



Link Administration Holdings Limited
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Link Group reports half year results and affirms full year prospectus forecasts

Key points

Statutory:

- Revenue of \$392.4 million, up 73% on the prior corresponding period ('pcp').
- Revenue is 52% of the full year FY16 prospectus forecast and is 91% Recurring Revenueⁱ
- Statutory net loss after tax (including significant items and IPO transaction costs of \$26.9 millionⁱⁱ) of \$4.0 million, which is in line with prospectus forecast of \$27.5 million statutory net profit after tax for full year ending 30 June 2016.

Proforma:

- Operating EBITDA of \$90.3 million or 50% of FY16 prospectus forecast. The prospectus anticipated 46-49% of FY16 Operating EBITDA in the first half.
- Operating EBITDA margin 23%, on track to meet FY16 prospectus forecast of 24%
- NPATA before significant items \$48.9 million (51% of FY16 prospectus forecast of \$95.5 million)

Link Administration Holdings Limited ('Link Group'), a leading administrator of financial ownership data today reported it was on track to meet its full year prospectus financial forecast for the full year ending 30 June 2016.

Link Group Managing Director John McMurtrie said: "Link Group is enjoying strong momentum. The integration of Superpartners clients onto a single platform is proceeding smoothly, each of our revenue streams is recording pleasing organic growth and we continue to focus on each of our five strategic growth initiatives."

For the six months to 31 December 2015, Link Group reported revenues of \$392.4 million and a statutory net loss after tax of \$4.0 million, after taking into account costs associated with the company's 2015 initial public offering as well as significant items which include costs relating to business combinations, integration, client migrations and IT business transformation.

Pro forma Operating EBITDA was \$90.3 million, representing 50% of the full year prospectus forecast and ahead of the 46-49% guidance provided for the first half of the 2016 financial year. Pro forma NPATA before significant items was \$48.9 million representing 51% of the full year prospectus forecast. Pro forma results have been presented on a basis consistent with the prospectus dated 30 September 2015.

Mr McMurtrie said: "This is a good result, in line with our prospectus forecasts and with significant year on year increases in revenue and Operating EBITDA. This performance, combined with the high level of Recurring Revenue and good quality earnings visibility, affirms that we are on track to meet the financial forecasts and dividend targets for the full year as set out in our prospectus."

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Fund Administration

Revenue for 1H FY16 of \$285.4 million was strongly up compared with the pcp of \$133.7million. Operating EBITDA was \$42.3 million (pcp \$26.5 million). Operating EBITDA margin, at 15%, while lower than the pcp of 20%, is in line with management expectations as Link Group continues to transition Superpartners clients onto its proprietary platforms. The business expects to deliver the prospectus forecast full year Operating EBITDA margin of 17%.

The Fund Administration result was driven by the increased contribution from the 2014 acquisition of Superpartners, the initial benefits from the Superpartners integration synergies and stronger fee for service activity.

Mr McMutrie said: "The Superpartners integration program is well underway with MTAA Super and HESTA already fully migrated, Cbus and Hostplus to be migrated by 30 June 2016 and AustralianSuper migration to be completed by 31 December 2016."

Link Group also completed the acquisition of the AON administration business in the New Zealand market, the first opportunity to take the Fund Administration business outside of Australia.

Corporate Markets

Revenue in the corporate markets segment increased to \$99.0 million (pcp \$82.7 million). Operating EBITDA was \$27.5 million (pcp \$27.3 million).

The increased revenue is attributable to stronger capital markets activity in Australia, contributions from Link NZ, DF King (Europe) and the recently acquired HCE Haubrok business as well as organic growth in other overseas markets.

Operating EBITDA margins are expected to improve in 2H FY16 largely driven by the weighting of European business to the second half and lower unit operating costs in Australia.

Information, Digital and Data Services ('IDDS')

IDDS revenue was \$108.0 million (pcp \$53.5 million). Operating EBITDA was \$23.8 million (pcp \$14.6 million).

The underlying IDDS business continues to perform well with good revenue growth from the core products combining with the rollout of new digital products such as membership cards and mobile apps for members as part of a strategy to facilitate and enhance member engagement.

In addition, the division has been engaged to deliver a new technology platform for a major client in the New Zealand 'Kiwi Saver' market.

Escrow Arrangements

Under the terms of the escrow arrangements referred to in Link Group's prospectus dated 30 September 2015, 52.5 million Link Group shares ("Shares") subject to voluntary escrow arrangements at the time that Link Group was admitted to the official list of ASX may be released from voluntary escrow ("Escrowed Shares"). Following the release today of Link Group's half year results for the period ended 31 December 2015, the Escrowed Shares will be released from escrow on the date that is 10 trading days after Link Group confirms to the market (under ASX Listing Rule 3.10A) that the

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volume weighted average price of Shares traded on ASX (calculated over any consecutive ten trading day period commencing on or following today's date) is \$7.644 or higher.

Outlook

The Link Group Board affirms the company's pro forma prospectus forecast and full year dividend target with respect to the year ending 30 June 2016.

END

Analyst briefing:

An investor presentation and Q+A session to discuss the company's financial results for the six months to 31 December 2015 will be held at 10:30am (AEST) today.

A webcast of the presentation and presentation audio will be available at <http://linkgroup.com/>

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ⁱ 'Recurring Revenue' and other non-IFRS financial measures have been calculated on a basis consistent with the disclosure in the prospectus for the Link Group IPO dated 30 September 2015. See slide 30 of the Half Year Results Presentation for the full definition of 'Recurring Revenue and other non-IFRS terms.

ⁱⁱ See Appendix 5A of the Half Year Results Presentation for a full reconciliation of statutory to pro forma results.