



# Q3 Fiscal 2026 Earnings

June 4, 2026

# 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, strategic initiatives, and future business momentum. 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: fluctuations in our quarterly and annual operating results; our reliance on sales to, and renewals from, a relatively small number of large customers and the related substantial negotiating leverage of these customers; the length and complexity of our sales, product development, and implementation cycles; our competitive environment and changes thereto; our ability to effectively manage international expansion; issues in the development and use of artificial intelligence and machine learning technologies and the related evolving regulatory environment; our making long-term pricing commitments in our customer contracts based on available information and estimates about our future costs that may change; our ability to expand adoption of our cloud-based products and services, and the risk that any of our established products may fail to satisfy customer demands or maintain market acceptance; 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 ability to develop, introduce, and market new and enhanced versions of our products and services; our ability to retain existing and hire new personnel, including managing a hybrid and geographically distributed workforce; errors or failures in our products or services, as well as service interruptions or failure of the third-party service providers we rely on; our ability to sell our services and products is highly dependent on the quality of our professional services and third-party global system integrators partners; use of AI by our workforce may present risks to our business; our services revenue produces lower gross margins than our license, subscription and support revenue; the impact of global events (including, without limitation, ongoing global conflicts, inflation, high interest rates, economic volatility, political uncertainties, tariffs, bank failures and associated financial instability, and supply chain issues); data security breaches of our cloud-based services and products or unauthorized access to our employees’ or our customers’ data; the impact of new regulations and laws; assertions by third parties that we violate their intellectual property rights; stock price volatility regardless of our operating performance; and other risks and uncertainties. Past performance is not 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.



# Statement Regarding Use of Non-GAAP Financial Measures and Other Metrics

This presentation contains the following non-GAAP financial measures: non-GAAP gross profit, non-GAAP gross margin, non-GAAP subscription and support gross margin, non-GAAP operating margin, non-GAAP income (loss) from operations, non-GAAP net income (loss), non-GAAP tax provision (benefit), non-GAAP net income (loss) per share, and free cash flow. Non-GAAP gross profit, non-GAAP gross margin, non-GAAP subscription and support gross margin, non-GAAP operating margin, and non-GAAP income (loss) from operations exclude stock-based compensation, amortization of intangibles, and acquisition consideration holdback. Non-GAAP net income (loss), non-GAAP net income (loss) per share, and non-GAAP tax provision (benefit) also exclude the amortization of debt issuance costs from our convertible senior notes, changes in fair value of strategic investments, gains and losses on sale of strategic investments, retirement of debt, unrealized foreign exchange rate gains and losses, and related tax effects of the non-GAAP adjustments. Free cash flow consists of net cash flow provided by (used in) operating activities, less cash used for purchases of property and equipment and capitalized software development costs. These non-GAAP measures enable us to analyze our financial performance without the effects of certain non-cash items such as amortization and stock-based compensation.

Annual recurring revenue (“ARR”) is used to quantify the annualized recurring value outlined in active customer contracts at the end of a reporting period. ARR includes the annualized recurring value of term licenses, subscription agreements, support contracts, and hosting agreements based on customer contractual terms and invoicing activities for the current reporting period, which may not be the same as the timing and amount of revenue recognized. ARR reflects all fee changes due to contract renewals, non-renewals, expansion, cancellations, attrition, or renegotiations at a higher or lower fee arrangement that are effective as of the ARR reporting date. All components of the licensing and other arrangements that are not expected to recur (primarily perpetual licenses and professional services) are excluded from our ARR calculations. In some arrangements with multiple performance obligations, a portion of recurring license and support or subscription contract value is allocated to services revenue for revenue recognition purposes, but does not get allocated for purposes of calculating ARR. This revenue allocation generally only impacts the initial term of the contract. This means that if we increase arrangements with multiple performance obligations that include services at discounted rates, more of the total contract value would be recognized as services revenue, but our reported ARR amount would not be impacted. During the nine months ended April 30, 2026, the recurring license and support or subscription contract value recognized as services revenue was \$5.9 million. Fully ramped annual recurring revenue (“fully ramped ARR” or “FRARR”) is used to quantify the annualized recurring value outlined in active customer contracts including all non-variable price increases outlined in the pricing schedule of an executed customer contract within the first five years.

Guidewire believes that these non-GAAP financial measures and other metrics provide useful information to management and investors regarding certain financial and business trends relating to Guidewire’s financial condition and results of operations. Guidewire’s management uses these non-GAAP measures and other metrics 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. Guidewire believes that the use of these non-GAAP financial measures and other metrics provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing Guidewire’s financial measures with other software companies, many of which present similar non-GAAP financial measures and other metrics to investors.

Guidewire’s management 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 Guidewire’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 this presentation, including the financial table in the appendix, and not to rely on any single financial measure to evaluate Guidewire’s business.





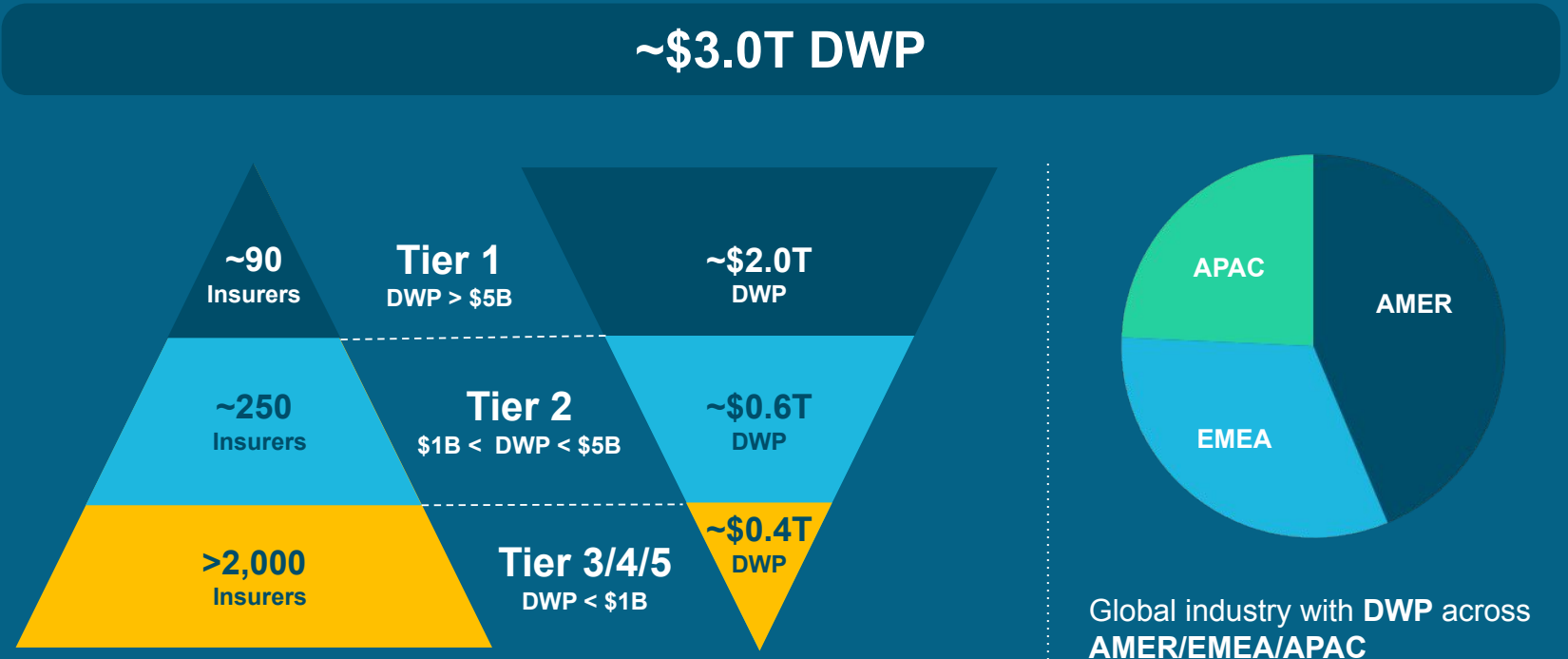
# Our mission

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

# The P&C industry is large, global, concentrated, and complex

## Property & Casualty Insurance

- Durable industry with \$3T in global direct written premium (DWP) and steadily growing in-line with GDP
- Led by many segments that are legally and practically compulsory
- Deep and complex regulatory environments
- Concentration has created highly complex IT environments with significant legacy to modernize



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

Sources: NAIC and SwissRe Sigma No 2/2025. US DWP from NAIC P&C insurance data. Non-US DWP from SwissRe Sigma No 2/2025 report, which estimates non-life premiums and is inclusive of A&H.

# Guidewire is the P&C industry's leading core platform

## Guidewire Cloud Platform

### Marketplace

By Line of Business   Guidewire Extensions   Partner Extensions   Packaged Integrations   By Geography

### Applications

PricingCenter   UnderwritingCenter   PolicyCenter   BillingCenter   ClaimCenter  
InsuranceNow   HazardHub   Predict   Industry Intel   Explore

### GenAI Services

MCP Access   RAG Access   LLM Access   Task Management   Prompt Management   Security/Observability   Training/Evaluation

### Application Services

Product   Integration   Rules   Workflow   Data   Digital

### Platform Services

Containerization   Configuration   Provisioning   Security   Connectivity   Deployment   Observability

### Cloud Infrastructure

- Insurance is a highly regulated, trust-based industry that evolves deliberately and depends on precision, resilience, compliance, and accuracy at scale
- Guidewire Cloud Platform (GWCP) is the operational and financial backbone of the insurer, embedded across the core operating functions of the insurance lifecycle, including pricing, underwriting, policy, claims, and billing
- GWCP is run as a continuously improving, secure, reliable, and scalable cloud service

**\$775B**

DWP  
under contract<sup>1</sup>

**349**

Core  
customers<sup>1</sup>

**43**

Countries where  
Guidewire is run

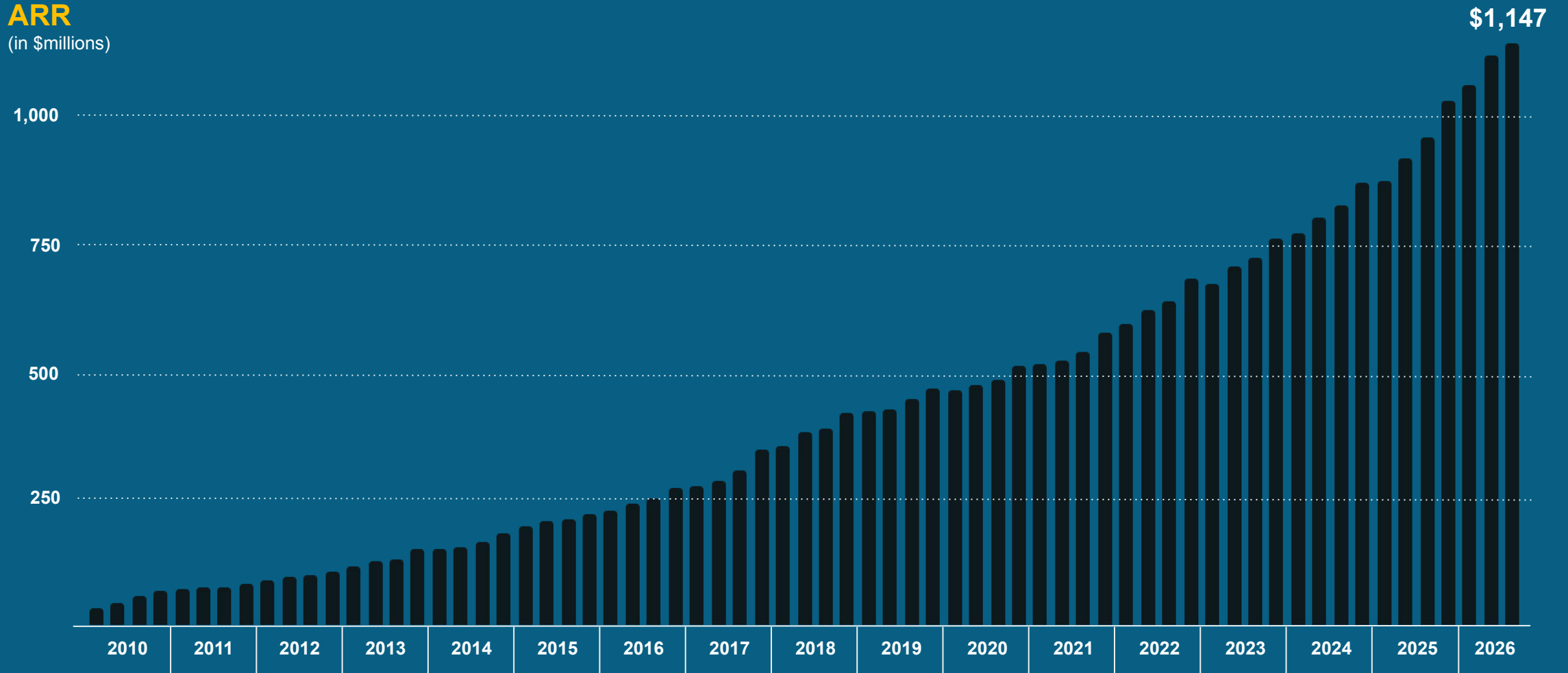
**9/10**

9 of the Top 10 Global  
Insurers use Guidewire<sup>2</sup>

\* All data as of FY25

- (1) Under contract for at least one of our core modules (InsuranceSuite or InsuranceNow).  
(2) Source: S&P Global Market Intelligence. Excludes China market and Lloyd's of London.

# Our 25 year commitment to P&C has created a durable business



Note: Rolling 4 quarter recurring revenue used as proxy for ARR through Q3'17. Quarterly ARR uses FX rate at the start of each fiscal year.

# We have multiple growth drivers that are accelerated by AI



## Core Expansion at Existing Customers

Continued migrations  
Insurer core system consolidations



## Net-New Customers

Cloud referenceability  
Modernization urgency  
All-time high win rates



## Geographic and Line of Business Expansion

Acceleration in strategic markets



## New Application Portfolio

PricingCenter  
UnderwritingCenter  
Industry Intel  
ProNavigator

Faster implementations and accelerated innovation

AI adoption drives market innovation and increases need for modernization

Rapid product localization and LOB specification

Increases product development velocity

AI Acceleration

# Q3'FY26 financial results reflect continued momentum

## Revenue

ARR      Total Revenue  
**\$1.147B**      **\$373M**  
+19% YoY      +27% YoY

Subscription and  
Support Revenue

**\$245M**  
+35% YoY  
66% of total revenue

## Gross Margin

Subscription and  
Support Gross Margin  
**72%**      **74%**  
(GAAP)      (non-GAAP)  
+4 pts YoY      +3 pts YoY

Total Gross Margin  
**64%**      **66%**  
(GAAP)      (non-GAAP)  
+1 pt YoY      +1 pt YoY

## Operating Margin

Operating Margin  
(GAAP)  
**\$31M**  
+586% YoY and 8% of revenue  
+7 pts YoY

Operating Margin  
(Non-GAAP)  
**\$78M**  
+69% YoY and 21% of revenue  
+5 pts YoY

# Notable Q3'FY26 Wins

**Auto Club of Southern California** signed a seven-year expansion of InsuranceSuite on Guidewire Cloud Platform, alongside a significant new sale of ProNavigator, to support long-term growth and incorporate greater AI-driven capabilities into its operations.

**UK insurer part of a global insurance group** selected ClaimCenter on Guidewire Cloud Platform as part of a broader modernization initiative designed to simplify and accelerate its technology roadmap.

**Commercial insurance entity at a large US carrier** chose PolicyCenter on Guidewire Cloud Platform. The flexibility of Advanced Product Designer and Jutro (our digital experience platform), combined with the agility of our cloud platform, were important differentiators in the decision process.

**Large strategic net-new win in Brazil** with Bradesco Seguro who selected Guidewire Cloud Platform to consolidate and modernize a significant legacy footprint. The insurer is focused on improving product velocity and accelerating speed to market.

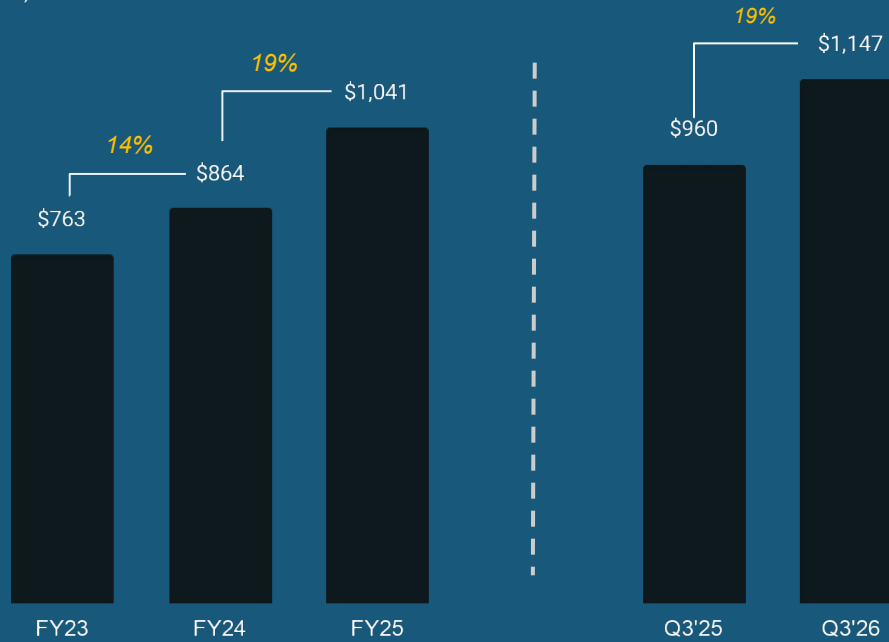
**Five ProNavigator wins** as carriers increasingly look to embed AI-driven knowledge and workflow automation directly into core insurance operations.

**Three PricingCenter wins**, including one with a Swedish insurer, an insurer in Poland, as well as our first U.S. PricingCenter win, Oklahoma Farm Bureau, which selected the platform to become more nimble in pricing and rating, reduce IT costs, and accelerate speed to market.

# Strong and durable revenue growth

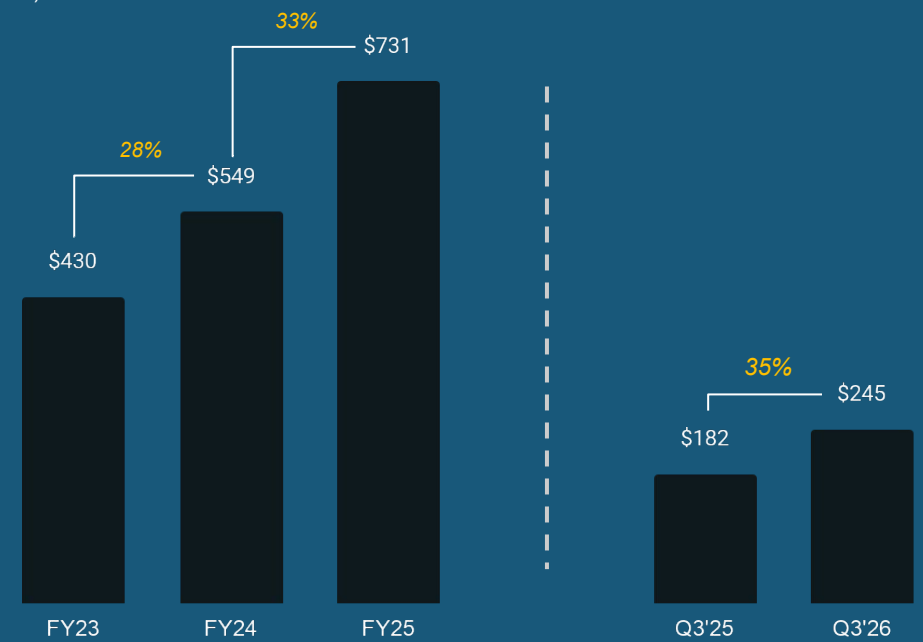
## ARR

(in \$millions)



## Subscription & Support Revenue

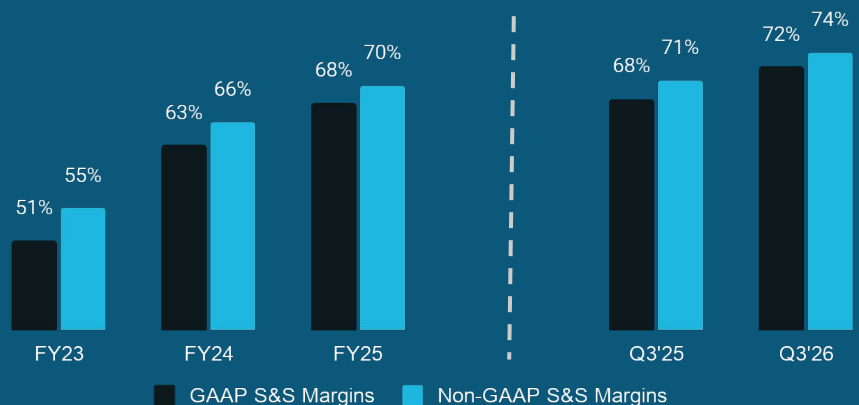
(in \$millions)



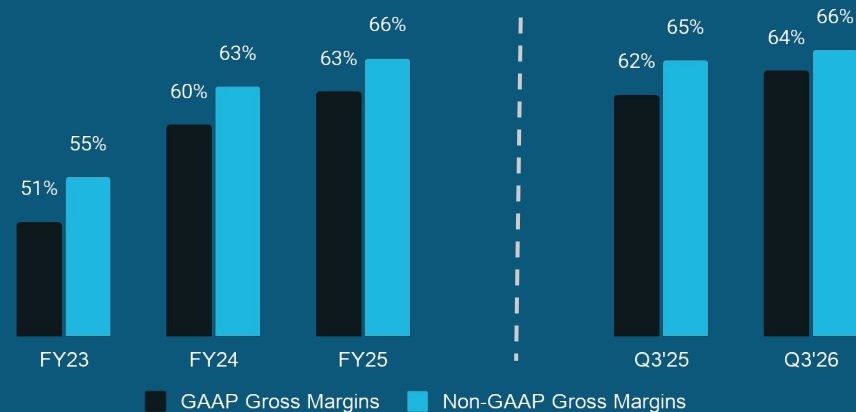
Note: Annual ARR Growth based on in-year constant currency FX rates. Quarterly year-over-year ARR growth based on in-period as reported ARR.

# Profitability increasing with scale, efficiency, and discipline

## Subscription & Support Gross Margin

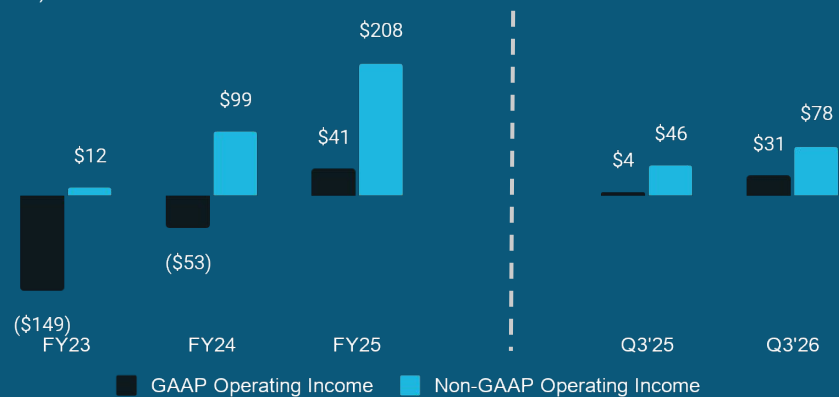


## Total Gross Margin



## Operating Income

(in \$millions)



Note: Please see Appendix for a reconciliation of Non-GAAP financial measures to the most comparable GAAP measures for periods shown above.

# Maintaining strategic flexibility while accelerating share buybacks

Updated capital allocation framework



\* Based on mid-point of updated Cash Flow from Operations guidance issued on June 4, 2026.

# Raising Full Year Outlook

	Previous FY'26 Outlook	Updated FY'26 Outlook
Annual Recurring Revenue (ARR)	\$1,229M - \$1,237M	\$1,229M - \$1,237M →
Subscription and Support Revenue	\$962M - \$966M	\$963M - \$969M ↑
Total Revenue	\$1,438M - \$1,448M	\$1,460M - \$1,470M ↑
GAAP Operating Income	\$100M - \$110M	\$124M - \$134M ↑
Non-GAAP Operating Income	\$293M - \$303M	\$314M - \$324M ↑
Operating Cash Flow	\$360M - \$375M	\$365M - \$380M ↑



# Appendix

## Condensed Consolidated Statement of Operations - GAAP

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

Description	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	FY 2023	FY 2024	FY 2025
<b>Revenue:</b>										
Subscription and support	\$ 169,742	\$ 177,838	\$ 181,823	\$ 201,893	\$ 222,203	\$ 237,209	\$ 244,738	\$ 429,667	\$ 549,087	\$ 731,296
License	37,370	63,694	57,233	93,638	41,967	59,528	55,996	265,593	250,176	251,935
Services	55,789	47,948	54,452	61,039	68,469	62,358	71,807	210,081	181,234	219,228
<b>Total revenue</b>	<b>262,901</b>	<b>289,480</b>	<b>293,508</b>	<b>356,570</b>	<b>332,639</b>	<b>359,095</b>	<b>372,541</b>	<b>905,341</b>	<b>980,497</b>	<b>1,202,459</b>
<b>Cost of revenue:</b>										
Subscription and support	54,024	59,096	57,411	64,575	63,927	63,928	67,882	210,507	204,794	235,106
License	881	942	892	909	644	442	374	6,488	4,536	3,624
Services	49,604	50,290	52,507	59,275	58,546	63,205	67,639	230,135	187,806	211,676
<b>Total cost of revenue</b>	<b>104,509</b>	<b>110,328</b>	<b>110,810</b>	<b>124,759</b>	<b>123,117</b>	<b>127,574</b>	<b>135,896</b>	<b>447,130</b>	<b>397,136</b>	<b>450,406</b>
<b>Gross profit:</b>										
Subscription and support	115,718	118,742	124,412	137,318	158,276	173,281	176,856	219,160	344,293	496,190
License	36,489	62,752	56,341	92,729	41,323	59,086	55,622	259,105	245,640	248,311
Services	6,185	(2,342)	1,945	1,764	9,923	(847)	4,167	(20,054)	(6,572)	7,552
<b>Total gross profit</b>	<b>158,392</b>	<b>179,152</b>	<b>182,698</b>	<b>231,811</b>	<b>209,522</b>	<b>231,521</b>	<b>236,645</b>	<b>458,211</b>	<b>583,361</b>	<b>752,053</b>
<b>Operating expenses:</b>										
Research and development	68,880	70,268	72,915	84,097	78,317	83,324	87,868	249,746	269,381	296,160
Sales and marketing	51,478	55,452	57,768	65,648	64,258	61,475	68,201	188,224	199,033	230,346
General and administrative	42,754	41,709	47,547	52,469	48,469	48,281	49,939	169,731	167,520	184,479
<b>Total operating expenses</b>	<b>163,112</b>	<b>167,429</b>	<b>178,230</b>	<b>202,214</b>	<b>191,044</b>	<b>193,080</b>	<b>206,008</b>	<b>607,701</b>	<b>635,934</b>	<b>710,985</b>
<b>Income (loss) from operations</b>	<b>(4,720)</b>	<b>11,723</b>	<b>4,468</b>	<b>29,597</b>	<b>18,478</b>	<b>38,441</b>	<b>30,637</b>	<b>(149,490)</b>	<b>(52,573)</b>	<b>41,068</b>
Interest income	13,606	15,722	13,794	13,503	14,650	12,487	11,295	24,389	43,478	56,625
Interest expense	(2,062)	(4,183)	(3,668)	(3,298)	(3,312)	(3,334)	(3,318)	(6,716)	(6,738)	(13,211)
Other income (expense), net	(4,055)	(66,289)	34,074	1,183	(5,314)	26,958	(18,854)	(2,277)	(11,005)	(35,087)
<b>Income (loss) before provision for (benefit from) income taxes</b>	<b>2,769</b>	<b>(43,027)</b>	<b>48,668</b>	<b>40,985</b>	<b>24,502</b>	<b>74,552</b>	<b>19,760</b>	<b>(134,094)</b>	<b>(26,838)</b>	<b>49,395</b>
Provision for (benefit from) income taxes	(6,370)	(5,750)	2,677	(10,966)	(6,806)	14,442	3,289	(22,239)	(20,735)	(20,409)
<b>Net income (loss)</b>	<b>\$ 9,139</b>	<b>\$ (37,277)</b>	<b>\$ 45,991</b>	<b>\$ 51,951</b>	<b>\$ 31,308</b>	<b>\$ 60,110</b>	<b>\$ 16,471</b>	<b>\$ (111,855)</b>	<b>\$ (6,103)</b>	<b>\$ 69,804</b>
<b>Earnings per share:</b>										
Basic	\$ 0.11	\$ (0.45)	\$ 0.55	\$ 0.62	\$ 0.37	\$ 0.71	\$ 0.20	\$ (1.36)	\$ (0.07)	\$ 0.83
Diluted	\$ 0.11	\$ (0.45)	\$ 0.54	\$ 0.60	\$ 0.36	\$ 0.70	\$ 0.19	\$ (1.36)	\$ (0.07)	\$ 0.81
<b>Shares used in computing net earnings per share:</b>										
Basic	83,276,236	83,705,700	84,044,661	84,366,889	84,780,201	84,858,179	84,241,069	82,176,629	82,291,483	83,846,793
Diluted	85,960,868	83,705,700	85,880,643	86,267,658	86,451,737	86,116,567	85,065,999	82,176,629	82,291,483	85,911,653

These schedules have been derived from, and should be read in conjunction with, our financial statements in our reports on Forms 10-Q and 10-K which are filed with the SEC. Our Forms 10-Q and 10-K may be found on our website at <http://ir.guidewire.com/phoenix.zhtml?c=248177&p=irol-sec>.

## Condensed Consolidated Statement of Operations - Key Metrics

(unaudited, in thousands)

Description	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	FY 2023	FY 2024	FY 2025
Subscription revenue	\$ 152,858	\$ 161,659	\$ 166,464	\$ 186,455	\$ 207,459	\$ 222,724	\$ 232,129	\$ 352,145	\$ 477,461	\$ 667,436
Support revenue	16,884	16,179	15,359	15,438	14,744	14,485	12,609	77,522	71,626	63,860
Subscription and support revenue	<u>\$ 169,742</u>	<u>\$ 177,838</u>	<u>\$ 181,823</u>	<u>\$ 201,893</u>	<u>\$ 222,203</u>	<u>\$ 237,209</u>	<u>\$ 244,738</u>	<u>\$ 429,667</u>	<u>\$ 549,087</u>	<u>\$ 731,296</u>
Annual recurring revenue (in millions)	\$ 874	\$ 918	\$ 960	\$ 1,032	\$ 1,063	\$ 1,121	\$ 1,147	\$ 763	\$ 864	\$ 1,041
Fully ramped annual recurring revenue (in millions) <sup>(1)</sup>						\$ 1,418		\$ 898	\$ 1,055	\$ 1,296
Remaining performance obligations (in billions)	\$ 2.0	\$ 2.1	\$ 2.5	\$ 3.1	\$ 3.2	\$ 3.5	\$ 3.6	\$ 1.5	\$ 2.0	\$ 3.1
Free cash flow:										
Net cash provided by (used in) operating activities	\$ (62,305)	\$ 85,991	\$ 32,350	\$ 244,831	\$ (67,398)	\$ 112,046	\$ 61,183	\$ 38,395	\$ 195,748	\$ 300,867
Purchases of property and equipment	(843)	(790)	(703)	(3,405)	(4,878)	(3,284)	(1,772)	(5,821)	(6,362)	(5,741)
Capitalized software development costs	<u>(4,233)</u>	<u>(2,923)</u>	<u>(3,816)</u>	<u>(3,742)</u>	<u>(5,088)</u>	<u>(3,104)</u>	<u>(5,747)</u>	<u>(11,606)</u>	<u>(12,165)</u>	<u>(14,714)</u>
Free cash flow	<u>\$ (67,381)</u>	<u>\$ 82,278</u>	<u>\$ 27,831</u>	<u>\$ 237,684</u>	<u>\$ (77,364)</u>	<u>\$ 105,658</u>	<u>\$ 53,664</u>	<u>\$ 20,968</u>	<u>\$ 177,221</u>	<u>\$ 280,412</u>

Annual recurring revenue ("ARR") for the quarterly periods in fiscal year 2025 are based on actual currency rates at the end of fiscal year 2024, held constant throughout the year. ARR and fully ramped annual recurring revenue ("FRARR") for the quarterly periods in fiscal year 2026 are based on actual currency rates at the end of fiscal year 2025, held constant throughout the year. ARR and FRARR reflected in the FY 2023, FY 2024, and FY 2025 columns are based on the currency rates at the end of fiscal years 2023, 2024, and 2025, respectively.

(1) FRARR is a non-GAAP supplemental metric typically furnished alongside our annual results. From time to time, we may provide updates at an interim period at management's discretion, such as the updates provided in the second quarter of fiscal year 2026. We do not intend to, nor are we obligated to, furnish or update this metric on a recurring basis in future interim periods. This information is being furnished, not filed, for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into our Form 10-Q, Form 10-K, or any other formal SEC filing.

Other than noted above, these schedules have been derived from, and should be read in conjunction with, our financial statements in our reports on Forms 10-Q and 10-K which are filed with the SEC. Our Forms 10-Q and 10-K may be found on our website at <http://ir.guidewire.com/phoenix.zhtml?c=248177&p=irol-sec>.

## Condensed Consolidated Statement of Operations - Non-GAAP Adjustments

(unaudited, in thousands)

Description	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	FY 2023	FY 2024	FY 2025
Amortization of intangibles	\$ 485	\$ 485	\$ 485	\$ 800	\$ 808	\$ 1,057	\$ 1,180	\$ 3,360	\$ 1,940	\$ 2,255
Stock-based compensation	3,140	3,773	3,598	3,442	3,450	3,596	3,391	14,073	13,425	13,953
<b>Total adjustment to cost of revenue - subscription and support</b>	<b>\$ 3,625</b>	<b>\$ 4,258</b>	<b>\$ 4,083</b>	<b>\$ 4,242</b>	<b>\$ 4,258</b>	<b>\$ 4,653</b>	<b>\$ 4,571</b>	<b>\$ 17,433</b>	<b>\$ 15,365</b>	<b>\$ 16,208</b>
<b>Total adjustment to cost of revenue - license - Stock-based compensation</b>	<b>\$ 36</b>	<b>\$ 36</b>	<b>\$ 32</b>	<b>\$ 32</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 463</b>	<b>\$ 186</b>	<b>\$ 136</b>
<b>Total adjustment to cost of revenue - services - Stock-based compensation</b>	<b>\$ 4,802</b>	<b>\$ 5,361</b>	<b>\$ 5,055</b>	<b>\$ 5,541</b>	<b>\$ 5,700</b>	<b>\$ 6,395</b>	<b>\$ 6,108</b>	<b>\$ 19,257</b>	<b>\$ 19,013</b>	<b>\$ 20,759</b>
Stock-based compensation	\$ 9,824	\$ 10,469	\$ 10,267	\$ 11,200	\$ 11,259	\$ 12,957	\$ 12,061	\$ 39,865	\$ 40,213	\$ 41,760
Acquisition consideration holdback	—	—	—	116	116	118	110	2,939	143	116
<b>Total adjustment to research and development</b>	<b>\$ 9,824</b>	<b>\$ 10,469</b>	<b>\$ 10,267</b>	<b>\$ 11,316</b>	<b>\$ 11,375</b>	<b>\$ 13,075</b>	<b>\$ 12,171</b>	<b>\$ 42,804</b>	<b>\$ 40,356</b>	<b>\$ 41,876</b>
Stock-based compensation	\$ 9,688	\$ 10,880	\$ 10,832	\$ 11,870	\$ 11,822	\$ 11,594	\$ 11,598	\$ 29,925	\$ 34,590	\$ 43,270
Amortization of intangibles	882	793	749	765	647	692	584	3,528	3,528	3,189
Acquisition consideration holdback	—	—	—	61	61	328	331	—	—	61
<b>Total adjustment to sales and marketing</b>	<b>\$ 10,570</b>	<b>\$ 11,673</b>	<b>\$ 11,581</b>	<b>\$ 12,696</b>	<b>\$ 12,530</b>	<b>\$ 12,614</b>	<b>\$ 12,513</b>	<b>\$ 33,453</b>	<b>\$ 38,118</b>	<b>\$ 46,520</b>
Stock-based compensation	\$ 10,570	\$ 10,429	\$ 10,573	\$ 10,106	\$ 11,085	\$ 12,216	\$ 11,784	\$ 39,259	\$ 39,033	\$ 41,678
Net impact of assignment of lease agreement	—	—	—	—	—	—	—	8,502	—	—
<b>Total adjustment to general and administrative</b>	<b>\$ 10,570</b>	<b>\$ 10,429</b>	<b>\$ 10,573</b>	<b>\$ 10,106</b>	<b>\$ 11,085</b>	<b>\$ 12,216</b>	<b>\$ 11,784</b>	<b>\$ 47,761</b>	<b>\$ 39,033</b>	<b>\$ 41,678</b>
<b>Total adjustment to interest expense - Amortization of debt issuance costs</b>	<b>\$ 545</b>	<b>\$ 1,179</b>	<b>\$ 1,058</b>	<b>\$ 976</b>	<b>\$ 980</b>	<b>\$ 984</b>	<b>\$ 984</b>	<b>\$ 1,703</b>	<b>\$ 1,732</b>	<b>\$ 3,758</b>
Changes in fair value of strategic investments	\$ (53)	\$ 291	\$ 103	\$ 1,789	\$ 60	\$ (15)	\$ (599)	\$ 802	\$ 1,957	\$ 2,130
(Gains) losses on sale of strategic investments	—	(3,671)	—	—	—	—	(632)	—	(1,803)	\$ (3,671)
Retirement of debt	300	53,265	—	—	—	—	—	—	—	\$ 53,565
Unrealized foreign exchange rate (gains) losses†	\$ 3,780	\$ 16,429	\$ (34,176)	\$ (2,776)	\$ 5,260	\$ (26,914)	\$ 20,141	†	†	\$ (16,743)
<b>Total adjustment to other income (expense), net</b>	<b>\$ 4,027</b>	<b>\$ 66,314</b>	<b>\$ (34,073)</b>	<b>\$ (987)</b>	<b>\$ 5,320</b>	<b>\$ (26,930)</b>	<b>\$ 18,910</b>	<b>\$ 802</b>	<b>\$ 154</b>	<b>\$ 35,281</b>
<b>Total adjustment to provision for (benefit from) income taxes - Non-GAAP tax impact</b>	<b>\$ (12,979)</b>	<b>\$ (15,194)</b>	<b>\$ (7,157)</b>	<b>\$ (25,571)</b>	<b>\$ (21,381)</b>	<b>\$ (4,051)</b>	<b>\$ (13,864)</b>	<b>\$ (22,611)</b>	<b>\$ (33,333)</b>	<b>\$ (60,902)</b>

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## Condensed Consolidated Statement of Operations - Non-GAAP Reconciliations

(unaudited, in thousands except percentage)

Description	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	FY 2023	FY 2024	FY 2025
Gross profit reconciliation:										
GAAP gross profit	\$ 158,392	\$ 179,152	\$ 182,698	\$ 231,811	\$ 209,522	\$ 231,521	\$ 236,645	\$ 458,211	\$ 583,361	\$ 752,053
Non-GAAP adjustments:										
Stock-based compensation	7,978	9,170	8,685	9,015	9,150	9,991	9,498	33,793	32,624	34,848
Amortization of intangibles	485	485	485	800	808	1,057	1,180	3,360	1,940	2,255
Non-GAAP gross profit	\$ 166,855	\$ 188,807	\$ 191,868	\$ 241,626	\$ 219,480	\$ 242,569	\$ 247,324	\$ 495,364	\$ 617,925	\$ 789,156
Gross profit reconciliation - subscription and support:										
GAAP gross profit - subscription and support	\$ 115,718	\$ 118,742	\$ 124,412	\$ 137,318	\$ 158,276	\$ 173,281	\$ 176,856	\$ 219,160	\$ 344,293	\$ 496,190
Non-GAAP adjustments:										
Stock-based compensation	3,140	3,773	3,598	3,442	3,450	3,596	3,391	14,073	13,425	13,953
Amortization of intangibles	485	485	485	800	808	1,057	1,180	3,360	1,940	2,255
Non-GAAP gross profit - subscription and support	\$ 119,343	\$ 123,000	\$ 128,495	\$ 141,560	\$ 162,534	\$ 177,934	\$ 181,427	\$ 236,593	\$ 359,658	\$ 512,398
Gross profit reconciliation - license:										
GAAP gross profit - license	\$ 36,489	\$ 62,752	\$ 56,341	\$ 92,729	\$ 41,323	\$ 59,086	\$ 55,622	\$ 259,105	\$ 245,640	\$ 248,311
Non-GAAP adjustments:										
Stock-based compensation	36	36	32	32	—	—	—	463	186	136
Non-GAAP gross profit - license	\$ 36,525	\$ 62,788	\$ 56,373	\$ 92,761	\$ 41,323	\$ 59,086	\$ 55,622	\$ 259,568	\$ 245,826	\$ 248,447
Gross profit reconciliation - services:										
GAAP gross profit - services	\$ 6,185	\$ (2,342)	\$ 1,945	\$ 1,764	\$ 9,923	\$ (847)	\$ 4,167	\$ (20,054)	\$ (6,572)	\$ 7,552
Non-GAAP adjustments:										
Stock-based compensation	4,802	5,361	5,055	5,541	5,700	6,395	6,108	19,257	19,013	20,759
Non-GAAP gross profit - services	\$ 10,987	\$ 3,019	\$ 7,000	\$ 7,305	\$ 15,623	\$ 5,548	\$ 10,275	\$ (797)	\$ 12,441	\$ 28,311

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## Condensed Consolidated Statement of Operations - Non-GAAP Reconciliations

(unaudited)

Description	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	FY 2023	FY 2024	FY 2025
Gross margin:										
Subscription and support:										
GAAP gross margin	68.2 %	66.8 %	68.4 %	68.0 %	71.2 %	73.1 %	72.3 %	51.0 %	62.7 %	67.9 %
Stock-based compensation	1.8 %	2.1 %	1.9 %	1.8 %	1.6 %	1.5 %	1.3 %	3.3 %	2.4 %	1.9 %
Amortization of intangibles	0.3 %	0.3 %	0.3 %	0.4 %	0.4 %	0.5 %	0.5 %	0.8 %	0.4 %	0.3 %
Non-GAAP gross margin	70.3 %	69.2 %	70.6 %	70.2 %	73.2 %	75.0 %	74.1 %	55.1 %	65.5 %	70.1 %
License:										
GAAP gross margin	97.6 %	98.5 %	98.4 %	99.0 %	98.5 %	99.3 %	99.3 %	97.6 %	98.2 %	98.6 %
Stock-based compensation	0.1 %	0.1 %	0.1 %	0.1 %	— %	— %	— %	0.2 %	0.1 %	0.1 %
Non-GAAP gross margin	97.7 %	98.6 %	98.5 %	99.1 %	98.5 %	99.3 %	99.3 %	97.8 %	98.3 %	98.7 %
Services:										
GAAP gross margin	11.1 %	(4.9)%	3.6 %	2.9 %	14.5 %	(1.4)%	5.8 %	(9.6)%	(3.6)%	3.4 %
Stock-based compensation	8.6 %	11.2 %	9.3 %	9.1 %	8.3 %	10.3 %	8.5 %	9.2 %	10.5 %	9.5 %
Non-GAAP gross margin	19.7 %	6.3 %	12.9 %	12.0 %	22.8 %	8.9 %	14.3 %	(0.4)%	6.9 %	12.9 %
Overall:										
GAAP gross margin	60.2 %	61.9 %	62.3 %	65.0 %	63.0 %	64.5 %	63.6 %	50.6 %	59.5 %	62.5 %
Amortization of intangibles	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.3 %	0.3 %	0.4 %	0.2 %	0.2 %
Stock-based compensation	3.1 %	3.1 %	3.0 %	2.5 %	2.8 %	2.8 %	2.5 %	3.7 %	3.3 %	2.9 %
Non-GAAP gross margin	63.5 %	65.2 %	65.5 %	67.7 %	66.0 %	67.6 %	66.4 %	54.7 %	63.0 %	65.6 %

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## Condensed Consolidated Statement of Operations - Non-GAAP Reconciliations

(unaudited, in thousands)

Description	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	FY 2023	FY 2024	FY 2025
Income (loss) from operations reconciliation:										
GAAP income (loss) from operations	\$ (4,720)	\$ 11,723	\$ 4,468	\$ 29,597	\$ 18,478	\$ 38,441	\$ 30,637	\$ (149,490)	\$ (52,573)	\$ 41,068
Non-GAAP adjustments:										
Stock-based compensation	38,060	40,948	40,357	42,191	43,316	46,758	44,941	142,842	146,460	161,556
Amortization of intangibles	1,367	1,278	1,234	1,565	1,455	1,748	1,765	6,888	5,468	5,444
Acquisition consideration holdback	—	—	—	177	177	447	440	2,939	143	177
Net impact of assignment of lease agreement	—	—	—	—	—	—	—	8,502	—	—
Non-GAAP income (loss) from operations	\$ 34,707	\$ 53,949	\$ 46,059	\$ 73,530	\$ 63,426	\$ 87,394	\$ 77,784	\$ 11,681	\$ 99,498	\$ 208,245
Net income (loss) reconciliation:										
GAAP net income (loss)	\$ 9,139	\$ (37,277)	\$ 45,991	\$ 51,951	\$ 31,308	\$ 60,110	\$ 16,471	\$ (111,855)	\$ (6,103)	\$ 69,804
Non-GAAP adjustments:										
Stock-based compensation	38,060	40,948	40,357	42,191	43,316	46,758	44,941	142,842	146,460	161,556
Amortization of intangibles	1,367	1,278	1,234	1,565	1,455	1,748	1,765	6,888	5,468	5,444
Acquisition consideration holdback	—	—	—	177	177	447	440	2,939	143	177
Net impact of assignment of lease agreement	—	—	—	—	—	—	—	8,502	—	—
Amortization of debt issuance costs	545	1,179	1,058	976	980	984	984	1,703	1,732	3,758
Changes in fair value of strategic investments	(53)	291	103	1,789	60	(15)	(599)	802	1,957	2,130
(Gains) losses on sale of strategic investments	—	(3,671)	—	—	—	—	(632)	—	(1,803)	(3,671)
Retirement of debt	300	53,265	—	—	—	—	—	—	—	53,565
Unrealized foreign exchange rate (gains) losses†	3,780	16,429	(34,176)	(2,776)	5,260	(26,914)	20,141	†	†	(16,743)
Non-GAAP tax impact	(12,979)	(15,194)	(7,157)	(25,572)	(21,381)	(4,051)	(13,864)	(22,611)	(33,333)	(60,902)
Non-GAAP net income (loss)	\$ 40,159	\$ 57,249	\$ 47,409	\$ 70,301	\$ 61,174	\$ 79,066	\$ 69,648	\$ 29,210	\$ 114,521	\$ 215,118

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## Condensed Consolidated Statement of Operations - Non-GAAP Reconciliations

(unaudited)

Description	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	FY 2023	FY 2024	FY 2025
Reconciliation of GAAP to Non-GAAP earnings per share:										
GAAP diluted earnings per share	\$ 0.11	\$ (0.45)	\$ 0.54	\$ 0.60	\$ 0.36	\$ 0.70	\$ 0.19	\$ (1.36)	\$ (0.07)	\$ 0.81
Stock-based compensation	0.44	0.49	0.47	0.49	0.51	0.54	0.53	1.74	1.78	1.89
Amortization of intangibles	0.02	0.02	0.01	0.02	0.02	0.02	0.02	0.08	0.07	0.06
Acquisition consideration holdback	—	—	—	—	—	—	—	0.04	(0.01)	—
Net impact of assignment of lease agreement	—	—	—	—	—	—	—	0.10	—	—
Amortization of debt issuance costs	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.04
Changes in fair value of strategic investments	—	—	—	0.02	—	—	(0.01)	0.01	0.02	0.02
(Gains) losses on sale of strategic investments	—	(0.04)	—	—	—	—	(0.01)	—	(0.02)	(0.04)
Retirement of debt	—	0.64	—	—	—	—	—	—	—	0.63
Unrealized foreign exchange rate (gains) losses†	0.04	0.20	(0.40)	(0.03)	0.06	(0.31)	0.24	†	†	(0.19)
Non-GAAP tax impact	(0.15)	(0.18)	(0.08)	(0.29)	(0.25)	(0.05)	(0.16)	(0.28)	(0.41)	(0.71)
Interest expense on convertible debt	—	—	—	—	—	—	—	—	0.05	—
Non-GAAP dilutive shares excluded from GAAP EPS calculation	—	(0.03)	—	—	—	—	—	—	(0.08)	—
Non-GAAP diluted earnings per share	\$ 0.47	\$ 0.66	\$ 0.55	\$ 0.82	\$ 0.71	\$ 0.92	\$ 0.82	\$ 0.35	\$ 1.35	\$ 2.51
Diluted weighted average shares outstanding	85,960,868	83,705,700	85,880,643	86,267,658	86,451,737	86,116,567	85,065,999	82,176,629	82,291,483	85,911,653
Non-GAAP dilutive shares excluded from GAAP EPS calculation	—	2,510,517	—	—	—	—	—	466,516	5,072,080	—
Pro forma weighted average shares – diluted	85,960,868	86,216,217	85,880,643	86,267,658	86,451,737	86,116,567	85,065,999	82,643,145	87,363,563	85,911,653

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