

 GUIDEWIRE

Analyst Day

October 10, 2024

New York, NY



Cautionary language concerning forward-looking statements

This presentation contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding our financial outlook and targets, our future business momentum relating to our sales activity, operational scale, financial targets (including, without limitation, ARR and Fully Ramped ARR), gross and operating margins, operational efficiency, and our associated product leadership, vision, and strategy. These forward-looking statements are made as of the date they were first issued and were based on current expectations, estimates, forecasts and projections as well as the beliefs and assumptions of management. Words such as “expect,” “anticipate,” “should,” “believe,” “hope,” “target,” “project,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond Guidewire’s control. Guidewire’s actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to, risks detailed in Guidewire’s most recent Forms 10-K and 10-Q filed with the Securities and Exchange Commission (the “SEC”) as well as other documents that may be filed by the Company from time to time with the SEC.

In particular, the following factors, among others, could cause results to differ materially from those expressed or implied by such forward-looking statements: quarterly and annual operating results may fluctuate more than expected; seasonal and other variations related to our customer agreements and related revenue recognition may cause significant fluctuations in our results of operations, ARR, and cash flows; our reliance on sales to and renewals from a relatively small number of large customers for a substantial portion of our revenue and ARR; 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 successfully manage our business model, including achieving market acceptance of our cloud-based services and products and the costs related to cloud operations, cybersecurity, product development, and services; the timing, success, and number of professional services engagements and the billing rates and utilization of our professional services employees and contractors; the impact of global events (including, without limitation, ongoing global conflicts, inflation, high interest rates, economic volatility, bank failures and associated financial instability, and supply chain issues) on our employees, our business, and the businesses of our customers, system integrator (“SI”) partners, and vendors; data security breaches of our cloud-based services and products or unauthorized access to our employees’ or our customers’ data; our competitive environment and changes thereto; issues in the development and use of AI and machine learning, combined with an uncertain regulatory environment; use of artificial intelligence (“AI”) by our workforce may present risks to our business; our services revenue produces lower gross margins than our license, subscription and support revenue; our product development and sales cycles are lengthy and may be affected by factors outside of our control; the impact of new regulations and laws (including, without limitation, security, privacy, AI and machine learning, tax regulations and laws, and accounting standards); assertions by third parties that we violate their intellectual property rights; weakened global economic conditions may adversely affect the P&C insurance industry, including the rate of information technology spending; our ability to sell our services and products is highly dependent on the quality of our professional services and SI partners; the risk of losing key employees; the challenges of international operations, including changes in foreign exchange rates; and other risks and uncertainties. Past performance is not indicative of future results.

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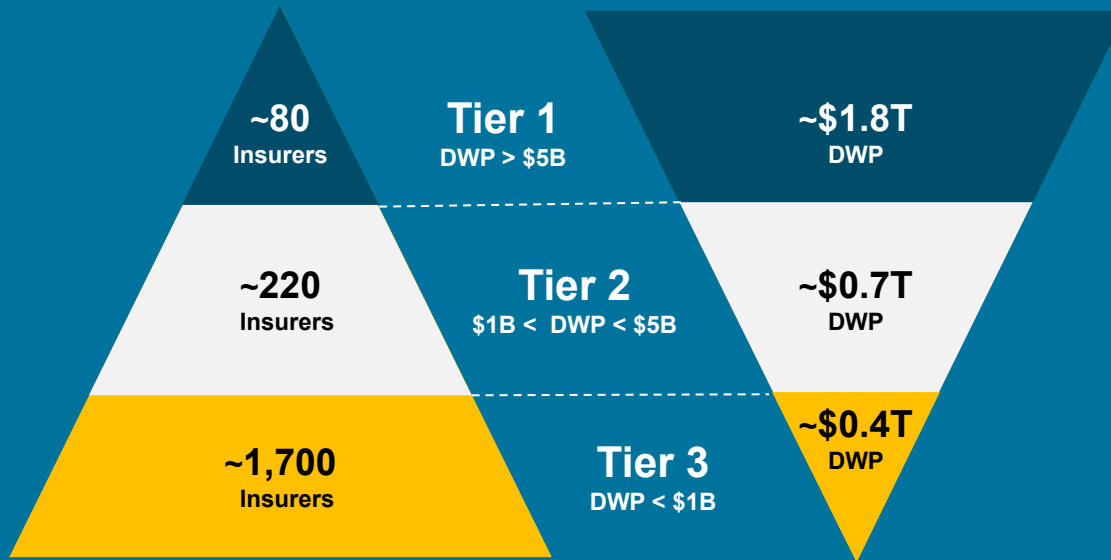


Our Mission

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



Understanding Guidewire requires an understanding of the P&C insurance market



300 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

\$2.9T DWP



P&C insurance is critical to our economy and society

\$2.9 Trillion of Annual Written Premium and 3% of Global GDP

PERSONAL LINES

~52% DWP



Automotive
\$660B



Residential
\$290B



Title
\$60B



Travel
\$20B



Pet
\$10B



Earthquake
\$8B



Recreational
\$6B



Watercraft
\$1B



Other
\$440B

COMMERCIAL LINES

~48% DWP



Property
\$330B



Fleet
\$210B



Workers' Comp
\$75B



General Liability
\$290B



Professional Liability
\$40B



Ocean Marine
\$40B



Farm
\$40B



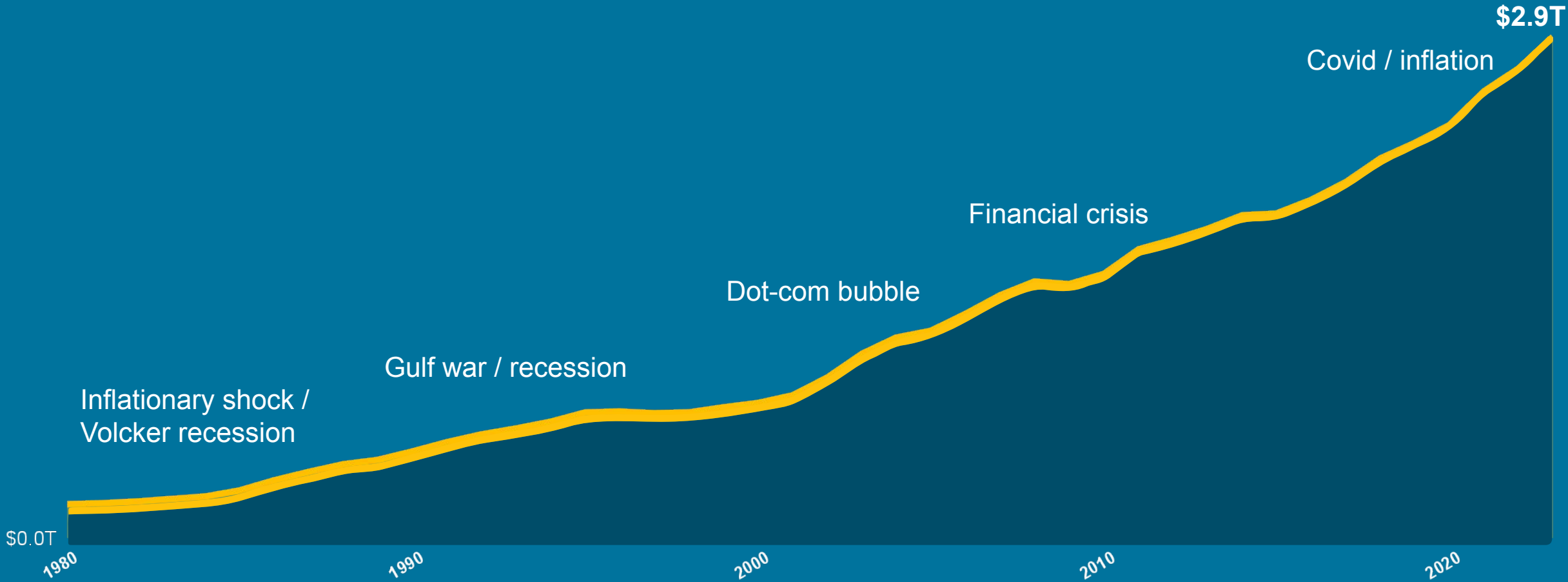
Machinery
\$10B



Other
\$385B



The P&C industry is highly resilient and durable



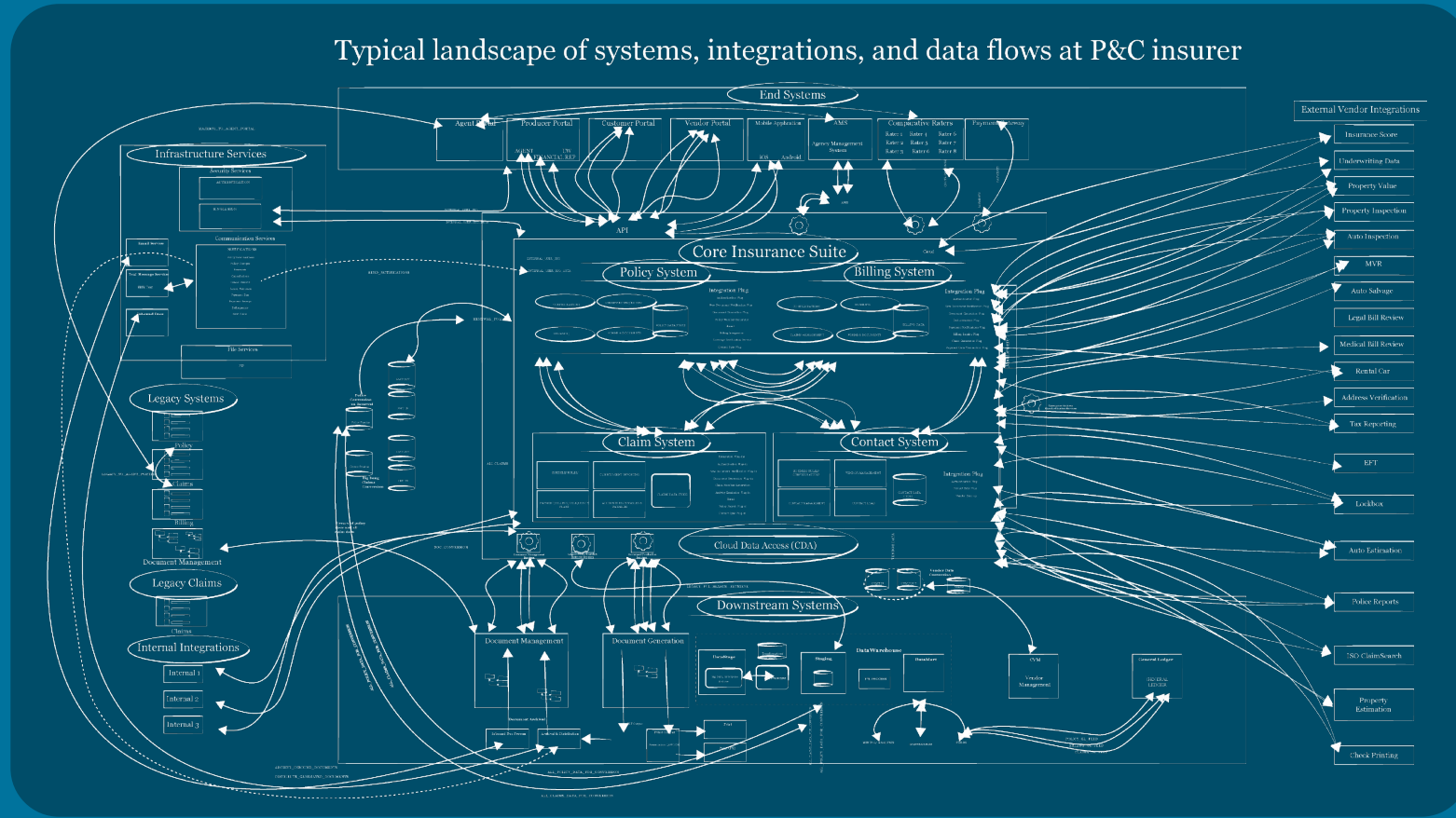
Source: SwissRe Sigma No 3/2024, The report covers direct written premiums (DWP) for the "Non-Life" category, which includes DWP for Property & Casualty (P&C) insurance, as well as Accident & Health (A&H) insurance. For US P&C insurance, we have excluded US A&H market premiums at \$1.3T as reported by National Association of Insurance Commissioners (NAIC) and assumed consistent US A&H market proportion over historical periods.

Multiple forces are pressuring insurers globally



The legacy systems that support the industry are deeply embedded and complex

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



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

Insurers face a trade-off between reliability and flexibility

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

Reliable

Secure

Scalable

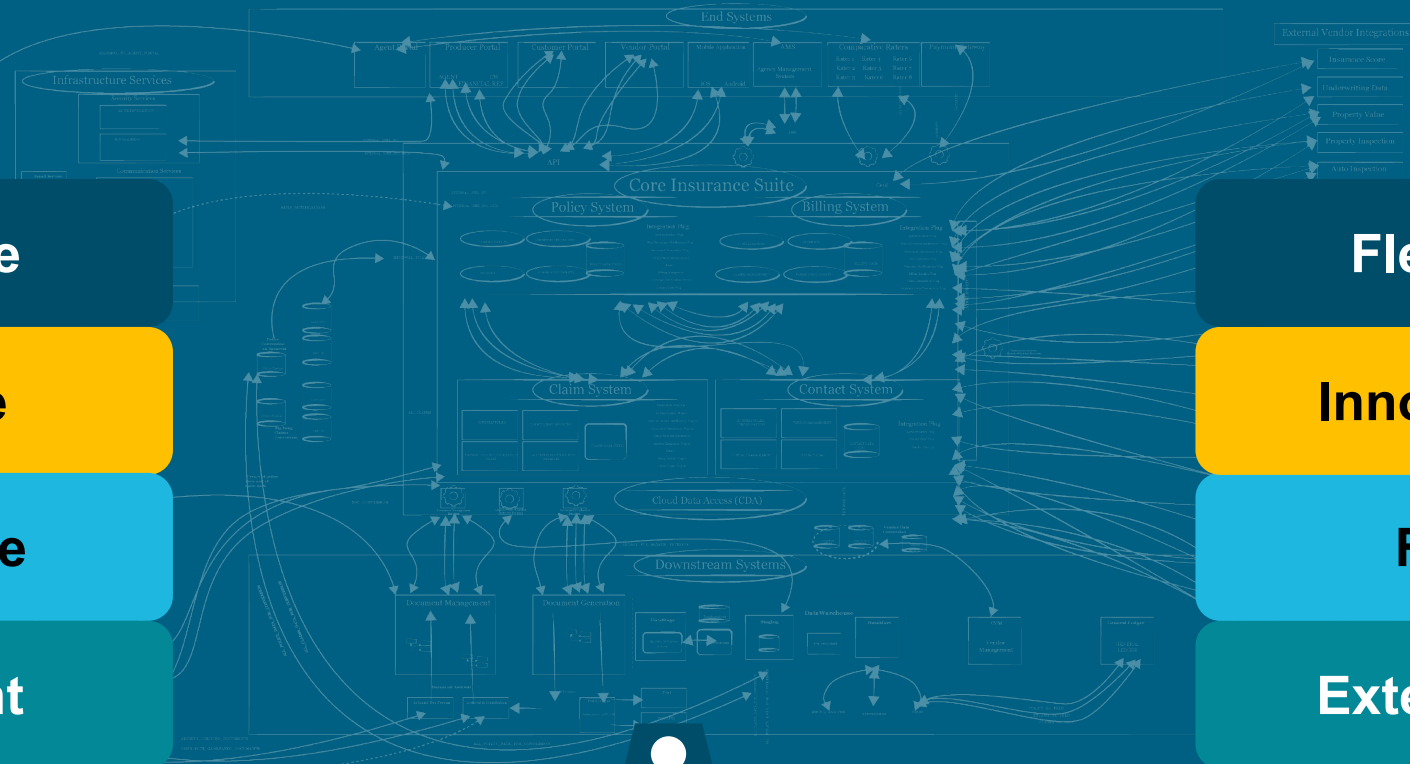
Efficient

Flexible

Innovative

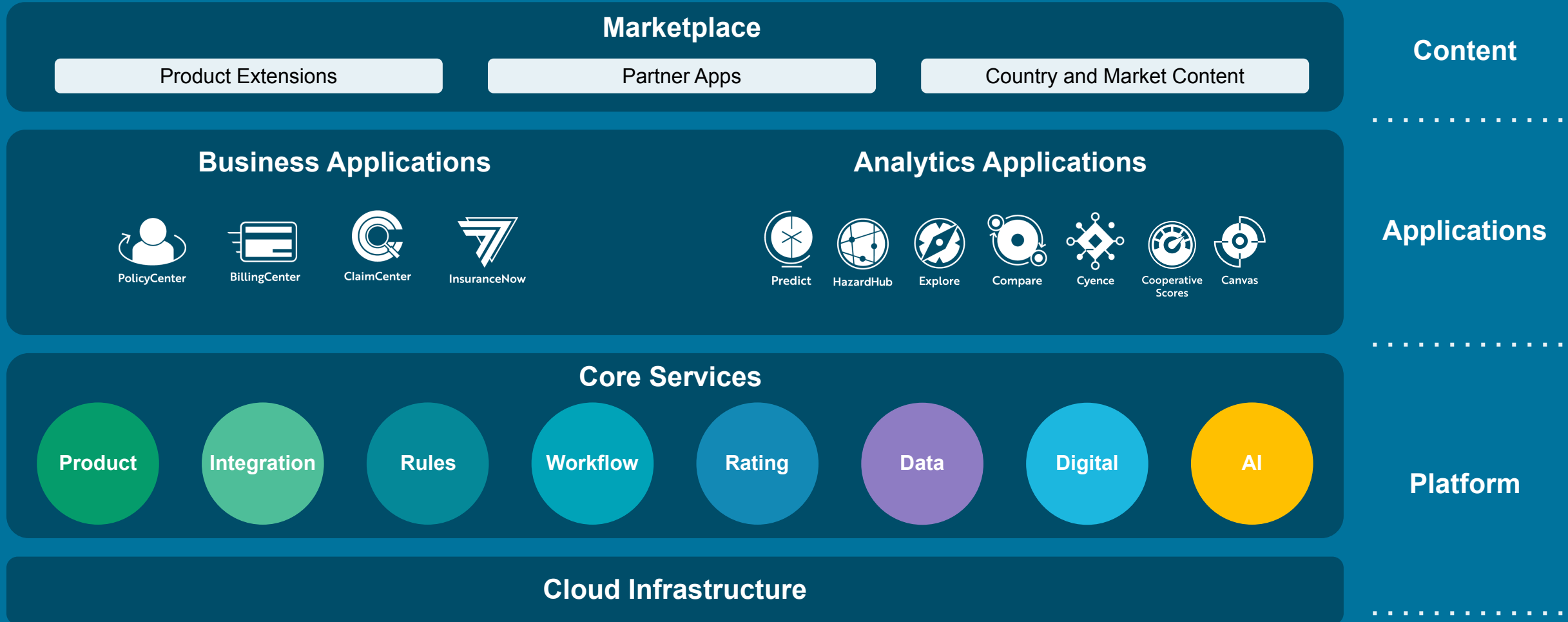
Fast

Extensible



Guidewire Cloud Platform meets the challenge

A reliable technology platform that enables insurers to engage, innovate, and grow efficiently



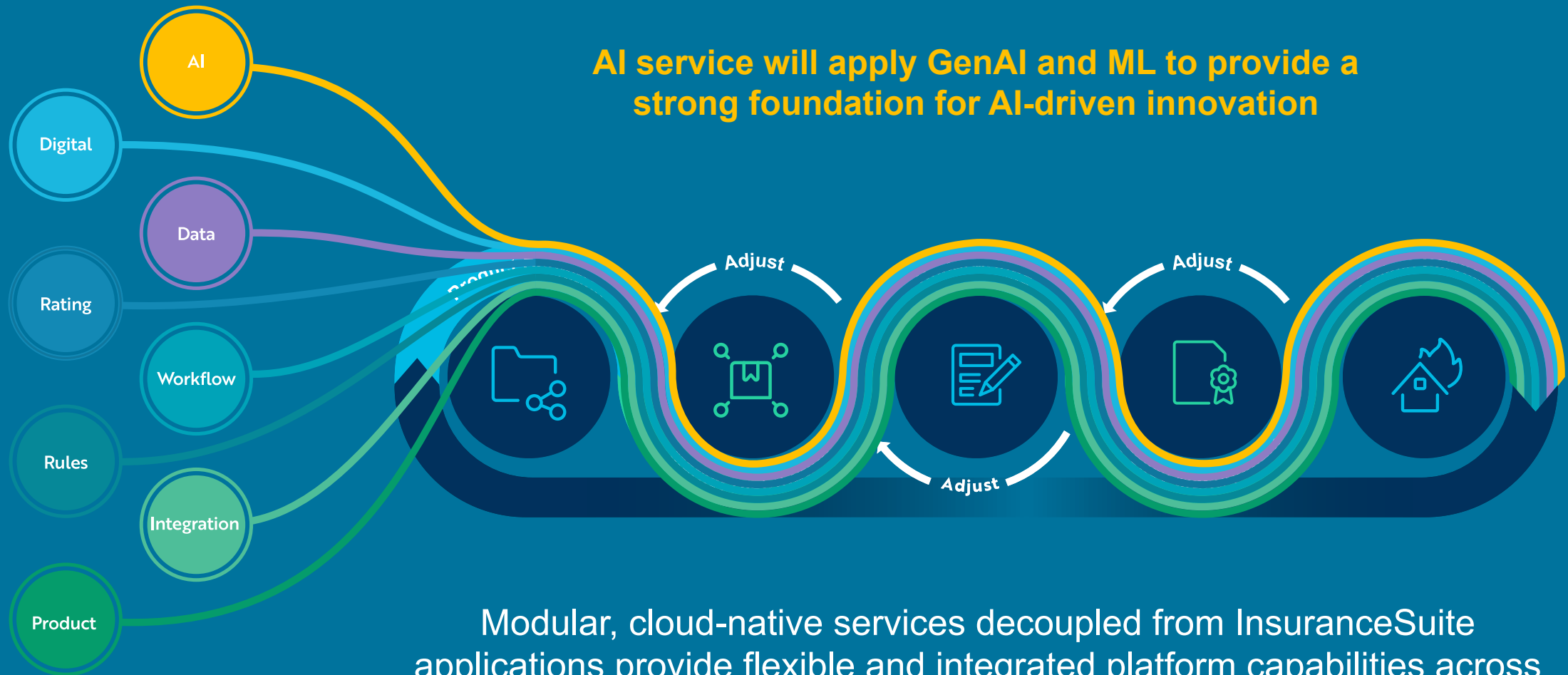
The Guidewire product suite delivers speed and efficiency across the entire P&C insurance lifecycle



 **CLOUD**



Guidewire Cloud Services increase agility at every step



Guidewire Cloud is driving measurable customer success



Launched new auto product in 10 months

Streamlined quote flow with 30+ pre-filled data points with Integration Framework

Increased number of digital property claims by 38%

definity.

Can now set up deployment environments 10X faster

Reduced downtime to deploy new capabilities by 75%

Launched a unique UBI product



Standardized claims, policy, and billing systems for 18 million members in 22 states

Migrated to Guidewire Cloud in 15 months

Updates in weeks versus 1-year upgrades

CNA

Migrated complex commercial lines PolicyCenter book of business in 13 months

Replatformed 9 lines of business

Migrated a Professional Liability program in 7 months



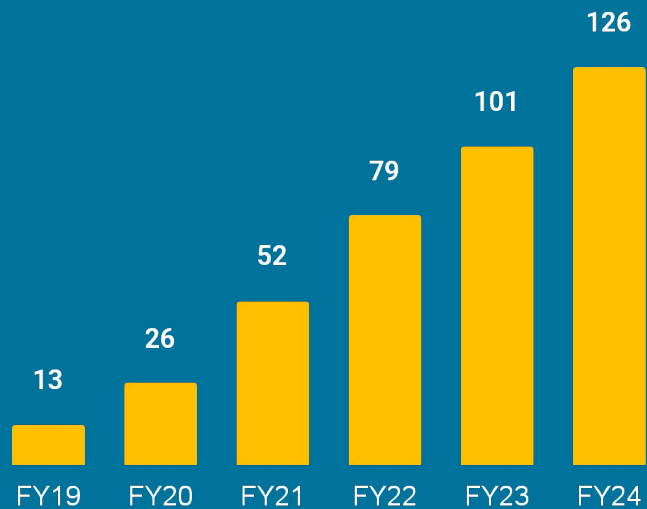
Spent 80% less on updates compared to on-prem upgrades

Deploying environments 75% faster in cloud versus on-prem

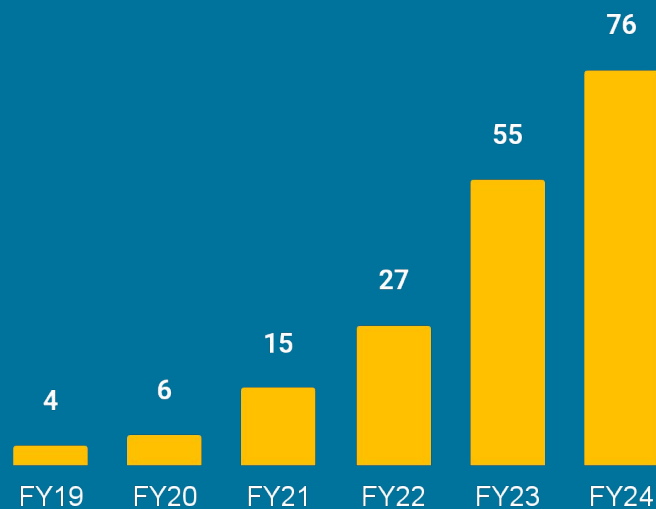
Reduced integration time by 35%

Cloud adoption and referenceability is driving momentum

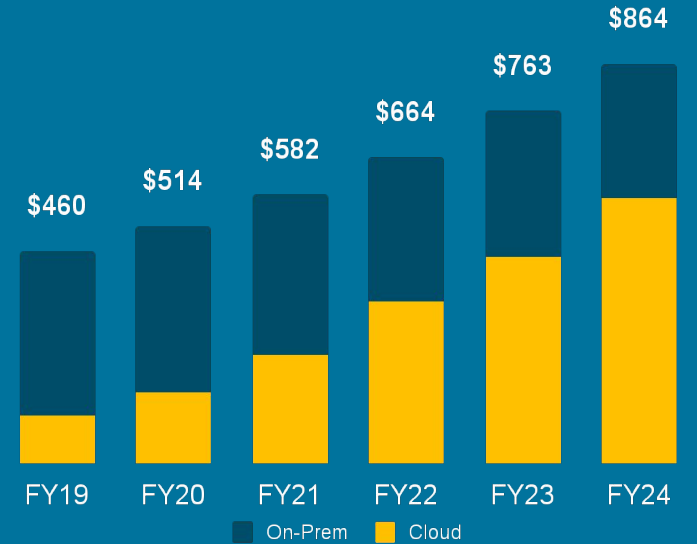
IS Cloud Customers



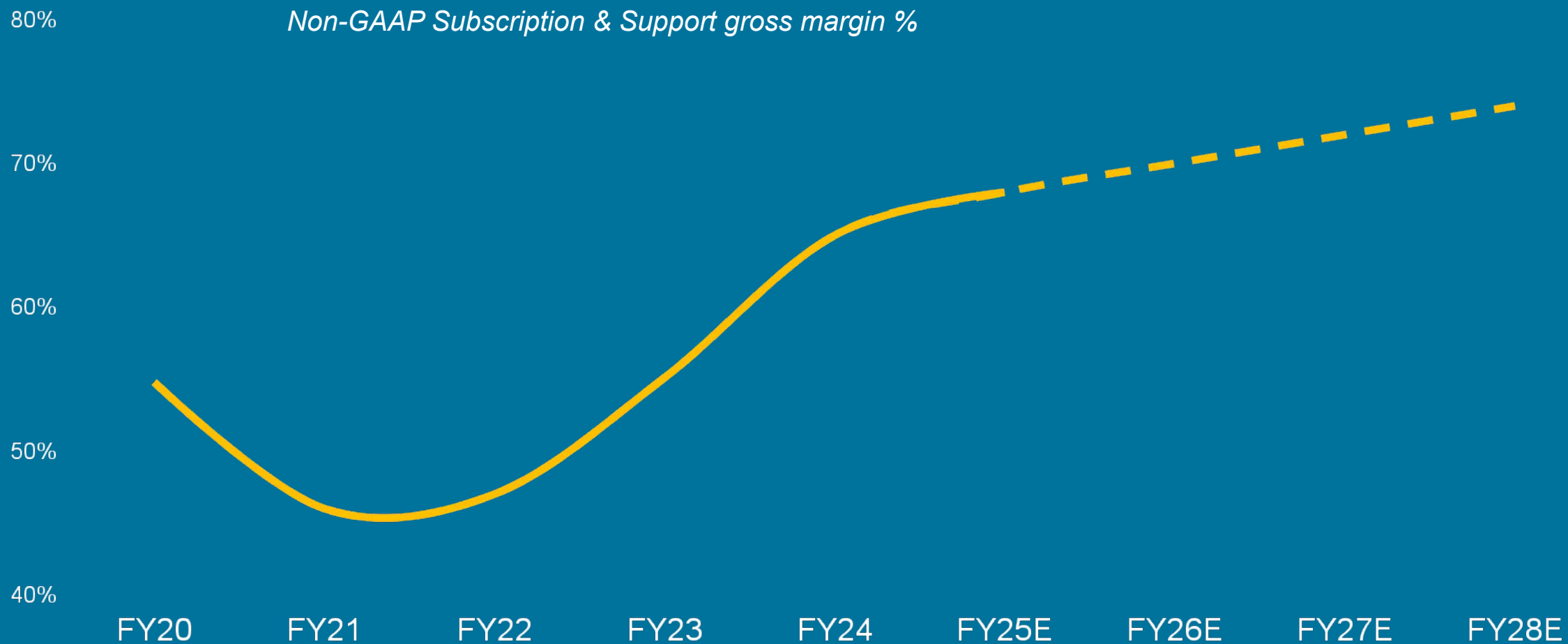
Cumulative IS Cloud Go-Live Customers



ARR (\$M)



Guidewire Cloud Platform is demonstrating scale and leverage



The Guidewire ecosystem is expanding around our success

SI Partners

>25,000 professionals
across 41 leading Systems
Integrators

Technology Partners

>215 Partners and >450 available
applications

Customers

>570 insurers
42 countries
\$670B DWP



SI Partner	P&C Practice Ranking	Overall Ranking
PWC	1st	Top 4 (all alliances)
Cappgemini	1st	1st (financial services)
EY	1st	Top 5 (Insurance)
Cognizant	1st	Top 3 (all alliances)
Deloitte	1st	Top 13 (all alliances)
Accenture	1st	Top 3 (financial services)



Source: Guidewire Analysis and Consulting Partners. SI Partner ranking indicates the relative size of Guidewire share within each partner's P&C focused practice, as well as their overall practices, such as insurance, financial services or across all alliances, depending on how each partner tracks such measures.

Guidewire priorities as we build on this success

Trust

Nothing is more important than the success of every single one of our customers

Core Platform and Applications

Continued category leadership world-wide, continuous platform and application innovation powered by cloud updates

New Products

Develop and grow analytics, data, and core adjacent insurance products

Ecosystem

Further expand application marketplace and empower our implementation ecosystem

Profitability

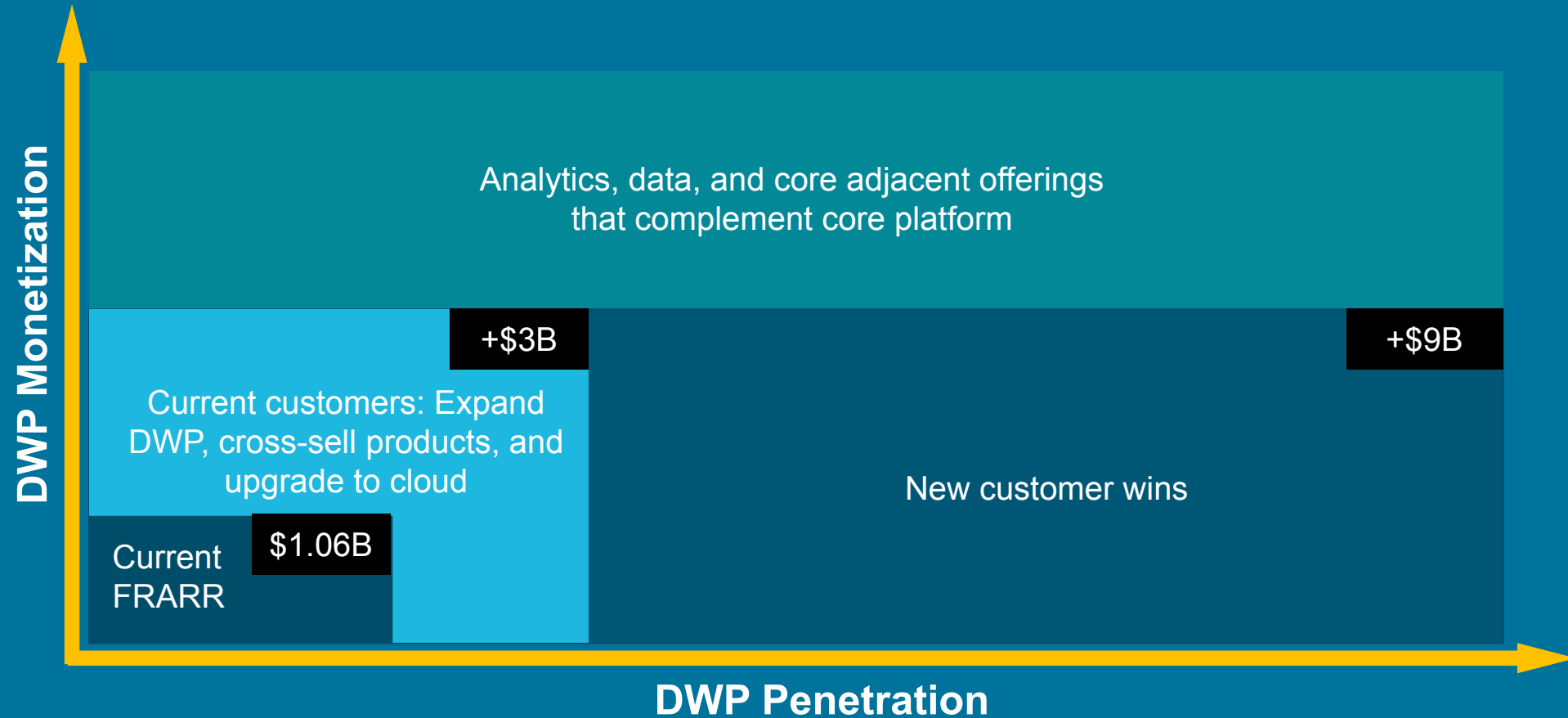
Continue to drive efficient scale and profitability with growth

Growth

Margin

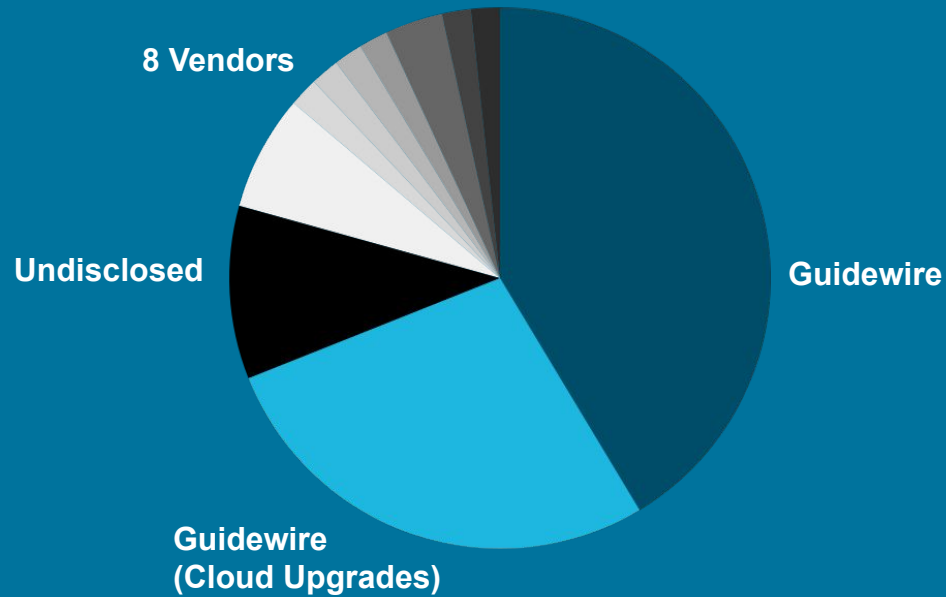


Guidewire is well-positioned to address this increasingly accessible opportunity

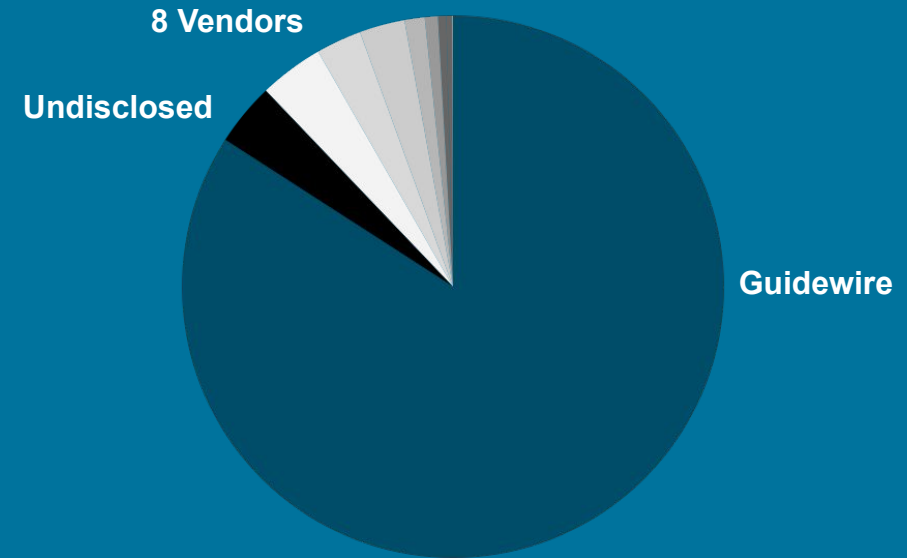


Guidewire achieved very high win rates in FY24

Core System Decisions



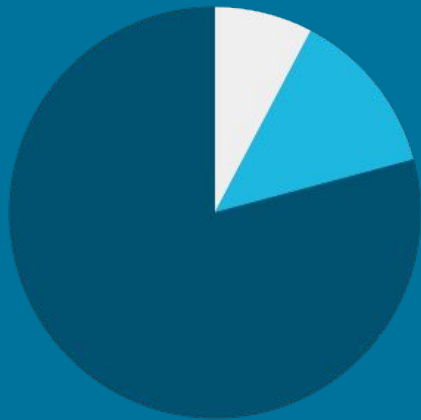
Core System Decisions by DWP



Strategic account management enables expansion of coverage and product penetration

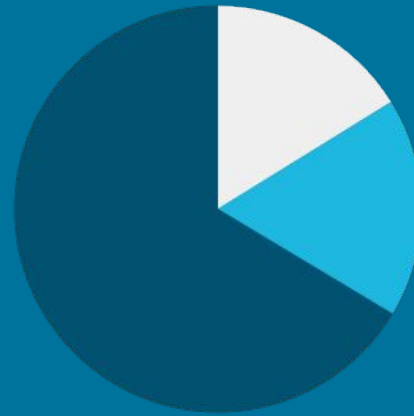
DWP Penetration By Tier

Tier 1: >\$5B DWP



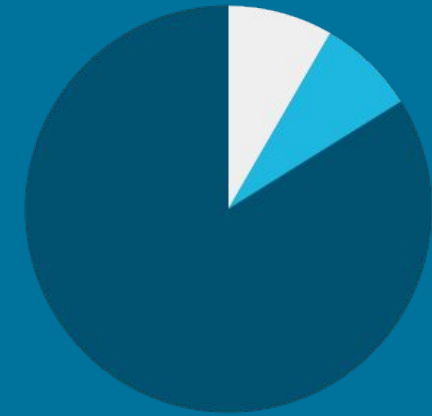
100% = \$1.8T

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



100% = \$0.7T

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



100% = \$0.4T

Opportunity

GWRE Cloud

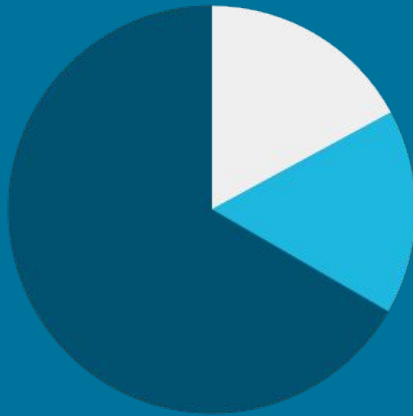
GWRE On-prem



International markets remain a significant growth arena

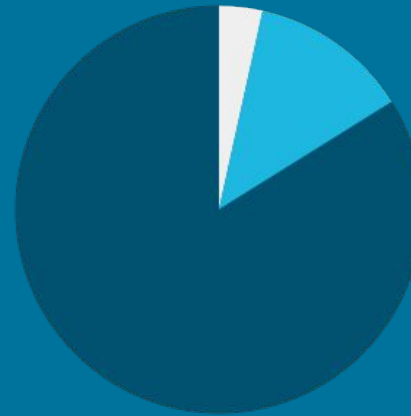
DWP Penetration By Region

Core DWP - Americas



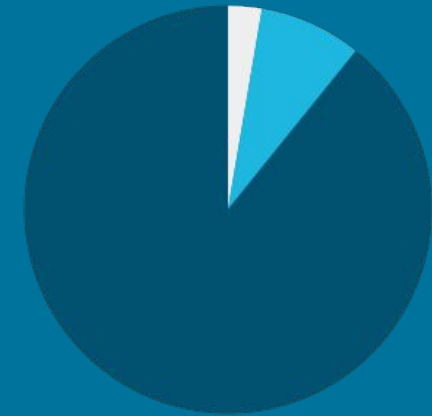
100% = \$1.4T

Core DWP - EMEA



100% = \$0.8T

Core DWP - APAC



100% = \$0.7T

■ Opportunity

■ GWRE Cloud

■ GWRE On-prem



Competitive differentiation has been hard for carriers to achieve, and increasingly difficult to sustain

**Operations
of Insurance**

**Science
of Insurance**

**Distribution
of Risk**

Guidewire in Partnership with the Industry

Standardize

**On GWCP and
Insurance Suite**

Decouple

**change from core
processing**

Amplify

**Pace and precision of
business change**



Guidewire is focused on business results and specific content development

The Market Lens



Policy Servicing and Billing



Product Management



Underwriting, Risk Selection,
Pricing



Total Claims Outcome



Producer and Broker
Interactions

Decisions Impacting Business Results

- **Underwriting:** Submission and “tools of the trade”
- **Cloud Rating:** Driving speed to market
- **Jutro Digital and Content:** Modern experiences
- **Indemnity Outcome:** Via embedded analytics

Geographic / Line-of-business Specificity



London
Market



Japan



Germany

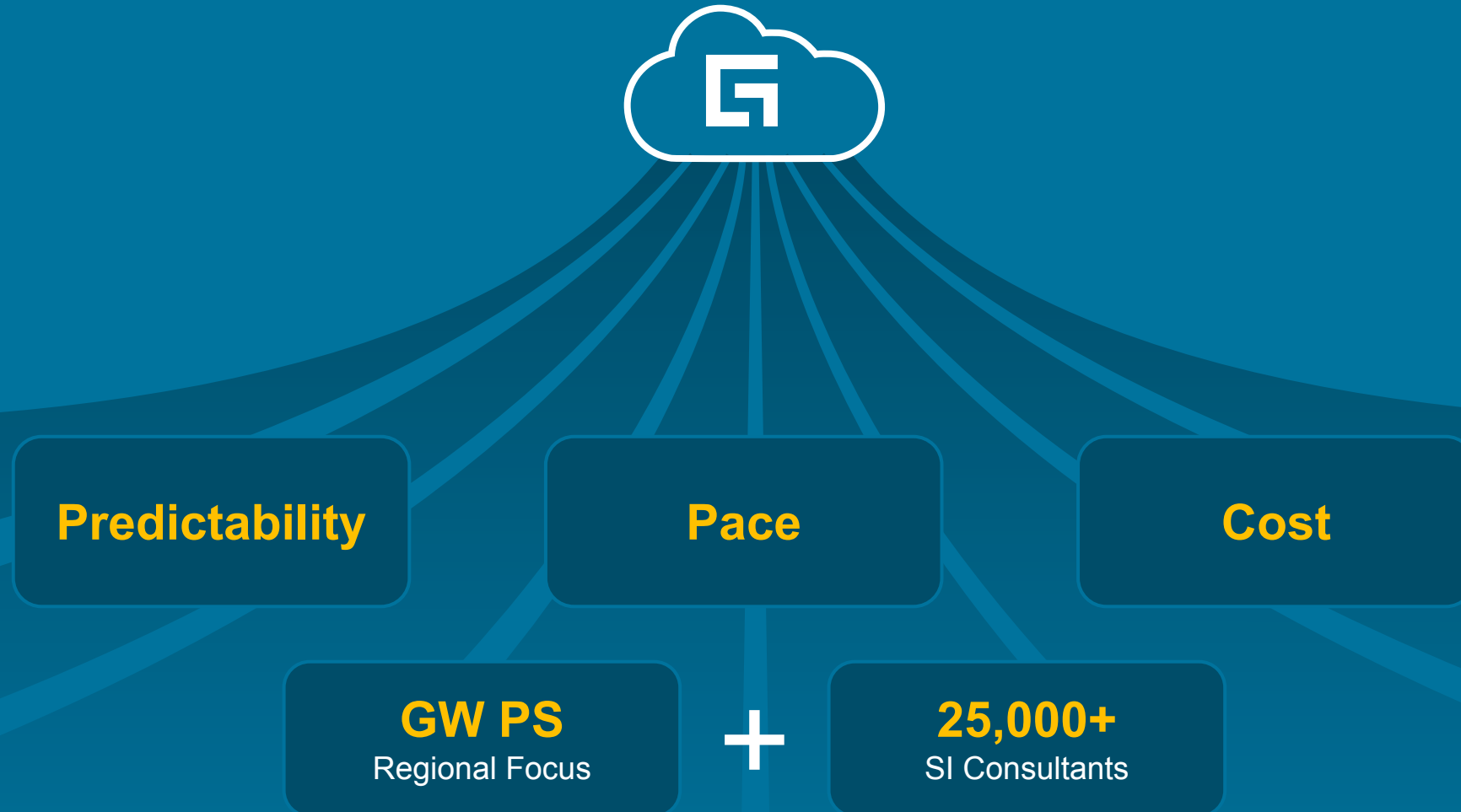


Australia



New
Zealand

Scale and expertise to enable the move to Guidewire Cloud is critical fuel for continued success



FY25 Growth Priorities

Win Net New Deals

Product pace and relevance toward the industry standard solution

Accelerate Migration Portfolio

Business value and tooling

Aligning joint plans

Predictability

Drive Portfolio Expansion

Digital experiences

Analytics

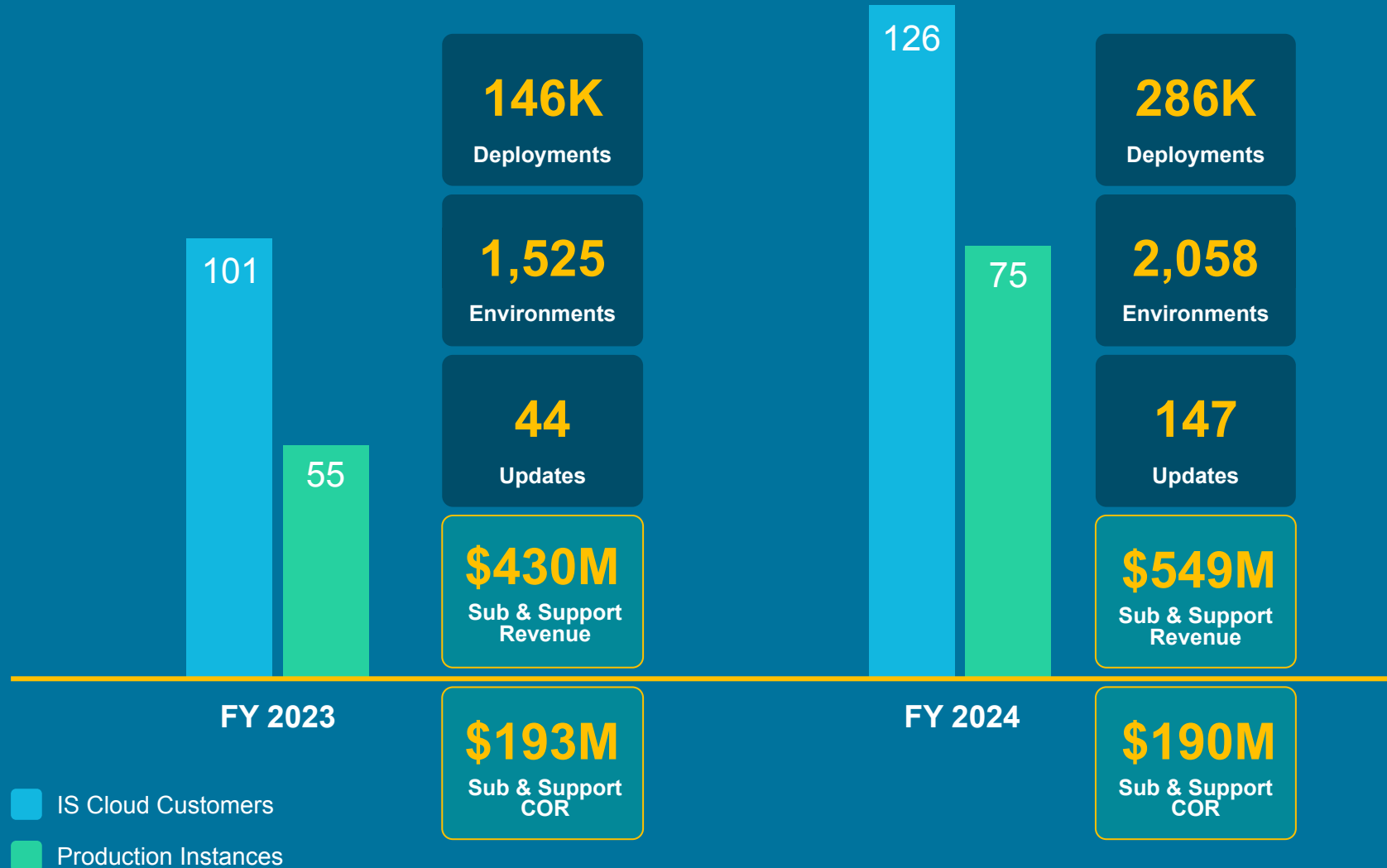
Marketplace

Business outcomes

Accelerate International Growth

Country-specific content and brand in region

Cloud adoption accelerated while cloud operations headcount costs were controlled



Streamlining support is essential to managing more customers

All platform and application support tasks*



Top 20 Most Requested Support Tasks



GWCP was built on AWS infrastructure specifically configured to meet P&C industry needs



AWS Cloud Infrastructure



Amazon EC2



Amazon Aurora



Amazon S3



Amazon EKS



Amazon EMR



AWS Lake Formation



Amazon DynamoDB



Amazon MSK



Amazon Redshift



Amazon EFS



Elastic Load Balancing



Amazon DMS



Amazon OpenSearch Service



Amazon Athena



Amazon WorkSpaces



Amazon SageMaker



AWS IAM



AWS Secrets Manager



Amazon Shield



AWS Backup



Domain-specific services developed by Guidewire provide the fabric of GWCP



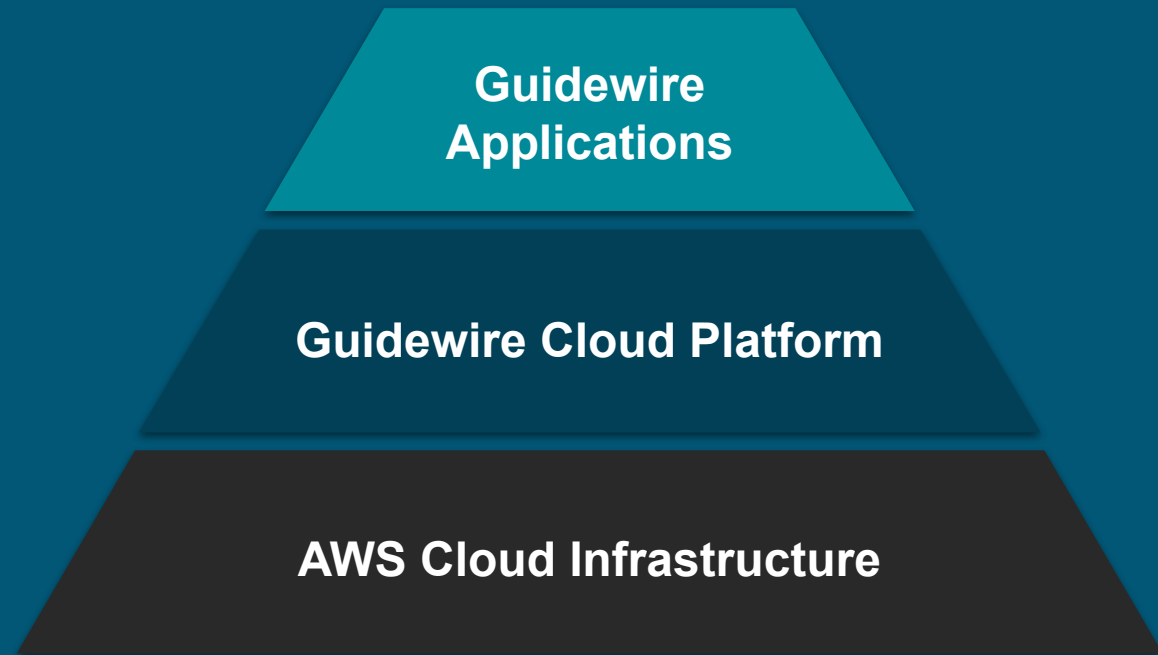
Guidewire Cloud Platform



AWS Cloud Infrastructure

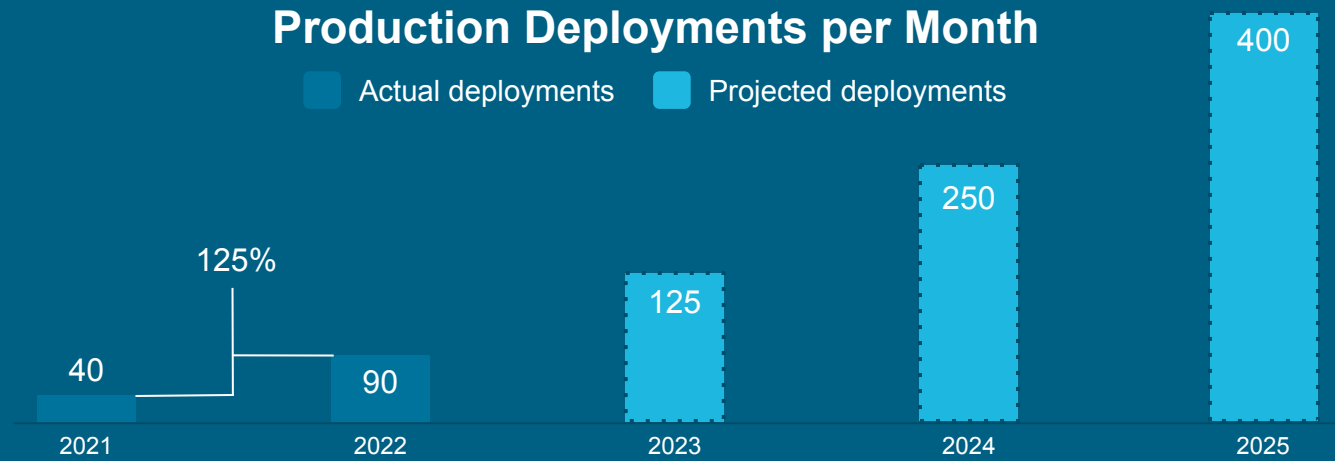


GWCP was optimized to support all Guidewire applications

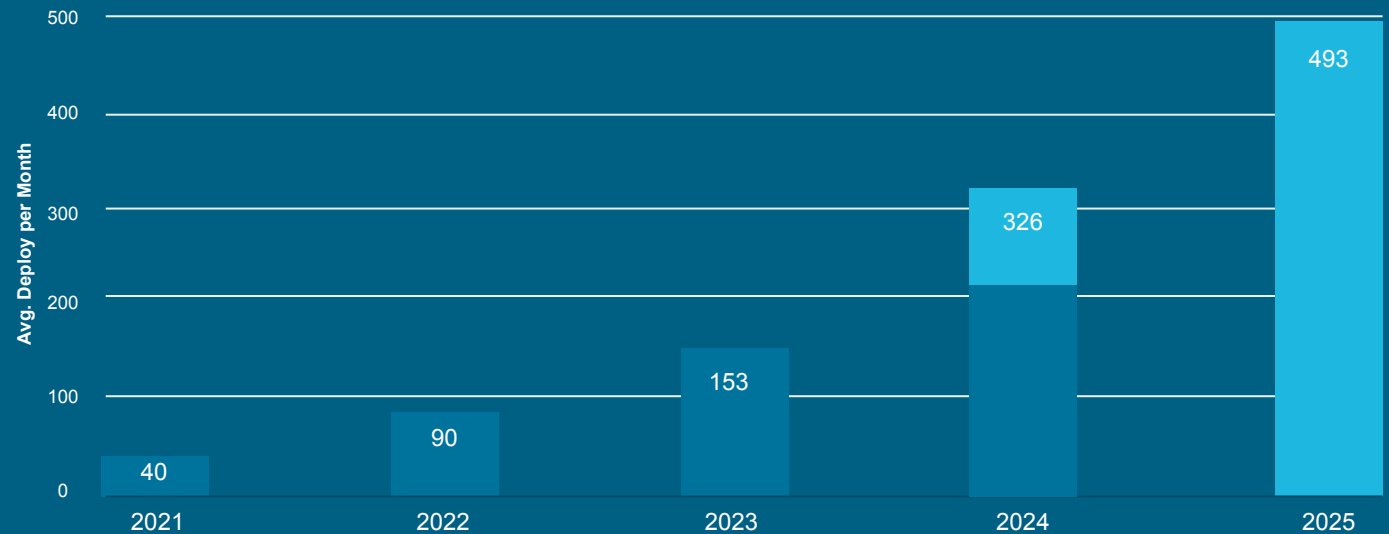


Self-service has been key to meeting increased demand

Projected PROD Deployments from Guidewire Analyst Day FY23



Actual PROD Deployments done via Guidewire Cloud Home (GCH)



Self-service allowed Guidewire to maximize operational efficiency

IS Deployment

- New deployments
- Selective deployments
- Blue / Green deployments
- Production deployment rollback

Code Repository

- Branch permissions
- Merge checks
- Default reviewers

CI Pipeline Config

- InsuranceSuite
- Engage
- Jutro Digital Platform
- Testing Framework

Engage CI / CD

- Engage deployments
- Engage build promotion

Automated Builds

- Schedule builds
- Post-deployment test automation

IS / Engage Build Promotion

- Non-Production (NPE)
- Pre-Production
- Production

DB Operations

- Manual backups
- Scheduled backups
- Prod to Preprod refresh
- Data masking support
- Server mode handling

Dev Pipeline

- Customer tests
- Quality gates

IP Allowlisting

- Add and remove IP addresses
- Manage CIDR IP ranges
- IP range service assignment
- NPE, Pre-Prod, Prod support

Configuration

- Environment variables management
- Secrets management
- mTLS certificates management



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65%

(Subscription/Support Gross Margin)

GWCP roadmap still centered around self-service and efficiency



Q3 2024*	Q4 2024	Q1 2025	Q2 2025	Q3 2025
<ul style="list-style-type: none"> EnterpriseEngage deployments Add-your-own testing and quality gates IP allowlisting PrivateLink egress EA Non-production planets On-Demand (Standard + Enhanced) 	<ul style="list-style-type: none"> Build promotion public API Build status and history API Build promotion for SOLR PrivateLink egress GA 	<ul style="list-style-type: none"> Add-your-own source code tool for IS xCenter pods restart Non-production planets on-demand (Uplifted+Performance) 	<ul style="list-style-type: none"> Platform usage EA GCU provisioning API gateway configuration Snapshot export Thread dump generation 	<ul style="list-style-type: none"> Platform usage GA Bring-your-own orchestration CI/CD pipelines via API Scheduled and automated IS deployments Data dictionary access



Three key initiatives are driving near- and longer-term growth

Cloud Migration

G CLOUD



Market Expansion



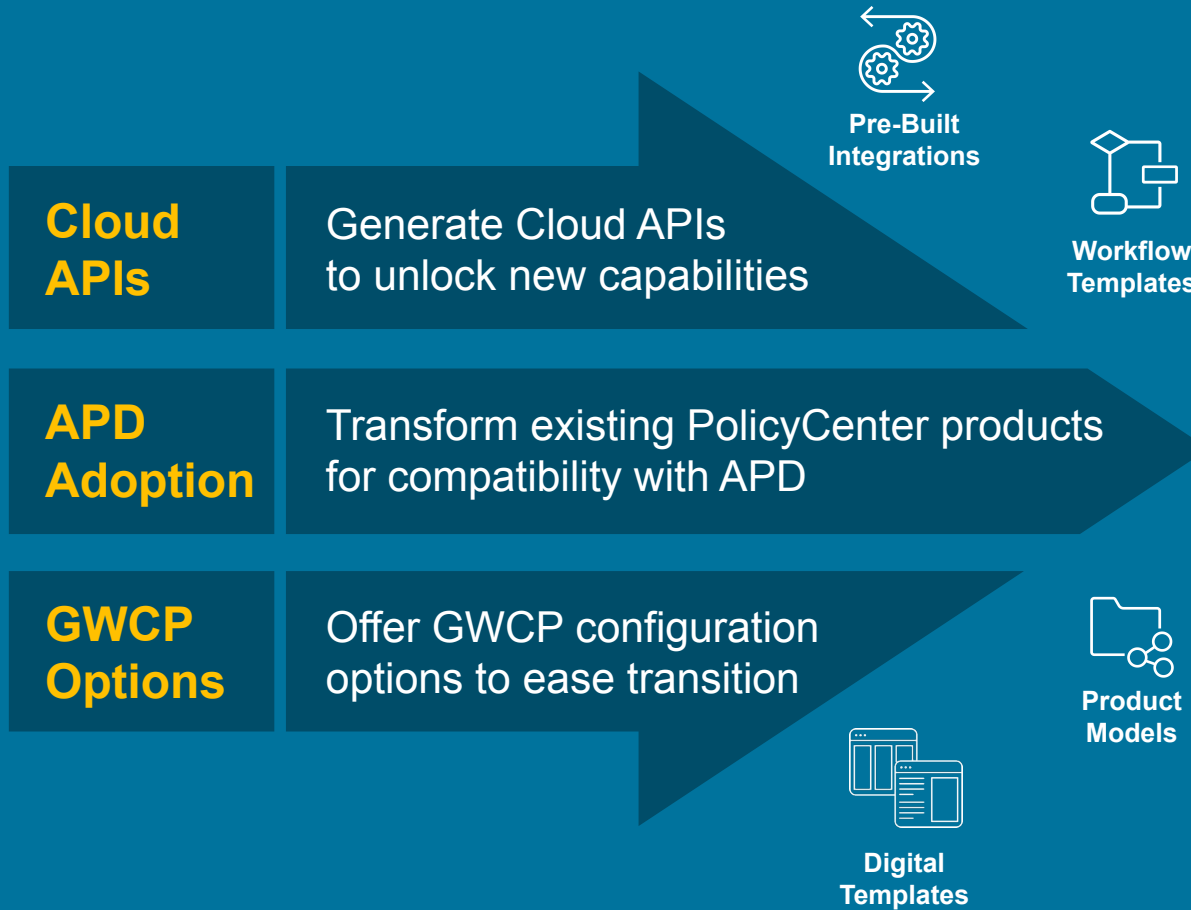
New Capabilities



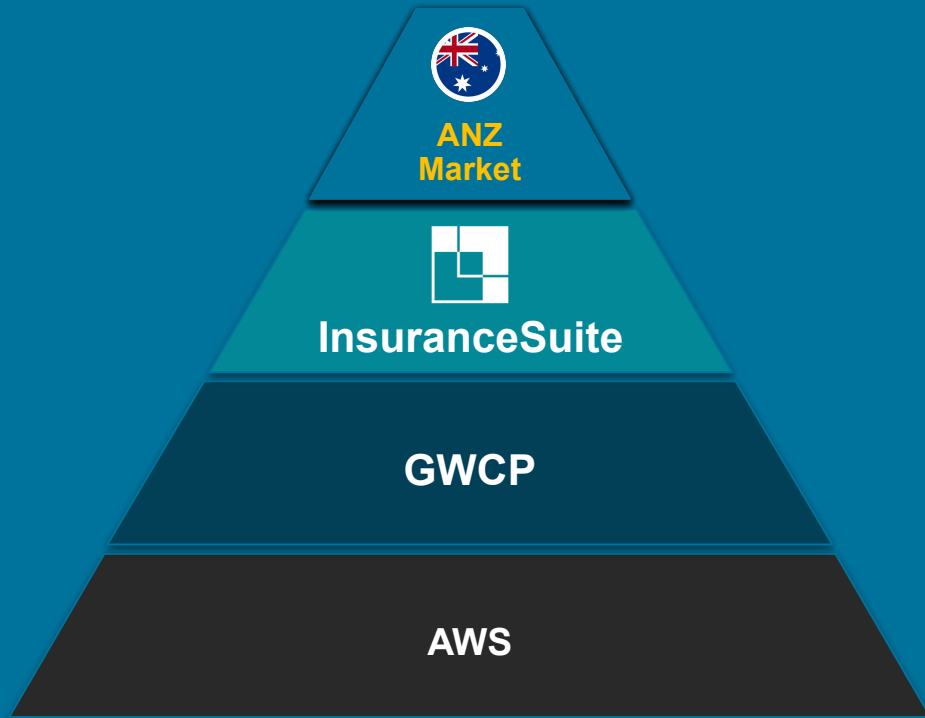
Cloud migration tooling preserves existing investments while accelerating customer transition



InsuranceSuite
Self-Managed

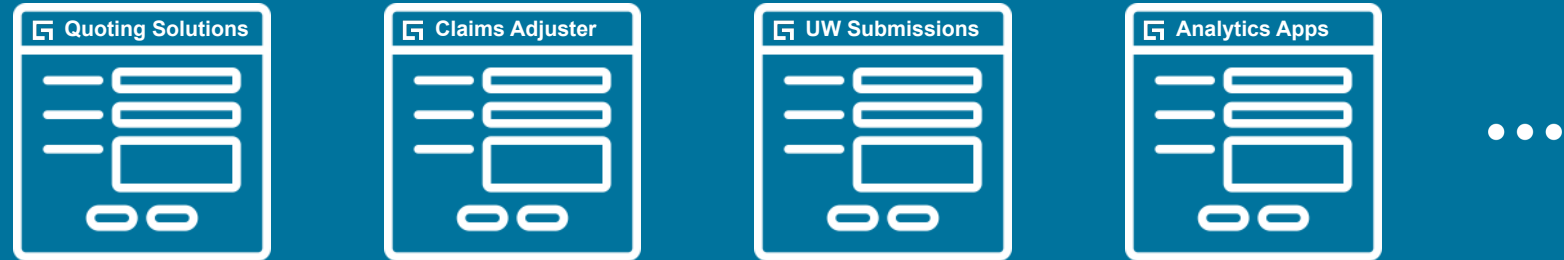


Market expansion is enabled by making it faster and easier to build InsuranceSuite extensions

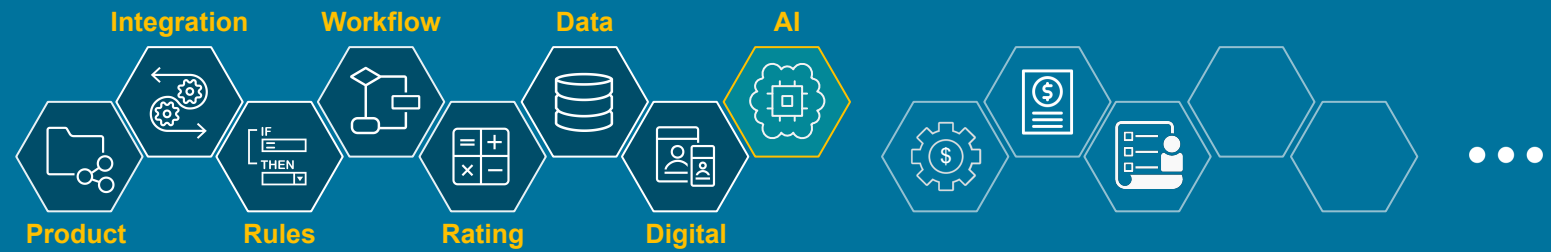


- API-first approach provided clear separation between Guidewire and customer software layer
- Going forward, we will be even more efficient in building and scaling up country-specific extensions
- New **Market Extension Layer** now makes functionality developed for specific markets update-safe
- This enables us to more effectively address the needs of multiple markets worldwide, including **London Market, Japan, Germany, and ANZ**

New capabilities enabled by modernized core + cloud services



New Capabilities



Modular Core Cloud Services



Core Applications



AI will be an integral part of all modern business applications



GenAI and ML

AI Service

- New Guidewire Core Service to process AI workloads
- Secure infrastructure to access 3rd party foundation models
- Development tools for building out AI use cases
- Allows AI capabilities to be included in any Guidewire Cloud application

GENERATIVE USE CASES

Agent Guidance
Claim Assistance
Code Generation
Integration App
Generation
Underwriting
Submissions



PREDICTIVE USE CASES

Claim Severity
Fraud Detection
Pricing
Optimization
Reserve
Adequacy
Risk Assessment



Q&A



Mike Rosenbaum

Chief Executive Officer



John Mullen

President, Chief Revenue Officer



Diego Devalle

Chief Product Development Officer



Break





Tatjana Lalkovic

SVP & Chief Technology Officer

Definity



Patrick Nails

EVP & Chief Claims Officer

Arch Insurance



Owen Williams

Group Chief Information Officer

Ascot Group



Key financial highlights

Durable ARR Growth Supported by Accelerating Cloud Leadership

Decades-Long Customer Relationships with Best-in-Class Churn Profile

Visible Cloud Gross Margin Expansion Leveraging Platform Investments

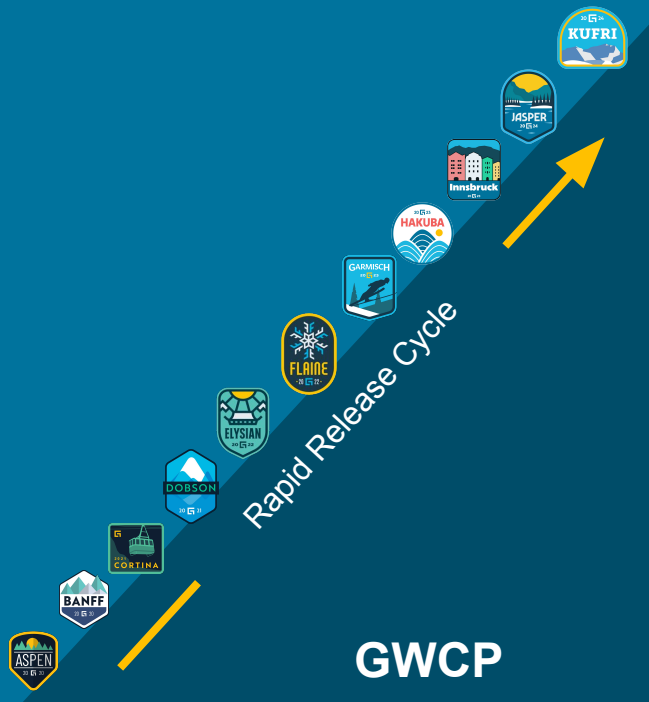
Balancing Growth Investment with Operating Expense Discipline

Exciting Profitability Inflection Point

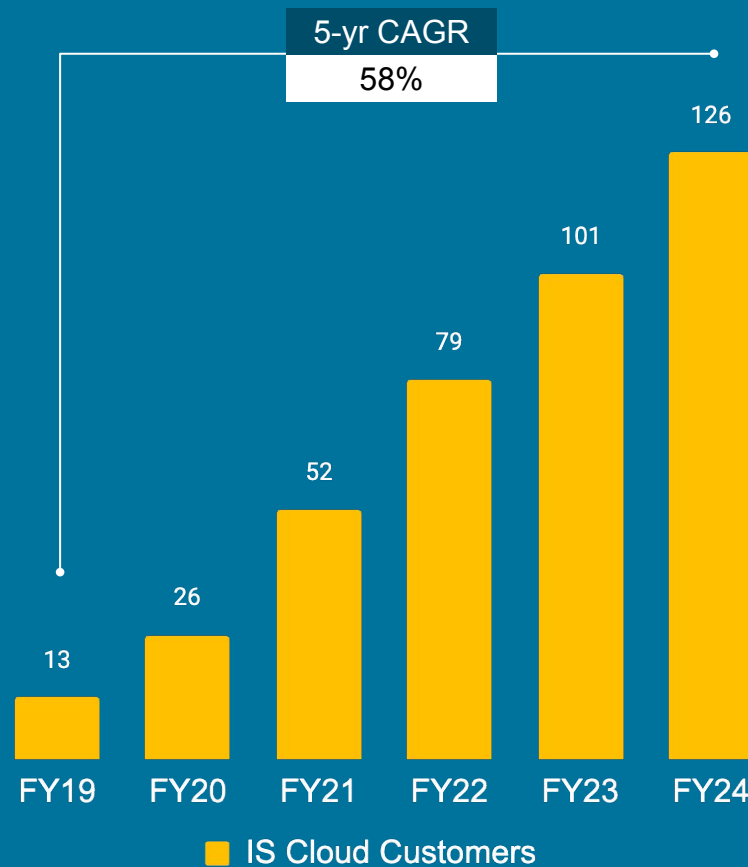


Three critical milestones define Guidewire's cloud transition

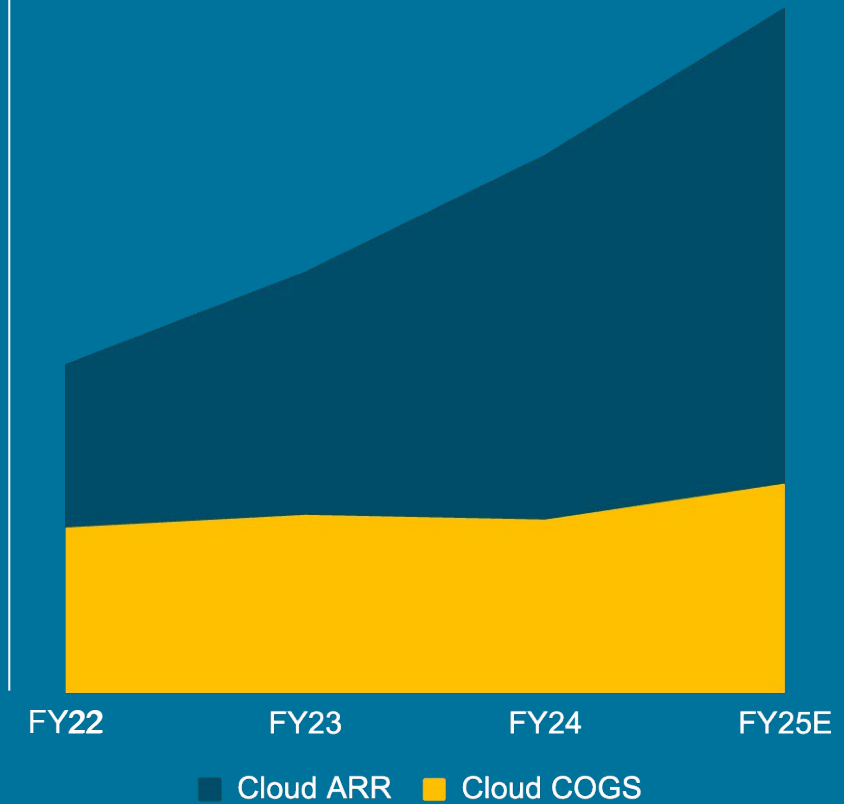
1. Establish a scalable cloud architecture



2. Drive sales and adoption of our cloud product



3. Demonstrate efficiency and margin improvement

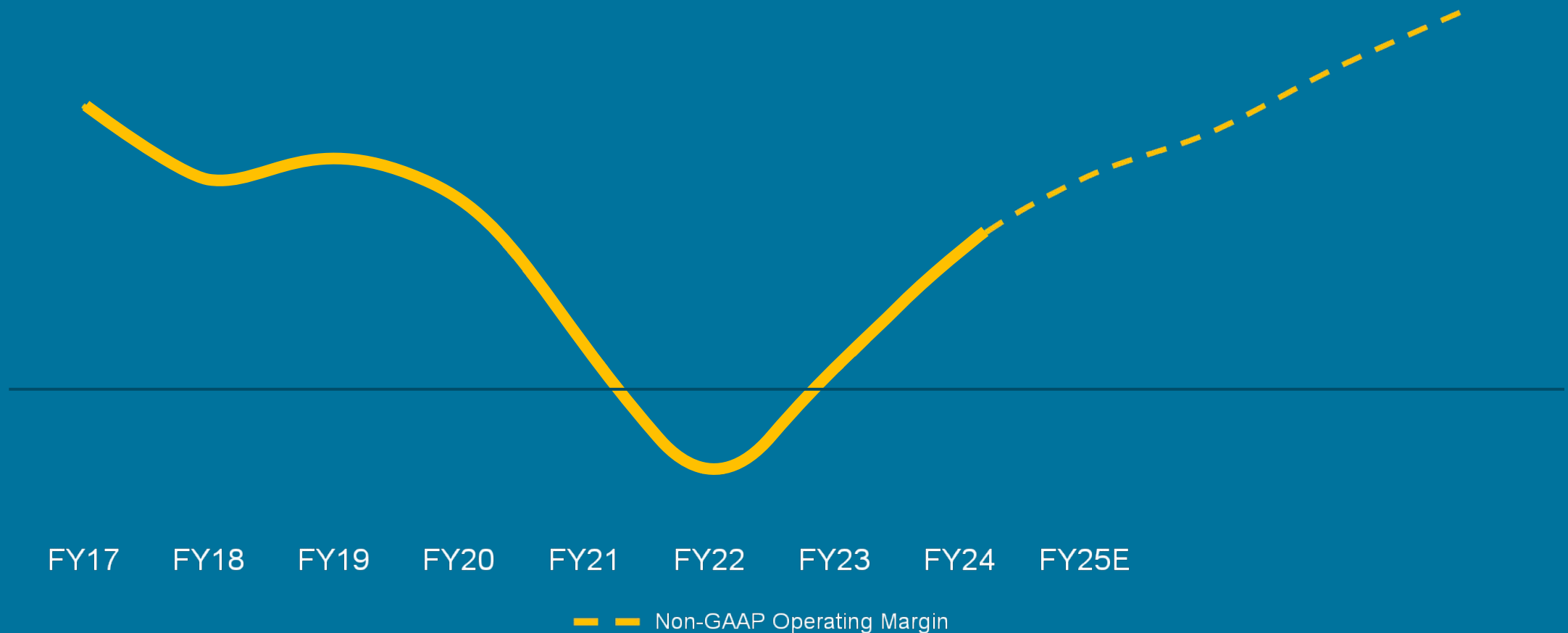


Leading to an exciting profitability inflection point

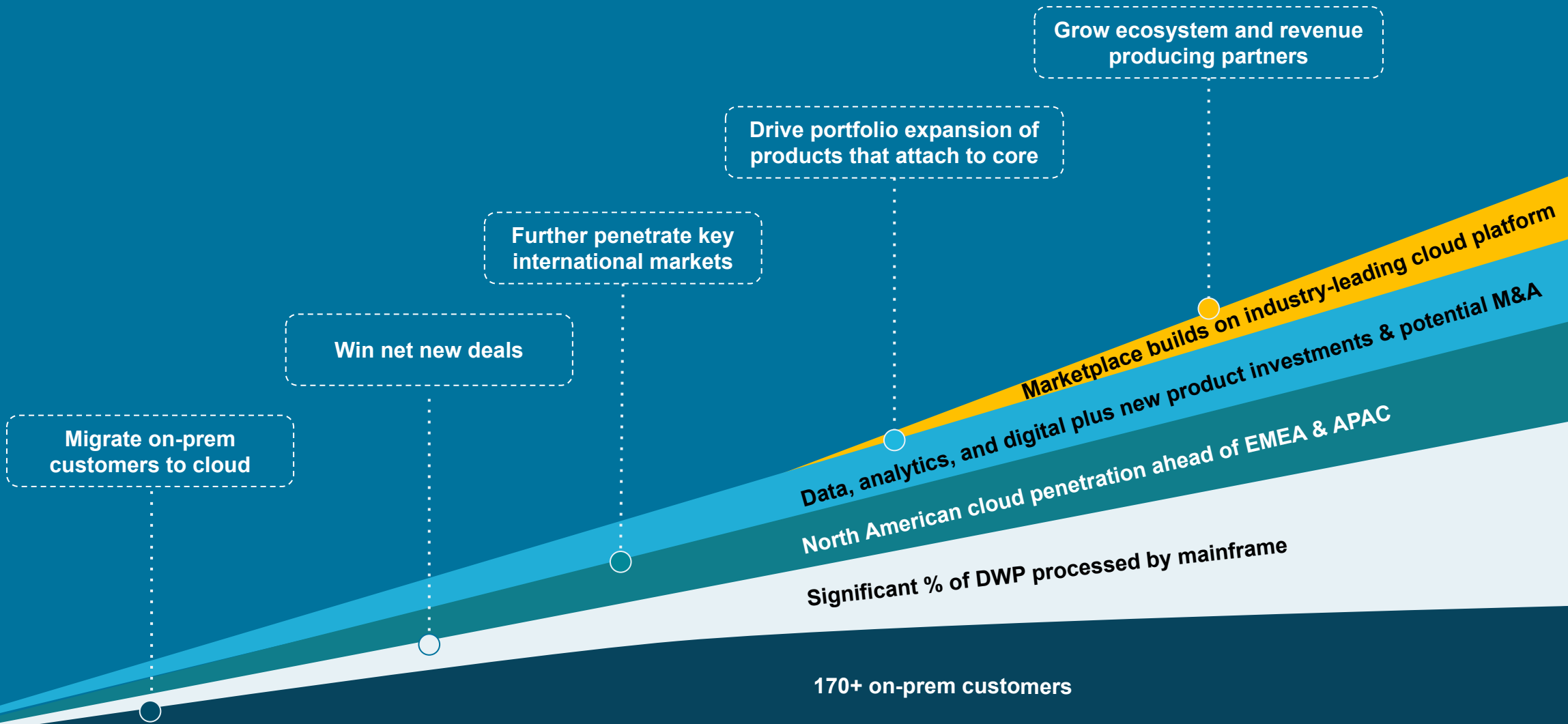
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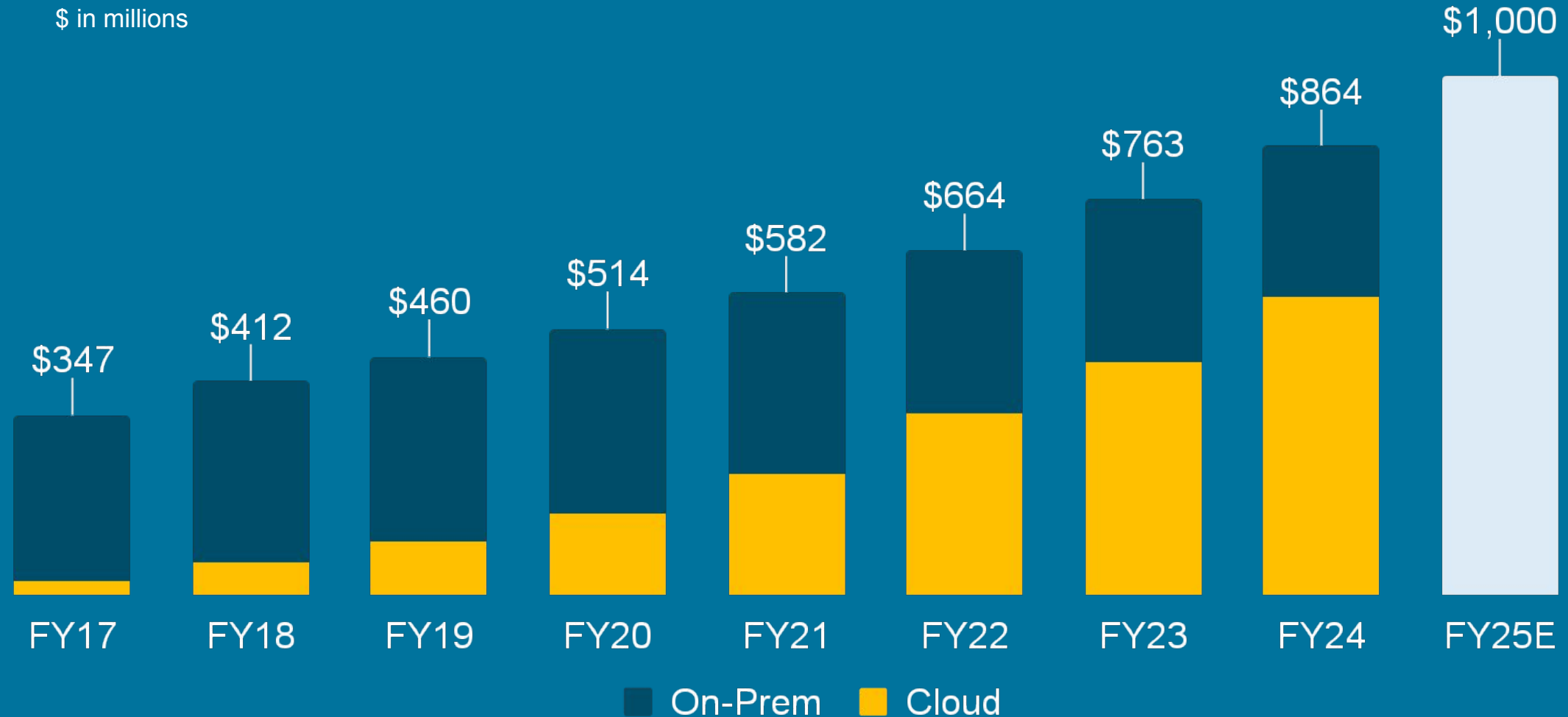
2. Drive sales and adoption of our cloud product



Growth drivers leverage our market leading platform



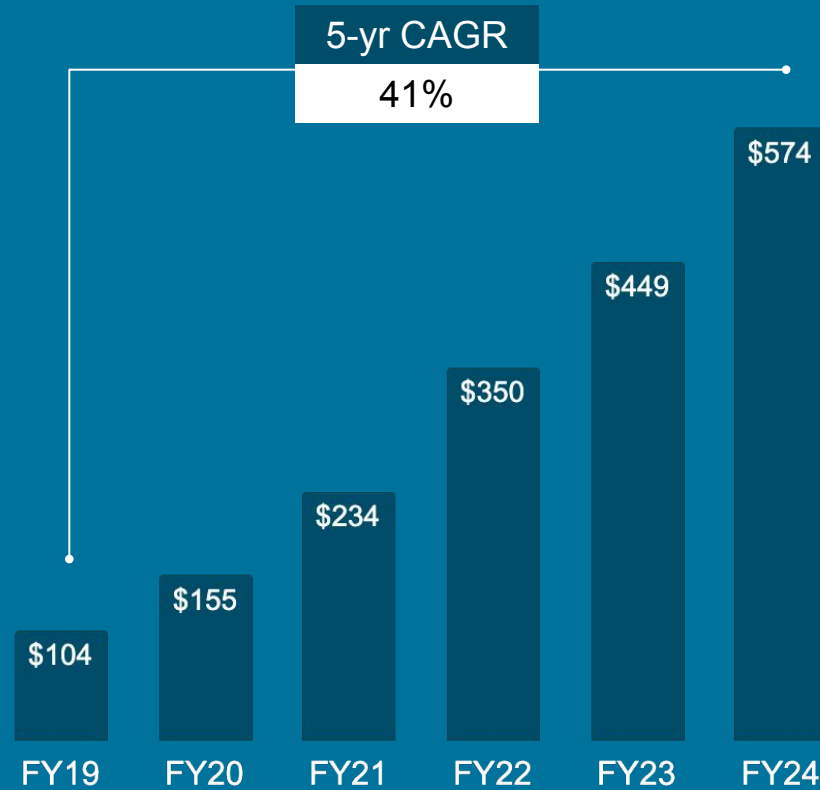
Durable ARR growth is driven by cloud momentum



InsuranceSuite is driving Cloud ARR growth

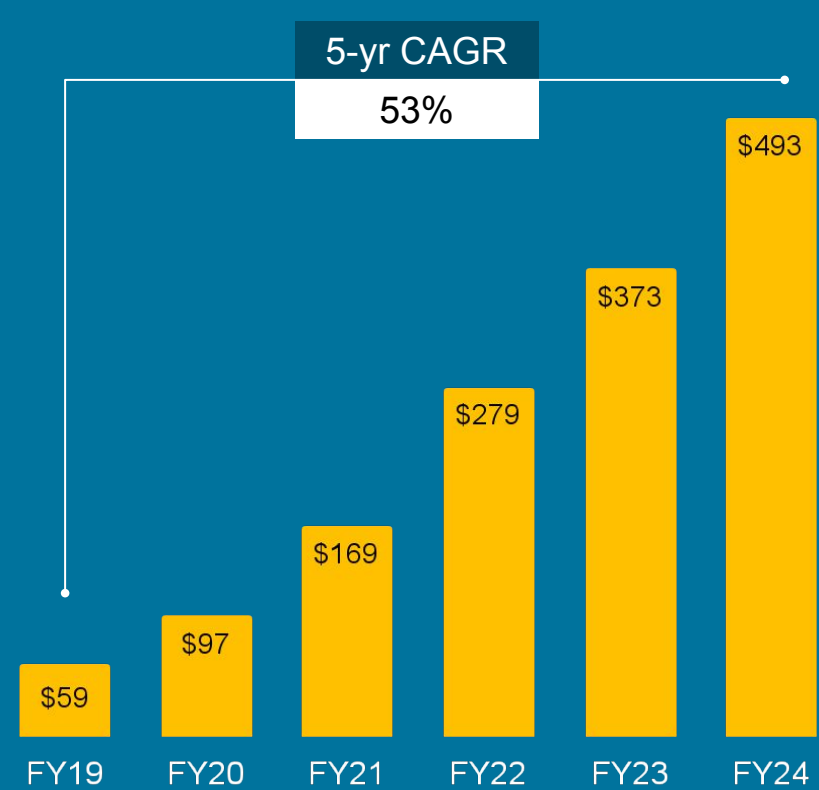
Total Cloud ARR

\$ in millions

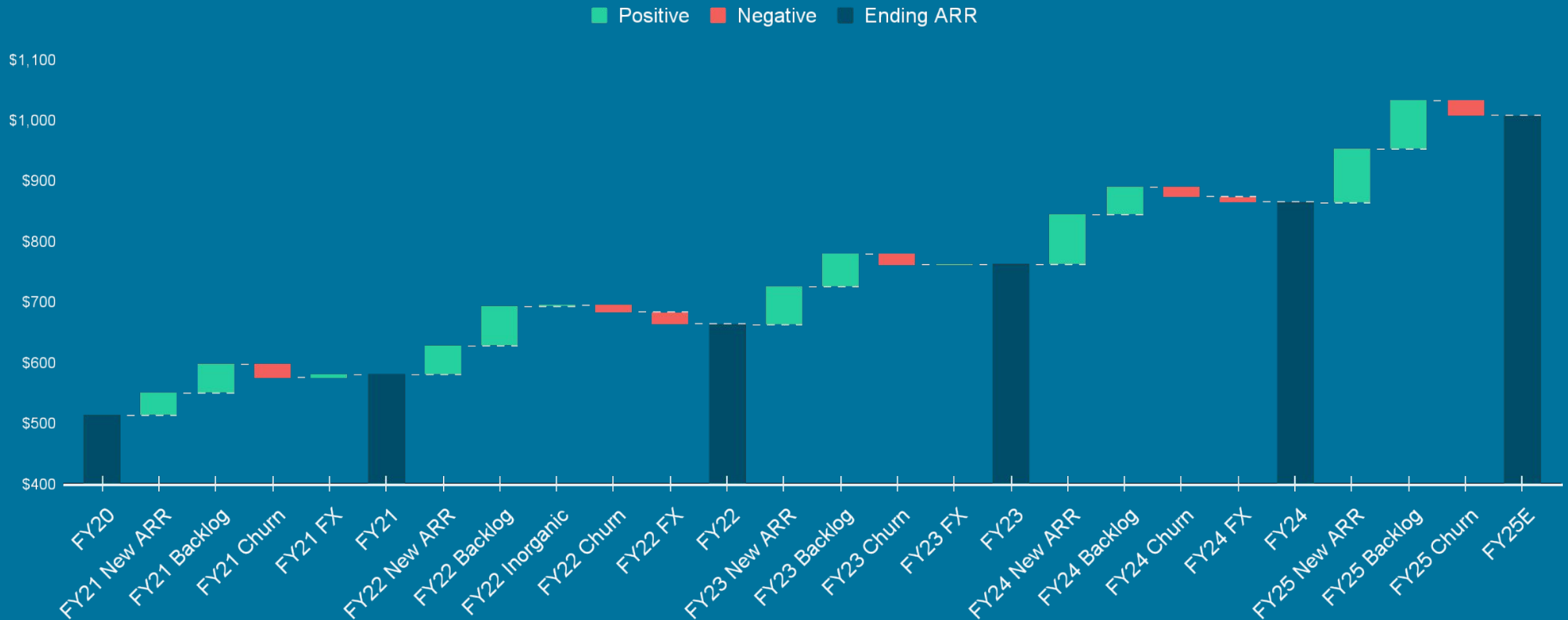


InsuranceSuite Cloud ARR

\$ in millions

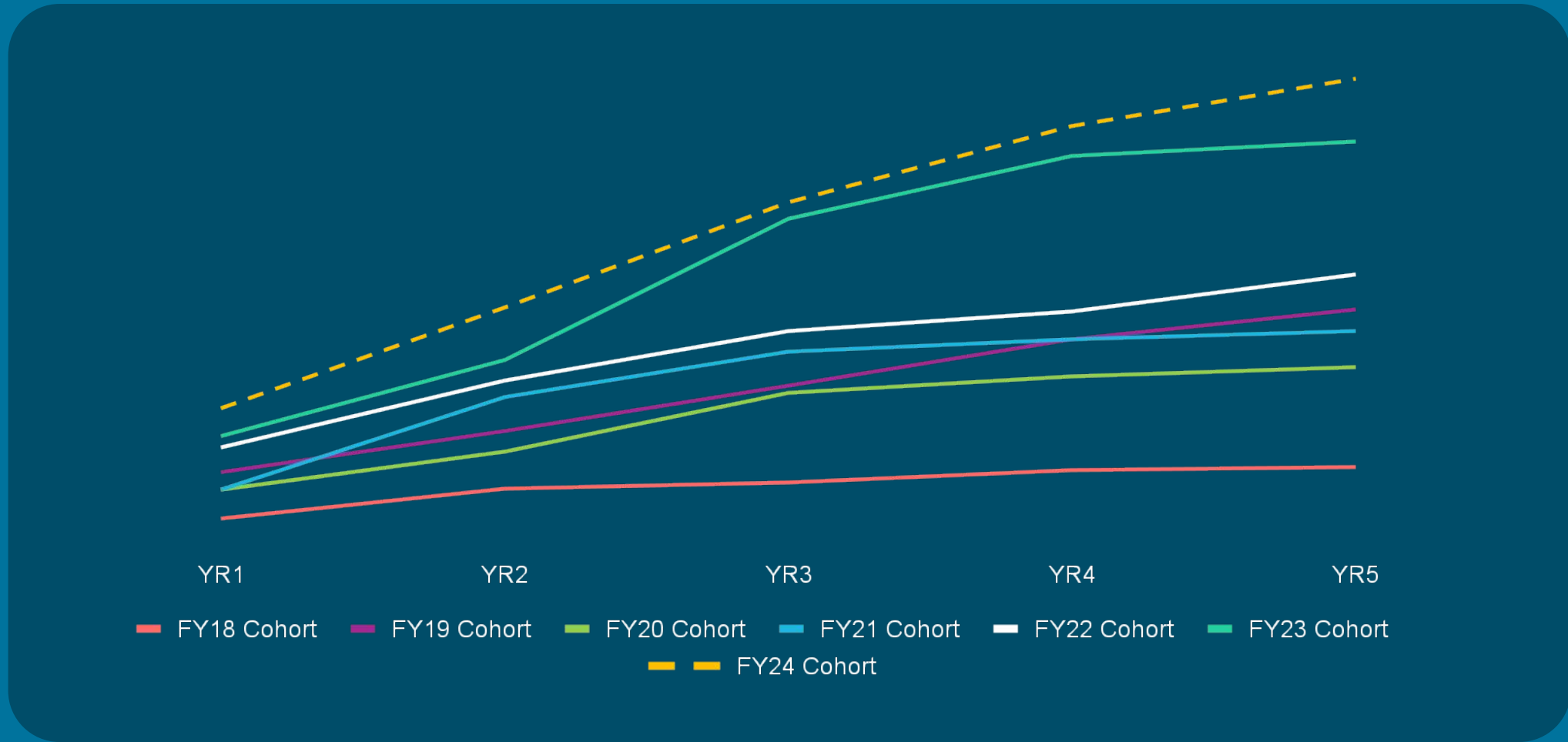


Strong ARR visibility supported by best-in-class ARR retention and powerful ARR contribution from backlog



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

InsuranceSuite Cloud New ARR ramp analysis: FY24 cohort demonstrates continued strength



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

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

- **Subscription and Support Revenue**
 - Ratable revenue recognition over the duration of the committed term
 - Cloud software usually provisioned ~30 days after deal execution
- **License Revenue**
 - Upfront revenue recognition over duration of the committed term
 - Standard duration is 2-years followed by annual renewals

ARR

- Annualized recurring value for all term licenses, subscription agreements, and maintenance contracts
- Excludes perpetual licenses and professional services
 - In some arrangements, a portion of recurring contract value is allocated to services revenue for revenue recognition purposes, but not for ARR
- Aligns to annual invoicing amounts in ramped agreements

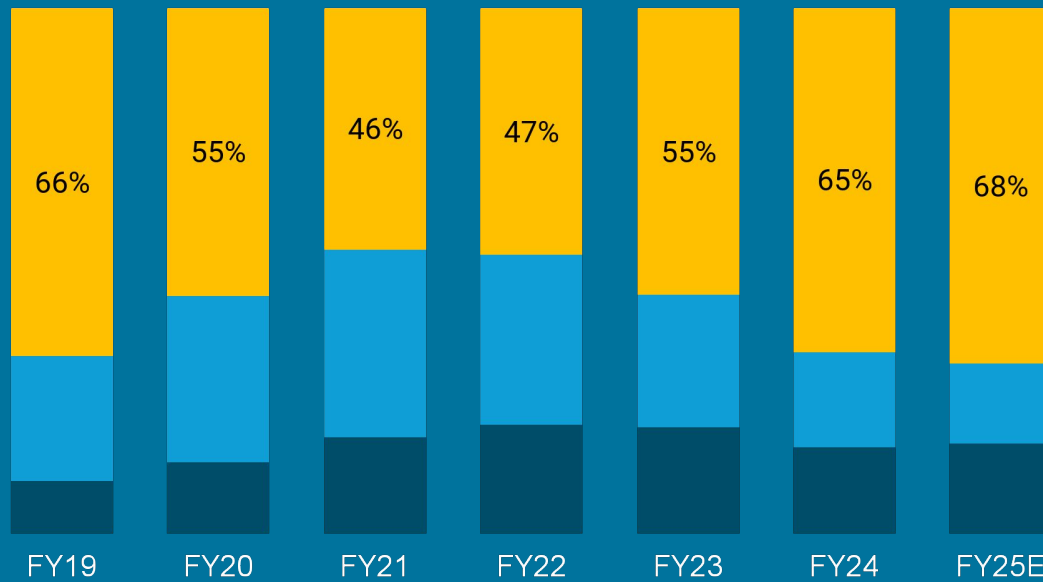
Top Line Software Growth Rates



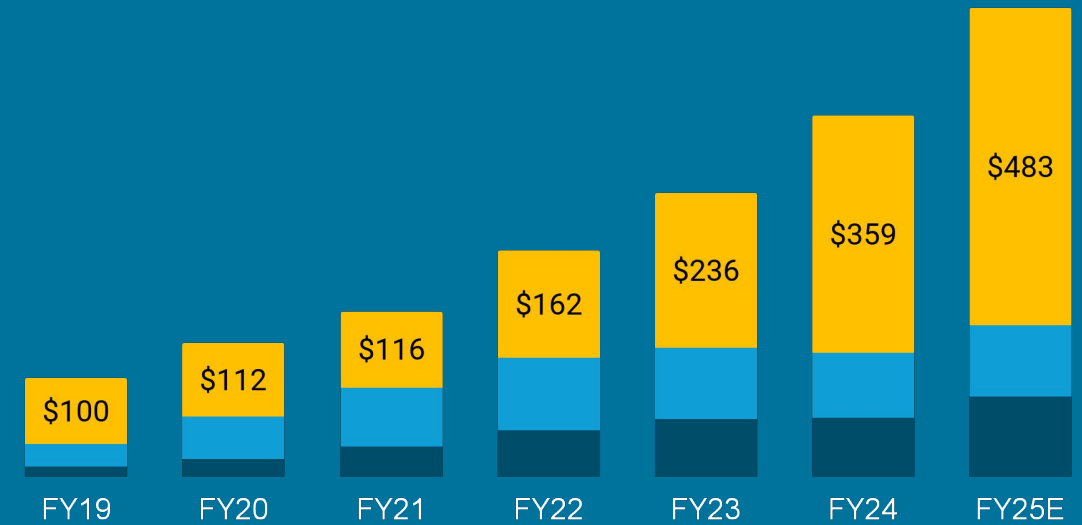
Growth and efficiency continues to drive subscription and support gross margin

- FY21 was the trough for subscription and support 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 & Support Gross Margin / Profit (\$ in millions)

Consistent targets as plan becomes increasingly visible

	FY22A	FY23A	FY24A	FY25E	FY28E
				<i>Midpoint Outlook</i>	<i>Goals by FY28</i>
ARR	\$664M	\$763M	\$864M	\$1,000M	\$1.5B
Cloud ARR %	53%	59%	66%	~70%	90%+
Total Revenue	\$813M	\$905M	\$980M	\$1,142M	\$1.7B
Subs & Support Gross Margin	47%	55%	65%	68%	73-75%
Total Gross Margin	52%	55%	63%	65%	66-68%
Non-GAAP Operating Margin	(6%)	1%	10%	14%	28-29%
Non-GAAP Operating Margin minus SBC	(23%)	(15%)	(5%)	1%	16-18%
Operating Cash Flow Margin	(5%)	4%	20%	21%	29-32%

Source: Guidewire Analysis. Note: FY25 midpoint outlook is from the outlook provided on our 9/5/24 earnings call. Gross margin numbers are non-GAAP. For actuals, please see appendix for a reconciliation of GAAP to non-GAAP numbers. Operating Cash Flow Margin assumes company is not a cash taxpayer through FY25.



Long-term margin potential: 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?

Deliver incremental margins of

Consistent ~80%+ after FY25
Scale benefits continue to positively impact gross margins

Maintain OPEX discipline

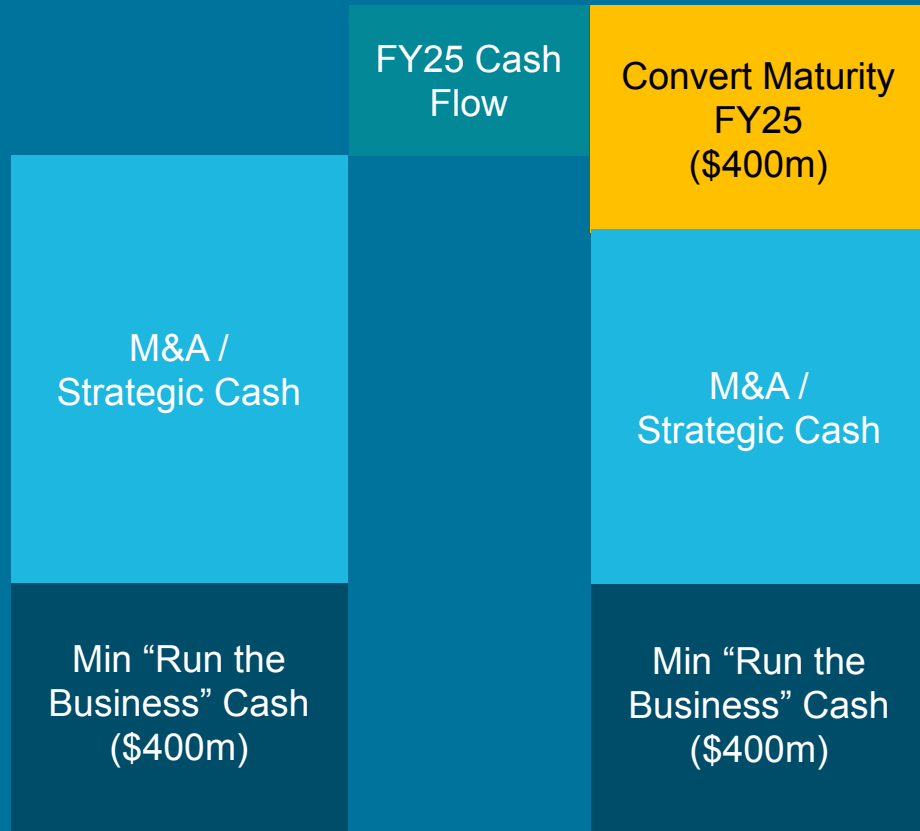
Opex spend growth meaningfully slower than ARR growth
Prioritize R&D investments; followed by targeted S&M investments

This is a framework

Expect to recalibrate based on growth opportunities and other potential market conditions
For example, FY25 outlook opex growth elevated due to growth potential opportunities



Maintaining a strong balance sheet to support strategic optionality



- Continue to consider options to preserve strategic cash flexibility and minimize dilution
- Able to pay back convert with cash and net share settle
 - Some share dilution above capped call strike price of \$153.13 per share
- Exiting FY25 may look to share repurchases to offset share dilution from SBC



Key financial highlights

Durable ARR Growth Supported by Accelerating Cloud Leadership

Decades-Long Customer Relationships with Best-in-Class Churn Profile

Visible Cloud Gross Margin Expansion Leveraging Platform Investments

Balancing Growth Investment with Operating Expense Discipline

Exciting Profitability Inflection Point



Reconciliation of non-GAAP subscription and support gross margin

	2021*	2022*	2023	2024	2025E
GAAP Subscription & Support Gross Margin	38%	41%	51%	63%	66%
Non-GAAP adjustments:					
Stock-based compensation	4%	4%	3%	3%	2%
Amortization of intangibles	5%	2%	1%	0%	0%
COVID-19 Canada Emergency Wage Subsidy	(1%)	0%	0%	0%	0%
Non-GAAP Subscription & Support Gross Margin	46%	47%	55%	66%	68%

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



Reconciliation of non-GAAP gross and operating margin

As % of Revenue	GAAP	Stock-based compensation	Amortization of intangibles	Non-GAAP
2024				
Gross Margin	60%	3%	0%	63%
Operating Margin	(5%)	15%	0%	10%
2025E (midpoint outlook)				
Gross Margin	62%	3%	0%	65%
Operating Margin	0%	14%	0%	14%



Q&A



Mike Rosenbaum

Chief Executive Officer



John Mullen

President, Chief Revenue Officer



Diego Devalle

Chief Product Development Officer



Christina Colby

Chief Customer Officer



Jeff Cooper

Chief Financial Officer

