

## MARKET ANNOUNCEMENT

<b>Date:</b>	3 October 2023
<b>To:</b>	Australian Securities Exchange
<b>Subject:</b>	<b>Computershare announces the sale of its U.S. Mortgage Services business and Investor Conference Call</b>

Computershare Limited (ASX: CPU) today announces that it has entered into a definitive agreement to sell its U.S. Mortgage Services business ("CLS US" or the "Business") to Rithm Capital Corp. ("Rithm") for estimated consideration of US\$720million<sup>1</sup> ("Transaction").

Stuart Irving, CEO and President said: *"We have completed a detailed review of our US Mortgage Services business and determined that a full divestment of the business via a competitive process would be in the best interests of shareholders."*

*Today we are pleased to announce the sale of the business to Rithm. Rithm has strong mortgage industry credentials and the ability to bring capital to scale the business further. With its track record of successful M&A execution and integration, we expect a smooth transition for the business and our customers.*

*Today's announcement represents an important milestone in executing Computershare's simplification strategy and drive to increase the quality and consistency of earnings.*

*The divestment of US Mortgage Services allows us to focus our efforts on our core businesses which have high levels of recurring revenues, long term growth runways, low capital intensity and attractive returns through the cycle.*

*The proceeds from the sale will enhance Computershare's flexibility to pursue strategic investments and consider further capital management opportunities. We thank the management and employees of the business for their hard work and successes along the way and wish them the very best for their next chapter."*

### About the transaction

- Estimated gross proceeds to Computershare of US\$720million<sup>1</sup>, subject to certain purchase price adjustments and customary completion accounts
- Values the CLS US business at roughly 1.0x Tangible Net Asset Value as at 30 June 2023 under U.S. GAAP accounting
- Transaction remains subject to customary closing conditions including regulatory approvals. Completion is expected to take place in early Q4 FY24
- Depending on the timing of Transaction closing, the Transaction is not expected to have a material impact on our FY24 EPS guidance; we continue to expect FY24 EPS to be around 116cps assuming an end March 2024 Transaction closing. The Transaction is expected to be EPS accretive in the first full year following divestment

<sup>1</sup> Estimated consideration based on CLS US June 2023 US GAAP basis tangible net asset value comprising ~US\$610 million in net MSR assets (including advances and investments in JV's), ~US\$104 million in cash and ~US\$15 million in other operating assets, less certain estimated purchase price adjustments of ~\$9m. Consideration subject to pre-completion dividends, movements in purchase price adjustments at transaction closing and customary completion accounts to account for asset movements between June 2023 and transaction closing

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- Computershare will continue to support the Business for up to 12 months under a limited Transitional Services Agreement

### Computershare post-Transaction

The Transaction is expected to lead to a material improvement in Computershare's capital intensity and cash flow profile. Based on recently announced FY23 results, pro-forma impacts are expected to be:

<b>Metric At FY23 June avg fx rates</b>	<b>CPU Group FY23A</b>	<b>Pro Forma FY23A excluding CLS US<sup>2</sup></b>
Revenue ex Margin Income (\$m)	\$2,441	\$2,090
Ave. Client Balances (\$bn)	\$34.0	\$32.2
Margin income (\$m)	\$775	\$723
Management EBIT (\$m)	\$1,033	\$1,026
RoIC	22.7%	29.8%
Free Cash Flow (\$m)	511.1	544.6
Management EPS (cps)	108cps	113cps

The Transaction is expected to result in a one-off statutory pre-tax loss on sale of approximately US\$150million to \$180 million under IFRS accounting, reflecting variances between IFRS and GAAP accounting, goodwill allocations and estimated transaction costs. This non-cash impairment does not impact the underlying performance or cash flow of Computershare.

### Investor Call

#### Management will host a conference call today with investors, details below:

Date: Tuesday, 3<sup>rd</sup> October 2023  
 Time: 11am (AEDT) – lines will open from 10:45am  
 Teleconference registration: [Click here](#)  
 Webcast registration: [Click here](#)

This announcement was authorised to be submitted to the ASX by a sub-committee of the Computershare Board.

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<sup>2</sup> Assumes that the transaction closed at the beginning of FY23, proceeds were used to extinguish debt available to be paid down at average FY23 interest rate and the TSA services were utilised by the buyer for the full financial year

## **About Acquirer**

Rithm Capital (NYSE: RITM) is an asset manager focused on the real estate and financial services industries. Rithm Capital's investments in operating entities include leading origination and servicing platforms held through its wholly-owned subsidiaries, Newrez LLC, Caliber Home Loans Inc. and Genesis Capital LLC, as well as investments in affiliated businesses that provide residential and commercial real estate related services. The Company seeks to provide attractive risk-adjusted returns across interest rate environments. Since inception in 2013, Rithm Capital has delivered approximately \$4.7 billion in dividends to shareholders. Rithm Capital is organized and conducts its operations to qualify as a real estate investment trust (REIT) for federal income tax purposes and is headquartered in New York City.

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