

1H22 RESULTS PRESENTATION

21 February 2022

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Information contained in this presentation:

- is intended to be general background information only, and is not intended that it be relied upon as advice to investors or potential investors and is not an offer or invitation for subscription, purchase, or recommendation of securities in Hansen
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- includes forward-looking statements about Hansen and the environment in which Hansen operates, which are subject to significant uncertainties and contingencies, many of which are outside the control of Hansen – as such undue reliance should not be placed on any forward-looking statements as actual results or performance may differ materially from these statements
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All dollar values are in Australian dollars (A\$) unless otherwise stated.

Definitions

- 1H21 = six months ended 31 December 2020
- 2H21= six months ended 30 June 2021
- FY21 = financial year ended 30 June 2021
- 1H22 = six months ended 31 December 2021
- 2H22= six months ended 30 June 2022
- FY22 = financial year ended 30 June 2022
- Reported EBITDA* = Earnings before interest, tax, depreciation and amortisation, excluding net foreign exchange gains (losses)
- Underlying EBITDA* = Earnings before interest, tax, depreciation and amortisation, excluding net foreign exchange gains (losses), not including non-recurring items
- NPAT = Net profit after tax
- NPATA* = Net profit after tax excluding tax effected amortisation of acquired customer and technology intangibles

*EBITDA, EBIT, NPATA, Recurring revenue and Non-recurring revenue are non-IFRS measures that have not been audited or reviewed by Hansen's auditors

AGENDA.

1. Company overview and results highlights
2. Capital management and outlook
3. Q&A

1H22 FINANCIAL SUMMARY.


ANOTHER STRONG HALF FOR HANSEN.

Revenue¹

\$148.9m  4.7%

\$147.9m (up 4.0%) on constant currency

Underlying EBITDA²

\$54.2m  3.6%

\$53.8m (up 2.9%) on constant currency

Underlying NPATA³

\$31.8m  7.4%

\$31.6m (up 6.8%) on constant currency

Revenue Derived From Owned IP

95%

Customer Churn

<2%

Notes: base of exchange rates for constant currency calculations is the average exchange rate for 1H21.

1. 1H22 revenue was \$148.9m on a reported basis; 1H22 revenue was \$147.9m on a constant currency basis; 4.7% gain is on reported revenue.

2. 3.6% gain on underlying 1H22 EBITDA excluding non-recurring items (\$0.3m); EBITDA margin of 36.4% is based on reported figures (underlying EBITDA of \$54.2m / revenue of \$148.9m).

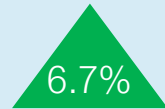
3. Underlying NPATA = Net profit after tax excluding tax effected amortisation of acquired intangibles and non-recurring items; 7.3% gain is on underlying 1H22 NPATA excluding non-recurring items \$0.2m after tax.

1H22 FINANCIAL SUMMARY.

ANOTHER STRONG HALF FOR HANSEN.

Adjusted EPSa¹

15.9¢

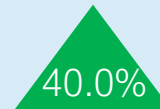


15.8¢ (up 6.0%) on constant currency

Dividend

7.0¢

(5¢ interim +
2¢ special)



Net Debt²

\$41.5m



Notes: base of exchange rates for constant currency calculations is the average exchange rate for 1H21.

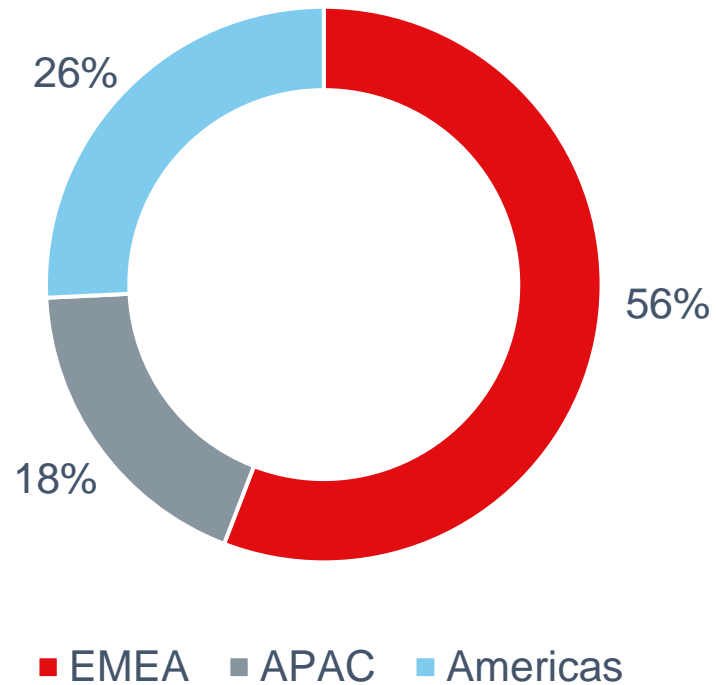
1. Underlying Basic EPSa, based on Underlying NPATA.

2. Net Debt borrowing (excluding pre-paid costs and IFRS16) less cash.

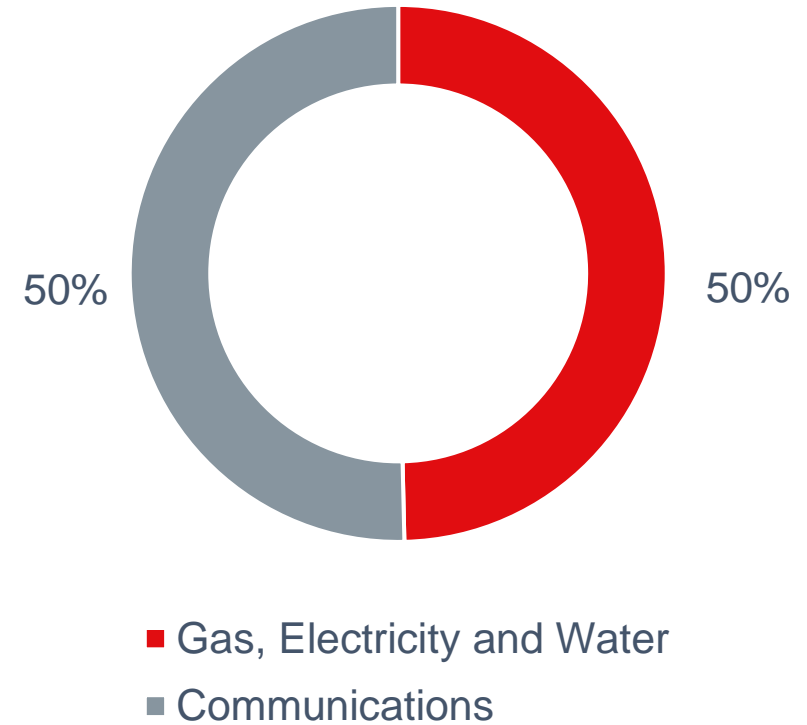
1H22 FINANCIAL SUMMARY.

STRATEGICALLY DIVERSIFIED ACROSS 550+ TIER 1 & 2 CUSTOMERS IN 80+ GEOGRAPHIES

REVENUE BY GEOGRAPHY



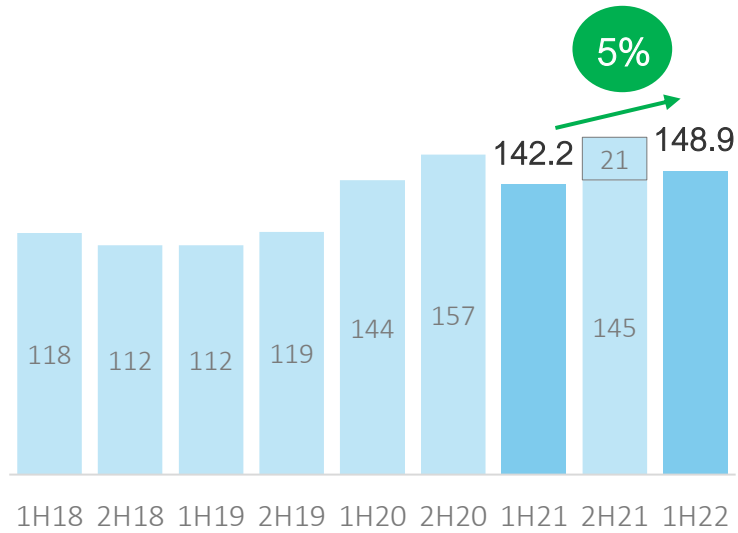
REVENUE BY VERTICAL



ANOTHER RECORD SET OF RESULTS.

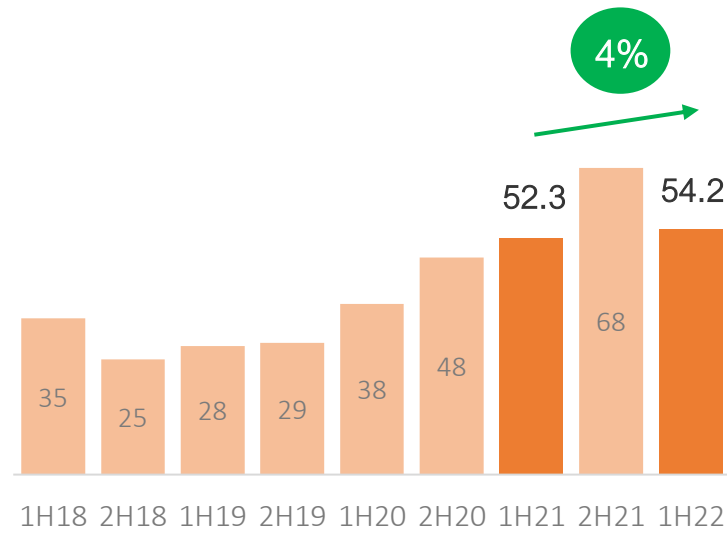
LONG-TERM PROFITABLE GROWTH.

REVENUE (\$M)¹



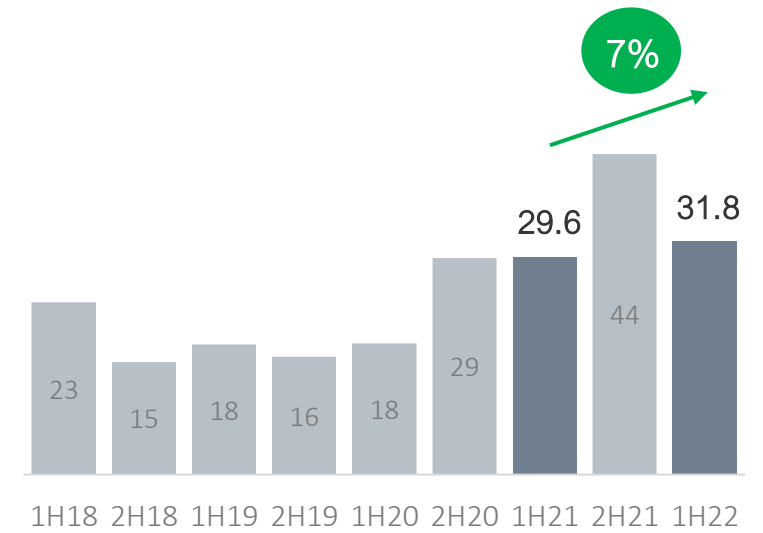
- Revenue growth of 4.7% to \$148.9m on a reported basis (revenue up 4.0% to \$147.9m on a constant currency basis).
- Strategic new logo wins and customer upgrades driving organic growth. Licence revenues up \$5.7m on the prior corresponding period.
- \$21m of license revenue from Telefonica recognised in 2H21.

UNDERLYING EBITDA² (\$M)



- Underlying EBITDA increased 3.6% to \$54.2m (36.4% margin) on a reported basis due to an increase in the licence revenue mix.
- The cost base has otherwise been maintained relative to the underlying revenue profile.

UNDERLYING NPATA³ (\$M)



- Effective tax rate at a sustainable 22.7% level as previous tax losses have been utilised.
- Significant pay-down of debt reducing interest rate margin and associated annualised interest payments of c.\$1.6m from the same time last year.

Notes: base of exchange rates for constant currency calculations is the average exchange rate for 1H21.

1. Reported revenues of \$148.9m with currency impact of \$1.0m of most recent period shown.

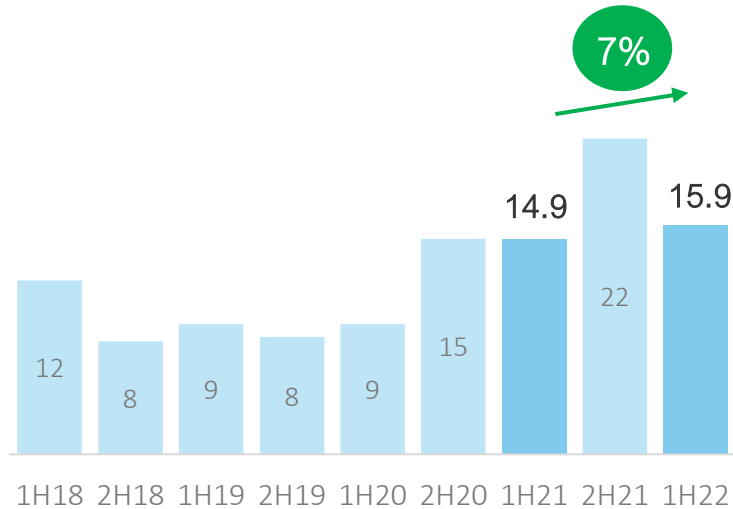
2. 1H22 underlying EBITDA excludes \$0.3m of non-recurring items; currency impact of \$0.4m compared to prior year.

3. Underlying NPATA = net profit after tax excluding tax effected amortisation of acquired intangibles and one-off items; currency impact of \$0.2m of most recent period shown.

ANOTHER RECORD SET OF RESULTS.

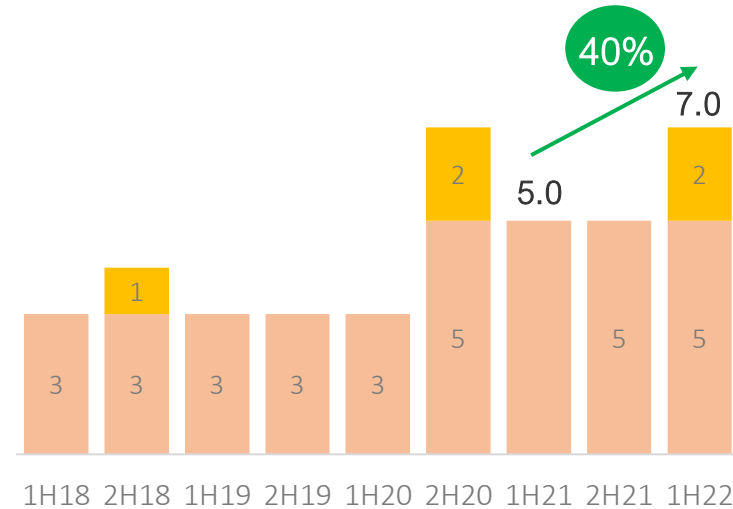
LONG-TERM PROFITABLE GROWTH.

Adjusted EPS^{a1} (Cents)



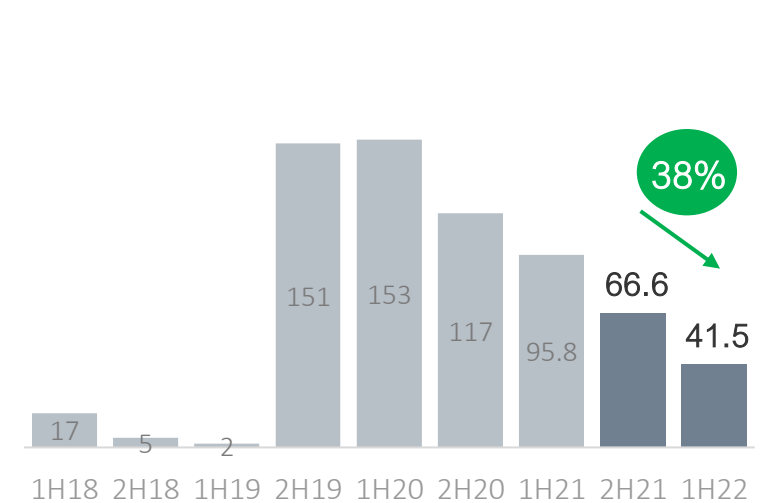
- Use of debt to grow EPS by managing cost of capital.
- Group margin expansion driving significant EPS growth.

DPS (Cents)



- Increased interim dividend of 7.0c, reflecting strong performance and cash generation.
- Cash flows ensure continued opportunity for investment in products and new aggregations.

NET DEBT² (\$M)



- Cash flows enabling significant reduction in net debt.
- Strong capital structure and liquidity position supports current dividend strategy.
- Significant headroom (leverage of 0.37x³) for more acquisitions.

Notes: base of exchange rates for constant currency calculations is the average exchange rate for 1H21.

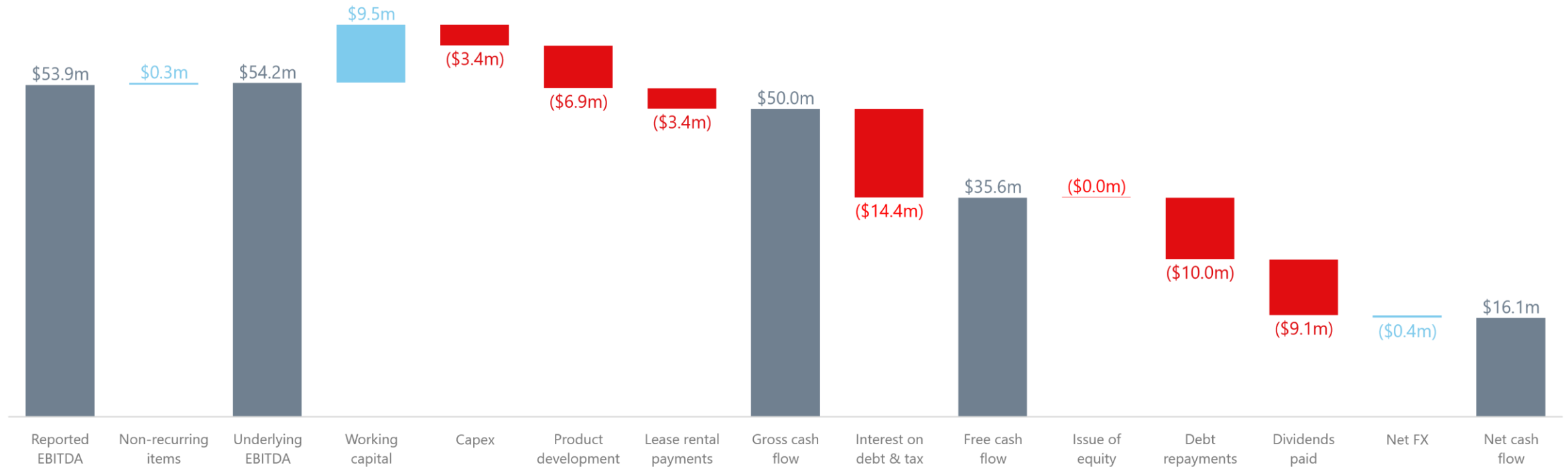
1. Adjusted Basic EPS, based on Underlying NPATA; currency impact of \$0.2m of most recent period shown.

2. Net Debt excluding AASB 16 lease liabilities for FY21 and 1H22 and pre-paid borrowing costs.

3. Leverage ratio = net debt (including pre-paid borrowing costs) / EBITDA excluding impact of IFRS16 and non-recurring items.

ANOTHER RECORD SET OF RESULTS.

STRONG CASH FLOW, REDUCTION IN NET DEBT AND INCREASED OPPORTUNITIES FOR GROWTH.



- Very strong Free Cash Flow of \$35.6m (up from \$28.9m in 1H21).
- Net debt reduced by \$25.1m (38%) to \$41.5m following \$10.0m of debt repayment plus net cash inflow and debt FX impact.
- Leverage ratio¹ of 0.37x (down 33%) from 0.55x in FY21, highlighting significant headroom for future borrowing capacity.

Notes:

1. Leverage ratio: net debt (including pre-paid borrowing costs) / EBITDA excluding impact of IFRS16 and non-recurring items.

KEY THEMES IN 1H22.

1

Strong Financial Performance

- Strong business fundamentals demonstrated by reliable financial performance despite changing economic backdrop
- Proven cost control and natural currency hedge as fluctuations are offset by the global spread of costs
- Targeting EBITDA margins exceeding 30% driven by an ongoing focus on profitability and operational leverage

2

Long-term Customer Relationships

- Sticky customer base (<2% churn) due to significant investment in implementation and customisation
- Significant new business expansions, upgrades and professional service sales from existing customers continue
- High customer entrenchment with Hansen products embedded onto customer's core operations

3

Strategic Customer Wins

- Customer momentum and recent wins underpinning current and future organic growth
- Global diversification means Hansen benefits from individual specific regulatory changes in regions
- Customers are choosing Hansen to assist with their digital transformation – e.g. 5G, Smart Energy and Renewables

4

Continued Investment in Technology

- All Hansen products are available on-prem, SaaS solution, public cloud or Hansen-provided cloud
- Ongoing investment in technology to keep it best of breed and return on investment
- Customers are seeing this and awarding strategic contracts to Hansen

STRATEGIC CUSTOMER MOMENTUM.

MORE CUSTOMERS ARE CHOOSING HANSEN TO ASSIST WITH THEIR DIGITAL TRANSFORMATION.

1 CLOUD-NATIVE TRANSFORMATION

2 MODULAR PRODUCT ADOPTION

3 SERVICE INNOVATION & ENABLEMENT

4 POWERING THE ENERGY TRANSITION



While new business expansions, upgrades and professional service sales continue



Business expansions:

- ATCO Gas Australia
- Aurora Energy
- Inmarsat (UK)
- Net Group Beteiligungen

Strategic upgrades:

- AusNet Services
- City Of Virginia Beach
- WOW!
- Xcel Energy

Professional services:

- Airtel
- Essential Energy
- Simply Energy
- Vocus

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CAPITAL MANAGEMENT.

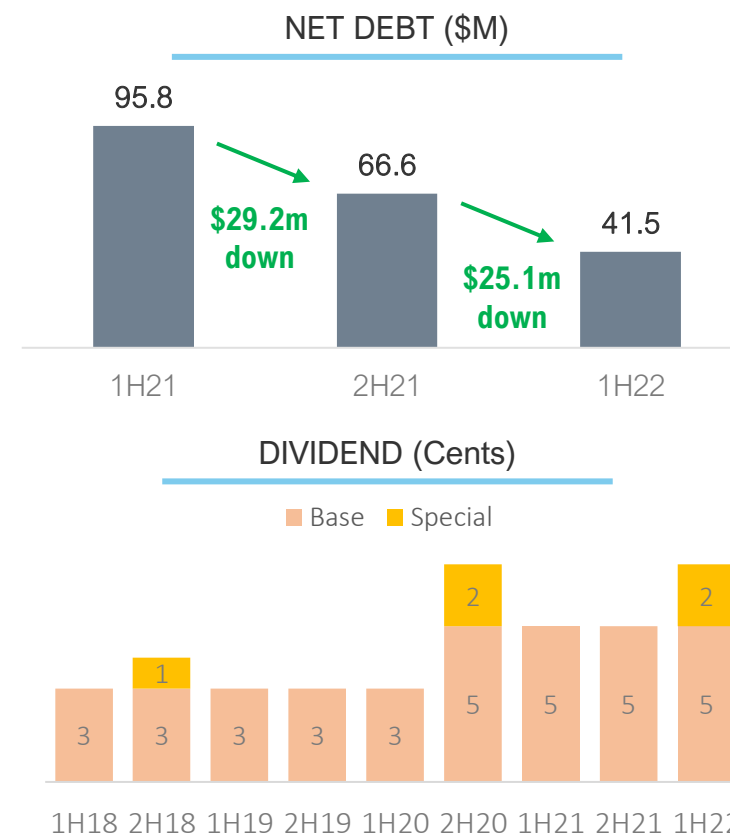
CONTINUING TO PAY STRONG DIVIDENDS AND PAY OFF DEBT FOR THE NEXT STAGE OF GROWTH.

Our position:

- In 1H22, net debt was reduced by \$25.1m to \$41.5m .
- Leverage ratio¹ = 0.37x as at 31 December 2021 providing significant gearing headroom to support value-accretive acquisitions.

Capital management philosophy:

- Having considered Hansen’s capital requirements, strong capital structure and liquidity position, the Board has determined an increased interim dividend of 7.0 cents per share, 50% franked, to return money to shareholders is appropriate.
- The interim dividend comprises of a regular dividend of 5.0 cents per share and a special dividend of 2.0 cents per share, representing a 60% payout ratio for 1H22.
- Level of dividend is at the discretion of the Board subject to available cash and activity being undertaken at the time – as and when acquisition growth opportunities are executed, this dividend may be reduced to allocate capital to our acquisition growth strategy.
- Hansen’s strong cash generation means that even with this strong dividend payment we have the cash flows to invest in our products and fund acquisitions.



Leverage ratio¹ to 0.37x as at 31 December 2021; down from 0.55x as at 30 June 2021

Notes:

1. Leverage ratio = net debt (including pre-paid borrowing costs) / EBITDA excluding impact of IFRS16 and non-recurring items.
2. Dividend of 7.0c / reported adjusted EPSa of 15.9c.

CONCLUSION & OUTLOOK.

WHAT HAVE WE LEARNT IN THE LAST TWO YEARS.

CUSTOMERS HAVE REMAINED LOYAL

- Average customer length >10 years (top 5 customers using multiple Hansen products).
- High customer satisfaction evidenced through new customer wins and strategic upgrades and expansions.
- Limited customer churn (<2%) due to customer investment and entrenchment of Hansen's mission critical software.

ACTIVELY ADDRESSING EMPLOYEE CHURN

- Higher staff churn recognised over the global pandemic but stabilised slightly during 1H22.
- Hansen is supporting safe and productive home office environments for staff.
- Flexible working conditions offer a smarter way of working whilst reducing overheads.
- We are finding and onboarding talent faster through new approaches.

RECORD REVENUE & PROFITABILITY

- Hansen has achieved record revenues, EBITDA, NPATA, EPSa and dividends.
- Margins have improved due to upfront licenses and cost control efforts performed at the start of the global pandemic.
- Maintain long-term outlook of \$500m revenue by FY25, with target EBITDA margins exceeding 30%.

UPTICK IN M&A OPPORTUNITIES

- Quality assets were slow to come to market due to travel and due diligence restrictions
- As these restrictions ease, we are seeing more quality opportunities coming to market
- Increased interest rates will help to block potential fiscal only (non-value) buyers

We expect FY22 operating revenue to be marginally improved over FY21 excluding Telefonica.

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Q&A



THANK YOU

