

17 November 2020

Idox plc
('Idox' or the 'Group' or the 'Company')
Year End Trading Update

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 today for its financial year ended 31 October 2020 ('FY2020').

The Group expects to deliver another strong financial and operational performance, in line with the Board's expectations, building on the transformation executed in the previous year with good margin expansion and cash conversion.

Financial Highlights

- Revenue increased by 4% to £68.0m (2019: £65.5m);
- Recurring revenue increased by 5% to £37.4m (2019: £35.7m);
- Significant 35% increase in adjusted EBITDA[†] to £19.5m (2019: £14.4m);
- Adjusted profit before tax of £10.4m (2019: £7.7m);
- Statutory profit before tax of £2.8m (2019: loss of £0.03m);
- Material reduction in net debt at 31 October 2020 to £16.1m (2019: £26.4m):
 - o Leverage at 31 October 2020 of 0.8x trailing 12 month adjusted EBITDA[†] (2019: 1.8x)
 - o Excluding our 6PM Bond redeemable in 2025, net debt to our banking group at 31 October 2020 is £4.3m (2019: £14.8m), representing a decrease of 71%
 - o Idox retains substantial headroom against its banking facilities which include a £35m revolving credit facility and £10m accordion facility
- Intention to proceed with reinstatement of a final dividend for the year ended 31 October 2020

Operational Highlights

Idox has continued to improve all areas of the business within its four pillars

framework during FY2020, with successful initiatives including:

- Fully integrating our 2019 Tascomi acquisition, recently rebranded as 'Idox Cloud';
- Significant progress in delivering Digital Transformation to clients with several new wins for Idox Cloud and new software developments based upon the Idox Cloud development framework;
- Fully exiting sub-scale operations in Ireland and Malta;
- Consolidating all UK operations into a single statutory entity, and completing a rebrand;
- Establishing the first groupwide CRM, which is already yielding improved sales performance; and
- Fully integrating our operational processes creating a single Idox Software unit.

Outlook

The Group remains ambitious for the future and well-placed to realise this ambition. Idox strives to be a trusted partner of choice for customers, colleagues and suppliers in addition to our banking partners and shareholders as we continue to grow revenues, margin, and cash.

We remain cautious in respect of the ongoing impact of the Covid-19 pandemic but are confident that our public sector markets and software solutions will continue to be resilient. Idox has not taken advantage of any government job support schemes to date.

Trading in the current financial year has started in line with our expectations with continued contract momentum and strong revenue visibility. The closing order book for contracted software and services for FY2021 and beyond is £15.9m (2019: £12.1m) in addition to our recurring revenue base.

The Group expects to issue its FY2020 results announcement in early February 2021.

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

David Meaden, Chief Executive of Idox, commented:

"We have continued the momentum of the transformations of 2019 into the 2020 financial year and I am delighted with our financial and operational performance over the past twelve months. We continue to see significant opportunities in our markets to support our customers in realising their digital ambitions through enhancements to best in class software applications, digital transformation and delivery through the cloud."

"We intend to proceed with re-instating our dividend for the 2020 financial year as previously stated, which will be payable following our AGM in the first half of 2021."

"Our strong balance sheet will enable us to drive forward as we look to scale our business through carefully selected organic and inorganic investments, whilst at the same time retaining our sharp focus on margins and cash."

"We remain encouraged by and confident in the ongoing prospects for the Group."

-Ends-

Enquiries:

Idox plc

(0) 870 333 7101

+44

Chris Stone, Non-Executive Chairman
David Meaden, Chief Executive
Rob Grubb, Chief Financial Officer

Peel Hunt LLP (NOMAD and Broker)

(0) 20 7418 8900

+44

Edward Knight
Paul Gillam
Nick Prowting

MHP Communications

(0) 203 128 8170

+44

Reg Hoare / James Bavister / Amy O'Sullivan
idox@mhpc.com

About Idox plc

For more information see www.idoxplc.com @Idoxgroup

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