



Delivering a
Cloud first,
mobile first world

2015 Full Year Results

Full year ending 30 September 2015

Adrian Di Marco, Executive Chairman

Enterprise software
as a service

24 Nov 2015
Commercial in confidence
FINAL

 **technologyone**
Transforming business, making life simple

Disclosure Statement

Technology One Ltd Full Year Presentation - 24 Nov 2015

Technology One Ltd (ASX: TNE) today conducted a series of presentations relating to its 2015 Full Year results.

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

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Agenda

- Results
- Significant Achievements
- Outlook for Full Year
- Long Term Outlook

Appendix

- Technology One Overview

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Results Summary

	FY15	FY14	Variance %	
Revenue	\$218.7m	\$195.1m	12%	
Initial Licence Fees	\$49.3m	\$42.0m	17%	
Total Consulting ²	\$65.6m	\$63.4m	3%	Refer slide: Consulting
Annual Licence Fees	\$95.3m	\$84.2m	13%	
Cloud Service Fees	\$4.1m	\$1.4m	200+%	
Expenses	\$172.2m	\$154.9m	11%	
R&D Expenses incl. Acquisitions ¹	\$41.0m	\$37.9m	8%	
R&D Expenses excl. Acquisitions	\$40.5m	\$37.9m	7%	
Expenses excl R&D	\$131.2m	\$117.0m	12%	
Profit				
Profit Before Tax	\$46.5m	\$40.2m	16%	
Profit After Tax	\$35.8m	\$31.0m	16%	
Other				
Operating Cash Flow	\$37.6m	\$35.1m	7%	
Cash and Cash Equivalents	\$75.5m	\$80.2m	(6%)	Refer slide: Balance Sheet
Profit Before Tax Margin	21%	21%		Refer slide: Margin Analysis
Dividend	8.78	8.16	8%	

¹19% of revenue v 19% last year

²Total Consulting includes Plus

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Margin Analysis

The TechnologyOne Cloud impacted our margins significantly

	Company	Cloud	Company Excl. Cloud
FY15			
Revenue	\$218.7m	\$4.1m	\$214.6m
Profit	\$46.5m	(\$2.5m)	\$49.0m
Margin %	21%	(62%)	23%
FY14			
Revenue	\$195.1m	\$1.4m	\$193.7m
Profit	\$40.2m	(\$2.0m)	\$42.2m
Margin %	21%	(146%)	22%

Our investment in the TechnologyOne Cloud is impacting our margins in the short term.
TechnologyOne Cloud will make a very positive contribution to margins in the coming years

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Margin Analysis

The acquisitions had no impact on our margins

	Company	ICON	DMS	Company Excl. Acq
FY15				
Revenue	\$218.7m	\$1.9m	\$2.3m	\$214.5m
Profit	\$46.5m	\$0.5m	\$0.6m	\$45.4m
Margin %	21%	26%	26%	21%
FY14				
Revenue	\$195.1m	\$0m	\$0m	\$195.1m
Profit	\$40.2m	\$0m	\$0m	\$40.2m
Margin %	21%	0%	0%	21%

Acquisitions added \$1.1m profit contribution, which help compensate for the \$2.5m loss in the TechnologyOne Cloud

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Top End of Full Year Guidance Achieved

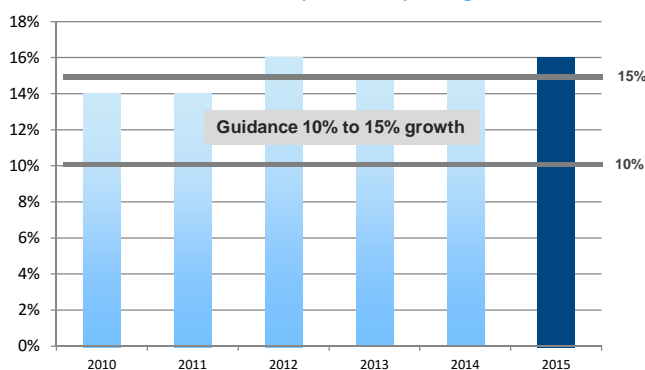
Full Year Guidance

Continuing profit growth of 10% to 15%

- ✓ Profit Before Tax up 16%
- ✓ Profit After Tax up 16%
- ✓ Sixth year achieved top end of guidance

Percentage Profit Growth by Year

NPAT 2015 - \$35.8m, up 16%, Compound growth 15%



Over last 6 years we have consistently met the top end of our guidance (10% to 15% profit growth)

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Results Highlights

Continuing strong performance

Significant investments have continued as follows:

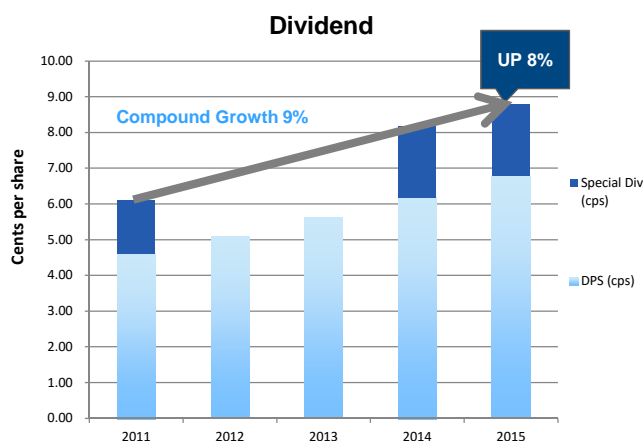
- United Kingdom \$400k loss (vs \$745k loss in 2014)
- TechnologyOne Cloud \$2.5m loss (vs \$2m loss in 2014)
- R&D, including Ci Anywhere \$41m (\$38m in 2014)
 - Fully expensed as incurred

Total Dividend Up 8%

Dividends for the 2015 year:

Half 1	2.15 cps up 10% (paid)
Half 2	4.63 cps up 10% (declared)
Total	6.78 cps up 10%
Special	2.00 cps (as per last year)
Total	8.78 cps up 8%

Dividend payout ratio is 76%



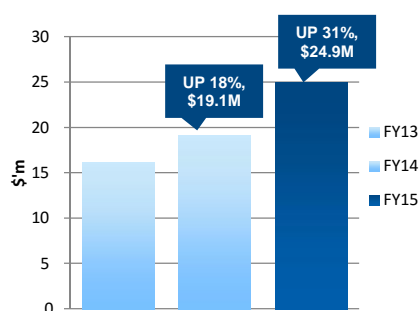
Notes

- 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
- No Special Dividend in 2012 & 2013 because of a lack of franking credits

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Total Expenses up 11%, versus Revenue up 12%

Variable

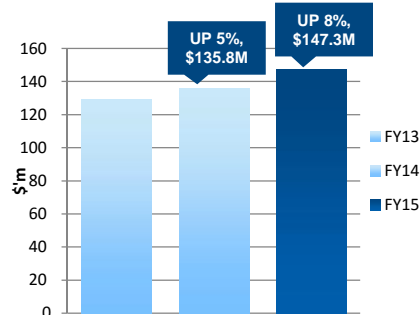


Variable costs¹ up 31% (\$5.9m)

- TechOne Cloud costs up 100%+ (\$2.2m), associated with cloud revenue growth
- Third party costs up 52% (\$1.4m), linked to our strong growth in the Health & Community services sector and the sale of a third party product

¹Costs directly associated with revenue growth

Operating

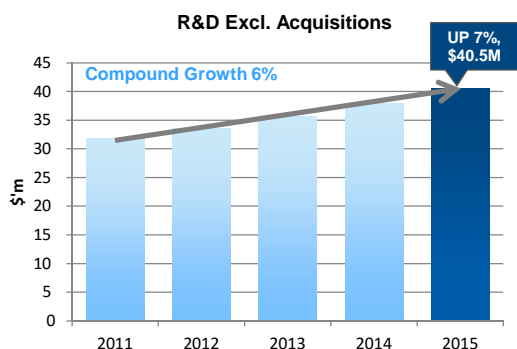


Operating costs up 8%

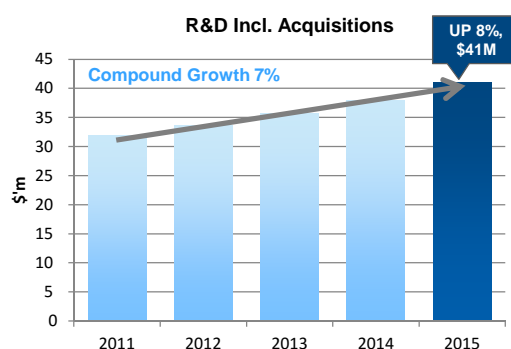
- As expected

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R&D Expenses up 8%, fully expensed



**R&D¹ expenses
excluding acquisitions
up 7% below the 8%
target² set in 2011**



**R&D¹ expenses including
acquisitions up 8%**

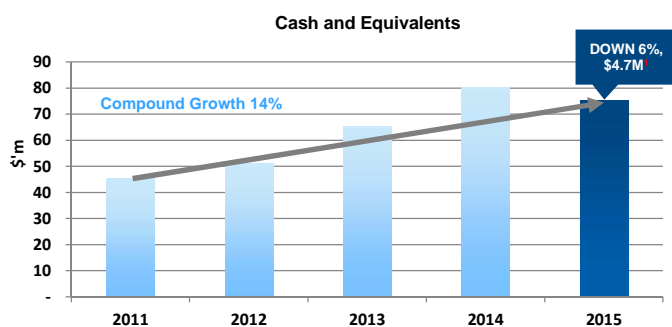
¹R&D fully expensed in the year it is incurred

²The 8% target was set excluding acquisitions

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Balance Sheet

- **Cash & Cash Equivalents¹** \$75.5m (vs. \$80.2m, down \$4.7m)
- **Net Cash²:** 24.42c/s (vs. 24.81c/s)
- **Debt/Equity:** 2.02% (vs. 3.5%)
- **Net Assets:** \$117.9m (vs. \$104.5m, up \$13.4m)
- **Interest Cover:** 309 times



	Sep-15 \$'000	Sep-14 \$'000	Var \$'000	%
Cash & cash equivalents	75,536	80,209	(4,673)	(6%)
Trade and other receivables	38,273	30,844	7,429	24%
Earned and unbilled revenue	12,110	7,774	4,336	56%
Prepayments	1,802	1,180	622	53%
Other current assets	355	344	11	3%
Current assets	128,076	120,351	7,725	6%
Property, plant and equipment	10,012	8,875	1,137	13%
Intangible assets	38,103	15,684	22,419	143%
Deferred tax assets	6,456	6,451	5	0%
Non-current assets	54,571	31,010	23,561	76%
Total Assets	182,647	151,361	31,286	21%
Trade and other payables	22,026	17,826	4,200	24%
Provisions	9,137	7,922	1,215	15%
Current tax liabilities	3,479	3,137	342	11%
Unearned revenue	12,672	8,123	4,549	56%
Borrowings	2,363	1,302	1,061	81%
Other liabilities	15,030	8,552	6,478	76%
Total Liabilities	64,707	46,862	17,845	38%
Net Assets	117,940	104,499	13,441	13%
Issued Capital and Reserves	59,571	54,598	4,973	9%
Retained earnings	58,369	49,901	8,468	17%
Equity	117,940	104,499	13,441	13%

¹ includes \$4.6m payment for ICON acquisition, \$8m payment for DMS acquisition, \$6m special dividend (restarted last year)

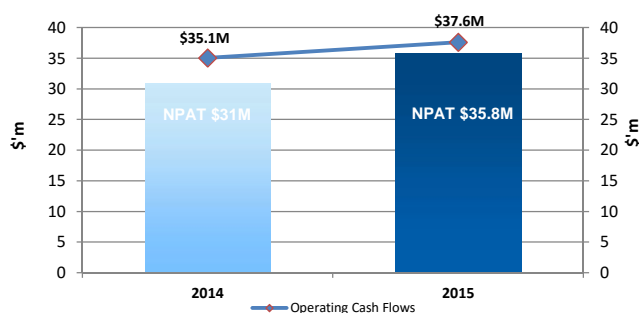
²after debt per share

Cash Flow

Operating Cash Flow (\$37.6m), has improved substantially over the full year

- Up \$2.6m, 7% from \$35.1m Sept 2014
- Vs NPAT of \$35.8m
- Vs negative 2.3m at the half year

NPAT versus Operating Cash Flows



	Sep-15 \$ '000	Sep-14 \$ '000	Var	%
EBIT	46,494	38,684	7,810	20%
Depreciation & Amortisation	4,157	4,791	(635)	(13%)
Change in working Capital				
(Increase) / Decrease in Debtors	(6,416)	(89)	(6,327)	(7144%)
(Increase) / Decrease in Prepayments	(583)	(1,777)	1,194	67%
Increase / (Decrease) in Creditors	2,445	(1,429)	3,874	271%
Increase / (Decrease) in Staff Entitlements	1,516	763	753	99%
Net Interest Paid	1,152	1,550	(398)	(26%)
Income Taxes paid	(10,699)	(8,826)	(1,873)	(21%)
Other	(425)	1,382	(1,807)	(131%)

Operating Cash Flow	37,642	35,051	2,591	7%
Capital Expenditure	(4,338)	(1,555)	(2,783)	(179%)
Payment for purchase of business	(12,556)	0	(12,556)	(100%)
Net of cash acquired	567	0	567	0%
Proceeds from Sale of PP&E and Investments	6	0	6	0%
Free Cash Flow	21,322	33,496	(12,174)	(36%)
Dividends Paid	(25,868)	(17,782)	(8,086)	(45%)
Repayment of finance lease	(1,137)	(1,637)	500	31%
Proceeds from leasing of PPE	0	0	0	0%
Proceeds from Shares issued	1,011	736	275	37%
Increase in Cash & Cash equivalents	(4,673)	14,813	(19,485)	(132%)

¹ Significant billings in last month of the quarter, to be collected early in Q1

² Acquisition of ICON and DMS

Results Analysis

Full Year 2015 v Full Year 2014	FY15 \$'000	FY14 \$'000	Variance \$'000	%
Revenue excl interest	217,113	193,353	23,760	12%
Expenses (excl R&D, interest, Depn & Amortisation)	126,887	111,994	14,893	13%
EBITDAR	90,226	81,359	8,867	11%
R&D Expenditure	41,041	37,873	3,168	8%
EBITDA	49,185	43,486	5,699	13%
Depreciation	3,478	4,539	(1,061)	(23%)
Amortisation of Intangibles	678	253	425	168%
EBIT	45,029	38,694	6,335	16%
Net Interest Income	1,465	1,541	(76)	(5%)
Profit Before Tax	46,494	40,235	6,259	16%
Profit After Tax	35,785	30,967	4,818	16%

R&D is a significant expenditure we incur today, to build the platform for our continuing strong growth in the future

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Results – Key Metrics

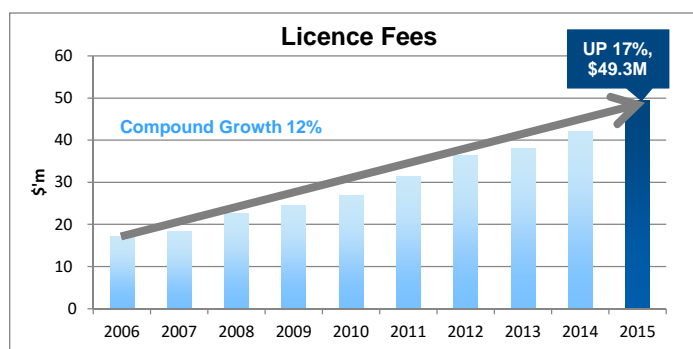
Full Year 2015 v Full Year 2014	FY15	FY14	Variance %
EPS (cents)	11.57	10.06	15%
Dividends (cents)			
Standard	6.78	6.16	10%
Special	2.00	2.00	-
Dividend Payout Ratio	8.78	8.16	8%
Key Margin Analysis			
EBITDAR Margin	41%	42%	
EBITDA Margin	22%	22%	
Net Profit Before Tax Margin	21%	21%	
Net Profit After Tax Margin	16%	16%	

Full Year 2015 v Full Year 2014	FY15	FY14	Variance %
ROE			
Return on equity	30%	30%	
Adjusted return on equity ¹	63%	76+%	
Balance Sheet (\$'000s)			
Net Assets	117,940	104,499	13%
Cash & Cash Equivalents	75,536	80,209	(6%)
Operating cash flows	37,642	35,050	7%
Debt/Equity	2%	4%	
R&D as % of Total Revenue	19%	19%	

¹Adjusted for net cash above required working capital, which was assumed at \$12m

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Licence Fees Up 17% (vs down 11% at H1)



Licence fees up 17 % (vs down 11% at H1)

- 12th consecutive year of strong L/Fee growth
- Added 58 new customers, of which 18 replaced systems from Oracle, SAP, Microsoft & INFOR
- High profile wins: Brisbane City Council, Wellington City Council, Mercy Health, TAFE Qld, Department of Education & Training, Australian Bureau of Statistics, Department of Treasury etc.
- Pipeline for 2016 year is strong

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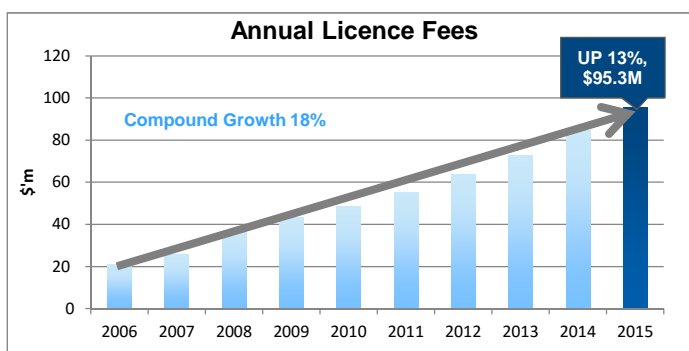
New Customers for 2015 (58)

Anglican Church Diocese of Perth	Freedom Aged Care Pty Ltd	Port Arthur Historic Site Management Authority
Annecto Inc	Gladstone Area Water Board	Qantas Credit Union
AS Bryden	Heathgate Resources Pty Ltd	Royal Australian College of General Practitioners
Australian Bureau of Statistics	Heritage Council WA	Royal Freemasons Ltd
Department of Treasury	HQPlantations Pty Ltd	Scottish Borders Council
Australian Longline Pty Ltd	Hume Bank Limited	Solomon Islands National University
Box Hill Institute of TAFE	Integratedliving Australia Ltd	Taylor Byrne Pty Ltd
Brisbane City Council	JWH Group	The Baptist Union of Queensland
Central Institute of Technology	Keystart Loans Ltd	The Health Administration Corporation
City of Mitcham	Livingbridge EP LLP	The Mayor and Burgesses of the London Borough of Haringey
Clackmannanshire Council	Maitland Mutual Building Society Limited	TSB Bank
Clean Energy Finance	Mallee Catchment Management Authority	University of Lincoln
Conservation and Environment Protection Authority	Mater Health Services North Queensland	University of South Wales
CraigCare Group Pty Ltd	Mercy Health & Aged Care Incorporated	University of the Highlands and Islands
Department of Education, Training and Employment	Mission Providence Pty Ltd	VisAbility Incorporated
CAA - TAFE Queensland	Multicultural Development Association	Wellington City Council
Department of Lands	National Airports Corporation	Wesley College Melbourne
East Dunbartonshire Leisure and Culture Trust	National Superannuation Fund Ltd	Wesley Mission Victoria
Enjoy East Lothian Leisure Ltd	Nautilus Minerals Pacific Pty Ltd	
Fiji Sugar Corporation	Pilbara Ports Authority	

Excluding acquisitions

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Annual Licence continue to grow strongly: up 13%

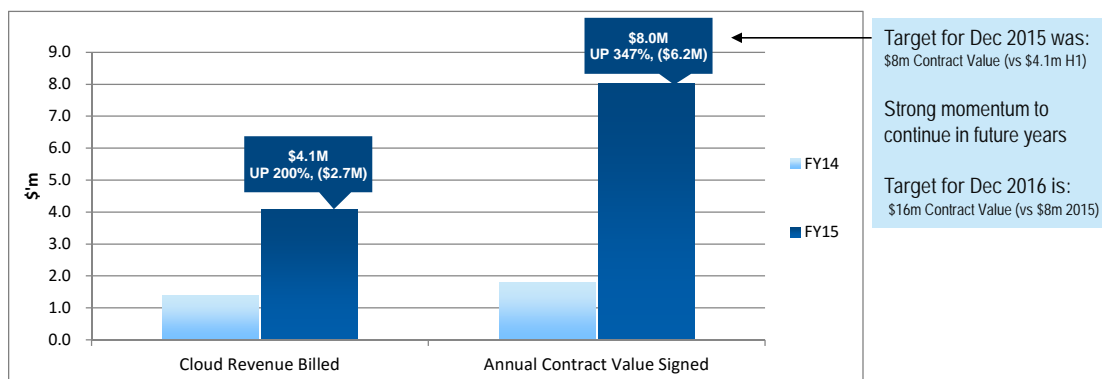


Annual licence fees continue to grow strongly: up 13%

- Compound growth over the last 10 years is 18%
- Customer retention is important
- Investing in Compelling Customer Experience III, Ci Anywhere, TechnologyOne Cloud

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Cloud Service Fees continue to grow strongly: \$8m, up 100%



Annual Contract Value continues to grow strongly: \$8.0m, up 100%+ (\$6.2m)

- Cloud Customers: 70 vs 21 at 30 Sept 2014
- New Customer this year: 49 includes Brisbane City Council, Department of Treasury, Mercy Health, Wellington CC, TAFE Qld, Australian Bureau of Statistics etc.
- Full year loss of \$2.5m (vs a loss \$2m in 2014; and \$1.6m at H1)
- Loss reduces to \$1m in 2015/2016 year with our new Cloud 5.0 architecture and increasing customer base

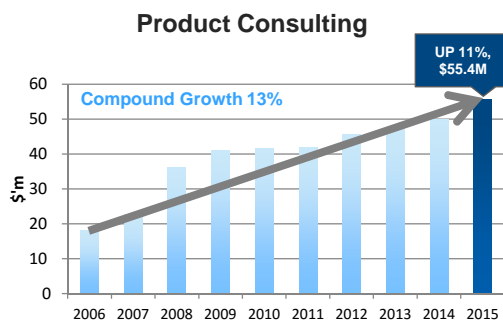
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New Cloud Customers for 2015 (49)

Australian Bureau of Statistics	Department of Lands	Scottish Pacific Business Finance Pty Ltd
Access Housing Australia Ltd	EECU Limited	St Vincent de Paul Society Qld
AsureQuality Ltd	Enjoy East Lothian Leisure Ltd	Taylor Byrne Pty Ltd
Aylesbury Vale District Council	Forestry Tasmania	The Baptist Union of Queensland
B&E Limited trading as B&E Personal Banking	Freedom Aged Care Pty Ltd	The Health Administration Corporation
BBI (DBCT) Management	Gladstone Area Water Board	The Mayor and Burgesses of the London Borough of Haringey
Bendigo & Adelaide Bank Limited	Glenorchy City Council	The Registered Clubs Assoc of NSW
Brisbane City Council	Livingbridge EP LLP	The Uniting Church in Australia Property Trust NSW
Brookfield Infrastructure Group (Australia) Pty Ltd	Macquarie Research Limited	University of Lincoln
Building Services Authority	Mercy Health & Aged Care Incorporated	University of South Wales
Careers Australia Group Ltd	Pepper Australia	University of the Highlands and Islands
Catholic Education Office - Parramatta	Port Arthur Historic Site Management Authority	Victorian Institute of Teaching
Clackmannanshire Council	PrixCar	Wellington City Council
CraigCare Group Pty Ltd	Quick Service Restaurants Holdings Pty Ltd	Wesley College Melbourne
Department of Education & Training	Relationships Australia (SA)	Whangarei District Council
CAA - TAFE Queensland	Retirement Benefits Fund Board	
Department of Treasury	Scottish Borders Council	

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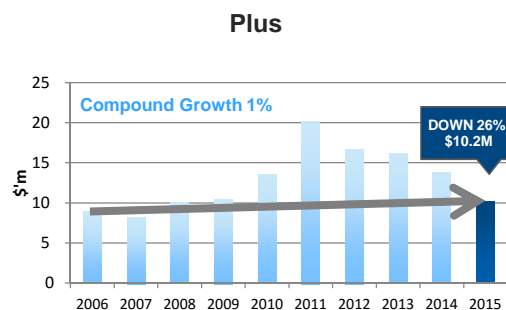
Consulting Revenue inc Plus up 3% (\$2.2m)



Product Consulting revenue up 11%

- Application Managed Services¹, revenue up 162% (\$2.7m). Momentum to continue in 2016 year.

¹ a new service to allow our customers to outsource the administration and management of their enterprise software back to us

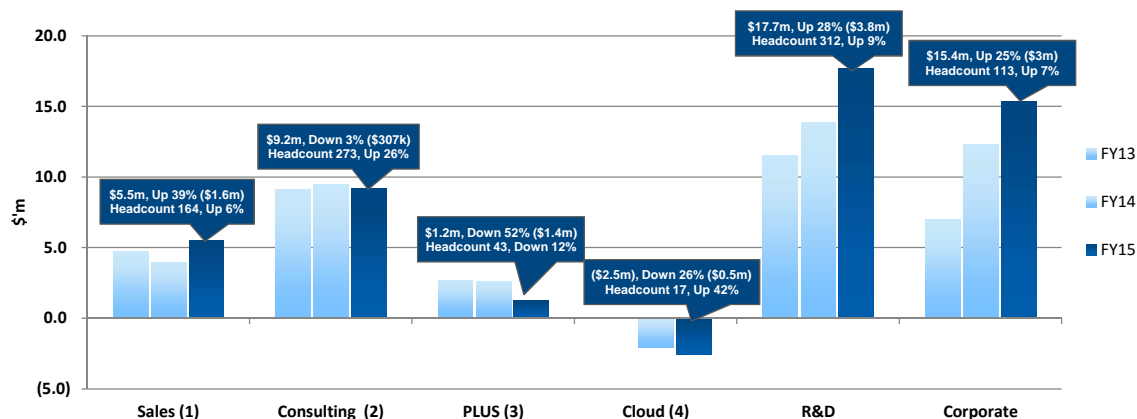


Plus revenue down 26% (3.5m), profit down 52% (\$1.4m)

- Continuing deterioration expected as we wind down 'legacy services'
- Strategy to move this business to 'value added' services around our Ci products
- Market conditions for 'value added' Ci product services strong

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Profit By Segment Analysis



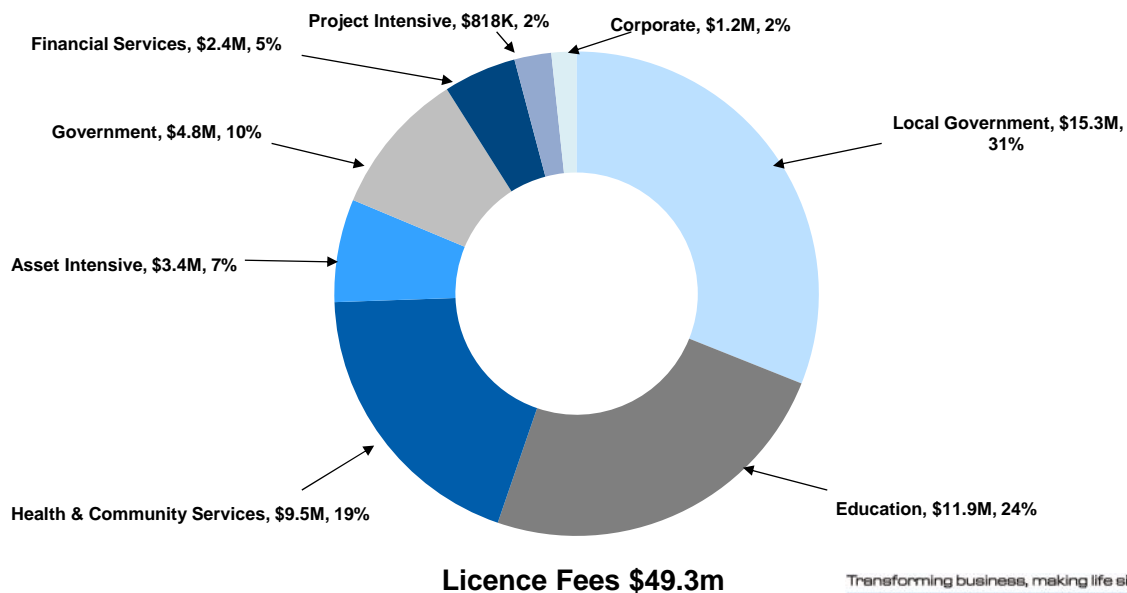
Net Profit Before Tax \$46.5m, up 16% (\$6.3m)

Notes are as follows:

- Sales: Licence Fees up \$7.3m (17%), strong turnaround H2
- Consulting: ramp up for Brisbane City Council, Department of Education and Training and other projects plus significant training for Ci Anywhere & Cloud
- Plus: As expected as we move Plus in new direction
- Cloud: Continued investment as expected in TechnologyOne Cloud

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Licence Fee Contribution - Vertical Market



Agenda

- ✓ Results
- Significant Achievements
- Outlook for Full Year
- Long Term Outlook

Appendix

- Technology One Overview

Delivering a
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Enterprise software
as a service

Ci Anywhere

Enterprise software, incredibly simple
Any device. Any where. Any time.

- ✓ Early adopters in progress, positive feedback
- ✓ Front Office mobile apps now completed
- Deliver all remaining functionality on this platform by mid 2017
- ✓ New strategy to transition our customers to Ci Anywhere via the TechnologyOne Cloud
- ✓ Significant competitive advantage



TechnologyOne Cloud

Enterprise software as a service

- ✓ TechnologyOne Cloud 5.0 now avail to early adopters
- ✓ Significant leap forward – Mass Production Model
- ✓ Huge economies of scale
- ✓ Shared instance architecture key
- Migrate customers seamlessly from Cloud 1.0, 2.0, 3.0, 4.0 to Cloud 5.0
- Cloud 6.0 (2016A) under development for early 2016



TechnologyOne Cloud

- ✓ Expect a smooth transition of our business to the Cloud over next 5+ years
- ✓ Significant benefits for us as we transition our business to the Cloud
 - Streamline our business, reduce costs
 - Reduce time to market
 - Increase innovation and creativity
 - Improve our customers' experience
 - More resilient business model
 - Strong competitive advantage

TechnologyOne's Journey to The Cloud




- | | |
|----------------------------------|------|
| • Email | done |
| • Corporate Accounting | done |
| • R&D in the Cloud | done |
| • Documents & Files in the Cloud | done |
| • Demonstrations via the Cloud | done |
| • Consulting in the Cloud | done |

Acquisition Strategy

- TechnologyOne is not an acquisition driven business
 - Prefer organic growth because of the significant cost, time, effort and management distraction that accompanies an acquisition.
- TechnologyOne considers acquisitions when the opportunity arises to acquire Intellectual Property (IP) that extends our enterprise footprint
 - Into new areas that we do not currently support, and which would take an inordinate amount of time, money and risk for us to develop
- Our acquisition strategy is to deeply integrate the acquired business; and redevelop the acquired IP onto our Ci Anywhere platform
- This is the case with three acquisitions we have undertaken in the last 12 months

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Acquisition Update

- ✓ **Icon Software – Local Government Online Planning**

 - Completed 2015¹: \$10m valuation, Earnings neutral in 2015, Earn out formula
 - **Contribution of \$500k to our 2015 earnings**
- ✓ **DMS – Digital mapping software**

 - Completed 2015¹: \$12m valuation, Earnings neutral 2015, Earn out formula over 3 years
 - **Contribution of \$580k to our 2015 earnings**
- ✓ **JRA - Strategic asset management**

 - Completed 2016¹: \$10m valuation, Earnings neutral 2016, Earn out formula over 3 years
 - **Contribution nil to our 2015 earnings, as acquisition concluded Oct 2015**

¹ Year Ending date

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JRA Acquisition (Post Sept 30th)



- TechnologyOne had worked with a Strategic Asset Management Partner for our Local Government and the Asset Intensive markets (21 customers)
- This partnership was terminated on 24/8/15
- Sought a new partner who could add significant industry knowledge, expertise and IP: JRA
- Strategic high value addition for Local Government and Asset Intensive industries
 - Have market presence and credibility
 - Key customers include BART – San Francisco Transit Authority
- \$10m valuation, earn out formula over 3 years, expected earnings neutral in 2016
- Significant investment to redevelop JRA on our powerful Ci Anywhere platform

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JRA Customer List (65)

ALGA	Gosford City Council	Narrandera Shire Council	Department of Transport and Main Roads (QLD)
AUSTROADS	Goulburn Mulwaree Council	Parkes	City of Salisbury
Ballina Shire Council	Greater Hume Shire Council	Penrith City Council	Circular Head Council
Bass Coast Shire Council	Greater Taree City Council	Port Macquarie - Hastings Council	Tasmanian Audit Office
Bellingen	Hawkesbury City Council	Port Stephens Council	Waratah Wynyard
Bland Shire Council	Hay Shire Council	Shellharbour City Council	Ballarat City Council
BMCC	IPWEA	Tamworth Regional Council	Knox City Council
Burwood Council	Jerilderie Shire Council	Tumbarumba Shire Council	Mornington Peninsula Shire Council
Byron Shire Council	Junee Shire Council	Tumut Shire Council	Shire of Serpentine Jarrahdale WA
Canterbury City Council	Kempsey	Upper Lachlan Shire Council	BART (Bay Area Rapid Transit) San Francisco
Cessnock Council	Lachlan Shire Council	Wagga Wagga City Council	IMEA-NAMSPLUS e learning USA
Clarence Valley	Leichhardt Council	Wakool Shire Council	
Coffs Harbour City Council	Lismore City Council	Wentworth Shire Council	
Conargo Shire Council	Lockhart Shire Council	Woolahra Municipal Council	
Coonamble Shire Council	Marrickville	Yass Valley Council	
Cootamundra Shire Council	Murray Shire Council	Goondiwindi Regional Council	
Deniliquin Council	Murrumbidgee	Logan City Council	
Gloucester	Nambucca	Southern Down Regional Council	

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UK

- Relocated Operating Officer from Australia to the UK
- 9 new customers of which 8 are on the TechnologyOne Cloud
- Total of 26 customers in the UK now
- Critical mass will require 40+ customers
- Our strategy is to move to the 'blue ocean'
 - Critical we bring our HRP¹ offering into the UK market - target date late 2016
 - Next will be our Student System – target date mid/late 2017

¹ Human Resource & Payroll

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New UK Customers 2015 (9, 8 Cloud)

- Scottish Borders Council
- Livingbridge EP LLP
- University of Lincoln
- University of South Wales
- Clackmannanshire Council
- The London Borough of Haringey
- University of the Highlands and Island
- Enjoy East Lothian Leisure Ltd
- East Dunbartonshire Leisure and Culture Trust



Remuneration Framework

- Existing remuneration framework critical to our success over last 25+ years
 - ✓ Quantum of TechnologyOne executive pay is in the mid quartile of our peers
 - ✓ Proven to be very effective
- Engagement with independent advisors has necessitated significant changes:
 - Alignment to what other ASX200 companies do
 - Balance this with our high performance culture and achieving shareholder returns
- Changes to our remuneration framework in 2015 as follows:
 - ✓ Additional disclosure/information on our remuneration structure and policies
 - ✓ Discontinued the use of Options for Long Term Incentives (LTI) for KMP
 - ✓ A new Executive Performance Right (EPR) plan for Long Term Incentives (LTI) for KMP
 - ✓ Introduced mandatory performance hurdles for all LTI issued to KMP under the new EPR plan
 - ✓ Introduced a Mandatory shareholding for Directors
- Introduces risk as we transition from our current successful remuneration framework

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Corporate Governance

- TechnologyOne has always preferred a small Board (5 members)
- Some independent advisors did not accept Mr Mclean as independent which caused our Board & Committees to be seen as not majority independent
 - Major shareholders Adrian Di Marco and John Mactaggart also not classified as independent
- Board Committees now changed to ensure a majority of independent directors and independent chair with the removal of Mr McLean from these committees
- Decision to increase board to 8
 - Add an independent director in 2016, and another in 2017
 - Opportunity to address the gender diversity requirement
 - Addresses majority of independent directors (4 independent directors, 3 not independent)
- Introduces risk as we are in the middle of a significant company transformation program (Ci Anywhere & TechnologyOne Cloud)

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Agenda

- ✓ Results
- ✓ Significant Achievements
- Outlook for Full Year
- Long Term Outlook

Appendix

- Technology One Overview

Delivering a
Cloud first,
mobile first world

Enterprise software
as a service

Outlook for 2016 Year

Continuing strong growth

- The enterprise software markets has been one of the most resilient sectors of the IT industry in recent years
- In particular TechnologyOne markets have remained robust in recent years: government and government related businesses
- The Pipeline for 2016 supports continuing strong profit growth

Outlook for 2016 Year

Full Year - Strong Profit growth to continue in 2016

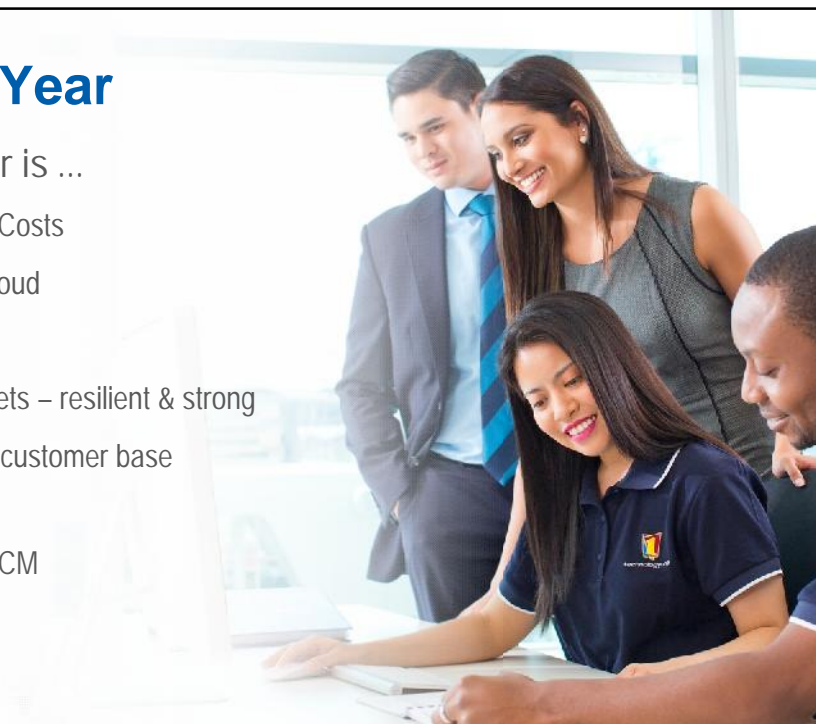
- We expect to see strong continuing growth in licence fees, revenue and profit
- This year the sales pipeline is once again weighted strongly to the second half, so we expect the first half of 2016 will be once again challenging and not indicative of the full year results
- We will provide further guidance at both the Annual General Meeting and with the first half results

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Outlook for 2016 Year

Our focus next financial year is ...

- ✓ Control R&D costs and Variable Costs
- ✓ Transition our business to the Cloud
- ✓ United Kingdom
- ✓ Focus on our eight vertical markets – resilient & strong
- ✓ Cross sell into our large existing customer base
- ✓ Focus on our newer products
 - HRP, Asset Management, ECM
- ✓ TechnologyOne Cloud
- ✓ Ci Anywhere



Agenda

- ✓ Results
- ✓ Significant Achievements
- ✓ Outlook for Full Year
- Long Term Outlook

Appendix

- Technology One Overview

Delivering a
Cloud first,
mobile first world

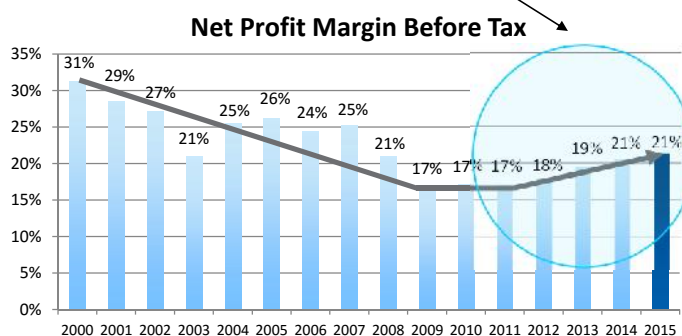
Enterprise software
as a service

Long Term Outlook

Focus is to substantially improve PBT margins through:

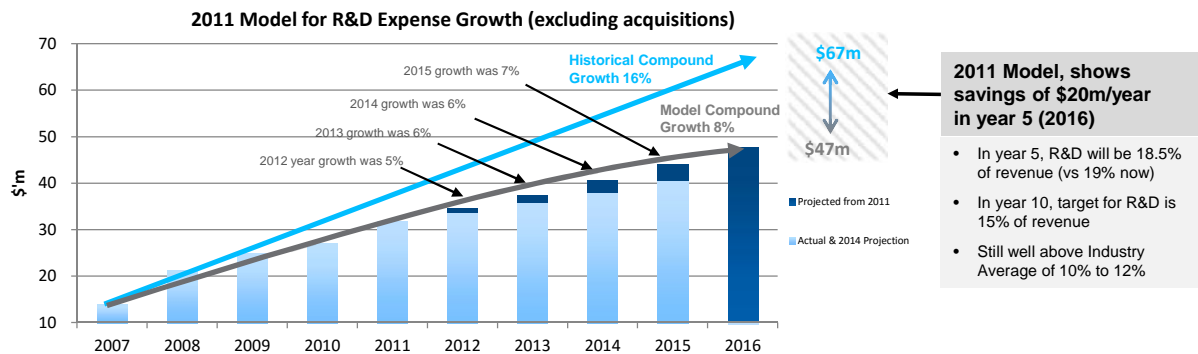
- Controlled R&D growth
- Product Maturity

Temporary hiatus due to Cloud loss of \$2.5m on Revenues of 4.1m
Refer Margin Analysis slide



Profit margin to continue to improve to 25% in the next few years

Controlled R&D Growth

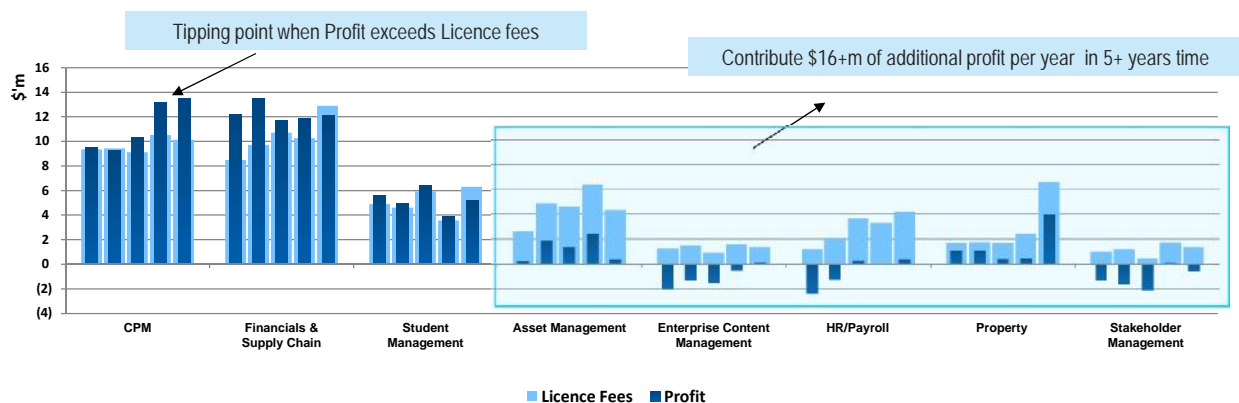


Target for R&D growth of 8% per annum compound, over 5 years set in 2011

- Operating leverage, economy of scale, new work practices...
- In 2012, 2013, 2014 & 2015 year we demonstrated this was achievable with R&D growth of 5%, 6%, 6% and 7% respectively
- Continues to be a very aggressive R&D program
- Assumes no Acquisitions in next 5 years, and continuing growth in revenue

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Product Maturity



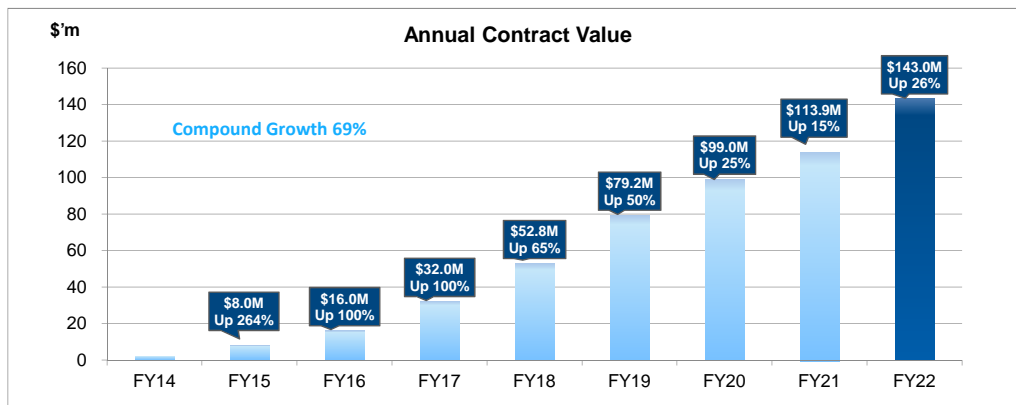
- Significant investment over the last 10 years in Assets, ECM¹, HRP², Property, Stakeholder Management
- Expected these to contribute strongly in the coming years to profitability

¹ Enterprise Content Management

² Human Resources & Payroll

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TechnologyOne Cloud Growth to 2022



\$143m / year (recurring)

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Long Term Outlook

Clear strategy for continuing growth

- ✓ Resilient nature of the enterprise software market
- ✓ The breadth and depth of our product offerings
- ✓ Our enterprise vision
- ✓ Our focus on eight markets
- ✓ Our preconfigured solutions
- ✓ Our large customer base
- ✓ TechnologyOne Cloud
- ✓ Ci Anywhere – our next generation product
- ✓ United Kingdom

**Positioned well
for the future...**

Delivering a
Cloud first,
mobile first world



Agenda

- ✓ Results
- ✓ Significant Achievements
- ✓ Outlook for Full Year
- ✓ Long Term Outlook

Appendix

- Technology One Overview

Delivering a
Cloud first,
mobile first world



Enterprise software
as a service

Australia's largest enterprise software company



1000+ high profile customers



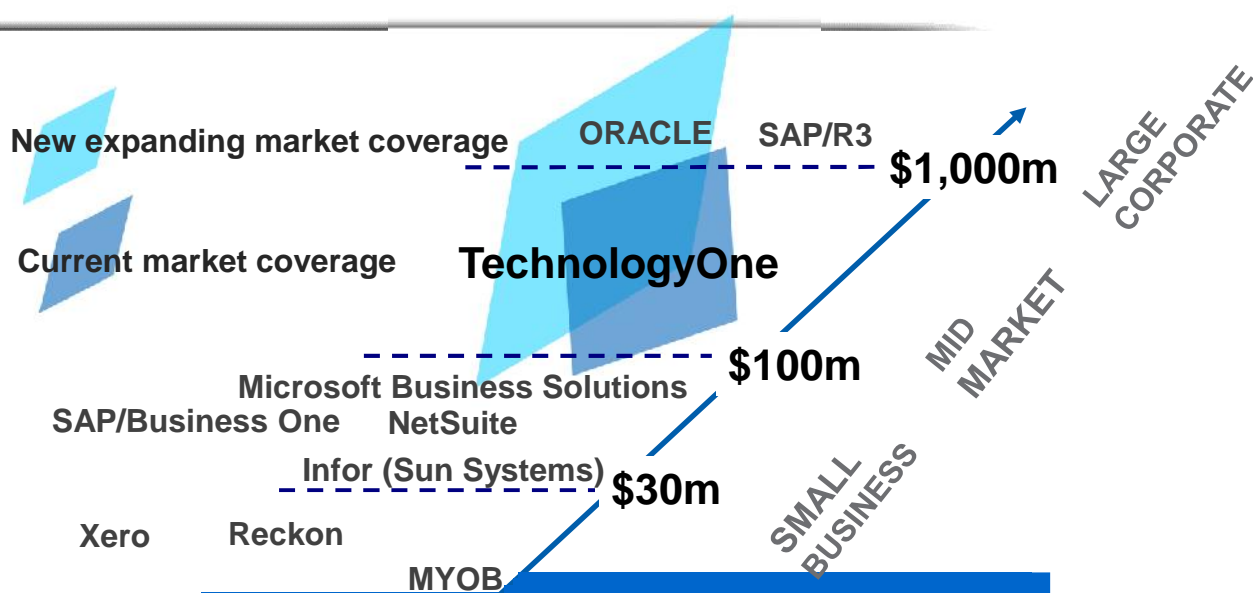
Financially very strong

• Cash and Equivalents	\$75.5m
• Return on Equity	30+%
• Adjusted Return on Equity ²	63%
• Debt/Equity	2%
• Interest Cover	309
• Continually paid dividends since 1996	(20 years)
• Continually profitable since 1992	(24 years)

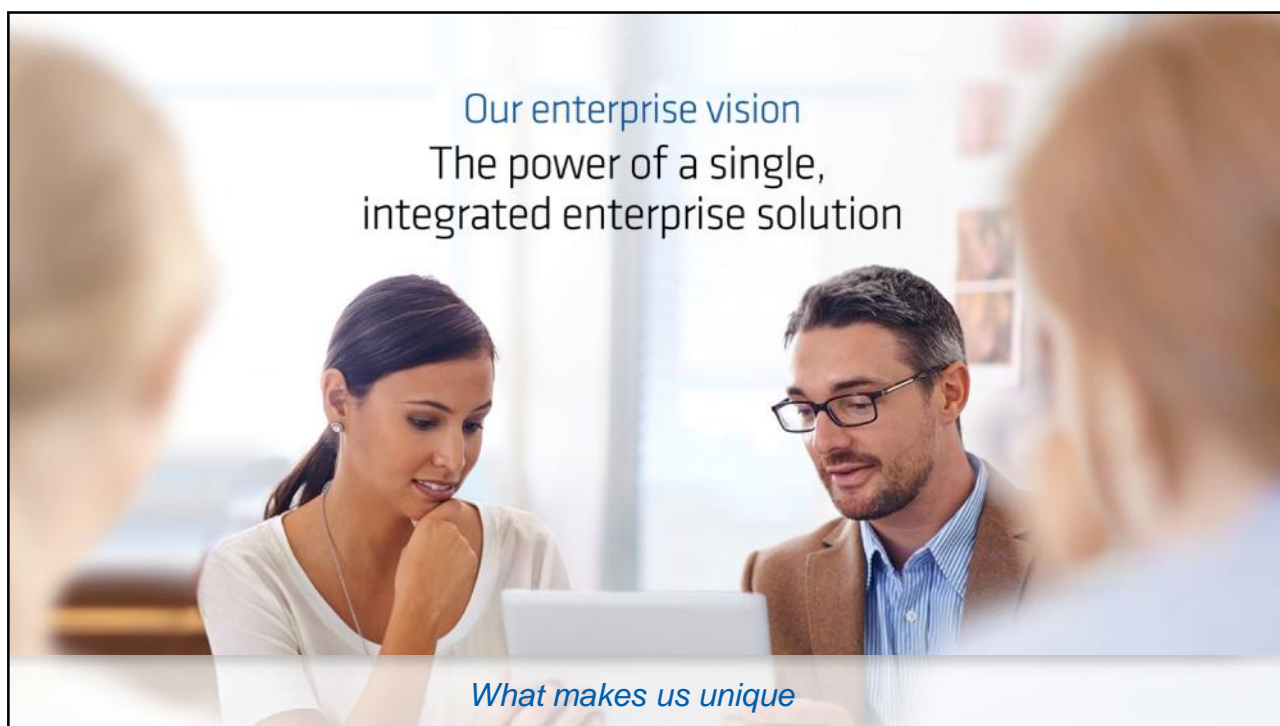
As at 30th Sept 2015²Adjusted for net cash above required working capital, assumed at two months of staff costs

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The Competitive Landscape



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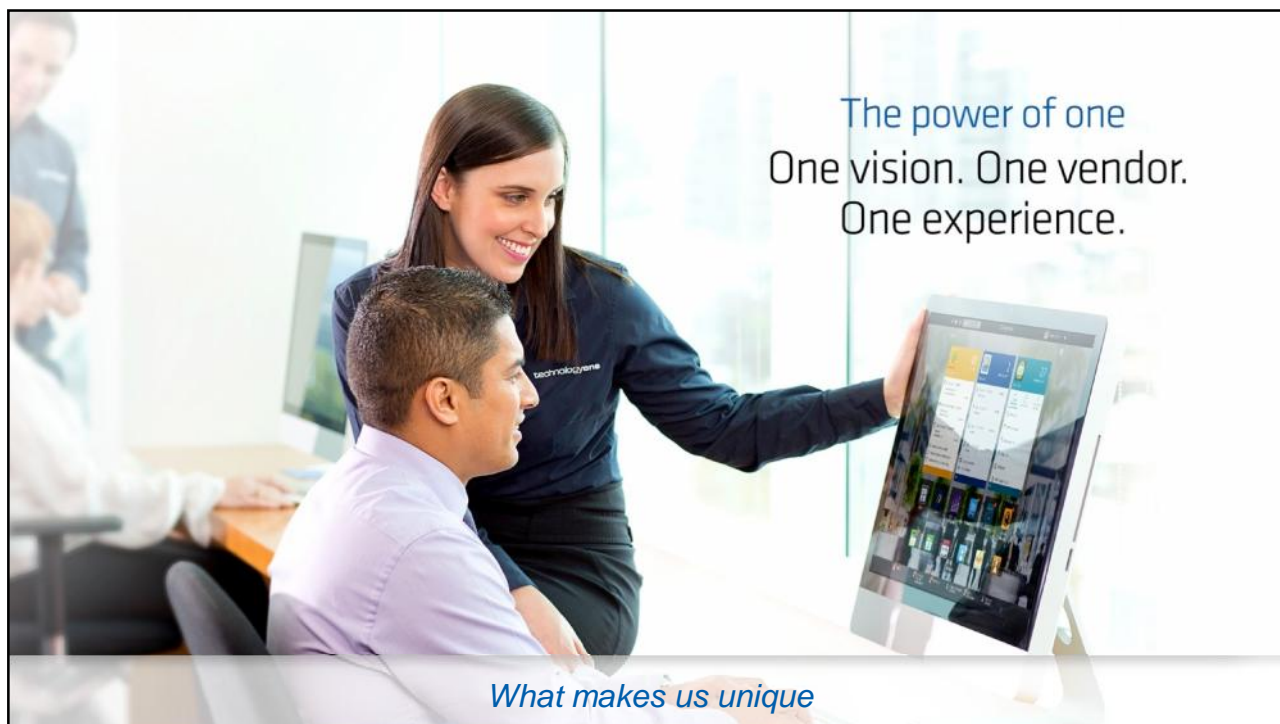
What makes us unique...

Our enterprise vision
We are one of only a few global enterprise vendors

- Suite of 14 products
- Deeply integrated
- Best of Breed functionality
- Common platform
- Consistent user interface

The power of a single, integrated, enterprise solution to streamline your business, reduce costs and embrace new technologies

		Student Management	Budgeting & Forecasting
	Asset Management	Supply Chain	Property & Rating
Financials	Performance Planning	Human Resource & Payroll	Spatial
	Enterprise Cash Receipting	Stakeholder Management	Business Process Management
	Enterprise Content Management	Business Intelligence	



What makes us unique...

The power of one

We do not use implementation partners or resellers

We take complete responsibility for building, marketing, selling, implementing, supporting and running our enterprise solution for each customer to guarantee long-term success.



Compelling Customer Experience

One vision. One vendor. One experience.

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What makes us unique...

We focus on eight key markets...

- Deep understanding and engagement in our markets
- Deeply integrated preconfigured solutions
- Proven practice
- Streamlined implementations
- Reduce time, cost and risk



We sell to asset and service intensive organisations.
We do not service retail, distribution or manufacturing industries.

Market focus and commitment

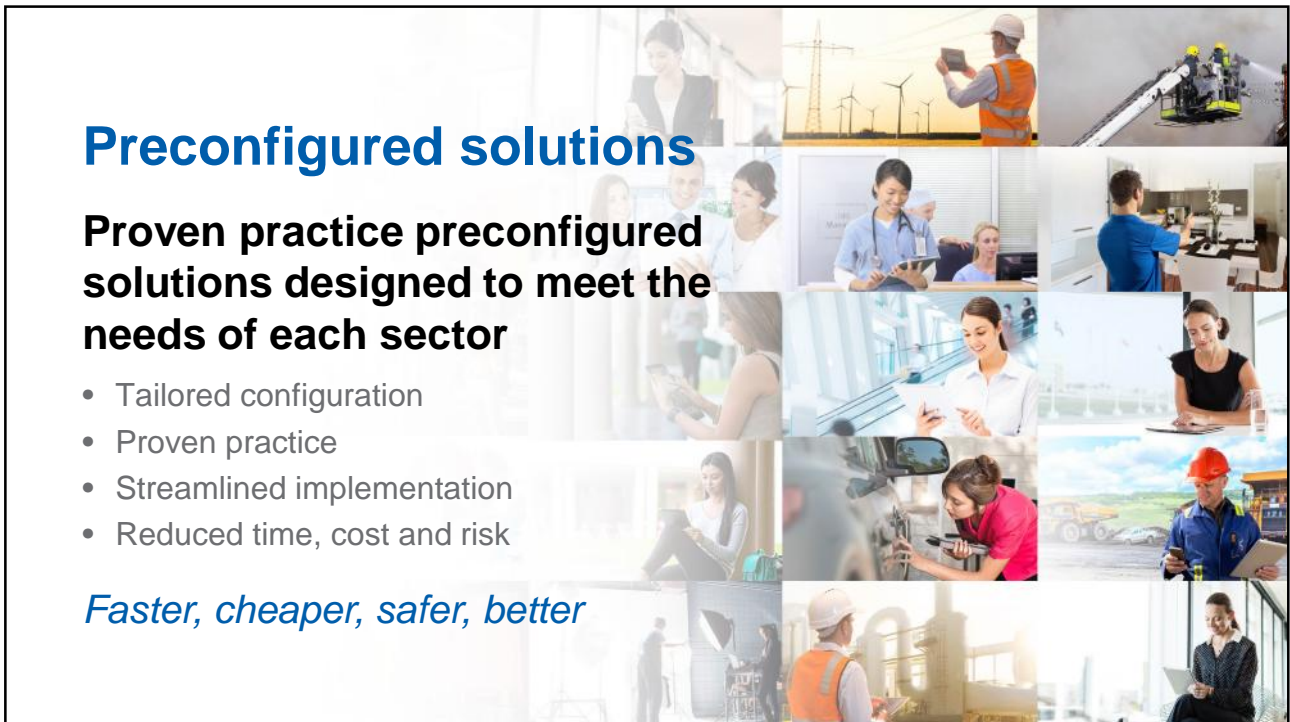
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Preconfigured solutions

Proven practice preconfigured solutions designed to meet the needs of each sector

- Tailored configuration
- Proven practice
- Streamlined implementation
- Reduced time, cost and risk

Faster, cheaper, safer, better



The power of evolution
An enterprise solution that
adapts and evolves



What makes us unique

What makes us unique...

The power of evolution

Substantial investment into R&D each year

- New releases encompass new technologies, concepts and innovations
- Configuration and not customisation



Green screen



Client server



Web based



Cloud computing & smart mobile devices

*99% retention rate of customers who have continued with us
throughout our evolutionary journey*

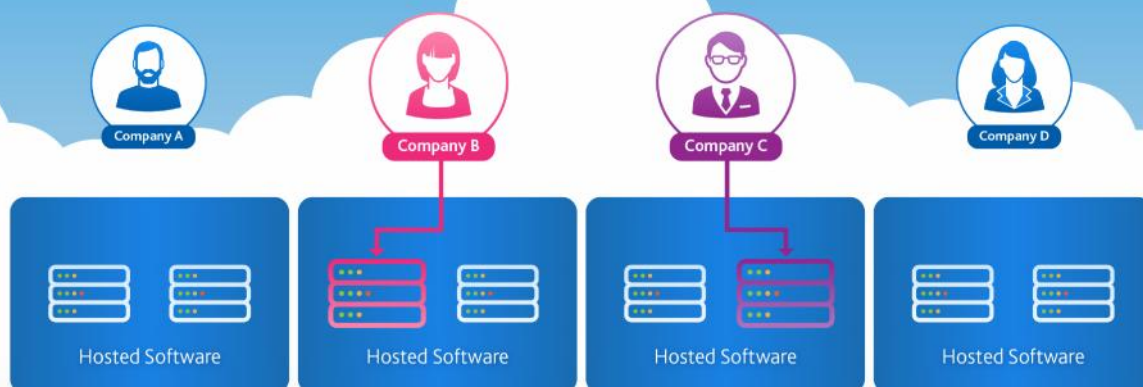
TechnologyOne Cloud

Enterprise software as a service

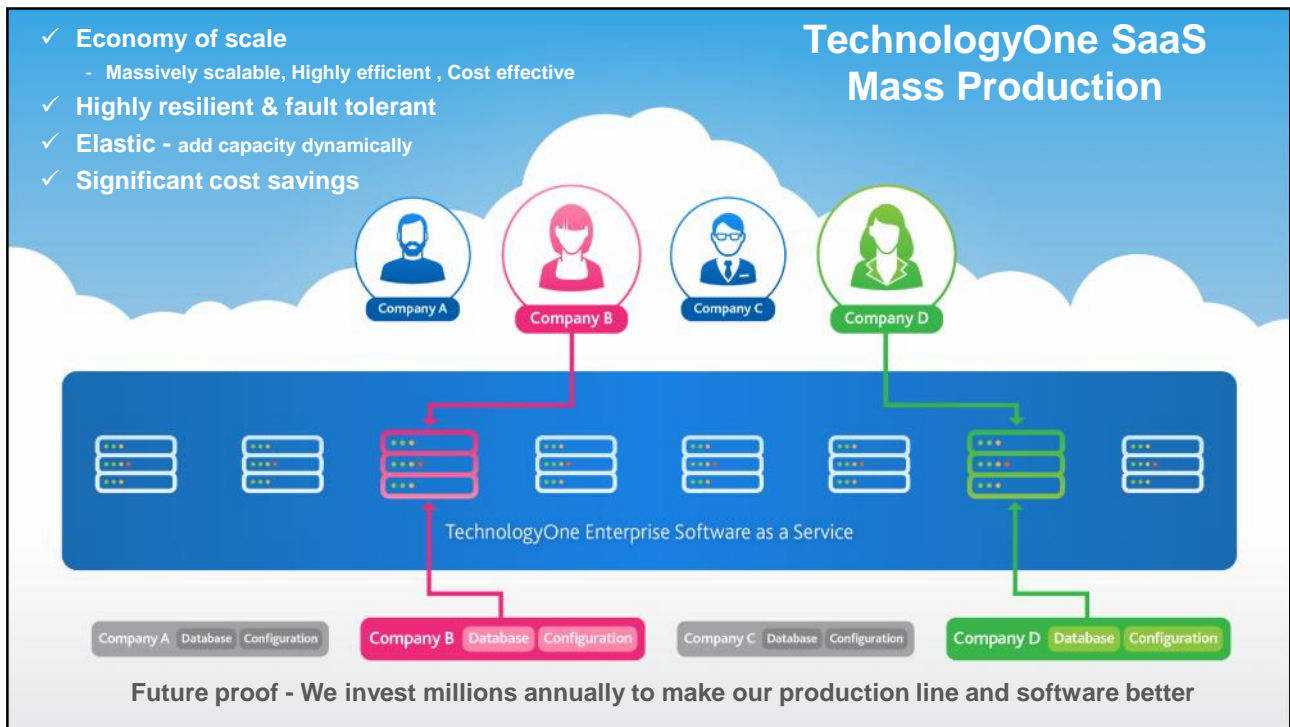
- We run our own enterprise software through the cloud
- We take responsibility to provide a simple, cost effective and highly elastic model of computing
- Unique mass production model delivers economies of scale and strategic benefits to our customers
- Focus on your business not the technology

The future of enterprise software, today

Traditional Hosting Customised



Hand crafted to your specific needs – you only get what you pay for



Ci Anywhere

Enterprise software, incredibly simple

- Embraces smart mobile devices including iPad, iPhone and Android
- Allows users to flow across any and all devices during the course of their day
- Consumer concepts deliver powerful enterprise software that is incredibly easy to use
- Browser based – no installing software

Any device. Any where. Any time.



TechnologyOne is delivering...

**Cloud first,
mobile first world**



Other Facts

Diversity of revenue streams from multiple:

- Products 14
- Vertical markets 8
- Geographies 12
 - All states of Australia, New Zealand, South Pacific, Asia and UK

Strong, very loyal blue chip customer base

- We provide a mission critical solution – ‘sticky customer base’
- 60+% of our revenues generated from existing customers each year
 - Annual licences, increase usage, new modules, new products, ongoing services etc..

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Robust Revenue Model

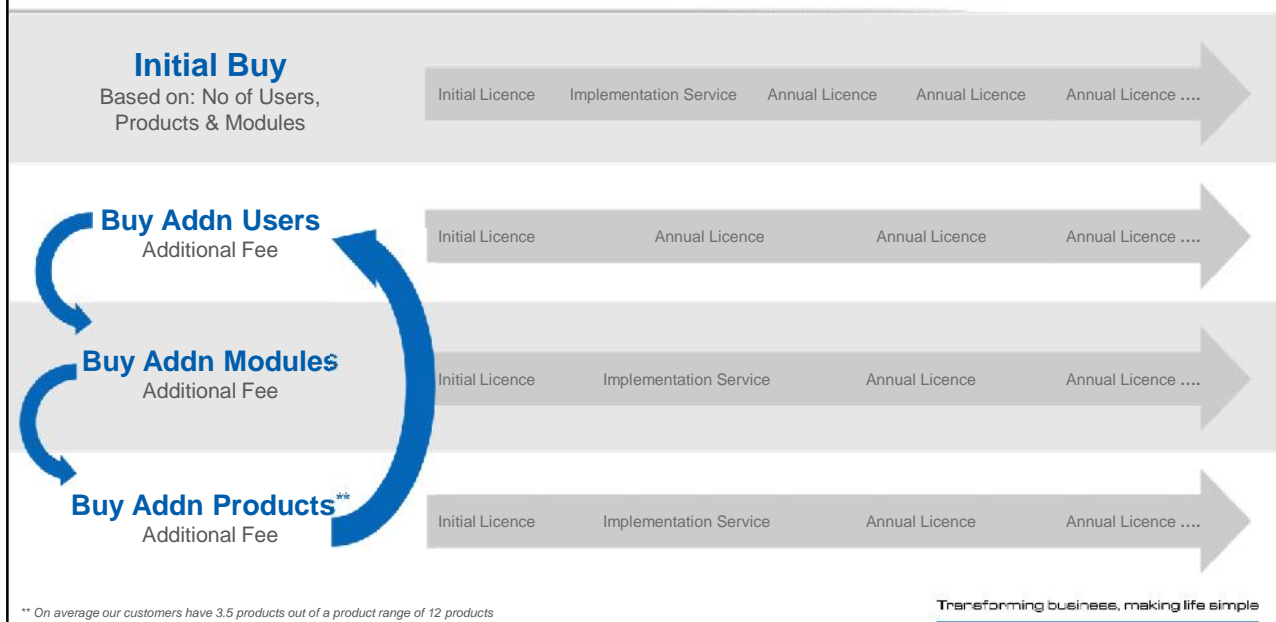
Robust Revenue Model ...

- **Initial Licence - based on usage (number of users)**
 - Matrix of licensable products & modules (approx 300 modules over 12 products)
 - Once off fee – invoiced on contract signing
- **Implementation Services - fee for service**
 - \$1 Services : \$1 Initial licence
 - Once off fee – invoiced as services rendered
- **Annual Licence Fee**
 - 22.5% of Initial Licence
 - Re-occurring every year



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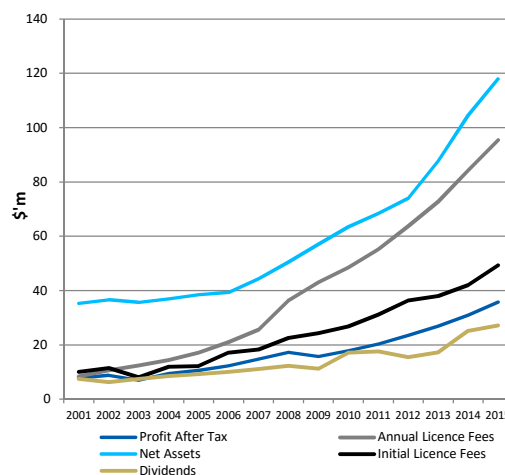
Robust Revenue Model



Historical Performance

Key metrics over last 15 years ...

- ✓ **Revenue** - 13% per annum compound
 - Even through the Dot-Com and GFC
- ✓ **Initial Licence Fees** - 12% per annum compound
- ✓ **Annual Licence Fees** - 19% per annum compound
- ✓ **Profit After Tax** - 12% per annum compound
- ✓ **Dividends** - 10% per annum compound
- ✓ **Net Assets** - 9% per annum compound



Doubling in size every 4+ years for last 15 years

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