

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): June 5, 2018

Guidewire Software, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

001-35394

(Commission File
Number)

36-4468504

(I.R.S. Employer Identification
No.)

**1001 East Hillsdale Blvd., Suite 800
Foster City, CA 94404**
(Address of principal executive offices, including zip code)

(650) 357-9100
(Registrant's telephone number, including area code)

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On June 5, 2018, Guidewire Software, Inc. (the "Company") issued a press release announcing unaudited financial results for the fiscal quarter ended April 30, 2018. A copy of the press release is attached as Exhibit 99.1.

In accordance with General Instruction B.2 on Form 8-K, certain of the information in this Current Report on Form 8-K, including Exhibit 99.1, is being furnished under Item 2.02 and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 ("Exchange Act") or otherwise subject to the liability of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, regardless of the general incorporation language of such filing, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit No. | Description of Exhibits |
|--------------------|---|
| 99.1 | Press release dated June 5, 2018, titled "Guidewire Software Announces Third Quarter Fiscal 2018 Financial Results" |

EXHIBIT INDEX

| Exhibit No. | Description of Exhibits |
|----------------------|---|
| 99.1 | Press release dated June 5, 2018, titled "Guidewire Software Announces Third Quarter Fiscal 2018 Financial Results" |

Guidewire Software Announces Third Quarter Fiscal 2018 Financial Results

Foster City, CA - June 5, 2018 - Guidewire Software, Inc. (NYSE: GWRE), a provider of software products to Property and Casualty insurers, today announced its financial results for the fiscal quarter ended April 30, 2018.

“We exceeded our revenue and non-GAAP profitability guidance for the third quarter of fiscal 2018 in the context of an incrementally increasing proportion of our new sales coming in the form of cloud-based subscriptions,” said Marcus Ryu, chief executive officer, Guidewire Software. “As part of their transformation journeys, P&C insurers are seeking their trusted technology partners to shoulder an increasing share of the complexity of their core system environments. Consonant with this trend, we closed two additional InsuranceSuite cloud sales during the quarter and advanced similar conversations with both new and existing customers.”

Ryu continued, “We also completed an important capital raise that strengthens our balance sheet and provides us the means to act on investment opportunities that advance our industry platform mission.”

Third Quarter Fiscal 2018 Financial Highlights

Revenue

- Total revenue for the third quarter of fiscal 2018 was \$140.5 million, an increase of 14% from the same quarter in fiscal 2017. License and other revenue was \$50.4 million, a decrease of 15%, services revenue was \$71.4 million, an increase of 50%, and maintenance revenue was \$18.7 million, an increase of 11%.
- Rolling four-quarter recurring revenue was \$334.4 million for the period ended April 30, 2018, an increase of 10% compared to the same metric for the period ended April 30, 2017.

Profitability

- GAAP loss from operations was \$29.2 million for the third quarter of fiscal 2018, compared with loss of \$4.3 million in the comparable period in fiscal 2017.
- Non-GAAP income from operations was \$2.3 million for the third quarter of fiscal 2018, compared with income of \$17.1 million in the comparable period in fiscal 2017.
- GAAP net loss was \$48.6 million for the third quarter of fiscal 2018, compared with a net loss of \$1.8 million for the comparable period in fiscal 2017. GAAP net loss per share was \$0.62, based on diluted weighted average shares outstanding of 78.8 million, compared with \$0.02 net loss per share for the comparable period in fiscal 2017, based on diluted weighted average shares outstanding of 74.2 million.
- Non-GAAP net income was \$3.9 million for the third quarter of fiscal 2018, compared with a net income of \$12.3 million in the comparable period in fiscal 2017. Non-GAAP net income per diluted share was \$0.05, based on diluted weighted average shares outstanding of 80.4 million, compared with net income per diluted share of \$0.16 in the comparable period in fiscal 2017, based on diluted weighted average shares outstanding of 75.2 million.

Liquidity

- The Company had \$1,158.5 million in cash, cash equivalents and investments at April 30, 2018, compared with \$687.8 million at July 31, 2017. The increase was due to total net proceeds of \$608.2 million related to the public offering of our common stock and convertible notes offering, partially offset by the use of approximately \$130.1 million of cash in connection with the acquisition of Cyence.

Business Outlook

Guidewire is issuing the following outlook for the fourth quarter and fiscal 2018 based on current expectations:

| <i>(in \$ millions, except per share outlook)</i> | Fourth Quarter Fiscal 2018 | Full Year Fiscal 2018 |
|---|---------------------------------------|----------------------------------|
| Revenue | 234.0 - 240.0 | 647.0 - 653.0 |
| License and other revenue | 141.0 - 147.0 | 306.0 - 312.0 |
| Maintenance revenue | 19.0 - 20.0 | 76.0 - 77.0 |
| Services revenue | 71.0 - 75.0 | 262.0 - 266.0 |
| GAAP operating income (loss) | 45.5 - 51.5 | (17.1) - (11.1) |
| Non-GAAP operating income | 78.0 - 84.0 | 104.0 - 110.0 |
| GAAP net income (loss) | 65.8 - 74.5 | (37.3) - (28.6) |
| GAAP net income (loss) per share | 0.80 - 0.91 | (0.48) - (0.37) |
| Non-GAAP net income | 58.8 - 63.2 | 83.3 - 87.7 |
| Non-GAAP net income per share | 0.72 - 0.77 | 1.05 - 1.11 |

Non-GAAP operating income (loss) excludes stock-based compensation expense and amortization of intangible assets. Non-GAAP net income (loss) excludes stock-based compensation expense, amortization of intangible assets, and the amortization of debt discount and issuance costs from our convertible notes and the related tax effects. The GAAP and non-GAAP estimated annual tax rates used to compute net income and EPS exclude discrete items such as forecasted tax benefits related to stock-based compensation, and are impacted by the passage of the Tax Cuts and Jobs Act.

Conference Call Information

What: Guidewire Software Third Quarter Fiscal 2018 Financial Results Conference Call
When: Tuesday, June 5, 2018
Time: 2:00 p.m. PT (5:00 p.m. ET)
Live Call: (800) 239-9838, Domestic
(323) 794-2551, International
Replay: (844) 512-2921, Passcode 1354910, Domestic
(412) 317-6671, Passcode 1354910, International
Webcast: <http://ir.guidewire.com/> (live and replay)

The webcast will be archived on Guidewire's website (www.guidewire.com) for a period of three months.

Non-GAAP Financial Measures

This press release contains the following non-GAAP financial measures: Non-GAAP operating income, Non-GAAP net income (loss), Non-GAAP income tax provision (benefit), and Non-GAAP net income (loss) per share. These Non-GAAP financial measures exclude stock-based compensation, amortization of intangibles, and the amortization of debt discount and issuance costs from our convertible notes and the related tax effects of these adjustments for Non-GAAP net income (loss) and Non-GAAP net income (loss) per share.

Guidewire believes that these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Guidewire's financial condition and results of operations. The Company's management uses these non-GAAP measures to compare the Company's performance to that of prior periods for trend analysis, for purposes of determining executive and senior management incentive compensation and for budgeting and planning purposes. The Company believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing the Company's financial measures with other software companies, many of which present similar non-GAAP financial measures to investors.

Management of the Company does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in the Company's financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. Guidewire urges investors to review the reconciliation of its non-GAAP financial measures to the comparable GAAP financial measures, which it includes in press releases announcing

quarterly financial results, including this press release, and not to rely on any single financial measure to evaluate the Company's business.

Reconciliation tables of the most comparable GAAP financial measures to the non-GAAP financial measures used in this press release are included with the financial tables at the end of this release.

About Guidewire Software

Guidewire delivers the software that Property and Casualty (P&C) insurers need to adapt and succeed in a time of rapid industry change. We combine three elements -- core operations, data and analytics, and digital engagement -- into an insurance platform that enhances insurers' ability to engage and empower their customers and employees. More than 300 P&C insurers around the world have selected Guidewire. For more information, please visit www.guidewire.com. Follow us on twitter: @Guidewire_PandC.

NOTE: For information about Guidewire's trademarks, visit <https://www.guidewire.com/legal-notice>.

Cautionary Language Concerning Forward-Looking Statements

This press release 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, market positioning and future investments. 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: the market for our software may develop more slowly than expected or than it has in the past; quarterly and annual operating results may fluctuate more than expected; seasonal and other variations related to our 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 revenues; our services revenues produce lower gross margins than our license and maintenance revenues; assertions by third parties that we violate their intellectual property rights could substantially harm our business; we face intense competition in our market; weakened global economic conditions may adversely affect the P&C insurance industry including the rate of information technology spending; our product development and sales cycles are lengthy; the risk of losing key employees; changes in foreign exchange rates; general political or destabilizing events, including war, conflict or acts of terrorism; and other risks and uncertainties. Past performance is not necessarily indicative of future results. The forward-looking statements included in this press release represent Guidewire's views as of the date of this press release. 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 press release.

Media Contact:

Diana Stott
Guidewire Software, Inc.
(650) 356-4941
dstott@guidewire.com

Investor Contact:

Garo Toomajanian
ICR, LLC
(650) 357-5282
ir@guidewire.com

GUIDEWIRE SOFTWARE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited, in thousands)

| | April 30, 2018 | July 31, 2017 |
|---|---------------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 476,101 | \$ 263,176 |
| Short-term investments | 518,151 | 310,027 |
| Accounts receivable | 101,146 | 79,433 |
| Prepaid expenses and other current assets | 31,229 | 26,604 |
| Total current assets | 1,126,627 | 679,240 |
| Long-term investments | 164,206 | 114,585 |
| Property and equipment, net | 15,929 | 14,376 |
| Intangible assets, net | 103,001 | 71,315 |
| Deferred tax assets, net | 58,597 | 37,430 |
| Goodwill | 342,469 | 141,851 |
| Other assets | 21,704 | 20,104 |
| TOTAL ASSETS | \$ 1,832,533 | \$ 1,078,901 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 19,357 | \$ 13,416 |
| Accrued employee compensation | 43,427 | 48,882 |
| Deferred revenues, current | 113,894 | 91,243 |
| Other current liabilities | 12,016 | 10,075 |
| Total current liabilities | 188,694 | 163,616 |
| Convertible senior notes, net | 302,184 | — |
| Deferred revenues, non-current | 20,667 | 19,892 |
| Other liabilities | 1,121 | 2,112 |
| Total liabilities | 512,666 | 185,620 |
| STOCKHOLDERS' EQUITY: | | |
| Common stock | 8 | 8 |
| Additional paid-in capital | 1,276,379 | 830,014 |
| Accumulated other comprehensive loss | (6,598) | (5,796) |
| Retained earnings | 50,078 | 69,055 |
| Total stockholders' equity | 1,319,867 | 893,281 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 1,832,533 | \$ 1,078,901 |

GUIDEWIRE SOFTWARE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited, in thousands except share and per share data)

| | Three Months Ended April 30, | | Nine Months Ended April 30, | |
|---|------------------------------|-------------------|-----------------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Revenues: | | | | |
| License and other | \$ 50,359 | \$ 58,971 | \$ 164,673 | \$ 161,767 |
| Maintenance | 18,749 | 16,858 | 56,789 | 49,972 |
| Services | 71,361 | 47,607 | 190,966 | 121,445 |
| Total revenues | <u>140,469</u> | <u>123,436</u> | <u>412,428</u> | <u>333,184</u> |
| Cost of revenues: ⁽¹⁾ | | | | |
| License and other | 9,742 | 5,208 | 25,497 | 10,419 |
| Maintenance | 3,828 | 3,480 | 10,888 | 9,884 |
| Services | 60,751 | 42,780 | 168,599 | 113,995 |
| Total cost of revenues | <u>74,321</u> | <u>51,468</u> | <u>204,984</u> | <u>134,298</u> |
| Gross profit: | | | | |
| License and other | 40,617 | 53,763 | 139,176 | 151,348 |
| Maintenance | 14,921 | 13,378 | 45,901 | 40,088 |
| Services | 10,610 | 4,827 | 22,367 | 7,450 |
| Total gross profit | <u>66,148</u> | <u>71,968</u> | <u>207,444</u> | <u>198,886</u> |
| Operating expenses: ⁽¹⁾ | | | | |
| Research and development | 46,787 | 34,090 | 126,155 | 94,865 |
| Sales and marketing | 30,378 | 28,788 | 85,949 | 77,808 |
| General and administrative | 18,170 | 13,429 | 57,907 | 40,649 |
| Total operating expenses | <u>95,335</u> | <u>76,307</u> | <u>270,011</u> | <u>213,322</u> |
| Loss from operations | (29,187) | (4,339) | (62,567) | (14,436) |
| Interest income | 3,762 | 1,400 | 7,247 | 4,286 |
| Interest expense | (2,228) | (6) | (2,239) | (6) |
| Other income (expense), net | (356) | 11 | 1,040 | (335) |
| Loss before income taxes | (28,009) | (2,934) | (56,519) | (10,491) |
| Provision for (benefit from) income taxes | 20,613 | (1,115) | 46,572 | (4,788) |
| Net loss | <u>\$ (48,622)</u> | <u>\$ (1,819)</u> | <u>\$ (103,091)</u> | <u>\$ (5,703)</u> |
| Net loss per share: | | | | |
| Basic | <u>\$ (0.62)</u> | <u>\$ (0.02)</u> | <u>\$ (1.32)</u> | <u>\$ (0.08)</u> |
| Diluted | <u>\$ (0.62)</u> | <u>\$ (0.02)</u> | <u>\$ (1.32)</u> | <u>\$ (0.08)</u> |
| Shares used in computing net loss per share: | | | | |
| Basic | <u>78,777,484</u> | <u>74,175,603</u> | <u>78,246,146</u> | <u>73,731,132</u> |
| Diluted | <u>78,777,484</u> | <u>74,175,603</u> | <u>78,246,146</u> | <u>73,731,132</u> |

(1) Amounts include stock-based compensation expense as follows:

| | Three Months Ended April 30, | | Nine Months Ended April 30, | |
|---|-------------------------------------|------------------|------------------------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | (unaudited, in thousands) | | | |
| Stock-based compensation expense: | | | | |
| Cost of license revenue | \$ 274 | \$ 90 | \$ 706 | \$ 231 |
| Cost of maintenance revenues | 462 | 416 | 1,398 | 1,265 |
| Cost of services revenues | 5,310 | 4,459 | 15,982 | 13,969 |
| Research and development | 7,236 | 4,508 | 19,845 | 13,625 |
| Marketing and sales | 4,527 | 3,992 | 13,768 | 12,498 |
| General and administrative | 6,030 | 3,732 | 16,795 | 12,073 |
| Total stock-based compensation expense | \$ 23,839 | \$ 17,197 | \$ 68,494 | \$ 53,661 |

GUIDEWIRE SOFTWARE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited, in thousands)

| | Three Months Ended April 30, | | Nine Months Ended April 30, | |
|---|-------------------------------------|-------------------|------------------------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Net loss | (48,622) | (1,819) | \$ (103,091) | \$ (5,703) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 9,802 | 5,825 | 26,117 | 12,208 |
| Amortization of debt discount and issuance costs | 1,568 | — | 1,568 | — |
| Stock-based compensation | 23,839 | 17,197 | 68,494 | 53,661 |
| Excess tax benefit from stock-based compensation | — | 962 | — | 962 |
| Deferred income tax | 19,134 | (1,162) | 43,421 | (6,779) |
| Amortization of premium on available-for-sale securities, and other non-cash items | (395) | 333 | (34) | 1,201 |
| Changes in operating assets and liabilities: | | | | |
| Accounts receivable | (464) | (24,922) | (16,809) | (25,745) |
| Prepaid expenses and other assets | 1,167 | (3,483) | (1,972) | (7,172) |
| Accounts payable | (265) | 2,261 | 4,569 | 546 |
| Accrued employee compensation | 10,310 | 11,495 | (7,237) | (3,589) |
| Other liabilities | 82 | (470) | 886 | (1,085) |
| Deferred revenues | 4,013 | 15,671 | 20,703 | 33,032 |
| Net cash provided by operating activities | <u>20,169</u> | <u>21,888</u> | <u>36,615</u> | <u>51,537</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Purchases of available-for-sale securities | (424,490) | (52,150) | (535,310) | (343,761) |
| Sales of available-for-sale securities | 106,370 | 144,159 | 276,686 | 442,830 |
| Purchases of property and equipment | (90) | (619) | (4,710) | (3,236) |
| Capitalized software development costs | (1,081) | (374) | (1,850) | (374) |
| Strategic investment | — | (4,677) | — | (4,677) |
| Acquisitions of business, net of acquired cash | 318 | (154,056) | (130,058) | (187,590) |
| Net cash used in investing activities | <u>(318,973)</u> | <u>(67,717)</u> | <u>(395,242)</u> | <u>(96,808)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | |
| Proceeds from issuance of convertible senior notes, net of issuance costs | 387,239 | — | 387,239 | — |
| Proceeds from issuance of common stock, net of issuance costs | 220,948 | — | 220,948 | — |
| Purchase of capped calls | (37,200) | — | (37,200) | — |
| Proceeds from issuance of common stock upon exercise of stock options | 328 | 1,385 | 1,055 | 3,419 |
| Excess tax benefit (shortfall) from exercise of stock options and vesting of restricted stock units | — | (962) | — | (962) |
| Net cash provided by financing activities | <u>571,315</u> | <u>423</u> | <u>572,042</u> | <u>2,457</u> |
| Effect of foreign exchange rate changes on cash and cash equivalents | (1,697) | 209 | (490) | (602) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 270,814 | (45,197) | 212,925 | (43,416) |
| CASH AND CASH EQUIVALENTS—Beginning of period | 205,287 | 225,363 | 263,176 | 223,582 |
| CASH AND CASH EQUIVALENTS—End of period | \$ 476,101 | \$ 180,166 | \$ 476,101 | \$ 180,166 |

GUIDEWIRE SOFTWARE, INC. AND SUBSIDIARIES
Reconciliation of GAAP to Non-GAAP Financial Measures

(unaudited, in thousands except share and per share data))

The following tables reconcile the specific items excluded from GAAP in the calculation of non-GAAP financial measures for the periods indicated below:

| | Three Months Ended April 30, | | Nine Months Ended April 30, | |
|--|------------------------------|------------|-----------------------------|-------------|
| | 2018 | 2017 | 2018 | 2017 |
| Income (loss) from operations reconciliation: | | | | |
| GAAP loss from operations | \$ (29,187) | \$ (4,339) | \$ (62,567) | \$ (14,436) |
| Non-GAAP adjustments: | | | | |
| Stock-based compensation ⁽¹⁾ | 23,839 | 17,197 | 68,494 | 53,661 |
| Amortization of intangibles ⁽¹⁾ | 7,669 | 4,219 | 20,114 | 7,313 |
| Non-GAAP income from operations | \$ 2,321 | \$ 17,077 | \$ 26,041 | \$ 46,538 |
| Net income (loss) reconciliation: | | | | |
| GAAP net loss | \$ (48,622) | \$ (1,819) | \$ (103,091) | \$ (5,703) |
| Non-GAAP adjustments: | | | | |
| Stock-based compensation ⁽¹⁾ | 23,839 | 17,197 | 68,494 | 53,661 |
| Amortization of intangibles ⁽¹⁾ | 7,669 | 4,219 | 20,114 | 7,313 |
| Amortization of debt discount and issuance costs ⁽²⁾ | 1,568 | — | 1,568 | — |
| Tax impact on non-GAAP adjustments ⁽³⁾ | 19,461 | (7,316) | 37,542 | (21,243) |
| Non-GAAP net income | \$ 3,915 | \$ 12,281 | \$ 24,627 | \$ 34,028 |
| Tax provision (benefit) reconciliation: | | | | |
| GAAP tax provision (benefit) | \$ 20,613 | \$ (1,115) | \$ 46,572 | \$ (4,788) |
| Non-GAAP adjustments: | | | | |
| Stock-based compensation | 6,470 | 5,503 | 19,661 | 17,172 |
| Amortization of intangibles | 2,081 | 1,350 | 5,716 | 2,340 |
| Amortization of debt discount and issuance costs | 426 | — | 426 | — |
| Other income tax effects and adjustments | (28,438) | 463 | (63,345) | 1,731 |
| Non-GAAP tax provision | \$ 1,152 | \$ 6,201 | \$ 9,030 | \$ 16,455 |
| Earnings (loss) per share reconciliation: | | | | |
| GAAP loss per share - Diluted | \$ (0.62) | \$ (0.02) | \$ (1.32) | \$ (0.08) |
| Stock-based compensation | 0.30 | 0.23 | 0.89 | 0.73 |
| Amortization of intangibles acquired in business combinations | 0.10 | 0.06 | 0.26 | 0.10 |
| Amortization of debt discount and issuance costs | 0.02 | — | 0.02 | — |
| Tax impact of non-GAAP adjustments | 0.25 | (0.10) | 0.48 | (0.29) |
| Non-GAAP dilutive shares excluded from GAAP earnings (loss) per share calculation ⁽⁴⁾ | — | (0.01) | — | (0.01) |
| Non-GAAP earnings per share - Diluted | \$ 0.05 | \$ 0.16 | \$ 0.33 | \$ 0.45 |
| Shares used in computing non-GAAP per share amounts: | | | | |
| GAAP weighted average shares - Diluted | 78,777,484 | 74,175,603 | 78,246,146 | 73,731,132 |
| Non-GAAP dilutive shares excluded from GAAP loss per share calculation ⁽⁴⁾ | 1,581,552 | 1,053,252 | 1,561,424 | 1,293,010 |
| Pro forma weighted average shares - Diluted | 80,359,036 | 75,228,855 | 79,807,570 | 75,024,142 |

(1) Adjustments relate to amortization of acquired intangibles and stock-based compensation recognized during the period for GAAP purposes.

(2) Adjustment reflects the amortization of debt discount and issuance costs related to the issuance of our Senior Convertible Notes recognized during the period for GAAP purposes.

(3) Adjustment reflects the tax benefit (provision) resulting from all non-GAAP adjustments.

(4) Due to the occurrence of a net loss on a GAAP basis, potentially dilutive securities were excluded from the calculation of GAAP earnings per share, as they would have an anti-dilutive effect. However, as net income was earned on a non-GAAP basis, these shares have a dilutive effect on a Non-GAAP earnings per share and are included here.

GUIDEWIRE SOFTWARE, INC. AND SUBSIDIARIES

Reconciliation of GAAP to Non-GAAP Outlook

The following tables reconcile the specific items excluded from GAAP in the calculation of non-GAAP outlook for the periods indicated below:

| <i>(in \$ millions)</i> | Fourth Quarter Fiscal 2018 | | Full Year Fiscal 2018 | |
|--|---------------------------------------|----------|----------------------------------|----------|
| Outlook reconciliation: GAAP and non-GAAP operating income (loss) | | | | |
| GAAP operating income (loss) | 45.5 | - 51.5 | (17.1) | - (11.1) |
| Non-GAAP adjustments: | | | | |
| Stock-based compensation | 24.6 | - 25.6 | 92.1 | - 95.1 |
| Amortization of intangibles | 7.1 | - 7.6 | 27.0 | - 28.0 |
| Non-GAAP operating income | 78.0 | - 84.0 | 104.0 | - 110.0 |
| Outlook reconciliation: GAAP and non-GAAP net income (loss) | | | | |
| GAAP net income (loss) | 65.8 | - 74.5 | (37.3) | - (28.6) |
| Non-GAAP adjustments: | | | | |
| Stock-based compensation | 24.6 | - 25.6 | 92.1 | - 95.1 |
| Amortization of intangibles | 7.1 | - 7.6 | 27.0 | - 28.0 |
| Amortization of debt discount and issuance costs | 2.9 | - 2.9 | 4.5 | - 4.5 |
| Non-GAAP tax impact | (42.5) | - (46.8) | (5.0) | - (9.3) |
| Non-GAAP net income | 58.8 | - 63.2 | 83.3 | - 87.7 |