

FROST & SULLIVAN

HANSEN TECHNOLOGIES

2022 PRODUCT LEADER

*GLOBAL CUSTOMER CARE AND
ENGAGEMENT IN ENERGY
AND UTILITIES INDUSTRY*

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Hansen Technologies Limited excels in many of the criteria in the customer care and engagement in energy and utilities space.

AWARD CRITERIA	
<i>Product Portfolio Attributes</i>	<i>Business Impact</i>
Match to Needs	Financial Performance
Reliability and Quality	Customer Acquisition
Product/Service Value	Operational Efficiency
Positioning	Growth Potential
Design	Human Capital

Market Snapshot

The dynamic energy industry is undergoing a transformational shift owing to the global (and regional) efforts to decentralize, decarbonize, and digitalize the energy landscape. Electric utilities and power retailers remain fundamental to this energy transition by enabling the industry’s ongoing electrification, renewable energy integration, and greenhouse gas reductions. At the same time, these market participants have the potential to help consumers adopt new technologies to generate their own power, increase energy efficiency, and reduce overall energy consumption. Specifically, power distributors and energy retailers rely on customer engagement, customer information systems (CIS), and billing solutions to deliver these clean energy services. Factors such as the growing volumes of smart meter data, increasing industry deregulation, evolving electricity market designs, changing consumer attitudes, and technological innovation across decentralized renewables and storage continue to drive the demand for customer care and engagement solutions. Frost & Sullivan estimates investment in CIS, billing, and customer engagement solutions from power distribution utilities and energy retailers to more than double, increasing at a compound annual growth rate (CAGR) of 8.2% from \$5.43 billion in 2020 to \$11.94 billion in 2030.¹

¹ Frost Radar™: Digital Platforms for Electric Utility and Energy Retail Customer Care and Engagement, 2021 (Frost & Sullivan, November 2021)

Frost & Sullivan also identifies a growing need for continued development in the functionalities and characteristics of currently available software solutions to address new market needs brought by massive data volumes, evolving market regulations, and new business models around decentralized energy and vehicle electrification. To this end, market participants increasingly offer integrated, cloud-based platforms under software-as-a-service (SaaS) business models to deliver modular, real-time, and easy-to-scale solutions with lower costs and faster implementation times.

Founded in 1971 and headquartered in Melbourne, Australia, Hansen Technologies Limited (Hansen) is a global leading provider of purpose-built software and service solutions for the energy/utilities and communications industries. The company leverages its robust software portfolio and 1,550+ employees to serve 450+ energy utility customers across 80+ countries. Hansen helps power distribution and retail companies (including multi-utility service providers) develop, sell, and deliver new energy products/services, process and analyze real-time customer data, regulate critical revenue-management processes, and facilitate customer support operations.

Hansen: Turning Energy and Utilities into Digitally Driven Experience Companies

Over 51 years of operations, Hansen has evolved its offerings from customer and organizational data management solutions to pioneer the industry's first web-based self-service and browser-based customer care products. The company continues to augment its portfolio, empowering utilities and power retailers to move beyond providing basic core energy services to become next-generation digitally-driven experience companies. To this end, Hansen employs its powerful suite of software applications to enable market participants to create new energy-related products/services efficiently, deliver them effectively and engage their customers effortlessly.

Hansen's Energy and Utilities Suite is a modular software platform encompassing CIS, catalog, data analytics, trading, meter data management (MDM), configure, price, quote, delivery, and consumer engagement capabilities. This comprehensive portfolio of universal energy and utility solutions supports municipalities, investor-owned utilities, retailers, aggregators, and distribution system operators (DSOs) globally to deliver unprecedented transparency, unparalleled accountability, and exceptional customer experiences. Moreover, Hansen's modular approach allows customers to add functions and customize solutions as required at different stages of their digital journeys, based on their market's unique particularities.

"Hansen continues to strengthen this best-in-class core product portfolio through its robust acquisition strategy. Starting in 2010, the company has successfully aggregated 30+ (with eight acquisitions over the last seven years) mature market incumbents offering sticky mission-critical software and 'hansenized' them to augment its impressive product breadth."

***- María Benintende,
Principal - Energy & Environment***

Some key modules on Hansen's Energy and Utilities Suite include:

- **Hansen Catalog™** is an enterprise commercial product/technical service catalog and lifecycle management application for utilities. The structured data management platform provides complete data control while maintaining and exposing relationships between products, services, and components, enabling customers to optimize their product portfolios and manage product lifecycles. Moreover, deployed in the cloud or on-premises, Hansen Catalog™ performs as the unified data repository for its customers' physical products, online digital market channels, enterprise and consumer markets, and overall propositions across their business lines. As a result, utilities can effortlessly create new products, product variations, and versions from validated and pre-tested components, significantly accelerating time-to-market and reducing cost-to-market.²
- **Hansen Trade™** is a modular cloud-based platform optimized for real-time calculations that address the scalability and flexibility requirements of evolving trading and demand-response operations. The company offers this module as the optimal automated trading solution to support customers in maximizing production assets' usage, minimizing balance error, and eliminating the need for a 24/7 trading desk. Developed as a comprehensive, scalable, and cost-effective solution, Hansen Trade™ provides intra-day trading, day-ahead trading, regulating power and FCR trading, day-ahead demand response, and balance-management capabilities.³
- **Hansen Insight™** is the company's comprehensive, commercial solution for energy data analytics, customer insight generation, and market opportunity identification. Hansen Insight™ is a cloud-based suite of 20+ analytics use cases tailored for different market roles, such as energy retailers, DSOs, balance responsible parties, and district heating operators. This flexible, pay-as-you-go solution aggregates its customers' commercial and operational data (collected from their existing systems, including bespoke legacy and third-party systems) and mines it to generate real-time actionable insights presented via dashboards, graphic reports, or reporting tools. Hansen Insight™ empowers customers to increase revenue, decrease operational tools and improve the product experience.⁴
- **Hansen MDM** serves as an integrated package of next-generation automation and analytical meter data management – designed to leverage the implementation of the advanced metering infrastructure (AMI). This is a ground-to-cloud solution, enabling customers to run their operations aligned to their preferred business model. Hansen MDM brings benefits to the entire utility value chain – from smart device roll-out management to energy logistics, energy business, billing, and value-added customer-related services.

² https://d12ndxiu71cltc.cloudfront.net/wp-content/uploads/2020/05/20072654/Utilities_Hansen-Catalog_Product-Brief_FINAL.pdf, accessed June 2022.

³ https://d12ndxiu71cltc.cloudfront.net/wp-content/uploads/2020/05/21060813/Utilities_Hansen-Trade_Product-Brief_FINAL.pdf, accessed June 2022.

⁴ <https://d12ndxiu71cltc.cloudfront.net/wp-content/uploads/2020/05/07024654/Product-Brief-Hansen-Insight.pdf>, accessed June 2022.

Hansen continues to strengthen this best-in-class core portfolio through its robust acquisition strategy. Starting in 2010, the company has aggregated 30+ (with eight acquisitions over the last seven years) mature market incumbents, offering sticky mission-critical software and ‘hansenized’ them to augment its impressive product breadth. After acquiring its former competitors’ solution suites (and associated talent), Hansen stabilizes, integrates, enhances, and serves them as new module additions to its Hansen Suite. Some notable instances of acquisitions in the energy landscape include regionalized and disparate CIS software providers such as Utilisoft (2013) in Australia, Banner (2014), PPL (2016) in the United States (US), and Enoro (2017) in Norway. Hansen’s documented success with this aggregation strategy enables it to consistently drive significant growth in application scale, customer base, and geographical footprint.

Hansen further reinforces this success by leveraging the synergy between its energy and communications business verticals. In addition to merging its energy and communication portfolios, the company utilizes its experience in both industries across different regional markets to drive innovation within its pipeline. The company’s Hansen Catalog™ offering, which came out of its 2019 acquisition of catalog-driven software vendor Sigma Systems for its communication business⁵, is an excellent example of these strengths. Identifying the need for a catalog-type solution in the energy space, Hansen later added this module to its energy and utilities suite as well.

Case Study Example: Community Solar – Nautilus Solar Energy

Hansen supports power distributors and energy retailers in implementing emerging energy business models such as Community Solar. The company offers an integrated package of systems, people, and processes to help customers address Community Solar’s operational challenges, including asset management and lack of business controls. For instance, in February 2021, Nautilus Solar Energy, LLC (Nautilus Solar), a leading US-based owner-operator of distributed generation solar projects, selected Hansen as its designated operational partner to accelerate its Community Solar footprint’s expansion. The company will provide its Hansen CIS™ software and Hansen Managed Services solution to completely manage the partners’ back-office operation (customer onboarding, billing and care support), enabling Nautilus Solar to focus on growing its community solar portfolio.⁶

“At Nautilus Solar, we were attracted by Hansen’s proven ability to operate in the energy market at scale. As a public company, Hansen stands apart through the breadth and depth of its expertise. We are eyeing more expansion within the next few years and are confident that Hansen’s experience operating in diverse markets across the United States will be an important asset enabling our future growth.”

- Jim Rice, Co-Founder and Co-CEO, Nautilus Solar

⁵ <https://www.hansencx.com/acquisition-of-sigma-systems/>, accessed June 2022.

⁶ <https://www.hansencx.com/hansen-provides-customer-operational-support-for-nautilus-solar-energy/>, accessed June 2022.

Customer-focused Growth Strategy

Hansen drives its mission to facilitate energy utilities' transformation from commodity providers to experience providers by fostering incremental innovation and co-evolution across its organization. The company's product-led customer-focused strategy is a crucial component of these efforts. Hansen proactively incorporates customer feedback to align its product development roadmap with emerging trends and changing market needs to maximize short-term growth opportunities while providing a path to future revenues. In addition to key communication channels, the company conducts regular Hansen

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**- Sama Suwal,
Best Practices Research Analyst**

Connect events as in-depth sessions to facilitate discussions regarding its current product functionality, roadmap, and direction. Hansen funnels this feedback into its customer-led product development and comprehensive research and development (R&D) process. With local development centers and dedicated product roadmaps for each offering in its product family, the company invests more than 10 percent of its revenue into R&D and drives a great deal of innovation from customer projects and user communities. As a result, Hansen owns market-leading software intellectual property (IP) within the customer care and engagement space, generating nearly 97 percent of its total revenues from its owned IP.⁷

In line with its product roadmap and cloud-journey strategy, Hansen continues to register further progression in its product portfolio. For instance, in February 2022, the company announced the first customer go-live on its new cloud-native, SaaS-based MDM solution, co-developed with Finnish DSO Elenia.⁸ Similarly, Hansen registers excellent upgrade momentum for its Hansen CIS™ module with North American clients (six upgrades in the last 12 months), with longtime customers such as the City of Virginia Beach⁹ in the United States and Jamaica's National Water Commission¹⁰ upgrading to the solution's latest version in early 2022. Likewise, the company's Hansen Trade™ module enjoys strong uptake in the European market, with recent deployments by Nordic companies Gasum¹¹, Vantaa Energy,¹² and EPV Energia Oy.

⁷ <https://d12ndxiu71cltc.cloudfront.net/wp-content/uploads/2022/02/20182502/Hansen-1H22-Results-Presentation.pdf>, accessed June 2022.

⁸ <https://www.hansencx.com/hansen-powers-elenia-oy-to-be-first-company-in-the-nordic-region-to-go-live-with-cloud-native-mdm-solution/>, accessed June 2022.

⁹ <https://www.hansencx.com/city-of-virginia-beach-transforms-customer-experience-with-hansen/>, accessed June 2022.

¹⁰ <https://www.hansencx.com/national-water-commission-of-jamaica-accelerates-digital-transformation-with-hansen/>, accessed June 2022.

¹¹ <https://www.hansencx.com/gasum-expands-trading-capabilities-with-hansen/>, accessed June 2022.

¹² <https://www.hansencx.com/vantaa-energy-expands-partnership-with-hansen-to-cover-regulating-power-market-operations/>, accessed June 2022.

As a result of its exceptional technological capability, customer-focused product development strategy, and continual innovation focus, Hansen consistently delivers outstanding customer experiences leading to optimal customer satisfaction. This success is evidenced by its minimal customer churn rate of less than 2 percent and long-lasting customer relationships (with an average customer lifetime of 10+ years).¹³ Moreover, Hansen continues to add prominent companies to its commendable customer base. For instance, the company recently completed the execution of a \$25 million agreement with Fortune-100 company Exelon Corporation (Exelon). Hansen will provide its Hansen Market-Message™ solution to enable cloud-based electronic data interchange transactions to support Exelon's 10+ million end customers and four utility companies.¹⁴

Solid Financial Performance Spurs Growth Momentum

Hansen demonstrates high-growth potential. The company is well-positioned in the market, with an industry-leading product that provides tremendous value in high-demand sectors. Hansen consistently achieves above-industry growth, fueled by its progressive acquisition strategy and customer-led innovation approach, to deliver a robust financial performance. The company reported impressive revenue growth of 8% in 2021, registering \$325.5 million in revenues¹⁵ and maintaining a 16% CAGR over the last five years. Moreover, Hansen's ability to steadily expand and evolve its product suite, complemented by its thought leadership (i.e., leveraging insights and in-depth knowledge at conferences, events and webinars), places the company at the forefront of the industry.

While evolving from a product standpoint, Hansen never loses sight of its customers' perspectives. Its brand maintains its global energy market presence while meeting customer-specific needs. Given today's landscape, Frost & Sullivan believes the company is in a prime position to increase its market share in the highly competitive customer care and engagement in the energy and utilities industry.

¹³ <https://d12ndxiu71cltc.cloudfront.net/wp-content/uploads/2022/02/20182502/Hansen-1H22-Results-Presentation.pdf>, accessed June 2022.

¹⁴ <https://www.hansencx.com/hansen-signs-significant-agreement-with-fortune-100-energy-company-exelon-corporation/>, accessed June 2022.

¹⁵ https://d12ndxiu71cltc.cloudfront.net/wp-content/uploads/2021/08/24040029/FY21-HSN-Results-Presentation_Final.pdf, accessed June 2022.

Conclusion

To be a product leader, a company needs to understand the market's needs and deliver a solid solution designed and embedded with high quality and reliable performance. Frost & Sullivan finds that Hansen Technologies Limited (Hansen) embodies this concept and exemplifies it with best-practice implementation. The company offers purpose-built software and service solutions to empower energy utilities and power retailers to move beyond basic core energy services to become next-generation digitally driven experience companies. To this end, Hansen employs its powerful suite of software applications to enable market participants to create new energy-related products/services efficiently, deliver them effectively and engage their customers effortlessly. The company continues to strengthen this best-in-class product portfolio and expand its impressive product breadth through its robust acquisition strategy. Moreover, Hansen's ability to steadily expand and evolve its product suite, complemented by its thought leadership (i.e., leveraging insights and in-depth knowledge at conferences, events, and webinars), places the company at the forefront of the industry.

With its strong overall performance, Hansen Technologies Limited earns Frost & Sullivan's 2022 Global Product Leadership Award in customer care and engagement in energy and utilities industry.

What You Need to Know about the Product Leadership Recognition

Frost & Sullivan's Product Leadership Award recognizes the company that offers a product or solution with attributes that deliver the best quality, reliability, and performance in the industry.

Best Practices Award Analysis

For the Product Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Product Portfolio Attributes

Match to Needs: Customer needs directly influence and inspire the product portfolio's design and positioning

Reliability and Quality: Products consistently meet or exceed customer expectations for performance and length of service

Product/Service Value: Products or services offer the best value for the price compared to similar market offerings

Positioning: Products serve a unique, unmet need that competitors cannot easily replicate

Design: Products feature innovative designs, enhancing both visual appeal and ease of use

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

