

# FY21 FULL YEAR RESULTS PRESENTATION

10 August 2021

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CERTAINTY

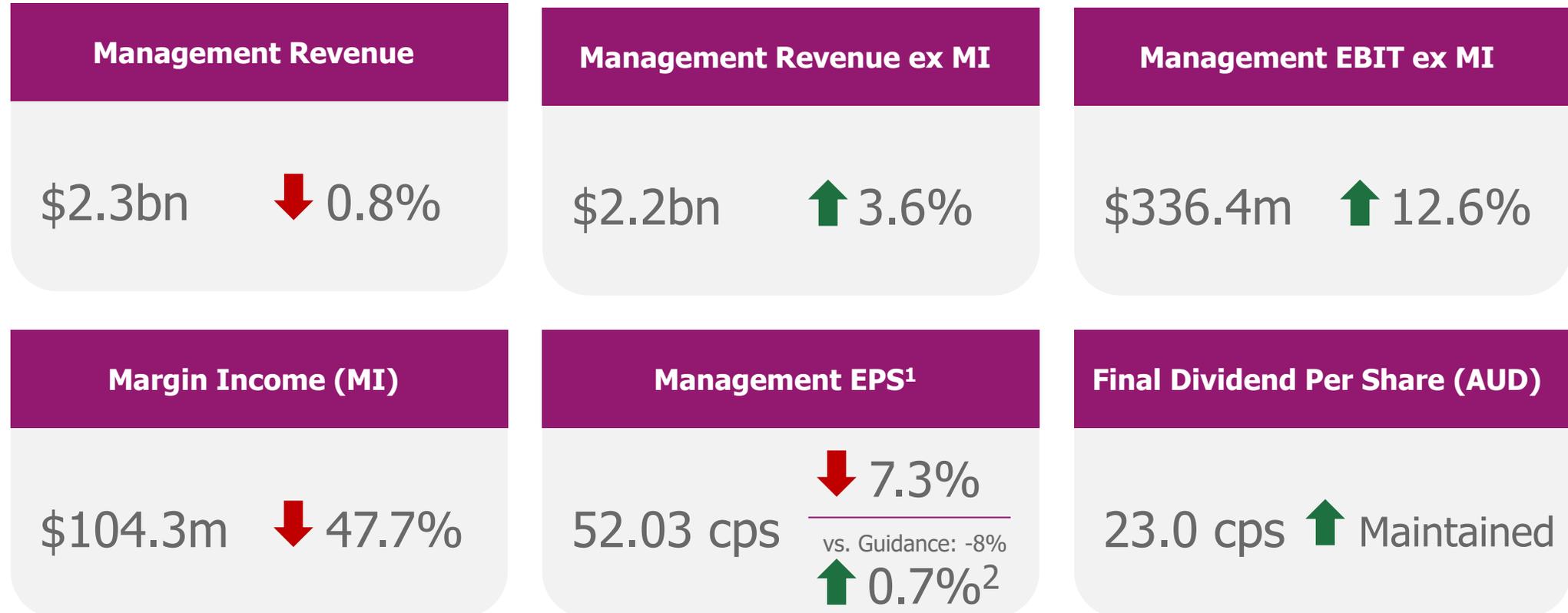
INGENUITY

ADVANTAGE

 **Computershare**

# FY21 Results

Strong second half performance, delivered on earnings guidance

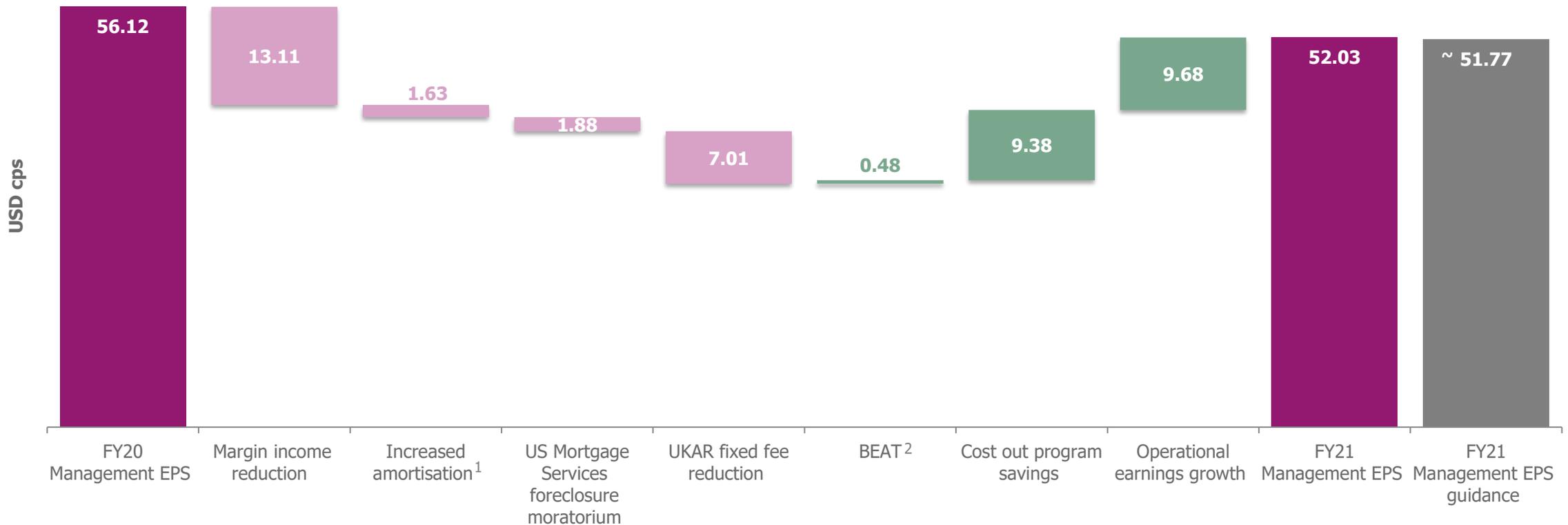


Notes: All figures in this presentation are presented in USD millions and in constant currency, unless otherwise stated. Reconciliation of statutory to management results can be found on slide 25.

<sup>1</sup> Management EPS of 52.03 cps is calculated on a pre-rights issue basis, weighted average number of shares (WANOS) was 540,879,593. FY21 Management EPS down 7.3% vs FY20 Management EPS of 56.12. FY21 Management EPS including rights issue is 50.30 cps. FY20 Management EPS adjusting for the bonus element in the 2021 rights issue is 55.57 cps.

# FY21 Management EPS

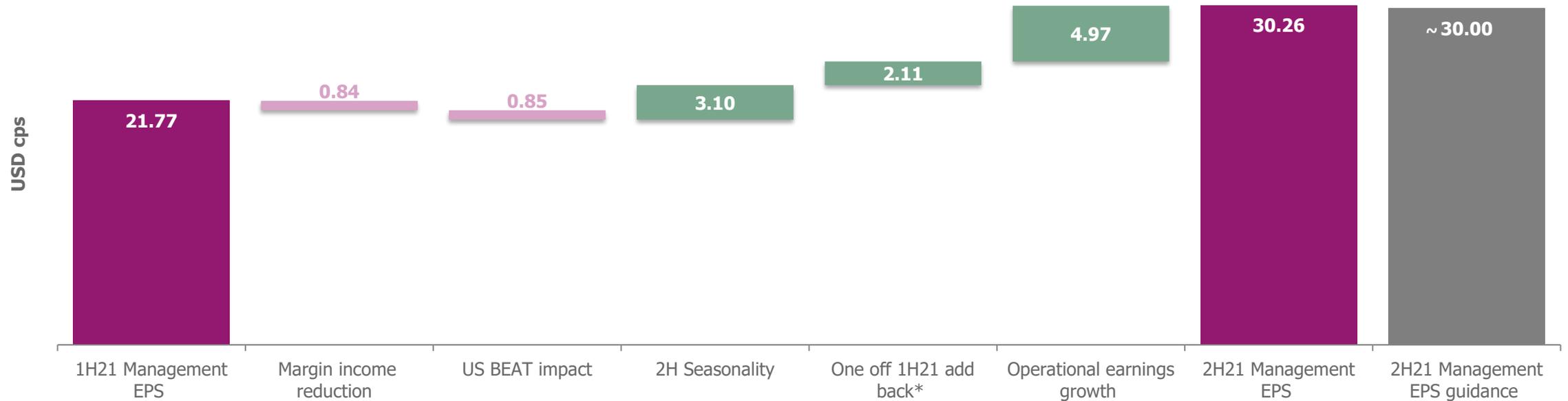
Robust operational earnings growth and cost saves with lower margin income



<sup>1</sup> Reflects change in the amortisation period for interest rate-sensitive MSR from 9 to 8 years for US Mortgage Services. <sup>2</sup> Base Erosion and Anti-Abuse Tax for the US.

# 2H21 Management EPS

Operational earnings growth and seasonality drive 2H improvement



FY20 Management EPS is 56.12 cents per share in FY20 constant currency. FY21 Management EPS per guidance, is 51.77 cents per share circa down 8%. Final FY21 Management EPS is 52.03 cents per share, down 7.3%.

# 2H21 Summary

Solid growth in Issuer Services and Plans, Bankruptcy and US Mortgage Services subdued, Margin income in line with expectations

Issuer Services revenue growth across all key operating segments

New client wins in Employee Share Plans, together with recovery in trading volumes

Consistent performance in Canadian Corporate Trust

Wells Fargo Corporate Trust Services acquisition announced and integration planning well underway<sup>1</sup>

Higher than expected client balances did not flow through to margin income as rate environment remains subdued

Ongoing foreclosure moratorium and elevated run-off continued to impact US Mortgage Services revenues and profitability

UK Mortgage Services cost out program upgraded, slight delay in delivery of Equatex synergies

Market driven slowdown in 2H Bankruptcy activity

# FY22 Outlook

Management EPS to be up around 2%, including CCT and rights issue

## Guidance

In constant currency, for FY22 we expect:

	Margin Income		Management EBIT ex MI		Management EPS	
	FY22	Change vs pcp	FY22	Change vs pcp	FY22	Change vs pcp
Legacy CPU	107.0	Flat	350.0	+3.2%	54.7	+4.2%
CCT (assumed 8 months contribution)	38.0	-	1.8	-	4.3	-
Rights Issue impact					(5.6)	-
<b>Total</b>	<b>145.0</b>	<b>+35.5%</b>	<b>351.8</b>	<b>+3.7%</b>	<b>53.4</b>	<b>+1.8%</b>

CCT earnings accretive on an annualised basis

## Key assumptions

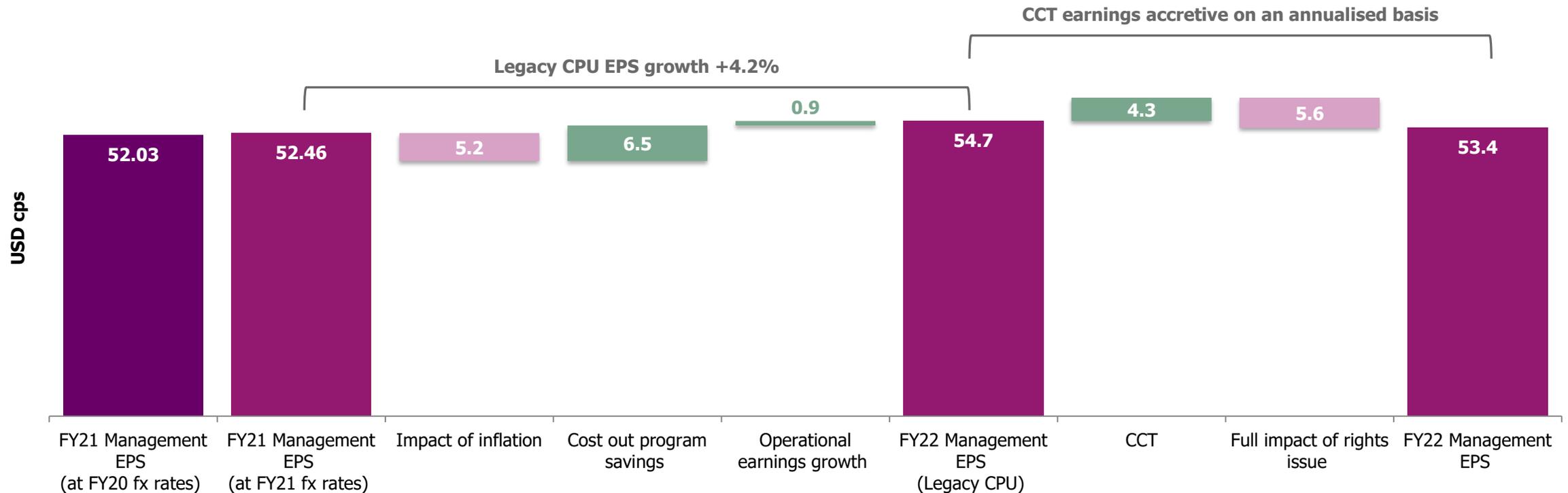
- > Margin Income revenue around \$145m including CCT
- > Equity and interest rate markets remain at current levels / in line with current market expectations. Group tax rate between 26.0% - 28.0%
- > Earnings skewed towards 2H with full six months CCT contribution and typical seasonal impacts. CCT acquisition targeted to complete October/November 2021
- > For constant currency comparisons, FY21 average exchange rates are used to translate the FY22 earnings to USD<sup>1</sup>
- > Weighted average number of shares (WANOS) of 540,879,593 in FY21 and 603,729,336 in FY22

Notes: For comparative purposes FY21 Margin Income is **\$107.0m**, Management EBIT ex Margin Income is **\$339.1m** and Management EPS is **52.46** cents per share all translated at FY21 constant currency. FY21 WANOS excluding rights issue is 540,879,593. Post rights issue, FY21 Management EPS is 50.71 cps assuming a WANOS of 559,519,258. FY22 Management EPS is 53.39 cps assuming a WANOS of 603,729,336.

<sup>1</sup> Refer to slide 76 for constant currency conversion rates.

# FY22 Management EPS guidance bridge

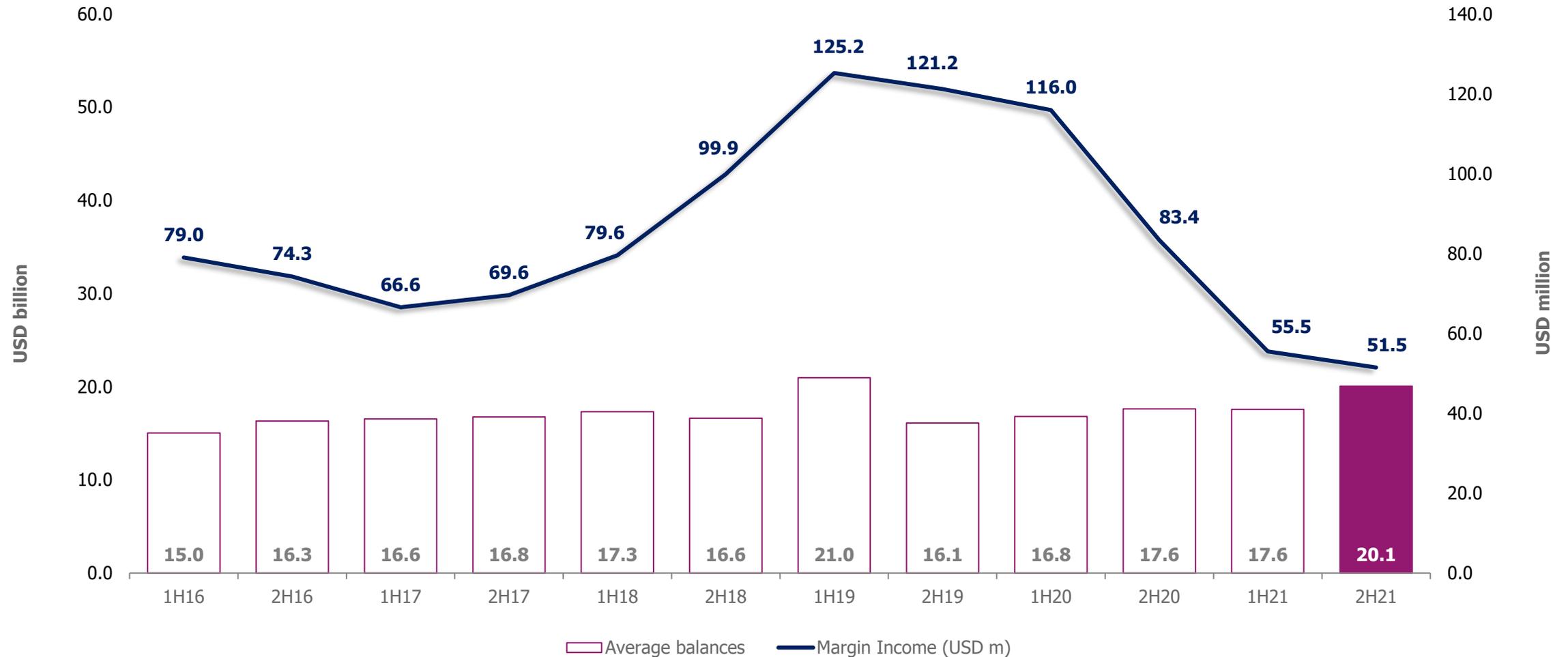
Management EPS expected to be up around 2% on pcp



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 2% 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 53.39 cents per share calculated on a WANOS of 603,729,336. Refer to slide 76 for constant currency conversion rates.

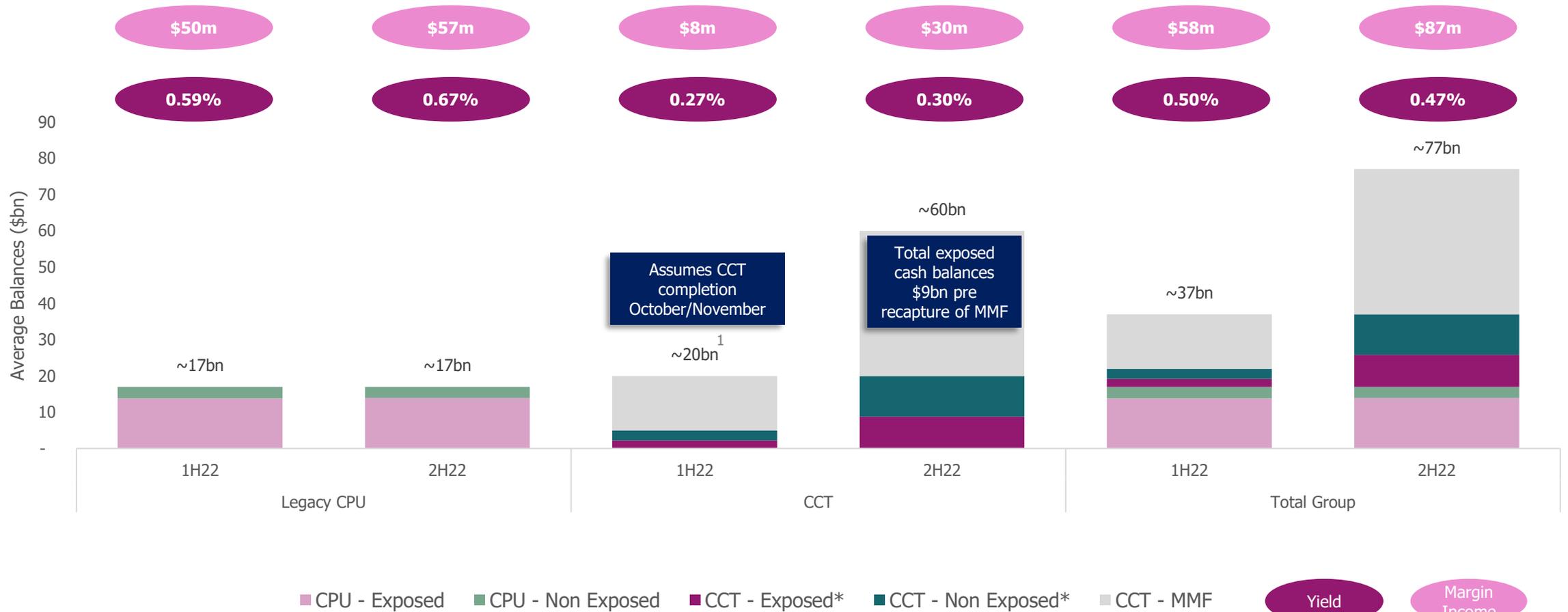
# Margin Income

FY21 Margin income in line with expectations



# Margin Income – FY22 Outlook

Group Margin income expected to be around \$145m, including CCT



\*Assume FY22 CCT Exposed and Non Exposed average balance split is in line with 1H20 splits. <sup>1</sup> \$20BN is the weighted average for 1H22.

Margin income excludes fees paid on money market fund (MMF) balances. The yield reflects the margin income generated from the cash balances only (exposed and non-exposed).

# Issuer Services

Successfully growing into new Issuer Services markets

Mgmt EBIT ex. MI		
\$227.1m	↑	26.3%
Margin: 24.4%	↑	240bps

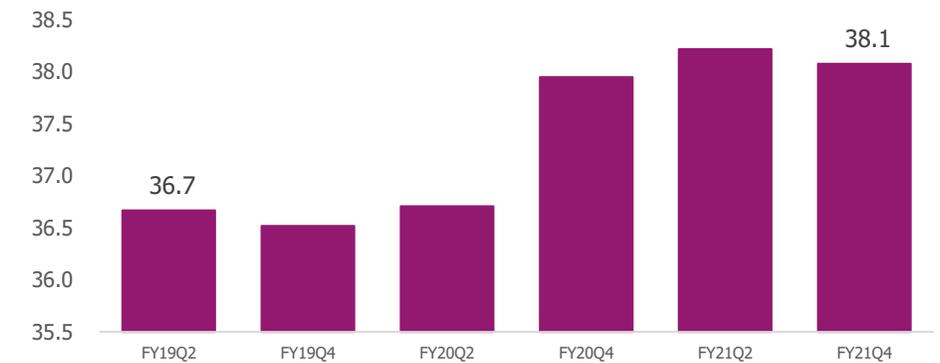
Revenue breakdown	FY21 CC	FY20 Actual	CC Variance
Register Maintenance*	\$645.3	\$625.1 <sup>^</sup>	+3.2%
Corporate Actions*	\$126.4	\$93.4	+35.3%
Stakeholder Relationship Management	\$85.5	\$58.7	+45.7%
Governance Services <sup>1</sup>	\$74.2	\$38.9 <sup>^</sup>	+90.7%
Margin Income	\$43.8	\$78.7	-44.3%
<b>Total revenue</b>	<b>\$975.1</b>	<b>\$894.7</b>	<b>+9.0%</b>
<b>Mgmt EBITDA</b>	\$273.9	\$260.5	+5.1%
Mgmt EBITDA margin	28.1%	29.1%	-100bps

\* Revenue excluding Margin Income

## FY21 key priorities

	FY18	FY19	FY20	FY21
 Continue momentum with client registry wins <sup>2</sup>	293	354	195	277
 Expand and cross sell registered agent services	Units Under Management has grown 14% during the year, from 112,000 to 127,000 units			
 Extend our entity management capability	1,500 new entities under management from FY21 new wins (3,000 total if include acquired Verbatim portfolio), now operating in 8 different countries.			

## Global managed shareholder accounts (millions)



Steady growth demonstrated since 2019

<sup>1</sup> Previously referred to as "Issuer Services – Other" and includes Registered Agent and Company Secretarial services.

<sup>2</sup> Excludes uncontrollable losses (eg Delisting, M&A).

<sup>^</sup> Reclassification of \$0.7m from Register Maintenance to Governance Services in FY20.

# Issuer Services outlook

## Growth drivers



Increasing regulatory complexity driving stronger corporate focus on governance and compliance



Increasing demand for digitised solutions



Outsourcing facilitates access to better technology, lower cost and a higher quality solution

## FY22 outlook

➔ Ongoing momentum in Governance Services revenues

➔ Corporate Actions and Stakeholder Relationship Management event based revenues not expected to repeat at same levels

➔ Inflationary cost pressures in operational centres in key markets

## FY22 key priorities

1

Ongoing investment in front office capabilities to leverage over 10k sticky and long standing client relationships across a range of products and services

2

Investment in product innovation to create market leading client and end-user experience

3

Drive organic growth in our adjacent market segments to broaden product offering and expand share of wallet:

- > Registered agent
- > Private markets
- > Managed Company Secretarial services

## Organic medium term outlook

Revenue ex MI



0-3% p.a.

EBIT ex MI



0-5% p.a.

EBIT ex MI Margin



Improving

# Employee Share Plans

## Strong revenue growth and margin expansion

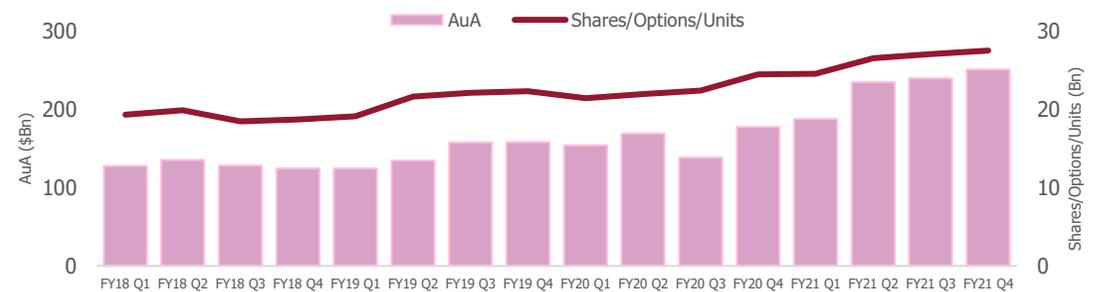
Mgmt EBIT ex. MI <sup>#</sup>		
\$69.0m	↑	68.3%
Margin: 22.6%	↑	790bps

Revenue breakdown	FY21 CC	FY20 Actual	CC Variance
Fee revenue	\$138.5	\$133.2*	+4.0%
Transactional revenue	\$154.2	\$133.2*	+15.8%
Other revenue	\$4.0	\$11.2	-64.3%
Margin income	\$11.9	\$12.5	- 4.8%
<b>Total revenue</b>	<b>\$308.5</b>	<b>\$290.1</b>	<b>+6.3%</b>
<b>Mgmt EBITDA</b>	\$78.1	\$55.8	+40.0%
Mgmt EBITDA margin	25.3%	19.2%	+610bps

### FY21 key priorities

-  Continue to win new clients  FY21 growth net new clients
-  Upgrade to EquatePlus platform  EquatePlus now has >3m participants on the platform across EMEA and Australia
-  Trading volume recovery  Trading behaviors exceeded pre pandemic levels in the second half

### Outstanding shares and options under administration



> Outstanding shares/options/units under administration increased 13% YoY to 27bn as the equitization of remuneration trend continues with many corporates issuing equity deeper into the organisations.

\*Reclassification of \$4.3m from fee revenue to transactional revenue in FY20.

<sup>#</sup>FY21 impacted by \$5.9m of one-off regulatory costs associated with Brexit transition. Adjusted EBIT ex MI \$74.9m +82.7%, margin 24.6%, +990bps.

# Employee Share Plans outlook

## Growth drivers



Equitization of remuneration – issuing more equity as compensation and deeper into organisations



Technology solutions and employee access and ease of use



Globalisation of workforces and increasingly complex regulation are driving corporates to seek global service partners to provide compliant and consistent solutions

### FY22 outlook



Recent client wins driving improvement in fees ex margin income



Slight delay in Equatex synergies as the program expands outside of Europe



Growth in units under administration underpins expected growth in trading revenues

### FY22 key priorities

1

Complete roll out of EquatePlus platform outside of EMEA

2

Investment in product innovation and service excellence to create market leading customer and user experience

3

Continue to drive organic growth and penetration at the client level, increasing participant numbers and units under administration

### Organic medium term outlook

Revenue ex MI



3 - 6% p.a.

EBIT ex MI



4 - 8% p.a.

EBIT ex MI margin



Improving

# Mortgage Services

US impacted by pandemic driven headwinds; UK cost out on track

Mgmt EBIT ex. MI <sup>2</sup>	
-\$4.2m	112.5%
↓	
Margin: -0.7%	620bps
↓	

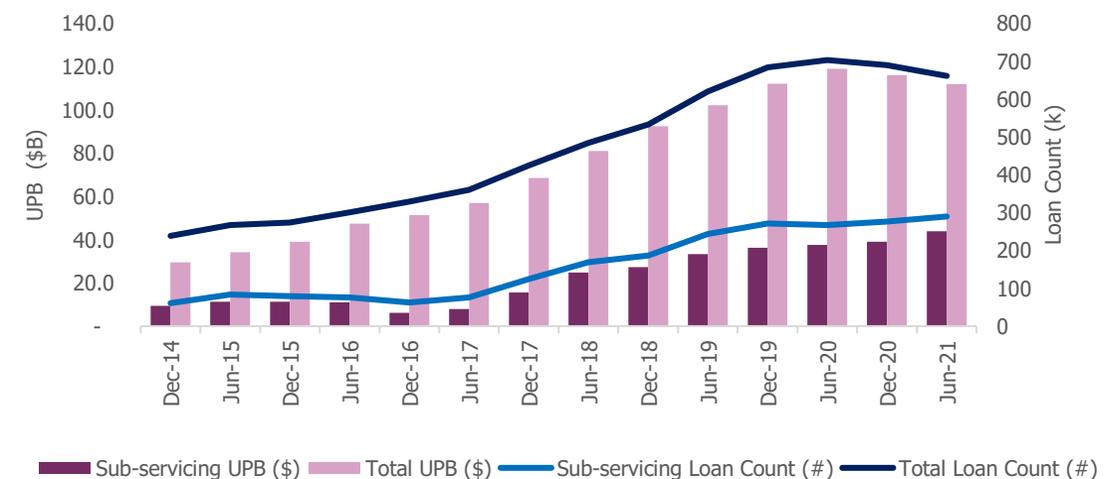
Revenue breakdown	FY21 CC	FY20 Actual	CC Variance
US Mortgage Services*	\$446.4	\$414.5	+7.7%
US Mortgage Services Margin Income	\$3.7	\$24.2	-84.7%
UK Mortgage Services	\$124.6	\$196.6	-36.6%
<b>Total revenue</b>	<b>\$574.8</b>	<b>\$635.4</b>	<b>-9.5%</b>
<b>Mgmt EBITDA<sup>1</sup></b>	\$103.3	\$127.3	-18.9%
Mgmt EBITDA margin	18.0%	20.0%	-200bps

\* Revenue excluding Margin Income

## FY21 key priorities

	Growth in YoY US capital light revenues	<b>+16.8%</b>	Increase in capital light sub servicing UPB
	Expansion of recapture capability	<b>\$215m</b>	Recaptured UPB through 2H
	Delivery of UK cost out program		\$37.4m cost savings delivered in FY21

## Growth in Sub-Servicing



# Mortgage Services outlook

## Growth drivers



Ending of foreclosure moratoriums and withdrawal of Government support packages should lead to special servicing opportunities from 2H onwards



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, reflecting ongoing low rate environment, driving stronger demand for outsourced fulfilment and (in the UK) Lender in the Box type solutions

### FY22 outlook



Pipeline of fulfilment clients to be fully implemented in the year driving revenue growth



Execution of capital light partnership strategy to support growth in servicing portfolio



Government restrictions continue to impact 1H; 2H recovery

### FY22 key priorities

1

Complete implementation of new Loan Origination System together with current pipeline of new fulfilment clients

2

Execute and implement capital light partnership model to establish permanent capital support and help drive future growth in servicing portfolio

3

Ongoing investment in automation and efficiency initiatives across Servicing and Origination functions to lower cost to serve

### Organic medium term outlook

Revenue ex MI



5 - 10% p.a.

EBIT ex MI



5 - 10% p.a.

EBIT ex MI Margin



Improving

Return on Invested Capital



Improving

# Business Services

Consistent delivery in Corporate Trust, Bankruptcy & Class Actions subdued in 2H

Mgmt EBIT ex. Margin Income	
\$20.4m	↓ 34.4%
Margin: 11.5%	↓ 510bps

Revenue breakdown	FY21 CC	FY20 Actual	CC Variance
Corporate Trust*	\$54.5	\$54.8	-0.5%
Bankruptcy*	\$64.6	\$47.3	+36.6%
Class Actions*	\$59.2	\$85.3	-30.6%
Margin Income	\$28.8	\$56.2	-48.8%
<b>Total revenue</b>	<b>\$207.1</b>	<b>\$243.6</b>	<b>-15.0%</b>
<b>Mgmt EBITDA</b>	\$51.0	\$88.2	-42.2%
Mgmt EBITDA margin	24.6%	36.2%	-1,160bps

\* Revenue excluding Margin Income

## FY21 key priorities

- 
Expansion in Corporate Trust US Services
↑ 35%
FY21 YoY growth in US Corporate Trust mandates
- 
Bankruptcy revenue growth
↑ 37%
FY21 revenue increase vs FY20
- 
Deliver on global Class Action opportunities
Global
Class Action case wins in South Africa, Canada and US

## Corporate Trust Canada, positive long-term trends



# Business Services outlook

## Growth drivers



Ongoing growth in debt under administration



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



Covid related Class Actions activity expected across a range of sectors

## FY22 outlook



Ongoing growth in Canadian Corporate Trust



In Class Actions, one off expenses related to litigation and claims settlement will not repeat, improving FY22 operating margins



Bankruptcy revenues start to recover 2H22, not anticipated at same level given 1H21 cyclical peak

## FY22 key priorities

1

Continue to add Canadian Corporate Trust mandates

2

Implementation of system enhancements and process automation related efficiency initiatives, to drive down cost to serve

3

Investment in our front office skills and capabilities to ensure we are properly positioned to execute on the market opportunities as they arise

## Organic medium term outlook

Revenue ex MI



3 - 5% p.a.

EBIT ex MI



2 - 5% p.a.

EBIT ex MI Margin



Consistent

# CCT acquisition update

## Separation readiness activities in full flight

### Transaction update

- › Transaction to complete October / November 2021
- › Key regulatory approvals received
- › Business to be renamed CCT
- › Frank Madonna, Computershare Global Head of Operations, new CEO of CCT

### Integration and Synergies

- › Close and Separation Readiness activities well progressed across employee, facilities, systems and mandate transfer
- › Computershare has undertaken virtual and in-person townhalls with CCT staff, positive reaction received and good momentum towards integration
- › Synergy realisation plan unchanged from transaction announcement
- › Integration work undertaken to date continues to validate transition cost plan

### Financial update

- › CCT business continues to perform in line with expectations during closing period
- › CCT will report as a separate division, Business Services to remain as is, incorporating existing Canadian Corporate Trust business during the integration period.
- › Guidance disclosed separately, slide 6

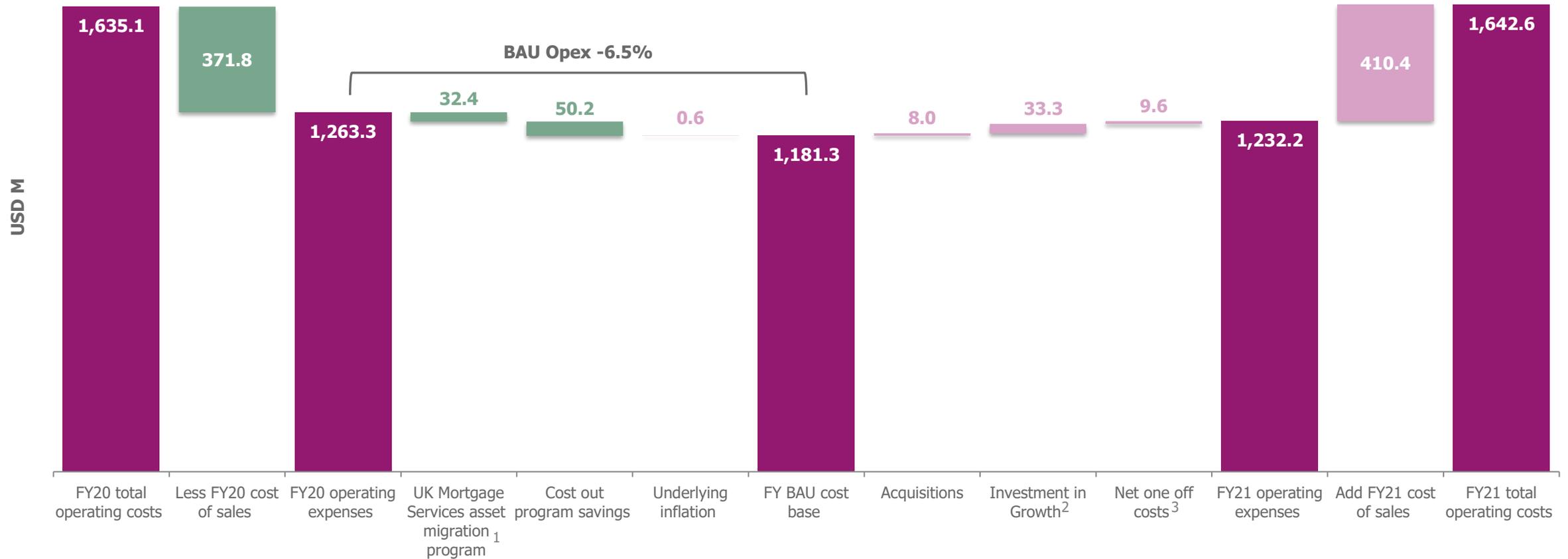
# FY21 Management results summary

Strong operating result and margin expansion offset by margin income decline

	FY21 Actual (at FY20 CC)	FY20 Actual	Variance	FY21 Actual
Total revenue ex Margin Income	\$2,157.7	\$2,081.8	+3.6%	\$2,215.8
Margin Income	\$104.3	\$199.4	-47.7%	\$107.0
<b>Total revenue</b>	<b>\$2,262.0</b>	<b>\$2,281.2</b>	<b>-0.8%</b>	<b>\$2,322.8</b>
Operating costs	\$1,642.6	\$1,635.1	+0.5%	\$1,695.0
Share of net profit/(loss) of associates and jv	\$0.4	\$0.2	+100%	\$0.4
<b>EBITDA</b>	<b>\$619.8</b>	<b>\$646.4</b>	<b>-4.1%</b>	<b>\$628.2</b>
Depreciation	\$72.5	\$77.5	-6.5%	\$75.0
Amortisation	\$106.6	\$70.8	+50.6%	\$107.1
<b>EBIT</b>	<b>\$440.7</b>	<b>\$498.0</b>	<b>-11.5%</b>	<b>\$446.1</b>
<b>EBIT ex Margin Income<sup>1</sup></b>	<b>\$336.4</b>	<b>\$298.7</b>	<b>+12.6%</b>	<b>\$339.1</b>
<b>EBIT ex Margin Income margin (%)</b>	<b>15.6%</b>	<b>14.3%</b>	<b>+130bps</b>	<b>15.3%</b>
Interest expense	\$53.6	\$66.3	-19.2%	\$54.9
<b>Profit Before Tax</b>	<b>\$387.1</b>	<b>\$431.7</b>	<b>-10.3%</b>	<b>\$391.2</b>
Income tax expense	\$105.4	\$127.8	-17.5%	\$107.2
<b>Management NPAT</b>	<b>\$281.4</b>	<b>\$303.8</b>	<b>-7.4%</b>	<b>\$283.7</b>
<b>Management EPS (cents)<sup>2</sup></b>	<b>52.03</b>	<b>56.12</b>	<b>-7.3%</b>	<b>52.46</b>
Recurring Revenue	75.9%	77.7%	-180bps	
ROE <sup>3</sup>	16.0%	19.5%	-350bps	
ROIC <sup>4</sup>	10.7%	12.2%	-150bps	
Final Dividend Per Share (cents)	23.0	23.0	Maintained	

# Operating expense analysis

Disciplined cost out programs reduce BAU opex 6.5%



<sup>1</sup> Reflects the IT costs incurred as part of the migration to a single platform. <sup>2</sup> Increased costs to add capacity and support expansion in Corporate Actions, Stakeholder Management Relationship, Company Secretarial Services, Bankruptcy and US Mortgage Services. <sup>3</sup> Net one off costs, \$9.9m incurred in FY21.

# Cost out programs – FY21

## Expanded cost out opportunity

\$M Activity	Total cost savings estimates	Benefit realisation (cumulative)									
		FY17	FY18	FY19	FY20	FY21	FY21 change vs. last disclosure <sup>2</sup>	FY22E	FY23E	FY24E	Stage Total change vs. last disclosure <sup>2</sup>
<b>Stage 1 Total</b>	<b>25 - 30</b>	7.8	14.0	21.8	28.1	28.1	▶ 0.0m	28.1	28.1	28.1	COMPLETE
<b>Stage 2 Total</b>	<b>60 - 70</b>	5.9	35.4	54.1	62.9	64.3	▼ (0.5m)	66.7	66.7	66.7	▶ 0.0m
<b>Stage 3 Total</b>	<b>40 - 70</b>			4.3	15.5	35.6	▼ (2.7m)	45.6	57.9	66.2	▲ 10.0m
<b>Total estimate</b>	<b>125 - 170</b>	<b>13.7</b>	<b>49.4</b>	<b>80.1</b>	<b>106.5</b>	<b>128.0</b>	▼ (3.2m)	<b>140.4</b>	<b>152.7</b>	<b>161.0</b>	▲ 10.0m
Equatex synergies	<b>40</b>				7.2	12.6	▼ (1.7m)	24.0	40.0	40.0	▲ 10.0m
UK Mortgage Services <sup>1</sup>	<b>75</b>				16.6	54.1	▲ 8.4m	75.0	75.0	75.0	▲ 10.0m
<b>Total cost savings</b>	<b>240-285</b>	<b>13.7</b>	<b>49.4</b>	<b>80.1</b>	<b>130.3</b>	<b>194.7</b>	▲ 3.5m	<b>239.4</b>	<b>267.7</b>	<b>276.0</b>	▲ 30.0m
<b>Cost to achieve (post tax)<sup>3</sup></b>		<b>20.5</b>	<b>13.4</b>	<b>25.7</b>	<b>34.5*</b>	<b>52.1</b>	▲ 22.1m	<b>40-45</b>	<b>15-20</b>	<b>2-5</b>	▲ 15.0m

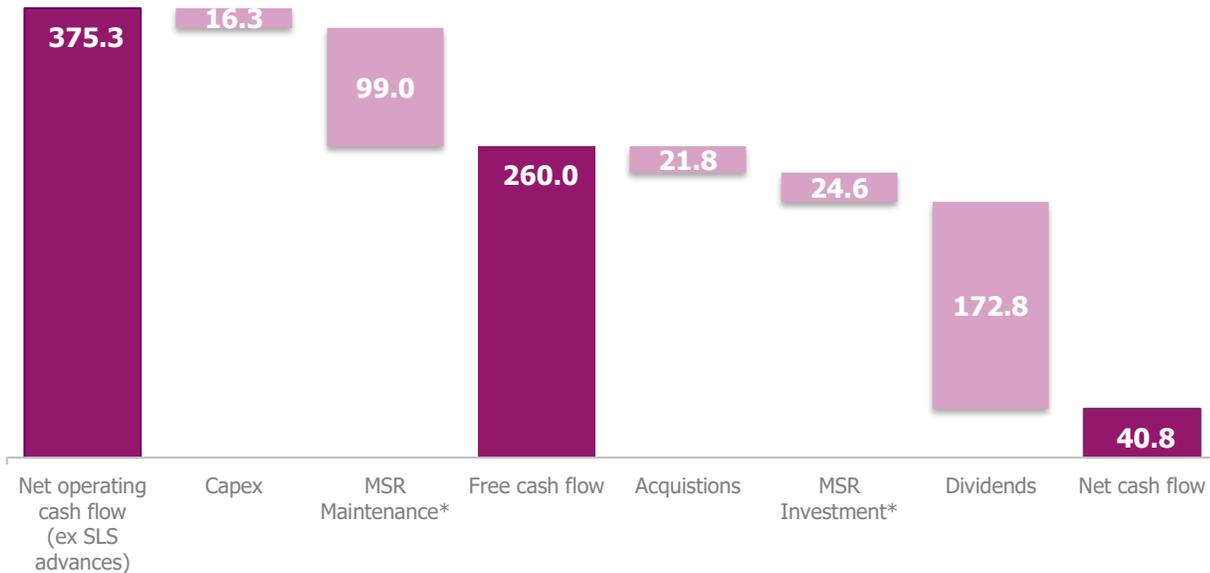
- > UK Mortgage Services cost out program progressing well, target upgraded from \$65m to \$75m.
- > Equatex synergies still on track with cumulative benefits of \$40m now expected. This includes synergies expected from the rest of the world as they upgrade to EquatePlus. Compared to last disclosure, there are some shifts in timing of initiatives into FY22 and FY23.
- > Benefits associated with a new ERP platform implementation have been included in Stage 3 target savings from FY23 onwards.

Notes: <sup>1</sup> This does not include the GBP27.0m of IT costs that ceased post migration to single platform <sup>2</sup> Last disclosure at 1H21 and included cumulative benefits up to FY23 <sup>3</sup> Costs to achieve are not cumulative and now includes Equatex acquisition related expenses (from FY19). \* Previous disclosure excluded \$5.1m of related workforce reductions.

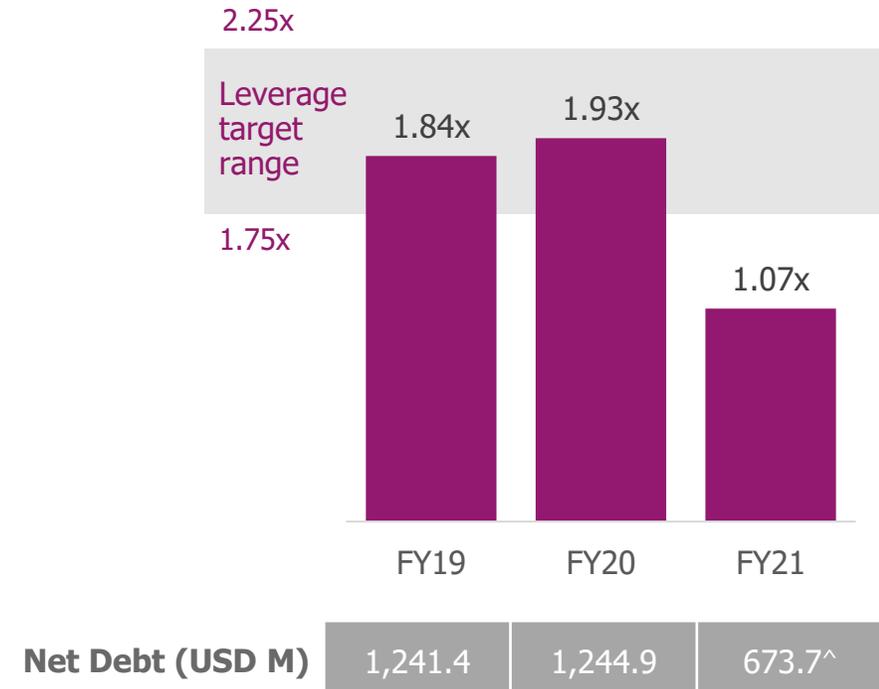
# Cash flow and leverage

Leverage ratio of 1.07x, expected to peak in FY22 post CCT acquisition and then organically repair

### Cashflow Waterfall



### Net Debt / EBITDA<sup>1</sup> (x)



<sup>1</sup> Excludes non-recourse SLS Advance debt.

\* Net cash payments for MSR purchases of \$123.6m in FY21. Net MSR investment exceeds amortisation expense by \$24.6m. Adjusting for the proceeds of an MSR transaction which completed in the first week of FY22 July, net MSR investment for the year would have been in line with the amortisation expense.

The low FY21 leverage ratio of 1.07x includes proceeds of rights issue intended to be deployed on the CCT acquisition in FY22. <sup>^</sup> \$620.2m of gross proceeds received for rights issue.

# Conclusions

## **FY21 Management EPS delivered in line with upgraded guidance**

- › Strong 2H performance, 39% increase in earnings compared to 1H21
- › Key operating businesses are performing well - Management Revenue ex. Margin Income up 3.6%, EBIT ex. MI Margin up 130 basis points
- › Cyclical business benefited from higher activity levels and stronger equity markets

## **FY21 expected to mark the bottom of the earnings cycle**

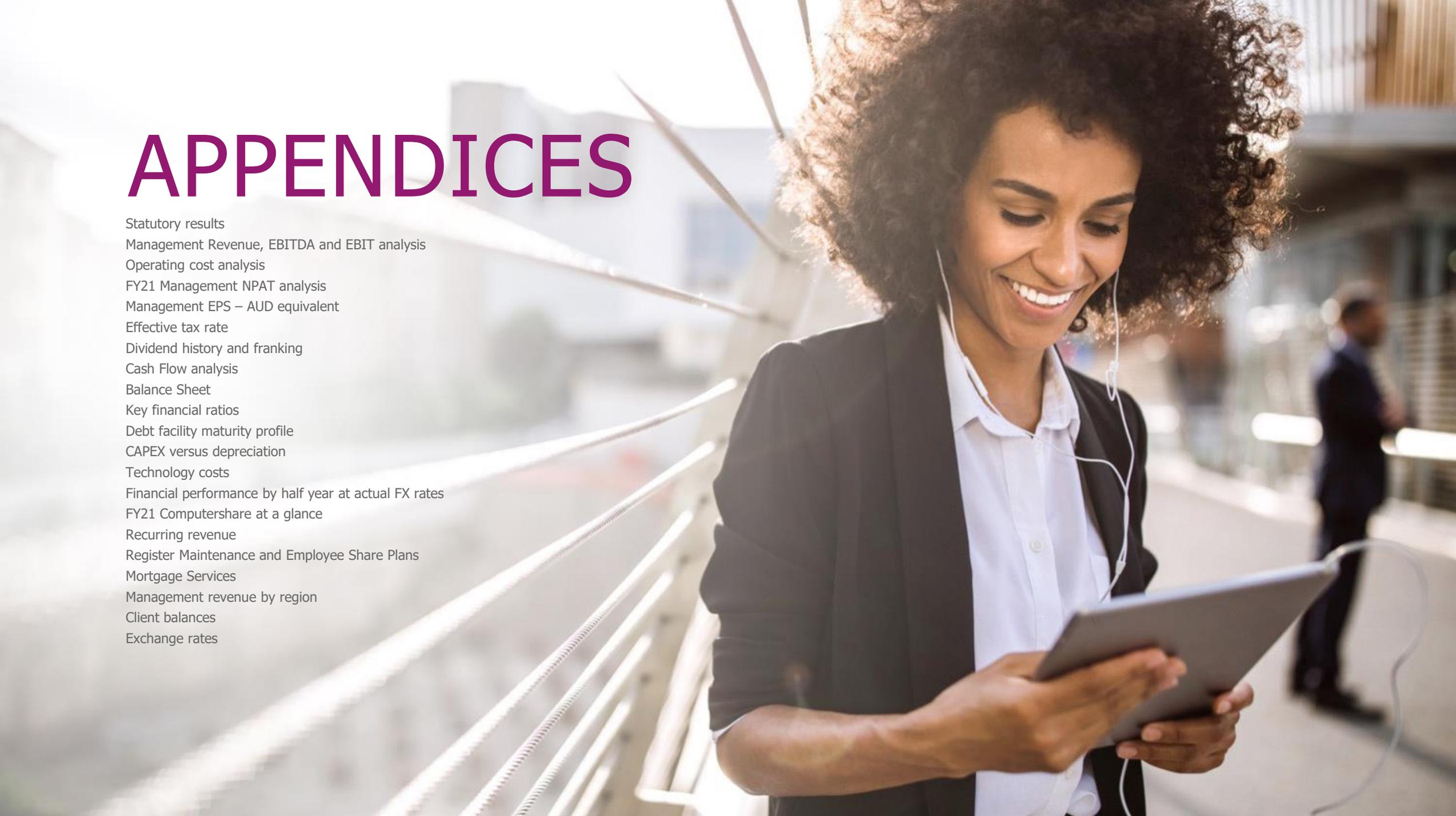
- › EPS down 7.3% for FY21
- › Record low interest rates impacted MI
- › Government restrictions on foreclosure and elevated refinancing in US Mortgage Services continued to impact revenue and profitability

## **Earnings growth in FY22**

- › FY22 Management EPS up c.2%, reflects 4% organic growth in legacy Computershare, accretive annualised contribution from CCT and accounting for the rights issue
- › MI expected to be \$145m in FY22, including balances from CCT
- › Upgraded cost saves mitigate US wage inflation. Expect reduced performance from cyclical and event based businesses: Corporate Actions, Stakeholder Relationship Management and Bankruptcy

Executing our strategy to build high quality businesses with scale, strong recurring revenues, greater leverage to positive growth trends and increased optionality

# APPENDICES



Statutory results

Management Revenue, EBITDA and EBIT analysis

Operating cost analysis

FY21 Management NPAT analysis

Management EPS – AUD equivalent

Effective tax rate

Dividend history and franking

Cash Flow analysis

Balance Sheet

Key financial ratios

Debt facility maturity profile

CAPEX versus depreciation

Technology costs

Financial performance by half year at actual FX rates

FY21 Computershare at a glance

Recurring revenue

Register Maintenance and Employee Share Plans

Mortgage Services

Management revenue by region

Client balances

Exchange rates

# Statutory results

	FY21	FY20	Vs FY20 (pcp)
<b>Total Revenues</b>	\$2,334.1m	\$2,281.2m	+2.3%
<b>Total Expenses</b>	\$2,064.3m	\$1,957.1m	+5.5%
<b>Statutory Net Profit (post NCI)</b>	\$189.0m	\$232.7m	-18.8%
<b>Earnings per share (post NCI)</b>	33.77 cents	42.55 cents*	-20.6%

## Reconciliation of Statutory Revenue to Management Results FY21

<b>Total Revenue per statutory results</b>	<b>\$2,334.1m</b>
<b>Management Adjustments</b>	
Gain on Disposal of the Group's shareholding in Euroclear Holding SA/NV	(\$11.2)
<b>Total Management Adjustments</b>	<b>(\$11.2)</b>
<b>Total Revenue per Management Results</b>	<b>\$2,322.8m</b>

## Reconciliation of Statutory NPAT to Management Results FY21

<b>Net profit after tax per statutory results</b>	<b>\$189.0m</b>
<b>Management Adjustments (after tax)</b>	
Amortisation	\$42.7
Acquisitions and Disposals	\$24.5
Other	\$27.5
<b>Total Management Adjustments</b>	<b>\$94.8</b>
<b>Net Profit after tax per Management Results</b>	<b>\$283.7m</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 26.
- > The non-IFRS financial information contained within this document has not been reviewed or audited in accordance with Australian Auditing Standards.

\*Earnings per share is restated by adjusting the weighted average number of ordinary shares in order to incorporate the bonus element in the 2021 rights issue, as per AASB 133.

# Management adjustment items

## Appendix 4E note 3

### Amortisation

- > Customer relationships and most of 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 2021 was \$42.7 million. Amortisation of mortgage servicing rights, certain acquired software as well as intangibles purchased outside of business combinations is included as a charge against management earnings.

### Acquisitions and disposals

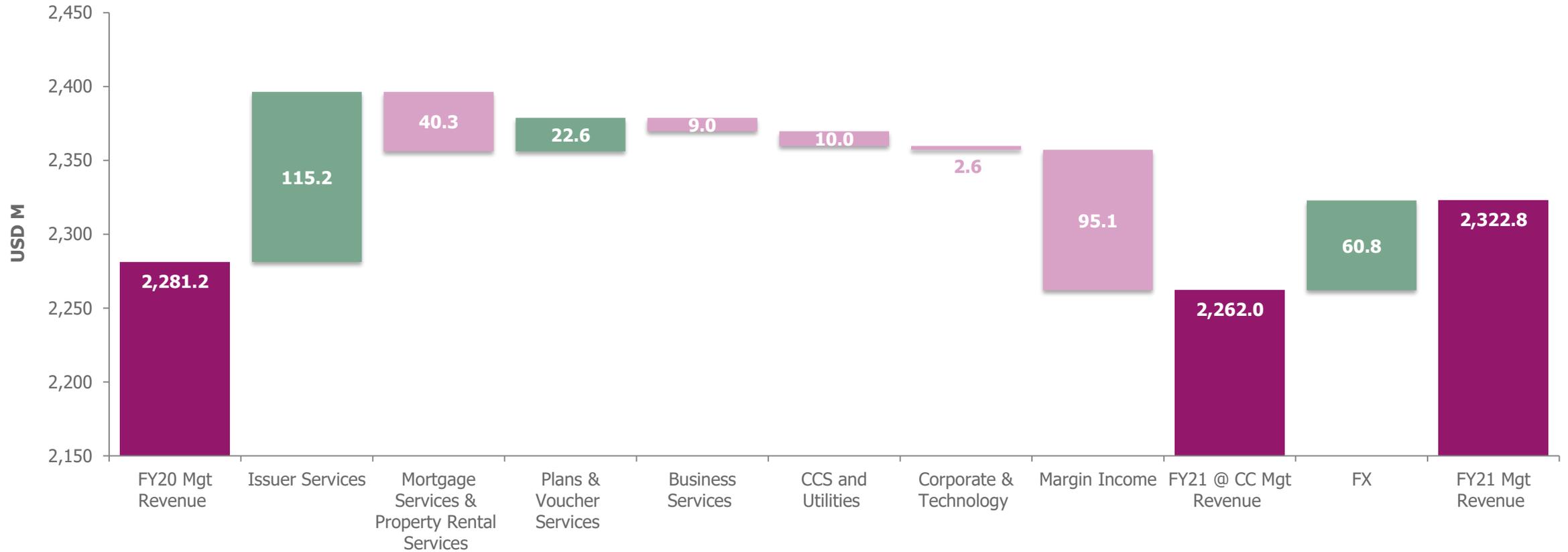
- > \$22.9 million of expenses were incurred for the ongoing integration of Equatex including rollout of the acquired software. Acquisition related expenses were incurred for the acquisition of Wells Fargo of \$9.0 million, including a \$5.6 million foreign exchange loss on derivatives used to fix the amount of USD needed to fund the acquisition from the AUD equity issue. Additionally, costs in the sum of \$1.7 million were incurred for redundancies associated with delivering synergies from other recent acquisitions, Corporate Creations and Verbatim.
- > Disposal of the Group's shareholding in Euroclear Holding SA/NV resulted in a gain of \$9.1 million.

### Other

- > Costs of \$29.2 million were incurred in the current reporting period in respect of major restructuring programmes spanning several years. \$22.1 million of these costs related to UK mortgage services including the costs associated with workforce reductions and a property rationalisation programme. \$2.5m was related to the Global Operations transformation and \$2.8m was incurred on other property rationalisation across the Group.
- > A \$3.2 million gain arose from a reversal of a provisional tax liability associated with a previously identified business issue that has now been resolved.
- > Revaluation of derivatives that have not received hedge designation or the ineffective portion of derivatives in hedge relationships is taken to profit or loss in the statutory results. The impact in the current reporting period was a loss of \$1.6 million.

# Management revenue bridge

Increased operating revenue from Issuer Services, Plans and Bankruptcy



# Management revenue by business stream

Revenues down 0.8%, +3.6% excluding Margin Income

	FY21 Rev @ CC	FY21 MI @ CC	FY21 Rev ex MI @ CC	FY20 Rev	FY20 MI	FY20 Rev ex MI	Rev CC Variance	Rev ex MI CC Variance
Issuer Services	975.1	43.8	931.3	894.7	78.7	816.1	+9.0%	+14.1%
Mortgage Services & Property Rental Services	599.5	27.8	571.8	665.1	53.1	612.0	-9.9%	-6.6%
Employee Share Plans & Voucher Services	319.8	4.0	315.9	304.6	11.4	293.2	+5.0%	+7.7%
Business Services	207.1	28.8	178.3	243.6	56.2	187.4	-15.0%	-4.9%
Communication Services & Utilities	158.8	-	158.8	168.8	-	168.8	-5.9%	-5.9%
Corporate & Technology	1.7	-	1.7	4.2	-	4.2	-59.5%	-59.5%
<b>Total Group</b>	<b>2,262.0</b>	<b>104.3</b>	<b>2,157.7</b>	<b>2,281.2</b>	<b>199.4</b>	<b>2,081.8</b>	<b>-0.8%</b>	<b>+3.6%</b>

# Revenue excluding Margin Income at actual FX rates

Revenue breakdown	1H21 Actual	2H21 Actual	FY21 Actual	1H20 Actual	2H20 Actual	FY20 Actual
Register Maintenance*	306.4	357.5	663.9	300.9	324.2	625.1 <sup>^</sup>
Corporate Actions*	66.4	63.0	129.4	48.5	44.9	93.4
Stakeholder Relationship Management*	35.5	51.2	86.7	18.1	40.6	58.7
Governance Services*	34.6	40.4	75.0	12.4	26.5	38.9 <sup>^</sup>
Margin Income	22.1	22.1	44.2	44.4	34.3	78.7
<b>Total Issuer Services Revenue</b>	<b>465.0</b>	<b>534.3</b>	<b>999.3</b>	<b>424.3</b>	<b>470.4</b>	<b>894.7</b>
US Mortgage Services*	213.1	233.3	446.4	209.4	205.1	414.5
US Mortgage Services Margin Income	2.1	1.6	3.7	17.9	6.3	24.2
UK Mortgage Services	68.7	63.8	132.5	101.6	95.0	196.6
<b>Total Mortgage Services Revenue</b>	<b>283.9</b>	<b>298.7</b>	<b>582.6</b>	<b>328.9</b>	<b>306.5</b>	<b>635.4</b>
Corporate Trust*	25.8	30.4	56.3	24.2	30.6	54.8
Bankruptcy*	41.3	23.4	64.6	18.5	28.8	47.3
Class Actions*	31.6	28.3	59.9	45.3	40.0	85.3
Margin Income	15.7	13.7	29.4	32.9	23.3	56.2
<b>Total Business Services Revenue</b>	<b>114.4</b>	<b>95.8</b>	<b>210.2</b>	<b>120.8</b>	<b>122.8</b>	<b>243.6</b>

\* Revenue excluding Margin Income.

<sup>^</sup> Reclassification of \$0.7m from Register Maintenance to Governance Services in FY20.

# EBITDA by business stream

EBITDA ex Margin Income \$515.5m, up 15.3%

	FY21 EBITDA @ CC	FY20 EBITDA	CC Variance	FY21 @ CC Op. Margin	FY20 Op. Margin	FY21 EBITDA ex MI @ CC	FY20 EBITDA ex MI	Ex MI CC Variance	FY21 ex MI @ CC Op. Margin	FY20 ex MI Op. Margin
Issuer Services	273.9	260.5	+5.1%	28.1%	29.1%	230.0	181.8	+26.5%	24.7%	22.3%
Mortgage Services & Property Rental Services	114.5	141.2	-18.9%	19.1%	21.2%	86.7	88.1	-1.6%	15.2%	14.4%
Employee Share Plans & Voucher Services	86.3	65.7	+31.4%	27.0%	21.6%	82.3	54.4	+51.3%	26.1%	18.5%
Business Services	51.0	88.2	-42.2%	24.6%	36.2%	22.3	31.9	-30.1%	12.5%	17.0%
Communication Services & Utilities	29.6	30.8	-3.9%	18.6%	18.3%	29.6	30.8	-3.9%	18.6%	18.3%
Corporate & Technology	64.5	60.0	+7.5%	n/a	n/a	64.5	60.0	+7.5%	n/a	n/a
<b>Total Group</b>	<b>619.8</b>	<b>646.4</b>	<b>-4.1%</b>	<b>27.4%</b>	<b>28.3%</b>	<b>515.5</b>	<b>447.0</b>	<b>+15.3%</b>	<b>23.9%</b>	<b>21.5%</b>

# EBIT by business stream

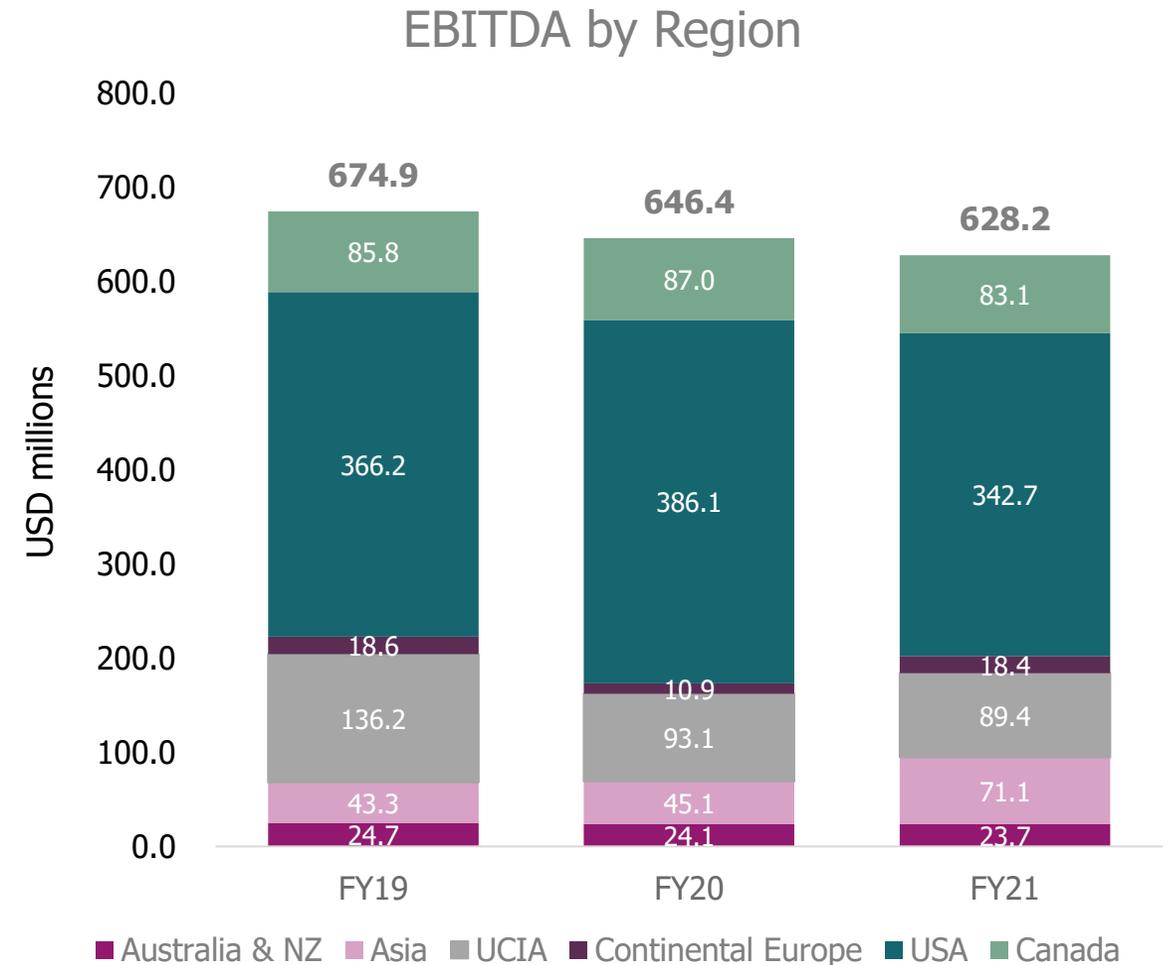
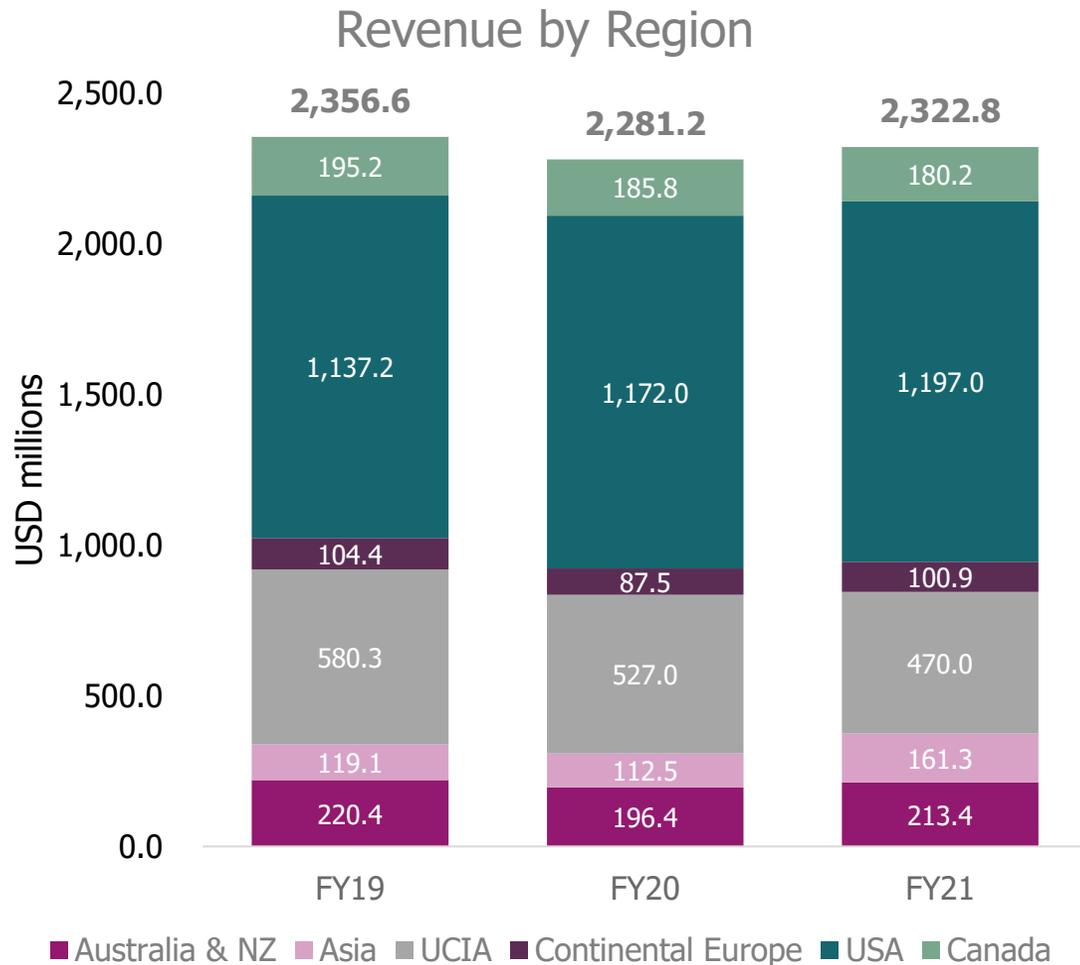
EBIT ex Margin Income \$336.4m, up 12.6%

	FY21 EBIT @ CC	FY20 EBIT	CC Variance	FY21 @ CC Op. Margin	FY20 Op. Margin	FY21 EBIT ex MI @ CC	FY20 EBIT ex MI	Ex MI CC Variance	FY21 ex MI @ CC Op. Margin	FY20 ex MI Op. Margin
Issuer Services	270.9	258.5	4.8%	27.8%	28.9%	227.1	179.8	26.3%	24.4%	22.0%
Mortgage Services & Property Rental Services	9.8	70.4	-86.1%	1.6%	10.6%	-18.0	17.3	-204.0%	-3.1%	2.8%
Employee Share Plans & Voucher Services	81.1	62.1	30.6%	25.3%	20.4%	77.1	50.8	51.8%	24.4%	17.3%
Business Services	49.2	87.3	-43.6%	23.7%	35.8%	20.4	31.1	-34.4%	11.5%	16.6%
Communication Services & Utilities	25.1	27.4	-8.4%	15.8%	16.3%	25.1	27.4	-8.4%	15.8%	16.3%
Corporate & Technology	4.7	-7.7	161.0%	n/a	n/a	4.7	-7.7	161.0%	n/a	n/a
<b>Total Group</b>	<b>440.7</b>	<b>498.0</b>	<b>-11.5%</b>	<b>19.5%</b>	<b>21.8%</b>	<b>336.4</b>	<b>298.7</b>	<b>12.6%</b>	<b>15.6%</b>	<b>14.3%</b>

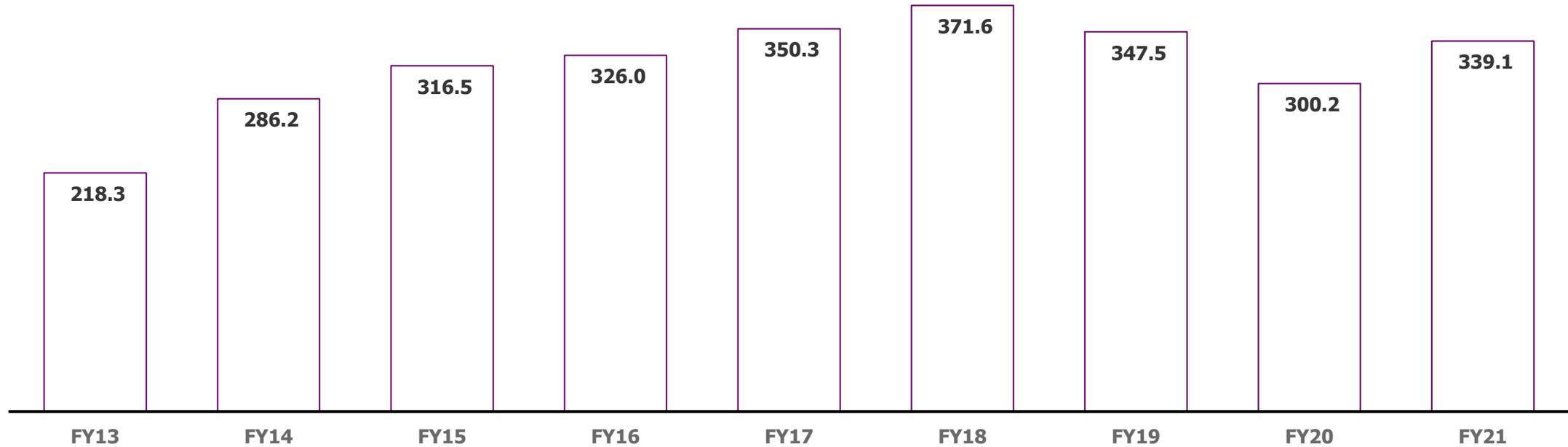
# Revenue, EBITDA and EBIT by business stream at actual FX rates

	FY21					FY20				
	REV	EBITDA	EBITDA MARGIN %	EBIT	EBIT Margin %	REV	EBITDA	EBITDA MARGIN %	EBIT	EBIT Margin %
Issuer Services	999.3	279.3	28.0%	276.2	27.6%	894.7	260.5	29.1%	258.5	28.9%
Mortgage Services & Property Rental Services	609.0	114.8	18.9%	10.0	1.6%	665.1	141.2	21.2%	70.4	10.6%
Employee Share Plans & Voucher Services	333.0	87.6	26.3%	82.1	24.6%	304.6	65.7	21.6%	62.1	20.4%
Business Services	210.2	52.9	25.2%	51.1	24.3%	243.6	88.2	36.2%	87.3	35.8%
Communication Services & Utilities	169.7	30.8	18.1%	26.0	15.3%	168.8	30.8	18.3%	27.4	16.3%
Corporate & Technology	1.7	62.8	n/a	0.7	44.3%	4.2	60.0	n/a	-7.7	n/a
<b>Total Group</b>	<b>2,322.8</b>	<b>628.2</b>	<b>27.0%</b>	<b>446.1</b>	<b>19.2%</b>	<b>2,281.2</b>	<b>646.4</b>	<b>28.3%</b>	<b>498.0</b>	<b>21.8%</b>

# Management revenue and EBITDA at actual FX rates



# Management EBIT excluding the impact of Margin Income and FX movements increased by 13.0% in FY21 versus pcp



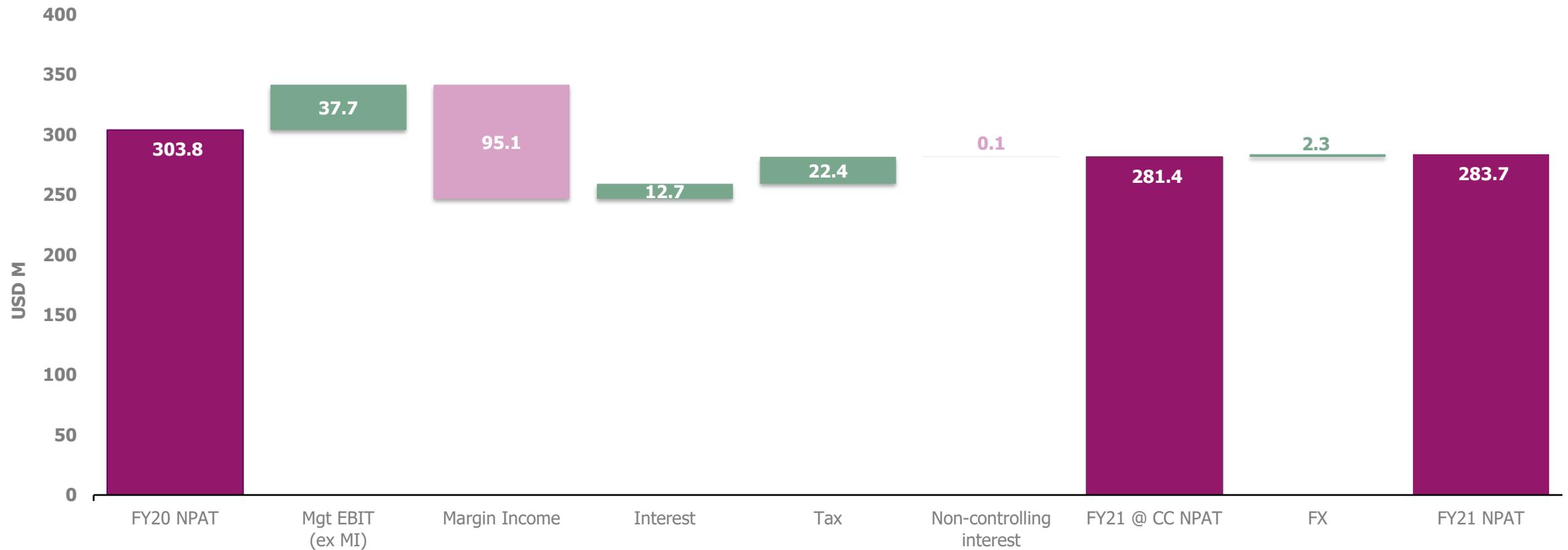
# Operating cost analysis

## 6.5% BAU operating expense reduction

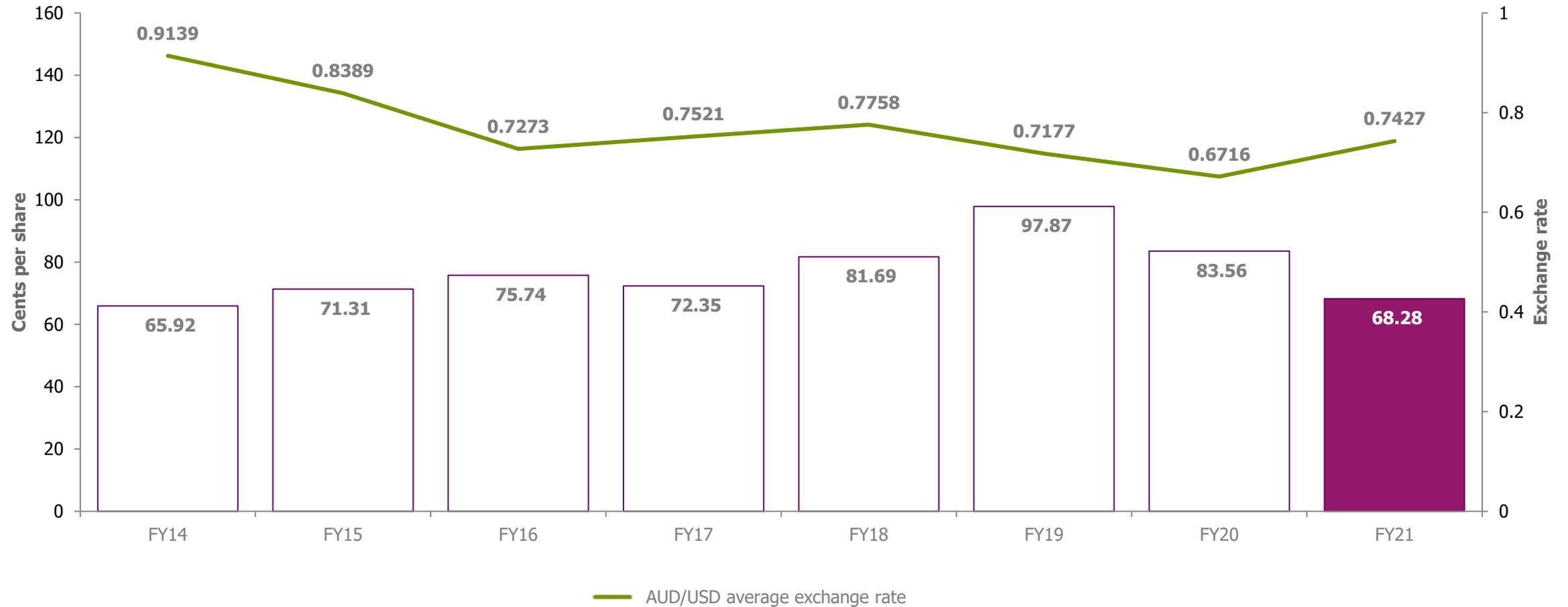
	FY21 @ CC	FY20	CC Variance	FY21
<b>Cost of Sales</b>	<b>\$410.4</b>	<b>\$371.8</b>	<b>+10.4%</b>	<b>\$422.4</b>
Personnel	\$1004.4	\$1,004.3	+0.0%	\$1,036.6
<i>Fixed/Perm</i>	<i>\$970.4</i>	<i>\$956.2</i>	<i>+1.5%</i>	<i>\$1,001.5</i>
<i>Variable/Temp</i>	<i>\$34.1</i>	<i>\$48.1</i>	<i>-29.1%</i>	<i>\$35.1</i>
Occupancy	\$29.9	\$32.7	-8.6%	\$31.3
Other Direct	\$110.6	\$118.3	-6.5%	\$114.4
Computer/External Technology	\$87.3	\$107.9	-19.1%	\$90.3
<b>Total Operating Expenses</b>	<b>\$1,232.2</b>	<b>\$1,263.3</b>	<b>-2.5%</b>	<b>\$1,272.5</b>
<b>Total Operating Costs</b>	<b>\$1,642.6</b>	<b>\$1,635.1</b>	<b>+0.5%</b>	<b>\$1,695.0</b>

Notes: Refer to slide 45 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. Acquisitions: Corporate Creations (February 20) and Verbatim (July 20).

# FY21 Management NPAT analysis

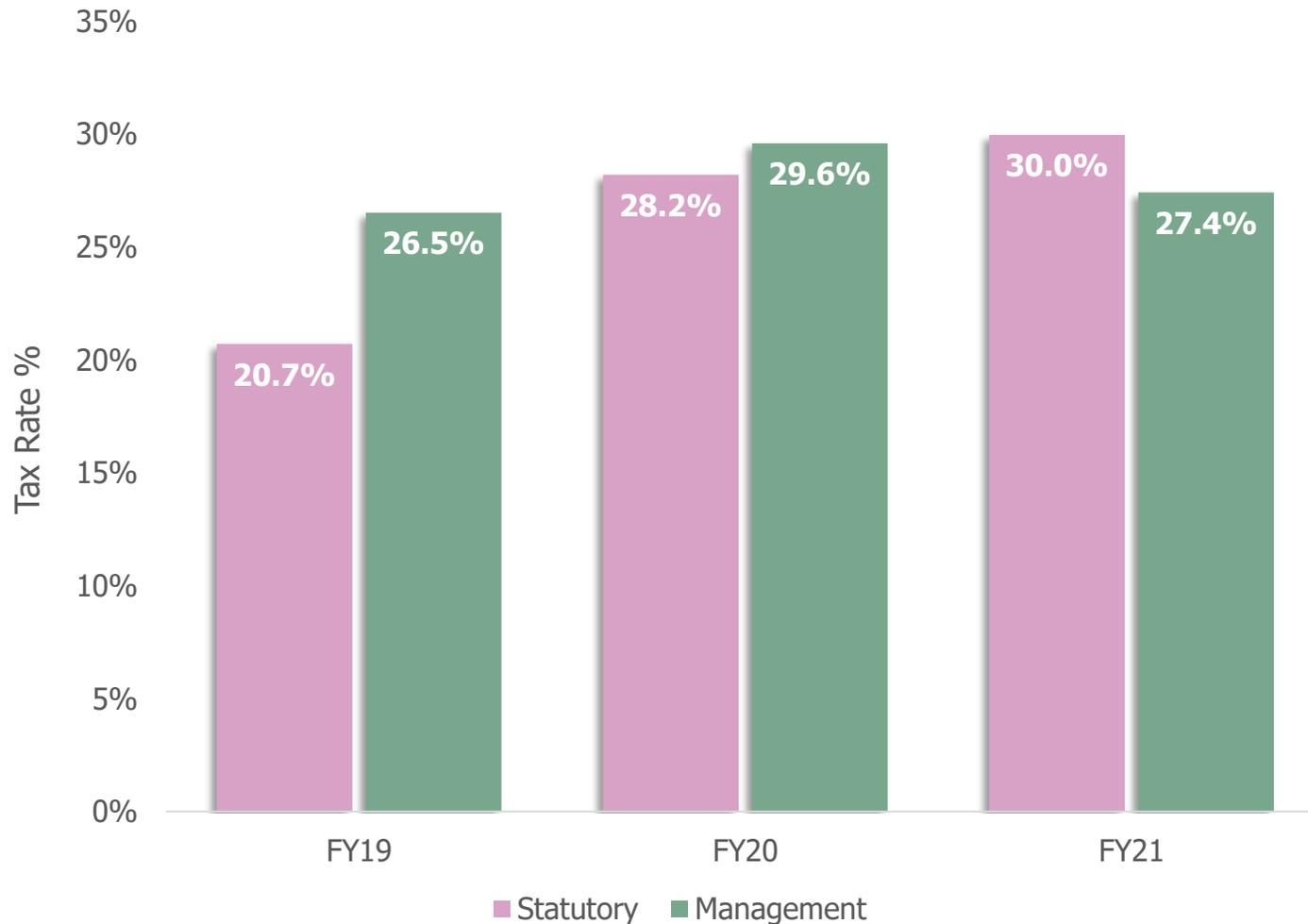


# Management EPS – AUD Equivalent



# Effective tax rate

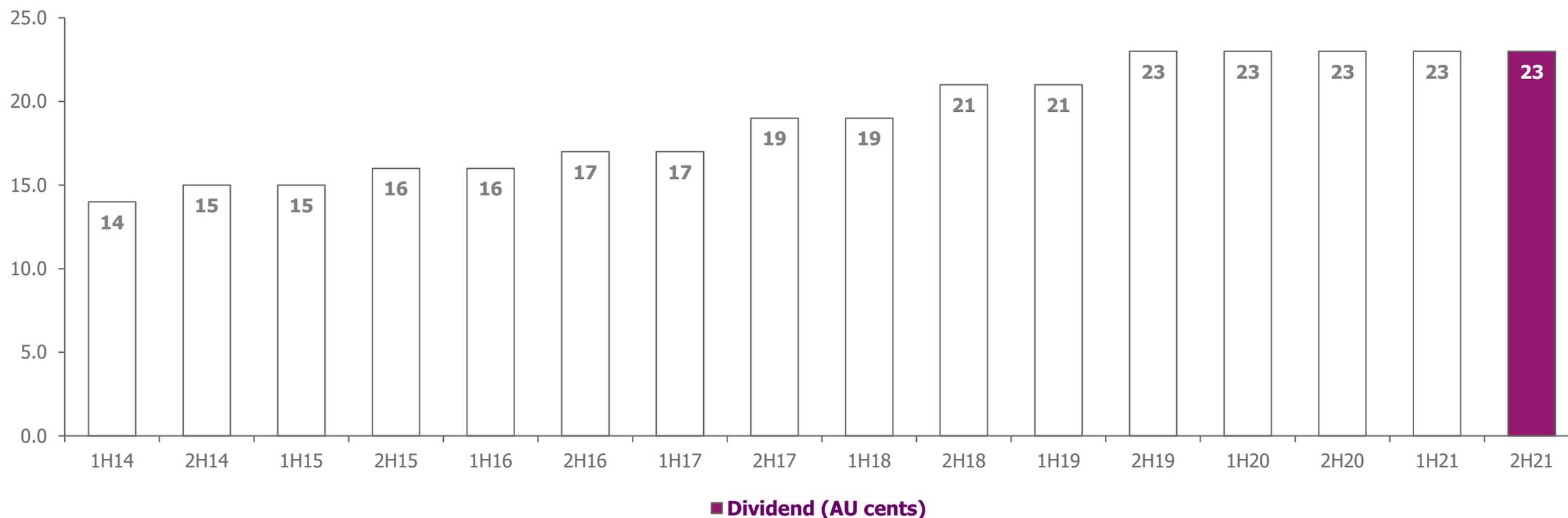
## Statutory and management (at actual FX rates)



- > The Group's statutory effective tax rate has increased from 28.2% in FY20 to 30.0% in FY21
- > The Group's management effective tax rate has decreased from 29.6% in FY20 to 27.4% in FY21. This is primarily due to lower US Base Erosion and Anti-abuse Tax (BEAT) and favourable profit mix with proportionately more profits arising in countries with lower tax rates.

# Dividend history and franking

2H21 payout ratio of 59.1% and FY21 of 67.4%



Franking (%)															
1H14	2H14	1H15	2H15	1H16	2H16	1H17	2H17	1H18	2H18	1H19	2H19	1H20	2H20	1H21	2H21
20%	20%	20%	25%	100%	20%	30%	0%	0%	100%	30%	30%	30%	30%	100%	60%

# Cash flow summary at actual FX rates

Free cash flows, \$260.1m, down 48.6%

	FY21 Actual	FY20 Actual
Net operating receipts and payments	\$543.6	\$688.1
Net interest and dividends	(\$75.3)	(\$50.4)
Income taxes paid	(\$92.9)	(\$43.3)
Net operating cash flows <b>excluding</b> SLS advances	\$375.4	\$594.4
Cash outlay on business capital expenditure	(\$16.3)	(\$24.0)
Net cash outlay on MSR purchases – Maintenance <sup>1</sup>	(\$99.0)	(\$64.5)
Free cash flow <b>excluding</b> SLS advances	<b>\$260.1</b>	<b>\$505.9</b>
SLS advance funding requirements <sup>2</sup>	(\$27.5)	(\$29.3)
Cash flow post SLS advance funding <sup>2</sup>	\$232.6	\$476.6
<b>Investing cash flows</b>		
Net cash outlay on MSR purchases – Investments <sup>1</sup>	(\$24.6)	(\$120.5)
Acquisitions (net of cash acquired)	(\$21.8)	(\$159.1)
Disposal of Euroclear Holding SA/NV	\$12.1	-
Other	\$2.3	\$4.2
	(\$32.0)	(\$275.4)
Net operating and investing cash flows	\$200.6	\$201.2

<sup>1</sup> Maintenance MSR capex assumed to be equivalent to the amortisation charge for the period. FY21 reflects a change in the amortisation period for interest rate-sensitive MSRs from 9 to 8 years for US Mortgage Services.

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

# Balance sheet

Leverage ratio below target range 1.75x – 2.25x due to rights issue

	Jun-21	Jun-20	Variance
Current Assets	\$1,718.7	\$1,432.0	+20.0%
Non Current Assets	\$3,533.2	\$3,557.8	-0.7%
<b>Total Assets</b>	<b>\$5,251.9</b>	<b>\$4,989.7</b>	<b>+5.3%</b>
Current Liabilities	\$995.7	\$1,024.6	-2.8%
Non Current Liabilities	\$1,976.6	\$2,374.8	-16.8%
<b>Total Liabilities</b>	<b>\$2,972.3</b>	<b>\$3,399.4</b>	<b>-12.6%</b>
<b>Total Equity</b>	<b>\$2,279.6</b>	<b>\$1,590.3</b>	<b>+43.3%</b>
<b>Net debt <sup>1</sup></b>	<b>\$673.7</b>	<b>\$1,244.9</b>	<b>-45.9%</b>
<b>Net debt to EBITDA ratio <sup>1</sup></b>	<b>1.07</b>	<b>1.93</b>	<b>-0.86 times</b>
<b>ROE <sup>2</sup></b>	<b>16.0%</b>	<b>19.5%</b>	<b>-350bps</b>
<b>ROIC <sup>3</sup></b>	<b>10.7%</b>	<b>12.2%</b>	<b>-150bps</b>

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

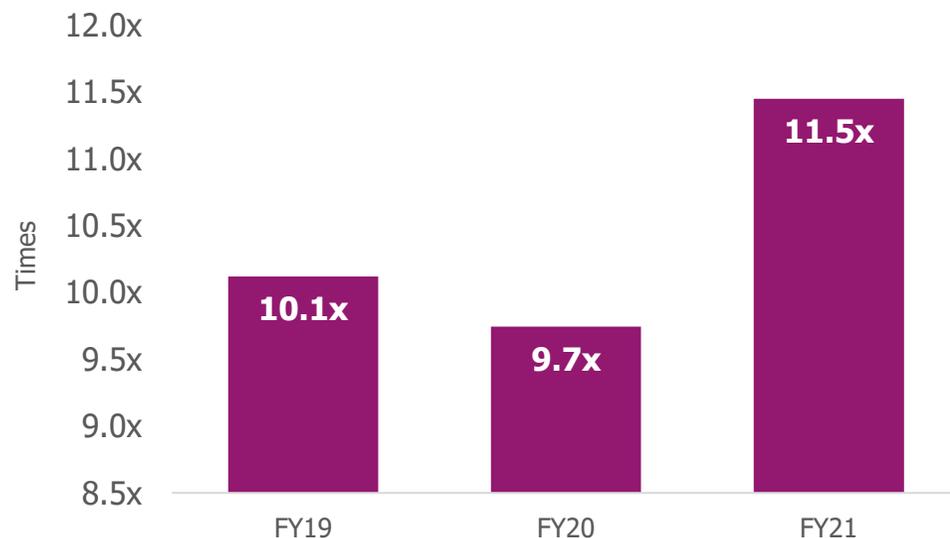
<sup>2</sup> Return on equity (ROE) = rolling 12 month Mgt NPAT/rolling 12 mth avg Total Equity.

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

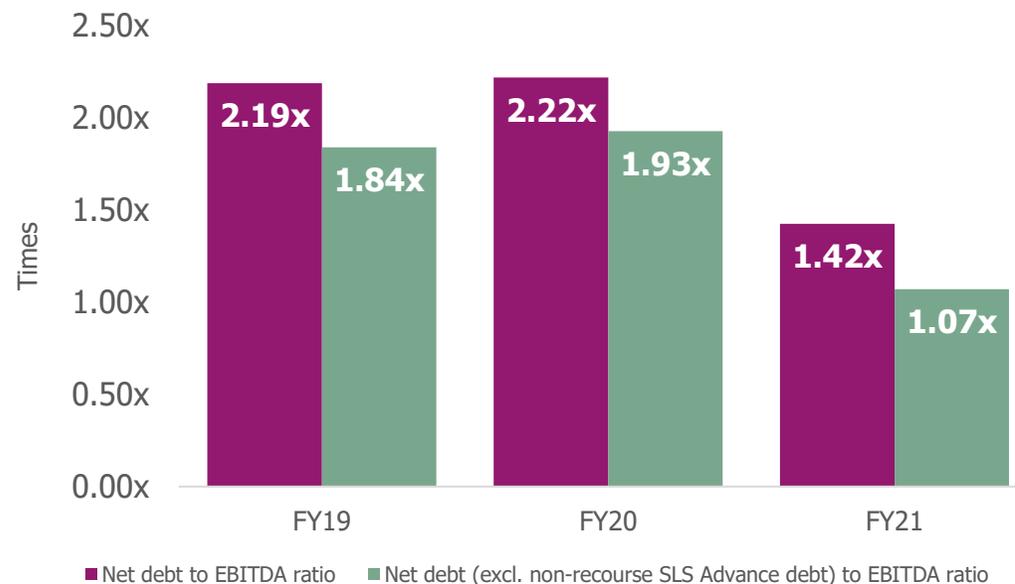
# Key financial ratios

	Jun-21 USD m	Jun-20 USD m	Variance
Interest Bearing Liabilities including SLS advance debt	\$1,710.0	\$2,029.8	-15.8%
Less Cash	(\$816.8)	(\$597.3)	+36.7%
<b>Net Debt including non-recourse SLS advance debt</b>	<b>\$893.2</b>	<b>\$1,432.5</b>	<b>-37.6%</b>
<b>Net debt excluding non-recourse SLS advance debt</b>	<b>\$673.7</b>	<b>\$1,244.9</b>	<b>-45.9%</b>
Management EBITDA	\$628.2	\$646.4	-2.8%
<b>Net Financial Indebtedness to EBITDA</b>	<b>1.42 times</b>	<b>2.22 times</b>	<b>Down 0.79 times</b>
<b>Net Financial Indebtedness to EBITDA<sup>1</sup></b>	<b>1.07 times</b>	<b>1.93 times</b>	<b>Down 0.86 times</b>

### EBITDA Interest Coverage

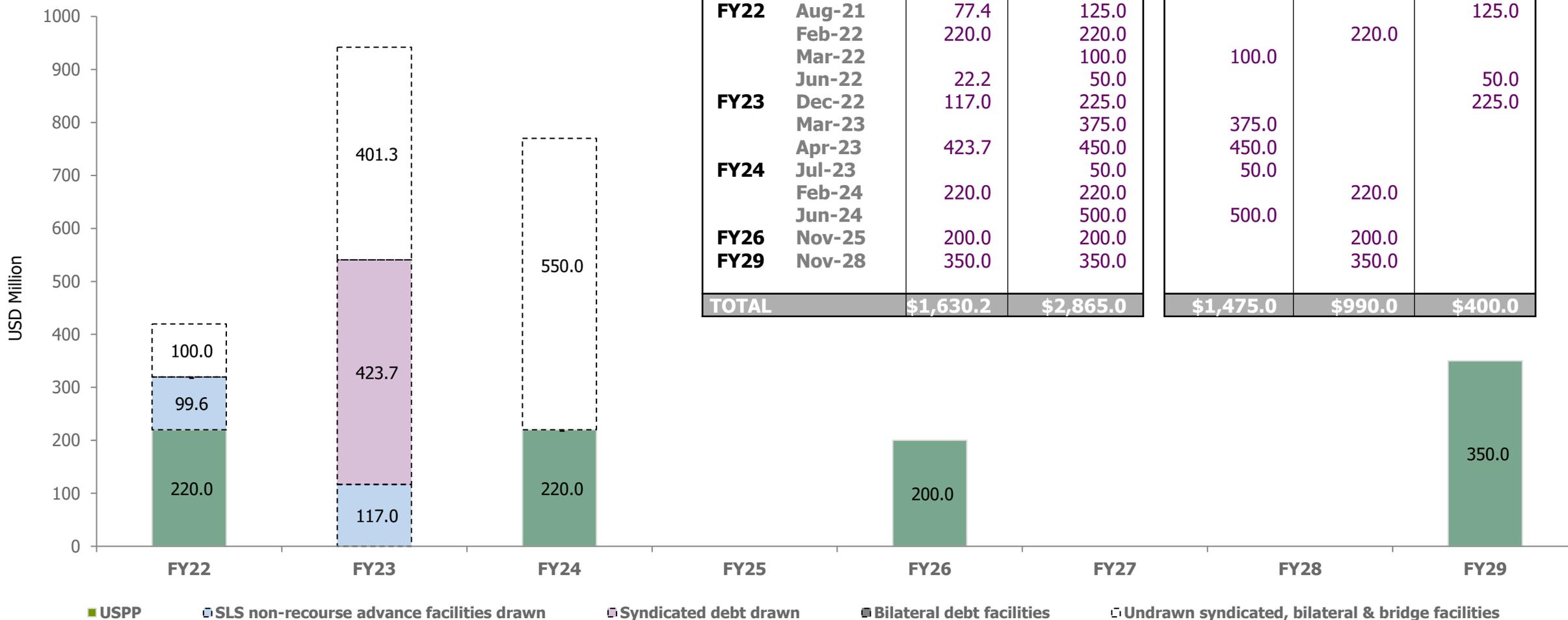


### Net Financial Indebtedness to EBITDA



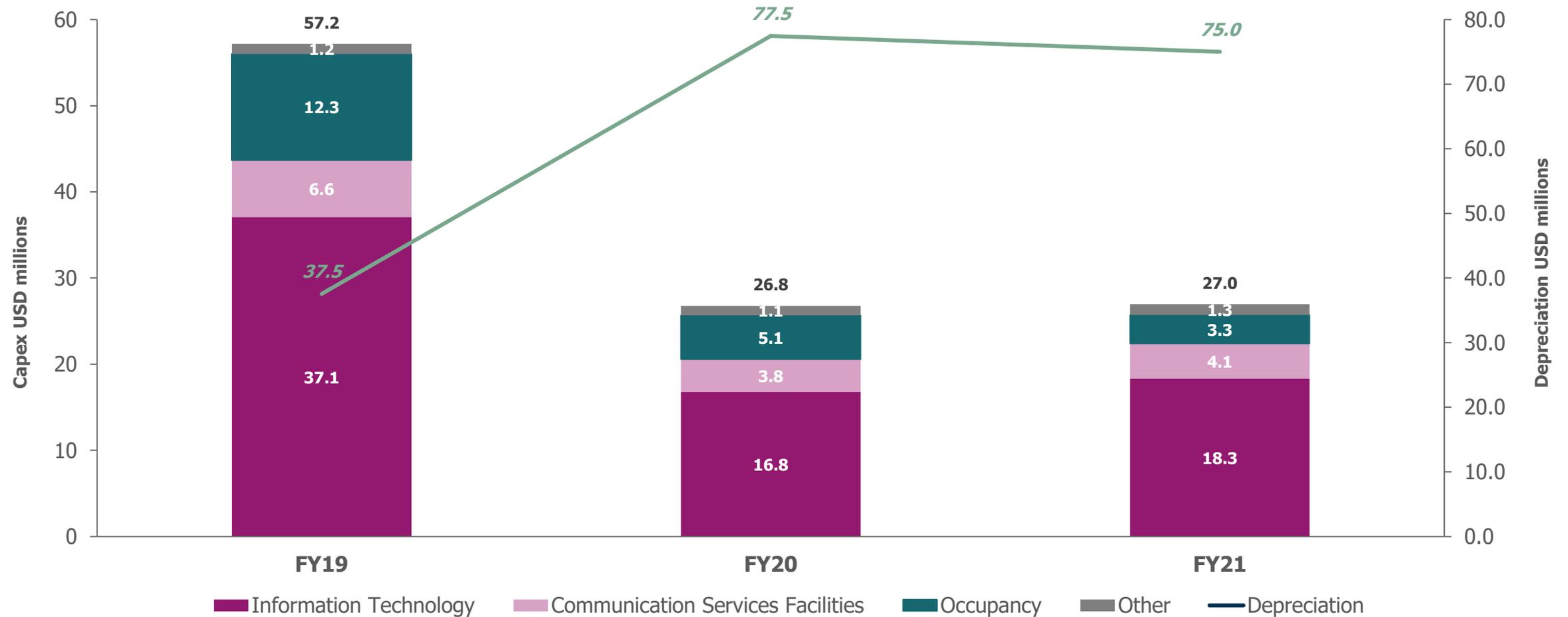
<sup>1</sup> Excludes non-recourse SLS advance debt

# Debt maturity profile

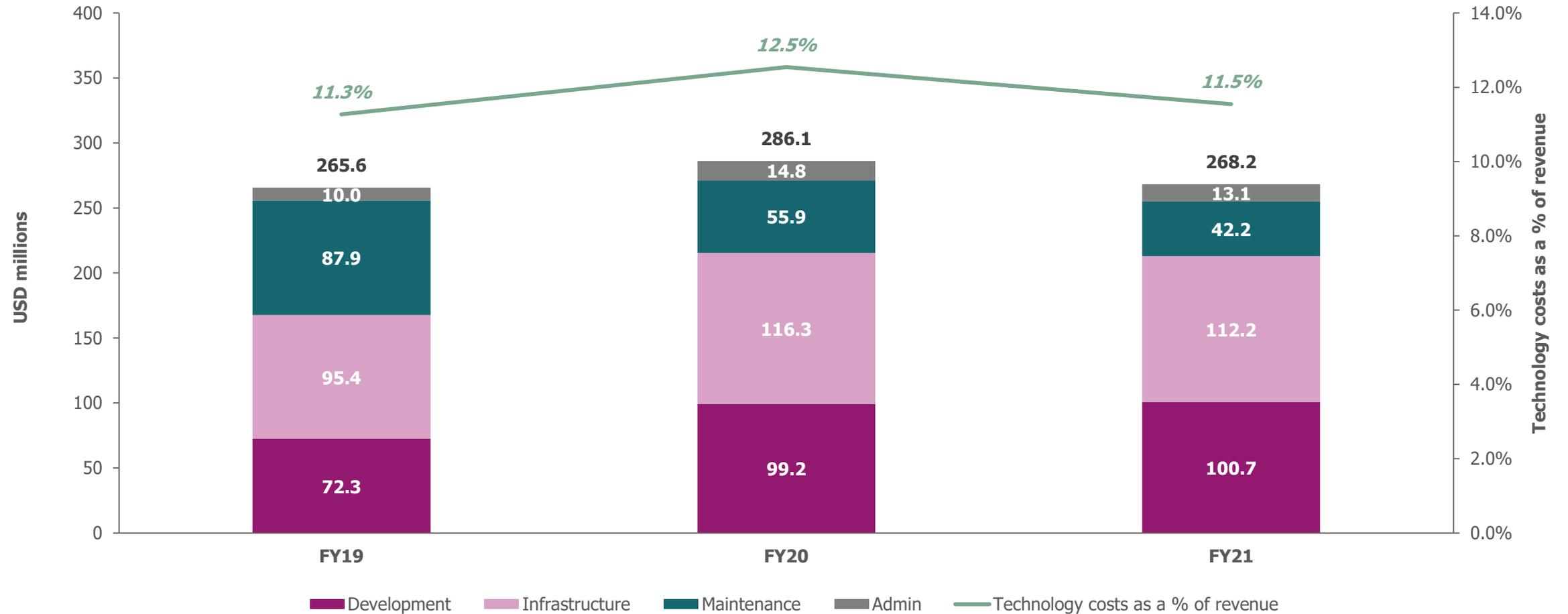


Note: Average debt facility maturity is 2.7 years as at 30-Jun-21.

# Capital expenditure versus depreciation at actual FX rates



# Technology costs at actual FX rates



# Financial performance by half year at actual FX rates

	2H21	1H21	2H20	1H20	2H19	1H19	2H18	1H18	2H17	1H17	2H16	1H16	2H15	1H15
Total Management Revenue	\$1,220.3	\$1,102.5	\$1,156.9	\$1,124.3	\$1,228.7	\$1,127.8	\$1,173.1	\$1,127.8	\$1,110.8	\$1,003.2	\$1,035.5	\$938.7	\$1,016.5	\$959.5
Operating Costs	\$869.9	\$825.1	\$847.3	\$787.8	\$885.2	\$795.4	\$843.4	\$835.2	\$811.6	\$762.3	\$744.5	\$695.7	\$720.7	\$699.0
<b>Management EBITDA</b>	<b>\$350.5</b>	<b>\$277.7</b>	<b>\$309.8</b>	<b>\$336.6</b>	<b>\$343.5</b>	<b>\$331.4</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>
EBITDA Margin %	28.7%	25.2%	26.8%	29.9%	28.0%	29.4%	28.1%	26.0%	27.0%	24.1%	28.0%	25.8%	29.0%	27.0%
<b>Management Profit Before Tax</b>	<b>\$228.0</b>	<b>\$163.1</b>	<b>\$202.0</b>	<b>\$229.7</b>	<b>\$264.6</b>	<b>\$258.8</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>Management NPAT</b>	<b>\$165.9</b>	<b>\$117.9</b>	<b>\$146.8</b>	<b>\$157.0</b>	<b>\$191.5</b>	<b>\$189.9</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>Management EPS (US cents)</b>	<b>28.92</b>	<b>21.79</b>	<b>27.16</b>	<b>28.96</b>	<b>35.27</b>	<b>34.97</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>Management EPS (AU cents)</b>	<b>37.83</b>	<b>30.44</b>	<b>41.21</b>	<b>42.35</b>	<b>49.84</b>	<b>48.03</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>Statutory EPS (US cents)</b>	<b>20.36</b>	<b>13.41</b>	<b>19.97</b>	<b>23.00</b>	<b>28.80</b>	<b>47.77</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>Net operating cash flows<sup>^</sup></b>	<b>\$251.3</b>	<b>\$124.1</b>	<b>\$344.1</b>	<b>\$250.3</b>	<b>\$235.0</b>	<b>\$176.6</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>Days Sales Outstanding</b>	<b>53</b>	<b>57</b>	<b>58</b>	<b>61</b>	<b>60</b>	<b>65</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>Dividend (AU cents)</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>21</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>Franking (%)</b>	<b>60%</b>	<b>100%</b>	<b>30%</b>	<b>30%</b>	<b>30%</b>	<b>30%</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>Net debt to EBITDA*</b>	<b>1.07</b>	<b>2.24</b>	<b>1.93</b>	<b>1.97</b>	<b>1.84</b>	<b>1.88</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>

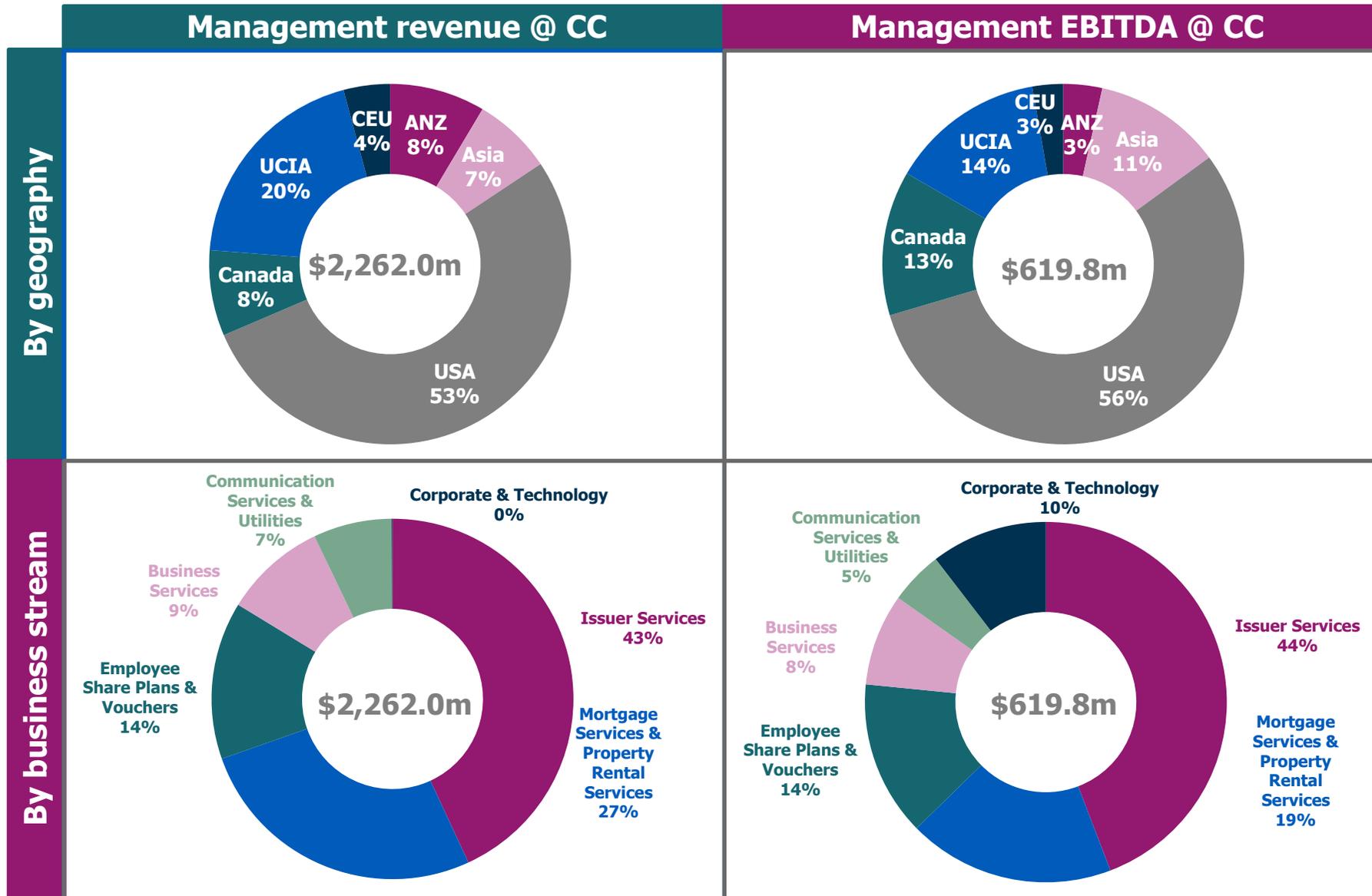
<sup>^</sup> Excluding SLS advances

\* Ratio excluding non-recourse SLS Advance debt and lease liabilities (the latter effective from 1H20)

**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), Equatex Group Holding AG (9<sup>th</sup> Nov 18), LenderLive Financial Services, LLC (31<sup>st</sup> Dec 18), Corporate Creations (28<sup>th</sup> February 20), Verbatim LLC (1<sup>st</sup> July 20).

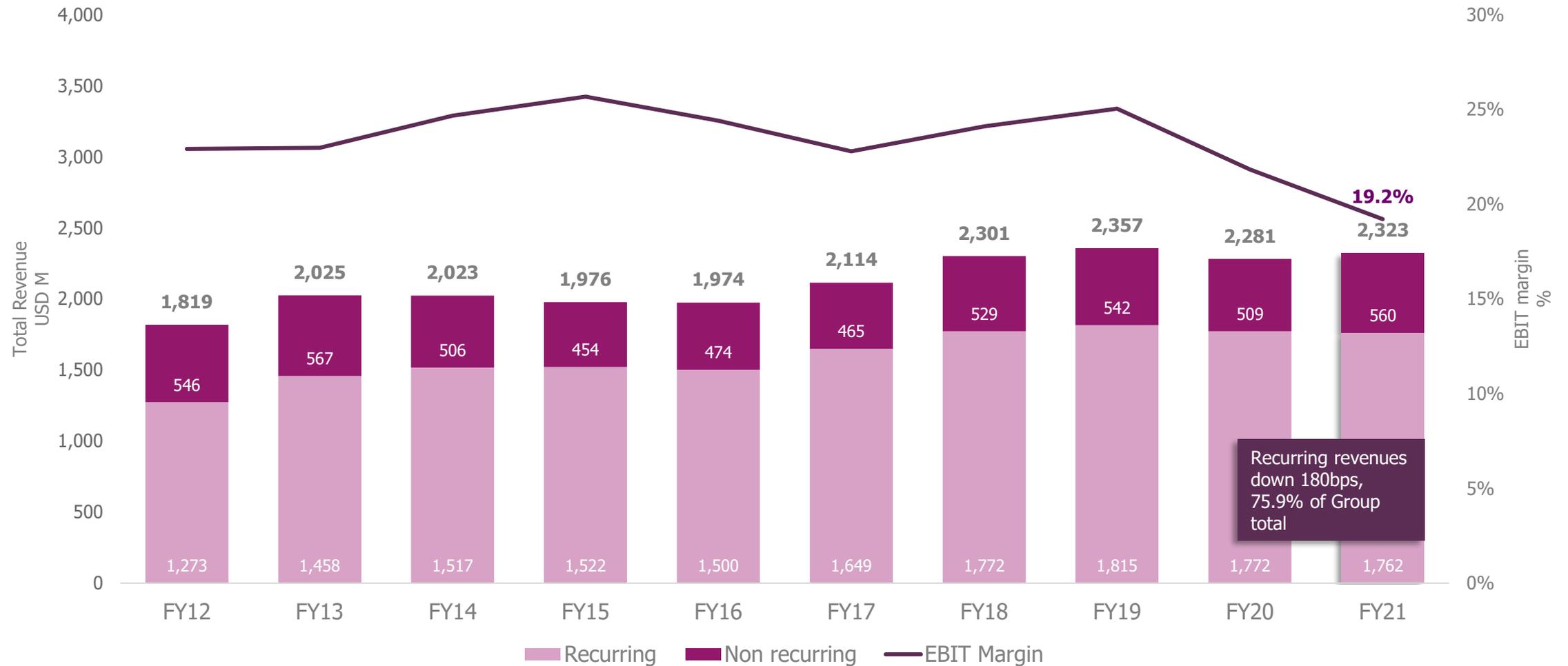
**Notable divestments:** Highland Insurance (27<sup>th</sup> Jun 14), Pepper (30<sup>th</sup> Jun 14), ConnectNow (30<sup>th</sup> Jun 15), Closed Joint Stock Company "Computershare Registrar" and Computershare LLC Russia (16<sup>th</sup> Jul 15), VEM Aktienbank AG (31<sup>st</sup> Jul 15), INVeSHARE (16<sup>th</sup> Sep 16), Karvy – 50% interest (17<sup>th</sup> Nov 18)

# FY21 Computershare at a glance

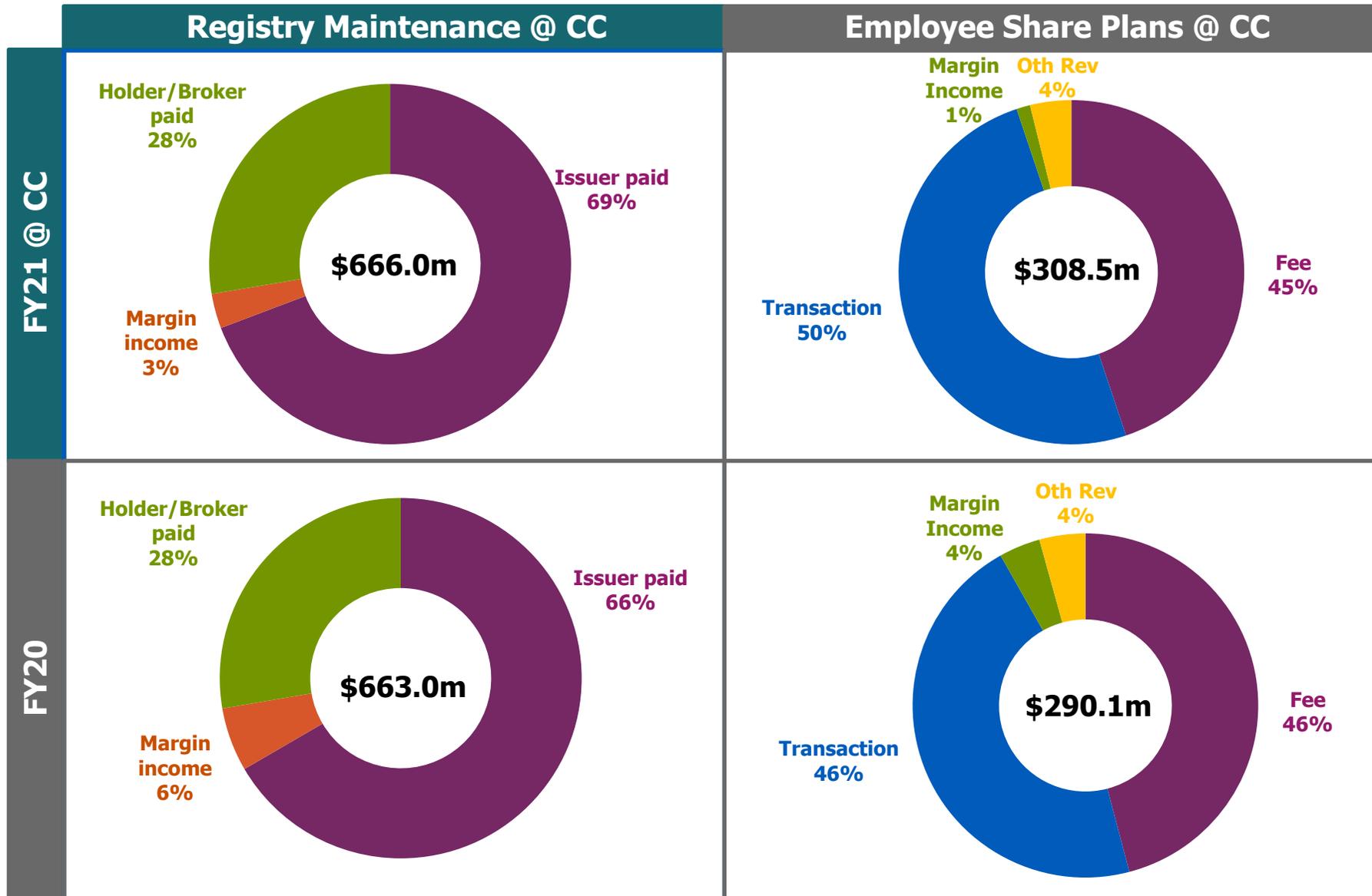


# High quality core industrial drives consistent operating performance

EBIT margin 19.2% - driven by reduction in margin income of \$92m from FY20 to FY21



# Global Register Maintenance and Employee Share Plans revenue

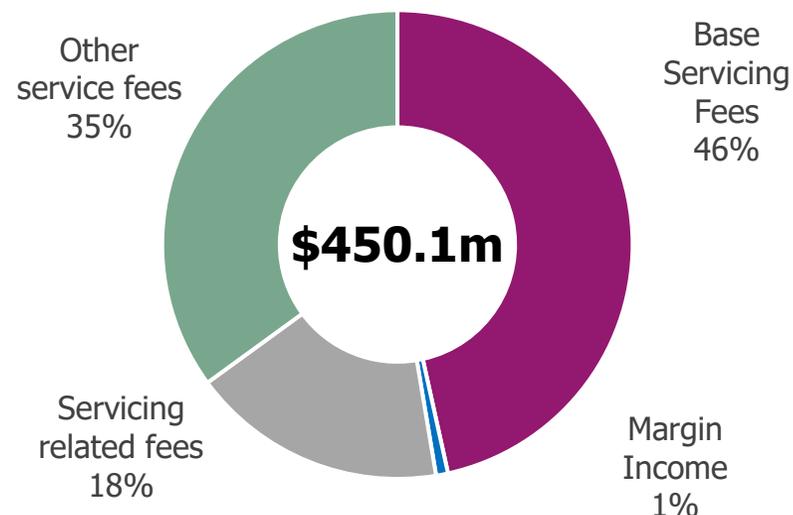


<sup>1</sup> Registry Maintenance: Reclassification of \$0.7m from Register Maintenance to Governance Services in FY20.

<sup>2</sup> Employee Share Plans: Reclassification of \$4.3m from fee revenue to transactional revenue in FY20.

# Financial snapshot – US Mortgage Services

FY21 revenue composition



- Base servicing fees, \$209.5m, -2.2%
- Margin Income \$3.7m, -84.5%
- Servicing related fees \$79.2m, +68.7%
- Other services fees \$157.7m, +2.5%

	Jun-21	Jun-20	Annual Report reference	
Net Loan Servicing Advances	\$119.0	\$88.8	• Note 16 Loan servicing advances • Note 14 Borrowings	▪ <i>Loan servicing advances</i> ▪ <i>SLS non-recourse lending facility</i>
Net MSR intangible asset	\$512.9	\$458.2	• Note 9 Intangible assets • Note 25 Mortgage servicing related liabilities	▪ <i>Mortgage servicing rights</i> ▪ <i>Mortgage servicing related liabilities</i>
Investment in SPVs	\$30.3	\$35.6	• Note 13 Financial assets and liabilities at fair value through profit or loss	▪ <i>Investment in structured entities</i>
Other intangible assets <sup>1</sup>	\$67.5	\$70.2	• Note 9 Intangible assets	▪ <i>Goodwill; Other</i>
<b>Total invested capital</b>	<b>\$729.6</b>	<b>\$652.8</b>		
Net cash payments for MSR purchases	\$123.6	\$185.0	• Cashflow statement	▪ <i>Investing cash flow - Payments for intangible assets including MSRs</i>
MSR amortisation	\$99.0	\$64.5	• Note 3 Expenses	▪ <i>Total Amortisation (net)</i>

<sup>1</sup> Other intangibles are largely goodwill and acquired client lists related to acquisitions.

# US and UK Mortgage Services – UPB and number of loans

US Mortgage Services UPB down 5.7% (\$111.9bn v \$118.5bn)

		Performing		Non-performing		
		At 30 Jun 21	At 30 Jun 20	At 30 Jun 21	At 30 Jun 20	
Mortgage Servicing	U.S.	Fully-Owned MSRs <sup>1</sup>	\$31.3bn 152K Loans	\$31.5bn 131K Loans	\$7.8bn 62K Loans	\$9.2bn 85K Loans
		Part-Owned MSRs <sup>2</sup>	Excess strip deals \$13.1bn 71K Loans	Excess strip deals \$20.2bn 103K Loans	SPV deals \$15.8bn 87K Loans	SPV deals \$19.9bn 104K Loans
		Subservicing <sup>3</sup>	\$35.5bn 212K Loans	\$27.8bn 163K Loans	\$8.4bn 78K Loans	\$10.0bn 110K Loans
	<b>Total US UPB</b>	<b>\$79.9bn</b>	<b>\$79.4bn</b>	<b>\$32.0bn</b>	<b>\$39.1bn</b>	
	U.K.	Fee for Service <sup>3,4</sup>	£40.4bn 286k Loans	£44.5bn 339K Loans	£3.5bn 26K Loans	£4.5bn 33K Loans

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

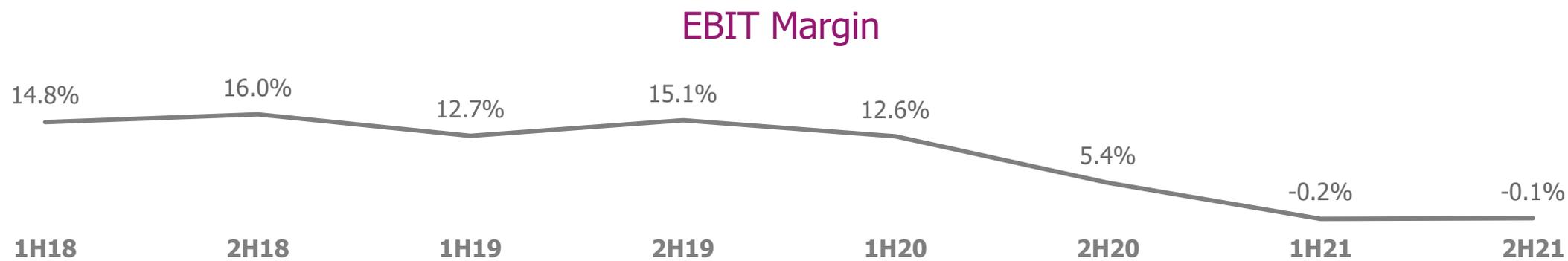
<sup>2</sup> CPU has sold part of the MSR to a third party investor

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

<sup>4</sup> UK includes bureau UPB value, but excludes the number of bureau loans

# Mortgage Services Revenue and EBIT at actual FX rates

	1H18	2H18	1H19	2H19	1H20	2H20	1H21	2H21
US Mortgage Services revenue	\$143.4	\$162.7	\$159.4	\$201.3	\$227.3	\$211.4	\$215.2	\$234.9
UK Mortgage Services revenue	\$122.1	\$132.9	\$128.0	\$127.1	\$101.6	\$95.0	\$68.7	\$63.8
<b>Total Mortgage Services revenue</b>	<b>\$265.4</b>	<b>\$295.6</b>	<b>\$287.4</b>	<b>\$328.5</b>	<b>\$328.9</b>	<b>\$306.5</b>	<b>\$283.9</b>	<b>\$298.7</b>
<b>Total Mortgage Services EBIT</b>	<b>\$39.2</b>	<b>\$47.4</b>	<b>\$36.5</b>	<b>\$49.7</b>	<b>\$41.3</b>	<b>\$16.6</b>	<b>(\$0.6m)</b>	<b>(\$0.3m)</b>
<b>EBIT Margin %</b>	14.8%	16.0%	12.7%	15.1%	12.6%	5.4%	-0.2%	-0.1%



# 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

**Margin Income** - Interest received on mortgagor funds prior to distribution

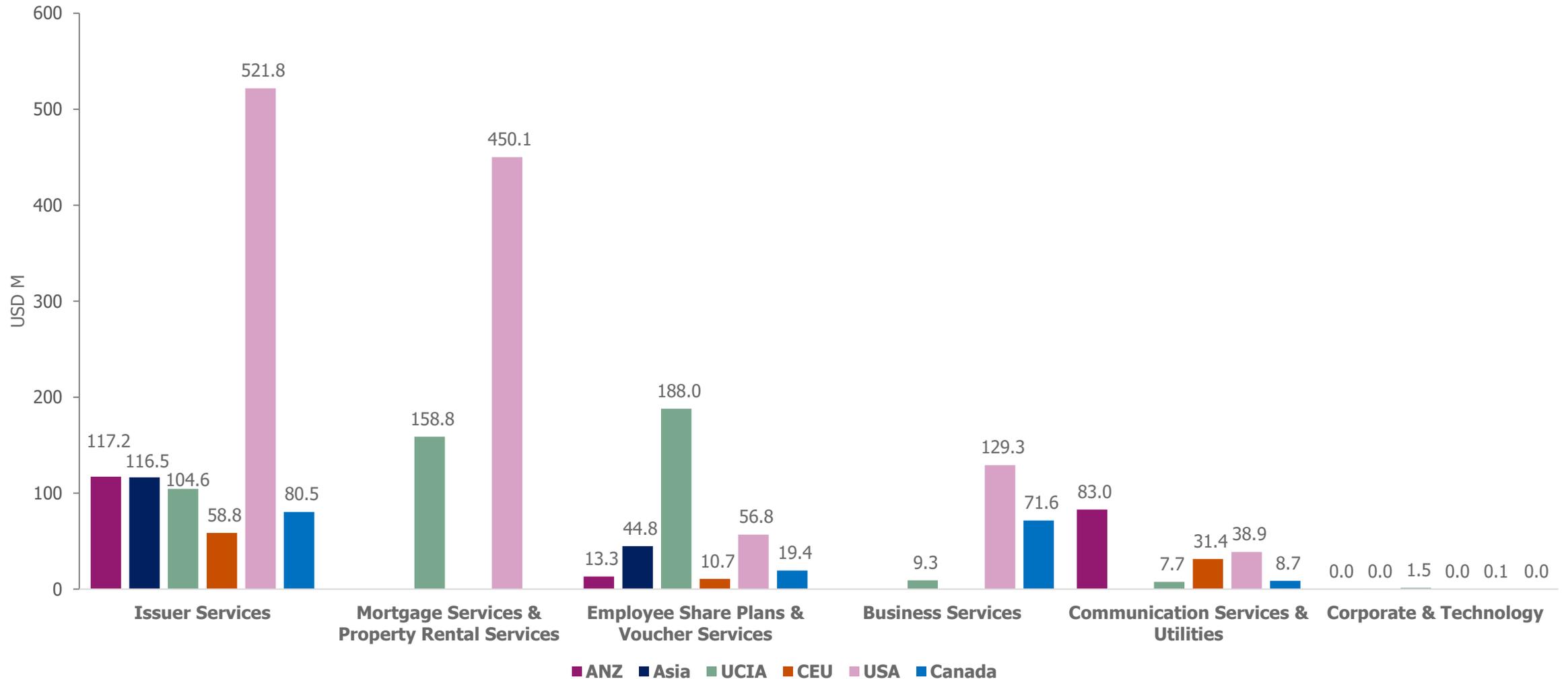
### Servicing related fees – Additional fees received from servicing a loan

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

### Other service fees

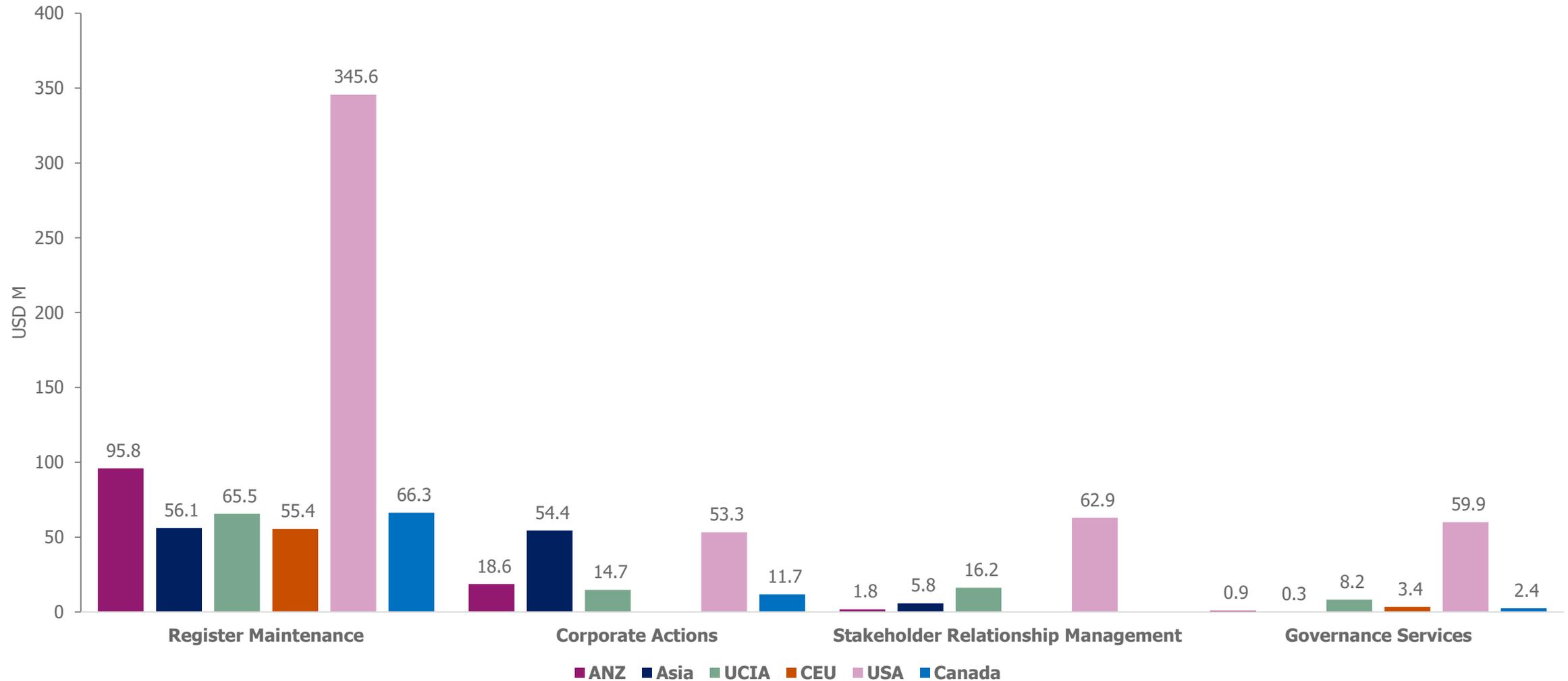
- > Includes valuation, real estate disposition services, loan fulfilment services and CMC Coop Services

# FY21 Management revenue at actual FX rates



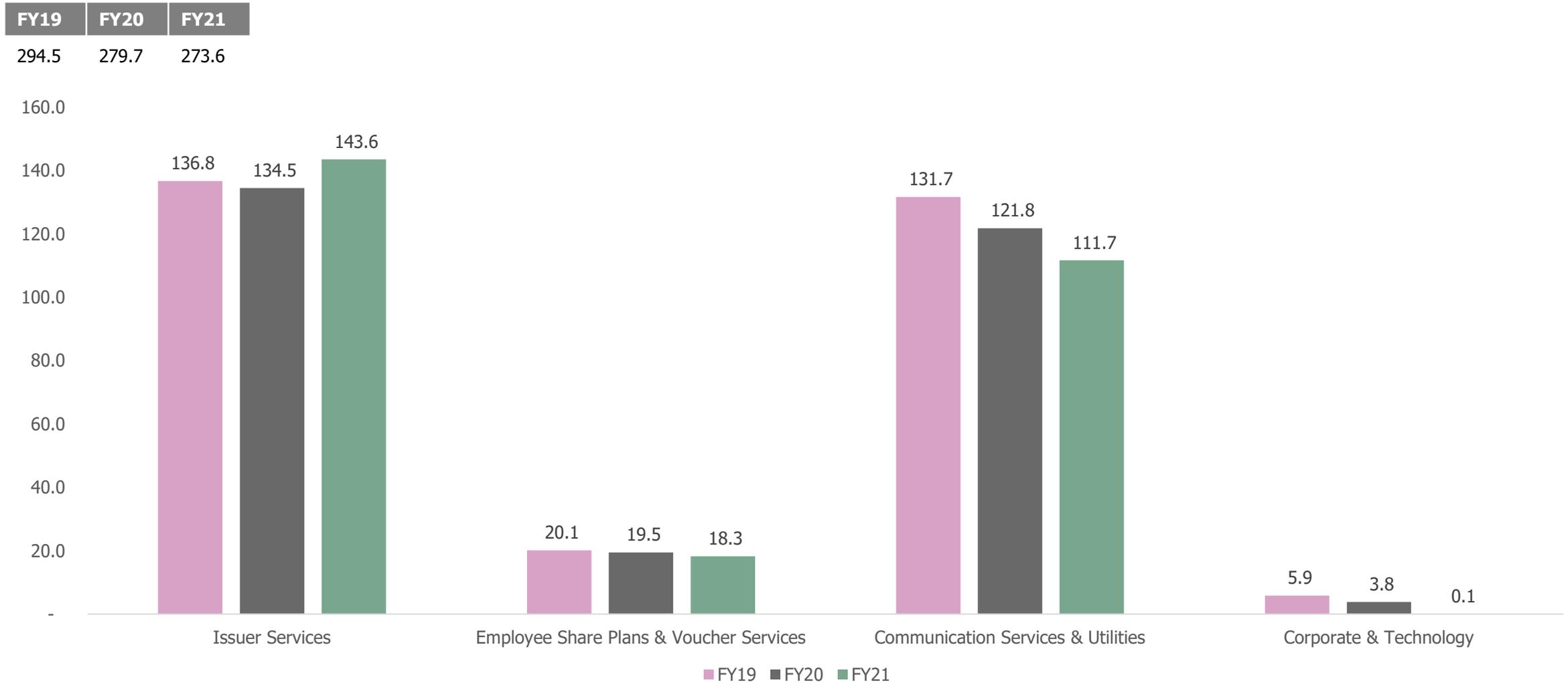
# FY21 Management revenue at actual FX rates

## Issuer Services breakdown



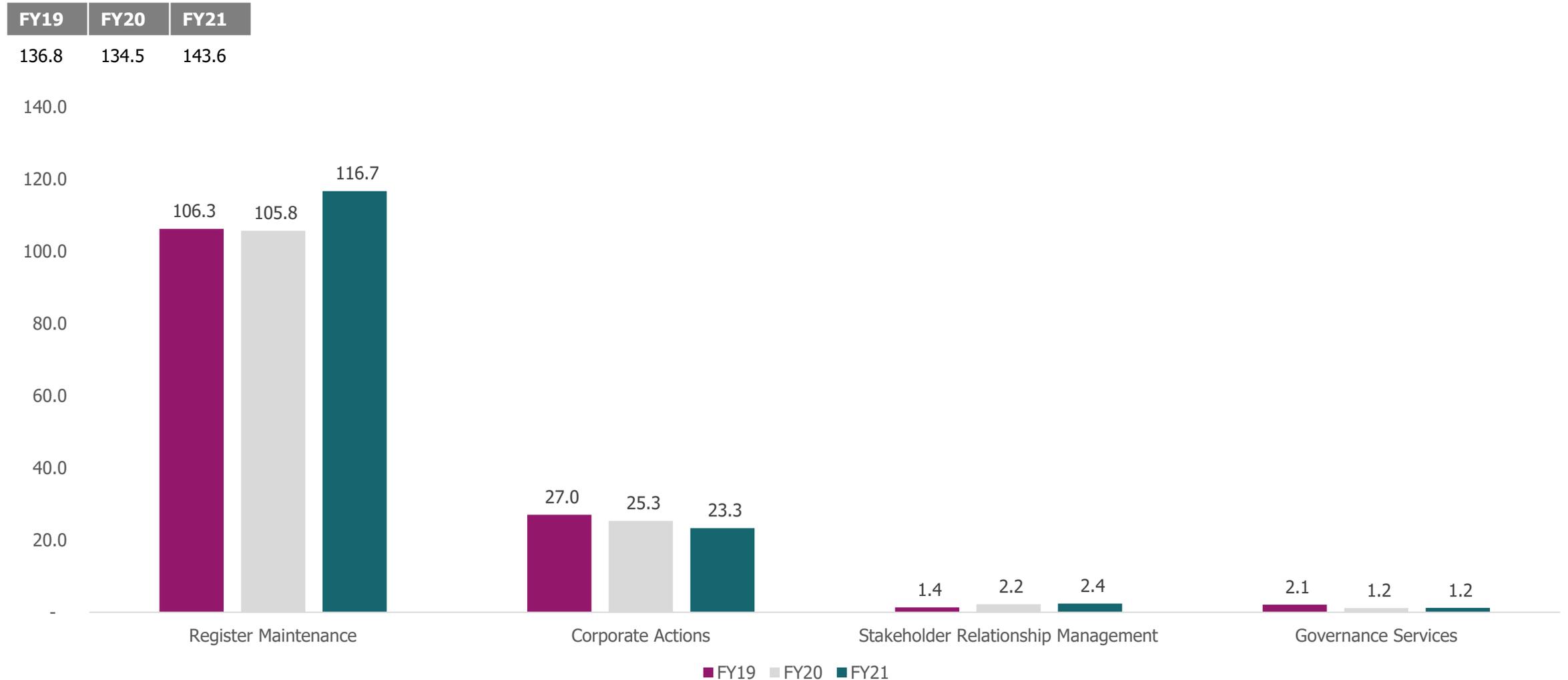
# Australia

## Management revenue: AUD million



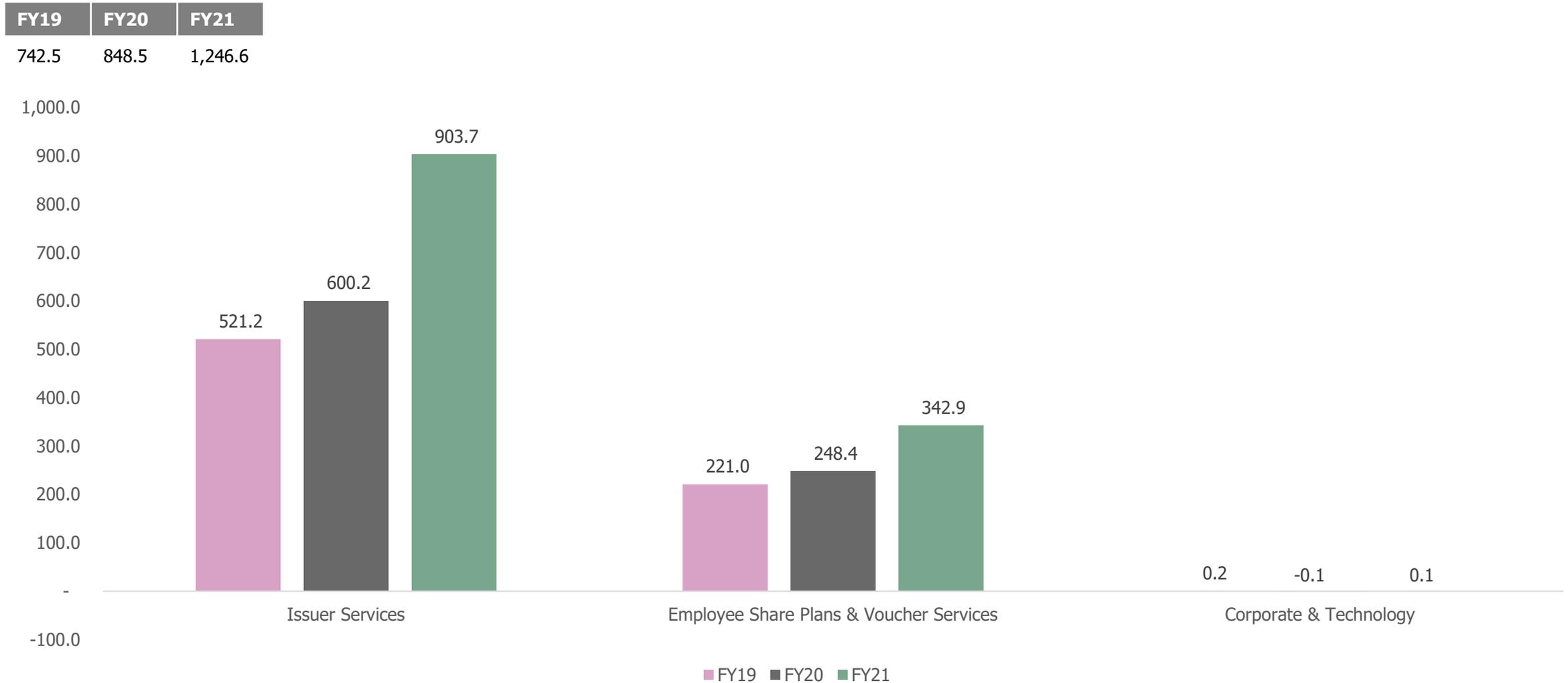
# Australia – Issuer Services

Management revenue: AUD million



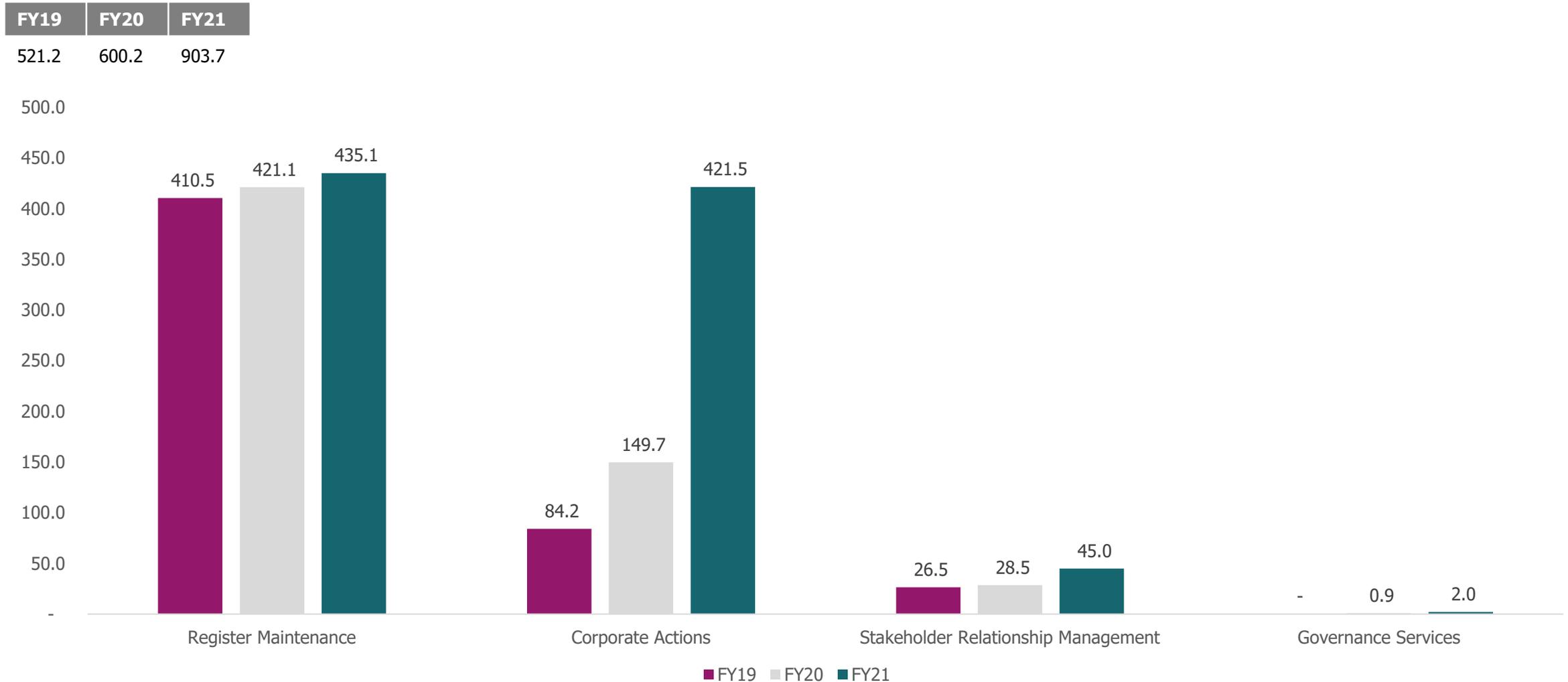
# Hong Kong

## Management revenue: HKD million



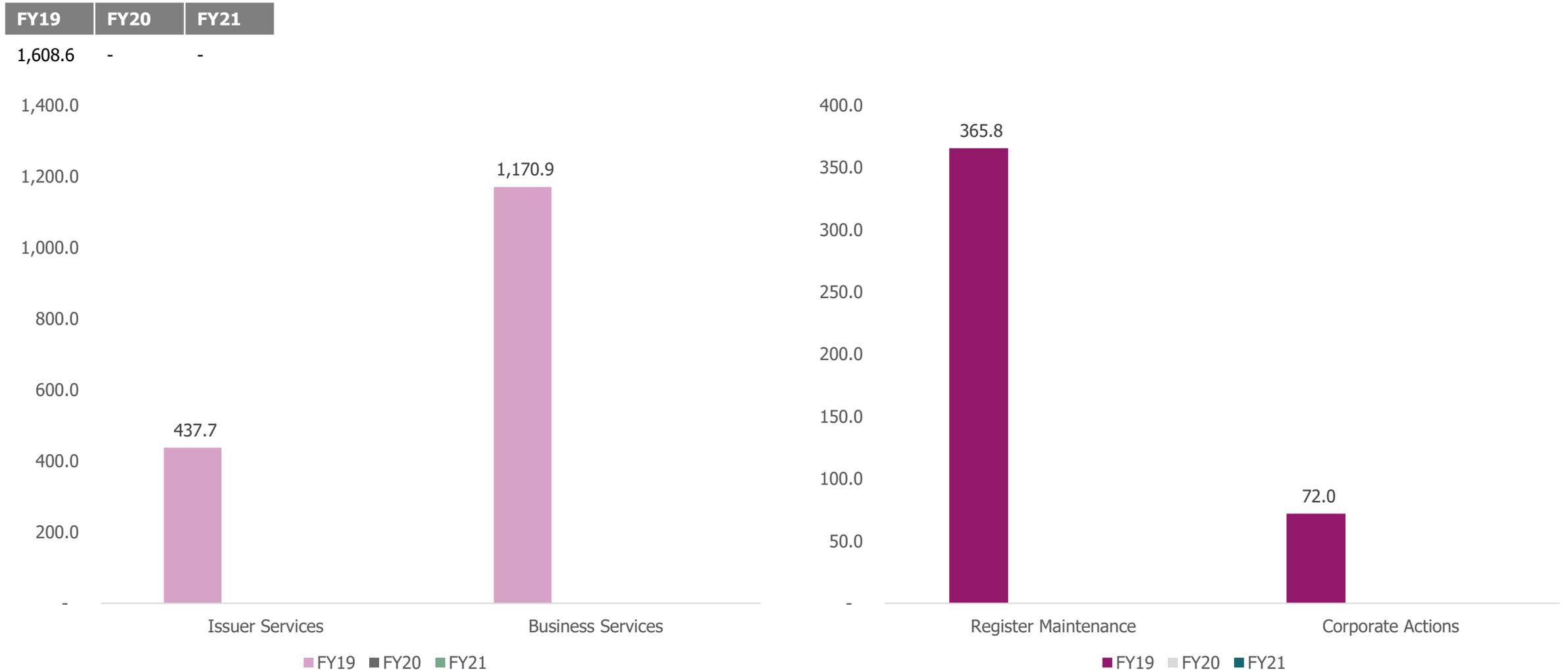
# Hong Kong – Issuer Services

Management revenue: HKD million



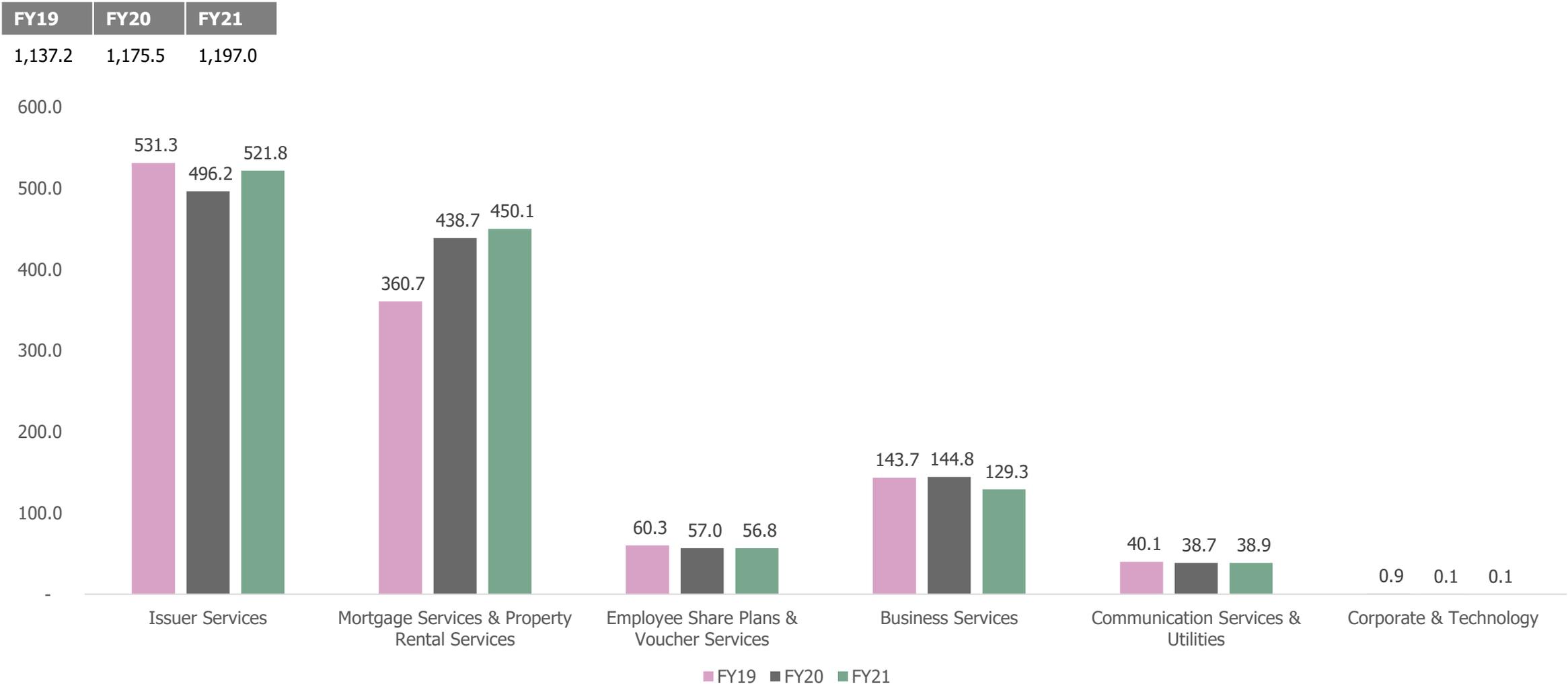
# India (including Issuer Services breakdown)

Management revenue: INR million



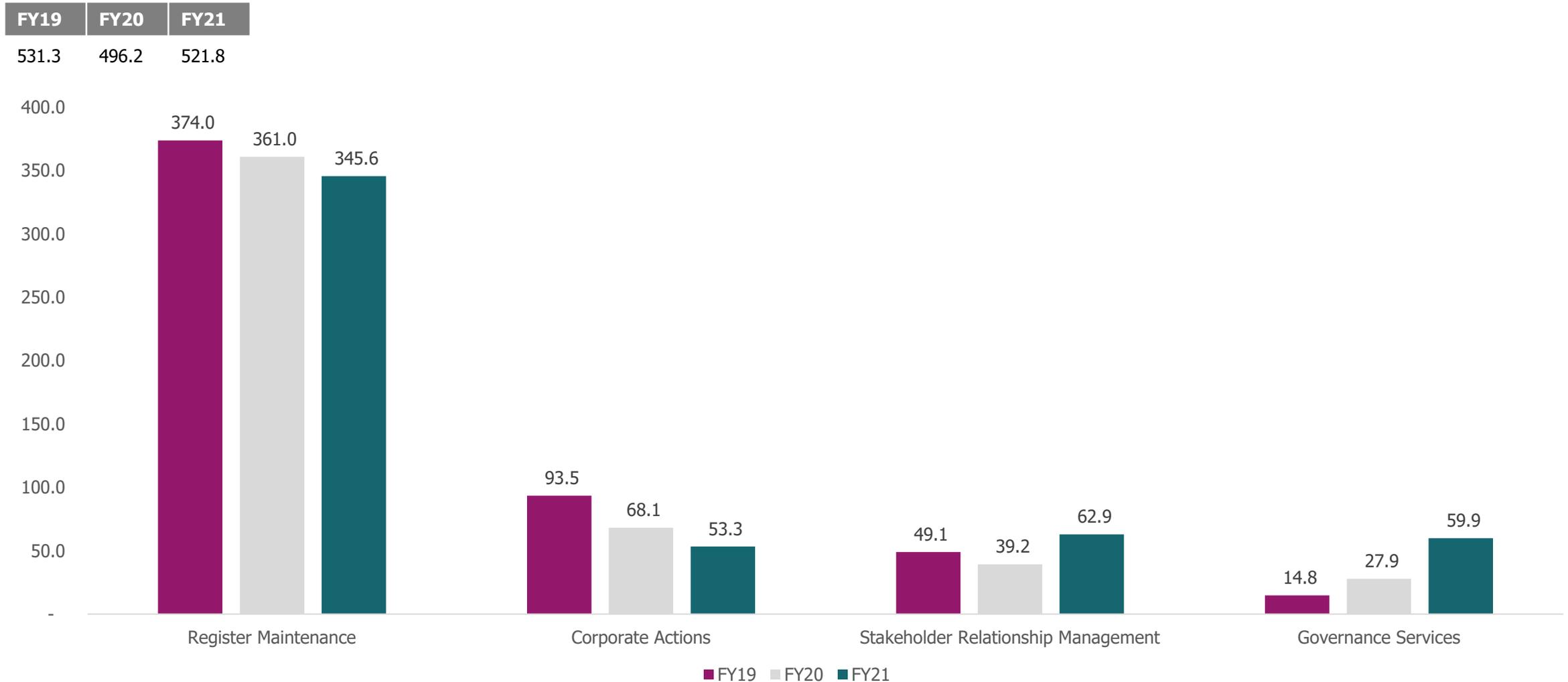
# USA

## Management revenue: USD million



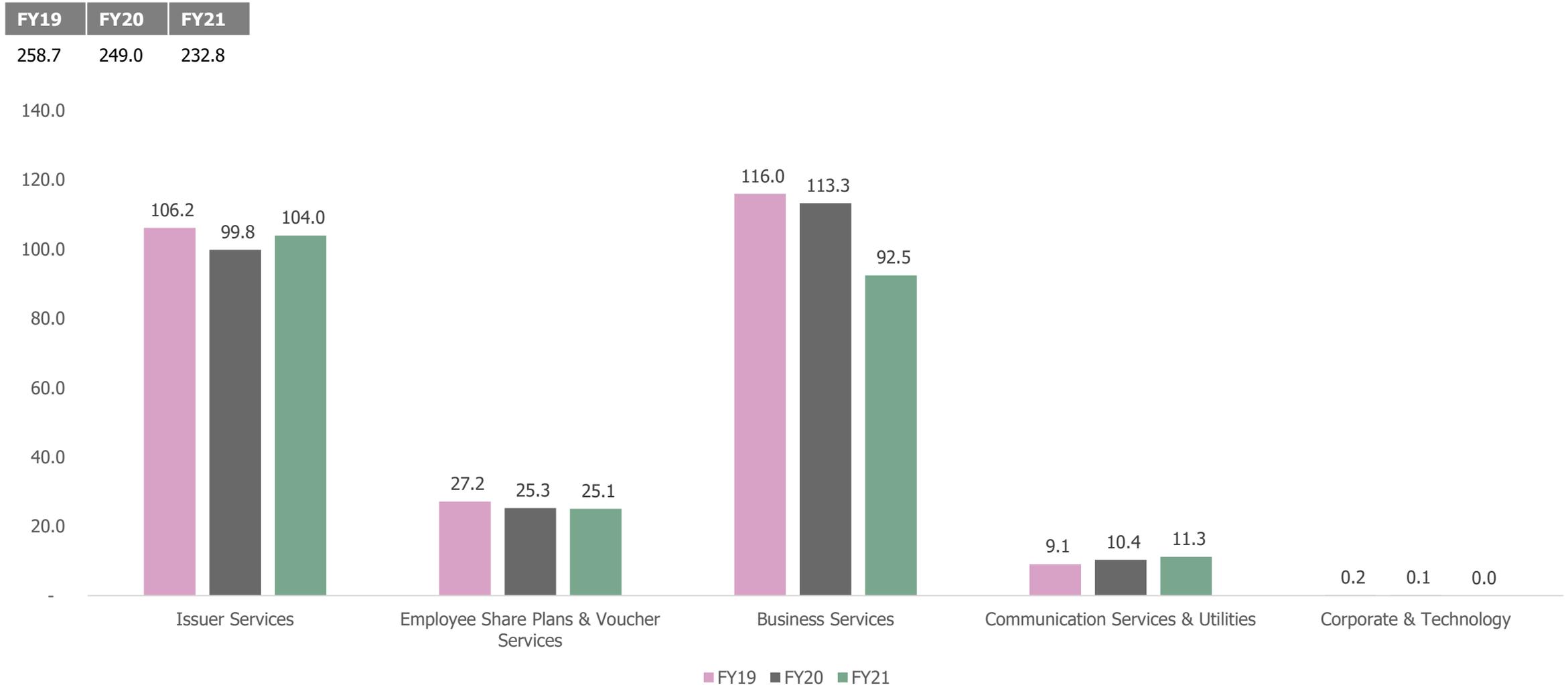
# USA – Issuer Services

Management revenue: USD million



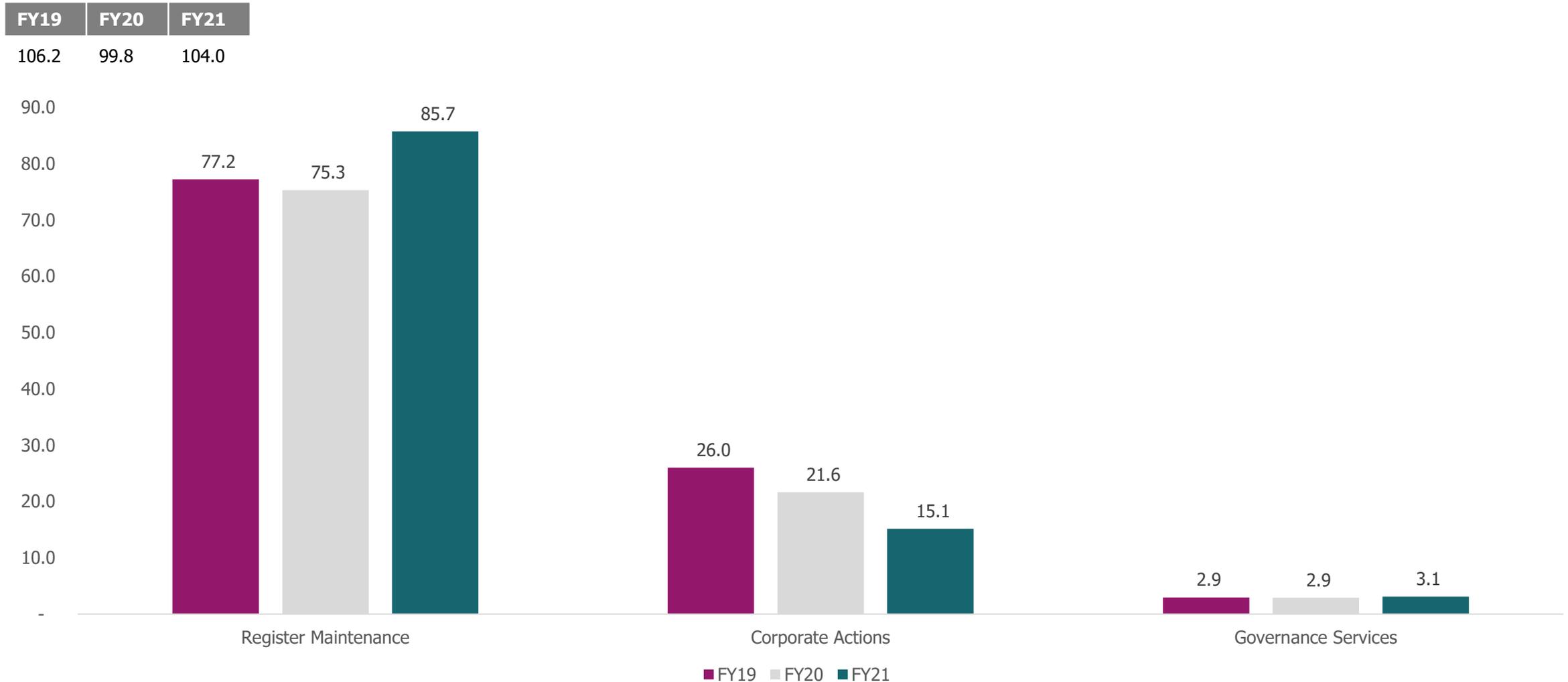
# Canada

## Management revenue: CAD million



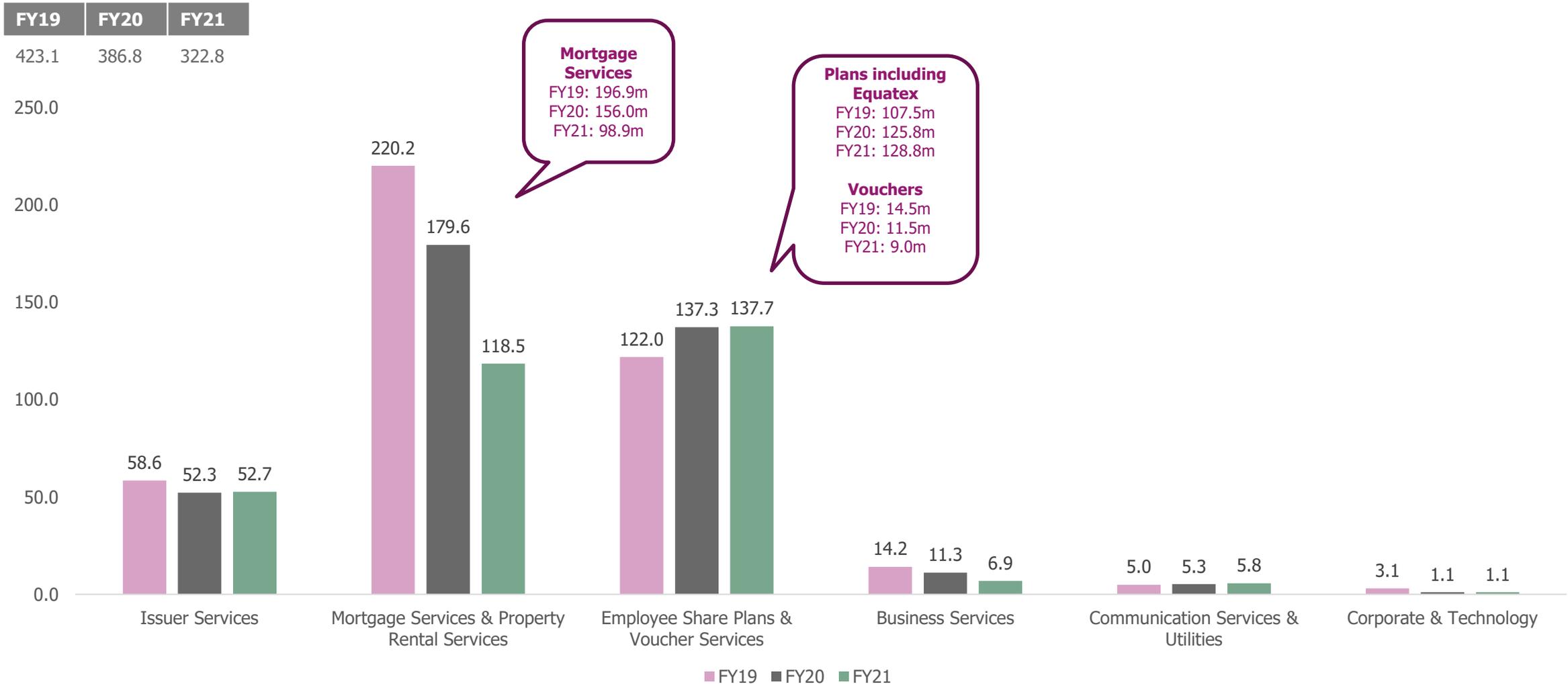
# Canada – Issuer Services

Management revenue: CAD million



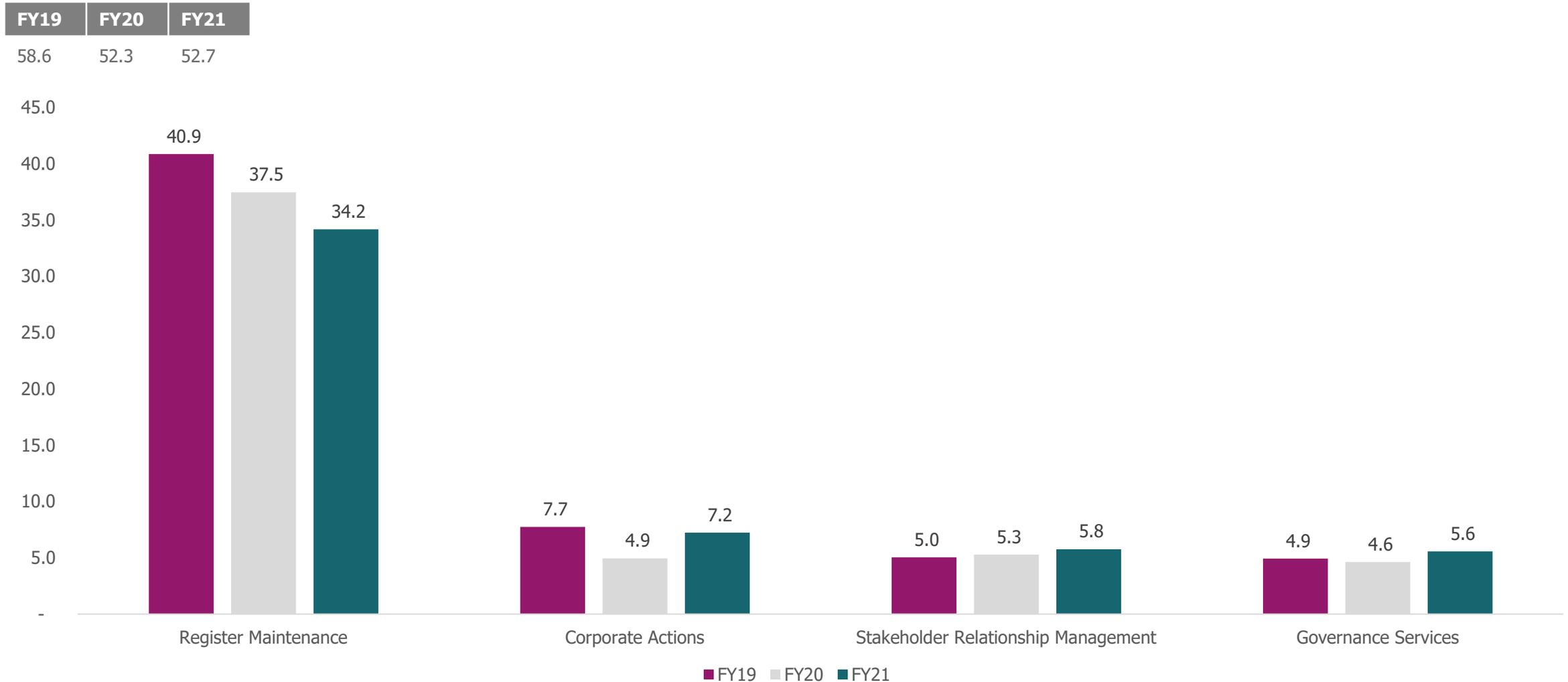
# UK, Channel Islands & Equatex

Management revenue: GBP million



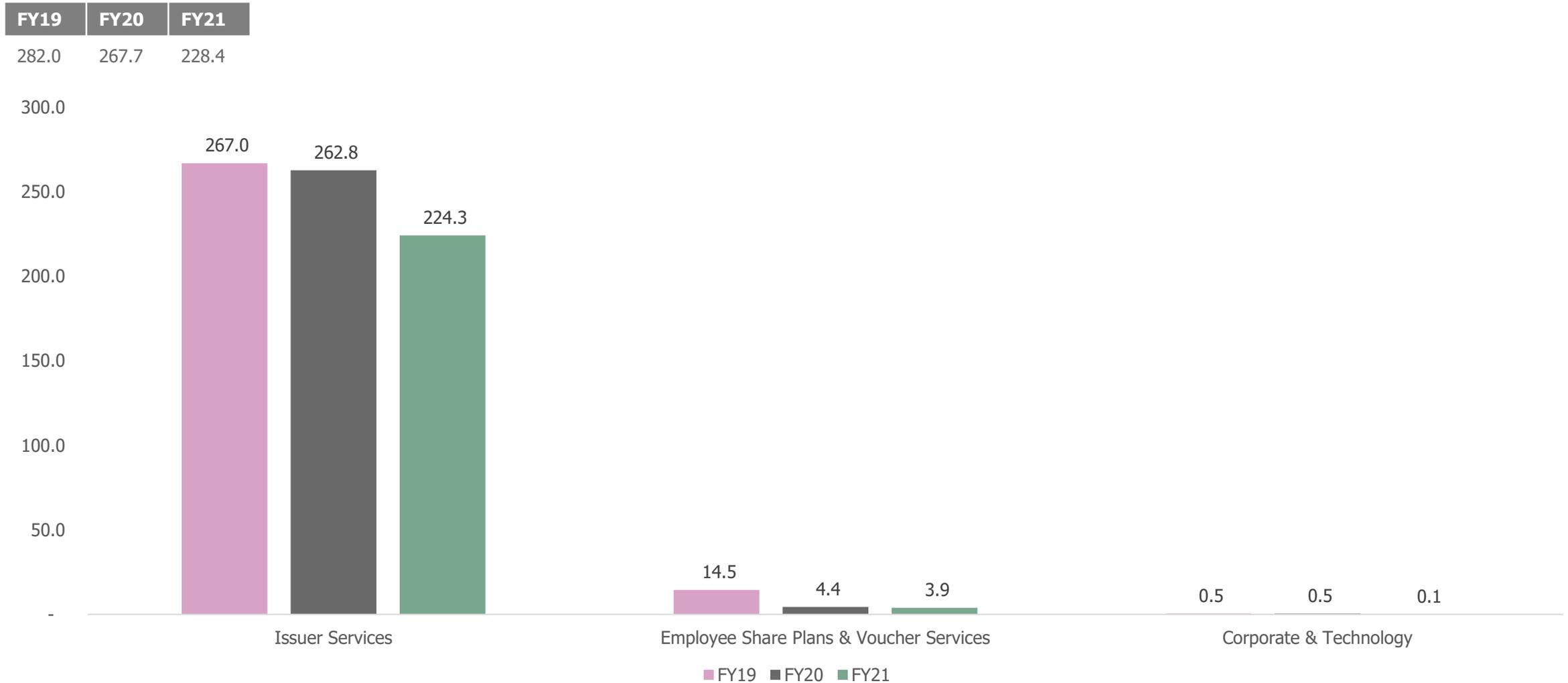
# UK and Channel Islands – Issuer Services

Management revenue: GBP million



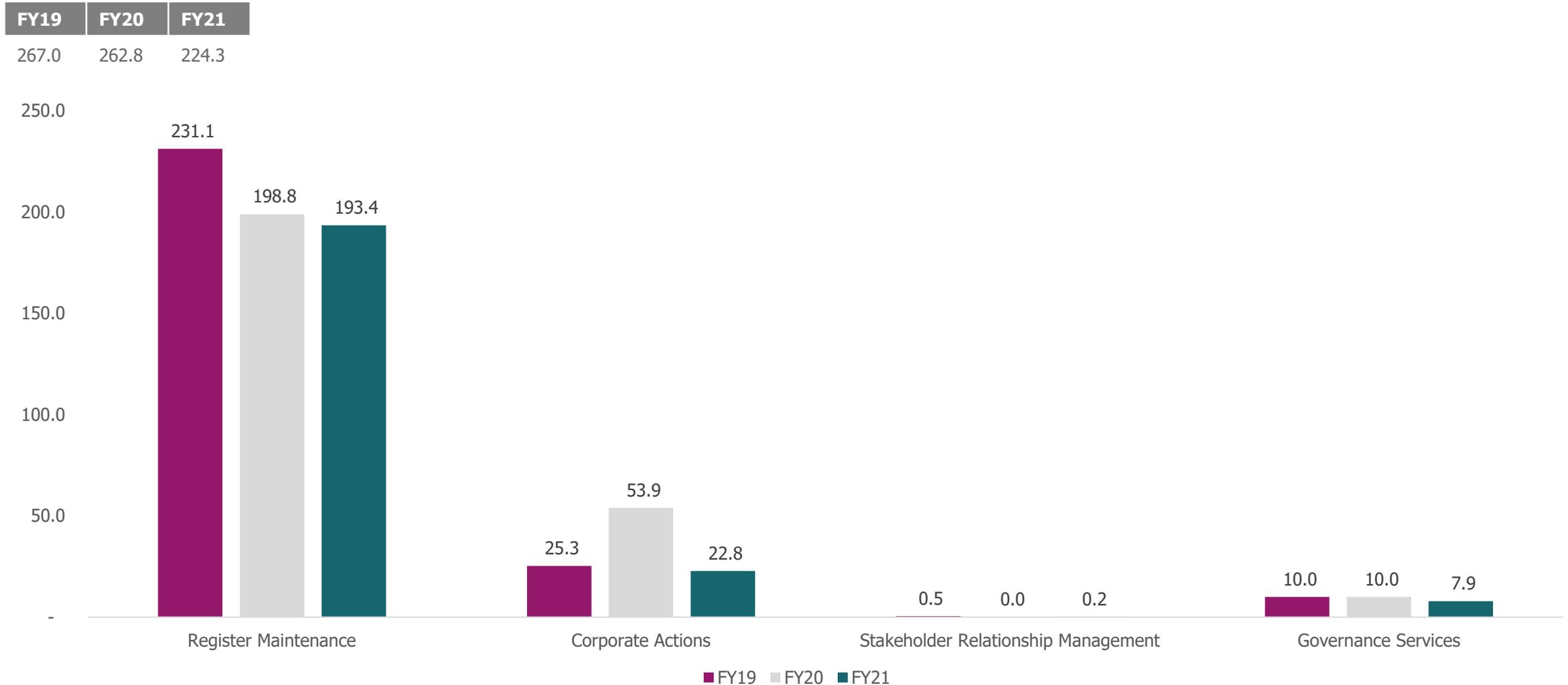
# South Africa

## Management revenue: RAND million



# South Africa – Issuer Services

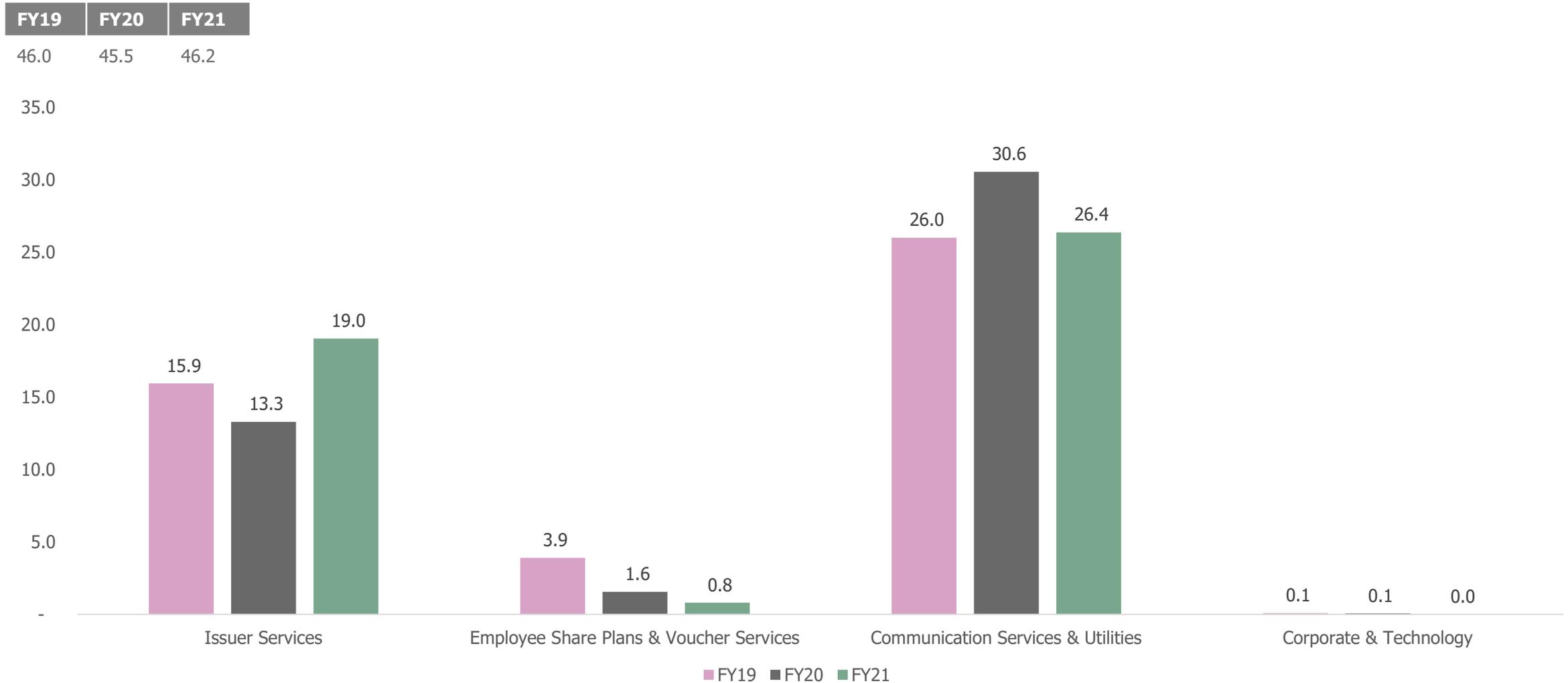
Management revenue: RAND million



Note: Includes reclassification of Register Maintenance to Governance Services

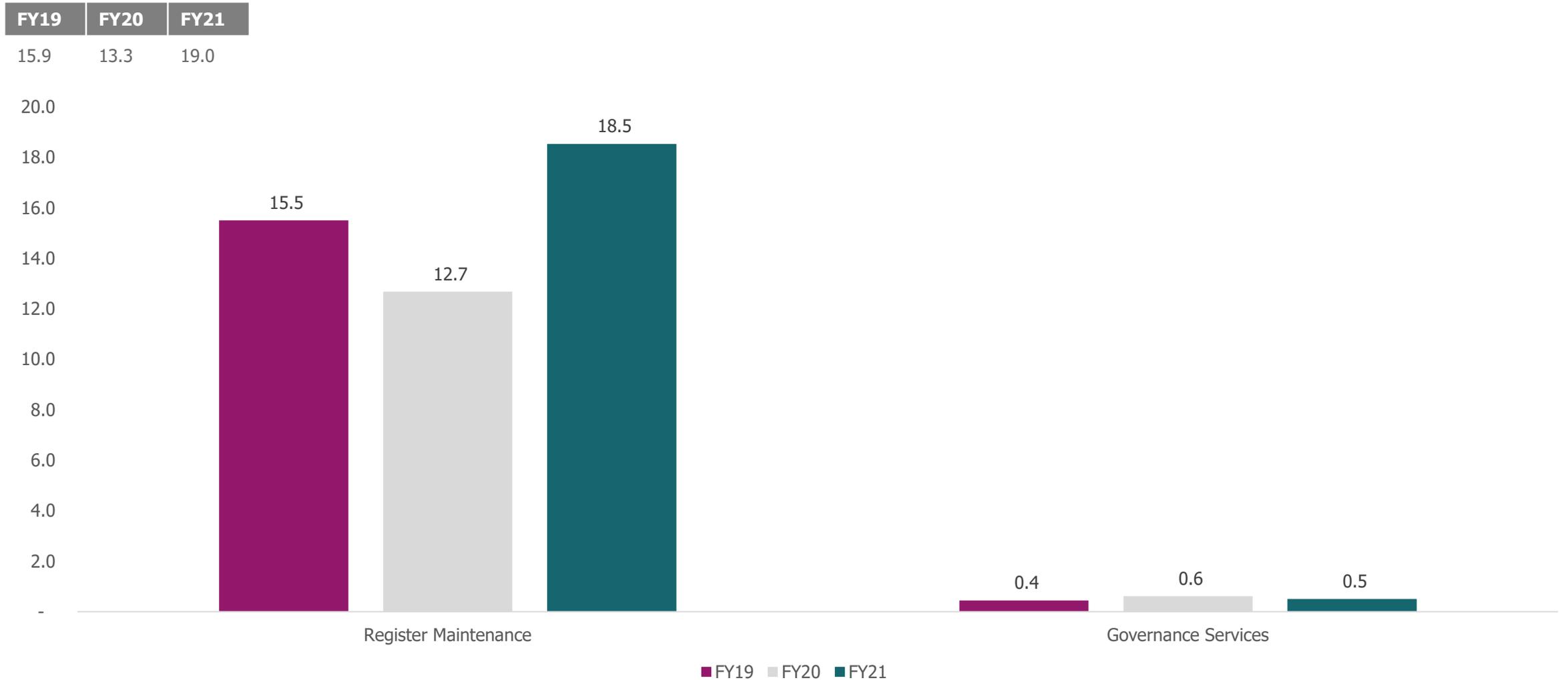
# Germany

## Management revenue: EUR million

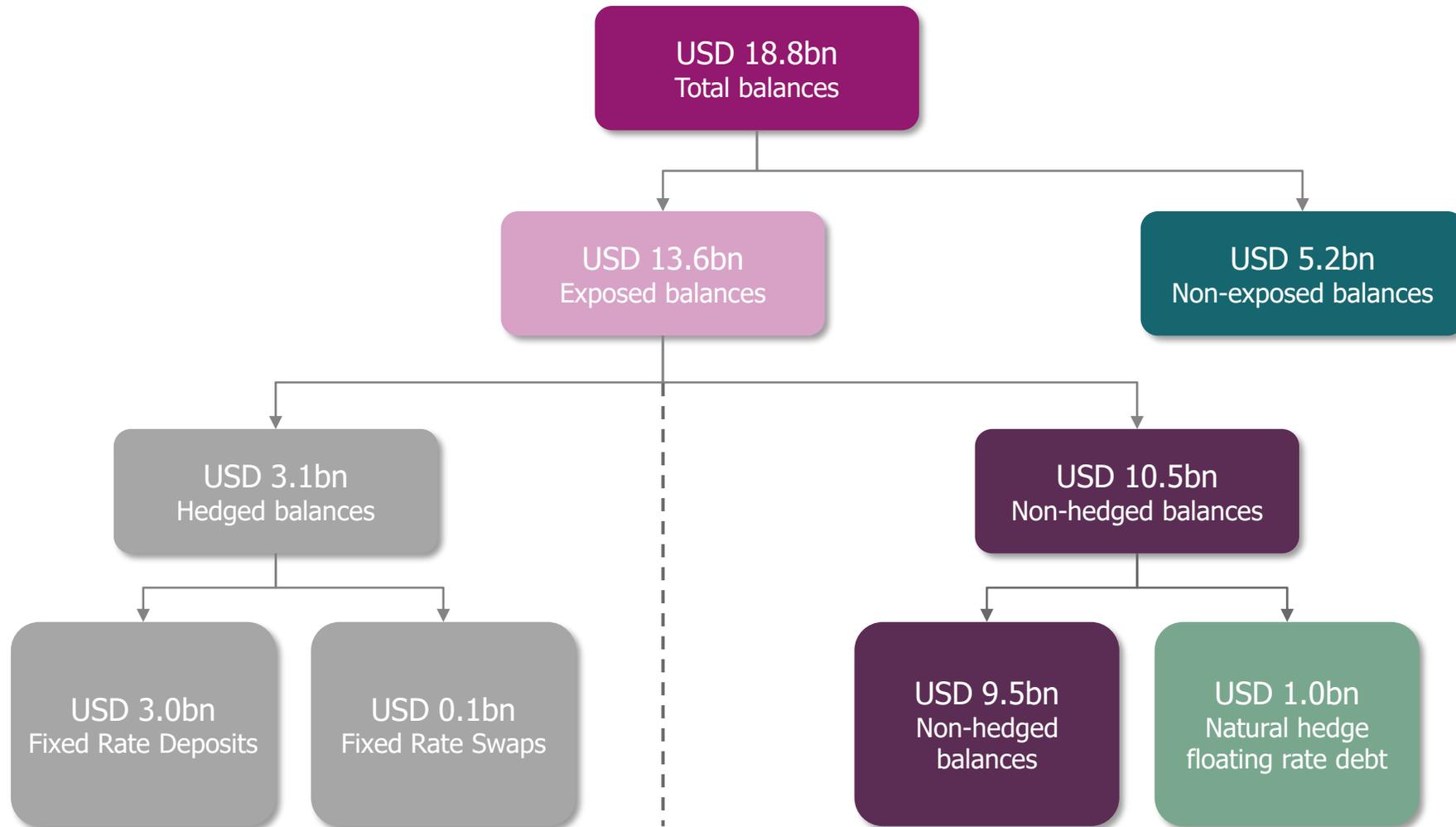


# Germany – Issuer Services

Management revenue: EUR million



# Breakdown of average client balances for FY21



Lagged impact from rate changes

Immediate impact from rate changes

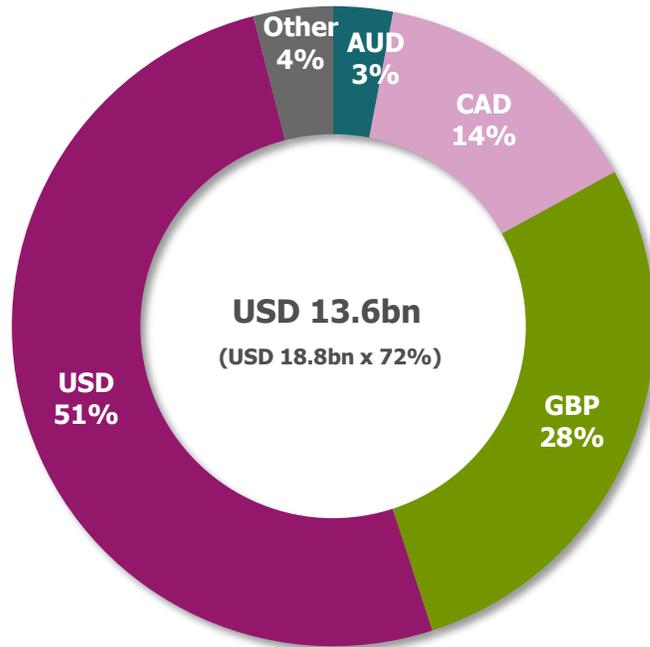
## Exposed and non-exposed FY21 and FY20 average balances by business

Business Activity	FY21 Balances (USD billions)		Margin Income (USD millions)	Business Activity	FY20 Balances (USD billions)		Margin Income (USD millions)
	Exposed	Non-exposed			Exposed	Non-exposed	
<i>Register Maintenance</i>	2.7	0.2	20.9	<i>Register Maintenance</i>	2.2	0.7	37.9
<i>Corporate Actions</i>	2.2	2.1	23.3	<i>Corporate Actions</i>	1.6	1.8	40.7
Issuer Services	4.9	2.3	44.2	Issuer Services	3.8	2.5	78.7
Employee Share Plans & Vouchers	1.3	0.1	4.2	Employee Share Plans & Vouchers	1.3	0.2	11.4
Business Services	3.0	2.9	29.4	Business Services	2.4	3.2	56.2
Mortgage Services & Property Rental Services	4.4	0.0	29.3	Mortgage Services & Property Rental Services	3.8	0.0	53.1
<b>Totals</b>	<b>13.6bn</b>	<b>5.2bn</b>	<b>107.0m</b>	<b>Totals</b>	<b>11.4bn</b>	<b>5.8bn</b>	<b>199.4m</b>
	<b>18.8bn</b>				<b>17.2bn</b>		
<b>Margin Income</b>	<b>\$94.8m</b>	<b>\$12.2m</b>		<b>Margin Income</b>	<b>\$176.3m</b>	<b>\$23.1m</b>	
<b>Average annualised yield</b>	<b>0.70%</b>	<b>0.23%</b>		<b>Average annualised yield</b>	<b>1.55%</b>	<b>0.40%</b>	

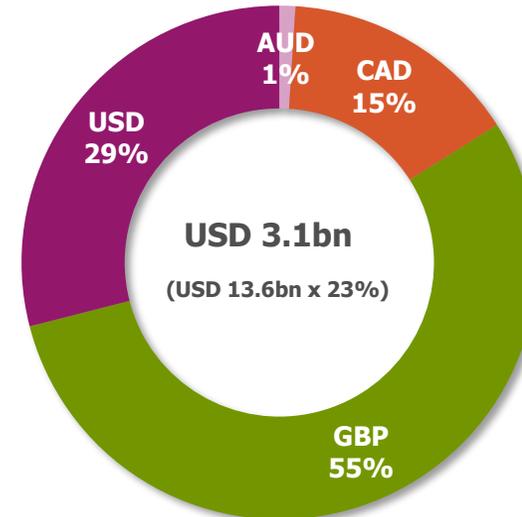
# Breakdown of FY21 average exposed balances by currency

USD exposed balances continue to be the largest component

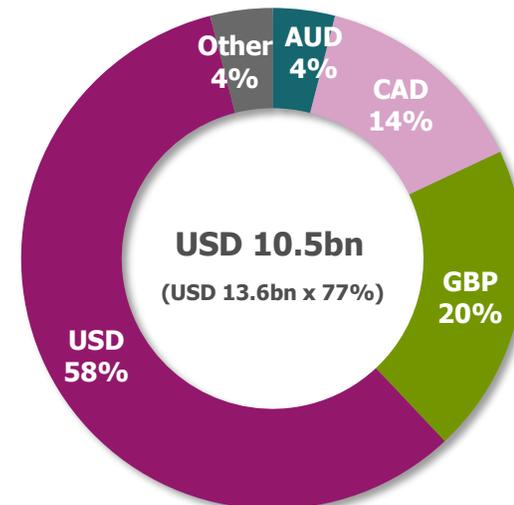
Average exposed balances prior to hedging



Average exposed balances hedged

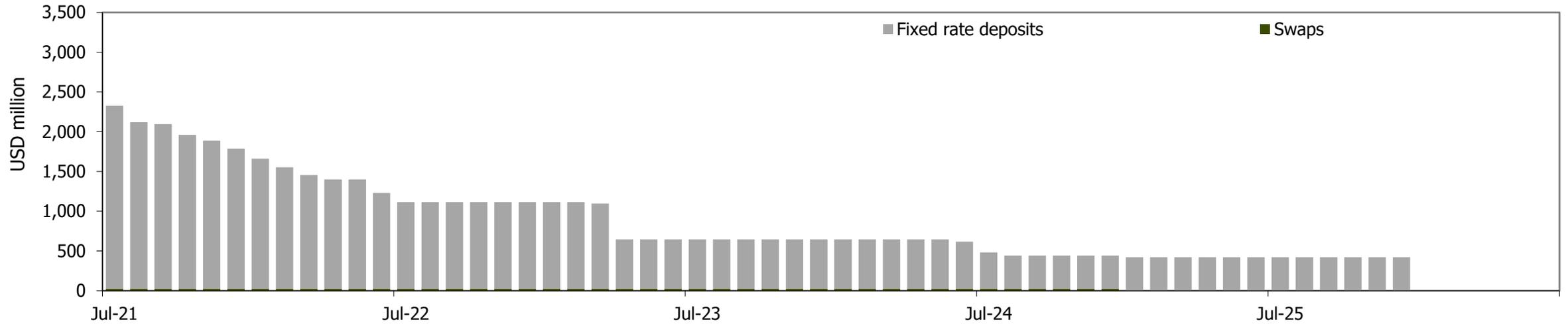


Average exposed balances un-hedged

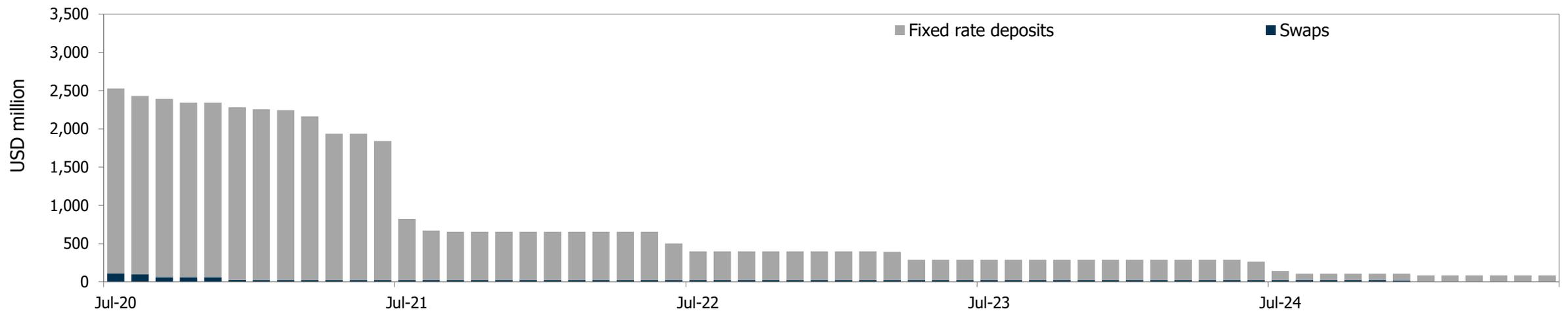


# Profile of our swap and fixed rate deposit book

As at 30 June 2021

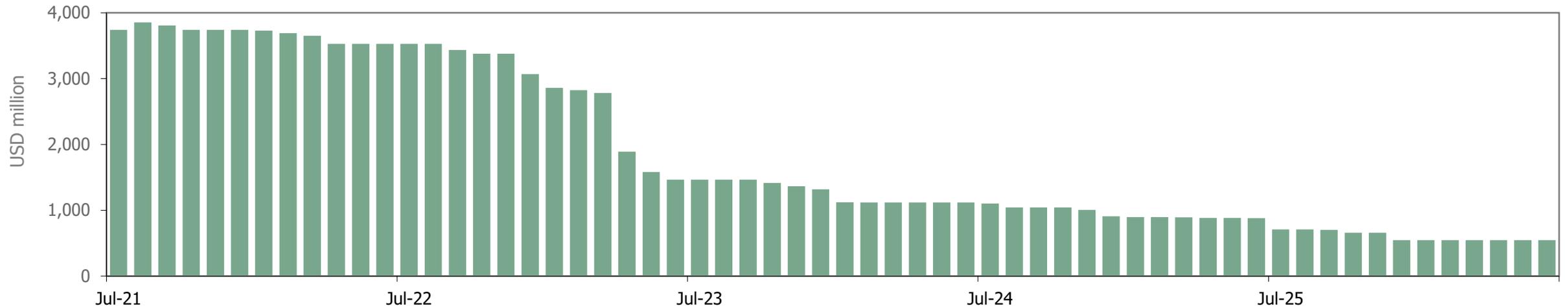


As at 30 June 2020

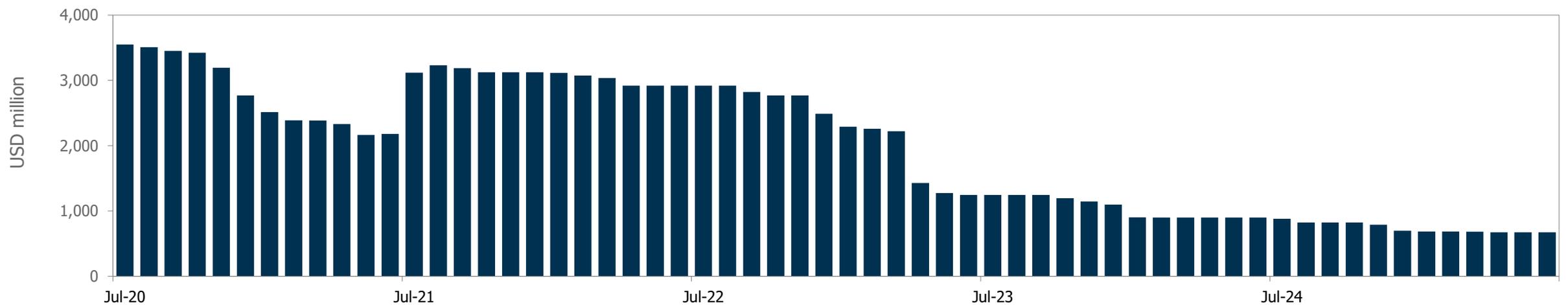


# Profile of floating rate deposits

## As at 30 June 2021



## As at 30 June 2020



# Exchange rates

Currency	FY21	1H21	FY20	1H20	FY19	1H19
<b>USD</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>
AUD	1.3464	1.3971	1.4889	1.4623	1.3933	1.3734
HKD	7.7550	7.7504	7.7999	7.8321	7.8405	7.8371
NZD	1.4428	1.4975	1.5683	1.5504	1.4874	1.4893
INR	73.7286	74.2471	71.9578	70.4405	70.4260	70.6855
CAD	1.2921	1.3315	1.3391	1.3203	1.3252	1.3117
GBP	0.7461	0.7711	0.7931	0.7993	0.7716	0.7707
EUR	0.8397	0.8529	0.9030	0.8999	0.8746	0.8645
RAND	15.5863	16.5396	15.5385	14.7507	14.1190	14.0136
RUB	75.0158	75.2164	66.6767	64.2928	65.5333	65.1752
AED	3.6730	3.6730	3.6729	3.6729	3.6729	3.6729
DKK	6.2480	6.3501	6.7424	6.7192	6.5256	6.4466
SEK	8.6095	8.8445	9.6389	9.6044	9.1332	8.9924
CHF	0.9109	0.9174	0.9782	0.9888	0.9937	0.9870

# 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.

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