



**The Sage Group plc**  
**Trading update for the three months ended 31 December 2024**

The Sage Group plc (FTSE: SGE), a leader in accounting, financial, HR and payroll technology for small and mid-sized businesses, today issues a trading update for the three months ended 31 December 2024<sup>1</sup>.

**Jonathan Howell, Chief Financial Officer, commented:**

*“Sage has made a strong start to the year, achieving broad-based revenue growth in line with expectations, despite the ongoing macroeconomic uncertainty. We’re innovating across our platform to deliver productivity and insights to small and mid-sized businesses, transforming their workflows through our products and AI-powered solutions. We reiterate our guidance for the full year, as set out in our FY24 results announcement, as we continue to focus on efficiently scaling the Group.”*

<b>Underlying Revenue Performance<sup>2</sup></b>	<b>Q1 25</b>	<b>Q1 24</b>	<b>% Growth</b>	<b>Organic % Growth</b>
<b>Total Revenue</b>	<b>£612m</b>	<b>£558m</b>	<b>+10%</b>	<b>+9%</b>
<i>of which Sage Business Cloud</i>	<i>£502m</i>	<i>£443m</i>	<i>+13%</i>	<i>+13%</i>
<b>Total Revenue by Region</b>				
North America	£279m	£250m	+11%	+11%
UKIA	£176m	£162m	+9%	+9%
Europe	£157m	£146m	+8%	+7%

Total revenue increased by 10% to £612m in the first quarter, with all regions contributing to growth.

In North America, revenue increased by 11% to £279m, with a good performance from Sage Intacct together with continued growth in Sage 50 and Sage 200. In the UKIA region, revenue grew by 9% to £176m, driven by Sage Intacct together with cloud solutions for small businesses (including Sage Accounting and Sage Payroll), alongside further growth in Sage 50 and Sage 200. In Europe, revenue increased by 8% to £157m, with a strong performance across our accounting, HR and payroll solutions.

Sage Business Cloud revenue increased by 13% to £502m, driven by balanced growth from both new and existing customers, including cloud native revenue growth of 22% to £208m (Q1 24: £170m).

Recurring revenue grew by 10% to £595m (Q1 24: £540m), reflecting continued momentum in Annualised Recurring Revenue (ARR) during the quarter. Software subscription revenue grew by 12% to £509m (Q1 24: £455m) resulting in subscription penetration of 83% (Q1 24: 82%).

On an organic basis (excluding the impact of M&A), total revenue increased by 9% to £611m (Q1 24: £560m), while recurring revenue increased by 10% to £594m (Q1 24: £542m).

**Foreign exchange**

Sterling strengthened against the US dollar and other international currencies compared with the prior period, leading to an exchange rate headwind.

**Analyst and investor conference call**

Jonathan Howell will host a webcast and conference call today at 8.30am UK time. The webcast can be accessed via the following link: <https://edge.media-server.com/mmc/p/uf66bh7b>. To join the conference call, please register via: <https://register.vevent.com/register/B10186d0df8833490eb389b3f1c06f9fe4>.

<sup>1</sup> All figures are on an underlying basis unless otherwise stated.

<sup>2</sup> Underlying and organic results are presented on a constant currency basis, while organic growth also excludes the impact of M&A. Underlying and organic measures are defined on page 261 of Sage’s FY24 Annual Report.

## **Enquiries**

### **Sage +44 (0) 77721 599502**

Jonathan Howell, Chief Financial Officer  
James Sandford, Investor Relations  
David Ginivan, Corporate PR

### **FGS Global +44 (0) 20 7251 3801**

Conor McClafferty  
Sophia Johnston

## **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 digitising business processes and relationships with customers, suppliers, employees, banks and governments, our digital 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.