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# FINANCIAL ANALYSIS SUMMARY

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22 April 2024

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ISSUER

**6PM HOLDINGS P.L.C.**

(C 41492)

*Prepared by:*



**MZ INVESTMENTS**



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The Directors  
6PM Holdings p.l.c.  
52, St Christopher Street  
Valletta VLT 1462, Malta

22 April 2024

Dear Board Members,

### **Financial Analysis Summary**

In accordance with your instructions, and in line with the requirements of the MFSA Listing Policies, we have compiled the Financial Analysis Summary (the “**Analysis**”) set out on the following pages and which is being forwarded to you together with this letter.

The purpose of this Analysis is that of summarising key financial data appertaining to 6PM Holdings p.l.c. (the “**Issuer**”, “**Company**”, or “**6PM**”) and its parent company Idox p.l.c. (the “**Idox Group**”). The data is derived from various sources or is based on our own computations as follows:

- (a) Historic information relating to Idox Group and 6PM for the most recent three financial years ended 31 October 2021, 31 October 2022, and 31 October 2023 has been extracted from the respective audited consolidated annual financial statements.
- (b) The forecast financial information of the Issuer for the year ending 31 October 2024 has been provided by the Company.
- (c) Our commentary on the financial performance, cash flows, and financial position of Idox Group and 6PM is based on explanations provided by Idox Group and the Issuer.
- (d) The ratios quoted in this Analysis have been computed by us applying the definitions set out in Part 4 – Explanatory Definitions of this report.
- (e) Relevant financial data in respect of the companies included in Part 3 – Comparative Analysis of this Analysis has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies, as well as other sources providing financial data.

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This Analysis is meant to assist existing and potential investors in the Issuer's securities by summarising the more important financial data of 6PM and Idox Group. This Analysis does not contain all data that is relevant to investors. This Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest or not invest in any of the Issuer's securities. We will not accept any liability for any loss or damage arising out of the use of this Analysis. As with all investments, potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours faithfully,

**Evan Mohnani**

Head Corporate Broking

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## PART 1 – INFORMATION ABOUT THE ISSUER

### 1. KEY ACTIVITIES

The activity of 6PM Holdings p.l.c. is that of a finance vehicle. Accordingly, 6PM has no trading activities and is therefore fully reliant on the guaranteed support of **Idox p.l.c.** to honour its debt obligations.

Idox p.l.c. is established in the UK and its shares are quoted on the Alternative Investment Market of the London Stock Exchange. Its major shareholders as at 31 October 2023, who each own more than 10% of Idox Group's issued share capital, were Canaccord Genuity Wealth Management (16.29%), Soros Fund Management LLC (11.43%), Long Path Partners (10.62%), and Kestrel Partners (10.32%).<sup>1</sup> In aggregate, these shareholders owned almost 49% of the issued share capital of Idox Group.

Idox Group develops specialist information management software and geospatial data solutions to the public and asset intensive sectors. Over the years, it built an established track record in tightly regulated niche markets including public authorities as well as in the health, engineering, transport, and property sectors. Built around the needs of the user and designed in collaboration with experts, Idox Group's specialised software delivers exceptional functionality and reliability to critical operations and embeds workflows that drive efficiency and best practice.

### 2. DIRECTORS

The Board of Directors of 6PM consists of five individuals who are entrusted with the overall management of the Issuer:

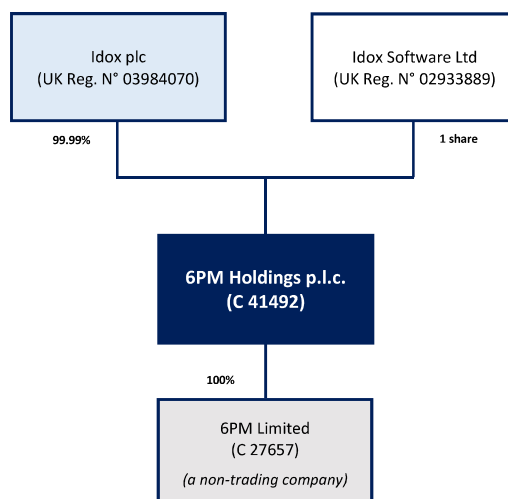
Christopher Stone	Independent, Non-Executive Chairman
David John Meaden	Chief Executive Officer
Anoop Kang	Chief Financial Officer
Philip Kelly	Independent, Non-Executive Director
Alice Cummings	Independent, Non-Executive Director

<sup>1</sup> Source: Idox p.l.c. Annual Report & Accounts 2023.



### 3. ORGANISATIONAL STRUCTURE

The diagram below illustrates the organisational structure of the Issuer:



### 4. BUSINESS OVERVIEW

Following the disposal of Idox Health Limited on 30 June 2020, and of 6PM Nearshore DOOEL on 28 January 2021, which were both acquired by Idox p.l.c., 6PM ceased to conduct any trading activities. Consequently, as of 1 February 2021, the Company's sole purpose is that of a finance vehicle.

In so far as the going concern of the Company, Idox p.l.c. is committed to continue providing the necessary financial assistance to 6PM. On this basis, and on the back of the assurance that Idox p.l.c. will continue supporting the Issuer financially on an ongoing basis with a view of enabling the Company to meet its financial obligations as and when they fall due, the Directors of the Issuer consider that 6PM has adequate access to resources to continue in business for the foreseeable future.

In making this assessment, the Directors of the Issuer have considered Idox Group's budgets and cash flow and orderbook forecasts, its high level of recurring revenues which are predominantly generated from public sector markets, as well as the financial strength and flexibility of Idox Group which are reflected in its strong liquidity position, availability to committed bank facilities, and ample headroom against financial covenants.

A brief description of the business activities and financial performance of Idox Group is provided in Section 5 overleaf.



## 5. INFORMATION ABOUT IDOX GROUP

### 5.1 PRINCIPAL ACTIVITIES

Idox Group operates mainly in the United Kingdom (“UK”), the United States of America, and Europe. In FY2023, revenues generated within the UK amounted to £64.91 million, representing 88.57% of total revenues (FY2022: £58.05 million / 87.71%).

The average number of employees during FY2023 was 626 (FY2022: 578), comprising 257 employees in operations-related functions, 206 employees in development-related functions, 82 persons performing administrative duties, and 81 salespersons.

In FY2023, Idox Group was organised into three operating segments, as described below:

- **Land, Property & Public Protection (“LPPP”)** – this segment focuses on delivering specialist information management solutions and services to the public sector. The main offerings are regulatory services, the built environment, public protection, address management, and geospatial data solutions.
- **Assets** – this segment focuses on delivering engineering document management and control solutions to asset intensive industry sectors. The main offerings are Engineering Information Management (“EIM”) solutions, facilities management, asset tracking, and transport.
- **Communities (“COMM”)** – this segment focuses on delivering software solutions to clients with social value running through their core. The main offerings are election management systems, social care, sexual health management, as well as grant and research databases.

In the first half of the 2021 financial year, Idox Group disposed of the Content business for a net consideration of £10.7 million. This operating segment used to provide solutions to corporate, public, and commercial customers in the fields of grant funding applications as well as e-learning and employee compliance.

Most of the proceeds from the sale of the Content business were invested in the acquisition of three companies: **Aligned Assets**, **thinkWhere**, and **exeGesIS**. The integration of these entities largely took place in FY2022, including the core operating systems and the related processes into Idox Software Limited.

In October 2022, Idox Group concluded the acquisition of LandHawk Software Services Limited (“**LandHawk**”) for £1.1 million. This initiative was aimed at further enhancing the core public sector software offering of Idox Group. In fact, LandHawk provides land mapping and geographic information systems (“GIS”) that complement the local authority and property business of Idox Group. Moreover, LandHawk allows clients to identify off-market land opportunities by bringing together geospatial intelligence in a user-friendly cloud-native software solution. Furthermore, whilst allowing clients to



complete development feasibility studies, LandHawk also provides GIS data directly to clients for use in their own applications, alongside a managed service to support clients in sourcing off-market land.

Goodwill arising on the acquisition of LandHawk was capitalised and largely consisted of the value of the synergies and economies of scale expected from combining the operations of LandHawk with Idox Group. The purchase of LandHawk was accounted for using the acquisition method of accounting.

In line with the strategy adopted by Idox Group with a view of increasing the overall quality of business and strengthen its presence in the market, in August 2023 Idox Group completed the acquisition of Emapsite.com Limited (“**Emapsite**”) for a total consideration of £15.62 million.

Emapsite is a successful provider of geospatial data to the UK market for customers associated with land and property across a wide range of vertical industries including energy, infrastructure, environmental, telecommunications, and construction. Indeed, Emapsite solves complex geospatial data problems, supplying valuable and vital business intelligence via its entry-level Core and premium Spatialise services. Emapsite also automates the processes of curating data from multiple sources by manipulating and aligning data for further analysis. These processes are hosted in the cloud and shared via web-based user interfaces to Core clients and via Application Programming Interfaces to Spatialise clients.

Goodwill arising on the acquisition of Emapsite was capitalised and consisted largely of the value of the synergies and economies of scale expected from combining the operations of Emapsite with Idox Group. The purchase of Emapsite was accounted for using the acquisition method of accounting.

The revenue and net profit contribution made by Emapsite to Idox Group in FY2023 amounted to £2.7 million and £0.2 million respectively. If Emapsite had been included as part of Idox Group as from 1 November 2022 (i.e., at the start of FY2023), it would have contributed £13.0 million in revenue and £1.1 million in net profit.

Going forward, Idox Group will continue with its efforts at improving internal efficiencies through marginal gains across the various sales, development, professional services, and support activities, as well as leverage the common resources within the Group with a view of driving higher margins through improved economies of scale.

## 5.2 REVENUE ANALYSIS

The financial information overleaf shows the revenues generated by each of Idox Group’s operating segments in FY2021, FY2022, and FY2023. Recurring revenue is defined as revenues associated with access to a specific ongoing service, with invoicing that typically recurs on an annual basis and is underpinned by either a multi-year or a rolling contract. These services include support and maintenance, software-as-a-service fees, hosting services, as well as managed service arrangements which involve a fixed fee irrespective of consumption. On the other hand, non-recurring revenue is defined as revenues without any formal commitment from the customer to recur on an annual basis.





<b>Idox p.l.c.</b>			
<b>Revenue Analysis</b>			
<b>for the financial year ended 31 October</b>			
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Land, Property & Public Protection	30,562	35,073	43,413
Assets	15,796	14,835	14,845
Communities	15,827	16,276	15,019
<b>Idox Software – continuing operations</b>	<b>62,185</b>	<b>66,184</b>	<b>73,277</b>
Content – discontinued operations	3,897	-	-
<b>Total revenue</b>	<b>66,082</b>	<b>66,184</b>	<b>73,277</b>
<b>Continuing operations:</b>			
Recurring revenues	36,250	40,546	43,619
Non-recurring revenues	25,935	25,638	29,658
	<b>62,185</b>	<b>66,184</b>	<b>73,277</b>
Content – discontinued operations	3,897	-	-
<b>Total revenue</b>	<b>66,082</b>	<b>66,184</b>	<b>73,277</b>

Despite the disposal of the Content business in FY2021, total revenue increased marginally to £66.18 million in **FY2022** compared to £66.08 million in the previous comparable period (when also including discontinued operations which contributed £3.90 million in income). The year-on-year improvement was driven by the 14.76% upsurge (or +£4.51 million) in income generated by LPPP to £35.07 million (FY2021: £30.56 million) which outweighed the 6.08% decline in the Assets segment to £14.84 million (FY2021: £15.80 million). Furthermore, Idox Group experienced an increase in activity within the Local Authority and Grants division, whilst its financial performance was also supported by new contracts and a full year contribution from Aligned Assets, exeGesIS, and thinkWhere. Meanwhile, the COMM unit also recorded an increase in revenue in FY2022 to £16.28 million, representing an uplift of 2.84% compared to the level of £15.83 million generated in the previous year.

Excluding discontinued operations, total revenue from continuing operations increased by 6.43% (or +£4 million) when compared to the £62.19 million figure reported in FY2021.

In terms of the type of income generated by Idox Group in FY2022, recurring revenue grew by almost 12% (or +£4.30 million) to £40.55 million compared to £36.25 million in FY2021. Furthermore, the proportion of recurring revenue as a percentage of the total income from continuing operations increased to 61.26% from 58.29% in FY2021.

Idox Group also achieved double-digit growth in income in **FY2023** to £73.28 million (+10.72%) on the back of the sterling performance of the LPPP segment which saw its revenues rise by 23.78% to £43.41 million. During the year, Idox Group's geospatial offerings were enhanced further with the acquisition of Emapsite, whilst additional development and enhancements were made to the solutions appertaining to thinkWhere and LandHawk. Elsewhere, the Assets segment delivered a stable performance in FY2023 as it generated an unchanged level of income of £14.85 million. On the other hand, income from COMM dropped by 7.72% (or -£1.26 million) to just over £15 million.



### 5.3 FINANCIAL HIGHLIGHTS

The information below has been extracted from the audited consolidated annual financial statements for each of the financial years ended 31 October 2021, 31 October 2022, and 31 October 2023.

<b>Idox p.l.c.</b>			
<b>Income Statement</b>			
<b>for the financial year ended 31 October</b>			
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Revenue	62,185	66,184	73,277
Net operating expenses	(42,666)	(43,675)	(48,827)
<b>EBITDA</b>	<b>19,519</b>	<b>22,509</b>	<b>24,450</b>
Depreciation and amortisation	(10,204)	(10,584)	(10,955)
<b>Operating profit before restructuring, acquisition, and other costs</b>	<b>9,315</b>	<b>11,925</b>	<b>13,495</b>
Restructuring, acquisition and other costs	(1,675)	(3,267)	(4,151)
<b>Operating profit</b>	<b>7,640</b>	<b>8,658</b>	<b>9,344</b>
Net finance costs	(372)	(2,056)	(1,524)
<b>Profit before tax</b>	<b>7,268</b>	<b>6,602</b>	<b>7,820</b>
Taxation	(1,237)	(991)	(2,238)
Profit / (loss) for the year from discontinued operations	5,918	(567)	-
<b>Profit after tax</b>	<b>11,949</b>	<b>5,044</b>	<b>5,582</b>
<b>Other comprehensive income</b>			
Exchange differences	(108)	428	(45)
<b>Total comprehensive income</b>	<b>11,841</b>	<b>5,472</b>	<b>5,537</b>

<b>EBITDA Analysis</b>			
<b>EBITDA:</b>			
Land, Property & Public Protection	11,216	13,235	13,885
Assets	4,647	4,450	4,199
Communities	3,656	4,824	6,366
	<b>19,519</b>	<b>22,509</b>	<b>24,450</b>
<b>EBITDA margin:</b>			
Land, Property & Public Protection	36.70	37.74	31.98
Assets	29.42	30.00	28.29
Communities	23.10	29.64	42.39



Idox p.l.c.	FY2021	FY2022	FY2023
Key Financial Ratios	Actual	Actual	Actual
EBITDA margin (%) <i>(EBITDA / revenue)</i>	31.39	34.01	33.37
Operating profit margin (%) <i>(Operating profit / revenue)</i>	12.29	13.08	12.75
Net profit margin (%) <i>(Profit after tax / revenue)</i>	19.22	7.62	7.62
Return on equity (%) <i>(Profit after tax / average equity)</i>	22.18	7.87	7.94
Return on assets (%) <i>(Profit after tax / average assets)</i>	8.79	3.83	3.97
Return on invested capital (%) <i>(Operating profit / average equity and net debt)</i>	11.05	11.76	11.32
Interest cover (times) <i>(EBITDA / net finance costs)</i>	52.47	10.95	16.04

## INCOME STATEMENT

In **FY2022**, EBITDA surged by 15.32% (or +£2.99 million) to £22.51 million (FY2021: £19.52 million) reflecting the improved contribution and profitability of LPPP and COMM which, in aggregate, saw their combined EBITDA increase by £3.19 million (or +21.43%) to £18.06 million. On the other hand, the Assets division reported a marginal decline in EBITDA to £4.45 million (FY2021: £4.65 million) albeit on an improved margin of 30% compared to 29.42% in FY2021. Similarly, LPPP and COMM also achieved improved EBITDA margins in FY2022, particularly the COMM operating segment which recorded a margin of 29.64% compared to 23.10% in FY2021.

Overall, the EBITDA margin of Idox Group trended higher to 34.01% in FY2022 compared to 31.39% in the previous financial year, reflecting a combination of operational efficiencies, changes in product and service mix, as well as pricing.

Despite the improved profitability at operational level (which also translated into a higher return on invested capital of 11.76% compared to 11.05% in FY2021), the net profit margin contracted notably to 7.62% compared to 19.22% in the prior financial year. Furthermore, the return on equity and return on assets declined to 7.87% (FY2021: 22.18%) and 3.83% (FY2021: 8.79%) respectively. This was due to the drop in net profit to £5.04 million (FY2021: £11.95 million) largely reflecting:

- (i) FY2021 benefitted from the gain on disposal arising on sale of the Content business.
- (ii) The increase in restructuring, acquisition, and other related costs to £3.27 million (FY2021: £1.68 million) which also includes the finalisation costs amounting to £0.57 million related to the disposal of the Content business.



- (iii) The increase in net finance costs to £2.06 million compared to £0.37 million in FY2021, as well as the loss of £0.57 million from discontinued operations compared to the profit of £5.92 million recorded in FY2021.

Restructuring costs for the year amounted to £0.47 million (FY2021: gain of £0.09 million) as these related to initiatives taken by Idox Group aimed at further simplifying its organisational structure. In addition, Idox Group incurred £0.18 million in acquisition costs (FY2021: gain of £0.13 million) relating to the acquisition of LandHawk as well as the finalisation fees associated with the acquisition of Aligned Assets, thinkWhere, and exeGesIS in FY2021.

Idox Group also recorded higher share option costs and net finance costs in FY2022. The former amounted to £2.58 million (FY2021: £1.79 million) and comprised the accounting charge for awards made under Idox Group's long-term 'Incentive Plan'. Meanwhile, the increase in net finance costs reflected the significant adverse impact amounting to £1.0 million in non-cash foreign exchange movements on the Issuer's bond, as well as a £0.7 million non-cash adverse impact of an effective interest rate accounting adjustment on drawn loan balances. Nonetheless, although the interest cover weakened to 10.95 times compared to 52.47 times in FY2021, this was still higher than the level of 7.92 times achieved in FY2020 reflecting the significant growth in EBITDA recorded by Idox Group in recent years.

In **FY2023**, Idox Group's EBITDA increased by 8.62% (or +£1.94 million) to £24.45 million, translating into a margin of 33.37%. Most of this growth was driven by the 'COMM' segment which generated an EBITDA of £6.37 million, representing a year-on-year upsurge of 31.97% (or +£1.54 million). The EBITDA margin of this operating segment also improved markedly year-on-year to 42.39%. On the other hand, the LPPP segment registered an EBITDA of £13.89 million, representing a year-on-year increase of 4.91%, whilst the Assets segment recorded a 5.64% decline in EBITDA to £4.20 million.

After accounting for depreciation and amortisation charges of £10.96 million (FY2022: £10.58 million), as well as restructuring, acquisition, financing, and share option costs of £4.15 million, Idox Group reported an operating profit of £9.34 million, representing a year-on-year increase of 7.92% (or +£0.69 million) over the comparable figure of £8.66 million registered in FY2022. However, the operating profit margin and the return on invested capital trended slightly lower to 12.75% (FY2022: 13.08%) and 11.31% respectively due to the year-on-year increase in restructuring, acquisition, financing, and share option costs.

During FY2023, restructuring costs amounted to £0.38 million and were related to further initiatives taken during the year to simplify and rationalise Idox Group's organisational structure. Acquisition costs of £0.75 million related to the fees incurred for the take-over of Emapsite and the finalisation fees associated with the acquisition of Aligned Assets and exeGesIS. Furthermore, Idox Group accounted for £2.63 million in share option costs whilst it also incurred £0.40 million in charges to refinance its revolving credit facility.

Net finance costs decreased by 25.88% year-on-year to £1.52 million (FY2022: £2.06 million) mainly on account of favourable effective interest rate adjustments. Moreover, Idox Group did not incur any



negative (non-cash) foreign exchange differences which in FY2022 amounted to £0.30 million. Coupled with the growth in EBITDA, the reduction in net finance costs led the interest cover to strengthen to 16.04 times.

Overall, Idox Group reported a net profit of £5.58 million in FY2023 which translated into a margin of 7.62%. Furthermore, the return on equity and on assets improved to 7.94% and 3.97% respectively.

<b>Idox p.l.c.</b>			
<b>Statement of Cash Flows</b>			
<b>for the financial year ended 31 October</b>			
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Net cash from operating activities	16,554	15,647	18,599
Net cash used in investing activities	(5,542)	(9,835)	(22,547)
Net cash from / (used in) financing activities	(23,080)	(10,624)	4,709
<b>Net movement in cash and cash equivalents</b>	<b>(12,068)</b>	<b>(4,812)</b>	<b>761</b>
Cash and cash equivalents at beginning of year	30,812	18,283	13,864
Effect of foreign exchange rates	(461)	393	199
<b>Cash and cash equivalents at end of year</b>	<b>18,283</b>	<b>13,864</b>	<b>14,824</b>
<b>Free cash flow:</b>			
Net cash from operating activities	16,554	15,647	18,599
Less: Capital expenditure	(5,747)	(7,558)	(8,522)
Lease payments	(1,154)	(927)	(936)
<b>Free Cash Flow</b>	<b>9,653</b>	<b>7,162</b>	<b>9,141</b>

## STATEMENT OF CASH FLOWS

In **FY2022**, the amount of net cash generated from operating activities dropped by 5.48% (or -£0.91 million) to £15.65 million (FY2021: £16.55 million). The higher level of cash flows from operations (+11.7%) was offset by a tax payment of £2.62 million (including the settlement of VAT deferrals from the previous year of £1.0 million which were part of Idox Group's COVID-19 pandemic defensive actions) compared to the tax refund of £0.21 million received in the 2021 financial year.

Net cash outflow from investing activities increased substantially to £9.84 million compared to £5.54 million in the previous financial year. During FY2022, Idox Group used £9.01 million to conclude the acquisition of subsidiaries (including £6.65 million for intangible assets) whilst in the 2021 financial year, a net amount of £4.5 million was used when including the inflow of funds received from the disposal of the Content business.

Free cash flow amounted to £7.16 million in FY2022 compared to £9.65 million in the prior year. The year-on-year drop was due to the lower level of net cash generated from operating activities (post-tax) as well as the increase in capital expenditure during year.

Net cash outflow from financing activities dropped considerably to £10.62 million from £23.08 million in FY2021. This was principally due to the much lower amount of net loan repayments made by Idox



Group during the year which totalled £6.60 million compared to £19.40 million in the 2021 financial year.

Overall, cash and cash equivalents contracted by £4.81 million during FY2022 as Idox Group ended the year with a cash balance of £13.86 million compared to £18.28 million as at 31 October 2021.

During **FY2023**, Idox Group generated £18.60 million in net cash from operating activities, representing a year-on-year upsurge of almost 19% (or +£2.95 million) mostly on the back of the improved profitability and the lower level of tax paid.

Net cash used in investing activities more than doubled to £22.55 million which includes the amount spent for the acquisition of Emapsite as well as the purchase/capitalisation of intangible assets. On the other hand, Idox Group had a cash inflow of £4.71 million from its investing activities comprising net proceeds of £9.54 million from loans which offset other finance-related cash outflows.

In aggregate, Idox Group ended the 2023 financial year with a cash balance of £14.82 million, representing a year-on-year increase of £0.96 million (or +6.92%). After taking into account borrowings, the Group ended FY2023 with a net debt position of £14.67 million when excluding lease liabilities of £1.18 million.



<b>Idox p.l.c.</b>			
<b>Statement of Financial Position</b>			
<b>as at 31 October</b>			
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	92,025	92,410	108,785
Property, plant and equipment	1,307	1,380	1,339
Right-of-use assets	2,363	1,782	1,333
Other receivables	-	-	1,201
Deferred tax assets	2,623	2,679	2,541
	<u>98,318</u>	<u>98,251</u>	<u>115,199</u>
<b>Current assets</b>			
Trade and other receivables	16,968	17,912	21,451
Cash and cash equivalents	18,283	13,864	14,824
	<u>35,251</u>	<u>31,776</u>	<u>36,275</u>
<b>Total assets</b>	<b><u>133,569</u></b>	<b><u>130,027</u></b>	<b><u>151,474</u></b>
<b>EQUITY</b>			
<b>Equity and reserves</b>			
Share capital	4,469	4,525	4,562
Reserves	54,219	55,408	57,344
Retained earnings	2,122	7,483	11,371
	<u>60,810</u>	<u>67,416</u>	<u>73,277</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank loans and bonds	26,392	20,526	29,498
Lease liabilities	1,747	1,265	958
Other non-current liabilities	7,369	7,124	9,755
	<u>35,508</u>	<u>28,915</u>	<u>40,211</u>
<b>Current liabilities</b>			
Lease liabilities	727	545	220
Trade and other payables	36,524	33,151	37,766
	<u>37,251</u>	<u>33,696</u>	<u>37,986</u>
<b>Total liabilities</b>	<b><u>72,759</u></b>	<b><u>62,611</u></b>	<b><u>78,197</u></b>
<b>Total equity and liabilities</b>	<b><u>133,569</u></b>	<b><u>130,027</u></b>	<b><u>151,474</u></b>
<i>Total debt</i>	28,866	22,336	30,676
<i>Net debt</i>	10,583	8,472	15,852
<i>Invested capital (total equity plus net debt)</i>	71,393	75,888	89,129



Idox p.l.c.	FY2021	FY2022	FY2023
Key Financial Ratios	Actual	Actual	Actual
Net debt-to-EBITDA (times) <i>(Net debt / EBITDA)</i>	0.54	0.38	0.65
Net debt-to-equity (times) <i>(Net debt / total equity)</i>	0.17	0.13	0.22
Net gearing (%) <i>(Net debt / net debt and total equity)</i>	14.82	11.16	17.79
Debt-to-asset (times) <i>(Total debt / total assets)</i>	0.22	0.17	0.20
Leverage (times) <i>(Total assets / total equity)</i>	2.20	1.93	2.07
Current ratio (times) <i>(Current assets / current liabilities)</i>	0.95	0.94	0.95

## STATEMENT OF FINANCIAL POSITION

The equity base of Idox Group expanded by 10.86% (or +£6.61 million) in **FY2022** to £67.42 million mostly reflecting the increase in retained earnings to £7.48 million compared to £2.12 million as at 31 October 2021.

In contrast, total assets contracted by 2.65% (or -£3.54 million) to £130.03 million (31 October 2021: £133.57 million) whilst total liabilities decreased by almost 14% (or -£10.15 million) to £62.61 million (31 October 2021: £72.76 million). The notable reduction in total liabilities was principally due to:

- (i) the significant drop of 22.62% (or -£6.53 million) in total debt to £22.34 million compared to £28.87 million as at 31 October 2021.
- (ii) the 9.24% decline in trade and other payables to £33.15 million compared to £36.52 million as at the end of the 2021 financial year.

In view of the higher level of EBITDA and the reduction in overall indebtedness, the credit metrics of Idox Group continued to strengthen during FY2022. Furthermore, the reduction in the balance of cash and cash equivalents did not come at the expense of Idox Group's liquidity position as the current ratio remained virtually unchanged at 0.94 times reflecting the contraction in trade and other payables as explained above.

Total assets increased by 16.49% (or +£21.45 million) in **FY2023** to £151.47 million mostly due to the higher level of intangible assets (+£16.38 million to £108.79 million) and trade and other receivables (+£3.54 million to £21.45 million).

Similarly, total liabilities also increased notably by 24.89% to £78.20 million (+£15.59 million) amid an increase of £8.34 million (or +37.34%) in total debt to £30.68 million as well as higher balances of trade





and other payables (+£4.62 million to £37.77 million) and other non-current liabilities (+£2.63 million to £9.76 million). Although Idox Group's equity base expanded by £5.86 million to £73.28 million, the net debt-to-equity ratio and the net gearing ratio trended higher to 0.22 times (31 October 2022: 0.13 times) and 17.79 times (31 October 2022: 11.16%) respectively. The other principal credit metrics of Idox Group also deteriorated year-on-year but remained very strong as the net debt-to-EBITDA multiple stayed below 1 times, whilst the debt-to-asset ratio and the leverage ratio stood at 0.20 times (31 October 2022: 0.17 times) and 2.07 times (31 October 2022: 1.93 times) respectively as at the end of FY2023.

## PART 2 – ISSUER'S PERFORMANCE REVIEW

### 6. FINANCIAL INFORMATION

The historic information is extracted from the audited consolidated annual financial statements of 6PM for the financial years ended 31 October 2021, 31 October 2022, and 31 October 2023.

**The forecast information is based on future events and assumptions which the Company believes to be reasonable. Accordingly, the actual outcome may be adversely affected by unforeseen situations and the variation between forecasts and actual results may be material.**

6PM Holdings p.l.c. Income Statement for the financial year 31 October	2021 Actual £'000	2022 Actual £'000	2023 Actual £'000	2024 Forecast £'000
Net operating income / (expense)	681	(424)	65	(85)
<b>EBITDA</b>	<b>681</b>	<b>(424)</b>	<b>65</b>	<b>(85)</b>
Net finance costs	(556)	(858)	(940)	(886)
<b>Profit / (loss) before tax</b>	<b>125</b>	<b>(1,282)</b>	<b>(875)</b>	<b>(971)</b>
Profit / (loss) from discontinued operations	(109)	-	-	-
<b>Profit / (loss) after tax</b>	<b>16</b>	<b>(1,282)</b>	<b>(875)</b>	<b>(971)</b>
<b>Other comprehensive income</b>				
Exchange differences	727	(312)	145	36
<b>Total comprehensive income / (expense)</b>	<b>743</b>	<b>(1,594)</b>	<b>(730)</b>	<b>(935)</b>



6PM Holdings p.l.c. Key Financial Ratios	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Forecast
Interest cover (times) (EBITDA / net finance costs)	1.22	(0.49)	0.07	(0.10)
Net debt-to-EBITDA (times) (Net debt / EBITDA)	16.07	(26.69)	172.32	(132.66)

## INCOME STATEMENT

6PM reported a net profit of £0.02 million in **FY2021**. Net operating income amounted to £0.68 million which comprised a gain from exchange differences on receivables as well as translation of the euro-denominated bond. Furthermore, net finance costs amounted to £0.56 million and related to the interest payable on the bond. The loss from discontinued operations amounted to £0.11 million. Within other comprehensive income, the Company registered a gain in exchange differences of £0.73 million, thus leading to a total comprehensive income for the year of £0.74 million.

In **FY2022**, 6PM reported a loss after tax of £1.28 million reflecting net operating expenses of £0.42 million and net finance costs of £0.86 million. The Company's financial performance was also dented by unfavourable exchange differences amounting to £0.31 million. As a result, the total comprehensive expense for the year stood at £1.59 million.

In **FY2023**, 6PM registered a net loss of £0.88 million as the net operating income of £0.07 million was offset by net finance costs amounting to £0.94 million. Within other comprehensive income, the Issuer posted a foreign exchange profit of £0.15 million, thus leading to a total comprehensive expense for the year of £0.73 million.

For **FY2024**, 6PM is projecting a loss after tax of £0.97 million reflecting net operating expenses of £0.09 million and bond interest costs of £0.89 million. This loss is expected to be partly offset by a marginal favourable foreign exchange profit of £0.04 million which would lead to a total comprehensive expense for the year of £0.94 million.



6PM Holdings p.l.c.				2024 Forecast £'000
Statement of Cash Flows				
for the financial year 31 October				
2021 Actual £'000	2022 Actual £'000	2023 Actual £'000		
Net cash from / (used in) operating activities	486	799	909	848
Net cash from / (used in) investing activities	(464)	138	225	90
<b>Free cash flow</b>	<b>22</b>	<b>937</b>	<b>1,134</b>	<b>938</b>
Net cash used in financing activities	(855)	(1,024)	(1,182)	(976)
<b>Net movement in cash and cash equivalents</b>	<b>(833)</b>	<b>(87)</b>	<b>(48)</b>	<b>(38)</b>
Cash and cash equivalents at beginning of year	354	53	10	6
Effect of foreign exchange rates	532	44	44	32
<b>Cash and cash equivalents at end of year</b>	<b>53</b>	<b>10</b>	<b>6</b>	<b>-</b>

## STATEMENT OF CASH FLOWS

Net cash from operating activities amounted to £0.49 million in **FY2021** whilst net cash used in investing activities amounted to £0.46 million. The latter mainly comprised losses on sales of investments. Meanwhile, net cash used in financing activities amounted to £0.86 million and comprised net payments of interest on outstanding bonds and other borrowings. As a result, the net movement in cash and cash equivalents in FY2021 stood at negative £0.83 million.

In **FY2022**, 6PM generated £0.80 million in net cash from operating activities reflecting positive changes in working capital. Cash flows from investing activities amounted to £0.14 million comprising funds received from inter group finance. On the other hand, cash flows used in financing activities amounted to £1.02 million representing interest paid. Overall, the net movement in cash and cash equivalents in FY2022 stood at negative £0.09 million.

The Issuer registered a negative movement of £0.05 million in cash and cash equivalents in **FY2023**. The amount of net cash generated from operating activities (£0.91 million) and investing activities (£0.23 million) was marginally offset by the net interest paid of £1.18 million. Overall, 6PM ended the year with a virtually year-on-year unchanged cash balance of circa £0.01 million.

For **FY2024**, the Company is expecting a net negative movement of £0.04 million in cash balances, reflecting an inflow of £0.85 million and £0.09 million from operating and investing activities respectively which would be outweighed by an outflow of £0.98 million in cash used in financing activities.



6PM Holdings p.l.c.				
Statement of Financial Position				
as at 31 October				
	2021	2022	2023	2024
	Actual	Actual	Actual	Forecast
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
<b>Current assets</b>				
Trade and other receivables	32	8	5	2
Cash and cash equivalents	53	10	6	-
<b>Total assets</b>	<b>85</b>	<b>18</b>	<b>11</b>	<b>2</b>
<b>EQUITY</b>				
<b>Equity and reserves</b>				
Share capital	4,151	4,151	4,151	4,151
Reserves	(613)	(925)	(780)	(852)
Retained earnings	(22,069)	(23,351)	(24,226)	(25,161)
	<b>(18,531)</b>	<b>(20,125)</b>	<b>(20,855)</b>	<b>(21,862)</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	10,998	11,325	11,207	-
	<b>10,998</b>	<b>11,325</b>	<b>11,207</b>	<b>-</b>
<b>Current liabilities</b>				
Borrowings	-	-	-	11,276
Trade and other payables	7,618	8,818	9,659	10,588
	<b>7,618</b>	<b>8,818</b>	<b>9,659</b>	<b>21,864</b>
<b>Total liabilities</b>	<b>18,616</b>	<b>20,143</b>	<b>20,866</b>	<b>21,864</b>
<b>Total equity and liabilities</b>	<b>85</b>	<b>18</b>	<b>11</b>	<b>2</b>
<i>Total debt</i>	<i>10,998</i>	<i>11,325</i>	<i>11,207</i>	<i>11,276</i>
<i>Net debt</i>	<i>10,945</i>	<i>11,315</i>	<i>11,201</i>	<i>11,276</i>
<i>Invested capital (total equity plus net debt)</i>	<i>(7,586)</i>	<i>(8,810)</i>	<i>(9,654)</i>	<i>(10,586)</i>

## STATEMENT OF FINANCIAL POSITION

In the historic period covering **FY2021**, **FY2022**, and **FY2023**, the Issuer's total liabilities by far exceeded the amount of assets. Despite this adverse financial position, the Directors of the Company are of the view that the Issuer has adequate access to resources to continue to operate as a going concern for the foreseeable future. In making this assessment, the Directors of the Issuer have considered Idox Group's budgets and cash flow and orderbook forecasts, its high level of recurring revenues which are predominantly generated from public sector markets, as well as the financial strength and flexibility of Idox Group which are reflected in its strong liquidity position, availability to committed bank facilities, and ample headroom against financial covenants.



The financial position of 6PM is not expected to change materially during the current financial year ending 31 October 2024. Related party payables are expected to increase by £0.93 million to £10.59 million mainly for the purpose of part financing annual administrative expenses and bond interest payable. As a result, the Company's negative equity position is forecasted to increase to £21.86 million compared to £20.86 million as at 31 October 2023.

## 7. VARIANCE ANALYSIS

The following is an analysis of the major variances between the forecast financial information for the year ended 31 October 2023 included in the Analysis dated 26 April 2023, and the audited consolidated annual financial statements for the year ended 31 October 2023.

6PM Holdings p.l.c. Income Statement for the financial year 31 October	2023 Actual £'000	2023 Forecast £'000
Net operating income / (expenses)	65	(78)
Net finance costs	(940)	(697)
<b>Profit / (loss) after tax</b>	<b>(875)</b>	<b>(775)</b>
<b>Other comprehensive income</b>		
Exchange differences	145	(19)
<b>Total comprehensive income / (expense)</b>	<b>(730)</b>	<b>(794)</b>

In FY2023, 6PM reported a total comprehensive expense of £0.73 million compared to the projected loss of £0.79 million. The positive variances registered in net operating income (+£0.14 million) and foreign exchange differences (+£0.16 million) outweighed the higher level of net finance costs which exceeded the forecasted amount by £0.24 million.



6PM Holdings p.l.c. Statement of Cash Flows for the financial year 31 October	2023 Actual £'000	2023 Forecast £'000
Net cash from / (used in) operating activities	909	1,087
Net cash from / (used in) investing activities	225	-
<b>Free cash flow</b>	<b>1,134</b>	<b>1,087</b>
Net cash used in financing activities	(1,182)	(697)
<b>Net movement in cash and cash equivalents</b>	<b>(48)</b>	<b>390</b>
Cash and cash equivalents at beginning of year	10	10
Effect of foreign exchange rates	44	(397)
<b>Cash and cash equivalents at end of year</b>	<b>6</b>	<b>3</b>

The Issuer incurred a net adverse movement in cash and cash equivalents of £0.05 million in FY2023 compared to the forecasted positive movement of £0.39 million. Although the amount of free cash flow generated by 6PM was higher than previously estimated (+£0.05 million), the amount of net cash used in financing activities exceeded forecasts by £0.49 million. Notwithstanding this, the Company's cash position as at the end of the year was in line with forecasts in view of the favourable movements in foreign exchange amounting to £0.04 million compared to the estimated negative movement of £0.40 million.

Meanwhile, the major variance appertaining to the Company's financial position related to its net liability position which was lower than expected by £0.53 million. The Issuer had a lower level of retained losses as at the end of FY2023 which however was partly offset by the negative balance of £0.78 million in other reserves. Similarly, borrowings and trade and other payables were lower than expected by an aggregate amount of £0.52 million.



6PM Holdings p.l.c. Statement of Financial Position as at 31 October	2023 Actual £'000	2023 Forecast £'000
<b>ASSETS</b>		
<b>Current assets</b>		
Trade and other receivables	5	-
Cash and cash equivalents	6	3
<b>Total assets</b>	<b>11</b>	<b>3</b>
<b>EQUITY</b>		
<b>Equity and reserves</b>		
Share capital	4,151	4,151
Reserves	(780)	-
Retained earnings	(24,226)	(25,534)
	<b>(20,855)</b>	<b>(21,383)</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	11,207	11,411
	11,207	11,411
<b>Current liabilities</b>		
Trade and other payables	9,659	9,975
	9,659	9,975
<b>Total liabilities</b>	<b>20,866</b>	<b>21,386</b>
<b>Total equity and liabilities</b>	<b>11</b>	<b>3</b>
<i>Total debt</i>	11,207	11,411
<i>Net debt</i>	11,201	11,408
<i>Invested capital (total equity plus net debt)</i>	(9,654)	(9,975)



## PART 3 – COMPARATIVE ANALYSIS

The table below provides a comparison between the Issuer and its bonds with other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of the Company and other issuers (including different industries, principal markets, competition, capital requirements etc.), and material differences between the risks associated with the Company's business and that of other issuers, the comparative analysis serves as an indication of the financial strength and creditworthiness of the Issuer and its parent company Idox p.l.c.

Comparative Analysis*	Amount Issued (€'000)	Yield-to-Maturity / Worst (%)	Interest Cover (times)	Net Debt-to-EBITDA (times)	Net Gearing (%)	Debt-to-Assets (times)
5.00% Hal Mann Vella Group p.l.c. Secured 2024	30,000	6.66	2.21	9.47	51.49	0.43
5.10% 1923 Investments p.l.c. Unsecured 2024	36,000	5.01	4.81	2.94	47.79	0.40
4.25% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2024	6,106	2.71	13.29	4.71	63.61	0.65
5.75% International Hotel Investments p.l.c. Unsecured 2025	45,000	4.55	1.87	11.42	41.92	0.40
<b>5.10% GPM Holdings p.l.c. Unsecured 2025**</b>	<b>13,000</b>	<b>5.89</b>	<b>16.04</b>	<b>0.65</b>	<b>17.79</b>	<b>0.20</b>
4.50% Hili Properties p.l.c. Unsecured & Guaranteed 2025	37,000	4.48	1.80	12.53	45.87	0.46
4.35% Hudson Malta p.l.c. Unsecured & Guaranteed 2026	12,000	5.16	6.11	4.89	71.67	0.57
4.25% CPHCL Finance p.l.c. Unsecured & Guaranteed 2026	40,000	5.60	1.66	12.42	42.45	0.40
4.00% International Hotel Investments p.l.c. Secured 2026	55,000	3.99	1.87	11.42	41.92	0.40
5.00% Dizz Finance p.l.c. Unsecured & Guaranteed 2026	8,000	4.99	1.91	10.70	79.93	0.59
3.75% Premier Capital p.l.c. Unsecured 2026	65,000	4.36	11.25	2.09	61.67	0.56
4.00% International Hotel Investments p.l.c. Unsecured 2026	60,000	4.80	1.87	11.42	41.92	0.40
3.25% AX Group p.l.c. Unsecured 2026	15,000	3.64	1.24	21.28	39.42	0.36
3.90% Gap Group p.l.c. Secured & Guaranteed 2024-2026	21,000	4.29	33.21	4.85	56.20	0.69
4.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2027	50,000	4.39	4.64	4.84	69.79	0.63
4.35% SD Finance p.l.c. Unsecured & Guaranteed 2027	65,000	5.59	4.68	1.74	22.08	0.26
4.00% Eden Finance p.l.c. Unsecured & Guaranteed 2027	40,000	5.06	4.24	5.37	25.33	0.23
5.25% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2027	30,000	4.90	3.79	3.30	22.75	0.21
4.00% Stivala Group Finance p.l.c. Secured & Guaranteed 2027	45,000	3.99	5.61	4.81	28.97	0.26
4.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2025-2027	15,000	4.74	13.29	4.71	63.61	0.65
4.75% Gap Group p.l.c. Secured & Guaranteed 2025-2027	23,000	4.74	33.21	4.85	56.20	0.69
3.85% Hili Finance Company p.l.c. Unsecured & Guaranteed 2028	40,000	3.97	4.64	4.84	69.79	0.63
5.85% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2028	20,000	5.18	3.79	3.30	22.75	0.21
5.75% PLAN Group p.l.c. Secured & Guaranteed 2028	12,000	5.00	6.50	12.28	56.64	0.55
3.65% Stivala Group Finance p.l.c. Secured & Guaranteed 2029	15,000	3.97	5.61	4.81	28.97	0.26
3.80% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	4.65	4.64	4.84	69.79	0.63
3.75% AX Group p.l.c. Unsecured 2029	10,000	3.85	1.24	21.28	39.42	0.36
6.25% GPH Malta Finance p.l.c. Unsecured & Guaranteed 2030	18,144	5.54	1.73	7.63	93.99	0.75
3.65% International Hotel Investments p.l.c. Unsecured 2031	80,000	4.92	1.87	11.42	41.92	0.40
3.50% AX Real Estate p.l.c. Unsecured 2032	40,000	4.04	2.04	12.44	49.30	0.45
5.00% Mariner Finance p.l.c. Unsecured 2032	36,930	4.64	4.72	5.95	49.91	0.49
5.85% AX Group p.l.c. Unsecured 2033	40,000	5.30	1.24	21.28	39.42	0.36
6.00% International Hotel Investments p.l.c. Unsecured 2033	60,000	5.58	1.87	11.42	41.92	0.40
4.50% The Ona p.l.c. Secured & Guaranteed 2028-2034	16,000	4.57	44.17	9.76	64.11	0.59
5.50% Juel Group p.l.c. Secured & Guaranteed 2035	32,000	5.32	3.35	11.26	55.24	0.51

\*As at 04 April 2024

\*\* The financial ratios pertain to Idox p.l.c.

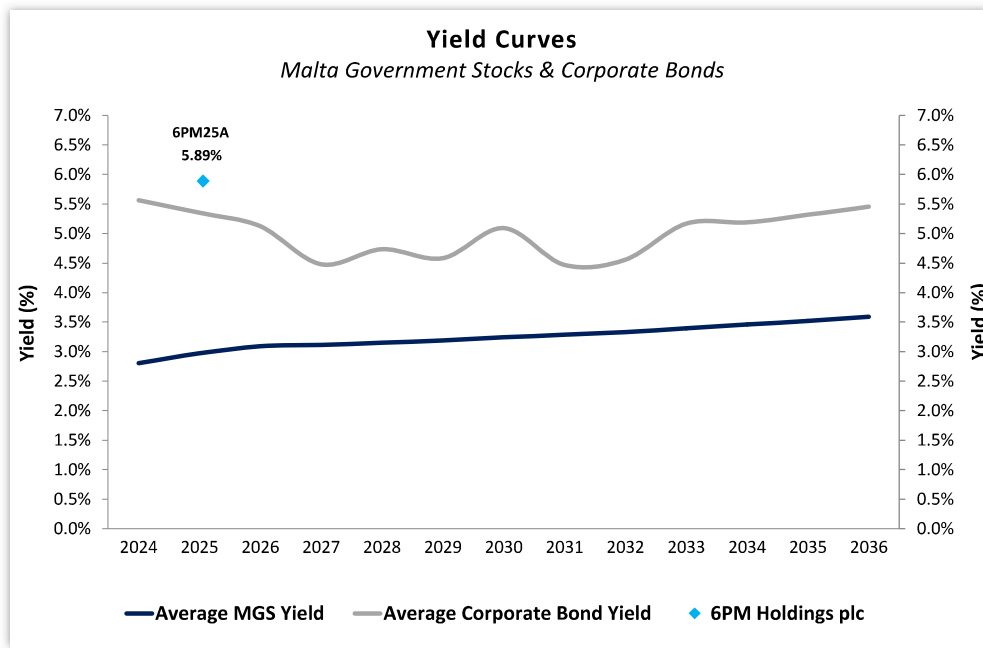
Sources: Malta Stock Exchange

M.Z. Investment Services Limited

Most recent audited annual financial statements except for PLAN Group p.l.c. (FY2023 - forecast) and Juel Group p.l.c. (FY2024 - forecast).







The closing market price as at 4 April 2024 for the **5.10% 6PM Holdings p.l.c. unsecured bonds 2025 (6PM25A)** was 99.00%. This translated into a yield-to-maturity (“YTM”) of 5.89% which was 54 basis points above the average YTM of 5.35% of other local corporate bonds maturing in the same year. The premium over the corresponding average Malta Government Stock yield of equivalent maturity stood at 292 basis points.



## PART 4 – EXPLANATORY DEFINITIONS

### Income Statement

<i>Revenue</i>	Total income generated from business activities.
<i>EBITDA</i>	Earnings before interest, tax, depreciation, and amortisation. It is a metric used for gauging operating performance excluding the impact of capital structure. EBITDA is usually interpreted as a loose proxy for operating cash flows.
<i>Adjusted operating profit / (loss)</i>	Profit (or loss) from core operations, excluding movements in the fair value of investment property, share of results of associates and joint ventures, net finance costs, and taxation.
<i>Operating profit / (loss)</i>	Profit (or loss) from operating activities, including movements in the fair value of investment property but excluding the share of results of associates and joint ventures, net finance costs, and taxation.
<i>Share of results of associates and joint ventures</i>	Share of profit (or loss) from entities in which the company does not have a majority shareholding.
<i>Profit / (loss) after tax</i>	Net profit (or loss) registered from all business activities.

### Profitability Ratios

<i>EBITDA margin</i>	EBITDA as a percentage of revenue.
<i>Operating profit margin</i>	Operating profit (or loss) as a percentage of total revenue.
<i>Net profit margin</i>	Profit (or loss) after tax as a percentage of total revenue.
<i>Return on equity</i>	Measures the rate of return on net assets and is computed by dividing the net profit (or loss) for the year by average equity.
<i>Return on assets</i>	Measures the rate of return on assets and is computed by dividing the net profit (or loss) for the year by average assets.
<i>Return on invested capital</i>	Measures the rate of return from operations and is computed by dividing operating profit (or loss) for the year by the average amount of equity and net debt.

### Statement of Cash Flows

<i>Net cash from / (used in) operating activities</i>	The amount of cash generated (or consumed) from the normal conduct of business.
<i>Net cash from / (used in) investing activities</i>	The amount of cash generated (or consumed) from activities related to the acquisition, disposal, and/or development of long-term assets and other investments.
<i>Net cash from / (used in) financing activities</i>	The amount of cash generated (or consumed) that have an impact on the capital structure, and thus result in changes to share capital and borrowings.
<i>Free cash flow</i>	Represents the amount of cash generated (or consumed) from operating activities after considering any amounts of capital expenditure.



## Statement of Financial Position

<i>Non-current assets</i>	These represent long-term investments which full value will not be realised within the next twelve months. Such assets, which typically include property, plant, equipment, and investment property, are capitalised rather than expensed, meaning that the amortisation of the cost of the asset takes place over the number of years for which the asset will be in use. This is done instead of allocating the entire cost to the accounting year in which the asset was acquired.
<i>Current assets</i>	All assets which could be realisable within a twelve-month period from the date of the Statement of Financial Position. Such amounts may include development stock, accounts receivable, cash and bank balances.
<i>Non-current liabilities</i>	These represent long-term financial obligations which are not due within the next twelve months, and typically include long-term borrowings and debt securities.
<i>Current liabilities</i>	Liabilities which fall due within the next twelve months from the date of the Statement of Financial Position, and typically include accounts payable and short-term debt.
<i>Total equity</i>	Represents the residual value of the business (assets minus liabilities) and typically includes the share capital, reserves, as well as retained earnings.

## Financial Strength / Credit Ratios

<i>Interest cover</i>	Measures the extent of how many times a company can sustain its net finance costs from EBITDA.
<i>Net debt-to-EBITDA</i>	Measures how many years it will take a company to pay off its net interest-bearing liabilities (including lease liabilities) from EBITDA, assuming that net debt and EBITDA are held constant.
<i>Net debt-to-equity</i>	Shows the proportion of net debt (including lease liabilities) to the amount of equity.
<i>Net gearing</i>	Shows the proportion of equity and net debt used to finance a company's business and is calculated by dividing net debt by the level of invested capital.
<i>Debt-to-assets</i>	Shows the degree to which a company's assets are funded by debt and is calculated by dividing all interest-bearing liabilities (including lease liabilities) by total assets.
<i>Leverage</i>	Shows how many times a company is using its equity to finance its assets.
<i>Current ratio</i>	Measures the extent of how much a company can sustain its short-term liabilities from its short-term assets.

