



Nuance Communications

J.P. MORGAN 39TH ANNUAL
HEALTHCARE CONFERENCE 2021

Forward-looking Statements And Non-GAAP Financial Measures

Statements in this presentation regarding future performance and our 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. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including but not limited to: the ability to effect the separation and spin-off of our Auto business; our ability to close the sale of our Imaging business, our ability to successfully wind-down certain products or business lines, fluctuations in demand for our existing and future products; fluctuations in the mix of products and services sold in specific periods; further unanticipated costs resulting from the FY17 malware incident including potential costs associated with litigation or governmental investigations that may result from the incident; our ability to control and successfully manage our expenses and cash position; our ability to develop and execute in a timely manner our productivity and cost initiatives; the effects of competition, including pricing pressure, and changing business models in the markets and industries we serve; changes to economic conditions in the United States and internationally; uncertainties associated with the transition of our chief executive officer, and the addition of a number of new directors; the imposition of tariffs or other trade measures particularly between the United States and China; potential future impairment charges related to our newly reorganized business reporting units; fluctuating currency rates; possible quality issues in our products and technologies; our ability to successfully integrate operations and employees of acquired businesses; the conversion rate of bookings into revenue; the ability to realize anticipated synergies from acquired businesses; and the other factors described in our most recent Form 10-K, Form 10-Q and other filings with the Securities and Exchange Commission. We disclaim any obligation to update any forward-looking statements as a result of developments occurring after the date of this document.

This presentation also includes certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles, or GAAP. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. We have provided a reconciliation of non-GAAP measures to the most directly comparable GAAP measures, which is available in the earnings press release and the prepared remarks furnished as exhibits to the Company's Form 8-K submitted to the SEC on November 19, 2018. This presentation should be read in conjunction with the earnings release, prepared remarks and Form 10-K.

Nuance: Leader in Conversational AI and Ambient Solutions

HEALTHCARE

We help unburden clinicians, radiologists, and care teams with efficient new ways to capture clinical documentation for over 10,000 healthcare organizations

62%

OF TOTAL REVENUE

\$915M

FY'20 REVENUE

LARGE ENTERPRISES

- FINANCIAL SERVICES
- TELECOMMUNICATIONS
- RETAIL
- GOVERNMENT

We deliver superior customer experiences for 1,500 financial services, telecommunications, retail and government organizations through secure omni-channel conversations

36%

OF TOTAL REVENUE

\$530M

FY'20 REVENUE

\$1,479

FY'20 REVENUE (\$MM)

7,100

GLOBAL EMPLOYEES

1,600+

R&D EMPLOYEES

2,350

ISSUED PATENTS

Nuance has a Proven Conversational AI Platform

LARGE FOOTPRINT

90%

of U.S. hospitals

80%

of radiology reports in the U.S.
created with Nuance solutions

85%

Of Fortune 100
trust Nuance

COMPELLING FINANCIAL PROFILE

\$1,347M

FY'21 Revenue
(Midpoint)

540 bps

FY'21 Gross Margin
Expansion

25.5%

FY'21 Operating Margin
(Midpoint)

THIRD PARTY RECOGNITION

2020 Leader

Forrester ranked Nuance for
Conversational AI for chatbots

Tech Cares Award

For service to local & global
communities during COVID-19

6

Employer of Choice awards
received in 2020

Nuance addresses some of Healthcare's Toughest Challenges...

CLINICIAN BURNOUT

40-60%

Physicians are burned out

FINANCIAL PRESSURE

-15.8%

Margins by 2021 for hospitals operating business as usual

PROPER PAYMENTS

64%

of Medicare FFS improper payments attributable to insufficient documentation

ADMINISTRATIVE OVERLOAD

43%

of workday spent on clinical documentation

COMPLIANCE RISKS

90%

of Medicare payments tied to quality or value

...By Driving Measurable Results Across Platforms

Financial Integrity

70%

Reduction in unbilled surgical cases

\$1 billion

Of appropriate reimbursement captured with CDI solutions

Improved Quality and Compliance

36%

Increased capture of extreme severity of illness

82%

Increase in follow-up tracking

Improved Patient Experience

Up to 3 days

Reduced length of stay due to early radiology interventions

Up to 40%

Reduction in duplicate imaging and unnecessary repeat scans

Improved Physician and Care Team Experience

2 hours

Freed per clinician per shift, due to administrative tasks automated

98%

Of Physicians recommend DMO

Dragon Medical

Clinician

Power Scribe

Radiologist

CDI Solutions

Non-Clinical

Large and Expanding Market Opportunity

1

**Accelerating
Transition to Cloud**

2

**Expanding Presence in
International, Ambulatory
and Community Markets**

3

**Building on
Core Product Platforms**

4

**Market Disrupting
AI Technology**

Capturing Significant Untapped Potential

01

02

03

04

CLOUD CONVERSION Attractive Unit Economics

2 – 2.5x

revenue uplift per year


On-Premise
Maintenance
conversion

Dragon Medical
One (“DMO”)

2 – 2.5x

revenue uplift per year


On-Premise
Maintenance
conversion

PowerScribe One
& CDE One⁽¹⁾

1 – 1.5 x

revenue uplift per year


On-Premise
Term
license

1. CDE One is cloud offering for CDI
2. Includes hospitals with <200 beds and physician groups of <200 physicians

INTERNATIONAL EXPANSION

~1.3M

physicians overseas
more than doubles market
opportunity in 14 countries


AMBULATORY & COMMUNITY ⁽²⁾

Low market share enables
significant runway

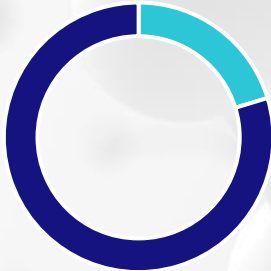

Building on Core Product Platforms Creates TAM Expansion

01 02 03 04

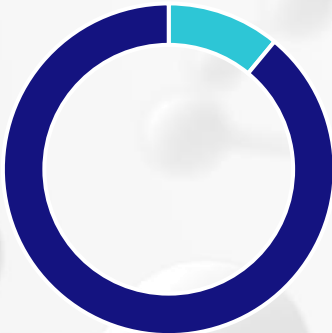
~\$600M
DMO U.S.



~\$1.4B
DMO U.S. +
International



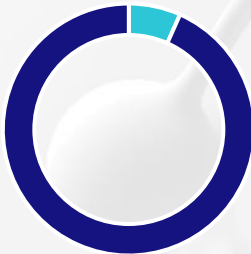
~\$2.8B
DMO U.S. +
International +
CAPD



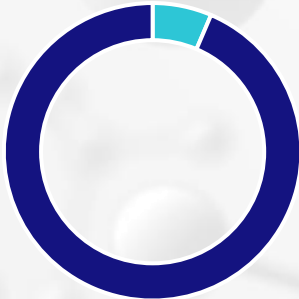
~\$138M
PowerScribe
On-premise



~\$249M
PowerScribe
Cloud



~\$622M
PowerScribe
Cloud + Add-Ons



Nuance Share
 Greenfield

Yes. That was about 2 hours ago.

Hey Dragon show me the x-ray.



Disruptive innovation: Nuance DAX

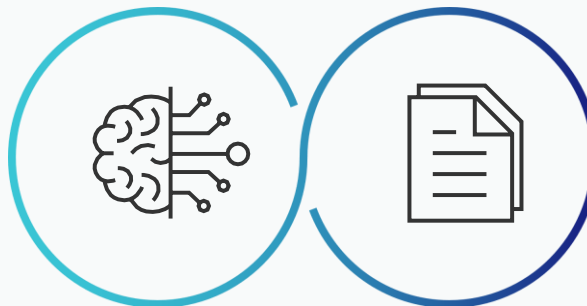
High-quality clinical documentation that writes itself

01 02 03 04

Secure ambient capture of encounter (audio and data)



AI note creation, with quality review driving machine learning



AI LEARNING LOOP



Completed high quality clinical documentation in the EHR



14 specialties

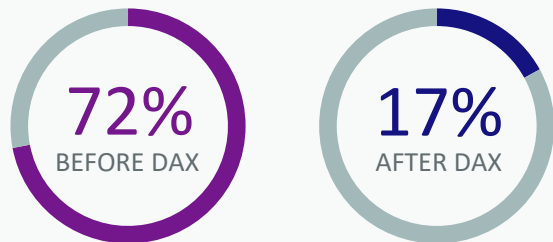
Platform agnostic with telehealth compatibility

\$4 – \$8B market opportunity

DAX Generates Meaningful ROI

01 02 03 **04**

Physicians feeling burnout and fatigue



“DAX has made me much more efficient. I went from seeing 15 to 17 patients in a day to consistently seeing over 20 patients. I no longer have a 3-month backup, which is helpful for patients and for me.”

CARDIOLOGIST

76%

Of physicians believe Nuance DAX improves the quality of the patient experience

“Just the thought of DAX going away makes me want to quit.”

EAR, NOSE AND THROAT SPECIALIST

↓ 9 minutes
Average wait time

+24% Patients seen per day by one cardiologist

↓ 6 minutes
Saved per patient encounter

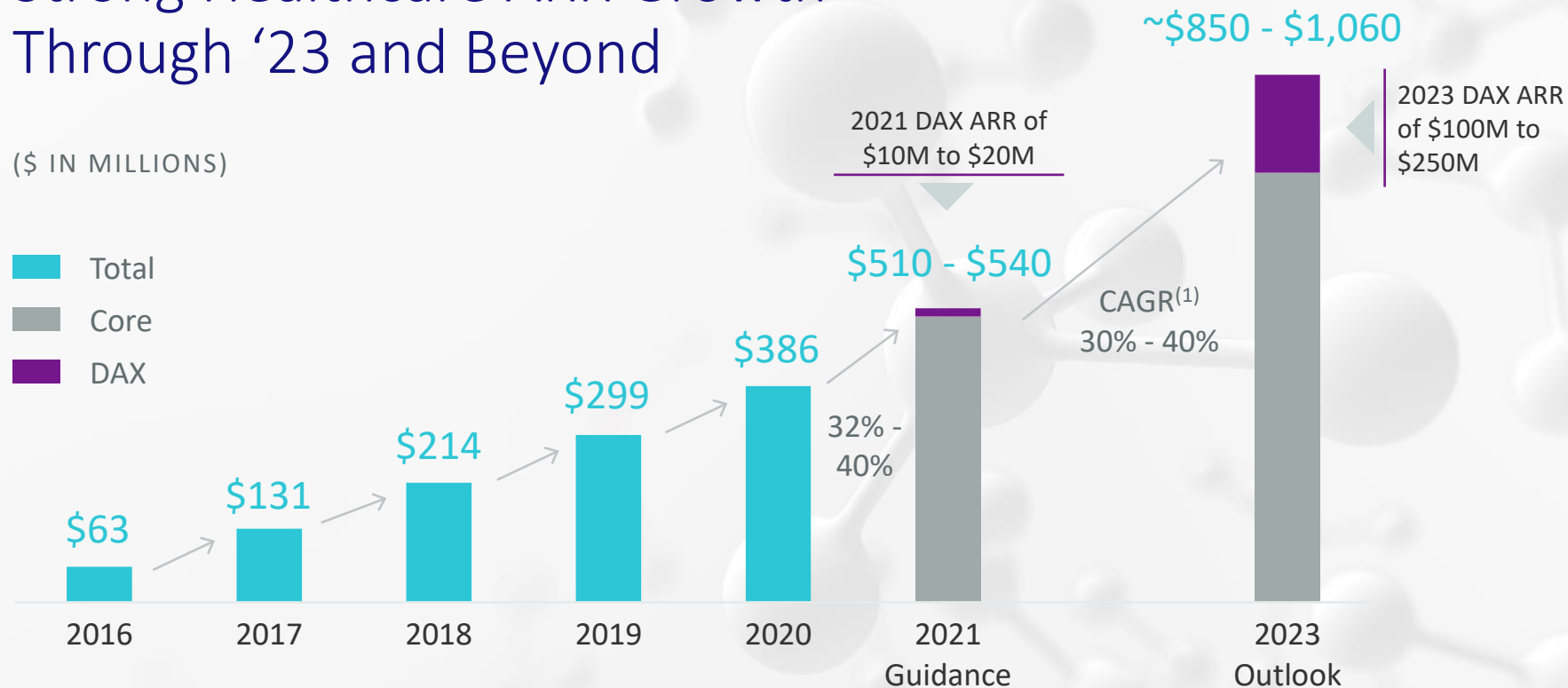
“Our faculty would tell you this has been the best thing that improved quality of life. It brought back the joy of seeing patients again for me.”

ORTHOPEDICS

Strong Healthcare ARR Growth Through '23 and Beyond

(\$ IN MILLIONS)

■ Total
■ Core
■ DAX

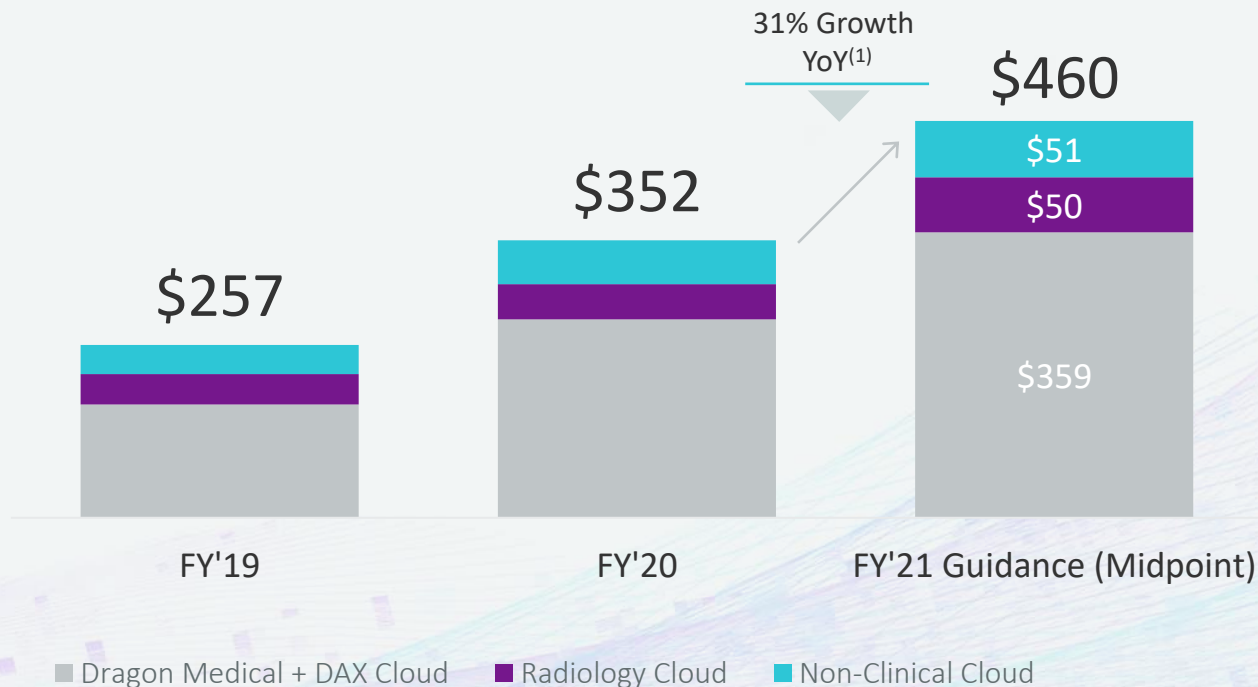


1. 3-year CAGR from FY 2020

Significant Healthcare Cloud Revenue Growth driven by ARR Growth

(\$ IN MILLIONS)

RESULTING IN
HIGHLY VISIBLE,
RECURRING
REVENUE STREAMS

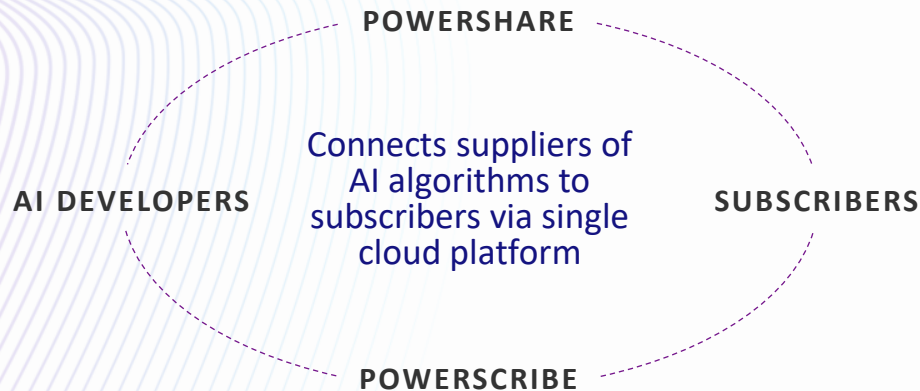


1. In FY'19 and FY'20 DAX revenue contributions were immaterial

Forging New Frontiers in Disruptive Innovations by leveraging Conversational AI platform

01 02 03 **04**

AI MARKETPLACE



PATIENT ENGAGEMENT SOLUTIONS

An AI-powered intelligent patient engagement platform *powering the modern Digital Front Door*



Increased patient capacity and retention

Improved patient outcomes

Higher levels of patient satisfaction

Nuance's Sustainable Differentiation



Established
Footprint with
Long-Tenured
Customer Base



Technological
Superiority in
Conversational
AI and NLU



Deeply
Embedded
Workflows



Domain Specific
Healthcare
Expertise



Broad
Distribution
Channels

Compelling Investment Thesis

Secular Tailwinds Driven by Increasing Pressure Facing Healthcare Industry

Continued Growth Supported by Multiple Vectors

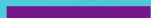
Strong Competitive Positioning with Opportunity to Capture Additional Share

Trusted Partner with Established Footprint Across Healthcare Ecosystem

Large and Expanding Addressable Market Opportunity

Trusted Employer:
#1 in Top 100 Places to Work

Q&A





Thank you.

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