

# Scaling a Global Fintech Leader

EARNINGS CONFERENCE CALL

First Quarter Fiscal Year 2022



# Forward-Looking Statements

This presentation and other written or oral statements made from time to time by representatives of Broadridge Financial Solutions, Inc. ("Broadridge" or the "Company") may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not historical in nature, and which may be identified by the use of words such as "expects," "assumes," "projects," "anticipates," "estimates," "we believe," "could be," and other words of similar meaning are forward-looking statements. In particular, information appearing in the "Fiscal Year 2022 Guidance" section and statements about our three-year objectives are forward-looking statements.

These statements are based on management's expectations and assumptions and are subject to risks and uncertainties that may cause actual results to differ materially from those expressed. These risks and uncertainties include those risk factors described and discussed in Part I, "Item 1A. Risk Factors" of the Annual Report on Form 10-K for the year ended June 30, 2021 (the "2021 Annual Report"), as they may be updated in any future reports filed with the Securities and Exchange Commission. All forward-looking statements speak only as of the date of this presentation and are expressly qualified in their entirety by reference to the factors discussed in the 2021 Annual Report.

These risks include:

- The potential impact and effects of the Covid-19 pandemic ("Covid-19") on the business of Broadridge, Broadridge's results of operations and financial performance, any measures Broadridge has and may take in response to Covid-19 and any expectations Broadridge may have with respect thereto;
- The success of Broadridge in retaining and selling additional services to its existing clients and in obtaining new clients;
- Broadridge's reliance on a relatively small number of clients, the continued financial health of those clients, and the continued use by such clients of Broadridge's services with favorable pricing terms;
- A material security breach or cybersecurity attack affecting the information of Broadridge's clients;
- Changes in laws and regulations affecting Broadridge's clients or the services provided by Broadridge;
- Declines in participation and activity in the securities markets;
- The failure of Broadridge's key service providers to provide the anticipated levels of service;
- A disaster or other significant slowdown or failure of Broadridge's systems or error in the performance of Broadridge's services;
- Overall market and economic conditions and their impact on the securities markets;
- Broadridge's failure to keep pace with changes in technology and demands of its clients;
- Broadridge's ability to attract and retain key personnel;
- The impact of new acquisitions and divestitures; and
- Competitive conditions.

Broadridge disclaims any obligation to update or revise forward-looking statements that may be made to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events, other than as required by law.

# Use of Non-GAAP financial measures, KPIs and foreign exchange rates

## Use of Non-GAAP Financial Measures

This presentation includes certain Non-GAAP financial measures including Adjusted Operating income, Adjusted Operating income margin, Adjusted Net earnings, Adjusted earnings per share (“EPS”), and Free cash flow. Please see the “Explanation of Non-GAAP Measures and Reconciliation of GAAP to Non-GAAP Measures” section of this presentation for more information on Broadridge’s use of Non-GAAP measures and reconciliations to GAAP measures.

## Key Performance Indicators

Management focuses on a variety of key indicators to plan, measure and evaluate the Company’s business and financial performance. These performance indicators include Revenues and Recurring revenue, as well as Non-GAAP measures of Adjusted Operating income, Adjusted Net earnings, Adjusted EPS, Free cash flow, and Closed sales. In addition, management focuses on select operating metrics specific to Broadridge of Record Growth and Internal Trade Growth. Please refer to Item 7. Management’s Discussion and Analysis of Financial Condition of the Company’s Form 10-Q for a discussion of Revenues, Recurring revenue, Record Growth and Internal Trade Growth in the “Key Performance Indicators” section and the “Results of Operations” section for a description of Closed sales.

## Foreign Exchange Rates

Beginning with the first quarter of fiscal year 2022, the Company revised the foreign exchange rates used to present segment revenues, Closed sales, and supplemental reporting, to further allocate the foreign exchange impact to the individual segment revenue metrics. The presentation of segment revenues and Closed sales for fiscal year 2020 and fiscal year 2021 provided has been changed to conform to the current period presentation. Total consolidated revenues and earnings before income taxes were not impacted.

## Note on Rounding

Amounts presented in this presentation may not sum due to rounding.

## Use of Material Contained Herein

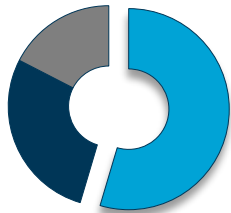
The information contained in this presentation is being provided for your convenience and information only. This information is accurate as of the date of its initial presentation. If you plan to use this information for any purpose, verification of its continued accuracy is your responsibility. Broadridge assumes no duty to update or revise the information contained in this presentation.

# Key messages

- 1 Broadridge delivered strong first quarter results
- 2 Recurring revenue grew 16% propelled by revenue from Closed sales, robust Governance trends, and the continued successful integration of Itiviti
- 3 Broadridge is executing its strategy across Governance, Capital Markets, and Wealth & Investment Management
- 4 Reaffirming fiscal year 2022 guidance, including double-digit Recurring revenue and Adjusted EPS growth, and remain well positioned to achieve the higher end of our three-year financial objectives

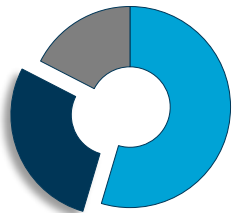
# Broadridge is executing across Governance, Capital Markets, and Wealth & Investment Management

## Extend Governance



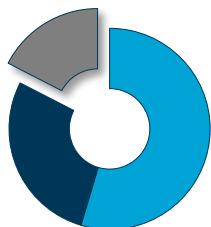
**\$410M**  
**+11% YoY**

## Grow Capital Markets



**\$209M**  
**+34% YoY**

## Build Wealth & Investment Mgmt.



**\$131M**  
**+6% YoY**

## Q1'22 Highlights

- Continued strong position growth across both funds and equities
- Facilitated introduction of pass-through voting by world's largest asset manager
- Integration of Itiviti is progressing and the sales pipeline is growing
- Completed first phase of a Global Post-Trade Management (GPTM) implementation with a major U.S. bank

# Broadridge is well-positioned for long-term growth

- 1 Strong first quarter results highlight our continued execution
- 2 \$52 billion and growing market opportunity driven by increasing democratization of investing and digitization
- 3 Broadridge's long-term organic and M&A investments deliver our clients the technology and scale needed to benefit from these trends
- 4 Broadridge's 2021 Sustainability Report highlights our focus on growing the right way over the long term
- 5 Reaffirming our outlook for a strong Fiscal Year 2022 and remain on track to deliver at the higher end of our three-year growth objectives

# Financial Overview



# Summary financial results

\$ in millions, except per share data

## SUMMARY FINANCIAL RESULTS<sup>1</sup>

	FIRST QUARTER		Inc./Dec.)
	2022	2021	
Recurring revenues	<b>\$751</b>	\$650	16%
Total revenues	<b>1,193</b>	1,017	17%
Operating income	<b>103</b>	79	31%
Adjusted Operating income (Non-GAAP)	<b>177</b>	151	17%
<i>Adjusted Operating income margin (Non-GAAP)</i>	<b>14.8%</b>	14.8%	—
Diluted earnings per share	<b>\$0.57</b>	\$0.56	2%
Adjusted earnings per share (Non-GAAP)	<b>\$1.07</b>	\$0.98	9%
Closed sales	<b>\$30</b>	\$32	(6)%

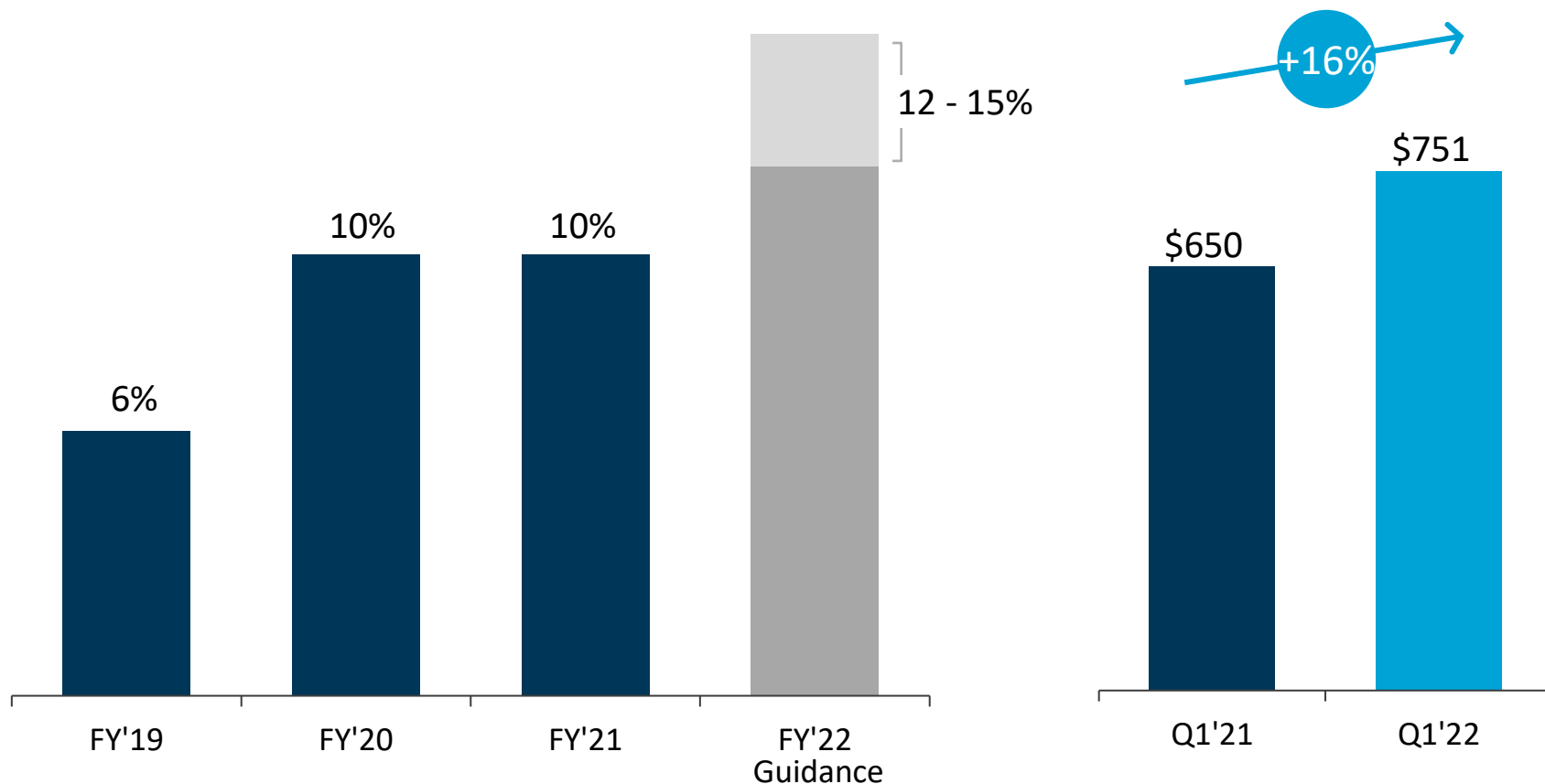
1. Information about our use of Non-GAAP measures may be found on slides 20 – 25



# Recurring revenue increased 16% in first quarter 2022

\$ in millions

## RECURRING REVENUE GROWTH

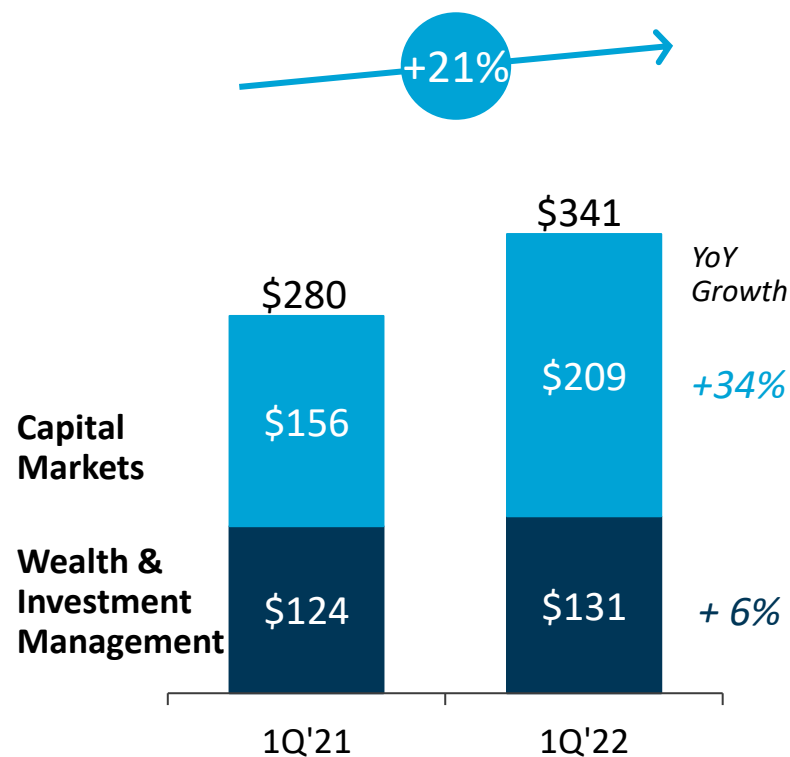
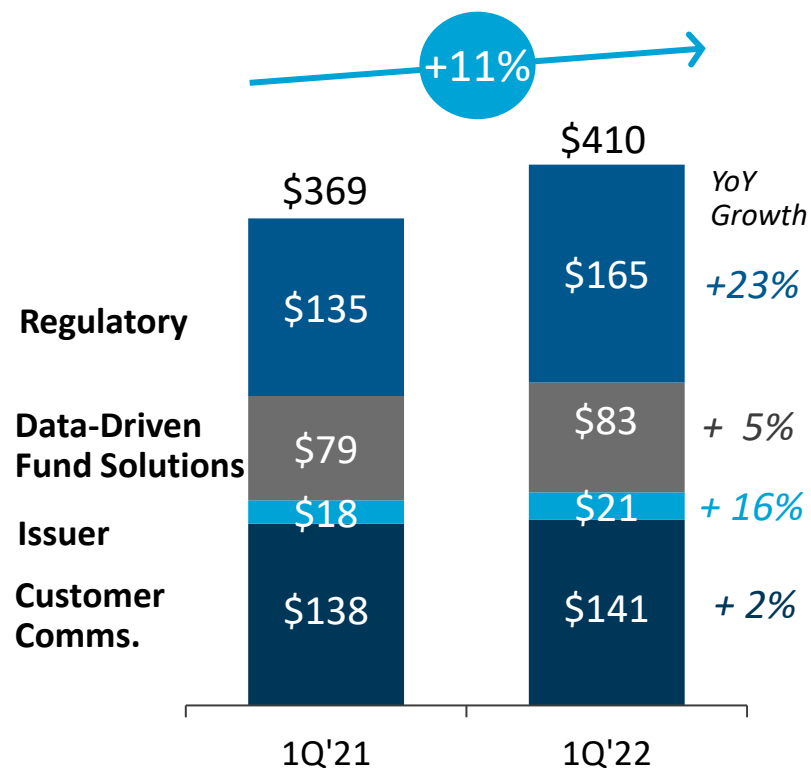


# First quarter 2022 segment Recurring revenues

\$ in millions

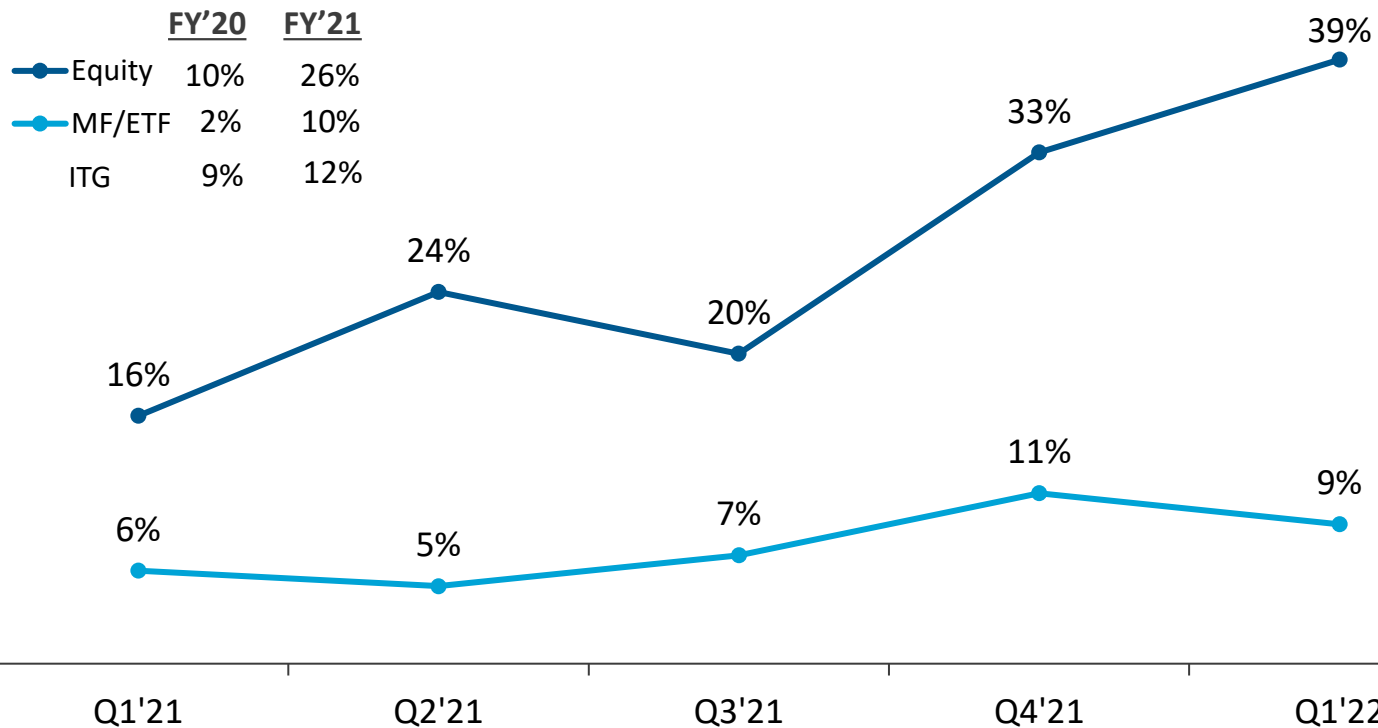
## ICS RECURRING REVENUES

## GTO RECURRING REVENUES



# Key volume drivers: position and trade volume growth

## EQUITY & MUTUAL FUND/ETF POSITION GROWTH



### TOTAL INTERNAL TRADE VOLUME GROWTH

Quarter	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22
Trade Volume Growth	12%	24%	12%	(1)%	2%

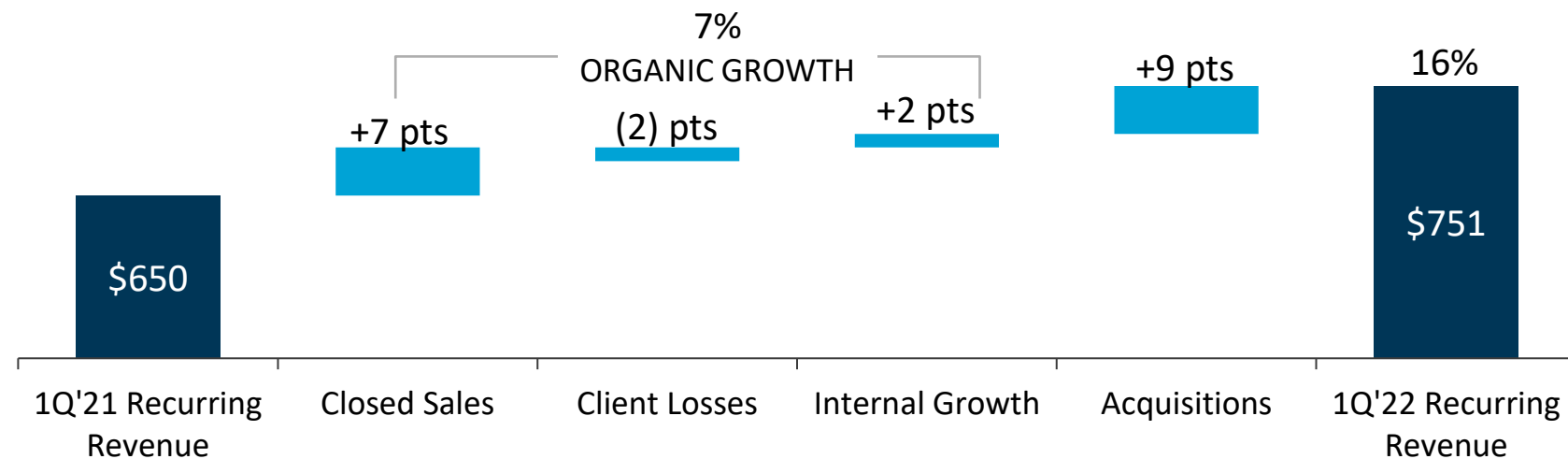
Note: Q1'21 positions represented 5% of total fiscal year 2021 positions. Q2'21: 8% | Q3'21: 32% | Q4'21: 55%

# First quarter 2022 Recurring revenue growth drivers

\$ in millions

Pts contribution to growth

**FIRST QUARTER 2022 RECURRING REVENUES GREW 16% TO \$751M**



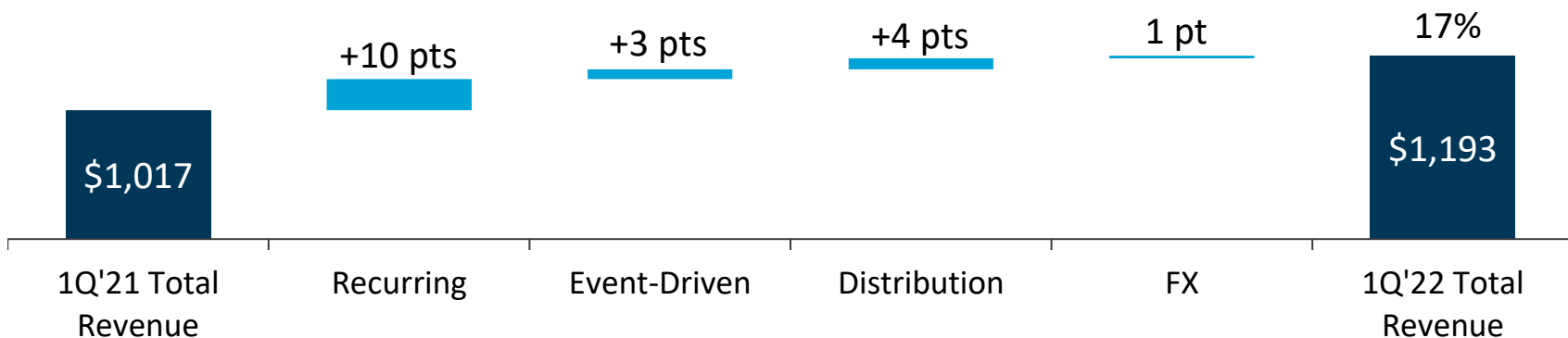
	1Q'21 Recurring Revenue	Closed Sales	Client Losses	Internal Growth	Acquisitions	1Q'22 Recurring Revenue
<b>ICS</b>	<b>\$369M</b>	8 pts	(2) pts	5 pts	0 pts	<b>\$410M</b>
<b>GTO</b>	<b>\$280M</b>	5 pts	(2) pts	(2) pts	20 pts	<b>\$341M</b>

# First quarter 2022 Total revenue growth drivers

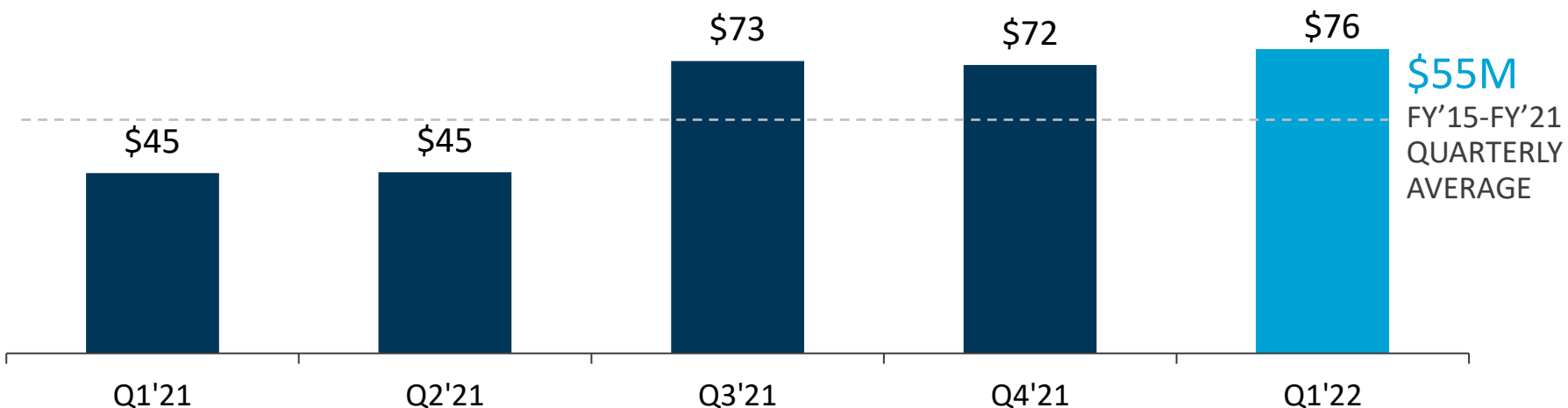
\$ in millions

Pts contribution to growth

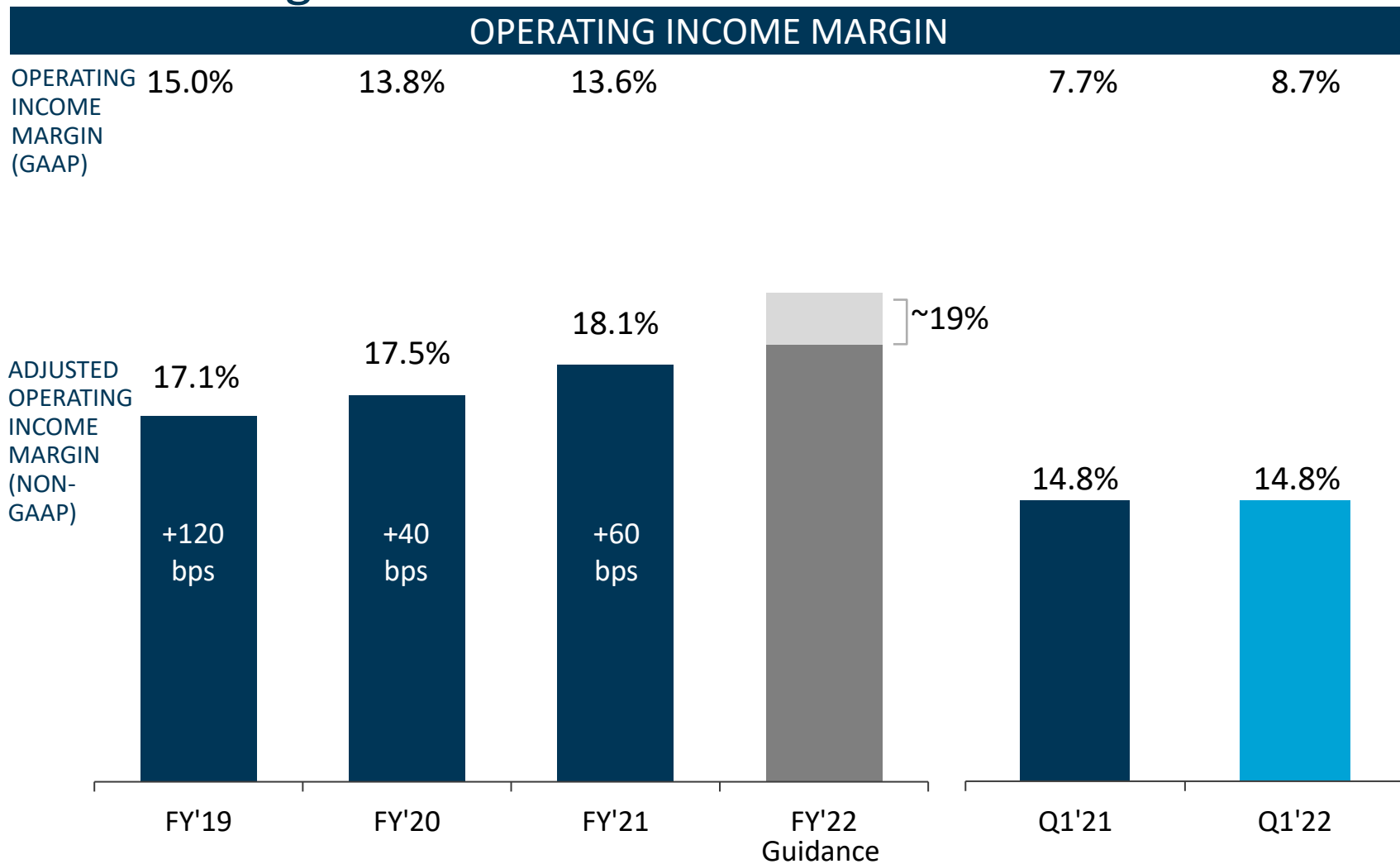
## FIRST QUARTER 2022 TOTAL REVENUE GROWTH DRIVERS



## QUARTERLY EVENT-DRIVEN REVENUE

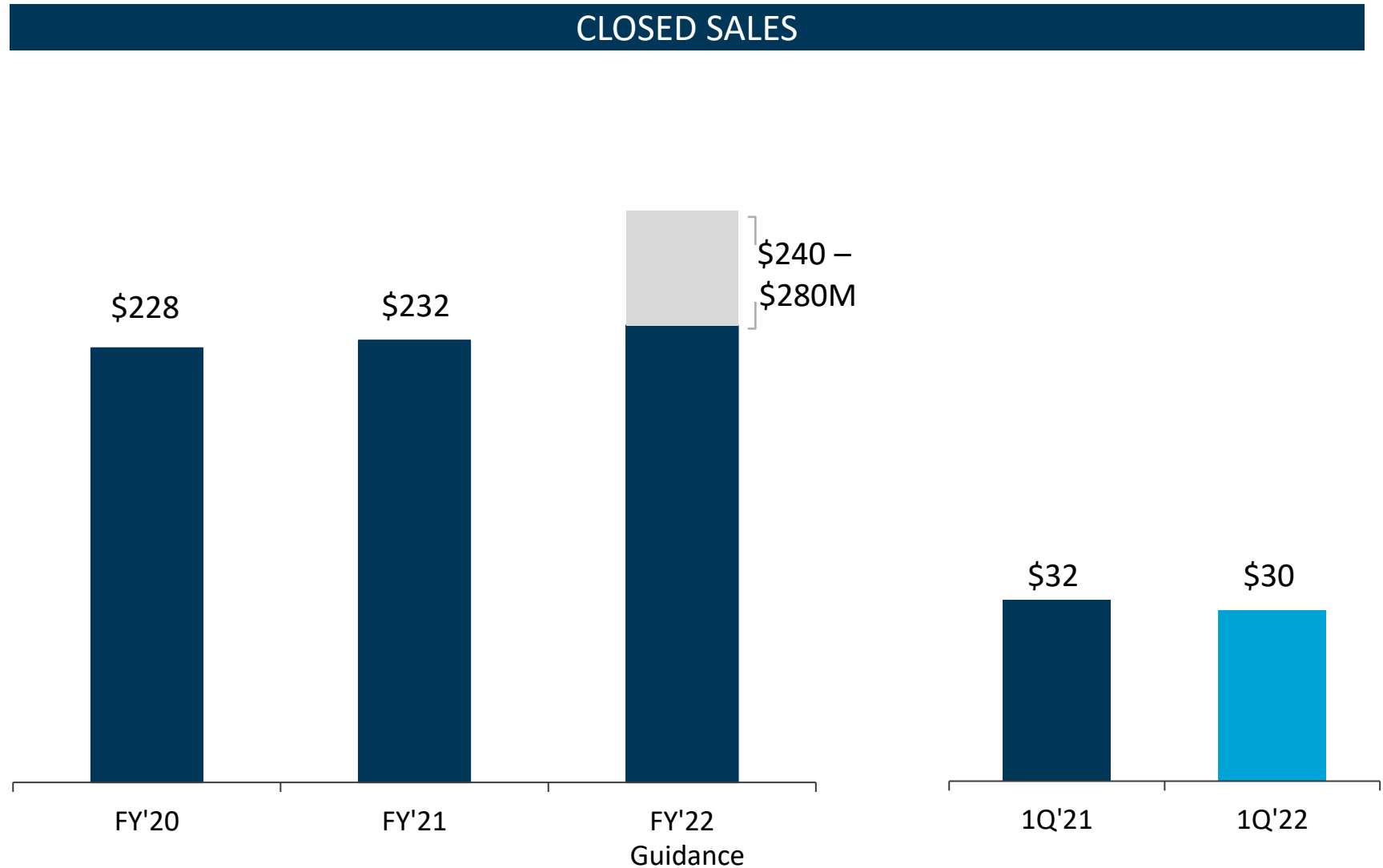


# Operating income margin and Adjusted Operating income margin



# Closed sales remain on track with fiscal year 2022 guidance

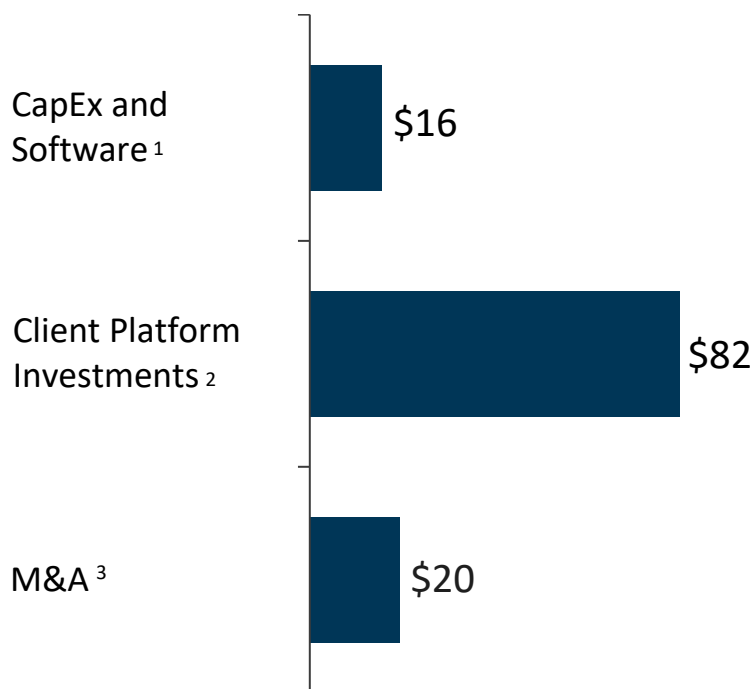
\$ in millions



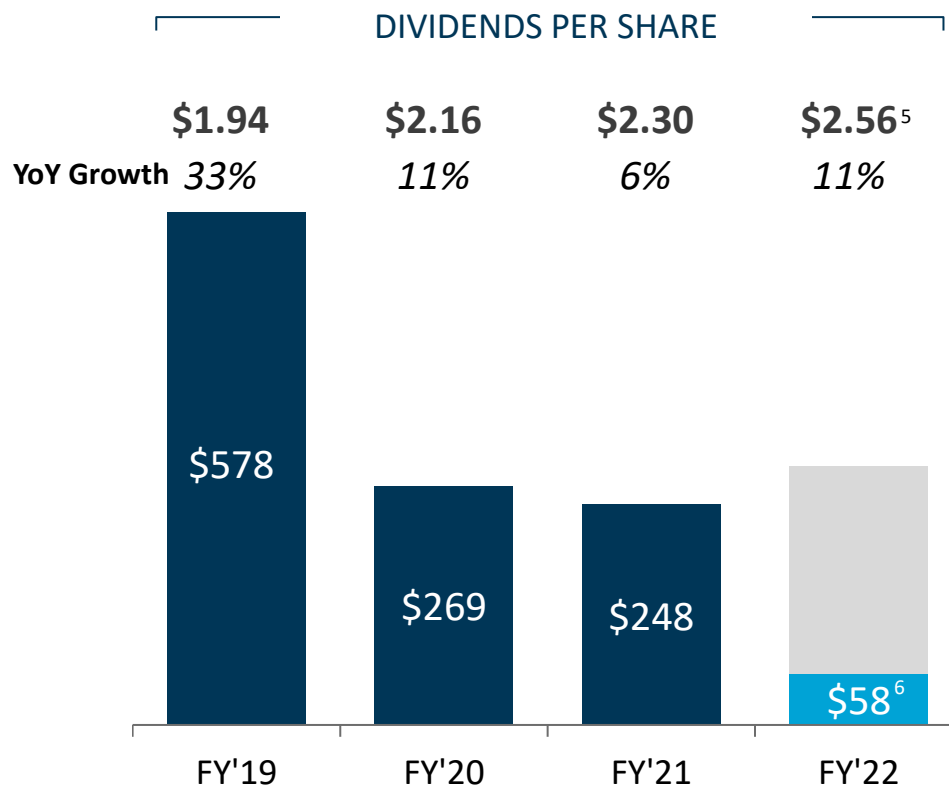
# Capital allocation

\$ in millions, except per share data

## SELECT USES OF CASH Q1'22



## TOTAL CAPITAL RETURNS<sup>4</sup>



1. Includes Software purchases and capitalized internal use software.

2. Net investments on new client conversions, including development of platform capabilities.

3. Includes acquisitions and minority investments.

4. Capital returns to shareholders through dividends and total share repurchases net of option proceeds.

5. Announced fiscal year 2022 dividend amount.

6. FY'22 Capital returns YTD.



## Fiscal Year 2022 guidance

	FY'22 Guidance	Updates / Changes
Recurring revenue growth	12-15%	No change
Adjusted Operating income margin (Non-GAAP)	~19%	No change
Adjusted earnings per share growth (Non-GAAP)	11-15%	No change
Closed sales	\$240-\$280M	No change

# Appendix



# Supplemental reporting detail – product line reporting

(Unaudited)

	2020	2021					2022	Q1 %
<i>Dollars in millions</i>	FY	Q1	Q2	Q3	Q4	FY	Q1	Growth
<b>Investor Communication Solutions ("ICS")</b>								
Regulatory	\$783	\$135	\$145	\$285	\$375	\$940	\$165	23%
Data-driven fund solutions	331	79	86	86	93	344	83	5%
Issuer	156	18	21	44	106	189	21	16%
Customer communications	568	138	136	162	134	570	141	2%
<b>Total ICS recurring fee revenues</b>	<b>1,839</b>	<b>369</b>	<b>387</b>	<b>577</b>	<b>709</b>	<b>2,042</b>	<b>410</b>	<b>11%</b>
Equity and other	78	18	21	40	45	123	28	52%
Mutual Funds	98	27	24	33	28	112	49	80%
<b>Total Event-driven fee revenues</b>	<b>176</b>	<b>45</b>	<b>45</b>	<b>73</b>	<b>72</b>	<b>235</b>	<b>76</b>	<b>69%</b>
Distribution	1,446	331	344	447	427	1,549	367	11%
<b>Total ICS Revenues</b>	<b>\$3,461</b>	<b>\$746</b>	<b>\$776</b>	<b>\$1,097</b>	<b>\$1,208</b>	<b>\$3,827</b>	<b>\$854</b>	<b>14%</b>
<b>Global Technology and Operations ("GTO")</b>								
Capital Markets	\$615	\$156	\$158	\$159	\$188	\$661	\$209	34%
Wealth and investment management	492	124	127	137	136	525	131	6%
<b>Total GTO recurring fee revenues</b>	<b>1,107</b>	<b>280</b>	<b>285</b>	<b>296</b>	<b>324</b>	<b>1,186</b>	<b>341</b>	<b>21%</b>
Foreign Currency Exchange	(39)	(9)	(6)	(3)	(1)	(19)	(1)	(86)%
<b>Total Revenues</b>	<b>\$4,529</b>	<b>\$1,017</b>	<b>\$1,055</b>	<b>\$1,390</b>	<b>\$1,532</b>	<b>\$4,994</b>	<b>\$1,193</b>	<b>17%</b>
<b>Closed Sales</b>	<b>\$228</b>	<b>\$32</b>	<b>\$44</b>	<b>\$43</b>	<b>\$113</b>	<b>\$232</b>	<b>\$30</b>	<b>(6%)</b>

In the second quarter of fiscal year 2021, the Company changed its presentation of disaggregated revenue by product line disclosures to reflect internal realignment of the Company's revenue reporting, specifically as it relates to Recurring fee revenues. Presentation of disaggregated revenue by product line disclosures in prior periods have been changed to conform to the current period presentation.

# Explanation of Non-GAAP measures and Reconciliation of GAAP to Non-GAAP measures



# Non-GAAP measures

## Explanation and Reconciliation of the Company's Use of Non-GAAP Financial Measures

The Company's results in this presentation are presented in accordance with U.S. generally accepted accounting principles ("GAAP") except where otherwise noted. In certain circumstances, results have been presented that are not generally accepted accounting principles measures ("Non-GAAP"). These Non-GAAP measures are Adjusted Operating income, Adjusted Operating income margin, Adjusted Net earnings, Adjusted earnings per share, and Free cash flow. These Non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the Company's reported results.

The Company believes our Non-GAAP financial measures help investors understand how management plans, measures and evaluates the Company's business performance. Management believes that Non-GAAP measures provide consistency in its financial reporting and facilitates investors' understanding of the Company's operating results and trends by providing an additional basis for comparison. Management uses these Non-GAAP financial measures to, among other things, evaluate our ongoing operations, and for internal planning and forecasting purposes. In addition, and as a consequence of the importance of these Non-GAAP financial measures in managing our business, the Company's Compensation Committee of the Board of Directors incorporates Non-GAAP financial measures in the evaluation process for determining management compensation.

Reconciliations of fiscal year 2022 Non-GAAP measures to the most directly comparable financial measures presented in accordance with GAAP can be found in the tables that are part of this presentation.

## Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted Net Earnings, and Adjusted Earnings Per Share

These Non-GAAP measures reflect Operating income, Operating income margin, Net earnings, and Diluted earnings per share, each as adjusted to exclude the impact of certain costs, expenses, gains and losses and other specified items the exclusion of which management believes provides insight regarding our ongoing operating performance. Depending on the period presented, these adjusted measures exclude the impact of: (i) Amortization of Acquired Intangibles and Purchased Intellectual Property, (ii) Acquisition and Integration Costs, (iii) IBM Private Cloud Charges, (iv) Real Estate Realignment and Covid-19 Related Expenses, (v) Investment Gain, and (vi) Software Charge. Amortization of Acquired Intangibles and Purchased Intellectual Property represents non-cash amortization expenses associated with the Company's acquisition activities. Acquisition and Integration Costs represent certain transaction and integration costs associated with the Company's acquisition activities. IBM Private Cloud Charges represent a charge on the hardware assets transferred to IBM and other charges related to the IBM Private Cloud Agreement. Real Estate Realignment and Covid-19 Related Expenses represent costs associated with the Company's real estate realignment initiative, including lease exit and impairment charges and other facility exit costs, as well as certain expenses associated with the Covid-19 pandemic. Investment Gain represents a non-operating, non-cash gain on a privately held investment. Software Charge represents a charge related to an internal use software product that is no longer expected to be used.

# Non-GAAP measures

Adjusted EBITDA reflects Net earnings before interest, taxes, other non-operating (income)/expenses net, depreciation, amortization, Acquisition and Integration Costs, Real Estate Realignment and Covid-19 Related Expenses and Software Charge.

We exclude Acquisition and Integration Costs, IBM Private Cloud Charges, Real Estate Realignment and Covid-19 Related Expenses, the Investment Gain, and the Software Charge, from our Adjusted Operating Income (as applicable), as well as other adjusted earnings measures, because excluding such information provides us with an understanding of the results from the primary operations of our business and enhances comparability across fiscal reporting periods, as these items are not reflective of our underlying operations or performance. We also exclude the impact of Amortization of Acquired Intangibles and Purchased Intellectual Property, as these non-cash amounts are significantly impacted by the timing and size of individual acquisitions and do not factor into the Company's capital allocation decisions, management compensation metrics or multi-year objectives. Furthermore, management believes that this adjustment enables better comparison of our results as Amortization of Acquired Intangibles and Purchased Intellectual Property will not recur in future periods once such intangible assets have been fully amortized. Although we exclude Amortization of Acquired Intangibles and Purchased Intellectual Property from our adjusted earnings measures, our management believes that it is important for investors to understand that these intangible assets contribute to revenue generation. Amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Any future acquisitions may result in the amortization of additional intangible assets.

## Free Cash Flow

In addition to the Non-GAAP financial measures discussed above, we provide Free cash flow information because we consider Free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated that could be used for dividends, share repurchases, strategic acquisitions, other investments, as well as debt servicing. Free cash flow is a Non-GAAP financial measure and is defined by the Company as Net cash flows provided by operating activities plus Proceeds from asset sales, less Capital expenditures as well as Software purchases and capitalized internal use software.

Reconciliations of such Non-GAAP measures to the most directly comparable financial measures presented in accordance with GAAP can be found in the tables that are part of this presentation.

# Reconciliation of GAAP to Non-GAAP measures

(Unaudited)

<i>Dollars in millions</i>	Three Months Ended September 30,	
	2021	2020
Operating income (GAAP)	\$103.3	\$78.6
<b>Adjustments:</b>		
Amortization of Acquired Intangibles and Purchased Intellectual Property	68.7	32.3
Acquisition and Integration Costs	2.9	1.7
Real Estate Realignment and Covid-19 Related Expenses	1.8	31.9
Software Charge	—	6.0
<b>Adjusted Operating income (Non-GAAP)</b>	<b>\$176.7</b>	<b>\$150.6</b>
Operating income margin (GAAP)	8.7%	7.7%
Adjusted Operating income margin (Non-GAAP)	14.8%	14.8%

<i>Dollars in millions</i>	Three Months Ended September 30,	
	2021	2020
Net earnings (GAAP)	\$67.2	\$65.8
<b>Adjustments:</b>		
Amortization of Acquired Intangibles and Purchased Intellectual Property	68.7	32.3
Acquisition and Integration Costs	2.9	1.7
Real Estate Realignment and Covid-19 Related Expenses	1.8	31.9
Investment Gain	—	(8.7)
Software Charge	—	6.0
Subtotal of adjustments	73.4	63.3
Taxable impact of adjustments (a)	(14.4)	(14.6)
<b>Adjusted Net earnings (Non-GAAP)</b>	<b>\$126.3</b>	<b>\$114.5</b>

(a) Calculated using the GAAP effective tax rate, adjusted to exclude \$4.3 million and \$9.3 million of excess tax benefits associated with stock-based compensation for the three months ended September 30, 2021 and September 30, 2020, respectively. For purposes of calculating the Adjusted earnings per share, the same adjustments were made on a per share basis.

# Reconciliation of GAAP to Non-GAAP measures

(Unaudited)

<i>Dollars in millions, except per share amounts</i>	Three Months Ended September 30,	
	2021	2020
Diluted earnings per share (GAAP)	\$0.57	\$0.56
<b>Adjustments:</b>		
Amortization of Acquired Intangibles and Purchased Intellectual Property	0.58	0.28
Acquisition and Integration Costs	0.02	0.01
Real Estate Realignment and Covid-19 Related Expenses	0.02	0.27
Investment Gain	—	(0.07)
Software Charge	—	0.05
Subtotal of adjustments	0.62	0.54
Taxable impact of adjustments (a)	(0.12)	(0.12)
<b>Adjusted earnings per share (Non-GAAP)</b>	<b>\$1.07</b>	<b>\$0.98</b>

<i>Dollars in millions</i>	Three Months Ended September 30,	
	2021	2020
Net cash flows used in operating activities (GAAP)	\$(135.4)	\$(44.2)
Capital expenditures and Software purchases and capitalized internal use software	(15.9)	(23.9)
Proceeds from asset sales	—	18.0
<b>Free cash flow (Non-GAAP)</b>	<b>\$(151.4)</b>	<b>\$(50.2)</b>

(a) Calculated using the GAAP effective tax rate, adjusted to exclude \$4.3 million and \$9.3 million of excess tax benefits associated with stock-based compensation for the three months ended September 30, 2021 and September 30, 2020, respectively. For purposes of calculating the Adjusted earnings per share, the same adjustments were made on a per share basis.



# Reconciliation of GAAP to Non-GAAP measures

(Unaudited)

<i>Dollars in millions</i>	Year ended June 30,		
	2021	2020	2019
Operating income (GAAP)	\$678.7	\$624.9	\$652.7
<b>Adjustments:</b>			
Amortization of Acquired Intangibles and Purchased Intellectual Property	153.7	122.9	87.4
Acquisition and Integration Costs	18.1	12.5	6.4
IBM Private Cloud Charges	—	32.0	—
Real Estate Realignment and Covid-19 Related Expenses	45.3	2.4	—
Software Charge	6.0	—	—
<b>Adjusted operating income (Non-GAAP)</b>	<b>\$901.8</b>	<b>\$794.8</b>	<b>\$746.5</b>
Operating income margin (GAAP)	13.6%	13.8%	15.0%
Adjusted Operating income margin (Non-GAAP)	18.1%	17.5%	17.1%

# Reconciliation of Non-GAAP to GAAP measures: Fiscal Year 2022 guidance

(Unaudited)

	Fiscal Year, 2022
<b>Adjusted Earnings Per Share Growth Rate (a)</b>	
Diluted earnings per share – GAAP	(5) – 0% growth
Adjusted earnings per share – Non-GAAP	11-15% growth
<b>Adjusted Operating Income Margin (b)</b>	
Operating income margin % - GAAP	~14%
Adjusted Operating income margin % - Non-GAAP	~19%

(a) Adjusted earnings per share growth (Non-GAAP) is adjusted to exclude the projected impact of Amortization of Acquired Intangibles and Purchased Intellectual Property, Acquisition and Integration Costs, and Real Estate Realignment and Covid-19 Related Expenses, and is calculated using diluted shares outstanding. Fiscal year 2022 Non-GAAP Adjusted earnings per share guidance estimates exclude, net of taxes, approximately \$1.85 per share.

(b) Adjusted Operating income margin (Non-GAAP) is adjusted to exclude the projected impact of Amortization of Acquired Intangibles and Purchased Intellectual Property, Acquisition and Integration Costs, and Real Estate Realignment and Covid-19 Related Expenses. Fiscal year 2022 Non-GAAP Adjusted Operating income margin guidance estimates excludes approximately \$280 million.

# Broadridge Fiscal First Quarter 2022 Earnings Conference Call

## Contacts

**W. Edings Thibault**

[Edings.Thibault@Broadridge.com](mailto:Edings.Thibault@Broadridge.com)

**Sean Silva**

[Sean.Silva@Broadridge.com](mailto:Sean.Silva@Broadridge.com)

## Live Call Information

Date: November 3, 2021

Start Time: 8:30 A.M. ET

Toll-Free: 1-877-328-2502

International: 1-412-317-5419

Webcast: [broadridge-ir.com](https://broadridge-ir.com)

## Replay Options

Online replay available at  
[broadridge-ir.com](https://broadridge-ir.com)

Telephone replay available  
through November 10, 2021

Domestic

Dial-In: 1-877-344-7529

Access Code: 10161306

International

Toll Dial-In: 1-412-317-0088

Passcode: 10161306

[Click here for dial-ins by country](#)