



Delivering a
Cloud first,
mobile first world

2016 Mid Year Presentation

23 February 2016

Adrian Di Marco, Executive Chairman

Enterprise software
as a service

Feb 2016
Commercial in confidence
FINAL (21/02/16 am)



technologyone
Transforming business, making life simple

Disclosure Statement

Technology One Ltd Mid Year Presentation – 23 February 2016

Technology One Ltd (ASX: TNE) today conducted presentations with Merrill Lynch Australia in Sydney.

These slides have been lodged with the ASX and are also available on the company's web site: www.TechnologyOneCorp.com.

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Agenda

- 2015 Full Year Results Recap
- Outlook for Full Year
- Long Term Outlook
- AGM

Appendix

- 2015 Full Year Results Detail
- TechnologyOne Overview

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2015 Results Recap

	FY15	FY14	Variance %
Revenue	\$218.7m	\$195.1m	12%
Initial Licence Fees	\$49.3m	\$42.0m	17%
Total Consulting ²	\$65.6m	\$63.4m	3%
Annual Licence Fees	\$95.3m	\$84.2m	13%
Cloud Service Fees	\$4.1m	\$1.4m	200+%
Expenses	\$172.2m	\$154.9m	11%
R&D Expenses incl. Acquisitions ¹	\$41.0m	\$37.9m	8%
R&D Expenses excl. Acquisitions	\$40.5m	\$37.9m	7%
Expenses excl R&D	\$131.2m	\$117.0m	12%
Profit			
Profit Before Tax	\$46.5m	\$40.2m	16%
Profit After Tax	\$35.8m	\$31.0m	16%
Other			
Operating Cash Flow	\$37.6m	\$35.1m	7%
Cash and Cash Equivalents	\$75.5m	\$80.2m	(6%)
Profit Before Tax Margin	21%	21%	
Dividend	8.78	8.16	8%
Return on Equity	30%	30%	

Refer slide: Balance Sheet

Refer slide: Margin Analysis

¹19% of revenue v 19% last year

²Total Consulting includes Plus

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Margin Analysis

The TechnologyOne Cloud impacted our margins significantly

FY15	Company	Cloud	Company Excl. Cloud
Revenue	\$218.7m	\$4.1m	\$214.6m
Profit	\$46.6m	(\$2.5m)	\$49.0m
Margin %	21%	(62%)	23%

Our investment in the TechnologyOne Cloud is impacting our margins in the short term. TechnologyOne Cloud will make a very positive contribution to margins in the coming years. Discussed in more detail later.

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Top End of Full Year Guidance Achieved

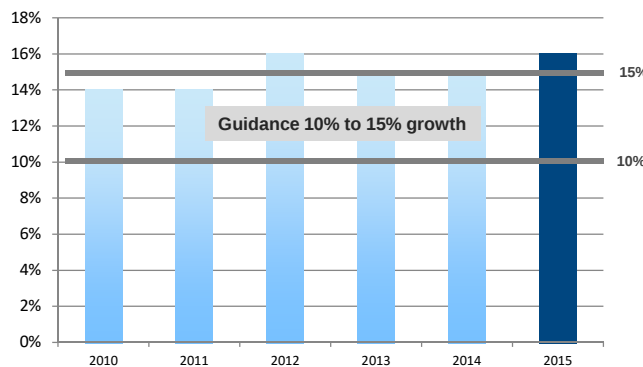
Full Year Guidance was

Continuing profit growth of 10% to 15%

- ✓ Profit Before Tax up 16%
- ✓ Profit After Tax up 16%
- ✓ Sixth year achieved top end of guidance

Percentage Profit Growth by Year

NPAT 2015 - \$35.8m, up 16%, Compound growth 15%



Over last 6 years we have consistently met the top end of our guidance (10% to 15% profit growth)

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Results Highlights

Continuing strong performance

Significant investments have continued as follows:

- United Kingdom \$400k loss (vs \$745k loss in 2014)
- TechnologyOne Cloud \$2.5m loss (vs \$2m loss in 2014)
- R&D, including Ci Anywhere \$41m (\$38m in 2014)
 - Fully expensed as incurred

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Outlook for Full Year

Outlook for the full year remains unchanged

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Outlook for 2016 Year

Continuing strong profit growth

- The enterprise software markets has been one of the most resilient sectors of the IT industry in recent years
- In particular TechnologyOne markets have remained robust in recent years: government and government related businesses
- The pipeline for 2016 supports continuing strong profit growth for the full year



Outlook for 2016 Year

Expect strong profit growth again in 2016 full year

- Strong growth in licences, revenue and profit in the full year
- Sales pipeline is once again weighted to the second half
- We expect the first half of 2016 will once again be challenging and not indicative of the full year results
- We will provide further guidance with the first half results



Outlook for 2016 Year

Our focus next financial year is ...

- ✓ Control R&D costs and Variable Costs
- ✓ Transition our business to the Cloud
- ✓ United Kingdom
- ✓ Focus on our eight vertical markets – resilient & strong
- ✓ Cross sell into our large existing customer base
- ✓ Focus on our newer products
 - HRP, Asset Management, ECM
- ✓ TechnologyOne Cloud
- ✓ Ci Anywhere



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Long Term Outlook

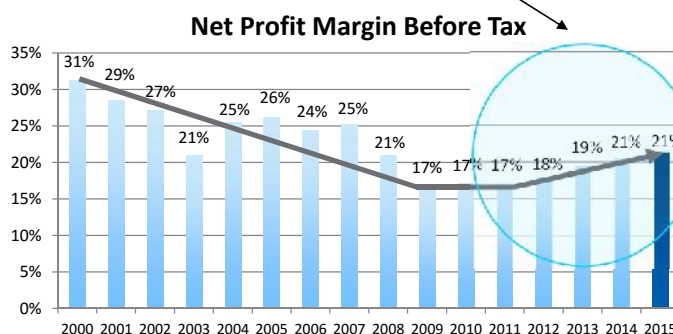
Long Term Outlook remains unchanged

Long Term Outlook

Focus is to substantially improve PBT margins through:

- Controlled R&D growth
- Product Maturity
- Cloud becomes profitable

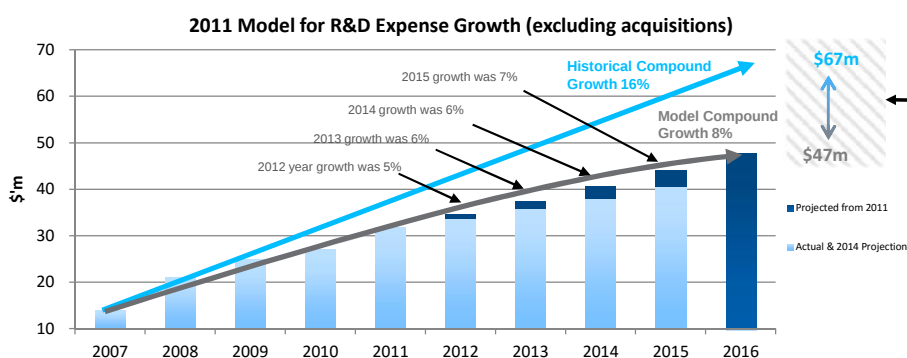
Temporary hiatus due to Cloud loss of \$2.5m on Revenues of \$4.1m.
Excluding Cloud business, margin is 23%.



Profit margin to continue to improve to 25% in the next few years

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Controlled R&D Growth



2011 Model, shows savings of \$20m/year in year 5 (2016)

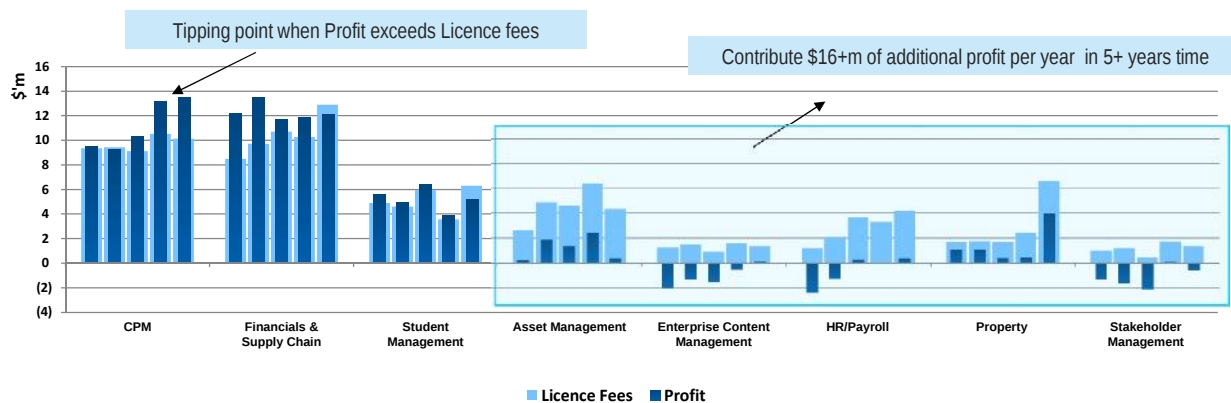
- In year 5, R&D will be 18.5% of revenue (vs 19% now)
- In year 10, target for R&D is 15% of revenue
- Still well above Industry Average of 10% to 12%

Target for R&D growth of 8% per annum compound, over 5 years set in 2011

- Operating leverage, economy of scale, new work practices...
- In 2012, 2013, 2014 & 2015 year we demonstrated this was achievable with R&D growth of 5%, 6%, 6% and 7% respectively
- Continues to be a very aggressive R&D program
- Assumes no acquisitions in next 5 years, and continuing growth in revenue

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Product Maturity



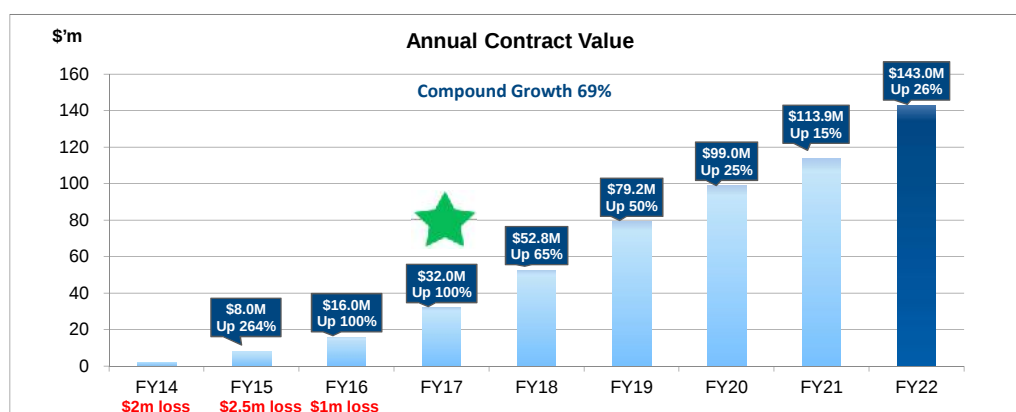
- Significant investment over the last 10 years in Assets, ECM¹, HRP², Property, Stakeholder Management
- Expected these to contribute strongly in the coming years to profitability

¹ Enterprise Content Management ² Human Resources & Payroll

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TechnologyOne Cloud Growth to 2022

\$143m / year (recurring) in 2022



Based on a calendar year

★ Cloud becomes profitable in 2017

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Positioned well for the future...

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AGM Voting

Very Positive Annual General Meeting

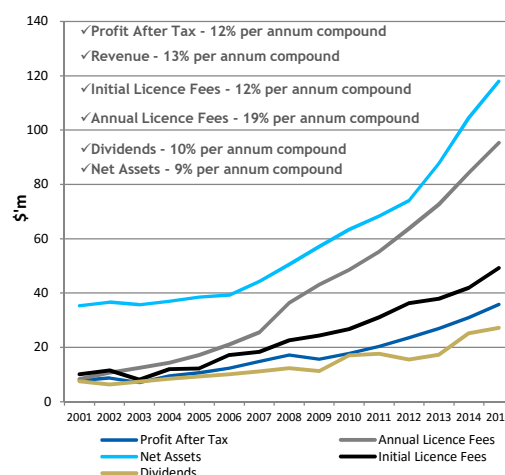
RESOLUTIONS	FOR	AGAINST
Re-election of Mr Richard Anstey	243,048,626 (99.1%)	1,002,967 (0.4%)
Adoption of remuneration report	149,033,260 (90.7%)	14,199,303 (8.6%)
Increase in Director's Fee Pool	140,139,301 (85.3%)	23,000,128 (14.0%)

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Remuneration Framework

Existing remuneration framework critical to our success over last 25+ years

- ✓ Company doubling in size every 5 years
- ✓ Created substantial shareholder wealth¹
- ✓ TechnologyOne executive pay is in the mid to lower quartile of our peers
- ✓ Proven to be very effective



Key metrics last 15 years

¹TSR last 12 months 24% , TSR last 5 years 34% compound per year, TSR last 10 years 23% compound per year

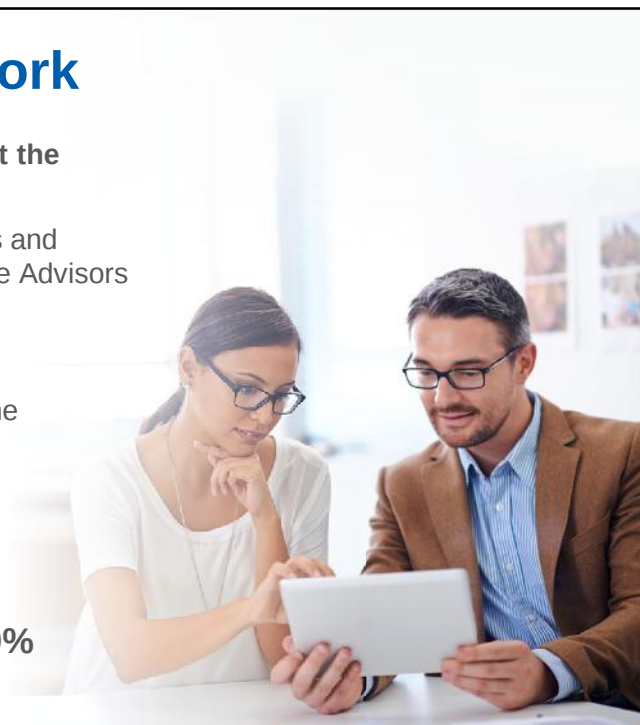
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Remuneration Framework

Last year we had a substantial vote against the Remuneration Report of 24.3%

- Board has engaged Independent Advisors and implemented recommendations from these Advisors
- Aim to get better alignment with other ASX200 companies
- Board has made substantial changes to the TechnologyOne remuneration framework

Still a substantial vote against our Remuneration Report this year of 9%



Remuneration Framework

- Changes to our remuneration framework in 2015:
 - ✓ Additional disclosure/information on our remuneration structure and policies
 - ✓ Discontinued the use of Options for Long Term Incentives (LTI) for KMP
 - ✓ A new Executive Performance Right (EPR) plan for LTI for KMP
 - ✓ Introduced mandatory performance hurdles for all LTI issued to KMP under the new EPR plan
 - ✓ Introduced a mandatory shareholding for directors
- Some of these changes are a concern to us
- Substantial distraction to the Board and the Management team
- Introduces risk as we transition from our current successful remuneration framework

Recommendations by Proxy Advisors

- Ownership Matters, CGI Glass Lewis & ASA in favour of all resolutions
- ISS Proxy Advisory Services
 - Recommended against the Rem Report & increase of Directors Fee
 - Gave us the lowest possible score for Corporate Governance
- We note re ISS Proxy Advisory Services report
 - We engaged with ISS in the creation of our new Remuneration Report
 - Significant mistakes in ISS report
 - Rem Report was not passed just on a 'show of hands' last year as they say
 - ISS did not consult with us to clarify their interpretation of our Remuneration Report before publishing their report
 - ISS dismissed the actual facts

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The Facts

	Technology One CEO	Median ASX 100-150
Fixed Remuneration	\$551,000	\$1,024,343
Short Term Incentive (Cash)	\$797,485	\$330,012
Long Term Incentive (Shares)	\$0 (waived by TNE CEO)	\$354,025
Other Remuneration	\$0	\$12,909
Total	\$1,348,641	\$1,883,491

✓ TNE rem is substantially below comparable companies

✓ TNE rem is highly effective with a much greater 'at risk' component than other companies

✓ TNE is one of the best performing stocks on the ASX measured over 12 months, 5 years, 10 years

	TechnologyOne Board	Median ASX 100-150
Directors Fee	\$74,022	\$130,024

✓ Clear alignment between Exec Remuneration and creation of shareholder wealth

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ISS Proxy Advisory Services

- Issue of 'Appearance over Substance'
 - TNE strong record in Corp Governance and Rem in alignment with shareholder wealth creation
- Issue of 'One size fits all' approach
 - Versus ASX approach of 'if not, why not' which is far superior
- Issue of ISS attempting to impose their will on us
 - LTI - forced to move from very effective Options to EPRs with hurdles
 - STI - want us to change our STI, which will lead to a lower STI / higher base
- ISS did not check their facts with us before publishing their report
- Concerned about the lack of accountability of Proxy Advisors generally
- We have significant concerns about Proxy Advisors providing recommendations, rather than compliance checks
- We have significant concerns about Institutional Investors blindly following the recommendations from Proxy Advisors without question

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Institutional Investors Voted Against Rem Report

9% vote against our Rem Report this year

- Vanguard Australia Share Index Fund
- Vanguard Total International Index Fund
- Dimensional Funds Australia (DFA)
- SunSuper
- Australian Ethical Fund
- Bank of New York
- UniPension FAIF
- Retirement Benefits Fund

This sends a confusing message to the TNE Board. We would ask Institutional Investors to engage with us rather than simply following Proxy Advisor recommendations, so that our Institutional Investors can understand the issues, else abstain from voting.

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Corporate Governance

- TechnologyOne has always preferred a small and accountable Board (5 members)
- Some independent advisors did not accept Mr McLean as independent which caused our Board & Committees to be seen as not majority independent
 - Major shareholders Adrian Di Marco and John Mactaggart also not classified as independent
- Board Committees now changed to ensure a majority of independent directors and independent chair with the removal of Mr McLean from these committees
- Decision to increase board to 8 over time
 - Add an independent director in 2016, in 2017 and in 2018
 - Opportunity to address the gender diversity requirement
- Introduces risk as we are in the middle of a significant company transformation program (Ci Anywhere & TechnologyOne Cloud)

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TechnologyOne is committed to continuous improvement of our Remuneration Report and Corporate Governance

- Must be recognition of 'substance' over 'appearance'
- Sensibly, over time
- Can not be 'One Size Fits All' approach
- We need to carefully navigate a way forward that does not endanger our business



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R&D Expenses excl. Acquisitions	\$40.5m	\$37.9m	7%	
Expenses excl R&D	\$131.2m	\$117.0m	12%	
Profit				
Profit Before Tax	\$46.5m	\$40.2m	16%	
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Other				
Operating Cash Flow	\$37.6m	\$35.1m	7%	
Cash and Cash Equivalents	\$75.5m	\$80.2m	(6%)	Refer slide: Balance Sheet
Profit Before Tax Margin	21%	21%		Refer slide: Margin Analysis
Dividend	8.78	8.16	8%	

¹19% of revenue v 19% last year

²Total Consulting includes Plus

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Margin Analysis

The TechnologyOne Cloud impacted our margins significantly

	Company	Cloud	Company Excl. Cloud
FY15			
Revenue	\$218.7m	\$4.1m	\$214.6m
Profit	\$46.5m	(\$2.5m)	\$49.0m
Margin %	21%	(62%)	23%
FY14			
Revenue	\$195.1m	\$1.4m	\$193.7m
Profit	\$40.2m	(\$2.0m)	\$42.2m
Margin %	21%	(146%)	22%

Our investment in the TechnologyOne Cloud is impacting our margins in the short term.
TechnologyOne Cloud will make a very positive contribution to margins in the coming years

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Margin Analysis

The acquisitions had no impact on our margins

	Company	ICON	DMS	Company Excl. Acq
FY15				
Revenue	\$218.7m	\$1.9m	\$2.3m	\$214.5m
Profit	\$46.5m	\$0.5m	\$0.6m	\$45.4m
Margin %	21%	26%	26%	21%
FY14				
Revenue	\$195.1m	\$0m	\$0m	\$195.1m
Profit	\$40.2m	\$0m	\$0m	\$40.2m
Margin %	21%	0%	0%	21%

Acquisitions added \$1.1m profit contribution, which help compensate for the \$2.5m loss in the TechnologyOne Cloud

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Top End of Full Year Guidance Achieved

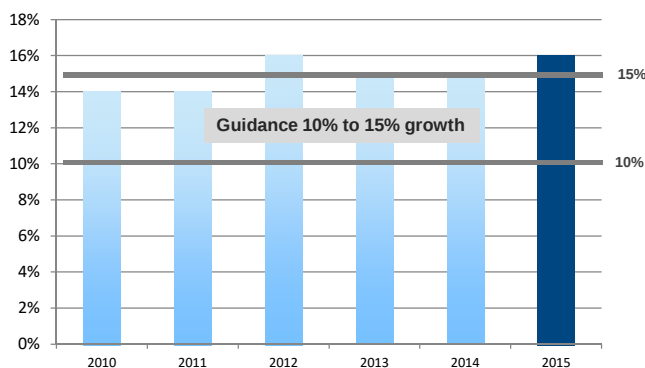
Full Year Guidance

Continuing profit growth of 10% to 15%

- ✓ Profit Before Tax up 16%
- ✓ Profit After Tax up 16%
- ✓ Sixth year achieved top end of guidance

Percentage Profit Growth by Year

NPAT 2015 - \$35.8m, up 16%, Compound growth 15%



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Results Highlights

Continuing strong performance

Significant investments have continued as follows:

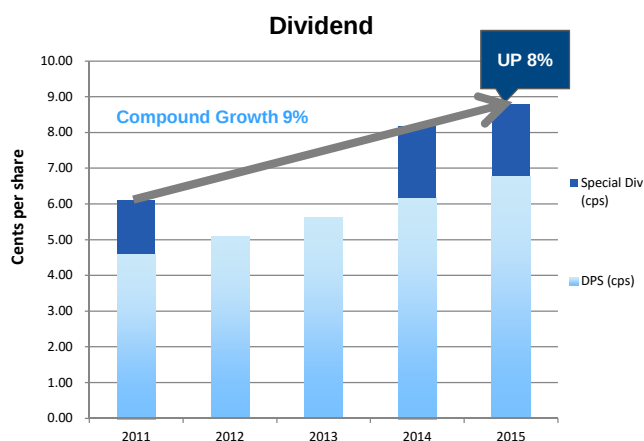
- United Kingdom \$400k loss (vs \$745k loss in 2014)
- TechnologyOne Cloud \$2.5m loss (vs \$2m loss in 2014)
- R&D, including Ci Anywhere \$41m (\$38m in 2014)
 - Fully expensed as incurred

Total Dividend Up 8%

Dividends for the 2015 year:

Half 1	2.15 cps up 10% (paid)
Half 2	4.63 cps up 10% (declared)
Total	6.78 cps up 10%
Special	2.00 cps (as per last year)
Total	8.78 cps up 8%

Dividend payout ratio is 76%



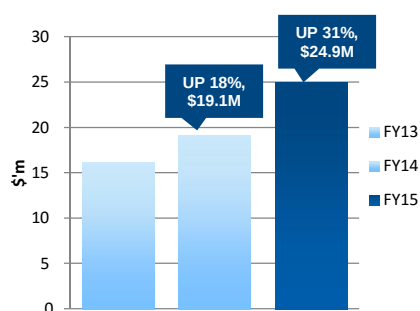
Notes

- We have continuously paid a dividend since 1996 (through Dot-Com and GFC)
- The Board considers the payment of a Special Dividend at the end of each year taking into consideration franking credits and other factors
- The Board continues to consider other Capital Management initiatives including acquisitions
- No Special Dividend in 2012 & 2013 because of a lack of franking credits

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Total Expenses up 11%, versus Revenue up 12%

Variable

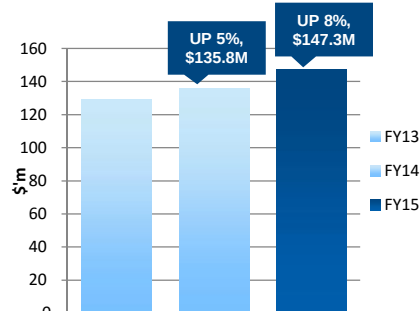


Variable costs¹ up 31% (\$5.9m)

- TechOne Cloud costs up 100%+ (\$2.2m), associated with cloud revenue growth
- Third party costs up 52% (\$1.4m), linked to our strong growth in the Health & Community services sector and the sale of a third party product

¹Costs directly associated with revenue growth

Operating

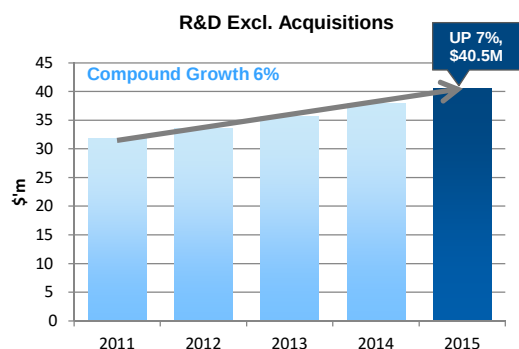


Operating costs up 8%

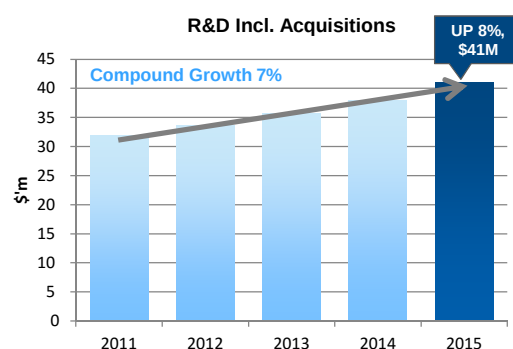
- As expected

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R&D Expenses up 8%, fully expensed



**R&D¹ expenses
excluding acquisitions
up 7% below the 8%
target² set in 2011**



**R&D¹ expenses including
acquisitions up 8%**

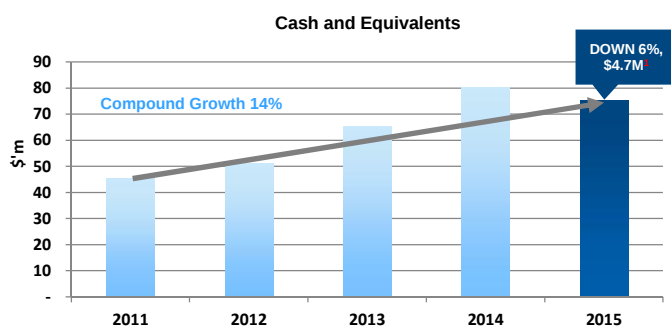
¹R&D fully expensed in the year it is incurred

²The 8% target was set excluding acquisitions

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Balance Sheet

- **Cash & Cash Equivalents¹** \$75.5m (vs. \$80.2m, down \$4.7m)
- **Net Cash²:** 24.42c/s (vs. 24.81c/s)
- **Debt/Equity:** 2.02% (vs. 3.5%)
- **Net Assets:** \$117.9m (vs. \$104.5m, up \$13.4m)
- **Interest Cover:** 309 times



	Sep-15 \$'000	Sep-14 \$'000	Var \$'000	%
Cash & cash equivalents	75,536	80,209	(4,673)	(6%)
Trade and other receivables	38,273	30,844	7,429	24%
Earned and unbilled revenue	12,110	7,774	4,336	56%
Prepayments	1,802	1,180	622	53%
Other current assets	355	344	11	3%
Current assets	128,076	120,351	7,725	6%
Property, plant and equipment	10,012	8,875	1,137	13%
Intangible assets	38,103	15,684	22,419	143%
Deferred tax assets	6,456	6,451	5	0%
Non-current assets	54,571	31,010	23,561	76%
Total Assets	182,647	151,361	31,286	21%
Trade and other payables	22,026	17,826	4,200	24%
Provisions	9,137	7,922	1,215	15%
Current tax liabilities	3,479	3,137	342	11%
Unearned revenue	12,672	8,123	4,549	56%
Borrowings	2,363	1,302	1,061	81%
Other liabilities	15,030	8,552	6,478	76%
Total Liabilities	64,707	46,862	17,845	38%
Net Assets	117,940	104,499	13,441	13%
Issued Capital and Reserves	59,571	54,598	4,973	9%
Retained earnings	58,369	49,901	8,468	17%
Equity	117,940	104,499	13,441	13%

¹ includes \$4.6m payment for ICON acquisition, \$8m payment for DMS acquisition, \$6m special dividend (restarted last year)

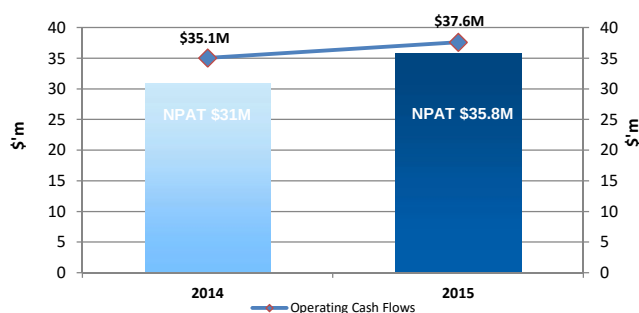
² after debt per share

Cash Flow

Operating Cash Flow (\$37.6m), has improved substantially over the full year

- Up \$2.6m, 7% from \$35.1m Sept 2014
- Vs NPAT of \$35.8m
- Vs negative 2.3m at the half year

NPAT versus Operating Cash Flows



	Sep-15 \$ '000	Sep-14 \$ '000	Var	%
EBIT	46,494	38,684	7,810	20%
Depreciation & Amortisation	4,157	4,791	(635)	(13%)
Change in working Capital				
(Increase) / Decrease in Debtors	(6,416)	(89)	(6,327)	(7144%)
(Increase) / Decrease in Prepayments	(583)	(1,777)	1,194	67%
Increase / (Decrease) in Creditors	2,445	(1,429)	3,874	271%
Increase / (Decrease) in Staff Entitlements	1,516	763	753	99%
Net Interest Paid	1,152	1,550	(398)	(26%)
Income Taxes paid	(10,699)	(8,826)	(1,873)	(21%)
Other	(425)	1,382	(1,807)	(131%)

Operating Cash Flow	37,642	35,051	2,591	7%
Capital Expenditure	(4,338)	(1,555)	(2,783)	(179%)
Payment for purchase of business	(12,556)	0	(12,556)	(100%)
Net of cash acquired	567	0	567	0%
Proceeds from Sale of PP&E and Investments	6	0	6	0%
Free Cash Flow	21,322	33,496	(12,174)	(36%)
Dividends Paid	(25,868)	(17,782)	(8,086)	(45%)
Repayment of finance lease	(1,137)	(1,637)	500	31%
Proceeds from leasing of PPE	0	0	0	0%
Proceeds from Shares issued	1,011	736	275	37%
Increase in Cash & Cash equivalents	(4,673)	14,813	(19,485)	(132%)

¹ Significant billings in last month of the quarter, to be collected early in Q1

² Acquisition of ICON and DMS

Results Analysis

Full Year 2015 v Full Year 2014	FY15 \$'000	FY14 \$'000	Variance \$'000	%
Revenue excl interest	217,113	193,353	23,760	12%
Expenses (excl R&D, interest, Depn & Amortisation)	126,887	111,994	14,893	13%
EBITDAR	90,226	81,359	8,867	11%
R&D Expenditure	41,041	37,873	3,168	8%
EBITDA	49,185	43,486	5,699	13%
Depreciation	3,478	4,539	(1,061)	(23%)
Amortisation of Intangibles	678	253	425	168%
EBIT	45,029	38,694	6,335	16%
Net Interest Income	1,465	1,541	(76)	(5%)
Profit Before Tax	46,494	40,235	6,259	16%
Profit After Tax	35,785	30,967	4,818	16%

R&D is a significant expenditure we incur today, to build the platform for our continuing strong growth in the future

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Results – Key Metrics

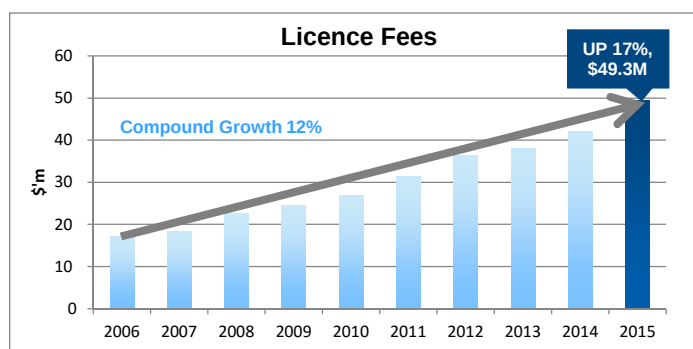
Full Year 2015 v Full Year 2014	FY15	FY14	Variance %
EPS (cents)	11.57	10.06	15%
Dividends (cents)			
Standard	6.78	6.16	10%
Special	2.00	2.00	-
Dividend Payout Ratio	8.78	8.16	8%
Key Margin Analysis			
EBITDAR Margin	41%	42%	
EBITDA Margin	22%	22%	
Net Profit Before Tax Margin	21%	21%	
Net Profit After Tax Margin	16%	16%	

Full Year 2015 v Full Year 2014	FY15	FY14	Variance %
ROE			
Return on equity	30%	30%	
Adjusted return on equity ¹	63%	76+%	
Balance Sheet (\$'000s)			
Net Assets	117,940	104,499	13%
Cash & Cash Equivalents	75,536	80,209	(6%)
Operating cash flows	37,642	35,050	7%
Debt/Equity	2%	4%	
R&D as % of Total Revenue	19%	19%	

¹Adjusted for net cash above required working capital, which was assumed at \$12m

Transforming business, making life simple

Licence Fees Up 17% (vs down 11% at H1)



Licence fees up 17 % (vs down 11% at H1)

- 12th consecutive year of strong L/Fee growth
- Added 58 new customers, of which 18 replaced systems from Oracle, SAP, Microsoft & INFOR
- High profile wins: Brisbane City Council, Wellington City Council, Mercy Health, TAFE Qld, Department of Education & Training, Australian Bureau of Statistics, Department of Treasury etc.
- Pipeline for 2016 year is strong

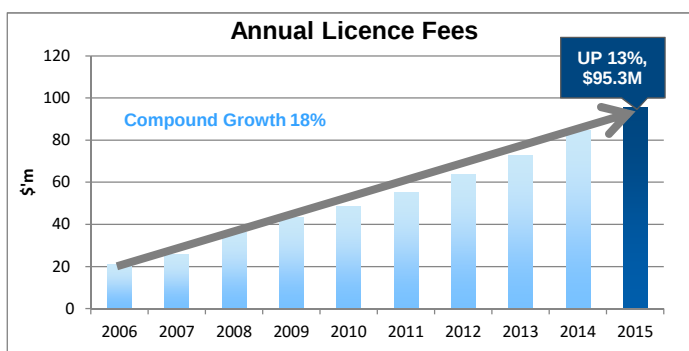
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New Customers for 2015 (58)

Anglican Church Diocese of Perth	Freedom Aged Care Pty Ltd	Port Arthur Historic Site Management Authority
Annecto Inc	Gladstone Area Water Board	Qantas Credit Union
AS Bryden	Heathgate Resources Pty Ltd	Royal Australian College of General Practitioners
Australian Bureau of Statistics	Heritage Council WA	Royal Freemasons Ltd
Department of Treasury	HQPlantations Pty Ltd	Scottish Borders Council
Australian Longline Pty Ltd	Hume Bank Limited	Solomon Islands National University
Box Hill Institute of TAFE	Integratedliving Australia Ltd	Taylor Byrne Pty Ltd
Brisbane City Council	JWH Group	The Baptist Union of Queensland
Central Institute of Technology	Keystart Loans Ltd	The Health Administration Corporation
City of Mitcham	Livingbridge EP LLP	The Mayor and Burgesses of the London Borough of Haringey
Clackmannanshire Council	Maitland Mutual Building Society Limited	TSB Bank
Clean Energy Finance	Mallee Catchment Management Authority	University of Lincoln
Conservation and Environment Protection Authority	Mater Health Services North Queensland	University of South Wales
CraigCare Group Pty Ltd	Mercy Health & Aged Care Incorporated	University of the Highlands and Islands
Department of Education, Training and Employment	Mission Providence Pty Ltd	VisAbility Incorporated
CAA - TAFE Queensland	Multicultural Development Association	Wellington City Council
Department of Lands	National Airports Corporation	Wesley College Melbourne
East Dunbartonshire Leisure and Culture Trust	National Superannuation Fund Ltd	Wesley Mission Victoria
Enjoy East Lothian Leisure Ltd	Nautilus Minerals Pacific Pty Ltd	
Fiji Sugar Corporation	Pilbara Ports Authority	
Excluding acquisitions		

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Annual Licence continue to grow strongly: up 13%

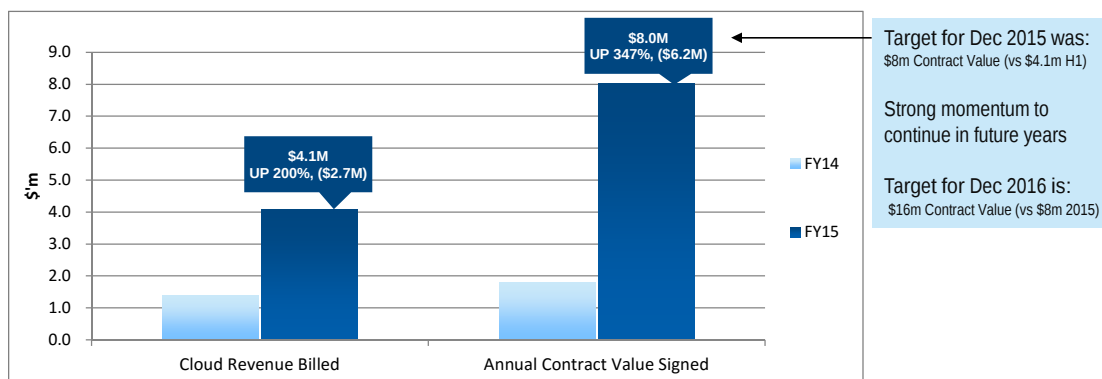


Annual licence fees continue to grow strongly: up 13%

- Compound growth over the last 10 years is 18%
- Customer retention is important
- Investing in Compelling Customer Experience III, Ci Anywhere, TechnologyOne Cloud

Transforming business, making life simple

Cloud Service Fees continue to grow strongly: \$8m, up 100%



Annual Contract Value continues to grow strongly: \$8.0m, up 100%+ (\$6.2m)

- Cloud Customers: 70 vs 21 at 30 Sept 2014
- New Customer this year: 49 includes Brisbane City Council, Department of Treasury, Mercy Health, Wellington CC, TAFE Qld, Australian Bureau of Statistics etc.
- Full year loss of \$2.5m (vs a loss \$2m in 2014; and \$1.6m at H1)
- Loss reduces to \$1m in 2015/2016 year with our new Cloud 5.0 architecture and increasing customer base

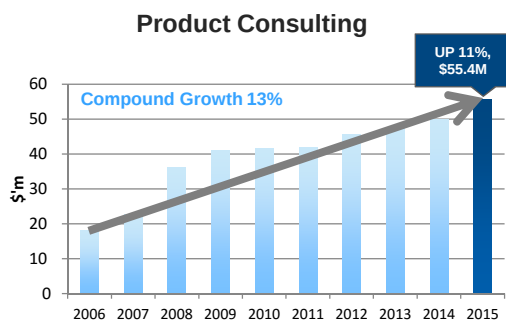
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New Cloud Customers for 2015 (49)

Australian Bureau of Statistics	Department of Lands	Scottish Pacific Business Finance Pty Ltd
Access Housing Australia Ltd	EECU Limited	St Vincent de Paul Society Qld
AsureQuality Ltd	Enjoy East Lothian Leisure Ltd	Taylor Byrne Pty Ltd
Aylesbury Vale District Council	Forestry Tasmania	The Baptist Union of Queensland
B&E Limited trading as B&E Personal Banking	Freedom Aged Care Pty Ltd	The Health Administration Corporation
BBI (DBCT) Management	Gladstone Area Water Board	The Mayor and Burgesses of the London Borough of Haringey
Bendigo & Adelaide Bank Limited	Glenorchy City Council	The Registered Clubs Assoc of NSW
Brisbane City Council	Livingbridge EP LLP	The Uniting Church in Australia Property Trust NSW
Brookfield Infrastructure Group (Australia) Pty Ltd	Macquarie Research Limited	University of Lincoln
Building Services Authority	Mercy Health & Aged Care Incorporated	University of South Wales
Careers Australia Group Ltd	Pepper Australia	University of the Highlands and Islands
Catholic Education Office - Parramatta	Port Arthur Historic Site Management Authority	Victorian Institute of Teaching
Clackmannanshire Council	PrixCar	Wellington City Council
CraigCare Group Pty Ltd	Quick Service Restaurants Holdings Pty Ltd	Wesley College Melbourne
Department of Education & Training	Relationships Australia (SA)	Whangarei District Council
CAA - TAFE Queensland	Retirement Benefits Fund Board	
Department of Treasury	Scottish Borders Council	

Transforming business, making life simple

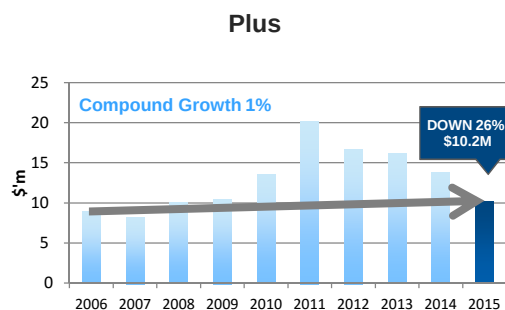
Consulting Revenue inc Plus up 3% (\$2.2m)



Product Consulting revenue up 11%

- Application Managed Services¹, revenue up 162% (\$2.7m). Momentum to continue in 2016 year.

¹ a new service to allow our customers to outsource the administration and management of their enterprise software back to us

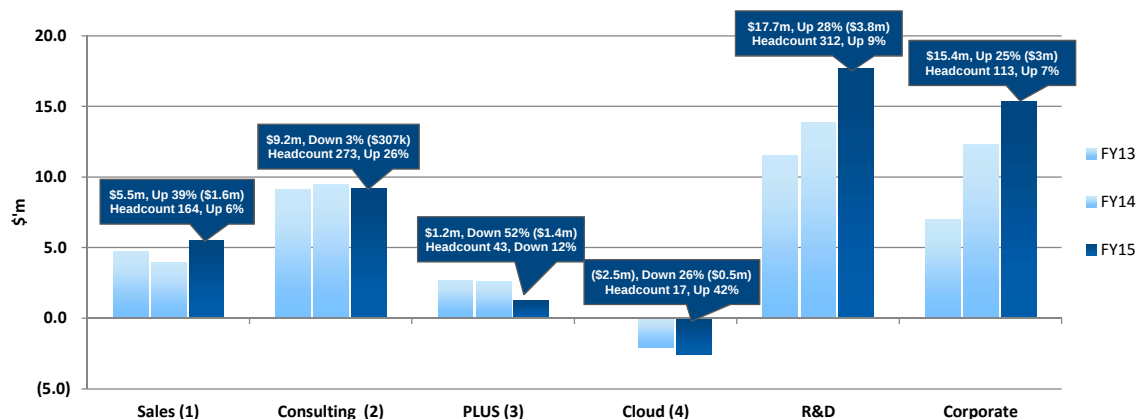


Plus revenue down 26% (3.5m), profit down 52% (\$1.4m)

- Continuing deterioration expected as we wind down 'legacy services'
- Strategy to move this business to 'value added' services around our Ci products
- Market conditions for 'value added' Ci product services strong

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Profit By Segment Analysis



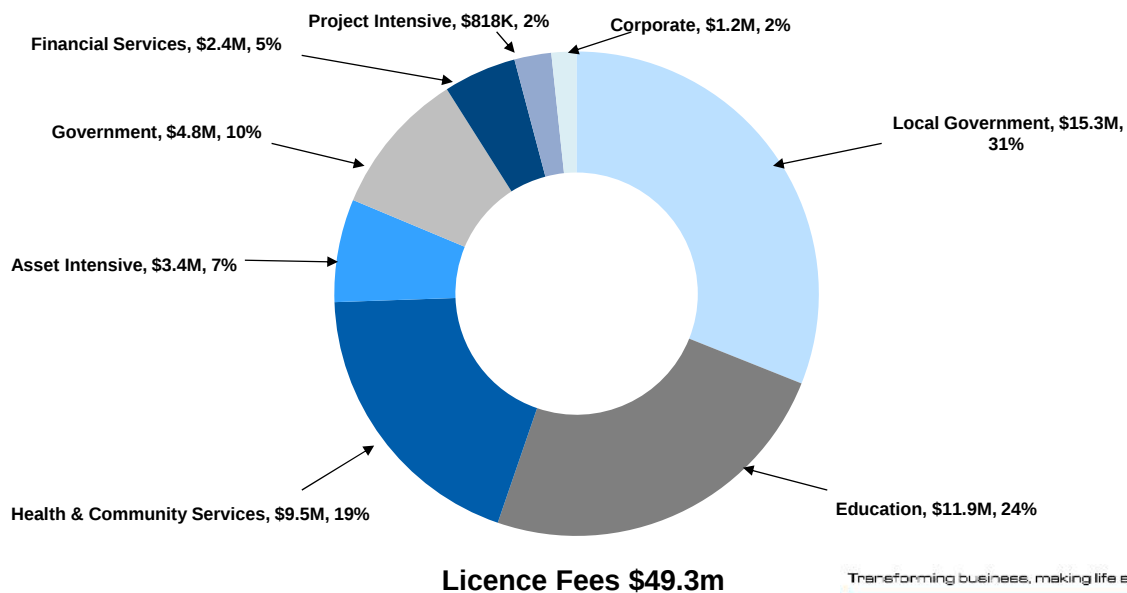
Net Profit Before Tax \$46.5m, up 16% (\$6.3m)

Notes are as follows:

- Sales: Licence Fees up \$7.3m (17%), strong turnaround H2
- Consulting: ramp up for Brisbane City Council, Department of Education and Training and other projects plus significant training for Ci Anywhere & Cloud
- Plus: As expected as we move Plus in new direction
- Cloud: Continued investment as expected in TechnologyOne Cloud

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Licence Fee Contribution - Vertical Market



Agenda

- ✓ 2015 Full Year Results Recap
- ✓ Outlook for Full Year
- ✓ Long Term Outlook
- ✓ AGM

Appendix

- ✓ 2015 Full Year Results Detail
- TechnologyOne Overview

Delivering a
Cloud first,
mobile first world

Enterprise software
as a service

Australia's largest enterprise software company



1000+ high profile customers



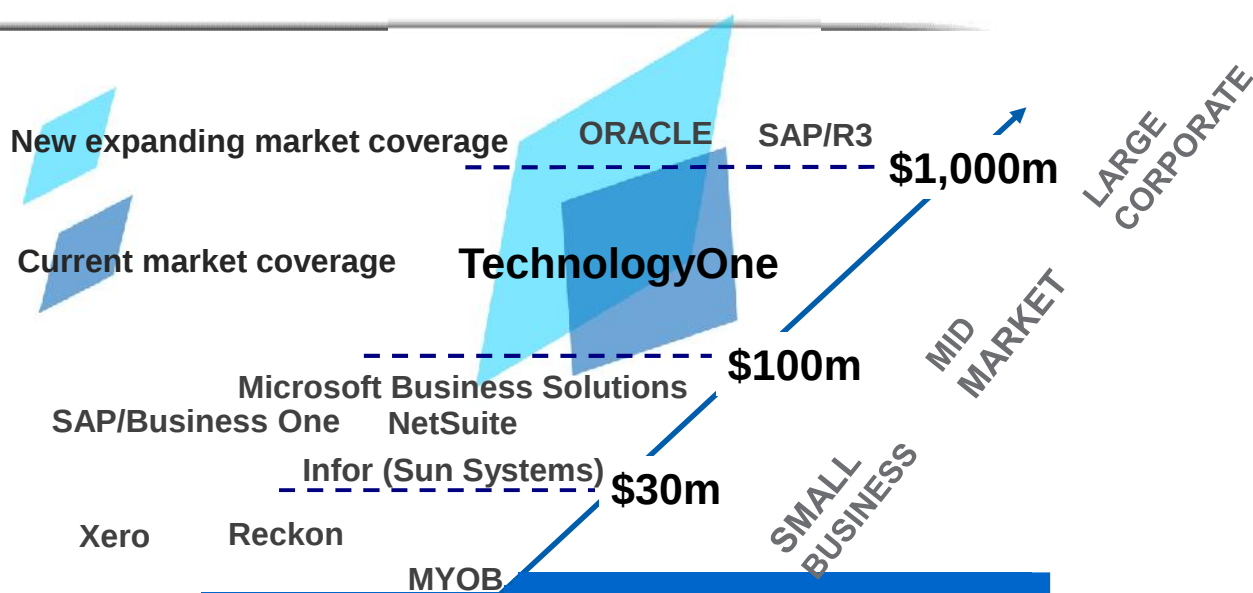
Financially very strong

• Cash and Equivalents	\$75.5m
• Return on Equity	30+%
• Adjusted Return on Equity ²	63%
• Debt/Equity	2%
• Interest Cover	309
• Continually paid dividends since 1996	(20 years)
• Continually profitable since 1992	(24 years)

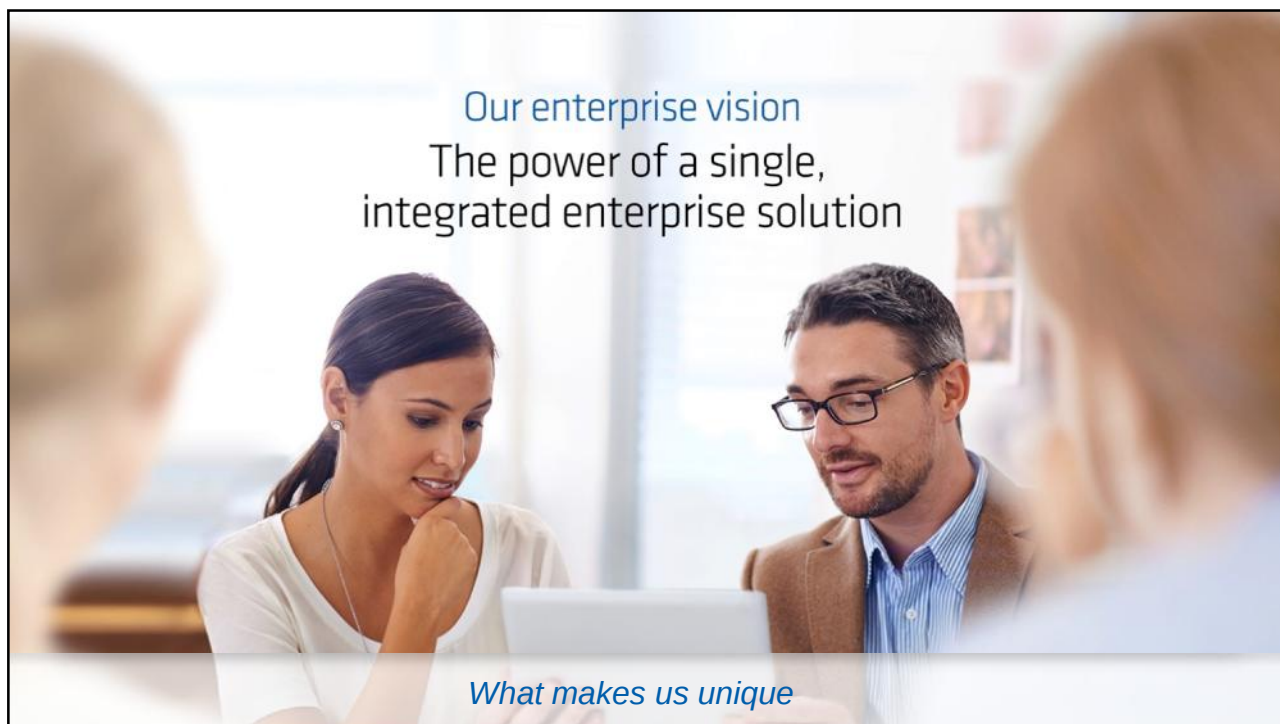
As at 30th Sept 2015²Adjusted for net cash above required working capital, assumed at two months of staff costs

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The Competitive Landscape



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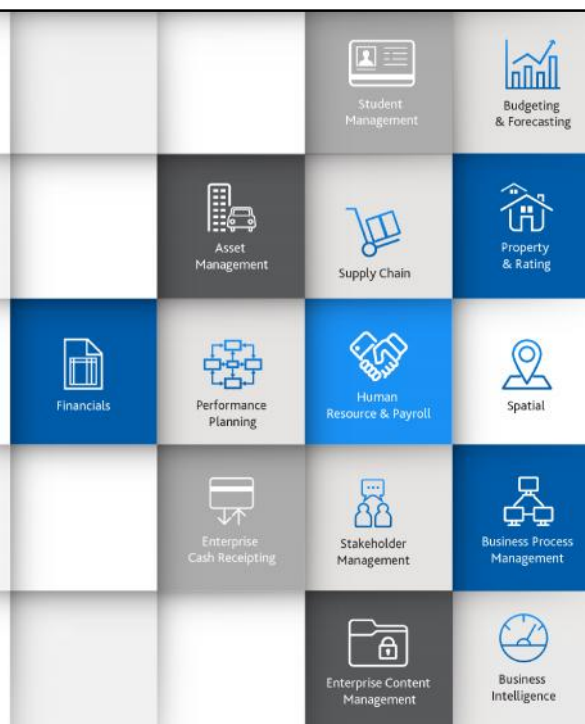
What makes us unique...

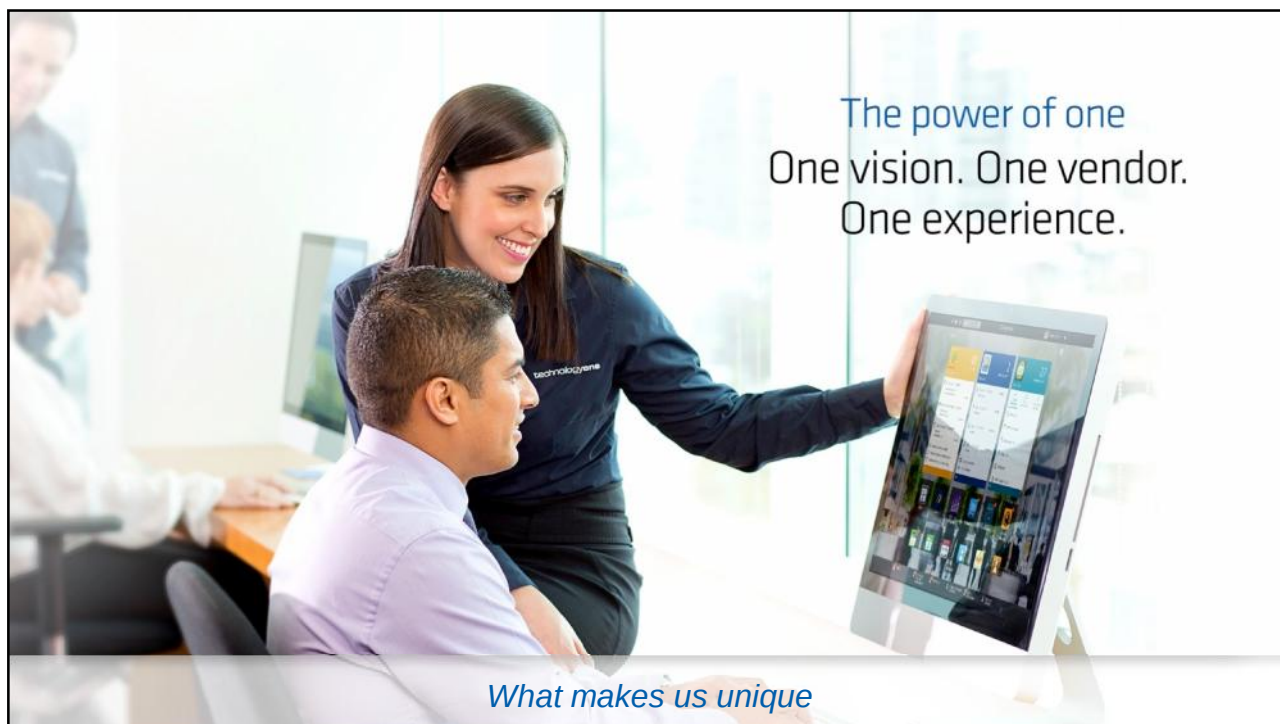
Our enterprise vision

**We are one of only a few
global enterprise vendors**

- Suite of 14 products
- Deeply integrated
- Best of Breed functionality
- Common platform
- Consistent user interface

*The power of a single, integrated, enterprise
solution to streamline your business, reduce
costs and embrace new technologies*





What makes us unique...

The power of one

We do not use implementation partners or resellers

We take complete responsibility for building, marketing, selling, implementing, supporting and running our enterprise solution for each customer to guarantee long-term success.



Compelling Customer Experience

One vision. One vendor. One experience.

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Market focus and commitment

We focus on eight key markets...

- Deep understanding and engagement in our markets
- Deeply integrated preconfigured solutions
- Proven practice
- Streamlined implementations
- Reduce time, cost and risk



We sell to asset and service intensive organisations.
We do not service retail, distribution or manufacturing industries.

What makes us unique

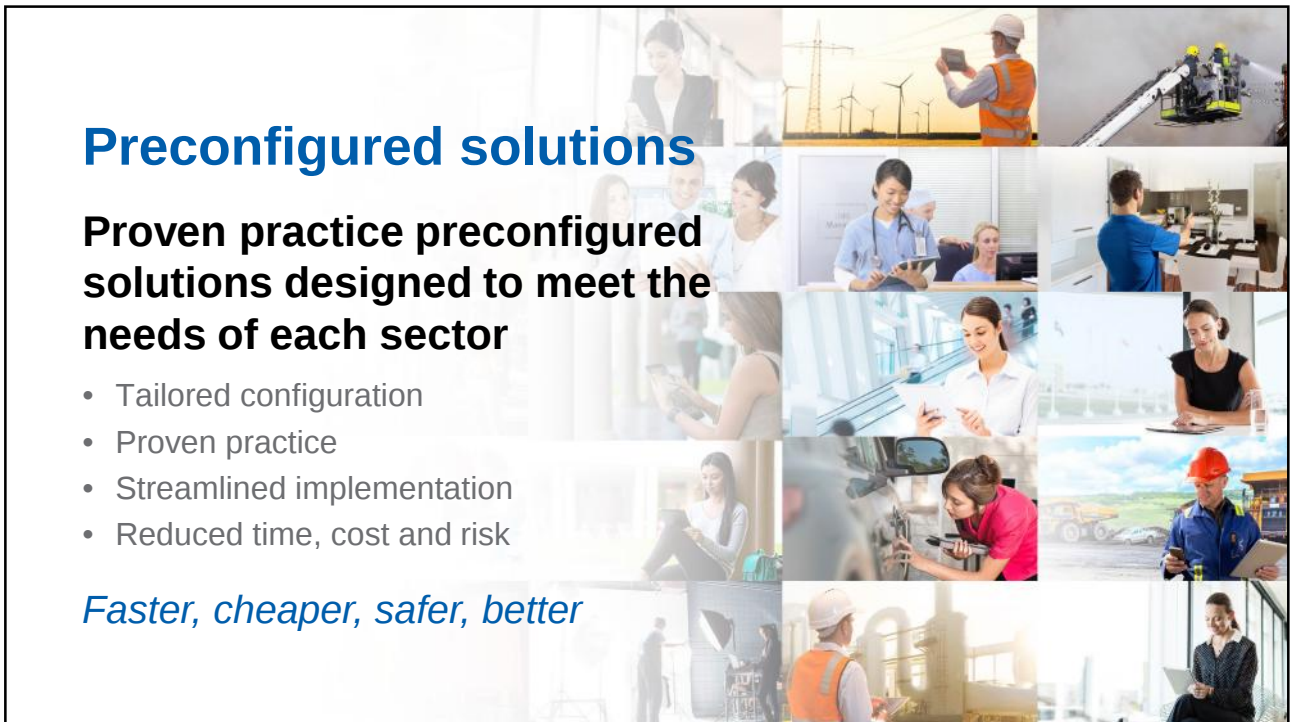
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Preconfigured solutions

Proven practice preconfigured solutions designed to meet the needs of each sector

- Tailored configuration
- Proven practice
- Streamlined implementation
- Reduced time, cost and risk

Faster, cheaper, safer, better



The power of evolution
An enterprise solution that
adapts and evolves



What makes us unique

What makes us unique...

The power of evolution

Substantial investment into R&D each year

- New releases encompass new technologies, concepts and innovations
- Configuration and not customisation



Green screen



Client server



Web based



Cloud computing & smart mobile devices

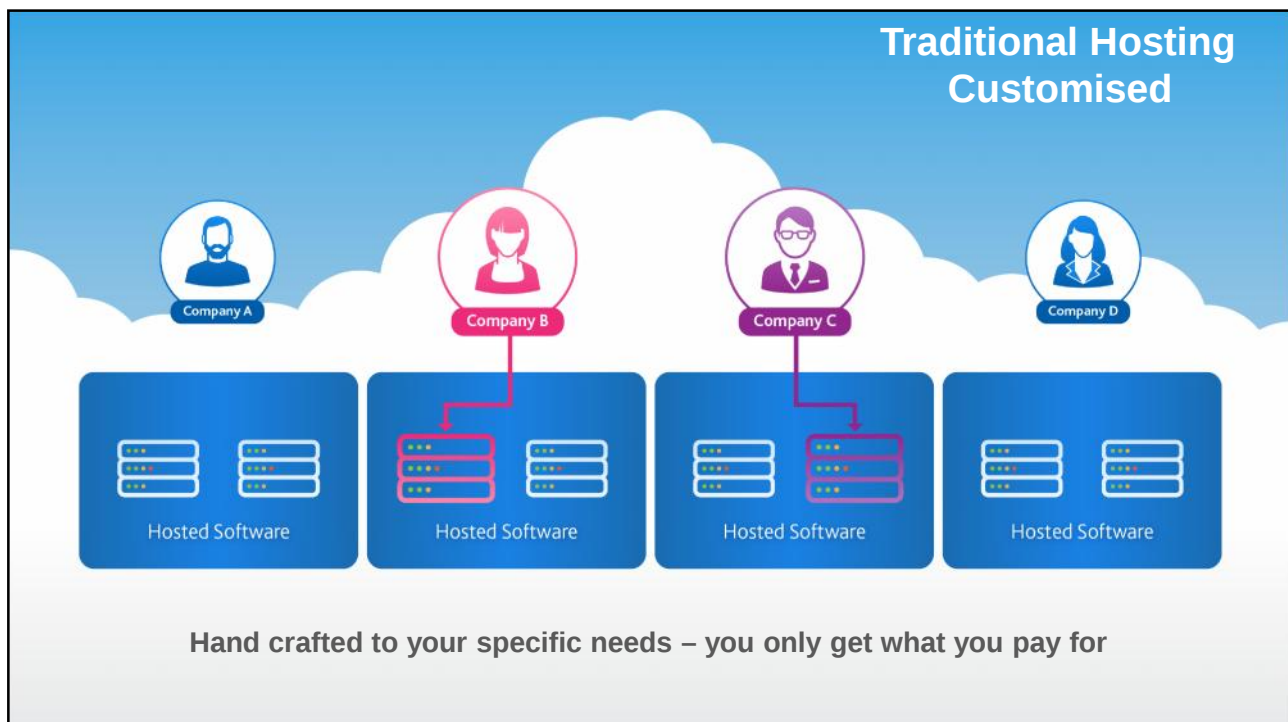
*99% retention rate of customers who have continued with us
throughout our evolutionary journey*

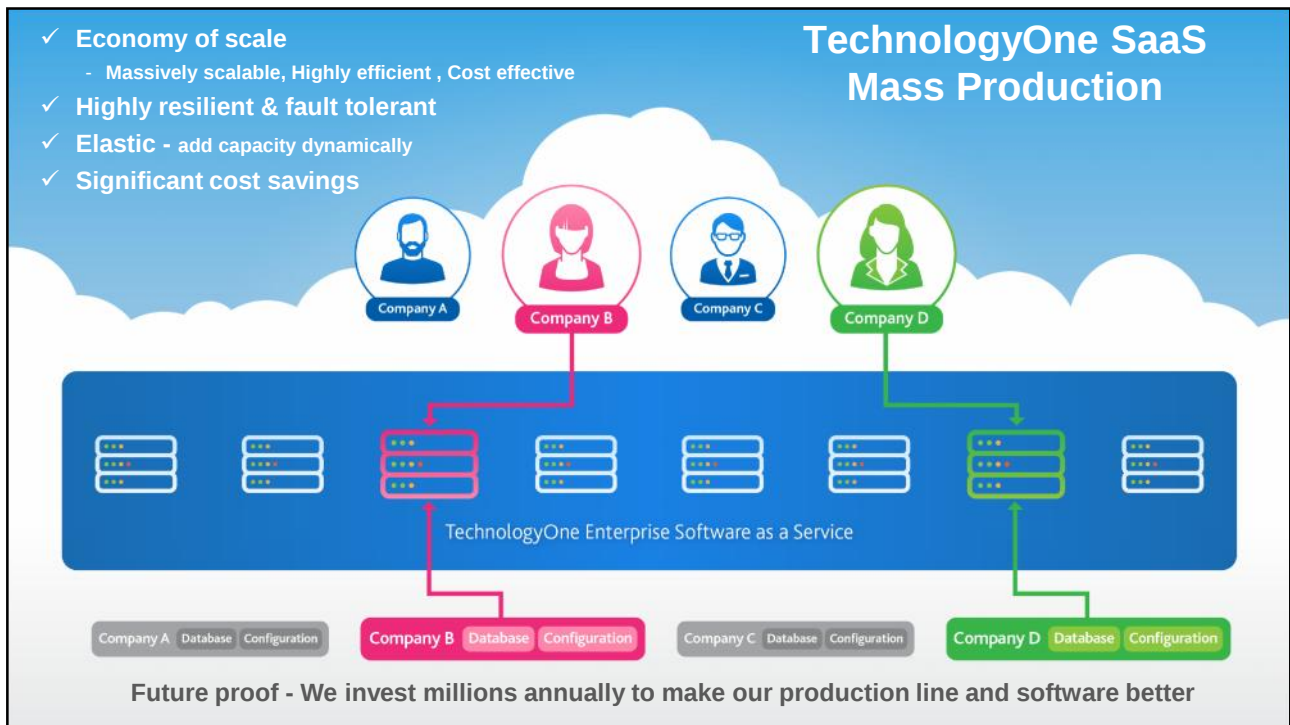
TechnologyOne Cloud

Enterprise software as a service

- We run our own enterprise software through the cloud
- We take responsibility to provide a simple, cost effective and highly elastic model of computing
- Unique mass production model delivers economies of scale and strategic benefits to our customers
- Focus on your business not the technology

The future of enterprise software, today





Ci Anywhere

Enterprise software, incredibly simple

- Embraces smart mobile devices including iPad, iPhone and Android
- Allows users to flow across any and all devices during the course of their day
- Consumer concepts deliver powerful enterprise software that is incredibly easy to use
- Browser based – no installing software

Any device. Any where. Any time.



TechnologyOne is delivering...

**Cloud first,
mobile first world**



Other Facts

Diversity of revenue streams from multiple:

- Products 14
- Vertical markets 8
- Geographies 12
 - All states of Australia, New Zealand, South Pacific, Asia and UK

Strong, very loyal blue chip customer base

- We provide a mission critical solution – ‘sticky customer base’
- 60+% of our revenues generated from existing customers each year
 - Annual licences, increase usage, new modules, new products, ongoing services etc..

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Robust Revenue Model

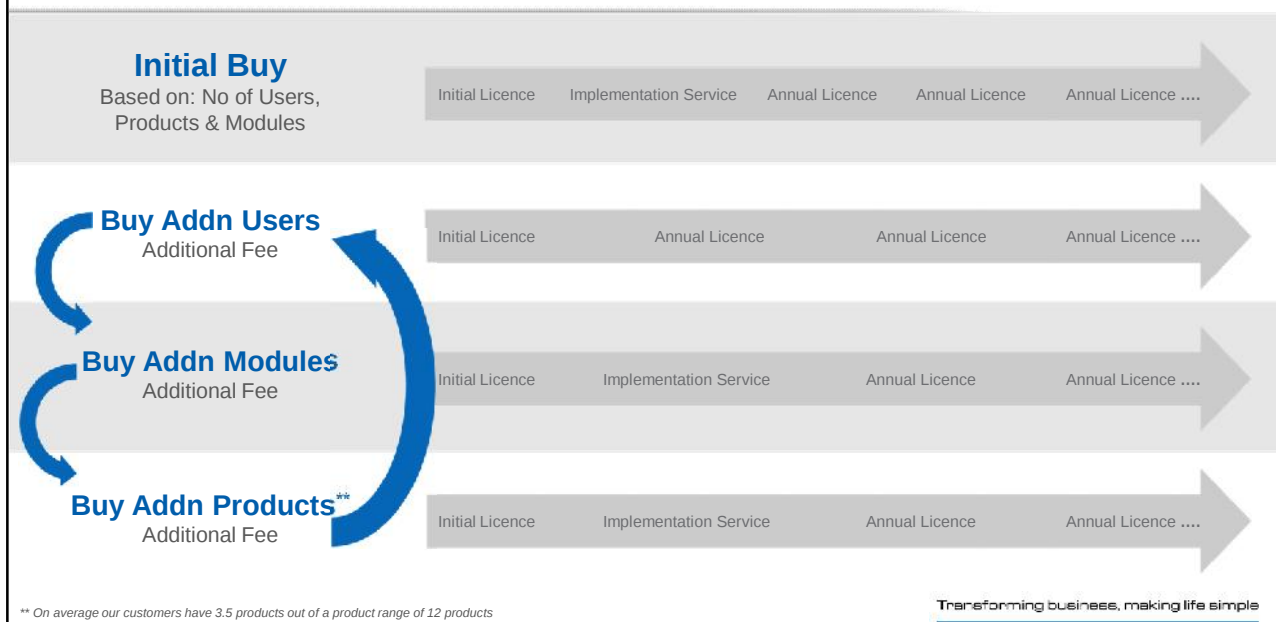
Robust Revenue Model ...

- **Initial Licence - based on usage (number of users)**
 - Matrix of licensable products & modules (approx 300 modules over 12 products)
 - Once off fee – invoiced on contract signing
- **Implementation Services - fee for service**
 - \$1 Services : \$1 Initial licence
 - Once off fee – invoiced as services rendered
- **Annual Licence Fee**
 - 22.5% of Initial Licence
 - Re-occurring every year



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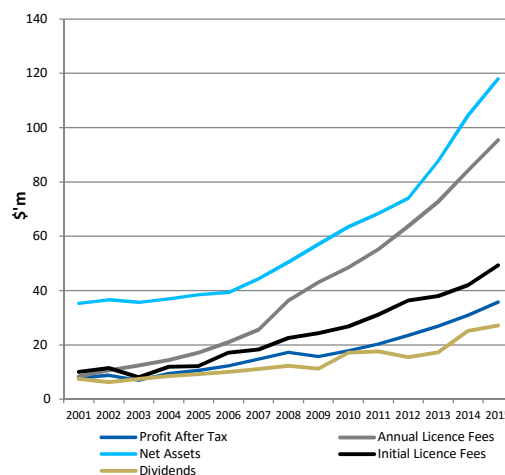
Robust Revenue Model



Historical Performance

Key metrics over last 15 years ...

- ✓ **Revenue** - 13% per annum compound
 - Even through the Dot-Com and GFC
- ✓ **Initial Licence Fees** - 12% per annum compound
- ✓ **Annual Licence Fees** - 19% per annum compound
- ✓ **Profit After Tax** - 12% per annum compound
- ✓ **Dividends** - 10% per annum compound
- ✓ **Net Assets** - 9% per annum compound



Doubling in size every 4+ years for last 15 years

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Clear & focused vision...
**Transforming business,
making life simple**

