



Strength,
progress and
strategic growth

The last year was one of strong progress for AVEVA, despite the challenges posed by the Covid-19 pandemic. The Group adapted swiftly to the new operating environment, with the business demonstrating resilience.

Overview

Although the first half of the financial year was significantly impacted by disruption, business improved in the second half as our customers and employees got used to new ways of working.

We continued to invest in AVEVA's future growth increasing our investment in core areas of Research & Development, such as Cloud and Artificial Intelligence, while completing the acquisition of OSIsoft, a global leader in real-time industrial data software and services.

We are proposing a final dividend of 23.5 pence per share, which represents a small increase after adjusting for the bonus factor in relation to the rights issue.

Strategic developments

Three years after the combination of heritage AVEVA and the Schneider Electric industrial software business created a global leader in industrial software, AVEVA acquired OSIsoft, further enhancing the Group's ability to accelerate the digital transformation of the industrial world, as a leading independent, hardware-agnostic software company. I would like to extend a warm welcome from the Board to all our new colleagues who have joined the Group from OSIsoft.

Combining the complementary product offerings of AVEVA and OSIsoft, which brings together industrial software applications with the market-leading industrial data platform, will enable AVEVA to broaden and deepen its relationships with customers, while further diversifying the Group's end markets and developing its ability to assist customers on their energy transition journeys. This is expected to result in substantial revenue synergies, in addition to £20 million of cost synergies.

We continue to align all aspects of our business to ESG best practice, creating products that meet the current and future needs of our customers whilst ensuring that we are encouraging an organisational ethos that embraces diversity and inclusion, such that AVEVA remains a great place to work and an employer of choice in a highly competitive marketplace.

Board developments

As I covered in my Statement last year, Emmanuel Babeau resigned as a Non-Executive Director, Vice Chairman of the Board and member of the Remuneration Committee effective 30 April 2020. Emmanuel was replaced by Olivier Blum as a Non-Executive Director and member of the Remuneration Committee. Peter Herweck assumed the role of Vice Chairman on the same date.

Peter Herweck stepped up to become AVEVA's CEO on 1 May 2021. He is very familiar with AVEVA's business having served on AVEVA's Board since 2018 and was instrumental in the creation of the AVEVA Group as it is now structured. Peter played a key role in both bringing together AVEVA and the Schneider Electric industrial software business and more recently AVEVA and OSIsoft.

Craig Hayman stepped down as CEO on 1 May and will retire from the Board following our AGM in July. During his three-year tenure, Craig has overseen the successful integration of the Schneider Electric industrial software business, the progress of the Group to a FTSE100 position, and the completion of the acquisition of OSIsoft. The Board would like to thank Craig for his service as CEO and wish him all the best for the future.

Summary

The Board would also like to thank all our employees for their hard work and flexibility over the last year, particularly given the additional challenges arising from the Covid-19 crisis. We also thank our customers, shareholders and other stakeholders for their continued support, and we look forward to a successful future together.

Philip Aiken AM
Chairman

25 May 2021

Section 172 statement

Our Directors are aware of their duty under section 172 of the Companies Act 2006 to act in the way that they consider, in good faith, would be most likely to promote the Company's success for the benefit of all our stakeholders.

To operate effectively, it is important for us to understand the impact we have upon those stakeholders we interact with most. We have identified our key stakeholders on pages 22 to 23 of the Strategic Report and highlighted how we engage with them.

The Board may sometimes engage directly with certain stakeholders. However, most engagement takes place at an operational level. Where there is no direct engagement at Board level, senior managers regularly report to the Board on key areas, for it to use in its decision-making.

Find out about:

- our stakeholders: why they are important to us, their interests and how we engage with them: page 22
- how the Board engages with our employees: page 76
- the stakeholders affected by the Board's activities: page 74
- how the Board keeps informed about our stakeholders: page 68
- how we considered stakeholders in the principal decisions made during the year: page 70
- how we considered stakeholders during the OSIsoft acquisition process: page 73
- how we establish the independence of our Directors and manage potential conflicts of interest: page 77