Hansen Technologies
FY2016 Results Investor Presentation
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Hansen uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards or IFRS. These measures are referred to as non-IFRS financial information.

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All dollar values are in Australian dollars (A$) unless otherwise stated.
Hansen … Who are we?

- We are a global provider of billing systems and customer care software
- Our customers are utilities (electricity, gas and water providers), telcos and pay TV operators
  - Circa 200 spread across 40+ countries
- Our software sits at the heart of our customers’ operations
  - providing for long term relationships
- Significant barriers to entry exist through:
  - the complexity of what we do
  - our track record of success
  - ownership of our IP
- We have 800+ team members representing 40+ nationalities spread across offices in Australia, USA, New Zealand, China, Denmark, Germany, Argentina, the UK and South Africa
- Our core strategy to grow the business is very simple:
  - Service our existing customers exceptionally well
  - Source new customers by offering best of breed applications
  - Make targeted acquisitions to extend the Hansen footprint into a new market, a new geography and/or a new industry segment
FY2016 financial summary

Revenue
$149.0m
40% on FY15

EBITDA
$45.4m
45% on FY15

NPATA\(^1\)
$28.6m
50% on FY15

EPS\(^2\)
16.1 cents
38% on FY15

DPS
7.0 cents
6.0 cents in FY15

Cash
$30.2m
$22.0m last year

1. NPATA = Net profit after tax excluding acquired amortisation (refer page 6)
2. EPS based on NPATA
Revenue and EBITDA

High organic growth, the full year impact of the TeleBilling acquisition and strong employee utilisation produced an exceptional FY2016 …

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($m)</th>
<th>EBITDA ($m)</th>
<th>EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>63.8</td>
<td>15.7</td>
<td>24.7%</td>
</tr>
<tr>
<td>2014</td>
<td>86.0</td>
<td>24.1</td>
<td>28.0%</td>
</tr>
<tr>
<td>2015</td>
<td>106.3</td>
<td>31.3</td>
<td>29.4%</td>
</tr>
<tr>
<td>2016</td>
<td>149.0</td>
<td>45.4</td>
<td>30.5%</td>
</tr>
</tbody>
</table>

Growth:
- 2013-2014: 35%
- 2014-2015: 24%
- 2015-2016: 40%

Growth:
- 2013-2014: 53%
- 2014-2015: 30%
- 2015-2016: 45%
Revenue movement – FY2015 to FY2016

Positive FX impact due to stronger conversion rate of foreign currency revenue compared to FY2015

TeleBilling acquired 1 May 2015
- Movement represents incremental revenue in FY2016 compared to FY2015
- FY2016 exceeded expectations due to Hansen’s assistance with delivery of a backlog of revenue
### Profit and loss detail

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>106.3</td>
<td>149.0</td>
<td>▲ 40%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>31.3</td>
<td>45.4</td>
<td>▲ 45%</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(4.0)</td>
<td>(5.5)</td>
<td></td>
</tr>
<tr>
<td>EBITA</td>
<td>27.3</td>
<td>39.9</td>
<td>▲ 46%</td>
</tr>
<tr>
<td>Acquired amortisation ¹</td>
<td>(3.1)</td>
<td>(3.6)</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>24.2</td>
<td>36.4</td>
<td></td>
</tr>
<tr>
<td>Net interest</td>
<td>(0.2)</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Income tax</td>
<td>(7.1)</td>
<td>(10.3)</td>
<td></td>
</tr>
<tr>
<td>NPAT</td>
<td>16.9</td>
<td>26.1</td>
<td>▲ 54%</td>
</tr>
<tr>
<td>Add back acquired amortisation after tax ²</td>
<td>2.2</td>
<td>2.5</td>
<td>▲ 50%</td>
</tr>
<tr>
<td>NPATA</td>
<td>19.1</td>
<td>28.6</td>
<td></td>
</tr>
<tr>
<td>EPS (Based on NPATA)</td>
<td>11.6</td>
<td>16.1</td>
<td>▲ 38%</td>
</tr>
<tr>
<td>EPS (Based on NPAT)</td>
<td>10.3</td>
<td>14.7</td>
<td>▲ 42%</td>
</tr>
</tbody>
</table>

1. **Acquired amortisation** is the amortisation of identifiable intangible assets (namely technology, trademarks and customer contracts) arising from business combinations
2. Tax effected at 30%

• Effective tax rate of 28.4% in FY2016 compares to 29.4% in FY2015
Cash flow

<table>
<thead>
<tr>
<th>A$m</th>
<th>FY2015</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>31.3</td>
<td>45.4</td>
</tr>
<tr>
<td>Working capital/other</td>
<td>9.9</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Net interest</td>
<td>(0.2)</td>
<td>0.0</td>
</tr>
<tr>
<td>Income tax</td>
<td>(4.1)</td>
<td>(11.6)</td>
</tr>
<tr>
<td><strong>Operating cash flow</strong></td>
<td><strong>36.9</strong></td>
<td><strong>32.6</strong></td>
</tr>
<tr>
<td>Capex</td>
<td>(3.0)</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Capitalised development costs</td>
<td>(4.5)</td>
<td>(5.5)</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td><strong>29.4</strong></td>
<td><strong>25.3</strong></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>(29.9)</td>
<td></td>
</tr>
<tr>
<td>Share issues</td>
<td>28.7</td>
<td>2.4</td>
</tr>
<tr>
<td>Borrowing proceeds (payments)</td>
<td>(1.7)</td>
<td>(10.0)</td>
</tr>
<tr>
<td>Dividends (net of DRP)</td>
<td>(8.3)</td>
<td>(9.5)</td>
</tr>
<tr>
<td><strong>Net Cash Flow</strong></td>
<td><strong>18.2</strong></td>
<td><strong>8.2</strong></td>
</tr>
<tr>
<td>Cash Balance</td>
<td>22.0</td>
<td>30.2</td>
</tr>
</tbody>
</table>

- Strong free cash flow of **$25.3m**
- $10m debt repayment leaves no debt outstanding
- $5.5m capitalised development costs compares to $2.9m amortisation charge through P&L
- Higher tax payment in FY2016 a result of moving from quarterly to monthly tax payments and payment of final FY2015 quarterly tax instalment in FY2016
Dividends

The availability of franking credits and a strong cash position provides for a 1.0 cent special dividend as part of the FY2016 final dividend.

- **7.0 cents** paid for FY2016
- **4.0 cent** final dividend for FY2016
  - 100% franked
  - Includes 1.0 cent special dividend due to availability of franking credits
  - Record date of 6 September 2016
  - Payment date of 30 September 2016
Outlook

FY2017

• Revenue is anticipated to be in the range of $165m to $175m as a result of:
  – 4% to 8% organic billing revenue growth
  – $3.5m lower contribution from outsourcing/other
  – stabilisation of TeleBilling’s contribution at a more typical run rate following delivery of a backlog in FY2016
  – the first contribution from PPL Solutions (refer below)
• Continue to target an EBITDA margin between 25% and 30%

PPL Solutions

• Acquired effective 1 July 2016
• Based in Pennsylvania, USA
• Provides billing, business process outsourcing (“BPO”), call centre and IT services to competitive energy suppliers and regulated utilities in the US
• 230 staff – with the majority located in the call centre in Hazleton, Pennsylvania
• Margins are well below those normally achieved by Hansen due to BPO, call centre and IT services provided