

# 2018 ANNUAL GENERAL MEETING

Executing to plan

14 November 2018

CERTAINTY | INGENUITY | ADVANTAGE



 **Computershare**

# 2018 ANNUAL GENERAL MEETING

## Chairman's address

**Simon Jones**

14 November 2018

CERTAINTY | INGENUITY | ADVANTAGE



 **Computershare**

# Executive summary

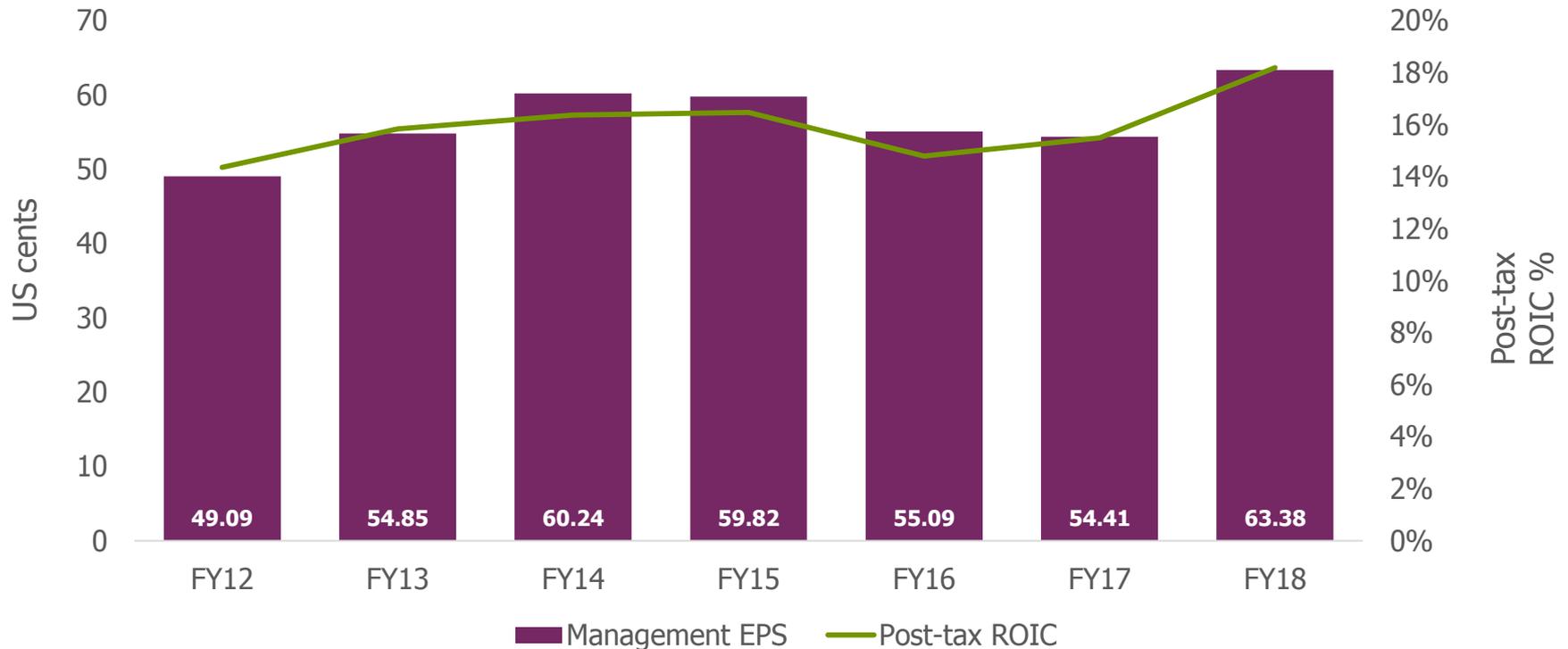
FY18 solid results, fastest rate of earnings growth since FY09

Management results in USD <sup>1</sup>		
Revenue	EBITDA	EPS
<b>\$2,247.7m</b> ▲ 6.3%	<b>\$609.7m</b> ▲ 12.7%	<b>62.10 cents</b> ▲ 14.1%

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.

# Delivering earnings growth and high returns

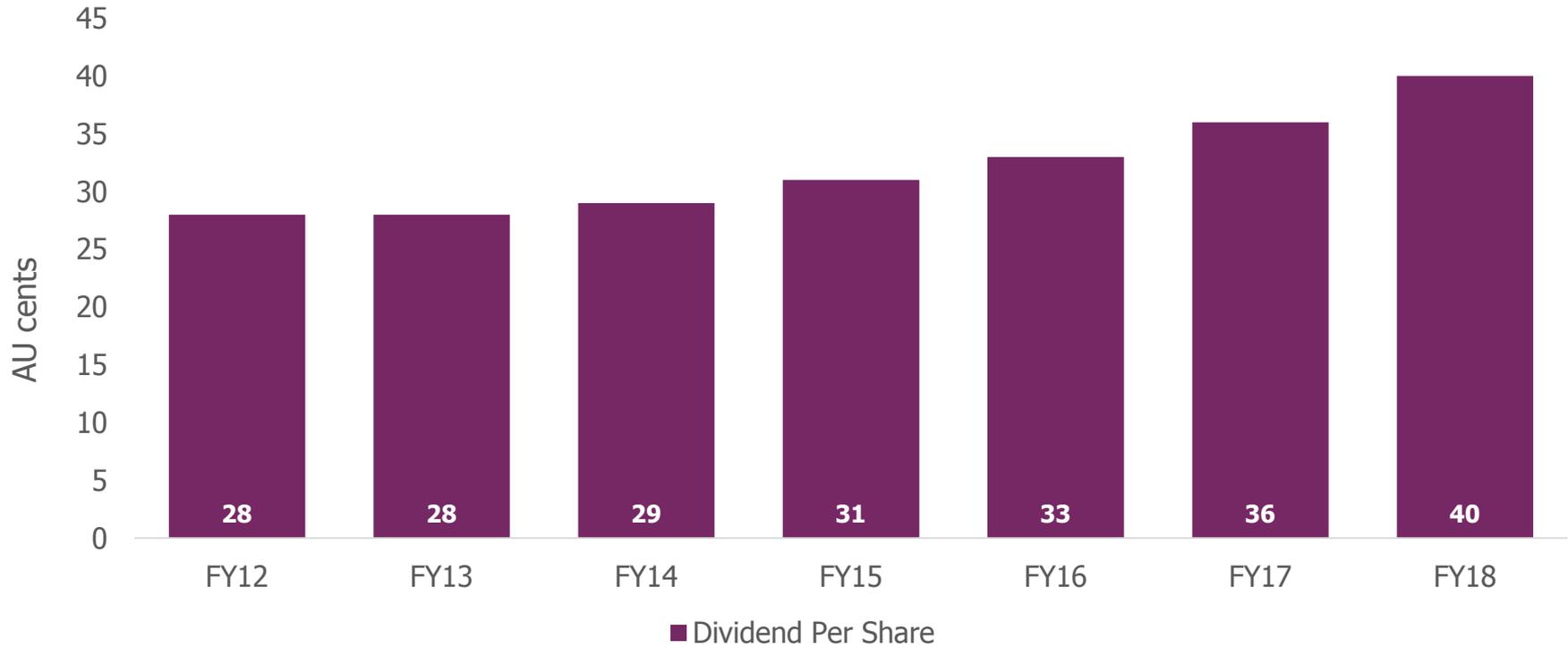


Management EPS translated to USD at actual FX rates for that year

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

# Consistent dividend track record

Full-year dividend increased by 11.1% versus pcp



# Generating sustained returns for shareholders

## CPU SHARE PRICE

PERFORMANCE VS. ASX 200

Since IPO 27 May 1994 to 30 June 2018

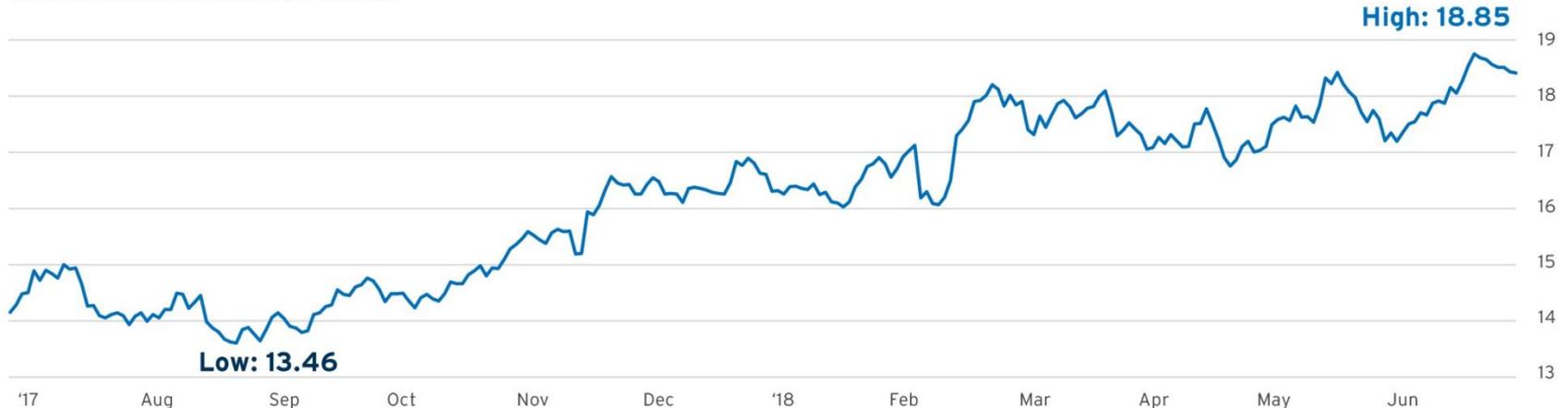


CPU SHARE PRICE  
**+16,204%**



ASX 200  
**+204%**

## CPU'S SHARE PRICE IN FY2018



# Corporate Responsibility

## Community

Globally, Computershare is dedicated to supporting initiatives which help alleviate poverty through our community giving scheme, Change A Life. This important and long-running programme has a focus on sustainability by investing 80% of donations in global projects that provide long-term solutions to the communities our employees vote to work with. The remaining 20% of donations go to local projects via established charities, chosen by our local employees. Computershare matches all employee payroll donations.



**AUD 8.4 million raised**  
for Change A Life since launch



**AUD 334,602 donations**  
made to our projects in FY18



**Come-Share  
Education Project  
- Sri-Lanka**

Supported by  
Computershare for  
over 15 years.



**World Youth  
International  
- Nepal**

Our new global  
charity, selected by  
our employees.

## FOCUS FOR FY2019



Run a successful Trek Nepal  
for employees and raise  
£140,000 in the process



Continue to work with our selected  
local charities to implement  
engagement programmes



Increase employee participation  
in Change A Life

# Corporate Responsibility

Supporting local charities around the CPU world



# Corporate Responsibility

## Sustainability

### OUTCOME OF OUR FY2018 REDUCTION TARGETS



Three out of four targets achieved



Three out of four targets achieved. All sites improved



Two out of four targets achieved



One out of four targets achieved. All sites improved

Over the past five years we've reviewed and improved our carbon footprint knowledge, target setting and reporting to ensure we better reflect improvements around environmental sustainability.

Changes include:



Setting targets for electricity and gas consumption against an office's size (m<sup>2</sup>), rather than FTE



Setting all reduction targets as a percentage decrease rather than as a set amount (i.e. 0.5kl per FTE)



Tailoring targets to individual offices, taking into account where locations have already made large improvements to ensure that new targets are realistic and achievable

### FOCUS FOR FY2019



Re-benchmark all Computershare offices on environmental performance



Work towards eliminating single-use plastic in Computershare offices globally by FY2020



Continue to focus on Green IT to reduce our carbon footprint



# Board succession – orderly transition

- › Farewell and thanks to Penny Maclagan and Les Owen



Penny Maclagan



Les Owen



Lisa Gay



Abi Cleland



Paul Reynolds

- › Welcome Lisa Gay, Abi Cleland and Paul Reynolds

# 2018 ANNUAL GENERAL MEETING

CEO's address

**Stuart Irving**

14 November 2018

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# Executing strategies to drive performance and enhanced earnings

## GROWTH

- > Mortgage servicing
- > Employee share plans
- > Business Services

## PROFITABILITY

- > Cost-out program
- > Returning Registry to organic growth
- > Significant leverage to rising interest rates

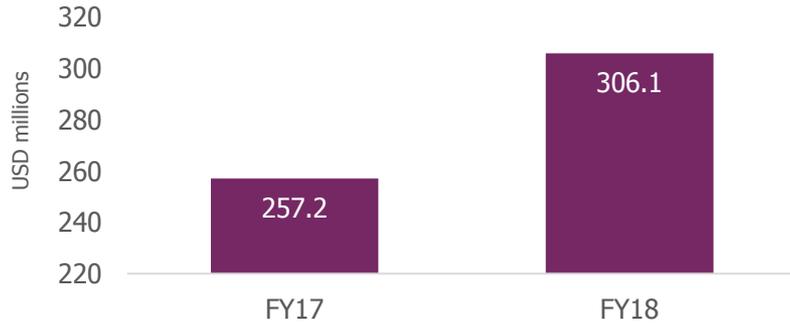
## CAPITAL MANAGEMENT

- > Strong free cash flow
- > Balance sheet deleveraging
- > Simplifying the business portfolio to self fund growth and distributions

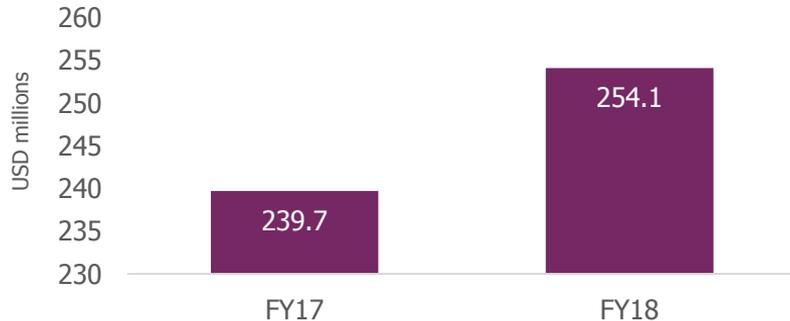
# Growth: Mortgage Services

Delivering to plan

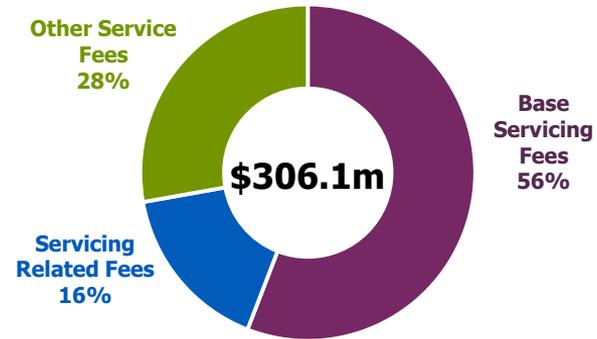
USA Revenue



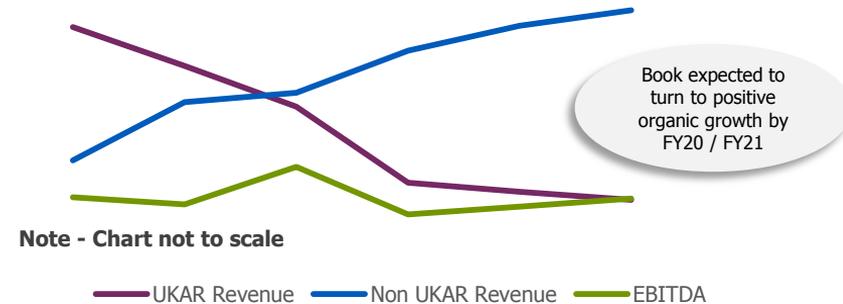
UK Revenue



FY18 - USA



UK Revenue and EBITDA – FY18 to FY23



# Growth: Employee Share Plans

Equatex acquisition - laying the foundations for future growth

Enhancing capabilities

Synergies affirmed

Complementary geographic fit

High quality customer base

Compliant

Integrated

Scalable

Fully featured

Efficient



# Profitability: Structural cost out programs progressing well

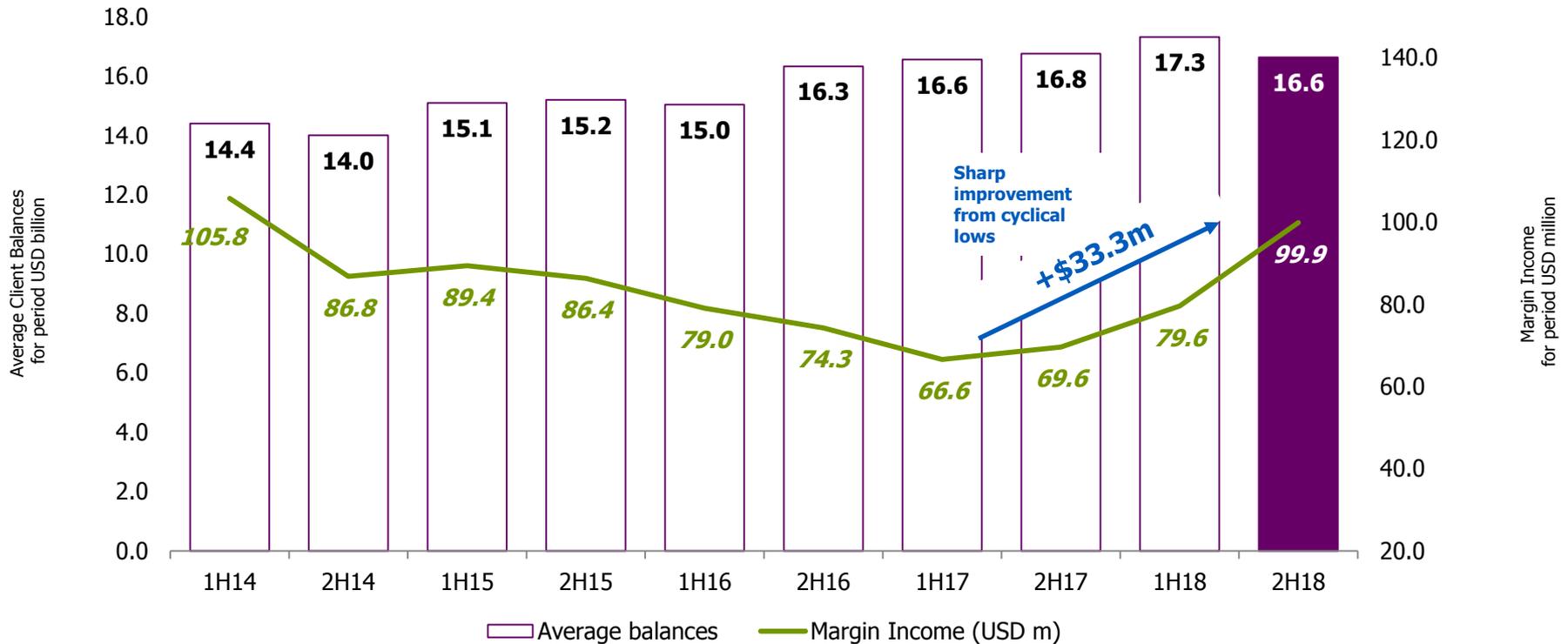
Stages 1, 2 and 3 total gross savings of \$125m - \$155m affirmed

ACTIVITY	TOTAL COST SAVINGS ESTIMATES \$ MILLION
Stage 1 Total - Substantially complete	25 - 30
Stage 2 Total - Well underway	60 - 70
Stage 3 Total - Contributions to start this year	40 - 55
Total cost savings estimate for Stages 1-3	125 - 155



# Profitability: Margin income

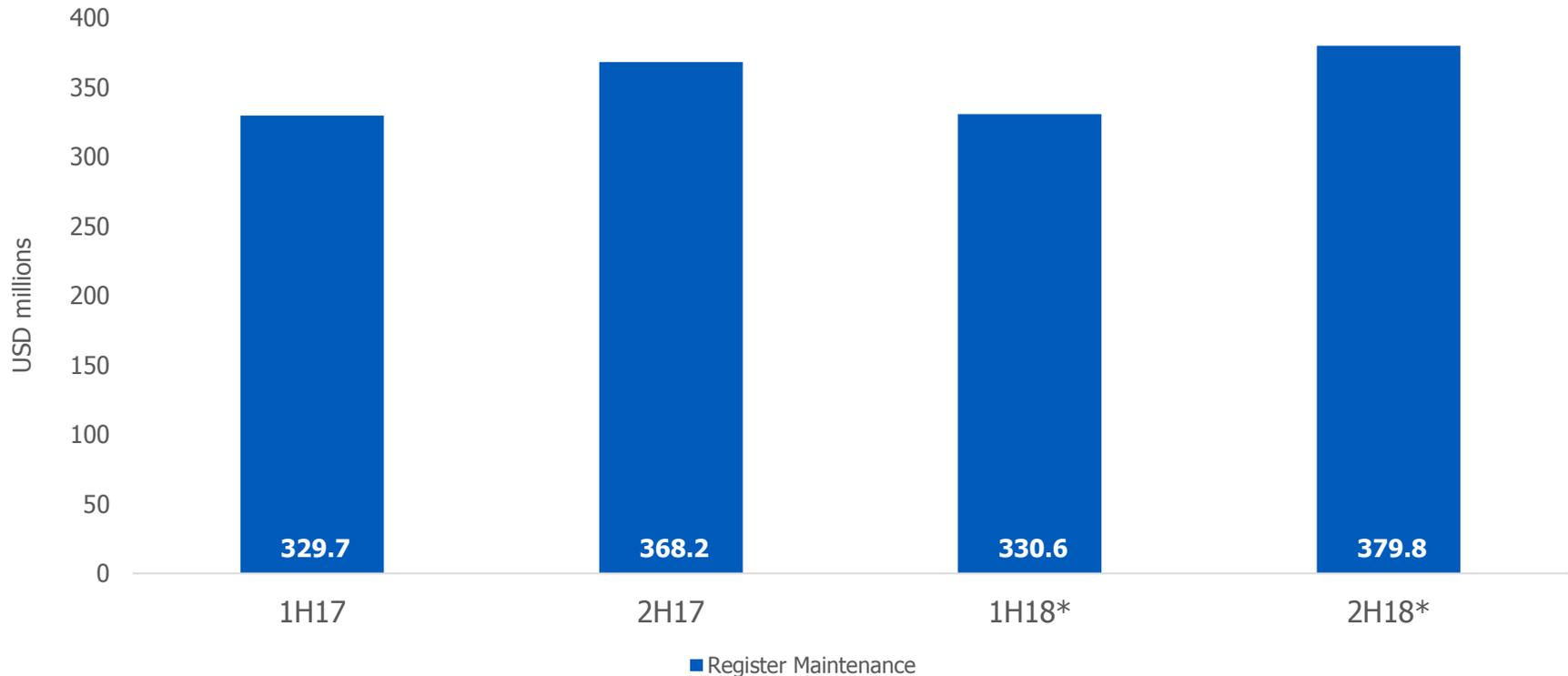
2H18 margin income highlights leverage to rising interest rates



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

# Global Registry returns to organic growth

High quality revenues



\*Translated at FY17 avg fx rates.

# Capital management

Free cash flow funds growth, debt reduction and enhanced returns

Cash generative business model –  
Free Cash Flow \$379.2m

Self-fund growth investments –  
MSR purchases \$89.4m

Capital light, high returns –  
ROIC 18.2% Post tax

Equatex acquisition –  
accelerates Share Plans growth  
engine

Debt reduction –  
down \$40.2m, 1.33x leverage ratio

Full-year dividend 40 AU cents per  
share -  
40-60% payout ratio policy

# Trading update and guidance

## Guidance

- › At this early stage of the year, we confidently affirm our FY19 Management EPS guidance, to increase by around +10% on FY18 in constant currency

## Commentary

- › Encouraging start to FY19 trading with growth in US Mortgage Services and Employee Share Plans, profitability in Registry and improving Margin Income
- › Guidance includes a contribution from Equatex for seven months of the year (completed on Monday 12 November) and the sale of Karvy in 1H19
- › An updated guidance statement will be provided with the 1HFY19 results release in February 2019
- › All other guidance assumptions are as per page 4 of the 15 August 2018 Results presentation

# Summary

## Delivering multi-year earnings growth

Laying the foundations for sustained growth, extending our competitive moats and executing our strategic priorities

Purposefully designed Growth, Profitability and Capital Management strategies delivering results

Optionality converting into profitability; margin income, corporate actions and other event-based activity across CPU

Strong free cash flow self-funds growth engines, strategic investments and enhanced shareholder returns

Guidance: Confidently affirm FY19 Management EPS to increase by around 10% on FY18

Transformation to a simpler, transparent and disciplined CPU driving multi-year sustained earnings growth

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- 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.

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