

## Hansen's top line growth continues into FY25

21 August 2024

Hansen Technologies Limited (ASX: HSN) ('Hansen', the 'Company'), a leading provider of industry-specific software products and expertise, today announced a 13.2% increase in Operating revenue to \$353.1m (7.3% excluding the recently acquired powercloud) and \$59.1m of Operating Cash Flow. The core Hansen business (excluding powercloud) delivered Underlying EBITDA margins of 30% and 11% growth in Underlying Cash EBITDA.

Earnings have been impacted as expected by the recent powercloud acquisition, a turnaround asset requiring further investment across FY25. As planned and previously communicated, progress is underway to integrate powercloud into the Hansen portfolio with the business expected to be EBITDA positive in the fourth quarter of FY25.

### Results Summary

Hansen Group (A\$m)	FY24	FY23	Movement %
Operating Revenue	353.1	311.8	13.2%
Statutory Net Profit After Tax	21.1	42.8	(50.7%)
Underlying EBITDA <sup>1, 2, 4</sup>	92.4	99.5	(7.1%)
Underlying Cash EBITDA <sup>1, 2, 4, 5</sup>	76.9	78.4	(1.9%)
Underlying NPAT <sup>1, 4</sup>	26.0	41.5	(37.3%)
Underlying NPATA <sup>1, 3, 4</sup>	39.7	55.6	(28.6%)
Basic Earnings Per Share (EPS) (cents)	10.4	21.1	(50.7%)
Basic EPSa based on Underlying NPATA (EPSa) (cents) <sup>1, 3</sup>	19.5	27.5	(29.1%)

### Hansen core (excluding powercloud) (A\$m)

Operating Revenue	334.7	311.8	7.3%
Underlying EBITDA <sup>1, 2, 4</sup>	99.7	99.5	0.2%
Underlying Cash EBITDA <sup>1, 2, 4, 5</sup>	87.1	78.4	11.1%

<sup>1.</sup> The Directors believe the information additional to IFRS measures included in the press release is relevant and useful in measuring the financial performance of the Group. These include: EBITDA, NPATA and EPSa.

<sup>2.</sup> EBITDA is a non-IFRS term, defined as earnings before interest, tax, depreciation and amortisation and excluding net foreign exchange gains (losses).

<sup>3.</sup> NPATA is a non-IFRS term, defined as net profit after tax, excluding tax-effected amortisation of acquired intangibles.

<sup>4.</sup> Underlying EBITDA, underlying NPAT and underlying NPATA 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.

<sup>5.</sup> Underlying Cash EBITDA is Underlying EBITDA excluding capitalised development costs

Note: This ASX announcement should be read in conjunction with the Annual Report which can be found on the Company's website.

Hansen's Managing Director & Chief Executive Officer, Andrew Hansen, said:

"At Hansen, our goal is to be a long-term sustainable business focused on our customers, our people, and generating cash and profitability. We aim to be globally and industry-diverse to counter any country and industry-specific downturns. This coupled with our focus on innovation helps to ensure that Hansen continues to deliver the best possible value for all our stakeholders."

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“We acquired powercloud as a turnaround asset for €17.7m, and we've made progress, but there remains further investment and effort to transition this into a profitable part of the Energy & Utilities vertical.”

“In terms of our technology, innovation is at the heart of everything we do at Hansen. We continuously invest in R&D to ensure that our solutions are cutting-edge and aligned with the latest technological advancements and we capitalise only a small portion of our overall R&D. Our AI Optimised Trading platform that automates energy trading, balance settlement and billing operations is external AI ready and we have several future use cases beyond its current deployment in the market. We are proud of our products and the innovative spirit that drives our team to continually push the boundaries and set new standards in the industry.”

“The recent leadership changes at Hansen have brought a fresh perspective and renewed energy to our organisation. Our leadership team is highly experienced and brings diverse skills and insights that are crucial in navigating today's complex business environment. These changes have been instrumental in accelerating our strategic initiatives and driving operational excellence. The team is committed to fostering a culture of innovation, collaboration, and customer-centricity, which aligns perfectly with our long-term vision. We are already seeing the positive impact of these changes and are excited about the future as we continue to build on our strengths and explore new growth opportunities.”

“Despite facing significant inflationary pressures and integrating a turnaround asset, we've delivered robust results that remain consistent with our overall growth profile. Our core business revenue (excluding powercloud) grew by 7.3%, well above historical averages, and our Underlying Cash EBITDA increased by an impressive 11.1% which demonstrates the strength and resilience of our business model. Our ability to adapt in dynamic markets, along with our strategic focus on M&A, positions us well for the future.”

“Our results today are testament to the hard work of our hugely talented Hansen team. We look forward to delivering further organic and inorganic growth, innovation and value for our stakeholders.”

### Revenue

Hansen's revenue for FY24 was \$353.1m, a 13.2% increase from FY23. Excluding the \$18.4m contribution from powercloud, in the 5 months to 30 June 2024, Hansen's core business revenue for FY24 was \$334.7m, an increase of 7.3% and an 8.2% increase, excluding revenue from the closed Data Centre<sup>1</sup>.

Excluding powercloud, Hansen's Energy & Utilities vertical achieved core revenue growth of 14.7% to \$183.2m from FY23, with strong performances across all key operating regions.

Communications & Media revenue increased by 1.2% to \$148.9m from FY23. While there was a 10.3% decline in the Americas region, revenue from the Asia Pacific region increased by 12.6% and the EMEA region increased by 3.5% from FY24.

Hansen's revenue continues to remain diverse across geography, currency, product, and industry. No customer makes up more than 8% of revenue. The Group's Tier 1 and 2 customer base are robust and long term, with customer churn rates remaining below 1%.

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<sup>1</sup> Hansen closed its owned and operated Data Centre during the year. All revenue was generated in the APAC Region, (FY23 \$5.0m - \$4.3m Support and Maintenance and \$0.7m Application Fees, FY24 \$2.6m - \$1.5m Support and Maintenance and \$1.1m Application Fees)

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Hansen supports two industry sectors – Energy & Utilities and Communications & Media. Both sectors are dynamic and undergoing significant digital transformations.

In the Energy & Utilities space the global addressable market for Customer Information Systems (CIS) is expected to grow at a CAGR of ~13% over FY24-29<sup>2</sup>.

There are also strong signs for growth in the Communications & Media sector. At the end of 2023 there were 16.1 billion active IoT devices, a figure which is expected to grow to 39.9 billion in 2033<sup>3</sup>.

### Underlying & Cash EBITDA

The core Hansen business has achieved an Underlying EBITDA margin of 30% in the face of strong inflationary pressure. Demonstrating the flexibility of Hansen's operations, the Group does not have a dedicated pool of people devoted to innovation, enabling the Group to direct efforts where it is most needed. Across FY24 a large implementation project was underway for a significant client in Asia Pacific with significant resources devoted to this billable work. The Group's operating centres in India, Vietnam and Argentina are also beginning to deliver more innovation activities which is changing the cost profile over time. These two factors have resulted in a lower than anticipated amount of capitalised development costs (R&D) during FY24. Nonetheless, the total investment in product R&D remains in line with previous years, with a significant amount of R&D expensed or client funded.

Excluding powercloud, Hansen demonstrated steady, consistent growth in operating profits, with Underlying Cash EBITDA growth of 11.1% to \$87.1m versus FY23 and 10.8% CAGR since FY19. The Underlying Cash EBITDA margin for the underlying Hansen business was 26%, well above the FY23 result of 25%.

As anticipated, powercloud is having a short-term negative impact to the bottom line. Hansen is making progress, integrating powercloud into its operations and is aiming to drive value through the 'Hansenisation' playbook.

### Cash Flow and Net Debt

At a Group level \$59.1m of Operating Cash was generated and reflecting the investment required to acquire and fund powercloud, the Free Cash Flow was a negative \$5.7m. Hansen borrowed an additional \$55.3m to fund the acquisition of powercloud and has already paid down \$12.0m of this borrowing. As at 30 June 2024 the Group's total borrowings were \$70.2m and its net debt position was \$24.5m. Hansen's overall leverage ratio remains very low at 0.3x.

The Group has a strong balance sheet with significant headroom for additional future borrowing capacity for further M&A. Hansen has a proven track record of successful acquisitions and integrations and is focused on identifying the right targets at the right price, to ensure an acquisition delivers shareholder value.

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<sup>2</sup>mordorintelligence.com

<sup>3</sup>transformainsights.com

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### Dividend

Reflecting Hansen's ongoing stable and predictable cash generation and strong earnings, the Board has declared a second half dividend of 5.0 cents per share, partially franked to 2.1 cents per share. The record date for the final dividend is 27 August 2024 and the payment date is 20 September 2024. The Dividend Reinvestment Plan (DRP) will again be available to shareholders with no discount. The DRP election cut-off date will be 28 August 2024.

### Outlook

The sectors Hansen operates in, Energy & Utilities and Communications & Media, are dynamic and undergoing significant digital transformations.

The rapid roll out of renewable energy technologies, including smart grids, Virtual Power Plants and EV's is driving the need for more informed and sophisticated billing and support solutions. The roll out is also driving significant changes in the regulatory environment as governing bodies race to develop policies to keep up with the technological changes while also controlling the shifting demand curve that these technologies bring.

The Group is anticipating revenue growth of 5-7% in FY25 based on the current pipeline of new business, customer upgrades and assuming annualised FY24 Operating revenue of \$44.2m for powercloud.

Hansen expects to achieve underlying EBITDA margins of 23%-25% with the second half revenue and margins expected to be stronger than the first half and powercloud is expected to be EBITDA positive in Q4 of FY25.

Hansen remains committed to growing organically through a disciplined and focused M&A strategy. Hansen is predominantly targeting businesses within the Energy & Utilities and Communications & Media industries, with a focus on companies that are driving profitable innovation and growth.

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### Investor and Analyst Briefing

An investor and analyst briefing will be held at 10am Melbourne time to discuss the FY24 results. The briefing will be webcast and accessible via the link below. Once pre-registered, you will be invited to add the Webcast to your calendar.

<https://webcast.openbriefing.com/hsn-fyr-2024/>

### For further information:

#### Investor and analyst enquiries

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### About Hansen

Hansen Technologies (ASX: HSN) is a leading global provider of software and services to the energy, water and communications industries. With its award-winning software portfolio, Hansen serves customers in over 80 countries, helping them to create, sell, and deliver new products and services, manage and analyse customer data, and control critical revenue management and customer support processes.

For more information, visit [www.hansencx.com](http://www.hansencx.com)

### Important information

This announcement contains forward-looking statements that involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to the Company. These forward-looking statements use words such as 'potential', 'expect', 'anticipate', 'intend', 'plan', 'target' and 'may', and other words of similar meaning. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company). Actual future events may vary materially from the forward-looking statements and the assumptions on which the forward-looking statements are based. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Subject to the Company's continuous disclosure obligations at law and under the listing rules of the Australian Securities Exchange, the Company disclaims any obligation to update or revise any forward-looking statements. The factors that may affect the Company's future performance include, among others: changes in economic conditions; changes in the legal and regulatory regimes in which the Company operates; litigation or government investigations; competitive developments affecting our products; changes in behaviour of major customers, suppliers and competitors; acquisitions and divestitures; the success of research and development activities and the Company's ability to protect its intellectual property.