

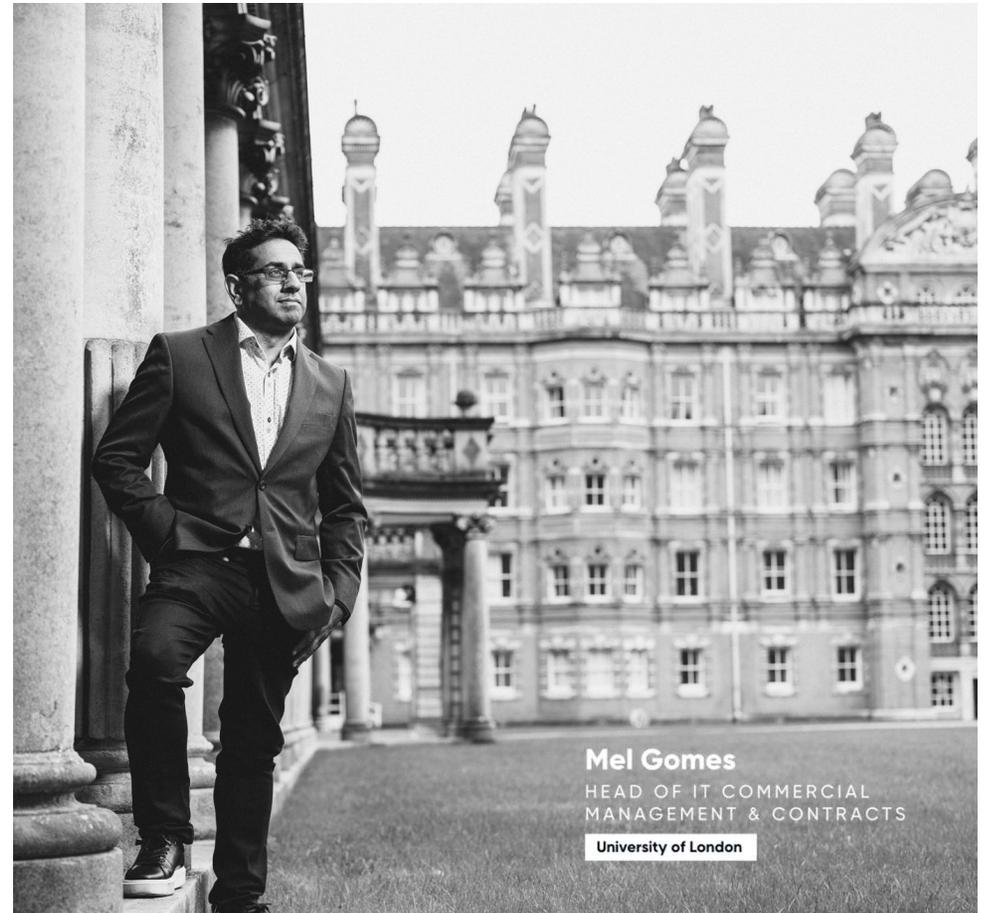


technology¹

2024 Full Year Results

Ended 30 September 2024

Making life simple for our community



19 November 2024

Disclosure Statement

TechnologyOne Ltd Full Year Presentation – 19 November 2024

TechnologyOne Ltd (ASX: TNE) today conducted a series of presentations relating to its 2024 Full Year results.

These slides have been lodged with the ASX and are also available on the company's website: 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.



Agenda

- Highlights
- Financial Results
- Significant Achievements
- Building the Future
- Outlook for FY25



Agenda

- **Highlights**
- Financial Results
- Significant Achievements
- Building the Future
- Outlook for FY25



technology¹

Continuing Strong Growth FY24 Results



**Profit
growth**

18%

to \$152.9m



**ARR growth
driven by**

UK & SaaS+

Up 20% to \$470.2m

Mission

Make life simple for our community, from its citizens to students, by leveraging our team's innovation, drive and determination.





**ERP
software**



**One
experience
for our
customers.**



**Market
focus &
commitment.**



**Evolution not
revolution.**



**The Power
of One.**



**Tech
is the
answer.**

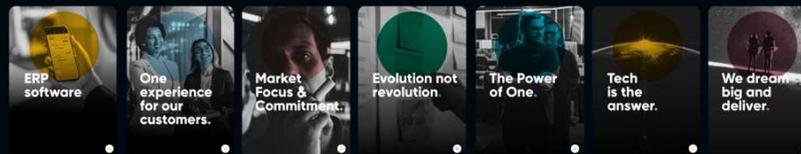
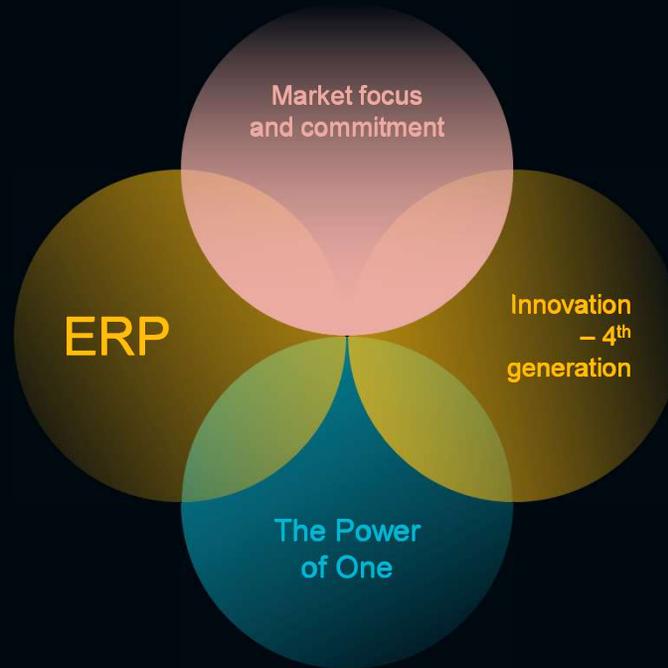


**We dream
big and
deliver.**



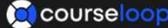


technologyⁱ



Total ERP Solution.

cia

| | | | |
|--|--|---|--|
|  App Builder |  Business Analytics |  Corporate Performance Management |  courseloop |
|  Enterprise Asset Management |  Enterprise Budgeting |  Enterprise Cash Receipting |  Enterprise Content Management |
|  Financials |  Human Resources and Payroll |  Performance Planning |  Property and Rating |
|  Spatial |  Student Management |  Supply Chain Management |  Timetabling & Scheduling |

For **our** Community

dxp

| |
|---|
|  DxP Essentials |
|  DxP Local Government |
|  DxP Student |

For **your** Community

Power of a single integrated solution

● Available Product ● Coming soon

Acquisition of CourseLoop

cia

| | | | |
|--|--|---|--|
|  App Builder |  Business Analytics |  Corporate Performance Management |  |
|  Enterprise Asset Management |  Enterprise Budgeting |  Enterprise Cash Receiving |  Enterprise Content Management |
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For **our** Community

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For **your** Community

● Available Product ● Coming soon

OneEducation

cia

| | | | |
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|  App Builder |  Business Analytics |  Corporate Performance Management |  Curriculum |
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For **our** Community

dxp

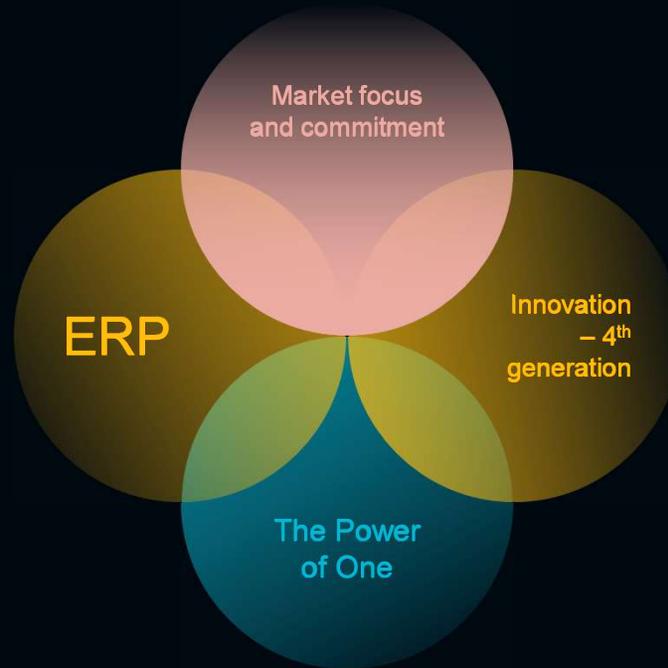
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|---|
|  DxP Essentials |
|  DxP Local Government |
|  DxP Student |

For **your** Community

● Available Product ● Coming soon



technologyⁱ





technology

Deepest functionality for the markets we serve.



Local
Government



Education



Government



Asset and
Project
Intensive
industries



Health and
Community
Services

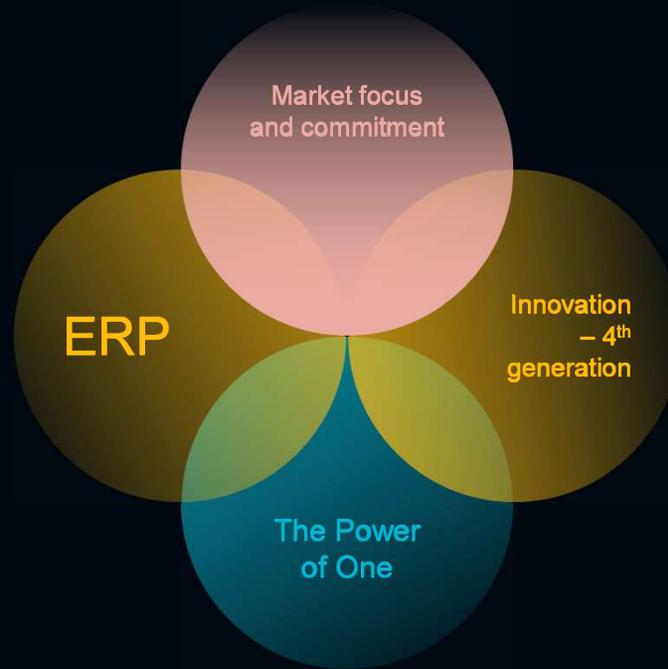


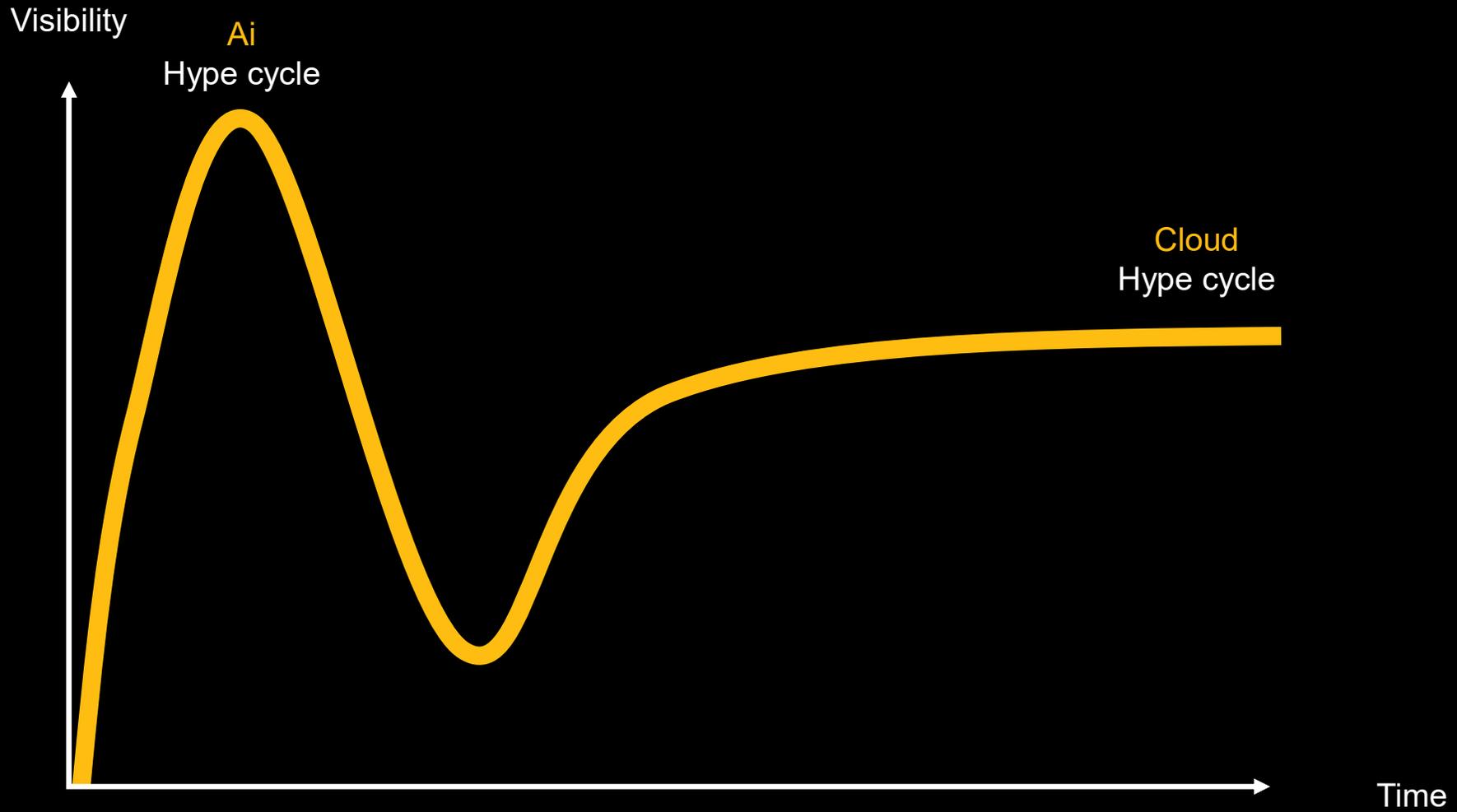
Financial
Services and
Corporates

We provide proven practice preconfigured solutions to reduce time, cost and risk



technologyⁱ



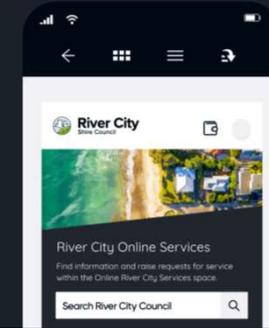


Security

Future

24^a

24^b

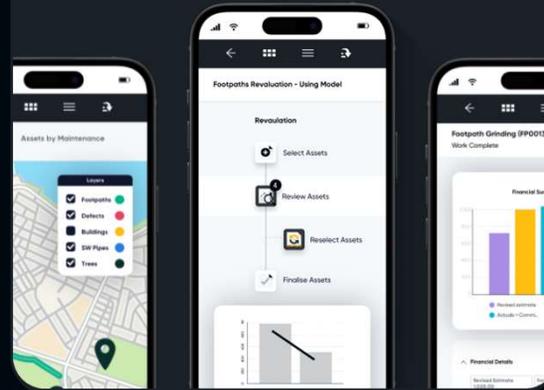


dip

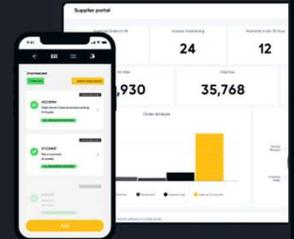
App builder

cia

"SaaS+, which offers a faster implementation, meaning the Council could reap the benefits at an accelerated pace compared to traditional time and material methodology."



Tech

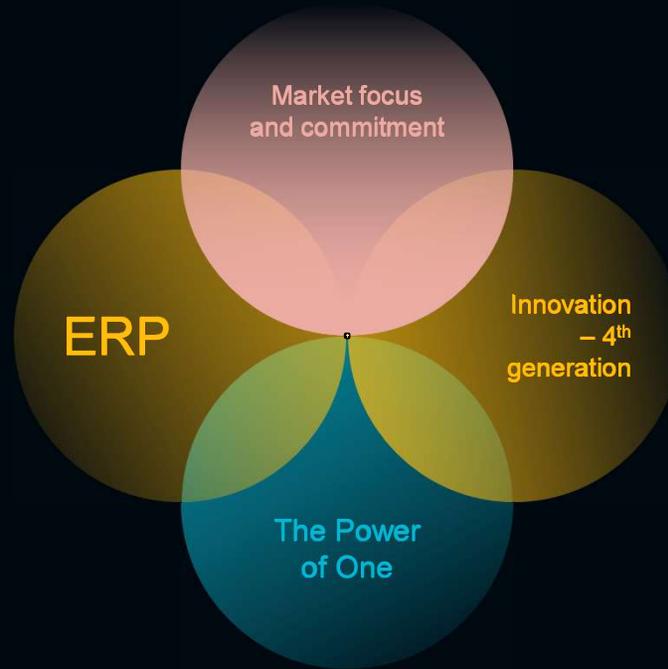


community

SaaS+



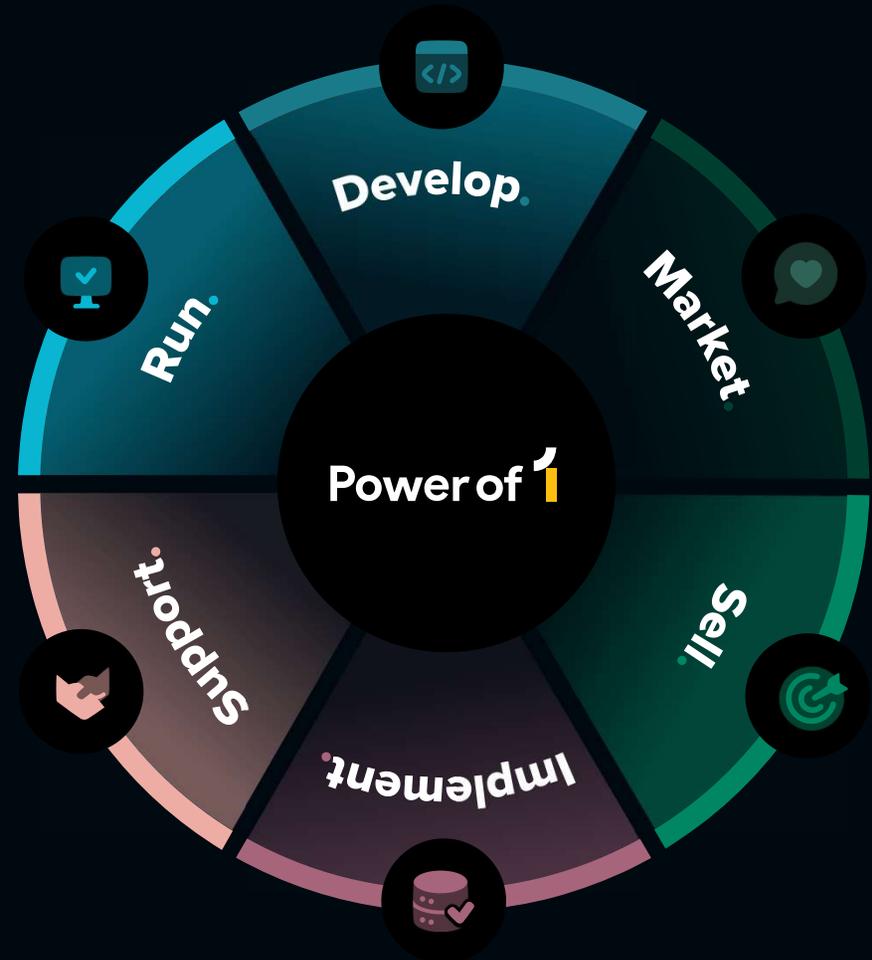
technologyⁱ



The Power of One.

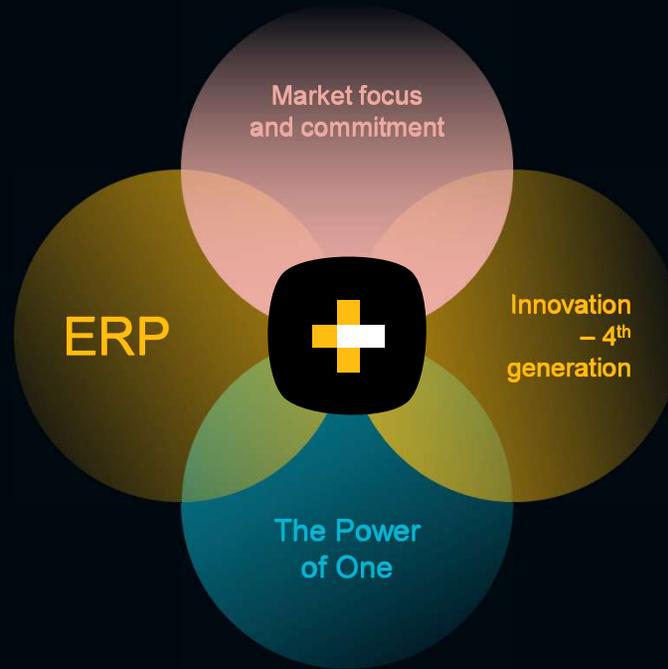
IP Engine.
Own customer relationship.
100% accountability.
99%+ retention.

We take complete responsibility
We do not use Implementation Partners or Re-Sellers





technology¹



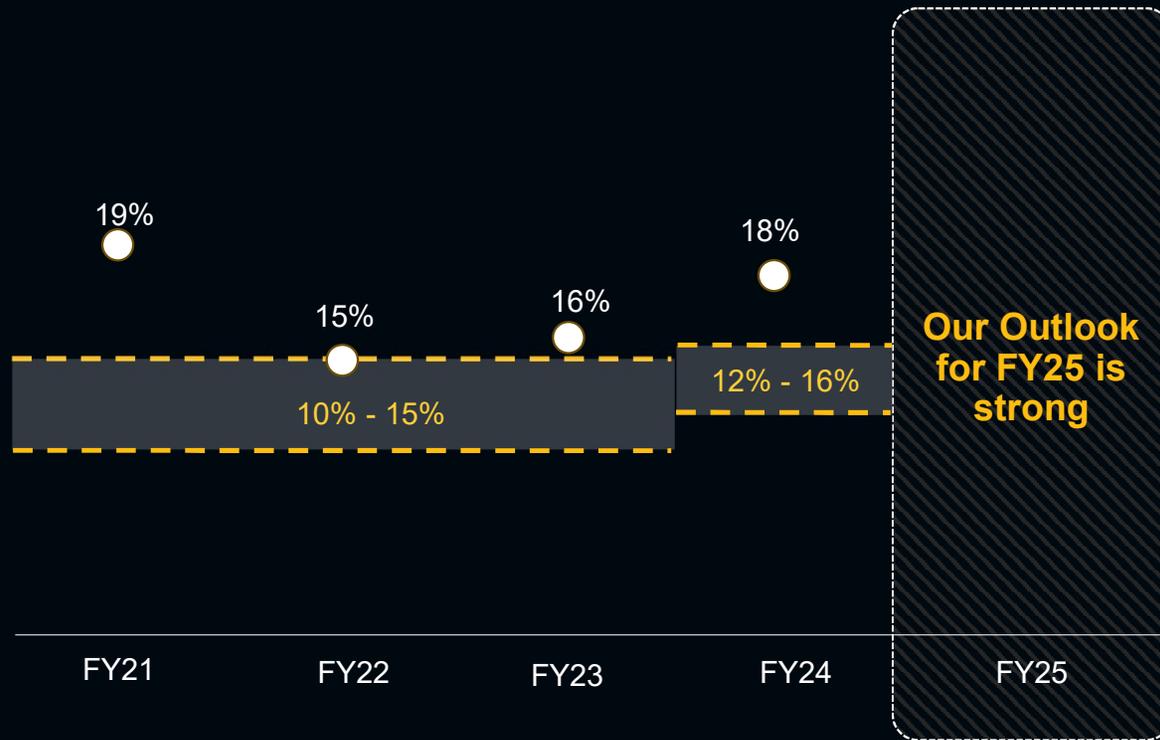
SaaS+



Profit Before Tax Growth of 18%

Profit growth accelerated in FY24

Track record of achieving top of guidance



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

~~Upgrades to \$500m+ ARR by FY25~~

~~Upgrades to \$500m+ ARR by H1 FY25~~



We continue to invest in R&D to build future platforms for growth.

Our Total Addressable market is \$13.5b.

We will continue to double in size every 5 years.

A new long-term target

**A new long-term target
\$1b+ ARR by FY30**

FY24 Results Summary

- SaaS+ drives continuing strong growth
- UK sales ARR up 70%

| | |
|----------------------------------|---|
| Profit growth 18% | ARR growth 20% |
| NRR 117% | SaaS & Recurring Revenue 19% |

| | FY24 | FY23 | VAR | VAR |
|-------------------------------------|-------------|-------------|------------|------------|
| | \$m | \$m | \$m | % |
| Total ARR | 470.2 | 392.9 | 77.3 | 20 |
| UK ARR | 34.7 | 26.5 | 8.2 | 31 |
| UK sales ARR | 8.7 | 5.1 | 3.6 | 70 |
| SaaS & Recurring Revenue | 466.3 | 390.7 | 75.6 | 19 |
| Total Revenue | 515.4 | 441.4 | 74.1 | 17 |
| Profit Before Tax | 152.9 | 129.9 | 23.0 | 18 |
| Profit After Tax | 118.0 | 102.9 | 15.1 | 15 |
| Cash Flow Generation | 119.0 | 104.6 | 14.4 | 14 |
| Cash and Investments | 278.7 | 223.3 | 55.4 | 25 |
| PBT Margin | 30% | 29% | | 1 |
| EPS (cps) | 36.24 | 31.71 | 4.53 | 14 |
| Total Dividend (cps) | 22.45 | 19.52 | 2.93 | 15 |



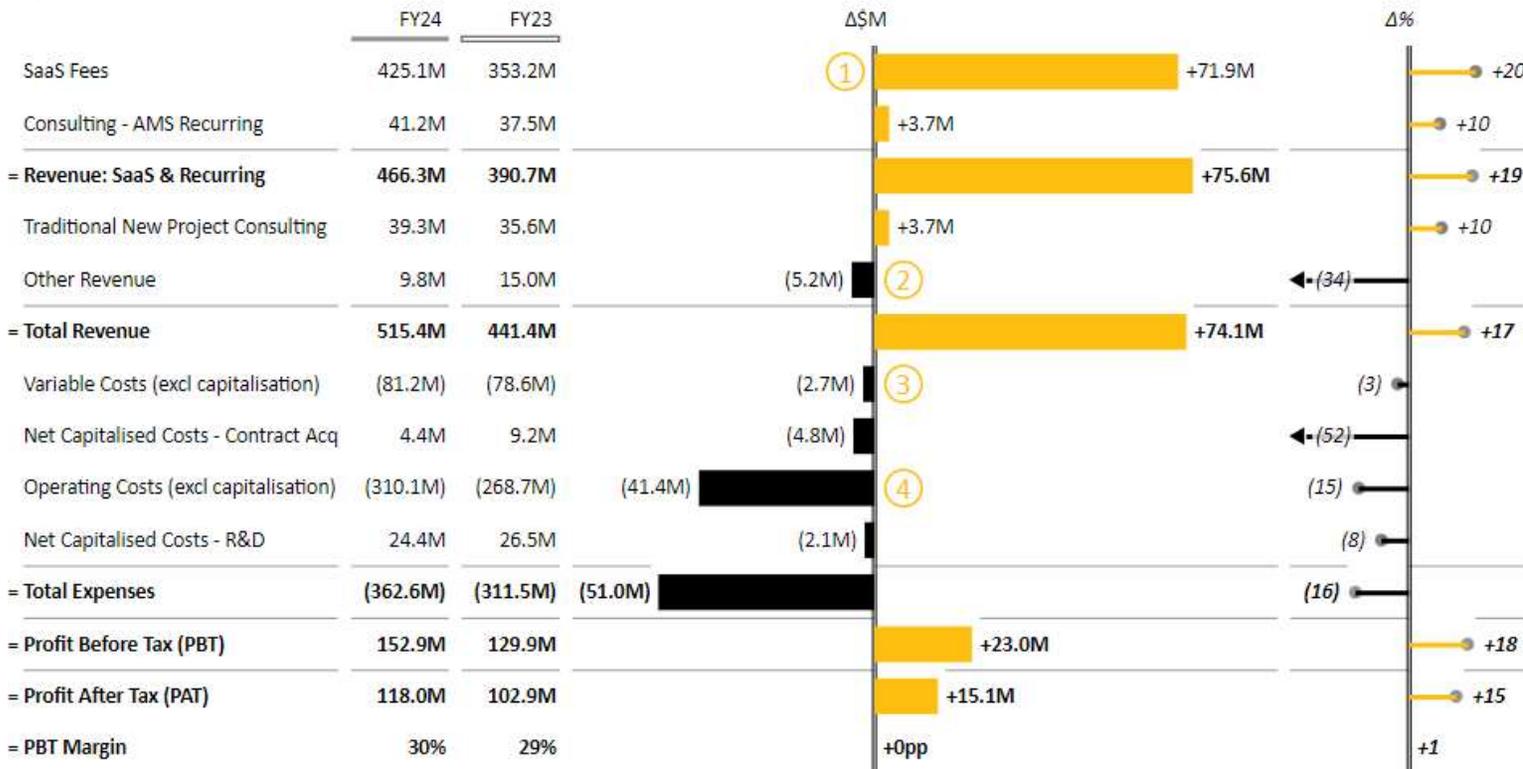
Agenda

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FY24 Profit and Loss

Record revenue and profit; investment in SaaS+ impacted margin ~1%

A\$M



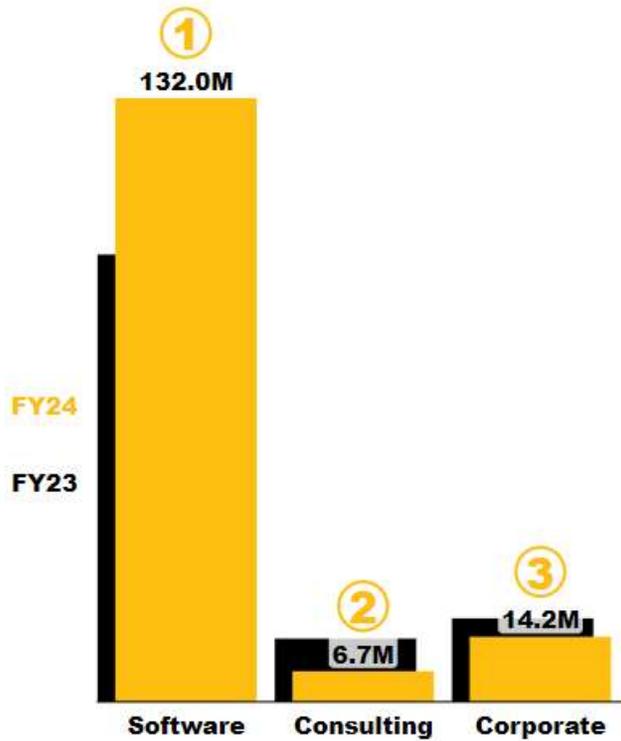
- 1 SaaS Fees 425.1M ▲ +20%
Strong sales growth driven by NRR @ 117% and new logo wins
- 2 Other Revenue 9.8M ▼ (34)%
Includes licence fees, which were minimal in FY24
- 3 Variable Costs (excl capitalisation) (81.2M) ▼ (3)%
Migration to SaaS driving uplift, Commission expenses lower YoY
- 4 Operating Costs (excl capitalisation) (310.1M) ▼ (15)%
Key drivers were increased headcount and salaries
- 5 PBT Margin 30% ▲ +1%
Includes investment in transition to SaaS+, which has impacted margin ~1%

Includes 1% Profit Before Tax margin in SaaS+

FY24 Profit by Segment

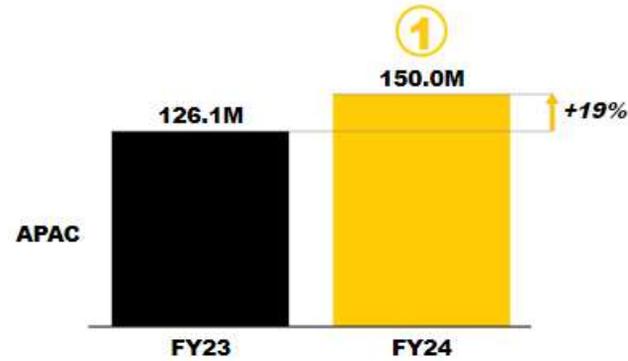
Strong Company profit of \$152.9m, up 18% pcp

Operating Segment Analysis



- ① Strong growth in profits due to revenue uplift pcp.
- ② As expected: Impact due to executing SaaS+ strategy.
- ③ Impacted by legal and corporate costs.

Geography Analysis



- ① FY24 150.0M Strong growth in revenue driven by recurring revenue.

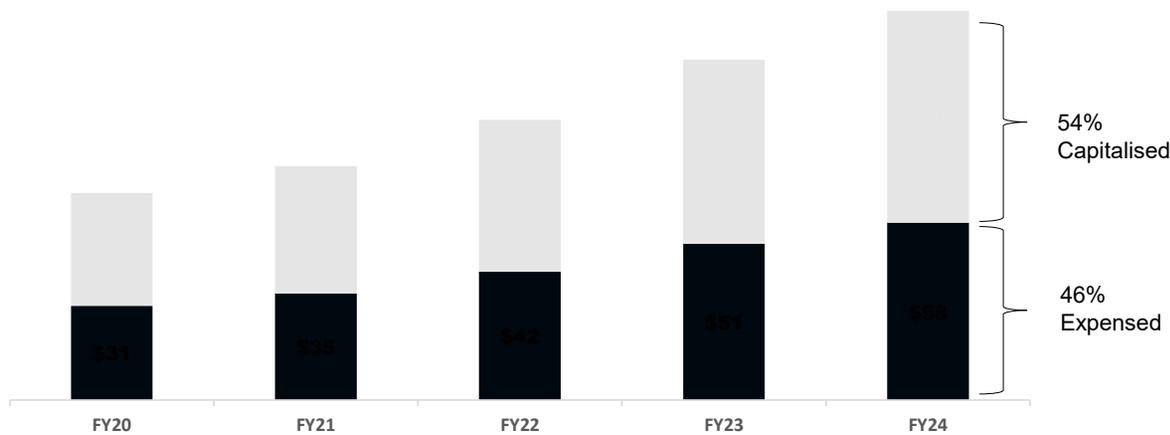
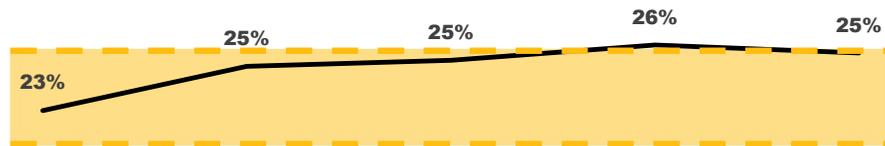


- ① Impact due to executing SaaS+ strategy, as expected. ARR up 31% and Sales ARR up 70% pcp.

R&D Investment

Driving sustained growth through strategic, consistent investment

R&D Investment as % of revenue



We invest in R&D for long term growth

We expect to maintain R&D investment at **20-25%** of revenue

We are investing in developers and their productivity to deliver more for our customers

Balance Sheet: Remains Strong

Clean balance sheet with no debt and growing cash holding enables flexibility

A\$M



- ① **Cash & Investments 278.7M ▲ +25%**
Strong cash conversion
- ② **Capitalised development 173.0M ▲ +16%**
Continue to invest in product to drive long-term growth
- ③ **Other non-curr assets 90.4M ▲ +58%**
HQ lease extended to 2032
- ④ **Deferred revenue 246.3M ▲ +15%**
Consistent with business growth, annual SaaS fees
- ⑤ **Lease liabilities 52.6M ▲ +116%**
HQ lease extended to 2033

Cash Flow

Cash flow generation remains consistent at 101%

AS\$M

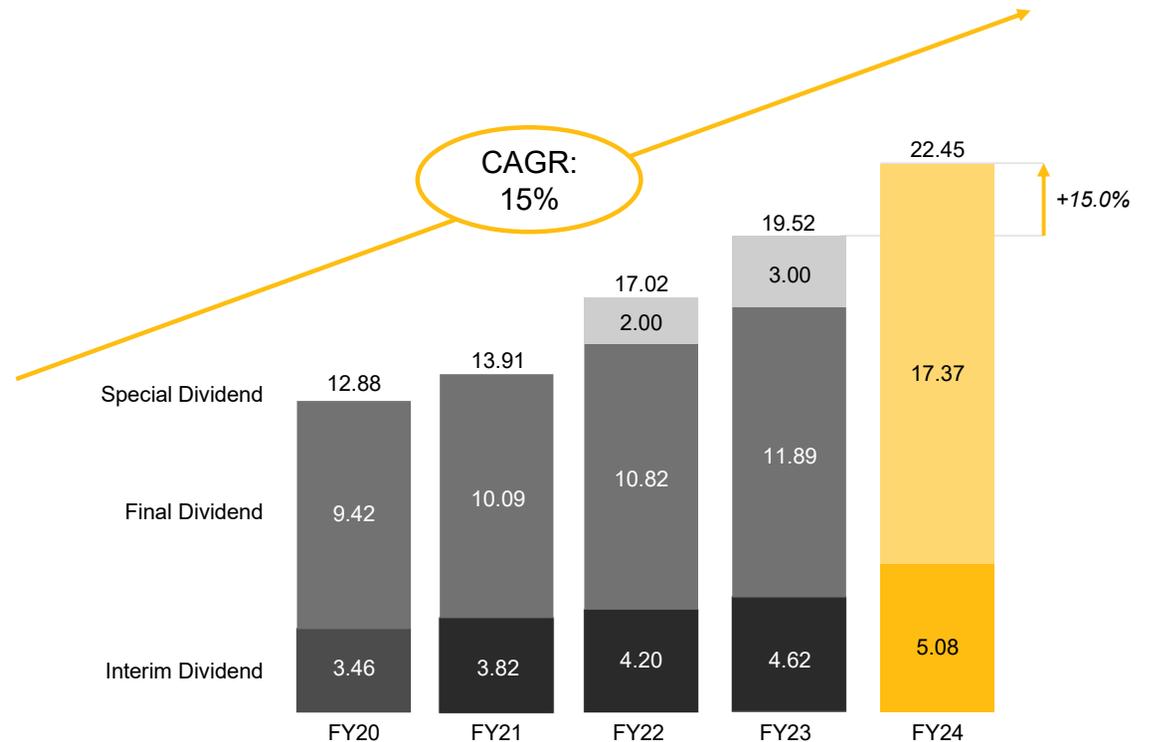
| | FY24 | FY23 | Δ\$M | Δ% |
|--|----------------|----------------|---------------|-------------|
| Profit Before Tax | 152.9M | 129.9M | +23.0M | +18 |
| Non Cash Items | 72.2M | 57.2M | +15.0M | +26 |
| Changes in working capital: | 14.1M | 21.7M | (7.6M) | (35) |
| Net Interest Received | 4.3M | 1.4M | +2.9M | +208 |
| Income Taxes Paid | (30.7M) | (16.4M) | (14.3M) | (87) |
| = Operating Cash Flow | 212.8M | 193.7M | +19.0M | +10 |
| Capitalised development costs | (69.7M) | (60.6M) | (9.1M) | (15) |
| Capitalised commission costs | (16.4M) | (20.8M) | +4.4M | +21 |
| Payments for principal repayments of lease liabilities | (7.7M) | (7.8M) | +0.1M | +1 |
| = Cash Flow Generation | 119.0M | 104.6M | +14.3M | +14 |
| Payments for Property, Plant & Equipment | (6.3M) | (7.8M) | +1.4M | +19 |
| Payments for other intangible assets | (0.2M) | (1.0M) | +0.8M | +79 |
| = Free Cash Flow | 112.4M | 95.9M | +16.6M | +17 |
| Dividends Paid | (64.8M) | (56.6M) | (8.2M) | (15) |
| Proceeds from Shares Issued | 7.8M | 8.1M | (0.3M) | (4) |
| = Net cash flow from financing activities | (57.0M) | (48.5M) | (8.5M) | (18) |
| Increase in Cash & Investments | 55.4M | 47.4M | +8.0M | +17 |
| Cash at the beginning of the financial year | 223.3M | 175.9M | +47.4M | +27 |
| = Closing cash | 278.7M | 223.3M | +55.4M | +25 |

- 1 Non Cash Items 72.2M ▲ +26%**
Increase in amortisation of capitalised development assets and sales commissions.
- 2 Income Taxes Paid (30.7M) ▼ (87)%**
Increase due to rise in overall profitability and Australian profitability growth outpacing R&D tax incentive claim.
- 3 Capitalised development costs (69.7M) ▼ (15)%**
Increased investment in software assets, mostly headcount and salary increases.
- 4 Capitalised commission costs (16.4M) ▲ +21%**
Decrease in commissions expense has contributed to a similar decrease in cap.
- 5 Payments for Property, Plant & Equipment (6.3M) ▲ +19%**
Office refurbishment costs.
- 6 Dividends Paid (64.8M) ▼ (15)%**
Increased dividend driven by YoY profit increase.
- 7 Closing cash 278.7M ▲ +25%**
Strong cash conversion delivering a record cash balance.

FY24 dividend up 15% to 22.45 cps

Increased profit enables dividend uplift
Confidence in the outlook

- Strong balance sheet supports dividend level
- Final Dividend 17.37cps
- Significant cash holdings retained for inorganic growth
- Payout ratio 62% (FY23: 62%)
- Dividend franked to 65% (FY23: 60%)
- Dividend paid every year since 1996



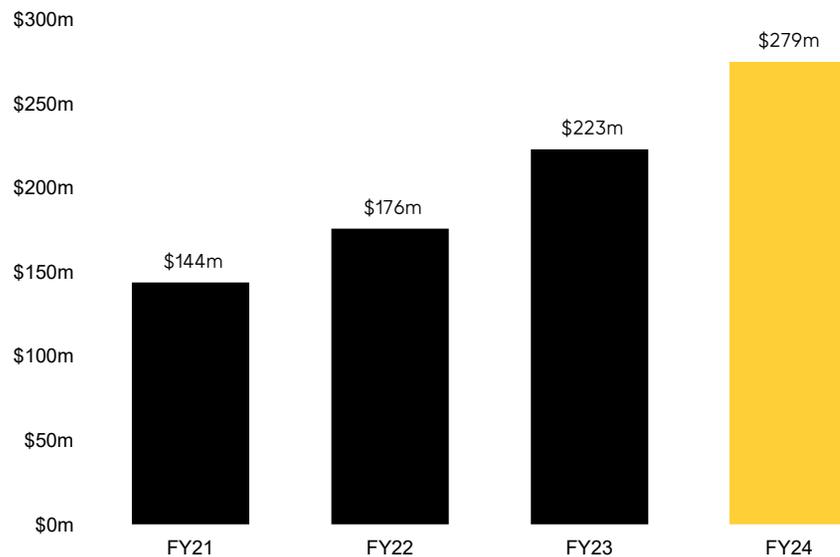
Capital Management

Cash balance enables prudent, consistent approach to shareholder reward

TechOne's financial metrics are extraordinary

- ✓ Strong Balance Sheet: No debt
- ✓ Growing profits + CFG = Increasing cash

Cash & Investments Balance



19-Nov-2024

Within a disciplined framework, we will continue to reward shareholders:

- **Dividend**
 - Growing, consistent, transparent
 - 55-65% NPAT; 65% franked
- **Acquisitions**
 - Disciplined approach to IP acquisition
 - CourseLoop acquired for \$60m
 - \$9M ARR, growing 25% p.a.
 - \$44.5 million cash upfront
 - \$8m over 2 years
 - \$7.5 million equity options
 - Earnings neutral year 1
- **Capital Management**
 - All equity required to satisfy staff needs to be bought on market going forward
 - 1.3% of issued equity over the last 3 years

33



Agenda

- Highlights
- Financial Results
- **Significant Achievements**
- Building the Future
- Outlook for FY25

cia

| | | | |
|--|--|--|--|
|  App Builder |  Business Analytics |  Corporate Performance Management | |
|  Enterprise Asset Management |  Enterprise Budgeting |  Enterprise Cash Receiving |  Enterprise Content Management |
|  Financials |  Human Resources and Payroll |  Performance Planning |  Property and Rating |
|  Spatial |  Student Management |  Supply Chain Management |  Timetabling & Scheduling |

For our Community

dxp

| |
|---|
|  DxP Essentials |
|  DxP Local Government |
|  DxP Student |

For your Community

cia

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- 
DxP Essentials
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- 
DxP Student

For **your** Community

SaaS+

Solution as a Service



SaaS+ lifts
ARR by 40%



East Lothian Council



North Tyneside Council



Hopwood Hall College
& University Centre



Ards and
North Down
Borough Council

Havant
BOROUGH COUNCIL



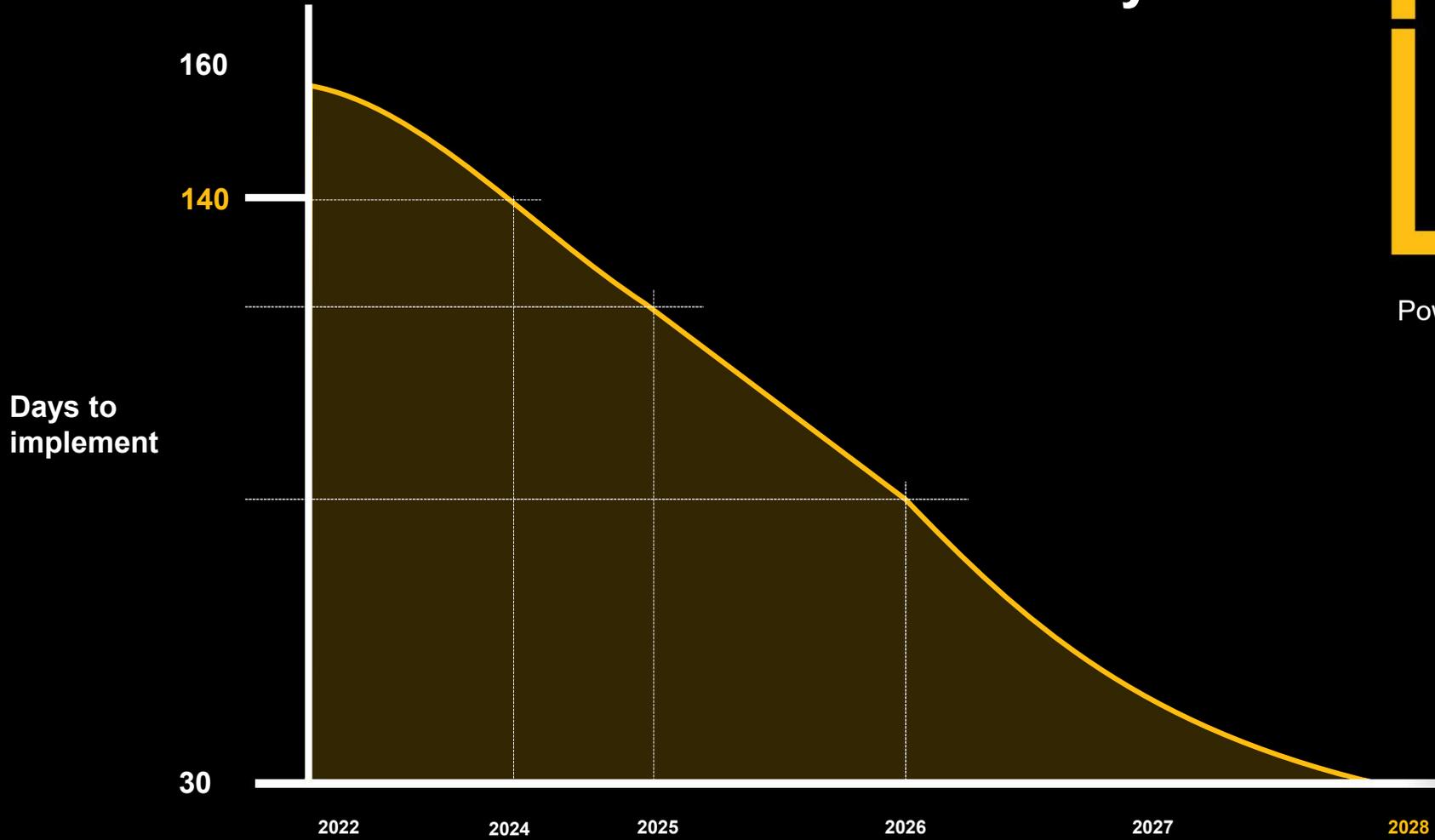
SOLENT
UNIVERSITY
SOUTHAMPTON



LONDON
SCHOOL of
HYGIENE
& TROPICAL
MEDICINE



Path to ERP in 30 days

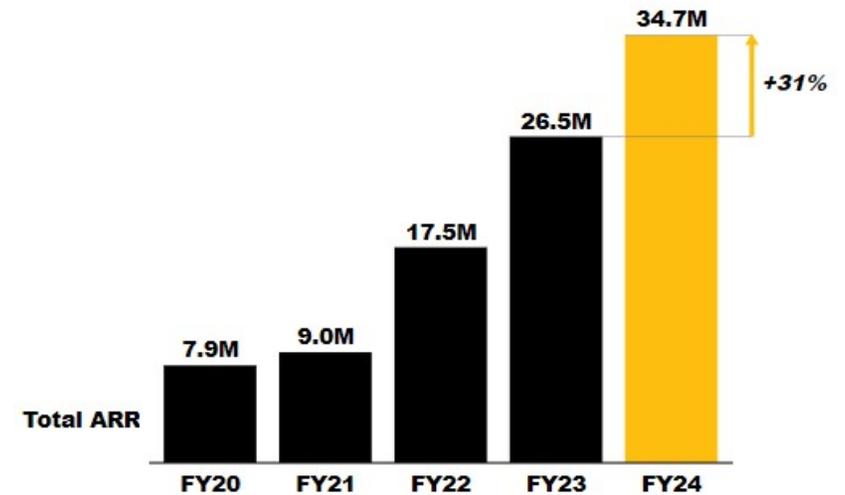
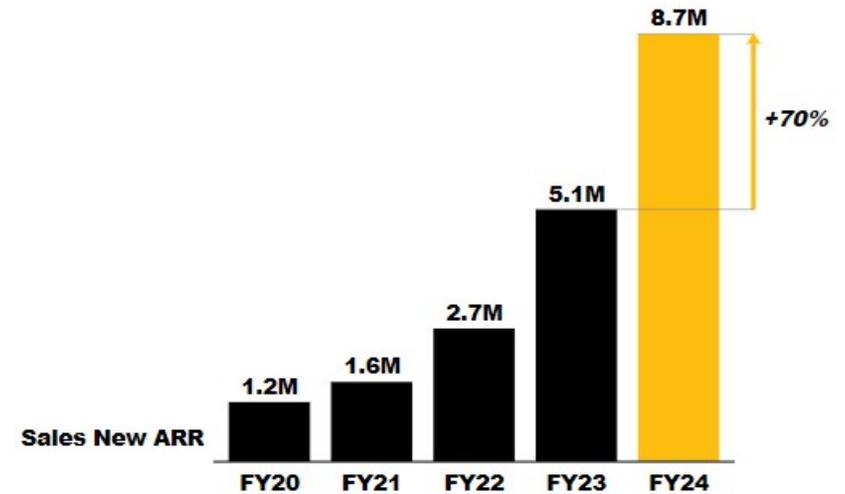


Powered by 

FY24 United Kingdom

Sales New ARR 70% higher than 2023
Total ARR up 31% to \$34.7m versus pcp

- 100% of implementations delivered via SaaS+ model
 - Hyperfocus strategy on two industries (LG and EDU)
-
- Strong brand presence
 - Impressive referenceable
 - Strong pipeline
 - Strong sales team
 - Won 3 student management customers





Australian Government
Net Zero Economy Agency

- OneGov solution
- Six-month implementation
- Robust compliance requirements
- Stringent security standards



**University of
Chester**

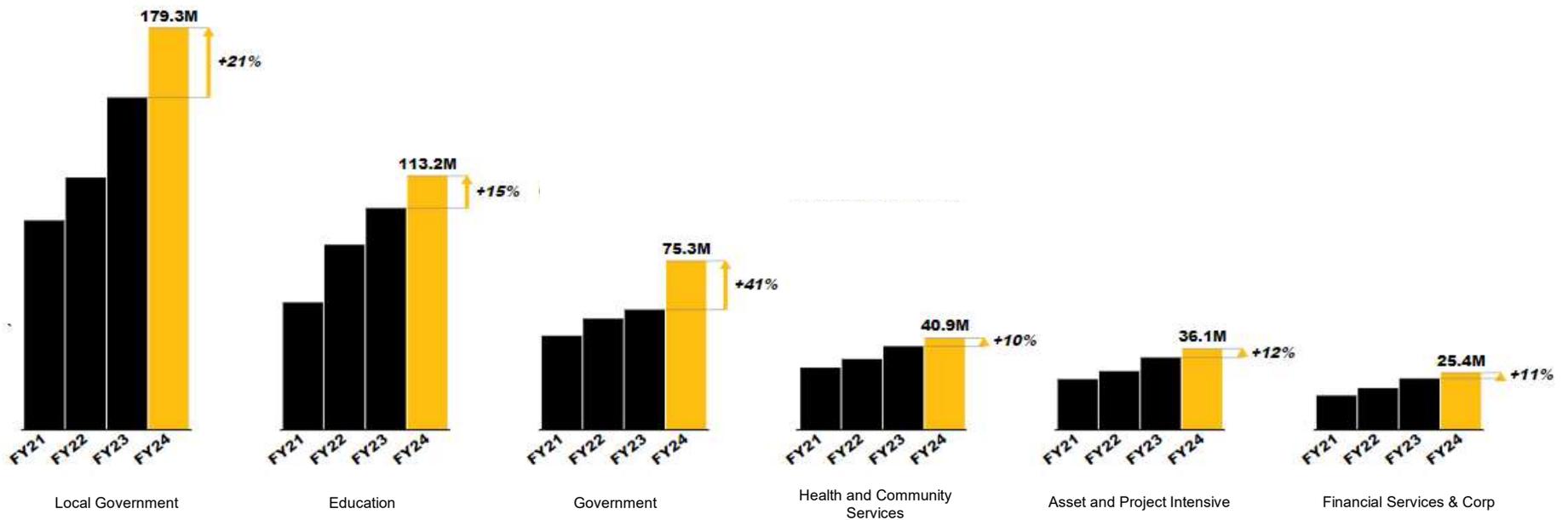
- Student+ solution
- Started in 1839
- Over 15,000 students today
- Third student management win in FY24

All verticals performed strongly

Our APAC market penetration in any single vertical does not exceed 15%²

Vertical Market Analysis

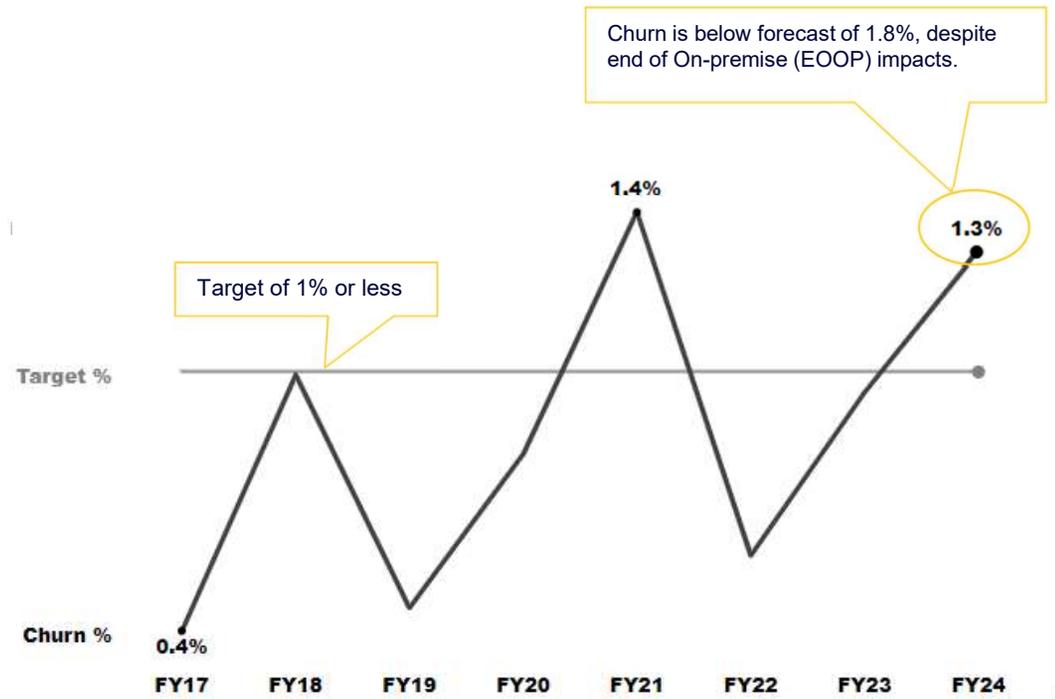
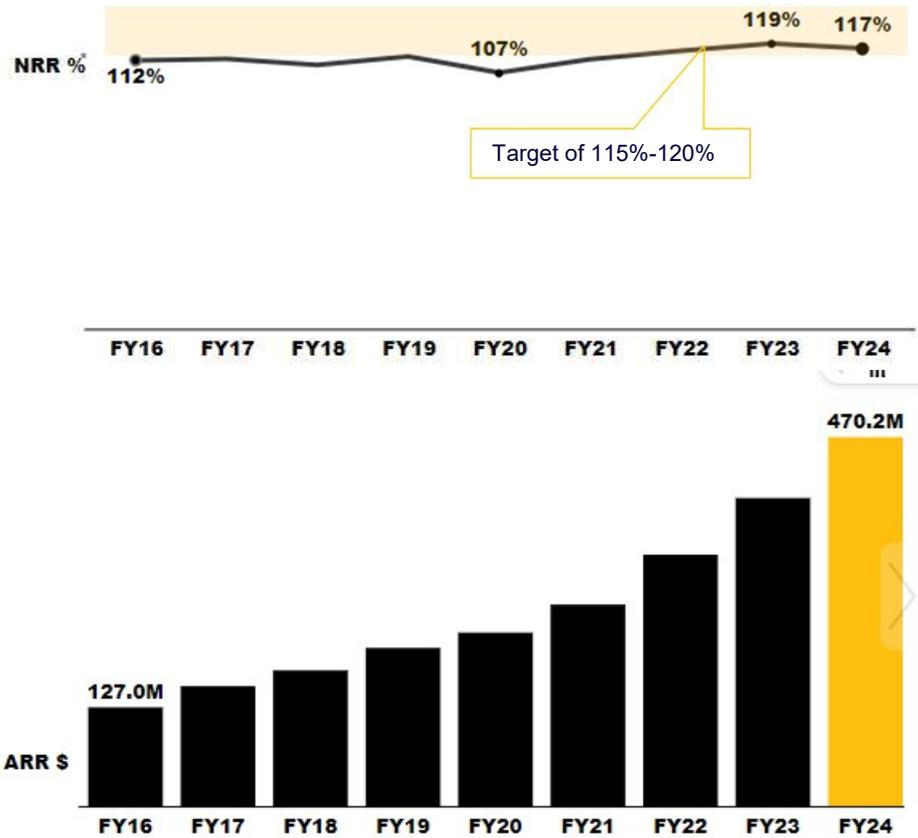
ARR of \$470.2m¹, Up 20% | From \$392.9m, FY23



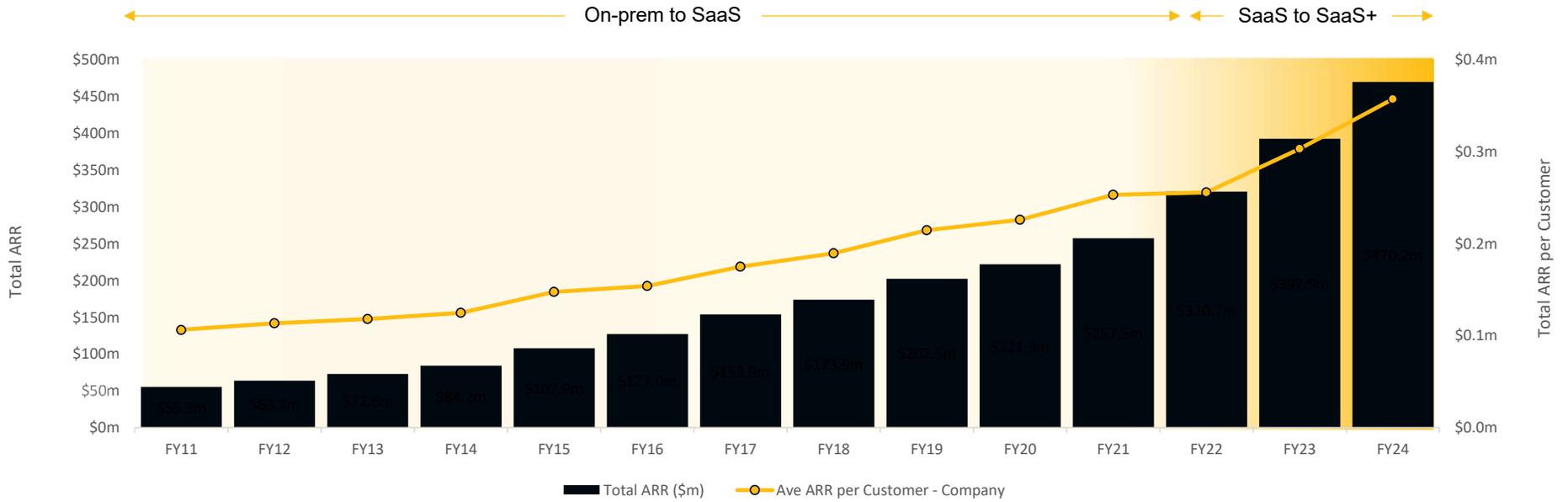
¹ Balance is at 30 September 2024 and growth is for the 12 months from 30 September 2023

² Based on our existing customers and their use of TechnologyOne products and modules as a percentage of total addressable market.

Market Leading Net Revenue Retention and Churn



Total ARR and Average ARR per Customer



FY21-FY22 was impacted by lower average ARR Scientia cohort

R&D Significant Investment for future growth



¹ R&D expenditure before capitalisation

² Revenue excluding other income

FY24 Summary



Record profit,
revenue, and ARR



Cash and
Investments
up 25% pcp to
\$278.7m



SaaS & Recurring
Revenue
up 19% pcp
to \$266.3 m

UK Sales ARR
up 70% pcp
to \$8.7m

Profit Before Tax
up 18% pcp
to \$152.9m

NRR of 117%
above target of
115%



Surpass \$500m+
ARR by H1 FY25



Total ARR
up 20%
to \$470.2m



Total Dividend
up 15%
to 22.45 cps



R&D investment for
future growth of
\$128.0m, up 14%
pcp



Agenda

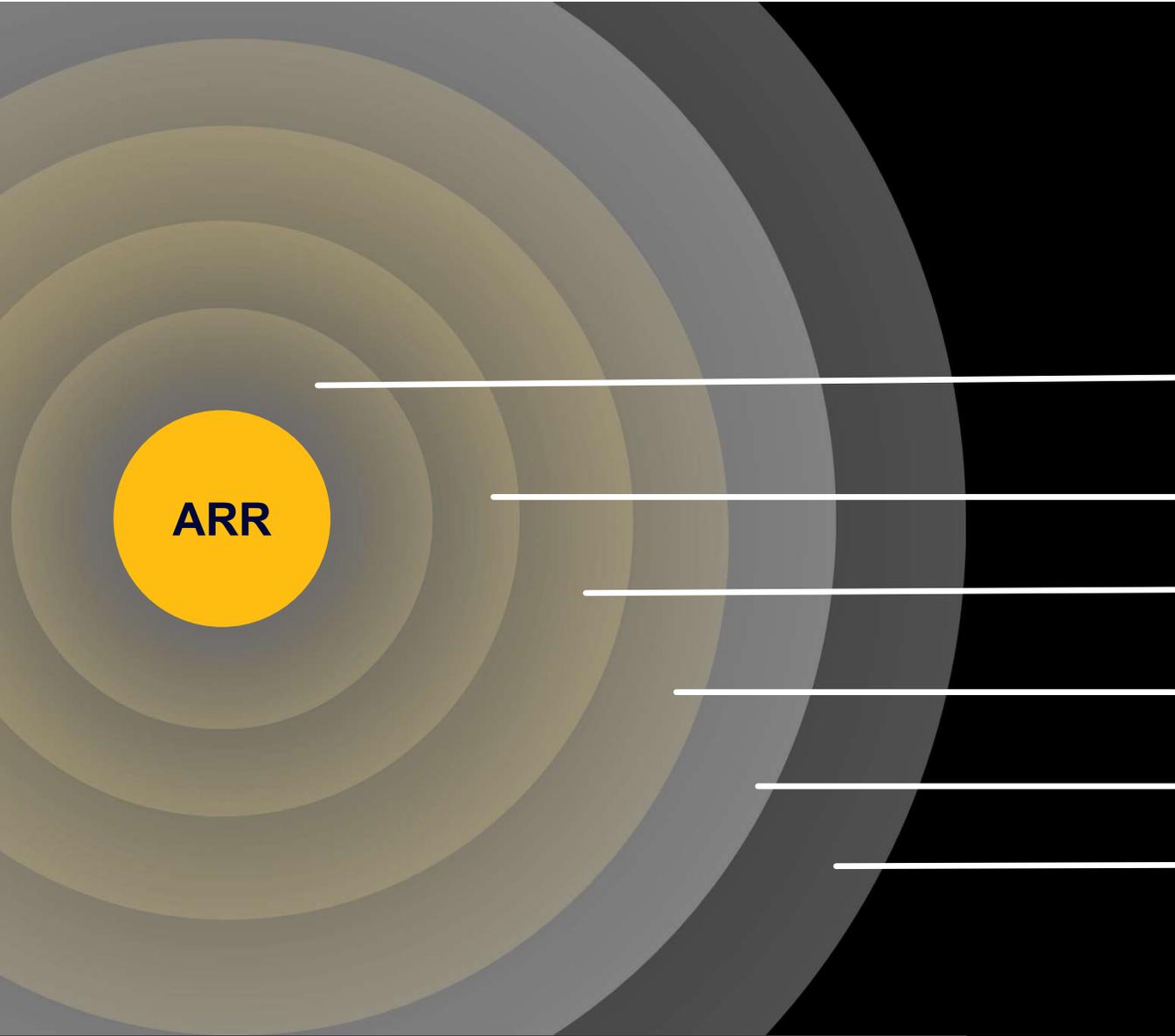
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~~Surpass \$500m+ ARR by FY26~~

~~Upgrades to \$500m+ ARR by FY25~~

~~Upgrades to \$500m+ ARR by H1 FY25~~

Continue to double in size every 5 years



Total Addressable market \$13.5b Multiple Platforms for Growth

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

Significant ARR whitespace in our APAC customer base

R&D over next 5 years doubles APAC ARR whitespace

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

Strategic acquisitions

Continuing growth in new logos in APAC

Continuing growth in the UK

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

**A new long-term target
\$1b+ ARR by FY30**



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- **Outlook for FY25**

Outlook

Strong ARR and profit growth for FY25

Planned reduction of lower quality one-off Traditional Consulting Fees replaced with high quality SaaS+ revenue

On track to surpass \$500m+ ARR by H1 FY25

- The markets we serve are resilient.
- TechnologyOne provides mission critical software with deep functionality for the markets we serve.
- Our Global SaaS ERP allows our customers to innovate and meet the challenges ahead with greater agility and speed, without having to worry about underlying technologies, making life simple for them.
- Our customers have independently verified cost savings of 40%+ by moving to SaaS
- SaaS+ is creating significant opportunities for us. The pipeline for 2025 is strong.
- We will continue to benefit from improving margins because of the significant economies of scale from our single instance Global SaaS ERP solution

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

A new long-term target of \$1b+ ARR by FY30



Our goal is to lift
500,000
children and their
families out of
poverty

Our People and Our Community





technology¹

Continuing Strong Growth FY24 Results



**Profit
growth**

18%

to \$152.9m



**ARR growth
driven by**

UK & SaaS+

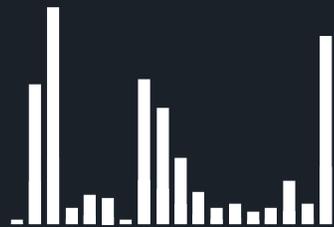
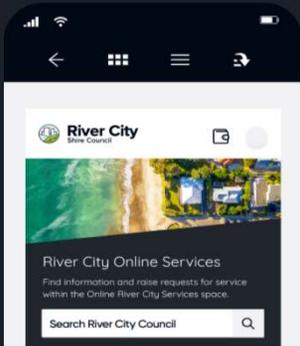
Up 20% to \$470.2m



technology

\$1B+ ARR BY FY30

19 Products



\$13.5B

Total Addressable Market

SaaS+



Multiple platforms for growth
NRR target 115%-120%

technologyⁱ
Making life simple for our community



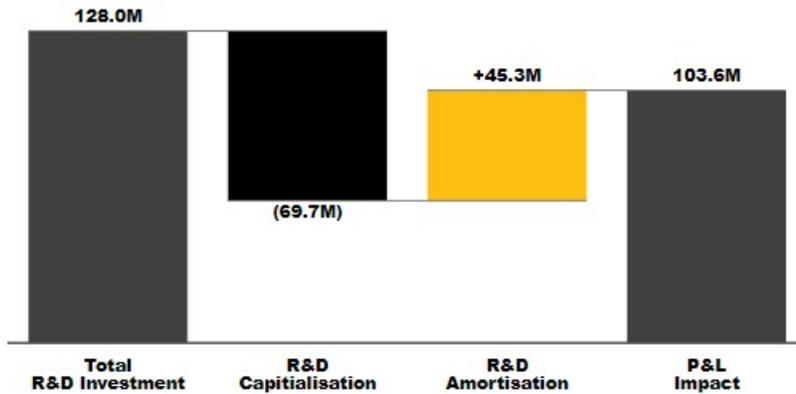
technology¹

Appendices

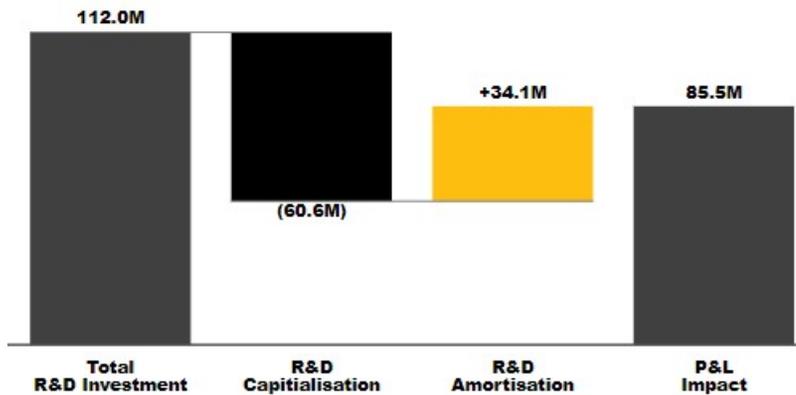
- Appendix A – R&D Disciplined and Transparent
- Appendix B – Results Analysis
- Appendix C – Drivers for Long Term Growth
- Appendix D – Glossary

Appendix A: R&D Disciplined and Transparent

FY24



FY23



| | Software R&D Development Investment - Capitalised (\$'000) | Percent Capitalised % | Amortisation Expense (\$'000) | Amortisation Period Years | Net Expense through P&L (\$'000) |
|------|--|-----------------------|-------------------------------|---------------------------|----------------------------------|
| FY21 | 77,005 | 54.4% | 13,429 | 5 | 48,576 |
| FY22 | 92,197 | 54.3% | 23,400 | 5 | 65,537 |
| FY23 | 111,995 | 54.1% | 34,055 | 5 | 85,445 |
| FY24 | 127,995 | 54.5% | 45,319 | 5 | 103,595 |

Appendix B:

FY24 Results Analysis

| | FY24 | FY23 | Var |
|---|----------------|----------------------|-----------|
| | \$'000 | \$'000 | % |
| Revenue excl interest | 506,981 | 437,224 ¹ | 16 |
| Expenses (excl R&D, interest, D & A) | 232,859 | 204,494 ² | 14 |
| EBITDAR | 274,122 | 232,730 | 18 |
| EBITDAR Margin | 54% | 53% | |
| R&D Expenditure (before capitalisation) | 127,995 | 111,995 | 14 |
| R&D as % of Revenue | 25% | 26% | (1) |
| R&D Capitalisation | 69,719 | 60,605 | 15 |
| EBITDA | 215,846 | 181,339 | 19 |
| EBITDA Margin | 43% | 41% | |
| Depreciation | 4,167 | 2,957 | 41 |
| Amortisation | 64,606 | 50,545 | 28 |
| EBIT | 147,074 | 127,837 | 15 |
| Net Interest Income / (Expense) | 5,800 | 2,016 | 188 |
| Profit Before Tax | 152,874 | 129,854 | 18 |
| Profit After Tax | 118,015 | 102,876 | 15 |

¹ FY23 revenue includes a gain of \$7.4m due to the reversal of contingent consideration (earnout) related to Scientia

² FY23 expenses includes derecognition of acquired intangible assets of \$6.8m related to Scientia

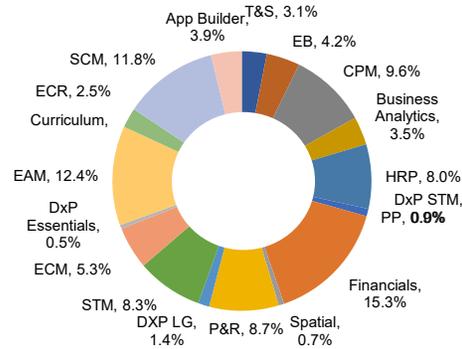
Appendix C: Drivers for Long Term Growth

Diversified revenue streams

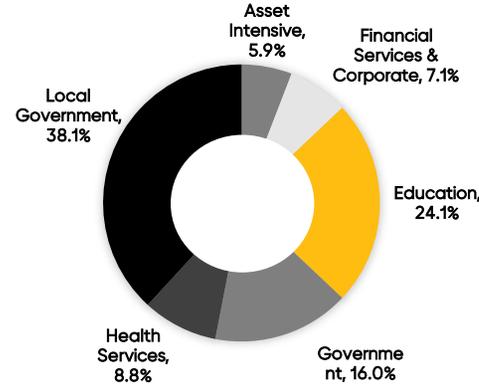
Strong, very loyal customer base

Increase Product Penetration
19 Licensable products¹
Over 500+ licensable modules

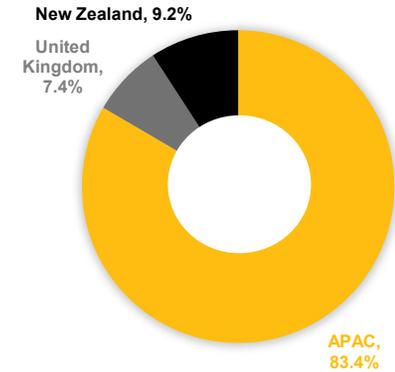
BY PRODUCT



Increase Market Penetration
6 Vertical markets¹



Expand Geographies
APAC & UK¹



PROVIDES MISSION CRITICAL SOLUTION – 'STICKY CUSTOMER BASE'

99%+ CUSTOMER RETENTION RATE

90%+ OF OUR REVENUE IS NOW SAAS and RECURRING²

TECHNOLOGYONE GLOBAL SAAS ERP SOLUTION

¹ Based on total ARR, (16 core product plus 3 DxP products.



Appendix D: Glossary

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| | |
|----------------------------|--|
| Annual Licence ARR | Annual Recurring Revenue relating to annual licence fees for On-premise customers |
| APAC | Asia Pacific - Includes Australia, New Zealand, Malaysia and the South Pacific |
| ARR | Annual Recurring Revenue |
| Cash Flow Generation (CFG) | Cash flow from Operating Cash Flow less capitalised development costs, capitalised commission costs and lease payments |
| Churn | Lost customers |
| CPS | Cents per share |
| DXP | Digital Experience Platform |
| EBIT | Earnings before interest and taxes |
| EBITDA | Earnings before interest, taxes, depreciation, and amortisation |
| EBITDAR | Earnings before interest, taxes, depreciation, amortisation, and research and development costs |
| EPS | Earnings per share |
| Legacy Licence Fees | On-premise licence fees / Perpetual licence fees |
| LG DXP | Local Government Digital Experience Platform |
| NPAT | Net Profit After Tax |
| NRR | Net Revenue Retention |
| PBT | Profit Before Tax |
| PCP | Prior Corresponding Period |
| R&D | Research & Development |
| ROE | Return on Equity |
| R4Q | Rolling Four (4) Quarters |
| SaaS ARR | Annual Recurring Revenue relating to customers on SaaS |
| SaaS + | Solution as a Service |
| TAM | Total Addressable Market |

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