






Our strategy at a glance

# Progress towards our strategic priorities

Strategic priority	Progress in 2023
<b>Scale Sage Intacct</b>	
 <p>Accelerate the expansion of Sage Intacct in existing and new markets.</p>	<ul style="list-style-type: none"> <li>Record Sage Intacct ARR growth during the year of around £100m</li> <li>Continued growth in the US, with ARR up by almost 30%</li> <li>Good progress in the construction vertical, complemented by the acquisition in May 2023 of Corecon (now Sage Construction Management)</li> <li>Strong momentum outside the US, with ARR up by over 80%</li> <li>Launched Sage Intacct in continental Europe, starting in France</li> </ul>
<b>Expand medium beyond financials</b>	
 <p>Broaden the value proposition for mid-sized businesses.</p>	<ul style="list-style-type: none"> <li>Renewal rate by value up 1 ppt to 102% with higher sales to existing customers</li> <li>Integration between Sage Intacct, Sage Payroll and Sage HR launched in Canada and South Africa to drive cross-sell</li> <li>Expanded availability of Sage Planning, a budgeting and planning solution, and Sage Intelligent Time, an AI-powered time tracking tool, into more markets across the Group</li> </ul>
<b>Build the small business engine</b>	
 <p>Create a scalable digital 'engine' to acquire and serve small business customers.</p>	<ul style="list-style-type: none"> <li>Further growth in key markets across small business solutions including Sage Accounting and Sage 50</li> <li>Sage for Accountants now adopted by almost 8,000 accountants in the UK, up from around 2,000 a year ago</li> <li>Introduced My Sage, an integrated account management tool, in the UK</li> <li>Launched Sage Active, our new multi-legislation business management solution, in France, Spain and Germany</li> </ul>
<b>Scale the network</b>	
 <p>Increase participation in Sage's digital network and accelerate the network effect.</p>	<ul style="list-style-type: none"> <li>Enabled more customers to connect to the network by increasing Sage Business Cloud penetration from 75% to 84%</li> <li>Drove network participation by expanding AI-powered cloud services such as accounts payable automation, which is now growing rapidly</li> <li>Enabled greater network usage by third-party software providers, generating consumption-based revenue for Sage while enriching the customer experience</li> </ul>
<b>Learn and disrupt</b>	
 <p>Build innovative solutions underpinned by a culture of continuous learning and disruption.</p>	<ul style="list-style-type: none"> <li>Launched Sage Network Inbox, our connected accounting workflow management tool</li> <li>Developing and testing Sage Copilot, our digital assistant</li> <li>Incorporated generative AI into our products for the first time to enable natural language interaction</li> <li>Deepened our relationships with key partners including Microsoft and AWS</li> </ul>

## Success measures



• Growth of Sage Intacct



• Renewal rate by value



• Small segment revenue growth

## Future focus

## Risks (see pages 74 to 81)

<ul style="list-style-type: none"> <li>• Continue to grow Sage Intacct's customer base and addressable market</li> <li>• Deepen capabilities in existing verticals</li> <li>• Drive expansion into new verticals</li> <li>• Accelerate international growth, with Sage Intacct due to launch in Germany in 2024</li> </ul>	<ul style="list-style-type: none"> <li>• Execution of product strategy</li> <li>• Route to market</li> <li>• Customer experience</li> <li>• Third-party reliance</li> <li>• People and performance</li> </ul>	<ul style="list-style-type: none"> <li>• Culture</li> <li>• Cyber security and data privacy</li> <li>• Data strategy</li> <li>• Readiness to scale</li> </ul>
<ul style="list-style-type: none"> <li>• Deliver benefits to mid-sized businesses beyond core accounting, including payroll, HR, planning, analytics and workflow automation</li> <li>• Integrate solutions across our portfolio to create a differentiated customer offering</li> </ul>	<ul style="list-style-type: none"> <li>• Understanding customer needs</li> <li>• Execution of product strategy</li> <li>• Customer experience</li> </ul>	<ul style="list-style-type: none"> <li>• People and performance</li> <li>• Culture</li> </ul>
<ul style="list-style-type: none"> <li>• Deliver a differentiated experience for both small businesses and accountants</li> <li>• Focus on helping accountants to digitise their businesses with advanced practice management tools</li> <li>• Drive Sage Active growth in continental Europe</li> </ul>	<ul style="list-style-type: none"> <li>• Understanding customer needs</li> <li>• Execution of product strategy</li> <li>• Route to market</li> <li>• Customer experience</li> <li>• Third-party reliance</li> <li>• People and performance</li> <li>• Culture</li> </ul>	<ul style="list-style-type: none"> <li>• Cyber security and data privacy</li> <li>• Data strategy</li> <li>• Readiness to scale</li> <li>• Environmental, social and governance</li> </ul>
<ul style="list-style-type: none"> <li>• Grow network participation, connecting more customers and products to the ecosystem</li> <li>• Drive data flows to power new AI features</li> <li>• Expand the availability of cloud-based digital services delivered by Sage and partners</li> </ul>	<ul style="list-style-type: none"> <li>• Execution of product strategy</li> <li>• Route to market</li> <li>• Third-party reliance</li> <li>• People and performance</li> <li>• Culture</li> </ul>	<ul style="list-style-type: none"> <li>• Cyber security and data privacy</li> <li>• Data strategy</li> <li>• Readiness to scale</li> </ul>
<ul style="list-style-type: none"> <li>• Continue to invest in disruptive technologies to drive innovation and accelerate our development cycle</li> <li>• Expand the deployment of AI-powered services into products across Sage Business Cloud</li> </ul>	<ul style="list-style-type: none"> <li>• Understanding customer needs</li> <li>• Execution of product strategy</li> <li>• Developing and exploiting new business models</li> <li>• Customer experience</li> </ul>	<ul style="list-style-type: none"> <li>• People and performance</li> <li>• Culture</li> <li>• Data strategy</li> <li>• Environmental, social and governance</li> </ul>



- Sage Business Cloud penetration
- Availability and consumption of cloud-based digital services



- Network-powered solutions launched
- Technology acquisitions, investments and partnerships

# Building sustainable growth

## Scale Sage Intacct

### Case study: Pizza Pilgrims

“Everything is so much quicker as there’s no more manual inputting and downloading of spreadsheets, it’s all handled in one easy-to-use system that updates in real time.”

**Laura Burns** Financial Controller

Founded in 2011, Pizza Pilgrims has grown from a travelling pizza van to a group of 20 pizzerias in the UK. Implementing Sage Intacct provides a solution that can scale with the brand as it grows, support multi-site operations, streamline reporting processes and integrate with point-of-sale till systems within each branch. Sage Intacct has improved the creation of Board reports with more accurate, real-time data, saving at least half a day a month and freeing up the finance team to inform better decision making.



## Expand medium beyond financials



### Case study: Oxford Collection

“We’ve become a more strategic partner to the business through the visibility and automation we’ve gained through Sage Intacct for both budgeting and accounting.”

**Megan Walker** VP Accounting and Finance

Oxford Collection is an Oregon-based hotelier, operating 16 distinctive hotels that offer business and leisure travellers a premium guest experience. With Sage Intacct Planning, Oxford Collection’s monthly forecasts reflect current data, accessible to stakeholders via Sage Intacct dashboards. Monthly forecasts now take 20 to 25 minutes to create and share with hotel managers. As a result, Oxford Collection has eliminated 20 hours a week of budget-related work previously handled by a member of its accounting and finance team.

## Build the small business engine



### Case study: Bee Motion

“We can work alongside clients in real time now. By having instant oversight of their performance and cash situation, we can advise them on their commercial success.”

**Stefan Barrett** Founder

Bee Motion provides a one-stop shop for accountancy services and independent financial advice. Sage Accounting has revolutionised the business, leading to a 30% increase in turnover since adoption. The efficiency and real-time visibility provided by Sage Accounting, has enabled the team to shift focus from purely compliance services to value-added business consultancy and cross-selling its advisory offerings. The team has also integrated Sage Payroll with Sage Accounting to further enhance the accuracy of a client’s real-time financial status.

## Scale the Network



### Case study: Johnny's Selected Seeds

“Sage Intacct AP automation, especially its AI features, has been a game-changer. The AI reads and extracts bill data, allowing for easier review.”

**Michelle Pyle** Director of Finance

Johnny's Selected Seeds is an employee-owned seed producer and merchant based in Maine, US. Sage Intacct's sophisticated accounts payable (AP) automation has taken away a lot of manual work for the finance team, meaning that it only needs to do a simple review of the information in the system, as specific vendors or suppliers are automatically recognised.



## Learn and disrupt



### Case study: Velo

“We're favouring local suppliers, evaluating travel choices in different ways, and doubling down on flexible working practices so our team can do its bit too. The Sage Earth data is essential to this, as it is guiding the action plan and helping measure impact.”

**Yeni Olubamowo** Finance Director

Velo is a specialist B2B marketing agency for global technology, industrial and professional services companies. Its ambition is not only to achieve net zero by 2030, but also to pioneer sustainable marketing techniques and help tell its clients' stories with credibility. Sage Earth easily connected with Velo's existing accounting software through an API, calculating an automated carbon footprint and providing insight on immediate steps to take. As a result, spending in high-impact areas has fallen by 25%.