

Andrew Fabian



Chief Financial Officer

Financial Update

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Finance Update Agenda

- Annual report and accounts 2025
- Finance team activities
- Update on current financial position

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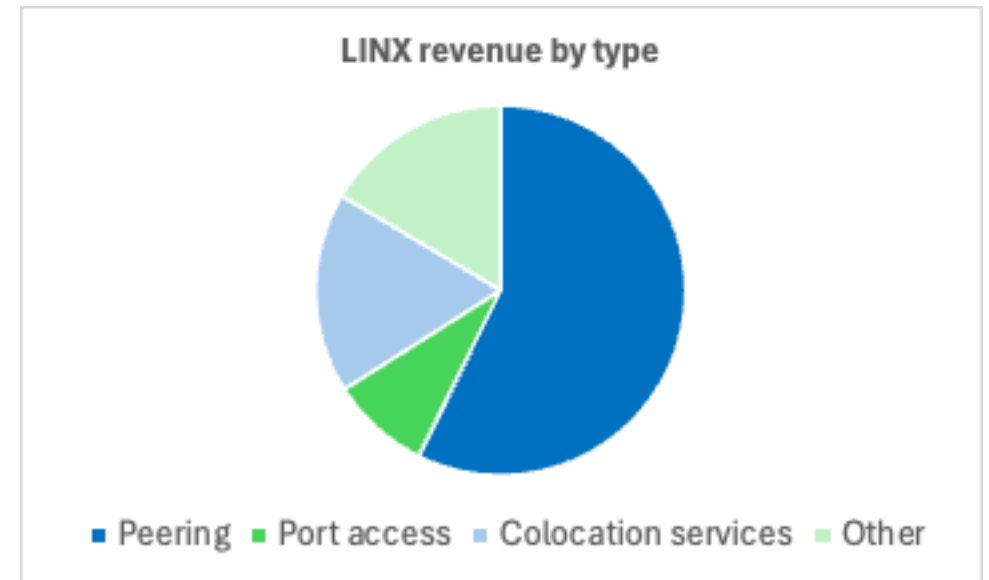
Annual Report and Accounts 2025

- **Excellent progress** in 2025 against strategic plan
- **Continued investment** in improving efficiency
- LINX remains in **strong financial position**
 - High % recurring revenue (c97%)
 - Positive operating cash flow
 - Excellent reserves
- Other analysis:
 - Revenue
 - Operating costs and net result
 - Capital expenditure
 - Cashflow and reserves

Annual Report and Accounts 2025

Revenue

- Connected capacity **+18%**
 - Continued migration to **400Gbps**
 - Variance to budget **c5%**
- Growth in revenue to **£22.7m** (2024: £21.8m)
 - Total revenue **+4%**
 - Core peering revenue **-1%**
 - **Peering for >=100Gbps +2%**
 - Benefit from reduced pricing per connected capacity was c**12%**
- High gross margin maintained of **72%**



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Annual Report and Accounts 2025

Operating costs

- SG&A increased over prior year due to investments in security, regulatory compliance, and automation
- Total costs and SG&A below budget

Group deficit

- Before and after tax is c**£0.3m**



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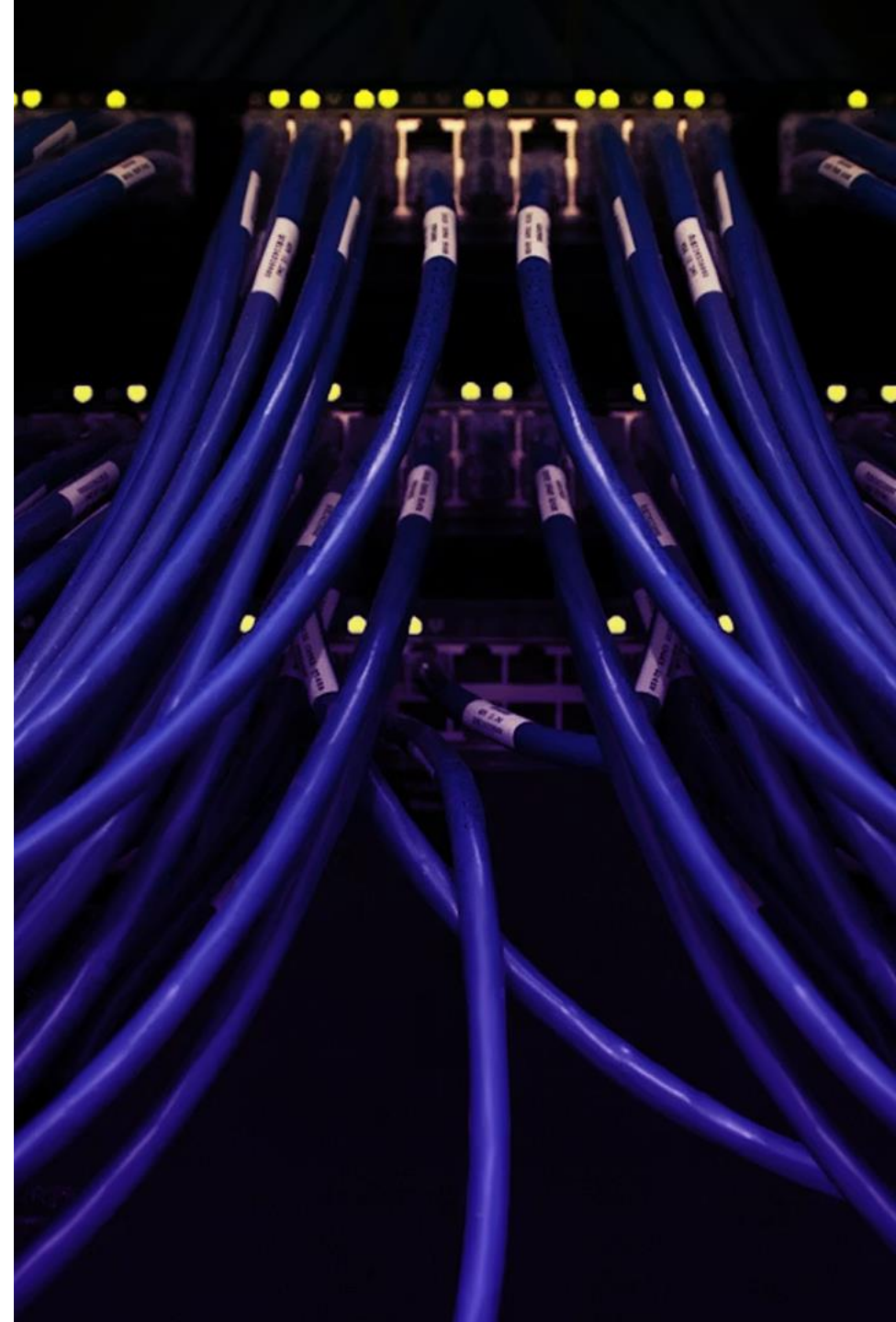
Annual Report and Accounts 2025

Capital expenditure c£3.0m

- Increased over prior year
- Lower than budget by 13%

Investments included:

- LON2 refresh
- Manchester upgrade
- Overseas expansions
- Software development and automation
- Added more power efficient capacity

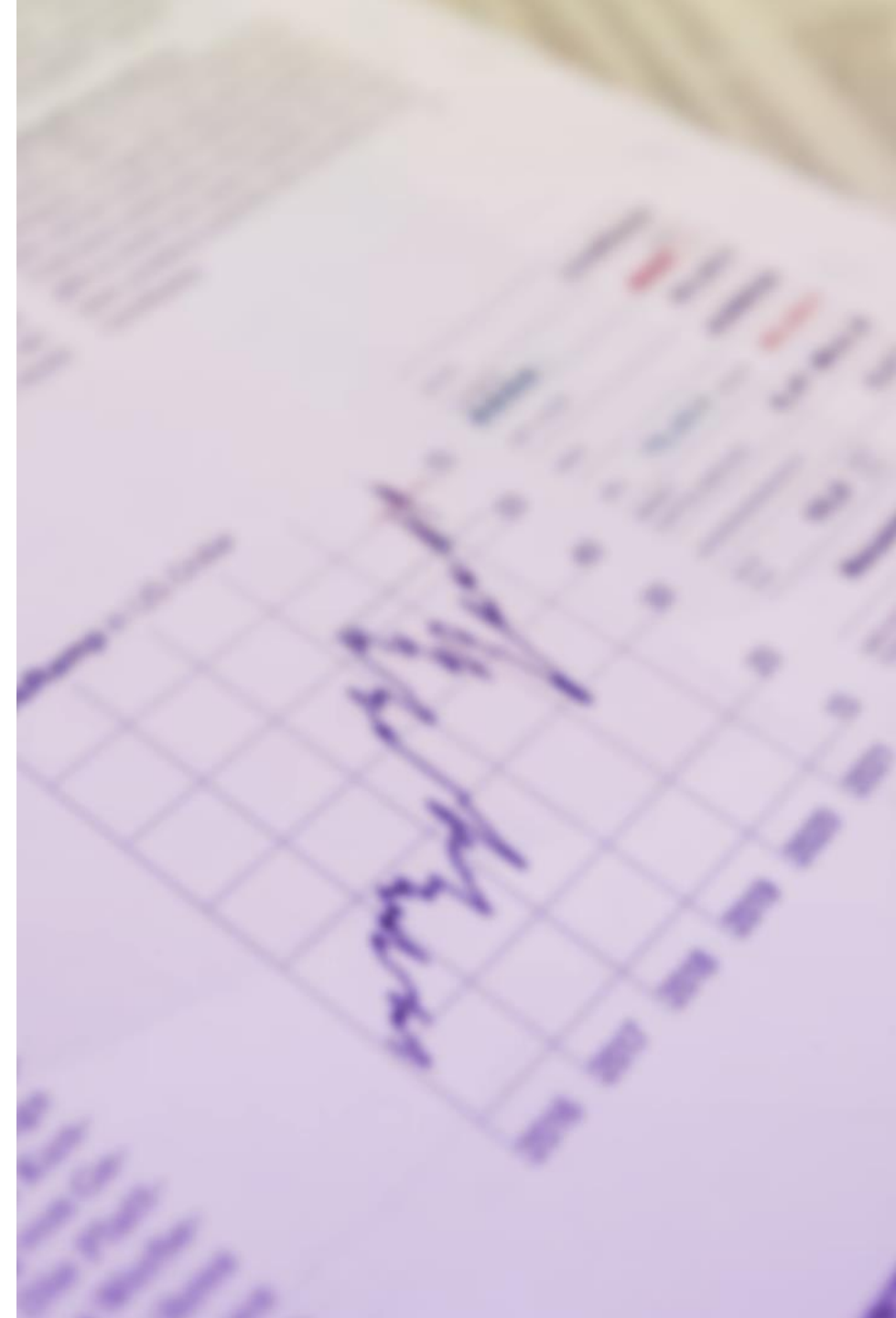


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Annual Report and Accounts 2025

Cashflow and reserves

- Positive operating cash flow of £2.3m (increased from £1.7m in prior year)
- Managed funds in line with treasury policy



Annual Report and Accounts 2025

Statement of Income and Retained Earnings	2025 (£000)	2024 (£000)
Turnover	22,655	21,798
Cost of sales	(6,455)	(6,114)
Gross margin	16,200	15,684
Gross margin %	72%	72%
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Staff costs	(8,432)	(7,769)
Operating lease rentals	(696)	(491)
Other administration costs	(4,921)	(5,255)
EBITDA	2,151	2,169
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Depreciation/amortisation of fixed assets	(2,691)	(2,574)
Operating deficit	(540)	(405)
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Net interest receivable	262	292
Deficit before taxation	(278)	(113)
Tax on deficit	(71)	(117)
Deficit after taxation	(349)	(230)
Currency translation differences	54	(43)
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Total comprehensive income	(295)	(273)

Annual Report and Accounts 2025

Balance Sheet	2025 (£000)	2024 (£000)
Fixed assets		
Intangible assets	461	357
Tangible assets	4,633	4,594
Investments	102	102
Total fixed assets	5,196	5,053
Current assets		
Trade and other debtors	943	1,055
Prepayments and accrued income	3,532	3,427
Investments	4,532	4,500
Cash at bank	4,632	5,011
Total current assets	13,639	13,993
Current liabilities		
Trade and other creditors	(2,286)	(2,047)
Taxation and related creditors	(255)	(396)
Accruals and deferred income	(1,889)	(1,903)
Total current liabilities	(4,430)	(4,346)
Net current assets	9,209	9,647
Net assets and members' funds	14,405	14,700

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Finance Team Activities

Auditors – RSM's second audit

- First full year with 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

Further automation

- Fixed asset tracking improved

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Update on Progress in 2026

- Good start to year with **modest revenue growth** over 2025
- Cash and deposits are in line with budget
- Further update to be provided in November

Questions?



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