

About Sage

Sage exists to knock down barriers so everyone can thrive, starting with the millions of Small and Mid-Sized Businesses (SMBs) served by us, our partners and accountants. Customers trust our finance, HR and payroll software to make work and money flow. By digitising business processes and relationships with customers, suppliers, employees, banks and governments, our digital network connects SMBs, removing friction and delivering insights. Knocking down barriers also means we use our time, technology and experience to tackle digital inequality, economic inequality and the climate crisis.

Meet the team



Steve Hare
CEO



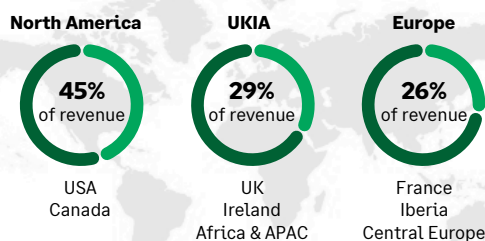
Jonathan Howell
CFO

Investment case

- **Diversified and differentiated**
Serving a wide range of SMBs globally, together with our broad ecosystem of partners.
- **Focused on innovation**
Rolling out global cloud solutions and growing our digital network to transform SMB workflows.
- **Delivering efficient, sustainable growth**
Scaling the business, with growth creating headroom to increase investment and expand margins.
- **Robust financial model**
High quality revenue base, strong cash generation and disciplined approach to capital allocation.

Our global reach

Sage serves millions of customers around the world:

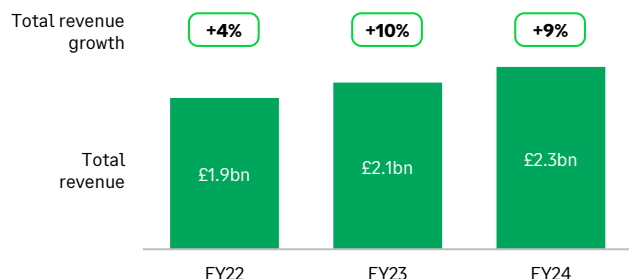


Please note that tables may not cast and change percentages may not calculate precisely due to rounding.

Double digit revenue growth

In FY24 Sage increased underlying total revenue by 9% to £2,332m:

- Recurring revenue of £2,257m – 97% of total revenue – including software subscription and other recurring revenue.
- Other revenue of £75m, mainly professional services and licences.

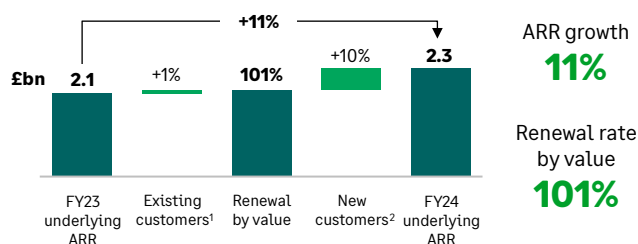


Figures presented on an underlying basis.

Underlying performance	FY23	FY24	Growth	Organic growth
Total revenue	£2,133m	£2,332m	+9%	+9%
Recurring revenue	£2,048m	£2,257m	+10%	+10%
Operating profit	£438m	£529m	+21%	+21%
Operating margin	20.5%	22.7%	+2.2 ppts	+2.2 ppts
Basic EPS	30.9p	37.9p	+23%	

How Sage builds ARR

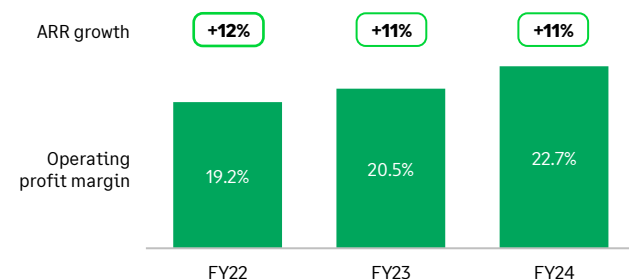
- Sage increased ARR by 11% to £2.3bn in FY24.
- Sage seeks to attract new customers to its network, deliver increased value to existing customers and minimise churn.



1. Growth from existing customers including upsell, cross-sell and pricing, net of churn.
2. Includes acquisitions of Infineo and Anytl.

Investment driving growth and margin

- Sage continues to invest in the business to drive sustainable growth.
- Underlying operating profit grew by 21% to £529m in FY24, resulting in a particularly strong operating margin increase of 220 bps.



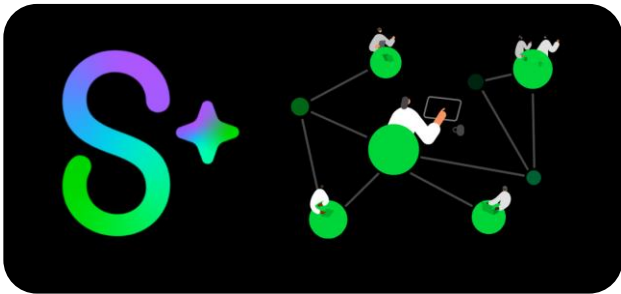
Figures presented on an underlying basis.

Full year FY25 Guidance	
Organic total revenue growth	To be 9% or above
Operating margins	To trend upwards in FY25 and beyond, as we focus on efficiently scaling the Group

Purpose	To knock down barriers so everyone can thrive				
Ambition	To be the world's most trusted and thriving network for SMBs, powered by Sage Copilot				
Strategy	Connect Connecting SMBs through our trusted and thriving network	Grow Winning new customers and delighting our existing ones	Deliver Delivering productivity and insights driven by AI		
Stakeholders	Customers	Colleagues	Society	Shareholders	Partners
Values	Human	Bold	We do the right thing	Trust	Simplicity

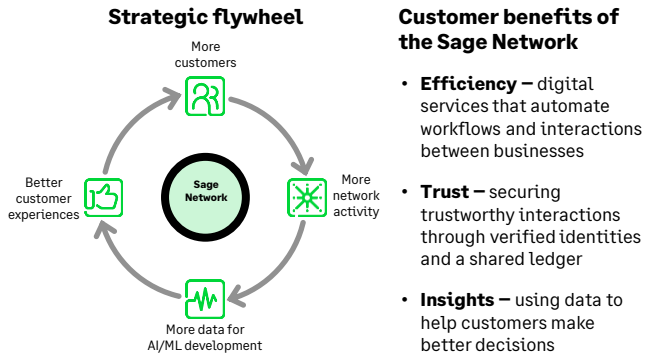
Sage Network is our platform

Sage Network is our platform of cloud products and services that digitally transform customer workflows across their business ecosystems. The platform connects Sage's products, customers, and their associated data flows, and serves as a powerful platform for innovation, enabling us to embed AI into key tasks and services. In FY24 we introduced Sage Copilot, our digital productivity assistant, and have now scaled it to thousands of customers across our portfolio.



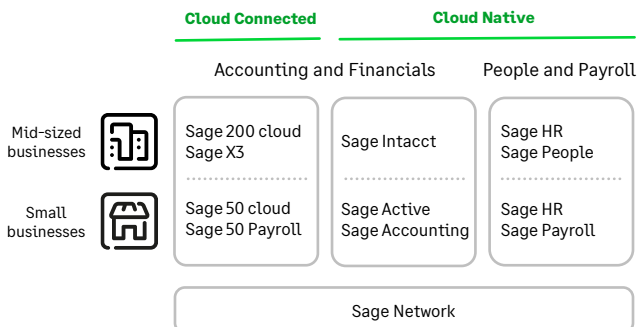
Driving innovation and growth

Attracting more customers to the Sage Network means more network activity and therefore more data. Through AI and machine learning, this powers the insights we need to build more innovative solutions and richer customer experiences, which in turn attracts more customers.



Sage Business Cloud portfolio

Sage Business Cloud is our portfolio of unified cloud solutions that help customers be more productive, efficient and resilient.



Cloud and subscription growth

Sage focuses on growing Sage Business Cloud revenue while maximising value from other solutions. Both Sage Business Cloud and subscription revenues now represent over 80% of total revenue.

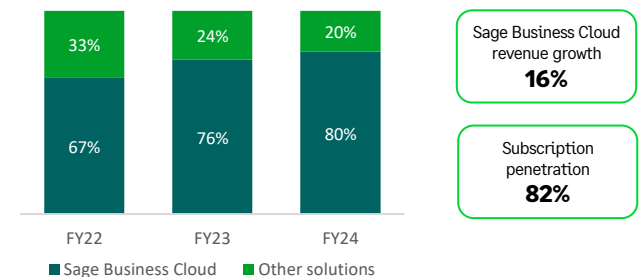


Chart shows mix of underlying total revenue, as reported. Growth figures are for FY24.

Capital allocation priorities

1. Organic investment
2. M&A
3. Grow the dividend over time
4. Consider returning surplus capital

We target a broad range of 1.0x – 2.0x net debt to EBITDA over the medium term, with flexibility to move outside this range as business needs require