



The Sage Group plc
Trading update for the three months ended 31 December 2025

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 2025^[i].

Jacqui Cartin, Chief Financial Officer, commented:

"Sage delivered a strong start to FY26, with Q1 organic revenue growth accelerating to 10%, supported by the continued execution of our growth strategy. We are investing in innovation across our AI-powered platform, helping small and mid-sized businesses solve their day-to-day challenges and work more productively. We reiterate our full-year guidance, as set out in our FY25 results announcement, and remain focused on driving efficient, sustainable growth and long-term value for all stakeholders."

Underlying Revenue Performance ^[ii]	Q1 26	Q1 25	% Growth	Organic % Growth
Total Revenue of which Sage Business Cloud	£674m £574m	£610m £500m	+10% +15%	+10% +14%
Total Revenue by Region				
North America	£304m	£268m	+13%	+12%
UKIA	£194m	£177m	+10%	+10%
Europe	£176m	£165m	+7%	+7%

Total revenue increased by 10% to £674m in the first quarter, with all regions performing well.

In North America, revenue increased by 13% to £304m, with a strong performance from Sage Intacct together with continued growth in Sage 200 and Sage 50. In the UKIA region, revenue grew by 10% to £194m, driven by the rapid scaling of Sage Intacct alongside continued growth in small business solutions, including Sage Accounting and Sage 50. In Europe, revenue increased by 7% to £176m, with good growth across our accounting, HR and payroll solutions.

Sage Business Cloud revenue increased by 15% to £574m, driven by balanced growth from both new and existing customers, including cloud native revenue growth of 24% to £253m (Q1 25: £205m).

Recurring revenue grew by 10% to £655m (Q1 25: £593m), reflecting continued momentum in Annualised Recurring Revenue (ARR) during the quarter. Software subscription revenue grew by 12% to £568m (Q1 25: £507m) resulting in subscription penetration of 84% (Q1 25: 83%).

On an organic basis (excluding the impact of M&A), total revenue increased by 10% to £673m (Q1 25: £612m), while recurring revenue increased by 10% to £654m (Q1 25: £594m).

Foreign exchange

Sterling strengthened against the US dollar and weakened against the Euro, leading to a broadly neutral exchange rate impact at the Group level.

Analyst and investor conference call

Steve Hare, Chief Executive Officer, and Jacqui Cartin, Chief Financial Officer, will hold 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/kzk8bxor>. To join the conference call, please register via: <https://register-conf.media-server.com/register/B19edc6b6c5a944038f431d023f7ebc63>

Enquiries

Sage +44 (0) 7341 479956

Jacqui Cartin, 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 digitalising business processes and relationships with customers, suppliers, employees, banks and governments, our AI-powered platform 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.

[i] All figures are on an underlying basis unless otherwise stated.

[ii] 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 FY25 Annual Report.

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