

## **Technology One Profit up 15%, driven by TechnologyOne SaaS And announces 9th consecutive year of record revenues, record licence fees and record profits**

**BRISBANE, 20 November 2018** - Australia's largest enterprise Software as a Service (SaaS) company, TechnologyOne (ASX:TNE) today announced its financial results for the year ended 30 September 2018, showing continuing strong growth with profit up 15% underpinned by the fast growth of the TechnologyOne enterprise SaaS solution.

**Key results were as follows:**

- Net Profit Before Tax of \$66.5m, up 15%
- Revenue of \$299m, up 9%
- Expenses of \$232m, up 8%
- Total Annual Recurring Revenue of \$169m, up 22%
- Initial Licence Fees of \$65m, up 6%, with APAC region up 9%
- Operating Cashflow of \$49m, up 5%
- Cash and Cash Equivalents of \$104m, up 12%
- Total Dividend of 11.02cps, up 8%
- R&D of \$54m fully expensed, up 8%, which is 18% of revenue

TechnologyOne CEO Mr Edward Chung said: "I am pleased to announce our 9<sup>th</sup> consecutive year of record profit, record revenue and record licence fees for TechnologyOne.

"Today, TechnologyOne is a Software as a Service (SaaS) company, though the market is yet to fully appreciate this fact given we started as a traditional 'on premise' software company. All new customers logos in FY18 were driven by TechnologyOne SaaS. We now have 347 large scale enterprise customers, with hundreds of thousands of users, making it the largest single instance ERP SaaS offering in Australia. Our Annual Recurring Revenue is growing very fast, at 20% per annum.

"Our SaaS offering is delivering a compelling value proposition for our customers providing them 'any device, anytime access from anywhere around the globe' as well as a simple and cost-effective way to run their enterprise. This is allowing our customers to innovate and meet the challenges ahead with greater agility and speed, without having to worry about underlying technologies. We take care of all of this, making life simple for them.

“We continued to dominate in the local government sector, where we closed 11 new major deals with \$80 million in contract revenue. We have more than 300 council customers and are continuing to grow fast.

“TechnologyOne also continues to see strong growth in Government with initial licence fee growing 17%.

“We continue to deliver exceptional projects at breakneck speed with several recent SaaS go lives being implemented in less than 6 weeks.

“The APAC region performed strongly with profit up 20%, underpinned by strong licence fee growth, significant turnaround in our consulting business and our market leading enterprise SaaS offering. We continued to invest strongly in the UK and remain excited about the significant opportunities for the coming years.

“We will continue to grow quickly, and like we have in the past 30 years, we expect to double in size again in the next 5 years,” Mr Chung said.

TechnologyOne Executive Chairman, Mr Adrian Di Marco said: “TechnologyOne has consistently delivered strong and growing results since listing on the ASX in 1999. Our ability to deliver these results for 19 years has not relied on riding the cycle of the economy but it is because of our clear vision, strategy and our significant investment in R&D.

“TechnologyOne invested over \$54 million in R&D this year. Our ability to successfully undertake large-scale cutting-edge R&D and to successfully commercialise it has underpinned our success. There are few companies in Australia that come close to the level of creativity and innovation at TechnologyOne.

“After many years of R&D investment, TechnologyOne SaaS is driving our strong results. We have today the market leading enterprise SaaS offering for the markets we serve.

“We continue to invest in new exciting ideas and innovation including Artificial Intelligence and Machine Learning, which we will ship in our 2019A release in the first half of 2019.

“These strong results would not have been possible without the talented and committed people who make up TechnologyOne led by our CEO, Edward Chung.

“In light of the company’s strong results, and our confidence going forward, the dividend for the full year has increased to 11.02 cents per share, up 8% on the prior year,” Mr Di Marco said.

## **Outlook**

Our sales pipeline for the new financial year remains strong. The TechnologyOne SaaS business will continue to grow strongly in the new financial year. This supports the outlook for continuing strong profit growth once again over the full year.

The company will provide further guidance at both the Annual General Meeting and with the FY19 first half results.

### **Further information**

This market release should be read in conjunction with the TechnologyOne Investor Presentation and the TechnologyOne Statutory Accounts attached to the Appendix 4E. All documents are available on the ASX Announcement platform.

### **Results teleconference**

TechnologyOne will present the 2018 full year results to analysts on a conference call on Tuesday 20 November at 11am AEDT (10am AEST). Details will be provided to invited attendees. You can register for the webcast at [TechnologyOneCorp.com/about-us/shareholders](https://TechnologyOneCorp.com/about-us/shareholders).

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### **About TechnologyOne**

TechnologyOne (ASX:TNE) is Australia's largest enterprise software company and one of Australia's top 200 ASX-listed companies, with offices across six countries. We create solutions that transform business and make life simple for our customers. We do this by providing powerful, deeply integrated enterprise software that is incredibly easy to use. Over 1,200 leading corporations, government departments and statutory authorities are powered by our software.

We participate in only eight key markets: government, local government, financial services, education, health and community services, asset intensive industries, project intensive industries and corporates. For these markets we develop, market, sell, implement, support and run our preconfigured solutions, which reduce time, cost and risk for our customers.

For more than 30 years, we have been providing our customers enterprise software that evolves and adapts to new and emerging technologies, allowing them to focus on their business and not technology. Today, our software is available on the TechnologyOne Cloud and across smart mobile devices.