



Ideagen PLC - IDEA TRADING UPDATE

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Ideagen PLC

("Ideagen" "the Company" or "the Group")

Trading Update

Ideagen PLC (AIM: IDEA), a leading supplier of Information Management Software to highly regulated industries, today provides an update on trading for the six months ended 31 October 2019.

The Board is pleased to report that trading has remained strong in the first half of the financial year and that revenue and EBITDA are both expected to be significantly ahead of the same period last year and in line with management's expectations. This has been achieved through both organic revenue growth and the acquisitions of Redland Business Solutions Ltd (acquired in June 2019) and Optima Diagnostics Ltd (acquired in Oct 2019). The Company has a clear strategy to grow revenues organically and maintain high EBITDA margins whilst transitioning from a perpetual licence to a SaaS based subscription model. The successful execution of this strategy will provide an even more robust business model and a higher quality of earnings over the medium term without impacting on the short-term profitability of the business.

The Board considers that the key growth metric for the Group is based on Annual Recurring Revenue ("ARR"). ARR is the value of the Group's contracted recurring revenue book at any point in time, which will be recognised over the next 12 month period.

The Group's ARR has grown by approximately 20 per cent. from £36.4 million on 30 April 2019 to £43.9 million on 31 October 2019. This comprises of acquisition-led growth of £3.8 million combined with organic growth of £3.7 million within the period, representing approximately a 20 per cent. organic growth rate on an annualised basis. Group performance is based on strong customer demand and sales execution in the period and indicates that the transition to a recurring model is progressing successfully and is ahead of schedule.

Total organic revenue growth in the period was 7 per cent. which, in the context of an accelerated SaaS transition, represents a strong performance. Recognised Recurring revenue is expected to be approximately 74 per cent. of total revenue and is expected to rise to over 80 per cent. in the next full financial year.

The Company continues to compete and win new business within the UK and international markets reflecting the Company's global expansion. During the period, the Company won over 240 new customer logos including Emirates Airline, Emirates Catering, Alexander Hall, Mallinckrodt Pharmaceuticals, Freightliner, Vietjet Air, Mylan Pharmaceuticals and Royal London.

At the period end the group had net debt of £18.2 million (30 April 2019: net debt of £1.3 million) after spending £19.8 million on acquisitions. Operating cash generation in the period remained robust and in line with the Board's expectations.

Ben Dorks, Chief Executive Officer of Ideagen, commented:

"I am pleased to report an excellent start to Ideagen's financial year. Our core markets are strong and underpin the demand we have seen this half. We continue to execute our strategy, delivering growth and investing in the business whilst tightly managing the cost base. The Company has continued to make acquisitions which have further enhanced our global reach, customer base and product capability.

Cash generation has been good which coupled with further growth in new SaaS recurring revenues and an increase in repeat business from our growing customer base provides a strong platform for the second half.

The market opportunity remains large and long term and given the Group's position as a leader in the Governance, Risk and Compliance market, the Board is optimistic about the Group's continued growth prospects."

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About Ideagen plc

Ideagen is a UK-headquartered, global technology company quoted on the London Stock Exchange AIM market (Ticker: IDEA.L).

The Group provides IRM software and services to organisations operating within highly regulated industries such as aviation, banking and finance and life science, with its main operational premises spread throughout the UK, EU, US, Middle East and SE Asia.

With an excellent portfolio of software products including Q-Pulse, Coruson, Pentana Audit and PleaseReview, Ideagen helps its clients reduce costs, improve operational efficiency, strengthen compliance and oversight and anticipate and manage every detail of risk.

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Currently, more than 4,700 organisations use Ideagen's products including seven of the top 10 UK accounting firms, all of the top aerospace and defence companies and 75% of the world's leading pharmaceutical firms.

Ideagen's diverse and varied customer base includes many well-known, global brands such as British Airways, Aggreko, BAE, Ryanair, US Navy, KLM, BBVA, Bank of New York, Commerzbank, Meggitt, Heineken, Johnson Matthey, Haeco Group and European Central Bank. As well as this, Ideagen counts 180 hospitals across the UK and US amongst its client base.

For further information please visit www.ideagen.com

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