



COMPUTERSHARE LIMITED (ASX: CPU)

**FINANCIAL RESULTS
FOR THE FULL YEAR ENDED 30 JUNE 2017**

16 August 2017

NOTE: All figures are presented in US Dollars (unless otherwise stated).

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

Copies of the FY17 Results Presentation are available for download at:
<http://www.computershare.com/corporate/investor-relations/financial-information/results>

Execution delivering sustained earnings growth

FY17 Management results overview: Upgraded guidance delivered

Revenue¹ \$2,182.5m		10.6%	Free cash flow² \$362.2m		7.9%
EBITDA¹ \$557.2m		4.6%	Net Debt to EBITDA² 1.60x		0.52 times
EBITDA (excluding margin income)¹ \$415.6m		9.6%	Final dividend AU 19 cents		11.8%
EPS¹ 57.04 cents		3.5%	New share buy-back announced Up to AUD 200m		

CEO Overview

Stuart Irving, CEO said, "It has been a positive and encouraging year at Computershare, where we have delivered both earnings growth and strong cash flow.

"Our growth engines of mortgage services and share plans are performing to plan and our cost management strategies are improving our profitability. As we continue to simplify CPU and recycle capital, the balance sheet continues to deleverage, creating additional capacity to enhance shareholder returns. Today we also announce an AUD 200m share buy-back and an 11.8% increase in the FY17 final dividend.

"These results were achieved despite cyclically depressed Corporate Actions revenue, weakest since 2005, the lowest margin income yield in CPU history and a higher tax rate. Encouragingly, margin income improved in the second half of the year. More significantly, our Growth, Profitability and Capital Management strategies are creating earnings power to drive sustained earnings growth. The transformation to a simpler, more transparent, disciplined and profitable CPU continues".

Growth

- Mortgage Services - now accounts for 24.6% of group revenue
 - Revenues +70.6%, EBITDA \$78.0m +97.5%
 - US - execution of growth strategy on track. UPB +12.9% pcp, continuing to invest to build scale. Increased CMC patron network and growing reputation for servicing quality creating new opportunities
 - UKAR integration ahead of plan, with new contract wins from challenger banks set to provide additional servicing volumes as UKAR book runs off
- Share Plans - structural and cyclical growth continues, with c. \$125bn of assets under administration
 - Revenues +6.0%, EBITDA +7.6%, EBITDA ex margin income +58.2%
 - Good recovery in transaction revenues, +34.6% driven by improved equity markets
 - Investments in our customer offering and technology enhancements improving our competitive position

¹Management results are expressed in constant currency. Constant currency equals FY17 results translated to USD at FY16 average exchange rates (refer to slide 56 of the FY17 Management Presentation for FX rate details)

²Excluding SLS advances/non-recourse debt as appropriate

Profitability

- Cost out program underway with FY17 savings ahead of estimates at \$13.7m. Louisville project progressing to advanced stages
- \$85m - \$100m total annualised benefits from Stages 1 and 2 cost programs on track. Process automation delivering benefits. Stage 3 to be quantified in CY2018
- US Registry margin expansion on slightly lower revenues. EBITDA increased at a faster rate than Group growth rate
- Margin income improved in 2H17. Average FY17 client balances were \$16.7 billion, leverage to rising rates
- Increase in Group tax rate affected NPAT growth, driven largely by profit mix e.g. US

Capital Management

- Strong free cash flow excluding SLS advances \$362.2m, +7.9% and 12.6% rise in net operating cash flow excluding SLS advances to \$420.3m
- Net debt excluding non-recourse SLS advance debt fell by \$260.8m to \$867.7m
- Net debt to EBITDA leverage excluding non-recourse SLS Advance debt 1.60 times, down from 2.12 times. Below Board target range of 1.75 times to 2.25 times creating additional capacity to enhance shareholder returns
- Final dividend of AU 19 cents unfranked, +11.8% on pcp payable on 18 September 2017
- AU 36 cents per share full year dividends, + 9.1% on FY16
- New share buy-back announced. Up to AUD 200m
- Given commencement of share buy-back, FY17 final dividend is unfranked. At the conclusion of the share buy-back, CPU intends to distribute the full value of available credits
- Ongoing strategy to simplify CPU; Karvy expected sale proceeds \$90m

Outlook for Financial Year 2018

In constant currency, Computershare expects FY18 Management EPS to increase by around +7.5% on FY17. For comparative purposes, the base FY17 Management EPS is 54.41 cents.

Consistent with FY17 guidance approach, this guidance assumes FY17 average exchange rates are used to translate the FY18 earnings guidance to USD (refer to slide 56 of management presentation).

This outlook also assumes 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.

Please refer to the FY17 Full Year Results Presentation for detailed financial data and the important notice on slide 57 regarding forward looking statements.

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MARKET ANNOUNCEMENT

About Computershare Limited (CPU)

Computershare (ASX: CPU) is a global market leader in transfer agency and share registration, employee equity plans, mortgage servicing, proxy solicitation and stakeholder communications. We also specialise in corporate trust, bankruptcy, class action and a range of other diversified financial and governance services.

Founded in 1978, Computershare is renowned for its expertise in high integrity data management, high volume transaction processing and reconciliations, payments and stakeholder engagement. Many of the world's leading organisations use us to streamline and maximise the value of relationships with their investors, employees, creditors and customers.

Computershare is represented in all major financial markets and has over 16,000 employees worldwide.

For more information, visit www.computershare.com