



# 2019 ANNUAL GENERAL MEETING.

21 NOVEMBER 2019.

# IMPORTANT NOTICE.

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- includes forward-looking statements about Hansen and the environment in which Hansen operates, which are subject to significant uncertainties and contingencies, many of which are outside the control of Hansen – as such undue reliance should not be placed on any forward looking statements as actual results or performance may differ materially from these statements
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All dollar values are in Australian dollars (A\$) unless otherwise stated.

## Definitions

FY18 = financial year ended 30 June 2018

FY19 = financial year ended 30 June 2019

FY20 = financial year ended 30 June 2020

EBITDA\* = Earnings before interest, tax, depreciation and amortisation, excluding net foreign exchange gains (losses) and is on a non-IFRS 16 basis

EBIT\* = Earnings before interest and tax, excluding net foreign exchange gains (losses)

NPAT = Net profit after tax

NPATA\* = Net profit after tax excluding amortisation of acquired intangibles

EPS = Basic EPS based on NPATA

Recurring revenue\* = recurring maintenance, support, dedicated service and licence revenue

Non-recurring revenue\* = service/project revenue, non-recurring licence revenue and hardware/software sales

\*EBITDA, EBIT, NPATA, Recurring revenue and Non-recurring revenue are non-IFRS measures that have not been audited

# HANSEN BOARD OF DIRECTORS AND COMPANY SECRETARY.



**David Trude**  
Non-Executive Chairman



**Andrew Hansen**  
Managing Director and  
Chief Executive Officer



**Bruce Adams**  
Non-Executive Director



**Sarah Morgan**  
Non-Executive Director



**David Osborne**  
Non-Executive Director



**Jennifer Douglas**  
Non-Executive Director



**David Howell**  
Non-Executive Director



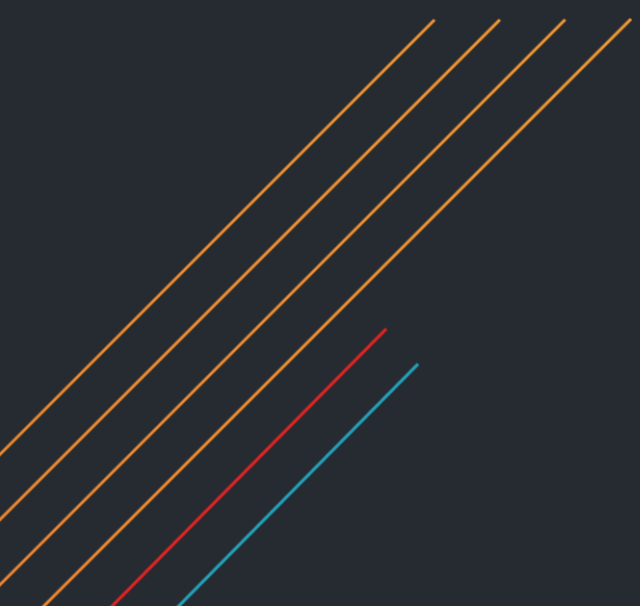
**Julia Chand**  
General Counsel and  
Company Secretary

- Details of each Director's qualifications, experience and special responsibilities are set out in the 2019 Annual Report



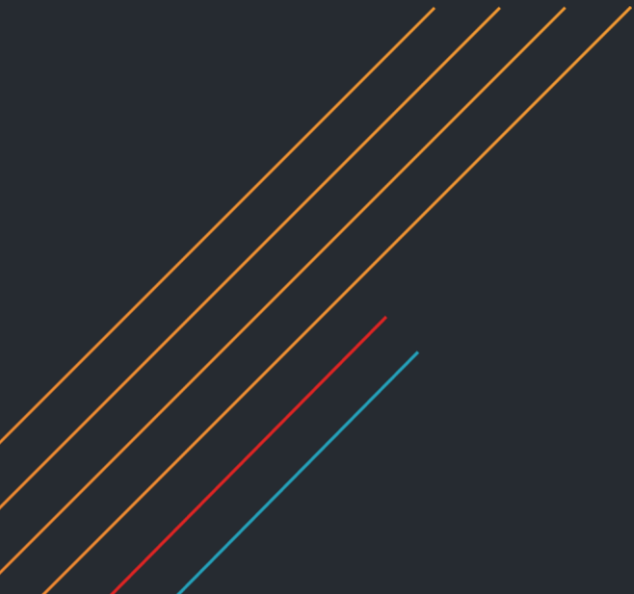
# AGENDA.

1. CHAIRMAN'S ADDRESS
2. CEO'S PRESENTATION
3. FORMAL BUSINESS



# CHAIRMAN'S ADDRESS.

David Trude



# FY19 OVERVIEW.

- Financially, FY19 was in-line with expectations set at the beginning of the year
  - Revenue was slightly down on FY18 excluding Sigma, and EBITDA was down by an equivalent dollar amount as the expense base remained consistent
- Operationally there were many highlights – which included a number of major customer wins and the expansion of our Vietnam Development Centre from 9 to 100 employees across the year
- In-line with our growth strategy, late in the year we acquired Toronto-based Sigma Systems for \$163.8m – by far our biggest acquisition to date
- How has this changed us?
  - we are now exceptionally well balanced between our two industry segments – being Utilities and Communications;
  - we truly are a global business with 1500+ employees across 30+ offices; and
  - we now have a balance sheet capital structure befitting our cash flow generation, as we fully funded the Sigma acquisition via a new debt facility strongly supported by a syndicate of local and international banks
- Following the recent additions of Enoro and Sigma, combined with the significant recent development of our existing software products, we have a global portfolio of products delivering what the market needs – highly flexible and configurable software products that focus on the speed to market of new offers and digitizing customer engagement
  - this has translated into a very strong run of recent customer wins which is referred to later in the presentation

# FY19 FINANCIAL DASHBOARD.

REVENUE <sup>1</sup>	UNDERLYING EBITDA <sup>2</sup>	UNDERLYING NPATA <sup>3</sup>	ADJUSTED EPS <sup>4</sup>
<b>\$231.3m</b>	<b>\$55.8m</b>	<b>\$33.7m</b>	<b>17.1 cents</b>
0.2% Up	6.9% down	12.8% down	13.5% down

- **Revenue** ex-Sigma was \$4.5m (1.9%) lower – a result of lower non-recurring revenues, due primarily to both lower one-off licence fees and reduced project work following the large body of work completed in 1H18 associated with implementing Power of Choice in Australia. Conversely, recurring revenues grew to represent 63% of total operating revenue
- **Underlying EBITDA** was \$4.2m (6.9%) lower – which was a direct result of the lower non-recurring revenue, as Sigma only contributed a modest \$0.1m of EBITDA in June, and we were able to maintain operating expenses at the same level as FY18, even after the investment in the Vietnam Development Centre

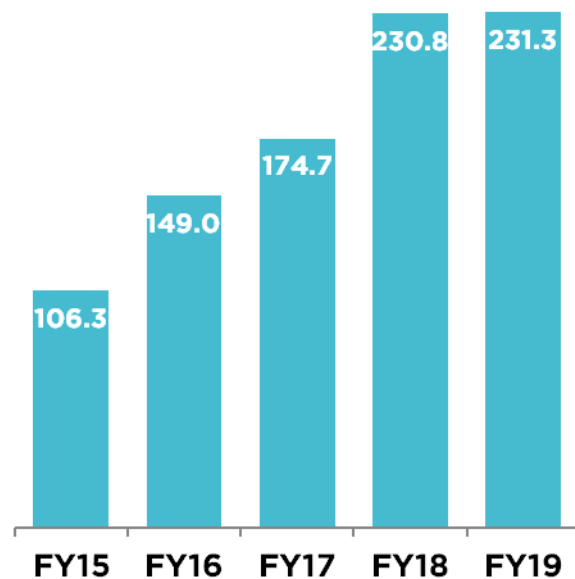
1. FY19 revenue is in accordance with the new accounting standard for revenue recognition, AASB 15. FY18 revenue has not been restated  
2. Underlying EBITDA excludes one-off items (refer Note 4 of the Annual Report) and net foreign exchange gains (losses)  
3. Underlying NPATA = Net profit after tax excluding tax effected amortisation of acquired intangibles and one-off items  
4. Adjusted Basic EPS, based on Underlying NPATA

# 5 YEAR GROWTH TRAJECTORY.

We continue on our strong growth trajectory over the longer term

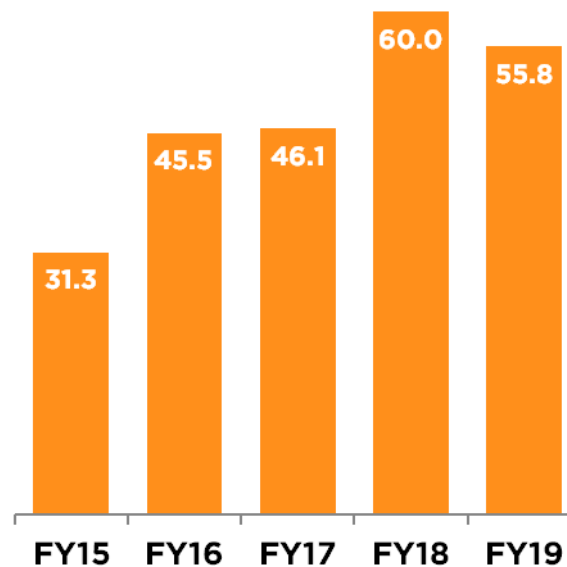
## REVENUE<sup>1</sup> (\$M)

CAGR 21%



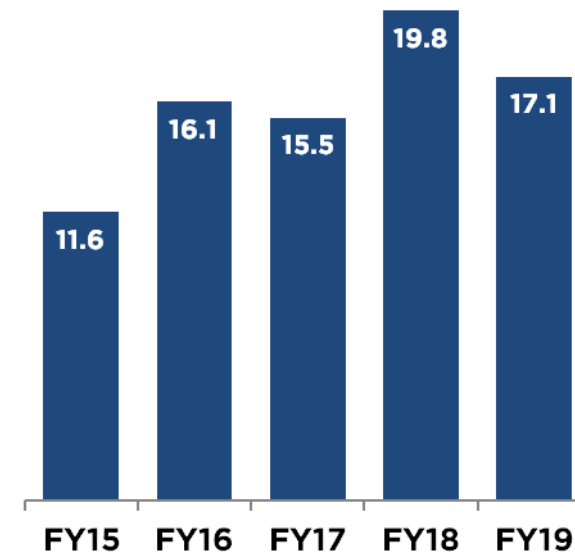
## UNDERLYING EBITDA<sup>2</sup> (\$M)

CAGR 16%



## ADJUSTED EPS<sup>3</sup> (Cents)

CAGR 10%



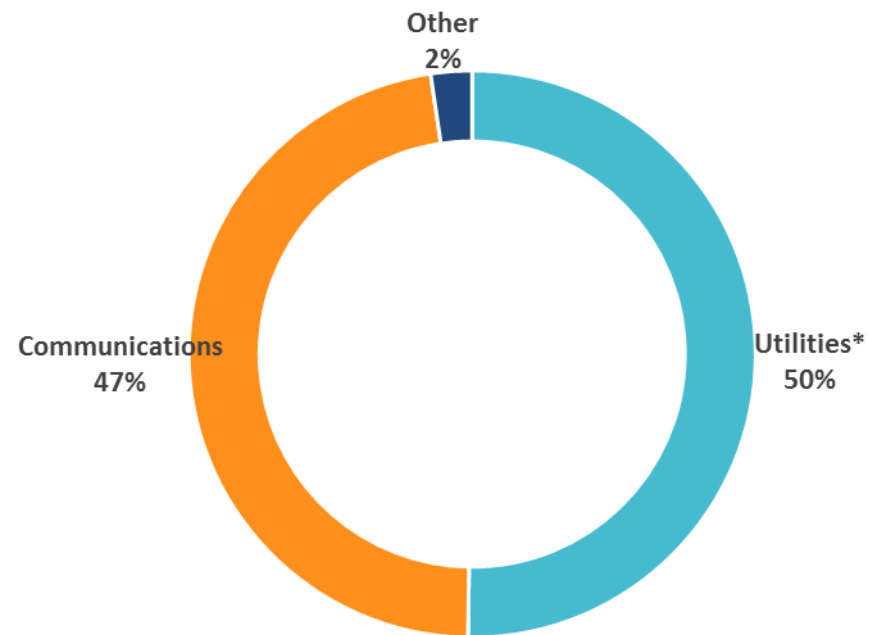
1. FY19 revenue is in accordance with the new accounting standard for revenue recognition, AASB 15. FY18 revenue has not been restated
2. Underlying EBITDA excludes one-off items (refer Note 4 to the Financial Statements) and net foreign exchange gains (losses)
3. Adjusted Basic EPS, based on Underlying NPATA



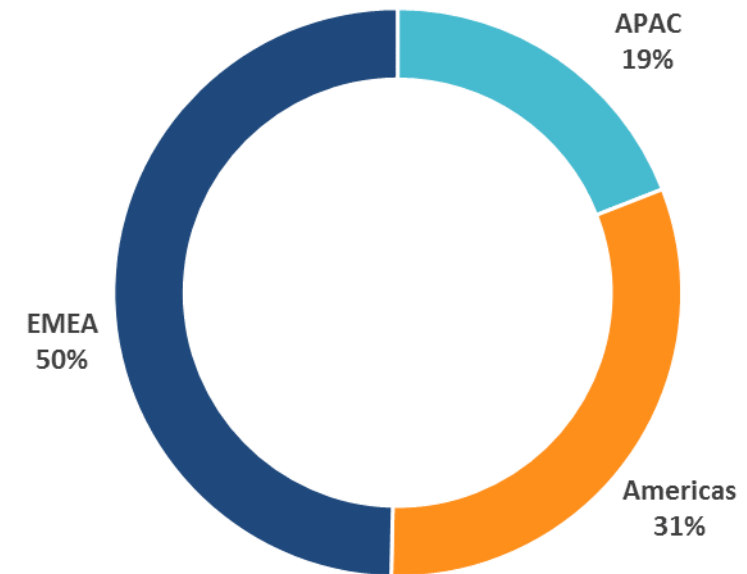
# FY19 REVENUE SPLIT.

The acquisition of Sigma Systems rebalances the portfolio both by vertical and geographically

REVENUE BY VERTICAL



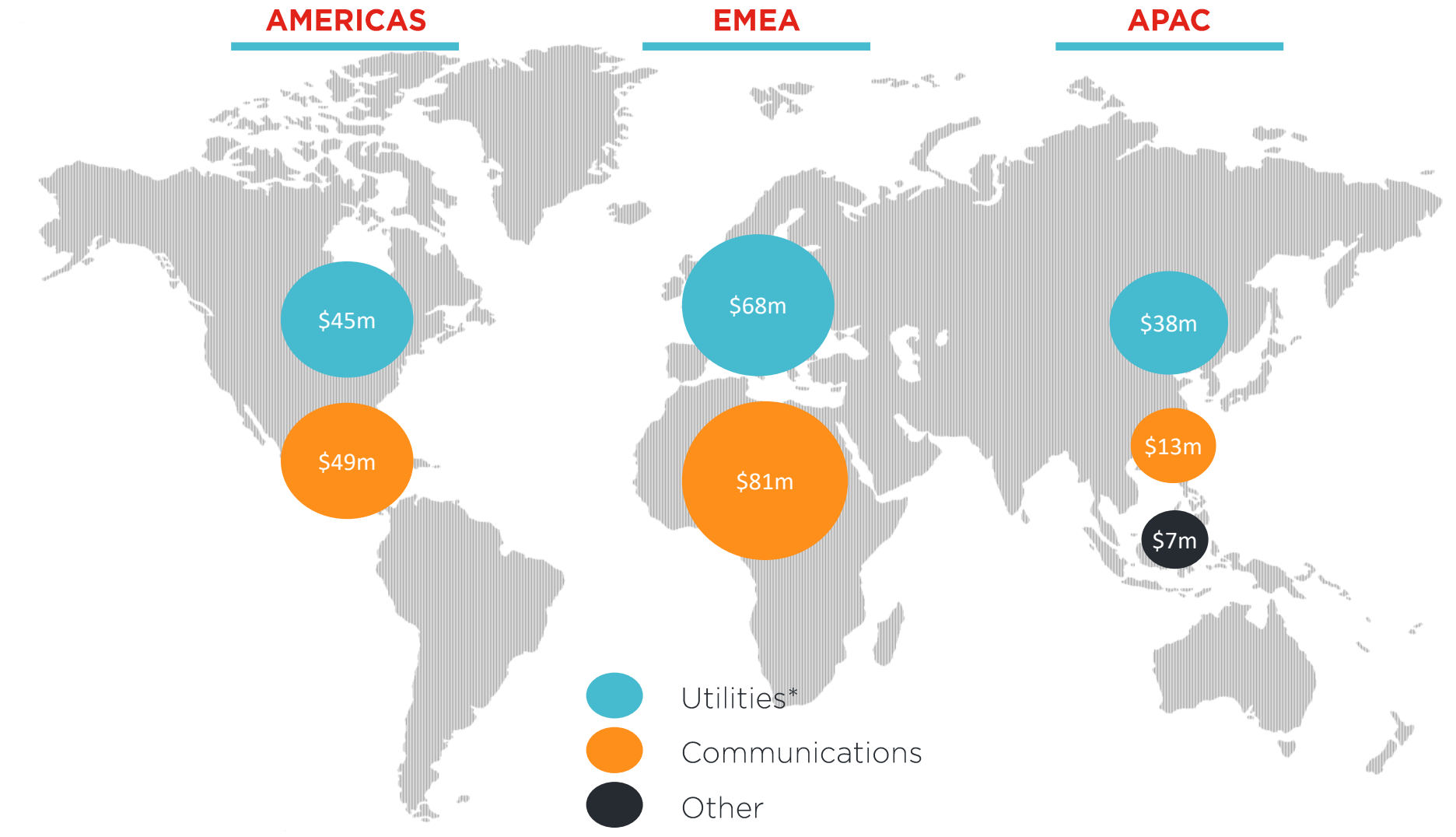
REVENUE BY GEOGRAPHY



Based on proforma FY19 revenue as if Sigma owned for all of FY19

\* Utilities comprises Energy & Water

# WE HAVE A TRULY DIVERSIFIED CUSTOMER BASE.



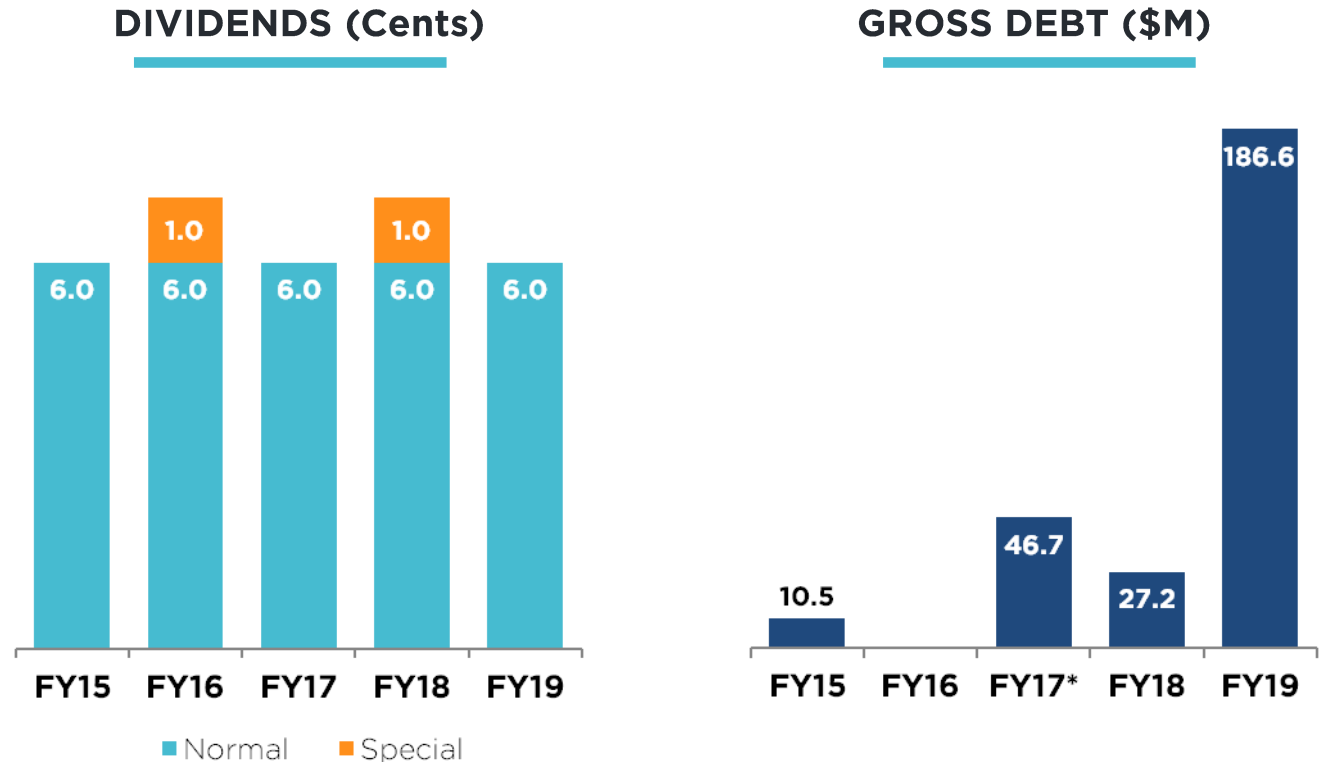
Based on proforma FY19 revenue as if Sigma owned for all of FY19

\* Utilities comprises Energy & Water

# BALANCING FUNDING GROWTH WITH DIVIDENDS.

Once again, FY19 dividends were a balance of distributing franking credits and retaining flexibility to fund acquisitions

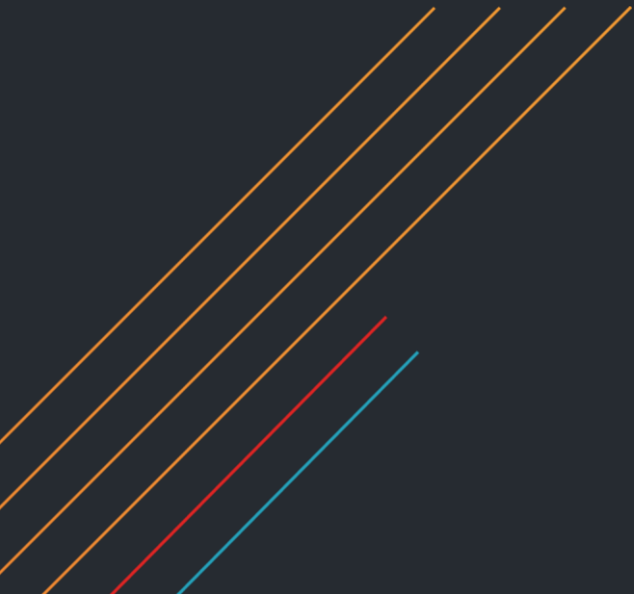
- In May 2019, a new syndicated multi-currency facility of \$225m was secured to fund the Sigma acquisition and general corporate and working capital purposes. As at 30 June 2019, \$189.5m of the facility was utilised, leaving \$35.5m unused
- Our capital management policy remains unchanged – being a balance between retaining flexibility to fund growth through acquisitions against the payment of dividends



\* Proforma debt position at 30 June 2017 as if the acquisition of Enoro occurred on that date

# CEO'S PRESENTATION.

Andrew Hansen



# FY19 OPERATIONAL HIGHLIGHTS.



- Major contract win to deliver our EnoroCX billing product for PKS (Pohjois-Karjalan Sähkö) in Finland. This will be the second deployment of the product in Finland, following the first Go-Live of the application in mid-2018 for Fortum (one of the largest energy companies in the Nordics)



- Major contract win to deliver our Meter Data Management (MDM) product in Sweden for Ellevio, one of Sweden's leading distribution network operators



- Our new utility analytics SaaS product for the Nordic region now has 20 customers



- Following four years of substantial development to enhance the functionality and performance of BannerCX (our long-standing billing platform for US municipalities), 1 customer has now gone live on the platform (City of Columbus in September 2019), 6 more are in the process of migrating and we are actively engaged with 7 other customers to upgrade them



- We were chosen by Western Power (WA's main electricity distributor) to implement a new network billing application to support the large-scale roll-out of smart meter infrastructure. This is in addition to the MDM application that we already provide, so that metering and billing are now in the one system



- From 9 people a year ago, our development centre in Ho Chi Minh, Vietnam has now grown to 100 people. Given the start-up nature of this office, our expectations are that it will take until FY21 until the benefits to margin, rather than the current drag, will flow through



- The Acquisition of Sigma Systems in June – our biggest acquisition to date – which significantly expands our scale and scope in the communications sector and provides for cross-sell opportunities in the energy sector. Refer next page

# SIGMA SYSTEMS ACQUISITION.

Sigma's products empower customers to efficiently create, sell and deliver services to end users

## TRANSACTION OVERVIEW

- Effective 1 June 2019, Sigma Systems was acquired for \$163.8m, comfortably making it our largest acquisition to date
- Sigma was funded from a new \$225m loan facility, which was strongly supported by a syndicate of local and international banks

## SIGMA OVERVIEW

- Founded in 1996, Sigma is based out of Toronto, Canada and has 70+ customers and 480+ employees, 260 of whom are located in Pune, India
- Sigma's software products manage the commercial service environment between a Communication Service Provider (CSP) and end users
- In the age of digital services and 5G, the products help service providers to create, sell and deliver services in a frictionless, automated and error-free way as well as accelerate product innovation
- At the heart of Sigma's product portfolio is a Catalog product that provides a master view of the enterprises' total product offering. Other products within the portfolio are then able to apply enterprise-wide pricing structures to quote and capture orders across all channels, and then provide end-to-end automated management of an order

## STRATEGIC RATIONALE

- Sigma significantly expands Hansen's scale and scope in the communications sector
- The combined offering means we can address a bigger part of our customers needs in terms of managing their end users
- In addition to the significant opportunities present in the communications sector, given the broader and more complex product offering now being provided by energy providers, cross-sell opportunities also exist into our large energy customer base



# WE ARE NOW **1500+** EMPLOYEES ACROSS **30+** OFFICES GLOBALLY.



# NEW SIGNINGS SO FAR IN FY20.

We have started FY20 with great momentum in the signing of new implementations – these include:



- new market entries for Sigma with **Airtel** (one of the top 5 mobile service providers globally) in India and **SmarTone** in Hong Kong
- Sigma winning **Vocus** as an additional customer in Australia
- the first cross-sell by Sigma into our energy customer base, with the deployment for **Simply Energy** in Australia of Sigma CPQ and Sigma Catalog, integrated with our existing energy billing application
- the SaaS deployment for **Aurora Energy** (Tasmania's leading energy retailer) of our Australian-compliant energy billing product
- implementation for Finnish-based **Elenia** of our next-generation, SaaS delivered meter data management (MDM) product, specifically designed for the Nordic energy market datahubs being implemented
- implementation of our EnoroCX energy billing product for **Lumme Energia** in Finland (which will be our third deployment in Finland) and **Entelios** in Norway
- for **TDC Group** in Denmark, the SaaS deployment of our NavibillingCX convergent billing platform for telcos

# FY20 OUTLOOK.

- Our **guidance for FY20 remains unchanged** from that provided with the FY19 results in August – being, we expect **operating revenues at around the \$305m to \$310m level and EBITDA in the range of \$70m to \$76m**
- This guidance includes a full year contribution from Sigma, but is on a non-IFRS 16 basis for comparability
- Most of the new implementations referred to on the previous page will start to contribute revenue in 2H20. Accordingly, expectations are for a stronger 2H20 relative to 1H20

# HANSEN'S COMPETITIVE POSITIONING.

We are uniquely positioned in the global market

## OUR SOFTWARE HAS ONE CORE FOCUS

- Customer management, including customer acquisition & retention
- Our software helps our clients to create, sell, and deliver new products and services, manage and analyse customer data, and control critical revenue management and customer support processes

## WE SERVICE TWO INDUSTRY VERTICALS

- Utilities and Communications – whose products and services are converging as they try to own more of the household

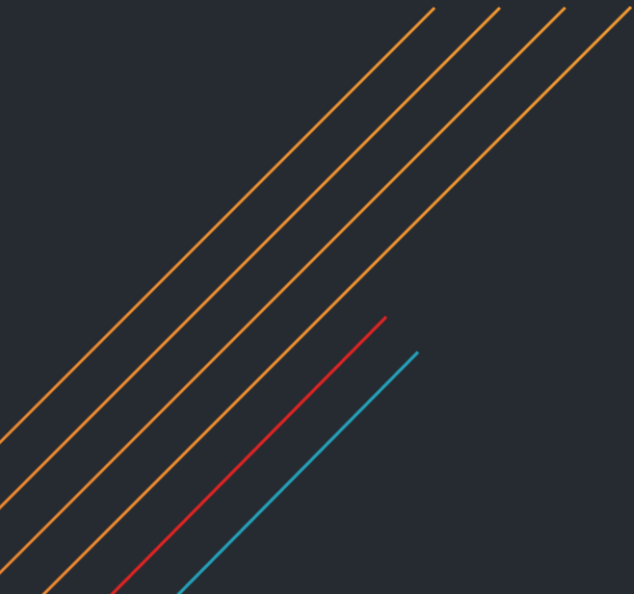
## WE ARE A TRULY GLOBAL PROVIDER

- Which enables us to leverage our global experience – compared to many of our competitors that have a specific geographic presence

## OUR PRODUCTS CAN BE DELIVERED HOW BEST SUITS OUR CUSTOMER

- Our applications can be deployed on-premises to provide for greater customisation and data sovereignty, and right across the delivery spectrum to a SaaS model and an out-of-the-box product where “one size fits all”

# FORMAL BUSINESS.



# CONSIDERATION OF ACCOUNTS AND REPORTS.

To table the financial report of the Company and its controlled entities and the related reports of the Directors and Auditors for the year ended 30 June 2019 and to provide members with the opportunity to raise any issues or ask any questions generally of the Directors

- Shareholders may ask questions and make comments on the operations and management with regard to the Reports
- Shareholders may also ask the representative of the Company's Auditor (RSM Australia Partners) questions about the content and conduct of the audit



# RESOLUTION 1.

## Adoption of Director's Remuneration Report

To consider and, if thought fit, pass the following resolution as a non-binding resolution of the Company:

*'In accordance with the requirements of the Corporations Act, adopt the Remuneration Report for the year ended 30 June 2019 as it appears in the Directors' Report within the Annual Report 2019.'*

### PROXY VOTES RECEIVED

FOR	AGAINST	OPEN*	ABSTAIN
88,716,583	815,995	1,118,908	835,169
97.87%	0.90%	1.23%	

\* Open votes totalling 263,155 (0.29%) in favour of the Chairman will be voted in favour of Resolution 1

# RESOLUTION 2.

## Re-election of Mr Bruce Adams

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

*‘That Mr Bruce Adams, a Director retiring by rotation in accordance with the Company’s Constitution and being eligible and having signified his candidature for Office, be and is hereby re-elected a Director of the Company.’*

### PROXY VOTES RECEIVED

FOR	AGAINST	OPEN*	ABSTAIN
121,099,028	4,440,786	1,119,500	288,078
95.61%	3.51%	0.88%	

\* Open votes totalling 263,025 (0.21%) in favour of the Chairman will be voted in favour of Resolution 2

# RESOLUTION 3.

## Re-election of Ms Jennifer Douglas

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

*‘That Ms Jennifer Douglas, a Director retiring by rotation in accordance with the Company’s Constitution and being eligible and having signified her candidature for Office, be and is hereby re-elected a Director of the Company.’*

### PROXY VOTES RECEIVED

FOR	AGAINST	OPEN*	ABSTAIN
124,833,544	677,884	1,148,423	287,541
98.56%	0.54%	0.91%	

\* Open votes totalling 291,948 (0.23%) in favour of the Chairman will be voted in favour of Resolution 3

## RESOLUTION 4.

### Grant of Performance Rights to Chief Executive Officer/Managing Director Mr Andrew Hansen for financial year ending 30 June 2020

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

*‘ That for the purpose of Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 179,954 Performance Rights to Mr Andrew Hansen under the Hansen Technologies Employee Performance Rights Plan on the terms and conditions set out in the Explanatory Notes.’*

#### PROXY VOTES RECEIVED

FOR	AGAINST	OPEN*	ABSTAIN
86,484,170	3,462,341	1,134,007	1,127,761
94.95%	3.80%	1.25%	

\* Open votes totalling 291,791 (0.32%) in favour of the Chairman will be voted in favour of Resolution 4

# RESOLUTION 5.

## Non-Executive Directors' Remuneration

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

*‘ That for the purposes of Listing Rule 10.17 the maximum aggregate amount of remuneration to be paid to all non-executive Directors in any financial year be increased from \$520,000 to \$630,000 per annum.’*

### PROXY VOTES RECEIVED

FOR	AGAINST	OPEN*	ABSTAIN
88,902,960	948,985	1,197,915	516,747
97.64%	1.04%	1.32%	

\* Open votes totalling 342,162 (0.38%) in favour of the Chairman will be voted in favour of Resolution 5

**THANK YOU.**

