

Sage Group

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Sage Group shares plummet as Deutsche Bank downgrades software firm to 'sell'

Shares in software firm The Sage Group (LON:SAGE) plunged on Monday after Deutsche Bank downgraded the stock to a 'sell' rating from 'hold' and cut its target price to 540p from 630p.

Deutsche Bank said after speaking to a number of accountants and resellers across the UK, US and Australia, along with senior figures from key competitors Xero and Intuit, its key takeaway from these conversations is that the competitive situation in Sage's core mid-market franchise "appears to be worsening".

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"Entry level players at far lower price points are moving upmarket and are building functionality either internally or through third-party platform partners," the bank said.

"Higher-end competitors also appear to be gradually gaining share from Sage's core user and reseller base.

"We would highlight Microsoft as the stand out player here, with the Dynamics suite cited by Sage resellers as the most frequently seen competitor and furthermore, the Dynamics 365 SaaS suite grew at 56% at constant currencies in the fourth quarter."

Microsoft's Dynamics 365 is a product line of enterprise resource planning and customer relationship management software applications.

In morning trading, shares in Sage fell 6.4% to 623p.

Price: 796.095p

Market Cap: £8644.85M

1 Year Share Price Graph



Share Information

Code: SGE

Listing: LSE

52 week High Low
798.60p 491.30p

Sector: Software & Computer Services

Website: www.sage.com

Company Synopsis:

Sage provides business software, services and support to small and medium sized businesses.

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