

3 August 2023

ASX ANNOUNCEMENT

FY23 PRELIMINARY UNAUDITED RESULTS AND UPDATE ON DIVESTMENTS

Link Administration Holdings Limited (ASX: LNK) (**Link Group**) provides its preliminary unaudited FY23 Results and an update on the previously announced divestments of its Funds Solutions (FS) and Banking and Credit Management (BCM) business units.

Preliminary Unaudited FY23 Results – FY23 Operating EBIT beats guidance, up 15.7% yoy

Link Group expects to report FY23 Group Revenue of approximately \$1.23 billion, up ~4.5% on previous year. Link Group expects to report FY23 Group Operating EBIT of approximately \$178.1 million which is up ~15.7% on the previous year and ~3.5% above the top-end of the guidance range of \$169 - \$172 million. FY23 Operating NPATA excluding PEXA is expected to be approximately \$89.3 million, up ~1.2% on previous year.

A\$ million	FY23 ¹	FY22	% Change	Guidance ²
Revenue	1,228.3	1,175.1	4.5%	1,190 - 1,220
Operating EBITDA	273.2	252.3	8.3%	273 - 278
Operating EBIT	178.1	153.9	15.7%	169 - 172
Operating NPATA ex-PEXA	89.3	88.2	1.2%	

1. Preliminary Unaudited FY23 Results.
2. As provided in 1H FY23 results presentation, slide 15

Link Group refers to its announcement dated 20 April 2023, where it confirmed that it had reached a conditional agreement with the Financial Conduct Authority (FCA) to settle its investigation into Link Fund Solutions Limited (LFSL) in respect of LFSL's role as authorized corporate director (ACD) of the LF Woodford Equity Income Fund (now known as the LF Equity Income Fund) (WEIF) (the Settlement).

The expected sale of the FS business to Waystone Group (the FS Sale) and the announcement of the Settlement will occur across two financial years. In line with the Australian Accounting Standards (AASB), we are required to recognise the asset (any receivable in respect of the FS Sale and the proposed UK creditors' scheme of arrangement addressing WEIF related redress and claims against LFSL (the Scheme) only when Link Group ceases to control the FS business (which will occur on completion of the FS sale which is expected to be in October 2023), and the Scheme is implemented.

We expect to recognise a provision of approximately \$390.9 million (net of tax) related to the announcement of the Settlement and associated redress in 2H FY23. In FY24 we expect to recognise a gain of approximately \$280.3 million (net of tax) on completion of the FS sale.

Link Group therefore expects to report a FY23 Statutory Loss (after tax) of approximately \$(417.7) million. In addition to the provision above, the statutory results will also be impacted by several factors that include the following:

- Gain of approximately \$406.8 million on the PEXA sell-down and in-specie distribution (net of tax);
- Non-cash impairment charge of \$(368.6) million related to the sale of FS assets (which is \$80.3 million lower than the \$(448.9) million impairment recognised in 1H23) given the buyer did not assume certain liabilities under transaction documents in respect of the FS Sale;

- Non-cash impairment charge of \$(25.3) million related to BCM goodwill;
- Fair value write-down of approximately \$(31.1) million to the carrying value of the Smart Pension investment (net of tax);
- Premises impairment (non-cash) of approximately \$(34.5) million on surplus real-estate footprint;
- Approximately \$(34.6) million of cost (net of tax) related to acquisitions, divestments, transaction and other one-off items.

Link Group's liquidity position remains strong and after the impairments, significant headroom remains under Link Group's covenants with its lenders. The total leverage ratio at 30 June 2023 is expected to be around 2.6x.

After the completion of the Sale and the Scheme, Link Group continues to expect pro forma leverage ratio to be at the top end of the guidance range of 2x – 3x as at June 2024.

Link Group's FY23 results remain subject to audit by its external auditors and Board approval.

Update on divestments – significant progress made, tracking to plan

Banking & Credit Management (BCM)

Link Group refers to its announcement on 17 March 2023 providing an update in relation to the progress of the sale of its Banking & Credit Management business (the **BCM Sale**).

The BCM Sale has now received all regulatory approvals with the exception of the UK. The BCM Sale is targeted to complete in September 2023 as previously announced, subject to the remaining approval.

Fund Solutions (FS)

Link Group refers to its announcement on 20 April 2023 providing an update in relation to the progress of the FS sale.

Link Group confirms that counterparties to contracts representing the requisite threshold majority of revenue in respect of LFSL's ACD business and Link Fund Manager Solutions (Ireland) Limited's business have agreed to those contracts being transferred to the Waystone Group on completion of the FS Sale. Satisfaction of the revenue and third-party consent conditions for the FS Sale remain subject to receiving certain regulatory approvals in the UK and Ireland. Link Group has received clearance from the Competition and Consumer Protection Commission of Ireland in respect of the FS Sale. Link Group expects that the FS Sale will complete in October 2023, subject to remaining conditions being satisfied.

On 28 July 2023 LFSL informed the investors in the WEIF (WEIF Investors), that subject to the outcome of discussions with Link Group and the FCA, and the English High Court's availability, LFSL expects to issue a Practice Statement Letter in September 2023. The Practice Statement Letter will notify WEIF Investors of the formal launch of the Scheme and provide further details about the key terms of the Scheme and the first court hearing in relation to the Scheme.

The Settlement contemplated by the Scheme is conditional on the completion of the FS Sale. If the Scheme becomes effective, it will provide for monies, including a contribution of up to £60 million from Link Group to LFSL, to be made available to make payments to the WEIF Investors. In return for those payments to the WEIF investors, LFSL, Link Group, and their respective affiliates and officers will receive releases from liability relating to LFSL's role as ACD of the WEIF.

Link Group continues to be confident that, even if the Scheme was not approved and the Settlement was terminated, liabilities relating to the WEIF remain within LFSL and Link Group has no obligation to contribute to any of those WEIF related liabilities.

Link Group is also pleased to announce that it is in exclusive discussions with a preferred bidder for Link Fund Solutions (Luxembourg) S.A. and Link Fund Solutions (Switzerland) SA and expects to

provide an update as part of the FY23 results on 28 August 2023. As per the announcement on 20 April 2023, Link Group has agreed to contribute any available net consideration it receives to the Scheme if it completes a sale of the Luxembourg and Swiss entities which form part of the FS Business prior to the date on which the distribution under the Scheme takes place.

Link Group FY23 Financial Results Date and Webcast Details

Link Group will report its detailed FY23 financial results on 28 August 2023. Link Group CEO & Managing Director, Vivek Bhatia, and Link Group CFO, Andrew MacLachlan, will host a briefing for analysts and investors at 9.30am AEST on Monday, 28 August 2023.

Participants wishing to ask question please register for the briefing [here](#). A live webcast of the briefing will be available [here](#).

The release of this announcement was authorised by the Link Group Board.

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