



The Sage Group plc
Trading update for the nine months ended 30 June 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 nine months ended 30 June 2024¹.

Jonathan Howell, Chief Financial Officer, commented:

“Sage performed well in the first nine months, delivering revenue growth in line with our expectations and sustaining good momentum, despite ongoing macroeconomic uncertainty. Accordingly, we reiterate our guidance for the full year, as set out in our half year results announcement. Our continued success in transforming the workflows of small and mid-sized businesses, supported by our focus on innovation and investment in AI, underpins confidence in our strategy to deliver sustainable, efficient growth.”

Underlying Revenue Performance²	Q3 24 YTD	Q3 23 YTD	Growth	Organic Growth
Total Revenue	£1,737m	£1,589m	+9%	+9%
<i>of which Sage Business Cloud</i>	<i>£1,387m</i>	<i>£1,192m</i>	<i>+16%</i>	<i>+16%</i>
Total Revenue by Region				
North America	£786m	£699m	+12%	+12%
UKIA	£497m	£460m	+8%	+8%
Europe	£454m	£430m	+6%	+6%

Sage’s revenue grew by 9% to £1,737m in the first nine months of the year. Regionally, revenue in North America increased by 12% to £786m, with a good performance from Sage Intacct together with continuing growth in Sage 50 cloud and Sage 200 cloud. In the UKIA region, revenue grew by 8% to £497m, driven by Sage Intacct together with cloud solutions for small businesses (including Sage Accounting and Sage Payroll), alongside further growth in Sage 50 cloud and Sage 200 cloud. In Europe, revenue increased by 6% to £454m, with a strong performance across our accounting, HR and payroll solutions.

Sage Business Cloud revenue increased by 16% to £1,387m, driven by growth in cloud native revenue of 23% to £539m (Q3 23 YTD: £437m) primarily through new customer acquisition, and by growth in cloud connected revenue from both existing and new customers.

Recurring revenue increased by 10% to £1,680m (Q3 23 YTD: £1,522m), with software subscription revenue growth of 13% to £1,419m (Q3 23 YTD: £1,254m) resulting in subscription penetration of 82% (Q3 23 YTD: 79%).

In the third quarter, total revenue increased by 9% to £585m (Q3 23: £537m), driven by continued growth across the Sage Business Cloud portfolio.

Foreign exchange

Sterling has strengthened against the US Dollar and other international currencies compared with the prior period, leading to an exchange rate headwind in the first nine months of the year.

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/25yejai9>. To join the conference call, please register via: <https://register.vevent.com/register/Bl0618c320983447c8383874122873450>.

¹ All figures are on an underlying basis unless otherwise stated.

² 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 pages 269-270 of Sage’s FY23 Annual Report.

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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.