COMPUTERSHARE LIMITED (ASX:CPU)

FINANCIAL RESULTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

8 FEBRUARY 2022

NOTE: All figures (including comparatives) 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.

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

Copies of the 1H22 Results Presentation are available for download at
https://www.computershare.com/corporate/investor-relations/financial-information/results

1H FY22 Results overview

Global growth businesses drive performance – full-year earnings guidance upgraded

Management Revenue	Management Revenue ex MI	Management EBIT ex MI
$1.2bn ↑4.6%	$1.1bn ↑4.5%	$157.8m ↑16.7%

Margin Income (MI)	Management EPS	Interim Dividend Per Share (AUD)
$60.1m ↑8.3%	22.76 cps Legacy ↑10.6%[1] Total Group ↑4.5%[2]	24.0 cps ↑4.3%

All figures are presented in USD millions, in constant currency unless otherwise stated. Reconciliation of statutory to management results can be found in the results presentation accompanying this announcement.

[1] The Legacy business for FY22 is defined as Computershare excluding the Computershare Corporate Trust (CCT) contribution. The +10.6% is the change between 1H22 Legacy Management EPS of 24.10 cps and 1H21 Management EPS of 21.79 cps. This growth is calculated on a pre-rights issue basis. The weighted average number of shares (WANOS) for this calculation was 540,879,593.

[2] The +4.5% is the change between 1H22 Management EPS (including CCT) of 22.76 cps assuming a WANOS of 603,729,336 vs 1H21 Management EPS of 21.79 cps assuming a WANOS of 540,879,593.

CEO overview

Stuart Irving, CEO, said, "I am pleased to report that the momentum we enjoyed in the second half of last year has continued, with Computershare delivering a positive set of results for the first six months of FY22.

Management Earnings Per Share (EPS) has increased by 4.5% compared to the prior corresponding period. Growth was led by an increase in management revenue, careful cost controls driving margin expansion and outperformance in our recently acquired Computershare Corporate Trust (CCT) business in the US.

With 1H results ahead of expectations, and a positive outlook for the second half of the year, we are upgrading full year earnings guidance. We now expect Management EPS to increase by around 9% this year compared to the original 2% guidance we gave in August.

The investments we have been making to strengthen and scale our global growth businesses are delivering the anticipated returns, underpinning the strong operating performance in the first half."

Divisional highlights

Issuer Services and Employee Share Plans continue to perform well. We are winning market share with our proprietary technology platforms and improved customer experience, and are benefitting from strong equity markets.

Register Maintenance, our largest business, delivered higher revenues and profits, with shareholder paid fees continuing to recover. Governance Services also reported an improved result, demonstrating our growing traction in this complementary market.

Employee Share Plans delivered the fastest rate of profit growth across the group. Recurring client paid fees and higher transaction volumes assisted the performance. Temporary delays to the rollout of the Equate+ platform due to cross border travel restrictions, deferred cost synergies. Importantly, units under administration increased again as more companies' issued equity as remuneration, providing latent earnings opportunities for the group.

However, some of our event-based businesses reported lower results on reduced activity. Corporate Actions revenue was down, with lower participation in Hong Kong IPOs, which had been a meaningful contributor to the year before. Our Bankruptcy and Class Actions administration businesses were also impacted by lower levels of filings.

Computershare Corporate Trust (CCT), the business we acquired from Wells Fargo in November, has exceeded our expectations, with growing fee revenue and significant leverage to rising interest rates. We have made a good start with integrating the new business and are working towards delivering the expected synergy benefits and 15%$^{+}$ target return on capital.

US Mortgage Services remains subdued, although industry fundamentals are beginning to improve. Rising interest rates should increase the value of the MSRs we own and reduce portfolio run-off rates. With the lifting of regulatory restrictions, we expect an increase in loan servicing activity in the second half of the year with further recovery in FY23.

As we noted at the AGM in November, we are executing our strategy to build a higher quality Computershare. We are deploying capital in businesses with high levels of recurring revenues, strong competitive advantages, positive industry growth trends and above average returns on capital. We also continue to refine our portfolio and have reclassified the UK Mortgage Services business as an asset held for sale. This change anticipates the sale of the business in the foreseeable future.

FY22 outlook – upgrade to guidance

FY22 Management EPS is now expected to increase by around 9% versus the prior corresponding period.

EBIT ex Margin Income, reflecting our operating performance, is now expected to increase by around 13% compared to the rise of 3% when we gave initial guidance in August.

Results for the first six months of the year are ahead of expectations and we have a positive outlook for 2H. Our global operating businesses continues to perform well, CCT's earnings contribution is running ahead of plan and we expect to benefit from a 25 basis points interest rate rise in the United States in Q4.

As expectations have also firmed for more interest rate rises this year and beyond, Computershare is well placed to benefit. A 100bps increase in interest rates on the exposed average balances we currently manage would generate e an annualised EPS increase of 26 cents per share.

Interim dividend

The Board has declared an increased interim dividend of AU 24 cents per share, an increase of 4.3%, to be franked at 40%. The record date is 16th February 2022. The dividend will be paid to eligible shareholders on 17th March 2022.

Please refer to the 1H FY22 Results Presentation for guidance assumptions, detailed financial data and the important notice on slide 58 regarding forward looking statements.

For further information:

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