

16 November 2022

Idox plc
('Idox', the 'Group' or the 'Company')
Year End Trading Update
A resilient performance

Idox plc (AIM: IDOX), a leading supplier of specialist information management software and solutions to the public and asset intensive sectors, today issues a trading update for its financial year ended 31 October 2022 ('FY22').

Group trading performance

We are pleased to report Idox has delivered a resilient performance for FY22 against a backdrop of economic uncertainty. We have continued to make progress towards a number of our medium-term strategic goals, putting the Group on a strong footing for the future.

Our focus on winning and retaining long-term recurring revenue contracts with high quality customers has resulted in record full year order intake in excess of c. £74m, up 19% on FY21, providing good visibility into FY23.

The Board expects to report (subject to audit) a c. 15% increase in full year adjusted EBITDA to c. £22.5m, in line with management's expectations. Revenue is expected to be up 6% to c. £66m, and recurring revenue is anticipated to be up c. 12% over the period to c. £40.5m. As a result, the Group expects to deliver an improved adjusted EBITDA margin of c. 34% (FY21: 31%).

The Group's net debt at year-end was £6.7m, a reduction since 31 October 2021 (£8.1m net debt). The Group continues to maintain significant balance sheet flexibility and strength, including a £35m revolving credit facility and a £10m accordion.

As reported in early October, Idox acquired Landhawk, a land mapping and GIS data business, for £1.5m, including an initial cash consideration of £1.1m. Landhawk further strengthens the Group's GIS capabilities following the acquisitions of Aligned Assets, thinkWhere and exeGesIS in FY21. We continue to pursue a number of acquisition opportunities but remain focussed on ensuring strategic alignment whilst maintaining a disciplined approach to valuations.

We have started FY23 with strong recurring revenue and good levels of contract renewals, a solid order book and a healthy pipeline. As a result, our expectations for FY23 remain unchanged, albeit we remain cognisant of the current economic environment.

David Meaden, Chief Executive Officer of Idox commented:

"We have laid the foundations for sustained success at Idox, and against a challenging macro-economic backdrop, we have delivered a robust set of results.

With recurring revenue and order intake up, we are well positioned to continue our success over the coming years, supported by a strong balance sheet.

Pleasingly, we have seen significant success in areas of strategic focus, notably with Idox Cloud where we have seen 15 new sales during the period, which bodes well for our future performance.

The integration of recent acquisitions into the Group has progressed well and we have made several adjustments to our operating business, building capacity for future growth. I am pleased that our leadership development programme has ensured that all new senior appointees have been internal candidates.

We have a strong balance sheet position, leaving us well placed for an accretive buy and build programme. This, alongside our accelerating organic growth, will create significant value for shareholders and wider stakeholders going forward."

Notice of results

The Group expects to report its FY22 results in late January 2023. Management intends to host a results webinar on the day. Please contact MHP Communications to register your interest.

Definitions

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

Net debt is defined as the aggregation of cash, bank borrowings and long-term bond.

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