SGE XLON Sage Group PLC (The)

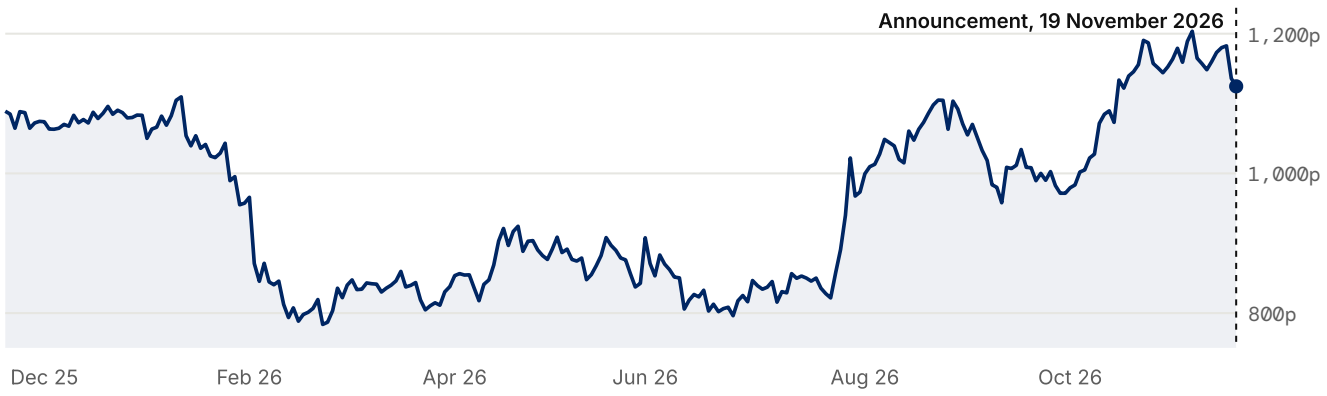
Results for the year ended 30 September 2026 · RNS 7692D · 19 November 2026

Sage grows revenue 11%, guides to about 10% for FY27 and flags £100m restructuring

Share price	1,126p
Market cap	£10.2bn
52-week range	771.7p - 1,208p
Shares in issue	905.6m
12-month change	+3.3%

Ticker Data API, as at 18 Nov 2026, 16:29

SHARE PRICE, 12 MONTHS



SUMMARY

Sage's full-year results today showed underlying revenue up 11% to £2,783m (10% organic) and underlying operating profit up 13% to £681m, a 24.5% margin. Annualised recurring revenue rose 12% to £2,884m and net revenue retention improved to 103%. Sage expects organic growth "in the region of 10%" in FY27 with rising margins, alongside a restructuring charge of around £100m that will be kept out of underlying profit. The record is good: Sage beat July's guidance and has grown underlying EPS above 15% for four years. That per-share growth leaned on £604m of buybacks, which with dividends exceeded free cash flow and took net debt to 2.0 times underlying EBITDA, the top of its 1x to 2x range.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
Underlying total revenue	£2,783m	FY26	+11% (organic +10%)
Underlying operating profit	£681m	FY26	+13%; margin 24.5% (+0.6 ppts)
Annualised recurring revenue	£2,884m	30 Sep 2026	+12% (organic +11%)
Net revenue retention	103%	FY26	FY25: 101%
Statutory basic EPS	43.4p	FY26	+15% (statutory profit after tax +9% to £401m)
Free cash flow	£575m	FY26	FY25: £517m
Net debt to underlying EBITDA	2.0x	30 Sep 2026	From 1.7x; net debt £1,582m
Share buybacks	£604m	FY26	
Expected FY27 restructuring charge	around £100m	FY27	
Full-year dividend per share	23.60p	FY26	+8%

Sources: Results RNS, 19 Nov 2026

THE ANNOUNCEMENT

- Underlying revenue rose 11% to £2,783m (10% organic) for the year to 30 September 2026, and underlying operating profit rose 13% to £681m, lifting the margin 0.6 points to 24.5%.
- Annualised recurring revenue (the yearly value of the subscription base at year-end) grew 12% to £2,884m. Net revenue retention, the ARR kept and added from existing customers, rose to 103% from 101%.
- Cloud-native revenue grew 24% to £1,088m and Sage Intacct revenue in the US grew 24% to £559m. North America grew 14%, UKIA 10% and Europe 7%.
- FY27 guidance is organic revenue growth "in the region of 10%" with underlying margins continuing to trend upwards.
- A workforce restructuring is expected to cost around £100m in FY27, excluded from underlying results and subject to employee consultation, with savings reinvested in the strategy.
- The full-year dividend rises 8% to 23.60p. FY26 buybacks totalled £604m and net debt rose to £1,582m, 2.0 times underlying EBITDA against 1.7 times a year earlier.

AGAINST GUIDANCE

In its July trading update Sage guided to organic revenue growth above 9% for FY26 with operating margins trending upwards. It delivered 10% organic growth and a 0.7-point rise in the organic underlying operating margin to 24.6%. The FY27 guide of growth "in the region of 10%" with rising margins matches FY26's pace and does not promise acceleration. ARR, which Sage treats as a forward indicator of recurring revenue, is growing 12%, slightly ahead of revenue.

BULL CASE

- Growth is broad and recurring: ARR rose 12%, net revenue retention climbed two points to 103% on AI features, price rises and strong renewals, and new customers added £205m of organic ARR against £200m a year earlier.
- Sage Intacct and cloud-native products are carrying the group, with Intacct revenue up 24% in the US, Intacct ARR up 45% internationally and cloud-native revenue past £1bn.
- Sage met its FY26 guidance, giving the roughly 10% FY27 forecast a track record, and statutory and underlying operating profit both grew 13%, so adjustments did not create this year's growth.

BEAR CASE

- Per-share growth leaned on buybacks: statutory profit after tax rose 9% while basic EPS rose 15%, as the weighted share count fell to 925m from 978m.
- Buybacks of £604m and dividends of £209m exceeded £575m of free cash flow, taking leverage to 2.0x, the top of Sage's 1x to 2x range, while net interest paid nearly doubled to £66m.
- The £100m restructuring has no cash timetable or stated savings, and the savings are to be reinvested, so FY27 statutory profit is likely to lag underlying growth.
- Headline 112% cash conversion includes £57m of share-based payment add-backs and a £28m working-capital inflow, and UKIA underlying operating profit fell 7% despite 10% revenue growth.

WHAT TO WATCH

- The next trading update, which Ticker's records provisionally place around 26 February 2027 (unconfirmed), for whether organic growth is running above or below 10% and retention holds at 103%.
- The outcome of employee consultation on the restructuring, and whether the charge stays near £100m and comes with a cash schedule and quantified savings.
- Whether statutory operating profit and free cash flow keep pace with underlying margins through FY27, and how large any FY27 buyback is given leverage at 2.0x.
- The share price reaction against the 52-week range of 771.66p to 1,208p, with the shares at 1,126p on results day and a market value of £10.20bn; the 15.55p final dividend is due on 9 February 2027 if approved at the 4 February AGM.

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