

MARKET ANNOUNCEMENT

Date:	3 May 2022
To:	Australian Securities Exchange
Subject:	Macquarie Australia Conference 2022

Attached is a presentation to be delivered at today's investor conference.

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This announcement was authorised to be given to the ASX by the Group CEO.

For more information, visit www.computershare.com

MARKET ANNOUNCEMENT

MACQUARIE AUSTRALIA CONFERENCE

3 May 2022

Nick Oldfield, Chief Financial Officer

CERTAINTY

INGENUITY

ADVANTAGE

 **Computershare**

Computershare at a glance

A technology-enabled administrator of financial assets

Issuer Services

Employee Share Plans

Corporate Trust

Mortgage Services

Business Services

Communication Services



40,000+

Clients

~14,000

People

\$77bn

Client
balances,
providing leverage
to interest rates

\$240bn

Assets under
administration

38.3m

Shareholder
accounts

131,980

Entities under
management

1H22 Summary

Growth in Register Maintenance, Governance Services and Employee Share Plans offset by lower event activity. Bankruptcy and Class Actions remain subdued. Significant leverage to rising interest rates

Register Maintenance revenue growth driven by market share gains and recovery in shareholder paid fees

Employee Share Plans revenue growth and margin expansion. Equate+ platform supports market share gains

Event based revenues impacted by lower activity levels. Optionality retained

UK Mortgage Services return to profitability. Sale under consideration

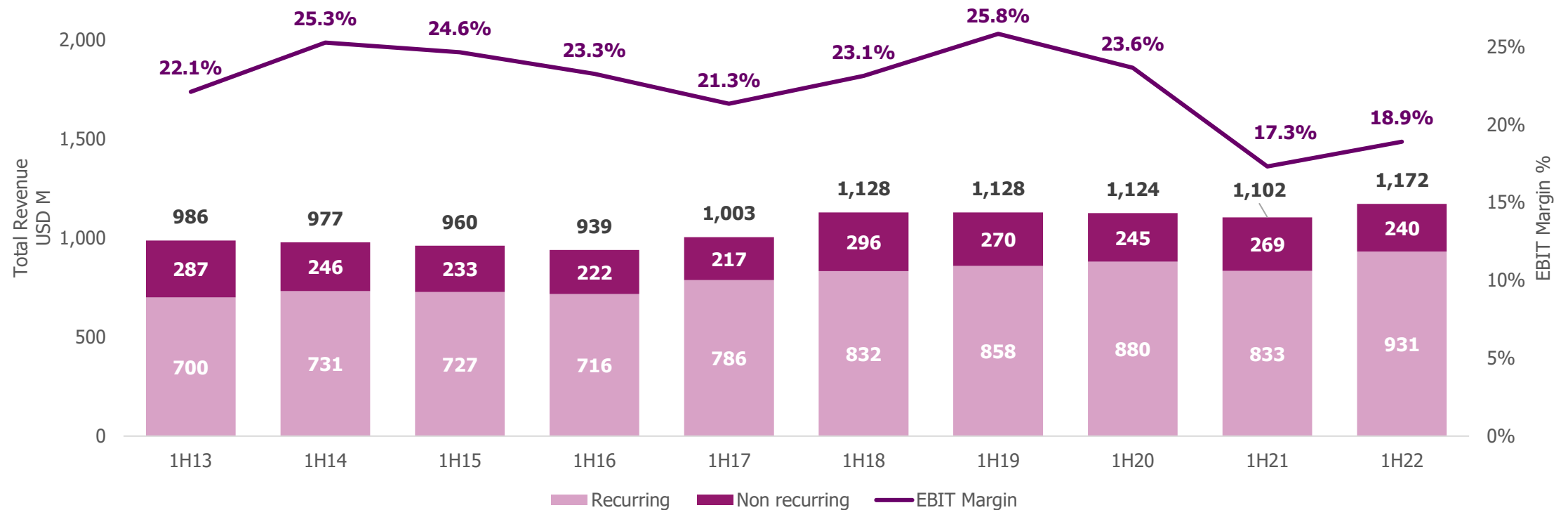
Governance Services gains traction with new client wins. Scope for sustained growth

CCT exceeds expectations on fee income. Significant leverage to interest rates

US Mortgage Services affected by macro challenges. Outlook improving

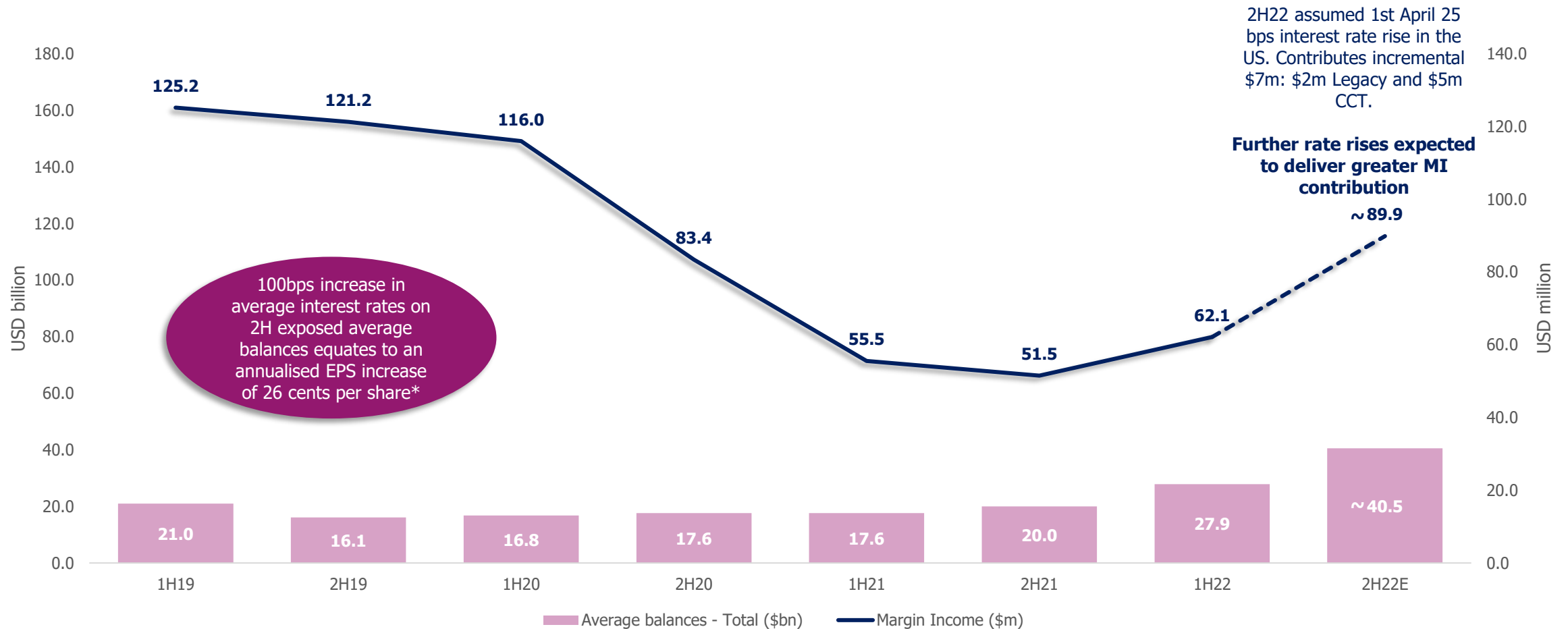
Margin income set to rise with new expectations of US rate increase in Q4

High quality core administration businesses drive consistent operating performance



Margin Income

FY22 margin income now expected to exceed \$152m with anticipated Q4 global rate rises



Margin Income and Balances translated at Actual fx rates. 1H22 Margin Income in constant currency is \$60.1m. 1H22 includes CCT Margin Income and balances for 2 months (\$27.9bn is the weighted average balance for 1H22). * Assumes ETR of 28% and CPU retains 90% of the rate rise benefit.

Issuer Services

Registry and Governance Services continue to grow, weaker event revenue

Mgmt EBIT ex. MI		
\$97.5m	↓	6.3%
Margin: 22.2%	↓	130bps

Revenue breakdown	1H22 CC	1H21 Actual	CC Variance
Register Maintenance*	\$317.3	\$306.4	+3.6%
Corporate Actions*	\$50.2	\$66.4	-24.4%
Stakeholder Relationship Management	\$26.3	\$35.5	-25.9%
Governance Services	\$44.7	\$34.6	+29.2%
Margin Income	\$17.9	\$22.1	-19.0%
Total revenue	\$456.4	\$465.0	-1.8%
Mgmt EBITDA	\$116.8	\$127.9	-8.7%
Mgmt EBITDA margin	25.6%	27.5%	-190bps

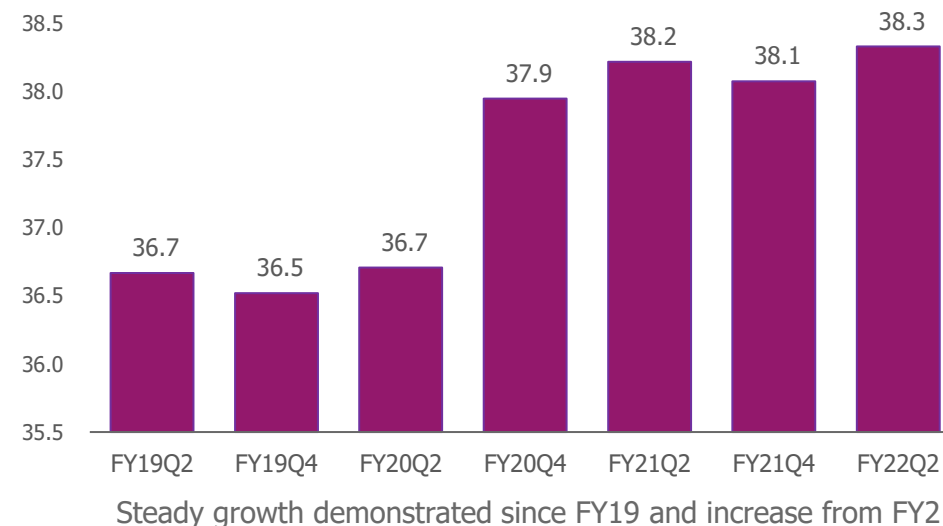
FY22 key priorities

-  Ongoing front office investment to leverage client relationships
-  Investment in product innovation and client experience
-  Drive organic growth in new market segments

Growth drivers

-  Increasing regulatory complexity driving stronger corporate focus on governance and compliance
-  Increasing demand for digitized solutions
-  Outsourcing facilitates access to better technology, lower cost and a higher quality solution

Global managed shareholder accounts (millions)



Employee Share Plans

Equate+ platform drives market share gains and margin expansion

Mgmt EBIT ex. MI		
\$31.8m	↑	122.4%
Margin: 20.7%	↑	1000bps

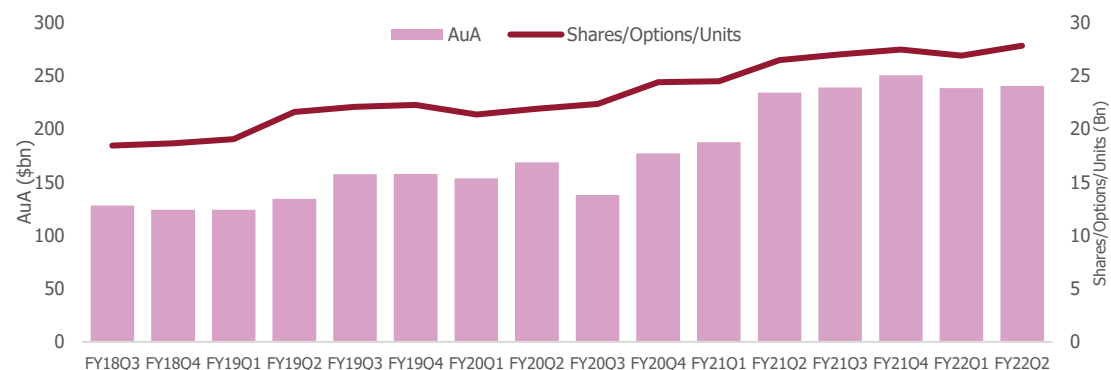
Revenue breakdown	1H22 CC	1H21 Actual	CC Variance
Fee revenue	\$73.6	\$69.8	+5.4%
Transactional revenue	\$73.1	\$58.7	+24.5%
Other revenue	\$6.8	\$5.9	+15.3%
Margin income	\$1.2	\$2.3	- 47.8%
Total revenue	\$154.8	\$136.7	+13.2%
Mgmt EBITDA	\$35.7	\$19.3	+85.0%
Mgmt EBITDA margin	23.1%	14.1%	+900bps

FY22 key priorities

Growth drivers

	Strong client fee growth		Equitization of remuneration – issuing more equity as compensation and deeper into organisations
	Progress the rollout of Equate+		Technology solutions and employee access and ease of use
	Continued growth in units under admin		Globalisation of workforces and increasingly complex regulation are driving corporates to seek global service partners to provide compliant and consistent solutions

Outstanding shares and options under administration



- > Outstanding shares/options/units under administration increased 5% YoY to 28bn as the equitisation of remuneration trend continues with many corporates issuing equity deeper into the organisations.

Mortgage Services

Macro environment impacts US performance, outlook improving

Mgmt EBIT ex. MI ²		
-\$2.5m	↑	7.4%
Margin: -0.9%	→	Flat

Revenue breakdown	1H22 CC	1H21 Actual	CC Variance
US Mortgage Services*	\$212.8	\$213.1	-0.1%
US Mortgage Services Margin Income	\$1.2	\$2.1	-42.9%
UK Mortgage Services	\$55.2	\$68.7	-19.7%
Total revenue	\$269.2	\$283.9	-5.2%
Mgmt EBITDA¹	\$55.6	\$47.0	+18.3%
Mgmt EBITDA margin	20.7%	16.6%	+410bps

* Revenue excluding Margin Income

FY22 key priorities



Execute capital recycling transactions to drive sub-servicing volume



Implement new loan origination system and new client pipeline



Evaluate opportunities to maximise shareholder value in UK operations

Growth drivers



Ending of foreclosure moratoriums and withdrawal of Government support packages should lead to special servicing opportunities

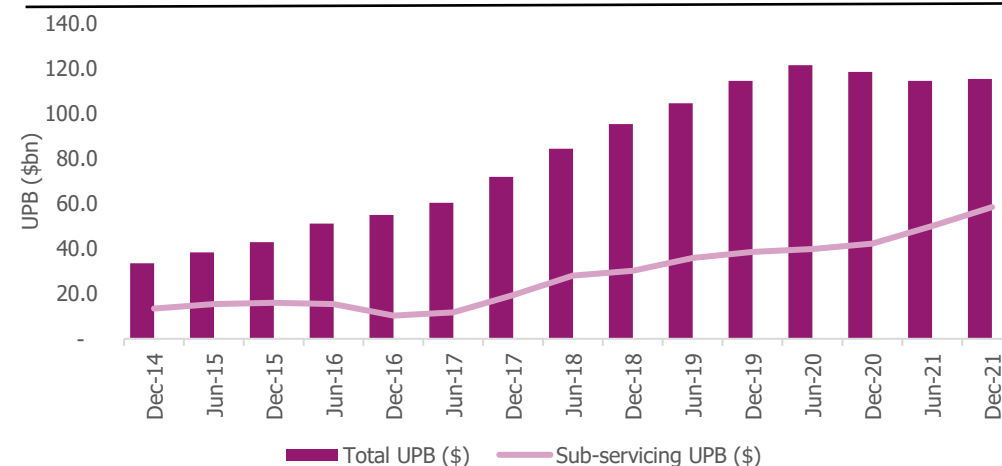


Strong levels of market liquidity driving demand for MSR and interest in capital light solutions to leverage CPU MSR co-issue channel



Origination levels likely to remain relatively elevated whilst ever low rates continue

Stable UPB, growth in Sub-Servicing



Business Services

Consistent Canadian Corporate Trust offset by reduced event based revenues

Mgmt EBIT ex. Margin Income		
\$6.3m	↓	51.2%
Margin: 8.9%	↓	420bps

Revenue breakdown	1H22 CC	1H21 Actual	CC Variance
Corporate Trust*	\$26.4	\$25.8	+2.3%
Bankruptcy*	\$16.3	\$41.3	-60.5%
Class Actions*	\$28.4	\$31.6	-10.1%
Margin Income	\$11.6	\$15.7	-26.1%
Total revenue	\$82.6	\$114.4	-27.8%
Mgmt EBITDA	\$18.7	\$29.5	-36.6%
Mgmt EBITDA margin	22.6%	25.8%	-320bps

* Revenue excluding Margin Income

FY22 key priorities

Growth drivers



Continue to add corporate trust mandates



Ongoing growth in debt under administration



Improve Class Actions and Bankruptcy growth and profitability



Timing of withdrawal of Government stimulus key to recovery in bankruptcy volumes

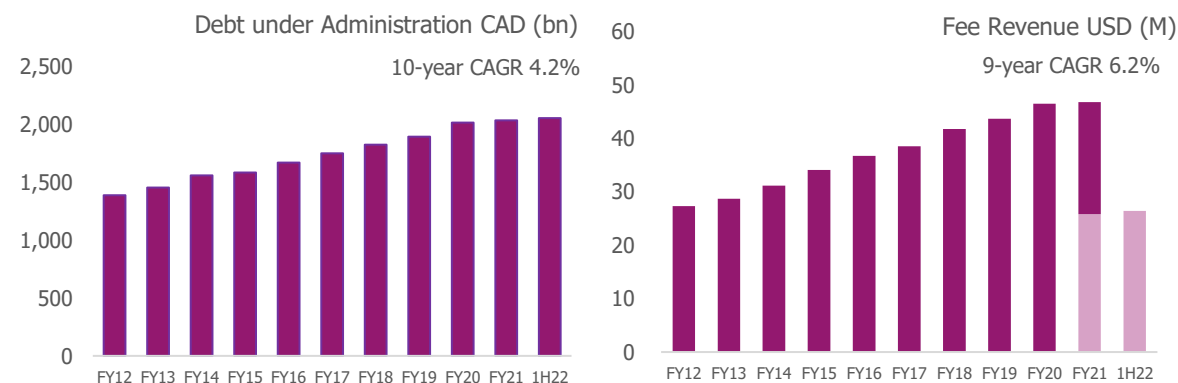


Focus on global and large scale Class Action opportunities



Covid related Class Action activity expected across a range of sectors

Corporate Trust Canada, positive long-term trends

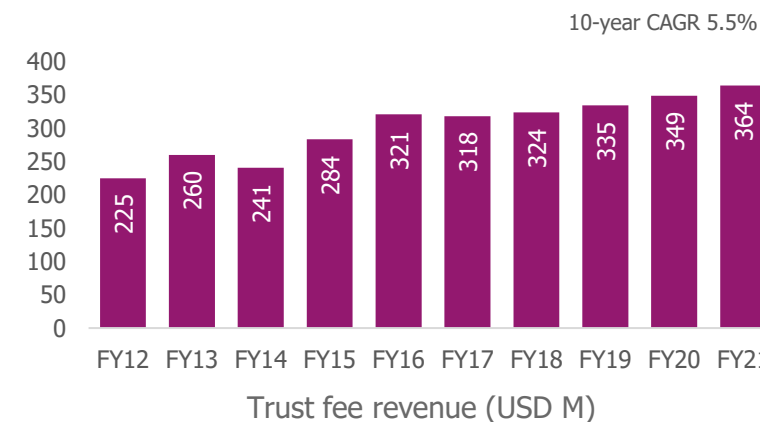


Computershare Corporate Trust (CCT)

Results exceed expectations, significant leverage to rising interest rates
(acquisition completed 1st November)

Mgmt EBIT ex. Margin Income
\$1.7m
Margin: 2.4%

Revenue breakdown	1H22 CC
MMF Fee Revenue	\$2.2
Other Fee Revenue	\$67.1
Margin Income	\$7.5
Total revenue	\$76.7
Mgmt EBITDA	\$9.6
Mgmt EBITDA margin	12.5%



Separation and integration plan underway

6-12 months

- ❑ Ongoing separation activity: Infrastructure build and key system migrations in full swing to separate from Wells Fargo
- ❑ Client contract reviews/restricted account strategy

12-24 months

- ❑ Technology Transition
- ❑ Deposit Transfers from Wells Fargo
- ❑ Steady State to be achieved (Business fully integrated and operating at full capacity)
- ❑ Offshore captive set-up

24+ months

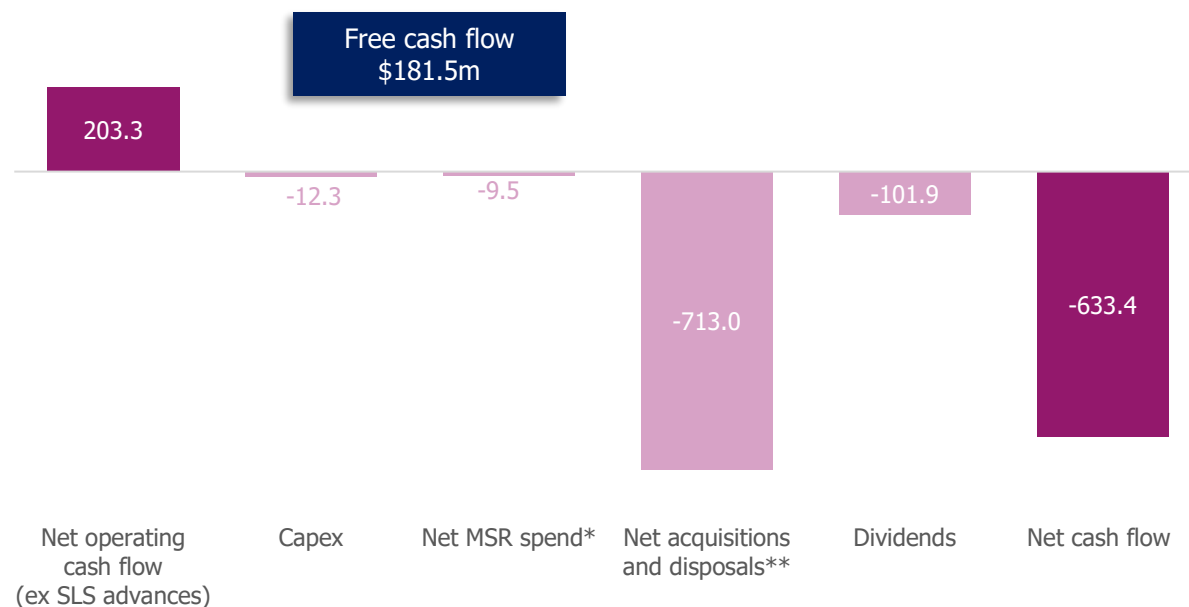
- ❑ Separation from Wells Fargo
- ❑ Synergy target of \$80 million achieved by Year 5 post-close

Includes 2 months contribution in 1H22.

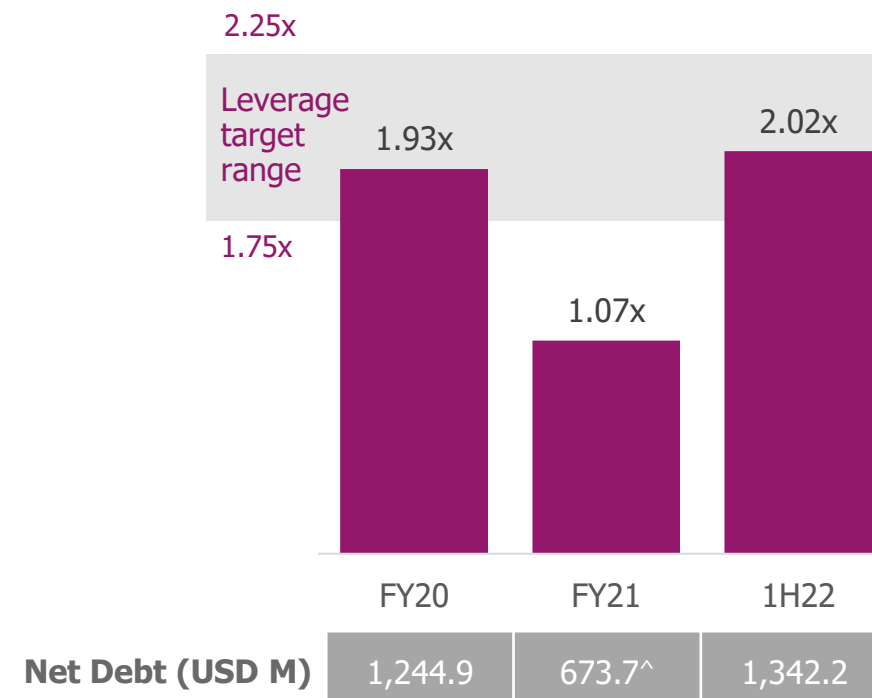
Cash flow and leverage

Leverage ratio of 2.02x as at December 2021, within target range

Cashflow Waterfall



Net Debt / EBITDA¹ (x)



¹ Excludes non-recourse SLS Advance debt.

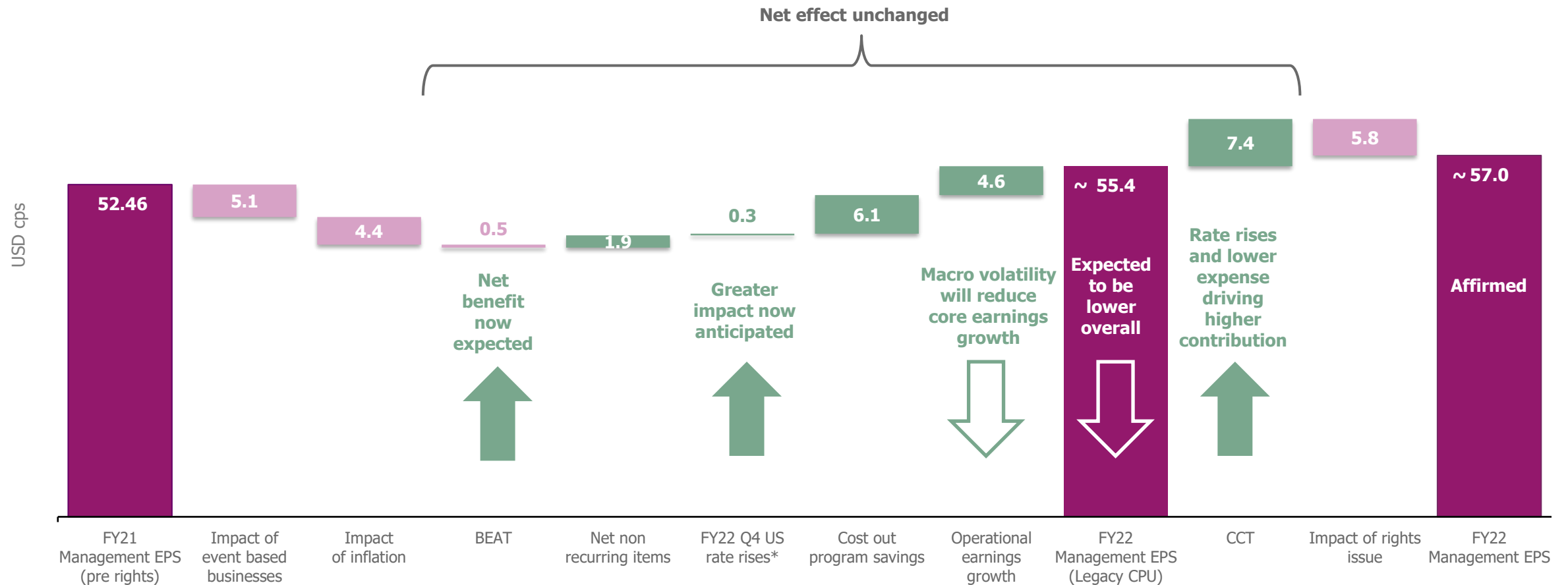
* Net cash payments for MSR purchases of \$9.5m in 1H22 (purchases of \$124.3m and sales of \$114.8m). **Includes disposal of Milestone \$16.7m.

The FY21 leverage ratio of 1.07x includes proceeds of rights issue which was deployed on the CCT acquisition in 1H22. [^] \$620.2m of gross proceeds received for rights issue.

1H22 leverage ratio of 2.02x assumes 2 months EBITDA contribution from CCT. If we were to include 10 months pre acquisition EBITDA of \$51.9m, the leverage ratio would have been 1.87x. The net debt calculation of \$1,342.2m includes \$33.0m of cash classified as an "asset held for sale".

FY22 Management EPS guidance affirmed

Management EPS expected to be up around 9% on pcp

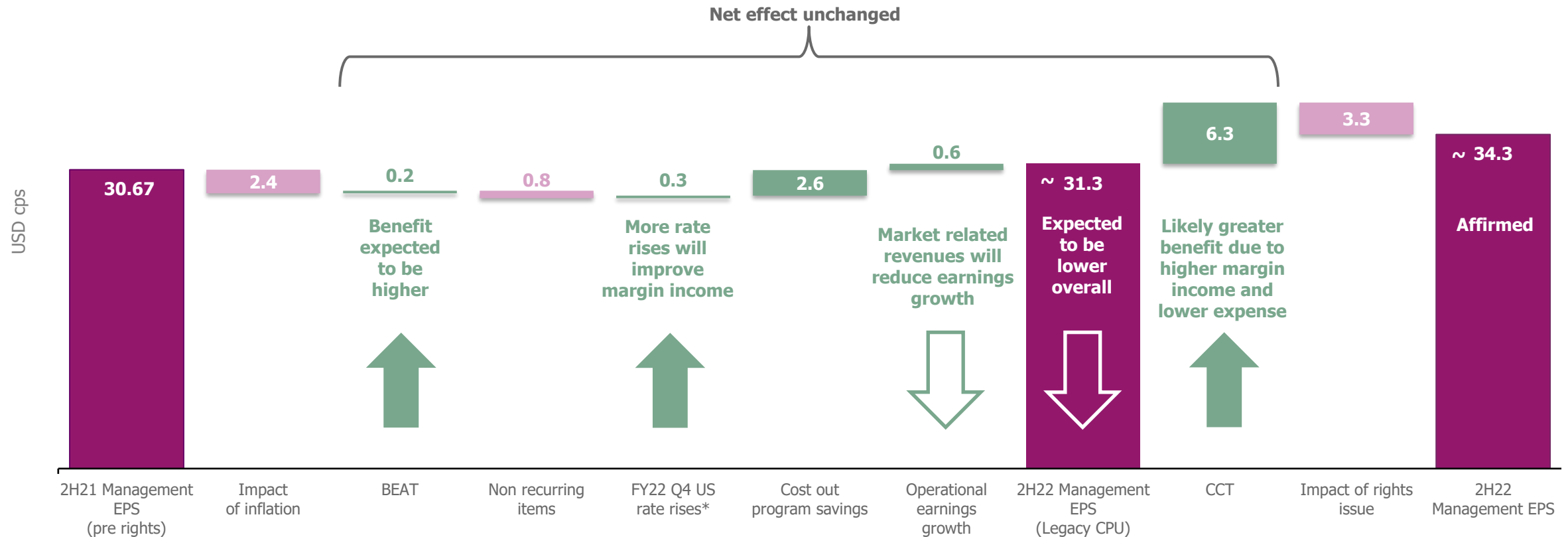


* Margin Income impact only.

Note: EPS breakdown is provided for indicative purposes and forms part of EPS Key Assumptions. In constant currency, FY22 Management EPS is expected to be up around 9% including CCT. This assumes FY21 Management EPS is 52.46 cents per share calculated on a WANOS of 540,879,593. FY22 Management EPS is expected to be 57.0 cents per share calculated on a WANOS of 603,729,336. Refer to slide 57 for constant currency conversion rates.

2H22 Management EPS guidance unchanged

2H Management EPS expected to be up around 12% on pcp



* Margin Income impact only.

Note: EPS breakdown is provided for indicative purposes and forms part of EPS Key Assumptions. In constant currency, Management EPS is to be up around 9% including CCT. This assumes FY21 Management EPS is 52.46 cents per share calculated on a WANOS of 540,879,593. FY22 Management EPS is 57.04 cents per share calculated on a WANOS of 603,729,336. Refer to slide 57 of 1H22 results presentation for constant currency conversion rates.

FY23 outlook

Positive outlook for FY23 – another year of profitable growth expected

Tailwinds	Headwinds
✓ Global interest rate rises expected to drive growth in margin income ✓ Ongoing organic growth in segments of Registry Maintenance, Governance Services and Employee Share Plans ✓ Potential for rebound in pandemic impacted businesses of US Mortgage Services and Bankruptcy Administration ✓ Full year of CCT contribution	⊖ Continued inflationary pressures on all major expense lines ⊖ Risk of further macro volatility impacting businesses with capital markets exposure ⊖ Possible US tax reform and higher mix of US profits expected to lead to higher ETR ⊖ Timing of bank appetite for new deposits
Executing our strategy to build strong, efficient businesses with greater scale and leverage to positive growth trends and increased optionality	

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