

Hansen Banner CIS Acquisition

May 2014

Introduction to Hansen

Introducing Hansen Technologies

- Founded in 1971. Listed on the ASX (HSN) in 2000

Our team

- 450 plus staff worldwide, located in 12 countries with primary offices in Australia, UK, USA, NZ and China
- Subject matter experts. IT staff tenure double industry average

Financial strength

- Cash reserves, history of bi-annual dividends
- Solid balance sheet & 70%+ annuity revenues

International operations

- Software solutions operating in 43 countries, including: Australia, USA, Japan, UK, Spain, Ireland, New Zealand, Canada, South America, South Africa, Scandinavia, India, Middle East & China

Vision

Hansen market focus

- Energy, Telecommunications, Pay-TV
- Markets dominated by change

Hansen key competency: Billing & Customer Care

- Key financial process for a utility
- Enabling retail and driving customer ownership

Hansen approach: Value Adding

- Extended service offerings
- Multiple proprietary solutions.

Today's drivers: Convergence

- Energy, Telco and Pay-TV converge on a connected home
- Customer expectations higher; products and regulations more complex; relationships personalized
- Value unlocked through Big Data analytics

Core markets and trends

Hansen's Business Units

PROPRIETARY SOFTWARE SOLUTIONS



Customer care,
billing, meter data
management,
analytics, complex
rating solutions



Bundling, provisioning,
pre-pay, customer care
& billing



MVNO's, ratings,
customer care & billing

HOSTING & PROFESSIONAL SERVICES



- Purpose built data center facilities
- Application management
- Bespoke development
- IT Managed services

Market Trends

UTILITY:

- Smart grid/meter rollouts gaining pace
- Meter data deluge
- Demand response emerging
- Market deregulation & disaggregation
- In-house and aging legacy systems

TELECOM:

- Competition driving prices down and customer churn up
- Network costs up, data demands up
- In-house and aging legacy systems

PAY-TV:

- Triple and quad plays to offset churn
- Content costs up, network costs up
- Competition from internet and OTT

Global Customer Base

North America



Europe



Asia / Pacific



Hansen's pathway to growth

1. Organic growth

- Account management to identify customer value
- Dedicated global consultancy team
- Full service offering
- Client-specific development

2. New customers

- Sales capacity investment
- Product investment

3. Acquiring like businesses

- Active M&A program

Why are we acquiring Banner CIS?

1. Met Hansen acquisition criteria
2. Builds critical mass in the US
3. Complementary market segments
4. Strong brand
5. Deep subject matter expertise
6. Growth opportunities
 - Sell to existing customer base
 - Sell to broader Banner base
7. Ventyx commitment to ongoing partnership
8. Annuity growth profile alignment

Hansen Acquisition Criteria	Banner CIS
IP	Yes
Billing & Customer Care	Yes
Location	Yes
Annuity Revenues	Yes

Municipal CIS Market

- Many are multi service, Water/Waste and Energy.
- Majority are non-competitive markets.
- 2000 service greater then 10000 customers.
- 100+ use Banner as their CIS
- Short term Objective is to bring non-maintenance customers back under maintenance.
- Medium term Objective is replace in-house and legacy CIS systems.

Hansen + Banner CIS together

New Hansen Target Market: Municipalities

- Banner CIS staff will be part of a new Hansen capability focused on Municipalities and small to medium size Utilities
- Lead by existing management
- Progressive integration into broader Hansen CIS capabilities
- Hansen shared services
 - IT / Finance / Legal / Marketing

New Hansen Technologies Ltd group profile

Staff	450 +
Clients	200 +
Combined \$Rev	\$90m +



Hansen + Banner CIS together

- Banner CIS will:
 - Continue to serve its Municipal customers
 - Sell to new customers
 - Leverage its Teaming Agreement with Ventyx
- Hansen will supply:
 - Focused Account management
 - Established managed services
 - Focus, skills and knowledge
- Hansen plans to:
 - Bring the Banner client base home
 - Commit to a re-energized Banner CIS development roadmap
 - Deliver Executive Focus to the client base

Key Points

- Consistent with our Stated Acquisition Objectives
- Banner is non-competitive to other Hansen products
- Strong Brand Recognition
- 46 new Contracted Customers
- New Complementarity Market, Water and Waste
- 50+ Uncontracted Customers
- Immediately Earnings Accretive
- Hansen now Bill 100m Customers per month