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DOX.OQ - Q2 2025 Amdocs Ltd Earnings Call

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## OVERVIEW:

Company Summary

## CORPORATE PARTICIPANTS

**Matthew Smith** *Amdocs Ltd - Head of Investor Relations, Company Secretary*

**Shuky Sheffer** *Amdocs Ltd - President, Chief Executive Officer, Director*

**Tamar Rapaport-Dagim** *Amdocs Ltd - Chief Financial Officer, Chief Operating Officer*

## CONFERENCE CALL PARTICIPANTS

**Timothy Horan** *Oppenheimer - Analyst*

**Shlomo Rosenbaum** *Stifel - Analyst*

## PRESENTATION

### Operator

Thank you for standing by, and welcome to the Amdocs second-quarter 2025 earnings conference call. (Operator Instructions) As a reminder, today's program is being recorded.

And now, I'd like to introduce your host for today's program, Matt Smith, Head of Investor Relations. Please go ahead, sir.

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**Matthew Smith** - *Amdocs Ltd - Head of Investor Relations, Company Secretary*

Thank you. Before we begin, I need to call your attention to our disclaimer statement on slide 2 of the presentation. I note that some of our comments today may be forward-looking statements and are subject to risks and uncertainties, including as described in Amdocs's SEC filings, and that we will discuss certain financial information that is not prepared in accordance with GAAP. For more information regarding our use of non-GAAP financial measures, including reconciliations of these measures, we refer you to today's earnings release, which will also be furnished with the SEC on Form 6-K.

Today's speakers participating on the call with me today are Shuky Sheffer, President and Chief Executive Officer of Amdocs Management Limited; and Tamar Rapaport-Dagim, Chief Financial and Operating Officer. To support today's earnings call, we are providing a presentation, which can be found on the Investor Relations section of our website. And as always, a copy of today's prepared remarks will also be posted immediately following the conclusion of this call.

On today's agenda, Shuky will recap our business and financial achievements for the second quarter, and we'll update you on the continued progress that we've made executing against our strategic growth framework, including GenAI and our continued sales momentum in cloud. Shuky will finish by discussing our financial outlook for the full fiscal year 2025, after which Tamar will provide additional details on our second-quarter financial performance and forward guidance.

As we communicated previously, Shuky and Tamar will compare certain financial metrics on a pro forma basis, which adjusts prior fiscal year 2024 revenue by approximately \$600 million to reflect the end of certain low-margin noncore business activities, which were substantially already ceased in the first quarter of fiscal 2025.

And with that, I'll turn it over to Shuky.

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**Shuky Sheffer** - Amdocs Ltd - President, Chief Executive Officer, Director

Thank you, Matt, and everyone joining us on the call today. Starting on slide 6. I'm pleased to report good results for our fiscal second quarter, credit for which belongs to Amdocs global base of employees while executing our strategy to deliver the next-gen cloud, digital and AI best solution our customer needs to ensure amazing experiences and seamless connectivity for billions of people each day.

And now, the second-quarter financial highlights. Revenue of \$1.13 billion was above the midpoint of our guidance and increased by 4% from a year ago in pro forma constant currency. Profitability improved by 10 basis points sequentially, reflecting ongoing internal efficiency gains.

We generated robust free cash flow of \$181 million, excluding restructuring-related payments supported by healthy customer cash collection, and non-GAAP earnings per share was \$1.78, above the guidance range, primarily due to lower-than-expected non-GAAP effective tax rate in the quarter.

Additionally, we closed the second quarter with a 12-month backlog of \$4.17 billion, up by 3.5% pro forma from a year ago.

The healthy increase in 12-month backlog was supported by a strong pipeline to deal conversion as shown on slide 7. Among the highlights, we're strengthening our relationship with AT&T Cricket Wireless through payment solutions, dealer commission and expedited services.

Consumer Cellular, a new logo for Amdocs in the US, has selected our ConnectX SaaS solution to introduce new digital brands, and we benefited from a healthy customer demand for our fiber, deployment orchestration, and digital infrastructure management offerings.

Strong sales momentum in cloud also continued this quarter. We are working with Microsoft to migrate Amdocs and non-Amdocs application to the Microsoft Azure platform for a leading Tier 1 European operator. And in Philippines, we signed an agreement to support the next phase of PLDT's cloud monetization project. As to our project execution this quarter, we successfully achieved a high number of major milestones for many of our world's largest operators.

At AT&T, we are progressing the mainframe to cloud migration using the Amdocs agentic migration power deal, which entails migration application and operational ecosystem to operate on the cloud.

We also reached a notable milestone in Japan, a strategic market for Amdocs, where we delivered an advanced cloud-native platform to enable NTT Infranet to modernize and migrate its IT operation system to the cloud. This achievement continues our momentum in Japan, where we are now supporting three flagship customers, including JCOM and Paramount in addition to NTT Infranet.

Rounding out the operational highlights, we delivered another record quarter in Managed Services, which contributes roughly two-thirds of total revenue. Renewal rate also remained very high in Q2 as we signed new multi-managed services agreements that expands Amdocs' scope of activities with Telia Norway, PLDT, and M1 in Singapore.

Moving now to slide 8. Let me address our multi-pillar growth strategy, which is designed to provide our customers with the innovation and cutting-edge technology they need to accelerate the journey to the cloud. Digital, the customer experience for consumer and B2B, monitor investment in next-generation networks, streamline automated complex network ecosystem, and simplify and accelerate the adoption of generative AI.

Beginning with cloud on slide 9. Q2 was another strong quarter of sales momentum and best-in-class project execution. Working with our strategic partner, Microsoft, I'm excited to announce that Amdocs was selected to play a critical role in facilitating the migration of both Amdocs and non-Amdocs application to the Microsoft Azure platform for a Tier 1 European service provider.

Under the Microsoft umbrella, Amdocs is handing the delivery of number of work stream pivotal to the operator strategic transition to the cloud fare architecture, which will enhance performance, accelerate innovation, and improve operational efficiency across its markets.

Amdocs already successfully completed the first phase of its cloud modernization project for a leading Philippines services provider, PLDT, and its wireless subsidiary, Smart, migrating PLDT business-critical system and legacy application to AWS. We also signed a new agreement to upgrade and migrate PLDT's data platform and additional core system in the next phase.

Additionally, Telstra in Australia has engaged Amdocs to consult its segment-specific Amdocs service order management solution to a single cloud platform servicing all segments, which will provide the operator with a faster time to market for new services, greater business agility, and improve customer satisfaction.

I believe our ability to win deals and execute projects in the cloud is a testament to our expertise and end-to-end cloud offering. Moreover, we remain on track to deliver another year of double-digit growth in cloud-related revenue in fiscal 2025.

Moving to digital transformation on slide 10. I'm delighted to announce that Consumer Cellular, a US wireless provider has become the latest in a growing list of customers to select the Amdocs ConnectX cloud-native SaaS platform to support the launch of innovation new digital brands, innovative new digital brands.

As a new client of Amdocs, we look forward to partnering with Consumer Cellular to help them rapidly create and deploy new plans, achieve operational excellence, and boost customer satisfaction for the roughly 4 million subscribers.

Amdocs MarketONE, a SaaS-based and scalable platform that enables service providers to rapidly monetize OTT and digital consumer service experiences is also generating healthy customer demand. MarketONE was recently selected by CK Hutchison to create participating group companies such as Three Ireland and Wind Tre in Italy, with the ability to grow the digital ecosystem, capture new revenue streams, and deliver enhanced customer experiences.

Another of our SaaS platform, Amdocs eSIM Cloud, was recently ranked number one in the global eSIM orchestration landscape for the third-year running by counterpoint resource. The accelerated adoption of eSIM globally is creating opportunities for Amdocs.

For instance, Amdocs working with Telcel, the largest mobile operator in Mexico and a subsidiary of América Móvil, to bring innovative eSIM technology to millions of else users.

Turning to slide 11. Amdocs continue to be recognized as the global market leader in overall monetization platforms. Illustrating our domain strength, Comcast has renewed its multiyear commitment to Amdocs bill experience as the bill presented platform for its residential and business customers. And we recently modernized A1 Bulgaria's convert charging platform to reduce billing processing times and speed up customer-facing interaction.

In Latin America, we signed agreement with Movistar El Salvador for full BSS modernization to enhance its current prepaid platform. And Amdocs was recently selected by Botswana Telecommunication to modernize its convert charging and billing platform.

Moving to network automation on slide 12. Amdocs has extended its network policy platform agreement at Claro Brasil for multiple consumer line of business, and we have secured a multiyear extension of our OSS engagement with Costa Rica's Grupo ICE reinforcing our long-standing collaboration and commitment.

I also would like to highlight recent milestones at PLDT in Philippines, where we partnered with Microsoft to deliver the successful go-live of the Amdocs Customer Engagement Platform. This enterprise B2B platform was seamlessly integrated with Amdocs' Intelligent Network Suite to connect customer service needs directly to the underlying network performance in an automated end-to-end manner.

Beyond wireless, Amdocs is well-positioned to meet strong demand for fiber deployment, orchestration, and data infrastructure management as global service provider accelerated their fiber expansion investment to launch converged broadband and mobile services offering.

Turning to slide 13 and 14. Amdocs top strategic priority is to access the telco industry's adoption of GenAI. Our critical role was recently recognized at NVIDIA GTC event during CEO, Jensen Huang's keynote address, when Amdocs was spotlighted as the key partner in driving the next wave of AI innovation in telecom.

This quarter, we continue to evolve the Amdocs amAlz platform in close collaboration with NVIDIA and other GenAI partners. As part of the newly introduced amAlz platform offerings, we launched our innovative network agents supporting both network design and deployment as well as network operation. This age and leverage our deeper access and mobile network design and deployment expertise, coupled with NVIDIA's AI enterprise NVIDIA Omniverse, digital twin capabilities, and Amazon SageMaker to support accelerated network design, planning and deployment, network troubleshooting, and failing.

Additionally, we launched Amdocs AI factory, which is designed to help service providers monetize surging enterprise customer demand for air-driven infrastructure, such as GPU as a Service, LLM, and vertical and tailed application, enabling them to unlock significant new revenue streams.

The offering marries Amdocs amAlz platform, agentic experiences and monetization suite with NVIDIA and Dell to provide the full ecosystem of capabilities needed to create innovative new services.

As to our commercial progress, we are running multiple POCs in several of our flagship customers, many of which are in the relatively mature stage and producing highly compelling results. Adding to the expanding pipeline of opportunity, Amdocs is naturally well-positioned to meet the new wave of demand for the data-related services needed to support GenAI adoption. Amdocs is already playing an expanded role in supporting GenAI-related data requirements for several customers such as AT&T and Globe in the Philippines.

As another example, Amdocs will support a Tier 1 operator in Canada, which launched a unified customer profile as part of the data and A strategy, creating a single integrated view of each customer across worldwide operations.

Now, to address the current operating environment on slide 15. The level of global macroeconomic uncertainty has clearly rise in the recent months, but we believe Amdocs is relatively well-positioned to navigate the present environment due to our unique business model. As especially in software and service provider to the global communication and media industry, Amdocs is currently directly affected by the announced tariffs.

Across our service addressable market of nearly \$60 billion, we continue to see rich and encouraging pipeline, which we are working hard to convert to new deals by leveraging our technology leadership, project and operational expertise, and our proven ability to support customer industry consolidation initiatives. Having said that, no company is completely immune to operating environment, and we are, of course, closely monitoring any indirect impact of macro conditions on us and our customer spending behavior.

Bringing it all together, considering our strong first-half performance and our current level of visibility provided by our 12 months backlog, we are reiterating the midpoint of fiscal 2025 pro forma revenue growth outlook of 2.7% in constant currency, albeit within a tightened range of 1.7% to 3.7%.

We are also on track to achieve our target of double-digit expected total share return for the fifth consecutive year, supported by significantly improved profitability and a robust earnings to cash conversion.

With that, let me turn the call over to Tamar for her remarks.

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**Tamar Rapaport-Dagim** - Amdocs Ltd - Chief Financial Officer, Chief Operating Officer

Thank you, Shuky, and hello, everyone. Thank you for joining us. Before I begin in today's comments, I will compare certain financial metrics on a pro forma basis, which adjusts prior fiscal year 2024 revenue by approximately \$600 million to reflect the phase out of certain low-margin noncore business activities, which were substantially already seized in the first quarter of fiscal 2025. To further assist your modeling, the regional mix of this revenue was similar to the overall company and it contributed roughly \$150 million per quarter.

Now, picking up on Shuky's earlier comments, we delivered a good set of results for the second fiscal quarter as detailed on slide 18. Q2 revenue of approximately \$1.13 billion, was up 4% year over year in pro forma constant currency and were above the midpoint of our guidance despite negative foreign currency movement of approximately \$2 million compared to our guidance assumptions.

We are pleased with the stronger pace of growth in Q2 and which reflects robust sales, the ramp-up of previously signed engagements, and recent acquisitions. Reflecting the phaseout of certain business activities, reported revenue declined by 9.4% from a year ago.

On a regional basis, North America was slightly up sequentially and up 1.4% from a year ago in pro forma constant currency. As anticipated, Europe rebounded from the weakness of the prior quarter, benefiting from the ramp-up of new deal activities and a contribution from the previously completed acquisition of Profinit. In Southeast Asia, healthy customer activity was offset by mix trends in Latin America, resulting in sequential decline in rest of the world.

Shifting down the income statement. Non-GAAP operating margin of 21.3% improved by 10 basis points sequentially, supported by the ongoing adoption of automation, AI, and other sophisticated tools within our operations. Compared with the year ago, non-GAAP operating margin jumped by 290 basis points, primarily reflecting the end of the low-margin business activities and efficiency gains. Interest and other expenses amounted to roughly \$8.5 million in the second quarter.

On the bottom line, non-GAAP diluted EPS of \$1.78 was above our guidance range. This was primarily a result of a lower non-GAAP effective tax rate in the quarter, which included a tax benefit that materialized earlier than planned in the year. Similarly, diluted GAAP EPS of \$1.45 was also above our guidance range due to a lower-than-expected effective GAAP tax rate in the second quarter.

Turning to slide 19. Revenue from Managed Services was a record \$747 million in the second fiscal quarter, up 3.7% from a year ago. Revenue for multiyear Managed Services engagements accounted for 66% of total revenue in Q2, supporting our visibility and underscoring the importance of many services as a key measure of business resiliency for Amdocs.

Our renewal rates for Managed Services engagements have historically approached 100% and typically include an expansion in our scope of activities. To provide a few recent examples, we are extending our long-term strategic relationship with Telia Norway through 2030 to deliver enhanced managed services. This continued collaboration will improve Telia Norway's operational efficiency empowering them to offer more streamlined and effective services to their customers.

We are also expanding our managed services and PLDT with our current long-term engagement to cover non-Amdocs applications. And we recently extended the multiyear managed services agreement with M1 Limited in Singapore to manage this customer's new cloud-native charging platform.

Turning to the balance sheet and cash flow highlights on slide 20. DSO of 77 days fell four days sequentially and rose by one day year over year, reflecting normal fluctuations in business activity. Unbilled receivables net of deferred revenue declined by \$25 million sequentially in Q2, aggregating both the short-term and long-term balances.

As a reminder, the net difference between unbilled receivables and deferred revenue fluctuates from quarter to quarter, in line with normal business activities as well as our progress on significant multiyear transformation programs we are currently running in North America.

Reflecting strong execution, free cash flow before restructuring payments was \$181 million in Q2. Including restructuring payments of \$25 million, reported free cash flow was \$156 million. As expected, Q2 free cash flow was affected by the payment of our annual bonuses for the prior fiscal year the timing of which occurred as it normally does in the second fiscal quarter.

Overall, we ended Q2 with a healthy cash balance of approximately \$324 million and bond borrowing of roughly \$650 million, providing ample liquidity to support our ongoing business needs while retaining the capacity to fund our future strategic growth.

Turning to capital allocation on slide 21. This quarter, we repurchased \$135 million of our own shares under our current authorization, of which there was roughly \$258 million remaining as of March 31, 2025. Reflecting our confidence in the future success of Amdocs and the company's

ability to generate cash, our Board has today authorized a new share repurchase plan of \$1 billion with no stated expiration date. Between the two authorizations, we have up to \$1.26 billion of remaining repurchase authority as of now. As of March 31, sorry.

Additionally, we paid cash dividends of \$54 million in the second fiscal quarter. Looking ahead, we are reiterating our free cash flow target of between \$710 million to \$730 million in fiscal 2025, which is before restructuring payments.

Given the previously mentioned seasonality relating to the timing of second-quarter bonus payments with roughly 40% of fiscal year 2025 free cash flow target already achieved in the first fiscal half of the year, we are well on track to deliver our annual free cash flow target.

Our annual free cash flow outlook equates to a conversion rate of more than 90% relative to expected non-GAAP net income and translates to a healthy free cash flow yield of roughly 7% relative to Amdocs current market capitalization. Regarding our capital allocations in fiscal year 2025, we expect to return the majority of our free cash flow to shareholders.

Moving to slide 22. 12-month backlog was \$4.17 billion at the end of Q2, up 3.5% pro forma from a year ago and \$30 million sequentially. We expect 12-month backlog to represent roughly 90% of forward-looking revenue, further underscoring the importance of this metric as a leading indicator of our business.

Now, turning to our revenue outlook on slide 23. We are continuing to closely monitor the prevailing level of macroeconomic geopolitical business and operational uncertainty in the current business environment. The third-quarter and full-year 2025 financial guidance reflects what we consider to be the most likely outcomes based on the information we have today, but we cannot predict all possible scenarios.

On a pro forma constant currency basis, we are reiterating the 2.7% midpoint of our fiscal 2025 revenue growth outlook, which we have tightened to a range of 1.7% to 3.7% year over year as compared to 1% to 4.5% previously.

As a reminder, our annual guidance includes another year of double-digit growth in cloud and some contribution from inorganic deal activity this year.

As to the third fiscal quarter, we expect revenue between \$1.11 billion to \$1.15 billion, which assumes a positive sequential impact of roughly from foreign currency fluctuations as compared to second quarter of fiscal '25.

Moving down the income statement. We are on track to produce non-GAAP operating margins within our guidance range of 21.1% to 21.7% in fiscal 2025, the midpoint of which equates to a substantial increase of roughly 300 basis points as compared with the prior fiscal year. As previously stated, the midpoint of our full-year margin outlook assumes roughly 230 basis points improvement from phased out business activities and another 60 to 70 basis points resulting from our continued focus on operational excellence, automation, and gradual implementation of GenAI.

Below the operating line, foreign currency fluctuations and hedging costs are expected to impact non-GAAP net interest and other expense by roughly several million dollars on a quarterly basis. As indicated at the beginning of the year, we expect our non-GAAP effective tax rate for fiscal 2025 to be within an annual target range of 15% to 17% for the full fiscal year 2025.

Bringing everything together on slide 25, we are reiterating our non-GAAP diluted earnings per share growth outlook of 6.5% to 10.5% in fiscal 2025. Considering our strong first-half earnings per share performance and the midpoint of our Q3 EPS guidance, we expect that by the end of Q3, we will have achieved roughly three quarters of our full-year target for non-GAAP diluted EPS growth.

Overall, we are on track to deliver double-digit expected total shareholders' returns for a fifth consecutive year in 2025, including our dividend yield of more than 2%.

With that, back to you, Shuky.

**Shuky Sheffer** - Amdocs Ltd - President, Chief Executive Officer, Director

Thanks, Tamar. I am pleased with our performance in the first two quarters, and we are entering the second half with a strong backlog position and reach pipeline of opportunities. With the market-leading offering and proven ability to execute, we believe we are well-positioned to achieve our targets for the full fiscal year, while we, of course, monitoring the current macro environment closely.

With that, we are happy to take your questions.

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## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions) Timothy Horan, Oppenheimer.

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**Timothy Horan** - Oppenheimer - Analyst

Can we focus on AI a minute? Is it -- are you starting to see material contributions to revenue growth from AI or improvements to the product? And how are you kind of working with NVIDIA on AI at this point? Any more color on that collaboration?

And then related to that, it sounds like cloud growth is accelerating, is that true? And is AI helping that growth? Or is it go-to-market or other improvements in the product there?

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**Shuky Sheffer** - Amdocs Ltd - President, Chief Executive Officer, Director

Tim, good to hear you. I think that what we see in GenAI, I think all along, we said that in order to -- we connect strongly GenAI activities with data because the only way to get the benefit of GenAI is to sell the data. And this is, to some degree, what you mention is some overlap on the cloud because definitely, when we move the data to the new platform, whether it's Microsoft, AWS, or others, definitely, it's also on the cloud.

We see a lot of activity that support GenAI in the data domain, which we see some expanded activities in the domain, which obviously contribute to revenue growth. And in the use cases, I would say we see good signs of POC that are maturing to real deals. I think it will be more evident in the future quarters. But overall, we see good progress.

Regarding NVIDIA, we are obviously collaborating with NVIDIA in many domains. I think what -- the progress that we've done this quarter beyond what we discussed before, how we can support call centers and monetization and upsell use cases. I think that the progress we've done this quarter was mainly in the network domain, so now we are having -- actually, we built our network automation and domain this quarter, building on NVIDIA tools. So I think this was the progress regarding NVIDIA on top of what we've done with them already before.

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**Timothy Horan** - Oppenheimer - Analyst

Very helpful. And Tamar, a quick follow-up. Great improvement to the margins here. Are you using AI to improve your own productivity much? And is there -- can you kind of continue the pace of margin improvements going forward for a few years?

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**Shuky Sheffer** - Amdocs Ltd - President, Chief Executive Officer, Director

So Tim, let me take this. When we talk about GenAI, there are three pillars in Amdocs that I think that we are actively working. One is the offering, building on our amAlz platform and developing AI factory, different use cases and data to support the GenAI. This is one.

The other one is all our products today are GenAI enabled. So when you take our products, they are coming with GenAI capabilities.

And the third element is more how we are going to get the efficiencies in our software development life cycle in operation using GenAI tools. We see a lot of progress and definitely -- when we look at the -- remember, we talked before a lot of automation that we've done historically to support our efficiency and productivity.

The next wave of improvement is coming by using this new tool. We are starting to deploy it across our social development life cycle and an operation, and we're starting to see good results.

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### Operator

(Operator Instructions) Shlomo Rosenbaum, Stifel.

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### Shlomo Rosenbaum - Stifel - Analyst

Thank you. Shuky, can you just talk a little bit about the customer spending behavior, what you saw this quarter versus what you saw last quarter? And we're into May already. There's obviously more risk and concern out there, but are your clients changing anything or is it really kind of the same?

And then I have another follow-up.

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### Shuky Sheffer - Amdocs Ltd - President, Chief Executive Officer, Director

I would say we don't see any change right now in our customer spending behavior. And I think they were cautious before because of different macro that we discussed before. But we did not see yet any change in the spending behavior following what we experienced in the last three, four months.

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### Shlomo Rosenbaum - Stifel - Analyst

Okay. Great. And then maybe for Tamar. The AR after several quarters of going up, has seen a couple of quarters of going down. It looks like you're hitting milestones and unbuild are going down. Should we think about this as something that was kind of lumpy that you needed to go past or is this something where there's a certain range that you expect to operate within, and these are just kind of the fluctuations within that range. In other words, did you have a lot of projects that were unusual that you had the milestones kind of in front of you when you got past them, or is this the normal cadence of bouncing around?

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### Tamar Rapaport-Dagim - Amdocs Ltd - Chief Financial Officer, Chief Operating Officer

I was just -- the cadence is bouncing around because it's a combination eventually is a portfolio of different projects. But as I mentioned in the prepared remarks that we are running very large transformations in North America.

Of course, we have project transformation all over the world. But sizing-wise, when we are thinking about what's happening specifically and build AR deferred position, and I'm usually looking at the net difference because sometimes the customer may be in an unbilled position and then two quarters later, in it we felt because eventually, it's the gap between how we -- what's the pace of recognition versus in busting.

So I don't think we can say that, oh, now it was a peak level of milestones, and we issued invoices and necessarily now the only way is down. It may bounce around.

I think the good news is in everyone -- in any one of these customers, in any one of these projects, we are making progress. We are reaping the inverting milestones. Once we do, we collect the money to the cycle works.

And I think that looking forward, as we are going after additional significant deals that are in the pipeline, of course, that will be good news, right? I mean, if we get to win additional deals, and then they have the cycle of their own. But too early to tell exactly what will be the mix of these moving elements. And that's why we don't guide for these balances. It's very hard to predict exactly in every quarter all the moving elements.

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**Shlomo Rosenbaum** - *Stifel - Analyst*

Okay. If you don't mind me squeeze in one more in. Just following up on the one kind of question from previously. There's a lot of POCs on the AI offerings, and we've been talking about that for the last few quarters. Is there anything large that has hit in terms of contracting yet, or we still kind of waiting for the really big -- few big referenceable clients to kind of start the cascading.

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**Shuky Sheffer** - *Amdocs Ltd - President, Chief Executive Officer, Director*

Hi, Shlomo. I think that for me, data-related activities to support GenAI, we do see good progress, as I said before. And I cannot mention, but we have at least a couple of customers that are doing very good progress also from the commercial side, but I cannot name them yet.

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**Shlomo Rosenbaum** - *Stifel - Analyst*

Are they referenceable for other clients and others? I understand you want to talk to us about it, but if someone else called, are they ones that are far enough that they could someone could talk to.

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**Shuky Sheffer** - *Amdocs Ltd - President, Chief Executive Officer, Director*

Yes.

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**Operator**

(Operator Instructions) And this does conclude the question-and-answer session of today's program. I'd like to hand the program back to Matt Smith for any further remarks.

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**Matthew Smith** - *Amdocs Ltd - Head of Investor Relations, Company Secretary*

Thanks, operator, and thanks, everyone, for joining this evening. If you do have any additional questions, please reach out to us here in the IR group. And with that, have a great night.

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**Operator**

Thank you, ladies and gentlemen, for your participation in today's conference. This does conclude the program. You may now disconnect. Good day.

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