Ingenta plc
(the 'Group' or the 'Company')

Final Audited Results

Ingenta plc (AIM: ING) a leading software and services provider to the publishing and media industries, announces its final audited results for the year ended 31 December 2024.

Financial Performance

- Revenue decreased 5.6% to £10.2m (2023: £10.8m) as non-recurring consultancy revenue slowed down in 2024.
- Annual Recurring Revenue (ARR)* of £8.9m, representing 87% of total revenue (2023: £8.7m, 80%). New customer implementations in 2024 expected to yield approximately £0.5m of ARR in 2025.
- Adjusted EBITDA** £1.8m (2023: £2.2m).
- Net profit of £1.3m (2023: £2.3m) impacted by non-cash deferred tax charges of £0.5m (2023: £0.3m credit) combined with non-cash foreign exchange charges of £0.1m versus a credit of £0.2m in the prior year.
- Deferred tax charges are linked to a reduction in the Group deferred tax asset which only recognises loss utilisation over a 5 year period. The Group now predict that £0.5m of previously reported utilisation will happen in subsequent periods.
- Adjusted earnings per share of 11.7 pence*** (2023: 12.8 pence).
- Reported earnings per share of 8.8 pence (2023: 15.8 pence).
- Full year dividend 4.1 pence (2023: 4.1 pence), with proposed final dividend of 2.6 pence per share (2023: 2.6 pence), reflecting the Board's confidence in the Group's prospects.

Strong Balance Sheet Reinforced by Recurring Cash Flows

- Operating cash inflows of £1.7m (2023: £1.1m).
- No debt or lease obligations.
- Cash balances at year end of £3.6m (2023: £2.7m).

Encouraging Operational Delivery Leveraging New Group Structure

- New Ingenta Content wins with total contract value of £0.5m over three to five years.
- Significant new Ingenta Commercial win with total contract value of £1.4m over three years.

Current Trading

- Ongoing implementations on track, with a further Ingenta Content go live in Q1 2025.
- New Belgian customer contract win for Ingenta Content in January 2025.
- Significant pipeline of opportunities for Ingenta Commercial consultancy work in 2025.
- Trading in line with expectations with our focus on delivering sales growth.

Dividend Timetable

Subject to approval at the forthcoming AGM, the Company is pleased to announce a final dividend of 2.6 pence per share which will be paid on 30 June 2025. The ex-dividend date is 22 May 2025 and the associated record date for the final dividend is 23 May 2025.

* ARR – revenue generated and recognised in the year from annually recurring software support contracts, hosting services and managed services.
**Adjusted EBITDA – EBITDA before foreign exchange gain / loss and joint venture write off. See note 3 for details.
***Adjusted earnings per share – earnings before tax, foreign exchange gain / loss and joint venture write off. See note 5 for details.

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Scott Winner, Chief Executive Officer, commented:

"The Group produced a steady financial performance in 2024, as we continue to transition the business to our Software as a Service product suites. Our products are flexible and adaptable, making them suitable for a wide range of media businesses of all sizes and giving us a broad target market. We also benefit from more than 80% of our revenue coming from recurring fees, giving us good visibility of our near-term performance. With our increased investment in sales and marketing planned for 2025, we are confident of developing a larger pipeline of new business and returning to revenue growth in the year ahead."

Certain of the information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the UK version of the EU Market Abuse Regulation (2014/596) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time.

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Chairman's statement

Overview

The Board is encouraged that the Group continues to add customers onto the new generation of Ingenta software platforms, as these products will provide the foundation for future growth. During the year, five customers successfully went live, adding £0.5m of recurring annual revenues to the Group. Encouragingly, we anticipate further change control work from these accounts as they look to fine tune their Ingenta deployments.

As previously announced, the Group retains a significant element of higher-margin legacy business which is an important part of the Group's future strategy. These products and services are robust and will provide continued value to our customers for the foreseeable future. However, the Board acknowledges that in some cases customers may decide to migrate to alternative solutions, either with Ingenta or third-party providers.

In the year, four customers with combined annual fees of £0.4m migrated away from Ingenta platforms and this, along with a slow year for non-recurring consultancy services, has led to a full-year reduction in revenue. In response, the Group is prioritising the acceleration of new business acquisition to offset any future, potentially larger-scale reductions in legacy revenues, with the aim of returning the Group to growth in revenue and profit. The Board has sanctioned a £0.5m investment in Group sales and marketing activity, in order to build a larger and longer-term pipeline of new business opportunities.

As part of our growth drive, we are increasing our use of digital advertising and industry events to raise our brand awareness, and showcase our flagship projects, to demonstrate the benefits we can deliver to similar organisations. We aim to leverage our existing customer relationships to provide our products and services to their wider groups, and provide wrap-around services, to develop deeper customer relationships by taking on activities they do not want to perform themselves. We are aware that consolidation is a feature of our customers' markets and we are building our account management relationships and looking to embed ourselves in the customer decision process through our consulting service, which will help us to retain business if customers merge.

The Ingenta Content and Ingenta Commercial product suites are flexible, well-balanced offerings suited to both small and large customers, which expands their addressable market in our target segments. Our skilled development resource means our products are adaptable and can cater for changing customer needs, and we ensure they meet rigorous data security standards, for example by using globally recognised software and service providers. This underpins our confidence in the quality of our offering and our ability to attract a growing customer base.

Dividends

The Board expects to recommend the payment of an unchanged final dividend for the year of 2.6p per share, taking the total dividend for the year to a total of 4.1p. Subject to trading remaining in line with expectations, the Board intends to maintain the level of total dividends in 2025 at the current level of 4.1p per share.

Outlook

The Group anticipates a return to revenue growth in 2025, driven by the investment in sales and marketing, and there are promising early signs with another new contract win in January. However, despite the expected increase in sales, profitability in 2025 is expected to be lower than 2024, as the investments made take time to bed in. Additionally, the rebalancing of revenue in favour of new generation software will impact margins, as they attract a higher level of cloud infrastructure cost than legacy on-premise deployments.

Martyn Rose
Chairman

Financial review

The Group operates as one reporting segment with two core revenue categories of Ingenta Commercial and Ingenta Content.

Ingenta Commercial

Ingenta Commercial provides a variety of modular publishing management systems for both print and digital products. Its core area of expertise is intellectual property management, including the associated contracts, rights and royalties. The software has an established publisher client base and is highly adaptable, so it can also be applied to broader media markets including music, television and film.

Commercial revenues were £7.0m (2023: £7.6m) with the decrease driven mainly by a reduction in non-recurring legacy software consultancy services. In prior years, consultancy activity has been strong as customers undertook significant projects to modify and integrate their back end IT infrastructure. Whilst opportunities were slower to materialise in 2024, early indications suggest an upturn in 2025 as the Group is discussing a number of potential engagements. During the year two legacy customers with combined recurring annual fees of £0.1m left the Group.

Ingenta Content

The Ingenta Content suite of products enables publishers of any size, discipline or technical proficiency to convert, store, deliver and monetise digital content on the web.

Annual revenue remained stable at £3.2m (2023: £3.2m), as the Group successfully implemented five more customers onto the platform, with associated annual fees of £0.5m. Encouragingly, these new customers also have change control work they would like to pursue and the Group is scoping out requirements with a view to commencing work in 2025. During the year, two customers with annual fees of £0.3m left the Group.

Financial Performance

Group revenue decreased to £10.2m (2023: £10.8m). As outlined above, this was a consequence of slower consultancy services revenue, particularly within Ingenta Commercial legacy products.

Annual recurring revenue (see note 2) was £8.9m or 87% of total revenue (2023: £8.7m and 80% respectively). Although Group revenue declined slightly, the business has been replacing legacy software revenues with next-generation products, which should provide a solid foundation for future growth.

Sales and marketing spend was stable at £0.8m but the Group has announced its intention to invest £0.5m in sales and marketing activities, to accelerate new business wins. We have identified a number of roles that will help secure new business in our target markets and we are actively recruiting. Administrative costs declined slightly to £2.4m (2023: £2.6m) driven by the release of a £149K payable balance no longer required after formal wind up of the Group's 49% share of a Chinese Joint Venture plus the release of a £100K contract provision. Additionally, the Group benefited from reduced depreciation charges, as the business continues its policy of adopting cloud infrastructure wherever possible.

Adjusted EBITDA was £1.8m (2023: £2.2m) and was impacted in the year by the slower than expected consultancy revenues mentioned above. Similarly, profit from operations declined to £1.8m (2023: £2.0m), as disclosed in the statement of comprehensive income.

The Group has significant accumulated tax losses and anticipates making use of £12.0m and $5.7m in the UK and US respectively. For the deferred tax calculation, the Group reviews expected profits and use of tax losses over a five-year period. The £0.5m investment in sales and marketing activity described above means we expect that profits will now be lower in 2025. As a consequence, the losses may take longer to utilise, which in turn reduces the valuation of the deferred tax asset. The £0.5m tax charge (2023: £0.3m tax credit) is the adjustment to reduce the deferred tax asset from £1.6m to £1.1m (see note 5 for further details). Utilisation of losses means the Group's cash tax payments in respect of 2024 are minimal.

Financial Position

The Group has a robust balance sheet. Non-current assets of £3.9m (31 December 2023: £4.4m) include goodwill of £2.7m (31 December 2023: £2.7m). The Group tests goodwill for impairment each year using discounted cashflows and did not identify any impairment in the year. Property, plant and equipment of £0.1m reflects tight control of our expenditure and our infrastructure strategy to leverage Cloud-based services wherever possible. The balance of non-current assets is the deferred tax asset, with the reduction explained above.

Current assets increased from £4.9m to £5.7m, driven by increased cash balances reflecting our continued operational efficiency. See below for more information on cashflow.

Total liabilities decreased from £3.6m to £3.1m, primarily because the Group released £0.3m of provisions after successfully completing all of its software obligations. The Group has no debt or lease obligations.

Cashflow

The Group generated £1.7m of operating cashflow in the year (2023: £1.1m). Differences in cash generation year on year are mainly a timing issue, as the Group has a significant element of legacy annual renewal business. These renewals are billed in the final quarter of the year, causing increases in contract liabilities, with cash receipts tending to fall either side of year end. New business is predominantly contracted on a SaaS style arrangement, so is less prone to these timing issues. Closing cash balances were £3.6m (31 December 2023: £2.7m), increasing to £3.8m at the end of February 2025.

Earnings per share and dividends

The Group maintained its progressive dividend policy and paid out £0.6m in the year (2023: £0.5m). The Board is proposing to maintain the full year dividend for 2024 at 4.1p per share (2023: 4.1p) subject to shareholder approval of the 2.6p per share final dividend at the forthcoming AGM. The parent Company distributable reserves were £7.6m at 31 December 2024.

Basic earnings per share were 8.8p (2023: 15.8p) but these are heavily impacted by movements in deferred tax and unrealised foreign exchange movements on intercompany balances. Adjusted earnings per share, after removing these non-cash items and the joint venture write off, were 11.7p (2023: 12.8p).

Going concern

The core fundamentals of the Group remain strong, with profitable operations, cash reserves at the end of February 2025 of over £3.8m and no debt on the balance sheet. The Directors have prepared detailed cashflow projections, including sensitivity analysis, to the end of June 2026. Management is satisfied that cash is sufficient for the needs of the business and accordingly, the Group continues to adopt the going concern basis in preparing its consolidated financial statements.

Jon Sheffield
Chief Financial Officer

Group Statement of Comprehensive Income

	note	Year ended 31 Dec 24 £'000	Year ended 31 Dec 23 £'000
Group revenue	2	10,199	10,825
Cost of sales		(5,214)	(5,429)
Gross profit		4,985	5,396
Sales and marketing expenses		(750)	(757)
Administrative expenses		(2,408)	(2,590)
Profit from operations	3	1,827	2,049
Finance costs		(2)	(17)
Profit before income tax		1,825	2,032
Income tax	5	(546)	267
Profit for the year attributable to equity holders of the parent		1,279	2,299
Other comprehensive expenses which will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		78	(190)
Total comprehensive profit for the year attributable to equity holders of the parent		1,357	2,109
Basic profit per share (pence)	6	8.81	15.82
Dilutive profit per share (pence)	6	8.60	15.50

All activities are classified as continuing

Group Statement of Financial Position

	Note	31 Dec 24 £'000	31 Dec 23 £'000
Non-current assets			
Goodwill		2,661	2,661
Property, plant and equipment		121	93
Deferred tax asset		1,108	1,622
		3,890	4,376
Current assets			
Trade and other receivables		2,065	2,185
Cash and cash equivalents		3,619	2,676
		5,684	4,861
Total assets		9,574	9,237
Equity			
Share capital	7	1,510	1,512
Capital redemption reserve		182	180
Merger reserve		11,055	11,055
Reverse acquisition reserve		(5,228)	(5,228)
Share option reserve		172	140
Translation reserve		(410)	(488)
Retained earnings		(856)	(1,510)
Total equity		6,425	5,661
Non-current liabilities			
Deferred tax liability		2	-
		2	-
Current liabilities			
Trade and other payables		1,159	1,218
Provisions		-	307
Contract liabilities		1,988	2,051
		3,147	3,576
Total liabilities		3,149	3,576
Total equity and liabilities		9,574	9,237

Group Statement of Changes in Equity

	Share capital £'000	Capital redemption reserve £'000	Merger reserve £'000	Reverse acquisition reserve £'000	Translation reserve £'000	Retained earnings £'000	Share option reserve £'000	Total attributable to owners of parent £'000
Balance at 1 January 2023	1,512	180	11,055	(5,228)	(298)	(3,264)	117	4,074
Dividends paid	-	-	-	-	-	(545)	-	(545)
Share options granted in the year	-	-	-	-	-	-	23	23
Transactions with owners	-	-	-	-	-	(545)	23	(522)
Profit for the year	-	-	-	-	-	2,299	-	2,299
Foreign exchange differences on translation	-	-	-	-	(190)	-	-	(190)
Total comprehensive income for the year	-	-	-	-	(190)	2,299	-	2,109
Balance at 31 December 2023	1,512	180	11,055	(5,228)	(488)	(1,510)	140	5,661
Dividends paid	-	-	-	-	-	(596)	-	(596)
Shares repurchased and cancelled	(2)	2	-	-	-	(29)	-	(29)
Share options granted in the year	-	-	-	-	-	-	32	32
Transactions with owners	(2)	2	-	-	-	(625)	32	(593)
Profit for the year	-	-	-	-	-	1,279	-	1,279
Foreign exchange differences on translation	-	-	-	-	78	-	-	78
Total comprehensive income for the year	-	-	-	-	78	1,279	-	1,357
Balance at 31 December 2024	1,510	182	11,055	(5,228)	(410)	(856)	172	6,425

Group Statement of Cash Flows

	Note	Year ended 31 Dec 24 £'000	Year ended 31 Dec 23 £'000
Profit before taxation		1,825	2,032
Adjustments for			
Depreciation		56	288
Profit on disposal of fixed assets		(1)	-
Interest expense		2	17
Share based payment charge		32	23
Increase in trade and other receivables		121	(276)
Decrease in trade and other payables and contract liabilities		(44)	(1,112)
(Decrease) / Increase in provisions		(307)	168
Cash inflow from operations		1,684	1,140
Tax paid		(30)	(7)
Net cash inflow from operating activities		1,654	1,133
Cash flows from investing activities			
Purchase of property, plant and equipment		(84)	(80)
Net cash used in investing activities		(84)	(80)
Cash flows from financing activities			
Interest paid		(2)	(17)
Payment of lease liabilities		-	(192)
Dividend paid		(596)	(545)
Costs of share repurchase		(29)	-
Net cash used in financing activities		(627)	(754)
Net increase / (decrease) in cash and cash equivalents		943	299
Cash and cash equivalents at the beginning of the year		2,676	2,376
Exchange differences on cash and cash equivalents		-	1
Cash and cash equivalents at the end of the year		3,619	2,676

1. Basis of preparation

The financial information of the Group set out above does not constitute statutory accounts for the purposes of Section 435 of the Companies Act 2006. The financial information for the year ended 31 December 2024 has been extracted from the Group's audited financial statements which were approved by the Board of directors on 25 April 2025.

The financial information for the year ended 31 December 2024 has been extracted from the Group's financial statements for that period. The report of the auditor on the 2024 financial statements was unqualified, did not include any references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under Section 498(2) or Section 498(3) of the Companies Act 2006.

Whilst the financial information included in this preliminary announcement has been prepared in accordance with UK adopted international accounting standards ("IASs") in conformity with the requirements of the Companies Act 2006, the International Financial Reporting Interpretations Committee ("IFRIC"), interpretations issued by the International Accounting Standards Boards ("IASB") that are effective or issued and adopted as at the time of preparing these financial statements, and in accordance with the provisions of the Companies Act 2006 that are relevant to companies that report under UK adopted IASs, this announcement does not itself contain sufficient information to comply with those IASs. This financial information has been prepared in accordance with the accounting policies set out in the 2022 Report and Accounts and updated for new standards adopted in the current year.

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial information is presented in UK sterling (£), which is the Group's presentational currency.

The Company is a public limited company incorporated and domiciled in England & Wales and whose shares are traded on AIM, a market operated by the London Stock Exchange.

The principal activity of Ingenta plc and its subsidiaries is the sale of software and ancillary services.

2. Revenue

An analysis of the Group's revenue is detailed below by activity across the Group's operating units:

	Year ended 31 Dec 24 £'000	Year ended 31 Dec 23 £'000
Licences	-	24
Consulting Services	1,297	2,087
Non-recurring revenue	1,297	2,111
Hosted Services	3,644	3,509
Managed Services	2,742	2,668
Support and upgrade	2,163	2,197
PCG	353	340
Annual recurring revenue	8,902	8,714
	10,199	10,825

An analysis of the Group's revenue by product type is detailed below:

	Year ended 31 Dec 24 £'000	Year ended 31 Dec 23 £'000
Commercial product division	6,990	7,646
Content product division	3,209	3,179
	10,199	10,825

A geographical analysis of the Group's revenue is detailed below:

	Year ended 31 Dec 24 £'000	Year ended 31 Dec 23 £'000
UK	5,340	5,266
USA	3,929	4,418
Netherlands	301	345
France	227	208
Rest of the World	402	588
	10,199	10,825

Two customers each contributed more than 10% of revenue (2023: two) and this amounted to £3,510K (2023: £3,578K).

3. Profit from operations

Profit from operations has been arrived at after charging:

	Year ended 31 Dec 24 £'000	Year ended 31 Dec 23 £'000
Research and development costs	1,227	1,176
Net foreign exchange loss / (gain)	52	(168)
Depreciation of property, plant and equipment		
- owned assets	56	94
- assets under leases	-	194
Auditor's remuneration	140	140

An analysis reconciling the profit from operations to adjusted EBITDA is provided below.

	Year ended 31 Dec 24 £'000	Year ended 31 Dec 23 £'000
Profit from operations	1,827	2,049
Add back:		
Depreciation and amortisation	56	288
EBITDA	1,883	2,337
Adjusted for:		
Joint venture payable write off	(149)	-
Foreign exchange loss / (gain)	52	(168)
Adjusted EBITDA	1,786	2,169

4. Tax

	Year ended 31 Dec 24 £'000	Year ended 31 Dec 23 £'000
Analysis of (charge) / credit in the year		
Current tax:		
Current year State tax – US	(8)	(5)
Adjustment to prior year charge - UK	(3)	(3)
Adjustment to prior year charge - US	(19)	-
Deferred tax (charge) / credit	(516)	275
Taxation	(546)	267

The Group has accumulated tax losses at 31 December 2024 in the UK and the US of £12.0m (2023: £13.9m) and $5.7m (2023: $7.0m) respectively. These losses have been agreed with the tax authorities in the UK and US. The Board intends to make use of all losses wherever possible.

Management has utilised £4.8m of Group losses to recognise a £1.1m (2023: £1.6m) deferred tax asset at year end, which is based on expected taxable profits over the next five years. Management do not believe they have adequate information to make an assessment of utilisation beyond five years.

At year end there are unutilised tax losses of £9.3m and $3.1m in the UK and US respectively. From 1 April 2023, the UK corporation tax rate applicable to companies with taxable profits above £250,000 is 25%. Companies with profits below £50,000 pay tax at 19%. Those with taxable profits between £50,000 and £250,000 benefit from marginal relief, similar to that which applied before the previous incarnation of the small companies' rate of corporation tax was abolished with effect from 1 April 2015.

The differences are explained below:

Reconciliation of tax expense	Year ended 31 Dec 24 £'000	Year ended 31 Dec 23 £'000
Profit on ordinary activities before tax	1,825	2,032
Tax at the UK corporation tax rate of 25% (2023: 23.5%)	456	477
Income / expenses not allowable for tax purposes	7	(22)
Unrelieved losses carried forward	39	31
Utilisation of losses	(476)	(525)
Difference in timing of allowances	(15)	42
Deferred tax movement	516	(275)
Adjustment to tax charge in respect of prior years	19	5
Total taxation	546	(267)

UK corporation tax is calculated at 25% (2023: 23.5%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

5. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive ordinary share options. Management estimates that there are a further 347,451 ordinary shares (2023: 297,097) in respect of share options.

	Year ended 31 Dec 2024 £'000	Year ended 31 Dec 2023 £'000
Attributable profit	1,279	2,299
Adjustments for:		
Foreign exchange	52	(168)
Write back of Joint venture creditor	(149)	-
Deferred tax movement	516	(275)
Adjusted attributable profit	1,698	1,856
Weighted average number of ordinary shares used in basic earnings per share ('000)	14,523	14,535
Shares deemed to be issued in respect of share-based payments	347	297
Weighted average number of ordinary shares used in dilutive earnings per share ('000)	14,870	14,832
Basic profit per share arising from both total and continuing operations	8.81p	15.82p
Dilutive profit per share arising from both total and continuing operations	8.60p	15.50p
Adjusted basic profit per share from both total and continuing operations	11.69p	12.77p

Dividends

On 19 July 2024 the Company paid a final dividend of 2.6 pence per share for the year ended 31 December 2023. On 4 November 2024 an interim dividend of 1.5 pence per share was paid in respect of the year ended 31 December 2024.

After the year end, the Directors declared their intention to pay a final dividend of at 2.6 pence for the year ended 31 December 2024.

6. Share capital

	Year ended 31 Dec 2024 £'000	Year ended 31 Dec 2023 £'000
Issued and fully paid:		
15,098,125 (2023: 15,123,125, 2022: 15,123,125) ordinary shares of 10p each	1,510	1,512

There is one class of ordinary shares and holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings.

Share transactions

During the year, the Company purchased 25,000 ordinary shares at 114 pence per share (2023: nil). These shares were subsequently cancelled. There were no shares issued during the year (2023: nil).

7. Publication of non-statutory accounts

The financial information set out in this announcement does not constitute statutory accounts as defined in the Companies Act 2006.

The Group Statement of Comprehensive Income, Group Statement of Financial Position, Group Statement of Changes in Equity, Group Statement of Cash Flows and associated notes have been extracted from the Group's 2024 statutory financial statements upon which the auditor's opinion is unqualified and which do not include any statement under section 498 of the Companies Act 2006.

Those financial statements will be delivered to the Registrar of Companies following the release of this announcement.

This announcement and the annual report and accounts, including the Notice of Annual General Meeting, are available on the Company's website www.ingenta.com. A copy of the report and accounts will be sent to shareholders who have elected to receive a printed copy with details of the annual general meeting in due course.