



Hansen Technologies FY2016 Results Investor Presentation

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Pro forma financial information

Hansen uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards or IFRS. These measures are referred to as non-IFRS financial information.

Hansen considers that this non-IFRS financial information is useful to assist in evaluating Hansen's performance. The information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Non-IFRS information has not been subject to audit or review in accordance with Australian Auditing Standards.

All dollar values are in Australian dollars (A\$) unless otherwise stated.


Hansen ... Who are we?

- We are a global provider of billing systems and customer care software
- Our customers are utilities (electricity, gas and water providers), telcos and pay TV operators
 - Circa 200 spread across 40+ countries
- Our software sits at the heart of our customers' operations
 - providing for long term relationships
- Significant barriers to entry exist through:
 - the complexity of what we do
 - our track record of success
 - ownership of our IP
- We have 800+ team members representing 40+ nationalities spread across offices in Australia, USA, New Zealand, China, Denmark, Germany, Argentina, the UK and South Africa
- Our core strategy to grow the business is very simple:
 - Service our **existing customers** exceptionally well
 - Source **new customers** by offering best of breed applications
 - Make targeted **acquisitions** to extend the Hansen footprint into a new market, a new geography and/or a new industry segment

FY2016 financial summary

Revenue

\$149.0m

 40% on FY15

EBITDA

\$45.4m

 45% on FY15


NPATA¹

\$28.6m

 50% on FY15

EPS²

16.1 cents

 38% on FY15

DPS

7.0 cents

 6.0 cents in FY15

Cash

\$30.2m

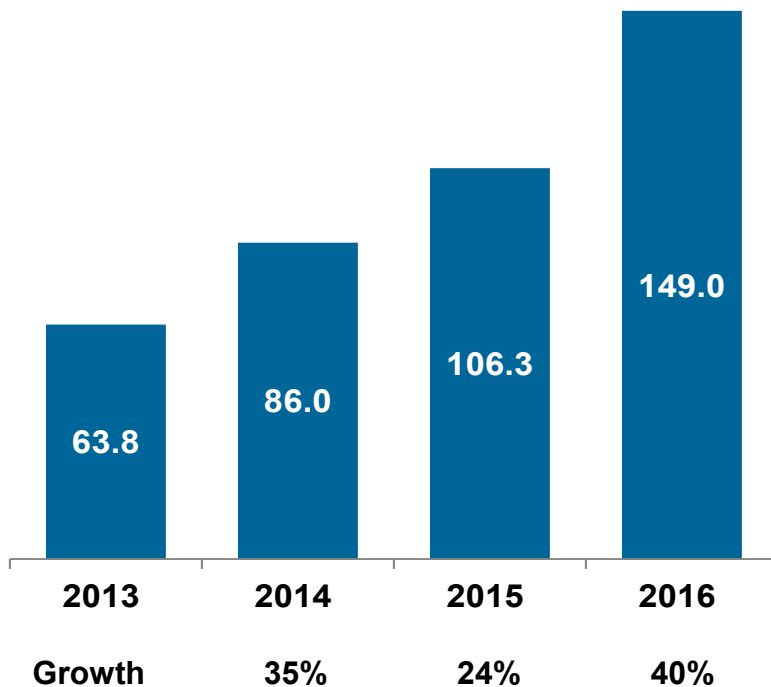
 \$22.0m last year

1. NPATA = Net profit after tax excluding acquired amortisation (refer page 6)
2. EPS based on NPATA

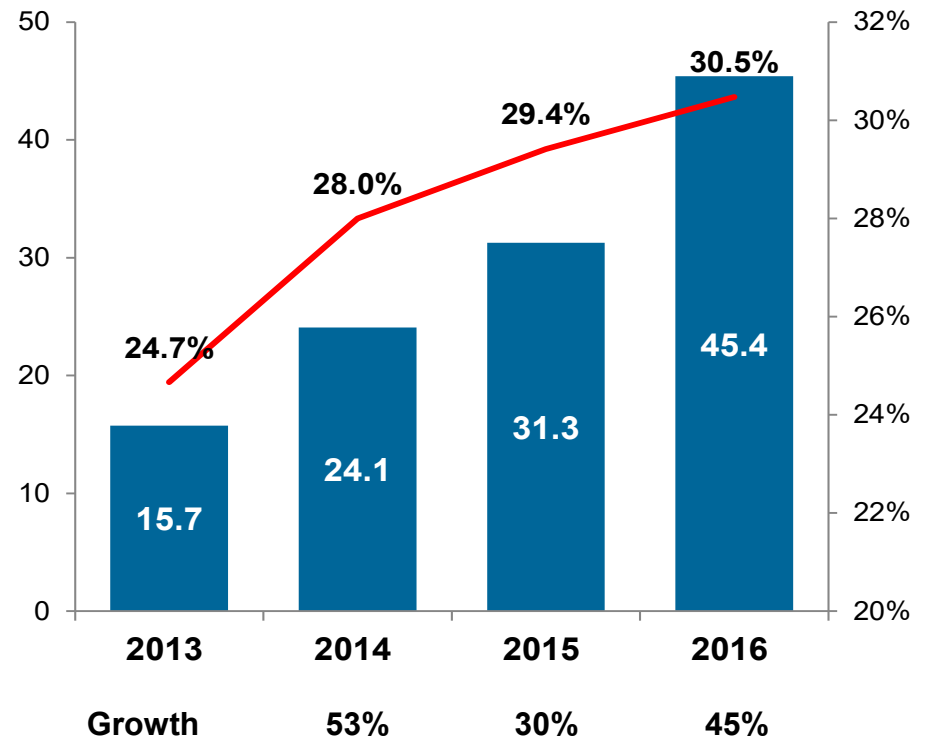
Revenue and EBITDA

High organic growth, the full year impact of the TeleBilling acquisition and strong employee utilisation produced an exceptional FY2016 ...

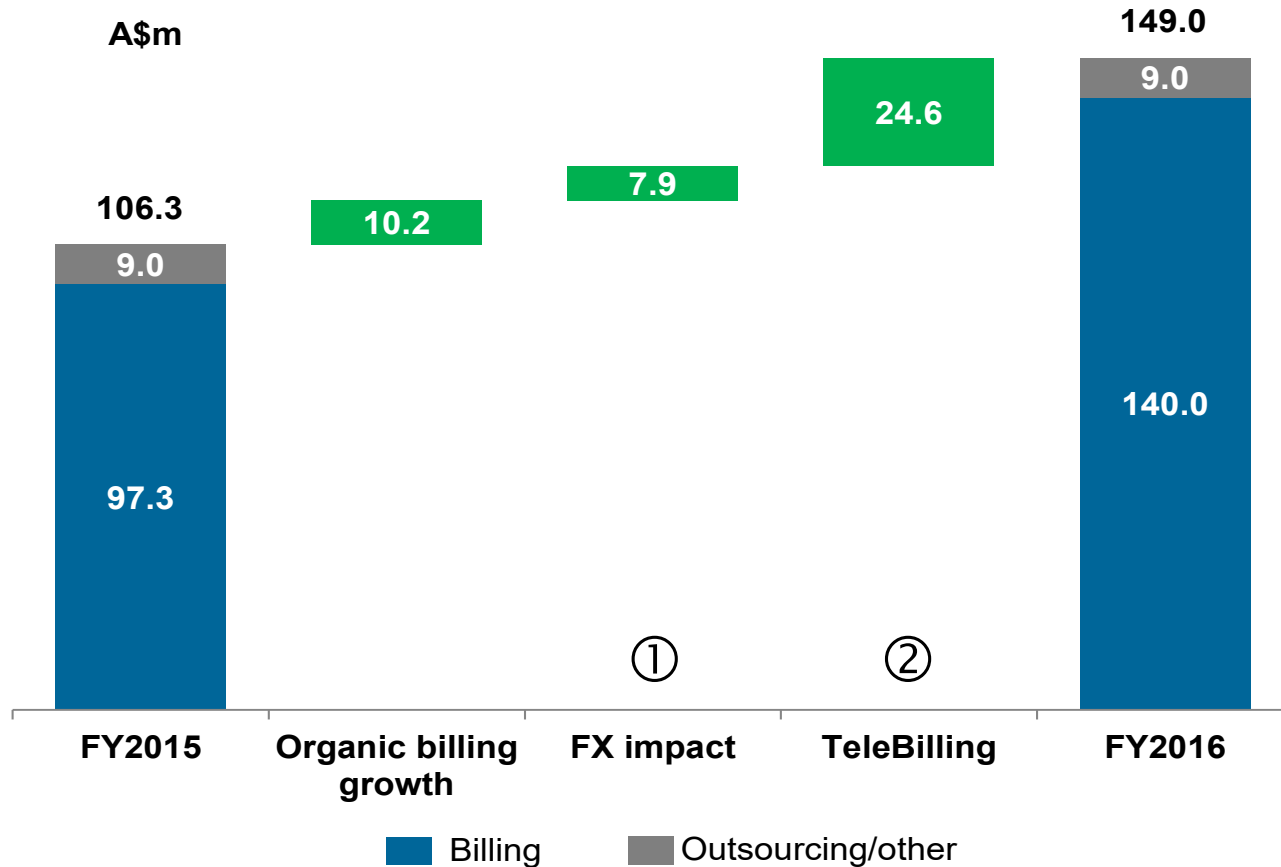
Revenue (\$m)



EBITDA (\$m) & EBITDA margin (%)

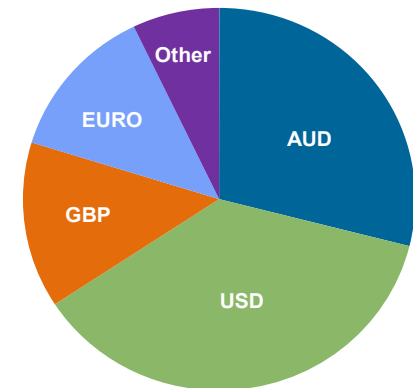


Revenue movement – FY2015 to FY2016



- ① Positive FX impact due to stronger conversion rate of foreign currency revenue compared to FY2015
- ② TeleBilling acquired 1 May 2015
 - Movement represents incremental revenue in FY2016 compared to FY2015
 - FY2016 exceeded expectations due to Hansen's assistance with delivery of a backlog of revenue

Revenue by Currency FY2016



Profit and loss detail

A\$m	FY2015	FY2016	Variance
Operating revenue	106.3	149.0	▲ 40%
EBITDA	31.3	45.4	▲ 45%
Depreciation and amortisation	(4.0)	(5.5)	
EBITA	27.3	39.9	▲ 46%
Acquired amortisation ¹	(3.1)	(3.6)	
EBIT	24.2	36.4	
Net interest	(0.2)	0.1	
Income tax	(7.1)	(10.3)	
NPAT	16.9	26.1	▲ 54%
Add back acquired amortisation after tax ²	2.2	2.5	
NPATA	19.1	28.6	▲ 50%
EPS (Based on NPATA)	11.6	16.1	▲ 38%
EPS (Based on NPAT)	10.3	14.7	▲ 42%

- Effective tax rate of 28.4% in FY2016 compares to 29.4% in FY2015

1. **Acquired amortisation** is the amortisation of identifiable intangible assets (namely technology, trademarks and customer contracts) arising from business combinations

2. Tax effected at 30%

Cash flow

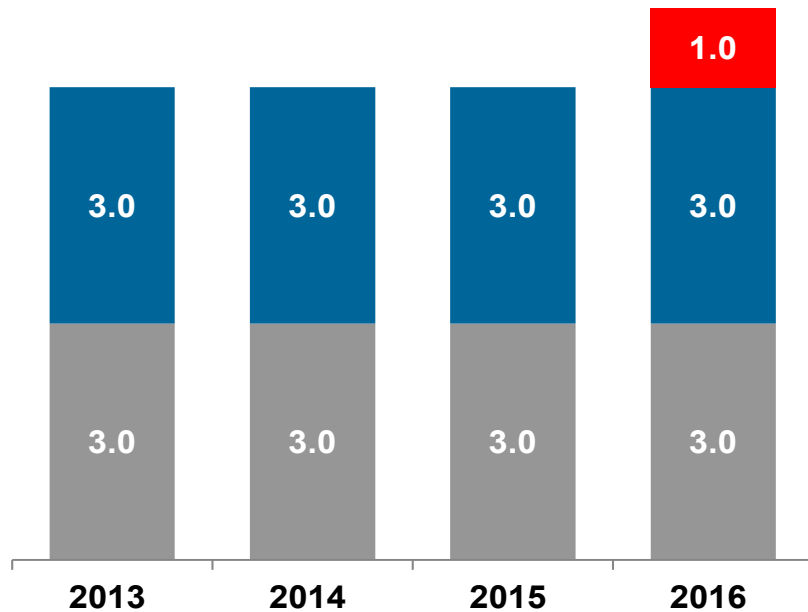
A\$m	FY2015	FY2016
EBITDA	31.3	45.4
Working capital/other	9.9	(1.2)
Net interest	(0.2)	0.0
Income tax	(4.1)	(11.6)
Operating cash flow	36.9	32.6
Capex	(3.0)	(1.8)
Capitalised development costs	(4.5)	(5.5)
Free Cash Flow	29.4	25.3
Acquisitions	(29.9)	
Share issues	28.7	2.4
Borrowing proceeds (payments)	(1.7)	(10.0)
Dividends (net of DRP)	(8.3)	(9.5)
Net Cash Flow	18.2	8.2
Cash Balance	22.0	30.2

- Strong free cash flow of **\$25.3m**
- \$10m debt repayment leaves no debt outstanding
- \$5.5m capitalised development costs compares to \$2.9m amortisation charge through P&L
- Higher tax payment in FY2016 a result of moving from quarterly to monthly tax payments and payment of final FY2015 quarterly tax instalment in FY2016

Dividends

The availability of franking credits and a strong cash position provides for a 1.0 cent special dividend as part of the FY2016 final dividend

Dividends (cents per share)



- **7.0 cents** paid for FY2016
- **4.0 cent** final dividend for FY2016
 - 100% franked
 - Includes 1.0 cent special dividend due to availability of franking credits
 - Record date of 6 September 2016
 - Payment date of 30 September 2016

Outlook

FY2017

- Revenue is anticipated to be in the range of **\$165m to \$175m** as a result of:
 - 4% to 8% organic **billing** revenue growth
 - \$3.5m lower contribution from outsourcing/other
 - stabilisation of TeleBilling’s contribution at a more typical run rate following delivery of a backlog in FY2016
 - the first contribution from PPL Solutions (refer below)
 - Continue to target an EBITDA margin between 25% and 30%
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PPL Solutions

- Acquired effective 1 July 2016
 - Based in Pennsylvania, USA
 - Provides billing, business process outsourcing (“BPO”), call centre and IT services to competitive energy suppliers and regulated utilities in the US
 - 230 staff – with the majority located in the call centre in Hazelton, Pennsylvania
 - Margins are well below those normally achieved by Hansen due to BPO, call centre and IT services provided
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