

24 August 2021

## IN OUR 50<sup>TH</sup> YEAR HANSEN DELIVERS ANOTHER RECORD RESULT

### FY21 Result

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

#### RESULTS SUMMARY

A\$ million (constant currency)	FY21	FY20	Variance (%)
Operating revenue	325.5	301.4	8%
Underlying EBITDA <sup>(1), (2), (4)</sup>	128.1	85.7	50%
Underlying NPATA <sup>(1), (3), (4)</sup>	79.2	46.9	69%
Basic EPS based on underlying NPATA (EPSa)(cents) <sup>(1)</sup>	39.5	23.9	65%

A\$ million (actual currency)	FY21	FY20	Variance (%)
Operating revenue	307.7	301.4	2%
EBITDA <sup>(1), (2)</sup>	119.3	80.7	48%
Underlying EBITDA <sup>(1), (2), (4)</sup>	120.2	85.7	40%
Underlying NPAT <sup>(4)</sup>	56.8	29.5	93%
Underlying NPATA <sup>(1), (3), (4)</sup>	73.1	46.9	56%
Basic EPS based on underlying NPATA (EPSa)(cents) <sup>(1)</sup>	36.7	23.9	54%

#### 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 4 to the Financial Report which can be found on the Company's web site.

Note: This ASX announcement should be read in conjunction with the Annual Report which can be found on the Company's web site.

Hansen's Chief Executive Officer, Andrew Hansen, said: “After fifty highly successful years in operation, it is with great pleasure that we share the Hansen results for FY21, another record year for Hansen across all key metrics, continuing our strong performance throughout our history and more recently the global pandemic. We have grown revenues 8% on a constant currency basis, driven a strong increase in profitability leading to a record full-year EBITDA while investing in our business to deliver the large volumes of new business and to position Hansen for a “COVID-normal” world.

We have continued to provide our customers the high level of support they are accustomed to and have also won strategically significant customers 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.

The FY21 result proves the long-term resilience of our business model of growing revenues and EBITDA by investing in both our technology and the value accretive aggregation of strategically targeted businesses.”

#### Revenue

Operating revenue for FY21 was \$307.7m, up 2.1% on FY20 on an actual currency basis and up 8.1% on FY20 on a constant currency basis to \$325.5m. This strong revenue performance was delivered in part by the recognition of \$21m of revenues under IFRS15 from the Telefonica contract win.

We are particularly pleased with the forward looking and strategic customer wins we have seen this year across 5G Telecoms (Telefonica and DISH), smart energy (Western Power) and renewables (Nautilus Solar). This, coupled with expectations of continued regulatory change, provide a tailwind to our organic growth.

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

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 FY21 was \$120.2m or \$128.1m on a constant currency basis, up 50% on FY20. The continued rationalisation of the Company's cost base driven by the global pandemic, as well as reduced travel, has generated an improved underlying EBITDA margin for the full year of 39.4%.

The FY21 underlying EBITDA margin was enhanced by the revenue recognition of the Telefonica contract, with \$21m recognised at the beginning of the initial contract term. To continue to deliver the best-in-class technology we are renowned for, we continued to invest in our technology roadmaps and talent to ensure ongoing profitability and strong margins.

This result continues our successful track record of improved performance 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 \$70.1m worth of free cash flow (up from \$44.2m in FY20). This strong cash generation:

- Reduced net debt levels by \$49.9m to \$66.6m.
- Enabled us to invest in our portfolio of products.
- Provides a basis to fund further acquisitions.

## **Update on aggregation strategy**

Our twenty-year history of successful aggregations 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-accretive 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-accretive inorganic growth and we are excited about our structured M&A efforts and the real targets emerging. We remain focused and committed to our long-term revenue target of \$500m in FY25.

## **Dividend**

Balancing our strong performance with our future plans, the Board has declared a final, partially franked dividend of 5.0 cents per share. The record date for the final dividend is 30 August 2021 and the payment date is 21 September 2021. The Dividend Reinvestment Plan (DRP) will again be available to shareholders with no discount. The DRP election cut-off date will be 31 August 2021.

This strong financial outcome has enabled us to declare dividends amounting to 10.0 cents per share this year returning 25% of NPATA to shareholders.

## **Long-term financial targets**

We remain confident in achieving our FY25 financial targets of \$500m of revenue driven by organic revenue growth and our proven aggregation strategy, and EBITDA margins of 32% - 35% driven by an ongoing focus on profitability and operational leverage as we continue to grow the business.

## **Investor Briefing**

An investor and analyst briefing conference call to discuss the results will be held at 11am (AEST) on 25<sup>th</sup> August 2021. Click on the link below to pre-register for the call. You will be sent an invitation and dial in details.

<https://s1.c-conf.com/diamondpass/10015476-ga6j38.html>

**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](http://www.hansencx.com)