

IDOX

SOFTWARE & COMPUTER SERVICES

13 May 2025

IDOX.L

56.2p

Market Cap: £258.6m

SHARE PRICE (p)



12m high/low

67p/52p

Source: LSE Data (priced as at prior close)

KEY DATA

Net (debt)/cash	£(9.9)m (at 31/10/24)
Enterprise value	£268.5m
Index/market	AIM
Next news	Trading update, May
Shares in issue (m)	460.2
Chairman	Chris Stone
CEO	David Meaden
CFO	Anoop Kang

COMPANY DESCRIPTION

Idox is a software business selling to UK public sector and global engineering clients.

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IDOX IS A RESEARCH CLIENT OF PROGRESSIVE

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Accretive social care acquisition

Idox has today announced the acquisition of social care software provider Trojan Consultants Limited, which trades as Plianz, for an initial consideration of £7.65m. With revenues for year ended 31 March 2025 of c.£2.5m and an adjusted EBITDA margin of c.25%, management is confident that this will be an accretive deal. The products fit well with Idox's existing Social Care offering and the announcement cites a range of anticipated synergies and gains. We look forward to Idox's results in June as an opportunity to find out more and to update our estimates.

- **Adding to Communities division.** Idox has acquired Trojan Consultants Limited, trading as Plianz, for an initial cash consideration of £7.65m, from existing resources, with a potential maximum of £7.9m dependent upon revenue targets in its first year.
- **Growing and profitable target.** In the year to 31 March 2025, Plianz generated revenue of c.£2.5m with adjusted EBITDA margins of c.25%. On an EV/Sales and EV/EBITDA basis, this is a slight premium to the valuation of the wider group and, given the potential revenue and growth opportunities, consistent with management's confidence that the deal will be accretive.
- **Products complement existing portfolio, plus AI.** Plianz provides regulatory compliance software for local authorities and professional deputies in legal, financial management and local government operations, addressing the compliance challenges when dealing with the finances and estates of the vulnerable. This adds to Idox's public sector product portfolio, fitting alongside Idox's Social Care offering. A material part of the business appears to be AI related, highlighting that Idox is a true tech business and that potential AI opportunities exist within its markets.
- **Growth synergies.** Plianz should gain from Idox's skills and resources, and there should also be synergies in terms of customer reach and product offering in the social care market. It is anticipated that key management and personnel will remain at Idox following completion.
- **Management still driving growth.** While the focus of attention of late has been on the organic and acquisition opportunities in Land Property and Public Protection, it is clear from this deal that management is not ignoring the potential to add value with accretive acquisitions elsewhere in the group.

FYE OCT (£M)	2023	2024	2025E	2026E	2027E
Revenue	73.3	87.6	93.4	98.1	103.0
Adj EBITDA	24.5	26.1	26.9	29.2	31.2
Fully Adj PBT	15.8	16.1	16.1	18.4	20.5
Fully Adj EPS (p)	2.6	2.6	2.7	2.9	3.2
EV/Sales (x)	3.7x	3.1x	2.9x	2.7x	2.6x
EV/EBITDA (x)	11.0x	10.3x	10.0x	9.2x	8.6x
PER (x)	21.5x	21.6x	21.2x	19.2x	17.3x

Source: Company Information and Progressive Equity Research estimates.

This publication should not be seen as an inducement under MiFID II regulations.

Please refer to important disclosures at the end of the document.

Financial Summary: Idox

Year end: October (£m unless shown)

PROFIT & LOSS	2023	2024	2025E	2026E	2027E
Revenue	73.3	87.6	93.4	98.1	103.0
Adj EBITDA	24.5	26.1	26.9	29.2	31.2
Adj EBIT	17.1	18.1	18.1	20.0	21.6
Reported PBT	7.8	8.1	9.5	11.7	13.8
Fully Adj PBT	15.8	16.1	16.1	18.4	20.5
NOPAT	11.9	11.9	12.3	13.6	15.2
Reported EPS (p)	1.2	1.2	1.5	1.9	2.2
Fully Adj EPS (p)	2.6	2.6	2.7	2.9	3.2
Dividend per share (p)	0.6	0.7	0.8	0.9	1.0
CASH FLOW & BALANCE SHEET	2023	2024	2025E	2026E	2027E
Operating cash flow	18.6	21.1	20.2	22.7	23.2
Free Cash flow	(3.9)	10.1	11.1	13.3	13.5
FCF per share (p)	(0.9)	2.2	2.4	2.9	2.9
Acquisitions	(14.1)	(2.4)	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0	0.0
Shares issued	(0.2)	(0.2)	0.0	0.0	0.0
Net cash flow	0.8	(3.5)	4.9	7.0	7.1
Overdrafts / borrowings/bonds	(29.5)	(21.6)	(21.6)	(21.6)	(21.6)
Cash & equivalents	14.8	11.7	16.6	23.6	30.7
Net (Debt)/Cash	(14.7)	(9.9)	(5.0)	2.0	9.1
NAV AND RETURNS	2023	2024	2025E	2026E	2027E
Net asset value	73.3	78.3	84.5	92.0	100.4
NAV/share (p)	16.1	17.0	18.3	19.9	21.6
Net Tangible Asset Value	(35.5)	(28.3)	(19.5)	(9.6)	1.4
NTAV/share (p)	(7.8)	(6.1)	(4.2)	(2.1)	0.3
Average equity	70.3	75.8	81.4	88.3	96.2
Post-tax ROE (%)	7.9%	6.9%	8.6%	9.8%	10.6%
METRICS	2023	2024	2025E	2026E	2027E
Revenue growth	N/A	19.5%	6.6%	5.0%	5.0%
Adj EBITDA growth		6.5%	3.2%	8.6%	6.8%
Adj EBIT growth		5.6%	0.3%	10.2%	8.0%
Adj PBT growth		2.4%	0.0%	13.9%	11.4%
Adj EPS growth		(0.4%)	1.7%	10.4%	11.0%
Dividend growth	N/A	16.7%	14.3%	13.8%	14.3%
Adj EBIT margins	23.4%	20.6%	19.4%	20.4%	21.0%
VALUATION	2023	2024	2025E	2026E	2027E
EV/Sales (x)	3.7	3.1	2.9	2.7	2.6
EV/EBITDA (x)	11.0	10.3	10.0	9.2	8.6
EV/NOPAT (x)	22.5	22.5	21.8	19.7	17.7
PER (x)	21.5	21.6	21.2	19.2	17.3
Dividend yield	1.1%	1.2%	1.4%	1.6%	1.9%
FCF yield	(1.6%)	4.0%	4.3%	5.1%	5.2%

Source: Company information and Progressive Equity Research estimates

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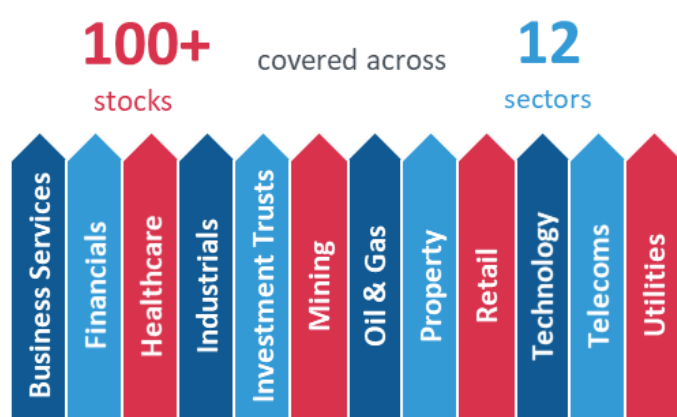
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