

2017 ANNUAL GENERAL MEETING

Delivering sustained
earnings growth

14 November 2017

CERTAINTY | INGENUITY | ADVANTAGE



Computershare

2017 ANNUAL GENERAL MEETING

Chairman's address

Simon Jones

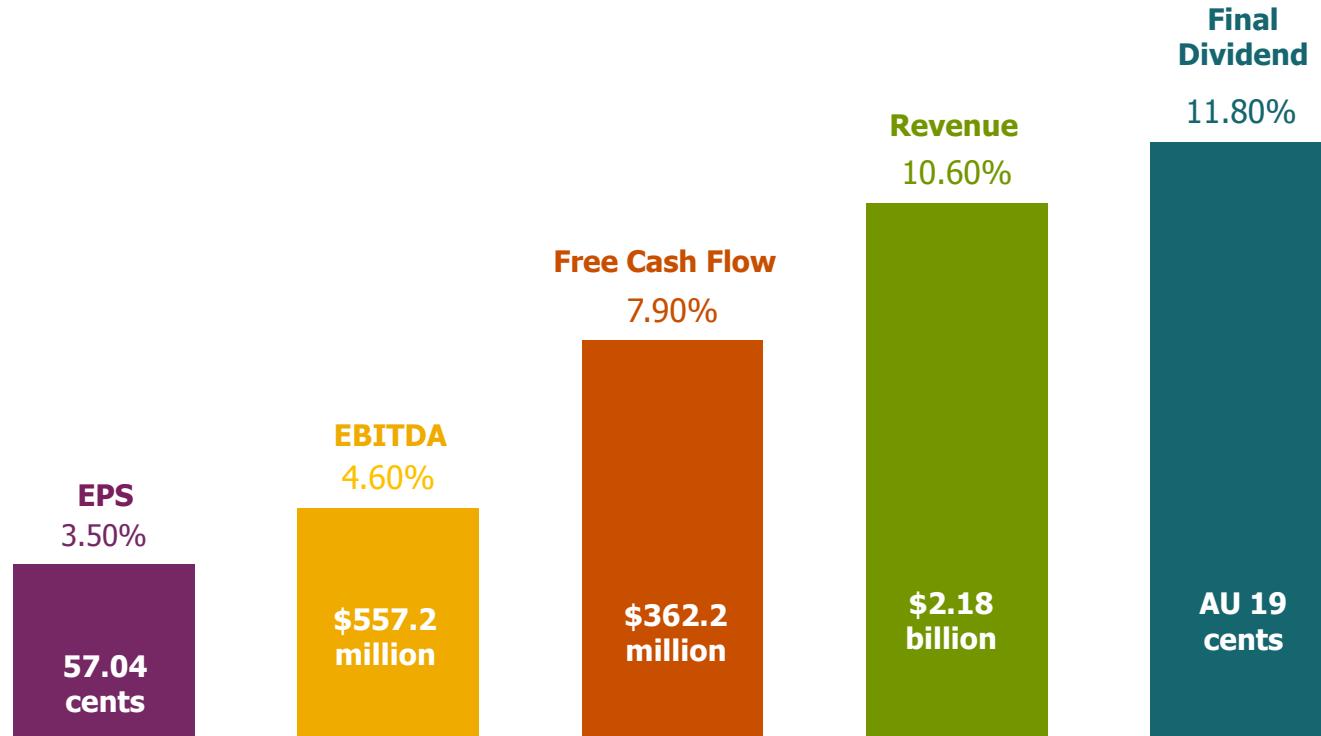
14 November 2017



CERTAINTY | INGENUITY | ADVANTAGE

Computershare

FY17: A year of solid growth



¹ Management results are expressed in constant currency throughout this presentation unless otherwise stated. Constant currency equals FY17 results translated to USD at FY16 average exchange rates

² Reconciliation of statutory to management results can be found on slide 22 of our August results presentation

³ References in this presentation to free cash flow and net debt exclude SLS advances/non-recourse debt as appropriate

Key operational statistics

15,000+	21	95	16,000	125 million*
FTEs	countries	offices	clients	shareholders and participants
13.9 million	c. \$125 billion	\$16.7 billion	\$59.7 billion	£64 billion
calls handled by our call centres	share plan assets under administration	client balances	UPB under service (US)	UPB under service in (UK)

As at 30 June 2017

*includes Indian JV

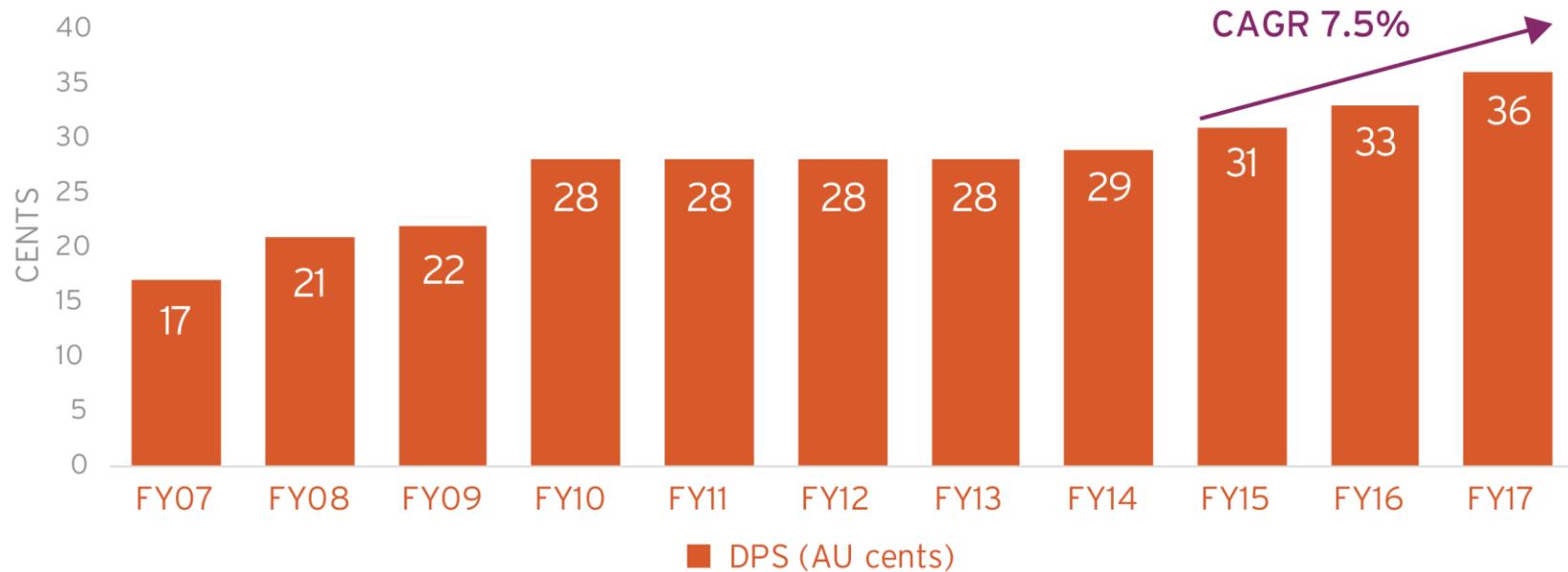
Strong free cash flow drives shareholder returns

- Consistent free cash flow self funds growth engines, strengthens the balance sheet and enables distributions to shareholders.



Consistent dividend track record

Full year dividend increased by 11.8% in FY17



Delivering strong returns for shareholders

CPU share price

PERFORMANCE VS. ASX 200

SINCE IPO 27 MAY 1994 >
30 JUNE 2017



Corporate responsibility

CHANGE A LIFE

- › **AUD 8 MILLION** RAISED FOR CHANGE A LIFE SINCE LAUNCH
- › **DONATIONS OF AUD 990,000** SUPPORTED OUR PROJECTS IN FY2017



Farmer Managed Natural Regeneration - Ghana

Completed this five-year project with World Vision in September 2017.



Come-Share Education Project - Sri-Lanka

Supported by Computershare for over 15 years.



World Youth International - Nepal

Our new global charity, selected by our employees.

FOCUS FOR FY2018



- › Implement employee consultation program for charity selection



- › Allocate 20% of donations to charities that are local to our offices



- › Finalise new local and global charities for Change A Life to support

2017 ANNUAL GENERAL MEETING

CEO's address

Stuart Irving

14 November 2017



COMPUTERSHARE
CPU-DAY
LET'S CELEBRATE



CERTAINTY | INGENUITY | ADVANTAGE

Computershare

Executive summary

FY17 results - upgraded guidance delivered

Management results ¹					
Revenue \$2,182.5m	 10.6%	EBITDA \$557.2m	 4.6%	EPS 57.04 cents	 3.5%
Statutory EPS	Free cash flow	Dividend per share			
Actual 48.76 cents²	 70.8%	Actual \$362.2m³	 7.9%	Final AU 19 cents	 11.8%

FY17 upgraded guidance delivered despite cyclically depressed Corporate Actions revenues (weakest since FY05), the lowest margin income yield in CPU history and a higher tax rate.

FY17 Management EBITDA (excluding margin income) increased by 9.6%.

Strategies driving performance and earnings potential

GROWTH

- › Mortgage services
- › Employee share plans

PROFITABILITY

- › Cost-out programme
- › Significant leverage to rising interest rates

CAPITAL MANAGEMENT

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

Growth: Mortgage services performing to plan

FINANCIAL RESULTS IN FY2017

COMPARISON IN CONSTANT CURRENCY (\$ MILLION)

FY2017 @ CC	FY2016 ACTUAL	CC VARIANCE
-------------	---------------	-------------

US mortgage services revenue	\$257.2	\$222.0	+15.9%
UK mortgage services revenue	\$280.6	\$93.3	+200.8%
Total mortgage services revenue	\$537.8	\$315.3	+70.6%
Total mortgage services EBITDA	\$78.0	\$39.5	+97.5%

US

- › Execution of growth strategy on track
- › Strengthening relationships with government agencies creating new sizeable revenue opportunities
- › Structural market change positive for CPU with industry leading service quality driving new revenue opportunities
- › Benefits at scale reaffirmed: \$100bn UPB = 20% PBT margins and 12-14% post tax free cash flow return on average invested capital

UK

- › Strong UKAR revenue contribution with dilution to group EBITDA margins as expected
- › Integration of UK mortgage services ahead of schedule targeting a single platform in FY19
- › All servicing contracts retained with new asset owners
- › A number of new contract wins from “challenger banks” – servicing volumes to grow with new originations
- › Increase in regulatory costs driving outsourcing considerations for in-house bank servicers

US mortgage services - UPB and number of loans

\$67.0bn UPB at end of October, +\$7.3bn increase since the end of FY17

		Performing		Non-performing		
		At 31 Oct 17	At 30 Jun 17	At 31 Oct 17	At 30 Jun 17	
Mortgage Services	U.S.	Fully-Owned MSRs ¹	\$13.2BN 59K Loans	\$8.5BN 38K Loans	\$11.7BN 97K Loans	\$12.4BN 103K Loans
		Part-Owned MSRs ²	Excess strip deals \$13.7BN 63K Loans	Excess strip deals \$14.6BN 66K Loans	SPV deals \$14.8BN 68K Loans	SPV deals \$15.8BN 72K Loans
	U.S.	Subservicing ³	\$3.0BN 12K Loans	\$1.8BN 5K Loans	\$10.6BN 115K Loans	\$6.6BN 88K Loans
	Total US UPB		\$29.9BN	\$24.9BN	\$37.1BN	\$34.8BN

¹ CPU owns the MSR outright

² CPU has sold part of the MSR to a third party investor

³ Servicing performed on a contractual basis

Growth: Employee share plans performing well

FINANCIAL RESULTS IN FY2017

COMPARISON IN CONSTANT CURRENCY (\$ MILLION)

FY2017 @ CC	FY2016 ACTUAL	CC VARIANCE
-------------	---------------	-------------

Total employee share plans revenue	\$235.6	\$222.2	+6.0%
Employee share plans EBITDA	\$60.8	\$56.5	+7.6%
EBITDA margin %	25.8%	25.4%	+40bps
EBITDA ex margin income	\$42.4	\$26.8	+58.2%

- › Strong recovery in transactional volumes driven by improved equity market strength and currency volatility
- › Reduced margin income impacted by cut in UK interest rates and lower sharesave balances
- › Investment in customer facing technologies and product refreshes improving competitive position
- › Structural growth drivers intact with c. \$125bn of assets under administration, over half 'in the money'
- › Asian share plans market developing strongly. CPU has leading position with unrivalled plan design and management expertise
 - Significant new client wins following CPU recent entry into A share market e.g. HP3 and LeTV
 - Entered Singapore market with strategic new client wins, Olam and Sea Ltd
 - Designed and launched Lenovo's Global ESPP (35 Jurisdictions, over 25,000 eligible participants). Strong participation

Profitability: Structural cost out program on track

Activity	Total cost savings estimates \$m	Expected benefit realisation (cumulative)			
		FY17	FY18	FY19	FY20
Stage 1 Louisville (unchanged)	25 - 30	28%	45%	70%	100%
Stage 2 Spans of control	~15	45%	95%	100%	
Operational efficiencies	10 - 15	-	20%	80%	100%
Procurement	5 - 8	-	50%	100%	
Process Automation	~20	-	20%	80%	100%
Other	10 - 12	-	50%	100%	
Total estimate	85 - 100	13.7	42.0	78.1	92.8

- › Stage 1 and 2 programs delivering ahead of expectations:
 - › Stage 1 delivered 28% of benefits in FY17 (originally 15%)
 - › Stage 2 delivered 45% of benefits (originally 20%)
- › Process automation adoption underway. Widespread potential application
- › Further cost savings to come with Stage 3 analysis well underway

- Estimates of total cash costs to deliver Stage 1 remain unchanged at \$80-85m, circa 65% opex. Estimates of stage 2 total cash costs also remain unchanged at \$30-40m, circa 75% opex. All opex costs to be expensed and included in Management adjustments
- Expected FY18 post tax management adjustment of \$15-20m for Stages 1 and 2 (FY17 post tax management adjustments \$20.5m)

Profitability: Register Maintenance – margin expansion

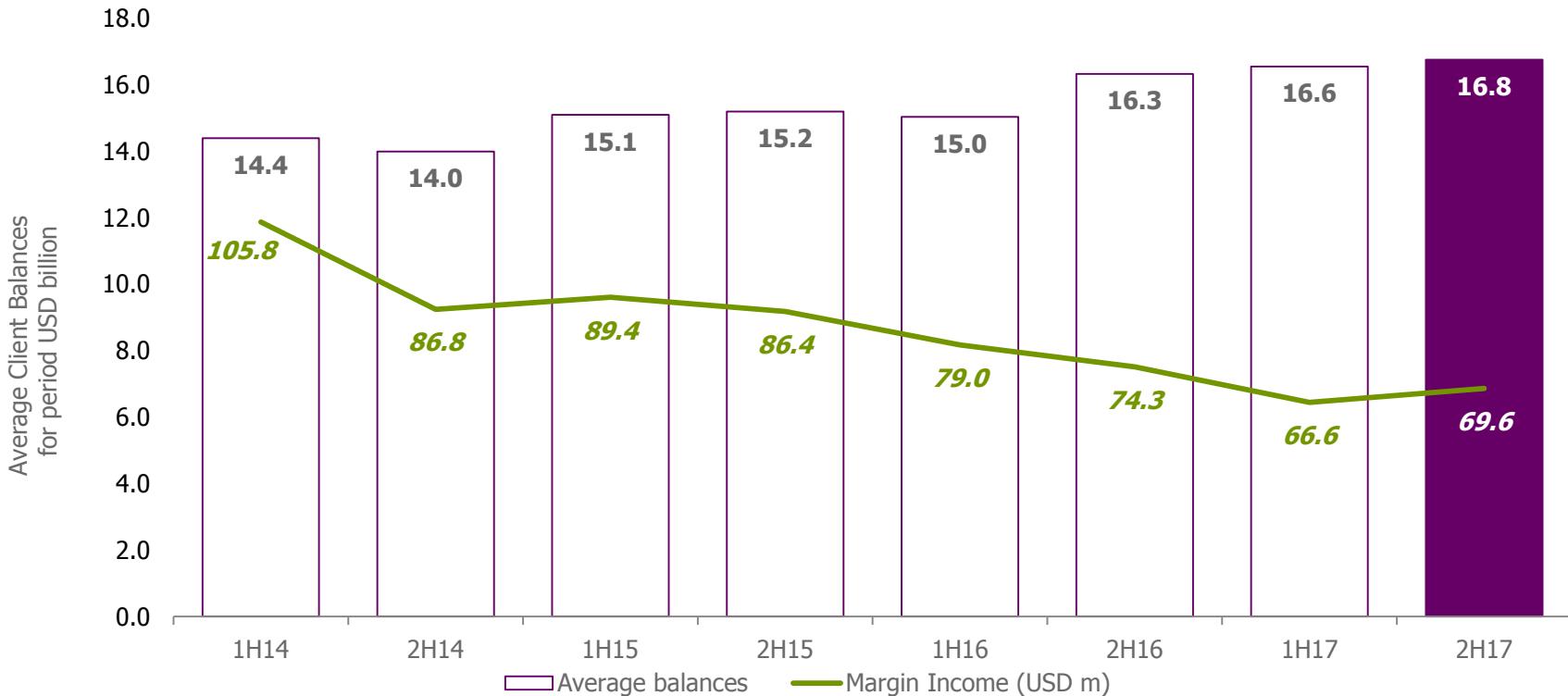
FINANCIAL RESULTS IN FY2017

	COMPARISON IN CONSTANT CURRENCY (\$ MILLION)		
	FY2017 @ CC	FY2016 ACTUAL	CC VARIANCE
Register maintenance revenue	\$703.4	\$727.8	-3.4%
Corporate actions revenue	\$125.8	\$140.5	-10.5%
Total register maintenance & corporate actions revenue	\$829.2	\$868.3	-4.5%
Register maintenance & corporate actions EBITDA	\$262.8	\$266.0	-1.2%
EBITDA margin %	31.7%	30.6%	+110bps
EBITDA ex margin income	\$202.3	\$206.3	-1.9%

- › Slight revenue decline with growth in Hong Kong and Canada offset by US, UK and Australia
- › Cyclically depressed Corporate Actions revenues (weakest since FY05) due to geopolitical uncertainty. Flow on effect to Register Maintenance revenues
- › Margin expansion with improved profits in US Registry driven by early stage cost out programs
- › Louisville program well underway, over 600 staff. Process automation being deployed successfully
- › New products in US REIT market and private companies gaining traction, helping offset shareholder attrition
- › High quality recurring revenues with higher retention rates than US industry average. Strong cash flow funds growth engines

Client balances and margin income

Lowest yield in CPU history – turned positive in 2H17



Capital management: Enhancing shareholder returns

Recycling capital

- › Completed the disposal of the Company's global headquarters in Melbourne and investment in INVeSHARE Inc (excluded from management earnings in FY17)
- › Subsequent to June 30th 2017, the Company announced the agreement to sell its 50% interest in Karvy Computershare Private Ltd. The sale is expected to complete in 1H18 and realise \$90m after tax proceeds

Acquisitions

- › Detailed examination of land registry opportunities. Valuation disciplines remain intact. Continued opportunities present themselves for evaluation. Criteria include scale, alignment with CPU core competencies and financially accretive

Deleveraging

- › Net debt to EBITDA ratio down to 1.60x from 2.12x. Below board target range between 1.75x – 2.25x creating additional capacity to enhance shareholder returns

Share buy-back

- › On market buy-back commenced to purchase up to AUD 200m
- › We have purchased AUD 40m to date

Increasing dividend

- › Final dividend of AU 19 cents unfranked, +11.8% on pcp
- › Full year dividends of AU 36 cents per share, +9.1% on pcp
- › Given commencement of share buy-back, FY17 final dividend is unfranked. Unlikely to undertake buy-back between 1st January to mid-March (payment of FY18 interim dividend). At the conclusion of the share buy-back, CPU intends to distribute the full value of available franking credits

FY18 outlook - upgrade

Guidance

- › In constant currency, Computershare expects FY18 Management EPS to increase by around +10% on FY17 (previously +7.5%)

Assumptions

- › This outlook continues to assume that equity markets remain at current levels, interest rate markets remain in line with current market expectations and that there is a modest improvement in Corporate Actions revenue compared to FY17. The outlook also assumes no impact from potential US tax law changes
- › Consistent with FY17 guidance approach, this guidance assumes that FY17 average exchange rates are used to translate the FY18 earnings to USD
- › For comparative purposes, the base FY17 Management EPS is 54.41 cents

Conclusions

- › Delivered on FY17 upgraded guidance despite cyclically depressed Corporate Actions revenues
- › Clear, deliberate strategies in place to grow Computershare, improve profitability and enhance shareholder returns with capital management
- › Entering period of sustained performance with significant earnings potential and capability to drive shareholder returns
- › Growth: Mortgage services progressing to plan, Share Plans performing well
- › Profitability: Cost out program on track with further benefits to come
- › \$10.3b of exposed client balances - significant leverage to rising interest rates
- › Capital management: Strong free cash flow self funds growth and shareholder returns
- › In constant currency, Computershare now expects FY18 Management EPS to increase by around +10% on FY17; upgrade from 7.5% expected in August 2017
- › Transformation to a simpler, more transparent, disciplined and profitable CPU continues

Important notice

Forward-looking statements

- › This announcement may include 'forward-looking statements'. Such statements can generally be identified by the use of words such as 'may', 'will', 'expect', 'intend', 'plan', 'estimate', 'anticipate', 'believe', 'continue', 'objectives', 'outlook', 'guidance' and similar expressions. Indications of plans, strategies, management objectives, sales and financial performance are also forward-looking statements.
- › Such statements are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Computershare. Actual results, performance or achievements may vary materially from any forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which are current only as at the date of this announcement.