



technology<sup>1</sup>

# 2025 Half Year Results

Ended 31 March 2025

Making life simple for our community



A.J. Prior  
*A.J. Prior*

BUSINESS IMPROVEMENT

PARTNER

Barossa council

# Disclosure Statement

## TechnologyOne Ltd FY25 Half-Year Presentation – 20 May 2025

TechnologyOne Ltd (ASX: TNE) today conducted a series of presentations relating to its 2025 Half Year results.

These slides have been lodged with the ASX and are also available on the company's website: [Investor Relations | TechnologyOne](#)

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, NRR, Churn, Free Cash Flow. 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 financial information presented is inclusive of CourseLoop's financial results from the date of acquisition unless explicitly excluded.



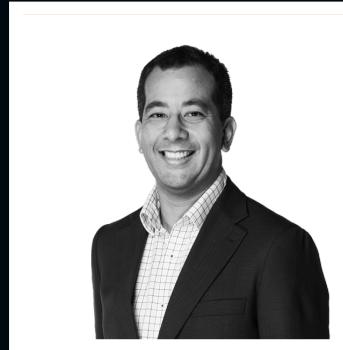
# Agenda

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



technology*'*

# H1 FY25 Highlights



*E. Chung*  
**Edward  
Chung**  
Chief Executive Officer

# H1 FY25 Results – SaaS+ Delivers

ARR exceeds \$500 million in the half – 18 months ahead of schedule



**Profit  
growth  
33%**

to \$81.9m (NPBT)



**ARR growth  
driven by  
SaaS+**

Up 21% to \$511.1m

Our Vision

**Making life simple  
for our community**

Our Purpose

**Our passion is to solve  
the complex**

Our Mission

**Better our community, from its citizens to  
students, by leveraging our team's  
innovation, drive and determination.**

# The TechOne Way

**Why** we exist

**Our Mission & Purpose**

To better our community, from its citizens to students, by leveraging our team's innovation, drive and determination.  
Our Passion is to Solve the Complex.

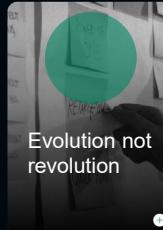
**How** our beliefs & behaviours shape our performance



**Core beliefs.**



The power of one



Evolution not revolution



We dream big and deliver



One experience for our customers



Market Focus & Commitment



Tech is the Answer



**Values.**



We're stronger as one.



Customers are our true north.



People are our power.



Make the impossible possible.



Simplicity is our compass.



**Compelling Customer experience.**



Listen.  
The customer's perception is my reality.



Own it.  
When I see a problem, I solve it. I play my part.



Advocate.  
On the customer's behalf with courage and conviction.



Take Action.  
It's what I do that matters.



Deliver.  
A compelling experience with every interaction.

**What** our leaders do to inspire, influence and motivate others to achieve our Mission



**Our Leadership Philosophies.**



**Set ambitious agenda**

Establish the plan



**Inspire the team**

Get in front. lead by example



**Be hands on**

Use your technical expertise and find creative solutions



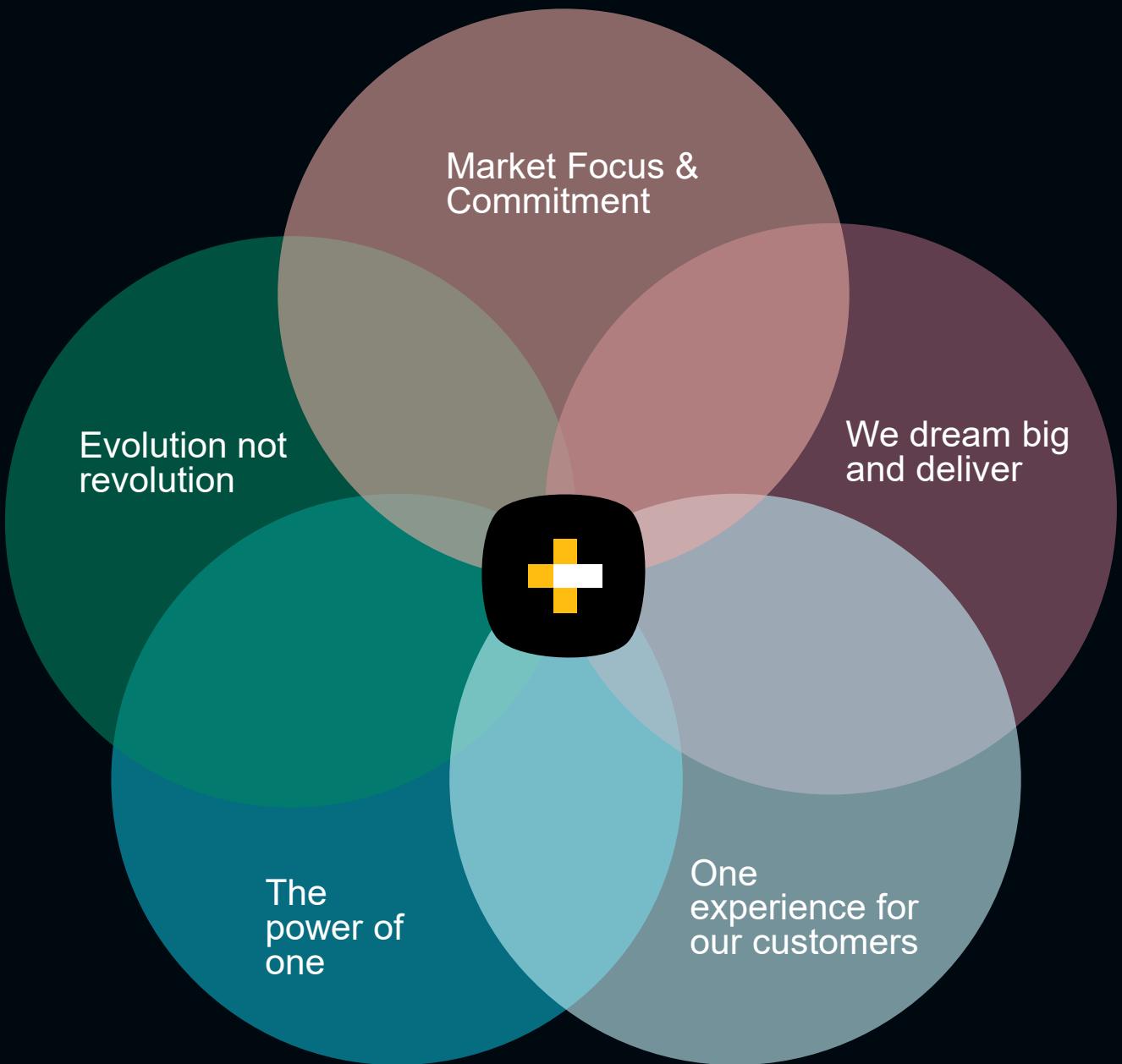
**Create a can do culture**

Find compelling event and make thing happen



**Reward and accountability**

Look after your people





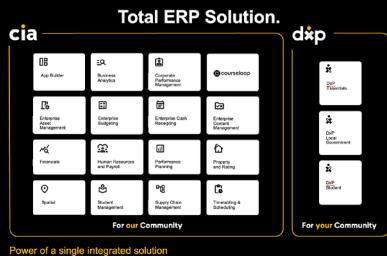
technology'1

One  
Experience  
for our  
customers

Market focus  
and  
commitment

Evolution  
not  
revolution

The Power  
of One



SaaS+



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



# A new long-term target \$1b+ ARR by FY30



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

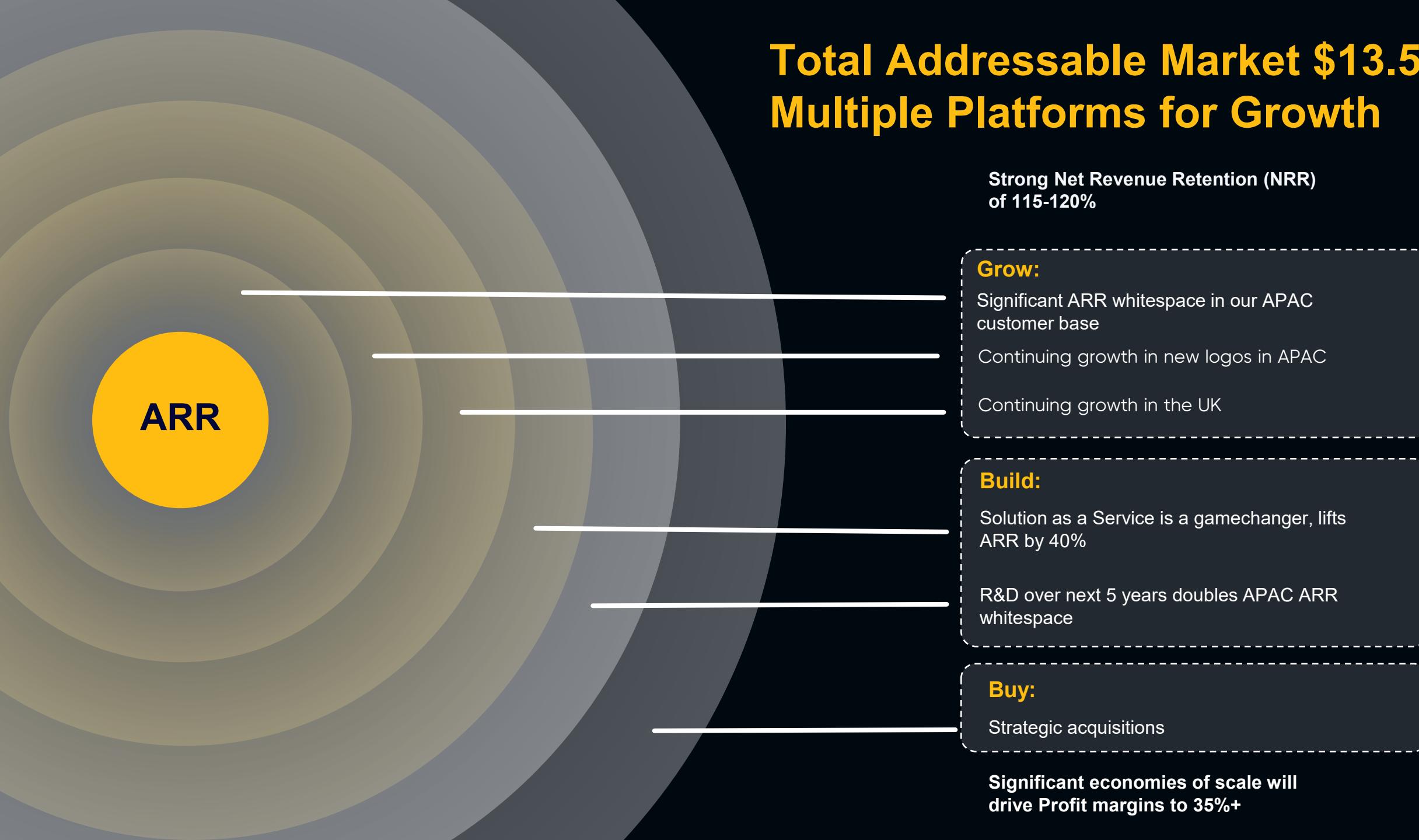


Our Total Addressable Market is \$13.5b



We will continue to double in size every 5 years

# Total Addressable Market \$13.5b Multiple Platforms for Growth



# CourseLoop Acquisition

- Acquired in November 2024
- Broadens our market-leading OneEducation solution to include Curriculum Management

## Strategic Intellectual Property

✓ Mission-critical functionality

## Deeper Functionality

✓ In our Higher Education vertical

## Only Global SaaS Platform

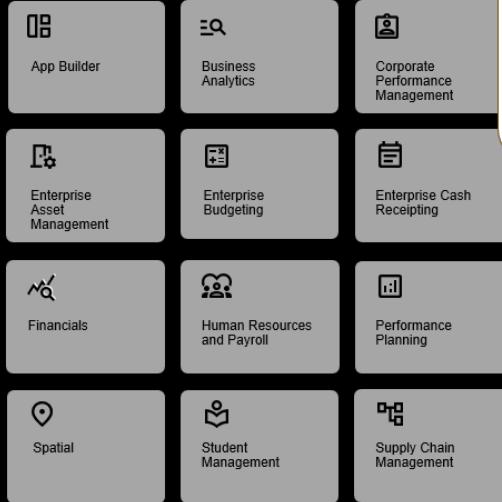
- To encompass entire student lifecycle from course design to graduation

## GTM in UK Improved

- Customer feedback emphasises the value of Curriculum Management

Total ERP Solution.

cia



For our Community

dxp



For your Community

Power of a single integrated solution

■ Available Product

# SaaS+ is a game changer and a key platform for growth

**Outlook for FY25 is strong**

Discussed later in more detail



# H1 FY25 Results



**Profit  
growth  
33%**

to \$81.9m (NPBT)



**ARR growth  
driven by  
SaaS+**

Up 21% to \$511.1m



**Rule of 40\***  
**49%**

+5 ppt (H1 FY24: 44%)

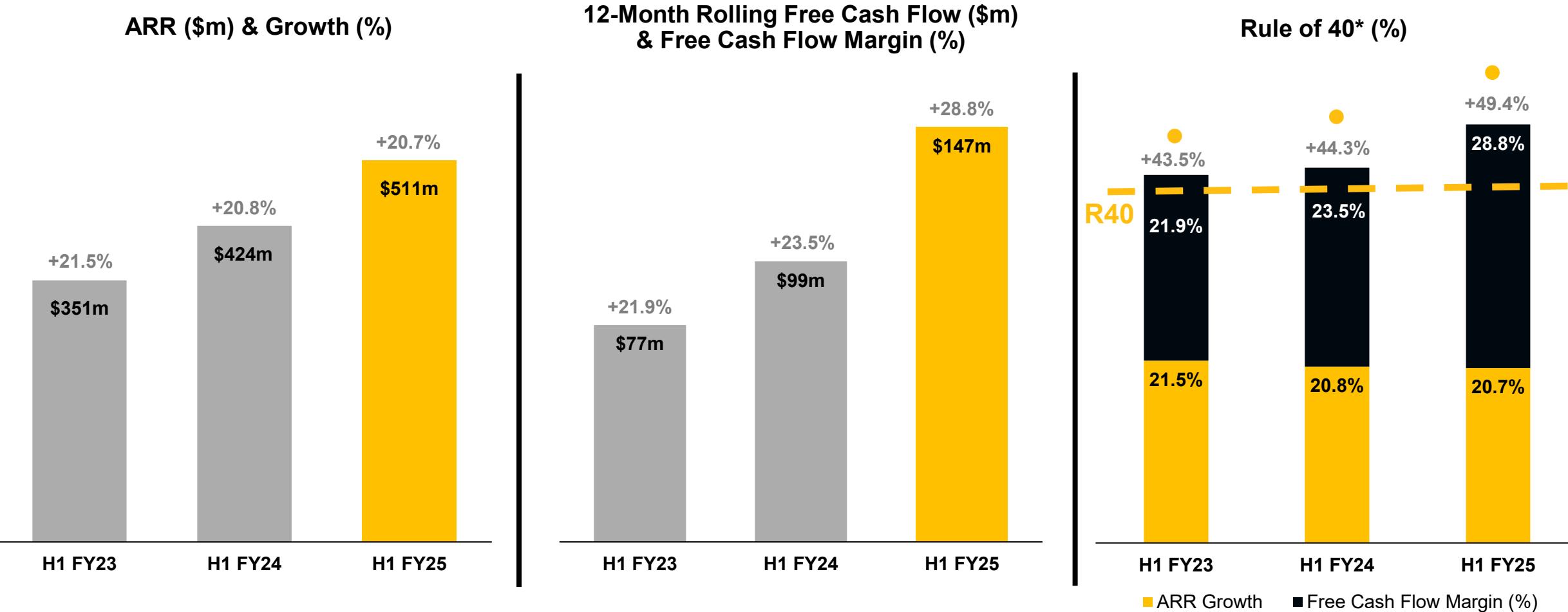
\*

*Rule of 40 is defined as the sum of ARR growth and the 12-month rolling free cash flow margin post tax (free cash flow as a percentage of ARR)*

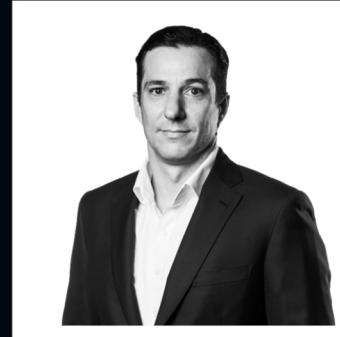
# Rule of 40

A track record of strong profit growth

Continue to target a greater than Rule of 40 outcome as we focus on growth & profitability



# H1 FY25 Financial Highlights



*C. Bennet*  
Cale  
Bennet  
Chief Financial Officer

# H1 FY25 Results Summary

**SaaS+ delivers**

**Drives ARR through \$500 million – 18 months ahead of target**

**Profit growth 33%**

**ARR growth up 21%**

**NRR 118%**

**SaaS & Recurring Revenue up 19%**

	H1 FY25	H1 FY24	VAR	VAR
	\$m	\$m	\$m	
<b>Total ARR</b>	<b>511.1</b>	423.6	87.5	21%
<b>UK ARR</b>	<b>43.1</b>	28.8	14.3	50%
<b>UK Sales ARR</b>	<b>4.3</b>	2.7	1.6	61%
<b>SaaS &amp; Recurring Revenue</b>	<b>265.0</b>	223.1	41.9	19%
<b>Total Revenue</b>	<b>291.3</b>	244.8	46.5	19%
<b>EBITDA</b>	<b>117.4</b>	91.3	26.1	29%
<b>Profit Before Tax</b>	<b>81.9</b>	61.5	20.4	33%
<b>Profit After Tax</b>	<b>63.0</b>	48.0	15.0	31%
<b>Free Cash Flow<sup>1</sup></b>	<b>24.0</b>	(3.8)	27.8	100%+
<b>Cash and Investments</b>	<b>211.9</b>	172.0	39.9	23%
<b>12-Month Rolling FCF Margin (%)</b>	<b>29%</b>	24%		5 pts
<b>Rule of 40 (%)</b>	<b>49%</b>	44%		5 pts
<b>PBT Margin (%)</b>	<b>28%</b>	25%		3 pts
<b>EPS (cps)</b>	<b>19.26</b>	14.75		31%
<b>Interim Dividend (cps)</b>	<b>6.60</b>	5.08		30%

<sup>1</sup> Previously called Cash Flow Generation

# H1 FY25 Profit and Loss

Record first half revenue (up 19% to \$291.3m) and profit (up 33% to \$81.9m)

A\$M



# CourseLoop Acquisition

World-leading Curriculum Management product strengthens OneEducation



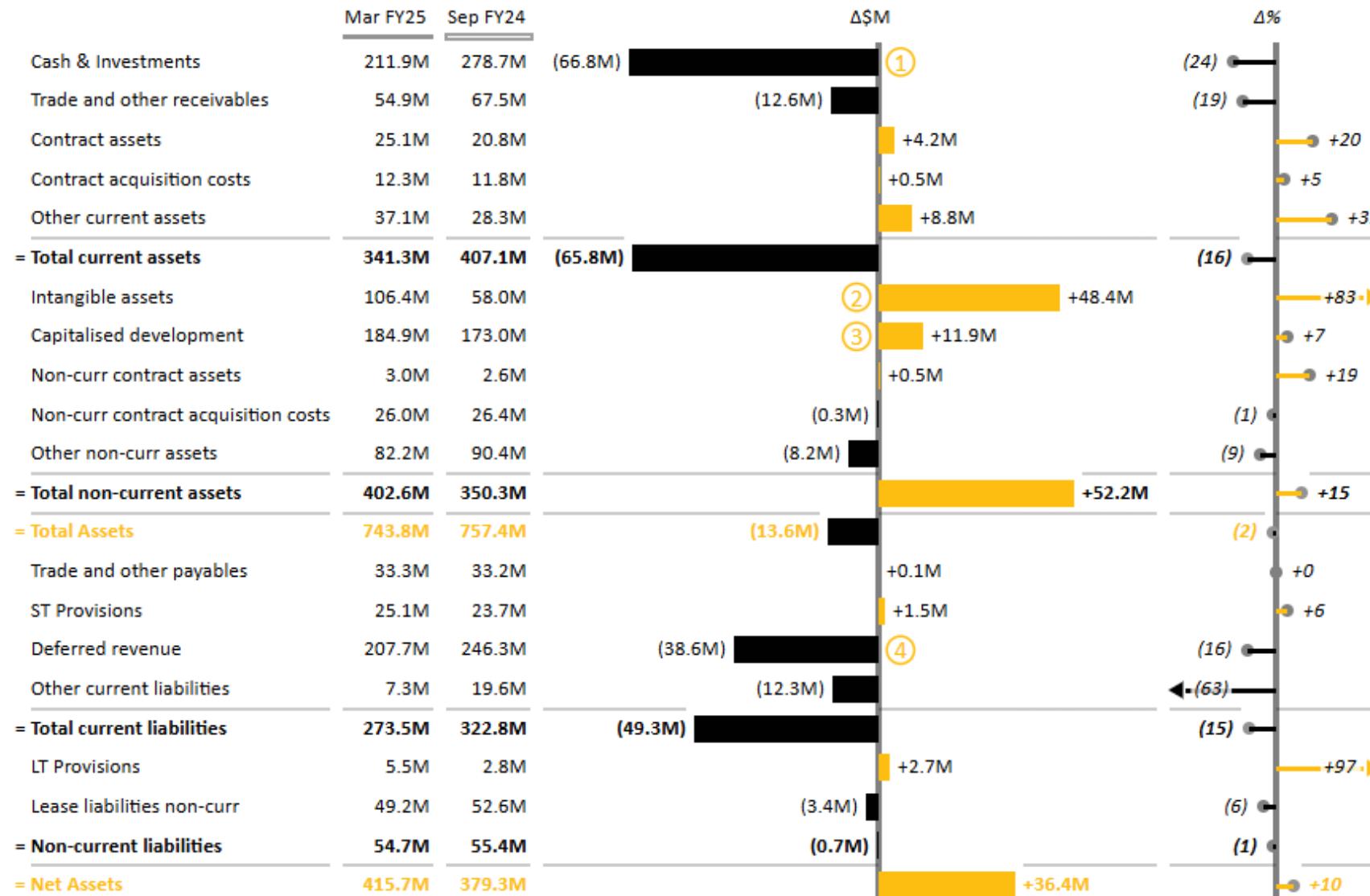
5 months to 31 Mar 2024	
	\$'M
Revenue: SaaS & Recurring	4.7
Other Revenue	0.0
<b>Total Revenue</b>	<b>4.7</b>
Variable Costs (excl capitalisation)	(1.0)
Operating Costs (excl capitalisation)	(7.5)
Net Capitalised Costs - R&D	2.4
<b>Total Expenses</b>	<b>(6.1)</b>
<b>Profit before Tax (PBT)</b>	<b>(1.4)</b>

- Our 19<sup>th</sup> product
- \$60 million purchase price
- \$9.1 million ARR at acquisition close
- Sales profile is strong with full-year forecast performance meeting expectations
- CourseLoop integration is on track with all material milestones met to date. Full integration is expected to take 3 years
- The CourseLoop team have been integrated into TechOne's operating cadence. Strong cultural alignment

# Balance Sheet: Remains Strong

Clean balance sheet with no debt and significant cash holding enables flexibility

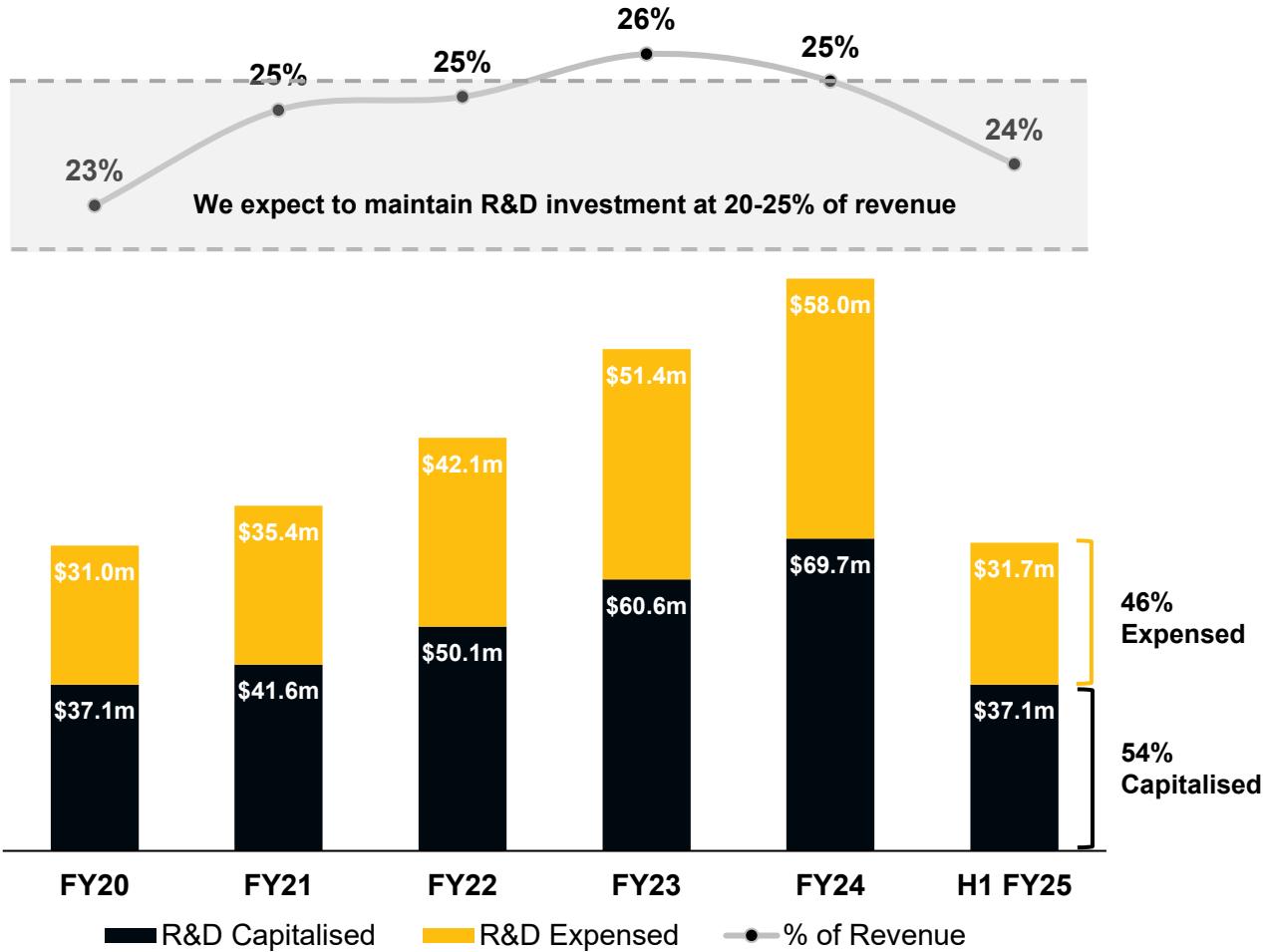
**A\$M**



- ① Cash & Investments 211.9M ▼ (24%)  
Strong cash conversion impacted by final dividend and CourseLoop cash component.
- ② Intangible assets 106.4M ▲ +83%  
Includes additions for CourseLoop acquisition.
- ③ Capitalised development 184.9M ▲ +7%  
Continue to invest in product to drive long-term growth.
- ④ Deferred revenue 207.7M ▼ (16%)  
Consistent with business cycle, annual SaaS fees weighted to 2H.

# R&D Investment

- Driving sustained growth through strategic, consistent investment
- Continue to manage R&D investment within total cost base



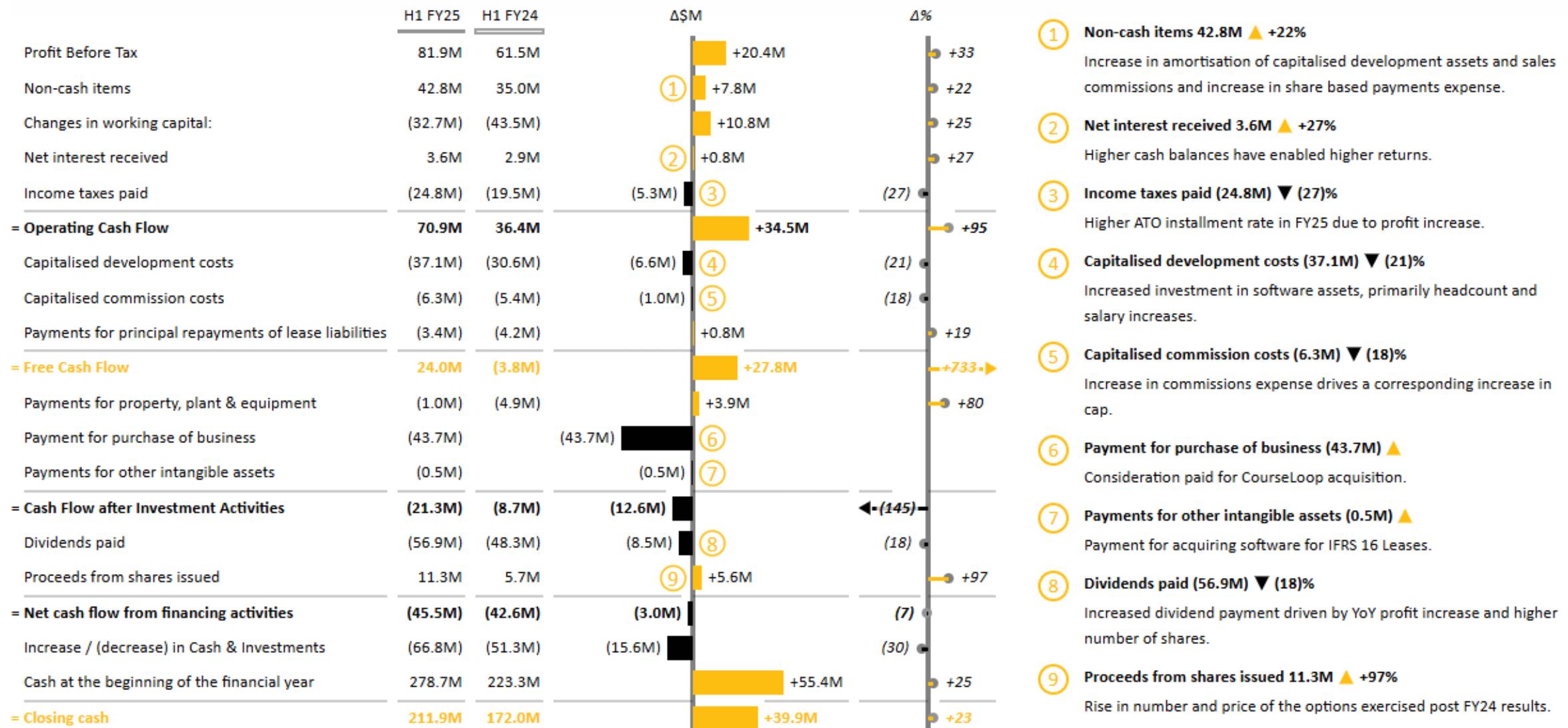
We invest in R&D for long term growth



# Cash Flow

Strong Operating Cashflow enabled by consistent performance

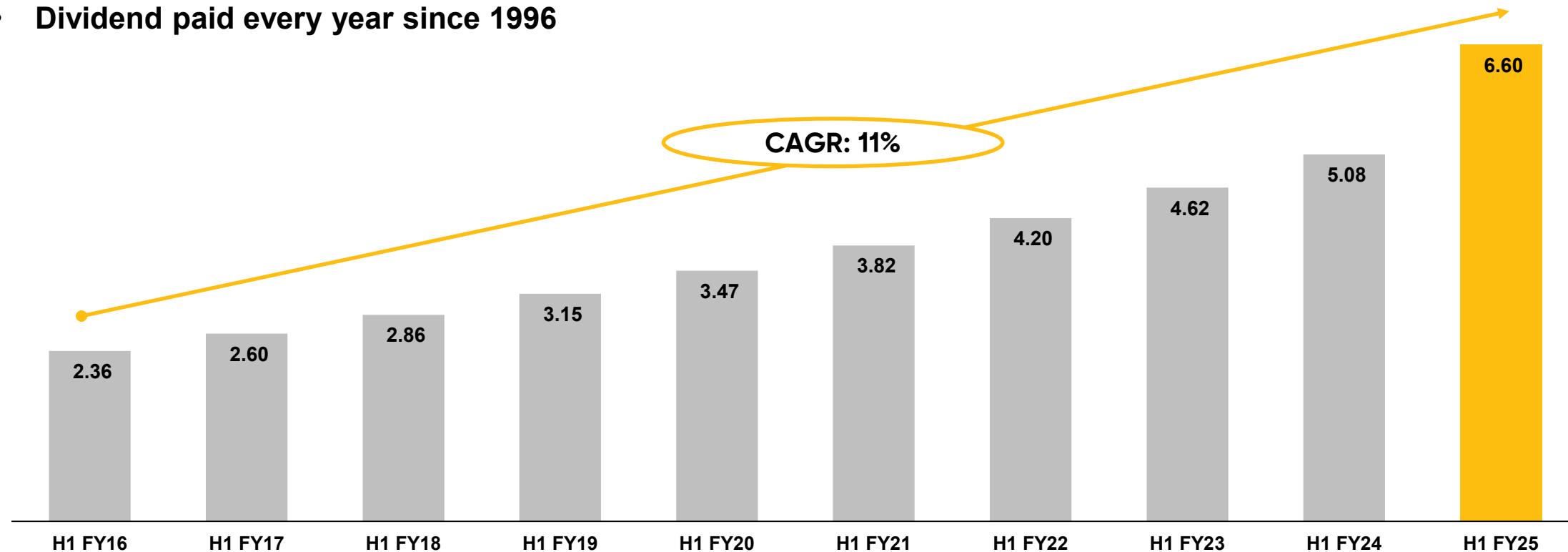
A\$M



# Interim dividend up 30% to 6.60 cps

Dividend track record continues

- H1 FY25 NPAT before tax up 33%, enabling dividend uplift of 30%
- Strong balance sheet supports dividend
- Payout ratio 35% (FY24 interim: 34%), will be in the 55-65% range for FY25
- Dividend franked to 65% (H1 FY24: 65%)
- Dividend paid every year since 1996



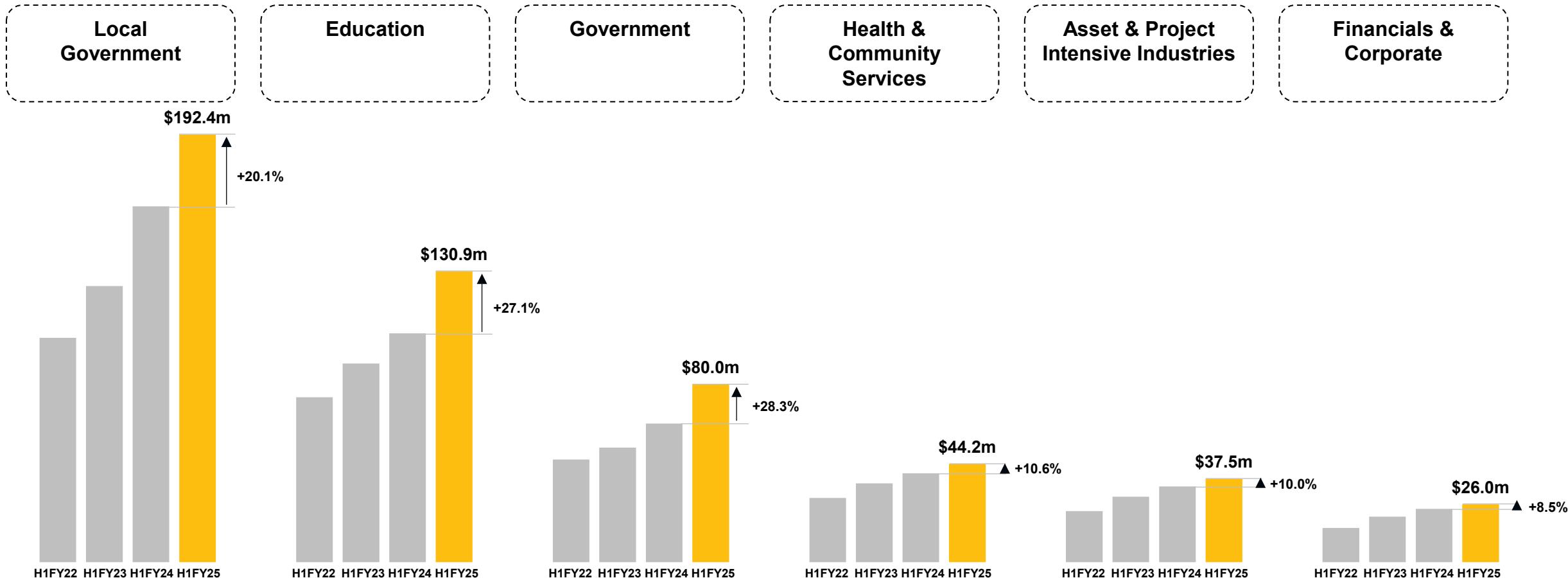
# H1 FY25 Significant achievements



*S. Macdonald*  
**Stuart  
Macdonald**  
Chief Operating Officer

# All verticals performed strongly

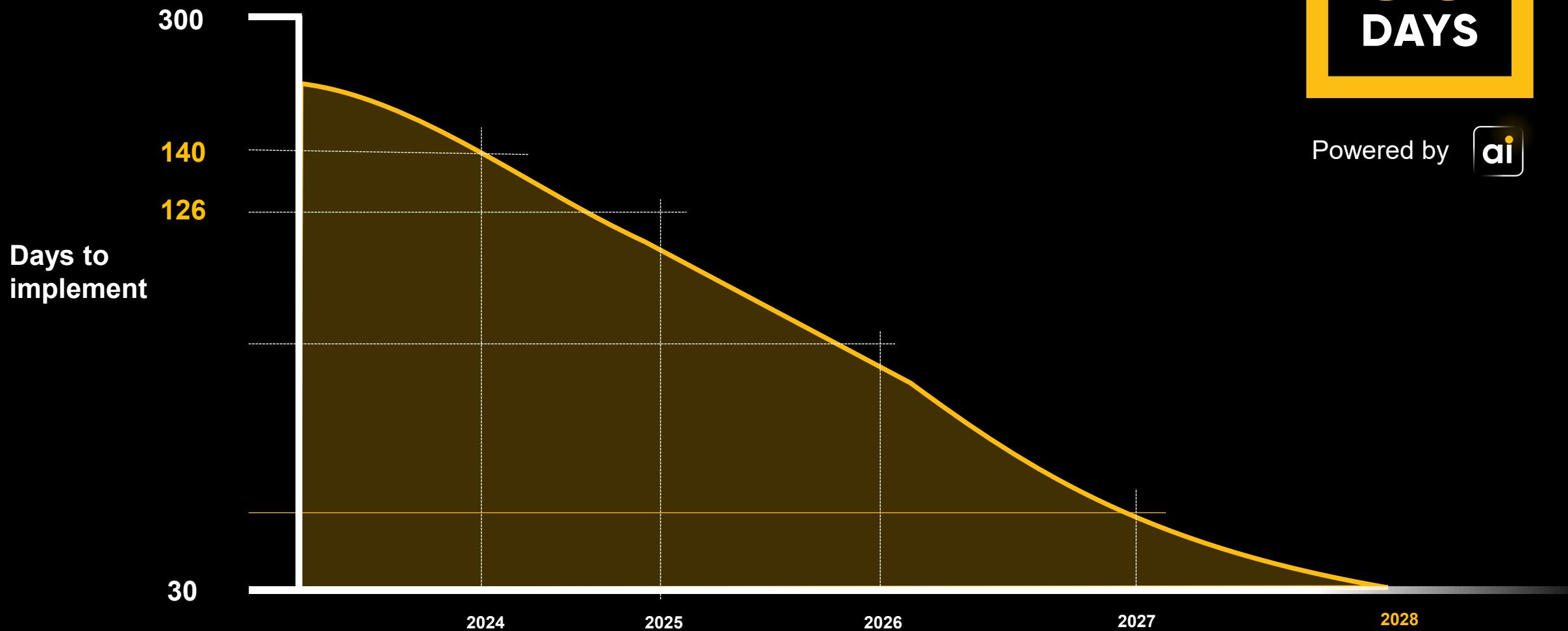
- ARR of \$511.1m<sup>1</sup> up 21% from \$423.6m (H1 FY24)
- Our APAC market penetration in any single vertical does not exceed 15%<sup>2</sup> of Addressable Market
- Significant room to grow in future years



<sup>1</sup> Balance is at 31 March 2025 and growth is for the 12 months from 1 April 2024.

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

# Path to ERP in 30 days



# SaaS+

Solution as a Service



SaaS+ lifts  
ARR by 40%



MCCONNELL  
DOWELL





- The addition of TasTafe adds to the 65% of Australian TAFE Institutes that use one or more of our OneEducation ERP software products
- Solution will streamline operations across TasTAFE into a single platform, making day-to-day tasks simpler for learners and staff



- First London borough to implement TechnologyOne's solutions
- Islington is the second most densely populated authority in the UK
- SaaS+ differentiated to win
- Solutions designed specifically with the UK local government sector in mind

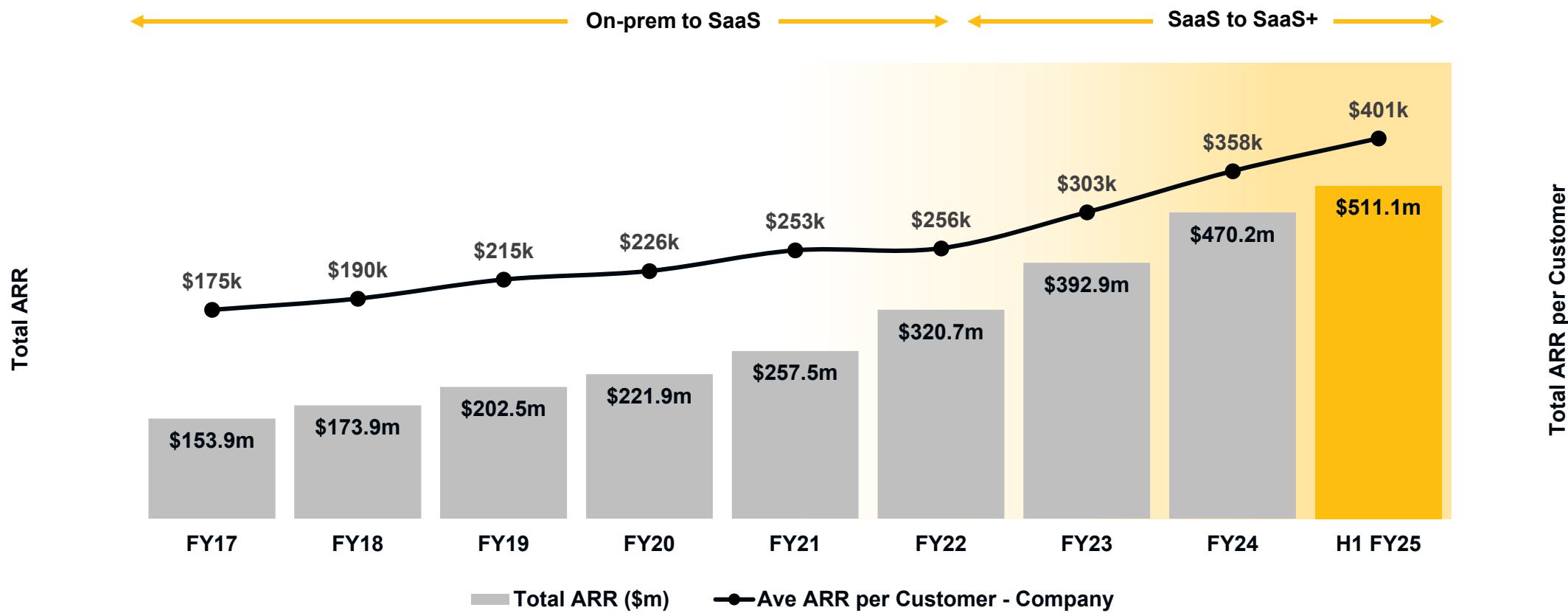


AUSTRALIAN  
ENERGY  
REGULATOR

- The Federal Government introduced a new procurement panel for ERP solutions. This was the first opportunity awarded via the panel, and it was awarded as SaaS+

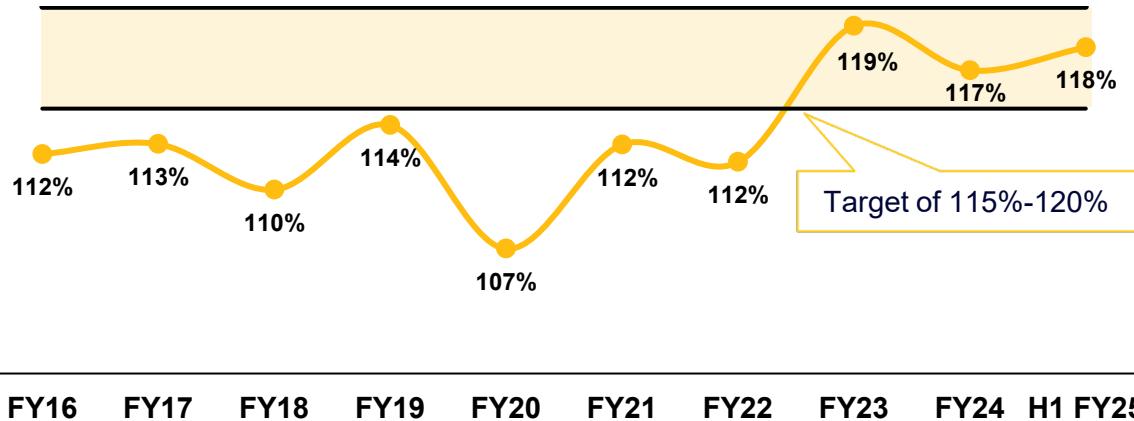
# Total ARR and Average ARR per Customer

Maintaining Strong + Consistent ARR Growth



# Market Leading Net Revenue Retention and Churn

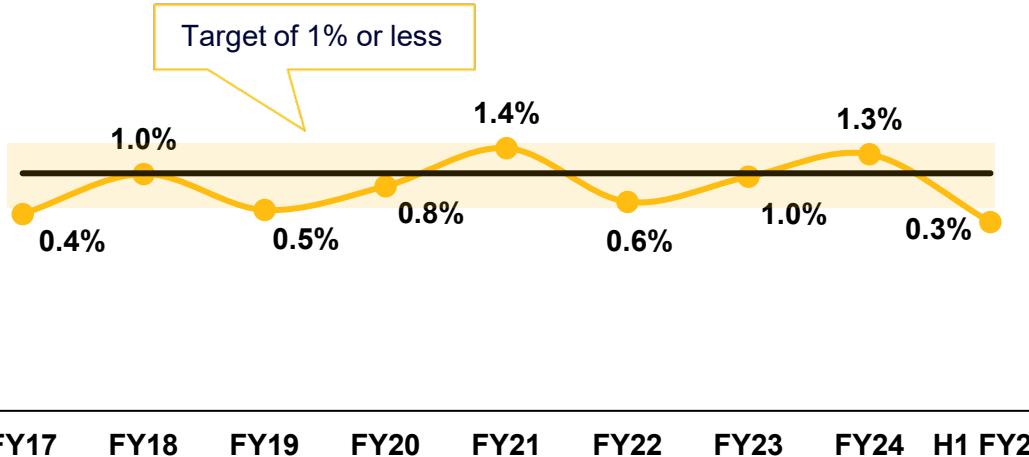
## Maintaining NRR in Target Range



## Increased NRR driven by:

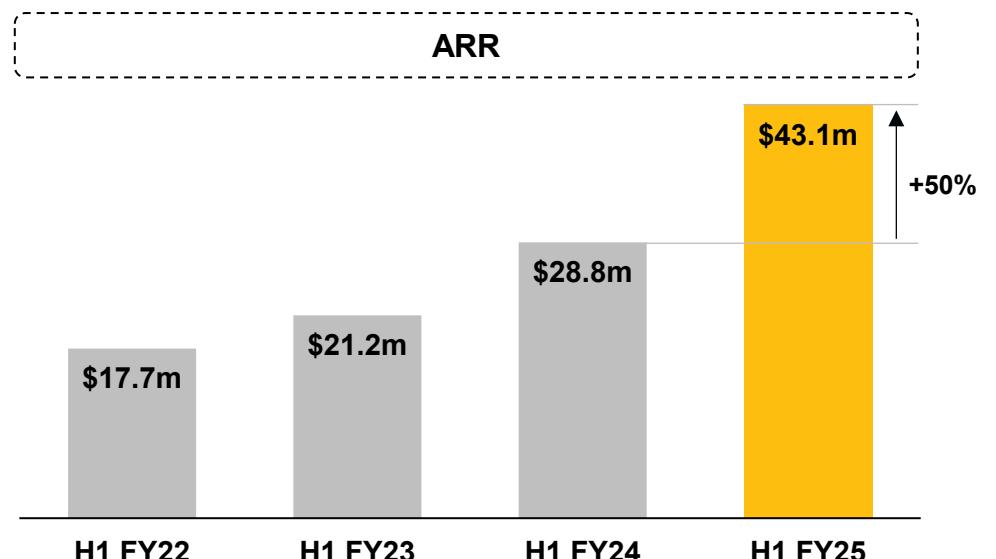
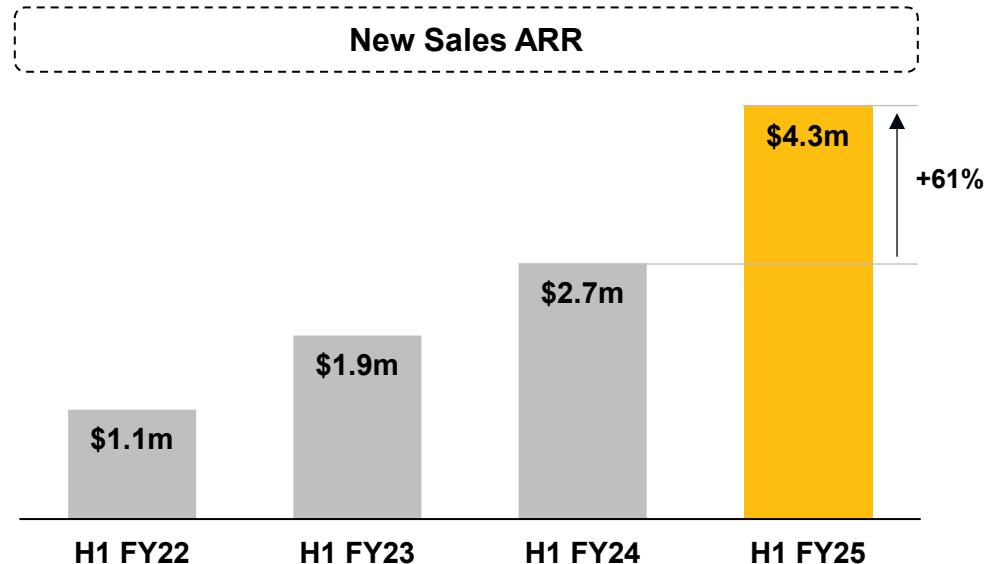
- SaaS+
- Our specialised products for our verticals
- Our specialised modules for our verticals

## Market Leading Low Churn Rates



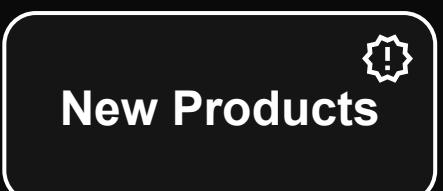
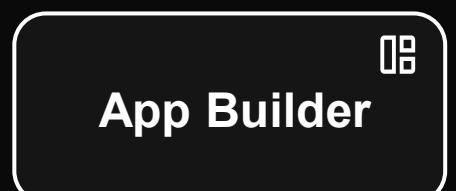
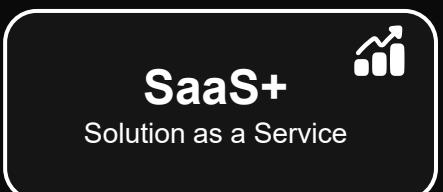
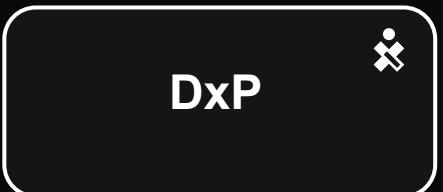
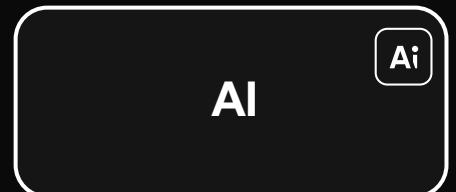
# H1 FY25 United Kingdom

- H1 FY25 sales for New ARR came in 61% higher than the pcp
- H1 FY25 UK ARR of \$43m is up 50% compared to the pcp
- We are continuing to invest for growth in the UK



# Significant R&D Investment

For future growth



R&D investment of \$68.8m<sup>1</sup>

24% of revenue<sup>2</sup>

<sup>1</sup> R&D expenditure before capitalisation

<sup>2</sup> Revenue excluding other income

# H1 FY25 Summary



Record profit,  
revenue, and  
ARR



Interim Dividend  
up 30%  
to 6.6 cps



R&D investment  
for future growth  
of \$68.8m, up  
21% pcp

Total ARR  
up 21% to  
\$511.1m

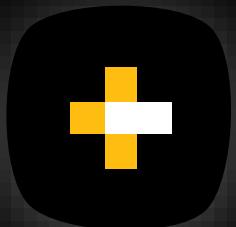


Profit  
Before Tax  
up 33%  
to \$81.9m



Rule of 40  
+49.4%

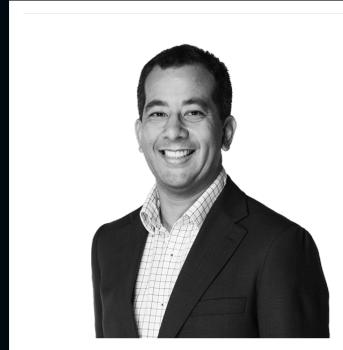
UK ARR up 50%  
to \$43.1m



## SaaS+ Delivers

- Another step-up in Profit
- 33% Profit Before Tax Growth
- ARR up 21%

# FY25 Full-Year Outlook and Long-term Outlook



*E. Chung*  
**Edward  
Chung**  
Chief Executive Officer



# FY25 Full-Year Outlook

technology'

Resilient Markets

Mission Critical  
Software with Deep  
Functionality

We Drive Innovation for our Customers

40% Cost Savings for  
our Customers

SaaS+ is creating  
Significant  
Opportunities

Improving margins from Significant  
Economies of Scale



We will continue to  
double in size every 5  
years

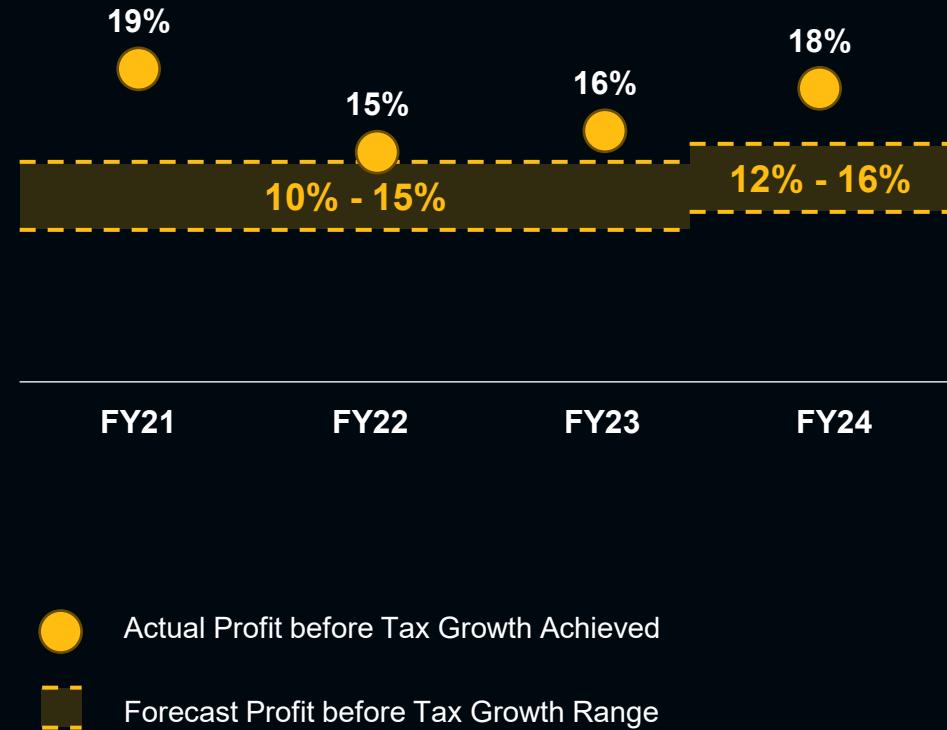


A new long-term target  
of \$1B+ ARR by FY30



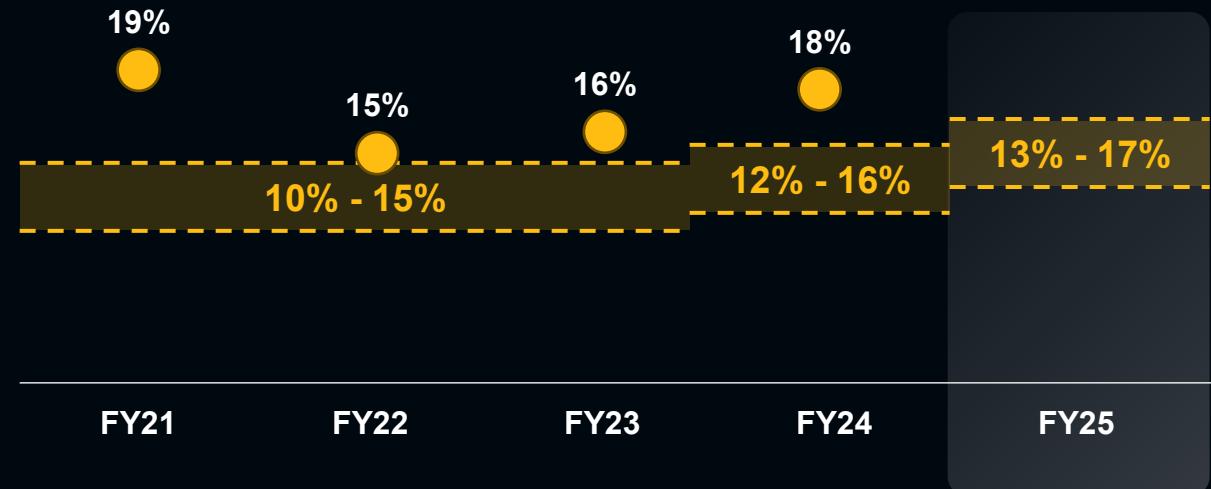
Profit Before Tax  
margin expansion to  
35%+ in the long-term

## FY25 Full-Year Outlook



- Strong track record of achieving top of guidance
- FY24 Profit guidance was stepped up in FY24 to 12% - 16%
- We indicated this would continue to step-up in future periods
- FY25 sees a further step-up in the growth range

## FY25 Full-Year Outlook



- Actual Profit before Tax Growth Achieved
- Forecast Profit before Tax Growth Range

**FY25 Profit before Tax Growth of**

**13-17%**

**Another step up in Profit Growth guidance**

**Underpinned by strong ARR growth**

# Our People and Our Community



+37



**tre** Foundation  
unite | donate | participate

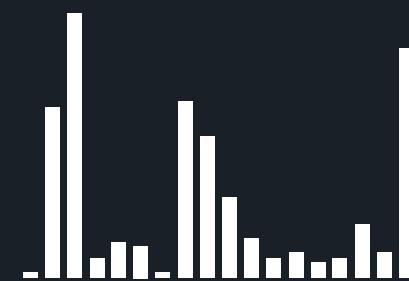
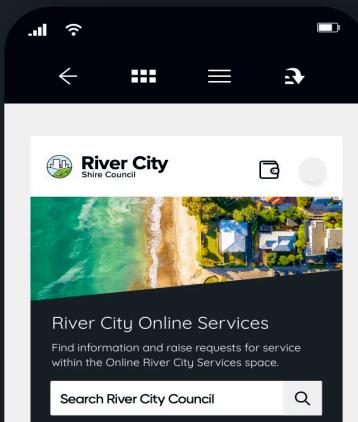


# Long-Term Outlook

technology'

## \$1B+ ARR BY FY30

19 Products



**\$13.5B**  
Total Addressable  
Market

SaaS+



Multiple  
platforms  
for growth

**technology'**  
Making life simple for our community



# Appendices

**Appendix A: H1 FY25 Profit by Segment**

**Appendix B: Balance Sheet - H1 FY25 to H1 FY24**

**Appendix C: R&D - Disciplined and Transparent**

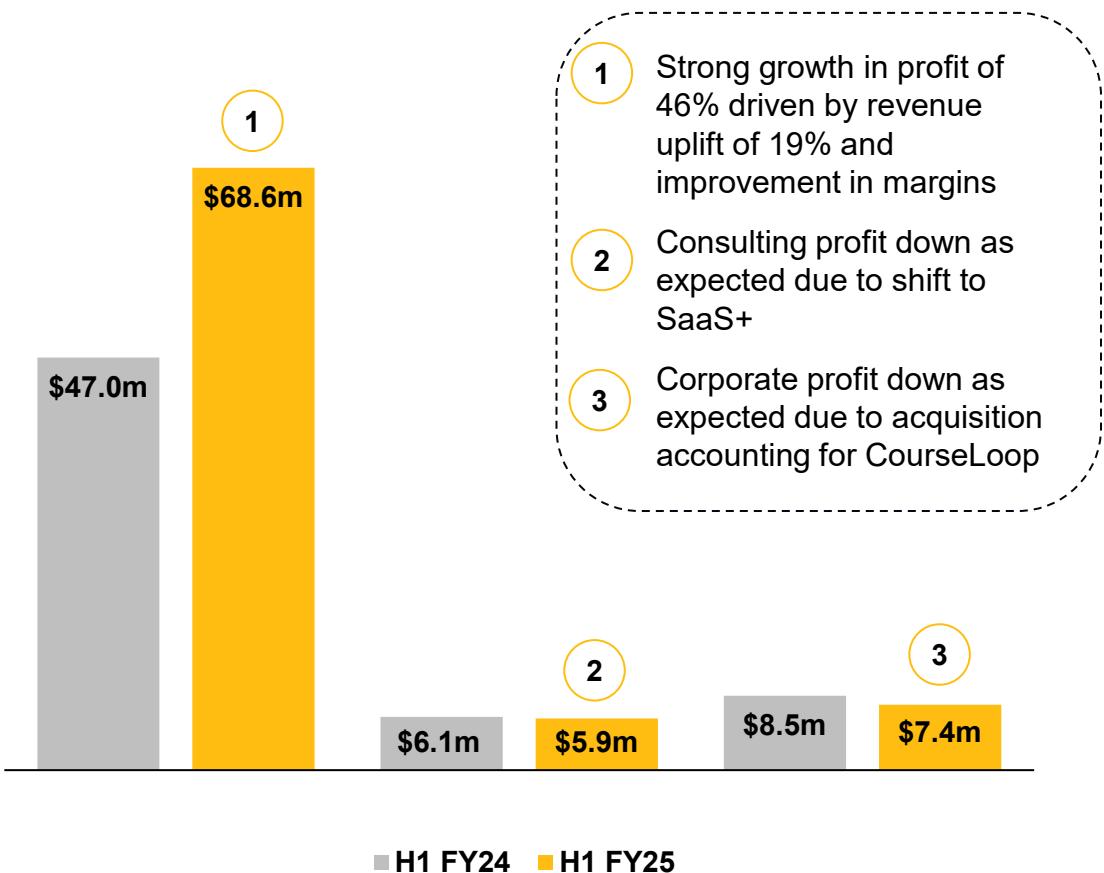
**Appendix D: Drivers for Long Term Growth**

**Appendix E: Glossary**

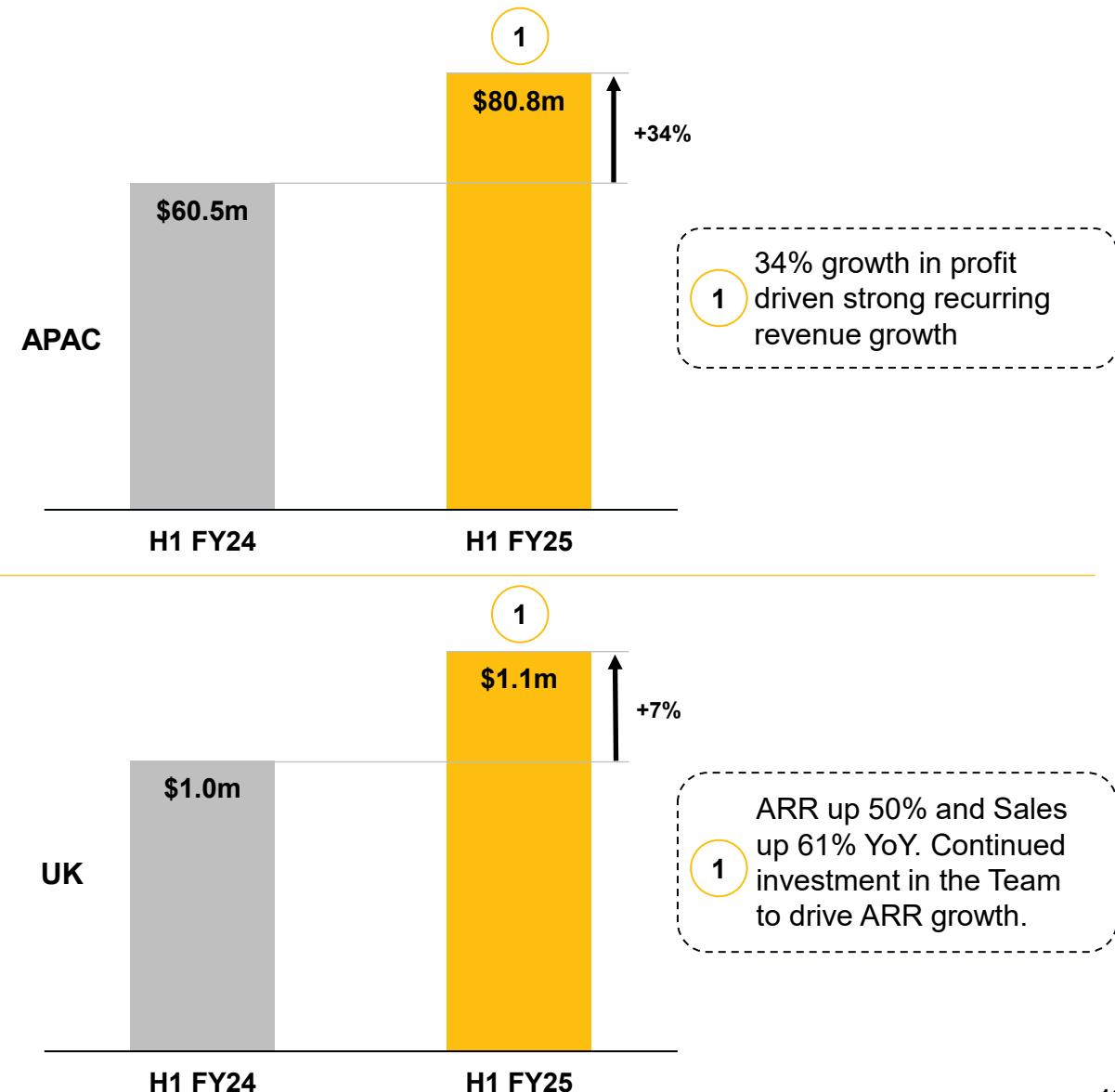
# Appendix A:

## H1 FY25 Profit by Segment

Strong Group profit of \$81.9m, up 33% on pcp



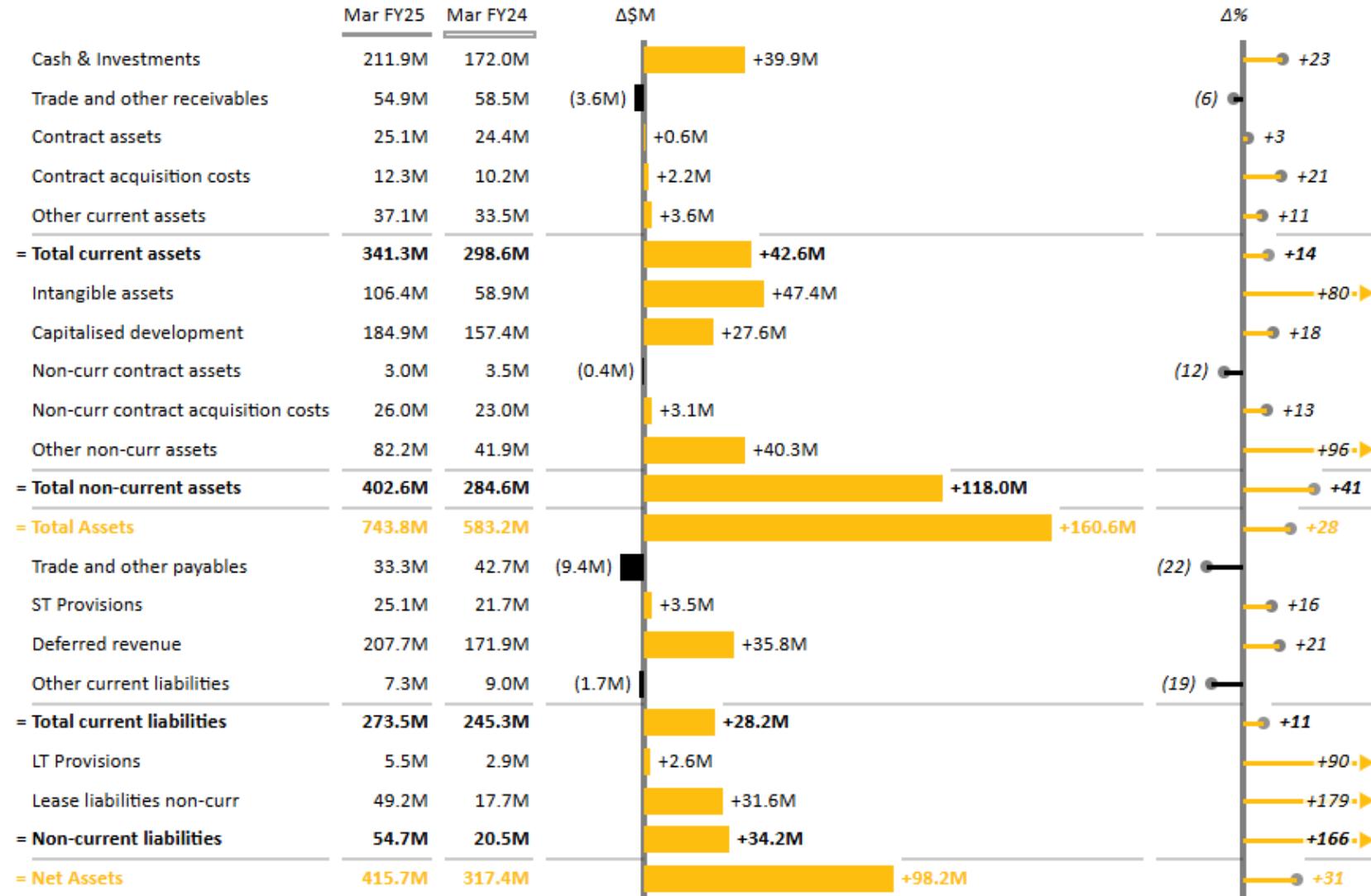
### Geographic Segment Profit Analysis



# Appendix B:

## Balance Sheet – H1 FY25 to H1 FY24 Comparison

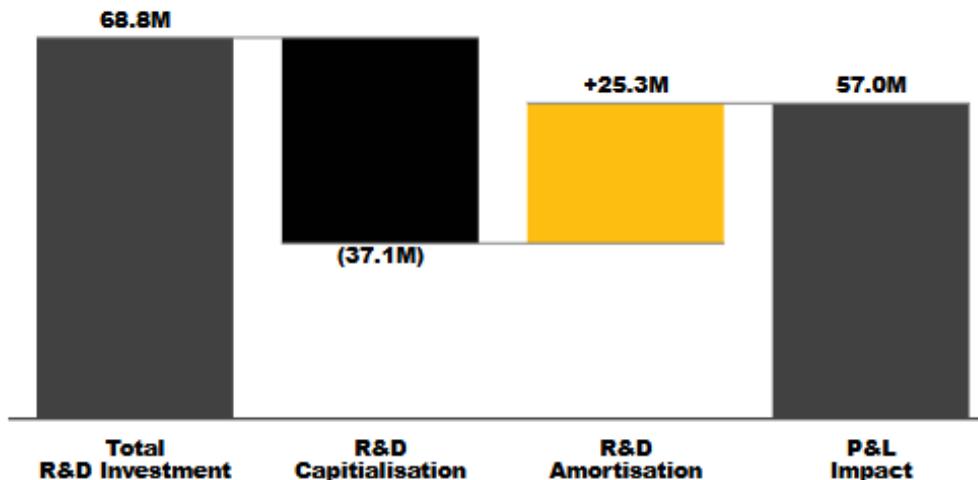
A\$M



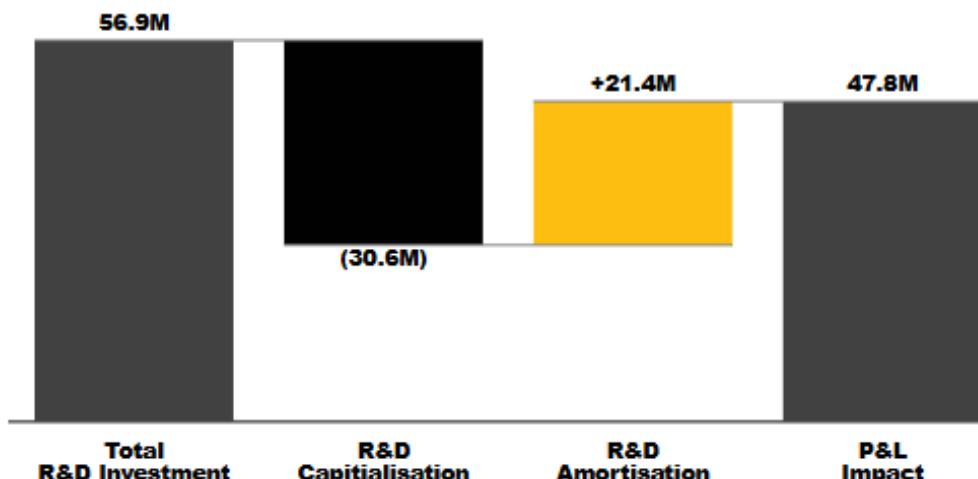
# Appendix C:

## R&D - Disciplined and Transparent

### H1 FY25



### H1 FY24

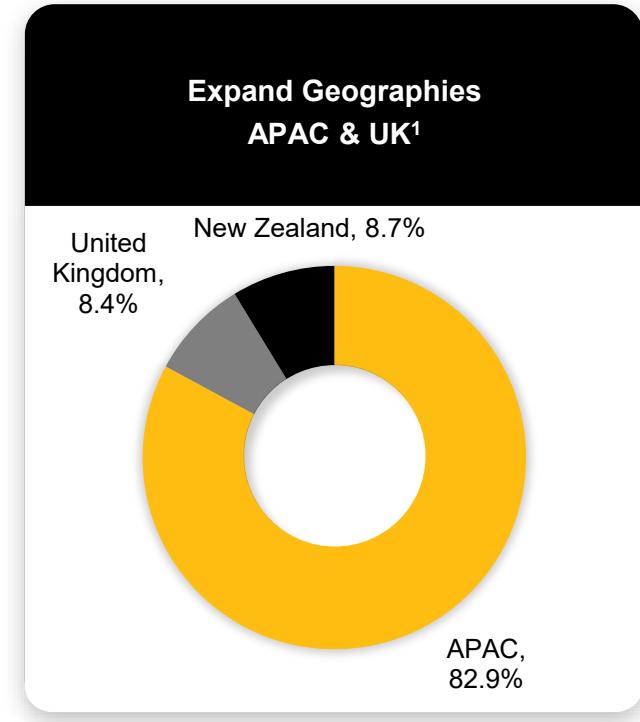
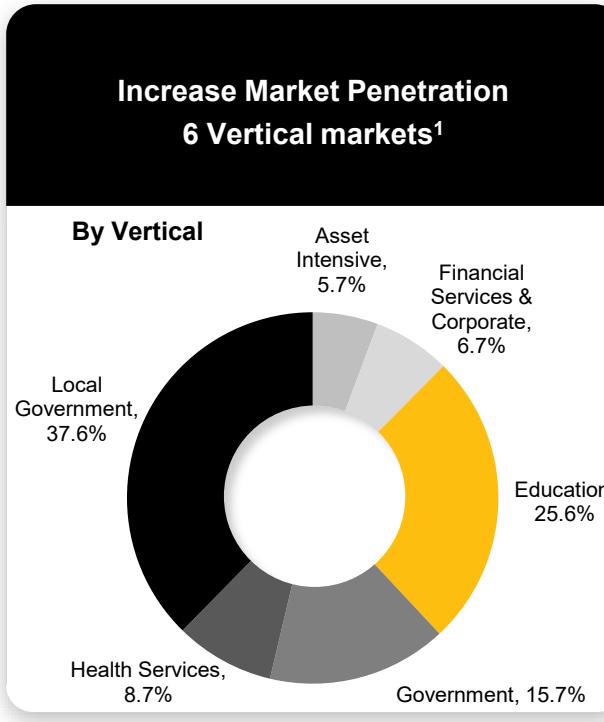
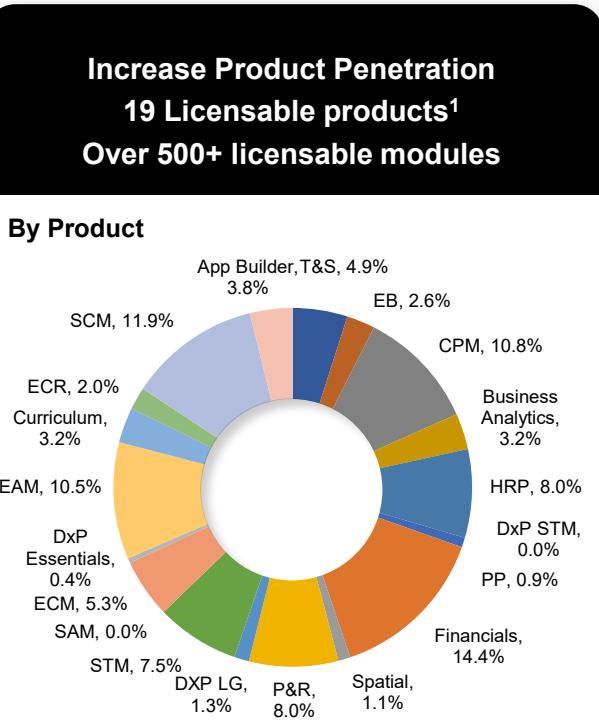


	Software Development - Capitalised			Percent Capitalised	Amortisation Expense (\$'000)	Amortisation Period Years	Net Expense through P&L (\$'000)
	R&D Investment (\$'000)	(\$'000)	%				
FY22	92,197	50,060	54.3%		23,400	5	65,537
FY23	111,995	60,605	54.1%		34,055	5	85,445
FY24	127,995	69,719	54.5%		45,319	5	103,595
	(\$'000)	(\$'000)	%		(\$'000)	Years	(\$'000)
H1 FY24	56,929	30,562	53.7%		21,446	5	47,812
H1 FY25	68,814	37,115	53.9%		25,265	5	56,964

# Appendix D:

## Drivers for Long Term Growth

Diversified revenue streams



PROVIDES MISSION CRITICAL SOLUTION – 'STICKY CUSTOMER BASE'

99%+ CUSTOMER RETENTION RATE

90%+ OF OUR REVENUE IS NOW SAAS and RECURRING

TECHNOLOGYONE GLOBAL SAAS ERP SOLUTION

<sup>1</sup> Based on total ARR, 16 core product plus 3 DxP products.

# Appendix E:

## Glossary

<b>Annual Licence ARR</b>	Annual Recurring Revenue relating to annual licence fees for On-premise customers
<b>APAC</b>	Asia Pacific - Includes Australia, New Zealand, Malaysia and the South Pacific
<b>ARR</b>	Annual Recurring Revenue
<b>ARR Sales</b>	New Annual Recurring Revenue sold during the period
<b>Churn</b>	Lost customers
<b>CPS</b>	Cents per share
<b>DXP</b>	Digital Experience Platform
<b>EBIT</b>	Earnings before interest and taxes
<b>EBITDA</b>	Earnings before interest, taxes, depreciation, and amortisation
<b>EBITDAR</b>	Earnings before interest, taxes, depreciation, amortisation, and research and development costs
<b>EPS</b>	Earnings per share
<b>Free Cash Flow (FCF)</b>	Cash flow from Operating Cash Flow less capitalised development costs, capitalised commission costs and lease payments
<b>Legacy Licence Fees</b>	On-premise licence fees / Perpetual licence fees
<b>LG DXP</b>	Local Government Digital Experience Platform
<b>NPAT</b>	Net Profit After Tax
<b>NRR</b>	Net Revenue Retention
<b>PBT</b>	Profit Before Tax
<b>PCP</b>	Prior Corresponding Period
<b>R&amp;D</b>	Research & Development
<b>ROE</b>	Return on Equity
<b>Rule of 40</b>	The sum of ARR growth and the 12-month rolling free cash flow margin post tax (free cash flow as a percentage of ARR)
<b>SaaS +</b>	Solution as a Service
<b>TAM</b>	Total Addressable Market

**technology'**

Making life simple for our community