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# Hansen Technologies Investor Presentation

27/28 August 2013

**HANSEN**  
TECHNOLOGIES



## **Introducing Hansen Technologies**

- Founded in 1971, Listed on the ASX (HSN) in 2000

## **Our team**

- 400 plus staff worldwide, located in 12 countries with primary offices in Australia, UK, USA, NZ and China
- Stable management team
- IT staff tenure double industry average

## **Financial strength**

- History of solid cash flow generation,
- No external debt
- Restructured and more distributed shareholder base
- History of dividend distribution

## **International operations**

- Software solutions operating in 43 countries including Australia, Japan, UK, Spain, Ireland, New Zealand, Canada, USA, South America, Africa, Scandinavia, India, Middle East & China
- Strategic acquisitions in 2008, 2010 and 2013 x 2 all paid for from in house cash reserves

# Corporate overview

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## Key investment metrics

ASX code	HSN
Ordinary shares on issue	159.6 m
Options on issue	4.3m
Share price 23 August 2013	A\$1.10
Market capitalisation	A\$175.5m
Pro forma cash / debt	A\$9.6m / nil debt
Enterprise Value	A\$165m
Dividend FY12 / Yield	6 cents / 5.5%

## Board and management

David Trude	Chairman
Andrew Hansen	Managing Director and CEO
Bruce Adams	Non-Executive Director
Melinda Osborne	Non-Executive Director
Peter Berry	Non-Executive Director
David Osborne	Non-Executive Director
Grant Lister	CFO and Company Secretary

## Client base – global presence



## Major shareholders (as at 26 August 2013)

	Shares (m)	%
Othonna Pty Ltd – (Hansen family interest) – after institutional placement in June 2013 of 21 million shares .	70.1	43.8

# Fiscal 2013 financial result.

	2013 \$A million			2012 \$A million
	First half year	Second half year	Total	
<b>Total revenue</b>	<b>26.8</b>	<b>37.0</b>	<b>63.8</b>	<b>56.6</b>
<b>EBITDA</b>	<b>6.4</b>	<b>9.3</b>	<b>15.7</b>	<b>19.2</b>
<b>Profit before tax</b>	<b>5.4</b>	<b>7.2</b>	<b>12.6</b>	<b>17.0</b>
<b>Income tax expense</b>	<b>(1.6)</b>	<b>(1.9)</b>	<b>(3.5)</b>	<b>(4.1)</b>
<b>Net profit after tax</b>	<b>3.8</b>	<b>5.3</b>	<b>9.1</b>	<b>12.9</b>
<b>Earnings per share</b>	<b>2.4 cents</b>	<b>3.2 cents</b>	<b>5.7 cents</b>	<b>8.2 cents</b>

## ■ Performance

- Quiet market for new business in the first half,
- Stronger second half performance and solid run rate,
- Leading into Fiscal 2014 with projected growth in revenue to exceed \$75 million
- Increased investment for organic growth, particularly internationally

## ■ Notable events

- International sourced revenue, now 60% of total and growing
- Two acquisitions closed and funded from internal cash when \$Australian was above parity
- New customers/implementations in 2013, EDF and Suburban(USA), TrueVisions (Thailand), Wesfarmers Kleenheat Gas (Australia).

- **Financial strength, well positioned**
  - Maintaining strong annuity revenue streams and cash generation
  - Have been able to so far grow the business without calling upon any third party debt
  - Have established banking relationships for prospective future lending if required
  - Restructured the share register with Institutional placement in June 2013 and improved share liquidity
    - Reducing the Hansen family shareholding to less than 50%
    - Reduced the influence of the top 20 shareholders to less than 70%
    - Increased the shareholder base to 3,500 plus
    - Average daily turnover increased
    - Introduced institutional shareholding

# Why are we different?

- Australian software house
  - software factories in Melbourne, Auckland, Shanghai , San Diego
  - specialising in proprietary complex Billing software solutions
    - mission critical software at the heart of customers cash flow
    - sticky software with lengthy service life within well managed customer relationships
- Service focus – operate software for our customers
- Predictable and stable annuity revenue stream underpinning the financial model
- Customers spread by geography and industry
  - stable industries, Energy, Telecommunications, Pay TV

# Our stable industries



## TELECOM

Customer care and  
billing solution



## PAY-TV

Customer care and  
billing solution



## ENERGY

Customer care, billing and market  
data management solutions

Mid-tier  
retailers

MVNOs  
Mobile Virtual  
Network Operator

DTH  
Direct-to-  
Home

DTT  
Digital  
Terrestrial  
Television

Cable

Regulated  
Utilities

Competitive  
Retailers

Networks



## HOSTING & PROFESSIONAL SERVICES

- Purpose built data centre facilities
- Application management
- IT Managed services



- Pursue wall-to-wall services for our customers
  - Turn key packaged solution and any other variable specified by the customer
  
- Sell existing suite of products to new customers
  - HUB, Peace, Utilisoft and Nirvanasoft for Energy/Telco
  - ICC for Pay TV
  
- Acquisitions that leverage our knowledge and location

- As a mid-cap, Hansen has a successful disciplined M&A track record
  - Peace, NirvanaSoft, ICC, Utilisoft
- Hansen acquires
  - in and adjacent to its market segments
  - to gain additional market reach
- Strong business review and gating culture
- Tried and tested business integration

- **Fiscal 2014**

- Revenue outlook \$75 million plus
- Strong return of 25% plus EBITDA targeted

- **Exciting outlook**

- Increasing number of new sales prospects identified
- Successfully integrated the recent acquisitions and outlook looks solid
- Continue to evaluate compatible strategic growth opportunities