



# Investor Factsheet

## Financial and operational highlights

Highlights from our results for the half year ended 30 April 2021.

Revenue	Recurring revenue	Adjusted EBITDA*	Profit before Tax
<b>£31.1m</b> <small>+4%</small>	<b>£17.6m</b> <small>-1%</small>	<b>£10.1m</b> <small>+17%</small>	<b>£3.7m</b> <small>+1976%</small>
FY20 H1: £30.0m	FY20 H1: £17.8m	FY20 H1: £8.7m	FY20 H1: £0.2m

\* Adjusted EBITDA is defined as earnings before before amortisation, depreciation, restructuring, acquisition costs, impairment, financing costs and share option costs.

## Overview

Idox is a leading developer of specialist software for government and industry, with an established track record serving tightly regulated markets including local authorities, health, engineering, transport and property. Built around the needs of the user and designed in collaboration with experts, our software delivers exceptional functionality and reliability to critical operations and embeds workflows that drive efficiency and best practice.

Over 90% of UK local authorities are now customers for one or more of our products.

## Financial highlights

- Recurring revenues continue to grow in local government business, but held back by small reductions in social care, health and EIM.
- Non-recurring revenues up 11% in the year driven in part by local government resign cycle, with closing orderbook up 9% primarily in elections and EIM.
- Continued improvement in Adjusted EBITDA margin due to operational improvements across the Group under our 'Four Pillars' framework.
- Another strong cash performance leading to a further material reduction in net debt to a net cash position. Good financial resources to transact bolt-on acquisitions.
- Disposed of the Content businesses for initial net proceeds of £10.7 million in line with our continued focus on corporate simplification.

## Why invest?

- Significant UK market brand and presence in stable core domains.
- Refreshed management team and board delivering ongoing change. Good organic revenue growth (mid to high single digit).
- Strong visibility of revenues from high levels of recurring revenues.
- High operating margins with potential for further improvement.
- Improved cash generation enabling organic development and further debt reduction.
- Well-funded, and well-positioned for accretive Mergers and Acquisitions (M&A).
- Progressive dividend policy.

## Growth plans

- Looking to leverage the existing strong management team, Idox brand and market presence, and operational infrastructure to bring niche but well-respected software solutions to a wider market.
- Strong focus on GovTech, augmenting existing strong market shares, recurring revenues and good margins.
- Good financial resourcing to fund a number of bolt-on acquisitions throughout the year. Strong focus on capital allocation (i.e. disposal of Idox Content) and capital management to support M&A ambitions.
- High degree of involvement from Idox executive management, with operational activity increasingly being led by emerging senior management group.

## Idox Management



**Chairman**  
Chris Stone



**CEO**  
Dave Meaden



**CFO**  
Rob Grubb

## Financial forecast

Year-end October (£m)	Actual			Forecast	
	2019	2020	2021E	2022E	2023E
Revenue	65.5	68.0	65.7	67.2	70.9
Adj. EDITDA	14.4	19.6	19.5	21.9	24.0
Adj. Profit before tax	7.7	10.5	12.0	14.8	16.7
Adj. earning per share (p)	1.3	1.8	2.2	2.7	3.0

Source: Company information and Progressive Equity Research estimates.

## Our sectors

### Public Sector Software

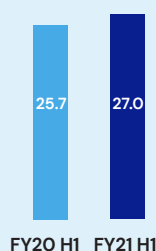
Comprising local authority, elections, CAFM, social care, transport, UK databases and health.

Revenue increased strongly again in the period due to ongoing improved sales execution following the changes and investments made in sales and marketing over the past 18 months.

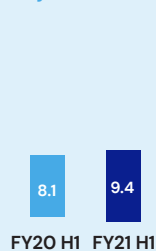
- Recurring revenues up in local authority (including Idox Cloud) but this was tempered by smaller decreases elsewhere in the portfolio, most notably social care and health which included small contributions from 6PM Malta exited in early FY20 not repeated in the current year.
- Non-recurring revenues were up mainly in local authority with the rest of the portfolio largely balanced. Approximately half the increase was due to resigns from existing customers which whilst repeating over time, can fluctuate from one period to the next.
- Closing orderbook of contracted, non-recurring revenues of £11.6 million (FY20 H1: £11.2 million), a slight increase of 3%.

Adj. EBITDA significant increase of £1.3 million largely due to the high-margin drop-through of incremental and continued discipline on costs.

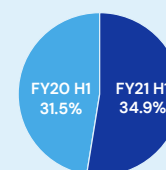
Revenue £m



Adj. EBITDA £m



Adj. EBITDA margin



### Engineering Information Management

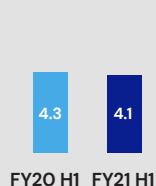
Comprising on-premise McLaren and cloud-native FusionLive.

Revenue decreased slightly in the period as the business reorganised in late FY20/early FY21.

- Recurring revenues down due to cancellation of two existing customers (one per the investor presentation and COVID-19) impact due to corporate activity, which was not mitigated to the extent anticipated in new sales. The broader energy market is still difficult, however the business is continuing to win new engagements in alternative sectors.
- Non-recurring revenues were up as order intake for new business improved, and utilisation rose with the integration in to Idox Software.
- Closing orderbook of contracted, non-recurring revenues of £0.9 million (FY20 H1: £0.3 million), an increase of 220%.

Adj. EBITDA slight increase despite the decrease in revenues as the benefits of integration to Idox Software operations and management structure are realised.

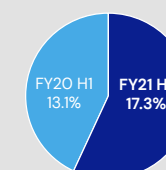
Revenue £m



Adj. EBITDA £m



Adj. EBITDA margin



#### Idox plc

Second Floor, 1310 Waterside  
Arlington Business Park, Theale, RG7 4SA

#### Media Contacts

MHP Communications +44 (0)20 3128 8771  
Reg Hoare, James Bavister [Idox@mhpc.com](mailto:Idox@mhpc.com)



[www.idoxplc.com](http://www.idoxplc.com)



[investors@idoxplc.com](mailto:investors@idoxplc.com)



+44 (0)333 011 1200



@Idoxgroup