

Margin income drives record results

Stuart Irving, CEO said, "Computershare has delivered record results for the first half of FY23. Management EPS was up 95% and Management EBIT more than doubled compared to the prior corresponding period (pcp).

Core fee revenue across the group grew 23% and margins expanded to new highs helped by a full six month contribution from CCT, our new US Corporate Trust business. As interest rates lifted across all our major markets, margin income increased almost five-fold, more than offsetting inflationary effects on costs and the impact the uneven market backdrop has had on more cyclical transaction and event-based revenues.

Over the years, we have built an integrated business model with a portfolio of recurring core fee revenues, cyclical event and transaction revenues, and large client cash balances which generate margin income. With strong earnings in 1H FY23, we will maintain a conservative balance sheet, deploy these cash flows to strengthen our global businesses, invest in our growth strategies, drive technology innovation to increase value for clients and reward shareholders.

Highlights

Management Revenue

\$1.6bn
Up 33.5%

Management EPS

45.1 cps
Up 95.2%

Margin Income (MI)

\$352.1m
Up 466.6%

Return on Invested Capital (ROIC)

15.5%
Up 510bps

Management EBIT ex. MI

\$95.7m
Down 39.9%

Interim dividend per share (AUD)

30.0 cps¹
Up 25%²

¹ Unfranked; ² Compared to FY22 interim dividend per share of AUD 24.0 cps.

In Issuer Services, margins expanded above 30% with Governance Services continuing its impressive growth trajectory. CCT exceeded expectations, benefiting from higher yields and increased interest rate recapture. Integration activities and synergies are on track. Employee Share Plans' core fees were stable and assets under administration increased, although trading volumes were subdued. Encouragingly we exited the half with renewed momentum, and we continue to see signs of improvement as equity markets strengthen.

US Mortgage Services is still being impacted by adverse market conditions. Low origination and re-financing volumes, along with the timing of MSR capital recycling trades affected results. We are focused on reducing costs with a new efficiency programme announced today, continuing to grow our capital-light servicing portfolio, and evaluating other opportunities to improve returns.

In Business Services, we have today agreed the sale of the group's Bankruptcy and Class Actions division to GCP Capital Partners. The sale is in line with Computershare's strategy to simplify its portfolio and focus on businesses with strong recurring revenues. Under the terms of the sale, Computershare will receive base consideration of \$100m with additional estimated earn out payments of \$40m to \$50m in total over the next four years, conditional on the business achieving performance targets. The sale is expected to complete on 1st May 2023.

These results demonstrate Computershare's attractive financial model with high returns and strong cash flows. Return on invested capital climbed to over 15%, free cash flow was \$130m and net debt leverage repaired to 1.33x, below our target range. The Board has determined to be paid an interim dividend of 30 cents per share unfranked, representing a rise of 25% on last year's interim dividend.

I would like to thank all my colleagues at Computershare for their outstanding contributions to these results and, of course our clients for their support."

Outlook

Following the 1H23 results, we have greater confidence in our outlook for the remainder of the financial year. We reaffirm guidance with Management EPS expected to rise by around 90% this year.

Margin income is expected to be around \$810m this year. Based on current rate curves and lower predicted balances due to the sale of our Bankruptcy and Class Actions division, we now expect margin income to be around \$990m in FY24.

The Results Presentation is available for download at <https://www.computershare.com/corporate/investor-relations/financial-information/results>

Interim dividend

30 cents per share (AUD) unfranked

Record date: 22nd February 2023

Payment date: 21st March 2023

FOR FURTHER INFORMATION

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Please refer to the 1H23 Results Presentation for guidance assumptions, detailed financial data and the important notice on slide 61 regarding forward looking statements.

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

This announcement was authorised to be given to the ASX by the Board.