

## **ASX ANNOUNCEMENT**

30 November 2022

### **2022 Annual General Meeting – Chair and Managing Director Speeches**

Link Administration Holdings Limited (ASX: LNK) will hold its Annual General Meeting (**AGM**) at 9:00am (AEDT) today. Attached is a copy of the addresses to be given by the Chair and Managing Director at the AGM.

The release of this announcement was authorised by Sarah Turner, General Counsel & Company Secretary.

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## LINK GROUP 2022 ANNUAL GENERAL MEETING

**30 November 2022**

### **Chair's Address – Michael Carapiet**

Good morning everyone. My name is Michael Carapiet, Chair of the Link Group Board.

Welcome to the 2022 Link Group Annual General Meeting, being held today in a hybrid format thanks to Link Group's very own virtual meeting platform. Whether you are attending in person or online, I welcome you to this year's meeting.

Before we commence, I would like to acknowledge the Gadigal people of the Eora Nation, Traditional Custodians of the land on which we present today and pay my respects to the Elders past and present. I extend that respect to all Aboriginal and Torres Strait Islander people at this meeting today.

The time is 9.00AM, the appointed time for the holding of the Meeting and I am advised that the necessary quorum is present. I therefore declare the Annual General Meeting open and welcome our shareholders and visitors.

Before we proceed with the Meeting, I have a couple of quick housekeeping points. I would appreciate if all mobile phones could be turned to silent mode. Recording devices and cameras must not be used during the Meeting. In the event of an emergency, please follow the emergency exit signs and instructions of the venue staff.

The agenda for today's Meeting is as follows:

- Firstly, I will present my address.
- Following that, Vivek Bhatia, Link Group's CEO & Managing Director, will present his review of the organisation's activities.
- We will then proceed with the formal business of the Meeting.

- Following the conclusion of the Meeting, I invite those shareholders here in Sydney in person today to join me, my fellow Directors and senior management for light refreshments.

It is my pleasure to introduce the members of our Board who are in attendance today.

Those with me in person are:

- Link Group's CEO & Managing Director Vivek Bhatia

and our Independent Non-Executive Directors

- Glen Boreham
- Peeyush Gupta
- Anne McDonald
- Sally Pitkin,
- Fiona Trafford-Walker, and

attending remotely from the UK is

- Andy Green.

Also here today are various Link Group executives and our Company Secretary.

We also welcome Link Group's auditor, KPMG, represented by Partner Brendan Twining who is with us here today in Sydney.

In another year of challenge and change for Link Group, the leadership team and Link Group's people have once again demonstrated a high level of resolve and client focus to provide continued service excellence, for which the Board and I are deeply appreciative.

The organisation has continued to grow, expand its footprint and deliver on our client commitments. Link Group now connects over 100 million people across the globe with their financial assets and services over 6,000 clients globally.

The last two years have seen a high level of corporate activity for Link Group while contending with the impact of the global pandemic and market volatility associated with higher inflation and increasing interest rates.

Despite these factors, it has been very pleasing to see the resilience of our people and stability of our businesses reflected in our financial performance.

Link Group delivered on its upgraded FY 2022 guidance. Link Group delivered revenue growth of 1.3% and Operating EBIT growth of 9.1% on FY2021.

We also evolved the Link Group operating model so that from FY 2023 our four global businesses will now operate with end-to-end responsibility for their performance. This will provide increased transparency and accountability of both business and financial performance.

While we were signed up to the Scheme Implementation Deed with Dye & Durham, we were unable to pay a final dividend. However, once the Scheme Implementation Deed was terminated (which I will discuss in further detail later in my address), the Board declared a fully franked special dividend of 8 cents per share.

This is in addition to the half year dividend of 3 cents per share, which was paid in April 2022. This means that in total, we have delivered fully franked dividends for shareholders of 11 cents per share for FY 2022.

This compares to the FY 2021 dividend of 10 cents per Link Group share, which was partially franked at 82%.

Realising value for our shareholders remains a key focus and priority for the Board, as you can see with the proposed in-specie distribution of our shareholding in PEXA well advanced and on track for completion in early 2023.

For those of you less familiar with Link Group, this slide will give you a more a granular view of our businesses.

One of the key differentiators of Link Group is that we have a global and diverse client base, across multiple asset classes and a high level of recurring revenue.

As you can see – our two largest businesses – RSS and Corporate Markets, collectively comprise 92% of our FY 2022 operating EBITDA, noting that India has performed particularly well for Corporate Markets during this period.

The high levels of recurring revenue, solid performance from Corporate Markets and RSS, as well as the geographic and sector diversification of our overall client base continues to provide us a degree of resilience and a solid foundation from which we can deliver consistent growth especially in the medium to longer term.

Our people and a sustainable organisation remains a key focus for the Board. With people being our greatest asset, we are pleased that in FY2022 we maintained a balanced representation of gender diversity across management levels and the wider organisation.

The Board also remains committed to sustainable and responsible business practices and pleasingly, we have made good progress in this area during FY2022. We have committed to short, medium, and long-term targets that focus on reducing Green House Gas emissions, including a target to achieve net zero emissions by FY2030, and a plan and roadmap in place to meet these targets.

We are also proud that the Australian Council of Superannuation Investors continues to rate Link Group at the highest level of reporting (being “Comprehensive”), for our environmental, social and governance reporting, following their annual review of the ASX200’s reporting as at June 2022.

As custodians of data for thousands of market participants globally, managing and protecting data has always been of paramount importance. We have always been extremely proud of our culture of vigilance and robust controls that we have in place, which has resulted in coverage of approximately 94% of our business for ISO 27001 certification.

During FY 2022, the management team and Board of Directors were heavily engaged in the proposed acquisition of Link Group by Dye & Durham Corporation, following entry into a Scheme Implementation Deed with Dye & Durham on 22 December 2021.

The complex transaction required much of the Executive and Board’s time and attention, as we managed changing financial markets and sought shareholder and Court approval, various regulatory approvals (including ACCC and UK Financial Conduct Authority approval) and other customary conditions. We received strong shareholder support at the Scheme Meeting and Special General Meeting on 22 August 2022, as well as obtained various regulatory approvals.

Ultimately, there were three conditions precedent necessary to implement the Scheme that were not satisfied, being:

- the Woodford Matters condition;
- the UK Financial Conduct Authority condition; and

- the Luxembourg Commission de Surveillance du Secteur Financier (CSSF) condition.

Accordingly, on 23 September 2022 at the Second Court Hearing, the Court declined to make orders approving the Scheme and dismissed the proceedings. As a result, we were disappointed to inform shareholders that despite Link Group working diligently over an extended period and using its best efforts, the proposed Scheme with Dye & Durham would not be proceeding.

As the Scheme did not proceed, the Link Group Board announced our intention to evaluate alternatives for the business to maximise value for shareholders, including an in-specie distribution of Link Group's shareholding in PEXA.

As you are aware, the process for the in-specie distribution of PEXA Limited shares owned by Link Group is now well underway. As disclosed last week, Link Group has realised 10% of Link Group's existing investment in PEXA Limited and those proceeds will be used to repay borrowings and will provide Link Group with balance sheet flexibility.

The remainder of the Link Group owned shares in PEXA Limited will be distributed in-specie to Link Group shareholders pursuant to a capital reduction, subject to shareholder approval. The current timeline is for an Extraordinary General Meeting to be held on 23<sup>rd</sup> December 2022. At the EGM, shareholders will be asked to approve the in-specie distribution and if approved, the in-specie distribution is expected to be implemented on 10 January 2023.

On 20 October 2022, Link Group announced its intention to commence a process to explore divestment options for the Link Fund Solutions business, which includes Link Fund Solutions Limited, or LFSL. The first phase of this process is now underway. We will provide an update to shareholders and the market, as and when it is appropriate to do so.

Link Group announced on 21 September 2022 that the UK Financial Conduct Authority had issued a draft warning notice on 20 September 2022 to LFSL following its investigation into LFSL's role as authorised corporate director to the LF Woodford Equity Income Fund (now known as the LF Equity Income Fund). The FCA has assessed the appropriate penalty as £50,000,000 (prior to taking into account any available discount), in addition to a restitution payment of up to £306 million.

The draft warning notice is not a final decision but signals the start of the FCA's settlement decision procedure, which remains ongoing. Should settlement discussions not result in an agreed resolution, the FCA may issue a warning notice, which would be subject to challenge by LFSL.

LFSL and its Independent Board will explore all options, including engaging in settlement discussions with the FCA and challenging any Warning Notice that may be issued. Link Group is supportive of LFSL considering all such options.

Moving on to the proposal by Dye & Durham to acquire Corporate Markets and all of the BCM business. On 5 October 2022 Link Group announced that a confidential, non-binding, conditional and indicative proposal to acquire the aforementioned businesses had been received from Dye & Durham, for a total cash consideration of A\$1.27 billion on a cash and debt free basis and based on a normalised level of working capital. We are continuing to engage with Dye & Durham on a non-exclusive basis to see if the conditional non-binding proposal can be progressed to a transaction that will provide sufficient value and certainty, on appropriate terms, to Link Group. Despite the best efforts by Link Group, there is still no resolution on this transaction. As this process is currently underway, we will provide an update to shareholders and the market, as and when it is appropriate to do so.

We will continue to provide updates to the market on all of these transactions and proposals, as required under our continuous disclosure obligations.

The Link Group executive and broader team remain firmly focused on serving our clients and supporting our people. I would like to thank my fellow non-executive directors for their support and hard work during what has been a very busy year. On behalf of the Board, I would also like to thank Vivek and the entire Link Group team for their continued focus and efforts during the year, and our clients and shareholders for your continued support.

I will now hand over to our CEO and Managing Director, Vivek Bhatia, to discuss Link Group's operational highlights and strategy in more detail.

Thank you.

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## CEO & Managing Director's Address – Vivek Bhatia

Thank you Chair and good morning everyone.

Firstly, I would like to acknowledge the Gadigal people of the Eora Nation, Traditional Custodians of the land on which we present today and pay my respects to the Elders past, present and emerging. I extend that respect to all Aboriginal and Torres Strait Islander people at this meeting today.

I would like to take a moment to thank and acknowledge our more than 7,000 people who collectively make Link Group a global market leader across many sectors and geographies.

Our ability to work together is what makes me extremely proud to lead this business, as we adapt and evolve the way we work to deliver for our clients and shareholders, while continuing to support the communities in which we operate.

I am supported by a highly experienced and capable Executive leadership team and would like to take a moment to thank them.

The Executive Leadership team represent a broad range of skillsets and diversity, balanced with strong external experience and deep internal knowledge which enables us to successfully lead the business and maintain market leadership.

As many of you know, Link Group's digitally enabled platforms connect millions of people globally with their assets - safely, securely and responsibly.

In 2021, we began reframing our strategy to focus on how we simplify, deliver and grow as we transform Link Group into a growth oriented, technology led business and in doing so, creating consistent value for our shareholders.

While we could not have anticipated the high level of corporate activity we've experienced over the last 2 years, the Executive team and I have continued to remain focused in our strategic agenda. I'm pleased to say that over the last 12 months we have made good, consistent progress towards these efforts.

As the Chair mentioned, we have delivered on our upgraded FY 2022 guidance. The Global Transformation Program has now been completed, delivering \$77.9 million of gross annualised benefits – which exceeded our target of \$75 million. Our India Hub continues to grow with approximately 1,100 team members now delivering services and supporting all 4 business units from Mumbai and



Pune, complementing our other hubs in Sydney, Melbourne, Leeds and Maynooth.

As the Chair has previously mentioned, we have also taken the next step towards further simplifying our Group structure and operating model. Since the start of FY 2023 our four global businesses have been operating with end-to-end responsibility, creating dynamic and flexible businesses that present greater accountability and transparency.

As reported in our Full Year Results, our operational achievements supported us in delivering a financial performance for FY 2022 that was in line with expectations. To recap, some of the key financials included:

- Revenue of \$1.18 billion
- Operating EBIT of \$154 million, up 8.8% on FY 2021
- Operating NPATA of \$121 million, up 7.1% on FY 2021

In addition, operating EBIT margin in FY 2022 improved by 90 basis points to 13.1% and our net operating cash flow of \$205 million was healthy with a cash conversion ratio of 81%.

Although it's still early days, the business is performing in line with expectations in the first four months of FY2023.

**RSS**, our largest division, is continuing to benefit from strong underlying member growth, which in turn supports recurring revenue growth. At our full year results in August, we reported underlying member growth of 9.1% for FY 2022. The strength of this organic growth has continued into the start of FY 2023, with RSS adding a further 260,000 members to its platform in the first 4 months of this financial year, across three jurisdictions.

We have also successfully completed our bolt-on acquisition within RSS of HS Pensions in the UK. This is an important step in our growth ambitions and commitment to the UK market, by extending our capability, technology and platform to service existing clients. The HS Pensions acquisition is already presenting additional opportunities for us in the UK market, which we are currently assessing.

In addition, we have been exploring opportunities to expand into Asia and are currently in confidential discussions with an organisation in Hong Kong for the provision of innovative, digital administration solutions and services. We look

forward to updating the market during the 1st quarter of 2023 on the progress of this opportunity.

Within **Corporate Markets**, our integrated solutions platform continues to support us in delivering new client wins in both Australia and the UK. We have recently won notable clients such as Ampol, hipages Group and First Sentier in Australia. We continue to enjoy high renewal rates with successful renewals for Whitbread and Greggs in the UK. New UK Share Plans have also gone live for Jet2, AFC Energy and Omega.

Given current global market conditions, it would not be surprising that corporate action and IPO activity has been very subdued so far this year compared to prior years. While we continue to navigate these challenging conditions, margin income on the back of higher interest rates is helping to offset some of the revenue pressures that are currently being experienced.

Pleasingly, our Indian registry business continues to perform well with revenues up strongly at this point in FY 2023.

In **Fund Solutions**, the fall in asset markets has had an impact on YTD revenue given more than fifty percent of revenue for Fund Solutions operates on an Asset under Management basis point fee arrangement. Nevertheless the team continues to focus on progressing alternate revenue streams and in being ready to capture future opportunities as the market rebounds.

In **BCM**, the financial year started strong for origination flow in Ireland. As has been the case for the last few years, the Non Performing Loan book run-off remains an ongoing challenge. The recent sharp increase in interest rates in the UK, Ireland and Netherlands will impact origination flows, and we anticipate this current cycle to continue for the immediate future. The BCMGlobal team remains focussed on managing costs with benefits expected to be second half weighted.

At a Link Group level, despite the challenges presented by the current macro-operating environment, we are pleased to reaffirm our FY 2023 outlook. This includes expectations of low single digit revenue growth on FY 2022, with Operating EBITDA expected to be up 8% to 10% on FY 2022.

For the first half of FY 2023, we expect Operating EBIT to be in the \$75 to \$80 million range, which is in line with our FY23 guidance of 10-12% higher than FY22.

The combination of being market leaders in our core businesses, together with our expertise, dedicated and skilled people and robust and innovative technology and scale, provides us with strong opportunities to extend our industry leading solutions and existing footprint into new and adjacent markets.

We benefit from a large and diverse global client base with recurring revenues that provides a solid platform and distribution base for our growth initiatives, and we continue to deliver on our strategy to simplify, deliver and grow. In short – we are continuing to do what we have said we would do.

Before I hand back to the Chair, I would like to thank you for your support and participation today. I would also like to thank all our people for their dedication and commitment during another unprecedented year. In a year of high corporate activity, I am proud that our team have managed to avoid the distraction and have continued to deliver on our financial results while servicing our clients to the best of their abilities.

In closing, I would like to thank the Link Group Board for their support, and everyone in the Link Group team globally for their contribution this past year.

I will now hand back to the Chair to continue with the formal proceedings.

Thank you.

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