



Financial Update



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LINX 124





Agenda

- Annual Report and Accounts 2024
- Other finance team activities
- Update on current financial position





Annual Report and Accounts 2024

- **Excellent progress** against plan
- **Continued investment** in improving efficiency
- LINX remains in **strong financial position**
 - High % recurring revenue
 - Positive operating cash flow
 - Excellent reserves
- Other analysis:
 - Revenue
 - Operating Costs and Net Result
 - Capital Expenditure
 - Cashflow and Reserves



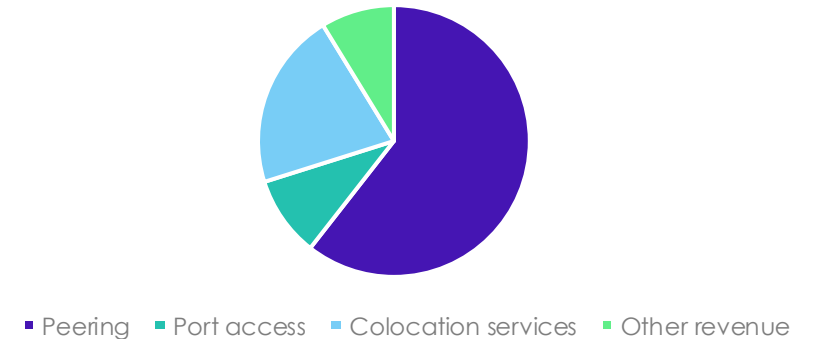


Annual Report and Accounts 2024

Revenue

- Connected capacity **+17%**
 - Slower migration to **400GE** offset by higher 100GE
 - Variance to budget **-1.5%**
- Growth in revenue to **£21.8m** (2023: £19.0m)
 - Total revenue **+14%**
 - Core membership/peering **+9%**
 - **Colocation services + 30%**
- High gross margin maintained of **72%**

LINX Revenue by type





Annual Report and Accounts 2024

- **Operating Costs**

- Total costs close to budget, while investing in overseas operations
- SG&A over budget by **3%** due to:
 - one-off items
 - investments in security, compliance, and automation

- **Group deficit:**

- before tax is **£0.1m**
- after tax is **£0.2m**





Annual Report and Accounts 2024

- **Capital Expenditure £2.2m**
 - Lower than the prior year of £3.0m
 - Lower than budget of £3.2m
- Investments included:
 - LON1 refresh
 - Overseas expansions
 - Software development and automation
 - Deployed more efficient equipment
 - Created more power efficient capacity





Annual Report and Accounts 2024

- **Cashflow and Reserves**
- Positive operating cash flow of £1.7m (although lower than prior year)
- Change in presentation of deposits in accounts
- Managed funds in line with treasury policy





Annual Report and Accounts 2024

Statement of Income and Retained Earnings	2024 (£000)	2023 (£000)
Turnover	21,798	19,043
Cost of sales	(6,114)	(5,407)
Gross margin	15,684	13,636
Gross margin %	72%	72%
Staff costs	(8,669)	(7,218)
Operating lease rentals	(491)	(468)
Other administration costs	(4,355)	(3,693)
EBITDA	2,169	2,257
Depreciation/amortisation of fixed assets	(2,574)	(2,231)
Operating (deficit)/surplus	(405)	26
Net interest receivable	292	263
(Deficit)/surplus before taxation	(113)	289
Tax on (deficit)/surplus	(117)	(154)
(Deficit)/surplus after taxation	(230)	135
Currency translation differences	(43)	45
Total comprehensive income	(273)	180





Annual Report and Accounts 2024

Balance Sheet	2024 (£000)	2023 (£000)
Fixed assets		
Intangible assets	357	-
Tangible assets	4,594	5,344
Investments	102	103
Total fixed assets	5,053	5,447
Current assets		
Trade and other debtors	1,055	1,454
Prepayments and accrued income	3,427	2,804
Investments	4,500	5,000
Cash at bank	5,011	4,823
Total current assets	13,993	14,081
Current liabilities		
Trade and other creditors	(2,047)	(2,606)
Taxation and related creditors	(396)	(97)
Accruals and deferred income	(1,903)	(1,852)
Total current liabilities	(4,346)	(4,555)
Net current assets	9,647	9,526
Net assets and members' funds	14,700	14,973





Other finance team activities in 2024

- **New auditors** - RSM
- **Revised treasury policy** with clearer guidance on:
 - Management of treasury operations and financial risks
 - Minimum required level of reserves
- **Overseas operations**
 - Banking
 - FX management
 - Tax





Update on Current Trading

- Good start to year with **modest revenue growth**
- Cash and deposits are in line with budget
- Further update to be provided in November



A white geometric diagram is centered on the slide. It consists of four circular nodes, one at each corner of a square. These nodes are connected by white lines: a square outline and two diagonal lines forming an 'X'. The word 'Questions?' is centered within this diagram.

Questions?