

# Guidewire Investor Day

**Alex Hughes**

Vice President, Investor Relations



# Agenda

TIME	TOPIC	SPEAKER
3:00 pm	<b>Introduction</b>	Alex Hughes, Vice President, Investor Relations
3:05 pm	<b>Powering Intelligent Insurance</b>	Mike Rosenbaum, Chief Executive Officer
3:25 pm	<b>Expanding on our Success</b>	John Mullen, President
3:45 pm	<b>Customer Panel</b>	Christina Colby, Chief Customer Officer
4:15 pm	<b>Break</b>	
4:20 pm	<b>Building on our Cloud Model</b>	Jeff Cooper, Chief Financial Officer
4:40 pm	<b>Executive Q&amp;A</b>	Executives
5:10 pm – 6:00 pm	<b>Cocktail Reception</b>	

# Safe Harbor

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: our quarterly and annual results may fluctuate significantly; our reliance on orders from a relatively small number of customers in the P&C insurance industry and the related substantial negotiating leverage of these customers, as well as our dependence on customer renewals and expansions; lengthy and variable sales and implementation cycles; competitive attributes of our applications, maintain market acceptance, respond to competitive pressures, and meet local requirements of international markets; failure to grow our business and manage our expanding operations; our ability to expand adoption of our cloud-based products, migrate existing term license customers to cloud-based offerings on a subscription basis, and manage long-term pricing commitments in our customer contracts; exposure to risks in relation to data security incidents or breaches of our cloud-based products, unauthorized access to our customers’ or employees’ data, and the related impact on our ability to effectively operate our cloud environment for our customers; issues in the development and use of AI, as well as the use of AI by our workforce, combined with an uncertain regulatory environment; retaining existing and hiring new personnel, including managing a hybrid and geographically distributed workforce; errors or failures in our products or services, as well as failures, security vulnerabilities, or service interruptions of third-party technologies and service providers we utilize; dependence on the quality and effectiveness of our professional services, technical support, and SI partners; factors that could affect our gross and operating margins; pursuing acquisitions or partnerships may lead to management distractions, integration challenges, increased costs, and stockholder dilution; exposure to market risks; required compliance with current and evolving local data privacy and cybersecurity laws and regulations in all jurisdictions where we have customers; 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.

# Powering Intelligent Insurance

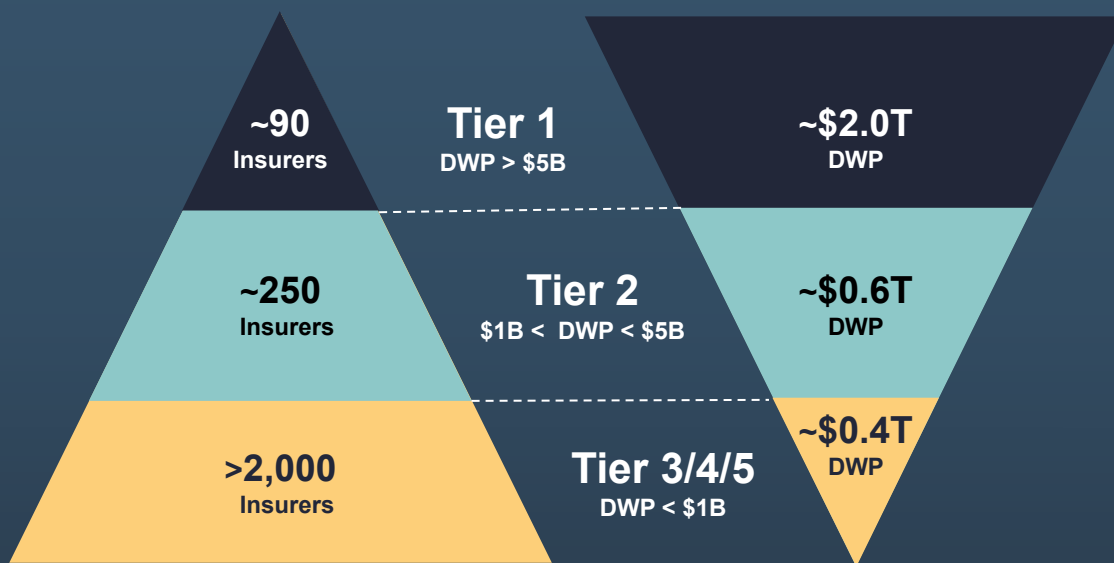
**Mike Rosenbaum**

Chief Executive Officer

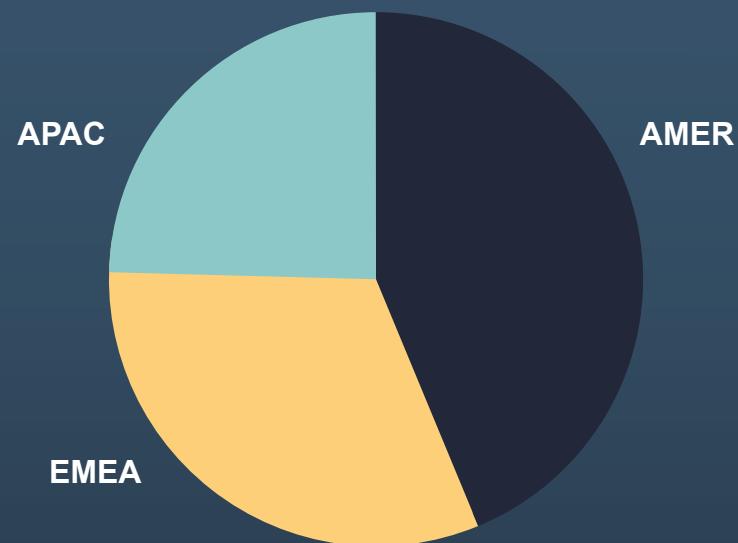


# Understanding Guidewire requires understanding P&C insurance

~\$3.0T DWP



Tier 1 and 2 Insurers represent 85%+ of DWP supporting our prolonged focus on the specific complexities of this segment



Global industry with **DWP** across **AMER/EMEA/APAC**

Our ability to leverage a common platform worldwide allows us to more than double our AMER TAM

# P&C insurance is critical to the economy and society

~\$3.0 Trillion of Annual Written Premium and 3% of Global GDP

## PERSONAL LINES

~54% DWP



Automotive



Residential



Title



Travel



Pet



Earthquake



Recreational



Watercraft



Other

## COMMERCIAL LINES

~46% DWP



Property



Fleet



Workers'  
Comp



General  
Liability



Professional  
Liability



Ocean Marine



Farm

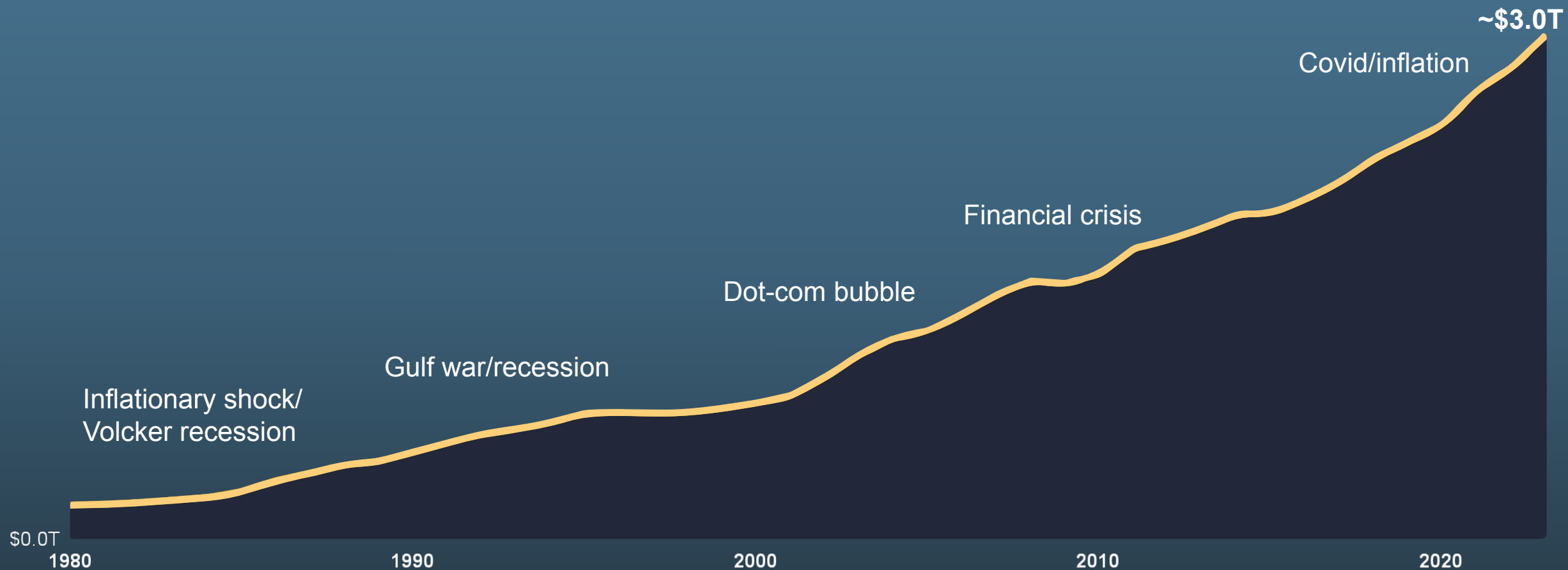


Machinery



Other

# The P&C industry is durable and highly resilient



# Our Mission

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

# The pursuit of this mission is playing out over three chapters



Build modern software for P&C core processing



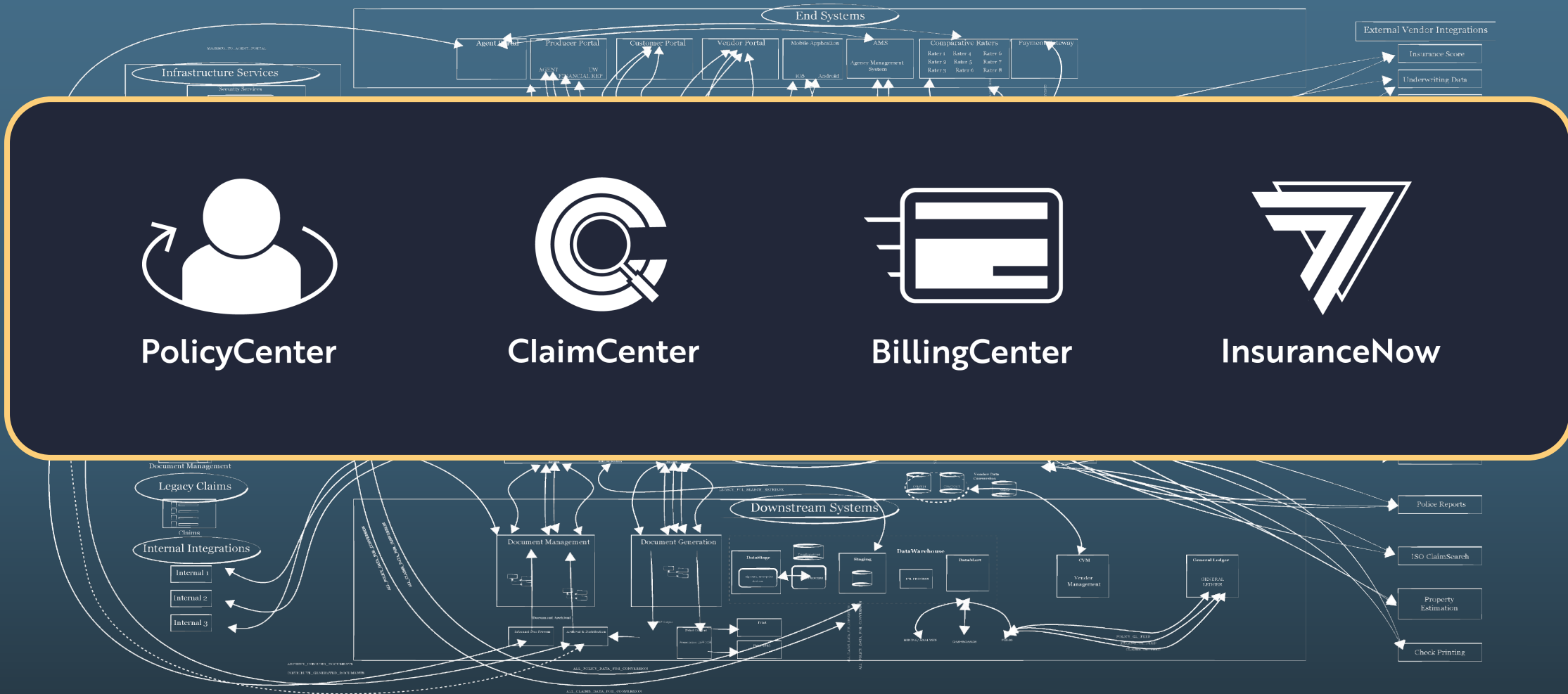
Instantiate these core applications as a cloud service



Power intelligent insurance through context-driven AI and a portfolio of applications that improve insurance outcomes

# In the first chapter, we delivered reliable, upgradable core applications that could handle P&C complexity

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





# Delivering on this earned the trust of the world's largest insurers

349

Core Customers  
FY25

\$1.041B

ARR  
FY25

\$775B

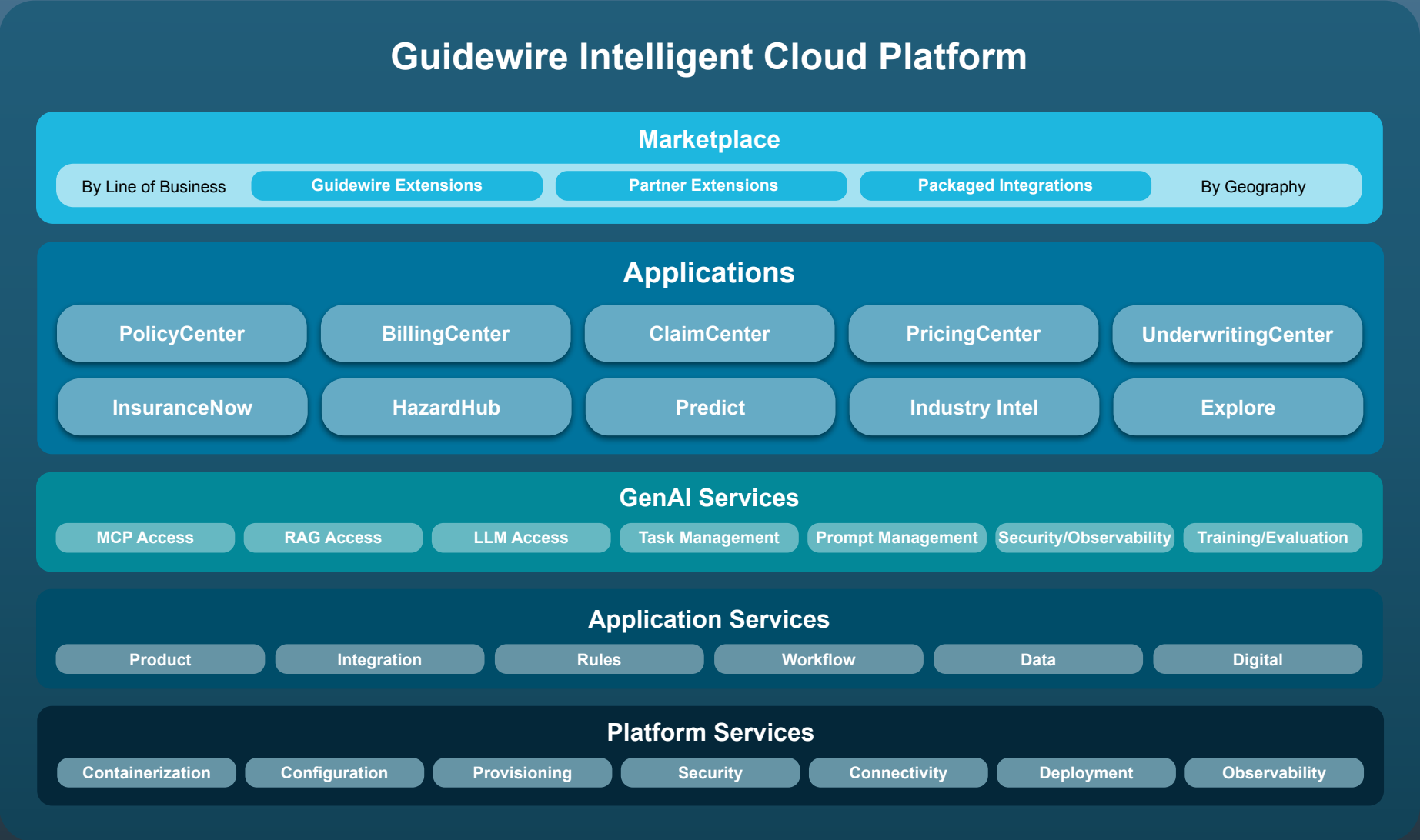
DWP  
FY25



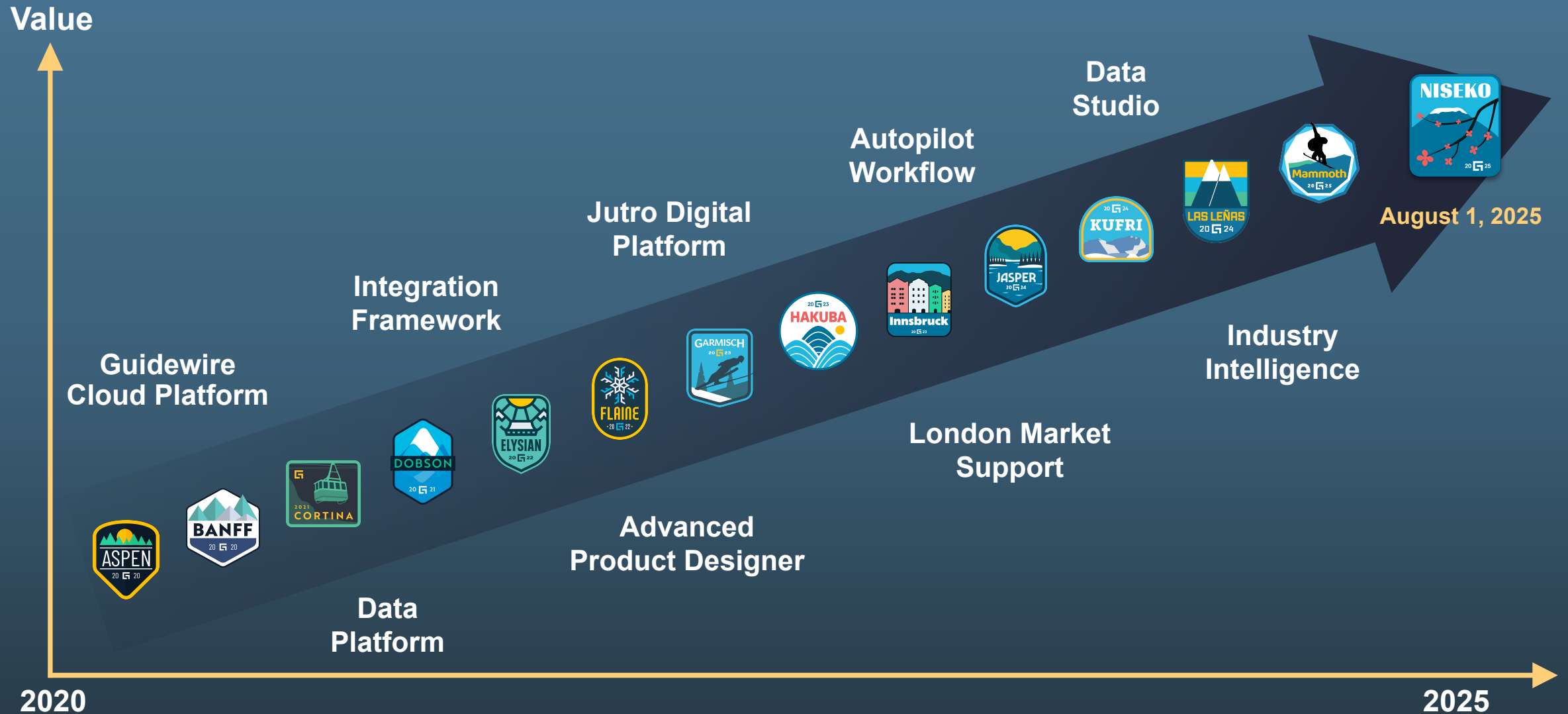
Note: Core Customers include customers who are using InsuranceSuite (ClaimCenter, PolicyCenter or BillingCenter) or InsuranceNow.

# The second chapter introduced Guidewire Cloud Platform

A highly reliable, modular, and extensible platform capable of running at scale

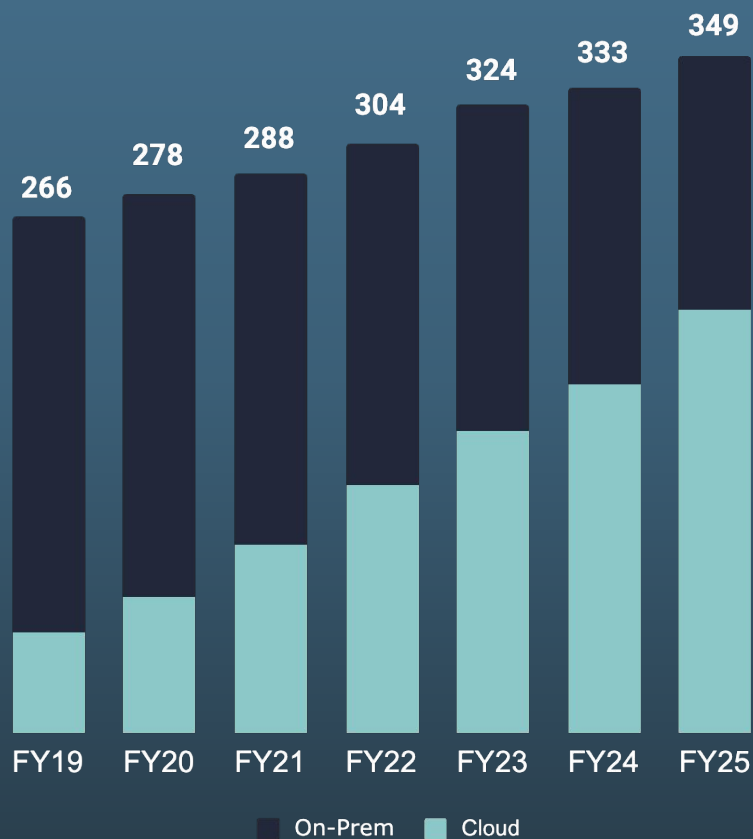


# As a cloud service, our value increases with each release, 3x/year

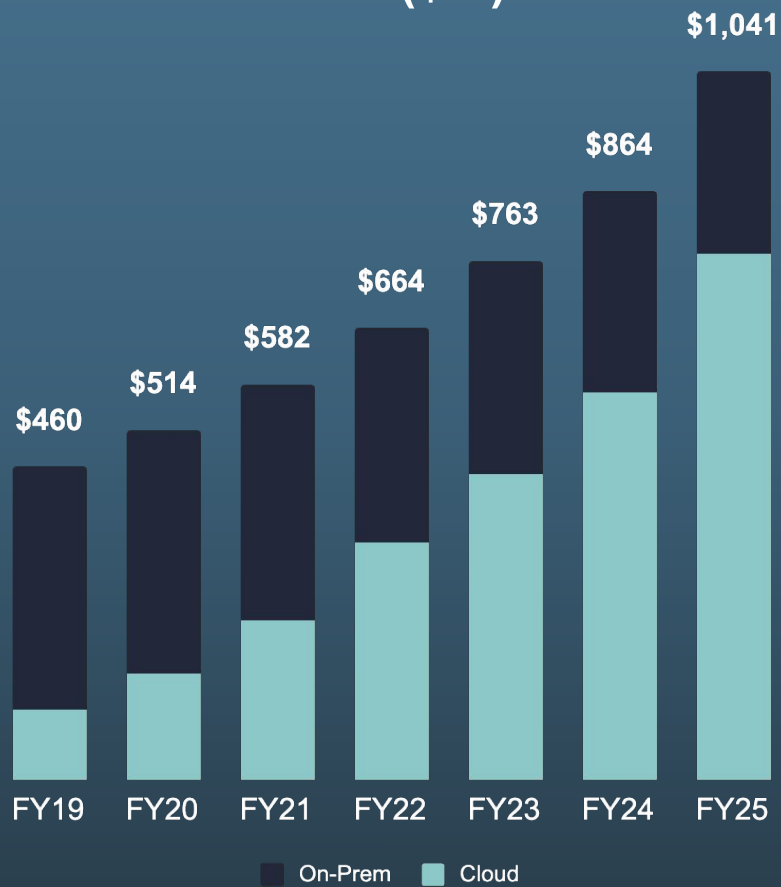


# Our cloud transformation has been a huge success

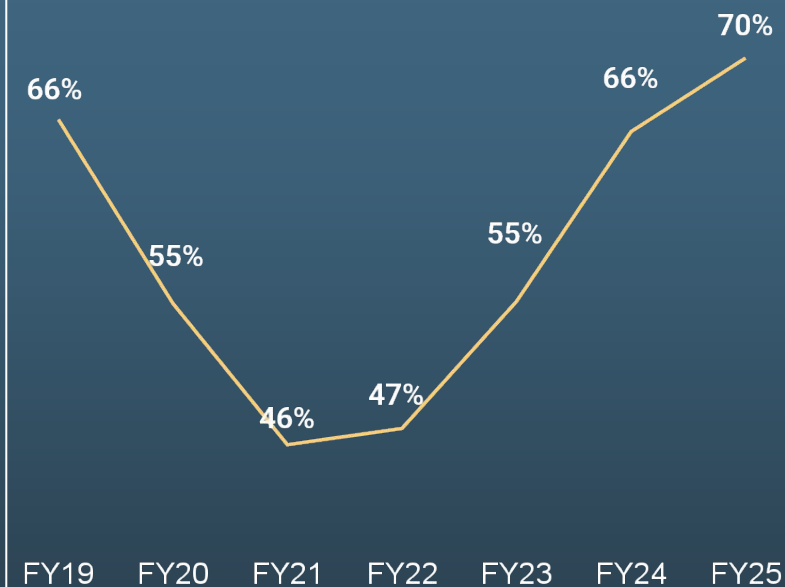
## Core Customers



## ARR (\$M)



## Subscription and Support Gross Margin



# We have a strong global footprint and growing momentum



# Our partner ecosystem amplifies our platform potential



# We are now positioned for the third chapter



Build modern software for P&C core processing



Instantiate these core applications as a cloud service



**Power intelligent insurance through context-driven AI and a portfolio of applications that improve insurance outcomes**

# The intelligent insurance opportunity: Drive efficiencies across ~\$3T in direct written premium

Claims Payout Expense = 57¢

Loss Adjustment  
Expense

Legal Exp 6¢  
Claims Adj 4¢

G&A & IT 11¢

Commissions & Brokerage 14¢

Taxes 2¢

Profit 5¢



Loss Ratio  
67%

Expense Ratio  
25%

# Intelligent applications improve outcomes across the complete insurance lifecycle



# AI will reshape insurance and radically change each key function

**Development  
velocity will increase**



**Underwriting  
will transform**



**Claims will become  
more efficient**



**Our commitment is to  
an open trusted core**

**Our unique role is  
to provide insurance  
specific content**





PRONAVIGATOR

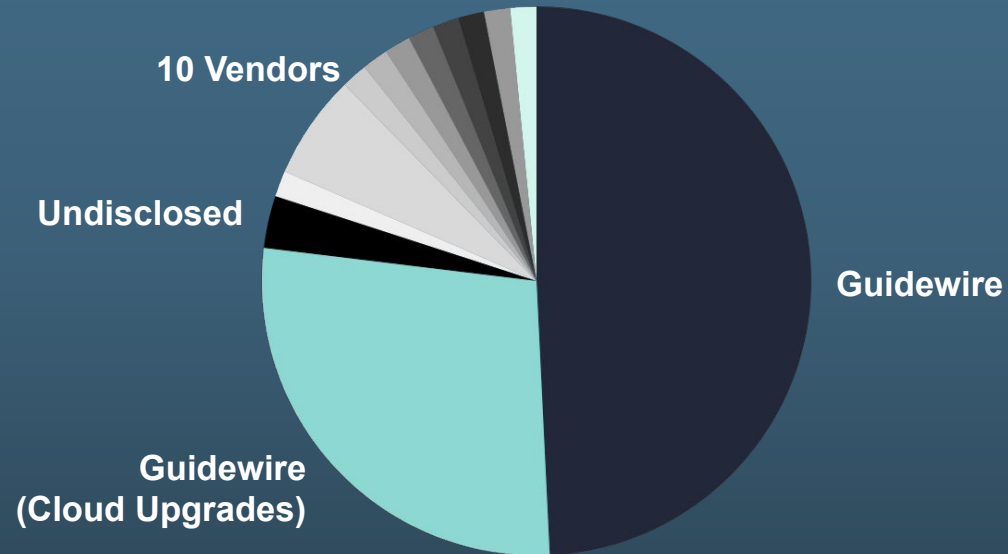
# Expanding on our Success

**John Mullen**  
President

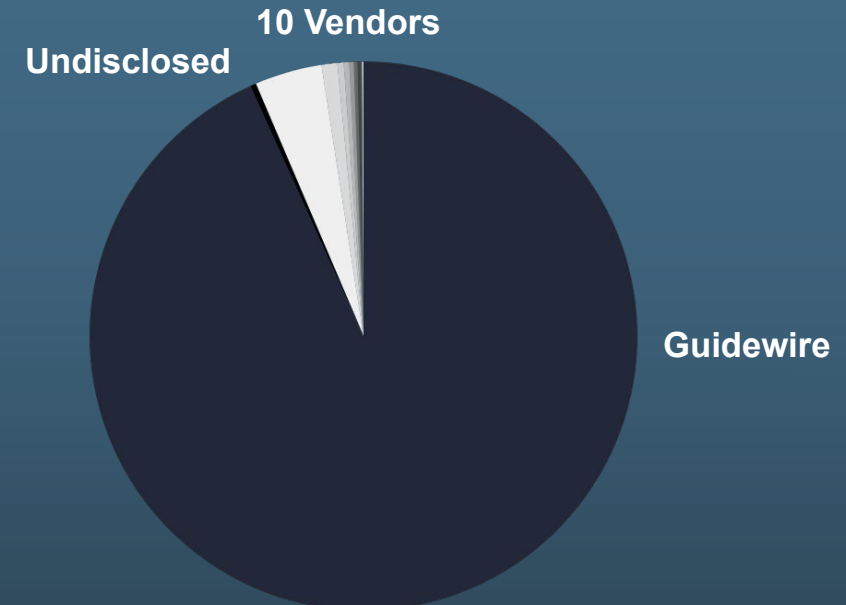


# Platform referenceability and maturity is driving high win rates

## Core System Decisions



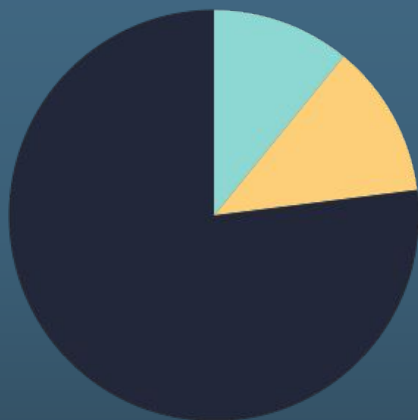
## Core System Decisions by DWP



# We are winning at all ends of market and Tier 1 alignment has progressed over the last 18 months

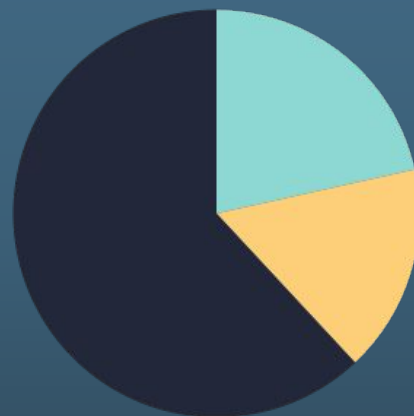
## DWP Penetration by Tier

Tier 1: >\$5B DWP



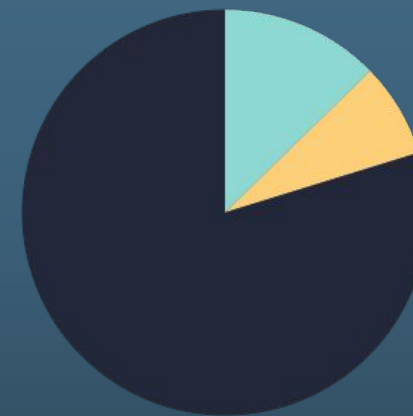
100% = \$2.0T

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



100% = \$0.6T

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



100% = \$0.4T

Opportunity

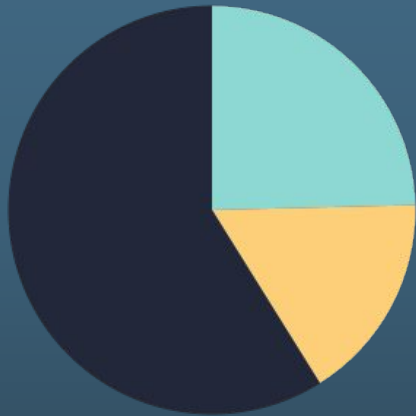
GWRE Cloud

GWRE On-Prem

# We remain committed to key global markets and we are seeing returns on that investment

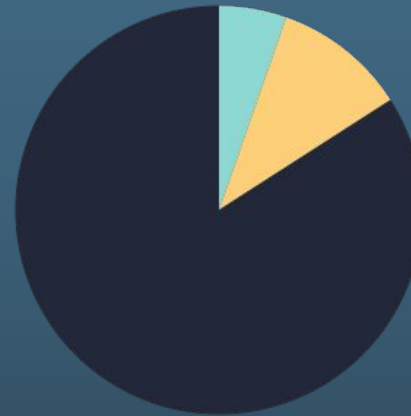
## DWP Penetration by Region

Core DWP - Americas



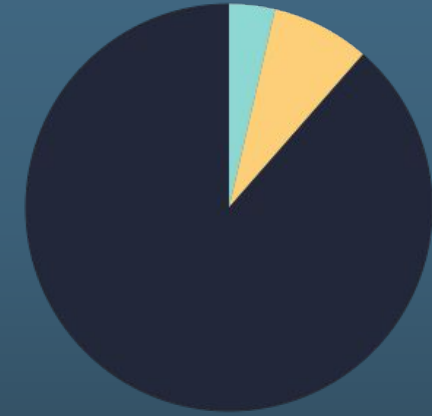
100% = \$1.3T

Core DWP - EMEA



100% = \$0.9T

Core DWP - APAC



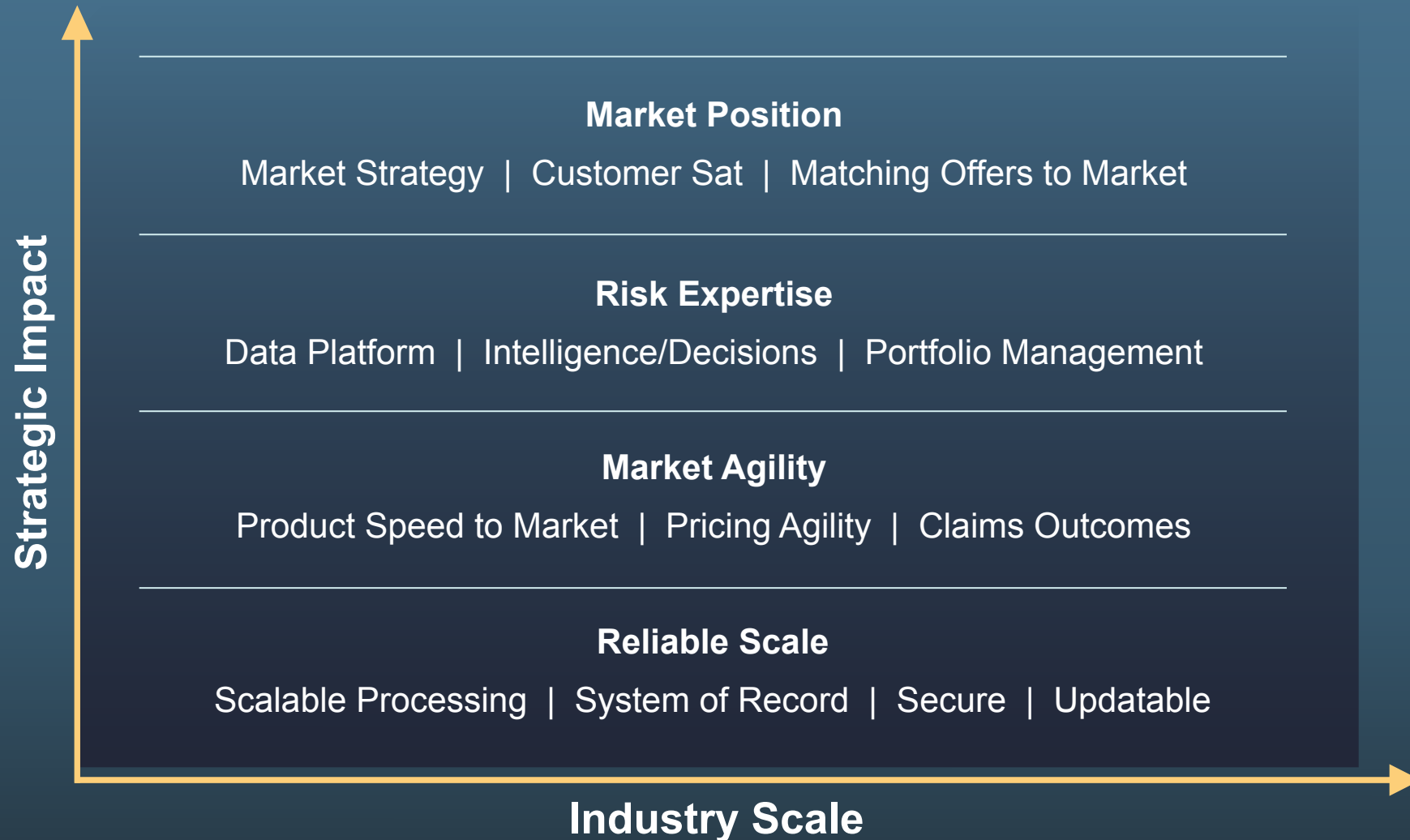
100% = \$0.8T

Opportunity

GWRE Cloud

GWRE On-Prem

# Guidewire as Industry Platform shapes the opportunity ahead



# We are introducing valuable new applications



PricingCenter

**Stronger  
customer satisfaction**



UnderwritingCenter

**Faster  
speed to market**



Industry Intel

**Smarter  
risk selection**

**Informed  
portfolio management**

# Pricing agility is a strategic imperative for our customers



## PricingCenter

Data  
Preparation

Predictive  
Modeling

Impact  
Analysis

Rating  
Execution

Monitor and  
Reporting

**Faster Speed to Market | Pricing Agility**

# Efficient & Intelligent risk selection is fundamental to the industry



## UnderwritingCenter



**Submission  
Ingestion**



**Triage and  
Clearance**

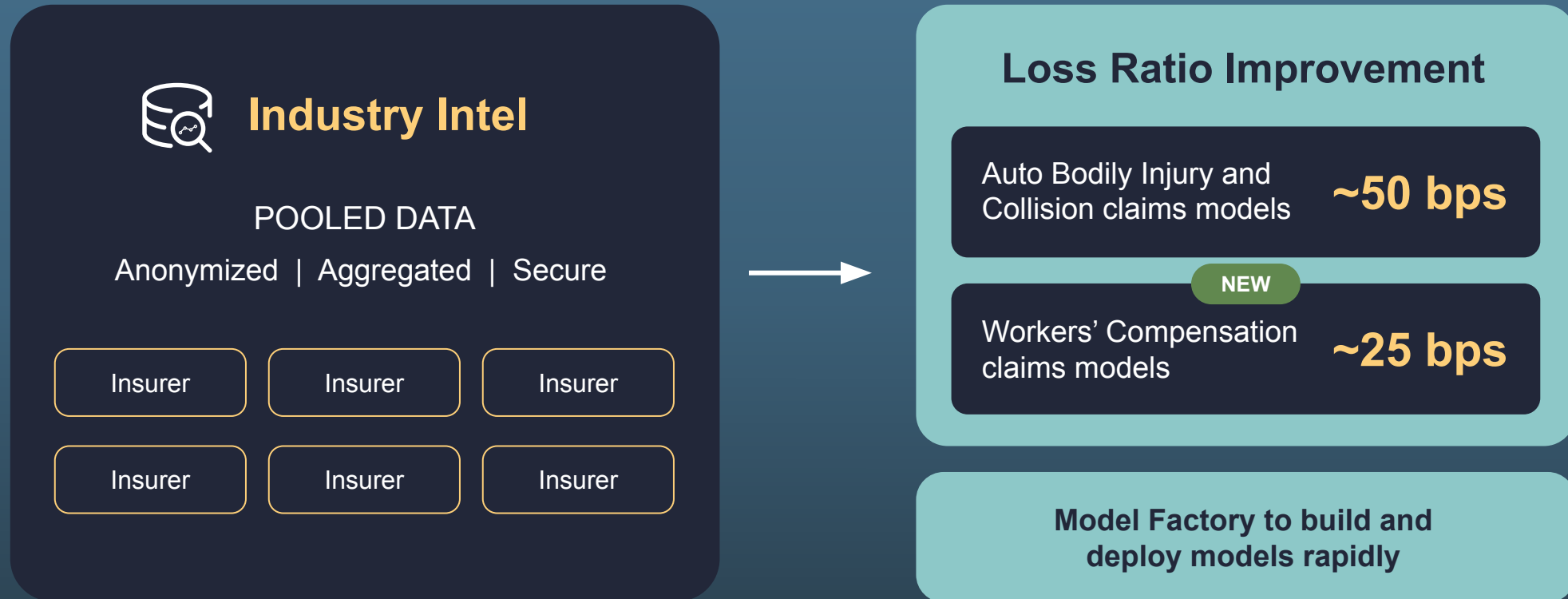


**Risk  
Assessment**

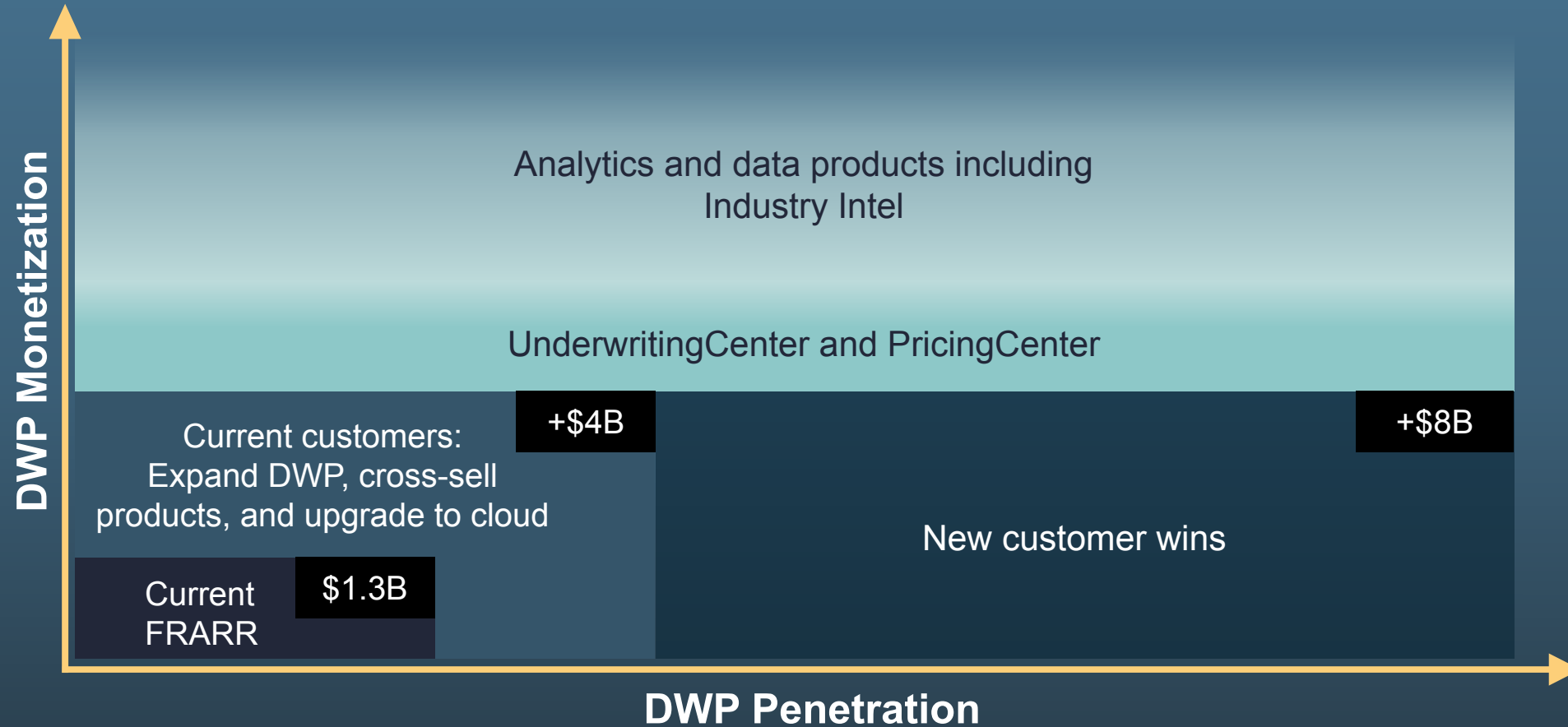


**Quote  
and Bind**

# Industry Intel is a unique set of predictive models that drive better business outcomes



# This portfolio expands our TAM profile



# Growth pillars driven by Intelligent Insurance



## Migrations

Referenceability  
Strategic Roadmap  
Program Speed



## Expansion with Existing Brands

Solution Coherence  
Platform Leverage  
Data/Intel/Gen AI



## Net-New Logos

Industry Mod Pace  
LOB Specification  
Geo Specification



## Pricing and Underwriting

Speed to Market  
Risk Selection/Price  
Distribution Mgmt



## Industry Intelligence

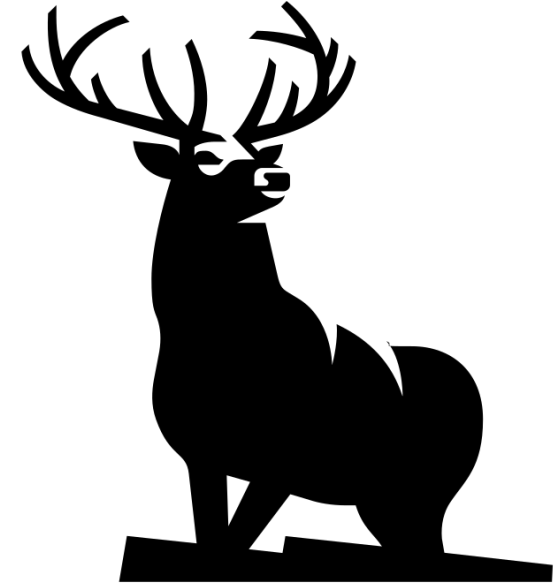
Operational Insights  
Risk Insights  
Portfolio Optimization

**Operational Excellence | Expertise at Scale**

**Powered by Agentic AI**

## Cloud momentum continues

The Hartford, a longstanding strategic customer, has made the commitment to move to Guidewire Cloud in Q1'FY26



# The Hartford

# Customer Panel

**Christina Colby**

Chief Customer Officer



# Speakers



**Daniel Engelberger**  
COO, International

FY24 P&C gross written premium: \$30B

- Major Japanese insurer providing comprehensive personal and commercial insurance
- Sompo International focuses on a broad range of specialty lines and reinsurance for commercial clients



**John Chu**  
Founder and CEO

2024 managed premiums: ~\$500M

- Technology-driven managing general agent (MGA) offers homeowners and other property insurance, particularly in catastrophe-exposed markets like California
- Backed by CVC Capital Group and White Mountains Insurance Group



**Paige Vincent**  
COO, Australia

Premium information is not public

- Leading, privately-owned general insurer that partners with well-known brands to provide a diverse range of insurance products, including car, home, pet, and business cover, to millions of Australians

# Break




# Building on our Cloud Model

**Jeff Cooper**

Chief Financial Officer



# Key Financial Highlights



Durable ARR growth supported by cloud migration and modernization cycles

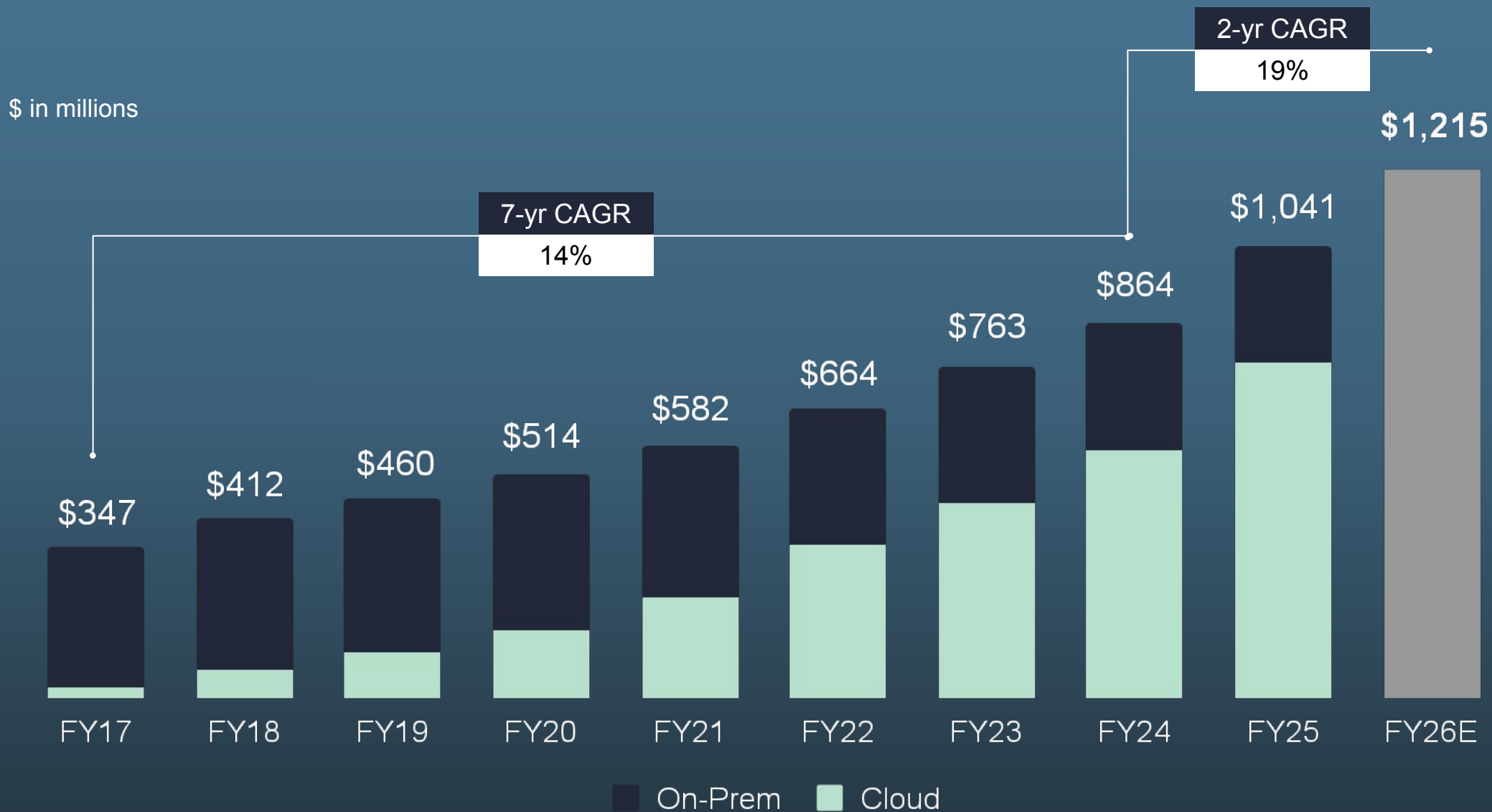
Decades long customer relationships with best-in-class retention

Organic and inorganic growth opportunities to expand TAM

Visible cloud gross margin expansion leveraging platform investments

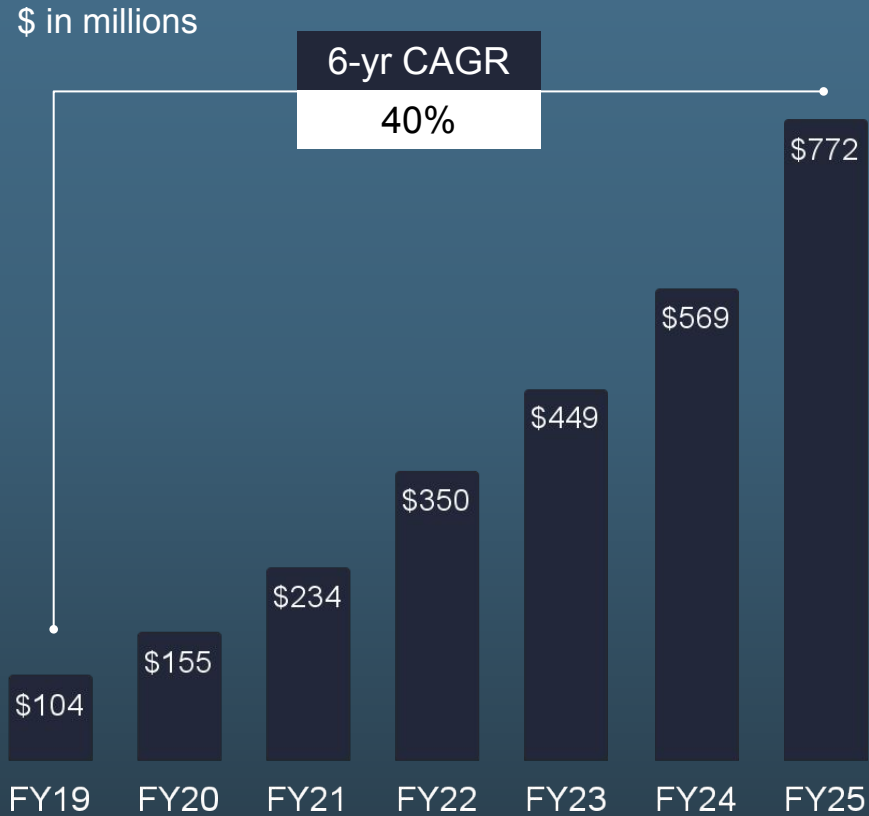
Continued execution driving profitable growth

# Durable ARR growth is driven by cloud momentum

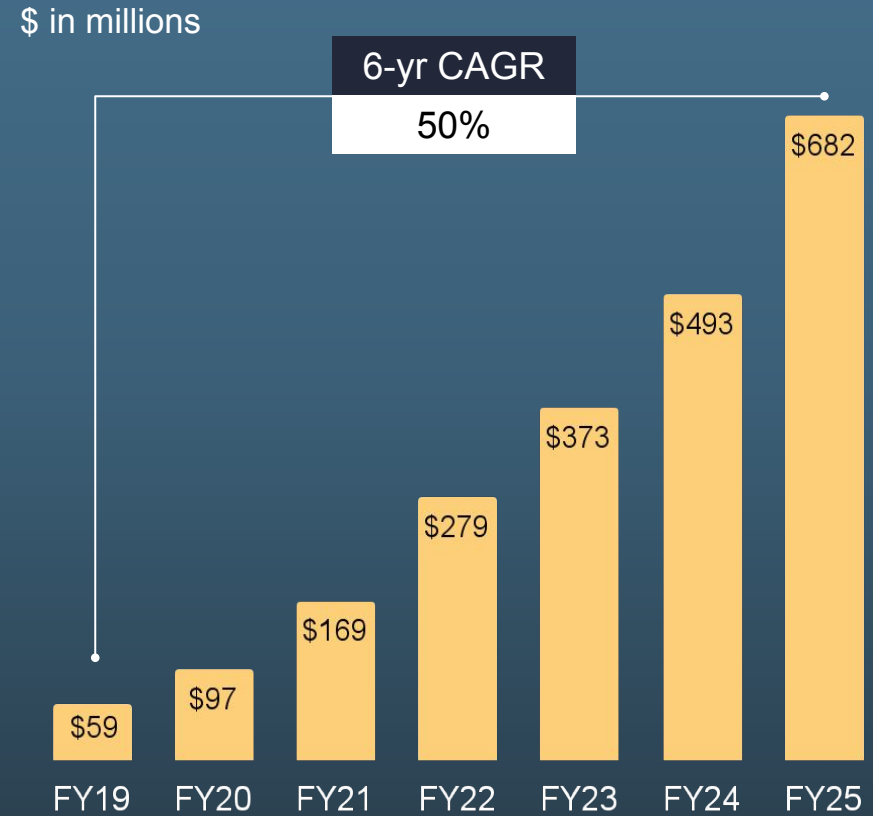


# InsuranceSuite Cloud customers are expanding rapidly

## Total Cloud ARR

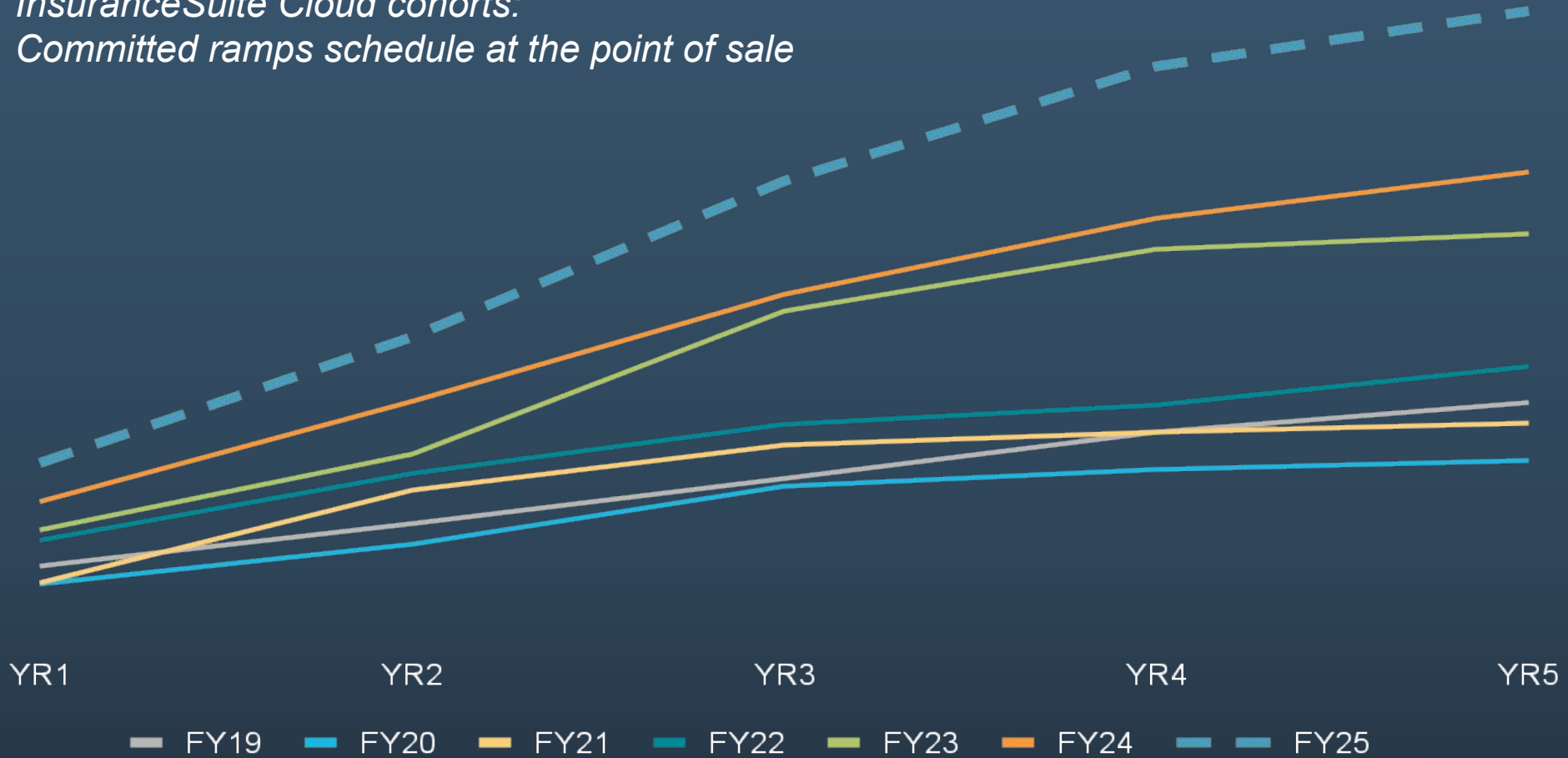


## InsuranceSuite Cloud Customer ARR



# InsuranceSuite Cloud cohorts are driving durable growth

*InsuranceSuite Cloud cohorts:  
Committed ramps schedule at the point of sale*

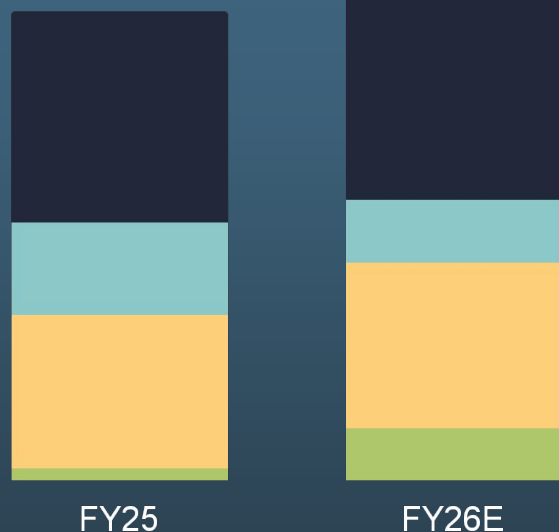


# ARR visibility supported by cloud cohorts and strong retention

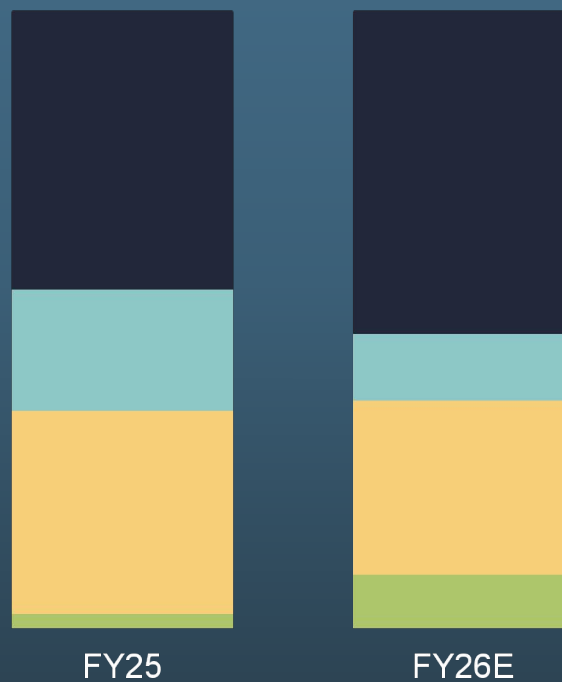


# How to think about 2026 ARR seasonality from backlog timing

## Expected ARR backlog in Gross Dollars



## Expected ARR backlog per quarter as % of Total Backlog



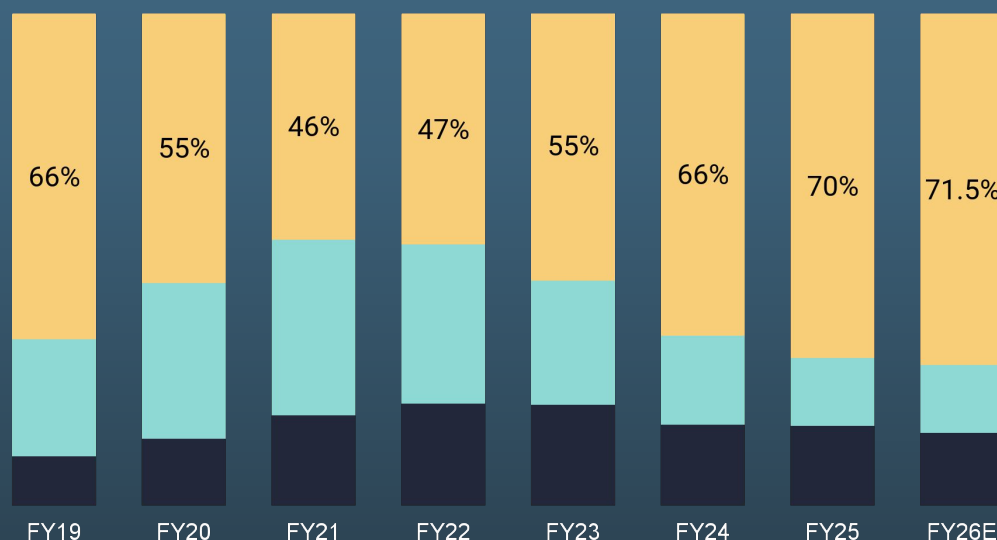
■ Q1 ■ Q2 ■ Q3 ■ Q4

- Strong growth in ARR backlog expectation as a result of ramps
- Year-over-year growth expected in Q1, Q2 and Q4
- Q3 year-over-year decline due to FY25 Q3 deal dynamics where ramps delayed until Year 3

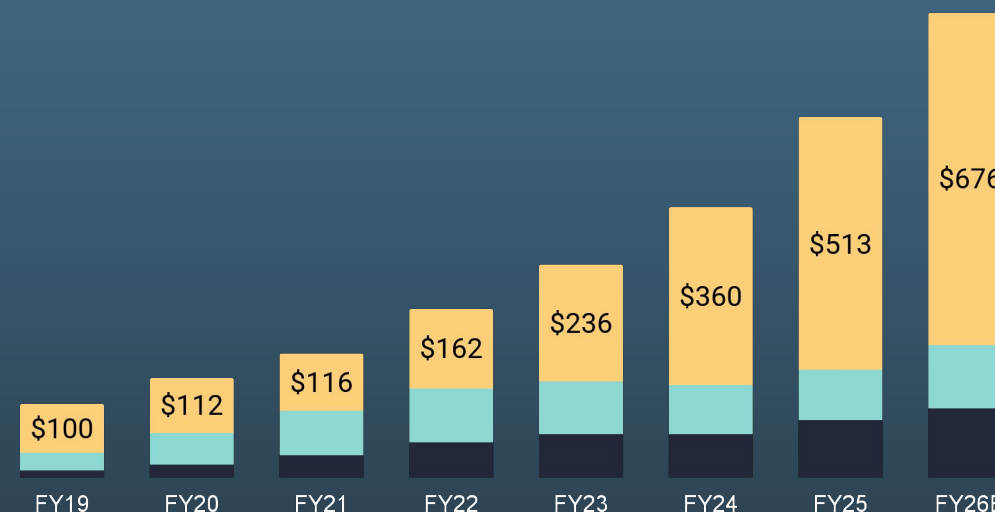
# Growth and efficiency continue to drive subscription and support gross margin and support gross margin

- Margin expansion is driven by durable subscription revenue growth
- Improving cost and operating efficiencies will continue to drive margin expansion

## Subscription and Support Gross Margin



## Subscription and Support Gross Profit



Other Costs

Headcount Costs

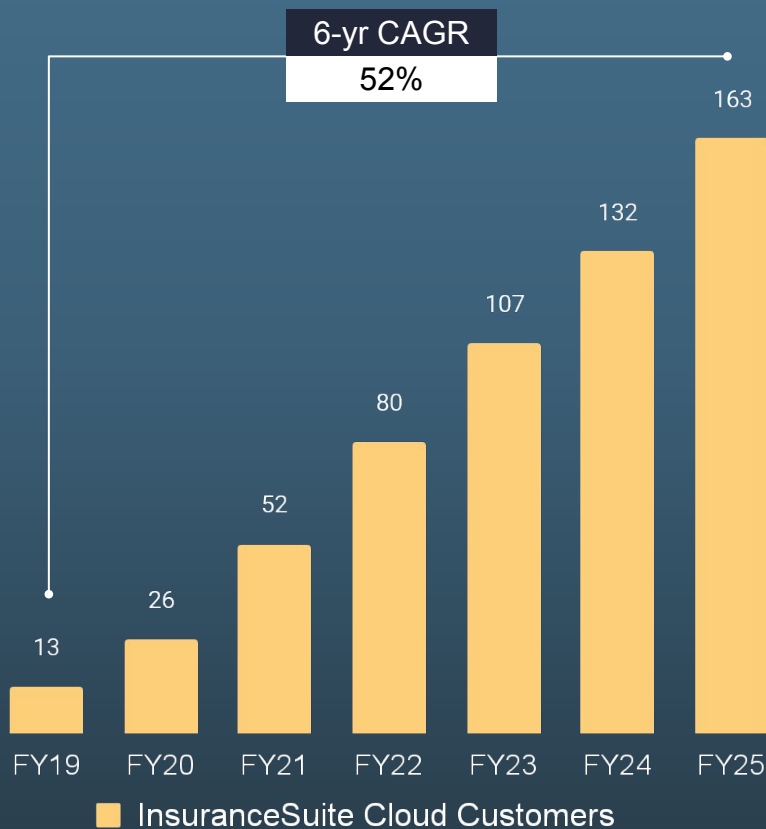
Subscription and Support Gross Margin/Profit (\$ in millions)

# The critical milestones that defined the cloud transition to date

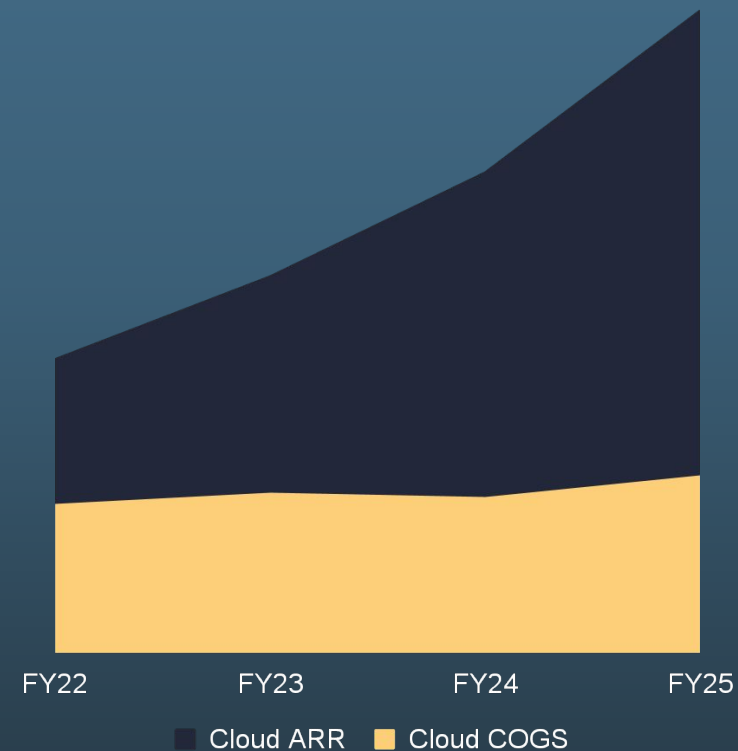
## Establish a scalable cloud architecture



## Drive sales and adoption of our cloud product



## Demonstrate efficiency and margin improvement



# Cloud success is unlocking multiple growth pillars



## Migrations

On-premise  
customer  
to migrate



## Modernizations

New core module  
expansion and  
net-new customers



## New Products

PricingCenter  
UnderwritingCenter  
Industry Intel



## Marketplace

Grow ecosystem  
and revenue  
share partners



## Potential M&A

Evaluate inorganic  
opportunities

# We are balancing accelerating growth and profitability

	FY23A	FY24A	FY25A	FY26E	FY28E
				<i>Midpoint Outlook</i>	<i>Goals by FY28</i>
<b>ARR Growth</b>	11%	15%	18%	17%	17-18% <i>FY25-FY28 CAGR</i>
<b>Cloud ARR %</b>	59%	66%	74%	~80%	90%+
<b>Total Revenue Growth</b>	11%	8%	23%	16%	15-16%* <i>FY25-FY28 CAGR</i>
<b>Subs &amp; Support Gross Margin</b>	55%	66%	70%	71-72%	73-75%
<b>Total Gross Margin</b>	55%	63%	66%	66%	67-68%
<b>Non-GAAP Operating Margin</b>	1%	10%	17%	19%	25-28%
<b>Non-GAAP Operating Margin minus SBC</b>	(15%)	(5%)	4%	6%	14-17%
<b>Operating Cash Flow Margin</b>	4%	20%	25%	26%	28-31%

# Long-term target model: Our 80/40 plan

## Long-term Targets

Subscription and support gross margin - Non-GAAP	~80%
Operating Margin - Non-GAAP	~40%
SBC as % of revenue	Below 10%

## How Do We Get There?

### Strong incremental margins

Durable Cloud ARR growth  
Scale benefits continue to positively impact gross margins  
Resulting in healthy incremental margins

### Maintain OPEX discipline

Opex spend growth slower than ARR growth  
Prioritize R&D investments followed by targeted S&M investments

### This is a framework

Continue to recalibrate based on growth opportunities and other potential market conditions  
Will prioritize growth over timeline to achieve the 80/40 plan

# Capital Allocation

## Maintain Strong Balance Sheet

- \$1.5B in cash and cash equivalents
- In FY26, expect \$360M in cash flow from operations and ~\$28M in CAPEX and capitalized software dev cost

## Strategic Approach to M&A

- Cloud platform maturity enables us to more effectively integrate acquisitions
- Focused on product adjacencies within P&C value chain

## Consider Options of Capital Return

- Regularly evaluate share repurchases
- Unlikely to put in place a programmatic approach this fiscal year

# Key Financial Highlights



- Durable ARR growth supported by cloud migration and modernization cycles

- Decades long customer relationships with best-in-class retention

- Organic and inorganic growth opportunities to expand TAM

- Visible cloud gross margin expansion leveraging platform investments

- Continued execution driving profitable growth

# Appendix

# Reconciliation of non-GAAP subscription and support gross margin

	2019	2020	2021	2022*	2023	2024	2025	2026E
								<i>Midpoint Outlook</i>
GAAP Subscription and Support Gross Margin	51%	42%	38%	41%	51%	63%	68%	70%
Non-GAAP adjustments:								
Stock-based compensation	3%	4%	4%	4%	3%	3%	2%	2%
Amortization of intangibles and other	12%	9%	4%	2%	1%	0%	0%	0%
Non-GAAP Subscription and Support Gross Margin	66%	55%	46%	47%	55%	66%	70%	71.5%

\*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. Amortization of intangibles and other includes Canadian Wage Subsidy in FY21, Office Swap in FY23 and Acquisition Holdbacks.

# Reconciliation of non-GAAP gross margin and operating margin

	2019	2020	2021	2022*	2023	2024	2025	2026E
								<i>Midpoint Outlook</i>
GAAP Gross Margin	55%	55%	52%	47%	51%	60%	63%	63%
Stock-based compensation	4%	4%	5%	4%	4%	3%	3%	3%
Amortization of intangibles	3%	3%	2%	1%	0%	0%	0%	0%
Non-GAAP Gross Margin	61%	61%	59%	52%	55%	63%	66%	66%
GAAP Operating Margin	0%	(3%)	(14%)	(25%)	(17%)	(5%)	3%	6%
Stock-based compensation	13%	14%	15%	17%	16%	15%	13%	13%
Amortization of intangibles and other	4%	4%	3%	2%	2%	1%	0%	0%
Non-GAAP Operating Margin	17%	14%	4%	(6%)	1%	10%	17%	19%

\*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. Amortization of intangibles and other includes Canadian Wage Subsidy in FY21, Office Swap in FY23 and Acquisition Holdbacks.

# Executive Q&A

