



2021 ANNUAL REPORT

Scaling a Global Fintech Leader

Ready for Next

AT-A-GLANCE

Broadridge provides the critical infrastructure that powers investing, corporate governance and communications to enable better financial lives. Our technology-driven solutions drive digital transformation to help our clients get ahead of today's challenges to capitalize on what's next.

Fiscal Year 2021 Results

RECURRING FEE REVENUES

\$3.3B



10%

ADJUSTED EPS

\$5.66



13%

FISCAL 2022 ANNUAL DIVIDEND

\$2.56



11%

CONTENTS

- IFC** Broadridge At-a-Glance
- 2** CEO Letter
- 11** 2021 Financial Highlights
- 12** Making a Difference
- 14** Growing Our Talent

- 16** Explanation and Reconciliation of the Company's Use of Non-GAAP Financial Measures
- 18** Directors
Executive Leadership Team
Recognition and Awards

Our vantage point at the center of financial services enables us to deliver the value of our network to help clients address today's trends of digitization, mutualization, and the democratization of investing.

We are scaling a global Fintech leader.

Tim Gokey
Chief Executive Officer



Dear Stockholders,

As we enter fiscal year 2022, I've never been more optimistic about Broadridge's long-term growth prospects.

We delivered strong fiscal year 2021 financial results, including double-digit top- and bottom-line growth. That growth, combined with our ongoing investments, demonstrate that we are executing against a clear plan to continue to scale Broadridge as a global Fintech leader. Most importantly, we are doing it the right way, combining disciplined execution and balanced capital allocation with a strong commitment to corporate citizenship. As a result, we are better positioned than ever to deliver long-term value for our clients, stockholders, and associates.

Strong Fiscal Year 2021 Financial Results

Broadridge had a strong fiscal year 2021. Recurring revenues rose 10%, Adjusted earnings per share grew 13%, and we achieved the 10th consecutive year of record sales. Recurring revenues were driven by revenue from sales, strong growth in shareholder communications, higher trading volumes, and our recent acquisitions including Itiviti. Another year of margin growth propelled strong earnings, enabling us to raise our fiscal year 2022 annual dividend by 11%, marking the 15th consecutive annual increase and the ninth double-digit increase in the past 10 years.

Execution Grounded in a Clear Growth Plan

Our fiscal year 2021 results demonstrate how well-positioned Broadridge is to take advantage of increased investor participation, the growing need to digitize and mutualize financial services, and the power of data and network value. These long-term trends are directly tied to the ongoing evolution of the financial services industry, which is creating a period of both significant opportunity and challenge for our clients. The rise of passive investing, managed accounts, and zero commission trading are bringing down barriers for individual investors and driving the democratization of investing. New investors are demanding new digital tools, better data, and increased access. New technologies like blockchain and AI are opening up new opportunities but also adding to the pressure felt by the industry. Ample private capital also continues to fund new entrants intent on driving disruption.



We are better positioned than ever to deliver long-term value for our clients, stockholders, and associates.



GROWTH TREND **DIGITIZATION**

Driving Next-Gen Governance

New technologies and falling trading costs are driving the democratization of investing by lowering barriers to entry for new investors and enabling existing investors to diversify their portfolios. Over the past decade, the number of shareholder records processed by Broadridge has grown at an average annual growth rate of 8%, including growth of 26% in fiscal year 2021.

Broadridge has invested consistently to scale its business to enable more and more investors to get the critical information

they need to make their voices heard. We are rolling out new digital templates to make those communications more effective, piloting end-to-end vote confirmation reports to give investors greater confidence that their votes are being counted, and enhancing our voting app to make it easier than ever for an investor to cast a vote on a mobile device. At the same time, Broadridge is driving down the cost of these communications to public companies and the environment by increasing digitization rates from 77% in 2019 to 81% in 2021.



GROWTH TREND **MUTUALIZATION**

Growing Broadridge's Capital Markets Franchise

ITIVITI
A Broadridge Business

Cost pressure, inefficiencies and outdated technology are forcing more and more capital markets firms to look to simplify their front-to-back technology stacks. Companies are seeking to mutualize solutions in order to respond nimbly to changes in the market and leverage new technology to upgrade their infrastructure and drive efficiencies.

Broadridge is building mutualized solutions to help our capital markets clients transform their businesses. By bringing new clients on to our industry leading post-trade platforms, we are helping them simplify their operations and reduce risk. We are also extending our post-trade capabilities into new asset classes, signing a landmark deal to develop an exchange-traded derivatives platform for R.J. O'Brien, the oldest and largest independent futures brokerage.

Broadridge is also driving trading innovation across the front office. Our \$2.6 billion

acquisition of Itiviti has given us comprehensive and flexible, cross-asset trading solutions that cover the full trade lifecycle. The acquisition extends Broadridge's leading back-office capabilities into the front office and deepens our multi-asset class solutions, better enabling us to help financial institutions adapt to a rapidly evolving marketplace. The addition of Itiviti's footprint in APAC and EMEA also increases Broadridge's scale outside of North America to better serve our global clients.

Across both the front and back office, Broadridge is delivering a suite of componentized solutions to help capital markets firms reduce the cost and complexity of their operations, enabling them to tap into mutualized solutions that allow them to focus their time and investments on the parts of their business that set them apart.



To attack that market opportunity, we laid out a clear plan to drive long-term growth at our Investor Day in December 2020. Accompanying this plan was a set of three-year financial objectives that position us to increase recurring revenues by almost \$1 billion and grow our earnings by one-third by the end of fiscal year 2023. I am pleased to report that Broadridge is executing against that growth plan, and in August we reported that we are on track to deliver at the higher end of our financial objectives.

Scaling a Global Fintech Leader

Our plan is simple. We are extending our Governance franchise, growing the scope of our Capital Markets business across the trade lifecycle, and building our Wealth Management and Investment Management franchise. Across each of these businesses, our strategy is grounded in the proven ability to use our scale and deep domain knowledge to help our clients innovate, drive mutualization, and use our underlying data to accelerate their growth and simplify their operations. Our solutions, and the investments we are making to support them, are enabling clients to accelerate digitization, drive mutualization benefits, and enable the increasing democratization of investing which we expect will, in turn, propel our growth over the near, medium, and long term.

Extending Our Governance Franchise

The strength of our Governance franchise comes from its position at the heart of a network linking broker-dealers, corporate issuers, asset managers, and tens of millions of individual and institutional investors. In fiscal year 2021, recurring revenues in our Investor Communication Solutions, or ICS, segment rose 11% to \$2.1 billion driven by both new sales and increases in the number of investor communications. Those results highlight how our strategy of innovating at the core of our Governance business while at the same time providing incremental value to all network participants drives incremental and sustainable growth for Broadridge.

A big driver of our ICS revenue growth was the increased number of equity shareholder positions. Equity stock record growth, which is our measure of the number of positions held by shareholders, was 26% in fiscal year 2021. Most telling, from my perspective, is the broad-based nature of this growth, with strong record growth across both large and small issuers, and not simply a handful of mega cap tech or meme stocks. In addition, while online brokers led the growth, we also saw double-digit growth across virtually every other segment of the industry. That broad-based advance is a key reason why we believe that fiscal year 2021's strong growth is an extension of the long-term trend that has been driving higher equity and fund position growth over the past decade.

The strength of our Governance franchise comes from its position at the heart of a network linking broker-dealers, corporate issuers, asset managers, and tens of millions of individual and institutional investors.



The investments we made in scaling our capacity enabled Broadridge to meet this increased demand. After the initial Covid surge in the spring of 2020, we added new distribution capacity to build incremental flexibility across our network, enabling us to ensure that the holders of nearly 600 million equity positions seamlessly received the communications they needed to participate in the corporate governance process. We have also invested in new digital capabilities, including QR codes, that make voting on a mobile device easier than ever.



Building a Wealth and Investment Management Franchise

The wealth and investment management industry is being transformed by accelerated digitization, the unprecedented rate of adoption of technology and the rise of younger, tech savvy investors who expect a highly digital and personalized experience. Given low interest rates, increased regulatory compliance, commoditization and consolidation, companies also continue to face tremendous fee pressure. To compete, they must scale and modernize their business to deliver across multiple investor segments.

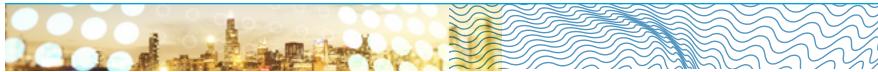
Broadridge is stepping up to help our clients meet that challenge and digitize their operations. We are extending our core back-office capabilities to enable more clients to benefit from our scale and domain knowledge. We are growing our suite of component solutions so that our clients can also utilize our mutualized solutions across a wider set of capabilities. And, we are building a modular platform that will link those capabilities across a modern technology architecture.

Broadridge's Wealth Management Platform is at the forefront of this digital transformation. Our open-architecture, industry-level platform offers an integrated and modern front-to-back-office solution, leveraging best-in-class technology. The platform enables wealth management firms and their advisors to drive their business to the next level by creating a better client experience, improving advisor productivity, and digitizing the back office. We recently added our second client on the Broadridge Wealth Platform, and we are excited to be a key technology partner in their digitization journey.

Building on our core capabilities to offer a broad suite of componentized solutions, Broadridge is helping our clients transform their operations to compete in an increasingly digitized marketplace.



GROWTH TREND **DIGITIZATION**



Our Governance business continues to grow outside North America, especially in Europe, with gains from our Shareholder Rights Directive II solution and the continued expansion of our European fund communications business. We are also expanding the suite of data-driven solutions we provide for our fund clients, including another year of double-digit growth across our data and intelligence products.

We continue to grow our relationships with corporate issuers. We conducted almost 2,400 virtual shareholder meetings, or VSMs, in fiscal year 2021, up from 1,500 a year ago. We've become the clear choice for America's leading companies, with more than three-quarters of S&P100® companies using Broadridge to host their virtual annual meetings in 2021. Increased demand for our VSM capabilities has, in turn, enabled us to deepen our client relationships, leading to strong growth in our suite of other annual meeting services and disclosure solutions for corporate issuers.



GROWTH TREND **MUTUALIZATION**

Expanding Our Governance Franchise Globally

In July 2017, the EU issued the Shareholder Rights Directive II (SRD II), a sweeping directive aimed at improving shareholder engagement for European public companies by requiring that proxy materials and annual general meeting and shareholder disclosure information be distributed quickly and securely. This dramatic expansion of participation in one of the largest economies was based on the belief that all investors should have access to these important disclosures and the ability to vote, further fueling the democratization of investing.

To meet this obligation on their own, banks, brokers, and other intermediaries would face a hugely expensive and burdensome proposition.

Leveraging our deep experience in shareholder communications, Broadridge immediately stepped up to develop a mutualized solution. Our SRD II solution helps reduce risk and streamlines workflows, taking advantage of the most innovative voting platforms, mobile apps, and the latest technologies such as AI, blockchain and cloud, while achieving best-in-class security, operational control and economies of scale. Over the past year, we've completed over 200 client implementations of our mutualized SRD II solution. Our solution is enabling more effective communications for retail and institutional proxy voting and disclosure requirements, connecting millions of investors across markets — at lower cost and with less risk.



Growing Our Capital Markets Franchise

In our Global Technology and Operations, or GTO, segment, our Capital Markets business grew 8% to \$701 million in total revenue, driven by new client additions and, to a lesser extent, the acquisition of Itiviti in May. Our Capital Markets growth plan calls for Broadridge to drive trading innovation across the front office, enable our clients to simplify and improve their global post-trade technology, provide strong enterprise and data component solutions, and develop new network-enabled solutions using AI, blockchain, and other innovative technologies.

The addition of Itiviti significantly strengthens our Capital Markets franchise and positions Broadridge to drive trading innovation across the full trade lifecycle. By extending our product portfolio into front-office order management and connectivity solutions and enhancing our multi-asset class capabilities, we will enable our clients to simplify their front-to-back technology stack and operating model. Itiviti's global scope also accelerates our international growth, giving us critical scale in Asia-Pacific and extending our market reach in Continental Europe. That increased scale and scope allows us to better serve global financial institutions and provides significant cross-sell opportunities.

Another key driver of growth is our continued success at bringing clients onto our global platforms, enabling them to simplify their global technology. During 2021, we onboarded multiple banks onto our platforms, especially in Europe. We also continued to enhance those platform capabilities to include new asset classes, including a new exchange-traded derivatives platform.

I am tremendously excited by the continued progress in developing our new Capital Markets capabilities based on next-gen AI and distributed ledger technology. Our LTX fixed income platform continues to progress well, with more than 70 buy- and sell-side users on the platform. We also recently launched our Distributed Ledger Repo platform and are already averaging \$35 billion of bilateral repo transactions daily, a number we expect to grow as more clients come onto the platform. While both of these products are small today, each is bringing an innovative and differentiated solution to a multi-billion dollar market.

We conducted almost 2,400 virtual shareholder meetings in fiscal year 2021, up from 1,500 a year ago.

Building Our Wealth and Investment Management Franchise

Also in GTO, Wealth and Investment Management revenues rose 6%, driven by revenue from new sales. During the year, we added new clients to our core back-office platform and saw strong demand for our digital solution suite. In Wealth, we are extending our services around our core back-office capabilities, growing our suite of component solutions, and building a modular platform that will link our individual capabilities across a modern technology architecture.



GROWTH TREND **MUTUALIZATION**

Innovating With Distributed Ledger Repo

The global bilateral repo market is highly complex with inefficiencies that result in increased operational costs, risk, and reduced liquidity.

In June 2021, Broadridge's Distributed Ledger Repo (DLR) platform went live. DLR provides a single platform where market participants can agree, execute and settle repo transactions. Furthermore, DLR allows for the digitization of the underlying securities in repo transactions, while transferring ownership via smart contracts executed on the platform. The platform's functionality reduces the operating cost and risk of repo activity,

including intraday, overnight and term repos, both on a bilateral and an intracompany basis. DLR also reduces counterparty risk while increasing auditability. Since launching in mid-June, Broadridge's DLR platform has executed \$35 billion in average daily volume. Early participants in the blockchain-enabled platform are realizing benefits of reduced risk and operational costs, and enhanced liquidity, while also accelerating their digital transformation. In August 2021, Broadridge added UBS onto the DLR platform, accelerating the expansion of the DLR network and leveraging Broadridge's fixed income platform.



GROWTH TREND **DEMOCRATIZATION OF INVESTING**

Driving Shareholder Engagement With Virtual Shareholder Meetings

Before the onset of the pandemic, corporate annual shareholder meetings followed a standard format. Corporate executives and boards convened in a meeting room, conducted their business and took questions from those shareholders who were able to travel to the meeting location. It was a 20th century format increasingly out of place in a 21st century world.

Broadridge has been at the forefront of modernizing and democratizing annual shareholder meetings by allowing public companies to forgo the physical meeting or move to a hybrid format, incorporating a

virtual component. Seamlessly authenticating shareholders, Broadridge's VSM solutions are enabling public companies to use digital technology to reach more shareholders, increase the impact of their annual meetings while reducing costs and, importantly, reducing the greenhouse gas emissions associated with an in-person annual meeting. As investor participation continues to grow, Broadridge's VSM solutions, and the shareholder authentication capability that underpins our technology, are becoming an increasingly important tool for effective corporate governance in a digital era.



Our work with UBS on the digital transformation of the wealth management industry remains one of our most exciting initiatives. The Broadridge Wealth Platform is an important part of UBS's own multi-year transformation of its North American wealth business. Aligning around their goals, we have already rolled out select capabilities, and we expect to deliver the additional platform components over the next 18 to 24 months.

Meanwhile, the Broadridge Wealth Platform continues to draw attention from other clients. In July 2021, we announced that RBC Wealth Management will become the second client on the Broadridge Wealth Platform. RBC is pursuing a digital transformation strategy and our platform will accelerate their ability to enhance the client experience, optimize advisor productivity, and digitize the back office. We are excited to be a key technology partner in that journey.

Broadridge is investing in driving near-, medium-, and long-term growth.

Investing for Growth Backed by Balanced Capital Allocation

The common denominator behind our execution across Governance, Capital Markets and Wealth and Investment Management is that Broadridge is investing in driving near-, medium-, and long-term growth. We have invested to process higher position counts, enable more virtual shareholder meetings, and handle surges in trading volumes, all of which were critical in fiscal year 2021 and will remain important in fiscal years 2022 and 2023. At the same time, we are investing in initiatives that will carry our growth momentum forward over the next three to five years, including our data and intelligence products, the emergence of a European governance hub, our acquisition of Itiviti, and our Wealth Platform. Finally, I see tangible signs of products that have the potential to extend our growth runway well into the next decade, like Digital Communications, Distributed Ledger Repo, and LTX. These are solutions that our clients value, as evidenced by the real traction we are gaining in the market for each of them.

The largest investment we made in fiscal year 2021 was the acquisition of Itiviti, which was completed in May 2021 for a purchase price of approximately \$2.6 billion. Itiviti is a leading global provider of order management and trade execution technology and connectivity solutions for financial institutions and will play an important role in the growth plans for our Capital Markets business. While Itiviti is the largest acquisition in our company's history, it is only the latest in a long series of strategic and highly complementary acquisitions that have helped accelerate our growth and contributed to our strong returns.

At the same time, Broadridge remains committed to a balanced capital allocation policy that marries internal investments and growth-accretive acquisitions with a commitment to a strong and growing dividend. As a result, we coupled our investments with an 11% dividend increase and a renewed commitment to maintaining our strong, investment-grade balance sheet.



Focus on Long-Term Growth Grounded in Strong Corporate Citizenship

At Broadridge, a key part of our focus on driving long-term growth and value is a commitment to strong corporate citizenship. That starts with a focus on our associates. Our corporate culture is grounded in the Service-Profit Chain, where highly engaged associates create satisfied clients leading to strong outcomes for shareholders.

As we seek to attract and retain the most talented and engaged associates in our industry, our goal is to create an environment where every associate is able to bring their best self to work. By building a stronger and more diverse team with a flexible work environment, we are doing just that. We're proud to have earned the Great Places to Work designation in the U.S., Canada, India, Ireland, Russia and the UK and to be a Best Place to Work for LGBTQ+ associates. In fiscal year 2021, we increased associate engagement by 8% on a strong base, with over 80% saying Broadridge is a great place to work.

The importance of sustainability to both our clients and our associates is only growing, and that focus is foundational to who we are and what we do. By driving digitization, Broadridge has already eliminated more than 80% of the paper communications sent on behalf of corporate issuers and mutual funds, reducing their environmental impact. In addition, we have reduced our Scope 1 and Scope 2 greenhouse gas emissions by 24% from 2013 to 2019 and are on track for a further 15% reduction by 2025.

Our associates are helping to drive the transformation of the financial services industry to enable better financial lives for millions.

Thank You to Our Associates, Directors and Stockholders

Before I conclude my letter, I want to thank all Broadridge associates for their work over the past year. Little in the last twelve months has been easy, but our associates have found a way to adapt to a new virtual environment while remaining focused on our clients, and are helping to drive the transformation of the financial services industry to enable better financial lives for millions.

I also want to thank our directors for their support and insight. I especially want to thank Alan Weber, who is leaving our Board of Directors after fourteen years of strong service to Broadridge. I also want to welcome Melvin Flowers and Annette Nazareth, who bring strong backgrounds in regulatory, technology, audit, and governance matters to the Board. Finally, I want to thank you, our stockholders, for your investment in our company.

Sincerely,

Tim Gokey

Chief Executive Officer

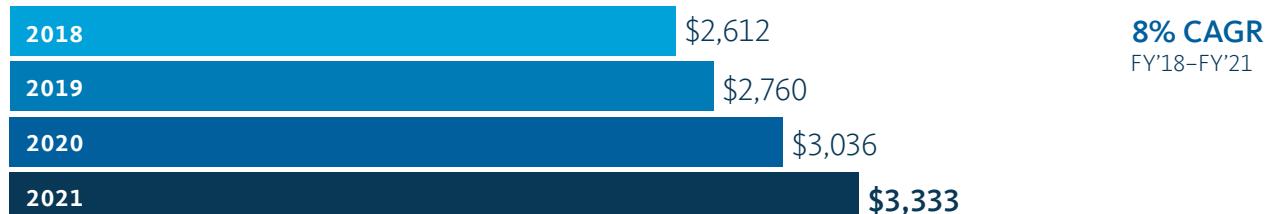
2021 Financial Highlights

2021 FINANCIAL HIGHLIGHTS

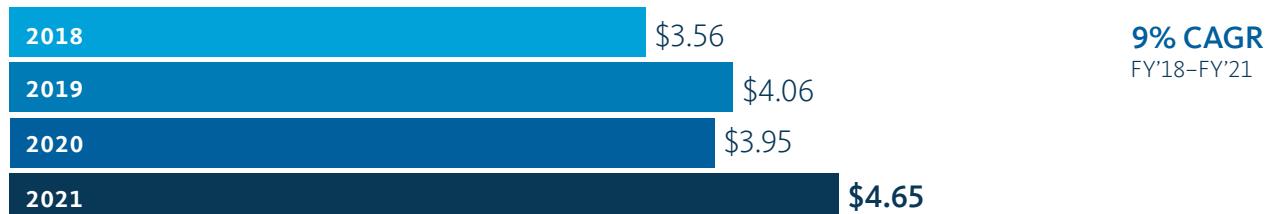
FISCAL YEARS ENDED JUNE 30,	2021	2020	2019	2018
(dollars in millions, except per share amounts)				
Total revenues	\$4,994	\$4,529	\$4,362	\$4,330
Recurring fee revenues	3,333	3,036	2,760	2,612
Operating income	679	625	653	598
Adjusted Operating income	902	795	746	688
Net earnings	548	462	482	428
Adjusted Net earnings	667	588	554	504
Free cash flow	557	499	544	596
Diluted earnings per share	4.65	3.95	4.06	3.56
Adjusted earnings per share	5.66	5.03	4.66	4.19
Cash dividends declared per common share	2.30	2.16	1.94	1.46

Results are presented in accordance with U.S. generally accepted accounting principles ("GAAP") except that Adjusted Operating income, Adjusted Net earnings, Adjusted earnings per share, and Free cash flow results are Non-GAAP financial measures. Please see our Explanation and Reconciliation of the Company's Use of Non-GAAP Financial Measures on pages 16 and 17 of this Annual Report for a discussion of the Company's use of Non-GAAP measures.

RECURRING FEE REVENUES Dollars in Millions



DILUTED EARNINGS PER SHARE



ADJUSTED EARNINGS PER SHARE



Making a Difference for Our Associates, Clients and Communities

BETTER FINANCIAL LIVES, A BETTER AND SAFER WORLD

Corporate sustainability is the foundation of how we operate our company. We are committed to conducting our business based on a strong sustainability framework focused on responsible environmental, social and governance (ESG) practices. We embrace the concept of the Service-Profit Chain, which directly connects associate engagement,

client satisfaction and the creation of shareholder value. At Broadridge, we put this idea to work not only in our internal policies and processes but also in our communities, just as we do for our valued clients. We prize our ESG efforts, which enable us to be a stronger company and help us to create deeper relationships and a better world to live in.

EMPOWERING PEOPLE, BETTERING LIVES

At Broadridge, our associates are our greatest asset. We are proud to employ over 13,000 associates working in 21 countries around the globe. We are dedicated to fostering a diverse, equitable, inclusive and healthy work environment. We pursue both top-down and bottom-up approaches to incorporating and advancing diversity, equity and inclusion (DEI) initiatives and values in our culture. To support this goal, in 2020, Broadridge appointed a Chief Diversity Officer whose role is to design and implement a holistic DEI strategy. Broadridge also has an Inclusiveness Pledge, which outlines the strategic principles that guide our commitment and actions to promote DEI across the organization.

In addition, we are committed to providing a safe workplace. After addressing the initial surge of the Covid-19 pandemic, we are now focused on running our business effectively in the new work from home paradigm, while preparing for the future.

We have invested in building business resiliency. We also designed a flexible Connected Workplace model largely based on feedback received from associate surveys and focus groups. Insights from these efforts have informed the way Broadridge has supported associates during the global crisis and the way we are envisioning the future of our Connected Workplace. These efforts resulted in an increase of 8% in our associate engagement scores. We developed policies to protect associates from any financial hardship associated with quarantines or contact tracing, actively promoted vaccination by providing paid time off to get vaccinated and offered Covid-19 vaccines in our on-site medical clinic in Long Island, New York. Because of the increases in rates of infection in India this year, we have taken steps to support our Indian associates by providing cash advances, introducing a new leave of absence policy, creating dedicated support groups and counseling hotlines, as well as partnering with a leading healthcare provider to provide isolation packages to infected associates.

SUSTAINABLY GREEN: OUR RESPONSIBILITY, OUR MISSION

We pride ourselves in pursuing opportunities for economic growth that simultaneously align with doing good for the environment. We operate daily with a focus on diminishing our environmental impact through sustainable consumption and production in both our facilities and offices. In addition, our biggest opportunity to lower emissions is on behalf of our clients—by driving digitization and reducing their paper mailing materials. In 2021, Broadridge used digitization and other technologies to drive down our Scope 3 greenhouse gas emissions and eliminate more than 80% of paper communications sent on behalf of corporate issuers and mutual funds.





We strive to empower not only our associates, but also members of our communities. At the heart of our social efforts is the Broadridge Foundation. Through the Foundation, we direct resources to charitable causes, develop community-focused action plans, and provide donation-matching, among other efforts. In 2021, as part of these efforts, we donated \$1 million in grants to organizations that promote social justice and related causes, including the Thurgood Marshall College Fund and the NAACP Legal Defense and Educational Fund. We also ran a special campaign to double-match our associates' personal contributions to nonprofits responding to the second wave of Covid-19 in India.



CERTIFIED 2021

Great Place to Work® (United States, Canada, India, Ireland, Russia, and the United Kingdom)



WINNER 2008–2021

Best Companies to Work For in New York
New York State Society
For Human Resource Management



WINNER 2013–2021

Best Places to Work for LGBTQ Equality
Human Rights Campaign Foundation



To learn more about our
ESG initiatives, visit:
[broadridge.com/about/
sustainability](http://broadridge.com/about/sustainability)
and download Broadridge's
Sustainability Report.

Growing Our Talent

At Broadridge, our focus on driving long-term growth starts with the ability to attract and retain the most talented associates in our industry.

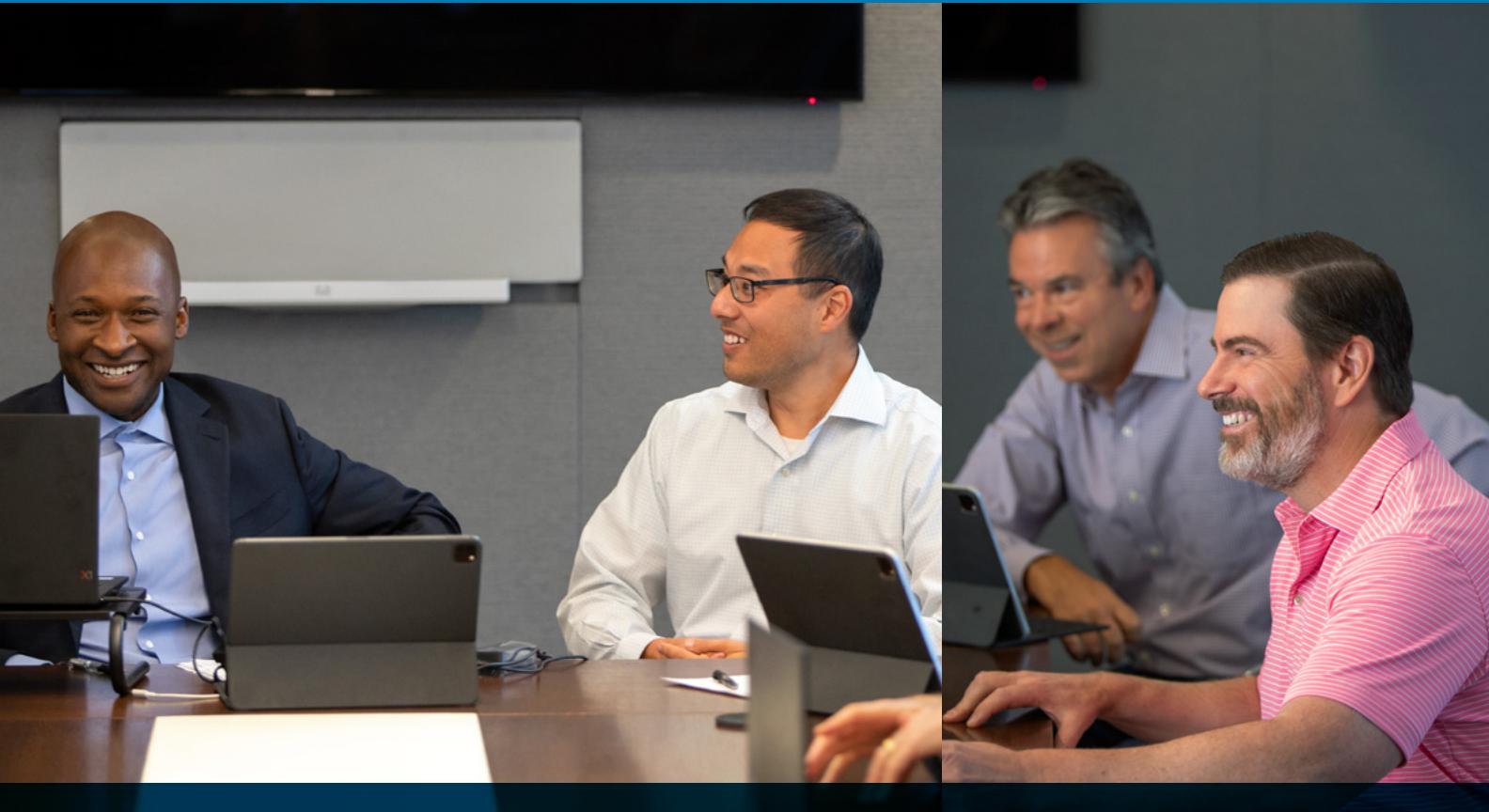
Our corporate culture is grounded in the Service-Profit Chain, where engaged associates deliver world-class service, which creates satisfied clients and, in turn, produces strong, long-term value for stockholders. We regularly survey our associates to measure engagement and satisfaction and we hold ourselves accountable for those results. In fiscal year 2021, our surveys showed increased associate engagement off an already strong base, with more than 80% of our associates calling Broadridge a great place to work.

13,000+

associates

21

countries





Broadridge is dedicated to fostering a diverse, equitable, inclusive and healthy environment. As a leading provider of technology, communications and data and analytics solutions to businesses around the world, we understand, embrace and operate in a multicultural environment. We believe every associate has unique strengths, which, when fully appreciated, allows them to perform at their best. We aim to provide a workplace that fosters a collaborative and supportive culture where everyone feels welcomed, accepted and empowered.

Our focus on associate engagement sets us apart in our industry. We are proud of earning the Great Place to Work designation in the U.S., Canada, India, Ireland, Russia and the UK and to be a Best Place to Work for our LGBTQ+ associates.



"The work that we are doing around diversity, equity and inclusion is imperative to our business, but even more critical to the world we live in."

Naadia Y. Burrows
Chief Diversity Officer



"Maintaining good corporate governance and communicating effectively with shareholders are critical needs of public companies and our end-to-end solutions help our clients solve these complex challenges."

Dorothy J. Flynn
President, Corporate Issuer Solutions



"We are leveraging next-gen technologies to drive network value for our clients. Our AI-driven LTX corporate bond platform and our Distributed Ledger Repo platform use innovative technologies to transform corporate bond and repo market structure, creating winning outcomes for all market participants."

Vijay Mayadas
President, Capital Markets

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

The Company's results in this Annual Report to Stockholders are presented in accordance with U.S. GAAP except where otherwise noted. In certain circumstances, results have been presented in this Annual Report including the Letter to Stockholders (the "Letter to Stockholders") 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. Please refer to the Company's fiscal year 2021 Annual Report on Form 10-K for terms not defined herein.

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, for internal planning and forecasting purposes and performance-based compensation. 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 determining management compensation.

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, as 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 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, (vi) Software Charge, (vii) Gain on Acquisition-Related Financial Instrument, (viii) Gain on Sale of a Joint Venture Investment, (ix) Gain on Sale of Securities and (x) the U.S. Tax Cuts and Jobs Act (the "Tax Act") items. Amortization of Acquired Intangibles and Purchased Intellectual Property represent 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. Gain on Acquisition-Related Financial Instrument represents a non-operating 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. 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. Gain on Sale of Securities represents non-operating gain on the sale of securities associated with the Company's retirement plan obligations. 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.

We exclude Acquisition and Integration Costs, IBM Private Cloud Charges, Real Estate Realignment and Covid-19 Related Expenses, the Investment Gain, the Software Charge, the Gain on Acquisition-Related Financial Instrument, the Gain on Sale of a Joint Venture Investment, the Gain on Sale of Securities and the Tax Act items 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 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.

Set forth on the next page is a reconciliation of such Non-GAAP measures to the most directly comparable GAAP measures (unaudited).

FISCAL YEARS ENDED JUNE 30,	2021	2020	2019	2018
(dollars and shares in millions, except per share amounts)				
OPERATING INCOME:				
Operating income (GAAP)	\$679	\$625	\$653	\$598
Adjustments:				
Amortization of Acquired Intangibles and Purchased Intellectual Property	154	123	87	81
Acquisition and Integration Costs	18	13	6	9
IBM Private Cloud Charges	—	32	—	—
Real Estate Realignment and Covid-19 Related Expenses	45	2	—	—
Software Charge	6	—	—	—
Adjusted Operating income (Non-GAAP)	\$902	\$795	\$746	\$688
OPERATING INCOME MARGIN:				
Operating income margin (GAAP)	13.6%	13.8%	15.0%	13.8%
Adjustments:				
Amortization of Acquired Intangibles and Purchased Intellectual Property	3.1%	2.7%	2.0%	1.9%
Acquisition and Integration Costs	0.4%	0.3%	0.1%	0.2%
IBM Private Cloud Charges	—	0.7%	—	—
Real Estate Realignment and Covid-19 Related Expenses	0.9%	0.1%	—	—
Software Charge	0.1%	—	—	—
Adjusted Operating income margin (Non-GAAP)	18.1%	17.5%	17.1%	15.9%
NET EARNINGS:				
Net earnings (GAAP)	\$548	\$462	\$482	\$428
Adjustments:				
Amortization of Acquired Intangibles and Purchased Intellectual Property	154	123	87	81
Acquisition and Integration Costs	18	13	6	9
IBM Private Cloud Charges	—	32	—	—
Real Estate Realignment and Covid-19 Related Expenses	45	2	—	—
Software Charge	6	—	—	—
Investment Gain	(9)	—	—	—
Gain on Acquisition-Related Financial Instrument	(62)	—	—	—
Gain on Sale of a Joint Venture Investment	—	(6)	—	—
Gain on Sale of Securities	—	—	—	(5)
Taxable adjustments	152	163	94	85
Tax Act items	—	—	—	15
Tax impact of adjustments	(33)	(37)	(22)	(24)
Adjusted Net earnings (Non-GAAP)	\$667	\$588	\$554	\$504
DILUTED EARNINGS PER SHARE:				
Diluted earnings per share (GAAP)	\$4.65	\$3.95	\$4.06	\$3.56
Adjustments:				
Amortization of Acquired Intangibles and Purchased Intellectual Property	1.30	1.05	0.74	0.68
Acquisition and Integration Costs	0.15	0.11	0.05	0.07
IBM Private Cloud Charges	—	0.27	—	—
Real Estate Realignment and Covid-19 Related Expenses	0.38	0.02	—	—
Software Charge	0.05	—	—	—
Investment Gain	(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	1.29	1.40	0.79	0.70
Tax Act items	—	—	—	0.13
Tax impact of adjustments ^{(a)(b)}	(0.28)	(0.32)	(0.19)	(0.20)
Adjusted earnings per share (Non-GAAP)	\$5.66	\$5.03	\$4.66	\$4.19
FREE CASH FLOW:				
Net cash flows provided by operating activities (GAAP)	\$640	\$598	\$617	\$694
Cash Flows from investing activities:				
Capital expenditures and Software purchases and capitalized internal use software	(101)	(99)	(73)	(98)
Proceeds from Asset Sales	18	—	—	—
Free cash flow (Non-GAAP)	\$557	\$499	\$544	\$596

Note: Amounts may not sum due to rounding.

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

(b) 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.

Directors

Leslie A. Brun

Lead Independent Director
Broadridge Financial Solutions, Inc.
Chairman and Chief Executive Officer
SARR Group, LLC

Richard J. Daly*

Executive Chairman
Broadridge Financial Solutions, Inc.

Pamela L. Carter ⁽¹⁾⁽³⁾

Former President
Cummins Distribution Business

Robert N. Duelks ⁽¹⁾⁽³⁾

Former Executive
Accenture plc

Melvin L. Flowers⁽¹⁾

Former Executive
Microsoft Corp.

Timothy C. Gokey*

Chief Executive Officer
Broadridge Financial Solutions, Inc.

Brett A. Keller ⁽¹⁾⁽²⁾

Chief Executive Officer
priceline.com

Maura A. Markus ⁽¹⁾⁽²⁾

Former President and Chief Operating Officer
Bank of the West

Annette L. Nazareth⁽¹⁾⁽²⁾

Senior Counsel
Davis Polk & Wardwell

Thomas J. Perna ⁽¹⁾⁽³⁾

Chairman, Board of Trustees
Pioneer Amundi Mutual Fund Group

Alan J. Weber ⁽¹⁾⁽²⁾

Chief Executive Officer
Weber Group LLC

Amit K. Zavery ⁽¹⁾

Vice President and Head of
Platform, Google Cloud
Google, LLC

(1) Audit Committee

(2) Compensation Committee

(3) Governance and Nominating Committee

*Executive Officer

Executive Leadership Team

Timothy C. Gokey*

Chief Executive Officer

Christopher J. Perry*

President

Robert Schifellite*

President, Investor Communication Solutions

Michael Alexander

President, Wealth Management and
Global Managed Services

Adam D. Amsterdam*

Vice President, Senior Advisor to CEO

Naadia Y. Burrows

Chief Diversity Officer

Thomas P. Carey*

President, Global Technology and Operations

Matthew J. Connor

Chief Operating Officer,
Global Technology and Operations

Tyler Derr

Chief Technology Officer,
Global Technology and Operations

Douglas R. DeSchutter*

President, Investor Communication
Solutions, Customer Communications

Dorothy J. Flynn

President, Corporate Issuer

Keir D. Gumbs*

Chief Legal Officer

John Hogan

Senior Managing Director, Global Technology

Robert F. Kalenka*

Chief Operations Officer,
Investor Communication Solutions

Martin Koopman

President, Bank Broker-Dealer

Venkatraman "VLK" Laxmikanth

Managing Director, India

Michael Liberatore*

President, Investor Communication
Solutions, Mutual Funds

Laura Matlin*

Deputy General Counsel, Chief Governance
Officer and Chief Compliance Officer

Vijay Mayadas*

President, Capital Markets

Kate O'Connor

Vice President, Digital Center of Excellence,
Investor Communication Solutions

John Oliveri

Chief Technology Officer,
Investor Communication Solutions

Samir Pandiri

President, Broadridge International

Edmund J. Reese*

Chief Financial Officer

Vincent G. Roux

Senior Vice President,
Mergers and Acquisitions

German Soto Sanchez

Chief Strategy Officer

Richard J. Stingi*

Chief Human Resources Officer

Michael S. Tae*

Chief Transformation Officer,
Investor Communication Solutions

Recognition and Awards

WINNER 2021

Best Outsourcing Provider
Waters Ranking, Waters Technology

WINNER 2021

Rising Star
IDC FinTech Rankings

WINNER 2015–2017, 2021

RiskTech100
Chartis

WINNER 2021

Best Front Office Platform Award, Itiviti
Waters Ranking, Waters Technology

WINNER 2021

Best Technology Provider to Asset &
Wealth Managers in Asia
DigFin Group Innovation Awards

WINNER 2021

Best Distributed-Ledger Technology Provider
Waters Rankings, Waters Technology

WINNER 2021

Innovation in Retail and Institutional Global
Proxy Technology Deployment
Global Custodian's Leaders in Custody Awards

WINNER 2021

Best Global Proxy Voting Service
Systems in the City Awards

WINNER 2021

Best Multi-asset Trading System of the Year
FOW Asia Capital Markets Award

WINNER 2020

Best Payments System Integration
Bobsguide Awards

WINNER 2020

Best RegTech Solution
FTF News Technology Innovation Awards

WINNER 2020

Best Outsourcing Provider
Waters Technology Asia Awards

WINNER 2020

Best Portfolio Management Software Provider
Best Risk Management Technology
Fund Intelligence Group

WINNER 2020

Best Technology Innovation
Alt Credit US Awards

WINNER 2018–2020

Best Order Management System
HFM U.S. Technology Awards



2021 Annual Report on Form 10-K



Ready for Next

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended June 30, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER 001-33220

BROADRIDGE FINANCIAL SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware

33-1151291

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

5 DAKOTA DRIVE
LAKE SUCCESS

11042

New York

(Address of principal executive offices)

(Zip code)

(516) 472-5400

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class:

Trading Symbol

Name of Each Exchange on Which Registered:

Common Stock, par value \$0.01 per share

BR

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value, as of December 31, 2020, of common stock held by non-affiliates of the registrant was \$17,614,247,984.

As of July 30, 2021, there were 116,168,325 shares of the registrant's common stock outstanding (excluding 38,292,802 shares held in treasury), par value \$0.01 per share.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission within 120 days after the fiscal year end of June 30, 2021 are incorporated by reference into Part III.

TABLE OF CONTENTS

	<u>PAGE</u>
PART I.....	3
ITEM 1. Business	4
ITEM 1A. Risk Factors	19
ITEM 1B. Unresolved Staff Comments	29
ITEM 2. Properties	29
ITEM 3. Legal Proceedings	29
ITEM 4. Mine Safety Disclosures	29
PART II.....	30
ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.....	30
ITEM 6. Selected Financial Data	33
ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	34
ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk	56
ITEM 8. Financial Statements and Supplementary Data.....	57
ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	104
ITEM 9A. Controls and Procedures	104
ITEM 9B. Other Information.....	105
PART III.....	106
ITEM 10. Directors, Executive Officers and Corporate Governance	106
ITEM 11. Executive Compensation	106
ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	106
ITEM 13. Certain Relationships and Related Transactions, and Director Independence.....	106
ITEM 14. Principal Accounting Fees and Services	106
PART IV.....	107
ITEM 15. Exhibits, Financial Statement Schedules.....	107

PART I.

Forward-Looking Statements

This Annual Report on Form 10-K 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 under “Business,” “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” includes 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. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements 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.

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. You should carefully read the factors described in the “Risk Factors” section of this Annual Report on Form 10-K for a description of certain risks that could, among other things, cause our actual results to differ from these forward-looking statements.

All forward-looking statements speak only as of the date of this Annual Report on Form 10-K and are expressly qualified in their entirety by the cautionary statements included in this Annual Report on Form 10-K. We disclaim 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.

ITEM 1. Business

Overview

Broadridge, a Delaware corporation and a part of the S&P 500® Index (“S&P”), is a global financial technology leader providing investor communications and technology-driven solutions to banks, broker-dealers, asset and wealth managers and corporate issuers. With over 50 years of experience, including over 10 years as an independent public company, we provide financial services firms with advanced, dependable, scalable and cost-effective integrated solutions and an important infrastructure that powers the financial services industry. Our solutions enable better financial lives by powering investing, governance and communications and help reduce the need for our clients to make significant capital investments in operations infrastructure, thereby allowing them to increase their focus on core business activities.

We operate our business in two reportable segments: Investor Communication Solutions and Global Technology and Operations.

Investor Communication Solutions

We provide the following governance and communications solutions through our Investor Communication Solutions business segment: Regulatory Solutions, Data-Driven Fund Solutions, Corporate Issuer Solutions, and Customer Communications Solutions.

A large portion of our Investor Communication Solutions business involves the processing and distribution of proxy materials to investors in equity securities and mutual funds, as well as the facilitation of related vote processing. ProxyEdge® (“ProxyEdge”) is our innovative electronic proxy delivery and voting solution for institutional investors and financial advisors that helps ensure the voting participation of the largest stockholders of many companies. We have implemented digital applications to make voting easier for retail investors. We also provide the distribution of regulatory reports, class action and corporate action/reorganization event information, as well as tax reporting solutions that help our clients meet their regulatory compliance needs.

For asset managers and retirement service providers, we offer data-driven solutions and an end-to-end platform for content management, composition, and omni-channel distribution of regulatory, marketing, and transactional information. Our data and analytics solutions provide investment product distribution data, analytical tools, insights, and research to enable asset managers to optimize product distribution across retail and institutional channels globally. Through Matrix Financial Solutions, Inc. (“Matrix”), we provide mutual fund trade processing services for retirement service providers, third-party administrators, financial advisors, banks and wealth management professionals.

In addition, we provide public corporations and mutual funds with a full suite of solutions to help manage their annual meeting process, including registered and beneficial proxy materials distribution, proxy processing and tabulation services, digital voting solutions, proxy and shareholder report document management solutions, virtual shareholder meeting services, and shareholder data services. We also offer financial reporting document composition and management solutions, SEC disclosure and filing services, and registrar, stock transfer and record-keeping services through Broadridge Corporate Issuer Solutions.

We provide omni-channel customer communications solutions, which include print and digital solutions, to modernize technology infrastructures, simplify communications processes, accelerate digital adoption and improve the customer experience. Through one point of integration, the Broadridge Communications Cloud™ platform (the “Communications Cloud”) helps companies create, deliver, and manage their communications and customer engagement. The platform includes data-driven composition tools, identity and preference management, omni-channel optimization and digital communication experience, archive and information management, digital and print delivery, and analytics and reporting tools.

Global Technology and Operations

We are a leading global provider of business solutions for capital markets and wealth and investment management firms. We offer advanced solutions that automate firms’ transaction lifecycle, from desktop productivity tools, data aggregation, performance reporting, and portfolio management to order capture and execution, trade confirmation, margin, cash management, clearance and settlement, asset servicing, reference data management, reconciliations, securities financing and collateral optimization, compliance and regulatory

reporting, and portfolio accounting and custody-related services. In addition, we provide business process outsourcing services (“BPO”) that support the entire trade lifecycle operations of our buy- and sell-side clients’ businesses through a combination of our technology and our operations expertise.

For capital markets firms, we help our clients lower their costs and improve the effectiveness of their businesses across the front, middle and back office. Our core post-trade services help financial institutions efficiently and cost-effectively consolidate their books and records, gather and service assets under management and manage risk, thereby enabling them to focus on their core business activities. Provided on a software as a service (“SaaS”) basis within large user communities, our technology is a global solution, processing clearance and settlement in over 100 countries. Our multi-asset, multi-market, multi-entity and multi-currency solutions support real-time global trade processing of equity, fixed income, mutual fund, foreign exchange, and exchange-traded derivatives. We process on average over \$9 trillion in equity and fixed income trades per day of United States of America (“U.S.”) and Canadian securities. With the recent acquisition of Itiviti Holding AB (“Itiviti”), we have strengthened our capabilities with a set of front-office trade order and execution management solutions, connectivity and network offerings which will integrate with our existing middle and back-office solutions.

Our comprehensive wealth management platform offers capabilities across the entire wealth management lifecycle and streamlines all aspects of wealth management services, including account management, fee management and client on-boarding. The wealth management platform enables full-service, regional and independent broker-dealers and investment advisors to better engage with customers through digital marketing and customer communications tools. We also integrate data, content and technology to drive new customer acquisition, support holistic and personalized advice and cross-sell opportunities through the creation of sales and educational content, including seminars as well as customizable advisor websites, search engine marketing and electronic and print newsletters. Our advisor solutions help advisors optimize their practice management through customer and account data aggregation and reporting. We currently support over 200,000 professionals at more than 300 financial firms with our wealth management solutions in the U.S. and Canada.

We also offer buy-side technology solutions for the global investment management industry, including portfolio management, compliance and operational workflow solutions for hedge funds, family offices, alternative asset managers, traditional asset managers and the providers that service this space.

Our Strategy

We earn our clients’ confidence every day by delivering real business value through leading technology-driven solutions that help our clients get ahead of today’s challenges and capitalize on future growth opportunities. Our solutions harness people, technology and insights to help transform our clients’ businesses by enriching customer engagement, navigating risk, optimizing efficiency and growing revenue.

As financial institutions look to transform and mutualize their mission-critical but non-differentiating operational and support functions, we have the proven technology, scale, innovation, experience and, most importantly, the clients to achieve this goal and meet their needs. We define our market opportunity in our strong and growing global businesses in both governance and capital markets, with an additional growth platform in wealth and investment management. Our growth strategy is based on the following key components.

Our business model.

We deliver multi-client technology and business process outsourcing services primarily through common SaaS-based operations platforms. We increasingly create layers of value by driving network benefits to our clients, providing deep data and analytics solutions, and offering a suite of digital capabilities on a single platform. All of this translates into our core value proposition to be a trusted provider of technology and services across a range of analytical, operational and reporting functions. Our SaaS offerings allow our clients to mutualize development expenses and our solutions integrate global data services to provide globally-consistent insight to functions and requirements within the financial services industry.

Strong positions in a large and growing financial services market.

Our technology and associates power the critical infrastructure behind investing, governance and communications. Broadridge makes our clients stronger, and through them, we enable better financial lives for investors around the globe. Our deep industry knowledge enables our clients to successfully solve complex

technological challenges, and inspires trust among and brings novel perspectives to our clients. While financial services firms have historically kept much of their technology infrastructure work in-house, there are two significant trends working in favor of Broadridge. In aggregate, financial service firms globally are spending more on technology, and the respective budgets allocated are consistently growing year-over-year. Moreover, these firms are devoting a growing percentage of this spend to third-party technology, operations, and services. Broadridge, as a trusted outside service provider, can undertake streamlining and better integrate our clients' infrastructure and processes. We expect the efficiencies that result from such undertaking by Broadridge will lead to growth in the market for our solutions.

Three attractive growth platforms.

Our growth platforms address important and significant client needs as described below. Through our integrated solutions and services and our scalable infrastructure, we believe we are best positioned to meet them.

- ***Governance.*** We provide a strong network through our governance platform that links broker-dealers, public companies, mutual funds, shareholders, and regulators. We continue to grow our governance solutions by continuing to transform content and delivery and improve product capabilities to drive higher investor engagement. We aim to be an integral partner to asset managers and retirement service providers by offering data-driven solutions that help them grow revenue, reduce costs and maintain compliance. We are also expanding our capabilities to better serve the needs of issuers and we are driving the next generation of digital communications while optimizing print and mail services through advanced technology.
- ***Capital Markets.*** Global institutions have a strong need to simplify their complex technology environment, and our SaaS-based, global, multi-asset-class technology platform addresses this need. As a leader in global trade management, we are driving next-generation solutions that simplify our clients' operations, improve performance and resiliency, evolve to global operating models, adapt to new technologies, and enable our clients to better manage their data. We plan to continue building on our global platform capabilities, enabling our clients to simplify and improve their global operations across cash securities and other asset classes. Our recent acquisition of Itiviti, for example, allows us to expand our services across the trade lifecycle for equities and exchange-traded derivatives and grow our international reach. We continue to develop component solutions that meet the regulatory, risk, data, and analytics needs of our clients, while also helping to drive more efficient liquidity, price discovery, and improved execution for the firms we serve.
- ***Wealth and Investment Management.*** Wealth and investment management clients, including full-service, regional and independent broker-dealers, investment advisors, insurance companies and retirement solutions providers are all undergoing unprecedented change. These firms are in need of partners to help them navigate the demographic shift of advisors and investors and the aging of the client experience and operational technologies that are essential to their business. These market dynamics are driving the need to more seamlessly integrate technology and processes and the need to access data-centric digital wealth solutions to better service advisors and investors. This can be achieved by simplifying and modernizing their complicated and interwoven legacy systems. We believe these needs have only accelerated during the Covid-19 pandemic. To address these demands, we have developed a holistic wealth management platform solution that provides seamless systems and data integration capabilities and enables firms to improve advisor productivity, investor experience and operational process efficiencies.

On-ramp for next-generation technologies.

Across financial services, the pace of change is only accelerating. Our clients understand that next-generation technology is a key driving force for change and efficiency and there is a need among our client base to leverage this technology to address their critical business challenges. However, they face obstacles in creating the right investment and, more importantly, in applying the right talent and intellectual capital, which may be focused on their most differentiating functions. This continues to create opportunities for Broadridge to assist in the areas where we have scale and domain expertise, which includes artificial intelligence, blockchain, cloud, digital, and other new technologies.

High engagement and client-centric culture.

Broadridge is client-centric and has created and grown multi-entity infrastructures across a variety of functions with high client satisfaction. We conduct a client satisfaction survey for each of our major business units annually, the results of which are a component of all our associates' compensation because of the importance of client retention to the achievement of our revenue goals.

We have also built a culture where we focus on having engaged and knowledgeable associates to serve clients well, which in turn creates a real and sustainable advantage. Supporting this excellent client delivery takes engaged associates, and we are passionate about creating an environment in which every associate can thrive and build their knowledge and skills. All of this creates a culture that benefits our associates, our clients, and our stockholders.

The Broadridge Business

Investor Communication Solutions

The Investor Communication Solutions segment's revenues represented approximately 77% of our total Revenues in fiscal years 2021 and 2020, respectively, which gives effect to the foreign exchange impact from revenues generated in currencies other than the U.S. dollar. See "Analysis of Reportable Segments — Revenues" under "Item 701. Management's Discussion and Analysis of Financial Condition and Results of Operations." We provide the following services and solutions through our Investor Communication Solutions segment:

Regulatory Solutions

We handle the entire proxy materials distribution and voting process for our bank, broker-dealer and fund clients. We offer traditional hard copy and electronic services for the delivery of proxy materials to investors and collection of consents; maintenance of a rules engine and database that contains the delivery method preferences of our clients' customers; posting of documents on their websites; e-mail notification to investors notifying them that proxy materials are available; and proxy voting via web or mobile app. We also have the ability to combine stockholder communications for multiple stockholders residing at the same address which we accomplish by having ascertained the delivery preferences of investors. We also offer proxy vote solicitation services for the registered clients of fund companies, efficiently managing the entire proxy campaign. In addition, we provide a complete outsourced solution for the processing of international proxies with the ability to process proxy voting in over 100 international markets.

A majority of publicly-traded shares are not registered in companies' records in the names of their ultimate beneficial owners. Instead, a substantial majority of all public companies' shares are held in "street name," meaning that they are held of record by broker-dealers or banks through their depositories. Most street name shares are registered in the name "Cede & Co.," the name used by The Depository Trust and Clearing Corporation ("DTCC"), which holds shares on behalf of its participant broker-dealers and banks. These participant broker-dealers and banks (which are known as "Nominees" because they hold securities in name only) in turn hold the shares on behalf of their customers, the individual beneficial owners. Nominees, upon request, are required to provide companies with the information of beneficial owners who do not object to having their names, addresses, and shareholdings supplied to companies, so called "non-objecting beneficial owners" (or "NOBOs"). Objecting beneficial owners (or "OBOs") may be contacted directly only by the broker-dealer or bank. As DTCC's role is only as the custodian, a number of mechanisms have been developed in order to pass the legal rights it holds as the record owner (such as the right to vote) to the beneficial owners. The first step in passing voting rights down the chain is the "omnibus proxy," which DTCC executes to transfer its voting rights to its participant Nominees. Under applicable rules, Nominees must deliver proxy materials to beneficial owners and request voting instructions.

Given the large number of Nominees involved in the beneficial proxy process resulting from the large number of beneficial shareholders, we play a unique, central and integral role in ensuring that the beneficial proxy process occurs without issue for both Nominees, companies and investors. A large number of Nominees have contracted out the processes of distributing proxy materials and tabulating voting instructions to us. Nominees accomplish this by entering into agreements with Broadridge and transferring to us via powers of attorney the authority to execute a proxy, which authority the Nominee receives from the DTCC via an omnibus proxy. Through our agreements with Nominees for the provision of beneficial proxy services, we take on the

responsibility of ensuring that the account holders of Nominees receive proxy materials on a timely basis digitally or in print, that their voting instructions are conveyed to the companies and funds conducting solicitations and that these services are fulfilled in accordance with the requirements of their particular solicitation. In order for us to provide the beneficial proxy services effectively, we interface and coordinate directly with each company and/or fund to ensure that the services are performed in an accurate and timely manner. With respect to companies and funds, as it would increase the costs for companies and funds to work with all of the Nominees through which their shares are held beneficially, companies and funds work with us for the performance of all the tasks and processes necessary to ensure that proxy materials are distributed on a timely basis to all beneficial owners and that their votes are accurately reported.

The SEC's rules require public companies to reimburse Nominees for the expense of distributing stockholder communications to beneficial owners of securities held in street name. The reimbursement rates are set forth in the rules of self-regulatory organizations ("SROs"), including the New York Stock Exchange ("NYSE"). We bill public companies for the proxy services performed, collect the fees and remit to the Nominee its portion of the fees. In addition, the NYSE rules establish fees for certain services provided by intermediaries such as Broadridge in the proxy process. The preparation and delivery of NOBO information is subject to reimbursement by the corporate issuers requesting the information. The reimbursement rates are based on the number of NOBOs produced pursuant to NYSE or other SRO rules. The rules also determine the fees to be paid to third-party intermediaries, such as Broadridge, who compile the NOBO information on behalf of Nominees who need to respond to corporate issuer requests for NOBO information.

We provide institutional investors with a suite of services to manage and track the entire proxy voting process, including meeting their reporting needs. ProxyEdge is our innovative electronic proxy delivery and voting solution for institutional investors and financial advisors that integrates ballots for positions held across multiple custodians and presents them under a single proxy. Voting can be instructed for the entire position, by account vote group or on an individual account basis either manually or automatically based on the recommendations of participating governance research providers. ProxyEdge also provides for client reporting and regulatory reporting. ProxyEdge can be utilized for meetings of U.S. and Canadian companies and for meetings in many non-North American countries based on the holdings of our global custodian clients. ProxyEdge is offered in several languages and there are currently over 7,000 ProxyEdge users worldwide.

In addition to our proxy services, we provide regulatory communications services, including prospectus delivery services. Our proprietary extraction, normalization and presentment capabilities from the SEC's EDGAR database have enabled us to provide our clients with an on-demand solution for prospectus post-sale fulfillment. This process provides efficiency for our clients as it reduces their reliance on offset print and fund delivered inventory. We provide portfolio-specific solutions for the retirement and annuity markets. We have integrated this functionality into additional capabilities to offer an efficient fulfillment model for regulatory and compliance distributions.

We also offer a complete reorganization communications solution to notify investors of reorganizations or corporate action events such as tender offers, mergers and acquisitions, bankruptcies, and class action lawsuits. Class actions and collective redress proceedings continue to grow in volume and complexity and global recovery options vary by country, resulting in a complex patchwork of participation and filing requirements. We provide global class action services handling the identification, filing and recovery of class actions and collective redress proceedings involving securities and other financial products.

We also offer our Mailbox products – Advisor Mailbox™ and Investor Mailbox® – which support and complement any investor communication strategy. Our Investor Mailbox solution provides the electronic delivery of investor communications to our clients' websites or mobile apps, enabling investor access to regulatory delivery notices, day-to-day account and investment information and convenient response tools. Our Advisor Mailbox is an electronic communications platform for financial advisors that delivers immediate electronic access to the communications and documents sent to such advisors' customers. Advisor Mailbox streamlines multiple communication paths for all investor-related documents into a single-visit portal that is integrated onto an advisor's platform.

In addition, we provide international corporate governance solutions addressing clients' needs within Europe, the Middle East and Africa ("EMEA") and the Asia-Pacific ("APAC") region. Our offerings help clients address evolving requirements for stronger governance, greater transparency and improved insights derived from data

analytics. These solutions are a direct extension of our U.S. and Canadian businesses and in many cases serve the same client base. Our international solutions help clients sharpen focus on their core businesses while helping them maintain regulatory compliance, reduce costs, improve efficiency and gain data insights.

As part of our international corporate governance solutions, our Global Proxy solution includes services similar to those provided by our U.S. and Canadian proxy businesses. In 2021, with the effectiveness of the European Union Shareholder Rights Directive II (“SRD II”), we have implemented an SRD II component to our Global Proxy solution. SRD II requires banks and broker-dealers that invest in European securities to provide all investors, retail and institutional, the ability to vote, disclose shareholder information upon request and distribute meeting or corporate action notices to all customers. Our SRD II solution helps our clients meet their SRD II compliance obligations and provides a seamless proxy voting platform for our clients’ retail and institutional customers.

Data-Driven Fund Solutions

We provide a full range of data-driven solutions that help our asset management and retirement service provider clients grow revenue, operate efficiently, and maintain compliance. Our communications solutions enable global asset managers to communicate with large audiences of investors efficiently and reliably by centralizing all investor communications through one resource. We provide composition, printing, filing, and distribution services for regulatory reports, prospectuses and proxy materials, as well as proxy solicitation services. We manage the entire communications process with both registered and beneficial stockholders. Our marketing and transactional communications solutions provide a content management and omni-channel distribution platform for marketing and sales communications for asset managers and retirement service providers. In addition, our data and analytics solutions provide investment product distribution data, analytical tools, and insights and research to enable asset managers to optimize product distribution across retail and institutional channels globally.

We also provide mutual fund and exchange-traded funds trade processing services for retirement service providers, third-party administrators, financial advisors, banks and wealth management professionals through Matrix. Matrix’s operational, trust, custody, trading and mutual fund and exchange-traded funds settlement services are integrated into our product suite thereby strengthening Broadridge’s role as a provider of insight, technology and business process outsourcing to the asset management and retirement industry.

Our fiscal year 2020 acquisition of FundsLibrary has added the capabilities to provide fund document and data dissemination in the European market. FundsLibrary links fund managers to distributors and investors to provide complete, accurate and timely information supporting fund sales. The solution helps fund managers increase distribution opportunities, comply with both United Kingdom domestic and European Union regulations such as Solvency II and MiFID II, and makes information easily accessible for investors in a digital format. FundsLibrary has been combined with the FundAssist business we acquired in 2018 to form Fund Communication Solutions. The combined solution provides funds with a single, integrated provider to manage data, perform calculations, compose documents, manage regulatory compliance and disseminate information across multiple jurisdictions.

Corporate Issuer Solutions

We provide governance and communications services to corporate issuers. We are the largest processor and provider of investor communication solutions to public companies through the performance of beneficial proxy services. We also offer disclosure solutions and transfer agency services providing corporate issuers a single source solution that spans the entire corporate disclosure and shareholder communications lifecycle.

Our governance and communications services include a full suite of annual meeting solutions:

- Proxy services – we provide complete project management for the entire annual meeting process including registered and beneficial proxy materials distribution, vote processing and tabulation through our ShareLink® solution.
- Virtual Shareholder Meeting™ – electronic annual meetings on the Internet, either on a stand-alone basis, or in conjunction with in-person annual meetings, including shareholder validation and voting services and the ability for shareholders to ask questions and for management to respond during the meetings.

- We offer tools for corporate issuers to help them better engage with their shareholders and other stakeholders in connection with the annual meeting process as well as on an ongoing basis throughout the year. These services provide aggregated shareholder data and analytics, shareholder delivery preferences and voting trends.
- We also offer environmental, social and governance (“ESG”) services to corporate issuers through which we help our clients identify industry best practices and advise them on aligning with leading ESG frameworks.

Our disclosure solutions provide compliance reporting and transactional reporting services for public companies including the following:

- Proxy Materials Document Composition and Distribution – proxy and annual report design and digitization, SEC filing, printing and web hosting services.
- Annual and Transactional SEC Filing Services – typesetting, printing and SEC filing services for capital markets transactions such as initial public offerings, spin-offs, acquisitions, and securities offerings, as well as year-round SEC reporting including document composition, EDGARization and XBRL tagging. In addition, we provide transaction support services such as virtual deal rooms and translation services.

We also provide registrar, stock transfer and record-keeping services through our transfer agency services. Our transfer agency services address the needs public companies have for more efficient and reliable stockholder record maintenance and communication services. In addition, we provide corporate actions services including acting as the exchange agent, paying agent, or tender agent in support of acquisitions, initial public offerings and other significant corporate transactions. We also provide abandoned property compliance and reporting services.

Customer Communications Solutions

We support financial services, healthcare, insurance, consumer finance, telecommunications, utilities, and other service industries with their omni-channel customer communications management strategies for transactional communications, such as statements and bills, marketing communications, such as personalized microsites and campaigns, and regulatory communications, such as proxy materials and explanation of benefits.

The Communications Cloud provides our clients the flexibility to implement only the modules and delivery channels needed to address their specific communication needs. The platform’s open application programming interfaces and self-servicing tools help our clients improve their communications systems’ efficiency and productivity. Through the Communications Cloud, our clients can:

- leverage flexible and scalable self-service and managed service composition tools to create relevant content that drives customer action (apply, enroll, service, click, vote, pay and more);
- manage and consolidate customer profiles, preferences and consents;
- transform digital and print communications through the optimization of content across channels to accelerate delivery, reduce costs, and help our clients meet regulatory requirements and quality controls;
- store and retrieve communications with best-in-class security to manage risk;
- deliver personalized communications across channels, including interactive microsites, email, short message service, presentment, online banking and payments, personal cloud services, print and mail; and
- gain comprehensive reporting and analytics to improve communications and increase engagement based on customer behaviors.

Global Technology and Operations

Transactions involving securities and other financial market instruments originate with an investor, who places an order with a broker who in turn routes that order to an appropriate market for execution. At that point, the parties to the transaction coordinate payment and settlement of the transaction through a clearinghouse. The records of the parties involved must then be updated to reflect completion of the transaction. Tax, custody,

accounting and record-keeping requirements must be complied with in connection with the transaction and the customer's account information must correctly reflect the transaction. The accurate processing of trading activity from its initial inception and custody activity requires effective automation and information flow across multiple systems and functions within the firm and across the systems of the various parties that participate in the execution of a transaction.

Our Global Technology and Operations segment provides solutions that automate the front-to-back transaction lifecycle of equity, mutual fund, fixed income, foreign exchange and exchange-traded derivatives, from order capture and execution through trade confirmation, margin, cash management, clearing and settlement, reference data management, reconciliations, securities financing and collateral management, asset servicing, compliance and regulatory reporting, portfolio accounting and custody-related services. Our solutions provide automated straight through processing operations and enable buy- and sell-side financial institutions to efficiently and cost-effectively consolidate their books and records, gather and service assets under management, focus on their core businesses, and manage risk. With our multi-market, multi-asset class, multi-entity and multi-currency capabilities, we provide trade processing on a global basis. In addition, we provide business process outsourcing services for our buy- and sell-side clients' businesses. These services combine our technology with our operations expertise to support the entire trade lifecycle, including securities clearing and settlement, reconciliations, record-keeping, wealth management asset servicing, and custody-related functions.

The Global Technology and Operations segment's revenues represented approximately 25% and 26% of our total Revenues in fiscal years 2021 and 2020, respectively, which gives effect to the foreign exchange impact from revenues generated in currencies other than the U.S. dollar. See "Analysis of Reportable Segments — Revenues" under "Item 701. Management's Discussion and Analysis of Financial Condition and Results of Operations." Services and solutions offered through the Global Technology and Operations segment include the following:

Capital Markets Solutions

We provide a set of multi-asset, multi-entity and multi-currency post-trade, trading and connectivity solutions that support real-time processing of securities transactions in equities, options, fixed income securities, and mutual funds. Our solutions enable global capital markets firms to access market liquidity, drive more effective market making and efficient front-to-back trade.

Our global post-trade processing platforms are provided on a SaaS basis and handle the entire securities processing cycle from order management to clearance, settlement and custody, and assists our clients in meeting their regulatory reporting and other post-trade requirements. We offer these services to support clearance and settlement activities with direct connectivity solutions in the major markets. These services include reference data management, securities financing, securities-based lending, collateral management, trade and transaction reporting, reconciliations, financial messaging and asset servicing. Our solutions can be deployed as a complete post-trade service as well as discrete components supporting financial institutions.

In addition, we provide comprehensive fixed income transaction processing capabilities to support clearance, settlement, custody, P&L reporting and regulatory reporting for domestic and foreign fixed income instruments. Our solution includes extensive support for mortgage-backed securities and other structured products. It is a multi-currency, multi-entity solution that provides real-time position and balance information, in addition to detailed accounting, financing, collateral management, and repurchase agreement functionality. The solution offers real-time straight through processing capabilities, enterprise-wide integration and a robust technology infrastructure - all focused on supporting firms specializing in the fixed income marketplace.

In 2021, with the acquisition of Itiviti, a leading provider of trading and connectivity technology to the capital markets industry, we now offer a set of global front-office trade order and execution management systems, connectivity and network offerings. The acquisition adds a complementary set of solutions to our existing post-trade product suite and other capital markets capabilities. The combination is expected to enable our clients to streamline their front-to-back technology platforms and operations and increase straight-through-processing efficiencies, across equities, fixed income, exchange-traded derivatives, and other asset classes.

Wealth and Investment Management Solutions

We deliver business critical data, technology solutions and marketing services to enable full-service, regional and independent broker-dealers and investment advisors to better engage with customers to help grow their business. We offer an integrated open-architecture wealth management platform through which we provide enhanced data-centric capabilities to improve the overall client experience across the entire wealth management lifecycle, including advisor, investor and operational workflows. This comprehensive wealth management platform streamlines all aspects of the service model, allowing our clients to digitally-onboard customers, manage advisor compensation for multiple products and service models, and seamlessly transfer and service accounts. We also provide solutions for reconciliations, securities lending, reference data management, and enterprise workflow management; as well as advisor desktop applications and reporting solutions including cloud-based marketing and customer communication tools.

In addition, we provide data-driven, digital solutions to broker-dealers, financial advisors, insurers and other firms with large, distributed salesforces. Our data aggregation solution helps financial advisors manage and build client relationships by providing customer account data aggregation, performance reporting, household grouping, automated report creation, document storage, and integration with popular financial planning and productivity applications. Our marketing operations and automation platform enables firms to manage marketing activities efficiently across field offices and branch locations using consistent standards. The platform provides unique data and analytical capabilities designed to enhance marketing, educate investors and increase sales effectiveness.

Our digital marketing and content capabilities leverage analytics and machine-learning to enable financial advisors and wealth management firms to grow their businesses and deepen relationships with their customers. Financial advisors and wealth management firms can tap into our digital tools and library of omni-channel content to personalize touchpoints to engage their customers and prospects across digital channels including websites, social media, e-mail and mobile.

We also provide buy-side technology solutions for the global investment management industry. Our asset management solutions are portfolio management, compliance, fee billing and operational support solutions such as order management, data warehousing, reporting, reference data management, risk management and portfolio accounting and fee billing for hedge funds, family offices, alternative asset managers, traditional asset managers and the providers that service this space including prime brokers, fund administrators and custodians. The client base for these services includes institutional asset managers, public funds, start-up or emerging managers through some of the largest global hedge fund complexes and global fund administrators.

Clients

We serve a large and diverse client base including banks, broker-dealers, mutual funds, retirement service providers, corporate issuers and wealth and asset management firms. Our clients in the financial services industry include retail and institutional brokerage firms, global banks, mutual funds, asset managers, insurance companies, annuity companies, institutional investors, specialty trading firms, clearing firms, third-party administrators, hedge funds, and financial advisors. Our corporate issuer clients are typically publicly held companies. In addition to financial services firms, we service corporate clients in the healthcare, insurance, consumer finance, telecommunications, utilities, and other service industries with their essential communications.

In fiscal year 2021, we:

- processed approximately 80% of the outstanding shares in the U.S. in the performance of our proxy services;
- processed over 7 billion investor and customer communications through print and digital channels;
- processed on average over \$9 trillion in equity and fixed income trades per day of U.S. and Canadian securities; and
- provided fixed income trade processing services to 20 of the 24 primary dealers of fixed income securities in the U.S.

Competition

We operate in a highly competitive industry. Our Investor Communication Solutions business competes with companies that provide investor communication and corporate governance solutions including proxy services providers, transfer agents, proxy advisory firms, proxy solicitation firms and financial printers. We also face competition from numerous firms in the compiling, printing and electronic distribution of statements, bills and other customer communications. Within our Global Technology and Operations business, our capital markets solutions compete with in-house operations and vendors that provide trade processing, back-office record keeping, and sell-side order and execution management systems. Similarly, our wealth management solutions compete with service providers that deliver data, technology solutions, and marketing services, and our investment management solutions compete with firms that provide portfolio management, compliance and operational support solutions.

Technology

We have several information processing systems that serve as the core foundation of our technology platform. We leverage these systems in order to provide our services. We are committed to maintaining extremely high levels of quality service through our skilled technical employees and the use of our technology within an environment that seeks continual improvement. Our mission-critical applications are designed to provide high levels of availability, scalability, reliability, and flexibility. They operate on industry standard enterprise architecture platforms that provide high degrees of horizontal and vertical scaling. This scalability and redundancy allows us to provide high degrees of system availability. As part of Broadridge's technology strategy, we leverage traditional data center services as well as private cloud and public cloud services. In 2010, we entered into an Information Technology Services Agreement (the "IT Services Agreement") with International Business Machines Corporation ("IBM"), which was amended and restated in 2019 (the "Amended IT Services Agreement"). Under the Amended IT Services Agreement, IBM performs a broad range of technology services, including supporting our mainframe, midrange, network and data center operations, as well as providing disaster recovery services.

In 2014, the Company and IBM United Kingdom Limited ("IBM UK") entered into an Information Technology Services Agreement (the "EU IT Services Agreement"), which was amended in 2019 (the "Amended EU IT Services Agreement"). Under the Amended EU IT Services Agreement, IBM UK provides data center services supporting the Company's technology outsourcing services for certain clients in Europe and Asia.

In 2019, we entered into an information technology agreement with IBM for private cloud services (the "IBM Private Cloud Agreement") under which IBM will operate, manage and support the Company's private cloud global distributed platforms and products, and operate and manage certain Company networks.

Most of our systems and applications operate in highly resilient data centers that employ multiple active power and cooling distribution paths, redundant components, and are capable of providing 99.995% availability. Additionally, the data centers provide infrastructure capacity and capability to permit any planned activity without disruption to the critical load, and can sustain at least one worst-case, unplanned failure or event with no critical load impact. Our geographically dispersed processing centers also provide disaster recovery and business continuity processing.

Product Development. Our products and services are designed with reliability, availability, scalability, and flexibility so that we can fully meet our clients' processing needs. These applications are built in a manner that allows us to meet the breadth and depth of requirements of our financial services industry clients in a highly efficient manner. We continually upgrade, enhance, and expand our existing products and services, taking into account input from clients, industry-wide initiatives and regulatory changes affecting our clients.

Intellectual Property. We own a portfolio of more than 110 U.S. and non-U.S. patent and patent applications. We also own registered marks for our trade name and own or have applied for trademark registrations for many of our services and products. We regard our products and services as proprietary and utilize internal security practices and confidentiality restrictions in contracts with employees, clients, and others for protection. We believe that we are the owner or in some cases, the licensee, of all intellectual property and other proprietary rights necessary to conduct our business.

Cybersecurity

Our information security program is designed to meet the needs of our clients who entrust us with their sensitive information. Our program includes encryption, data masking technology, data loss prevention technology, authentication technology, entitlement management, access control, anti-malware software, and transmission of data over private networks, among other systems and procedures designed to protect against unauthorized access to information, including by cyber-attacks. In addition, we conduct regular security awareness training as well as testing for our employees.

To further demonstrate our commitment to maintaining the highest levels of quality service, information security, and client satisfaction within an environment that fosters continual improvement, most of our business units and our core applications and facilities for the provision of many services including our proxy services, U.S. equity and fixed income securities processing services, and IBM's data centers, are International Organization for Standardization ("ISO") 27001 certified. This security standard specifies the requirements for establishing, implementing, operating, monitoring, reviewing, maintaining and improving a documented Information Security Management System within the context of the organization's overall business risks. It specifies the requirements for the implementation of security controls customized to the needs of individual organizations. The ISO 27001 standard addresses confidentiality, access control, vulnerability, business continuity, and risk assessment.

Additionally, Broadridge is utilizing the National Institute of Standards and Technology Framework for Improving Critical Infrastructure Cybersecurity (the "NIST Framework") issued by the U.S. government in 2014 and updated in 2018, as a guideline to manage our cybersecurity-related risk. The NIST Framework outlines 108 subcategories of security controls and outcomes over five functions: identify, protect, detect, respond and recover.

Regulation

The securities and financial services industries are subject to extensive regulation in the U.S. and in other jurisdictions. As a matter of public policy, regulatory bodies in the U.S. and the rest of the world are charged with safeguarding the integrity of the securities and other financial markets and with protecting the interests of investors participating in those markets. Due to the nature of our services and the markets we serve, these regulatory bodies impact our businesses in the following various manners.

In the U.S., the securities and financial services industries are subject to regulation under both federal and state laws. At the federal level, the SEC regulates the securities industry, along with the Financial Industry Regulatory Authority, Inc. ("FINRA"), the various stock exchanges, and other SROs. The Department of Labor ("DOL") enforces the Employee Retirement Income Security Act of 1974 ("ERISA") regulations on fiduciaries and organizations that provide services to retirement plans such as Matrix. As a provider of services to financial institutions and issuers of securities, our services, such as our proxy and shareholder report processing and distribution services, are provided in a manner to assist our clients in complying with the laws and regulations to which they are subject. As a result, the services we provide may be required to change as applicable laws and regulations are adopted or revised. We monitor legislative and rulemaking activity by the SEC, FINRA, DOL, the stock exchanges and other regulatory bodies that may impact our services, and if new laws or regulations are adopted or changes are made to existing laws or regulations applicable to our services, we expect to adapt our business practices and service offerings to continue to assist our clients in fulfilling their obligations under new or modified requirements.

Certain aspects of our business are subject to regulatory compliance or oversight. As a provider of technology services to financial institutions, certain aspects of our U.S. operations are subject to regulatory oversight and examination by the Federal Financial Institutions Examination Council ("FFIEC"), an interagency body of the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the National Credit Union Administration. Periodic examinations by the FFIEC generally include areas such as internal audit, risk management, business continuity planning, information security, systems development, and third-party vendor management to identify potential risks related to our services that could adversely affect our banking and financial services clients.

In addition, our business process outsourcing, mutual fund processing and transfer agency solutions, as well as the entities providing those services, are subject to regulatory oversight. Our business process outsourcing and mutual fund processing services are performed by a broker-dealer, Broadridge Business Process Outsourcing, LLC ("BBPO"). BBPO is registered with the SEC, is a member of FINRA and is required to participate in the

Securities Investor Protection Corporation (“SIPC”). Although BBPO’s FINRA membership agreement allows it to engage in clearing, and the retailing of corporate securities in addition to mutual fund retailing on a wire order basis, BBPO does not clear customer transactions, process any retail business or carry customer accounts. BBPO is subject to regulations concerning many aspects of its business, including trade practices, capital requirements, record retention, money laundering prevention, the protection of customer funds and customer securities, and the supervision of the conduct of directors, officers and employees. A failure to comply with any of these laws, rules or regulations could result in censure, fine, the issuance of cease-and-desist orders, or the suspension or revocation of SEC or FINRA authorization granted to allow the operation of its business or disqualification of its directors, officers or employees. There has been continual regulatory scrutiny of the securities industry including the outsourcing by firms of their operations or functions. This oversight could result in the future enactment of more restrictive laws or rules with respect to business process outsourcing. As a registered broker-dealer and member of FINRA, BBPO is subject to the Uniform Net Capital Rule 15c3-1 of the Securities Exchange Act of 1934, as amended, which requires BBPO to maintain a minimum net capital amount. At June 30, 2021, BBPO was in compliance with this capital requirement.

BBPO, as a “Managing Clearing Member” of the Options Clearing Corporation (the “OCC”), is also subject to OCC Rule 309(b) with respect to the business process outsourcing services that it provides to other OCC “Managed Clearing Member” broker-dealers. OCC Rule 309(b) requires that BBPO maintain a minimum net capital amount. At June 30, 2021, BBPO was in compliance with this capital requirement.

Matrix Trust Company (“Matrix Trust”), is a Colorado State non-depository trust company and National Securities Clearing Corporation trust member, whose primary business is to provide cash agent, custodial and directed trustee services to institutional customers, and investment management services to collective investment trust funds (“CITs”). As a result, Matrix Trust is subject to various regulatory capital requirements administered by the Colorado Division of Banking and the Arizona Department of Financial Institutions, as well as the National Securities Clearing Corporation. Specific capital guidelines that involve quantitative measures of assets, liabilities, and certain off-balance sheet items, when applicable, must be met. At June 30, 2021, Matrix Trust was in compliance with its capital requirements. In addition, in connection with the offering of CITs, Matrix Trust acts as a discretionary trustee and an ERISA fiduciary. CITs are subject to regulation by the IRS, federal and state banking regulators, and ERISA, which impose a number of duties on persons who are fiduciaries under ERISA. Matrix Trust is also subject to regulation by the Colorado Division of Banking and the Arizona Department of Financial Institutions which regulate the CITs pursuant to Office of the Comptroller of the Currency regulation.

Our transfer agency business, Broadridge Corporate Issuer Solutions, is subject to certain SEC rules and regulations, including annual reporting, examination, internal controls, proper safeguarding of issuer and shareholder funds and securities, and obligations relating to its operations. Our transfer agency business has been formally approved by the NYSE to act as a transfer agent or registrar for issuers of NYSE listed securities and as a result, it is subject to certain NYSE requirements concerning operational standards. Furthermore, it is also subject to U.S. Internal Revenue Service (the “IRS”) regulations, as well as certain provisions of the Gramm-Leach-Bliley Act (“GLBA”) and the Federal Trade Commission’s (the “FTC”) regulations with respect to maintenance of information security safeguards. In addition, certain state laws govern certain services performed by our transfer agency business.

In addition, our regulated businesses are required to comply with anti-money laundering laws and regulations, such as, in the U.S., the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001 (collectively, the “BSA”), and the BSA implementing regulations of the Financial Crimes Enforcement Network (“FinCEN”), a bureau of the U.S. Department of the Treasury. A variety of similar anti-money laundering requirements apply in other countries.

Privacy and Information Security Regulations

The processing and transfer of personal information is required to provide certain of our services. Data privacy laws and regulations in the U.S. and foreign countries apply to the access, collection, transfer, use, storage, and destruction of personal information. In the U.S., our financial institution clients are required to comply with privacy regulations imposed under the GLBA, in addition to other regulations. As a processor of personal information in our role as a provider of services to financial institutions, we must comply with the FTC’s Safeguards Rule implementing certain provisions of GLBA with respect to maintenance of information security safeguards.

We perform services for healthcare companies and are, therefore, subject to compliance with laws and regulations regarding healthcare information, including in the U.S., the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”). We also perform credit-related services and agree to comply with payment card standards, including the Payment Card Industry Data Security Standard. In addition, federal and state privacy and information security laws, and consumer protection laws, which apply to businesses that collect or process personal information, also apply to our businesses.

Privacy laws and regulations may require notification to affected individuals, federal and state regulators, and consumer reporting agencies in the event of a security breach that results in unauthorized access to, or disclosure of, certain personal information. Privacy laws outside the U.S. may be more restrictive and may require different compliance requirements than U.S. laws and regulations, and may impose additional duties on us in the performance of our services.

There has been increased public attention regarding the use of personal information and data transfer, accompanied by legislation, regulations and enforcement activity intended to strengthen data protection, information security and consumer and personal privacy.

The law in this area continues to develop and the changing nature of privacy laws in the U.S., the European Union and elsewhere could impact our processing of personal information of our employees and on behalf of our clients. For example, the European Union Parliament adopted the comprehensive General Data Protection Regulation (“GDPR”) and the California Consumer Privacy Act (“CCPA”) became effective as of January 2020 and the California Consumer Privacy Rights Act (“CPRA”) will become effective on January 1, 2023. In addition, several U.S. states have also recently adopted new privacy laws or are proposing to pass their own state privacy laws.

We continually monitor privacy and information security laws and regulations and while we believe that we are compliant with our regulatory responsibilities, information security threats continue to evolve resulting in increased risk and exposure. In addition, legislation, regulation, litigation, court rulings, or other events could expose Broadridge to increased costs, liability, and possible damage to our reputation.

Legal Compliance

Regulations issued by the Office of Foreign Assets Control (“OFAC”) of the U.S. Department of Treasury place prohibitions and restrictions on all U.S. citizens and entities, including the Company, with respect to transactions by U.S. persons with specified countries and individuals and entities identified on OFAC’s sanctions lists and Specially Designated Nationals and Blocked Persons List (for example, individuals and companies owned or controlled by, or acting for or on behalf of, countries subject to certain economic and trade sanctions, as well as terrorists, terrorist organizations and narcotics traffickers identified by OFAC under programs that are not country specific). Similar requirements apply to transactions and dealings with persons and entities specified in lists maintained in other countries. We have developed procedures and controls that are designed to monitor and address legal and regulatory requirements and developments to protect against having direct business dealings with such prohibited countries, individuals or entities.

Compliance with laws and regulations that are applicable to our businesses with an international reach can be complex and may increase our cost of doing business in international jurisdictions. Our international business could expose us to fines and penalties if we fail to comply with these regulations. These laws and regulations include import and export requirements, trade restrictions and embargoes, data privacy requirements, labor laws, tax laws, anti-competition regulations, U.S. laws such as the Foreign Corrupt Practices Act, and local laws prohibiting bribery and other improper payments or inducements, such as the U.K. Bribery Act. Although we have implemented policies, procedures and training designed to ensure compliance with applicable laws and regulations, there can be no assurance that our employees, contractors, vendors and agents will not take actions in violation of our policies or applicable laws and regulations, particularly as we expand our operations, including through acquisitions of businesses that were not previously subject to and may not have familiarity with laws and regulations applicable to us or compliance policies similar to ours. Any violations of sanctions or export control regulations or other laws could subject us to civil or criminal penalties, including the imposition of substantial fines and interest or prohibitions on our ability to offer our products and services to one or more countries, and could also damage our reputation, our international expansion efforts and our business, and negatively impact our operating results.

Seasonality

Processing and distributing proxy materials and annual reports to investors comprises a large portion of our Investor Communication Solutions business. We process and distribute the greatest number of proxy materials and annual reports during our third and fourth fiscal quarters. The recurring periodic activity of this business is linked to significant filing deadlines imposed by law on public reporting companies. This has caused our revenues, operating income, net earnings, and cash flows from operating activities to be higher in our third and fourth fiscal quarters. The seasonality of our revenues makes it difficult to estimate future operating results based on the results of any specific fiscal quarter and could affect an investor's ability to compare our financial condition, results of operations, and cash flows on a fiscal quarter-by-quarter basis.

Human Capital Management

As of June 30, 2021, we had 13,704 full-time associates, of which approximately 56% were employed in the Americas, 12% in Europe, and 32% in the APAC region, where a substantial number of associates are in India. None of our associates are subject to collective bargaining agreements and we believe that our employee relations are good.

We are driven by the success of each of our associates, and we recognize that it is because of their hard work, talent and commitment that we continue to deliver outstanding results for our clients. That is why we strive to provide a workplace that fosters a collaborative and supportive culture where everyone feels welcomed, accepted and empowered to be their best.

At the center of our associate engagement efforts is the concept of the Service-Profit Chain, where engaged associates deliver world-class service, which creates satisfied clients and, in turn, produces strong, long-term value for stockholders.

Our Board of Directors believes that human capital management and succession planning are vital to our success. The Compensation Committee of the Company's Board of Directors has oversight over human capital management matters, including initiatives and programs that concern our culture, talent, recruitment, retention and associate engagement. In addition, our Chief Human Resources Officer and our Chief Diversity Officer report to our Board periodically on our initiatives and progress on diversity, equity and inclusion practices. The Board annually reviews the Company's executive talent including the Company's leadership bench and succession planning.

Diversity, Equity and Inclusion

We are dedicated to fostering a diverse, equitable, inclusive and healthy environment. As a leading provider of technology, communications and data and analytics solutions to businesses around the world, it is critical that we understand, embrace and operate in a multicultural environment. Every associate has unique strengths, which, when fully appreciated and embraced, allows everyone to perform at their best, leading to our success. Our goal is to ensure our associates at every level of the organization better represent the diversity of the clients we serve and communities in which we work. We are committed to advancing diversity, equity and inclusion initiatives and values into our culture.

We have an Executive Diversity Committee, chaired by our President, that meets quarterly and provides insight and recommendations on critical diversity, equity and inclusion-related opportunities and issues. In addition, we support a number of associate-led employee resource groups (our Associate Networks), where associates with similar backgrounds and interests can find peer support, shape company culture, receive mentorship and sponsorship from senior members and develop their careers.

In 2020, we appointed a Chief Diversity Officer, whose role is to design and implement a holistic diversity, equity and inclusion strategy, and partner with our business units to develop the resources and competencies needed to drive this strategy. Our Chief Diversity Officer is a member of the Executive Diversity Committee and provides regular updates to our Chief Executive Officer and executive leadership team. In addition, the Chief Diversity Officer serves as an advisor on global initiatives, such as our Associate Networks, and our recruitment and compliance efforts.

Talent and Development

We believe that our associates are among our most important assets. Encouraging professional development opportunities is a core part of our culture. One important resource we provide our associates is Broadridge

University, a comprehensive suite of online courses and on-site training. We also have a tuition reimbursement program, and we support participation in external learning opportunities. In 2021, we launched our reverse mentoring program, which supports associate engagement and increasing a sense of belonging and inclusion by aligning associates from all levels and backgrounds (including but not limited to different generations, race, gender, ability, and sexual orientation) to serve as mentors to senior leaders.

Health, Safety and Wellness

We are committed to providing a safe workplace. We continuously strive to meet or exceed all laws, regulations and accepted practices pertaining to workplace safety. We have developed extensive safety policies, standards and procedures to which all associates are required to comply. Our policies are based on both U.S. Occupational Safety and Health Administration standards and site-specific guidelines to ensure that associates work in a safe and healthy environment. At our larger production facilities and at certain other locations, we house on-site Wellness Centers staffed with physicians, nurse practitioners and physician assistants who provide a wide variety of medical services at no cost to our associates.

As we navigate the Covid-19 pandemic, the well-being of our associates is one of our highest priorities. We have taken numerous steps in support of these priorities, including remote work for our non-production associates, and stringent safety and disinfecting measures in our facilities to mitigate the spread of the virus. We removed economic pressure to work by providing extended leave for those who are ill, quarantined, or have a family member in a high-risk group. The Broadridge Pandemic/Covid-19 Committee continues to track the latest developments of the pandemic. We have deployed a task force focused on re-opening our offices to the highest safety standards, including monitoring the external environment, usage of personal protective equipment, providing financial incentives for vaccination, and other measures.

Associate Compensation and Benefits

We have demonstrated a history of investing in our workforce by offering competitive salaries and wages. In addition, we offer various types of compensation, which vary by associate role and country/region, and may include annual bonuses, stock awards, and retirement savings plans. In addition we offer the following benefits (which may vary by country/region): healthcare and insurance benefits, tax efficient or savings programs, such as health and dependent care flexible spending accounts, health savings account and pretax commuter benefits or green transport tax savings schemes, paid time off, paid parental leave, quarantine and Covid leave, vaccination time off, life and disability insurance, business travel accident insurance, charitable gift matching, tuition assistance and on-site health centers, among others.

Associate Engagement

We regularly conduct multiple surveys and focus groups to assess associate engagement and determine if and how perspectives have changed over time. Our surveys and focus group practices allow our associates to share their views on our workplace, the importance of various aspects of work life, among other topics. The themes and insights of our associate feedback are shared with our executive leadership and has been instrumental in shaping our approach to planning for the future of our workplace. In 2021, our employee engagement score rose 8% from 2020, and for the third consecutive year, we received U.S. and Canada certification from Great Place to Work® for our outstanding workplace culture. We also received certification in India for the fourth consecutive year and first-time certification in the United Kingdom, Ireland, and Russia. The Great Place to Work Institute is a global authority on high-trust, high-performance workplaces.

ITEM 1A. Risk Factors

You should carefully consider each of the following risks and all of the other information set forth in this Annual Report on Form 10-K or incorporated by reference herein. Based on the information currently known to us, we believe that the following information identifies the most significant factors affecting our company. However, additional risks and uncertainties not currently known to us or that we currently believe to be immaterial may also adversely affect our business.

If any of the following risks and uncertainties develop into actual events, they could have a material adverse effect on our business, financial condition, or results of operations.

The Covid-19 pandemic may negatively impact our business, results of operations and financial performance.

The Covid-19 pandemic is having a significant effect on the world economy, which has created significant uncertainties. These uncertainties include, but are not limited to, the adverse effects of the pandemic on the economy, our employees, our clients and our third-party service providers. The Covid-19 pandemic has created significant uncertainty and business and economic disruption. Any of the following factors, or other cascading effects of the Covid-19 pandemic that are not currently foreseeable, could negatively affect our operations and performance of our services, increase our costs, and negatively impact our sales, results of operations and our liquidity position, possibly to a significant degree:

- The Covid-19 pandemic and the stay-at-home orders and quarantine rules resulting from the pandemic could have an impact on our ability to perform our services and the operations of our facilities. Our ability to provide our services and solutions could be negatively impacted, including as a result of our employees or our clients' and vendors' employees working remotely, or due to business slowdown or interruption caused by the illness of our employees or the safety measures implemented to prevent the illness of our employees such as the potential closures of offices and facilities. In addition, a resurgence of the Covid-19 virus in the areas where we operate could result in additional stay-at-home orders being put in place. Our inability or failure to properly perform our services could cause us to incur expenses including service penalties, lose revenues, lose clients or damage our reputation.
- We have taken several measures in response to Covid-19, including adopting strict social distancing and cleaning measures in our production facilities, taking the temperature of production-related employees in affected areas, and continuing remote work for many of our employees. We may take further actions in our facilities as may be required by government authorities or as we determine are in the best interests of our employees, clients, and vendors, including as employees return to our offices. There is no certainty that such measures will be sufficient to mitigate the risks posed by Covid-19 or will be satisfactory to government authorities.
- We are a global company and our business is highly dependent on the financial services industry and exchanges and market centers. The pandemic continues to adversely impact global commercial activity. An extended period of market disruption or closures, or a prolonged economic downturn, could negatively impact our business and financial results. We could experience a decrease in demand for our services or a delay or reduction in our sales if a prolonged economic downturn causes financial stress for our clients. We could also experience a delay in onboarding our clients. Further, a sustained decline in market values could result in decreased assets under administration negatively impacting our mutual fund processing business. In addition, lower interest rates have negatively impacted our mutual fund processing and transfer agency businesses.
- The technological resources and infrastructure used by us, as well as the third-party service providers and vendors who support us, such as internet capacity, may be strained due to the increase in the number of remote users. In addition, we may face increased cybersecurity risks due to the number of employees who are working remotely in regions impacted by stay-at-home orders or observing quarantine safety measures. Increased levels of remote access may create additional opportunities for cybercriminals to attempt to exploit vulnerabilities, and employees may be more susceptible to phishing and social engineering attempts due to increased stress caused by the crisis and from balancing family and work responsibilities at home.

- We rely on third-party service providers and vendors to provide critical systems and services such as data center services and materials needed for the production and delivery of our print services, and the Covid-19 pandemic could present heightened or novel risks with respect to the continuity of our critical vendors' services or ability to supply materials including the possibility of closure or business interruption.
- There is a potential risk that members of our senior management team and/or our board of directors could become incapacitated or otherwise unable to perform their duties for an extended period of time due to illness resulting from the Covid-19 pandemic.

There are no comparable recent events which may provide guidance as to the effect of the Covid-19 pandemic, and, as a result, its ultimate impact is highly uncertain and subject to change. We cannot foresee the full extent of the impacts on our business, our operations or the global economy and the full impact will depend on numerous evolving factors that are outside our control. However, the effects could have a material adverse effect on our business, results of operations and financial performance.

Consolidation in the financial services industry could adversely affect our revenues by eliminating some of our existing and potential clients and could make us increasingly dependent on a more limited number of clients.

Mergers or consolidations of financial institutions could reduce the number of our clients and potential clients. If our clients merge with or are acquired by other firms that are not our clients, or firms that use fewer of our services, they may discontinue or reduce the use of our services. In addition, it is possible that the larger financial institutions resulting from mergers or consolidations could decide to perform in-house some or all of the services that we currently provide or could provide. Any of these developments could have a material adverse effect on our business and results of operations.

A large percentage of our revenues are derived from a small number of clients in the financial services industry.

In fiscal year 2021, we derived approximately 51% of the revenues of our Global Technology and Operations segment from the 15 largest clients in that segment. Our largest single client accounted for approximately 6% of our consolidated revenues in fiscal year 2021. While these clients generally work with multiple business segments, the loss of business from any of these clients due to merger or consolidation, financial difficulties or bankruptcy, or the termination or non-renewal of contracts could have a material adverse effect on our revenues and results of operations. Also, in the event a client experiences financial difficulties or bankruptcy resulting in a reduction in their demand for our services or loss of the client's business, in addition to losing the revenue from that client, we would be required to write-off any investments made by us in connection with that client, including costs incurred to set up or convert a client's systems to function with our technology. Such costs for all clients represented approximately 10% of our total assets as of June 30, 2021.

Security breaches or cybersecurity attacks could adversely affect our ability to operate, could result in personal, confidential or proprietary information being misappropriated, and may cause us to be held liable or suffer harm to our reputation.

We process and transfer sensitive data, including personal information, valuable intellectual property and other proprietary or confidential data provided to us by our clients, which include financial institutions, public companies, mutual funds, and healthcare companies. We also handle personal information of our employees in connection with their employment. We maintain systems and procedures including encryption, authentication technology, data loss prevention technology, entitlement management, access control and anti-malware software, and transmission of data over private networks to protect against unauthorized access to physical and electronic information, including by cybersecurity attacks.

In certain circumstances, our third-party vendors may have access to sensitive data including personal information. It is also possible that a third-party vendor could intentionally or inadvertently disclose sensitive data, including personal information. We require our third-party vendors to have appropriate security controls if they have access to the personal information of our clients' customers or our employees. However, despite those safeguards, it is possible that unauthorized individuals could improperly access our systems or those of our vendors, or improperly obtain or disclose the sensitive data including personal information that we or our vendors process or handle.

Many of our services are provided through the Internet which increases our exposure to potential cybersecurity attacks. We have experienced cybersecurity threats to our information technology infrastructure and have experienced non-material cybersecurity attacks, attempts to breach our systems and other similar incidents. Future threats could cause harm to our business and our reputation and challenge our ability to provide reliable service, as well as negatively impact our results of operations materially. Our insurance coverage may not be adequate to cover all the costs related to cybersecurity attacks or disruptions resulting from such events.

Any security breach resulting in the unauthorized use or disclosure of certain personal information could put individuals at risk of identity theft and financial or other harm and result in costs to us in investigation, remediation, legal defense and in liability to parties who are financially harmed. We may incur significant costs to protect against the threat of information security breaches or to respond to or alleviate problems caused by such breaches. For example, laws may require notification to regulators, clients or employees and enlisting credit monitoring or identity theft protection in the event of a privacy breach. A cybersecurity attack could also be directed at our systems and result in interruptions in our operations or delivery of services to our clients and their customers. Furthermore, a material security breach could cause us to lose revenues, lose clients or cause damage to our reputation.

Our clients are subject to complex laws and regulations, and new laws or regulations and/or changes to existing laws or regulations could impact our clients and, in turn, adversely impact our business or may reduce our profitability.

We provide technology solutions to financial services firms that are generally subject to extensive regulation in the U.S. and in other jurisdictions. As a provider of services to financial institutions and issuers of securities, our services are provided in a manner designed to assist our clients in complying with the laws and regulations to which they are subject. Therefore, our services, such as our proxy services, shareholder report distribution, and customer communications services, are particularly sensitive to changes in laws and regulations governing the financial services industry and the securities markets. Changes in laws and regulations could require changes in the services we provide or the manner in which we provide our services, or they could result in a reduction or elimination of the demand for our services.

Our investor communications services and the fees we charge our clients for certain services are subject to change if applicable SEC or stock exchange rules or regulations are amended, or new laws or regulations are adopted, which could result in a material negative impact on our business and financial results. For example, the SEC's recently proposed modifications to the mutual fund and exchange-traded fund disclosure framework could have an impact on our services, business and financial results if adopted and implemented as proposed.

In addition, new regulations governing our clients could result in significant expenditures that could cause them to reduce their use of our services, seek to renegotiate existing agreements, or cease or curtail their operations, all of which could adversely impact our business. Further, an adverse regulatory action that changes a client's business or adversely affects its financial condition, could decrease their ability to purchase, or their demand for, our products and services. The loss of business from our larger clients could have a material adverse effect on our revenues and results of operations.

Our business and results of operations may be adversely affected if we do not comply with legal and regulatory requirements that apply to our services or businesses, and new laws or regulations and/or changes to existing laws or regulations to which we are subject may adversely affect our ability to conduct our business or may reduce our profitability.

The legislative and regulatory environment of the financial services industry is continuously changing. The SEC, FINRA, DOL, various stock exchanges and other U.S. and foreign governmental or regulatory authorities continuously review legislative and regulatory initiatives and may adopt new or revised laws and regulations or provide revised interpretations or they may change the enforcement priorities with respect to existing laws and regulations. These legislative and regulatory initiatives may impact the way in which we conduct our business, requiring changes to the way we provide our services or additional investment which may make our business less profitable. Further, as a provider of technology services to financial institutions, certain aspects of our U.S. operations are subject to regulatory oversight and examination by the FFIEC. A sufficiently unfavorable review from the FFIEC could have a material adverse effect on our business. With an increased focus on vendor risk management, the FFIEC and other regulatory agencies provide guidelines for overseeing technology service providers, increasing the contractual requirements with our clients and the cost of providing our services.

Our business process outsourcing, mutual fund processing and transfer agency solutions as well as the entities providing those services are subject to regulatory oversight. Our provision of these services must comply with applicable rules and regulations of the SEC, FINRA, DOL, various stock exchanges and other regulatory bodies charged with safeguarding the integrity of the securities markets and other financial markets and protecting the interests of investors participating in these markets. If we fail to comply with any applicable regulations in performing these services, we could be subject to suits for breach of contract or to governmental proceedings, censures and fines. In addition, we could lose clients and our reputation could be harmed, negatively impacting our ability to attract new clients.

As a provider of data and business processing solutions, our systems contain a significant amount of sensitive data, including personal information, related to our clients, customers of our clients, and our employees. We are, therefore, subject to compliance obligations under federal, state and foreign privacy and information security laws, including in the U.S., the GLBA, HIPAA, the CCPA, and the GDPR in the EU, and we are subject to penalties for failure to comply with such regulations. Such penalties could have a material adverse effect on our financial condition, results of operations, or cash flows. There has been increased public attention regarding the use of personal information, accompanied by legislation and regulations intended to strengthen data protection, information security and consumer and personal privacy. The law in these areas continues to develop, the number of jurisdictions adopting such laws continues to increase and these laws may be inconsistent from jurisdiction to jurisdiction. Furthermore, the changing nature of privacy laws in the U.S., the European Union and elsewhere could impact our processing of personal information of our employees and on behalf of our clients. While we believe that Broadridge is compliant with its regulatory responsibilities, information security threats continue to evolve resulting in increased risk and exposure and increased costs to protect against the threat of information security breaches or to respond to or alleviate problems caused by such breaches.

Our ability to comply with regulations depends largely upon the maintenance of an effective compliance system which can be time consuming and costly, as well as our ability to attract and retain qualified compliance personnel.

Our revenues may decrease due to declines in the levels of participation and activity in the securities markets.

We generate significant revenues from the transaction processing fees we earn from our services. These revenue sources are substantially dependent on the levels of participation and activity in the securities markets. The number of unique securities positions held by investors through our clients and our clients' customer trading volumes reflect the levels of participation and activity in the markets, which are impacted by market prices, and the liquidity of the securities markets, among other factors. Volatility in the securities markets and sudden sharp or gradual but sustained declines in market participation and activity can result in reduced investor communications activity, including reduced proxy and event-driven communications processing such as mutual fund proxy, mergers and acquisitions and other special corporate event communications processing, and reduced trading volumes. In addition, our event-driven fee revenues are based on the number of special corporate events and transactions we process. Event-driven activity is impacted by financial market conditions and changes in regulatory compliance requirements, resulting in fluctuations in the timing and levels of event-driven fee revenues. As such, the timing and level of event-driven activity and its potential impact on our revenues and earnings are difficult to forecast. The occurrence of any of these events would likely result in reduced revenues and decreased profitability from our business operations.

We may be adversely impacted by a failure of third-party service providers to perform their functions.

We rely on relationships with third parties, including our service providers and other vendors for certain functions. If we are unable to effectively manage our third-party relationships and the agreements under which our third-party vendors operate, our financial results or reputation could suffer. We rely on these third parties, including our data center and cloud services providers, to provide services in a timely and accurate manner and to adequately address their own cybersecurity risks. Failure by these third parties to adequately perform their services as expected could result in material interruptions in our operations, and negatively impact our services resulting in a material adverse effect on our business and financial results.

Certain of our businesses rely on a single or a limited number of service providers or vendors. Changes in the business condition (financial or otherwise) of these service providers or vendors could impact their provision of services to us or they may no longer be able to provide services to us at all, which could have a material

adverse effect on our business and financial results. In such circumstances, we cannot be certain that we will be able to replace our key third-party vendors in a timely manner or on terms commercially reasonable to us given, among other reasons, the scope of responsibilities undertaken by some of our service providers, the depth of their experience and their familiarity with our operations generally.

If we change a significant vendor, an existing service provider makes significant changes to the way it conducts its operations, or is acquired, or we seek to bring in-house certain services performed today by third parties, we may experience unexpected disruptions in the provision of our solutions, which could have a material adverse effect on our business and financial results.

Furthermore, certain third-party service providers or vendors may have access to sensitive data including personal information, valuable intellectual property and other proprietary or confidential data provided to us by our clients. It is possible that a third-party vendor could intentionally or inadvertently disclose sensitive data including personal information, which could have a material adverse effect on our business and financial results and damage our reputation.

We rely on the United States Postal Service (“USPS”) and other third-party carriers to deliver communications and changes in our relationships with these carriers or an increase in postal rates or shipping costs may adversely impact demand for our products and services and could have an adverse impact on our business and results of operations.

We rely upon the USPS and third-party carriers, including the United Parcel Service, for timely delivery of communications on behalf of our clients. As a result, we are subject to carrier disruptions due to factors that are beyond our control, including employee strikes, inclement weather, increased fuel costs and suspension of delivery of communications to certain countries as a result of the Covid-19 pandemic. Any failure to deliver communications to or on behalf of our clients in a timely and accurate manner may damage our reputation and brand and could cause us to lose clients. In addition, the USPS has incurred significant financial losses in recent years and may, as a result, implement significant changes to the breadth or frequency of its mail delivery causing disruptions in the service. If our relationship with any of these third-party carriers is terminated or impaired, or if any of these third parties are unable to distribute communications, we would be required to use alternative, and possibly more expensive, carriers to complete our distributions on behalf of our clients. We may be unable to engage alternative carriers on a timely basis or on acceptable terms, if at all, which could have an adverse effect on our business. In addition, future increases in postal rates or shipping costs, as well as changes in customer preferences, may result in decreased demand for our traditional printed and mailed communications resulting in an adverse effect on our business, financial condition and results of operations.

In the event of a disaster, our disaster recovery and business continuity plans may fail, which could result in the loss of client data and adversely interrupt operations.

Our operations are dependent on our ability to protect our infrastructure against damage from catastrophe, natural disaster, or severe weather including events resulting from unauthorized security breach, power loss, telecommunications failure, terrorist attack, pandemic, or other events that could have a significant disruptive effect on our operations. We have disaster recovery and business continuity plans in place in the event of system failure due to any of these events and we test our plans regularly. In addition, our data center services provider also has disaster recovery plans and procedures in place. However, we cannot be certain that our plans, or those of our data center services provider, will be successful in the event of a disaster. If our disaster recovery or business continuity plans are unsuccessful in a disaster recovery scenario, we could potentially lose client data or experience material adverse interruptions to our operations or delivery of services to our clients, and we could be liable to parties who are financially harmed by those failures. In addition, such failures could cause us to lose revenues, lose clients or damage our reputation.

Any slowdown or failure of our computer or communications systems could impact our ability to provide services to our clients and support our internal operations and could subject us to liability for losses suffered by our clients or their customers.

Our services depend on our ability to store, retrieve, process, and manage significant databases, and to receive and process transactions and investor communications through a variety of electronic systems. Our systems, those of our data center and cloud services providers, or any other systems with which our systems interact could slow down significantly or fail for a variety of reasons, including:

- computer viruses or undetected errors in internal software programs or computer systems;
- direct or indirect hacking or denial of service cybersecurity attacks;
- inability to rapidly monitor all system activity;
- inability to effectively resolve any errors in internal software programs or computer systems once they are detected;
- heavy stress placed on systems during peak times or due to high volumes or volatility; or
- power or telecommunications failure, fire, flood, pandemic or any other disaster.

While we monitor system loads and performance and implement system upgrades to handle predicted increases in trading volume and volatility, we may not be able to predict future volume increases or volatility accurately or that our systems and those of our data center services and cloud services providers will be able to accommodate these volume increases or volatility without failure or degradation. In addition, we may not be able to prevent cybersecurity attacks on our systems. Moreover, because we have outsourced our data center operations and use third-party cloud services providers for storage of certain data, the operation, performance and security functions of the data center and the cloud system involve factors beyond our control. Any significant degradation or failure of our computer systems, communications systems or any other systems in the performance of our services could cause our clients or their customers to suffer delays in their receipt of our services. These delays could cause substantial losses for our clients or their customers, and we could be liable to parties who are financially harmed by those failures. In addition, such failures could cause us to lose revenues, lose clients or damage our reputation.

The inability to properly perform our services or operational errors in the performance of our services could lead to liability for claims, client loss and result in reputational damage.

The inability or the failure to properly perform our services could result in our clients and/or certain of our subsidiaries that operate regulated businesses being subjected to losses including censures, fines, or other sanctions by applicable regulatory authorities, and we could be liable to parties who are financially harmed by those errors. In addition, the inability to properly perform our services or errors in the performance of our services could cause us to incur expenses including service penalties, lose revenues, lose clients or damage our reputation.

General economic and political conditions and broad trends in business and finance that are beyond our control may contribute to reduced levels of activity in the securities markets, which could result in lower revenues from our business operations.

Our services are impacted by the number of unique securities positions held by investors through our clients, the level of investor communications activity we process on behalf of our clients, trading volumes, market prices, and liquidity of the securities markets. These factors are in turn affected by general national and international economic and political conditions, and broad trends in business and finance that result in changes in participation and activity in the securities markets. For example, the Covid-19 pandemic continues to adversely impact global commercial activity and has contributed to a general economic recession, adversely impacting our clients. These factors include:

- economic, political and market conditions;
- legislative and regulatory changes;
- the availability of short-term and long-term funding and capital;
- the level and volatility of interest rates;

- currency values and inflation;
- financial well-being of our clients; and
- national, state, and local taxation levels affecting securities transactions.

These factors are beyond our control and may contribute to reduced levels of participation and activity in the securities markets. Our revenues have historically been largely driven by transaction processing based on levels of participation and activity in the securities markets. Accordingly, any significant reduction in participation and activity in the securities markets would likely result in lower revenues from our business operations.

If the operational systems and infrastructure that we depend on fail to keep pace with our growth, we may experience operating inefficiencies, client dissatisfaction and lost revenue opportunities.

The growth of our business and expansion of our client base may place a strain on our management and operations. We believe that our current and anticipated future growth will require the implementation of new and enhanced communications and information systems, the training of personnel to operate these systems, and the expansion and upgrade of core technologies. While many of our systems are designed to accommodate additional growth without redesign or replacement, we may nevertheless need to make significant investments in additional hardware and software to accommodate growth. In addition, we cannot assure you that we will be able to predict the timing or rate of this growth accurately or expand and upgrade our systems and infrastructure on a timely basis.

Our growth has required and will continue to require increased investments in management personnel and systems, financial systems and controls, and office facilities. We cannot assure you that we will be able to manage or continue to manage our future growth successfully. If we fail to manage our growth, we may experience operating inefficiencies, dissatisfaction among our client base, and lost revenue opportunities.

If we are unable to respond to the demands of our existing and new clients, or adapt to technological changes or advances, our business and future growth could be impacted.

The global financial services industry is characterized by increasingly complex and integrated infrastructures and products, new and changing business models and rapid technological and regulatory changes. Our clients' needs and demands for our products and services evolve with these changes. Our future success will depend, in part, on our ability to respond to our clients' demands for new services, capabilities and technologies on a timely and cost-effective basis. We also need to adapt to technological advancements such as digital and distributed ledger or blockchain technologies and cloud computing and keep pace with changing regulatory standards to address our clients' increasingly sophisticated requirements. Transitioning to these new technologies may be disruptive to our resources and the services we provide and may increase our reliance on third-party service providers such as our cloud services provider.

In addition, we run the risk of disintermediation due to emerging technologies, including distributed ledger or blockchain technologies. If we fail to adapt or keep pace with new technologies in a timely manner, it could harm our ability to compete, decrease the value of our products and services to our clients, and harm our business and impact our future growth.

Intense competition could negatively affect our ability to maintain or increase our market share and profitability.

The markets for our products and services continue to evolve and are highly competitive. We compete with a number of firms that provide similar products and services. In addition, our securities processing solutions compete with our clients' in-house capabilities to perform competitive functions. Our competitors may be able to respond more quickly to new or changing opportunities, technologies, and client requirements and may be able to undertake more extensive promotional activities, offer more attractive terms to clients and adopt more aggressive pricing policies than we will be able to offer or adopt. In addition, we expect that the markets in which we compete will continue to attract new competitors and new technologies, including international providers of similar products and services to ours. There can be no assurances that we will be able to compete effectively with current or future competitors. If we fail to compete effectively, our market share could decrease and our business, financial condition, and results of operations could be materially harmed.

We may be unable to attract and retain key personnel.

Our continued success depends on our ability to attract and retain key personnel such as our senior management and other qualified personnel including highly skilled technical employees to conduct our business. Skilled and experienced personnel in the areas where we compete are in high demand, and competition for their talents is intense. There can be no assurance that we will be successful in our efforts to recruit and retain the required key personnel. If we are unable to attract and retain qualified individuals or our recruiting and retention costs increase significantly, our operations and financial results could be materially adversely affected.

The inability to identify, obtain and retain important intellectual property rights to technology could harm our business.

Our success depends in part upon the development, licensing, and acquisition of systems and applications to conduct our business. Our success will increasingly depend in part on our ability to identify, obtain and retain intellectual property rights to technology, both for internal use as well as for use in providing services to our clients, through internal development, acquisition, licensing from others, or alliances with others. Our inability to identify, obtain and retain rights to certain technology on favorable terms and conditions would make it difficult to conduct business, or to timely introduce new and innovative products and services, which could harm our business, financial condition, and results of operations.

Our products and services, and the products and services provided to us by third parties, may infringe upon intellectual property rights of third parties, and any infringement claims could require us to incur substantial costs, distract our management, or prevent us from conducting our business.

Although we attempt to avoid infringing upon known proprietary rights of third parties, we are subject to the risk of claims alleging infringement of third-party proprietary rights. If in response to a third-party infringement allegation, we were to determine that we require a license to such third-party's proprietary rights, then we may be unable to obtain such license on commercially reasonable terms. Additionally, third parties that provide us with products or services that are integral to the conduct of our business may also be subject to similar infringement allegations from others, which could prevent such third parties from continuing to provide these products or services to us. In either of these events, we may need to undertake substantial reengineering of our products or services in order to continue offering them, and we may not succeed in doing so. In addition, any claim of infringement could cause us to incur substantial costs defending such claim, even if the claim is baseless, and could distract our management from our business. Furthermore, a party asserting such an infringement claim could secure a judgment against us that requires us to pay substantial damages, grants such party injunctive relief, or grants other court ordered remedies that could prevent us from conducting our business.

Acquisitions and integrating such acquisitions create certain risks and may affect operating results.

As part of our overall business strategy, we may make acquisitions and strategic investments in companies, technologies or products, or enter joint ventures. These transactions and the integration of acquisitions involve a number of risks. The core risks are in the areas of:

- *valuation*: finding suitable businesses to acquire at affordable valuations or on other acceptable terms; competition for acquisitions from other potential acquirors, and negotiating a fair price for the business based on inherently limited due diligence reviews;
- *integration*: managing the complex process of integrating the acquired company's people, products, technology, and other assets, and converting their financial, information security, privacy and other systems and controls to meet our standards, so as to realize the projected value of the acquired company and the synergies projected to be realized in connection with the acquisition; and
- *legacy issues*: protecting against actions, claims, regulatory investigations, losses, and other liabilities related to the predecessor business.

Also, the process of integrating these businesses may disrupt our business and divert our resources. These risks may arise for a number of reasons including, for example:

- finding suitable businesses to acquire at affordable valuations or on other acceptable terms;
- competition for acquisitions from other potential acquirors;

- incurring unforeseen obligations or liabilities in connection with such acquisitions;
- devoting unanticipated financial and management resources to an acquired business;
- borrowing money from lenders or selling equity or debt securities to the public to finance future acquisitions on terms that may be adverse to us;
- additional debt incurred to finance an acquisition could impact our liquidity and may cause a credit downgrade;
- loss of clients of the acquired business;
- entering markets where we have minimal prior experience; and
- experiencing decreases in earnings as a result of non-cash impairment charges.

In addition, international acquisitions often involve additional or increased risks including, for example:

- geographically separated organizations, systems, and facilities;
- integrating personnel with diverse business backgrounds and organizational cultures;
- complying with non-U.S. regulatory requirements;
- enforcing intellectual property rights in some non-U.S. countries; and
- general economic and political conditions.

We have incurred additional debt in connection with the Itiviti acquisition, which could have a negative impact on our financing options and liquidity position, which could in turn adversely affect our business.

As of June 30, 2021, we had \$3,914.4 million in aggregate principal amount of total debt. Additionally, our revolving credit facility has a remaining borrowing capacity of \$1,385.6 million as of June 30, 2021. Our overall leverage and the terms of our financing arrangements could:

- limit our ability to obtain additional financing in the future for working capital, capital expenditures or acquisitions, to fund growth or for general corporate purposes, even when necessary to maintain adequate liquidity;
- make it more difficult for us to satisfy the terms of our debt obligations;
- limit our ability to refinance our indebtedness on terms acceptable to us, or at all;
- limit our flexibility to plan for and to adjust to changing business and market conditions and increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to make interest and principal payments on our debt, thereby limiting the availability of our cash flow to fund future investments, capital expenditures, working capital, business activities and other general corporate requirements; and
- increase our vulnerability to adverse economic or industry conditions.

Our ability to meet expenses and debt service obligations will depend on our future performance, which could be affected by financial, business, economic and other factors. If we are not able to pay our debt service obligations, we may be required to refinance all or part of our debt, sell assets, borrow more money or raise additional equity capital. In addition, if the credit ratings of our outstanding indebtedness are downgraded, or if rating agencies indicate that a downgrade may occur, our business, financial position, and results of operations could be adversely affected and perceptions of our financial strength could be damaged. A downgrade would also have the effect of increasing our borrowing costs and could decrease the availability of funds we are able to borrow, adversely affecting our business, financial position, and results of operations. Further, a downgrade could adversely affect our relationships with our clients.

We may incur non-cash goodwill impairment charges in the future.

As a result of past acquisitions, we carry a significant goodwill balance on our balance sheet. Goodwill accounted for approximately 46% of the total assets on our balance sheet as of June 30, 2021. We expect to

engage in additional acquisitions, which will likely result in our recognition of additional goodwill. We test goodwill for impairment annually as of March 31st and at other times if events have occurred or circumstances exist that indicate the carrying value of goodwill may no longer be recoverable. Although no indications of a goodwill impairment have been identified, there can be no assurance that we will not incur impairment charges in the future, particularly in the event of a prolonged economic recession. A significant non-cash goodwill impairment could have a material adverse effect on our results of operations.

We operate internationally and our operations could be adversely impacted by local legal, economic, political and other conditions.

A portion of our revenue is generated outside the U.S. and in recent years, we have expanded our operations, entered strategic alliances, and acquired businesses outside the U.S. Also, our business is highly dependent on the global financial services industry and exchanges and market centers around the world. Compliance with foreign and U.S. laws and regulations that are applicable to our international operations could cause us to incur higher than anticipated costs, and inadequate enforcement of laws or policies such as those protecting intellectual property, could affect our business and the Company's overall results of operations. Our operations also could be affected by economic and political changes in those countries, particularly in those with developing economies, and by macroeconomic changes, including recessions, inflation and currency fluctuations between the U.S. dollar and non-U.S. currencies.

For example, the United Kingdom's withdrawal from the European Union ("Brexit") became effective on January 31, 2020 and on December 24, 2020, the United Kingdom and the European Union entered into the EU-UK Trade and Cooperation Agreement, which governs bilateral relations in areas such as trade, intellectual property, and energy. However, the post-Brexit relationship between the United Kingdom and the European Union is new and evolving, and any continuing legal or economic disruptions resulting from Brexit may negatively impact our clients with operations in the United Kingdom, which may cause them to reduce their spending on our solutions and services.

In addition, our operations and our ability to deliver our services to our clients could be adversely impacted if there is instability, disruption or destruction in certain geographic regions including as a result of natural or man-made disasters, wars, terrorist activities, or any widespread outbreak of an illness, pandemic, including a continuation or worsening of the Covid-19 pandemic and its variants, or other local or global health issue.

Certain of our services may be exposed to risk from our counterparties and third parties.

Our mutual fund and exchange-traded fund processing services and our transfer agency services involve the settlement of transactions on behalf of our clients and third parties. With these activities, we may be exposed to risk in the event our clients, or broker-dealers, banks, clearing organizations, or depositories are unable to fulfill contractual obligations. Failure to settle a transaction may affect our ability to conduct these services or may reduce their profitability as a result of the reputational risk associated with failure to settle.

Our revenues are subject to seasonal variations because we process and distribute the greatest number of proxy materials and annual reports in our third and fourth fiscal quarters.

Processing and distributing proxy materials and annual reports to investors comprises a large portion of our Investor Communication Solutions business. We process and distribute the greatest number of proxy materials and annual reports during our third and fourth fiscal quarters. The recurring periodic activity of this business is linked to significant filing deadlines imposed by law on public reporting companies. This causes our revenues, operating income, net earnings, and cash flows from operating activities to be higher in our third and fourth fiscal quarters. The seasonality of our revenues makes it difficult to estimate future operating results based on the results of any specific fiscal quarter and could affect an investor's ability to compare our financial condition, results of operations, and cash flows on a fiscal quarter-by-quarter basis.

ITEM 1B. Unresolved Staff Comments

None.

ITEM 2. Properties

We operate our business primarily from 60 facilities. We lease three facilities in Edgewood, New York, and facilities in El Dorado Hills, California; South Windsor, Connecticut; Kansas City, Missouri; Coppell, Texas; and Markham, Canada, with a combined space of 2.2 million square feet which are used in connection with our Investor Communication Solutions business. We also lease a facility in Newark, New Jersey, which houses our principal Global Technology and Operations business operations. We also lease space at 50 additional locations, subject to customary lease arrangements and which expire on a staggered basis, and we also own a facility in Mount Laurel, NJ. We believe our facilities are currently adequate for their intended purposes and are adequately maintained.

ITEM 3. Legal Proceedings

In the normal course of business, the Company is subject to claims and litigation. While the outcome of any claim or litigation is inherently unpredictable, the Company believes that the ultimate resolution of these matters will not, individually or in the aggregate, result in a material impact on its financial condition, results of operations, or cash flows.

ITEM 4. Mine Safety Disclosures

Not applicable.

PART II.

ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock began trading “regular way” on the NYSE under the symbol “BR” on April 2, 2007. There were 9,644 stockholders of record of the Company’s common stock as of July 30, 2021. This figure excludes the beneficial holders whose shares may be held of record by brokerage firms and clearing agencies.

Dividend Policy

We expect to pay cash dividends on our common stock. On August 11, 2021, our Board of Directors increased our quarterly cash dividend by \$0.065 per share to \$0.64 per share, an increase in our expected annual dividend amount from \$2.30 to \$2.56 per share. The declaration and payment of future dividends to holders of our common stock will be at the discretion of our Board of Directors, and will depend upon many factors, including our financial condition, earnings, capital requirements of our businesses, legal requirements, regulatory constraints, industry practice, and other factors that the Board of Directors deems relevant.

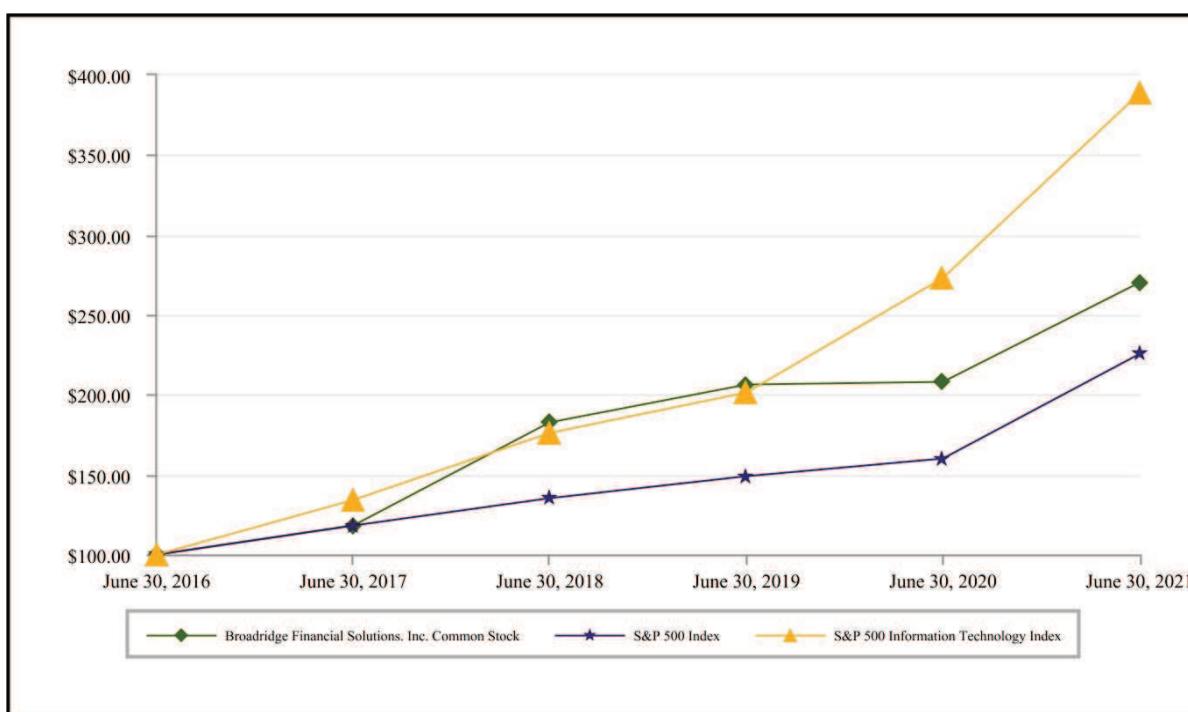
As a holding company, substantially all our assets being comprised of the capital stock of our subsidiaries, our ability to pay dividends will be dependent on our receiving dividends from our operating subsidiaries. Our subsidiaries through which we provide our business process outsourcing and mutual fund processing services, are regulated and may be subject to restrictions on their ability to pay dividends to us. We do not believe that these restrictions are significant enough to impact the Company’s ability to pay dividends.

Performance Graph

The following graph compares the cumulative total return on Broadridge common stock from June 30, 2016 to June 30, 2021, with the comparable cumulative return of the: (i) S&P 500 Index and (ii) S&P 500 Information Technology Index. The graph assumes \$100 was invested on June 30, 2016 in our common stock and in each of the indices and assumes that all cash dividends are reinvested. The table below the graph shows the dollar value of those investments as of the dates in the graph. The comparisons in the graph are required by the SEC and are not intended to forecast or be indicative of future performance of our common stock.

The following performance graph and related information shall not be deemed “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Exchange Act, each as amended, except to the extent that Broadridge specifically incorporates it by reference into such filing.

**Comparison of Five Year Cumulative Total Return Among Broadridge Financial Solutions, Inc.,
S&P 500 Index, and S&P 500 Information Technology Index (in dollars)**



	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Broadridge Financial Solutions, Inc.						
Common Stock	\$100.00	\$118.12	\$182.69	\$206.11	\$207.61	\$269.96
S&P 500 Index	\$100.00	\$117.89	\$134.82	\$148.86	\$160.01	\$225.25
S&P 500 Information Technology Index . . .	\$100.00	\$133.89	\$175.79	\$200.99	\$273.14	\$388.91

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table contains information about our purchases of our equity securities for each of the three months during our fourth fiscal quarter ended June 30, 2021:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2)
April 1, 2021 – April 30, 2021	130,034	\$154.92	—	9,586,545
May 1, 2021 – May 31, 2021	—	—	—	9,586,545
June 1, 2021 – June 30, 2021	<u>1,626</u>	162.76	—	9,586,545
Total	<u><u>131,660</u></u>	<u><u>\$155.02</u></u>	<u><u>—</u></u>	

(1) Includes 131,660 shares purchased from employees to pay taxes related to the vesting of restricted stock units.

(2) During the fiscal quarter ended June 30, 2021, the Company did not repurchase shares of common stock under its share repurchase program. At June 30, 2021, there were 9,586,545 shares remaining available for repurchase under its share repurchase program. Any share repurchases will be made in the open market or privately negotiated transactions in compliance with applicable legal requirements and other factors.

ITEM 6. Selected Financial Data

The following selected financial data is derived from our Consolidated Financial Statements and should be read in conjunction with our Consolidated Financial Statements, the accompanying Notes to the Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Annual Report on Form 10-K.

	Years Ended June 30,				
	2021	2020	2019	2018	2017
(in millions, except for per share amounts)					
Statements of Earnings Data					
Revenues (a)	\$ 4,993.7	\$ 4,529.0	\$ 4,362.2	\$ 4,329.9	\$ 4,142.6
Operating income (a)	678.7	624.9	652.7	598.1	534.0
Earnings before income taxes (a).....	696.2	579.5	607.3	561.0	488.1
Net earnings (a).....	547.5	462.5	482.1	427.9	326.8
Basic earnings per share (a).....	\$ 4.73	\$ 4.03	\$ 4.16	\$ 3.66	\$ 2.77
Diluted earnings per share (a)	\$ 4.65	\$ 3.95	\$ 4.06	\$ 3.56	\$ 2.70
Basic Weighted-average shares outstanding.....	115.7	114.7	115.9	116.8	118.0
Diluted Weighted-average shares outstanding	117.8	117.0	118.8	120.4	120.8
Cash dividends declared per common share	\$ 2.30	\$ 2.16	\$ 1.94	\$ 1.46	\$ 1.32
June 30,					
	2021	2020	2019	2018	2017
	(in millions)				
Balance Sheet Data					
Cash and cash equivalents	\$ 274.5	\$ 476.6	\$ 273.2	\$ 263.9	\$ 271.1
Total current assets (a)	1,261.3	1,328.0	1,042.3	991.1	989.6
Property, plant and equipment, net.....	177.2	161.6	189.0	204.1	198.1
Total assets (a)(b)	8,119.8	4,889.8	3,880.7	3,304.7	3,149.8
Total current liabilities (a)(b)	1,288.0	1,341.0	802.6	777.3	744.9
Long-term debt, excluding current portion	3,887.6	1,387.6	1,470.4	1,053.4	1,102.1
Total liabilities (a)(b)	6,310.6	3,543.2	2,753.2	2,210.4	2,146.0
Total stockholders' equity (a)(b).....	1,809.1	1,346.5	1,127.5	1,094.3	1,003.8

- (a) The Company adopted ASU No. 2014-09 on July 1, 2018, using the modified retrospective transition method with the cumulative effect of initially applying ASU No. 2014-09 recognized at the date of initial application. Accordingly, financial statement periods prior to July 1, 2018 have not been restated for the effects of ASU No. 2014-09. See Note 2, "Summary of Significant Accounting Policies", and Note 3, "Revenue Recognition" to our Consolidated Financial Statements under Item 8 of Part II of this Annual Report on Form 10-K for details of the Company's adoption of ASU No. 2014-09.
- (b) The Company adopted ASU No. 2016-02 "Leases", as amended, on July 1, 2019, by recognizing a right-of-use ("ROU") asset and corresponding lease liability, along with a cumulative-effect adjustment to the opening balance of retained earnings, in the period of adoption. The adoption of ASU No. 2016-02, as amended, did not have a material impact on the Consolidated Statements of Earnings, the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Cash Flows, or the Consolidated Statements of Stockholders' Equity. Under this method of adoption, the Company has not restated the prior period Consolidated Financial Statements presented to the current period presentation. See Note 2, "Summary of Significant Accounting Policies", and Note 8, "Leases" in our Consolidated Financial Statements under Item 8 of Part II of this Annual Report on Form 10-K for details of the Company's adoption of ASU No. 2016-02, as amended.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion summarizes the significant factors affecting the results of operations and financial condition of Broadridge during the fiscal years ended June 30, 2021 and 2020, and should be read in conjunction with our Consolidated Financial Statements and accompanying Notes thereto included elsewhere herein. Certain information contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations" are "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. 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. Our actual results, performance or achievements may differ materially from the results discussed in this Item 7 because of various factors, including those set forth elsewhere herein. See "Forward-Looking Statements" and "Risk Factors" included in Part 1 of this Annual Report on Form 10-K.

The discussion summarizing the significant factors affecting the results of operations and financial condition of Broadridge during the fiscal year ended June 30, 2019 can be found in Part II, "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the fiscal year 2020 (the "2020 Annual Report"), which was filed with the Securities and Exchange Commission on August 11, 2020.

DESCRIPTION OF THE COMPANY AND BUSINESS SEGMENTS

Broadridge, a Delaware corporation and a part of the S&P 500® Index, is a global financial technology leader providing investor communications and technology-driven solutions to banks, broker-dealers, asset and wealth managers and corporate issuers. Our services include investor communications, securities processing, data and analytics, and customer communications solutions. With over 50 years of experience, including over 10 years as an independent public company, we provide financial services firms with advanced, dependable, scalable and cost-effective integrated solutions and an important infrastructure that powers the financial services industry. Our solutions enable better financial lives by powering investing, governance and communications and help reduce the need for our clients to make significant capital investments in operations infrastructure, thereby allowing them to increase their focus on core business activities. Our businesses operate in two reportable segments: Investor Communication Solutions and Global Technology and Operations.

ACQUISITIONS

Assets acquired and liabilities assumed in business combinations are recorded on the Company's Consolidated Balance Sheets as of the respective acquisition date based upon the estimated fair values at such date. The results of operations of the business acquired by the Company are included in the Company's Consolidated Statements of Earnings since the respective date of acquisition. The excess of the purchase price over the estimated fair values of the underlying assets acquired and liabilities assumed is allocated to Goodwill.

The following represents the fiscal year 2021 acquisitions:

Fiscal Year 2021 Acquisitions:

Financial information on each transaction is as follows:

	<u>Itiviti</u>	<u>Advisor-Stream (in millions)</u>	<u>Total</u>
Cash payments, net of cash acquired	\$2,580.4	\$23.2	\$2,603.6
Deferred payments, net	—	2.9	2.9
Contingent consideration liability	—	7.3	7.3
Aggregate purchase price.....	<u>\$2,580.4</u>	<u>\$33.4</u>	<u>\$2,613.8</u>
Net tangible assets acquired / (liabilities assumed)	\$ (256.6)	\$ (3.0)	\$ (259.6)
Goodwill	1,932.4	25.8	1,958.2
Intangible assets	904.6	10.5	915.1
Aggregate purchase price.....	<u>\$2,580.4</u>	<u>\$33.4</u>	<u>\$2,613.8</u>

Itiviti Holding AB (“Itiviti”)

In May 2021, the Company acquired Itiviti, a leading provider of trading and connectivity technology to the capital markets industry. The acquisition of Itiviti extends the Company’s back-office capabilities into the front-office and deepens its multi-asset class solutions, better enabling the Company to help its clients adapt to a rapidly evolving marketplace. Itiviti is included in the Company’s GTO reportable segment.

- Goodwill is not tax deductible.
- Intangible assets acquired consist primarily of customer relationships and software technology, which are being amortized over a seven-year life and five-year life, respectively.

The allocation of the purchase price will be finalized upon completion of the analysis of the fair values of the acquired business’ assets and liabilities.

AdvisorStream Ltd. (“AdvisorStream”)

In June 2021, the Company acquired AdvisorStream, a leading provider of digital engagement and marketing solutions for the global wealth and insurance industries. AdvisorStream’s advisor marketing platform enables advisors to drive revenue and growth by providing personalized and consistent client communications. AdvisorStream is included in the Company’s GTO reportable segment.

- Goodwill is not tax deductible.
- Intangible assets acquired consist primarily of customer relationships and software technology, which are being amortized over a five-year life and five-year life, respectively.

The allocation of the purchase price will be finalized upon completion of the analysis of the fair values of the acquired business’ assets and liabilities.

The following represents the fiscal year 2020 acquisitions:

Fiscal Year 2020 Acquisitions:

BUSINESS COMBINATIONS

Financial information on each transaction is as follows:

	<u>Shadow Financial</u>	<u>Fi360</u>	<u>Clear-Structure</u> (in millions)	<u>Funds-Library</u>	<u>Other Acquisitions</u>	<u>Total</u>
Cash payments, net of cash acquired	\$35.6	\$116.0	\$59.1	\$69.9	\$17.3	\$298.0
Deferred payments, net	3.0	3.5	2.1	—	1.7	10.4
Contingent consideration liability	—	—	7.0	—	—	7.0
Aggregate purchase price	<u>\$38.6</u>	<u>\$119.5</u>	<u>\$68.3</u>	<u>\$69.9</u>	<u>\$19.1</u>	<u>\$315.4</u>
Net tangible assets acquired / (liabilities assumed) ..	\$ (0.1)	\$ (7.9)	\$ 0.2	\$ (3.1)	\$ (2.2)	\$ (13.1)
Goodwill.....	17.6	84.4	44.2	39.2	13.5	198.9
Intangible assets.....	<u>21.1</u>	<u>43.1</u>	<u>23.9</u>	<u>33.8</u>	<u>7.8</u>	<u>129.6</u>
Aggregate purchase price	<u>\$38.6</u>	<u>\$119.5</u>	<u>\$68.3</u>	<u>\$69.9</u>	<u>\$19.1</u>	<u>\$315.4</u>

Shadow Financial

In October 2019, we acquired Shadow Financial, a provider of multi-asset class post-trade solutions for the capital markets industry. The acquisition builds upon Broadridge's post-trade processing capabilities by adding a market-ready solution for exchanges, inter-dealer brokers and proprietary trading firms. In addition, the acquisition adds capabilities across exchange-traded derivatives and cryptocurrency.

- Goodwill is tax deductible.
- Intangible assets acquired consist primarily of customer relationships and software technology, which are being amortized over a seven-year life and five-year life, respectively.

Fi360

In November 2019, we acquired Fi360, a provider of fiduciary and Regulation BI solutions for the wealth and retirement industry, including the accreditation and continuing education for the Accredited Investment Fiduciary® Designation, the leading designation focused on fiduciary responsibility. The acquisition enhances Broadridge's retirement solutions by providing wealth and retirement advisors with fiduciary tools that will complement its Matrix trust and trading platform. The acquisition also further strengthens Broadridge's data and analytics tools and solutions suite that enable asset managers to grow their businesses by providing greater transparency into the retirement market.

- Goodwill is not tax deductible.
- Intangible assets acquired consist primarily of customer relationships and software technology, which are being amortized over a seven-year life and five-year life, respectively.

ClearStructure

In November 2019, we acquired ClearStructure, a global provider of portfolio management solutions for the private debt markets. ClearStructure's component services enhance Broadridge's existing multi-asset class, front-to-back office asset management technology suite, providing Broadridge clients with a capability to access the public and private markets.

- The contingent consideration liability is payable through fiscal year 2023 upon the achievement by the acquired business of certain revenue targets, and has a maximum potential pay-out of \$12.5 million upon the achievement in full of the defined financial targets by the acquired business.
- The fair value of the contingent consideration liability at June 30, 2021 is \$5.0 million.

- Goodwill is primarily tax deductible.
- Intangible assets acquired consist primarily of customer relationships and software technology, which are being amortized over a seven-year life and five-year life, respectively.

FundsLibrary

In February 2020, we acquired FundsLibrary, a provider of fund document and data dissemination in the European market. FundsLibrary's solutions enable fund managers to increase distribution opportunities and help them comply with regulations such as Solvency II and MiFID II. The business was combined with FundAssist, Broadridge's existing European funds regulatory communications business. The combination of FundsLibrary's data platform and technology with Broadridge's existing fund calculation, document creation and translation capabilities, creates an end-to-end solution for fund managers and distributors, enabling them to respond to demanding regulatory requirements across multiple jurisdictions.

- Goodwill is not tax deductible.
- Intangible assets acquired consist primarily of customer relationships and software technology, which are being amortized over a seven-year life and three-year life, respectively.

BASIS OF PRESENTATION

The Consolidated Financial Statements have been prepared in accordance with GAAP in the U.S. and in accordance with the SEC requirements for Annual Reports on Form 10-K. These financial statements present the consolidated position of the Company and include the entities in which the Company directly or indirectly has a controlling financial interest as well as various entities in which the Company has investments recorded under the equity method of accounting as well as certain marketable and non-marketable securities. Intercompany balances and transactions have been eliminated. Amounts presented may not sum due to rounding. Certain prior period amounts have been reclassified to conform to the current year presentation where applicable, except as it relates to ASU No. 2016-02, as amended "Leases" ("ASU No. 2016-02").

In presenting the Consolidated Financial Statements, management makes estimates and assumptions that affect the amounts reported and related disclosures. Management continually evaluates the accounting policies and estimates used to prepare the Consolidated Financial Statements. The estimates, by their nature, are based on judgment, available information, and historical experience and are believed to be reasonable. However, actual amounts and results could differ from those estimates made by management. In management's opinion, the Consolidated Financial Statements contain all normal recurring adjustments necessary for a fair presentation of results reported. The results of operations reported for the periods presented are not necessarily indicative of the results of operations for subsequent periods.

Effective July 1, 2019, the Company adopted ASU No. 2016-02, "Leases" and its related amendments (collectively referred to as "ASU 2016-02, as amended") by recognizing a ROU asset and corresponding lease liability, along with a cumulative-effect adjustment to the opening balance of retained earnings, in the period of adoption. Under this method of adoption, the Company has not restated the prior period Consolidated Financial Statements presented to the current period presentation. Additional information about the impact of the Company's adoption of ASU No. 2016-02, as amended is included in Note 2, "Summary of Significant Accounting Policies" and Note 8, "Leases" to the Consolidated Financial Statements.

CRITICAL ACCOUNTING POLICIES

We continually evaluate the accounting policies and estimates used to prepare the Consolidated Financial Statements. The estimates, by their nature, are based on judgment, available information, and historical experience and are believed to be reasonable. However, actual amounts and results could differ from these estimates made by management. Certain accounting policies that require significant management estimates and are deemed critical to our results of operations or financial position are discussed below.

Goodwill. We review the carrying value of all our goodwill by comparing the carrying value of our reporting units to their fair values. We are required to perform this comparison at least annually or more frequently if circumstances indicate a possible impairment. When determining fair value of a reporting unit, we utilize the income approach which considers a discounted future cash flow analysis using various assumptions,

including projections of revenues based on assumed long-term growth rates, estimated costs and appropriate discount rates based on the particular reporting unit's weighted-average cost of capital. The principal factors used in the discounted cash flow analysis requiring judgment are the projected future operating cash flows based on forecasted earnings before interest and taxes, and the selection of the terminal value growth rate and discount rate assumptions. The weighted-average cost of capital takes into account the relative weight of each component of our consolidated capital structure (equity and long-term debt). Our estimates of long-term growth and costs are based on historical data, various internal estimates and a variety of external sources, and are developed as part of our routine, long-range planning process. Changes in economic and operating conditions impacting these assumptions could result in goodwill impairments in future periods. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess not to exceed the total amount of goodwill allocated to that reporting unit. We had \$3,720.1 million of goodwill as of June 30, 2021. Given the significance of our goodwill, an adverse change to the fair value of one of our reporting units could result in an impairment charge, which could be material to our earnings.

The Company performs a sensitivity analysis under the goodwill impairment test assuming hypothetical reductions in the fair values of our reporting units. A 10% change in our estimates of projected future operating cash flows, discount rates, or terminal value growth rates used in our calculations of the fair values of the reporting units would not result in an impairment of our goodwill.

Income Taxes. The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an entity's financial statements or tax returns. Judgment is required in addressing the future tax consequences of events that have been recognized in our Consolidated Financial Statements or tax returns (e.g., realization of deferred tax assets, changes in tax laws or interpretations thereof). The Company is subject to regular examination of its income tax returns by the U.S. federal, state and foreign tax authorities. A change in the assessment of the outcomes of such matters could materially impact our Consolidated Financial Statements. The Company has estimated foreign net operating loss carryforwards of approximately \$63.0 million as of June 30, 2021 of which \$7.9 million are subject to expiration in the June 30, 2022 through June 30, 2041 period. The remaining \$55.1 million of carryforwards has an indefinite utilization period. In addition, the Company has estimated U.S. federal net operating loss carryforwards of approximately \$43.5 million of which \$24.4 million are subject to expiration in the June 30, 2022 through June 30, 2037 period with the balance of \$19.1 million having an indefinite utilization period. U.S. federal net operating loss carryforwards resulting from tax losses beginning with the fiscal year ended June 30, 2019 have an indefinite carryforward under the U.S. Tax Cuts and Jobs Act (the "Tax Act"). The Company did not realize any federal net operating losses for the fiscal year ended June 30, 2021.

Valuation allowances are recognized to reduce deferred tax assets when it is more likely than not that the Company will not be able to utilize the deferred tax assets of certain subsidiaries to offset future taxable earnings. The Company has recorded valuation allowances of \$10.5 million and \$6.7 million at June 30, 2021 and 2020, respectively. The determination as to whether a deferred tax asset will be recognized is made on a jurisdictional basis and is based on the evaluation of historical taxable income or loss, projected future taxable income, carryforward periods, scheduled reversals of deferred tax liabilities and tax planning strategies. Projected future taxable income is based on expected results and assumptions as to the jurisdiction in which the income will be earned. The assumptions used to project future taxable income requires significant judgment and are consistent with the plans and estimates used to manage the underlying businesses.

Share-based Payments. Accounting for stock-based compensation requires the measurement of stock-based compensation expense based on the fair value of the award on the date of grant. We determine the fair value of stock options issued by using a binomial option-pricing model. The binomial option-pricing model considers a range of assumptions related to volatility, dividend yield, risk-free interest rate and employee exercise behavior. Expected volatilities utilized in the binomial option-pricing model are based on a combination of implied market volatilities, historical volatility of our stock price and other factors. Similarly, the dividend yield is based on historical experience and expected future changes. The risk-free rate is derived from the U.S. Treasury yield curve in effect at the time of grant. The binomial option-pricing model also incorporates exercise and forfeiture assumptions based on an analysis of historical data. The expected life of the stock option grants is derived from the output of the binomial model and represents the period of time that options granted are expected to be outstanding. Determining these assumptions are subjective and complex, and therefore, a change in the

assumptions utilized could impact the calculation of the fair value of our stock options. A hypothetical change of five percentage points applied to the volatility assumption used to determine the fair value of the fiscal year 2021 stock option grants would result in approximately a \$2.2 million change in total pre-tax stock-based compensation expense for the fiscal year 2021 grants, which would be amortized over the vesting period.

A hypothetical change of one year in the expected life assumption used to determine the fair value of the fiscal year 2021 stock option grants would result in approximately a \$0.7 million change in the total pre-tax stock-based compensation expense for the fiscal year 2021 grants, which would be amortized over the vesting period. A hypothetical change of one percentage point in the forfeiture rate assumption used for the fiscal year 2021 stock option grants would result in approximately a \$0.1 million change in the total pre-tax stock-based compensation expense for the fiscal year 2021 grants, which would be amortized over the vesting period.

A hypothetical one-half percentage point change in the dividend yield assumption used to determine the fair value of the fiscal year 2021 stock option grants would result in approximately a \$0.8 million change in the total pre-tax stock-based compensation expense for the fiscal year 2021 grants, which would be amortized over the vesting period.

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 Revenue and Recurring fee revenue as well as not generally accepted accounting principles measures ("Non-GAAP") of Adjusted Operating income, Adjusted Net earnings, Adjusted Diluted earnings per share, Free Cash flow, and Closed sales. In addition, management focuses on select operating metrics specific to Broadridge of Record Growth and Internal Trade Growth, as defined below.

Refer to the section "Explanation and Reconciliation of the Company's Use of Non-GAAP Financial Measures" for a reconciliation of Adjusted Operating income, Adjusted Net earnings, Adjusted Diluted earnings per share, and Free Cash flow to the most directly comparable generally accepted accounting principles ("GAAP") measures, and an explanation for why these Non-GAAP metrics provide useful information to investors and how management uses these Non-GAAP metrics for operational and financial decision-making. Refer to the section "Results of Operations" for a description of Closed sales and an explanation of why Closed sales is a useful performance metric for management and investors.

Revenues

Revenues are primarily generated from fees for processing and distributing investor communications and fees for technology-enabled services and solutions. The Company monitors revenue in each of our two reportable segments as a key measure of success in addressing our clients' needs. Fee revenues are derived from both recurring and event-driven activity. The level of recurring and event-driven activity the Company processes directly impacts distribution revenues. While event-driven activity is highly repeatable, it may not recur on an annual basis. Event-driven fee revenues are based on the number of special events and corporate transactions the Company processes. Event-driven activity is impacted by financial market conditions and changes in regulatory compliance requirements, resulting in fluctuations in the timing and levels of event-driven fee revenues. Distribution revenues primarily include revenues related to the physical mailing of proxy materials, interim communications, transaction reporting, customer communications and fulfillment services as well as Matrix administrative services.

Recurring fee revenue growth represents the Company's total annual fee revenue growth, less growth from event-driven fee revenues. We distinguish recurring fee revenue growth between organic and acquired:

- Organic – We define organic revenue as the recurring fee revenue generated from Net New Business and internal growth.
- Acquired – We define acquired revenue as the recurring fee revenue generated from acquired services in the first twelve months following the date of acquisition. This type of growth comes as a result of our strategy to purchase, integrate, and leverage the value of assets we acquire.

Revenues and Recurring fee revenue are useful metrics for investors in understanding how management measures and evaluates the Company's ongoing operational performance. See "Results of Operations" as well as Note 2 "Summary of Significant Accounting Policies" and Note 3, "Revenue Recognition" to our Consolidated Financial Statements under Item 8 of Part II of this Annual Report on Form 10-K.

Record Growth and Internal Trade Growth

The Company uses select operating metrics specific to Broadridge of Record Growth and Internal Trade Growth in evaluating its business results and identifying trends affecting its business. Record Growth is defined as stock record growth and interim record growth which measure the estimated annual change in total positions eligible for equity proxy materials and mutual fund and exchange-traded fund interim communications, respectively, for equities and mutual fund position data reported to Broadridge in both the current and prior year periods. Internal Trade Growth represents the estimated change in trade volumes for Broadridge securities processing clients whose contracts are linked to trade volumes and who were on Broadridge's trading platforms in both the current and prior year periods. Record Growth and Internal Trade Growth are useful non-financial metrics for investors in understanding how management measures and evaluates Broadridge's ongoing operational performance within its Investor Communication Solutions and Global Technology and Operations reportable segments, respectively.

The key performance indicators for the fiscal years ended June 30, 2021, and 2020, are as follows:

	Select Operating Metrics	
	Years Ended June 30,	
	2021	2020
Record Growth		
Equity proxy	26%	10%
Mutual fund interims.....	10%	2%
Internal Trade Growth.....	12%	9%

RESULTS OF OPERATIONS

The following discussions of Analysis of Consolidated Statements of Earnings and Analysis of Reportable Segments refer to the fiscal year ended June 30, 2021 compared to the fiscal year ended June 30, 2020. The Analysis of Consolidated Statements of Earnings should be read in conjunction with the Analysis of Reportable Segments, which provides more detailed discussions concerning certain components of the Consolidated Statements of Earnings. Discussions of Analysis of Consolidated Statements of Earnings and Analysis of Reportable Segments for the fiscal year ended June 30, 2020 compared to the fiscal year ended June 30, 2019 is disclosed in Part II, "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of the 2020 Annual Report.

The following references are utilized in the discussions of Analysis of Consolidated Statements of Earnings and Analysis of Reportable Segments:

"Amortization of Acquired Intangibles and Purchased Intellectual Property" and "Acquisition and Integration Costs" represent non-cash amortization expenses associated with the Company's acquisition activities, as well as certain transaction and integration costs associated with the Company's acquisition activities, respectively.

"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.

"Gain on Acquisition-Related Financial Instrument" represents a non-operating gain on a financial instrument designed to minimize the Company's foreign exchange risk associated with the acquisition of Itiviti (the "Itiviti Acquisition"), as well as certain other non-operating financing costs associated with the Itiviti Acquisition.

“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.

“Net New Business” refers to recurring revenue from Closed sales less recurring revenue from client losses.

The following definitions describe the Company’s Revenues:

Fee revenues in the Investor Communication Solutions segment are derived from both recurring and event-driven activity. In addition, the level of recurring and event-driven activity we process directly impacts distribution revenues. While event-driven activity is highly repeatable, it may not recur on an annual basis. The types of services we provide that comprise event-driven activity are:

- Mutual Fund Proxy: The proxy and related services we provide to mutual funds when certain events occur requiring a shareholder vote including changes in directors, sub-advisors, fee structures, investment restrictions, and mergers of funds.
- Mutual Fund Communications: Mutual fund communications services consist primarily of the distribution on behalf of mutual funds of supplemental information required to be provided to the annual mutual fund prospectus as a result of certain triggering events such as a change in portfolio managers. In addition, mutual fund communications consist of notices and marketing materials such as newsletters.
- Equity Proxy Contests and Specials, Corporate Actions, and Other: The proxy services we provide in connection with shareholder meetings driven by special events such as proxy contests, mergers and acquisitions, and tender/exchange offers.

Event-driven fee revenues are based on the number of special events and corporate transactions we process. Event-driven activity is impacted by financial market conditions and changes in regulatory compliance requirements, resulting in fluctuations in the timing and levels of event-driven fee revenues. As such, the timing and level of event-driven activity and its potential impact on revenues and earnings are difficult to forecast.

Generally, mutual fund proxy activity has been subject to a greater level of volatility than the other components of event-driven activity. During fiscal year 2021, mutual fund proxy fee revenues were 17% greater than the prior fiscal year. During fiscal year 2020, mutual fund proxy revenues were 35% lower than the prior fiscal year. Although it is difficult to forecast the levels of event-driven activity, we expect that the portion of fee revenues derived from mutual fund proxy activity may continue to experience volatility in the future.

Distribution revenues primarily include revenues related to the physical mailing of proxy materials, interim communications, transaction reporting, customer communications and fulfillment services, as well as Matrix administrative services.

Distribution cost of revenues consists primarily of postage-related expenses incurred in connection with our Investor Communication Solutions segment, as well as Matrix administrative services expenses. These costs are reflected in Cost of revenues.

Closed sales represent an estimate of the expected annual recurring fee revenue for new client contracts that were signed by Broadridge in the current reporting period. Closed sales does not include event-driven or distribution activity. We consider contract terms, expected client volumes or activity, knowledge of the marketplace and experience with our clients, among other factors, when determining the estimate. Management uses Closed sales to measure the effectiveness of our sales and marketing programs, as an indicator of expected future revenues and as a performance metric in determining incentive compensation.

Closed sales is not a measure of financial performance under GAAP, and should not be considered in isolation or as a substitute for revenue or other income statement data prepared in accordance with GAAP. Closed sales is a useful metric for investors in understanding how management measures and evaluates our ongoing operational performance.

The inherent variability of transaction volumes and activity levels can result in some variability of amounts reported as actual achieved Closed sales. Larger Closed sales can take up to 12 to 24 months or longer to convert to revenues, particularly for the services provided by our Global Technology and Operations segment. For the fiscal year ended June 30, 2021, we are reporting Closed sales net of a 5.0% allowance adjustment. For the fiscal year ended June 30, 2020, we reported Closed sales net of a 4.0% allowance adjustment. Consequently,

our reported Closed sales amounts will not be adjusted for actual revenues achieved because these adjustments are estimated in the period the sale is reported. We assess this allowance amount at the end of each fiscal year to establish the appropriate allowance for the subsequent year using the trailing five years actual data as the starting point, normalized for outlying factors, if any, to enhance the accuracy of the allowance.

For the fiscal years ended June 30, 2021 and 2020, Closed sales were \$242.5 million and \$238.9 million, respectively. The fiscal years ended June 30, 2021 and 2020, are net of an allowance adjustment of \$12.8 million and \$10.0 million, respectively.

Recent Developments

In March 2020, the World Health Organization declared the outbreak of Covid-19 as a pandemic, which continues to persist throughout the world including the U.S., India, Canada, Europe and other locations where we operate. To date, the Covid-19 pandemic has negatively impacted the global economy, created significant financial market volatility, disrupted global supply chains, and resulted in a significant number of deaths and infections worldwide. In response, several countries worldwide have enacted fiscal stimulus packages while central banks have increased monetary stimulus, both designed to help mitigate the negative macroeconomic effects of Covid-19. In addition, several national, state and local governments have placed restrictions on people from gathering in groups or interacting within a certain physical distance (i.e. social distancing) and in certain cases, have ordered businesses to close, limit operations or mandate that people stay at home.

The Company's operations, both our Investor Communication Solutions and Global Technology and Operations segments, are critical components of the overall financial markets infrastructure in the U.S. and globally. As a result, we have been permitted to continue operating in all jurisdictions in which we conduct business (in most cases remotely), including in jurisdictions that have mandated the closure of certain businesses. Accordingly, the Company has taken several measures designed to protect the health of our employees and to minimize our operational disruption and resulting provision of services to our clients from the Covid-19 pandemic, including adopting strict social distancing and cleaning measures in our production facilities, taking the temperature of production-related employees in affected areas on a daily basis as a prerequisite to entering our facilities, load balancing of client jobs between various facilities, and instituting work from home protocols for employees not involved in production operations, amongst other measures.

In fiscal year 2021, there has not been a material impact as a result of Covid-19 on our consolidated revenues and pre-tax income. In addition, all of our production-related facilities remain operational and are continuing to provide ongoing services to our clients. Further, we have not experienced any significant supply-chain issues as our critical vendors have also remained operational and continue to meet their on-going service level requirements. We continue to engage with our clients to assist with their service demands, including our clients' needs for any supplemental operational services and/or changes to existing service requirements in response to the Covid-19 pandemic.

Notwithstanding the foregoing, we are unable to precisely predict the impact that Covid-19 will have in the future due to numerous uncertainties, including the severity of the disease, the duration of the outbreak, actions that may be taken by governmental authorities, the impact to the business of our clients, and other factors identified in Part I, Item 1A. "Risk Factors" in this Annual Report. Given these uncertainties, Covid-19 could disrupt the business of certain of our clients, decrease our clients' demand for our services, impact our business operations and our ability to execute on our associated business strategies and initiatives, and adversely impact our consolidated results of operations and/or our financial condition in the future. We will continue to closely monitor and evaluate the nature and extent of the impact of Covid-19 to our business, consolidated results of operations, and financial condition.

On August 5, 2020, the SEC proposed modifications to the mutual fund and exchange-traded fund disclosure framework (the "Proposal"). Under the Proposal, fund companies would send investors streamlined annual and semi-annual shareholder reports instead of long-form shareholder reports. The Proposal would allow fund companies to send investors streamlined and tailored annual and semi-annual shareholder reports instead of long-form shareholder reports. The Proposal also would replace the requirement for funds to distribute an annual prospectus to existing shareholders and instead requires timely communication of material changes via supplemental communications. Adoption and implementation of the Proposal as proposed could have an impact on our services, business and financial results. We will closely monitor and evaluate the progress of the Proposal and its potential impact on our business. Please see our "Risk Factors" in Part I, Item 1A. of this Annual Report.

ANALYSIS OF CONSOLIDATED STATEMENTS OF EARNINGS

Fiscal Year 2021 Compared to Fiscal Year 2020

The table below presents Consolidated Statements of Earnings data for the fiscal years ended June 30, 2021 and 2020, and the dollar and percentage changes between periods:

	Years Ended June 30,		Change	
	2021	2020	\$	%
(in millions, except for per share amounts)				
Revenues	\$ 4,993.7	\$ 4,529.0	\$ 464.7	10
Cost of revenues	3,570.8	3,265.1	305.6	9
Selling, general and administrative expenses.	744.3	639.0	105.2	16
Total operating expenses.	4,315.0	3,904.1	410.9	11
Operating income	678.7	624.9	53.8	9
Margin	13.6%	13.8%		(0.2)pts
Interest expense, net	(55.2)	(58.8)	3.5	(6)
Other non-operating income (expenses), net	72.7	13.4	59.3	NM
Earnings before income taxes.	696.2	579.5	116.6	20
Provision for income taxes.	148.7	117.0	31.6	27
Effective tax rate.	21.4%	20.2%		1.2 pts
Net earnings	\$ 547.5	\$ 462.5	\$ 85.0	18
Basic earnings per share	\$ 4.73	\$ 4.03	\$ 0.70	17
Diluted earnings per share	\$ 4.65	\$ 3.95	\$ 0.70	18
Weighted average shares outstanding:				
Basic	115.7	114.7		
Diluted	117.8	117.0		

NM – Not meaningful

Revenues

The table below presents Consolidated Statements of Earnings data for the fiscal years ended June 30, 2021 and 2020, and the dollar and percentage changes between periods:

	Years Ended June 30,		Change	
	2021	2020	\$	%
(\$ in millions)				
Recurring fee revenues	\$3,332.9	\$3,036.3	\$296.7	10
Event-driven fee revenues	237.3	178.0	59.3	33
Distribution revenues	1,555.3	1,451.2	104.1	7
Foreign currency exchange.	(131.9)	(136.4)	4.6	(3)
Total.	\$ 4,993.7	\$ 4,529.0	\$ 464.7	10
Points of Growth				
	Net New Business	Internal Growth	Acquisitions	Total
Recurring fee revenue Growth Drivers	5pts	3pts	2pts	10%

Revenues increased \$464.7 million, or 10%, to \$4,993.7 million from \$4,529.0 million.

- Recurring fee revenues increased \$296.7 million primarily by growth from 5pts of new business onboarding, 3pts of internal growth, and 2pts related to the impact of acquisitions. Internal growth of 3pts was driven by increased equity and interim positions in ICS and primarily higher equity trade volumes in GTO, partially offset by lower interest rates on cash balances we hold for retirement accounts, lower customer communication volumes, and lower GTO license revenues.
- Event-driven fee revenues increased \$59.3 million due to increased equity contests and mutual fund proxy and other communications.
- Distribution revenues increased \$104.1 million primarily from the increase in the volume of customer and regulatory communications as well as the mix of customer communication mailings.

Total operating expenses. Operating expenses increased \$410.9 million, or 11%, to \$4,315.0 million from \$3,904.1 million as a result of an increase in both cost of revenues and selling, general and administrative expenses:

- Cost of revenues – The increase of \$305.6 million in cost of revenues primarily reflects (i) higher distribution expenses, (ii) higher operating costs from acquisitions and related amortization expense, and (iii) other higher operating expenses including compensation.
- Selling, general and administrative expenses – The increase of \$105.2 million in selling, general, and administrative expenses primarily reflects (i) spend on growth and other initiatives, (ii) higher performance-based compensation, and (iii) the impact of acquisitions.

Operating income margin of 13.6% for the fiscal year ended June 30, 2021 declined 20 bps from 13.8% for the fiscal year ended June 30, 2020 partly due to higher acquisition amortization expenses and other acquisition related charges plus charges associated with Real Estate Realignment and Covid-19 Related Expenses. However, Adjusted Operating income margin of 18.1% for the fiscal year ended June 30, 2021 increased 60 bps on higher recurring fee revenues and higher event-driven fee revenues from 17.5% for the fiscal year ended June 30, 2020, which excludes acquisition amortization expense, certain charges associated with Real Estate Realignment and Covid-19 Related Expenses, and certain other Non-GAAP adjustments. See “Explanation and Reconciliation of the Company’s Use of Non-GAAP Financial Measures.”

Interest expense, net. Interest expenses, net, was \$55.2 million, a decrease of \$3.5 million from \$58.8 million in the fiscal year ended June 30, 2020. The decrease of \$3.5 million was primarily due to a decrease in interest expense from lower average interest rates on borrowings.

Other non-operating income (expenses), net. Other non-operating income, net for the fiscal year ended June 30, 2021 was \$72.7 million, an increase of \$59.3 million, compared to \$13.4 million of Other non-operating income, net for the fiscal year ended June 30, 2020. The increase of \$59.3 million was primarily due to the Gain on Acquisition-Related Financial Instrument.

Provision for income taxes.

- Effective tax rate for the fiscal year ended June 30, 2021 - 21.4%.
- Effective tax rate for the fiscal year ended June 30, 2020 - 20.2%.

The increase in the effective tax rate for the fiscal year ended June 30, 2021 compared to the fiscal year ended June 30, 2020 was driven by the reduced impact of discrete tax items.

ANALYSIS OF REPORTABLE SEGMENTS

Broadridge has two reportable business segments: (1) Investor Communication Solutions and (2) Global Technology and Operations.

The primary component of “Other” are certain gains, losses, corporate overhead expenses and non-operating expenses that have not been allocated to the reportable segments, such as interest expense. Foreign currency exchange is a reconciling item between the actual foreign currency exchange rates and the constant foreign currency exchange rates used for internal management reporting.

Certain corporate expenses, as well as certain centrally managed expenses, are allocated based upon budgeted amounts in a reasonable manner. Because the Company compensates the management of its various businesses on, among other factors, segment profit, the Company may elect to record certain segment-related operating and non-operating expense items in Other rather than reflect such items in segment profit.

Revenues

	Years Ended June 30,		
			Change
	2021	2020	\$
			(\$ in millions)
Investor Communication Solutions	\$3,867.5	\$3,491.3	\$376.2
Global Technology and Operations	1,258.1	1,174.2	83.9
Foreign currency exchange.....	(131.9)	(136.4)	4.6
Total.....	<u>\$4,993.7</u>	<u>\$4,529.0</u>	<u>\$464.7</u>
			10

Earnings Before Income Taxes

	Years Ended June 30,		
			Change
	2021	2020	\$
			(\$ in millions)
Investor Communication Solutions	\$ 605.6	\$ 464.1	\$141.5
Global Technology and Operations	223.3	245.0	(21.7)
Other	(153.0)	(146.3)	(6.6)
Foreign currency exchange.....	<u>20.3</u>	<u>16.8</u>	<u>3.5</u>
Total.....	<u>\$ 696.2</u>	<u>\$ 579.5</u>	<u>\$116.6</u>
			20

Investor Communication Solutions

Fiscal Year 2021 Compared to Fiscal Year 2020

Revenues increased \$376.2 million to \$3,867.5 million from \$3,491.3 million, and earnings before income taxes increased \$141.5 million to \$605.6 million from \$464.1 million as a result of:

	Years Ended June 30,		
			Change
	2021	2020	\$
			(\$ in millions)
Revenues			
Recurring fee revenues	\$2,074.8	\$1,862.0	\$212.8
Event-driven fee revenues	237.3	178.0	59.3
Distribution revenues	<u>1,555.3</u>	<u>1,451.2</u>	<u>104.1</u>
Total.....	<u>\$3,867.5</u>	<u>\$3,491.3</u>	<u>\$376.2</u>
			11
Earnings before Income Taxes			
Earnings before income taxes.....	<u>\$ 605.6</u>	<u>\$ 464.1</u>	<u>\$141.5</u>
Pre-tax Margin.....	15.7%	13.3%	

	Points of Growth			
	Net New Business	Internal Growth	Acquisitions	Total
Recurring fee revenue Growth Drivers	5pts	5pts	1pt	11%

For the fiscal year ended June 30, 2021:

- Recurring fee revenues grew 11% driven primarily by Net New Business and Internal Growth. The 5pt contribution from Internal Growth was from increased equity and interim positions with a partial offset from the impact of lower interest rates on retirement cash accounts and lower volumes in customer communications. Net New Business also contributed 5pts mainly from the revenue on-boarding of Closed sales. Acquisitions contributed 1pt from the carry-over impact of Funds Library and Fi360 acquisitions in fiscal year 2020.
- Event-driven fee revenues grew 33% due to increased equity contests and mutual fund proxy and other communications.
- Higher distribution revenues resulted primarily from the increase in the volume of customer and regulatory communications as well as the mix of customer communication mailings.
- The earnings increase of \$141.5 million was due to higher recurring and event-driven fee revenues.
- Pre-tax margins increased by 2.4 percentage points to 15.7% from 13.3%.

Global Technology and Operations

Fiscal Year 2021 Compared to Fiscal Year 2020

Revenues increased \$83.9 million to \$1,258.1 million from \$1,174.2 million, and earnings before income taxes decreased \$21.7 million to \$223.3 million from \$245.0 million.

	Years Ended June 30,		Change	
	2021	2020	\$	%
	(\$ in millions)			
Revenues				
Recurring fee revenues	<u>\$1,258.1</u>	<u>\$1,174.2</u>	<u>\$ 83.9</u>	7
Earnings before Income Taxes				
Earnings before income taxes.....	<u>\$ 223.3</u>	<u>\$ 245.0</u>	<u>\$(21.7)</u>	(9)
Pre-tax Margin.....	17.7%	20.9%		
Points of Growth				
	Net New Business	Internal Growth	Acquisitions	Total
Recurring fee revenue Growth Drivers	4pts	0pts	3pts	7%

For the fiscal year ended June 30, 2021:

- Recurring fee revenues grew 7% driven primarily by Net New Business. Internal growth was impacted by higher equity trading volumes offset by lower license sales. Acquisitions contributed 3 points to growth primarily from the Itiviti Acquisition.
- The earnings decrease was due to expenditures to implement and support new business, increased amortization of acquired intangibles and spending on growth initiatives more than offsetting higher organic revenues and higher revenues from acquisitions. Pre-tax margins decreased by 3.2 percentage points to 17.7% from 20.9%.

Other

Loss before income taxes was \$153.0 million for the fiscal year ended June 30, 2021, an increase of \$6.6 million, or 5%, compared to \$146.3 million for the fiscal year ended June 30, 2020.

- The increased loss before income taxes was primarily due to (i) costs associated with the Company's real estate realignment initiative including lease exit and impairment charges and other facility exit costs of \$29.6 million, (ii) higher performance-based compensation expense, (iii) higher spending on

growth initiatives, and (iv) certain expenses associated with the Covid-19 pandemic, partially offset by (v) a non-operating gain on a financial instrument designed to minimize the Company's foreign exchange risk associated with the Itiviti Acquisition net of acquisition-related costs and (vi) charges associated with the IBM Private Cloud Agreement that occurred in the prior year period.

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

The Company's results in this Annual Report on Form 10-K are presented in accordance with U.S. GAAP except where otherwise noted. In certain circumstances, results have been presented in Non-GAAP measures. 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, for internal planning and forecasting purposes and in the calculation of performance-based compensation. 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.

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, as 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 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, (vi) Software Charge, (vii) Gain on Acquisition-Related Financial Instrument, and (viii) Gain on Sale of a Joint Venture Investment. Amortization of Acquired Intangibles and Purchased Intellectual Property represent 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. Gain on Acquisition-Related Financial Instrument represents a non-operating 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. 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.

We exclude Acquisition and Integration Costs, IBM Private Cloud Charges, Real Estate Realignment and Covid-19 Related Expenses, the Investment Gain, the Software Charge, the Gain on Acquisition-Related Financial Instrument, and the Gain on Sale of a Joint Venture Investment 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 Flows

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.

Set forth below is a reconciliation of such Non-GAAP measures to the most directly comparable GAAP measures (unaudited):

	Years ended June 30,	
	2021	2020
	(in millions)	
Operating income (GAAP)	\$678.7	\$624.9
Adjustments:		
Amortization of Acquired Intangibles and Purchased Intellectual Property	153.7	122.9
Acquisition and Integration Costs	18.1	12.5
IBM Private Cloud Charges	—	32.0
Real Estate Realignment and Covid-19 Related Expenses	45.3	2.4
Software Charge	6.0	—
Adjusted Operating income (Non-GAAP)	<u>\$901.8</u>	<u>\$794.8</u>
Operating income margin (GAAP)	13.6%	13.8%
Adjusted Operating income margin (Non-GAAP)	18.1%	17.5%
	Years ended June 30,	
	2021	2020
	(in millions)	
Net earnings (GAAP)	\$547.5	\$462.5
Adjustments:		
Amortization of Acquired Intangibles and Purchased Intellectual Property	153.7	122.9
Acquisition and Integration Costs	18.1	12.5
IBM Private Cloud Charges	—	32.0
Real Estate Realignment and Covid-19 Related Expenses	45.3	2.4
Software Charge	6.0	—
Investment Gain	(8.7)	—
Gain on Acquisition-Related Financial Instrument	(62.1)	—
Gain on Sale of a Joint Venture Investment	—	(6.5)
Subtotal of adjustments	152.2	163.4
Tax impact of adjustments (a)	(33.2)	(37.4)
Adjusted Net earnings (Non-GAAP)	<u>\$666.5</u>	<u>\$588.5</u>

	Years ended June 30,	
	2021	2020
Diluted earnings per share (GAAP)	\$ 4.65	\$ 3.95
Adjustments:		
Amortization of Acquired Intangibles and Purchased Intellectual Property	1.30	1.05
Acquisition and Integration Costs.	0.15	0.11
IBM Private Cloud Charges	—	0.27
Real Estate Realignment and Covid-19 Related Expenses	0.38	0.02
Software Charge	0.05	—
Investment Gain.	(0.07)	—
Gain on Acquisition-Related Financial Instrument	(0.53)	—
Gain on Sale of a Joint Venture Investment	—	(0.06)
Subtotal of adjustments	1.29	1.40
Tax impact of adjustments (a)	(0.28)	(0.32)
Adjusted earnings per share (Non-GAAP)	<u>\$ 5.66</u>	<u>\$ 5.03</u>

- (a) Calculated using the GAAP effective tax rate, adjusted to exclude \$16.9 million of excess tax benefits (“ETB”) associated with stock-based compensation for the fiscal year ended June 30, 2021, and \$15.6 million of ETB associated with stock-based compensation for the fiscal year ended June 30, 2020. The tax impact of adjustments also excludes approximately \$10.6 million of Acquisition and Integration Costs for the fiscal year ended June 30, 2021, which are not tax-deductible. For purposes of calculating the Adjusted earnings per share, the same adjustments were made on a per share basis.

	Years ended June 30,	
	2021	2020
(in millions)		
Net cash flows provided by operating activities (GAAP)	\$ 640.1	\$598.2
Capital expenditures and Software purchases and capitalized internal use software	(100.7)	(98.7)
Proceeds from asset sales	<u>18.0</u>	<u>—</u>
Free cash flow (Non-GAAP)	<u>\$ 557.3</u>	<u>\$499.5</u>

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents consisted of the following:

	June 30,	
	2021	2020
(in millions)		
Cash and cash equivalents:		
Domestic cash	\$ 40.9	\$291.2
Cash held by foreign subsidiaries	159.8	118.6
Cash held by regulated entities	<u>73.8</u>	<u>66.8</u>
Total cash and cash equivalents	<u>\$274.5</u>	<u>\$476.6</u>

At June 30, 2021 and 2020, Cash and cash equivalents were \$274.5 million and \$476.6 million, respectively. Total stockholders' equity was \$1,809.1 million and \$1,346.5 million at June 30, 2021 and 2020, respectively. At the current time, and in future periods, we expect cash generated by our operations, together with existing cash, cash equivalents, and borrowings from the capital markets, to be sufficient to cover cash needs for working capital, capital expenditures, strategic acquisitions, dividends and common stock repurchases. Given the volatility in the rapidly changing market and economic conditions related to the Covid-19 pandemic, we will continue to evaluate the nature and extent of the impact of the Covid-19 pandemic on our business and financial position.

We expect existing domestic cash, cash equivalents, cash flows from operations and borrowing capacity to continue to be sufficient to fund our domestic operating activities and cash commitments for investing and

financing activities, such as regular quarterly dividends, debt repayment schedules, and material capital expenditures, for at least the next 12 months and thereafter for the foreseeable future. In addition, we expect existing foreign cash, cash equivalents, cash flows from operations and borrowing capacity to continue to be sufficient to fund our foreign operating activities and cash commitments for investing activities, such as material capital expenditures, for at least the next 12 months and thereafter for the foreseeable future. If these funds are needed for our operations in the U.S., we may be required to pay additional foreign taxes to repatriate these funds. However, while we may do so at a future date, the Company does not need to repatriate future foreign earnings to fund U.S. operations.

Outstanding borrowings and available capacity under the Company's borrowing arrangements were as follows:

	Expiration Date	Principal amount outstanding at June 30, 2021 (in millions)	Carrying value at June 30, 2021	Carrying value at June 30, 2020	Unused Available Capacity	Fair Value at June 30, 2021
Current portion of long-term debt						
Fiscal 2014 Senior Notes.....	September 2020	\$ —	\$ —	\$ 399.9	\$ —	\$ —
Total		\$ —	\$ —	\$ 399.9	\$ —	\$ —
Long-term debt, excluding current portion						
Fiscal 2021 Revolving Credit Facility:						
U.S. dollar tranche.....	April 2026	\$ 20.0	\$ 20.0	\$ —	\$ 1,080.0	\$ 20.0
Multicurrency tranche	April 2026	94.4	94.4	149.8	305.6	94.4
Total Revolving Credit Facility..		\$ 114.4	\$ 114.4	\$ 149.8	\$ 1,385.6	\$ 114.4
Fiscal 2021 Term Loans	May 2024	\$1,550.0	\$1,543.4	\$ —	\$ —	\$1,550.0
Fiscal 2016 Senior Notes.....	June 2026	\$ 500.0	\$ 496.7	\$ 496.1	\$ —	\$ 549.0
Fiscal 2020 Senior Notes.....	December 2029	750.0	742.5	741.7	\$ —	791.3
Fiscal 2021 Senior Notes.....	May 2031	1,000.0	990.6	\$ —	\$ —	1,021.1
Total Senior Notes		\$2,250.0	\$2,229.8	\$1,237.8	\$ —	\$2,361.4
Total long-term debt		\$3,914.4	\$3,887.6	\$1,387.6	\$1,385.6	\$4,025.9
Total debt		\$3,914.4	\$3,887.6	\$1,787.5	\$1,385.6	\$4,025.9

Future principal payments on the Company's outstanding debt are as follows:

Years ending June 30,	2022	2023	2024	2025	2026	Thereafter	Total
(in millions).....	\$—	\$—	\$1,550.0	\$—	\$614.4	\$1,750.0	\$3,914.4

The Company has a \$1.5 billion five-year revolving credit facility (the "Fiscal 2021 Revolving Credit Facility"), which is comprised of a \$1.1 billion U.S. dollar tranche and a \$400.0 million multicurrency tranche. Under the Fiscal 2021 Revolving Credit Facility, revolving loans denominated in U.S. Dollars, Canadian Dollars, Euro, Yen, and Swedish Kronor initially bear interest at LIBOR, CDOR, EURIBOR, TIBOR and STIBOR, respectively, plus 1.015% per annum (subject to step-ups to 1.175% and step-downs to 0.805% based on ratings) and revolving loans denominated in Sterling initially bear interest at SONIA plus 1.0476% per annum (subject to step-ups to 1.2076% and step-downs to 0.8376% based on ratings). The Fiscal 2021 Revolving Credit Facility also has an annual facility fee equal to 11.0 basis points on the entire facility (subject to step-ups to 20.0 basis points and step-downs to 7.0 basis points based on ratings).

In March 2021, the Company entered into a term credit agreement (“Term Credit Agreement”) providing for term loan commitments in an aggregate principal amount of \$2.55 billion, comprised of a \$1.0 billion tranche (“Tranche 1”) and a \$1.55 billion tranche (“Tranche 2,” together with Tranche 1, the “Fiscal 2021 Term Loans”). The Tranche 1 Loans were repaid in full in May 2021. The Tranche 2 Loans will mature in May 2024 on the third anniversary of the Funding Date. The proceeds of the Fiscal 2021 Term Loans were used by the Company to solely finance the Itiviti Acquisition and pay certain fees and expenses in connection therewith. Interest on the outstanding portion of the Fiscal 2021 Term Loans bears interest at LIBOR plus 0.875% per annum (subject to step-ups to LIBOR plus 1.250% or a step-down to LIBOR plus 0.750% based on ratings).

In June 2016, the Company completed an offering of \$500.0 million in aggregate principal amount of senior notes (the “Fiscal 2016 Senior Notes”). Interest on the Fiscal 2016 Senior Notes is payable semiannually on June 27 and December 27 of each year based on a fixed per annum rate equal to 3.40%. In December 2019, the Company completed an offering of \$750.0 million in aggregate principal amount of senior notes (the “Fiscal 2020 Senior Notes”). Interest on the Fiscal 2020 Senior Notes is payable semiannually on June 1 and December 1 of each year based on a fixed per annum rate equal to 2.90%. In May 2021, the Company completed an offering of \$1 billion in aggregate principal amount of senior notes (the “Fiscal 2021 Senior Notes”). Interest on the Fiscal 2021 Senior Notes is payable semi-annually in arrears on May 1 and November 1 of each year based on a fixed per annum rate equal to 2.60%.

The Fiscal 2021 Revolving Credit Facility, Fiscal 2021 Term Loans, Fiscal 2016 Senior Notes, Fiscal 2020 Senior Notes and Fiscal 2021 Senior Notes are senior unsecured obligations of the Company and are ranked equally in right of payment.

Our liquidity position may be negatively affected by changes in general economic conditions, regulatory requirements and access to the capital markets, which may be limited if we were to fail to renew any of the credit facilities on their renewal dates or if we were to fail to meet certain ratios.

Please refer to Note 13, “Borrowings” to our Consolidated Financial Statements under Item 8 of Part II of this Annual Report on Form 10-K for a more detailed discussion.

Cash Flows

Fiscal Year 2021 Compared to Fiscal Year 2020

	Years Ended June 30,		
	2021	2020	\$ Change
	(in millions)		
Net cash flows provided by operating activities	\$ 640.1	\$ 598.2	\$ 41.8
Net cash flows used in investing activities	\$(2,653.7)	\$(441.7)	\$(2,212.0)
Net cash flows provided by financing activities	\$ 1,797.8	\$ 51.2	\$ 1,746.6

The increase in cash provided by operating activities of \$41.8 million primarily reflects higher net earnings and higher cash provided by working capital, partially offset by increased scaling of client-related platform implementation and development as compared to the prior year period.

The increase in cash used in investing activities of \$2,212.0 million primarily reflects higher acquisition spend in fiscal year 2021 compared to the prior year period, most notably the Itiviti Acquisition.

The increase in cash provided by financing activities of \$1,746.6 million primarily reflects higher borrowings net of repayments, most notably to finance the Itiviti Acquisition.

Income Taxes

The Company, headquartered in the U.S., is routinely examined by the IRS and is also routinely examined by the tax authorities in the U.S. states and foreign countries in which it conducts business. The tax years under audit examination vary by tax jurisdiction. The Company regularly considers the likelihood of assessments in each of the jurisdictions resulting from examinations. To the extent the Company determines it has potential tax assessments in particular tax jurisdictions, the Company has established tax reserves which it believes are adequate in relation to the potential assessments. Once established, reserves are adjusted when there is more information available, when an event occurs necessitating a change to the reserves or the statute of limitations for the relevant taxing authority to examine the tax position has expired. The resolution of tax matters

should not have a material effect on the financial condition of the Company or on the Company's Consolidated Statements of Earnings for a particular future period.

Defined Benefit Pension Plans

The Company sponsors a Supplemental Officer Retirement Plan (the "SORP"). The SORP is a nonqualified ERISA defined benefit plan pursuant to which the Company will pay supplemental pension benefits to certain key officers upon retirement based upon the officers' years of service and compensation. The SORP was closed to new participants beginning in fiscal year 2015. The Company also sponsors a Supplemental Executive Retirement Plan (the "SERP"). The SERP is also a nonqualified ERISA defined benefit plan pursuant to which the Company will pay supplemental pension benefits to certain key executives upon retirement based upon the executives' years of service and compensation. The SERP was closed to new participants beginning in fiscal year 2015.

The SORP and SERP are effectively funded with assets held in a Rabbi Trust. The assets invested in the Rabbi Trust are to be used in part to fund benefit payments to participants under the terms of the plans. The Rabbi Trust is irrevocable and no portion of the trust funds may be used for any purpose other than the delivery of those assets to the participants, except that assets held in the Rabbi Trust would be subject to the claims of the Company's general creditors in the event of bankruptcy or insolvency of the Company. The SORP and SERP are nonqualified plans for federal tax purposes and for purposes of Title I of ERISA. The Rabbi Trust assets had a value of \$62.6 million at June 30, 2021 and \$54.5 million at June 30, 2020 and are included in Other non-current assets in the accompanying Consolidated Balance Sheets.

The benefit obligation to the Company under these plans at June 30, 2021 and 2020 was:

	Years ended June 30,	
	2021	2020
	(in millions)	
SORP	\$59.5	\$53.8
SERP.....	6.4	6.0
Total	<u>\$65.9</u>	<u>\$59.8</u>

Other Post-retirement Benefit Plan

The Company sponsors an Executive Retiree Health Insurance Plan. It is a post-retirement benefit plan pursuant to which the Company helps defray the health care costs of certain eligible key executive retirees and qualifying dependents, based upon the retirees' age and years of service, until they reach the age of 65. The plan is currently unfunded.

The benefit obligation to the Company under this plan at June 30, 2021 and 2020 was:

	Years ended June 30,	
	2021	2020
	(in millions)	
Executive Retiree Health Insurance Plan	\$3.7	\$4.5

Other Post-employment Benefit Obligations

The Company sponsors certain non-US benefits-related plans covering certain eligible international employees who are eligible under the terms of their employment in their respective countries. These plans are generally unfunded.

The benefit obligation to the Company under these plans at June 30, 2021 and 2020 was:

	Years ended June 30,	
	2021	2020
	(in millions)	
Other Non-US Benefits-Related Plans	\$9.1	\$6.4

Contractual Obligations

The following table summarizes our contractual obligations to third parties as of June 30, 2021 and the effect such obligations are expected to have on our liquidity and cash flows in future periods:

	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
	(in millions)				
Debt (1).....	\$3,914.4	\$ —	\$1,550.0	\$614.4	\$1,750.0
Interest and facility fee on debt (2).....	581.5	82.7	163.5	135.3	200.1
Facility and equipment operating leases (3)	347.3	49.0	87.4	65.7	145.3
Purchase obligations (4).....	580.7	133.5	210.3	123.2	113.7
Acquisition deferred payments (5).....	2.9	—	2.9	—	—
Capital commitment to fund investment (6)	7.0	7.0	—	—	—
Uncertain tax positions (7).....	—	—	—	—	—
Total (8).....	\$5,433.9	\$272.1	\$2,014.0	\$938.7	\$2,209.1

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- (1) These amounts represent the principal repayments of Long-term debt and are included on our Consolidated Balance Sheets. See Note 13, “Borrowings” to our Consolidated Financial Statements under Item 8 of Part II of this Annual Report on Form 10-K for additional information about our Borrowings and related matters.
 - (2) Includes estimated future interest payments on our long-term debt and interest and facility fee on the revolving credit facility.
 - (3) We enter into operating leases in the normal course of business relating to facilities and equipment. The majority of our lease agreements have fixed payment terms based on the passage of time. Certain facility and equipment leases require payment of maintenance, real estate taxes and related executory costs, and contain escalation provisions based on future adjustments in price indices. Our future operating lease obligations could change if we exit certain contracts and if we enter into additional operating lease agreements. See Note 8, “Leases” to our Consolidated Financial Statements under Item 8 of Part II of this Annual Report on Form 10-K for additional information about our Leases and related matters.
 - (4) Purchase obligations relate to payments to IBM related to the Amended IT Services Agreement that expires in fiscal year 2027, the IBM Private Cloud Agreement that expires in fiscal year 2030, and the Amended EU IT Services Agreement that expires in fiscal year 2029, as well as software license agreements including hosted software arrangements, and software and hardware maintenance and support agreements, and certain other related arrangements. Purchase obligations also includes \$29.0 million of other liabilities recorded on the Company’s Consolidated Balance Sheet as of June 30, 2021.
 - (5) Deferred payment obligation associated with the Company’s acquisition of AdvisorStream.
 - (6) Represents the Company’s funding commitment to an equity method investee. In addition, the Company also has a future commitment to fund \$2.0 million to an investee that is not included in the table above due to the uncertainty of the timing of this future payment.
 - (7) Due to the uncertainty related to the timing of the reversal of uncertain tax positions, only uncertain tax benefits related to certain settlements have been provided in the table above. The Company is unable to make reasonably reliable estimates related to the timing of the remaining gross unrecognized tax benefit liability of \$54.3 million (inclusive of interest). See Note 17, “Income Taxes” to our Consolidated Financial Statements under Item 8 of Part II of this Annual Report on Form 10-K for further detail.
 - (8) Certain post-employment benefit obligations reported in our Consolidated Balance Sheets in the amount of \$78.6 million as of June 30, 2021 were not included in the table above due to the uncertainty of the timing of these future payments.

Data Center Agreements

In March 2010, the Company and IBM entered into the IT Services Agreement, under which IBM provided certain aspects of the Company's information technology infrastructure. Under the IT Services Agreement, IBM provided a broad range of technology services to the Company including supporting its mainframe, midrange, network and data center operations, as well as providing disaster recovery services. The migration of data center processing to IBM was completed in August 2012. The IT Services Agreement would have expired on June 30, 2022, but a two-year extension was signed in March 2015, amending the expiration date to June 30, 2024. In December 2019, the Company and IBM amended and restated the IT Services Agreement and entered into the Amended IT Services Agreement, which now expires on June 30, 2027. The Company has the option of incorporating additional services into the Amended IT Services Agreement over time. The Company may renew the term of the Amended IT Services Agreement for up to one additional 12-month period. Fixed minimum commitments remaining under this agreement at June 30, 2021 are \$208.9 million through fiscal year 2027, the final year of the Amended IT Services Agreement.

In December 2019, the Company and IBM entered into the IBM Private Cloud Agreement under which IBM will operate, manage and support the Company's private cloud global distributed platforms and products, and operate and manage certain Company networks. The IBM Private Cloud Agreement has an initial term of approximately 10 years and three months, expiring on March 31, 2030. As a result of the IBM Private Cloud Agreement, the Company transferred certain of its employees in April 2020 to IBM and its affiliates, and such transferred employees are expected to continue providing services to the Company on behalf of IBM under the IBM Private Cloud Agreement. Pursuant to the IBM Private Cloud Agreement, the Company agreed to transfer the ownership of certain Company-owned hardware (the "Hardware") located at Company facilities worldwide to IBM. As of June 30, 2020, the Hardware was classified as assets held for sale with a carrying amount of \$18.0 million and was included in the Company's Other current assets line item on the Consolidated Balance Sheets. The transfer of the Hardware to IBM closed on September 30, 2020 for a selling price of \$18.0 million. Fixed minimum commitments remaining under the IBM Private Cloud Agreement at June 30, 2021 are \$207.0 million through March 31, 2030, the final year of the contract.

In March 2014, the Company and IBM UK entered into the EU IT Services Agreement, under which IBM UK provides data center services supporting the Company's technology outsourcing services for certain clients in Europe and Asia. The EU IT Services Agreement would have expired in October 2023. In December 2019, the Company amended the existing EU IT Services Agreement and entered into the Amended EU IT Services Agreement whereby the Company will migrate from the existing dedicated on-premise solution to a managed Broadridge private cloud environment provided by IBM, as well as extended the term of the EU IT Services Agreement to June 2029. The Company has the right to renew the term of the Amended EU IT Services Agreement for up to one additional 12-month period or one additional 24-month period. Fixed minimum commitments remaining under the Amended EU IT Services Agreement at June 30, 2021 are \$30.8 million through fiscal year 2029, the final year of the contract.

The following table summarizes the capitalized costs related to these agreements as of June 30, 2021:

	<u>Amended IT Services Agreement</u>	<u>Amended EU IT Services Agreement</u>	<u>Total</u>
		(in millions)	
Capitalized costs, beginning balance	\$ 62.6	\$ 6.3	\$ 68.9
Capitalized costs incurred	0.2	1.7	1.9
Impact of foreign currency exchange	—	0.9	0.9
Total capitalized costs, ending balance	62.8	9.0	71.8
Total accumulated amortization	(43.3)	(5.5)	(48.8)
Net Deferred IBM Costs	<u>\$ 19.4</u>	<u>\$ 3.5</u>	<u>\$ 23.0</u>

Investments

The Company has an equity method investment that is a variable interest in a variable interest entity, the Company is not the primary beneficiary and therefore does not consolidate the investee. The Company's potential maximum loss exposure related to this unconsolidated investment totaled \$25.3 million as of June 30, 2021,

which represents the carrying value of the Company's investment and is recorded in Other non-current assets in the Company's Consolidated Balance Sheets. In addition, as of June 30, 2021, the Company has a future commitment to fund this investee for up to an additional \$7.0 million if certain future funding milestones are met. Additional funding provided by the Company to the investee as a result of meeting the future funding milestones would increase the Company's corresponding potential maximum loss exposure by that amount.

In addition, as of June 30, 2021, the Company also has a future commitment to fund \$2.0 million to one of the Company's other investees.

Other Commercial Agreements

Certain of the Company's subsidiaries established unsecured, uncommitted lines of credit with banks. There were no outstanding borrowings under these lines of credit at June 30, 2021.

Off-Balance Sheet Arrangements

It is not the Company's business practice to enter into off-balance sheet arrangements. However, the Company is exposed to market risk from changes in foreign currency exchange rates that could impact its financial position, results of operations, and cash flows. The Company manages its exposure to these market risks through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. The Company was not a party to any outstanding derivative financial instruments at June 30, 2021 or June 30, 2020. In connection with the Itiviti Acquisition, in March 2021 the Company entered into two derivative instruments designed to mitigate the Company's exposure to the impact of (i) changes in foreign exchange rates on the Itiviti Acquisition purchase consideration, and (ii) changes in interest rates on the Fiscal 2021 Senior Notes.

The Company executed a forward foreign exchange derivative instrument ("Forward") with an aggregate notional amount of EUR 1.955 billion. The Forward acted as an economic hedge against the impact of changes in the Euro on the Company's purchase consideration for the Itiviti Acquisition. The Company recorded changes in fair value of the Forward as part of Other non-operating income (expenses), net in the Consolidated Statement of Earnings. In May 2021, the Company settled the Forward derivative for a cumulative pre-tax gain of \$66.7 million.

Also, the Company executed a forward treasury lock agreement ("Treasury Lock"), designated as a cash flow hedge, in the aggregate notional amount of \$1.0 billion to manage exposure to fluctuations in the benchmark interest rate associated with the Fiscal 2021 Senior Notes, which were used to pay down a portion of the Term Credit Agreement associated with the Itiviti Acquisition. Accordingly, changes in the fair value of the Treasury Lock were recorded as part of Other comprehensive income (loss), net each period up to when the Treasury Lock was settled. In May 2021, the Treasury Lock was settled for a pre-tax loss of \$11.0 million, after which the final settlement loss will be reclassified into Interest expense, net ratably over the ten year term of the Fiscal 2021 Senior Notes. The expected amount of the existing loss that would be reclassified into earnings before income taxes within the next twelve months is approximately \$1.1 million.

In the normal course of business, the Company also enters into contracts in which it makes representations and warranties that relate to the performance of the Company's products and services. The Company does not expect any material losses related to such representations and warranties, or collateral arrangements.

Recently-issued Accounting Pronouncements

Please refer to Note 2, "Summary of Significant Accounting Policies" to our Consolidated Financial Statements under Item 8 of Part II of this Annual Report on Form 10-K for a discussion on the impact of the adoption of new accounting pronouncements.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

Market Risks

In the ordinary course of business, the financial position of the Company is routinely subject to certain market risks, notably the effects of changes in interest rates and foreign currency exchange rates. We manage our exposure to these market risks through our regular operating and financing activities. As a result, the Company does not anticipate any material losses from these risks. The Company was not a party to any derivative financial instrument as of June 30, 2021 and 2020, respectively.

Interest Rate Risk

As of June 30, 2021, \$1,657.8 million, or 43%, of the Company's total outstanding debt balance of \$3,887.6 million is based on floating interest rates. Our \$1,657.8 million in variable rate debt at June 30, 2021 consists of our revolving credit facility, which, depending on the currency of the loan, bears interest at LIBOR, CDOR, EURIBOR, TIBOR and STIBOR plus 1.015% per annum (subject to step-ups to 1.175% and step-downs to 0.805% based on ratings) or SONIA plus 1.0476% per annum (subject to step-ups to 1.2076% and step-downs to 0.8376% based on ratings), plus an additional annual facility fee equal to 11.0 basis points on the entire facility (subject to step-ups to 20.0 basis points and step-downs to 7.0 basis points based on ratings), and the outstanding portion of our Fiscal 2021 Term Loans which bears interest at LIBOR plus 0.875% per annum (subject to step-ups to LIBOR plus 1.250% or a step-down to LIBOR plus 0.750% based on ratings). We have assessed our exposure to changes in interest rates by analyzing the sensitivity to our earnings of a change in market interest rates on amounts borrowed from the revolving credit facility and Fiscal 2021 Term Loans during the fiscal year ended June 30, 2021. Assuming a hypothetical increase of one hundred basis points in interest rates on our variable rate debt during the fiscal year ended June 30, 2021, our pre-tax earnings would have decreased by approximately \$8.4 million for the fiscal year ended June 30, 2021; however, this would have been offset by interest earned on cash balances.

Foreign Currency Risk

While the substantial majority of our business is conducted within the U.S., approximately 12% of our fiscal year 2021 revenues were earned outside of the U.S. and approximately 40% of our total consolidated assets as of June 30, 2021 resided in our foreign subsidiaries. Our revenue generating operations outside of the U.S. primarily reside in Canada and the United Kingdom. As a result, we have a certain degree of foreign currency exposure to exchange rate fluctuations associated with our non-U.S. revenue generating operations, primarily with respect to the Canadian dollar and the British pound.

We manage our foreign currency risk primarily by incurring, to the extent practicable, operating and financing expenses in the local currency in the countries in which we operate. We do not hedge our operating results against currency movement as they are primarily translational in nature. For the fiscal year ended June 30, 2021, a hypothetical 10% decrease in the value of the Canadian dollar and British pound versus the U.S. dollar would have resulted in a decrease in our total pre-tax earnings of approximately \$16.7 million. A hypothetical 10% decrease in the value of the Canadian dollar and British pound versus the U.S. dollar at June 30, 2021 would have resulted in a decrease to our total assets of approximately \$96.7 million.

ITEM 8. Financial Statements and Supplementary Data**INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE****Consolidated Financial Statements**

Report of Independent Registered Public Accounting Firm.....	58
Consolidated Statements of Earnings for the Fiscal Years Ended June 30, 2021, 2020, and 2019.....	61
Consolidated Statements of Comprehensive Income for the Fiscal Years Ended June 30, 2021, 2020, and 2019.....	62
Consolidated Balance Sheets as of June 30, 2021 and 2020.....	63
Consolidated Statements of Cash Flows for the Fiscal Years Ended June 30, 2021, 2020, and 2019	64
Consolidated Statements of Stockholders' Equity for the Fiscal Years Ended June 30, 2021, 2020, and 2019.....	65
Notes to Consolidated Financial Statements.....	66
Financial Statement Schedule	
Schedule II—Valuation and Qualifying Accounts	103

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and the Stockholders of
Broadridge Financial Solutions, Inc.
5 Dakota Drive
Lake Success, NY 11042

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Broadridge Financial Solutions, Inc. and subsidiaries (the “Company”) as of June 30, 2021 and 2020, the related consolidated statements of earnings, comprehensive income, stockholders’ equity, and cash flows, for each of the three years in the period ended June 30, 2021, and the related notes and the financial statement schedule listed in the Index at Item 15 (collectively referred to as the “financial statements”). We also have audited the Company’s internal control over financial reporting as of June 30, 2021, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

As described in Management’s Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting of Itiviti Holding AB (“Itiviti”), which was acquired on May 12, 2021 and whose financial statements constitute 37% of total assets, and 1% of revenues of the consolidated financial statement amounts as of and for the year ended June 30, 2021. Accordingly, our audit did not include the internal control over financial reporting at Itiviti.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2021, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2021, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

Changes in Accounting Principle

As discussed in Note 2 to the financial statements, the Company changed its method of accounting for leases as of July 1, 2019 due to the adoption of Accounting Standards Update 2016-02, Leases (Topic 842).

Basis for Opinions

The Company’s management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill - Refer to Notes 2 and 10 to the financial statements

Critical Audit Matter Description

The Company's evaluation of goodwill for impairment involves the comparison of the fair value of each reporting unit to its carrying value. The Company determines the fair value of its reporting units using the income approach, which considers a discounted future cash flow analysis using various assumptions, including projections of revenues based on assumed long-term growth rates and projections of earnings before income tax ("EBIT"), estimated costs and appropriate discount rates based on the particular reporting unit's weighted-average cost of capital. The principal factors used in the discounted cash flow analysis requiring judgment are the projected future operating cash flows based on forecasted EBIT margins, including projections of revenues, and the selection of the terminal value growth rate and the discount rate assumptions.

The goodwill balance was \$3.720 billion as of June 30, 2021, which is allocated among various reporting units. During fiscal year 2021, the Company performed the required impairment tests of Goodwill and determined that there was no impairment. The Company also performed a sensitivity analysis under Step 1 of the goodwill impairment test assuming hypothetical reductions in the fair values of the reporting units. A 10% change in their estimates of projected future operating cash flows, discount rates, or terminal value growth rates used in their calculations of the fair values of the reporting units would not result in an impairment of their goodwill.

Auditing the fair value of certain of the reporting units involved a high degree of subjectivity, including the need to involve our fair value specialists, as it relates to evaluating whether management's judgments in determining whether the projected future operating cash flows based on forecasted EBIT margins, including projections of revenues, selection of terminal growth and the weighted-average cost of capital (used to determine the discount rate) were appropriate.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the projected future operating cash flows based on forecasted EBIT margins, including projections of revenues, and the selection of the terminal value growth rate and discount rate for certain of the reporting units included the following, among others:

- We tested the effectiveness of controls over goodwill, including those over the projected future operating cash flows and the selection of the discount, and terminal value growth rates.
 - We performed a sensitivity analysis on the future cash flows to determine what revenue and EBIT growth rate is needed to cause an impairment for each reporting unit.
 - We evaluated the reasonableness of management's projected future operating cash flows based on forecasted EBIT margins, including projections of revenues by comparing to (1) historical results for significant reporting units, (2) internal communications to management and the Board of Directors, and (3) forecasted information included in Company press releases, analyst and industry reports of the Company and companies in its peer group.
 - We considered the impact of changes in the regulatory environment, uncertainty in the market, and economic conditions on management's forecasts.
 - With the assistance of our fair value specialists, we evaluated the discount rates, and terminal value growth rates, including testing the underlying source information and the mathematical accuracy of the calculations by developing a range of independent estimates and comparing those to the rates selected by management.
-

/s/ DELOITTE & TOUCHE LLP

New York, New York
August 12, 2021

We have served as the Company's auditor since 2007.

Broadridge Financial Solutions, Inc.

**Consolidated Statements of Earnings
(In millions, except per share amounts)**

		<u>Years ended June 30,</u>		
		<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues	(Note 3)	<u>\$4,993.7</u>	<u>\$4,529.0</u>	<u>\$4,362.2</u>
Operating expenses:				
Cost of revenues		3,570.8	3,265.1	3,131.9
Selling, general and administrative expenses		<u>744.3</u>	<u>639.0</u>	<u>577.5</u>
Total operating expenses		<u>4,315.0</u>	<u>3,904.1</u>	<u>3,709.5</u>
Operating income		678.7	624.9	652.7
Interest expense, net	(Note 5)	(55.2)	(58.8)	(41.8)
Other non-operating income (expenses), net		<u>72.7</u>	<u>13.4</u>	<u>(3.7)</u>
Earnings before income taxes		696.2	579.5	607.3
Provision for income taxes	(Note 17)	<u>148.7</u>	<u>117.0</u>	<u>125.2</u>
Net earnings		<u><u>\$ 547.5</u></u>	<u><u>\$ 462.5</u></u>	<u><u>\$ 482.1</u></u>
Basic earnings per share		<u><u>\$ 4.73</u></u>	<u><u>\$ 4.03</u></u>	<u><u>\$ 4.16</u></u>
Diluted earnings per share		<u><u>\$ 4.65</u></u>	<u><u>\$ 3.95</u></u>	<u><u>\$ 4.06</u></u>
Weighted-average shares outstanding:				
Basic	(Note 4)	115.7	114.7	115.9
Diluted	(Note 4)	117.8	117.0	118.8

Amounts may not sum due to rounding.

See notes to consolidated financial statements.

Broadridge Financial Solutions, Inc.

**Consolidated Statements of Comprehensive Income
(In millions)**

	Years ended June 30,		
	2021	2020	2019
Net earnings	\$547.5	\$462.5	\$482.1
Other comprehensive income (loss), net:			
Foreign currency translation adjustments.	117.6	(26.4)	(15.0)
Pension and post-retirement liability adjustment, net of taxes of \$(0.1), \$0.9 and \$0.9 for the years ended June 30, 2021, 2020 and 2019, respectively	0.3	(2.8)	(2.7)
Fair market value loss on cash flow hedge, net of tax benefit of \$2.6, —, and — for the years ended June 30, 2021, 2020 and 2019, respectively.	(8.2)	—	—
Total other comprehensive income (loss), net	109.7	(29.2)	(17.7)
Comprehensive income	<u>\$657.2</u>	<u>\$433.3</u>	<u>\$464.3</u>

Amounts may not sum due to rounding.

See notes to consolidated financial statements.

Broadridge Financial Solutions, Inc.

Consolidated Balance Sheets
(In millions, except per share amounts)

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Assets		
Current assets:		
Cash and cash equivalents.....	\$ 274.5	\$ 476.6
Accounts receivable, net of allowance for doubtful accounts of \$9.3 and \$9.8, respectively	820.3	711.3
Other current assets	166.4	140.1
Total current assets	1,261.3	1,328.0
Property, plant and equipment, net	(Note 9) 177.2	161.6
Goodwill.....	(Note 10) 3,720.1	1,674.5
Intangible assets, net	(Note 10) 1,425.0	583.8
Other non-current assets	(Note 11) 1,536.2	1,141.9
Total assets.....	<u>\$ 8,119.8</u>	<u>\$ 4,889.8</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt.....	(Note 13) \$ —	\$ 399.9
Payables and accrued expenses.....	(Note 12) 1,102.7	829.9
Contract Liabilities.....	185.3	111.2
Total current liabilities.....	1,288.0	1,341.0
Long-term debt.....	(Note 13) 3,887.6	1,387.6
Deferred taxes	(Note 17) 400.7	126.8
Contract Liabilities.....	197.2	175.4
Other non-current liabilities.....	(Note 14) 537.2	512.4
Total liabilities	<u>6,310.6</u>	<u>3,543.2</u>
Commitments and contingencies.....	(Note 18)	
Stockholders' equity:		
Preferred stock: Authorized, 25.0 shares; issued and outstanding, none..	—	—
Common stock, \$0.01 par value: Authorized, 650.0 shares; issued, 154.5 and 154.5 shares, respectively; outstanding, 116.1 and 115.1 shares, respectively	1.6	1.6
Additional paid-in capital	1,245.5	1,178.5
Retained earnings.....	2,583.8	2,302.6
Treasury stock, at cost: 38.3 and 39.3 shares, respectively	(2,030.9)	(2,035.7)
Accumulated other comprehensive income (loss)	(Note 19) 9.2	(100.4)
Total stockholders' equity	<u>1,809.1</u>	<u>1,346.5</u>
Total liabilities and stockholders' equity	<u>\$ 8,119.8</u>	<u>\$ 4,889.8</u>

Amounts may not sum due to rounding.

See notes to consolidated financial statements.

Broadridge Financial Solutions, Inc.

Consolidated Statements of Cash Flows
(In millions)

	Years ended June 30,		
	2021	2020	2019
Cash Flows From Operating Activities			
Net earnings	\$ 547.5	\$ 462.5	\$ 482.1
Adjustments to reconcile Net earnings to Net cash flows provided by operating activities:			
Depreciation and amortization	67.4	73.8	85.2
Amortization of acquired intangibles and purchased intellectual property	153.7	122.9	87.4
Amortization of other assets	113.6	102.6	87.4
Write-down of long lived assets	31.4	30.4	—
Stock-based compensation expense	58.6	60.8	58.4
Deferred income taxes	52.0	29.0	(3.5)
Gain on forward foreign exchange derivative	(66.7)	—	—
Other	(31.7)	(26.9)	(37.6)
Changes in operating assets and liabilities, net of assets and liabilities acquired:			
Current assets and liabilities:			
Increase in Accounts receivable, net	(42.4)	(33.5)	(34.9)
Increase in Other current assets	(29.6)	(17.9)	(7.3)
Increase (decrease) in Payables and accrued expenses	144.3	58.6	(10.9)
Increase in Contract liabilities	12.4	12.2	15.1
Non-current assets and liabilities:			
Increase in Other non-current assets	(454.5)	(352.7)	(188.3)
Increase in Other non-current liabilities	84.0	76.4	83.8
Net cash flows provided by operating activities	640.1	598.2	617.0
Cash Flows From Investing Activities			
Capital expenditures	(51.9)	(62.7)	(50.6)
Software purchases and capitalized internal use software	(48.8)	(36.0)	(22.0)
Proceeds from asset sales	18.0	—	—
Acquisitions, net of cash acquired	(2,603.6)	(339.1)	(354.7)
Settlement of forward foreign exchange derivative	66.7	—	—
Other investing activities	(34.0)	(3.8)	(6.3)
Net cash flows used in investing activities	(2,653.7)	(441.7)	(433.5)
Cash Flows From Financing Activities			
Debt proceeds	4,325.0	1,621.9	803.1
Debt repayments	(2,230.7)	(1,292.8)	(387.4)
Dividends paid	(261.7)	(241.0)	(211.2)
Purchases of Treasury stock	(21.5)	(69.3)	(397.8)
Proceeds from exercise of stock options	35.3	41.8	31.1
Other financing activities	(48.6)	(9.4)	(10.8)
Net cash flows provided by (used in) financing activities	1,797.8	51.2	(173.1)
Effect of exchange rate changes on Cash and cash equivalents	13.8	(4.3)	(1.1)
Net change in Cash and cash equivalents	(202.1)	203.4	9.2
Cash and cash equivalents, beginning of fiscal year	476.6	273.2	263.9
Cash and cash equivalents, end of fiscal year	\$ 274.5	\$ 476.6	\$ 273.2
Supplemental disclosure of cash flow information:			
Cash payments made for interest	\$ 56.0	\$ 58.5	\$ 43.4
Cash payments made for income taxes, net of refunds	\$ 98.0	\$ 100.9	\$ 119.5
Non-cash investing and financing activities:			
Accrual of unpaid property, plant, equipment and software	\$ 32.0	\$ 13.9	\$ 8.7

Amounts may not sum due to rounding.

See notes to consolidated financial statements.

Broadridge Financial Solutions, Inc.

Consolidated Statements of Stockholders' Equity
(In millions, except per share amounts)

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Treasury Stock</u>	<u>Other Comprehensive Income (Loss)</u>	<u>Total Stockholders' Equity</u>
<u>Shares</u>	<u>Amount</u>						
Balances, June 30, 2018	154.5	\$1.6	\$1,048.5	\$1,727.0	(\$1,630.8)	\$ (51.9)	\$1,094.3
Comprehensive income (loss)	—	—	—	482.1	—	(17.7)	464.3
Cumulative effect of changes in accounting principle ^(a)	—	—	—	102.8	—	(1.5)	101.3
Stock option exercises	—	—	31.3	—	—	—	31.3
Stock-based compensation	—	—	58.3	—	—	—	58.3
Treasury stock acquired (3.5 shares) ..	—	—	—	—	(397.8)	—	(397.8)
Treasury stock reissued (1.4 shares) ..	—	—	(28.8)	—	28.8	—	—
Common stock dividends (\$1.94 per share)	—	—	—	(224.2)	—	—	(224.2)
Balances, June 30, 2019	154.5	1.6	1,109.3	2,087.7	(1,999.8)	(71.2)	1,127.5
Comprehensive income (loss)	—	—	—	462.5	—	(29.2)	433.3
Cumulative effect of changes in accounting principle ^(b)	—	—	—	0.2	—	—	0.2
Stock option exercises	—	—	42.1	—	—	—	42.1
Stock-based compensation	—	—	60.6	—	—	—	60.6
Treasury stock acquired (0.6 shares) ..	—	—	—	—	(69.3)	—	(69.3)
Treasury stock reissued (1.5 shares) ..	—	—	(33.5)	—	33.5	—	—
Common stock dividends (\$2.16 per share)	—	—	—	(247.8)	—	—	(247.8)
Balances, June 30, 2020	154.5	1.6	1,178.5	2,302.6	(2,035.7)	(100.4)	1,346.5
Comprehensive income (loss)	—	—	—	547.5	—	109.7	657.2
Stock option exercises	—	—	35.0	—	—	—	35.0
Stock-based compensation	—	—	58.2	—	—	—	58.2
Treasury stock acquired (0.1 shares) ..	—	—	—	—	(21.5)	—	(21.5)
Treasury stock reissued (1.2 shares) ..	—	—	(26.2)	—	26.2	—	—
Common stock dividends (\$2.30 per share)	—	—	—	(266.3)	—	—	(266.3)
Balances, June 30, 2021	<u>154.5</u>	<u>\$1.6</u>	<u>\$1,245.5</u>	<u>\$2,583.8</u>	<u>\$(2,030.9)</u>	<u>\$ 9.2</u>	<u>\$1,809.1</u>

(a) Primarily reflects the adoption of accounting standards as described in Note 3, "Revenue Recognition."

(b) Reflects the adoption of accounting standards as described in Note 2, "Summary of Significant Accounting Policies."

Amounts may not sum due to rounding.

See notes to consolidated financial statements.

Broadridge Financial Solutions, Inc.

Notes to Consolidated Financial Statements

NOTE 1. BASIS OF PRESENTATION

A. Description of Business. Broadridge Financial Solutions, Inc. (“Broadridge” or the “Company”), a Delaware corporation and a part of the S&P 500® Index (“S&P”), is a global financial technology leader providing investor communications and technology-driven solutions to banks, broker-dealers, asset and wealth managers and corporate issuers.

The Company operates in two reportable segments: Investor Communication Solutions (“ICS”) and Global Technology and Operations (“GTO”).

- **Investor Communication Solutions** - Broadridge provides the following governance and communications solutions through its Investor Communication Solutions business segment: Regulatory Solutions, Data-Driven Fund Solutions, Corporate Issuer Solutions, and Customer Communications Solutions.

A large portion of Broadridge’s ICS business involves the processing and distribution of proxy materials to investors in equity securities and mutual funds, as well as the facilitation of related vote processing. ProxyEdge® (“ProxyEdge”) is Broadridge’s innovative electronic proxy delivery and voting solution for institutional investors and financial advisors that helps ensure the voting participation of the largest stockholders of many companies. Broadridge has implemented digital applications to make voting easier for retail investors. Broadridge also provides the distribution of regulatory reports, class action and corporate action/reorganization event information, as well as tax reporting solutions that help its clients meet their regulatory compliance needs.

For asset managers and retirement service providers, Broadridge offers data-driven solutions and an end-to-end platform for content management, composition, and omni-channel distribution of regulatory, marketing, and transactional information. Broadridge’s data and analytics solutions provide investment product distribution data, analytical tools, insights, and research to enable asset managers to optimize product distribution across retail and institutional channels globally. Through Matrix Financial Solutions, Inc. (“Matrix”), Broadridge provides mutual fund trade processing services for retirement service providers, third-party administrators, financial advisors, banks and wealth management professionals.

In addition, Broadridge provides public corporations and mutual funds with a full suite of solutions to help manage their annual meeting process, including registered and beneficial proxy materials distribution, proxy processing and tabulation services, digital voting solutions, proxy and shareholder report document management solutions, virtual shareholder meeting services and shareholder data services. Broadridge also offers financial reporting document composition and management solutions, SEC disclosure and filing services, and registrar, stock transfer and record-keeping services through Broadridge Corporate Issuer Solutions.

We provide omni-channel customer communications solutions which include print and digital solutions to modernize technology infrastructures, simplify communications processes, accelerate digital adoption and improve the customer experience. Through one point of integration, the Broadridge Communications CloudSM platform (the “Communications Cloud”) helps companies create, deliver, and manage their communications and customer engagement. The platform includes data-driven composition tools, identity and preference management, omni-channel optimization and digital communication experience, archive and information management, digital and print delivery, and analytics and reporting tools.

- **Global Technology and Operations** - Broadridge is a leading global provider of business solutions for capital markets, and wealth and investment management firms. Broadridge offers advanced solutions that automate firms’ transaction lifecycle, from desktop productivity tools, data aggregation, performance reporting, and portfolio management to order capture and execution, trade confirmation, margin, cash management, clearance and settlement, asset servicing, reference data management, reconciliations, securities financing and collateral optimization, compliance and regulatory reporting,

and portfolio accounting and custody-related services. In addition, Broadridge provides business process outsourcing services that support the entire trade lifecycle operations of its buy- and sell-side clients' businesses through a combination of its technology and operations expertise.

For capital markets firms, Broadridge helps its clients lower their costs and improve the effectiveness of their businesses across the front, middle and back office. Broadridge's core post-trade services help financial institutions efficiently and cost-effectively consolidate their books and records, gather and service assets under management and manage risk, thereby enabling them to focus on their core business activities. Broadridge's multi-asset, multi-market, multi-entity and multi-currency solutions support real-time global trade processing of equity, fixed income, mutual fund, foreign exchange, and exchange-traded derivatives.

Broadridge's comprehensive wealth management platform offers capabilities across the entire wealth management lifecycle and streamlines all aspects of wealth management services, including account management, fee management and client on-boarding. The wealth management platform enables full-service, regional and independent broker-dealers and investment advisors to better engage with customers through digital marketing and customer communications tools. Broadridge also integrates data, content and technology to drive new customer acquisition, support holistic and personalized advice and cross-sell opportunities through the creation of sales and educational content, including seminars as well as customizable advisor websites, search engine marketing and electronic and print newsletters. Broadridge's advisor solutions help advisors optimize their practice management through customer and account data aggregation and reporting. With the recent acquisition of Itiviti Holding AB ("Itiviti"), Broadridge has strengthened its capabilities with a set of front-office trade order and execution management solutions, connectivity and network offerings which will integrate with its existing middle and back-office solutions.

Broadridge also offers buy-side technology solutions for the global investment management industry, including portfolio management, compliance and operational workflow solutions for hedge funds, family offices, alternative asset managers, traditional asset managers and the providers that service this space.

B. Consolidation and Basis of Presentation. The Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the U.S. and in accordance with the SEC requirements for Annual Reports on Form 10-K. These financial statements present the consolidated position of the Company and include the entities in which the Company directly or indirectly has a controlling financial interest as well as various entities in which the Company has investments recorded under the equity method of accounting as well as certain marketable and non-marketable securities. Intercompany balances and transactions have been eliminated. Amounts presented may not sum due to rounding. Certain prior period amounts have been reclassified to conform to the current year presentation where applicable, except as it relates to Financial Accounting Standards Board (the "FASB") Accounting Standards Update ("ASU") No. 2016-02 "Leases", as amended ("ASU No. 2016-02").

Effective July 1, 2019, the Company adopted ASU No. 2016-02, as amended, by recognizing a right-of-use ("ROU") asset and corresponding lease liability, along with a cumulative-effect adjustment to the opening balance of retained earnings, in the period of adoption. Under this method of adoption, the Company has not restated the prior period Consolidated Financial Statements presented to the current period presentation. Additional information about the impact of the Company's adoption of ASU No. 2016-02, as amended, is included in Note 2, "Summary of Significant Accounting Policies" and Note 8, "Leases".

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Use of Estimates. The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and accompanying notes thereto. These estimates are based on management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions and judgment that are believed to be reasonable under the circumstances. Accordingly, actual results could differ from those estimates. The use of estimates in specific accounting policies is described further in the notes to the Consolidated Financial Statements, as appropriate.

B. Revenue Recognition. ASU No. 2014-09 outlines a single comprehensive model to use in accounting for revenue arising from contracts with customers. The core principle is that an entity recognizes revenue to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company's revenues from clients are primarily generated from fees for providing investor communications and technology-enabled services and solutions. Revenues are recognized for the two reportable segments as follows:

- **Investor Communication Solutions**—Revenues are generated primarily from processing and distributing investor communications and other related services as well as vote processing and tabulation. The Company typically enters into agreements with clients to provide services on a fee for service basis. Fees received for processing and distributing investor communications are generally variably priced and recognized as revenue over time as the Company provides the services to clients based on the number of units processed, which coincides with the pattern of value transfer to the client. Broadridge works directly with corporate issuers ("Issuers") and mutual funds to ensure that the account holders of the Company's bank and broker clients, who are also the shareholders of Issuers and mutual funds, receive the appropriate investor communications materials and that the services are fulfilled in accordance with each Issuer's and mutual fund's requirements. Broadridge works directly with the Issuers and mutual funds to resolve any issues that may arise. As such, Issuers and mutual funds are viewed as the customer of the Company's services. As a result, revenues for distribution services as well as proxy materials fulfillment services are recorded in Revenue on a gross basis with corresponding costs including amounts remitted to the broker-dealers and banks (referred to as "Nominees") recorded in Cost of revenues. Fees for the Company's investor communications services arrangements are typically billed and paid on a monthly basis following the delivery of the services. The Company also offers certain hosted service arrangements that can be priced on a fixed and/or variable basis for which revenue is recognized over time as the Company satisfies its performance obligation by delivering services to the client on a monthly basis based on the number of transactions processed or units delivered, in the case of variable priced arrangements, or a fixed monthly fee in the case of fixed price arrangements, in each case which coincides with the pattern of value transfer to the client. These services may be billed in a variety of payment frequencies depending on the specific arrangement.
- **Global Technology and Operations**—Revenues are generated primarily from fees for trade processing and related services. Revenue is recognized over time as the Company satisfies its performance obligation by delivering services to the client. The Company's arrangements for processing and related services typically consist of an obligation to provide specific services to its clients on a when and if needed basis (a stand ready obligation) with revenue recognized from the satisfaction of the performance obligations on a monthly basis generally in the amount billable to the client. These services are generally provided under variable priced arrangements based on volume of service and can include minimum monthly usage fees. Client service agreements often include up-front consideration in addition to the recurring fee for trade processing. Up-front implementation fees, as well as certain enhancements to existing technology platforms, are deferred and recognized on a straight-line basis over the service term of the contract which corresponds to the timing of transfer of value to the client that commences after client acceptance when the processing term begins. In addition, revenue is also generated from the fulfillment of professional services engagements which are generally priced on a time and materials or fixed price basis, and are recognized as the services are provided to the client which corresponds to the timing of transfer of value to the client. Finally, the Company generally recognizes license revenues from software term licenses installed on clients' premises upon delivery and acceptance of the software license, assuming a contract is deemed to exist, and recognizes revenue attributed to the associated software maintenance and support obligation over the contract term. Software term license revenue is not a significant portion of the Company's revenues.

The Company uses the following methods, inputs, and assumptions in determining amounts of revenue to recognize:

Identification of Performance Obligations

For revenue arrangements containing multiple goods or services, the Company accounts for the individual goods or services as a separate performance obligation if they are distinct, the good or service is separately

identifiable from other items in the arrangement, and if a client can benefit from it on its own or with other resources that are readily available to the client. If these criteria are not met, the promised goods or services are accounted for as a combined performance obligation.

Transaction Price

Once separate performance obligations are determined, the transaction price is allocated to the individual performance obligations within a contract. If the contracted prices reflect the relative standalone selling prices for the individual performance obligations, no allocations are made. Otherwise, the Company uses the relative selling price method to allocate the transaction price, obtained from sources such as the observable price of a good or service when the Company sells that good or service separately in similar circumstances and to similar clients. If such evidence is unavailable, the Company uses the best estimate of the selling price, which includes various internal factors such as pricing strategy and market factors. A significant portion of the Company's performance obligations are generated from transactions with volume based fees and includes services that are delivered at the same time. The Company recognizes revenue related to these arrangements over time as the services are provided to the client. While many of the Company's contracts contain some component of variable consideration, the Company only recognizes variable consideration that is not expected to reverse. The Company allocates variable payments to distinct services in an overall contract when the variable payment relates specifically to that particular service and for which the variable payment reflects what the Company expects to receive in exchange for that particular service. As a result, the Company generally allocates and recognizes variable consideration in the period it has the contractual right to invoice the client.

As described above, our most significant performance obligations involve variable consideration which constitutes the majority of our revenue streams. The Company's variable consideration components meet the criteria in ASU No. 2014-09 for exclusion from disclosure of the remaining transaction price allocated to unsatisfied performance obligations as does any contracts with clients with an original duration of one year or less. The Company has contracts with clients that vary in length depending on the nature of the services and contractual terms negotiated with the client, and they generally extend over a multi-year period.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a client, are excluded from revenue. Distribution revenues associated with shipping and handling activities are accounted for as a fulfillment activity and recognized as the related services or products are transferred to the client. As a practical expedient, the Company does not adjust the transaction price for the effects of a significant financing component if, at contract inception, the period between client payment and the transfer of goods or services is expected to be one year or less.

C. Cash and Cash Equivalents. Investment securities with an original maturity of 90 days or less are considered cash equivalents. The fair value of the Company's Cash and cash equivalents approximates carrying value due to their short term nature.

D. Financial Instruments. Substantially all of the financial instruments of the Company other than Long-term debt are carried at fair values, or at carrying amounts that approximate fair values because of the short maturity of the instruments. The carrying value of the Company's long-term fixed-rate senior notes represent the face value of the long-term fixed-rate senior notes net of the unamortized discount and net of the associated unamortized debt issuance cost. The fair value of the Company's long-term fixed-rate senior notes is based on quoted market prices. Refer to Note 13, "Borrowings," for a further description of the Company's long-term fixed-rate senior notes as well as Note 7, "Fair Value of Financial Instruments" for additional details on the fair value of the Company's financial instruments.

E. Property, Plant and Equipment. Property, plant and equipment is initially recorded at cost and depreciated over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the shorter of the term of the lease or the estimated useful lives of the improvements. The estimated useful lives of assets are as follows:

Equipment	3 to 7 years
Buildings and Building Improvements	5 to 20 years
Furniture and fixtures	4 to 7 years

Refer to Note 9, "Property, Plant and Equipment, Net", for a further description of the Company's Property, plant and equipment, net.

F. Securities. Securities are non-derivatives that are reflected in Other non-current assets in the Consolidated Balance Sheets, unless management intends to dispose of the investment within twelve months of the end of the reporting period, in which case they are reflected in Other current assets in the Consolidated Balance Sheets. These investments are in entities over which the Company does not have control, joint control, or significant influence. Securities that have a readily determinable fair value are carried at fair value. Securities without a readily determinable fair value are initially recognized at cost and subsequently carried at cost minus impairment, if any, plus or minus changes resulting from observable price changes in transactions for an identical or similar investment of the same issuer, such as subsequent capital raising transactions. Changes in the value of securities with or without a readily determinable fair value are recorded in the Consolidated Statements of Earnings. In determining whether a security without a readily determinable fair value is impaired, management considers qualitative factors to identify an impairment including the financial condition and near-term prospects of the issuer. Refer to Note 7, "Fair Value of Financial Instruments" for additional details on the fair value of the Company's securities.

G. Inventories. Inventories are stated at the lower of cost (determined on a first-in, first-out basis) or market. Inventory balances of \$23.2 million and \$21.5 million, consisting of forms and envelopes used in the mailing of proxy and other materials to our customers, are reflected in Other current assets in the Consolidated Balance Sheets at June 30, 2021 and 2020, respectively.

H. Deferred Client Conversion and Start-Up Costs. Direct costs incurred to set up or convert a client's systems to function with the Company's technology, that are expected to be recovered, are generally deferred and recognized on a straight-line basis over the service term of the arrangement to which the costs relate, which commences after client acceptance when the processing term begins. The Company evaluates the carrying value of deferred client conversion and start-up costs for impairment on the basis of whether these costs are fully recoverable from the expected future undiscounted net operating cash flows of the client to which the deferred costs relate. These deferred costs are reflected in Other non-current assets in the Consolidated Balance Sheets at June 30, 2021 and June 30, 2020, respectively. Refer to Note 11, "Other Non-Current Assets" for a further description of the Company's Deferred client conversion and start-up costs.

I. Deferred Sales Commission Costs. The Company defers incremental costs to obtain a client contract that it expects to recover, which consists of sales commissions incurred, only if the contract is executed. Deferred sales commission costs are amortized on a straight-line basis using a portfolio approach consistent with the pattern of transfer of the goods or services to which the asset relates, which also considers expected customer lives. As a practical expedient, the Company recognizes the sales commissions as an expense when incurred if the amortization period of the sales commission asset that the entity otherwise would have recognized is one year or less. The Company evaluates the carrying value of deferred sales commission costs for impairment on the basis of whether these costs are fully recoverable from the expected future undiscounted net operating cash flows of the portfolio of clients to which the deferred sales commission costs relate. Refer to Note 11, "Other Non-Current Assets" for a further description of the Company's Deferred sales commission costs.

J. Deferred Data Center Costs. Data center costs relate to conversion costs associated with our principal data center systems and applications. Costs directly related to the activities necessary to make the data center usable for its intended purpose are deferred and amortized over the life of the contract on a straight-line basis commencing on the date the data center has achieved full functionality. These deferred costs are reflected in Other non-current assets in the Consolidated Balance Sheets at June 30, 2021 and 2020, respectively. Refer to Note 11, "Other Non-Current Assets" for a further description of the Company's Deferred data center costs.

K. Goodwill. The Company does not amortize goodwill but instead tests goodwill for impairment at the reporting unit level at least annually or more frequently if circumstances indicate possible impairment. The Company tests for goodwill impairment annually in the fourth quarter of the fiscal year, using the March 31 financial statement balances. The Company's evaluation of goodwill for impairment involves the comparison of the fair value of each reporting unit to its carrying value. The Company determines the fair value of its reporting units using the income approach, which considers a discounted future cash flow analysis using various assumptions, including projections of revenues based on assumed long-term growth rates, estimated costs and appropriate discount rates based on the particular reporting unit's weighted-average cost of capital. The principal

factors used in the discounted cash flow analysis requiring judgment are the projected future operating cash flows based on forecasted earnings before interest and taxes, and the selection of the terminal value growth rate and discount rate assumptions. The weighted-average cost of capital takes into account the relative weight of each component of our consolidated capital structure (equity and long-term debt). The estimates of long-term growth and costs are based on historical data, various internal estimates and a variety of external sources, and are developed as part of the Company's routine, long-range planning process. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess not to exceed the total amount of goodwill allocated to that reporting unit. Refer to Note 10, "Goodwill and Intangible Assets, Net" for a further description on the Company's accounting for goodwill.

L. Impairment of Long-Lived Assets. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset (or asset group) may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset (or asset group) to the estimated undiscounted future cash flows expected to be generated by the asset (or asset group). If the carrying amount of an asset (or asset group) exceeds its expected estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset (or asset group) exceeds its fair value. Intangible assets with finite lives are amortized primarily on a straight-line basis over their estimated useful lives and are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Refer to Note 9, "Property, Plant and Equipment, Net" for a further description of the Company's Property, plant and equipment, net. Refer to Note 6, "Acquisitions" and Note 10, "Goodwill and Intangible Assets, Net" for a further description of the Company's Intangible assets, net.

M. Equity Method Investments. The Company's investments resulting in a 20% to 50% ownership interest are accounted for using the equity method of accounting when the ability to exercise significant influence is maintained by the Company. The Company's share of net income or losses of equity method investments is included in Other non-operating income (expenses), net. Equity method investments are included in Other non-current assets. Equity method investments are reviewed for impairment by assessing if a decline in market value of the investment below the carrying value is other than temporary, which considers the intent and ability to retain the investment, the length of time and extent that the market value has been less than cost, and the financial condition of the investee.

N. Foreign Currency Translation and Transactions. The assets and liabilities of the Company's foreign subsidiaries are translated into U.S. dollars based on exchange rates in effect at the end of each period. Revenues and expenses are translated at average exchange rates during the periods. Currency transaction gains or losses are included in Non-operating income (expenses), net. Gains or losses from balance sheet translation are included in Accumulated other comprehensive income (loss).

O. Distribution Cost of Revenues. Distribution cost of revenues consists primarily of postage related expenses incurred in connection with the Company's Investor Communication Solutions segment, as well as Matrix Financial Solutions, Inc. administrative services expenses. These costs are reflected in Cost of revenues in the Consolidated Statements of Earnings.

P. Stock-Based Compensation. The Company accounts for stock-based compensation by recognizing the measurement of stock-based compensation expense in the Consolidated Statements of Earnings based on the fair value of the award on the date of grant. For stock options issued, the fair value of each stock option was estimated on the date of grant using a binomial option-pricing model. The binomial model considers a range of assumptions related to volatility, dividend yield, risk-free interest rate, and employee exercise behavior. Expected volatilities utilized in the binomial model are based on a combination of implied market volatilities, historical volatility of the Company's stock price, and other factors. Similarly, the dividend yield is based on historical experience and expected future changes. The risk-free rate is derived from the U.S. Treasury yield curve in effect at the time of grant. The binomial model also incorporates exercise and forfeiture assumptions based on an analysis of historical data. The expected life of the stock option grants is derived from the output of the binomial model and represents the period of time that options granted are expected to be outstanding. For restricted stock units, the fair value of the award is based on the current fair value of the Company's stock on the date of grant less the present value of future expected dividends discounted at the risk-free-rate derived from the U.S. Treasury yield curve in effect at the time of grant. Refer to Note 15, "Stock-Based Compensation" for a further description of the Company's stock-based compensation.

Q. Internal Use Software. Expenditures for major software purchases and software developed or obtained for internal use are capitalized and amortized generally over a three- to five-year period on a straight-line basis. For software developed or obtained for internal use, the Company's accounting policy provides for the capitalization of external direct costs of materials and services associated with developing or obtaining internal use computer software. In addition, the Company also capitalizes payroll and payroll-related costs for employees who are directly associated with internal use computer software projects. The amount of capitalizable payroll costs with respect to these employees is limited to direct time spent on such projects. Costs associated with preliminary project stage activities, training, maintenance, and all other post-implementation stage activities are expensed as incurred. The Company also expenses internal costs related to minor upgrades and enhancements, as it is impractical to separate these costs from normal maintenance activities. Refer to Note 10, "Goodwill and Intangible assets, Net" for a further description of the Company's capitalized software.

R. Income Taxes. The Company accounts for income taxes under the asset and liability method, which establishes financial accounting and reporting standards for the effect of income taxes. The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in the Company's Consolidated Financial Statements or tax returns. Deferred tax assets and liabilities are recognized based on temporary differences between the consolidated financial statement carrying amounts and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the temporary differences are expected to reverse.

Judgment is required in addressing the future tax consequences of events that have been recognized in our Consolidated Financial Statements or tax returns (e.g., realization of deferred tax assets, changes in tax laws or interpretations thereof). Valuation allowances are recognized to reduce deferred tax assets when it is more likely than not that the Company will not be able to utilize the deferred tax assets attributable to net operating and capital loss carryforwards of certain subsidiaries to offset future taxable earnings. The determination as to whether a deferred tax asset will be recognized is made on a jurisdictional basis and is based on the evaluation of historical taxable income or loss, projected future taxable income, carryforward periods, scheduled reversals of deferred tax liabilities and tax planning strategies. Projected future taxable income is based on expected results and assumptions as to the jurisdiction in which the income will be earned. The assumptions used to project future taxable income requires significant judgment and are consistent with the plans and estimates used to manage the underlying businesses. Refer to Note 17, "Income Taxes" for a further description of the Company's income taxes.

S. Advertising Costs. Advertising costs are expensed at the time the advertising takes place. Total advertising costs were \$9.8 million, \$6.8 million and \$4.1 million for the fiscal years ended June 30, 2021, 2020 and 2019, respectively.

T. Concentration of Risk. The majority of our clients operate in the financial services industry. Our largest single client in each of our fiscal years 2021, 2020 and 2019 accounted for approximately 6% of our consolidated revenues.

U. New Accounting Pronouncements.

Recently Adopted Accounting Pronouncements

In August 2018, the FASB issued ASU No. 2018-15, "Intangibles - Goodwill and Other - Internal-Use Software: Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract" ("ASU No. 2018-15"), which aligns the requirements for capitalizing implementation costs incurred in a cloud computing hosting arrangement that is a service contract with the requirements under GAAP for capitalizing implementation costs incurred to develop or obtain internal-use software. ASU No. 2018-15 became effective for the Company beginning in the first quarter of fiscal year 2021. Entities are permitted to apply either a retrospective or prospective transition approach to adopt the guidance, for which the Company elected to adopt ASU No. 2018-15 on a prospective basis. The adoption of ASU No. 2018-15 did not have a material impact on the Company's Consolidated Financial Statements.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments - Credit Losses" ("ASU No. 2016-13"), which prescribes an impairment model for most financial instruments based on expected losses rather than incurred losses. Under this model, an estimate of expected credit losses over the contractual

life of the instrument is to be recorded as of the end of a reporting period as an allowance to offset the amortized cost basis, resulting in a net presentation of the amount expected to be collected on the financial instrument. The expected credit loss model incorporates historical collection experience and other factors, including those related to current market conditions and events. The Company monitors trade receivable balances and other related assets, and estimates the allowance for lifetime expected credit losses. ASU No. 2016-13 became effective for the Company in the first quarter of fiscal year 2021. For most instruments, entities must apply the standard using a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption. The adoption of ASU No. 2016-13 did not have a material impact on the Company's Consolidated Financial Statements.

In February 2016, the FASB issued ASU No. 2016-02, as subsequently amended by ASU No. 2018-10, "Codification Improvements to Topic 842, Leases," ASU No. 2018-11, "Leases (Topic 842): Targeted Improvements," and ASU No. 2018-20, "Leases (Topic 842): Narrow Scope Improvements for Lessors" (collectively referred to herein as "ASU No. 2016-02, as amended"). Under ASU No. 2016-02, as amended, all lease arrangements, with certain limited exceptions, exceeding a twelve-month term must now be recognized as assets and liabilities on the balance sheet of the lessee by recording a ROU asset and corresponding lease obligation generally equal to the present value of the future lease payments over the lease term. Further, the income statement will reflect lease expense for leases classified as operating and amortization/interest expense for leases classified as financing, determined using classification criteria substantially similar to the current lease guidance for distinguishing between an operating and capital lease. ASU No. 2016-02, as amended, also contains certain additional qualitative and quantitative disclosures to supplement the amounts recorded in the financial statements so that users can understand more about the nature of an entity's leasing activities, including significant judgments and changes in judgments. ASU No. 2016-02, as amended, was effective for the Company in the first quarter of fiscal year 2020 and could have been adopted using either a modified retrospective basis which required adjustment to all comparative periods presented in the consolidated financial statements, or by recognizing a cumulative-effect adjustment to the opening balance of retained earnings at the date of initial application.

Accordingly, in the first quarter of fiscal year 2020, the Company adopted ASU No. 2016-02, as amended, by recognizing a ROU asset and corresponding lease liability, along with a cumulative-effect adjustment to the opening balance of retained earnings, in the period of adoption. Under this method of adoption, the Company has not restated the prior period Consolidated Financial Statements presented to the current period presentation. The Company elected the transition package of three practical expedients permitted under the transition guidance in ASU No. 2016-02, as amended, to not reassess prior conclusions related to whether (i) a contract contains a lease, (ii) the classification of an existing lease, and (iii) the accounting for initial direct costs. The Company also elected accounting policies to (i) not separate the non-lease components of a contract from the lease component to which they relate, and (ii) not recognize assets or liabilities for leases with a term of twelve months or less and no purchase option that the Company is reasonably certain of exercising.

On the Consolidated Balance Sheet as of July 1, 2019, the adoption of ASU No. 2016-02, as amended, resulted in the recognition of lease liabilities of \$252.0 million and ROU assets of \$235.4 million, which include the impact of existing deferred rents and tenant improvement allowances for operating leases, as well as a cumulative-effect adjustment to the opening balance of retained earnings of \$0.2 million. The adoption of ASU No. 2016-02, as amended, did not have a material impact on the Consolidated Statements of Earnings, the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Cash Flows, or the Consolidated Statements of Stockholders' Equity.

V. Subsequent Events. In preparing the accompanying Consolidated Financial Statements, the Company has reviewed events that have occurred after June 30, 2021 through the date of issuance of the Consolidated Financial Statements. Refer to Note 22, "Subsequent Events" for a description of the Company's subsequent events.

NOTE 3. REVENUE RECOGNITION

Disaggregation of Revenue

The Company has presented below its revenue disaggregated by product line and by revenue type within each of its Investor Communication Solutions and Global Technology and Operations reportable segments.

Fee revenues in the Investor Communication Solutions segment are derived from both recurring and event-driven activity. In addition, the level of recurring and event-driven activity the Company processes directly

impacts distribution revenues. While event-driven activity is highly repeatable, it may not recur on an annual basis. Event-driven fee revenues are based on the number of special events and corporate transactions the Company processes. Event-driven activity is impacted by financial market conditions and changes in regulatory compliance requirements, resulting in fluctuations in the timing and levels of event-driven fee revenues.

Distribution revenues primarily include revenues related to the physical mailing of proxy materials, interim communications, transaction reporting, customer communications and fulfillment services, as well as Matrix administrative services.

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.

	Years ended June 30,		
	2021	2020	2019
	(in millions)		
Investor Communication Solutions			
Regulatory.....	\$ 953.6	\$ 792.5	\$ 750.4
Data-driven fund solutions.....	358.0	339.4	303.9
Issuer.....	189.0	156.7	137.1
Customer communications.....	574.2	573.4	572.6
Total ICS Recurring fee revenues.....	<u>2,074.8</u>	<u>1,862.0</u>	<u>1,764.0</u>
Equity and other.....	124.6	79.5	107.3
Mutual funds.....	112.8	98.5	137.2
Total ICS Event-driven fee revenues.....	<u>237.3</u>	<u>178.0</u>	<u>244.5</u>
Distribution revenues	<u>1,555.3</u>	<u>1,451.2</u>	<u>1,459.8</u>
Total ICS Revenues	<u><u>\$3,867.5</u></u>	<u><u>\$3,491.3</u></u>	<u><u>\$3,468.3</u></u>
Global Technology and Operations			
Capital markets.....	\$ 700.5	\$ 650.2	\$ 590.6
Wealth and investment management.....	557.6	524.0	405.7
Total GTO Recurring fee revenues.....	<u>1,258.1</u>	<u>1,174.2</u>	<u>996.3</u>
Foreign currency exchange	(131.9)	(136.4)	(102.4)
Total Revenues	<u><u>\$4,993.7</u></u>	<u><u>\$4,529.0</u></u>	<u><u>\$4,362.2</u></u>
Revenues by Type			
Recurring fee revenues.....	\$3,332.9	\$3,036.3	\$2,760.3
Event-driven fee revenues	237.3	178.0	244.5
Distribution revenues	1,555.3	1,451.2	1,459.8
Foreign currency exchange	(131.9)	(136.4)	(102.4)
Total Revenues	<u><u>\$4,993.7</u></u>	<u><u>\$4,529.0</u></u>	<u><u>\$4,362.2</u></u>

Contract Balances

The following table provides information about contract assets and liabilities:

	June 30, 2021	June 30, 2020	June 30, 2019
	(in millions)		
Contract assets	\$ 89.8	\$ 81.9	\$ 47.5
Contract liabilities	\$382.5	\$286.6	\$251.6

Contract assets result from revenue already recognized but not yet invoiced, including certain future amounts to be collected under software term licenses and certain other client contracts. Contract liabilities represent consideration received or receivable from clients before the transfer of control occurs (deferred revenue). Contract balances are reported in a net contract asset or liability position on a contract-by-contract basis at the end of each reporting period.

During the fiscal year ended June 30, 2021, contract liabilities increased primarily due to a combination of recent acquisitions, growth in revenues and the timing of client payments. The Company recognized \$158.7 million of revenue during the fiscal year ended June 30, 2021 that was included in the contract liability balance as of June 30, 2020. The Company recognized \$141.2 million of revenue during the fiscal year ended June 30, 2020 that was included in the contract liability balance as of June 30, 2019. The Company recognized \$96.4 million of revenue during fiscal year ended June 30, 2019 that was included in the contract liability balance as of July 1, 2018.

NOTE 4. WEIGHTED-AVERAGE SHARES OUTSTANDING

Basic earnings per share (“EPS”) is calculated by dividing the Company’s Net earnings by the basic Weighted-average shares outstanding for the periods presented. The Company calculates diluted EPS using the treasury stock method, which reflects the potential dilution that could occur if outstanding stock options at the presented date are exercised and restricted stock unit awards have vested.

As of June 30, 2020 and 2019, the computation of diluted EPS did not include 0.4 million, 0.5 million and 0.4 million options to purchase Broadridge common stock, respectively, as the effect of their inclusion would have been anti-dilutive.

The following table sets forth the denominators of the basic and diluted EPS computations:

	Years ended June 30,		
	2021	2020	2019
	(in millions)		
Weighted-average shares outstanding:			
Basic.....	115.7	114.7	115.9
Common stock equivalents	2.1	2.3	2.9
Diluted	<u>117.8</u>	<u>117.0</u>	<u>118.8</u>

NOTE 5. INTEREST EXPENSE, NET

Interest expense, net consisted of the following:

	Years ended June 30,		
	2021	2020	2019
	(in millions)		
Interest expense on borrowings.....	\$(57.5)	\$(62.5)	\$(45.9)
Interest income.....	2.2	3.7	4.2
Interest expense, net	<u>\$(55.2)</u>	<u>\$(58.8)</u>	<u>\$(41.8)</u>

NOTE 6. ACQUISITIONS

Assets acquired and liabilities assumed in business combinations are recorded on the Company’s Consolidated Balance Sheets as of the respective acquisition date based upon the estimated fair values at such date. The results of operations of the businesses acquired by the Company are included in the Company’s Consolidated Statements of Earnings beginning on the respective dates of acquisition. The excess of the purchase price over the estimated fair values of the underlying assets acquired and liabilities assumed is allocated to Goodwill.

The Company is providing unaudited pro forma supplemental information for the Itiviti Acquisition as the Company deemed this acquisition to be material to the Company's operating results. Unaudited pro forma supplemental financial information for all acquisitions, excluding Itiviti, is not provided as the impact of these acquisitions on the Company's operating results, financial position or cash flows was not material for any acquisition individually.

The following represents the fiscal year 2021 acquisitions:

BUSINESS COMBINATIONS

Financial information on each transaction is as follows:

	Itiviti	Advisor-Stream (in millions)	Total
Cash payments, net of cash acquired	\$2,580.4	\$23.2	\$2,603.6
Deferred payments, net	—	2.9	2.9
Contingent consideration liability	—	7.3	7.3
Aggregate purchase price.....	<u>\$2,580.4</u>	<u>\$33.4</u>	<u>\$2,613.8</u>
Net tangible assets acquired / (liabilities assumed)	\$ (256.6)	\$ (3.0)	\$ (259.6)
Goodwill	1,932.4	25.8	1,958.2
Intangible assets	<u>904.6</u>	<u>10.5</u>	<u>915.1</u>
Aggregate purchase price.....	<u>\$2,580.4</u>	<u>\$33.4</u>	<u>\$2,613.8</u>

Itiviti

In May 2021, the Company acquired Itiviti, a leading provider of trading and connectivity technology to the capital markets industry. The acquisition of Itiviti extends the Company's market-leading back office capabilities into the front office and deepens its multi-asset class solutions, better enabling the Company to help its clients adapt to a rapidly evolving marketplace. Itiviti is included in the Company's GTO reportable segment.

- Goodwill is not tax deductible.
- Intangible assets acquired consist primarily of customer relationships and software technology, which are being amortized over a seven-year life and five-year life, respectively.

The allocation of the purchase price will be finalized upon completion of the analysis of the fair values of the acquired business' assets and liabilities.

The following summarizes the allocation of purchase price for the Itiviti acquisition (in millions):

	Itiviti
Accounts receivable.....	\$ 39.9
Other current assets.....	14.1
Property, plant and equipment	9.4
Intangible assets.....	904.6
Goodwill	1,932.4
Other non-current assets	28.7
Payables and accrued expenses.....	(45.8)
Current contract liabilities.....	(58.1)
Deferred taxes	(211.6)
Other long term liabilities.....	(33.2)
Consideration paid, net of cash acquired	<u>\$2,580.4</u>

Unaudited Pro Forma Financial Information

The unaudited pro forma condensed consolidated results of operations in the table below are provided for illustrative purposes only and summarize the combined results of operations of Broadridge and Itiviti. For purposes of this pro forma presentation, the acquisition of Itiviti is assumed to have occurred on July 1, 2019. The pro forma financial information for all periods presented also includes the estimated business combination accounting effects resulting from this acquisition, notably amortization expense from the acquired intangible assets, interest expense from recent debt financing, the proceeds of which were used to fund the acquisition, and certain other integration related impacts.

This unaudited pro forma financial information should not be relied upon as being indicative of the historical results that would have been obtained if the acquisition had actually occurred on July 1, 2019, nor of the results of operations that may be obtained in the future.

	Years ended June 30,	
	2021	2020
	(in millions)	
Revenues	\$5,221.7	\$4,723.4
Net earnings.....	\$ 514.9	\$ 367.5
Basic earnings per share	\$ 4.45	\$ 3.21
Diluted earnings per share	\$ 4.37	\$ 3.14

AdvisorStream

In June 2021, the Company acquired AdvisorStream, a leading provider of digital engagement and marketing solutions for the global wealth and insurance industries. AdvisorStream's advisor marketing platform enables advisors to drive revenue and growth by providing personalized and consistent client communications. AdvisorStream is included in the Company's GTO reportable segment.

- Goodwill is not tax deductible.
- Intangible assets acquired consist primarily of customer relationships and software technology, which are being amortized over a five-year life and five-year life, respectively.

The allocation of the purchase price will be finalized upon completion of the analysis of the fair values of the acquired business' assets and liabilities.

The following represents the fiscal year 2020 acquisitions:

Fiscal Year 2020 Acquisitions:

BUSINESS COMBINATIONS

Financial information on each transaction is as follows:

	Shadow Financial	Fi360	Clear- Structure	Funds- Library	Other Acquisitions	Total
	(in millions)					
Cash payments, net of cash acquired	\$35.6	\$116.0	\$59.1	\$69.9	\$17.3	\$298.0
Deferred payments, net	3.0	3.5	2.1	—	1.7	10.4
Contingent consideration liability	—	—	7.0	—	—	7.0
Aggregate purchase price	<u>\$38.6</u>	<u>\$119.5</u>	<u>\$68.3</u>	<u>\$69.9</u>	<u>\$19.1</u>	<u>\$315.4</u>
Net tangible assets acquired / (liabilities assumed) ..	\$ (0.1)	\$ (7.9)	\$ 0.2	\$ (3.1)	\$ (2.2)	\$ (13.1)
Goodwill	17.6	84.4	44.2	39.2	13.5	198.9
Intangible assets	<u>21.1</u>	<u>43.1</u>	<u>23.9</u>	<u>33.8</u>	<u>7.8</u>	<u>129.6</u>
Aggregate purchase price	<u>\$38.6</u>	<u>\$119.5</u>	<u>\$68.3</u>	<u>\$69.9</u>	<u>\$19.1</u>	<u>\$315.4</u>

Shadow Financial Systems, Inc. (“Shadow Financial”)

In October 2019, the Company acquired Shadow Financial, a provider of multi-asset class post-trade solutions for the capital markets industry. The acquisition builds upon Broadridge’s post-trade processing capabilities by adding a market-ready solution for exchanges, inter-dealer brokers and proprietary trading firms. In addition, the acquisition adds capabilities across exchange-traded derivatives and cryptocurrency. Shadow Financial is included in our GTO reportable segment.

- Goodwill is tax deductible.
- Intangible assets acquired consist primarily of customer relationships and software technology, which are being amortized over a seven-year life and five-year life, respectively.
- In fiscal year 2021, the Company settled deferred payment obligations totaling \$3.0 million.

Fi360, Inc. (“Fi360”)

In November 2019, the Company acquired Fi360, a provider of fiduciary and Regulation Best Interest solutions for the wealth and retirement industry, including the accreditation and continuing education for the Accredited Investment Fiduciary® Designation, the leading designation focused on fiduciary responsibility. The acquisition enhances Broadridge’s retirement solutions by providing wealth and retirement advisors with fiduciary tools that complement its Matrix trust and trading platform. The acquisition also further strengthens Broadridge’s data and analytics tools and solutions suite that enable asset managers to grow their businesses by providing greater transparency into the retirement market. Fi360 is included in our ICS reportable segment.

- Goodwill is not tax deductible.
- Intangible assets acquired consist primarily of customer relationships and software technology, which are being amortized over a seven-year life and five-year life, respectively.
- In fiscal year 2021, the Company settled deferred payment obligations totaling \$3.5 million.

ClearStructure Financial Technology, LLC (“ClearStructure”)

In November 2019, the Company acquired ClearStructure, a global provider of portfolio management solutions for the private debt markets. ClearStructure’s component services enhances Broadridge’s existing multi-asset class, front-to-back office asset management technology suite, providing Broadridge clients with a capability to access the public and private markets. ClearStructure is included in our GTO reportable segment.

- The contingent consideration liability is payable through fiscal year 2023 upon the achievement by the acquired business of certain revenue targets, and has a maximum potential pay-out of \$12.5 million upon the achievement in full of the defined financial targets by the acquired business.
- The fair value of the contingent consideration liability at June 30, 2021 is \$5.0 million.
- Goodwill is primarily tax deductible.
- Intangible assets acquired consist primarily of customer relationships and software technology, which are being amortized over a seven-year life and five-year life, respectively.
- In fiscal year 2021, the Company settled deferred payment obligations totaling \$2.2 million.

FundsLibrary Limited (“FundsLibrary”)

In February 2020, the Company acquired FundsLibrary, a provider of fund document and data dissemination in the European market. FundsLibrary’s solutions enable fund managers to increase distribution opportunities and help them comply with regulations such as Solvency II and MiFID II. The business was combined with FundAssist Limited (“FundAssist”), Broadridge’s existing European funds regulatory communications business. The combination of FundsLibrary’s data platform and technology with Broadridge’s existing fund calculation, document creation and translation capabilities, creates an end-to-end solution for fund managers and distributors, enabling them to respond to demanding regulatory requirements across multiple jurisdictions. FundsLibrary is included in our ICS reportable segment.

- Goodwill is not tax deductible.

- Intangible assets acquired consist primarily of customer relationships and software technology, which are being amortized over a seven-year life and three-year life, respectively.

The following represents the fiscal year 2019 acquisitions:

Fiscal Year 2019 Acquisitions:

BUSINESS COMBINATIONS

Financial information on each transaction is as follows:

	<u>Rockall</u>	<u>RPM</u>	<u>TD Ameritrade*</u>	<u>Total</u>
	(in millions)			
Cash payments, net of cash acquired.....	\$34.9	\$258.3	\$61.5	\$354.7
Deferred payments, net.....	0.5	40.9	—	41.4
Contingent consideration liability	<u>7.0</u>	<u>0.8</u>	<u>—</u>	<u>7.9</u>
Aggregate purchase price.....	<u>\$42.4</u>	<u>\$300.1</u>	<u>\$61.5</u>	<u>\$404.0</u>
Net tangible assets acquired / (liabilities assumed).....	\$ (2.9)	\$ 6.8	\$ —	\$ 3.9
Goodwill	31.1	181.6	27.1	239.8
Intangible assets	<u>14.2</u>	<u>111.7</u>	<u>34.4</u>	<u>160.3</u>
Aggregate purchase price.....	<u>\$42.4</u>	<u>\$300.1</u>	<u>\$61.5</u>	<u>\$404.0</u>

* Broadridge acquired the retirement plan custody and trust assets from TD Ameritrade Trust Company.

Rockall Technologies Limited (“Rockall”)

In May 2019, the Company completed the acquisition of Rockall, a provider of securities-based lending (“SBL”) and collateral management solutions for wealth management firms and commercial banks. The acquisition expanded Broadridge’s core front-to-back office wealth capabilities, providing innovative SBL and collateral management technology solutions to help commercial banks manage risk and optimize clients’ securities lending and financing needs. Rockall is included in our GTO reportable segment.

- The contingent consideration liability is payable over the next two years upon the achievement by the acquired business of certain revenue targets, and has a maximum potential pay-out of \$10.1 million upon the achievement in full of the defined financial targets by the acquired business.
- The fair value of the contingent consideration liability at June 30, 2021 is \$5.9 million.
- Goodwill is not tax deductible.
- Intangible assets acquired consist primarily of software technology and customer relationships, which are being amortized over a four-year life and six-year life, respectively.
- In fiscal year 2020, the Company settled deferred payment obligations totaling \$0.5 million.

RPM Technologies (“RPM”)

In June 2019, Broadridge acquired RPM, a provider of enterprise wealth management software solutions and services. The addition of RPM’s state-of-the-art technology platforms builds upon our Canadian wealth management business, providing a solution set for the retail banking sector with enhanced mutual fund and deposit manufacturing capabilities. RPM is included in our GTO reportable segment.

- Goodwill is partially tax deductible.
- Intangible assets acquired consist primarily of software technology and customer relationships, which are being amortized over a five-year life and seven-year life, respectively.
- In fiscal year 2020, the Company settled deferred payment obligations totaling \$40.9 million.

Retirement Plan Custody and Trust Assets from TD Ameritrade

In June 2019, Broadridge acquired the retirement plan custody and trust assets from TD Ameritrade Trust Company, a subsidiary of TD Ameritrade Holding Company. The acquisition expands Broadridge's suite of solutions for the growing qualified and non-qualified retirement plan services market and the support it provides for third-party administrators, financial advisors, record-keepers, banks, and brokers. This acquisition is included in our ICS reportable segment.

- Goodwill is tax deductible.
- Intangible assets acquired consist of customer relationships, which are being amortized over a seven-year life.

NOTE 7. FAIR VALUE OF FINANCIAL INSTRUMENTS

Accounting guidance on fair value measurements for certain financial assets and liabilities requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1	Quoted market prices in active markets for identical assets and liabilities.
Level 2	Observable market-based inputs other than quoted prices in active markets for identical assets and liabilities.
Level 3	Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In valuing assets and liabilities, the Company is required to maximize the use of quoted market prices and minimize the use of unobservable inputs. The Company calculates the fair value of its Level 1 and Level 2 instruments, as applicable, based on the exchange-traded price of similar or identical instruments where available or based on other observable instruments. These calculations take into consideration the credit risk of both the Company and its counterparties. The Company has not changed its valuation techniques in measuring the fair value of any financial assets and liabilities during the period.

The fair value of the contingent consideration obligations are based on a probability weighted approach derived from the estimates of earn-out criteria and the probability assessment with respect to the likelihood of achieving those criteria. The measurement is based on significant inputs that are not observable in the market, therefore, the Company classifies this liability as Level 3 in the table below.

The following tables set forth the Company's financial assets and liabilities at June 30, 2021 and 2020, respectively, which are measured at fair value on a recurring basis during the period, segregated by level within the fair value hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	(in millions)			
Assets:				
Cash and cash equivalents:				
Money market funds (a)	\$ —	\$—	\$ —	\$ —
Other current assets:				
Securities	0.7	—	—	0.7
Other non-current assets:				
Securities	120.6	—	—	120.6
Total assets as of June 30, 2021	<u>\$121.2</u>	<u>\$—</u>	<u>\$ —</u>	<u>\$121.2</u>
Liabilities:				
Contingent consideration obligations	\$ —	\$—	\$23.2	\$ 23.2
Total liabilities as of June 30, 2021	<u>\$ —</u>	<u>\$—</u>	<u>\$23.2</u>	<u>\$ 23.2</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>				
	(in millions)							
Assets:								
Cash and cash equivalents:								
Money market funds (a)	\$150.1	\$—	\$ —	\$150.1				
Other current assets:								
Securities	0.5	—	—	0.5				
Other non-current assets:								
Securities	102.0	—	—	102.0				
Total assets as of June 30, 2020.....	<u>\$252.7</u>	<u>\$—</u>	<u>\$ —</u>	<u>\$252.7</u>				
Liabilities:								
Contingent consideration obligations	\$ —	\$—	\$33.1	\$ 33.1				
Total liabilities as of June 30, 2020.....	<u>\$ —</u>	<u>\$—</u>	<u>\$33.1</u>	<u>\$ 33.1</u>				

(a) Money market funds include money market deposit account balances of \$0.0 million and \$150.1 million as of June 30, 2021 and 2020, respectively.

In addition, the Company has non-marketable securities with a carrying amount of \$37.5 million as of June 30, 2021 and \$33.3 million as of June 30, 2020 that are classified as Level 2 financial assets and included as part of Other non-current assets.

The following table sets forth an analysis of changes during fiscal years 2021 and 2020 in Level 3 financial liabilities of the Company:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
	(in millions)	
Beginning balance	\$ 33.1	\$28.4
Additional contingent consideration incurred	7.3	7.0
Net increase (decrease) in contingent consideration liability.....	(1.5)	1.0
Foreign currency impact	1.8	(0.7)
Payments.....	<u>(17.5)</u>	<u>(2.6)</u>
Ending balance.....	<u>\$ 23.2</u>	<u>\$33.1</u>

The Company did not incur any Level 3 fair value asset impairments during fiscal year 2021 or fiscal year 2020. Changes in economic conditions or model based valuation techniques may require the transfer of financial instruments between levels. The Company's policy is to record transfers between levels if any, as of the beginning of the fiscal year.

NOTE 8. LEASES

The Company's leases consist primarily of real estate leases in locations where the Company maintains operations, and are classified as operating leases.

The Company evaluates each lease and service arrangement at inception to determine if the arrangement is, or contains, a lease. A lease exists if the Company obtains substantially all of the economic benefits of and has the right to control the use of an asset for a period of time. The lease term begins on the commencement date, which is the date the Company takes possession of the leased property and also classifies the lease as either operating or finance, and may include options to extend or terminate the lease if exercise of the option to extend or terminate the lease is considered to be reasonably certain. The Company's options to extend or terminate a lease generally do not exceed five years. The lease term is used both to determine lease classification as an operating or finance lease and to calculate straight-line lease expense for operating leases. The weighted average remaining operating lease term as of June 30, 2021 was 8.9 years.

ROU assets represent the Company's right to use an underlying asset for the lease term while lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of fixed lease payments over the lease term. ROU assets also include prepaid lease payments and exclude lease incentives received. Certain leases require the Company to pay taxes, insurance, maintenance, and/or other operating expenses associated with the leased asset. Such amounts are not included in the measurement of the lease liability to the extent they are variable in nature (e.g. based on actual costs incurred). These variable lease costs are recognized as a variable lease expense when incurred. As the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate to measure the lease liability and the associated ROU asset at commencement date. The incremental borrowing rate was determined based on the rate of interest that the Company would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. The Company uses the unsecured borrowing rate and risk-adjusts that rate to approximate a collateralized rate. The weighted average discount rate used in measurement of the Company's operating lease liabilities as of June 30, 2021 was 2.9%.

Supplemental Balance Sheet Information

	June 30,	
	2021	2020
	(in millions)	
Assets:		
Operating lease ROU assets (a).....	\$262.0	\$292.6
Liabilities:		
Operating lease liabilities (a) - Current.....	\$ 40.2	\$ 35.3
Operating lease liabilities (a) - Non-current.....	<u>263.1</u>	<u>288.3</u>
Total Operating lease liabilities	<u>\$303.3</u>	<u>\$323.5</u>

-
- (a) Operating lease assets are included within Other non-current assets, and operating lease liabilities are included within Payables and accrued expenses (current portion) and Other non-current liabilities (non-current portion) in the Company's Consolidated Balance Sheets as of June 30, 2021.

Components of Lease Cost (a)

	Years ended June 30,	
	2021	2020
	(in millions)	
Operating lease cost	\$53.4	\$40.9
Variable lease cost	\$25.8	\$24.4

-
- (a) Lease cost is included within Cost of revenues and Selling, general and administrative expenses, dependent upon the nature and use of the ROU asset, in the Company's Consolidated Statements of Earnings.

Rent expense for all operating leases was \$49.0 million during the year ended June 30, 2019 (under Accounting Standards Codification ("ASC") 840 (Leases)).

Supplemental Cash Flow Information

	Years ended June 30,	
	2021	2020
	(in millions)	
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash outflows from operating leases.....	\$33.6	\$26.9
ROU assets obtained in exchange for operating lease liabilities	\$24.4	\$89.6

Maturity of Lease Liabilities under ASC 842 (Leases)

Future rental payments on leases with initial non-cancellable lease terms in excess of one year were due as follows at June 30, 2021:

<u>Years Ending June 30,</u>	<u>Operating Leases</u> (in millions)
2022	\$ 49.0
2023	46.6
2024	40.8
2025	34.4
2026	31.2
Thereafter.....	<u>145.3</u>
Total lease payments	347.3
Less: Discount Amount	<u>44.1</u>
Present value of operating lease liabilities	<u><u>\$303.3</u></u>

NOTE 9. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment at cost and Accumulated depreciation at June 30, 2021 and 2020 are as follows:

	June 30,	
	2021	2020
	(in millions)	
Property, plant and equipment:		
Land and buildings	\$ 2.7	\$ 2.6
Equipment	310.4	269.1
Furniture, leaseholds and other.....	<u>196.8</u>	<u>196.9</u>
	509.9	468.6
Less: Accumulated depreciation	(332.7)	(307.0)
Property, plant and equipment, net.....	<u><u>\$ 177.2</u></u>	<u><u>\$ 161.6</u></u>

In fiscal years 2021 and 2020, Property, plant and equipment and Accumulated depreciation were each reduced by \$15.6 million and \$33.9 million, respectively, for asset retirements related to fully depreciated property, plant and equipment no longer in use.

Depreciation expense for Property, plant and equipment for the years ended June 30, 2021, 2020 and 2019 was as follows:

	Years ended June 30,		
	2021	2020	2019
	(in millions)		
Depreciation expense for Property, plant and equipment	\$38.8	\$50.6	\$65.8

NOTE 10. GOODWILL AND INTANGIBLE ASSETS, NET

Changes in Goodwill for the fiscal years ended June 30, 2021 and 2020 are as follows:

	<u>Investor Communication Solutions</u>	<u>Global Technology and Operations</u>	<u>Total</u>
	(in millions)		
Goodwill, gross, at July 1, 2019.....	\$ 913.1	\$ 586.9	\$1,500.0
Additions	131.6	69.9	201.5
Foreign currency translation and other.....	(5.1)	(13.0)	(18.1)
Fair value adjustments (a).....	(0.2)	(8.8)	(9.0)
Accumulated impairment losses	—	—	—
Goodwill, net, at June 30, 2020	<u>\$1,039.5</u>	<u>\$ 635.0</u>	<u>\$1,674.5</u>
Goodwill, gross, at June 30, 2020	\$1,039.5	\$ 635.0	\$1,674.5
Additions	—	1,958.2	1,958.2
Foreign currency translation and other.....	16.5	71.2	87.7
Fair value adjustments (a).....	0.2	(0.5)	(0.4)
Accumulated impairment losses	—	—	—
Goodwill, net, at June 30, 2021	<u>\$1,056.1</u>	<u>\$2,664.0</u>	<u>\$3,720.1</u>

(a) Fair value adjustments includes adjustments to goodwill as part of finalization of the purchase price allocations.

Additions for the fiscal year ended June 30, 2021 include \$1,932.4 million and \$25.8 million, for the acquisition of Itiviti and AdvisorStream, respectively. Additions for the fiscal year ended June 30, 2020 include \$17.6 million, \$84.4 million, \$44.2 million and \$39.2 million for the acquisitions of Shadow Financial, Fi360, ClearStructure and FundsLibrary, respectively.

During fiscal years 2021, 2020 and 2019, the Company performed the required impairment tests of Goodwill and determined that there was no impairment. The Company also performs a sensitivity analysis under Step 1 of the goodwill impairment test assuming hypothetical reductions in the fair values of the reporting units. A 10% change in our estimates of projected future operating cash flows, discount rates, or terminal value growth rates, which are the most significant estimates used in our calculations of the fair values of the reporting units, would not result in an impairment of our goodwill.

Intangible assets at cost and accumulated amortization at June 30, 2021 and 2020 are as follows:

	June 30,					
	2021			2020		
	<u>Original Cost</u>	<u>Accumulated Amortization</u>	<u>Intangible Assets, net</u>	<u>Original Cost</u>	<u>Accumulated Amortization</u>	<u>Intangible Assets, net</u>
(in millions)						
Software licenses	\$ 179.3	\$(129.1)	\$ 50.2	\$ 137.9	\$(115.7)	\$ 22.2
Acquired software technology.....	427.3	(149.6)	277.7	196.8	(109.7)	87.1
Customer contracts and lists	1,375.7	(373.1)	1,002.6	644.5	(274.2)	370.3
Acquired intellectual property.....	136.6	(118.0)	18.7	136.6	(90.9)	45.7
Other intangibles	<u>117.9</u>	<u>(42.1)</u>	<u>75.8</u>	<u>92.3</u>	<u>(34.0)</u>	<u>58.3</u>
	<u>\$2,236.8</u>	<u>\$(811.8)</u>	<u>\$1,425.0</u>	<u>\$1,208.1</u>	<u>\$(624.4)</u>	<u>\$583.8</u>

Other intangibles consist primarily of capitalized internal use software. All of the intangible assets have finite lives and as such, are subject to amortization.

The weighted-average remaining useful life of the intangible assets is as follows:

	Weighted-Average Remaining Useful Life (Years)
Acquired software technology	4.3
Software licenses	2.9
Customer contracts and lists	6.2
Acquired intellectual property	1.3
Other intangibles	3.0
Total weighted-average remaining useful life	5.5

Amortization of intangibles for the years ended June 30, 2021, 2020 and 2019 was as follows:

	Years ended June 30,		
	2021	2020	2019
Amortization expense for intangible assets	\$182.3	\$146.1	\$106.8

Estimated remaining amortization expenses of the Company's existing intangible assets for the next five fiscal years and thereafter are as follows:

<u>Years Ending June 30,</u>	<u>(in millions)</u>
2022	\$ 298.1
2023	272.0
2024	248.8
2025	219.5
2026	197.0
Thereafter	189.6

NOTE 11. OTHER NON-CURRENT ASSETS

Other non-current assets consisted of the following:

	June 30,	
	2021	2020
Deferred client conversion and start-up costs	\$ 773.7	\$ 433.8
ROU assets (a)	262.0	292.6
Long-term investments	194.0	141.6
Deferred sales commissions costs	108.6	104.4
Contract assets (b)	89.8	81.9
Long-term broker fees	48.7	32.8
Deferred data center costs (c)	24.3	24.5
Other	<u>35.0</u>	<u>30.2</u>
Total	<u>\$1,536.2</u>	<u>\$1,141.9</u>

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- (a) ROU assets represent the Company's right to an underlying asset for the lease term. Please refer to Note 8, "Leases" for a further discussion.
- (b) Contract assets result from revenue already recognized but not yet invoiced, including certain future amounts to be collected under software term licenses and certain other client contracts.
- (c) Represents deferred data center costs associated with the Company's information technology services agreements with International Business Machines Corporation ("IBM"). Please refer to Note 18, "Contractual Commitments, Contingencies and Off-Balance Sheet Arrangements" for a further discussion.

The total amount of deferred client conversion and start-up costs and deferred sales commission costs amortized in Operating expenses for the fiscal year ended June 30, 2021 and 2020 was \$82.0 million and \$76.2 million, respectively.

NOTE 12. PAYABLES AND ACCRUED EXPENSES

Payables and accrued expenses consisted of the following:

	June 30,	
	2021	2020
	(in millions)	
Accounts payable	\$ 248.9	\$ 151.8
Employee compensation and benefits	343.7	260.4
Accrued broker fees	136.0	109.5
Accrued dividend payable	66.8	62.2
Business process outsourcing administration fees	66.1	59.4
Customer deposits	55.5	44.5
Accrued taxes	42.6	38.5
Operating lease liabilities	40.2	35.3
Other	<u>102.9</u>	<u>68.6</u>
Total	<u>\$1,102.7</u>	<u>\$829.9</u>

NOTE 13. BORROWINGS

Outstanding borrowings and available capacity under the Company's borrowing arrangements were as follows:

	Expiration Date	Principal amount outstanding at June 30, 2021	Carrying value at June 30, 2021	Carrying value at June 30, 2020	Unused Available Capacity	Fair Value at June 30, 2021
		(in millions)				
Current portion of long-term debt						
Fiscal 2014 Senior Notes	September 2020	\$ —	\$ —	\$ 399.9	\$ —	\$ —
Total		<u>\$ —</u>	<u>\$ —</u>	<u>\$ 399.9</u>	<u>\$ —</u>	<u>\$ —</u>
Long-term debt, excluding current portion						
Fiscal 2021 Revolving Credit Facility: ..						
U.S. dollar tranche	April 2026	\$ 20.0	\$ 20.0	\$ —	\$ 1,080.0	\$ 20.0
Multicurrency tranche.....	April 2026	<u>94.4</u>	<u>94.4</u>	<u>149.8</u>	<u>305.6</u>	<u>94.4</u>
Total Revolving Credit Facility		<u>\$ 114.4</u>	<u>\$ 114.4</u>	<u>\$ 149.8</u>	<u>\$ 1,385.6</u>	<u>\$ 114.4</u>
Fiscal 2021 Term Loans.....	May 2024	\$1,550.0	\$1,543.4	\$ —	\$ —	\$1,550.0
Fiscal 2016 Senior Notes	June 2026	\$ 500.0	\$ 496.7	\$ 496.1	\$ —	\$ 549.0
Fiscal 2020 Senior Notes	December 2029	750.0	742.5	741.7	—	791.3
Fiscal 2021 Senior Notes	May 2031	1,000.0	990.6	—	—	1,021.1
Total Senior Notes		<u>\$2,250.0</u>	<u>\$2,229.8</u>	<u>\$1,237.8</u>	<u>\$ —</u>	<u>\$2,361.4</u>
Total long-term debt		<u>\$3,914.4</u>	<u>\$3,887.6</u>	<u>\$1,387.6</u>	<u>\$1,385.6</u>	<u>\$4,025.9</u>
Total debt		<u>\$3,914.4</u>	<u>\$3,887.6</u>	<u>\$1,787.5</u>	<u>\$1,385.6</u>	<u>\$4,025.9</u>

Future principal payments on the Company's outstanding debt are as follows (in millions):

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Thereafter</u>	<u>Total</u>
Years ending June 30,.....	\$—	\$—	\$1,550.0	\$—	\$614.4	\$1,750.0	\$3,914.4

Fiscal 2021 Revolving Credit Facility: In April 2021, the Company entered into an amended and restated \$1.5 billion five-year revolving credit facility (the “Fiscal 2021 Revolving Credit Facility”), which replaced the \$1.5 billion five-year revolving credit facility entered into during March 2019 (the “Fiscal 2019 Revolving Credit Facility”) (together the “Revolving Credit Facilities”). The Fiscal 2021 Revolving Credit Facility is comprised of a \$1.1 billion U.S. dollar tranche and a \$400.0 million multicurrency tranche.

The weighted-average interest rate on the Revolving Credit Facilities was 1.20%, 2.59% and 3.26% for the fiscal years ended June 30, 2021, 2020 and 2019, respectively. The fair value of the variable-rate Fiscal 2021 Revolving Credit Facility borrowings at June 30, 2021 approximates carrying value and has been classified as a Level 2 financial liability (as defined in Note 7, “Fair Value of Financial Instruments”).

Under the Fiscal 2021 Revolving Credit Facility, revolving loans denominated in U.S. Dollars, Canadian Dollars, Euro, Yen, and Swedish Kronor initially bear interest at LIBOR, CDOR, EURIBOR, TIBOR and STIBOR, respectively, plus 1.015% per annum (subject to step-ups to 1.175% and step-downs to 0.805% based on ratings) and revolving loans denominated in Sterling initially bear interest at SONIA plus 1.0476% per annum (subject to step-ups to 1.2076% and step-downs to 0.8376% based on ratings). The Fiscal 2021 Revolving Credit Facility also has an annual facility fee equal to 11.0 basis points on the entire facility (subject to step-ups to 20.0 basis points and step-downs to 7.0 basis points based on ratings). The Company may voluntarily prepay, in whole or in part and without premium or penalty, borrowings under the Fiscal 2021 Revolving Credit Facility in accordance with individual drawn loan maturities. The Fiscal 2021 Revolving Credit Facility is subject to certain covenants, including a leverage ratio. At June 30, 2021, the Company is in compliance with all covenants of the Fiscal 2021 Revolving Credit Facility.

Fiscal 2021 Term Loans: In March 2021, the Company entered into a term credit agreement (“Term Credit Agreement”) providing for term loan commitments in an aggregate principal amount of \$2.55 billion, comprised of a \$1.0 billion tranche (“Tranche 1”) and a \$1.55 billion tranche (“Tranche 2,” together with Tranche 1, the “Fiscal 2021 Term Loans”). The Company borrowed the Fiscal 2021 Term Loans in May 2021 in order to finance the Itiviti acquisition. Once borrowed, amounts repaid or prepaid in respect of such Fiscal 2021 Term Loans may not be reborrowed. The Tranche 1 Loans was to mature on the date that is 18 months after the date on which the Fiscal 2021 Term Loans are borrowed (the “Funding Date”), but was repaid in full in May 2021 with proceeds from the Fiscal 2021 Senior Notes (as discussed further below). The Tranche 2 Loan will mature in May 2024 on the third anniversary of the Funding Date. The proceeds of the Fiscal 2021 Term Loans were used by the Company to solely finance the acquisition of Itiviti and pay certain fees and expenses in connection therewith. The Tranche 2 Loan bears interest at LIBOR plus 0.875% per annum (subject to step-ups to LIBOR plus 1.250% or a step-down to LIBOR plus 0.750% based on ratings).

The Company may voluntarily prepay, in whole or in part and without premium or penalty. In the event of receipt of cash proceeds by the Company or its subsidiaries from certain incurrences of indebtedness, certain equity issuances, and certain sales, transfers or other dispositions of assets, the Company will be required to prepay outstanding Loans, subject to certain limitations and qualifications as set forth in the Term Credit Agreement. The Term Credit Agreement is subject to certain covenants, including a leverage ratio. At June 30, 2021, the Company is in compliance with all covenants of the Fiscal 2021 Term Loans.

Fiscal 2014 Senior Notes: In August 2013, the Company completed an offering of \$400.0 million in aggregate principal amount of senior notes (the “Fiscal 2014 Senior Notes”), which bore interest at a rate of 3.95% per annum. On September 1, 2020 the Company repaid in full the \$400.0 million in Fiscal 2014 Senior Notes that were outstanding at their maturity date.

Fiscal 2016 Senior Notes: In June 2016, the Company completed an offering of \$500.0 million in aggregate principal amount of senior notes (the “Fiscal 2016 Senior Notes”). The Fiscal 2016 Senior Notes will mature on June 27, 2026 and bear interest at a rate of 3.40% per annum. Interest on the Fiscal 2016 Senior Notes is payable semi-annually in arrears on June 27 and December 27 of each year. The Fiscal 2016 Senior Notes were issued at a price of 99.589% (effective yield to maturity of 3.449%). The indenture governing the Fiscal 2016 Senior Notes contains certain covenants including covenants restricting the Company’s ability to create or incur

liens securing indebtedness for borrowed money, to enter into certain sale-leaseback transactions, certain subsidiary indebtedness, and to engage in mergers or consolidations and transfer or lease all or substantially all of our assets. At June 30, 2021, the Company is in compliance with the covenants of the indenture governing the Fiscal 2016 Senior Notes. The indenture also contains covenants regarding the purchase of the Fiscal 2016 Senior Notes upon a change of control triggering event. The Company may redeem the Fiscal 2016 Senior Notes in whole or in part at any time before their maturity. The fair value of the fixed-rate Fiscal 2016 Senior Notes at June 30, 2021 and June 30, 2020 was \$549.0 million and \$554.3 million, respectively, based on quoted market prices and has been classified as a Level 1 financial liability (as defined in Note 7, “Fair Value of Financial Instruments”).

Fiscal 2020 Senior Notes: In December 2019, the Company completed an offering of \$750.0 million in aggregate principal amount of senior notes (the “Fiscal 2020 Senior Notes”). The Fiscal 2020 Senior Notes will mature on December 1, 2029 and bear interest at a rate of 2.90% per annum. Interest on the Fiscal 2020 Senior Notes is payable semi-annually in arrears on June 1 and December 1 of each year. The Fiscal 2020 Senior Notes were issued at a price of 99.717% (effective yield to maturity of 2.933%). The indenture governing the Fiscal 2020 Senior Notes contains certain covenants including covenants restricting the Company’s ability to create or incur liens securing indebtedness for borrowed money, to enter into certain sale-leaseback transactions, certain subsidiary indebtedness, and to engage in mergers or consolidations and transfer or lease all or substantially all of our assets. At June 30, 2021, the Company is in compliance with the covenants of the indenture governing the Fiscal 2020 Senior Notes. The indenture also contains covenants regarding the purchase of the Fiscal 2020 Senior Notes upon a change of control triggering event. The Company may redeem the Fiscal 2020 Senior Notes in whole or in part at any time before their maturity. The fair value of the fixed-rate Fiscal 2020 Senior Notes at June 30, 2021 and June 30, 2020 was \$791.3 million and \$803.6 million, respectively, based on quoted market prices and has been classified as a Level 1 financial liability (as defined in Note 7, “Fair Value of Financial Instruments”).

Fiscal 2021 Senior Notes: In May 2021, the Company completed an offering of \$1.0 billion in aggregate principal amount of senior notes (the “Fiscal 2021 Senior Notes”). The Fiscal 2021 Senior Notes will mature on May 1, 2031 and bear interest at a rate of 2.60% per annum. Interest on the Fiscal 2021 Senior Notes is payable semi-annually in arrears on May 1 and November 1 of each year. The Fiscal 2021 Senior Notes were issued at a price of 99.957% (effective yield to maturity of 2.605%). The indenture governing the Fiscal 2021 Senior Notes contains certain covenants including covenants restricting the Company’s ability to create or incur liens securing indebtedness for borrowed money, to enter into certain sale-leaseback transactions, certain subsidiary indebtedness, and to engage in mergers or consolidations and transfer or lease all or substantially all of our assets. At June 30, 2021, the Company is in compliance with the covenants of the indenture governing the Fiscal 2021 Senior Notes. The indenture also contains covenants regarding the purchase of the Fiscal 2021 Senior Notes upon a change of control triggering event. The Company may redeem the Fiscal 2021 Senior Notes in whole or in part at any time before their maturity. The fair value of the fixed-rate Fiscal 2021 Senior Notes at June 30, 2021 was \$1.02 billion, based on quoted market prices and has been classified as a Level 1 financial liability (as defined in Note 7, “Fair Value of Financial Instruments”).

The Fiscal 2019 Revolving Credit Facility, Fiscal 2021 Term Loans, Fiscal 2016 Senior Notes, Fiscal 2020 Senior Notes and Fiscal 2021 Senior Notes are senior unsecured obligations of the Company and are ranked equally in right of payment.

In addition, certain of the Company’s subsidiaries established unsecured, uncommitted lines of credit with banks. As of June 30, 2021 and 2020, respectively, there were no outstanding borrowings under these lines of credit.

NOTE 14. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consisted of the following:

	June 30,	
	2021	2020
	(in millions)	
Operating lease liabilities.....	\$263.1	\$288.3
Post-employment retirement obligations.....	162.8	144.3
Non-current income taxes	48.2	37.4
Acquisition related contingencies	15.1	17.6
Other.....	48.0	24.8
Total	<u>\$537.2</u>	<u>\$512.4</u>

NOTE 15. STOCK-BASED COMPENSATION

Incentive Equity Awards. The Broadridge Financial Solutions, Inc. 2007 Omnibus Award Plan (the “2007 Plan”) and 2018 Omnibus Award Plan (the “2018 Plan”) provide for the granting of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, phantom stock awards, stock bonuses and performance compensation awards to employees, non-employee directors, and other key individuals who perform services for the Company. The 2018 Plan was approved by shareholders in November 2018 and replaced the 2007 Plan. The accounting for stock-based compensation requires the measurement of stock-based compensation expense to be recognized in the Consolidated Statements of Earnings based on the fair value of the award on the date of grant. In accordance with the 2007 Plan and 2018 Plan, the Company’s stock-based compensation consists of the following:

Stock Options: Stock options are granted to employees at exercise prices equal to the fair market value of the Company’s common stock on the dates of grant. Stock options are generally issued under a graded vesting schedule, meaning that they vest ratably over four years, and have a term of 10 years. A portion of the stock options granted in fiscal year 2018 have a cliff vesting schedule meaning that they fully vest in four years from the grant date and have a term of 10 years. Compensation expense for stock options under a graded vesting schedule is recognized over the requisite service period for each separately vesting portion of the stock option award. Compensation expense for stock options under a cliff vesting schedule is recognized equally over the vesting period of four years with 25 percent of the cost recognized over each 12 months period net of estimated forfeitures.

Time-based Restricted Stock Units: The Company has a time-based restricted stock unit (“RSU”) program under which RSUs representing the right to receive one share of the Company’s common stock for each vested RSU granted. Time-based RSUs typically vest two and one-half years from the date of grant. The Company records stock compensation expense for time-based RSUs net of estimated forfeitures on a straight-line basis over the vesting period.

Performance-based Restricted Stock Units: The Company has a performance-based RSU program under which RSUs representing the right to receive one share of the Company’s common stock for each vested RSU granted. RSUs vest upon the achievement by the Company of specific performance metrics. The Company records stock compensation expense for performance-based RSUs net of estimated forfeitures on a straight-line basis over the performance period, plus a subsequent vesting period, which typically totals approximately two and one-half years from the date of grant.

The activity related to the Company's incentive equity awards for the fiscal years ended June 30, 2021, 2020 and 2019 consisted of the following:

	Stock Options		Time-based RSUs		Performance-based RSUs	
	Number of Options	Weighted Average Exercise Price	Number of Shares	Weighted Average Grant-Date Fair Value	Number of Shares	Weighted Average Grant-Date Fair Value
Balances at June 30, 2018	4,478,288	\$ 55.69	982,399	\$ 67.72	395,689	\$ 74.29
Granted	528,978	98.72	360,147	121.11	133,213	116.53
Exercised (a)	(784,372)	39.94	—	—	—	—
Vesting of RSUs (b)	—	—	(430,270)	63.97	(198,420)	64.50
Expired/forfeited	(21,280)	94.14	(92,977)	76.57	(4,705)	80.57
Balances at June 30, 2019	4,201,614	\$ 63.85	819,299	\$ 92.15	325,777	\$ 97.43
Granted	501,192	117.43	340,006	118.74	110,260	120.09
Exercised (a)	(905,231)	46.47	—	—	—	—
Vesting of RSUs (b)	—	—	(408,716)	78.76	(176,900)	77.19
Expired/forfeited	(26,788)	88.01	(50,591)	113.07	(7,541)	80.24
Balances at June 30, 2020	3,770,787	\$ 74.97	699,998	\$111.37	251,596	\$122.11
Granted	359,464	147.97	382,340	132.21	141,838	126.96
Exercised (a)	(756,915)	46.26	—	—	—	—
Vesting of RSUs (b)	—	—	(272,131)	122.92	(122,146)	119.15
Expired/forfeited	(169,654)	105.40	(48,870)	121.32	(23,708)	122.76
Balances at June 30, 2021 (c)	<u>3,203,682</u>	<u>\$ 88.33</u>	<u>761,337</u>	<u>\$117.07</u>	<u>247,580</u>	<u>\$126.29</u>

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- (a) Stock options exercised during the fiscal years ended June 30, 2021, 2020 and 2019 had intrinsic values of \$70.8 million, \$68.9 million and \$65.8 million, respectively.
 - (b) Time-based RSUs that vested during the fiscal years ended June 30, 2021, 2020 and 2019 had a total fair value of \$42.1 million, \$38.4 million and \$45.4 million, respectively. Performance-based RSUs that vested during the fiscal years ended June 30, 2021, 2020 and 2019 had a total fair value of \$18.7 million, \$16.5 million and \$21.7 million, respectively.
 - (c) As of June 30, 2021, the Company's outstanding stock options using the fiscal year-end share price of \$161.53 had an aggregate intrinsic value of \$234.5 million. As of June 30, 2021, the Company's outstanding "in the money" vested stock options using the fiscal year-end share price of \$161.53 had an aggregate intrinsic value of \$160.9 million. As of June 30, 2021, time-based RSUs and performance-based RSUs expected to vest using the fiscal year-end share price of \$161.53 had an aggregate intrinsic value of \$116.6 million and \$37.6 million, respectively. Performance-based RSUs granted in the table above represent initial target awards, and performance adjustments for (i) change in shares issued based upon attainment of performance goals determined in the period, and (ii) estimated change in shares issued resulting from attainment of performance goals to be determined at the end of the prospective performance period.

The tables below summarize information regarding the Company's outstanding and exercisable stock options as of June 30, 2021:

Range of Exercise Prices	Outstanding Options			
	Options Outstanding	Weighted Average Remaining Contractual Term (in years)	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value (in millions) (a)
\$0.01 to \$35.00	96,842	1.22	\$ 22.07	
\$35.01 to \$50.00	299,488	2.67	\$ 37.85	
\$50.01 to \$65.00	444,404	4.16	\$ 52.73	
\$65.01 to \$80.00	237,848	5.51	\$ 67.32	
\$80.01 to \$95.00	895,675	6.46	\$ 93.34	
\$95.01 to \$110.00	453,977	7.48	\$ 98.73	
\$110.01 to \$125.00	428,431	8.47	\$117.45	
\$140.01 to \$148.07	347,017	9.60	\$147.97	
	<u>3,203,682</u>	<u>6.31</u>	<u>\$ 88.33</u>	<u>\$234.5</u>

Range of Exercise Prices	Exercisable Options			
	Options Exercisable	Weighted Average Remaining Contractual Term (in years)	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value (in millions) (a)
\$0.01 to \$35.00	96,842	1.22	\$ 22.07	
\$35.01 to \$50.00	299,488	2.67	\$ 37.85	
\$50.01 to \$65.00	444,404	4.16	\$ 52.73	
\$65.01 to \$80.00	237,848	5.51	\$ 67.32	
\$80.01 to \$95.00	289,393	6.43	\$ 93.26	
\$95.01 to \$110.00	228,161	7.48	\$ 99.14	
\$110.01 to \$125.00	118,472	8.34	\$117.72	
\$140.01 to \$148.07	24,501	9.39	\$146.60	
	<u>1,739,109</u>	<u>5.10</u>	<u>\$ 69.04</u>	<u>\$160.9</u>

(a) Calculated using the closing stock price on the last trading day of fiscal year 2021 of \$161.53, less the option exercise price, multiplied by the number of instruments.

Stock-based compensation expense of \$58.6 million, \$60.8 million, and \$58.4 million was recognized in the Consolidated Statements of Earnings for the fiscal years ended June 30, 2021, 2020 and 2019, respectively, as well as related tax benefits of \$13.0 million, \$13.5 million, and \$13.5 million, respectively.

As of June 30, 2021, the total remaining unrecognized compensation cost related to non-vested stock options and RSU awards amounted to \$12.5 million and \$54.4 million, respectively, which will be amortized over the weighted-average remaining requisite service periods of 1.8 years and 1.6 years, respectively.

In April 2013, the Company began reissuing treasury stock to satisfy stock option exercises and issuances under the Company's RSU awards. From time to time, the Company may repurchase shares of its common stock under its authorized share repurchase programs. The Company did not repurchase shares in fiscal year 2021 under our share repurchase program as compared to 0.4 million shares repurchased in fiscal year 2020, which excludes shares withheld by the Company to cover payroll taxes on the vesting of RSU awards, which are also accounted for as treasury stock. The Company considers several factors in determining when to execute share repurchases, including, among other things, actual and potential acquisition activity, cash balances and cash flows, issuances due to employee benefit plan activity, and market conditions.

The following table presents the assumptions used to determine the fair values of the stock option grants using the Binomial options pricing model during the fiscal years ended June 30, 2021, 2020 and 2019:

	Years ended June 30,		
	2021	2020	2019
Graded Vesting			
Risk-free interest rate.....	0.6%	1.5%	2.5%
Dividend yield	1.6%	1.8%	2.0%
Weighted-average volatility factor	27.0%	23.0%	26.0%
Weighted-average expected life (in years)	5.7	5.7	5.9
Weighted-average fair value (in dollars).....	\$30.98	\$21.49	\$22.12

NOTE 16. EMPLOYEE BENEFIT PLANS

A. Defined Contribution Savings Plans. The Company sponsors a 401(k) savings plan covering eligible U.S. employees of the Company. This plan provides a base contribution plus Company matching contributions on a portion of employee contributions.

An Executive Retirement and Savings Plan (the “ERSP”) was adopted effective January 1, 2015 for those executives who are not participants in the Broadridge SORP or Broadridge SERP (defined below). The ERSP is a defined contribution plan that allows eligible full-time U.S. employees to defer compensation until a later date and the Company will match a portion of the deferred compensation above the qualified defined contribution compensation and deferral limitations.

The costs recorded by the Company for these plans were:

	Years ended June 30,		
	2021	2020	2019
	(in millions)		
401(k) savings plan	\$39.0	\$42.6	\$35.5
ERSP	2.7	2.5	2.3
Total	<u>\$41.6</u>	<u>\$45.1</u>	<u>\$37.8</u>

B. Defined Benefit Pension Plans. The Company sponsors a Supplemental Officer Retirement Plan (the “SORP”). The SORP is a nonqualified ERISA defined benefit plan pursuant to which the Company will pay supplemental pension benefits to certain key officers upon retirement based upon the officers’ years of service and compensation. The SORP was closed to new participants beginning in fiscal year 2015. The Company also sponsors a Supplemental Executive Retirement Plan (the “SERP”). The SERP is also a nonqualified ERISA defined benefit plan pursuant to which the Company will pay supplemental pension benefits to certain key executives upon retirement based upon the executives’ years of service and compensation. The SERP was closed to new participants beginning in fiscal year 2015.

The SORP and SERP are effectively funded with assets held in a Rabbi Trust. The assets invested in the Rabbi Trust are to be used in part to fund benefit payments to participants under the terms of the plans. The Rabbi Trust is irrevocable and no portion of the trust funds may be used for any purpose other than the delivery of those assets to the participants, except that assets held in the Rabbi Trust would be subject to the claims of the Company’s general creditors in the event of bankruptcy or insolvency of the Company. The SORP and SERP are nonqualified plans for federal tax purposes and for purposes of Title I of ERISA. The Rabbi Trust assets had a value of \$62.6 million at June 30, 2021 and \$54.5 million at June 30, 2020 and are included in Other non-current assets in the accompanying Consolidated Balance Sheets.

The amounts charged to expense by the Company for these plans were:

	Years ended June 30,		
	2021	2020	2019
	(in millions)		
SORP	\$5.6	\$4.8	\$3.9
SERP	0.5	0.4	0.5
Total	<u>\$6.1</u>	<u>\$5.2</u>	<u>\$4.4</u>

The benefit obligation to the Company under these plans at June 30, 2021, 2020 and 2019 was:

	Years ended June 30,		
	2021	2020	2019
	(in millions)		
SORP	\$59.5	\$53.8	\$45.5
SERP	6.4	6.0	5.4
Total	<u>\$65.9</u>	<u>\$59.8</u>	<u>\$50.8</u>

C. Other Post-retirement Benefit Plan. The Company sponsors an Executive Retiree Health Insurance Plan. It is a post-retirement benefit plan pursuant to which the Company helps defray the health care costs of certain eligible key executive retirees and qualifying dependents, based upon the retirees' age and years of service, until they reach the age of 65. The plan is currently unfunded.

The amounts charged to expense by the Company for this plan were:

	Years ended June 30,		
	2021	2020	2019
	(in millions)		
Executive Retiree Health Insurance Plan	\$0.3	\$0.5	\$0.5

The benefit obligation to the Company under this plan at June 30, 2021, 2020 and 2019 was:

	Years ended June 30,		
	2021	2020	2019
	(in millions)		
Executive Retiree Health Insurance Plan	\$3.7	\$4.5	\$5.2

D. Other Post-employment Benefit Obligations. The Company sponsors certain non-US benefits-related plans covering certain eligible international employees who are eligible under the terms of their employment in their respective countries. These plans are generally unfunded.

The amounts charged to expense by the Company for these plans were in fiscal years 2021, 2020 and 2019 was:

	Years ended June 30,		
	2021	2020	2019
	(in millions)		
Other Non-U.S. Benefits-Related Plans	\$1.8	\$1.0	\$1.3

The benefit obligation to the Company under these plans at June 30, 2021, 2020 and 2019 was:

	Years ended June 30,		
	2021	2020	2019
	(in millions)		
Other Non-U.S. Benefits-Related Plans	\$9.1	\$6.4	\$5.8

NOTE 17. INCOME TAXES

Earnings before income taxes shown below are based on the geographic location to which such earnings are attributable.

	Years Ended June 30,		
	2021	2020	2019
	(in millions)		
Earnings before income taxes:			
U.S.	\$604.4	\$492.4	\$526.4
Foreign....	91.8	87.2	80.8
Total	<u>\$696.2</u>	<u>\$579.5</u>	<u>\$607.3</u>

The Provision for income taxes consists of the following components:

	Years Ended June 30,		
	2021	2020	2019
	(in millions)		
Current:			
U.S. Domestic	\$ 51.2	\$ 46.7	\$ 88.8
Foreign.....	34.9	33.1	24.7
State	<u>10.5</u>	<u>8.3</u>	<u>15.1</u>
Total current.....	96.7	88.1	128.7
Deferred:			
U.S. Domestic	55.3	33.1	2.2
Foreign.....	(9.5)	(10.7)	(2.8)
State	<u>6.2</u>	<u>6.5</u>	<u>(2.9)</u>
Total deferred.....	52.0	29.0	(3.5)
Total Provision for income taxes	<u>\$148.7</u>	<u>\$117.0</u>	<u>\$125.2</u>

	Years Ended June 30,					
	2021	%	2020	%	2019	%
	(in millions)					
Provision for income taxes at U.S. statutory rate	\$146.2	21.0	\$121.7	21.0	\$127.5	21.0
Increase (decrease) in Provision for income taxes from:						
State taxes, net of federal tax.....	15.2	2.2	11.3	1.9	12.0	2.0
Foreign tax differential	4.8	0.7	3.2	0.6	3.8	0.6
Valuation allowances.....	1.0	0.1	2.4	0.4	0.4	0.1
Stock-based compensation - excess tax benefits ("ETB")....	(16.9)	(2.4)	(15.6)	(2.7)	(19.3)	(3.2)
Tax Act Items	—	—	—	—	(0.5)	(0.1)
Other	<u>(1.6)</u>	<u>(0.2)</u>	<u>(5.9)</u>	<u>(1.0)</u>	<u>1.3</u>	<u>0.2</u>
Total Provision for income taxes	<u>\$148.7</u>	<u>21.4</u>	<u>\$117.0</u>	<u>20.2</u>	<u>\$125.2</u>	<u>20.6</u>

The Provision for income taxes and effective tax rates for the fiscal year ended June 30, 2021 were \$148.7 million and 21.4%, compared to \$117.0 million and 20.2%, for the fiscal year ended June 30, 2020, respectively. The increase in the effective tax rate for the fiscal year ended June 30, 2021 compared to the fiscal year ended June 30, 2020 was primarily driven by lower discrete benefits, partially offset by higher ETB of \$16.9 million for the fiscal year ended June 30, 2021 compared to \$15.6 million for the fiscal year ended June 30, 2020.

The Provision for income taxes and effective tax rates for the fiscal year ended June 30, 2020 were \$117.0 million and 20.2%, compared to \$125.2 million and 20.6%, for the fiscal year ended June 30, 2019,

respectively. The decrease in the effective tax rate for the fiscal year ended June 30, 2020 compared to the fiscal year ended June 30, 2019 was primarily driven by higher discrete benefits, partially offset by lower ETB of \$15.6 million for the fiscal year ended June 30, 2020 compared to \$19.3 million for the fiscal year ended June 30, 2019.

As of June 30, 2021, the Company had approximately \$727.8 million of accumulated earnings and profits attributable to foreign subsidiaries. The Company considers \$436.8 million of accumulated earnings attributable to foreign subsidiaries to be permanently reinvested outside the U.S. and has not determined the cost to repatriate such earnings since it is not practicable to calculate the amount of income taxes payable in the event all such foreign earnings are repatriated. The Company does not consider the remaining \$291.0 million of accumulated earnings to be permanently reinvested outside the U.S. The Company has accrued approximately \$16.3 million of foreign income and withholding taxes, state income taxes, and tax on exchange gain attributable to such earnings.

Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when such differences are expected to reverse. Significant components of the Company's deferred tax assets and liabilities at June 30, 2021 and 2020 were as follows:

	June 30,	
	2021	2020
	(in millions)	
Classification:		
Long-term deferred tax assets (included in Other non-current assets)	\$ 5.9	\$ 2.6
Long-term deferred tax liabilities	(400.7)	(126.8)
Net deferred tax liabilities.....	<u><u>\$394.8)</u></u>	<u><u>\$(124.2)</u></u>
Components:		
Deferred tax assets:		
Accrued expenses not currently deductible	\$ 8.2	\$ 3.1
Compensation and benefits not currently deductible.....	64.7	59.1
Net operating and capital losses	33.6	16.4
Tax credits	11.2	7.7
Other	<u><u>15.8</u></u>	<u><u>9.1</u></u>
Total deferred tax assets	133.4	95.5
Less: Valuation allowances	(10.5)	(6.7)
Deferred tax assets, net	<u><u>123.0</u></u>	<u><u>88.8</u></u>
Deferred tax liabilities:		
Goodwill and identifiable intangibles.....	319.1	112.8
Depreciation.....	29.0	17.3
Net deferred expenses	142.5	66.5
Unremitted earnings	16.3	9.5
Other	<u><u>10.9</u></u>	<u><u>7.0</u></u>
Deferred tax liabilities.....	<u><u>517.8</u></u>	<u><u>213.0</u></u>
Net deferred tax liabilities.....	<u><u>\$(394.8)</u></u>	<u><u>\$(124.2)</u></u>

The Company has estimated foreign net operating loss carryforwards of approximately \$63.0 million as of June 30, 2021 of which \$7.9 million are subject to expiration in the June 30, 2022 through June 30, 2041 period, and of which \$55.1 million has an indefinite utilization period. In addition, the Company has estimated U.S. federal net operating loss carryforwards of approximately \$43.5 million of which \$24.4 million are subject to expiration in the June 30, 2022 through June 30, 2037 period with the balance of \$19.1 million having an indefinite utilization period.

Valuation allowances are recognized to reduce deferred tax assets when it is more likely than not that the Company will not be able to utilize the deferred tax assets of certain subsidiaries to offset future taxable earnings. The Company has recorded valuation allowances of \$10.5 million and \$6.7 million at June 30, 2021

and 2020, respectively. The determination as to whether a deferred tax asset will be recognized is made on a jurisdictional basis and is based on the evaluation of historical taxable income or loss, projected future taxable income, carryforward periods, scheduled reversals of deferred tax liabilities and tax planning strategies. Projected future taxable income is based on expected results and assumptions as to the jurisdiction in which the income will be earned. The assumptions used to project future taxable income require significant judgment and are consistent with the plans and estimates used to manage the underlying businesses.

In the next twelve months, the Company does not expect a material change to its net reserve balance for unrecognized tax benefits.

The following table summarizes the activity related to the Company's gross unrecognized tax positions:

	Fiscal Year Ended June 30,		
	2021	2020	2019
	(in millions)		
Beginning balance	\$37.1	\$40.2	\$22.8
Gross increase related to prior period tax positions	12.2	0.5	17.3
Gross increase related to current period tax positions	4.3	5.9	2.8
Gross decrease related to prior period tax positions.	(2.9)	(9.5)	(2.6)
Ending balance	<u>\$50.7</u>	<u>\$37.1</u>	<u>\$40.2</u>

As of June 30, 2021, 2020 and 2019, the net reserve for unrecognized tax positions recorded by the Company that is included in the preceding table of gross unrecognized tax positions was \$47.5 million, \$33.8 million, and \$33.4 million, respectively, and if reversed in full, would favorably affect the effective tax rate by these amounts, respectively.

The \$2.9 million, \$9.5 million, and \$2.6 million gross decreases in fiscal years 2021, 2020 and 2019, respectively, for prior period tax positions related to certain tax audit settlements and certain state, federal and foreign statute of limitation expirations.

During the fiscal year ended June 30, 2021, the Company adjusted accrued interest by approximately less than \$0.1 million and recognized a total liability for interest on unrecognized tax positions of \$3.6 million; in the fiscal year ended June 30, 2020, the Company adjusted accrued interest by less than 0.1 million and recognized a total liability for interest on unrecognized tax positions of \$3.6 million; in the fiscal year ended June 30, 2019, the Company adjusted accrued interest by approximately \$(0.1) million and recognized a total liability for interest on unrecognized tax positions of \$3.6 million.

The Company is regularly subject to examination of its income tax returns by U.S. Federal, state and foreign income tax authorities. The tax years that are currently open and could be subject to income tax audits for U.S. federal and most state and local jurisdictions are fiscal years ending June 30, 2013 through June 30, 2021, and for Canadian operations that could be subject to audit in Canada, fiscal years ending June 30, 2015 through June 30, 2021. A change in the assessment of the outcomes of such matters could materially impact our Consolidated Financial Statements.

NOTE 18. CONTRACTUAL COMMITMENTS, CONTINGENCIES, AND OFF-BALANCE SHEET ARRANGEMENTS

Data Center Agreements

In March 2010, the Company and IBM entered into an Information Technology Services Agreement (the "IT Services Agreement"), under which IBM provided certain aspects of the Company's information technology infrastructure. Under the IT Services Agreement, IBM provided a broad range of technology services to the Company including supporting its mainframe, midrange, network and data center operations, as well as providing disaster recovery services. The migration of data center processing to IBM was completed in August 2012. The IT Services Agreement would have expired on June 30, 2022, but a two-year extension was signed in March 2015, amending the expiration date to June 30, 2024. In December 2019, the Company and IBM amended and restated the IT Services Agreement (the "Amended IT Services Agreement"), which now expires on June 30, 2027. The Company has the option of incorporating additional services into the Amended IT Services Agreement over time. The Company may renew the term of the Amended IT Services Agreement for up to one additional

12-month period. Fixed minimum commitments remaining under the Amended IT Services Agreement at June 30, 2021 are \$208.9 million through fiscal year 2027, the final year of the Amended IT Services Agreement.

In December 2019, the Company and IBM entered into an information technology agreement for private cloud services (the “IBM Private Cloud Agreement”) under which IBM will operate, manage and support the Company’s private cloud global distributed platforms and products, and operate and manage certain Company networks. The IBM Private Cloud Agreement has an initial term of approximately 10 years and three months, expiring on March 31, 2030. As a result of the IBM Private Cloud Agreement, the Company transferred certain of its employees in April 2020 to IBM and its affiliates, and such transferred employees are expected to continue providing services to the Company on behalf of IBM under the IBM Private Cloud Agreement. Pursuant to the IBM Private Cloud Agreement, the Company agreed to transfer the ownership of certain Company-owned hardware (the “Hardware”) located at Company facilities worldwide to IBM. As of June 30, 2020, the Hardware was classified as assets held for sale with a carrying amount of \$18.0 million and was included in the Company’s Other current assets line item on the Consolidated Balance Sheets. The transfer of the Hardware and Maintenance Contracts to IBM closed on September 30, 2020 for a selling price of \$18.0 million. Fixed minimum commitments remaining under the IBM Private Cloud Agreement at June 30, 2021 are \$207.0 million through March 31, 2030, the final year of the contract.

In March 2014, the Company and IBM United Kingdom Limited (“IBM UK”) entered into an Information Technology Services Agreement (the “EU IT Services Agreement”), under which IBM UK provides data center services supporting the Company’s technology outsourcing services for certain clients in Europe and Asia. The EU IT Services Agreement would have expired in October 2023. In December 2019, the Company amended the existing EU IT Services Agreement whereby the Company will migrate from the existing dedicated on-premise solution to a managed Broadridge private cloud environment provided by IBM, as well as extended the term of the EU IT Services Agreement to June 2029 (the “Amended EU IT Services Agreement”). The Company has the right to renew the term of the Amended EU IT Services Agreement for up to one additional 12-month period or one additional 24-month period. Fixed minimum commitments remaining under the Amended EU IT Services Agreement at June 30, 2021 are \$30.8 million through fiscal year 2029, the final year of the contract.

The total annual expenses related to these IBM agreements and certain other data center arrangements was \$176.7 million, \$118.7 million, and \$106.1 million, for the fiscal years ended June 30, 2021, 2020 and 2019, respectively.

The following table summarizes the capitalized costs related to data center agreements as of June 30, 2021:

	<u>Amended IT Services Agreement</u>	<u>Amended EU IT Services Agreement</u>	<u>Total</u>
	(in millions)		
Capitalized costs, beginning balance.....	\$ 62.6	\$ 6.3	\$ 68.9
Capitalized costs incurred	0.2	1.7	1.9
Impact of foreign currency exchange	—	0.9	0.9
Total capitalized costs, ending balance.....	62.8	9.0	71.8
Total accumulated amortization.....	(43.3)	(5.5)	(48.8)
Net Deferred IBM Costs	<u>\$ 19.4</u>	<u>\$ 3.5</u>	<u>\$ 23.0</u>

The following table summarizes the respective total annual amortization expense of capitalized costs related to data center agreements:

	Years ended June 30,		
	2021	2020	2019
	(in millions)		
Amended IT Services Agreement	\$3.2	\$4.2	\$5.3
Amended EU IT Services Agreement	<u>1.2</u>	<u>1.8</u>	<u>0.5</u>
Total expenses	<u><u>\$4.5</u></u>	<u><u>\$6.1</u></u>	<u><u>\$5.8</u></u>

Investments

The Company has an equity method investment that is a variable interest in a variable interest entity, the Company is not the primary beneficiary and therefore does not consolidate the investee. The Company's potential maximum loss exposure related to this unconsolidated investment totaled \$25.3 million as of June 30, 2021, which represents the carrying value of the Company's investment and is recorded in Other non-current assets in the Company's Consolidated Balance Sheets. In addition, as of June 30, 2021, the Company has a future commitment to fund this investee for up to an additional \$7.0 million if certain future funding milestones are met. Additional funding provided by the Company to the investee as a result of meeting the future funding milestones would increase the Company's corresponding potential maximum loss exposure by that amount.

In addition, as of June 30, 2021, the Company also has a future commitment to fund \$2.0 million to one of the Company's other investees.

Contractual Obligations

The Company has obligations under the Amended IT Services Agreement, the Amended EU IT Services Agreement, the IBM Private Cloud Agreement, software license agreements including hosted software arrangements, and software and hardware maintenance and support agreements.

The following table summarizes the total expenses related to these agreements:

	Years ended June 30,		
	2021	2020	2019
	(in millions)		
Data center expenses	\$176.7	\$118.7	\$106.1
Software license agreements	91.2	57.0	37.3
Software/hardware maintenance agreements	<u>77.5</u>	<u>72.1</u>	<u>65.0</u>
Total expenses	<u><u>\$345.4</u></u>	<u><u>\$247.9</u></u>	<u><u>\$208.4</u></u>

The future minimum commitments at June 30, 2021 for the aforementioned Amended IT Services Agreement, the Amended EU IT Services Agreement, the IBM Private Cloud Agreement, software license agreements including hosted software arrangements, and software and hardware maintenance and support agreements are as follows:

<u>Years Ending June 30,</u>	<u>(in millions)</u>
2022.	\$120.2
2023.	111.7
2024.	84.3
2025.	67.3
2026.	54.5
Thereafter	<u>113.7</u>
Total.	<u><u>\$551.7</u></u>

Other

It is not the Company's business practice to enter into off-balance sheet arrangements. However, the Company is exposed to market risk from changes in foreign currency exchange rates that could impact its

financial position, results of operations, and cash flows. The Company manages its exposure to these market risks through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. The Company was not a party to any outstanding derivative financial instruments at June 30, 2021 or June 30, 2020. In connection with the acquisition of Itiviti in March 2021 the Company entered into two derivative instruments designed to mitigate the Company's exposure to the impact of (i) changes in foreign exchange rates on the acquisition of Itiviti purchase consideration, and (ii) changes in interest rates on the Fiscal 2021 Senior Notes.

The Company executed a forward foreign exchange derivative instrument ("Forward") with an aggregate notional amount of EUR 1.955 billion. The Forward acted as an economic hedge against the impact of changes in the Euro on the Company's purchase consideration for the acquisition of Itiviti. The Company recorded changes in fair value of the Forward as part of Other non-operating income (expenses), net in the Consolidated Statement of Earnings. In May 2021, the Company settled the Forward derivative for a cumulative pre-tax gain of \$66.7 million.

Also, the Company executed a forward treasury lock agreement ("Treasury Lock"), designated as a cash flow hedge, in the aggregate notional amount of \$1.0 billion to manage exposure to fluctuations in the benchmark interest rate associated with the Fiscal 2021 Senior Notes, which were used to pay down a portion of the Term Credit Agreement associated with the Itiviti acquisition. Accordingly, changes in the fair value of the Treasury Lock were recorded as part of Other comprehensive income (loss), net each period up to when the Treasury Lock was settled. In May 2021, the Treasury Lock was settled for a pre-tax loss of \$11.0 million, after which the final settlement loss will be reclassified into Interest expense, net ratably over the ten year term of the Fiscal 2021 Senior Notes. The expected amount of the existing loss that would be reclassified into earnings before income taxes within the next twelve months is approximately \$1.1 million.

In the normal course of business, the Company also enters into contracts in which it makes representations and warranties that relate to the performance of the Company's products and services. The Company does not expect any material losses related to such representations and warranties, or collateral arrangements.

The Company's business process outsourcing and mutual fund processing services are performed by Broadridge Business Process Outsourcing, LLC ("BBPO"), an indirect subsidiary, which is a broker-dealer registered with the Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Although BBPO's FINRA membership agreement allows it to engage in clearing and the retailing of corporate securities in addition to mutual fund retailing on a wire order basis, BBPO does not clear customer transactions, process any retail business or carry customer accounts. As a registered broker-dealer and member of FINRA, BBPO is subject to the Uniform Net Capital Rule 15c3-1 of the Securities Exchange Act of 1934, as amended, which requires BBPO to maintain a minimum net capital amount. At June 30, 2021, BBPO was in compliance with this net capital requirement.

BBPO, as a "Managing Clearing Member" of the Options Clearing Corporation (the "OCC"), is also subject to OCC Rule 309(b) with respect to the business process outsourcing services that it provides to other OCC "Managed Clearing Member" broker-dealers. OCC Rule 309(b) requires BBPO to maintain a minimum net capital amount. At June 30, 2021, BBPO was in compliance with this net capital requirement.

In addition, Matrix Trust Company ("Matrix Trust"), a subsidiary of the Company, is a Colorado State non-depository trust company and National Securities Clearing Corporation trust member, whose primary business is to provide cash agent, custodial and directed trustee services to institutional customers, and investment management services to collective investment trust funds. As a result, Matrix Trust is subject to various regulatory capital requirements administered by the Colorado Division of Banking and the Arizona Department of Financial Institutions, as well as the National Securities Clearing Corporation. Specific capital requirements that involve quantitative measures of assets, liabilities, and certain off-balance sheet items, when applicable, must be met. At June 30, 2021, Matrix Trust was in compliance with its capital requirements.

NOTE 19. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) BY COMPONENT

The following tables summarize the changes in the accumulated balances for each component of accumulated other comprehensive income/(loss):

	<u>Foreign Currency Translation</u>	<u>Securities</u>	<u>Pension and Post- Retirement Liabilities</u>	<u>Cash Flow Hedge</u>	<u>Total</u>
	(in millions)				
Balances at June 30, 2018.....	\$ (43.2)	\$(0.4)	\$ (8.3)	\$ —	\$ (51.9)
Cumulative effect of changes in accounting principle (a)	—	0.4	(1.9)	—	(1.5)
Other comprehensive income (loss) before reclassifications ..	(15.0)	—	(3.6)	—	(18.7)
Amounts reclassified from accumulated other comprehensive income/(loss).....	—	—	0.9	—	0.9
Balances at June 30, 2019.....	\$ (58.3)	\$ —	\$ (12.9)	\$ —	\$ (71.2)
Other comprehensive income (loss) before reclassifications ..	(26.4)	—	(4.2)	—	(30.7)
Amounts reclassified from accumulated other comprehensive income/(loss).....	—	—	1.5	—	1.5
Balances at June 30, 2020.....	\$ (84.7)	\$ —	\$ (15.7)	\$ —	\$ (100.4)
Other comprehensive income (loss) before reclassifications ..	117.6	—	(2.1)	(8.3)	107.2
Amounts reclassified from accumulated other comprehensive income/(loss).....	—	—	2.4	0.1	2.5
Balances at June 30, 2021.....	<u>\$ 32.9</u>	<u>\$ —</u>	<u>\$(15.4)</u>	<u>\$(8.2)</u>	<u>\$ 9.2</u>

(a) Reflects the adoption of accounting standards as described in Note 2, “Summary of Significant Accounting Policies.”

NOTE 20. FINANCIAL DATA BY SEGMENT

The Company operates in two reportable segments: Investor Communication Solutions and Global Technology and Operations. See Note 1, “Basis of Presentation” for a further description of the Company’s reportable segments.

The primary components of “Other” are certain gains, losses, corporate overhead expenses and non-operating expenses that have not been allocated to the reportable segments, such as interest expense. Foreign currency exchange is a reconciling item between the actual foreign currency exchange rates and the constant foreign currency exchange rates used for internal management reporting.

Certain corporate expenses, as well as certain centrally managed expenses, are allocated based upon budgeted amounts in a reasonable manner. Because the Company compensates the management of its various businesses on, among other factors, segment profit, the Company may elect to record certain segment-related operating and non-operating expense items in Other rather than reflect such items in segment profit.

In connection with an organizational change made in the first quarter of fiscal year 2020, in order to further align our portfolio of services, the results for the Company's wealth management Advisor Solutions services that were previously reported in our Investor Communication Solutions reportable segment are now reported within the Global Technology and Operations reportable segment. As a result, our prior period segment results have been revised to reflect this change, which resulted in transferring \$42.8 million of revenues and \$2.2 million of earnings before income taxes between reportable segments for the year ended June 30, 2019.

	<u>Investor Communication Solutions</u>	<u>Global Technology and Operations</u>	<u>Other</u>	<u>Foreign Currency Exchange</u>	<u>Total</u>
	(in millions)				
Year ended June 30, 2021					
Revenues.....	\$3,867.5	\$1,258.1	\$ —	\$(131.9)	\$4,993.7
Earnings (loss) before income taxes	605.6	223.3	(153.0)	20.3	696.2
Assets	2,517.6	5,162.3	439.9	—	8,119.8
Capital expenditures.....	42.3	3.0	6.7	—	51.9
Depreciation and amortization.....	36.9	12.7	17.8	—	67.4
Amortization of acquired intangibles	86.0	66.2	1.5	—	153.7
Amortization of other assets	39.4	58.0	16.1	—	113.6
Year ended June 30, 2020					
Revenues.....	\$3,491.3	\$1,174.2	\$ —	\$(136.4)	\$4,529.0
Earnings (loss) before income taxes	464.1	245.0	(146.3)	16.8	579.5
Assets	2,484.4	1,734.2	671.1	—	4,889.8
Capital expenditures.....	35.9	5.3	21.6	—	62.7
Depreciation and amortization.....	42.9	12.0	18.9	—	73.8
Amortization of acquired intangibles	81.7	39.7	1.5	—	122.9
Amortization of other assets	30.9	54.8	16.8	—	102.6
Year ended June 30, 2019					
Revenues.....	\$3,468.3	\$ 996.3	\$ —	\$(102.4)	\$4,362.2
Earnings (loss) before income taxes	506.2	212.5	(130.9)	19.4	607.3
Assets	2,155.6	1,423.6	301.6	—	3,880.7
Capital expenditures.....	34.5	6.5	9.6	—	50.6
Depreciation and amortization.....	54.3	11.9	19.0	—	85.2
Amortization of acquired intangibles	70.6	16.3	0.5	—	87.4
Amortization of other assets	36.4	45.7	5.3	—	87.4

Revenues and assets by geographic area are as follows:

	<u>United States</u>	<u>Canada</u>	<u>Europe</u>	<u>Other</u>	<u>Total</u>
	(in millions)				
Year ended June 30, 2021					
Revenues	\$4,370.4	\$360.1	\$ 243.5	\$ 19.7	\$4,993.7
Assets.....	\$4,885.2	\$549.0	\$2,430.6	\$255.0	\$8,119.8
Year ended June 30, 2020					
Revenues	\$3,989.7	\$341.6	\$ 179.1	\$ 18.7	\$4,529.0
Assets.....	\$3,783.2	\$479.2	\$ 500.6	\$126.7	\$4,889.8
Year ended June 30, 2019					
Revenues	\$3,913.8	\$279.5	\$ 148.5	\$ 20.3	\$4,362.2
Assets.....	\$2,870.2	\$504.8	\$ 397.6	\$108.1	\$3,880.7

NOTE 21. QUARTERLY FINANCIAL RESULTS (UNAUDITED)

Summarized quarterly results of operations for the fiscal years ended June 30, 2021 and 2020 are as follows:

	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>	<u>Fiscal Year Total</u>
	(in millions, except per share amounts)				
Year ended June 30, 2021					
Revenues	\$ 1,017.4	\$ 1,054.9	\$ 1,389.8	\$ 1,531.6	\$ 4,993.7
Gross profit	230.3	248.5	429.2	514.9	1,423.0
Operating income.....	78.6	79.5	239.2	281.4	678.7
Earnings before income taxes	73.6	69.4	216.9	336.4	696.2
Net earnings.....	65.8	56.3	165.0	260.4	547.5
Basic EPS.....	\$ 0.57	\$ 0.49	\$ 1.42	\$ 2.24	\$ 4.73
Diluted EPS	\$ 0.56	\$ 0.48	\$ 1.40	\$ 2.20	\$ 4.65
Year ended June 30, 2020					
Revenues	\$ 948.6	\$ 968.7	\$ 1,249.9	\$ 1,361.9	\$ 4,529.0
Gross profit	221.1	187.7	377.4	477.7	1,263.9
Operating income.....	73.1	26.8	226.3	298.8	624.9
Earnings before income taxes	63.8	10.5	210.5	294.8	579.5
Net earnings.....	55.9	10.1	166.8	229.7	462.5
Basic EPS.....	\$ 0.49	\$ 0.09	\$ 1.46	\$ 2.00	\$ 4.03
Diluted EPS	\$ 0.48	\$ 0.09	\$ 1.43	\$ 1.97	\$ 3.95

NOTE 22. SUBSEQUENT EVENTS

On August 11, 2021, the Company's Board of Directors increased the Company's quarterly cash dividend by \$0.065 per share to \$0.640 per share, an increase in the expected annual dividend amount from \$2.30 to \$2.56 per share. The declaration and payment of future dividends to holders of the Company's common stock will be at the discretion of the Company's Board of Directors, and will depend upon many factors, including the Company's financial condition, earnings, capital requirements of its businesses, legal requirements, regulatory constraints, industry practice, and other factors that the Board of Directors deems relevant.

* * * * *

Broadridge Financial Solutions, Inc.
Schedule II—Valuation and Qualifying Accounts
(in millions)

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>		<u>Column D</u>	<u>Column E</u>
		<u>Additions</u>	<u>(1) Charged to costs and expenses</u>		
	<u>Balance at beginning of period</u>			<u>Deductions</u>	<u>Balance at end of period</u>
Fiscal year ended June 30, 2021:					
Allowance for doubtful accounts	\$9.8	\$1.1	\$ —	\$(1.6)	\$ 9.3
Deferred tax valuation allowance	\$6.7	\$1.0	\$2.7	\$ —	\$10.5
Other receivables	\$1.0	\$ —	\$ —	\$ —	\$ 1.0
Fiscal year ended June 30, 2020:					
Allowance for doubtful accounts	\$2.6	\$9.6	\$ —	\$(2.4)	\$ 9.8
Deferred tax valuation allowance	\$3.3	\$3.4	\$ —	\$ —	\$ 6.7
Other receivables	\$ —	\$1.0	\$ —	\$ —	\$ 1.0
Fiscal year ended June 30, 2019:					
Allowance for doubtful accounts	\$2.7	\$1.1	\$ —	\$(1.2)	\$ 2.6
Deferred tax valuation allowance	\$3.8	\$0.4	\$ —	\$(0.8)	\$ 3.3

Amounts may not sum due to rounding.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

ITEM 9A. Controls and Procedures**Management Report**

Attached as Exhibits 31.1 and 31.2 to this Form 10-K are certifications of Broadridge's Chief Executive Officer and Chief Financial Officer, which are required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This "Controls and Procedures" section should be read in conjunction with the Deloitte & Touche LLP audit and attestation of the Company's internal control over financial reporting that appears in Item 8 "Financial Statements and Supplementary Data" in this Annual Report on Form 10-K and is hereby incorporated herein by reference.

Management's Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer as of June 30, 2021, evaluated the effectiveness of our disclosure controls as defined in Rule 13a-15(e) under the Exchange Act. The Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of June 30, 2021 were effective to ensure that the information required to be disclosed by us in reports filed under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding disclosure.

Management's Report on Internal Control over Financial Reporting

It is the responsibility of Broadridge's management to establish and maintain effective internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Internal control over financial reporting is designed to provide reasonable assurance to Broadridge's management and board of directors regarding the preparation of reliable financial statements for external purposes in accordance with generally accepted accounting principles.

Broadridge's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Broadridge; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of Broadridge are being made only in accordance with authorizations of management and directors of Broadridge; and (iii) provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of Broadridge's assets that could have a material effect on the financial statements of Broadridge.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management has performed an assessment of the effectiveness of Broadridge's internal control over financial reporting as of June 30, 2021 based upon criteria set forth in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management excluded from its assessment the internal control over financial reporting for its Itiviti acquisition which closed on May 12, 2021, and whose financial statements constitute 37% of total assets and 1% of total revenues of Broadridge's consolidated financial statement amounts as of and for the year ended June 30, 2021. This business will be in scope for management's assessment as of June 30, 2022. Based on this assessment, management determined that Broadridge's internal control over financial reporting was effective as of June 30, 2021.

Deloitte & Touche LLP, the Company's independent registered public accounting firm, has audited the effectiveness of the Company's internal control over financial reporting and has expressed an unqualified opinion in their report on the effectiveness of the Company's internal control over financial reporting, which appears in Item 8 "Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

/s/ **TIMOTHY C. GOKEY**

Timothy C. Gokey
Chief Executive Officer

/s/ **EDMUND REESE**

Edmund Reese
Corporate Vice President, Chief Financial Officer

Lake Success, New York

August 12, 2021

Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the fiscal quarter ended June 30, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. Other Information

None.

PART III.

ITEM 10. Directors, Executive Officers and Corporate Governance

We incorporate by reference the information responsive to this Item appearing in our definitive proxy statement to be filed within 120 days after the fiscal year ended June 30, 2021 (the “Proxy Statement”).

ITEM 11. Executive Compensation

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement.

ITEM 14. Principal Accounting Fees and Services

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement.

PART IV.

ITEM 15. Exhibits, Financial Statement Schedules

(a) The following documents are filed as part of this Annual Report on Form 10-K:

1. Financial Statements

The Consolidated Financial Statements are listed under Item 8 of this Annual Report on Form 10-K. See Index to Financial Statements and Financial Statement Schedule.

2. Financial Statement Schedule.

Schedule II—Valuation and Qualifying Accounts is listed under Item 8 of this Annual Report on Form 10-K. See Index to Financial Statements and Financial Statement Schedule.

3. Exhibits.

The Exhibits filed as part of this Annual Report on Form 10-K are listed on the Exhibit Index, which Exhibit Index is incorporated by reference in this Annual Report on Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 12, 2021

BROADRIDGE FINANCIAL SOLUTIONS, INC.

By: _____ /s/ TIMOTHY C. GOKEY
Name: Timothy C. Gokey
Title: Chief Executive Officer

SIGNATURES AND POWERS OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Timothy C. Gokey and Edmund Reese, and each of them, the true and lawful attorneys-in-fact and agents of the undersigned, with full power of substitution and resubstitution, for and in the name, place and stead of the undersigned, to sign in any and all capacities (including, without limitation, the capacities listed below), any and all amendments to the Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants to such attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and anything necessary to be done to comply with the provisions of the Securities Exchange Act of 1934, as amended, and all the requirements of the Securities and Exchange Commission, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitute, or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
/s/ TIMOTHY C. GOKEY Timothy C. Gokey	Chief Executive Officer and Director (Principal Executive Officer)	August 12, 2021
/s/ EDMUND REESE Edmund Reese	Corporate Vice President, Chief Financial Officer (Principal Financial and Accounting Officer)	August 12, 2021
/s/ RICHARD J. DALY Richard J. Daly	Executive Chairman of the Board of Directors	August 12, 2021
/s/ LESLIE A. BRUN Leslie A. Brun	Lead Independent Director	August 12, 2021
/s/ PAMELA L. CARTER Pamela L. Carter	Director	August 12, 2021
/s/ ROBERT N. DUELKS Robert N. Duelks	Director	August 12, 2021
/s/ MELVIN L. FLOWERS Melvin L. Flowers	Director	August 12, 2021
/s/ BRETT A. KELLER Brett A. Keller	Director	August 12, 2021
/s/ MAURA A. MARKUS Maura A. Markus	Director	August 12, 2021
Annette L. Nazareth	Director	August 12, 2021
/s/ THOMAS J. PERRA Thomas J. Perna	Director	August 12, 2021
/s/ ALAN J. WEBER Alan J. Weber	Director	August 12, 2021
/s/ AMIT K. ZAVERY Amit K. Zavery	Director	August 12, 2021

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description of Exhibit(1)</u>
1.1	Underwriting Agreement, dated as of May 6, 2021, among Broadridge Financial Solutions, Inc. and J.P. Morgan Securities LLC, BofA Securities, Inc., Morgan Stanley & Co. LLC and Wells Fargo Securities, LLC, as representatives of the underwriters listed therein (incorporated by reference to Exhibit 1.1 of Form 8-K filed on May 17, 2021)
2.1	Share Purchase Agreement dated March 27, 2021, by and among Broadridge Financial Solutions, Inc., Broadridge Sweden Holdings AB, Cidron Delfi S.À R.L., Itiviti Invest V AB, Itiviti Intressenter AB and Individual MIP Sellers named therein (incorporated by reference to Exhibit 2.1 of Form 8-K filed on March 29, 2021)
3.1	Certificate of Incorporation of Broadridge Financial Solutions, Inc. (incorporated by reference to Exhibit 3.1 to Form 8-K filed on April 2, 2007)
3.2	Amended and Restated By-laws of Broadridge Financial Solutions, Inc. amended as of August 6, 2019 (incorporated by reference to Exhibit 3.2 to Form 8-K filed on August 6, 2019)
4.1	Indenture, dated as of May 29, 2007, by and between Broadridge Financial Solutions, Inc. and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to Form 8-K filed on May 30, 2007)
4.2	Third Supplemental Indenture dated June 27, 2016 by and among Broadridge Financial Solutions, Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to Form 8-K filed on June 27, 2016)
4.3	Form of Broadridge Financial Solutions, Inc. 3.400% Senior Note due 2026 (incorporated by reference to Exhibit 4.2 to Form 8-K filed on June 27, 2016)
4.4	Fourth Supplemental Indenture dated as of December 9, 2019, by and between Broadridge Financial Solutions, Inc. and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.2 of Form 8-K filed on December 9, 2019)
4.5	Form of Broadridge Financial Solutions, Inc. 2.900% Senior Note due 2029 (incorporated by reference to Exhibit 4.3 to Form 8-K filed on December 9, 2019)
4.6	Description of Securities
4.7	Fifth Supplemental Indenture dated as of May 17, 2021, by and between Broadridge Financial Solutions, Inc. and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.2 of Form 8-K filed on May 17, 2021)
4.8	Form of Broadridge Financial Solutions, Inc. 2.600% Senior Note due 2031 (incorporated by reference to Exhibit 4.3 to Form 8-K filed on May 17, 2021, and is included in Exhibit 4.2 to Form 8-K filed on May 17, 2021)
10.1	Broadridge Financial Solutions, Inc. Change in Control Severance Plan for Corporate Officers (incorporated by reference to Exhibit 10.6 to Form 8-K filed on April 2, 2007)
10.2	Amendment No. 1 to the Broadridge Financial Solutions, Inc. Change in Control Severance Plan for Corporate Officers (incorporated by reference to Exhibit 10.26 to Form 10-K/A filed on October 27, 2010)

Exhibit Number	Description of Exhibit(1)
10.3	Change in Control Enhancement Agreement for Richard J. Daly (incorporated by reference to Exhibit 10.8 to Form 8-K filed on April 2, 2007)
10.4	Amendment No. 1 to Change in Control Enhancement Agreement for Richard J. Daly (incorporated by reference to Exhibit 10.28 to Form 10-K/A filed on October 27, 2010)
10.5	Amendment No. 2, dated September 19, 2013, to the Change in Control Enhancement Agreement, dated as of March 29, 2007 and amended effective December 31, 2008, between Broadridge Financial Solutions, Inc. and Richard J. Daly (incorporated by reference to Exhibit 10.1 to Form 8-K filed on September 20, 2013)
10.6	Termination Amendment to the Change in Control Enhancement Agreement for Richard J. Daly (incorporated by reference to Exhibit 10.2 to Form 8-K filed on June 10, 2020)
10.7	Officer Severance Plan dated September 16, 2011 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on September 20, 2011)
10.8	Amended and Restated Supplemental Officers Retirement Plan (“SORP”) (incorporated by reference to Exhibit 10.27 to Form 10-K/A filed on October 27, 2010)
10.9	Amendment to the Broadridge Financial Solutions, Inc. SORP, effective February 2, 2017 (incorporated by reference to Exhibit 10.3 to Form 10-Q filed on May 10, 2017)
10.10	Broadridge Financial Solutions, Inc. Director Deferred Compensation Plan (Amended and Restated Effective January 1, 2019) (incorporated by reference to Exhibit 10.2 to Form 8-K filed on November 14, 2018)
10.11	Broadridge Financial Solutions, Inc. Executive Deferred Compensation Plan (“EDCP”) (Amended and Restated effective June 15, 2011) (incorporated by reference to Exhibit 10.32 to Form 10-K filed on August 12, 2011)
10.12	Amendment to the Broadridge EDCP, adopted August 1, 2014, effective December 31, 2014 (incorporated by reference to Exhibit 10.2 to Form 10-Q filed on November 6, 2014)
10.13	Broadridge Financial Solutions, Inc. Supplemental Executive Retirement Plan (“SERP”) (incorporated by reference to Exhibit 10.31 to Form 10-K/A filed on October 27, 2010)
10.14	Amendment to the Broadridge Financial Solutions, Inc. SERP, effective February 2, 2017 (incorporated by reference to Exhibit 10.2 to Form 10-Q filed on May 10, 2017)
10.15	Broadridge Financial Solutions, Inc. 2007 Omnibus Award Plan, Amended and Restated effective November 14, 2013 (incorporated by reference to Exhibit 4.1 to Form 8-K filed on November 15, 2013)
10.16	Amendment to the Broadridge Financial Solutions, Inc. 2007 Omnibus Award Plan (Amended and Restated effective November 14, 2013), effective February 6, 2018 (incorporated by reference to Exhibit 10.1 to Form 10-Q filed on May 8, 2018)
10.17	Broadridge Financial Solutions, Inc. 2018 Omnibus Award Plan (incorporated by reference to Exhibit 10.1 to Form 8-K filed on November 13, 2018)
10.18	Executive Officer Annual Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to Form 8-K filed on November 14, 2018)

Exhibit Number	Description of Exhibit(1)
10.19	Amended and Restated Credit Agreement, dated as of April 23, 2021, among Broadridge Financial Solutions, Inc., the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to Form 8-K filed on April 23, 2021)
10.20	Amended and Restated Executive Retirement and Savings Plan, effective January 1, 2019 (incorporated by reference to Exhibit 10.25 to Form 10-K filed on August 6, 2019)
10.21	Amended and Restated Information Technology Services Agreement, dated December 31, 2019 by and between International Business Machines Corporation and Broadridge Financial Solutions, Inc. (incorporated by reference to Exhibit 10.1 to Form 10-Q filed on January 31, 2020)
10.22	2019 Master Services Agreement, dated December 31, 2019 by and between International Business Machines Corporation and Broadridge Financial Solutions, Inc. (incorporated by reference to Exhibit 10.2 to Form 10-Q filed on January 31, 2020)
10.23	Amendment Number Two to the Broadridge Financial Solutions, Inc. Change in Control Severance Plan for Corporate Officers (incorporated by reference to Exhibit 10.1 to Form 8-K filed on September 27, 2019)
10.24	Amendment Number Three to the Broadridge Financial Solutions, Inc. Change in Control Severance Plan for Corporate Officers (incorporated by reference to Exhibit 10.1 to Form 8-K filed on June 10, 2020)
10.25	Amendment Number One to the Broadridge Financial Solutions, Inc. Officer Severance Plan (incorporated by reference to Exhibit 10.25 to Form 10-K filed on August 11, 2020)
10.26	Form of Stock Option Grant Award Agreement for U.S. Non-Employee Directors
10.27	Form of Deferred Stock Unit Award Agreement for U.S. Non-Employee Directors
10.28	Form of Restricted Stock Unit Grant Award Agreement (Performance-Based) for U.S. Corporate Officers
10.29	Form of Restricted Stock Unit Grant Award Agreement (Time-Based) for U.S. Corporate Officers
10.30	Form of Stock Option Grant Award Agreement (Performance-Based) for U.S. Corporate Officers
10.31	Clawback Policy (incorporated by reference to Exhibit 10.1 to Form 8-K filed on August 5, 2020)
10.32*	Warranty Deed dated March 27, 2021 by and between Broadridge Sweden Holdings AB and persons listed therein as Management Warrantors (incorporated by reference to Exhibit 10.1 to Form 8-K filed on March 29, 2021)
10.33*	Term Credit Agreement as of dated March 27, 2021, among Broadridge Financial Solutions, Inc., the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent, (incorporated by reference to Exhibit 10.2 to Form 8-K filed on March 29, 2021)
14.1	Code of Business Conduct and Ethics
21	Subsidiaries of the Company
23	Consent of Independent Registered Public Accounting Firm

Exhibit Number	Description of Exhibit(1)
31.1	Certification of the Chief Executive Officer of Broadridge Financial Solutions, Inc., pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Chief Financial Officer of Broadridge Financial Solutions, Inc., pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial statements from the Broadridge Financial Solutions, Inc. Annual Report on Form 10-K for the fiscal year ended June 30, 2021, formatted in eXtensible Business Reporting Language (XBRL): (i) consolidated statements of earnings for the fiscal years ended June 30, 2021, 2020 and 2019, (ii) consolidated statements of comprehensive income for the fiscal years ended June 30, 2021, 2020 and 2019, (iii) consolidated balance sheets as of June 30, 2021 and 2020, (iv) consolidated statements of cash flows for the fiscal years ended June 30, 2021, 2020 and 2019, (v) consolidated statements of stockholders' equity for the fiscal years ended June 30, 2021, 2020 and 2019, and (vi) the notes to the Consolidated Financial Statements.

(1) The SEC File No. for the Company's Form 8-K Reports referenced is 001-33220.

* Certain confidential information contained in this Exhibit was omitted by means of redacting a portion of the text and replacing it with an asterisk. This Exhibit has been filed separately with the Secretary of the Securities and Exchange Commission without the redaction pursuant to a Confidential Treatment Request under Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

SECTION 302 CERTIFICATION

I, Timothy C. Gokey, certify that:

1. I have reviewed this Annual Report on Form 10-K of Broadridge Financial Solutions, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2021

/s/ **TIMOTHY C. GOKEY**

Timothy C. Gokey
Chief Executive Officer

SECTION 302 CERTIFICATION

I, Edmund Reese, certify that:

1. I have reviewed this Annual Report on Form 10-K of Broadridge Financial Solutions, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2021

/s/ EDMUND REESE

**Edmund Reese
Corporate Vice President
and Chief Financial Officer**

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Broadridge Financial Solutions, Inc. (the “Company”) on Form 10-K for the fiscal year ended June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Timothy C. Gokey, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (a) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

/s/ TIMOTHY C. GOKEY

**Timothy C. Gokey
Chief Executive Officer**

August 12, 2021

Pursuant to Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, and will not be incorporated by reference into any registration statement filed under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Broadridge Financial Solutions, Inc. (the “Company”) on Form 10-K for the fiscal year ended June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Edmund Reese, Vice President, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (a) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

/s/ EDMUND REESE

**Edmund Reese
Corporate Vice President
and Chief Financial Officer**

August 12, 2021

Pursuant to Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, and will not be incorporated by reference into any registration statement filed under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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Corporate Information

CORPORATE HEADQUARTERS

Broadridge Financial Solutions, Inc.
5 Dakota Drive, Lake Success, New York 11042
1-516-472-5400

STOCK TRANSFER AGENT

Broadridge Corporate Issuer Solutions, Inc. is the transfer agent for our registered stockholders. They are available to help you with a variety of stockholder-related services.

You may contact them by mail at P.O. Box 1342, Brentwood, New York 11717, or by calling Shareholder Services at 1-877-830-4932. Representatives are available Monday through Friday from 9 a.m. to 6 p.m. Eastern Time. Additional information can be obtained from their website at shareholder.broadridge.com/br.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP
30 Rockefeller Plaza, New York, New York 10112

CORPORATE GOVERNANCE

Visit our Investor Relations page at broadridge-ir.com to see our key corporate governance documents, including our Code of Business Conduct and Ethics, Corporate Governance Principles, Audit Committee Charter, Compensation Committee Charter, and Governance and Nominating Committee Charter.

ANNUAL REPORT, FORM 10-K AND OTHER REPORTS AND FILINGS

This 2021 Annual Report is also available online on our Investor Relations page at broadridge-ir.com. Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statement, statements of change in beneficial ownership and other SEC filings, and amendments to those reports, statements and filings, are available, without charge, on Broadridge's website as soon as reasonably practicable after they are filed or furnished electronically with the SEC. Copies also are available, without charge, from Broadridge Investor Relations at 5 Dakota Drive, Lake Success, New York 11042, or BroadridgeIR@broadridge.com.

Our Chief Executive Officer and Chief Financial Officer have furnished the Sections 302 and 906 certifications required by the SEC in our annual report on Form 10-K. In addition, our Chief Executive Officer has certified to the New York Stock Exchange (NYSE) that he is not aware of any violation by us of NYSE corporate governance listing standards.

BROADRIDGE COMMON STOCK

The shares of Broadridge Common Stock are listed on the NYSE with the symbol BR. As of July 30, 2021, there were 9,644 registered holders of Broadridge Common Stock.

CONTACT BROADRIDGE'S AUDIT COMMITTEE OR BOARD OF DIRECTORS

To report complaints about Broadridge's accounting, internal accounting controls or auditing matters, or other concerns to the Audit Committee or the non-management members of the Board of Directors, send a detailed note, with relevant documents, to 72 Van Reipen Avenue, PMB #340, Jersey City, New Jersey 07306-2806, leave a message for a return call at 1-201-714-3399, or send an e-mail to Broadridge.Audit.Committee@broadridge.com.

ANNUAL MEETING

This year's Annual Meeting of Stockholders will be held on Thursday, November 18, 2021, at 9:00 a.m. Eastern Time. We will be hosting the annual meeting live via the Internet at virtualshareholdermeeting.com/BR21. On October 5, 2021, we mailed a Notice of Internet Availability to stockholders containing instructions on how to access our proxy materials and vote online.

TRADEMARKS, SERVICE MARKS AND NAMES

The Broadridge name, logo and related trademarks and service marks are owned by Broadridge Financial Solutions, Inc., and are registered and/or used in the U.S. and some foreign countries. All other trademarks, service marks, logos and trade names referenced in this material are the property of their respective owners.

FORWARD-LOOKING STATEMENTS

This Annual Report 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, statements about our fiscal year 2022 performance and 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. You should carefully read the factors described in the "Risk Factors" section of our 2021 Annual Report on Form 10-K for a description of certain risks that could, among other things, cause our actual results to differ from these forward-looking statements. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements 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 taken 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 the demands of its clients;
- Broadridge's ability to attract and retain key personnel;
- the impact of new acquisitions and divestitures; and
- competitive conditions.

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.

Portions of this Annual Report are printed on paper made from post-consumer recycled waste.



**BROADRIDGE FINANCIAL SOLUTIONS, INC.
5 DAKOTA DRIVE, LAKE SUCCESS, NY 11042
+1 516 472 5400**

BROADRIDGE.COM

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