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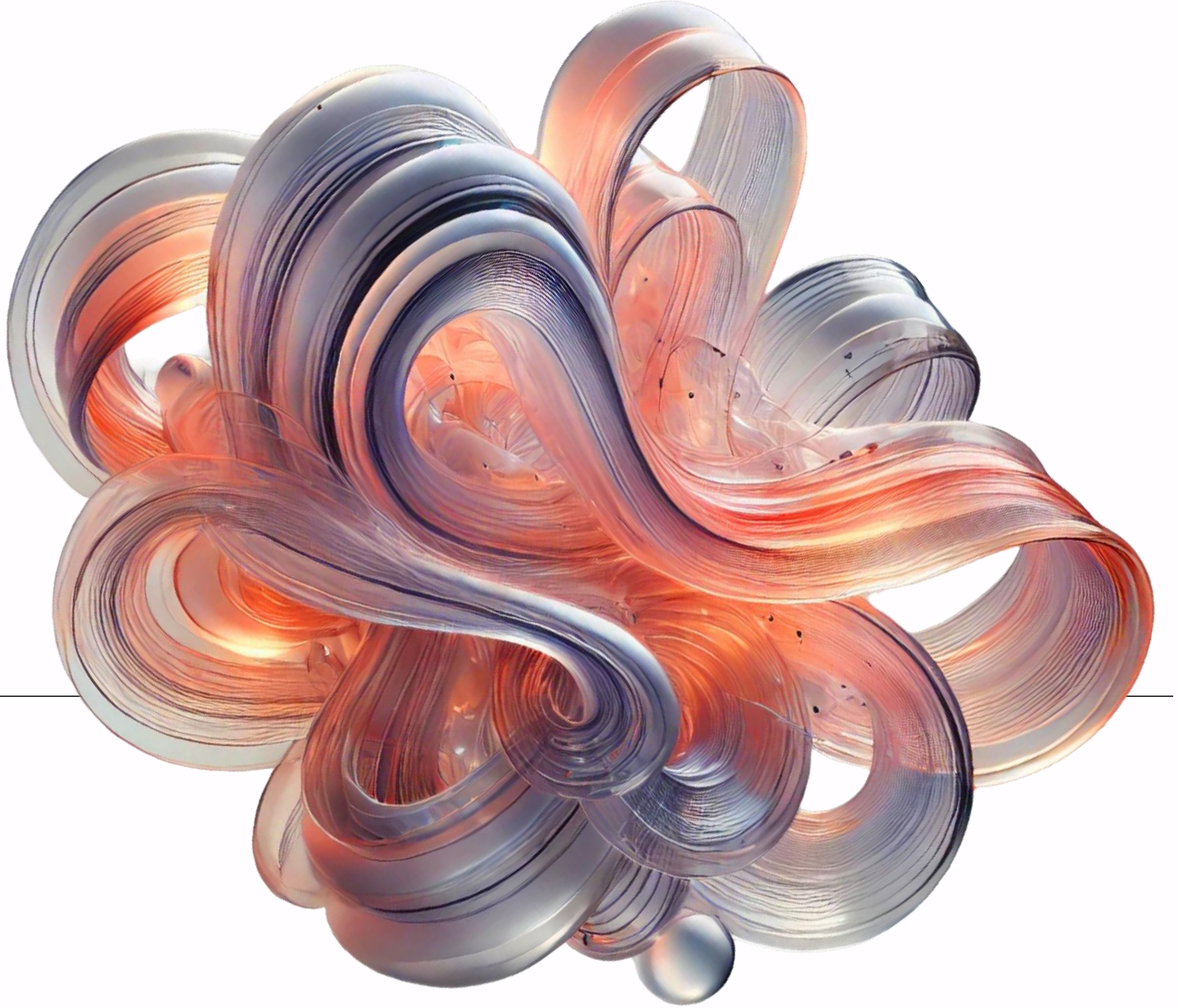
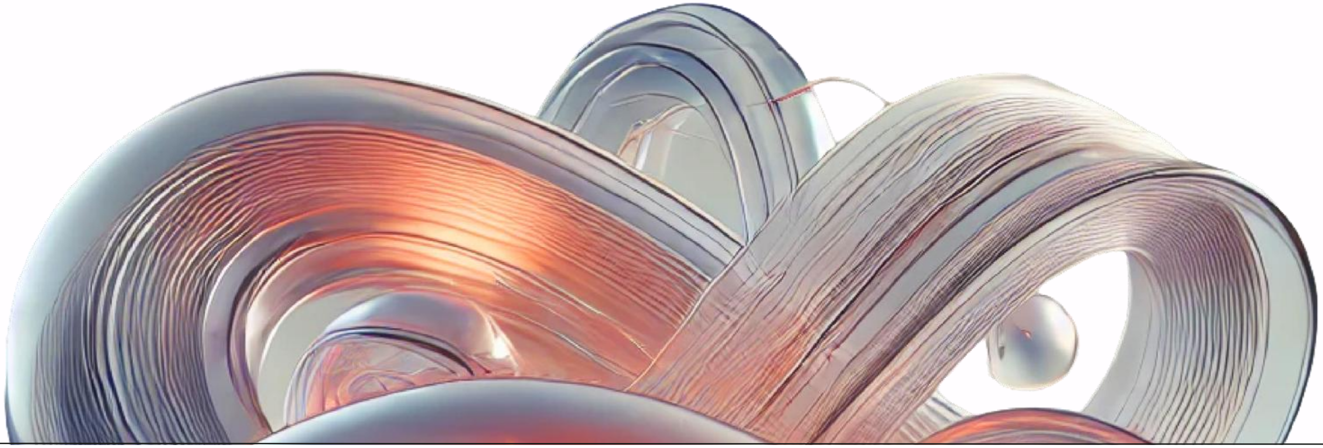
Genpact

Q2 2026 Earnings

August 6, 2026



Disclaimers



This presentation contains “forward-looking” statements as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Statements contained herein that are not historical facts are considered forward-looking statements and can be identified by terms such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “may,” “opportunity,” "plan,” “seek,” “should,” “will,” “would” or similar expressions and the negatives of those terms. These statements, which are not guarantees of performance or results, include those related to our future growth prospects, our business plans, our outlook for 2026, the expansion of our addressable market, the impact of AI on our business and our clients, and other forward-looking statements, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those in such forward-looking statements. The uncertainties and other factors that may cause our actual future results to be materially different from those expressed in our forward-looking statements are discussed in more detail in our filings with the U.S. Securities and Exchange Commission, including our most recent annual report on Form 10-K, available at www.sec.gov. We may from time to time make additional written and oral forward-looking statements, including statements contained in our filings with the SEC and our reports to shareholders. Although we believe that these forward-looking statements are based on reasonable assumptions, you are cautioned not to put undue reliance on these forward-looking statements, which reflect management's current analysis of future events and should not be relied upon as representing management's expectations or beliefs as of any date subsequent to the time they are made. We undertake no obligation to update any forward-looking statements that may be made from time to time by or on behalf of Genpact.

This presentation also contains certain non-GAAP financial measures, including adjusted diluted earnings per share, adjusted net income, adjusted income from operations, and adjusted income from operations margin. We believe these non-GAAP financial measures can provide useful supplemental information to investors regarding financial and business trends relating to our financial condition and results of operations when read in conjunction with our reported results. These non-GAAP measures are not in accordance with, nor are they a substitute for, GAAP measures. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are available in the appendix to this presentation and in our earnings release dated August 6, 2026.

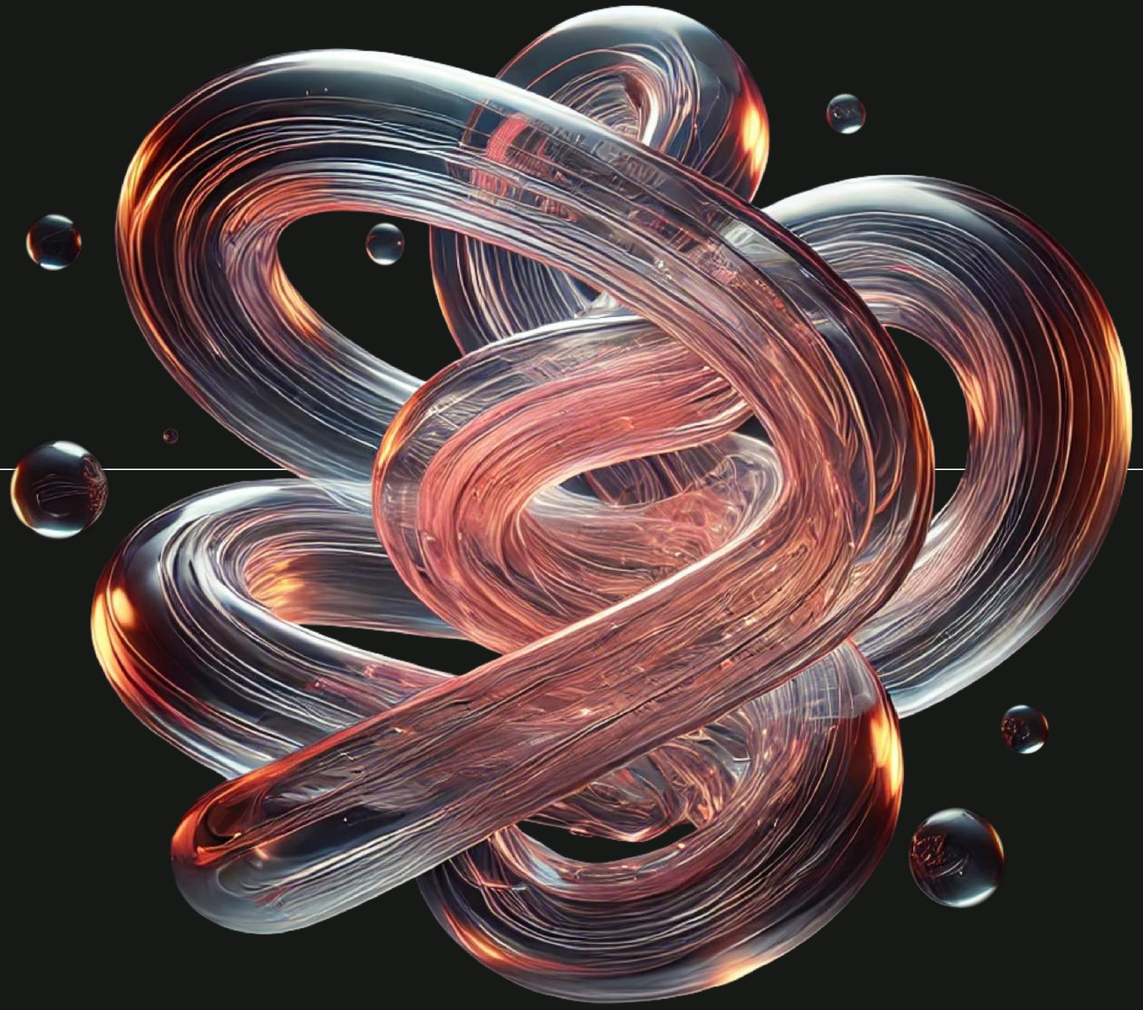
All growth comparisons in this presentation relate to the corresponding prior year period unless otherwise noted. Numbers may not foot due to rounding. See Appendix for reconciliations of non-GAAP measures.

Agenda

Genpact

The **AGENTIC OPERATIONS** company.

Where applied AI meets context-rich process intelligence. We help the world's leading enterprises run and transform their mission-critical operations.



There is no ARTIFICIAL INTELLIGENCE without PROCESS INTELLIGENCE

“The next era of enterprise value will be created at the last mile. As models converge, differentiation moves downstream to context and how work actually gets done. That's why the real gap in enterprise AI isn't insight - it's action.

A tool without context can't close the loop or own outcomes. Durable differentiation comes from re-engineering end-to-end processes, building data and AI capabilities, and operating at scale with agentic operations. The last mile is where process intelligence lives and where intelligence turns into outcomes.”

Balkrishan “BK” Kalra, Genpact President & CEO

Built on trust, context, and experience...

1997-2005

Started in General Electric to run mission critical operations with **Lean Six Sigma** discipline.

Built global delivery network for **finance, accounting, supply chain, and risk operations**.

The Foundation Years

2005-2010

Spun out from GE in 2005 with IPO in 2007.

During the Global Financial Crisis, became the **trusted operator** for complex, regulated processes at scale.

2010-2015

Rapid global expansion.

Launched the patented **Smart Enterprise Processes**, codifying operating IP into a data-driven approach for transformation.

The Transformation Years

2015-2023

Introduced **Lean Digital**, fusing Six Sigma principles & digital technologies.

Layered data, digital engineering, and AI on **process context** to drive operational transformation.

...to become the Agentic Operations company

2024

Hard reset with **pivot to advanced technology** built on process intelligence.

Harnessed platform partner ecosystem to bring **GenAI pilots to live production**.

The Pivot: Agentic & Advanced Technology

2025

Introduced **GenpactNext** strategy to become a leader in Advanced Technology Solutions, built on the strength of Core Business Services.

Launched **Genpact Accounts Payable Suite**, our first Agentic Solution.

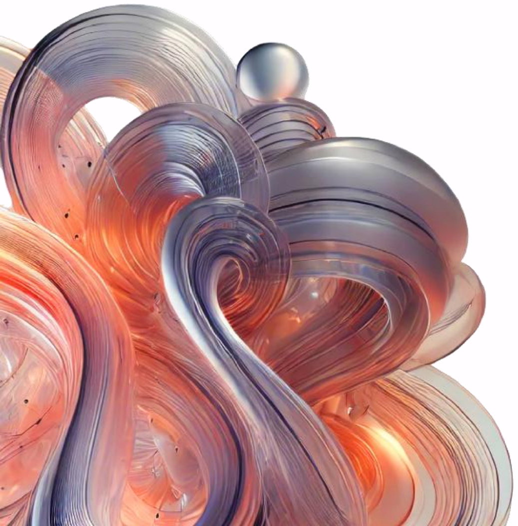
TODAY

Over $5B+ in net revenues and growing.

Advanced Technology Solutions net revenue growth of at least 25% for 2026.

A leader in **Agentic Operations**, setting the standard for AI-led transformation.

800+ global clients. 25% of the Fortune Global 500.



Investing strategically to capture EXPANDING TAM

The time is right

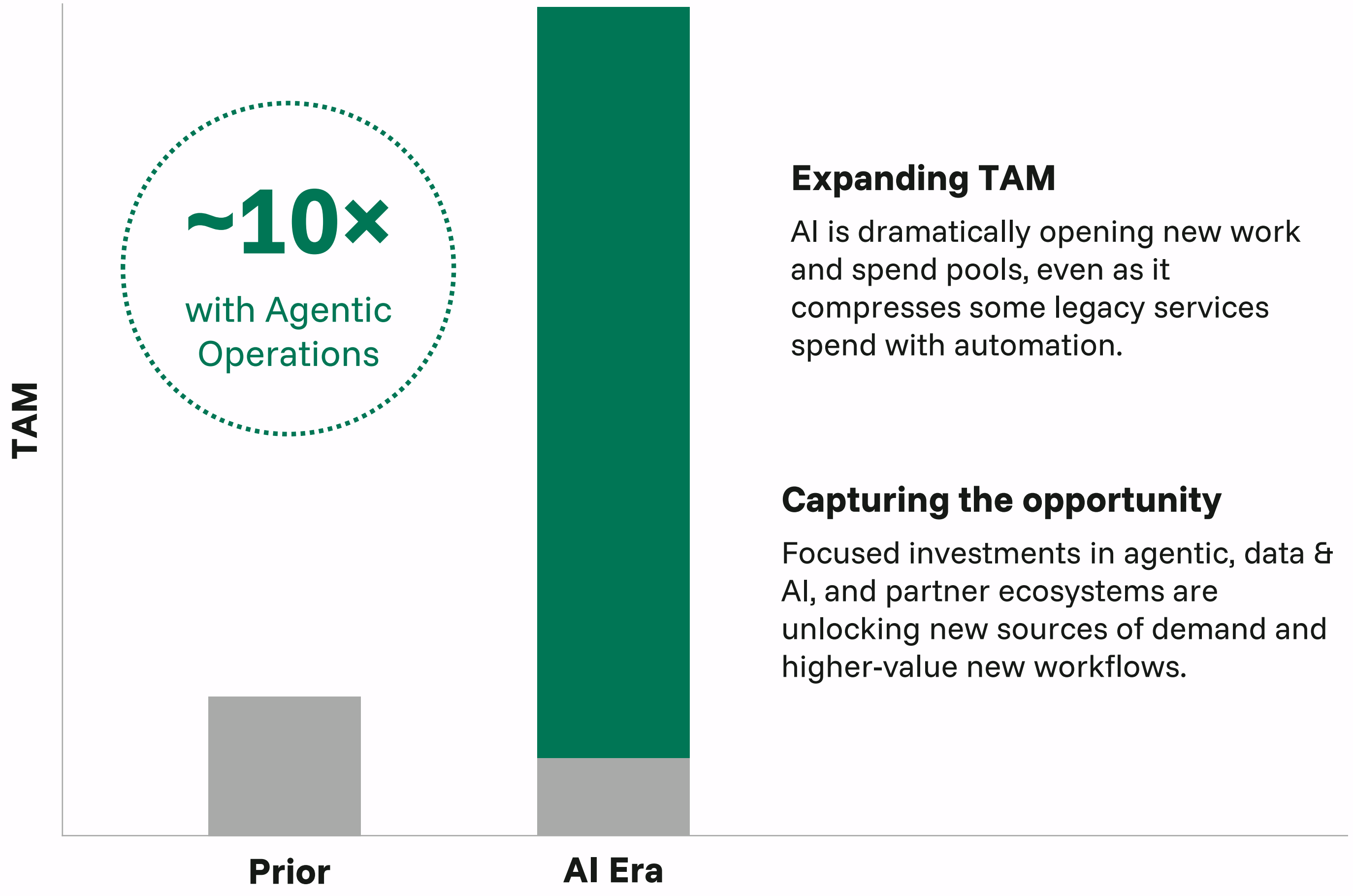
AI is redrawing markets. Enterprises are moving to autonomous workflows that do the work, not just support it. AI is now a mandate for every function, widening buying decisions across the organization.

We are uniquely positioned

Genpact sits at the intersection of process, technology, and execution. Decades running mission-critical operations give us the domain depth, process data, and trusted client relationships required to deploy AI at scale and deliver outcomes.

We are building a new Genpact

We are targeting our investments to build high-quality, durable revenue that compounds and is difficult to replicate. We are focusing our resources on accelerating the flywheel toward Agentic Operations and transitioning away from work not aligned with that strategy.



Expanding TAM

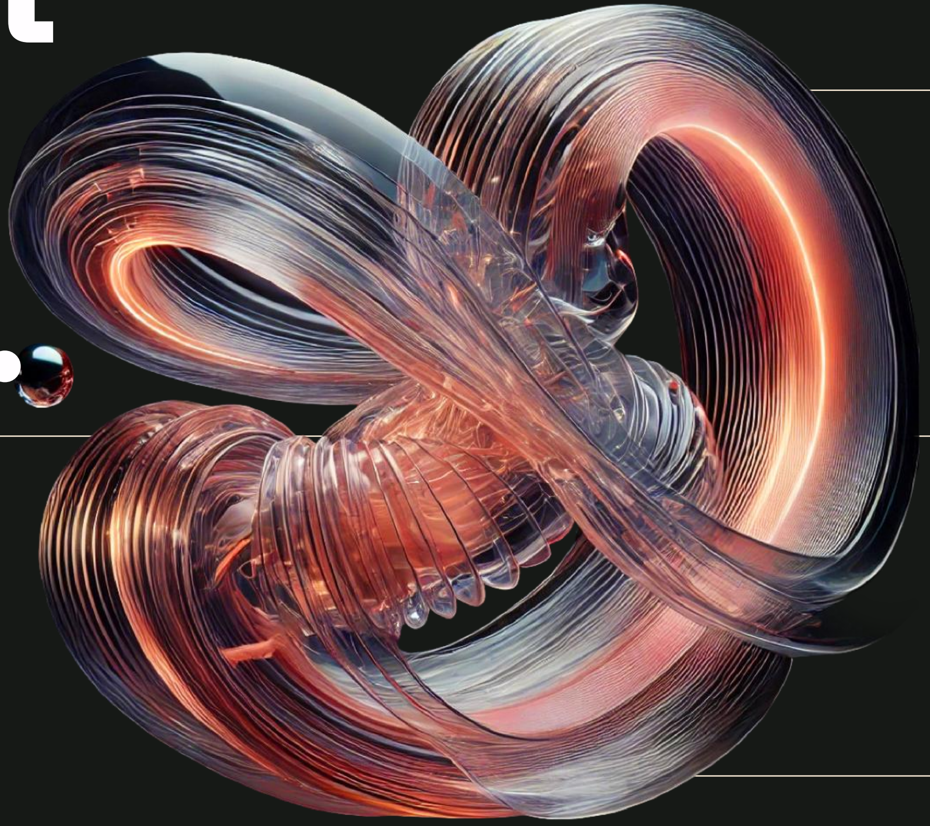
AI is dramatically opening new work and spend pools, even as it compresses some legacy services spend with automation.

Capturing the opportunity

Focused investments in agentic, data & AI, and partner ecosystems are unlocking new sources of demand and higher-value new workflows.

TAM estimates derived from Gartner, HFS, Everest, other third party market research, and internal estimates.

We are on it because we are in it.



In the operation

In the context

In the outcomes

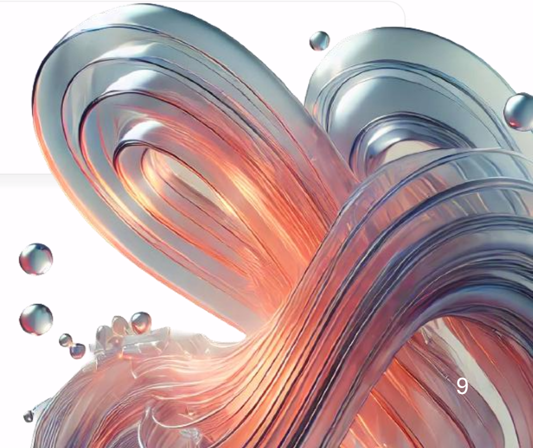
A NEW GENPACT **is taking shape**

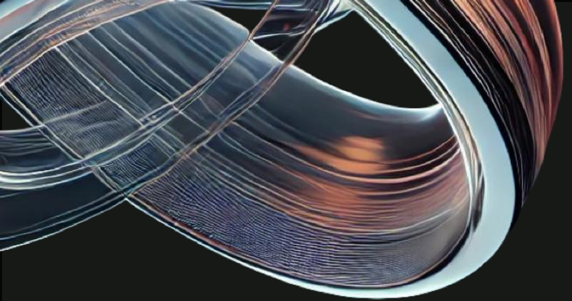
01 **Doubling down with investments focused on accelerating the flywheel for Agentic Operations**

02 **Building high-quality, durable revenue that compounds**

03 **Driving structurally richer margin profile**

04 **Opening up daylight between Genpact and the market around us**





Technology creates possibilities. Operations create outcomes.

Together they deliver *VALUE*.

Software & Tools Only

No domain context

Needs skilled operators

Can't scale alone

AI + Context

Context rich process intelligence

AI that clients trust

Outcomes, not just tools

AGENTIC OPERATIONS
The ideal mix

Services Only

Slow to scale

High cost, lower margin

Limited tech leverage

Genpact's Agentic Operations delivers differentiated value to clients

- Outcomes embedded in delivery
- New levers to unlock ROI
- Scalable automation
- Built-in auditability + governance

The Flywheel Powering

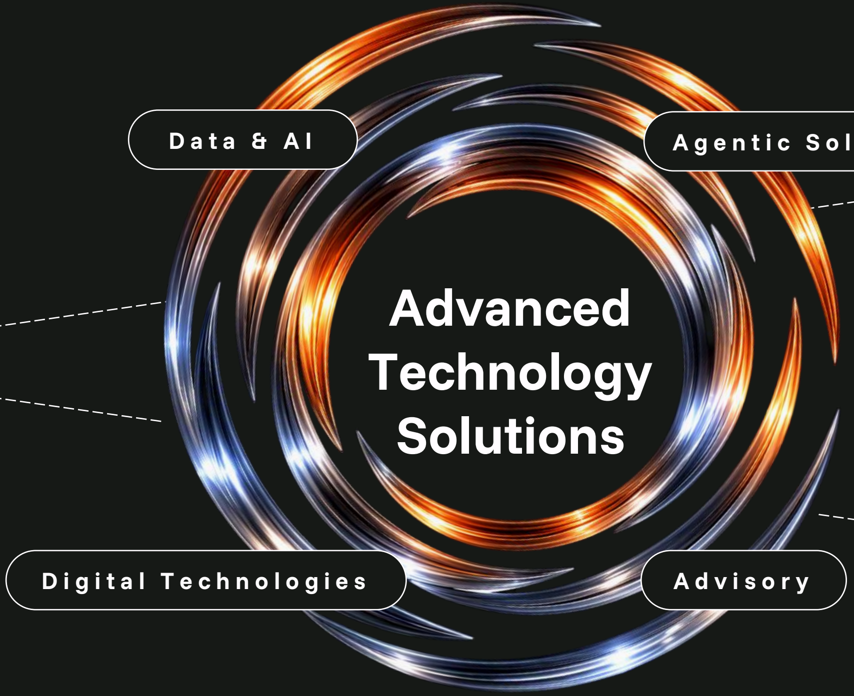
Agentic Operations

The Core

The foundation for our future

- Expert operators
- Clear domains & industries
- Last mile knowledge
- Decades of client trust
- Context rich process intelligence

The Flywheel



Agentic Operations

AI + Context: The collaborative model between agents and human experts that compounds

- Domain-specific agents (Genpact IP + custom agents) autonomously execute tasks and reengineer processes
- Last-mile experts validate exceptions, train and advance models, and reinforce learnings
- Clear roles, skills, and governance underpinned by responsible AI
- Annual recurring revenue models not tied to headcount

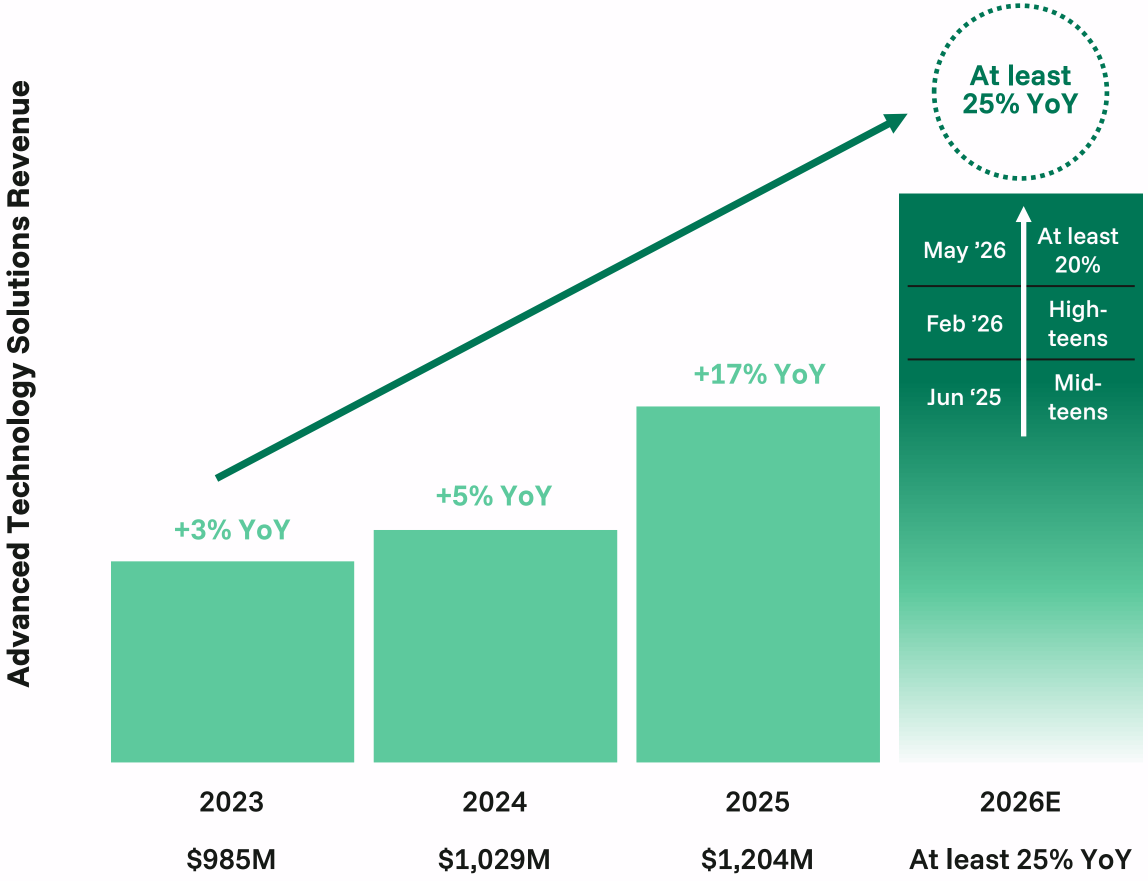
Agentic Operations moves clients to an AI-based future

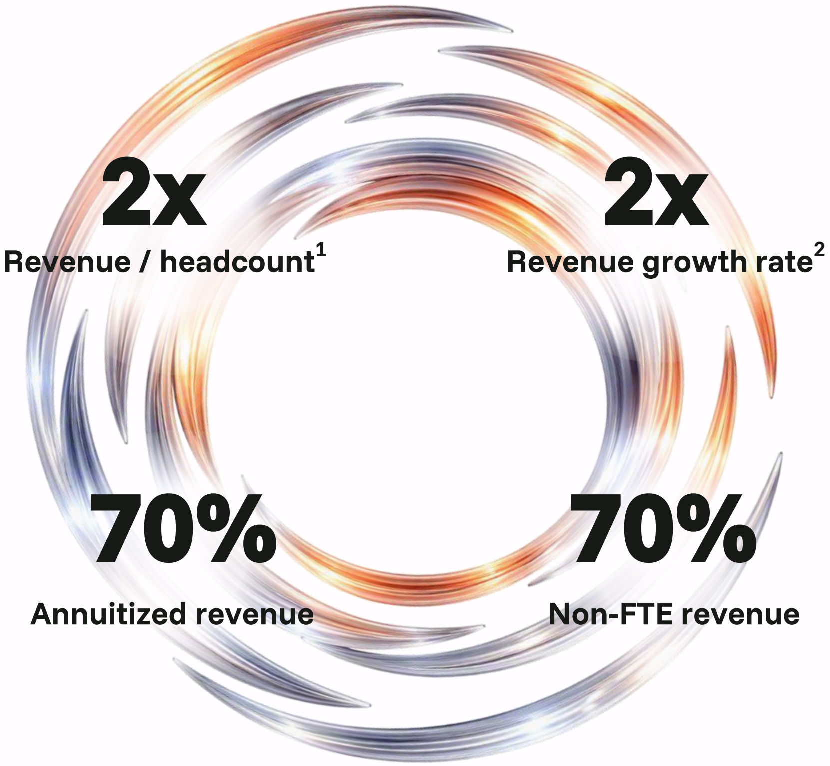
Today
Human-processed, human-validated

The future
Machine-processed, human-validated

The flywheel is expanding capabilities and capturing growing TAM

Advanced Technology Solutions is ACCELERATING even faster and is HIGHER VALUE



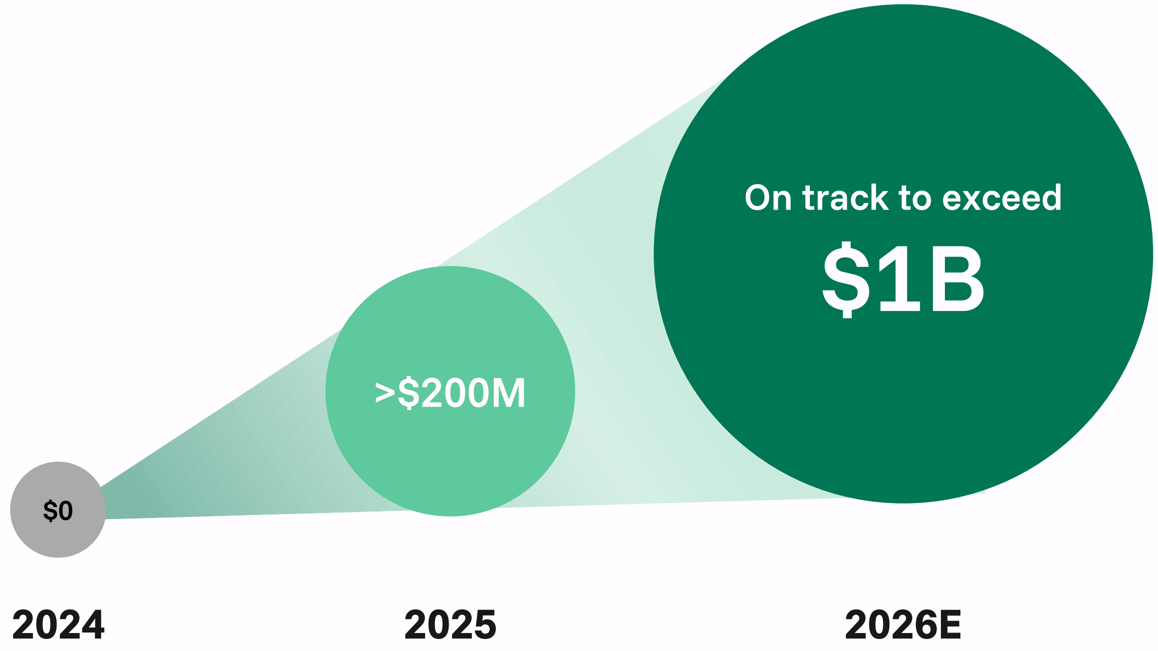


[1] 2x revenue / headcount refers to Advanced Technology Solutions revenue per headcount being at least twice the overall company average
[2] 2x revenue growth rate refers to Advanced Technology Solutions revenue growth on a year-over-year basis of at least twice the overall company revenue growth

Agentic Solutions

Agentic Solutions: AI offerings built with Genpact IP that run mission-critical business processes at enterprise scale. Revenue is recurring and not linked to headcount.

Agentic Total Contract Value (TCV)



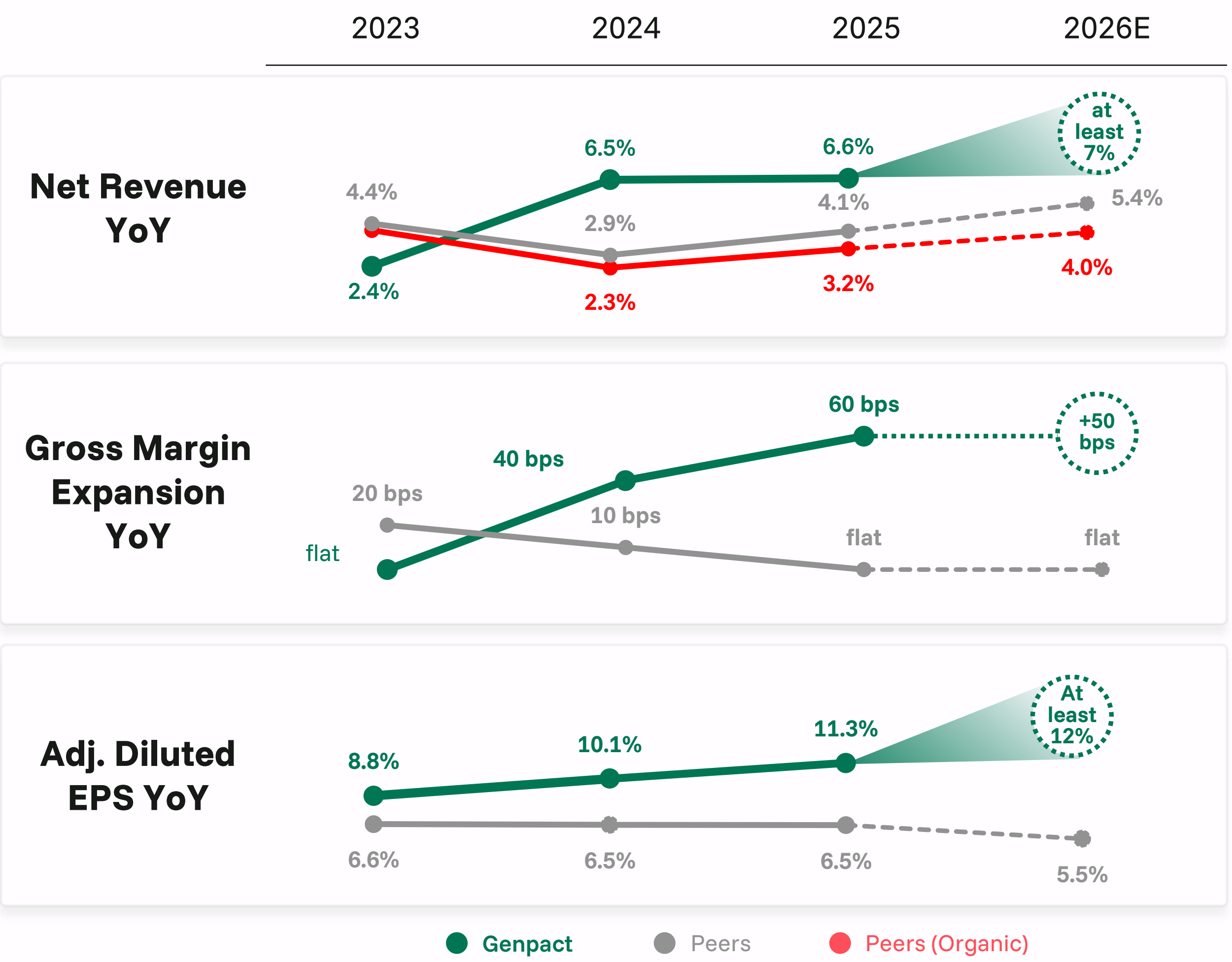
Applying advanced tech to mission critical operations drives wallet share and TAM expansion

100%	Non-FTE commercial constructs, building strong annuitized, recurring revenue streams
>50%	Cumulative contract value from new clients
>3%	Net revenue growth from rotation clients
>300 bps	Gross margin expansion from rotation clients

Custom agent development and deployment are included in Data & AI, not Agentic Solutions (both a subset of Advanced Technology Solutions).
50%, 3%, 300 bps are calculated on cumulative Agentic TCV from inception through Q2'26.

Our results speak for themselves

Why we are winning more



Owning the process = our structural advantage

- Decades running mission-critical operations at enterprise scale
- Our operator know-how is the process intelligence required to make AI work

Exponential power of big and small

- Big enough to invest, deliver globally, and matter to an enterprise
- Small enough to understand nuance, move quickly, and make every client count

Aligned leadership + clear Agentic Operations strategy

- Optimal mix of experienced tech and operations leaders
- Aligned and focused on applying advanced tech to mission-critical operations – and scaling with discipline

Bias for speed

- Able and willing to disrupt our old playbooks
- Moving from ideas to production to scale quickly

Peers include ACN, CAP, CTSH, EXLS, HCL, IBM, INFY, TCS, & Wipro. 2026E figures reflect C2026 estimates from FactSet as of 31 Jul 2026. Peer organic growth derived from explicit company remarks on inorganic growth contributions for material acquisitions. Adjusted diluted EPS is a non-GAAP financial measure. Peer results set forth above are based on financial metrics that may be calculated differently from how we calculate such metrics. These measures may not be directly comparable.

Opening daylight.
From our peers to a new category.

Separating from our peers

Outperforming on metrics that matter

The flywheel is firing

Record bookings, backlog, and pipeline. Process intelligence opening new buying centers. Advanced Technology Solutions mix accelerating across revenue, bookings, and pipeline.

The shift is structural

13 consecutive quarters of YoY gross margin expansion. Revenue decoupling from headcount. Double-digit annual adjusted EPS growth YoY while investing aggressively.

Agentic momentum is real and accretive

On track to deliver over $1B in Agentic TCV for 2026. Revenue and margin accretive. Multi-year, recurring revenue streams.

A new Genpact

Agentic Operations is a fundamentally different business

This is not the company you knew

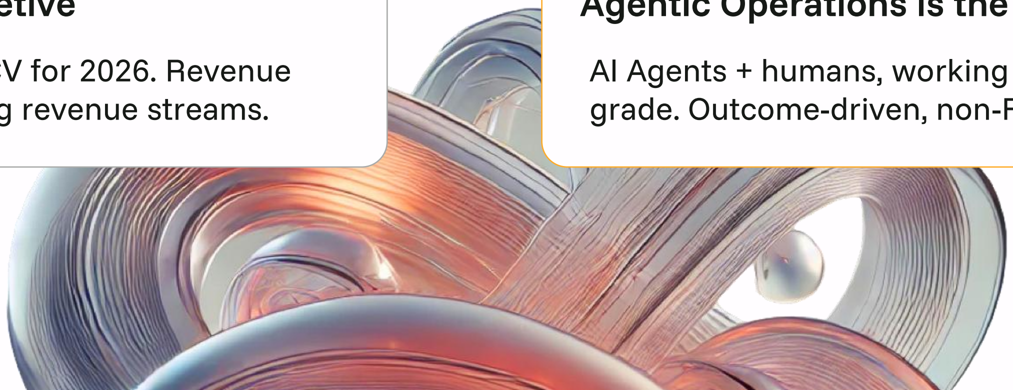
Intentional disruption with aligned leaders + clear strategy. Advanced Technology Solutions net revenue growing rapidly, projected at 25% YoY. Driving meaningful value for clients beyond productivity.

Entering an entirely new market

Agentic Operations redefines where we compete. TAM expands by an order of magnitude. A new category with durable, differentiated, recurring revenue.

Agentic Operations is the new Genpact

AI Agents + humans, working together. LLM-agnostic, enterprise-grade. Outcome-driven, non-FTE-led.



Figures reflect results through Q2'26

Q2 2026 Results

Q2'26 Key Financial Results

Total Net Revenues	Gross Profit	Net Income	Adjusted Income from Operations[1]	Diluted EPS	Adj. Diluted EPS[1]
$1.343B	**$490M**	**$146M**	**$234M**	**$0.86**	**$1.00**
+7.1% YoY	36.5% GM%, +60 bps YoY	+9.8% YoY	17.4% AOI%, +10 bps YoY	+14.7% YoY	+13.6% YoY

Revenue Disaggregation

Advanced Technology Solutions

$363M +24.1% YoY

Core Business Services

$980M +1.9% YoY

Segment Net Revenues

Financial Services

$350M +3.3% YoY

Consumer & Healthcare

$469M +9.5% YoY

High Tech & Manufacturing

$524M +7.6% YoY

Cash Flow

Operating Cash Flow[2]

$72M -59.2% YoY

Share Repurchases

$50M +66.7% YoY

Dividends

$32M +6.7% YoY

[1] Adjusted income from operations, adjusted income from operations margin, and adjusted diluted EPS are non-GAAP financial measures. See appendix for reconciliations to GAAP figures.
[2] Operating cash flow growth in Q2'26 reflects timing of collections as well as prepayments received in 2025.

Q2'26 Highlights

24.1% YoY **Advanced Technology Solutions**	Advanced Technology Solutions now represents 27% of total net revenues.
On track to exceed $1B **Agentic Total Contract Value (TCV)**	Continued rapid momentum in Q2. 2026 Agentic TCV on track to exceed $1B.
>50% **% of Non-FTE revenue**	Reflecting our strategic shift to fixed fee, consumption, and outcome-based models.
Expanded +60 bps YOY **Gross Margin %**	13 consecutive quarters of YoY gross margin expansion.

Genpact in the news

THOUGHT LEADERSHIP

The $18 trillion opportunity: how four enterprise debts will make or break your AI future (link)

SOLUTIONS

Genpact Launches Banking Analyst Suite, Agentic AI for Regulated Banking Operations (link)

Agentic Deductions Solution introduced to recover lost revenue for consumer goods companies (link)

RECOGNITIONS

Recognized as Market Leader in Data Modernization and AI by HFS Research (link)

Named Rising Star in ISG Provider Lens^{TM} Databricks Ecosystem Report for AI/ML and Managed Data Optimization (link)

OTHER

For more updates, visit the Genpact Newsroom

Outlook

	Q3'26	FY26
Revenue Growth	6 to 7% YoY	At least 7% YoY
Core Business Services	Flat to slightly down YoY	Expected to grow YoY
Advanced Technology Solutions	At least 25% YoY	At least 25% YoY
Gross Margin	36.6%, +20 bps YoY	36.5%, +50 bps YoY
Adjusted Operating Income Margin	17.8%, +10 bps YoY	17.7%, +25 bps YoY
Adjusted Diluted EPS	$1.04 to $1.05, +7% to +8% YoY	At least 12% YoY

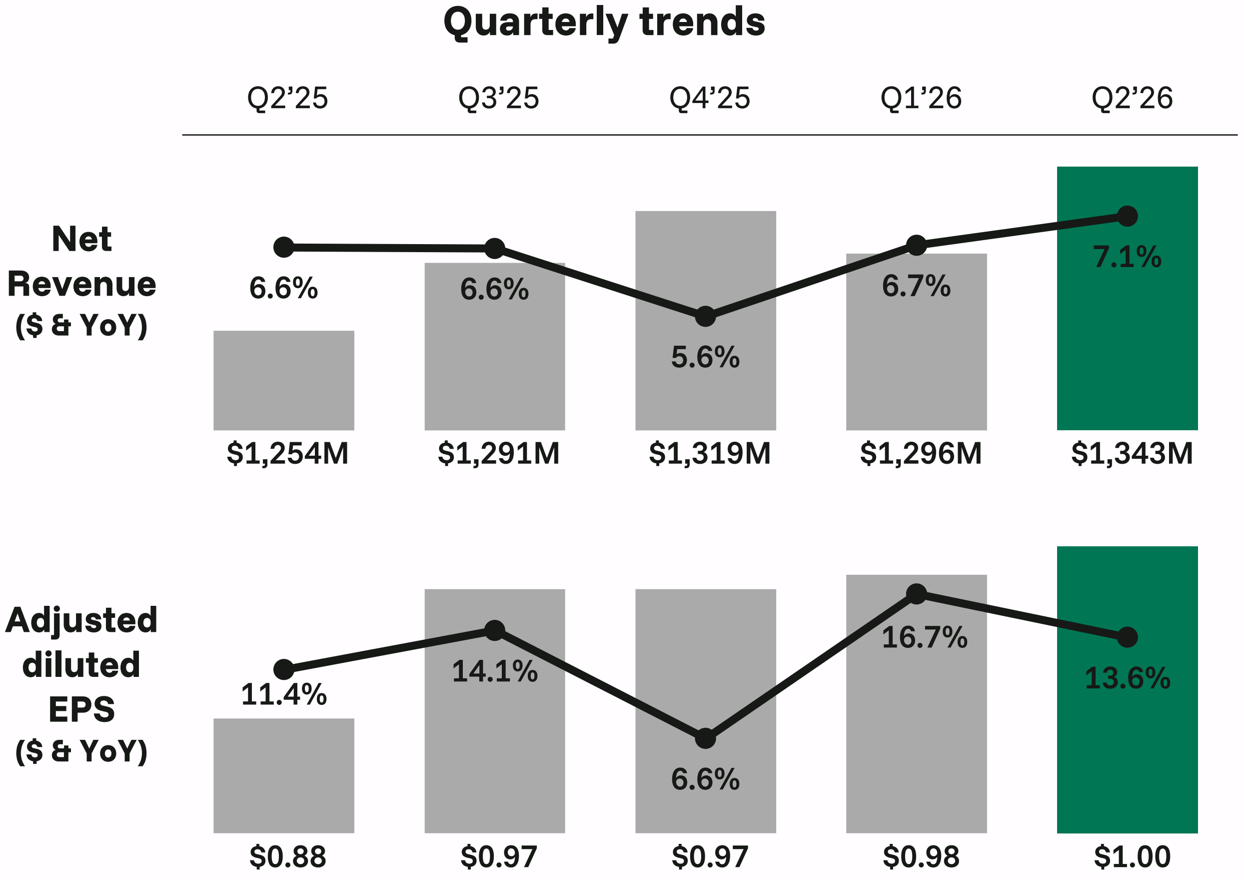
FY26

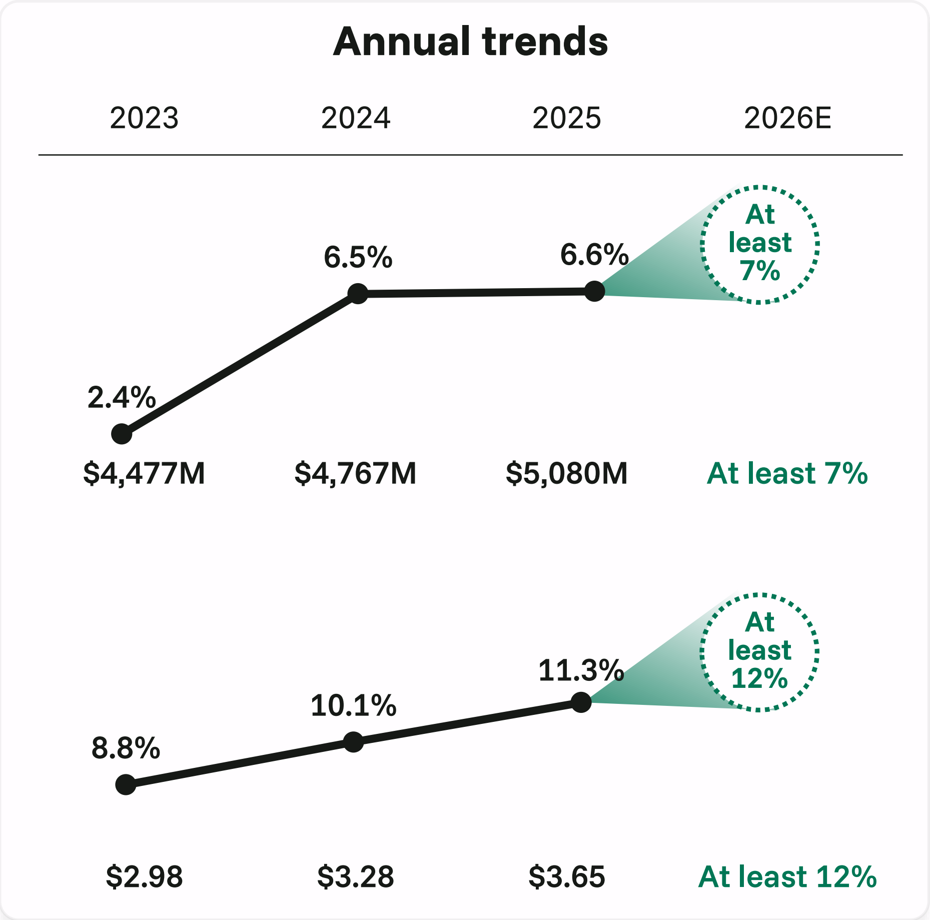
- Total revenue growth includes nearly -2 pts of impact from the transition from work not aligned with our Agentic Operations strategy.
- Advanced Technology Solutions revenue growth is now expected to accelerate to at least 25% YoY for FY26.
- Core Business Services revenue is still expected to grow in 2026 despite roughly -2 points of impact from the transition noted above.
- For 2026, the impact of the transition is concentrated in the second half of the year.

Adjusted income from operations margin and adjusted diluted EPS are non-GAAP measures. Reconciliations of these forward-looking non-GAAP financial measures to the most directly comparable GAAP measures for the periods presented are included in the appendix.

Financial Performance Trends

Healthy demand and focused execution drive strong top and bottom-line growth



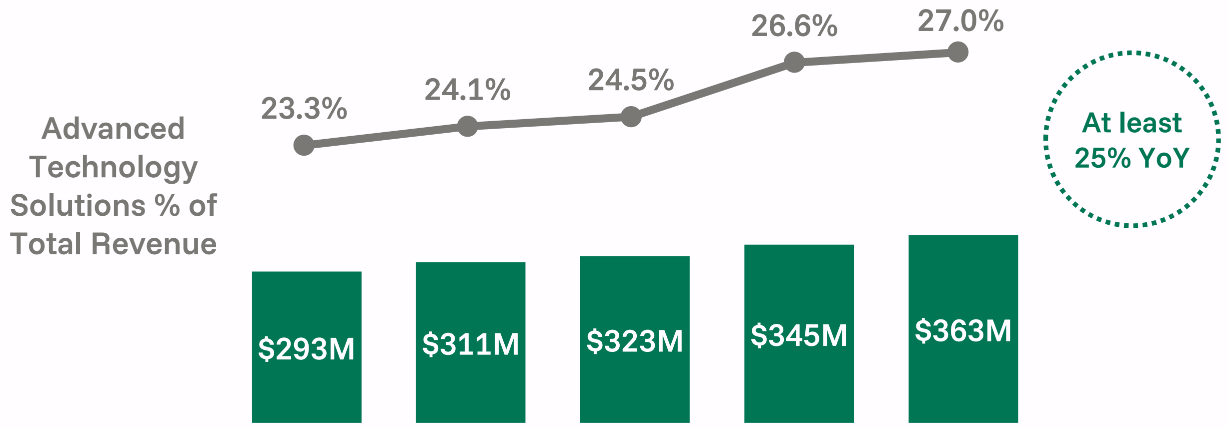


Adjusted diluted earnings per share is a non-GAAP financial measure. 2026E figures reflect Genpact guidance as of Q2'26 earnings. See appendix for reconciliations to GAAP figures.
2026E net revenue growth includes about -2 points of impact from the transition away from work not aligned with our Agentic Operations strategy.

Revenue Performance Trends

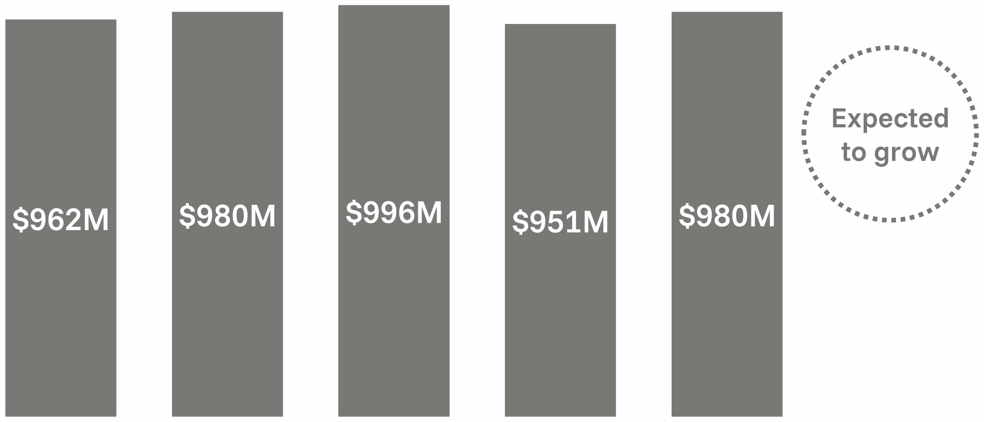
Advanced Technology Solutions momentum is growing, now representing 27% of total revenue

Advanced Technology Solutions



	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	2026E
YoY%	17.3%	20.0%	15.0%	24.3%	24.1%	>25%

Core Business Services



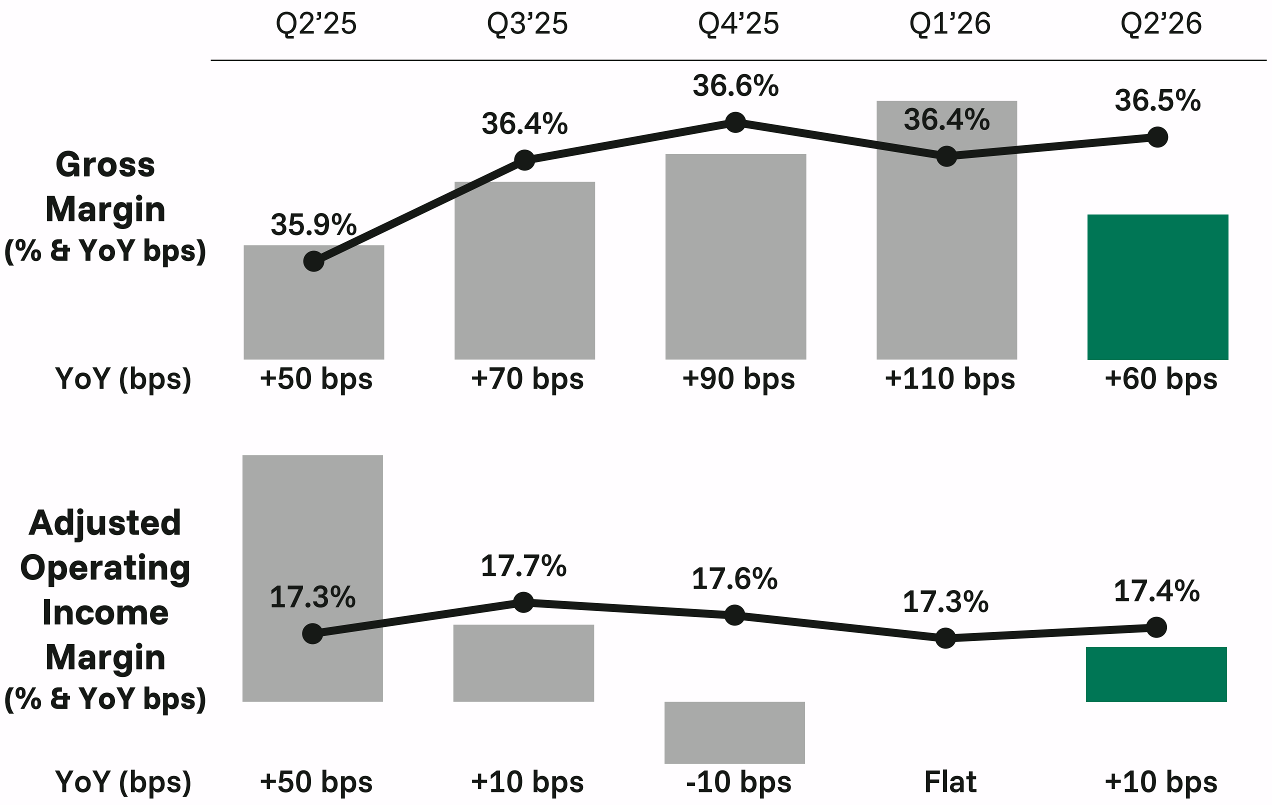
	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	2026E
YoY%	3.8%	3.0%	2.9%	1.4%	1.9%	Expected to grow

Q2'26	Advanced Technology Solutions net revenues increased 24.1% YoY, demonstrating the significant momentum powered by our flywheel.	Core Business Services net revenues grew 1.9% YoY, as we continue to see strong demand for our mission-critical operations capabilities.
2026	We now expect Advanced Technology Solutions net revenue growth to exceed 25% YoY for the full year with accelerating momentum.	We still expect Core Business Services net revenues to grow YoY, including roughly -2 pts of impact as we transition away from work not aligned with our Agentic Operations strategy.

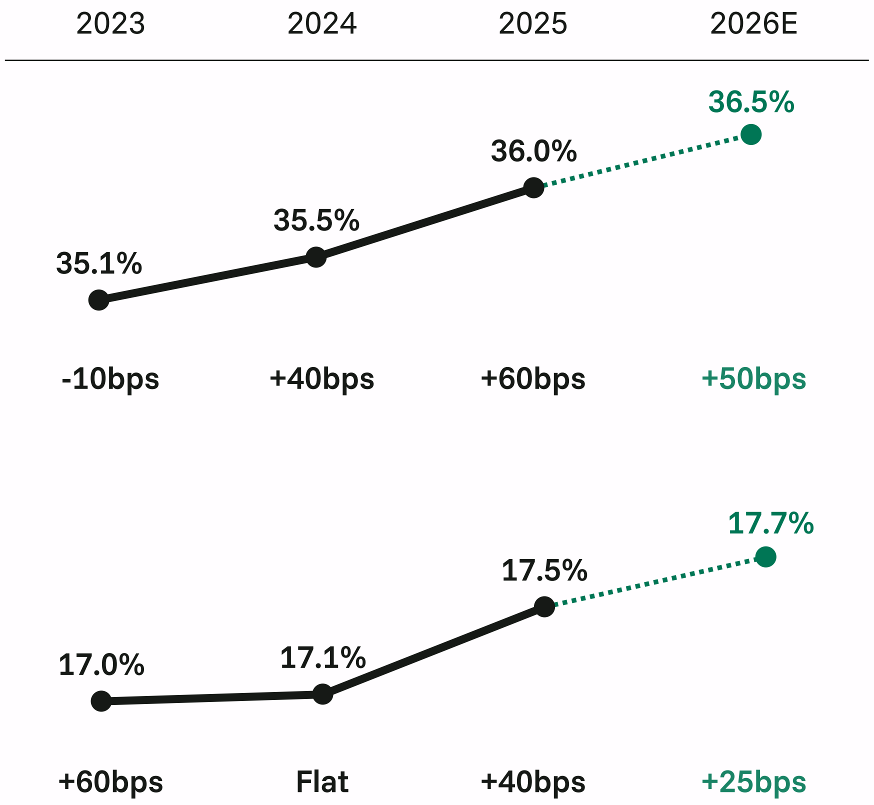
Margin Trends

Structural margin improvement enables significant investments

Quarterly trends



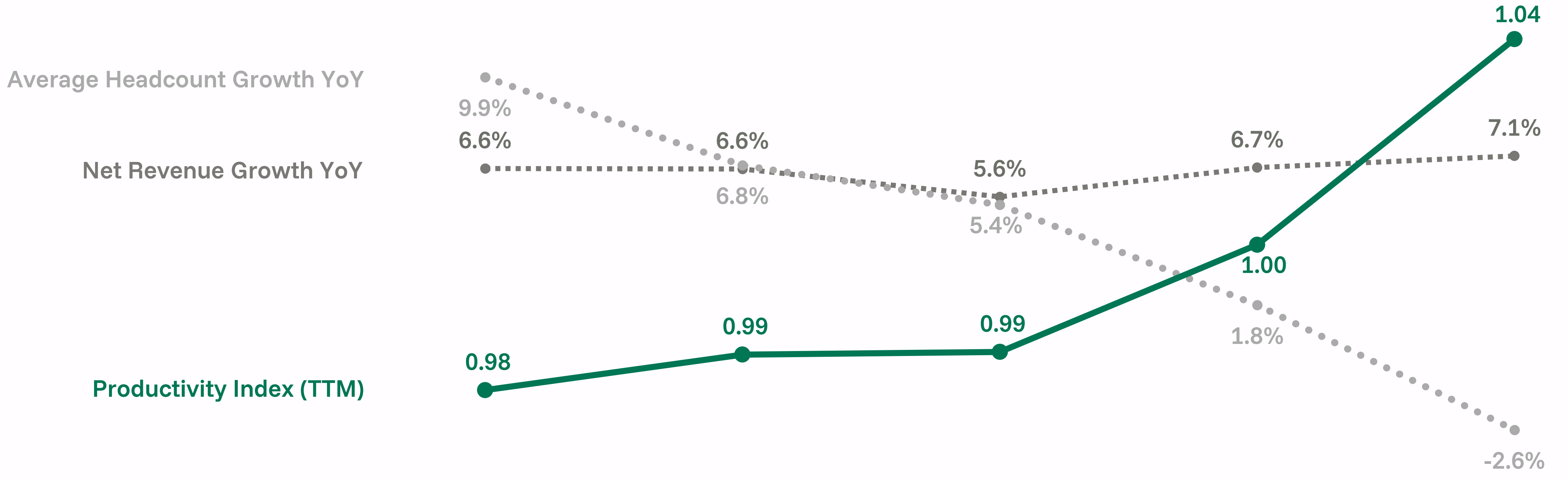
Annual trends



Adjusted income from operations and adjusted income from operations margin are non-GAAP financial measures. 2026E figures reflect Genpact guidance as of Q2’26 earnings. YoY % margin changes rounded to nearest 10 basis points. See appendix for reconciliations to GAAP figures.

Revenue vs Headcount Growth

Showing early signs of revenue growth decoupling from headcount



	Q2’25	Q3’25	Q4’25	Q1’26	Q2’26
Net Revenue $	**$1,254M**	**$1,291M**	**$1,319M**	**$1,296M**	**$1,343M**
Average Headcount	**146,900**	**146,800**	**147,400**	**145,500**	**143,100**

Productivity index is defined as (1+ TTM revenue YoY%) / (1+ TTM Avg headcount YoY).

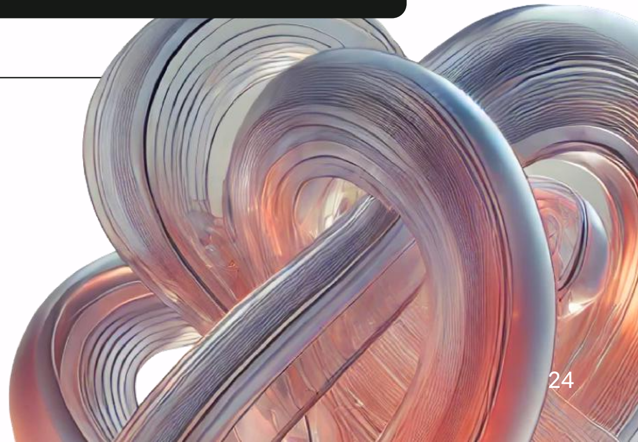
A new Genpact.
The Agentic Operations company.

Our flywheel is firing, and we are doubling down to accelerate even more. AI is a force multiplier, and we are investing to capture the expanding TAM.

We are changing our business in ways that matter – durable, high-quality revenue that compounds with richer margins.

A new Genpact is taking shape in a fundamentally different category.

We are just getting started.



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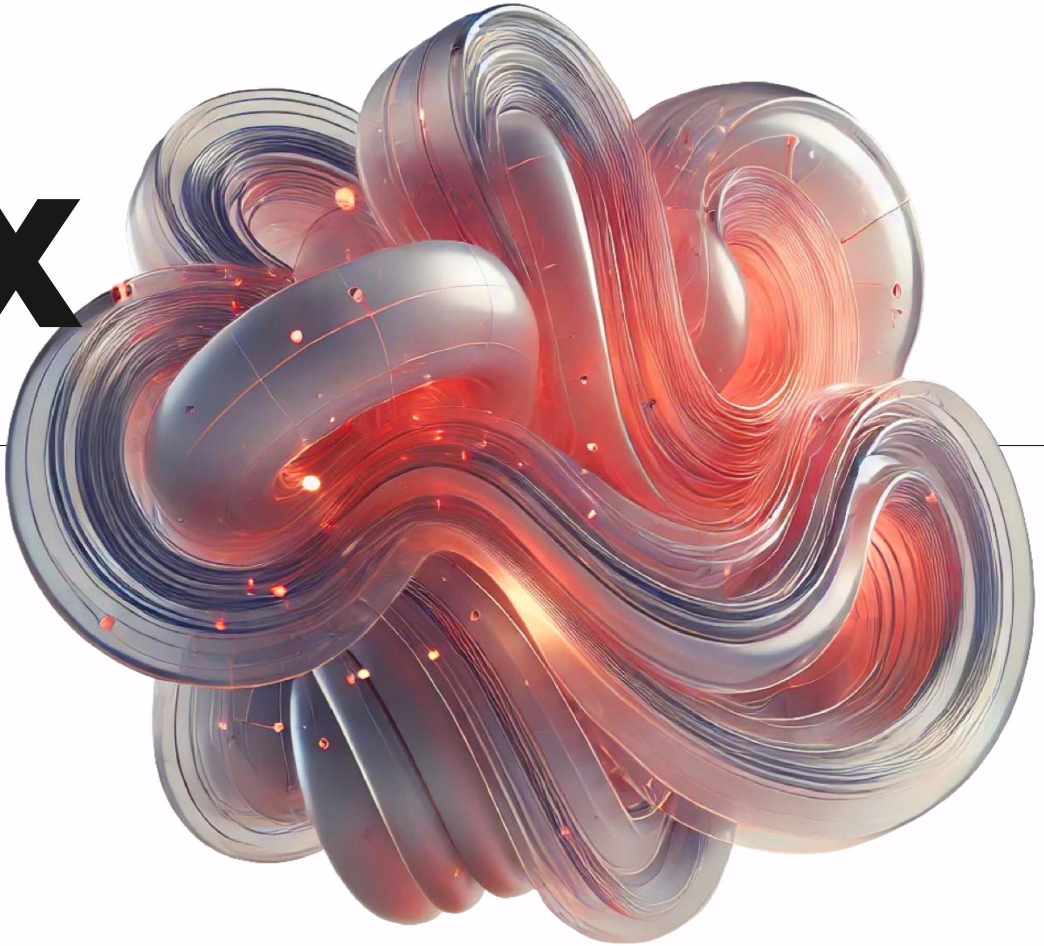
Appendix



Non-GAAP Financial Measures

To supplement the consolidated financial statements presented in accordance with GAAP, this presentation includes the following non-GAAP financial measures:

- Adjusted income from operations;
- Adjusted income from operations margin;
- Adjusted net income; and
- Adjusted diluted earnings per share.

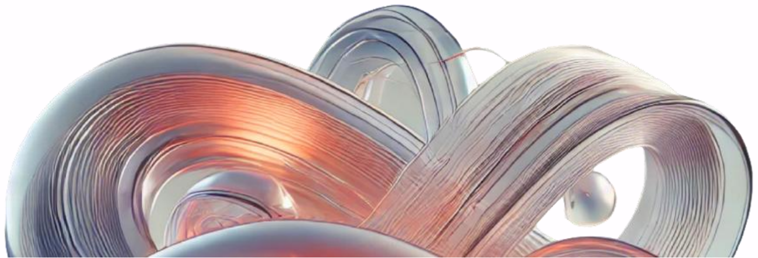
These non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles and should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP and may be different from non-GAAP financial measures used by other companies. Accordingly, these non-GAAP financial measures, the financial statements prepared in accordance with GAAP and the reconciliations of Genpact's GAAP financial statements to such non-GAAP financial measures should be carefully evaluated.

Given Genpact's acquisitions of varying scale and size, and the difficulty in predicting expenses relating to acquisitions and the amortization of acquired intangibles thereof, since July 2012 Genpact's management has used financial statements that exclude all acquisition-related expenses and amortization of acquired intangibles for its internal management reporting, budgeting and decision-making purposes, including comparing Genpact's operating results to those of its competitors. For the same reasons, since April 2016, Genpact's management has excluded the impairment of acquired intangible assets from the financial statements it uses for internal management purposes. Acquisition-related expenses are excluded in the period in which an acquisition is consummated. Genpact's management also uses financial statements that exclude stock-based compensation expense. Because of varying available valuation methodologies, subjective assumptions and the variety of award types that companies can use when adopting ASC 718 "Compensation-Stock Compensation," Genpact's management believes that providing non-GAAP financial measures that exclude such expenses allows investors to make additional comparisons between Genpact's operating results and those of other companies.

Additionally, in its calculations of non-GAAP financial measures, Genpact's management has adjusted foreign exchange gains and losses, interest income and expense and income tax expenses from GAAP net income, and other income and expenses from GAAP income from operations, because management believes that the Company's results after taking into account these adjustments more accurately reflect the Company's ongoing operations. In its calculations of adjusted diluted earnings per share, Genpact's management adds back stock-based compensation expense, amortization of acquired intangible assets, acquisition-related expenses and the related tax impact of such adjustments from GAAP diluted earnings per share. For the purpose of calculating adjusted diluted earnings per share, the combined current and deferred tax effect is determined by multiplying each pre-tax adjustment by the applicable statutory income tax rate.

In addition, in connection with (i) certain 2022 restructuring measures that involved a focused reduction in the Company's workforce in 2022, a non-strategic business divestiture in the first quarter of 2023 and a lease impairment charge in the second quarter of 2023 as well as (ii) an intercompany transfer of certain intellectual property rights in the fourth quarter of 2023 that resulted in a non-recurring tax benefit, for the period ended December 31, 2023, the Company also excluded such restructuring charges, the loss on the sale of a business previously classified as held for sale, the revenues and expenses associated with such business, the gain on the lease termination, the non-recurring tax benefit on the transfer of intellectual property rights and the tax impacts of these items from its calculation of non-GAAP measures for such period. See the Company's filings with the SEC for the period ended December 31, 2023 for additional information on such adjustments.

Accordingly, Genpact believes that the presentation of adjusted income from operations, adjusted income from operations margin, adjusted net income and adjusted diluted earnings per share, when read in conjunction with the Company's reported results, can provide useful supplemental information to investors and management regarding financial and business trends relating to its financial condition and results of operations. A limitation of using adjusted income from operations, adjusted income from operations margin and adjusted net income versus income from operations, income from operations margin, net income and net income margin calculated in accordance with GAAP is that these non-GAAP financial measures exclude certain recurring costs and certain other charges, namely stock-based compensation expense, amortization of acquired intangible assets, foreign exchange (gains)/ loses, net, interest (income) expense, net and income tax expense. Management compensates for this limitation by providing specific information on the GAAP amounts excluded from these non-GAAP financial measures.



Reconciliation of Net Income / Margin to Adjusted Income from Operations / Margin[1]

(In thousands)

	2023	2024	2025
Net income	**$ 631,255**	**$ 513,670**	**$ 552,494**
Foreign exchange (gains) losses, net	(4,274)	(2,937)	(7,390)
Interest (income) expense, net	47,935	47,214	49,597
Income tax expense / (benefit)	(29,031)	163,150	177,653
Stock-based compensation expense	88,576	66,383	89,616
Amortization and impairment of acquired intangible assets	31,348	26,456	24,288
Restructuring (income) expense	(4,874)	-	-
Operating loss from the business classified as held for sale	1,201	-	-
Loss on the sale of business classified as held for sale	802	-	-
Acquisition-related expenses	-	-	1,310
Adjusted income from operations	**$ 762,938**	**$ 813,936**	**$ 887,568**
Net income margin	14.1%	10.8%	10.9%
Adjusted income from operations margin	**17.0%**	**17.1%**	**17.5%**

[1] Adjusted income from operations and adjusted income from operations margin are non-GAAP measures.

Reconciliation of Net Income / Margin to Adjusted Income from Operations / Margin[1]

(In thousands)

	2025				2026	
	Q2	Q3	Q4	FY	Q1	Q2
Net income	**$ 132,716**	**$ 145,831**	**$ 143,094**	**$ 552,494**	**$ 147,992**	**$ 145,737**
Foreign exchange (gains) losses, net	(376)	(3,678)	(2,047)	(7,390)	(7,302)	(2,109)
Interest (income) expense, net	13,485	12,785	11,881	49,597	11,602	15,147
Income tax expense / (benefit)	44,022	43,521	45,740	177,653	46,002	45,146
Stock-based compensation expense	21,798	22,221	25,561	89,616	22,273	26,359
Amortization and impairment of acquired intangible assets	4,315	8,227	7,428	24,288	3,111	3,278
Acquisition-related expenses	1,310	-	-	1,310	-	-
Adjusted income from operations	**$ 217,270**	**$ 228,907**	**$ 231,657**	**$ 887,568**	**$ 223,678**	**$ 233,558**
Net income margin	10.6%	11.3%	10.8%	10.8%	11.4%	10.8%
Adjusted income from operations margin	**17.3%**	**17.7%**	**17.6%**	**17.6%**	**17.3%**	**17.4%**

[1] Adjusted income from operations and adjusted income from operations margin are non-GAAP measures.

Reconciliation of Income from Operations / Margin to Adjusted Income from Operations / Margin[1]

(In thousands)

	Year ended December 31,		
	2023	2024	2025
Income from operations	**$ 630,857**	**$ 702,061**	**$ 750,207**
Loss related to business held for sale	1,201	-	-
Impairment loss on asset forming part of business held for sale	802	-	-
Amortization and impairment of acquired intangible assets	31,348	26,456	24,288
Acquisition related expenses	-	-	1,310
Restructuring (income) expense	(4,874)	-	-
Stock-based compensation expense	88,576	66383	89616
Other income (expense), net	15,028	19036	22,147
Adjusted income from operations	**$ 762,938**	**$ 813,936**	**$ 887,568**
Income from operations margin	14.1%	14.7%	14.8%
Adjusted income from operations margin	**17.0%**	**17.1%**	**17.5%**

[1] Adjusted income from operations and adjusted income from operations margin are non-GAAP measures.

Reconciliation of Income from Operations / Margin to Adjusted Income from Operations / Margin[1]

(In thousands)

	2025				2026	
	Q2	Q3	Q4	FY	Q1	Q2
Income from operations	**$ 179,402**	**$ 191,642**	**$ 195,461**	**$ 750,207**	**$ 198,583**	**$ 192,942**
Amortization of acquired intangible assets	4,315	8,227	7,428	24,288	3,111	3,278
Acquisition related expenses	1310			1,310	-	-
Stock-based compensation expense	21,798	22,221	25,561	89,616	22,273	26,359
Other income (expense), net	10,445	6,817	3,207	22,147	(289)	10,979
Adjusted income from operations	**$ 217,270**	**$ 228,907**	**$ 231,657**	**$ 887,568**	**$ 223,678**	**$ 233,558**
Income from operations margin	14.3%	14.8%	14.8%	14.8%	15.3%	14.4%
Adjusted income from operations margin	**17.3%**	**17.7%**	**17.6%**	**17.5%**	**17.3%**	**17.4%**

[1] Adjusted income from operations and adjusted income from operations margin are non-GAAP measures.

Reconciliation of Net Income to Adjusted Net Income / Margin[1]

(In thousands)

	Year ended December 31,		
	2023	2024	2025
Net income	**$ 631,255**	**$ 513,670**	**$ 552,494**
Stock-based compensation expense	88,576	66,383	89,616
Amortization and impairment of acquired intangible assets	31,348	26,456	24,288
Acquisition related expenses	-	-	1,310
Restructuring (income) expense	(4,874)	-	-
Operating loss from business classified as held for sale	1,201	-	-
Loss on the sale of business classified as held for sale	802	-	-
Tax impact on stock-based compensation expense	(19,312)	(8,997)	(16,487)
Tax impact on amortization of acquired intangible assets	(8099)	(6,580)	(5,865)
Tax impact on restructuring (income) expense	1,224	-	-
Tax impact included on impairment charges on asset held for sale	(160)	-	-
Tax impact on operating loss from the business classified as held for sale	(300)	-	-
Tax benefit on intra-entity transfer of intellectual property	(169,945)	-	-
Adjusted net income	**$ 551,715**	**$ 590,932**	**$ 645,356**
Adjusted net income margin	**12.3%**	**12.4%**	**12.7%**

[1] Adjusted net income and adjusted net income margin are non-GAAP measures.

Reconciliation of Net Income to Adjusted Net Income / Margin[1]

(In thousands)

	2025				2026	
	Q2	Q3	Q4	FY	Q1	Q2
Net income	**$ 132,716**	**$ 145,831**	**$ 143,094**	**$ 552,494**	**$ 147,992**	**$ 145,737**
Stock-based compensation expense	21,798	22,221	25,561	89,616	22,273	26,359
Amortization of acquired intangible assets	4,315	8,227	7,428	24,288	3,111	3,278
Acquisition related expenses	1,310	-	-	1,310	-	-
Tax impact on stock-based compensation expense	(3,867)	(4,002)	(4,540)	(16,487)	(3,560)	(3,680)
Tax impact on amortization of acquired intangible assets	(1,066)	(2,054)	(1,678)	(5,865)	(756)	(799)
Adjusted net income	**$ 155,206**	**$ 170,223**	**$ 169,864**	**$ 645,356**	**$ 169,060**	**$ 170,895**
Adjusted net income margin	**12.4%**	**13.2%**	**12.9%**	**12.7%**	**13.0%**	**12.7%**

[1] Adjusted net income and adjusted net income margin are non-GAAP measures.

Reconciliation of Diluted EPS to Adjusted Diluted EPS[1,2]

(Per share data)	2023	2024	2025
Diluted EPS	**$ 3.41**	**$ 2.85**	**$ 3.13**
Stock-based compensation expense	0.48	0.37	0.51
Amortization and impairment of acquired intangible assets	0.17	0.15	0.14
Restructuring (income) expense	(0.03)	-	-
Operating loss from the business classified as held for sale	0.01	-	-
Impairment charge on assets classified as held for sale	-	-	-
Loss on the sale of business classified as held for sale	-	-	-
Acquisition-related expenses	-	-	0.01
Tax impact on stock-based compensation expense	(0.10)	(0.05)	(0.09)
Tax impact on amortization and impairment of acquired intangible assets	(0.04)	(0.04)	(0.03)
Tax impact on restructuring (income) expense	0.01	-	-
Tax impact on operating loss from the business classified as held for sale	-	-	-
Tax impact on impairment charge on assets classified as held for sale	-	-	-
Tax benefit on intercompany transfer of intellectual property rights	(0.92)	-	-
Adjusted diluted EPS	**$ 2.98**	**$ 3.28**	**$ 3.65**

[1] Due to rounding, the numbers in this table may not add up precisely to the totals provided.
[2] Adjusted diluted earnings per share is a non-GAAP measure.

Reconciliation of Diluted EPS to Adjusted Diluted EPS[1,2]

(Per share data)

	2025				2026	
	Q2	Q3	Q4	FY	Q1	Q2
Diluted EPS	**$ 0.75**	**$ 0.83**	**$ 0.82**	**$ 3.13**	**$ 0.86**	**$ 0.86**
Stock-based compensation expense	0.12	0.13	0.15	0.51	0.13	0.15
Amortization of acquired intangible assets	0.02	0.05	0.04	0.14	0.02	0.02
Acquisition-related expenses	0.01	-	-	0.01	-	-
Tax impact on stock-based compensation expense	(0.02)	(0.02)	(0.03)	(0.09)	(0.02)	(0.02)
Tax impact on amortization and impairment of acquired intangible assets	(0.01)	(0.01)	(0.01)	(0.09)	-	-
Adjusted diluted EPS	**$ 0.88**	**$ 0.97**	**$ 0.97**	**$ 3.65**	**$ 0.98**	**$ 1.00**

[1] Due to rounding, the numbers in this table may not add up precisely to the totals provided.
[2] Adjusted diluted earnings per share is a non-GAAP measure.

Reconciliation of Outlook for Net Income Margin to Adjusted Income from Operations Margin[1]

	Year ending December 31, 2026
Net income margin	**11.1%**
Estimated interest (income) expense, net	1.0%
Estimated income tax expense	3.5%
Estimated stock-based compensation expense	1.9%
Estimated amortization of acquired intangible assets	0.2%
Estimated foreign exchange (gain)/loss	(0.2)%
Adjusted income from operations margin	**17.7%**

	Quarter ending September 30, 2026
Net income margin	**11.0%**
Estimated interest (income) expense, net	1.1%
Estimated income tax expense	3.5%
Estimated stock-based compensation expense	2.0%
Estimated amortization of acquired intangible assets	0.2%
Estimated foreign exchange (gain)/loss	0.0%
Adjusted income from operations margin	**17.8%**

[1] Adjusted income from operations and adjusted income from operations margin are non-GAAP measures.

Reconciliation of Outlook for Income from Operations Margin to Adjusted Income from Operations Margin[1]

	Year ending December 31, 2026
Income from operations margin	**15.2%**
Estimated stock-based compensation expense	1.9%
Estimated amortization of acquired intangible assets	0.2%
Estimated other income (expense), net	0.3%
Adjusted income from operations margin	**17.7%**

	Quarter ending September 30, 2026
Income from operations margin	**15.3%**
Estimated stock-based compensation expense	2.0%
Estimated amortization of acquired intangible assets	0.2%
Estimated other income (expense), net	0.3%
Adjusted income from operations margin	**17.8%**

[1] Adjusted income from operations and adjusted income from operations margin are non-GAAP measures.

Reconciliation of Outlook for Diluted EPS to Adjusted Diluted EPS[1,2]

	Year ending December 31, 2026
Diluted EPS	**$ 3.51**
Estimated stock-based compensation expense	0.60
Estimated amortization of acquired intangible assets	0.08
Estimated tax impact on stock-based compensation expense	(0.09)
Estimated tax impact on amortization of acquired intangible assets	(0.02)
Adjusted diluted EPS	**$ 4.09**

	Quarter ending September 30, 2026	
	Lower	Upper
Diluted EPS	**$ 0.89**	**$ 0.90**
Estimated stock-based compensation expense	0.16	0.16
Estimated amortization of acquired intangible assets	0.02	0.02
Estimated tax impact on stock-based compensation expense	(0.02)	(0.02)
Estimated tax impact on amortization of acquired intangible assets	(0.00)	(0.00)
Adjusted diluted EPS	**$ 1.04**	**$ 1.05**

[1] Due to rounding, the numbers in this table may not add up precisely to the totals provided.
[2] Adjusted diluted earnings per share is a non-GAAP measure.