Scaling a Global Fintech Leader

Investor Presentation
September 2023



Broadridge

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") contains “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,” “on track,” and other words of similar meaning are forward-looking statements. In particular, information appearing in the “Fiscal Year 2023 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, 2023 (the “2023 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 2023 Annual Report.

These risks include:

- Changes in laws and regulations affecting Broadridge’s clients or the services provided by Broadridge;
- 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;
- 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, economic and geopolitical conditions and their impact on the securities markets;
- The success of Broadridge in retaining and selling additional services to its existing clients and in obtaining new clients;
- Broadridge’s failure to keep pace with changes in technology and demands of its clients;
- Competitive conditions;
- Broadridge’s ability to attract and retain key personnel; and
- The impact of new acquisitions and divestitures.

There may be other factors that may cause our actual results to differ materially from the forward-looking statements. Our actual results, performance or achievements could differ materially from those expressed in, or implied by, the forward-looking statements. We can give no assurances that any of the events anticipated by the forward-looking statements will occur or, if any of them do, what impact they will have on our results of operations and financial condition.

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.

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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 EBITDA, EBITDAR, Adjusted Net earnings, Adjusted earnings per share ("EPS"), Free cash flow, Free cash flow conversion, and Recurring revenue growth constant currency. 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, Recurring revenue growth constant currency, and Closed sales. In addition, management focuses on select operating metrics specific to Broadridge of Record Growth, which is comprised of Stock Record Growth (also referred to as "SRG" or "equity position growth") and Interim Record Growth (also referred to as "IRG" or "mutual fund/ETF position growth"), and Internal Trade Growth ("ITG"). Please refer to Item 2. Management's Discussion and Analysis of Financial Condition of the 2023 Annual Report 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 2023, the Company changed reporting for segment revenues, segment earnings (loss) before income taxes, segment amortization of acquired intangibles and purchased intellectual property, and Closed sales to reflect the impact of actual foreign exchange rates applicable to the individual periods presented. The presentation of these metrics for the prior periods has been changed to conform to the current period presentation. Total consolidated revenues and earnings before income taxes were not impacted.

Notes on Presentation

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

All FY'23 Recurring revenue dollar amounts shown in this presentation are GAAP, and FY'23 Recurring revenue growth percentages are shown as constant currency (Non-GAAP).

Recurring revenue growth percentages for FY'19 through FY'22 are calculated based on constant foreign currency exchange rates used for internal management reporting as described in the Company's segment footnote within its Form 10-K for each respective year.

Use of Material Contained Herein

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A clear path for long term growth



A global Fintech leader addressing a large and growing market

Three franchise businesses executing on clear growth strategies grounded in long term trends

Long track record delivering consistent growth and **strong total shareholder returns**

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Broadridge is a global Fintech leader

Broadridge powers the critical infrastructure behind investing, governance, and communications

800
MILLION

Managing proxy voting for ~800M equity shareholder positions

7
BILLION

Distributing more than 7B critical communications each year

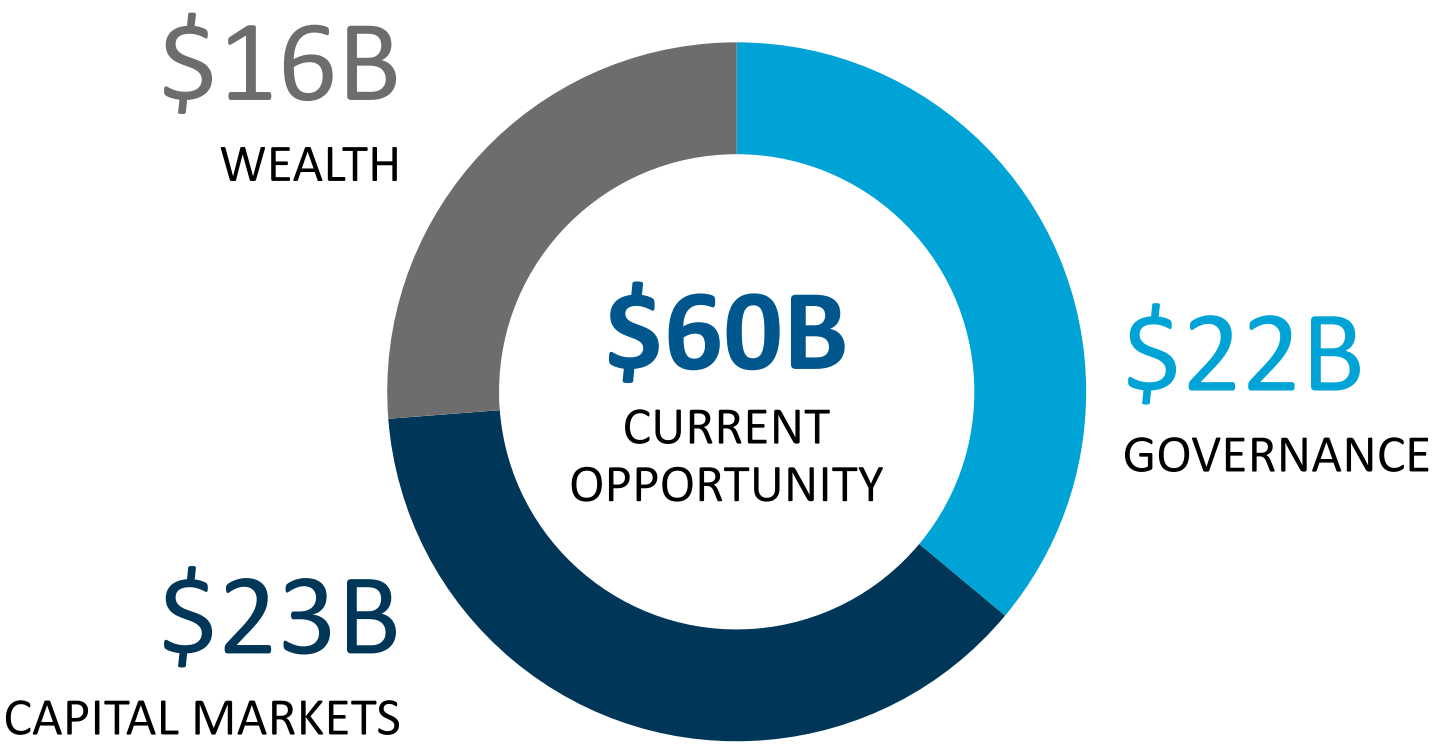
$10
TRILLION

Powering $10T per day in fixed income and equity trades

$60 billion and growing market opportunity

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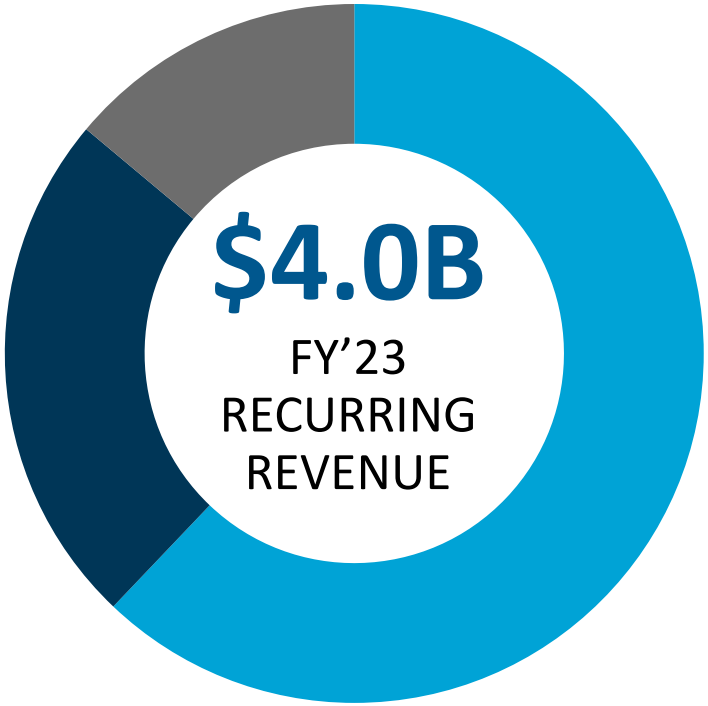
$60 billion and growing market opportunity



Technology and operations spend by global banks estimated to be over $200 Billion

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Three strong growing franchises with $4 billion in Recurring revenue



Governance
$2.5B Recurring Revenue
9% Average Annual Growth

Capital Markets
$965M Recurring Revenue
14% Average Annual Growth

Wealth & Investment Management
$560M Recurring Revenue
10% Average Annual Growth

Note: Average Annual Growth reflects the FY'19-FY'23 time period

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

Recurring revenue $ in millions; growth rates in constant currency

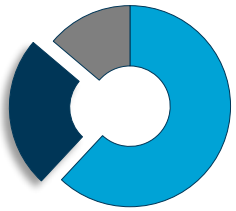
Extend Governance



$2.5B
+9% YoY

- Revenue growth paced by strong demand for digital solutions and new clients
- Equity and fund/ETF position growth normalized at 9% and 8%, respectively after two strong years
- Focus on innovation continues with new digital products, voting choice implementations, and tailored shareholder reports

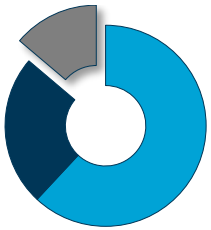
Grow Capital Markets



$965M
+11% YoY

- Continued strong growth from BTCS highlights demands for trading innovation and simplification
- Extending global post-trade implementations across multiple large clients
- Driving innovation to enhance trading capabilities, streamline data management, and deliver cutting edge technologies

Build Wealth & Investment Management



$560M
+4% YoY

- Growth driven by strong demand for advisor tools, including digital marketing capabilities, and other component solutions
- Finalized rollout of wealth management platform suite with UBS with revenue recognition beginning in Q1’24
- Developed targeting plan to deliver on growing pipeline and extend platform capabilities to additional clients

Information about our use of Non-GAAP measures and a reconciliation to closest GAAP measures may be found on slides 43 – 53

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The Broadridge financial model is focused on driving steady revenue growth and consistent earnings per share growth, generated by:



Sustainable **recurring revenue** growth



Investments in our long-term growth strategy



Continued **margin expansion** from our scale and operational efficiencies

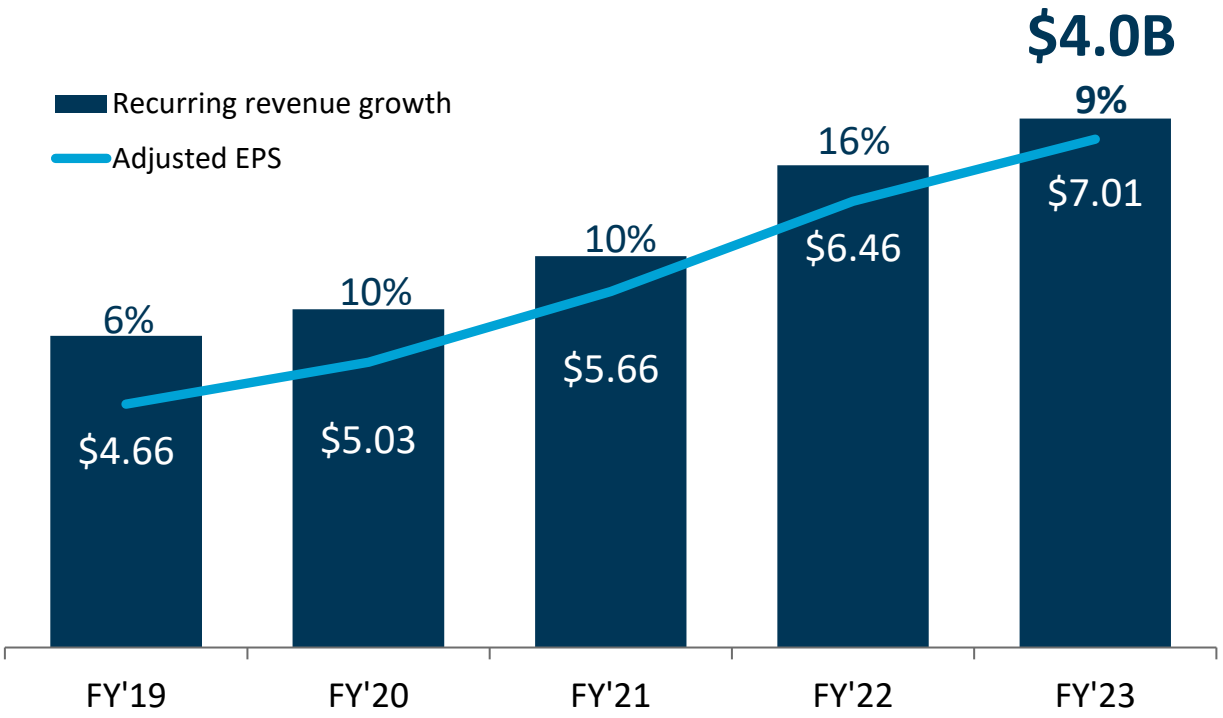


Balanced capital allocation leveraging our strong free cash flow businesses

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Strong track record of delivering growth and value

$M except for per share measures



DILUTED EPS (GAAP)				
$4.06	$3.95	$4.65	$4.55	$5.30

FY'2019 – FY'2023

10%

Recurring revenue average annual growth

11%

Adjusted EPS (Non-GAAP) [1] CAGR

11%

Dividends per share CAGR

1. Information about our use of Non-GAAP measures and reconciliations to GAAP measures may be found on slides 43 – 53

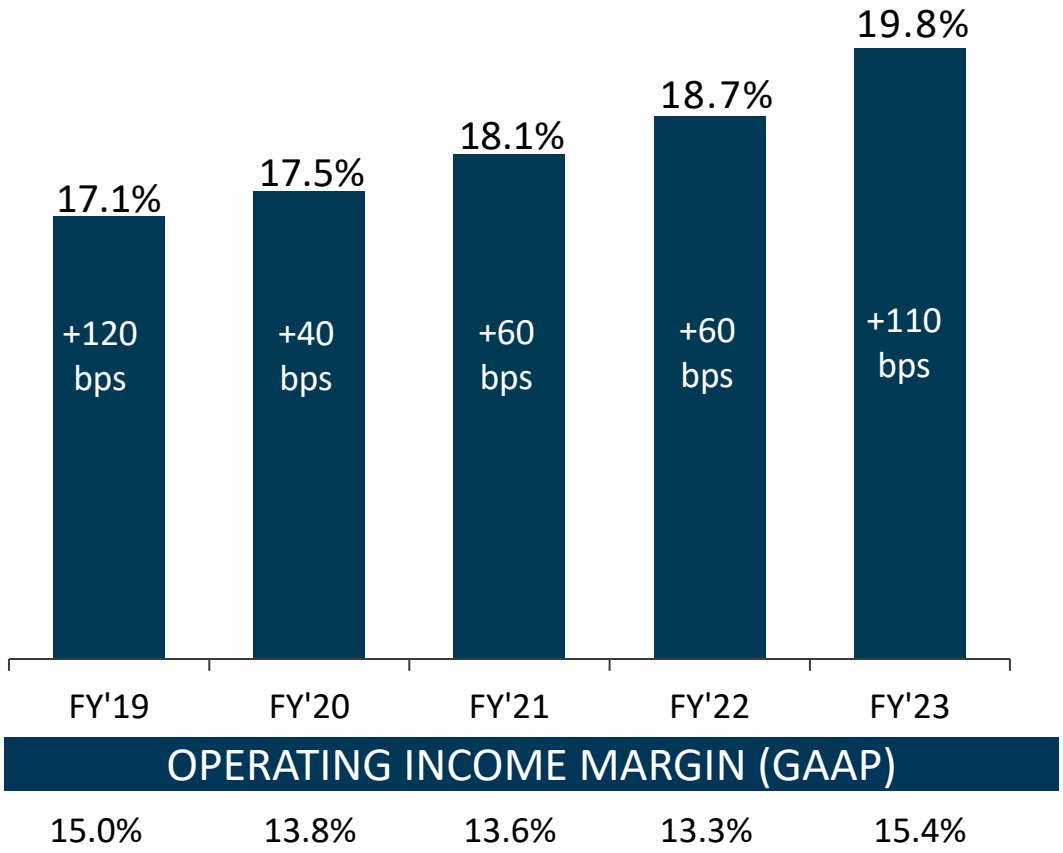
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Consistent margin expansion

ADJUSTED OPERATING INCOME MARGIN (NON-GAAP)

78 bps annual

FY'19-23 average Adjusted Operating Income margin expansion



OPERATING INCOME MARGIN (GAAP)				
15.0%	13.8%	13.6%	13.3%	15.4%

▲ **Scale**
Natural OpEx leverage from a SaaS business

▲ **Digital**
Margin expansion due to mix shift toward digital

▲ **Efficiency**
Contributions from business reengineering and internal growth

▲▼ **M&A**
Primarily weighted to early-stage businesses

▼ **Investment**
Strategic investment aligned with client demand

Note: Information about our use of Non-GAAP measures and reconciliations to GAAP measures may be found on slides 43 – 53

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Long-term record of delivering consistent revenue and earnings growth

	FY'14 – FY'17 (CAGR)	FY'17 – FY'20 (CAGR)	FY'20 – FY'23 (CAGR)
Organic Recurring revenue growth[1]	**5%**	**5%**	**8%**
Recurring revenue growth[2]	**7%**[3]	**7%**	**11%**
Adj. Operating Income Margin expansion (bps/ year) (Non-GAAP)[4]	**53**[3]	**80**	**77**
Adj. Earnings per share growth (Non-GAAP)	**12%**	**12%**[5]	**12%**

1. As defined in the 2023 Form 10-K. Average Organic Recurring revenue growth per year
2. FY'20-23 investor day Recurring revenue growth in constant currency reflecting BR's approach to FX reporting as of December 10, 2020
3. Excluding the North American Customer Communications acquisition completed in 2016
4. Information about the use of Non-GAAP measures and reconciliations to GAAP measures may be found on slides 43 – 53
5. Excluding the impact of the U.S. Tax Act Cuts and Jobs Act (Tax Act). As reported and including the Tax Act impact, Adjusted EPS growth CAGR was 17%

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SEGMENT OVERVIEW

Investor Communication Solutions



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ICS Strategy

Extend our strong and growing Governance franchise

Drive Next-Gen Regulatory

Grow End-to-End Issuer Solutions



Transform Omni-Channel Communications

Build Data-Driven Fund Solutions

A leader at the heart of a **powerful governance network**

Recurring revenues of **$2.5B** and **average annual growth rate of 9% from FY'19-23**

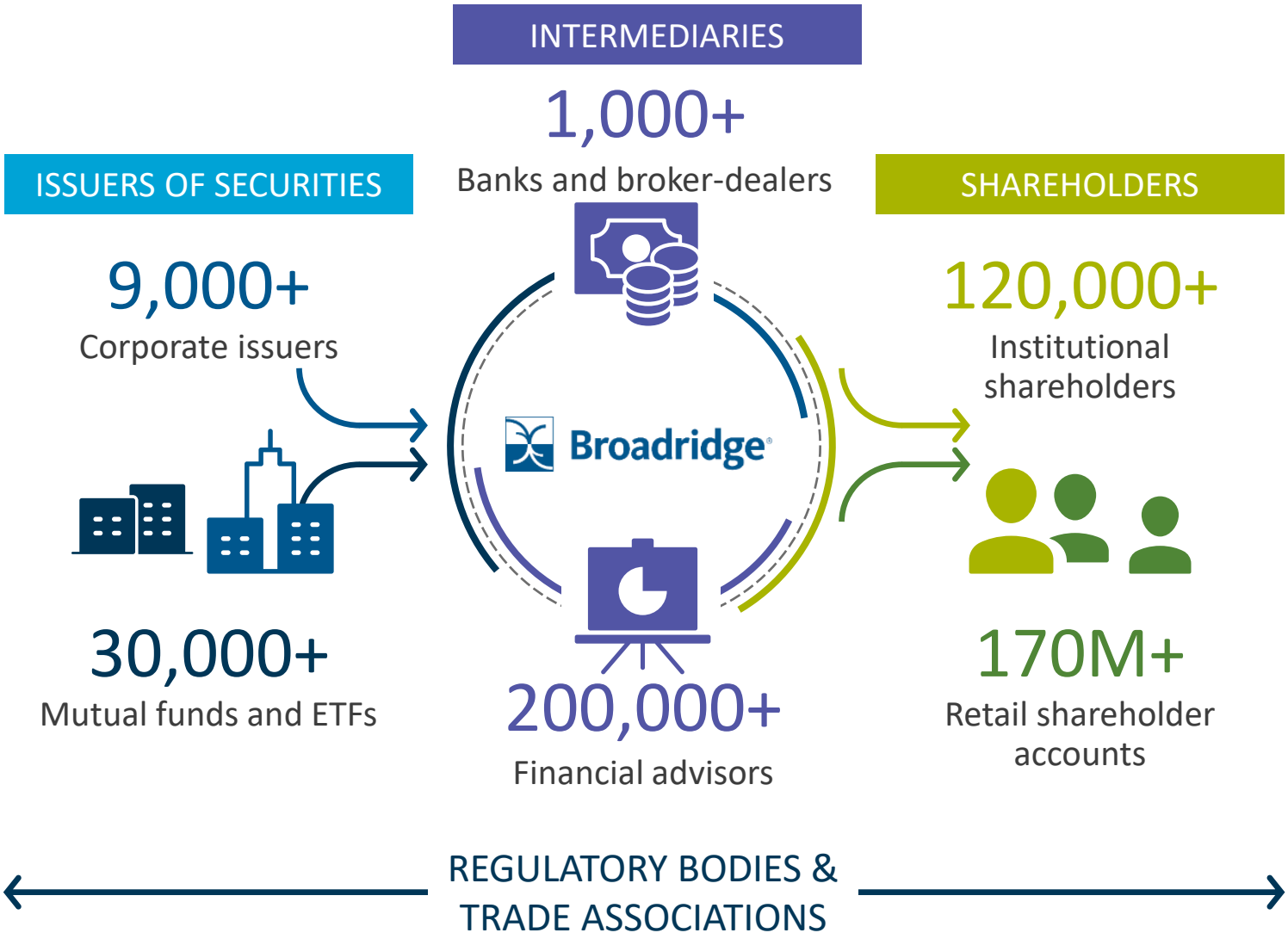
Strong and consistent underlying growth trends

Complementary businesses built on deep relationships

Track record of **digital transformation**

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Our network links investors, asset managers, and issuers across North America

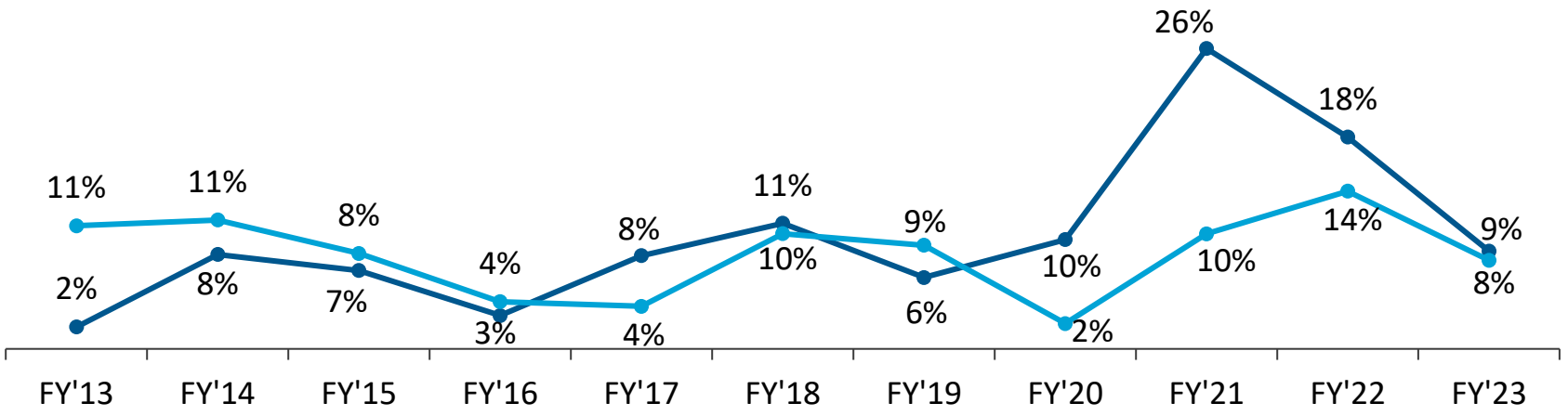


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Key volume drivers: position and trade volume growth

EQUITY & MUTUAL FUND/ETF POSITION GROWTH

	10Y Avg.
Equity[1]	11%
MF/ETF[1]	8%
ITG [2]	6%



	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18	FY'19	FY'20	FY'21	FY'22	FY'23
INTERNAL TRADE GROWTH [2]	**(4)%**	**8%**	**3%**	**2%**	**3%**	**13%**	**6%**	**9%**	**12%**	**1%**	**4%**

1. Reflects position growth processed in the same time period of both years. Therefore, quarterly and annual data may not align

2. Represents the estimated change in daily trade volumes for clients whose contracts are linked to trade volumes and who were on Broadridge's trading platforms in both the current and prior year periods

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Broadridge's focus on innovation and digitization is driving shareholder engagement



Enhancing the effectiveness of critical shareholder communications

Voting choice pilots are enabling millions of ETF shareholders to register their voting preferences. Our innovative Tailored Shareholder Report solutions are helping funds adapt to new regulations while reducing costs. In addition, we are enhancing our ProxyVote app.

- ✓ Pass-through voting pilots
- ✓ Tailored shareholder report solutions
- ✓ Upgraded ProxyVote app



Driving digitization to improve investor communications and reduce client costs

Broadridge's investments in digital have made us the leading omnichannel communications hub. By digitizing wealth management communications, we are enhancing the investor experience and lowering costs for our clients.

- ✓ Wealth InFocus
- ✓ $100M in FY'23 digital revenue
- ✓ 86% digitization rate for equity proxies
- ✓ 78% digitization rate for fund reports



Broadridge continues to innovate

Broadridge's investor communications solutions continue to drive investor engagement, enhancing our position as a positive influence in the corporate governance arena.

- ✓ End-to-End Vote Confirmation
- ✓ Enhanced VSMs
- ✓ Universal Proxy
- ✓ SRD II

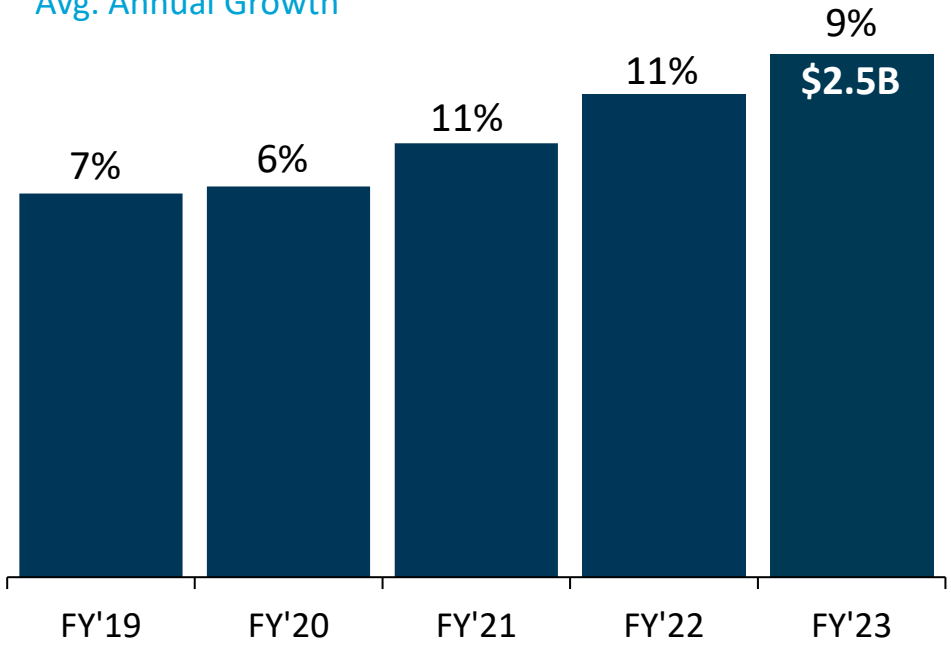
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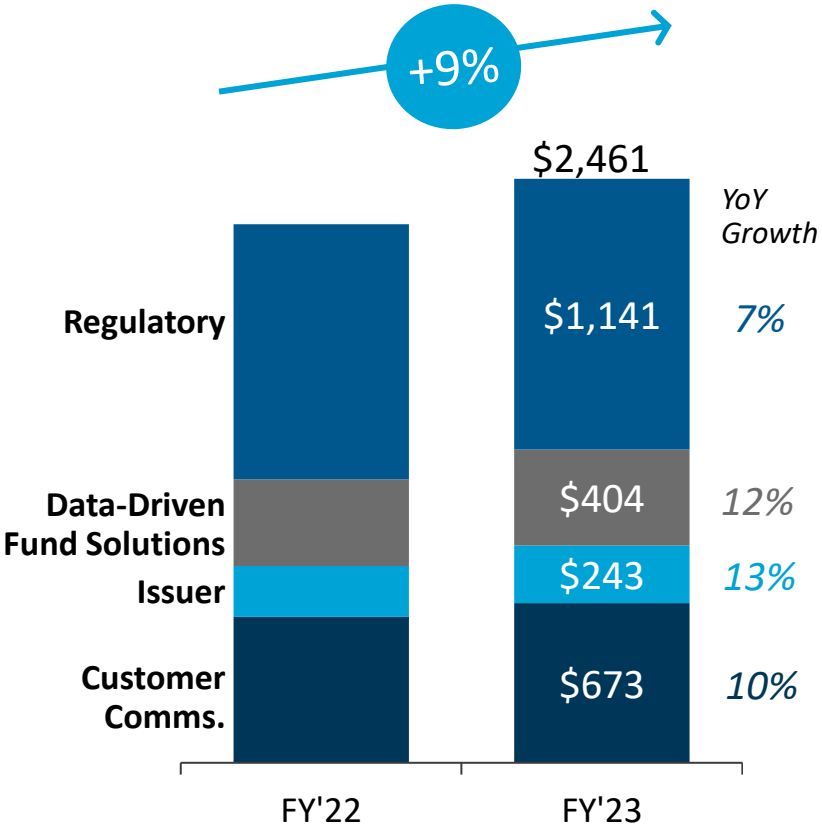
ICS segment financial overview

$ in millions; growth in constant currency

ICS FISCAL YEAR RECURRING REVENUES

9%
Avg. Annual Growth





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SEGMENT OVERVIEW

Global Technology and Operations

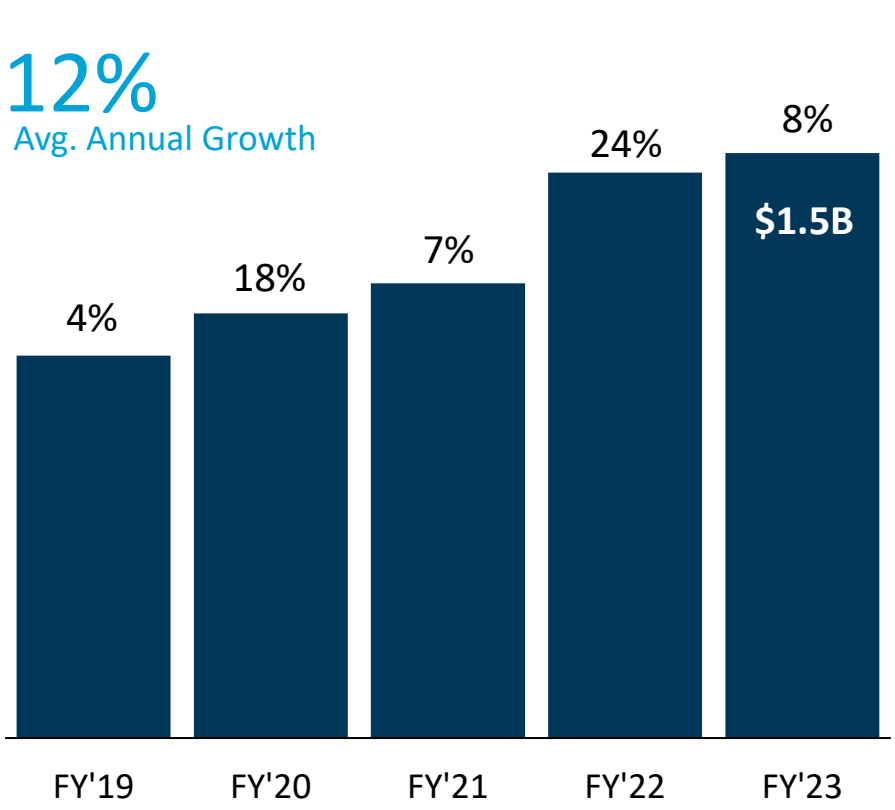


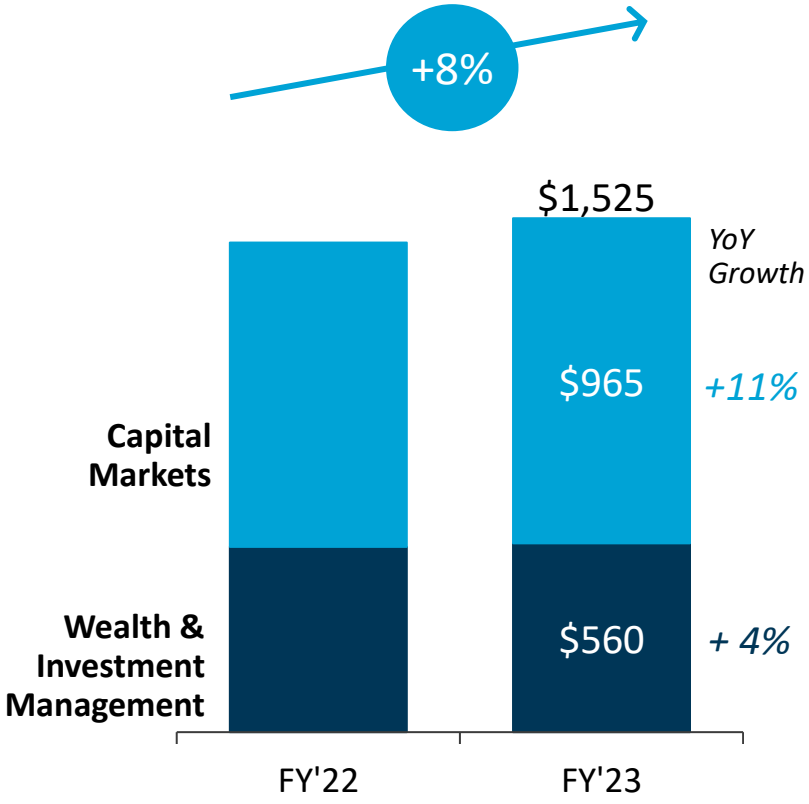
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GTO Strategy: Grow Capital Markets franchise and continue building next-gen Wealth & Investment Management franchise

$ in millions; growth in constant currency

GTO FISCAL YEAR RECURRING REVENUES

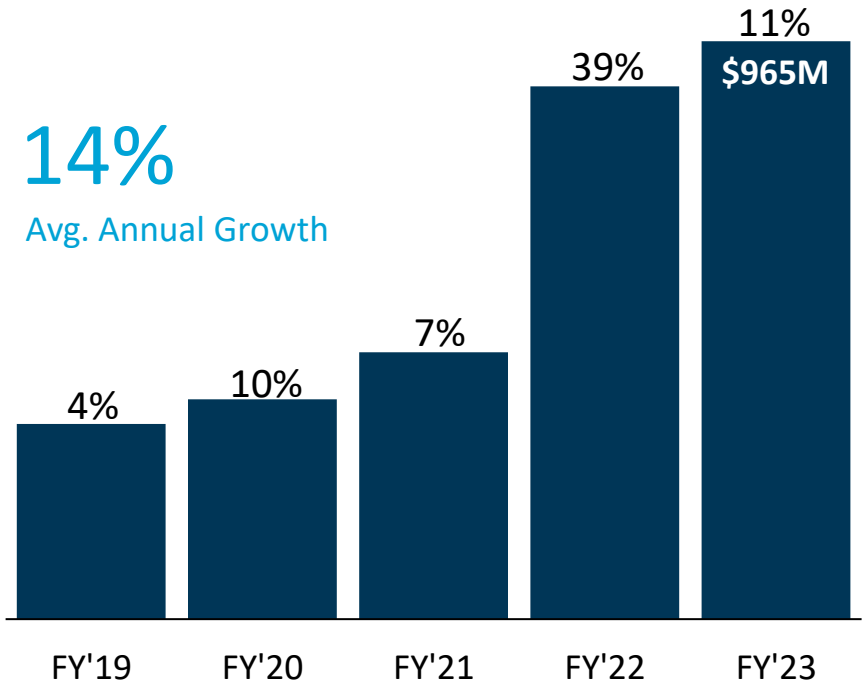




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Capital Markets overview



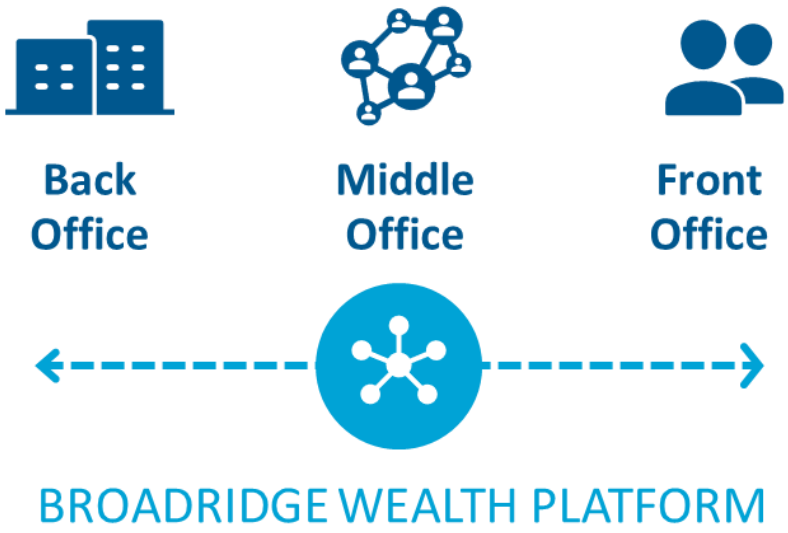


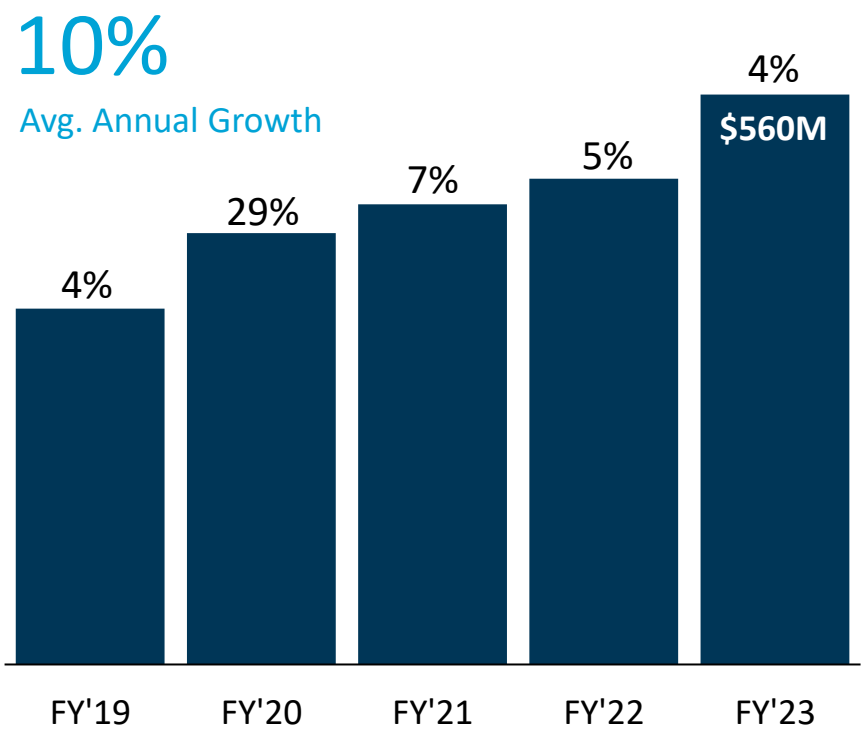
- **A global leader** in post-trade processing for cash securities
- **Continued growth** driven by evolution of global banks
- Launching **AI-powered fixed income** trading platform
- Itiviti adds **strength, scale, and attractive returns**

1. In equity and fixed income trades processed on average per day

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Wealth & Investment Management overview





- **Leading** provider of back-office capabilities
- Strong set of **differentiated component solutions for front- and middle-office**
- Launching the industry's **only unified front-to-back technology platform**
- Growing **Integrated Investment Management Suite**

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Fiscal fourth quarter and full year 2023 summary



Broadridge

Key messages as of August 8, 2023, earnings call

1. **Broadridge reported strong fourth quarter results**, including 8% Recurring revenue growth constant currency and 21% Adjusted EPS growth

2. **These results powered a strong Fiscal Year 2023**, with 9% Recurring revenue growth constant currency, 9% Adjusted EPS growth, and 90% free cash flow conversion. As a result, Broadridge delivered at or above the high end of its three-year growth objectives

3. **Performance was driven by continued execution**, key trends including the ongoing digitization of financial services and increased investor participation, and our growth investments

4. **Fiscal 2024 guidance calls for 8-12% Adjusted EPS growth** powered by 6-9% organic Recurring revenue growth with strengthening free cash flow

5. **Raising annual dividend by 10% to $3.20 per share**, in line with balanced capital allocation per share with flexibility to resume share repurchases

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Summary financial performance

$ in millions, except per share data	Q4'23	*Inc./(Dec.)*	FY'23	*Inc./(Dec.)*
Recurring revenues	**$1,259**	*7%*	**$3,987**	*7%*
Constant currency growth (Non-GAAP)		*8%*		*9%*
Total revenues	**1,839**	*7%*	**6,061**	*6%*
Operating income	**454**	*33%*	**936**	*23%*
Adjusted Operating income *(*Non-GAAP)	**531**	*22%*	**1,199**	*12%*
Adjusted Operating income margin (Non-GAAP)	***28.9%***	*360bps*	***19.8%***	*110bps*
Diluted earnings per share	**$2.72**	*30%*	**$5.30**	*16%*
Adjusted Earnings per share *(*Non-GAAP)	**$3.21**	*21%*	**$7.01**	*9%*
Closed sales	**$90**	*(19%)*	**$246**	*(12%)*

Information about the use of Non-GAAP measures and reconciliations to GAAP measures may be found on slides 43 – 53

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Broadridge delivered at or above the higher end of its 3-year objectives

	INVESTOR DAY FY20-FY23 GROWTH OBJECTIVES	FY20-FY23 PERFORMANCE
Organic Recurring revenue growth	5 – 7%	8%
Recurring revenue growth[1]	7 – 9%	11%
Adjusted Operating income margin – Non-GAAP	50+ bps/yr	77 bps
Adjusted earnings per share growth – Non-GAAP	8 – 12%	12%

1. FY'20 Investor Day recurring revenue growth objectives in constant currency reflecting BR's approach to FX reporting as of December 10, 2020

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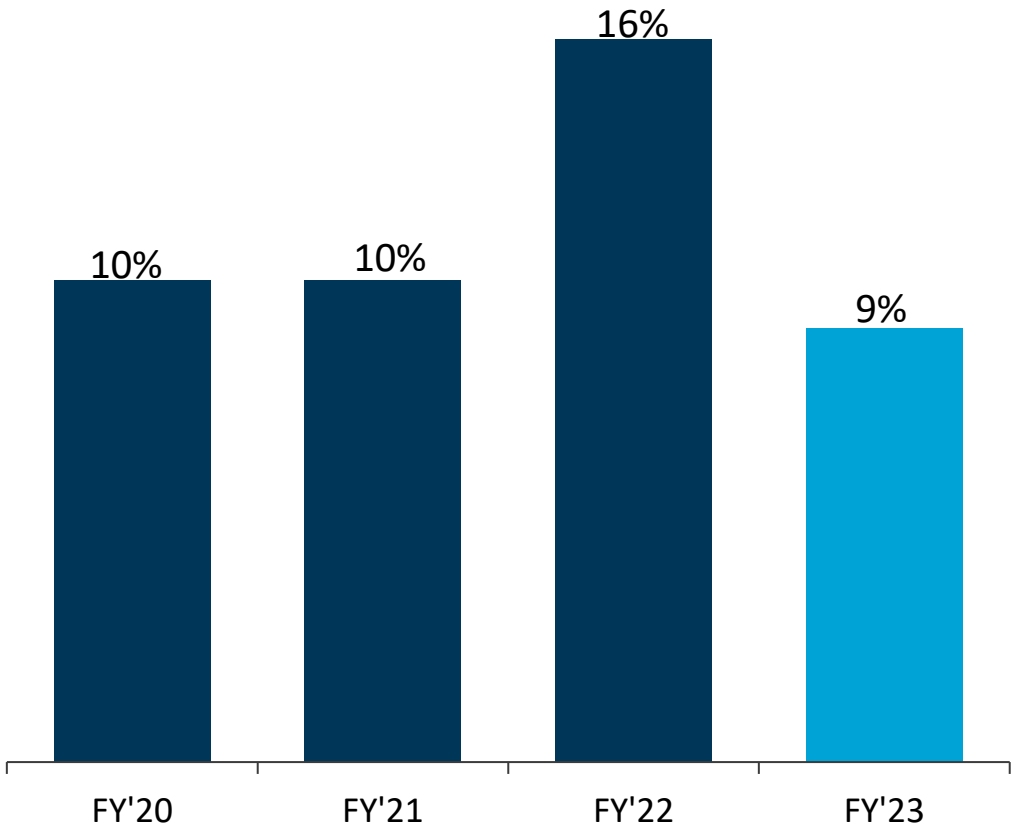
Fiscal fourth quarter and full year 2023 appendix



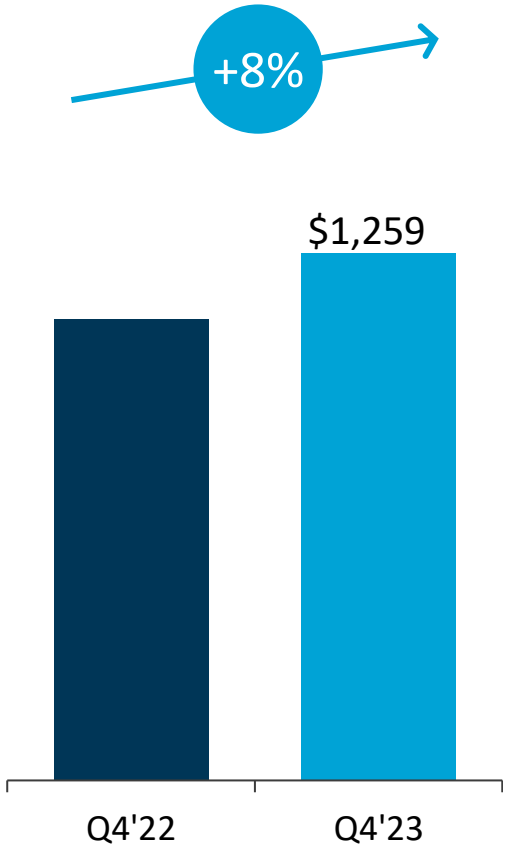
Recurring revenue increased 8% in fourth quarter 2023

$ in millions; growth in constant currency

FISCAL YEAR RECURRING REVENUE GROWTH



Q4 RECURRING REVENUE



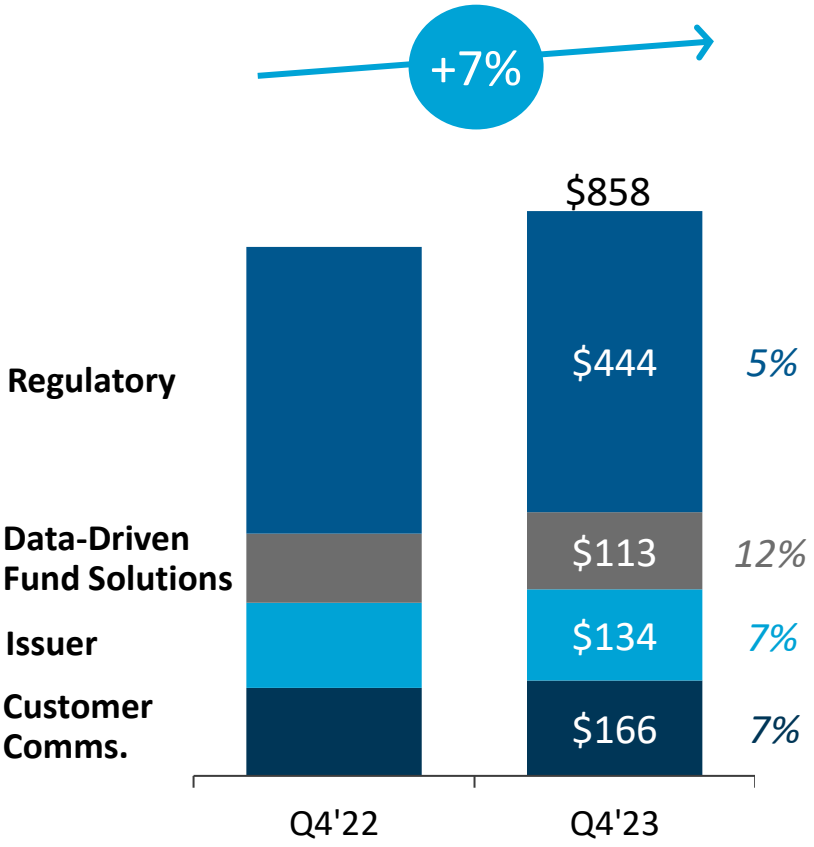
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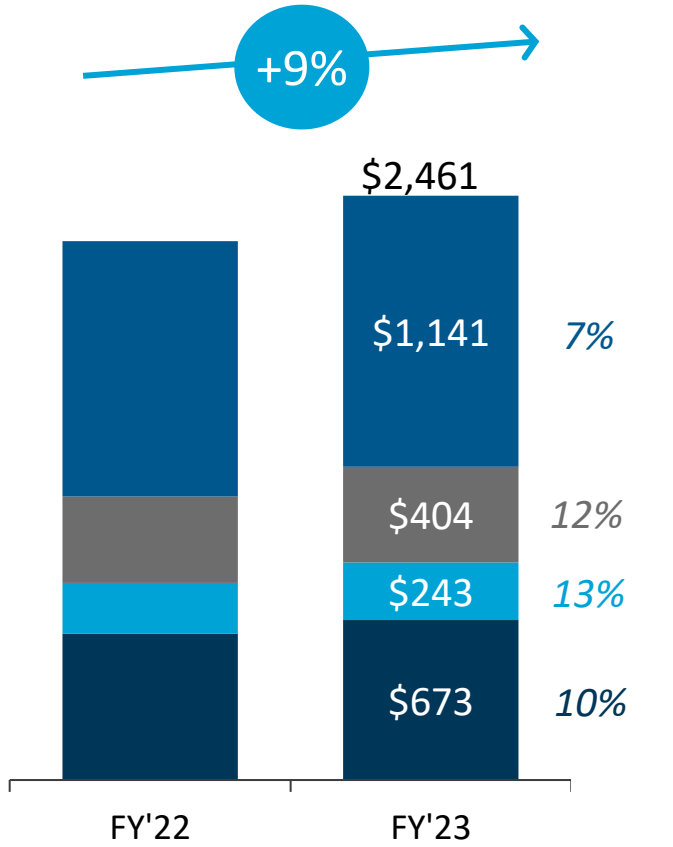
ICS fourth quarter and fiscal year 2023 Recurring revenues

$ in millions; growth in constant currency

ICS Q4 RECURRING REVENUES



ICS FISCAL YEAR RECURRING REVENUES



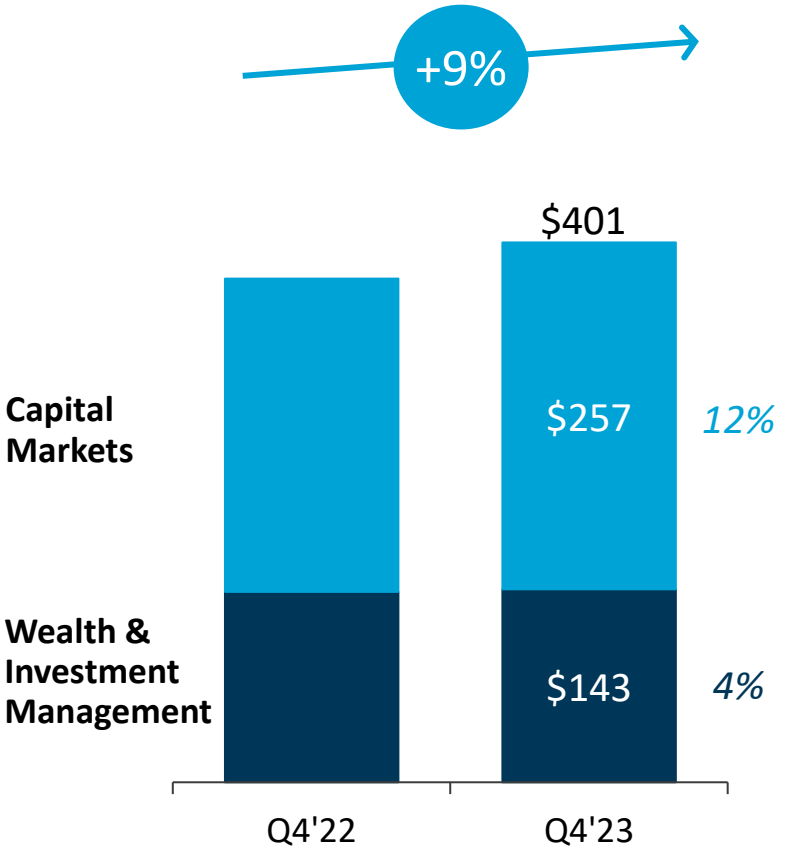
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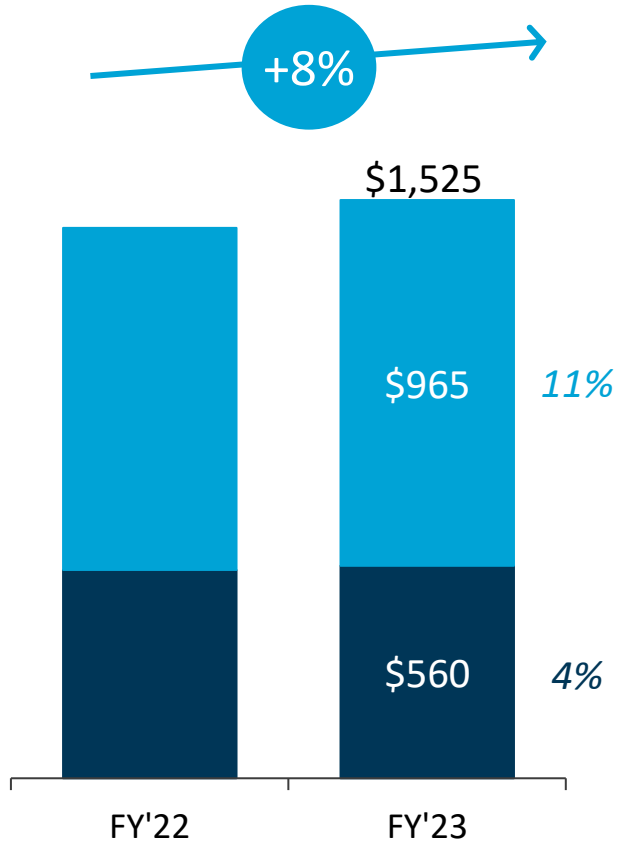
GTO fourth quarter and fiscal year 2023 Recurring revenues

$ in millions; growth in constant currency

GTO Q4 RECURRING REVENUES



GTO FISCAL YEAR RECURRING REVENUES



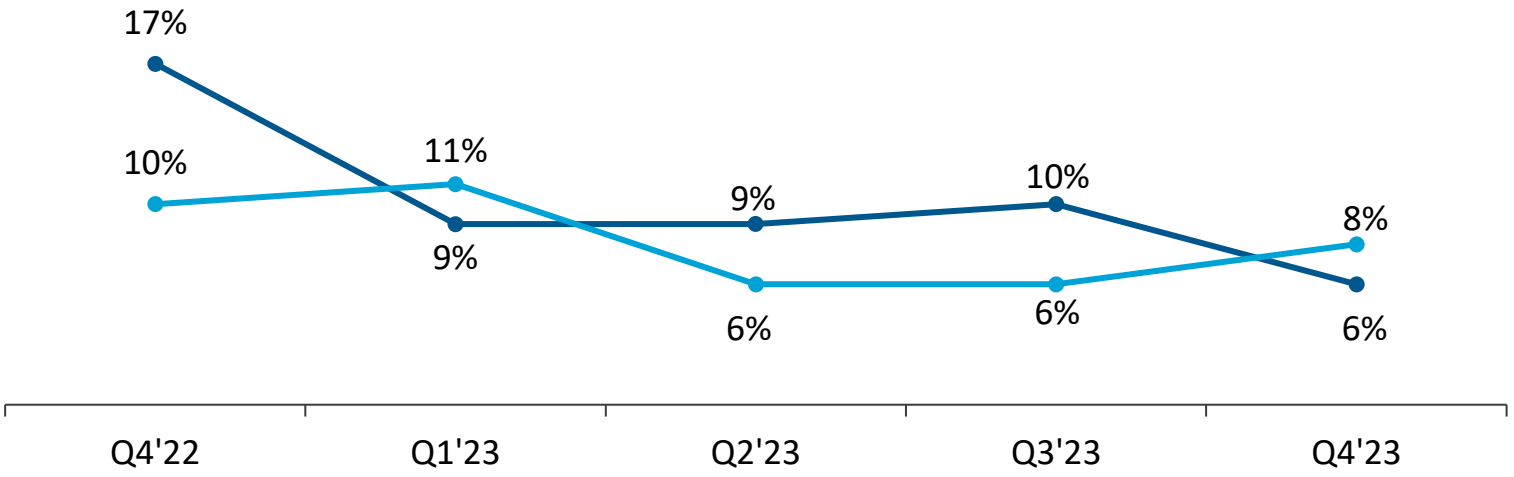
Information about our use of Non-GAAP measures and reconciliations to GAAP measures may be found on slides 43 – 53

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Key volume drivers: position and trade growth

EQUITY & MUTUAL FUND/ETF POSITION GROWTH

	FY'22	FY'23	10Y Avg.
Equity [1,2]	18%	9%	11%
MF/ETF [2]	14%	8%	8%
ITG [3]	1%	4%	6%



INTERNAL TRADE GROWTH	8%	6%	5%	1%	3%

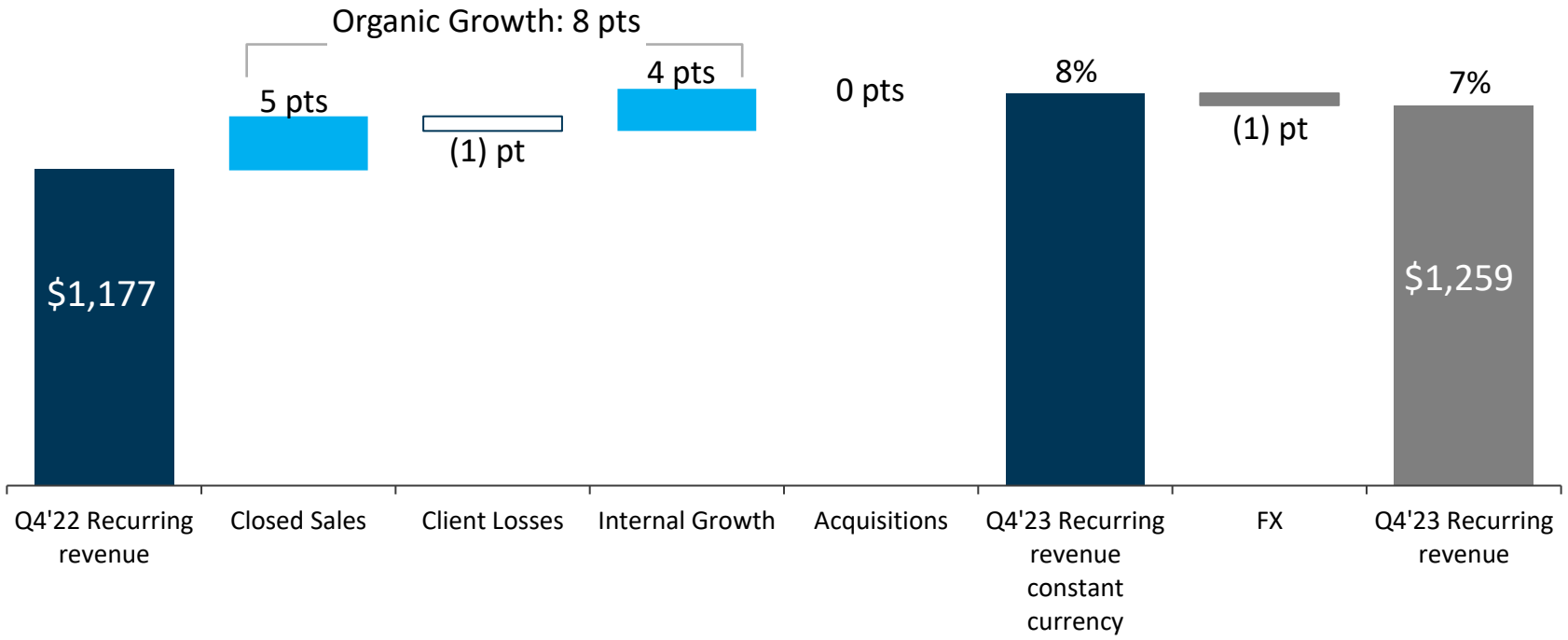
1. Q4'22 equity position growth represented 55% of total fiscal year 2022 positions. Q1'22: 7% | Q2'22: 9% | Q3'22: 29%
2. Reflects position growth processed in the same time period of both years. Therefore, quarterly and annual data may not align
3. Represents the estimated change in daily trade volumes for clients whose contracts are linked to trade volumes and who were on Broadridge's trading platforms in both the current and prior year periods

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Fourth quarter 2023 Recurring revenue growth drivers

$ in millions. Pts contribution to growth

RECURRING REVENUE GROWTH CONSTANT CURRENCY WAS 8%



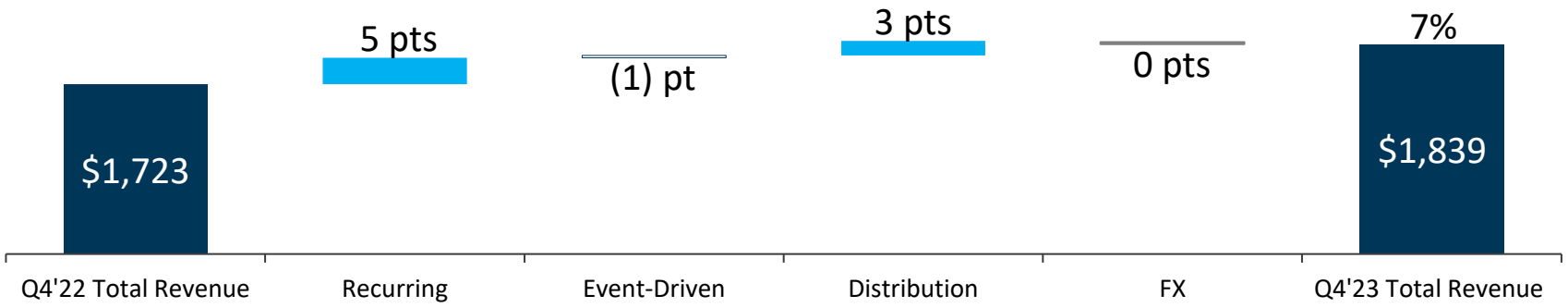
		Organic Growth: 7 pts					
ICS	**$805M**	5 pts	(1) pt	3 pts	0 pts	**7%**	0 pts	**$858M**
GTO	**$372M**	7 pts	(3) pts	5 pts	0 pts	**9%**	(1) pt	**$401M**
		Organic Growth: 9 pts					

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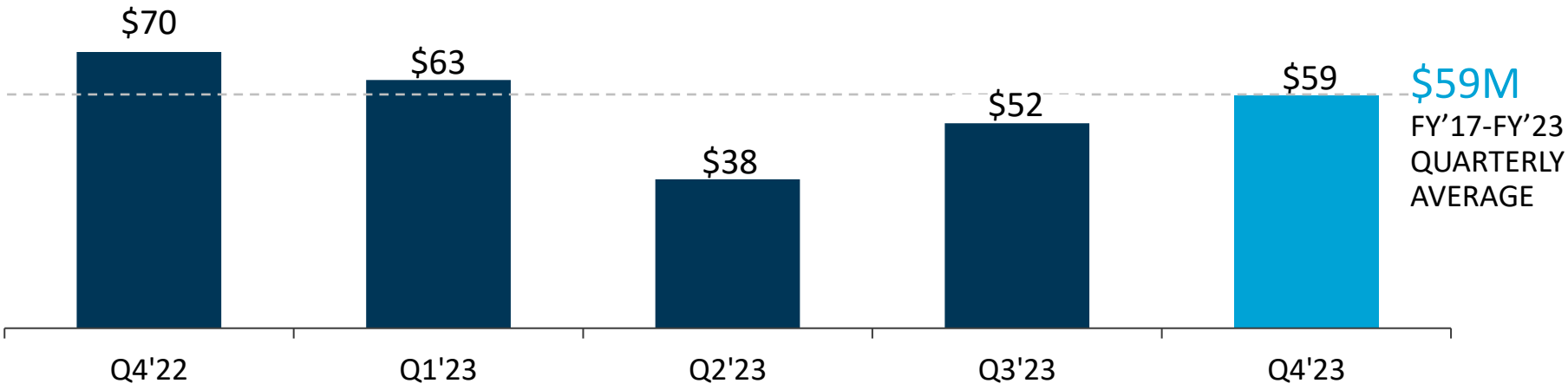
Fourth quarter 2023 Total revenue growth drivers

$ in millions. Pts contribution to growth

FOURTH QUARTER 2023 TOTAL REVENUE GROWTH DRIVERS

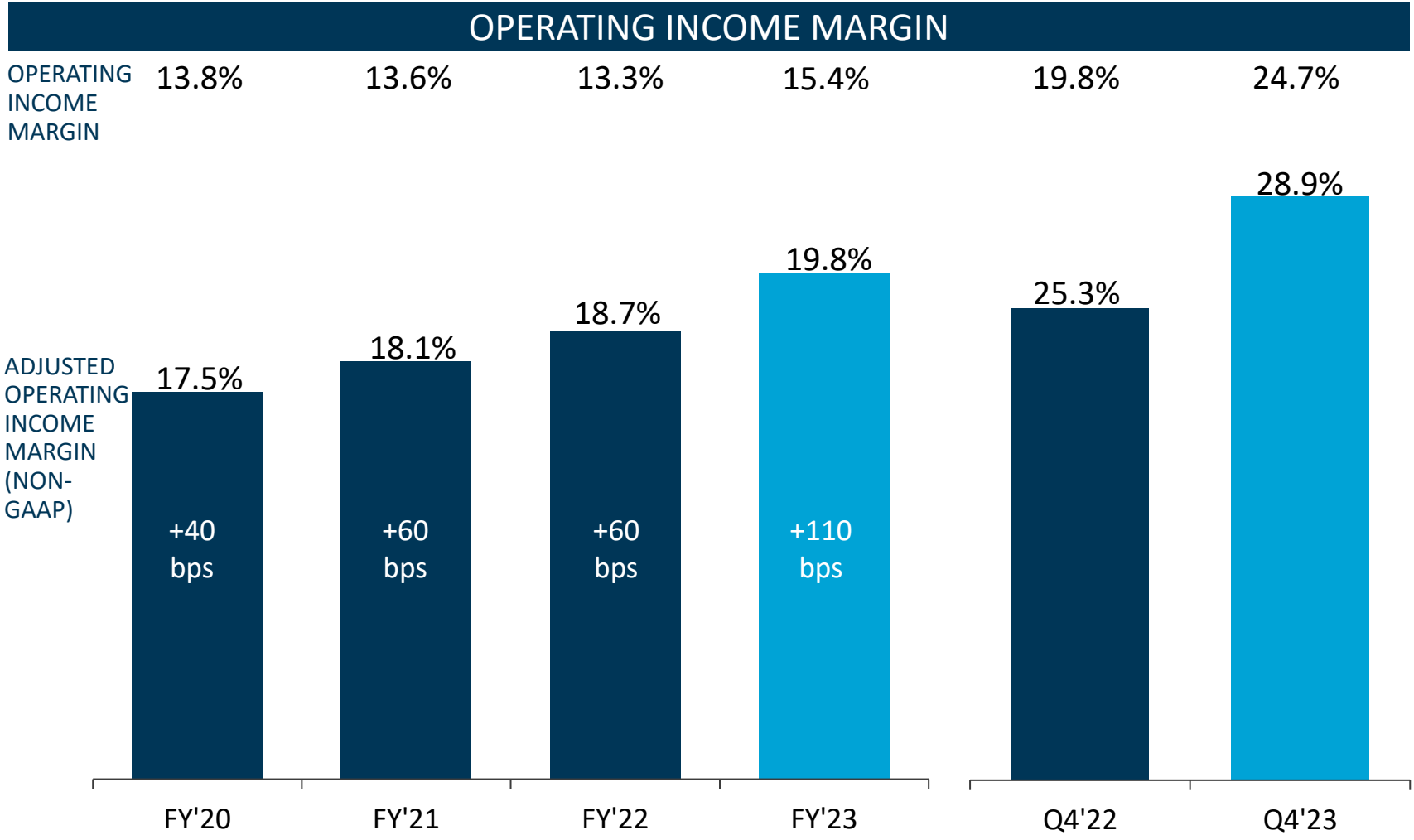


QUARTERLY EVENT-DRIVEN REVENUE



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Operating income margin and Adjusted Operating income margin



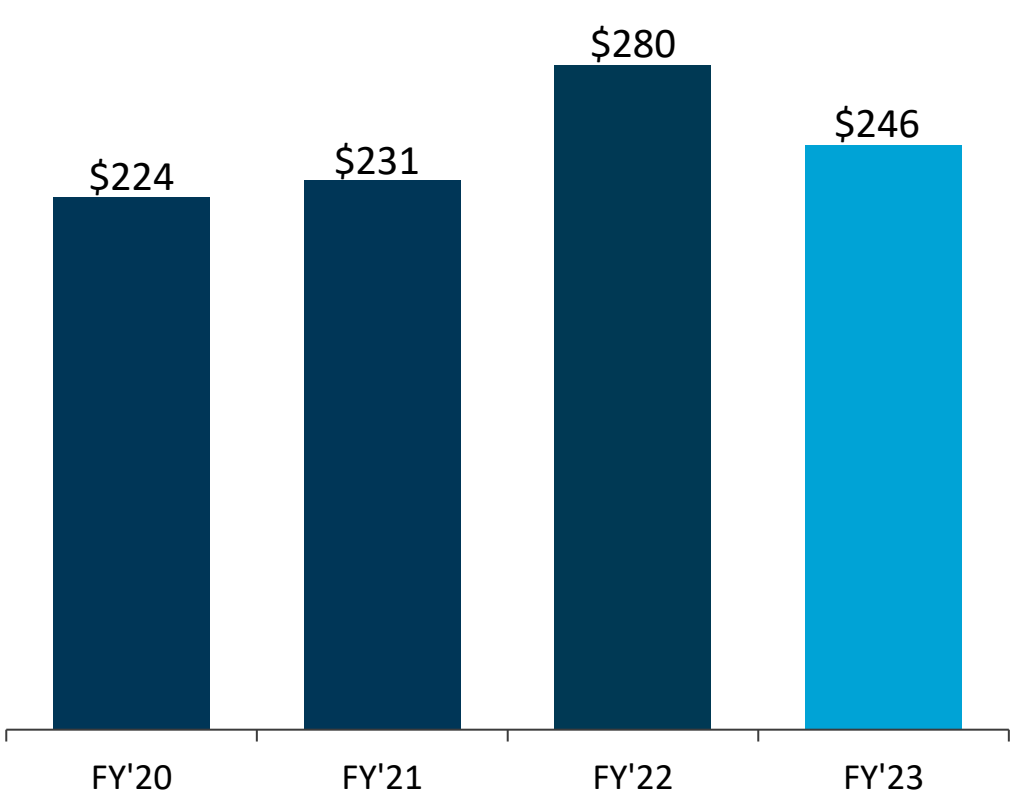
Information about our use of Non-GAAP measures and reconciliations to GAAP measures may be found on slides 43 – 53

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Closed sales

$ in millions

CLOSED SALES



RECURRING REVENUE BACKLOG



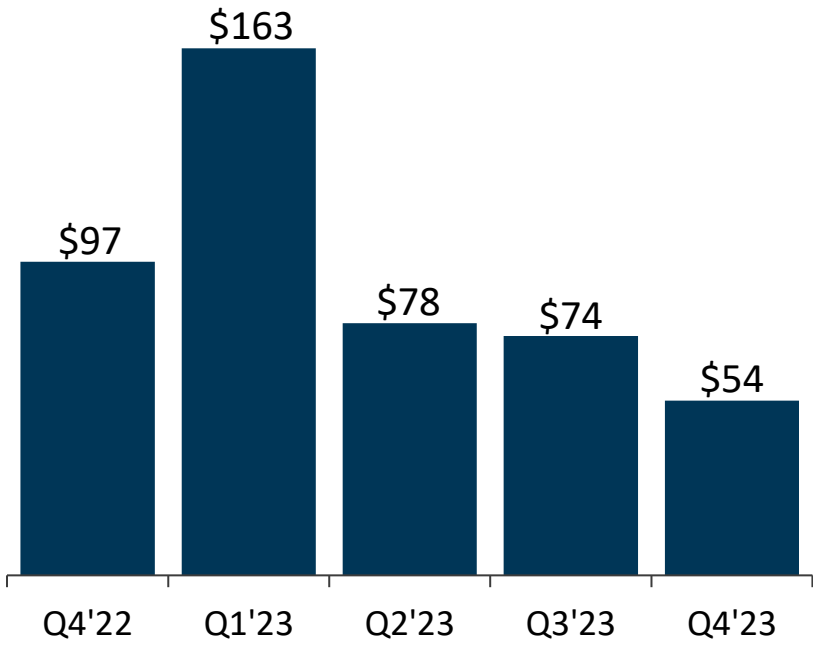
	FY'22	FY'23
% OF RECURRING REVENUE	12%	10%

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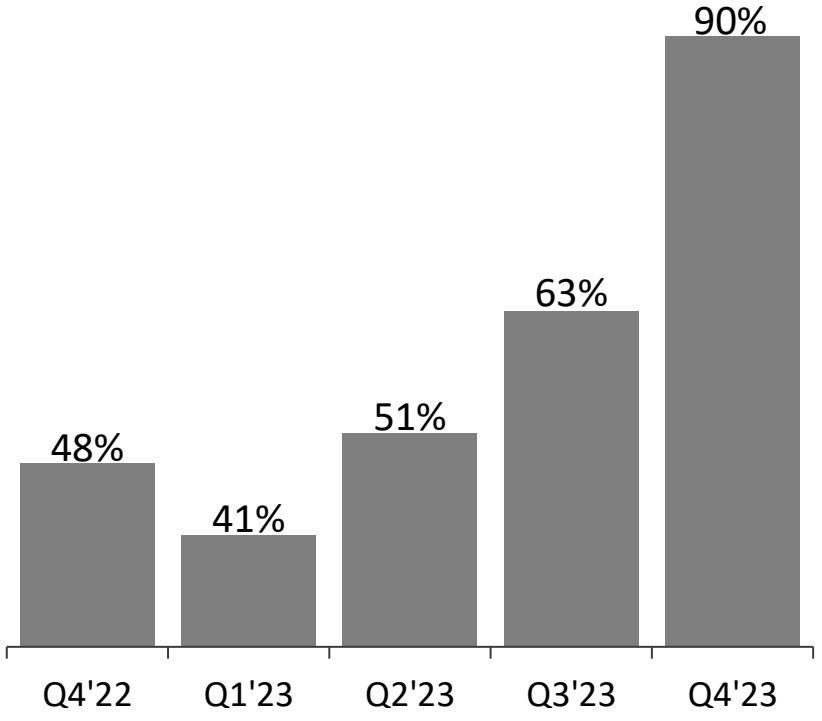
Client platform spend and Free cash flow conversion

$ in millions

NET CLIENT PLATFORM SPEND[1]



FREE CASH FLOW CONVERSION (LTM)[2,3]



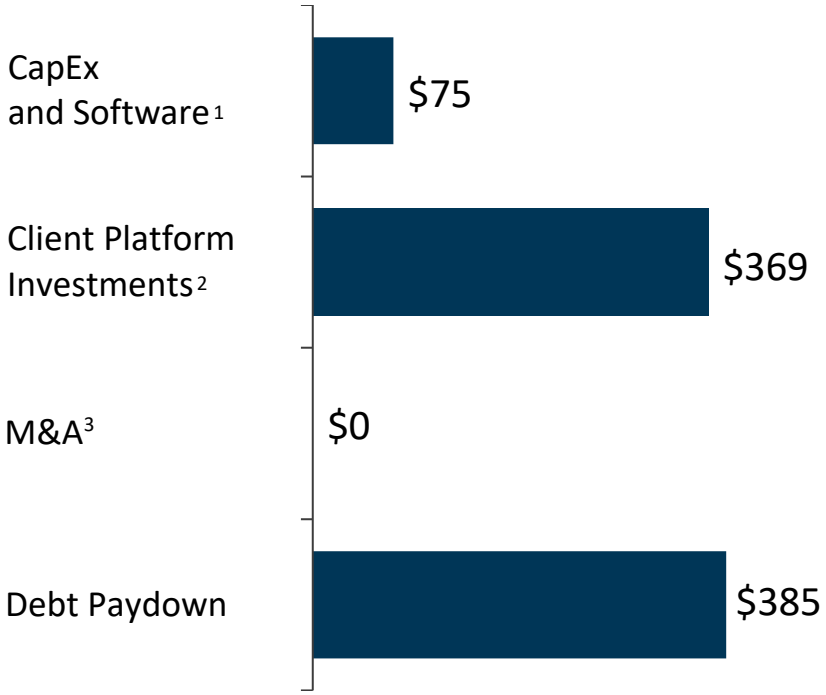
1. *Net investments on new client conversions, including development of platform capabilities*
2. *Last twelve months (LTM) Free cash flow conversion equals Free cash flow for the most recent four quarters divided by Adjusted Net earnings for the same four quarters*
3. *Information about our use of Non-GAAP measures and reconciliations to GAAP measures may be found on slides* 43 – 53

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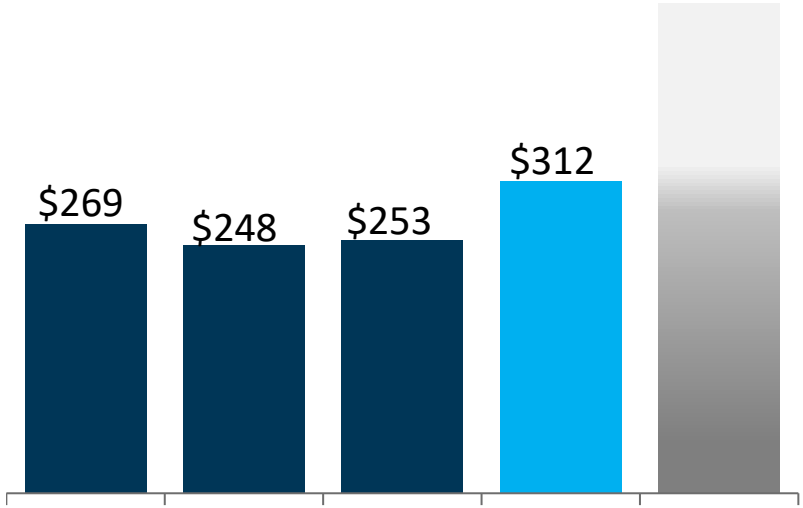
Capital allocation

$ in millions, except per share data

SELECT USES OF CASH FY'23



TOTAL CAPITAL RETURNS 4



	FY'20	FY'21	FY'22	FY'23	FY'24 (E)
DIVIDENDS PER SHARE	**$2.16**	**$2.30**	**$2.56**	**$2.90**	**$3.20**
YOY GROWTH	*11%*	*6%*	*11%*	*13%*	*10%*

1. *Net investments on new client conversions, including development of platform capabilities*
2. *Includes Software purchases and capitalized internal use software*
3. *Includes acquisitions and minority investments*

4. Capital returns to shareholders through dividends and total share repurchases net of option proceeds. FY'23 annual dividend amount subject to Board declaration

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Fiscal Year 2024 Guidance as of August 8, 2023 earnings call

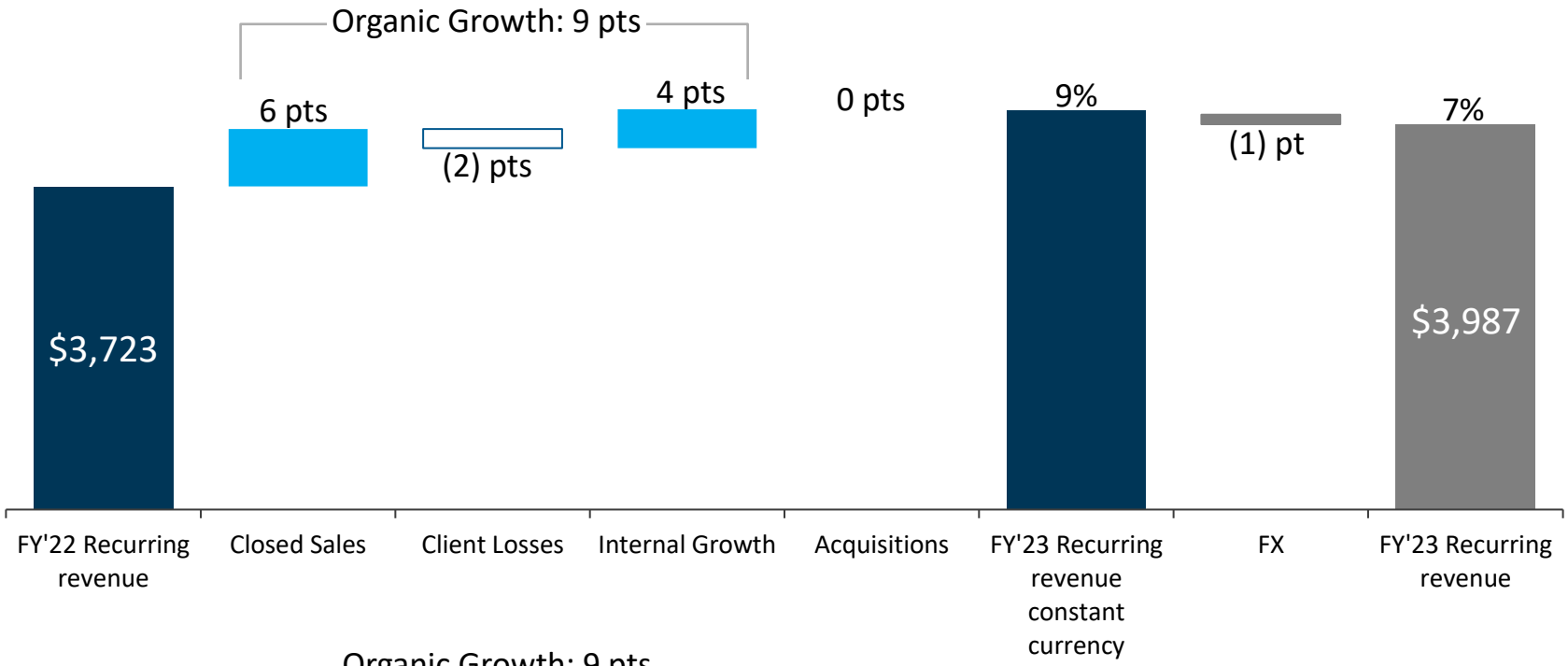
	FY'24 Guidance
Recurring revenue growth constant currency - Non-GAAP	6 - 9%
Adjusted Operating income margin - Non-GAAP	~20%
Adjusted Earnings per share growth - Non-GAAP	8 - 12%
Closed sales	$280M - $320M

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Fiscal year 2023 Recurring revenue growth drivers

$ in millions. Pts contribution to growth

RECURRING REVENUE GROWTH CONSTANT CURRENCY WAS 9%

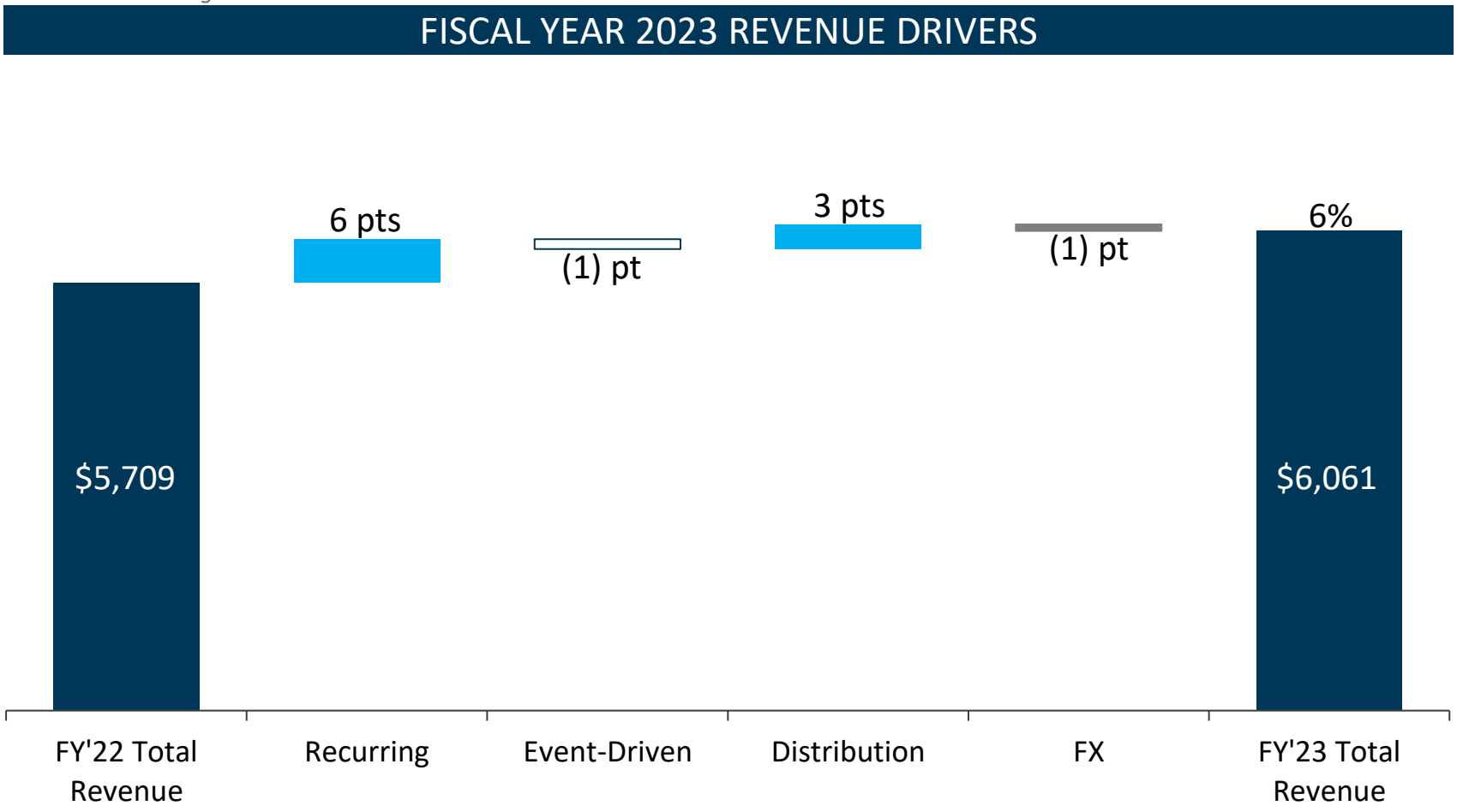


		Organic Growth: 9 pts						
ICS	**$2,270M**	6 pts	(1) pt	5 pts	0 pts	**9%**	(0) pts	**$2,461M**
GTO	**$1,452M**	6 pts	(2) pts	4 pts	0 pts	**8%**	(3) pts	**$1,525M**
		Organic Growth: 8 pts						

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Fiscal year 2023 Total revenue drivers

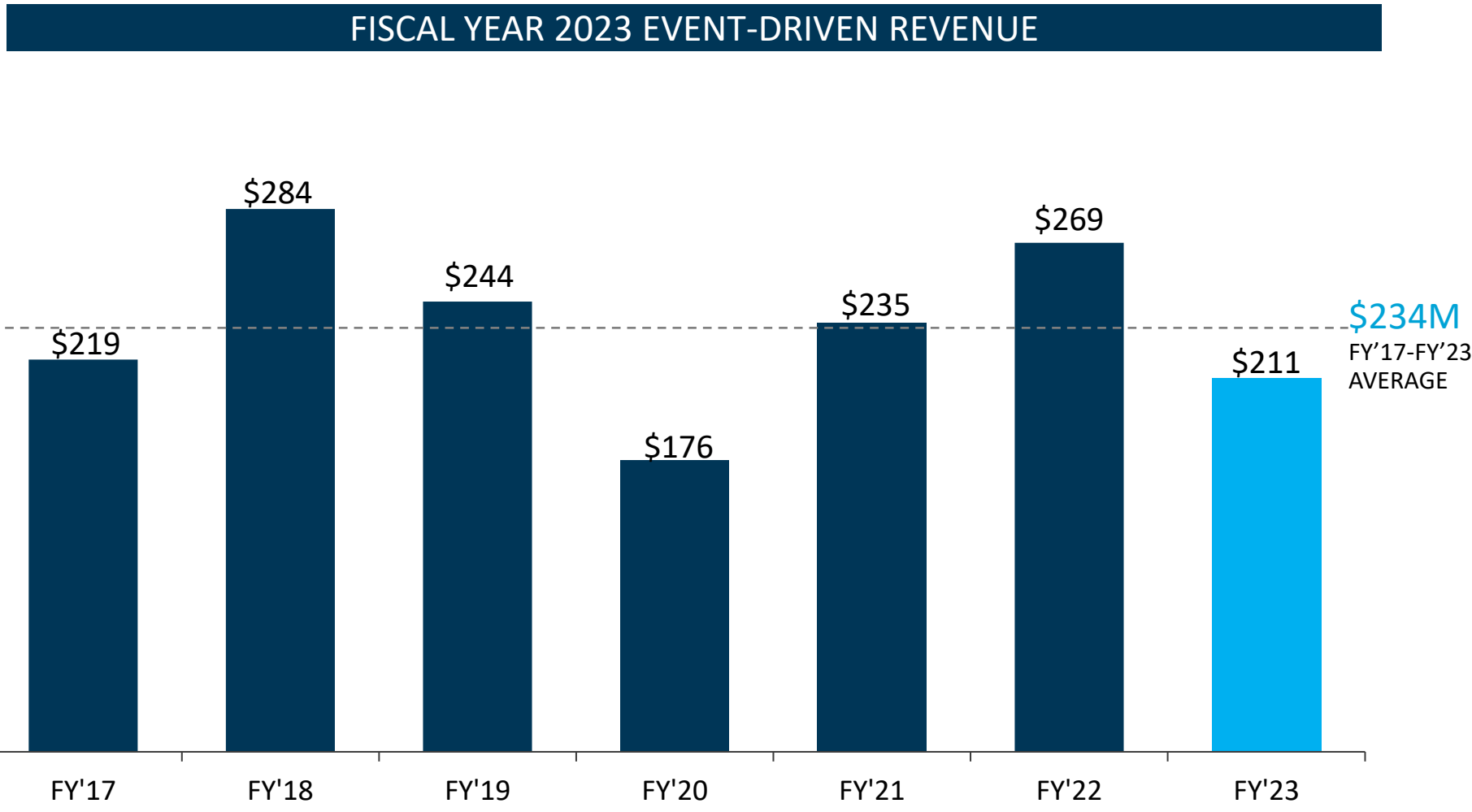
$ in millions
Pts contribution to growth



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Fiscal year 2023 Event-driven revenue

$ in millions



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broadridgeir@broadridge.com

Save the date
Broadridge's Investor Day

Broadridge will host its Investor Day on December 7, 2023 in New York City
Additional details to come

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



Broadridge

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, Free cash flow, Free cash flow conversion, Adjusted EBITDA, EBITDAR, and Recurring revenue growth constant currency. 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 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, Adjusted Earnings Per Share, Adjusted EBITDA, and EBITDAR

These Non-GAAP measures are 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 certain of the following items: (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) Russia-Related Exit Costs, (vi) Investment Gains, (vii) Software Charge, (viii) Gain on Acquisition-Related Financial Instrument, (ix) Gain on Sale of a Joint Venture Investment, (x) Tax Act items, (xi) Gain on Sale of Securities (xii) Message Automation Limited ("MAL") investment gain, and (xiii) Restructuring Charges. 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 are comprised of two major components: Real Estate Realignment Expenses, and Covid-19 Related Expenses. Real Estate Realignment Expenses are expenses associated with the exit of certain of the Company's leased facilities in response to the Covid-19 pandemic, which consist of the impairment of certain right of use assets, leasehold improvements and equipment, as well as other related facility exit expenses directly resulting from, and attributable to, the exit of these leased facilities. Covid-19 Related Expense are direct and incremental expenses incurred by the Company to protect the health and safety of Broadridge associates during the Covid-19 outbreak, including expenses associated with monitoring the temperatures for associates entering our facilities, enhancing the safety of our office environment in preparation for workers to return to Company facilities on a more regular basis, ensuring proper social distancing in our production facilities, personal protective equipment, enhanced cleaning measures in our facilities, and other safety related expenses. Investment Gains represent non-operating, non-cash gains on privately held investments. Russia-Related Exit Costs are direct and incremental costs associated with the Company's wind down of business activities in Russia in response to Russia's invasion of Ukraine, including relocation-related expenses of impacted associates. Software Charge represents a charge related to an internal use software product that is no longer expected to be used. Gain on Sale of a Joint Venture Investment represents a non-operating, cash gain on the sale of one of the Company's joint venture investments. Loss (Gain) on Acquisition-Related Financial Instrument represents a non-operating loss (gain) on a financial instrument designed to minimize the Company's foreign exchange risk associated with the Itiviti acquisition, as well as certain other non-operating financing costs associated with the Itiviti acquisition. Tax Act items represent the net impact of a U.S. federal transition tax on earnings of certain foreign subsidiaries, foreign jurisdiction withholding taxes and certain benefits related to the remeasurement of the Company's net U.S. federal and state deferred tax liabilities attributable to the Tax Act. The Gain on Sale of Securities represents a non-operating gain on the sale of securities associated with the Company's retirement plan obligations. The MAL investment gain represents a non-cash, nontaxable gain on investment from the Company's acquisition of MAL in March 2017. Restructuring Charges represent severance costs associated with the Company's initiative to streamline our management structure, reallocate work to lower cost locations, and reduce headcount in deprioritized areas.

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Non-GAAP measures

Adjusted EBITDA reflects Net earnings before interest, taxes, other non-operating (income)/expenses net, depreciation, amortization, Acquisition and Integration Costs, Restructuring charges, and Russia-related exit costs. EBITDAR reflects Adjusted EBITDA before operating lease cost. Our management uses Adjusted EBITDA and EBITDAR to better understand the Company's pre-tax cash flow, adjusted for the impact of leverage.

We exclude Acquisition and Integration Costs, IBM Private Cloud Charges, Real Estate Realignment and Covid-19 Related Expenses, Investment Gains, Russia-Related Exit Costs, the Software Charge, Loss (Gain) on Acquisition-Related Financial Instrument, the Gain on Sale of a Joint Venture Investment, and Restructuring Charges from our Adjusted Operating income (as applicable) and 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 New cash flows provided by operating activities plus Proceeds from asset sales, less Capital expenditures as well as Software purchases and capitalized internal use software. Free cash flow conversion is calculated as Free cash flow divided by Adjusted Net earnings for the given period.

Recurring revenue growth constant currency

As a multi-national company, we are subject to variability of our reported U.S. dollar results due to changes in foreign currency exchange rates. The exclusion of the impact of foreign currency exchange fluctuations from our Recurring revenue growth, or what we refer to as amounts expressed "on a constant currency basis", is a Non-GAAP measure. We believe that excluding the impact of foreign currency exchange fluctuations from our Recurring revenue growth provides additional information that enables enhanced comparison to prior periods.

Changes in Recurring revenue growth expressed on a constant currency basis are presented excluding the impact of foreign currency exchange fluctuations. To present this information, current period results for entities reporting in currencies other than the U.S. dollar are translated into U.S. dollars at the average exchange rates in effect during the corresponding period of the comparative year, rather than at the actual average exchange rates in effect during the current fiscal year.

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.

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Reconciliation of GAAP to Non-GAAP Measures

(Unaudited)

Dollars in millions	Year ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating Income (GAAP)	$936.4	$759.9	$678.7	$624.9	$652.7	$598.1	$534.0	$502.3	$468.5	$418.3
Adjustments:										
Amortization of acquired intangibles and purchased intellectual property	214.4	250.2	153.7	122.9	87.4	81.4	72.6	31.8	25.3	22.6
Acquisition and integration costs	15.8	24.5	18.1	12.5	6.4	8.8	19.1	5.0	5.0	2.1
Restructuring Charges	20.4	—	—	—	—	—	—	—	—	—
IBM private cloud charges	—	—	—	32.0	—	—	—	—	—	—
Real estate realignment and Covid-19 related expenses (a)	—	30.5	45.3	2.4	—	—	—	—	—	—
Russia-Related Exit Costs (b)	12.1	1.4	—	—	—	—	—	—	—	—
Software charge	—	—	6.0	—	—	—	—	—	—	—
Adjusted operating income (Non-GAAP)	**$1,199.1**	**$1,066.4**	**$901.8**	**$794.8**	**$746.5**	**$688.2**	**$625.7**	**$539.2**	**$498.8**	**$442.9**
Operating income margin (GAAP)	15.4%	13.3%	13.6%	13.8%	15.0%	13.8%	12.9%	17.3%	17.4%	16.4%
Adjusted operating income margin (Non-GAAP)	19.8%	18.7%	18.1%	17.5%	17.1%	15.9%	15.1%	18.6%	18.5%	17.3%

(a) Real Estate Realignment Expenses were $23.0 million, $29.6 million, and $0.0 million for the year ended June 30, 2022, 2021, and 2020, respectively. Covid-19 Related Expenses were $7.5 million, $15.7 million, and $2.4 million for the year ended June 30, 2022, 2021, and 2020, respectively.

(b) Russia-Related Exit Costs were $10.9 million and $1.4 million for the fiscal years ended June 30, 2023 and June 30, 2022, comprised of $12.1 million of operating expenses, offset by a gain of $1.2 million in non operating income for the fiscal year ended June 30, 2023, and $1.4 million of operating expenses for the fiscal year ended June 30, 2022.

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Reconciliation of GAAP to Non-GAAP Measures

(Unaudited)

Dollars in millions, except per share amounts	Year ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Diluted earnings per share (GAAP)	$5.30	$4.55	$4.65	$3.95	$4.06	$3.56	$2.70	$2.53	$2.32	$2.12
Adjustments:										
Amortization of acquired intangibles and purchased intellectual property	1.80	2.11	1.30	1.05	0.74	0.68	0.60	0.26	0.20	0.18
Acquisition and integration costs	0.13	0.21	0.15	0.11	0.05	0.07	0.16	0.04	0.04	0.02
Restructuring charges	0.17	—	—	—	—	—	—	—	—	—
IBM private cloud charges	—	—	—	0.27	—	—	—	—	—	—
Real estate realignment and Covid-19 related expenses (a)	—	0.26	0.38	0.02	—	—	—	—	—	—
Russia-Related Exit Costs	0.09	0.01	—	—	—	—	—	—	—	—
Software charge	—	—	0.05	—	—	—	—	—	—	—
Investment gain	—	(0.12)	(0.07)	—	—	—	—	—	—	—
Gain on acquisition-related financial instrument	—	—	(0.53)	—	—	—	—	—	—	—
Gain on sale of a joint venture investment	—	—	—	(0.06)	—	—	—	—	—	—
Gain on sale of securities	—	—	—	—	—	(0.05)	—	—	—	—
Taxable Adjustments	2.20	2.47	1.29	1.40	0.79	0.70	0.76	0.30	0.24	0.20
Tax Act items	—	—	—	—	—	0.13	—	—	—	—
MAL investment gain	—	—	—	—	—	—	(0.08)	—	—	—
Tax impact of adjustments (b)	(0.48)	(0.55)	(0.28)	(0.32)	(0.19)	(0.20)	(0.26)	(0.10)	(0.08)	(0.07)
Adjusted earnings per share (Non-GAAP)	**$7.01**	**$6.46**	**$5.66**	**$5.03**	**$4.66**	**$4.19**	**$3.13**	**$2.73**	**$2.47**	**$2.25**

(a) Real Estate Realignment Expenses impacted Adjusted earnings per share by $0.19, $0.25, and $0.00 for the fiscal year ended June 30, 2022, 2021, and 2020, respectively. Covid-19 Related Expenses impacted Adjusted earnings per share by $0.06, $0.13, and $0.02 for the fiscal year ended June 30, 2022, 2021, and 2020, respectively.

(b) Calculated using the GAAP effective tax rate, adjusted to exclude $10.4 million, $18.1 million, $16.9 million, $15.6 million, $19.3 million, $40.9 million of excess tax benefits associated with stock-based compensation for the fiscal years June 30, 2023, 2022, 2021, 2020, 2019 and 2018 respectively. For fiscal year 2021, the tax impact of adjustments also excludes approximately $10.6 million of Acquisition and Integration Costs, which are not tax-deductible. For fiscal year 2018, the GAAP effective tax rate was also adjusted to exclude the net $15.4 million charges associated with the Tax Act. For purposes of calculating the Adjusted earnings per share, the same adjustments were made on a per share basis.

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Reconciliation of GAAP to Non-GAAP Measures

(Unaudited)

Investor Communication Solutions	Three Months Ended June 30, 2023				
	Regulatory	Data-Driven Fund Solutions	Issuer	Customer Comms.	Total
Recurring revenue growth (GAAP)	5%	11%	7%	7%	7%
Impact of foreign currency exchange	—%	—%	—%	—%	—%
Recurring revenue growth constant currency (Non-GAAP)	5%	12%	7%	7%	7%

Global Technology and Operations	Capital Markets	Wealth and Investment Management	Total
Recurring revenue growth (GAAP)	11%	2%	8%
Impact of foreign currency exchange	1%	2%	1%
Recurring revenue growth constant currency (Non-GAAP)	12%	4%	9%

Consolidated	Total
Recurring revenue growth (GAAP)	7%
Impact of foreign currency exchange	1%
Recurring revenue growth constant currency (Non-GAAP)	8%

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Reconciliation of GAAP to Non-GAAP Measures

(Unaudited)

Investor Communication Solutions	Fiscal Year Ended June 30, 2023				
	Regulatory	Data-Driven Fund Solutions	Issuer	Customer Comms.	Total
Recurring revenue growth (GAAP)	6%	11%	12%	9%	8%
Impact of foreign currency exchange	—%	1%	—%	—%	—%
Recurring revenue growth constant currency (Non-GAAP)	7%	12%	13%	10%	9%

Global Technology and Operations	Capital Markets	Wealth and Investment Management	Total
Recurring revenue growth (GAAP)	7%	2%	5%
Impact of foreign currency exchange	4%	2%	3%
Recurring revenue growth constant currency (Non-GAAP)	11%	4%	8%

Consolidated	Total
Recurring revenue growth (GAAP)	7%
Impact of foreign currency exchange	1%
Recurring revenue growth constant currency (Non-GAAP)	9%

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Reconciliation of GAAP to Non-GAAP Measures

(Unaudited)

Dollars in millions	3 Months Ended June 30		Fiscal Year Ended June 30		
	2023	2022	2023	2022	2021
Operating income (GAAP)	$454.2	$341.7	$936.4	$759.9	$678.7
Adjustments:					
Amortization of Acq. Intangibles and Purchased Intellectual Property	51.6	58.2	214.4	250.2	153.7
Acquisition and Integration Costs	4.8	10.6	15.8	24.5	18.1
Restructuring Charges	20.4	—	20.4	—	—
Real Estate Realignment and Covid-19 Related Expenses (a)	—	23.7	—	30.5	45.3
Russia-Related Exit Costs (c)	0.1	1.4	12.1	1.4	—
Software Charge	—	—	—	—	6.0
Adjusted Operating income (Non-GAAP)	**$531.2**	**$435.6**	**$1,199.1**	**$1,066.4**	**$901.8**
Operating income margin (GAAP)	24.7%	19.8%	15.4%	13.3%	13.6%
Adjusted Operating income margin (Non-GAAP)	28.9%	25.3%	19.8%	18.7%	18.1%

Dollars in millions	3 Months Ended June 30		Fiscal Year Ended June 30		
	2023	2022	2023	2022	2021
Net earnings (GAAP)	$324.1	$248.1	$630.6	$539.1	$547.5
Adjustments:					
Amortization of Acq. Intangibles and Purchased Intellectual Property	51.6	58.2	214.4	250.2	153.7
Acquisition and Integration Costs	4.8	10.6	15.8	24.5	18.1
Restructuring Charges	20.4	—	20.4	—	—
Real Estate Realignment and Covid-19 Related Expenses (a)	—	23.7	—	30.5	45.3
Russia-Related Exit Costs (c)	0.1	1.4	10.9	1.4	—
Software Charge	—	—	—	—	6.0
Investment Gains	—	(6.7)	—	(14.2)	(8.7)
Gain on Acquisition-Related Financial Instrument	—	—	—	—	(62.1)
Subtotal of adjustments	77.0	87.2	261.6	292.3	152.2
Tax impact of adjustments (d)	(19.1)	(21.6)	(57.5)	(65.7)	(33.2)
Adjusted Net earnings (Non-GAAP)	**$381.9**	**$313.7**	**$834.6**	**$765.7**	**$666.5**

Refer to Notes (a) - (d) on the next slide.

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Reconciliation of GAAP to Non-GAAP Measures

(Unaudited) *Dollars in millions, except per share amounts*	3 Months Ended June 30		Fiscal Year Ended June 30		
	2023	2022	2023	2022	2021
Diluted Earnings per share (GAAP)	$2.72	$2.09	$5.30	$4.55	$4.65
Adjustments:					
Amortization of Acq. Intangibles and Purchased Intellectual Property	0.43	0.49	1.80	2.11	1.30
Acquisition and Integration Costs	0.04	0.09	0.13	0.21	0.15
Restructuring Charges	0.17	—	0.17	—	—
Real Estate Realignment and Covid-19 Related Expenses (b)	—	0.20	—	0.26	0.38
Russia-Related Exit Costs	—	0.01	0.09	0.01	—
Software Charge	—	—	—	—	0.05
Investment Gains	—	(0.06)	—	(0.12)	(0.07)
Gain on Acquisition-Related Financial Instrument	—	—	—	—	(0.53)
Subtotal of adjustments	0.65	0.74	2.20	2.47	1.29
Tax impact of adjustments (d)	(0.16)	(0.18)	(0.48)	(0.55)	(0.28)
Adjusted Earnings per share (Non-GAAP)	**$3.21**	**$2.65**	**$7.01**	**$6.46**	**$5.66**

Dollars in millions	Fiscal Year Ended June 30	
	2023	2022
Net cash flows provided by operating activities (GAAP)	$823.3	$443.5
Capital expenditures and Software purchases and capitalized internal use software	(75.2)	(73.1)
Free cash flow (Non-GAAP)	**$748.2**	**$370.4**

(a) Real Estate Realignment Expenses were $22.6 million for the three months ended June 30, 2022, and $0.0 million, $23.0 million, and $29.6 million, for the fiscal years ended June 30, 2023, 2022, and 2021, respectively. Covid-19 Related Expenses were $1.1 million for the three months ended June 30, 2022, and $0.0 million, $7.5 million, and $15.7 million for the fiscal years ended June 30, 2023, 2022, and 2021 respectively.

(b) Real Estate Realignment Expenses impacted Adjusted Earnings per share by $0.19 for the three months ended June 30, 2022, and $0.00, $0.19, and $0.25 for the fiscal years ended June 30, 2023, 2022, and 2021, respectively. Covid-19 Related Expenses impacted Adjusted earnings per share by $0.01 for the three months ended June 30, 2022, and $0.00, $0.06, and $0.13 for the fiscal years ended June 30, 2023, 2022, and 2021, respectively.

(c) Russia-Related Exit Costs were $10.9 million and $1.4 million for the fiscal years ended June 30, 2023 and June 30, 2022, comprised of $12.1 million of operating expenses, offset by a gain of $1.2 million in non-operating income for the fiscal year ended June 30, 2023, and $1.4 million of operating expenses for the fiscal year ended June 30, 2022.

(d) Calculated using the GAAP effective tax rate, adjusted to exclude $2.9 million and $4.5 million of excess tax benefits associated with stock-based compensation for the three months ended June 30, 2023 and 2022, respectively, and $10.4 million, $18.1 million, and $16.9 million of excess tax benefits associated with stock-based compensation for the fiscal year ended June 30, 2023, 2022, and 2021, respectively. For purposes of calculating the Adjusted earnings per share, the same adjustments were made on a per share basis.

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Reconciliation of GAAP to Non-GAAP Measures

(Unaudited)

Dollars in millions	FY 2022 Q1	FY 2022 Q2	FY 2022 Q3	FY 2022 Q4	FY 2023 Q1	FY 2023 Q2	FY 2023 Q3	FY 2023 Q4
Net cash flows (used in) provided by operating activities (GAAP)	$ (135.4)	$ 40.8	$ 80.7	$ 457.4	$ (204.5)	$ 123.1	$ 175.6	$ 729.2
Capital expenditures and Software purchases and capitalized internal use software	(15.9)	(13.3)	(25.2)	(18.7)	(13.6)	(19.5)	(13.7)	(28.4)
Free cash flow (Non-GAAP)	**$ (151.4)**	**$ 27.6**	**$ 55.5**	**$ 438.7**	**$ (218.1)**	**$ 103.5**	**$ 161.9**	**$ 700.9**

Dollars in millions	FY 2022 Q1	FY 2022 Q2	FY 2022 Q3	FY 2022 Q4	FY 2023 Q1	FY 2023 Q2	FY 2023 Q3	FY 2023 Q4
Net earnings (GAAP)	$67.2	$47.2	$176.6	$248.1	$50.4	$57.5	$198.5	$324.1
Adjustments:								
Amortization of Acquired Intangibles and Purchased Intellectual Property	68.7	62.5	60.8	58.2	55.9	53.7	53.3	51.6
Acquisition and Integration Costs	2.9	7.8	3.1	10.6	4.1	3.7	3.3	4.8
Restructuring Charges	—	—	—	—	—	—	—	20.4
Real Estate Realignment and Covid-19 Related Expenses	1.8	1.7	3.3	23.7	—	—	—	—
Russia-Related Exit Costs	—	—	—	1.4	2.6	6.8	1.5	0.1
Investment Gains	—	(7.5)	—	(6.7)	—	—	—	—
Loss (Gain) on Acquisition-Related Financial Instrument	—	—	—	—	—	—	—	—
Subtotal of adjustments	73.4	64.4	67.2	87.2	62.5	64.1	58.0	77.0
Tax impact of adjustments	(14.4)	(14.3)	(15.4)	(21.6)	(13.2)	(13.2)	(12.0)	(19.1)
Adjusted Net earnings (Non-GAAP)	**$126.3**	**$97.3**	**$228.4**	**$313.7**	**$99.7**	**$108.4**	**$244.5**	**$381.9**

Dollars in millions	FY 2022 Q4	FY 2023 Q1	FY 2023 Q2	FY 2023 Q3	FY 2023 Q4
LTM Free cash flow (a)	$370.4	$303.7	$379.7	$486.1	$748.2
LTM Adjusted Net earnings (Non-GAAP) (b)	$765.7	$739.1	$750.3	$766.4	$834.6
LTM Free cash flow conversion (Non-GAAP) (c)	**48 %**	**41 %**	**51 %**	**63 %**	**90 %**

(a) Last twelve months (LTM) sums the last four quarters of free cash flow for the given period

(b) Last twelve months (LTM) sums the last four quarters of adjusted net earnings for the given period

(c) Free cash flow conversion is calculated as free cash flow divided by adjusted net earnings for the given period

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Reconciliation of GAAP to Non-GAAP Measures: Fiscal Year 2024 Guidance

(Unaudited)

	Fiscal Year, 2024
FY24 Recurring revenue growth	
Impact of foreign currency exchange (a)	0.5%
Recurring revenue growth constant currency – Non-GAAP	6-9%
FY24 Adjusted Operating income margin (b)	
Operating income margin % – GAAP	~16%
Adjusted Operating income margin % – Non-GAAP	~20%
FY24 Adjusted earnings per share growth rate (c)	
Diluted Earnings per share – GAAP	15-20% growth
Adjusted Earnings per share – Non-GAAP	8-12% growth

(a) Based on forward rates as of July 2023

(b) Adjusted Operating income margin guidance (Non-GAAP) is adjusted to exclude the projected $225 million impact of Amortization of Acquired Intangibles and Purchased Intellectual Property, Acquisition and Integration Costs, and Russia-Related Exit Costs.

(c) Adjusted earnings per share growth guidance (Non-GAAP) is adjusted to exclude the projected $1.50 per share impact of Amortization of Acquired Intangibles and Purchased Intellectual Property, Acquisition and Integration Costs, and Russia-Related Exit Costs, and is calculated using diluted shares outstanding.

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Reconciliation of GAAP to Non-GAAP Measures

(Unaudited)

Dollars in millions	Fiscal Year Ended June 30, 2023
Net Earnings	**$630.6**
Provision for income taxes	164.3
Interest expense, net	135.5
Other non-operating expenses	6.0
Operating income	**936.4**
Adjustments	
Depreciation and Amortization	84.4
Amortization of acquired intangibles and purchases intellectual property	214.4
Amortization of other assets	126.2
Acquisition and integration costs	15.8
Restructuring charges	20.4
Russia-related exit costs	12.1
Adjusted EBITDA (Non-GAAP)	**1,409.7**
Operating lease costs	41.0
EBITDAR (Non-GAAP)	**1,450.8**
Current and Long-term debt (GAAP)	**3,413.3**
Leverage Ratios	
Debt to Adjusted EBITDA (a)	2.4x
Debt to EBITDAR (a)	2.6x

(a) For the purposes of measuring its outstanding indebtedness, the Company looks at its level of debt relative to earnings. As a proxy for earnings, the Company believes that investors commonly use EBITDA as a measure of cash flow. This number is also occasionally adjusted to further exclude operating lease costs and is referred to as EBITDAR. Debt to EBITDA is defined as current and long-term debt over trailing 12 months EBITDA. Debt to EBITDAR is defined as current and long-term debt plus present value of operating lease liabilities over trailing 12 months EBITDAR

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