

VERINT[®]

**FY20
Third Quarter
Conference Call**

Actionable Intelligence[®]

December 4, 2019

Disclaimers

Forward Looking Statements

This presentation contains "forward-looking statements," including statements regarding expectations, predictions, views, opportunities, plans, strategies, beliefs, and statements of similar effect relating to Verint Systems Inc. These forward-looking statements are not guarantees of future performance and they are based on management's expectations that involve a number of known and unknown risks, uncertainties, assumptions, and other important factors, any of which could cause our actual results to differ materially from those expressed in or implied by the forward-looking statements. The forward-looking statements contained in this presentation are made as of the date of this presentation and, except as required by law, Verint assumes no obligation to update or revise them, or to provide reasons why actual results may differ. For a more detailed discussion of how these and other risks, uncertainties, and assumptions could cause Verint's actual results to differ materially from those indicated in its forward-looking statements, see Verint's prior filings with the Securities and Exchange Commission.

Non-GAAP Financial Measures

This presentation includes financial measures which are not prepared in accordance with generally accepted accounting principles ("GAAP"), including certain constant currency measures. For a description of these non-GAAP financial measures, including the reasons management uses each measure, and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP, please see the appendices to this presentation, Verint's earnings press releases, as well as the GAAP to non-GAAP reconciliation found under the Investor Relations tab on Verint's website Verint.com.

Overview

Strong Business Momentum

Separation of Customer Engagement and Cyber Intelligence

Apax Funds Strategic Investment

New Buyback Program

New Investor Relations Site with Enhanced Disclosures

Q3 Highlights

Customer Engagement

Strong Cloud Momentum

Cyber Intelligence

Software Model Transition Ahead of Plan

Verint

Strong Earnings Growth

Q3 Diluted EPS

+9.8% y-o-y

YTD Diluted EPS

+16.0% y-o-y

Q3 Diluted GAAP EPS

-41.4% y-o-y

YTD Diluted GAAP EPS

-40.7% y-o-y



Note: Non-GAAP metrics unless otherwise noted.

Customer Engagement Momentum

Revenue Growth

Q3: 11.3% y-o-y

YTD: 10.9% y-o-y

Constant Currency Revenue Growth

Q3: 12.2% y-o-y

YTD: 12.2% y-o-y

Cloud Leadership

Agnostic Go-to-Market

Increasing Automation

GAAP Revenue Growth

Q3: +10.4% y-o-y

YTD: +8.8% y-o-y

GAAP Revenue Growth at CC

Q3: +11.4% y-o-y

YTD: +10.3% y-o-y



Note: Non-GAAP metrics unless otherwise noted. CC represents constant currency.

Q3 Customer Engagement Operational and Financial Metrics

Cloud Revenue: +62% y-o-y

New SaaS ACV: +131% y-o-y

New Perpetual Equivalent Bookings: +19% y-o-y

Q3 Cloud Contracts with TCV > \$1 million: 11 contracts, +7 y-o-y
YTD Cloud Contracts with TCV > \$1 million: 23 contracts, +15 y-o-y



Note: Non-GAAP metrics unless otherwise noted. Q3 FY20 GAAP cloud revenue +63% y-o-y

Cyber Intelligence Highlights

Revenue Growth

Q3: +0.4% y-o-y
YTD: +4.2% y-o-y

Constant Currency Revenue Growth

Q3: +1.4% y-o-y
YTD: +5.4% y-o-y

Software Model – Focus on Gross Profit

Portfolio Differentiation

Large Orders: >\$25m, \$10m, two ~\$5m

GAAP Revenue Growth

Q3: +0.4% y-o-y
YTD: +4.2% y-o-y

GAAP Revenue Growth at CC

Q3: +1.4% y-o-y
YTD: +5.5% y-o-y



Note: Non-GAAP metrics unless otherwise noted. CC represents constant currency.

Software Model Update

- **Ahead of Plan**
 - Last Two Years: Efforts to reduce low margin hardware and services
 - This Year: Execution significantly ahead of plan
- **Adjusting FY20 Guidance**
 - Revenue of \$460 million and over 10% growth of estimated fully allocated gross profit
 - Neutral impact to Verint diluted EPS

Customer Benefits

Purchase Hardware and Services from 3rd Party
Faster Refresh Cycles of Core Software

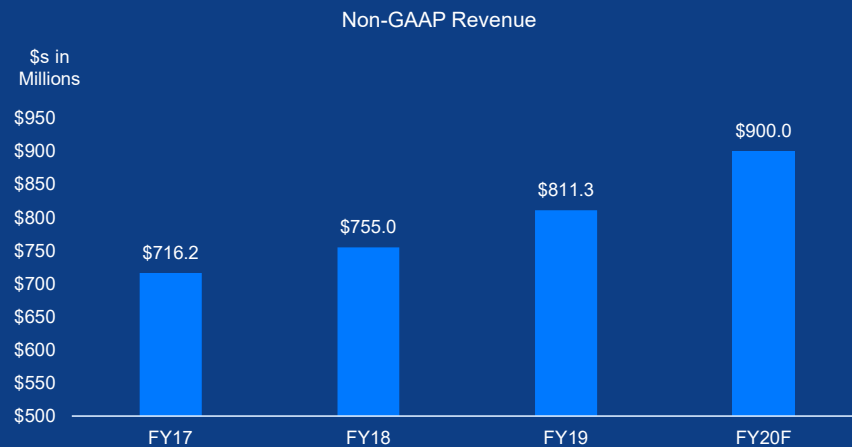
Verint Benefits

Competitive Differentiation
Improved Margins



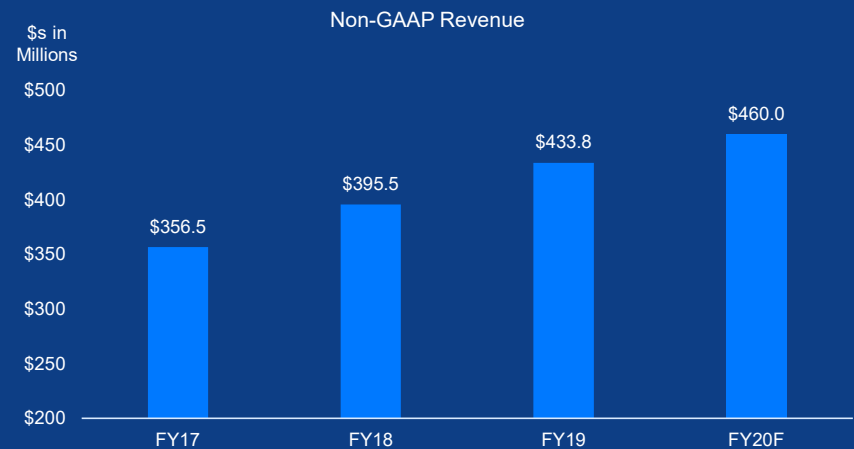
Plan to Separate into Two Independent Companies

Customer Engagement



- **Market leader**
- **Approaching \$1 billion of annual revenue**
- **Cloud transition opportunity**

Cyber Intelligence



- **Market leader**
- **Approaching \$500 million of annual revenue**
- **Software model transition opportunity**



Note: Non-GAAP metrics unless otherwise noted. Customer Engagement GAAP revenue for FY17, FY18 and FY19 was \$705.9 million, \$740.1 million and \$796.3 million, respectively. Cyber Intelligence GAAP revenue for FY17, FY18 and FY19 was \$356.2 million, \$395.1 million and \$433.4 million, respectively.

Separation Plan

- Business Segments: **Substantially complete**
- Shared Services: **Approximately one year and will continue via a TSA post-close**
- Audited Carve-Out Financials: **Q3 FY2021**
- Initial SEC Filing: **Q3 FY2021**
- Expected Completion: **Shortly after February 1, 2021**

Strategic Investment

- Apax brings to Verint:
 - Significant experience in corporate carve-outs
 - Significant experience in software and cloud transitions
- Two tranche investment:
 - **Tranche 1**
 - \$200 million in Verint at closing
 - ~5% ownership in Verint; at separation becomes an investment in customer engagement business
 - **Tranche 2 at Separation**
 - Up to \$200 million in customer engagement business
 - **Apax Ownership: 11.5% to 15.0% in customer engagement business**



Buyback Program

- Amount: \$300 million
- Timing: Targeting completion by date of separation
- Funding: Apax Tranche 1 Investment, Existing Cash and Possibly Revolver

Note: The specific timing, price, and size of purchases will depend on prevailing stock prices, general market and economic conditions, and other considerations, including the amount of cash available in the U.S. and other potential uses of cash. The program may be extended, suspended or discontinued at any time without prior notice and does not obligate us to acquire any particular amount of common stock.



New Directors with Cloud Experience

Andrew Miller



- Former CFO of PTC where he helped lead the effort to transition the business to a subscription-based model
- Financial leadership roles at Cepheid, Autodesk, MarketFirst Software, Cadence Design Systems and Silicon Graphics
- Currently serves on the Board of Directors of iRobot

Jason Wright

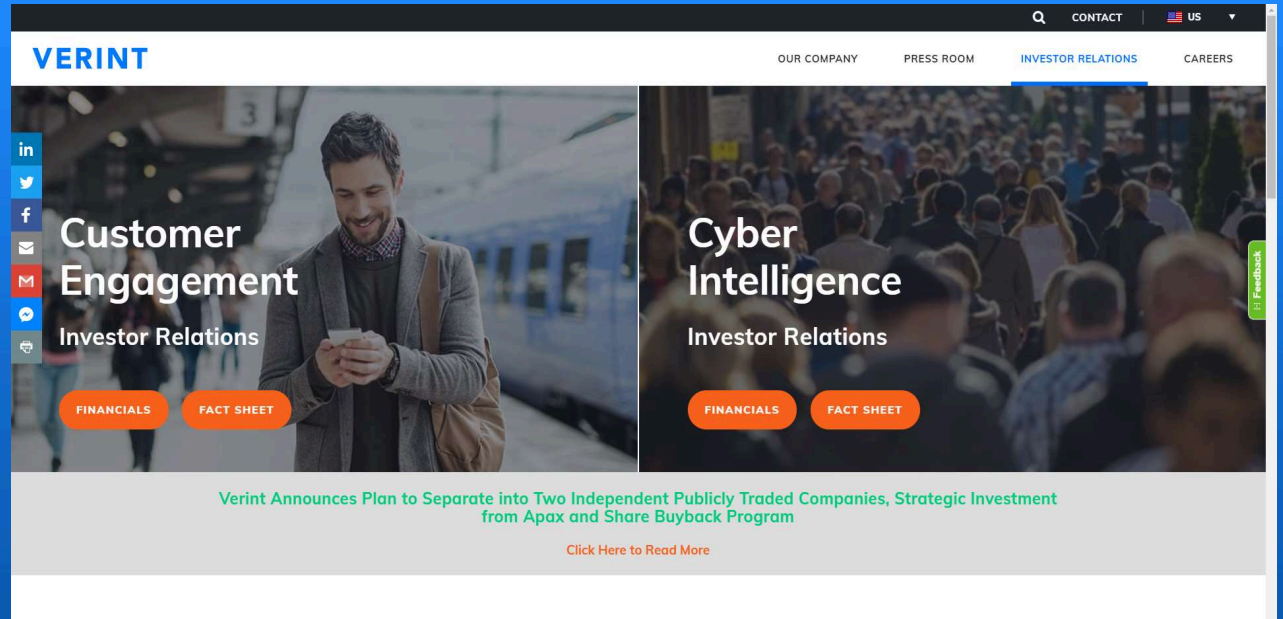


- Partner at Apax, leading the firm's Tech and Telco practice
- 20 years of technology private equity experience
- Significant software investing experience associated with cloud transitions
- Current directorships include Aptos, Duck Creek Technologies, ECi Software Solutions, Exact Software, Paycor and TIVIT

Enhanced Disclosures



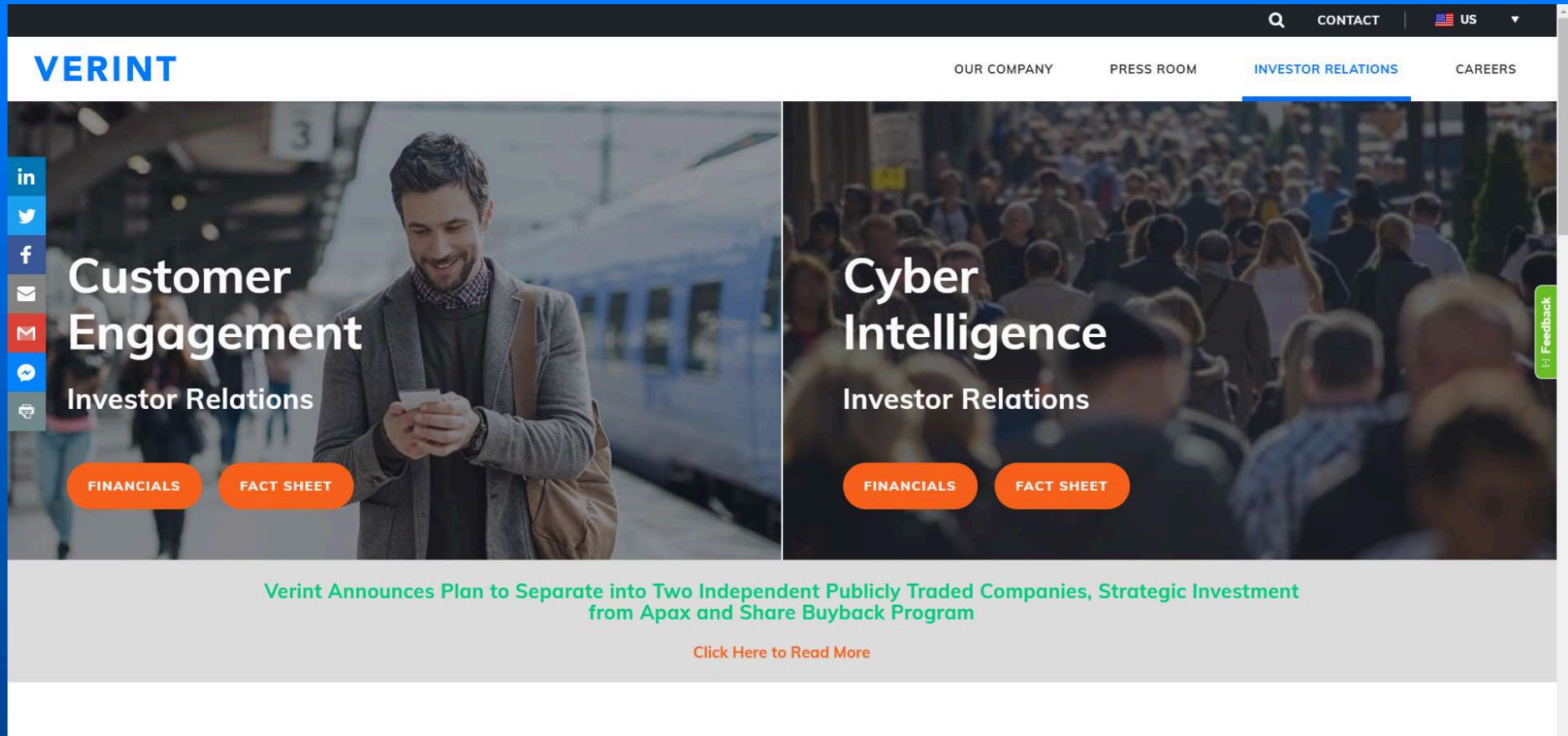
**Investor Day
April 2020
New York City
Details to Follow**



**New IR Website
New Segment Financials**

FINANCIAL REVIEW

New IR Website



New CES Dashboard

(\$ in millions)		Year Ended 1/31/2019		Three Months Ended						Nine Months Ended 10/31/2019		GAAP to Non-GAAP Reconciliation
		GAAP	Non-GAAP/ Operating Metric	4/30/2019		7/31/2019		10/31/2019		GAAP	Non-GAAP/ Operating Metric	
Revenue Metrics	Software* (includes cloud and support)	\$661.8	\$676.8	\$171.0	\$179.8	\$177.3	\$184.3	\$185.1	\$191.3	\$533.4	\$555.4	CES Revenue Metrics tab
	Perpetual	\$196.1	\$196.1	\$47.6	\$47.6	\$48.0	\$48.0	\$43.7	\$43.7	\$139.4	\$139.4	
	Cloud	\$150.7	\$165.4	\$47.1	\$55.7	\$47.8	\$54.7	\$61.4	\$67.6	\$156.3	\$178.0	
	Support	\$315.0	\$315.3	\$76.3	\$76.5	\$81.5	\$81.6	\$79.9	\$80.0	\$237.7	\$238.0	
	Professional Services	\$134.5	\$134.5	\$36.1	\$36.1	\$34.1	\$34.1	\$32.8	\$32.8	\$103.0	\$103.0	
	Total Revenue	\$796.3	\$811.3	\$207.1	\$215.9	\$211.4	\$218.4	\$217.9	\$224.2	\$366.5	\$658.4	
	% of Revenue from Software (includes cloud and support)	83.1%	83.4%	82.6%	83.3%	83.9%	84.4%	84.9%	85.4%	83.8%	84.4%	
% of Revenue from Software (includes cloud and support) that is Recurring	70.4%	71.0%	72.2%	73.5%	72.9%	74.0%	76.4%	77.1%	73.9%	74.9%		
Revenue and Bookings Metrics	Reported Revenue Growth	7.6%	7.5%	11.1%	14.1%	5.3%	7.6%	10.4%	11.3%	8.8%	10.9%	CES Constant Currency tab
	Constant Currency Revenue Growth	7.6%	7.4%	13.2%	15.8%	6.6%	8.9%	11.4%	12.2%	10.3%	12.2%	
	New SaaS ACV		\$29.1		\$8.2		\$10.1		\$15.6		\$33.9	
	New SaaS ACV Growth YoY				37.6%		115.2%		131.0%		94.8%	
	New Perpetual License Equivalent Bookings **		\$256.8		\$65.4		\$64.0		\$69.9		\$199.2	
	New Perpetual License Equivalent Bookings Growth YoY				14.3%		7.9%		19.1%		13.8%	
Cloud Revenue Detail	Cloud Revenue	\$150.7	\$165.4	\$47.1	\$55.7	\$47.8	\$54.7	\$61.4	\$67.6	\$156.3	\$178.0	CES Cloud Metrics tab
	Bundled SaaS Revenue	\$84.7	\$94.4	\$27.2	\$34.4	\$27.2	\$33.6	\$30.1	\$35.8	\$84.5	\$103.8	
	Unbundled SaaS Revenue	\$24.9	\$27.7	\$6.3	\$7.1	\$6.4	\$6.5	\$17.1	\$17.1	\$29.8	\$30.7	
	Optional Managed Services Revenue	\$41.1	\$43.3	\$13.6	\$14.2	\$14.2	\$14.6	\$14.2	\$14.7	\$42.0	\$43.5	
	Cloud Revenue Growth YoY	23.4%	22.5%	43.6%	57.9%	30.6%	41.3%	63.4%	62.4%	46.1%	54.0%	
	SaaS Revenue Growth YoY	36.3%	37.3%	39.0%	58.5%	25.8%	42.7%	71.7%	70.7%	46.0%	57.7%	
Operating Expense Metrics	Estimated Fully Allocated Research and Development, net	\$116.6	\$109.7	\$32.2	\$30.1	\$33.0	\$30.6	\$31.5	\$29.3	\$96.7	\$89.9	CES Operating Expenses tab
	% of Revenue	14.6%	13.5%	15.5%	13.9%	15.6%	14.0%	14.4%	13.1%	11.2%	13.7%	
	Estimated Fully Allocated Selling, General and Administrative	\$281.0	\$240.1	\$80.1	\$67.5	\$84.4	\$69.0	\$77.8	\$65.6	\$242.4	\$202.1	
	% of Revenue	35.3%	29.6%	38.7%	31.2%	39.9%	31.6%	35.7%	29.3%	28.1%	30.7%	
Profitability Metrics	Estimated Fully Allocated Gross Profit	\$521.1	\$559.8	\$132.2	\$147.8	\$135.0	\$149.5	\$143.4	\$157.1	\$410.6	\$454.3	CES Gross Profit tab
	Estimated Fully Allocated Gross Margin %	65.4%	69.0%	63.8%	68.4%	63.8%	68.4%	65.8%	70.1%	64.5%	69.0%	
	Estimated Fully Allocated Operating Income	\$93.1	\$209.9	\$12.4	\$50.2	\$10.0	\$49.8	\$26.5	\$62.2	\$48.8	\$162.3	
	Estimated Fully Allocated Operating Margin %	11.7%	25.9%	6.0%	23.3%	4.7%	22.8%	12.1%	27.8%	7.7%	24.6%	CES Operating & EBITDA Margins tab
	Estimated Fully Allocated Adjusted EBITDA		\$229.3		\$55.3		\$54.9		\$67.9		\$178.2	
	Estimated Fully Allocated Adjusted EBITDA Margin		28.3%		25.6%		25.2%		30.3%		27.1%	

New Operational Metric – New Perpetual License Equivalent Bookings



* New Perpetual License Equivalent Bookings are used to normalize between perpetual and SaaS bookings and measure overall software growth. We calculate new perpetual license equivalent bookings by multiplying New SaaS ACV bookings (excluding bookings from maintenance conversions) by a conversion factor of 2.0 and adding that amount to perpetual license bookings. The conversion factor of 2.0 is an estimate that is derived from an analysis of our historical bookings and may change over time. Management uses perpetual license equivalent bookings to understand our performance, including our software growth and SaaS/perpetual license mix. This metric should not be viewed in isolation from other operating metrics that we make available to investors.

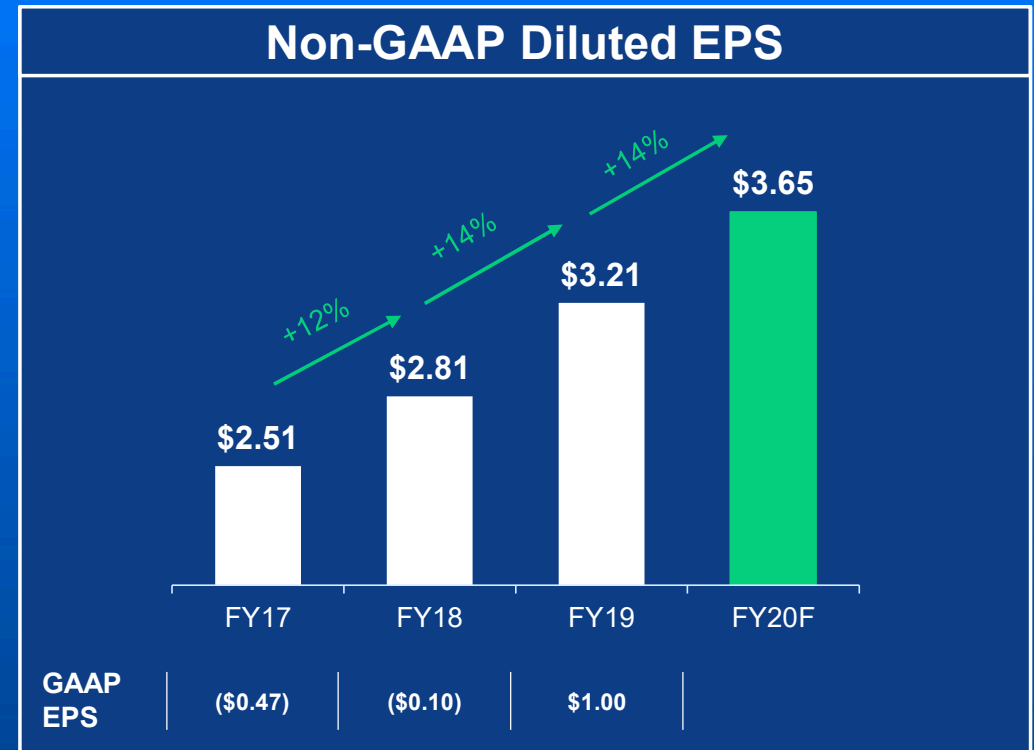
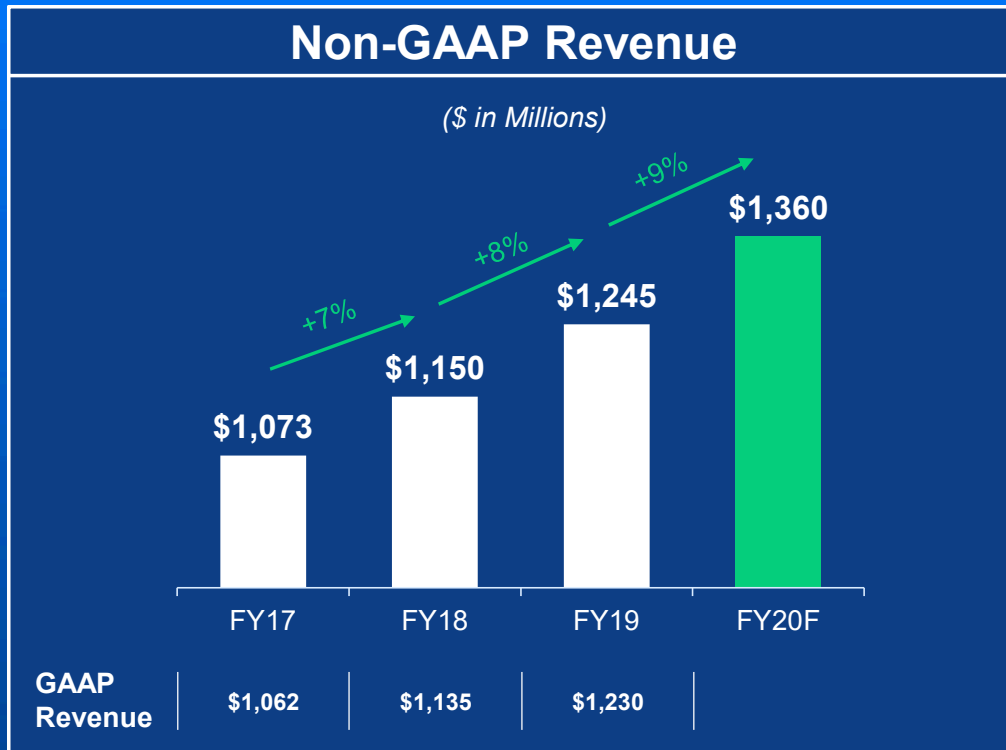
New CIS Dashboard

(\$ in millions)		Year Ended		Three Months Ended						Nine Months Ended		GAAP to Non-GAAP Reconciliation
		1/31/2019		4/30/2019		7/31/2019		10/31/2019		10/31/2019		
		GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP	
Revenue Metrics	Recurring Revenue	\$165.2	\$165.6	\$46.8	\$46.9	\$46.2	\$46.2	\$47.5	\$47.5	\$140.5	\$140.6	CIS Revenue Metrics tab
	Nonrecurring Revenue	\$268.2	\$268.2	\$61.4	\$61.4	\$66.7	\$66.7	\$59.4	\$59.4	\$187.5	\$187.5	
	Total Revenue	\$433.4	\$433.8	\$108.2	\$108.3	\$112.9	\$112.9	\$106.9	\$106.9	\$328.0	\$328.1	
Growth Metrics	Reported Revenue Growth YoY	9.7%	9.7%	5.3%	5.3%	7.0%	7.0%	0.4%	0.4%	4.2%	4.2%	CIS Constant Currency tab
	Constant Currency Revenue Growth YoY	9.8%	9.8%	7.1%	7.0%	8.0%	8.0%	1.4%	1.4%	5.5%	5.4%	
	Estimated Fully Allocated Gross Profit Growth YoY	18.5%	13.3%	22.2%	18.2%	18.3%	16.5%	7.5%	6.2%	15.7%	13.5%	
Operating Expense Metrics	Estimated Fully Allocated Research and Development, net	\$92.5	\$88.8	\$25.0	\$23.9	\$25.7	\$24.4	\$26.2	\$25.0	\$76.9	\$73.3	CIS Operating Expenses tab
	% of Revenue	21.3%	20.5%	23.1%	22.0%	22.8%	21.6%	24.5%	23.4%	23.4%	22.3%	
	Estimated Fully Allocated Selling, General and Administrative	\$145.1	\$123.3	\$41.6	\$34.9	\$41.8	\$33.5	\$38.5	\$31.9	\$121.9	\$100.4	
	% of Revenue	33.5%	28.4%	38.5%	32.2%	37.1%	29.8%	36.0%	29.9%	37.2%	30.6%	
Profitability Metrics	Estimated Fully Allocated Gross Profit	\$259.4	\$269.1	\$68.9	\$70.8	\$72.9	\$74.1	\$68.2	\$69.2	\$209.9	\$214.1	CIS Gross Profit tab
	Estimated Fully Allocated Gross Margin %	59.9%	62.0%	63.7%	65.4%	64.6%	65.6%	63.7%	64.7%	64.0%	65.2%	
	Estimated Fully Allocated Operating Income	\$21.1	\$57.0	\$2.1	\$12.1	\$5.3	\$16.1	\$3.4	\$12.2	\$10.7	\$40.4	CIS Operating & EBITDA Margins tab
	Estimated Fully Allocated Operating Margin %	4.9%	13.1%	2.0%	11.1%	4.7%	14.3%	3.1%	11.4%	3.3%	12.3%	
	Estimated Fully Allocated EBITDA		\$67.4		\$14.8		\$18.9		\$15.2		\$48.9	
	Estimated Fully Allocated EBITDA Margin		15.5%		13.6%		16.7%		14.2%		14.9%	

New Corporate Dashboard

(\$ in millions)		Year Ended		Three Months Ended						Nine Months Ended		GAAP to Non-GAAP Reconciliation
		1/31/2019		4/30/2019		7/31/2019		10/31/2019		10/31/2019		
		GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP	
Revenue	Total Revenue	\$1,229.7	\$1,245.1	\$315.3	\$324.2	\$324.3	\$331.3	\$324.9	\$331.1	\$964.4	\$986.6	Consolidated Revenue tab
Shared Support Metrics	Segment Expenses*	\$914.4	\$814.3	\$244.8	\$218.0	\$249.0	\$221.0	\$238.2	\$211.3	\$732.0	\$650.3	
	<i>% of Total Expenses</i>	82.0%	83.2%	81.4%	83.3%	80.6%	83.3%	80.7%	82.3%	80.9%	83.0%	
	Shared Support Expenses**	\$201.1	\$163.9	\$56.0	\$43.9	\$60.0	\$44.4	\$56.8	\$45.4	\$172.8	\$133.6	
	<i>% of Total Expenses</i>	18.0%	16.8%	18.6%	16.7%	19.4%	16.7%	19.3%	17.7%	19.1%	17.0%	
Profitability Metrics	Estimated Fully Allocated Gross Profit	\$780.5	\$626.9	\$204.4	\$248.6	\$207.8	\$229.6	\$211.6	\$226.2	\$620.5	\$668.3	Consolidated Gross Profit tab
	<i>Estimated Fully Allocated Gross Margin %</i>	63.5%	66.6%	63.8%	67.4%	64.1%	67.5%	65.1%	68.3%	64.3%	67.7%	
	Estimated Fully Allocated Operating Income	\$114.2	\$266.9	\$14.5	\$62.3	\$15.3	\$65.9	\$29.8	\$74.4	\$59.6	\$202.6	
	<i>Estimated Fully Allocated Operating Margin %</i>	9.3%	21.4%	4.6%	19.2%	4.7%	19.9%	9.2%	22.5%	6.2%	20.5%	
	Estimated Fully Allocated EBITDA	\$296.7		\$70.1		\$73.8		\$83.1		\$227.1		Consolidated Operating & EBITDA Margins tab
	<i>Fully Allocated Estimated EBITDA Margin</i>		23.8%		21.6%		22.3%		25.1%		23.0%	

FY20 Guidance



Note: Guidance is on a non-GAAP basis.

Initial FY21 Guidance

FY21 Guidance	Y-o-Y growth
Customer Engagement	
Revenue	+7%
New Perpetual License Equivalents	+10%
Cyber Intelligence	
Revenue	+7%
Estimated Fully Allocated Gross Profit	+10%
Verint	
Diluted EPS	~\$4.00, +10%

Summary

Strong Business Momentum

Separation of Customer Engagement and Cyber Intelligence

Apax Funds Strategic Investment

New Buyback Program

New Investor Relations Site with Enhanced Disclosures