

Spring 2022

Investor Factsheet FY21

In FY21, we reported another year of strong financial performance and operational execution, continuing to deliver good progress against the Group's strategic goals.



**Revenue
increased**

by 9% to £62.2m
(2020: £57.3m)



**Recurring revenue
increased**

by 2% to £36.3m
(2020: £35.7m)



**Adjusted EBITDA*
increased**

by 13% to £19.5m
(2020: £17.2m)



**Net Debt
decreased**

to £8.1m
(2020: £16.1m)

Overview

Our business process engines drive the performance of public sector and industry. Through our deep understanding of operations and regulatory requirements in our chosen markets, our software joins teams together, automates tasks and enables better ways of working.

The value we create for our customers supports improved efficiency, reduced operational costs, greater accuracy, and faster delivery.

Financial review

- Revenues up 9% in the year, driven by strong increase in non-recurring revenues.
- Recurring revenues continue to grow following a focus on SaaS solutions across our business, and contributions from our acquisitions made in the second half of the year.
- Step up in earnings due to high quality revenue expansion and ongoing operational diligence across the Group.
- Another strong cash performance leading to a further material reduction in Net Debt.
- Good financial resources to transact further bolt-on acquisitions.
- Final dividend of 0.4p per share (2020: 0.3p) declared, reflecting the strong cash generation and healthy financial position of the Group.

Why invest?

- **Market leadership:** Market leaders, providing software solutions to improve the customer's processes, and meet future challenges on the horizon.
- **Good governance:** High quality recurring revenue and well-controlled costs; risk is well understood and reflected in our approach to investment and operational choices.
- **Investment in people:** Through living our values and developing future leaders, Idox ensure we have the right people drive our business forward.
- **Operational excellence:** Striving for high levels of customer service, leveraging our resources and expertise; and encouraging innovation in our products, delivery and operational infrastructure and support.
- **Financial discipline:** Focus on high quality revenues; good communication, and simplification leading to strong margins. Managing capital, exiting low-margin areas, and focusing our investments on high recurring, high margin, software-based areas with good opportunity for growth.
- **ESG rigour:** Recognising the importance of being a responsible and sustainable business, creating opportunities to do more with our people led initiatives.

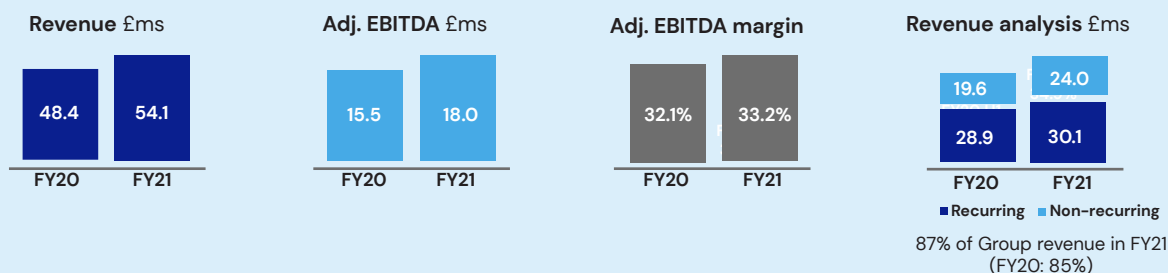
Buy and build: Growth plans

- We completed three acquisitions in FY21, and are well capitalised and experienced in sourcing, acquiring and integrating in an effective and low-risk way.
- Looking to leverage the strong management team, Idox brand and market presence, and operational infrastructure to bring niche but well-respected software solutions to a wider market (commonly a challenge for targets independent).
- Strong focus on cloud-based 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 emphasis 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 delegated to emerging senior management group.

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

Financial review

Public Sector Software



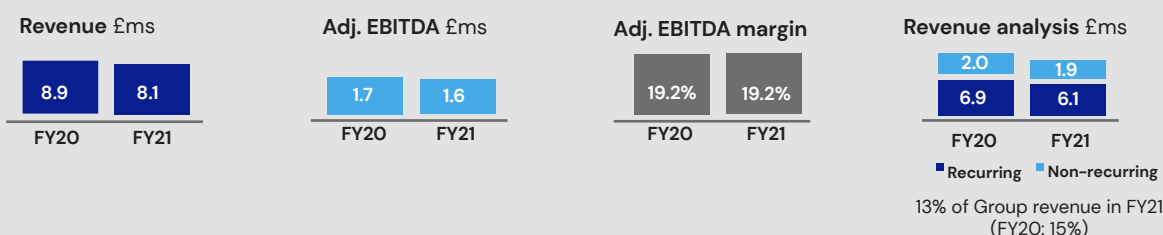
Comprising Local Authority, Idox Cloud, Elections, CAFM, Social Care, Transport, Databases UK, Health and FY21 GIS acquisitions

Revenue increased strongly again in the year due to ongoing improved execution across all functions following the changes and investments made over the past 36 months, plus a partial-year contribution from acquisitions made in the second half of the year (£1.8m).

- Recurring revenues up in Local Authority (including Idox Cloud), and due to partial-year contribution from acquisitions made in the second half of the year, but this was tempered by small decreases in elections (planned consolidation of products), in social care (COVID-19 impacted) and health (planned exit from Malta).
- Non-recurring revenues were up across the portfolio, with a large increase YoY in Local Authority. Approximately half the increase was due to signing new term agreements from existing customers which whilst repeating over time, can fluctuate from one period to the next.
- Closing order book of contracted, non-recurring revenues of £8.5m (FY20: £12.0m), as our large Metrolinx and Scottish eCount projects were delivered in FY21.

Adj. EBITDA significant increase of £2.4m largely due to the high-margin drop-through of incremental revenue, and continued discipline on costs.

Engineering Information Management



Comprising on-premise McLaren and cloud-native FusionLive

Revenue decreased slightly in the year 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 order book of contracted, non-recurring revenues of £1.0 million (FY20: £1.4m).

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

Financial forecast

	Actual			Forecast	
Year-end October (£m)	2020	2021	2022E	2023E	2024E
Revenue	68.0	62.2	70.2	74.0	77.7
Adj. EDITDA	19.6	19.5	22.8	25.0	26.5
Adj. Profit before tax	10.5	12.4	14.6	16.5	17.8
Adj. earning per share (p)	1.8	2.4	2.6	2.8	3.0

Source: Company information and estimates.

Idox Management



Chris Stone
Chairman



Dave Meaden
Chief Executive Officer



Rob Grubb
Chief Financial Officer

Idox plc

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

Media Contacts

MHP Communications
Reg Hoare, James Bavister

+44 (0)20 3128 8771
ldox@mhpc.com