

November 5, 2015

# Earnings Webcast & Conference Call

First Quarter FY 2016



## Forward-Looking Statements

This presentation and other written or oral statements made from time to time by representatives of Broadridge 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 referred to as “Fiscal Year 2016 Financial Guidance” or our three-year performance objectives and outlook 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 discussed in Part I, “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended June 30, 2015 (the “2015 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 2015 Annual Report.

These risks include: 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; changes in laws and regulations affecting Broadridge’s clients or the services provided by Broadridge; declines in participation and activity in the securities markets; any material breach of Broadridge security affecting its clients’ customer information; the failure of Broadridge’s outsourced data center services provider 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.

## 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 generally accepted accounting principles in the United States ("GAAP") except where otherwise noted. In certain circumstances, results have been presented on an adjusted basis and are not generally accepted accounting principles measures ("Non-GAAP"). These Non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the Company's reported results.

With regard to statements in this presentation that include certain Non-GAAP financial measures, the adjusted operating income and adjusted earnings measures are adjusted to exclude the impact of certain costs, expenses, gains and losses and other specified items that management believes are not indicative of our ongoing performance. These adjusted measures exclude the impact of Acquisition Amortization and Other Costs which represent the amortization charges associated with intangible asset values as well as other deal costs associated with the Company's acquisition activities.

The Adjusted Operating income margin and Adjusted Diluted earnings per share fiscal year 2016 guidance provided in this presentation is adjusted to exclude the projected impact of Acquisition Amortization and Other Costs.

We also provide information on our Free cash flows because we believe this helps investors understand the amount of cash available for dividends, share repurchases, acquisitions and other discretionary investments. Free cash flows is a Non-GAAP measure and is defined by the Company as Net cash flows provided by operating activities less capital expenditures, software purchases and capitalized internal use software.

The Company believes Non-GAAP financial information helps investors understand the effect of these items on our reported results and provides a better representation of our operating performance. These Non-GAAP measures are indicators that management uses to provide additional meaningful comparisons between our current results and prior reported results, and as a basis for planning and forecasting for future periods.

Reconciliations of such Non-GAAP measures to the most directly comparable financial measures presented in accordance with GAAP can be found in the attached Appendix.

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# Key Messages

- Solid fiscal first quarter performance is consistent with our full year guidance and three-year objectives
- Net New Business and acquisitions drove Q1 recurring fee revenue growth
- Our sales pipeline is strong, which positions us to achieve our full year closed sales plan given our solid start in the first quarter
- Maintaining our FY16 guidance highlighted by strong recurring fee revenue growth building on strong sales performance and a high client revenue retention rate
- Delivering strong results in the near term and investing in the business to drive continued growth over the long term

# 1Q16 Financial Highlights

- Recurring revenue growth of 10%
- Q1 Adjusted Diluted earnings per share (EPS) increased 10% to \$0.33
- Reaffirming full year FY16 guidance
  - Adjusted Diluted EPS growth of 8% to 12%
  - Recurring fee revenue growth of 10% to 12% (total revenue growth of 8% to 10%)
  - Closed sales of \$120M to \$160M

# 1Q16 Business Update

- One Broadridge is a unified presentation of our full value proposition leveraging our strong client retention, culture and market-centric focus
  - Asset Management
  - Capital Markets
  - Corporations
  - Wealth Management
- Our results are a proof point of the value and demand for our products...momentum is building
- Acquisition portfolio is performing well and is focused on leveraging the Broadridge brand, distribution and execution capabilities
  - Tuck-in size acquisitions have proven to be successful, enabling strong returns at lower risk
  - Integration of FY15 acquisitions on track
- Mutualization, Digitization, and Data & Analytics expected to enhance continued growth over the long term
- SEC mutual fund rule proposal - comment period extended

# Key Financial Drivers

1Q FY16

Actual

*Growth Drivers as a % of Recurring Fee Revenues*

**Closed Sales** 5%

**Client Losses** (2)%

**Net New Business** 4%

**Internal Growth** 2%

**Organic Growth** 5%

**Acquisitions** 4%

**Total Recurring Fee Revenue Growth** **10%**

*Growth Drivers as a % of Total Revenues*

**Recurring Fee Revenues** 6%

**Event-Driven** 1%

**Distribution** 2%

**FX/Other** (2)%

**Total Revenue Growth** **7%**

**Adjusted Operating income margin (Non-GAAP)** 11.5%

Note: Net New Business is defined as recurring revenue from closed sales less recurring revenue from client losses.

Note: Amounts may not sum due to rounding.

# Segment Results

(\$ in millions, except growth and margins)

## Investor Communication Solutions (ICS)

	1Q16	Versus Prior Year
Recurring Fee Revenues	\$216	10%
Total Revenues	\$430	9%
Earnings before income taxes	\$34	(10)%
Pre-tax Margins	7.9%	(170) bps

## Global Technology and Operations (GTO)

	1Q16	Versus Prior Year
Total Revenues	\$177	9%
Earnings before income taxes	\$30	17%
Pre-tax Margins	17.2%	130 bps



# FY16 Guidance

## Broadridge Financial Solutions, Inc.

Recurring fee revenue growth	10 - 12%
Total revenue growth	8 - 10%
Adjusted Operating income margin	~18.4%
Effective tax rate	~34.8%
Adjusted Diluted earnings per share growth	8 - 12%
Diluted earnings per share growth	7 - 12%
Free cash flows	\$350M - 400M
Closed sales	\$120M - 160M

## Segments

ICS Total revenue growth	10 - 12%
ICS Pre-tax margin	~18.9%
GTO Total revenue growth	4 - 6%
GTO Pre-tax margin	~17.3%

Note: Guidance does not take into consideration the effect of any future acquisitions, additional debt and/or share repurchases.

# Closing Summary

- Solid first quarter results position us well to achieve FY16 guidance
  - Remain aligned with our three-year plan
- Net New Business drove solid Q1 recurring fee revenue growth along with contribution from FY15 acquisitions
- Momentum in the business is strong and supported by the One Broadridge market approach
  - Sales pipeline continues to grow
  - New products, both internally developed and acquired, driving recent growth
- Longer term growth expected to be enhanced by three key trends of Mutualization, Digitization, and Data & Analytics
- Confidence in both business segments remains high; multiple paths available to drive long-term performance



# Q&A and Closing Comments

*There are no slides during this portion of the presentation*

# Appendix

# Reconciliation of Non-GAAP to GAAP Measures

(Unaudited)

	Three Months Ended September 30,	
	2015	2014
Adjusted Operating income (Non-GAAP)	\$ 68.4	\$ 63.5
Acquisition Amortization and Other Costs	(9.4)	(6.4)
Operating income (GAAP)	<u>\$ 59.1</u>	<u>\$ 57.1</u>
Adjusted Operating income margin (Non-GAAP)	11.5%	11.4%
Operating income margin (GAAP)	9.9%	10.3%

	Three Months Ended September 30,	
	2015	2014
Adjusted Net earnings (Non-GAAP)	\$ 39.6	\$ 36.7
Acquisition Amortization and Other Costs, net of taxes	(6.1)	(4.2)
Net earnings (GAAP)	<u>\$ 33.5</u>	<u>\$ 32.5</u>

	Three Months Ended September 30,	
	2015	2014
Adjusted Diluted earnings per share (Non-GAAP)	\$ 0.33	\$ 0.30
Acquisition Amortization and Other Costs, net of taxes	(0.05)	(0.03)
Diluted earnings per share (GAAP)	<u>\$ 0.28</u>	<u>\$ 0.26</u>

	Three Months Ended September 30,	
	2015	2014
Free cash flows (Non-GAAP)	\$ (42.4)	\$ 9.7
Capital expenditures, software purchases and capitalized internal use software	17.8	7.4
Net cash flows (used in) provided by operating activities (GAAP)	<u>\$ (24.6)</u>	<u>\$ 17.1</u>

Note: Amounts may not sum due to rounding.

# Reconciliation of Non-GAAP to GAAP Measures- FY16 Guidance

(Unaudited)

## Earnings Per Share Growth Rate (1)

Adjusted Diluted earnings per share (Non-GAAP)

Diluted earnings per share (GAAP)

### FY16 Guidance

8% - 12% growth

7% - 12% growth

## Operating Income Margin (2)

Adjusted Operating income margin % (Non-GAAP)

Operating income margin % (GAAP)

### FY16 Guidance

~18.4%

~17.3%

(1) Adjusted Diluted EPS growth (Non-GAAP) is adjusted to exclude the projected impact of Acquisition Amortization and Other Costs. Fiscal year 2016 Non-GAAP Adjusted Diluted EPS guidance estimates exclude estimated Acquisition Amortization and Other Costs, net of taxes, of \$0.18 per share.

(2) Adjusted Operating income margin % (Non-GAAP) is adjusted to exclude the projected impact of Acquisition Amortization and Other Costs. Fiscal year 2016 Non-GAAP Adjusted Operating income margin % guidance estimates exclude estimated Acquisition Amortization and Other Costs of \$34 million.

Note: Guidance does not take into consideration the effect of any future acquisitions, additional debt, and/or share repurchases.