



The Sage Group plc
Results for the six months to 31 March 2026 (unaudited)
 21 May 2026

Accelerating growth driven by execution of AI strategy

Steve Hare, Chief Executive Officer, commented:

“Sage delivered an excellent first-half performance, with double-digit revenue growth, further margin expansion and strong cash flows. This reflects the focused execution of our strategy and a deep understanding of our customers’ needs.

“Small and mid-sized businesses trust Sage to run their mission-critical finance, payroll and HR workflows, where accuracy and compliance are non-negotiable. Our intelligent agents are already helping finance teams accelerate cash flows, close the books faster, plan more effectively and turn insight into action, without compromising control or accountability.

“By embedding AI directly into our customers’ day-to-day work, we are making our solutions more valuable, reinforcing our competitive advantages, and driving efficient, sustainable growth.

“With our trusted scalable platform, growing agent portfolio and strong momentum supported by investment across the business, I am confident in Sage's ability to deliver growth and long term value for all stakeholders.”

Underlying Financial APMs¹	H1 26	H1 25²	Change	Organic Change
Annualised Recurring Revenue (ARR)	£2,727m	£2,453m	+11%	+11%
Underlying Total Revenue	£1,363m	£1,231m	+11%	+10%
Underlying Operating Profit	£326m	£285m	+15%	+14%
<i>% Underlying Operating Profit Margin</i>	23.9%	23.1%	+0.8 ppts	+0.9 ppts
Underlying EBITDA	£375m	£331m	+14%	
<i>% Underlying EBITDA Margin</i>	27.6%	26.8%	+0.8 ppts	
Underlying Basic EPS (p)	23.7p	20.5p	+16%	
Underlying Cash Conversion	116%	115%	+1 ppt	
Statutory Measures	H1 26	H1 25	Change	
Revenue	£1,363m	£1,242m	+10%	
Operating Profit	£293m	£255m	+15%	
<i>% Operating Profit Margin</i>	21.5%	20.5%	+1.0 ppts	
Basic EPS (p)	20.7p	18.2p	+14%	
Dividend Per Share (p)	8.05p	7.45p	+8%	

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

Financial highlights

- Underlying total revenue increased by 11% to £1,363m, reflecting broad-based growth across the business underpinned by strength in cloud solutions.
- Underlying operating profit grew by 15% to £326m, driving a margin increase of 80 basis points to 23.9%, with disciplined cost management supporting increased investment.
- Underlying EBITDA increased by 14% to £375m, with margin also increasing by 80 basis points to 27.6%.
- Statutory operating profit increased by 15% to £293m reflecting growth in underlying operating profit.
- Underlying basic EPS increased by 16% to 23.7p, whilst statutory basic EPS increased by 14% to 20.7p.

¹ See Appendix 1 for full definitions and guidance on the usage of the Alternative Performance Measures.

² To aid comparability, underlying and organic measures for the prior period have been retranslated at current period exchange rates and exclude recurring and non-recurring items, while organic measures also adjust for the impact of acquisitions and disposals. A reconciliation of underlying and organic measures to statutory measures is set out on pages 6 and 7. Underlying and organic measures are defined in Appendix 1.

All references to revenue, profit and margin are on an underlying basis unless otherwise stated.

- Strong cash performance, with underlying cash conversion of 116%, reflecting continued growth in revenue and good working capital management.
- Robust balance sheet, with £1.1bn of cash and available liquidity; net debt to underlying EBITDA of 2.0x.

Shareholder returns

- Interim dividend up 8% to 8.05p, in line with our progressive policy.
- Share buyback programme of £300m announced in March 2026 is well underway, taking the total value of share buybacks announced in the first half to £600m. This reflects Sage's strong cash generation, robust financial position, and the Board's confidence in Sage's future prospects.

Strategic and operational highlights

- Underlying annualised recurring revenue (ARR) up 11% to £2,727m, with growth across all regions balanced between new and existing customers.
- Renewal rate by value of 102%, ahead of last year (H1 25: 101%), reflecting higher sales to existing customers, including the growing adoption of AI-powered features, supported by strong retention rates.
- Sage Business Cloud revenue increased by 15% to £1,162m (H1 25: £1,011m), including cloud native revenue growth of 25% to £518m (H1 25: £416m).
- Strong growth across our cloud products, particularly Sage Intacct, supported by investment in our product and go-to-market capabilities together with the focused execution of our AI strategy.
- Embedding AI into core customer workflows, with the launch of intelligent agents and the expansion of Sage Copilot delivering tangible productivity and decision-making benefits for customers.
- Leveraging the Sage Platform to extend our ecosystem, supporting broader innovation and scale, alongside the acquisitions of Criterion, Akao and Doyen AI³.
- Success in acquiring small business customers earlier in their lifecycle through Sage Sole Trader and our embedded services partnerships with major UK banks and fintechs.
- Accelerating productivity through the adoption of AI across our own operations, with significant benefits in areas including engineering, customer support, sales and marketing.

Outlook

Building on strong momentum in the first half, we now expect organic total revenue growth for FY26 to be above 9%. We continue to expect operating margins to trend upwards in FY26 and beyond, as we focus on efficiently scaling the Group.

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 digitalising business processes and relationships with customers, suppliers, employees, banks and governments, our AI-powered 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.

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A presentation for investors and analysts will be held at 8.30am UK time. The webcast can be accessed via sage.com/investors or directly via the following link: <https://edge.media-server.com/mmc/p/xk88y5dc>. To join the conference call, please register via <https://register-conf.media-server.com/register/BI508df57c7ecd4e03ae86026254ec15c0>.

³ Criterion was acquired in October 2025, Akao in January 2026, and Doyen AI in April 2026.

Business Review

Sage performed strongly in H1 26, with good levels of growth in revenue, profits and cash flow. This was underpinned by focused execution, as we embed AI into trusted, mission-critical finance, payroll and HR workflows, enhancing the value of our solutions and deepening customer relationships. By deploying AI across our business, we are reinforcing our growth, efficiency and the durability of our business model.

Overview of results

The Group increased underlying revenue by 11% to £1,363m (H1 25: £1,231m), with all regions contributing to growth. In North America, revenue grew by 14%, with strong performance from Sage Intacct together with continued growth in Sage 50 and Sage 200. In the UKIA⁴ region, revenue increased by 10% driven by Sage Intacct together with cloud solutions for small businesses including Sage 50. In Europe, revenue increased by 7%, with growth across our accounting, HR and payroll solutions.

Our aim is to efficiently grow revenues across all products and services by attracting new customers and delivering more value to existing customers. Sage Business Cloud, comprising our cloud native⁵ and cloud connected⁶ solutions, helps customers benefit from a growing range of cloud and AI-powered services via the Sage Platform, leading to deeper customer relationships and higher lifetime values.

As a result, Sage Business Cloud total revenue increased by 15% to £1,162m (H1 25: £1,011m), driven by growth in cloud native revenue of 25% to £518m (H1 25: £416m) primarily through new customer acquisition, and by growth in cloud connected revenue from both existing and new customers.

Underlying recurring revenue increased by 11% to £1,323m (H1 25: £1,192m), with software subscription revenue up 12% to £1,150m (H1 25: £1,022m) leading to subscription penetration of 84% (H1 25: 83%). As a result, 97% of the Group's revenue is recurring.

On an organic basis, total revenue grew by 10% to £1,360m (H1 25: £1,235m), while recurring revenue increased by 10% to £1,321m (H1 25: £1,195m).

ARR growth

ARR increased by 11% to £2,727m (H1 25: £2,453m) on an underlying basis, reflecting growth balanced between new and existing customers. On an organic basis, ARR grew by 11% to £2,721m (H1 25: £2,461m).

Renewal rate by value of 102% is ahead of last year (H1 25: 101%) reflecting increased sales to existing customers, including the growing adoption of AI-powered features and targeted price rises, supported by strong retention rates. In total, Sage has added £200m of ARR through new customer acquisition on an organic basis over the last 12 months, up from £190m⁷ a year earlier.

Performance by region

North America	H1 26	H1 25	Change	Organic change
US	£541m	£472m	15%	13%
Canada	£75m	£68m	9%	9%
Underlying total revenue	£616m	£540m	14%	13%

In North America, underlying total revenue increased by 14% to £616m, with growth across Sage's key accounting solutions, particularly among mid-sized businesses. Recurring revenue grew by 14% to £600m (H1 25: £527m), while subscription penetration increased to 83%, up from 82% in the prior period.

In the US, total revenue increased by 15% to £541m. Sage Intacct, which now represents about half of US revenue, grew by 26% to £267m (H1 25: £211m). This was driven by continued success from our vertical-focused go-to-market approach, including strong momentum across not-for-profit, construction & real estate and financial services, and supported by customers adopting AI-powered functionality. In addition, Sage Intacct benefited from good progress in Sage Intacct Advisory, enabling accounting firms to deliver outsourced financial and advisory services and helping drive further scale.

⁴ United Kingdom, Ireland, Africa and APAC.

⁵ Cloud native solutions run in a cloud environment enabling access to up-to-date functionality at any time, from any location, via the internet.

⁶ Cloud connected solutions are deployed on premise with significant functionality delivered through the cloud.

⁷ Retranslated at current year exchange rates.

US revenue was also driven by a strong performance in Sage 50, reflecting momentum in migrations to a cloud-native environment, together with growth in HR and payroll following the acquisition of Criterion, and a continued contribution from Sage 200.

In Canada, total revenue grew by 9% to £75m, driven by a strong performance in Sage Intacct, now the largest growth driver in the region, while Sage 50 also contributed strongly, supported by good renewal rates.

Adjusting for the acquisitions of Criterion in H1 26 and Fyle in FY25, organic total revenue grew by 13% in the US, and by 13% in North America as a whole.

UKIA	H1 26	H1 25	Change	Organic change
UK & Ireland	£297m	£271m	10%	10%
Africa & APAC	£98m	£89m	10%	10%
Underlying total revenue	£395m	£360m	10%	10%

In the UKIA region, underlying total revenue increased by 10% to £395m, with strength across accounting, HR and payroll solutions. Recurring revenue grew by 10% to £389m (H1 25: £352m), while subscription penetration was 90%, up from 89% in the prior period.

In the UK & Ireland, total revenue grew by 10% to £297m. Sage Intacct continued to perform well, driven by new customer acquisition reflecting strong demand and effective execution through the partner channel, with good renewal rates supported by customer add-ons. Sage 50 was a significant contributor to growth, with momentum driven by our bundling approach, as customers move into higher-value solutions with expanded capabilities, including AI-powered features.

Sage's cloud native solutions for small businesses, including Sage Accounting, Sage Payroll and Sage HR, also continued to deliver good growth. Sage Accounting benefited from strong renewal rates and upselling to our integrated small business suite, which includes AI capabilities including Sage Copilot.

In Africa and APAC, total revenue grew by 10% to £98m, driven by growth in Sage Accounting and Sage Payroll across new and existing customers. Sage Intacct also performed well and is rapidly scaling through new customers. Sage X3 and local products within the Sage 50 franchise also contributed to growth.

Europe	H1 26	H1 25	Change	Organic Change
France	£176m	£165m	7%	7%
Iberia	£93m	£85m	9%	8%
Central Europe	£83m	£81m	4%	4%
Underlying total revenue	£352m	£331m	7%	6%

Europe delivered underlying total revenue growth of 7% to £352m, mainly reflecting a strong performance across Sage 200, Sage X3, and HR and payroll solutions. Recurring revenue increased by 7% to £334m (H1 25: £313m), while subscription penetration rose to 81% from 79% in the prior period.

In France, total revenue grew by 7% to £176m, driven primarily by accounting solutions. Sage X3 made a significant contribution, supported by continued execution and momentum in customer demand. Performance in Sage 200 was also strong, reflecting good renewals across existing customers. Growth was further supported by Sage Intacct, which saw increasing traction as the solution starts to scale.

Iberia achieved a total revenue increase of 9% to £93m, driven by Sage 200, together with solutions for accountants which benefited from compliance tailwinds in the region. Sage 50 also contributed to growth largely through higher pricing and strong retention.

In Central Europe, total revenue grew by 4% to £83m. Cloud HR and payroll, which represents a significant proportion of the business, delivered solid growth, complemented by Sage 200. In addition, Sage Intacct has started to build early traction from a small base.

Adjusting for the impact of the ForceManager acquisition in FY25, organic total revenue grew by 8% in Iberia, and by 6% in Europe as a whole.

Strategic progress

Sage grows by consistently enhancing the value we deliver to existing and new customers. By innovating to provide better ways for SMBs to run their finance, HR and payroll processes, we make our products more attractive and more valuable. Our focus on improving customer outcomes is accelerating with the adoption of AI and agentic tools, enabling us to deliver more powerful solutions that automate decisions, surface insights and orchestrate complex processes.

Leveraging our competitive advantages

Building on our trusted system-of-record status, we are leveraging our competitive advantages – including extensive, proprietary data sets, deep domain expertise gained over decades and our scaled ecosystem of accountants, developers and resellers – to embed enterprise-grade AI directly into customers’ mission-critical workflows and transform the way they work. Importantly, our AI is designed with guardrails that aim to ensure reliable and transparent results, building customer confidence, control and accountability, and placing trust at the centre of our customer proposition.

Scaling AI through the Sage Platform

The Sage Platform provides a secure, scalable foundation for our solutions, connecting customers, products and partners in an intelligent ecosystem, where every connection and every transaction make the system smarter. Designed to accelerate innovation and efficient product development, the platform has enabled the rapid rollout of Sage Copilot, our digital assistant, and the deployment of multiple AI agents including our Accounts Payable Agent, Close Agent and Finance Intelligence Agent, resulting in significant productivity and decision-making benefits to customers.

Expanding our ecosystem

We have also introduced new agentic capabilities and pricing models to enable partner-developed agents to operate on the platform, giving customers faster access to new functionality, and we have expanded our relationship with AWS to accelerate the migration of connected products such as Sage 50 to a cloud native environment. In addition, in partnership with PwC and supported by our recent acquisition of Doyen AI, a data migration specialist, we are launching AI-powered implementations to accelerate time-to-value.

Growing our cloud solutions

By broadening our offering across more financial tasks, reaching further into operational workflows, and embedding agentic AI, we are strengthening our competitive position and driving growth. During the period we scaled services such as accounts payable, accounts receivable and payments. In the mid-market, we grew Sage Intacct strongly, with ARR growth of over 20% in the US and around 50% internationally. We also strengthened our mid-market HR & payroll capabilities through the acquisition of Criterion. In addition, we launched Sage X3 as a fully managed cloud service and introduced Sales Intelligence Agent to proactively alert teams to risks such as overdue orders or delayed shipments. In the small segment, we have made strong progress with Sage Sole Trader, and partnered with leading UK banks and fintechs including HSBC, Monzo, Tide and SumUp to deliver embedded accounting and tax services, helping us win new customers earlier in their lifecycle. Growth has been supported by regulatory changes including Making Tax Digital for Income Tax in the UK, anti-fraud legislation in Spain and e-invoicing in France.

Transforming our operations

We are also delivering productivity through our own AI transformation. In engineering, third-party coding tools have significantly increased developer productivity, saving hundreds of thousands of work hours. In customer support, AI is driving strong resolution rates with high levels of customer satisfaction. In go-to-market, AI is helping to improve demand generation by personalising and automating outbound campaigns, while also supporting inbound lead qualification. In addition, we are executing comprehensive upskilling programmes across the Group to help colleagues confidently apply AI in their day-to-day work.

Sustainability and Society

Sage has, in recent months, continued to be recognised among the World’s Most Sustainable Companies by TIME Magazine and Statista, maintained a Gold rating from EcoVadis, achieved an ‘A’ leadership score from CDP, retained an ‘AAA’ ESG rating from MSCI, and won the edie 2026 award for Sustainability Reporting & Communications for the second consecutive year. Alongside making good progress across our sustainability priorities, including the Sage Impact Entrepreneurship programme, we also advanced our Responsible AI programme, underpinned by the adoption of the NIST AI Risk Management Framework and the AI Trust Label, to support the responsible development and use of AI across the business.

Financial Review

The financial review provides a summary of the Group's results on a statutory and underlying basis, alongside its organic performance. Underlying measures allow management and investors to understand the Group's financial performance adjusted for the impact of foreign exchange movements and recurring and non-recurring items, while organic measures also adjust for the impact of acquisitions and disposals⁸.

Statutory and underlying financial results

Financial results	Statutory			Underlying		
	H1 26	H1 25	Change	H1 26	H1 25	Change
North America	£616m	£568m	+8%	£616m	£540m	+14%
UKIA	£395m	£358m	+11%	£395m	£360m	+10%
Europe	£352m	£316m	+11%	£352m	£331m	+7%
Total revenue	£1,363m	£1,242m	+10%	£1,363m	£1,231m	+11%
Operating profit	£293m	£255m	+15%	£326m	£285m	+15%
% Operating profit margin	21.5%	20.5%	+1.0 ppts	23.9%	23.1%	+0.8 ppts
Profit before tax	£262m	£236m	+11%	£295m	£267m	+11%
Profit after tax	£196m	£180m	+9%	£224m	£203m	+10%
Basic EPS	20.7p	18.2p	+14%	23.7p	20.5p	+16%

The Group achieved statutory and underlying total revenue of £1,363m in H1 26. Statutory total revenue increased by 10%, reflecting underlying total revenue growth of 11% offset by a one percentage point foreign exchange headwind, with US dollar depreciation partly offset by a strengthening euro.

Statutory and underlying operating profit increased by 15%, to £293m and £326m, respectively, reflecting revenue growth combined with operating efficiencies.

Statutory basic EPS increased by 14% to 20.7p, and underlying basic EPS increased by 16% to 23.7p, mainly reflecting higher underlying profit, with an increase in net finance costs offset by a reduction in the weighted average number of shares as a result of recent share buybacks.

Revenue – underlying and organic reconciliation to statutory

Total revenue bridge	H1 26	H1 25	Change
Statutory	£1,363m	£1,242m	+10%
Recurring items	-	-	
Impact of FX	-	(£11m)	
Underlying	£1,363m	£1,231m	+11%
Disposals	-	-	
Acquisitions	(£3m)	£4m	
Organic	£1,360m	£1,235m	+10%

Statutory and underlying revenue was £1,363m in H1 26. Underlying revenue in H1 25 of £1,231m reflects statutory revenue of £1,242m retranslated at current year exchange rates, resulting in a foreign exchange headwind of £11m. Organic revenue in H1 26 was £1,360m, reflecting underlying revenue of £1,363m adjusted for £3m of revenue from the acquisition of Criterion during the period. Organic revenue in H1 25 of £1,235m reflects underlying revenue of £1,231m, adjusted for £3m of revenue from Fyle, and £1m of revenue from ForceManager, which were acquired in FY25.

⁸ Underlying and organic revenue and profit measures are defined in Appendix 1.

Operating profit

The Group increased underlying operating profit by 15% to £326m (H1 25: £285m), resulting in an increase in underlying operating margin of 80bps to 23.9% (H1 25: 23.1%). This was driven by revenue growth and operating efficiencies, with disciplined cost management supporting increased investment. On an organic basis, adjusting for the impact of acquisitions in FY25 and H1 26, operating profit increased by 14% to £325m (H1 25: £285m) while organic operating margin was broadly in line with underlying.

Operating profit – underlying and organic reconciliation to statutory

Operating profit bridge	H1 26		H1 25	
	Operating profit	Operating margin	Operating profit	Operating margin
Statutory	£293m	21.5%	£255m	20.5%
Recurring items ⁹	£33m	-	£35m	-
Non-recurring items:				
• <i>Reversal of property restructuring costs</i>	-	-	(£2m)	-
Impact of FX	-	-	(£3m)	-
Underlying	£326m	23.9%	£285m	23.1%
Disposals	-	-	-	-
Acquisitions	(£1m)	-	-	-
Organic	£325m	23.9%	£285m	23.0%

The Group achieved a statutory operating profit in H1 26 of £293m (H1 25: £255m). Underlying operating profit of £326m in H1 26 reflects statutory operating profit adjusted for recurring and non-recurring items. Organic operating profit of £325m in H1 26 reflects underlying operating profit adjusted for £1m of operating profit from the acquisition of Criterion during the period.

Recurring items of £33m (H1 25: £35m) comprise £22m of amortisation of acquisition-related intangibles (H1 25: £22m) and £11m of M&A related charges (H1 25: £13m). In H1 25, non-recurring items comprised a £2m reversal of property restructuring costs. Recurring and non-recurring items together were unchanged compared to the prior period, at £33m.

In addition, the retranslation of H1 25 operating profit at current year exchange rates has resulted in an operating profit headwind of £3m. This has led to a 10-basis point margin headwind from foreign exchange to 23.1% (H1 25 underlying as reported: 23.2%).

Underlying EBITDA

Underlying EBITDA was £375m (H1 25: £331m) representing a margin of 27.6%. The increase in underlying EBITDA principally reflects growth in underlying operating profit.

	H1 26	H1 25	Margin
Underlying operating profit	£326m	£285m	23.9%
Depreciation & amortisation	£24m	£24m	
Share based payments	£25m	£22m	
Underlying EBITDA	£375m	£331m	27.6%

Net finance cost

The underlying net finance cost for the period increased to £31m (H1 25: £18m), mainly reflecting lower interest income on deposits, as well as higher finance costs including new debt issuance. This was consistent with the statutory net finance cost of £31m (H1 25: £19m).

⁹ Recurring and non-recurring items are defined in Appendix 1 and detailed in note 3 of the financial statements.

Taxation

The underlying tax expense for H1 26 was £71m (H1 25: £64m), resulting in an underlying effective tax rate of 24% (H1 25: 24%). The statutory income tax expense for H1 26 was £66m (H1 25: £56m), resulting in a statutory effective tax rate of 25% (H1 25: 24%). The difference between the statutory and underlying rates in H1 26, and the increase in the statutory rate year on year, largely reflects M&A-related charges.

Earnings per share (EPS)

	H1 26	H1 25	Change
Statutory basic EPS	20.7p	18.2p	+14%
Recurring items	3.0p	2.8p	
Non-recurring items	-	(0.2)p	
Impact of foreign exchange	-	(0.3)p	
Underlying basic EPS	23.7p	20.5p	+16%

Underlying basic EPS increased by 16% to 23.7p, mainly reflecting the increase in underlying operating profit. Statutory basic EPS increased by 14%, mainly reflecting the increase in underlying basic EPS partly offset by the post-tax impact of non-recurring items and a slight foreign exchange headwind.

Cash flow

Sage remains highly cash generative with underlying cash flow from operations increasing by 15% to £378m (H1 25: £330m), representing underlying cash conversion of 116% (H1 25: 115%). This strong cash performance reflects revenue growth and continued good working capital management. Free cash flow of £241m (H1 25: £246m) reflects robust cash conversion, offset by income tax which increased due to the timing of tax payments in prior periods, and net interest which increased due to new debt issuance together with lower interest income on deposits.

Cash flow APMs	H1 26	H1 25 (as reported)
Underlying operating profit	£326m	£288m
Depreciation, amortisation and non-cash items in profit	£23m	£23m
Share based payments	£25m	£22m
Net changes in working capital	£26m	£29m
Net capital expenditure	(£22m)	(£32m)
Underlying cash flow from operations	£378m	£330m
<i>Underlying cash conversion %</i>	<i>116%</i>	<i>115%</i>
Non-recurring cash items	(£1m)	(£6m)
Net interest paid	(£56m)	(£36m)
Income tax paid	(£80m)	(£38m)
Profit and loss foreign exchange movements	-	(£4m)
Free cash flow	£241m	£246m

Statutory reconciliation of cash flow from operations	H1 26	H1 25 (as reported)
Statutory cash flow from operations	£390m	£330m
Recurring and non-recurring items	£9m	£28m
Net capital expenditure	(£27m)	(£32m)
Other adjustments including foreign exchange translations	£6m	£4m
Underlying cash flow from operations	£378m	£330m

Net debt and liquidity

Group net debt was £1,504m at 31 March 2026 (30 September 2025: £1,189m), comprising cash and cash equivalents of £518m (30 September 2025: £390m) and total debt of £2,022m (30 September 2025: £1,579m). The Group had £1,148m of cash and available liquidity at 31 March 2026 (30 September 2025: £1,020m).

The increase in net debt in the period is summarised in the table below.

	H1 26	H1 25 (as reported)
Net debt at 1 October	(£1,189m)	(£738m)
Free cash flow	£241m	£246m
New leases less disposals	(£18m)	(£6m)
Acquisition of businesses	(£44m)	(£33m)
M&A and equity investments	(£9m)	(£22m)
Dividends paid	(£136m)	(£135m)
Share buyback	(£353m)	(£293m)
FX movement and other	£4m	£5m
Net debt at 31 March	(£1,504m)	(£976m)

The Group's debt is sourced from sterling and euro denominated notes, together with a syndicated multi-currency Revolving Credit Facility (RCF).

In February 2026, the Group issued €500m 7-year notes with a coupon of 3.821% as part of the Group's Euro Medium Term Note (EMTN) programme. Sage's notes also include £300m 12-year notes issued in March 2025 with a coupon of 5.625%, €500m 5-year notes in February 2023 with a coupon of 3.82%, £400m 12-year notes issued in February 2022 with a coupon of 2.875%, and £350m 10-year notes issued in February 2021 with a coupon of 1.625%.

The Group's RCF of £630m expires in December 2029 and was undrawn at 31 March 2026 (H1 25: undrawn). Sage has an investment grade issuer credit rating assigned by Standard and Poor's of BBB+ (stable outlook).

Capital allocation

Sage's disciplined capital allocation policy is focused on accelerating strategic execution through organic and inorganic investment, and delivering shareholder returns. During the period, Sage completed the acquisition of Criterion, a human capital management (HCM) platform which enhances Sage's offering to mid-sized businesses, and Akao, a specialist in digitalisation and automation solutions.

Sage has a progressive dividend policy, intending to grow the dividend over time while considering the future capital requirements of the Group. Reflecting Sage's strong performance and cash generation during the first half, we have increased the interim dividend by 8% to 8.05p per share (H1 25: 7.45p).

The Group also considers returning surplus capital to shareholders. On 5 February 2026, Sage completed a share buyback programme, commenced on 19 November 2025, under which a total of 29.4m shares were purchased for an aggregate consideration of £300m and subsequently cancelled.

On 2 March 2026, we commenced a further share buyback programme of up to £300m, under which, as at 18 May 2026, a total of 30.0m shares had been purchased for an aggregate consideration of £258m and subsequently cancelled. This programme is expected to complete no later than 5 June 2026.

These share buybacks reflect Sage's strong cash generation, robust financial position, and the Board's confidence in the Group's future prospects. Sage continues to have considerable financial flexibility to drive the execution of its growth strategy.

	H1 26	H1 25 (as reported)
Net debt	£1,504m	£976m
Underlying EBITDA (Last Twelve Months)	£742m	£655m
Net debt/underlying EBITDA ratio	2.0x	1.5x

The Group's underlying EBITDA over the last 12 months was £742m, resulting in a net debt to underlying EBITDA leverage ratio of 2.0x, up from 1.5x in the prior year. Sage intends to operate in a broad range of 1x to 2x net debt to underlying EBITDA over the medium term, with flexibility to move outside this range as business needs require.

Return on capital employed (ROCE) for H1 26 was 33% (H1 25 as reported: 29%). A reconciliation of ROCE to our reported measures is set out in Appendix 1 on page 12.

Foreign exchange

The Group does not hedge foreign currency profit and loss translation exposure, and therefore the statutory results are impacted by movements in exchange rates. The average rates used to translate the consolidated income statement and to normalise prior year underlying and organic figures are as follows:

Average exchange rates (equal to GBP)	H1 26	H1 25	Change
Euro (€)	1.15	1.20	-4%
US Dollar (\$)	1.34	1.27	+5%
Canadian Dollar (C\$)	1.85	1.80	+3%
South African Rand (ZAR)	22.40	23.12	-3%

Appendix 1 – Alternative Performance Measures

Alternative Performance Measures are used by the Group to understand and manage performance. These are not defined under International Financial Reporting Standards (IFRS) or UK-adopted International Accounting Standards (UK-IFRS) and are not intended to be a substitute for any IFRS or UK-IFRS measures of performance but have been included as management considers them to be important measures, alongside the comparable GAAP financial measures, in assessing underlying performance. Wherever appropriate and practical, we provide reconciliations to relevant GAAP measures. The table below sets out the basis of calculation of the Alternative Performance Measures and the rationale for their use.

MEASURE	DESCRIPTION	RATIONALE
Underlying (revenue and profit) measures	<p>Underlying measures are adjusted to exclude items which in management's judgement need to be disclosed separately by virtue of their size, nature or frequency to aid understanding of the performance for the year or comparability between periods:</p> <ul style="list-style-type: none"> Recurring items include purchase price adjustments including amortisation of acquired intangible assets and adjustments made to reduce deferred income arising on acquisitions, acquisition-related items and unhedged FX on intercompany balances; and Non-recurring items that management judge to be one-off or non-operational, such as gains and losses on the disposal of assets, impairment charges and reversals, and restructuring related costs. <p>Recurring items are adjusted each period irrespective of materiality to ensure consistent treatment. Underlying basic EPS is also adjusted for the tax impact of recurring and non-recurring items. All prior period underlying measures (revenue and profit) are retranslated at the current year exchange rates to neutralise the effect of currency fluctuations.</p>	<p>Underlying measures allow management and investors to compare performance without the effects of foreign exchange movements or recurring or non-recurring items. By including part-period contributions from acquisitions, discontinued operations, disposals and assets held for sale of standalone businesses in the current and/or prior periods, the impact of M&A decisions on earnings per share growth can be evaluated.</p>
Organic (revenue and profit) measures	<p>In addition to the adjustments made for Underlying measures, Organic measures:</p> <ul style="list-style-type: none"> Exclude the contribution from discontinued operations, disposals and assets held for sale of standalone businesses in the current and prior period; and Exclude the contribution from acquired businesses until the year following the year of acquisition; and Adjust the comparative period to present prior period acquired businesses as if they had been part of the Group throughout the prior period. <p>Acquisitions and disposals where the revenue and contribution impact would be immaterial are not adjusted.</p>	<p>Organic measures allow management and investors to understand the like-for-like revenue and current period margin performance of the continuing business.</p>
Underlying Cash Flow from Operations	<p>Underlying Cash Flow from Operations is Underlying Operating Profit adjusted for non-cash items, net capital expenditure (excluding business combinations and similar items) and changes in working capital.</p>	<p>To show the cash flow generated by the operations and calculate underlying cash conversion.</p>
Underlying Cash Conversion	<p>Underlying Cash Flow from Operations divided by Underlying (as reported) Operating Profit.</p>	<p>Cash conversion informs management and investors about the cash operating cycle of the business and how efficiently operating profit is converted into cash.</p>
Underlying EBITDA	<p>Underlying EBITDA is Underlying Operating Profit excluding underlying depreciation, amortisation and share-based payments. Underlying depreciation and amortisation is the statutory equivalent measure, adjusted for the amortisation of acquired intangibles. Underlying share-based payments is the statutory equivalent measure, adjusted for M&A-related share-based payment charges included within other M&A activity related items.</p>	<p>To calculate the Net Debt to Underlying EBITDA leverage ratio and to show profitability before the impact of major non-cash charges.</p>

MEASURE	DESCRIPTION	RATIONALE
Annualised recurring revenue	Annualised recurring revenue ("ARR") is the normalised recurring revenue in the last month of the reporting period, adjusted consistently period to period, multiplied by twelve. Adjustments to normalise reported recurring revenue involve adjusting for certain components (such as non-refundable contract sign-up fees) to ensure the measure reflects that part of the revenue base which (subject to ongoing use and renewal) can reasonably be expected to repeat in future periods.	ARR represents the annualised value of the recurring revenue base that is expected to be carried into future periods, and its growth is a forward-looking indicator of reporting recurring revenue growth.
Renewal Rate by Value	The ARR from renewals, migrations, upsell and cross-sell of active customers at the start of the year, divided by the opening ARR for the year.	As an indicator of our ability to retain and generate additional revenue from our existing customer base through up and cross sell.
Free Cash Flow	Free Cash Flow is Underlying Cash Flow from Operations minus net interest paid, derivative financial instruments and income tax paid, and adjusted for non-recurring cash items (which excludes net proceeds on disposals of subsidiaries) and profit and loss foreign exchange movements.	To measure the cash generated by the operating activities during the period that is available to repay debt, undertake acquisitions or distribute to shareholders.
% Subscription Penetration	Underlying software subscription revenue as a percentage of underlying total revenue.	To measure the migration of our customer base from licence and maintenance to a subscription relationship.
Net debt	Net debt is cash and cash equivalents less current and non-current borrowings.	To calculate the Net Debt to Underlying EBITDA leverage ratio and an indicator of our indebtedness.
Return on Capital Employed (ROCE)	ROCE is calculated as underlying Operating Profit, minus amortisation of acquired intangibles, the result being divided by capital employed, which is the average (of the opening and closing balance for the period) total net assets excluding net debt, derivative financial instruments, provisions for non-recurring costs, financial liability for the purchase of own shares and tax assets or liabilities. A reconciliation of ROCE to our reported measures is set out in the table below.	As an indicator of the financial return on the capital invested in the Company. ROCE is used as an underpin in the FY24, FY25 and FY26 PSP awards.

Reconciliation of Return on Capital Employed (ROCE)	H1 26	H1 25 (as reported)
Underlying operating profit net of amortisation of acquired intangibles	£608m	£532m
Net assets less borrowings and cash	£1,725m	£1,776m
Less:		
• Derivative financial instruments	(£24m)	(£2m)
• Provisions for non-recurring costs	£5m	£9m
• Financial liability for the purchase of own shares	£257m	£115m
• Tax assets or liabilities	(£63m)	(£52m)
Adjusted net assets	£1,900m	£1,846m
Average adjusted net assets	£1,871m	£1,813m
Return on capital employed	33%	29%

Consolidated income statement

For the six months ended 31 March 2026

(Unaudited)	Note	Six months ended 31 March 2026 £m	Six months ended 31 March 2025 £m
Revenue	2	1,363	1,242
Cost of sales		(103)	(90)
Gross profit		1,260	1,152
Selling and administrative expenses		(967)	(897)
Operating profit	2	293	255
Finance income		4	7
Finance costs		(35)	(26)
Profit before income tax		262	236
Income tax expense	4	(66)	(56)
Profit for the period		196	180
Profit attributable to:			
Owners of the parent		196	180
Earnings per share attributable to the owners of the parent (pence)			
Basic	6	20.68p	18.16p
Diluted	6	20.41p	17.86p

All operations in the period relate to continuing operations.

The notes on pages 19 to 35 form an integral part of these condensed consolidated half-yearly financial statements.

Consolidated statement of comprehensive income

For the six months ended 31 March 2026

(Unaudited)	Six months ended 31 March 2026 £m	Six months ended 31 March 2025 £m
Profit for the period	196	180
Items of other comprehensive income that will not be reclassified to profit or loss, net of tax:		
Fair value reassessment of equity investments	–	(2)
	–	(2)
Items of other comprehensive income that may be reclassified to profit or loss, net of tax:		
Exchange differences on translating foreign operations and net investment hedges	16	33
Changes in fair value of foreign currency basis of hedge relationships	(1)	(2)
Amortisation of foreign currency basis of hedge relationships	–	1
Cash flow hedges	(1)	2
	14	34
Other comprehensive income for the period, net of tax	14	32
Total comprehensive income for the period	210	212

Consolidated balance sheet

As at 31 March 2026

(Unaudited)	Note	31 March 2026 £m	31 March 2025 (Restated*) £m	30 September 2025 £m
Non-current assets				
Goodwill	7	2,276	2,201	2,213
Other intangible assets	7	213	213	212
Property, plant and equipment	7	163	123	144
Equity investments		4	4	4
Trade and other receivables		147	139	144
Deferred income tax assets		106	99	101
Derivative financial instruments		24	14	32
		2,933	2,793	2,850
Current assets				
Trade and other receivables		520	451	471
Current income tax asset		16	10	2
Cash and cash equivalents	9	518	574	390
		1,054	1,035	863
Total Assets		3,987	3,828	3,713
Current liabilities				
Trade and other payables		(650)	(464)	(433)
Current income tax liabilities		(43)	(40)	(39)
Borrowings	9	(15)	(15)	(17)
Provisions		(18)	(17)	(21)
Deferred income		(962)	(870)	(845)
		(1,688)	(1,406)	(1,355)
Non-current liabilities				
Borrowings	9	(2,007)	(1,535)	(1,562)
Post-employment benefits		(25)	(23)	(25)
Deferred income tax liabilities		(16)	(18)	(15)
Provisions		(24)	(23)	(23)
Trade and other payables		(2)	(6)	(8)
Deferred income		(5)	(6)	(5)
Derivative financial instruments		–	(12)	–
		(2,079)	(1,623)	(1,638)
Total liabilities		(3,767)	(3,029)	(2,993)
Net assets		220	799	720
Equity attributable to owners of the parent				
Ordinary shares	8	10	11	11
Share premium	8	548	548	548
Other reserves	8	(311)	(357)	(369)
Retained earnings		(27)	597	530
Total equity		220	799	720

*Other reserves and retained earnings have been restated to present the treasury share reserve and capital redemption reserve within other reserves (see note 1).

Consolidated statement of changes in equity

For the six months ended 31 March 2026

(Unaudited)	Attributable to owners of the parent				
	Ordinary shares £m	Share premium £m	Other reserves £m	Retained earnings £m	Total equity £m
At 1 October 2025	11	548	(369)	530	720
Profit for the period	–	–	–	196	196
Other comprehensive income/(expense), net of tax					
Exchange differences on translating foreign operations and net investment hedges	–	–	16	–	16
Changes in fair value of foreign currency basis of hedge relationships	–	–	(1)	–	(1)
Cash flow hedges	–	–	(1)	–	(1)
Total comprehensive income for the period ended 31 March 2026	–	–	14	196	210
Transactions with owners					
Employee share option scheme - value of employee services including deferred tax	–	–	–	26	26
Vesting of share awards and exercise of share options	–	–	43	(41)	2
Cancellation of ordinary shares	(1)	–	1	–	–
Share buyback programme	–	–	–	(602)	(602)
Dividends paid to owners of the parent	–	–	–	(136)	(136)
Total transactions with owners for the period ended 31 March 2026	(1)	–	44	(753)	(710)
At 31 March 2026	10	548	(311)	(27)	220

Consolidated statement of changes in equity

For the six months ended 31 March 2025

	Attributable to owners of the parent				Total equity £m
	Ordinary shares £m	Share premium £m	Other reserves (restated*) £m	Retained earnings (restated*) £m	
(Unaudited)					
At 1 October 2024	11	548	(428)	962	1,093
Profit for the period	–	–	–	180	180
Other comprehensive income/(expense), net of tax					
Exchange differences on translating foreign operations and net investment hedges	–	–	33	–	33
Changes in fair value of foreign currency basis of hedge relationships	–	–	(2)	–	(2)
Amortisation of foreign currency basis of hedge relationships	–	–	1	–	1
Cash flow hedges	–	–	2	–	2
Fair value reassessment of equity investments	–	–	–	(2)	(2)
Total comprehensive income for the period ended 31 March 2025	–	–	34	178	212
Transactions with owners					
Employee share option scheme – value of employee services including deferred tax	–	–	–	33	33
Vesting of share awards and exercise of share options	–	–	37	(34)	3
Share buyback programme	–	–	–	(407)	(407)
Dividends paid to owners of the parent	–	–	–	(135)	(135)
Total transactions with owners for the period ended 31 March 2025	–	–	37	(543)	(506)
At 31 March 2025	11	548	(357)	597	799

*Other reserves and retained earnings have been restated to present the treasury share reserve and capital redemption reserve within other reserves (see note 1).

Consolidated statement of cash flows

For the six months ended 31 March 2026

(Unaudited)	Note	Six months ended 31 March 2026 £m	Six months ended 31 March 2025 £m
Cash flows from operating activities			
Cash generated from continuing operations	9	390	330
Interest paid		(58)	(42)
Income tax paid		(80)	(38)
Net cash generated from operating activities		252	250
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	11	(38)	(28)
Purchases of intangible assets	7	(12)	(10)
Purchases of property, plant and equipment	7	(15)	(25)
Interest received		4	7
Net cash used in investing activities		(61)	(56)
Cash flows from financing activities			
Proceeds from borrowings	9	584	297
Repayments of borrowings	9	(150)	(2)
Borrowing costs		(1)	(1)
Capital element of lease payments		(10)	(9)
Receipt of lease incentive		–	6
Proceeds from issuance of treasury shares		2	3
Share buyback programme	8	(353)	(296)
Dividends paid to owners of the parent	5	(136)	(135)
Net cash used in financing activities		(64)	(137)
Net increase in cash and cash equivalents (before exchange rate movement)			
		127	57
Effects of exchange rate movement	9	1	9
Net increase in cash and cash equivalents		128	66
Cash and cash equivalents at 1 October	9	390	508
Cash and cash equivalents at period end	9	518	574

Notes to the financial information

For the six months ended 31 March 2026

1. Group accounting policies

General information

The Sage Group plc (“the Company”) and its subsidiaries (together “the Group”) is a leader in finance, HR and payroll software for small and mid-sized businesses.

These condensed consolidated half-yearly financial statements were approved for issue by the Board of Directors on 20 May 2026.

The financial information set out above does not constitute the Company’s annual financial statements. Annual financial statements for the year ended 30 September 2025 have been delivered to the Registrar of Companies. The auditor’s report was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain statements under section 498 (2) and (3) of the Companies Act 2006.

The financial information has been prepared on the basis of the accounting policies and critical accounting estimates and judgements as set out in the annual financial statements for the year ended 30 September 2025, unless otherwise stated.

These condensed consolidated half-yearly financial statements have been reviewed, not audited.

The Company is a limited liability company incorporated and domiciled in the UK. The address of its registered office is C23 – 5 & 6 Cobalt Park Way, Cobalt Park, Newcastle upon Tyne, NE28 9EJ. The Company is listed on the London Stock Exchange.

All figures presented are rounded to the nearest £m, unless otherwise stated.

Basis of preparation

The financial information for the six months ended 31 March 2026 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34, ‘Interim Financial Reporting’ as issued by the International Accounting Standards Board (“IASB”) and as adopted for use in the UK.

These condensed consolidated half-yearly financial statements should be read in conjunction with the annual financial statements for the year ended 30 September 2025, which have been prepared in accordance with UK-adopted International Accounting Standards (“UK-IFRS”) and International Financial Reporting Standards (“IFRS”) as issued by the IASB.

In the annual financial statements for the year ended 30 September 2025, the Group presented the treasury share reserve and capital redemption reserve separately within other reserves, rather than within retained earnings, to improve clarity. Prior period comparatives as at 31 March 2025 have been restated to reflect this presentation change.

Going concern

As at 31 March 2026, the Group had a strong liquidity position with cash and available liquidity of £1.1bn, supported by underlying cash conversion of 116% reflecting the robust subscription-based business model. The Group’s position is further supported by a well-diversified customer base amongst small and mid-sized businesses with high quality recurring revenue and strong retention rates.

In reaching its assessment on going concern, the Directors have reviewed liquidity forecasts for the Group for a period of at least 12 months from the date of the approval of these financial statements (the going concern assessment period), which reflect the expected impact of economic conditions on trading.

Scenario-specific stress testing has been performed, with the level of churn assumptions increased by 75%, and a significant reduction in the level of new customer acquisition and sales to existing customers. In these severe stress scenarios, the Group continues to have sufficient resources to continue in operational existence, without the need to drawdown the revolving credit facility or seek additional financing. If more severe impacts occur, controllable mitigating actions to protect liquidity, including the reduction of discretionary spend, are available to the Group should they be required.

The Directors also reviewed the results of reverse stress testing to provide an illustration of the level of churn and deterioration in new customer acquisition which would be required to exhaust liquidity down to minimum working capital requirements. The result of the reverse stress testing has highlighted that such a scenario would only arise following a significant deterioration in performance, well in excess of the assumptions considered in the stress testing scenarios. The probability of these factors occurring is deemed to be remote given the resilient nature of the subscription business model, robust balance sheet, and continued strong cash conversion.

After making enquiries, the Directors have a reasonable expectation that Sage has adequate resources to continue in operation throughout the going concern assessment period. Accordingly, these condensed consolidated half-yearly financial statements have been prepared on a going concern basis.

Adoption of new and revised IFRSs

No standards, interpretations and amendments effective in the current financial period have had a material impact on the Group. No standards have been early adopted during the period.

The impact of the following standards, interpretations or amendments that have been issued but are not yet effective are under assessment:

- IFRS 18 “Presentation and Disclosure in Financial Statements”, which will be effective for annual reporting periods beginning on or after 1 January 2027. IFRS 18 will not impact the recognition or measurement of items in the financial statements but is expected to change how Sage presents certain information.

Other standards, interpretations and amendments issued but not yet effective are not expected to have a material impact on the Group.

Accounting estimates and judgements

Accounting estimates and judgements are consistent with those included in the Company’s annual financial statements for the year ended 30 September 2025, except for business combinations which has been updated to reflect the acquisition of Criterion Inc. (“Criterion”).

Business combinations (judgement and estimate)

When the Group completes a business combination, the consideration transferred for the acquisition and the identifiable assets and liabilities are recognised at their fair values. The amount by which the consideration exceeds the net assets acquired is recognised as goodwill. The application of accounting policies to business combinations involves judgement and the use of estimates.

In the period, the Group finalised the purchase price accounting for the acquisitions of Criterion (see note 11). As part of finalising the purchase price accounting, external independent valuation experts were engaged to support with the identification and valuation of acquired intangible assets:

Judgement was required with respect to the identification of acquired intangible assets, with only technology being identified. Subsequently, the valuation of those acquired intangible assets involved key estimates.

Valuation techniques being the multi-period excess earnings method was used to value the technology. The key estimates requiring consideration as part of the valuations included the application of a discount rate and the use of an appropriate royalty rate.

Website

This condensed consolidated half-yearly financial report for the six months ended 31 March 2026 can also be found on our website: www.sage.com/investors/financial-information/results

2. Segment information

In accordance with IFRS 8 (Operating Segments) information for the Group's operating segments has been derived using the information used by the Chief Operating Decision Maker ("CODM"). The Group's Executive Leadership Team ("ELT") has been identified as the CODM, in accordance with their designated responsibility for the allocation of resources to operating segments and assessing their performance through the Monthly Business Reviews. The ELT uses organic and underlying data to monitor business performance. Operating segments are reported in a manner which is consistent with the operating segments produced for internal management reporting.

The Group is organised into three key operating segments:

- North America
- United Kingdom, Ireland, Africa and APAC ("UKIA")
- Europe

For reporting under IFRS 8 each of the three operating segments above represents a reportable segment.

The revenue analysis in the table below is based on the location of the customer, which is not materially different from the location where the order is received and where the assets are located.

Category	Examples
Recurring revenue	Software subscription revenue Other subscription revenue Other recurring revenue
Other revenue	Perpetual software licences Upgrades to perpetual licences Professional services Training

Revenue by segment

	Six months ended 31 March 2026			Change		
	Statutory and Underlying £m	Organic Adjustments* £m	Organic £m	Statutory	Underlying	Organic
Recurring revenue by segment						
North America	600	(2)	598	8%	14%	13%
UKIA	389	–	389	11%	10%	10%
Europe	334	–	334	12%	7%	7%
Recurring revenue	1,323	(2)	1,321	10%	11%	10%
Other revenue by segment						
North America	16	(1)	15	13%	19%	12%
UKIA	6	–	6	(23%)	(24%)	(24%)
Europe	18	–	18	8%	3%	3%
Other revenue	40	(1)	39	3%	3%	1%
Total revenue by segment						
North America	616	(3)	613	8%	14%	13%
UKIA	395	–	395	11%	10%	10%
Europe	352	–	352	11%	7%	6%
Total revenue	1,363	(3)	1,360	10%	11%	10%

* Adjustments relate to the acquisition of Criterion Inc.

	Six months ended 31 March 2026			Change		
	Statutory and Underlying £m	Organic Adjustments* £m	Organic £m	Statutory	Underlying	Organic
Total revenue by type						
Software subscription revenue	1,150	(2)	1,148	12%	12%	12%
Other recurring revenue	173	–	173	1%	2%	2%
Recurring revenue	1,323	(2)	1,321	10%	11%	10%
Other revenue	40	(1)	39	3%	3%	1%
Total revenue	1,363	(3)	1,360	10%	11%	10%

* Adjustments relate to the acquisition of Criterion.

Six months ended 31 March 2025

	Statutory and Underlying as reported £m	Impact of foreign exchange £m	Underlying £m	Organic adjustments* £m	Organic £m
Recurring revenue by segment					
North America	554	(27)	527	3	530
UKIA	350	2	352	–	352
Europe	299	14	313	–	313
Recurring revenue	1,203	(11)	1,192	3	1,195
Other revenue by segment					
North America	14	(1)	13	1	14
UKIA	8	–	8	–	8
Europe	17	1	18	–	18
Other revenue	39	–	39	1	40
Total revenue by segment					
North America	568	(28)	540	4	544
UKIA	358	2	360	–	360
Europe	316	15	331	–	331
Total revenue	1,242	(11)	1,231	4	1,235

* Adjustments relate to the acquisition of Tritium Software, S.L. (“Tritium Software”) and Fyle Technologies Private Limited (“Fyle”) in the previous year.

Six months ended 31 March 2025

	Statutory and Underlying as reported £m	Impact of foreign exchange £m	Underlying £m	Organic adjustments* £m	Organic £m
Total revenue by type					
Software subscription revenue	1,031	(9)	1,022	3	1,025
Other recurring revenue	172	(2)	170	–	170
Recurring revenue	1,203	(11)	1,192	3	1,195
Other revenue	39	–	39	1	40
Total revenue	1,242	(11)	1,231	4	1,235

* Adjustments relate to the acquisition of Tritium Software and Fyle in the previous year.

Operating profit by segment

Six months ended 31 March 2026

Change

	Statutory £m	Underlying adjustments* £m	Underlying £m	Organic adjustments ** £m	Organic £m	Statutory	Underlying	Organic
Operating profit by segment								
North America	119	15	134	(1)	133	1%	8%	6%
UKIA	104	11	115	–	115	20%	17%	17%
Europe	70	7	77	–	77	39%	25%	24%
Total operating profit	293	33	326	(1)	325	15%	15%	14%

* Adjustments are detailed in note 3.

** Adjustments relate to the acquisition of Criterion.

Six months ended 31 March 2025

	Statutory £m	Underlying adjustments* £m	Underlying as reported £m	Impact of foreign exchange £m	Underlying £m	Organic adjustments** £m	Organic £m
Operating profit by segment							
North America	117	14	131	(6)	125	–	125
UKIA	87	11	98	–	98	–	98
Europe	51	8	59	3	62	–	62
Total operating profit	255	33	288	(3)	285	–	285

* Adjustments are detailed in note 3.

** Adjustments relate to the acquisition of Tritium Software and Fyle in the previous year.

3. Adjustments between underlying and statutory profit

	Six months ended 31 March 2026		Six months ended 31 March 2025	
	Operating profit £m	Profit before tax £m	Operating profit £m	Profit before tax £m
Statutory measures	293	262	255	236
Recurring items				
• Amortisation of acquired intangibles	22	22	22	22
• Other M&A activity-related items	11	11	13	13
• Foreign currency movements on intercompany balances	–	–	–	1
Non-recurring items:				
• Reversal of property restructuring costs	–	–	(2)	(2)
Underlying (as reported) measures	326	295	288	270
Impact of foreign exchange	–	–	(3)	(3)
Underlying measures	326	295	285	267

Recurring items

Recurring items impacting operating profit (reported within selling and administrative costs) and profit before tax comprise:

- Amortisation of acquired intangibles £22m (six months ended 31 March 2025: £22m) which have previously been recognised as part of business combinations or similar transactions.
- Other M&A activity-related items £11m (six months ended 31 March 2025: £13m) which include advisory, legal, accounting, valuation and other professional or consulting services which are related to M&A activity, as well as acquisition-related remuneration and directly attributable integration costs. £3m (six months ended 31 March 2025: £6m) of these costs have been paid in the period, while the remainder are expected to be paid in subsequent periods.

Non-recurring items

Non-recurring items impacting operating profit in the prior year (reported within selling and administrative costs) and profit before tax comprise:

- Reversal of property restructuring costs of £2m relates to a sub-lease entered into for a property site in North America, which had previously been exited.

In total for the six months ended 31 March 2026, cash paid in respect of recurring and non-recurring items of £9m, comprised £8m of other M&A activity-related items and £1m of property-related costs. (For the six months ended 31 March 2025, cash paid in respect of recurring and non-recurring items of £28m comprised £22m of other M&A activity-related items and £6m of employee-related costs).

The tax impact of recurring and non-recurring adjustments between statutory and underlying profit before tax is £5m, of which £5m relates to recurring items and £nil relates to non-recurring items (for the six months ended 31 March 2025, the tax impact is £8m, of which £8m relates to recurring items and £nil relates to non-recurring items). For the impact of these on the effective tax rates, see note 4.

4. Income tax expense

The effective tax rate on statutory profit before tax was 25% (six months ended 31 March 2025: 24%) whilst the effective tax rate on underlying profit before tax for continuing operations was 24% (six months ended 31 March 2025: 24%). The effective income tax rate represents the best estimate of the Group's average effective income tax rate expected for the full year, applied to the profit before income tax for the six months ended 31 March 2026.

The effective tax rate for the period is consistent with (2025: lower than) the rate of UK corporation tax applicable to the Group of 25% (2025: 25%).

The Group is in scope of the OECD's Pillar Two global tax reform for the financial year ended 30 September 2026. Pillar Two is not expected to materially impact the Group's effective tax rate.

For the period to 31 March 2026, the Group has continued to apply the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

5. Dividends

	Six months ended 31 March 2026 £m	Six months ended 31 March 2025 £m	Year ended 30 September 2025 £m
Final dividend paid for the year ended 30 September 2024 of 13.50p per share	–	135	135
Interim dividend paid for the year ended 30 September 2025 of 7.45p per share	–	–	72
Final dividend paid for the year ended 30 September 2025 of 14.40p per share	136	–	–
	136	135	207

The interim dividend of 8.05 pence per share will be paid on 3 July 2026 to shareholders on the register at the close of business on 5 June 2026. The Company's distributable reserves are sufficient to support the payment of this dividend. These condensed consolidated half-yearly financial statements do not reflect this proposed dividend payable.

6. Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period, excluding those held as treasury shares and held by the Employee Benefit Trust, which are treated as cancelled, until reissued.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares, exercisable at the end of the period.

	Underlying Six months ended 31 March 2026	Underlying as reported* Six months ended 31 March 2025	Underlying Six months ended 31 March 2025	Statutory Six months ended 31 March 2026	Statutory Six months ended 31 March 2025
Earnings attributable to owners of the parent** (£m)					
Profit for the period	224	206	203	196	180
Number of shares (millions)					
Weighted average number of shares for basic earnings per share	946	993	993	946	993
Dilutive effects of shares	12	16	16	12	16
Weighted average number of shares for diluted earnings per share	958	1,009	1,009	958	1,009
Earnings per share attributable to owners of the parent (pence)					
Basic earnings per share	23.74	20.81	20.48	20.68	18.16
Diluted earnings per share	23.43	20.47	20.14	20.41	17.86

* Underlying as reported is at 31 March 2025 reported exchange rates.

** All operations in the years relate to continuing operations.

	Six months ended 31 March 2026 £m	Six months ended 31 March 2025 £m
Reconciliation of earnings		
Statutory profit for the period attributable to owners of the parent	196	180
Adjustments:		
• Recurring items	33	36
• Non-recurring items	–	(2)
Taxation on adjustments between statutory and underlying profit before tax	(5)	(8)
Underlying profit for the period attributable to owners of the parent (as reported)	224	206
Impact of movement in foreign currency exchange rates	–	(3)
Underlying profit for the period (after exchange movement) attributable to owners of the parent	224	203

7. Non-current assets

	Goodwill £m	Other intangible assets £m	Property, plant and equipment £m	Total £m
Opening net book amount at 1 October 2025	2,213	212	144	2,569
Additions	–	13	34	47
Acquisitions	36	17	–	53
Depreciation, amortisation and other movements	–	(30)	(16)	(46)
Exchange movement	27	1	1	29
Closing net book amount at 31 March 2026	2,276	213	163	2,652

	Goodwill £m	Other intangible assets £m	Property, plant and equipment £m	Total £m
Opening net book amount at 1 October 2024	2,122	228	108	2,458
Additions	–	7	31	38
Acquisitions	25	6	–	31
Depreciation, amortisation and other movements	–	(31)	(16)	(47)
Exchange movement	54	3	–	57
Closing net book amount at 31 March 2025	2,201	213	123	2,537

8. Equity

Ordinary shares and share premium

	Number of shares*	Ordinary Shares £m	Share premium £m	Total £m
At 1 October 2025	1,023,290,127	11	548	559
Cancellation of shares	(35,360,327)	(1)	–	(1)
At 31 March 2026	987,929,800	10	548	558

* Issued and fully paid ordinary shares of 14/77 pence each.

	Number of shares*	Ordinary Shares £m	Share premium £m	Total £m
At 1 October 2024	1,071,499,517	11	548	559
Cancellation of shares**	(22,188,837)	–	–	–
At 31 March 2025	1,049,310,680	11	548	559

* Issued and fully paid ordinary shares of 14/77 pence each.

** Cancellation of shares in the six months ended 31 March 2025 resulted in a reduction of the nominal value of ordinary shares of less than £1m.

As at 31 March 2026 the Group held 55,085,354 treasury shares (31 March 2025: 61,472,220). During the period, the Group satisfied the vesting of certain share awards utilising 4,784,153 treasury shares (six months ended 31 March 2025: 5,252,787).

On 18 November 2025, the Group entered into a non-discretionary share buyback programme to purchase up to £300m of its own shares for a total consideration of £300m plus expected associated taxes. The programme completed on 5 February 2026 and the Group repurchased a total of 29,399,854 ordinary shares as part of this programme.

On 27 February 2026, the Group entered into a non-discretionary share buyback programme to purchase up to £300m of its own shares. The programme is expected to end no later than 5 June 2026, for a total consideration of £300m plus expected associated taxes. As at 31 March 2026 the Group has repurchased a total of 5,960,473 ordinary shares as part of this programme.

For both programmes, £610m (gross of tax) was recognised through retained earnings at the balance sheet date, of which £353m was paid in the period.

At 31 March 2026, a liability of £257m is recorded within trade and other payables representing the remaining amount to be paid under the share buyback programmes.

Employee Benefit Trust

The Employee Benefit Trust (“EBT”) holds shares in the Company and was set up for the benefit of Group employees. The EBT purchases the Company’s shares in the market or is gifted these by the Company for use in connection with the Group’s share-based payments arrangements. These shares are accounted for as treasury shares. Once purchased, shares are not sold back into the market unless required to settle employee tax liabilities in respect of their share awards.

As at 31 March 2026 the EBT held 6,772,356 ordinary shares in the Company (31 March 2025: 8,211,546) with £nil of shares purchased during the year (six months ended 31 March 2025: £nil), funded by the Company, and a nominal value of £nil (six months ended 31 March 2025: £nil). During the period, the EBT satisfied the vesting of certain share awards utilising 1,292,492 ordinary shares (six months ended 31 March 2025: 263,336).

The costs of funding and administering the EBT are charged to the profit and loss account of the Company in the period to which they relate. The market value of the shares of the Company held by the EBT at 31 March 2026 was £57m (31 March 2025: £89m).

Other Reserves

All components of other reserves are presented on a consolidated basis on the face of the consolidated statement of changes in equity.

	Translation reserve £m	Cash flow hedging Reserve £m	Cost of hedging reserve £m	Merger Reserve £m	Treasury share Reserve £m	Capital redemption Reserve £m	Total £m
At 1 October 2025	36	5	(4)	61	(470)	3	(369)
Exchange differences on translating foreign operations and net investment hedges	16	–	–	–	–	–	16
Changes in fair value of foreign currency basis of hedge relationships	–	–	(1)	–	–	–	(1)
Vesting of share awards and exercise of share options	–	–	–	–	43	–	43
Cancellation of ordinary shares	–	–	–	–	–	1	1
Cash flow hedges	–	(1)	–	–	–	–	(1)
At 31 March 2026	52	4	(5)	61	(427)	4	(311)

	Translation reserve £m	Cash flow hedging Reserve £m	Cost of hedging reserve £m	Merger Reserve £m	Treasury share Reserve* £m	Capital redemption Reserve* £m	Total £m
At 1 October 2024	26	5	(3)	61	(520)	3	(428)
Exchange differences on translating foreign operations and net investment hedges	33	–	–	–	–	–	33
Changes in fair value of foreign currency basis of hedge relationships	–	–	(2)	–	–	–	(2)
Amortisation of foreign currency basis of hedge relationships	–	–	1	–	–	–	1
Vesting of share awards and exercise of share options	–	–	–	–	37	–	37
Cash flow hedges	–	2	–	–	–	–	2
At 31 March 2025	59	7	(4)	61	(483)	3	(357)

*The comparatives at 31 March 2025 have been restated as discussed within 'Basis of preparation' (see note 1)

9. Cash flow and net debt

	Six months ended 31 March 2026 £m	Six months ended 31 March 2025 £m
Reconciliation of profit for the year to cash generated from continuing operations		
Profit for the period	196	180
Adjustments for:		
Income tax	66	56
Finance income	(4)	(7)
Finance costs	35	26
Amortisation of intangible assets	30	31
Depreciation of property, plant and equipment	16	15
R&D tax credits	(1)	(1)
Equity-settled share-based transactions	27	25
Exchange movement	–	(4)
Changes in working capital:		
Increase in trade and other receivables	(47)	(43)
Decrease in trade and other payables and provisions	(31)	(47)
Increase in deferred income	103	99
Cash generated from continuing operations	390	330

	Six months ended 31 March 2026 £m	Six months ended 31 March 2025 £m
Reconciliation of net cash flow to movement in net debt		
Cash inflows in the year (pre-exchange movements)	126	56
Cash inflows from loans and lease liabilities	(423)	(290)
Change in net debt resulting from cash flows	(297)	(234)
Cash and lease liabilities recognised from acquisitions of subsidiaries or similar transactions	1	(1)
Other non-cash movements	(20)	(8)
Exchange movement	1	5
Movement in net debt in the year	(315)	(238)
Net debt at 1 October	(1,189)	(738)
Net debt at 31 March	(1,504)	(976)

	At 1 October 2025 £m	Cash flow £m	Acquisitions £m	Non-cash movements £m	Exchange movement £m	At 31 March 2026 £m
Analysis of change in net debt						
Cash, cash equivalents	390	126	1	–	1	518
Loans due after more than one year	(1,476)	(434)	–	(1)	–	(1,911)
Lease liabilities due within one year	(17)	11	–	(9)	–	(15)
Lease liabilities after more than one year	(86)	–	–	(10)	–	(96)
	(1,579)	(423)	–	(20)	–	(2,022)
Total	(1,189)	(297)	1	(20)	1	(1,504)

	At 1 October 2024 £m	Cash flow £m	Acquisitions £m	Non-cash movements £m	Exchange movement £m	At 31 March 2025 £m
Analysis of change in net debt						
Cash, cash equivalents	508	56	1	–	9	574
Loans due after more than one year	(1,156)	(295)	(2)	(2)	(2)	(1,457)
Lease liabilities due within one year	(15)	5	–	(5)	–	(15)
Lease liabilities after more than one year	(75)	–	–	(1)	(2)	(78)
	(1,246)	(290)	(2)	(8)	(4)	(1,550)
Total	(738)	(234)	(1)	(8)	5	(976)

The Group's debt is sourced from sterling and euro denominated bond notes, with a syndicated Revolving Credit Facility (RCF) of £630m available up to December 2029.

	Year Issued	Interest coupon*	Maturity	At 31 March 2026 £m	At 31 March 2025 £m
Bonds:					
• GBP 350m bond notes	2021	1.63%	25-Feb-31	350	350
• GBP 400m bond notes	2022	2.88%	8-Feb-34	400	400
• EUR 500m bond notes	2023	3.82%	15-Feb-28	437	419
• GBP 300m bond notes	2025	5.63%	5-Mar-37	300	300
• EUR 500m bond notes	2026	3.82%	25-Feb-33	437	–
• Unamortised issue and discount costs	N/A	N/A	N/A	(12)	(11)
Unamortised RCF loan costs	N/A	N/A	N/A	(1)	(1)
Total				1,911	1,457

* This does not include the impact of cross currency interest rate swaps entered into in relation to the GBP 350m bond notes and EUR 500m bond notes.

At 31 March 2026, £nil of the RCF was drawn down (31 March 2025: £nil).

During the period, the Group issued Euro denominated bond notes for a nominal amount of EUR500m with a maturity date of 25 February 2033. Net cash proceeds from the issuance were £434m.

During the prior period, the Group issued sterling denominated bond notes for a nominal amount of £300m with a maturity date of 5 March 2037. Net cash proceeds from the issuance were £297m.

10. Financial instruments

The carrying amounts of the following financial assets and liabilities approximate to their fair values: trade and other payables excluding tax and social security, trade and other receivables excluding prepayments and accrued income, lease liabilities, and short-term bank deposits, and cash at bank and in hand.

The fair value of the sterling and euro denominated bond notes are determined by reference to quoted market prices and therefore can be considered as a level 1 fair value as defined within IFRS 13.

The fair value of the cross-currency interest rate swaps held by the Group is determined using a discounted cash flow valuation technique at market rates and therefore can be considered as a level 2 fair value as defined within IFRS 13.

The fair value of the swaps held by the Group as at 31 March 2026 was a £24m net asset, comprised of £24m assets offset by £nil liabilities (31 March 2025: £2m net asset, comprised of £14m assets offset by £12 liabilities).

The Group does not hold any financial liabilities whose fair value would be considered as a level 3 fair value as defined within IFRS 13.

The respective book and fair values of bond notes and loan notes are included in the table below.

	At 31 March 2026		At 31 March 2025		At 30 September 2025	
	Book Value £m	Fair Value £m	Book Value £m	Fair Value £m	Book Value £m	Fair Value £m
Long term-borrowings (excluding lease liabilities)	(1,911)	(1,765)	(1,457)	(1,332)	(1,476)	(1,400)

11. Acquisitions and disposals

Acquisitions made during the current period

On 2 October 2025, the Group acquired a 100% controlling interest in Criterion Inc. (“Criterion”). Criterion serves mid-sized business and provides a HR and payroll platform with an existing customer base in the United States.

Summary of acquisition	Total £m
Cash consideration	33
Contingent consideration	16
Acquisition-date fair value of consideration	49
Fair value of identifiable net assets	(13)
Goodwill	36

Fair value of identifiable net assets acquired	Total £m
Acquired intangible assets	17
Deferred tax liability	(4)
Fair value of identifiable net assets acquired	13

A summary of the acquired intangible assets is set out below:

Acquired intangible assets	Valuation £m	Useful economic life (years)
Technology	17	8
Acquired intangible assets	17	

Acquired goodwill of £36m comprises the fair value of the acquired control premium, workforce in place and the expected synergies. The goodwill has been allocated to the North America CGU where the underlying benefit arising from the acquisition is expected to be realised. No goodwill is expected to be deductible for tax purposes. The results of the business are allocated to the North America operating segment in line with the underlying operations.

The outflow of cash and cash equivalents on the acquisition is as follows:

	Total £m
Cash consideration	(33)
Cash and cash equivalents acquired	1
Net cash outflow	(32)

The contingent consideration arrangement requires the acquired business to achieve a target level of annualised recurring revenue. The potential undiscounted amount of all future payments under the contingent consideration arrangement is up to £16m. The initial fair value of the contingent consideration arrangement of £16m was estimated by applying a predicted growth rate to Criterion’s annualised recurring revenue prior to acquisition.

Transaction costs of £3m relating to the acquisition have been included in selling and administrative expenses, classified as other M&A activity-related items within recurring adjustments between underlying and statutory results. These costs relate to advisory, legal and other professional services. See note 3.

Arrangements have been put in place for retention payments to remunerate employees of Criterion for future services, classified as other M&A activity-related items. The total cost of these arrangements will be recognised in future periods over the retention period, contingent on employment.

The consolidated income statement includes revenue and profit after tax relating to Criterion for the period since the acquisition date, of which both are immaterial. On both a statutory and underlying basis, there would have been no material change in revenue or profit after tax if Criterion had been acquired at the start of the financial year and included in the Group's results for the six month period ended 31 March 2026.

12. Related party transactions

The Group's related parties are its subsidiary undertakings and its key management personnel, which comprises the Group's Executive Leadership Team members and the Non-executive Directors. Transactions and outstanding balances between the parent and its subsidiaries within the Group, and between those subsidiaries, have been eliminated on consolidation and are not disclosed in this note.

	Six months ended 31 March 2026	Six months ended 31 March 2025
	£m	£m
Key management compensation		
Salaries and short-term employee benefits	6	5
Share-based payments	4	4
	10	9

Key management personnel are deemed to be members of the Executive Leadership Team, as defined in the Group's Annual Report and Accounts 2025 and the Non-executive Directors. Since the signing of the Group's Annual Report and Accounts 2025, the following changes to the Executive Leadership Team and the Non-executive Directors have taken place:

- Jonathan Howell has left his role as Chief Financial Officer with effect from 31 December 2025.
- Jacqui Cartin was appointed as Chief Financial Officer with effect from 1 January 2026.
- Simon Longbottom was appointed as Chief Growth Officer with effect from 1 March 2026.
- Walid Abu-Hadba stepped down as Chief Product Officer with effect from 31 March 2026.
- Krish Vitaldevara was appointed as Chief Product Officer with effect from 18 May 2026.
- Anand Swaminathan was appointed as Chief Strategy Officer with effect from 15 June 2026.

13. Events after the balance sheet date

Acquisition of Doyen AI, Corp

On 17 April 2026, the Group acquired 100% equity capital and voting rights of Doyen AI, Corp ("Doyen"), a company based in the United States, for fixed initial consideration of £11m.

Due to the timing of the acquisition being after 31 March 2026, the results of Doyen are not included in our condensed consolidated half-yearly financial statements for the period ended 31 March 2026 and the acquisition accounting has not yet been completed. In line with IFRS 3, the purchase price accounting for the acquisition will be finalised within 12 months of the acquisition date.









Managing Risk






Our Enterprise Risk Management Framework helps us to manage a wide range of risks, enabling a consistent approach to identifying, managing, and overseeing risks to support effective decision making and enhance long-term resilience.







The Board has overall responsibility for risk management and internal control, including setting the Group’s risk appetite and ensuring appropriate governance arrangements are in place. It promotes a strong risk culture and monitors the internal and external risk environment to ensure the Group’s Principal Risks remain relevant and aligned with strategic objectives.





We monitor Principal Risks against our risk appetite targets using measures and tolerances, which we evaluate throughout the year to ensure they align with our strategic objectives.





By tracking these measures, risk owners are able to identify both current and emerging risks and take timely mitigating action. The Principal Risks outlined below reflect our strategic priorities and build on the management actions reported in the Annual Report and Accounts 2025, demonstrating ongoing progress in strengthening our risk management capabilities.





Key – Stakeholder groups  Customers  Colleagues  Partners  Shareholders  Society	Risk exposure change  Stable  Decreasing  Increasing
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Principal Risk	Risk context	Management and mitigation
<p>1. Customer Experience</p> <p>If we fail to deliver ongoing value to our customers by focusing on their needs over the lifetime of their customer journey, we will not be able to achieve sustainable growth through renewal.</p> <p>Trend </p> <p>Stakeholder alignment    </p>	<p>We must maintain a sharp focus on the relationship we have with our customers, offering the products, services and experiences they need for success. If we meet or exceed their expectations, customers will stay with Sage, increasing lifetime value and becoming our greatest advocates. By aligning our people, processes and technology with this focus in mind, all Sage colleagues help our customers be successful and in turn improve financial performance.</p>	<ul style="list-style-type: none"> Brand-health surveys to provide an understanding of the customer perception of the Sage brand and its products, used to inform and enhance our market offerings. Our Global Customer Insight & Experience team provides insights that guide our strategy and support our growth. Proactive analysis of customer activity and churn data, to improve customer experience. Customer Advisory Boards, call listening, and closed-loop feedback to constantly gather information on customer needs. Continuous Net Promoter Score (NPS) surveying to identify customer challenges and respond in a timely manner to emerging trends.

Principal Risk	Risk context	Management and mitigation
<p>2. Execution of product strategy</p> <p>If we fail to deliver the capabilities and experiences outlined in our product strategy, we will not meet the needs of our customers or commercial goals.</p> <p>Trend </p> <p>Stakeholder alignment </p>	<p>Sage needs to adapt continuously its approach to new technologies and challenges. This requires a clear direction and strategic guardrails to support our go-to-market offerings. By expanding our portfolio of cloud-based solutions and AI-powered services and partnering with the right businesses, we can enhance our products and drive success.</p>	<ul style="list-style-type: none"> • Robust product organisation and governance model, supported by strategic interlock with our Growth and Go-To-Market teams, aligning the way we deliver product to meet the needs of SMBs. • Migration Framework in key countries to support our customers as they move to the cloud. • Continued expansion of Sage Intacct outside North America and for additional product verticals. • Enhancing accessibility of Sage cloud products to meet Web Content Accessibility Guidelines. • Focus on accountants through a tailored Sage for Accountants proposition. • Ongoing deployment of Sage Copilot AI-powered assistant into existing Sage products, including Sage Intacct and integration into Sage Sales Management. • Continued scaling of agentic AI with multiple agents now in General Availability (GA) across our core products for real world use cases including the Sage Making Tax Digital (MTD) Agent for Income Tax.
<p>3. Developing and exploiting new business models</p> <p>Sage is unable to develop, commercialise, and scale new business models to diversify from traditional Software as a Service (SaaS), especially consumption-based services and those that leverage data.</p> <p>Trend </p> <p>Stakeholder alignment </p>	<p>Sage must be able to identify, design and deploy new innovations to create new or enhance existing products and capabilities. Unlocking the ability to do this at pace will enable access to new markets and/or customers early, driving new revenue and opportunities for the business.</p>	<ul style="list-style-type: none"> • Business unit focused on the Sage Platform to realise the opportunities associated with automation of accounting processes (like Accounts Payable and Accounts Receivable). • Sage Platform integrating Sage's products with AI and digital services to enhance workflows, improve customer experiences, and accelerate innovation. • Enhanced, consistent digital experience for all Sage Business Cloud users through the Sage Experience Platform. • A team focused on the product strategy and assessing new business opportunities in emerging ecosystems, to identify those that may align with our vision. • Sage is partnering with innovative banks and fintechs through Sage Embedded Services, including strategic collaborations with Barclays, HSBC, SumUp, Monzo and Tide. • Managed growth of the API estate, including enhanced product development that enables access by third-party API developers and optimisation of API integrations to improve efficiency.
<p>4. Route to market</p> <p>If we fail to deliver a globally consistent blend of route to market channels in each market, Sage will miss the opportunity to efficiently deliver the right capabilities and experiences to our current and future customers.</p> <p>Trend </p> <p>Stakeholder alignment </p>	<p>We have a blend of channels to communicate with our current and potential customers and ensure our customers receive the right information, on the right products and services, at the right time. Our sales channels include selling directly to customers through digital and telephone channels, via our accountant network and through partners, and we will adapt our approach to target customers in our key verticals. We use these channels to maximise our marketing and customer engagement activities. This can shorten our sales cycle and ensure we improve customer retention, maximising our market opportunity.</p>	<ul style="list-style-type: none"> • Our Global Growth team drives a consistent approach to taking Sage's products to market. • Deployment of an enhanced reporting tool to track go-to-market metrics using standard definitions across geographies. • Continued acceleration of strategic partnerships to strengthen the Sage Platform. • Three strategic pillars focused on delivery to the market to align priorities across Sage. • Centre of Excellence to support our indirect sales and third-party approach. • Sage Discovery Centre at our North American headquarters in Atlanta reaffirms our commitment to helping entrepreneurs, communities, and customers to thrive in the age of AI.

Principal Risk	Risk context	Management and mitigation
<p>5. People and performance</p> <p>If we fail to ensure we have engaged colleagues with the critical skills, capabilities, and capacity we need to deliver on our strategy, we will not be successful.</p> <p>Trend </p> <p>Stakeholder alignment </p>	<p>As we evolve our priorities, the capacity, knowledge, and leadership skills we need will continue to change. Sage will not only need to attract the right talent to navigate change but will also need to provide an environment where colleagues can develop to meet these new expectations.</p> <p>By empowering colleagues and leaders to make decisions, be innovative, and be bold in meeting our commitments, Sage will be able to create an attractive working environment. By addressing what causes colleague voluntary attrition, and embracing the Values of successful technology companies, Sage can increase colleague engagement and create aligned high-performing teams.</p>	<ul style="list-style-type: none"> • Focus on hiring channels to ensure we are attractive in the market through our enhanced employee value proposition and enhanced presence through social media such as Glassdoor, Comparably, X, LinkedIn, and Facebook. • Reward mechanisms to incentivise and encourage the right behaviour, with a focus on ensuring fair and equitable pay in all markets. • Series of Leadership Academies and talent programmes to support the development of internal talent. • OKR Framework defines measurable goals and tracks outcomes of colleague success. • Enhancing the skills and talent ecosystem to identify capabilities and skills gaps, talent pipeline, development, and career pathways and mentoring. • Strategic Workforce Planning Framework across the business.
<p>6. Culture</p> <p>If we do not define, shape and proactively manage our culture in line with our brand values, we will be challenged to deliver our strategic priorities and purpose; we will risk disengaging colleagues, increasing attrition, and impacting our ability to attract and retain diverse talent.</p> <p>Trend </p> <p>Stakeholder alignment </p>	<p>The development of a shared behavioural competency that encourages colleagues to always do the right thing, put customers at the heart of business and improve innovation is critical to Sage's success. Devolution of decision making, and the acceptance of accountability for those decisions, will need to go hand in hand as the organisation develops and sustains its shared values and Behaviours, and fosters a culture that provides customers with a rich digital environment.</p> <p>We will also need to create a culture of empowered leaders that supports the development of ideas, and that provides colleagues with a safe environment allowing for honest disclosures and discussions. A trusting and empowered environment can help sustain innovation, enhance customer success, and encourage the engagement that results in increased market share.</p>	<ul style="list-style-type: none"> • Integration of values and behaviours into all colleague priorities including talent attraction, selection, and onboarding as well as OKRs. • All colleagues encouraged to take up to five paid Sage Foundation days each year, to support charities and provide philanthropic support to the community. • DEI strategy focused on building diverse teams, an equitable culture, and fostering inclusive leadership. This is supported by strategic plans to track progress, ensuring we meet our commitments, including no tolerance of discrimination and equal chances for everyone. • Code of Conduct training for all colleagues (including anti-bribery and corruption requirements) delivered as snippets, so we can signpost relevant training at colleagues' point of need. • Core e-learning modules, with regular refresher training. • Whistleblowing and incident-reporting mechanisms so issues can be formally reported and investigated. • Scaling Sage culture initiatives, including target culture measurement framework, leadership assessments, and alignment of people processes.

Principal Risk	Risk context	Management and mitigation
<p>7. Cyber security</p> <p>If we fail to ensure an appropriate standard of cyber security across the business, we will not be able to combat cyber threats and will fail to meet our regulatory obligations and lose the trust of our stakeholders.</p> <p>Trend </p> <p>Stakeholder alignment </p>	<p>Stakeholder trust is central to Sage’s growth and cyber security is an essential component of that. Failure to safeguard customer and colleague data and ensure the availability of our products and critical services could have severe reputational, legal, and financial consequences. This means we must be confident our cyber security controls, and the culture and awareness of our colleagues are sufficient to mitigate the dynamic and evolving cyber risk environment, while also supporting the agility and innovation of the business.</p>	<ul style="list-style-type: none"> Multi-year cyber security programmes in IT and Product to ensure we are continuously improving, and reduce cyber risk across technology, business processes, and culture. Accountability within both IT and Product for internal and external data being processed by Sage. Formal certification schemes maintained across the business include internal and external validation of compliance. All colleagues are required to undertake regular awareness training for cyber security and information management. A Cyber Security Risk Management Methodology and standards are deployed to provide clear requirements and objective risk information on our assets and systems. Sage Security Champions help amplify and embed a secure culture. An in-house Cyber Defence Operations team to proactively detect, respond to, and prevent cyber threats 24/7. Continued investment in strengthening business resilience and elevating crisis management capabilities.
<p>8. Data and AI governance</p> <p>If Sage fails to collect, process, store, and use data in a way that is compliant with regulation, internal policy, and our ethical principles, we will lose the trust of our stakeholders.</p> <p>If we fail to recognise the value of our data and deliver effective data foundations, we will be unable to realise the full potential of our data assets.</p> <p>Trend </p> <p>Stakeholder alignment </p>	<p>Data is central to the Sage strategy and our ambition to deliver sustainable growth by leveraging AI and expanding the Sage Platform. Our strategy is underpinned by our ability to innovate customer propositions, improve insight and decision making, and create new business models and ecosystems. The successful ability to use data will accelerate our growth and will be key in helping customers transform how they run and build their businesses, and we must do this in a way that is compliant with laws and regulations, and in line with our values.</p>	<ul style="list-style-type: none"> Our AI and Data Ethics Principles ensure the responsible use of customer data in support of our strategy, with an ethics checklist in place to assess adherence to these principles. Governance policies, processes and tooling to enhance and manage data quality, trust, and privacy. The implementation of our AI Governance Framework, supported by an AI Inventory and AI assurance process, to ensure that the development and use of AI align with our risk appetite and meet legal, regulatory, ethical, and security requirements. Data protection policies, processes, and controls governing the processing and protection of personal data in accordance with applicable data protection laws and regulations. Our Sustainability, AI, and Data Ethics Committee, which includes members from the Executive Leadership Team and Sage Board, governs activities relating to data and AI ethics. We require all colleagues to undertake awareness training for data protection, with a focus on all relevant data privacy laws and regulations. Our Trust and Security Hub supports our customers and their understanding of cyber security, data privacy, and AI and data ethics in Sage products.

Principal Risk	Risk context	Management and mitigation
<p>9. Readiness to scale</p> <p>As Sage’s ambition grows, if it fails to ensure its cloud products can build and operate at an industrial, global scale it will erode its competitive advantage.</p> <p>The hosting of its products must achieve economies of scale, aligned to ambition, in parallel with the ability to accelerate to market with quality. Both must be achieved with reduced environmental impact and zero customer impact.</p> <p>If not addressed, Sage’s cloud products would be less resilient and less able to respond to its customer expectations.</p> <p>Trend </p> <p>Stakeholder alignment </p>	<p>As Sage continues to build sustainable growth, we continue to focus on scaling our platform services environment in a rigorous, agile, and speedy manner to ensure we provide a consistent and healthy cloud platform and associated network. We must provide the right infrastructure and operations for all our customer products, and a hosting platform together with the governance to ensure optimal service availability, performance, security protection, and restoration (if required).</p>	<ul style="list-style-type: none"> • Cost optimisation of cloud native products and continued migration of legacy footprint to public cloud. • Accountability across product owners, underpinned by ongoing risk assessments and continuous improvement projects. • Formal onboarding process through ongoing portfolio management. • Incident and problem management change processes adhered to for all products and services, with new acquisitions onboarded in less than 90 days. • Service-level objectives including uptime, responsiveness, and mean time to repair. • Defined real-time demand-management processes and controls, and disaster-recovery capability and operational-resilience models. • A governance framework to optimise operational cost base in line with key metrics. • All new acquisitions required to adopt Sage cloud operation standards.
<p>10. Environmental, social, and governance</p> <p>If Sage is unable to respond to evolving stakeholder expectations and ESG regulation, Sage could face fines and potential legal action, damaging Sage’s reputation and brand, and diminishing stakeholder trust and credibility.</p> <p>In addition, if Sage fails to respond to the range of opportunities and risks associated with Sustainability and Sage Foundation, it would be less resilient, less competitive, and could put its licence to operate at risk.</p> <p>Trend </p> <p>Stakeholder alignment </p>	<p>We invest in education, technology, and the environment to give individuals, SMBs, and our planet the opportunity to thrive.</p> <p>Internally, it is essential that Sage understands the potential impact of climate change on its strategy and operations and considers appropriate mitigations.</p> <p>Societal and governance-related issues are integral to Sage’s purpose and values and to the achievement of Sage’s strategy.</p>	<ul style="list-style-type: none"> • Sage’s Sustainability and Society strategy, informed by a rigorous double materiality assessment, focusing on three pillars: Protect the Planet, Tech for Good, and Human by Design. • Ensuring adequate executive oversight through the Sustainability, AI, and Data Ethics Committee. • Enabling accountability through integration of ESG measures within long-term incentive plans. • An integrated framework to manage ESG-related risk and physical and transitional climate risks, as detailed by TCFD. • External limited assurance obtained over selected metrics to ensure accuracy of sustainability data and claims.

Statement of Directors' Responsibilities

The condensed consolidated half-yearly financial report for the six months ended 31 March 2026 includes the following responsibility statement.

Each of the Directors confirms that, to the best of their knowledge:

- the Group condensed consolidated half-yearly financial statements, which have been prepared in accordance with IAS 34 “Interim Financial Reporting”, as adopted by the UK and as issued by the IASB, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Half-Yearly Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rules 4.2.7R and 4.2.8R, namely:
 - an indication of important events that have occurred during the six months ended 31 March 2026 and their impact on the condensed consolidated half-yearly financial report, and a description of the principal risks and uncertainties that the Group faces for the remaining six months of the current financial year; and
 - any related party transactions in the six months ended 31 March 2026 that have materially affected the financial position or the performance of the Group during that period and any changes in the related party transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Group in the six months ended 31 March 2026.

The Directors of The Sage Group plc are consistent with those listed in the Group’s Annual Report and Accounts 2025, except for the following changes:

- Jonathan Howell resigned as a Director with effect from 31 December 2025.
- Jacqui Cartin was appointed as a Director with effect from 1 January 2026.

A list of current directors is maintained on the Group’s website: www.sage.com.

On behalf of the Board

Jacqui Cartin

Chief Financial Officer

20 May 2026

INDEPENDENT REVIEW REPORT TO THE SAGE GROUP PLC

Conclusion

We have been engaged by The Sage Group plc (“the Company”) to review the condensed consolidated half-yearly financial statements in the half-yearly financial report for the six months ended 31 March 2026 which comprises the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Consolidated statement of changes in equity, the Consolidated statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated half-yearly financial statements in the half-yearly financial report for the six months ended 31 March 2026 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK, IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”) and the Disclosure Guidance and Transparency Rules (“the DTR”) of the UK’s Financial Conduct Authority (“the UK FCA”).

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity (“ISRE (UK) 2410”) issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated half-yearly financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors’ responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards (“UK-IFRS”) and International Financial Reporting Standards (“IFRS”) as issued by the IASB.

The directors are responsible for preparing the condensed consolidated half-yearly financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK and IAS 34 as issued by the IASB.

In preparing the condensed consolidated half-yearly financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed consolidated half-yearly financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Simon Richardson
for and on behalf of KPMG LLP

Chartered Accountants

15 Canada Square,

London, E14 5GL

20 May 2026