

# ASX HALF-YEAR REPORT

## Computershare Limited

**ABN 71 005 485 825**

**31 December 2023**

Lodged with the ASX under Listing Rule 4.2A

This information should be read in conjunction with the 30 June 2023 Annual Report.

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This half-year report covers the consolidated entity consisting of Computershare Limited and its controlled entities. The interim financial report is presented in United States dollars (unless otherwise stated).

**COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES**  
**HALF-YEAR ENDED 31 December 2023**  
**(Previous corresponding period half-year ended 31 December 2022)**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

				<b>\$000</b>
<b>Revenue</b> from ordinary activities	up	6.7%	to	1,606,388
<i>(Appendix 4D item 2.1)</i>				
<b>Profit/(loss)</b> after tax from continuing operations attributable to members	up	11.4%	to	229,202
<b>Profit/(loss)</b> after tax from discontinued operations attributable to members	down	332.1%	to	(123,984)
<b>Profit/(loss)</b> after tax attributable to members	down	40.6%	to	105,218
<i>(Appendix 4D item 2.2)</i>				
<b>Net profit/(loss)</b> for the period attributable to members	down	40.6%	to	105,218
<i>(Appendix 4D item 2.3)</i>				

<b>Dividends</b>	Amount per security	Franked amount per security
<i>(Appendix 4D item 2.4)</i>		
Interim dividend	AU 40 cents	AU 8 cents
Final dividend (prior year)	AU 40 cents	AU 0 cents

**Record date** for determining entitlements to the interim dividend *(Appendix 4D item 2.5)* 21 February 2024

**Explanation of Revenue** *(Appendix 4D item 2.6)*

Total revenue for the half-year, including discontinued operations, increased to \$1,606.4 million (2022: \$1,504.9 million). The incremental change of \$101.5 million was driven by margin income which contributed \$86.7 million and underlying client fee growth of \$57.2 million. This was partially offset by the sale of the Kurtzman Carson Consultants (KCC) business in May 2023, which generated \$56.6 million in total revenue in the prior period.

Key business movements, excluding margin income, were as follows:

- Issuer Services revenues increased \$16.3 million, reflecting improvement across Corporate Actions, Registry Maintenance and Stakeholder Relationship Management.
- Global Corporate Trust improved marginally, by \$0.6 million. CCT saw a decline in fee revenue following the cessation of GNMA document custody activities, whilst the legacy corporate trust business increased revenues due to higher transactional volumes.
- Employee Share Plans revenues increased \$35 million due to higher trading activity and increased core client fees.
- Mortgage Services revenues in the US decreased \$9.2 million due to lower transaction volumes in the Recovery and Fulfillment business lines, partially offset by growth in the servicing portfolio. In the UK, revenues were higher by \$3 million primarily due to favourable foreign exchange movements. Underlying revenue was down due to legacy book run-off.
- The decline in Business Services (refer to note 3 for segment note) reflects the disposal of KCC which was sold in May 2023. However, this is somewhat offset by Transitional Services Agreement (TSA) revenue we have received and is reflected under Business Support. The TSA is expected to cease in May 2024. KCC contributed \$42.4 million of revenue excluding margin income in the prior comparative period.

Margin income was up \$86.7 million on average client balances of \$28.8 billion including discontinued operations, primarily driven by a rising rate environment across all jurisdictions. Excluding discontinued operations, margin income was up \$74 million on average balances of \$26.9 billion. Average balances were down \$8.3 billion due to the sale of the KCC business, a decline in new bond issuance due to

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

## HALF-YEAR ENDED 31 December 2023

### (Previous corresponding period half-year ended 31 December 2022)

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET

increased interest rate volatility and cyclically low asset origination and a run-off of Special Purpose Acquisition Company (SPAC) balances.

A weaker Australian dollar and Canadian dollar relative to the corresponding period decreased the translated USD revenue contribution from those regions, whilst a stronger British pound relative to the prior period increased the translated USD revenue contribution from those regions.

#### **Explanation of Profit/(loss) from ordinary activities after tax** *(Appendix 4D item 2.6)*

Net statutory profit after tax from continuing operations attributable to members was \$229.2 million, an increase of 11.4% over the corresponding period. Net statutory loss after tax from discontinued operations attributable to members was \$124.0 million, an increase of 332%, reflecting the impairment charge in relation to US Mortgage Services ("US MS") recorded in the current reporting period.

Revenue was higher than the corresponding period, primarily due to growth in Employee Share Plans and Issuer Services fee revenues, in addition to higher margin income across all business lines. The Group also benefitted from higher interest income on its own cash balances due to rising interest rates.

Total expenses were up \$192 million, principally due to an impairment charge related to US MS. CCT integration costs were up \$24 million and there was an increase in costs related to our other restructuring programmes. Underlying operating expenses also increased, driven by general inflation. Borrowing costs were higher from increased interest rates. Amortisation expense reduced by \$43.7 million due to an increase in the useful life for performing mortgage servicing rights (MSRs) from 8 to 9 years, combined with the cessation of the charge for US MS from October 2023 onwards as the assets were classified as held for sale from that date. The prior year included an asset impairment charge for UK Mortgage Services and costs associated with the now disposed business, KCC.

The Group's effective tax rate from continuing operations at 28.4% was lower than 1H23's rate of 32.2%, primarily driven by \$2.3 million reduction in Canadian withholding tax on internal dividends which is not creditable. The Group's effective tax rate from discontinued operations at 17.7% was lower than 1H23's rate of 29.0%, driven by a permanent difference relating to the US MS impairment.

#### **Explanation of Net Profit/(loss)** *(Appendix 4D item 2.6)*

Please refer above.

#### **Explanation of Dividends** *(Appendix 4D item 2.6)*

The Company has announced an interim dividend for the current financial year of AU 40 cents per share. This dividend is franked to 20%.

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

## INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 December 2023

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This interim financial report does not include all the notes of the type normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Computershare Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the Australian Securities Exchange Listing Rules.

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES DIRECTOR'S REPORT

The Board of Directors of Computershare Limited (the Company) present their report in respect of the financial half-year ended 31 December 2023.

## DIRECTORS

The names of the directors of the Company in office during the whole of the half-year and up to the date of this report, unless otherwise indicated, are:

### Non-executive

Paul Joseph Reynolds (Chairman)

Abigail Pip Cleland

Tiffany Lee Fuller

Lisa Mary Gay

John Nendick

Joseph Mark Velli

### Executive

Stuart James Irving (President and Chief Executive Officer)

## PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the half-year were the operation of Issuer Services, Global Corporate Trust, Employee Share Plans & Voucher Services, Communication Services & Utilities, Mortgage Services & Property Rental Services, Business Services and Technology Services & Operations<sup>1</sup>:

- The Issuer Services operations comprise register maintenance, corporate actions, stakeholder relationship management and corporate governance and related services.
- The Global Corporate Trust operations comprises trust and agency services in connection with the administration of debt securities in the US and the legacy corporate trust operations in Canada and the US.
- The Employee Share Plans & Voucher Services operations comprise the provision of administration and related services for employee share and option plans, together with Childcare Voucher administration in the UK.
- The Mortgage Services & Property Rental Services operations comprise mortgage servicing and related activities, together with tenancy deposit protection services in the UK.
- The Communication Services and Utilities operations comprise document composition and printing, intelligent mailing, inbound process automation, scanning and electronic delivery.
- The Business Services operations comprise the claims administration business in the prior comparative period. These operations ceased with the sale of KCC business.
- Technology Services & Operations includes the provision of software specialising in share registry, financial services and operations as well as the provision of the KCC business transitional services agreement<sup>2</sup>.

Computershare has a range of regulated businesses around the world, including transfer agencies, licensed dealers, corporate trusts and mortgage servicers.

## REVIEW OF OPERATIONS

The Group recorded a profit before tax of \$169.5 million for the period. This comprised of a profit before tax of \$320.3 million in continuing operations (2022: \$303.8 million), an increase of 5.4%. This was offset by a loss of (\$150.8 million) in discontinued operations for the half-year ended 31 December 2023.

Total revenue increased to \$1,606.4 million comprising \$1,408.8 million in continuing operations and \$197.6 million in discontinued operations (2022: \$1,504.9 million, comprising \$1,315.4 million in continuing operations

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<sup>1</sup> Refer to Note 3 Segment Information, which outlines changes to operating segments.

<sup>2</sup> KCC business was disposed on 1 May 2023.

## **COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES DIRECTOR'S REPORT**

and \$189.5 million in discontinued operations). Margin income was \$85.7 million higher due to higher interest rates, comprised of \$73 million in continuing operations and \$12.7 million in discontinued operations.

Issuer Services revenues excluding margin income were higher than prior period, reflecting higher event-based revenues in Corporate Actions (despite the slower environment for M&A), Stakeholder Relationship Management as well as increased transactional volumes in Registry supported by strong client retention. Governance Services revenue was marginally up.

Global Corporate Trust revenue excluding margin income (MI) was marginally up whilst EBIT ex MI was down reflecting higher full-time employees (FTEs) and associated costs, in addition to costs incurred in 1H24 as the business transitioned off the TSA.

Employee Share Plans revenue excluding margin income increased reflecting increased trading activity across all key markets driven by less volatile equity markets as well as increased core client fees as an ongoing benefit of the EquatePlus offering, where implemented in EMEA and Australia.

US MS revenues excluding margin income were lower than the prior period. Lower transaction volumes in the Recovery and Fulfillment business lines were partially offset by growth in the servicing portfolio. Costs were favourable due to benefits recognised from our cost out programme implemented in 1H23, in addition to a change in MSR estimated useful life from 8 to 9 years from 1 January 2023.

The reduction in Business Services revenues reflects the disposal of KCC in May 2023.

Total expenses were \$1,442.1 million comprising \$1,089.7 million in continuing operations and \$352.4 million in discontinued operations (2022: \$1,250.1 million, comprising \$1,012.4 million in continuing operations and \$237.7 million in discontinued operations). This was an increase of \$192 million on the prior comparative period, impacted materially by an impairment charge for US MS. All segments were impacted by general cost inflation, including global wage inflation and vendor contract increases, which contributed to the EBIT ex MI deterioration vs 1H23. This is partially offset by lower amortisation, which reflects the increase in MSR estimated useful life for US MS.

Operating cash flows increased by \$148.7 million to \$322.2 million (2022: \$173.5 million) compared to the corresponding period. Excluding the impact of loan servicing advances, operating cash flows increased by \$122.4 million compared to 1H23 due mainly to higher management profit and favourable working capital movements.

### **CONSOLIDATED PROFIT**

The profit of the consolidated entity for the half-year was \$105.2 million (2022: \$177.1 million) after deducting income tax and non-controlling interests, comprised of \$229.2 million in continuing operations, offset by a loss of (\$124 million) in discontinued operations.

### **DIVIDENDS**

The following dividends of the consolidated entity have been paid, determined or recommended since the end of the preceding financial year:

#### **Ordinary shares**

- A final dividend in respect of the year ended 30 June 2023 was determined on 15 August 2023 by the directors of the Company and paid on 18 September 2023. This was an ordinary unfranked dividend of AU 40 cents per share.
- An interim dividend was determined by the directors of the Company in respect of the current financial year, to be paid on 20 March 2024. This is an ordinary dividend of AU 40 cents per share, franked to 20% amounting to AUD 238,527,391 based on shares on issue as at 13 February 2024. The dividend was not determined to be paid until 13 February 2024 and accordingly no provision has been recognised at 31 December 2023.

### **ROUNDING OF AMOUNTS**

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission. In accordance with that legislative

## **COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES DIRECTOR'S REPORT**

instrument, amounts in the interim financial report and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's signed independence declaration as required under section 307C of the *Corporations Act 2001* is provided immediately after this report.

Signed in accordance with a resolution of the Directors.



PJ Reynolds  
Chairman

13 February 2024



SJ Irving  
Chief Executive Officer



## Auditor's Independence Declaration

As lead auditor for the review of Computershare Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been:

no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Computershare Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'M. Laithwaite'.

Marcus Laithwaite  
Partner  
PricewaterhouseCoopers

Melbourne  
13 February 2024

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**COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME**

For the half-year ended 31 December 2023

	Note	Half-year 2023 \$000	2022 \$000
<b>Revenue from continuing operations</b>			
Sales revenue		1,383,038	1,302,386
Interest received		24,997	9,055
Dividends received		746	4,025
<b>Total revenue from continuing operations</b>		<b>1,408,781</b>	1,315,466
Other income		1,094	602
<b>Expenses from continuing operations</b>			
Direct services		816,785	775,944
Technology costs		175,113	169,056
Corporate services		33,760	27,562
Finance costs		64,033	39,839
<b>Total expenses from continuing operations</b>		<b>1,089,691</b>	1,012,401
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method		66	83
<b>Profit before related income tax expense from continuing operations</b>		<b>320,250</b>	303,750
Income tax expense/(credit)	4	90,886	97,697
Profit after income tax expense from continuing operations		<b>229,364</b>	206,053
Loss after income tax benefit from discontinued operations	8	(123,984)	(28,692)
<b>Profit after tax for the half-year from continuing and discontinued operations</b>		<b>105,380</b>	177,361
<b>Other comprehensive income that may be reclassified to profit or loss</b>			
Cash flow hedges and cost of hedging		130,923	(194,934)
Exchange differences on translation of foreign operations		25,031	(31,377)
Income tax relating to components of other comprehensive income		(37,070)	*62,040
<b>Total other comprehensive income for the half year, net of tax</b>		<b>118,884</b>	(164,271)
<b>Total comprehensive income for the half year</b>		<b>224,264</b>	13,090
<b>Profit for the half year attributable to:</b>			
Members of Computershare Limited		105,218	177,051
Non-controlling interests		162	310
		<b>105,380</b>	177,361
<b>Total comprehensive income for the half year attributable to:</b>			
Members of Computershare Limited		224,066	12,886
Non-controlling interests		198	204

\* Comparative number was restated in the prior year. Refer to Statement of Changes in Equity for further details and the FY23 Annual Report.

**COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME**

For the half-year ended 31 December 2023

		<b>224,264</b>	13,090
<b>Total comprehensive income for the half year attributable to:</b>			
Continuing operations		<b>348,248</b>	41,782
Discontinued operations		<b>(123,984)</b>	(28,692)
		<b>224,264</b>	13,090
<b>Earnings per share for profit from continuing operations attributable to the members of Computershare Limited:</b>			
Basic earnings per share (cents per share)	2	<b>38.05 cents</b>	34.08 cents
Diluted earnings per share (cents per share)	2	<b>38.00 cents</b>	34.00 cents
<b>Earnings per share for profit from discontinued operations attributable to the members of Computershare Limited:</b>			
Basic earnings per share (cents per share)	2	<b>(20.58 cents)</b>	(4.75 cents)
Diluted earnings per share (cents per share)	2	<b>(20.56 cents)</b>	(4.74 cents)
<b>Earnings per share for profit attributable to the members of Computershare Limited:</b>			
Basic earnings per share (cents per share)	2	<b>17.47 cents</b>	29.33 cents
Diluted earnings per share (cents per share)	2	<b>17.44 cents</b>	29.26 cents

Prior year comparatives have been restated due to discontinued operations, refer to Note 8 for details.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2023

	Note	31 December 2023 \$000	30 June 2023 \$000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,136,710	1,141,695
Other financial assets		100,746	98,973
Receivables		505,256	519,415
Loan servicing advances		333	318,727
Financial assets at fair value through profit or loss		2,520	10,226
Inventories		5,275	6,310
Current tax assets		35,782	9,303
Prepayments		82,981	59,332
Assets classified as held for sale	8	1,077,133	-
Other current assets		8,952	9,464
<b>Total current assets</b>		<b>2,955,688</b>	<b>2,173,445</b>
<b>NON-CURRENT ASSETS</b>			
Receivables		90,101	93,296
Investments accounted for using the equity method		8,532	8,344
Financial assets at fair value through profit or loss		37,209	54,115
Property, plant and equipment		139,870	140,266
Right-of-use assets		138,294	145,699
Deferred tax assets		190,361	238,575
Intangibles		2,621,456	3,291,996
Other non-current assets		-	649
<b>Total non-current assets</b>		<b>3,225,823</b>	<b>3,972,940</b>
<b>Total assets</b>		<b>6,181,511</b>	<b>6,146,385</b>
<b>CURRENT LIABILITIES</b>			
Payables		592,194	544,242
Borrowings	9	219,259	593,864
Lease liabilities		33,963	35,934
Current tax liabilities		31,409	37,025
Financial liabilities at fair value through profit or loss		15,916	6,558
Provisions		45,382	43,616
Deferred consideration		3,144	1,084
Mortgage servicing related liabilities		-	30,042
Liabilities classified as held for sale	8	319,538	-
<b>Total current liabilities</b>		<b>1,260,805</b>	<b>1,292,365</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables		20,270	19,130
Borrowings	9	2,126,976	1,764,003
Lease liabilities		132,184	140,213
Financial liabilities at fair value through profit or loss		306,754	469,748
Deferred tax liabilities		197,580	227,469
Provisions		24,328	23,377
Mortgage servicing related liabilities		-	69,098
<b>Total non-current liabilities</b>		<b>2,808,092</b>	<b>2,713,038</b>
<b>Total liabilities</b>		<b>4,068,897</b>	<b>4,005,403</b>
<b>Net assets</b>		<b>2,112,614</b>	<b>2,140,982</b>
<b>EQUITY</b>			
Contributed equity	11	430,257	519,299
Reserves		(246,593)	(357,335)
Retained earnings		1,927,710	1,977,976
Total parent entity interest		2,111,374	2,139,940
Non-controlling interests		1,240	1,042
<b>Total equity</b>		<b>2,112,614</b>	<b>2,140,982</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

# CONSOLIDATED LIMITED AND ITS CONTROLLED ENTITIES

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 December 2023

Attributable to members of Computershare						
Note	Contributed Equity \$000	Reserves \$000	Retained Earnings \$000	Total \$000	Non- controlling Interests \$000	Total Equity \$000
<b>Total equity at 1 July 2023</b>	<b>519,299</b>	<b>(357,335)</b>	<b>1,977,976</b>	<b>2,139,940</b>	<b>1,042</b>	<b>2,140,982</b>
<b>Profit for the half-year</b>	-	-	105,218	105,218	162	105,380
Cash flow hedges and cost of hedging	-	130,923	-	130,923	-	130,923
Exchange differences on translation of foreign operations	-	24,995	-	24,995	36	25,031
Income tax (expense)/credits	-	(37,070)	-	(37,070)	-	(37,070)
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>118,848</b>	<b>105,218</b>	<b>224,066</b>	<b>198</b>	<b>224,264</b>
<b>Transactions with owners in their capacity as owners:</b>						
Dividends provided for or paid	5	-	(155,484)	(155,484)	-	(155,484)
Cash purchase of shares on market	-	(24,177)	-	(24,177)	-	(24,177)
Share buy back	(89,042)	-	-	(89,042)	-	(89,042)
Share based remuneration	-	16,071	-	16,071	-	16,071
<b>Balance at 31 December 2023</b>	<b>430,257</b>	<b>(246,593)</b>	<b>1,927,710</b>	<b>2,111,374</b>	<b>1,240</b>	<b>2,112,614</b>

Attributable to members of C Computershare						
	Contributed Equity \$000	Reserves \$000	Retained Earnings \$000	Total \$000	Non- controlling Interests \$000	Total Equity \$000
<b>Total equity at 1 July 2022</b>	519,299	*(138,090)	1,776,767	2,157,976	1,430	2,159,406
<b>Profit for the half-year</b>	-	-	177,051	177,051	310	177,361
Cash flow hedges and cost of hedging	-	(194,934)	-	(194,934)	-	(194,934)
Exchange differences on translation of foreign operations	-	(31,271)	-	(31,271)	(106)	(31,377)
Income tax (expense)/credits	-	*62,040	-	62,040	-	62,040
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>(164,165)</b>	<b>177,051</b>	<b>12,886</b>	<b>204</b>	<b>13,090</b>
<b>Transactions with owners in their capacity as owners:</b>						
Dividends provided for or paid	5	-	(121,583)	(121,583)	-	(121,583)
Cash purchase of shares on market	-	(31,677)	-	(31,677)	-	(31,677)
Share based remuneration	-	15,173	-	15,173	-	15,173
<b>Balance at 31 December 2022</b>	<b>519,299</b>	<b>(318,759)</b>	<b>1,832,235</b>	<b>2,032,775</b>	<b>1,634</b>	<b>2,034,409</b>

\* Consistent with the restatement included in the FY23 Annual Report, the 1 July 2022 deferred tax asset and the tax impact related to foreign currency translation reserve (FCTR) balance have been restated by \$38.4 million, and a further \$3.1 million for the half-year ended 31 December 2022 to reflect updated assumptions relevant to the comparative period, resulting in a reduction to the income tax relating to components of other comprehensive income.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the half-year ended 31 December 2023

	Note	Half-year 2023 \$000	2022 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		<b>1,547,064</b>	1,440,049
Payments to suppliers and employees		<b>(1,003,847)</b>	(1,062,612)
Loan servicing advances (net)		<b>(47,789)</b>	(74,023)
Dividends received from associates, joint ventures and equity securities		<b>746</b>	4,025
Interest paid and other finance costs		<b>(90,953)</b>	(62,168)
Interest received		<b>24,997</b>	9,055
Income taxes paid		<b>(108,067)</b>	(80,836)
<b>Net operating cash flows</b>	6	<b>322,151</b>	173,490
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of controlled entities and businesses (net of cash acquired)	7	<b>(36,037)</b>	(292)
Proceeds from/(payments for) intangible assets including MSRs		<b>(56,481)</b>	(102,024)
Proceeds from disposal of associates and joint ventures		<b>1,788</b>	-
Proceeds from/(payments for) investments		<b>5,180</b>	2,500
Payments for property, plant & equipment		<b>(17,165)</b>	(17,163)
Proceeds from sale of controlled entities		<b>3,259</b>	-
<b>Net investing cash flows</b>		<b>(99,456)</b>	(116,979)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments for purchase of ordinary shares - share based awards		<b>(24,177)</b>	(31,677)
Proceeds from borrowings		<b>368,466</b>	417,477
Repayment of borrowings		<b>(234,000)</b>	(335,751)
Loan servicing borrowings (net)		<b>19,622</b>	16,135
Dividends paid - ordinary shares (net of dividend reinvestment plan)		<b>(136,636)</b>	(106,477)
Purchase of ordinary shares – dividend reinvestment plan		<b>(18,848)</b>	(15,106)
Payments for on-market share buy-back		<b>(89,042)</b>	-
Lease principal payments		<b>(19,577)</b>	(22,196)
<b>Net financing cash flows</b>		<b>(134,192)</b>	(77,595)
Net increase/(decrease) in cash and cash equivalents held		<b>88,503</b>	(21,084)
Cash and cash equivalents at the beginning of the financial year		<b>1,141,695</b>	1,030,765
Exchange rate variations on foreign cash balances		<b>10,951</b>	(11,635)
<b>Cash and cash equivalents at the end of the half-year<sup>1</sup></b>		<b>1,241,149</b>	998,046

<sup>1</sup> Cash and cash equivalents at 31 December 2023 includes \$104.4 million cash (31 December 2022: nil) presented in the assets classified as held for sale line item in the consolidated statement of financial position.

The above consolidated cash flow statement includes both continuing and discontinued operations. It should be read in conjunction with the accompanying notes.

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### 1. BASIS OF PREPARATION

The interim financial report for the half-year reporting period ended 31 December 2023 includes the condensed financial statements for the consolidated entity consisting of Computershare Limited and its controlled entities, referred to collectively as the "consolidated entity", "the Group" or "Computershare".

The interim financial report is a general purpose financial report prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The interim financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), including IAS 34 *Interim Financial Reporting*.

The interim financial report does not include all the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Computershare Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the Australian Securities Exchange listing rules.

Where necessary, comparative figures have been adjusted to comply with the changes in presentation in the current period.

The accounting policies adopted are materially consistent with those of the previous financial year and the corresponding interim reporting period.

Refer to Note 8 for material judgements used in impairment of US MS regarding the allocation of impairment to goodwill and intangibles.

#### *Assets held for sale and discontinued operations*

Assets held for sale are recognised at the lower of their carrying amount or fair value less cost of disposal. The fair value less cost of disposal is based on the signed agreement with a third party and any anticipated costs of disposal (Refer to Note 8 for details).

### 2. EARNINGS PER SHARE

	<b>Dec 2023 \$000</b>	<b>Dec 2022 \$000</b>
<b>Earnings per share (cents per share) from continuing operations</b>		
Basic EPS	<b>38.05 cents</b>	34.08 cents
Diluted EPS	<b>38.00 cents</b>	34.00 cents
<b>Earnings per share (cents per share) from discontinued operations</b>		
Basic EPS	<b>(20.58 cents)</b>	(4.75 cents)
Diluted EPS	<b>(20.56 cents)</b>	(4.74 cents)

**COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the half-year ended 31 December 2023

<b>Half-year ended 31 December 2023</b>	<b>Basic EPS</b>	<b>Diluted EPS</b>	<b>Management Basic EPS</b>	<b>Management Diluted EPS</b>
<b>Earnings per share (cents per share)</b>	<b>17.47 cents</b>	<b>17.44 cents</b>	<b>54.97 cents</b>	<b>54.90 cents</b>
<b>Reconciliation of earnings</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Profit for the half-year	105,380	105,380	105,380	105,380
Non-controlling interest (profit)/loss	(162)	(162)	(162)	(162)
Add back management adjustment items (see below)	-	-	225,927	225,927
<b>Net profit attributable to the members of Computershare Limited</b>	<b>105,218</b>	<b>105,218</b>	<b>331,145</b>	<b>331,145</b>
Weighted average number of ordinary shares used as denominator in calculating earnings per share	<b>602,390,548</b>	<b>603,212,369</b>	<b>602,390,548</b>	<b>603,212,369</b>

<b>Half-year ended 31 December 2022</b>	<b>Basic EPS</b>	<b>Diluted EPS</b>	<b>Management Basic EPS</b>	<b>Management Diluted EPS</b>
<b>Earnings per share (cents per share)</b>	<b>29.33 cents</b>	<b>29.26 cents</b>	<b>44.54 cents</b>	<b>44.44 cents</b>
<b>Reconciliation of earnings</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Profit for the half-year	177,361	177,361	177,361	177,361
Non-controlling interest (profit)/loss	(310)	(310)	(310)	(310)
Add back management adjustment items (see below)	-	-	91,880	91,880
<b>Net profit attributable to the members of Computershare Limited</b>	<b>177,051</b>	<b>177,051</b>	<b>268,931</b>	<b>268,931</b>
Weighted average number of ordinary shares used as denominator in calculating earnings per share	<b>603,729,336</b>	<b>605,104,346</b>	<b>603,729,336</b>	<b>605,104,346</b>

**Reconciliation of weighted average number of shares used as the denominator:**

	<b>2023 Dec</b>	<b>2022 Dec</b>
Weighted average number of ordinary shares used as denominator in calculating basic earnings per share	<b>602,390,548</b>	603,729,336
Adjustments for calculation of diluted earnings per share:		
Share appreciation rights	-	680,307
Performance rights	<b>821,821</b>	694,703
Weighted average number of ordinary shares and potential ordinary shares used as denominator in calculating diluted earnings per share	<b>603,212,369</b>	605,104,346

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

For the half-year ended 31 December 2023 management adjustment items include the following:

	Gross \$000	Tax effect \$000	Net of tax \$000
<b>Amortisation</b>			
Amortisation of intangible assets	(46,751)	12,243	(34,508)
<b>Acquisitions and disposals</b>			
Acquisition related integration expenses	(72,498)	18,808	(53,690)
Disposal related expenses	(4,856)	1,259	(3,597)
Disposal related expenses – KCC Business	(3,941)	1,021	(2,920)
<b>Other</b>			
Major restructuring costs	(19,957)	5,215	(14,742)
Marked to market adjustments - derivatives	(150)	44	(106)
US MS impairment	(143,024)	26,660	(116,364)
<b>Total management adjustment items</b>	<b>(291,177)</b>	<b>65,250</b>	<b>(225,927)</b>

### Management Adjustment Items

Management adjustment items net of tax for the half-year ended 31 December 2023 were as follows:

#### 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. Amortisation of these intangibles in the half-year ended 31 December 2023 was \$34.5 million. Amortisation of MSRs, certain acquired software as well as intangibles purchased outside of business combinations is included as a charge against management earnings.<sup>1</sup>

#### Acquisitions and disposals

- Acquisition-related integration expenses are associated mainly with the integration of the Corporate Trust business (\$39.8 million) and the ongoing integration of Equatex including a rollout of the previously acquired software (\$13.1 million).
- Disposal-related expenses associated mainly with the sale of the US MS business resulted in a net loss of \$3.6 million.
- Finalisation of disposal accounting for the prior period's sale of the KCC business resulted in a net loss of \$2.9 million.

<sup>1</sup> Amortisation of MSRs for US MS business ceased at the time that the business was determined to be held for sale (refer to Note 8).

## COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

#### Other

- Costs of \$14.7 million were incurred in respect of major restructuring programmes spanning several years such as the Finance and People transformation, US and UK mortgage services cost-out programmes and continued property rationalisation.
- 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 \$0.1 million.
- An after-tax loss of \$116.4 million was recognised in the reporting period in relation to US MS, which is now classified as a discontinued operation (refer to Note 8(b)). This was an impairment charge resulting from the re-measurement of this business to estimated fair value less cost to dispose (\$131.6 million) net of the associated amortisation adjustment of \$15.2 million.

For the half-year ended 31 December 2022 management adjustment items include the following:

	Gross \$000	Tax effect \$000	Net of tax \$000
<b>Amortisation</b>			
Amortisation of intangible assets	(48,049)	12,931	(35,118)
<b>Acquisitions and disposals</b>			
Acquisition related integration expenses	(43,868)	11,948	(31,920)
Adjustment of contingent consideration receivable	2,751	(825)	1,926
<b>Other</b>			
Major restructuring costs	(16,008)	4,229	(11,779)
Marked to market adjustments - derivatives	(3,584)	931	(2,653)
UK Mortgage Services impairment	(14,944)	2,608	(12,336)
<b>Total management adjustment items</b>	<b>(123,702)</b>	<b>31,822</b>	<b>(91,880)</b>

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### 3. SEGMENT INFORMATION

In accordance with AASB 8 *Operating Segments*, the Group has identified its operating segments to be the following global business lines:

- a) Issuer Services
- b) Global Corporate Trust
- c) Employee Share Plans & Voucher Services
- d) Mortgage Services & Property Rental Services
- e) Communication Services & Utilities
- f) Business Services
- g) Technology Services & Operations

Issuer Services comprise register maintenance, corporate actions, stakeholder relationship management and corporate governance and related services. Global Corporate Trust comprises trust and agency services in connection with the administration of debt securities in the US and the legacy corporate trust operations in Canada and the US. Employee Share Plans & Voucher Services comprise the provision of administration and related services for employee share and option plans, together with Childcare Voucher administration in the UK.

Mortgage Services & Property Rental Services comprise mortgage servicing and related activities, together with tenancy deposit protection services in the UK. Communication Services and Utilities operations comprise document composition and printing, intelligent mailing, inbound process automation, scanning and electronic delivery. Business Services comprise the claims administration business, which ceased operating on disposal of the KCC business in the prior period. Technology Services & Operations includes the provision of software specialising in share registry, financial services, operations and shared services functions as well as the provision of the KCC business transitional services agreement.

The operating segments presented reflect the manner in which the Group is internally managed and the financial information reported to the chief operating decision maker (CEO). The Group has determined the operating segments based on the reports reviewed by the CEO that are used to make strategic decisions and assess performance. The key segment performance measure is based on management adjusted earnings before interest and tax (management adjusted EBIT).

For information on discontinued operations please refer to Note 8 for details.

From 1 July 2023, the following changes were made to the operating segments, which reflect the manner in which the Group is internally-managed and the financial information is reported to the chief operating decision-maker:

- The legacy 'Corporate Trust' business (previously included within 'Business Services') has been consolidated into the 'Global Corporate Trust' segment.
- Operations has been moved from 'Issuer Services' into 'Technology', and this segment has been renamed to 'Technology Services & Operations'.
- The provision of the KCC Business transitional services agreement has moved into 'Technology Services & Operations' (previously included within "Business Services").
- Intersegment Revenue is comprised of activity between operating segments, where the underlying nature of such activity is external revenue. This excludes activity within an operating segment.

The comparative disclosures have been adjusted to align with this new reporting structure.

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### OPERATING SEGMENTS

	Issuer Services	Global Corporate Trust	Employee Share Plans & Voucher Services	*Mortgage Services & Property Rental Services	Communicat ion Services & Utilities	Business Services	Technology Services & Operations	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>31 December 2023</b>								
Total segment revenue and other income	575,152	457,101	198,289	283,526	159,104	-	9,461	1,682,633
Intersegment revenue	-	-	-	-	(70,918)	-	-	(70,918)
<b>External revenue and other income</b>	<b>575,152</b>	<b>457,101</b>	<b>198,289</b>	<b>283,526</b>	<b>88,186</b>	<b>-</b>	<b>9,461</b>	<b>1,611,715</b>
<b>Revenue by geography:</b>								
Asia	35,947	-	21,379	-	-	-	4	57,330
Australia & New Zealand	61,584	-	8,314	-	36,134	-	1,117	107,149
Canada	56,746	42,548	10,344	-	4,777	-	422	114,837
Continental Europe	19,332	-	453	-	12,762	-	3	32,550
UK, Channel Islands, Ireland & Africa	63,760	-	127,637	81,813	5,393	-	2,679	281,282
United States	337,783	414,553	30,162	201,713	29,120	-	5,236	1,018,567
	575,152	457,101	198,289	283,526	88,186	-	9,461	1,611,715
<b>Management adjusted EBIT</b>	<b>207,583</b>	<b>235,930</b>	<b>69,195</b>	<b>32,202</b>	<b>6,752</b>	<b>-</b>	<b>(5,616)</b>	<b>546,046</b>
<b>31 December 2022</b>								
Total segment revenue and other income	506,667	450,160	148,795	266,231	147,647	56,589	1,335	1,577,424
Intersegment revenue					(66,784)			(66,784)
<b>External revenue and other income</b>	<b>506,667</b>	<b>450,160</b>	<b>148,795</b>	<b>266,231</b>	<b>80,863</b>	<b>56,589</b>	<b>1,335</b>	<b>1,510,640</b>
<b>Revenue by geography:</b>								
Asia	38,426	-	19,450	-	-	-	8	57,884
Australia & New Zealand	65,330	-	7,101	-	37,191	-	321	109,943
Canada	43,900	42,349	8,769	-	5,298	7,237	177	107,730
Continental Europe	15,419	-	3,750	-	11,822	-	18	31,009
UK, Channel Islands, Ireland & Africa	58,883	-	83,050	67,604	4,547	3,274	755	218,113
United States	284,709	407,811	26,675	198,627	22,005	46,078	56	985,961
	506,667	450,160	148,795	266,231	80,863	56,589	1,335	1,510,640
<b>Management adjusted EBIT</b>	<b>167,982</b>	<b>245,754</b>	<b>28,931</b>	<b>(9,606)</b>	<b>5,597</b>	<b>6,347</b>	<b>(4,321)</b>	<b>440,684</b>

\*Refer to Note 8 Discontinued Operations

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### Segment revenue

The revenue reported to the CEO is measured in a manner consistent with that of the statement of comprehensive income. Intersegment revenue is comprised of activity between operating segments, where the underlying nature of such activity is external revenue. This excludes activity within an operating segment. Sales between segments are at normal commercial rates and are eliminated on consolidation.

Segment revenue reconciles to total revenue from continuing operations as follows:

	<b>Half-year</b>	
	<b>2023</b>	2022
	<b>\$000</b>	\$000
<b>Total operating segment revenue and other income from continuing and discontinued operations</b>	<b>1,682,633</b>	1,577,424
Intersegment eliminations	<b>(70,918)</b>	(66,784)
Other income	<b>(6,072)</b>	(9,731)
Corporate revenue	<b>746</b>	4,025
<b>Total revenue from continuing and discontinued operations</b>	<b>1,606,389</b>	1,504,934
Continuing operations	<b>1,408,781</b>	1,315,466
Discontinued operations	<b>197,608</b>	189,468
<b>Total revenue from continuing and discontinued operations</b>	<b>1,606,389</b>	1,504,934

### Management adjusted EBIT

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

A reconciliation of management adjusted EBIT to operating profit before income tax is provided as follows:

	<b>Half-year</b>	
	<b>2023</b>	2022
	<b>\$000</b>	\$000
<b>Management adjusted EBIT</b>	<b>546,046</b>	440,684
Management adjustment items (before related income tax effect):		
Amortisation of intangible assets	<b>(46,751)</b>	(48,049)
Acquisition related integration expenses	<b>(72,498)</b>	(43,868)
Acquisition and disposal related expenses	<b>(8,797)</b>	-
Gain on disposal	-	2,751
Major restructuring costs	<b>(19,957)</b>	(16,008)
Marked to market adjustments – derivatives	<b>(150)</b>	(3,584)
US MS impairment	<b>(143,024)</b>	-
UK Mortgage Services impairment	-	(14,944)
Total management adjustment items (note 2)	<b>(291,177)</b>	(123,702)
Finance costs	<b>(85,354)</b>	(53,655)
<b>Profit before income tax from continuing and discontinued operations</b>	<b>169,515</b>	263,327
Continuing operations	<b>320,250</b>	303,750
Discontinued operations	<b>(150,735)</b>	(40,423)
<b>Profit before income tax from continuing and discontinued operations</b>	<b>169,515</b>	263,327

**COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the half-year ended 31 December 2023

**4. INCOME TAX EXPENSE**

	<b>Half-year</b>	
	<b>2023</b>	2022
	<b>\$000</b>	\$000
<b>Profit before income tax from continuing and discontinued operations</b>	<b>169,515</b>	263,327

The tax expense for the financial year differs from the amount calculated on the profit.

The differences are reconciled as follows:

<b>Prima facie income tax expense thereon at 30%</b>	<b>50,855</b>	78,998
Variation in tax rates of foreign controlled entities	<b>(2,844)</b>	(9,312)
<b>Tax effect of permanent differences:</b>		
Withholding tax not creditable	<b>5,319</b>	7,584
Effect of changes in tax rates and laws	-	3,578
Capital gain on internal reorganisation	-	2,577
Non-deductible interest expense	-	1,783
US MS impairment	<b>12,202</b>	-
Prior year tax (over)/under provided	<b>(584)</b>	(867)
Net other	<b>(813)</b>	1,625
<b>Income tax expense /(credit) from continuing and discontinued operations</b>	<b>64,135</b>	85,966

**5. DIVIDENDS**

	<b>Half year</b>	
	<b>2023</b>	2022
	<b>\$000</b>	\$000
<b>Ordinary shares</b>		
Dividends provided for or paid during the half-year	<b>155,484</b>	121,583

**Dividends not recognised at the end of the half-year**

An interim dividend in respect of the half-year ended 31 December 2023 was determined by the directors of the Company to be paid on 20 March 2024. This is an ordinary dividend of AU 40 cents per fully paid ordinary share, franked to 20%, amounting to AUD 238,527,391, based on shares on issue as at 13 February 2024. The dividend was not determined to be paid until 13 February 2024 and accordingly no provision has been recognised as at 31 December 2023.

**COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the half-year ended 31 December 2023

**6. CASH FLOW INFORMATION**

**Reconciliation of net profit after tax to cash flows from operating activities**

	<b>2023</b>	2022
	<b>\$000</b>	\$000
<b>Profit for the half-year from continuing and discontinued operations</b>	<b>105,380</b>	177,361
Adjustments for:		
Depreciation and amortisation	<b>101,310</b>	147,635
Net (gain)/loss on asset disposals and revaluation of assets	-	(4,361)
Amortisation of USD senior note fair value adjustment to interest expense	<b>(7,593)</b>	(7,504)
Share of net (profit)/loss of associates and joint ventures accounted for using equity method method	<b>(66)</b>	(83)
Employee benefits – share based expense	<b>16,658</b>	16,972
Impairment charge	<b>164,265</b>	14,944
Fair value adjustments	<b>(3,791)</b>	3,584
Contingent consideration re-measurement	<b>3,941</b>	(2,751)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	<b>(6,668)</b>	(49,208)
(Increase)/decrease in inventories	<b>1,078</b>	(762)
(Increase)/decrease in loan servicing advances	<b>(47,790)</b>	(74,024)
(Increase)/decrease in other current assets	<b>(30,176)</b>	(5,667)
Increase/(decrease) in payables and provisions	<b>69,535</b>	(47,776)
Increase/(decrease) in tax balances	<b>(43,932)</b>	5,130
<b>Net cash and cash equivalents from operating activities</b>	<b>322,151</b>	173,490

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### 7. BUSINESS COMBINATIONS

The Group continues to seek acquisition and other growth opportunities where value can be added and returns enhanced for the shareholders. The following business was acquired by the consolidated entity at the date stated and its operating results have been included in the Group's results from the acquisition date.

On 1 December 2023, the Group acquired the UK/European employee share plan business of Solium Capital UK, a member of the Morgan Stanley group, for a cash consideration of \$36.0 million and contingent consideration of \$2.1 million.

Details of the acquisition are as follows:

	<b>\$000</b>
Cash consideration	36,037
Contingent consideration	2,060
<b>Total purchase consideration</b>	<b>38,097</b>
Add fair value of identifiable net liabilities acquired	-
Provisional goodwill on consolidation*	<b>38,097</b>

\*Identification and valuation of net assets acquired, including intangible assets, will be completed within the 12-month measurement period in accordance with the Group's accounting policy.

Assets and liabilities arising from this acquisition are as follows:

	<b>Fair value</b>
	<b>\$000</b>
Provisional goodwill	38,097
<b>Net assets</b>	<b>38,097</b>
<b>Purchase consideration:</b>	
Inflow/(outflow) of cash to acquire the entities, net of cash acquired:	<b>\$000</b>
Cash consideration	36,037
<b>Net inflow/(outflow) of cash</b>	<b>36,037</b>

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### 8. DISCONTINUED OPERATIONS

#### a) Outline

On 3 October 2023, the Group entered into an agreement to sell its US MS business for an estimated consideration of \$784 million. The final consideration is subject to any pre-completion dividends, certain purchase price adjustments at transaction closing and customary completion accounts to reflect asset movements between 3 October 2023 and transaction closing.

The disposal remains subject to customary closing conditions including regulatory approvals with completion expected to take place in the third quarter of FY24. As the sale is considered to be highly probable to be completed within the next 12 months, the associated assets and liabilities are classified as held for sale at 31 December 2023. US MS is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period is set out below:

#### b) Financial performance

	<b>31 December 2023 \$000</b>	31 December 2022 \$000
Total revenue	<b>197,608</b>	189,468
Other income	<b>4,106</b>	7,853
Total expenses	<b>(188,184)</b>	(237,744)
Profit/(loss) before tax	<b>13,530</b>	(40,423)
Income tax (expense)/benefit	<b>(5,962)</b>	11,731
Profit/(loss) after tax	<b>7,568</b>	(28,692)
Impairment charge before tax	<b>(164,265)</b>	-
Income tax benefit on impairment charge	<b>32,713</b>	-
Impairment charge after tax	<b>(131,552)</b>	-
<b>Loss after income tax from discontinued operations</b>	<b>(123,984)</b>	(28,692)

#### c) Assets and liabilities of disposal group classified as held for sale (discontinued operation)

##### Assets classified as held for sale

Cash and cash equivalents	<b>104,440</b>	-
Receivables	<b>16,391</b>	-
Loan servicing advances	<b>366,184</b>	-
Property, plant and equipment	<b>2,003</b>	-
Right-of-use assets	<b>1,261</b>	-
Intangibles*	<b>557,415</b>	-
Financial assets at fair value through profit or loss	<b>22,552</b>	-
Prepayments	<b>2,521</b>	-
Other assets	<b>4,366</b>	-
<b>Total assets held for sale</b>	<b>1,077,133</b>	-

\*Includes MSRs of \$540.2 million

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### Liabilities directly associated with assets classified as held for sale

Payables	27,294	-
Borrowings	205,598	-
Lease liabilities	1,944	-
Provisions	2,046	-
Mortgage servicing related liabilities	82,656	-
<b>Liabilities held for sale</b>	<b>319,538</b>	<b>-</b>

As the assets were required to be recognised at the lower of their carrying amount and estimated fair value less costs of disposal, an impairment charge of \$131.6 million after tax (\$164.3 million pre-tax) was incurred to write off goodwill attributable to US MS, MSRs and other intangibles (Note 2).

A relative fair value calculation was used in determining the allocation of goodwill to businesses within the Mortgage Services & Property Rental Services segment as at 31 December 2023, and all goodwill allocated to US MS was subsequently impaired (\$108.7 million pre-tax). The remaining impairment charge of \$55.6 million pre-tax was allocated to other intangible assets, which are primarily made up of MSRs.

### 9. BORROWINGS

	<b>31 December 2023 \$000</b>	30 June 2023 \$000
<b>Current</b>		
Bank loans (SLS non-recourse advance facility) (b)	-	88,384
Revolving syndicated bank facilities (a)	-	289,000
USD Senior Notes	<b>219,259</b>	216,480
	<b>219,259</b>	593,864
<b>Non-current</b>		
Bank loans (SLS non-recourse advance facility) (b)	-	97,874
Revolving syndicated bank facilities (a)	<b>875,474</b>	448,571
USD Senior Notes	<b>539,954</b>	534,885
Euro Medium Term Note (EMTN)	<b>521,204</b>	503,495
Australian Medium Term Note (AMTN)	<b>190,344</b>	179,178
	<b>2,126,976</b>	1,764,003

(a) The current portion of the syndicated facility was refinanced in November 2023 and reclassified to the non-current category, the facility limit was also increased from \$500m to \$550m.

(b) Balances have been transferred to held-for-sale as at December 2023.

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### 10. FAIR VALUE MEASUREMENTS

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The measurement hierarchy used is as follows:

**Level 1:** The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period for identical assets and liabilities. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. This includes inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Such instruments include derivative financial instruments and the portion of borrowings included in the fair value hedge.

Specific valuation techniques used to value financial instruments are as follows:

- a) Quoted market prices or dealer quotes are used for similar instruments.
- b) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- c) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- d) The fair value of cross currency swaps is a combination of the fair value of forward foreign exchange contracts determined using forward exchange rates at the balance sheet date (for the final principal exchange) and the use of quoted market prices or dealer quotes for similar instruments (for the basis valuation).
- e) The fair value of interest rate swaptions is calculated using the Black-Scholes formula and quoted market prices.

**Level 3:** Valuation methodology of the asset or liability uses inputs that are not based on observable market data (unobservable inputs). This is the case of investments in unconsolidated structured entities, which are included in financial assets at fair value through profit or loss and deferred consideration arising from business combinations.

The amount of contingent consideration recognised on business combinations is typically referenced to revenue or EBITDA targets. The Group estimates the fair value of the expected future payments based on the terms of each earn-out agreement and management's knowledge of the business taking into account the likely impact of the current economic environment. Contingent consideration amounts are re-measured every reporting period based on most recent projections. Gains or losses arising from changes in fair value are recognised in profit or loss in the period in which they arise.

The fair value of the investment in structured entities is determined by reference to the interest in net assets of these entities, which approximate their fair values. As profits are realised and dividends are paid to investors, the net assets of these entities decrease and so does the fair value of the Group's investment.

The following tables present the Group's financial assets and liabilities measured and recognised at fair value at 31 December 2023. The comparative figures are also presented below.

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
<b>As at 31 December 2023</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss	26,488	7,753	5,488	39,729
Contingent consideration receivable	-	-	46,063	46,063
<b>Total assets</b>	<b>26,488</b>	<b>7,753</b>	<b>51,551</b>	<b>85,792</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss	-	322,670	-	322,670
Contingent consideration	-	-	3,144	3,144
<b>Total liabilities</b>	<b>-</b>	<b>322,670</b>	<b>3,144</b>	<b>325,814</b>
<b>As at 30 June 2023</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss	30,087	6,857	27,397	64,341
Contingent consideration receivable	-	-	46,063	46,063
<b>Total assets</b>	<b>30,087</b>	<b>6,857</b>	<b>73,460</b>	<b>110,404</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss	-	476,306	-	476,306
Contingent consideration	-	-	1,084	1,084
<b>Total liabilities</b>	<b>-</b>	<b>476,306</b>	<b>1,084</b>	<b>477,390</b>

The following table presents the changes in level 3 items for the period ended 31 December 2023:

	Financial assets at fair value through profit or loss \$000	Contingent consideration receivable \$000	Contingent consideration liability \$000
<b>Opening balance at 1 July 2023</b>	27,397	46,063	(1,084)
Additions	-	-	(2,060)
Return of Capital	(5,180)	-	-
Transferred to held-for-sale	(20,194)	-	-
Gains/ (losses) recognised in the profit or loss	3,465	-	-
<b>Closing balance at 31 December 2023</b>	<b>5,488</b>	<b>46,063</b>	<b>(3,144)</b>

### Net fair value of financial assets and liabilities

The carrying amounts of cash and cash equivalents, receivables, loan servicing advances, payables, non-interest bearing liabilities, lease liabilities and loans approximate their fair values for the Group except for:

- the USD Senior Notes of \$759.2 million (30 June 2023: \$751.4 million), where the fair value based on level 2 valuation techniques was \$721.9 million as at 31 December 2023 (30 June 2023: \$706.6 million);
- the Euro Medium Term Notes of \$521.2 million (30 June 2023: \$503.5 million), where the fair value based on level 2 valuation techniques was \$475.2 million as at 31 December 2023 (30 June 2023: \$450.6 million);
- the AUD Medium Term Notes of \$190.3 million (30 June 2023: \$179.2 million), where the fair value based on level 2 valuation techniques was \$191.2 million as at 31 December 2023 (30 June 2023: \$180.1 million).

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### 11. CONTRIBUTED EQUITY

#### Movement in contributed equity

	Number of shares	\$000
Balance at 1 July 2023	603,729,336	519,299
Ordinary share buy back (a)	(5,590,859)	(89,042)
<b>Balance at 31 December 2023</b>	<b>598,138,477</b>	<b>430,257</b>

(a) On 15 August 2023 Computershare Limited announced an on-market buy-back of ordinary shares. The on-market buy-back commenced on 4 September 2023 and is expected to end on 3 September 2024.

The buy-back is for capital management purposes and Computershare reserves the right to vary, suspend or terminate the buy-back at any time. Computershare Limited plans to buy-back its fully paid ordinary shares up to a maximum aggregate value of AUD 750 million. (As at 31 December 2023: AUD 136.2 million)

### 12. CONTINGENT LIABILITIES

#### Legal and regulatory matters

Regulatory, tax and commercial claims have been made against the consolidated entity in various countries in the normal course of business. An inherent difficulty in predicting the outcome of such matters exists and they may take some time to resolve. Based on current knowledge of the Group, an appropriate liability is recognised on the consolidated balance sheet if future cash outflows are considered probable with regard to such claims. The status of the claims is monitored by management on an ongoing basis, together with the adequacy of any provisions recorded in the Group's financial statements.

#### Guarantees, indemnities and other contingent liabilities

There have been no material changes to guarantees, indemnities and other contingent liabilities since the last reporting date other than an increase of \$50 million to the USD Syndicated Facility Agreement executed on 30 June 2020 to \$550 million, which was refinanced in November 2023.

### 13. COMMITMENTS

There have been no material changes to commitments since the last reporting date.

### 14. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

No matter or circumstance has arisen since the reporting date which is not otherwise reflected in this report that has significantly affected or may significantly affect the operations of the consolidated entity.

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' DECLARATION

## Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 9 to 28 are in accordance with the *Corporations Act 2001*, including:

- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.



PJ Reynolds

*Chairman*



SJ Irving

*Director*

Melbourne

13 February 2024

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES STATEMENTS OF THE CEO AND CFO

## Statement to the Board of Directors of Computershare Limited

The Chief Executive Officer and Chief Financial Officer state that:

- (a) the financial records of the consolidated entity for the half-year ended 31 December 2023 have been properly maintained in accordance with section 286 of the *Corporations Act 2001*; and
- (b) the financial statements, and the notes to the financial statements, of the consolidated entity, for the half-year ended 31 December 2023:
  - (i) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of their performance for the half-year ended on that date.



SJ Irving

*Chief Executive Officer*



NSR Oldfield

*Chief Financial Officer*

13 February 2024



## Independent auditor's review report to the members of Computershare Limited

### Report on the half-year financial report

#### Conclusion

We have reviewed the half-year financial report of Computershare Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of changes in equity, consolidated cash flow statement and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Computershare Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error. In note 1, the directors also state that the consolidated financial statements comply with ISA 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board.

#### Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards

and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PricewaterhouseCoopers



Marcus Laithwaite  
Partner

Melbourne  
13 February 2024

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

## SUPPLEMENTARY APPENDIX 4D INFORMATION

### NTA Backing *(Appendix 4D item 3)*

	31 December 2023	31 December 2022
Net tangible asset backing per ordinary share	(1.17)	(2.82)

### Controlled entities acquired or disposed of *(Appendix 4D item 4)*

No entities have been acquired or disposed for the period ending 31 December 2023.

### Additional dividend information *(Appendix 4D item 5)*

Details of dividends determined to be paid or paid during or subsequent to the half-year ended 31 December 2023 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend (AUD)	Franked amount per security	Conduit foreign income amount per security
23 August 2023	18 September 2023	Final	AU 40 cents	241,415,412	AU 0 cents	AU 40 cents
21 February 2024	20 March 2024	Interim	AU 40 cents	238,527,391	AU 8 cents	AU 32 cents

### Dividend reinvestment plans *(Appendix 4D item 6)*

Computershare operates a Dividend Reinvestment Plan (DRP) which provides eligible shareholders with the opportunity to elect to take all or part of dividends in the form of shares in accordance with the DRP plan rules. Shares are provided under the plan free of brokerage and other transaction costs and will rank equally with all other ordinary shares on issue.

The DRP will apply to the interim dividend determined in respect of the current financial year on 13 February 2024. Applications or notices received after 5.00pm (Melbourne time) on 22 February 2024 will not be effective for payment of this interim dividend but will be effective for future dividend payments.

The DRP price for the interim dividend will be equal to the arithmetic average of the daily volume weighted average market price (rounded to the nearest cent) of all shares sold through a normal trade on the ASX automated trading system during the DRP pricing period for this dividend, being 26 February 2024 to 8 March 2024 (inclusive). No discount will apply to the DRP price.

## COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES SUPPLEMENTARY APPENDIX 4D INFORMATION

### Associates and joint venture entities *(Appendix 4D item 7)*

Name	Place of incorporation	Principal activity	Ownership interest		Consolidated carrying amount	
			Dec 2023 %	Jun 2023 %	Dec 2023 \$000	Jun 2023 \$000
<b>Joint Ventures</b>						
Computershare Pan Africa Holdings Ltd	Mauritius	Investor Services	60	60	-	-
<b>Associates</b>						
Expandi Ltd	United Kingdom	Investor Services	25	25	6,904	6,757
Reach LawTech Pty Ltd	Australia	Investor Services	46.5	46.5	-	-
The Reach Agency Holdings Pty Ltd	Australia	Investor Services	46.5	46.5	1,627	1,587
					<b>8,531</b>	<b>8,344</b>

The share of net profit/(loss) of associates and joint ventures accounted for using the equity method for the half-year ended 31 December 2023 is a gain of \$0.1 million (31 December 2022: \$0.1 million gain).

### Foreign Entities *(Appendix 4D item 8)*

For foreign entities, International Financial Reporting Standards are used in compiling the half-year consolidated report.

# COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES SUPPLEMENTARY APPENDIX 4D INFORMATION

## CORPORATE DIRECTORY

### DIRECTORS

Paul Joseph Reynolds  
(Chairman)  
Stuart James Irving  
(President and  
Chief Executive Officer)  
Abigail Pip Cleland  
Tiffany Lee Fuller  
Lisa Mary Gay  
John Nendick  
Joseph Mark Velli

### SHARE REGISTRY

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+ 61 3 9415 4222  
Facsimile + 61 3 9473 2500

### COMPANY SECRETARY

Dominic Matthew Horsley

### INVESTOR RELATIONS

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### REGISTERED OFFICE

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### STOCK EXCHANGE LISTING

Australian Securities Exchange

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