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MARKET ANNOUNCEMENT

Date:	10 November 2022
To:	Australian Securities Exchange
Subject:	**2022 AGM – Chairman's and CEO's speeches**

Attached are the Chairman's and CEO's speeches delivered at the Annual General Meeting today, 10 November 2022.

This announcement is authorised for release to the ASX by the CEO.

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MARKET ANNOUNCEMENT

Computershare 2022 Annual General Meeting

Chairman's speech

Simon Jones, Chairman

Slide 2 – Chairman's address

Welcome to Computershare's 2022 Annual General Meeting.

For those of you who have joined us in person, I'd like to welcome you to the Naarm room in our newly-designed global headquarters, named after the indigenous name for Melbourne. Computershare acknowledges the Traditional Custodians of the land on which we meet and the Custodians of the lands from which you are all joining us today. We pay our respects to Elders, past, present and emerging.

My name is Simon Jones, and this will be my last meeting as your Chair today. As you will know, I will be retiring after this meeting and handing over to the significantly taller and slimmer but very capable and experienced Paul Reynolds. More of that later.

I must say it is pleasure to see familiar and friendly faces in the room and to welcome shareholders here at Yarra Falls.

We are also delighted to welcome our shareholders and guests who are attending online using Computershare's own Meeting Platform. All attendees can watch a live webcast of the meeting and shareholders and proxies also have the ability to ask questions and submit votes online.

As we have a quorum, I am pleased to declare the meeting open.

Now let me introduce my fellow directors.

Also attending online today are representatives of our auditors, PricewaterhouseCoopers.

The Minutes of the 2021 Annual General Meeting are available for inspection by any shareholder by contacting Dominic Horsley, the Company Secretary.

Notice on how to access the Notice of Meeting was distributed to all shareholders and I will take the Notice of Meeting as read.

Slide 3 – How to ask a question

For today's meeting I will address questions together after all of the items of business and proxy positions have been presented. Online attendees can submit questions at any time. To ask a question, select the Q&A icon. Type your question into the text box. Once you have finished typing, hit the send button. Online participants can also ask a question via the audio questions line. Instructions on how to do so are set out on the platform.

Slide 4 – How to vote

Voting today will be conducted by a poll on all items of business. I will shortly open voting for all resolutions.

If you are eligible to vote, once voting opens please press the vote icon and all resolutions will be activated with voting options. To cast your vote simply select one of the options. There is no need to hit a submit or enter button as the vote is automatically recorded. You will receive a vote confirmation notification on your screen.

You can change your vote up until the time I declare voting closed.

For those attending the meeting here in person, who are eligible to vote, you can scan the QR code on your attendance card with your mobile device at any time after I open the voting. This will take you to an online voting page. To cast your vote simply select one of the options. There is no need to hit a submit or enter button as the vote is automatically recorded. You will receive a vote confirmation notification on your screen.

If you do not have a mobile device, you can complete the voting items on the reverse side of the attendance card.

I now declare voting open on all items of business. I will give you a warning before I move to close voting, which will be towards the end of the meeting.

I appoint Michael Hutchison of Computershare Investor Services as the Returning Officer.

Slide 5 - FY22 Results

FY22 continued to be a challenging year in a volatile and uncertain environment. Nonetheless, we continued to support our people, deliver for our customers, and grow our business.

While in FY22 we are yet to return to pre-pandemic numbers, our financial results for that year were very pleasing. Full year management earnings were ahead of guidance. Growth in client fee income offset weaker transactional revenues. With strong cost controls, we were able to manage the impact of inflation as we benefitted from rising interest rates towards the end of the year.

As you may remember, we report our results in US dollars and in constant currency. Management EPS increased by over 10%, slightly ahead of guidance. Management revenue increased by 12.2%, which includes eight months' contribution from our new Corporate Trust business in the US, which is performing strongly.

Management EBIT was up 19%. Margin income is an increasing part of that total. Margin income began to improve from low levels as interest rates began to move up. I am pleased to say with our increased exposure to higher interest rates, there is more margin income to come.

While our results were strong, it was a challenging environment especially in the last quarter. As interest rates increased rapidly, our transaction and event based revenues were impacted by lower volumes and activity levels. Mortgage rates also shot up, reducing origination, and corporate action volumes began to tail off.

So as we know, the impact on these businesses was tied to the rising rate environment. But margin income is a natural hedge at Computershare, and the benefit from higher than anticipated rate rises in some of the key markets in the last quarter more than offset the impact.

Computershare has strong financial foundations. Free cash flow and the balance sheet are standouts in these results. We generated over $320 million of free cash flow and debt leverage at the end of the year was 1.6x, is below the bottom of our target range. The deleveraging has come through far sooner than expected following the CCT acquisition. It’s not a bad place to be in a volatile world with rising interest rates. This strong balance sheet and the flexibility it gives us will allow us to continue to strengthen and scale our global growth businesses, fund the important integration plan for CCT and most importantly reward shareholders. Stuart will talk about that more later.

We continue to use our strong liquidity to support our shareholders, increasing our final dividend to 30 cents per share, a rise of 30% on the prior year. The dividend is unfranked, given our bias to offshore earnings.

Slide 6 - Long term shareholder returns

Let me talk to our long-term track record.

Our strategy at Computershare is to build a high quality sustainable company with predictable recurring revenues, coupled with the optionality to rising interest rates, markets, and events to enhance earnings and our returns for shareholders.

The left-hand chart on this page shows the positive trajectory in EBIT ex MI over the last ten years. It’s a positive 5.7% average annual growth rate, including some virus-related interruptions that I won’t dwell on. That consistency in our core businesses enables us to support similar consistent growth in dividends. On the right hand side of the page you can see our dividend track record. We have distributed around $2 billion dollars to shareholders by way of dividends over the last ten years, with dividends growing by around 5% on average each year.

It is the disciplined execution of our long-term strategies for growth, profitability and capital management that contribute to our earnings performance and enable us to deliver these consistent dividends for shareholders.

Slide 7 - Environmental, Social and Governance

Let me now take some time to focus on Environmental, Social and Governance issues, or ESG as it is increasingly called. Computershare, led by our founder, has a long history of doing the right thing and supporting our employees, clients, and the communities in which we operate. This year, to recognise the ongoing importance of ESG to our business, we released our first standalone ESG report, giving you an overview of our journey, increasing our disclosure and detailing how we align to current recognised global disclosure standards and frameworks.

Slide 8 – ESG: FY22 Highlights

While we have made good progress in a number of areas, I will just touch on three today – our climate action strategy; diversity and inclusion; and information security. We told you last year that we would be carbon neutral from 2020 onwards and this year, we announced in our Annual Report that we are aiming to attain Net Zero status across Scopes 1,2 **AND 3** by 2042. Our team is working hard on detailed action plans and we'll be sharing more information about this in the coming months. There's no denying this is a tough ask – but as we've always done, we'll do our very best to meet the target.

Diversity is a key enabler in our business in all forms. Over the years, we have created an inclusive workplace where our employee survey results show that our people truly believe their unique differences in thinking, ideas and experiences are valued. It's a big part of Computershare and our Being Purple ways of working. We want everyone to feel like they belong. As part of our next multi-year Diversity & Inclusion strategy, we've signed up to 40/40/20 targets for our senior management team, which we are getting closer to from a gender perspective. Our Board is 38% female, while our company executives, that's two levels down from the CEO, are at 31%. Across the company, 56% of our staff are female. This year we also formed a D&I Forum, chaired by Stuart Irving, our CEO, and continued to run a global D&I calendar of events for employees, which regularly promote diversity, inclusion, mental health and wellness initiatives.

Information security has always been important to us; protecting our information assets and customer data is vital to the success of our business. Information security is supported by a detailed information security strategy, an effective and forward-looking information security operating model and strong internal capability. All employees have their information security responsibilities clearly defined within a comprehensive global information and cyber security framework aligned to global standards. We are continuing to build a strong security culture within Computershare through training, and simulations for staff to increase awareness.

We will continue our proud focus on these areas as we look to finalise our comprehensive and combined ESG strategy over the next few months.

Before I hand over to our CEO, I would like to thank my fellow directors and colleagues across Computershare for their support and contribution not only this year, but through my 17 years here. I will be retiring from the board and company today.

I would like to briefly say, it has been a rare and special privilege to be a member of the team at Computershare. It is without doubt a very special organisation. We have so many dedicated and talented people. We have kept and nurtured the spirit of an innovative start up. And although many things have changed, and we have grown across many markets, our culture always aims to put people and our customers first. I am deeply grateful for the opportunity to be your servant as the Chairman and I thank you all once again for your encouragement and support.

I would also like to thank all of our shareholders for their support and loyalty.

Finally, I would like to formally recognise Stuart Irving, our CEO and President. He is a tireless and inspirational leader. I thank him for his commitment and outstanding continued contribution to the business. I know under his leadership and with Paul Reynolds in the Chair, Computershare is in a great place, will be stronger than ever and very well placed for ongoing success.

I will now ask Stuart to give the CEO address.

CEO's speech

Stuart Irving, Chief Executive Officer and President

Slide 9 - CEO's address

Thank you, Simon.

I'd like to add my welcome to our shareholders and guests today. It's an important day in Computershare's year, and with the changing of the Chair, our history too.

Today I'd like to talk about three key topics:

1. Our FY22 business performance and results
2. An update on our trading performance so far this year and
3. The upgrade to this year's guidance.

Slide 10 – Computershare at a glance

I'll begin with a brief overview of our Group. This slide shows you what we do, and where we operate.

Computershare is a leading, technology enabled administrator of legal titles and financial assets. We are the digital trail in millions of financial transactions.

Since we started here in Melbourne all those years ago, we have put technology at the very centre of everything we do.

We have built and refined the proprietary technologies and platforms to administer these services to clients and their stakeholders at speed, with great accuracy, efficiency and of course, trust.

Digital expertise, data privacy and cyber security are critical at Computershare. We have deep expertise in data, automation, major project delivery, regulation, compliance and security. We combine these strengths to deliver world class outcomes for over 25,000 clients across the world.

Computershare's strategy is to leverage our core capabilities to build stronger businesses with scale, and more exposure to positive structural growth trends. We have a business model that allows us to grow in large global markets. We identify new complementary revenue pools to drive additional growth. Our business is characterised by over 80% recurring revenues whilst the management of cash balances is a feature across almost all of our businesses. These client balances are an intertwined part of our operating businesses and revenue model and help to create optionality across the Computershare platform. When optionality converts, such as when interest rates rise, we can deliver very strong earnings growth and share the returns with shareholders.

Slide 11 – FY22 key priorities – execution scorecard

Summarising our performance last year, I'd say our key growth businesses delivered solid results.

In Issuer Services we increased revenues in Register Maintenance and continued to win market share. Governance Services delivered another good result too, with revenues up over 30%. Rising compliance standards, regulation and business complexity are creating ongoing momentum here.

Corporate actions had a weak second half, with volatile equity markets leading to lower M&A and capital raising volumes.

Employee Share Plans continues to win market share and increase client paid fee revenues. The roll out of the Equate+ platform is driving this growth. We did see some increased cost and delays in the implementation due to border closures and travel restrictions so we have given ourselves a critical score on this page. Employee Share Plan Transaction revenues also fell in the second half of the year as equity markets moved lower and have remained subdued in 1H FY23. Importantly though, units under management in our Employee Share Plan business continue to rise, supporting future revenue growth.

Mortgage Services delivered a disappointing result. That's one of the red crosses on the slide although the business is fundamentally stronger than it was previously. Lower loan origination volumes are impacting operating results and the higher amortisation charge depresses EBIT. You can see with rising mortgage rates, that's why you have lower origination. However, the servicing portfolio has started to grow again and, with a cost out program in train and rising margin income, we do expect the business to return to profitability in the second half.

Business Services also has a red cross against it, with ongoing subdued case volumes in Bankruptcy and Class Actions in the US. In Canadian Corporate Trust, we delivered a consistent underlying result. It's a very reliable and robust business.

CCT, our new acquisition in the US, was the highlight overall. The business is performing well and exceeding expectations. We are beginning to grow client paid fees, as we did in Canada, generating increasing levels of recurring revenue. The acquisition added over $18bn of client balances and a further $47bn held in Money Market Funds. It clearly increases our leverage to rising interest rates. We will talk more about that later on.

So for the FY22 year, we delivered:
- 12% growth in management revenue, over 80% of which is recurring
- 19% growth in management EBIT
- 74% increase in margin income with rates beginning to rise,
- 11% growth in Management Earnings Per Share
- and a Return On Invested Capital of over 12%, an improvement of 130 basis points

Slide 12 - Free cash flow and debt leverage

Computershare's free cash flow and balance sheet are standouts in the FY22 results. We generated $323m of free cash flow with 60% cash conversion. Debt leverage improved to 1.64 x, below our target range, which was around ten months sooner than we expected following the CCT acquisition. This flexibility enables us to continue to strengthen and scale our global growth businesses, fund the integration plan for CCT and reward shareholders.

Slide 13 – CCT acquisition update

I'd like to take a few moments to recap on the CCT acquisition. It was our largest ever acquisition and we have owned the business for a year now, so it's a fair question to ask, how has the acquisition gone?

My clear response would be, it's proving to be an exceptional and well-timed purchase, and CCT is exceeding all our expectations.

Let me remind you of what we did, and what we expected from the business last March when we first announced the deal.

We committed around $1bn dollars to buy the asset, provide regulatory capital and stand up capex. We funded the purchase with a $634m underwritten entitlement offer which I'm glad to say a great many of you participated in, and we drew down a further $372m of debt. Our debt leverage ratio was 2.4x on completion.

We had CCT's financials for the twelve months to December 2020. In that year CCT had $85m of margin income and $84m EBITDA. It was making a return on invested capital of 6%.

Through our diligence we had line of sight to $80m of synergies. The plan was to deliver these over five years. It's a large and complex project and we are executing a clear step by step plan.

Last March, we expected the deal to be earnings neutral, and to add 15% EPS accretion including the full run rate of the synergies. We had enough confidence to guide to a 15% post tax ROIC - by 2025.

So overall on a pre synergies basis we bought the business on a multiple of 8.9x and we had five years to generate the target returns.

As we stand here today, one year on from completion, the picture is very different. Rates have risen faster and further than we expected, the integration plan is slightly ahead of schedule and the underlying business has grown more than we anticipated.

In FY23, we expect the business to make around $450m of EBITDA. Looking back we timed the deal at the very bottom of the interest rate cycle. We now expect Margin Income this year to be around $400m.

In effect we have bought the business not on 8.9x but 2.25x. and we expect to generate a ROIC of 32% based on the FY23 Outlook, more than double the target.

And with this improvement in contribution, Computershare's balance sheet leverage strengthened below the target range ten months ahead of plan giving us opportunities to further strengthen the wider group.

Importantly, the strategy behind the acquisition is playing out well too. Our expansion in US corporate trust is a logical and low risk opportunity for us with scope for both organic and inorganic growth.

We know this business well. We have been in corporate trust in Canada for over twenty years and have had a small presence in the US for many years. Call that a ring side seat to watch and learn. Then there is structural growth. Bond issuance has increased by around 5% pa over the last ten years. It's easier to swim with a tide than against one. There is scope to improve the customer value and service through innovation and the use of our technologies. This increases the moat. Client relationships are long with high levels of retention. And finally, I'd say this business fits with exactly what we are trying to build at Computershare: high quality / high return / cash generative business with scope for sustained growth. We have made a good start in our first year of ownership and I look forward to sharing further news of our progress in the future.

Slide 14 - Synergies

This page provides more detail on the integration roadmap and key project deliverables. It's a little ahead of plan.

Over 2,000 employees transferred over to Computershare from Wells Fargo. When we talk of buying a business, it was more like an octopus in reality. It was intertwined into over 100 Well's IT systems and located in over 70 Wells' offices. It wasn't a neat standalone business in a separate office block. That work to extract the business involves multiple steps as you can see on the slide.

We expect to complete the separation in about 12 months' time and for the business to stand up independently. Then we can move to integration and the delivery of the synergy benefits. As I said it's a large and complex job and we are relishing the challenge. I'm pleased with the progress.

Slide 15 – FY23 year to date trading update

I'll now provide an update on our trading performance to date in FY23.

I am pleased to say the first four months of FY23 group performance is ahead of expectations, primarily driven by margin income. Results are better than we expected when we provided initial guidance in August although the operating environment remains challenging.

Put simply, some of the trends we saw in Q4 last year have continued into FY23. Our high-quality recurring client paid fees, are performing in line with August's expectations. CCT is performing very well. Costs are up year on year but being carefully controlled. Our transaction based revenues have been impacted by lower activity levels as we saw in Q4 22 and US mortgage services is weaker with lower origination related revenues as mortgage rates in the US continue to rise.

However, margin income is offsetting all of these factors. Global interest rate rises have been faster and larger than we anticipated, offsetting some fluctuations in client balances. And we've been able to renegotiate some of our banking arrangements, capturing more of the available yield. Therefore, overall earnings are better than we expected, and you can see the natural hedge of margin income driving today's upgrade.

Slide 16 - FY23 Margin Income outlook

Let's spend a few minutes unpacking the margin income performance in more detail.
It's fair to say that the rate environment has been extremely volatile recently and our forecasts have needed to be updated constantly to reflect the most recent changes in

interest rates. And as a result, we now expect Margin Income to be around $800m for FY23. That's a significant increase on the $520m we expected back in August so let me step you through the differences.

Firstly, we expect a much higher yield relative to overnight cash rates. We've been able to secure stronger rates from all our key banking partners earlier than anticipated, including at CCT. Our expected recapture rate – the proportion of overnight cash rates that we are securing as yield on our exposed balances is 89% for the legacy business and 79% for CCT. These rates reflect the times at which the new arrangements were agreed – on an annualised basis we are in line with our 90% target and in FY24 will see the full benefit of that coming through. For now, however, improved recapture across a range of banking partnerships is responsible for $96m of the improvement in Margin Income.

And then the rate outlook itself has changed significantly since August. As we always say, we're not economists, we simply base our forecasts on the market curves. And taking the latest curves relative to the curve back in August adds another $200m in Margin Income.

Finally, there has been some softening of balances as a result of the overall general trading conditions in the current environment. Indeed, we now expect balances overall to be $2bn lower than back in August. Fortunately, its largely non-exposed balances but this does reduce our outlook by $15m.

This gets us to approximately $800m in margin income for FY23.

But you can see from the table of cash rates on this slide that this is based on an average weighted cash rate of 4.81% in Q4. That's a nice platform for further growth for Computershare into FY24. Assuming these rates remain fairly flat through FY24 and assuming we don't enter into any more hedging term deposit strategy, then we'd expect margin income to be around $1bn in FY24.

Slide 17 - FY23 outlook

So, what does that mean for the Outlook? Back in August we anticipated that Management EPS would increase by 55%. This was primarily driven by margin income and full year benefit of the CCT business. As I said earlier despite anticipated softness in the transactional parts of our business and some higher costs, our ability to obtain margin income more than offsets these challenges.

The guidance in August was predicated on yield curves at the time and as I've just outlined, they have been moving around a bit. But we've also been able to secure improved recapture rates from all our key banking partners ahead of schedule.

As a result, we are upgrading FY23 Guidance for Management Earnings Per Share to be up around 90%.

Slide 18 – Computershare's commitments

It is very pleasing to see our overall earnings growing so rapidly particularly at a time of such macro challenges and volatility. The natural inflation hedge is working. But we cannot get carried away by the benefit of more margin income as rates rise. It's only by delivering great service to our clients that they entrust us with their business and it is this that delivers the balances that drive the margin income. So you can be assured that we'll keep our heads down and keep true to the strategy to build strong operating businesses to drive long term growth and profitability, and balance this with a conservative capital structure and returns for shareholders.

Slide 19 - Acknowledgements

Finally, I would like to say a few words on our departing Chair. Simon Jones was appointed to the Computershare Board in November 2005 as a Non-executive Director and as Chairman in 2015.

His guidance and counsel have been invaluable to me and the wider management team. My job would have been much more difficult if it were not for his salient support and advice.

He has provided this counsel without judgement and without ego, and I have very much appreciated his capacity to understand quickly the key issues and importantly the bigger picture. I am sure that my fellow directors would agree that he has been a model of fairness and dedication that has enriched the Computershare group over his tenure.

I am now excited to be working with Paul Reynolds going forward. With his four years of experience on our board as well as his broad executive career he understands the group, the challenges and opportunities that lie ahead.

Thank you, I will now pass back to Simon.