

FINANCIAL YEAR 2023 RESULTS PRESENTATION

23 August 2023

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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.
- Should be read in conjunction with Hansen's financial reports and market releases on ASX.
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- Includes statements relating to past performance, which should not be regarded as a reliable guide to future performance.
- Includes certain financial information not recognised under IFRS which Hansen considers useful to assist in evaluating Hansen's performance – however, such information has not been subject to audit or review in accordance with Australian Auditing Standards.

All dollar values are in Australian dollars (A\$) unless otherwise stated.

Definitions:

- 1H22 = six months ended 31 December 2021
- 2H22 = six months ended 30 June 2022
- FY22 = financial year ended 30 June 2022
- 1H23 = six months ended 31 December 2022
- 2H23 = six months ended 30 June 2023
- FY23 = financial year ended 30 June 2023
- 1H24 = six months ended 31 December 2023
- FY24 = financial year ended 30 June 2024
- 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 intangibles and non-recurring items
- EPSa = Earnings per share on NPATA

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

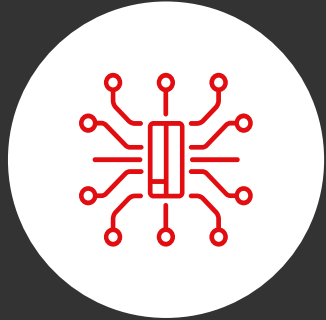
AGENDA

- About Us
- FY23 Key Themes
- Results Highlights
- Results Details
- Cash and Capital Management
- Research & Development
- Artificial Intelligence
- M&A Updates
- FY24 Guidance
- Q&A
- Financial Statements



ABOUT US

Andrew Hansen – Managing Director



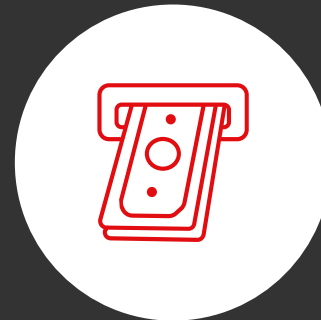
We make complicated billing simple and provide solutions to customers in the energy, gas, water and communications industries.



We own the IP have less than 2% customer churn and are well diversified by location and customer.



We are at the heart of our customers cash cycle and mission critical to their success.



We have highly predictable and diversified revenue streams and are highly cash generative.

HANSEN TECHNOLOGIES LIMITED

A proven
strategy
over many
years

Established in 1971 and listed on the ASX in 2000

Customers in over 80 countries

Our global diversification ensures we are not beholden to one product, client, currency, industry or geography

We own the IP, the implementation and the pricing power

We have very low customer churn, and strive to not give our customers a reason to leave

We take a careful and patient approach to growth through acquisition

Our 'Hansenisation' approach ensures acquisitions are quickly and successfully integrated

We are founder led and have very strong capital management

Our product R&D approach is disciplined and measurable, we don't build a field of dreams

Our balance sheet is strong and robust and ready for further growth and acquisitions

FY23 KEY THEMES

Andrew Hansen – Managing Director

FY23 KEY THEMES



Strong FY23 organic revenue

We delivered revenue growth of 5.2% - above the upper end of our guidance & historical average



Several new logos & renewals won

Our customers continue to choose us when looking for support to expand their offerings



Introduced our ESG roadmap

We have defined our material ESG topics and introduced our ESG roadmap for the future



Strong sales pipeline

Our Organic Revenue guidance for FY24 is for growth of 5 - 7%

\$78.8m of operating cash flow

We are a strong stable and consistently cash generative business



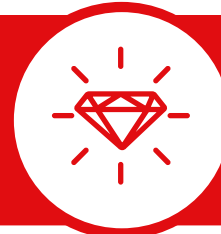
\$53.8m returned to stakeholders

We have returned \$212m to our banks and shareholders since FY19



Effectively Net Debt Zero

Robust Balance Sheet. We continued to pay down our debt and are well positioned for M&A



Long term customer base

No material customers lost in FY23. Our customer churn remains below 2%

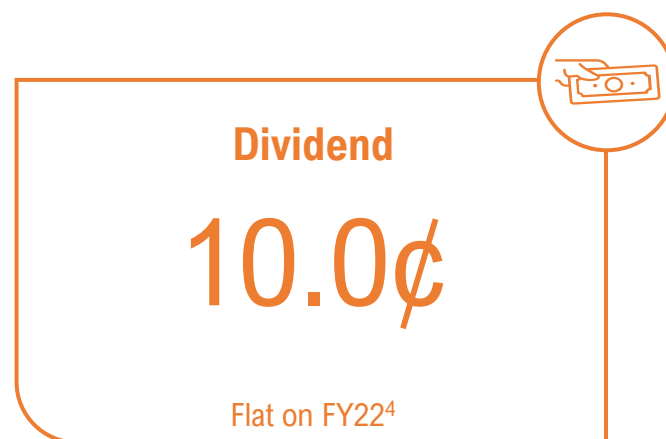
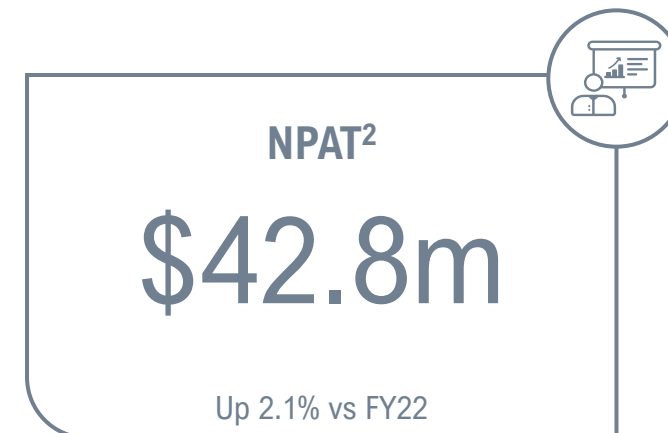
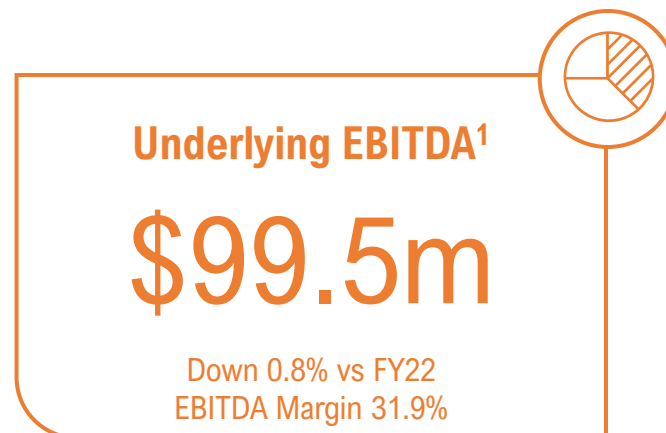
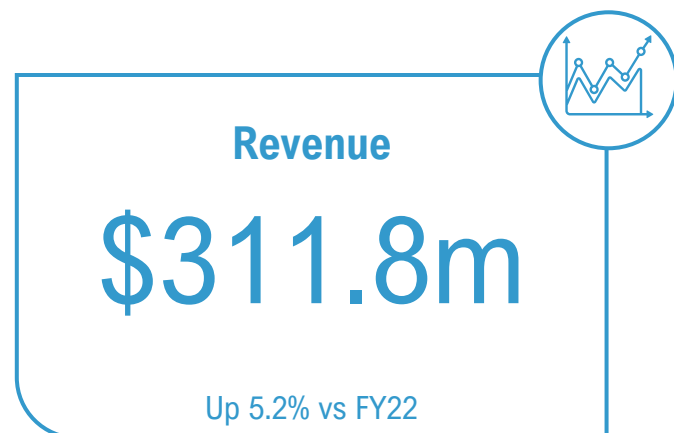


The background image shows a telecommunications tower on a hillside. The tower is a lattice structure with several antennas and dishes. The hillside is covered in low-lying vegetation, and a dirt road winds through it. In the distance, a town or city is visible. The sky is filled with large, white, fluffy clouds. A large red rectangular overlay covers the middle portion of the image, containing the text.

RESULTS HIGHLIGHTS

Andrew Hansen – Managing Director

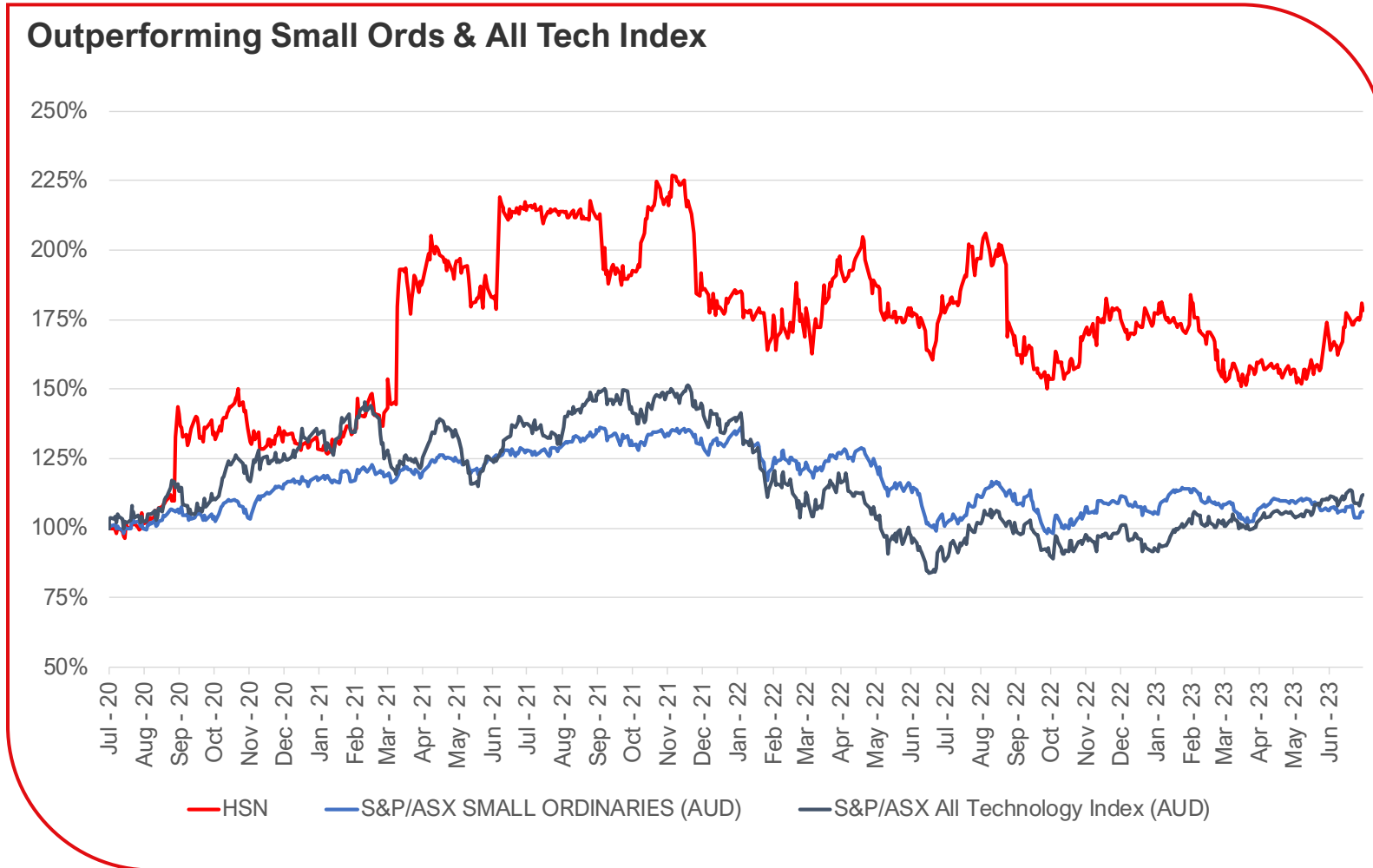
FY23 FINANCIAL SUMMARY



Notes:

1. FY23 underlying EBITDA excludes (\$1.2m) of non-recurring items. Underlying EBITDA has increased 12.1% (CAGR) since FY19.
2. NPAT = net profit after income tax expense. NPAT has increased 18.8% (CAGR) since FY19.
3. Basic EPS, Basic Earnings Per Share based on NPAT up 1.0% based on FY22 Basic EPS. Basic EPS has increased 18.0% (CAGR) since FY19.
4. Excludes 2c special dividend paid in FY22.
5. Net Debt excluding AASB 16 lease liabilities and pre-paid borrowing costs.

MARKET PERFORMANCE



EPS Growth
up 18.0% (CAGR) since FY19

Consistent free cash flow has delivered an improved return to shareholders over the same period

Borrowing Levels
Down \$131.5m since FY19

Net Debt effectively zero and ready to responsibly leverage the business to take advantage of growth opportunities

NPAT
47% payout ratio of NPAT in FY23

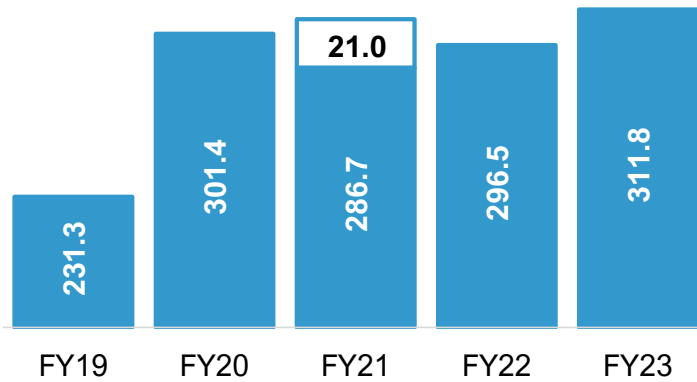
We are a strong, fiscally responsible and efficient business

RESULTS DETAIL

Richard English - Chief Financial Officer

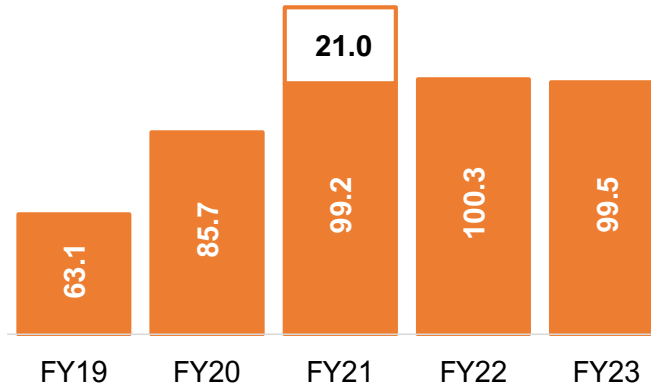
KEY FINANCIAL METRICS

Revenue (\$M)



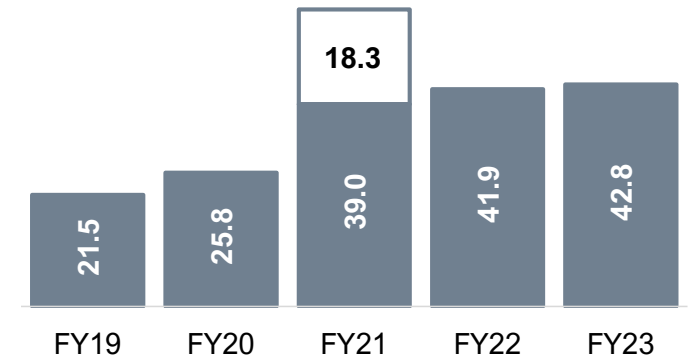
- Revenue of \$311.8m up 5.2% on FY22
- Each year ~95% of our revenue is recurring and predictable in nature
- Revenue has increased 7.8% (CAGR) since FY19

Underlying EBITDA¹ (\$M)



- Underlying EBITDA has increased 12.1% (CAGR) since FY19
- Our strong FY23 Underlying EBITDA margin of 31.9% reflects the ongoing cash generative nature of the business

NPAT² (\$M)



- NPAT of \$42.8m up 2.1% on FY22
- NPAT has increased 18.8% (CAGR) since FY19

Notes:

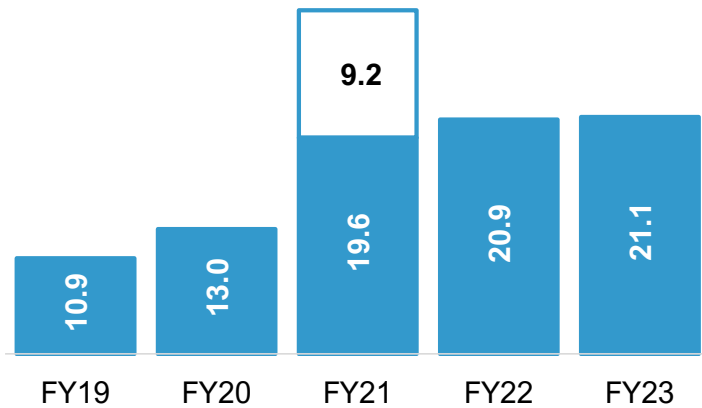
Where applicable, these numbers are presented after adjusting the FY21 impact of the initial Telefonica licence revenue of \$21m.

1. FY23 underlying EBITDA excludes (\$1.2m) of non-recurring items and the currency impact of \$2.7m.

2. NPAT = net profit after income tax expense.

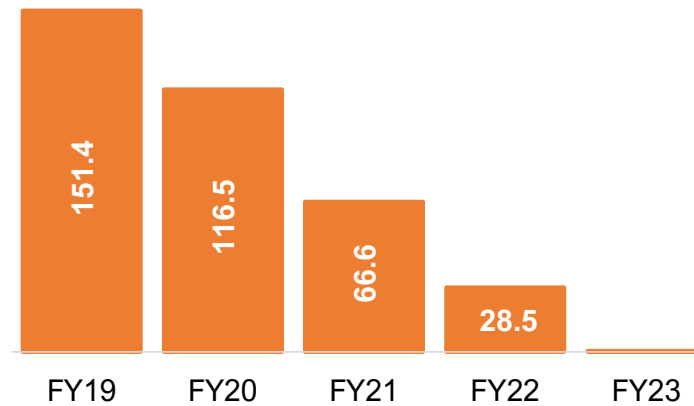
KEY FINANCIAL METRICS

EPS¹ (Cents)



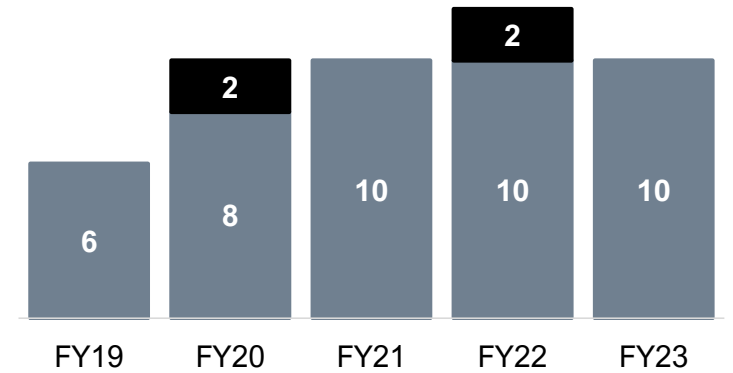
- EPS has increased 18.0% (CAGR) since FY19
- EPS is up 1.0% vs FY22
- Our ability to increase earnings per share is off the back of leveraging our strong balance sheet

Net Debt² (\$M)



- We are net cash positive from July 2023
- We are well placed for our next acquisition and actively looking for suitable targets
- Cash generation remains the focus of the business

DPS³ (Cents)



- We have maintained our dividend at \$0.05 for 2H23
- With increasing levels of Hansen profit generated offshore our interim dividend will be partially franked
- Our Dividend approach ensures we return funds to our shareholders while allowing sufficient capital in the business for the right acquisition

Notes:

Where applicable and shown these numbers are presented after adjusting the FY21 impact of the initial Telefonica licence revenue of \$21m.

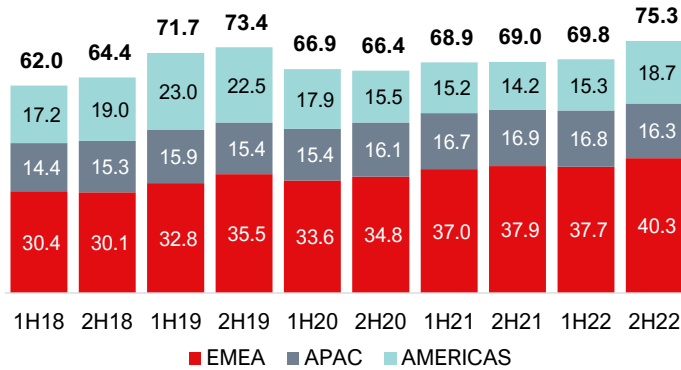
1. Basic EPS, based on NPAT: 1.0% increase is based on EPS against prior period.

2. Net Debt excluding AASB 16 lease liabilities and pre-paid borrowing costs.

3. FY20 and FY22 included 2 cent special dividends

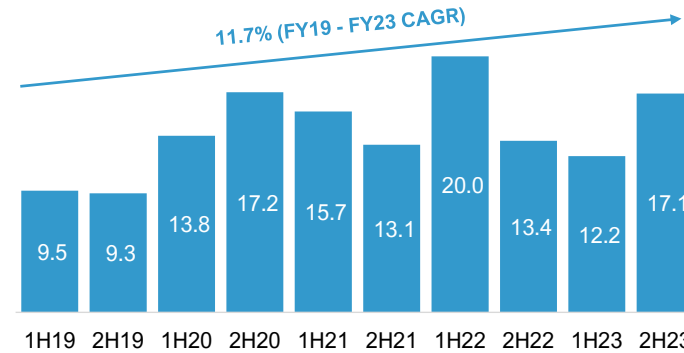
FINANCIAL OVERVIEW

Support and Maintenance Revenue (\$M)



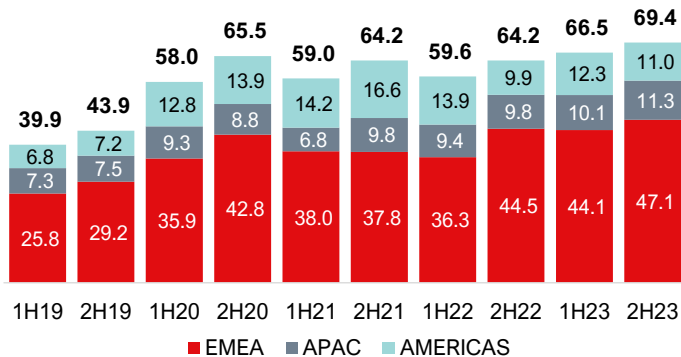
- Highly predictable and repeatable revenue source - ~95% predictable & recurring
- Up 5.2% vs FY22
- CAGR FY19 – FY23 of 3.5%
- Well diversified by geography
- Includes updates and support recognised evenly over the contracted term.

Licence Revenue (\$M)



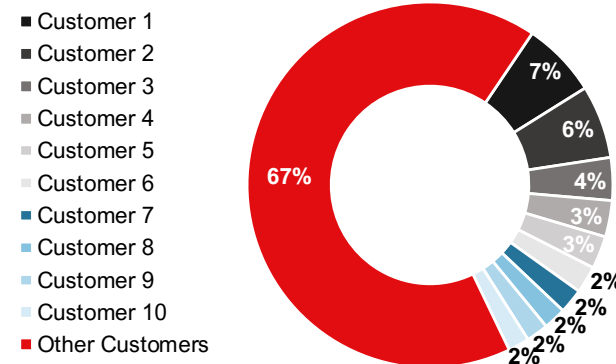
- Predictable revenue impacted by timing of receipts
- CAGR FY19 – FY23 of 11.7%
- We tailor our contracts to suit our customers' needs
- Impacted by IFRS 15 recognition. Certain contracts require upfront recognition for licences.
- Average renewal 3-5 years

Services Revenue (\$M)



- Highly predictable and repeatable revenue source - 95% predictable & recurring
- Up 9.8% vs FY22
- CAGR FY19 – FY23 of 12.8%
- Well diversified by geography
- Represents application fees received for configuration, implementation and customisation

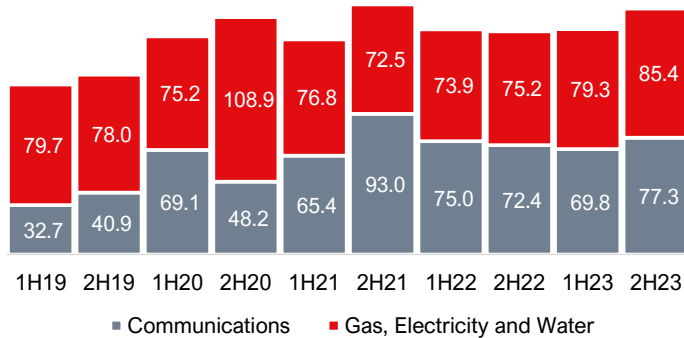
Customer Diversity (FY23 Revenue)



- Well diversified customer base
- No one customer makes up more than 7% of our FY23 revenue
- Customer diversity is consistent across many years

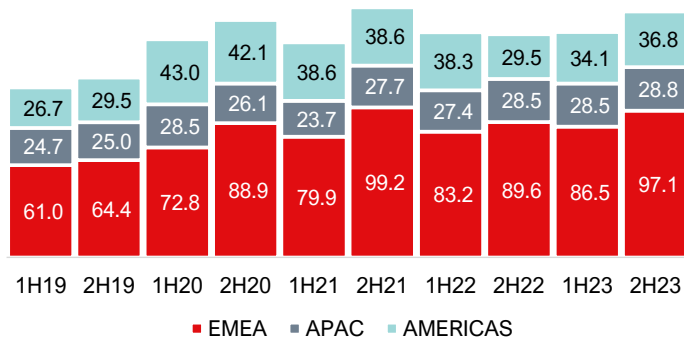
FINANCIAL OVERVIEW

Revenue by Vertical (\$M)



- Revenue across verticals remains evenly split
- The move to renewables and self-generated energy has increased demand for our products and services across the Energy sector during FY23
- Increased convergence between Communications and Energy Industries is expected to drive further demand into and beyond FY24

Revenue by Region (\$M)



- Our revenue is diverse across geography, currency, product and industry.
- Creates opportunities to leverage our global footprint.
- ~59% of our business in EMEA a key area of focus for our M&A pipeline

Revenue Breakdown (\$M)

| Type | FY22 | FY23 | Movement |
|-----------------------------------|--------------|--------------|-------------|
| Support and Maintenance | 137.9 | 145.1 | 5.2% |
| Sales, Services and Other Revenue | 125.2 | 137.3 | 9.7% |
| Subtotal | 263.1 | 282.4 | 7.3% |
| Licence | 33.4 | 29.3 | (12.3%) |
| Total | 296.5 | 311.8 | 5.2% |

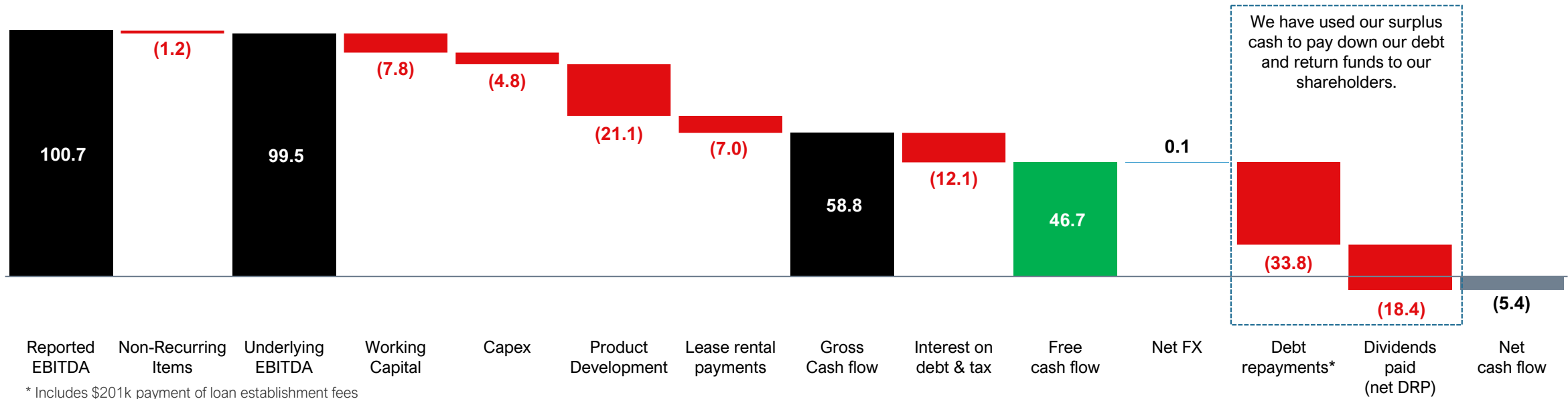
- Support and Maintenance revenue, up 5.2% vs FY22, are highly predictable and repeatable revenue streams received for contractual application services
- Sales, Services and Other revenue are up 9.7% vs FY22 and are 95% repeatable and recurring contracted application fees covering upgrades, implementations, change requests and market changes
- Excluding Licence fees total revenue is up 7.3% vs FY22%

CASH AND CAPITAL MANAGEMENT

Richard English - Chief Financial Officer

CASH FLOW

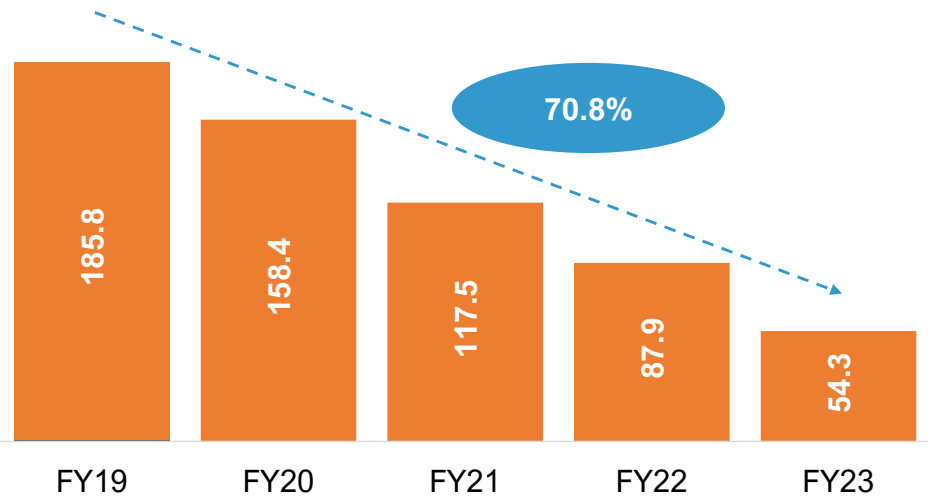
We're a stable cash-generating business committed to reinvesting for growth and returning funds to our shareholders



- Since 2019 we have returned approximately \$212m to our banks and shareholders.
- We generated Operating Cash Flow of \$78.8m and Free Cash Flow of \$46.7m during FY23
- Demonstrating our continued investment in our products - we capitalised \$21.1m of R&D during FY23
- During FY23 we have paid down a further \$33.6m of debt and returned \$18.4m to our shareholders
- Hansen is well positioned to invest in the right acquisition opportunity

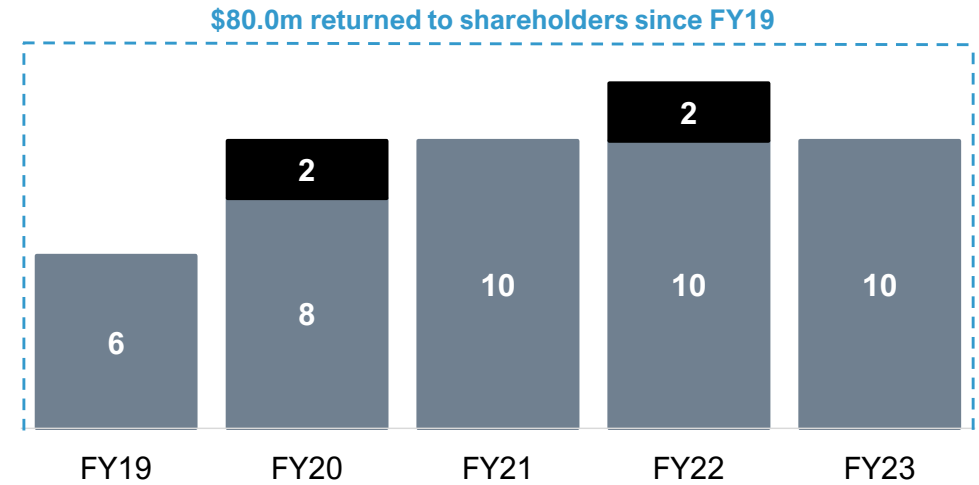
CAPITAL MANAGEMENT

Borrowings (\$M)



- Hansen's strong customer focus and our philosophy of treating business decisions with the same level of considerations as if we were making them for ourselves has ensured we maintain our robust cash position
- We have used our strong cash generation to consistently pay down our debts since the last acquisition and reduced our borrowings by \$131.5m since FY19
- Our borrowings are now at \$54.3m down 70.8% since its peak in 2019

DPS (Cents)



- Our reliable cash flow has enabled the Board to declare a 2H23 dividend of 5.0 cents per share
- With cash assets of \$54.3m we retain sufficient cash and leverage to make suitable targeted acquisitions
- We have returned over \$80m to our shareholders by way of dividends since FY19

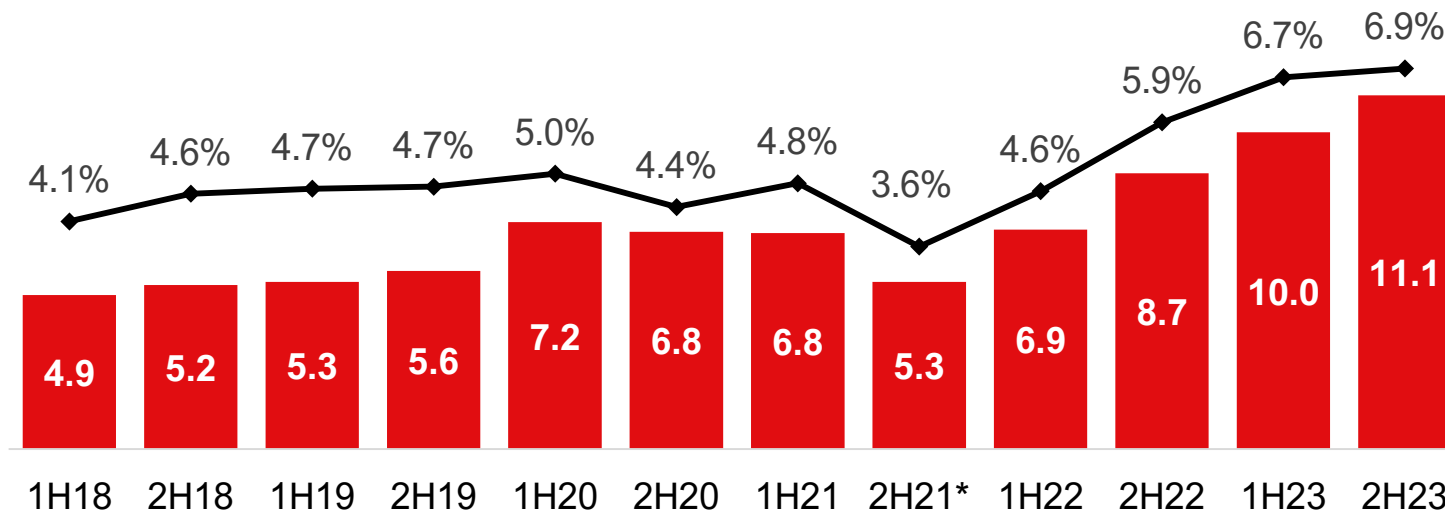
RESEARCH & DEVELOPMENT

Graeme Taylor - Chief Executive Officer

RESEARCH & DEVELOPMENT



Capitalised R&D (\$M)




* Excludes \$21m Telefonica revenue

■ Capitalised R&D ◆ % of Revenue

- Hansen invests in its products to ensure our clients remain agile, responsive & relevant to their customers
- We prioritise reinvesting in our business. Roadmaps are planned in consultation with Hansen’s clients to ensure new releases are rapidly adopted, deliver expected returns and result in continued customer wins and retention
- We continue to invest in a variety of areas including cloud-native, regulatory compliance, B2B and enhanced customer experiences along with the exploration of the opportunities that AI, 5G and IoT bring.
- Our R&D investments underpin both existing and future upgrades
- All R&D must meet significant internal financial hurdles before approved

ARTIFICIAL INTELLIGENCE OUR VIEW



- Innovation is at the heart of our operations and we have been building capabilities to harness AI and machine learning within our business
- We expect to see compounding productivity gains from our utilisation of AI
- Use of AI is not without concerns, and we are actively managing these
- We believe AI will kick start another cycle (similar to digital transformation), where customer demand for & expectation of AI innovation will drive our future R&D focus
- Our depth of industry knowledge & breadth of customer relationships positions us well to benefit from targeted AI enhancements to our business

A conceptual image of a miniature shopping cart filled with paper bags, resting on a laptop keyboard. A large, semi-transparent red rectangle is overlaid on the right side of the image, containing the text.

M&A UPDATE

Andrew Hansen – Managing Director

Our pipeline of acquisition opportunities is robust

- Hansen has a well-established track record of value accretion through a disciplined and focused aggregation approach
- Economic factors are favourable for acquisitions
- Our focus is on robust and mission critical companies:
 - That have ownership of the IP
 - That provide opportunities for regional expansion or leverage
 - Have complementary applications
 - Or provide potential other verticals, while leveraging our core skills
- Targets range between \$30m and \$500m for transformative deals
- Third verticals are being considered that complement or leverage our existing capabilities
- We evaluate each opportunity with the same successful approach deployed over twenty years. We take a patient and value accretive approach



A silhouette of a wind turbine is visible on the right side of the slide, partially obscured by a large red rectangular overlay. The turbine has three blades and a central hub, set against a background of a cloudy sky.

FY24 GUIDANCE

Graeme Taylor - Chief Executive Officer

FY24 GUIDANCE

ORGANIC REVENUE GROWTH

5-7%

Our year ahead is particularly strong with organic revenue growth reflecting our ongoing investment in our products and our sales and support functions

UNDERLYING EBITDA MARGIN

+30%

We expect our underlying EBITDA margin to remain above 30% and above our pre-pandemic historical run rate of 25-30%

R&D % OF REVENUE

5-7%

We take a customer first approach and manage our R&D carefully, assessing and prioritising all activities based on clearly defined ROI

Q & A

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 \$'000 | 2022 \$'000 |
|---|------------------|------------------|
| Operating revenue | 311,766 | 296,545 |
| Other income | 3,458 | 848 |
| Total revenue from contracts with customers and other income | 315,224 | 297,393 |
| Employee benefit expenses | (166,878) | (154,923) |
| Amortisation expense | (33,269) | (32,144) |
| Depreciation expense | (11,031) | (9,973) |
| Property and operating rental expenses | (3,678) | (3,635) |
| Contractor and consultant expenses | (5,928) | (5,707) |
| Software licence expenses | (2,697) | (2,168) |
| Hardware and software expenses | (21,373) | (19,663) |
| Travel expenses | (2,257) | (1,086) |
| Communication expenses | (1,847) | (1,888) |
| Professional expenses | (5,158) | (4,954) |
| Finance costs on borrowings | (4,115) | (3,641) |
| Finance costs on lease liabilities | (772) | (854) |
| Foreign exchange gains / (losses) | 2,741 | (2,358) |
| Other expenses | (4,637) | (3,359) |
| Total expenses | (260,899) | (246,353) |
| Profit before income tax expense | 54,325 | 51,040 |
| Income tax expense | (11,530) | (9,100) |
| Net profit after income tax expense (NPAT) | 42,795 | 41,940 |
| Other comprehensive income/(expense) | | |
| <i>Items that may be reclassified subsequently to profit and loss</i> | | |
| Net gain/(loss) on hedges of a net investment | - | 26 |
| Exchange differences on translation of foreign operations | (277) | 2,405 |
| Other comprehensive income/(expense) for the year, net of tax | (277) | 2,431 |
| Total comprehensive income for the year | 42,518 | 44,371 |
| Basic earnings (cents) per share attributable to ordinary equity holders of the Company | 21.1 | 20.9 |
| Diluted earnings (cents) per share attributable to ordinary equity holders of the Company | 20.8 | 20.6 |

These statements should be read in conjunction with Hansen's financial reports and market releases on ASX.

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RECONCILIATION OF UNDERLYING EBITDA AND NPATA

FOR THE YEAR ENDED 30 JUNE 2023

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)¹ - Reconciliation

| | | |
|---|----------------|----------------|
| Profit before income tax expense | 54,325 | 51,040 |
| Add back | | |
| Amortisation expense | 33,269 | 32,144 |
| Depreciation expense | 11,031 | 9,973 |
| Finance costs on borrowings | 4,115 | 3,641 |
| Finance costs on lease liabilities | 772 | 854 |
| Finance income | (110) | (63) |
| Foreign exchange gains / (losses) | (2,741) | 2,358 |
| EBITDA¹ | 100,661 | 99,947 |
| Add back | | |
| Separately disclosed items | (1,159) | 306 |
| Underlying EBITDA² | 99,502 | 100,253 |

¹ EBITDA is a non-IFRS term, defined as earnings before interest, tax, depreciation and amortisation, and excluding net foreign exchange gains (losses)

² Underlying EBITDA, exclude separately disclosed items, which represent the one-off costs during the period. Further details of the separately disclosed items are outlined in Note 3 to the Financial Report which can be found on the Company's web site.

Underlying net profit after tax before acquired amortisation, net of tax (NPATA¹) - Reconciliation

| | | |
|---|---------------|---------------|
| Net profit after income tax expense (NPAT) | 42,795 | 41,940 |
| Add | | |
| Tax effect of separately disclosed items | (149) | (93) |
| Separately disclosed items | (1,159) | 306 |
| Underlying net profit after income tax expense for the half-year (Underlying NPAT)² | 41,487 | 42,153 |
| Add | | |
| Acquired amortisation, net of tax | 14,116 | 16,010 |
| Underlying net profit after income tax before acquired amortisation, net of tax (Underlying NPATA)² | 55,603 | 58,163 |

¹ Underlying net profit after tax but before acquired amortisation, net of tax or underlying NPATA exclude separately disclosed items, which represent the one-off costs during the period and acquired amortisation, net of tax.

² Underlying net profit after tax or underlying NPAT exclude separately disclosed items, which represent the one-off costs during the period.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Current assets | | |
| Cash and cash equivalents | 54,279 | 59,631 |
| Receivables | 57,152 | 56,010 |
| Accrued revenue | 28,319 | 21,657 |
| Current tax receivable | - | 2,924 |
| Other current assets | 7,303 | 9,048 |
| Total current assets | 147,053 | 149,270 |
| Non-current assets | | |
| Plant, equipment & leasehold improvements | 15,051 | 14,444 |
| Intangible assets | 332,820 | 344,475 |
| Right-of-use assets | 13,648 | 12,968 |
| Deferred tax assets | 6,581 | 7,781 |
| Other non-current assets | 1,434 | 1,889 |
| Total non-current assets | 369,534 | 381,557 |
| Total assets | 516,587 | 530,827 |
| Current liabilities | | |
| Payables | 25,028 | 23,989 |
| Current tax payable | 509 | - |
| Lease liabilities | 5,434 | 5,662 |
| Provisions | 14,127 | 14,990 |
| Unearned revenue | 32,854 | 36,821 |
| Total current liabilities | 77,952 | 81,462 |
| Non-current liabilities | | |
| Deferred tax liabilities | 33,960 | 35,588 |
| Borrowings | 54,309 | 87,912 |
| Lease liabilities | 9,563 | 8,213 |
| Provisions | 409 | 514 |
| Unearned revenue | 1,514 | 4,030 |
| Total non-current liabilities | 99,755 | 136,257 |
| Total liabilities | 177,707 | 217,719 |
| Net assets | 338,880 | 313,108 |
| Equity | | |
| Share capital | 148,688 | 146,857 |
| Foreign currency translation reserve | 7,259 | 7,536 |
| Share-based payment reserve | 12,285 | 10,629 |
| Retained earnings | 170,648 | 148,086 |
| Total equity | 338,880 | 313,108 |

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 \$'000 | 2022 \$'000 |
|---|-----------------|-----------------|
| Cash flows from operating activities | | |
| Receipts from customers | 331,672 | 353,917 |
| Payments to suppliers and employees | (240,116) | (235,627) |
| Interest received | 110 | 63 |
| Finance costs on borrowings | (3,964) | (2,049) |
| Finance costs on lease liabilities | (772) | (854) |
| Income tax paid | (8,108) | (24,219) |
| Net cash from operating activities | 78,822 | 91,231 |
| Cash flows from investing activities | | |
| Payments for plant, equipment and leasehold improvements | (4,757) | (6,015) |
| Proceeds from disposal of non-financial assets | - | 105 |
| Payment for capitalised development costs | (21,140) | (15,604) |
| Net cash used in investing activities | (25,897) | (21,514) |
| Cash flows from financing activities | | |
| Repayment of borrowings | (33,615) | (33,974) |
| Establishment of loan fees | (201) | - |
| Repayment of lease liabilities | (6,188) | (5,996) |
| Dividends paid, net of dividend re-investment | (18,402) | (22,440) |
| Net cash used in financing activities | (58,407) | (62,410) |
| Net increase in cash and cash equivalents | (5,482) | 7,307 |
| Cash and cash equivalents at beginning of the year | 59,631 | 52,138 |
| Effects of exchange rate changes on cash and cash equivalents | 130 | 186 |
| Cash and cash equivalents at end of the year | 54,279 | 59,631 |

These statements should be read in conjunction with Hansen's financial reports and market releases on ASX.

Includes certain financial information not recognised under IFRS which Hansen considers useful to assist in evaluating Hansen's performance – however, such information has not been subject to audit or review in accordance with Australian Auditing Standards.

The logo features a stylized red 'H' composed of geometric shapes: two small squares at the top, a larger square at the bottom left, and a horizontal bar connecting them.

HANSEN