



# Fiscal Q1'26 Earnings Presentation

June 2025

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This presentation includes financial information prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). This presentation also includes non-GAAP financial information, including adjusted gross profit, adjusted gross profit margin, adjusted subscription gross profit, adjusted subscription gross profit margin, adjusted income from operations, adjusted operating margin, adjusted sales & marketing expense, adjusted research & development expense, adjusted general & administrative expense, and adjusted EPS, which should be considered supplemental to, not a substitute for, or superior to, financial measures calculated in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures. For example, the non-GAAP financial measures exclude expenses that may have a material impact on the Company's reported financial results. Also, the Company's definitions of non-GAAP financial measures may differ from non-GAAP financial measures used by other companies. The Company believes that non-GAAP financial measures, which exclude items that do not reflect our underlying business performance, enable investors to compare our underlying business performance from period-to-period and in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results. For reconciliations of each historical non-GAAP financial measure used herein to the most directly comparable GAAP measure, see the appendix to this presentation.

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# The core of enterprise security is identity



Manage and **secure** dynamic access to critical applications and data for **every enterprise identity** with an **intelligent** and **unified platform**

**Significant top line scale**

**\$925MM**

ARR <sup>(1)(4)</sup>

**\$230MM**

Q1'26 Revenue

**Rapid recurring revenue growth**

**30%**

ARR Growth YoY <sup>(2)</sup>

**39%**

SaaS ARR Growth YoY <sup>(2)</sup>

**Strong customer retention**

**3,040**

Customers <sup>(1)(5)</sup>

**115%**

NRR <sup>(1)(3)(4)</sup>

**Strong margin profile**

**82.4%**

Q1'26 Adj. Subscription Gross Profit Margin <sup>(4)</sup>

**10.2%**

Q1'26 Adj. Operating Margin <sup>(4)</sup>

1. As of April 30, 2025

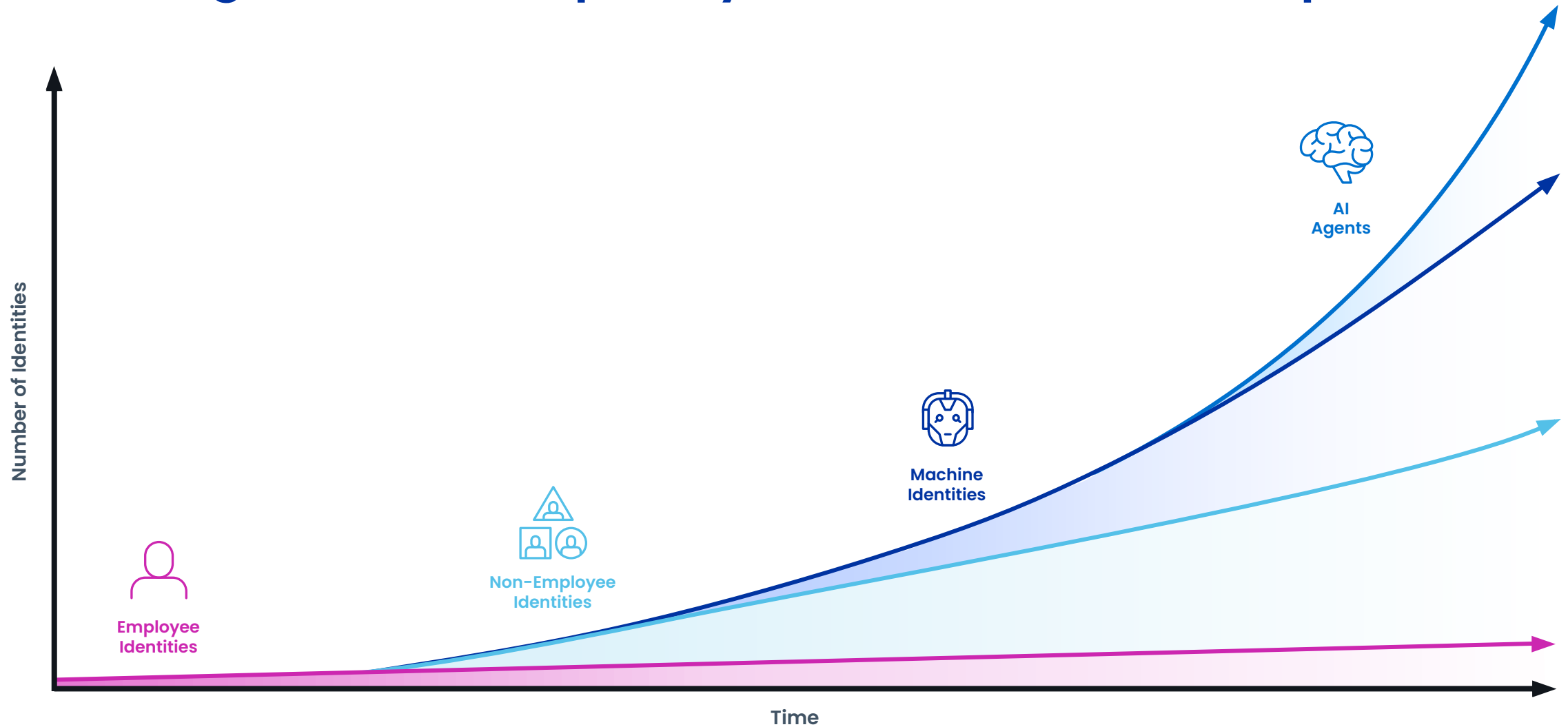
2. As of April 30, 2025, compared to April 30, 2024

3. Refers to Dollar-based Net Retention Rate

4. Refer to appendix for definitions of key and other business metrics and reconciliations of relevant non-GAAP financial metrics to the most directly comparable GAAP measures

5. Customer counts are approximate

# Explosion in number and types of identities leads to significant complexity for the modern enterprise



# The exponential growth of machine identities and AI agents increases the security risk and management complexity

96%

of technology professionals consider AI agents a growing security risk, yet 98% of organizations plan to expand adoption <sup>(2)</sup>

72%

of identity professionals say machine identities are more difficult to manage than human identities <sup>(1)</sup>

69%

of companies have **more** machine identities than human identities, and **47% have 10 times or more** <sup>(1)</sup>

82%

of organizations use AI agents but only 44% have policies to secure them <sup>(2)</sup>

# The growing volume of data and applications compounds the depth and breadth of the identity challenge...





# The identity security imperative



It's time to look  
inside-out, not just  
outside-in



It's time to harness  
the power of data  
and AI



It's time to put  
identity at the center  
of enterprise security

# SailPoint is a **leader** in identity security



**Comprehensive  
identity solutions**



**Unified, intelligent,  
extensible platform**



**Advanced  
analytics and AI**

# Expanding market opportunity with long-term tailwinds

Privileged Task Automation

Machine Identity Security

Product adoption & platform expansion

Expansive identity security market opportunity

Global organizations <sup>(1)</sup>

×

Average ARR per customer for each segment <sup>(2,3)</sup>

=

**\$55Bn**

Market opportunity in 2024

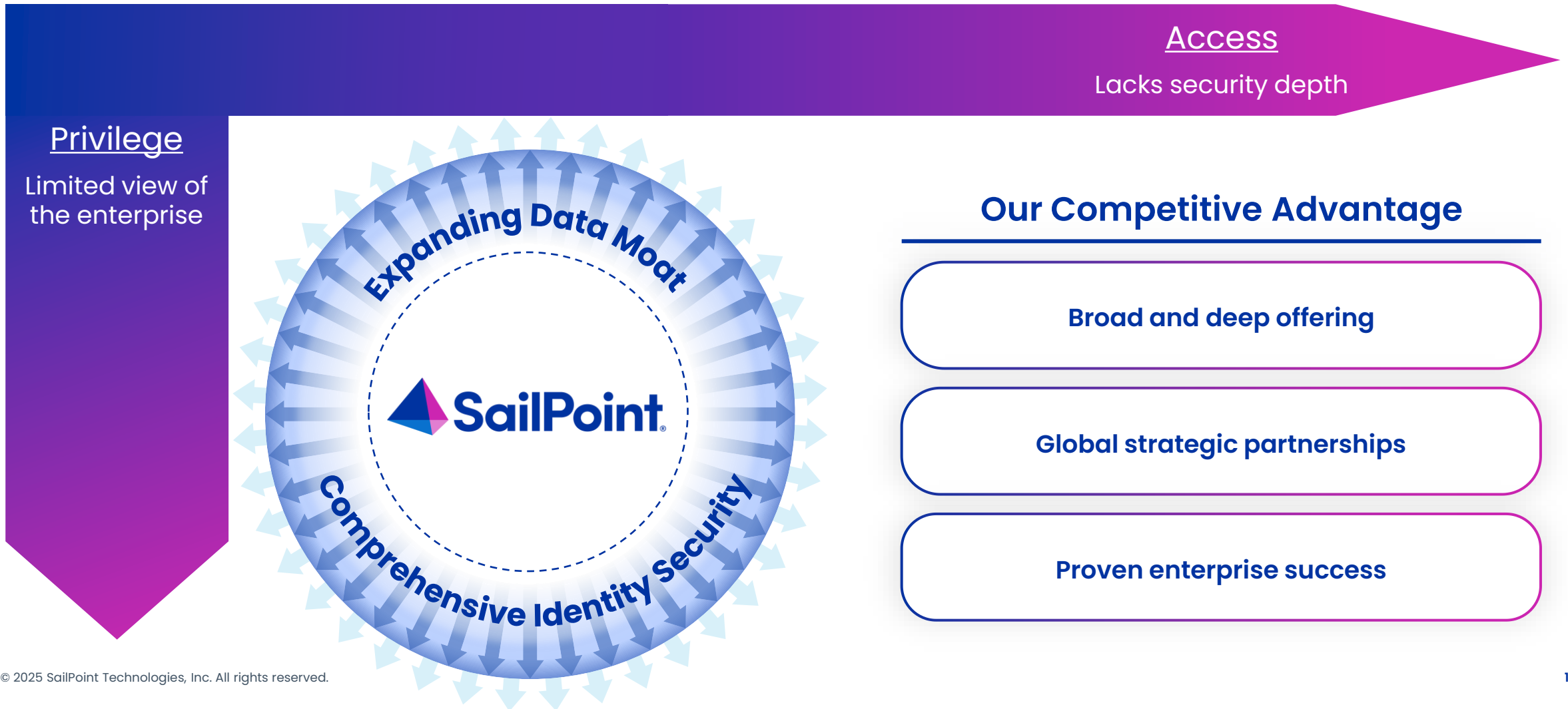
Growth in number & types of identities

Machine Identities

AI Agents

1. Companies segmented into three cohorts based on the number of employees: companies that have between 100 and 999 employees, companies that have between 1,000 and 4,999 employees, and companies with 5,000 or more employees. Total number of global companies with 100 or more employees determined by referencing independent industry data from the S&P Capital IQ database as of July 2024.
2. Average ARR per customer for each employee count cohort is calculated as the ARR attributable to customers in each cohort who subscribe to our Standard, Business, and Business Plus SaaS suites as of July 31, 2024, divided by the number of customers in that cohort who subscribe to a SaaS suite as of July 31, 2024
3. Refer to appendix for definitions of relevant key business metrics

# SailPoint is strategically positioned to win the new identity security paradigm



# Our comprehensive, extensible, identity-first, security platform



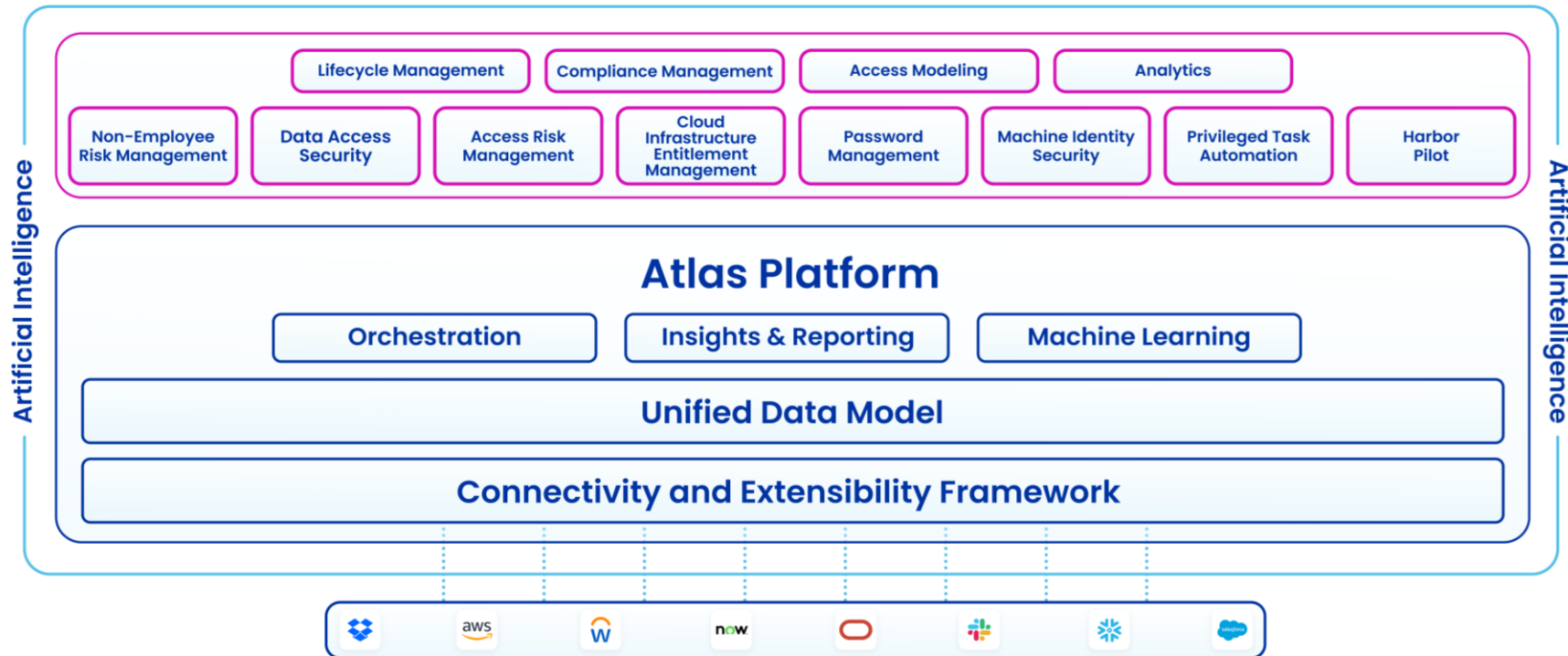
## Identity Security Cloud

Employees

Non-Employees

Machines

*Providing comprehensive coverage of all enterprise identities*



# Identity Security Cloud products

In addition to the core integrated capabilities, organizations can extend the value of our Identity Security Cloud with additional products

Extensible platform supports additional products to continue to provide value to customers



Non-Employee Risk Management



Data Access Security



Access Risk Management



Cloud Infrastructure Entitlement Management



Password Management



Machine Identity Security



Privileged Task Automation

# SailPoint Machine Identity Security



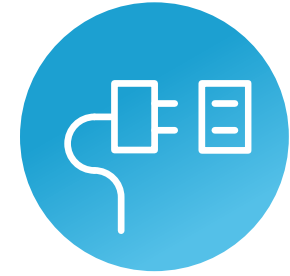
**AI-powered  
Discovery makes  
finding machine  
accounts easier**



**Human Ownership  
concept creates  
accountability and  
enables  
compliance**



**Access  
Certifications  
enable least  
privilege approach**

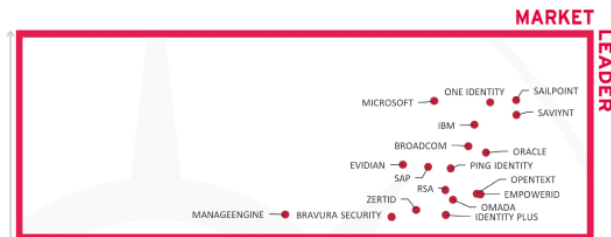


**Platform Based  
capabilities deliver  
unified approach for  
all identities**

# Excellence & leadership recognized



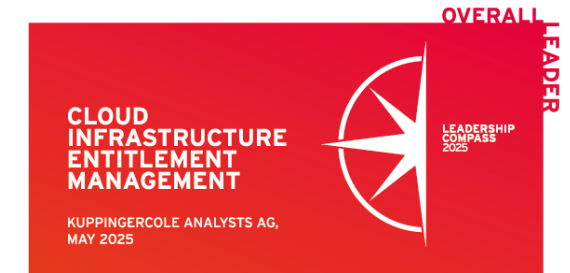
A 2024 Gartner® Peer Insights™ Customers' Choice for Identity Governance and Administration



A 2024 Leader in KuppingerCole Leadership Compass on Identity Governance & Administration

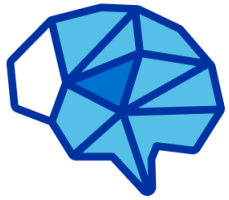


A 2024 Leader in Identity Governance & Administration from Frost & Sullivan



A 2025 Leader in KuppingerCole Leadership Compass in Cloud Infrastructure Entitlement Management

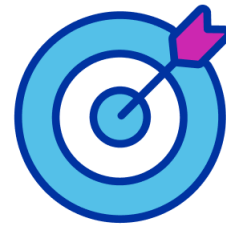
# Our values: The four I's



**Innovation**



**Integrity**



**Impact**



**Individuals**

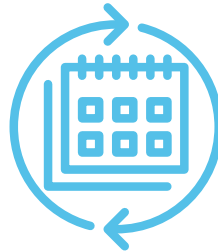
# Fiscal Q1'26 Financial Summary

# Investment themes

**Industry  
Leadership**



**Continuous  
Innovation**



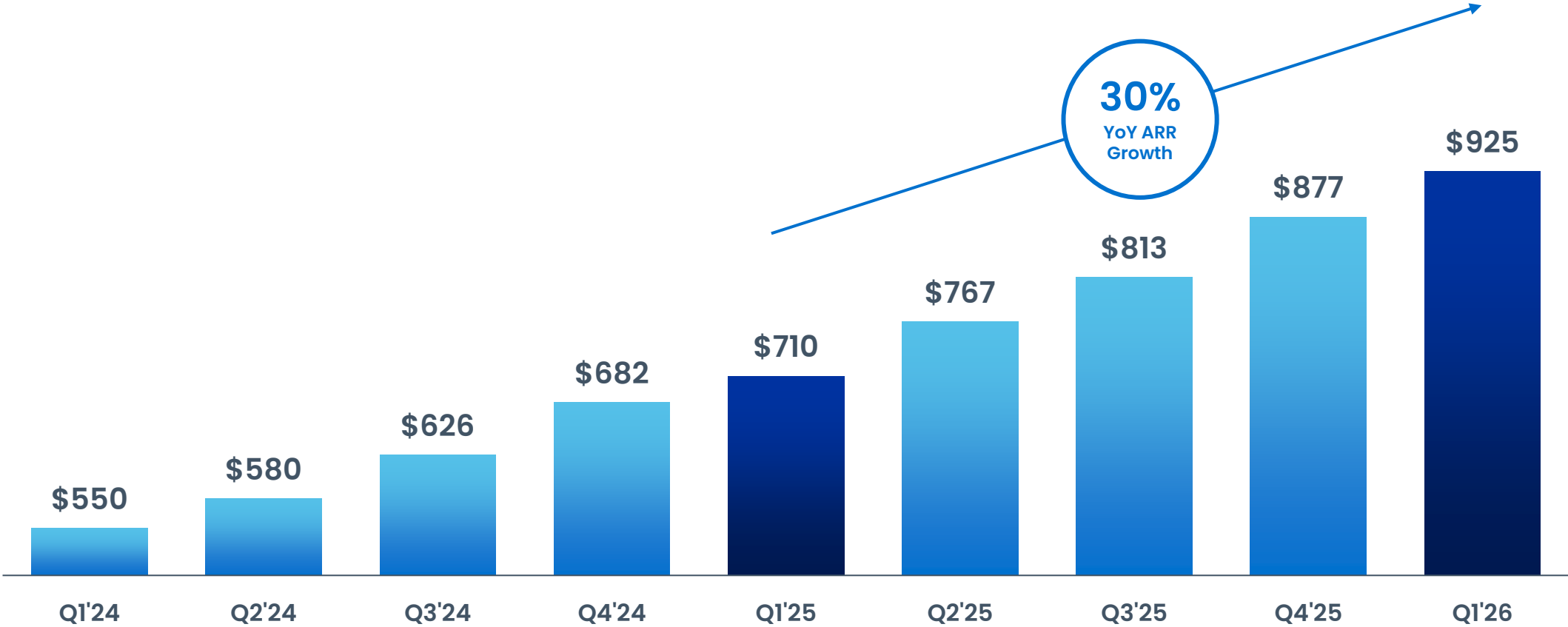
**Efficient & Durable  
Growth**



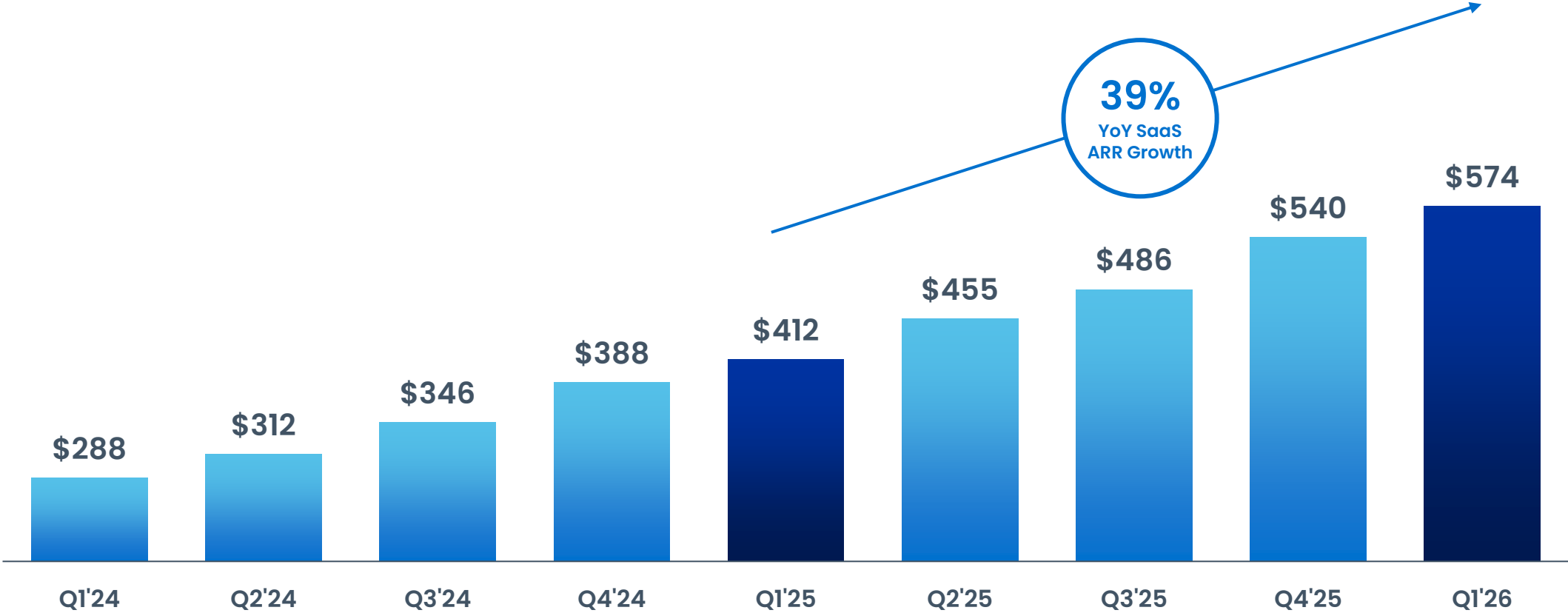
# Q1'26 financial summary

\$MM	Q1'25 <sup>(1)</sup>	Q1'26 <sup>(1)</sup>	YoY Change
Total ARR	\$710	\$925	30%
SaaS ARR	\$412	\$574	39%
Total Revenue	\$188	\$230	23%
Subscription Revenue	\$170	\$215	27%
Adjusted Gross Profit Margin <sup>(2)</sup>	77.1%	76.3%	(80) bps
Adjusted Operating Margin <sup>(2)</sup>	10.2%	10.2%	0 bps

# Total Annual Recurring Revenue (\$MM)

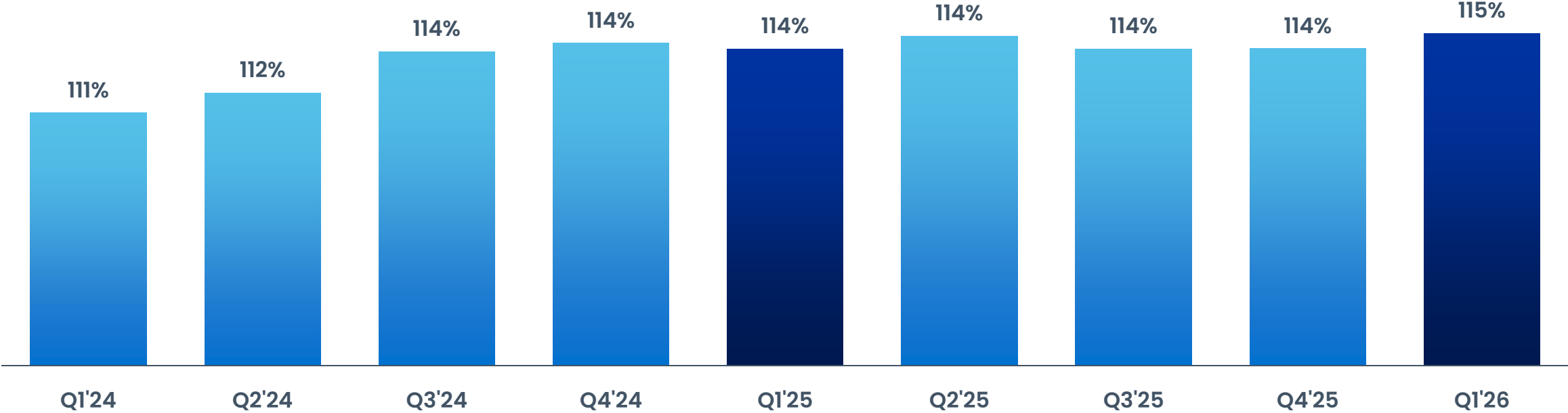


# SaaS Annual Recurring Revenue (\$MM)



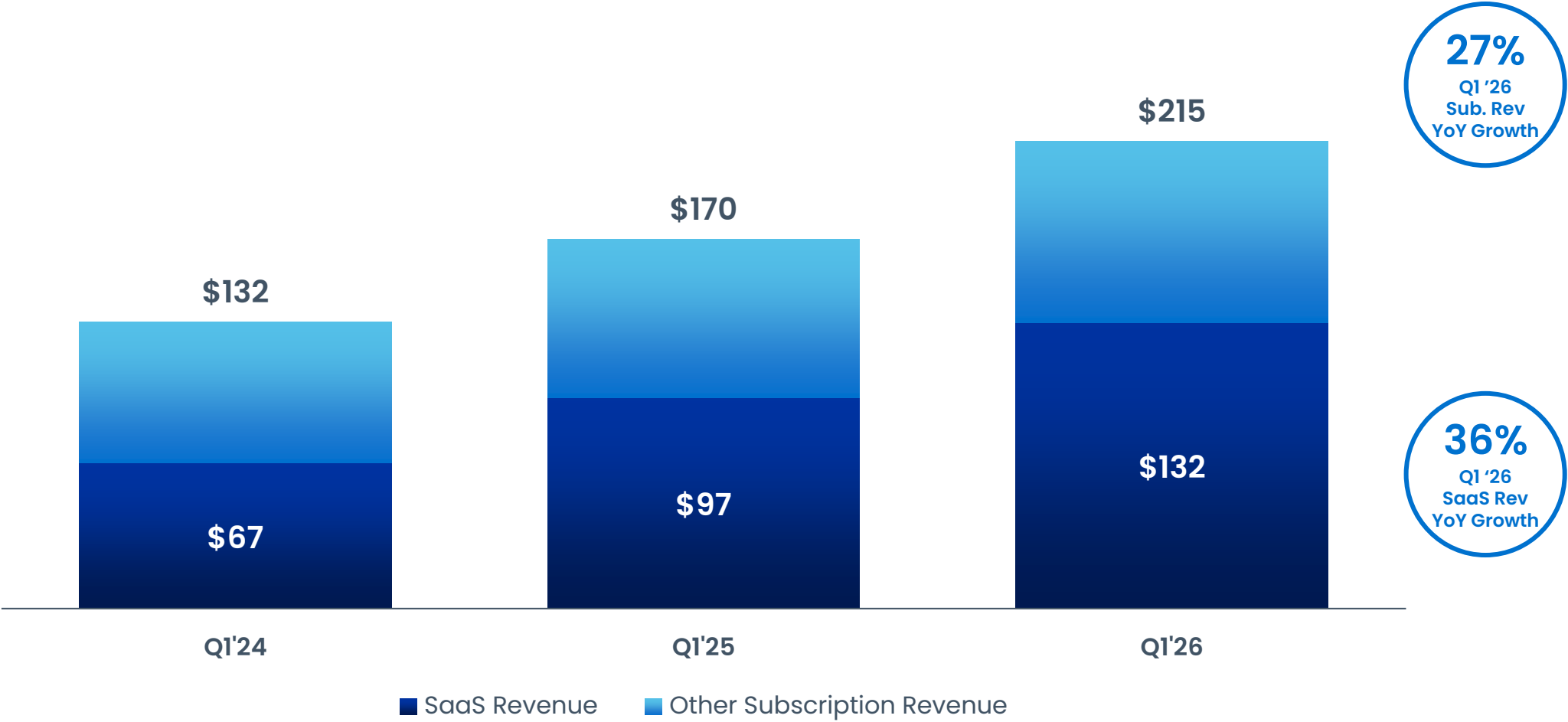
# Steady retention rates through subscription transition

Dollar-based net retention rate <sup>(1)</sup><sub>(2)</sub>



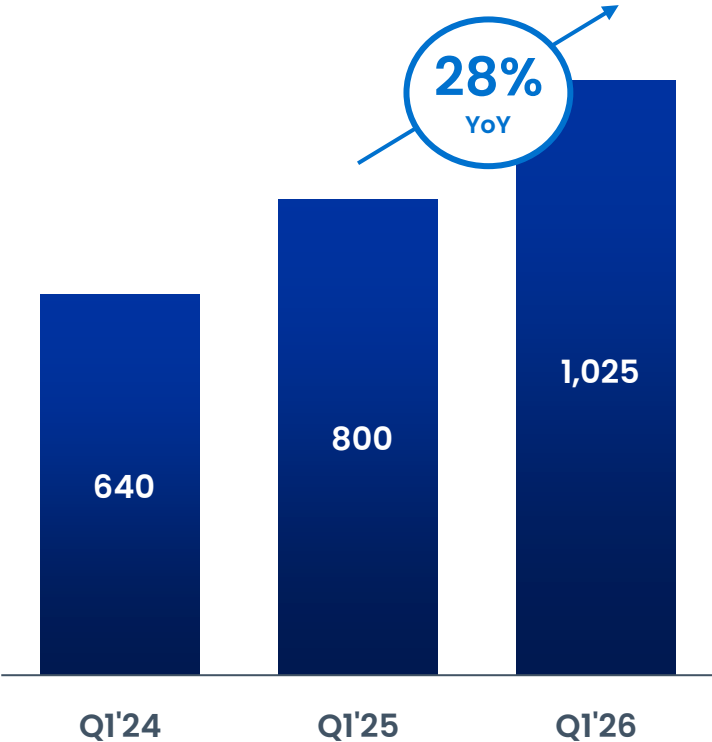
1. Fiscal quarters ended April 30, July 31, October 31, and January 31  
2. Based on ARR. Refer to appendix for definitions of relevant key business metrics

# Subscription revenue growth fueled by SaaS (\$MM)

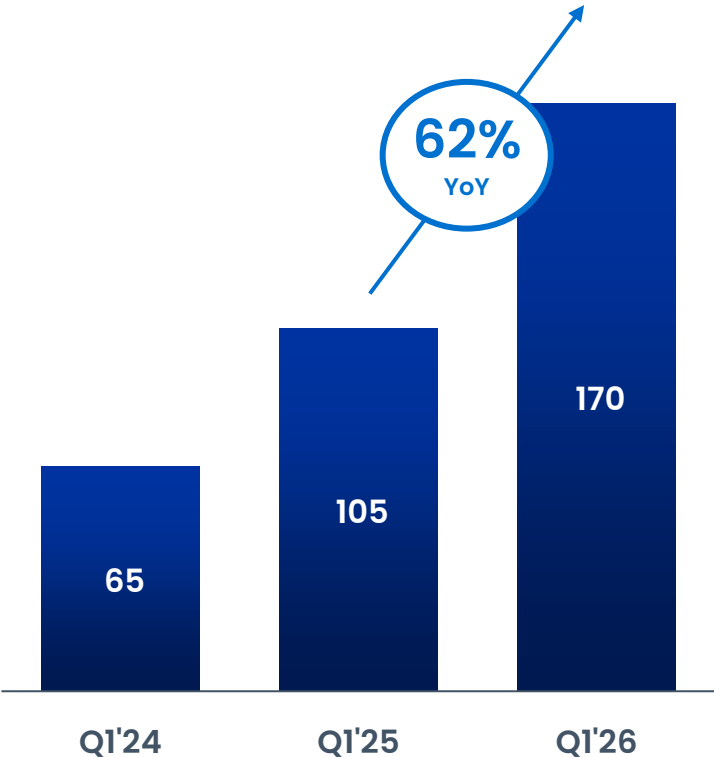


# Strong customer growth over \$250K ARR

>\$250K ARR Customer Count

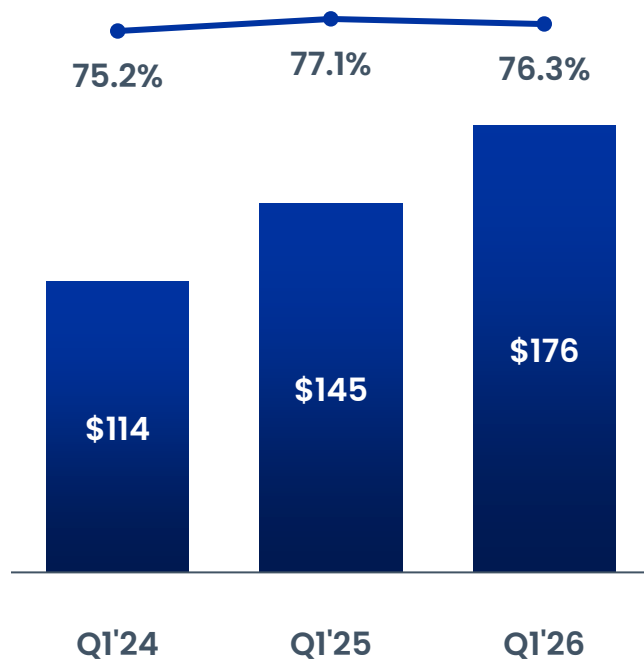


>\$1MM ARR Customer Count

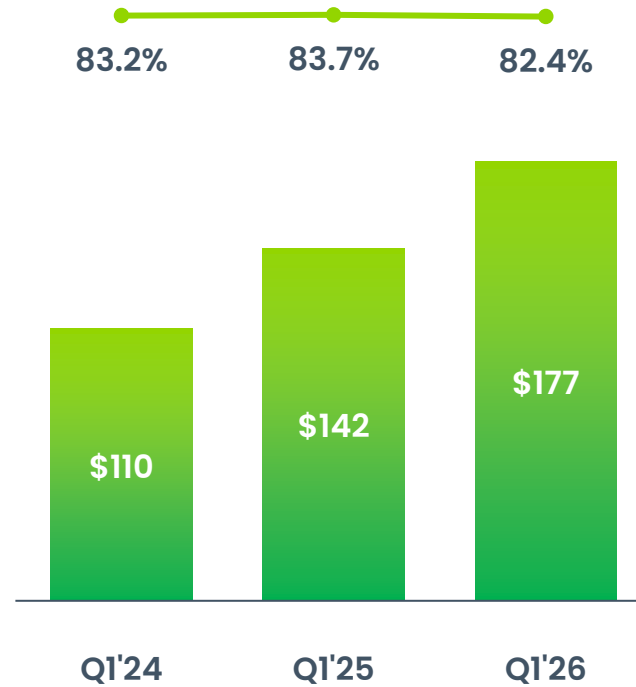


# Driving operating efficiency (\$MM)

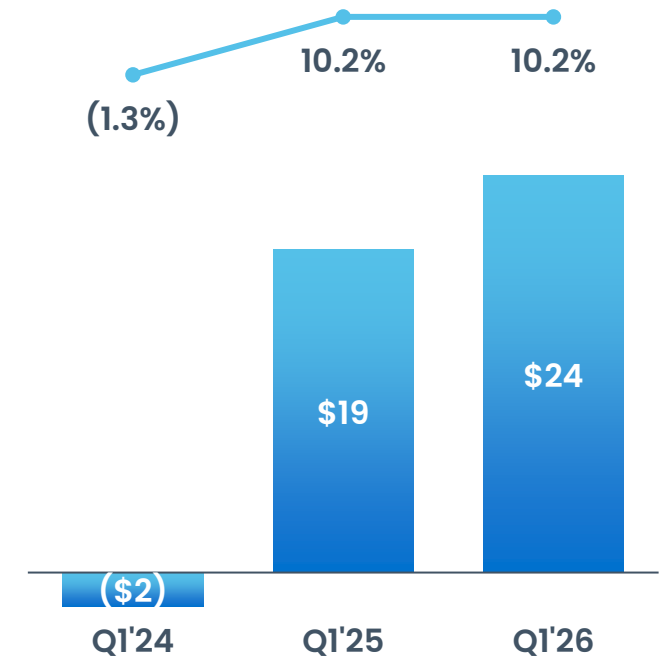
## Adjusted Gross Profit & Margin



## Adjusted Subscription Gross Profit & Margin



## Adjusted Income from Operations & Margin



# Guidance

# Fiscal Q2'26 & FY'26 guidance <sup>(1)(2)</sup>

	Q2'26 GUIDANCE AS OF 6/11/25	FY'26 GUIDANCE AS OF 6/11/25	Prior FY'26 GUIDANCE AS OF 3/26/25
Total ARR (in millions) YoY growth %	\$963 to \$967 26%	\$1,095 to \$1,105 25% to 26%	\$1,075 to \$1,085 23% to 24%
Total Revenue (in millions) YoY growth %	\$242 to \$244 22% to 23%	\$1,034 to \$1,044 20% to 21%	\$1,025 to \$1,035 19% to 20%
Adjusted Income from Operations (in millions) Adjusted operating margin %	\$29 to \$30 11.9% to 12.4%	\$161 to \$166 15.4% to 16.1%	\$151 to \$156 14.6% to 15.2%
Adjusted EPS	\$0.04 to \$0.05	\$0.16 to \$0.20	\$0.14 to \$0.18

1. Fiscal quarter ending July 31; fiscal year ending January 31

2. All of SailPoint's forward-looking non-GAAP financial measures exclude estimates for stock-based compensation expense, payroll taxes related to restricted stock units, and amortization of acquired intangibles as well as acquisition related costs and severance of certain key executives, if applicable. SailPoint has not reconciled its expectations for adjusted income from operations, adjusted operating margin or adjusted EPS to their most directly comparable GAAP measure due to the high variability and difficulty in making accurate forecasts and projections, particularly with respect to stock-based compensation expense. Stock-based compensation expense is affected by future hiring, turnover, and retention needs, as well as the future fair market value of our common stock, all of which are difficult to predict and subject to change. The actual amount of the excluded stock-based compensation expense will have a significant impact on SailPoint's GAAP income (loss) from operations and GAAP net income (loss) per basic and diluted common share. Accordingly, reconciliations of our forward-looking adjusted income from operations, adjusted operating margin and adjusted EPS are not available without unreasonable effort.

# Additional modeling notes

- **ARR:** Relative to consensus and our prior guidance, our Q2'26 and FY'26 guidance increase primarily reflects organic growth and assumes no material change in FX rates.
- **SaaS/Term Mix:** For the remainder of FY'26, we expect an average of 90% of net new ARR to come from SaaS. We currently expect slightly more term revenue in Q4'26 than Q3'26.
- **Stock Based Compensation (SBC):** For the remaining three quarters of FY'26, we expect SBC to average 20% of revenue.
- **Taxes:** We anticipate \$10-15M of cash tax payments in FY'26. In estimating adjusted EPS for Q2'26 and FY'26, we applied a tax rate of 24.5%.
- **Diluted Share count:** We expect 557M for Q2'26 and 565M for FY'26.

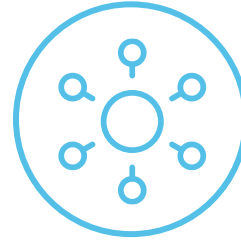
# Multiple levers to help support long-term growth



**Drive new customer growth**



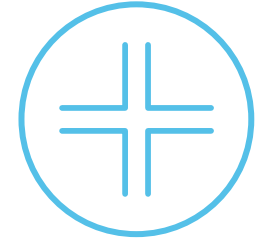
**Expand existing customer relationships**



**Continue to leverage and expand network of partners and alliances**



**Expand global footprint**



**Continue to innovate and expand portfolio**

# Appendix

# Definitions of key business metrics

## Annual Recurring Revenue

We define ARR as the annualized value of SaaS, maintenance, term subscription, and other subscription contracts as of the measurement date. To the extent that we are actively negotiating a renewal or new agreement with a customer after the expiration of a contract, we continue to include that contract's annualized value in ARR until the customer notifies us that it is not renewing its contract. We calculate ARR by dividing the active contract value by the number of days of the contract and then multiplying by 365. ARR should be viewed independently of revenue, as ARR is an operating metric and is not intended to be combined with or to replace revenue. ARR is not a forecast of future revenue, which can be impacted by ASC 606 allocations and renewal rates and does not consider other sources of revenue that are not recurring in nature. ARR does not have a standardized meaning and is not necessarily comparable to similarly titled measures presented by other companies.

## SaaS Annual Recurring Revenue

We define SaaS ARR as the annualized value of SaaS contracts as of the measurement date. To the extent that we are actively negotiating a renewal or new agreement with a customer after the expiration of a contract, we continue to include that contract's annualized value in SaaS ARR until the customer notifies us that it is not renewing its contract. We calculate SaaS ARR by dividing the active SaaS contract value by the number of days of the contract and then multiplying by 365. SaaS ARR should be viewed independently of subscription revenue as SaaS ARR is an operating metric and is not intended to be combined with or replace subscription revenue. SaaS ARR is not a forecast of future subscription revenue, which can be impacted by ASC 606 allocations and renewal rates and does not consider other sources of revenue that are not recurring in nature. SaaS ARR does not have a standardized meaning and is not necessarily comparable to similarly titled measures presented by other companies.

## Dollar-Based Net Retention Rate

We define dollar-based net retention rate as the comparison of our ARR from our subscription customers against the same metric for those subscription customers from the prior year. For the purposes of calculating our dollar-based net retention rate, we define a subscription customer as a separate legal entity that has entered into a distinct subscription agreement. Our dollar-based net retention rate reflects customer expansion, contraction, and churn. We calculate our dollar-based net retention rate as of period end by starting with the ARR from all subscription customers as of 12 months prior to such period end, or prior period ARR. We then calculate the ARR from these same subscription customers as of the current period end, or current period ARR. We then divide the current period ARR by the prior period ARR to arrive at our dollar-based net retention rate. The dollar-based net retention rate at the end of any period is the weighted average of the dollar-based net retention rates as of the end of each of the trailing 4 quarters. Dollar-based net retention rate does not have a standardized meaning and is not necessarily comparable to similarly titled measures presented by other companies.

# Definitions of other business and financial metrics

## Subscription Revenue

The majority of our revenue relates to subscription revenue which consists of (i) fees for access to, and related support for, the SaaS offerings, (ii) fees for term subscriptions, (iii) fees for ongoing maintenance and support of perpetual license solutions, and (iv) other subscription services such as cloud managed services, and certain professional services. Term subscriptions include the term licenses and ongoing maintenance and support. Maintenance and support agreements consist of fees for providing software updates on a when and if available basis and for providing technical support for software products for a specified term. Subscription revenue, including support for term licenses, is recognized ratably over the term of the applicable agreement. Revenue related to term subscription performance obligations, excluding support for term subscriptions, is recognized upfront at the point in time when the customer has taken control of the software license.

# Revenue

	<b>Three Months Ended April 30,</b>		<b>variance %</b>
	<b>2025</b>	<b>2024</b>	
	<b>(In thousands)</b>		
<b>Revenue</b>			
Subscription			
SaaS	\$ 131,815	\$ 97,067	36 %
Maintenance and support	37,389	38,269	(2)%
Term subscriptions	40,040	30,685	30 %
Other subscription services	6,079	4,071	49 %
<b>Total subscription</b>	<b>215,323</b>	<b>170,092</b>	<b>27 %</b>
Perpetual licenses	5	69	(93)%
Services and other	15,140	17,495	(13)%
<b>Total revenue</b>	<b>\$ 230,468</b>	<b>\$ 187,656</b>	<b>23 %</b>

# GAAP to adjusted gross profit and adjusted gross profit margin reconciliation

	Three Months Ended April 30,		
	2025	2024	2023
	(In thousands, except percentages)		
GAAP gross profit	\$ 127,655	\$ 115,490	\$ 85,893
GAAP gross profit margin	55.4%	61.5%	56.4%
Equity-based compensation expense	21,592	3,338	2,823
Payroll taxes for IPO-accelerated awards and RSUs	634	-	-
Amortization of acquired intangible assets	26,060	25,818	25,716
Adjusted gross profit	\$ 175,941	\$ 144,646	\$ 114,454
Adjusted gross profit margin	76.3%	77.1%	75.2%

# GAAP to adjusted subscription gross profit and adjusted subscription gross profit margin reconciliation

	Three Months Ended April 30,		
	2025	2024	2023
	(In thousands, except percentages)		
GAAP subscription gross profit	\$ 139,832	\$ 114,972	\$ 83,685
GAAP subscription gross profit margin	64.9%	67.6%	63.4%
Equity-based compensation expense	11,264	1,702	1,505
Payroll taxes for IPO-accelerated awards and RSUs	332	-	-
Amortization of acquired intangible assets	26,058	25,758	24,577
Adjusted subscription gross profit	\$ 177,486	\$ 142,432	\$ 109,780
Adjusted subscription gross profit margin	82.4%	83.7%	83.2%

# GAAP to adjusted income from operations and adjusted operating margin reconciliation

	Three Months Ended April 30,		
	2025	2024	2023
	(In thousands, except percentages)		
GAAP income (loss) from operations	\$ (184,965)	\$ (68,193)	\$ (91,106)
GAAP income (loss) from operations margin	(80.3%)	(36.3%)	(59.8%)
Equity-based compensation expense	160,459	25,857	26,134
Payroll taxes for IPO-accelerated awards and RSUs	3,399	-	-
Amortization of acquired intangible assets	49,912	64,407	63,947
Amortization of acquired contract acquisition costs	(5,764)	(6,745)	(7,161)
Acquisition-related expenses and Thoma Bravo monitoring fees	580	3,866	4,952
Adjusted income (loss) from operations	\$ 23,621	\$ 19,192	\$ (1,978)
Adjusted operating margin	10.2%	10.2%	(1.3%)

# GAAP to adjusted operating expense reconciliation

	Three Months Ended April 30,	
	2025	2024
	(In thousands)	
GAAP sales and marketing expense	\$ 164,530	\$ 114,887
Equity-based compensation expense	(53,503)	(9,201)
Payroll taxes for IPO-accelerated awards and RSUs	(1,684)	—
Amortization of acquired intangible assets	(23,757)	(38,494)
Amortization related to acquired contract acquisition costs	5,764	6,745
Adjusted sales and marketing expense	\$ 91,350	\$ 73,937

	Three Months Ended April 30,	
	2025	2024
	(In thousands)	
GAAP research and development expense	\$ 67,270	\$ 41,917
Equity-based compensation expense	(27,839)	(6,857)
Payroll taxes for IPO-accelerated awards and RSUs	(686)	—
Amortization of acquired intangible assets	(95)	(95)
Adjusted research and development expense	\$ 38,650	\$ 34,965

	Three Months Ended April 30,	
	2025	2024
	(In thousands)	
GAAP general and administrative expense	\$ 80,820	\$ 26,879
Equity-based compensation expense	(57,525)	(6,461)
Payroll taxes for IPO-accelerated awards and RSUs	(394)	—
Acquisition-related expenses and Thoma Bravo monitoring fees	(580)	(3,866)
Adjusted general and administrative expense	\$ 22,321	\$ 16,552

# GAAP to adjusted earnings per share (adjusted EPS) reconciliation

	<b>Three Months Ended April 30, 2025</b>
	<b>(In thousands)</b>
GAAP net loss	\$ (187,312)
Equity-based compensation expense	160,459
Payroll taxes for IPO-accelerated awards and RSUs	3,399
Amortization of acquired intangible assets	49,912
Amortization of acquired contract acquisition costs	(5,764)
Acquisition-related expenses and Thoma Bravo monitoring fees	580
Tax effect of adjustments	(18,052)
Adjusted net income attributable to common stockholders	<u>\$ 3,222</u>
GAAP net loss per share attributable to common stockholders, basic and diluted	\$ (0.42)
Adjusted EPS attributable to common stockholders, diluted	\$ 0.01
Weighted average shares used in computing GAAP net loss per share, basic and diluted	500,029
Shares used in computing adjusted EPS, diluted	555,940

# Thank you!