

3 July 2017

Acquisition of Enoro and \$50m equity raising

Hansen Technologies Limited (ASX: HSN) is pleased to announce that it is acquiring Enoro Holding AS ("Enoro"), the Nordic market leading provider of Customer Information Systems (CIS) and Meter Data Management (MDM) systems for the energy sector, for an enterprise value of A\$96m (NOK 620m¹). The acquisition is expected to close within the next two weeks, and will be effective from 1 July 2017.

Enoro has been majority owned by private equity investor Herkules Capital since 2010.

Key Points:

- **Enoro is the market leading provider of Customer Information Systems (CIS) and Meter Data Management (MDM) systems for the Nordic energy market and has an expanding footprint in the broader dynamic European market**
- **It is a business that is well known to Hansen and fits directly within our core competency**
- **It expands Hansen's energy billing presence into a number of European countries – namely Norway, Sweden, Finland, Germany, Netherlands, Switzerland and Austria**
- **It also builds upon our existing European telecommunications CIS footprint – providing for synergies between the two businesses**
- **It has approximately 300 customers and 270+ employees**
- **Hansen has the capacity to fund 100% of the purchase consideration utilising new bank facilities in place**
- **As part of its capital management strategy, Hansen is undertaking an A\$50m equity raising comprising an A\$40m underwritten institutional placement and an A\$10m share placement plan in conjunction with the acquisition. The acquisition is forecast to be EPS accretive in FY18²**

Enoro

Enoro has three product lines:

- Customer Information System (CIS) – providing billing and customer care solutions
- Data Management systems – software solutions for Meter Data Management (MDM) and Energy Data Management (EDM), where MDM software imports, validates and processes data from smart metering systems before making it available for billing and analysis and EDM software provides for automated settlement processes for market participants. The solutions are a key component of the infrastructure required by energy market participants to operate.
- Analytics software – a software tool that analyses energy consumption data from MDM systems to enable energy providers to understand customer behaviour.

The business has approximately 300 customer installations.

The CIS product has a market leading position in the Norwegian market, and a growing position in the Swedish and Finnish markets following an expansion into those countries in 2016. The customer base comprises a balanced portfolio of distribution system operators, retailers and integrated utilities. The bulk of revenues are recurring in nature – derived from a defined price for the number of metering points at the respective customers.

1. Based on an AUD/NOK (Norwegian Krone) exchange rate of 6.43.

2. All references to "CY17" refer to the 12 month forecast period ending 31 December 2017. References to "FY17" and "FY18" refer to the forecast financial years ending 30 June 2017 and 30 June 2018 respectively.

The customer base of the MDM/EDM product is principally in Finland, Germany and Sweden, but also Netherlands, Switzerland and Austria. It also has a market leading position in its home market in Finland.

The analytics product is a recently developed, cloud-based software tool that allows utilities to analyse high-volume consumption data so as to gain customer insight and identify new business opportunities. It has the potential to be sold to utilities globally.

The business has over 270 employees – with the majority in Norway and Finland, and smaller offices in Sweden, Netherlands, Switzerland and Austria.

Forecast revenue for CY17 is A\$55m (NOK 355m) and EBITDA of A\$9m (NOK 58.5m).

Strategic Rationale

There is strong strategic rationale for the acquisition of Enoro:

- Expands Hansen's energy footprint into a number of European countries – namely Norway, Sweden, Finland, Germany, Netherlands, Switzerland and Austria
- The business is a quality asset, occupying a dominant market position, possessing a large installed customer base, with an extensive history of sustained growth, fresh product and technology offerings and a perfect strategic fit with Hansen
- Builds upon our existing European telecommunications footprint – providing for synergies between the two businesses, including cross-pollination of sales opportunities and sharing of support resources
- The business is the market leader in its home Nordic markets and has an expanding presence in the broader European market
- Positions Hansen to support further deregulation of the energy markets across Eastern Europe
- It has a large and diversified customer base, with a number of Tier 1 utilities
- Its employees (who have an average tenure of 7 years) are subject matter experts in energy markets that are amongst the most advanced and competitive in the world
- The analytics software has cross-selling opportunities to the broader Hansen customer base and beyond.

Funding

Hansen has the capacity to fund 100% of the purchase consideration utilising new bank facilities in place.

As part of Hansen's capital management strategy, the Company is undertaking a A\$50m equity raising comprising a A\$40m underwritten institutional placement ("Placement") and a A\$10m Share Purchase Plan ("SPP") in conjunction with the acquisition.

Funds from the equity raising will be used to partially fund the acquisition and for working capital purposes. The Placement comprises 10.8m shares issued at A\$3.70 each, targeted at both existing and new institutional shareholders. The issue price of A\$3.70 represents an 8.4% discount to the last closing price of A\$4.04, and 4.7% discount to the 5 day volume weighted average price.

In addition to the Placement Hansen will offer eligible shareholders the right to participate in an SPP that will enable shareholders to apply for up to A\$5,000 of shares at the same price as the Placement. The amount raised by the SPP will be capped at A\$10 million.

Shareholders on the Company's register at 7.00pm on 30 June 2017 (Record Date) whose registered address is in Australia or New Zealand will be entitled to participate in the SPP. Further details on the SPP, including the timetable, will be provided to shareholders shortly.

Financial Impact

Hansen's FY17 revenue and EBITDA expectations are:

- Revenue of approximately A\$174m – within the Company's guidance range of A\$165-175m
- EBITDA of approximately A\$45m – within the Company's guidance range of a 25-30% EBITDA margin.

The acquisition of Enoro is expected to be earnings per share accretive in FY18 – excluding transaction costs and amortisation of acquired intangibles.

Conference Call

An investor briefing and Q+A session to discuss the acquisition will be held at 2 pm (Melbourne time) today. Dial-in details to participate in the conference call:

Within Australia: +61 3 8338 0026
International: +61 2 8038 5221
Conference ID: 49261642

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About Hansen

Hansen Technologies (ASX: HSN) is a leading global provider of Customer Information Systems and Data Management systems to four industry verticals: Energy, Pay-TV, Telecommunications and Water. With over 40 years' experience, Hansen will have 1,000 staff spread globally and more than 500 customer installations worldwide following the acquisition of Enoro. We enable our customers to streamline and optimise critical billing and operational processes, manage and analyse consumption data and improve their customers' experience.