

16 March 2020

**Idox plc**  
(**'Idox'** or **the 'Group'** or the **'Company'**)  
**FY20 Q1 Trading Update**  
**Dividend Update**  
**FY19 Trading Update**  
**Notice of Results**

Idox plc (AIM: IDOX), a leading supplier of specialist information management software and solutions to the public and asset-intensive sectors, is pleased to issue a trading update for the first quarter of its financial year ending 31 October 2020 ("FY20").

*Highlights in the first quarter of FY20 include:*

- Significantly stronger financial performance with improved revenues and earnings compared to the same period last year:
  - o Q1 financial performance is consistent with the Board's expectations for FY20 as a whole.
- Material reduction in closing net debt as at 31 January 2020 at £27.5m (FY19: £35.5m) representing leverage\* of below 1.6 times, underpinning a much stronger financial position.
- The Group continues to make good strategic and commercial progress across the business; our Tascomi business acquired in August 2019 is integrating well and is performing as planned.
- All historical issues identified in FY19 have been fully resolved: Idox entered FY20 with no material remaining outstanding litigation or property issues. All non-core businesses have been disposed, and new financial reporting and operational controls are now fully embedded throughout the Group.
- The Board intends to introduce a final dividend in respect of FY20 which it anticipates will be approximately 30% of retained earnings.

In summary, we are progressing well against our plans for FY20 and remain encouraged by the opportunities; the Board remains confident in the prospects of the business for FY20 and beyond.

† Adjusted EBITDA is defined as earnings before amortisation, depreciation, restructuring, acquisition, corporate finance and share option costs.

\* Net debt / trailing 12 months Adjusted EBITDA

## **FY19 Trading Update**

Further to the Trading Update the on FY19 the Group provided on 25 November 2019, the Group expects to report the following results for its financial year ended 31 October 2019:

### *Financial highlights:*

- Revenue of £65.5m (2018: £66.4m for continuing business, restated for prior year adjustments).
- Revenue visibility significantly improved, with annualised recurring revenue run rate at 31 October 2019 up 20% to £38.9m following adoption of IFRS 15 (16% organic).
- Contracted software and services order book up 29% to £12.1m.
- Adjusted EBITDA<sup>†</sup>: £14.4m (2018: £13.6m, restated) for continuing business.
- Net debt at 31 October 2019 down 17% at £26.4m (2018: £31.8m).
- Statutory loss before tax £0.03m (2018: £27.6m loss, restated) for continuing operations.

<sup>†</sup> Adjusted EBITDA is defined as earnings before amortisation, depreciation, restructuring, acquisition costs, impairment, financing costs and share option costs.

## **Notice of Results**

The Group continues to work closely with its auditor to resolve an outstanding historical matter that has arisen on finalisation of its FY19 results in respect of the FY17 financial reporting period, associated with the acquisition of 6PM Holdings plc. This remaining item does not have any impact on the Group's expected FY19 results or its future prospects.

The Group expects to resolve the matter shortly, and expects to issue its FY19 results announcement as soon as practical.

## **Statement on Covid-19**

The Group has considered the impact of the ongoing Covid-19 pandemic. The Board believes Idox is well placed because of the Group's high recurring revenue base, the high proportion of staff that work from home, and the limited exposure to the geographies currently most impacted by the virus. We continue to monitor the situation and adapt our approach as required.

The exposures identified to date are as follows:

- our EIM Business has cross-border operations; any impact is tempered by its existing high recurring revenues which account for approximately 80% of its revenue targets;
- our Public Sector Software business is exposed to government policy in response to Covid-19, notably the recent postponement of the local and mayoral elections originally scheduled for May 2020 to May 2021;

- overall, no material impact has been identified to date.

We continue to update our contingency planning and risk assessments in respect of Covid-19 as the impact of the virus develops.

**David Meaden, Chief Executive of Idox, commented:**

"We entered FY20 with encouraging momentum following the extensive reform of the business in the previous year and it is therefore pleasing to report a strong first quarter performance, consistent with our expectations.

The business is benefitting from our strategy to significantly increase engagement with our customers, staff and other stakeholders and from the introduction of new products and extended service offerings. During FY20, we are planning further integration of our activities and refinement of our operating models to drive further efficiencies.

We are pleased with the progress we have made but are not complacent. We remain committed to establishing Idox as a leader in Public Sector Software with market-leading cloud-based products and an efficient operating model to drive high levels of recurring revenue, strong margins and consistent cash generation."

-Ends-

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**About Idox plc**

For more information see [www.idoxplc.com](http://www.idoxplc.com) @Idoxgroup

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