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## **Disclosure Statement**

### **TechnologyOne Ltd Annual General Meeting – 23 February 2022**

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)

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This presentation includes the following measures used by the Directors and management in assessing the on-going performance and position of TechnologyOne: Profit before tax – Underlying, 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.

ARR (Annual Recurring Revenue) was previously referred to as ACV (Annual Contract Value).

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## Agenda

- Results & Significant Achievements
- Outlook for Next Year
- Long Term Outlook



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## Record Profit NPBT of \$97.8m, up 19%



Guidance provided was Net Profit Before Tax of \$94.3m to \$98.6m

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**SaaS continues  
to drive our growth  
\$192.3m up, 43%**

**Outlook for  
FY22 is strong**



Discussed later in more detail

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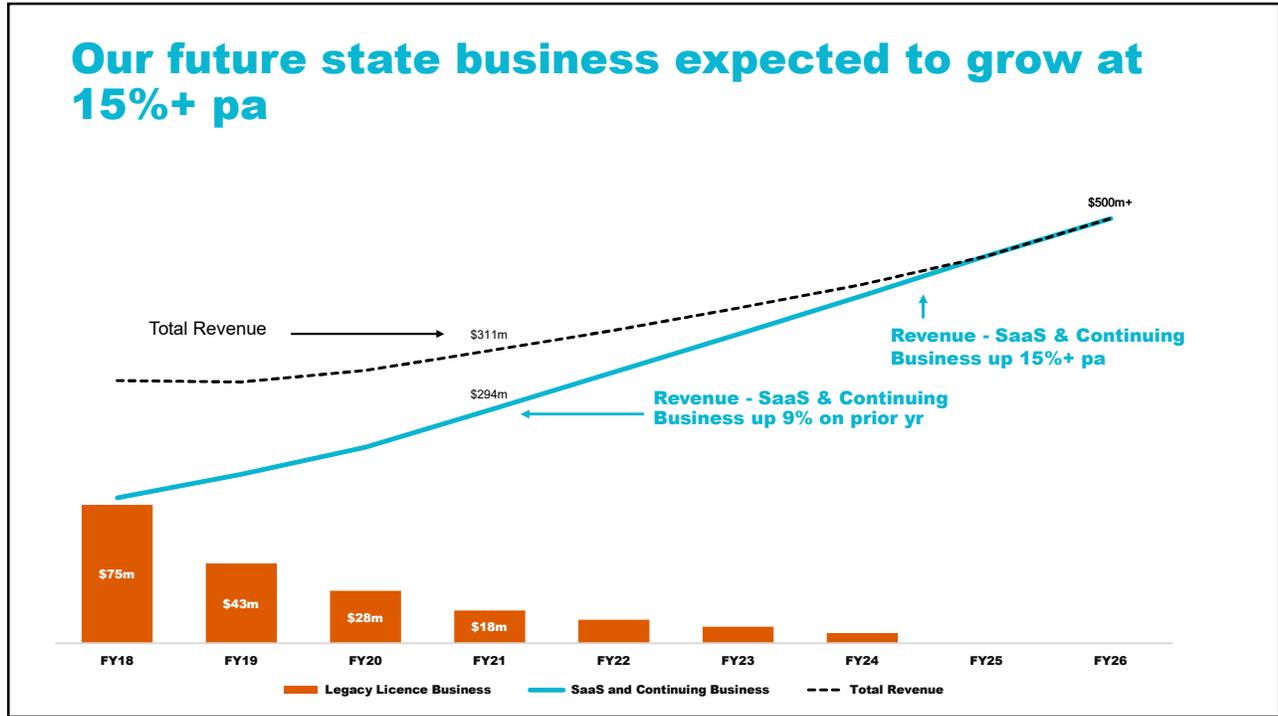
**FY21 – Very Strong Result**  
**Continue to unwind our traditional Legacy Licences**

**Legacy Licences<sup>1</sup> of \$16.8m, down 38% (\$10.8m) as planned**  
**\$11m immediate P&L reduction in FY21**

Legacy Licence also referred to as Initial Licence, Perpetual Licence or On Premise Licence. \$16.8m in FY21 was ~\$75m at its peak a few years back

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## Our future state business expected to grow at 15%+ pa



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## Compelling value proposition of TechnologyOne Global SaaS ERP

- One global code line
- Massive economies of scale
- 2 releases each year providing new functionality
- 8 active data centres
- Defence-in-depth security
- Always on the latest release
- Always on the latest technology
- Fast migration for existing on-premise customers
- Customers save 30%+ on their total cost
- Take-on additional products quickly



"TRC's seamless move to SaaS allowed it to harness more advanced software features including automation and self-service. That means we can eliminate a lot of manual processes that take up so much time. It's an efficiency gain for the community; we can deliver services faster."

Tablelands Regional Council

Making life simple for our customers

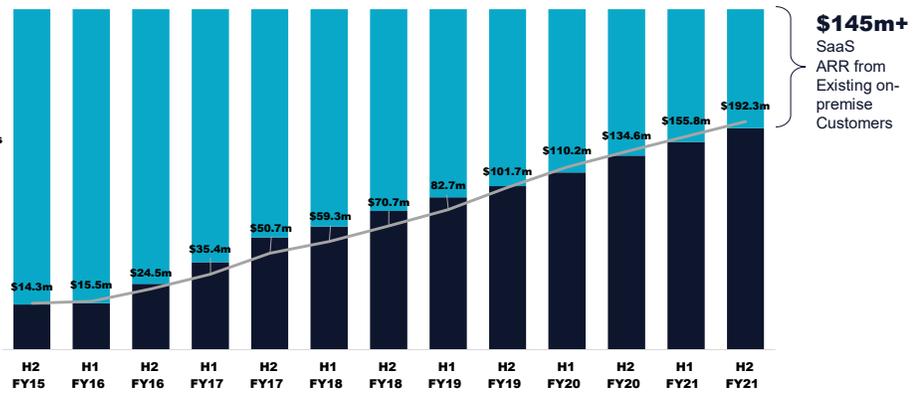
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## \$145m ARR Runway moving on-premise to SaaS by FY26

We expect **90%+** of on-premise to move to SaaS by FY26

■ % of on-premise customers  
 ■ % of SaaS customers  
 — SaaS ARR

SaaS ARR vs on-premise



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## Quality of SaaS Revenue is very high

Recurring contractual nature, combined with our very low churn rate of ~1%

**Today, 90% of Revenue is recurring**

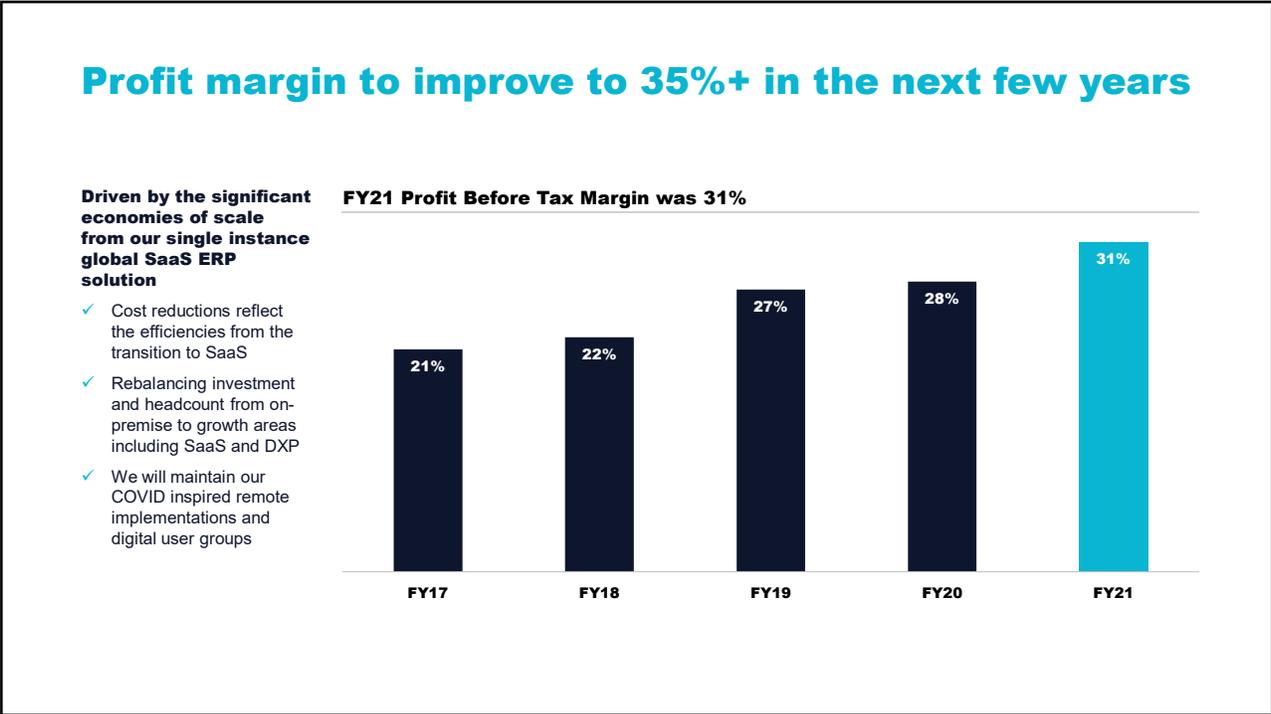
**Target is 95% of Revenue recurring by FY27**

Based on FY21 opening ARR (\$221.9m) as percentage of total revenue excluding Consulting Revenue, which follows from business wins (\$312m - \$64.5m = \$247.5m).  
 Recurring subscription revenue includes SaaS Fees and Annual Licence Fees

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## We expect to double in size every 5 years

**FY21 NPAT was \$72.7m Up 15% on FY20 NPAT**



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## Balance Sheet Strong

### Cash & Equivalents \$142.9m, up 14%

- After initial payment for Scientia acquisition of \$11.6m
- Net Cash: 44.4 cps vs 39.2 cps, up 14%
- Net Assets: \$190.2m vs \$142.2m, up \$48.1m, up 34%
- We have no debt

**Cash and Equivalents \$142.9m**



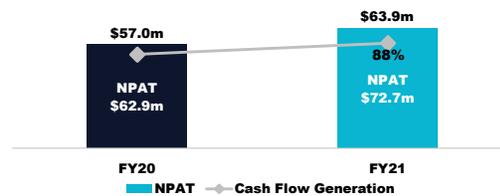
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## Cash Flow

### Cash Flow Generation of \$63.9m, up \$6.9m, up 12%

- ✓ 88% of NPAT of \$72.7m v Expectation set of 80% of NPAT
- ✓ Strong and disciplined cash collection
- **Note: Cash Flow Generation at H1 FY21 was -\$3m**

NPAT versus Cashflow Generation



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## Significant investment for future growth

R&D investment of **\$77.0m<sup>1</sup>**

**24%**  
of Revenue

UP **13%**

### Current

- \$500m+ invested in R&D over the last 10 years to maintain our leadership in innovation
- We provide 2 releases per year
- Delivered 2021B to the market, with 308 product enhancements across our enterprise suite
- Under development is 2022A release for early 2022
- We continue to extend our SaaS platform
- Delivering on Artificial Intelligence and machine learning
- Delivering our new generation DXP *Digital Experience Apps*

### Future

- For Local Government
- For Student

R&D growth will revert to **8% over the next few years**

<sup>1</sup>R&D expenditure before capitalisation

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**dxp**

## DXP 2.0

### Excellent feedback

- LG DXP – First customer live on phase one
- Student DXP – In research stage

*"My feedback is nothing but great!  
I see that there have been some thought that's gone into make our work easier for both ourselves and our customers. Super excited. Can't wait"*

*City of Canning*

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## United Kingdom

### Significant investment for future growth

Completing "customer first/remediation" phase, and focus is now on growth

#### FY21 Achievements

- UK profit of \$1.6m v profit of \$0.1m pcp, an improvement of 100%+**  
Consulting profit of \$1.0m vs \$50k pcp loss - 100%+ improvement
- ARR of \$9m up 21%**
- Closed 8 new logos**  
7 Local Government and 1 Higher Education
- Closed 2 Unitary Councils**  
Which pushes up into the next tier of larger Councils

#### Outlook

- Pipeline is strong for FY22**  
Many new logos and increasing ARR
- UK STM & HRP Regionalisation**  
on track for FY22 completion
- Appointed new Executive Vice President for UK**  
with proven track record and a focus on growth
- Acquired Scientia**  
Provides additional brand recognition, customers and scale in the UK

We see significant upside in the UK in the coming years

Total addressable market in the UK is 3 x APAC

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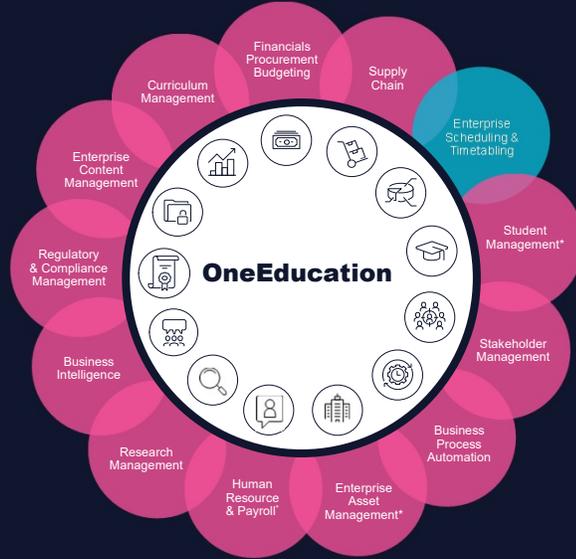
## Scientia Expands Enterprise Solution for OneEducation



"The one thing that students care most about is their timetable. Being able to fully integrate a schedule into the full student experience is very important, and an exciting step for those universities that use TechnologyOne's student management system."

Swinburne University

- ✓ A mission critical sticky product
- ✓ Provides deeper functionality in our Higher Education vertical market
- ✓ Higher Education is a key global vertical market
- ✓ In a key growth region - UK
- ✓ Demonstrates our deep commitment to both Higher Education and the UK



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## People and Culture

Recognized as Employer of Choice

Award winning programs

one.  
TALKS

technologyone  
Buddy

technologyone  
GRADS  
Your Future Starts Here.

technologyone  
HACKDAY  
Ideate. Create. Celebrate.

CKO.

technologyone  
eNPS  
Shape our future

technologyone  
MARVEL  
Celebrating the extraordinary.

technologyone  
O WEEK  
Get Involved. Get Inspired.

Town  
Halls

Regional  
Days

Strong culture of creativity and innovation

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technologyone | foundation

unite | donate | participate

*"TechnologyOne has more than exceeded my expectations through the Foundation and 1% Pledge focused on youth.*

*Now as an employed graduate with TechnologyOne I am still able to not only continue my own avenue of volunteering with the youth through the 1% of paid time they allow for such, but also proudly work for a company that is also strongly committed to giving back to at-risk and underprivileged youth by donating 1% of their annual profit and 1% of product license fee revenue to the Foundation Charities all around the world."*

TechnologyOne graduate

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

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technologyone | Foundation

unite | donate | participate

THE BIG ISSUE

The Smith Family

World Vision

ykip

PLAN INTERNATIONAL

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## FY21 Summary

✓ Record profit and revenue, record SaaS ARR

✓ SaaS ARR of \$192.3m, up 43%

✓ Total ARR of \$257.5m, up 16%

✓ Revenue for our SaaS and continuing business of \$293.6m, up 9%

✓ Profit Before Tax of \$97.8m, up 19%

✓ Profit before tax margin of 31%, up from 28%

✓ UK profit \$1.6m, up 100%+

✓ Consulting profit of \$15.6m, up 14%

✓ Cash and Cash Equivalents of \$142.9m, up 14%

✓ Cash Flow Generation \$63.9m, up 12%

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

**We are on track to hit \$500m+ ARR by FY26**



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## Outlook for 2022 Year

### Strong Profit growth to continue in 2022

- 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
- SaaS is creating significant opportunities for us. The pipeline for 2022 is strong
- We expect to see strong continuing growth in SaaS ARR and profit
- We will provide further guidance with our first half results

**Double in  
size every  
5 years**

**We are on track for \$500m+ ARR by FY26**

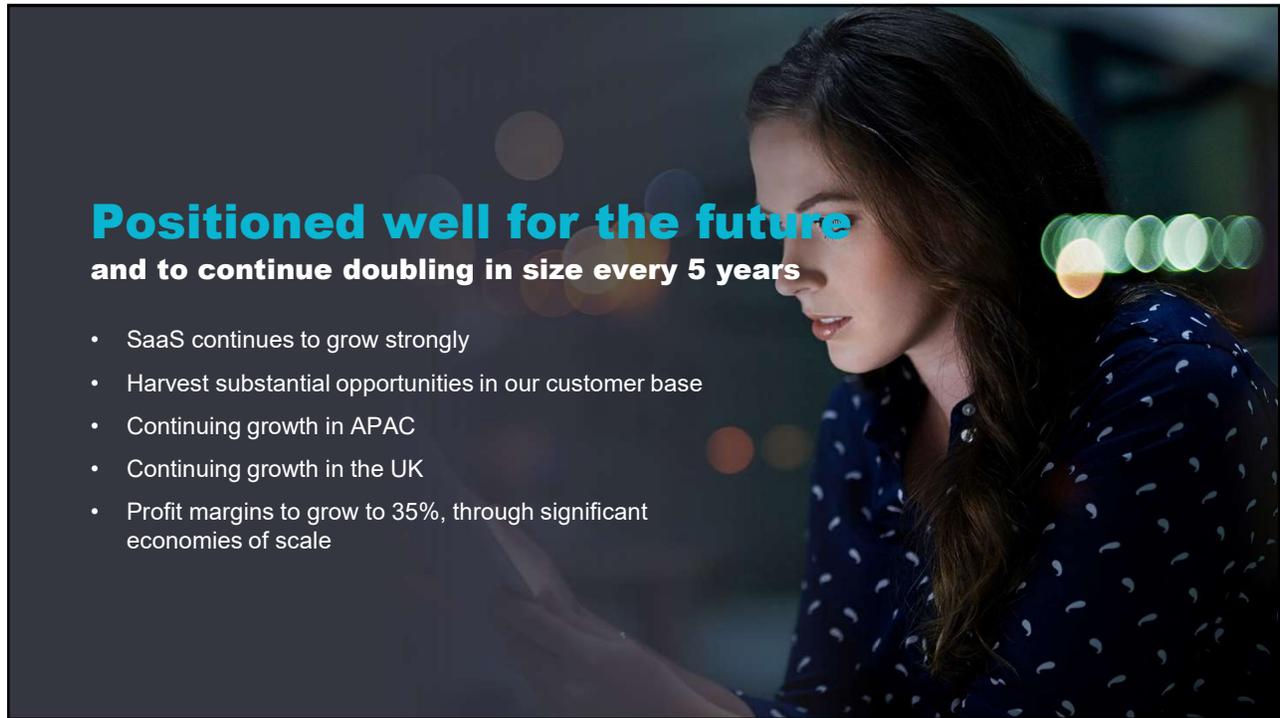
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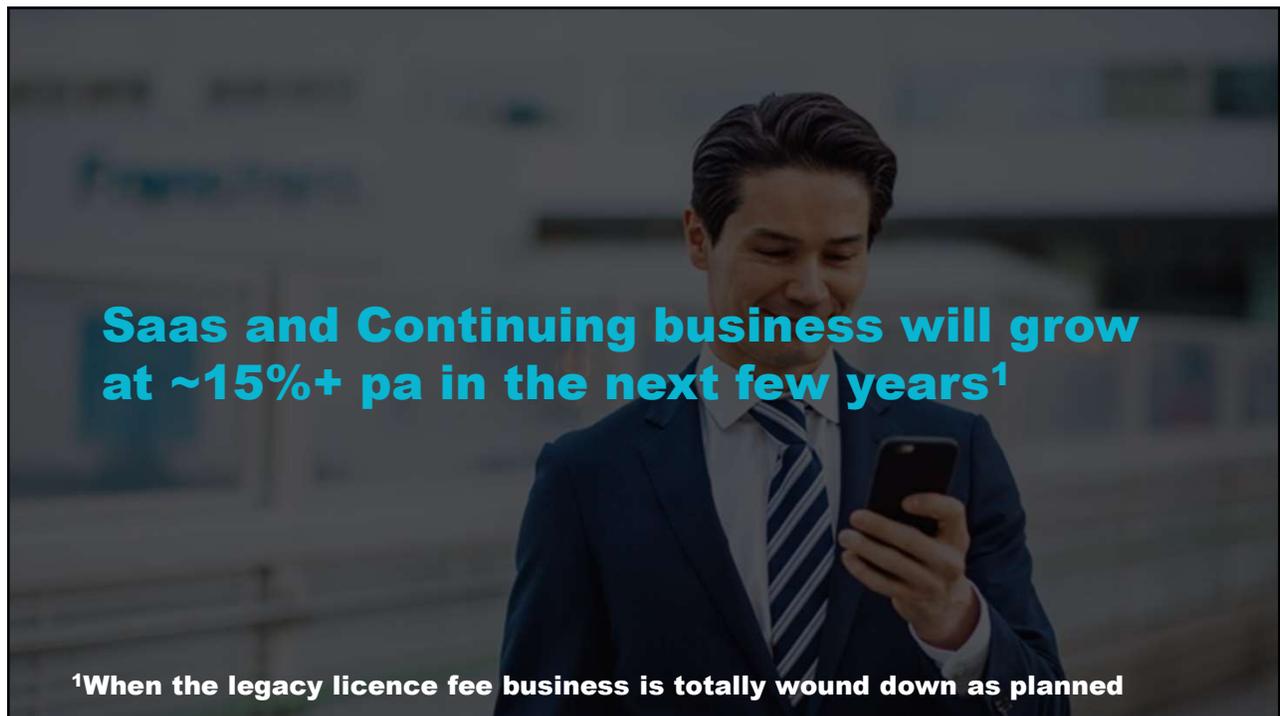
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**Positioned well for the future**  
**and to continue doubling in size every 5 years**

- SaaS continues to grow strongly
- Harvest substantial opportunities in our customer base
- Continuing growth in APAC
- Continuing growth in the UK
- Profit margins to grow to 35%, through significant economies of scale

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**SaaS and Continuing business will grow**  
**at ~15%+ pa in the next few years<sup>1</sup>**

<sup>1</sup>When the legacy licence fee business is totally wound down as planned

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# Our People



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**technologyone**  
transforming business, making life simple

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