













FY2017 Result Presentation

21 August 2017



The Hansen journey

... growing and diversifying by geography, industry, propriety products and customer

	Early 1990's	Today
Revenue by geography		
Industry verticals		
Customer exposure		
Intellectual Property ownership		
Employees		

Hansen global footprint

500+ customers | 1,000+ employees | 20+ offices | 80+ countries serviced



FY17 ... a continuation of the journey with further acquisitions

FY17 was a year in which we continued to deliver on our strategy of growing and diversifying the company by geography, industry, product and customer ... through the acquisition of:

- US-based **Solutions**
 - strengthens our energy presence in the US
 - provides a billing and outsourcing solution targeted at new entrants into the increasingly contestable energy markets
- UK-based **HiAffinity**
 - expands our water billing presence from the US to the UK, Australia, Africa and the Americas
- Nordics-based **Enoro** just after year end
 - giving us a strong energy presence in the Nordics, the most advanced energy market in the world
 - also takes us into Europe for energy

FY17 financial dashboard

Revenue and EBITDA in-line with previous guidance

Revenue

\$174.7m

17.3% ▲

EBITDA¹

\$45.1m

0.6% ▼

NPATA²

\$27.7m

3.1% ▼

EPS³

\$15.3 cents

5.2% ▼

DPS

6.0 cents

No change⁴

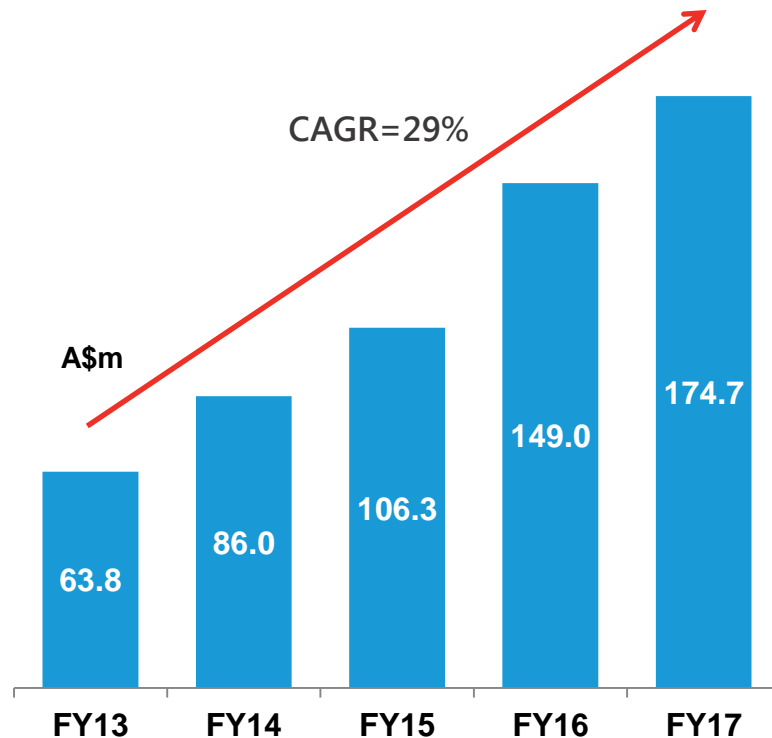
Net Cash⁵

\$15.0m

1. EBITDA excluding net foreign exchange losses of \$0.9m was \$46.1m (on rounding)
2. NPATA = Net profit after tax excluding amortisation of acquired intangibles
3. Basic EPS based on NPATA
4. A special dividend of 1.0 cent was paid in FY16 due to the availability of franking credits, which was not repeated this year
5. Pro-forma net debt post the Enoro transaction (after year-end) was \$32.7m

Revenue

\$174.7m on a reported basis ... up 17.3%

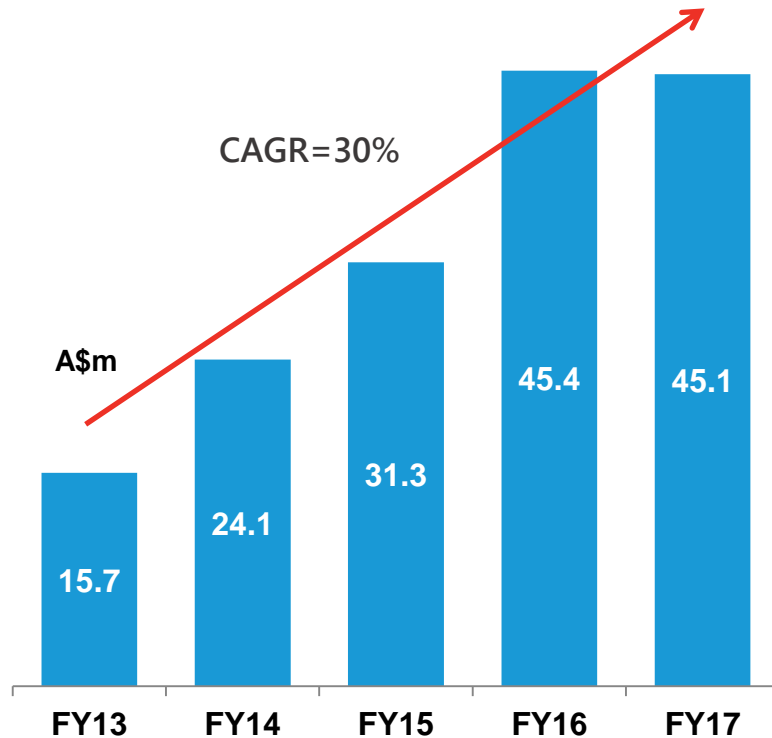


- Due to the strong appreciation of the AUD against most major currencies, revenue would have been \$8.7m higher on translation to AUD on a constant currency¹ basis
- Growth was primarily underpinned by the two acquisitions:
 - 12-month contribution from Solutions
 - 8-month contribution from HiAffinity
- Following exceptional growth in FY16, we achieved more modest growth in our core billing business in FY17 on a constant currency¹ basis
- Non-billing “other” revenue (which includes facilities management activities) declined from \$9.0m in FY16 to \$5.8m – principally from the expected departure of a long-standing superannuation client (on a product that we did not own the intellectual property)

1. Constant currency equals FY17 results translated to AUD at FY16 average exchange rates

EBITDA

\$45.1m ... effectively flat and equating to a margin of 25.8%

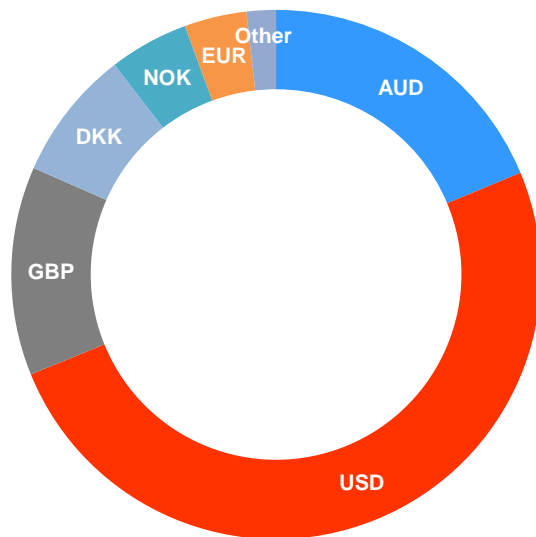


- While revenue was up 17%, EBITDA was effectively flat – with a number of specific items impacting:
 - the 21% appreciation of the AUD against the British Pound following Brexit not only lowered revenue, but also had a disproportionate impact on EBITDA as some of the direct costs of servicing our UK customers are in Australia
 - to provide for the company’s continued growth, substantial investment has been undertaken in building our global platform
 - whilst the Solutions business performed in-line with expectations, the legacy call-centre only part of the business trades at very low margins, which had the effect of diluting the EBITDA margin
 - net foreign exchange losses of \$0.9m (\$0.1m in FY16)
- Adjusting for the above, the EBITDA margin would have been towards the top end of our target range of 25-30%

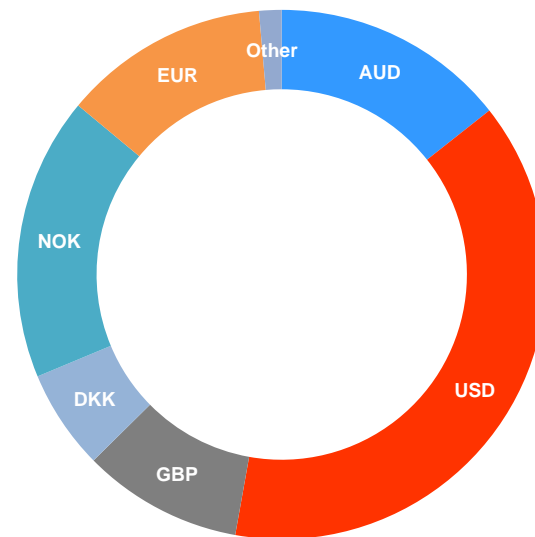
Currency

- As the business grows globally, the relative size of A\$ revenues diminishes
- The acquisition of Enoro further diversifies our currency exposure

Revenue by currency FY17



Proforma FY17 including Enoro



Cash flow

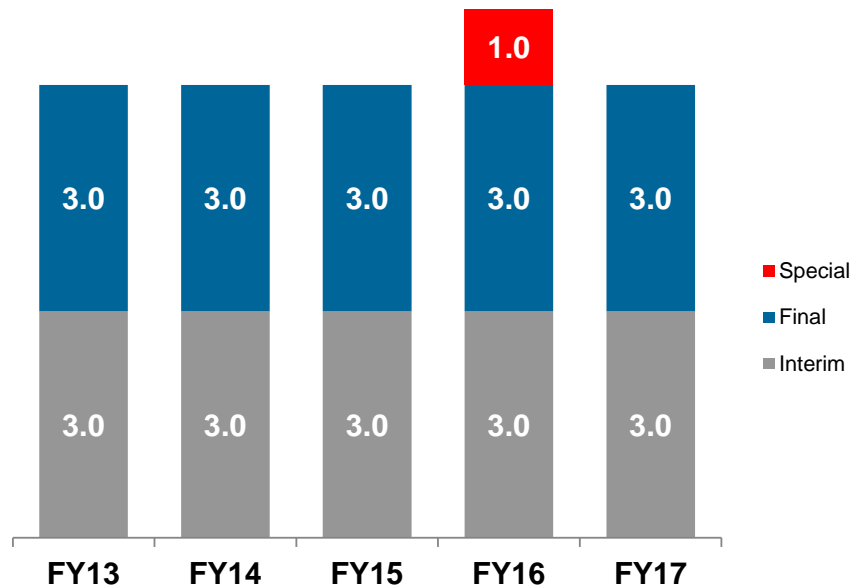
A\$m	FY16	FY17
EBITDA	45.4	45.1
Working capital/other	(0.3)	(4.8)
Net interest	0.0	0.1
Income tax	(11.6)	(9.3)
Operating cash flow	33.5	31.1
Capex	(1.8)	(5.2)
Capitalised development costs	(5.5)	(7.8)
Free Cash Flow	26.2	18.1
Acquisitions		(22.7)
Share issues (options exercise)	2.4	2.0
Borrowing proceeds (payments)	(10.0)	
Dividends (net of DRP)	(9.5)	(11.4)
Net Cash Flow	9.1	(14.0)
FX impact on cash balances	(0.8)	(1.2)
Cash Balance	30.2	15.0

- \$18.1m free cash flow for the year, \$8.1m down on FY16 mainly due to:
 - higher receivables – due to invoice timing
 - higher capex – a result of investment in customer infrastructure and office moves in London and Auckland
 - increased capitalised development costs (\$7.8m equates to 4% of revenue)
- \$22.7m for acquisitions comprises:
 - \$14.2m for Solutions
 - \$8.5m for HiAffinity

Dividends

A final dividend of 3.0 cents has been declared ... making 6.0 cents for FY17 ... which balances a policy of distributing franking credits to shareholders whenever possible and maintaining flexibility to fund further strategic, value creating acquisitions

Dividends (cents per share)



- **3.0 cent** final dividend declared
 - 100% franked
 - Record date of 5 September
 - Payment date of 28 September
- **6.0 cents** in total for FY17
- 1.0 cent special dividend was paid in FY16 due to the availability of franking credits

Enoro acquisition

Effective 1 July 2017, Hansen acquired Enoro Holding AS ("Enoro") for an enterprise value of A\$96m (NOK 620m¹)

Enoro overview

- Market leading provider of Customer Information Systems (CIS) and Meter Data Management (MDM) systems for the Nordic energy market – the most advanced and mature energy market in the world
- Expanding footprint in the broader dynamic European market
- Approximately 300 customer installations and 270+ employees

Strategic rationale for acquisition

- Having a strong presence in the most advanced energy market in the world
- Takes us into Europe for energy – where we have no competing product
- Builds upon our existing European telecommunications CIS footprint
- Hits our acquisition "bulls eye" – (1) same core business (2) owns the IP (3) recurring revenues (4) attractive geographic markets

Funding

- Primarily provided by \$45.5m drawdown of new debt facilities and \$50.3m equity raising (placement & SPP)

1. Based on a AUD/NOK (Norwegian Krone) exchange rate of 6.43

Enoro overview

Enoro has 3 product lines

1 Customer Information Systems (CIS)

- Provides customer care and billing solutions
- Customer base comprises a balanced portfolio of distribution system operators, retailers and integrated utilities
- Bulk of revenues are recurring in nature – derived from a defined price for the number of metering points at the respective customers
- Market leader in the Norwegian market, and a growing position in the Swedish and Finnish markets following an expansion into those countries in 2016

2 Meter Data Management (MDM) systems

- Software solutions for Meter Data Management (MDM) and Energy Data Management (EDM) – which form a key component of the infrastructure required by utilities to operate
- MDM software imports, validates and processes data from smart and basic metering systems before making it available for billing and analysis
- EDM software provides for automated financial settlement processes for market participants
- Customer base principally in Finland, Germany and Sweden, with a growing footprint in Netherlands, Switzerland and Austria
- Market leader in the Nordics, and a major player in the broader European market

3 Analytics software

- A recently developed, cloud-based software tool that analyses high-volume consumption data from MDM systems
- Allows utilities to better understand customers and identify new business opportunities
- Highly fit for purpose for existing Enoro market footprint – also has potential for global utility markets

Net debt post Enoro

- To fund the A\$96m acquisition of Enoro plus transaction costs:
 - \$45.5m was drawn from a new banking facility of \$105m
 - \$50.3m of equity was raised – comprising a \$40m institutional placement and a share purchase plan that raised \$10.3m
- Flexibility has been maintained in the capital structure
- Pro-forma net debt post funding the Enoro acquisition was \$32.7m
- Significant balance sheet capacity retained to support future growth

Enoro Acquisition Funding

Sources	A\$m	Uses	A\$m
Debt	45.5	Purchase consideration	96.0 ¹
Equity	50.3	Transaction costs	2.0
Cash	2.2		
Total	98.0		98.0

Net Debt

	30/6/2017	Pro-forma with Enoro
Cash	15.0	12.8 ¹
Debt	-	45.5
Net Debt (Cash)	(15.0)	32.7

1. Excludes cash held by Enoro on acquisition of approximately \$5m

Outlook

- Increased profitability is expected in FY18 from both:
 - growth in underlying profitability; and
 - a positive earnings¹ contribution from Enoro (acquired effective 1 July 2017)
- Enoro:
 - over the medium term – will benefit from recent expansions – the CIS product moving into Sweden and Finland and the MDM & EDM products expanding outside the Nordics into the broader European market, as well as cross-selling the Analytics product to Hansen’s global customer base
 - over the longer term – positions us to support further deregulation of the European energy markets
- Over time, in addition to growth via acquisition to further expand and diversify our global footprint, we also expect to continue to generate organic growth from:
 - the macro drivers of our business – being deregulation, increased competition, technological change and increased complexity in the markets in which our customers operate;
 - building even closer, strategic partnerships with our customers as we provide additional solutions and services to meet their evolving business needs; and
 - positioning Hansen as the global supplier of choice for customer information systems and data management systems in our chosen industry verticals

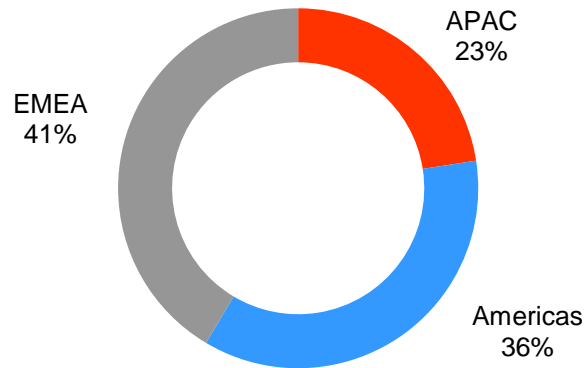
1. Excluding the amortisation of acquired intangibles

Appendices

Hansen at a glance

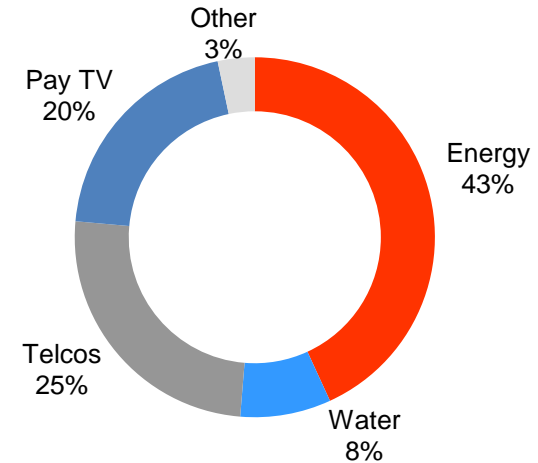
Post Enoro: 500+ customers, 1,000+ employees across 20+ offices globally, servicing over 80 countries

Revenue by Region

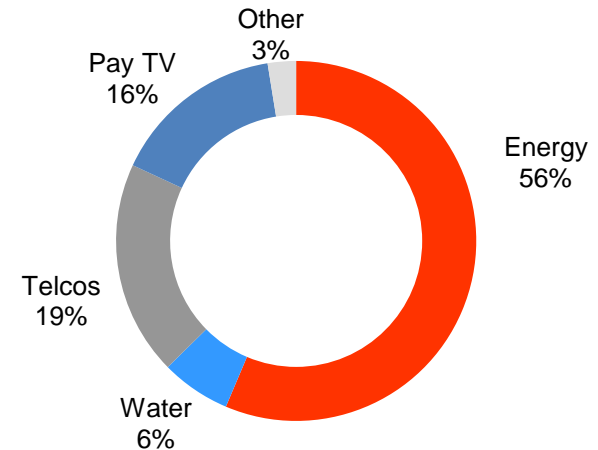
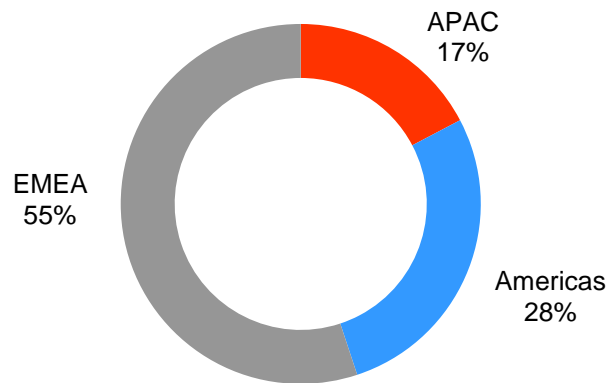


FY17
Actual

Revenue by Vertical



Pro-forma
including
Enoro



Based on FY17 revenue

Profit overview

A\$m	FY16	FY17
Operating revenue	149.0	174.7
EBITDA	45.4	45.1
Depreciation	(2.5)	(3.0)
Amortisation of R&D	(2.9)	(3.9)
EBITA	39.9	38.2
Amortisation of acquired intangibles ¹	(3.6)	(5.4)
EBIT	36.4	32.8
Net interest	0.1	0.1
Income tax	(10.3)	(8.9)
NPAT	26.1	23.9
Add back amortisation of acquired intangibles ²	2.5	3.8
NPATA	28.6	27.7
EPS (Based on NPATA)	16.1	15.3
EPS (Based on NPAT)	14.7	13.2

1. Amortisation of acquired intangibles is the amortisation of identifiable intangible assets (namely technology, trademarks and customer contracts) arising from business combinations
2. On an after-tax basis – tax effected at 30%

Balance sheet

A\$m	Jun 16	Dec 16	Jun 17
Cash	30.2	17.8	15.0
Receivables	21.5	21.7	37.7
Accrued revenue	4.6	6.1	4.7
Prepayments / other	2.3	3.2	3.0
PPE	6.7	7.9	8.9
Intangibles	106.1	130.3	125.5
Deferred tax assets	4.0	4.9	4.8
Total Assets	175.5	191.9	199.6
Payables	8.8	11.1	9.7
Borrowings	0.4	2.3	0.3
Current tax	2.2	0.2	1.1
Provisions	9.7	11.3	10.8
Unearned income	11.2	11.8	19.4
Deferred tax liabilities	4.8	6.2	6.7
Other liabilities	3.4	0.0	0.0
Total Liabilities	40.5	42.9	47.9
Net Assets	135.0	148.9	151.6

Important notices and disclaimer

Important notice and disclaimer

This presentation has been prepared by Hansen Technologies Limited (Hansen). The information contained in this presentation is intended to be general background information only and does not purport to be complete. It is not intended that it be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs. No representation or warranty is made as to the accuracy, completeness or reliability of the information and disclaim any responsibility and liability flowing from the use of this information by any party.

Forward looking statements

The presentation may contain forward looking statements or statements of opinion, including Hansen's current expectations about the performance of its businesses. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or opinions or the assumptions on which either are based. All such information is, by its nature, subject to significant uncertainties, many of which are outside the control of Hansen. As such, undue reliance should not be placed on any forward looking statement.

Non-IFRS 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.