

2019 Investor Day

Welcome and CEO update

Stuart Irving, Chief Executive Officer and President

Slide 1 – Investor Day 2019

Good morning everyone and welcome to Computershare's 2019 Investor Day. We appreciate you joining us at our Melbourne office today. For those of you who don't know me, my name is Stuart Irving and I am CEO.

Simon Jones, our Chairman is also here along with other Computershare directors.

On the Executive side, joining me for Q&A will be our CFO Mark Davis, and we also have a number of our executive leaders from around the globe present.

Please remember that Investor Day is actually **your** day. It's your access day to meet our team. It's your opportunity to gain a deeper and more strategic understanding of our business.

Slide 2 – Key CEO messages

Now let me say, perhaps unbeknown to you, you've had a big hand in designing today's program. We are going to address the four main strategic questions investors ask us throughout the year. It's uncanny how many investor discussions boil down to these key points:

One. How are you going to grow?

Two. What are your competitive differentiators to sustain growth?

Three. How will you deploy capital?

And then four, paraphrasing politely, you rightly ask, "What's in it for me as a shareholder?"

Absolutely valid questions. Today, we set out to answer these questions in detail.

Today is all about building Computershare for the next stage of growth. That's our key theme.

We have been focusing on executing our purposely defined multi-year strategies – creating our growth engines, enhancing profitability with our cost-out programs, and carefully managing our capital.

We have seen solid results from doing this, but as ever we need to do more and some of that requires organisational change within the group.

Computershare has been run, since the mid-1990s when it first ventured overseas, as a Regional Business model, with some global shared services. Some of you may remember attending investor days when we presented to you by country. In recent times we have been talking to you about business lines.

Internally for the last 18 months we have been looking at ways to work smarter, intensify our customer focus, identify opportunities for new business and, importantly, build out additional products. At times the regional model restricted us, so we have gradually deployed an entirely new management structure aligned around products in the group, and I think that is the right structure for the group for the next phase of growth.

This new structure requires some modest investment. We are realigning teams and relocating some people. We are bringing in new talent with new perspectives and have created new roles: you'll hear more of that today.

But as many of you will have consistently heard me say: we do not manage Computershare for short term results or for any one reporting period's numbers. We design and execute long-term plans and we do the right thing by the business, our customers and our people. That's Computershare in a nutshell and this new structure is part of that. We continue to do the things that have served us well and we are also evolving as our customers' needs evolve, to sustain our performance.

Now it will mean some changes in segment reporting going forward but importantly for you all, **not** for FY19. We will make it effective for FY20 and also provide a couple of periods of comparisons to help you understand what's going on.

Slide 3 – Schedule

Now let me take you through the schedule for the day. First off is Issuer Services.

Naz Sarkar has been appointed as our new CEO of Issuer Services. Many of you know Naz and will remember him as he was previously Head of CPU in the UK. He has relocated to New York and is settling in well to his new role.

What is this new Issuer Services? This business consolidates Register Maintenance, Corporate Actions, Governance Services and our proxy and funds businesses under a single management structure.

Whilst there were many factors that led us to the conclusion that we should be running this as a single global business rather than multiple regional business lines, the most important point for me is looking at the size of the pool we swim in. Regional businesses are often focused on the local market competing for switch business. You will hear from Naz about how we are looking at expanding our pool of services for Issuers – creating and growing in new markets.

Nick Oldfield will then present on Mortgage Services.

Nick has been appointed as Global CEO of this combined business. Nick is going to talk today about our upgraded growth ambitions in the US market, and the UK mortgage business.

We then have 40 minutes for lunch where for space and noise reasons we will head next door – a good chance to stretch the legs after all this.

Our final presenter after lunch is Francis Catterall, another familiar face to many of you. I have been working with Francis in setting out our strategy for our Employee Share Plans business for the last couple of years, which led to the acquisition of Equatex.

I think it is good that these M&A experts roll up their sleeves rather than hide behind a deal deck, so Francis has been appointed as the CEO of our Global Share Plans business - an incredibly exciting opportunity to build a globally aligned and higher performing Plans business.

And whilst not on today's Agenda we also have in the room Stuart Swartz, the Global CEO of our Business Services Division that incorporates our Corporate Trust business and our Class Action and Bankruptcy Claims Admin business. We also have David Hynes with us today, CEO of our Communication Services business. Finally, as we usually do, we will have a Q&A session and a wrap-up to close. Mark and I would be happy to take any questions you might have for us then. There will also be plenty of opportunities to ask questions after each of the business presentations. So please reserve your questions for the end of each session.

We will aim to finish by around 2pm as I know many of you have flights to catch. For those of you that can stay on after the formal close you are, of course, most welcome. We'll still be here.

Slide 4 – Execution priorities

Now onto our execution priorities.

What is Naz's new mandate in Issuer Services? As he'll explain, his sole focus is to continue to re-energise, expand and increase the profitability of our largest business. We are ambitious for growth and see lots of new opportunities in this previously mature business.

We can leverage our core Registry franchise to create and develop new complementary markets and growth opportunities. You might have heard of 'RegTech'? That's technologies and services to assist companies with rising compliance, governance and reporting requirements.

Our opportunity is to leverage our often longstanding and trusted relationship with the Company Secretary into new revenue pools, such as Registered Agent. Our analysis suggests some of these new market opportunities could be larger than the Registry market itself. Naz will take you through this shortly.

US Mortgage Services is another of our growth engines.

At the end of April, we reached our 'placeholder' of servicing \$100bn of UPB in the US. So how does the business look today, what have we learned, and what's next?

Our original thesis was there was an opportunity to deliver above-market returns on a sustained basis by offering a differentiated, high-quality service based on trust and reputation. We knew we had to be risk averse and careful, both in our rate of growth and in the deployment of capital.

We understood the revenue and loan mix were going to be important to achieving the target returns and we have a clear line of sight on achieving these financial targets.

And we have learned that in this market, our best strategy is the careful expansion of our capabilities across the mortgage life cycle value chain, broadening our offering and enhancing margins.

What next? Well, more of the same. Nick will take you through that. Now over to UK Mortgage Services. Let me talk about the following:

1. The impact of Brexit on 'challenger bank' volumes
2. The UKAR Fixed Fee
3. The UKAR migrations, and
4. Our proposed cost-out programme in that business.

There is no doubt that Brexit has challenged the buy-to-let market and loan volumes at the challenger banks are running behind plan. They do continue to grow, and the long-term story is intact. In the period we also won the servicing of a decent-sized asset book in Ireland. We provide more disclosure on these volumes today.

Now moving to the UKAR side of the business. As we have previously told you, there is a fixed fee revenue component paid over the first four years on the UKAR contract. Again, Nick will provide more disclosure on this later but the step-down is as we expected.

The good news is that we have been successful in retaining the servicing of all the assets the British Government has sold and there is only around \$5bn of assets left for them to sell - that final process starts soon.

We had also planned to migrate all of the loans off the UKAR platform at the end of this financial year.

Unfortunately, during the last 12 months there has been significantly heightened industry sensitivity to banking platform migrations in the UK. We have been caught up in this, and the last of our migrations will now be pushed out 9-12 months, this is largely out of our control.

Therefore, we will continue to carry the current FY19 programme costs through FY20. These costs will then drop out in FY21 giving us significant savings, albeit later than anticipated.

This delay gives us an isolated EBITDA headwind of approximately \$35m for this business next year. To help counter this, we are planning to reduce costs to mitigate the impact of some of this programme delay and reduced revenue. These savings, over three years, include the programme cost savings and will start to improve financial performance in FY21. Nick will outline the basis of this plan to reduce costs in his presentation. The digitisation and optimisation of this business was always planned post platform migration, but we will accelerate the programme in light of the delay.

Now as is the norm, our business faces challenges and opportunities, and we are working our way through our budget process and as usual we will provide guidance in August.

Now, moving to Share Plans.

Francis and his team have a terrific opportunity in Employee Share Plans, another of our growth engines. Our strategy is to build on our market leading scale, and deploy the upgraded technology set to accelerate growth and expand margins. It's a beautiful thing, we now have the toolkit, we have the customer base, we have the strategic plan. It is now all about execution.

We like the Employee Share Plans business. There is structural growth in equity remuneration.

With Equatex, we are integrating our technology, increasing our market lead and enhancing our earnings. Now remember, this was the second largest acquisition in Computershare's history, and one

of the reasons I am in London at the moment. We deployed capital and are accelerating our growth engine. Since completion the business has exceeded our expectations.

Moving to our cost-out programmes. Across the group we continue to prioritise our cost controls. Our cost-out programmes help expand our margins and again our progress is on track.

Talking about the financial side, Computershare's free cash flow remains a key performance metric. It self-funds our growth engines, continues to improve our balance sheet and supports returns to shareholders. It is also supported by robust industry structures. We will talk about that a little later in the day.

Slide 5 – Earnings guidance

Whilst today is not about providing a trading update, I wanted to assure investors on guidance for FY19.

We expect Management EPS for FY19 in constant currency to increase by around 12.5%, guidance is affirmed.

I hope you find today useful and interesting. We do appreciate your interest in Computershare and I'll now hand over to Naz. Thank you.

Issuer Services – Leveraging strength into complementary new growth opportunities

Naz Sarkar, CEO – Issuer Services

Slide 6 – Leveraging strength into complementary new growth opportunities

Good morning, my name is Naz Sarkar and I am the CEO of our newly formed global business line: Issuer Services.

Some of you will know me from previous years as the head of the UCIA region. It's good to be exchanging a collection of mostly vowels for a named role!

Whilst we are best known for our core business, Register Maintenance, today I am going to cover how we are leveraging the strength of this core business to grow our wider Issuer Services portfolio and how we see the opportunities to further extend and grow this portfolio in other highly complementary and adjacent markets, building on our great client relationships and the changing needs of the markets that we already serve today.

As you will have seen, we have been working hard to bring Register Maintenance back to growth and you have seen the evidence of that in the numbers over the last few reporting seasons.

Stuart is big on clear and deliberate multi-year strategies for our business lines; he reiterated that message again this morning. So, we laid the foundations for that return to growth a number of years ago.

Now we move onto the next part of that strategy: Expanding the pool in which we play.

Slide 7 - Contents

The contents of this presentation are outlined here:

I will cover the performance of our core Register Maintenance business and the wider Issuer Services portfolio of services.

We outlined some of our Front Office initiatives last year and I will run through the results we are now seeing and how they are re-energising Issuer Services.

Then, there is a change in gear and I'll cover the rapidly changing environment in which our clients are operating and the opportunities that creates.

I'll go on to explore three adjacencies where we see opportunities to extend our Issuer Services offers, their characteristics and an early commentary on how we see them panning out.

Finally, I will say a little about the new Issuer Services team we have created to exploit these opportunities and the roadmap for delivering change and growth.

Slides 8 & 9 – Introducing the new Issuer Services

Simply put, today I will be outlining why and how we are bringing together our current set of registry and related services into a single, cohesive, global Issuer Services business and how this business is well-positioned to take advantage of market changes and grow in adjacent markets.

I'll talk about the current business, which is already a leading global provider with a good range of services.

We have strong and enduring client relationships and those relationships are central to delivering consistent, high-quality revenues with improving margins.

I'll illustrate how our Front Office initiatives are re-energising the business and how our focus on innovation is also translating into strong and improving B to C investor offerings.

However, my objective is not only to improve the current Issuer Services business, as important as that is.

We see significant environmental changes impacting our markets and our clients and we expect these changes to result in opportunities which we are well positioned to harness.

So, as well as improving our current Issuer Services business we have clear opportunities to extend the range of our services into new and growing markets.

Slide 10 – Register Maintenance – consistent, high-quality performance

OK, let's start by looking at our current business.

Slide 11 – Bringing together a new, cohesive Issuer Services business

On this slide I want to run through the current services in the Issuer Services portfolio and the typical buyers and constituents that we serve.

In our core Register Maintenance and Corporate Actions services our most common client interface and buyer is the Company Secretary (or if you are in North America, the Corporate Secretary). Sometimes this role sits within the wider remit of the General Counsel. There is a clear linkage to the Investor Relations function, particularly around shareholder ownership movements and analytics around beneficial ownership.

Also, there are critical interactions with the CFO or Treasury functions, particularly around dividend funding and payments. When a client is undertaking an M&A or corporate action then all these relationships are even more critical and will include other company advisors as well as the 'top of house'.

Our proxy products also provide critical services to this population, particularly around key 'moments of truth': the remuneration resolutions, key votes to agree corporate transactions and when issuers face sometimes hostile shareholder activists.

Our Governance Services product set also provides critical services. For the Company Secretary our entity management tools have a growing relevance as they face significant challenges in tracking complex entity structures. For group and subsidiary boards and their directors, our BoardWorks product puts Computershare at the heart of the Board governance process.

It is in these relationships that we enjoy long, multi-year, in many cases across-career, deep and enduring relationships. This is important because, as I shall cover later, the environment that Company Secretaries and General Counsel face around the world is in rapid flux and change.

It is also in these relationships where we are seeing the benefits of our more cohesive and co-ordinated approach and the resulting improvements in both retention rates and product cross-sell.

Slide 12 – Unparalleled global capabilities

Our Issuer Services business not only provides a platform that reaches every major region but also deep expertise in international markets to guide our clients and their advisors through highly complex transactions.

Our network and our intellectual capital are true differentiators in the moments that matter most to the issuers that we serve.

Here are a few illustrations.

Last August, Amcor and Bemis announced their intention to merge. The combination will lead to a newly created holding company ('New Amcor') incorporated in Jersey. It's important to note that we are the only provider who can deliver local presence and a seamless service experience to our clients and our shareholders.

The US share register will be handled by Computershare US, register inspection will be available at Computershare Jersey and the CDI register managed by Computershare here in Australia, with our Global Transaction team facilitating issuance/cancellation of CDIs.

New Amcor is switching from Link to Computershare to achieve these benefits. Also, the company plans to establish a new global share plan with Computershare. Of course, we will continue to work very closely with our Plans business on these types of transitions.

Praxair (a US-based company) merged with Linde AG (a German company) forming Linde plc. Linde is an Irish-domiciled plc with ordinary shares traded in Germany and the US. Following a competitive and detailed tender process, Computershare was appointed unseating Praxair's previous transfer agent Equiniti. The keys to our success include our ability to demonstrate cross-border and re-domestication expertise. The local knowledge of our people in the German, Irish and US markets were also key contributors.

Pepsi announced its acquisition of SodaStream, an Israel-based company last August. Computershare was appointed the exchange agent based on the strength of our long-standing relationship as Pepsi's transfer agent in the US.

SodaStream required every holder to certify to the Israeli Tax Authority that they were not subject to Israeli tax withholding prior to Computershare distributing their cash payment. Rather than using a paper-based approach with the holders, we delivered a digital service with electronic certifications as a way to reduce time delays and enhance accuracy.

This is a ground-breaking service that is now promoted by the Israeli Tax Authority as the new standard in their market.

Slide 13 – Register Maintenance and Corporate Actions – recurring revenues and margin expansion

The core of our new Issuer Services business remains Register Maintenance and Corporate Actions. The financial performance of these services remains robust and strong.

Over the past two and a half years our revenues have grown by nearly 10%, margin income has grown by 110%, EBITDA has improved by 30% and EBITDA margin has increased by nearly 6%.

Slide 14 – The strength of our current Issuer Services business

Whilst Register Maintenance and Corporate Actions will continue to be very important components of the new Issuer Services portfolio, our Proxy and Governance product sets are also important in their own right, and it is this entire portfolio that we are focusing on.

This is particularly relevant because, as I indicated earlier, the typical buyer of all of these services is the Company Secretary or General Counsel. We have good global market share but there is still room for growth. I have already spoken about our unparalleled global capabilities and in the next section I'll cover how we continue to re-energise Issuer Services through our Front Office initiatives.

Slide 15 – Re-energising the core business

Last year, we gave an early indication of the results on our Front Office initiatives in the USA.

We are now in the process of rolling these initiatives out across our network and it is pleasing that we continue to see very good results and outcomes.

Slide 16 – Front office initiatives delivering results

We operate in competitive markets around the world. Nonetheless, our Front Office initiatives are helping us deliver improved client retention. Clearly, we have little or no control when a client is liquidated or acquired, but in respect of competitive events we see good results.

Here in Australia, we retained all clients included in the major indices, and in fact had two significant wins in the form of Amcor from Link and the Coles spin-off from Wesfarmers. We had an increase in our ASX 200 coverage and are now at 50% market share.

Likewise, in Canada, we retained all clients included in the major indices, and we won Enbridge as a client from AST. In the UK we retained all of our large-index clients and scored wins from both Equiniti and Link and made gains in our FTSE 250 market share. The US market achieved gains in the S&P 500 index and now enjoys a 58% market share. Among the clients added were Microsoft (from AST), Adlib and Comerica Bank (from Equiniti).

In addition, I am pleased to say that we successfully cross-sold 100 annuity-based services to our existing clients over the past year, half of those in the US alone. Our Hong Kong region has 76% of the Hang Seng index and has made tremendous strides in winning IPO appointments over the past year. Our IPO win rates are also improving in the UK. We are also very pleased with the long list of so-called 'unicorn' IPO wins in the States including Pinterest, Zoom, Uber and DropBox. Overall, we have added 388 new clients to our business in this financial year so far.

Slide 17 - Extending the range of Business to Consumer services

As I indicated in my opening remarks, our Issuer Services business is primarily focused on meeting the needs of our corporate Issuer clients. Our business model has always been B to B to C as we also provide services to the shareholders of our clients and in many cases, we offer direct retail B to C services to these investors.

These services include: dividend re-investment plans, DirectStock Purchase Plans, the Corporate Sponsored Nominees as well as Tax Withholding Reclaim Services. These services mean that we have over 7 million direct retail B to C relationships. These are in addition to the over 800,000 share sale transactions that we typically undertake each year. So, our B to C retail investor services are important and continue to be a focus for investment and development.

We are deploying a range of tools to help improve take up and develop the range of services. I have outlined three examples to illustrate this focus: I mentioned the Direct Stock Purchase Plan. Over the past nine months we have promoted the plan to Issuers and launched 300 new plans. This is driving up participation levels, making existing investors more 'sticky' and in some cases creating brand new shareholders, all of which helps counter the factors resulting in register attrition.

Also, in the US we are developing a new service which will allow holders to nominate beneficiaries for their existing holdings. This will be an important tool for those looking to make plans for settling their estates and will help us retain registered shareholders which we otherwise may lose following the death of the original shareholder.

Here in Australia, our Investor Trade web and mobile app offers shareholders an easy and convenient means to trade their shares. Enhanced tools on the mobile app and better communications, including use of social media, has seen users increase by 9% and the value of deals increase by 46% over the past two years.

Slide 18 – Client and market assessment – structural growth

The preceding sections have covered what we have been doing in our current business. I want to change focus now and talk about our clients, the changes that they face and the impact and opportunity that it is creating.

Slide 19 – Emerging market trends – structural growth

My team and I spend a lot of time talking and listening to our clients and engaging with all parts of the wider market. This is a market I have personally been part of for some 30 years now. Some of my colleagues have even longer tenure and we have lived through important changes and many cycles.

I do think that we are seeing some very interesting and significant changes at this time that are impacting at both a global and localised level, and I want to play back some of that insight and the likely results of these trends in the market.

Corporate transparency requirements are becoming more onerous. This has been driven by governments prioritizing anti-corruption and tackling tax avoidance around the world.

We have seen additional regulation such as the OECD-led global Common Reporting Standard, US initiatives such as FATCA, Foreign Corrupt Practices Act and EU-led initiatives such as the Ultimate Beneficial Owner Register - the list continues to grow. Corporations are having to respond. There is a growing realisation that they need to build more robust governance and reporting frameworks.

Failure to do so can result not only in financial penalties and reputation damage, but increasingly also result in Directors incurring personal liabilities. Increasingly, clients are demanding access to corporate data, including subsidiary entity data, with greater urgency and immediacy.

For it to be useful this needs to be automated, ideally in real-time, and capable of easily being audited so that senior executives and Boards can gain independent assurance that they have discharged their personal duties. These demands are driving the emergence of both outsourced capabilities and technology-led, so called 'RegTech' solutions. Both are needed as current in-house solutions are largely paper or spreadsheet based, highly manual and are not 'fit for purpose'. These changes will drive structural growth in the wider compliance and governance markets that we already serve. In the next section I look in more detail at three particular adjacent market opportunities.

In all three cases, this fundamental need for real-time, accurate, global data, and reporting and associated analytics, with high levels of assurance, is driving the need for reliable processes built on global technology platforms and provided by a reliable and trusted counter-party.

Slide 20 – Positioning Issuer Services for the next stages of growth

OK, there is a lot of change in this space and this change is expected to continue over the foreseeable future. In the next part I want to look at three adjacent markets. This is where we are positioning Issuer Services for the next phase of our growth.

Slide 21- Developing adjacent market opportunities (US Registered Agent)

Let's look at the Registered Agent market. Firstly, just a bit of background. Every corporation doing business in the United States uses a Registered Agent (RA). The RA provides State-level representation, document processing, annual filings and other corporate services. It is a key component of the corporation's overall entity compliance obligations. To date, we have had some success via our Governance Services teams. But, by bringing the full capability of our Issuer Services offers and a unified sales team into the mix, we believe we can improve our success rates in what we estimate to be a \$600m addressable market.

The key revenue driver in this market is the number of corporate entities served. Data for the State of Delaware (which remains the destination of choice for incorporations in the US) show that there was an 18% growth in new entities in 2017.

As a core compliance function of the Corporate Secretary, this adjacency ticks many of the boxes that make us believe we can be successful here - certainty around compliance data management, leveraging of technology to differentiate, a common buyer and a desire to link into other compliance services.

The early response from clients to our presence in the Registered Agent space has been very pleasing.

Slide 22 – Developing adjacent market opportunities (Private Markets)

Serving Private Markets is not new to Computershare. We have served elements of the needs of this market for many years with our core register maintenance offering. So why do we see new and compelling growth opportunities in this space?

Well, firstly the sheer size of private markets. The record pace of investments from Venture Capital and Private Equity firms continues to fuel the growth of private companies; VC firms alone invested a record \$130bn in 2018. This access to capital has enabled companies to reach significant scale earlier in their lifecycle. The early maturity of these companies is generating demand for solutions that Computershare is uniquely qualified to provide.

Secondly, there is not a single homogenous private market or a single solution for the needs of this market. Instead, the needs are centred around discrete segments, each with its own characteristics and needs. Success in this market will be influenced by selecting the appropriate segments and building the appropriate offers. To that point, it is important that the right and cohesive set of Issuer Services (not just register maintenance) is formed for the chosen segments with clear go-to-market strategies. We estimate this to be a \$1bn market.

We believe our solutions and expertise can be effectively extended into this market. With our current private market penetration at an entry level we believe there is considerable upside potential.

Slide 23 – Developing adjacent market opportunities (Corporate Services)

As large Issuers continue to grow and expand globally they need a wide range of corporate transactional and advisory services in order to achieve their business goals. Those may range from global entity compliance obligations, to in-country governance framework navigation, to new entity formations and cross-border corporate action activity.

This is Corporate Services, in some markets also known as Company Secretarial Services. The typical buyer is the Corporate Secretary, or the General Counsel and their teams. The consequences of failure are high for both the Issuer and the Board. There is an increasing willingness to share this responsibility for delivery with external advisors and providers. We estimate this to be a nearly \$1bn market that is growing at the rate of over 6% CAGR.

The market is serviced by a highly fragmented competitive landscape, ranging from boutique teams at the Big 4, to offshore corporate trust service firms, to a multitude of small regional advisory and services firms. All appear to face challenges and limitations over reach, scale, focus, conflicts of interest, or experience with sensitive data and the demands of corporate Issuers.

There is an emerging need for a true global offering, by a trusted brand, differentiated by technology, security, global reach and service excellence. We currently have relatively small local practices in Hong Kong, South Africa and the Channel Islands and we will continue to develop these and evaluate other opportunities to expand our offerings and accelerate our growth.

Slide 24 – Extending Issuer Services into adjacent, growing markets

On this slide we see the three adjacent market opportunities that I have covered plotted against scalability on the vertical axis (that is, to what degree does the opportunity demonstrate global application) and our estimate of the growth profile of these opportunities on the horizontal axis. We see a high level of structural growth in the Registered Agent market driven by the high level of entity formation activity (which is an important proxy for revenue generation).

Whilst it is a US market requirement, it does capture non-US parent companies with US operating entities. The Corporate Secretary is the typical buyer. Within Corporate Services there is a range of local as well as international and global requirements. The Corporate Secretary remains the principal key buyer of the services. We estimate this market growing at over 6% CAGR. As I indicated earlier, we see half of the global private market opportunity in the US and the remainder in other large developed markets.

The profile of the buyer will vary depending on the maturity of the underlying business. It may have a developed Corporate Secretary function, or this may be undertaken by the wider finance or legal functions. Despite that, the service requirements fall clearly within the compliance and governance

remit. We estimate the total value of these adjacent opportunities to be over two and a half times the current revenue of our Issuer Services business.

Slide 25 – Execution roadmap

Stuart talked about the global re-alignment of Computershare. I have talked about our current service portfolio and the opportunity to extend our Issuer Services offering within our existing client groups. So, what are we doing and what are the next steps to deliver on these initiatives?

Slide 26 – Execution roadmap

Firstly, we recognise that if we are going to be successful in continuing to deliver great service, improve our current offerings, and extend the range of our services, then we need a team with the right blend of skills and expertise to do that.

Over the past 12 months, we have purposefully added new external talent to the team to supplement the excellent depth and breadth that we already enjoyed. In Asia, CP Yap joined us 12 months ago and brings with him extensive knowledge of custody and related services. Mark Cleland joined us earlier this year in the UK, and he has extensive experience in the Corporate Services markets having worked for two of the Big 4. Jennifer Warren is running our North American Issuer Services business, previously a General Counsel at a large Canadian Bank and with a wealth of insight into the current and developing needs of our clients. Irfan Motiwala recently joined us from Moody's and is a key member of the team helping us energise and accelerate our innovation programmes.

And finally, I am pleased to say that today we announced the appointment of Ann Bowering to head our Issuer Services business in Australia and New Zealand. Ann is currently CEO of NSX here in Australia and brings with her a wealth of market, innovation and client expertise. Ann will join us in July.

They all add to a team that have an established track record of delivery and great domain knowledge, including Paul Conn and Steffen Herfurth who many of you will know from past Investor days, and they will continue to play leading roles in developing our Issuer Services business. The Issuer Services senior team is now assembled, and it is our task to deliver on the objectives that I have outlined today.

Secondly, an important part of delivering a cohesive set of Issuer Services and extending the range of our services for growth is having a truly global product organisation, centred around effective innovation. We expect to have our resources and capabilities fully aligned over the coming few months.

We have already made some progress in delivering on adjacent market opportunities. There is still more work to be done to develop, fine-tune and evolve our approach so that we can accelerate our growth. This is a key focus for the new Issuer Services team for the coming financial year.

Finally, whilst we have not focussed on this today, we also see opportunities for another round of operational transformations and efficiencies arising from our new business line approach. We have initiated the discovery phase, and this too will be an important objective for the coming year.

Slide 27 – Conclusions

So finally, here are my key messages:

The Issuer Services business that we have brought together is centred on our core register maintenance and Corporate Actions services. It is a consistently strong, performing business and the initiatives that we have introduced over the past few years are now translating into good outcomes and helping to re-energise the business.

We have strong and enduring client relationships, and these help us to form clear and detailed insights about the clients and the markets that we serve.

We anticipate that the changes in the market and the needs of our clients will generate structural growth.

In three particular areas, we see strong adjacent opportunities in growing markets and we are well positioned to leverage our current position and extend the range of our current offerings.

We have assembled a team blending Computershare and current market expertise with new skills and experience that together will enable us to execute on these and other opportunities in Issuer Services.

Thank you for listening and I am happy to take any questions.

Mortgage Services – US expansion, UK restructuring

Nick Oldfield, CEO – Mortgage Services

Slide 28 - US expansion, UK restructuring

Good morning everyone. My name is Nick Oldfield and I'm the CEO of our global Mortgage Services business. Today I am going to give you an update on our ongoing growth plans in the US and talk about a restructuring approach that we're going to implement in the United Kingdom.

Slide 29 - Contents

This slide sets out the agenda I am going to take you through this morning. I'll start with setting out the key messages that I want to convey over the course of the presentation, then I will take you through our global strategy before drilling down into each of the businesses and the respective key themes in a bit more detail.

Slide 30 - Key messages

So, without further ado, let's get into it.

Slide 31 - Key messages

The global mortgage business really is a tale of two countries. In the US, we've hit our initial \$100bn servicing portfolio target and we're well positioned for further growth from this point onwards. We have a healthy pipeline of new opportunities and we expect to continue our path of steady, disciplined growth.

There has been some lag in our returns as you may have seen in the first half of FY19 as we've invested in new capabilities, some fee arrangements have dropped away, and we've carried some excess capacity as we've prepared to take on new business. But in the 2H of FY19, we're seeing our margins improve and we remain confident of hitting our target margins in FY20.

The UK story on the other hand is dominated by our UKAR integration. I will expand on this later, but we now expect to complete the programme in June 2020 and we are accelerating the implementation of a significant programme of restructuring in the UK - planning is underway.

Slide 32 – Mortgage Services strategy

I'll now talk you through our global strategy.

Slide 33 – Mortgage Services strategy

Our strategy is aimed at expanding our servicing channels to better control our growth and manage the natural run-off inherent in the book. We have three principal servicing channels for new business:

- One, our MSR co-issue and Lender In A Box programmes which help us acquire new servicing
- Two, our recapture programme which is set up to recycle some of the run-off back onto our platform
- And three, our outsourced origination / fulfilment services for new lenders and originators.

This is in addition to our ongoing sales and business development efforts for new servicing. We're not going to originate loans, but we do aim to capture as much as we can of the incremental or ancillary revenues arising from the servicing, as well as selling these capabilities to third parties, to maximise our overall returns.

Slide 34 - UK integration and restructuring

Let me first turn to the UK in particular and take you through the state of play there.

Slide 35 - UKAR migration delayed 12 months

As I said at the beginning, we now do not anticipate completing the UKAR migration until June 2020. The system development work we needed to do has been done and we have migrated some \$16bn of assets to date. However, in the last year there have been several IT failures in the UK banking sector.

Because of these failures, clients have become more sensitive to the challenges that large-scale migrations bring, and this has caused us concern in terms of their capacity and the availability of their resources to work with us through the migration process.

We are also seeing additional regulatory scrutiny as a consequence of some of their events. Our clients have been understandably distracted and become more hesitant to sign off on the migrations occurring. This is incredibly frustrating.

We're now faced with significantly greater testing requirements - which will take us time to work through. Considering the sensitivity, we also now believe a phased approach to migration is the most prudent approach.

We will therefore migrate \$14bn of assets for which we hold legal title, in three tranches over the next few months. The residual assets, another three tranches totalling around \$15bn (for which we do not currently hold legal title) will be migrated over the remainder of FY20 as we deal with the individual clients' testing requirements in turn. The impact of all this is that the FY19 programme cost base of approximately \$35m will continue for 12 months more than we initially anticipated. And as a result, the financial benefits we expected being delivered beyond the migrations are now deferred until FY21.

Slide 36 - UKAR fixed fee revenue profile

So, let me now confirm the financial position of the migration programme. I want to be very clear and transparent on this disclosure. There are two material issues occurring.

Firstly, as previously disclosed, the fixed fee payable by UKAR for the migration period reduces by approximately \$40m in FY20 and then by around a further \$50m in FY21. This is completely as we expected.

And secondly, at the same time, the programme costs of approximately \$35m will continue from FY19 into FY20 - costs that we previously did not expect to incur in this period - before being eliminated in FY21. This is an isolated FY20 issue. It does not impact FY21.

Both of these factors are included in the \$35m EBITDA headwind for FY20 alone that Stuart talked about earlier.

Slide 37 - Restructuring planning underway

In addition to the programme delay, we are seeing a number of UK challenges. As Stuart outlined earlier, our new lending volumes have been impacted by Brexit and have grown slower than anticipated. We are losing some other short-term UKAR-related revenues, and for now, our book is continuing to run-off. Accordingly, we have initiated plans to restructure the UK business.

We've identified around \$85m of savings opportunities, including the termination of the migration programme. This will help us right-size the business and give us the best prospect of building a profitable and sustainable business in the UK. In addition to the termination of the programme, these savings will come from a range of areas:

- Standardization of our service offering
- Introduction of more automation
- Use of our Global Service Model
- Rationalizing our facilities footprint
- Reducing our support services as the overall business shrinks
- And changes to our business mix
(as new, cleaner servicing replaces legacy business running off)

We expect to start our restructuring during FY20. Costs will start to reduce in the 2HFY20 and throughout FY21. We will provide further details on timing, impact and cost to achieve in 1HFY20. For now, our planning work has kicked off and we expect to start implementing soon.

Slide 38 - UK strategic priorities

In summary - our UK priorities are threefold:

- We need to complete the UKAR migration by the end of FY20
- We need to restructure the business to drive out cost and create a long-term, profitable and sustainable business
- We need to drive long-term growth through our new lending channels

I've talked at length about the first two - so let's turn the discussion towards the growth opportunity.

Slide 39 – the UK mortgage market

If we were a bank, our servicing portfolio would place us as a notional No 7 in the market, with a 9% share overall. But in just the outsourced segment, we're the biggest player with a share of around 43%. And we only do mortgage servicing. So, we have the scale, the focus, the experience and expertise required to be successful.

But we need to restructure our long-term cost base to strengthen our competitiveness, in order to provide the basis for us to bring a compelling solution both to the larger banks above us, and to the tail of the 25% or so of the market who do not have the scale and focus we do.

Slide 40 - New lending activity

As I said earlier, our new lending clients continue to grow volume, and this provides the basis for future growth. In FY19 to date, across our four new lending clients, we've originated ~\$2.5bn in new mortgages. This includes our Lender In A Box initiative which only launched in January.

Now, it's fair to say that the pace of growth across these clients has been slower than expected. Partly this can be attributed to Brexit-related uncertainty, and partly it's the risk that comes with any new market entrant. But the numbers are encouraging nonetheless, and we're applying the learnings from our three challenger bank client experiences into the Lender In A Box roll-out. This is focused purely on buy-to-let right now but we continue to have further market interest in this concept and see it as a mechanism to grow our business over the longer term.

Slide 41 – Portfolio development and organic growth

The new lending volume I've just talked about, together with one new asset trade win in Ireland earlier this year, has helped us stabilise the portfolio. But we're not yet building it. We now expect the inflexion point - the point at which our new servicing flows exceed our run-off - to be reached by around this time next year.

Now, a key part of our portfolio development is securing legal title to the assets we service - this provides us with the security that we can service those assets through to redemption, as well as enabling us to drive out a standardised operational servicing offering. We currently have legal title to 52% of the portfolio, but encouragingly, we anticipate this being 70% by the end of FY20.

Slide 42 – Outlook

So, let me now conclude the UK part of the presentation. Completing the UKAR migration is our No 1 priority. We expect to now achieve this by June 2020. This delay brings near-term financial headwinds. We will continue the programme costs for an additional 12 months. In response, we've started planning for a major restructuring programme. This will improve profitability over the long term.

We have a good market position to support new lenders, investors and banks when the market recovers. But right-sizing our business over the next couple of years is critical to secure our best future.

Slide 43 - Ongoing US expansion

So, let me now turn to the US business. As I said at the beginning of this presentation, global Mortgage Services is really a tale of two countries. But, to be clear, the UK migration difficulties are isolated to the UK. We do not face similar testing or client demands on our migration activities in the US. We operate in a different regulatory environment, on a different platform and migrating loans is an everyday experience. In the US our priority is to continue on our growth trajectory, delivering the returns we expect.

Slide 44 - Stage one of the build is complete - \$100bn UPB achieved

A few years ago, we set ourselves the target of growing our servicing platform to \$100bn. We felt this was sufficient scale to deliver good returns and importantly, a size at which we felt confident that we could manage run-off effectively. We've now delivered on this target and we're confident our investment thesis is proving out. Our servicing portfolio is now \$101.7bn.

Our co-issue programme has proven the capacity to deliver a billion dollars a month in new servicing - so we're evidently able to maintain our book at this size, without any other new business wins. As we've said before, servicing mix is ultimately what will drive returns - it's not always completely within our control - but our current mix is on track to deliver our target margins.

So, in summary:

- Our portfolio is growing
- Returns are tracking up
- We have solved for the melting ice cube in mortgage servicing
- And our broad service offering, our ability to deploy capital and our end-to-end proposition means we have genuinely differentiated ourselves in the market.

Consequently, we are now set to embark on our next phase of growth, and our intent is to continue to build our book in the same, steady, disciplined manner over the next 3-5 years.

Slide 45 – State of play

We set out to build a differentiated business based on servicing quality; and to achieve above-industry returns through an optimum mix of servicing and ancillary revenues. And so, we think our business today is reflective of what we set out to deliver. Our overall book has increased 25% since June of last year. Our loan count - perhaps a better gauge of scale - is up 27%. Our sub-servicing portfolio has grown disproportionately - by 35% - which helps our return on invested capital, as no capital is required to achieve this.

Our non-performing book is up 21% - in other words, the majority of the growth has therefore come from our performing servicing. This shift to performing is in line with plan and the market but has had some consequence on near-term returns - as non-performing servicing does tend to be more profitable overall, due to incentive fees and other ancillary revenues.

But, as I said, our margins are improving nonetheless. Finally, our broader business model is working. Current co-issue volumes are at our target level of \$1bn per month. And our non-servicing revenues are maintaining pace at around 30% of the overall business - which is where we'd like to see them.

Slide 46 – Learnings and themes

As we reflect on where we are today, I thought it might be helpful to share some of the learnings we have taken from the last few years.

- Firstly, we're a servicer. We don't originate new loans and we don't want to originate new loans. And as a pure servicer, we focus on service quality and efficiency. This drives stronger external ratings and references, putting us in a better position to add more business.
- We're a strong and robust counterparty. This is of increasing importance with larger prospects where your resilience and investments in things like information security are key to getting you through the door as an approved vendor.
- Our ability to deploy capital is a differentiator. Co-investing with partners gives them confidence in us - as we're backing ourselves to be successful. And there remains very strong appetite to invest with us. We have now transacted with five different capital partners and we

continue to see good interest in working with us. As a result, we've also been able to build out our network of servicing channels. This helps us better manage our growth and provides us with confidence that we have solved for that melting ice cube effect of mortgage servicing.

- And finally, we're heavily focused on driving out operational efficiencies - using automation skills, offshore processing, and investing in productivity - to improve our margins.

Slide 47 – Market assessment

Let me now turn to the market assessment. In short, we are not constrained by market share in any way. In servicing, we're less than 1% of the overall servicing market. If we just look at non-banks, we've got around 2.5% of the market.

In the co-issue market, we're No 5 by volume, but a fair way from No 4, and we believe we have capacity to grow our share further too - in time will this be helpful as our portfolio grows, and run-off naturally increases.

Slide 48 – Interest rate sensitivities

In terms of the macro sensitivities that impact the business, the level of interest rates is the biggest driver, with a steadily rising rate environment our overall sweet spot. That's not to say we don't benefit if rates fall - origination levels rise which helps our co-issue and fulfilment businesses.

People redeeming mortgages can also give us a short-term float balance boost which helps margin income. But overall, gently rising rates is what we want to see:

- Margin income rises
- Run-off slows
- MSR valuations rise

There is greater investor appetite for new product - which helps drive new business. If delinquencies rise, it creates new special servicing opportunities - which tends to be more profitable. And theoretically, pricing on new MSRs falls too.

Slide 49 – Market origination levels recovering from Q2 lows

With an uncertain rate outlook, the market expects 'flattish' origination levels in coming years. But nonetheless we are seeing new product opportunities emerging to help our growth plans.

- Firstly - home equity servicing – HELOCs, or Home Equity Lines of Credit. There is some \$15tn of home equity in the US. But for those people who have taken out 30-year mortgages at low rates in recent times, it makes no sense to re-finance their mortgage at a higher rate to access this equity. So, we expect more people to turn to HELOCs to achieve this. We've invested to build out our capability in this space and see this as a new market segment where we can be successful.
- And second - Government backed mortgages. Typically, these are offered to borrowers with poorer credit history. Since the crisis, these loans have made up around 22% of all originations. Yet we have done little government servicing. In the last 12 months, however, we've invested in our operational readiness and we're now ready for growth here.

Slide 50 - Stage two expansion – ongoing disciplined growth

So, to deliver the next phase of growth, we're focused on four things:

1. Leveraging our core special servicing skills to drive new sub-servicing growth
2. Building our own network of servicing to control run-off and growth
3. Maximizing our non-servicing related revenues
4. Continuing to focus on margin improvement

Slide 51 - Core special servicing skills create growth optionality

At our roots, we're a special servicer. We're good at dealing with difficult loans, different loan types, and working to improve servicing situations - in summary, greater hand-holding. This core ability to deal with non-conventional servicing puts us in a great position to build out new solutions in segments where we see opportunity:

- HELOCs I have just talked about - and we already do \$2.5bn in HELOC servicing
- Non-qualified mortgages - these tend to be loans offered to borrowers who might self-certify, be self-employed or have less proven credit history
- Government loans - targeted at lower credit borrowers, we believe this will be a good special servicing opportunity over the long term if there is a downturn in the economy
- Re-performing loans - these were loans that were bad but have now been modified and are performing, but they need a lot more hand-holding to keep them that way.

Slide 52 - Expanding our network of servicing channels

Building out our network is our second priority:

- To help manage the way we use our capital
- To enhance our ability to manage our own run-off
- To enable us to support a larger servicing business

We've got four areas of focus to achieve this:

1. Establishing a capital-lite structure, where we can sell some of the MSRs that we acquire yet retain the contract to service those assets - essentially converting owned servicing into sub-servicing
2. Creating the new co-op. We're starting this with non-qualified mortgages. We'll be bringing together an investor partner who wants to deploy capital into this space and patron origination clients who want to lend this money to borrowers but have the certainty they can sell the resultant loan. We manage the programme for a fee, we provide the fulfilment to support the origination and the investor directs all the servicing back to us.
3. Building our end-to-end offering by converting fulfilment clients or servicing clients to both fulfilment and servicing
4. We're also looking to grow our recapture programme. If we can recapture 10% of our run-off, that's \$1bn+ in new servicing a year that we wouldn't otherwise have been able to get.

Slide 53 – Growing our non-servicing revenue lines

Now, our third priority is to grow our non-servicing revenues. Non-servicing revenues comprise around 30% of our overall business, and as our servicing business grows, we want to maintain this ratio. There are effectively four parts of our non-servicing business.

Fulfilment and diligence is largely the LenderLive business that we acquired in December 2018. This business is heavily influenced by the new origination market and some of their clients have struggled to grow their lending volumes in line with expectation, which has impacted our recent results. But the capabilities and channel are really important over the long term and in an environment where originators are looking to reduce cost, we believe an outsourced solution is compelling.

Our recovery business is actually slowing at the moment as the economy improves and some investors have been able to sell their previously written off loans, rather than leave with us to collect on. So, it can be cyclical, but we are focused on trying to expand it, as it is additive to our overall returns profile.

Property Solutions has been slower than hoped but we're starting to get good third-party traction in our valuations business and we're about to launch a new title offering as well.

And finally, our capital markets activity is really important in terms of our end-to-end offering.

Slide 54 – Continued focus on margin improvement

And finally - true to the Computershare playbook - we are very much focused on margin improvement, and we do see scope to deliver enhancements. We've invested significantly in automation and productivity programs and have seen several roles reduced. Similarly, we have around 150 roles already offshore and substantial scope to grow this in the coming period.

Our call centre is a significant expense but our handle times are longer than they should be and we get more calls into the call centre than we'd like to see. So, there's substantial scope to save here by improving self-service and driving down call times - that's a priority over the coming 12 months.

Slide 55 – US conclusions

So now let me conclude. In the US we've delivered on phase 1 of our growth plan. We're managing our run-off. We're building a differentiated business to the market. And we're improving our margins, on track to deliver our target returns. So, we're now on to our next stage of growth.

We think we can get to \$150bn in servicing by continuing on our steady, disciplined growth course. And we'll do this through focusing on:

- Building out our network of servicing channels
- Securing new servicing flows
- Whilst doing this, we'll continue to build our non-servicing related revenues
- And focus on margin improvement to maximise our returns

Thank you for listening. I will now take questions.

Employee Share Plans – Enhancing our business to leverage global growth

Francis Catterall, CEO – Employee Share Plans

Slide 56 – Enhancing our business to leverage global growth

Good afternoon everyone. My name is Francis Catterall, I am the CEO of the Global Employee Share Plan business (or Share Plans for short). It is a pleasure to be here today to talk you about Share Plans – one of Computershare's growth engines.

Slide 57 – Contents

The structure of today's presentation is fairly straightforward. I will touch on a few key messages. I will give an overview of our business today, followed by an assessment of the global market. Finally, I will provide some commentary of a few of our strategies and execution priorities to accelerate growth and margin expansion.

Slide 58 – Key messages

So, let's start with today's key messages. As Stuart said we have executed a deliberate strategy to build out our Share Plans business because we see:

- Positive structural growth trends and broader business trends that we believe will drive demand for our services. We have a fantastic global franchise. It is hard to replicate, and it provides advantage to us and our clients. We offer our clients and their employees robust security, safe custody, compliance, a positive user experience and valuable products, along with services that meet their needs - wherever they are.
- The acquisition of Equatex is going very well – the integration is on track and the synergies are reaffirmed. We are particularly pleased with the Equatex team who have integrated really well, and the EquatePlus solution, which has exceeded our expectations. More on that later.
- We are moving to a new global management model - this is a logical next step in the development of our Share Plans business, and one that will position us for further growth. It will allow us to take advantage of our enhanced toolkit in a more co-ordinated fashion, globally.

- We see multiple opportunities and pockets of value in each market we operate in, and across all markets, and we intend to execute our plan to accelerate our growth. Overall, we believe that the combination of accelerated growth, the Equatex synergies and a more streamlined global model will lead to margin expansion as we finalise the programme of work.

Slide 59 – Our business today

So, let's start by summarising our business today.

Slide 60 – Business today

Simply put – we are the world's largest independent share plans provider. We are investing heavily in our business and it is a focus of ours, a growth engine – and we have a profitable, scalable business as a result.

We are experts in what we do. We do not treat Share Plans as an adjunct to other services, or as a gateway to wealth management advice. As this slide highlights, we have some significant defining factors. We work across all the key markets, with a significant operating environment and compliance regime supporting us. What we have built (which is now at scale in all markets) is difficult for anyone else to replicate.

We manage complex regulatory and technology requirements, significant back-end processing and global flows of money. We manage the complexity so our clients don't have to, and because increasingly they don't want to. That is why we are a trusted counterparty – an important factor in today's market place. We have significant latent earnings potential with over \$159bn of assets under administration, or AUA.

We have a diverse book of clients and revenue sources, providing us with earnings resilience. The combination with Equatex has made us a better business in terms of scale, technology and expertise. Importantly, the investment thesis has been validated and the integration is going well. As we said, synergies have been reaffirmed.

We are particularly pleased with the EquatePlus platform and are upgrading our European clients to that offering. Our clients are really supportive of the combination - they like the upgraded offering incorporated within Computershare's operating environment. They see what we see. And importantly we continue to perform well, and we are really pleased that we continue to win and retain clients.

Slide 61 – A strong global franchise that brings advantage

So, let's talk about our global franchise. I think this slide really highlights the scale, breadth and strength of what we do. We operate in 17 countries. We look after participants from 170 countries, offering them the ability to transact in 135 currencies, across 24 exchanges. We have more than 1,500 clients, and 4.7 million participants. They trust us with their \$159bn of assets.

We do this within our strict global data security and compliance regime. And importantly for our clients, we are a listed company, making us transparent and a significant counterparty. Our franchise is scalable and is difficult for others to replicate.

Slide 62 – Excellent client retention and new client wins

Even before acquiring Equatex we were delivering positive win and retention rates. If we ignore the clients acquired in the Equatex transaction, we delivered 8.4% gross wins in new clients – that reinforces our strong market offering. On a net competitive basis we delivered 6.8% growth. This is slightly higher than the 6% delivered last year.

Of course, there are always factors outside of our control that impact our book, and we lost 3.9% of clients due to these non-competitive factors (such as M&A or plan wind-up). So on a net basis, our client book grew 2.9%, which is positive compared to last year's numbers.

Slide 63 – Launched one of Asia’s largest Employee Share Plans

A great example of a large client win was a pan-Asian financial institution based in Singapore. Our Asian team harnessed our global data and collaborated with the client to design and implement a multinational Share Purchase Plan. The Plan was delivered across six jurisdictions and in multiple languages.

There were 21,000 eligible employees engaged and the plan delivered an impressive 50% take up, well above the average for a plan of this type. It is another example of how we are working to better harness our franchise into the fast-growing Asian market, including outside Hong Kong and Greater China where we already have a strong established business.

Slide 64 – Recognised as a leader

We continue to be chosen by some of the world’s largest companies to be their share plan provider, and work with them to achieve their remuneration goals. Further, following the launch of their plans, many of our clients have won awards across many categories such as use of technology, employee engagement, and innovative communications.

Slide 65 – Latent earnings potential

Now for a change of pace – let’s move on to assets under administration. We have \$159bn of AUA globally. Almost 77% of this is in the money long stock, vested options or restricted stock grants. This is an important number – this 77% represents instruments that have, if you will, a terminal value. These amounts are vested or will vest only with the passage of time and will be available to transact. Of the 77%, \$88bn is actionable today. As you will all appreciate, transaction fees are recognised through the life cycle of a plan, including when an employee sells some units. These fees complement the recurring, issuer-paid fees.

Slide 66 – High quality and diversified book

We also have a high-quality, diversified book. A natural outcome of being the largest global player is that we are not overly exposed to any one region, with no individual country representing more than 22% of our revenue. Our core fees are heavily skewed to large, broad-based plans. There are positive growth trends as we continue to see companies offering equity as part of compensation broader into their employee base. It is worth noting that contributory plans participants are generally less economically exposed to equity market movements.

Finally, we have our sector diversification. It’s a nice mix across the key sectors. As Stuart has said previously the Equatex acquisition helped balance out the book further.

Slide 67 – Equatex six months scorecard, on target, synergies reaffirmed

One of the highlights of the last year was the acquisition of Equatex. I won’t repeat the investment rationale – you can find that in our announcement from May last year. We are now six months in. We are pleased with what we have achieved to date.

We are on target with our 36-month plan, and we are today reaffirming our synergy number of \$30m which excludes additional revenue opportunity. The business has continued to perform well since we took ownership – slightly ahead of plan for both revenue and EBITDA. The integration is progressing well – a real team effort from original Equatex and existing Computershare people and it’s a good cultural fit.

We have completed a review of the EquatePlus solution which has exceeded our expectations. We have incorporated aspects of it into our new market offering and we are upgrading our European book to this new toolkit, with the first clients already upgraded and the project going to plan.

Feedback from clients has been very positive – they see what we see – the benefit of Computershare’s service ethos, operating environment and scale with the intuitive and flexible EquatePlus solution. We have the market leading solution in Europe.

Of the clients who are being upgraded, 63% have expressed an interest in buying additional products and services from us. We also have been receiving positive inbound calls from new prospects. It’s early days, but it’s promising.

Overall – there has been a lot of hard work by the team and there is more to go, but we are pleased to now be the leading plans provider across Europe. And we are positive about what we can achieve going forward.

Slide 68 – Equatex technology enhances our capability

So, onto the toolkit. As this is a static presentation I won't spend long on this as you really only get to appreciate the toolkit once you start to be a user. This is a purpose-built employee share plans solution.

While we have grown into a global provider off the back of a solution that came out of registry, it is really exciting to also have in our portfolio a solution that is purpose-built for share plans. It is intuitive and flexible and along with our wider operating environment it gives us a market-leading solution.

Part of the toolkit is a full mobile and digital offering across all plan types. There's also financial reporting, granting engines and global tax mobility solutions. They are offered seamlessly. All of this is protected by our global security standards and regulatory framework.

The mobile app which you can see here is being particularly well received. It really provides an excellent participant experience. This includes streamlined customer views of important information, improved ease of use such as facial recognition, a digital contact centre and in-app transaction management - collectively making a compelling proposition.

We also offer premium features to clients like additional languages, grant acceptance (with just one click) and, of course, push notifications. So, we are excited by this. It accelerates the initiatives we have previously discussed. Our priority over the next 18 months is to upgrade our European book of business, our largest by revenue, and also assess the gaps for upgrading into other regions.

Slides 69 & 70 – Market assessment – emerging opportunities

Ok, so we have covered off where we are at. Now let's talk about the market and what we are seeing. We have listed a few trends on this slide and I will touch on a few of them today. Simply, we see opportunity, both structural and market-related. We continue to see structural growth and the ongoing 'equitisation' of remuneration. I will talk about those in a minute.

These trends are underscored by the growing complexity of remuneration, and the importance of companies matching remuneration structures with their strategic objectives. This governance focus is driving the trend to give employees 'a share of the business to create alignment'. It also increases the growth in outsourcing as the function of administering and managing share plans and all the necessary reporting becomes more complicated and specialised.

As it relates to the competitive market place, we face some capable regional players and a few multi-regional ones, but there is no one competitor with the breadth, scale and offering to serve all the markets Computershare operates in. Clients are looking for a provider who has the ability to service their participants in all markets, in multiple currencies and multiple languages.

We have made the investment, we have the scale and strategic focus on share plans, and we think we are well positioned to take advantage across the next few years. While we are the biggest independent player globally, with an estimated global market share of 15%, we still have significant runway to grow market share within regions and globally.

We also see clients digging deeper into the safe custody of assets and compliance regimes along with a focus on cybersecurity protection and requiring a full assurance suite. This is natural as they want to ensure they have the right counterparty – someone who they can trust with their valuable assets. These are complex matters and it makes it difficult for others to service global issuers.

I've already touched on the use of data to help drive decisions and design plans. We believe this trend will continue as clients look for better outcomes from their share plans. We also see opportunities following recently announced corporate actions in the space – so all in all, positive trends for which we are well-positioned.

Slide 71 – Ongoing structural growth

Onto structural growth – we still see the global market growing across the cycle at greater than 4%. As highlighted on this slide, we believe the demand for our services will continue to grow. This will be through a higher number of issuers (including listed and private companies), an increasing number of employees being offered equity, and also through clients using the tools and expertise we can offer them to drive better uptake in their plans.

We don't forecast any material changes in government incentives in the short-term impacting tax effective plans. This is a complex business in a complex regulatory environment and, as discussed, we continue to see more and more companies looking to outsource the work around plans.

All up, we are expecting greater than GDP growth across North America and Europe, along with double-digit growth in Asia. In ANZ, which is a smaller but important market with limited tax incentives, we are expecting market growth in line with GDP.

Slide 72 - Trends in participation and issuance

We have some third-party data highlighting some of the trends we are talking about.

Between 2014 and 2019, there has been growth of 20% in the eligibility of middle management for Long Term Incentive packages. There has also been 21% growth in the eligibility of other key employees below middle management for Long Term Incentive packages, highlighting that equity is being issued further into an organisation.

Another encouraging metric, especially for our business with its bias to broad based plans, is that employees are, on average, contributing between 5-8% of their base compensation toward equity instruments (for example in employee stock purchase plans). Simply, this is a constant stream of additional issuance of stock each year that further bolsters the growth of our units under administration.

The final point on this slide goes back to the previous AUA slide: growth in restricted stock grants has grown 12% faster than the growth in stock option grants over the last three years. Restricted Stock includes actual shares or share units that are earned by continued employment; while some Restricted Stock awards have performance conditions, the vast majority are time based. That means that the issuance always has a positive terminal value at the end of the time period. On the other hand, stock options are usually derivative instruments where stock prices must appreciate for an executive to receive value.

Slide 73 – Growth strategies and execution priorities

We have outlined today that we have a strong franchise, we are excited by the new toolkit on the back of the Equatex acquisition, and we are servicing a market with structural growth and other growth opportunities.

So, what are our some of our strategies to grow the business and what are our other execution priorities?

Slide 74 – Growth strategies and execution priorities

They can be summarised into four broad categories:

- Firstly, increasing our revenue per client by selling and continuing to develop value-adding products and services. It also includes being better co-ordinated across the globe to service global companies exclusively. Like Naz has touched on already, we are deploying a global front office initiative. This includes advancing our sales processes, aligning our marketing initiatives (previously done regionally) and more efficiently sharing our experiences across the globe.
- Secondly, growing market share in particular once we have the optimal toolkit in place in each market.
- Thirdly, maximising the benefit from the acquisition of Equatex. This includes the delivery of the \$30m in synergies and maximising the benefit for the EquatePlus offering.

- Finally, aligning under a global management model. This will make us more streamlined, more co-ordinated and more efficient. This way we can truly harness the value in the franchise we have built.

These benefits will be gradually delivered, largely in line with the completion of the Equatex integration.

Slide 75 – Adding products to drive revenue growth

We are always seeking to do more with our clients to provide advantage to them, and in doing so develop a deeper relationship and, ultimately, more revenue per client. Today we are highlighting three broad strategies.

The first is selling additional products to our clients. We have a range of global products that we are seeing positive demand for and we will promote these as we roll out the toolkit. Some of the products that we will be discussing with clients include the mobile offering, financial reporting, and the automated grant engine.

We are also placing a greater focus on product development and innovation, and we will be approaching this on a global basis.

Another to call out is the enrolment and engagement communications programs. You can see just one of the many successful outcomes from our work enhancing clients' plans – this one was with RBS. This was really positive for RBS as they generated better returns from their Plans investment and greater alignment to their HR objectives.

The campaign resulted in a 26% enrolment increase overall, with a fantastic 66% increase in take-up for those aged 20-29.

Slide 76 – Scope for growth in market share

We estimate that the global addressable market for our Share Plans business is currently \$2.2bn in revenue. We estimate we are only 15% of the global market. We continue to believe that there is ample runway for growth. While we are the largest player across Europe we are only 19% of the estimated market.

In North America we have the largest position of an independent provider – and by independent, I mean not part of a bank that is trying to provide other wealth management products. We don't use the Share Plan service as a gateway to offer employees trading accounts and wealth management services that go way beyond the client's relationship with their employee.

It has been true for some time that the US market is dominated by these players, but as we discussed previously, we are seeing positive growth in the broad-based plans which have not typically been the focus of wealth managers.

The 27% of the Asia Pacific market is a little misleading; we have a significantly higher market share in Greater China, Hong Kong, Australia and New Zealand. But APAC is broader than those four key regions alone. In Asia, we see market share growth along with total market growth and see growing demand from multinational companies with employee bases in China for compliant and locally relevant products and services.

Slide 77 – Aligning ourselves on a global basis

Finally, I want to just touch on our move to align ourselves on a global basis. Historically we have largely operated on a regional basis, using slightly different toolkits, processes and go-to-market strategies. The catalyst to reposition to a global management model included

- The opportunity to create a better operating model with better decision-making
- The emerging opportunities we see in the market, including the ongoing growth trends
- A desire to focus on product development and innovation in an efficient and effective way

The acquisition of Equatex and its market leading toolkit really accelerated the benefits we could see with moving to this global model. Now the move won't be immediate and will take time but will be co-ordinated with the further roll out of the new toolkit. There will be little change in the client-facing relationships, but we do expect to deliver some tangible benefits from this programme.

These include:

- A consistent go-to-market strategy
- The ability to leverage best practice and better co-ordinate local expertise to support clients globally
- Streamlining activities and eliminating duplication in infrastructure and development activities
- Offering unified solutions for international clients and participants with a consistent global toolkit
- Deploying a set of co-ordinated front office initiatives including reporting, benchmarking and analytics
- Driving product development, customer insights and revenue opportunities through harnessing our global data
- Co-ordinated product development delivering enhanced speed to market and a focus on innovation

Overall, we think this will better position us to capture growth and margin improvement, and to deploy capital more efficiently, while continuing to invest in product and innovation.

Slide 78 – Conclusion – driving growth and market expansion

So, we are excited with what we are building under a global Employee Share Plans banner. We are coming from a great base with a strong franchise and a great team. We will be aligned now under a single strategic focus.

This will be enhanced by moving to a global operating model – we will be better positioned to provide the full benefits of our business to the market, in a more streamlined and co-ordinated way. We will be leveraging the best of what we have and deploying an enhanced toolkit.

We have clear growth strategies that we will pursue in tandem with the completion of the Equatex integration and deployment of the new toolkit, and, importantly, we will continue to put the client at the heart of everything we do by better focusing on product development and innovation while continue to service them with the robust, compliant and global operating environment that we have today, and we believe is hard for others to replicate.

Thank you for your time, and I hope you found that useful. I am happy to take questions.

Summary and question time

Stuart Irving, Chief Executive Officer and President

Mark Davis, Chief Financial Officer

Slide 79 – Investor Day 2019 Q & A

Slide 80 – Summary

Thank you all for sharing your time with us today - we have covered a lot of ground and important topics.

The final question becomes – so, how do we see Computershare going forward, and to go back to where we started this morning – what is in it for you, our shareholders?

Slide 81 – Computershare investment case

This slide touches on some of the points on how we see the merits of the group.

As you have heard today, we have growing core businesses that are capital-light and cash-generative and earn good margins. These businesses also enjoy high-quality recurring revenues. This is the quality industrial component of Computershare.

On top of this we have optionality inherent across our platform; we maintain the governance structures and platforms to perform large and complex transactions for our clients. These events occur with unpredictable regularity and can drive the beat in our numbers.

Margin income is another example of this. Whilst the interest rate outlook has become more subdued of late, it is clearly our strategy to grow balances and increase our exposure to rising interest rates.

So, what underpins all of this?

We focus on developing our talent, our succession planning and ensuring we have the right culture to sustain performance and ensure the best client outcomes. This is an ongoing commitment at Computershare.

Slide 82 Long term shareholder returns

And, just in case any of you out there are analytical or numerate, we have translated what we have been doing into 'shareholder-speak' for you.

Over the last five years we have generated consistent EBITDA margins between 25% and 31%.

Our Return on Equity has averaged 27.8% over this period.

We have generated \$3.4bn of free cash flow. These cash flows are robust and are supported by strong industry structures.

We have also distributed over 1.6 billion Aussie dollars of dividends to shareholders. Combining these dividends with the share price performance gives a 10-year Total Shareholder Return of 168% and a three-year TSR of 85%.

We are proud of our track record and we look forward to continuing the journey.

And, finally, none of what you can see and have heard today would have been possible without the passion and dedication of our 'purple people' around the globe, who every day provide certainty and ingenuity and advantage for our clients.

Thanks again for joining us.