

Chairman's Statement

A year of strong progress



AVEVA delivered good results in the financial year ended March 2020, while driving operational improvements to underpin long-term value creation.

Overview

It is now two years since the combination of heritage AVEVA and the Schneider Electric industrial software business created a global leader in industrial software. During that time, the Group has made substantial progress, integrating its unmatched set of solutions to help our customers on their digitalisation journeys and in so doing, playing a key role in driving the digitalisation of the industrial world.

During the financial year, the benefits of the combination and integration started to yield results, despite the unprecedented events surrounding Covid-19 and the disruption to energy markets towards the end of the year. AVEVA adapted swiftly to the new operating environment, with the business demonstrating resilience, and our employees and management team showing commitment and flexibility.

As such, the Group delivered a strong finish to a successful year, growing total revenue 8.8%, which together with improved operating margins, drove an adjusted diluted EPS increase of 24.9%. This was achieved while strengthening AVEVA's prospects through investing in Research & Development, investing in our people and substantially increasing subscription revenue and Cloud sales to drive long-term value.

The Board proposes to maintain the final dividend at 29.0 pence. This decision results from our confidence in the resilience of AVEVA's business, with its strong balance sheet position and ongoing cash generation, balanced with prudence regarding the global macroeconomic crisis.

Board developments

We have a strong and diversified Board of Directors with a majority of independent Non-Executive Directors. On 30 April 2020 Emmanuel Babeau resigned as a Non-Executive Director, Vice Chairman of the Board and member of the Remuneration Committee. This followed the announcement by Schneider Electric that he would be leaving the company. I would like to thank Emmanuel for his support and contribution to AVEVA and the Board and wish him the very best for the future.

29.0p

Final dividend

No change (FY19: 29.0p)

Emmanuel has been replaced by Olivier Blum as a Non-Executive Director and member of the Remuneration Committee. Olivier is Chief Strategy & Sustainability Officer at Schneider Electric and comes with great experience, having spent 27 years with Schneider in France, China, India and Hong Kong, in products and sales. More recently he was Chief Human Resources Officer for five years. The Board is delighted to welcome Olivier. His broad international expertise in strategy and HR issues will strengthen and enhance the Board and Committee's range of skills and expertise.

Peter Herweck assumed the role of Vice Chairman effective 30 April 2020. My thanks also to Peter for his support in assuming this role.

Summary

The Board would like to acknowledge the role of the executive management in the successful integration of the two businesses that now make up AVEVA. Like all integrations following a merger, this was complex and has resulted in cultural change that has positioned AVEVA well for a successful future. The Board would also like to sincerely thank all our employees for their support, hard work and dedication on this journey, exhibited again more recently during the current Covid-19 crisis. Finally, we acknowledge and thank our customers, shareholders and other stakeholders for their continued support and look forward to a successful future together.

Philip Aiken AM
Chairman
9 June 2020



AVEVA LIFE

Our values and culture

Our values are:

- Limitless Possibilities
- Integrity Always
- Flexibility Together
- Excellence Every Day

Covid-19

No business is escaping the effects of Covid-19. The health, safety and well-being of our customers, employees, partners and communities is of the highest importance to us and we are proud to be working together as part of the global response to the Covid-19 pandemic. We transitioned over 95% of the team to remote working early in the pandemic, and colleagues have embraced the opportunities and challenges this has brought. Sharing individual stories and celebrating successes shows how our people put the AVEVA LIFE values into action, bringing our teams closer despite social distancing and remote working. An early highlight was our first virtual sales conference, AVEVA IGNITE Digital, which enjoyed a record 1,000+ delegates over four days.

Our shared AVEVA LIFE values and culture are hugely important to everyone at AVEVA and embody who we are and how we behave.

This year we have invested in culture training workshops all around the world, with over a thousand employees participating so far.

We also launched an engagement survey to all staff which received a tremendous level of response.



To read more, see our Social Wellbeing section on pages 32-33.