Cerence Investor Day
Destination Next

November 29, 2022

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Forward-Looking Statements

Statements in this presentation regarding: Cerence's future performance, results and financial condition; expected growth; multi-year targets; opportunities; business, industry and market trends; strategy regarding fixed contracts and its impact on financial results; backlog; demand for Cerence products; innovation and new product offerings; cost efficiency initiatives; and management's future expectations, beliefs, goals, plans or prospects constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that are not statements of historical fact (including statements containing the words "believes," "plans," "anticipates," "expects," "intends" or "estimates" or similar expressions) should also be considered to be forward-looking statements. Although we believe forward-looking statements are based upon reasonable assumptions, such statements involve known and unknown risk, uncertainties and other factors, which may cause actual results or performance of the company to be materially different from any future results or performance expressed or implied by such forward-looking statements including but not limited to: the highly competitive and rapidly changing market in which we operate; adverse conditions in the automotive industry, the related supply chain and semiconductor shortage, or the global economy more generally; the impacts of the COVID-19 pandemic on our and our customers' businesses; the impact of the war in Ukraine on our and our customers' businesses; our ability to control and successfully manage our expenses and cash position; escalating pricing pressures from our customers; the impact on our business of the transition to a lower level of fixed contracts, including the failure to achieve such a transition; our failure to win, renew or implement service contracts; the cancellation or postponement of existing contracts; the loss of business from any of our largest customers; effects of customer defaults; our inability to successfully introduce new products, applications and services; our strategy to increase cloud offerings; the inability to recruit and retain qualified personnel; disruptions arising from transitions in management personnel; cybersecurity and data privacy incidents; fluctuating currency rates and interest rates; inflation; and the other factors discussed in our most recent Annual Report on Form 10-K for the fiscal year ended September 30, 2022 and other filings with the Securities and Exchange Commission. Further, the inclusion of Cerence's multi-year plan in this presentation should not be regarded as predictive of actual future events, and such targets, which were based on numerous variables and assumptions that necessarily involve judgments, should not be relied upon as such or construed as financial guidance. Such plan covers multiple years, and thus, by their nature, the targets included in the plan become subject to greater uncertainty with each successive year. Accordingly, there can be no assurance that any of the targets set forth in the multi-year plan will be realized, and actual results may vary materially from those targets. We disclaim any obligation to update any forward-looking statements as a result of developments occurring after the date of this document.

Agenda

- Welcome
- Q4 FY22 & FY22 Review
- Defining the User Experience
- Introduction of Nils Schanz
- Powering the Immersive AI Experience
- Multi-Year Growth Potential
- Conclusion
- Q&A

Welcome

Stefan Ortmanns, CEO

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Built on Solid Foundation

- Evolving from a voice-only, driver-centric solution to an immersive companion experience
- Moving from a component supplier to a trusted innovation partner
- Participating in a significant and expanding served addressable market
- Significant growth opportunities after FY2023 transition year
- Experienced leadership team in place

Experienced Leadership Team Driving the Future

Stefan Ortmanns
Chief Executive Officer
and Director

Tom Beaudoin
Chief Financial Officer

Prateek Kathpal
Chief Technology Officer

Bob Ligon
Chief Revenue Officer

Nils Schanz
Chief Product Officer

Bridget Collins
Chief Transformation Officer and CIO

Jennifer Salinas
Chief Legal Counsel

Sachin Sahney
Chief Human Resources Officer

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Q4 FY22 & FY22 Review

Tom Beaudoin, CFO

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Cerence Delivers Solid Results

FY22 Bookings $684M[c]

	Q4FY22	Q4FY22 Guidance	FY22	FY22 Guidance
Revenue	$58.1M	$52M - $58M	$327.9M	$322M - $328M
GAAP Gross Margin	58.1%	52% - 57%	70.4%	70%
Non-GAAP Gross Margin	58.9%	54% - 59%	72.4%	72%
GAAP Net Income	($230.1M)[a]	($33M) – ($26M)	($310.8M)[b]	($113M) – ($107M)
AEBITDA	($3.1M)	($11M) - ($5M)	$86.4M	$79M - $85M
Non-GAAP Net Income	($5.5M)	($13M) – ($8M)	$50.4M	$44M – $48M
GAAP EPS – diluted	($5.84)	($0.83) – ($0.66)	($7.93)	($2.89) – ($2.72)
Non-GAAP EPS – diluted	($0.14)	($0.32) – ($0.20)	$1.24	$1.08 - $1.18

(a) GAAP Net Income for Q4 includes a Goodwill impairment of $213.7M. This provision is a non-cash event.

(b) In the third quarter of fiscal 2022, we established a valuation allowance of $107.6 million against our deferred tax assets in the Netherlands, which consist of tax amortizable intellectual property and net operating loss carryforwards. This provision is a non-cash event.

(c) Bookings is defined as the amount of revenue we expect to earn from an agreement with our customers for products and services. To count as a booking, we expect there to be persuasive evidence of an arrangement, which may be evidenced by a legally binding document or documents, and that the collectability of the amounts payable under the arrangement are reasonably assured.

Detailed GAAP Revenue Breakdown

In millions	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
Total License:	**$51.4**	**$46.8**	**$46.3**	**$46.4**	**$19.0**
Variable[(a)]	$20.8	$21.5	$20.2	$22.3	$19.0
Total Fixed[(b)]	$25.4	$20.1	$25.6	$23.3	**$0**
Prepaid (cash upfront)	$3.3	-	$5.7	$13.2	--
Minimum Commitment (no cash upfront)	$22.1	$20.1	$19.9	$10.1	--
Other Markets[(c)]	$5.2	$5.2	$0.5	$0.8	$0
Connected Services:	**$25.6**	**$28.2**	**$19.3**	**$20.0**	**$18.1**
Total New	$9.5[(d)]	$12.2	$11.0	$11.6	$9.6
Subscription/Usage	$9.5[(d)]	$11.3	$11.0	$9.9	$9.6
Customer Hosted[(e)]	-	$0.9	-	$1.7	-
Legacy[(f)]	$16.1	$16.0	$8.3	$8.4	$8.5
Professional Services	**$21.1**	**$19.4**	**$20.7**	**$22.6**	**$21.0**
Total Revenue:	**$98.1**	**$94.4**	**$86.3**	**$89.0**	**$58.1**

(a) Based on volume shipments of licenses net of the consumption of fixed contracts.
(b) Fixed license revenue includes prepaid and minimum commitment deals.
(c) Non-automotive revenue.
(d) Includes a negative one-time adjustment of $1.7M.
(e) Customer Hosted is a software license that allows the customer to take possession of the software and enable hosting by the customer or a third party.
(f) Legacy contract is a connected services contract with Toyota acquired by Nuance through a 2013 acquisition.

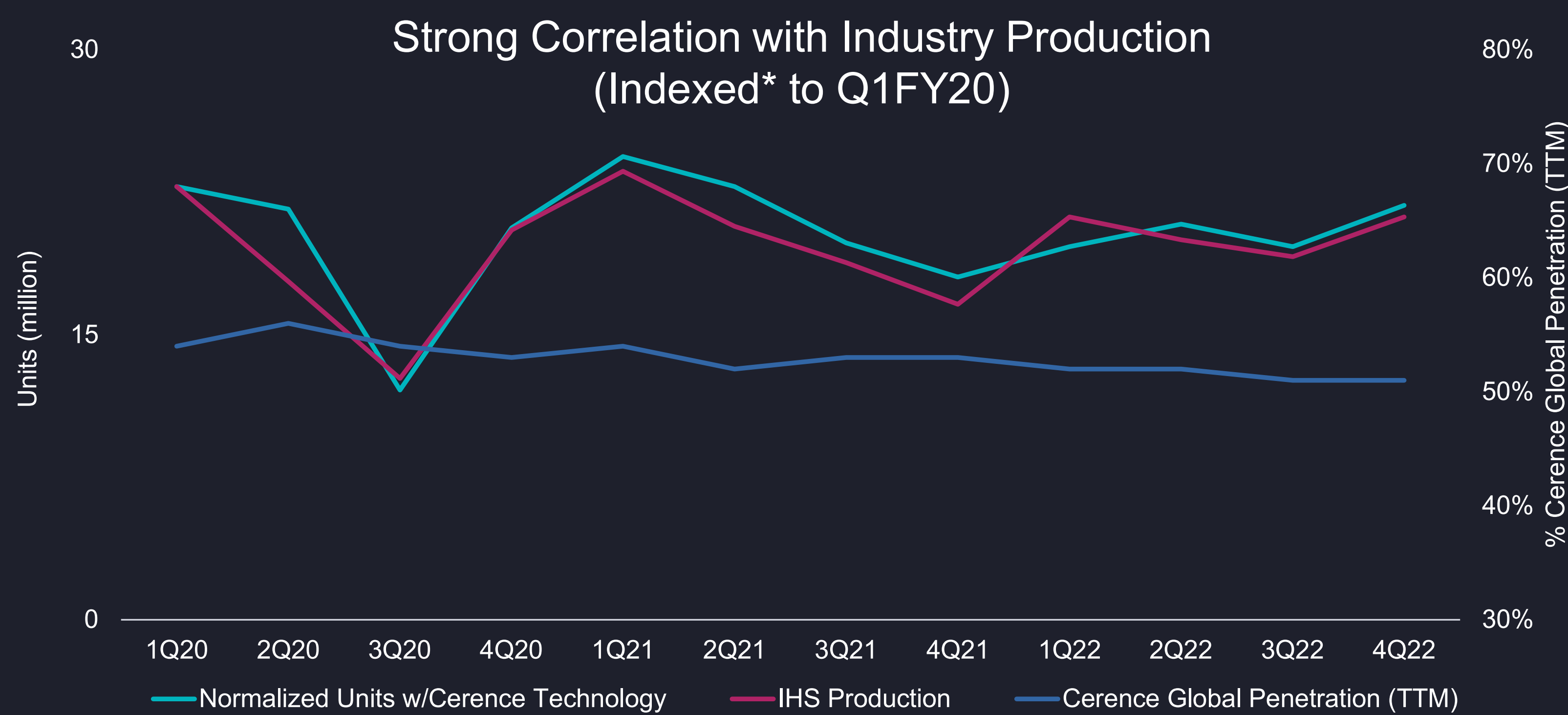
License Business Remains Strong

In millions	Fiscal Year 2021				Fiscal Year 2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Fixed Contracts	$10.1	$17.3	$18.2	$25.4	$20.1	$25.6	$23.3	$0
Pro Forma Royalties[(a)]	$48.6	$47.4	$42.9	$34.0	$39.6	$39.7	$41.5	$39.1
Consumption of Fixed Contracts[(b)]	($12.3)	($10.3)	($11.1)	($13.2)	($18.0)	($19.5)	($19.2)	($20.1)
Variable (as reported)	$36.3	$37.1	$31.8	$20.8	$21.6	$20.2	$22.3	$19.0
IHS Production (million units)	23.6	20.7	18.8	16.6	21.2	20.0	19.1	21.2

(a) Pro forma Royalties is a measure of the total value of licenses shipped in a quarter.
(b) Licenses shipped in the quarter associated with fixed contracts.

- Pro forma royalties remain solid
- Fx impact to license revenue of approx. $1M (Q4FY2022 vs. Q3FY2022)
- Consumption rate of fixed contracts peaks in H1FY23 then declines
- Return to historical levels of approximately $40 million of fixed contracts annually will lead to strong reported license growth in FY24

Cars With Cerence Technology Track Production Trends



** A scaling factor was calculated by dividing IHS production in Q1FY20 by the number of cars with Cerence technology during the same period. This factor was then applied to each of the following quarterly data points of cars with Cerence technology to indicate relative performance over time.*

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Strong KPI Performance

High Level of Engagement with Customers and Partners

- **$684M** New Bookings (FY2022)
- **16%** Growth in FY2022 Bookings (YoY)
- **11M** units with Cerence technology including **2.1M** connected (Q4FY2022)
- **8%** Growth in Billings per Car (TTM YoY)
- **15%** Increase in Monthly Active Users (YoY)
- **7.2** Years Average Contract Duration (TTM)

Defining the User Experience

Stefan Ortmanns, CEO

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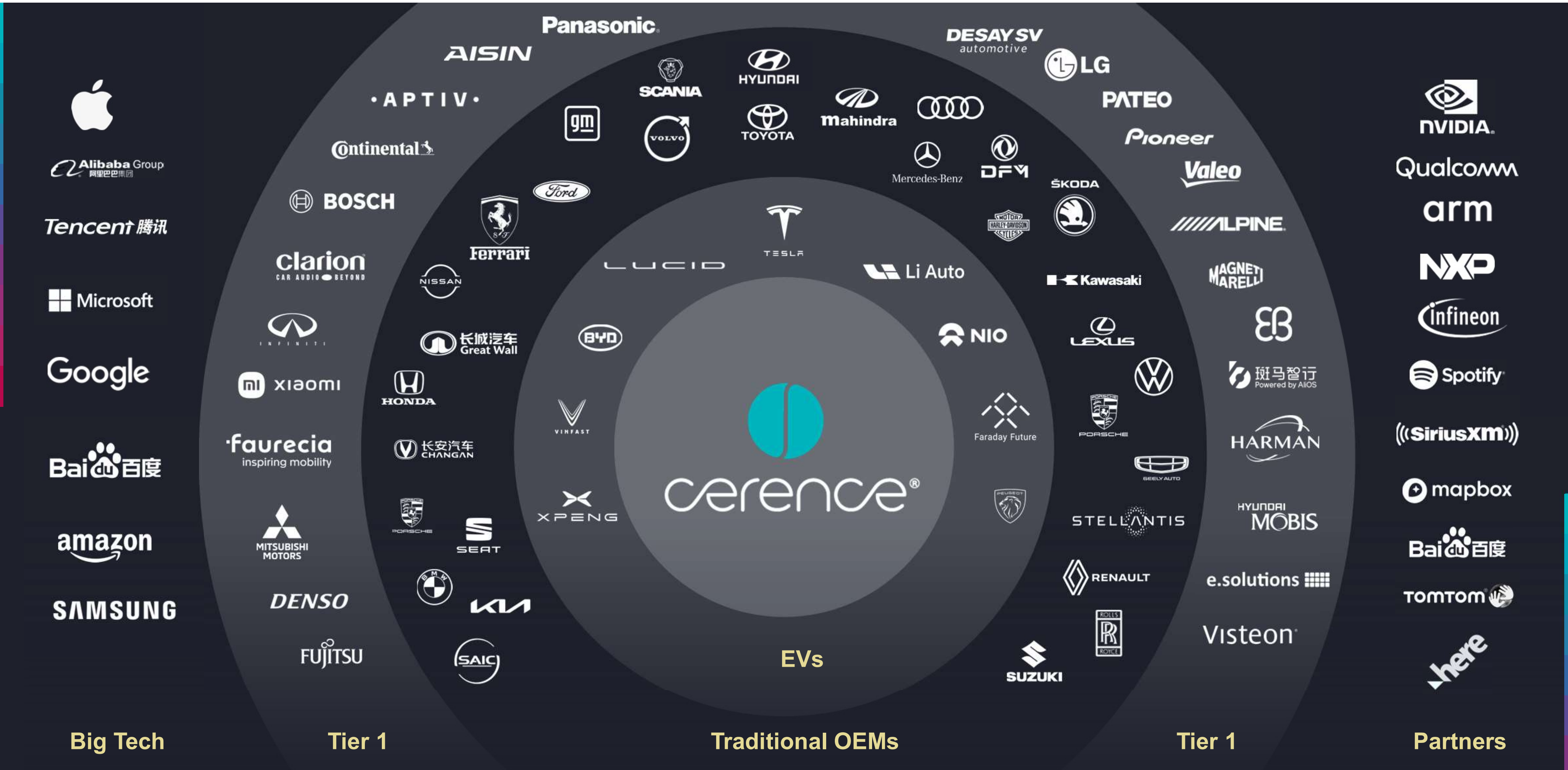
Established Leader in Mobility AI Solutions

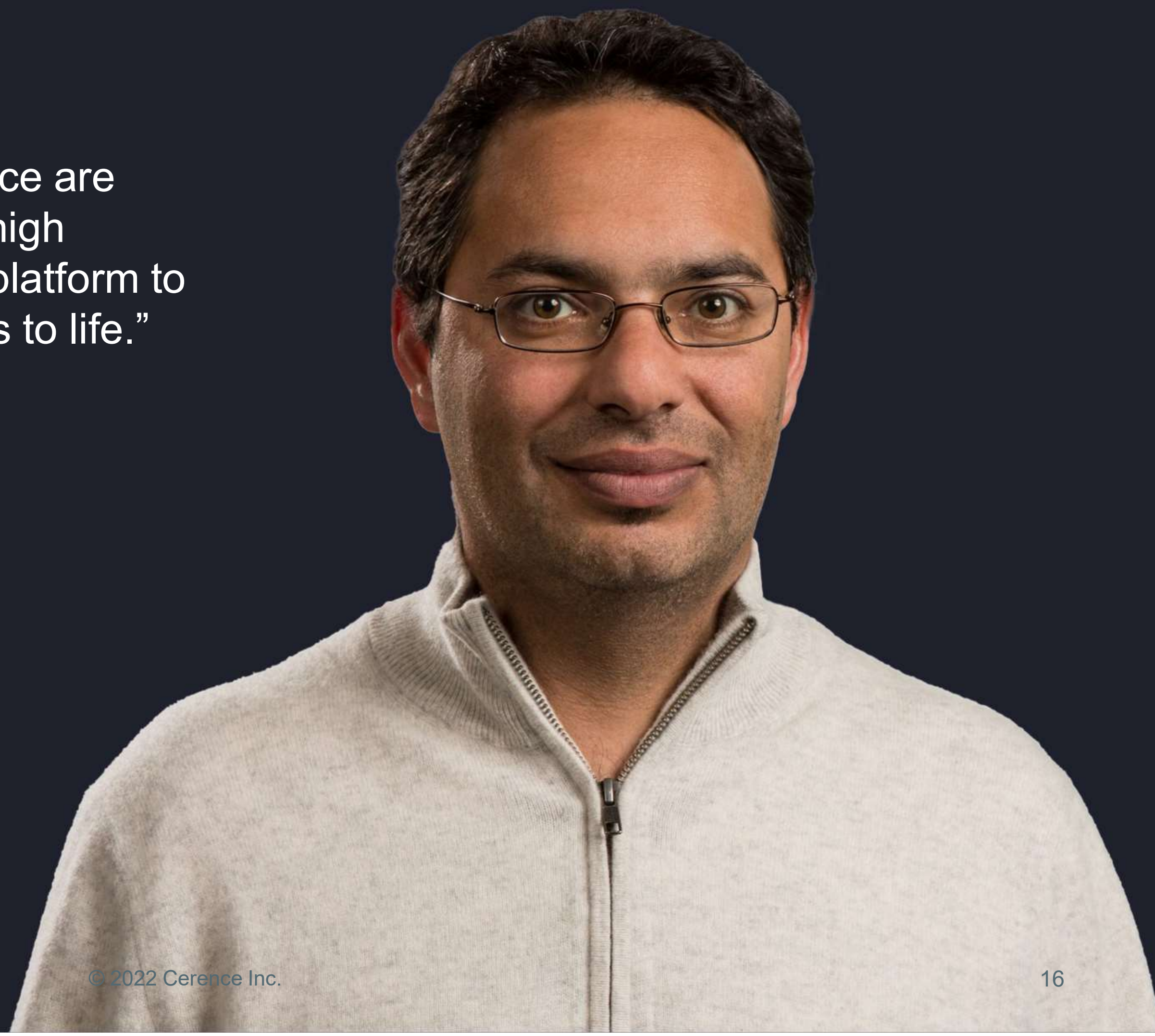
80+	450M+	51%	70	800+
Global OEMs & Tier 1 suppliers	Cars on road with Cerence technology	Of cars shipped globally with Cerence technology	Global languages supported	Patents



Cerence Has Advanced From Component Supplier To Innovation Partner

"Working together, NVIDIA and Cerence are providing the industry with a flexible, high performance, in-vehicle infotainment platform to bring new, intelligent user experiences to life."

Ali Kani
VP, General Manager Automotive at NVIDIA



NVIDIA Ali Kani Video

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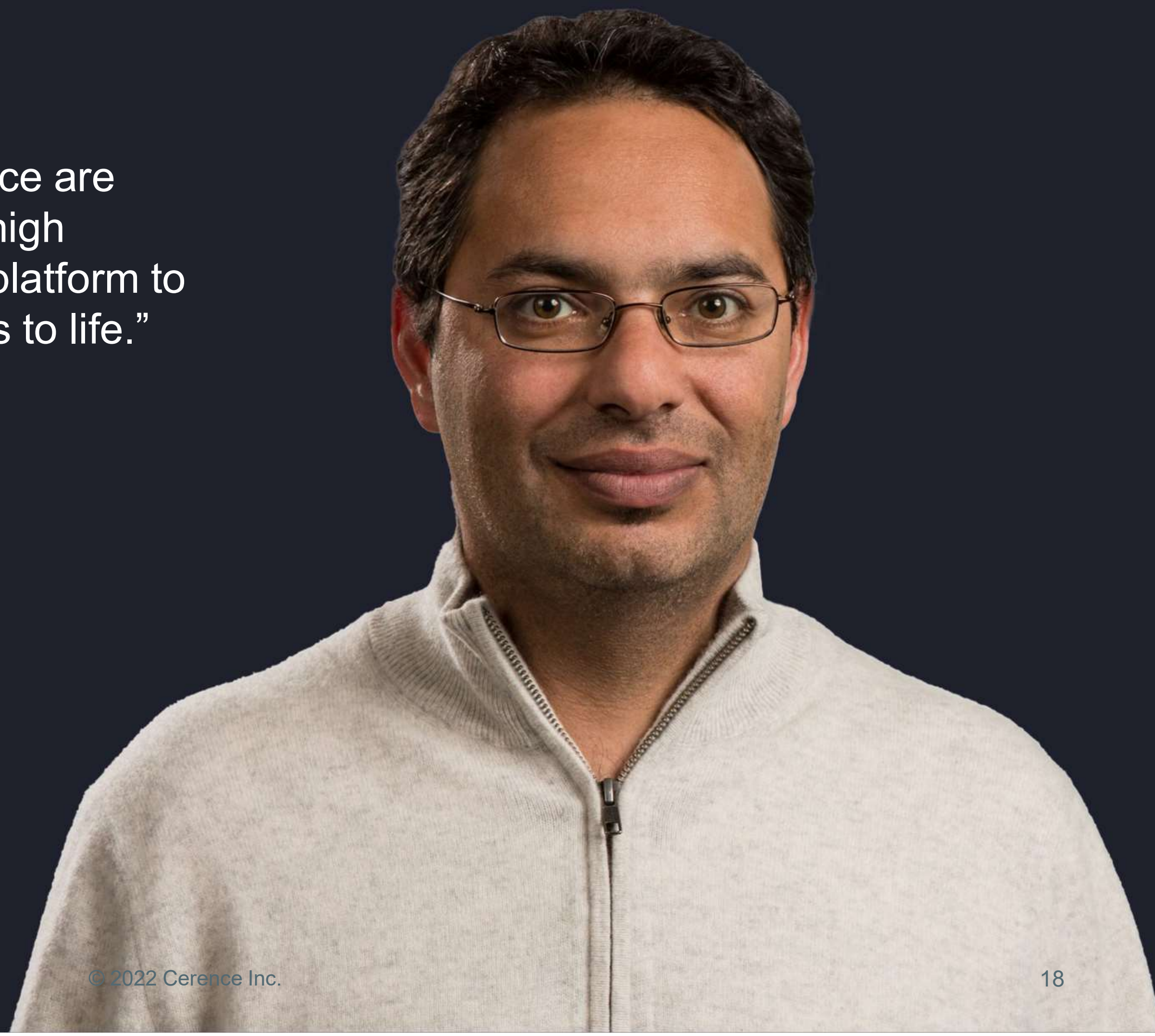
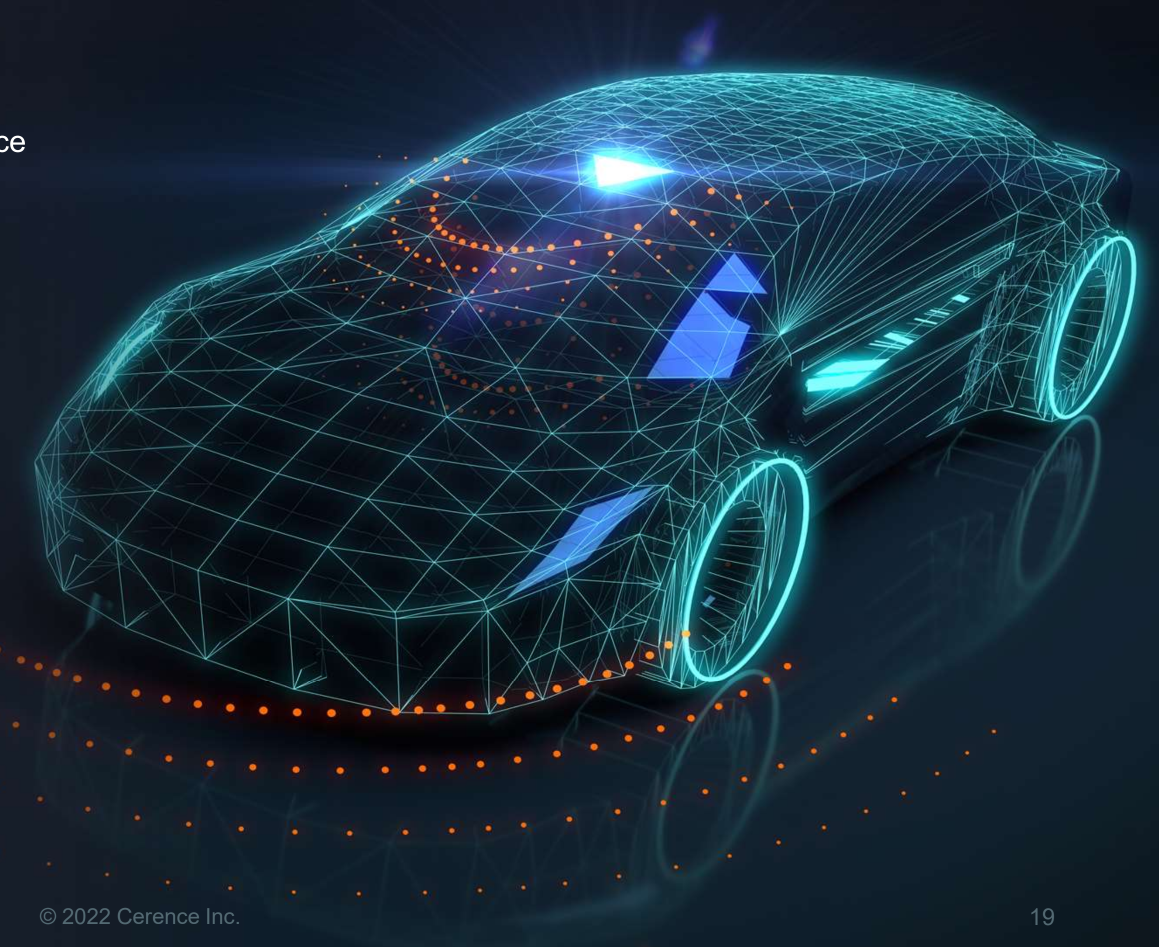


Cerence Co-Pilot Innovation on the Road Today

TRADITIONAL OEMs

NEW EVs

- Conversational AI
- Multi-Seat Intelligence
- Digital Twin
- Proactive AI
- Wake-Up Word
- Just Talk
- Swype
- Connect
- Look
- Browse
- Car Life
- EVD
- SSE
- Voice Biometrics
- Tour Guide



“Our voice control function uses pioneer technology from Cerence. It recognizes voice commands more quickly and precisely, thus, improving the level of operating and drive comfort.”

Dr. Axel Heinrich
Head of Volkswagen Electric-/Electronics Development

VW Axel Heinrich Video

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The Next Automotive Inflection Point is Here

Software-defined vehicle

Continuous digital connectivity

Convenient and immersive in-cabin experience

Application of AI Analytics

"Radically new dynamics in the early 20th century transformed cars and, in turn, the world. The next great inflection point is upon us, auguring changes no less profound."

McKinsey & Company, Mobility's Second Great Inflection Point; February 23, 2019.

Served Transportation Markets Focused on Organic Growth

Digital Cockpit & Cabin Functions

In Cabin and External AI Technologies

Scalable AI assistant	Multisensory Inputs	Cabin biometrics
Hassle-free ADAS/AD interface	Intelligent sound system	Digital twin

SAM

Applications & Cabin Controls

Cabin gaming platform	Mobility-centric commerce platform	Navigation and location services
In-vehicle AR/VR solution	Over-the-air updates	Mobile control app

TAM

OS & Middleware	Operating systems, middleware, hypervisors
Hardware	Cockpit hardware, SoCs, sensors

Not a Focus Area | Best for Organic Build | Requires M&A and Partnerships

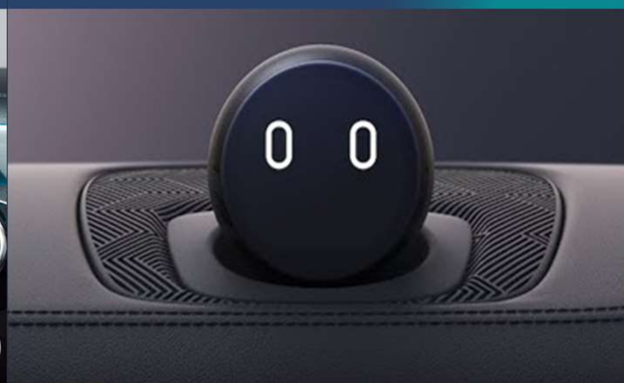
- **Scalable AI Assistant**: End-to-end digital assistant experience with data analytics and proactive AI; scalability to add addl. use cases and aggregate different assistants – AI Technologies & Teachable AI
- **Digital Twin:** Cloud-based data and analytics platform, powered by connected services, to provide insights and data services
- **Multisensory Inputs:** Full HMI solution integrating multi-modal inputs (incl. conversational AI, DMS, facial, gaze, gesture, emotion, etc.) and multi-modal outputs (incl. voice, graphic, haptic, vibration, etc.)
- **Hassle-Free ADAS/AD interface:** Natural, intuitive and safe interaction agent with AI user behavior learning to provide best UI (sign, ring, voice, vibration etc.) for ADAS/AD human-machine handover
- **Cabin Biometrics:** Biometric and identification platform with multiple biometric technologies (e.g. fingerprint, face ID, voice) for user log-in, preference loading, etc.
- **Intelligent In-Cabin and Exterior Sound/Acoustic Output Software Suite:** Acoustic effects, engine sounds, active noise control, acoustic vehicle alerting system, etc.

Innovation Beyond Voice Expands Transportation Market Opportunity for Mobility AI

- *SAM based on organic plays including adjacent transportation markets.*
- *Excludes AIoT opportunities pre- and post-FOU.*

Source: Boston Consulting Group, September 2022

Uniquely Positioned to Capitalize on Industry Trends – Why We Win!

CERENCE ASSISTANT	CERENCE CO-PILOT	CERENCE IMMERSIVE COMPANION
		
Focus On Driving	Immersive Entertainment	Smart Space in Motion

On the Road — Upcoming SOPs — FY23/24 — Future State →

L0 – L1 ADAS | L2 L2+ | L3 Autonomous | L4 - L5

Centralized Architecture & Electrification

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Beyond Voice – Creating an Immersive Companion Experience

Scalable AI

Immersive Cabin Experience

Platform & Tools

AI Technologies

Experience

Humans

“Our vision was to turn the car into a true companion. This led us to create the world’s first tangible in-car AI, NOMI. Our technical partner Cerence plays a significant role in turning NOMI into a global product.”

Mark Zhou
Executive Vice President
Member of the Executive Committee, NIO

NIO Mark Zhou Video

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Trusted Partner in Developing the World's Smartest, Fastest, and Most Immersive Companion Experience

Innovation – Cerence Immersive Companion

Foundation – Cerence Co-Pilot

TRADITIONAL OEMs

NEW EVs

- Conversational AI
- Multi-Seat Intelligence
- Digital Twin
- Proactive AI
- Wake-Up Word
- Just Talk
- Swype
- Connect
- Look
- Browse
- Car Life
- EVD
- SSE
- Voice Biometrics
- Tour Guide

New Innovations

- Surroundings Awareness
- Car Nanny Monitoring
- Wellness Sensing
- Cabin Sentry Mode
- Enhanced In-Cabin Audio AI
- Audio Boost
- Enhanced EVD
- Immersive Entertainment
- Exterior Vehicle Communication
- Human-Like Voice
- Emotion AI
- Face Biometrics
- Teachable AI
- Multi-Sensory Experience Platform
- Audio Bubbles
- Multi-Modal Interaction
- Insights/Analytics
- Productivity

Cerence Companion Video

Category Leader in Mobility AI

Well-Defined Strategy Sets Cerence Up for Success

- Lead with organic opportunities and pursue growth rooted in automotive
- Expand from driver-centric cockpit to all-occupant cabin
- Pursue adjacent transportation markets
- Focus on execution and performance
- Accelerate growth through targeted M&A and partnerships

Welcome
Nils Schanz
Chief Product Officer

- Respected and accomplished automotive and AI technology leader
- Fifteen-year veteran of Daimler and Mercedes-Benz, led MBUX, Hyperscreen, and “Hey Mercedes” voice assistant
- Long-time Cerence customer and partner

Mercedes EQS

Cerence-Powered Holistic In-Cabin Experience

- “Hey Mercedes”
- Conversational AI in 28 languages
- Multi-Seat Intelligence
- Acoustic Bubbles
- In-Cabin Biometrics
- Proactive AI
- Vision-Based Travel Knowledge

Powering the Immersive AI Experience

Prateek Kathpal, CTO

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Leading Innovator in Mobility Experience

Agile AI Solution Built on Strong Foundation of Historical Innovation

Cerence Voice

- Voice Assistant
- Natural Language Understanding

Cerence Assistant

- Conversational AI
- Wake-Up Word
- General Knowledge

Cerence Co-Pilot

- Proactive AI
- Just Talk
- Voice Biometrics
- Multi-Seat Communication
- Speech Signal Enhancement
- Home Connect
- Browse
- Environment Aware

Cerence Companion

- Teachable AI
- Human-Like Voice
- Face Biometrics
- Digital Twin with Insights
- Multi-Seat Intelligence
- Multi-Zone Acoustics
- Productivity
- Wellness Sensing
- Exterior Vehicle Communication
- Surroundings Awareness

On the Road — **Upcoming Program Launches Start of Production (SOP)** — **FY23/24** →

Creating a Truly Immersive Companion

Trivia Buff


Navigator

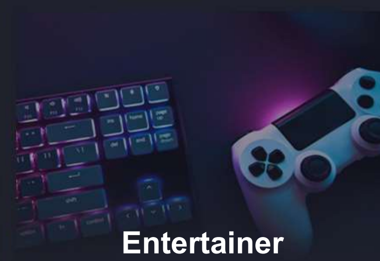
Executive Assistant


Butler

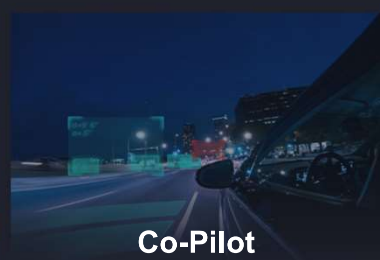

DJ

Concierge

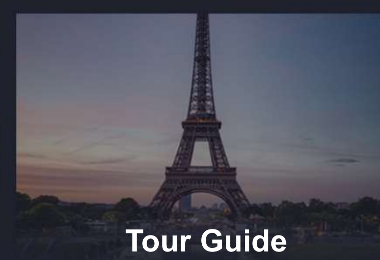
Health Coach


Entertainer

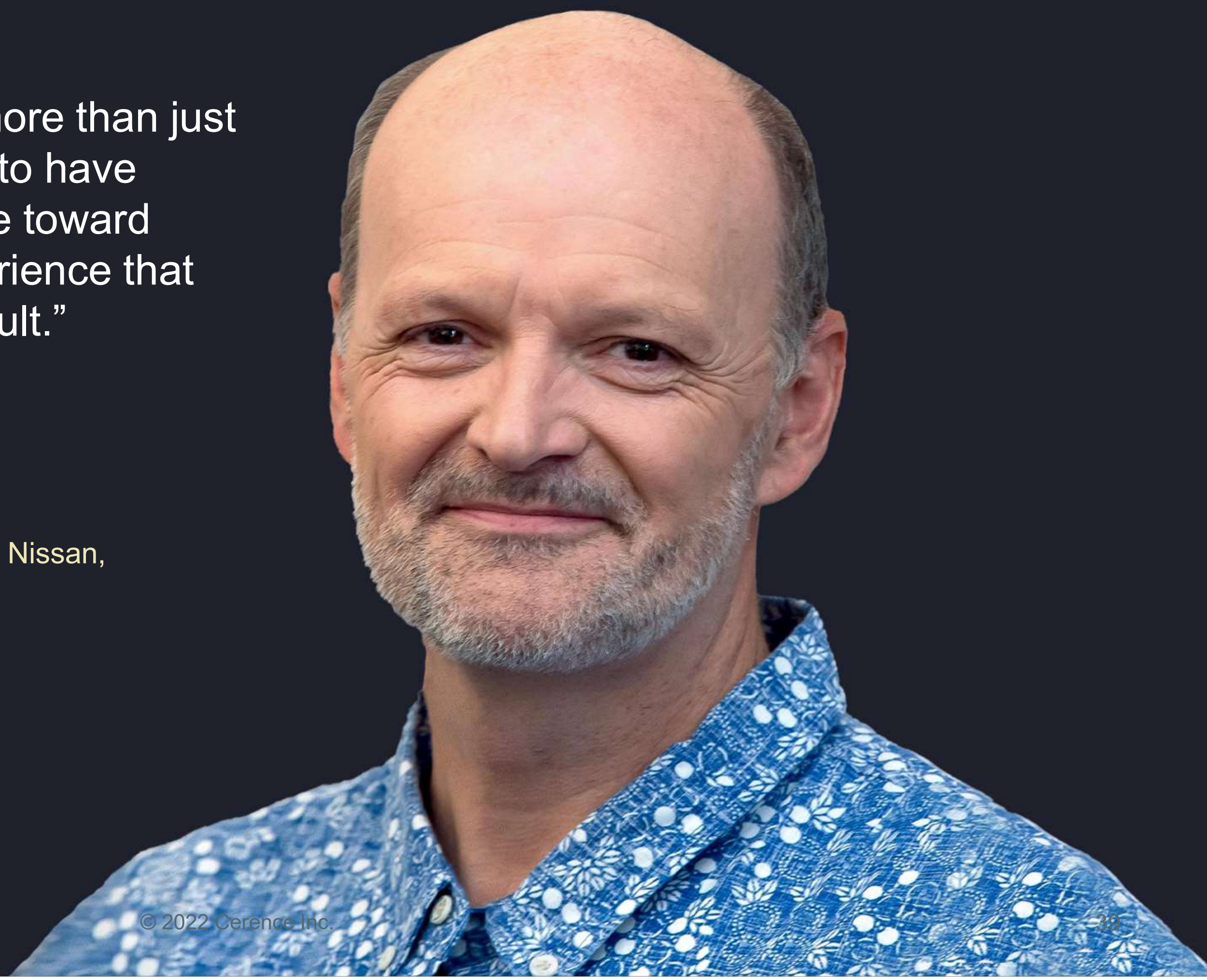

Personal Shopper


Co-Pilot

Vehicle Expert


Tour Guide

“We are hoping that the avatar is more than just your voice assistant… so we need to have technology that is going much more toward artificial intelligence…. All the experience that Cerence has is a big help for Renault.”



Dr. Luc Julia
Chief Technology Officer, Renault Group (Renault, Nissan, Mitsubishi)

Renault Luc Julia Video

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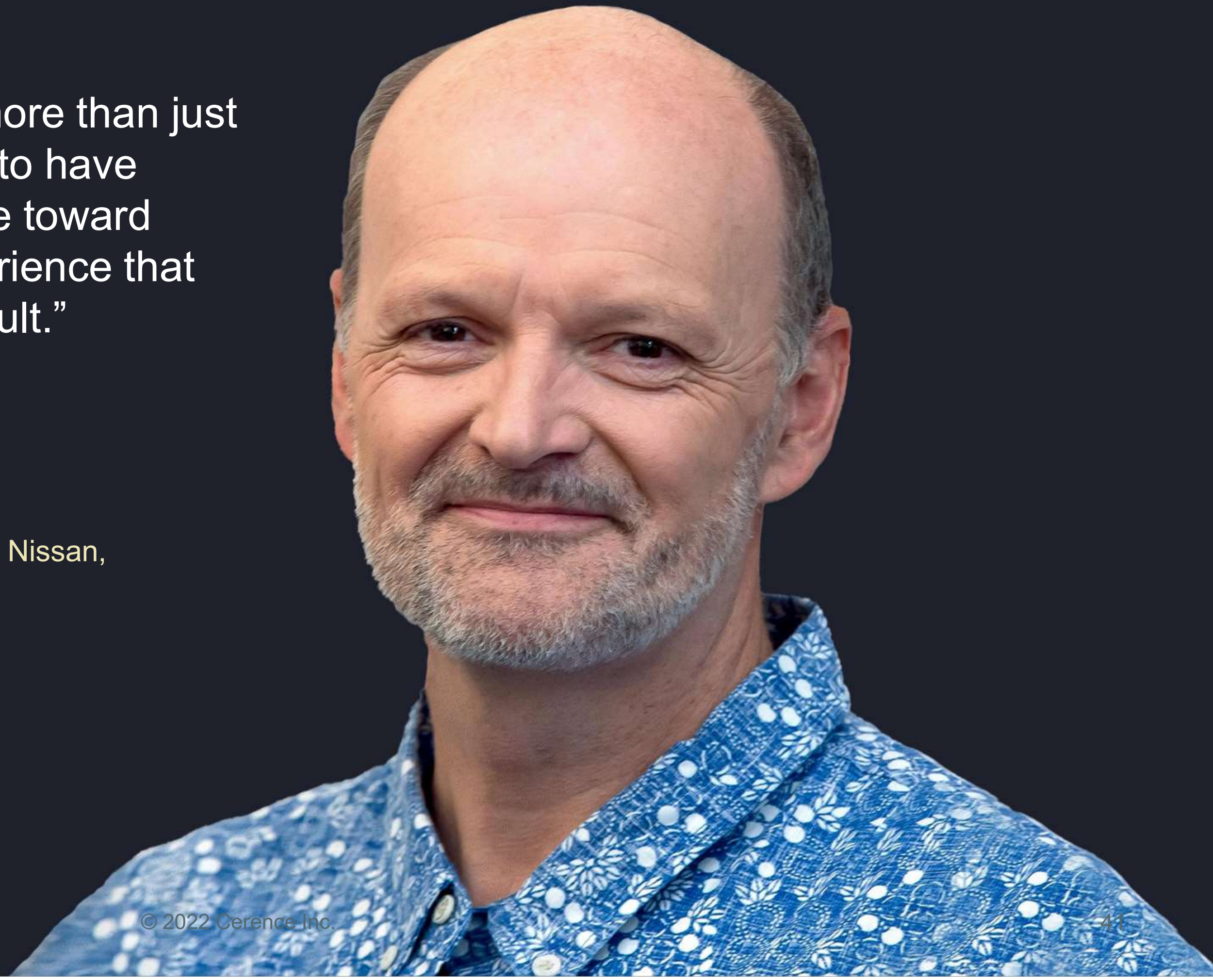
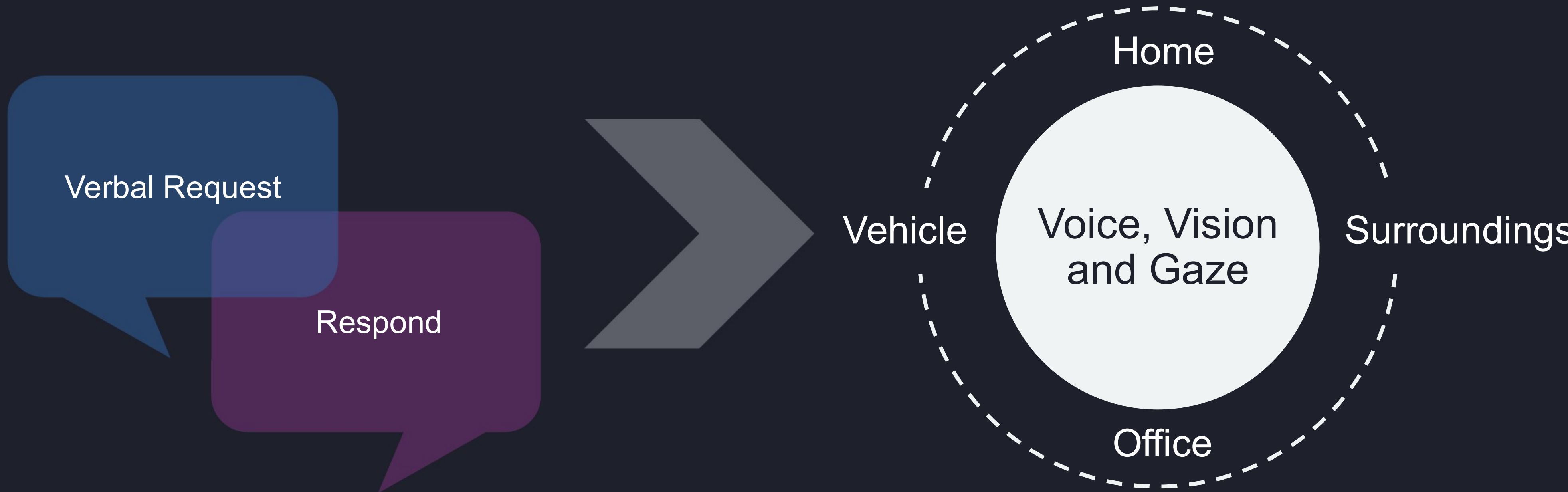


Moving Beyond Voice AI to Transform the Experience

Fragmented Approach
Restricted to interior of the vehicle

Immersive, Multi-Sensory Teachable AI
Proactive Engagement Beyond the Vehicle

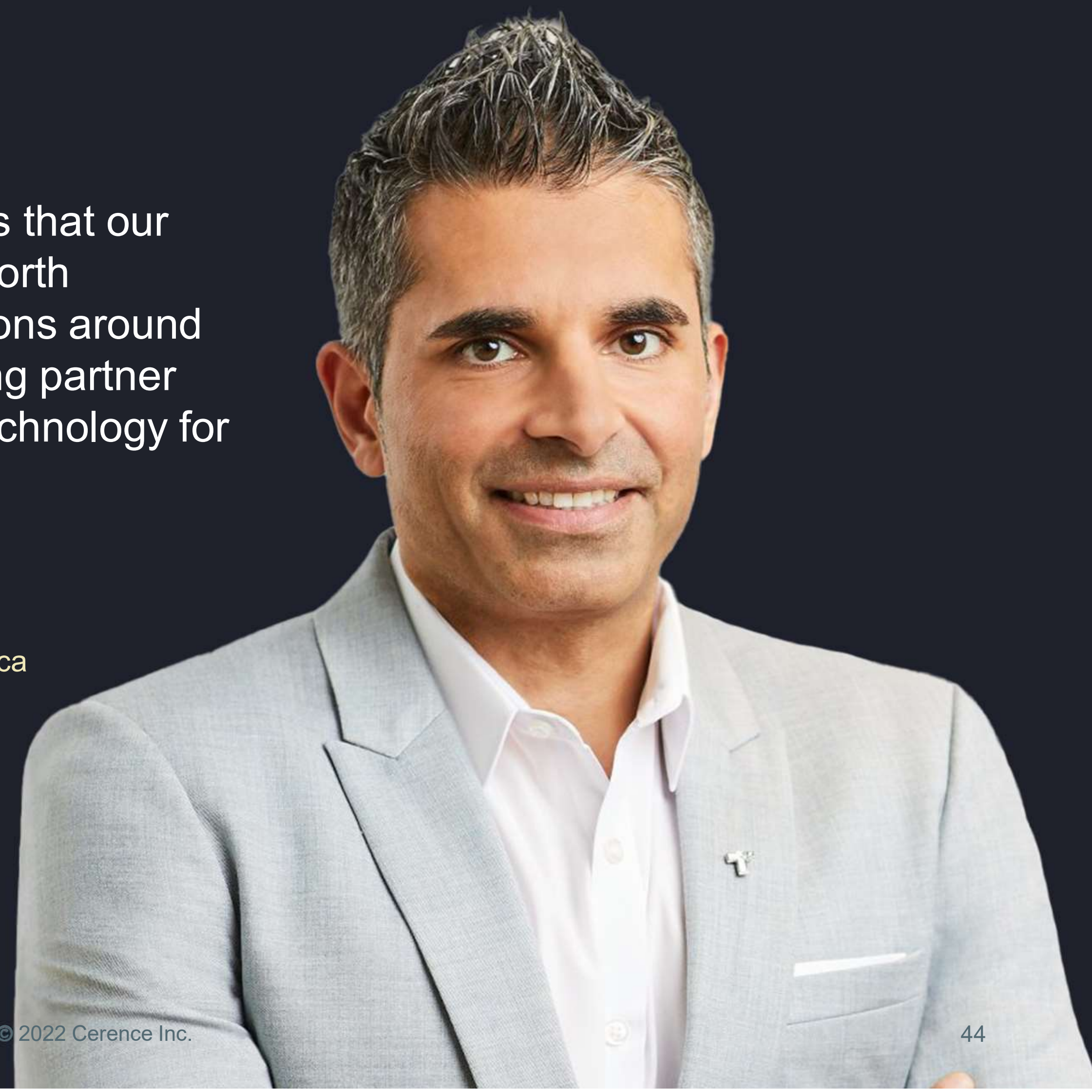


Highly Optimized, Scalable AI Proven and Compatible With Any SoC and Hybrid Architecture

- Platform-agnostic, portable code
- Pre-integrated with mapping technologies
- Certified and validated for all SoC architectures
- Compact AI models tuned to run on both edge and cloud
- Efficient AI models shorten deployment

"The great thing about Toyota Connected is that our solutions are now not only being used in North America, but they are moving to other regions around the world. To achieve that, we need a strong partner like Cerence who can provide that voice technology for those different regions."

Steve Basra
CEO and President, Toyota Connected Services North America
& Group Vice President at Toyota Motor North America



Toyota Steve Basra Video

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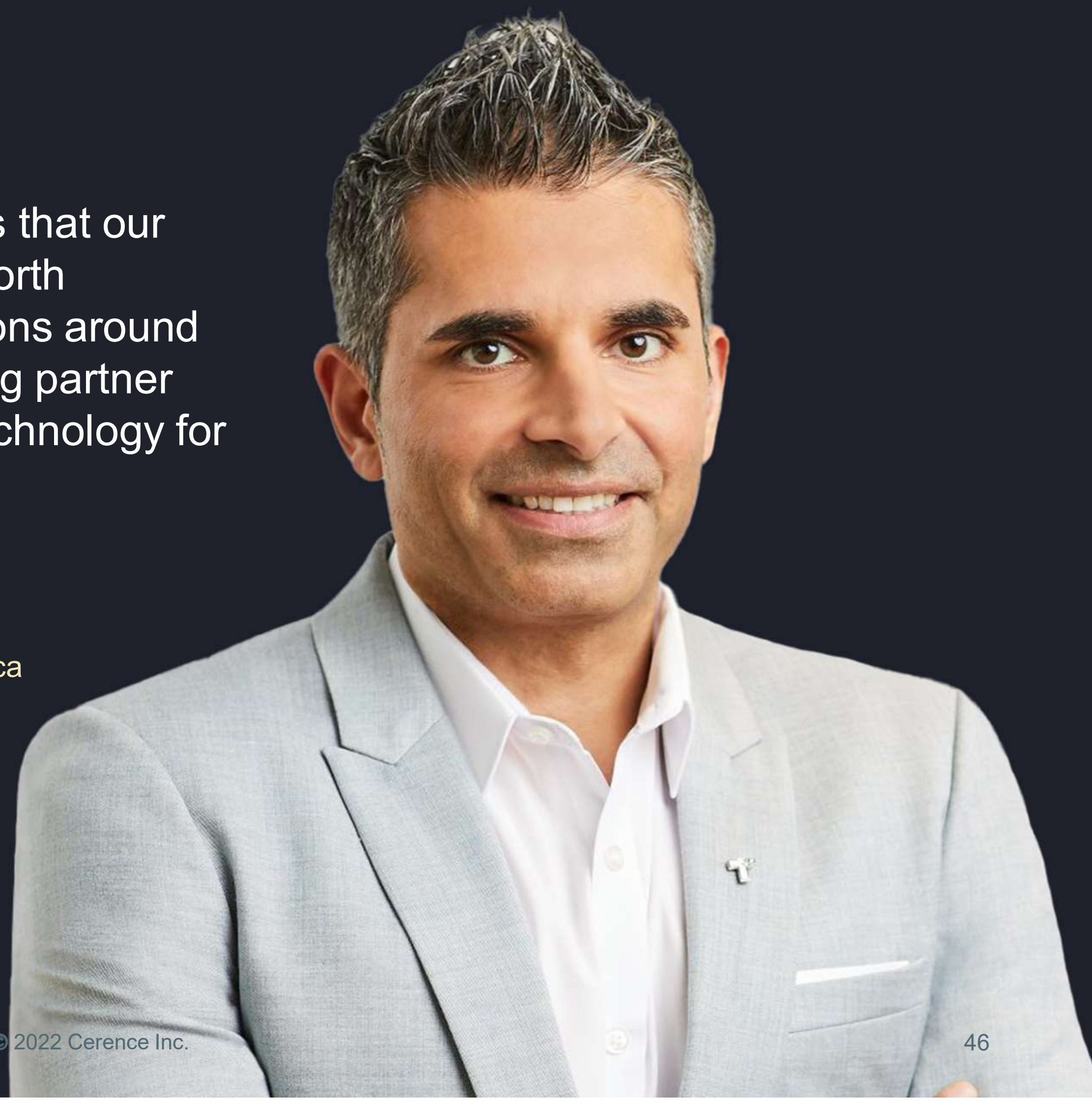


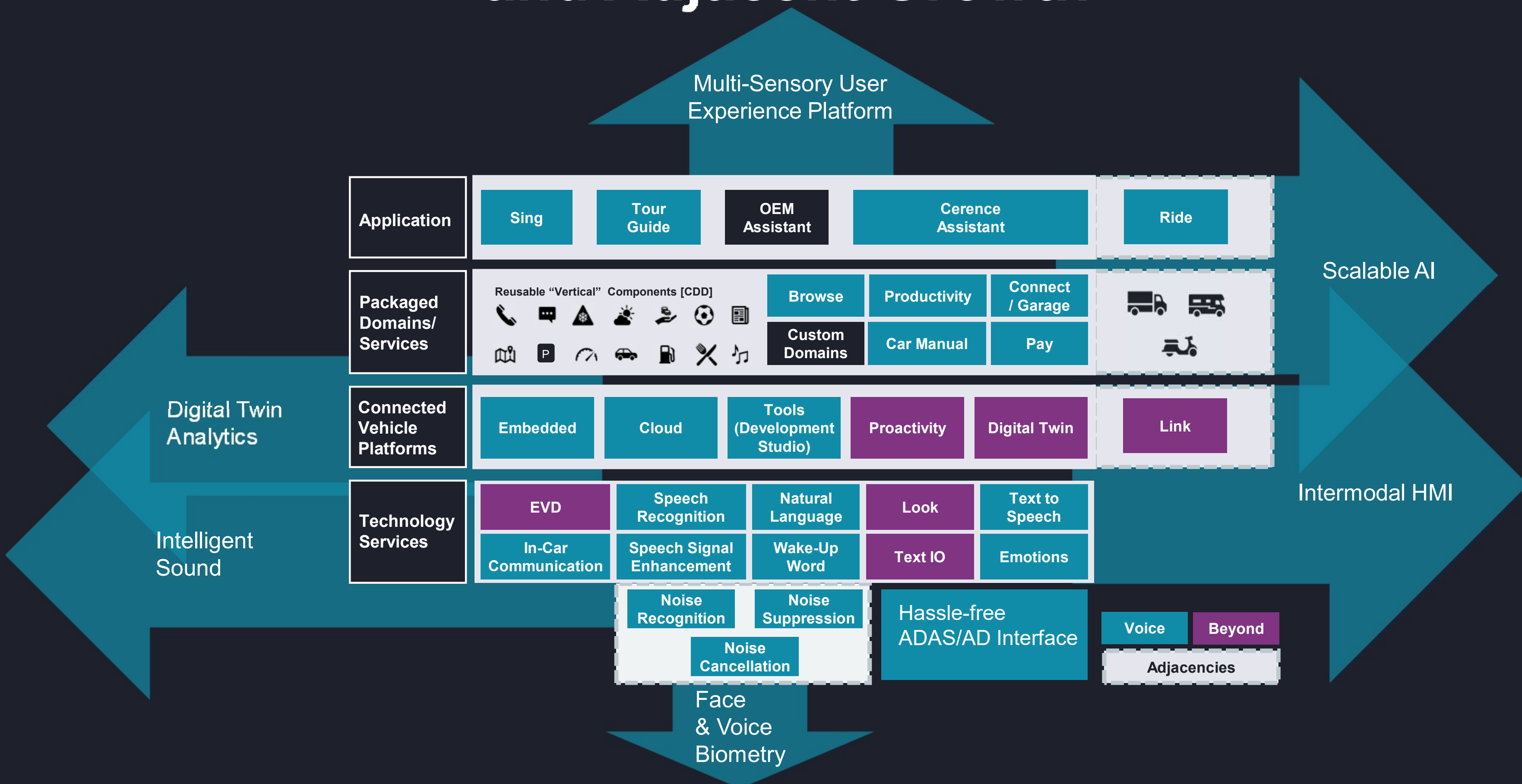
Scalable and Teachable AI Accelerating User Interactions

** Impact of supply chain, COVID & China lockdowns.*

- Monthly Cloud Transactions up 22% YoY
- Monthly Active Users up 16% YoY
- ~41m vehicles shipped with Cerence tech in FY22, which is 51% penetration
- Cloud adoption rate up to 90% for new SOP cars

"These days, drivers are using voice controls more frequently. Forty percent of owners used their in-vehicle voice systems at least once a week, up from 30% in 2019…." **The Future of Everything | Transportation – "Auto Makers Are Expanding Voice Controls for Drivers. Cars Will Talk More, Too." The Wall Street Journal, Nov. 3, 2022**

Expanded Mobility AI Platform Fuels Core and Adjacent Growth



Cerence
Audio AI Video

Cerence Companion Foundation Stack Enables Next-Generation Mobility and Transportation Experience

Application Experience	**Cerence Drive User Experience** Multi-Modal | VUI | GUI | Assistant | Applications Automotive · 2 Wheelers · Trucks · RV
Domains	**All-in-One Menu Arbitration** Cerence Drive Domains · OEM Domains · Self-Service Domains · Partner Integrations
Platforms	**Cerence Mobility Platform** Edge Platform (CDFW) · Cerence Cloud Services · Tools: Studio, BI · Data & Content Service
Hybrid AI Technologies (Edge & Cloud)	**Input AI**: Speech Recognition, Natural Language Understanding **Output AI**: Text to Speech, Natural Language Processing **Conversational AI**: Dialog Reasoning **Audio AI**: Speech Signal Enhancement, In-Car Communication, Multi-Zone Multi-Seat **Other AI Services**: Gaze & Gesture, Voice Biometrics, Face ID

- OEM Brand Experience
- OEM Data Ownership
- Fully Integrated Experience
- 70+ Language Offerings

Cerence Adjacencies Video

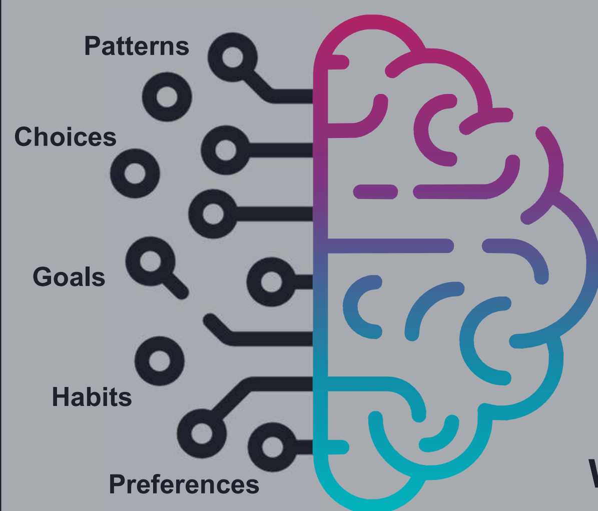
Integrated User Experience On a Global Scale

Connected Vehicle Digital Twin Enables Proactive AI

Car Sensors & Connected Inputs

- Drowsiness Detection System
- Connected Phone
- Infotainment
- HVAC
- Fuel
- EV Charge Status
- Seats
- GPS
- Air Quality Sensors

Machine Learning Preferences & Decisions



If

This

Then

That

How

Why

When

Proactive & Teachable AI

Driver Interactions with AI Companion

- Voice interaction
- Text-to-speech
- Handwriting & Swype
- Gaze tracking
- Gesture recognition
- Emotion detection
- Biometrics

Restaurant Reservation Video

Expanding Delivery Models Accelerate Speed to Market and Growth

High Services

Low Services

Customizable Technology Stack
Start with individual technology components and build upon

Out-of-the-Box Cloud & Embedded Products
Ready to be deployed and integrated

Extensible Experience
Leverage Cerence integrated development environment to extend the products

Why We Succeed: Combine an OEM-Centric Position Across Ecosystems With the Best In-Car Experience

1. We enable OEMs to connect seamlessly across consumer ecosystems
2. We create an integrated, streamlined, context-aware user experience

COMPANION TEACHABLE AI

Identify

Cerence, adjust ambient lights to relaxing mode.

I don't know what relaxing mode means. Can you teach me?

Learn

Well, I mean set ambient lights to blue and turn on slow music of Sounds of the Sea.

Got it. Setting ambient lights to relaxing mode.

Reuse

Cerence, adjust ambient lights to relaxing mode.

Sure. Setting ambient lights to blue and turning on slow music of Sounds of the Sea for relaxation.

Multi-Year Growth Potential

Tom Beaudoin, CFO

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Strategic Decision to Return Fixed Contracts to Historical Level of Approximately $40M Annually

Enhanced clarity into revenue streams and strong underlying business

More predictable results that are comparable period to period

Mitigate economic pressures as customers seek higher discounts and concessions

Transitional year in Fiscal 2023 followed by strong growth in license revenue and earnings potential

Transformation – Aligning Costs to Strategy

Improve Our Organization Structure

Enhance Our Ways of Working

Accelerate Our Product Portfolio and Underlying Technology

Fiscal Q1 and Full Year 2023 Guidance

	Q1 FY23 Guidance		FY23 Guidance	
In millions except per share amounts	Low	High	Low	High
Revenue	$75	$79	$270	$290
GAAP Gross Margin	67%	68%	64%	66%
Non-GAAP Gross Margin [a]	69%	71%	66%	68%
GAAP Operating Margin	(17%)	(12%)	(19%)	(15%)
Non-GAAP Operating Margin [a]	10%	14%	6%	8%
GAAP Net (Loss) Income [b]	($19)	($16)	($76)	($68)
Adjusted EBITDA [a]	$10.5	$14	$26	$34
Adjusted EBITDA Margin [a]	14%	18%	10%	12%
GAAP EPS – diluted	($0.48)	($0.40)	($1.88)	($1.68)
Non-GAAP EPS – diluted [a]	$0.07	$0.11	($0.14)	($0.02)

(a) Non-GAAP excludes acquisition-related costs, amortization of acquired intangible assets, restructuring expense, and stock-based compensation.
(b) Refer to the Appendix for more information on GAAP to non-GAAP reconciliations.

Tailwinds:

- 95% revenue visibility for full fiscal year
- Conservative view on auto production

Headwinds:

- Continued chip shortage, shipping and production issues
- Currency risks
- Inflation and recession concerns

Assumptions:

- Includes $18M of fixed contracts in Q1FY23 and $40M for full year

Strong Revenue Growth Targets in Multi-Year Plan

	FY2022	FY2023	FY2024	FY2025	FY2026	
	Actual	Guidance (Mid-Point)	Target[b]	Target[b]	Target[b]	CAGR (FY2022 to FY2026)
Total Revenue	**$327.9M**	**$280M**	**$385M**	**$450M**	**$515M**	**12%**
Core Auto	$277.7M	$243M	$340M	$389M	$458M	**13%**
Transportation Adjacencies	$-	$1M	$6M	$12M	$19M	**682%**
Non-Transportation[a]	$8.2M	$2M	$5M	$15M	$30M	**38%**
Other (Toyota legacy, other)	$42.0M	$34M	$34M	$34M	$8M	**N/A**

(a) FY22 Non-Transportation revenue includes specialty deals and fitness, FY23 – FY26 revenue driven by AIoT.

(b) Target does not equate to guidance but rather is a reasonable objective based on the company's strategic plans and third-party available information as of the date of this presentation.

Growing PPUs Expected From New License Program Launches

Implied Price Per Unit (PPU)			
Customer	**FY23**	**FY24**	**Estimated Program Launch**
Japanese OEM	$4.2	$5.1	Shipping
Luxury German OEM	$5.8	$8.1	Q1FY23
North American OEM	$4.2	$4.9	Q2FY23
European OEM	$5.0	$7.3	Q4FY23
Dutch OEM	$3.1	$4.0	Q1FY24
All other customers	$3.3	$3.7	
Total Cerence	$3.8	$4.8	
Pro Forma License Revenue	$161M	$223M	

- Growth in price per unit from new innovations previously booked with upcoming scheduled launches (SOPs)
- Total Cerence Implied Price Per Unit (PPU) in FY24 up 26% compared to FY23

Bookings to Revenue Cycle Provides Visibility to Future Growth

~ 18 months from booking to product revenue recognition for new programs
Program extensions typically one to three months in advance of revenue contribution

	FY21 Ending 5-Year Backlog[(a)]	FY22 Ending 5-Year Backlog[(a)]
License	$730M	$574M
Connected	$497M	$384M
Pro Services	$110M	$131M
Total Ending 5-Year Backlog	**$1.3B**	**$1.1B**

Previous bookings related to program redesign or enhancement by OEMs have been removed from backlog. New bookings related to these programs are expected in FY23.

(a) 5-Year backlog represents the total revenue expected from signed contracts with customers to be reported over the following 5-year period.

Robust and Balanced Backlog Provides High Visibility (Core Auto)

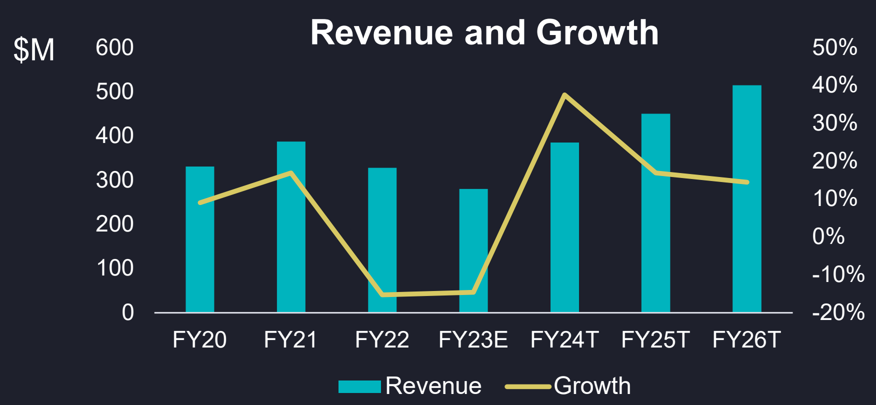
	FY23E	FY24T[(a)]	FY25T[(a)]	FY26T[(a)]
Revenue	$280M	$385M	$450M	$500M
Expected Backlog Contribution	$251M	$234M	$241M	$191M
% Visibility	95%	75%	65%	51%

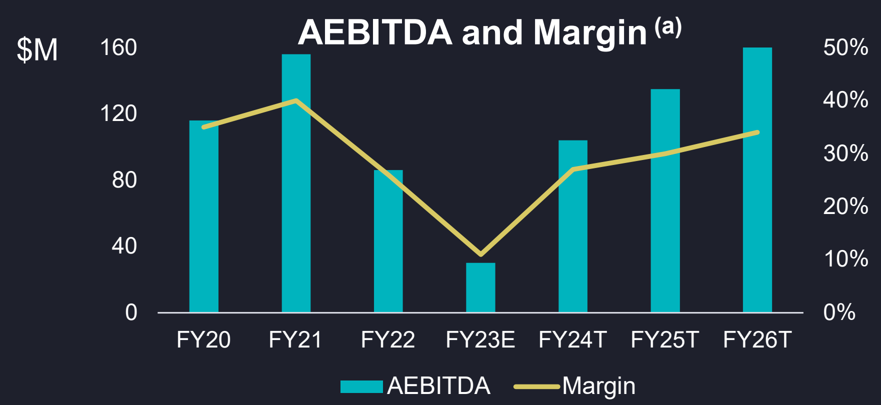
(a) Target does not equate to guidance but rather is a reasonable objective based on the company's strategic plans and third-party available information as of the date of this presentation.

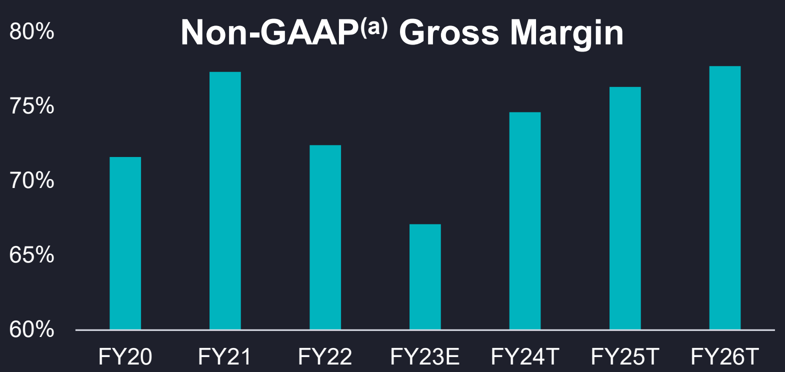
% Visibility includes contribution from backlog plus extensions of existing programs

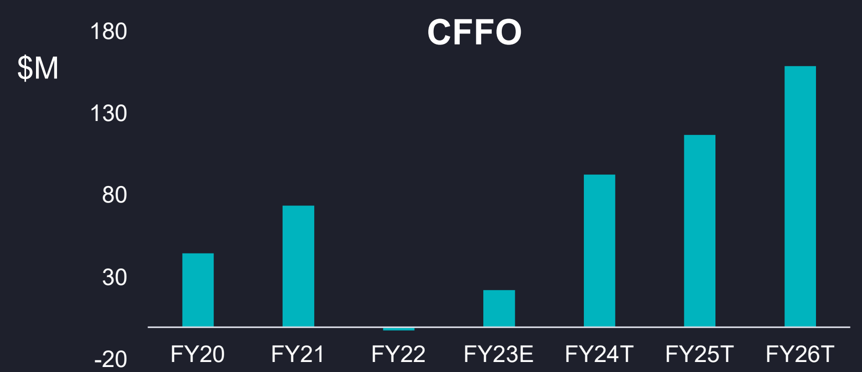
FY27 expected backlog contribution is $171M. 5-Year expected backlog contribution is $1.1B

Strong Growth and Financial Performance Post-Transition Year









(a) Non-GAAP excludes acquisition-related costs, amortization of acquired intangible assets, restructuring expense, and stock-based compensation.

Multi-Year Plan Yields Long-Term Growth, Profitability and Cash Flow

	FY2021	FY2022	FY2023[b]	FY2024[c,d]	FY2025[c,d]	FY2026[c,d]
	Actual	Actual	Guidance Mid-Point	Target	Target	Target
Total Revenue	**$387M**	**$328M**	**$280M**	**$385M**	**$450M**	**$515M**
GAAP GM %	74%	70%	65%	72%	73%	75%
Non-GAAP GM %[a]	77%	72%	67%	75%	76%	78%
GAAP OM %	16%	(56%)	(17%)	9%	16%	23%
Non-GAAP OM %[a]	38%	24%	7%	24%	28%	32%
GAAP Net Income	$46M	($311M)	($72M)	$3M	$32M	$68M
Adjusted EBITDA[a]	$156M	$86M	$30M	$104M	$135M	$175M
EBTIDA Margin %	40%	26%	11%	27%	30%	34%
CFFO	$74M	($2M)	$23M	$93M	$117M	$159M

(a) Non-GAAP excludes acquisition-related costs, amortization of acquired intangible assets, restructuring expense, and stock-based compensation.

(b) For fiscal year 2023 guidance please refer to the appendix for GAAP to Non-GAAP reconciliation.

(c)Target does not equate to guidance but rather is a reasonable objective based on the company's strategic plans and third-party available information as of the date of this presentation.

(d) Cerence is not providing a reconciliation of certain forward-looking, non-GAAP financial information because Cerence is unable to provide this reconciliation without unreasonable effort due to information regarding the relevant adjustments not being ascertainable or accessible. Such information could be material to future results.

Key Takeaways

Strategic and operational excellence coupled with clear line of sight provides predictable view of long-term, sustainable growth.

- Strong financial model with long-term outlook
- High visibility of business from backlogs to revenue generation
- Contained fixed contracts to $40M annually
- Focused on operational excellence
- Prudent capital deployment
- Achievable guidance and long-term financial goals

Conclusion

Stefan Ortmanns, CEO

Destination Next

Best Positioned to Maintain and Expand our Category Leadership in Mobility AI

Partnering with our global customers to…

- Strengthen and differentiate their brands
- Secure their end-user data and data privacy
- Monetize digital services and create new revenue streams
- Know and embrace their customers
- Collect insights to learn and improve
- Differentiate from their competition
- Improve the end-user experience and excitement
- Offer best technologies from edge to cloud
- Extend and strengthen their global footprint

Deeply Focused on Innovation and Execution

Accomplished

- New leadership team
- Established long-term growth strategy
- Efficiently managing costs
- Contained fixed contracts
- Winning new business with a strong pipeline
- Focused on long-term model and value creation

Continued Focus

- Strong bookings performance, including win-backs
- Innovate and expand leading-edge capabilities
- Deliver on FY23 guidance and longer-term goals
- Execute on new market opportunities
- Implement efficiency programs

Destination Next

Fueling Growth by Creating an Immersive Cabin Experience

- Evolving from a voice-only, driver-centric solution to an immersive companion experience
- Moving from a component supplier to a trusted innovation partner
- Participating in a significant and expanding served addressable market
- Significant growth opportunities after FY2023 transition year
- Solid long-term financial model with significant visibility and sustainability

Q&A

Destination Next

Appendix

Glossary of Terms

TERM	DESCRIPTION
AD	/Automated Driving
ADAS	Advanced Driver Assistance Systems
AIoT	Artificial Intelligence Internet of Things
ASR	Automatic Speech Recognition
AR/VR	Augmented Reality/Virtual Reality
CDD	Cerence Drive Domains
CDFW	Cerence Drive Framework
CFFO	Cash Flow From Operations
EVD	Emergency Vehicle Detection
EVs	Electric Vehicles
FOTA	Firmware Over The Air
FOU	Field of Use
GPS	Global Positioning System
GUI	Graphical User Interface
HMI	Human-Machine Interface
HVAC	Heating, Ventilation, and Air Conditioning

TERM	DESCRIPTION
L [0-5]	Levels of Autonomous Driving: Level 0 (No Driving Automation) Level 1 (Driver Assistance) Level 2 (Partial Driving Automation) Level 3 (Conditional Driving Automation) Level 4 (High Driving Automation) Level 5 (Full Driving Automation)
NLU	Natural Language Understanding
OS	Operating System
RV	Recreational Vehicle
SoC	System On a Chip
SOP	Start of Production
SOTA	Software Over the Air
SSE	Speech Signal Enhancement
Text IO	Swype, handwriting
TTS	Text-to-Speech
UI	User Interface
UX	User Experience
VUI	Voice User Interface

License Business Revenue Recognition

Type of Contract	Description	GAAP Revenue Recognition	Cash Receipt
Variable	License applied at production	Quarter car is produced. Based on volume	Quarter following GAAP revenue recognition
Fixed (Pre-Pay)	Bulk inventory purchase ($ based)	Full value of contract at signing. Volume independent	Standard payment terms for full value (upfront payment)
Fixed (Minimum Commitment)	Commitment to purchase ($ based) in a specified time period. (1 – 5 years)	Full value of contract at signing. Volume independent	Based on shipment volumes over multiple years

The fixed contracts only apply to the license business. If a car is also using our connected services, it will follow the normal billing and revenue recognition process regardless of whether a variable or fixed license was applied.

The fixed contracts typically provide the customer with a price discount and can include the conversion of a variable contract that is already in our variable backlog.

Connected and Professional Services Revenue Recognition

Connected Services	Typical Period	GAAP Revenue Recognition	Cash Receipt
Subscription Term	1 – 5 years	Amortized evenly over subscription period	Billed/collected full amount at start of subscription period (value added to deferred revenue)
Usage Contract[(a),(b)]	1 – 5 years	Recognized at same time of billing based on actual usage	Billed every quarter based on actual usage
Customer Hosted[(c)]	License	Quarter in which license is delivered to customer	Upon delivery

(a) Approximately 30% of new connected revenue is usage based and is primarily with one customer
(b) Usage can be defined by number of active users or number of monthly transactions
(c) Customer Hosted is a software license that allows the customer to take possession of the software and enable hosting by the customer or a third-party

Professional Services	Period	GAAP Revenue Recognition	Cash Receipt
Custom Design Services	Ongoing	Revenue is recognized over time based upon the progress towards completion of the project	Billed/collected on milestone completion

KPI Measures – Definitions

Key performance indicators

We believe that providing key performance indicators ("KPIs"), allows investors to gain insight into the way management views the performance of the business. We further believe that providing KPIs allows investors to better understand information used by management to evaluate and measure such performance. KPIs should not be considered superior to, or a substitute for, operating results prepared in accordance with GAAP. In assessing the performance of the business during the three months ended September 30, 2022, our management has reviewed the following KPIs, each of which is described below:

Percent of worldwide auto production with Cerence technology: The number of Cerence enabled cars shipped as compared to IHS Markit car production data.

Average contract duration: The weighted average annual period over which we expect to recognize the estimated revenues from new license and connected contracts signed during the quarter, calculated on a trailing twelve months ("TTM") basis and presented in years.

Repeatable software contribution: The percentage of repeatable revenues as compared to total GAAP revenue in the quarter on a TTM basis. Repeatable revenues are defined as the sum of License and Connected Services revenues.

Change in number of Cerence connected cars shipped: The year over year change in the number of cars shipped with Cerence connected solutions. Amounts are calculated on a TTM basis.

Growth in billings per car: The rate of growth calculated from the average billings per car based on a trailing twelve month comparison while excluding legacy contract and adjusted for prepay usage.

Non-GAAP Financial Measures – Definitions

Discussion of Non-GAAP Financial Measures

We believe that providing the non-GAAP information in addition to the GAAP presentation, allows investors to view the financial results in the way management views the operating results. We further believe that providing this information allows investors to not only better understand our financial performance, but more importantly, to evaluate the efficacy of the methodology and information used by management to evaluate and measure such performance. The non-GAAP information should not be considered superior to, or a substitute for, financial statements prepared in accordance with GAAP.

We utilize a number of different financial measures, both GAAP and non-GAAP, in analyzing and assessing the overall performance of the business, for making operating decisions and for forecasting and planning for future periods. While our management uses these non-GAAP financial measures as a tool to enhance their understanding of certain aspects of our financial performance, our management does not consider these measures to be a substitute for, or superior to, the information provided by GAAP financial statements.

Consistent with this approach, we believe that disclosing non-GAAP financial measures to the readers of our financial statements provides such readers with useful supplemental data that, while not a substitute for GAAP financial statements, allows for greater transparency in the review of our financial and operational performance. In assessing the overall health of the business during the three months ending September 30, 2022 and 2021, our management has either included or excluded the following items in general categories, each of which is described below.

Adjusted EBITDA

Adjusted EBITDA is defined as net income attributable to Cerence Inc. before net income (loss) attributable to income tax (benefit) expense, other income (expense) items, net, depreciation and amortization expense, and excluding acquisition-related costs, amortization of acquired intangible assets, stock-based compensation, and restructuring and other costs, net or impairment charges related to fixed and intangible assets and gains or losses on the sale of long-lived assets, if any. From time to time we may exclude from Adjusted EBITDA the impact of events, gains, losses or other charges (such as significant legal settlements) that affect the period-to-period comparability of our operating performance. Other income (expense) items, net include interest expense, interest income, and other income (expense), net (as stated in our Condensed Consolidated Statement of Operations). Our management and Board of Directors use this financial measure to evaluate our operating performance. It is also a significant performance measure in our annual incentive compensation programs.

Non-GAAP Financial Measures – Definitions

Restructuring and other costs, net.

Restructuring and other charges, net include restructuring expenses as well as other charges that are unusual in nature, are the result of unplanned events, and arise outside the ordinary course of our business such as employee severance costs, costs for consolidating duplication facilities, and separation costs directly attributable to the Cerence business becoming a standalone public company.

Acquisition-related costs, net.
In recent years, we have completed a number of acquisitions, which result in operating expenses, which would not otherwise have been incurred. We provide supplementary non-GAAP financial measures, which exclude certain transition, integration and other acquisition-related expense items resulting from acquisitions, to allow more accurate comparisons of the financial results to historical operations, forward looking guidance and the financial results of less acquisitive peer companies. We consider these types of costs and adjustments, to a great extent, to be unpredictable and dependent on a significant number of factors that are outside of our control. Furthermore, we do not consider these acquisition-related costs and adjustments to be related to the organic continuing operations of the acquired businesses and are generally not relevant to assessing or estimating the long-term performance of the acquired assets. In addition, the size, complexity and/or volume of past acquisitions, which often drives the magnitude of acquisition related costs, may not be indicative of the size, complexity and/or volume of future acquisitions. By excluding acquisition-related costs and adjustments from our non-GAAP measures, management is better able to evaluate our ability to utilize our existing assets and estimate the long-term value that acquired assets will generate for us. We believe that providing a supplemental non-GAAP measure, which excludes these items allows management and investors to consider the ongoing operations of the business both with, and without, such expenses.

These acquisition-related costs fall into the following categories: (i) transition and integration costs; (ii) professional service fees and expenses; and (iii) acquisition-related adjustments. Although these expenses are not recurring with respect to past acquisitions, we generally will incur these expenses in connection with any future acquisitions. These categories are further discussed as follows:

- **Transition and integration costs.** Transition and integration costs include retention payments, transitional employee costs, and earn-out payments treated as compensation expense, as well as the costs of integration-related activities, including services provided by third-parties.
- **Professional service fees and expenses.** Professional service fees and expenses include financial advisory, legal, accounting and other outside services incurred in connection with acquisition activities, and disputes and regulatory matters related to acquired entities.
- **Acquisition-related adjustments.** Acquisition-related adjustments include adjustments to acquisition-related items that are required to be marked to fair value each reporting period, such as contingent consideration, and other items related to acquisitions for which the measurement period has ended, such as gains or losses on settlements of pre-acquisition contingencies.

Non-GAAP Financial Measures – Definitions

Amortization of acquired intangible assets.

We exclude the amortization of acquired intangible assets from non-GAAP expense and income measures. These amounts are inconsistent in amount and frequency and are significantly impacted by the timing and size of acquisitions. Providing a supplemental measure which excludes these charges allows management and investors to evaluate results "as-if" the acquired intangible assets had been developed internally rather than acquired and, therefore, provides a supplemental measure of performance in which our acquired intellectual property is treated in a comparable manner to our internally developed intellectual property. Although we exclude amortization of acquired intangible assets from our non-GAAP expenses, we believe that it is important for investors to understand that such intangible assets contribute to revenue generation. Amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Future acquisitions may result in the amortization of additional intangible assets.

Non-cash expenses.

We provide non-GAAP information relative to the following non-cash expenses: (i) stock-based compensation; and (ii) non-cash interest. These items are further discussed as follow:

- (i)Stock-based compensation. Because of varying valuation methodologies, subjective assumptions and the variety of award types, we exclude stock-based compensation from our operating results. We evaluate performance both with and without these measures because compensation expense related to stock-based compensation is typically non-cash and awards granted are influenced by the Company's stock price and other factors such as volatility that are beyond our control. The expense related to stock-based awards is generally not controllable in the short-term and can vary significantly based on the timing, size and nature of awards granted. As such, we do not include such charges in operating plans. Stock-based compensation will continue in future periods.
- ii)Non-cash interest. We exclude non-cash interest because we believe that excluding this expense provides management, as well as other users of the financial statements, with a valuable perspective on the cash-based performance and health of the business, including the current near-term projected liquidity. Non-cash interest expense will continue in future periods.

Other expenses.

We exclude certain other expenses that result from unplanned events outside the ordinary course of continuing operations, in order to measure operating performance and current and future liquidity both with and without these expenses. By providing this information, we believe management and the users of the financial statements are better able to understand the financial results of what we consider to be our organic, continuing operations. Included in these expenses are items such as other charges (credits), net, losses from extinguishment of debt, and changes in indemnification assets corresponding with the release of pre-spin liabilities for uncertain tax positions.

Adjustments to income tax provision.

Adjustments to our GAAP income tax provision to arrive at non-GAAP net income is determined based on our non-GAAP pre-tax income. Additionally, as our non-GAAP profitability is higher based on the non-GAAP adjustments, we adjust the GAAP tax provision to remove valuation allowances and related effects based on the higher level of reported non-GAAP profitability. We also exclude from our non-GAAP tax provision certain discrete tax items as they occur.

Q4 FY22 Reconciliations of GAAP to Non-GAAP Results

(unaudited - in thousands)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Twelve Months Ended September 30, 2022	Twelve Months Ended September 30, 2021
GAAP revenue	**$ 58,144**	**$ 98,076**	**$ 327,891**	**$ 387,182**
GAAP gross profit	**$ 33,761**	**$ 73,949**	**$ 230,723**	**$ 286,108**
Stock-based compensation	382	815	3,766	5,760
Amortization of intangible assets	105	1,879	2,984	7,516
Non-GAAP gross profit	**$ 34,248**	**$ 76,643**	**$ 237,473**	**$ 299,384**
GAAP gross margin	**58.1%**	**75.4%**	**70.4%**	**73.9%**
Non-GAAP gross margin	**58.9%**	**78.1%**	**72.4%**	**77.3%**
GAAP operating (loss) income	**$ (229,334)**	**$ 10,758**	**$ (184,345)**	**$ 60,594**
Stock-based compensation	5,056	18,376	24,076	60,555
Amortization of intangible assets	2,470	5,048	14,500	20,206
Restructuring and other costs, net	2,379	2,315	8,965	5,092
Goodwill impairment, net	213,720	-	213,720	-
Non-GAAP operating (loss) income	**$ (5,709)**	**$ 36,497**	**$ 76,916**	**$ 146,447**
GAAP operating margin	**-394.4%**	**11.0%**	**-56.2%**	**15.7%**
Non-GAAP operating margin	**-9.8%**	**37.2%**	**23.5%**	**37.8%**
GAAP net (loss) income	**$ (230,127)**	**$ 7,991**	**$ (310,826)**	**$ 45,893**
Stock-based compensation	5,056	18,376	24,076	60,555
Amortization of intangible assets	2,470	5,048	14,500	20,206
Restructuring and other costs, net	2,379	2,315	8,965	5,092
Goodwill impairment, net	213,720	-	213,720	-
Depreciation	2,616	2,337	9,439	9,455
Total other (expense) income, net	(3,456)	(3,256)	(14,406)	(12,325)
Provision for (benefit from) income taxes	(2,663)	(489)	112,075	2,376
Adjusted EBITDA	**$ (3,093)**	**$ 38,834**	**$ 86,355**	**$ 155,902**
GAAP net (loss) income margin	**-395.8%**	**8.1%**	**-94.8%**	**11.9%**
Adjusted EBITDA margin	**-5.3%**	**39.6%**	**26.3%**	**40.3%**

Free cash flow is net cash provided by operating activities determined in accordance with GAAP less capital expenditures. Free cash flow is not a measure of cash available for discretionary expenditures.

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Twelve Months Ended September 30, 2022	Twelve Months Ended September 30, 2021
GAAP net (loss) income	**$ (230,127)**	**$ 7,991**	**$ (310,826)**	**$ 45,893**
Stock-based compensation	5,056	18,376	24,076	60,555
Amortization of intangible assets	2,470	5,048	14,500	20,206
Restructuring and other costs, net	2,379	2,315	8,965	5,092
Goodwill impairment, net	213,720	-	213,720	-
Non-cash interest expense	1,359	1,283	5,281	5,013
Indemnification asset release	-	-	1,302	-
Adjustments to income tax expense	(362)	(6,599)	93,405	(29,582)
Non-GAAP net (loss) income	**$ (5,505)**	**$ 28,414**	**$ 50,423**	**$ 107,177**
Adjusted EPS:				
GAAP Numerator:				
Net (loss) income attributed to common shareholders	**$ (230,127)**	**$ 7,991**	**$ (310,826)**	**$ 45,893**
Non-GAAP Numerator:				
Net (loss) income attributed to common shareholders	$ (5,505)	$ 28,414	$ 50,423	$ 107,177
Interest on Convertible Senior Notes, net of tax	-	1,019	4,068	4,043
Net (loss) income attributed to common shareholders - diluted	**$ (5,505)**	**$ 29,433**	**$ 54,491**	**$ 111,220**
GAAP Denominator:				
Weighted-average common shares outstanding - basic	39,407	38,015	39,187	37,752
Adjustment for diluted shares	-	1,733	-	1,537
Weighted-average common shares outstanding - diluted	**39,407**	**39,748**	**39,187**	**39,289**
Non-GAAP Denominator:				
Weighted-average common shares outstanding- basic	39,407	38,015	39,187	37,752
Adjustment for diluted shares	-	6,410	4,912	6,214
Weighted-average common shares outstanding - diluted	**39,407**	**44,425**	**44,099**	**43,966**
GAAP net (loss) income per share - diluted	**$ (5.84)**	**$ 0.20**	**$ (7.93)**	**$ 1.17**
Non-GAAP net (loss) income per share - diluted	**$ (0.14)**	**$ 0.66**	**$ 1.24**	**$ 2.53**
GAAP net cash (used in) provided by operating activities	**$ (4,953)**	**$ 23,321**	**$ (2,138)**	**$ 74,389**
Capital expenditures	(3,028)	(3,992)	(17,446)	(12,047)
Free Cash Flow	**$ (7,981)**	**$ 19,329**	**$ (19,584)**	**$ 62,342**

Reconciliations of GAAP Financial Measures to non-GAAP Financial Measures

(unaudited - in thousands)

	Q4FY22	Q3FY22	Q2FY22	Q1FY22
GAAP revenues	**$ 58,144**	**$ 89,041**	**$ 86,280**	**$ 94,426**
Less: Professional services revenue	21,048	22,599	20,646	19,417
Non-GAAP Repeatable revenues	**$ 37,096**	**$ 66,442**	**$ 65,634**	**$ 75,009**
GAAP revenues TTM	**$ 327,891**			
Less: Professional services revenue TTM	83,710			
Non-GAAP Repeatable revenues TTM	**$ 244,181**			
Repeatable software contribution	**74%**			

Q1 FY23 and Full Year FY23 Reconciliations of GAAP to non-GAAP Guidance

(unaudited - in thousands)

	Q1 2023		FY2023	
	Low	**High**	**Low**	**High**
GAAP revenue	**$ 75,000**	**$ 79,000**	**$ 270,000**	**$ 290,000**
GAAP gross profit	**$ 50,100**	**$ 54,100**	**$ 171,700**	**$ 191,700**
Stock-based compensation	1,600	1,600	5,700	5,700
Amortization of intangible assets	100	100	400	400
Non-GAAP gross profit	**$ 51,800**	**$ 55,800**	**$ 177,800**	**$ 197,800**
GAAP gross margin	**67%**	**68%**	**64%**	**66%**
Non-GAAP gross margin	**69%**	**71%**	**66%**	**68%**
GAAP operating loss	**$ (12,600)**	**$ (9,100)**	**$ (51,800)**	**$ (43,800)**
Stock-based compensation	13,800	13,800	49,600	49,600
Amortization of intangible assets	2,500	2,500	6,200	6,200
Restructuring and other costs, net	4,100	4,100	11,500	11,500
Non-GAAP operating income	**$ 7,800**	**$ 11,300**	**$ 15,500**	**$ 23,500**
GAAP operating margin	**-17%**	**-12%**	**-19%**	**-15%**
Non-GAAP operating margin	**10%**	**14%**	**6%**	**8%**
GAAP net loss	**$ (19,300)**	**$ (15,800)**	**$ (75,600)**	**$ (67,600)**
Stock-based compensation	13,800	13,800	49,600	49,600
Amortization of intangible assets	2,500	2,500	6,200	6,200
Restructuring and other costs, net	4,100	4,100	11,500	11,500
Depreciation	2,700	2,700	10,500	10,500
Total other income (expense), net	(2,800)	(2,800)	(10,700)	(10,700)
Provision for income taxes	3,900	3,900	13,100	13,100
Adjusted EBITDA	**$ 10,500**	**$ 14,000**	**$ 26,000**	**$ 34,000**
GAAP net income margin	**-26%**	**-20%**	**-28%**	**-23%**
Adjusted EBITDA margin	**14%**	**18%**	**10%**	**12%**

Q1 FY23 and FY23 Reconciliations of GAAP to Non-GAAP Guidance

(unaudited - in thousands)

	Q1 2023		FY2023	
	Low	High	Low	High
GAAP net loss	**$ (19,300)**	**$ (15,800)**	**$ (75,600)**	**$ (67,600)**
Stock-based compensation	13,800	13,800	49,600	49,600
Amortization of intangible assets	2,500	2,500	6,200	6,200
Restructuring and other costs, net	4,100	4,100	11,500	11,500
Non-cash interest expense	400	400	1,700	1,700
Income tax impact of Non-GAAP adjustments	1,200	(600)	1,000	(2,200)
Non-GAAP net income (loss)	**$ 2,700**	**$ 4,400**	**$ (5,600)**	**$ (800)**
Adjusted EPS:				
GAAP Numerator:				
Net loss attributed to common shareholders	$ (19,300)	$ (15,800)	$ (75,600)	$ (67,600)
Non-GAAP Numerator:				
Net income (loss) attributed to common shareholders	$ 2,700	$ 4,400	$ (5,600)	$ (800)
GAAP Denominator:				
Weighted-average common shares outstanding - basic and diluted	39,900	39,900	40,200	40,200
Non-GAAP Denominator:				
Weighted-average common shares outstanding- basic and diluted	39,900	39,900	40,200	40,200
GAAP net loss per share - diluted	**$ (0.48)**	**$ (0.40)**	**$ (1.88)**	**$ (1.68)**
Non-GAAP net income (loss) per share - diluted	**$ 0.07**	**$ 0.11**	**$ (0.14)**	**$ (0.02)**