

2022 Full Year Results

Ended 30 September 2022

technologyone
Transforming business, making life simple



22 November 2022
Commercial in confidence

Disclosure Statement

TechnologyOne Ltd Full Year Presentation – 22 November 2022

TechnologyOne Ltd (ASX: TNE) today conducted a series of presentations relating to its 2022 Full Year results.

These slides have been lodged with the ASX and are also available on the company's website: www.TechnologyOneCorp.com

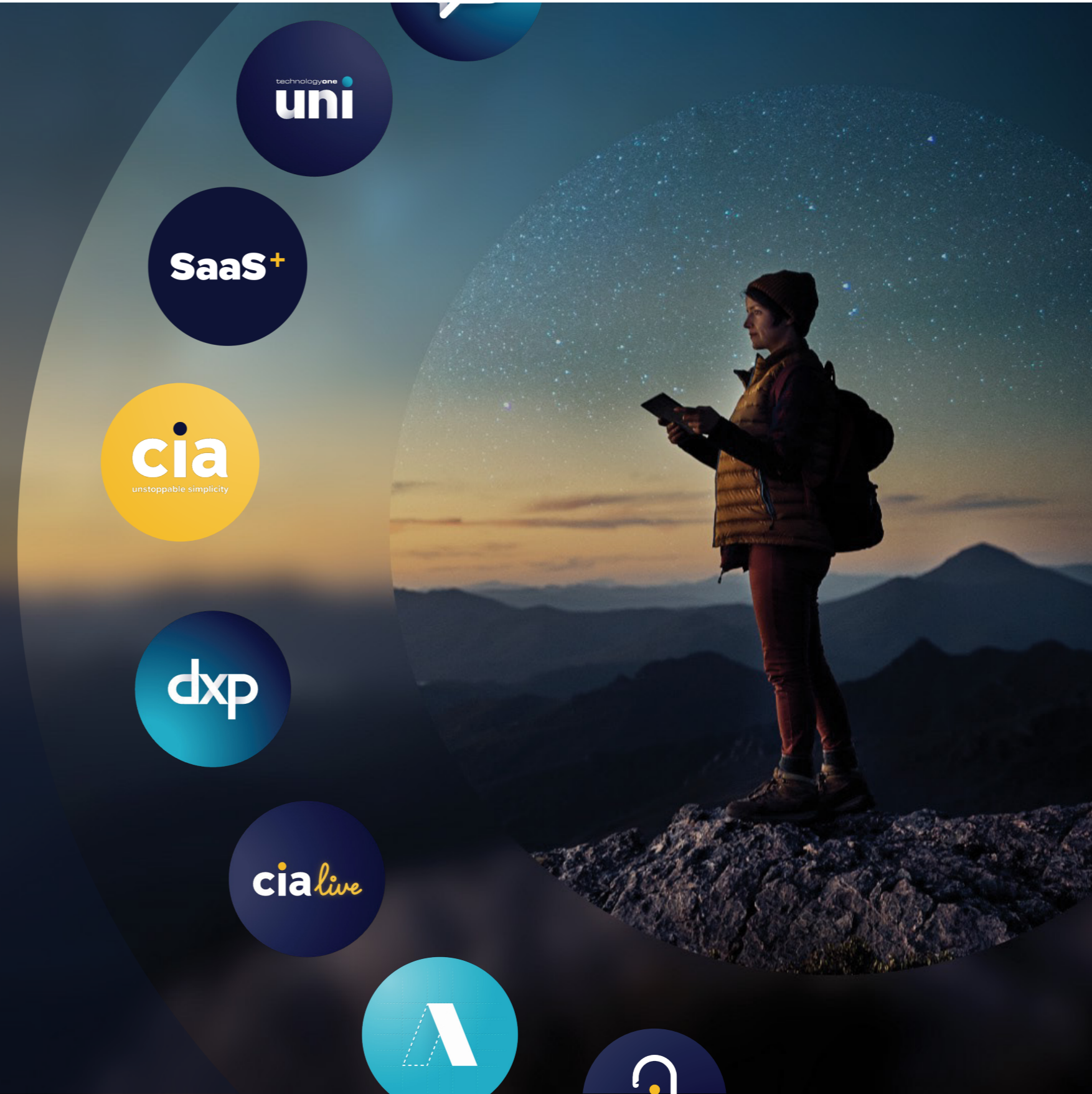
The information contained in this presentation is of a general nature and has been prepared by TechnologyOne in good faith. TechnologyOne makes no representation or warranty, either express or implied, in relation to the accuracy or completeness of the information. This presentation may also contain certain 'forward looking statements' which may include indications of, and guidance on financial position, strategies, management objectives and performance. Such forward looking statements are based on current expectations and beliefs and are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of TechnologyOne. TechnologyOne advises that no assurance can be provided that actual outcomes will not differ materially from those expressed in this presentation.

This presentation includes the following measures used by the Directors and management in assessing the on-going performance and position of TechnologyOne: EBITDAR, EBITDA, EBIT, ARR, Churn, Cash Flow Generation. These measures are non-IFRS under Regulatory Guide 230 (Disclosing non-IFRS financial information) published by the Australian Securities and Investment Commission and have not been audited or reviewed.

All information reported is inclusive of Scientia unless otherwise stated. The FY21 Balance Sheet has been updated to include finalised balances for the acquisition of Scientia.

Agenda

- Highlights
- Financial Results
- Significant Achievements
- Building the Future
- Outlook for FY23



Clear Strategy



ERP software – Mission critical products

In 2008, we had 11 products,
in 2022, we have 16 products
and over 400 modules.



Deepest functionality for the markets we serve

Mission critical products which
power our customers



Global SaaS Solution – One Global Code Line

Our SaaS customers
unlock significant benefits



Any device anywhere anytime

Delivered our 4th
Generation ERP, CiA



Power of one – One Vendor, One Experience

Solution as a Service



Innovation Driven Company

Leveraging new and emerging
technology in each generation of
product



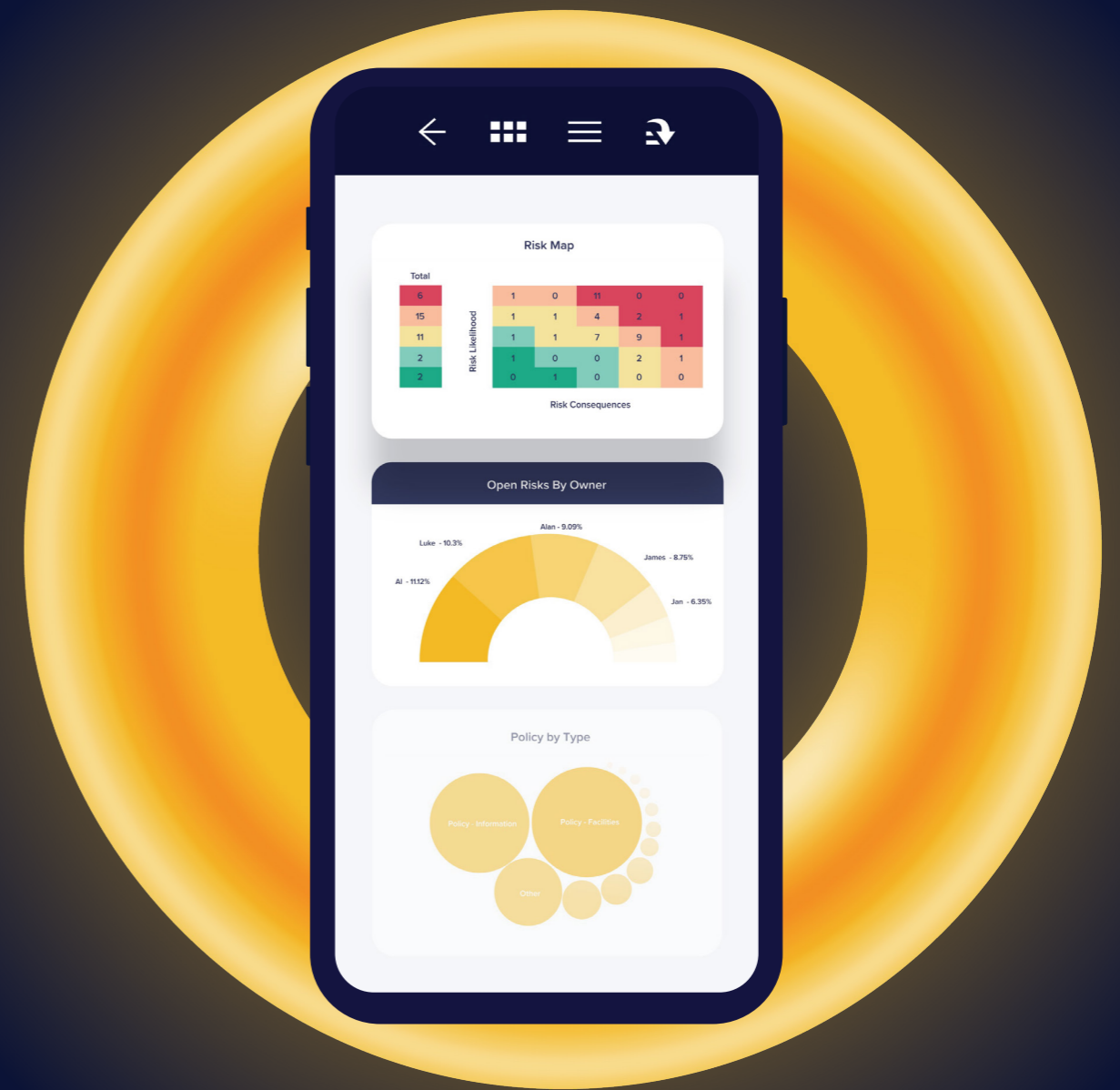


**Record SaaS
ARR growth
of 43%**

**SaaS ARR
\$274.2m**

**Record Total
ARR Growth of
25%**

**Total ARR
\$320.7m**



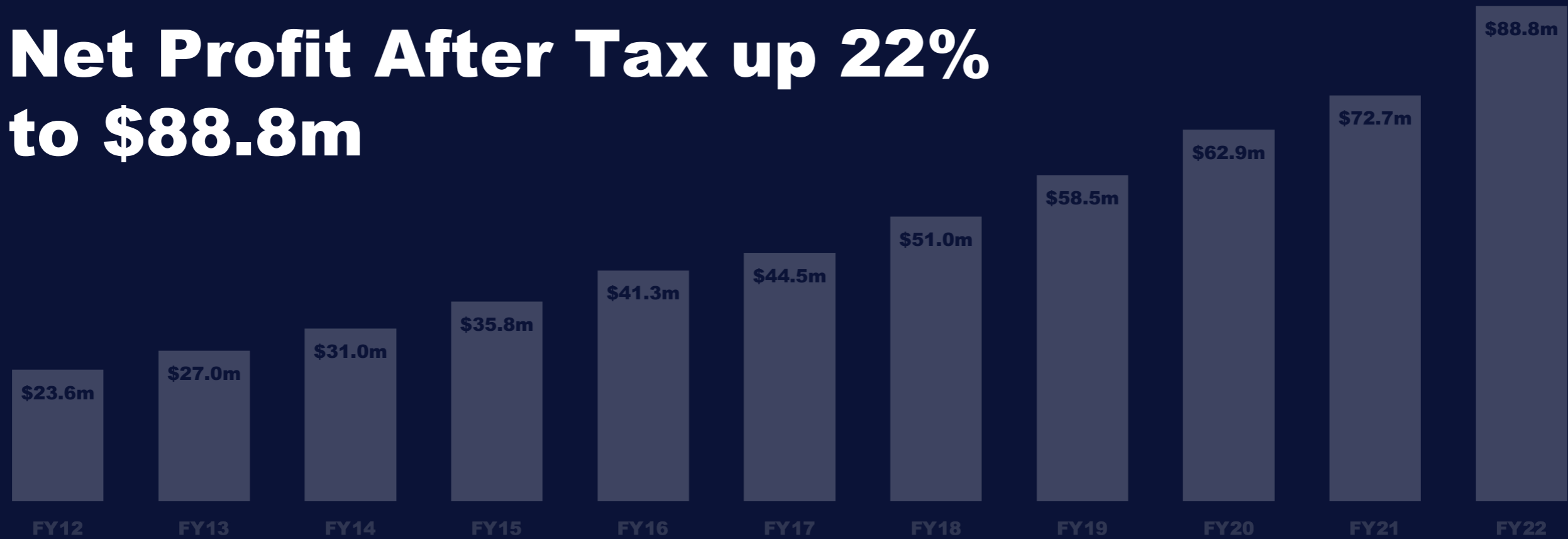
Customers on TechnologyOne SaaS Platform is up 27% pcp

Large scale enterprise customers – Mission critical software
Millions of users



Record Profit

**Net Profit After Tax up 22%
to \$88.8m**



**Net Profit Before Tax up 15% to \$112.3m
Top End of Guidance, 13 consecutive years of Record Profit**

Surpass \$500m+ ARR by FY26

We continue to invest in R&D to build future platforms for growth

We will continue to double in size every 5 years

Discussed later in more detail

**SaaS is the foundation of
our growth**

**Outlook for
FY23 is strong**

Discussed later in more detail

Dividend up 22%

Full year dividend increased

Confidence in the outlook
Retaining significant fire power to invest in growth

Half 1 4.20 cps, up 10% (60% franked¹)

Half 2 10.82 cps, up 7% (60% franked¹)

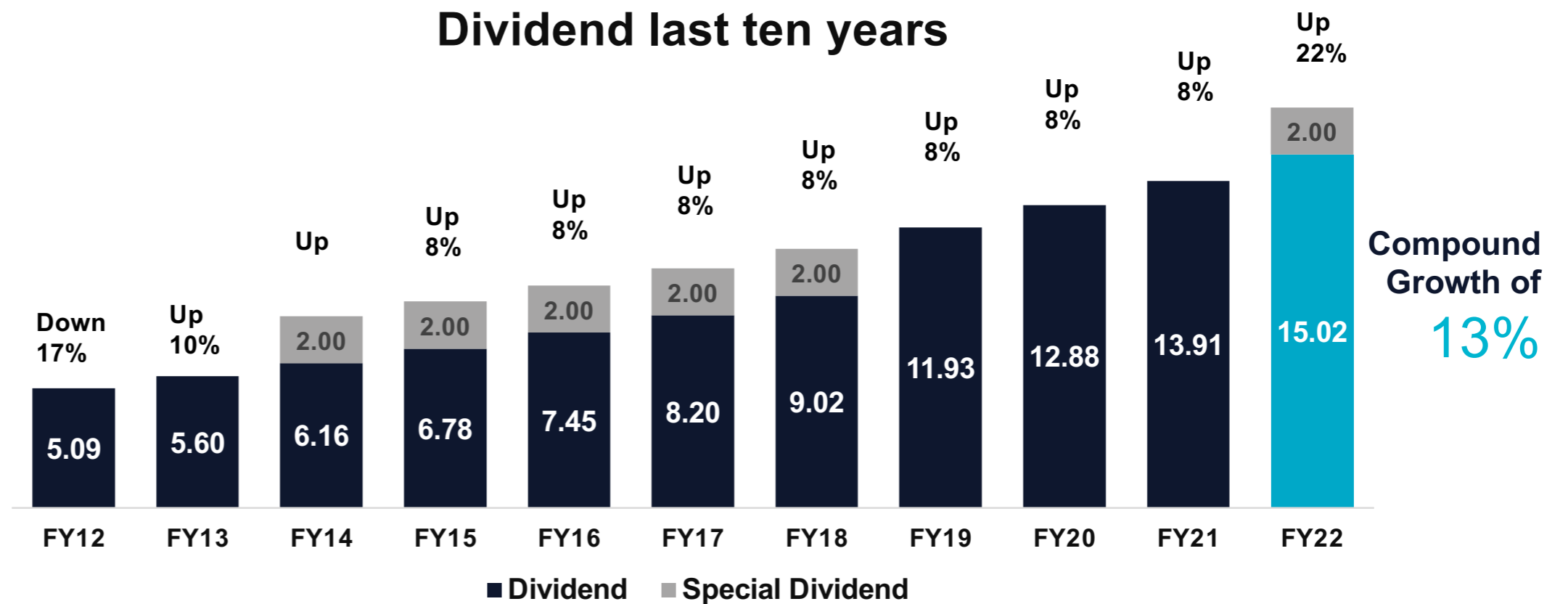
Total 15.02 cps, up 8%

Special 2.00 cps, (60% franked¹)

Total 17.02 cps, up 22%

Payout ratio of **62%**

Dividend last ten years



Notes:

- ¹ Dividends are not fully franked as a result of tax benefits from the R&D Tax Concession and the TechnologyOne Share Trust
- We have continuously paid a dividend since 1996 (through Dot-Com and GFC)
- The Board considers the payment of a Special Dividend at the end of each year taking into consideration franking credits and other factors
- The Board continues to consider other Capital Management initiatives including acquisitions

Agenda

- Highlights
- Financial Results
- Significant Achievements
- Building the Future
- Outlook for FY23



FY22 Results Summary

Exceeded ARR targets (highest quality revenue). End of legacy licence business

	FY22 \$'000	FY21 \$'000	Var \$	Var %	
Revenue – SaaS & Continuing Business	358,668	293,553	65,115	22%	In line with expectations
SaaS Fees Recognised ¹	216,812	151,052	65,760	44%	Our SaaS business continues to grow strongly
Annual Licence Fees ¹	69,186	77,993	(8,807)	(11%)	As expected - our strategy to move customers from On-premise to SaaS
Consulting Services	72,670	64,507	8,163	13%	Refer Appendix A
Revenue - Legacy Licence Business	9,566	17,742	(8,176)	(46%)	We accelerated reduction in legacy licence fees (lower quality revenue)
Legacy Licence Fees	8,531	16,770	(8,239)	(49%)	
Associated Annual Licence Fees ¹	1,035	973	62	6%	
Other Revenue	1,157	717	440	61%	
Total Revenue	369,391	312,012	57,379	18%	Exceeded ARR targets (highest quality revenue) enabling us to drive legacy licence fees down faster (lower quality)
Variable Costs (excl capitalisation)	63,095	52,809	10,286	19%	
Capitalised Costs - Commission (net of amortisation)	(6,069)	(4,631)	(1,438)	(31%)	As required by AASB15
Operating Costs (excl capitalisation)	226,722	194,419	32,303	17%	Reflects efficiencies of transition to SaaS
Capitalised Costs - Development	(26,677)	(28,429)	1,752	6%	Refer slide: R&D Disciplined and Transparent Appendix B
Capitalisation	(50,060)	(41,858)	(8,202)	(20%)	
Amortisation	23,383	13,429	9,954	74%	
Total Expenses	257,071	214,168	42,903	20%	Impacted by Scientia acquisition (refer Appendix E). Synergies delivered in FY22 will reduce Scientia expenses in FY23
Profit Before Tax	112,320	97,844	14,476	15%	Top end of Guidance
Profit Before Tax Margin	30%	31%			Organic margin of 32%. Group margin of 30% reflects impact of Scientia's lower margin. Margin growth to return in FY23
Profit After Tax	88,843	72,691	16,152	22%	Reflects new R&D tax incentives
Other					
Cash Flow Generation ²	77,176	63,901	13,275	21%	In line with expectations (Refer to Cash Flow)
Cash and Cash Equivalents	175,865	144,210	31,655	22%	
ARR Recognised ¹	287,033	230,018	57,015	25%	ARR Recognised includes SaaS Fees & On-Premise Licence Fees
Total Annual Recurring Revenue (ARR)	320,694	257,495	63,199	25%	
SaaS ARR	274,186	192,294	81,892	43%	Our SaaS business continues to grow strongly
Annual Licence ARR	46,508	65,201	(18,693)	(29%)	Expected as customers move from On-premise to SaaS

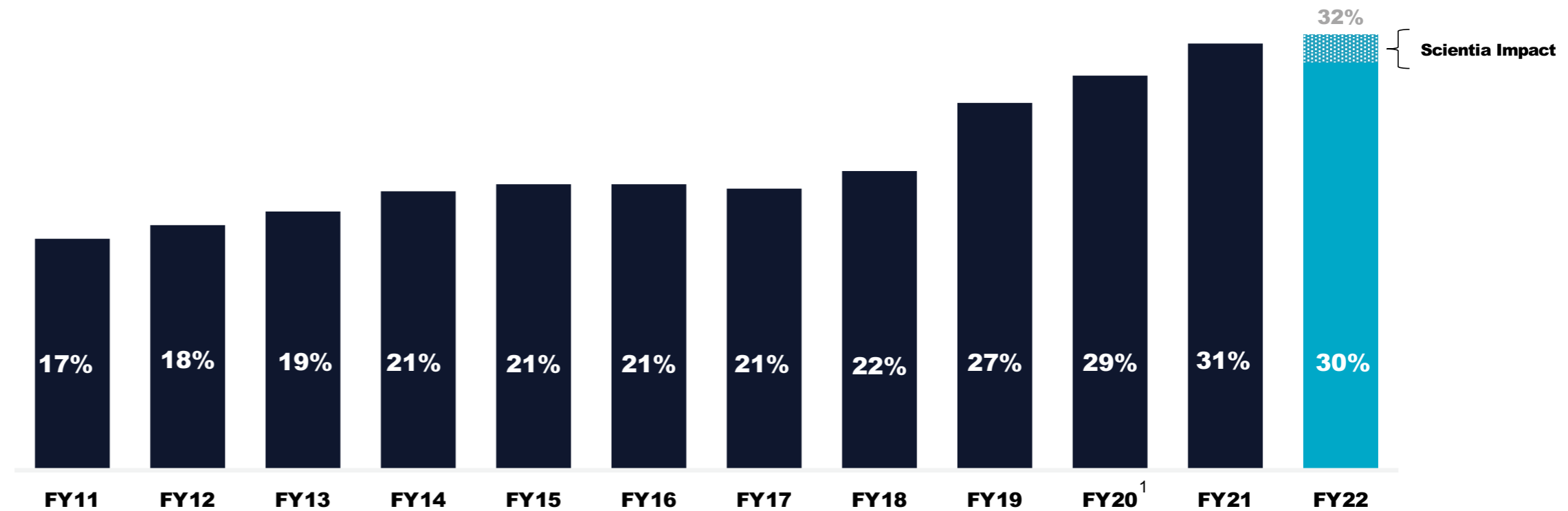
¹ ARR Recognised includes SaaS Fees recognised & Annual Licence Fees

² Cash Flow Generation is Operating Cash Flow less capitalised development costs, capitalised commission costs and lease payments. Refer: Cash Flow

Profit margin to improve to 35%+ in the next few years

FY22 Profit Before Tax Margin was 30%

Driven by the significant economies of scale from our single instance global SaaS ERP solution



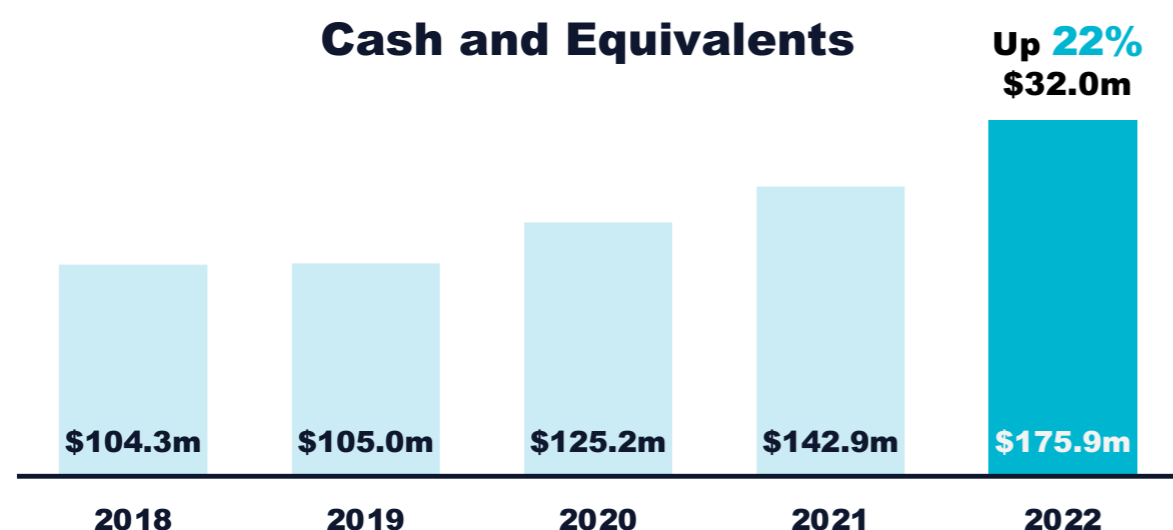
Profit margin excluding Scientia was 32%, compared to 31% PCP Group Profit margin was impacted by the Scientia acquisition. Profit margin growth to return in FY23 and beyond.

1. FY20 Profit Before Tax excludes a one-off increase in provision of \$3.6m as a result of a civil employment case.

Balance Sheet Strong

Cash & Equivalents \$175.9m, up 22%

- Net Cash: 54.0 cps vs 44.4 cps, up 22%
- Net Assets: \$239.1m vs \$190.2m, up \$48.9m, up 26%
- We have no debt



¹ Trade and other receivables increase relates to new deals signed late in the period.

² Contract Assets represents extended payment terms provided to some customers typically with large implementations or term licences for on-premise customers.

³ Include goodwill and identified intangible assets from acquisitions. Reduction represents amortisation during the period.

⁴ Increase represents development activities capitalised during the period, less amounts amortised.

⁵ Contingent consideration for acquisition of Scientia, dependent on achieving earnout targets.

⁶ This amount represents cash received/receivable in advance, which will be recognised as revenue in future periods for SaaS fees and annual licence fees.

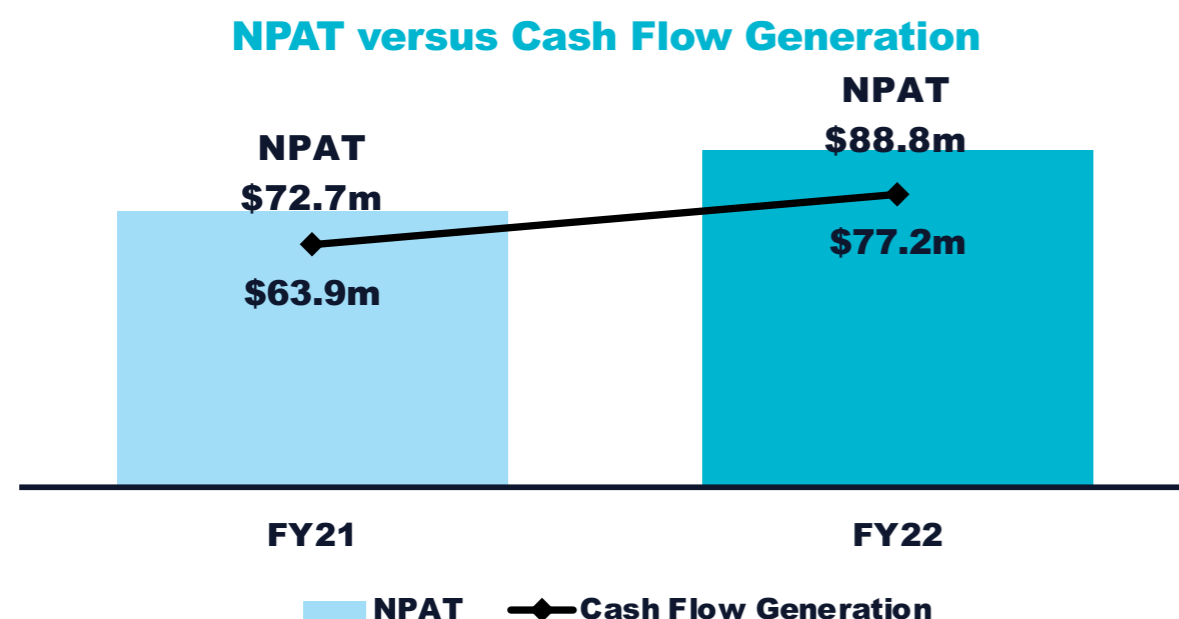
⁷ Cash rent abatement ended April 2022.

	Sep-22 \$'000	Sep-21 \$'000	Var \$'000	Var %
▶ Cash & cash equivalents	175,865	144,210	31,655	22%
Prepaid expenses	20,379	13,811	6,568	48%
Trade and other receivables ¹	57,266	51,108	6,158	12%
Contract assets ²	21,540	22,846	(1,306)	(6%)
Other current assets	600	283	317	100%
Current tax assets	-	-	-	-
Contract acquisition costs	6,505	5,001	1,504	30%
Current assets	282,155	237,259	44,896	19%
Property, plant and equipment	8,505	7,377	1,128	15%
Right-of-use assets	23,110	22,442	668	3%
Intangible assets ³	59,452	60,774	(1,322)	(2%)
Capitalised development ⁴	126,909	101,008	25,901	26%
Deferred tax assets	21,060	25,790	(4,730)	(18%)
Contract assets ²	4,881	2,962	1,919	65%
Contract acquisition costs	13,873	9,676	4,197	43%
Non-current assets	257,790	230,029	27,761	12%
Total Assets	539,945	467,288	72,657	16%
Trade and other payables	48,559	40,425	8,134	20%
Provisions	20,902	21,521	(619)	(3%)
Contingent consideration ⁵	6,997	-	6,997	100%
▶ Deferred revenue ⁶	184,008	169,322	14,686	9%
Current tax liability	2,784	2,632	152	6%
Lease liability ⁷	7,897	3,342	4,555	100%
Current liabilities	271,147	237,242	33,905	14%
Provisions	2,200	2,069	131	6%
Contingent consideration ⁵	-	7,576	(7,576)	(100%)
Other non-current liabilities	94	120	(26)	(22%)
Lease liability	27,407	30,047	(2,640)	(9%)
Non-current liabilities	29,701	39,812	(10,111)	(25%)
Total Liabilities	300,848	277,054	23,794	9%
Net Assets	239,097	190,234	48,863	26%
Issued capital	57,635	51,645	5,990	12%
Other reserves	81,875	72,717	9,158	13%
Retained earnings	99,587	65,872	33,715	51%
Equity	239,097	190,234	48,863	26%

Cash Flow

Strong Cash Flow Generation (CFG) \$77.2m, up 21%, \$13.3m

- ✓ CFG to NPAT Ratio 87% as previously forecast
- ✓ Cash Flow Generation will progressively grow to match NPAT again from FY24 onwards



¹ Depreciation & amortisation includes amortisation of Right of Use Asset under AASB16 Leases of \$5.1m. It also includes amortisation of capitalised commissions of \$5.8m, capitalised development of \$23.4m, \$2.6m for depreciation of plant and equipment and \$1.2m for amortisation of acquired intangible assets.

² The lower increase in Trade and other receivables reflects improved collections from customers in FY22 and inflows in H1 FY22 from large invoicing to customers late in FY21.

³ Extended payment terms provided to some customers typically with large implementations or term licences for on-premise customers.

⁴ Payments received in advance from customers for SaaS fees and on-premise annual licence fees which will be recognised as revenue in future periods.

⁵ Includes interest expense related to lease liabilities recognised under AASB16 Leases.

⁶ Payments for lease liabilities recognised under AASB16 Leases. Cash rent abatement ended April 2022.

Profit Before Tax

Depreciation & amortisation¹

Share based payments and other non-cash items

Changes in working capital:

(Increase) / Decrease in Trade and other receivables²

(Increase) / Decrease in Contract assets³

(Increase) / Decrease in Prepaid expenses

Increase / (Decrease) in Payables

Increase / (Decrease) in Deferred revenue⁴

Increase / (Decrease) in Staff entitlements

Net interest paid⁵

Income taxes paid

Other

Operating Cash Flow

Capitalised development costs

Capitalised commission costs

Payments of lease liabilities⁶

Cash Flow Generation

Payments for property, plant & equipment

Payment for purchase of business net of cash acquired

Payments for other intangible assets

Free Cash Flow

Dividends paid

Proceeds from shares issued

Increase in Cash & Cash equivalents

Cash at beginning of the period

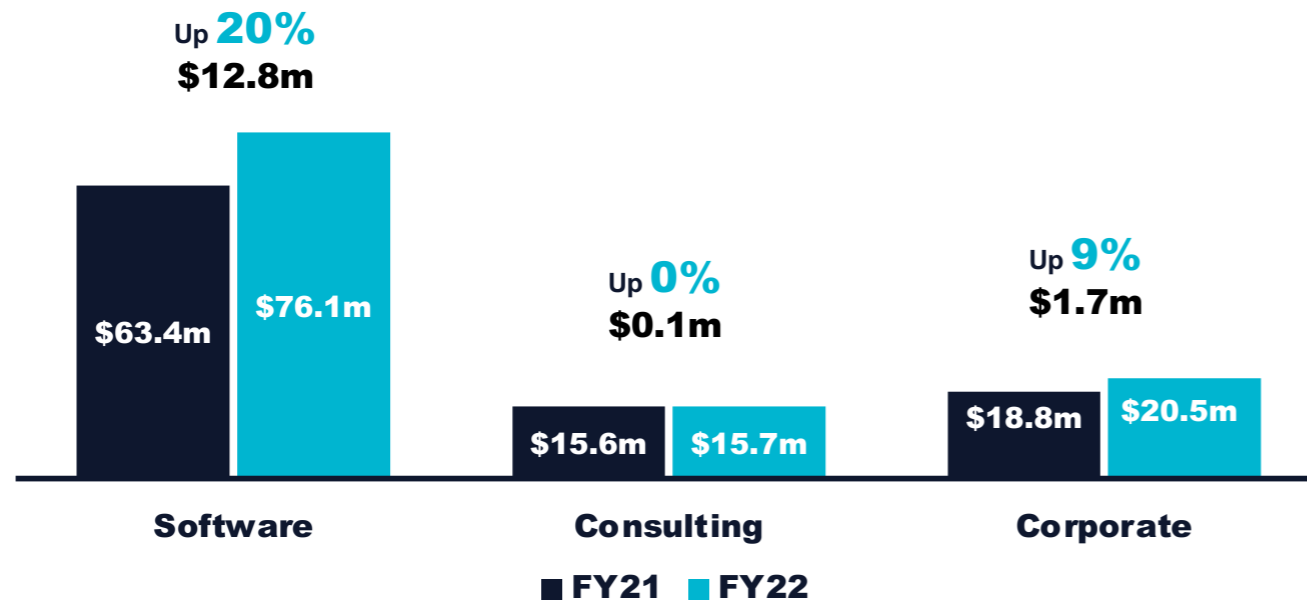
Cash & Cash equivalents at end of period

	FY22 \$'000	FY21 \$'000	Var \$'000	Var %
Profit Before Tax	112,320	97,843	14,477	15%
Depreciation & amortisation ¹	38,110	25,832	12,278	48%
Share based payments and other non-cash items	3,353	4,652	(1,299)	(28%)
Changes in working capital:				
(Increase) / Decrease in Trade and other receivables ²	(6,158)	(13,184)	7,026	53%
(Increase) / Decrease in Contract assets ³	(613)	(3,620)	3,007	83%
(Increase) / Decrease in Prepaid expenses	(6,569)	(2,579)	(3,990)	(100%)
Increase / (Decrease) in Payables	8,232	(1,659)	9,891	100%
Increase / (Decrease) in Deferred revenue ⁴	14,686	15,867	(1,181)	(7%)
Increase / (Decrease) in Staff entitlements	(488)	705	(1,193)	(100%)
Net interest paid ⁵	(1,421)	(1,267)	(154)	(12%)
Income taxes paid	(18,339)	(7,762)	(10,577)	(100%)
Other	(317)	159	(476)	(100%)
Operating Cash Flow	142,796	114,987	27,809	24%
Capitalised development costs	(50,060)	(41,858)	(8,202)	(20%)
Capitalised commission costs	(11,908)	(8,270)	(3,638)	(44%)
Payments of lease liabilities ⁶	(3,652)	(957)	(2,695)	(100%)
Cash Flow Generation	77,176	63,902	13,274	21%
Payments for property, plant & equipment	(3,767)	(1,658)	(2,109)	(100%)
Payment for purchase of business net of cash acquired	-	(10,228)	10,228	100%
Payments for other intangible assets	(1,548)	(1,141)	(407)	(36%)
Free Cash Flow	71,861	50,875	20,986	41%
Dividends paid	(46,127)	(42,504)	(3,623)	(9%)
Proceeds from shares issued	5,921	10,595	(4,674)	(44%)
Increase in Cash & Cash equivalents	31,655	18,966	12,689	67%
Cash at beginning of the period	144,210	125,244	18,966	15%
Cash & Cash equivalents at end of period	175,865	144,210	31,655	22%

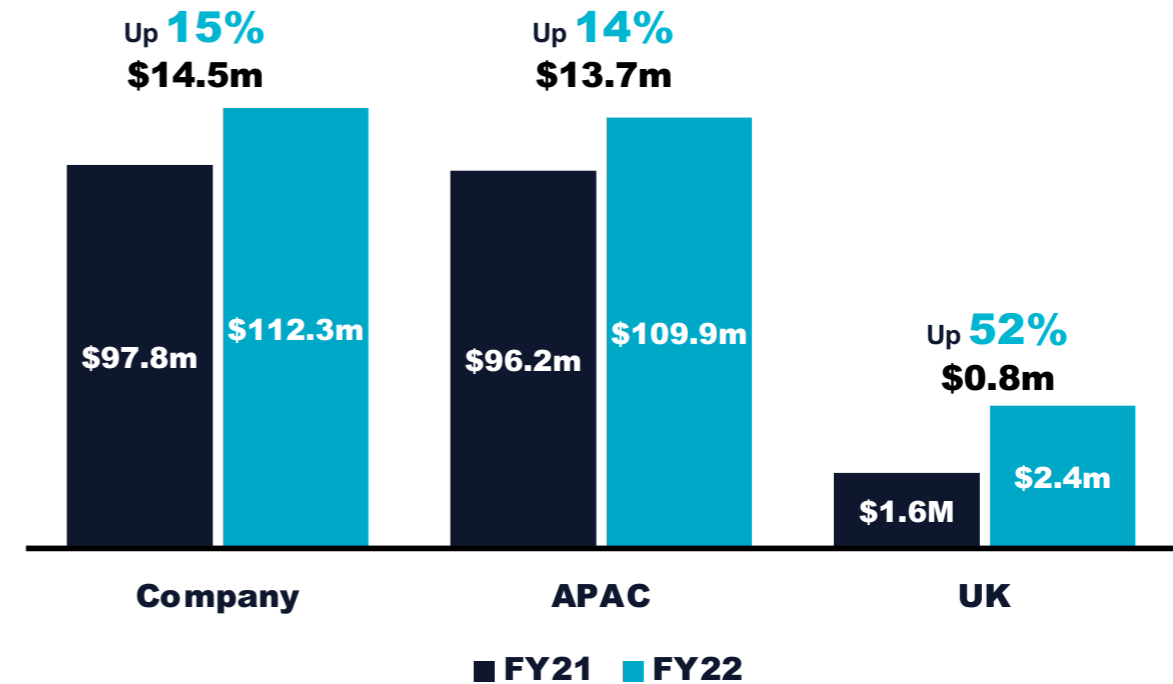
FY22 Profit by Segment

Profit Before Tax \$112.3m, up 15% \$14.5m

Operating segment analysis



Geographic segment analysis



FY22 Profit in line with expectations

1. Software Profit up 20%, driven by strong SaaS growth.
2. Consulting Profit up slightly from last year, as planned, from driving efficiency of customer projects.
3. Corporate Profit up 9% from increased royalties generated by strong product sales.

UK delivers \$2.4m profit

Refer to later slides.

Results Analysis and Key Metrics, FY22

	FY22	FY21	Var
	\$'000	\$'000	%
Revenue excl interest	368,968	311,787	18%
Expenses (excl R&D, interest, D & A)	174,980	151,697	15%
EBITDAR	193,988	160,090	21%
EBITDAR Margin	53%	51%	
R&D Expenditure (before capitalisation)	92,197	77,005	20%
R&D as % of Total Revenue ¹	25%	25%	
R&D Capitalisation	50,060	41,858	20%
EBITDA	151,851	124,943	22%
EBITDA Margin	41%	40%	
Depreciation	2,627	3,331	(21%)
Amortisation	35,483	22,500	58%
EBIT	113,741	99,111	15%
Net Interest Expense	1,421	1,267	12%
Profit Before Tax	112,320	97,844	15%
Profit Before Tax Margin	30%	31%	
Profit After Tax	88,843	72,691	22%

	FY22	FY21	Var
	\$'000	\$'000	%
EPS (cents per share)	27.51	22.64	22%
Dividend (cents per share)			
Ordinary dividend	15.02	13.91	8%
Special dividend	2.00	-	
Total Dividend (cents per share)	17.02	13.91	22%
Dividend Payout Ratio	62%	62%	
ROE	37%	38%	
Balance Sheet			
Net Assets	239,097	190,234	26%
Cash & Cash Equivalents	175,865	144,210	22%
Cash Flow Generation ²	77,176	63,902	21%

**Full year
ROE of 37%**

¹ R&D as % of total revenue based on R&D expenditure before capitalisation

² Cash Flow Generation is Operating Cash Flow less capitalised development costs, capitalised commission costs and lease payments

Agenda

- Highlights
- Financial Results
- Significant Achievements
- Building the Future
- Outlook for FY23



Our 4th Generation Global SaaS ERP Dominates in our Key Verticals



16 Key products strategically focused over key industries



All systems fully integrated into the CiA platform. Anytime anywhere.

UX


One simple intuitive UX focused workplace for everything.



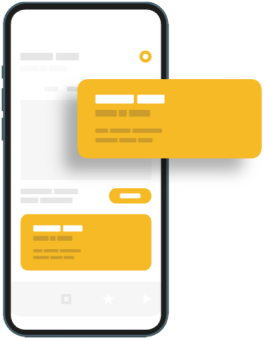
Highest level security accreditations in the industry.

cia live

We take care of the upgrade so you can focus on the future



400+ modules with over 10,000 capabilities



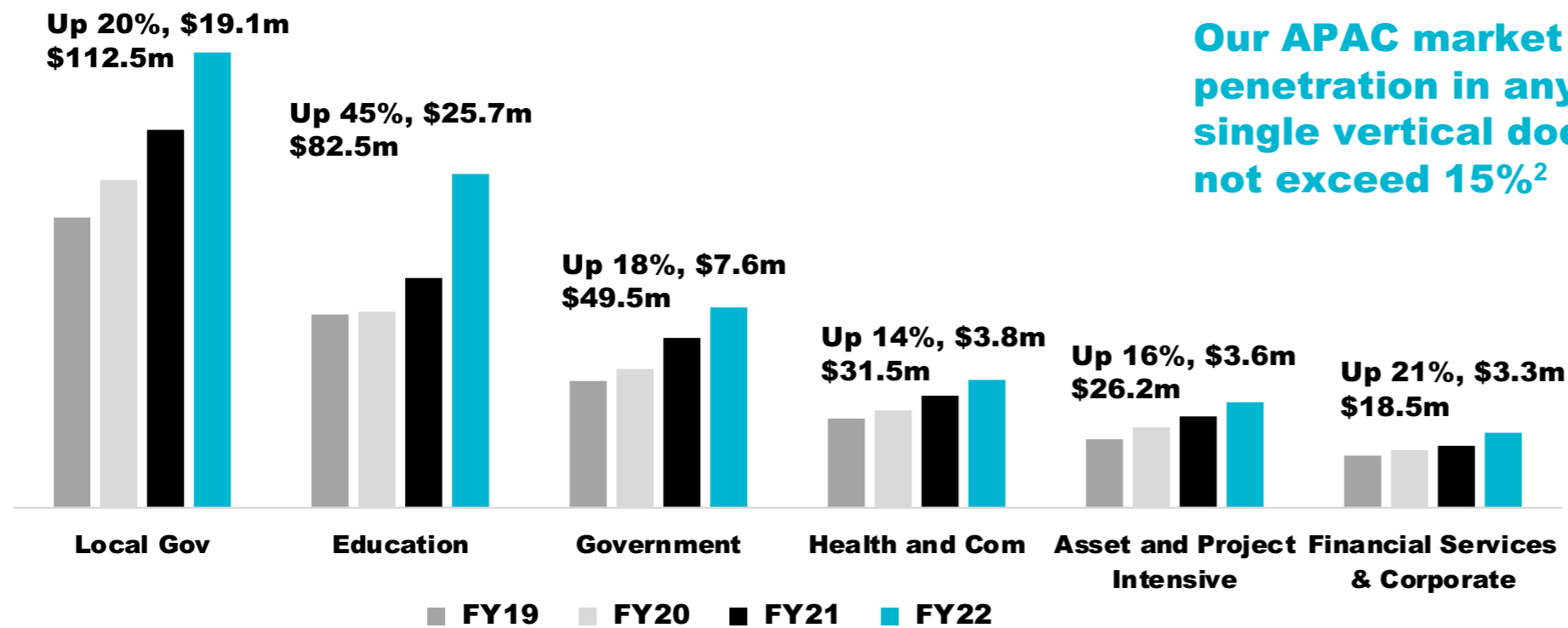
All verticals performed strongly

Significant room to grow in future years



Vertical Market Analysis

ARR of \$320.7m¹, Up 25% | From \$257.5m, FY21



Our APAC market penetration in any single vertical does not exceed 15%²

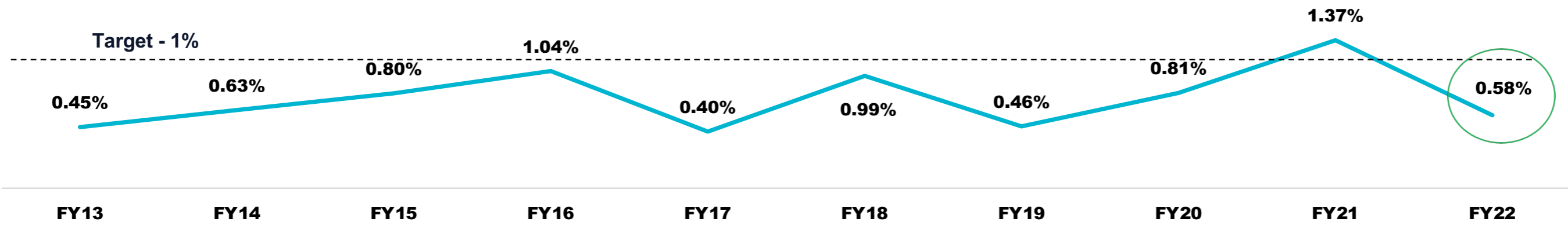


¹ Balance is at 30 September 2022 and growth is for the 12 months from 30 September 2021

² Based on our existing customers and their use of TechnologyOne products and modules as a percentage of total addressable market.

99% customer retention

Customer Churn 10 years - Based on Total ARR¹

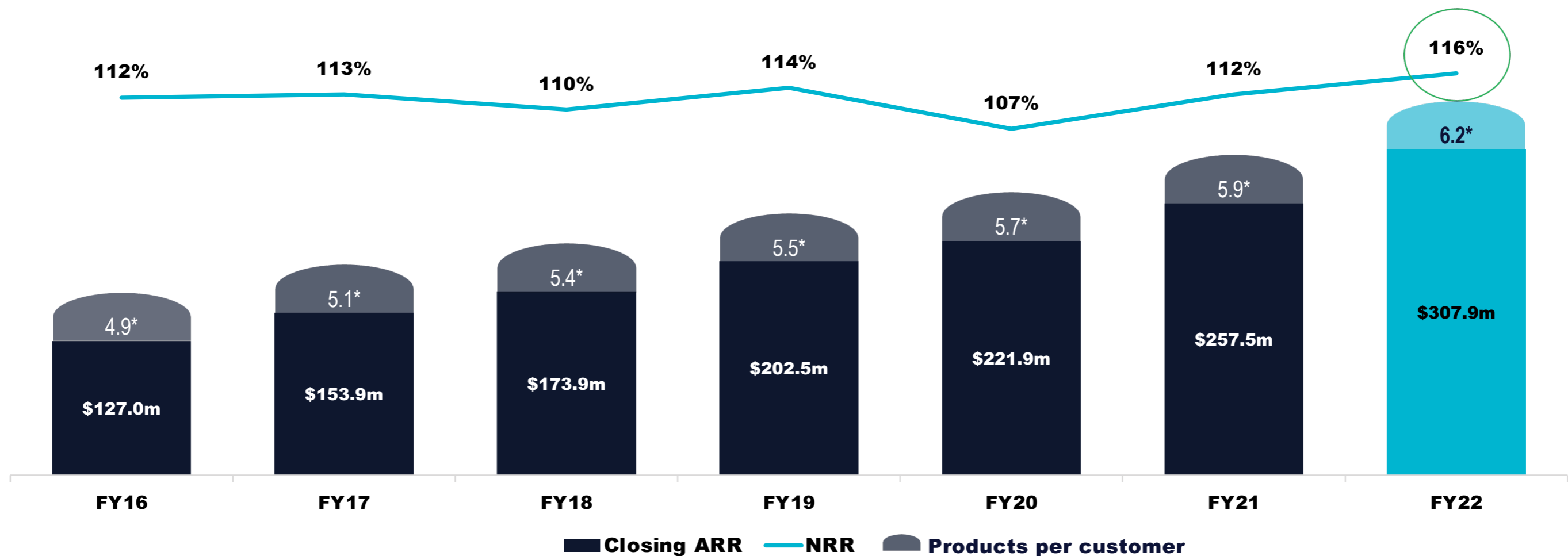


¹ Total ARR = SaaS ARR + On Premise Annual Licence ARR

Record Net Revenue Retention of 116%

- Significant opportunity in our existing customer base
- Our Global SaaS ERP is very broad with 400+ modules
- Frictionless – open licence, all modules available on SaaS
- Predictable, non-competitive transactional sales
- Low cost selling to existing customers

Net Revenue Retention (NRR) – excludes Scientia



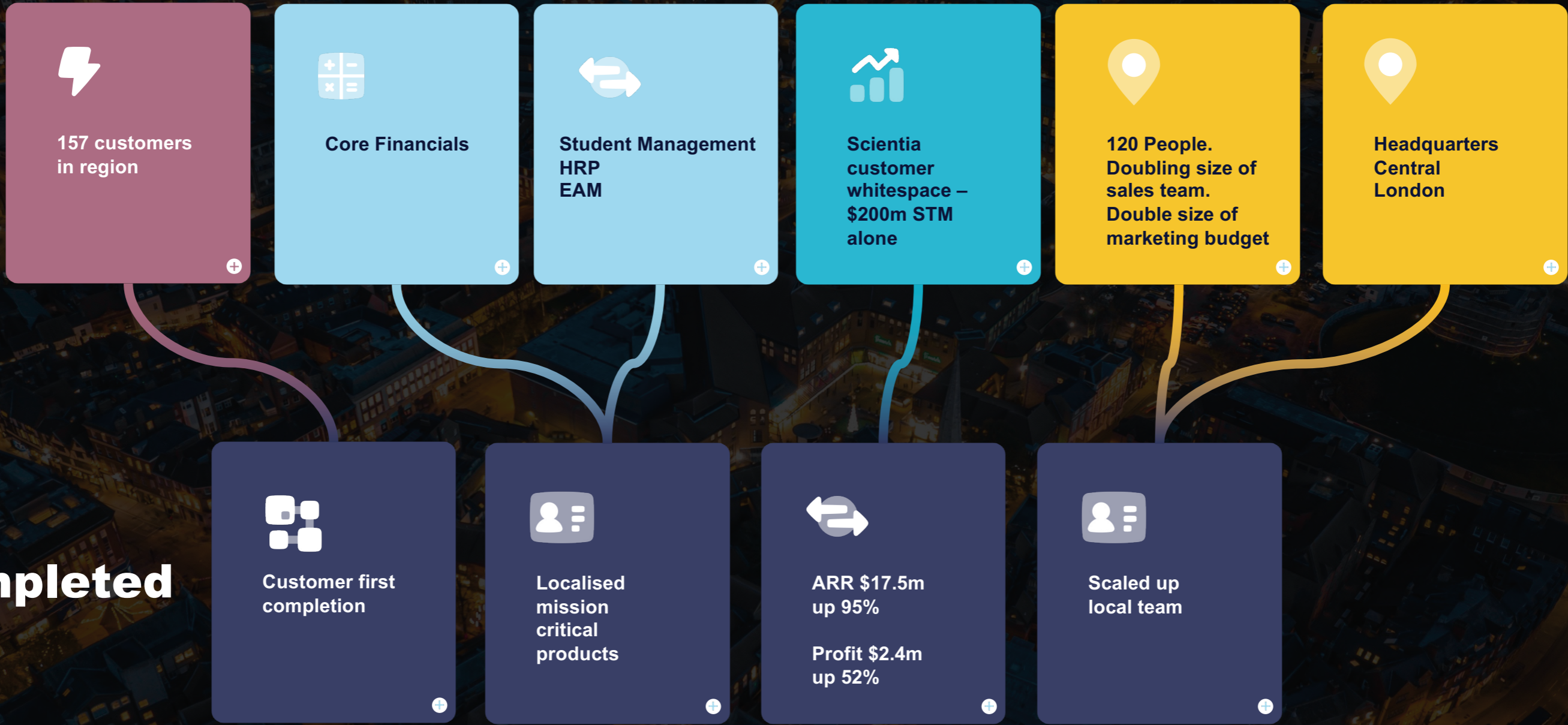
Calculation of Net Revenue Retention

(Opening ARR + New ARR from existing customers - Lost ARR from existing customers + CPI impacts + foreign currency impacts) / Opening ARR = Net Revenue Retention

* Products per customer

United Kingdom

Significant investment for future growth



R&D Significant Investment for future growth

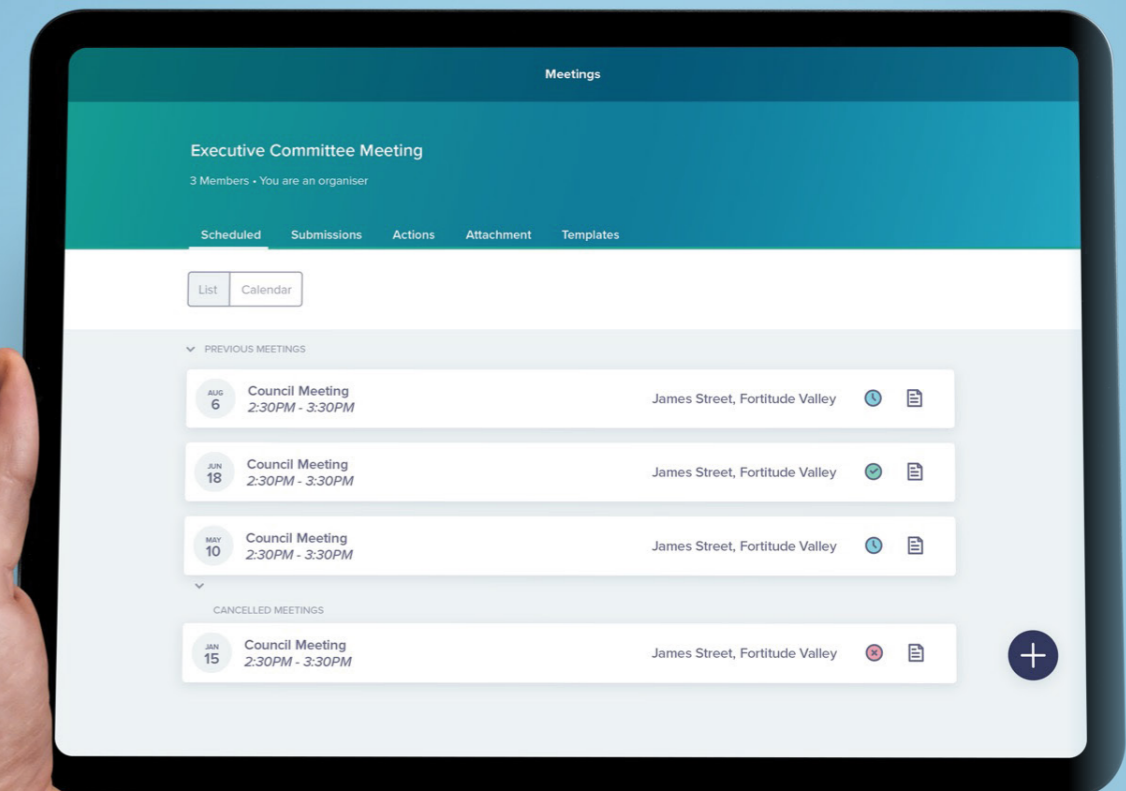
R&D investment of **\$92.2m¹**

25.0% of Revenue

UP  **19.6%**

Current

- \$500m+ invested in R&D over the last 10 years to maintain our leadership in innovation
- We provide 2 releases per year
- Delivered 2022B to the market, with 478 product enhancements across our enterprise suite
- Under development is the 2023A release, for early 2023 delivery
- We continue to extend our SaaS platform
- Delivering on Artificial Intelligence and machine learning
- Delivering our new generation DXP *Digital Experience Apps*



¹ R&D expenditure before capitalisation



We're stronger as one. People are our power. Simplicity is our compass. Customers are our true north. Make the impossible possible.



Summit.

FY22 Summary



Record full year
profit and
revenue, record
SaaS ARR



SaaS ARR
up 43%
to \$274.2m



Revenue – SaaS
& Continuing
Business up 22%
to \$358.7m



Profit After Tax
up 22%
to \$88.8m



Profit Before Tax
up 15%
to \$112.3m



Profit margin
before tax of
30%



UK ARR
up 95%
to \$17.5m



Cash and Cash
Equivalents
up 22%
to \$175.9m



Surpass \$500m+ ARR by
FY26



Total ARR
up 25%
to \$320.7m



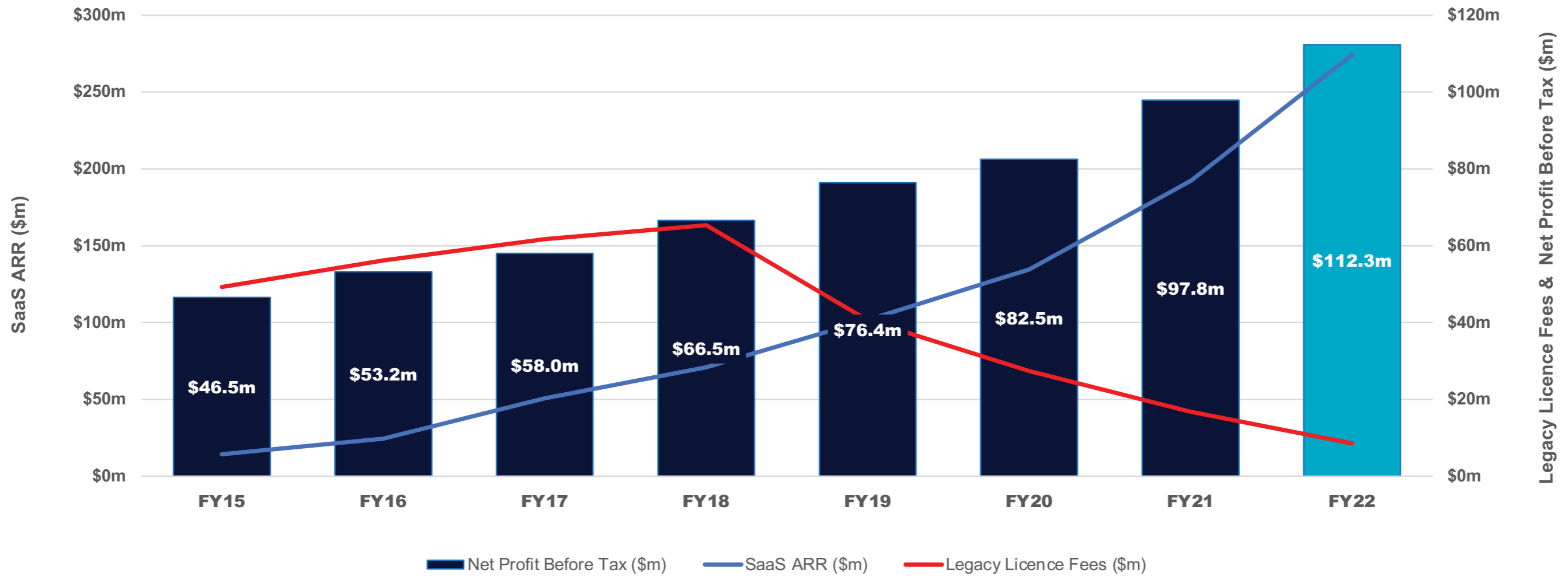
NRR of 116%
v 112% pcp



Cash Flow
Generation
Up 21%
to \$77.2m
87% of NPAT

Delivered the strategy as detailed in 2018

SaaS ARR vs. Legacy Licence Fees vs. Net Profit Before Tax



Successfully transitioned to SaaS with continued growth in profit and customers

Agenda

















- Highlights
- Financial Results
- Significant Achievements
- Building the Future
- Outlook for FY23



Surpass \$500m+ ARR by FY26

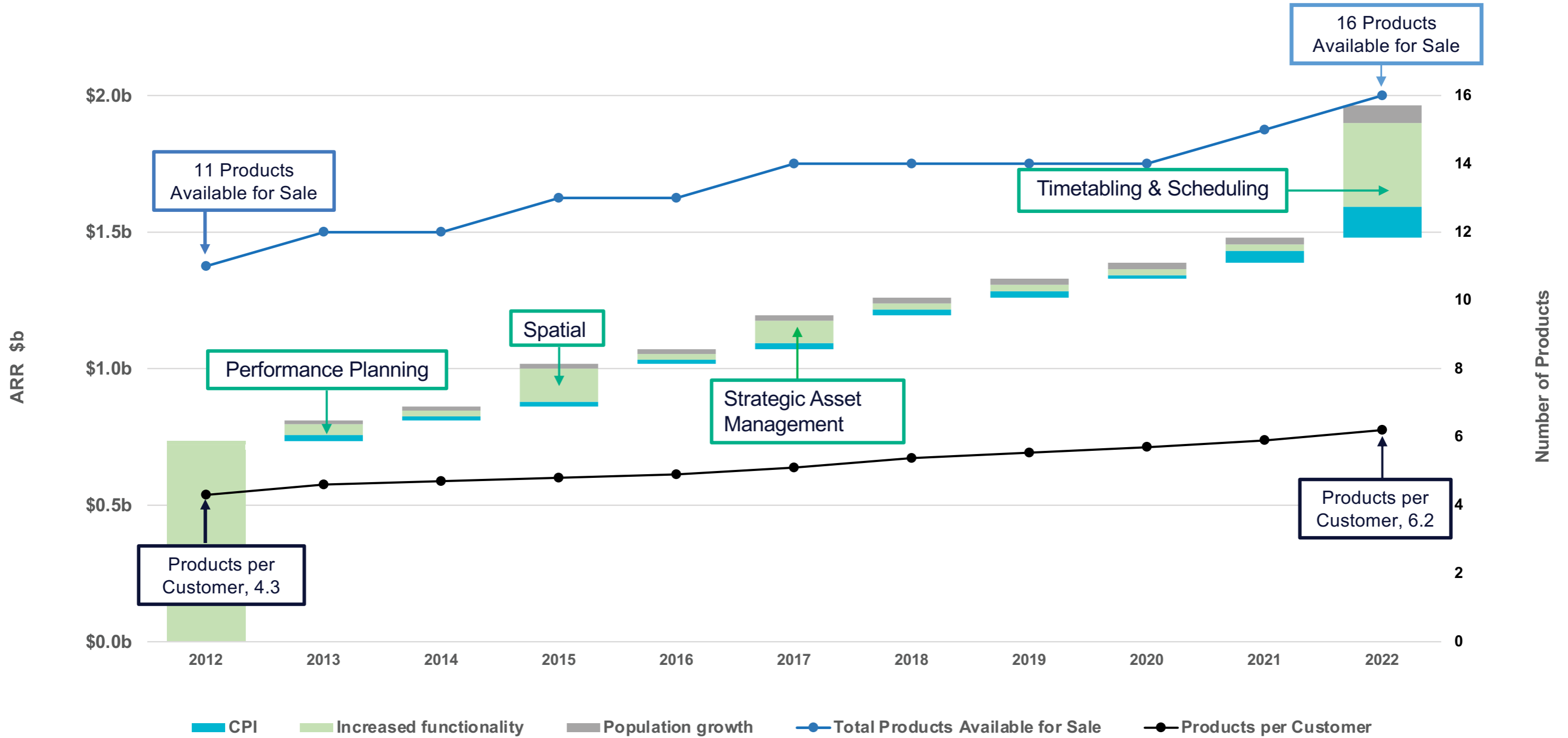
Continue to double in size every 5 years

NRR of 116%

 Financials	 Business Analytics	 Student Management	 Human Resources & Payroll	 Performance Planning	 Property & Rating	 Strategic Asset Management	 Timetable & Scheduling
 Enterprise Asset Management	 Spatial	 Enterprise Cash Receipting	 Enterprise Budgeting	 Enterprise Content Management	 Corporate Performance Management	 Supply Chain Management	 DXP Local Government

POWER OF A SINGLE INTEGRATED ERP SOLUTION

\$2b ARR whitespace in our APAC customer base

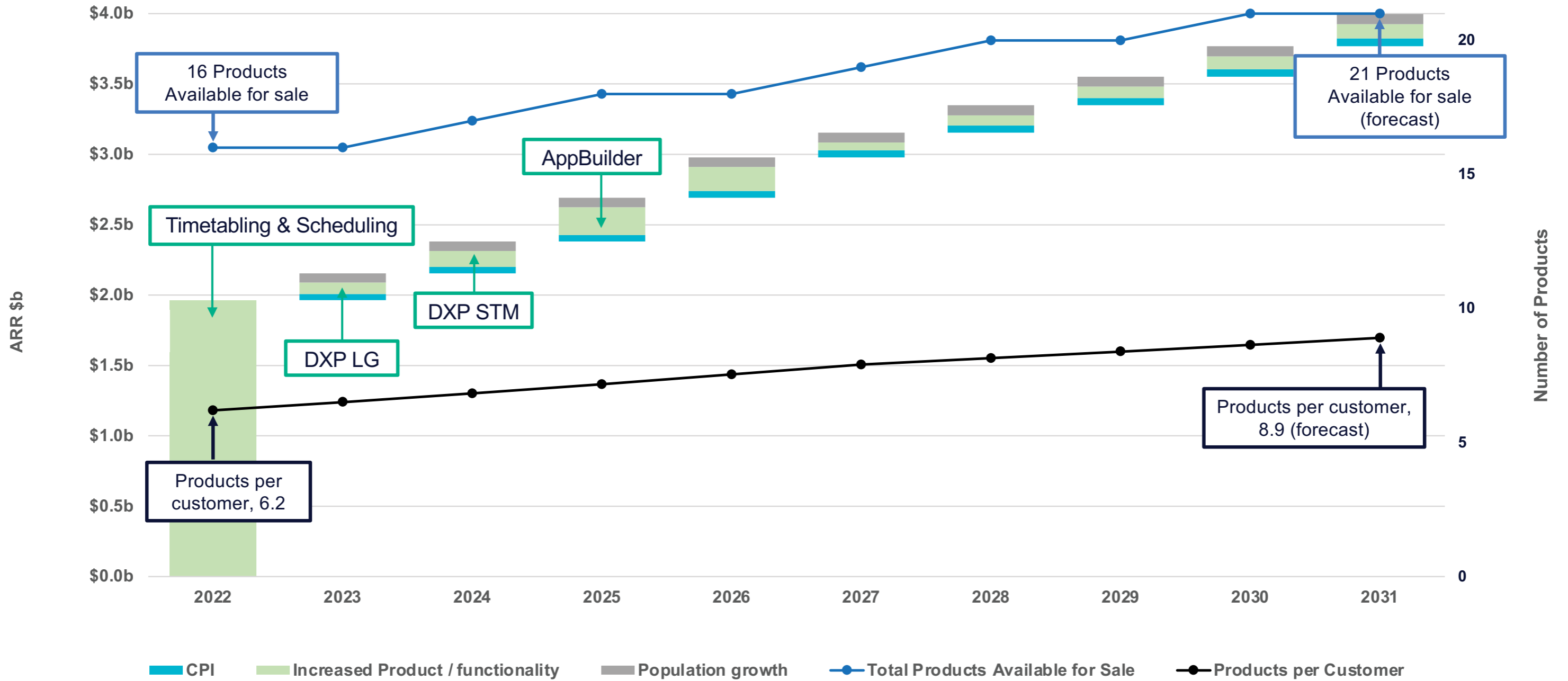


**R&D over next 5 years
Increases ARR whitespace**

We continue to invest in R&D to build future platforms for growth



R&D over next 5 years doubles APAC ARR whitespace from \$2b to \$4b



Illustrative model only. Not to be used as guidance

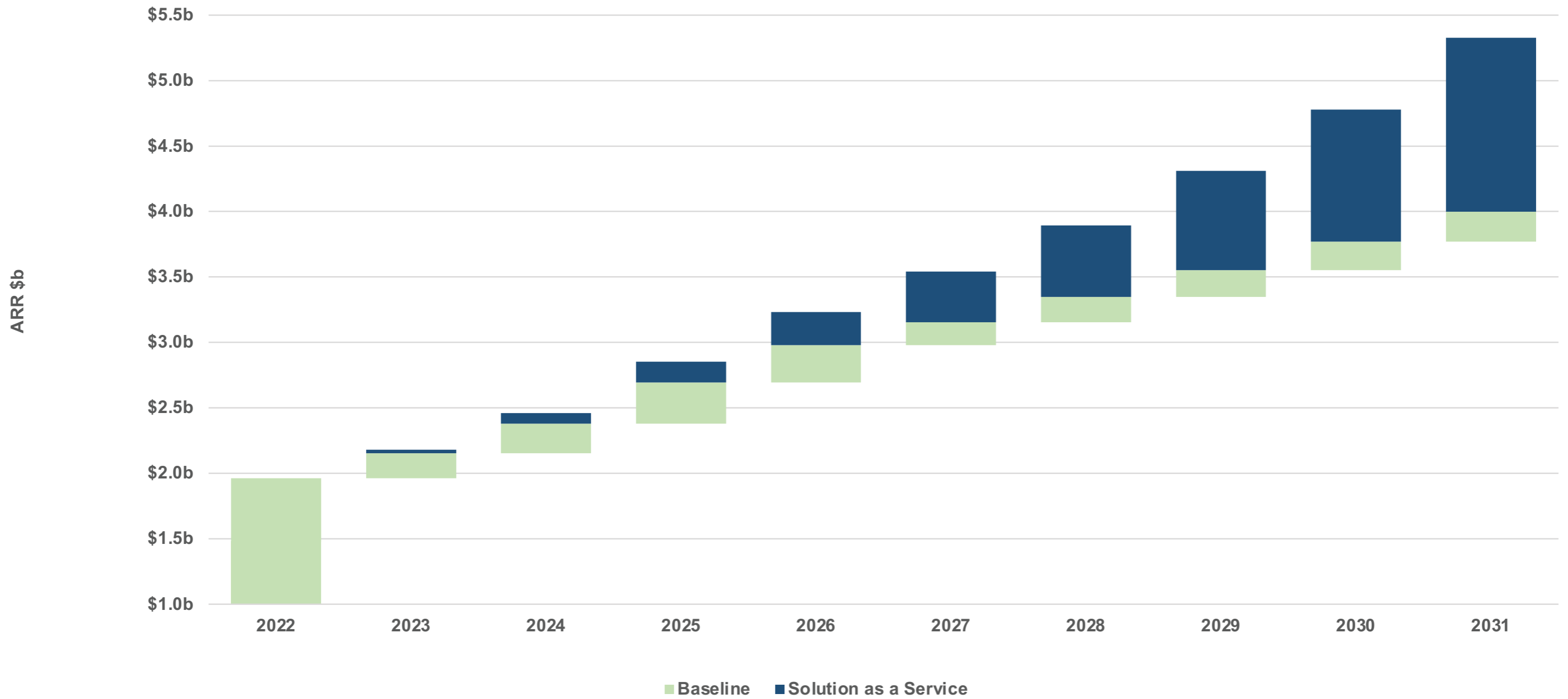
Solution as a service.

SaaS⁺

Solution as a
Service lifts
ARR by 40%



Solution as a Service creates 40% additional ARR whitespace



Illustrative model only. Not to be used as guidance

Continue to double in size every 5 years

Strong Net Revenue Retention (NRR) of 115-120%

\$2b of ARR whitespace in our APAC customer base

R&D over next 5 years doubles APAC ARR whitespace from \$2b to \$4b

Solution as a Service is a gamechanger, lifts ARR by 40%

Strategic acquisitions (eg Scientia Timetabling and Scheduling)

Continuing growth in new logos APAC

Continuing growth in the UK

Profit margins to grow to 35%+, through significant economies of scale

ARR

Agenda

- Highlights
- Financial Results
- Significant Achievements
- Building the Future
- Outlook for FY23



Outlook for FY23

“War, COVID-19 and floods have all interrupted the supply of certain goods, leading to price increases. But these interruptions and price increases have proved more long-lasting than expected...” (SMH May 7, 2022)

Over the past 35 years we have continued to grow strongly in challenging environments.

We expect to do so again.

- The markets we serve such as Local Government, Higher Education and Government are resilient
- TechnologyOne provides mission critical software which powers our customer’s operations
- Customers turn to our Global SaaS ERP to save 30%+ and streamline their business
- Our subscription revenue contracts pass on CPI

We will continue to benefit from improving margins because of the significant economies of scale from our single instance Global SaaS ERP solution

We will continue to double in size every 5 years

Surpass \$500m+ ARR by FY26

technology**one**
transforming business, making life simple

Appendices

- Appendix A – Consulting Profit
- Appendix B – R&D Disciplined and Transparent
- Appendix C – Long History of Strong Cash Flow Generation
- Appendix D – SaaS Customers and SaaS ARR
- Appendix E – FY22 Expenses Impacted by Scientia acquisition
- Appendix F – Drivers for Long Term Growth
- Appendix G – Glossary

Appendix A: FY22 Consulting Profit of \$15.7m

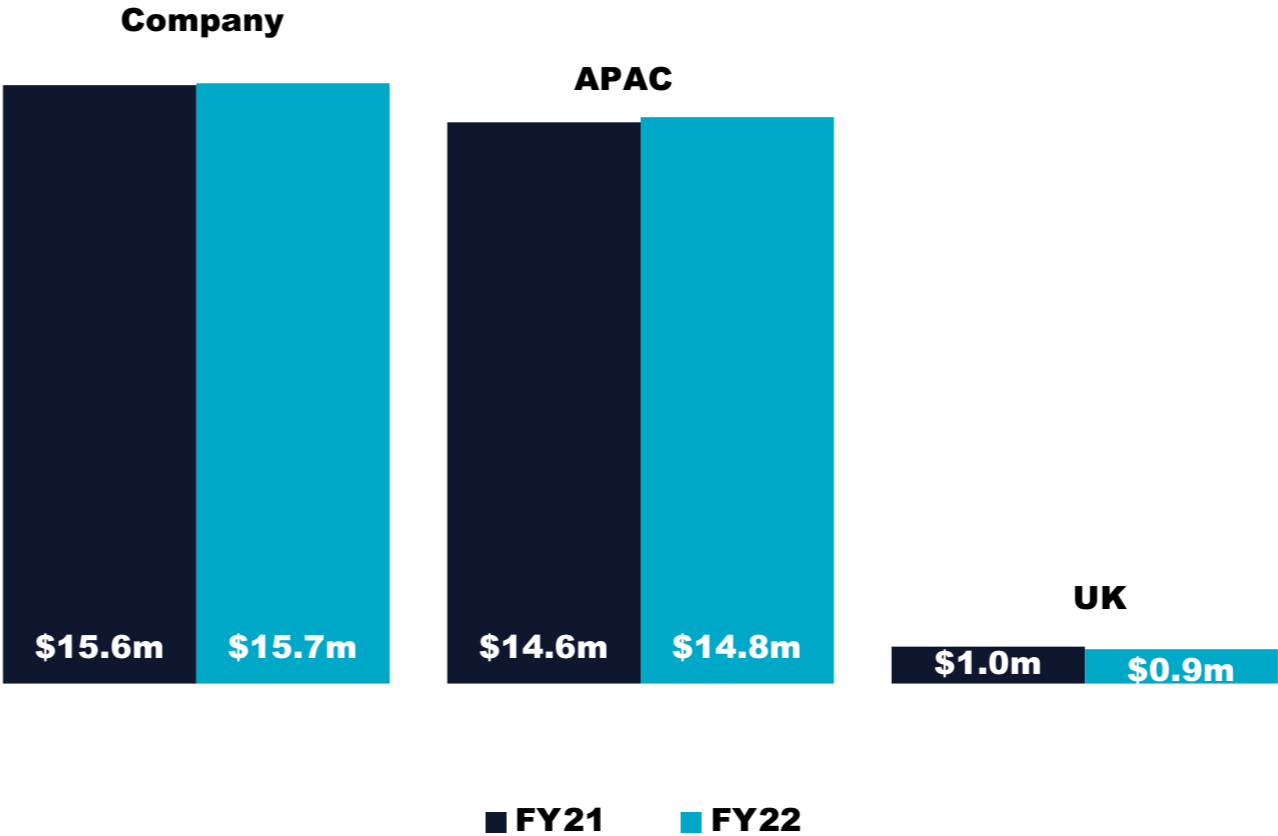
Our AMS business for our existing customers is also moving to recurring revenue. Now have \$23m locked in recurring revenue not included in our total ARR

Consulting is responsible for services in relation to our software

Two focussed divisions

- New Projects
- Applications Managed Services (AMS) for existing customers

Disciplined use of implementation methodology



Appendix B:

R&D Disciplined and Transparent

Highly Disciplined approach to R&D

We expense maintenance and research.

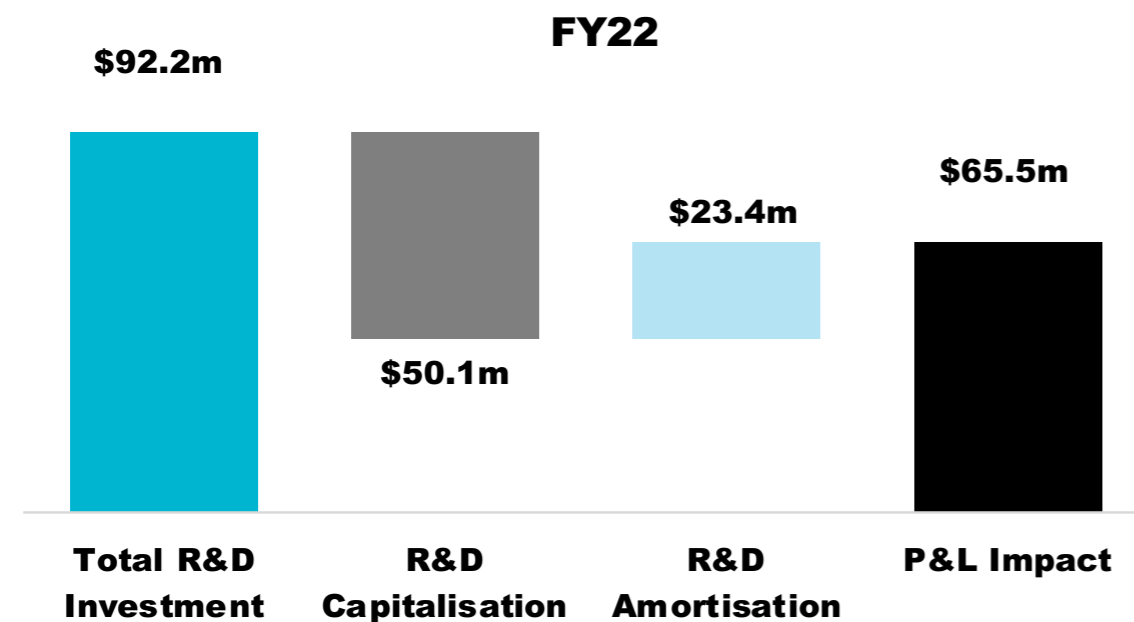
We only capitalise development based on actual timesheets for eligible projects.

Capitalisation and amortisation are independently audited along with Financial Statements.

Because we are a SaaS ERP provider, we expect the norm to be as follows:

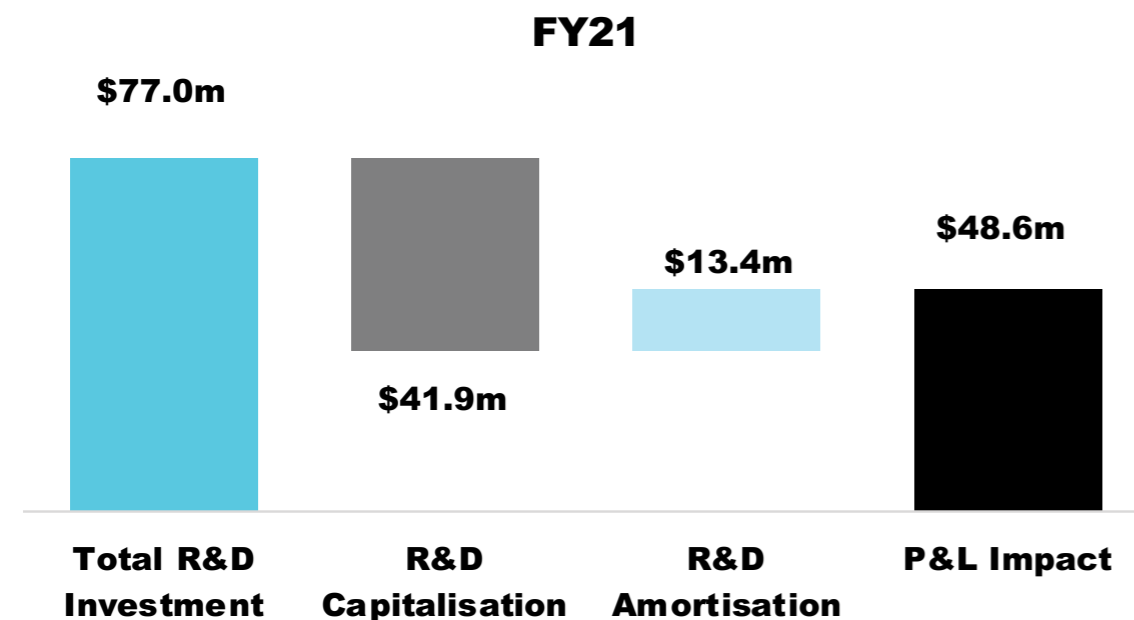
- The expected range of capitalisation is 50-55%
- Five year amortisation period

If we vary from this we will provide detailed reasons.



FY22
 \$92.2m
 (\$50.1m)
 \$23.4m
 \$65.5m

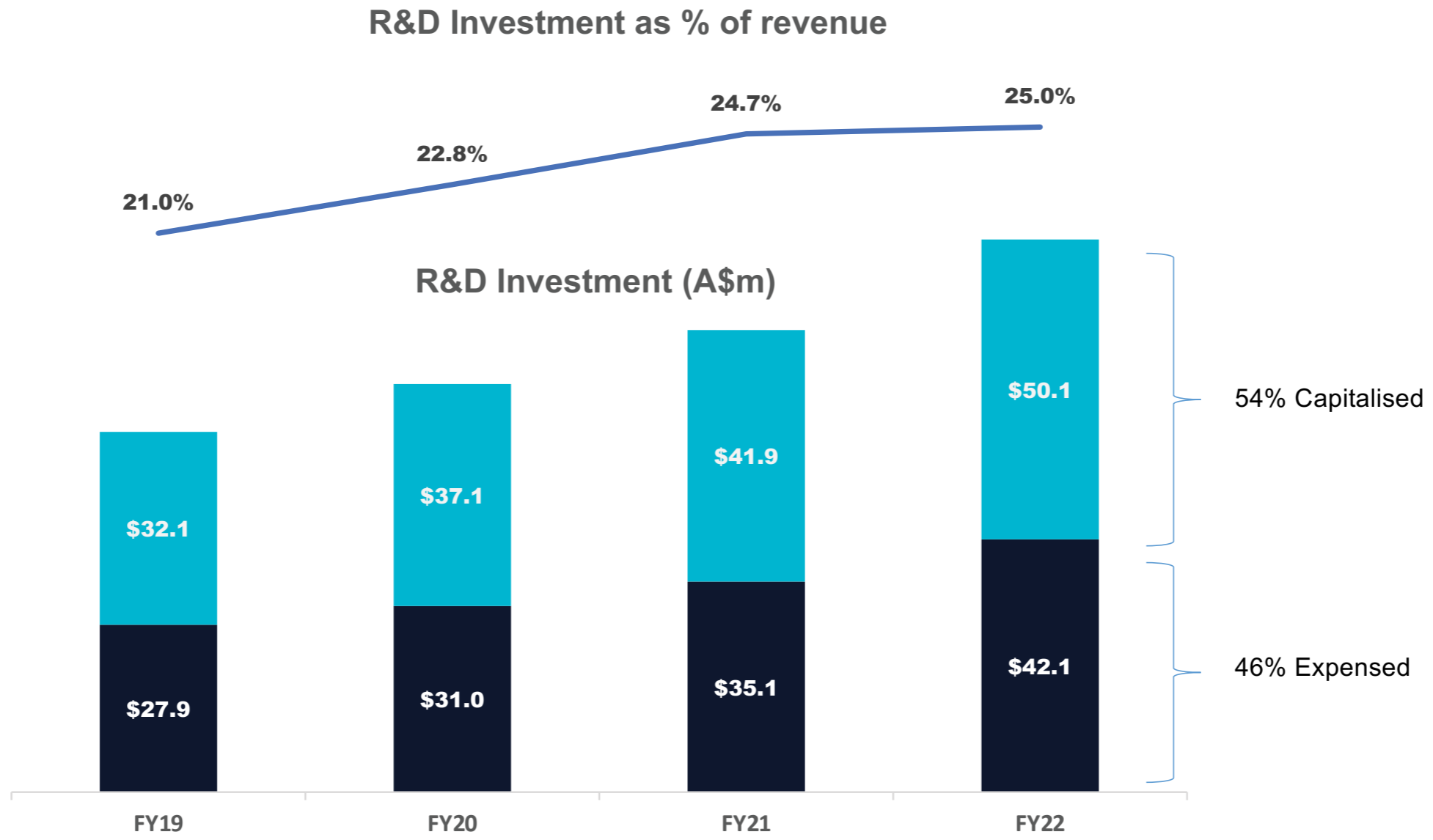
R&D investment before capitalisation, (up 19.6%)
 54% capitalised, in line with expectations
 Amortisation, up 74% on pcp
Net expense through P&L, up 35% (\$16.8m) on pcp



FY21
 \$77.0m
 (\$41.9m)
 \$13.4m
 \$48.6m

R&D investment before capitalisation
 54% capitalised
 Amortisation commenced in H2 FY19
Net expense through P&L

Appendix B: R&D Disciplined & Transparent



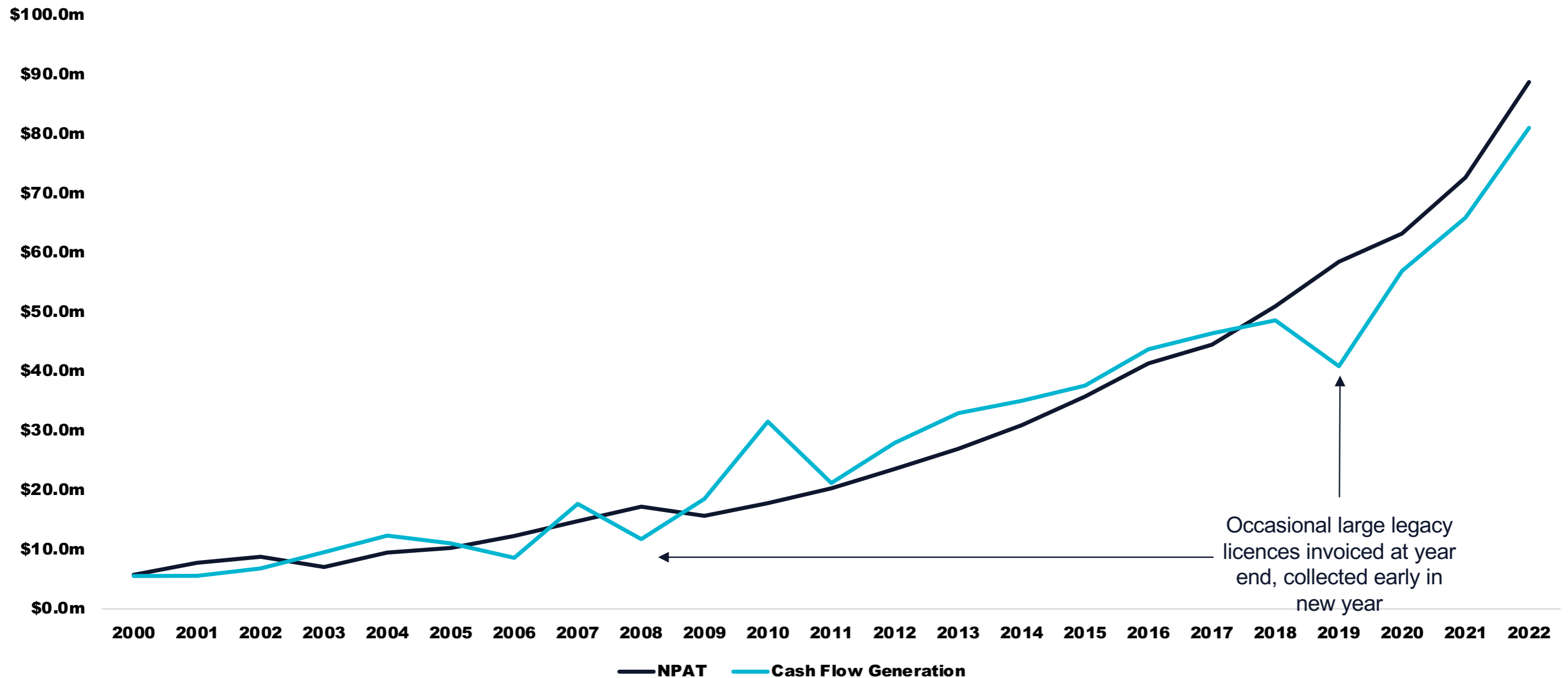
Appendix B:

R&D Disciplined & Transparent

	R&D Investment (\$'000)	Software Development - Capitalised (\$'000)	Percent Capitalised %	Amortisation Expense (\$'000)	Amortisation Period Years	Net Expense through P&L (\$'000)
FY19	60,083	32,145	53.5%	555	5	28,493
FY20	68,102	37,069	54.4%	6,103	5	37,136
FY21	77,005	41,858	54.4%	13,429	5	48,576
FY22	92,197	50,060	54.3%	23,400	5	65,537
	(\$'000)	(\$'000)	%	(\$'000)	Years	(\$'000)
H1 FY22	41,494	22,062	53.2%	10,693	5	30,127
H2 FY22	50,703	27,998	55.2%	12,707	5	35,410

Appendix C: Long history of strong cash flow generation

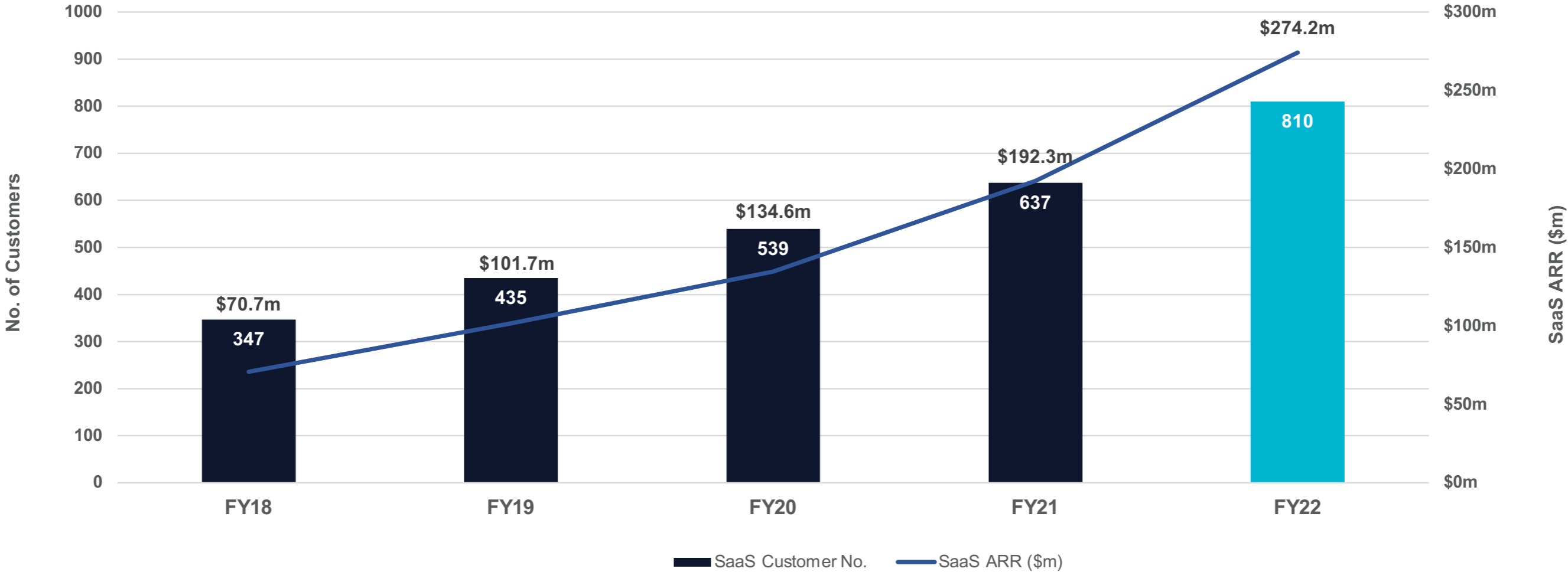
Cash Flow Generation² will continue to grow as NPAT¹ grows



¹ This graph shows previously reported NPAT to FY18 and has not been restated for AASB15

² Cash flow generation is operating cash flow from operations less capitalised development costs, capitalised commissions and lease payments

Appendix D: SaaS Customers and SaaS ARR



	FY18	FY19	FY20	FY21	FY22
YoY SaaS ARR Growth	40%	44%	32%	43%	43%
SaaS ARR per Customer (\$m)	\$0.20m	\$0.23m	\$0.25m	\$0.30m	\$0.34m

Appendix E: FY22 Expenses Impacted by Scientia acquisition

Synergies delivered in FY22 will reduce Scientia expenses in FY23

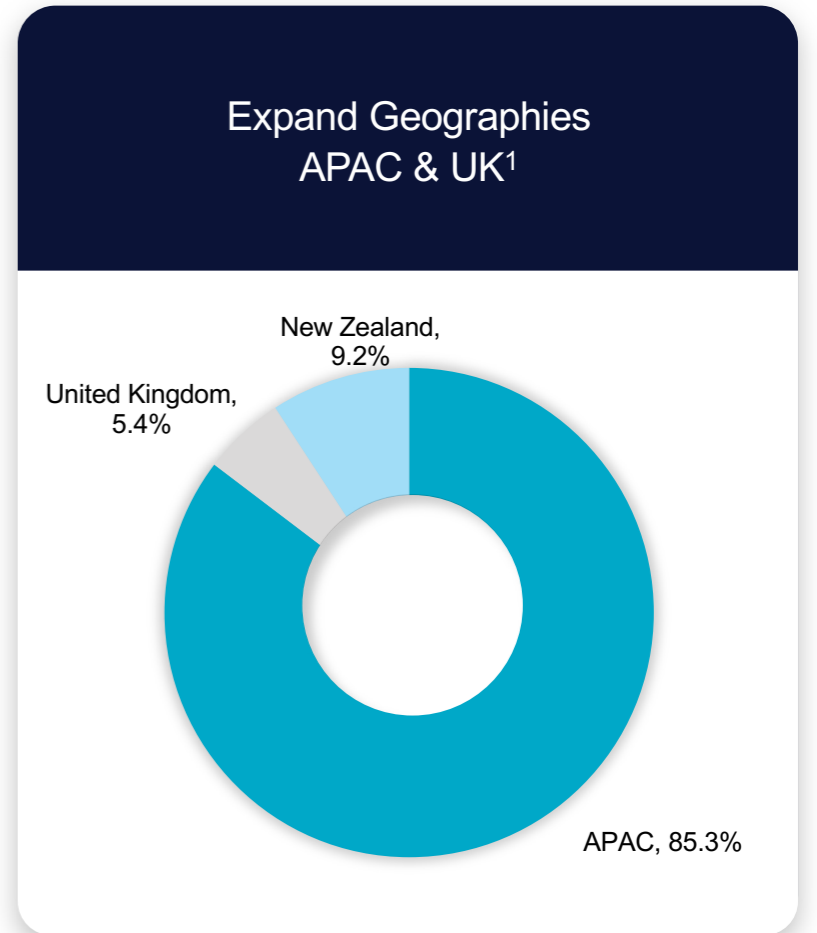
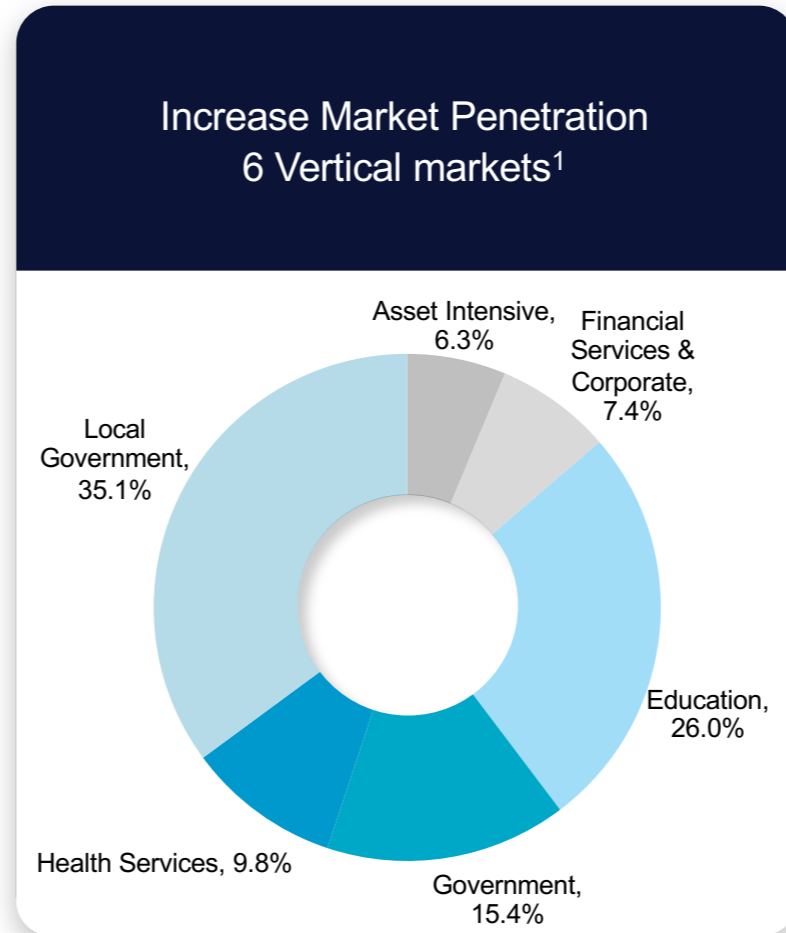
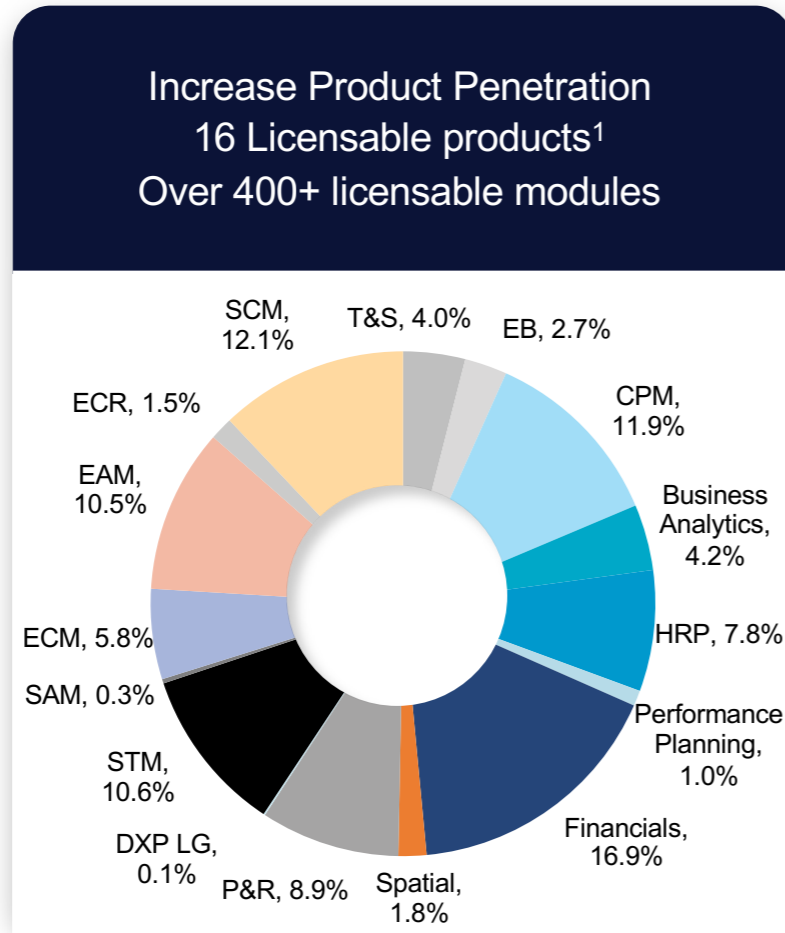
	TechOne (excl Scientia)		Scientia	TechOne (incl Scientia)	
	FY22	PCP %	FY22	FY22	PCP %
Revenue - SaaS and continuing business	343,482	17%	15,186	358,668	22%
SaaS fees recognised	216,370	43%	442	216,812	44%
Annual licence fees	58,394	(25%)	10,792	69,186	(11%)
Consulting	68,718	7%	3,952	72,670	13%
Revenue - Legacy licence business	9,566	(46%)	-	9,566	(46%)
Legacy (initial) licence fees	8,531	(49%)	-	8,531	(49%)
Associated annual licence fees	1,035	6%	-	1,035	6%
Other Revenue	1,036	45%	121	1,157	61%
Total Revenue	354,084	13%	15,307	369,391	18%
Total Expenses	242,546	13%	14,525	257,071	20%
Variable costs (inc capitalisation)	56,659	18%	367	57,026	18%
Operating costs (inc capitalisation)	185,887	12%	14,158	200,045	21%
Profit before tax	111,538	14%	782	112,320	15%
<i>Profit before tax margin</i>	32%		5%	30%	
	23,306	(7%)	172*	23,478	(7%)
Profit after tax	88,233	21%	610	88,843	22%

* Based on an estimated tax rate of 22%

Appendix F: Drivers for long term growth

Diversified revenue streams

Strong, very loyal customer base



- PROVIDES MISSION CRITICAL SOLUTION – 'STICKY CUSTOMER BASE'
- 99%+ CUSTOMER RETENTION RATE
- 90%+ OF OUR REVENUE IS NOW RECURRING²
- TECHNOLOGYONE GLOBAL SAAS ERP SOLUTION

¹ Based on total ARR
² Total Revenue less consulting

Appendix G: Glossary

Annual Licence ARR	Annual Recurring Revenue relating to annual licence fees for On-premise customers
APAC	Asia Pacific - Includes Australia, New Zealand, Malaysia and the South Pacific
ARR	Annual Recurring Revenue
Cash Flow Generation	Cash flow from Operating Cash Flow less capitalised development costs, capitalised commission costs and lease payments
Churn	Lost customers
CPS	Cents per share
DXP	Digital Experience Platform
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, and amortisation
EBITDAR	Earnings before interest, taxes, depreciation, amortisation, and research and development costs
EPS	Earnings per share
Legacy Licence Fees	On-premise licence fees / Perpetual licence fees
LG DXP	Local Government Digital Experience Platform
NPAT	Net Profit After Tax
NRR	Net Revenue Retention
PBT	Profit Before Tax
PCP	Prior Corresponding Period
R&D	Research & Development
ROE	Return on Equity
SaaS ARR	Annual Recurring Revenue relating to customers on SaaS

technology**one**
transforming business, making life simple