SailPoint Announces Fiscal Second Quarter 2027 Results

- Grew ARR 25% year-over-year to $1.231 billion
- Increased SaaS ARR 36% year-over-year to $847 million, with net new SaaS ARR up 34% year-over-year, accounting for 97% of net new ARR
- Delivered cash flows from operating activities of $45 million, and free cash flow of $37 million

AUSTIN, Texas--September 9, 2026—SailPoint, Inc. (Nasdaq: SAIL), a leader in enterprise identity security, today announced financial results for its fiscal second quarter ended July 31, 2026.

"Our strong Q2 results demonstrate the powerful compounding effect of our identity security platform and AI-driven innovations," said Mark McClain, SailPoint CEO and Founder. "This momentum reinforces our confidence in our long-term trajectory, keeping us firmly on track to achieve our FY'29 targets, including at least $2.1 billion of ARR. By unifying human and agentic identity under one control plane, SailPoint is redefining security for the AI era."

Fiscal Second Quarter 2027 Financial Highlights

- **Annual Recurring Revenue (ARR)**: Total ARR was $1.231 billion, an increase of 25% year-over-year. SaaS ARR was $847 million, an increase of 36% year-over-year.
- **Revenue**: Total revenue was $309 million, an increase of 17% year-over-year. Subscription revenue was $295 million, an increase of 19% year-over-year.
- **Operating Income (Loss):** GAAP operating loss was $(59) million, or (19)% of revenue, in fiscal Q2 2027, compared to $(41) million, or (15)% of revenue, in fiscal Q2 2026. Adjusted income from operations was $63 million, or 20% of revenue, in fiscal Q2 2027, compared to $54 million, or 20% of revenue, in fiscal Q2 2026.

Recent Business Highlights

- AI-driven ARR exceeded $70 million.
- AI-driven solutions accounted for more than 30% of net new ARR in the quarter.
- Existing customers who adopted an AI-driven solution increased their annual spend by more than 60% in the quarter.
- More than two-thirds of migrations completed in the quarter included an AI-driven solution.
- SaaS customer count grew 16% year-over-year, with ARR per SaaS customer growing 17% year-over-year to more than $400,000.
- Remaining performance obligation (RPO) growth accelerated to 30% year-over-year to reach $1.9 billion, and current RPO (cRPO) grew 27% year-over-year to $931 million.
- Unveiled the SailPoint Identity Security solution – the powerful combination of SailPoint Agentic Fabric and SailPoint Human Fabric to deliver a continuous, real-time loop to discover, govern, and protect today's complex digital environments.
- Announced the release of the SailPoint Cursor Enterprise connector, enabling organizations to securely govern both human software engineers and autonomous AI background agents from a single, unified control plane.
- Announced SailPoint Agentic Acceleration, an AI-powered methodology to help enterprises move to our cloud solutions by automating the majority of the modernization process.
- Completed the acquisition of Entro Security, which enhances SailPoint's holistic identity security solution that bridges broad human accountability with the deep, granular security required for machine and agentic identities.
- Launched Unified Platform Access, providing technology partners with frictionless, direct access to the SailPoint platform.

- Introduced a new integration with the Claude Compliance API to provide enterprise-grade identity security for AI platforms.
- KuppingerCole ranked SailPoint first in Product, Innovation, and Market Leadership in identity and access governance as of August 13, 2026.

Financial Outlook

For the third quarter and full year of fiscal 2027, SailPoint expects (in millions, except per share amounts and percentages):

	Q3'27 Guidance	FY'27 Guidance
Total ARR	$1,288 to $1,292	$1,375 to $1,385
Total ARR YoY growth %	24%	22% to 23%
Total revenue	$326 to $330	$1,265 to $1,275
Total revenue YoY growth %	16% to 17%	18% to 19%
Adjusted income from operations	$57.5 to $58.5	$239 to $244
Adjusted operating margin %	17.4% to 17.9%	18.7% to 19.3%
Adjusted earnings per share (Adjusted EPS)	$0.07 to $0.08	$0.30 to $0.34

SailPoint also reiterates the following fiscal 2029 targets, which were discussed at SailPoint's June 2026 Investor Day:

- At least $2.1 billion of ARR
- At least $800 million of AI-driven ARR
- At least 22% adjusted operating margin
- At least $400 million of free cash flow

These statements regarding SailPoint's expectations of its financial outlook are forward-looking, and actual results may differ materially. Refer to "Forward-Looking Statements" below for information on the factors that could cause SailPoint's actual results to differ materially from these forward-looking statements.

SailPoint has not reconciled its expectations as to adjusted income (loss) from operations, adjusted operating margin, adjusted EPS and free cash flow to their most directly comparable GAAP measures due to the high variability and difficulty in making accurate forecasts and projections of certain items that impact such GAAP measures. In particular, adjusted income (loss) from operations, adjusted operating margin, and adjusted EPS exclude stock-based compensation expense, which 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. SailPoint's forward-looking adjusted income (loss) from operations, adjusted operating margin and adjusted EPS also exclude payroll taxes related to restricted stock units (RSUs), amortization of acquired intangibles as well as acquisition-related costs and severance of certain key executives, if applicable, all of which are also difficult to predict accurately. Similarly, SailPoint's forward-looking cash flow from operating activities is difficult to accurately predict. Accordingly, reconciliations of our forward-looking adjusted income (loss) from operations, adjusted operating margin, adjusted EPS and free cash flow to their most directly comparable GAAP measures are not available without unreasonable effort.

Investor Conference Call and Webcast

SailPoint will host a conference call today at 8:30 a.m. Eastern Time to discuss the results and outlook. A live webcast of the conference call and a presentation regarding SailPoint's fiscal second quarter 2027 financial results and outlook will be available on SailPoint's website at https://investors.sailpoint.com.

An audio replay of the conference call will be available on the investor relations website for one year.

About SailPoint

At SailPoint, we believe enterprise security must start with identity at the foundation. Today's enterprise runs on a diverse workforce of not just human but also digital identities—and securing them all is critical. Through the lens of identity, SailPoint empowers organizations to seamlessly manage and secure access to applications and data at speed and scale. Our unified, intelligent, and extensible platform delivers identity-first security, helping enterprises defend against dynamic threats while driving productivity and transformation. Trusted by many of the world's most complex organizations, SailPoint secures the modern enterprise.

Non-GAAP Financial Measures

In addition to our financial information presented in accordance with GAAP, we use certain non-GAAP financial measures to clarify and enhance our understanding of past performance, including the following:

Adjusted income from operations, which we define as income (loss) from operations excluding equity-based compensation expense, payroll taxes related to awards that were accelerated upon the closing of our initial public offering (the IPO) and payroll taxes related to RSUs, amortization of acquired intangible assets which includes impairment charges, impairment of intangible assets, acquisition-related expenses (including fair value adjustments to acquisition-contingent consideration), benefit from amortization related to acquired contract acquisition costs, Thoma Bravo monitoring fees (which were annual service fees for consultation and advice related to corporate strategy, budgeting of future corporate investments, acquisition and divestiture strategies, and debt and equity financings pursuant to an advisory services agreement that was terminated upon the closing of the IPO), and restructuring expenses.

Adjusted operating margin, which we define as adjusted income from operations divided by total revenue.

Adjusted EPS (or non-GAAP net income (loss) available to common stockholders per diluted share), which we define as adjusted net income (loss) divided by the diluted weighted average shares outstanding, except that solely for the fiscal year ended January 31, 2026 (and all periods therein), we calculated adjusted EPS based on the number of diluted shares outstanding as of the end of such period rather than the diluted weighted average shares outstanding for such period. We believe that using such a denominator provides a more meaningful comparison with subsequent periods due to the IPO closing after the beginning of fiscal year 2026. We calculate adjusted net income (loss) as net income (loss) on a GAAP basis excluding equity-based compensation expense, payroll taxes related to awards that were accelerated upon the closing of the IPO (IPO-accelerated awards) and payroll taxes related to RSUs, amortization of acquired intangible assets which includes impairment charges, impairment of intangible assets, acquisition-related expenses (including fair value adjustments to acquisition-contingent consideration), Thoma Bravo monitoring fees, benefit from amortization related to acquired contract acquisition costs, and restructuring expenses, and adjusted for the income tax effects related to those adjustments. We currently apply a fixed projected tax rate of 24.5% when calculating or estimating adjusted net income for the fiscal year ending January 31, 2027 and all periods therein for consistency across interim reporting periods within such fiscal year. This rate may be adjusted during the year if significant events that have a material impact on the rate occur, such as significant changes in our geographic mix of revenue and expenses, tax law changes, and acquisitions.

Adjusted gross profit, which we define as gross profit excluding equity-based compensation expense, payroll taxes related to IPO-accelerated awards and payroll taxes related to RSUs, amortization of acquired intangible assets which includes impairment charges, impairment of intangible assets, acquisition-related expenses and restructuring expenses.

Adjusted gross profit margin, which we define as adjusted gross profit divided by total revenue.

Adjusted subscription gross profit, which we define as subscription gross profit excluding equity-based compensation expense, payroll taxes related to IPO-accelerated awards and payroll taxes related to RSUs, amortization of acquired intangible assets which includes impairment charges, impairment of intangible assets, acquisition-related expenses and restructuring expenses.

Adjusted subscription gross profit margin, which we define as adjusted subscription gross profit divided by subscription revenue.

Free cash flow, which we define as net cash provided by (used in) operating activities, less cash used for purchases of property and equipment, and capitalized software development costs. We use free cash flow as a measure of financial progress in our business, as it balances operating results, cash management, and capital efficiency. We believe information regarding free cash flow provides investors and others with an important perspective on the cash available to make strategic acquisitions and investments, to fund ongoing operations, and to fund other capital expenditures. Free cash flow can be volatile and is sensitive to many factors, including changes in working capital and timing of capital expenditures. Working capital at any specific point in time is subject to many variables including the discretionary timing of expense payments and fluctuations in foreign exchange rates.

Free cash flow margin, which we define as free cash flow divided by total revenue.

Our non-GAAP financial measures exclude items that do not reflect our ongoing, core operating or business performance, such as equity-based compensation, payroll taxes related to IPO-accelerated awards and payroll taxes related to RSUs, amortization of acquired intangible assets, and acquisition-related expenses (including fair value adjustments to acquisition-contingent consideration). We believe these adjustments enable management and investors to compare our underlying business performance from period to period and provide investors with additional means to evaluate cost and expense trends. We also believe these adjustments enhance comparability of our financial performance against those of other technology companies. Accordingly, our management believes the presentation of our non-GAAP financial measures provides useful information to investors regarding our financial condition and results of operations. In addition, SailPoint's management uses adjusted income (loss) from operations for budgeting and planning purposes, including with respect to its corporate bonus plan.

Our non-GAAP financial measures are adjusted for the following factors, among others:

Equity-based compensation expense. We believe that the exclusion of equity-based compensation expense is appropriate because it eliminates the impact of equity-based compensation costs that are based upon valuation methodologies and assumptions that vary over time, and the amount of the expense can vary significantly due to factors that are unrelated to our core operating performance and that can be outside of our control. Although we exclude equity-based compensation expense from our non-GAAP measures, equity-based compensation has been, and will continue to be, an important part of our compensation strategy and a significant component of our expenses and may increase in future periods.

Payroll taxes related to IPO-accelerated awards and payroll taxes related to RSUs. We believe that the exclusion of payroll taxes related to IPO-accelerated awards is appropriate as the acceleration was a one-time, non-recurring event. We believe that the exclusion of payroll taxes related to RSUs is appropriate as they are dependent on SailPoint's stock price and the vesting of such awards and therefore can vary significantly due to factors that are unrelated to our core operating performance and that can be outside of our control. Because the amount of such payroll taxes is highly variable due to factors outside of our control and is unrelated to our core operating performance, our management does not consider them when evaluating the performance of our business or making operating plans (for example, when considering the impact of equity award grants, we place a greater emphasis on overall stockholder dilution than the accounting charges associated with such grants). As with equity-based compensation expense, although we exclude payroll taxes related to RSUs from our non-GAAP measures, such payroll taxes are, and will continue to be, a component of our expenses and may increase in future periods. We note that, unlike equity-based compensation expense, payroll taxes are a cash expense.

Amortization of acquired intangible assets and impairment of intangible assets. We exclude amortization charges for our acquisition-related intangible assets and impairment of intangible assets for purposes of calculating certain non-GAAP measures to eliminate the impact of these non-cash charges and provide for a more meaningful comparison between operating results from period to period as intangible assets are valued at the time of acquisition and are amortized over the useful life, which can be several years after the acquisition.

Acquisition-related costs. We believe that the exclusion of acquisition-related expenses is appropriate as they represent items that management believes are not indicative of our ongoing operating performance. These expenses are primarily composed of legal, accounting, and professional fees incurred that are not capitalizable and that are included within general and administrative expenses. Acquisition-related expenses also include fair value adjustments to acquisition-contingent consideration, which are currently included within sales and marketing expenses.

Restructuring expenses. We believe that the exclusion of restructuring expenses, which typically consist of employee severance costs and other exit costs, is appropriate as these costs represent charges that are not indicative of our ongoing operating performance. In addition, our management does not consider these charges when evaluating the performance of our business or when making ongoing operating plans.

Amortization related to acquired contract acquisition costs. On August 16, 2022, our predecessor was acquired in an all-cash take-private transaction by Thoma Bravo (the Take-Private Transaction). In accordance with GAAP reporting requirements, we wrote off our contract acquisition costs at the time of the Take-Private Transaction. Therefore, GAAP commissions expenses related to contract acquisition costs after the Take-Private Transaction do not reflect the commissions expense that would have been reported if the contract acquisition costs had not been written off. Accordingly, we believe that presenting the approximate amount of acquisition-related commission expenses (so that the full amount of commission expenses is included) provides a more appropriate representation of commission expenses in a given period and, therefore, provides readers of our financial statements with a more consistent basis for comparison across accounting periods.

SailPoint's non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in our industry because they may calculate non-GAAP financial results differently. In addition, there are limitations in using non-GAAP financial measures because they are not prepared in accordance with GAAP and exclude expenses that may have a material impact on our reported financial results. The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. SailPoint urges you to review the reconciliations of our non-GAAP financial measures to the comparable GAAP financial measures included below and not to rely on any single financial measure to evaluate our business.

Definitions of Certain Key Business and Other Metrics

Annual recurring revenue (ARR). 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 ARR 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 (SaaS ARR). 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 to 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.

AI-driven annual recurring revenue (AI-driven ARR). We define AI-driven ARR (which was previously referred to as AI ARR at our June 2026 Investor Day) as total ARR from our AI solutions, including Agentic Suites, SailPoint Agentic Fabric (SAF), and Agentic add-on modules, 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 AI-driven ARR until the customer notifies us that it is not renewing its contract. We calculate AI-driven ARR by dividing the active AI solutions contract value by the number of days of the contract and then multiplying by 365. AI-driven ARR is an operating metric and is not intended to be combined with or to replace any revenue metrics. AI-driven ARR is not a forecast of future revenue from our AI solutions, 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. AI-driven ARR does not have a standardized meaning and is not necessarily comparable to similarly titled measures presented by other companies.

Net new annual recurring revenue (net new ARR). We define net new ARR as the change in ARR from the end of the prior quarter for purposes of assessing quarterly achievement, and the change in ARR from the prior year for purposes of assessing annual achievement.

Net new SaaS annual recurring revenue (net new SaaS ARR). We define net new SaaS ARR as the change in SaaS ARR from the end of the prior quarter for purposes of assessing quarterly achievement, and the change in SaaS ARR from the prior year for purposes of assessing annual achievement.

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.

Remaining performance obligation (RPO). Our contracts with customers include amounts allocated to performance obligations that will be satisfied at a later date. These remaining performance obligations represent contract value that has not yet been recognized as revenue. RPO includes both invoices that have been issued to customers but have not been recognized as revenue and amounts that will be invoiced and recognized as revenue in future periods.

Current remaining performance obligation (cRPO). Represents RPO that the Company expects to recognize as revenue over the next 12 months.

Explanatory Note Regarding Our Corporate Conversion

Prior to February 12, 2025, we were a Delaware limited partnership named SailPoint Parent, LP. On February 12, 2025, in connection with our IPO, SailPoint Parent, LP converted into a Delaware corporation pursuant to a statutory conversion (the Corporate Conversion) and changed its name to SailPoint, Inc. References to "SailPoint," "we," and "our" (i) for periods prior to the Corporate Conversion are to SailPoint Parent, LP and, where appropriate, its consolidated subsidiaries and (ii) for periods after the Corporate Conversion are to SailPoint, Inc. and, where appropriate, its consolidated subsidiaries.

Forward-Looking Statements

This press release and statements made during the above referenced conference call may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our strategy, future operations, financial position, prospects, plans and objectives of management, growth rate and our expectations regarding future revenue, operating income or loss, or earnings or loss per share. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “will be,” “will likely result,” “should,” “expects,” “plans,” “anticipates,” “could,” “would,” “foresees,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential,” “outlook,” or “continue” or the negative of these words or other similar terms or expressions. These forward-looking statements are not guarantees of future performance, but are based on management’s current expectations, assumptions, and beliefs concerning future developments and their potential effect on us, which are inherently subject to uncertainties, risks, and changes in circumstances that are difficult to predict. Our expectations expressed or implied in these forward-looking statements may not turn out to be correct. Our results could be materially different from our expectations because of various risks.

Important factors, some of which are beyond our control, that could cause actual results to differ materially from our historical results or those expressed or implied by these forward-looking statements include the following: our ability to sustain historical growth rates; our ability to attract and retain customers; our ability to deepen our relationships with existing customers; the growth in the market for identity security solutions; our ability to maintain successful relationships with each of our partners; the length and unpredictable nature of our sales cycle; our ability to compete successfully against current and future competitors; our ability to successfully integrate acquired businesses and technologies and achieve the expected benefits of such acquisitions; the increasing complexity of our operations; our ability to maintain and enhance our brand or reputation as an industry leader and innovator; unfavorable conditions in our industry or the global economy; our estimated market opportunity and forecasts of our market and market growth may prove to be inaccurate; our ability to hire, train, and motivate our personnel; our ability to maintain our corporate culture; our ability to successfully introduce, use, and integrate artificial intelligence (AI) with our solutions; breaches in our security, cyber attacks, or other cyber risks; interruptions, outages, or other disruptions affecting the delivery of our SaaS solution or any of the third-party cloud-based systems that we use in our operations; our ability to adapt and respond to rapidly changing technology, industry standards, regulations, or customer needs, requirements, or preferences; real or perceived errors, failures, or disruptions in our platform or solutions; the ability of our platform and solutions to effectively interoperate with our customers’ existing or future IT infrastructures; and our ability to comply with our privacy policy or related legal or regulatory requirements. More information on these risks and other potential factors that could affect our financial results is included in our filings with the Securities and Exchange Commission, including in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of our Annual Report on Form 10-K for the year ended January 31, 2026 and subsequent Quarterly Reports on Form 10-Q and other filings. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this press release or made during the above referenced conference call. We cannot assure you that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

Any forward-looking statement made in this press release or during the above referenced conference call speaks only as of the date as of which such statement is made, and, except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise.

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SAILPOINT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	**2025**	**2026**	**2025**
Revenue				
Subscription	$ 295,205	$ 247,937	$ 561,026	$ 463,260
Services and other	13,608	16,422	27,929	31,567
Total revenue	308,813	264,359	588,955	494,827
Cost of revenue				
Subscription	84,103	70,443	164,323	145,934
Services and other	19,325	16,110	38,135	43,432
Total cost of revenue	103,428	86,553	202,458	189,366
Gross profit	205,385	177,806	386,497	305,461
Operating expenses				
Research and development	62,185	48,111	123,871	115,381
Sales and marketing	155,881	131,289	310,157	295,819
General and administrative	46,277	39,204	91,253	120,024
Total operating expenses	264,343	218,604	525,281	531,224
Loss from operations	(58,958)	(40,798)	(138,784)	(225,763)
Other income (expense), net				
Interest income	3,390	2,336	6,439	5,562
Interest expense	(264)	(1,693)	(529)	(24,082)
Other income (expense), net	(1,301)	(1,710)	(4,307)	(1,901)
Total other income (expense), net	1,825	(1,067)	1,603	(20,421)
Loss before income taxes	(57,133)	(41,865)	(137,181)	(246,184)
Income tax benefit	6,773	31,313	12,147	48,320
Net loss	$ (50,360)	$ (10,552)	$ (125,034)	$ (197,864)
Class A yield	—	—	—	(23,786)
Net loss attributable to common stockholders	(50,360)	(10,552)	(125,034)	(221,650)
Net loss per share attributable to common stockholders, basic and diluted [(1)]	$ (0.09)	$ (0.02)	$ (0.22)	$ (0.42)
Weighted average common shares outstanding, basic and diluted [(1)]	568,113	555,757	566,360	528,355

(1) Amounts for the period during February 2025 prior to the Corporate Conversion have been retrospectively adjusted to give effect to the Corporate Conversion. These amounts do not consider the shares of common stock sold in the Company's IPO or the Class A Units considered preferred shares that were converted into common stock due to the Corporate Conversion.

SAILPOINT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)
(Unaudited)

	July 31, 2026	January 31, 2026
Assets		
Current assets		
Cash and cash equivalents	$ 309,850	$ 358,144
Accounts receivable, net of allowance	275,764	335,001
Contract acquisition costs	62,683	47,697
Contract assets, net of allowance	73,802	70,565
Prepayments and other current assets	54,595	39,288
Total current assets	776,694	850,695
Property and equipment, net	46,789	35,178
Contract acquisition costs, non-current	140,393	117,833
Contract assets, non-current, net of allowance	45,707	41,249
Other non-current assets	27,182	23,621
Goodwill	5,250,334	5,151,668
Intangible assets, net	1,296,723	1,377,317
Total assets	$ 7,583,822	$ 7,597,561
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 13,415	$ 5,824
Accrued expenses and other liabilities	103,876	121,464
Deferred revenue	515,319	516,007
Total current liabilities	632,610	643,295
Deferred tax liabilities, non-current	34,503	56,112
Other long-term liabilities	25,485	12,732
Deferred revenue, non-current	29,615	39,191
Total liabilities	722,213	751,330
Commitments and contingencies		
Stockholders' equity		
Preferred stock	—	—
Common stock	57	56
Additional paid in capital	7,237,385	7,096,974
Accumulated deficit	(375,833)	(250,799)
Total stockholders' equity	6,861,609	6,846,231
Total liabilities and stockholders' equity	$ 7,583,822	$ 7,597,561

SAILPOINT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	**2025**	**2026**	**2025**
Cash flows from operating activities				
Net loss	$ (50,360)	$ (10,552)	$ (125,034)	$ (197,864)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization expense	53,631	52,466	106,736	104,531
Amortization and write-off of debt issuance costs	136	1,479	272	17,120
Amortization of contract acquisition costs	15,997	9,317	28,598	17,484
Adjustments to contingent consideration	—	1,609	—	1,609
Provision for credit losses	1,374	784	2,421	4,346
Equity-based compensation expense, net of amounts capitalized	68,321	48,349	137,426	154,061
Deferred taxes	(12,682)	(33,583)	(22,448)	(58,908)
Other	—	—	57	—
Net changes in operating assets and liabilities, net of acquisitions				
Accounts receivable	(20,949)	(13,761)	57,467	46,275
Contract acquisition costs	(47,627)	(17,157)	(66,144)	(26,623)
Contract assets	(4,277)	(9,862)	(7,942)	(13,679)
Prepayments and other current assets	(2,345)	(6,251)	(15,310)	(21,241)
Other non-current assets	(446)	386	(382)	468
Operating leases, net	(36)	59	(67)	314
Accounts payable	(129)	(340)	7,591	(7)
Accrued expenses and other liabilities	36,308	15,715	(8,192)	(74,911)
Deferred revenue	8,047	11,287	(11,845)	163
Net cash provided by (used in) operating activities	44,963	49,945	83,204	(46,862)
Cash flows from investing activities				
Purchase of property and equipment	(1,934)	(962)	(2,903)	(3,153)
Capitalized software development costs	(5,620)	(3,025)	(10,372)	(4,731)
Business acquisitions, net of cash acquired	(118,225)	—	(118,225)	—
Net cash used in investing activities	(125,779)	(3,987)	(131,500)	(7,884)
Cash flows from financing activities				
Proceeds from IPO, net of underwriting discounts and commissions	—	—	—	1,259,681
Repayment of Term Loans	—	—	—	(1,040,000)
Payment of debt issuance costs	—	(2,716)	—	(2,716)
Payments of deferred offering costs, net	—	(261)	—	(8,618)
Payments related to holdback and contingent consideration	—	—	—	(675)
Net cash provided by financing activities	—	(2,977)	—	207,672
Net change in cash, cash equivalents and restricted cash	(80,816)	42,981	(48,296)	152,926
Cash, cash equivalents and restricted cash, beginning of period	393,906	234,335	361,386	124,390
Cash, cash equivalents and restricted cash, end of period	$ 313,090	$ 277,316	$ 313,090	$ 277,316
Reconciliation of cash, cash equivalents and restricted cash from the condensed consolidated balance sheets to the condensed consolidated statements of cash flows:				
Cash and cash equivalents	$ 309,850	$ 271,052	$ 309,850	$ 271,052
Restricted cash within prepayments and other current assets	3,240	6,264	3,240	6,264
Total cash, cash equivalents, and restricted cash in the consolidated statements of cash flows	$ 313,090	$ 277,316	$ 313,090	$ 277,316

SAILPOINT, INC.
SUPPLEMENTAL SCHEDULES
(Amounts in thousands, except percentages)
(Unaudited)

	Three Months Ended July 31,		
	2026	**2025**	**% Change**
Revenue			
Subscription			
SaaS	$ 193,872	$ 144,758	34 %
Maintenance and support	35,468	38,471	(8) %
Term subscriptions	56,196	58,120	(3) %
Other subscription services	9,669	6,588	47 %
Total subscription	295,205	247,937	19 %
Services and other	13,608	16,422	(17) %
Total revenue	$ 308,813	$ 264,359	17 %

	Six Months Ended July 31,		
	2026	**2025**	**% Change**
Revenue			
Subscription			
SaaS	$ 372,351	$ 276,573	35 %
Maintenance and support	70,031	75,860	(8) %
Term subscriptions	100,112	98,160	2 %
Other subscription services	18,532	12,667	46 %
Total subscription	561,026	463,260	21 %
Services and other	27,929	31,567	(12) %
Total revenue	$ 588,955	$ 494,827	19 %

SAILPOINT, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(Amounts in thousands, except percentages and per share amounts)
(Unaudited)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	**2025**	**2026**	**2025**
GAAP gross profit	$ 205,385	$ 177,806	$ 386,497	$ 305,461
GAAP gross profit margin	66.5 %	67.3 %	65.6 %	61.7 %
Equity-based compensation expense	5,703	2,612	12,232	24,204
Payroll taxes for IPO-accelerated awards and RSUs	231	—	475	634
Amortization of acquired intangible assets	27,013	26,322	53,845	52,382
Restructuring expense	758	—	758	—
Adjusted gross profit	$ 239,090	$ 206,740	$ 453,807	$ 382,681
Adjusted gross profit margin	77.4 %	78.2 %	77.1 %	77.3 %

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	**2025**	**2026**	**2025**
GAAP subscription gross profit	$ 211,102	$ 177,494	$ 396,703	$ 317,326
GAAP subscription gross profit margin	71.5 %	71.6 %	70.7 %	68.5 %
Equity-based compensation expense	4,115	1,931	8,726	13,195
Payroll taxes for IPO-accelerated awards and RSUs	146	—	282	332
Amortization of acquired intangible assets	27,013	26,322	53,845	52,380
Restructuring expense	520	—	520	—
Adjusted subscription gross profit	$ 242,896	$ 205,747	$ 460,076	$ 383,233
Adjusted subscription gross profit margin	82.3 %	83.0 %	82.0 %	82.7 %

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025
GAAP loss from operations	$ (58,958)	$ (40,798)	$ (138,784)	$ (225,763)
GAAP loss from operations margin	(19.1) %	(15.4) %	(23.6) %	(45.6) %
Equity-based compensation expense	68,321	48,418	137,442	208,877
Payroll taxes for IPO-accelerated awards and RSUs	1,634	—	3,331	3,399
Amortization of acquired intangible assets	51,028	50,214	101,794	100,125
Restructuring expense	2,516	—	2,516	—
Amortization of acquired contract acquisition costs	(3,461)	(5,444)	(7,375)	(11,208)
Acquisition-related expenses and Thoma Bravo monitoring fees	1,707	1,609	1,707	2,192
Adjusted income from operations	$ 62,787	$ 53,999	$ 100,631	$ 77,622
Adjusted operating margin	20.3 %	20.4 %	17.1 %	15.7 %

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025
GAAP research and development expense	$ 62,185	$ 48,111	$ 123,871	$ 115,381
Equity-based compensation expense	(15,822)	(7,512)	(31,297)	(35,351)
Payroll taxes for IPO-accelerated awards and RSUs	(451)	—	(958)	(686)
Amortization of acquired intangible assets	(137)	(95)	(274)	(190)
Restructuring expense	(768)	—	(768)	—
Adjusted research and development expense	$ 45,007	$ 40,504	$ 90,574	$ 79,154

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025
GAAP sales and marketing expense	$ 155,881	$ 131,289	$ 310,157	$ 295,819
Equity-based compensation expense	(22,944)	(18,203)	(45,413)	(71,706)
Payroll taxes for IPO-accelerated awards and RSUs	(609)	—	(1,237)	(1,684)
Amortization of acquired intangible assets	(23,878)	(23,797)	(47,675)	(47,553)
Restructuring expense	(597)	—	(597)	—
Amortization of acquired contract acquisition costs	3,461	5,444	7,375	11,208
Acquisition-related expenses	—	(1,609)	—	(1,609)
Adjusted sales and marketing expense	$ 111,314	$ 93,124	$ 222,610	$ 184,475

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025
GAAP general and administrative expense	$ 46,277	$ 39,204	$ 91,253	$ 120,024
Equity-based compensation expense	(23,852)	(20,091)	(48,500)	(77,616)
Payroll taxes for IPO-accelerated awards and RSUs	(343)	—	(661)	(394)
Restructuring expense	(393)	—	(393)	—
Acquisition-related expenses and Thoma Bravo monitoring fees	(1,707)	—	(1,707)	(583)
Adjusted general and administrative expense	$ 19,982	$ 19,113	$ 39,992	$ 41,431

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025[(1)]
GAAP net cash provided by (used in) operating activities	$ 44,963	$ 49,945	$ 83,204	$ (46,862)
Less: Purchase of property and equipment	(1,934)	(962)	(2,903)	(3,153)
Less: Capitalized software development costs	(5,620)	(3,025)	(10,372)	(4,731)
Free cash flow	$ 37,409	$ 45,958	$ 69,929	$ (54,746)
GAAP net cash provided by (used in) operating activities margin	14.6 %	18.9 %	14.1 %	(9.5) %
Free cash flow margin	12.1 %	17.4 %	11.9 %	(11.1) %

(1) Free cash flow for the six months ended July 31, 2025 includes $78 million of cash paid to settle equity-related awards, cash awards and their associated payroll taxes upon the closing of our IPO, $37 million in cash paid for interest expense, and $9 million of cash paid for fees under our advisory services agreement with Thoma Bravo, which was terminated upon the closing of our IPO.

	Three Months Ended July 31,		Six Months Ended July 31,	
	2026	2025	2026	2025
GAAP net loss	$ (50,360)	$ (10,552)	$ (125,034)	$ (197,864)
Equity-based compensation expense	68,321	48,418	137,442	208,877
Payroll taxes for IPO-accelerated awards and RSUs	1,634	—	3,331	3,399
Amortization of acquired intangible assets	51,028	50,214	101,794	100,125
Restructuring expense	2,516	—	2,516	—
Amortization of acquired contract acquisition costs	(3,461)	(5,444)	(7,375)	(11,208)
Acquisition-related expenses and Thoma Bravo monitoring fees	1,707	1,609	1,707	2,192
Tax effect of adjustments	(22,603)	(44,281)	(37,194)	(62,334)
Adjusted net income	$ 48,782	$ 39,964	$ 77,187	$ 43,187
GAAP net loss per share, basic and diluted [1]	$ (0.09)	$ (0.02)	$ (0.22)	$ (0.42)
Adjusted EPS, diluted	$ 0.09	$ 0.07	$ 0.14	$ 0.08
Weighted average shares used in computing GAAP net loss per share, basic and diluted	568,113	555,757	566,360	528,355
Shares used in computing adjusted EPS, diluted	569,247	557,878	567,014	556,712

(1) Includes the impact of the Class A yield for the six months ended July 31, 2025.