

Sophos Group plc Q3 FY18 Update

8 February 2018

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Safe Harbour

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Financial Highlights

Nick Bray, CFO

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Financial Highlights

- Billings momentum continued
 - Total billings +21% YTD, after 19% growth in Q3
 - Strong growth in subscription billings: Sophos Central and Enduser Security remain the principal growth drivers
 - Network security seeing sustained double-digit growth
 - Good performance across all territories
- Accelerating revenue growth
 - Group revenue +19% YTD, after 23% growth in Q3
 - Subscription revenue +23% YTD, after 27% growth in Q3
 - Deferred revenue increased to \$687.6 million, +33% over prior-year
- Strong cash generation
 - Net CFFO +21% to \$98.2 million and uFCF +10% to \$88.2 million YTD
- Cash EBITDA +13% YTD
 - Reflecting the phasing of expenses related to key product launches

*All figures are at actual rate unless otherwise stated

Business Update

Kris Hagerman, CEO

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Business Update

- Demand environment has remained strong in the period
 - Sophos Central continues to grow rapidly
 - Enduser Security remains key area of focus for customers
 - Network Security continues to show sustained double-digit growth
- We remain confident in the outlook for FY18 and beyond
 - Sophos continues to grow rapidly
 - Subscription business underpins visibility
- Significant pace of innovation
 - XG Firewall v17
 - Intercept X

Intercept X

The World's Most Advanced Cybersecurity



NEW

DEEP LEARNING NEURAL NETWORK

- Better Detection Rates
- Lower False Positives
- Faster Performance
- Lower Overhead



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RANSOMWARE PROTECTION

- File Protection
- Disk & Boot Record Protection
- Memory Protection



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EXPLOIT PROTECTION

- Credential Threat Protection
- Code Cave Protection
- Lateral Movement Protection
- New Process Protection



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RCA AND MALWARE REMOVAL

- Forensic Analysis of Attacks
- Removes Malicious Code

Q&A

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Security made simple.