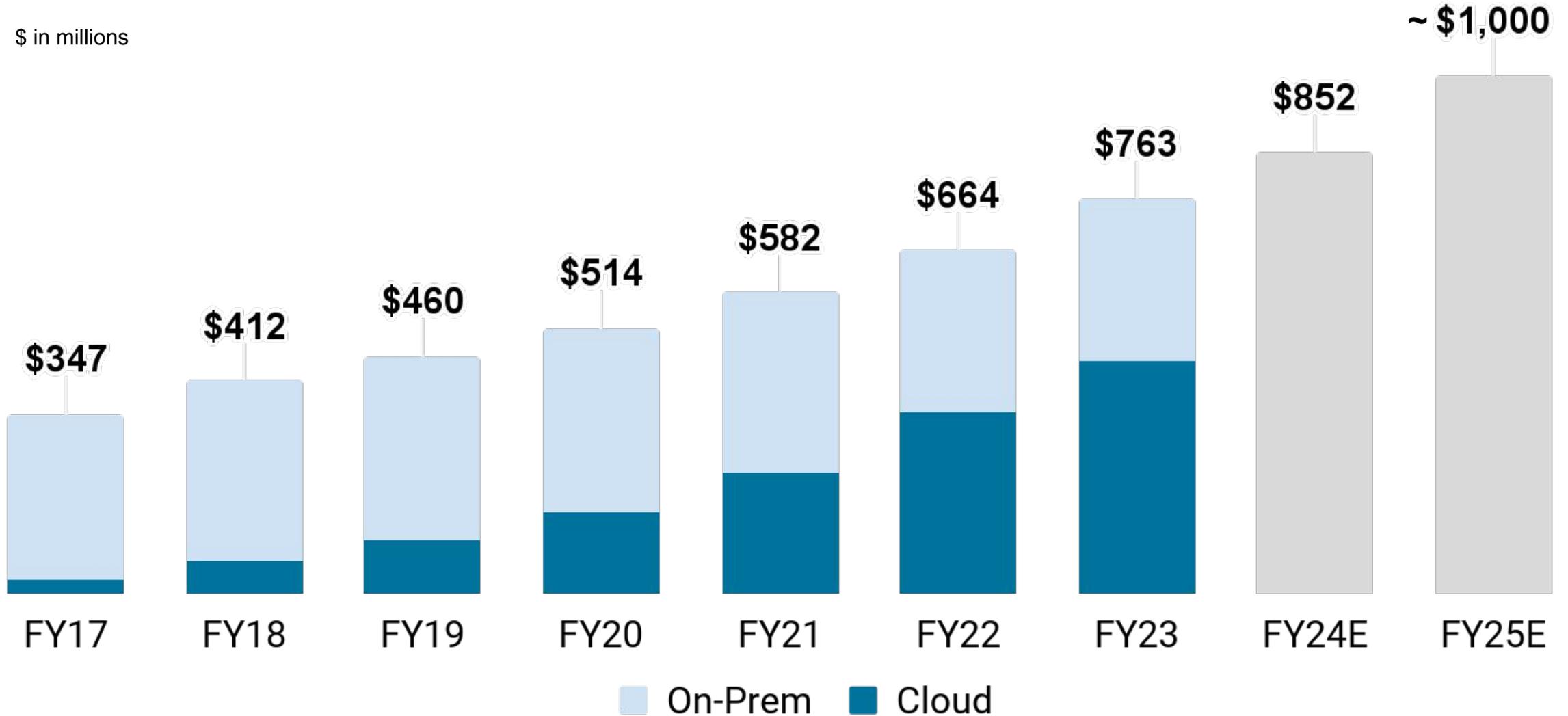
	FY22A	FY23A	FY24E	FY25E
			<i>Midpoint Outlook</i>	<i>Target</i>
ARR	\$664m	\$763m	\$852m	~\$1b
Cloud ARR %	53%	59%	~65%	70%+
Total Revenue	\$813m	\$905m	\$981m	\$1.1-1.2b
Subs & Support Gross Margin	47%	55%	59%	63-65%
Total Gross Margin	52%	55%	60%	61-63%
Non-GAAP Operating Margin	(6%)	1%	7%	14-15%
Non-GAAP Operating Margin minus SBC	(23%)	(15%)	(9%)	0-1%
Operating Cash Flow Margin	(5%)	4%	11%	17-18%

Note: FY24 midpoint outlook is from the outlook provided on our 9/7/23 earnings call. Gross margin numbers are non-GAAP. All years presented using new allocations methodology. 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 through FY25.



Durable ARR growth driven by cloud momentum

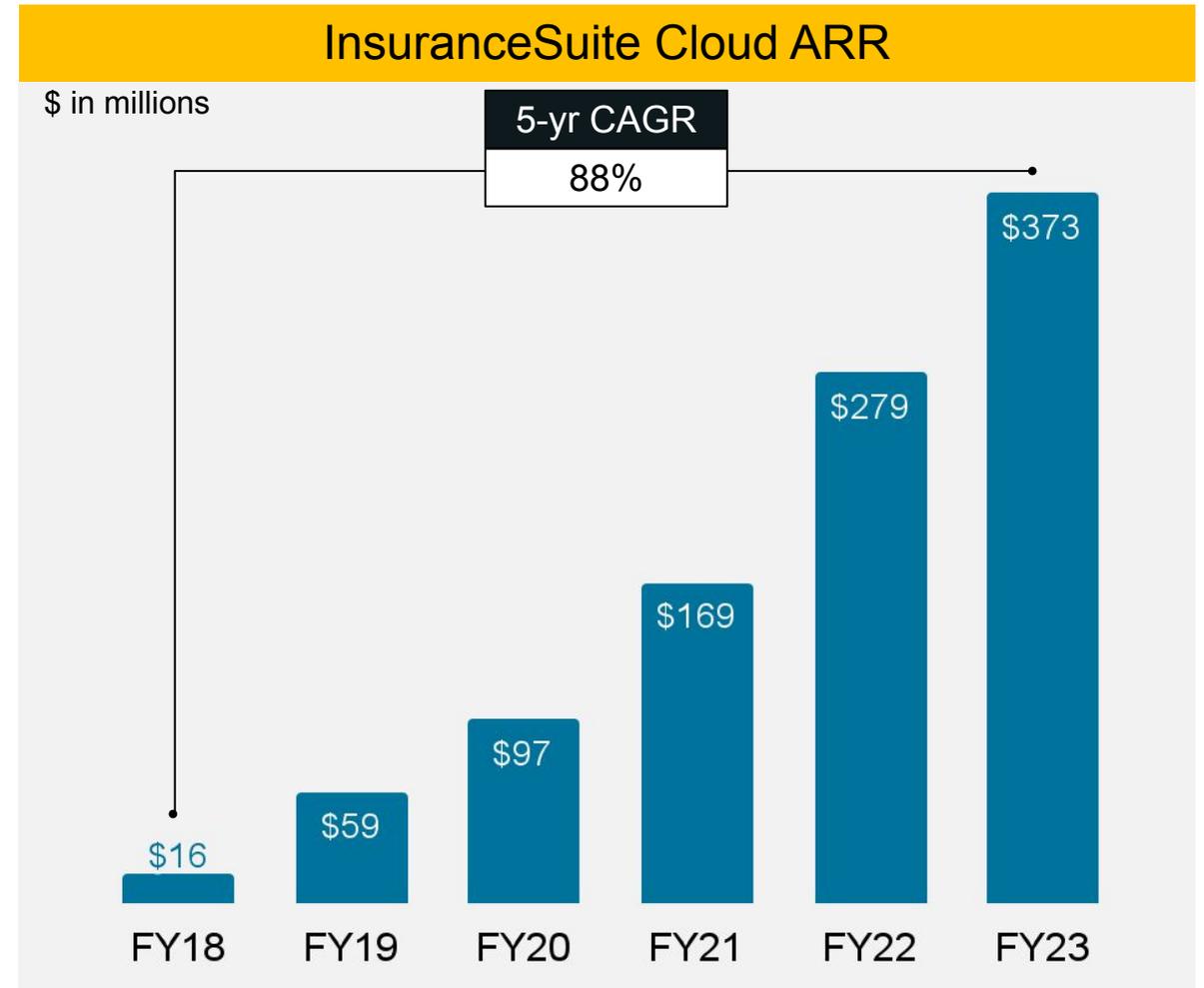
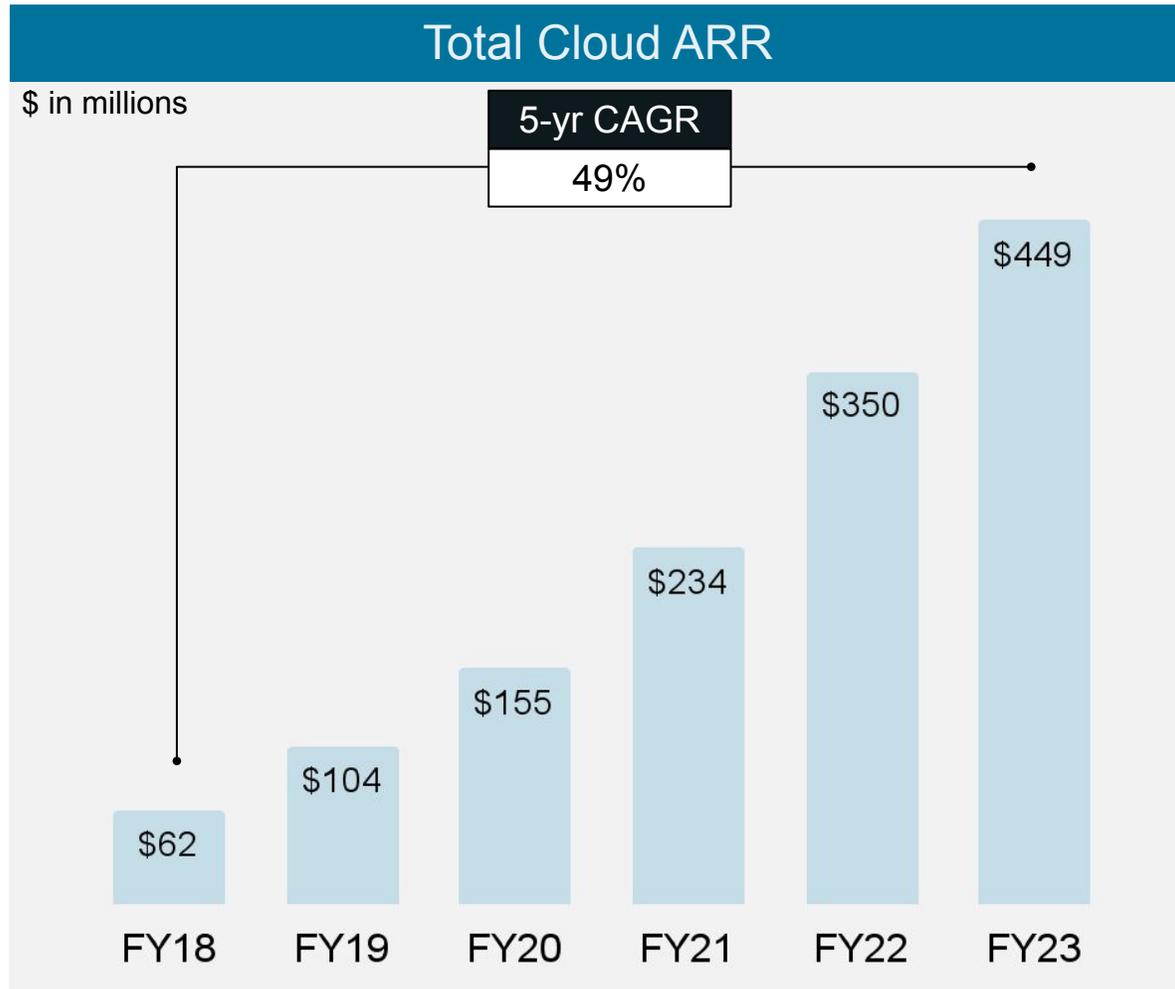
\$ in millions



Note: ARR results are as of the FX rate at end of each respective fiscal year. FY24E is the midpoint of the outlook provided on the previous earnings call.



InsuranceSuite is driving Cloud ARR growth

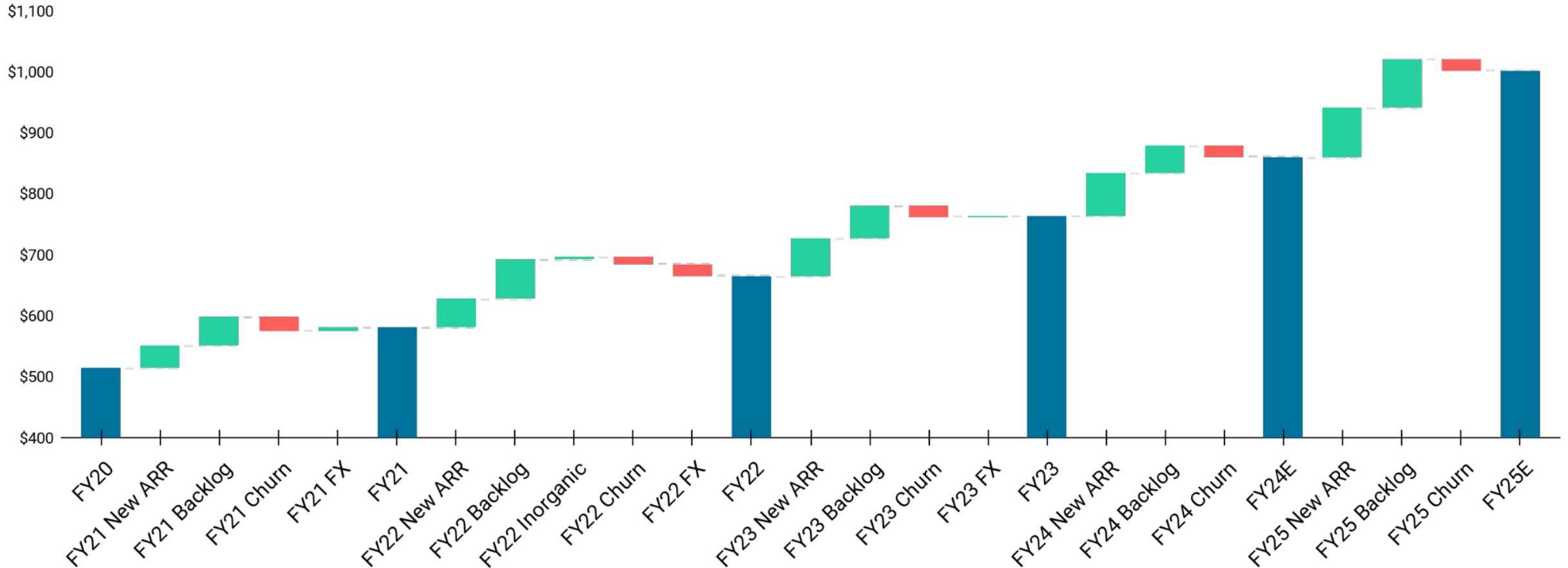


Note: Cloud ARR is defined as ARR from sale of Cloud products only. ARR for InsuranceSuite Cloud (IS Cloud) is defined as ARR from IS Cloud deals only. For on-premise customers upgrading to IS Cloud, the ARR of the cloud upgrade contract is accounted for in its entirety in Cloud ARR upon start date of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

Strong ARR visibility supported by best-in-class ARR retention and powerful ARR contribution from backlog

\$ in millions

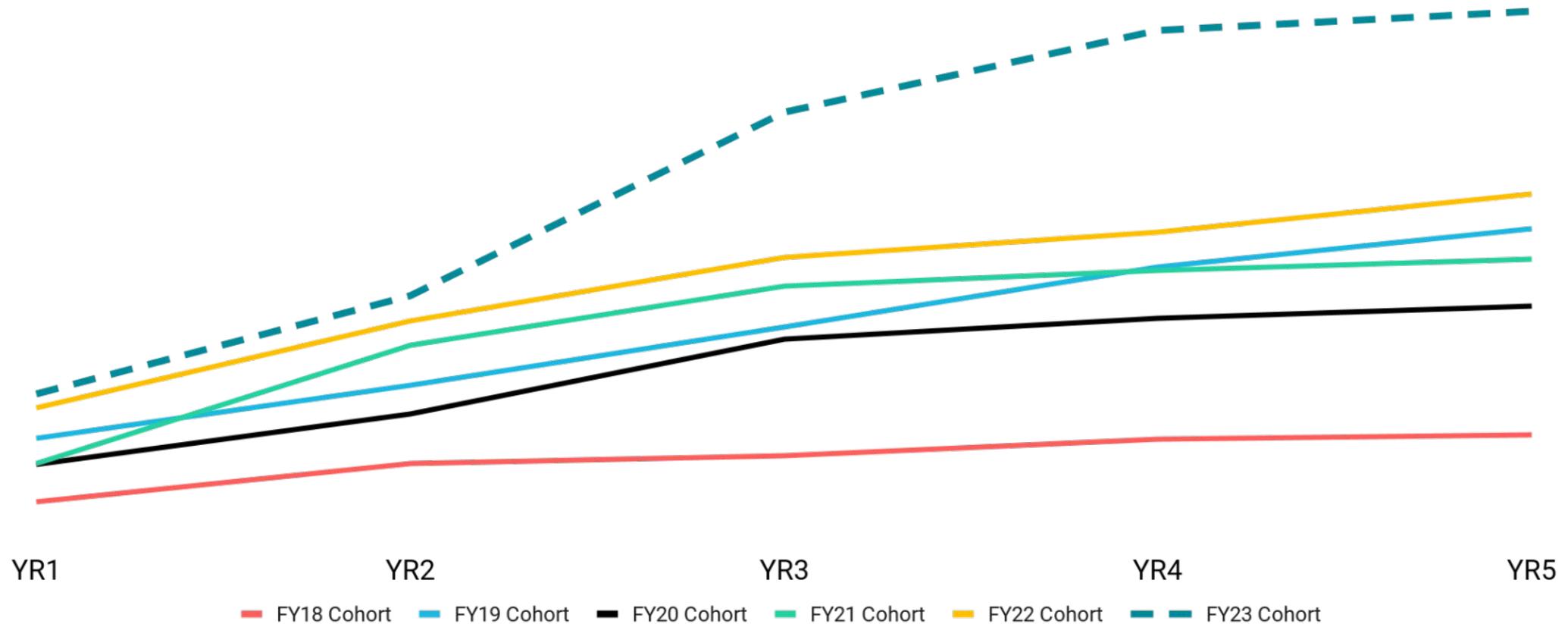
Positive Negative Ending ARR



Note: ARR from Backlog includes ramps, DWP true-ups, CPI increases and inorganic activity from HazardHub acquisition in FY22.



InsuranceSuite Cloud New ARR ramp analysis: FY23 cohort signals strength with outsized step up in year 3 (FY25)

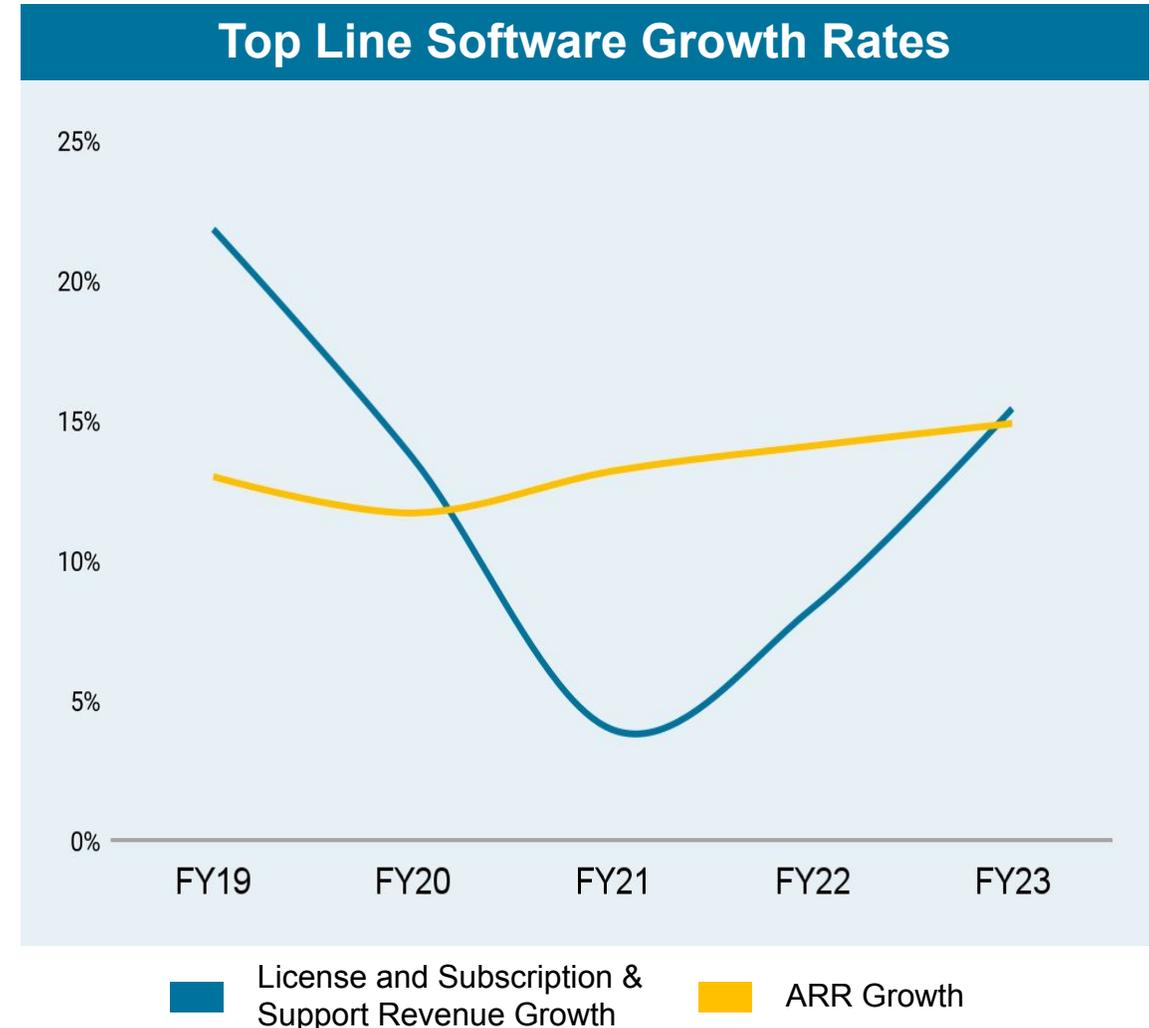


Note: This analysis considers the incremental ARR fee schedule outlined in the relevant cloud contracts. If the relevant fee schedule is less than five years, then this analysis assumes that final year fees will renew at the same value as the terminal year. For migration deals, this analysis specifically considers the incremental ARR above the existing on-prem ARR that existed prior to entering into a cloud migration arrangement. In all events, this cohort analysis is as of the point of sale.



ARR remains best measure of momentum; Software revenue growth converging with ARR growth

- **Subscription and Support Revenue**
 - Ratable revenue recognition over the duration of the committed term
 - Cloud software usually provisioned 30–60 days after deal execution
- **License Revenue**
 - Upfront revenue recognition over duration of the committed term
 - Standard duration is 2-years followed by annual renewals
- **ARR**
 - Annualized recurring value for all term licenses, subscription agreements, and maintenance 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

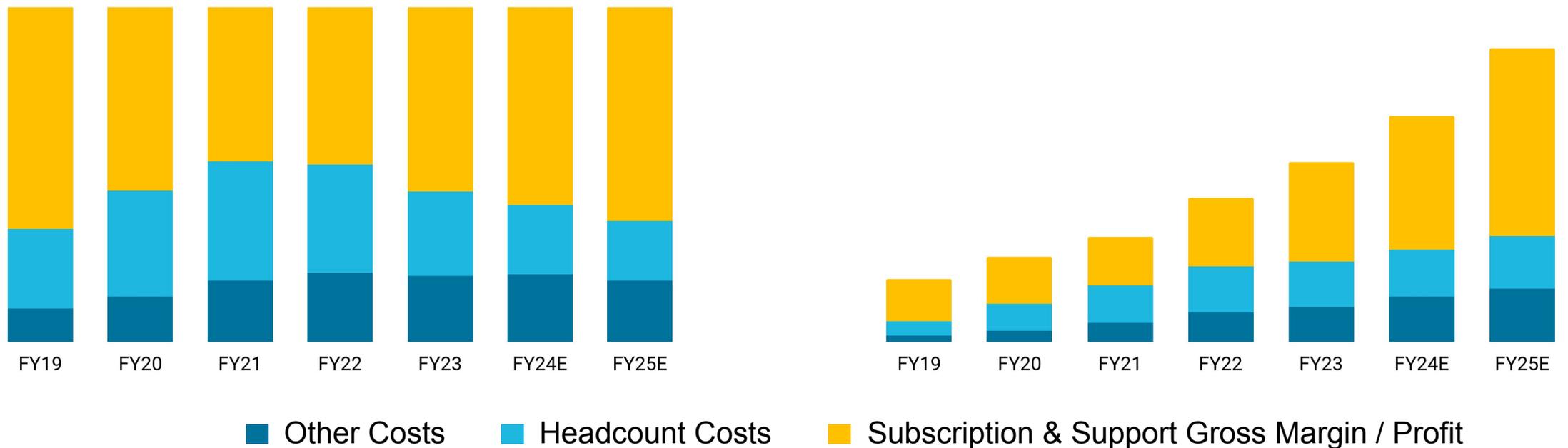


Growth and efficiency will drive subscription and support gross margin

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

Subscription & Support Gross Margin

Subscription & Support Gross Profit



Source: Guidewire Analysis . Note: Non-GAAP subscription & support margins; illustrative and not drawn to scale. Non-GAAP figures are reconciled to GAAP figures in the appendix. Headcount Costs include Compensation, Benefits, Employee Welfare, Travel, Facilities, Contractors, Allocations and Intercompany adjustments. Other Costs include Software fees and AWS, and other costs not associated with headcount. FY21 and beyond presented using new allocations methodology.

Incremental Subscription & Support gross margin

- Simple incremental margin analysis has been impacted by model shift and cloud investments; yielding recent results ranging from -2% to 87%
- Looking ahead, we expect this analysis to be more stable; providing investors with a cleaner path to our targets



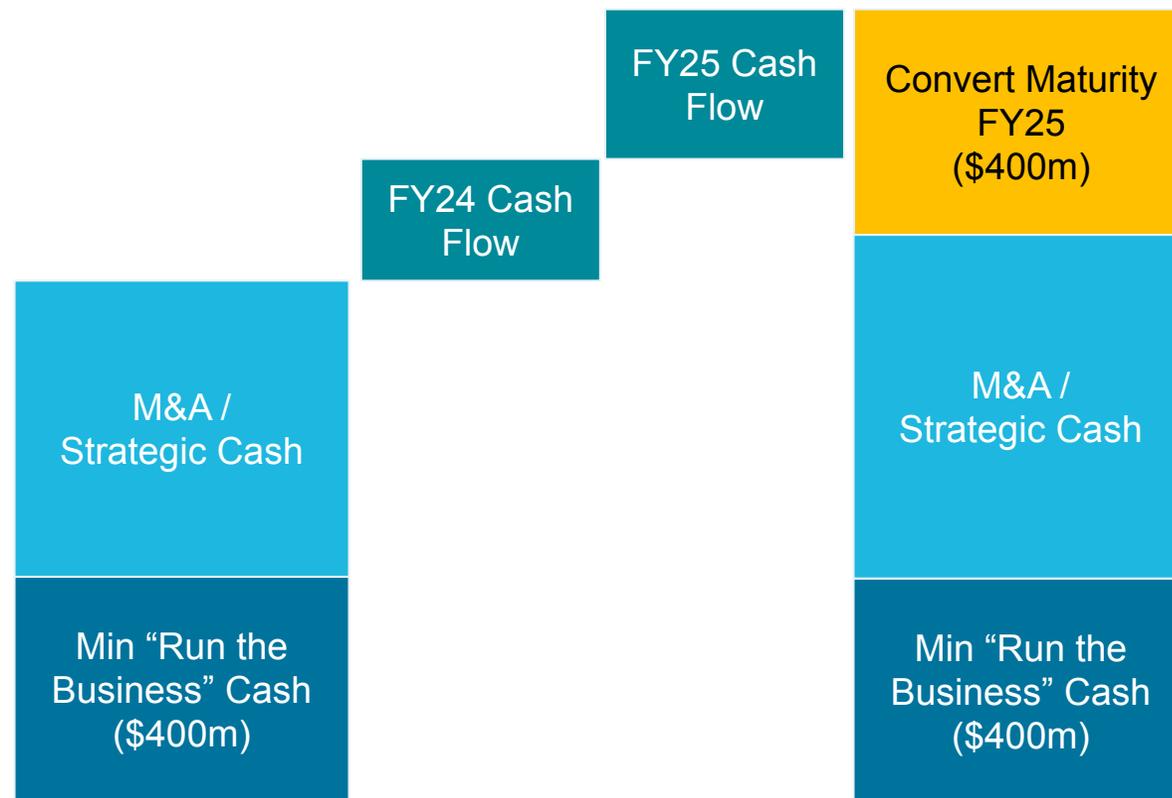
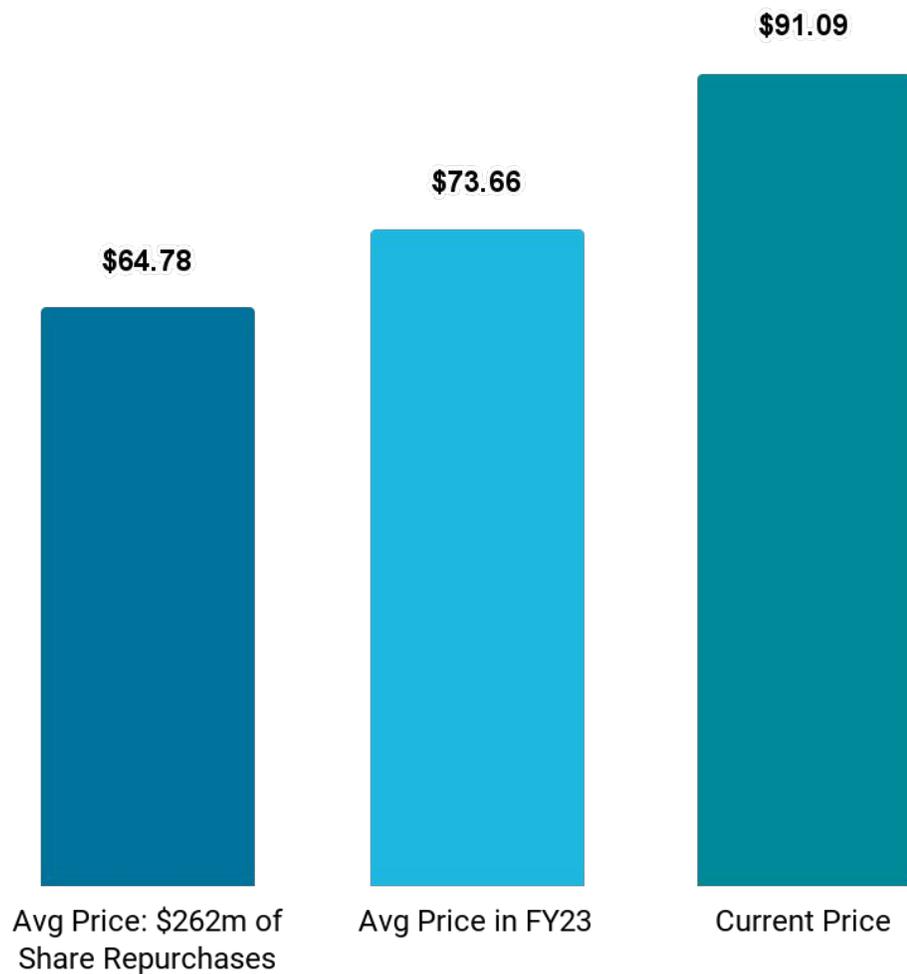
Increased confidence in longer term margin potential

	@\$1b in ARR	@\$1.5b in ARR
ARR	\$1b	\$1.5b
Cloud ARR %	70%+	90%+
Total Revenue	\$1.1-1.2b	~\$1.7b
Subs & Support Gross Margin	63-65%	73-75%
Total Gross Margin	61-63%	66-68%
Non-GAAP Operating Margin	14-15%	26-29%
Non-GAAP Operating Margin minus SBC	0-1%	16-18%
Operating Cash Flow Margin	17-18%	29-32%

Expect continued margin expansion as we grow beyond \$1.5b in ARR



Elevated share repurchases in FY23; Strategic avenues more compelling looking ahead



Key financial highlights

Durable ARR Growth Supported by Accelerating Cloud Leadership

Decades Long Customer Relationships with Best in Class Churn Profile

Visible Cloud Gross Margin Expansion Leveraging Platform Investments

Focused Operating Expense Discipline

Exciting Profitability Inflection Point



Reconciliation of Non-GAAP Subscription & Support Gross Margin

	2021*	2022*	2023	2024E
GAAP Subscription & Support Gross Margin	38%	41%	51%	56%
Non-GAAP adjustments:				
Stock-based compensation	4%	4%	3%	3%
Amortization of intangibles	5%	2%	1%	0%
COVID-19 Canada Emergency Wage Subsidy	(1%)	0%	0%	0%
Non-GAAP Subscription & Support Gross Margin	46%	47%	55%	59%

*Effective as of the beginning of fiscal year 2023, the Company revised its allocation methodology for determining the presentation of certain expenses. Accordingly, prior period amounts have been reclassified to conform to our current period presentation.



Reconciliation of Non-GAAP Gross & Operating Margin

As % of Revenue	GAAP	Stock-based compensation	Amortization of intangibles	Acquisition consideration holdback	Net impact of assignment of lease agreement ⁽¹⁾	Non-GAAP
2023						
Gross Margin	51%	4%	0%	0%	0%	55%
Operating Margin	(17%)	16%	1%	0%	1%	1%
2024E (midpoint outlook)						
Gross Margin	56%	4%	0%	0%	0%	60%
Operating Margin	(10%)	16%	1%	0%	0%	7%

(1) During the third quarter of fiscal year 2023, the Company recorded in general and administrative expenses a net loss of \$8.5 million related to the assignment of the lease agreement for the remaining lease term of the Company's previous headquarters. The loss is comprised of an \$18.4 million gain from the de-recognition of the operating lease asset of \$56.9 million, the de-recognition of the lease liability of \$75.5 million, and other expenses related to the lease assignment of \$0.2 million, offset by accelerated depreciation expense related to property and equipment, primarily consisting of leasehold improvements, at the previous headquarters of \$26.9 million.





GUIDEWIRE CONNECTIONS

