



FY21 RESULTS PRESENTATION

24 August 2021

IMPORTANT NOTICE

This presentation has been prepared by Hansen Technologies Limited (Hansen).

Information contained in this presentation:

- is intended to be general background information only, and is not intended that it be relied upon as advice to investors or potential investors and is not an offer or invitation for subscription, purchase, or recommendation of securities in Hansen
- should be read in conjunction with Hansen's financial reports and market releases on ASX
- 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
- includes statements relating to past performance, which should not be regarded as a reliable guide to future performance
- includes certain financial information not recognised under IFRS which Hansen considers useful to assist in evaluating Hansen's performance – however, such information has not been subject to audit or review in accordance with Australian Auditing Standards.

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

Definitions

- 1H21 = six months ended 31 December 2020
- 2H21 = six months ended 30 June 2021
- FY21 = financial year ended 30 June 2021
- FY22 = financial year ended 30 June 2022
- Reported EBITDA* = Earnings before interest, tax, depreciation and amortisation, excluding net foreign exchange gains (losses)
- Underlying EBITDA* = Earnings before interest, tax, depreciation and amortisation, excluding net foreign exchange gains (losses), not including non-recurring items
- NPAT = Net profit after tax
- NPATA* = Net profit after tax excluding tax effected amortisation of acquired customer and technology intangibles

*EBITDA, EBIT, NPATA, Recurring revenue and Non-recurring revenue are non-IFRS measures that have not been audited or reviewed by Hansen's auditors

AGENDA.

Company overview and results highlights

Dividend and outlook

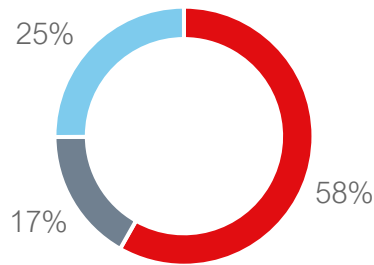
Q&A

HANSEN.

A global technology company serving the Gas, Electricity, Water and Communications industries.

600+

Customers
Globally



80+

Countries

Tier 1 and 2
customers



■ EMEA ■ APAC ■ Americas ■ Gas, Electricity and Water ■ Communications

CREATE-DELIVER-ENGAGE

We develop and implement purpose-built software enabling our customers to **create** and bring to market new products and services faster, **sell and deliver** them flawlessly to customers and **engage** meaningfully at all points of customer interaction.

GAS, ELECTRICITY AND WATER

Regionally entrenched and global challenger to SAP and Oracle.

COMMUNICATIONS

Agile innovation & quick to market

HANSEN

THE HANSEN MISSION.

To further grow our best-in-class core business through aggregating mature, entrenched and predictable businesses in the energy and communications sectors.

OUR STRATEGY.

Leverage our global experience

- Leverage new and existing technologies
- Cross-sell

“**Hansenisation**” of aggregated businesses

- Deploy proven and agile technology methodologies
- Predictable management and systems

Diversification

- Vertical, geographic and customer diversification

Future opportunities

- A disciplined approach to further aggregation opportunities

GAS, ELECTRICITY AND WATER



To transform our customers from basic 'utilities' to suppliers of new energy related products and services

COMMUNICATIONS



To enable Telcos to innovate freely and monetize the 5G & complex B2B segment opportunity

RECENT DEVELOPMENTS.

BUSINESS AS USUAL FOR HANSEN TECHNOLOGIES.

1

Offer from BGH Capital on 7 June

A focused internal team is working on the BGH Capital process; executive team undistracted

2

Due diligence has commenced with the Exclusivity Period ending on 25 August 2021

No impact on customers or execution on strategy; “business as usual”

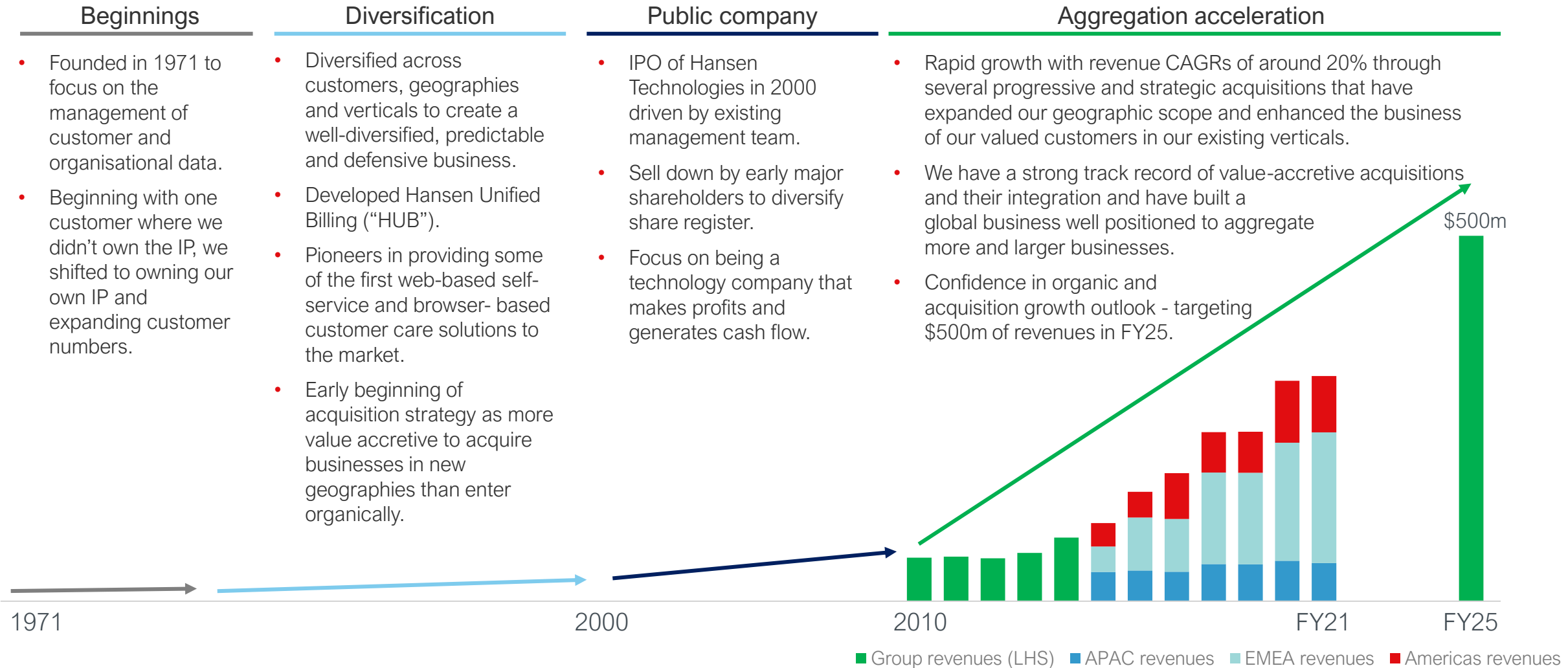
3

As at of the date of this presentation, the bid remains active

Will continue to update the market with any new developments.

50-YEAR TRACK RECORD IN TECHNOLOGY.

DRIVEN BY MANAGEMENT WITH >17 YEARS WITH THE COMPANY ON AVERAGE.



FY21 HEADLINES.

ANOTHER RECORD YEAR.

REVENUE¹

\$325.5m

(constant currency)
\$307.7m (reported)

8%

FY21 guidance:
\$316m - \$326m (constant currency)
\$306m - \$316m (reported)

UNDERLYING EBITDA²

\$128.1m

(constant currency)
\$120.2m (reported)

39.4% margin

FY21 guidance:
37% - 39%

UNDERLYING NPATA³

\$79.2m

(constant currency)
\$73.1m (reported)

69%

REVENUE DERIVED FROM OWNED IP

97%

REVENUE VISIBILITY

95%

Note: base of exchange rates for constant currency calculations is the average exchange rate for FY20.

1. FY21 revenues of \$325.5m on a constant currency basis; on actual exchange rates FY21 revenue was \$307.7m; 8% gain is on constant currency revenue.

2. 50% gain is on underlying FY21 EBITDA excluding non-recurring items; 39.4% margin is underlying constant currency EBITDA of \$128.1m / constant currency revenue of \$325.5m.

3. Underlying NPATA = Net profit after tax excluding tax effected amortisation of acquired intangibles and non-recurring items; 69% gain is on underlying FY21 NPATA excluding non-recurring items of \$0.1m after tax on a constant currency basis.

FY21 HEADLINES.

ANOTHER RECORD YEAR.

ADJUSTED EPSa¹

39.5c

(constant currency)

36.7c (reported)

65%

DIVIDEND

5c (interim paid) +

5c (final) +

NET DEBT²

\$66.6m

\$49.9m

Note: base of exchange rates for constant currency calculations is the average exchange rate for FY20.

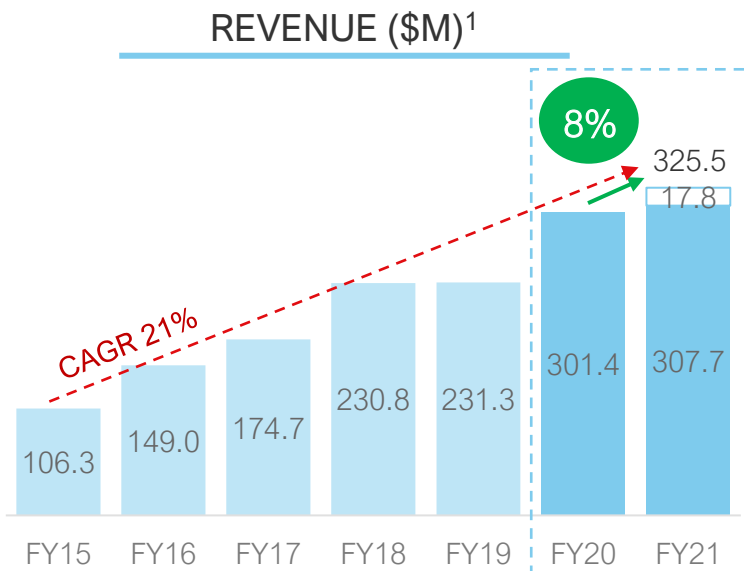
1. Adjusted Basic EPS, based on Underlying NPATA; 65% gain is on constant currency EPSa.

2. Net Debt excluding AASB 16 lease liabilities

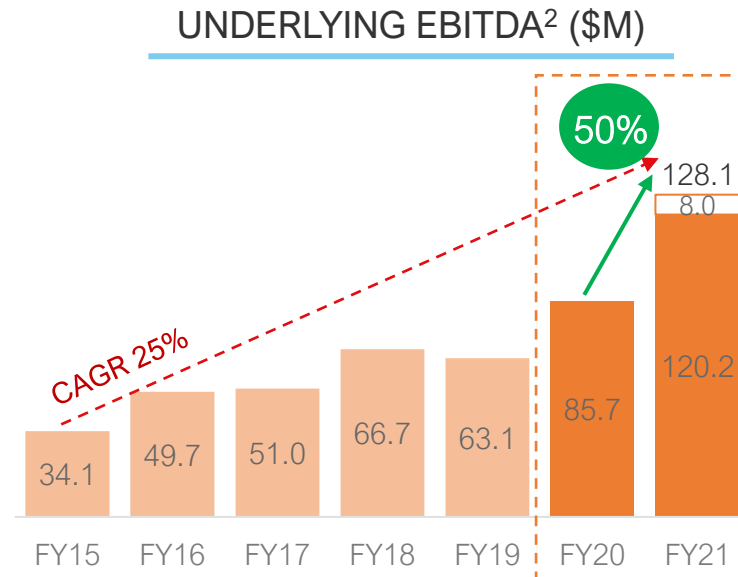
3. Based on current exchange rates.

ANOTHER RECORD SET OF RESULTS.

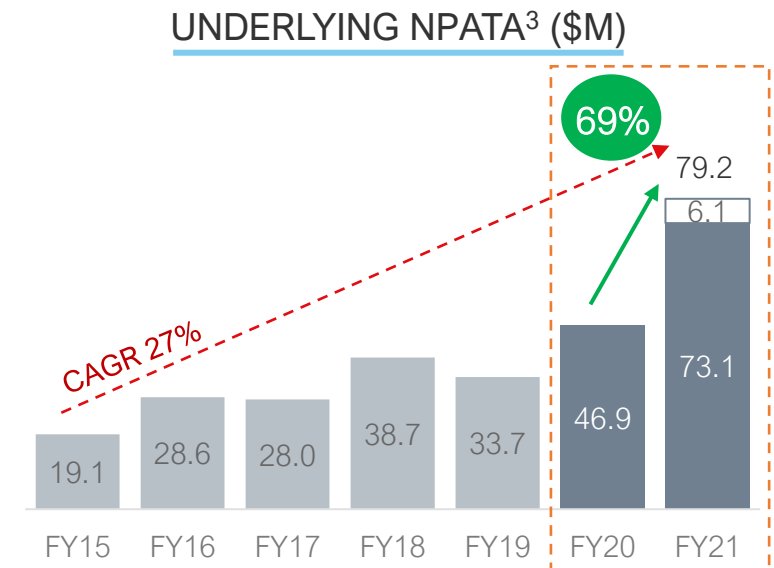
RECORD EARNINGS.



- Continued resilience and growth of revenues, including with new strategically significant customer wins.
- Strong new logo wins contributing to organic revenue growth of 8.1%.
- Telefonica contract contributing \$21m of revenues in FY21 under IFRS15 revenue recognition.
- Revenues from our owned IP of 97%.



- Underlying EBITDA increased 50% to \$128.1m (39.4% margin) due in part to revenue recognition of Telefonica contract; excluding Telefonica, the margin is 35%; the top of our long-term margin target range.
- Continued operating leverage and cost reductions also helping improve margins.
- Efficiencies from regional management and Indian and Vietnam development centres, with significant investment in the centres to meet demand from existing and potential customers.



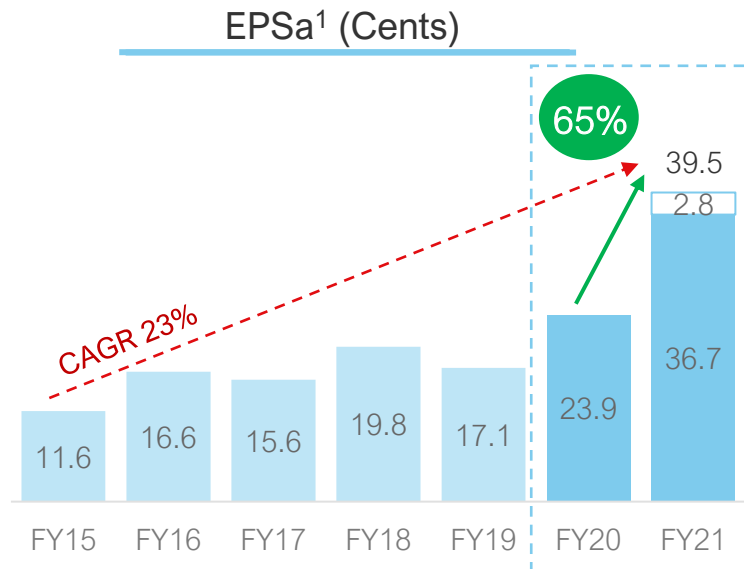
- Effective tax rate increased from 13.8% in FY20 to 18.3% in FY21 as previously acquired tax losses were utilised.
- Continued “Hansenisation” to Sigma and broad cost reductions, margins have been improved.
- Significant pay-down of debt reducing interest rate margin and cash burden by annualised c. \$2.3m from start of year.

Notes:

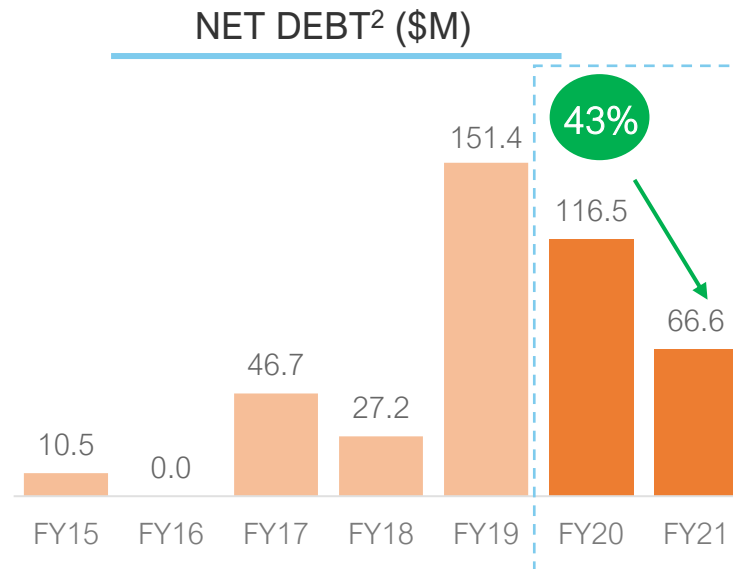
- Reported revenues of \$307.7m with currency impact of \$17.8m of most recent period shown (base of exchange rates for constant currency calculations is the average exchange rate for FY20).
- FY21 EBITDA = Underlying EBITDA excluding \$3.6m of non-recurring items; currency impact of \$8.0m of most recent period shown.
- Underlying NPATA: net profit after tax excluding tax effected amortisation of acquired intangibles and one-off items; currency impact of \$6.1m of most recent period shown.

ANOTHER RECORD SET OF RESULTS.

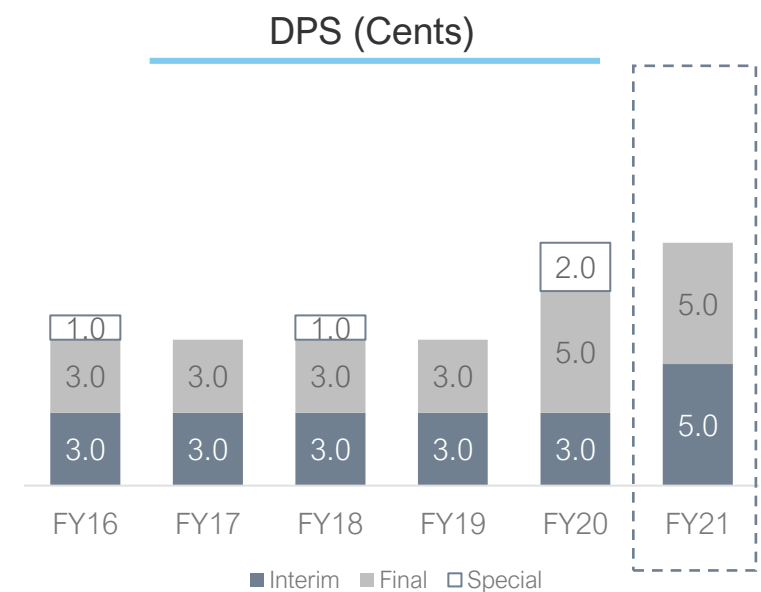
STRONG CAPITAL MANAGEMENT.



- Revenue recognition of Telefonica also flowing down to EPSa, driving a large part of the significant gains.
- Use of debt to grow EPS by managing cost of capital.
- Group margin expansion driving significant EPS upside.



- Cash flows enabling significant reduction in net debt.
- Total available liquidity = \$85.4m, comprising cash of \$52.1m and \$33.3m undrawn of the debt facility.
- Strong capital structure and liquidity position supports an increased dividend.
- Significant headroom (leverage of 0.55x³) for more aggregations.



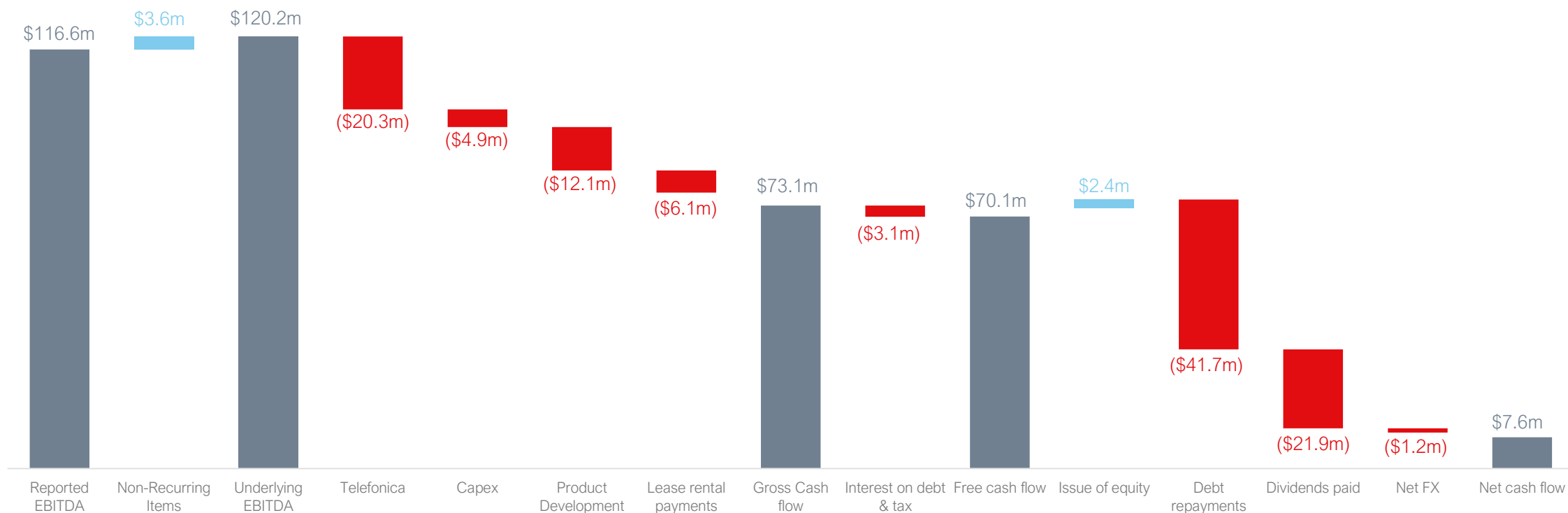
- Total FY21 dividend of 10.0c an increase of 25% of FY20 base dividend.
- Cash flows ensure continued opportunity for investment in products and new aggregations.

Notes:

1. Adjusted Basic EPS, based on Underlying NPATA; currency impact of \$2.8m of most recent period shown (base of exchange rates for constant currency calculations is the average exchange rate for FY20).
2. Net Debt excluding AASB 16 lease liabilities for FY20 and pre-paid borrowing costs.
3. Leverage ratio: net debt (including pre-paid borrowing costs) / EBITDA excluding impact of IFRS16 and non-recurring items.

ANOTHER **RECORD** SET OF RESULTS.

RECORD CASH FLOW, REDUCTION IN NET DEBT AND INCREASED OPPORTUNITIES FOR GROWTH.



- Very strong Free Cash Flow of \$70.1m, up from \$44.2m in FY20.
- Telefonica amount is receivables contractually due in December 2021. Excluding this, working capital outflow was flat.
- Net debt reduced by \$49.9m to \$66.6m following \$41.7m of debt repayments + net cash inflow & debt FX impact.
- Leverage ratio¹ of 0.55x vs 1.46x in FY20, highlighting significant headroom for further borrowing capacity given Board's comfort of 3.0x – 3.5x.

Notes:

1. Leverage ratio: net debt (including pre-paid borrowing costs) / EBITDA excluding impact of IFRS16 and non-recurring items.

© HANSEN TECHNOLOGIES

KEY ACHIEVEMENTS IN FY21.

1

STRATEGICALLY SIGNIFICANT CONTINUED CUSTOMER WINS

- Customer wins in:

- 5G Telecoms:



- Smart energy:



- Renewables (including solar):



- Expectations of continued regulatory change driving organic growth.

2

SIGNIFICANT TECHNOLOGY AND ORGANISATIONAL INVESTMENT

- **Development centres:** strong recruitment of new developers to deliver future pipeline.
- **Cloud relevance for products:** all our products are available on-prem, SaaS solution, public cloud or Hansen-provided cloud providing ultimate choice for customers.
- **Head of Strategic Sales:** driving key customer relationship development and sales efforts to grow cash generative core.
- **M&A team:** focused team to search and screen for all relevant aggregation opportunities for optimal, value-accretive acquisition growth.

3

STRONG PROFITABILITY AND CASH FLOWS

- Continued positive momentum in EBITDA margins.
- Driven by the continued rationalisation of the Company's cost base driven by the global pandemic, as well as reduced travel.
- Margin enhanced by the revenue recognition of the Telefonica contract, with \$21m recognized upfront.
- "Spend it like it is your own" continues to be the focus as profitability improves.
- Targeting EBITDA margins of 32% - 35% over the long-term.

Growth, investment and profitability improvements across the business while positioning for "COVID-normal".

AGENDA.

Company overview and results highlights

Dividend and outlook

Q&A

CAPITAL MANAGEMENT.

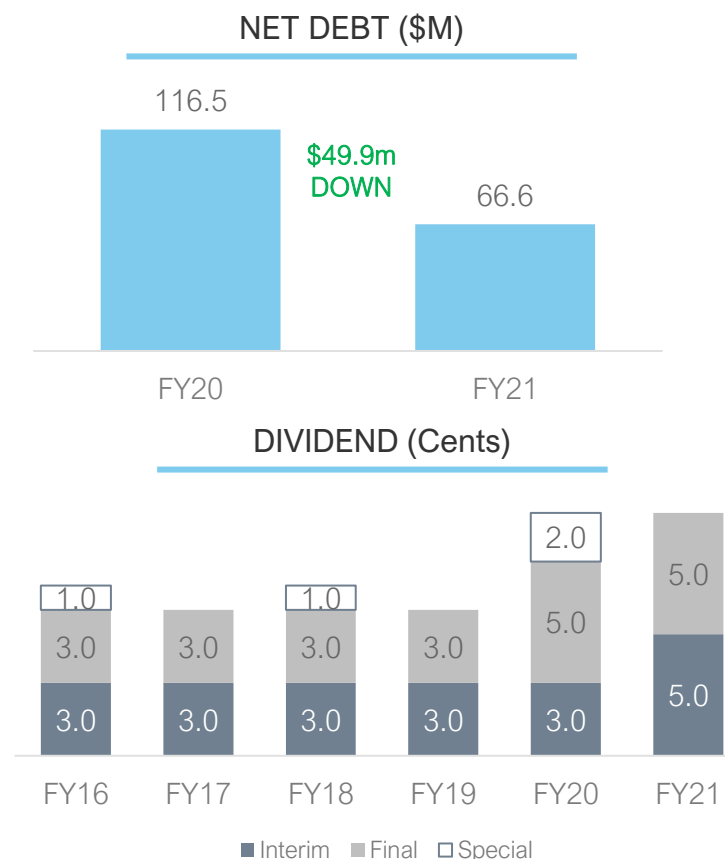
CONTINUING TO PAY STRONG DIVIDENDS AND PAY OFF DEBT FOR THE NEXT STAGE OF GROWTH.

Our position:

- In FY21, net debt was reduced by \$49.9m to \$66.6m.
- Leverage ratio¹ = 0.55x as at 30 June 2021.
- Well supported by banks with new facility negotiated with lower margin interest rates and improved structure.
- Board is comfortable with gearing levels of 3.0x – 3.5x net debt / EBITDA to support value-accretive acquisition growth.

Capital management philosophy:

- Having considered Hansen's capital requirements, strong capital structure and liquidity position, the Board has determined a final dividend of 5.0 cents per share is appropriate; this is 54% franked and represents a 25% payout ratio² for FY21.
- Level of dividend is at the discretion of Board subject to available cash and activity being undertaken at the time – as and when acquisition growth opportunities are executed, this dividend may be reduced to allocate capital to our acquisition growth strategy.
- Hansen's strong cash generation means that even with this strong dividend payment we have the cash flows to invest in our products and fund acquisitions.



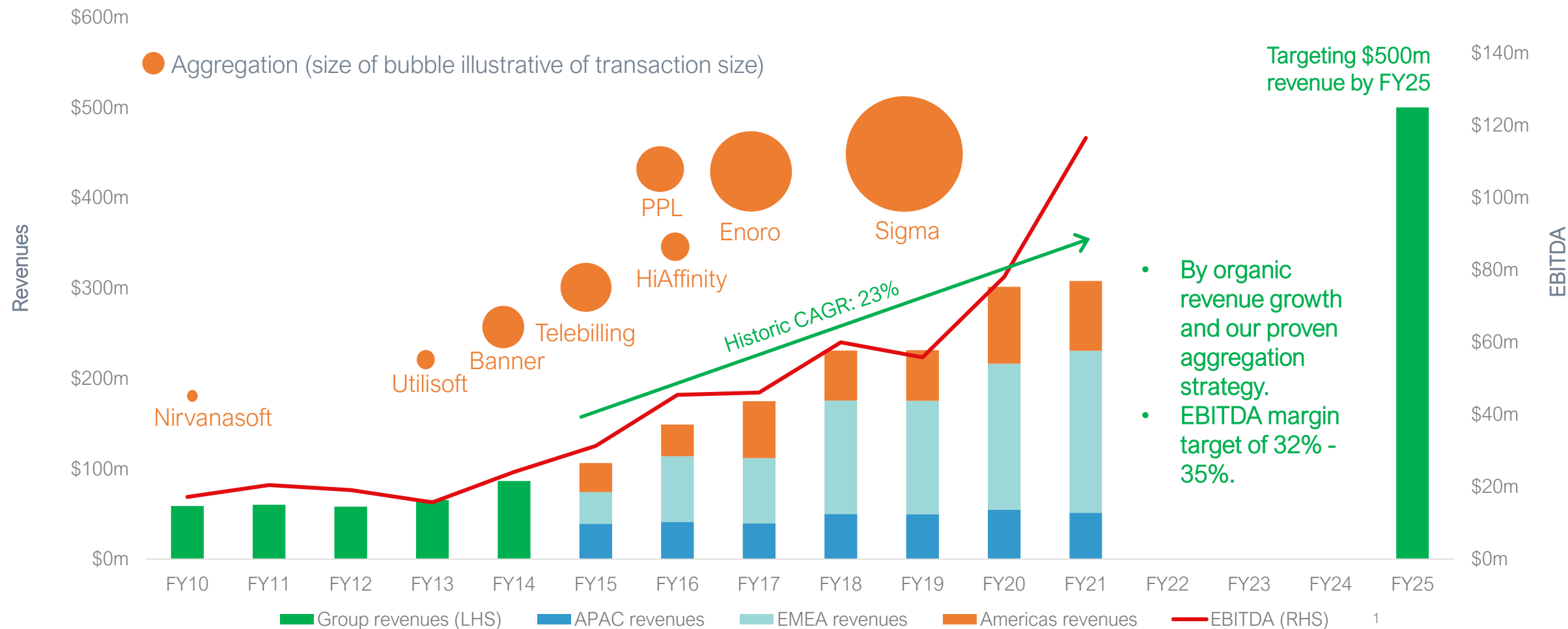
Leverage ratio¹ to 0.55x as at 30 June 2021; down from 1.46x as at 30 June 2020.

Notes:

1. Leverage ratio: net debt (including pre-paid borrowing costs) / EBITDA excluding impact of IFRS16 and non-recurring items.
2. Dividend of 10c / underlying constant currency EPSa of 39.8c.

LONG-TERM FINANCIAL TARGETS.

ON TRACK FOR OUR LONG-TERM FINANCIAL TARGETS.



Notes:

1. EBITDA presented as EBITDA adjusted for non-recurring items and net foreign exchange gains (losses), presented on a reported currency basis for historical comparability.

CONCLUSION.

1. This has been another **great year** for our company and shareholders.
2. Strategic customer wins **driving continued organic growth**.
3. With our M&A process progressing we are confident of **driving our acquisition growth**.
4. We are **focused on driving our strategic agenda** while the BGH Capital process unfolds.

WHAT YOU HAVE IN HANSEN.

- ✓ Established in 1971.
- ✓ A highly proven and talented Executive management team.
- ✓ A predictable and cash generative focused business.
- ✓ Owners of pre-eminent software IP at the very heart of our customers.
- ✓ Serving mature and established industries.
- ✓ High barriers to entry.
- ✓ Subject matter experts in our field.
- ✓ 97% of all revenues derived from owned IP.
- ✓ Track record of >30 very successful acquisitions.
- ✓ A play book for aggregation of largely regionalised and disparate competitors.
- ✓ A great long-term future ahead.

AGENDA.

Company overview and results highlights

Dividend and outlook

Q&A

Q&A



