

RNS Number : 5191L
IDOX PLC
19 April 2018

The following amendment has been made to the 'AGM Statement and Trading Update' announcement released on 19 April 2018 at 7.00 a.m. under RNS No 3971L.

Paragraph two of the divisional review section incorrectly referred to a number of companies in relation to the EIM Division and an incorrect date for the major trade show. The corrected wording is:

"EIM closed in excess of \$2m new business and will launch the latest upgrade to its SaaS offering in Holland at a major trade show in April."

All other details remain unchanged.

The full amended text is shown below.

19 April 2018

Idox plc

('Idox' or 'the Group' or 'the Company')

AGM Statement and Trading Update

Idox plc (AIM: IDOX), a leading supplier of specialist information management solutions and services, today issues a trading update for the first five months of its half year ended 30 April 2018, ahead of its Annual General Meeting being held later today.

Trading

Our first half trading to date has taken place during an unsettling period of major reorganisation of the business, with the protracted audit proving a major distraction. Despite this our sales performance has remained strong in most segments, with order intake in the first five months of the year in the core PSS division up 35% and double digit growth in Content division.

Our first half results are expected, however, to be well below the same period last year, reflecting the impact of the first quarter disruption, changes in revenue recognition as announced at the final results in March, and a seasonal skew to the second half as in most prior years. The completion of our reorganisation, which is expected to deliver annualised savings of c. £7m, and the benefit of the strong sales

performance, together with our high level of recurring and repeating revenues, is expected to be of greater benefit, and provides good visibility, for the second half and beyond. Overall, the Board remains confident that the Group will deliver an improved performance in the current year in line with market expectations.

Divisional review

In PSS, we had new customer wins with Copeland and competitor wins for Surrey Health, Blaby, Harrogate, together with hosting contracts in Copeland, Clackmannanshire and Sevenoaks. The elections business won its first international eCount contract with the Maltese government. The social care business had a boost from increased government spending in its area of expertise and its new product has been well received closing three new systems to date. The transport business signed a significant contract with Bristol and put into test its "blue wave", government backed, smart cities initiative to help reduce diesel omissions and reduce operating haulage costs.

EIM closed in excess of \$2m new business and will launch the latest upgrade to its SaaS offering in Holland at a major trade show in April.

The Content business continues to perform in line with its historic double digit growth rates.

The Health business has undergone a review and refocus under a new management team and is performing in line with our expectations off a much reduced cost base. It completed sales with Epson & St Helier, George Elliot, Cardiff Vale and Brook hospitals.

The Digital business, however, has had a number of quality and customer problems which have adversely impacted the start of the year. We have addressed this quickly with a major overhaul of the business.

Reorganisation update

The business has gone through a full review of its systems and processes and we have reinstated many of the principles that delivered Idox's success over many years. The rationalisation of the last four acquisitions into the public sector division, integration of the Group's development resources and focus on core projects, plans to shrink the property estate, investment in sales resource and optimisation of professional services and support has resulted in significant savings and enhanced efficiency which are expected to benefit future periods. It has not been an easy time for the business or its staff and the adoption of such radical change has been delivered with great commitment.

The future

We continue to develop our plans for the future. Our goal is to put in place the foundations which will accelerate our digital services, web services, and hosted platforms.

Richard Kellett-Clarke, Interim Chief Executive of Idox said:

"We have had an encouraging start to the year in terms of order intake and delivering the benefits of our reorganisation. We therefore remain confident that despite a weak first half, we will deliver an improved performance in the current financial year as a whole and in line with market expectations, skewed towards the second half.

"I remain confident of Idox's prospects and believe that the Group has good growth opportunities, through its continued focus on digital transformation and channel shift in the public sector, increasing market shares, ensuring existing acquisitions are fully bedded in, cross selling, and geographical expansion."

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014.

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For more information see www.idoxplc.com

This information is provided by RNS
The company news service from the London Stock Exchange

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<http://www.DigitalLook.com>

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