

# Hansen Banner CIS Acquisition

May 2014

# Introduction to Hansen

## Introducing Hansen Technologies

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

## Our team

- 450 plus staff worldwide, located in 12 countries with primary offices in Australia, UK, USA, NZ and China
- Subject matter experts. IT staff tenure double industry average

## Financial strength

- Cash reserves, history of bi-annual dividends
- Solid balance sheet & 70%+ annuity revenues

## International operations

- Software solutions operating in 43 countries, including: Australia, USA, Japan, UK, Spain, Ireland, New Zealand, Canada, South America, South Africa, Scandinavia, India, Middle East & China

# Vision

## **Hansen market focus**

- Energy, Telecommunications, Pay-TV
- Markets dominated by change

## **Hansen key competency: Billing & Customer Care**

- Key financial process for a utility
- Enabling retail and driving customer ownership

## **Hansen approach: Value Adding**

- Extended service offerings
- Multiple proprietary solutions.

## **Today's drivers: Convergence**

- Energy, Telco and Pay-TV converge on a connected home
- Customer expectations higher; products and regulations more complex; relationships personalized
- Value unlocked through Big Data analytics

# Core markets and trends

## Hansen's Business Units

### PROPRIETARY SOFTWARE SOLUTIONS



Customer care, billing, meter data management, analytics, complex rating solutions



Bundling, provisioning, pre-pay, customer care & billing



MVNO's, ratings, customer care & billing

### HOSTING & PROFESSIONAL SERVICES



- Purpose built data center facilities
- Application management
- Bespoke development
- IT Managed services

## Market Trends

### UTILITY:

- Smart grid/meter rollouts gaining pace
- Meter data deluge
- Demand response emerging
- Market deregulation & disaggregation
- In-house and aging legacy systems

### TELECOM:

- Competition driving prices down and customer churn up
- Network costs up, data demands up
- In-house and aging legacy systems

### PAY-TV:

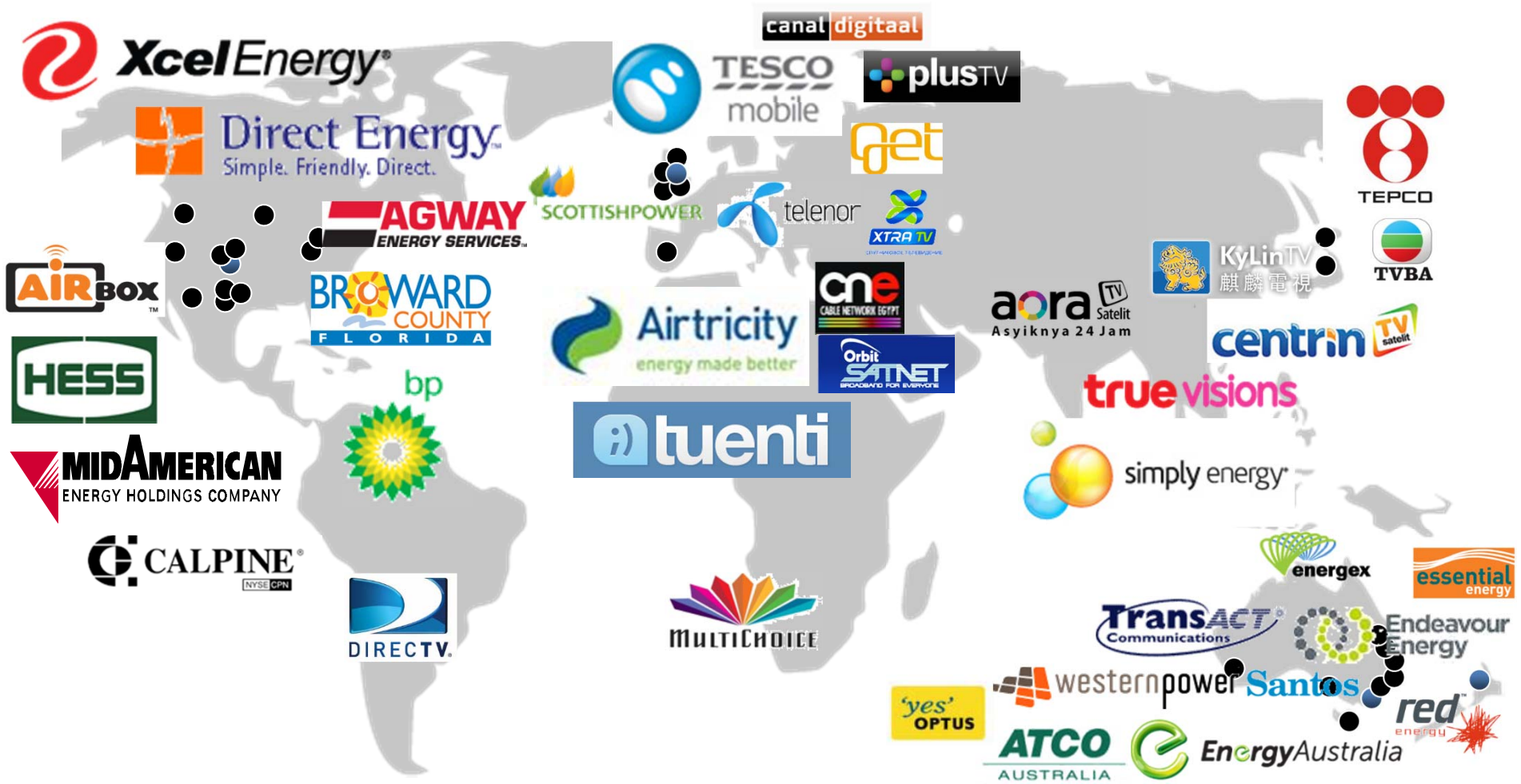
- Triple and quad plays to offset churn
- Content costs up, network costs up
- Competition from internet and OTT

# Global Customer Base

## North America

## Europe

## Asia / Pacific



# Hansen's pathway to growth

## 1. Organic growth

- Account management to identify customer value
- Dedicated global consultancy team
- Full service offering
- Client-specific development

## 2. New customers

- Sales capacity investment
- Product investment

## 3. Acquiring like businesses

- Active M&A program

# Why are we acquiring Banner CIS?

1. Met Hansen acquisition criteria
2. Builds critical mass in the US
3. Complementary market segments
4. Strong brand
5. Deep subject matter expertise
6. Growth opportunities
  - Sell to existing customer base
  - Sell to broader Banner base
7. Ventyx commitment to ongoing partnership
8. Annuity growth profile alignment

Hansen Acquisition Criteria	Banner CIS
IP	Yes
Billing & Customer Care	Yes
Location	Yes
Annuity Revenues	Yes

# Municipal CIS Market

- Many are multi service, Water/Waste and Energy.
- Majority are non-competitive markets.
- 2000 service greater than 10000 customers.
- 100+ use Banner as their CIS
- Short term Objective is to bring non-maintenance customers back under maintenance.
- Medium term Objective is replace in-house and legacy CIS systems.



# Hansen + Banner CIS together

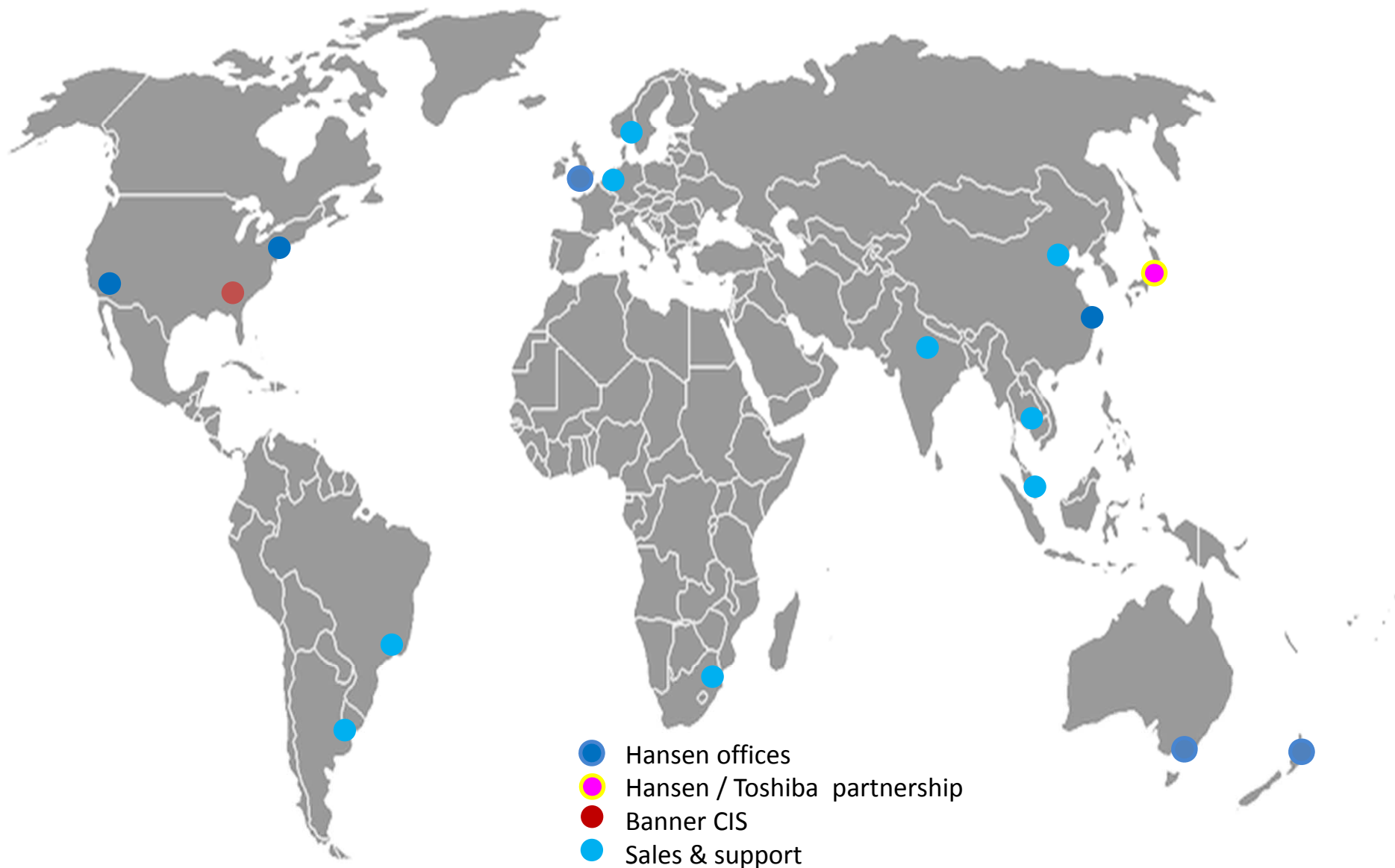
## New Hansen Target Market: Municipalities

- Banner CIS staff will be part of a new Hansen capability focused on Municipalities and small to medium size Utilities
- Lead by existing management
- Progressive integration into broader Hansen CIS capabilities
- Hansen shared services
  - IT / Finance / Legal / Marketing

## New Hansen Technologies Ltd group profile

<b>Staff</b>	<b>450 +</b>
<b>Clients</b>	<b>200 +</b>
<b>Combined \$Rev</b>	<b>\$90m +</b>

# Hansen locations



# Hansen + Banner CIS together

- Banner CIS will:
  - Continue to serve its Municipal customers
  - Sell to new customers
  - Leverage its Teaming Agreement with Ventyx
- Hansen will supply:
  - Focused Account management
  - Established managed services
  - Focus, skills and knowledge
- Hansen plans to:
  - Bring the Banner client base home
  - Commit to a re-energized Banner CIS development roadmap
  - Deliver Executive Focus to the client base

# Key Points

- Consistent with our Stated Acquisition Objectives
- Banner is non-competitive to other Hansen products
- Strong Brand Recognition
- 46 new Contracted Customers
- New Complementarity Market, Water and Waste
- 50+ Uncontracted Customers
- Immediately Earnings Accretive
- Hansen now Bill 100m Customers per month