

# COMPUTERSHARE LIMITED

Solid results - delivering to plan

## 2018 Full Year Results Presentation

### **Stuart Irving**

Chief Executive Officer and President

### **Mark Davis**

Chief Financial Officer

15 August 2018

CERTAINTY

INGENUITY

ADVANTAGE



# Executive summary

FY18 solid results, fastest rate of earnings growth since FY09

Management results <sup>1</sup>		
Revenue <b>\$2,247.7m</b> ▲ 6.3%	EBITDA <b>\$609.7m</b> ▲ 12.7%	EPS <b>62.10 cents</b> ▲ 14.1%
Statutory EPS	Free cash flow	Dividend per share
Actual <b>55.17 cents<sup>2</sup></b> ▲ 13.1%	Actual <b>\$379.2m<sup>3</sup></b> ▲ 4.7%	Final <b>AU 21 cents</b> ▲ 10.5%

FY18 Management EPS grew strongly (+14.1%) driven by good progress in Mortgage Services, increased event activity in Stakeholder Relationship Management and Class Actions, cyclical recovery in Corporate Actions, improved margin income and disciplined cost management

<sup>1</sup> Management results are expressed in constant currency throughout this presentation unless otherwise stated. Constant currency equals FY18 results translated to USD at FY17 average exchange rates. All figures in this presentation are presented in USD millions, unless otherwise stated

<sup>2</sup> Reconciliation of statutory to management results can be found on slide 22

<sup>3</sup> References in this presentation to free cash flow and net debt exclude SLS advances/non-recourse debt as appropriate

# Good progress on executing strategic priorities

## Growth

- > Mortgage Services EBITDA up 65.4% to \$122.4m, 22.4% margin
- > US Mortgage Services broadening revenue model across mortgage lifecycle. Improving revenue mix drives margin growth
- > US UPB \$81bn, up 35.7%. US subservicing UPB up 200% with increased client network
- > UK Mortgage Services profitability growing as integration proceeds. Well placed with challenger banks to grow servicing volumes
- > Equatex acquisition enhances Employee Share Plans' scale, capabilities and earnings. Lays foundations for future growth. Detailed integration plan advanced

## Profitability

- > Group EBITDA margin continues to rise to 27.1% (up 150bps)
- > Margin income improving to \$175.5m, up 28.9%
- > Register Maintenance and Corporate Actions EBITDA margin, 33.5% with Registry revenue returning to organic growth in 2H
- > Strong Corporate Actions and revenues from large one time events, particularly in 1H18
- > Cost out programs well underway and delivering anticipated benefits
- > Additional \$35.7m of gross savings delivered in FY18. Stages 1, 2 and 3 total \$125m-\$155m of gross savings

## Capital Management

- > Free cash flow of \$379.2m, funds increased MSR growth investments, share buy-back, higher dividends and reduction in net debt
- > Net debt reduced by \$40.2m. Net debt to EBITDA down to 1.33x (~2.0x, middle of target range post Equatex completion)
- > Post tax ROIC 18.2%, up 270 bps, capital light growth
- > Funding capacity for disciplined and complementary inorganic growth
- > 3.37m ordinary shares bought back at an average price of AU\$14.74
- > Karvy sale expected to complete in 1H FY19
- > AU 21 cents final dividend fully franked, +10.5%

# FY19 outlook

## Guidance

- › In constant currency, Computershare expects FY19 Management EPS to increase by around +10% on FY18

## Assumptions

- › Equity markets remain at current levels and interest rate markets remain in line with current market expectations
- › The Karvy disposal and Equatex acquisition both complete in 1H FY19
- › The weighted average number of ordinary shares on issue in FY19 is expected to be 542,955,868
- › Group tax rate to be broadly similar in FY19 compared to FY18 (28.3%)
- › Revenue (excluding margin income) from Corporate Actions and event based activities assumed to be slightly more subdued than in FY18
- › For constant currency comparisons, FY18 average exchange rates are used to translate the FY19 earnings to USD (refer to slide 56)
- › For comparative purposes, the base FY18 Management EPS is 63.38 cents

# Growth: Mortgage Services

Strong profit growth, EBITDA +65.4%, execution tracking to plan

	FY18 @ CC	FY17 Actual	CC Variance
US Mortgage Services revenue	\$306.1	\$257.2	+19.0%
UK Mortgage Services revenue	\$240.1	\$239.8	+0.1%
<b>Total Mortgage Services revenue</b>	<b>\$546.2</b>	<b>\$496.9</b>	<b>+9.9%</b>
<b>Total Mortgage Services EBITDA</b>	<b>\$122.4</b>	<b>\$74.0</b>	<b>+65.4%</b>

## US

- > Growth engine progressing well, UPB up 35.7% to \$81bn
- > Planned growth: fully owned MSR's up 24.4%, and 200% growth in UPB in capital light sub servicing
- > Revenues up 19% to \$306.1m, with base servicing fees up 23.4%
- > Plan to capture more margin across mortgage life cycle on track: high margin, capital light ancillary fees (non UPB related) up 14.5%, now contribute 28% of total revenues
- > Capital discipline: MSR investments of \$89.4m in FY18, total capital employed of \$402.6m, down \$20.5m on 1H18 following capital release from MSR strip sales

## UK

- > Continuing to make good progress integrating UKAR portfolio. Continue to transfer loans onto CPU platform
- > EBITDA increasing with significant synergy benefits being realised in FY19 and FY20
- > Revenues stable at \$240.1m, supported by UKAR fixed fees and new implementation projects. UPB amortising to plan down 16.6% to \$53.6bn
- > Well positioned with challenger banks to grow new servicing volumes - book expected to turn to positive organic growth in FY20- FY21

# Growth: Employee Share Plans

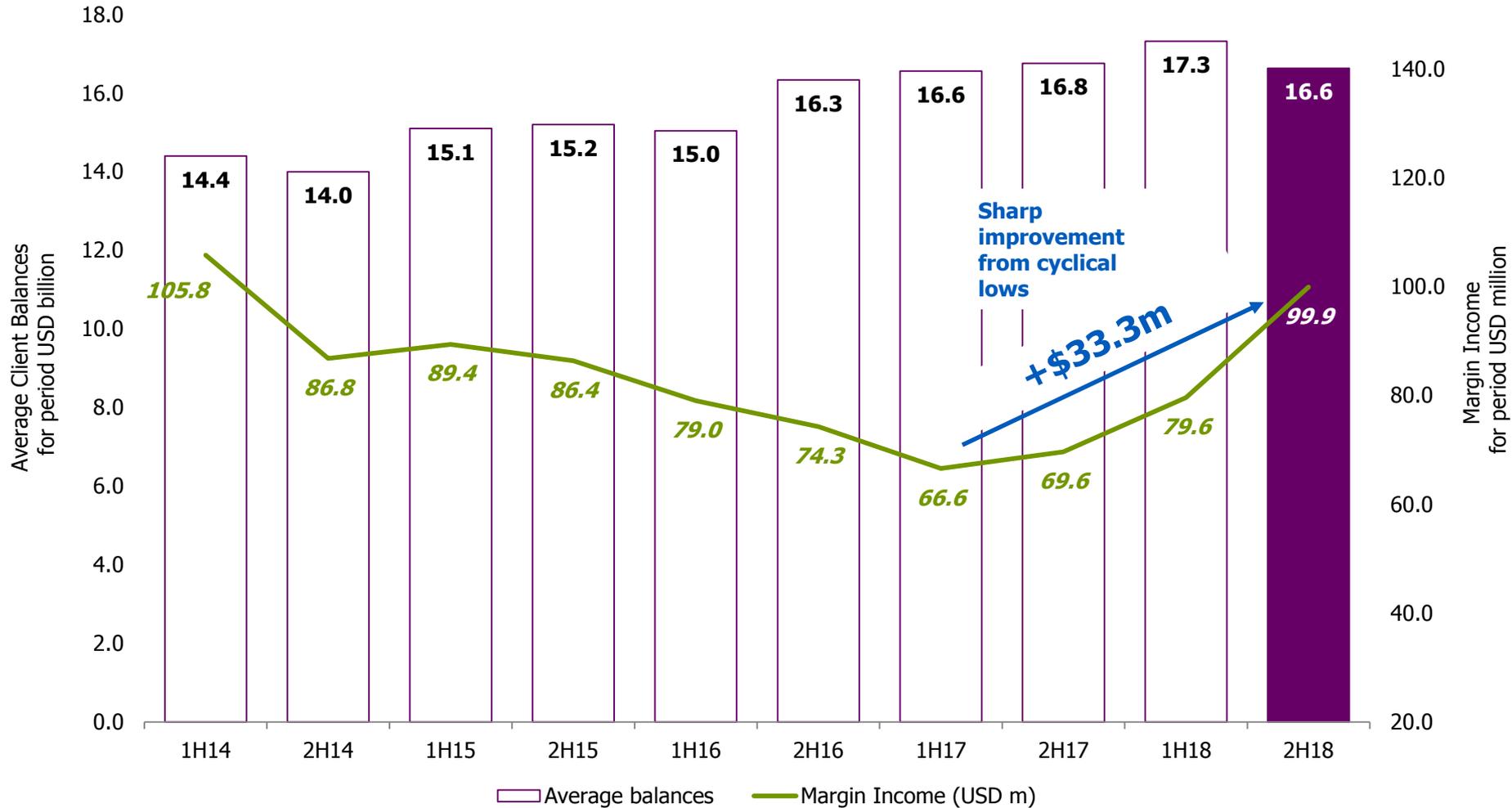
Laying the foundations for future growth

	<b>FY18 @ CC</b>	<b>FY17 Actual</b>	<b>CC Variance</b>
Transactional revenue	\$83.0	\$79.3	+4.7%
Fee revenue	\$104.4	\$106.9	-2.3%
Margin income	\$16.2	\$16.5	-1.8%
Other revenue	\$17.8	\$17.7	+0.6%
<b>Total Employee Share Plans revenue</b>	<b>\$221.3</b>	<b>\$220.5</b>	<b>+0.4%</b>
<b>Employee Share Plans EBITDA</b>	<b>\$52.5</b>	<b>\$56.5</b>	<b>-7.1%</b>
<b>EBITDA margin %</b>	<b>23.7%</b>	<b>25.6%</b>	<b>-190bps</b>
EBITDA ex margin income	\$36.3	\$40.0	-9.3%
EBITDA margin ex margin income %	17.7%	19.6%	-190bps

- › Equatex acquisition is a highlight of the year: enhances scale, capabilities and earnings
- › Completion expected in 1H FY19. Ready to implement detailed integration plan to deliver \$30m synergy benefits per annum; estimated to be delivered over 36 months
- › Stable revenues in FY18, solid result given Brexit inflated pcp and lower implementation fees
- › EBITDA affected by lower fee revenues and margin income, and Investing for Future program costs - improvements in customer facing and business development technologies. New platform for Chinese issuers well received
- › Significant earnings potential with \$123.9bn assets under administration, provides future transaction fees

# Profitability: Margin income

2H18 margin income highlights leverage to rising interest rates



Note: Margin income and balances translated at actual FX rates for the period

# Profitability: Register Maintenance and Corporate Actions

Register Maintenance returns to organic growth in 2H

	FY18 @ CC	FY17 Actual	CC Variance
Register Maintenance revenue	\$696.6	\$697.9	-0.2%
Corporate Actions revenue	\$158.7	\$125.8	+26.2%
<b>Total Register Maintenance &amp; Corporate Actions revenue</b>	<b>\$855.4</b>	<b>\$823.7</b>	<b>+3.8%</b>
<b>Register Maintenance &amp; Corporate Actions EBITDA</b>	<b>\$286.2</b>	<b>\$260.9</b>	<b>+9.7%</b>
<b>EBITDA margin %</b>	<b>33.5%</b>	<b>31.7%</b>	<b>+180bps</b>
EBITDA ex margin income	\$204.7	\$200.5	+2.1%
EBITDA margin ex margin income %	26.4%	26.3%	+10bps

- > Solid EBITDA growth +9.7% and margin improvement to 33.5%, up 180bps. Combination of higher margin Corporate Actions revenues, improved margin income and cost out programs driving margin expansion
- > Register Maintenance trends improving, with encouraging return to organic growth in 2H
- > Early signs of redesigned sales and support and business development front office initiatives, delivering benefits
- > Global market share remains strong and stable

# Profitability: Structural cost out programs progressing well

Stages 1, 2 and 3 total gross savings of \$125m - \$155m affirmed

Activity	Total cost savings estimates \$m	Benefit realisation (cumulative)						
		FY17A	FY18A	FY19E	FY20E	FY21E	FY22E	FY23E
<b>Stage 1 Total</b>	<b>25 - 30</b>	7.8	14.0	19.6	28.0	28.0	28.0	28.0
<b>Stage 2 Total</b>	<b>60 - 70</b>	5.9	35.4	52.5	62.7	64.5	64.5	64.5
<b>Stage 3 Total</b>	<b>40 - 55</b>			3.0	12.9	29.1	43.8	47.5
<b>Total cost savings estimate for Stages 1 - 3</b>	<b>125 - 155</b>	<b>13.7</b>	<b>49.4</b>	<b>75.1</b>	<b>103.6</b>	<b>121.6</b>	<b>136.3</b>	<b>140.0</b>

- > Stages 1 & 2 cost out programs delivering substantial benefits across multiple business streams
- > Stage 1 & 2 cumulative benefits of \$49.4m, ahead of schedule \$42.0m
- > \$35.7m of additional gross savings delivered in FY18
- > Stage 3 savings to begin in FY19; announced total savings of \$40m - \$55m expected
- > 801 FTE now located at Louisville centre, including operations for mortgage servicing, Register Maintenance and Class Actions
- > Good progress implementing process automation, delivers anticipated savings and improves processing accuracy

# Capital management:

## Free cash flow funds growth, debt reduction and enhanced returns

### Cash generative business model

- › Free cash flow of \$379.2m, up 4.7%. Recurring revenues, high margins and low maintenance capex, funds growth investments and shareholder returns

### Growth investments

- › Self funding growth engines with investments in US MSR purchases \$89.4m, up 4.2%
- › Invested a further GBP7.5m in SETL, blockchain technology specialist, with Board representation

### Acquisitions

- › Equatex acquisition accelerates Employee Share Plans strategy. Complementary with CPU European Share Plans business
- › Strategy to build further scale to become a significantly larger, more profitable Employee Share Plans business with a more efficient cost base. Integration plan to deliver synergies well advanced
- › Ongoing exploration of acquisition opportunities to leverage CPU's strengths and alignment with core competencies

### Share buy-back

- › The Company bought back 3.37m ordinary shares at an average price of AU\$14.74

### Debt reduction

- › Net debt reduced to \$827.5m, down \$40.2m
- › Net debt to EBITDA ratio down to 1.33x from 1.60x, (~2.0x, middle of target range post Equatex completion)
- › The sale of Computershare's interest in Karvy now expected to close in 1H FY19

### Dividend

- › Final dividend of AU 21 cents per share fully franked, +10.5% on pcp
- › Full year dividend AU 40 cents per share, +11.1% on pcp
- › CPU's dividend policy is to target a payout ratio of between 40% - 60% of Management NPAT in USD subject to cash requirements and our leverage ratio, and to frank dividends to the maximum extent possible

# FY18 Management Results summary

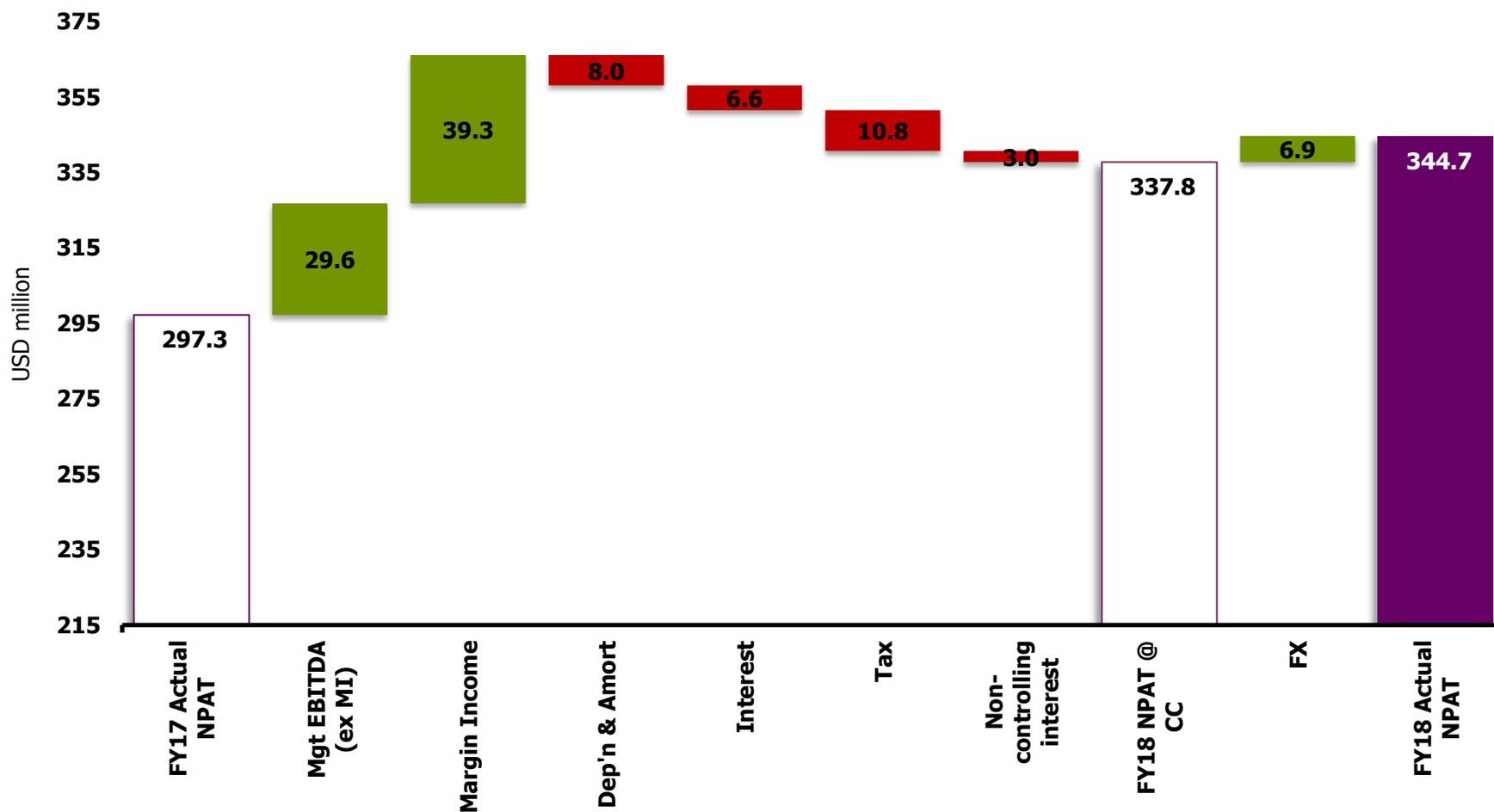
Record earnings and fastest rate of earnings growth since FY09

	FY18 @ CC	FY17 Actual	CC Variance	FY18 Actual
Total Revenue	\$2,247.7	\$2,114.0	+6.3%	\$2,300.9
<i>Margin income</i>	<i>\$175.5</i>	<i>\$136.2</i>	<i>+28.9%</i>	<i>\$179.5</i>
Operating Costs	\$1,638.3	\$1,573.9	+4.1%	\$1,678.5
<b>EBITDA</b>	<b>\$609.7</b>	<b>\$540.8</b>	<b>+12.7%</b>	<b>\$622.6</b>
<b>EBITDA Margin %</b>	<b>27.1%</b>	<b>25.6%</b>	<b>+150bps</b>	<b>27.1%</b>
Depreciation	\$32.1	\$35.2	-8.8%	\$32.9
Amortisation	\$35.1	\$24.0	+46.3%	\$35.2
<b>EBIT</b>	<b>\$542.4</b>	<b>\$481.6</b>	<b>+12.6%</b>	<b>\$554.6</b>
Interest Expense	\$61.0	\$54.4	+12.1%	\$62.1
<b>Profit Before Tax</b>	<b>\$481.5</b>	<b>\$427.2</b>	<b>+12.7%</b>	<b>\$492.5</b>
Income Tax Expense	\$135.4	\$124.6	+8.7%	\$139.6
<b>NPAT</b>	<b>\$337.8</b>	<b>\$297.3</b>	<b>+13.6%</b>	<b>\$344.7</b>
<b>Management EPS (cents)</b>	<b>62.10</b>	<b>54.41</b>	<b>+14.1%</b>	<b>63.38</b>

	FY18 Actual	FY17 Actual	Variance
Net operating cash flow	\$453.0	\$420.3	+7.8%
Free cash flow	\$379.2	\$362.2	+4.7%
Net debt to EBITDA ratio	1.33 times	1.60 times	-0.27 times

# FY18 Management NPAT analysis

Management EBITDA +\$68.9m, +12.7% driven by growth and profitability strategies



# Management revenue by business stream

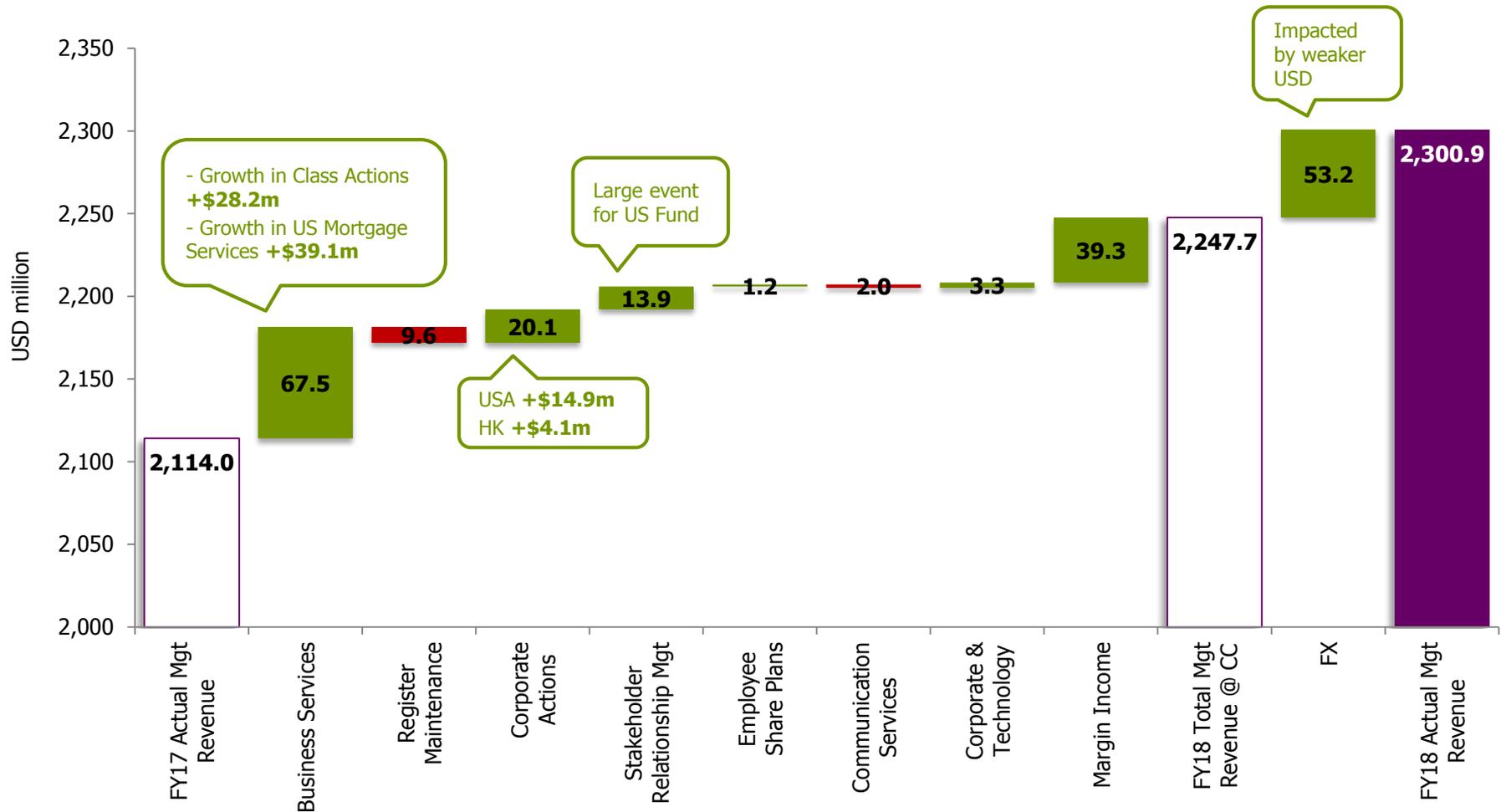
Strategic growth, cyclical recovery and increased event activity

Business stream	FY18 @ CC	FY17 Actual	CC Variance	FY18 Actual
Business Services	\$872.0	\$785.9	+11.0%	\$894.4
Register Maintenance	\$696.6	\$697.9	-0.2%	\$710.3
Corporate Actions	\$158.7	\$125.8	+26.2%	\$160.6
Employee Share Plans	\$221.3	\$220.5	+0.4%	\$228.4
Communication Services	\$175.4	\$177.5	-1.2%	\$181.6
Stakeholder Relationship Mgt	\$93.7	\$79.8	+17.4%	\$94.8
Corporate & Technology*	\$29.8	\$26.6	+12.0%	\$30.7
<b>Total Management Revenue</b>	<b>\$2,247.7</b>	<b>\$2,114.0</b>	<b>+6.3%</b>	<b>\$2,300.9</b>

- > Strategic and structural growth: US Mortgage Services' revenue +\$48.9m, drives Business Services growth coupled with 1H performance in Class Actions
- > Greater volume of higher value transactions drove improvement in Corporate Actions revenue
- > Stakeholder Relationship Management revenues increased by \$13.9m primarily driven by a large proxy solicitation event for a US Fund in 1H18
- > Margin income increased by \$39.3m to \$175.5m: Registry Maintenance \$8.3m, Corporate Actions \$12.8m, Business Services \$18.5m partly offset by Employee Share Plans (\$0.3m)

# Management revenue bridge

Margin income, US mortgage services and large event fees add to growth



# EBITDA and margins by business stream

Operating leverage and ongoing margin expansion to 27.1%, up 150 bps

Business Stream	FY18 @ CC	FY17 Actual	CC Variance	FY18 EBITDA Margin in CC %	FY17 Actual EBITDA Margin %
Business Services	\$233.7	\$172.6	+35.4%	26.8%	22.0%
Register Maintenance & Corporate Actions	\$286.2	\$260.9	+9.7%	33.5%	31.7%
Employee Share Plans	\$52.5	\$56.5	-7.1%	23.7%	25.6%
Communication Services	\$38.3	\$38.3	-	21.8%	21.6%
Stakeholder Relationship Mgt	\$22.2	\$7.9	+181.0%	23.6%	9.9%
Corporate & Technology	(\$23.2)	\$4.6	n/a	n/a	n/a
<b>Total Management EBITDA</b>	<b>\$609.7</b>	<b>\$540.8</b>	<b>+12.7%</b>	<b>27.1%</b>	<b>25.6%</b>
<b>Total Management EBITDA ex MI</b>	<b>\$434.1</b>	<b>\$404.6</b>	<b>+7.3%</b>	<b>20.9%</b>	<b>20.5%</b>

- › Broad based EBITDA increases and margin improvements in Mortgage Services and Register Maintenance & Corporate Actions - executing to plan to build scale, diversify revenues and deliver efficiency gains
- › Strong growth in Business Services EBITDA, with Mortgage Services contributing \$122.4m, +65.4%
- › US Register Maintenance margins continue to improve underpinned by productivity gains. Corporate Actions profitability increased on higher revenues and more large transactions
- › Strong improvement in Stakeholder Relationship Management EBITDA driven by a large event for a US Fund in 1H18
- › Corporate & Technology includes staff performance based incentives
- › Growth and profitability strategies expected to drive operational gearing and further margin expansion

# EBITDA and margin income by business stream

Improved margin income contribution, \$175.5m, +28.9%

Business Stream	FY18 EBITDA @ CC	FY18 MI @ CC	FY18 EBITDA ex MI @ CC	FY17 EBITDA	FY17 MI	FY17 EBITDA ex MI	CC Variance
Business Services	\$233.7	\$77.8	<b>\$155.9</b>	\$172.6	\$59.3	<b>\$113.3</b>	+37.6%
Register Maintenance & Corporate Actions	\$286.2	\$81.6	<b>\$204.7</b>	\$260.9	\$60.4	<b>\$200.5</b>	+2.1%
Employee Share Plans	\$52.5	\$16.2	<b>\$36.3</b>	\$56.5	\$16.5	<b>\$40.0</b>	-9.3%
Communication Services	\$38.3	\$0.0	<b>\$38.3</b>	\$38.3	\$0.0	<b>\$38.3</b>	-
Stakeholder Relationship Mgt	\$22.2	\$0.0	<b>\$22.2</b>	\$7.9	\$0.0	<b>\$7.9</b>	+181.0%
Corporate & Technology	(\$23.2)	\$0.0	<b>(\$23.2)</b>	\$4.6	\$0.0	<b>\$4.6</b>	n/a
<b>Total Group</b>	<b>\$609.7</b>	<b>\$175.5</b>	<b>\$434.1</b>	<b>\$540.8</b>	<b>\$136.2</b>	<b>\$404.6</b>	<b>+7.3%</b>

- > Margin income accelerated to \$175.5m, +\$39.3m (\$136.2m pcp) led by increases across US and Canadian exposed balances
- > Average exposed client balances\* increased to \$11.4bn (pcp \$10.2bn) with \$8.5bn (pcp \$5.2bn) of unhedged balances.
- > 2H18 margin income \$99.9m\*, effective yield of 1.20% (vs. 0.83% pcp)
- > Business Services margin income grew by \$18.5m with \$11.8m in 2H
- > Large corporate actions in US led to increased margin income, up \$21.2m
- > Margin income slightly down in Employee Share Plans, affected by UK deposit returns

# Operating costs analysis

Cost to income ratio continues to fall, 72.9%

Operating costs	FY18 @ CC	FY17 Actual	CC Variance	FY18 Actual
Cost of sales	\$373.4	\$367.5	+1.6%	\$380.7
Personnel	\$968.5	\$920.6	+5.2%	\$992.6
<i>Fixed/Perm</i>	<i>\$902.9</i>	<i>\$882.7</i>	<i>+2.3%</i>	<i>\$925.8</i>
<i>Variable/Temp</i>	<i>\$65.6</i>	<i>\$37.9</i>	<i>+73.1%</i>	<i>\$66.8</i>
Occupancy	\$88.4	\$86.3	+2.4%	\$90.7
Other Direct	\$104.4	\$107.8	-3.2%	\$107.3
Computer/External technology	\$103.6	\$91.7	+13.0%	\$107.2
<b>Total Operating Costs</b>	<b>\$1,638.3</b>	<b>\$1,573.9</b>	<b>+4.1%</b>	<b>\$1,678.5</b>
<b>Operating Costs/Income Ratio</b>	<b>72.9%</b>	<b>74.5%</b>	<b>-160bps</b>	<b>73.0%</b>

- > 160bps improvement in cost to income ratio, with 2H18 reduced further to 71.8%
- > Revenue growth outstrips change in BAU cost base, +2.3%. This includes impact of wage inflation and staff incentives
- > Additional temporary resources deployed in 1H18 to facilitate increased event based activity in Class Actions, Corporate Actions and Stakeholder Relationship Management

Refer to slide 42 for Technology costs at actual FX rates. Computer/External technology includes hardware, software licenses, network and voice costs, 3<sup>rd</sup> party vendor fees and data centre costs

# Cash flow summary

Free cash flow up 4.7% - self funding growth and capital management

	FY18 Actual	FY17 Actual
Net operating receipts and payments	\$595.6	\$530.4
Net interest and dividends	(\$55.7)	(\$50.8)
Income taxes paid	(\$86.9)	(\$59.3)
Net operating cash flows <b>excluding</b> SLS advances	\$453.0	\$420.3
Cash outlay on business capital expenditure	(\$39.4)	(\$34.2)
Net cash outlay on MSR purchases – Maintenance <sup>1</sup>	(\$34.4)	(\$23.9)
Free cash flow <b>excluding</b> SLS advances	\$379.2	\$362.2
SLS advance funding requirements <sup>2</sup>	(\$14.6)	\$23.8
Cash flow post SLS advance funding <sup>2</sup>	\$364.6	\$386.0
<b>Investing cash flows</b>		
Net cash outlay on MSR purchases – Investments <sup>1</sup>	(\$55.0)	(\$61.9)
Net acquisitions and disposals	(\$40.9)	(\$24.9)
Disposal of Australian head office premises	-	\$66.2
Disposal of investment in INVeSHARE inc.	-	\$23.8
Other	\$1.1	\$1.5
	(\$94.8)	\$4.7
Net operating and investing cash flows	\$269.8	\$390.7

<sup>1</sup> Maintenance MSR capex assumed to be equivalent to the amortisation charge for the period

<sup>2</sup> Net operating and financing cash flows

# Balance sheet

Leverage ratio down to 1.33x after funding strategic investments, share buy-back, debt reductions and dividend increase

	Jun 18	Jun 17	Variance
Current Assets	\$1,241.9	\$1,251.7	-0.8%
Non-Current Assets	\$2,646.3	\$2,695.3	-1.8%
<b>Total Assets</b>	<b>\$3,888.2</b>	<b>\$3,947.0</b>	<b>-1.5%</b>
Current Liabilities	\$1,091.6	\$753.1	+44.9%
Non-Current Liabilities	\$1,463.2	\$1,956.9	-25.2%
<b>Total Liabilities</b>	<b>\$2,554.8</b>	<b>\$2,710.0</b>	<b>-5.7%</b>
<b>Total Equity</b>	<b>\$1,333.4</b>	<b>\$1,237.0</b>	<b>+7.8%</b>
<b>Net debt<sup>1</sup></b>	<b>\$827.5</b>	<b>\$867.7</b>	<b>-\$40.2m</b>
<b>Net debt to EBITDA ratio<sup>1</sup></b>	<b>1.33 times</b>	<b>1.60 times</b>	<b>-0.27 times</b>
<b>ROE<sup>2</sup></b>	<b>26.7%</b>	<b>25.6%</b>	<b>+110bps</b>
<b>ROIC<sup>3</sup></b>	<b>18.2%</b>	<b>15.5%</b>	<b>+270bps</b>

<sup>1</sup> Excluding non-recourse SLS Advance debt

<sup>2</sup> Return on equity (ROE) = rolling 12 month Mgt NPAT/rolling 12 mth avg Total Equity

<sup>3</sup> Return on invested capital (ROIC) = (Mgt EBITDA less depreciation & amortisation less income tax expense)/(net debt + total equity).

Net debt includes cash classified as an asset held for sale in Jun18 and Jun17

# Conclusions

- › Purposefully designed Growth, Profitability and Capital Management strategies are delivering solid results, with FY18 recording the fastest rate of earnings growth since FY09
- › Optionality, inherent in Computershare, is converting into profitability
- › Solid financial position: strong free cash flow self-funds growth engines, technology initiatives, strategic investments, debt reduction and enhanced shareholder returns
- › Positive outlook: FY19 Management EPS to increase by around 10% in constant currency on FY18 - multi-year sustained earnings growth on track

# APPENDICES

Statutory results  
Company Overview  
FY18 Computershare at a glance  
Management EBITDA (ex MI)  
Financial performance by half year at actual FX rates  
Revenue and EBITDA by business stream at actual FX rates  
Global Registry Maintenance and Employee Share Plans  
Business Services revenue excluding mortgage services  
Management revenue by region  
Management EPS – AUD equivalent  
Technology costs  
CAPEX versus depreciation  
Client balances  
Debt facility maturity profile  
Key financial ratios  
Effective tax rate  
Dividend history and franking  
Mortgage Servicing  
Exchange rates

CERTAINTY

INGENUITY

ADVANTAGE



# Statutory results

	FY18	FY17	Vs FY17 (pcp)
<b>Total Revenues</b>	\$2,301.1m	\$2,168.1m	+6.1%
<b>Total Expenses</b>	\$1,911.5m	\$1,802.9m	+6.0%
<b>Statutory Net Profit (post NCI)</b>	\$300.1m	\$266.4m	+12.7%
<b>Earnings per share (post NCI)</b>	55.17 cents	48.76 cents	+13.1%

Reconciliation of Statutory Revenue to Management Results		FY18
<b>Total Revenue per statutory results</b>		<b>\$2,301.1m</b>
<b>Management Adjustments</b>		
Marked to market adjustments – derivatives		-\$0.2
<b>Total Management Adjustments</b>		<b>-\$0.2</b>
<b>Total Revenue per Management Results</b>		<b>\$2,300.9m</b>

Reconciliation of Statutory NPAT to Management Results		FY18
<b>Net profit after tax per statutory results</b>		<b>\$300.1m</b>
<b>Management Adjustments (after tax)</b>		
Amortisation		\$37.0
Acquisitions and Disposals		\$22.0
Other		-\$14.4
<b>Total Management Adjustments</b>		<b>\$44.6</b>
<b>Net Profit after tax per Management Results</b>		<b>\$344.7m</b>

> Management results are used, along with other measures, to assess operating business performance. The Company believes that exclusion of certain items permits better analysis of the Group's performance on a comparative basis and provides a better measure of underlying operating performance.

> Management adjustments are made on the same basis as in prior years.

> Non-cash management adjustments include significant amortisation of identified intangible assets from businesses acquired in recent years, which will recur in subsequent years, asset disposals and other one-off charges.

> Cash adjustments are predominantly expenditure on acquisition-related and other restructures, and will cease once the relevant acquisition integrations and restructures are complete.

> A full description of all management adjustments is included on slide 23.

> The non-IFRS financial information contained within this document has not been reviewed or audited in accordance with Australian Auditing Standards.

# Management adjustment items

## Appendix 4E Note 3

**Management adjustment items net of tax for the year ended 30 June 2018 were as follows:**

### **Amortisation**

- Customer contracts and other intangible assets that are recognised on business combinations or major asset acquisitions are amortised over their useful life in the statutory results but excluded from management earnings. The amortisation of these intangibles in the year ended 30 June 2018 was \$37.0 million. Amortisation of intangibles purchased outside of business combinations (e.g. mortgage servicing rights) is included as a charge against management earnings.

### **Acquisitions and disposals**

- An expense of \$7.6 million was recognised for re-measurement of contingent consideration payable to the sellers of RicePoint Administration Inc., Capital Markets Cooperative, LLC and Homeloan Management Limited.
- Acquisition related expenses of \$5.1 million were incurred, mainly associated with the acquisition of Equatex Group Holding AG (Equatex). Disposal related expenses of \$0.4 million were incurred in relation to Karvy Computershare Private Limited (Karvy).
- Pursuant to the Australian foreign income accruals taxation rules, tax expense of \$5.2 million was booked as a result of signing the agreement to acquire Equatex in May 2018.
- A deferred tax expense of \$3.8 million was booked with regard to the carrying value of the Indian venture Karvy as it is expected that the value of this investment will be recovered through sale. The associated accounting gain on disposal will only be recognised once the disposal is completed.

### **Other**

- A restatement of deferred tax balances due to the US tax reform resulted in a tax benefit of \$44.7 million (refer to Appendix 4E note 5).
- The put option liability re-measurement resulted in a loss of \$13.6 million related to the Karvy joint venture arrangement in India.
- Costs of \$13.4 million were incurred in relation to the major operations rationalisation underway in Louisville, USA, and the progress of the shared services and technology components of the structural cost-out programmes.
- As the remaining forecast cash flows of Computershare's Voucher Services continue being realised, an impairment charge of \$3.6 million was booked against goodwill related to this business. It is expected that the remaining goodwill of \$11.8 million associated with Voucher Services will be written off in the coming years.
- Derivatives that have not received hedge designation are marked to market at the reporting date and taken to profit and loss in the statutory results. The marked to market valuation resulted in a gain of \$0.3 million.

# Company overview

A leading global provider of administration services in our selected markets

## Who we are

- › Global market leader in transfer agency and share registration, employee equity plan administration, proxy solicitation and stakeholder communications
- › Also specialise in mortgage servicing, corporate trust, bankruptcy, class action administration and a range of other business services

## Our capabilities

- › Renowned for our expertise in high integrity data management, high volume transaction processing, reconciliation, payments and stakeholder communications
- › Many of the world's leading organisations use Computershare's services to streamline and maximise the value of relationships with their investors, employees, customers and other stakeholders

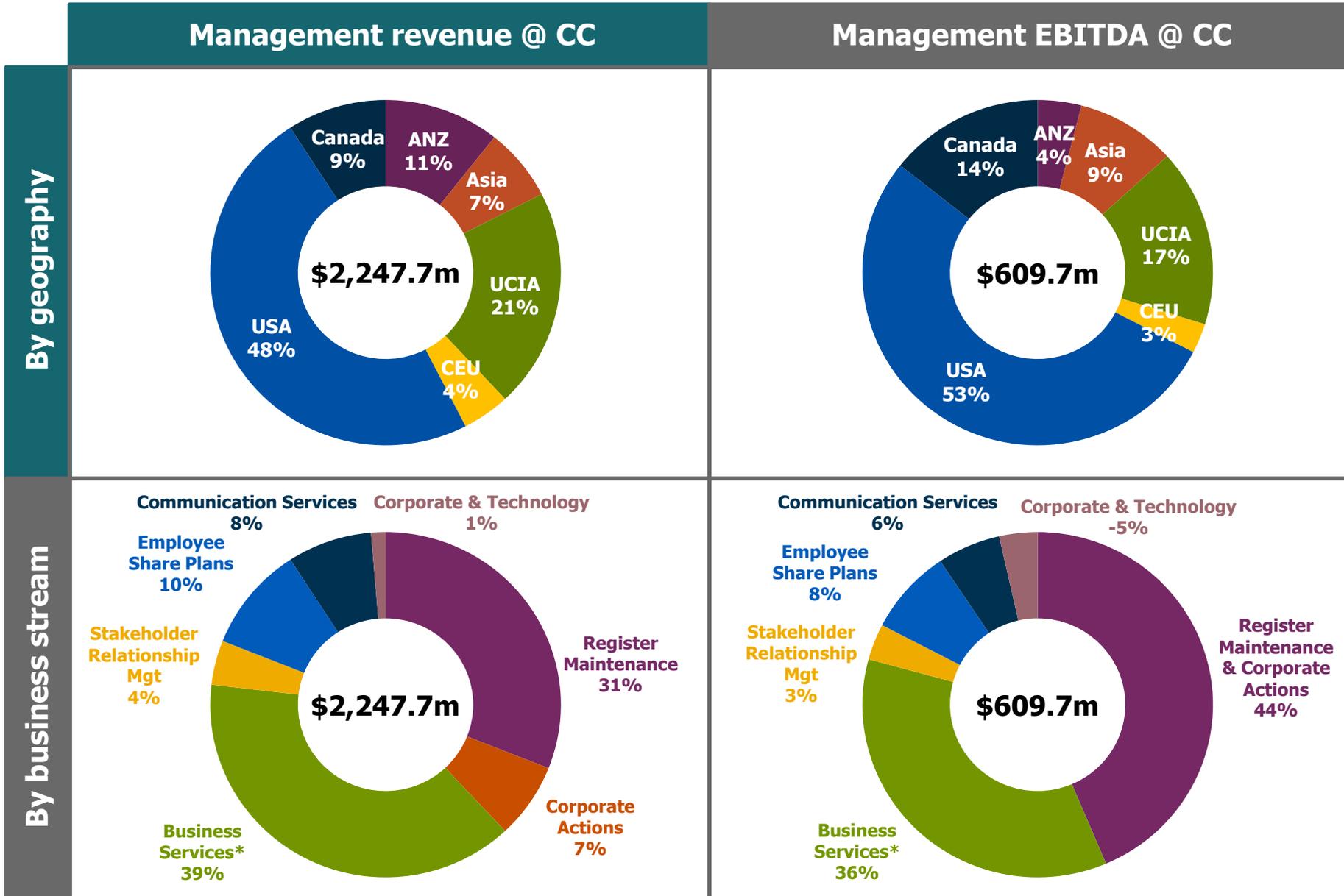
## Our strategy and model

- › Our strategy is to be the leading provider of services in our selected markets by leveraging our core competencies to deliver outstanding client outcomes from engaged staff
- › We focus on new products and services to reinforce market leadership in established markets and invest in technology and innovation to deliver productivity gains and improve cost outcomes
- › We have a combination of annuity and activity based revenue streams, strong free cash flow and high ROE

## Growth drivers

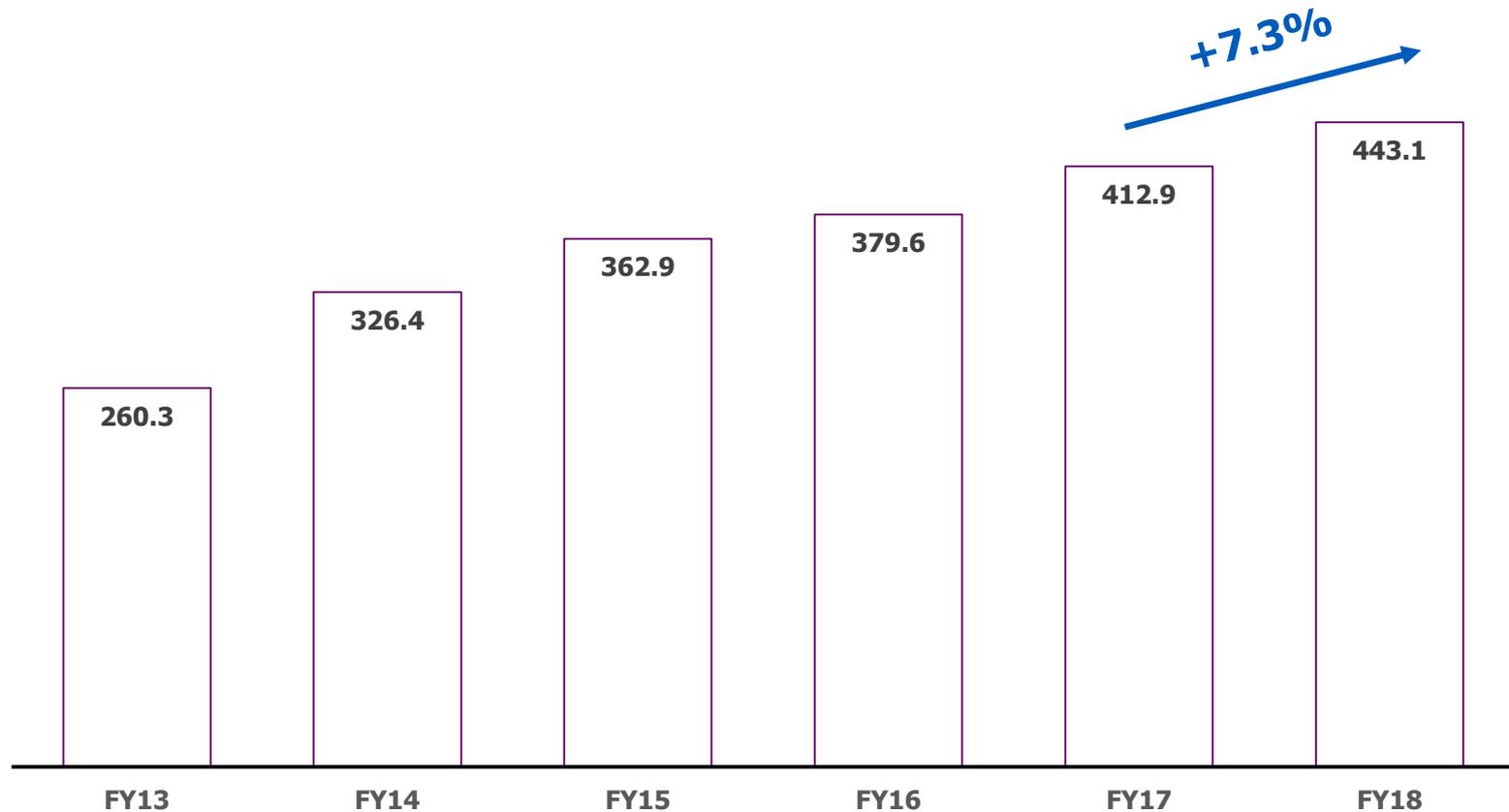
- › Organic: Investment in mortgage servicing and employee share plans and enterprise wide cost out program coupled with property rationalisation benefits to drive growth and improved returns
- › Inorganic: Disciplined acquisitions aligned to CPU's core competencies, on financially accretive terms
- › Macro: Leverage to rising interest rates on client balances, corporate action and equity market activity

# FY18 Computershare at a glance



25 \* Mortgage Services (included in Business Services) revenue is \$546.2m and Management EBITDA \$122.4m in constant currency

# Management EBITDA excluding the impact of margin income and FX movements increased by 7.3% in FY18 versus pcp



Note: Management EBITDA translated at FY18 average exchange rates and excludes margin income.

# Financial performance by half year at actual FX rates

	2H18	1H18	2H17	1H17	2H16	1H16	2H15	1H15	2H14	1H14
Total Management Revenue	\$1,173.1	\$1,127.8	\$1,110.8	\$1,003.2	\$1,035.5	\$938.7	\$1,016.5	\$959.5	\$1,045.7	\$976.9
Operating Costs	\$843.4	\$835.2	\$811.6	\$762.3	\$744.5	\$695.7	\$720.7	\$699.0	\$771.7	\$709.2
<b>Management EBITDA</b>	<b>\$329.3</b>	<b>\$293.4</b>	<b>\$299.5</b>	<b>\$241.3</b>	<b>\$290.3</b>	<b>\$242.3</b>	<b>\$294.8</b>	<b>\$259.3</b>	<b>\$273.6</b>	<b>\$267.0</b>
EBITDA Margin %	28.1%	26.0%	27.0%	24.1%	28.0%	25.8%	29.0%	27.0%	26.2%	27.3%
<b>Management Profit Before Tax</b>	<b>\$260.3</b>	<b>\$232.2</b>	<b>\$239.6</b>	<b>\$187.6</b>	<b>\$235.0</b>	<b>\$192.2</b>	<b>\$244.2</b>	<b>\$211.1</b>	<b>\$220.9</b>	<b>\$215.0</b>
<b>Management NPAT</b>	<b>\$177.9</b>	<b>\$166.8</b>	<b>\$156.7</b>	<b>\$140.6</b>	<b>\$159.7</b>	<b>\$143.8</b>	<b>\$172.1</b>	<b>\$160.6</b>	<b>\$171.5</b>	<b>\$163.6</b>
<b>Management EPS (US cents)</b>	<b>32.76</b>	<b>30.62</b>	<b>28.67</b>	<b>25.74</b>	<b>29.11</b>	<b>25.98</b>	<b>30.94</b>	<b>28.88</b>	<b>30.83</b>	<b>29.41</b>
<b>Management EPS (AU cents)</b>	<b>42.31</b>	<b>39.38</b>	<b>38.22</b>	<b>34.13</b>	<b>39.78</b>	<b>35.96</b>	<b>39.28</b>	<b>32.03</b>	<b>33.93</b>	<b>31.98</b>
<b>Statutory EPS (US cents)</b>	<b>23.74</b>	<b>31.43</b>	<b>21.28</b>	<b>27.48</b>	<b>13.33</b>	<b>15.22</b>	<b>24.82</b>	<b>2.79</b>	<b>20.13</b>	<b>25.07</b>
<b>Net operating cash flows<sup>^</sup></b>	<b>\$253.7</b>	<b>\$199.3</b>	<b>\$247.0</b>	<b>\$173.3</b>	<b>\$214.5</b>	<b>\$158.5</b>	<b>\$247.3</b>	<b>\$169.4</b>	<b>\$221.7</b>	<b>\$223.7</b>
<b>Days Sales Outstanding</b>	<b>59</b>	<b>57</b>	<b>60</b>	<b>56</b>	<b>56</b>	<b>53</b>	<b>48</b>	<b>46</b>	<b>45</b>	<b>42</b>
<b>Dividend (AU cents)</b>	<b>21</b>	<b>19</b>	<b>19</b>	<b>17</b>	<b>17</b>	<b>16</b>	<b>16</b>	<b>15</b>	<b>15</b>	<b>14</b>
<b>Franking (%)</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>30%</b>	<b>20%</b>	<b>100%</b>	<b>25%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>
<b>Net debt to EBITDA*</b>	<b>1.33</b>	<b>1.58</b>	<b>1.60</b>	<b>1.91</b>	<b>2.12</b>	<b>2.06</b>	<b>1.86</b>	<b>2.10</b>	<b>1.96</b>	<b>2.09</b>

<sup>^</sup> Excluding SLS advances

\* Ratio excluding non-recourse SLS Advance debt

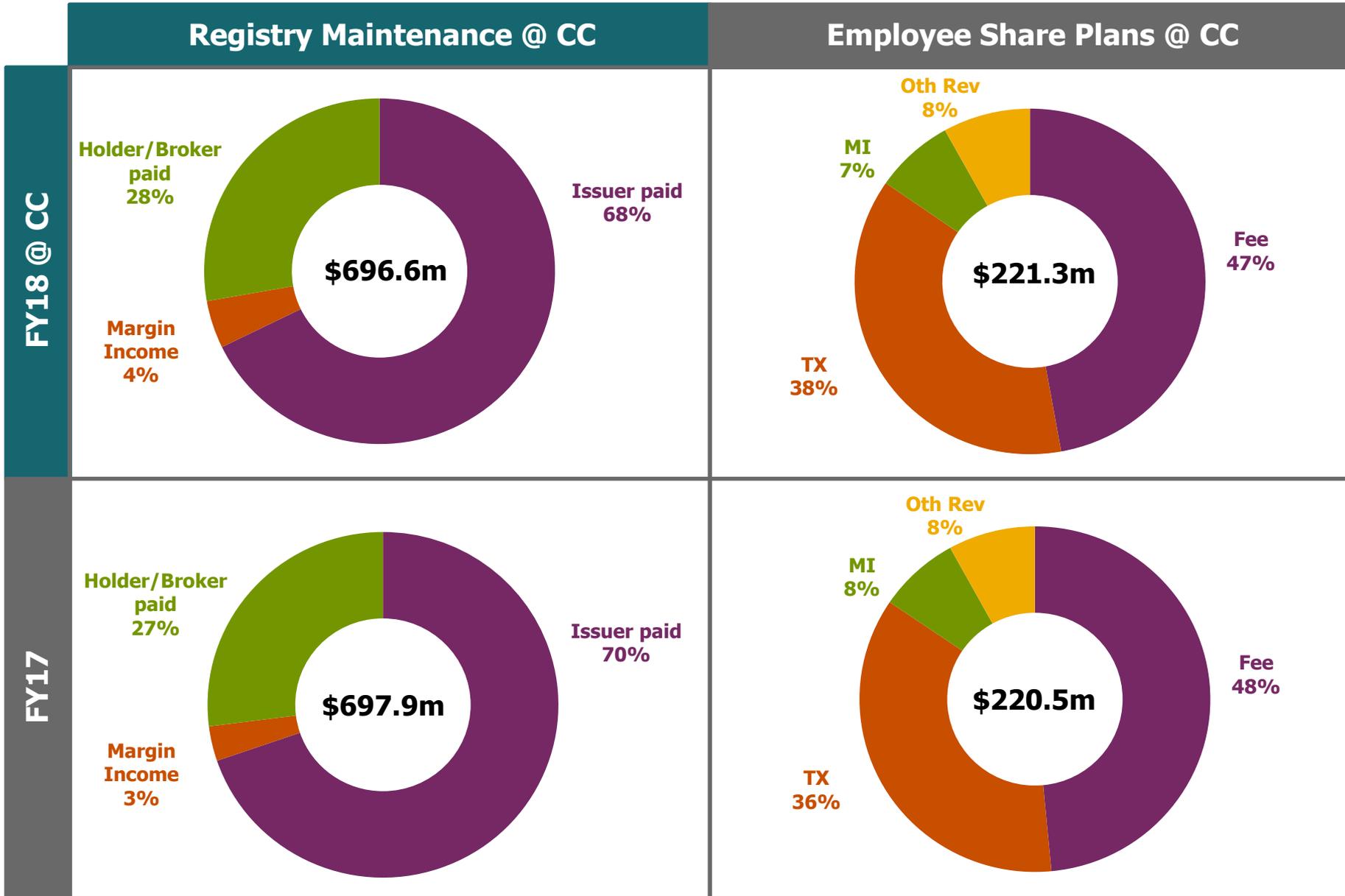
**Notable acquisitions:** Olympia Finance Group Inc (7<sup>th</sup> Oct 13), Registrar and Transfer Company (1<sup>st</sup> May 14), Homeloan Management Limited (17<sup>th</sup> Nov 14), Valiant (1<sup>st</sup> May 15), Gilardi & Co. LLC (28<sup>th</sup> Aug 15), SyncBASE Inc (1<sup>st</sup> Feb 16), Capital Markets Cooperative LLC (29<sup>th</sup> Apr 16).

**Notable divestments:** Highland Insurance (27<sup>th</sup> Jun 14), Pepper (30<sup>th</sup> Jun 14), ConnectNow (30<sup>th</sup> Jun 15), Closed Joint Stock Company "Computershare Registrar" and Computershare LLC Russia (16<sup>th</sup> Jul 15), VEM Aktienbank AG (31<sup>st</sup> Jul 15), INVESHARE (16<sup>th</sup> Sep 16).

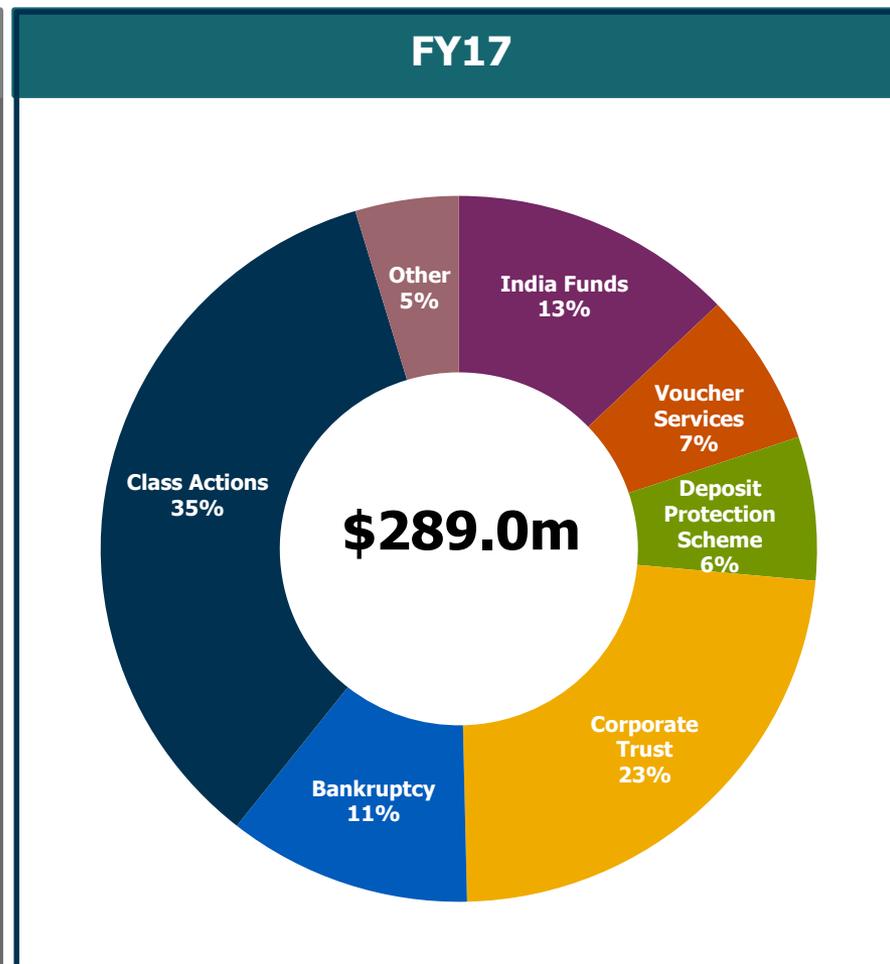
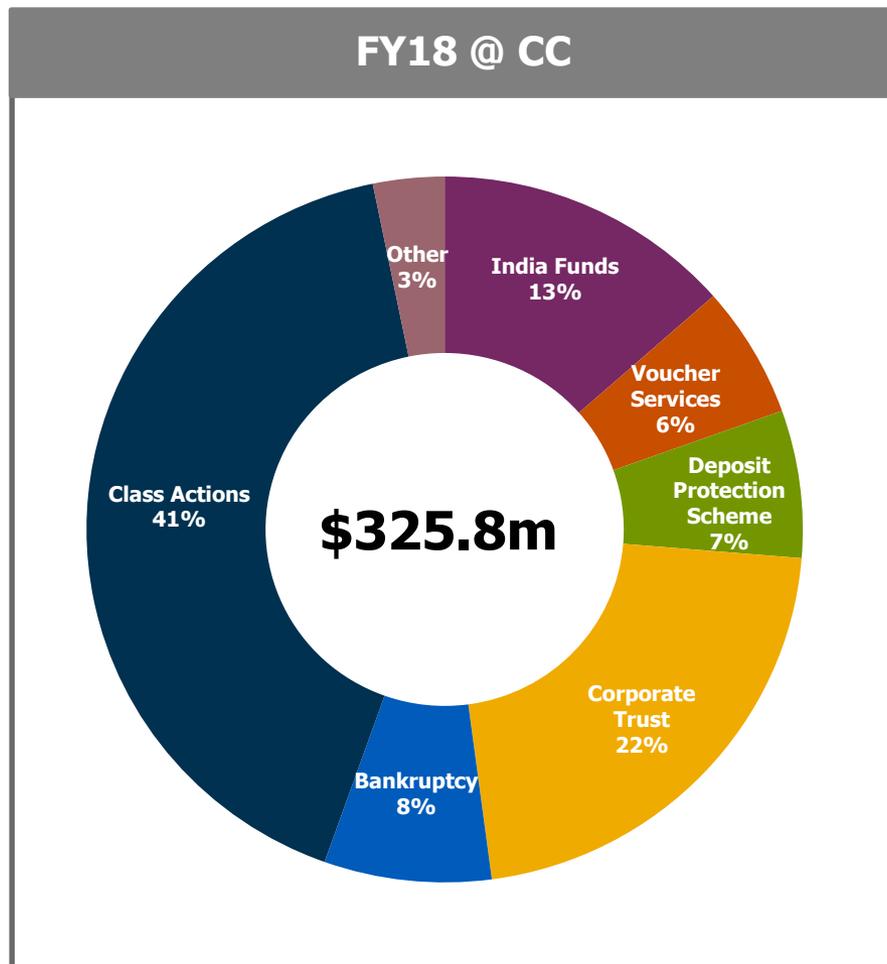
# Revenue and EBITDA by business stream at actual FX rates

	FY18 Revenue	FY18 EBITDA	FY18 Actual EBITDA Margin %	FY17 Revenue	FY17 EBITDA	FY17 Actual EBITDA Margin %
Business Services	\$894.4	\$240.1	26.8%	\$785.9	\$172.6	22.0%
<i>Register Maintenance</i>	<i>\$710.3</i>			<i>\$697.9</i>		
<i>Corporate Actions</i>	<i>\$160.6</i>			<i>\$125.8</i>		
Register Maintenance & Corporate Actions	\$870.9	\$290.4	33.3%	\$823.7	\$260.9	31.7%
Employee Share Plans	\$228.4	\$53.8	23.5%	\$220.5	\$56.5	25.6%
Communication Services	\$181.6	\$39.2	21.6%	\$177.5	\$38.3	21.6%
Stakeholder Relationship Mgt	\$94.8	\$22.6	23.8%	\$79.8	\$7.9	9.9%
Corporate & Technology	\$30.7	(\$23.5)	n/a	\$26.6	\$4.6	n/a
<b>Total Group</b>	<b>\$2,300.9</b>	<b>\$622.6</b>	<b>27.1%</b>	<b>\$2,114.0</b>	<b>\$540.8</b>	<b>25.6%</b>

# Global Registry Maintenance and Employee Share Plans revenue



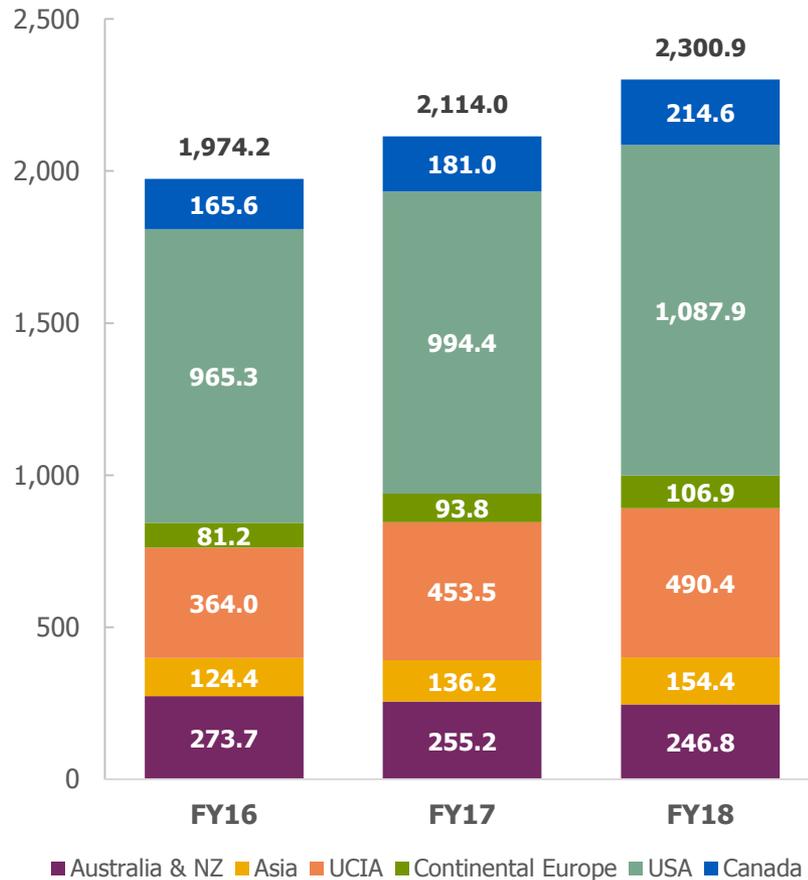
# Business Services revenue excluding Mortgage Services



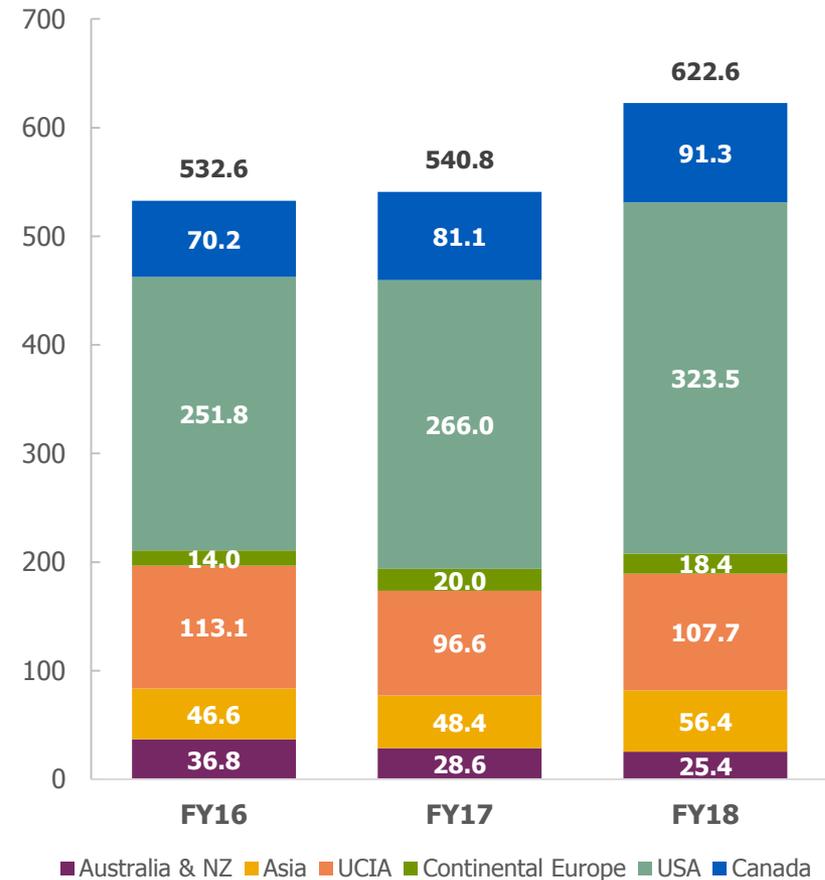
# Management revenue and EBITDA at actual FX rates

## Regional Analysis

### Revenue by region

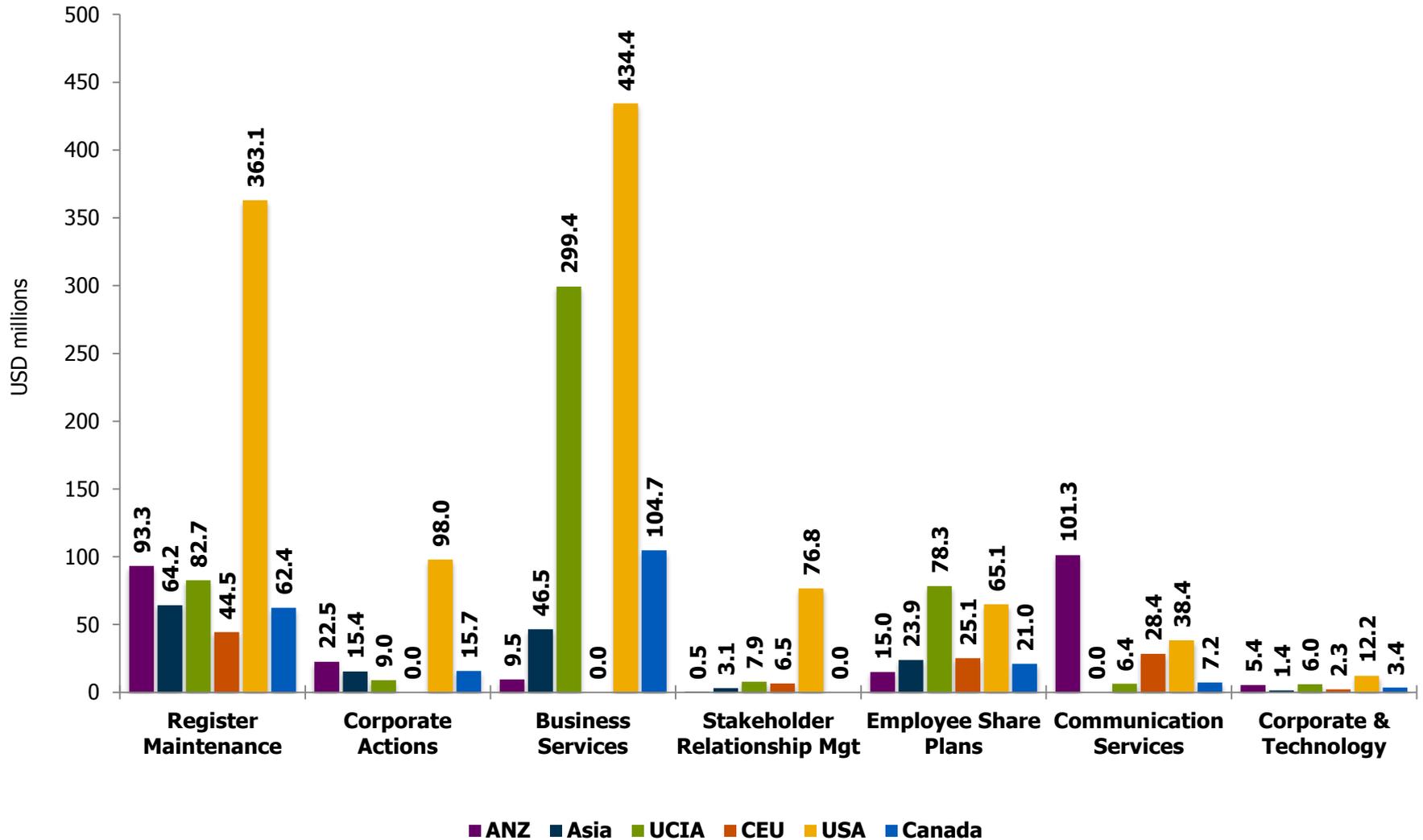


### EBITDA by region



# FY18 Management revenue at actual FX rates

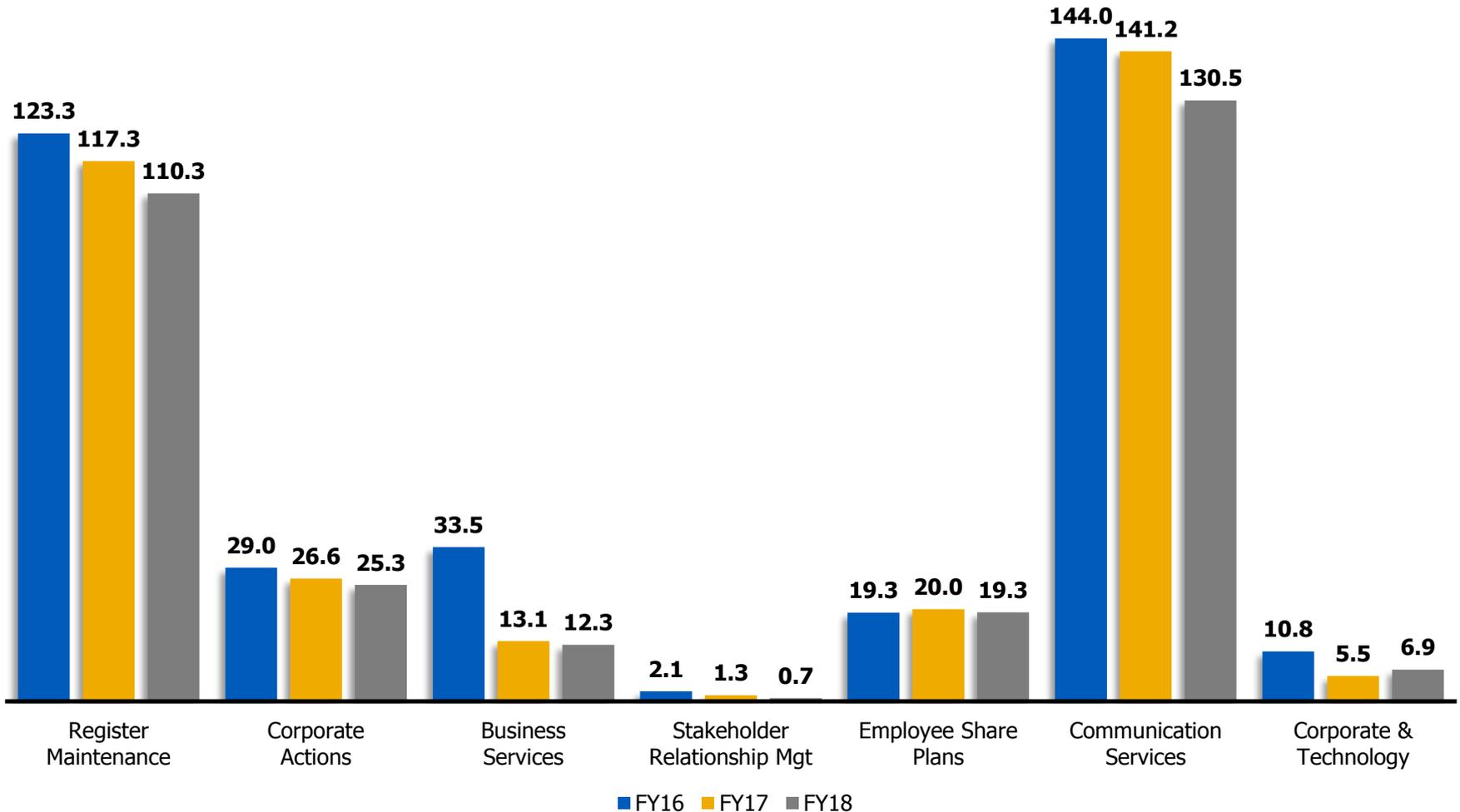
## Regional Analysis



# Australia

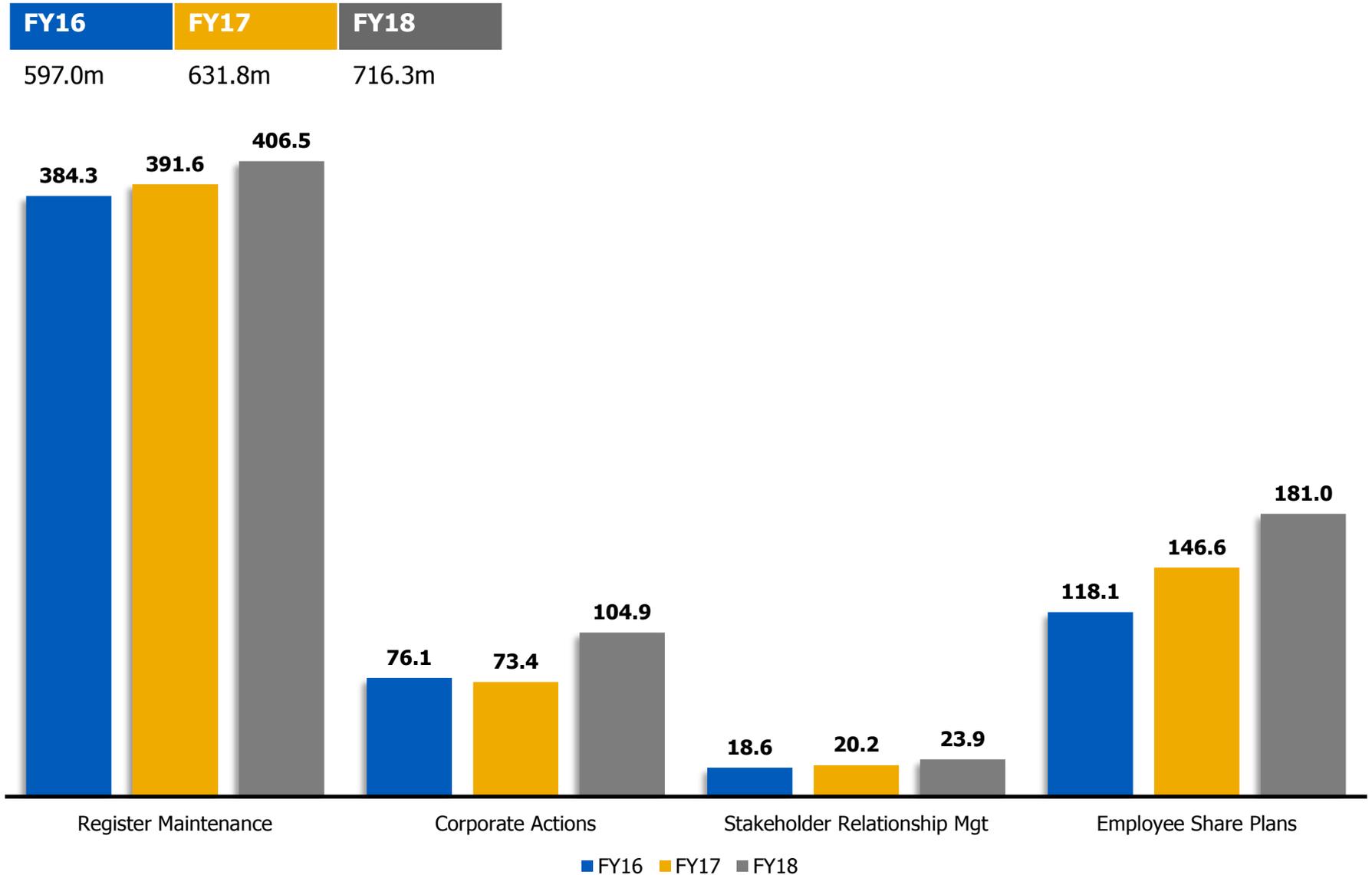
Management revenue: AUD million

FY16	FY17	FY18
362.0m	325.0m	305.2m



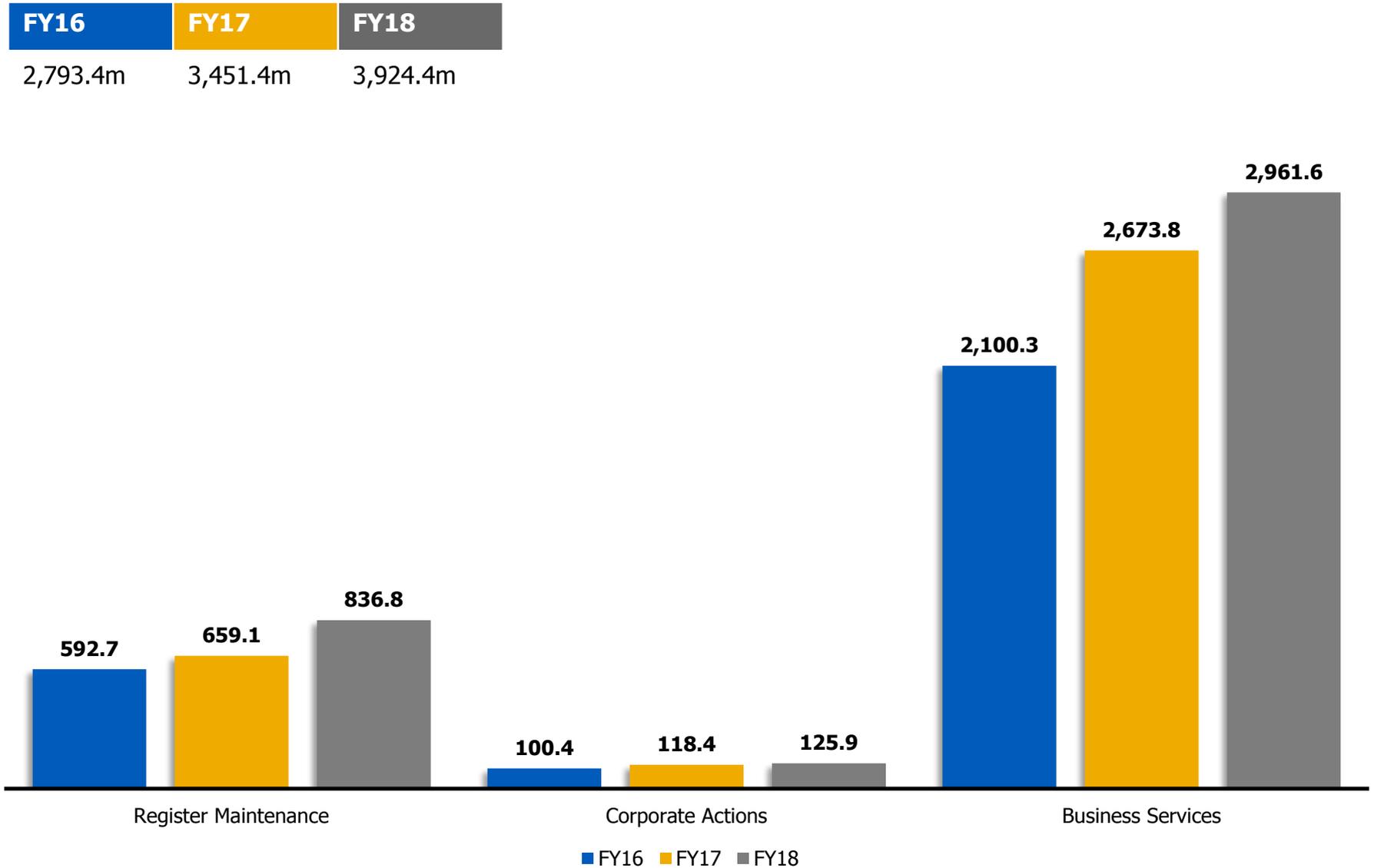
# Hong Kong

Management revenue: HKD million



# India

Management revenue: INR million

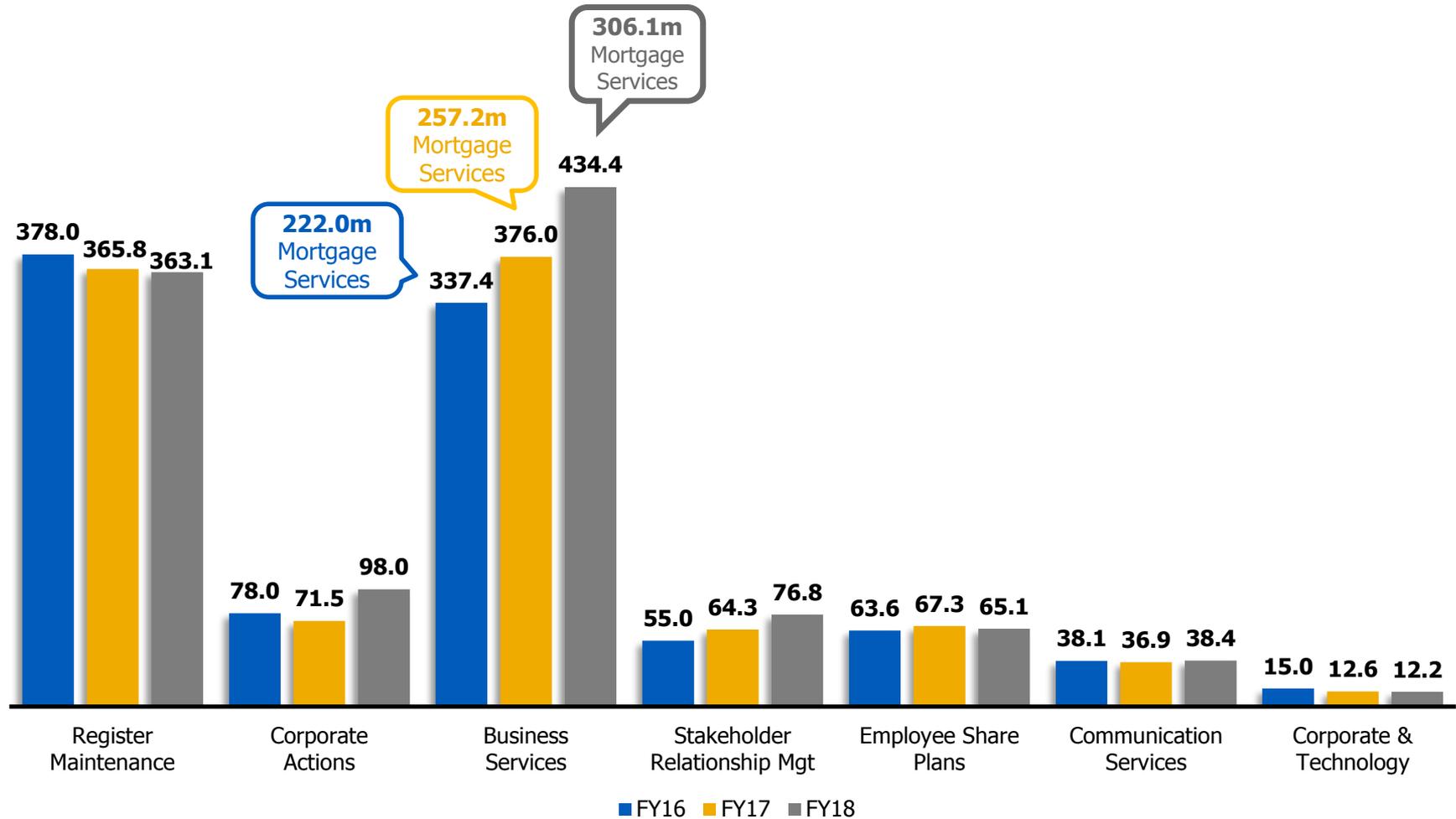


# United States

Management revenue: USD million

FY16	FY17	FY18
------	------	------

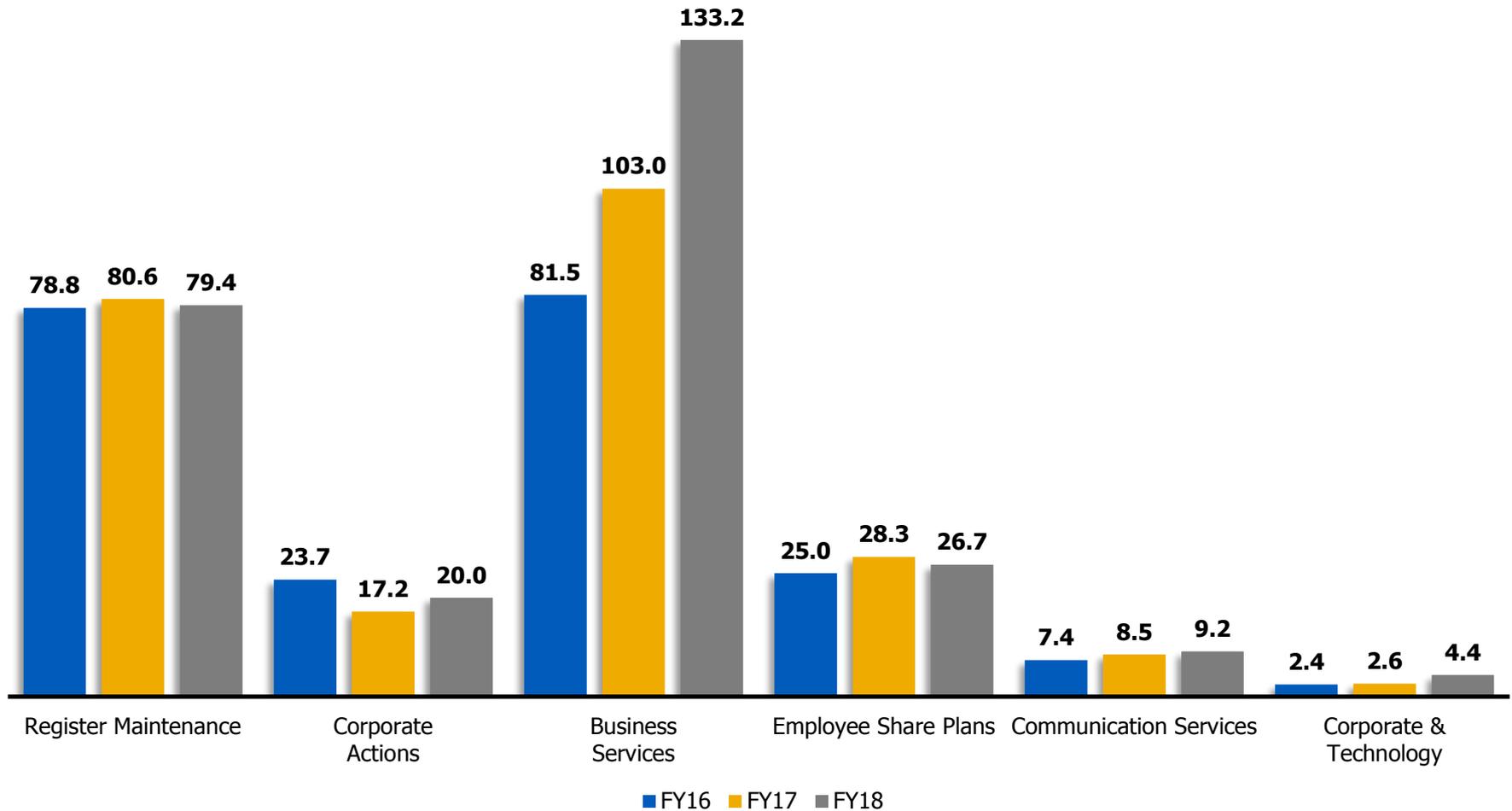
965.3m      994.4m      1,087.9m



# Canada

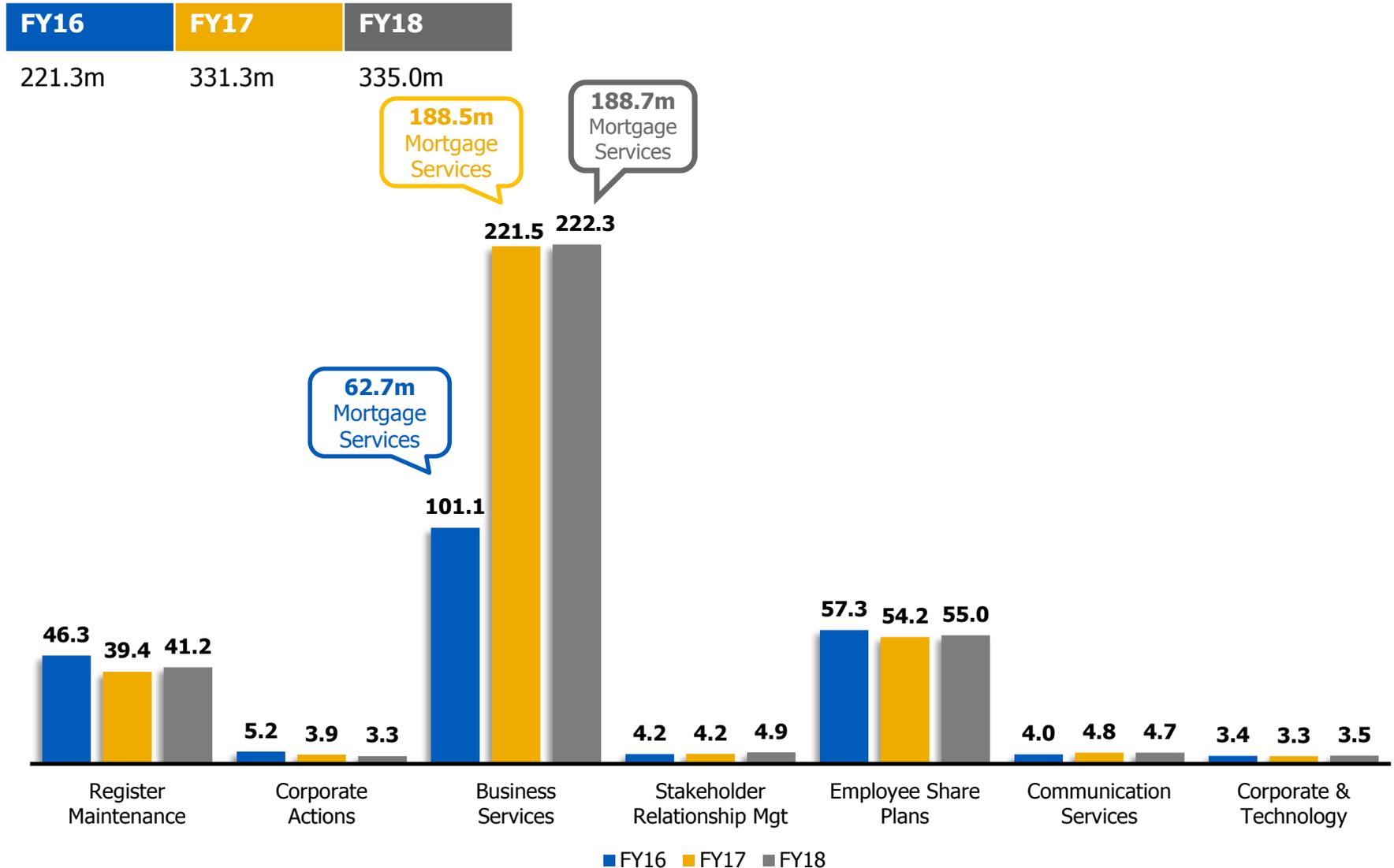
Management revenue: CAD million

FY16	FY17	FY18
218.9m	240.3m	272.8m



# United Kingdom and Channel Islands

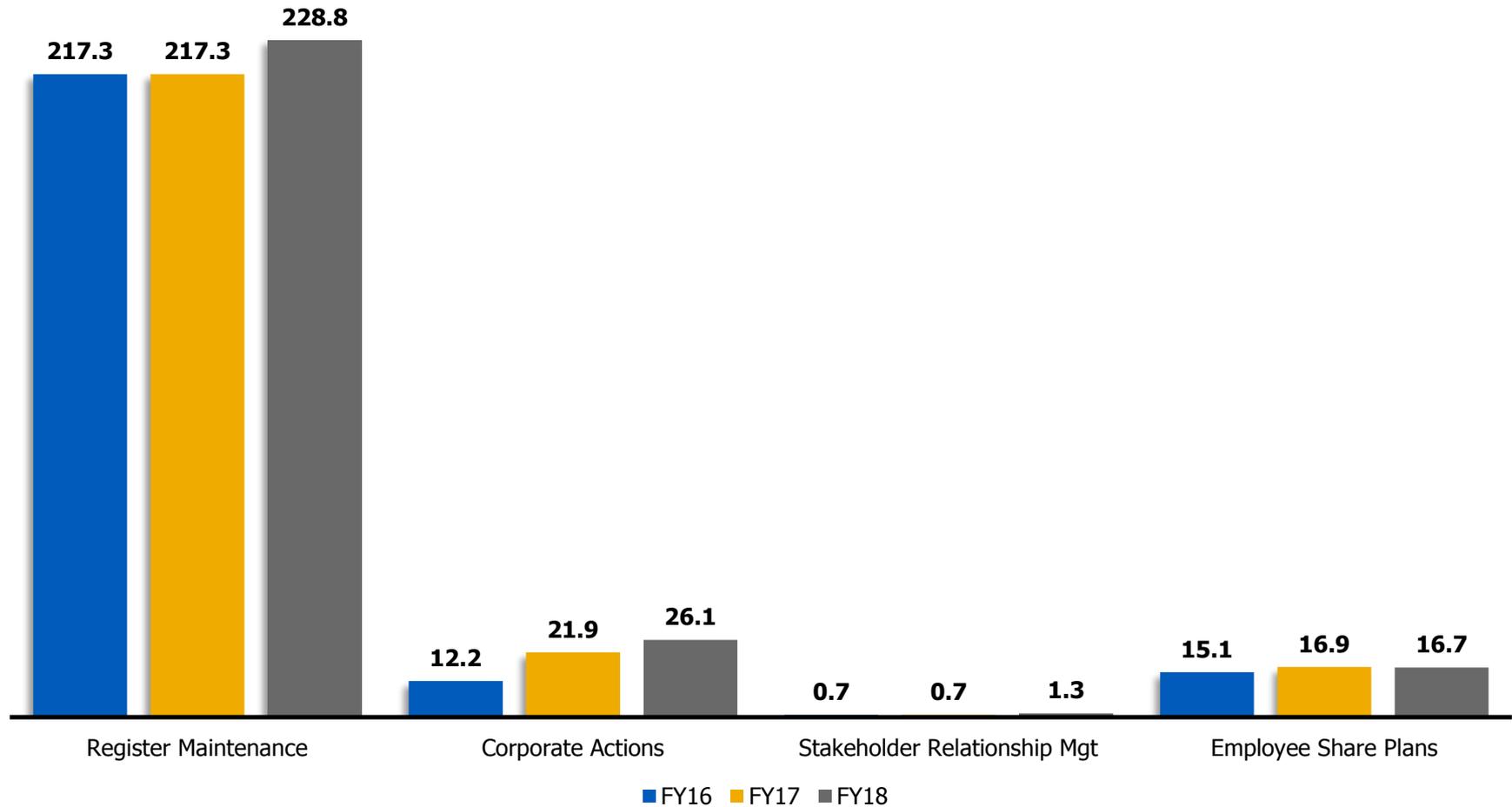
Management revenue: GBP million



# South Africa

Management revenue: RAND million

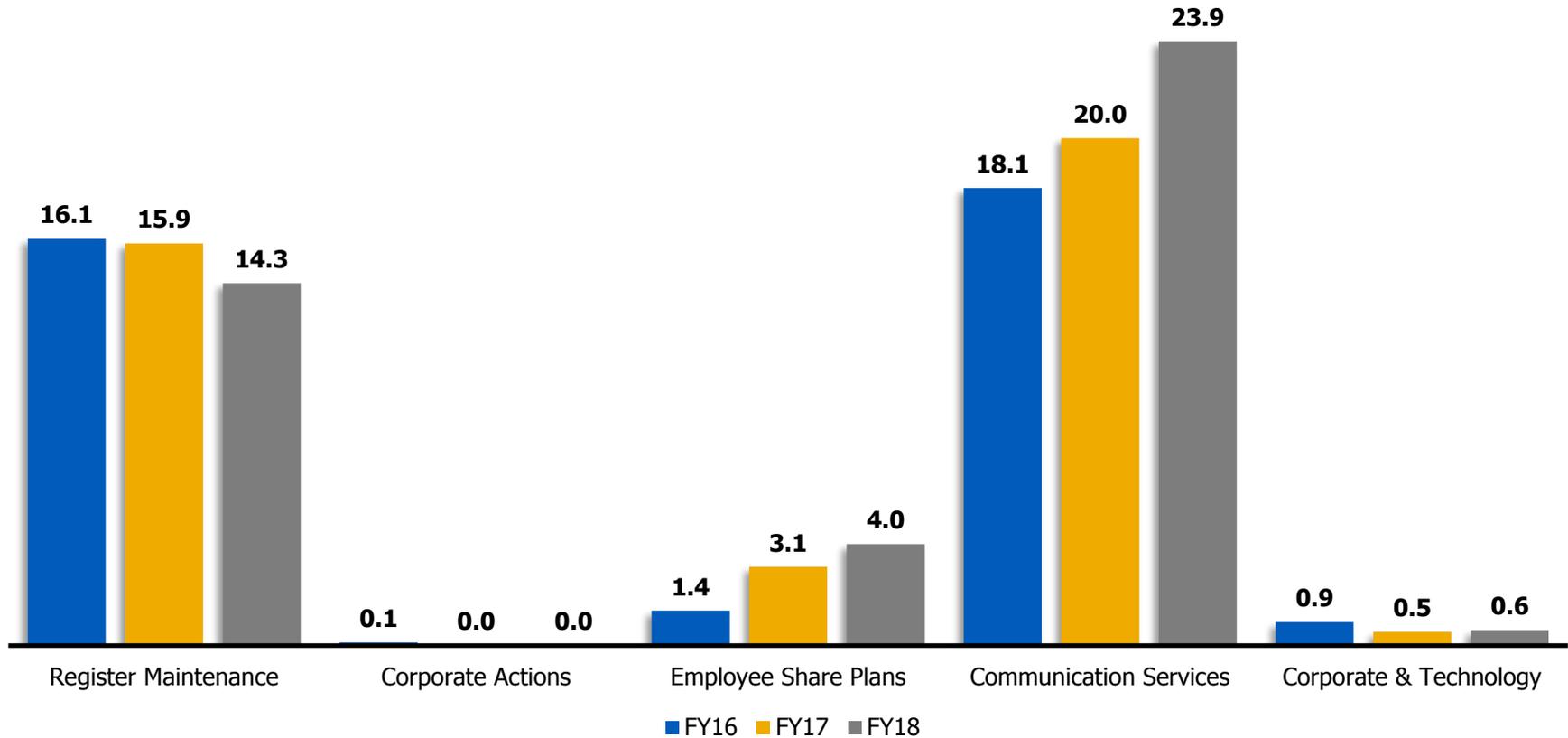
FY16	FY17	FY18
245.4m	256.8m	272.9m



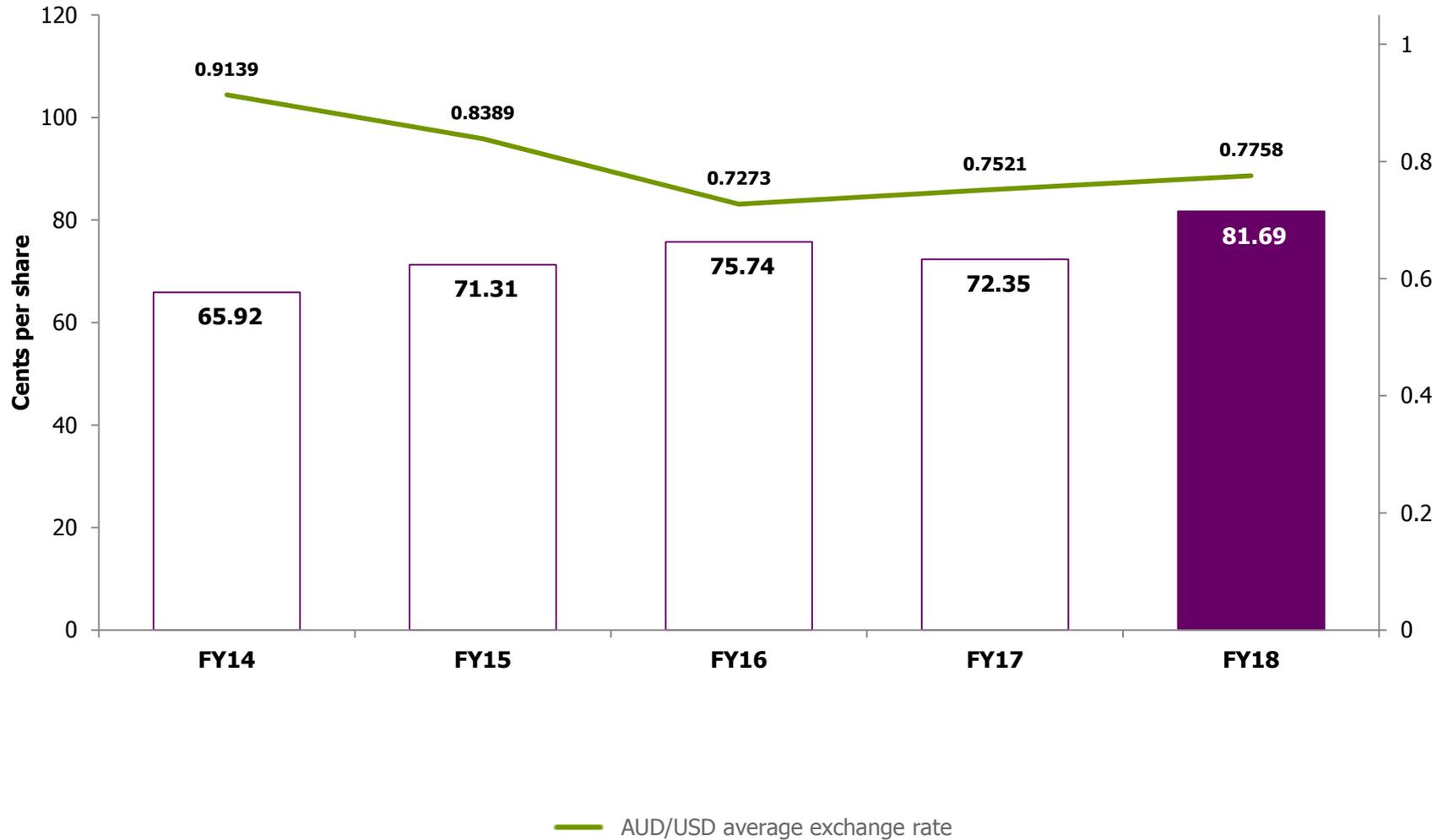
# Germany

Management revenue: EUR million

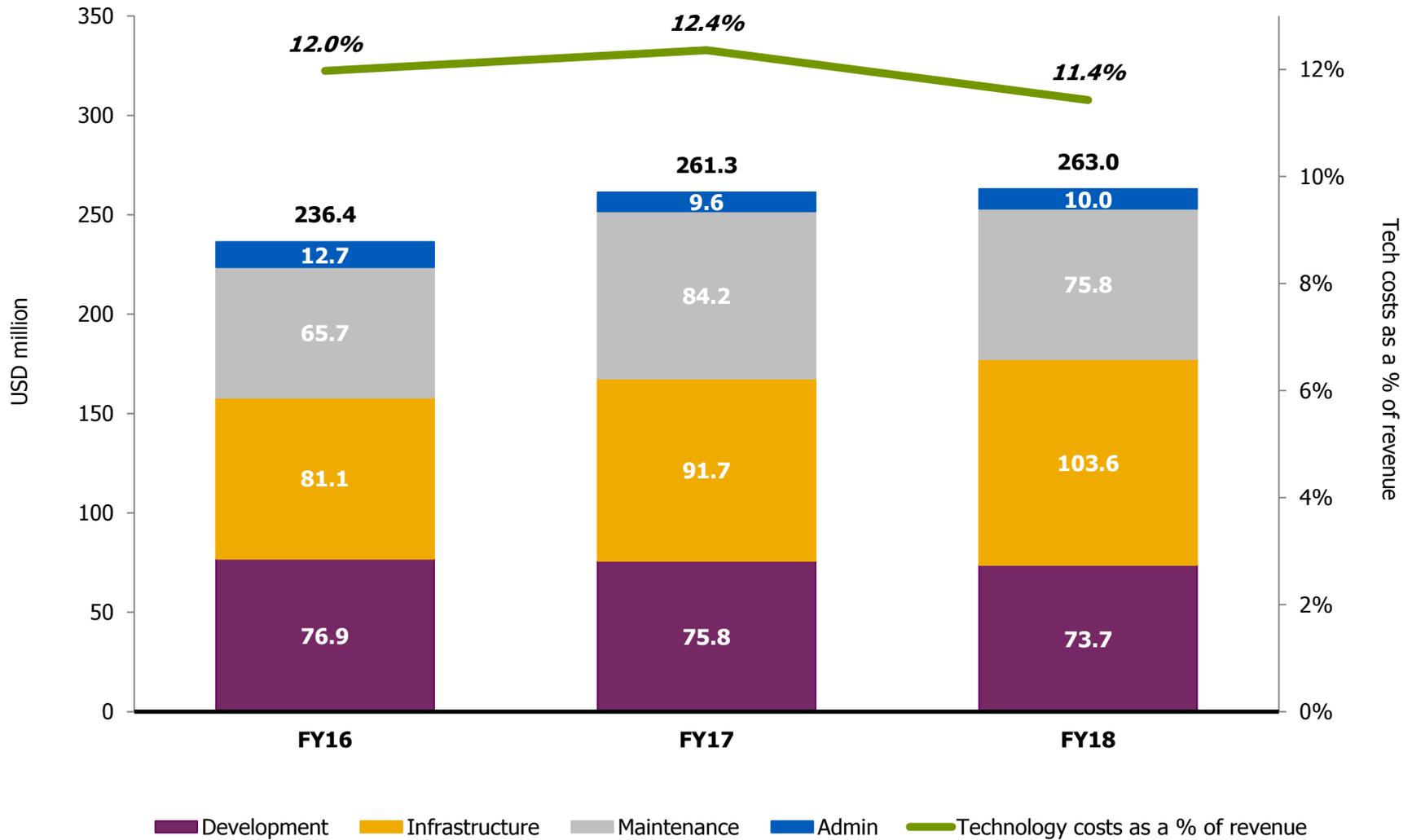
FY16	FY17	FY18
36.6m	39.6m	42.8m



# Management EPS – AUD equivalent

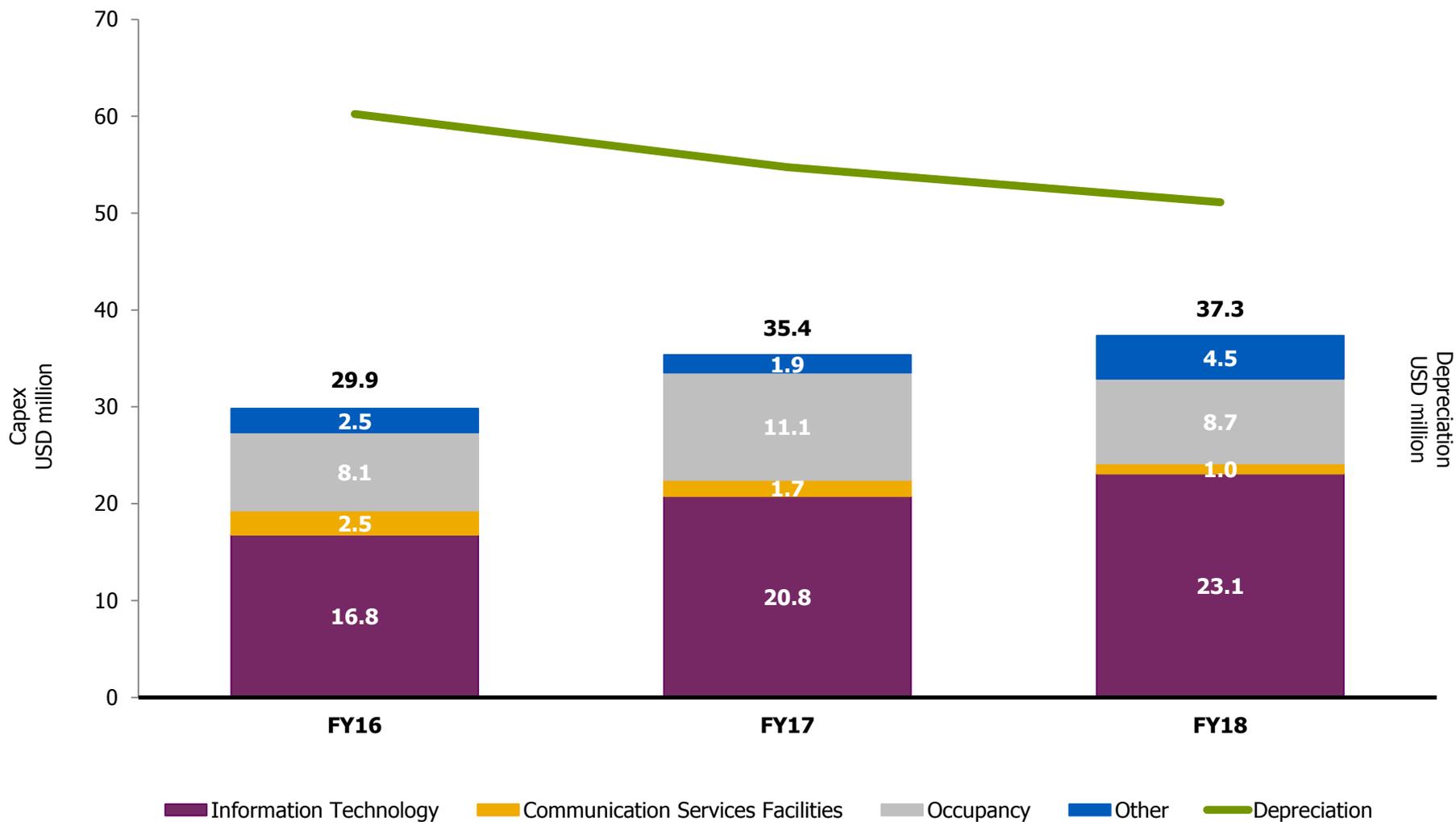


# Technology costs at actual FX rates



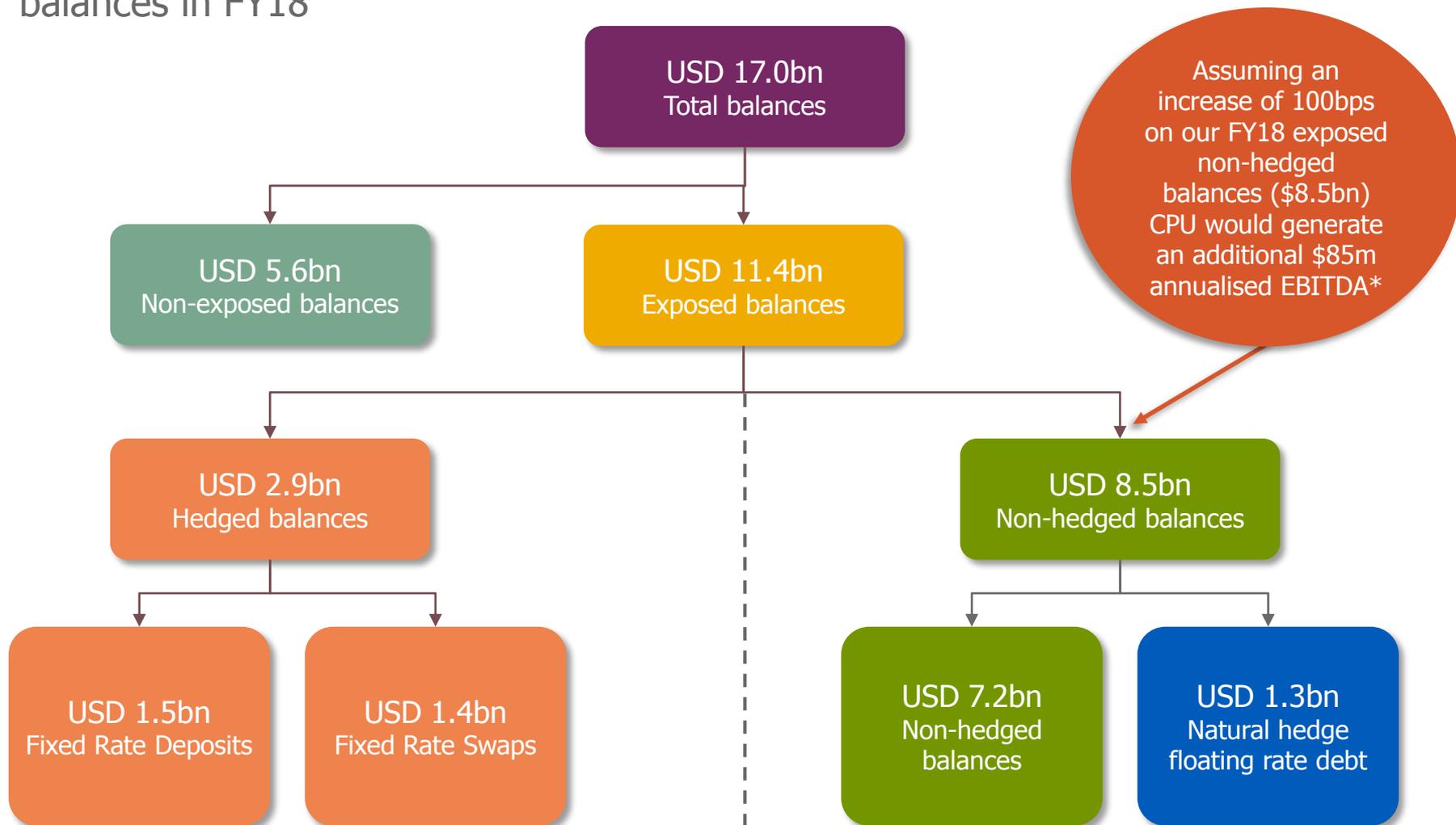
Technology costs include personnel, occupancy and other direct costs attributable to technology services

# Capital expenditure versus depreciation at actual FX rates



# Breakdown of client balances

Significant leverage to rising interest rate cycle – 11.4bn of average exposed balances in FY18



Lagged impact from rate changes

Immediate impact from rate changes

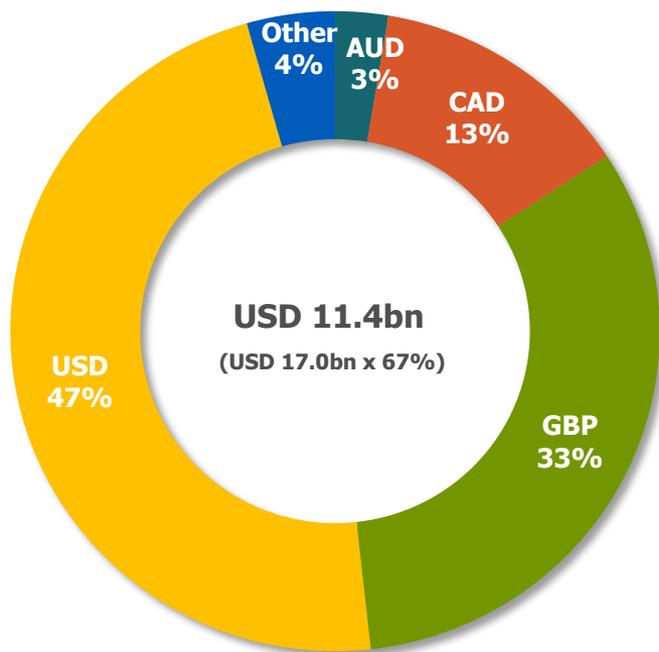
# Exposed and non-exposed balances by business

Business Activity	FY18 Balances (USD billions)		Margin income (USD millions)
	Exposed	Non-exposed	
Register Maintenance	2.3	0.4	31.4
Corporate Actions	2.8	0.8	51.1
Employee Share Plans	1.7	0.3	16.7
Business Services	4.6	4.1	80.3
<b>Totals</b>	<b>11.4bn</b>	<b>5.6bn</b>	<b>179.5m</b>
	<b>17.0bn</b>		
<b>Margin income</b>	<b>\$145.4m</b>	<b>\$34.1m</b>	
<b>Average annualised yield</b>	<b>1.28%</b>	<b>0.61%</b>	

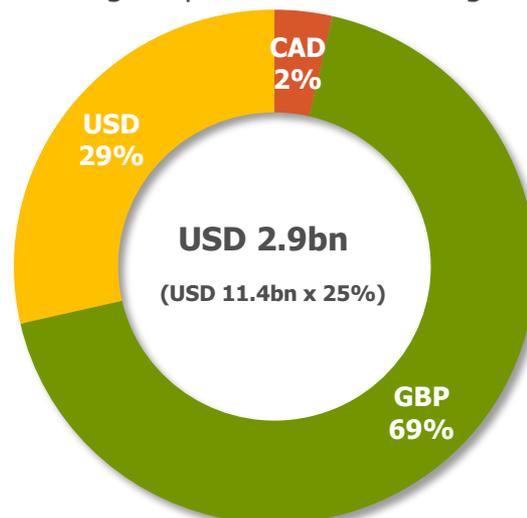
# Breakdown of exposed balances by currency

Currently most exposed to USD rates though GBP and CAD remain important

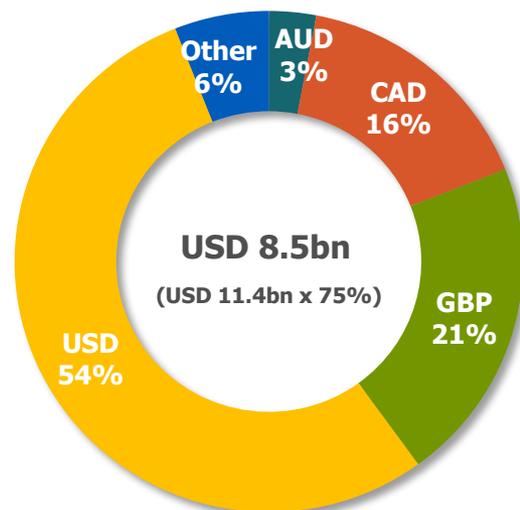
Average exposed balances prior to hedging



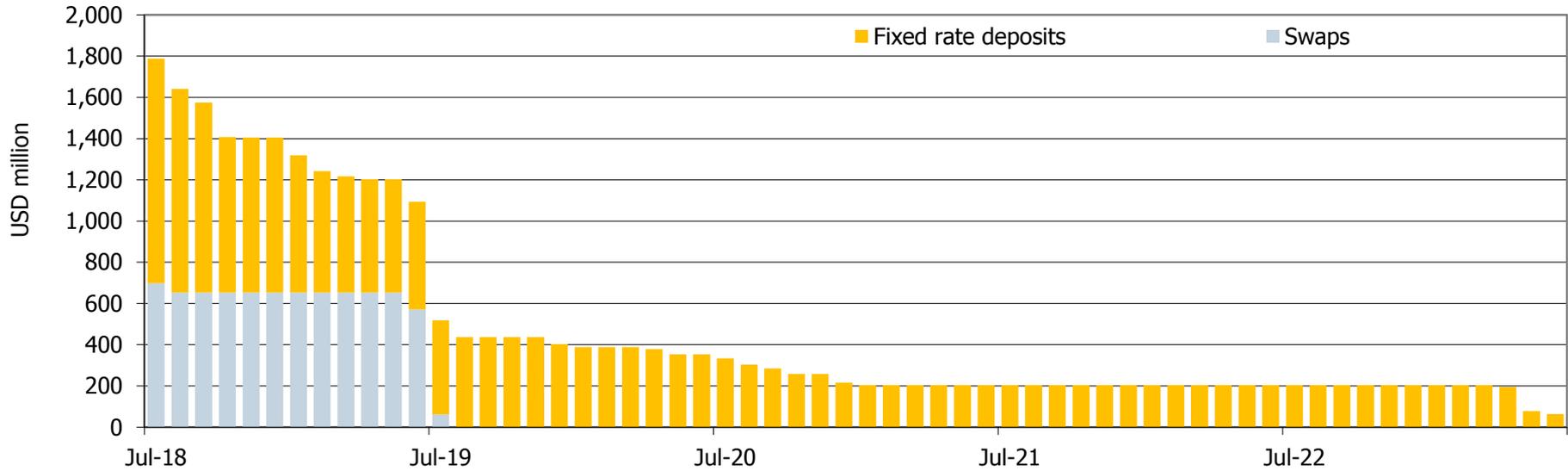
Average exposed balances hedged



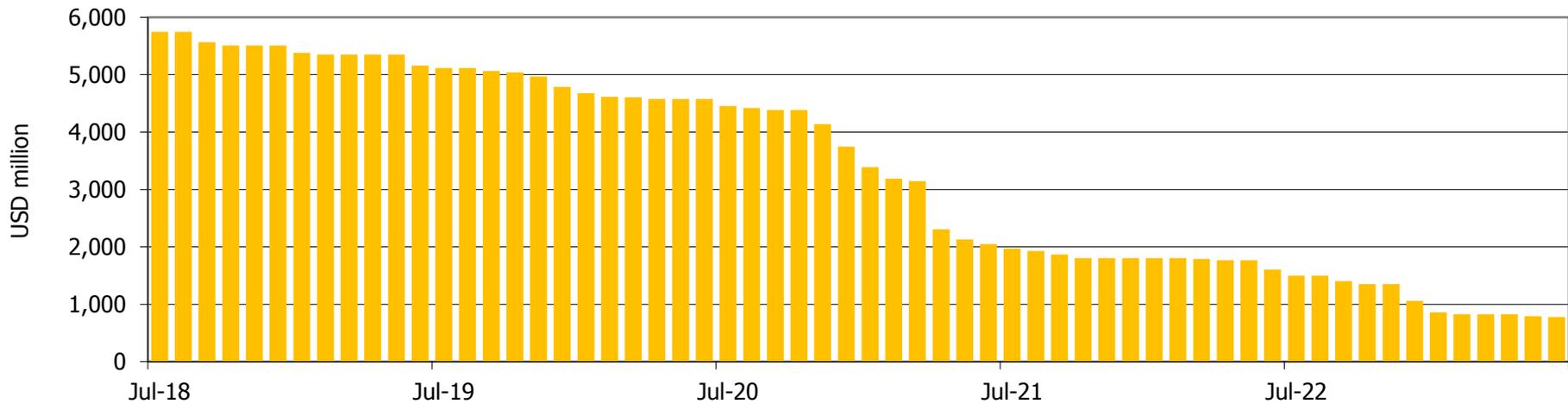
Average exposed balances un-hedged



# Profile of our swap and deposit book



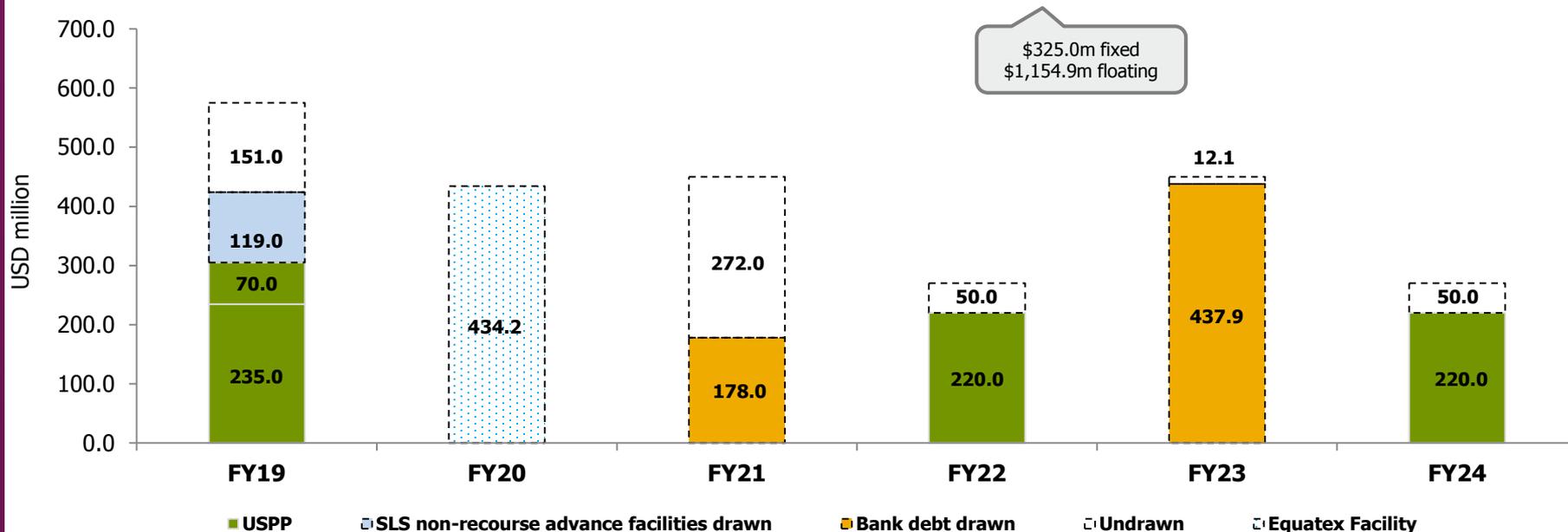
Floating rate deposits comprise both exposed and non-exposed balances



# Debt facility maturity profile

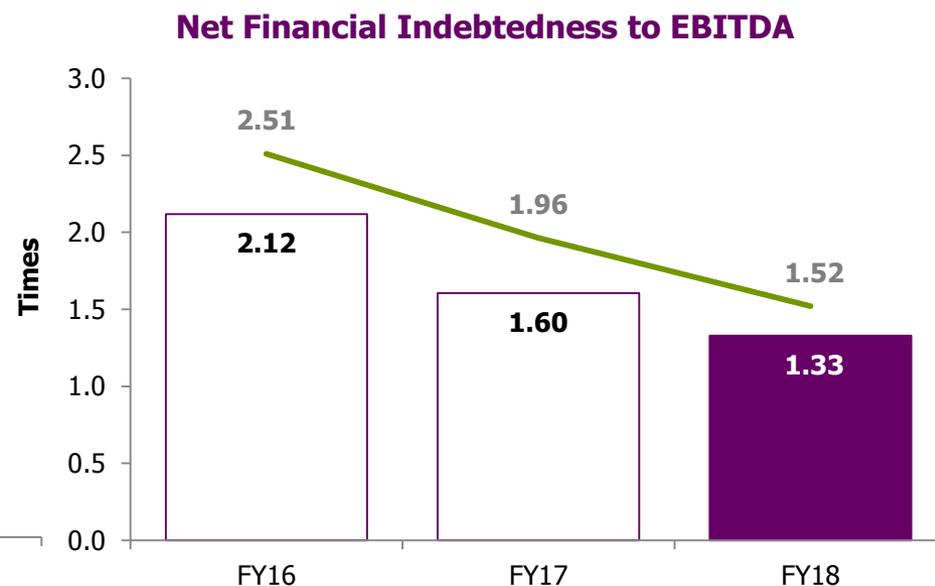
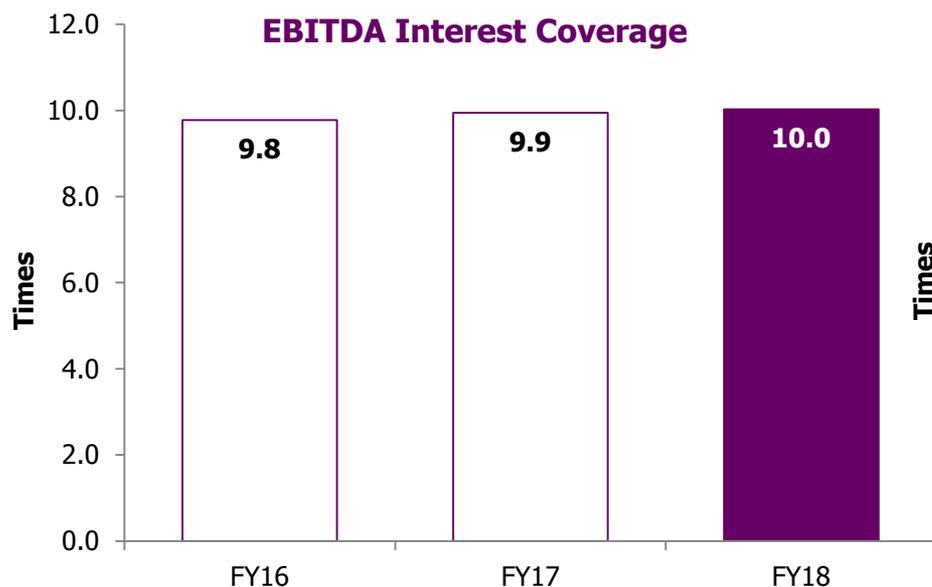
Average debt facility maturity extended to 2.8 years. Committed debt facilities increased to \$2.45bn to enable funding of Equatex

Maturity Dates USD million		Debt Drawn	Committed Debt Facilities	Bank Debt Facility	Private Placement Facility	SLS Advance Facility
<b>FY19</b>	<b>Jul-18</b>	235.0	235.0		235.0	
<b>FY19</b>	<b>Dec-18</b>	31.6	70.0			70.0
	<b>Dec-18</b>	87.4	200.0			200.0
	<b>Feb-19</b>	70.0	70.0		70.0	
<b>FY20</b>	<b>Apr-20</b>	0.0	434.2	434.2		
<b>FY21</b>	<b>Apr-21</b>	178.0	450.0	450.0		
<b>FY22</b>	<b>Jul-21</b>	0.0	50.0	50.0		
	<b>Feb-22</b>	220.0	220.0		220.0	
<b>FY23</b>	<b>Apr-23</b>	437.9	450.0	450.0		
<b>FY24</b>	<b>Jul-23</b>	0.0	50.0	50.0		
	<b>Feb-24</b>	220.0	220.0		220.0	
<b>TOTAL</b>		<b>\$1,479.9</b>	<b>\$2,449.2</b>	<b>\$1,434.2</b>	<b>\$745.0</b>	<b>\$270.0</b>



# Key financial ratios

	Jun 18 USD m	Jun 17 USD m	Variance Dec 17 to Jun 17
Interest Bearing Liabilities including SLS advance debt	\$1,481.1	\$1,573.1	-5.8%
Less Cash*	(\$534.7)	(\$510.7)	+4.7%
<b>Net Debt (including SLS advance debt)</b>	<b>\$946.5</b>	<b>\$1,062.4</b>	<b>-10.9%</b>
Management EBITDA	\$622.6	\$540.8	+15.1%
<b>Net Financial Indebtedness to EBITDA</b>	<b>1.52 times</b>	<b>1.96 times</b>	<b>Down 0.44 times</b>
<b>Net Financial Indebtedness to EBITDA#</b>	<b>1.33 times</b>	<b>1.60 times</b>	<b>Down 0.27 times</b>



# excludes non-recourse SLS advance debt

\* Includes cash that is classified as an asset held for sale

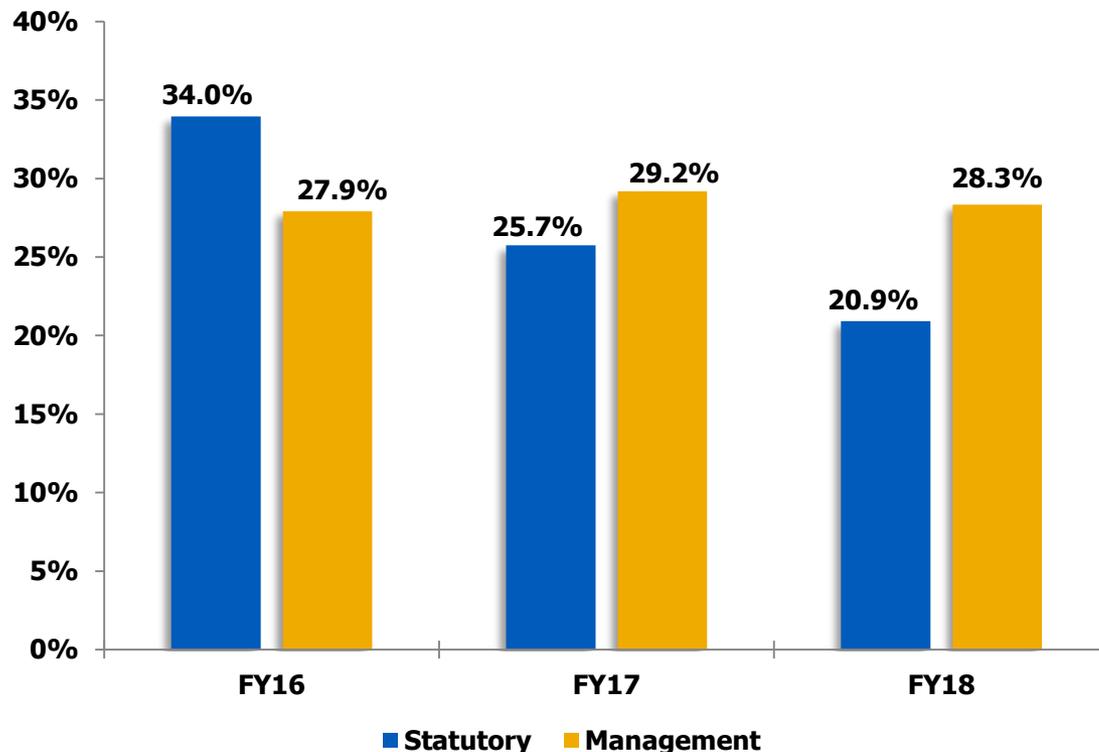
Net debt (excl. non-recourse SLS Advance debt) to EBITDA ratio

Net debt to EBITDA ratio

# Effective tax rate

Statutory and management (at actual FX rates)

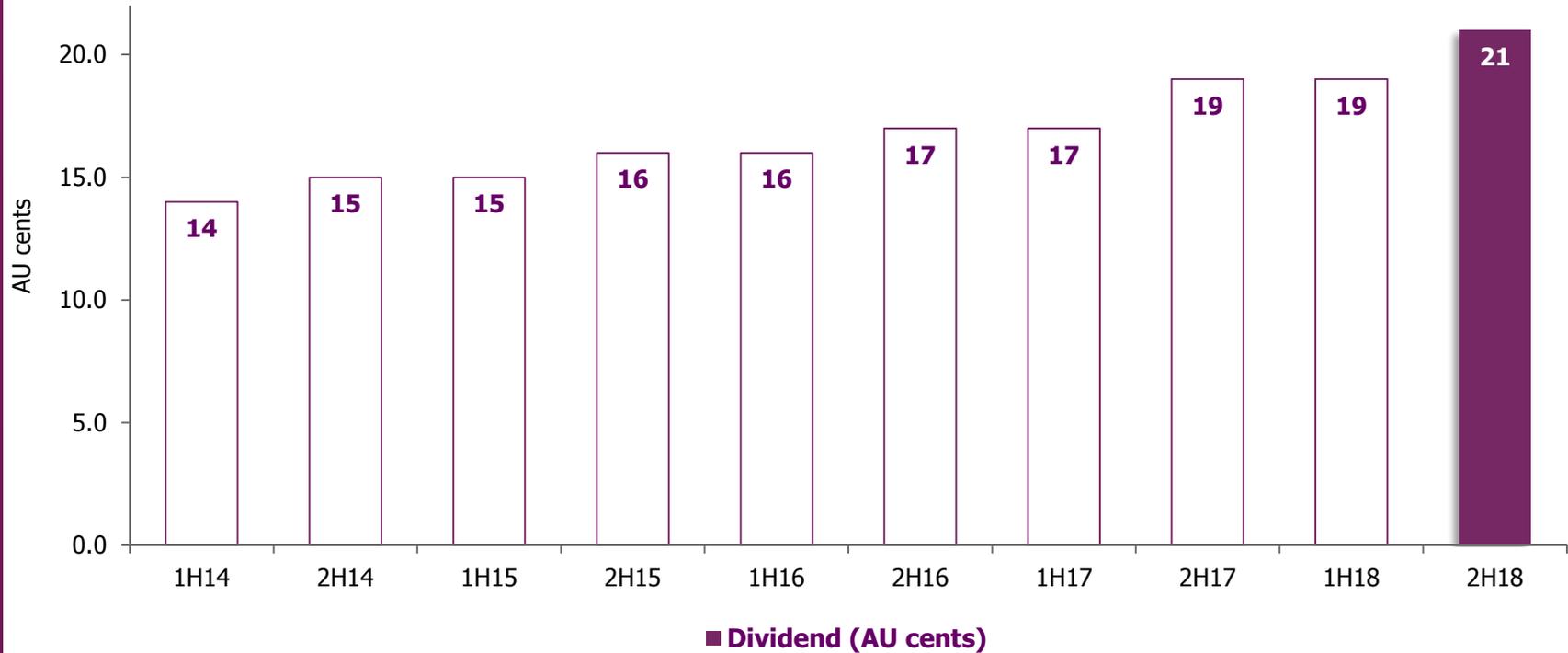
Tax rate %



- > The Group's statutory effective tax rate has decreased from 25.7% in FY17 to 20.9% in FY18. This is primarily driven by the restatement of deferred tax balances due to US tax reform giving rise to a tax credit of \$44.7 million. FY18 tax expense also included capital gains tax for the pending disposal of Karvy Computershare Private Limited, in addition to increased withholding tax expense.
- > The Group's management effective tax rate has decreased from 29.2% in FY17 to 28.3% in FY18.

# Dividend history and franking

Policy 40% - 60% payout ratio of USD Management NPAT with maximum franking



Franking (%)									
1H14	2H14	1H15	2H15	1H16	2H16	1H17	2H17	1H18	2H18
20%	20%	20%	25%	100%	20%	30%	0%	0%	100%

# US and UK mortgage services - UPB and number of loans

US mortgage services UPB up 35.7% (\$81.0bn v \$59.7bn)

		Performing		Non-performing	
		At 30 Jun 18	At 30 Jun 17	At 30 Jun 18	At 30 Jun 17

Mortgage Servicing	U.S.	Fully-Owned MSRs <sup>1</sup>	\$14.7bn 70K Loans	\$8.5bn 38K Loans	\$11.3bn 106K Loans	\$12.4bn 103K Loans
		Part-Owned MSRs <sup>2</sup>	Excess strip deals \$16.8bn 77K Loans	Excess strip deals \$14.6bn 66K Loans	SPV deals \$13.0bn 62K Loans	SPV deals \$15.8bn 72K Loans
		Subservicing <sup>3</sup>	\$13.4bn 69K Loans	\$1.8bn 5K Loans	\$11.8bn 101K Loans	\$6.6bn 88K Loans
		Total US UPB	<b>\$44.9bn</b>	<b>\$24.9bn</b>	<b>\$36.1bn</b>	<b>\$34.8bn</b>
		U.K.	Fee for Service <sup>3</sup>	£50.2bn 417K Loans	£60.0bn 485K Loans	£3.4bn 30K Loans

- > US UPB at 31 Dec 17 was \$71.1bn
- > UK Mortgage Services UPB down 16.6% (\$53.6bn v \$64.2bn)
- > UK UPB decline includes transfer of bureau client. Underlying amortisation rate 10-11% per annum

<sup>1</sup> CPU owns the MSR outright

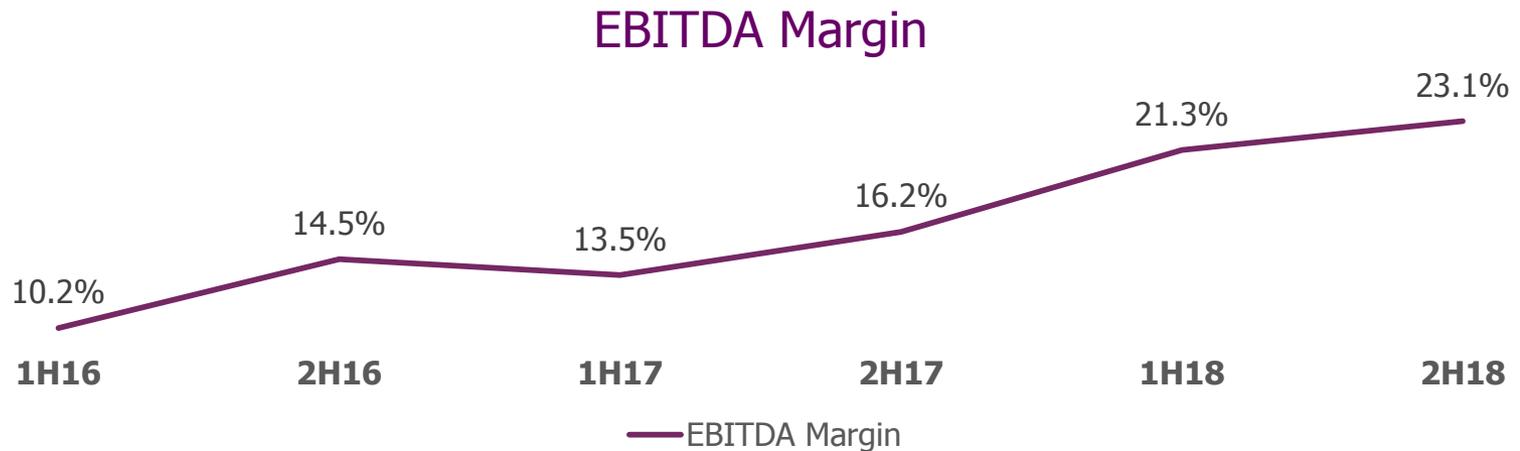
<sup>2</sup> CPU has sold part of the MSR to a third party investor

52 <sup>3</sup> Servicing performed on a contractual basis

# Mortgage Services Revenue and EBITDA at actual FX rates

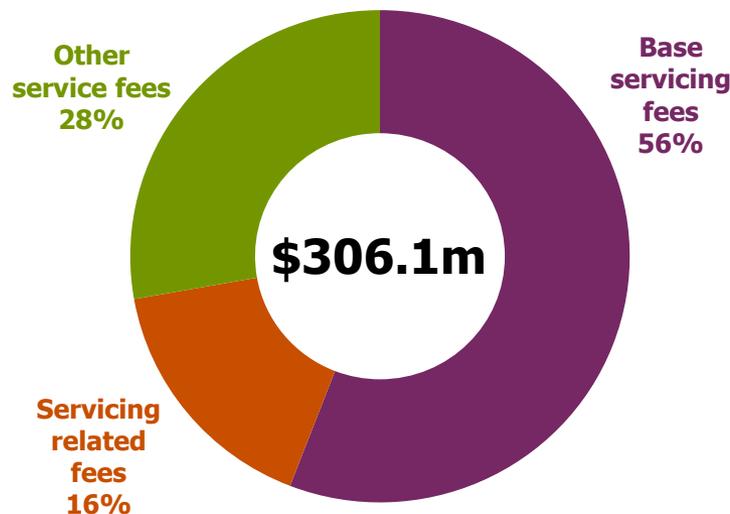
EBITDA margin continuing to improve

	2H18	1H18	2H17	1H17	2H16	1H16
US Mortgage Services revenue	\$162.7	\$143.4	\$133.5	\$123.7	\$115.6	\$106.4
UK Mortgage Services revenue	\$132.4	\$121.7	\$122.4	\$117.3	\$52.2	\$41.1
<b>Total Mortgage Services revenue</b>	<b>\$295.1</b>	<b>\$265.1</b>	<b>\$255.9</b>	<b>\$241.0</b>	<b>\$167.8</b>	<b>\$147.5</b>
<b>Total Mortgage Services EBITDA</b>	<b>\$68.1</b>	<b>\$56.4</b>	<b>\$41.4</b>	<b>\$32.6</b>	<b>\$24.4</b>	<b>\$15.0</b>
<b>EBITDA Margin %</b>	<b>23.1%</b>	<b>21.3%</b>	<b>16.2%</b>	<b>13.5%</b>	<b>14.5%</b>	<b>10.2%</b>



# Financial Snapshot – US Mortgage Servicing

## FY18 revenue composition



- Base servicing fees, \$171.0m, +23.4%
- Servicing related fees \$50.0m, +12.9%\*
- Other services fees \$85.1m, +14.5%\*

	Jun-18	Jun-17	Annual Report reference	
Net Loan Servicing Advances	\$37.8	\$23.2	<ul style="list-style-type: none"> <li>• Note 16 Loan servicing advances</li> <li>• Note 14 Interest bearing liabilities</li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Loan servicing advances</i></li> <li>▪ <i>SLS non-recourse lending facility</i></li> </ul>
Net MSR intangible asset	\$272.6	\$217.7	<ul style="list-style-type: none"> <li>• Note 10 Intangible assets</li> <li>• Note 25 Mortgage servicing related liabilities</li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Mortgage servicing rights</i></li> <li>▪ <i>Mortgage servicing related liabilities</i></li> </ul>
Investment in SPVs	\$25.4	\$29.3	<ul style="list-style-type: none"> <li>• Note 20 Available-for-sale financial assets</li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Non current equity securities</i></li> </ul>
Other intangible assets <sup>1</sup>	\$66.8	\$69.7	<ul style="list-style-type: none"> <li>• Note 10 Intangible assets</li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Goodwill; Other</i></li> </ul>
<b>Total invested capital</b>	<b>\$402.6</b>	<b>\$339.9</b>		
Net cash payments for MSR purchases	\$89.4	\$85.8 <sup>2</sup>	<ul style="list-style-type: none"> <li>• Cashflow statement</li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Investing cash flow - Payments for purchase of controlled entities and businesses (net of cash acquired) and intangible assets</i></li> </ul>
MSR amortisation	\$34.4	\$23.9 <sup>3</sup>	<ul style="list-style-type: none"> <li>• Note 3 Expenses</li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Total Amortisation (net)</i></li> </ul>

<sup>1</sup> Other intangibles are largely goodwill and acquired client lists related to the CMC acquisition

<sup>2</sup> Dec-16 (1H17) = \$61.6

<sup>3</sup> Dec-16 (1H17) = \$9.8

\* FY17 includes a restatement of \$8.8m from servicing related fees to other service fees

# Mortgage services key terms

**Performing servicing:** Servicing of a mortgage which is less than 30 days delinquent. Typically loans that meet the criteria of the Government Sponsored Entities e.g. "Fannie Mae", "Freddie Mac".

**Non-performing servicing:** Servicing of a mortgage that is over 30 days delinquent up to management of the foreclosure process. Typically, non-performing servicing is performed over loans that are part of a securitization arrangement.

**Mortgage servicing rights:** Intangible assets representing an ownership right to service the mortgage for a fee for the life of the mortgage. The owner of the MSR can either service the loan itself or appoint a sub-servicer to do so.

**Servicing advances:** The owner of the MSR is required to fund various obligations required to protect a mortgage if the borrower is unable to do so. Advances receive a priority in any liquidation and are often financed in standalone non-recourse servicing advance facilities.

## Part owned MSRs

- > An Excess Strip Sale refers to the sale of a stream of cash flows associated with the servicing fee on a performing MSR. The seller of the servicing strip has the ability to service the mortgage.
- > An SPV deal refers to the sale of the rights to the MSR and associated servicing advances into an SPV. CPU typically takes a 20% equity stake in the SPV and performs all servicing on the loans via a sub-servicing fee for service relationship.

# US mortgage services – revenue definitions

## Base fees – Fees received for base servicing activities

- > Fees are generally assessed in bps for owned or structured deals, while subservicing is usually paid as a \$ fee
- > Subservicing fees vary by loan delinquency or category

## Servicing related fees – Additional fees received from servicing a loan

- > Loss mitigation fees e.g. for loan modifications
- > Ancillary Fees e.g. late fees
- > Margin income

## Other service fees

- > Includes valuation, real estate disposition services, loan fulfilment services and CMC Coop Services

# Exchange rates

- › Average FX rates used to translate profit and loss to US dollars for key reporting currencies
- › The USD has weakened in FY18 against all currencies except the Hong Kong dollar

Currency	FY18	FY17	Var	USD has:
<b>USD</b>	<b>1.0000</b>	<b>1.0000</b>		
AUD	1.2890	1.3296	-3.1%	↓ Weakened
HKD	7.8219	7.7630	0.8%	↑ Strengthened
NZD	1.3977	1.4050	-0.5%	↓ Weakened
INR	64.9732	66.6241	-2.5%	↓ Weakened
CAD	1.2716	1.3278	-4.2%	↓ Weakened
GBP	0.7427	0.7862	-5.5%	↓ Weakened
EUR	0.8396	0.9186	-8.6%	↓ Weakened
RAND	12.7589	13.7301	-7.1%	↓ Weakened

# Important notice

## Summary information

- This announcement contains summary information about Computershare and its activities current as at the date of this announcement.
- This announcement is for information purposes only and is not a prospectus or product disclosure statement, financial product or investment advice or a recommendation to acquire Computershare's shares or other securities. It has been prepared without taking into account the objectives, financial situation or needs of a particular investor or a potential investor. Before making an investment decision, a prospective investor should consider the appropriateness of this information having regard to his or her own objectives, financial situation and needs and seek specialist professional advice.

## Financial data

- Management results are used, along with other measures, to assess operating business performance. The company believes that exclusion of certain items permits better analysis of the Group's performance on a comparative basis and provides a better measure of underlying operating performance.
- Management adjustments are made on the same basis as in prior years.
- The non-IFRS financial information contained within this document has not been reviewed or audited in accordance with Australian Auditing Standards.
- All amounts are in United States dollars, unless otherwise stated.

## Past performance

- Computershare's past performance, including past share price performance and financial information given in this announcement is given for illustrative purposes only and does not give an indication or guarantee of future performance.

## Future performance and forward-looking statements

- This announcement may contain forward-looking statements regarding Computershare's intent, belief or current expectations with respect to Computershare's business and operations, market conditions, results of operations and financial condition, specific provisions and risk management practices.
- When used in this announcement, the words 'may', 'will', 'expect', 'intend', 'plan', 'estimate', 'anticipate', 'believe', 'continue', 'should', 'could', 'objectives', 'outlook', 'guidance' and similar expressions, are intended to identify forward-looking statements. Indications of, and guidance on, plans, strategies, management objectives, sales, future earnings and financial performance are also forward-looking statements.
- Forward-looking statements are provided as a general guide only and should not be relied upon as a guarantee of future performance. They involve known and unknown risks, uncertainties, contingencies, assumptions and other important factors that are outside the control of Computershare.
- Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. Computershare makes no representation or undertaking that it will update or revise such statements.

## Disclaimer

- No representation or warranty, expressed or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Computershare or its related bodies corporate, or their respective directors, employees or agents, nor any other person accepts liability for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it, including, without limitation, any liability from fault or negligence.

## Not intended for foreign recipients

- No part of this announcement is intended for recipients outside Australia. Accordingly, recipients represent and warrant that they are able to receive this announcement without contravention of any applicable legal or regulatory restrictions in the jurisdiction in which they reside or conduct business.