



NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

17 April 2018

ASX ANNOUNCEMENT

ASX Market Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Link Group announces A\$300 million fully underwritten institutional placement to be followed by a share purchase plan to provide balance sheet flexibility to continue to pursue strategic opportunities

- Equity raising comprising a A\$300 million fully underwritten institutional placement and a non-underwritten share purchase plan¹
- The \$300m Placement will result in a reduction in Link Group's pro forma Net Debt to Operating EBITDA² from 2.5x to 1.6x

Link Administration Holdings Limited (ASX: LNK) (**Link Group**), a leading administrator of financial ownership data, today announces an equity raising comprising a A\$300 million fully underwritten institutional placement (**Placement**) and a non-underwritten share purchase plan¹ (**SPP**, and together with the Placement, the **Equity Raising**).

Rationale and use of proceeds

Link Group has a strong track record of identifying, completing and integrating acquisitions as part of its growth strategy, having successfully completed over 40 business combinations over the last 15 years. Link Group's two most recent large scale acquisitions, Capita Asset Services (since renamed Link Asset Services, **LAS**) and Superpartners, are both on track to deliver material benefits. As previously announced, the remaining integration benefits in relation to Superpartners are expected to be

¹ Link Group reserves the right to increase the size of the SPP offer or scale back applications under the SPP at its absolute discretion.

² Includes 12 months of LAS Operating EBITDA. Operating EBITDA is earnings before interest, tax, depreciation and amortisation and significant items. Management uses Operating EBITDA to evaluate the operating performance of the business and each operating segment prior to the impact of significant items, the non-cash impact of depreciation and amortisation and interest and tax charges, which are significantly impacted by the historical capital structure and historical tax position. Management uses Operating EBITDA to evaluate the cash generation potential of the business because it does not include significant items or the non-cash charges for depreciation and amortisation. However, Link Group believes that it should not be considered in isolation or as an alternative to net operating free cash flow.

Details of non-IFRS terms are contained in Appendix 1 of the Directors' Report on page 57 of the Link Group 2017 Annual Report.

approximately a further A\$35 million by FY2020, while LAS is expected to deliver efficiency benefits of at least £15 million over the medium term³. In addition, the business has also benefited from a number of smaller bolt-on opportunities that have enhanced the client base, product suite or geographical reach of Link Group.

Highlighting growth as a primary driver of the Equity Raising, Link Group Chairman, Michael Carapiet said, "Link Group intends to continue to execute on its proven growth strategy. Net proceeds from the Equity Raising will strengthen Link Group's balance sheet and provide financial flexibility to support organic growth as well as future acquisitions."

Following completion of the \$300 million Placement, Link Group's pro forma leverage (being pro forma Net Debt to Operating EBITDA²) falls from ~2.5x to ~1.6x.

Placement

The Placement to raise A\$300 million has been fully underwritten at a fixed price of A\$8.50 per share, which represents a 2.4% discount to the last closing price of A\$8.71 on 17 April 2018. New shares to be issued under the Placement will rank equally with existing fully paid ordinary shares of Link Group, except that they will not be entitled to participate in the SPP.

SPP

Following completion of the Placement, Link Group will also offer eligible shareholders in Australia and New Zealand the right to participate in the SPP. If 30% of non-institutional investors participate fully in the SPP, Link Group will raise approximately A\$40 million. Link Group reserves the right to increase the size of the SPP offer or scale back applications under the SPP at its absolute discretion. The issue price under the SPP will be \$8.50 per share, which is equal to the issue price under the Placement. New shares issued under the SPP will rank equally with existing ordinary shares in Link Group. Full details of the SPP will be set out in the SPP Offer Booklet, which will be lodged with ASX and sent to eligible shareholders in due course.

Timetable

Key dates in relation to the Equity Raising are as follows:

<u>Event</u>	<u>Date</u>
SPP Record Date	7:00pm, Monday, 16 April 2018
Announcement of Placement and SPP	Tuesday, 17 April 2018
Announcement of completion of Placement	Wednesday, 18 April 2018
Issue of new shares under Placement	Monday, 23 April 2018
Issue of SPP Offer Booklet	Thursday, 26 April 2018

The above timetable is indicative only and subject to change. All times represent Sydney time. Link Group reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. The commencement of quotation and trading of new securities is subject to confirmation from ASX.

Investor Relations Contact – Craig Curry, Link Group +61 403 747 901

Media Contact – Ben Wilson, GRACosway +61 407 966 083

³ Not including integration and separation costs

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The new shares have not been, nor will be, registered under the US Securities Act of 1933 (the "US Securities Act"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the new shares may not be offered or sold to persons in the United States unless they have been registered under the US Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable U.S. state securities laws.

This announcement contains words such as 'will', 'may', 'expect', 'indicative', 'intend', 'seek', 'would', 'should', 'could', 'continue', 'plan', 'probability', 'risk', 'forecast', 'likely', 'estimate', 'anticipate', 'believe', or similar words to identify forward-looking statements. Forward-looking statements in this announcement include statements regarding the conduct and outcome of the Equity Raising, the use of proceeds, the benefits of Link Group's recent acquisitions and Link Group's future plans and strategies. These forward-looking statements reflect Link Group's current views with respect to future events and are subject to change, certain risks, uncertainties and assumptions which are, in many instances, beyond the control of Link Group, its directors and management, and have been made based upon Link Group's expectations and beliefs concerning future developments and their potential effect upon Link Group. There can be no assurance that future developments will be in accordance with Link Group's expectations or that the effect of future developments on Link Group will be those anticipated. Actual results could differ materially from those which Link Group expects, depending on the outcome of various factors. Factors that may impact on the forward-looking statements made include, but are not limited to, general economic conditions in Australia; exchange rates; competition in the markets in which Link Group will operate and the inherent regulatory risks in the businesses of Link Group. Refer to the 'Risks' section of the accompanying Investor Presentation for a summary of certain general and Link Group specific risk factors that may affect Link Group.

When relying on forward-looking statements to make decisions with respect to Link Group, investors and others should carefully consider such factors and other uncertainties and events. Except as required by law or regulation (including the ASX Listing Rules), Link Group is under no obligation to update any forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise, after the date of this presentation. None of Link Group or any of its subsidiaries, advisors, affiliates (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statement or any outcome expressed or implied in any forward-looking statements. Statements about past performance are not necessarily indicative of future performance.

This announcement refers to pro forma net debt to Operating EBITDA, which is a financial measure that is not recognised under Australian Accounting Standards (**AAS**) or International Financial Reporting Standards (**IFRS**). As such, these measures are 'non-IFRS financial measures' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by Australian Securities and Investment Commission. Such non-IFRS financial information does not have standardised meaning prescribed by AAS or IFRS, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. The way Link Group calculates these measures may be different to the way other companies calculate similarly-titled measures. Although Link Group believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information included in this announcement. These non-IFRS financial measures have not been subject to audit or review in accordance with AAS.

Investors should also note that the pro forma information in this announcement does not comply with Article 3-05 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.