

22 June 2018

## Trading Update

Hansen Technologies Limited (ASX: HSN) today provided an update on expected earnings for the year to 30 June 2018 (FY18) as well as a preliminary outlook for the year to 30 June 2019 (FY19).

### FY18

For FY18, expectations are for operating revenue of approximately \$230 million and earnings before interest, tax, depreciation and amortisation (EBITDA<sup>1</sup>) of approximately \$58 million, giving an EBITDA margin of around 25%.

Guidance provided at the time of the first half FY18 (1H18) results release was for operating revenue in the second half to be slightly below the \$118.4 million in 1H18, and the EBITDA margin for the full FY18 to be around the mid-point of our target range of 25%-30%.

The lower than previously anticipated EBITDA margin is due to:

- a licence fee that was expected to be recognised as revenue this year, which while contracted, is now expected to be recognised next year;
- a restructuring charge of approximately \$0.8 million within the Enoro operation – whilst Enoro has exceeded expectations since its acquisition in July 2017, the restructuring accelerates our planned margin improvement within this business; and
- an underperforming call centre contract within the Solutions business that has now been terminated.

### Comparing FY18 to FY17:

- Operating revenue of approximately \$230 million represents a 32% increase;
- EBITDA of approximately \$58 million represents a 26% increase; and
- Earnings per share (based on net profit excluding the amortisation of acquired intangibles) is expected to be approximately 24% higher.

### FY19 Preliminary Outlook

For FY19, notwithstanding that growth in underlying recurring revenue is anticipated, at this stage total revenue is expected to be slightly below FY18 as a result of:

- termination of the call centre contract within the Solutions business referred to above – which will result in the loss of approximately \$1.8 million of revenue in FY19 compared with FY18; and
- returning to a normalised level of project revenue following the elevated level achieved in FY18 (particularly 1H18).

While total revenue in FY19 is anticipated to be relatively subdued, the expense base is expected to remain consistent with FY18 as we continue to invest in our global platform to support expected future growth.

### For further information:

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<sup>1</sup> EBITDA excludes realised and unrealised foreign exchange gains and losses

## **About Hansen**

Hansen Technologies (ASX: HSN) is a leading global provider of customer information systems, billing software and data management systems to four industry verticals: energy, water, telecommunications and pay TV. For over 40 years Hansen has worked alongside clients enabling them to continuously optimise their critical billing. Every day 1000 Hansen experts globally are focused on 500+ clients; helping to streamline billing and operational processes, manage and analyse consumption data and ultimately improve their customers' experience.