



TechnologyOne SaaS  
Enterprise Software as a Service

# UBS Australasia Conference

**technologyone**  
Transforming business, making life simple

November 13<sup>th</sup> 2018

*Commercial in confidence*

FINAL 3.0

TechnologyOne SaaS  
Enterprise Software as a Service

## Agenda

- Background
- TechnologyOne is now a SaaS company
- What makes us unique
- Long Term Outlook

# Australia's largest enterprise software company

ASX 150 Public Company

Continually profitable over 26 years

Formed in  
**1987**

**1200+**

Corporate, government  
and statutory authorities

1000+  
employees



Largest  
R&D centre  
in Australia  
**300+**  
developers

Invest \$50m  
Back into R&D

Profit  
**\$58m**

Revenue  
**\$273m**

Cash  
**\$93m**

Market Capitalisation  
**\$1.8b**

**Double in size**  
Every 4 to 5 years

**14 international offices**

Australia, New Zealand, South Pacific,  
Asia and United Kingdom

Video

## 1200+ High Profile enterprise customers



Transforming business, making life simple

## Financially Very Strong

\$93.4M

Cash and  
Equivalents

28%

Return on  
Equity

59%

Return  
on Equity\*

0.01%

Debt  
Equity

1,192

Interest Cover

22 YEARS

Dividends  
continually  
paid since  
1996

26 YEARS

Continually  
profitable  
since  
1996

Strong Cash  
Flow

Operating  
Cash : NPAT  
exceeds 1

Customer  
Retention

99%

**Double in size every 5+ years**

(\*As at 30<sup>th</sup> Sept 2017. Adjusted for net cash above required working capital, assumed at two months of staff costs)

## TechnologyOne SaaS Enterprise Software as a Service

### Agenda

- ✓ Background
- TechnologyOne is now a SaaS company
- What makes us unique
- Long Term Outlook

## 340+ enterprise customers on TechnologyOne SaaS

Target 1000 enterprise customers by 2022



TechnologyOne is now a  
successful SaaS company

100% of all new business  
is SaaS

In FY19 we will have  
\$180+m in ARR

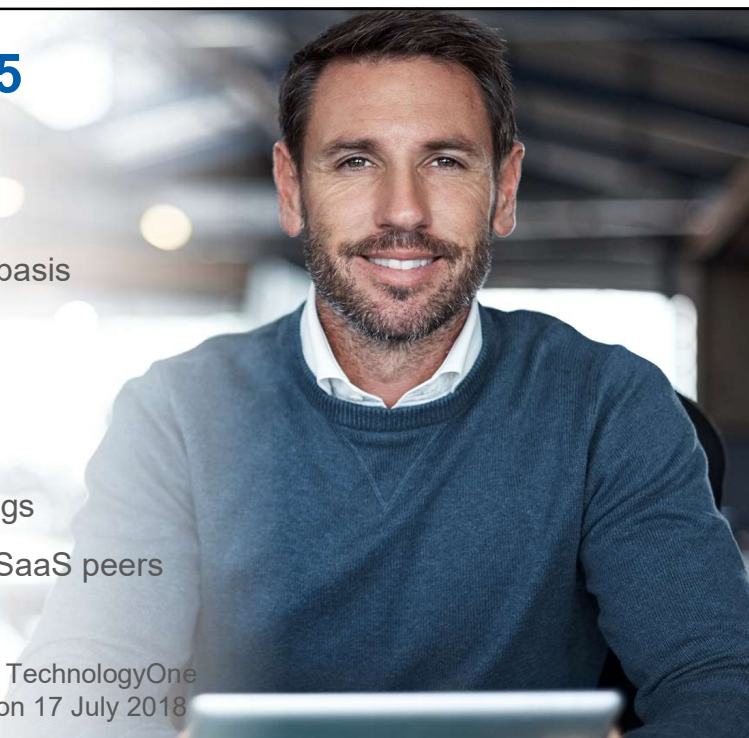
<sup>1</sup>Annual Recurring Revenue  
Represents 80% of our Revenue (excluding Consulting)

# FY19 Adopt AASB15

## SaaS Revenue Recognition Stronger, better business

- ✓ Revenue recognized on a daily basis
- ✓ Free cashflow does not change
- ✓ Minimal impact on P&L
- ✓ Simpler revenue model
- ✓ Improved predictability of earnings
- ✓ TechnologyOne is now like our SaaS peers

For further information please refer to the TechnologyOne IFRS Presentation submitted to the ASX on 17 July 2018



## Simple & Robust SaaS Revenue Model – Annual Recurring Subscription Revenue

	Year 1	Year 2	Year 3	Year 4+
<b>Initial Buy</b> Based on: No of Users, Products & Modules	Yearly SaaS Fee e.g. \$500k per year	Yearly SaaS Fee e.g. \$500k per year	Yearly SaaS Fee e.g. \$500k per year	Yearly SaaS Fee ... e.g. \$500k per year
<b>Buy Addn Users</b> Additional Yearly SaaS Fee		+Yearly SaaS Fee e.g. \$50k per year	+Yearly SaaS Fee e.g. \$50k per year	+Yearly SaaS Fee ... e.g. \$50k per year
<b>Buy Addn Modules</b> Additional Yearly SaaS Fee <i>We have 325 modules across 14 products</i>		+Yearly SaaS Fee e.g. \$50k per year <sup>1</sup>	+Yearly SaaS Fee e.g. \$50k per year <sup>1</sup>	+Yearly SaaS Fee ... e.g. \$50k per year <sup>1</sup>
<b>Buy Addn Product**</b> Additional Yearly SaaS Fee <i>** On average our customers have 5.6 products out of a product range of 14 products</i>		+Yearly SaaS Fee e.g. \$140k per year <sup>2</sup>	+Yearly SaaS Fee e.g. \$140k per year <sup>2</sup>	+Yearly SaaS Fee ... e.g. \$140k per year <sup>2</sup>

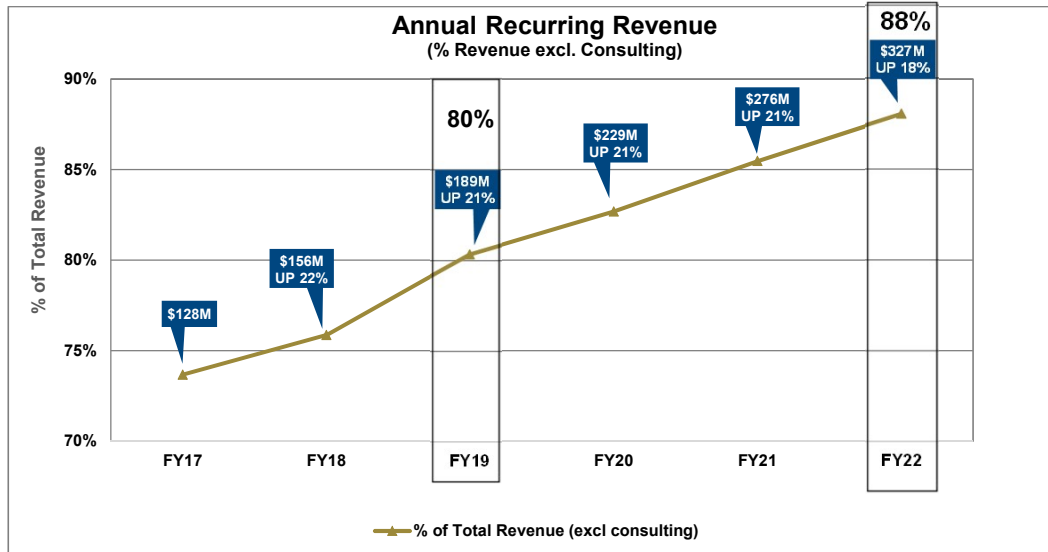
<sup>1</sup>Assumes two additional modules

<sup>2</sup>Assumes one additional product

Note: CPI applies on subsequent years.

Illustrative models only  
Not to be used as guidance

## ARR<sup>1</sup> is growing at approx. 20% per annum



FY19: ARR at start of year is \$189m, is 80% of total Revenue

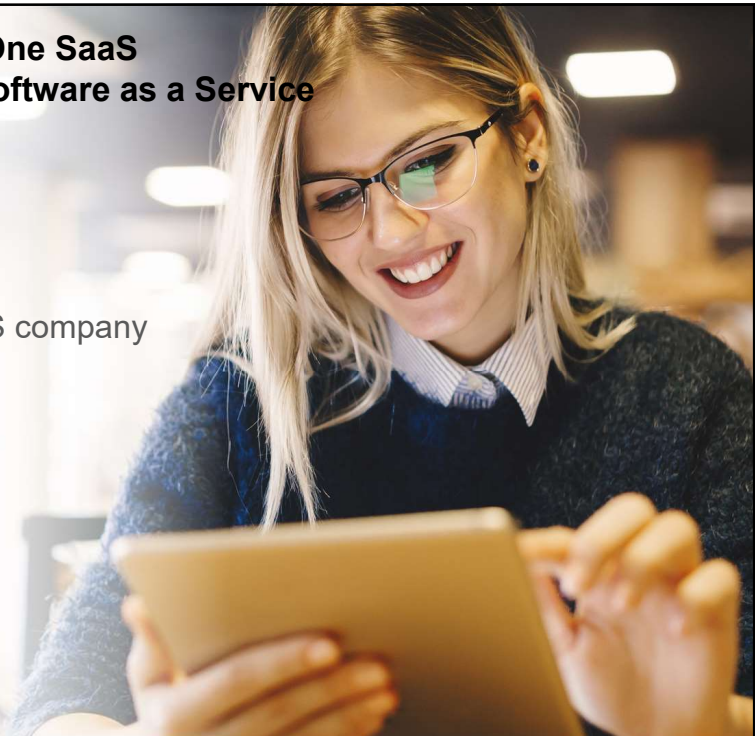
FY22: ARR at start of year is \$327m, is 88% of total Revenue

<sup>1</sup>Annual Recurring Revenue

## TechnologyOne SaaS Enterprise Software as a Service

### Agenda

- ✓ Background
- ✓ TechnologyOne is now a SaaS company
  - What makes us unique
  - Long Term Outlook



## Enterprise software vendor

The power of a single integrated enterprise solution

- ✓ Financials
- ✓ Asset Management
- ✓ HR & Payroll
- ✓ Enterprise Budgeting
- ✓ Supply Chain
- ✓ Property & Rating
- ✓ Student Management
- ✓ Business Intelligence
- ✓ Enterprise Content Management
- ✓ Performance Planning
- ✓ Spatial
- ✓ Enterprise Cash Receipting
- ✓ Stakeholder Management (CRM)
- ✓ Business Process Automation

## Deliver deep functionality for the markets we serve

- ✓ Local Government
- ✓ Education
- ✓ Government
- ✓ Health & Community Services
- ✓ Asset & Project Intensive Industries
- ✓ Financial Services & Corporates

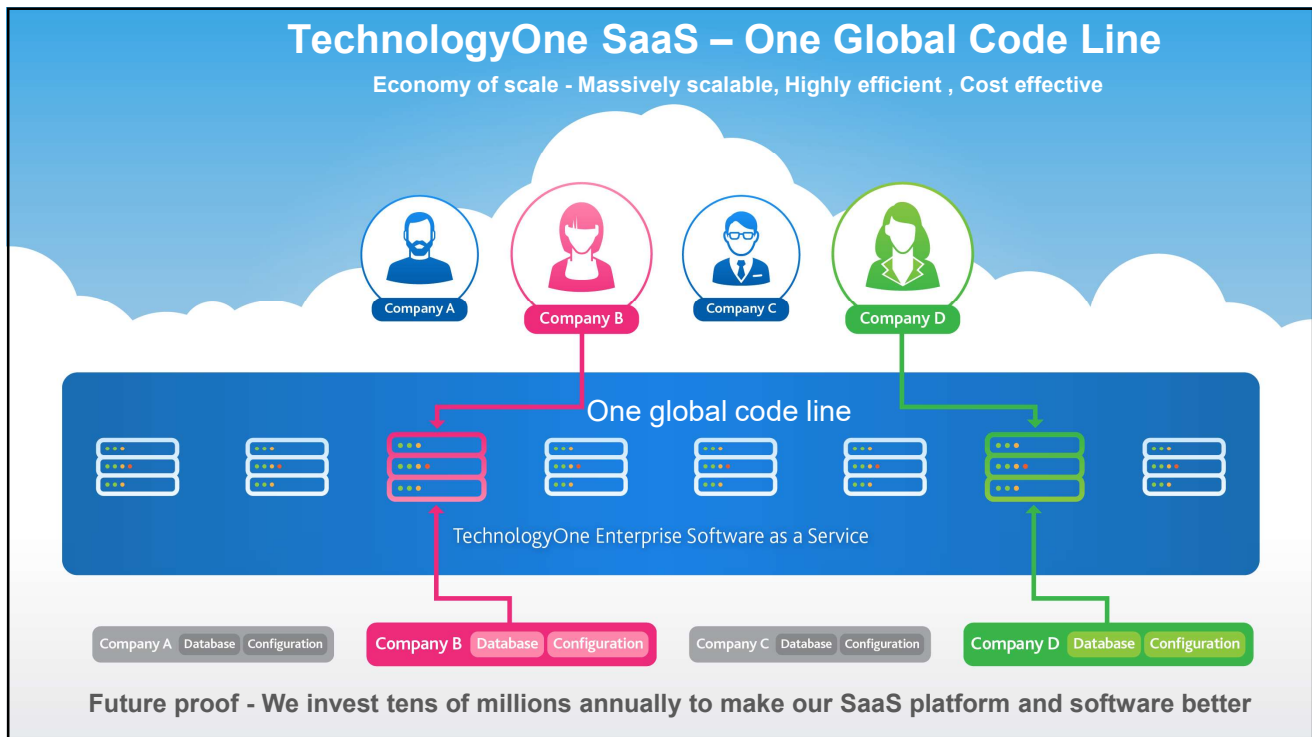
Also provide proven practice preconfigured solutions designed to meet the needs of each market

# One Global Code Line

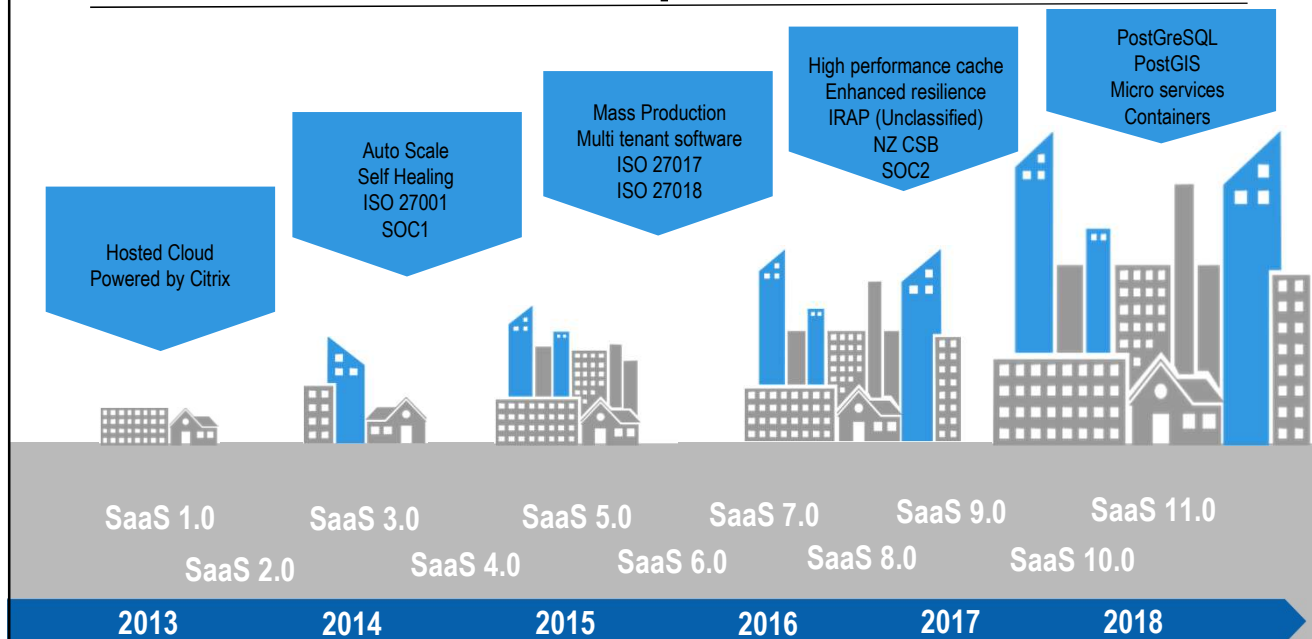
Massive economies of scale

## TechnologyOne SaaS

Enterprise software as a service



# SaaS - Incredible pace of innovation

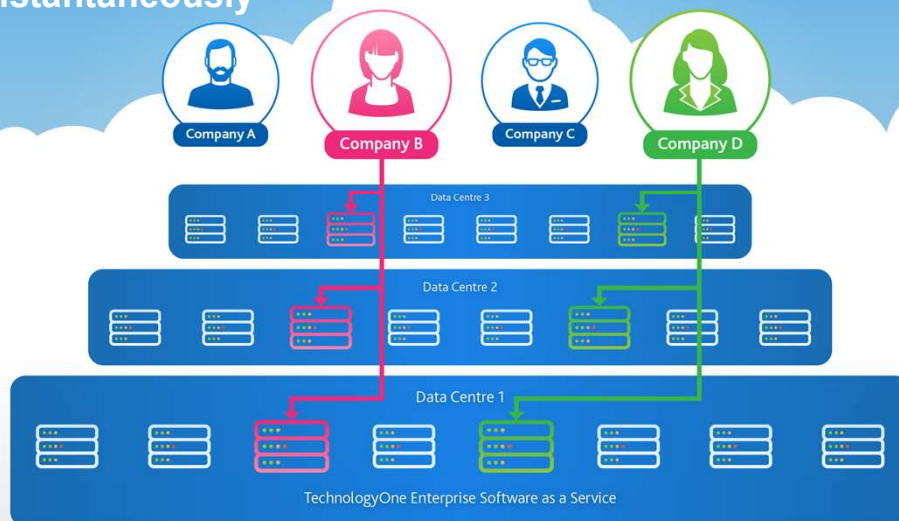


## TechnologyOne SaaS

Update multiple Data Centres instantaneously

- ✓ Never stop
- ✓ Disaster Avoidance

Active<sup>8</sup>





**ISO 27001**  
International Organization for Standardization

**ISO 27017**  
International Organization for Standardization

**ISO 27018**  
International Organization for Standardization

**AICPA SOC**  
Service Organizations Control Report  
Formerly SAS 70 Reports

**SOC 1**  
Audit Controls

**AICPA SOC**  
Service Organizations Control Report  
Formerly SAS 70 Reports

**SOC 2**  
Compliance Controls

 HM Government  
**G-Cloud**  
Supplier

**U.K G-Cloud**

**irap**  
Australian Federal Government Security Standard

**PCI** Security Standards Council  
PCI DSS 3.2 SAQ-D

## Defence in Depth Security

## Our SaaS customers are always on the latest release

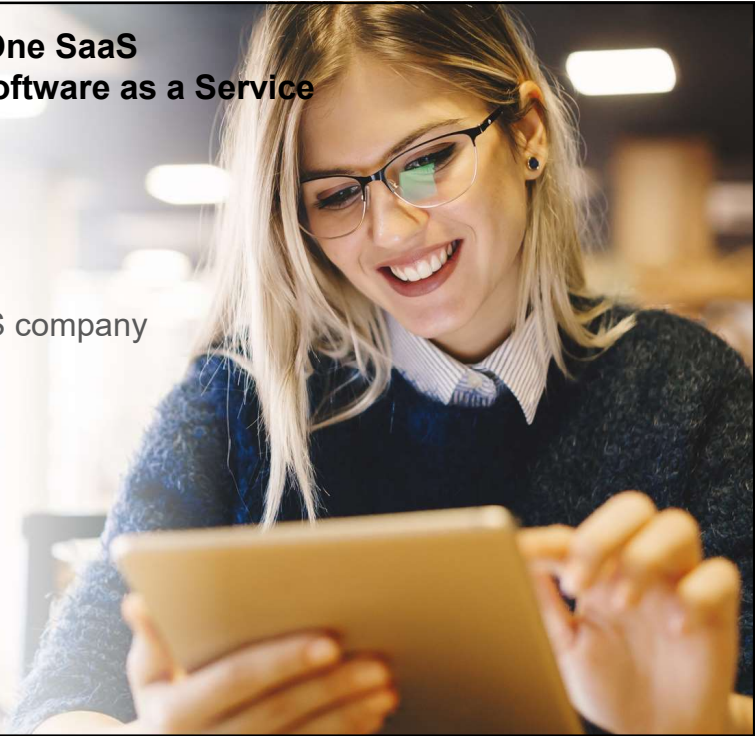
- ✓ New features, new functionality
- ✓ Bugs fixed on a continual basis
- ✓ No extra cost



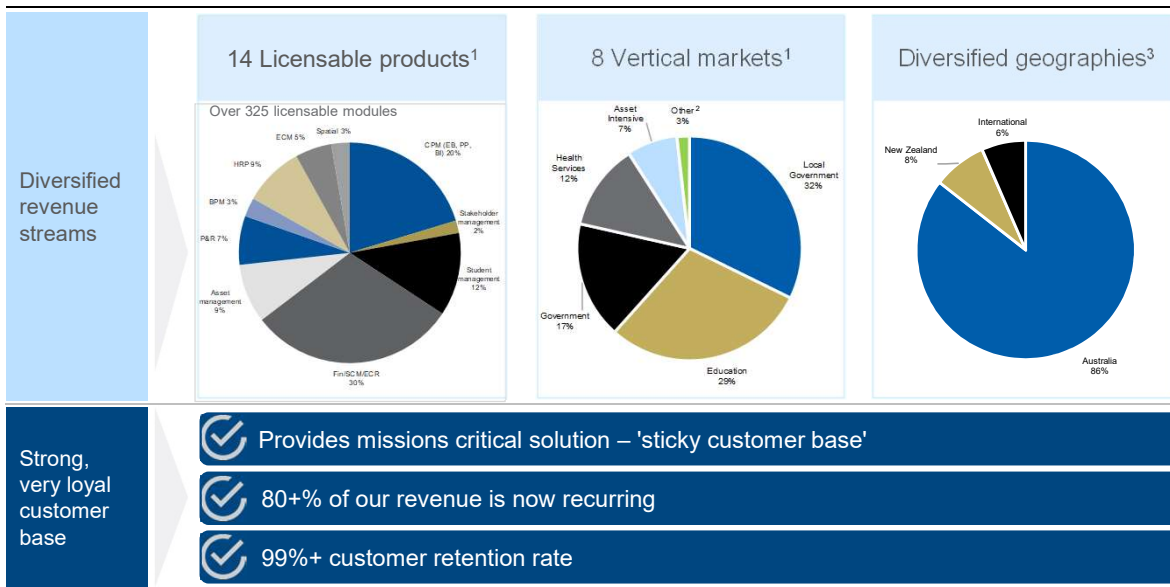
## TechnologyOne SaaS Enterprise Software as a Service

### Agenda

- ✓ Background
- ✓ TechnologyOne is now a SaaS company
- ✓ What makes us unique
  - Long Term Outlook



### Foundations for long term growth

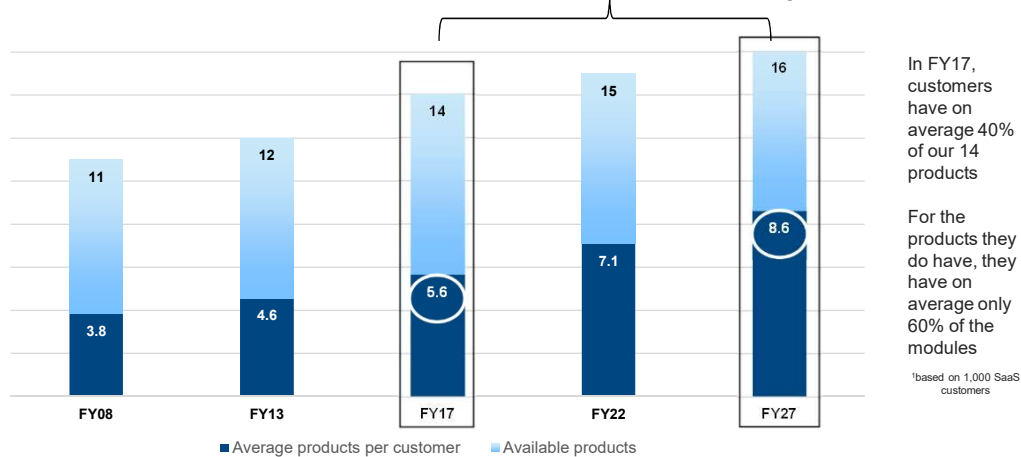


<sup>1</sup> Based on H1 FY18 Licence Fees  
<sup>2</sup> Includes financial services, project intensive and corporate services.  
<sup>3</sup> Based on H1 FY18 Revenue

## Substantial growth in our existing customer base

**\$420m of new ARR by FY2027**

**Estimate \$420m of new ARR by FY2027**



**If we were to add one more product to our customer base, this will generate \$140+m of revenue per year recurring<sup>1</sup>. In FY17, on average, our customers have 5.6 out of 14 products. We expect this to increase to an average of 8.6 products per customer by FY27 which will generate \$420m ARR.**

## Continuing growth in APAC

- ✓ Local Government
- ✓ Education
- ✓ Government
- ✓ Health & Community Services
- ✓ Asset & Project Intensive Industries
- ✓ Financial Services & Corporates



## Continuing growth in the UK

The UK market is 3x the size of Australian market for our enterprise system

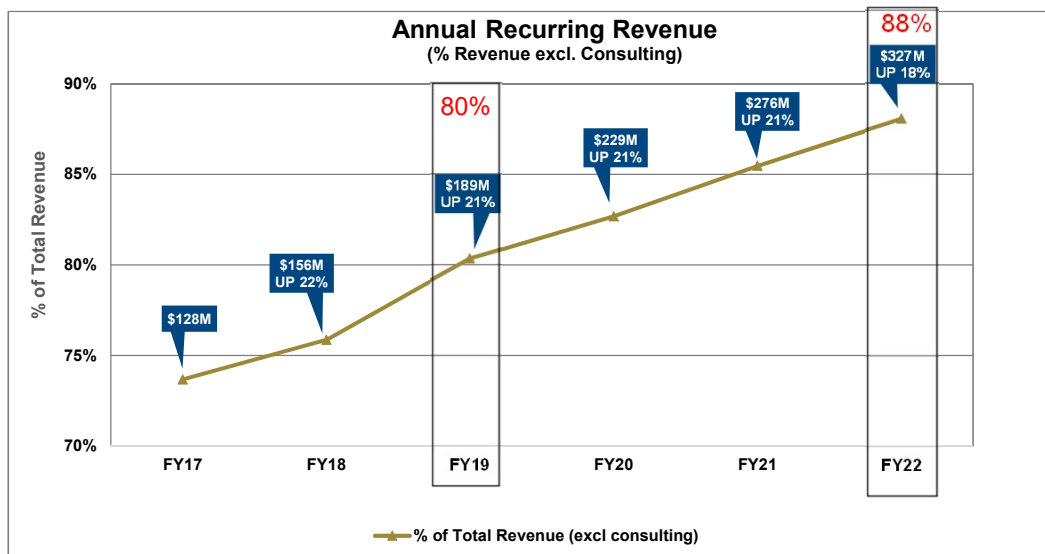
Approaching critical mass in the UK over next 2 years

UK to move to profit in 2020




## SaaS continues to grow strongly ARR is growing at approx. 20% per annum

Illustrative models only  
Not to be used as guidance



FY19: ARR at start of year is \$189m, is 80% of total Revenue

FY22: ARR at start of year is \$327m, is 88% of total Revenue



Positioned well for the future  
and to continue to double in  
size every 5 years.

- ✓ Substantial future growth in our existing customer base
- ✓ Continuing growth in APAC
- ✓ Continuing growth in the UK
- ✓ SaaS continues to grow strongly



**Questions ?**

technology**one**

---

Transforming business, making life simple