

13 February 2024

Hansen makes strategic acquisition of powercloud

Hansen Technologies Limited (ASX: HSN), a leading global provider of software and services to the energy, water and communications industries, is pleased to announce it has completed an acquisition of 100% of the security interests of powercloud GmbH (powercloud) for an equity value of EUR 30m (~AUD \$49m). powercloud is expected to add FY25 revenues of approximately EUR 24-28m (AUD \$40-46m) and is anticipated to become EBITDA accretive within the financial year ending June 2025.

About powercloud

Founded in 2012, powercloud is a leading provider of mission-critical billing and customer management software products serving tier 1 and 2 utility companies and regional municipalities across Germany. With currently over 300 employees, powercloud supports 65+ customers including many of the largest German utility retailers.

Supporting customers along the whole customer lifecycle, powercloud services the B2C & B2B Retailer and Grid Operator network in Germany. powercloud's products provide a high degree of automation, configurability, stability and scalability. powercloud's modern, flexible, and modular cloud native billing and regulatory processes helps their customers dramatically reduce time to market and cost to serve.

Strategic rationale

Sitting within Hansen's core business of billing and customer management, the acquisition of powercloud brings a market leading German application to Hansen's existing suite of global products.

Hansen's Managing Director, Andrew Hansen, has expressed his enthusiasm, stating, "Hansen recognises and applauds the visionary approach that powercloud has adopted. Under the leadership team's guidance, powercloud has developed a flexible, modern and cloud-native platform that addresses the needs of energy retailers in the German marketplace."

The acquisition significantly expands Hansen's scale and scope in the utilities sector and the depth of its operational presence in one of Hansen's key target markets Germany, and the broader DACH region (Germany, Austria, Switzerland), where Hansen already has existing tier 1 and 2 customers.

Germany is the largest European economy and the fourth largest economy in the world and represents significant growth opportunities for Hansen and powercloud. The German government is seeking to accelerate the rollout of smart meters and has announced a proposed law that enables a large-scale smart metering rollout to start immediately before becoming mandatory from 2025 and provides a roadmap with binding deadlines to achieve an essentially full rollout by 2030.

Over the years, powercloud has continued to make substantial investments in advancing its technology platform. Hansen's acquisition of powercloud has come at an ideal time, aligned with the ongoing evolution of the German energy marketplace. Under Hansen ownership powercloud is strongly positioned to benefit from the evolution in the German market.

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The combination of the two businesses is expected to lead to material shared benefits and revenue and cost synergies. With Hansen's wealth of experience in the sector, and its customer focused approach to product development, the acquisition is set to deliver substantial opportunities to accelerate and optimise powercloud's further expansion into the DACH region and beyond.

About the acquisition

The acquisition has been 100% debt funded from Hansen's existing banking facility. Post acquisition, Hansen's balance sheet is expected to remain strong with a debt to EBITDA (leverage) ratio of significantly less than one.

Hansen's Managing Director, Andrew Hansen, said, "Hansen is excited by the products and skills of the powercloud team. Hansen looks forward to welcoming powercloud as a key product suite of the Hansen Group and working with the team at powercloud and their customers to continue to deliver innovative, industry leading and flexible solutions utilising Hansen's customer first approach to help our customers navigate the energy transition."

Further information on this acquisition will be provided in the upcoming 1H24 results announcement on Wednesday 21st February. In addition, a briefing conference call to discuss the acquisition will be held today at 10am Melbourne time 13 February 2024. Click the link below to pre-register for the call. You will be sent an invitation and dial in details.

<https://s1.c-conf.com/diamondpass/10036860-qmo65u.html>

This announcement is authorised by the Chairman.

For further information:

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About Hansen Technologies

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

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.