

# FY22 Annual General Meeting

Ended 30 September 2022

**technologyone**  
Transforming business, making life simple

technologyone  
**uni**

**SaaS+**

**cia**  
unstoppable simplicity

**dxp**

**cia** live



22 February 2023  
Commercial in confidence

# Disclosure Statement

## TechnologyOne Ltd Annual General Meeting – 22 February 2023

Technology One Ltd (ASX: TNE) today conducted its Annual General Meeting at the Brisbane Convention & Exhibition Centre. These slides have been lodged with the ASX and are also available on the company's website: [www.TechnologyOneCorp.com](http://www.TechnologyOneCorp.com)

The information contained in this presentation is of a general nature and has been prepared by TechnologyOne in good faith. TechnologyOne makes no representation or warranty, either express or implied, in relation to the accuracy or completeness of the information. This presentation may also contain certain 'forward looking statements' which may include indications of, and guidance on financial position, strategies, management objectives and performance. Such forward looking statements are based on current expectations and beliefs and are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of TechnologyOne. TechnologyOne advises that no assurance can be provided that actual outcomes will not differ materially from those expressed in this presentation.

This presentation includes the following measures used by the Directors and management in assessing the on-going performance and position of TechnologyOne: EBITDAR, EBITDA, EBIT, ARR, Churn, Cash Flow Generation. These measures are non-IFRS under Regulatory Guide 230 (Disclosing non-IFRS financial information) published by the Australian Securities and Investment Commission and have not been audited or reviewed.

All information reported is inclusive of Scientia unless otherwise stated. The FY21 Balance Sheet has been updated to include finalised balances for the acquisition of Scientia.

# Agenda

- Financial Results & Significant Achievements
- Outlook for FY23
- Long Term Outlook

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# Clear Strategy



## ERP software – Mission critical products

In 2008, we had 11 products, in 2022, we have 16 products and over 400 modules.



## Deepest functionality for the markets we serve

Mission critical products which power our customers



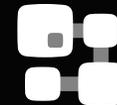
## Global SaaS Solution – One Global Line

Our SaaS customers unlock significant benefits



## Any device anywhere anytime

Delivered our 4<sup>th</sup> Generation ERP, CiA



## Power of one – One Vendor, One Experience

Solution as a Service



## Innovation Driven Company

Leveraging new and emerging technology in each generation of product



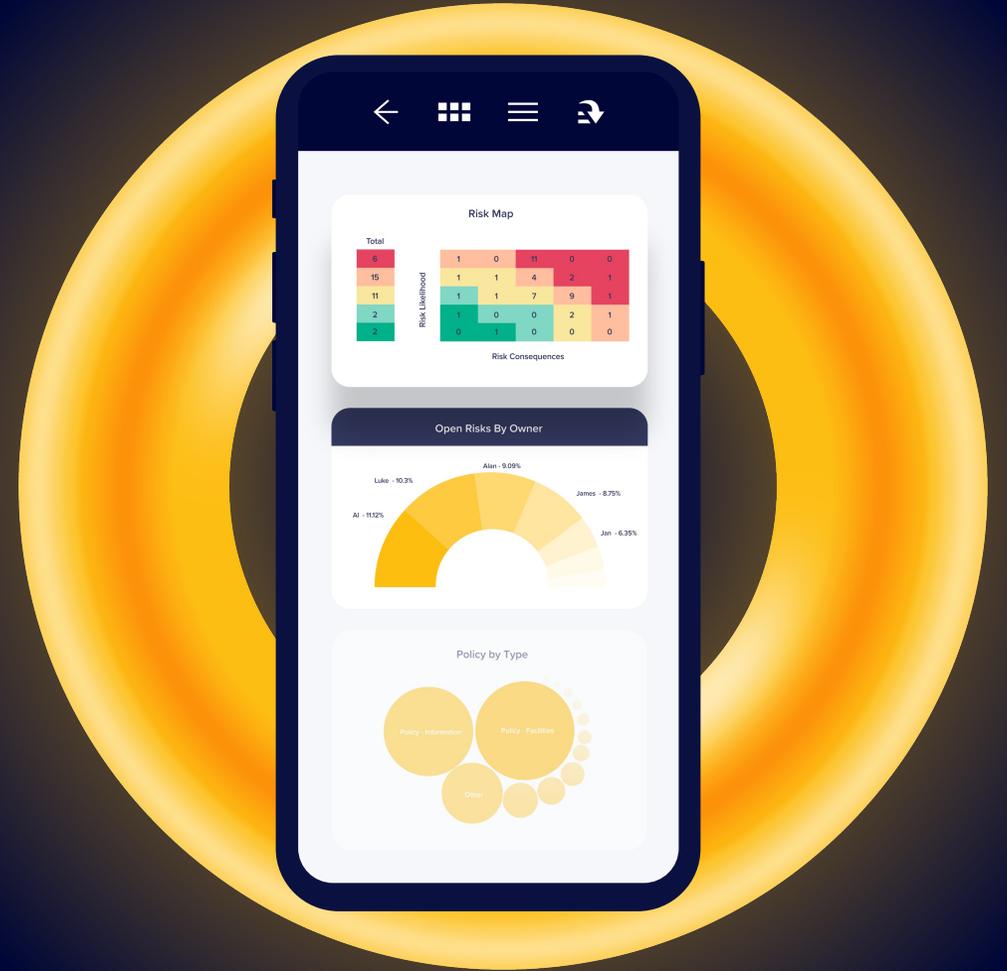


**Record SaaS  
ARR growth  
of 43%**

**SaaS ARR  
\$274.2m**

**Record Total  
ARR Growth of  
25%**

**Total ARR  
\$320.7m**



# Customers on TechnologyOne SaaS Platform is up 27% pcp

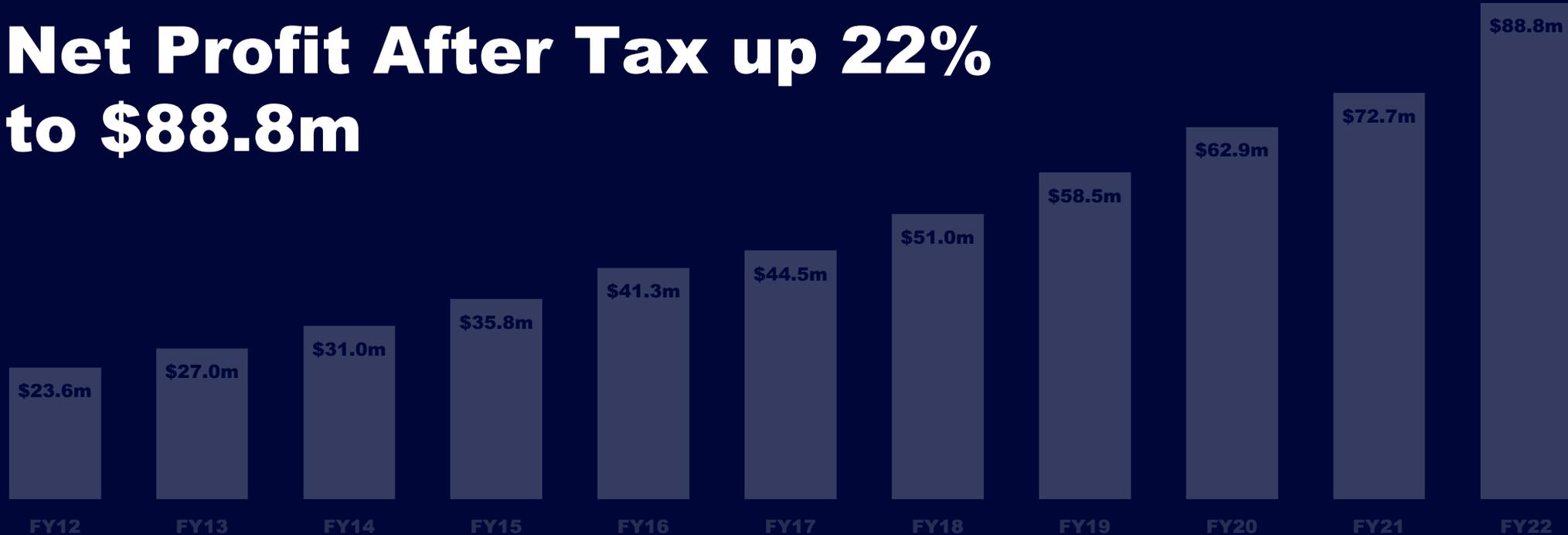
Large scale enterprise customers – Mission critical software

Millions of users



# Record Profit

**Net Profit After Tax up 22%  
to \$88.8m**



**Net Profit Before Tax up 15% to \$112.3m  
Top End of Guidance, 13 consecutive years of Record Profit**

**Surpass \$500m+ ARR by FY26**

# Dividend up 22%

## Full year dividend increased

### Confidence in the outlook

### Retaining significant fire power to invest in growth

Half 1 4.20 cps, up 10% (60% franked<sup>1</sup>)

Half 2 10.82 cps, up 7% (60% franked<sup>1</sup>)

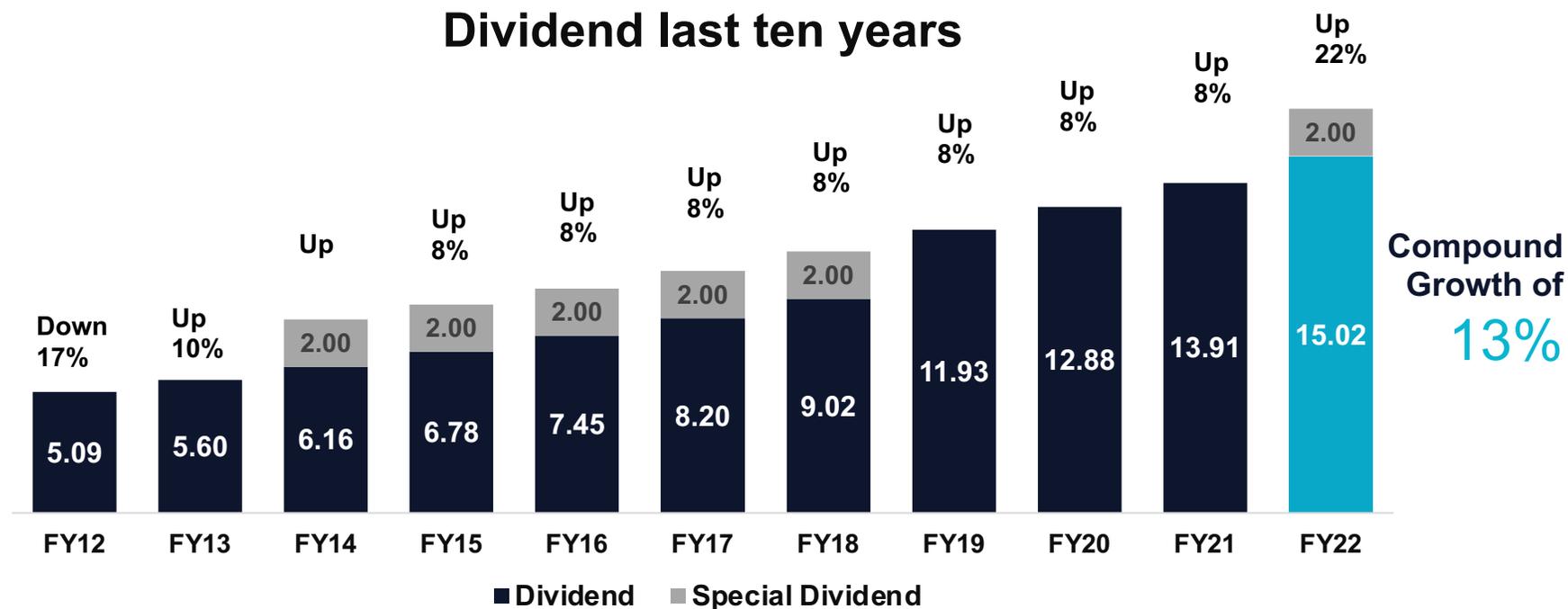
Total 15.02 cps, up 8%

Special 2.00 cps, (60% franked<sup>1</sup>)

Total 17.02 cps, up 22%

Payout  
ratio of  
**62%**

### Dividend last ten years



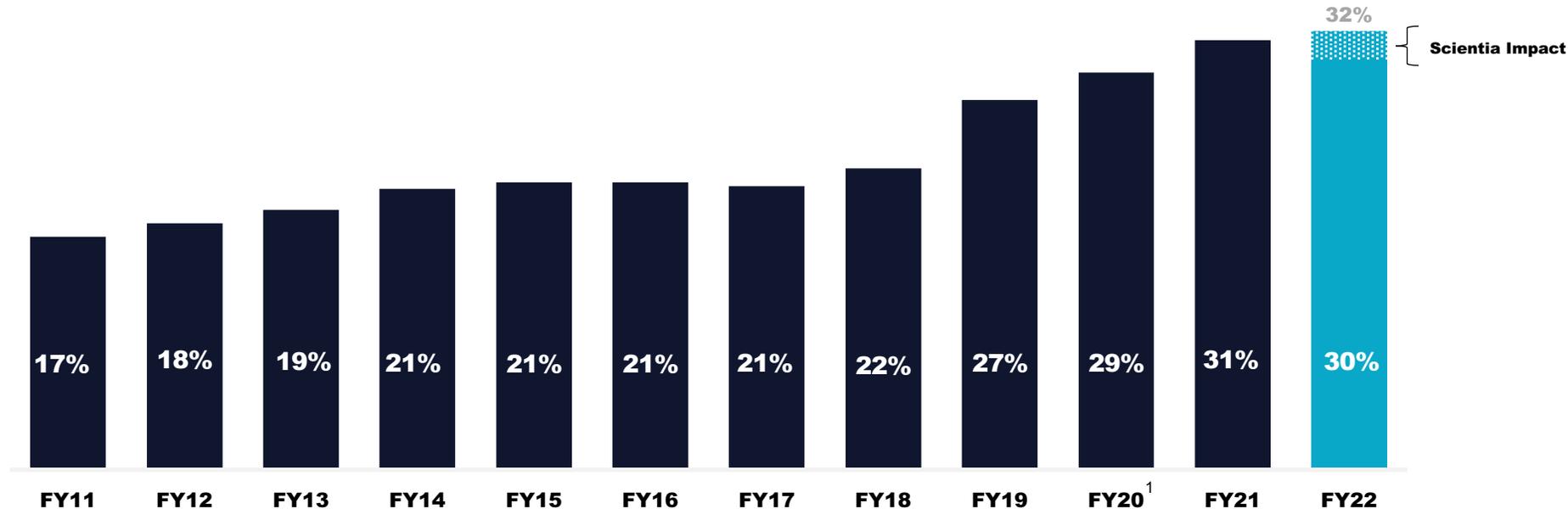
#### Notes:

- <sup>1</sup> Dividends are not fully franked as a result of tax benefits from the R&D Tax Concession and the TechnologyOne Share Trust
- We have continuously paid a dividend since 1996 (through Dot-Com and GFC)
- The Board considers the payment of a Special Dividend at the end of each year taking into consideration franking credits and other factors
- The Board continues to consider other Capital Management initiatives including acquisitions

# Profit margin to improve to 35%+ in the next few years

**FY22 Profit Before Tax Margin was 30%**

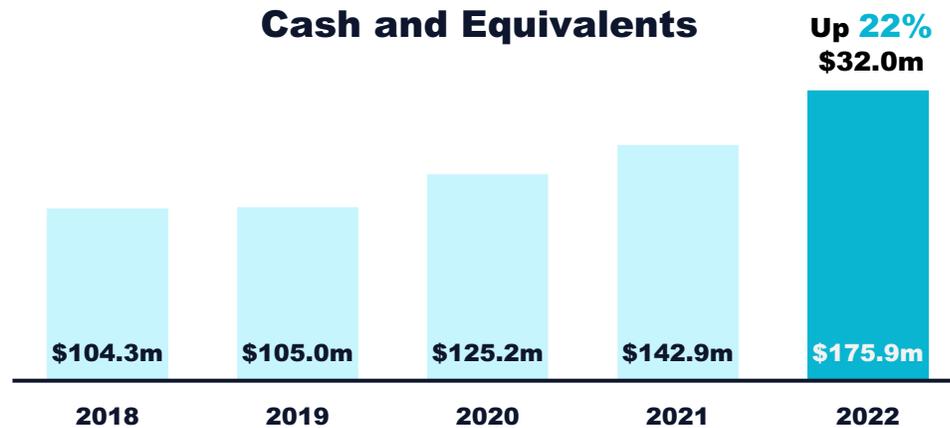
**Driven by the significant economies of scale from our single instance global SaaS ERP solution**



**Profit margin excluding Scientia was 32%, compared to 31% PCP Group Profit margin was impacted by the Scientia acquisition. Profit margin growth to return in FY23 and beyond.**

1. FY20 Profit Before Tax excludes a one-off increase in provision of \$3.6m as a result of a civil employment case.

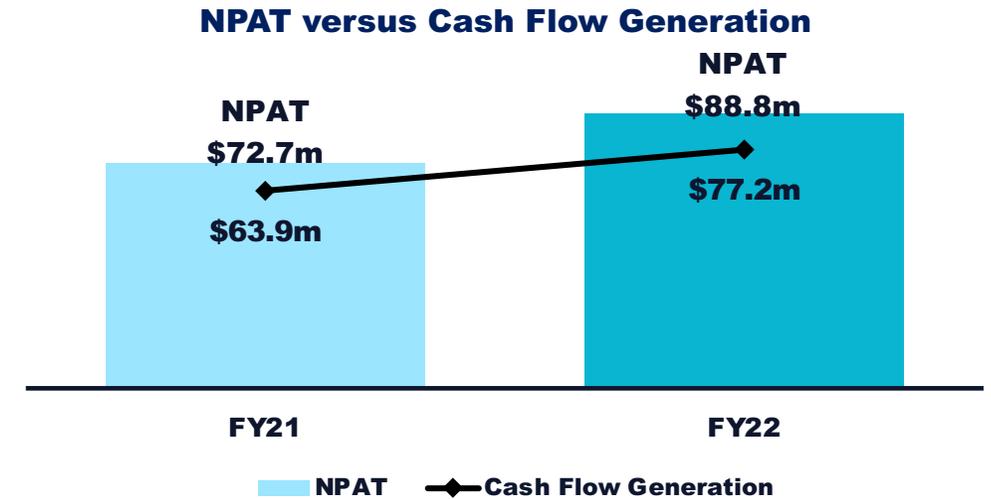
# Balance Sheet



## Cash & Equivalents \$175.9m, up 22%

- ✓ Net Cash: 54.0 cps vs 44.4 cps, up 22%
- ✓ Net Assets: \$239.1m vs \$190.2m, up \$48.9m, up 26%
- ✓ We have no debt

# Cash Flow



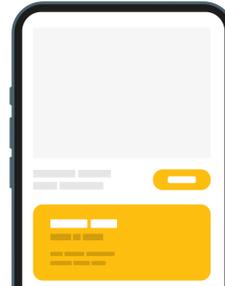
## Cash Flow Generation (CFG) \$77.2m, up 21%, \$13.3m

- ✓ CFG to NPAT Ratio 87% as previously forecast
- ✓ Cash Flow Generation will progressively grow to match NPAT again from FY24 onwards

# Our 4th Generation Global SaaS ERP Dominates in our Key Verticals



16 Key products strategically focused over key industries



All systems fully integrated into the CiA platform. Anytime anywhere.

## UX

One simple intuitive UX focused workplace for everything.



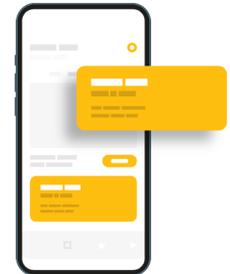
Highest level security accreditations in the industry.

## cia live

We take care of the upgrade so you can focus on the future



400+ modules with over 10,000 capabilities





*We're stronger as one. People are our power. Simplicity is our compass. Customers are our true north. Make the impossible possible.*

LEADERSHIP COMMUNITY

# Summit.

# FY22 Summary



Record full year  
profit and  
revenue, record  
SaaS ARR



SaaS ARR  
up 43%  
to \$274.2m



Revenue – SaaS  
& Continuing  
Business up 22%  
to \$358.7m



Profit After Tax  
up 22%  
to \$88.8m



Profit Before Tax  
up 15%  
to \$112.3m



Profit margin  
before tax of  
30%



UK ARR  
up 95%  
to \$17.5m



Cash and Cash  
Equivalents  
up 22%  
to \$175.9m



Surpass \$500m+ ARR by  
FY26



Total ARR  
up 25%  
to \$320.7m



NRR of 116%  
v 112% pcp



Cash Flow  
Generation  
Up 21%  
to \$77.2m  
87% of NPAT

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# Outlook for FY23

## Strong Profit growth to continue in 2023

- The markets we serve such as Local Government, Higher Education and Government are resilient
- TechnologyOne provides mission critical software which powers our customer's operations. Customers turn to our Global SaaS ERP to save 30%+ and streamline their business
- The pipeline for 2023 is strong
- We expect to see strong continuing growth in SaaS ARR and profit
- We will provide further guidance with our first half results

**We will  
continue to  
double in  
size every  
5 years**

**On track to surpass \$500m+ ARR by FY26**

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**Continue to double in size every 5 years**

# NRR of 116%

 Financials	 Business Analytics	 Student Management	 Human Resources & Payroll	 Performance Planning	 Property & Rating	 Strategic Asset Management	 Timetable & Scheduling
 Enterprise Asset Management	 Spatial	 Enterprise Cash Receipting	 Enterprise Budgeting	 Enterprise Content Management	 Corporate Performance Management	 Supply Chain Management	 DXP Local Government

POWER OF A SINGLE INTEGRATED ERP SOLUTION

**R&D over next 5 years  
Increases ARR whitespace**

# Solution as a service.

**SaaS<sup>+</sup>**

Solution as a  
Service lifts  
ARR by 40%



# Continue to double in size every 5 years

Strong Net Revenue Retention (NRR) of 115-120%

\$2b of ARR whitespace in APAC customer base

R&D over next 5 years doubles APAC ARR whitespace from \$2b to \$4b

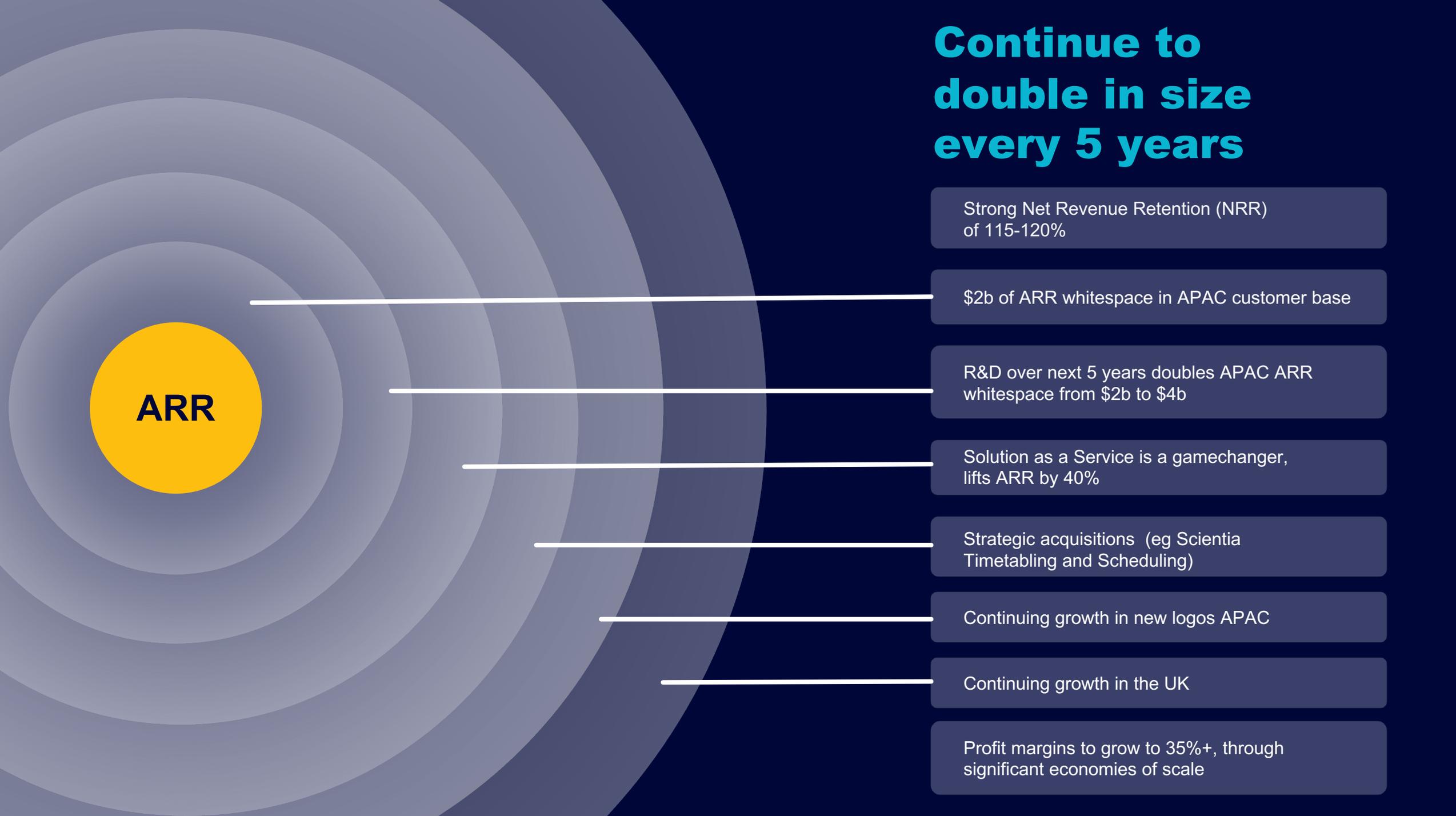
Solution as a Service is a gamechanger, lifts ARR by 40%

Strategic acquisitions (eg Scientia Timetabling and Scheduling)

Continuing growth in new logos APAC

Continuing growth in the UK

Profit margins to grow to 35%+, through significant economies of scale



ARR

# People and Culture

## Recognized as Employer of Choice

Award winning programs



**Strong culture of creativity and innovation**

# technologyone | Foundation

unite | donate | participate



**500,000 children and their families out of poverty**

# Our People



 Play video

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transforming business, making life simple