

# Computershare Limited CPU

Trading Status: Trading

Formerly: Halifax Computershare Pty Ltd, 1981.

<b>Mkt Cap \$Mil</b> \$15,826	<b>Style Box™</b> 	<b>Close Price \$</b> 26.64 (17-May-2024)	<b>Shares Issued Mil</b> 594.05	<b>Morningstar Sector</b> Technology	<b>Morningstar Industry</b> Information Technology Services	<b>GICS Industry Group</b> Commercial & Professional Services
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**Business Summary** as at 17 Apr 2024

Computershare Limited (CPU) is engaged in operation of Issuer Services, Global Corporate Trust, Employee Share Plans & Voucher Services, Communication Services & Utilities, Mortgage Services & Property Rental Services, Business Services and Technology Services & Operations. Computershare has a range of regulated businesses around the world, including transfer agencies, licensed dealers, corporate trusts and mortgage servicers.

**Issuer Services** Issuer Services comprises register maintenance, corporate actions, stakeholder relationship management, corporate governance and related services

**Mortgage Services & Property Rental Services:**

Mortgage Services and Property Rental Services comprises mortgage servicing and related activities, together with tenancy bond protection services in the UK.

**Employee Share Plans and Voucher Services:**

Employee Share Plans and Voucher Services comprises the provision of administration and related services for employee share and option plans, together with Childcare Voucher administration in the UK

**Business Services:** Business Services comprises the provision of bankruptcy and class actions administration services, and the legacy corporate trust operations in Canada and the US.

**Communication Services and Utilities operations:**

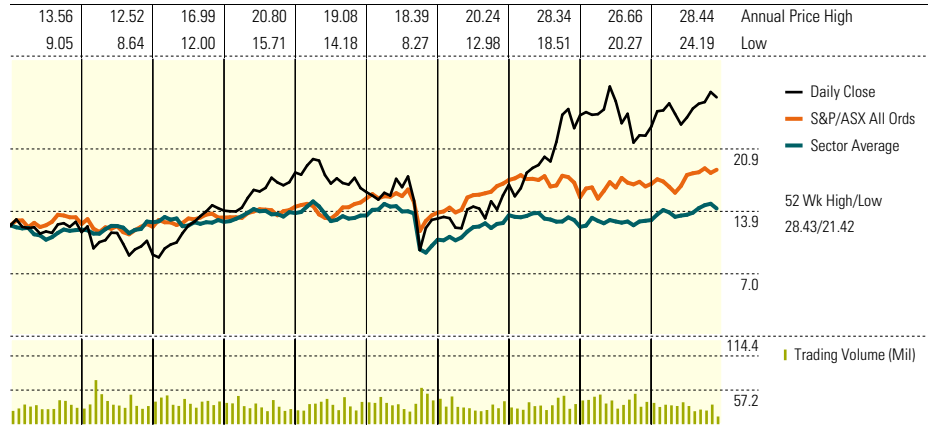
Communication Services and Utilities operations comprise document composition and printing, intelligent mailing, inbound process automation, scanning and electronic delivery.

**Technology Services:** Technology Services comprise the provision of software specialising in share registry and financial services

**Computershare Corporate Trust** Computershare

Corporate Trust (CCT) comprises trust and agency services in connection with the administration of debt securities in the US.

**Acquisitions** On 1 December 2023, the Group acquired the UK/European employee share plan business of Solium Capital UK, a member of the Morgan Stanley group, for a cash consideration of \$36.0 million and contingent consideration of \$2.1 million. On 1 June 2023, Computershare acquired the business and assets of SunDoc Filings, a US-based provider of comprehensive, nationwide document filing and retrieval services to professional services firms, escrow and small businesses.



	06-15	06-16	06-17	06-18	06-19	06-20	06-21	06-22	06-23	05-24*	
<b>Performance</b>											
Total Return %	-3.90	-19.04	58.83	33.50	-10.00	-15.79	33.32	49.47	-2.80	22.90	
+/- Market	-9.57	-21.04	44.54	20.94	-21.02	-8.58	3.06	56.91	-17.55	—	
<b>Valuation</b>											
Price/Earnings	18.42	15.69	16.38	25.22	18.12	19.05	22.55	35.86	16.13	15.24	
Market P/E	10.78	11.53	11.38	11.05	11.12	11.05	10.49	7.53	9.79	15.95	
Price/Sales	2.57	1.94	2.86	3.28	2.67	2.19	3.12	4.01	2.96	3.37	
Price/Book	4.25	3.36	4.80	5.55	3.91	3.09	3.36	4.67	4.37	4.98	
Price/Cash Flow	11.80	8.97	12.17	15.22	11.32	8.99	13.39	17.37	11.98	13.68	
Market Cap \$Mil	6513	5014	7725	10007	8768	7167	10203	14876	14115	15826	
Dividend Yield%	2.65	3.60	2.55	2.17	2.71	3.47	2.72	0.97	2.99	3.01	
<b>Financials</b>											
Operating Revenue \$Mil	2560	2636	2731	3089	3338	3310	3034	3719	4776	—	
EBITDA Margin %	27.81	27.07	30.77	27.67	30.01	29.80	31.38	28.32	33.27	—	
EBIT \$Mil	534	516	685	657	757	630	634	655	1368	—	
EBIT Margin %	20.85	19.56	25.10	21.28	22.67	19.05	20.89	17.62	28.64	—	
NPAT Before Abs \$Mil	354	323	473	398	487	377	419	416	877	—	
Reported Net Profit \$Mil	200	212	346	406	593	339	251	330	671	—	
Earnings Per Share ¢	62.94	57.87	85.51	72.36	88.58	68.88	74.94	68.72	144.92	—	
Shares Mil	556	551	546	544	543	541	560	604	604	—	
Book Value Per Share \$	2.70	2.67	2.87	3.23	4.10	4.24	5.02	5.27	5.35	—	
Oper Cash Flow \$Mil	485	410	595	696	409	887	408	718	906	—	
Cap Spending \$Mil	-37	-34	-44	-53	-225	-308	-188	-157	-170	—	
Free Cash Flow \$Mil	420	330	706	674	172	717	429	653	912	—	
<b>Profitability</b>											
Return on Assets %	8.14	7.00	10.23	8.75	8.29	6.11	6.74	5.48	10.99	—	
Return on Equity %	23.36	21.87	29.87	22.52	21.71	16.27	13.85	13.06	27.17	—	
Net Margin %	13.83	12.23	17.30	12.90	14.58	11.38	13.83	11.18	18.36	—	
Asset Turnover %	51.72	49.22	53.23	58.71	49.97	45.52	43.43	42.05	51.52	—	
Financial Leverage %	322.80	358.77	319.07	291.60	297.63	313.76	230.39	277.67	287.08	—	
<b>Financial Health</b>											
Working Capital \$Mil	160	340	188	132	497	269	417	539	557	—	
Long-Term Debt \$Mil	2079	2159	2097	1635	3052	3077	2278	3053	2872	—	
Total Equity \$Mil	1533	1493	1608	1804	2245	2317	3032	3185	3229	—	
Net Debt/Equity %	103.17	120.56	101.80	86.68	107.27	118.76	57.15	79.13	65.03	—	

**Key Dates**

Fiscal Year End	30/06/24	Listing Date	27/05/1994
AGM	15/11/2023	DRIP	Active

**Dividend History**

	Interim	Final
Dividend Ex Date	2024-02-20	2023-08-22
Dividend Pay Date	2024-03-20	2023-09-18
DPS ¢	40.00	40.00
Franking %	20	0

\*Represents financial year to date - the day after last financial year to a day before publication date.

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## Corporate Details

Address	452 Johnston St Abbotsford VIC 3067
Telephone	+61 3 9415 5000
Website	www.computershare.com
Auditor	PricewaterhouseCoopers
Sign-off Partner	Marcus Laithwaite
Investor Relations	+61 4 0024 8080
Register Name	Computershare Investor Services Pty Ltd
Registry Website	www.computershare.com.au
Registry Telephone	+61 3 9415 4500
Overseas Exchange	—

## Directors

Chairman	Dr Paul Joseph Reynolds
MD/CEO	Mr Stuart Irving
Executive Directors	—
Non-Exec Directors	Ms Abigail (Abi) Pip Cleland Ms Tiffany Lee Fuller Ms Lisa Mary Gay Mr John Nendick Mr Gerrard Bruce Schmid Mr Joseph Mark Velli

## Management

Dominic Matthew Horsley (Company Secretary)

## Substantial Shareholders

Australiansuper Pty Ltd	11.9 %
State Street Corporation and subsidiaries	6.2 %
BlackRock Group	6.0 %
Morris, Christopher J	5.3 %
Vanguard Group	5.1 %

## Operational History

**16 May 2024** - Computershare reported NPAT down 40.57% to \$105.22m for the half-year ended 31 December 2023. Revenue from ordinary activities were \$1,606.39m, up 6.7% from last year. Diluted EPS was 17.44 cents compared to 29.33 cents last year. Net operating cash flow was \$322.15m compared to \$173.49m last year. The interim dividend declared was 27.36 cents, compared with 20.1 cents last year.

**02 May 2024** - Computershare announced completion of sale of US mortgage services business. The Company received gross consideration at closing of US\$712m (subject to customary month end completion accounts and a post-closing true-up process). Proceeds will be used to

**13 February 2024** - Computershare announced portfolio of recurring core fees, event and transaction-based revenues and margin income provides earnings growth. Growth in core fees, recovery and simplification build momentum. Recurring fee revenues up across all businesses, plus 2.7%. 2H FY2024 Management EPS expected to be 11% higher versus 1H FY2024. Cost pressures abating, CCT synergies continue to contribute. \$1.6bn of total hedged Margin Income "locked in" through disciplined hedging program.

**13 February 2024** - Computershare announced Management Revenue was up 6.2% to \$1.6bn, Management EBIT ex. MI was up 20.7% and MI increased by 24.8% to a \$429.4m. In October 2023, the Company completed the transition of the Corporate Trust (CCT) business it acquired from Wells Fargo. The sale of the Company's US Mortgage Servicing business is progressing well and is due to close in March 2024. Internal separation activities are nearing completion. 80% of state and agency regulatory approvals and client consents have been received. On a proforma basis, excluding US Mortgage Services, the Company would have delivered ROIC of 33.4%, an 810-basis point improvement on the group's results.

**02 January 2024** - Computershare reported NPAT up 95.4% to \$444.69m for the year ended 30 June 2023. Revenue from ordinary activities were \$3,200.85m, up 24.8% from last year. Diluted EPS was 73.5 cents compared to 37.62 cents last year. Net operating cash flow was \$601m compared to \$494.54m last year. The final dividend declared was 40 cents, taking the full year dividend to 70 cents compared with 37.2 cents last year.

**15 November 2023** - Computershare provided 2023 AGM presentations. The Company reported Management Revenue of \$3.3bn, Up 27.2%, Management EPS of 109.7 cps, Up 89.3%, Margin Income (MI) of \$792.1m, Return on Invested Capital (ROIC) was 22.7%, Up 1,050bps, Management EBIT ex.

MI was \$258.4m, Down 24.9% and Final dividend per share (AUD) was 40 cps, Up 33%. Carbon footprint for FY2023 was 110,521tn, CO2 down by 2% against baseline year. The Company Increased Employee Engagement Index score to 71% and D&I employee score to 82%.

**03 October 2023** - Computershare announced that the Company has entered into a definitive agreement to sell its U.S. Mortgage Services business ("CLS US" or the "Business") to Rithm Capital Corp. ("Rithm") for estimated consideration of US\$720m ("Transaction"). Depending on the timing of Transaction closing, the Transaction is not expected to have a material impact on the Company's FY2024 EPS guidance; it continue to expect FY2024 EPS to be 116cps assuming an end March 2024 Transaction closing. The Transaction is expected to be EPS accretive in the first full year following divestment.

**15 August 2023** - Computershare provided an update stating that the company has initiated an on-market Securities buyback to commence on 4 September 2023. The company advised that if market conditions permit, the Group intends to undertake a buyback of up to 603,729,336 securities. The company stated that it plans to buy-back its fully paid ordinary shares up to an aggregate value of A\$750 million. The company has also reported that it has initiated the buyback for capital management purpose.

**15 August 2023** - Computershare released FY23 results market presentation. The company stated that its management revenue was increased by 27% to over \$3.3bn whereas Core fee revenue grew across all business lines and transaction and event-based revenues increased in second half. During the period the company announced unfranked final dividend of 40 cents per unit along with record date as 23 August 2023 and payment date as 18 September 2023. The company advised that it would initiate buyback of A\$750m on 4 September 2023. The company also reported that it has delivered on full year earnings guidance, with Management EPS increasing by 89% compared to last year.