



Link Administration Holdings Limited
ABN 27 120 964 098

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ASX ANNOUNCEMENT

ASX Market Announcements Office
ASX Limited
20 Bridge Street
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2017 Annual General Meeting – Addresses by the Chair and Managing Director

Attached is a copy of the addresses to be given by the Chair and the Managing Director at the 2017 Annual General Meeting for Link Administration Holdings Limited (ASX: LNK), to be held today.

ENDS

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2017 Annual General Meeting – Addresses by the Chair and Managing Director

“Good morning everyone.

Welcome to the 2017 Link Group Annual General Meeting.

My name is Michael Carapiet and I am the Chair of the Link Group Board.

It is now 11.30am, the appointed time for the holding of the Meeting and I am advised that the necessary quorum is present. I therefore have the pleasure of declaring the 2017 Link Group Annual General Meeting open.

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 and 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:

- I will present my address.
- Following that, John McMurtrie, our Managing Director, will present his review of the Company’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 today to join me, my fellow Directors and senior management for light refreshments.

Today I am joined by my fellow Directors:

- Independent Non-Executive Directors, Glen Boreham, Peeyush Gupta, Anne McDonald, Sally Pitkin and Fiona Trafford-Walker; and
- Link Group’s Managing Director, John McMurtrie.

Also here today we have Link Group senior management as well as Link Group’s auditor, KPMG, represented by Partners Andrew Yates and Kim Lawry.

At our 2016 AGM, Link Group was the first to use technology to facilitate online participation by shareholders at a meeting of an Australian incorporated company. We are again proud to showcase our own technology to facilitate online shareholder participation and I warmly welcome those of you participating online.

Link Group’s technology enables shareholders to actively participate in meetings, irrespective of where shareholders are located around the world, making the meeting accessible to all shareholders.

Shareholders using our online platform from the comfort of their personal computers and tablet devices will be able to watch the meeting in real-time, submit votes and ask questions online during the Meeting.

We hope that going forward, all Link Group clients will use our technology to facilitate online participation at meetings to encourage greater shareholder engagement and accessibility.

Link Group has enjoyed another strong earnings result in FY2017, with the Company continuing to build momentum since its successful IPO in October 2015. Under the leadership of John McMurtrie and his executive team, Link Group has delivered:

- Revenues of \$780 million, up 1% on the prior year;
- Operating EBITDA of \$219 million, up 15% on the prior year;
- Operating NPATA of \$124 million, 21% higher on the prior year; and
- Statutory Net Profit After Tax of \$85 million, 101% up on the prior year.

On the back of these strong financial results, the Board was pleased to declare a final dividend of 8.0 cents per share for the year, representing a total of \$60 million returned to shareholders through the interim and final dividends for FY2017. The final dividend was paid on 18 October, 2017.

The total dividend paid of \$60 million represents a dividend payout ratio of 60% of Statutory NPATA, which sits at the top end our Dividend Policy of between 40% to 60% of NPATA. We also launched a successful DRP program for shareholders, with 35% of issued capital participating in the program

On 26 June 2017, Link Group announced it had entered into a binding agreement to acquire UK-based Capita Asset Services for £888 million from Capita plc, listed on the London Stock Exchange.

As announced on 23 October 2017, Link Group has received the mandatory regulatory approvals. Accordingly, completion is scheduled to take place in two days, on Friday, 3 November 2017, during UK business hours.

Capita Asset Services is a strong strategic fit that aligns with our growth strategy. The acquisition will broaden Link's geographical presence and expand the Link Group into market leading positions in Europe. The business has a strong incumbent management team and we believe there are significant integration opportunities available to the Group as expertise and knowledge is shared between the two businesses.

Following the acquisition of Capita Asset Services, Link Group will employ over 7,000 employees and operate across 17 jurisdictions worldwide.

2017 has been a very exciting time for the Link Group.

In particular, we value the ongoing support of our client partners as we each navigate through a rapidly evolving market. Link Group continues to spend over \$100 million per annum on IT and is committed to reinvesting 3-5% of revenues back into the industries in which we operate for the benefit of all our clients.

I would like to take this opportunity to thank my fellow Link Group Board members and the broader Link Group team for their efforts and contribution during the year. The Board comprises an experienced group of senior leaders, with a broad range of skills who draw their business knowledge from a range of industries and backgrounds.

The Company's many achievements this year would not have been possible without the hard work and commitment of every member of the Link Group team.

Before concluding, I would like to extend a special thank you to the Company's shareholders for your enthusiastic participation in the recent Entitlement Offer. We greatly appreciated your strong support.

Your Company is in excellent shape, with a strong foundation and well placed to pursue those growth opportunities that will add value for our shareholders over the long term.

I will now hand over to our Managing Director, John McMurtrie, to discuss Link Group's operational highlights and growth strategy in more detail.

Thank you."

Managing Director's Update

"Thank you Chair. Good morning everyone.

I am delighted to present to you this operational update in our second year as a public company and our first as a S&P/ASX100 listed company.

As Michael said, we are proud of the Company's performance over the last financial year.

Since 2002, Link Group has maintained an uninterrupted record of Operating EBITDA growth year-on-year. We exceeded our performance of the previous year across key financial measures:

- Operating EBITDA was \$219 million, up 15% on the prior year; and
- Operating NPATA was \$124 million, 21% higher than the previous year.

In 2017, Link Group continued to deliver a pleasing financial and operational performance and made significant progress on the implementation of its growth strategies. This effort sees the Company well positioned to continue on its trajectory of sustainable growth.

Our strategy continues to focus on five drivers of growth:

- We work to further penetrate our existing markets by winning new clients and increasing revenue from existing clients.
- We create innovative product and services and use our expertise in technology to strengthen our competitive advantage.
- We pursue expansion through alliances and acquisitions in our existing markets.
- We are realising the benefits from acquired businesses.
- We pursue opportunities in attractive markets adjacent to those in which we now operate.

Over the past 12 months, Link Group has organically grown its client base, been recognised for our approach to innovation, undertaken major acquisitions, made significant headway on our integration programs and deepened our involvement in the property industry through PEXA.

As a global company with a strong balance sheet, high-value IT systems, a highly experienced management team and a continued focus on technology, we remain well positioned to continue to deliver on our growth plan.

This strong performance is testament to the Company's many attributes, including a customer-first approach and the enthusiastic adoption of sustainable solutions. In addition, we have a very diverse and multicultural workforce across the jurisdictions in which we currently operate.

Wherever I go across the business globally, I am always impressed by our peoples' focus on delivering high-quality services for clients. Every team member contributes to our success and I would like to thank each of them for this.

In 2017, we formally identified Link Group's cultural DNA in a Culture Statement approved by the Board. The statement re-affirmed what our customers already know – that our employees are committed to enhancing the Link Group through excellent service and a customer-first approach.

I was very proud to see Link Group recently recognised for creating a working environment in which our people can reach their full potential, with an Australian Business Award for Employer of Choice. We received this award as we were able to demonstrate our achievements across several key areas including leadership, employee education, training and development and employee health, safety and satisfaction.

In June 2017, Link Group announced the £888 million acquisition of Capita Asset Services (or 'CAS'), and as earlier advised by my Chair, is due to complete on Friday, 3 November 2017.

The acquisition of CAS is strong strategic fit and is aligned with our stated growth strategy. CAS provides us with established market positions in business segments that extend the reach of our current services with in Fund Solutions, Shareholder Solutions and Corporate and Private Client Solutions. It also adds a new service in the form of Banking and Debt Solutions based out of Dublin.

Shortly after the acquisition, we appointed a UK based Transition Director, who has previously worked with Link Group in Australia, to oversee the transitional activities as the business migrates from Capita plc to Link Group. The integration and transitional arrangements are progressing well to date and we remain confident that we can integrate the business into Link with minimal disruption to the business, clients, staff and other stakeholders.

At the time of the CAS announcement, we also foreshadowed at least £15 million of efficiencies – having now spent more time with the CAS management and further understanding the operational potential, we remain very comfortable with this guidance.

As you are aware, the Link Group enjoys a high level of recurring revenue which provides great predictability and transparency in our financial results. The underlying organic contributors of price escalators and core member growth in our Fund Administration business continue to remain a positive feature of our business.

In FY2018, Fund Administration revenues will likely remain flat as the underlying organic growth drivers of contracted price escalations and member growth are offset by the full year impact of the Superpartners price discounts. The anticipated benefits from RBF, the recent client win that is expected to migrate in the 2H of FY2018 will again partially offset the anticipated loss of Kinetic in the June quarter of FY2018.

Both Corporate Markets and IDDS have traded well in the first four months of the FY2018 year.

Transition activities are progressing well and we remain confident of achieving the targeted benefits within the previously stated timeframes.

CAS' financial performance continues in line with our expectations. It is a testament to the strength of the business and its management that the business has continued to perform notwithstanding the inevitable distraction of the recent sale process for management and staff. We remain optimistic that post completion, we can limit the transition risk and provide management with a stable platform to continue to grow the business.

Our people, our investment and our fiscal strength has created good momentum for your Company and we look forward to capitalising on these in the years ahead.

I look forward to reporting back to you on our progress. I will now hand back to the Chair for the formalities of the Meeting.

Thank you.”