COMPUTERSHARE LIMITED (ASX:CPU)

FINANCIAL RESULTS
FOR THE FULL YEAR ENDED 30 JUNE 2020

11 AUGUST 2020

NOTE: All figures (including comparatives) are presented in US Dollars (unless otherwise stated).

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

Copies of the FY20 Results Presentation are available for download at:
https://www.computershare.com/results

MARKET ANNOUNCEMENT

FY20 Results overview

Delivered on revised guidance, dividend maintained and early signs of recovery supports earnings outlook for FY21.

Resilient operating performance	Margin Income headwinds	Balance Sheet strength
Revenue $2.3bn 1.9%	Margin Income $201m 18.3%	Net Debt / EBITDA[2] 1.93x 0.09x
Management EBITDA[1] $650m 3.7%	Management EPS 56.3cps 19.8%	Final Dividend Per Share 23.0cps Maintained

[1]Includes impact of IFRS16 [2] Excluding non-recourse SLS Advance debt

CEO Overview

Stuart Irving, CEO said, "I am pleased to report that our operating business has proven its resilience, continuing to perform during the last few months of the financial year despite the deepening impact of COVID-19 and the associated volatility it's brought to our markets.

Prior to March, we had been trading comfortably ahead of internal budget assumptions. Over 75% of Computershare's revenues are recurring in nature, but since March, our market-facing and event revenues have been impacted by reduced activity levels. Falling interest rates have also cut into our Margin Income. In these circumstances, we delivered on the revised guidance we provided in April, with FY20 Management EPS down 20%.

Clearly, the ongoing pandemic creates uncertainty around the timing and rate of recovery for the global economy. Encouragingly, all our business lines delivered improved performance over the last two months of the year, giving us grounds for some confidence that we will see further operating profit growth as we enter FY21.

While forecasting is more challenging than usual, to assist our investors, we are still providing guidance for the year ahead. We expect positive operating profit growth for the new financial year, with EBIT (excluding Margin Income) to be up around 10%. Assuming Margin Income is down approximately $100m in FY21, Management EPS is expected to decline by around 11%.

Computershare's Balance Sheet is strong. The Group generated $506m of free cash flow. With this, we continued to invest in our growth engines. At Computershare, our plan is to build stronger businesses with scale and more exposure to positive structural growth trends. We made investments in our US Mortgages Services business to build scale. We also completed the acquisition of Corporate Creations and finalised our diligence for the acquisition of Verbatim Global Compliance. Both these investments will enable us to extend the capability of our Issuer Services business, pushing us into new, large complementary revenue pools. Our focus on long-term planning, disciplined execution, investing for growth, and driving efficiencies, is absolutely unchanged and is serving us well.

Net debt at year-end was effectively unchanged on FY19, with the leverage ratio below the midpoint of the target range at 1.93x. We also refinanced a USD$500m debt facility and extended its duration to 2024.

This financial strength, coupled with our free cash flow, allows us to look after our shareholders during this uncertain period. We are able to maintain our dividend even though earnings are down. The Group is well positioned to self-fund our growth strategies and still reward our shareholders."

COVID-19 Update

The current challenging conditions bring into sharp focus the importance of organisations continuing to support their stakeholders and contributing to the communities in which they operate.

- Our US and UK Mortgage Services operations scaled up to help homeowners by swiftly processing mortgage payment holiday requests.
- Our corporate clients have been supported by a range of rapidly developed and innovative products to help them meet their governance obligations. We provided instruction, helped plan and successfully coordinated over 1,000 virtual AGM meetings across the globe. We also supported critical market activity, assisting our clients with capital raisings, delivering these complex and risky transactions with our teams working from home.
- We moved over 90% of our workforce to working from home, deploying vital technology and security protocols swiftly to ensure no interruption of service to our clients while safeguarding their data. We also took the lead with our offshore providers, putting solutions in place to maintain our operations and ensuring our large scale, complex, projects were delivered in the period.
- For our investors, we increased disclosure, providing regular updates and communicating what we were seeing. We continued to provide and update our guidance when many chose not to.
- And, most importantly, we looked after our people, keeping their safety and wellbeing uppermost. I'm very proud of what our worldwide team achieved during this stressful and demanding period. We recognise the importance of our social obligation in these times, and we've looked after our employees by supporting their work, providing flexibility for them to be home carers and educators, and minimising any need for government assistance. We've provided them with timely and effective communications regularly, at both local and global levels, to help them adjust to new circumstances, and extended the provision of mental health support, as the world around them changed but the demands of work remained.

This announcement is authorised by the Board.

Please refer to the 2020 Full Year Results Presentation for guidance assumptions, detailed financial data and the important notice on slide 95 regarding forward looking statements.

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