25 February 2021

DRIVING GROWTH AND PROFITABILITY IN A STRONG HALF

1H21 Result

Hansen Technologies Limited (ASX: HSN) (“Hansen”, the “Company”) is a growing aggregator of mature, entrenched and predictable providers of software to the Gas, Electricity, Water and Communications industries.

RESULTS SUMMARY

<table>
<thead>
<tr>
<th>A$ million (constant currency)</th>
<th>1H21</th>
<th>1H20</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>147.1</td>
<td>144.3</td>
<td>2%</td>
</tr>
<tr>
<td>Underlying EBITDA (1), (2), (4)</td>
<td>54.3</td>
<td>37.7</td>
<td>44%</td>
</tr>
<tr>
<td>Underlying NPATA (1), (3), (4)</td>
<td>31.6</td>
<td>17.9</td>
<td>77%</td>
</tr>
<tr>
<td>Basic EPS based on underlying NPATA (EPSa)(cents)(1)</td>
<td>15.9</td>
<td>9.0</td>
<td>77%</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>A$ million (actual currency)</th>
<th>1H21</th>
<th>1H20</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>142.2</td>
<td>144.3</td>
<td>-1%</td>
</tr>
<tr>
<td>EBITDA (1), (2)</td>
<td>51.4</td>
<td>35.5</td>
<td>45%</td>
</tr>
<tr>
<td>Underlying EBITDA (1), (2), (4)</td>
<td>52.3</td>
<td>37.7</td>
<td>39%</td>
</tr>
<tr>
<td>Underlying NPAT (4)</td>
<td>20.9</td>
<td>9.3</td>
<td>125%</td>
</tr>
<tr>
<td>Underlying NPATA (1), (3), (4)</td>
<td>29.6</td>
<td>17.9</td>
<td>65%</td>
</tr>
<tr>
<td>Basic EPS based on underlying NPATA (EPSa)(cents)(1)</td>
<td>14.9</td>
<td>9.0</td>
<td>66%</td>
</tr>
</tbody>
</table>

Notes:
(1): The Directors believe the information additional to IFRS measures included in the press release is relevant and useful in measuring the financial performance of the Group. These include: EBITDA, NPATA and EPSa.
(2): EBITDA is a non-IFRS term, defined as earnings before interest, tax, depreciation and amortisation and excluding net foreign exchange gains (losses).
(3): NPATA is a non-IFRS term, defined as net profit after tax, excluding tax-effected amortisation of acquired intangibles.
(4): Underlying EBITDA, underlying NPAT and underlying NPATA exclude separately disclosed items, which represent the one-off costs and income during the period. Further details of the separately disclosed items are outlined in Note 3 to the Financial Report which can be found on the Company’s web site.

Hansen’s Chief Executive Officer, Andrew Hansen, said: “the 1H21 result was a great outcome for Hansen across all key metrics, continuing our strong performance through the global pandemic. We have grown revenues 1.9% on a constant currency basis, driven a strong increase in profitability leading to a record half-year EBITDA while investing in our business to position Hansen Technologies for a “COVID-normal” world.

We have continued to provide our customers the high level of support they are accustomed to and have also seen new strategically significant customer wins proving the attractiveness and relevance of our offerings, underpinning our longer-term organic growth outlook, including new pipeline activity. In addition to this we are excited about our structured M&A efforts and the real targets emerging.

This result proves the long-term resilience of our business model of growing revenues and EBITDA over the long-term by investing in both our technology and the value accretive aggregation of strategically targeted businesses.”

Revenue

Operating revenue for 1H21 was $142.2m, down 1.4% on 1H20 however up 1.9% on 1H20 on a constant currency basis to $147.1m.

New wins, including DISH, M7, Ciena and Nautilus Solar position us at the leading edge of 5G, cloud and software-driven solutions, smart energy solutions and renewable energy. We see significant opportunity for further customer wins in these areas.

We are supporting this expected growth with the significant recruitment of new developers to deliver the future pipeline.
ASX /Media Release

Our revenue growth is supported by globally diversified, long-term existing customer relationships forming a strong recurring base to which we add new customers and significant successful customer upgrades and projects.

EBITDA

Underlying EBITDA for H121 was $52.3m or $54.3m on a constant currency basis, up 44% on H120. The continued rationalisation of the Company’s cost base driven by the global pandemic, as well as reduced travel, has generated an improved EBITDA margin for the half year of 36.9%.

This EBITDA result continues our strong track record of EBITDA improvements driven by a focus on profitability improvements including through our low-cost development centres and continued improvements in the performance of integrated businesses.

Cash flow and debt

This strong revenue and EBITDA performance is further underpinned by the Company’s ability to generate cash with cash-flow from operations including lease payments delivering $28.9m worth of free cash flow (up from $8.3m in H120). This strong cash position has allowed us to reduce debt levels by $20.7m to $95.8m.

Our ability to generate cash in the current environment further underscores the strength we have, enabling us to invest in our products and fund acquisitions.

Update on aggregation strategy

Our twenty-year history of successful aggregation is set to continue with our core business providing the people and the capital to continue to drive this successful strategy. Many opportunities exist and we will continue to be vigilant, disciplined and focused, only bringing the most value-accrative opportunities into the Hansen fold. Our M&A team continues to search and screen for all relevant aggregation opportunities to build our pipeline for optimal value-accrative inorganic growth. We are excited about our structured M&A efforts and the real targets emerging and are looking forward to accelerating our M&A activity once COVID-19 restrictions are lifted.

Dividend

Reflecting our strong cash generation, the Board has declared an interim, partially franked dividend of 5.0 cents per share. The record date for the interim dividend is 4 March 2021 and the payment date is 25 March 2021. The Dividend Reinvestment Plan (DRP) will again be available to shareholders with no discount. The DRP election cut-off date will be 5 March 2021.

FY21 Outlook

We remain extremely confident in the future of our business. We are updating our guidance to:

- FY21 revenue: $295m - $305m (constant currency), $285m - $295m (reported).
- Underlying FY21 EBITDA margin of 33% - 35%.

Long-term financial targets

Given our track record of organic and inorganic growth and visibility in the market, we are now targeting $500m of revenue by 2025 driven by organic revenue growth and our proven aggregation strategy.

We are targeting long-term EBITDA margins of 32% - 35%, driven by an ongoing focus on profitability and operational leverage as we continue to grow the business.

Capital Markets Day

We are aiming on holding a Capital Markets Day in May to provide further information about the Company, including our history and strategy, organic and inorganic growth initiatives and technology developments in our business; further information on this will be provided to the market in due course.

Investor Briefing

An investor and analyst briefing conference call to discuss the results will be held at 11am (AEST) on 26th February 2021. Click on the link below to pre-register for the call. You will be sent an invitation and dial in details.

For further information:

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About Hansen

Hansen Technologies (ASX: HSN) is a leading global provider of software and services to the energy, water and communications industries. With its award-winning software portfolio, Hansen serves 550+ customers in over 80 countries, helping them to create, sell, and deliver new products and services, manage and analyse customer data, and control critical revenue management and customer support processes. For more information visit Hansen at www.hansencx.com