HANSEN TECHNOLOGIES

INVESTOR PRESENTATION.

APRIL 2019.

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All dollar values are in Australian dollars (A$) unless otherwise stated.

ABOUT HANSEN.

OUR COMPANY

- Founded in 1971
- Headquartered in Melbourne, Australia
- ASX listed (HSN)

TECHNOLOGY

- Proprietary billing and customer management software, as well as data management systems
- IP all owned

INDUSTRY VERTICALS

- Utilities – energy & water
- Pay-TV
- Telcos

TEAM

- 1000+ staff across 30 offices globally
- Average length of tenure is ~10 years

CUSTOMER BASE

- 500+ globally
- Largest customer ~7% of revenue

SHAREHOLDERS

- 18% Hansen family
- 40% Institutional – Fidelity & Mawer substantial (>5%)
- 42% Retail

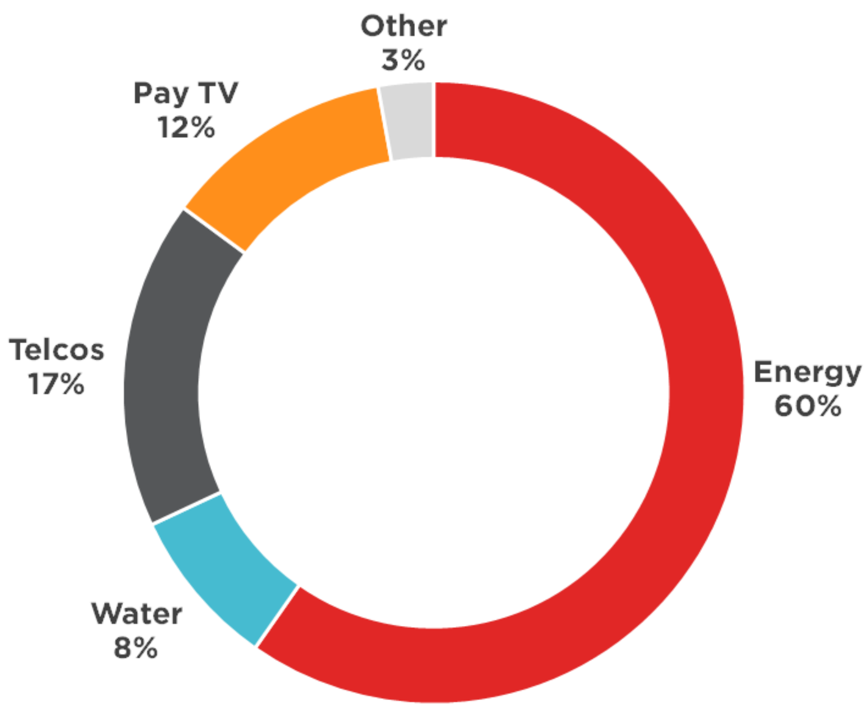
THE HANSEN JOURNEY.

… growing and diversifying by geography, industry and customer

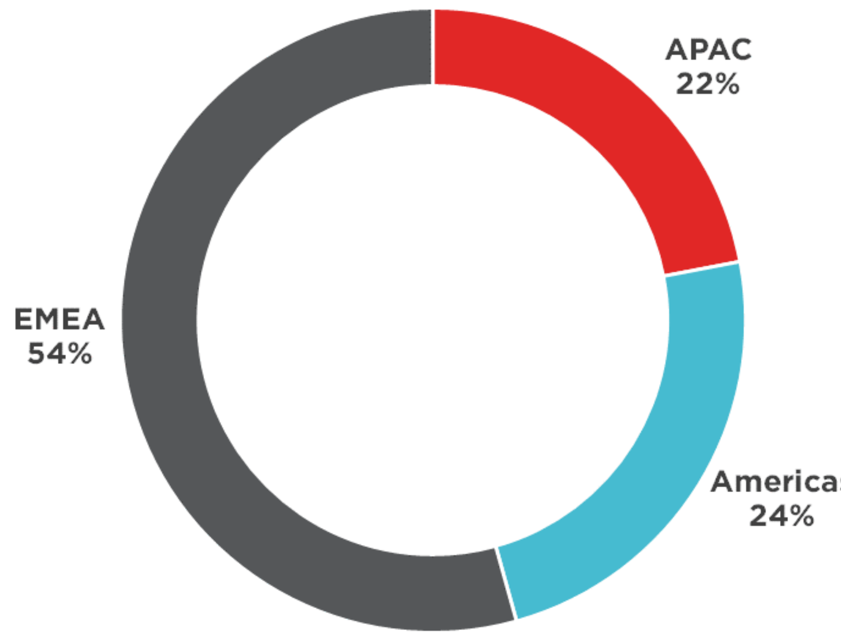
	EARLY 1990'S	TODAY
REVENUE BY GEOGRAPHY		
INDUSTRY VERTICALS		
CUSTOMER EXPOSURE	70%	~7%
INTELLECTUAL PROPERTY OWNERSHIP		
EMPLOYEES		

REVENUE SPLIT.

REVENUE BY VERTICAL

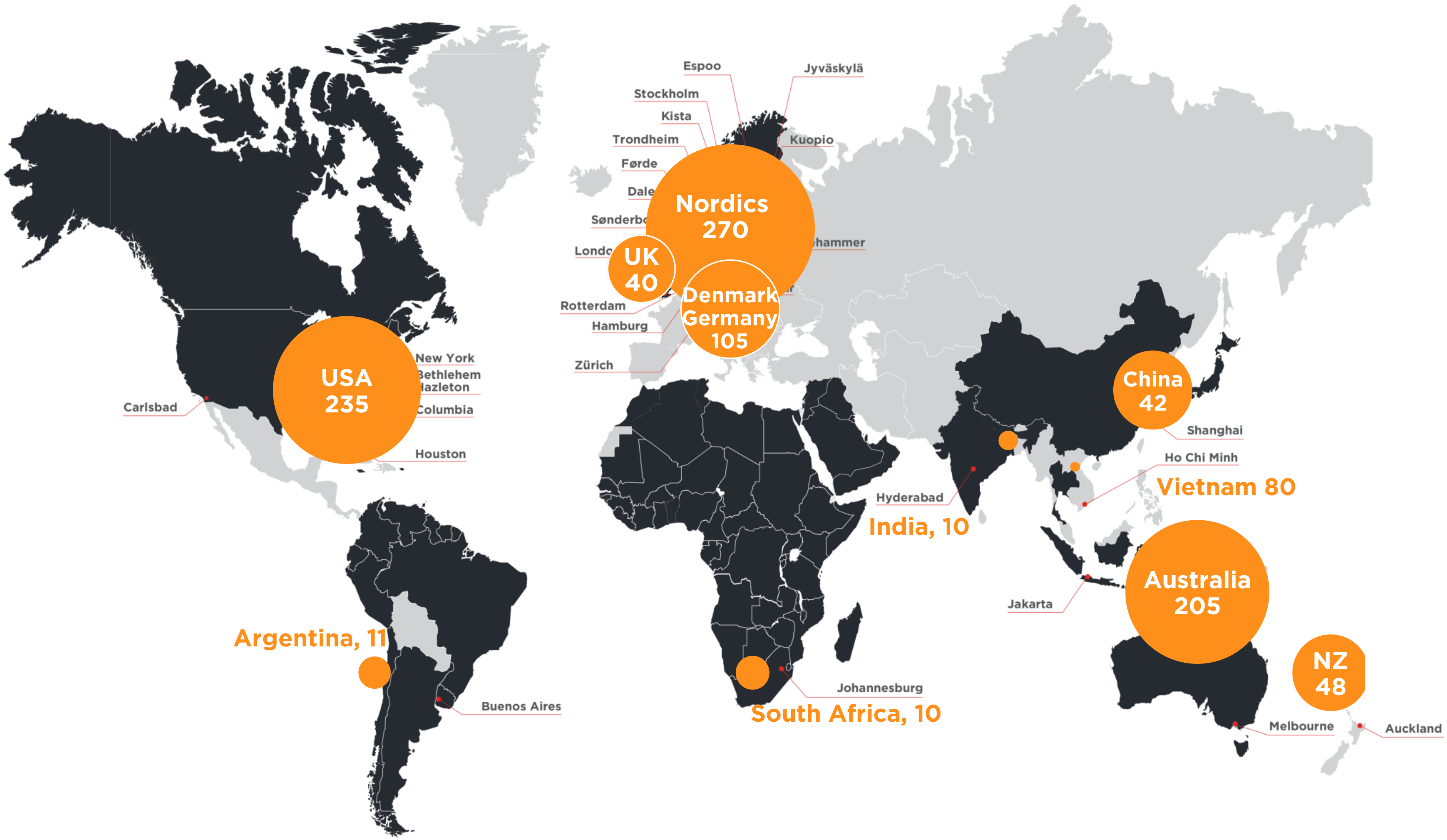


REVENUE BY GEOGRAPHY



Based on 1H19 revenue

1000+ EMPLOYEES ACROSS 30 OFFICES GLOBALLY.



VIETNAM DEVELOPMENT CENTRE … PART OF THE LONG TERM VISION.

WHY VIETNAM?

- A relatively untapped market with a large availability of highly skilled resources
- Time zone works well with our other development centres
- Part of a long term strategy to expand our development capacity – by maintaining our existing development centres while also establishing new centres in emerging/lower cost locations

RESOURCE BUILD

- Commenced in September 2017 with 5 people doing testing work
- Given the success to date it has now ramped up to around 80 people with a number performing development work
  - Recruits are typically in their early to mid twenties and speak excellent English
  - With our experience of having operated across many locations we have been able to fast track the speed to competency
- Having just moved into a new office which can accommodate 150 people, we plan to continue to build the resources

SOME OF OUR 500+ CLIENTS.

ENERGY

- simply energy
- EnergyAustralia
- westernpower
- Energy Queensland
- essential energy
- SCOTTISHPOWER
- Xcel Energy
- Direct Energy
- SSE Renewables
- ENGIE
- TOMORROW ENERGY
- SmartEnergy
- MidAmerican ENERGY OBSESSIVELY, RELENTLESSLY AT YOUR SERVICE.
- TEPCO
- fortum

PAY TV

- MULTICHOICE ENRICHING LIVES
- DIRECTV
- VIDEOCON d2h Digital DTH Service
- NXTDIGITAL The Hinduja-HITS network
- DishHome
- MNC GROUP
- osn
- M7 Group
- RiksTV
- true visions
- Canal Digital
- OPTUS

TELCOS

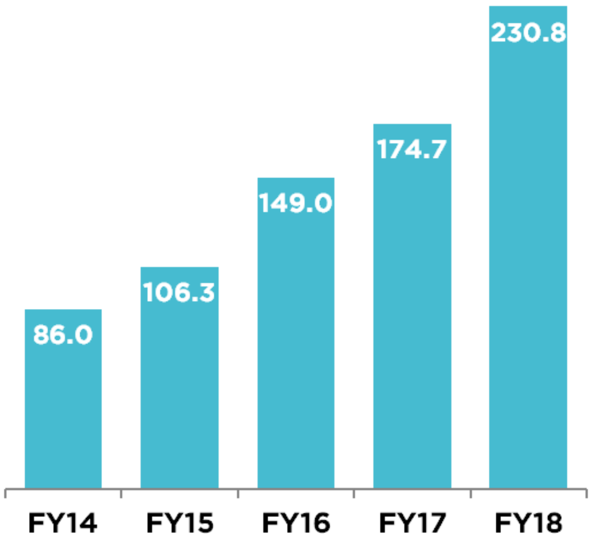
- Fibia
- ice
- TESCO mobile
- FLO
- Telia
- xln for small business
- eltrona
- telenor
- Stofa: BEDRE DIGITALE OPLEVELSER
- SE
- TELE2
- VSE NET Telekommunikation
- get
- TDC

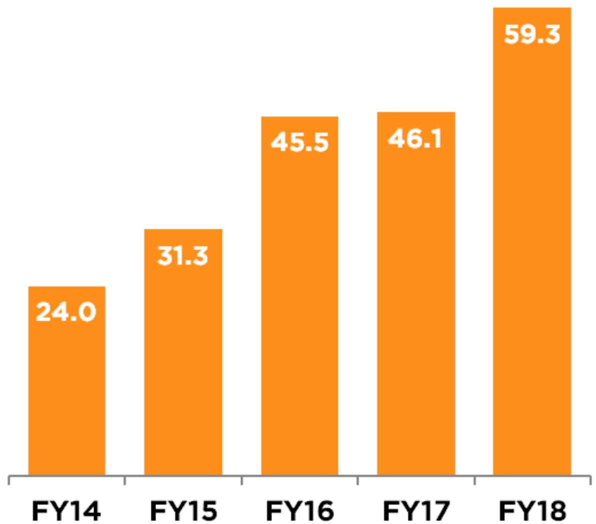
WATER

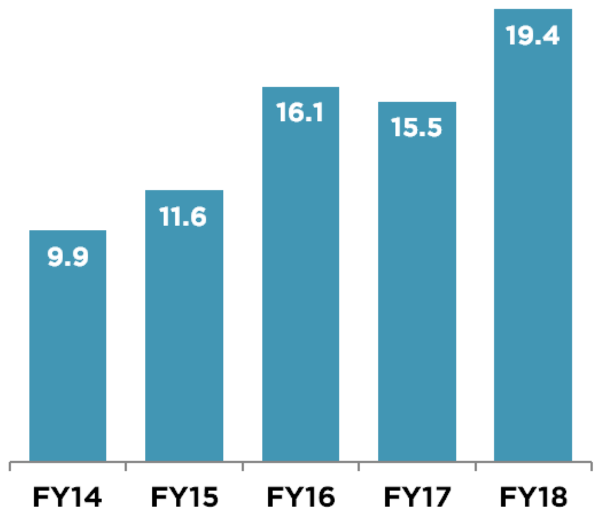
- business stream A SCOTTISH WATER COMPANY
- Affinity Water
- south east water
- South East Water
- QUEENSLAND UrbanUtilities
- THE CITY OF COLUMBUS
- City of Virginia Beach
- CHARLOTTE WATER
- TRINIDAD AND TOBAGO

5 YEAR TRACK RECORD OF GROWTH

REVENUE ($m)	EBITDA ($m)	Adjusted EPS[1] (cents)
CAGR 28%	CAGR 25%	CAGR 18%







1. Basic EPS based on NPATA

STRATEGIC EXPANSION VIA ACQUISITION

…. the major growth driver for Hansen

HISTORY	▪ 9 value-accretive acquisitions have been made over the past 10 years – including Enoro in July 2017 which is our largest to date at A$95m enterprise value ▪ The learnings from them give us strong confidence in our ability to continue to deliver for shareholders on this growth strategy
WHY WE ACQUIRE?	▪ Acquisitions extend our footprint into new market segments, geographies or industry verticals by acquiring a fit-for-market product and an installed customer base ▪ This immediately gives us a demonstrable market position from which to expand
WHAT WE LOOK FOR	▪ We look for businesses that (1) are within or adjacent to our core competencies, (2) own their IP, and (3) have high levels of recurring revenue
HOW WE GET SYNERGIES	▪ We integrate the businesses into the Hansen way – adopting the same systems and processes ▪ We achieve synergies through leveraging our global experience – by sharing learnings and product development and through best practice for project delivery
OPPORTUNITIES	▪ As it is a fragmented market we are continually reviewing acquisition opportunities ▪ Our universe of available targets is increasing as we expand the size and scope of Hansen

HANSEN INVESTMENT PROFILE.

DIVERSIFIED, LONG TERM CUSTOMER RELATIONSHIPS

- Our 500+ customers are diversified by industry, geography and currency – with our largest customer only circa 7% of total revenue
- Given the mission critical nature of our software, customer relationships often extend well beyond 10+ years

SIGNIFICANT GLOBAL PRESENCE

- We are a significant global player within our core business
- This enables us to leverage our global experience – by sharing learnings and product development and through best practice for project delivery

ANNUITY STYLE REVENUE STRUCTURES

- Approx. 63% of revenues are recurring – derived from periodic maintenance, support and licence fees
- The majority of non-recurring revenues are project fees from our 500+ customers for changes to our software to cater for change within their business

PREDICATABLE/STABLE CASH FLOWS

- A stable customer base providing annuity style revenue with targeted 25%-30% EBITDA margins delivers strong cash flows … allowing us to pay down debt and provide for balance sheet capacity to fund acquisitions
- We are currently in a net cash position

TRACK RECORD OF SUCCESSFUL ACQUISITIONS

- We have a strong track record over the past 10 years of making value accretive acquisitions … having made 9 additions to the Group
- They extend our footprint into new markets and segments by acquiring a fit-for-market product and an installed customer base

THANK YOU.

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