RNS Number : 8657U
IDOX PLC
28 January 2025

28 January 2025

Idox plc

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

FY24 Results

"A strong performance in line with expectations with 20% growth in revenue"

Idox plc (AIM: IDOX), a leading supplier of specialist information management software and geospatial data solutions to the public and asset intensive sectors, is pleased to report its financial results for the year ended 31 October 2024.

Financial highlights

Reconciliations between adjusted and statutory earnings are contained at the end of this announcement.

Revenue

- Revenue increased by 20% to £87.6m (2023: £73.3m), driven by growth in the Land, Property & Public Protection (LPPP) division, including a full year's contribution from Emapsite.
- Recurring revenue[1] increased by 20% to £54.5m (2023: £45.5m), accounting for 62% of the Group's total revenue (2023: 62%).

Profit: Adjusted

- Adjusted[2] EBITDA increased by 7% to £26.1m (2023: £24.5m).
- Adjusted[2] EBITDA margin was as anticipated at 30%, principally driven by mix changes (2023: 33%).
- Adjusted[3] diluted EPS stable at 2.61p (2023: 2.62p).

Profit: Statutory

- Statutory operating profit increased by 7% to £10.0m (2023: £9.3m).
- Statutory operating profit margin was 11% (2023: 13%).
- Statutory profit before tax increased by 3% to £8.1m (2023: £7.8m).
- Statutory diluted EPS decreased by 7% to 1.15p (2023: 1.23p).

Cash and debt

- Net debt[4] at 31 October 2024 was £9.9m (2023: £14.7m).
- Cash generated from operating activities before taxation was up 26% at £25.2m (2023: £20.1m) and represented 96% of Adjusted EBITDA (2023: 82%).
- Free cashflow[5] generation was up 27% at £11.6m (2023: £9.1m).
- Extension of banking facilities completed in October 2024, providing the Group with significantly increased resources to fund strategic M&A ambitions: £75m revolving credit facility and £45m accordion through to October 2027.

Dividend

- Proposed final dividend increased by 17% to 0.7p per share (2023: 0.6p), reflecting our strong financial position and our confidence in the future.

Operational highlights:

- Record full year order intake up 23% on FY24 to £102m, reflecting our high-quality customer base and providing good visibility into FY25, including recently announced contract wins with North Yorkshire Council and Malta.
- Strong performances in LPPP through our local Government, Cloud and geospatial capabilities. Good performance in Communities aided by the successful delivery of UK election services in 2024. An overall stable revenue performance in Assets.
- Recent acquisition strategy coupled with existing capabilities has created a strong geospatial offering which leaves the Group well placed for further growth opportunities in this sector through the leadership of a newly appointed head of geospatial.
- Further investment with Board and senior appointments in People, and Revenue & Strategy functions to support our well established divisional structure.

- Continued investment and growth in India based operations providing increased levels of services, support and customer satisfaction.

David Meaden, Chief Executive of Idox said:

"We are pleased to have delivered a strong performance in 2024, featuring a 20% growth in revenue and increased Adjusted EBITDA. We have made an encouraging start to FY25, with trading in line with the Board's expectations.

Our most recent acquisition, Emapsite, has added significant scale and expertise to our existing geospatial data capabilities, and has performed well in the year. We continue to be excited by the growth opportunities available in this sector, adding to our existing market leading public software capabilities. We continue to evaluate the opportunity for further acquisitions to enhance our offering and are optimistic on the pipeline as we move into 2025.

The Group's longer-term outlook remains positive and gives the Board confidence in Idox's continued ability to deliver profitable managed growth and sustainable cash generation, and in turn significant ongoing shareholder returns."

There will be a webcast at 9:30am UK time today for analysts and investors. To register for the webcast please contact MHP at idox@mhpgroup.com

For further information please contact:

Idox plc	+44 (0) 870 333 7101
Chris Stone, Non-Executive Chairman	investorrelations@idoxgroup.com
David Meaden, Chief Executive Officer	
Anoop Kang, Chief Financial Officer	
Peel Hunt LLP (NOMAD and Broker)	+44 (0) 20 7418 8900
Benjamin Cryer	
Kate Bannatyne	
Adam Telling	
MHP	+ 44 (0) 7831 406117
Reg Hoare	idox@mhpgroup.com
Ollie Hoare	
Matthew Taylor	

About Idox plc

For more information see www.idoxplc.com @Idoxgroup

Alternative Performance Measures (APMs)

The Group uses these APMs, which are not defined or specified under International Financial Reporting Standards, as this is in line with the management information requested and presented to the decision makers in our business; and is consistent with how the business is assessed by our debt and equity providers.

[1] Recurring revenue is defined as revenues associated with access to a specific ongoing service, with invoicing that typically recurs on an annual basis and underpinned by either a multi-year, rolling contract or highly repeatable services. These services include Support & Maintenance, SaaS fees, Hosting services, and some Managed service arrangements which involve a fixed fee irrespective of consumption.

[2] Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) is defined as earnings before amortisation, depreciation, restructuring, acquisition costs, impairment, financing costs and share option costs.

[3] Adjusted EPS excludes amortisation on acquired intangibles, restructuring, financing, impairment, share option and acquisition costs.

.

[4] Net debt is defined as the aggregation of cash, bank borrowings and long-term bond. This differs from a similar measure under IFRS, which would also include lease liabilities as debt. The definition used is consistent with that used within the Group's banking arrangements.

[5] Free cashflow is defined as net cashflow from operating activities after taxation less capital expenditure and lease payments.

Annual financial report announcement

The extracts below are from the Annual Financial Report 2024. Note references refer to notes included in this Annual Financial Report Announcement 2024.

Chair's statement

Introduction

I am very pleased to be able to report a positive set of results to all of our shareholders and other stakeholders for the financial year ended 31 October 2024. This is the sixth year in a row that we have grown revenues, recurring revenues and Adjusted EBITDA, with good cash generation. This is an excellent track record delivered by the whole Idox team. The business has maintained its trajectory of improving our core, organic metrics whilst continuing with a very focused acquisition programme. Whilst we did not complete any new acquisitions in the year, those that were completed in prior periods have contributed very strongly to our performance this year, allowing us to deliver revenue growth of 20%, and good growth in profits. Our Adjusted EBITDA margin dipped slightly as we worked through the integration of our acquisitions, but all the acquisitions that we have made have grown our addressable market so that we can continue to find new growth opportunities, whilst continuing to benefit from the solid foundations of our strong core market positions. This strength is evidenced through our recurring revenue, our margins, and cash generation.

This year we have made some changes to our Board composition. As the business is developing, we felt the need for greater levels of executive exposure to, and contribution at, the Board level, and we were therefore very pleased to appoint Jonathan Legdon, our Chief Operating Officer, to the Board in October 2024. This was an opportunity for him to broaden his experience, and for the Board to ensure an even greater focus on the very important operating metrics in the business. At the same time, we wanted to make sure that we were enhancing the specific experience of the Non-Executive Board members in the market areas that are becoming increasingly important to us, in particular the geospatial technology and support services area. I was therefore very pleased to be able to announce the appointment of Mark Milner to our Board in July 2024. Mark has excellent direct relevant experience in this market, which we expect to be an important contributor to the next phase of Idox growth. These changes enhance the level of challenge and debate in our Boardroom, with the intention of supporting our Executive team in their drive to build the business. We have also continued to ensure that the other Non-Executive Directors (NEDs) and I engage directly with shareholders on a regular basis, taking on board their feedback and ensuring that their views are reflected in the direction of the business. We have also engaged independent external advisors to review our Board practices and our remuneration policies.

As mentioned, we did not complete any further acquisitions in 2024, but following the acquisition of Emapsite in August 2023, we have been focused on integration and ensuring that the business works well in our structure. Emapsite is an excellent business, and their offerings dovetail well with those of our previous acquisitions and our original capabilities in the geospatial data management space. The acquisitions of Aligned Assets, thinkWhere, exeGesIS, LandHawk and now Emapsite have put Idox in a very strong position to build exciting new revenue streams around our core assets in property data management. The market opportunity created by the combination of these capabilities is large, and it will be a major focus of investment for the Group in the years to come. As mentioned above, we have strengthened our Board with this focus in mind.

Performance towards achieving our internal goal of 35% Adjusted EBITDA margin dipped as we worked through the integration of Emapsite. We still have some improvements to come in that area through the benefits of the integration of our previous acquisitions, but we are also making a big effort to ensure that we are seeing appropriate levels of return on our continuing investment in product development. As a business with strongly differentiated IP at its heart, continuous investment in innovation and development is essential, but we recognise the need to ensure excellent return on investment (RoI) for those investments. However, revenue growth of 20%, with recurring revenue up 20% over the period, delivering a 7% increase in full year Adjusted EBITDA is a pleasing set of results. To be able to deliver such a strong core performance whilst at the same time increasing the addressable market opportunity is an excellent performance. We will continue to target further acquisitions to allow us to continue to leverage the platform that we have created through our operational investments.

Like nearly every business, Idox is continuing to work on creating the optimal working pattern for our colleagues in the post-covid world. We strive to make sure that we have the right blend of home and office work, and essential and non-essential travel, that allows our colleagues to be efficient but also continue to benefit from the lifelong development and learning opportunities that are an important part of corporate, office life. Employers need to work hard and creatively to enable appropriate new ways of working that meet all these new requirements without allowing a drop in the most important thing, excellent customer service. I have been impressed by the continuing positive attitudes and behaviours of all our colleagues at Idox, which have enabled this ongoing strong performance. We will continue to work to ensure that we maintain the right blend of work experience that meets our colleagues needs whilst also ensuring the continuous development of our skills and capabilities.

Cultural development is an essential part of this value. It is not only important for the employees themselves that we create a strong and thriving culture, where all of our colleagues feel valued and appreciated, but it is also an essential component in delivering value to our customers. It is clear to me that customers know when they are supported by an organisation that has a strong and positive culture, and indeed cultural alignment can be a very strong driver of customer satisfaction. At Idox, customer satisfaction remains very strong, and this is driven by the fact that we have a very clear set of shared values, that hold quality, customer value, owning commitments and "doing the right thing" as essential and non-negotiable elements of the Idox experience. It is with these values in mind that we continue to develop talent within the business creating an environment where growth and innovation is a natural output of our work together.

Group strategy

The Group continued its focus on providing digital solutions and services to the LPPP public sector customers in the United Kingdom, complemented by our Assets & Communities sectors servicing customers across the world. However, we are increasingly focused on the broader geospatial data market. The key to our success is to ensure we deliver better user results and productivity improvements for customers through focusing on usability, functionality and application of integrated digital and increasingly cloud-based technologies and solutions. The identification of attractive acquisition opportunities that can enhance the Group's scale and capabilities, and the integration of completed acquisitions, is a key part of management focus and effort.

Board

There have been two additions to the Board in FY24, as reported above. I consider the effectiveness of the Board, which includes the contributions of the individual Board members, throughout the annual governance cycle. The current Board members are operating collectively and effectively to govern the business in an efficient and productive manner.

The additions to the Board were made to make sure that it develops in line with the evolving needs of the business. I am satisfied that there is sufficient diversity in the Board structure to bring a balance of skills, experience, independence, and knowledge to the Group. The two new additions bring significant enhancement to these capabilities, and I believe that we have a balanced and effective Board, however, I intend to keep this balance under review and continued assessment.

Corporate governance

We are cognisant of the important responsibilities we have in respect of corporate governance and shaping our culture to be consistent with our objectives, strategy, and business model which we set out in our Strategic Report and our description of Principal Risks and Uncertainties. The Group is committed to conducting its business fairly, impartially, in an ethical and proper manner, and in full compliance with all laws and regulations. In conducting our business, integrity is the foundation of all Company relationships, including those with customers, suppliers, communities, and employees.

Dividends

The Board has proposed an increased final dividend of 0.7p (2023: 0.6p) for FY24. Subject to approval at the AGM, the final dividend will be paid on 18 April 2025 to shareholders on the register as at 4 April 2025. This decision was reached after a full consideration of the continuing growth opportunities before the business, our strong financial position and our confidence in the future.

Summary and outlook

The financial results of the last year reflect the increasing quality of the Idox business. We operate in attractive markets, with strong market positions and insights, and we have every confidence that we can continue the excellent progress we have seen in FY24. The changes that we have made in the last few years, to the team, our structure, systems, and processes have delivered a major improvement in our financial performance. As a result, we have enjoyed improved stability in performance and confidence for the future, based on strongly improving orderbooks and levels of recurring revenue. We have some continuing work to do to improve our margins towards the targets that we have set for ourselves, and that will be a specific focus for the next period. On top of this, we can now point to exciting growth opportunities in the be a specific focus for the next period. On top of this, we can now point to exciting growth opportunities in the geospatial data markets. I am delighted to have had the opportunity to work with all my Idox colleagues during a period of such tremendous improvement and I look forward to continuing that work in delivering growing value to all our stakeholders.

Idox stakeholders are fortunate that such a talented group of people have chosen Idox as a place they want to work. Their expertise and diligence have continued to deliver the support and value that our customers expect, and I am pleased to extend my thanks to all of them.

Chris Stone
Chair

Chief Executive's review

The Chair has referenced our continued progress, and I am pleased to reflect on a year where we have delivered growth in revenue, Adjusted EBITDA, operating profit and improved cash generation.

Idox operates in attractive core markets which provide significant opportunities for growth in the long term. As a result, the business benefits from the strong foundations of recurring revenue, solid margins and differentiated value.

Our adherence to the Four Pillars of Revenue, Margins, Simplification and Communication remains steadfast and we continue to grow both organically and by complementary acquisitions that expand our software and data capabilities.

We ensure a disciplined approach to capital allocation in support of this goal, ensuring that our R&D expenditure is targeted in the right areas and that we maintain a rigorous approach to ensuring that acquisitions are complementary, adding to our existing product portfolio as well as extending the addressable markets we can reach.

We remain a consistent 'rule of 40' business, where our Adjusted EBITDA margin plus revenue growth percentages exceed 40% and this will continue to be at the forefront of our thinking over the coming years.

During the year we completed the integration of the Emapsite business acquired in 2023. The business grew well in the year and has demonstrated the benefit of adding further geospatial and data capabilities to our extensive product and service portfolio. The acquisition has also provided us with access to wider and faster growing private sector markets that can benefit directly from Idox product and data insights gained from the planning and property markets.

The team at Emapsite has integrated well with the overall Group and we are pleased to have such a strong, innovative team as part of our dynamic Company.

New opportunities
Client retention remains strong and plans to modernise and improve planning regulations, to improve national infrastructure and to build more homes will continue to drive the adoption of cloud-based services across Local Authorities. We see that there will be significant opportunities to manage the processes of building that infrastructure as well as monitoring the management of those assets once completed. This alongside the desperate need for effective Special Educational Needs and Disabilities (SEND) services in social care and a desire to improve the efficiency of our health service, will continue to offer substantial opportunities for Idox in the coming years.

The new Government's desire to derive the benefits of a digitised economy should also present an array of opportunities moving forward. We believe we are well placed to help our markets navigate the technology and change activities necessary. This will involve helping Local Authorities to drive efficiency, effectiveness and public engagement through digital channels. It will also open new opportunities within the supporting Land and Property eco-system with information and software which allows them to drive revenue growth whilst also managing their business risks and improving their efficiency. We believe the next decade will bring significant opportunities for Idox to provide software and data that connect the wider eco-system of local authorities, planners, private developers, land agents, construction companies, estate agents, conveyancers and others who need to access land and property data and processes.

We are aware that these changes have been identified by successive Governments and that the capacity and resources available to drive change in the Local Government sector are limited. Many Local Authorities are facing near term funding challenges, and we are focussed on providing the best usable technology and value for money solutions that deliver improved automation, insight, and efficiency in their operations. We remain engaged and willing partners to drive the necessary improvements with our clients and to provide the capacity and resources necessary to drive their digital success.

Scaling operations

We are leaders in our chosen markets and respected providers of management software that provides data insights to some of the most essential sectors in the world. As the Chair has indicated, we continue to look diligently for businesses that would add scale to our operations and allow us to leverage existing investments in sales and marketing, software development and operations and we retain substantial resources at our disposal for such activity with a revolving credit facility and accordion of £75m and £45m, respectively. We are appreciative of the insight and support we receive from our banking partners HSBC Innovation Bank, NatWest and Santander and for their efforts in support of our goals during the year.

Our people

The Chair has referenced some of the significant executive additions to the business made during the year. At an operational level we continue to refine our model and to bring our teams together in ways that allow for greater collaboration and knowledge-sharing. We have continued to develop our centre of excellence in Pune, India and see this as a significant part of our operations as we develop the Group moving forward. We have established a strong participative engagement model with all our people across Idox and we aim to support their aspirations to progress at whatever level that may take, be it in deepening their skill sets, developing their leadership capabilities, providing progression opportunities and supporting them with any specific need they may have. We prioritise communication and engagement across the Group. Our CEO Broadcasts are a significant part of that pillar and continue to be very well attended. Similarly, our development and product teams operate several 'show and tell' events during the year to share best practice, inform their colleagues of progress and of lessons learned during new technology use and deployment.

Our 'Be Heard' survey, aimed at making Idox an inclusive workplace allowing everyone to be their best selves has also been well supported and shaped much of our thinking in areas such as work support and recruitment practice. Alongside our Workplace Wellbeing team and Idox Elevate, the networks that have come together to support Pride@Idox and Neurodiversity@Idox are designed to raise awareness of the issues faced by these communities, share learning and understanding of how to be inclusive to those that identify as such, and to provide a safe space for colleagues to converse confidentially. I am especially grateful to our colleagues that commit their time to these activities. They enrich our business and provide great examples of how to have a positive impact at work.

Outlook

We are pleased to have delivered a strong performance in 2024, featuring a 20% growth in revenue and increased Adjusted EBITDA. We have made an encouraging start to FY25, with trading in line with the Board's expectations.

Our most recent acquisition, Emapsite, has added significant scale and expertise to our existing geospatial data capabilities, and has performed well in the year. We continue to be excited by the growth opportunities available in this sector, adding to our existing market leading public software capabilities. We continue to evaluate the opportunity for further acquisitions to enhance our offering and are optimistic on the pipeline as we move into 2025.

The Group's longer-term outlook remains positive and gives the Board confidence in Idox's continued ability to deliver profitable managed growth and sustainable cash generation, and in turn significant ongoing shareholder returns.

David Meaden

Chief Executive Officer

Chief Operating Officer's review

Our core values and our four pillars guide our business operations and strategy, this structural approach has generated stability and steady growth. Together with strong operational controls and focussed management teams, this provides a strong platform from which we can securely look to accelerate growth in FY25.

To reach our ambitious goals we have taken the opportunity to further enhance our leadership teams and fully equip the business for continued expansion and growth.

We have spent time and great care in finding the best individuals for key posts across the Group. The appointment of Ian Churchill in April 2024 as Chief Revenue & Strategy Officer demonstrates a strong push towards our innovation-led growth plan. His experience as a CEO in software businesses across the private sector lends serious backing to our developmental strategies.

Since August 2024, Trace Durning has been guiding our employee proposition to even greater heights as Head of Organisational Development and Design. Powerful, dynamic frameworks for colleagues to succeed and grow are vital to Idox's character as a business, and Trace brings vast experience and expertise in driving strategic transformation and change to enhance who we are as a Company and an employer.

Most recently, Alex Wrottesley - a highly respected voice in the geospatial industry with a strong background in establishing organisations within that sector - was appointed to lead our geospatial capabilities. Since joining us in September, Alex has already drawn from experiences in pioneering geospatial firms and technologies to lead this fast-growing section of our business and to position Idox as a major force in the wider geospatial arena.

These new appointments are in line with broader organisational changes to both allow new key personnel to better execute their visions, and to grant colleagues greater capacity to collaborate, exchange knowledge, generate ideas, and improve our offering.

For example, we have centralised our People & Talent, Communications, and Digital Marketing to function as a single unit to boost the central operations that reach into every corner of the business, delivering operational improvements and cost optimisation. Under Alex we have combined all of our geospatial talent from across Idox, including Emapsite, Exegesis, thinkWhere and Landhawk to provide a fertile space for building exciting new innovations, creating streamlined operations and facilitating fluid cooperation across all of our geospatial platforms.

Artificial intelligence (AI) is one of the biggest topics in tech right now, and our approach to it is both optimistic and responsible. An interdisciplinary AI Committee comprising of product innovators, engineers, legal, and creative professionals have developed an AI policy alongside a confirmed list of approved AI tools to safeguard data and practices. Employees have been encouraged to experiment with AI integration, particularly now the Company has signed up for a corporate account with Tricentis and will continue to provide feedback upon which we can sculpt and fashion the most innovative but secure usage of cutting-edge technologies into our working processes. We are excited about the opportunities that AI and Machine Learning brings to both our software user experience and data services over the coming years.

We continued to invest into our India based operations in 2024, this included opening a new larger office in Pune, strengthening the local management teams and investing in our people and operations. We believe this continued investment in India is important to our overall growth strategy and customer focus, helping to improve the availability of our services, services resilience and improving customer satisfaction.

Sales and contract wins

A key measure of our forward momentum and provision of future revenues for the Group is our order intake, which in FY24 showed continued growth and delivered over £102m in orders, exceeding our in-year Revenues by 15% and an improvement on our prior year by over 23%.

We continued to see high volumes of order intake across the markets that we serve, and in particular, new business wins and new revenue from existing customers, which made more up than a third of contract wins. There were a number of notable deals throughout FY24, these included:

In LPPP, Idox have partnered with North Yorkshire County Council to deliver a services consolidation project worth £2.4m that will transform eight Planning authority systems together into a single service provision, delivering significant improvements for local people, communities and businesses across the County. This is a clear example of the extensive experience Idox has in supporting Local Government reorganisation across the UK. In the past we have assisted many other customers through technology and service improvement to help adopt a unitary model from the existing District/County two tier systems, including Shropshire, Cornwall, Durham Bedfordshire and Northumberland.

Within LPPP, our geospatial businesses have continued to deliver an impressive growth trajectory throughout FY24, showing that the collective skills, capabilities and resources of the combined team offers the market a truly unique proposition. New customers, Wales & West Utilities and Property Risk Inspection (Nationwide) are utilising our Data and Mapping services in contracts worth £1.1m and £0.65m, respectively, and international customers Natuurmonumenten and Staatsbosbeheer extended access to our Geospatial - Countryside Management Solutions.

Our Communities Division, amongst other wins secured a £2.5m contract extension for the Electoral Commission Malta that will see Idox deliver Software and Services for the next five years.

In 2024, the Assets Division confirmed longer-term agreements with Wood Group and CRNL in North America in contracts worth 1.6m & 1.4m respectively. Additionally, a contract was agreed worth 0.8m to help Oxy Inc to consolidate its operations onto our highly successful McLaren Enterprise platform, work that was commenced in FY24 and will complete in 2025.

Markets

Our strong market positions provide an important platform from which Idox can offer unparalleled insights and influence in decision making and policy setting. Meeting regularly with The Department for Education (DfE) & National Association of Family Information Services (NAFIS) regarding SEND & Social Care matters, BASHH (The British Association for Sexual Health and HIV), the NHS and UK Health and Security Agency, these important partnerships help drive sustainable long-term change and improvements to the industry and directly to citizens across the UK.

We work with Ministry of Housing, Communities and Local Government (MHCLG) across several areas, most notably in the Open Digital Planning Group reviewing planning reform and its impacts both nationally and locally. As the market leading solutions provider in the historic environment Sector, we are also instrumental in delivering the objectives of the Levelling Up and Regeneration Act for conservation and improved planning processes. Given the MHCLG's remit, our relationships extend to the UK Election Groups, regarding execution and future reforms, in addition to the devolved Election bodies in Welsh Government, Scottish Government and the Electoral Office of Northern Ireland.

We also maintain strong connections and attendance across industry groups connected to our markets including the Geospatial Commission, Natural England, Historic England, Local Authority Building Control, and the Institute of Licensing & the Chartered Trading Standards Institute.

Communication

We continue to execute and evolve an open communications strategy. Transparency of leadership is evident throughout the year. Regular CEO broadcasts to keep all employees up to date with wider Company movements, while Breakfast with the Board provides colleagues with the chance to meet executives face-to-face in a safe space for regular dialogue, questions, and queries.

Workplace Wellbeing sessions populate our yearly calendars, interspersed with guest speakers to share knowledge and experience on a range of social topics. There is continual interaction between groups, departments, and teams around essential issues that matter to us all.

To help our internal communication channel and provide a platform where we can inform and celebrate with colleagues our successes, I provide a regular monthly blog of content from across the business, including contract wins, project successes, interesting software developments and innovations.

The employees of Idox increasingly constitute a community, using our internal social platform, through Idox sponsors. This community engages in facilitating key groups to encourage and support colleagues:

- Workplace Wellbeing
- Pride @ Idox
- Diversity, Equity, Inclusion and Belonging
- Neurodiversity
- Elevate - Building gender equality at all levels of Idox

Our communities are further enriched with special interest groups bringing colleague communities together (including photography, knitting and even a group to serve the armchair historians of Idox).

Reflection

The past year has delivered a strong order intake performance, growing revenues and Adjusted EBITDA, delivering on our expectations for 2024 and creating a robust and effective platform for our continued growth aspiration for 2025. We have made key strategic investments in our people and services, and continue to promote an inclusive, professional development-centric culture. We are excited by the significant opportunities we see in the coming year, and we are confident in our capacity to execute against them.

Jonathan Legdon

Chief Operating Officer

Financial review

I am pleased to report that Idox has delivered strong revenue growth in FY24 as well as good improvement in Adjusted EBITDA and cash generation.

The following table sets out the revenues and Adjusted EBITDA for each of the Group's segments from its continuing activities:

	2024	2023	Variance	
	£000	£000	£000	%
Revenue				
- LPPP	55,264	43,413	11,851	27%
- Assets	14,893	14,845	48	0%
- Communities	17,442	15,019	2,423	16%
- Total	87,599	73,277	14,322	20%
Revenue split				
- LPPP	63%	59%		
- Assets	17%	20%		
- Communities	20%	21%		
- Total	100%	100%		
Adjusted EBITDA*				
- LPPP	16,854	13,885	2,969	21%
- Assets	3,299	4,199	(900)	(21%)
- Communities	5,898	6,366	(468)	(7%)
- Total	26,051	24,450	1,601	7%
Adjusted EBITDA margin				
- LPPP	30%	32%		
- Assets	22%	28%		
- Communities	34%	42%		
- Total	30%	33%		

Revenues

	2024	2023[1]	Variance	
	£000	£000	£000	%
Revenues				
- Recurring (LPPP)	34,898	26,214	8,684	33%
- Recurring (Assets)	9,418	9,692	(274)	(3%)
- Recurring (Communities)	10,158	9,622	536	6%
- Total recurring	54,474	45,528	8,946	20%
- Non-recurring (LPPP)	20,366	17,199	3,167	18%
- Non-recurring (Assets)	5,475	5,153	322	6%
- Non-recurring (Communities)	7,284	5,397	1,887	35%
- Total non-recurring	33,125	27,749	5,376	19%
- Total continuing revenue	87,599	73,277	14,322	20%
- Recurring*	62%	62%		
- Non-recurring**	38%	38%		

[1] The 2023 recurring and non-recurring figures have been represented in order to allocate some Emapsite revenues as recurring within the LPPP segment. The decision was made in FY23 to include all Emapsite revenues as non-recurring as a prudent measure until we better understood the nature of the revenue streams following their acquisition in August 2023. This has resulted in a re-presentation of £1.9m from non-recurring to recurring.

* Recurring revenue is defined as revenues associated with access to a specific ongoing service, with invoicing that typically recurs on an annual basis and underpinned by either a multi-year, rolling contract or highly repeatable services. These services include Support & Maintenance, SaaS fees, Hosting services, and some Managed Service arrangements, which involve a fixed fee irrespective of consumption.

** Non-Recurring revenue is defined as revenues without any formal commitment from the customer to recur on an annual basis.

Revenue from continuing operations for the Group increased 20% in the year to £87.6m (2023: £73.3m). LPPP was up 27% for the year at £55.3m (2023: £43.4m) and benefitted from a full year contribution from Emapsite as well as good growth from our Local Government and Cloud solutions. Assets has remained broadly flat with revenue of £14.9m (2023: £14.8m) and Communities has increased 16% to £17.4m (2023: £15.0m) largely driven by the increase in provision of services around the UK General Election in July 2024.

Recurring revenues for the year increased 20% from £45.5m to £54.5m and represented 62% (2023: 62%) of the total continuing revenue. Within LPPP, recurring revenue increased 33% to £34.9m (2023: £26.2m). Good growth in recurring revenue across all areas was supported by the full year impact of the Emapsite acquisition. The recurring revenues in Assets reduced 3% to £9.4m (2023: £9.7m) with growth in our asset tracking solutions partially offsetting a small reduction in the other solutions. Recurring revenues in Communities improved 6% to £10.2m (2023: £9.6m), driven by growth in the Databases and Lilie solutions.

Non-recurring revenues for the year increased 19% to £33.1m (2023: £27.7m). Non-recurring revenue in LPPP increased by 18% to £20.4m (2023: £17.2m), primarily driven by a strong in year customer contract renewals, cloud transitions in the year and the full year impact of Emapsite. In Assets, non-recurring revenue was up 6% to £5.5m (2023: £5.2m) with increases in all solutions apart from EIM which was flat in the year. As expected, non-recurring revenue in Communities was up 35% to £7.3m (2023: £5.4m) having been driven by the UK General Election.

Adjusted EBITDA increased by 7% to £26.1m (2023: £24.5m), delivering a reduced Adjusted EBITDA margin of 30% (2023: 33%), driven by the impact of mix changes in the integration of Emapsite into the Group.

Profit before taxation

The statutory profit before tax was £8.1m (2023: £7.8m). The following table provides a reconciliation between Adjusted EBITDA and statutory profit before taxation for continuing operations.

	2024	2023	Variance	
	£000	£000	£000	%
Adjusted EBITDA	26,051	24,450	1,601	7%
Depreciation	(1,854)	(1,636)	(218)	13%
Amortisation - software licences and R&D	(6,115)	(5,697)	(418)	7%
Amortisation - acquired intangibles	(4,052)	(3,622)	(430)	12%
Restructuring costs	(302)	(378)	76	(20%)
Acquisition costs	(1,156)	(746)	(410)	55%
Financing costs	(67)	(396)	329	(83%)
Share option costs	(2,491)	(2,631)	140	(5%)
Net finance costs	(1,950)	(1,524)	(426)	28%
Profit before taxation	8,064	7,820	244	3%

Restructuring costs were £0.3m (2023: £0.4m). The restructuring costs in the year are associated with simplifications of the Group structure and a capital reduction exercise.

Acquisition costs of £1.2m (2023: £0.7m) related to due diligence on a potential acquisition opportunity, which ended during the year and finalisation fees associated with the acquisition of Emapsite and LandHawk, with all payments associated with the acquisitions completed. The prior year acquisition costs were in relation to the acquisition of Emapsite during the year and finalisation fees associated with the acquisition of Aligned Assets and exeGesIS.

Financing costs of £67k (2023: £396k) relate to the annual fee for the Group's revolving credit facility (RCF) and extensions related costs. The prior year costs incurred related to the refinancing of the Group's RCF.

Share option costs of £2.5m (2023: £2.6m) relate to the accounting charge for awards made under the Group's Long-term Incentive Plan, in accordance with IFRS 2 - Share-based Payments.

Net finance costs have increased to £2.0m (2023: £1.5m). Increased bank interest payable due to an increased interest rate environment was the main factor for the increase in the year.

The Group continues to invest in developing innovative technology solutions across the portfolio and has capitalised development costs of £7.9m (2023: £7.6m). The increase in the year is due to the full year impact of the FY23 acquisitions.

Taxation

The effective tax rate (ETR) on a statutory basis for the year was 34.78% (2023: 28.6%).

The difference between the statutory rate of 25% and the ETR of 34.78% was driven largely by expenses and international losses not deductible for tax purposes, adjustments in respect of prior years and the application of the statutory rate of 25% relating to deferred tax on acquired intangibles. The ETR on an adjusted basis moved from 25% to 26% and was driven by expenses and international losses not deductible for tax purposes.

Earnings per share and dividends

Adjusted basic earnings per share for continuing operations was 2.63p (2023: 2.65p) and adjusted diluted earnings per share remained stable at 2.61p (2023: 2.62p). Basic earnings per share for the year was down 7% at 1.16p (2023: 1.24p) and the diluted earnings per share was down 7% at 1.15p (2023: 1.23p).

The Board proposes a final dividend of 0.7p per share (2023: 0.6p), which represents a total dividend for the year of 0.7p per share (2023: 0.6p), at a total cost of £3.2m (2023: £2.7m).

Balance sheet and cash flows

The Group's net assets have increased to £78.3m compared to £73.3m as at 31 October 2023. The constituent movements are detailed in the Group's consolidated Statement of Changes in Equity: which are summarised as follows:

	12 months to 31 October 2024 £000
Total Equity as per FY23 Financial Report	73,277
Share option movements	2,533
Equity dividends paid	(2,756)
Profit for the year	5,259
Exchange gains on translation of foreign operations	(33)
Total Equity as per FY24 Financial Report	78,280

The Group continued to have good cash generation in the year. Cash generated from operating activities before taxation was up 26% at £25.2m (2023: £20.1m), and as a percentage of Adjusted EBITDA increased to 97% (2023: 82%). The Group generally continues to have high levels of adjusted EBITDA to cash conversion.

Free cashflow for the year was up 27% at £11.6m (2023: £9.1m). Free cashflow has increased in the year due to the improved profitability.

	2024 £000	**2023 £000**
Net cashflow from operating activities after taxation	21,108	18,599
Capitalisation and purchase of tangible and intangible assets	(8,686)	(8,522)
Lease payments	(782)	(936)
Free cashflow	11,640	9,141

The Group ended the year with net debt of £9.9m (2023: £14.7m). Net debt comprised cash of £11.7m less bank borrowings of £10.8m and the Maltese listed bond of £10.8m, which is due for repayment in July 2025 and will be paid out of existing facilities. We ended the year with a net debt to Adjusted EBITDA ratio of 0.4 times (2023: 0.6 times) with significant headroom against the Group's financial covenants.

In October 2024 the Group extended its loan agreement with National Westminster Bank plc, HSBC Innovation Bank Limited and Santander UK plc. The facilities comprise a revolving credit facility of £75m and a £45m accordion and are committed until October 2027. The Group retains significant liquidity with cash and available committed bank facilities and significant financial resources to deploy into new M&A opportunities.

Anoop Kang

Chief Financial Officer

	Note	**2024 £000**	**2023 £000**
Continuing operations			
Revenue	3	87,599	73,277
Cost of sales		(24,517)	(16,036)
Gross profit		**63,082**	**57,241**
Administrative expenses		(53,068)	(47,897)
Operating profit		**10,014**	**9,344**
Analysed as:			
Earnings before depreciation, amortisation, restructuring, acquisition costs, impairment, financing costs and share option costs	3	**26,051**	**24,450**
Depreciation		(1,854)	(1,636)
Amortisation		(10,167)	(9,319)
Restructuring costs		(302)	(378)
Acquisition costs		(1,156)	(746)
Financing costs		(67)	(396)
Share option costs		(2,491)	(2,631)

Finance income		69	219
Finance costs		(2,019)	(1,743)
Profit before taxation		**8,064**	**7,820**
Income tax charge		(2,805)	(2,238)
Profit for the year attributable to the owners of the parent		5,259	5,582
Other comprehensive loss for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange movements on translation of foreign operations net of tax		(33)	(45)
Other comprehensive loss for the year, net of tax		(33)	(45)
Total comprehensive income for the year		**5,226**	**5,537**
Total comprehensive income for the year attributable to owners of the parent		**5,226**	**5,537**
Earnings per share attributable to owners of the parent during the year			
From continuing operations			
Basic	4	1.16p	1.24p
Diluted	4	1.15p	1.23p

The accompanying accounting policies and notes form an integral part of these financial statements.

	Note	2024 £000	2023 £000
ASSETS			
Non-current assets			
Property, plant and equipment		1,064	1,339
Intangible assets	5	106,564	108,785
Right-of-use-assets		1,893	1,333
Deferred tax assets		2,656	2,541
Other receivables		1,154	1,201
Total non-current assets		113,331	115,199
Current assets			
Trade and other receivables		21,488	21,451
Cash and cash equivalents		11,660	14,824
Total current assets		33,148	36,275
Total assets		146,479	151,474
LIABILITIES			
Current liabilities			
Trade and other payables		10,290	8,058
Deferred consideration		-	869
Current tax payable		738	1,422
Other liabilities		24,553	26,828
Provisions		491	589
Lease liabilities		613	220
Bonds in issue		10,808	-
Total current liabilities		47,493	37,986
Non-current liabilities			
Deferred tax liabilities		6,738	7,519
Lease liabilities		1,310	958
Other liabilities		1,878	2,236
Bonds in issue		-	11,207
Borrowings		10,780	18,291
Total non-current liabilities		20,706	40,211
Total liabilities		68,199	78,197
Net assets		78,280	73,277
EQUITY			
Called up share capital		4,602	4,562
Capital redemption reserve		-	1,112
Share premium account		23	41,558
Share option reserve		6,849	5,841
Other reserves		9,397	9,165
ESOP trust		(558)	(526)
Foreign currency translation reserve		161	194
Retained earnings		57,806	11,371
Total equity attributable to the owners of the parent		78,280	73,277

The financial statements were approved by the Board of Directors and authorised for issue on 27 January 2025 and are signed on its behalf by:

David Meaden **Anoop Kang**

Chief Executive Officer **Chief Financial Officer**

The accompanying accounting policies and notes form an integral part of these financial statements.

Company name: Idox plc Company number: 03984070

Consolidated statement of changes in equity

	Called up share capital £000	Capital redemption reserve £000	Share premium account £000	Treasury reserve £000	Share option reserve £000	Other reserves £000	ESOP trust £000	Foreign currency translation reserve £000	Retained earnings £000	Total £000
Balance at 1 November 2022	**4,525**	**1,112**	**41,556**	**(594)**	**4,816**	**8,745**	**(466)**	**239**	**7,483**	**67,416**
Issue of share capital	37	-	2	-	-	-	-	-	-	**39**
Share option costs	-	-	-	-	2,611	-	-	-	-	**2,611**
Exercise / lapses of share options	-	-	-	594	(1,586)	-	-	-	994	**2**
ESOP trust	-	-	-	-	-	-	(60)	-	-	**(60)**
Reallocation of deferred consideration share exercise costs	-	-	-	-	-	420	-	-	(420)	**-**
Equity dividends paid	-	-	-	-	-	-	-	-	(2,268)	**(2,268)**
Transactions with owners	**37**	**-**	**2**	**594**	**1,025**	**420**	**(60)**	**-**	**(1,694)**	**324**
Profit for the year	-	-	-	-	-	-	-	-	5,582	**5,582**
Other comprehensive loss										
Exchange movement on translation of foreign operations	-	-	-	-	-	-	-	(45)	-	**(45)**
Total comprehensive (loss) / income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(45)**	**5,582**	**5,537**
Balance at 31 October 2023	**4,562**	**1,112**	**41,558**	**-**	**5,841**	**9,165**	**(526)**	**194**	**11,371**	**73,277**
Issue of share capital	40	-	23	-	-	-	-	-	-	**63**
Share option costs	-	-	-	-	2,270	-	-	-	-	**2,270**
Exercise / lapses of share options	-	-	-	-	(1,262)	-	-	-	1,262	**-**
Deferred tax on share options	-	-	-	-	-	232	-	-	-	**232**
ESOP trust	-	-	-	-	-	-	(32)	-	-	**(32)**
Capital reduction	-	(1,112)	(41,558)	-	-	-	-	-	42,670	**-**
Equity dividends paid	-	-	-	-	-	-	-	-	(2,756)	**(2,756)**
Transactions with owners	**40**	**(1,112)**	**(41,535)**	**-**	**1,008**	**232**	**(32)**	**-**	**41,176**	**(223)**
Profit for the year	-	-	-	-	-	-	-	-	5,259	**5,259**
Other comprehensive loss										
Exchange movement on translation of foreign operations	-	-	-	-	-	-	-	(33)	-	**(33)**
Total comprehensive (loss) / income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(33)**	**5,259**	**5,226**
Balance at 31 October 2024	**4,602**	**-**	**23**	**-**	**6,849**	**9,397**	**(558)**	**161**	**57,806**	**78,280**

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated cashflow statement

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Profit for the year before taxation		8,064	7,820
Adjustments for:			
Depreciation of property, plant and equipment		984	957
Depreciation of right-of-use assets		870	679
Amortisation of intangible assets		10,167	9,319
Acquisition / disposal finalisation costs		131	379
Finance income		(69)	(216)

Finance costs	1,869	1,532
Movement on debt issue costs	150	(238)
Research and development tax credit	(450)	(522)
Share option costs	2,491	2,631
Profit on disposal of fixed assets	14	-
Decrease / (increase) in receivables	10	(3,325)
Increase in payables	977	1,048
Cash generated by operations	25,208	20,064
Tax paid	(4,100)	(1,465)
Net cash from operating activities	21,108	18,599
Cash flows from investing activities		
Acquisition of subsidiaries net of cash acquired	(2,393)	(14,105)
Purchase of property, plant and equipment	(726)	(895)
Purchase / capitalisation of intangible assets	(7,946)	(7,627)
Finance income	69	80
Net cash used in investing activities	(10,996)	(22,547)
Cash flows from financing activities		
Interest paid	(1,719)	(1,439)
Loan drawdowns	-	39,706
Loan related costs	(506)	(169)
Loan repayments	(7,706)	(30,000)
Principal lease payments	(782)	(936)
Equity dividends paid	(2,756)	(2,268)
Issue of own shares	(165)	(185)
Net cash (outflows) / inflows from financing activities	(13,634)	4,709
Net movement in cash and cash equivalents	(3,522)	761
Cash and cash equivalents at the beginning of the year	14,824	13,864
Exchange gains on cash and cash equivalents	358	199
Cash and cash equivalents at the end of the year	11,660	14,824

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the condensed financial statements

1 BASIS OF PREPARATION

The financial information contained in these condensed financial statements does not constitute the Group's statutory accounts within the meaning of the Companies Act 2006.

Statutory accounts for the year ended 31 October 2023 and 31 October 2024 have been reported on, with an unqualified opinion.

Whilst the financial information included in this Annual Financial Report Announcement has been computed in accordance with International Financial Reporting Standards (IFRS) this announcement, due to its condensed nature, does not itself contain sufficient information to comply with IFRS.

This Annual Financial Report Announcement includes note references that refer to notes in this Annual Financial Report Announcement 2024.

Statutory accounts for the year ended 31 October 2023 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 31 October 2024, prepared under IFRS, are available on the Group's website: https://www.idoxgroup.com/investors/financial-reporting/ and will be delivered to the Registrar in due course. The Group's principal accounting policies as set out in the 2023 statutory accounts have been applied consistently in all material respects.

Going Concern

The Directors, having made suitable enquiries and analysis of the accounts, consider that the Group has adequate resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered the Group's budget, cash flow forecasts, available banking facility with appropriate headroom in facilities and financial covenants, and levels of recurring revenue.

In October 2024 the Group extended its loan agreement with National Westminster Bank plc, HSBC Innovation Bank Limited and Santander UK plc. The facilities comprise a revolving credit facility of £75,000,000 and a £45,000,000 accordion and are committed until October 2027. The Group retains significant liquidity with cash and available committed bank facilities and has strong headroom against financial covenants.

As part of the preparation of our FY24 results, the Group has performed detailed financial forecasting, as well as severe stress-testing in our financial modelling, but have not identified any credible scenarios that would cast doubt on our ability to continue as a going concern. Although the bond is repayable in the next year, there are sufficient existing funding available to repay this, therefore, will have limited impact on the overall funding structure of the Group.

The Group has performed sensitivity analysis of financial modelling to identify what circumstances could lead to liquidity challenges. This forecasting has demonstrated that the Group would only breach its banking covenants in the most severe of circumstances which are not considered credible.

Therefore, this supports the going concern assessment for the business.

The Annual Financial Report Announcement was approved by the Board of Directors on 27 January 2025 and signed on its behalf by David Meaden and Anoop Kang.

2 RESPONSIBILITY STATEMENTS UNDER THE DISCLOSURE AND TRANSPARENCY RULES

The Directors confirm that:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.

The name and function of each of the Directors for the year ended 31 October 2024 are set out in the Annual Financial Report 2024.

3 SEGMENTAL ANALYSIS

During the year ended 31 October 2024, the Group was organised into three operating segments, which are detailed below.

IFRS 8 Operating Segments requires the disclosure of reported segments in accordance with internal reports provided to the Group's chief operating decision maker. The Group considers its Board of Directors to be the chief operating decision maker and therefore has aligned the segmental disclosures with the monthly reports provided to the Board of Directors.

- Land, Property & Public Protection (LPPP) - delivering specialist information management solutions and services to the public sector.
- Assets - delivering engineering document management and control solutions to asset intensive industry sectors.
- Communities (COMM) - delivering software solutions to clients with social value running through their core.

Segment revenue comprises sales to external customers and excludes gains arising on the disposal of assets and finance income. Segment profit reported to the Board represents the profit earned by each segment before the allocation of taxation, Group interest payments and Group acquisition costs. The assets and liabilities of the Group are not reviewed by the chief operating decision maker on a segment basis. The Group does not place reliance on any specific customer and has no individual customer that generates 10% or more of its total Group revenue.

The segment revenues by geographic location are as follows:

	2024 **£000**	**2023** **£000**
Revenues from external customers		
United Kingdom	80,032	64,905
USA	4,141	4,926
Rest of Europe	2,312	2,481
Rest of World	1,114	965
	87,599	73,277

Revenues are attributed to individual countries on the basis of the location of the customer.

The segment revenues by type are as follows:

	2024 **£000**	**2023** **£000**
Revenues by type		
Recurring revenues - LPPP	34,898	26,214
Recurring revenues - Assets	9,418	9,692
Recurring revenues - Communities	10,158	9,622
Recurring revenues	54,474	45,528
Non-recurring revenues - LPPP	20,366	17,199
Non-recurring revenues - Assets	5,475	5,153
Non-recurring revenues - Communities	7,284	5,397
Non-recurring revenues	33,125	27,749
	87,599	73,277
Revenue from sale of goods (hardware and software)	71,820	43,190
Revenue from rendering of services	15,779	30,087
	87,599	73,277

Recurring revenue is income generated from customers on an annual contractual basis. Recurring revenue amounts to 62% (2023: 62%) of revenue from continued operations, which is revenue generated annually from sales to existing customers.

All revenues are recognised over the period of the contract, unless the only performance obligation is to licence or re-licence a customer's existing user without any further obligations, in which case the revenue is recognised upon completion of the obligation.

All contracts are issued with commercial payment terms without any unusual financial or deferred arrangements and do not include any amounts of variable consideration that are constrained.

The Group's total outstanding contracted performance obligations at 31 October 2024 was £96,792,000 (2023: £68,198,000) and it is anticipated that 73% of this will be recognised as revenue in FY25 and 14% in FY26.

The segment results by business unit for the year ended 31 October 2024:

	LPPP **£000**	**Assets** **£000**	**Communities** **£000**	**Total** **£000**
Revenue	55,264	14,893	17,442	**87,599**
Earnings before depreciation, amortisation, restructuring, acquisition costs, impairment, financing costs and share option costs	16,854	3,299	5,898	**26,051**
Depreciation	(600)	(207)	(177)	**(984)**
Depreciation - right-of-use-assets	(523)	(189)	(158)	**(870)**
Amortisation - software licences and R&D	(3,272)	(2,345)	(498)	**(6,115)**
Amortisation - acquired intangibles	(3,402)	(224)	(426)	**(4,052)**
Restructuring costs	(224)	(48)	(30)	**(302)**
Acquisition costs	(772)	(193)	(191)	**(1,156)**
Share option costs	(1,561)	(423)	(507)	**(2,491)**
Segment operating profit	6,500	(330)	3,911	**10,081**
Financing costs				**(67)**
Operating profit				**10,014**

Operating profit	**10,014**
Finance income	**69**
Finance costs	**(2,019)**
Profit before taxation	**8,064**

The corporate recharge to the business unit EBITDA is allocated on a head count basis.

The segment results by business unit for the year ended 31 October 2023:

	LPPP £000	**Assets £000**	**Communities £000**	**Total £000**
Revenue	43,413	14,845	15,019	**73,277**
Earnings before depreciation, amortisation, restructuring, acquisition costs, impairment, financing costs and share option costs	13,885	4,199	6,366	**24,450**
Depreciation	(574)	(191)	(192)	**(957)**
Depreciation - right-of-use-assets	(394)	(153)	(132)	**(679)**
Amortisation - software licences and R&D	(3,353)	(1,218)	(1,126)	**(5,697)**
Amortisation - acquired intangibles	(2,699)	(252)	(671)	**(3,622)**
Restructuring costs	(142)	(192)	(44)	**(378)**
Acquisition costs	(712)	(16)	(18)	**(746)**
Share option costs	(1,637)	(397)	(597)	**(2,631)**
Segment operating profit	4,374	1,780	3,586	**9,740**
Financing costs				**(396)**
Operating profit				**9,344**
Finance income				**219**
Finance costs				**(1,743)**
Profit before taxation				**7,820**

The corporate recharge to the business unit EBITDA is allocated on a head count basis.

4 EARNINGS PER SHARE

The earnings per ordinary share is calculated by reference to the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during each period, as follows:

Continuing Operations	**2024 £000**	**2023 £000**
Profit for the year	5,259	5,582
Basic earnings per share		
Weighted average number of shares in issue	453,835,013	449,016,841
Basic earnings per share	1.16p	1.24p
Weighted average number of shares in issue	453,835,013	449,016,841
Add back:		
Dilutive share options	3,951,198	6,563,834
Weighted average allotted, called up and fully paid share capital	457,786,211	455,580,675
Diluted earnings per share		
Diluted earnings per share	1.15p	1.23p

Adjusted earnings per share	**2024 £000**	**2023 £000**
Profit for the year	5,259	5,582
Add back:		
Amortisation on acquired intangibles	4,052	3,622
Impairment	-	168
Acquisition costs	1,156	746
Restructuring costs	302	378
Financing costs	67	396
Share option costs	2,491	2,631
Tax effect	(1,398)	(1,606)
Adjusted profit for year	11,929	11,917
Weighted average number of shares in issue - basic	453,835,013	449,016,841
Weighted average number of shares in issue - diluted	457,786,211	455,580,675
Adjusted earnings per share	2.63p	2.65p
Adjusted diluted earnings per share	2.61p	2.62p

5 INTANGIBLE ASSETS

	Goodwill £000	Customer relation-ships £000	Trade names £000	Software £000	Develop-ment costs £000	Order backlog £000	Total £000
Cost							
At 1 November 2022	84,348	34,846	11,716	29,530	34,553	333	**195,326**
Foreign exchange	-	-	-	-	(5)	(14)	**(19)**
Additions	-	-	-	12	7,616	-	**7,628**
Additions on acquisition	8,894	7,650	-	1,500	-	-	**18,044**
Impairment	-	-	-	-	(667)	-	**(667)**
Fair value adjustment	22	-	-	-	-	-	**22**
At 31 October 2023	93,264	42,496	11,716	31,042	41,497	319	**220,334**
Foreign exchange	-	-	-	-	(16)	(12)	**(28)**
Additions	-	-	-	-	7,946	-	**7,946**
Disposals	(3,302)	(2,304)	(2,134)	(1,108)	-	-	**(8,848)**
At 31 October 2024	89,962	40,192	9,582	29,934	49,427	307	**219,404**
Amortisation and impairment							
At 1 November 2022	31,709	21,131	9,513	19,739	20,491	333	**102,916**
Foreign exchange	-	-	-	-	(5)	(14)	**(19)**
Amortisation for the year	-	1,673	363	1,702	5,413	-	**9,151**
Impairment	-	-	-	-	(499)	-	**(499)**
At 31 October 2023	31,709	22,804	9,876	21,441	25,400	319	**111,549**
Foreign exchange	-	-	-	-	(16)	(12)	**(28)**
Amortisation for the year	-	2,151	350	1,614	6,052	-	**10,167**
Disposals	(3,302)	(2,304)	(2,134)	(1,108)	-	-	**(8,848)**
At 31 October 2024	28,407	22,651	8,092	21,947	31,436	307	**112,840**
Carrying amount at 31 October 2024	**61,555**	**17,541**	**1,490**	**7,987**	**17,991**	**-**	**106,564**
Carrying amount at 31 October 2023	61,555	19,692	1,840	9,601	16,097	-	108,785
Average remaining amortisation period (years)							
31 October 2024	**n/a**	**8.2**	**4.3**	**4.9**	**3.0**	**-**	
31 October 2023	n/a	11.8	5.1	5.6	2.9	-	

During the year, goodwill and intangibles were reviewed for impairment in accordance with IAS 36, 'Impairment of Assets'. An impairment charge of £Nil (2023: £168,000) was processed in the year and is included in the amortisation line of the statement of comprehensive income.

Fair value adjustments in the prior year were in relation to the finalisation of acquisition accounting in respect of LandHawk Software Services Limited.

Impairment test for goodwill

For this review, goodwill was allocated to the Group's divisional business units on the basis of the Group's operations which represent the Group's operating segments as disclosed in the segmental analysis. As the Board reviews results on a segmental level, the Group monitors goodwill on the same basis.

The carrying value of goodwill by each operating segment is as follows:

Operating segments	**2024 £000**	**2023 £000**
Land, Property & Public Protection (LPPP)	39,091	39,091
Assets	14,196	14,196
Communities	8,268	8,268
	61,555	61,555

The recoverable amount of goodwill in each operating segment has been determined using value-in-use calculations; with an additional fair value less cost to sell analysis being performed for the Assets operating segment. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering the next three financial years. The key assumptions used in the financial budgets relate to revenue and Adjusted EBITDA growth targets. Cash flows beyond this period are extrapolated using the estimated growth rates stated below. Growth rates are reviewed in line with historic actuals to ensure reasonableness and are based on an increase in market share.

For value-in-use calculations, the growth rates and margins used to estimate future performance are based on financial forecasts (as described above) which is management's best estimate of short-term performance based on an assessment of market opportunities and macro-economic conditions. In the year to 31 October 2024, the Weighted Average Cost of Capital for each operating segment has been used as an appropriate discount rate to apply to cash flows. The same basis was used in the year to 31 October 2023.

The assumptions used for the value-in-use calculations are as follows and are considered appropriate for each of the risk profiles of the respective operating segment:

Operating segments	Discount rate current year	Annualised EBITDA growth rate over three years	Long term growth rate current year	Discount rate prior year	Growth rate prior year
LPPP	15.3%	11.8%	4.7%	16.1%	3.0%
Assets	16.0%	8.8%	3.6%	16.7%	3.0%
Communities	15.3%	11.7%	3.6%	16.1%	3.0%

The long-term growth rate in the LPPP segment is higher than that of the UK economy as we anticipate high levels of growth within our geospatial solutions that will outpace the economy due to the high growth rate of this sector.

Individual Weighted Average Costs of Capital were calculated for each operating segment and adjusted for the market's assessment of the risks attaching to each operating segment's cash flows. The Weighted Average Cost of Capital is recalculated at each period end.

Management considered the carrying value of goodwill within the Group in comparison to the future budgets and have processed an impairment charge of £Nil within the year in relation to the Group's goodwill (2023: £Nil).

The Group has conducted sensitivity analysis on the impairment test of each operating segments carrying value. Sensitivities have been run on the discount rate applied and management are satisfied that a reasonable increase in the discount rate used would not lead to the carrying amount of each operating segment exceeding the recoverable amount.

Sensitivities have been conducted on cash flow forecasts, reducing management's three-year forecast EBITDA for all operating segments EBITDA by 10%. Management are satisfied that this change would not lead to the carrying amount of each operating segment exceeding the recoverable amount, although this does depend on achieving forecast growth over the three-year period. Sensitivities have also been conducted on cash flow forecasts for all operating segments reducing the growth rate to 0%. Management are satisfied that this change would not lead to the carrying amount of each operating segment exceeding the recoverable amount.

Management have not identified any individual assumption within the estimate where a reasonably possibly change in estimate could result in all goodwill headroom being eroded in LPPP or Communities, however, a change in estimates could lead to the headroom being eroded in Assets if short-term growth is not achieved. As such, management has also performed an additional fair value less cost to sell analysis based on comparable market EBITDA multiples and a buyer's view on EBITDA to apply to this multiple, which would be classed as level 3 hierarchy under IFRS 13 Financial Instruments. In performing this analysis, management are satisfied that a reasonably possibly change in EBITDA multiple, or EBITDA applied to this, could not result in all goodwill headroom being eroded.

Management have further considered the operating segments for which prior period impairments were recorded to reduce the value-in-use of those operating segments to their recoverable amount, and how such carrying values are subject to the current year sensitivities noted above.

6 ACQUISITIONS

Acquisition of subsidiaries net of cash acquired

Acquisition of subsidiaries, net of cash acquired, relates to the final payments due relation to the prior year Emapsite acquisition. These amounts were treated as consideration in the prior year and represent final consideration payable for working capital acquired and a deferred consideration payable.

	£000
Acquisition of subsidiaries net of cash acquired per cashflow statement	(2,393)
Deferred consideration payment made in relation to Emapsite	1,393
Emapsite consideration completion adjustment	1,000
	-

Cash to vendor per acquisition note	-

7 POST BALANCE SHEET EVENTS

There have been no post balance sheet events which had a material impact on the Group.

8 ADDITIONAL INFORMATION

Related Party Transactions

No related party transactions have taken place during the year that have materially affected the financial position or performance of the Company.

Principal Risks and Uncertainties

The principal risk and uncertainties facing the Group together with the actions being taken to mitigate them and future potential items for consideration are set out in the Strategic Report section of the Annual Financial Report 2024.

9 ALTERNATIVE PERFORMANCE MEASURES

Following the issuance of the Guidelines on Alternative Performance Measures (APMs) by the European Securities and Markets Authority (ESMA) in June 2015, the Group has included this section in its Annual Report and Accounts with the aim of providing transparency and clarity on the measures adopted internally to assess performance. Throughout this report, the Group has presented financial performance measures which are considered most relevant to Idox and are used to manage the Group's performance. These financial performance measures are chosen to provide a balanced view of the Group's operations and are considered useful to investors as these measures provide relevant information on the Group's past or future performance, position, or cash flows. The APMs, which are not defined or specified under International Financial Reporting Standards, adopted by the Group are also commonly used in the sectors it operates in and therefore serve as a useful aid for investors to compare Idox's performance to its peers. The Board believes that disclosing these performance measures enhances investors' ability to evaluate and assess the underlying financial performance of the Group's operations and the related key business drivers. These financial performance measures are also aligned to measures used internally to assess business performance in the Group's budgeting process and when determining compensation. They are also consistent with how the business is assessed by our debt and equity providers. Details are included within the financial review section of the Strategic Report.

We believe that these measures provide a user of the accounts with important additional information. The following table reconciles these APMs to statutory equivalents for continuing operations:

	2024 £000	**2023 £000**
Adjusted EBITDA:		
Profit before taxation	8,064	7,820
Depreciation and Amortisation	12,021	10,955
Restructuring costs	302	378
Acquisition costs	1,156	746
Financing costs	67	396
Share option costs	2,491	2,631
Net finance costs	1,950	1,524
Adjusted EBITDA	26,051	24,450
Free cashflow:		
Net cashflow from operating activities after taxation	20,108	18,599
Capex	(8,686)	(8,522)
Lease payments	(782)	(936)
Free cashflow	11,640	9,141
Net debt:		
Cash	(11,660)	(14,824)
Bank borrowings	10,780	18,291
Bonds in issue	10,808	11,207
Net Debt	9,928	14,674
Adjusted profit for the year and adjusted earnings per share:		
Profit for the year	5,259	5,582
Add back:		
Amortisation on acquired intangibles	4,052	3,622
Impairment	-	168
Acquisition costs	1,156	746

Acquisition costs	1,156	746
Restructuring costs	302	378
Financing costs	67	396
Share option costs	2,491	2,631
Tax effect	(1,398)	(1,606)
Adjusted profit for year	11,929	11,917
Weighted average number of shares in issue - basic	453,835,013	449,016,841
Weighted average number of shares in issue - diluted	457,786,211	455,580,675
Adjusted earnings per share	2.63p	2.65p
Adjusted diluted earnings per share	2.61p	2.62p

The Group adjusts for certain non-underlying items which the Board believes assists in understanding the performance achieved by the Group. These are non-underlying items as they do not relate to the operating performance of the Group. Profit before taxation is adjusted for depreciation, amortisation, restructuring costs, acquisition costs, financing costs, share option costs and net finance costs to calculate a figure for EBITDA which is commonly quoted by our peer group and allows users to compare our performance with those of our peers. This also provides the users of the accounts with a view of the underlying performance of the Group which is comparable year on year.

Depreciation and amortisation are omitted as they relate to assets acquired by the Group which may be subject to differing treatment within the peer group and so this allows meaningful comparisons to be made.

Amortisation on acquired intangibles omitted in order to improve the comparability between acquired and organic operations as the latter does not recognise internally generated intangible assets. Adjusting for amortisation provides a more consistent basis for comparison between the two.

Restructuring costs, acquisition costs, financing costs and net finance costs are omitted as they are considered to be one off in nature or do not represent the underlying trade of the Group. The items within these categories are assessed on a regular basis to ensure that they do not contain items which would be deemed to represent the underlying trade of the business.

Share option costs are excluded as they do not represent the underlying trade of the business and fluctuate subject to external market conditions and number of shares. This would distort year-on-year comparison of the figures.

Profit after taxation is adjusted for amortisation from acquired intangibles, restructuring costs, acquisition costs, financing costs and share option costs, as well as considering the tax impact of these items. To exclude the items without excluding the tax impact would not give the complete picture. This enables the user of the accounts to compare the core operational performance of the Group. Adjusted earnings per share takes into account all of the factors above and provides users of the Annual Report and Accounts information on the performance of the business that management is more directly able to influence and on a comparable basis for year to year. Readers of the Annual Report and Accounts are encouraged to review the financial statements in their entirety.

END

FR UBOARVVUAUUR