11 June 2024

# Idox plc

## Half Year results for the six months ended 30 April 2024

*Strong first half performance with over 20% growth in revenue*

Idox plc (AIM: IDOX, 'Idox', 'the Company' or 'the Group'), a leading supplier of specialist information management software and geospatial data solutions to the public and asset-intensive sectors, is pleased to announce its unaudited half year results for the six months ended 30 April 2024 ('H1 FY24').

**Financial highlights – in line with expectations**

*Revenue*

- Revenue increased by 21% to £43.1m (H1 FY23: £35.8m), with a full six-month contribution from Emapsite.
- Recurring revenues[1] increased by 29% to £27.4m (H1 FY23: £21.2m), accounting for 63% of the Group's total revenue (H1 FY23: 59%).

*Profit*

- Adjusted[2] EBITDA increased by 8% to £13.1m (H1 FY23: £12.1m).
- Adjusted[2] EBITDA margin of 30% (H1 FY23: 34%), in line with expectations following the Emapsite acquisition.
- Statutory operating profit increased by 15% to £5.7m (H1 FY23: £4.9m).
- Statutory operating profit margin stable at 13% (H1 FY23: 14%).
- Statutory profit before tax increased 12% to £4.6m (H1 FY23: £4.1m).
- Adjusted[3] diluted EPS of 1.26p (H1 FY23: 1.33p), reflecting an increased effective tax rate and higher borrowing costs.
- Statutory diluted EPS of 0.71p (H1 FY23: 0.73p).

*Cash*

- Free cashflow[5] generation stable at £13.0m (H1 FY23: £12.9m).
- Net debt[4] at the end of the period reduced to £6.6m (31 October 2023: £14.7m; 30 April 2023: net cash £1.1m).
- Cash generated from operating activities before taxation as a percentage of Adjusted EBITDA for total operations was 149% (H1 FY23: 148%).
- Significant resources in place to fund accretive M&A, including £75m revolving credit facility and £45m accordion.

**Operational highlights – a strong performance**

- Order intake of £54.1m, up 4% from H1 FY23, providing increasing levels of recurring revenue visibility for the remainder of FY24 and into FY25.
- Integration of Emapsite, acquired in August 2023 has progressed well, with performance in line with expectations.
- Good progress on developing the Group's geospatial capabilities.
- Healthy M&A pipeline with good leads on a number of strategic targets.

**Current trading and outlook – good visibility for the remainder of the year**

- Combination of growth in recurring revenue and pipeline, provides good revenue visibility for the remainder of FY24 and into FY25.
- The business continues to perform well and in line with the Board's expectations.
- Intention to pay a final dividend in line with the Group's stated dividend policy.

**David Meaden, Chief Executive Officer of Idox said:**

"The Group has delivered a strong financial performance in the first half of 2024 in line with the Board's expectations, with increased total revenue, recurring revenue, profitability and cash generation.

A clear focus on, and a deep understanding of the markets we serve, continues to provide us with excellent opportunities to support new and existing customers. The breadth and depth of our services delivered via our outstanding people offers further opportunities for organic growth.

We have a proven track record of identifying, acquiring and integrating strategic assets into Idox as with our most recent acquisition of Emapsite in 2023. Our M&A pipeline is very healthy, and we remain confident that we can continue to make use of our significant financial resources to deliver profitable organic and inorganic growth in order to maximise shareholder value.

We are pleased with the progress the Group has made and are on track to deliver on our plans for the remainder of 2024 in line with the Board's expectations."

*There will be a webcast at 11.45am 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 Chair investorrelations@idoxgroup.com
David Meaden, Chief Executive Officer
Anoop Kang, Chief Financial Officer

**Peel Hunt LLP (NOMAD and Broker)** **+44 (0) 20 7418 8900**
Paul Gillam
Kate Bannatyne
Adam Telling

**MHP** **+ 44 (0) 7827 662 831**
Reg Hoare idox@mhpgroup.com
Ollie Hoare
Matthew Taylor


**About Idox plc**

For more information see www.idoxgroup.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 and 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. Share option costs are excluded from Adjusted EBITDA as this is a commonly used measure in the industry and how management and our shareholders track performance (see note 10 for reconciliation).

[3] Adjusted EPS excludes amortisation on acquired intangibles, restructuring, financing, impairment, share option and acquisition costs (see note 10 for reconciliation).

[4] Net debt / cash is defined as the aggregation of cash, bank borrowings and the long-term bond (see note 10 for reconciliation). 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 cash flow is defined as net cash flow from operating activities after taxation less capital expenditure and lease payments (see note 10 for reconciliation).

## Chair's statement

### Introduction

I am pleased to introduce a strong set of results from Idox for the first half of the financial year. This has been a period of continuous progress and strong operational execution. During the period, revenues grew by 21% and Adjusted EBITDA by 8%. Cash generated from operating activities, before taxation, was £19.5m, a conversion rate of 149% against an Adjusted EBITDA for the period of £13.1m. The period ended with the business in a net debt position of £6.6m.

The Group continues to be well placed to execute on our growth strategy. There is positive momentum across the business, supported by an increase of 4% on last year's order intake and a strong pipeline of opportunities which underpins our confidence in the medium term. We continue to see strong demand for our products and services from existing clients as they use software and new technologies to help them manage increasing demand with limited resources, and whilst this is an election year, these pressures will remain for the incoming government.

It is important that we manage the business to take advantage of new opportunities, build scale in our operations and continue to expand into near market adjacencies to capitalise on our core competencies.

We have continued to see opportunities that extend our product and service footprint with our clients, and we have supported the business with investment in new product areas which we believe will deliver value to clients and shareholders over the medium term. We have been pleased with the acquisition of Emapsite in which we have invested further to enable the business to grow its product and services portfolio.

The divisional structure we implemented last year has been successful and it has been pleasing to see the business continue to grow its recurring revenue, up 29% in the period. We continue to see strong demand for our cloud-based solutions, particularly in our LPPP business where we saw recurring revenue in Idox Cloud up over 20% on the prior year period, with order intake up 48% on the same period last year.

We continue to look for accretive, synergistic acquisition opportunities that support our long-term focus on software and complement the existing portfolio. We are confident that there are a range of opportunities that fit the key criteria we have defined, and whilst it is incumbent on the Board to exercise the necessary patience to ensure that we are delivering in the best long-term interests of shareholders, we look forward to adding further assets in due course. In support of our growth strategy, the continued focus on cash generation and paying down existing debt has put the business in a strong position.

During the reporting period, we have undertaken work to report our progress in matters relating to ESG and enhanced our reporting on matters relating to diversity, equality, and inclusivity (DEI). We have continued to explore how our teams engage with the business and their thoughts on matters that affect them through the 'Dare to Be Different' survey and this continues to shape our approach to DEI. We are committed to ensuring that all stakeholders, foremost amongst these our employees, can be proud of the Company's work in this area. The Chief Executive's statement includes further information on our ESG related activities.

We are grateful to our clients for continuing to have confidence in Idox as a partner and to our colleagues for their hard work and dedication in making Idox the business it is today.

### Dividend

As previously announced, the Group paid a dividend of 0.6p per share in April 2024 in respect of the year ending 31 October 2023. Our current policy is to only declare a final dividend and therefore, no interim dividend is proposed in respect of H1 FY24 (H1 FY23: £Nil). We will keep the level of future dividends under review in consideration of our financial position and our confidence in the future.

### Summary

The Group has made good progress in the period. The integration of Emapsite into the Group structure has been well executed and the ongoing focus on growing recurring revenue and cash continues to produce results. We remain committed to our buy and build strategy and continue to carefully evaluate M&A opportunities that we believe will deliver long term benefits for clients and shareholders whilst creating strong opportunities for our teams and their future development. The business continues to perform well and in line with the Board's expectations.

**Chris Stone**
Chair of the Board

**Chief Executive's statement**

It is very pleasing to be able to report on another strong performance for the first half of this year, as we continue to deliver great value to our customers through our software solutions. Across the industries and markets that we serve, our solutions enable our customers to manage highly complex operational, legislative, and regulatory processes, through reliable and effective solutions.

Our 'Four Pillars' underpin our strategic thinking and operational decision making for the business as we continue to grow, adapt, and evolve; these are Revenue expansion, Margin enhancement, Simplification and Communication.

Integration of the recently acquired Emapsite business into the organisational structure has gone well and we are seeing great collaboration with other areas of geospatial capability within the Group to form new and exciting solutions and data services, driving future revenues.

Our financial position remains strong and our committed banking facilities provide significant firepower to continue to compliment the organic growth of the business with acquisitions where we see that we can add scale and capability, alongside internal investment. We focus on opportunities that can drive growth, improve recurring revenue, broaden our offering to existing clients, and extend Idox's position in our chosen markets.

**Strong progress**
During this reporting period we have seen growth in Group revenues of 21%, generating revenues of £43.1m, an Adjusted EBITDA improvement of 8% from £12.1m to £13.1m and a statutory operating profit improvement of 15% to £5.7m. The Group continued to generate strong cash flow during the period, resulting in a net debt position at 30 April 2024 of £6.6m compared to £14.7m at the end of the last financial year.

Our strong operational cadence and financial position makes Idox well placed for continued growth in our software operations and provides a secure foundation to which we can add compatible acquisitions to our portfolio of offerings.

**The 'Four Pillars' programme**

**Revenue expansion**
Our core business areas performed very well in the period, and we continue to demonstrate good levels of resilience in our sales performance.

Our strong market positions and continued investment in our solutions has supported an improved sales performance, increasing sales to existing clients, in addition to welcoming new client customers across all Divisions. Improvements in execution and further expansion of our sales stratification approach has delivered an enhanced performance and better customer engagement.

For the six months ended 30 April 2024, order intake across the Group continued to grow, creating a strong orderbook for the remainder of the financial year and recurring revenue into future financial years. Order intake for the period was £54.1m up 4% on the prior year.

Reviewing the performance of our Divisions:

**Land, Property & Public Protection**
Sales order intake in Local Government continued to perform well with high retention rates in the period and a good mix of new services and contract extensions supporting continued revenue growth. We have a strategic focus on establishing longer term agreements with customers, securing future long-term relationships; these included significant contracts with North Northampton Council, Stroud District Council and City of York Council all of which extended their agreements over five-years. Scottish Borders Council joined a growing customer base choosing the Idox provisioned hosting service for their existing software platforms.

Recurring revenue in Idox Cloud was up in H1 FY24 over 20% on the prior period, with order intake continuing to improve – up 48% to £5.2m on the same period last year. We welcomed new customers to our solution, including Waverley Borough Council and the London Borough of Merton, as well as customer migrations including Adur & Worthing Council and Armagh City, Banbridge and Craigavon Borough Council.

Revenues in Exegesis were down slightly on prior year due to some one-off large-scale projects delivered in the prior year. Extensions from large international customers Natuurmomumenten & Staatsbosbeheer utilising our CMSi solutions to manage large national parks and new projects with Cornwall Council and the Bat Conservation Trust helped maintain a heathy orderbook.

Address Management Solutions revenues were up 7% supported by continued recurring revenue growth in the period which was up 9%. Our strategy of expanding into new adjacent markets showed good progress in the first half of the year with significant new business wins with Gloucestershire Constabulary and West Midlands Fire Service.

The formation of Idox Geospatial, following the acquisition of Emapsite in 2023, has created an opportunity to create and explore new data services and solutions. Emapsite has built on its previous performance prior to the acquisition, with revenue growth of 13% on the same period last year. It has also been a very strong revenue period for thinkWhere with large projects with NCAP and Eurogeographics being delivered during the period.

**Communities**
Recurring revenue in Lilie, our sexual health solution, was up 12% on prior year, as we continued our strong relationship with market providers Virgin Care Services and Solutions4Health.

With no major elections events across the UK or Malta in the first half of FY24, Elections revenues were down slightly on prior year, although order intake was up significantly in the period as customers gear up for the impending UK General Election.

In the Database subscription businesses GrantFinder and ResearchConnect, recurring revenue was up over 10% on the same period last year. GrantFinder order intake showed a strong performance despite the pressure we have seen on discretionary spend, particularly in the Public Sector. We are excited and look forward to a positive second half following the introduction of AI to this content area.

Through our "My Funding Central" solution, and as part of our ongoing commitment to charities working across the UK, we provide organisations with incomes of less than £30,000 free access to grants and funding information. Subscribers to these services continue to grow with over 800 new users registering to use the service in the period.

Social Care revenues were 2% lower than in 2023, however, recurring revenue has continued to increase (up 5%) as new customers including Derbyshire County Council and St Helens Council joined our social care userbase.

**Assets**
EIM revenues were 3% lower compared to 2023. However, the second quarter saw a much better order intake performance carrying a stronger orderbook into the second half of the year. New FusionLive sales included seven new names in the period, and we saw two significant £1m+ contract extensions with clients in North America.

iFit (our asset tracking solution) revenues were up over 9% with recurring revenues accounting for most of the improvement in performance, growing 12% half-on-half. There are a number of exciting opportunities for the iFit solution across the NHS and into other markets that we continue to target.

The latest release of CAFM (facilities management solution) has been positively received by the market and we are beginning to see more opportunities for the solution in new business. Revenues were 12% down in the first half of the year, but with new business wins in the UK including Cheltenham College and overseas with Abdullah Rasheed Al Rushaid Real Estate Investment Company, opportunities for an improvement in the second half of the year are good.

**Margin enhancement**
We continue to target margin improvements across the business, and this has helped deliver results in the first half of the year. Leveraging the matrix structure to build on our scale across our Engineering and IT departments has helped create efficiencies and better use of resources.

Formation of the Customer Success horizontal team and combining the leadership and management of onboarding, professional services and customer support is helping improve efficiency and delivery of better and more consistent services to customers. This approach has created opportunities for pooled resources providing additional support and scale across the Group as well as shared learning and improvement of technical capabilities.

We have continued to increase our operational teams in India over the first half of the year and see this as an important focus area over the next few years as we target increasing our teams in India to represent over 30% of our colleagues in the future.

Across Engineering we have developed a strategy to delivering Micro-Services across all platforms, simplifying our approach to complex and repeatable software requirements to ensure we engineer solutions once and apply them across all of our platforms.

**Simplification**
Across the Group we have implemented technologies and processes to streamline and improve consistency and colleague experience, this has helped bring better controls and improved visibility, facilitating better management control and information.

Expansion of the sales desk and revenue assurance teams across the entire Group has improved the overall customer experience and simplifying the order process and refining the order to cash workflow. This approach has created organisational efficiencies, significantly simplified the operations and created a more consistent approach.

We continue to review, refine and invest in processes and technology across the organisation to streamline and improve both the colleague and customer experience.

**Communication**
Given the nature of our operations, we have embraced, where appropriate, the world of hybrid working. However, we continue to work hard to provide an open and engaging environment where colleagues can collaborate effectively. We have encouraged and facilitated regular face-to-face activities and contact as we believe that in the creative areas of work, especially in development and product management, this is of particular importance.

We have opened a new office in Belfast where we encourage many of our graduates to work alongside our more experienced engineering teams and we are moving to a new office in India to support our growth and continued collaborative working environment.

As part of our communication strategy, we engage and encourage regular and open dialogue with colleagues across the business, targeted through areas of special interest and focus groups, delivered through a variety of media and channels, and leveraging the very latest collaboration tools.

Regular CEO broadcasts continue to underpin our communication strategy, these include regular interactive sessions with various colleagues from across the business contributing to ensure that a broad range of insights, opinions, and inputs are presented. This forum provides opportunities for colleagues to ask open questions of the panel with high levels of participation from across the Group.

Participating personally and directly with the selection and onboarding of new team members provides me with a platform from which to outline our culture and what our expectation levels are for each other at Idox. I believe that this approach helps to maintain our Idox culture and authenticity from the outset.

**Responsible**
We believe that our solutions and services create long term value for the customers and communities we serve, and whilst we recognise our need to create shareholder value, the Board also recognises the importance of our societal and environmental responsibilities and the need to conduct our business in a responsible and sustainable way.

Our commitment to this is focussed in four areas; our People; our Communities, our Environment and Organisational Responsibilities.

Our ESG steering committee is now in its fourth year of driving our strategy and agenda, built on understanding and monitoring our business practices to ensure they are sustainable in both environmental and social terms as well as ensuring that Idox is well governed and authentic.

We have sponsored initiatives throughout the first half of FY24, maintaining our focus on DEI – and this is approached through smaller cross business virtual team meetings to discuss lived experiences and effective ways to make improvements across the business.

Our second "Dare to be Different" engagement survey was undertaken in this half the year and participation was again very high. We use the results and feedback to help form our future strategies and policies.

We have also supported employee led initiatives throughout the first half of the year to raise funds in support of various charities and we encourage and promote the use our community days scheme to support good causes in our local communities. Initiatives like the payroll giving scheme are well used and help maximise the impact of employee's contributions. We also operate regular workplace wellbeing sessions, which are very well attended and appreciated by members of the Idox Team.

Through our work in the Local Government community, we continue to enter into social value partnerships with clients allied to the delivery of our products and services. These arrangements enable Idox to make a very real and direct contribution in the clients' local community. In addition, as mentioned previously, we have continued to give free access to our My Funding Central services for eligible charities.

Idox remains committed to our environmental protection initiatives and operating the business in a responsible manner. Our Environmental Management System is accredited to BS EN ISO 14001:2015, and we participate in the Energy Saving Opportunities Scheme ('ESOS'), meeting the requirements of the Streamlined Energy and Carbon Reporting ('SECR') regulations.

The ESG steering committee also monitors our ongoing carbon reduction initiatives to ensure we are meeting our targets, including maintaining disciplines on avoiding unnecessary travel, travelling green wherever possible and by continuing to take advantage of virtual meetings and the delivery of many of our customer services online. Following its introduction last year, we have maintained our options to incentivise and encourage employees to obtain an electric vehicle through our salary sacrifice scheme.

**Outlook**

The Group has delivered a strong financial performance in the first half of 2024 in line with the Board's expectations, with increased total revenue, recurring revenue, profitability and cash generation.

A clear focus on, and a deep understanding of the markets we serve, continues to provide us with excellent opportunities to support new and existing customers. The breadth and depth of our services delivered via our outstanding people offers further opportunities for organic growth.

We have a proven track record of identifying, acquiring and integrating strategic assets into Idox as with our most recent acquisition of Emapsite in 2023. Our M&A pipeline is very healthy, and we remain confident that we can continue to make use of our significant financial resources to deliver profitable organic and inorganic growth in order to maximise shareholder value.

We are pleased with the progress the Group has made and are on track to deliver on our plans for the remainder of 2024 in line with the Board's expectations.

**David Meaden**
Chief Executive Officer

**Chief Financial Officer's review**

The Group delivered a strong performance in the first half of 2024 across revenue, Adjusted EBITDA and net debt. Revenue increased 21% in the period to £43.1m (H1 FY23: £35.8m). Excluding the impact of Emapsite, the Group delivered a 2% increase in revenue to £36.5m (H1 FY23: £35.8m). Adjusted EBITDA increased by 8% to £13.1m (H1 FY23: £12.1m). Net debt since 31 October 2023 decreased by over 50% to £6.6m at 30 April 2024.

The following table sets out the Revenue and Adjusted EBITDA for each of the Group's segments.

| | H1 FY24 | H1 FY23 | Variance | |
|---|---|---|---|---|
| | £000 | £000 | £000 | % |
| **Revenue** | | | | |
| LPPP | 28,950 | 21,458 | 7,492 | 35% |
| Assets | 7,081 | 7,177 | (96) | (1%) |
| Communities | 7,118 | 7,146 | (28) | (-%) |
| Total | 43,149 | 35,781 | 7,368 | 21% |
| **Revenue Split** | | | | |
| LPPP | 67% | 60% | | |
| Assets | 16% | 20% | | |
| Communities | 17% | 20% | | |
| Total | 100% | 100% | | |
| **Adjusted EBITDA**[1] | | | | |
| LPPP | 9,197 | 7,735 | 1,462 | 19% |
| Assets | 1,580 | 1,811 | (231) | (13%) |
| Communities | 2,282 | 2,557 | (275) | (11%) |
| Total | 13,059 | 12,103 | 956 | 8% |
| **Adjusted EBITDA Margin** | | | | |
| LPPP | 32% | 36% | | |
| Assets | 22% | 25% | | |
| Communities | 32% | 36% | | |
| - Total | 30% | 34% | | |

[1] Adjusted EBITDA is defined as earnings before amortisation, depreciation, restructuring, acquisition costs, impairment, financing costs and share option costs. See note 10 for reconciliations of the alternative performance measures.

Total revenue for the period increased by 21% to £43.1m (H1 FY23: £35.8m). LPPP increased 35% in the period to £29.0m (H1 FY23: £21.5m). Both Assets and Communities revenues remained broadly flat at £7.1m.

Adjusted EBITDA increased by 8% for the period to £13.1m (H1 FY23: £12.1m). In line with the revenue performance, the growth in Adjusted EBITDA was driven by LPPP which was up 19% in the period being partially offset by reduced profitably in Assets and Communities. This resulted in an anticipated overall Adjusted EBITDA margin of 30% (H1 FY23: 34%). The LPPP Adjusted EBITDA margin of 32% was in line with the full year 2023 result and includes expected lower margins on Emapsite and further investment into developing our geospatial capabilities. The Adjusted EBITDA margin reduction in Assets to 22% was driven primarily by our CAFM facilities management solution. In Communities the Adjusted EBITDA margin of 32% returned to a more normalised level following the benefit of higher margin non-recurring revenue in 2023.

**Revenues**

| | H1 FY24 £000 | H1 FY23 £000 | Variance £000 | Variance % |
|---|---|---|---|---|
| **Revenues** | | | | |
| - Recurring (LPPP) | 17,621 | 11,689 | 5,932 | 51% |
| - Recurring (Assets) | 4,727 | 4,788 | (61) | (1%) |
| - Recurring (Communities) | 5,018 | 4,674 | 344 | 7% |
| | 27,366 | 21,151 | 6,215 | 29% |
| - Non-Recurring (LPPP) | 11,329 | 9,769 | 1,560 | 16% |
| - Non-Recurring (Assets) | 2,354 | 2,389 | (35) | (1%) |
| - Non-Recurring (Communities) | 2,100 | 2,472 | (372) | (15%) |
| | 15,783 | 14,630 | 1,153 | 8% |
| | 43,149 | 35,781 | 7,368 | 21% |
| - Recurring[1] | 63% | 59% | | |
| - Non-Recurring[2] | 37% | 41% | | |

[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 and 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] Non-recurring revenue is defined as revenues without any formal commitment from the customer to recur on an annual basis.

Total recurring revenue increased by 29% in the period to £27.4m and increased to 63% of the Group's total revenue (H1 FY23: 59%). Excluding the impact of Emapsite, recurring revenue increased by 7% in the period. LPPP has seen an increase of 51% in recurring revenues to £17.6m driven by growth in our core Local Authority and Cloud solutions as well as the contribution from Emapsite. Excluding the impact of Emapsite recurring revenue in LPPP increased 11% in the period. Recurring revenue within the Assets division has remained stable at £4.7m with growth in our asset tracking solution (iFit) offset by reductions in the CAFM facilities management solution. EIM recurring revenues remained stable in the period. Communities recurring revenue increased by 7% driven by growth in health, social care and databases solutions.

Non-recurring revenues have improved by 8% to £15.8m for the period and account for 37% of the Group's revenue. LPPP non-recurring revenue was up 16% to £11.3m (H1 FY23: £9.8m) and benefitted from the contribution from Emapsite and growth in ThinkWhere being partially offset by anticipated reductions in Local Authority. Non-recurring revenue within Assets remained stable at £2.4m (H1 FY23: £2.4m) with a good performance in iFit. Communities delivered £2.1m (H1 FY23: £2.5m) of non-recurring revenue with slightly lower volumes in our health and social care solutions. Elections was flat in the period but is expected to increase in the second half of the year as the Group delivers the UK and Maltese general elections, as anticipated.

The Group's order intake for the period was up 4% on last year to £54.1m which provides good levels of revenue visibility for the remainder of the year and into FY25.

**Profit before taxation**

The statutory profit before taxation for the period was up 12% at £4.6m (H1 FY23: £4.1m). The following table provides a reconciliation between Adjusted EBITDA and statutory profit before taxation.

| | H1 FY24 £000 | H1 FY23 £000 | Variance £000 | Variance % |
|---|---|---|---|---|
| Adjusted EBITDA | 13,059 | 12,103 | 956 | 8% |
| Depreciation & Amortisation | (6,100) | (5,288) | (812) | 15% |
| Restructuring costs | (26) | (329) | 303 | (92%) |
| Acquisition costs | (12) | (340) | 328 | (96%) |
| Financing costs | (23) | (28) | 5 | (18%) |
| Share option costs | (1,225) | (1,200) | 25 | 2% |
| Net finance costs | (1,116) | (840) | (276) | 33% |
| Profit before taxation | 4,557 | 4,078 | 479 | 12% |

The Group incurred combined restructuring, acquisition and financing costs of less than £0.1m, significantly less than in 2023, when the Group incurred restructuring costs in connection with corporate simplification and office rationalisation initiatives and finalisation of previous acquisition costs.

Share option costs of £1.2m (H1 FY23: £1.2m) 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 are higher than the prior year at £1.1m (H1 FY23: £0.8m) as a result of increased borrowing costs on the new loan facility.

The Group continues to invest in developing innovative technology solutions across the portfolio and has capitalised £3.7m of development costs during the period (H1 FY23: £3.4m). The increase in the period is primarily due to the impact of the Emapsite acquisition (£0.1m), with the remaining £0.2m being driven by an increase in development work across the portfolio.

**Taxation**

The effective tax rate (ETR) on a statutory basis for the period was 28% (H1 FY23: 18%).

The main driver for the increased tax rate is the full impact of the change in the UK corporation tax rate from 19% to 25%. The ETR of 28% in the period was higher than the UK corporation tax rate of 25% as a result of overseas losses and expenses not deductible for tax purposes. In 2023 the ETR of 18% was lower than the UK corporation tax rate of 19% mainly due to tax relief on share options. As a result, the ETR on an adjusted basis moved from 22% to 26.5%.

**Earnings per share and dividends**

The adjusted basic earnings per share for the period was down 6% at 1.28p (H1 FY23: 1.36p) and the adjusted diluted earnings per share decreased by 5% to 1.26p (H1 FY23: 1.33p). Whilst the Group reported an 8% increase in Adjusted EBITDA of £13.1m, higher net finance costs and taxation resulted in a lower adjusted profit after taxation of £5.8m (H1 FY23: £6.1m).

Basic earnings per share reduced by 3% to 0.72p (H1 FY23: 0.75p). Diluted earnings per share decreased by 3% to 0.71p (H1 FY23: 0.73p). This was driven by the statutory profit after tax for the period being 3% lower than the prior year.

In line with H1 FY23, the Board does not propose an interim dividend in respect of the six months ended 30 April 2024. It will keep the level of future dividends under review in consideration of the Group's performance, financial position and overall confidence in the future, and expects to pay a final dividend.

**Balance sheet and cashflow**

The Group's net assets have increased to £74.9m compared to £73.3m at 31 October 2023. The constituent movements are detailed in the Group's consolidated Statement of Changes in Equity, which are summarised as follows:

| | **6 months to 30 April 2024 £000** |
|---|---|
| Total Equity as per FY23 Financial Report | 73,277 |
| Share option movements | 1,135 |
| Equity dividends paid | (2,756) |
| Profit for the period | 3,253 |
| Exchange losses on translation of foreign operations | (42) |
| Total Equity as per H1 FY24 Financial Report | 74,867 |

The Group continued to have good cash generation in the period. Cash generated from operating activities before taxation was £19.5m, and as a percentage of Adjusted EBITDA was 149% (H1 FY23: 148%). The Group typically operates on a negative working capital cycle. A significant part of the Group's contracts renew and re-sign during the first half of the year. As a result, billings and cash collections typically tend to be annually in advance in the first half of the year.

| | **H1 FY24 £000** | **H1 FY23 £000** |
|---|---|---|
| Net cashflow from operating activities after taxation | 17,666 | 17,136 |
| Capex | (4,292) | (3,785) |
| Lease payments | (400) | (423) |
| Free cashflow[1] | 12,974 | 12,928 |

[1] Free cash flow is defined as net cash flow from operating activities after taxation less capital expenditure and lease payments (see note 10 for reconciliation).

Given the strong cash collection during the first half of the year, the Group ended the period with net debt of £6.6m compared to £14.7m at 31 October 2023. Net debt comprised cash of £18.2m less bank borrowings of £13.8m and the Maltese listed bond of £11.0m, which is due for repayment in July 2025. We ended the period with a leverage ratio of 0.3 times (FY23: 0.6 times) with significant headroom against the Group's financial covenants.

The Group retains excellent liquidity with cash and available committed bank facilities and has strong headroom against financial covenants. The Group's total available facilities at 30 April 2024 consisted of a revolving credit facility of £75m and £45m accordion which continue to 1 October 2026, providing significant scope for further M&A.

**Anoop Kang**
Chief Financial Officer

## Consolidated interim statement of comprehensive income

| | Note | 6 months to 30 April 2024 (unaudited) £000 | 6 months to 30 April 2023 (unaudited) £000 | 12 months to 31 October 2023 (audited) £000 |
|---|---|---|---|---|
| **Revenue** | 3 | 43,149 | 35,781 | 73,277 |
| Cost of sales | | (10,811) | (7,717) | (16,036) |
| **Gross profit** | | **32,338** | **28,064** | **57,241** |
| Administrative expenses | | (26,665) | (23,146) | (47,897) |
| **Operating profit** | | **5,673** | **4,918** | **9,344** |
| *Analysed as:* | | | | |
| **Adjusted EBITDA** | 10 | **13,059** | **12,103** | **24,450** |
| Depreciation & Amortisation | | (6,100) | (5,288) | (10,955) |
| Restructuring costs | | (26) | (329) | (378) |
| Acquisition costs | | (12) | (340) | (746) |
| Financing costs | | (23) | (28) | (396) |
| Share option costs | | (1,225) | (1,200) | (2,631) |
| Finance income | | 186 | 61 | 219 |
| Finance costs | | (1,302) | (901) | (1,743) |
| **Profit before taxation** | | **4,557** | **4,078** | **7,820** |
| Income tax charge | 5 | (1,304) | (740) | (2,238) |
| **Profit for the period attributable to the owners of the parent** | | **3,253** | **3,338** | **5,582** |
| **Other comprehensive loss for the period** | | | | |
| Items that will be reclassified subsequently to profit or loss: | | | | |
| Exchange movement on translation of foreign operations net of tax | | (42) | (162) | (45) |
| **Other comprehensive loss for the period, net of tax** | | (42) | (162) | (45) |
| **Total comprehensive income for the period attributable to owners of the parent** | | **3,211** | **3,176** | **5,537** |
| **Earnings per share attributable to owners of the parent** | | | | |
| Basic | 6 | 0.72p | 0.75p | 1.24p |
| Diluted | 6 | 0.71p | 0.73p | 1.23p |

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

**Consolidated interim balance sheet**

| | Note | At 30 April 2024 (unaudited) £000 | At 30 April 2023 (unaudited) £000 | At 31 October 2023 (audited) £000 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | | 1,358 | 1,275 | 1,339 |
| Intangible assets | 7 | 107,520 | 91,368 | 108,785 |
| Right-of-use-assets | | 1,398 | 1,628 | 1,333 |
| Deferred tax assets | | 2,130 | 2,804 | 2,541 |
| Other receivables | | 1,185 | - | 1,201 |
| **Total non-current assets** | | 113,591 | 97,075 | 115,199 |
| **Current assets** | | | | |
| Trade and other receivables | | 24,026 | 23,734 | 21,451 |
| Cash and cash equivalents | | 18,217 | 23,722 | 14,824 |
| **Total current assets** | | 42,243 | 47,456 | 36,275 |
| **Total assets** | | 155,834 | 144,531 | 151,474 |
| **Liabilities** | | | | |
| **Current liabilities** | | | | |
| Trade and other payables | | 11,044 | 8,070 | 8,058 |
| Deferred consideration | | 869 | 420 | 869 |
| Current tax payable | | 922 | 365 | 1,422 |
| Other liabilities | | 32,062 | 34,691 | 26,828 |
| Provisions | | 714 | 555 | 589 |
| Lease liabilities | | 522 | 473 | 220 |
| **Total current liabilities** | | 46,133 | 44,574 | 37,986 |
| **Non-current liabilities** | | | | |
| Deferred tax liabilities | | 7,052 | 5,673 | 7,519 |
| Lease liabilities | | 910 | 1,145 | 958 |
| Other liabilities | | 2,063 | 1,035 | 2,236 |
| Bonds in issue | | 11,049 | 11,362 | 11,207 |
| Borrowings | | 13,760 | 11,245 | 18,291 |
| **Total non-current liabilities** | | 34,834 | 30,460 | 40,211 |
| **Total liabilities** | | 80,967 | 75,034 | 78,197 |
| **Net assets** | | 74,867 | 69,497 | 73,277 |
| **Equity** | | | | |
| Called up share capital | | 4,594 | 4,535 | 4,562 |
| Capital redemption reserve | | 1,112 | 1,112 | 1,112 |
| Share premium account | | 41,581 | 41,558 | 41,558 |
| Share option reserve | | 5,775 | 5,469 | 5,841 |
| Other reserves | | 9,165 | 9,165 | 9,165 |
| ESOP trust | | (548) | (505) | (526) |
| Foreign currency translation reserve | | 152 | 77 | 194 |
| Retained earnings | | 13,036 | 8,086 | 11,371 |
| **Equity attributable to the owners of the parent** | | 74,867 | 69,497 | 73,277 |

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

## Consolidated interim statement of changes in equity

| | Called up share capital £000 | Capital redemption reserve £000 | Share premium account £000 | Treasury reserve £000 | Share options reserve £000 | Other reserves £000 | ESOP trust £000 | Foreign currency translation reserve £000 | Retained earnings £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 November 2022 (audited)** | **4,525** | **1,112** | **41,556** | **(594)** | **4,816** | **8,745** | **(466)** | **239** | **7,483** | **67,416** |
| Issue of share capital | 10 | - | 2 | - | - | - | - | - | - | **12** |
| Share option costs | - | - | - | - | 1,198 | - | - | - | - | **1,198** |
| Exercise / lapses of share options | - | - | - | 594 | (545) | - | - | - | (47) | **2** |
| ESOP trust | - | - | - | - | - | - | (39) | - | - | **(39)** |
| Reallocation of deferred consideration share exercise costs | - | - | - | - | - | 420 | - | - | (420) | **-** |
| Equity dividends paid | - | - | - | - | - | - | - | - | (2,268) | **(2,268)** |
| **Transactions with owners** | **10** | **-** | **2** | **594** | **653** | **420** | **(39)** | **-** | **(2,735)** | **(1,095)** |
| Profit for the period | - | - | - | - | - | - | - | - | 3,338 | **3,338** |
| **Other comprehensive loss** | | | | | | | | | | |
| Exchange movement on translation of foreign operations | - | - | - | - | - | - | - | (162) | - | **(162)** |
| **Total comprehensive (loss) / income for the period** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(162)** | **3,338** | **3,176** |
| **At 30 April 2023 (unaudited)** | **4,535** | **1,112** | **41,558** | **-** | **5,469** | **9,165** | **(505)** | **77** | **8,086** | **69,497** |
| Issue of share capital | 27 | - | - | - | - | - | - | - | - | **27** |
| Share options costs | - | - | - | - | 1,413 | - | - | - | - | **1,413** |
| Exercise / lapses of share options | - | - | - | - | (1,041) | - | - | - | 1,041 | **-** |
| ESOP trust | - | - | - | - | - | - | (21) | - | - | **(21)** |
| **Transactions with owners** | **27** | **-** | **-** | **-** | **372** | **-** | **(21)** | **-** | **1,041** | **1,419** |
| Profit for the period | - | - | - | - | - | - | - | - | 2,244 | **2,244** |
| **Other comprehensive income** | | | | | | | | | | |
| Exchange movement on translation of foreign operations | - | - | - | - | - | - | - | 117 | - | **117** |
| **Total comprehensive income for the period** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **117** | **2,244** | **2,361** |
| **Balance at 31 October 2023 (audited)** | **4,562** | **1,112** | **41,558** | **-** | **5,841** | **9,165** | **(526)** | **194** | **11,371** | **73,277** |
| Issue of share capital | 32 | - | 23 | - | - | - | - | - | - | **55** |
| Share option costs | - | - | - | - | 1,102 | - | - | - | - | **1,102** |
| Exercise / lapses of share options | - | - | - | - | (1,168) | - | - | - | 1,168 | **-** |
| ESOP trust | - | - | - | - | - | - | (22) | - | - | **(22)** |
| Equity dividends paid | - | - | - | - | - | - | - | - | (2,756) | **(2,756)** |
| **Transactions with owners** | **32** | **-** | **23** | **-** | **(66)** | **-** | **(22)** | **-** | **(1,588)** | **(1,621)** |
| Profit for the period | - | - | - | - | - | - | - | - | 3,253 | **3,253** |
| **Other comprehensive loss** | | | | | | | | | | |
| Exchange movement on translation of foreign operations | - | - | - | - | - | - | - | (42) | - | **(42)** |
| **Total comprehensive (loss) / income for the period** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(42)** | **3,253** | **3,211** |
| **At 30 April 2024 (unaudited)** | **4,594** | **1,112** | **41,581** | **-** | **5,775** | **9,165** | **(548)** | **152** | **13,036** | **74,867** |

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

**Consolidated interim cash flow statement**

| | Note | 6 months to 30 April 2024 (unaudited) £000 | 6 months to 30 April 2023 (unaudited) £000 | 12 months to 31 October 2023 (audited) £000 |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Profit for the period before taxation | | 4,557 | 4,078 | 7,820 |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | | 515 | 480 | 957 |
| Depreciation of right-of-use assets | | 572 | 346 | 679 |
| Amortisation of intangible assets | 7 | 5,013 | 4,462 | 9,319 |
| Acquisition / disposal finalisation costs | | - | 299 | 379 |
| Finance income | | (186) | (8) | (216) |
| Finance costs | | 1,227 | 840 | 1,532 |
| Debt issue costs amortisation | | 75 | 60 | (238) |
| Research and development tax credit | | (275) | (258) | (522) |
| Share option costs | 8 | 1,225 | 1,200 | 2,631 |
| Increase in receivables | | (2,559) | (5,821) | (3,325) |
| Increase in payables | | 9,332 | 12,285 | 1,048 |
| **Cash generated by operations** | | 19,496 | 17,963 | 20,064 |
| Tax paid | | (1,830) | (827) | (1,465) |
| **Net cash from operating activities** | | 17,666 | 17,136 | 18,599 |
| **Cash flows from investing activities** | | | | |
| Acquisition of subsidiaries net of cash acquired | | (1,393) | (2,184) | (14,105) |
| Purchase of property, plant and equipment | | (544) | (387) | (895) |
| Purchase / capitalisation of intangible assets | 7 | (3,748) | (3,398) | (7,627) |
| Finance income | | 34 | 36 | 80 |
| **Net cash used in investing activities** | | (5,651) | (5,933) | (22,547) |
| **Cash flows from financing activities** | | | | |
| Interest paid | | (694) | (325) | (1,439) |
| Loan drawdowns | | - | 5,000 | 39,706 |
| Loan related costs | | (174) | (77) | (169) |
| Loan repayments | | (4,706) | (3,000) | (30,000) |
| Principal lease payments | | (400) | (423) | (936) |
| Equity dividends paid | 4 | (2,756) | (2,268) | (2,268) |
| Issue of own shares | | (60) | (106) | (185) |
| **Net cash (outflows) / inflows from financing activities** | | (8,790) | (1,199) | 4,709 |
| **Net movement in cash and cash equivalents** | | 3,225 | 10,004 | 761 |
| **Cash and cash equivalents at the beginning of the period** | | 14,824 | 13,864 | 13,864 |
| Exchange gains / (losses) on cash and cash equivalents | | 168 | (146) | 199 |
| **Cash and cash equivalents at the end of the period** | | 18,217 | 23,722 | 14,824 |

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

## Notes to the interim accounts

### 1 General information

Idox plc is a leading supplier of software and services for the management of Local Government and other organisations. The Company is a public limited company, limited by shares, which is listed on the AIM Market of the London Stock Exchange and is incorporated and domiciled in the UK. The address of its registered office is Unit 5, Woking 8, Forsyth Road, Woking, Surrey, GU21 5SB. The registered number of the Company is 03984070. There is no ultimate controlling party.

The interim financial statements are prepared in pounds sterling.

### 2 Basis of preparation

The financial information for the period ended 30 April 2024 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 October 2023 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified.

This interim report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The report should not be relied on by any other party or for any other purpose.

The report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report, but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

The interim financial information has been prepared using the same accounting policies and estimation techniques as will be adopted in the Group financial statements for the year ending 31 October 2024. The Group financial statements for the year ended 31 October 2023 were prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards as issued by the IASB. The Group has not applied IAS 34 'Interim Financial Reporting', which is not mandatory for AIM companies, in the preparation of these interim financial statements.

#### 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, taken to be a period of at least 12 months from the approval of these interim financial statements. 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 2023 the Group refinanced with the 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 2026. 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 FY23 results, the Group performed detailed financial forecasting, as well as severe stress-testing in our financial modelling, but did not identify any credible scenarios that would cast doubt on our ability to continue as a going concern. The financial forecasting and stress testing assumptions remain valid at 30 April 2024.

On the basis of the above considerations, the Directors have a reasonable expectation that the Group will have adequate resources to continue in business for the foreseeable future and therefore continue to adopt the going concern basis in preparing the interim financial statements.

### 3 Segmental analysis

During the period ended 30 April 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 and private sectors.
- 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 results for the six months to 30 April 2024 were:

| | **LPPP £000** | **Assets £000** | **COMM £000** | **Total £000** |
|---|---|---|---|---|
| Revenue | 28,950 | 7,081 | 7,118 | **43,149** |
| Adjusted EBITDA (note 10) | 9,197 | 1,580 | 2,282 | **13,059** |
| Depreciation & Amortisation | (3,945) | (1,147) | (1,008) | **(6,100)** |
| Restructuring costs | (16) | (5) | (5) | **(26)** |
| Acquisition costs | (12) | - | - | **(12)** |
| Share option costs | (770) | (204) | (251) | **(1,225)** |
| Segment operating profit | 4,454 | 224 | 1,018 | **5,696** |
| Financing costs | | | | **(23)** |
| Operating profit | | | | **5,673** |
| Finance income | | | | **186** |
| Finance costs | | | | **(1,302)** |
| Profit before tax | | | | **4,557** |

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

The segmental information for the six months to 30 April 2023 were:

| | **LPPP £000** | **Assets £000** | **COMM £000** | **Total £000** |
|---|---|---|---|---|
| Revenue | 21,458 | 7,177 | 7,146 | **35,781** |
| Adjusted EBITDA (note 10) | 7,735 | 1,811 | 2,557 | **12,103** |
| Depreciation & Amortisation | (3,032) | (1,010) | (1,246) | **(5,288)** |
| Restructuring costs | (121) | (166) | (42) | **(329)** |
| Acquisition costs | (340) | - | - | **(340)** |
| Share option costs | (741) | (210) | (249) | **(1,200)** |
| Segment operating profit | 3,501 | 425 | 1,020 | **4,946** |
| Financing costs | | | | **(28)** |
| Operating profit | | | | **4,918** |
| Finance income | | | | **61** |
| Finance costs | | | | **(901)** |
| Profit before tax | | | | **4,078** |

The segment revenues by geographic location were as follows:

| | **H1 FY24 £000** | **H1 FY23 £000** |
|---|---|---|
| **Revenues from external customers:** | | |
| United Kingdom | 38,757 | 31,727 |
| North America | 2,495 | 2,421 |
| Europe | 1,296 | 1,123 |
| Rest of World | 601 | 510 |
| | 43,149 | 35,781 |

**4 Dividends**

During the period a dividend was paid in respect of the year ended 31 October 2023 final dividend of 0.6p per ordinary share at a total cost of £2,756,000 (H1 FY23: 0.5p per ordinary share at a total cost of £2,268,000).

The directors do not propose a dividend in respect of the interim period ended 30 April 2024 (H1 FY23: £Nil).

**5 Tax on profit on ordinary activities**

The tax charge is made up as follows:

| | 6 months to 30 April 2024 (unaudited) £000 | 6 months to 30 April 2023 (unaudited) £000 | 12 months to 31 October 2023 (audited) £000 |
|---|---|---|---|
| **Current tax** | | | |
| UK corporation tax on profit for the year | 1,361 | 1,308 | 2,846 |
| (Over) / under provision in respect of prior periods | - | (20) | (90) |
| Total current tax | 1,361 | 1,288 | 2,756 |
| | | | |
| **Deferred tax** | | | |
| Origination and reversal of timing differences | (57) | (525) | (726) |
| Adjustment for rate change | - | (31) | 7 |
| Adjustments in respect of prior periods | - | 8 | 201 |
| Total deferred tax | (57) | (548) | (518) |
| | | | |
| Total tax charge | 1,304 | 740 | 2,238 |

The UK trading losses remaining unrecognised at the end of the period relate to brought-forward losses in respect of loss-making trades. Unrelieved trading losses of £493,674 (H1 FY23: £749,890) remain available to offset against future taxable trading profits (excluding unrecognised losses of £44,267 (H1 FY23: £58,806) in the UK and £15,736,014 (H1 FY23: £14,433,730) overseas). The decision was made to maintain derecognition of these assets on the basis these losses will not be utilised over the next three to five years. Across the period the total deferred tax asset in respect of unrelieved trading losses reduced from £281,000 to £127,208. There are no expiry dates for any of the unrelieved trading losses carried forward.

**6 Earnings per share**

The earnings per 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:

| | 6 months to 30 April 2024 (unaudited) | 6 months to 30 April 2023 (unaudited) | 12 months to 31 October 2023 (audited) |
|---|---|---|---|
| Profit for the period (£000) | 3,253 | 3,338 | 5,582 |
| | | | |
| **Basic earnings per share** | | | |
| Weighted average number of shares in issue | 452,460,466 | 447,942,345 | 449,016,841 |
| | | | |
| Basic earnings per share | 0.72p | 0.75p | 1.24p |
| | | | |
| Weighted average number of shares in issue | 452,460,466 | 447,942,345 | 449,016,841 |
| Add back: | | | |
| Dilutive share options | 4,920,946 | 7,150,750 | 6,563,834 |
| Weighted average allotted, called up and fully paid share capital | 457,381,412 | 455,093,095 | 455,580,675 |
| | | | |
| **Diluted earnings per share** | | | |
| | | | |
| Diluted earnings per share | 0.71p | 0.73p | 1.23p |

| Adjusted earnings per share | 6 months to 30 April 2024 (unaudited) | 6 months to 30 April 2023 (unaudited) | 12 months to 31 October 2023 (audited) |
|---|---|---|---|
| Adjusted profit for the period (£000) (see note 10) | 5,781 | 6,075 | 11,917 |
| Weighted average number of shares in issue - basic | 452,460,466 | 447,942,345 | 449,016,841 |
| Weighted average number of shares in issue - diluted | 457,381,412 | 455,093,095 | 455,580,675 |
| Adjusted basic earnings per share | 1.28p | 1.36p | 2.65p |
| Adjusted diluted earnings per share | 1.26p | 1.33p | 2.62p |

**7 Intangibles**

| | Goodwill £000 | Customer relationships £000 | Trade names £000 | Software £000 | Development costs £000 | Total £000 |
|---|---|---|---|---|---|---|
| At 31 October 2023 | 61,555 | 19,692 | 1,840 | 9,601 | 16,097 | **108,785** |
| Additions | - | - | - | 1 | 3,747 | **3,748** |
| Amortisation | - | (1,075) | (175) | (808) | (2,955) | **(5,013)** |
| At 30 April 2024 | 61,555 | 18,617 | 1,665 | 8,794 | 16,889 | **107,520** |

No impairment charge was incurred during H1 FY24 (H1 FY23: £Nil).

**8 Long-term incentive plan (LTIP)**

During the period, 5,231,494 were granted under the LTIP.

The Group recognised a total charge of £1,225,000 (H1 FY23: £1,200,000) for equity-settled share-based payment transactions related to the LTIP during the period. The total cost was in relation to outstanding share options and share options granted in the year.

The number of options in the LTIP scheme is as follows:

| | 30 April 2024 No. | 30 April 2023 No. | 31 October 2023 No. |
|---|---|---|---|
| Outstanding at the beginning of the period | 19,164,949 | 16,978,852 | 16,978,852 |
| Granted | 5,231,494 | - | 6,869,836 |
| Forfeited | (422,448) | - | (1,234,756) |
| Exercised | (3,132,658) | (1,626,974) | (3,448,983) |
| Outstanding at the end of the period | 20,841,337 | 15,351,878 | 19,164,949 |
| Exercisable at the end of the period | 785,530 | 3,473,759 | 2,628,342 |

**9 Post balance sheet events**

During the period Idox plc commenced a capital reduction process in order to cancel £41,558,000 from the share premium account and £1,112,000 from the capital redemption reserve which is subsequently transferred to retained earnings. The copy of the order confirming the cancellation of the share premium account and capital redemption reserve was approved by the High Court and registered by the Registrar of Companies for England and Wales on 9th May 2024.

**11 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 Interim Report 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.

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

| | **6 months to 30 April 2024 (unaudited) £000** | **6 months to 30 April 2023 (unaudited) £000** | **12 months to 31 October 2023 £000** |
|---|---|---|---|
| **Adjusted EBITDA:** | | | |
| Profit before taxation | 4,557 | 4,078 | 7,820 |
| Depreciation & Amortisation | 6,100 | 5,288 | 10,955 |
| Restructuring costs | 26 | 329 | 378 |
| Acquisition costs | 12 | 340 | 746 |
| Financing costs | 23 | 28 | 396 |
| Share option costs | 1,225 | 1,200 | 2,631 |
| Net finance costs | 1,116 | 840 | 1,524 |
| Adjusted EBITDA | 13,059 | 12,103 | 24,450 |
| | | | |
| **Free cashflow:** | | | |
| Net cashflow from operating activities after taxation | 17,666 | 17,136 | 18,599 |
| Capex | (4,292) | (3,785) | (8,522) |
| Lease payments | (400) | (423) | (936) |
| Free cashflow | 12,974 | 12,928 | 9,141 |
| | | | |
| **Net debt / (cash):** | | | |
| Cash | (18,217) | (23,722) | (14,824) |
| Bank borrowings | 13,760 | 11,245 | 18,291 |
| Bonds in issue | 11,049 | 11,362 | 11,207 |
| Net debt / (cash) | 6,592 | (1,115) | 14,674 |
| | | | |
| **Adjusted profit for the period and adjusted earnings per share:** | | | |
| Profit for the period | 3,253 | 3,338 | 5,582 |
| Add back: | | | |
| Amortisation from acquired intangibles | 2,026 | 1,769 | 3,622 |
| Impairment | - | - | 168 |
| Restructuring costs | 26 | 329 | 746 |
| Acquisition costs | 12 | 340 | 378 |
| Financing costs | 23 | 28 | 396 |
| Share option costs | 1,225 | 1,200 | 2,631 |
| Tax effect | (784) | (929) | (1,606) |
| Adjusted profit for the period | 5,781 | 6,075 | 11,917 |
| | | | |
| Weighted average number of shares in issue - basic | 452,460,466 | 447,942,345 | 449,016,841 |
| Weighted average number of shares in issue - diluted | 457,381,412 | 455,093,095 | 455,580,675 |
| | | | |
| Adjusted basic earnings per share | 1.28p | 1.36p | 2.65p |
| | | | |
| Adjusted diluted earnings per share | 1.26p | 1.33p | 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 underlying 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 Interim Report 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 Interim Report are encouraged to review this report in its entirety.