

MARKET ANNOUNCEMENT

Date:	19 May 2020
To:	Australian Securities Exchange
Subject:	Investor Briefing Business Review and Conference Call

As announced on 14th May, Stuart Irving, CEO and Nick Oldfield, CFO invite investors to join them on a conference call and Q&A session tomorrow, 20th May at 9.00am AEDT.

Management will present a review of Computershare's business lines. A presentation pack is attached to this announcement.

Call details are as follows:

Callers within Australia: 1800 896 323
United Kingdom: +44 2033 760 176
United States: +1 855 731 0983
Hong Kong: 800 906 887
Singapore: 800 852 3352

Participant passcode: **928954 2653**

A recording of the call will be available on the Investor Relations page of our website www.computershare.com/corporate.

This announcement is authorised by the Board.

For further information contact:

Michael Brown
Investor Relations
Ph +61 (0) 400 24 8080
michael.brown@computershare.com.au

For more information on Computershare please visit www.computershare.com

MARKET ANNOUNCEMENT

INVESTOR BRIEFING BUSINESS REVIEW

20 May 2020

CERTAINTY | INGENUITY | ADVANTAGE

 **Computershare**

Key messages






Underlying businesses are operating resiliently ex Margin Income, FY20 guidance maintained

- > After a period of unprecedented volatility and challenges, Computershare's key business lines are proving robust and performing in line with expectations
- > Continuing to execute long-term growth strategies
- > Working with our clients to deliver high levels of service and digital solutions in a challenging operational environment
- > Resilient recurring revenues with encouraging trends in transactional and counter cyclical activities
- > Guidance maintained - FY20 Management EPS down c. 20%¹
- > Margin Income guidance maintained - FY20 around \$180M and FY21 around \$100M

Notes: ¹ Guidance subject to the following assumptions: Equity markets remain at current levels; Group tax rate to be 29-31% in FY20; The weighted average number of ordinary shares on issue to be the same as FY19; For constant currency comparisons, FY19 average exchange rates are used to translate the FY20 earnings to USD; For comparative purposes, the base FY19 Management EPS is 70.24 cents

Business review

Continuing to execute long-term growth strategies

 Mortgage Services	<ul style="list-style-type: none">› Limited revenue impact from portfolio run off. MSR market value decline driven by volatile rate environment; no impact on servicing revenues› Continuing to carefully invest to build a sustainable, high quality servicing business. New MSR purchases extend duration and enhance return on capital› Forbearance requests levelling off, delinquencies and advance funding in line with expectations› UK successful migration of all outstanding loans to Computershare platform
 Employee Share Plans	<ul style="list-style-type: none">› Recurring issuer paid fees demonstrating positive growth› Transaction revenues subdued but seeing early signs of recovery› Equatex integration on track, delivering anticipated synergy benefits
 Issuer Services	<ul style="list-style-type: none">› Resilient Register Maintenance issuer paid business continues to perform› Shareholder numbers increasing over the last month despite market volatility› Corporate Actions activity improving across a number of geographies
 Business Services	<ul style="list-style-type: none">› Bankruptcy filings seeing continued growth› Corporate Trust revenues benefitting from increased activity levels
 Communication Services	<ul style="list-style-type: none">› Deferrals in dividend payments and annual meetings impacting volumes› Demand for COVID-19 communications and digital solutions

Margin Income

Guidance maintained

Margin Income revenue by business unit (USD millions)					
Business Activity	FY19	1H FY20	2H FY20F	FY20F	FY21F
			<i>Divisional estimates</i>		
Issuer Services	112	44	26	70	40
Employee Share Plans (incl. Vouchers)	16	6	4	10	5
Business Services	58	33	17	50	30
Mortgage Services & Property Rental Services	60	32	18	50	25
Total revenue	\$246	\$116	c.\$64	c.\$180	c.\$100
Group balances (average)	\$18.5B	\$16.8B	c.\$15 – 16B	c.\$15 – 16B	c.\$14 – 15B

Mortgage Services

Portfolio growth offsetting re-financing led run-off

Portfolio

- > UPB up 6.2% to \$118.5B at 30 April
- > Good mix of performing (+\$5B) and non-performing (+\$2B)
- > Near term opportunities to increase non-performing sub-servicing given trusted reputation and experience in this segment

Valuation

- > Market value \$364M at 30 April relative to BV \$440M at 31 December
- > Total run-off over period of \$50M includes amortisation and elevated refinancing
- > New purchases at lower prices – add value and extend duration
- > Market rate changes (\$94M) driven by volatile interest rate and pre-payment assumptions, no impact on servicing revenues
- > Estimated June 30 BV of around \$440M – includes strip sale and May/June purchases and amortisation

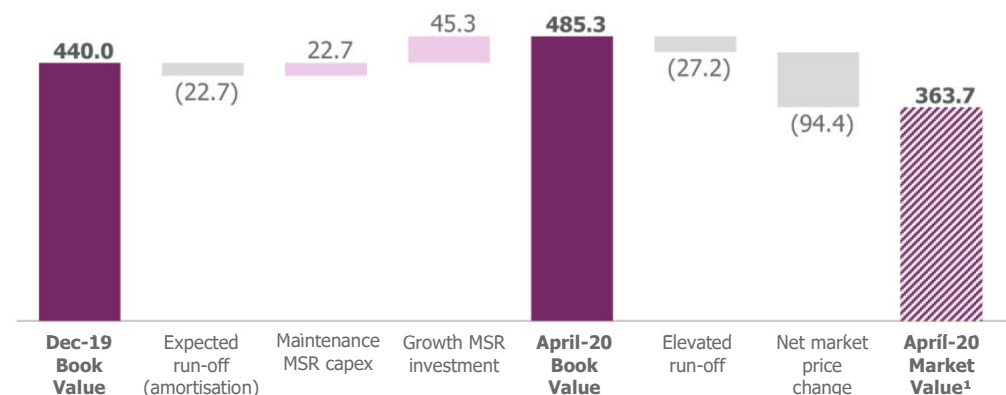
Capital

- > Strategy of selling excess and recycling capital has helped mitigate market value decline
- > Excess strip sale of c.\$15B of UPB on track to complete in June
- > Next stage of growth expected to be less capital intensive

UPB evolution (US\$B)



MSR market valuation (US\$M)



5 Notes: ¹Market value as at 30 April 2020 as determined by external valuer

Mortgage Services

US forbearance requests declining, delinquency levels in line with expectations

Forbearance requests tracking lower

- > Forbearance requests reducing from early April high
- > Freddie Mac and Fannie May reporting forbearance volume flattening at c.6% as at end April¹
- > Increased delinquency from COVID-19 in line with expectations

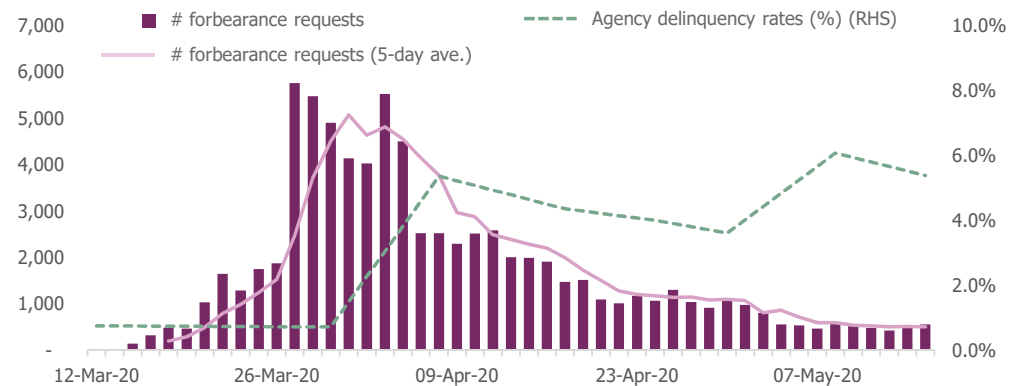
Advances stable with any future increase well financed

- > Capital investment in advances stable
- > April Net Advances increase reflects onboarding of a new portfolio of non-performing loans
 - June 30 expected to be around Dec. 31 levels
- > \$350M of existing facilities in place for private label advances; new \$100M facility for agency advances expected to close in June

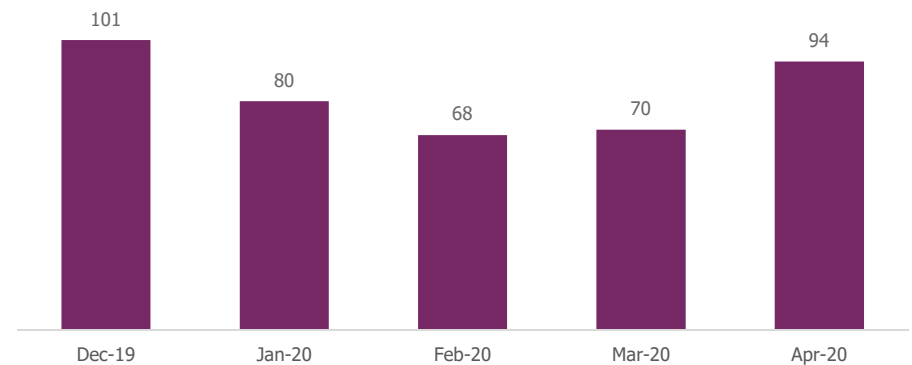
UK integration well progressed

- > Successful migration of all outstanding loans to Computershare platform
- > Synergies delivered on full run rate basis Sept. '20

US daily forbearance request count and delinquency rate (%)



US Net Advance capital (\$USM)



Employee Share Plans

Continuing to increase exposure to structural growth trends

Recurring fee revenue growth

- > Issuer paid fees increased in April by 13% pcp
- > Transactional fees stabilising – reduced decline in April
- > Deferred volume, revenue not lost
- > Good client momentum in Europe and Asia with client wins in March and April

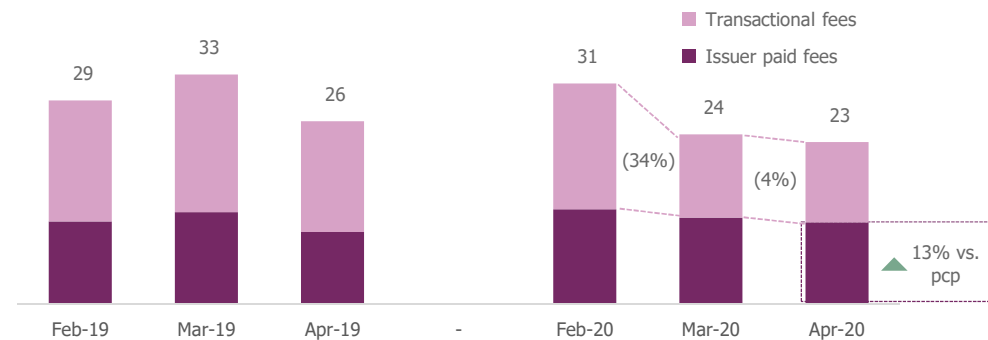
Structural growth drivers

- > Examples of client share plans transitioning to greater equitisation of remuneration
- > Building future transactional volume and improving issuer fee revenue with higher issuance and greater participation

Equatex integration on track

- > Synergies reaffirmed and integration on track
- > Client upgrades to Equate+ continue remotely
- > Feedback highly positive on new platform

Global Plans Fee Income, Last 3 months and over PCP (US\$M)



Key client case study: Employee equity grant trends

Financial Year	Share price performance over period	# employee grants	# units granted	Value of issued units (USD million)
2019FY		~560	~12 million	~\$90M
2020FY YTD April		~715	~39 million	~\$152M
YTD20 vs. FY19	▼ 22%¹	▲ 28%	▲ 214%	▲ 70%

7 Notes: ¹ Share price change from 30 June 2019 to 30 April 2020

Issuer Services

Resilient Register Maintenance revenues with Corporate Actions momentum returning






Corporate Actions momentum returning

- > Corporate Actions April fee revenue strong \$2.6M (+67%) on pcp across geographies
- > 161 new Corporate Actions since mid-March
 - US activity improving
 - HK IPO activity rebounding; up 80% over last 3 months vs pcp, outlook positive
 - Strong capital raising activity and pipeline in Australia
- > Activity has supported client balances

Resilient Register Maintenance

- > Client paid fee revenue remains resilient
 - Issuer Paid fee revenues marginally down c.3% April pcp
- > Shareholder numbers are increasing
 - US shareholders +0.4% for month of April
 - Australia shareholders +3.9% last 2 months
- > Seamless transition to virtual meetings
 - 410 virtual meetings successfully delivered and 526 virtual meetings in planning

Corporate Actions activity by geography (# wins), COVID-19 period to date¹

	 ANZ	 CAN	 HK	 UCIA	 US	Total
IPOs	1		26		4	31
Capital Raisings	20		12	8	2	42
Reorganisations	4	10	4		11	29
M&A	5	5			17	27
Other²	3	5	12	1	11	32
Total	33	20	54	9	45	161

8 ¹Period from 16 March to 30 April; ² 'Other' includes Tenders, Distributions and other Corporate Actions activity

Business Services

Positive trends in countercyclical revenue

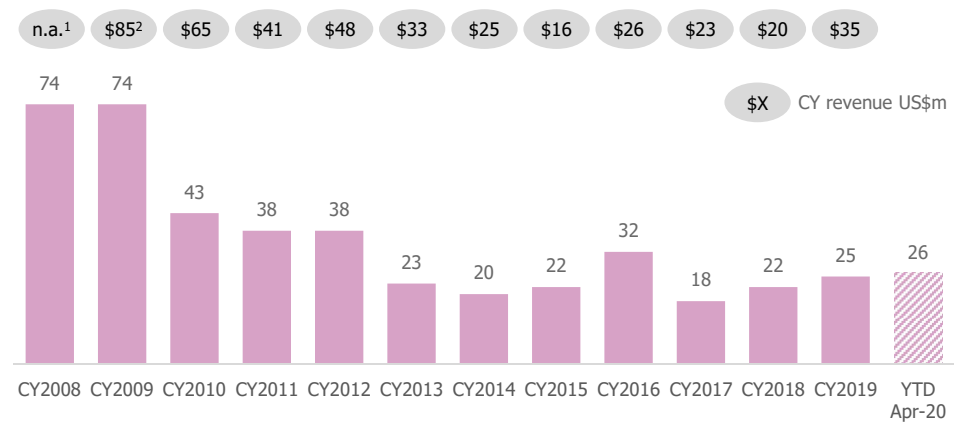
Bankruptcy momentum

- > 26 new cases won in 2020 (as at end April), surpassing full calendar year 2019 case numbers:
 - 16 new cases won but not filed
 - 10 cases filed

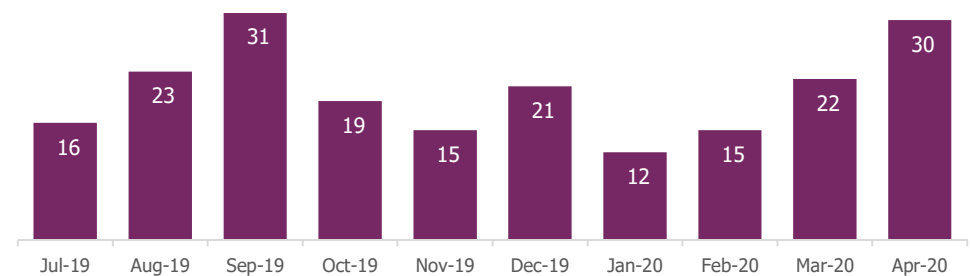
Class actions good momentum

- > Referrals and case appointment volumes continue at pre-COVID-19 levels, with good April momentum
- > c.80 new cases in 2020 year to date

Number of Bankruptcy cases administered (calendar year)



Number of Class Actions case appointments (monthly)



⁹ Notes: ¹Revenue data not available prior to CPU acquisition. ² CPU acquisition of KCC in April 2009. Calendar year data grossed up for full year

Capital Management

Balance sheet provides strength and flexibility to execute long-term growth strategies

Net Debt to EBITDA leverage ratio stable

- > Net Debt to EBITDA leverage ratio expected to be around 2.15x at 30 June 2020
- > Net Debt organically improving
- > Leverage metrics remain comfortably below covenant levels

Ongoing deployment of capital in key strategic areas

- > Opportunities remain to invest in strategic acquisitions to complement growth strategies
- > Disciplined MSR investments, evolution to 'capital lite' Mortgage Services model continuing
- > Investing in integration and cost out projects, progress continues remotely, benefits on track

Debt maturity profile

- > Re-finance discussions with banking syndicate significantly progressed for \$450M facility ahead of maturity in April 2021
- > Current drawn debt profile has an average duration of 3.4 years as at 30 April 2020

Conclusion

Continuing to execute long-term growth strategies

- ✔ Strategies to build stronger business with scale, proprietary technologies and increasing efficiencies remain intact
- ✔ Increasing exposure to structural growth trends – equity remuneration, increasing number of entities in corporate structures, class actions, compliance and regulation
- ✔ Underlying business are operating resiliently ex Margin Income, FY20 guidance maintained
- ✔ Key business lines with recurring revenues are proving resilient and performing to plan
- ✔ Cyclical and event based revenues subdued, optionality retained
- ✔ Good pipeline for counter cyclical revenues - capital raisings, bankruptcies and non-performing mortgage servicing
- ✔ Leverage within target range, well placed to fund long-term growth strategies

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