ASX/Media Release

21 August 2017

FY17 Result

Hansen Technologies Limited (ASX: HSN), a leading global provider of customer information systems and data management systems, today announced its results for the year ended 30 June 2017.

Highlights:

- Revenue and EBITDA in-line with previous guidance
- Reported revenue of $174.7m – up 17.3%
- Solid contributions from the newly acquired US-based Hansen Solutions and UK-based HiAffinity
- EBITDA of $45.1m – 0.6% down, impacted by currency headwinds
- NPATA[1] of $27.7m – 3.1% down
- EPS[2] (basic) of 15.3 cents – 5.2% down
- Final dividend of 3.0 cents per share, fully franked – taking full year dividend to 6.0 cents
- Acquisition of Enoro just after year-end

Result Summary

Year end 30 June	2016 (A$m)	2017 (A$m)	Change
Operating revenue	149.0	174.7	17.3%
EBITDA	45.4	45.1	-0.6%
EBITDA margin (%)	30.5%	25.8%	
NPAT	26.1	23.9	-8.4%
NPATA[1]	28.6	27.7	-3.1%
EPS[2] – basic (cents)	16.1	15.3	-5.2%

Hansen Chief Executive Officer, Andrew Hansen, said: “2017 was a year in which we continued to deliver on our strategy of growing and diversifying the company by geography, industry, product and customer. This was achieved this year through the acquisition of:

- US-based Solutions – which strengthens our energy presence in the US;
- UK-based HiAffinity – which expands our water billing presence from the US to the UK, Australia, Africa and the Americas; and
- Nordics-based Enoro just after year end – which gives us a strong energy presence in the Nordics, the most advanced energy market in the world and takes us into Europe for energy.

Reported revenue grew by 17% to $174.7m, which would have been $8.7m higher on a constant currency[3] basis. Solutions and HiAffinity were the primary growth drivers, with modest underlying growth in our core billing business following an exceptional FY16.

EBITDA of $45.1m by comparison was effectively flat as a result of:

- currency headwinds – principally from the 21% depreciation of the British Pound following Brexit, which had a disproportionate impact on EBITDA as some of the direct costs of servicing our UK customers are in Australia;

Notes:
1. NPATA = Net profit after tax excluding amortisation of acquired intangibles
2. EPS based on NPATA
3. Constant currency equals FY17 results translated to AUD at FY16 average exchange rates

- substantial investment in building our global platform to support future growth; and
- net foreign exchange losses of $0.9m, which were $0.1m in FY16.

While the Solutions business performed in line with expectations, as anticipated the call centre operations continued to trade at low margins.

Adjusting for all these factors, the EBITDA margin would have been towards the top end of our target range of 25-30%.

Subsequent to year end, the $96m acquisition of Enoro was funded by a mix of debt and equity, which has left the balance sheet with significant capacity to support the company's continued growth strategy."

Dividend

The Board has declared a final fully franked dividend of 3.0 cents per share, bringing the total dividends for the year to 6.0 cents per share. This compares with 7.0 cents in FY16, which included a 1.0 cent special dividend due to the availability of franking credits. The FY17 dividends balance a policy of distributing franking credits to shareholders whenever possible and maintaining flexibility to fund further strategic, value creating acquisitions.

The record date for the final dividend is 5 September 2017 and the payment date 28 September 2017. The Dividend Reinvestment Plan (DRP) will again be available to shareholders with no discount. The DRP election cut-off date will be 6 September 2017.

Outlook

Increased profitability is expected in FY18 from both:

- growth in underlying profitability; and
- a positive earnings[4] contribution from Enoro, which was acquired effective 1 July 2017.

For Enoro, we expect to benefit over the medium term from recent expansions – the Customer Information System product moving into Sweden and Finland, and the Meter & Energy Data Management products expanding outside the Nordics into the broader European market, as well as cross selling the Analytics product to Hansen's global customer base. Over the longer term, Enoro positions us to support further deregulation of European energy markets.

Over time, in addition to growth via acquisition to further expand and diversify our global footprint, we also expect to continue to generate organic growth from:

- the macro drivers of our business – being deregulation, increased competition, technological change and increased complexity in the markets in which our customers operate;
- building even closer, strategic partnerships with our customers as we provide additional solutions and services to meet their evolving business needs; and
- positioning Hansen as the global supplier of choice for customer information systems and data management systems in our chosen industry verticals.

Conference Call

An investor briefing and Q+A session to discuss the FY17 results will be held at 10:30am (Melbourne time) today. Dial-in details to participate in the conference call:

Toll free (within Australia):	1800 123 296
Toll:	+61 2 8038 5221
Conference ID:	6748 9903

Notes:
4. Before amortisation of acquired intangibles

For further information:

Investor and analyst enquiries

Rick Sharp
+61 3 9840 3076 / +61 414 571 060
rick.sharp@hsntech.com

Niv Fernando
+613 9840 3134
niv.fernando@hsntech.com

About Hansen

Hansen Technologies (ASX: HSN) is a leading global provider of customer information systems and data management systems to four industry verticals: energy, water, telecommunications and pay TV. With over 40 years' experience, 1,000 staff spread globally and more than 500 customer installations worldwide, we help our customers to streamline and optimize critical billing and operational processes, manage and analyse consumption data and improve their customers' experience.