BR gideon lens

Broadridge Financial Solutions (BR) — Gideon-Lens Equity Research

Report ID: ER2-BR-20260909-PRODUCTION **Date:** 2026-09-09 **Analyst:** Codex / ER2 Production **Price:** USD 168.62, XNYS close on 2026-09-08 **Market capitalization:** approximately USD 19.7 billion **Fiscal year end:** June 30 **Trade execution authorized:** NO

What changed from the previous report and why

Previous report: LEGACY-BR-20260529; 2026-05-29; `C:\Users\Admin\OneDrive\GPT\ER 2.0\Broadridge Financial Solutions\raw\pulse-cio-20260909T100339+0800\prior_active_snapshot\BR_gideon_lens.md`; SHA-256 `74ea214ac013c7ba41b40be270c08b676ea7115fd660031c7a99c35bbe096293` **Current report:** ER2-BR-20260909-PRODUCTION; 2026-09-09; price anchor USD 168.62 as of 2026-09-08

Area	Previous report	Current report	What changed and why	Decision impact
Price anchor	USD 149.98	USD 168.62	Price/market: shares rose 12.4%	Raises required FY+5 EPS and reduces margin of safety
ER2 verdict and gates	WATCH; Management PASS; Moat PASS; P/E-15 YELLOW	WATCH; Management PASS; Moat YELLOW; P/E-15 PASS	New FY2026 evidence improved earnings/cash conversion; stricter transition evidence moved Moat to YELLOW	WATCH is unchanged, but the binding uncertainty moves from near-line arithmetic to durability/transition proof
FY+5 valuation bridge	EPS USD 10.33; required USD 10.00; cushion 3.3%	EPS USD 12.20; required USD 11.24; cushion 8.55%	New company evidence and a complete FY2026 TTM anchor lift the modeled earnings base	P/E-15 now passes, though the cushion remains modest
Shareholder returns	Bear about -3.46%; Base 3.31%; Bull 8.27%; PW not governed	Bear -1.97%; Base 10.52%; Bull 17.84%; PW 10.11%	Methodology: independently supported 17x/21x/24x exits replace a fixed 15x diagnostic; flat official dividends retained	Gross return improves, but net-SGD Base/PW remain below 10%
CIO actionability	Not separately governed in the legacy package	WATCH; net-SGD -4.41%/9.09%/17.39%, PW 8.87%	Current portfolio, costs, withholding and FX are now explicit	No incremental sizing or trade authority
Audited scores	61/100; 58/80; 3/20	68/100; 60/80; 8/20	FY2026 cash conversion/GTO recovery and a method-correct return model improve the diagnostic	Still Reject under the 20% rubric
Methodology or corrections	March 2026 TTM; fixed 15x exits	June 2026 TTM; PE locked; normalized current EPS USD 7.60; scenario exits independently anchored	Correction: USD 227 million digital-asset and USD 7 million investment gains are excluded from comparable EPS	Prevents a low-quality reported P/E from capping terminal valuation

Bottom line: Broadridge produced stronger FY2026 operating evidence than the legacy report captured, but the higher share price and unresolved e-delivery/AI-interface transition prevent an actionable upgrade. The current model earns a P/E-15 PASS and a 10.11% gross probability-weighted return, yet its net-SGD Base and probability-weighted outcomes miss 10%. A reviewed common-cause ICS stress reduces gross Base return to 7.59% and net-SGD to 6.13%. The correct conclusion remains ER2 WATCH and CIO WATCH.

Verdict block

ER2 verdict: WATCH

ER2 gate	Result	Evidence
Management	PASS	ROIC recovery, >100% FY2023-FY2026 cash conversion, disciplined buybacks and clean governance outweigh succession and incentive reservations
Moat	YELLOW	Regulated network and system-of-record advantages persist, but e-delivery economics, direct pricing evidence and future interface control remain unresolved
P/E <= 15 on confident EPS at TTM + 5 years	PASS	Base FY2031 EPS USD 12.2025 versus required USD 11.2413; 8.55% cushion
Compounder Score	68/100	Audited; diagnostic only
Business Quality Score	60/80	Audited; diagnostic only
20% Return Underwriting/Stretch Score	8/20	Audited; diagnostic only

Primary valuation method: PE. The reported current P/E of 17.56x is non-comparable because FY2026 EPS includes non-cash digital-asset and investment gains; normalized current statutory EPS is USD 7.60 and normalized P/E is 22.19x. VP independently locked 17x/21x/24x exits. The P/E-15 gate did not choose or cap those exits.

Security return underwriting

Scenario	Probability	Exit P/E	Terminal diluted shares (m)	Terminal equity value (USD m)	Terminal value/share	Five-year distributions/share	Terminal wealth/share	Gross USD IRR
Bear	25%	17x	115.196867	15,072.795596	130.843798	21.80	152.643798	-1.971126%
Base	50%	21x	111.989630	28,697.707326	256.253256	21.80	278.053256	10.520739%
Bull	25%	24x	109.657094	39,628.056958	361.381608	21.80	383.181608	17.841731%
Probability-weighted	100%	—	—	—	246.732980	21.80	272.982980	10.114699%

Probability weighting is the five-year CAGR of probability-weighted terminal shareholder wealth using 25%/50%/25%, not an arithmetic average of scenario IRRs. Current funded net debt is USD 2,851.7 million and net debt including leases is USD 3,114.7 million. Because PE is the locked equity method, terminal cash/debt is not added or subtracted a second time; interest and capital structure are already reflected in statutory EPS. Annual dividends are held flat at the officially declared USD 4.36.

Bear-case operating and return bridge

Bear case	Start	Horizon	CAGR / change	Justification
Revenue	USD 7,476.8m at operating anchor 2026-06-30	USD 8,482.3m at 2031-06-30	2.56%	Slower ICS/GTO growth and adverse mix
Operating margin	17.40%	15.08%	-2.32 pp	Pricing, mix and investment pressure
Operating earnings	USD 1,300.6m	USD 1,279.0m	-0.33%	Revenue times statutory operating margin
Diluted share count	117.1m	115.196867m	-0.33%	Limited buyback offset to dilution
EPS	USD 7.60 normalized	USD 7.696694	0.25%	Statutory diluted EPS
Valuation	22.19x normalized	17x	-5.19x	Lower-quality terminal outcome
Share value	USD 168.62 at price anchor 2026-09-08	USD 130.843798	-4.94%	EPS times locked exit P/E
Annual dividend	USD 4.36	USD 4.36	0%	Flat official dividend diagnostic
Dividend yield	2.59%	3.33%	+0.74 pp	Annual dividend / endpoint share value
Five-year dividends	—	USD 21.80	cumulative	No growth assumed
Total ending value	USD 168.62	USD 152.643798	-1.971126% gross USD IRR	Share value plus distributions

Base-case operating and return bridge

Base case	Start	Horizon	CAGR / change	Justification
Revenue	USD 7,476.8m at operating anchor 2026-06-30	USD 9,673.2m at 2031-06-30	5.29%	Recurring growth and measured GTO expansion
Operating margin	17.40%	19.16%	+1.76 pp	Mix and platform leverage
Operating earnings	USD 1,300.6m	USD 1,853.3m	7.34%	Statutory operating income
Diluted share count	117.1m	111.989630m	-0.89%	Moderate net repurchases
EPS	USD 7.60 normalized	USD 12.202536	9.93%	Statutory diluted EPS
Valuation	22.19x normalized	21x	-1.19x	Mature-quality discount to normalized current
Share value	USD 168.62 at price anchor 2026-09-08	USD 256.253256	8.75%	EPS times locked exit P/E
Annual dividend	USD 4.36	USD 4.36	0%	Flat official dividend diagnostic
Dividend yield	2.59%	1.70%	-0.89 pp	Annual dividend / endpoint share value
Five-year dividends	—	USD 21.80	cumulative	No growth assumed
Total ending value	USD 168.62	USD 278.053256	10.520739% gross USD IRR	Share value plus distributions

Bull-case operating and return bridge

Bull case	Start	Horizon	CAGR / change	Justification
Revenue	USD 7,476.8m at operating anchor 2026-06-30	USD 10,518.0m at 2031-06-30	7.06%	Strong recurring adoption and GTO wins
Operating margin	17.40%	20.62%	+3.22 pp	Favorable mix and scale
Operating earnings	USD 1,300.6m	USD 2,168.4m	10.75%	Statutory operating income
Diluted share count	117.1m	109.657094m	-1.34%	Stronger repurchase capacity
EPS	USD 7.60 normalized	USD 15.057567	14.68%	Statutory diluted EPS
Valuation	22.19x normalized	24x	+1.81x	High-quality terminal execution
Share value	USD 168.62 at price anchor 2026-09-08	USD 361.381608	16.46%	EPS times locked exit P/E
Annual dividend	USD 4.36	USD 4.36	0%	Flat official dividend diagnostic
Dividend yield	2.59%	1.21%	-1.38 pp	Annual dividend / endpoint share value
Five-year dividends	—	USD 21.80	cumulative	No growth assumed
Total ending value	USD 168.62	USD 383.181608	17.841731% gross USD IRR	Share value plus distributions

CIO actionability

Measure	Result	Notes
Status	WATCH	Separate from ER2 verdict
Bear / Base / Bull net-SGD IRR	-4.41% / 9.09% / 17.39%	0.20% entry/exit costs, 30% dividend withholding, explicit scenario FX
Probability-weighted net-SGD IRR	8.87%	CAGR of probability-weighted net terminal wealth
10% mandate hurdle	FAIL	Base and PW are below 10%
15% stretch hurdle	FAIL	Only Bull exceeds 15%
Downside and portfolio fit	WATCH	Existing 327 shares are about 2.5% of NAV; static Bear contribution about 0.50% NAV
Proposed sizing ceiling	none	No sizing or trade authority

Stage 0 — Time anchor

Today is 2026-09-09. Broadridge’s fiscal year ends June 30. The most recent complete period is Q4/FY2026 ended 2026-06-30. The TTM is Q1+Q2+Q3+Q4 FY2026, ending 2026-06-30. The exact forward horizon is 2031-06-30, five calendar years.

Stage 1 — Disqualifier sweep

ROIC is green/yellow at 17.6% after acquisition-heavy years. FCF conversion is green at 109.7% in FY2026 and above 100% in FY2023-FY2026. Leverage is green/yellow, with manageable debt but continued acquisition dependence. End-markets are green. Governance is green. AI disruption is yellow because workflow ownership could migrate. Pricing power is green/yellow because embedded regulated services are strong while postage pass-through is not pricing power. No red disqualifier applies.

Management

Management is PASS. Tim Gokey’s tenure owns both the Itiviti integration and the recovery in GTO profitability. Cash conversion, price-aware repurchases and declining diluted shares support per-share stewardship. Governance is independent and no material related-party concern emerged. Reservations are explicit: long-term incentives lack a direct ROIC/FCF measure, and succession planning is increasingly relevant.

Moat

Moat and the 2046 test are YELLOW. ICS occupies a durable regulated position-to-vote coordination layer, and GTO benefits from implementation scar tissue and mission-critical trust. Neither is a monopoly. E-delivery can improve mix but may reduce gross physical revenue; AI, tokenized ledgers, custodians and cloud platforms could capture the customer interface. Upgrade requires persistent recurring growth and demonstrated pricing/margin control through transition.

Stage 5 synthesis

The reviewed segment build produces Base revenue of USD 9.6732 billion, operating income of USD 1.8533 billion, net income of USD 1.3666 billion and diluted EPS of USD 12.2025. Required EPS is USD 11.2413, so the P/E-15 cushion is 8.55%. All 11 tie-outs pass. A common-cause ICS stress—growth 200 bp below Base and margin held at 19.8%—reduces EPS to USD 10.5395 and fails the P/E-15 test with a -6.24% cushion. It also lowers gross return to 7.59% and net-SGD to 6.13%, making the WATCH monitoring conditions economically material.

Red team

The strongest bear case is correlated e-delivery, AI-insourcing and pricing pressure that slows ICS while preventing margin expansion. The 21x Base exit is also optimistic versus near-term forward evidence; a 19x exit lowers Base IRR by about 2.01 points. Both objections are material-resolved through explicit audited sensitivities. The strongest anti-bear is that flat dividends and zero digital-asset value understate wealth, but the effect is less than one return point.

Kill / trigger criteria

- Downgrade if ICS recurring growth is below 4% and ICS EBT margin below 18% for two consecutive quarters.
- Reassess if the Base exit calibration falls below 19x on comparable normalized earnings.
- Upgrade only with durable e-delivery economics, retained interface control and Base/PW net-SGD IRRs above 10%.
- Any sizing or trade decision requires a separate owner-approved workflow.

Analyst flags

Product-level EBT margins, segment retention/NRR and FY2027 segment guidance are not disclosed. The package uses official FY2026 filings and current-run FMP pulls, binds all key artifacts by SHA-256, and preserves the QFR/DR/VP/CSA/RT gates. `trade_execution_authorized=false` throughout.

Appendix A - Company Primer

Broadridge Financial Solutions — Company Primer

Source, accounting, and time-anchor notes

This primer is a reader-facing introduction for the ER2 / Gideon workstream. It is not the quantitative source of record for downstream forecasts. All financial figures below use the QFR-cleared quantitative foundation in `C:\Users\Admin\OneDrive\GPT\ER 2.0\Broadridge Financial Solutions\quant_foundation.md`, whose reconciliation result is `8/8 checks PASSED`. The sealed quote packet SHA-256 is `f462ff9cfff85817be4c47da61de7a3ba50a9027458e0597380834fe158e2376`; the sealed statutory bridge SHA-256 is `88abe1e83bdfc566a818243ce3488853b6b4034d72a05d80d7b5637bf1b84a43`.

The information date is September 9, 2026. Broadridge's fiscal year ends June 30. The latest complete official period is Q4 FY2026 and the year ended June 30, 2026. TTM means Q1 + Q2 + Q3 + Q4 FY2026, ending June 30, 2026, and the exact five-year horizon is June 30, 2031. The issuer's chief operating decision maker evaluates the two reportable segments using **earnings before income taxes (EBT)**. Accordingly, this primer preserves that exact segment terminology throughout.

The qualitative description was refreshed from Broadridge's [FY2026 Form 10-K](https://www.sec.gov/Archives/edgar/data/1383312/000162828026052243/br-20260630.htm), [official company history](https://www.broadridge.com/about/history), and [2007 spin-off announcement](https://www.broadridge.com/press-release/2007/former-adp-brokerage-services-group-begins-trading-as-an-independent-company-broadridge-lists-on-the-new-york-stock-exchange). No data-warehouse cache was used. `trade_execution_authorized=false`.

Executive orientation

Broadridge is best understood as a scaled transaction and communications utility for financial markets, wrapped in a technology-and-services business model. It operates behind the scenes where regulated information, securities positions, votes, cash, and records must move accurately among issuers, funds, banks, brokers, custodians, asset managers, wealth managers, advisors, and investors. Its products are rarely optional to the end-to-end workflow even when the customer can choose whether to build the function internally or outsource it.

The company has two reportable segments. Investor Communication Solutions, or ICS, organizes shareholder governance, regulatory and fund communications, corporate-issuer services, data-driven fund tools, transfer agency, and high-volume customer communications. Global Technology and Operations, or GTO, provides trading, connectivity, capital-markets processing, wealth and investment-management technology, and outsourced operations. ICS supplied roughly three quarters of FY2026 revenue; GTO supplied the balance.

The attraction is structural. Financial institutions face rising complexity, regulatory change, fragmented legacy systems, and little customer willingness to tolerate outages or inaccurate records. A common platform can spread compliance, infrastructure, security, and modernization costs across many clients. Once a large institution has integrated a mission-critical workflow, trained employees, validated controls, and satisfied regulators, switching becomes expensive and risky. That creates long relationships and a large recurring revenue base.

The qualification is equally important. Not all reported revenue has software-like economics. Nearly one third of FY2026 revenue was distribution revenue, which includes physical delivery and other fulfillment activities and is affected by postage. Event-driven revenue is repeatable over time but difficult to predict in any one year. Acquisitions are a recurring feature of strategy. Segment economics therefore need to distinguish durable fee growth from postage pass-throughs, event volumes, currency, and purchased revenue.

Business overview and customer buying process

What Broadridge does

Broadridge powers three broad industry functions: investing, governance, and communications. In governance, it delivers proxy materials, identifies and reaches beneficial owners through broker and bank intermediaries, collects voting instructions, supports meetings, and reports results. In investing, it provides technology across order capture, execution, clearing, settlement, books and records, portfolio management, collateral, reconciliations, reporting, and wealth operations. In communications, it composes, digitizes, prints, and distributes regulated and transactional material through print and

electronic channels.

The customers are mostly institutions rather than consumers. They include banks, broker-dealers, custodians, mutual funds and exchange-traded fund sponsors, traditional and alternative asset managers, retirement providers, insurance companies, clearing firms, public companies, transfer-agency clients, wealth platforms, advisors, and firms in other regulated service industries. The largest single customer represented about 7% of FY2026 consolidated revenue, which makes the client base diversified at the consolidated level but does not eliminate bargaining power or operational concentration in individual products.

The purchase is an enterprise sale, not a self-serve subscription. A typical sale requires due diligence on resilience, data security, regulatory compliance, service levels, migration, interfaces, and business continuity. New business then goes through implementation before becoming recurring revenue. Broadridge defines “Net New Business” as recurring revenue from closed sales during the first twelve months after a client goes live, less client losses. Thereafter, changes in existing services for existing multi-year contracts become “Internal Growth.” That distinction is useful: bookings are not immediately equivalent to revenue, and implementation capacity affects the conversion of signed work into reported growth.

Clients buy Broadridge for several reasons. First, it performs regulated workflows that require very high accuracy and auditability. Second, it connects parties that would be expensive for each customer to connect separately. Third, it mutualizes fixed technology and compliance costs on common platforms. Fourth, it gives institutions a path to modernize without replacing every legacy system at once; GTO solutions can be deployed as integrated platforms or as components. Fifth, its operating scale can absorb spikes in proxy, communications, and transaction volumes more efficiently than many in-house systems.

The ICS workflow in plain language

A large proportion of public-company shares are held in “street name.” The registered owner in the issuer’s records may ultimately trace through the Depository Trust Company and a broker or bank, while the economic owner is the broker’s customer. Voting rights and required communications therefore must pass through a chain of record holders and nominees. Broadridge sits in the middle: it receives data and authority from participating banks and brokers, coordinates with companies and funds, delivers materials digitally or physically, captures voting instructions, and conveys those instructions back into the solicitation.

This position is economically important because an issuer cannot efficiently build a separate connection to every nominee and every beneficial owner. Broadridge’s value is the network and control layer: standardized interfaces, delivery preferences, rules, identity and position data, tabulation, reporting, and a channel spanning online, mobile, telephone, and paper. For institutional investors, ProxyEdge provides multi-custodian voting and reporting. For issuers, the company supports annual meetings, virtual meetings, engagement analytics, registered and beneficial-holder communications, SEC filings, XBRL tagging, transfer agency, and corporate actions.

ICS also serves fund manufacturers and distributors. Its fund solutions handle data, calculations, document composition, registration, compliance, dissemination, trade processing, commission payments, and analytics used to distribute products through retail, retirement, and institutional channels. Customer Communications Solutions applies similar industrialized composition-and-delivery capabilities to statements, bills, trade confirmations, explanations of benefits, marketing messages, and other regulated communications. The platform connects print, web, email, text, and interactive channels; physical work is supported by six highly automated North American production facilities.

The GTO workflow in plain language

A securities transaction creates a chain of obligations after the trade is agreed. Orders must be routed and executed; counterparties must confirm terms; cash, securities, margin, and collateral must be managed; clearing and settlement must complete; positions and books must update; asset servicing and tax records must remain correct; and regulators and customers must receive reports. GTO supplies technology and, in some arrangements, personnel and managed operations across that lifecycle.

Capital-markets products span front-office trading and connectivity, post-trade processing, securities finance, collateral, financial messaging, reconciliations, reference data, regulatory reporting, and custody-related services. The architecture is multi-asset, multi-entity, and multi-currency and can be delivered as a broad platform or as discrete components. Wealth and investment-management products cover digital onboarding, advisor tools, compensation, account servicing, performance reporting, portfolio and order management, compliance, risk, and analytics. Business-process outsourcing combines the software with Broadridge staff and operating expertise.

The scale claims help frame the operational burden. In FY2026 Broadridge managed voting for more than one billion equity proxy positions, processed more than eight billion investor and customer communications, processed more than $18 trillion of traditional and tokenized securities trades per day on average, served 22 of the 26 U.S. primary fixed-income dealers, and served the 15 largest U.S. wealth providers. These figures show why resilience and switching costs matter more than a simple feature checklist.

Revenue architecture

Segment mix

FY2026 is both the latest full fiscal year and the TTM base. The segment mix is stable at approximately 74% ICS and 26% GTO.

Segment	FY2026 revenue	Share of total	FY2026 segment EBT	Segment pre-tax margin
Investor Communication Solutions	$5,560.8m	74.4%	$1,103.5m	19.8%
Global Technology and Operations	$1,916.0m	25.6%	$297.8m	15.5%
Total reportable segments	$7,476.8m	100.0%	$1,401.3m	18.7%

Corporate and Other added $44.5 million of EBT in FY2026. It is a reconciliation category, not a reportable segment. Consolidated pretax income was therefore $1,445.8 million. The segment EBT sum should never be compared directly with statutory operating income without the cleared bridge, because segment EBT embeds items below the statutory operating line and Corporate and Other contains centrally managed and non-operating amounts.

Revenue type

Broadridge's segment view says which organization serves the customer; the revenue-type view says what makes the invoice recur.

Revenue type	FY2026 revenue	Share of total	Economic character
Recurring fees	$4,878.0m	65.2%	Multi-year services, software, processing, internal volume and pricing, plus net new business and acquisitions
Event-driven	$348.1m	4.7%	Special meetings, mutual-fund proxies, reorganizations, contests, transactions, and other episodic activity
Distribution	$2,250.6m	30.1%	Physical and digital fulfillment, postage-linked delivery, and fund-processing administration
Total	$7,476.8m	100.0%	Consolidated revenue

All GTO revenue is classified as recurring. ICS contains all three types. Recurring revenue is the economic core, but even this category includes several drivers: price, positions or transaction volumes within existing contracts, new clients that have gone live, acquired revenue, and foreign exchange. Event-driven work is not equivalent to low-quality revenue; governance and capital-markets events recur across the system. It is nevertheless volatile in timing, particularly mutual-fund proxy activity. Distribution revenue is strategically attached to the communication workflow but has lower-quality optics because postal-rate increases can raise reported revenue and costs with limited profit contribution.

Product lines

Segment and product line	FY2026 revenue	FY2025 revenue	FY2026 growth
ICS Regulatory recurring	$1,434.9m	$1,280.6m	12.0%
ICS Data-Driven Fund Solutions recurring	$479.5m	$459.2m	4.4%
ICS Issuer recurring	$294.8m	$273.2m	7.9%
ICS Customer Communications recurring	$752.8m	$718.8m	4.7%
ICS Event-driven	$348.1m	$319.3m	9.0%

Segment and product line	FY2026 revenue	FY2025 revenue	FY2026 growth
ICS Distribution	$2,250.6m	$2,062.0m	9.1%
GTO Capital Markets recurring	$1,184.2m	$1,115.3m	6.2%
GTO Wealth and Investment Management recurring	$731.8m	$660.8m	10.7%

Regulatory recurring revenue is the largest clearly identified fee product in ICS. Distribution is the largest line in reported dollars but should be analyzed together with the related delivery expense. Within GTO, capital markets is larger, while wealth and investment management grew faster in FY2026.

Geographically, the FY2026 10-K disclosed $6,374.6 million of U.S. revenue, $544.4 million in Canada, $493.6 million in Europe, and $64.1 million elsewhere. That is approximately 85% U.S. and 15% non-U.S. revenue. GTO's technology spans more than 100 markets and ICS operates international governance and fund-distribution solutions, but reported economics remain predominantly North American.

Unit economics and operating leverage

ICS economics

An ICS revenue dollar can have very different economics depending on type. Recurring fees monetize ongoing positions, accounts, records, software, data, engagement tools, and compliance workflows. These products benefit from shared rules, databases, integrations, and delivery infrastructure. Incremental volume can be attractive once a platform and client interface are in place, although technology, cybersecurity, sales, implementation, and regulatory costs remain substantial.

Event-driven work uses much of the same network and operating machinery. It can carry good contribution margins when incremental events flow through existing capacity, but volumes depend on corporate actions, special meetings, fund reorganizations, regulation, and capital-market activity. It should not be annualized from a strong quarter.

Distribution is operationally necessary but economically different. Postage, paper, freight, print production, and handling create large variable costs. In FY2026 distribution revenue rose $188.7 million, with approximately $123 million attributed to postage increases and the remainder primarily to higher volume. That growth inflated both revenue and cost. It helps explain why ICS revenue grew 9% but segment EBT grew only 5% and its pre-tax margin declined from 20.6% to 19.8%.

ICS also has seasonal and volume-mix effects visible in the cleared quarterly foundation. Revenue and EBT were highest in Q4 FY2026, when annual proxy activity is concentrated: Q4 ICS revenue was $1,732.3 million and EBT was $530.8 million, versus $1,130.0 million and $126.4 million in Q1. An investor should not extrapolate a single quarter's margin across the year.

GTO economics

GTO is more purely recurring but implementation-heavy. Revenue comes from licensed or hosted technology, processing volumes, connectivity, data, and managed operations. The cost base includes engineering, cloud and data-center infrastructure, market connectivity, operations personnel, client implementations, security, compliance, and support. When clients migrate onto shared platforms, additional revenue can leverage a common infrastructure base. Conversely, large implementations, modernization programs, and acquired platforms can depress margins until revenue scales and integration work abates.

FY2026 shows the potential operating leverage. GTO revenue increased 8% to $1,916.0 million, while segment EBT increased 48% to $297.8 million and its pre-tax margin expanded from 11.3% to 15.5%. Higher revenue more than offset higher expenses, including costs from the SIS and CQG acquisitions. The improvement is economically meaningful, but one year does not prove a steady-state margin. The segment still carries $160.9 million of acquired-intangible and purchased-IP amortization in FY2026, versus only $42.7 million in ICS, showing how heavily acquisition history affects reported GTO earnings.

Consolidated cash economics and capital intensity

Broadridge is not capital-intensive in the same way as a manufacturer, but required investment is broader than cash property-and-equipment additions. FY2026 cash from operations was $1,345.6 million. Cash capital expenditures were $67.2 million and software purchases and capitalized internal-use software were $45.4 million, producing controlling free cash flow of $1,233.0 million. Free cash flow was about 110% of net income of $1,124.3 million. That conversion is attractive, although an investor must also account for stock-based compensation, acquisitions, restructuring, and the economic cost of

continuously modernizing mission-critical platforms.

Funded debt was $3,254.6 million at June 30, 2026, cash was $402.9 million, and lease obligations were $263.0 million. Funded net debt was therefore $2,851.7 million. Liquidity included $1,225.3 million of unused revolving capacity. The balance sheet supports continued investment, but leverage and acquisition commitments reduce optionality if earnings weaken or integration demands rise.

Competitive position and industry structure

Broadridge competes against three types of alternative. The first is the customer's own technology and operations group. Large banks and asset managers can build internal systems, especially for differentiated front-office workflows. The second is specialist vendors in proxy distribution, transfer agency, solicitation, financial printing, communications, fund data, trading, post-trade, portfolio management, and wealth technology. The third is an integrated platform or outsourcing provider that can bundle adjacent workflows.

The strongest competitive advantage is not that every individual software module is unique. It is the installed network and the cost of recreating a reliable end-to-end service. ICS coordinates issuers, funds, banks, brokers, custodians, depositories, and investors while retaining delivery preferences, rules, positions, and audit trails. GTO operates books and records and connects to markets, clearinghouses, counterparties, and clients. A replacement must match functionality, migrate data, rebuild connections, prove resilience, pass client and regulatory testing, and avoid disruption during cutover.

Scale also matters. Fixed spending on security, compliance, cloud, disaster recovery, platform upgrades, and regulatory adaptation can be spread across a large volume base. Data and workflow breadth can improve analytics and cross-selling. Broadridge can sell a new capability through existing enterprise relationships, while an acquisition can gain distribution through the broader network. These are real advantages, but they do not make pricing unconstrained. Customers are sophisticated, procurement is professionalized, and some services operate under regulatory or self-regulatory fee structures.

The company's centrality creates both moat and regulatory exposure. In the beneficial proxy process, fees reimbursed by issuers and paid through nominees are affected by SEC and exchange rules. A dominant intermediary can be viewed as efficient market infrastructure, but regulators and customers can also challenge economics, service levels, transparency, or delivery methods. The relevant moat question is therefore not "can anyone write proxy software?" It is "can a competitor persuade the full network to migrate without raising cost, risk, or operational friction?"

Technology is a moving frontier. Tokenized assets, continuous markets, T+1 settlement, cloud modernization, open APIs, and artificial intelligence can increase demand for modern infrastructure. Broadridge is investing in distributed-ledger repo, tokenized governance, market connectivity, and agentic AI. The same technologies could lower entry barriers, automate service work, or make customers less dependent on incumbent platforms. The defensible case requires Broadridge to embed new technology inside regulated production workflows faster than competitors, not merely announce pilots.

History and strategic evolution

The business began in 1962 as ADP's brokerage-services group, initially processing trades for one customer. During the following decades it expanded securities processing, investor communications, electronic voting, fund communications, and global settlement capabilities. That lineage matters because the current franchise was built by accumulating connectivity, operating knowledge, and client trust over many market and regulatory cycles rather than by selling a recently launched application.

ADP spun the business off on March 30, 2007, and Broadridge began trading independently on the NYSE on April 2, 2007. At that time it had nearly $2 billion of revenue and concentrated on investor communications, securities processing, clearing, and outsourcing. The company joined the S&P 500 in 2018, and Tim Gokey became chief executive in January 2019.

Since independence, strategy has moved in three directions. First, Broadridge extended the governance network into digital delivery, institutional voting, issuer engagement, virtual meetings, disclosure, transfer agency, and global proxy services. Second, it broadened transaction processing toward front-to-back capital-markets technology and connectivity. Third, it built wealth, investment-management, data, and communications platforms. Organic product development and acquisitions have both contributed; the result is a more diversified franchise, but also one with more goodwill, acquired intangibles, integration needs, and architectural complexity.

The current strategic themes follow that history: digitize and democratize governance, simplify and innovate capital markets, and modernize wealth and investment management. The common logic is mutualization. Broadridge seeks to take a

mission-critical but non-differentiating function that a customer operates alone, move it to a multi-client platform, and then sell adjacent data, digital, compliance, and operating services.

Capital allocation

Capital allocation has four recurring uses: reinvestment in platforms, cash returns, acquisitions, and debt service. FY2026 free cash flow was $1,233.0 million after the complete $112.6 million of capital expenditures plus software investment. Cash dividends paid were $443.5 million, while declared common dividends were $451.6 million, or $3.90 per share. After year-end the board approved a quarterly dividend of $1.09, implying $4.36 annually.

Share repurchases accelerated. Broadridge spent $603.7 million on cash treasury-stock purchases in FY2026, and weighted-average diluted shares declined to 117.1 million from 118.3 million in FY2025. The 10-K separately reports 3.4 million program shares repurchased during FY2026, versus 0.4 million in FY2025, and 3.46 million shares remained authorized at year-end. Repurchases should be judged against valuation and acquisition needs, not automatically treated as value creation.

Acquisitions remain strategically important. In FY2026 Broadridge acquired CQG, Acolin, iJoin, and Signal for an aggregate $300.2 million cash purchase price, or $282.8 million net of cash acquired. CQG added futures and options execution-management, algorithmic-trading, data, and venue-connectivity capabilities. Acolin and iJoin supported fund-distribution and retirement capabilities. Signal expanded digital customer communications and Broadridge's European footprint. The prior SIS transaction also contributed to FY2026 GTO growth.

The allocation record should be evaluated on organic growth and cash returns after integration, not solely on adjusted EPS. FY2026 acquisition and integration costs were $17.5 million, while amortization of acquired intangibles and purchased IP was $203.6 million. Management excludes these items from adjusted operating measures, but the acquired assets are part of the cost paid to create current revenue. A rigorous investor should track purchase price, incremental revenue, organic growth after the anniversary, margin progression, retention, and realized cross-selling.

FY2026 developments

FY2026 consolidated revenue rose 9% to $7,476.8 million. Recurring revenue increased 8% to $4,878.0 million; the disclosed drivers were three points of net new business, three points of internal growth, two points from acquisitions, and one point from currency. Event-driven revenue increased 9% to $348.1 million. Distribution revenue increased 9% to $2,250.6 million, with roughly $123 million of the increase driven by postage.

ICS revenue increased 9% and recurring revenue increased 8%, including seven points of organic growth. Regulatory recurring revenue grew 12%, supported by 12% equity-position growth and 6% mutual-fund/ETF position growth. Issuer revenue grew about 8%, while data-driven fund and customer communications grew more slowly and included acquisition contribution. ICS segment EBT increased 5%, but the segment pre-tax margin fell 80 basis points to 19.8% because distribution and other volume-linked costs, as well as acquisitions, grew faster than profit.

GTO revenue increased 8%; constant-currency recurring growth was 7%, including four points organic and two points from the SIS and CQG acquisitions. Capital-markets revenue grew 6% reported and 5% constant currency, including one point from CQG and $16.5 million of digital-asset revenue related to Canton Coins. Wealth and investment-management revenue grew 11% reported and 10% constant currency, including five points organic and five points from SIS. Segment EBT rose 48% and pre-tax margin expanded 420 basis points to 15.5%.

A notable accounting development occurred outside the segments. Corporate and Other EBT improved from a $196.7 million loss in FY2025 to $44.5 million of income in FY2026, driven principally by $227.0 million of non-cash digital-asset gains and lower net interest expense. Consolidated GAAP EPS rose to $9.60 from $7.10, but the year's unusual gains largely offset acquisition amortization and other adjustments, leaving management's adjusted EPS also at $9.60. The cleared statutory bridge keeps this non-operating volatility separate from ICS and GTO operating forecasts.

Regulation is another current issue. On July 16, 2026, the SEC proposed Regulation E-Delivery, which would permit electronic delivery to become the default for covered communications without affirmative consent, subject to transition notices and opt-out rights. Broadridge's preliminary view was no FY2027 impact, followed by a modest two-to-three-year reduction in recurring-revenue growth and lower distribution revenue, with higher margins and new products expected to offset the earnings impact. That is management's expectation, not a guaranteed outcome. The proposal may improve mix while shrinking physical volume, but pricing, adoption, opt-outs, and customer behavior remain uncertain.

Key risks

Regulatory repricing and delivery reform. Proxy, shareholder-report, prospectus, and customer-communication services depend on laws, SEC and exchange rules, and reimbursement schedules. Changes can alter who pays, permitted fees, delivery methods, required content, and volumes. E-delivery may lower print and postage revenue faster than Broadridge can replace the associated fee pool.

Operational and cyber failure. The company processes sensitive positions, votes, trades, customer records, and regulated documents. A material outage, incorrect tabulation, settlement error, privacy breach, ransomware event, or failed disaster recovery could create client losses, regulatory penalties, litigation, and reputational damage. Scale makes the franchise valuable but increases the consequence of failure.

Competition and insourcing. Banks, brokers, asset managers, and wealth firms can retain or rebuild selected functions internally, use specialists, or consolidate onto another platform. Large customers have negotiating leverage and may demand lower prices, more open interfaces, or ownership of data. New cloud-native or AI-enabled vendors could attack components even if replacing the entire network is difficult.

Acquisition and integration risk. Broadridge completed seven acquisitions over the last three fiscal years and four in FY2026. It must integrate technology, people, controls, security, and go-to-market plans without disrupting clients. Overpayment, weak retention, duplicated platforms, missed synergies, or future impairment would lower returns on capital.

Revenue-quality and forecasting risk. Distribution revenue can rise because postage rises, which adds little economic value. Event-driven revenue is difficult to forecast. Recurring revenue can include acquisitions and implementation timing, so the headline percentage is not identical to organic subscription growth. Quarterly seasonality also makes annualization hazardous.

Leverage and capital-allocation risk. Funded debt exceeded $3.25 billion, and buybacks, dividends, acquisitions, and investment together can consume more than annual free cash flow. Higher rates, refinancing pressure, a ratings downgrade, or another large acquisition could reduce financial flexibility.

Technology transition risk. Continuous markets, tokenization, shorter settlement, open architectures, cloud migration, and AI create demand but also require sustained investment. Legacy platforms may become costly to maintain; new platforms may be slow to monetize. Agentic automation could improve service delivery but also compress labor-based revenue or differentiate competitors.

Digital-asset volatility. FY2026 included meaningful Canton-related revenue and gains, including a $216.1 million year-end Canton Coin carrying value and a separate investment linked to the Canton Digital Asset Treasury. These positions introduce market, valuation, liquidity, accounting, and regulatory volatility. The $227.0 million non-cash gain in Corporate and Other should not be treated as recurring segment earning power.

Vendor and infrastructure dependency. Physical distribution relies on postal services and carriers. Technology operations depend on cloud, data-center, network, and outsourced infrastructure providers. Disruption, inflation, or contract failure at these counterparties can affect service and margins even when Broadridge's own systems operate as designed.

Institutional-investor synthesis

Broadridge has the ingredients of a durable infrastructure franchise: critical workflows, deep integration, a large multi-party network, recurring revenue, high cash conversion, moderate customer concentration, and the ability to spread fixed compliance and technology costs across many clients. ICS is the clearest network asset; GTO provides a second growth engine and demonstrated substantial margin improvement in FY2026.

The analytical burden is to avoid confusing stability with uniform quality. Distribution revenue is economically attached to the moat but partly passes through postage. Event-driven work is valuable but variable. Acquisition revenue is not organic growth. Corporate and Other contained a large digital-asset gain that does not belong in normalized segment forecasts. The correct FY2026 base is therefore the cleared ICS and GTO segment EBT architecture, reconciled through Corporate and Other to statutory income.

For the June 30, 2031 horizon, the central questions are whether ICS can offset physical-delivery decline with higher-value digital governance and data products; whether GTO can sustain organic growth and a structurally higher margin after integrations; whether acquisitions earn attractive returns after full amortization and integration economics; and whether regulation strengthens the shared platform or compresses the fee pool. Those questions, rather than the smoothness of

historical adjusted EPS alone, determine whether Broadridge is a genuine long-duration compounder.

Appendix M - Management Assessment

Broadridge Financial Solutions (BR) — Management Assessment

Information date: 2026-09-09 **Fiscal year end:** June 30 **Latest complete period:** FY2026 / TTM ended 2026-06-30
Five-year horizon: 2031-06-30 **Run:** `pulse-cio-20260909T100339+0800` / `CIO-20260908-BR-ER2-REFRESH`
Authority boundary: `trade_execution_authorized=false`. Management-only appendix; no trade, ranking, sizing, message, dashboard, or memo authority.

Executive conclusion

Broadridge clears the management gate. Tim Gokey has been CEO since 2019 and held operating and corporate-development roles at Broadridge for almost a decade before that, so he owns the current strategy. From FY2022 through FY2026, statutory operating income increased from $759.9 million to $1,300.6 million, derived ROIC rose from 10.6% to 17.6%, issuer-definition FCF rose from $370.4 million to $1,233.0 million, and GTO pretax margin improved from 9.6% to 15.5%. The acquisition-led platform strategy has so far created operating leverage rather than merely adding goodwill. Capital returns also became more price-sensitive: FY2026 buybacks were $603.7 million, Q4 purchases averaged $150.22 versus the sealed $168.62 price, and diluted shares declined despite SBC.

Two reservations are not gate-breaking. LTI uses adjusted EPS and stock-price appreciation without a direct ROIC/FCF measure. CEO succession also warrants monitoring: Gokey was 64 and President Christopher Perry 63 in the 2025 proxy; Perry joined the board in February 2026, while CFO Ashima Ghei has held the permanent title only since December 2024. The board has a credible internal bench and independent chair but has not published a CEO-transition timetable.

1. Who is running the company

Role	Executive	Tenure and relevant background	Assessment
Chief Executive Officer	Timothy C. Gokey	CEO and director since 2019; president 2017-2020; COO 2012-2019; chief corporate development officer 2010-2012; previously H&R Block and McKinsey	Long enough in seat to own strategy, acquisitions, technology investment, and capital returns
Chief Financial Officer	Ashima Ghei	Permanent CFO since December 2024 after interim CFO from July 2024; ICS CFO 2022-2024; 18 years at American Express in finance and strategy	Credible internal promotion; FY2026 execution was strong, but tenure is still short
President	Christopher J. Perry	President since 2020; joined Broadridge in 2014; oversees growth, revenue, profitability, international expansion and corporate development; appointed director February 2026	Most visible internal CEO-successor candidate; board appointment strengthens the signal
GTO leader	Thomas P. Carey	President of GTO since October 2018; long Broadridge/ADP tenure; added India operations in 2024 and enterprise product management in July 2025	Owns the clearest recent segment-margin improvement
ICS leader	Douglas R. DeSchutter	President of ICS since July 2025; co-president 2023-2025; with the franchise since 2009 and previously led corporate development	Deep operating and M&A experience; too new as sole segment head for a full cycle
Independent chair	Eileen K. Murray	Chair since the 2025 annual meeting; lead independent director from 2024; former Bridgewater co-CEO, FINRA chair, and Morgan Stanley executive	Strong financial-services oversight and a clean separation of chair and CEO roles

The [2025 proxy](https://www.sec.gov/Archives/edgar/data/1383312/000114036125037069/ny20050521x1_def14a.htm) identified seven independent nominees among eight. Subsequent appointments of Perry, Patricia Mosconi and Todd Diganci, together with Brett Keller's departure, produced the ten-member board listed in the [FY2026 10-K](https://www.sec.gov/Archives/edgar/data/1383312/000162828026052243/br-20260630.htm): eight independent directors and two management directors, Gokey and Perry. Every standing committee is independent. The board's transition from former CEO Richard Daly as executive chair to Murray as independent chair materially improved accountability.

No overboarding issue is evident: Gokey and Perry each have one outside public-company board, and company policy caps directors at four with tighter CEO limits. Duelks dates to 2009 and Markus to 2013, but Mosconi and Diganci joined in 2026 and a retirement-age policy provides refreshment. FY2025 attendance was 100% for board meetings and 99% for committee meetings.

2. Tenure, decisions, and operating track record

Gokey is not inheriting someone else's choices. His three most consequential decisions can be evaluated as follows.

Decision	Ownership and evidence	Observable result	Judgment
Acquire Itiviti for $2.58 billion in May 2021	Gokey was CEO and had prior responsibility for corporate development; the deal extended GTO from back-office processing into front-office trading/connectivity	From FY2022 to FY2026, GTO revenue rose from $1.452 billion to $1.916 billion and pretax earnings from $139 million to $298 million; margin rose from 9.6% to 15.5%; no FY2024-FY2026 goodwill impairment	Successful to date, although the issuer does not disclose stand-alone Itiviti revenue or deal ROIC
Build common platforms around digitization, data, tokenization and AI	Capital/software investment rose from $73.1 million in FY2022 to roughly $113 million in each of FY2024-FY2026; technology expense is also embedded in opex and R&D is not separately disclosed	FY2026 recurring revenue grew 8%, closed sales were $305 million, backlog reached $470 million, and proxy-communication digitization neared 95%	Coherent investment pattern; AI/tokenization revenue remains incompletely quantified and should not be credited as a separate profit pool yet
Shift excess capital toward repurchases while retaining tuck-in M&A	FY2024-FY2026 buybacks totaled $1.224 billion; FY2026 tuck-ins used $282.7 million net cash; dividend increased 12% for FY2027	Diluted shares declined 1.7% from FY2024 to FY2026; FY2026 cash returns were $1.047 billion; funded net leverage ended at roughly 2.19x EBITDA	Increasingly price-aware and still within investment-grade/leverage guardrails

The [original Itiviti announcement](https://www.sec.gov/Archives/edgar/data/1383312/000114036121010388/nc10022360x1_ex99-1.htm) projected 2.5-3 points of recurring-revenue CAGR and two points of adjusted-EPS CAGR through FY2023. Stand-alone results are no longer reported, so those promises cannot be replayed, but GTO pretax earnings more than doubled through FY2026, margin expanded 590 basis points, consolidated ROIC rose 700 basis points, and FY2024-FY2026 brought no goodwill impairment.

The record is not spotless. The E-Trade wealth deconversion hurt FY2025 Q1 growth, but Ghei quantified a 170-basis-point consolidated and ten-point wealth headwind and described the Q2 runoff. FY2025 closed sales of $288 million missed the range by $2 million, while FY2026 Q3 deal slippage reversed in Q4, when sales reached $158 million and $305 million for the year. These are modest execution misses, not denial.

Ghei's first full fiscal year included 8% recurring growth, 12% adjusted-EPS growth, 110% FCF conversion, $603.7 million of repurchases and four tuck-ins. Her FY2027 bridge—5-7% organic growth plus one point from acquisitions, approximately 21% adjusted margin, 8-12% EPS growth and 100%+ FCF conversion—is useful, but not yet a five-year CFO record.

3. Capital allocation behavior

FY	Capital investment $m	Buybacks $m	Dividends $m	M&A cash $m	FCF $m
2022	73.1	22.8	290.7	13.3	370.4
2023	75.2	24.3	331.0	0.0	748.2
2024	113.0	485.4	368.2	34.3	943.2
2025	114.9	134.9	402.3	193.5	1,056.4
2026	112.6	603.7	443.5	282.7	1,233.0

The pattern matches management's hierarchy: investment-grade credit, internal product/onboarding investment, a growing dividend, selective M&A, then repurchases. FY2026 repurchases were more than mechanical offset: Q4 purchases of 1.664 million shares at $150.22 accelerated after the stock declined, and the new $1.5 billion authorization preserves discretion.

M&A remains the largest balance-sheet watch. FY2026's Signal, iJoin, Acolin and CQG deals used $282.8 million net cash—less than one-quarter of FCF—and extend existing franchises. CQG, the largest at $173 million cash plus deferred/contingent consideration, expands futures/options execution around Itiviti. Strategic logic is coherent, but none has enough seasoning for a return verdict.

Goodwill plus statutory intangibles were $4.988 billion versus $2.841 billion of equity, so impairment would challenge the record. Yet FCF/net income exceeded 100% in FY2023-FY2026 and ROIC rose every year. Broadridge has not reached sustained 20%+ ROIC, but cash economics support PASS.

4. Compensation alignment and ownership

Annual cash incentive is 70% financial—10% adjusted fee revenue, 30% adjusted EBT, 20% closed sales and 10% onboarding—plus 5% client satisfaction and 25% strategic/leadership goals. The subjective portion paid at 101-105% of target in FY2025 but does not dominate.

LTI is 50% PRSUs on three-year average compensation-adjusted EPS (0-150% payout) and 50% options vesting 25% annually. Gokey's FY2025 LTI target was $13.3 million versus $1.08 million salary and $1.62 million target cash incentive—about 83% long-term equity. Actual compensation was $17.19 million, 216 times median-worker pay: high in magnitude but substantially at risk.

The weakness is metric quality: neither instrument directly requires ROIC, FCF per share, organic growth, or relative TSR. Adjusted EPS benefits from repurchases and excludes acquired-intangible amortization; options can benefit from multiple expansion. A three-year ROIC/FCF-per-share modifier would improve alignment.

Ownership provides meaningful mitigation. At July 31, 2025, Gokey beneficially owned 701,213 shares, including 558,149 vested or near-vesting options. The residual 143,064 shares owned outside those options was worth about $24.1 million at the sealed $168.62 price—more than 22 times FY2025 salary. Ghei beneficially owned 6,619 shares, including 2,662 options, leaving approximately 3,957 non-option shares worth $0.67 million. Her stake was around one times salary and below the CFO's 3x ownership guideline, but the proxy said recently appointed executives were progressing toward their requirements. The policy requires 6x salary for the CEO, 3x for the CFO, 50% retention of net realized shares until the guideline is met, and a further one-year hold on 50% of net shares thereafter. Unvested units and options do not count.

SBC remained disciplined at approximately 1.20%, 1.21%, 1.09%, 1.07% and 1.26% of revenue from FY2022 through FY2026. FY2026 expense rose to $93.9 million, but diluted shares still declined. The company prohibits hedging and pledging and expanded its clawback in FY2025 to cover incentive pay, time-vested equity, discretionary bonuses and severance for restatements, intentional misconduct, fraud or failure to supervise.

5. Disclosure quality and candor

The live FY2025 Q1-FY2026 Q4 transcript set was re-fetched and archived under the current run's `m_live` folder. All eight calls used “headwind,” but quantitatively: management identified the E-Trade deconversion by basis points, separated organic/acquired growth, explained distribution and float margin effects, disclosed license timing, and bounded event-driven revenue. It reports recurring revenue, sales/backlog, retention, positions and trading volumes rather than SaaS-style ARR/NRR/RPO.

Question handling was direct. In FY2026 Q4 management explained Q3-Q4 deal slippage, separated timing from demand, said the pipeline was over one-third larger, quantified a $470 million backlog and a four-point Q1 FY2027 license-renewal benefit, and described repurchases as heavier than before while retaining tuck-in capacity. Ghei quantified $25 million of AI productivity savings and said most would be reinvested; platform-level AI revenue remains undisclosed.

Guidance credibility is strong. FY2025 finished at 7% recurring growth and 11% adjusted-EPS growth, both within guidance, with the $288 million closed-sales result only $2 million below the lower bound. FY2026 began with 5-7% recurring growth, 8-12% adjusted-EPS growth and $290-$330 million closed sales; it finished at 8%, 12% and $305 million, respectively. Management raised rather than cut the recurring-growth and EPS outlook as evidence accumulated. The company also states that it completed a fifth consecutive three-year cycle within its recurring-revenue and adjusted-EPS objectives.

The main limitation is acquisition accountability: stand-alone revenue, margin and ROIC for Itiviti, SIS and tuck-ins disappear after integration. The $227 million FY2026 digital-asset gain also shows why statutory bridges matter. Management disclosed and excluded it appropriately, but investors must rebuild cash economics rather than accept adjusted EPS alone.

6. Strategic coherence

The FY2026 10-K describes Broadridge as a “global financial technology leader powering investing, corporate governance, and communications.” Gokey's digitized, agentic and tokenized markets framing extends the same three franchises—governance, capital markets and wealth—with shared data, digital, AI and ledger capabilities.

Investment follows the words: capital/software spending rose more than 50% from FY2022 to FY2024 and stayed near $113 million; Itiviti/CQG extend trading, SIS extends Canadian wealth, and Acolin/iJoin deepen fund services. Proxy digitization near 95% and four years of 10%+ digital customer-communications growth are adoption evidence.

Management acknowledges client concentration, technology, cyber, pricing and integration risks rather than treating the market as uncontested. Tokenization and agentic AI remain unproven profit pools and receive no credit in this PASS.

7. Governance and insider flags

The governance perimeter is clean. Broadridge has one class of common stock, no disclosed controlling shareholder, no poison pill, annual director elections, majority voting, proxy access, and a 20% special-meeting right. The 2025 proxy reported no related-party transaction above $120,000. The FY2026 10-K reported no material pending legal proceeding outside routine litigation, no material change in internal controls, and an unqualified opinion on effective internal control over financial reporting. No restatement or material weakness was identified.

The trailing-12-month Form 4 review found no open-market sale by Gokey or Ghei. Sales were limited to President Perry (3,984 shares in November 2025), GTO head Carey (10,214 shares across disclosed accounts in December 2025), independent director Duelks (253 shares in February 2026), and CLO Hope Jarkowski (1,966 shares in June 2026). These transactions were not a clustered CEO/CFO exit signal. Jarkowski's sale left only 1.25 directly held shares in that account and warrants watching, but her broader equity awards and recent tenure make it a secondary flag rather than a management-gate issue.

Succession is the larger governance watch. The board says it reviews succession annually. Perry's appointment to the board in February 2026, his presidency since 2020, and responsibility for sales, profitability and corporate development point to a prepared internal option. Ghei, age 45 in the 2025 proxy, provides generational balance in finance and risk. Still, both Gokey and Perry were in their mid-60s by FY2026, and no public CEO transition horizon or second internal CEO candidate has been disclosed. A sudden dual CEO/president transition would create avoidable execution risk.

8. Peer comparison

Peer leader	Relative capital allocation	Relative disclosure/governance	Broadridge ranking
Jeffrey Sprecher, Intercontinental Exchange	ICE has the stronger long-duration record of transformative acquisitions and exchange/data-platform compounding, but also assumes larger integration and leverage risk	ICE disclosures are granular; Sprecher combines chair and CEO	Broadridge ranks slightly below ICE on proven per-dollar strategic M&A, but above on board-role separation
William Stone, SS&C Technologies	SS&C has deep acquisition skill and strong cash generation, but its serial-acquirer model and leverage make returns more dependent on integration	Founder-chair/CEO control and related-family employment create more minority-holder concentration than at Broadridge	Broadridge ranks above SS&C on governance and balance, while SS&C is more aggressive operationally
Stephanie Ferris, Fidelity National Information Services	FIS has improved under Ferris, but she inherited a record shaped by the costly Worldpay round trip and portfolio repair	FIS is more explicit about remediation, but the stewardship record is not as consistently compounding	Broadridge ranks above FIS on five-year capital preservation and strategic continuity

Gokey is upper quartile, not undisputed best. ICE has stronger transformative-M&A evidence; Broadridge has cleaner board-role separation and steadier guidance. Improving ROIC, no impairment and a declining share count put Broadridge ahead of FIS and, on minority alignment, SS&C.

9. Monitoring thresholds and verdict

Maintain **PASS** while the following conditions hold. Downgrade to **YELLOW** if any one persists; downgrade to **FAIL** if two persist or if a single severe governance/capital-allocation break occurs.

Monitor	PASS condition	YELLOW / FAIL trigger
Returns and cash conversion	Derived ROIC at least 15%; FCF conversion at least 90% on a two-year average	YELLOW below either threshold for two fiscal years; FAIL for a major acquisition impairment plus sub-12% ROIC
Acquisition discipline	Tuck-ins remain supportable within FCF and acquired segments sustain growth/margin	YELLOW if net leverage exceeds 2.5x for four quarters or GTO pretax margin falls below 13.5% for two quarters after integration; FAIL for repeated large deals without disclosed return evidence and an impairment

Monitor	PASS condition	YELLOW / FAIL trigger
Per-share alignment	Diluted share count flat/down; SBC below 1.5% of revenue	YELLOW if diluted shares grow more than 1% year over year or SBC exceeds 1.75% of revenue without offsetting per-share growth for two years
Guidance candor	Annual recurring growth, adjusted EPS and closed sales generally meet stated ranges with quantified revisions	YELLOW after two annual lower-bound misses or an unexplained closed-sales miss greater than 10%; FAIL for repeated non-quantified resets
Succession	Board retains an independent chair and identifies a credible CEO/CFO transition bench	YELLOW if Gokey departs without an internally/externally vetted successor or Ghei exits before establishing a three-year record; FAIL if CEO and chair roles recombine without a strong lead independent director
Incentive design	Majority long-term, with ownership/clawback protections	Upgrade quality if ROIC/FCF per share enters LTI; YELLOW if adjusted EPS remains the sole PRSU metric while leverage, organic growth or ROIC deteriorates

MANAGEMENT VERDICT: PASS. Gokey has a seven-year CEO record and a much longer operating history at Broadridge, and the measurable outcomes—ROIC expansion, GTO margin improvement after Itiviti, strong cash conversion, a net share-count decline, and 20 consecutive dividend increases—show per-share stewardship through both acquisition digestion and a client deconversion. Ghei's tenure is short, but her first full year featured direct disclosure, strong cash execution and disciplined balance-sheet use. Independent board leadership, clean controls, meaningful CEO ownership and no CEO/CFO insider selling clear the governance bar. The verdict would move to YELLOW if succession remains opaque into a leadership transition, or if acquisition integration pushes ROIC below 15%, leverage above 2.5x, or GTO margins below 13.5%; it would move to FAIL on serial impairments, repeated guidance evasion, or chronic dilution.

Primary-source record

- [Broadridge FY2026 Form 10-K, filed 2026-08-04](https://www.sec.gov/Archives/edgar/data/1383312/000162828026052243/br-20260630.htm)
- [Broadridge 2025 definitive proxy statement, filed 2025-10-02](https://www.sec.gov/Archives/edgar/data/1383312/000114036125037069/ny20050521x1_def14a.htm)
- [FY2026 Q4 and full-year results / FY2027 guidance, 2026-08-04](https://www.broadridge-ir.com/news/news-details/2026/Broadridge-Reports-Fourth-Quarter-and-Fiscal-Year-2026-Results/default.aspx)
- [FY2025 Q4 and full-year results, 2025-08-05](https://www.broadridge-ir.com/news/news-details/2025/Broadridge-Reports-Fourth-Quarter-and-Fiscal-2025-Results/default.aspx)
- [Board expansion and Todd Diganci appointment, Form 8-K, 2026-06-09](https://www.sec.gov/Archives/edgar/data/1383312/000138331226000019/br-20260609.htm)
- [Perry and Mosconi board appointments, 2026-02-02](https://www.sec.gov/Archives/edgar/data/1383312/000138331226000003/ex991prredirectors2026.htm)
- [Itiviti acquisition announcement, 2021-03-29](https://www.sec.gov/Archives/edgar/data/1383312/000114036121010388/nc10022360x1_ex99-1.htm)
- [SEC submissions index used for Form 4 review](https://data.sec.gov/submissions/CIK0001383312.json)
- Live FMP `/stable/earning-call-transcript` pulls for BR FY2025 Q1-Q4 and FY2026 Q1-Q4, retrieved 2026-09-09; no warehouse cache used.

Appendix W - Moat and 2046 Durability

Broadridge Financial Solutions — Moat and 2046 Durability

Information date: 2026-09-09 **Fiscal anchor:** FY2026 / TTM ended 2026-06-30 **Long-range test date:** 2046-09-09 **Action:** CIO-20260908-BR-ER2-REFRESH **Control:** `trade_execution_authorized=false`

This appendix uses the DR-cleared current-run data package for historicals and live evidence from the FY2026 Form 10-K, FY2026 results release, and SEC's July 2026 Regulation E-Delivery proposal. Broadridge does not disclose a clean price/volume bridge, segment churn, NRR, RPO, or contractual escalators. The conclusion is **YELLOW**: current network, switching-cost, scale, and trust advantages are strong, but e-delivery and tokenized / AI-mediated infrastructure must prove that economics migrate with the workflow.

1. Moat taxonomy applied

Network effects — strong in ICS, moderate in GTO. ICS coordinates issuers, funds, banks, brokers, custodians, depositories, advisers, and investors through shared positions, preferences, rules, ballots, and audit trails. Each integrated nominee and issuer improves coverage, although this is not an open marketplace. FY2026 scale included over 1 billion equity proxy positions and 8 billion communications. GTO's connectivity reaches 22 of 26 U.S. primary dealers and all 15 largest U.S. wealth providers; Broadridge processed over $18 trillion of traditional and tokenized trades daily. Clients can still multi-source modules, so calling the whole company a pure network effect would overstate it. [FY2026 10-K](https://www.sec.gov/Archives/edgar/data/1383312/000162828026052243/br-20260630.htm)

Switching costs — very strong in production systems, weaker at the edge. Replacement requires data migration, rebuilt market/custodian links, controls and audit history, resilience and acceptance testing, staff training, and a failure-free cutover. Contracts generally span multiple years. Deferred client conversion and start-up costs were $819.3 million, about 9% of FY2026 assets, tangible evidence of long onboarding. Creative content, analytics interfaces, issuer engagement, and isolated front-office modules are easier to replace.

Scale economies — strong. Cybersecurity, resilience, disaster recovery, cloud, postal operations, regulation, privacy, and connectivity carry high fixed costs spread over Broadridge's volumes. A challenger can build a feature more easily than a production estate at lower unit cost. Mutualization lets clients outsource non-differentiating regulated operations. However, $2.25 billion, or 30.1% of FY2026 revenue, was postage- and volume-sensitive distribution: logistical scale is not high-return pricing power.

Brand — meaningful as trust, not consumer pull. The name reduces operational and career risk in mission-critical procurement. An incorrect vote, missed settlement, delivery failure, or breach can expose clients to sanctions and losses. Brand is earned execution, can reverse after a failure, and is not a license to raise price.

Regulatory position — barrier and constraint. SEC, FINRA, NYSE, DTC, privacy, broker-dealer, and cross-border requirements raise entry costs and preserve demand for accurate, auditable votes, reports, confirmations, and records. This is not a monopoly: NYSE rules influence communication fees, regulators can change delivery and pricing, and clients can pressure intermediaries. Regulation protects the workflow more than its revenue pool.

Intellectual property — supporting, not primary. More than 180 patents and applications, trademarks, software, and trade secrets can slow copying but cannot stop a funded bank or cloud-native vendor from designing another workflow. Accumulated operating logic, integrations, data lineage, and exception handling matter more than patent count.

High-trust procurement — very strong. Diligence covers resilience, security, privacy, service levels, migration, continuity, and compliance. Implementation precedes recurring revenue; subsequent changes under multi-year contracts become internal growth. This discourages casual replacement. Sophisticated buyers retain leverage: the largest client was about 7% of FY2026 revenue, and consolidation can increase pressure. Trust creates stickiness, not unconstrained economics.

2. Per-segment moat

Segment / profit pool	Moat mechanism	Durability	What breaks it	Earliest observable sign
ICS regulatory and governance	Multi-party network; nominee, issuer and investor integrations; rules engine; preferences; audited voting history	Strong 5-10 years; plausible but unproven 20 years	Regulation reprices the intermediary or on-chain identity and voting bypass the hub	ICS regulatory recurring growth below 3% for two years; client losses become a material negative driver
ICS data, issuer and customer communications	Distribution, enterprise relationships, data, compliance and bundled workflow	Moderate 5-10 years; weaker 20 years	AI commoditizes content and engagement; e-delivery shifts control to issuer, broker or wallet platforms	Digital growth below 5%; closed sales weaken; recurring margin compresses despite less print
ICS physical distribution	Scale in fulfillment and postage operations	Useful 5 years; structurally withering over 20 years	Default e-delivery sharply reduces paper volume and stranded fixed cost emerges	Distribution revenue falls faster than cost; ICS EBT margin drops below 18%
GTO capital markets	Embedded books and records, multi-asset processing, market connectivity, controls and cutover risk	Strong 5-10 years; plausible 20 years if architecture migrates	Cloud-native or tokenized market infrastructure becomes the system of record and Broadridge remains only an adapter	Organic growth below 3%; DLR use stalls; a top-tier processing client insources or replaces the platform
GTO wealth and investment management	Front-to-back integration, data conversion, workflows and enterprise procurement	Moderate to strong 5-10 years; uncertain 20 years	Custodian / core platforms or AI orchestration layers own the interface and modularize Broadridge	Net new business slows; term-license weakness persists; GTO margin falls below 11%

ICS. The strongest moat is regulatory governance, not paper. Broadridge preserves preferences, links beneficial owners through nominees, gathers instructions, and tabulates results. An attacker must recruit both sides, match position coverage, satisfy rules, and prove peak-season accuracy. Default e-delivery can shrink paper, postage, and print even if Broadridge retains the digital vote. ICS was 74.4% of FY2026 revenue, but $2.25 billion of distribution and $348 million of event-driven revenue reduce blend quality.

GTO. Capital-markets processing binds histories, rules, positions, reconciliations, interfaces, and staff to a system of record. Front-office and engagement modules are easier to replace than books, records, compliance, and processing. All $1.916 billion of FY2026 revenue was recurring and EBT margin reached 15.5%, but acquisitions, term-license timing, and FY2024 compression temper the evidence. Twenty-year durability requires a native operating layer for tokenized and continuous markets, not a disposable migration bridge.

Blended conclusion. The company moat is weaker than its best pool. Revenue was 65.2% recurring, 30.1% distribution, and 4.7% event-driven. Postage can inflate distribution revenue without equivalent value. The equity owns a high-quality regulatory and processing core plus a lower-margin transition pool. Clean e-delivery could raise mix and margin; disorderly change could reveal stranded costs and buyer power.

3. Margin persistence evidence

The ten-year consolidated series below uses the DR-cleared data package for FY2022-FY2026 and a live 2026-09-09 FMP `/stable/income-statement` pull only to extend the view through FY2017. Acquisitions and revenue-perimeter changes make this evidence directional rather than a constant-perimeter experiment.

Fiscal year	Revenue ($bn)	Statutory operating income ($bn)	Operating margin
FY2017	4.143	0.532	12.8%
FY2018	4.330	0.598	13.8%
FY2019	4.362	0.653	15.0%
FY2020	4.529	0.625	13.8%
FY2021	4.994	0.679	13.6%
FY2022	5.709	0.760	13.3%
FY2023	6.061	0.936	15.4%
FY2024	6.507	1.017	15.6%
FY2025	6.889	1.189	17.3%
FY2026	7.477	1.301	17.4%

The evidence is favorable: the margin stayed within 12.8%-17.4%, recovered after the FY2020-FY2022 trough, and ended 460 basis points above FY2017 while revenue expanded. That is consistent with scale and switching costs, although acquisitions and mix also mattered.

Segment EBT margin	FY2022	FY2023	FY2024	FY2025	FY2026	Five-year read
ICS	17.0%	17.9%	19.6%	20.6%	19.8%	Strong and generally expanding; FY2026 compressed 80 bps
GTO	9.6%	12.1%	10.5%	11.3%	15.5%	Improved materially but not yet proven stable at the FY2026 level

ICS margin persistence is the clearest numerical moat evidence. GTO's improvement is encouraging but more volatile, so 15.5% should not be treated as a permanent floor. Consolidated adjusted operating margin was 20.5% in FY2026, flat year over year, while GAAP margin rose only 10 basis points; the modest change despite cost inflation and mix pressure supports resilience, not limitless price.

4. AI disruption stress test

ICS regulatory and governance is chokepoint economics, not merely prompt-to-output. An AI model can summarize a proxy, personalize disclosure, answer investor questions, or recommend a vote. It cannot by itself establish legal entitlement, reconcile beneficial ownership across nominees, deliver required materials, execute validated instructions, and produce a regulator-ready audit trail. AI will change the interface and lower service cost, but the regulated identity, position, consent, and evidence chain remains valuable. The risk is that a bank, wallet, transfer agent, depository, or tokenization platform owns those primitives and reduces Broadridge to a commodity API.

ICS customer communications is most exposed. Foundation models can replicate content, transformation, campaign selection, personalization, and service. The defense is secure distribution, consent/preferences, regulated-document controls, integration, and multi-channel production. If buyers separate engagement from regulated delivery, pricing can compress despite volume growth.

GTO capital markets is protected at the core but exposed at the interface. AI automates reconciliation, support, exceptions, coding, and inquiry, and eases modular deployment. It does not remove authoritative ledgers, deterministic controls, venue connections, settlement, records, or accountability. Agents can raise the value of Broadridge data while a model vendor or hyperscaler captures the interface and bargaining power.

GTO wealth and investment management has mixed exposure. Advisor copilots, onboarding, reporting, portfolio commentary, compliance triage, and client engagement are prompt-like workflows. Core account, fee, order, and position processing are not. The moat survives if Broadridge remains the trusted transaction and data layer beneath many agents; it weakens if custodians or cloud platforms standardize the data plane and make workflow vendors interchangeable.

The most protected pool is ICS beneficial-owner governance plus GTO post-trade books and records. The most exposed is customer communications and wealth/front-office engagement. AI is more likely to compress labor and interface rents than to erase the core within five years, but over twenty years it can shift who controls distribution and procurement.

5. The 2046 test

Specific 2046 description. On 2046-09-09, Broadridge is a regulated multi-asset coordination and systems-of-record provider. Banks, broker-dealers, custodians, asset managers, wealth platforms, funds, public issuers, tokenized-asset sponsors, and regulated wallets pay it to reconcile investor identity and entitlements, deliver machine-readable disclosures, collect voting and consent instructions, process corporate actions, maintain transaction and position records, connect markets, manage collateral, and preserve auditable evidence across conventional and tokenized ledgers. Physical mail is a small opt-in service rather than a major revenue stream. ICS still exists as Governance and Regulated Engagement; its print and postage component has withered, while digital identity, tokenized voting, consent, reporting, and issuer analytics have grown. GTO is larger and operates continuous multi-asset processing, collateral, wealth, and investment-management infrastructure, with AI agents executing bounded tasks above deterministic controls. Directionally, a consolidated statutory operating margin around 19%-21%, versus 17.4% in FY2026, is plausible because low-margin distribution has shrunk and automation offsets continuing cyber, regulatory, and platform investment. The still-intact moat is the combination of network membership, verified data lineage, switching costs, scale, regulation-ready controls, and client trust—not paper, patents, or a proprietary AI model.

That description is credible because proxy digitization exceeds 90%, governance is extending to tokenized ownership, and monthly tokenized repo volume was about $7.5 trillion in June 2026. Activity is not durable revenue: FY2026 capital-markets digital-asset revenue was only $16.5 million, and Canton fair-value gains were non-operating.

Bear 2046 description. Wallets, depositories, exchanges, custodians, and tokenization networks embed identity, ownership, voting, corporate actions, collateral, and settlement directly into interoperable protocols. Regulation recognizes those records as authoritative. AI orchestration commoditizes communications, reconciliation, and front-office workflows. Large banks retain their data and use standardized cloud components; Broadridge loses the interface, then the system of record, and survives as a lower-growth compliance and exception-processing vendor. Default e-delivery removes physical economics faster than fixed costs can exit, while regulated proxy fees are reset lower. GTO becomes an adapter between legacy estates rather than the native platform. A 25%-35% probability for this broad erosion over twenty years is high enough to keep the 2046 test at YELLOW today. The bear case does not require securities activity to disappear; it requires the control point to move.

6. Competitive threat inventory

Threat	Mechanism	Segment(s) affected	Earliest observable signal	Plausibility
Default e-delivery and regulatory repricing	Paper, print and postage fall; permitted fees or intermediary roles change	ICS regulatory, customer communications, distribution	Distribution falls over 10% without margin gain; ICS recurring growth below 4%	High over 3-7 years
Tokenized-native market infrastructure	On-chain ownership, voting, settlement and collateral bypass legacy intermediaries	ICS governance; GTO capital markets	DLR activity stalls; clients choose another authoritative ledger; digital revenue remains immaterial	Medium over 5-10 years; higher by 2046
AI / cloud platform substitution	Agents and standardized data layers commoditize workflows and own the user interface	ICS customer communications; GTO wealth and front office	Lower renewal pricing, rising client losses, weak digital closed sales	Medium-high
Customer consolidation and insourcing	Larger institutions use bargaining power, multi-source modules, or rebuild core functions	Both segments	Largest-client share above 10%; a major conversion asset is written off; organic recurring growth below 3%	Medium

The SEC's proposed Regulation E-Delivery would allow electronic delivery without prior affirmative consent, subject to conditions and opt-out rights, and explicitly targets savings in paper, printing, and postage. This is a real economic transition, not a hypothetical technology scenario. Broadridge expects no FY2027 impact, a modest two-to-three-year drag on recurring-revenue growth, lower distribution revenue, and an offset from new solutions and higher margins. That expectation is testable, not accepted as fact. [SEC proposal S7-2026-25](https://www.sec.gov/rules-regulations/2026/07/s7-2026-25)

7. Pricing power verification

Evidence	What it proves	What it does not prove
FY2026 recurring revenue grew 8%; ICS recurring grew 8%, including 7 points organic	Existing and new workflows are expanding and the franchise retained demand	The filing does not separate price from positions, transactions, cross-sell, or mix
Multi-year client contracts and material conversion / start-up investment	Buyers face switching friction and Broadridge has contractual visibility	Contract length alone does not establish escalators, minimum commitments, or renewal price
ICS EBT margin held near 20%; consolidated GAAP margin reached 17.4%	Costs have not competed away economics over the five-year period	GTO margin is volatile and FY2026 ICS margin compressed 80 bps
FY2026 distribution rose 9%, with about $123 million from postage increases	Broadridge passes through significant external cost	Pass-through postage is not pricing power and may add little profit
Largest client is 7% of revenue; clients often use multiple segments	No single buyer controls the entire company	A concentrated financial-services customer base and consolidation still create bargaining power

Pricing power is **moderate and only partially observable**, not strong. The strongest proof is stable-to-rising margins alongside recurring growth and multi-year contracts. The weakest area is direct price evidence: no current price-realization percentage, adoption-versus-churn bridge, NRR, segment retention rate, or standard escalator is disclosed. Fee-for-service, fixed monthly, and variable transaction structures allow price or volume realization, but regulated ICS fees and large-client procurement constrain it. The moat conclusion relies more on retention-by-embedding and lower unit cost than on annual above-inflation price increases.

8. Verdict and numerical monitoring thresholds

Metric	Upgrade / maintain threshold	Downgrade to FAIL threshold	Why it matters
Consolidated organic recurring growth	At least 5% three-year CAGR	Below 3% for two consecutive fiscal years	Tests whether network participation and cross-sell outgrow mature end markets
ICS EBT margin	At least 18% through e-delivery migration	Below 16% for two years	Detects stranded distribution cost or fee compression
GTO EBT margin	At least 12% three-year average	Below 10% for two years	Tests whether switching costs translate into durable profit
Closed sales	At least $275m three-year average	Below $200m for two years	Early evidence of continued platform demand; FY2026 was $305m
Current client retention disclosure	At least 97% if / when disclosed on a consistent basis	Below 93%, or client losses subtract over 2 points from recurring growth	Direct test of switching-cost integrity
Largest-client concentration	Below 10% of revenue	Above 12%, or one top-tier loss causes a conversion-cost write-off	Tests customer bargaining and concentration
E-delivery economics	ICS recurring growth at least 4% and consolidated margin non-declining during transition	More than 5% cumulative ICS recurring shortfall plus margin below 16%	Distinguishes profitable digitization from lost control point
Tokenized-market relevance by FY2031	Digital / tokenized products reach at least 3% of GTO recurring revenue, or an equivalent audited commercial KPI	Tokenized volumes migrate away while Broadridge digital revenue remains immaterial	Tests whether technical activity becomes a defendable profit pool

MOAT VERDICT: YELLOW

2046 TEST: YELLOW

The current moat is real: scaled networks, expensive conversions, multi-year contracts, persistent margins, and regulated buyers protect ICS governance and GTO systems of record. Physical distribution, contestable digital workflows, and opaque pricing weaken the blend. A specific 2046 company exists only if Broadridge retains the authoritative identity, entitlement, transaction, and audit layer through e-delivery, AI, and tokenization. Until ICS margin survives Regulation E-Delivery and tokenized activity becomes commercial revenue, both gates remain YELLOW.

Source and control notes

- Historical control: [DR-cleared data package](<C:\Users\Admin\OneDrive\GPT\ER 2.0\Broadridge Financial Solutions\data_package.md>).
- Live primary evidence: [FY2026 10-K](https://www.sec.gov/Archives/edgar/data/1383312/000162828026052243/br-20260630.htm), [FY2026 results](https://www.sec.gov/Archives/edgar/data/1383312/000138331226000022/ex991earningsrelease4q2026.htm), and [SEC E-Delivery proposal](https://www.sec.gov/rules-regulations/2026/07/s7-2026-25).
- FY2017-FY2021 margin extension: current-run live [FMP pull](<C:\Users\Admin\OneDrive\GPT\ER 2.0\Broadridge Financial Solutions\raw\pulse-cio-20260909T100339+0800\w_live\fmp_income_annual_live.json>); DR-cleared FY2022-FY2026 controls.
- No ranking, sizing, trade, messaging, dashboard, or portfolio authority. `trade_execution_authorized=false`.

Appendix B1 - Investor Communication Solutions

Investor Communication Solutions — Segment Deep Dive

Information date: 2026-09-09 TTM anchor: FY2026 ended 2026-06-30 Exact five-year horizon: 2031-06-30 Currency and scale: USD millions unless stated otherwise Exact segment profit metric: `Earnings (loss) before income taxes` Current-run evidence: `data_package.md`, sealed statutory bridge SHA-256 `88abe1e83bdfc566a818243ce3488853b6b4034d72a05d80d7b5637bf1b84a43`, sealed quote-packet SHA-256 `f462ff9cfff85817be4c47da61de7a3ba50a9027458e0597380834fe158e2376` `trade_execution_authorized=false`

0. Segment boundary and taxonomy note

Investor Communication Solutions, or ICS, is one of Broadridge Financial Solutions' two reportable segments. Its perimeter was stable through FY2022-FY2026: Regulatory, Data-driven fund solutions, Issuer, Customer communications, Equity and other event-driven, Mutual funds event-driven, and Distribution. FY2025's retrospective segment-expense presentation did not change the perimeter. One presentation boundary still matters: the FY2023 filing removed a separate foreign-exchange column and recast FY2022 ICS revenue to $4,256.6 million. This analysis uses that later recast value and never compares it with the older $4,262.1 million presentation. Corporate and Other is not part of ICS and is not allocated here. The sealed bridge identifies the common reportable-segment metric as `Earnings (loss) before income taxes`; this appendix never renames it operating income.

1. What this segment actually is

ICS is the workflow and fulfillment infrastructure between financial institutions, issuers, funds, and beneficial owners. A broker or bank knows which investor holds a security in street name; an issuer or fund needs legally compliant materials delivered and votes tabulated; an investor expects an accurate, timely, and increasingly digital experience. Broadridge sits in the middle. It receives position and entitlement data, applies rules, prepares or ingests content, selects the permitted delivery method, distributes the communication, captures investor action, and supplies the resulting record back into the governance process. That is more than a printing service. It is a regulated data-orchestration and evidence chain, with physical fulfillment still attached where required or chosen.

Regulatory Solutions contains proxy-material distribution, vote collection and tabulation, shareholder-report delivery, international proxy processing, disclosure workflows, and related governance services. Activity is tied to equity and fund positions, the number and complexity of communications, regulatory calendars, and issuer actions. Revenue is generally fee-for-service and volume-linked. The segment's Regulatory line is recurring in Broadridge's revenue taxonomy because mandated annual and periodic communications repeat, even though the June-quarter proxy season makes quarterly revenue and profitability highly seasonal.

Data-driven fund solutions combines fund data, retirement, workplace, analytics, and processing. Its economic value comes from converting fragmented fund, participant, and distribution information into usable compliance and engagement workflows. It should grow with the number of funds, share classes, accounts, managed-account positions, retirement-plan interactions, and regulatory data fields, rather than simply with market levels. The FY2026 iJoin and Acolin acquisitions add retirement onboarding and European fund-distribution capabilities, but the data package does not disclose their revenue contributions separately. The forecast therefore does not insert a purchase-price-derived revenue plug.

Issuer Solutions serves corporate issuers directly with disclosure, shareholder engagement, virtual meeting, transfer-adjacent, and governance capabilities. The line benefits when issuers digitize annual meetings and investor engagement, but it is not immune to procurement pressure because transfer agents, financial printers, solicitation specialists, and in-house teams can offer overlapping modules. Broadridge's advantage is the linkage from issuer instructions through intermediary position data to delivery and vote capture.

Customer Communications provides omnichannel statements, bills, notices, and investor or customer messages. It mixes digital orchestration, data and personalization with print production and delivery. The line is exposed to secular paper displacement, yet the digital workflow does not disappear when the envelope does. The important question is whether Broadridge retains the orchestration layer and captures enough digital value to offset shrinking physical output. Signal Agency expands the European omnichannel capability, but, again, the current-run packet gives no standalone acquired revenue and the model does not fabricate one.

The two event-driven lines are deliberately separated from recurring revenue. Equity and other event-driven revenue rises with corporate actions, special meetings, contested situations, reorganizations, and unusual communications. Mutual funds event-driven revenue rises with special fund proxies, reorganizations, mergers, and transaction campaigns. These lines can be profitable because the platform and network already exist, but they are not dependable trend lines. A high recent growth rate is not a durable run-rate signal; a low year may be followed by a campaign-heavy year without indicating a change in franchise quality.

Distribution revenue largely reimburses or charges for postage, physical mailing, fulfillment, and fund-processing administration. Broadridge records much of this revenue gross with corresponding nominee and delivery costs. Consequently, it is economically different from a recurring software-like fee: it can grow quickly when postage rates or mailed units rise while adding little profit. It also creates the apparent paradox that faster e-delivery may reduce reported revenue yet improve mix, resilience, and margin. A serious ICS model must forecast Distribution separately rather than apply one growth rate and one margin to all $5.56 billion of segment revenue.

Go-to-market is multi-sided. Banks and broker-dealers supply account and position information; issuers and funds frequently bear the economic cost of communications; end investors choose delivery and voting channels; regulators specify required content, timing, and acceptable delivery. This structure creates network value, but also makes price realization dependent on regulation and negotiated fee schedules. In the FY2026 filing Broadridge describes fee-for-service, variable-per-unit, fixed monthly, and hosted-service arrangements. That mix makes units, price, digital adoption, and acquired scope all relevant, while limiting the usefulness of a single-seat or ARR metric.

2. Current economics — FY2026 and TTM

FY2026 is also the TTM anchor because the latest four completed quarters comprise the fiscal year ended 2026-06-30. ICS generated $5,560.8 million of revenue, 74.4% of Broadridge's total, and $1,103.5 million of `Earnings (loss) before income taxes`, an exact-basis margin of 19.8%. Revenue grew 8.8%; the margin fell 80 basis points from 20.6% in FY2025. The segment's size means even small errors in its distribution or margin treatment dominate the consolidated result. Source: [FY2026 Form 10-K, Note 22 and reportable-segment analysis](https://www.sec.gov/Archives/edgar/data/1383312/000162828026052243/br-20260630.htm), reproduced in `data_package.md` Sections 1, 3, and 3a.

Revenue mix is the first economic control. Recurring revenue was $2,962.1 million, 53.3% of ICS revenue. Event-driven revenue was $348.1 million, 6.3%. Distribution revenue was $2,250.6 million, 40.5%. Regulatory alone was $1,434.9 million, or 25.8% of ICS, while Customer communications was $752.8 million, Data-driven fund solutions $479.5 million, and Issuer $294.8 million. Within event-driven, Mutual funds contributed $204.6 million and Equity and other contributed $143.5 million. The mix makes the label “recurring revenue” more economically useful than total revenue, but it also shows why ignoring Distribution would understate scale and operational exposure. Source: [FY2026 Form 10-K, Note 3](https://www.sec.gov/Archives/edgar/data/1383312/000162828026052243/br-20260630.htm), reproduced in `data_package.md` Section 4.

Recent quarters demonstrate the seasonality and event noise. ICS revenue progressed from $1,130.0 million in Q1 FY2026 to $1,233.3 million in Q2, $1,465.3 million in Q3, and $1,732.3 million in Q4. The matching exact-basis margins were 11.2%, 11.1%, 21.1%, and 30.6%. The June quarter contains the proxy-season peak. No single-quarter margin is a valid annual run rate. Full-year product growth is similarly heterogeneous: Regulatory rose 12.0%, Distribution 9.1%, Issuer 7.9%, Customer communications 4.7%, Data-driven fund solutions 4.4%, Equity and other event-driven 24.2%, and Mutual funds event-driven only 0.4%. Sources: the four FY2026 SEC-filed earnings releases dated 2025-11-04, 2026-02-03, 2026-04-30, and 2026-08-04, plus the FY2026 Form 10-K Note 3, as reproduced in `data_package.md` Sections 4 and 5.

The data package does not disclose ICS capital expenditure, R&D, ARR, NRR, RPO, or backlog. Consolidated issuer-definition capital investment was only 1.5% of revenue in FY2026, but allocating that ratio to ICS would be false precision. ICS uses shared technology, client-conversion assets, print infrastructure, software, security, and compliance labor. Economic reinvestment is therefore broader than reported property-and-equipment additions. Client implementations and conversion work can require cash and labor before the full recurring stream appears, even when accounting capital intensity looks modest.

The current-run data package does not provide a stable unit-to-revenue series for positions or communications and does not disclose ICS-only customer concentration. This appendix therefore does not multiply network activity into revenue, infer revenue per position, or use consolidated client concentration as an ICS statistic. Forecasts remain anchored to the disclosed product-revenue and segment-profit series in `data_package.md` Sections 3-5.

3. Unit economics

The recurring regulatory workflow has the strongest unit-economic logic in ICS. Broadridge incurs fixed and semi-fixed costs to maintain rules, security, data ingestion, processing capacity, interfaces, vote integrity, and compliance. Once those capabilities exist, an additional digital communication or vote is cheaper to process than a new isolated platform would be to build. Revenue grows with positions, communications, new product attach, and price. Labor, cloud or data-center capacity, cyber controls, and client service rise more slowly when automation and standardization work. This creates operating leverage, though the annual proxy peak requires enough capacity for seasonal volumes and prevents an infinitely variable cost base.

Physical distribution is different. Postage, paper, print, and nominee payments move close to units and regulated rate schedules. Because revenue is often recorded gross, a postage increase may lift both revenue and cost with little change in segment profit. If an investor moves from paper to digital, Broadridge may lose a larger amount of low-margin reimbursement revenue but retain a smaller, higher-value digital-processing fee. Revenue growth can thus understate or overstate economic progress depending on the delivery mix. The forecast treats Distribution margins as low single digit and does not assume its 9.1% FY2026 growth compounds for five years.

Customer Communications combines both structures. Print volume carries consumables, equipment, facilities, and postage-related costs, while digital orchestration carries software, data, security, and product-development costs. Management's verified statement that digital revenues grew more than 10% for a fourth consecutive year suggests favorable internal mix, but the product line's total FY2026 growth was only 4.7% and Q4 growth was 1%. The economic read is not that the entire line can grow at double digits; it is that digital can offset print erosion and protect, or slowly improve, product economics.

Event-driven economics have high incremental contribution in active periods because the infrastructure, relationships, and data links are already in place. Nevertheless, campaign-specific service labor, solicitation, mailing, and urgency can raise costs. The crucial analytical error would be to capitalize a peak event year as recurring. Mutual funds event-driven revenue grew from $94.5 million in FY2023 to $204.6 million in FY2026, but most of that increase arrived in FY2025. Equity and other revenue moved from $151.0 million in FY2024 down to $115.5 million and back to $143.5 million. These patterns warrant through-cycle flat or declining assumptions in base and bear cases.

Pricing power is real but bounded. Regulation makes the communication necessary, and integration makes switching costly. Yet some fees are governed, negotiated, or visible to sophisticated issuers, funds, banks, and broker-dealers. Clients can insource pieces, use transfer agents or specialty firms, or pressure the platform on price. Broadridge's advantage is strongest where a price increase is small relative to the client's total compliance cost and where failure is intolerable. It is weakest in standardized printing, commodity distribution, and interface layers that AI or lower-cost vendors can reproduce.

The disclosed segment metric complicates margin interpretation. `Earnings (loss) before income taxes` is not product operating income: it is the CODM segment measure and includes the segment's pretax economics. Corporate and Other and the statutory operating bridge are handled outside this appendix. Broadridge does not disclose product-level EBT margins. Section 9 therefore uses analyst product-margin allocations solely to make the segment rollup reconstructable. The FY2026 starting allocations are calibrated exactly to the $1,103.5 million sealed segment result; they are neither issuer disclosure nor a claim about standalone product profitability.

4. Competitive dynamics

Competition is functional rather than one neat software category. Regulatory Solutions competes with independent proxy-distribution providers, transfer agents, proxy advisors, solicitation firms, vote processors, financial printers, and clients' internal operations. Issuer Solutions overlaps with transfer agents, governance-software vendors, meeting providers, and printers. Customer Communications competes with large statement and billing processors, digital-experience vendors, print outsourcers, and in-house communication stacks. Fund solutions compete with data, retirement, distribution, and compliance specialists. Broadridge itself lists these categories in the [FY2026 Form 10-K](https://www.sec.gov/Archives/edgar/data/1383312/000162828026052243/br-20260630.htm); it does not disclose a defensible product-by-product market-share series, so this appendix does not invent one.

Broadridge's competitive strength is the combination of intermediary connectivity, regulatory workflow, delivery preference data, issuer and fund relationships, and proof that communications and votes were handled correctly. A point solution may have a better user interface, but replacing the end-to-end chain means re-integrating many counterparties, testing peak-period resilience, migrating delivery preferences, and accepting governance risk. That makes the network difficult to

displace in one procurement cycle. The customer still has bargaining leverage, however, especially when purchasing standardized communications or when several vendors can sit above the same records.

In-house substitution is most credible at the content-creation, campaign-design, and customer-experience layer. A large financial institution can use its own cloud, data platform, and generative-AI tools to draft or personalize communications. It is much harder to replicate the complete beneficial-owner data flow, regulatory rules, distribution choice, vote processing, tabulation controls, and audit trail across institutions. The base case assumes AI shifts labor and product mix inside Broadridge rather than destroying the network. The bear case assumes sophisticated clients internalize more front-end work and use the resulting savings demand to renegotiate platform fees.

Regulatory change can alter both volume and format. The SEC's tailored-shareholder-report regime requires funds to deliver concise reports directly in paper or, where elected, electronic form rather than relying on the former Rule 30e-3 notice method. That creates workflow and data requirements, but the format can change physical units and fee pools. See the SEC's [Tailored Shareholder Reports compliance guide](https://www.sec.gov/resources-small-businesses/small-business-compliance-guides/tailored-shareholder-reports-mutual-funds-exchange-traded-funds-fee-information-investment-company). More recently, the SEC proposed Regulation E-Delivery, which would establish conditions for satisfying securities-law delivery requirements electronically without prior affirmative consent and would amend proxy, tender-offer, and investment-company delivery rules. It was a proposal, not a final rule, as of the information date; the scenario analysis treats it as a distribution-mix uncertainty rather than booked policy. See the SEC's [Regulation E-Delivery proposal](https://www.sec.gov/rules-regulations/2026/07/s7-2026-25).

E-delivery therefore cuts two ways. It can reduce paper and postage revenue, which is a headwind to the largest low-margin line. It can also improve data quality, lower fulfillment costs, speed investor action, and reinforce a centralized preference-and-consent platform. With proxy digitalization already nearing 95% according to the verified management packet, the easy first wave of digital conversion is largely captured in proxy communications. Further upside must come from richer digital products, customer-communications conversion, new jurisdictions, or new instrument types—not from assuming another 95 percentage points of conversion.

5. Moat at the segment level

ICS has a meaningful process-and-network moat, but it is not equally strong in every revenue dollar. The strongest protection surrounds the regulated chain from position data through compliant delivery to verified investor action. Scale matters because the platform must connect banks, brokers, issuers, funds, and investors while absorbing a seasonal spike without error. Accumulated delivery preferences, workflow rules, and integration experience increase reliability. A new entrant can build software; it cannot instantly recreate the operational trust, counterparty connections, error history, and peak-volume proof.

Regulation is a demand stabilizer rather than a permanent license to charge. Issuers and funds must communicate, but regulators can change allowable formats, reimbursement mechanics, content requirements, or who bears costs. The moat protects participation in the workflow more strongly than it protects any specific paper or postage revenue stream. A durable thesis must therefore follow the economic value migrating from mail to digital rather than defend every legacy dollar.

Switching costs are partly technical and partly institutional. Moving a mission-critical proxy or communication process requires parallel tests, data mapping, exception handling, security review, business-continuity certification, and coordination among parties that may not share the same incentive. The expected cost of a failed annual meeting or missed communication can dwarf a modest vendor saving. This supports retention and rational pricing. Still, modular APIs and cloud tooling can lower interface switching costs over time, and customers may multi-source less critical functions.

Data is an advantage when it improves routing, preference management, personalization, anomaly detection, and engagement. AI can magnify that advantage by extracting issues from content, matching messages to investor needs, automating exception handling, and assisting client service. The current-run data package does not identify an ICS-specific agentic-AI deployment or disclose its economics; the FY2026 Form 10-K's description of agentic AI in fully managed services appears in the GTO discussion and is not evidence for an ICS revenue or margin uplift. The scenarios therefore use AI only as a possible workflow-efficiency mechanism, balanced by execution and security risk: an inaccurate automated communication or model-driven governance error would damage the trust on which the moat rests.

The moat is weakest in physical fulfillment, commodity print, and generic digital composition. Those activities face many capable firms and price competition. Distribution's low assumed margin and slower terminal growth reflect that weakness. The segment-level moat remains real because the low-moat activities are attached to higher-moat data and regulatory workflows, but reported revenue overstates the amount of economics directly protected by network effects.

Over five to ten years, the moat survives if Broadridge remains the neutral, trusted orchestration layer across new delivery formats and instrument types. Tokenized securities still require ownership, communications, voting, and corporate-action processes; the verified management packet's “tokenized securities are still securities” comment is strategically coherent. It does not prove incremental revenue. The bull case gives limited upside for new governance products and standing instructions; the base case treats them as contributors within existing Regulatory growth; the bear case assumes the formats create opportunities for new technical intermediaries and price pressure.

6. Historical growth rates — data-package reproduction

The table uses FY2024-FY2026 reported dollars and a three-year CAGR from FY2023 to FY2026. No value is back-solved. Every cell is sourced to the named row in `data_package.md` Section 3 or Section 4. “Most recent YoY” means FY2026 versus FY2025, calculated from those disclosed dollars; it is not a quarterly growth rate.

Product / sub-segment	FY2024 revenue	FY2025 revenue	FY2026 revenue	3-year CAGR FY2023-FY2026	Most recent YoY	Data package cite
Investor Communication Solutions	$4,858.0m [data_package §3, ICS Revenue row]	$5,113.0m [data_package §3, ICS Revenue row]	$5,560.8m [data_package §3, ICS Revenue row]	7.0% [data_package §3, ICS Revenue row; FY2023 $4.536bn]	8.8% [data_package §3, ICS YoY row]	FY2026 Form 10-K Note 22; data_package §3
Regulatory	$1,195.6m [data_package §4, five-year product table, Regulatory row]	$1,280.6m [data_package §4, five-year product table, Regulatory row]	$1,434.9m [data_package §4, five-year product table, Regulatory row]	7.9% [data_package §4, Regulatory row; FY2023 $1,141.4m]	12.0% [data_package §4, Regulatory row]	FY2026 Form 10-K Note 3; data_package §4
Data-driven fund solutions	$435.2m [data_package §4, five-year product table, Data-driven fund solutions row]	$459.2m [data_package §4, five-year product table, Data-driven fund solutions row]	$479.5m [data_package §4, five-year product table, Data-driven fund solutions row]	5.8% [data_package §4, Data-driven fund solutions row; FY2023 $404.3m]	4.4% [data_package §4, Data-driven fund solutions row]	FY2026 Form 10-K Note 3; data_package §4
Issuer	$259.8m [data_package §4, five-year product table, Issuer row]	$273.2m [data_package §4, five-year product table, Issuer row]	$294.8m [data_package §4, five-year product table, Issuer row]	6.7% [data_package §4, Issuer row; FY2023 $242.6m]	7.9% [data_package §4, Issuer row]	FY2026 Form 10-K Note 3; data_package §4
Customer communications	$683.1m [data_package §4, five-year product table, Customer communications row]	$718.8m [data_package §4, five-year product table, Customer communications row]	$752.8m [data_package §4, five-year product table, Customer communications row]	3.8% [data_package §4, Customer communications row; FY2023 $673.1m]	4.7% [data_package §4, Customer communications row]	FY2026 Form 10-K Note 3; data_package §4
Equity and other event-driven	$151.0m [data_package §4, five-year product table, Equity and other event-driven row]	$115.5m [data_package §4, five-year product table, Equity and other event-driven row]	$143.5m [data_package §4, five-year product table, Equity and other event-driven row]	7.2% [data_package §4, Equity event row; FY2023 $116.5m]	24.2% [data_package §4, Equity event row]	FY2026 Form 10-K Note 3; data_package §4
Mutual funds event-driven	$134.2m [data_package §4, five-year product table, Mutual funds event-driven row]	$203.8m [data_package §4, five-year product table, Mutual funds event-driven row]	$204.6m [data_package §4, five-year product table, Mutual funds event-driven row]	29.4% [data_package §4, Mutual funds event-driven row; FY2023 $94.5m]	0.4% [data_package §4, Mutual funds event-driven row]	FY2026 Form 10-K Note 3; data_package §4
Distribution	$1,999.0m [data_package §4, five-year product table, Distribution row]	$2,062.0m [data_package §4, five-year product table, Distribution row]	$2,250.6m [data_package §4, five-year product table, Distribution row]	6.5% [data_package §4, Distribution row; FY2023 $1,863.1m]	9.1% [data_package §4, Distribution row]	FY2026 Form 10-K Note 3; data_package §4

Arithmetic checks pass. Examples: $1,280.6m × 1.1205 = $1,434.9m; $459.2m × 1.0442 = $479.5m; $273.2m × 1.0791 = $294.8m; $718.8m × 1.0473 = $752.8m; $115.5m × 1.2424 = $143.5m; $203.8m × 1.0039 = $204.6m; and $2,062.0m × 1.0915 = $2,250.6m. Each is within the required 2% tolerance after rounding. No back-solved row tie-out is required because all dollars are disclosed.

The historical interpretation is more conservative than a simple 7.0% ICS CAGR. Roughly 40% of FY2026 revenue was low-margin Distribution, and both event lines are volatile. Recurring product growth was broad, but Customer communications decelerated to 1% in Q4 while Regulatory ended strongly at 14% quarterly YoY. The five-year forecast therefore begins with product-level rates, not the segment headline.

7. Management guidance — verified data-package quotations

All quotations below are reproduced from `data_package.md` Section 6. They were already verified against current-run live transcripts; this appendix does not re-fetch or reinterpret transcript wording.

- **Q1 FY2026, CEO Tim Gokey — governance activity:** “we continue to see fund positions growing in the mid-single digits” [data_package §6, ICS row 1]. Mid-single-digit fund-position growth supports durable recurring Regulatory and fund-solution units, but it does not support double-digit pricing or a permanent event uplift.

- **Q1 FY2026, CEO Tim Gokey — tokenized governance:** “tokenized securities are still securities” [data_package §6, ICS row 2]. New security formats still require communications and governance. The model treats this as franchise-defense evidence, not a separately quantified revenue stream.

- **Q1 FY2026, CFO Ashima Ghei — recurring growth:** “we expect ICS recurring revenue at the high end of our 5% to 7%” [data_package §6, ICS row 3]. FY2026 subsequently achieved the intended cadence. For FY2027 the company guided consolidated recurring revenue, not ICS, to 6%-8% constant currency; the base ICS recurring lines collectively begin near the low end rather than presuming another high-end outcome.

- **Q2 FY2026, CEO Tim Gokey — equity positions:** “Revenue position growth was 11%, driven by growth in managed accounts.” [data_package §6, ICS row 4]. Managed-account proliferation can lift positions faster than client or household counts. The base case allows Regulatory to grow above general financial-services volumes, but fades from FY2026's 12% product growth.

- **Q2 FY2026, CEO Tim Gokey — fund positions:** “fund position growth for the year trending in the mid to high single digits” [data_package §6, ICS row 5]. This is consistent with a mid-single-digit fund-solutions base case and argues against extrapolating isolated 11%-15% activity readings.

- **Q3 FY2026, CEO Tim Gokey — pass-through voting:** “900 funds with assets under management of more than $8 trillion” [data_package §6, ICS row 6]. The deployed base shows distribution reach, but neither price nor revenue per fund is disclosed. The upside remains embedded in Regulatory rather than a new model line.

- **Q3 FY2026, CEO Tim Gokey — standing instructions:** “our new standing voting instruction solution is also off to a strong start” [data_package §6, ICS row 7]. This can increase engagement and product attachment. Without disclosed dollars, it is an option supporting the bull spread, not a base-case acquisition-like plug.

- **Q4 FY2026, CEO Tim Gokey — digital delivery:** “Digitalization rates in our proxy communications are now nearing 95%” [data_package §6, ICS row 8]. High penetration protects the digital workflow but reduces remaining conversion runway. The base case does not assume digital proxy conversion itself produces a new double-digit growth leg.

- **Q4 FY2026, CEO Tim Gokey — Customer communications:** “customer communications, digital revenues grew more than 10% for the fourth consecutive year” [data_package §6, ICS row 9]. Digital mix can offset physical decline and raise product margin. Total Customer communications grew only 4.7%, so the model uses 4.0% base growth rather than the digital subset's rate.

- **Q4 FY2026, CEO Tim Gokey — Wealth InFocus:** “Wealth InFocus solution continues to gain momentum” [data_package §6, ICS row 10]. This is qualitative pipeline support only; dollars and a product mapping are not disclosed.

The only quantified forward company guidance is consolidated: FY2027 recurring revenue growth of 6%-8% constant currency, adjusted operating-income margin around 21%, adjusted EPS growth of 8%-12%, 100%+ free-cash-flow conversion, and closed sales of $290-$330 million [data_package §6, consolidated guidance table]. `[DATA GAP: Broadridge does not provide FY2027 ICS revenue, ICS recurring-revenue, Distribution, event-driven, or ICS Earnings (loss) before income taxes guidance.]`

8. Forward growth assumptions — TTM to 2031-06-30

The TTM base is exactly FY2026 ended 2026-06-30, and each CAGR compounds for five calendar years. The cases are independently constructed: bear emphasizes e-delivery revenue compression, client insourcing, event normalization, and weak pricing; base uses historical product rates, current regulatory activity, and explicit deceleration from FY2026; bull requires stronger position growth, product attachment, successful fund acquisitions, and retention of digital economics. The SEC's live rulemaking evidence informs the distribution spread but is not treated as a final rule.

Base growth case

Product	3-year historical CAGR	Latest YoY	Management FY+1 anchor	Base CAGR TTM to TTM+5y	Concise justification
Regulatory	7.9%	12.0%	Fund positions mid/high single digit; consolidated recurring 6%-8%	7.5%	Positions, pricing, and new governance products offset normalization from FY2026's 12%
Data-driven fund solutions	5.8%	4.4%	Fund positions mid/high single digit	5.5%	Fund and retirement activity plus Acolin/iJoin scope, with no undisclosed acquisition plug
Issuer	6.7%	7.9%	No product-specific guide	6.0%	Engagement and disclosure digitization, moderated by specialist competition
Customer communications	3.8%	4.7%	Digital revenue above 10%; no total-line guide	4.0%	Double-digit digital offsets slow physical formats but does not lift the whole line to 10%
Equity and other event-driven	7.2% volatile	24.2%	No guide	0.0%	FY2026 rebound is not recurring; use a flat through-cycle level
Mutual funds event-driven	29.4% volatile	0.4%	No guide	0.5%	FY2025 step-up holds, but special campaigns cannot compound at historical rate
Distribution	6.5%	9.1%	No guide	3.5%	Modest unit and price growth offset by e-delivery and low-margin mix migration

Base thesis consistency: the 7.5% Regulatory path deliberately falls below FY2026's 12% but remains near its 7.9% three-year CAGR. The overall recurring basket grows 6.1% in the first modeled year, at the low end of consolidated FY2027 guidance, then compounds at roughly 6.1% over five years. Total ICS grows only 4.8% because Distribution grows 3.5% and event revenue is nearly flat. This is not an unexplained cliff; it is a mix-aware deceleration. The base annual segment revenue sequence is $5,822.3 million, $6,098.4 million, $6,390.0 million, $6,698.0 million, and $7,023.4 million.

Bull growth case

Product	3-year historical CAGR	Latest YoY	Management FY+1 anchor	Bull CAGR TTM to TTM+5y	Concise justification
Regulatory	7.9%	12.0%	Position growth and new voting solutions	8.5%	Managed accounts, pass-through voting, standing instructions, and tokenized assets broaden units
Data-driven fund solutions	5.8%	4.4%	Fund positions mid/high single digit	7.0%	Strong acquisition integration and European distribution raise attachment above history
Issuer	6.7%	7.9%	No product-specific guide	7.5%	Digital meetings and engagement sustain the latest cadence with high retention
Customer communications	3.8%	4.7%	Digital revenue above 10%	5.5%	Signal and digital mix more than offset physical decline while total stays below digital subset
Equity and other event-driven	7.2% volatile	24.2%	No guide	3.0%	Active corporate-action environment lifts through-cycle revenue without extrapolating 24%
Mutual funds event-driven	29.4% volatile	0.4%	No guide	3.0%	Fund restructuring and engagement sustain a modest cycle above FY2026
Distribution	6.5%	9.1%	No guide	5.0%	Price, international scope, and persistent physical requirements outpace digital unit decline

The bull case still does not repeat 12% Regulatory growth or 10%+ digital-subset growth across all products. Its 8.5% Regulatory rate is only 60 basis points above the three-year history, and Customer communications at 5.5% remains far below its digital subset. The segment reaches $7,513.2 million, a 6.2% total CAGR. Achieving it requires both healthy units and captured digital value; merely raising postage prices would not support the associated profit result.

Bear growth case

Product	3-year historical CAGR	Latest YoY	Management FY+1 anchor	Bear CAGR TTM to TTM+5y	Concise justification
Regulatory	7.9%	12.0%	Fund positions mid/high single digit	3.0%	Position growth slows; clients insource interfaces and negotiate price while regulation still prevents decline
Data-driven fund solutions	5.8%	4.4%	Fund positions mid/high single digit	2.5%	Acquisition integration and competition absorb much of underlying unit growth
Issuer	6.7%	7.9%	No product-specific guide	3.0%	Commodity modules and transfer-agent competition reduce new-logo and pricing contribution
Customer communications	3.8%	4.7%	Digital revenue above 10%	1.5%	Digital gains barely offset physical attrition and procurement pressure
Equity and other event-driven	7.2% volatile	24.2%	No guide	-2.0%	FY2026 rebound normalizes and fewer special situations reduce campaigns
Mutual funds event-driven	29.4% volatile	0.4%	No guide	-4.0%	FY2025's step-up unwinds as unusual fund campaigns do not recur
Distribution	6.5%	9.1%	No guide	2.5%	Postage price remains positive, but Regulation E-Delivery-style adoption reduces physical units

Bear is not a collapse scenario. Mandated communications and embedded connectivity still produce 2.2% segment revenue CAGR. Its severity comes through mix and profitability: recurring growth drops well below management's near-term consolidated guide after the first year, event activity normalizes, Distribution occupies roughly 41% of terminal revenue, and price concessions plus continued technology investment reduce EBT margin.

9. Forward `Earnings (loss) before income taxes` margin assumptions

Broadridge does not disclose product-level `Earnings (loss) before income taxes`. The following FY2026 allocations are analyst estimates used only to force a transparent, revenue-weighted bridge to the sealed $1,103.5 million segment result. They are not historical facts. The starting mix assigns high margins to regulated digital workflows and low margins to gross Distribution revenue. The calibration residual is less than $0.1 million after rounding.

Product	FY2026 revenue	FY2026 analyst-allocated margin	FY2026 allocated profit	Bear 2031 margin	Base 2031 margin	Bull 2031 margin
Regulatory	$1,434.9m	38.0%	$545.3m	35.0%	39.0%	41.0%
Data-driven fund solutions	$479.5m	32.0%	$153.4m	27.0%	33.0%	35.0%
Issuer	$294.8m	30.0%	$88.4m	25.0%	31.0%	33.0%
Customer communications	$752.8m	22.0%	$165.6m	18.0%	23.0%	25.0%
Equity and other event-driven	$143.5m	25.0%	$35.9m	17.0%	24.0%	27.0%
Mutual funds event-driven	$204.6m	30.0%	$61.4m	20.0%	28.0%	31.0%
Distribution	$2,250.6m	2.3755%	$53.5m	1.5%	2.5%	3.0%
ICS weighted result	$5,560.8m	19.8%	$1,103.5m	17.0%	21.4%	22.8%

The base margin rises 156 basis points, from 19.8% to 21.4%. The product mechanisms are explicit: Regulatory rises 100 basis points as recurring workflow and new-governance attach offset compliance investment; Data-driven fund solutions and Issuer each rise 100 basis points through integration and standardized digital delivery; Customer communications rises 100 basis points as digital mix offsets print pressure; Equity and other event-driven falls 100 basis points and Mutual funds event-driven falls 200 basis points because elevated campaign economics normalize; Distribution rises only about 12 basis points. The revenue mix also helps because Regulatory grows much faster than low-margin Distribution. The segment increase is moderate relative to the FY2022-FY2025 rise from 17.0% to 20.6%, while acknowledging FY2026's 80-basis-point setback and the fact that proxy digitalization is already near 95%.

The bull margin rises 292 basis points to 22.8%. Regulatory, Data-driven fund solutions, Issuer, and Customer communications each rise 300 basis points from the analyst-allocated FY2026 starting margin: respectively, new-governance attachment, acquisition integration, digital issuer engagement, and faster digital-communications mix must translate into retained economics rather than only revenue. Equity and other event-driven rises 200 basis points because active campaigns use existing platform capacity; Mutual funds event-driven rises only 100 basis points because its starting year was already elevated; Distribution rises about 62 basis points to 3.0% as pricing and utilization improve without treating postage as software. The high-margin Regulatory line becomes 28.7% of segment revenue versus 25.8% at the base date. These are assumptions, not disclosed product margins, and failure of any named mechanism would move the result toward base.

The bear margin falls 285 basis points to 17.0%. Regulatory falls 300 basis points as client bargaining absorbs part of position growth; Data-driven fund solutions and Issuer each fall 500 basis points because integration cost and commodity-module pricing prevent leverage; Customer communications falls 400 basis points as print underutilization outruns digital mix; Equity and other event-driven falls 800 basis points and Mutual funds event-driven falls 1,000 basis points as campaigns normalize while service capacity remains; Distribution falls about 88 basis points to 1.5% because pricing does not fully cover fulfillment complexity and lower physical volumes reduce print utilization. Cybersecurity, resilience, compliance, and AI-control spending continue even as growth slows because switching them off would threaten the franchise.

No scenario allocates Corporate and Other, interest, digital-asset gains, or statutory operating-income bridge adjustments into ICS. Those lines remain the synthesis agent's responsibility under the sealed ledger. The exact segment metric stays `Earnings (loss) before income taxes` in all cases.

10. Segment rollup — bottom-up arithmetic

Bear product rollup

Product	TTM revenue	CAGR	2031 revenue	2031 margin on exact metric	2031 Earnings (loss) before income taxes
Regulatory	$1,434.9m	3.0%	$1,663.4m	35.0%	$582.2m
Data-driven fund solutions	$479.5m	2.5%	$542.5m	27.0%	$146.5m
Issuer	$294.8m	3.0%	$341.8m	25.0%	$85.4m
Customer communications	$752.8m	1.5%	$811.0m	18.0%	$146.0m
Equity and other event-driven	$143.5m	-2.0%	$129.7m	17.0%	$22.1m
Mutual funds event-driven	$204.6m	-4.0%	$166.8m	20.0%	$33.4m
Distribution	$2,250.6m	2.5%	$2,546.3m	1.5%	$38.2m
Bear total	$5,560.8m	2.2% blended	$6,201.6m	17.0%	$1,053.7m

Base product rollup

Product	TTM revenue	CAGR	2031 revenue	2031 margin on exact metric	2031 Earnings (loss) before income taxes
Regulatory	$1,434.9m	7.5%	$2,060.0m	39.0%	$803.4m
Data-driven fund solutions	$479.5m	5.5%	$626.7m	33.0%	$206.8m
Issuer	$294.8m	6.0%	$394.5m	31.0%	$122.3m
Customer communications	$752.8m	4.0%	$915.9m	23.0%	$210.7m
Equity and other event-driven	$143.5m	0.0%	$143.5m	24.0%	$34.4m
Mutual funds event-driven	$204.6m	0.5%	$209.8m	28.0%	$58.7m
Distribution	$2,250.6m	3.5%	$2,673.0m	2.5%	$66.8m
Base total	$5,560.8m	4.8% blended	$7,023.4m	21.4%	$1,503.2m

Bull product rollup

Product	TTM revenue	CAGR	2031 revenue	2031 margin on exact metric	2031 Earnings (loss) before income taxes
Regulatory	$1,434.9m	8.5%	$2,157.6m	41.0%	$884.6m
Data-driven fund solutions	$479.5m	7.0%	$672.5m	35.0%	$235.4m
Issuer	$294.8m	7.5%	$423.2m	33.0%	$139.7m
Customer communications	$752.8m	5.5%	$983.9m	25.0%	$246.0m

Product	TTM revenue	CAGR	2031 revenue	2031 margin on exact metric	2031 Earnings (loss) before income taxes
Equity and other event-driven	$143.5m	3.0%	$166.4m	27.0%	$44.9m
Mutual funds event-driven	$204.6m	3.0%	$237.2m	31.0%	$73.5m
Distribution	$2,250.6m	5.0%	$2,872.4m	3.0%	$86.2m
Bull total	$5,560.8m	6.2% blended	$7,513.2m	22.8%	$1,710.2m

The seven product revenues sum to the segment within $0.1 million in each displayed case after rounding. Product profits sum to the segment profit within $0.1 million. The unrounded calculations produce margins of 16.99% bear, 21.40% base, and 22.76% bull. There is no residual, corporate plug, or alternative profit basis.

Case	FY2027 revenue	FY2028 revenue	FY2029 revenue	FY2030 revenue	FY2031 revenue	Five-year CAGR
Bear	$5,681.1m	$5,805.3m	$5,933.4m	$6,065.4m	$6,201.6m	2.2%
Base	$5,822.3m	$6,098.4m	$6,390.0m	$6,698.0m	$7,023.4m	4.8%
Bull	$5,902.7m	$6,267.3m	$6,656.1m	$7,070.8m	$7,513.2m	6.2%

The first base year grows 4.7% in total while recurring products grow about 6.1%. That split is important: consolidated guidance is for recurring revenue, not total ICS, and does not justify assigning 6%-8% to Distribution or special-event revenue. The bull requires 6.1% first-year total growth and the bear 2.2%, giving the synthesis a genuine rather than cosmetic scenario spread.

Red-team combined stress — slower growth plus no margin expansion

This is a sensitivity, not a fourth primary scenario and not a replacement for Base. It tests a common-cause failure in which e-delivery reduces gross physical distribution revenue faster than digital fees replace it, large financial-institution clients use AI and internal communication tools to press prices, and mix improvement fails to lift the segment margin because lower print utilization, cybersecurity, compliance, and product investment absorb the savings. Those mechanisms could reduce growth and margin together; treating them as independent shocks would understate downside correlation.

The calculation deliberately uses no product-level margin allocation. It starts from total FY2026 ICS revenue of $5,560.8 million and uses the 4.780876% CAGR implied by the displayed Base endpoint of $7,023.4 million; the immaterial difference from the product-level unrounded CAGR reflects endpoint rounding only. Subtracting exactly 200 basis points produces a 2.780876% stress CAGR, which is compounded for exactly five years before applying a terminal segment-level `Earnings (loss) before income taxes` margin cap of 19.8%. Thus, stress revenue is `$5,560.8m × (1 + 2.780876%)^5 = $6,378.2m`, and stress EBT is `$6,378.2m × 19.8% = $1,262.9m`.

Combined-stress item	Base FY2031	Combined stress FY2031	Delta versus Base	Stress rule
ICS revenue	$7,023.4m	$6,378.2m	$(645.2)m / -9.2%	Base CAGR less exactly 200 bp
Revenue CAGR from FY2026 TTM	4.780876%	2.780876%	-200 bp	Five calendar years to 2031-06-30
Earnings (loss) before income taxes margin	21.4%	19.8%	-160 bp displayed	Capped at the FY2026 reported margin
Earnings (loss) before income taxes	$1,503.2m	$1,262.9m	$(240.3)m / -16.0%	Stress revenue multiplied by 19.8%

The stress endpoint remains above the primary Bear's $6,201.6 million revenue and $1,053.7 million EBT because it does not assume event-driven contraction or broad product-margin compression below the FY2026 segment level. Its purpose is narrower: it quantifies how much of Base depends jointly on maintaining a mid-single-digit total growth path and recapturing the FY2026 margin decline. A $240.3 million, or 16.0%, EBT shortfall versus Base is material for synthesis and valuation even though the segment still grows. The primary Base remains unchanged because the current-run historical and management evidence supports approximately 6.1% initial recurring growth, while Base already slows Distribution to 3.5% and holds event revenue nearly flat. The combined stress should nevertheless be carried as a red-team sensitivity wherever the Base endpoint is used.

11. Key risks and wildcards

- **[Bear] Regulation E-Delivery changes the gross-revenue pool faster than digital fees replace it.** Electronic default could reduce physical units and nominee or postage-related billings. Because Distribution is low margin, the hit to profit may be smaller than the hit to revenue, but underutilized print capacity and pricing resets can still compress EBT.

- **[Bear] AI commoditizes composition and first-line servicing.** Large banks, issuers, and funds can generate, summarize, personalize, and test communications internally. If Broadridge remains only a delivery pipe, customers may demand lower fees. The defense is controlled workflow, data lineage, exceptions, and auditability; failure to productize those features would weaken the moat.

- **[Bear] AI or cyber error damages trust.** An agent that routes a document incorrectly, summarizes it inaccurately, or applies a voting instruction without proper control would create regulatory and reputational exposure. Security and human-validation costs can rise even if AI reduces routine labor.

- **[Bear/Base] Customer bargaining is broader than single-name concentration suggests.** The largest consolidated client was only about 7%, but banks, brokers, funds, and issuers are sophisticated buyers and industry economics can be concentrated even without one dominant client. `[DATA GAP: ICS-only top-client and top-ten-client revenue concentration are not disclosed.]`

- **[Bear/Base] Event volumes normalize.** Mutual fund event revenue more than doubled from FY2023 to FY2026, while Equity and other event revenue swung sharply. Special campaigns are inherently episodic. The model's flat-to-down event cases prevent temporary activity from becoming a permanent compounder assumption.

- **[Base/Bull] Managed-account and fund-position proliferation outpaces investor-count growth.** One household can hold more products, sleeves, or separately managed positions. That increases communication and governance units even in a flat household population. The verified 11% equity-position growth observation is an upside signal, but the model fades it rather than extrapolating it.

- **[Bull] Standing voting instructions and pass-through voting deepen product attachment.** Adoption across 900 funds and more than $8 trillion of assets demonstrates reach, yet revenue remains undisclosed. The bull case captures the option inside Regulatory growth; it does not create a phantom product line.

- **[Base/Bull] Tokenized securities preserve the need for governance infrastructure.** New ledgers change recordkeeping and may introduce new competitors, but ownership communications, votes, disclosures, and corporate actions remain necessary. Upside depends on Broadridge connecting old and new rails without losing neutrality.

- **[Bear] Physical price inflation flatters revenue but not economics.** Postage or nominee fee changes can lift gross Distribution revenue while profit is unchanged. Investors should track recurring revenue, Distribution growth, and segment EBT margin together; total revenue alone can give the wrong signal.

- **[Bear/Base] Acquisitions add scope but hide organic quality.** Signal, iJoin, and Acolin extend Customer communications, retirement, and European fund services. Integration can raise cross-sell and margin, or create duplicated platforms and amortization. The model includes no undisclosed acquired-revenue plug and therefore needs reported organic or constant-currency evidence to upgrade.

- **[Base] Proxy digitalization approaches saturation.** Near-95% digitalization is a strong current position but leaves limited conversion runway. Future growth must come from positions, new services, price, geographies, customer-communications digitization, or instrument formats. A thesis based only on “more e-delivery” would be internally inconsistent.

- **[Bear/Bull] Regulation creates both volume and format surprises.** Tailored shareholder reports can require new direct-delivery workflows, while proposed electronic-delivery rules can reduce mail. Broadridge's network should participate in either format, but the revenue and margin mapping differ. The proposal must not be treated as final before rulemaking is complete.

Monitoring scorecard

The base case remains credible if ICS recurring growth holds near 6%, Regulatory stays above mid-single digit, Customer communications total growth remains positive while digital stays materially faster, event revenue is treated as cycle-dependent, and the exact-basis EBT margin recovers above 20% without relying on Corporate and Other. Bear evidence would be recurring growth below 4% for two reporting periods, total Customer communications contraction despite digital claims, large client losses, falling position growth, or segment EBT margin below 18% without a clear temporary driver. Bull evidence would be recurring growth above 8% with disclosed organic contribution, sustained new governance adoption, broad margin improvement after normalizing Distribution, and acquisition cross-sell visible in fund or issuer product growth.

`[DATA GAP: Quarterly dollar revenue is not disclosed for each fine-grained ICS product; only annual dollars and quarterly growth rates are available.]` `[DATA GAP: Product-level Earnings (loss) before income taxes margins are not disclosed; Section 9 uses explicitly labeled analyst allocations calibrated to the sealed segment total.]` `[DATA GAP: Reportable-segment revenue is not cross-tabulated by geography.]` `[DATA GAP: FY2027 segment-specific revenue and exact-basis profit guidance are not disclosed.]`

TTM+5 scenario summary

Case	Segment TTM+5y Revenue	Exact profit metric	Segment TTM+5y Profit Margin	Segment TTM+5y Profit	Probability
Bear	$6,201.6m	Earnings (loss) before income taxes	17.0%	$1,053.7m	25%
Base	$7,023.4m	Earnings (loss) before income taxes	21.4%	$1,503.2m	50%
Bull	$7,513.2m	Earnings (loss) before income taxes	22.8%	$1,710.2m	25%

The probability weights sum to 100%. They reflect a resilient recurring and regulatory core, real execution upside, and meaningful exposure to delivery-format, pricing, event, and product-margin uncertainty. They are analytical scenario weights for segment synthesis, not a security recommendation, allocation, or trade instruction.

Appendix B2 - Global Technology and Operations

Global Technology and Operations — Segment Deep Dive

Company: Broadridge Financial Solutions **Segment:** Global Technology and Operations, or GTO **Information date:** 2026-09-09 **TTM anchor:** FY2026 ended 2026-06-30 **Exact five-year horizon:** 2031-06-30 **Currency and scale:** USD millions unless otherwise stated **Exact forecast profit metric:** `Earnings (loss) before income taxes` **Statutory bridge SHA-256:** `88abe1e83bdfc566a818243ce3488853b6b4034d72a05d80d7b5637bf1b84a43` **Trade execution authorized:** No

This appendix uses `data_package.md` as the sole source for Broadridge history, trends, management quotations, and accounting classification. Incremental evidence is limited to live Broadridge product/acquisition pages and primary competitor filings or releases. The segment metric is issuer-disclosed **Earnings (loss) before income taxes**. It is not operating income. Corporate and Other, interest, other non-operating items, tax, and all statutory bridge adjustments remain outside this segment forecast and must be handled once in consolidated synthesis.

0. Segment boundary and taxonomy note

GTO has remained one of Broadridge's two reportable segments throughout FY2022-FY2026. Its boundary is capital-markets technology and operations plus wealth and investment-management technology and operations. The FY2023 filing recast FY2022 presentation by removing a separate foreign-exchange column; the comparable FY2022 GTO revenue is $1,452.4 million. The FY2025 adoption of expanded segment-expense disclosure was retrospective and did not change the GTO perimeter. Accordingly, all comparisons below use the later recast FY2022 value and a stable FY2022-FY2026 segment taxonomy. [data_package §1, paragraphs 1-2]

1. What this segment actually is

GTO sells the technological plumbing used by broker-dealers, banks, asset managers, wealth firms, exchanges, and other capital-markets participants to trade, settle, account for, and administer financial assets. It is easier to understand the business as two connected product families than as a generic “fintech” operation.

Capital Markets spans the trade lifecycle. The installed base includes order and execution management, connectivity, market access, post-trade processing, securities finance, collateral, and operations. The Itiviti estate brought front-office trading and connectivity to Broadridge's traditional strength in post-trade infrastructure. The strategic logic is front-to-back integration: a customer can route orders, connect to venues and counterparties, manage execution, allocate and affirm trades, and process them downstream using fewer vendors and a more consistent data model. Broadridge's live client-access page still identifies NYFIX, Managed FIX, and Tbricks as former Itiviti products, evidence that the acquired client-facing infrastructure remains embedded rather than disappearing into a purely accounting label. [Broadridge client access](https://www.broadridge.com/client-access/)

CQG extends that architecture into futures and options. Broadridge describes the acquired capabilities as execution management, algorithmic trading, analytics, and market connectivity that complement its existing order-management and connectivity platforms. CQG broadens the addressable client set to futures commission merchants, institutional investors, retail brokers, proprietary trading firms, commodity trading advisors, and hedge funds. The economic question is not whether CQG adds products—it plainly does—but whether Broadridge can convert a product tuck-in into durable cross-sell and platform density without allowing integration costs or customer overlap to dilute returns. [Broadridge CQG completion announcement](https://www.broadridge.com/press-release/2026/broadridge-acquires-cqg)

Wealth and Investment Management supplies modular front-, middle-, and back-office systems for wealth managers and investment firms. Functions include advisor workflow, portfolio and order management, custody-related processing, asset servicing, data aggregation, reporting, compliance, reconciliation, retirement solutions, managed services, and investment operations. The value proposition is modernization without a “big bang” replacement: customers can adopt modules around an existing core, then deepen the relationship as data and workflows move onto Broadridge's platform. Broadridge describes the architecture as open, component-based, and front-to-back, with APIs designed to connect third-party and internal systems. [Broadridge wealth management](https://www.broadridge.com/who-we-serve/wealth-management) and [wealth operations](https://www.broadridge.com/capability/middle-and-back-office-solutions/wealth-operations/)

Pricing is principally recurring. GTO's FY2026 revenue was entirely classified as recurring revenue in the data package. Recurring does not mean economically fixed: contract pricing can incorporate users, accounts, assets, positions, modules, environments, connectivity, transaction volumes, or service levels. A customer implementation can require a long conversion and parallel-run period before recurring revenue reaches steady state. Term licenses, implementation services, and acquisition timing can also make quarterly comparisons noisy even when the installed-base economics are healthy. This distinction is central to the forecast. GTO is not a simple seat-based SaaS company, but its installed mission-critical workflows can be more persistent than ordinary application software.

Go-to-market is enterprise direct sales supported by product specialists and implementation teams. Closed sales precede revenue because conversion, testing, and migration take time. The economic flywheel is to win a workflow, implement it, earn recurring fees, and then add modules or asset classes. A broad suite that is difficult to integrate can instead delay revenue and lose the next module to a specialist.

2. Current economics — FY2026 and TTM ended 2026-06-30

FY2026 is also the TTM anchor because the latest four completed quarters comprise the full fiscal year. GTO produced $1,916.0 million of revenue, 25.6% of Broadridge's reportable-segment revenue. Capital Markets generated $1,184.2 million, or 61.8% of GTO, and Wealth and Investment Management generated $731.8 million, or 38.2%. Every GTO dollar was classified as recurring revenue. [data_package §1, FY2026 segment row; §4, GTO product-history rows]

GTO's exact `Earnings (loss) before income taxes` was $297.8 million, up 48.1% from $201.1 million in FY2025. The exact-basis margin rose from 11.3% to 15.5%, a roughly 422-basis-point increase using unrounded dollars. The growth in profit was far faster than the 7.9% revenue increase, so FY2026 cannot be treated as a plain revenue-growth year. It contains a substantial margin step-up that must be tested for durability. [data_package §3, GTO table]

Current-economics item	FY2026 / TTM value	Interpretation	Data-package cite
GTO revenue	$1,916.0m	25.6% of reportable-segment revenue	FY2026 Form 10-K Notes 3 and 22 via data_package §§1, 3-4
Capital Markets revenue	$1,184.2m	61.8% of GTO	FY2026 Form 10-K Note 3 via data_package §4
Wealth and Investment Management revenue	$731.8m	38.2% of GTO	FY2026 Form 10-K Note 3 via data_package §4
Recurring revenue	$1,916.0m	100.0% of GTO revenue classification	FY2026 Form 10-K Note 3 via data_package §4
Earnings (loss) before income taxes	$297.8m	Issuer-disclosed segment metric	FY2026 Form 10-K Note 22 via data_package §3
Margin on Earnings (loss) before income taxes	15.5%	$297.8m divided by $1,916.0m; reported rounded margin	FY2026 Form 10-K Note 22 via data_package §3
Revenue growth	7.9%	$1,916.0m versus $1,776.1m	FY2026 Form 10-K Note 22 via data_package §3
Profit growth	48.1%	$297.8m versus $201.1m	FY2026 Form 10-K Note 22 via data_package §3

The quarterly pattern makes a single exit-quarter run rate unsafe. GTO growth slowed from 13% in Q1 to 5% in Q4, while exact-basis margin ranged from 13.8% to 17.5%. Acquisition contribution, implementation milestones, and term-license timing can shift among quarters, so the slowdown does not prove deterioration; it does prevent straight-line extrapolation of the FY2026 margin. [data_package §4, FY2026 quarterly product-rate table; §5, GTO quarterly table]

Capital intensity is low in physical terms but not low in total economic reinvestment. Broadridge's issuer-definition capital investment was $112.6 million, or 1.5% of consolidated revenue, but no segment allocation is disclosed. R&D is also not separately disclosed; treating the provider's zero field as economic zero would be false. GTO's real reinvestment burden resides in technology labor, cloud and data infrastructure, implementation teams, capitalized software, cybersecurity, regulatory updates, and acquired intangible amortization. [data_package §7, capital-allocation table and accompanying note] The segment can show high returns on physical capital while still requiring continuing software investment.

3. Unit economics

GTO's unit of value is not a trade, account, or software seat in isolation. It is an implemented, production-grade workflow embedded in a regulated financial institution. Revenue becomes profit through four layers.

First, **installed recurring contracts** provide the base. Once a post-trade engine, order-management system, wealth platform, or investment-accounting workflow is live, the customer pays for access, processing, connectivity, modules, or services. Contract renewals can include normal pricing and additional volume. Costs include hosting, networks, data, support, product maintenance, operations staff, and client service. The mature installed base should carry attractive contribution margins because common infrastructure and product code serve multiple customers.

Second, **implementation and conversion** determine the lag between sale and economics. A new client requires data mapping, interfaces, testing, parallel processing, regulatory controls, training, and migration. Broadridge may capitalize or defer some conversion and start-up costs at the consolidated level, but the data package does not allocate the $819.3 million deferred-client-conversion and start-up-cost balance to GTO. [data_package §8, balance-sheet snapshot] These projects can depress near-term economics even if they create a long-lived revenue stream. A forecast that converts closed sales immediately into full-margin revenue would be too aggressive.

Third, **license and milestone mix** can distort a quarter. A term license recognized at signing or on a contractual milestone may carry a much higher incremental margin than implementation services. The data package explicitly warns that software term-license timing can move GTO quarterly growth and margin. [data_package §5, paragraph after quarterly segment table] The external comparison is instructive: FIS disclosed 7% Capital Markets revenue growth in 2025, of which recurring revenue contributed four points and non-recurring revenue, primarily license sales, contributed two points; it also attributed margin expansion partly to cost management and favorable mix. [FIS 2025 Form 10-K](https://www.sec.gov/Archives/edgar/data/1136893/000113689326000013/fis-20251231.htm) This is not a direct margin proxy for Broadridge because FIS reports adjusted EBITDA, but it independently confirms that implementation and license mix can alter growth and profit cadence in the same competitive field.

Fourth, **platform density and cross-sell** determine incremental returns. Adding a new asset class or workflow to an existing customer can require less selling effort and less infrastructure than acquiring a new enterprise client. Itiviti made the Capital Markets proposition more front-to-back; CQG adds futures and options execution, algorithms, analytics, and connectivity. The strongest economic outcome is not the acquired revenue by itself. It is the ability to use those capabilities to win or expand a broader platform relationship. The weakest outcome is a collection of separately maintained products with limited common data, uneven user experience, duplicated engineering, and acquisition amortization.

Margin breaks upward when recurring revenue grows faster than implementation cost, clients adopt more modules, hosting and support are standardized, product overlap is rationalized without impairing service, pricing offsets wage and infrastructure inflation, and high-margin license timing is favorable. Margin breaks downward when large conversions run late, bespoke customization proliferates, software and cybersecurity investment rises faster than revenue, acquired products remain separate, client concentration increases bargaining pressure, or competition forces price concessions.

The FY2026 margin jump needs a conservative decomposition. Some part may be durable operating leverage, product mix, and integration maturity; some part may be timing. The Q4 margin of 13.8%, down from 17.5% in Q3 despite similar quarterly revenue, is a warning against declaring 15.5% a new floor. Base case therefore permits only 117 basis points of blended expansion by FY2031, bear gives back 172 basis points, and bull reaches 18.4% only with successful platform cross-sell and disciplined integration.

4. Competitive dynamics

GTO competes in a large but fragmented field. No single vendor owns the entire trade lifecycle or the wealth technology stack. Competition varies by workflow, asset class, geography, customer size, deployment model, and whether the client wants software, managed services, or outsourcing.

In **capital markets**, competitors include FIS Capital Markets, Nasdaq Financial Technology, SS&C, exchange and data groups, specialist vendors, and internal bank builds. Broadridge is strongest where customers want to mutualize non-differentiating infrastructure and connect front-, middle-, and back-office operations. It is weaker where customers prefer best-of-breed tools or view their trading stack as proprietary.

In **wealth and investment management**, competitors include SS&C, FIS, Temenos, FNZ, Envestnet, and specialist platforms. Differing custody, advisor, geography, and legacy arrangements prevent a winner-take-all outcome. Broadridge's opening is modular modernization around installed workflows; a modern data layer can also abstract away the incumbent core.

Primary competitor evidence brackets plausible outcomes rather than proving Broadridge's share. FIS reported Capital Markets growth of 8% in 2024 and 7% in 2025, with 2025 recurring growth of 6%. That supports a mid-single-digit

mature-market base rate and shows that licenses can add episodic upside. [FIS 2025 Form 10-K](https://www.sec.gov/Archives/edgar/data/1136893/000113689326000013/fis-20251231.htm) Nasdaq reported 12% organic quarterly Financial Technology revenue and ARR growth in Q4 2025, accompanied by new-client, upsell, and cross-sell momentum. That establishes a credible upper-band outcome when modernization and cross-sell are strong, but Nasdaq's portfolio and accounting perimeter differ from GTO. [Nasdaq Q4 and FY2025 results](https://ir.nasdaq.com/node/109901) SS&C reported 4.8% adjusted organic revenue growth for full-year 2025, a useful lower mid-single-digit reference for a scaled financial-software and services portfolio. [SS&C FY2025 results](https://investor.ssctech.com/news-releases/news-release-details/ssc-technologies-releases-record-q4-and-full-year-2025-financial) Temenos reported 11% product revenue growth versus its estimate of a 7% market in 2025, while its subscription and SaaS growth was 9% constant currency guidance for 2026; this supports both healthy demand and real competition for modernization budgets. [Temenos FY2025 results](https://www.temenos.com/press_release/temenos-announces-q4-2025-results-22tw4tk10/)

Competitive reference	Primary-source observation	Read-through for GTO	Forecast use
FIS Capital Markets	7% 2025 revenue growth; 6% recurring growth; license mix aided growth and margin	Mature platforms can sustain mid-single-digit recurring growth, but license timing matters	Base Capital Markets near 6%; bear near 3%
Nasdaq Financial Technology	12% organic quarterly revenue and ARR growth in Q4 2025 with cross-sells and upsells	Strong modernization demand can support double-digit periods	Bull case, not base case
SS&C	4.8% adjusted organic revenue growth in 2025	Broad financial software portfolios can settle into low/mid-single-digit organic growth	Bear/base lower bound
Temenos	11% 2025 product growth versus stated 7% market; 2026 subscription and SaaS guide about 9%	Cloud and modular modernization remain active, but competitors are investing hard	Wealth base 7.5%; bull near 10%

Pricing power is conditional. Switching a mission-critical platform is risky, supporting renewal pricing and cross-sell, but sophisticated customers can demand concessions, multi-source, or build internally. Broadridge is strongest in embedded regulated workflows and weakest in replaceable front-end modules.

Entry barriers are operational credibility, regulatory expertise, integrations, network connectivity, data normalization, uptime, cybersecurity, and references from large institutions. Code alone is insufficient. However, cloud infrastructure, open APIs, and AI reduce the cost of creating some software features. They do not remove the burden of obtaining institutional trust and running production workflows, but they make it easier for a specialist to attack a narrow module.

There is no reliable segment-wide market-share statistic in the cleared data package, and different vendors define their markets differently. `[DATA GAP: no comparable independently measured GTO market-share series is disclosed.]` Broadridge's live wealth page claims service to all 25 of the top 25 North American wealth providers and more than $15 trillion of assets custodied on its platforms, but those vendor metrics are not a substitute for audited revenue share. [Broadridge wealth management](https://www.broadridge.com/who-we-serve/wealth-management)

5. Moat at the segment level

GTO has a meaningful moat, but it is a switching-cost and workflow-integration moat rather than an untouchable network monopoly.

The first protection is **implementation scar tissue**. A customer that has mapped instruments, accounts, counterparties, entitlements, regulatory rules, settlement instructions, interfaces, and historical data into a platform has invested heavily. Replacing that platform creates project risk, operating risk, and potential regulatory exposure. This can make renewal and expansion easier than displacement.

The second is **mission criticality and trust**. Trade capture, connectivity, post-trade processing, custody-adjacent workflows, accounting, and advisor operations cannot tolerate prolonged downtime or data inconsistency. Vendors need a record of resilience, security, compliance, and accurate processing. These are earned attributes that slow new entrants.

The third is **breadth plus modularity**. Itiviti extended Broadridge from post-trade into front-office trading and connectivity; CQG extends execution and connectivity in listed derivatives. Wealth combines front-office, operations, asset-servicing, data, and communications capabilities. Breadth can lower a customer's total cost of ownership and reduce interface complexity. But breadth protects economics only if the products interoperate. A brochure-level suite without common data and implementation discipline becomes a cost burden rather than a moat.

The fourth is **installed data and workflow context**. GTO sees how transactions and accounts move across its systems, which can support better exception management, automation, analytics, and AI. The value is not permission to monetize customer data freely; it is the ability to apply models within governed client workflows. Agentic AI may reduce manual exception handling and improve service productivity. Broadridge's DeepSee partnership is aimed at post-trade email orchestration and work categorization, showing a practical workflow use rather than a generic chatbot claim. [Broadridge DeepSee announcement](https://www.broadridge.com/press-release/2026/broadridge-invests-in-deepsee)

The fifth is **regulatory and market-structure adaptation**. Shorter settlement cycles, central-clearing changes, extended trading hours, digital assets, and tokenized collateral all force clients to modify systems. Incumbents that update shared infrastructure can spread development cost across clients. The risk is that a major architectural transition resets the field and allows a cloud-native or ledger-native competitor to bypass legacy systems.

Tokenization illustrates both sides. Management says the segment processed more than $300 billion of tokenized trades per day in Q1 FY2026 and expects tokenized markets to be a long-term tailwind; it also quantified digital-asset revenue as only about one point of FY2026 Capital Markets growth. [data_package §6, GTO rows 1-3 and 8] Broadridge separately states that its DLR platform tokenizes more than $365 billion per day and is extending support across order, execution, and post-trade infrastructure. [Broadridge tokenized-securities announcement](https://www.broadridge.com/press-release/2026/broadridge-announces-integrated-infrastructure-for-tokenized-securities) Activity scale is strategically meaningful, but activity is not the same as revenue. The base case assumes tokenization enhances retention, product relevance, and some cross-sell; it does not assign hockey-stick revenue.

AI is more likely to improve GTO's productivity and product usefulness than to replace the entire platform within five years. Models can automate reconciliation, classify breaks, assist service staff, generate code, or surface next actions. They cannot independently assume legal responsibility for books and records, settlement, entitlements, cyber controls, and regulatory reporting. The disruptive risk is indirect: a competitor uses AI to implement faster, simplify migration, and make a modular platform cheaper. GTO's moat remains durable only if Broadridge uses AI to compress its own cost and implementation cycle rather than merely adding features while preserving legacy complexity.

Over five to ten years, the segment's moat should defend a recurring revenue base and acceptable margins, but not guarantee share gains. The key evidence would be stable retention, implementation conversion, cross-sell, and margin after normal technology spending. The missing evidence is a disclosed GTO retention or ARR series. `[DATA GAP: Broadridge does not disclose GTO ARR, NRR, RPO, backlog, or segment retention.]` [data_package §0a and §10]

6. Historical growth rates — reproduced from the data package

The required three-point history uses FY2024, FY2025, and FY2026. “3-point CAGR” below means the two-year compound rate from the first to the third observation. No historical dollars are back-solved; all are issuer-disclosed annual figures reproduced from the cleared data package.

Product / sub-segment	FY2024 revenue	FY2025 revenue	FY2026 revenue	3-point CAGR	Most recent YoY	Data package cite
Capital Markets	$1,049.2m [§4, GTO Capital markets row]	$1,115.3m [§4, GTO Capital markets row]	$1,184.2m [§4, GTO Capital markets row]	6.24% [§4, same row]	6.18% [§4, same row]	FY2026 Form 10-K Note 3 via data_package §4
Wealth and Investment Management	$599.7m [§4, GTO Wealth row]	$660.8m [§4, GTO Wealth row]	$731.8m [§4, GTO Wealth row]	10.47% [§4, same row]	10.74% [§4, same row]	FY2026 Form 10-K Note 3 via data_package §4
Total GTO recurring revenue	$1,648.9m [§4, GTO total row]	$1,776.1m [§4, GTO total row]	$1,916.0m [§4, GTO total row]	7.80% [§4, same row]	7.88% [§4, same row]	FY2026 Form 10-K Note 3 via data_package §4

Arithmetic checks: Capital Markets $1,115.3m × 1.0618 = $1,184.2m, within rounding. Wealth and Investment Management $660.8m × 1.1074 = $731.8m, within rounding. Total GTO $1,776.1m × 1.0788 = $1,916.0m, within rounding. No back-solved row requires an estimated-dollar tie-out.

The wider five-point history shows a less dramatic long-run rate than the recent Wealth acceleration.

Historical series	FY2022	FY2023	FY2024	FY2025	FY2026	FY2022-FY2026 CAGR	Data package cite
Capital Markets revenue	$902.7m	$965.2m	$1,049.2m	$1,115.3m	$1,184.2m	7.02%	FY2024 and FY2026 Form 10-K Note 3 via data_package §4
Wealth and Investment Management revenue	$549.7m	$560.1m	$599.7m	$660.8m	$731.8m	7.42%	FY2024 and FY2026 Form 10-K Note 3 via data_package §4

Historical series	FY2022	FY2023	FY2024	FY2025	FY2026	FY2022-FY2026 CAGR	Data package cite
GTO revenue	$1,452.4m	$1,525.2m	$1,648.9m	$1,776.1m	$1,916.0m	7.17%	FY2022-FY2026 Form 10-K Notes 3 and 22 via data_package §§3-4
Earnings (loss) before income taxes	$139.4m	$184.0m	$173.1m	$201.1m	$297.8m	20.90%	FY2022-FY2026 Form 10-K Note 22 via data_package §3
Margin on Earnings (loss) before income taxes	9.6%	12.1%	10.5%	11.3%	15.5%	Not meaningful	FY2022-FY2026 Form 10-K Note 22 via data_package §3

The 20.90% profit CAGR is not an appropriate forward baseline. It begins from a low margin, includes a FY2024 profit decline despite revenue growth, and ends with an unusually large FY2026 margin step. Revenue has been steadier: 5.0%, 8.1%, 7.7%, and 7.9% annual growth. The base forecast therefore stays close to the 7.17% five-point revenue CAGR but slows modestly to 6.70% as CQG annualization passes and Wealth normalizes. Profit grows faster than revenue in base only because margin reaches 16.71%, far below extrapolating the FY2026 step-up.

Recent product-rate disclosure further supports a gradual rather than abrupt deceleration.

FY2026 quarter	Capital Markets YoY	Wealth and Investment Management YoY	GTO revenue YoY	GTO EBT margin	Data package cite
Q1	8%	22%	13%	14.6%	Filed Q1 FY2026 release, 2025-11-04, via data_package §§4-5
Q2	8%	12%	9%	16.1%	Filed Q2 FY2026 release, 2026-02-03, via data_package §§4-5
Q3	2%	10%	5%	17.5%	Filed Q3 FY2026 release, 2026-04-30, via data_package §§4-5
Q4	8%	1%	5%	13.8%	Filed Q4 FY2026 release, 2026-08-04, via data_package §§4-5

7. Management guidance — quotations from data package Section 6

The following reproduces every GTO-specific quote in the cleared data package. Interpretations are forecast discipline, not additional management claims.

Verified call and speaker	Verbatim quote	Topic	Forecast interpretation
Q1 FY2026, 2025-11-04 — Tim Gokey, CEO (§6 GTO row 1)	“we processed over $300 billion in tokenized equity -- excuse me, tokenized trades per day”	DLR scale	Material activity validates relevance, but activity is not revenue.
Q1 FY2026, 2025-11-04 — Tim Gokey, CEO (§6 GTO row 2)	“tokenization as a megatrend over the next 10 years”	Capital Markets	Supports investment over the horizon, not a five-year hockey stick.
Q1 FY2026, 2025-11-04 — Ashima Ghei, CFO (§6 GTO row 3)	“We expect these digital asset revenues to contribute approximately 1 point”	FY2026 Capital Markets	Confirms only a modest near-term revenue contribution.
Q2 FY2026, 2026-02-03 — Tim Gokey, CEO (§6 GTO row 4)	“tokenization continues to gain steam across capital markets, wealth, and asset management”	Cross-platform adoption	Supports cross-product option value without quantifying it.
Q2 FY2026, 2026-02-03 — Tim Gokey, CEO (§6 GTO row 5)	“another year of 100% plus free cash flow conversion”	Funding flexibility	Supports internal investment and tuck-ins, but remains consolidated guidance.
Q3 FY2026, 2026-04-30 — Tim Gokey, CEO (§6 GTO row 6)	“create an institutional-grade, end-to-end trading suite for global futures and options”	CQG strategy	Product adjacency is clear; integration and cross-sell remain execution risks.
Q3 FY2026, 2026-04-30 — Tim Gokey, CEO (§6 GTO row 7)	“recurring revenue rose 8% constant currency, powered by strong growth in Canada”	Wealth	Recent Wealth acceleration partly reflects SIS and geography, so normalization is prudent.
Q4 FY2026, 2026-08-04 — Tim Gokey, CEO (§6 GTO row 8)	“we expect the evolution to tokenized markets will be a significant tailwind”	Tokenization	Base includes retention and modest cross-sell; bull captures faster monetization.
Q4 FY2026, 2026-08-04 — Tim Gokey, CEO (§6 GTO row 9)	“Fiscal '26 revenues rose 5% to $1.2 billion”	Capital Markets	Underlying recent Capital Markets cadence is below total GTO growth.

Verified call and speaker	Verbatim quote	Topic	Forecast interpretation
Q4 FY2026, 2026-08-04 — Tim Gokey, CEO (§6 GTO row 10)	“we continue to see our shares as a strong value”	Capital allocation	Not evidence for segment revenue, margins, or valuation.

Consolidated FY2027 guidance is 6%-8% recurring revenue growth at constant currency, approximately 21% adjusted operating margin, 8%-12% adjusted EPS growth, greater than 100% free cash flow conversion, and $290-$330 million of closed sales. [data_package §6, consolidated-guidance table] There is no segment-specific FY2027 revenue guidance. `[DATA GAP: FY2027 GTO and product-specific revenue guidance is not disclosed.]` The segment forecast therefore uses the consolidated recurring range as a first-year guardrail, not as if management had allocated it to GTO.

The forecast also does not map the 21% adjusted operating-margin guide directly to GTO. It is consolidated, adjusted, and on a different metric. GTO's model remains on `Earnings (loss) before income taxes`; applying the adjusted operating margin would violate the sealed statutory bridge.

8. Forward growth assumptions — exact TTM 2026-06-30 to 2031-06-30

Scenario probabilities are Bear 25%, Base 50%, and Bull 25%. They express model uncertainty, not management guidance. Product forecasts compound from the exact FY2026/TTM disclosed dollars for exactly five years.

Base case growth assumptions

Product	3-point historical CAGR	Latest YoY	Management FY+1 guide	Base CAGR TTM to TTM+5y	Concise justification
Capital Markets	6.24%	6.18% annual; 8% Q4	No segment guide; consolidated recurring 6%-8% CC	6.20%	FIS achieved 6% recurring growth; CQG annualization and tokenization offset maturation.
Wealth and Investment Management	10.47%	10.74% annual; 1% Q4	No segment guide; consolidated recurring 6%-8% CC	7.50%	Recent acceleration normalizes while modular modernization and Canada sustain above-market growth.

Capital Markets base growth is 8.0%, 6.5%, 6.0%, 5.5%, and 5.0% from FY2027 through FY2031. The FY2027 rate reflects CQG's partial-period base and product cross-sell; it then decelerates as the acquisition anniversary passes. The endpoint CAGR of 6.20% is almost identical to the 6.24% three-point historical rate and slightly below the 7.02% five-point rate. It is independently supported by FIS's 6% recurring Capital Markets growth in 2025 and does not require tokenization to become a dominant revenue pool.

Wealth base growth is 8.5%, 8.0%, 7.5%, 7.0%, and 6.5%. This is a visible deceleration from the 10.47% three-point history and the 10.74% latest annual rate, consistent with the Q4 slowdown to 1% and the anniversary of SIS-related growth. It remains above Capital Markets because wealth-platform modernization, managed-account complexity, alternative investments, data aggregation, and advisor productivity support spend. Temenos's 11% product growth and stated 7% market rate show that high-single-digit industry outcomes are possible, while SS&C's 4.8% organic growth prevents using double digits as the base.

Bull case growth assumptions

Product	3-point historical CAGR	Latest YoY	Management FY+1 guide	Bull CAGR TTM to TTM+5y	Concise justification
Capital Markets	6.24%	6.18% annual; 8% Q4	No segment guide; tokenization described as tailwind	8.99%	CQG cross-sell, front-to-back wins, and faster tokenized-market adoption approach Nasdaq FinTech growth.
Wealth and Investment Management	10.47%	10.74% annual; 1% Q4	No segment guide; consolidated recurring 6%-8% CC	10.09%	Modular platform wins sustain historical growth as AI and data tools deepen adoption.

Capital Markets bull growth is 11.0%, 10.0%, 9.0%, 8.0%, and 7.0%. This case requires CQG integration to create genuine cross-sell across futures, options, FX, digital assets, and post-trade rather than merely add revenue. It also requires tokenized securities to drive paid platform modules and connectivity. Nasdaq's 12% organic Financial Technology growth demonstrates that the first-year rate is achievable in a strong demand environment, but the fade to 7% recognizes scale and competition.

Wealth bull growth is 12.0%, 11.0%, 10.0%, 9.0%, and 8.5%. It requires large platform conversions, strong SIS contribution after the acquisition anniversary, and higher attach rates for data, alternatives, asset servicing, and advisor tools. The path is deliberately gradual rather than a one-year spike. Temenos's 12% ARR growth and 9% subscription/SaaS guidance support the upper band, but Broadridge would have to execute well against equally motivated vendors.

Bear case growth assumptions

Product	3-point historical CAGR	Latest YoY	Management FY+1 guide	Bear CAGR TTM to TTM+5y	Concise justification
Capital Markets	6.24%	6.18% annual; 8% Q4	No segment guide	3.20%	License timing reverses, CQG cross-sell disappoints, and specialist competition slows wins.
Wealth and Investment Management	10.47%	10.74% annual; 1% Q4	No segment guide	4.10%	Q4 slowdown persists, conversions lengthen, and cloud-native competitors pressure pricing.

Capital Markets bear growth is 4.0%, then 3.0% in each of the next four years. This is not a collapse case; mission-critical renewal and normal pricing still protect the base. It assumes the 8% Q4 rate contained favorable timing, CQG creates integration distraction, and clients delay discretionary modernization. SS&C's 4.8% adjusted organic portfolio growth supports a low/mid-single-digit downside reference, while FIS's mix disclosures show how license timing can remove growth points.

Wealth bear growth is 3.0%, 4.0%, 4.0%, 4.5%, and 5.0%. The trough is front-loaded because the latest disclosed Q4 product growth was 1%. Recovery reflects recurring contracts and eventual conversion of delayed implementations. This case assumes Broadridge retains major clients but wins fewer new modules and gives up some price to defend relationships.

Year-by-year revenue cadence

Case and product	FY2026 / TTM	FY2027	FY2028	FY2029	FY2030	FY2031 / horizon	Five-year CAGR
Bear Capital Markets	$1,184.2m	$1,231.6m	$1,268.5m	$1,306.6m	$1,345.8m	$1,386.1m	3.20%
Bear Wealth and Investment Management	$731.8m	$753.8m	$783.9m	$815.3m	$851.9m	$894.5m	4.10%
Base Capital Markets	$1,184.2m	$1,278.9m	$1,362.1m	$1,443.8m	$1,523.2m	$1,599.4m	6.20%
Base Wealth and Investment Management	$731.8m	$794.0m	$857.5m	$921.8m	$986.4m	$1,050.5m	7.50%
Bull Capital Markets	$1,184.2m	$1,314.5m	$1,445.9m	$1,576.0m	$1,702.1m	$1,821.3m	8.99%
Bull Wealth and Investment Management	$731.8m	$819.6m	$909.8m	$1,000.8m	$1,090.8m	$1,183.5m	10.09%

The thesis-consistency check passes. No case jumps from a 1% quarter directly to a permanently double-digit annual rate without an explicit catalyst. The bull Wealth path begins at 12% only because it assumes large platform wins and cross-sell; it then fades. Base decelerates progressively. Bear begins weak and recovers rather than extrapolating one quarter forever. Capital Markets base begins with acquisition annualization, then returns to a mature mid-single-digit cadence.

9. Forward margin assumptions — Earnings (loss) before income taxes

No product-level EBT margin is disclosed. To make the segment rollup reconstructable, the table below uses **analyst allocation assumptions**, not issuer figures. The current allocation assigns a 16.80% EBT margin to Capital Markets and 13.51% to Wealth; weighted by disclosed revenue, these produce $297.8 million of segment EBT and the reported 15.5% rounded margin. The allocation reflects Capital Markets' more mature installed base and potential license mix, while Wealth bears more platform-conversion cost. Because this split is not disclosed, it is a modeling device and should not be presented elsewhere as historical fact.

Product	FY2026 revenue	Modeled current EBT margin	Modeled current EBT	Source / status
Capital Markets	$1,184.2m	16.80%	$198.9m	Revenue disclosed; margin is analyst allocation
Wealth and Investment Management	$731.8m	13.51%	$98.9m	Revenue disclosed; margin is analyst allocation
GTO total	$1,916.0m	15.54% unrounded; 15.5% reported	$297.8m	Ties data_package §3 exact metric

Case	Capital Markets horizon EBT margin	Wealth horizon EBT margin	Weighted GTO horizon EBT margin	Change from FY2026	Specific mechanism
Bear	15.00%	12.00%	13.82%	-172 bps	License normalization, duplicated acquisition cost, pricing pressure, and delayed conversions
Base	17.50%	15.50%	16.71%	+117 bps	Recurring mix, moderate platform scale, CQG integration, and automation offset continued investment
Bull	19.00%	17.50%	18.41%	+287 bps	High cross-sell, common infrastructure, implementation productivity, and AI-led service leverage

Bear margin. The segment gives back part of the FY2026 step-up but remains above the FY2022-FY2025 average. Capital Markets falls to 15.0% as favorable license timing reverses and CQG/Itiviti products require overlapping engineering and support. Wealth falls to 12.0% as slower conversions leave implementation teams under-absorbed and customers negotiate harder. This is a credible downside without assuming mass churn.

Base margin. The 16.71% terminal margin is only 117 basis points above FY2026, despite five years of revenue growth. Capital Markets reaches 17.5% as CQG integration and cross-sell produce some scale; Wealth reaches 15.5% as implementations mature and data/AI automation improves service productivity. The forecast still funds product modernization, security, and regulatory updates. It does not allocate Corporate and Other gains or consolidated adjustments to GTO.

Bull margin. The 18.41% blended margin requires more than revenue growth. Broadridge must rationalize infrastructure without degrading service, reduce conversion time, attach multiple modules to existing customers, and use AI to lower manual exception and support work. It also assumes tokenization and extended trading add recurring platform revenue without a matching increase in bespoke development. Because the margin expands 287 basis points from FY2026, this is explicitly an execution case, not a passive scale outcome.

License and implementation timing are the main annual volatility around these endpoints. FIS's filing shows that higher-margin licenses can add revenue and expand adjusted EBITDA margin in a comparable business. Nasdaq's filing shows that technology investment can grow operating expenses even during strong revenue growth. Those primary sources support keeping a wide margin range. They do not justify transplanting competitor margins into GTO, whose metric is EBT and whose mix differs.

10. Segment rollup — bottoms-up and arithmetically tied

Case	Product	TTM revenue	Five-year CAGR	Horizon revenue	Horizon EBT margin	Horizon Earnings (loss) before income taxes
Bear	Capital Markets	$1,184.2m	3.20%	$1,386.1m	15.00%	$207.9m
Bear	Wealth and Investment Management	$731.8m	4.10%	$894.5m	12.00%	$107.3m
Bear	GTO total	$1,916.0m	3.55%	$2,280.7m	13.82%	$315.3m
Base	Capital Markets	$1,184.2m	6.20%	$1,599.4m	17.50%	$279.9m
Base	Wealth and Investment Management	$731.8m	7.50%	$1,050.5m	15.50%	$162.8m
Base	GTO total	$1,916.0m	6.70%	$2,649.8m	16.71%	$442.7m
Bull	Capital Markets	$1,184.2m	8.99%	$1,821.3m	19.00%	$346.0m
Bull	Wealth and Investment Management	$731.8m	10.09%	$1,183.5m	17.50%	$207.1m
Bull	GTO total	$1,916.0m	9.42%	$3,004.8m	18.41%	$553.2m

Rollup checks use unrounded calculations. Bear revenue is $1,386.1 million plus $894.5 million, or $2,280.7 million after rounding; profit is $207.9 million plus $107.3 million, or $315.3 million. Base revenue is $1,599.4 million plus $1,050.5 million, or $2,649.8 million after rounding; profit is $279.9 million plus $162.8 million, or $442.7 million. Bull revenue is $1,821.3 million plus $1,183.5 million, or $3,004.8 million; profit is $346.0 million plus $207.1 million, or $553.2 million. Every product sum reconciles to the segment total within 0.1%; the difference visible in Base revenue is only display rounding.

The probability-weighted horizon output, using 25% Bear, 50% Base, and 25% Bull, is approximately $2,646.3 million of GTO revenue and $438.5 million of `Earnings (loss) before income taxes`. This is not a separate scenario and should not replace the three cases in consolidated synthesis. It is a cross-check showing that symmetric probabilities center close to Base.

The forecast is not acquisition-dependent in the sense of assuming repeated large deals. CQG is already within the TTM perimeter for part of FY2026, and the growth paths include its annualization and integration. No hypothetical future acquisition revenue is added. Additional tuck-ins could raise revenue, but they would also require cash, integration, amortization, and potentially debt. Leaving unannounced M&A out makes the economics more comparable and prevents purchased growth from being mistaken for organic compounding.

Acquisition funding remains a real risk even for a segment appendix. The data package reports funded debt of $3,254.6 million and funded net debt of $2,852 million at FY2026. [data_package §8, balance-sheet snapshot] Itiviti was originally financed with a new term credit agreement, and its acquisition announcement explicitly contemplated deleveraging. [Broadridge Itiviti acquisition announcement](https://www.broadridge.com/press-release/2021/broadridge-agrees-to-acquire-itiviti) CQG was much smaller—$173.0 million cash, $12.0 million deferred, and up to $50.0 million contingent consideration—but a steady sequence of tuck-ins can still compete with debt reduction, internal investment, dividends, and repurchases. [data_package §9, CQG action] Segment revenue and EBT can improve while shareholder returns disappoint if Broadridge repeatedly pays ahead of realized cross-sell.

11. Key risks and wildcards

Risk or wildcard	Predominant case	Transmission to forecast	Monitoring signal
CQG integration and cross-sell underperform	Bear	Lower Capital Markets growth and duplicated cost reduce EBT margin	No visible futures/options cross-sell after acquisition anniversary
Itiviti product estate remains fragmented	Bear	Engineering and support duplication prevent platform leverage	Multiple portals persist without shared data or bundled wins
Large implementation delays	Bear	Closed sales fail to convert; costs arrive before recurring revenue	GTO growth below consolidated recurring range for several quarters
Term-license normalization	Bear	Revenue and high-margin profit shift or reverse between periods	Weak growth paired with margin decline absent customer losses
Specialist or cloud-native displacement	Bear	Lower win rates and pricing pressure in modular workflows	Major client chooses competitor for next-generation stack
Cybersecurity or operational failure	Bear	Remediation cost, reputational damage, churn, regulatory action	Material outage, breach, control deficiency, or client loss
Client concentration and procurement pressure	Bear	Renewal pricing falls below cost inflation	Stable volumes but declining product growth and margin
Higher technology and AI investment	Bear / Base	Near-term expense rises before productivity benefits	Technology spend rises while implementation cycle does not improve
AI implementation productivity	Bull	Faster conversion and lower exception-handling cost expand margin	Shorter implementation periods and improved service productivity
Tokenization monetizes beyond DLR activity	Bull	New modules, connectivity, collateral, and cross-sell lift Capital Markets	Disclosed paid adoption rather than only notional activity
Extended trading and clearing change	Base / Bull	More connectivity, risk, and post-trade complexity increases demand	New clients and modules linked to market-structure change
Wealth platform modernization accelerates	Bull	Large conversions and module attach sustain double-digit Wealth growth	Product growth reaccelerates with broad-based client wins
Further tuck-in M&A	Bull operationally; Bear financially	Capabilities expand, but purchase price and funding can dilute returns	Disclosed return hurdles, integration cost, and debt trajectory
Regulatory fragmentation	Bear / Base	Raises product cost but can also deepen required functionality	Compliance cost exceeds pricing and cross-sell benefits

The single most fragile assumption is the FY2026 margin baseline. If 15.5% reflected a temporary mix benefit, the base case's 16.71% horizon margin is too high even if revenue growth is correct. The single most important operational signal is therefore not one quarter of revenue growth but the combination of recurring growth and exact-basis margin over several quarters after CQG's acquisition anniversary.

Cross-sell and tokenization are the next fragile assumptions. Customers can retain multiple vendors, and a growing product list does not prove integration. Evidence must be combined wins, faster implementation, shared data, or measurable module attachment. Large tokenized notional activity can still produce modest revenue; bull requires paid adoption across execution, connectivity, collateral, and post-trade.

Horizon summary

Case	Segment TTM+5y Revenue	Exact profit metric	Segment TTM+5y Profit Margin	Segment TTM+5y Profit	Probability
Bear	$2,280.7m	Earnings (loss) before income taxes	13.82%	$315.3m	25%
Base	$2,649.8m	Earnings (loss) before income taxes	16.71%	$442.7m	50%
Bull	$3,004.8m	Earnings (loss) before income taxes	18.41%	$553.2m	25%

Sources, gaps, and forecast discipline

Broadridge historical segment and product dollars, quarterly rates, capital allocation, balance-sheet items, acquisition consideration, and every management quote come only from the current-run `data_package.md` and its sealed statutory bridge. The bridge is issuer-disclosed, additive, and uses `Earnings (loss) before income taxes`. No warehouse cache was read. No new FMP dataset was pulled, so no warehouse copy obligation arose in this stage.

Incremental structural evidence came from live primary sources: Broadridge's product and acquisition pages, FIS's 2025 Form 10-K, Nasdaq's Q4/FY2025 release, SS&C's FY2025 release, and Temenos's FY2025 release. Competitor metrics are used only to bracket growth and margin mechanisms; no competitor margin is transplanted into GTO because definitions and business mix differ.

Open gaps are material but bounded: no GTO ARR, NRR, RPO, backlog, or segment retention; no product-level EBT margin; no segment-specific FY2027 guidance; no comparable independent market-share series; no quarterly product revenue dollars; and no segment allocation of R&D, technology expense, capitalized software, or conversion costs. The model addresses these gaps through explicit assumptions, wide cases, and a no-unannounced-M&A rule rather than fabricated precision.

The result is a defensible five-year range. Bear assumes the recurring base holds but growth and margin are pressured. Base assumes GTO compounds close to its historical revenue rate with limited margin improvement. Bull requires integration, cross-sell, AI productivity, and tokenization monetization to work together. None of the three cases allocates Corporate and Other or below-line items into GTO, and none authorizes a trade, ranking, sizing decision, message, dashboard, or memo.

Appendix S - Synthesis (Combined Earnings Model)

Broadridge Financial Solutions (BR) — Synthesis (Combined Earnings Model)

Production ER2 stage: S, combined earnings synthesis **Run:** `pulse-cio-20260909T100339+0800` **Action:** `CIO-20260908-BR-ER2-REFRESH` **Model boundary:** mechanical consolidation of the DR-cleared data package and reviewed segment appendices only **Trade execution authorized:** `false`

This appendix combines the two reviewed operating-segment forecasts into one statutory revenue, operating-income, net-income, share-count, and EPS model. It does not choose an exit multiple, calculate a security-return IRR, rank the security, recommend portfolio sizing, or authorize trading. Those decisions belong to later valuation-preflight and scoring stages. The core discipline here is narrower: preserve Broadridge's issuer-disclosed segment metric, project only the already classified bridge lines, remove the FY2026 digital-asset gain transparently, and make every displayed result reproducible.

1. Anchors and sealed controls

- Today: **2026-09-09**.
- Fiscal-year end: **June 30**.
- Latest completed fiscal year: **FY2026**, ended 2026-06-30.
- TTM anchor: **2026-06-30**. Because the latest completed fiscal year is also the most recent reproducible trailing period, the TTM consists of Q1 FY2026, Q2 FY2026, Q3 FY2026, and Q4 FY2026.
- Horizon: **2031-06-30**, exactly 5.0 calendar years after the TTM end. Every forward CAGR and share-count path in this appendix covers five years, not six fiscal years.
- Valuation price: **USD 168.62 per XNYS:BR common share**, raw exchange close for the completed 2026-09-08 session. The price packet expires at 2026-09-10T04:00:00+08:00 under its next-scheduled-session-close policy.
- Raw quote-source SHA-256: `08603507aabd37e50f6e0b3d72ab3084255a74613152a706e50faa4a0d712b7e`.
- QFR-sealed quote-packet SHA-256: `f462ff9cfff85817be4c47da61de7a3ba50a9027458e0597380834fe158e2376`.
- QFR-sealed statutory-bridge SHA-256: `88abe1e83bdfc566a818243ce3488853b6b4034d72a05d80d7b5637bf1b84a43`.
- Reviewed ICS appendix SHA-256 after S Repair 1: `5e4b1d5af91462439049dc6141fad36e657eea42039563c142c42d325a25d7e6`.
- Exact common segment-profit metric: `Earnings (loss) before income taxes`. It is an EBT measure and is not relabeled operating income.
- Reporting currency and quote currency are both USD. The quoted and financial-statement share class is Broadridge common stock, $0.01 par value; one listed security unit is one common share.
- The quote-date share bridge is 117.1 million financial-statement diluted shares multiplied by the 1.0 split factor, yielding 117.1 million quote-basis diluted financial shares. No intervening split was identified between 2026-06-30 and 2026-09-08.
- The listed-unit bridge is a 1.0 depositary ratio multiplied by a 1.0 share-class factor, or 1.0 financial share per listed unit. Therefore 117.1 million quote-basis financial shares equal 117.1 million listed-unit equivalents.
- The FX bridge is 1.0 USD of quote currency per 1.0 USD of reporting currency. It is an identity conversion dated 2026-09-08.
- The strict quote validator returned `QUOTE_PACKET_VALID` at 2026-09-09T12:30:48+08:00 and recomputed the exact packet hash above. The statutory validator returned `STATUTORY_BRIDGE_VALID` and the exact statutory hash above.

- `gate_manifest.json` records `DATA PACKAGE VERIFIED — CLEARED FOR WAVE 2` and the separate durable status `STATUTORY BRIDGE VERIFIED — CLEARED FOR FORECASTING`. The S Repair 1 dispatch identifies the updated ICS appendix as reviewed, and its on-disk bytes match the supplied `5e4b...d7e6` hash. The root orchestrator must refresh the manifest's pre-repair ICS and synthesis hashes before downstream publication.

The anchor price is used only for the P/E-15 entry-price test. It is not an exit price. No other quote or price is introduced. The exact horizon is five years from the TTM end even though the words “FY+5” are sometimes used elsewhere in the ER2 framework.

2. Segment-level forward assumptions

The following endpoints are reproduced from the two reviewed segment appendices. All currency values are USD millions. Segment profits remain on the exact common metric, `Earnings (loss) before income taxes`.

Segment	Exact profit metric	TTM revenue	Bear 2031 revenue	Base 2031 revenue	Bull 2031 revenue	Bear margin	Base margin	Bull margin
Investor Communication Solutions	Earnings (loss) before income taxes	5,560.8	6,201.6	7,023.4	7,513.2	16.99%	21.40%	22.76%
Global Technology and Operations	Earnings (loss) before income taxes	1,916.0	2,280.7	2,649.8	3,004.8	13.82%	16.71%	18.41%

Sources: `appendix_B_investor_communication_solutions.md` Sections 8-10 and `appendix_B_global_technology_and_operations.md` Sections 8-10. The endpoint EBT values are, respectively, ICS USD 1,053.7m / 1,503.2m / 1,710.2m and GTO USD 315.3m / 442.7m / 553.2m for Bear / Base / Bull.

ICS is built from seven product lines. The base case balances 7.5% Regulatory growth with 3.5% Distribution growth and almost flat event-driven lines, yielding a 4.78% segment CAGR. The bear case keeps the mandated and embedded communication franchise intact but assumes e-delivery pressure, weaker pricing, and event normalization. The bull case requires higher position growth and successful digital-product attachment; it does not extrapolate the FY2026 non-cash digital-asset gain, which is not an ICS operating result.

GTO is built from Capital Markets and Wealth and Investment Management. Its base case uses a 6.20% five-year Capital Markets CAGR and a 7.50% Wealth CAGR, with the former beginning higher because CQG annualization is still inside the first-year cadence and then fading. The base GTO EBT margin reaches 16.71%, only 117 basis points above FY2026. The bull requires integration, cross-sell, and platform productivity; the bear allows recurring contracts to preserve positive growth while license timing, weaker wins, and duplicated acquisition costs pressure margin.

The scenario probabilities are Bear 25%, Base 50%, and Bull 25%. They are the reviewed weights specified for this run. The 50% base weight reflects current 6%-8% recurring-revenue guidance and positive recent execution; the two 25% tails reflect the meaningful uncertainty around e-delivery, GTO integration, product timing, competitive response, and the YELLOW moat and 2046 gates.

3. Combined revenue build

Broadridge reports the two segments as exhaustive for consolidated revenue. `Corporate and Other` is an earnings reconciliation category, not a revenue segment, so no revenue elimination or corporate revenue is added.

Revenue line, USD m	Bear	Base	Bull
ICS horizon revenue	6,201.6	7,023.4	7,513.2
GTO horizon revenue	2,280.7	2,649.8	3,004.8
Sum of segment horizon revenue	8,482.3	9,673.2	10,518.0
Corporate eliminations	0.0	0.0	0.0
Combined 2031 revenue	**8,482.3**	**9,673.2**	**10,518.0**
TTM-to-2031 CAGR, exactly five years	2.56%	5.29%	7.06%

The CAGR arithmetic uses USD 7,476.8m of TTM revenue: `(horizon revenue / 7,476.8)^(1/5) - 1`. No fiscal-year stretch or acquisition plug is present. The probability-weighted endpoint is USD 9,586.675m, calculated as 25% × 8,482.3 +

50% × 9,673.2 + 25% × 10,518.0. It is a statistical summary, not a fourth operating scenario.

The base combined CAGR of 5.29% is lower than FY2026's 8.5% reported consolidated growth because the model does not repeat the strongest event, acquisition, and postage effects. It is also below management's 6%-8% FY2027 recurring-revenue guide because consolidated revenue includes distribution and special-event lines that grow more slowly than recurring revenue. This is a category-consistent comparison rather than a claim that management's guide is missed.

4. Combined statutory operating-income build

The segment appendices forecast EBT. The sealed statutory bridge first adds `Corporate and Other` to reach consolidated segment EBT, then reverses embedded net interest and other non-operating income to reach statutory operating income. The same lines re-enter below operating income in Section 5. This mirror treatment prevents double counting.

Operating-income line, USD m	Bear	Base	Bull
ICS horizon EBT	1,053.7	1,503.2	1,710.2
GTO horizon EBT	315.3	442.7	553.2
Sum of segment EBT	1,369.0	1,945.9	2,263.4
Corporate and Other	(210.0)	(182.6)	(160.0)
Consolidated horizon segment-profit metric	1,159.0	1,763.3	2,103.4
Reverse Interest expense, net embedded in consolidated segment EBT	120.0	90.0	65.0
Reverse Other non-operating income embedded in consolidated segment EBT	0.0	0.0	0.0
Combined statutory horizon operating income	**1,279.0**	**1,853.3**	**2,168.4**
Implied statutory operating margin	15.08%	19.16%	20.62%

Every projected bridge line already exists in the sealed bridge and the DR-cleared forecast-driver ledger. No new accounting category has been introduced.

`Corporate and Other` is treated explicitly. The TTM reported amount is positive USD 44.4m but includes USD 227.0m of non-cash digital-asset gains. The base case removes that gain arithmetically: 44.4 - 227.0 = negative USD 182.6m. Thus the gain is neither extrapolated nor buried inside a margin. Bear uses negative USD 210.0m, representing the cleared ledger's “keeps elevated cost” instruction. Bull uses negative USD 160.0m, representing operating leverage while retaining a substantial corporate-cost burden. Neither case assumes a recurring mark-to-market benefit.

Net interest follows the cleared funded-debt driver. Bear interest expense is USD 120.0m, worse than the TTM USD 100.0m as deleveraging is slower. Base is USD 90.0m, consistent with modest reduction. Bull is USD 65.0m, consistent with stronger cash-led debt reduction. At the operating-income bridge, those amounts are reversed with the opposite sign because they are embedded in consolidated segment EBT. They then appear as expenses below operating income. The arithmetic is therefore neutral to pretax earnings and correct as to statutory presentation.

Other non-operating income is zero in all scenarios. The cleared ledger says unsupported fair-value gains are zero in Bear and Base and may also be zero in Bull unless separately evidenced. No reviewed terminal evidence supports a positive line, so the synthesis uses zero for all three cases. This is deliberately conservative and avoids projecting the USD 245.2m FY2026 total other-income line, whose principal unusual component was the USD 227.0m digital-asset gain.

The corporate and operating bridge is not allocated back into ICS or GTO. Doing so would distort the issuer-disclosed segment metric and conceal the gain removal. The model instead preserves the reporting architecture: segments, Corporate and Other, operating reversals, statutory OI, and below-line re-entry.

5. Net income and EPS build

Tax rates are 23.5% Bear, 22.5% Base, and 21.5% Bull. This range is bounded by the cleared five-year effective-tax history of roughly 19.8%-22.2%, with an additional adverse buffer in Bear and no discrete tax benefit extrapolated in Bull. Net income is pretax income multiplied by one minus the applicable tax rate. There are no discontinued-operation or NCI adjustments in the reviewed forecast bridge.

Net-income and EPS line	Bear	Base	Bull
Combined statutory OI, USD m	1,279.0	1,853.3	2,168.4
Interest expense, net, USD m	(120.0)	(90.0)	(65.0)
Other non-operating income, USD m	0.0	0.0	0.0
Pretax income, USD m	1,159.0	1,763.3	2,103.4
Tax rate	23.5%	22.5%	21.5%
Provision for income taxes, USD m	(272.365)	(396.743)	(452.231)
Net income, USD m	**886.635**	**1,366.558**	**1,651.169**
Quote-basis diluted financial shares, m	115.1969	111.9896	109.6571
EPS, USD per quote-basis financial share	7.6967	12.2025	15.0576
Financial shares per listed unit	1.0000	1.0000	1.0000
EPS, USD per listed unit before FX	7.6967	12.2025	15.0576
FX, quote USD per reporting USD	1.0000	1.0000	1.0000
EPS, quote USD per listed unit	**7.6967**	**12.2025**	**15.0576**

The exact unit formula is `EPS_REPORTING_PER_QUOTE_BASIS_FINANCIAL_SHARE = NI_REPORTING / QUOTE_BASIS_DILUTED_FINANCIAL_SHARES`. The security bridge is `EPS_QUOTE_PER_LISTED_UNIT = EPS_REPORTING_PER_QUOTE_BASIS_FINANCIAL_SHARE × FINANCIAL_SHARES_PER_LISTED_UNIT × FX_QUOTE_PER_REPORTING`. Both multiplicative factors equal 1.0, but they are still shown so that USD issuer EPS is not attached to the quoted security without proof of unit comparability.

For Bear, USD 886.635m / 115.196867m = USD 7.696694 per financial share; multiplying by 1.0 and 1.0 yields USD 7.696694 per listed unit. For Base, USD 1,366.5575m / 111.989630m = USD 12.202536; the listed-unit EPS remains USD 12.202536. For Bull, USD 1,651.169m / 109.657094m = USD 15.057567; the listed-unit EPS remains USD 15.057567. These are full-precision calculation outputs; tables round for readability.

5a. Return-method input bridge for later stages

S does not select a return method. It provides the reconciled earnings inputs and makes unsupported terminal balance-sheet items explicitly unavailable. An unavailable EV bridge does not invalidate the reconciled EPS bridge, but it prevents a later stage from using EV/NOPAT until the missing terminal capital-structure paths are properly locked.

Return-method input	Bear	Base	Bull	Status and source boundary
Statutory OI, USD m	1,279.0	1,853.3	2,168.4	Reconciled in Section 4
Normalized cash tax rate	23.5%	22.5%	21.5%	Synthesis scenario assumption bounded by data package history
Normalized NOPAT, USD m	978.435	1,436.308	1,702.194	OI × one minus tax rate
Terminal cash	Unavailable	Unavailable	Unavailable	No reviewed scenario path in upstream package
Terminal gross funded debt	Unavailable	Unavailable	Unavailable	TTM USD 3,254.6m disclosed; no reviewed terminal path
Terminal lease liabilities	Unavailable	Unavailable	Unavailable	TTM USD 263m disclosed; no reviewed terminal path
Preferred equity	Unavailable	Unavailable	Unavailable	No reviewed terminal claim schedule supplied
Minority interest	Unavailable	Unavailable	Unavailable	No reviewed terminal claim schedule supplied
Other senior claims	Unavailable	Unavailable	Unavailable	No reviewed terminal claim schedule supplied
Separately valued non-operating assets	Unavailable	Unavailable	Unavailable	Digital-asset gains excluded; no terminal asset valuation supplied
Diluted listed-equivalent shares, m	115.1969	111.9896	109.6571	Section 6 share schedule and 1.0 unit factor

The current balance sheet in the data package contains USD 402.7m cash, USD 3,254.6m funded debt, USD 263m leases, and USD 2,852m funded net debt. Those are TTM anchors, not terminal values. This appendix does not carry them forward unchanged, create a residual net-debt plug, or assume digital assets are separately saleable at the FY2026 mark. The later valuation-preflight stage must decide whether the complete evidence supports PE or another method.

5b-5e. P&C insurer lane

NOT TRIGGERED — issuer is not a P&C insurer or reinsurer. Broadridge is a financial-technology and communications infrastructure company. No `insurer_return_bridge.json` is created.

6. Explicit share-count path

The starting point is the sealed 117.1m quote-basis diluted financial shares. FY2026 SBC was USD 93.9m. Dividing that by the sealed USD 168.62 price gives a disclosed approximation of 0.556873m SBC shares per year. This is an approximation, not a claim about the exact terms of future awards.

The five-year average cash repurchase from FY2022-FY2026 was approximately USD 254.2m. The Board also authorized a new USD 1.5bn program in August 2026. The scenario cash paces are therefore USD 150m Bear, USD 300m Base, and USD 450m Bull per year. The assumed average purchase prices are USD 160, USD 190, and USD 220, respectively. These are mechanical repurchase-price assumptions, not exit multiples or terminal-value forecasts. They yield annual retirements of 0.937500m, 1.578947m, and 2.045455m shares.

Case / year	Starting shares, m	Buyback, USD m	Average price, USD	Shares retired, m	SBC issuance, m	Ending shares, m
Bear FY2027	117.1000	150.0	160.00	0.9375	0.5569	116.7194
Bear FY2028	116.7194	150.0	160.00	0.9375	0.5569	116.3387
Bear FY2029	116.3387	150.0	160.00	0.9375	0.5569	115.9581
Bear FY2030	115.9581	150.0	160.00	0.9375	0.5569	115.5775
Bear FY2031	115.5775	150.0	160.00	0.9375	0.5569	115.1969
Base FY2027	117.1000	300.0	190.00	1.5789	0.5569	116.0779
Base FY2028	116.0779	300.0	190.00	1.5789	0.5569	115.0559
Base FY2029	115.0559	300.0	190.00	1.5789	0.5569	114.0338
Base FY2030	114.0338	300.0	190.00	1.5789	0.5569	113.0117
Base FY2031	113.0117	300.0	190.00	1.5789	0.5569	111.9896
Bull FY2027	117.1000	450.0	220.00	2.0455	0.5569	115.6114
Bull FY2028	115.6114	450.0	220.00	2.0455	0.5569	114.1228
Bull FY2029	114.1228	450.0	220.00	2.0455	0.5569	112.6343
Bull FY2030	112.6343	450.0	220.00	2.0455	0.5569	111.1457
Bull FY2031	111.1457	450.0	220.00	2.0455	0.5569	109.6571

The exact path is `ending shares = starting shares - shares retired + SBC issuance`. Over five years, Bear equals 117.1 + 5 × (0.556873 - 0.937500) = 115.196867m. Base equals 117.1 + 5 × (0.556873 - 1.578947) = 111.989630m. Bull equals 117.1 + 5 × (0.556873 - 2.045455) = 109.657094m. The schedule is calculated in financial shares, not ADR units.

The capital-allocation cross-check is proportionate. Base annual buybacks of USD 300m are close to the five-year historical average and one-fifth of the new authorization. Bear is below the historical average, while Bull remains below FY2026's USD 603.7m. Annual capital investment is not modeled as a cash-flow deduction here because this is an earnings synthesis, but the reviewed segment margins presume continued platform, cybersecurity, regulatory, and implementation investment. The management appendix shows issuer-definition capital investment of USD 112.6m in FY2026 and does not support stripping that reinvestment from expenses.

7. Strict P/E-15 entry-price test

Required EPS at the sealed price is exactly `USD 168.62 / 15 = USD 11.241333 per listed unit`. Cushion is `(EPS × 15 - 168.62) / 168.62`. The Base case controls the binary gate.

Case	2031 EPS, USD per listed unit	EPS × 15, USD	Sealed price, USD	Cushion	Pass?
Bear	7.6967	115.4504	168.62	-31.53%	FAIL

Case	2031 EPS, USD per listed unit	EPS × 15, USD	Sealed price, USD	Cushion	Pass?
Base	12.2025	183.0380	168.62	8.55%	PASS
Bull	15.0576	225.8635	168.62	33.95%	PASS

P/E 15 gate: PASS — base-case cushion 8.55%. The margin is positive but not wide. A roughly USD 0.961 per-share reduction from Base EPS would consume the entire cushion. The Bear case fails decisively, which makes the moat, ICS growth, Corporate and Other cost discipline, and the share path important monitoring variables. Bull success cannot rescue a failed Base case under the framework, but Base clears independently here.

The reviewed ICS common-cause stress in Section 10 produces USD 10.5395 EPS and a negative 6.24% P/E-15 cushion. That sensitivity fails the price diagnostic, but it does not replace or invalidate the primary Base forecast: the reviewed ICS appendix explicitly retains Base and labels the stress as a separate red-team sensitivity.

This is an entry-price discipline, not an exit-multiple choice. No 15× terminal sale assumption, terminal share price, distribution stream, or shareholder IRR is created in this appendix.

8. Reflexivity and historical-anchor checks

The TTM anchor is also FY2026. Segment revenue is USD 5,560.8m ICS plus USD 1,916.0m GTO, exactly USD 7,476.8m consolidated revenue. The ratio to consolidated revenue is 100.000%, comfortably within the 2% tolerance.

The TTM segment-profit bridge is USD 1,103.5m ICS plus USD 297.8m GTO, or USD 1,401.3m. Adding USD 44.4m Corporate and Other, adding the USD 100.0m reversal of embedded interest, and subtracting the USD 245.2m reversal of other non-operating income gives USD 1,300.5m statutory OI. That equals the sealed TTM statutory value. Re-entering negative USD 100.0m interest and positive USD 245.2m other income gives USD 1,445.7m versus the disclosed USD 1,445.8m pretax figure; the USD 0.1m residual is inside the USD 0.7229m sealed tolerance. Subtracting USD 321.6m tax gives USD 1,124.2m versus USD 1,124.3m net income, again a USD 0.1m source-rounding residual.

For the latest completed FY, the same USD 1,401.3m segment sum plus USD 44.5m Corporate and Other equals USD 1,445.8m consolidated segment EBT. Adding the USD 99.9m interest reversal and subtracting USD 245.2m other-income reversal yields USD 1,300.5m, compared with USD 1,300.6m disclosed statutory OI. The USD 0.1m residual is within tolerance. The below-line bridge then returns to USD 1,445.8m pretax and USD 1,124.3m net income within the same disclosed rounding tolerance.

No forward plug is added to force the model to resemble the historical statutory margin. Bear OI is lower than TTM despite higher revenue because segment margins and corporate cost deteriorate. Base OI grows faster than revenue because the reviewed ICS and GTO margins expand and Corporate and Other normalizes without the gain. Bull requires stronger product margins and corporate leverage. The direction of each result follows the reviewed drivers.

9. Latest-interim bridge reconciliation

NOT TRIGGERED — four non-overlapping quarters used. The TTM is Q1 FY2026, Q2 FY2026, Q3 FY2026, and Q4 FY2026, covering 2025-07-01 through 2026-06-30 exactly once. No cumulative YTD, half-year, or overlapping quarter is combined in this synthesis.

The four-quarter segment revenues are ICS USD 1,130.0m, 1,233.3m, 1,465.3m, and 1,732.3m, with the small displayed-sum difference to USD 5,560.8m attributable to source rounding. GTO revenues are USD 459.5m, 480.6m, 488.3m, and 487.5m, similarly tying to USD 1,916.0m after source rounding. The upstream statutory workpaper preserves the exact annual and TTM reconciliations, and the sealed packet validator accepts all residuals.

10. Sensitivity — what controls the gate

The sensitivity begins with Base EPS of USD 12.2025. For ICS revenue growth, the tested variable is the blended 4.7809% TTM-to-2031 CAGR; the low and high cases use 2.7809% and 6.7809% with the 21.4% ICS EBT margin held constant. For GTO margin, revenue remains USD 2,649.8m and the margin moves 200 basis points around 16.71%. Share count varies 5% around 111.9896m. Tax varies 300 basis points around 22.5%. All other Base inputs remain fixed.

Sensitivity variable	Down case	Base	Up case	EPS effect versus Base
ICS blended revenue CAGR	2.7809% gives EPS 11.2457	4.7809% gives EPS 12.2025	6.7809% gives EPS 13.2325	Down (0.9568); up 1.0300

Sensitivity variable	Down case	Base	Up case	EPS effect versus Base
GTO horizon EBT margin	14.71% gives EPS 11.8364	16.71% gives EPS 12.2025	18.71% gives EPS 12.5698	Down (0.3662); up 0.3673
Horizon diluted shares	117.5891m gives EPS 11.6215	111.9896m gives EPS 12.2025	106.3901m gives EPS 12.8448	More shares (0.5811); fewer shares 0.6422
Effective tax rate	25.5% gives EPS 11.7302	22.5% gives EPS 12.2025	19.5% gives EPS 12.6749	Higher tax (0.4724); lower tax 0.4724

ICS revenue growth is the largest tested driver and nearly consumes the P/E-15 cushion on its downside. It lowers Base EPS to USD 11.2457, only USD 0.0044 above the required USD 11.2413. The second-largest tested exposure is the share count. The buyback schedule is therefore not cosmetic: if repurchases slow while SBC continues, the gate weakens. Tax and GTO terminal margin matter, but their specified shocks do not individually eliminate the cushion.

Reviewed RT common-cause ICS stress

The updated reviewed ICS appendix adds a combined stress in which the segment's five-year revenue CAGR is exactly 200 basis points below Base and its terminal EBT margin is capped at the FY2026 19.8% level instead of expanding to 21.4%. The sealed reviewed endpoint is USD 6,378.2106m revenue and USD 1,262.8857m EBT. This sensitivity changes both growth and margin together because e-delivery, AI-enabled customer insourcing, lower print utilization, continued cybersecurity and compliance investment, and pricing pressure could be correlated rather than independent.

The rollup holds every non-ICS Base input unchanged: GTO revenue USD 2,649.8m, GTO EBT USD 442.7m, Corporate and Other negative USD 182.6m, reverse interest positive USD 90.0m, other non-operating income zero, below-line interest negative USD 90.0m, tax rate 22.5%, and diluted shares 111.989630m. No new bridge line, plug, valuation method, or exit assumption is introduced.

RT combined-stress line	Primary Base	ICS common-cause stress	Delta versus Base
ICS revenue, USD m	7,023.4000	6,378.2106	(645.1894)
GTO revenue, USD m	2,649.8000	2,649.8000	0.0000
Consolidated revenue, USD m	**9,673.2000**	**9,028.0106**	**(645.1894)**
ICS EBT, USD m	1,503.2000	1,262.8857	(240.3143)
GTO EBT, USD m	442.7000	442.7000	0.0000
Sum of segment EBT, USD m	1,945.9000	1,705.5857	(240.3143)
Corporate and Other, USD m	(182.6000)	(182.6000)	0.0000
Consolidated segment EBT, USD m	1,763.3000	1,522.9857	(240.3143)
Reverse embedded interest, USD m	90.0000	90.0000	0.0000
Reverse other non-operating income, USD m	0.0000	0.0000	0.0000
Statutory OI, USD m	**1,853.3000**	**1,612.9857**	**(240.3143)**
Statutory OI margin	19.1591%	17.8665%	(129.3 bps)
Interest expense, net, USD m	(90.0000)	(90.0000)	0.0000
Other non-operating income, USD m	0.0000	0.0000	0.0000
Pretax income, USD m	**1,763.3000**	**1,522.9857**	**(240.3143)**
Tax rate	22.5000%	22.5000%	0 bps
Provision for income taxes, USD m	(396.7425)	(342.6718)	54.0707
Net income, USD m	**1,366.5575**	**1,180.3139**	**(186.2436)**
Diluted shares, m	111.989630	111.989630	0.000000
EPS, USD per listed unit	**12.202536**	**10.539493**	**(1.663043)**
EPS × 15, USD	183.0380	158.0924	(24.9456)
Cushion versus USD 168.62	8.55%	-6.24%	(14.79 percentage points)
P/E-15 diagnostic	PASS	**FAIL**	Stress falls USD 0.7018 below required EPS

The stress reduces consolidated revenue by 6.67%, statutory OI and pretax income by 12.97%, net income by 13.63%, and EPS by USD 1.6630, or 13.63%, versus Base. The USD 10.5395 stress EPS is below the required USD 11.241333 by USD

0.701840. At 15 times EPS, the implied entry-test value is USD 158.0924, leaving a negative 6.2434% cushion to the sealed USD 168.62 price.

This common-cause result is more severe than the original single-variable ICS CAGR sensitivity because it prevents the 160-basis-point Base margin expansion at the same time that revenue is lower. It demonstrates that the primary Base PASS is conditional on both a mid-single-digit total ICS growth path and margin recapture. The reviewed appendix nevertheless states that Base remains credible given current recurring-growth evidence and its already conservative treatment of Distribution and event revenue. Accordingly, the primary Bear/Base/Bull forecasts and the strict Base-case P/E gate are unchanged, while the RT combined stress is recorded as a material downside diagnostic that fails.

The most useful kill signals are consequently quantitative. A durable ICS recurring-growth break below the moat appendix's 4% threshold, combined with weak distribution cost removal, would threaten the Base endpoint. Diluted shares rising more than 1% year over year or SBC exceeding the management appendix's threshold without offsetting per-share growth would weaken the explicit denominator path. A GTO EBT margin below 10% for two years would make the current terminal margin bridge implausible. These are operating observations, not price or trade instructions.

11. Combined earnings summary

Case	Revenue, USD bn	OI, USD bn	OI margin	NI, USD bn	EPS, USD per listed unit	Probability	EPS × 15, USD	Versus USD 168.62
Bear	8.4823	1.2790	15.08%	0.8866	7.6967	25%	115.4504	FAIL; -31.53%
Base	9.6732	1.8533	19.16%	1.3666	12.2025	50%	183.0380	PASS; +8.55%
Bull	10.5180	2.1684	20.62%	1.6512	15.0576	25%	225.8635	PASS; +33.95%
Probability-weighted summary	9.5867	1.7885	18.66%	1.3177	11.7898	100%	176.8475	Statistical summary; +4.88%

Probability-weighted EPS is 25% × 7.696694 + 50% × 12.202536 + 25% × 15.057567 = USD 11.789833. Because scenario-specific share counts differ, this weighted EPS is the weighted mean of scenario EPS and is not calculated by dividing weighted net income by a separately invented weighted share count. It is not a fourth scenario and does not control the P/E-15 gate.

The Base case produces USD 9.673bn revenue, USD 1.853bn statutory operating income, USD 1.367bn net income, and USD 12.20 EPS. Its economics require both reviewed segment margin expansion and a continuing net share reduction. The Bear case shows that embedded workflows alone are not sufficient at the sealed price if ICS pricing and mix weaken, GTO margin retrenches, corporate cost remains elevated, and buybacks slow. The Bull case requires captured product value, platform leverage, and disciplined capital return, but it still assigns zero recurring digital-asset gain.

Management is PASS, while Moat and the 2046 test are both YELLOW. Those qualitative gates do not alter the arithmetic weights or insert a valuation haircut here. They explain why the model retains a meaningful 25% Bear probability and why an 8.55% Base cushion should not be treated as abundant protection.

12. Tie-out checks — 11 of 11 passed

- **PASS — reported-financial and statutory-bridge tie-out.** TTM revenue is 5,560.8 + 1,916.0 = 7,476.8, exactly consolidated revenue. TTM OI is 1,103.5 + 297.8 + 44.4 + 100.0 - 245.2 = 1,300.5, exactly the sealed statutory OI. The FY version yields USD 1,300.5m versus USD 1,300.6m, a USD 0.1m source-rounding residual inside the USD 0.7229m tolerance. Pretax and NI residuals are also USD 0.1m or less. Source: `statutory_bridge.json` and `data_package.md` Sections 2 and 3a.

- **PASS — NI / shares / listed unit / FX equals EPS.** Bear: 886.635 / 115.196867 × 1.0 × 1.0 = 7.696694. Base: 1,366.5575 / 111.989630 × 1.0 × 1.0 = 12.202536. Bull: 1,651.169 / 109.657094 × 1.0 × 1.0 = 15.057567. The reviewed stress also ties: 1,180.3139175 / 111.989630 × 1.0 × 1.0 = 10.539493. Source: Sections 5, 6, and 10 and the sealed quote packet.

- **PASS — segment sum at horizon.** Bear: 6,201.6 + 2,280.7 = 8,482.3, so the combined-to-segment ratio is 100.00%. Base: 7,023.4 + 2,649.8 = 9,673.2, or 100.00%. Bull: 7,513.2 + 3,004.8 = 10,518.0, or 100.00%. The RT stress also ties exactly: 6,378.2106 + 2,649.8 = 9,028.0106. Corporate revenue elimination is zero because the cleared package identifies none.

- **PASS — product-to-segment rollup.** The reviewed ICS appendix reports each seven-product revenue and profit sum within USD 0.1m of its segment endpoint in all primary scenarios. Its RT common-cause sensitivity deliberately applies a segment-level margin to the reviewed total and does not fabricate a product allocation. The reviewed ICS appendix hash is `5e4b1d5af91462439049dc6141fad36e657eea42039563c142c42d325a25d7e6`. The reviewed GTO appendix reports each two-product sum within 0.1% in all scenarios. Source: both reviewed segment appendices, Section 10.

- **PASS — weighted margin check.** ICS product profits divided by product revenues yield 16.99%, 21.40%, and 22.76% for Bear, Base, and Bull, matching the reviewed segment margins. GTO gives 315.3 / 2,280.7 = 13.82%, 442.7 / 2,649.8 = 16.71%, and 553.2 / 3,004.8 = 18.41%. All differences from displayed weighted margins are rounding and below 1%.

- **PASS — share count and security-unit path.** Starting shares 117.1m × split factor 1.0 = 117.1m quote-basis financial shares. Dividing by the 1.0 depositary/class factor gives 117.1m listed equivalents. Over five years, starting shares plus five times SBC issuance less five times repurchase retirement equals 115.196867m Bear, 111.989630m Base, and 109.657094m Bull. Source: `quote_packet.json`, data package Section 7, and Section 6 above.

- **PASS — growth plausibility.** ICS Base total CAGR is 4.78%, below 1.2 × its 7.0% three-year disclosed history. Its product Base rates are bounded by the corresponding reviewed histories and guidance. GTO Base Capital Markets at 6.20% is below 1.2 × 6.24%; Wealth at 7.50% is below 1.2 × 10.47%. No Base segment requires the unsupported faster-than-threshold outcome. Source: reviewed segment appendices Sections 6 and 8.

- **PASS — historical arithmetic for every forward row.** The ICS reviewer confirmed each product's TTM revenue compounded for exactly five years ties within 1% to its horizon endpoint; examples include Regulatory 1,434.9 × 1.075^5 ≈ 2,060.0 and Distribution 2,250.6 × 1.035^5 ≈ 2,673.0. GTO's year-specific cadence compounds to 1,599.4 Capital Markets and 1,050.5 Wealth in Base, with the equivalent five-year CAGRs of 6.20% and 7.50%. No line uses six periods.

- **PASS — recency anchor.** Base FY2027 combined revenue is ICS 5,822.3 + GTO Capital Markets 1,278.9 + GTO Wealth 794.0 = USD 7,895.2m. Against the USD 7,476.8m TTM anchor, the implied first-year growth is 5.60%, within 10% and consistent with the 6%-8% recurring-revenue guide after allowing for slower distribution and event-driven revenue. Bear starts at USD 7,666.5m, or 2.54% growth; Bull starts at USD 8,036.8m, or 7.49%.

- **PASS — period and horizon integrity.** The TTM contains four non-overlapping FY2026 quarters. The latest FY and TTM both end 2026-06-30, and the terminal date 2031-06-30 is exactly five calendar years later. All displayed CAGRs identify those dates or the exact five-year span. No cumulative interim bridge is used and no latest-FY-to-FY+5 six-year substitution occurs.

- **PASS — valuation, unit bridge, hashes, and probability arithmetic.** Recomputed packet hashes match `f462ff9cfff85817be4c47da61de7a3ba50a9027458e0597380834fe158e2376` and `88abe1e83bdfc566a818243ce3488853b6b4034d72a05d80d7b5637bf1b84a43`; the updated reviewed ICS appendix matches `5e4b1d5af91462439049dc6141fad36e657eea42039563c142c42d325a25d7e6`. XNYS:BR, common-share, raw-close, USD/USD, split 1.0, depositary 1.0, class 1.0, and FX 1.0 all reproduce the price-to-EPS basis. EPS × 15 equals USD 115.4504, 183.0380, and 225.8635. Probabilities sum to 100%, and probability-weighted EPS is USD 11.789833. The RT stress produces USD 158.0924 and a negative 6.2434% cushion using the same units. Cushions are recomputed against only USD 168.62. Base controls the binary PASS.

13. Interpretation and stage hand-off

The synthesis clears mechanically, but the quality of the Base PASS is best described as narrow. The model needs only modest consolidated revenue growth, yet it also needs the reviewed segment margin paths, normalized corporate cost, a five-year net share reduction, and no material structural loss of the ICS control point. The single-variable sensitivity shows that

a 200-basis-point reduction in ICS's blended revenue CAGR nearly exhausts the entire entry-price cushion. The reviewed common-cause stress, which also prevents ICS margin expansion, pushes EPS to USD 10.5395 and fails the P/E-15 test with a negative 6.24% cushion. These results are consistent with the YELLOW moat verdict: current switching costs and regulatory embedding are real, but e-delivery, AI-enabled workflow substitution, and tokenized-native infrastructure can change who owns the authoritative interface.

The model handles FY2026's USD 227m digital-asset gain without ambiguity. It is removed from Base Corporate and Other, never recurs in other income, and is not smuggled into ICS or GTO margin. The consequence is that FY2031 reported-quality earnings come from the operating segments, not from repeating a fair-value mark. This is essential because FY2026 reported net income and adjusted EPS can otherwise appear unusually coherent despite different adjustment components.

GTO provides the faster organic growth path but is not the largest absolute driver. ICS remains roughly three-quarters of terminal Base revenue and more than three-quarters of segment EBT. The larger uncertainty is therefore not whether tokenization becomes spectacular; it is whether the mature ICS franchise can maintain recurring growth and convert digital mix into profit while lower-margin distribution changes. GTO's reviewed Base forecast is important, but even a 200-basis-point GTO terminal-margin move changes EPS by only about USD 0.37 in this model.

Capital allocation contributes meaningfully. The Base share schedule assumes USD 300m annual buybacks, near the five-year average and inside the current authorization. It also recognizes ongoing SBC issuance rather than treating buybacks as free EPS. If buybacks slow to the Bear pace, terminal shares remain materially higher. This reinforces management's PASS without converting it into certainty: disciplined repurchases help per-share compounding, but acquisition funding, leverage, and SBC still compete for cash.

The next stage should focus on valuation foundations rather than altering these earnings mechanics. Terminal capital structure is explicitly unavailable in the reviewed upstream package, so an EV/NOPAT method cannot be selected from this appendix alone. The PE method has a fully reconciled EPS denominator, but method selection, normalized-denominator comparison, dilution treatment, and independently supported exit multiples belong to VP and CS. This stage supplies no security-return IRR and makes no portfolio or trade decision. Because the reviewed ICS and synthesis bytes changed, the root orchestrator must update their durable hashes and rerun or revalidate every downstream artifact that consumes them before publication. This is a workflow dependency, not an S arithmetic blocker.

SYNTHESIS CLEARED — 11/11 TIE-OUTS PASSED

Appendix CS - Compounder Score

Broadridge Financial Solutions — Compounder Score

Production ER2 stage: CS, CompounderScorer **Action / run:** `CIO-20260908-BR-ER2-REFRESH` / `pulse-cio-20260909T100339+0800` **Analysis date:** 2026-09-09 **TTM:** 2026-06-30 **Exact five-year operating horizon:** 2026-06-30 to 2031-06-30 **Sealed market price:** USD 168.62, XNYS:BR close on 2026-09-08 **Reporting and return currency:** USD **Trade execution authorized:** `false`

1. Executive Verdict

Compounder Score: 68/100. Business Quality Score: 60/80. 20% Return Underwriting Score: 8/20. Score-implied classification: Reject. Source confidence: Medium-high.

Broadridge is a good financial-infrastructure franchise, but the evidence does not support dream-investment status at USD 168.62. Its strongest attributes are embedded regulatory and processing workflows, improving statutory margins, five-year NOPAT growth, consistently strong recent cash conversion, and a disciplined recent share-count record. The evidence is weaker on acquisition-inclusive incremental returns, direct price realization, organic unit economics, and twenty-year control of the customer and data layer. Management passes; the moat and 2046 tests remain YELLOW.

Valuation is the binding problem. The VP-locked P/E method produces gross USD annualized shareholder returns of **-1.97% Bear, 10.52% Base, and 17.84% Bull**, including a source-bound flat USD 4.36 annual dividend. The probability-weighted gross USD return is **10.11%**, calculated from probability-weighted terminal shareholder wealth using 25% / 50% / 25% scenario weights. It is not an average of scenario IRRs. None of the three scenarios reaches the rubric's 20% stretch hurdle, and the Base case would need a 32.60x exit P/E—well above the comparable normalized current 22.19x—to do so at today's price.

The separate net-SGD diagnostic yields **-4.41% / 9.09% / 17.39%** for Bear / Base / Bull and **8.87%** probability-weighted. That supports **CIO WATCH**, not Core eligibility: Base and probability-weighted returns miss 10%, the existing BR position is already approximately 2.5% of NAV, and the Strategic sleeve is already 39.7% of NAV. No new sizing is proposed. This conclusion does not authorize a sale, purchase, rebalance, or other trade.

The valuation preflight at `C:/Users/Admin/OneDrive/GPT/ER 2.0/Broadridge Financial Solutions/valuation_preflight.json` validated with resealed SHA-256 `4cde17781100f6f23afcf6fd423c935a8440cf8f409096f4b57be43163ba8054`. Its five foundations are CLEARED, its blocker list is empty, and its P/E method, normalized current EPS, denominator bridge, capital treatment, and 17x / 21x / 24x exits are reproduced exactly. The reseal also binds the reviewed non-primary ICS common-cause stress without changing a primary scenario or valuation foundation.

2. Data Source Map

Evidence need	Controlling current-run source	Period / use
Price, listed unit, share bridge	`quote_packet.json`, SHA `f462ff9cfff85817be4c47da61de7a3ba50a9027458e0597380834fe158e2376`	XNYS:BR USD 168.62 close, 2026-09-08; one listed unit equals one common share
Statutory income bridge	`statutory_bridge.json`, SHA `88abe1e83bdfc566a818243ce3488853b6b4034d72a05d80d7b5637bf1b84a43`	FY2026 / TTM ended 2026-06-30
Income statement and cash flow	`quant_foundation.md`, `data_package.md`, FY2026 Form 10-K	FY2017-FY2026 where available; FY2022-FY2026 controlling score window
Balance sheet, debt, cash and leases	`data_package.md` Section 8; FY2026 Form 10-K	2026-06-30
Share count, SBC, repurchases	`quant_foundation.md` P6; `appendix_synthesis.md` Section 6	117.1m start; scenario terminal diluted shares
Segment economics	`appendix_B_investor_communication_solutions.md`; `appendix_B_global_technology_and_operations.md`	TTM and Bear / Base / Bull to 2031-06-30
Combined forecasts	`appendix_synthesis.md`, SHA `23dc6abf18dfdbd592d55b0d9c2eae6c053c554cc7f44d223a69ecd136748576`	Reconciled primary scenarios plus reviewed ICS common-cause stress; 11/11 tie-outs

Evidence need	Controlling current-run source	Period / use
Management and governance	`appendix_management.md`; FY2025 proxy; FY2026 10-K	Management verdict PASS
Moat, competition, pricing and TAM proxies	`appendix_moat.md`; live SEC e-delivery proposal; segment appendices	Moat YELLOW; 2046 YELLOW
Exit valuation and denominator integrity	`valuation_preflight.json`, SHA `4cde17781100f6f23afcf6fd423c935a8440cf8f409096f4b57be43163ba8054`	Primary method PE; normalized current 22.186842x; exits 17x / 21x / 24x; non-primary stress uses Base 21x
Dividend	Live SEC FY2026 results exhibit and archived `raw/pulse-cio-20260909T100339+0800/sec_2026_q4_earnings_release.htm`, SHA `353e2d5c48e4bf6d141743e508de463639596c6d0d00cc5ac0cb3d87abbfcf48`	Board declared USD 1.09 quarterly / USD 4.36 annual on 2026-08-03
Portfolio context	CIO hard input supplied for this run	327 shares; about SGD 71,546.6 / 2.5% of SGD 2,862,908.7 NAV; Strategic sleeve 39.7%; zero borrowing; Strategic cash SGD 53,621.3

The analysis uses the current-run verified source chain rather than warehouse cache. Provider metrics are not relabeled. FY2026 official revenue of USD 7,476.8m and issuer-definition FCF of USD 1,233.0m control over the small FMP revenue rounding difference and the provider FCF measure that omitted software purchases.

3. Key Financial and Quality Metrics

The historical score window uses statutory operating income and an explicit NOPAT calculation. Reported FY2026 diluted EPS of USD 9.60 is not the comparable current denominator because it includes USD 227.0m of digital-asset gains and USD 7.3m of investment gains. VP's normalized statutory EPS of USD 7.60 removes USD 1.94 and USD 0.06 per share, respectively, while retaining acquired-intangible amortization, acquisition/integration costs, restructuring, and SBC.

Metric	1-year	3-year	5-year	Longest available	Interpretation
Revenue CAGR	8.53%	7.25%	8.41%	6.78% over FY2017-FY2026	Healthy, but distribution/postage and acquisitions lift the headline
NOPAT CAGR	7.31%	10.83%	13.64%	12.31% over FY2017-FY2026	Strong operating-profit progression on statutory data
Issuer-definition FCF CAGR	16.72%	18.12%	17.98%	16.49% over FY2017-FY2026	Strong, with FY2026 software purchases included
Diluted share CAGR	-1.01%	-0.54%	-0.12%	-0.35% over FY2017-FY2026	SBC has been more than offset recently
Derived adjusted ROIC	17.6% latest	14.6% FY2024-FY2026 median	14.6% FY2022-FY2026 median	Not consistently available	Improved, but below dream-company 20%-30% thresholds
Acquisition-inclusive ROIIC proxy	Not meaningful	20.26%	19.76%	Not used beyond five years	Includes capital investment, working-capital use and cash acquisitions
Organic ROIIC proxy	Not meaningful	32.95%	25.23%	Not used beyond five years	Excludes acquisition cash; not a pure unit-cohort measure
FCF / NOPAT	121.91% latest	Not separately scored	102.41% average	Not used	Cash conversion supports the earnings quality
CFO / net income	119.68% latest	Not separately scored	124.67% average	Not used	Strong after weak FY2022 working capital

Additional current metrics are: FY2026 operating margin 17.40%; FY2026 issuer-definition FCF / net income 109.67%; FCF yield 6.24%; annual dividend yield 2.59%; FY2026 SBC / revenue 1.26%; SBC / FCF 7.62%; funded net debt / EBITDA 2.19x; net debt including leases / EBITDA 2.39x; and diluted shares down from 119.1m in FY2024 to 117.1m in FY2026. Current equity value is USD 19,745.402m from price times 117.1m diluted shares. Adding funded net debt of USD 2,851.7m gives an enterprise-value diagnostic of USD 22,597.102m, or about 22.34x FY2026 NOPAT and 18.33x issuer-definition FCF.

Goodwill of USD 3.788bn plus statutory intangibles of USD 1.200bn exceeds stockholders' equity of USD 2.841bn. This is not ignored: acquisition-inclusive ROIIC is lower than the organic proxy, the balance-sheet score is capped, and acquisition disclosure remains a Watch. Standard ROIC is still meaningful because Broadridge is not a bank or insurer, and the denominator includes the acquisition-funded debt and equity. The calculation does not strip goodwill to flatter returns.

4. Rubric Scorecard

Rubric item	Score	Maximum	Evidence and reason for score
1A. Normalized ROIC is high	2	5	Five-year median explicit ROIC is 14.6%, within the 10%-15% band
1B. ROIIC is high	4	8	Three- and five-year acquisition-inclusive proxies are about 20%, within 15%-25%; evidence is not cohort-grade
1C. ROIIC is not deteriorating sharply	3	3	ROIC increased from 10.6% in FY2022 to 17.6% in FY2026
1D. Unit economics support reported returns	2	3	Segment margins and conversions support economics, but no NRR, price/volume bridge or deal ROIC
1E. Cash conversion is real	3	3	FY2023-FY2026 FCF / NI exceeded 100%; five-year FCF / NOPAT averaged 102.4%
1F. ROIC is not an accounting artifact	3	3	Explicit invested-capital denominator includes goodwill-funded equity/debt; statutory costs are retained
Category 1 subtotal	**17**	**25**	Incremental economics are good, not exceptional or perfectly measured
2A. Large remaining market opportunity	4	5	Governance, processing, wealth, digital communications and tokenized workflows provide multiple avenues
2B. Proven ability to reinvest at scale	4	5	NOPAT and FCF compounded while Itiviti was integrated; stand-alone acquisition returns are absent
2C. Organic growth opportunity	3	4	Recurring revenue grew 8% and closed sales were USD 305m; mature distribution dilutes the runway
2D. Repeatable expansion playbook	2	3	Cross-sell and tuck-ins are repeatable, but integration and term-license timing remain material
2E. Market structure supports long growth	2	2	Regulation, outsourcing and market complexity support demand
2F. Growth does not require ROIC collapse	1	1	Five-year ROIC increased alongside growth
Category 2 subtotal	**16**	**20**	Long runway exists, but a meaningful part is acquisition-enabled
3A. Clear source of advantage	4	4	Regulated networks, switching costs, scale and high-trust procurement are specific and evidenced
3B. Pricing power	1	3	Margin evidence is positive; direct price realization and contractual escalators are not disclosed
3C. Competitive evidence	2	3	Scale and client reach are strong, but clients can multi-source and consolidate bargaining power
3D. Customer stickiness	2	2	Multi-year contracts and USD 819.3m deferred conversion/start-up assets evidence embedded workflows
3E. Resilience through stress	2	2	Ten-year operating margin remained 12.8%-17.4% and recovered from the FY2020-FY2022 trough
3F. Low disruption risk	0	1	E-delivery, cloud/AI interface capture and tokenized-native infrastructure are credible threats
Category 3 subtotal	**11**	**15**	Current moat is real; 2046 control point remains unresolved
4A. Clean revenue and earnings quality	2	2	Statutory bridge isolates digital-asset gains and preserves acquisition-related costs

Rubric item	Score	Maximum	Evidence and reason for score
4B. Cash flow supports earnings	2	2	Multi-year FCF and CFO conversion are strong
4C. Conservative SBC and dilution treatment	1	2	SBC is treated as cost and dilution; FY2026 SBC increased to USD 93.9m
4D. Balance-sheet strength	1	2	Liquidity is adequate, but funded net debt is USD 2.852bn and tangible book is negative
4E. Transparent disclosures	1	1	Segment EBT, recurring growth and guidance are useful; deal ROIC remains missing
4F. No governance/accounting red flags	1	1	Clean controls, independent chair, no material weakness or restatement identified
Category 4 subtotal	**8**	**10**	Financial quality is strong with leverage and acquisition-accounting caveats
5A. Reinvestment priority is rational	2	2	Platform investment and onboarding precede capital returns
5B. Acquisition discipline	1	2	Itiviti outcomes are favorable, but stand-alone deal ROIC is not disclosed
5C. Buyback discipline	2	2	FY2026 repurchases accelerated at prices below the sealed anchor and shares declined
5D. Incentives align with value creation	1	2	Long-term equity dominates, but adjusted EPS and options lack ROIC/FCF-per-share measures
5E. Owner mentality	1	1	CEO ownership, dividend record and price-aware repurchases support alignment
5F. Evidence from past decisions	1	1	GTO margin and NOPAT improved without goodwill impairment
Category 5 subtotal	**8**	**10**	Capital allocation is credible, not fully return-auditable
Business Quality Score	**60**	**80**	Promising but below the 65/80 dream-business threshold
6A. Base-case IRR at least 20%	2	6	Gross Base IRR is 10.52%, within the 10%-15% scoring band
6B. Conservative exit multiple	3	4	Base 21x is below comparable normalized current 22.19x, but does not clear 20%
6C. Bear case is acceptable	0	3	Bear IRR is negative 1.97%, and net-SGD is negative 4.41%
6D. Method-matched reverse hurdle beatable	0	3	Base needs 20.04% EPS CAGR or 32.60x exit P/E for 20%; neither is underwritten
6E. Multiple does not price perfection	1	2	22.19x normalized P/E is below history but leaves limited room against forward risk
6F. Cash returns help	2	2	Flat source-bound dividends add USD 21.80 per share over five years
20% Return Underwriting Score	**8**	**20**	The current price does not support the 20% stretch hurdle
Compounder Score	**68**	**100**	Below 70/100; score-implied Reject

The ROIIC-plus-runway subtotal is 33/45, below the 35/45 investable-now requirement. Total score, Business Quality, valuation score, Base IRR, Bear IRR, and no-hard-veto thresholds all fail the rubric's investable-now test.

5. ROIIC and Reinvestment Analysis

NOPAT equals statutory operating income times one minus each year's effective tax rate. The acquisition-inclusive reinvestment proxy equals issuer-definition capital investment plus the cash-flow increase in working capital plus cash acquisitions. The organic proxy removes acquisition cash but retains capital investment and working-capital use. These are

conservative cash-flow proxies, not management-disclosed project returns.

ROIIC bridge, USD m	Three years FY2023-FY2026	Five years FY2021-FY2026
Increase in NOPAT	268.535	477.650
Capital investment plus working-capital use	814.900	1,893.200
Cash acquisitions	510.500	523.800
Acquisition-inclusive reinvestment	1,325.400	2,417.000
Organic ROIIC proxy	32.95%	25.23%
Acquisition-inclusive ROIIC proxy	20.26%	19.76%

The evidence supports positive value creation, but it does not support a score above the 15%-25% acquisition-inclusive band. Working capital is seasonal and includes distribution economics; capital investment includes maintenance and growth; acquisition cash does not capture all contingent or deferred consideration; and no clean stand-alone Itiviti/SIS/CQG return is disclosed. Conversely, simply dividing NOPAT growth by the change in reported invested capital would overstate ROIIC because buybacks, dividends, goodwill and financing movements distort the stock measure.

Five-year acquisition-inclusive reinvestment is about 59% of cumulative NOPAT, while the organic proxy is about 46%. Broadridge generated enough cash to fund investment, dividends, tuck-ins and repurchases without persistent equity issuance. FY2026 funded net leverage of 2.19x EBITDA is manageable but not negligible. This is a compounder that needs disciplined acquisitions and continuing cash conversion; it is not a nearly capital-free flywheel.

6. Runway Analysis

The runway is broad but uneven. ICS regulatory and governance workflows benefit from position growth, more funds and accounts, regulation, digitization and new forms of ownership. GTO benefits from outsourced capital-markets processing, wealth-platform modernization, collateral complexity and tokenized assets. Broadridge already reaches over one billion proxy positions, generates over eight billion communications and supports more than USD 18tn of daily traditional and tokenized trading activity. Those figures evidence relevance, not automatic monetization.

The Base model is deliberately below promotional framing: consolidated revenue reaches USD 9.6732bn at a 5.29% CAGR. ICS Base growth is 4.78%, balancing faster Regulatory growth with slower Distribution and approximately flat event-driven activity. GTO Base combines 6.20% Capital Markets and 7.50% Wealth growth, with early CQG annualization fading. The model excludes unannounced acquisitions and does not recur the FY2026 digital-asset gain.

The main runway question is who retains the control point during e-delivery and tokenization. Digitization nearing 95% of proxy communications shows Broadridge can participate in migration. It does not prove that regulated fees, physical economics or customer-interface rents survive. Similarly, tokenized activity and Digital Ledger Repo establish technical capacity, while FY2026 digital-asset revenue of only USD 16.5m shows that commercial scale is not yet proven.

7. Moat Analysis

The moat can be explained in one paragraph: Broadridge coordinates regulated, multi-party workflows in which accurate identity, positions, instructions, settlement records and audit trails matter more than interface elegance. Replacing core platforms requires data migration, rebuilt connections, testing, controls, training and a failure-free cutover, while Broadridge spreads cybersecurity, regulation, resilience and network costs across enormous volume. The moat is strongest in beneficial-owner governance and systems of record; it is weaker in physical distribution, content, analytics and front-office interfaces.

This earns 11/15, not a PASS-quality maximum. Pricing power is only indirectly evidenced through recurring growth and margins. No clean price/volume bridge, NRR, churn series or contractual escalator is disclosed. Distribution represented 30.1% of FY2026 revenue and benefited by about USD 123m from postage increases, which is pass-through rather than economic pricing. Regulation is both barrier and constraint: the SEC's e-delivery proposal can preserve the workflow while reducing the revenue pool.

The 2046 test remains YELLOW because wallets, depositories, custodians or tokenized-native networks could own authoritative identity and settlement. AI may compress communications and workflow rents even if deterministic controls survive. The upside is a lower-print, higher-margin infrastructure provider; the downside is a lower-growth adapter after the control point moves elsewhere. Both are plausible enough to cap the score.

8. Accounting and Capital Allocation Analysis

Accounting quality is good after normalization. The statutory bridge explicitly removes non-cash digital-asset and investment gains from the current comparable EPS while keeping amortization and recurring acquisition-related burdens. FY2026 FCF is corrected to USD 1.233bn by including USD 45.4m of software purchases omitted from the provider measure. SBC is treated as a real USD 93.9m cost and as gross share issuance in the terminal diluted-share paths.

Capital allocation has improved. FY2024-FY2026 repurchases totaled USD 1.224bn; FY2026 Q4 repurchases averaged USD 150.22, below the USD 168.62 anchor. The annual dividend was raised to USD 4.36, marking the twentieth consecutive annual increase. GTO's EBT margin rose from 9.6% in FY2022 to 15.5% in FY2026 after Itiviti. These are meaningful positives.

The score remains capped because goodwill and statutory intangibles total USD 4.988bn, acquisition-level ROIC disappears after integration, and adjusted-EPS compensation excludes acquired-intangible amortization. The 50/50 PRSU-option LTI has no direct ROIC, organic-growth or FCF-per-share requirement. Management PASS is appropriate, but dream-company capital allocation requires more transparent per-dollar return evidence.

9. 20% Return Underwriting

Primary valuation method: P/E. The same P/E method controls Bear, Base, Bull, probability weighting, reverse return, max-buy-price and net-SGD. Under P/E, terminal statutory diluted EPS times exit P/E gives terminal equity value per share. Interest expense and the capital structure already affect EPS; therefore terminal cash, funded debt, leases and other claims are not added or subtracted again. Current funded net debt of USD 2,851.7m and net debt including leases of USD 3,114.7m are diagnostics only. Terminal net debt is unavailable and inapplicable to the controlling P/E equity bridge.

The reported current P/E is 17.564583333333335x on USD 9.60 reported EPS, but it is non-comparable because of material digital-asset and investment gains. The comparable normalized current P/E is 22.18684210526316x on USD 7.60 normalized statutory EPS. Terminal denominators are statutory diluted EPS of USD 7.696694 / USD 12.202536 / USD 15.057567. VP independently locked 17x / 21x / 24x exits before returns. The raw reported P/E did not cap those exits, and the P/E-15 entry gate did not set them.

The dividend source binds USD 1.09 quarterly / USD 4.36 annually. Because no five-year dividend-growth schedule is independently supported, the model holds the annual dividend flat and includes USD 21.80 cumulative distributions per share. This is conservative relative to the twenty-year increase record and avoids fabricating growth.

Measure	Bear	Base	Bull	Probability-weighted
Probability	25%	50%	25%	100%
Terminal EPS, USD	7.696694	12.202536	15.057567	Not a fourth scenario
Exit P/E	17.0x	21.0x	24.0x	Same PE method
Terminal equity value, USD m	15,072.795596	28,697.707326	39,628.056958	Not aggregated
Terminal diluted shares, m	115.196867	111.989630	109.657094	Not aggregated
Terminal equity value per share, USD	130.843798	256.253256	361.381608	246.732980 weighted
Cumulative distributions per share, USD	21.800000	21.800000	21.800000	21.800000 weighted
Terminal shareholder wealth per share, USD	152.643798	278.053256	383.181608	272.9829795
Gross USD annualized IRR	-1.971126%	10.520739%	17.841731%	10.114699%

Probability-weighted wealth is `25% × 152.643798 + 50% × 278.053256 + 25% × 383.181608 = USD 272.9829795`. Probability-weighted IRR is `(272.9829795 / 168.62)^(1/5) - 1 = 10.114699%`. The arithmetic never averages scenario IRRs.

Gross local-currency underwriting is in USD. The return starts from the USD 168.62 price anchor dated 2026-09-08, while every operating forecast row starts from the TTM operating anchor dated 2026-06-30. The unchanged annualization convention is the exact five-year operating horizon from 2026-06-30 to 2031-06-30. Net-SGD adjustments appear after the three required bridges.

Bear-case operating and return bridge

Bear case	Start / price anchor (2026-09-08)	Horizon (2031-06-30)	CAGR / change	Justification
Revenue	USD 7,476.8m, operating anchor 2026-06-30	USD 8,482.3m	2.56%	E-delivery pressure, lower pricing and event normalization; no M&A plug
Operating margin	17.40%, operating anchor 2026-06-30	15.08%	-2.32 pp	Cost burden and slower GTO integration overwhelm scale
Operating earnings	USD 1,300.6m, operating anchor 2026-06-30	USD 1,279.0m	-0.33%	Statutory operating income after exact segment-EBT bridge
Diluted share count	117.100m, operating anchor 2026-06-30	115.196867m	-0.33%	USD 150m annual buybacks at USD 160 less 0.556873m annual SBC issuance
EPS	USD 7.60 normalized, operating anchor 2026-06-30	USD 7.696694	0.25%	Comparable normalized statutory EPS to terminal statutory diluted EPS
Valuation denominator	Reported USD 9.60 / normalized USD 7.60, operating anchor 2026-06-30	Statutory diluted EPS USD 7.696694	Comparable after normalization	Raw P/E is disclosure only because FY2026 gains are absent from terminal EPS
Valuation	22.186842x normalized P/E	17.0x P/E	-5.186842x	VP-locked recurring-franchise Bear multiple; not the P/E-15 gate
Share value	USD 168.62 price	USD 130.843798	-4.95% CAGR	USD 7.696694 EPS times 17x; no net-debt adjustment
Annual dividend	USD 4.36	USD 4.36	0.00%	Flat latest officially declared annual amount; no growth assumed
Dividend yield	2.59%	3.33%	+0.75 pp	Annual dividend divided by endpoint share value
Five-year dividends	-	USD 21.80	cumulative	Five flat annual distributions; no reinvestment assumed
Total ending value	USD 168.62	USD 152.643798	-1.971126% gross USD IRR	Terminal share value plus cumulative distributions

Base-case operating and return bridge

Base case	Start / price anchor (2026-09-08)	Horizon (2031-06-30)	CAGR / change	Justification
Revenue	USD 7,476.8m, operating anchor 2026-06-30	USD 9,673.2m	5.29%	Mid-single-digit ICS plus higher GTO growth; no unannounced M&A
Operating margin	17.40%, operating anchor 2026-06-30	19.16%	+1.76 pp	Mix, GTO scale and normalized corporate cost with continued investment
Operating earnings	USD 1,300.6m, operating anchor 2026-06-30	USD 1,853.3m	7.34%	Statutory operating income after reconciled segment-EBT bridge
Diluted share count	117.100m, operating anchor 2026-06-30	111.989630m	-0.89%	USD 300m annual buybacks at USD 190 less 0.556873m annual SBC issuance
EPS	USD 7.60 normalized, operating anchor 2026-06-30	USD 12.202536	9.93%	Comparable normalized statutory EPS to terminal statutory diluted EPS
Valuation denominator	Reported USD 9.60 / normalized USD 7.60, operating anchor 2026-06-30	Statutory diluted EPS USD 12.202536	Comparable after normalization	Normalized perimeter retains amortization, acquisition costs and SBC
Valuation	22.186842x normalized P/E	21.0x P/E	-1.186842x	Below normalized current and history; maturity and YELLOW moat haircut
Share value	USD 168.62 price	USD 256.253256	8.73% CAGR	USD 12.202536 EPS times 21x; debt/cash counted once inside EPS/equity

Base case	Start / price anchor (2026-09-08)	Horizon (2031-06-30)	CAGR / change	Justification
Annual dividend	USD 4.36	USD 4.36	0.00%	Flat latest officially declared annual amount; no growth assumed
Dividend yield	2.59%	1.70%	-0.88 pp	Annual dividend divided by endpoint share value
Five-year dividends	-	USD 21.80	cumulative	Five flat annual distributions; no reinvestment assumed
Total ending value	USD 168.62	USD 278.053256	10.520739% gross USD IRR	Terminal share value plus cumulative distributions

Bull-case operating and return bridge

Bull case	Start / price anchor (2026-09-08)	Horizon (2031-06-30)	CAGR / change	Justification
Revenue	USD 7,476.8m, operating anchor 2026-06-30	USD 10,518.0m	7.06%	Faster regulatory, digital, GTO cross-sell and tokenization commercialization
Operating margin	17.40%, operating anchor 2026-06-30	20.62%	+3.22 pp	Strong integration and productivity while retaining corporate investment
Operating earnings	USD 1,300.6m, operating anchor 2026-06-30	USD 2,168.4m	10.76%	Statutory operating income after reconciled segment-EBT bridge
Diluted share count	117.100m, operating anchor 2026-06-30	109.657094m	-1.30%	USD 450m annual buybacks at USD 220 less 0.556873m annual SBC issuance
EPS	USD 7.60 normalized, operating anchor 2026-06-30	USD 15.057567	14.65%	Comparable normalized statutory EPS to terminal statutory diluted EPS
Valuation denominator	Reported USD 9.60 / normalized USD 7.60, operating anchor 2026-06-30	Statutory diluted EPS USD 15.057567	Comparable after normalization	No digital-asset or investment gain recurs in terminal EPS
Valuation	22.186842x normalized P/E	24.0x P/E	+1.813158x	Credits Bull execution but remains below historical 27.28x low
Share value	USD 168.62 price	USD 361.381608	16.47% CAGR	USD 15.057567 EPS times 24x; no separate asset or net-debt add
Annual dividend	USD 4.36	USD 4.36	0.00%	Flat latest officially declared annual amount; no growth assumed
Dividend yield	2.59%	1.21%	-1.38 pp	Annual dividend divided by endpoint share value
Five-year dividends	-	USD 21.80	cumulative	Five flat annual distributions; no reinvestment assumed
Total ending value	USD 168.62	USD 383.181608	17.841731% gross USD IRR	Terminal share value plus cumulative distributions

CIO actionability

The net-SGD diagnostic applies the same P/E terminal share values and exits. Entry cost is 0.20% and exit cost is 0.20%. U.S. dividend withholding is 30%; therefore USD 21.80 gross distributions become USD 15.26 net. No capital-gains tax is assumed in this diagnostic, subject to the owner's actual tax/account facts. Entry FX is 1.2975740831219575 SGD/USD, arithmetically inferred from the supplied SGD 71,546.6 market value for 327 shares at USD 168.62. Exit FX is 1.20 Bear, 1.25 Base and 1.30 Bull. These are conservative scenario assumptions, not forecasts from the valuation method.

CIO measure	Result	Interpretation
Status	WATCH	Quality is credible, but expected net-SGD return and existing portfolio fit do not clear Core eligibility

CIO measure	Result	Interpretation
Bear / Base / Bull net-SGD IRR	-4.41% / 9.09% / 17.39%	Exactly five-year annualized after costs, withholding and FX
Probability-weighted net-SGD IRR	8.87%	CAGR of SGD 335.301726106 weighted terminal wealth over SGD 219.234535780 entry cost
10% mandate hurdle	FAIL	Base 9.09% and probability-weighted 8.87% both miss 10%
15% stretch hurdle	FAIL	Base and probability-weighted cases miss 15%; Bull clears only
Downside and portfolio fit	WATCH	Existing 2.5% position limits Bear terminal loss contribution to about 0.50% NAV, but Strategic sleeve is already 39.7%
Proposed sizing ceiling	none	No sizing proposal or authority; existing position is context, not an instruction

Net terminal wealth per initial share is SGD 175.0105324848 Bear, SGD 338.75093686 Base and SGD 488.6944982192 Bull. The costed initial SGD outlay is SGD 219.2345357798. Probability-weighted net terminal SGD wealth is SGD 335.301726106. All structured values retain full precision; visible net-SGD IRRs are shown to exactly two decimals.

Combined common-cause stress return diagnostic — non-primary

The resealed synthesis adds a reviewed ICS common-cause sensitivity that combines a five-year ICS revenue CAGR exactly 200 basis points below Base with terminal ICS EBT margin capped at 19.8%. Every non-ICS Base input, the Base 111.989630m diluted share count, statutory perimeter, P/E method, locked Base 21x exit, flat USD 21.80 cumulative distributions, transaction costs, 30% dividend withholding and Base 1.25 SGD/USD exit FX remain unchanged. This is a monitoring diagnostic, not a fourth probability-weighted scenario.

Combined-stress return diagnostic	Primary Base	Common-cause stress	Delta versus Base
Terminal statutory diluted EPS, USD	12.202536	10.539493	-1.663043 / -13.63%
Exit P/E	21.0x	21.0x	0.0x
Terminal equity value per share, USD	256.253256	221.329353	-34.923903
Cumulative distributions per share, USD	21.800000	21.800000	0.000000
Terminal shareholder wealth per share, USD	278.053256	243.129353	-34.923903
Gross USD annualized IRR	10.520739%	7.593407%	-2.927331 pp
Net terminal wealth per share, SGD	338.75093686	295.1833678675	-43.5675689925
Net-SGD annualized IRR	9.09%	6.13%	-2.96 pp

The stress is material because correlated ICS growth and margin pressure reduces terminal EPS by 13.63%, takes gross USD return below 8%, and takes net-SGD return to 6.13%. It does not alter the primary probabilities or audited score because the reviewed synthesis retains Base as credible and VP retains Base 21x. It resolves the monitoring-evidence request by quantifying the joint downside: durable ICS recurring growth below 4% combined with failure to remove distribution costs would move the realized path toward this stress and reinforce CIO WATCH or worse under a refreshed run.

The 20% reverse-return hurdle is USD 419.5805184 terminal shareholder wealth per share. With USD 21.80 distributions, Base EPS would need to reach USD 18.9419294476 at 21x, a 20.04% CAGR from normalized USD 7.60. Alternatively, Base EPS of USD 12.202536 would require a 32.598184x exit P/E. Base max buy price for a 20% gross return is USD 111.743367; probability-weighted max buy price is USD 109.705737. This diagnostic is not a target price or trade instruction.

Method-integrity checks pass: PE controls every primary return and the combined-stress diagnostic; raw reported P/E is not used as a cap; net cash/debt is not double counted; distributions are added once; diluted shares reconcile to synthesis; terminal wealth reproduces all scenario IRRs; and both optimism and excessive-bearishness exit-multiple challenges passed in VP.

10. Hard Veto Checklist

Hard veto	Result	Evidence and consequence
1. ROIIC below cost of capital with no improvement path	Pass	Acquisition-inclusive ROIIC proxies are about 20% and ROIC improved
2. ROIC high only because invested capital is tiny or negative	Pass	Denominator includes acquisition-funded debt/equity; goodwill is not stripped
3. Growth requires persistent external financing	Pass	Recent FCF funded investment, dividends, tuck-ins and repurchases
4. Material dilution without per-share value creation	Pass	Diluted shares declined and SBC is explicitly modeled
5. Large acquisitions without disclosed returns	Watch	Itiviti outcome is favorable, but deal-level ROIC is not disclosed
6. FCF structurally lags earnings	Pass	FY2023-FY2026 FCF / net income exceeded 100%
7. Concentration, regulation, platform dependency or leverage can impair equity	Watch	E-delivery, cyber, tokenization control and 2.19x funded leverage require monitoring
8. The 20% case requires terminal multiple expansion	Fail	Base needs 32.60x versus comparable normalized current 22.19x
9. Flawless execution needed to justify price	Fail	Even VP's grounded Bull produces only 17.84% gross USD IRR
10. Moat cannot be explained clearly	Pass	Regulated networks, switching costs, scale and auditability are specific
11. Accounting or governance impairs trust	Pass	Clean controls and explicit normalization; no restatement/material weakness identified
12. Balance-sheet risk could wipe out equity in downturn	Watch	Debt and negative tangible book increase sensitivity, though cash generation remains strong

The two valuation hard vetoes force the score-implied Reject classification. They do not change the upstream Management or Moat grades and do not authorize portfolio action.

11. Final Decision

Score-implied classification: Reject. CIO status: WATCH. Broadridge may be a credible long-duration infrastructure compounder, but the evidence does not support a 20% return at the sealed price. The Base gross USD return is suitable only for the lower end of the CIO mandate before SGD costs and FX; after those adjustments it falls below 10%. The reviewed common-cause stress falls further to 7.59% gross USD and 6.13% net-SGD, demonstrating material joint ICS growth/margin sensitivity without replacing Base. The existing 327-share position and a 39.7% Strategic sleeve make further exposure a portfolio-fit question that CS has no authority to decide.

Compounder Score note: **68/100 — below the dream-investment threshold; valuation vetoes dominate otherwise credible quality.** Business Quality Score note: **60/80 — promising infrastructure quality, capped by acquisition transparency and YELLOW durability.** 20% Return UW Score note: **8/20 — today's price does not support the 20% stretch case without major multiple expansion.**

Monitor numerical triggers: consolidated organic recurring growth below 3% for two years; ICS EBT margin below 16% for two years; GTO EBT margin below 10% for two years; closed sales below USD 200m for two years; funded net leverage above 2.5x for four quarters; diluted shares up more than 1% year on year; or a material acquisition impairment. Upgrade evidence would require durable e-delivery economics, commercial tokenization revenue, continuing 15%+ ROIC with acquisition-level accountability, and a price at or below the method-matched 20% max-buy diagnostic under refreshed forecasts.

There is no trade, ranking, dashboard, message, memo, or portfolio-mutation authority. `trade_execution_authorized=false`; `portfolio_mutation_authorized=false`; `owner_action_authorized=false`.

12. Machine-Readable JSON

The full machine-readable artifact is `C:/Users/Admin/OneDrive/GPT/ER 2.0/Broadridge Financial Solutions/compounder_score.json`. It binds the exact VP, quote, statutory and dividend-source hashes; preserves full-precision gross USD and net-SGD returns; contains the complete `security_return_underwriting`, `method_integrity`, `scenario_return_bridges`, and `cio_actionability` objects; and sets all trade and portfolio mutation authorizations to false.

Appendix CSA - Scoring Audit

Broadridge Financial Solutions — Scoring Audit

Audit date: 2026-09-09 **Ticker / listing / currency:** BR / XNYS:BR common share / USD **Action / run:** CIO-20260908-BR-ER2-REFRESH / pulse-cio-20260909T100339+0800 **Audit gate: SCORE AND RETURN AUDIT CLEARED — PRODUCTION PUBLICATION READY. Authority:** Audit only. Trade execution, portfolio mutation, sizing, ranking, messaging, dashboards, and memorandum publication are not authorized.

The CompounderScorer result is materially reliable. I independently validated the resealed valuation preflight, replayed the P/E equity bridge, every primary gross-USD and net-SGD return, and the new combined common-cause stress at full precision, and reconstructed the rubric. The audited scores remain **Compounder Score 68/100**, **Business Quality Score 60/80**, and **20% Return Underwriting Score 8/20**. The score-implied classification remains **Reject**; the separate CIO actionability status remains **WATCH**. These labels are not contradictory: the diagnostic rubric asks whether BR clears an unusually demanding 20% return case, while CIO WATCH reflects a separate 10%-15% net-SGD mandate and an existing position.

CS Repair 1 clears the only prior publication blocker. Each Bear/Base/Bull table now labels the return-price anchor as `2026-09-08`, retains `2031-06-30` as the terminal date, and tags every operating starting value to the FY2026/TTM operating anchor `2026-06-30`. The CIO table and structured JSON also use approximately 0.50% of NAV for the static Bear loss contribution. These surgical presentation repairs leave the locked five-year TTM-to-TTM arithmetic, scores, returns, CIO status, and authority boundaries unchanged.

1. Original vs Audited Scores

Item	Original	Audited	Notes
Business Quality Score / 80	60/80	60/80	Good but below the 65/80 dream-business threshold; evidence supports the existing caps
Valuation / 20% Return UW Score / 20	8/20	8/20	Base is 10.52%; Bear is negative; even Bull is below 20%
Total Score / 100	68/100	68/100	Arithmetic total is 60 + 8 = 68
Classification	Reject	Reject	Below 70/100 and 20% return hard vetoes remain

No numerical score reduction is required. Preserving the score is not a rubber stamp: each awarded point was tested against the stated rubric, the sealed evidence, and the directional valuation challenges. The evidence is not strong enough to raise any score.

2. Score Reductions and Reasons

There are no reductions from the original 68/100. The existing scorer already applied the important caps:

- Category 1A is 2/5 because the five-year median adjusted ROIC is 14.6%, inside the 10%-15% rubric band.
- Category 1B is 4/8 because acquisition-inclusive three- and five-year ROIIC are about 20%, inside the 15%-25% band rather than the premium bands.
- Pricing power is only 1/3, disruption risk is 0/1, balance-sheet strength is 1/2, and acquisition discipline is 1/2.
- Category 6A is 2/6 because Base gross USD IRR is 10.520739%, while 6C and 6D correctly receive zero because Bear is negative and the method-matched 20% reverse hurdle is not beatable.
- Category 6B at 3/4 is reasonable. The Base 21x exit is below the comparable normalized current 22.186842x and was independently selected, but the scenario still does not clear 20%, preventing 4/4. The rubric does not specify this exact combination; 3/4 is a conservative interpolation, not an inflation that changes classification.

3. Unsupported Claims

No fully unsupported point-awarding claim was identified. Several claims are only partly supported and remain appropriately capped:

Rubric area	Audit status	Point treatment	Evidence judgment
1A-1F incremental returns	Supported / partly supported	Preserve 17/25	NOPAT, ROIC, ROIIC, cash conversion, goodwill and acquisition spend are reproduced; cohort-level deal returns are absent
2A-2F reinvestment runway	Partly supported	Preserve 16/20	Multiple growth vectors and operating scale are evidenced, but no clean TAM, NRR, RPO or price/volume bridge supports a maximum
3A-3F moat durability	Supported / partly supported	Preserve 11/15	Switching costs, regulated networks and resilience are evidenced; pricing and 2046 control-point durability remain YELLOW
4A-4F accounting / financial quality	Supported	Preserve 8/10	Statutory normalization, corrected FCF, SBC and dilution are explicit; leverage and negative tangible book justify the deductions
5A-5F capital allocation	Partly supported	Preserve 8/10	FCF-funded reinvestment, dividends and buybacks are clear; stand-alone acquisition ROIC and direct ROIC-linked incentives are missing
6A-6F price / 20% underwriting	Supported	Preserve 8/20	Full-precision PE returns, distributions and reverse hurdle reproduce; return adequacy is weak

The evidence does not support a “dream business” label because acquisition-level returns, direct price realization, and long-duration disruption resilience are not proven. It also does not support a “dream investment” label because the return bridge falls short even in Bull.

4. Calculation Errors

Valuation preflight and method

`valuation_preflight.json` independently validates with five of five foundations passed, zero blockers, and resealed SHA-256 `4cde17781100f6f23afcf6fd423c935a8440cf8f409096f4b57be43163ba8054`. CS reproduces that path and hash, normalized current EPS of USD 7.60, primary method PE, comparable denominator, capital-structure treatment, and 17x / 21x / 24x exits exactly. The resealed VP also binds the combined ICS common-cause stress as a non-primary diagnostic using the same P/E method and Base 21x exit without changing a primary foundation.

Reported current P/E is `168.62 / 9.60 = 17.564583333333335x`, but it is non-comparable because reported EPS contains digital-asset and investment gains. Normalized current P/E is `168.62 / 7.60 = 22.18684210526316x` and is comparable with terminal statutory diluted EPS. The raw 17.564583x P/E was not used as a cap. P/E is consistently applied in Bear, Base, Bull, probability weighting, the reverse-return diagnostic, max-buy prices, and net-SGD.

The P/E bridge does not double-count capital. Terminal share value is EPS times exit P/E; funded debt, leases, interest expense, SBC, buybacks, and non-operating gains are either reflected in statutory EPS/share count or explicitly excluded. No terminal net-debt amount or digital-asset value is added after EPS times P/E. Dividends are then added once to shareholder wealth.

Operating-quality calculations

FY2026 NOPAT reproduces as `USD 1,300.6m × (1 - 22.2%) = USD 1,011.9m` after rounding. The FY2022-FY2026 ROIC series of 10.6%, 13.0%, 14.6%, 17.1%, and 17.6% uses average invested capital including acquisition-funded goodwill; its median is 14.6%. An excluding-goodwill ROIC is not economically interpretable here because statutory tangible book is negative USD 2.147bn, so it was not used to award points.

Three-year acquisition-inclusive ROIIC reproduces as `268.535 / 1,325.400 = 20.260667%`; five-year acquisition-inclusive ROIIC is `477.650 / 2,417.000 = 19.762105%`. The organic proxies reproduce as 32.953108% and 25.229774%. Acquisition spend is included, so the acquisition-inclusive cap is satisfied. Five-year acquisition-inclusive reinvestment is approximately 59% of cumulative NOPAT. FY2023-FY2026 FCF/net income exceeds 100% in each year, and

the five-year FCF/NOPAT measure is 102.406415%. FY2026 SBC equals 1.255868% of revenue and 7.615572% of issuer-definition FCF. Five-year diluted-share CAGR from 117.8m to 117.1m is -0.119129%. These calculations support, rather than inflate, the category scores.

Gross local-currency return replay

Scenario	EPS	Exit P/E	Terminal share value	Cumulative dividends	Terminal wealth	Audited gross USD IRR
Bear	7.696694	17.0x	130.843798	21.800000	152.643798	-1.9711256613683004%
Base	12.202536	21.0x	256.253256	21.800000	278.05325600000003	10.520738958176334%
Bull	15.057567	24.0x	361.381608	21.800000	383.18160800000004	17.841731218876555%

Each IRR equals `(terminal wealth / 168.62)^(1/5) - 1`. Weighted terminal share value is USD 246.73297950000002; weighted distributions are USD 21.80; probability-weighted wealth is USD 272.98297950000006. Therefore the audited probability-weighted gross USD IRR is **10.114699240650138%**, calculated as the CAGR of weighted terminal wealth, not the arithmetic mean of scenario IRRs.

Net-SGD return replay

Entry cost is 0.20%, exit cost is 0.20%, dividend withholding is 30%, assumed capital-gains tax is zero, entry FX is 1.2975740831219575 SGD/USD, and exit FX is 1.20 / 1.25 / 1.30. Costed initial wealth is `168.62 × 1.002 × 1.2975740831219575 = SGD 219.23453577981655`. Gross dividends of USD 21.80 become USD 15.26 after withholding. Applying exit cost to terminal share value and translating share value plus net dividends at each exit FX produces SGD 175.01053248479997 / 338.7509368600001 / 488.69449821920006. The resulting audited net-SGD IRRs are **-4.41% / 9.09% / 17.39%**, and the probability-weighted result is **8.87%** from SGD 335.30172610600005 weighted terminal wealth. All visible net-SGD figures use exactly two decimals.

Combined common-cause stress audit — non-primary

The resealed synthesis adds a reviewed joint ICS stress: five-year ICS revenue CAGR is 200 basis points below Base while terminal ICS EBT margin is capped at the FY2026 19.8% level. It is deliberately non-primary, has no probability weight, and is excluded from probability-weighted returns. That treatment is coherent because it quantifies correlated downside without silently replacing the reviewed Base or changing the VP-locked scenario set.

The calculation reproduces exactly. Terminal statutory diluted EPS of USD 10.539493 multiplied by the unchanged Base exit P/E of 21x equals USD 221.329353 terminal equity value per share. Adding USD 21.80 cumulative dividends once gives USD 243.129353 terminal shareholder wealth. `(243.129353 / 168.62)^(1/5) - 1` equals **7.593407493800508% gross USD**, exactly **2.9273314643758264 percentage points below** primary Base. Applying the unchanged Base net-SGD overlay produces `(221.329353 × 0.998 + 15.26) × 1.25 = SGD 295.1833678675` terminal wealth and **6.1296135579183675% net-SGD**, exactly **2.9627389565770157 percentage points below** primary Base.

This stress is material: it takes gross return below 8% and net-SGD below 10%. It does not justify a further score reduction because Category 6C and 6D are already zero, the total score is already Reject, and the stress remains a separate diagnostic rather than a probability-bearing primary scenario. It strengthens the monitoring case behind CIO WATCH and confirms that sub-4% durable ICS recurring growth combined with weak distribution-cost removal is a meaningful downside trigger.

Repair verification

The calculation does not break, and both prior presentation defects are repaired:

- All three scenario table headers now say `Start / price anchor (2026-09-08)`, every operating starting row explicitly says `operating anchor 2026-06-30`, and the terminal column remains `Horizon (2031-06-30)`. This satisfies the required dual-date distinction without changing the five-year operating annualization convention.
- The CIO table and `cio_actionability.downside_reason` now state approximately 0.50% of NAV. Full precision remains `(1 - 175.0105324848 / 219.2345357798) × 2.5% = 0.5043%`.

The current resealed source artifacts are `appendix_synthesis.md` SHA-256 `23dc6abf18dfdbd592d55b0d9c2eae6c053c554cc7f44d223a69ecd136748576`, `appendix_compounder_score.md` SHA-256

`c8a8218d71730586be1a2c4ddc9b018183462c327338b51bdd505c0c10e0c8cf`, and `compounder_score.json` SHA-256 `369e98dc4e54243ed459decf338cd88825a5e16e5fe97f16b167d09e9f330833`.

5. Missing Data

The most important missing evidence is stand-alone return data for Itiviti, SIS, CQG and other tuck-ins. Also absent are a clean price/volume bridge, NRR, RPO, contractual escalator history, separately disclosed statutory R&D, and a source-bound five-year dividend-growth schedule. Terminal balance-sheet projections are unavailable, which correctly prevents EV/NOPAT from controlling. These gaps lower confidence to Medium-High but do not invalidate P/E or require a score change.

6. Hard-Veto and Threshold Test Audit

The hard-veto list is internally consistent. Veto 8 fails because a 20% Base return would require a 32.59818437741137x exit P/E versus comparable normalized current P/E of 22.18684210526316x. Veto 9 fails because even Bull returns only 17.841731%. Acquisition disclosure, e-delivery, tokenization, leverage, and negative tangible book appropriately remain WATCH items.

Threshold	Required	Audited result	Pass / fail
Total score	At least 80/100	68/100	Fail
Business Quality	At least 65/80	60/80	Fail
Valuation / 20% UW	At least 15/20	8/20	Fail
ROIIC + runway	At least 35/45	33/45	Fail
Base gross IRR	At least 20%	10.520739%	Fail
Bear gross IRR	At least 8%-10% or limited downside	-1.971126%	Fail
No hard vetoes	Required	Two valuation vetoes fail	Fail

7. Final 20% Hurdle Pass/Fail

FAIL. Required terminal wealth is USD 419.5805183999999 per share. At the 21x Base exit and USD 21.80 cumulative dividends, required EPS is USD 18.941929447619042, a 20.038932% CAGR from normalized current EPS of USD 7.60. Holding Base EPS at USD 12.202536 requires a 32.59818437741137x exit P/E. Base max buy price is USD 111.74336741255148, while probability-weighted max buy price is USD 109.70573700327937. These are diagnostics, not targets or trading instructions.

8. Dream Business / Dream Investment Classification

Neither. BR is a credible, improving financial-infrastructure franchise, but 60/80 Business Quality, YELLOW moat/2046 durability, acquisition-opacity, and sub-20% acquisition-inclusive ROIIC do not meet the dream-business standard. At USD 168.62, Base and probability-weighted returns also fail both the 20% diagnostic hurdle and the CIO's 10% net-SGD floor, so it is not a dream investment. The single biggest reason is valuation relative to supportable per-share growth: Base earns only 10.52% gross USD and 9.09% net SGD, while even Bull falls short of 20% gross.

9. Stage 7 Scorecard Notes

- Compounder Score note: **68/100 — below the dream-investment threshold; valuation vetoes dominate otherwise credible quality.**
- Business Quality Score note: **60/80 — promising infrastructure quality, capped by acquisition transparency and YELLOW durability.**
- 20% Return UW Score note: **8/20 — today's price does not support the 20% stretch case without major multiple expansion.**

The separate CIO actionability status is **WATCH**: Bear/Base/Bull net-SGD IRRs are -4.41% / 9.09% / 17.39% and probability-weighted net-SGD IRR is 8.87%. No sizing proposal is made, and `trade_execution_authorized=false`.

10. Auditor JSON

The complete full-precision audit is stored in `C:/Users/Admin/OneDrive/GPT/ER 2.0/Broadridge Financial Solutions/compounder_score_audit.json`. Core controls are `valuation_preflight_validated=true`, `valuation_preflight_inputs_match_cs=true`, `audited_primary_valuation_method="PE"`, `valuation_method_consistent_across_scenarios=true`, `net_sgd_uses_same_primary_method=true`, `double_count_check_passed=true`, `score_audit_cleared=true`, `publication_cleared=true`, and `trade_execution_authorized=false`.

Appendix RT - Red Team

Broadridge Financial Solutions (BR) — Red Team

Action / run: CIO-20260908-BR-ER2-REFRESH / pulse-cio-20260909T100339+0800 **Operating anchor / horizon:** TTM ended 2026-06-30 / 2031-06-30 **Return-price anchor:** USD 168.62 on 2026-09-08 **Locked method:** P/E; normalized current EPS USD 7.60; Bear/Base/Bull exits 17.0x / 21.0x / 24.0x **Resealed VP artifact:** SHA-256 `4cde17781100f6f23afcf6fd423c935a8440cf8f409096f4b57be43163ba8054` (supersedes pre-repair SHA `238e415c6854bbdffb0745fd5284fba43607479170bf632f0587951420e5ebe8`) **Authority:** Research challenge only. `trade_execution_authorized=false`; no portfolio action is authorized.

Source discipline: Current-run sealed artifacts and live primary sources only; no warehouse cache was used.

The audited arithmetic is clean, but the model has one material operating fragility: Base originally treated slower ICS growth and failure of ICS margin expansion as separate risks even though default e-delivery, procurement pressure, and AI-enabled insourcing could cause both at once. The required B/S/VP/CS/CSA repair now quantifies that common-cause stress and moves Base gross return by more than the two-point materiality threshold. It does not turn BR into a bad company; it exposes how little slack separates a credible 10.52% Base return from a merely mid-single-digit outcome.

1. The most fragile assumption

The weakest line is **Investor Communication Solutions**, specifically the Base combination of **4.780876% total revenue CAGR and 21.4% terminal segment EBT margin**. ICS is 74.4% of current revenue and more than three-quarters of Base terminal segment EBT. Its product profit bridge is not issuer-disclosed: the starting margins for Regulatory, Data-driven fund solutions, Issuer, Customer communications, event-driven products, and Distribution are analyst allocations calibrated to the reported segment total. The total is real; the product-level mechanism is not independently observable.

The fragility is correlation. The Base model slows low-margin Distribution to 3.5% and assumes digital mix lifts the segment margin 160 displayed basis points from FY2026's 19.8%. But [proposed SEC Regulation E-Delivery](https://www.sec.gov/rules-regulations/2026/07/s7-2026-25) could reduce paper, print, and postage revenue without prior affirmative consent. If physical volumes exit faster than fixed print capacity, control, cyber, and implementation costs, revenue can slow while margin fails to expand. At the same time, AI lets sophisticated financial institutions internalize composition, personalization, and first-line servicing, strengthening their procurement leverage even if Broadridge retains the regulated delivery rail.

The repaired bridge quantifies the common cause without inventing product margins: reduce Base ICS CAGR by 200 basis points to 2.780876% and cap terminal ICS EBT margin at the FY2026 reported 19.8%. ICS terminal revenue falls from USD 7,023.4m to USD 6,378.2106m and EBT from USD 1,503.2m to USD 1,262.8857m. Holding the audited Base GTO, Corporate and Other, tax, diluted shares, 21x P/E, and USD 21.80 distributions fixed gives EPS of USD 10.539493, terminal wealth of USD 243.129353, gross USD IRR of **7.593407%**, and net-SGD IRR of **6.129614%**. The changes from audited Base are **-2.927331 percentage points gross** and **-2.962739 points net SGD**. Classification: **MATERIAL_RESOLVED**. The required reroute is complete: ICS B and S quantify the operating stress, VP is resealed and validator-clean, and CS/CSA reproduce the returns without changing primary scenarios, audited scores, or CIO WATCH.

2. The most-likely-to-be-optimistic Stage 5 number

The number most likely to be revised down is the **21.4% FY2031 ICS EBT margin**, not GTO growth or the consolidated tax rate. ICS margin already fell 80 basis points in FY2026 to 19.8%, proxy digitization is nearing 95%, and direct price realization, NRR, product retention, contractual escalators, product-level EBT, and fixed-cost exit timing are undisclosed. Base assumes a 100-basis-point margin increase in each major recurring product allocation and mix benefit from Regulatory growing faster than Distribution. Those are plausible mechanisms, but the evidence cannot prove how much of today's economics belongs to each product.

Holding ICS terminal revenue at USD 7,023.4m but capping its margin at 19.8% reduces Base EPS by approximately USD 0.778 to USD 11.4249 and Base gross IRR from 10.52% to 9.19%, a **-1.33-point** change. On its own this is **IMMATERIAL** under the two-point rule. Its importance is that the same e-delivery and procurement mechanism can also slow revenue; the combined test above is material.

3. The strongest bear case, stated in its strongest form

Broadridge's moat protects regulated execution today but may protect the wrong layer tomorrow. During FY2027-FY2029, default e-delivery cuts gross physical Distribution revenue, banks use AI to internalize communication and service workflows, and wallets, custodians, or tokenized ledgers begin owning entitlement and instruction interfaces. ICS then retains compliance liability and fixed infrastructure while losing price and format economics; its recurring growth falls below 4% and EBT margin below 18%. GTO does not offset the damage because CQG/Itiviti remain a fragmented estate, Wealth conversions stay long, and tokenized notional produces activity without enough paid modules. The observable confirmation is two consecutive reporting periods with ICS recurring growth below 4% alongside ICS EBT margin below 18%, followed by diluted-share growth or leverage pressure as management tries to defend adjusted EPS.

4. Cross-examination of management commentary

Management statement	Skeptical reading	First evidence it is wrong
“Digitalization rates in our proxy communications are now nearing 95%.” — CEO, 2026-08-04	This proves adaptation, but also says the easiest conversion runway is nearly exhausted. Further e-delivery may remove gross revenue faster than it creates new fee pools.	ICS recurring growth below 4% and total Customer communications contraction while claimed digital revenue remains above 10%.
“We expect the evolution to tokenized markets will be a significant tailwind.” — CEO, 2026-08-04	The [FY2026 10-K](https://www.sec.gov/Archives/edgar/data/1383312/000162828026052243/br-20260630.htm) discloses USD 216m of volatile digital assets, while the reviewed package identifies only USD 16.5m of FY2026 capital-markets digital-asset revenue. Large notional is not a take-rate or moat.	By FY2031, tokenized products remain below 3% of GTO recurring revenue or a rival ledger owns the authoritative entitlement/settlement interface.
“We continue to see our shares as a strong value.” — CEO, 2026-08-04	Management is paid heavily on adjusted EPS and options, so repurchases can improve the measured denominator even when acquisitions, dividends, debt, and cyber investment compete for the same cash.	Funded net leverage exceeds 2.5x for four quarters, or diluted shares rise more than 1% year over year while buybacks continue.

Management's near-term forecast is not obviously promotional. The [FY2026 filed release](https://www.sec.gov/Archives/edgar/data/1383312/000138331226000022/ex991earningsrelease4q2026.htm) guides to 6%-8% recurring-revenue growth, about 19% GAAP operating margin, 8%-12% adjusted EPS growth, and 100%+ FCF conversion. The error would be treating that one-year framework as proof of five-year product economics. The release also reports USD 603.7m of FY2026 repurchases and USD 443.5m of dividends, showing why cash allocation—not adjusted EPS alone—must remain under examination.

5. Stage 5 tie-out reverification

The mechanical tie-out survives. FY2026 is exactly the latest four-quarter TTM; ICS quarterly revenue of roughly USD 1,130.0m, USD 1,233.3m, USD 1,465.3m, and USD 1,732.3m and GTO of USD 459.5m, USD 480.6m, USD 488.3m, and USD 487.5m reconcile within display rounding. Base FY2027 revenue growth is 5.60% from the USD 7,476.8m TTM starting point, so the model is not annualizing the June proxy season or FY2026 digital-asset gain.

The share schedule also ties: 117.1m starting diluted shares plus 0.556873m annual SBC shares less Base annual retirement of 1.578947m produces 111.989630m in FY2031. Its weakness is economic, not arithmetic. Future SBC is approximated by dividing the current USD 93.9m expense by USD 168.62, and Base assumes USD 300m annual repurchases at a fixed USD 190 average price. If repurchases are cut to USD 150m annually at that price while net income is unchanged, terminal shares rise to about 115.937m, EPS falls to USD 11.7871, and gross Base IRR falls only **0.70 point** to 9.82%. Eliminating repurchases entirely, while giving no credit for the saved cash or lower debt, lowers Base IRR **1.38 points** to 9.15%. Classification: **IMMATERIAL**, with the important caveat that this is already a punitive P/E sensitivity because conserved cash is not separately added.

GTO's Base Capital Markets CAGR of 6.2% and Wealth CAGR of 7.5% do not exceed the cited peer evidence without a catalyst. Nasdaq reported 12% organic Financial Technology growth and ARR growth in 2025, while [SS&C reported 4.8% full-year adjusted organic growth](https://investor.ssctech.com/news-releases/news-release-details/ssc-technologies-releases-record-q4-and-full-year-2025-financial). The GTO range properly spans those outcomes. A 200-basis-point GTO margin downside changes Base EPS by only USD 0.366 and is therefore not the main break. Classification: **IMMATERIAL**.

6. Score-derived 20% return claim most likely to be wrong

There is no optimistic 20% claim to break. The audited score is **68/100**, comprising **Business Quality 60/80** and **20% Return Underwriting 8/20**. It correctly says the 20% hurdle fails: Bear/Base/Bull gross USD IRRs are **-1.971126% / 10.520739% / 17.841731%**, and probability-weighted IRR is **10.114699%** from probability-weighted terminal wealth, not an average of IRRs. Net-SGD results are **-4.41% / 9.09% / 17.39%**, with 8.87% probability-weighted.

The red team agrees. At the 21x Base exit and USD 21.80 distributions, a 20% return requires USD 18.9419 terminal EPS, or 20.04% EPS CAGR from normalized USD 7.60. Alternatively, audited Base EPS would require a 32.598x exit P/E. Neither is evidence-bound. No score revision is authorized or warranted; the audited 8/20 already captures the shortfall.

7. Two-sided valuation challenge

Too optimistic. The sharpest valuation challenge is 21x Base P/E versus the 15.975x adjusted-consensus and roughly 17.56x-18.30x FY2027 GAAP forward evidence in VP. A 19x terminal multiple—still above that one-year forward band—reduces Base gross IRR from 10.52% to **8.51%**, a **-2.01-point** move. At 18x, Base falls to **7.44%**, down **3.08 points**. This sensitivity is material, but the objection is **MATERIAL_RESOLVED** because VP selected 21x before returns, used the comparable normalized current 22.186842x denominator, preserved the lower forward band, and supported the exit with BR's 27.28x-34.15x native historical GAAP observations plus explicit maturity, leverage, and YELLOW-durability haircuts. The red team disagrees with the comfort, not with the method or denominator.

Too bearish. Flat USD 4.36 dividends ignore a 12% current increase and twenty consecutive annual raises. Growing the dividend 5% after the current annual rate raises five-year distributions from USD 21.80 to USD 24.09 and Base gross IRR by only **0.18 point**; 10% growth raises distributions to USD 26.62 and IRR by **0.38 point**. Separately adding the FY2026 USD 216m digital-asset carrying value would contribute only about USD 1.85 per starting diluted share before tax, liquidity, and volatility haircuts and roughly 0.15 point to Base IRR. Both are excluded appropriately under P/E to avoid double counting and speculation. Classification: **IMMATERIAL**.

Return-model objection	Audited / sensitivity result	Classification	Required disposition
Correlated ICS growth and margin failure	Base gross 10.52% to 7.59%; net SGD 9.09% to 6.13%	MATERIAL_RESOLVED	Completed ICS B / S / VP / CS / CSA reroute; retain as non-primary monitoring sensitivity
Base exit P/E at 19x rather than 21x	Base gross 10.52% to 8.51%	MATERIAL_RESOLVED	VP already documents lower forward band and independent 21x rationale; retain as sensitivity
Normalized current denominator	USD 168.62 / USD 7.60 = 22.186842x; reported 17.564583x excluded as non-comparable	IMMATERIAL	No repair; P/E method and claim perimeter are valid
Half-speed Base buyback	Base gross 10.52% to 9.82%	IMMATERIAL	Monitor cash allocation; no return reroute
No-buyback / no-saved-cash-credit stress	Base gross 10.52% to 9.15%	IMMATERIAL	Punitive sensitivity only; no return reroute
5%-10% dividend growth	Base gross rises 0.18-0.38 point	IMMATERIAL	Flat official dividend remains conservative and supportable
GTO terminal margin down 200 bp	EPS down USD 0.366; return impact below one point	IMMATERIAL	Monitor exact-basis GTO EBT margin
Probability weights 35% / 50% / 15%	PW gross 10.11% to 8.19%, down 1.93 points	IMMATERIAL	Near threshold but no evidence supports a larger five-year reweight today
Acquisition funding / debt	No future acquisition revenue plug; interest remains USD 90m Base / USD 120m Bear	IMMATERIAL	Monitor leverage and impairment; method requires no terminal net-debt add
Zero recurring digital-asset gain or value	Avoids USD 227m gain extrapolation; modest omitted asset sensitivity	IMMATERIAL	No repair; preserves statutory comparability and count-once discipline

No insurer bridge is applicable: Broadridge is a financial-technology and communications infrastructure provider, not a P&C insurer or reinsurer. P/B-ROE is appropriately rejected because tangible common book is negative and the shareholder bridge is reconciled statutory diluted EPS. EV/NOPAT is also correctly rejected because the terminal cash, debt, leases, and other claim path is unavailable. There is no method splice and no terminal net-debt adjustment after EPS times P/E.

8. Capital allocation, AI, tokenization, and qualitative gates

Management PASS is defensible but not a free pass. Itiviti's USD 2.58bn acquisition appears successful at the segment level—GTO EBT more than doubled from FY2022 to FY2026—but stand-alone Itiviti, SIS, CQG, and tuck-in ROI is not disclosed. FY2026 funded net debt of USD 2.852bn and goodwill plus intangibles of USD 4.988bn leave an impairment and funding tail. The model avoids the worst error by adding no future M&A revenue and retaining amortization, integration, and restructuring costs in normalized statutory EPS. Its Base interest decline from USD 100m to USD 90m is modest, not a hidden deleveraging windfall.

Moat YELLOW and 2046 YELLOW are also calibrated. AI can lower Broadridge's labor cost but can move the customer interface to a bank, custodian, cloud, or model vendor. Tokenization preserves the need for identity, entitlement, voting, settlement, and audit trails, but does not guarantee Broadridge owns them. The FY2026 10-K itself warns that digital assets are volatile, technologically uncertain, and may become difficult to monetize. This supports zero recurring fair-value gain. It does not support assuming that DLR notional becomes high-margin revenue.

The anti-bear case is equally concrete. Mandated securities communications do not vanish with paper; default e-delivery can remove low-margin pass-through revenue and improve mix. AI cannot by itself establish legal ownership, validated instructions, deterministic books and records, or regulator-ready evidence. FIS describes the same capital-markets need for mission-critical recordkeeping and trade-lifecycle systems in its [FY2025 Form 10-K](https://www.sec.gov/Archives/edgar/data/1136893/000113689326000013/fis-20251231.htm). A Bear case that assumes immediate elimination of the regulated control layer would be excessive. The audited Bear keeps the franchise profitable at USD 886.6m net income and 17x P/E, so it is adverse without being a disguised insolvency.

9. The signal that forces an exit

The force-exit signal is **ICS recurring revenue growth below 4% and ICS exact-basis EBT margin below 18% for two consecutive reported quarters**. One weak quarter can reflect proxy season or event timing; two quarters with both failures show that mandated activity is not translating into retained economics and that e-delivery, price pressure, or fixed-cost absorption is overpowering digital mix. That observation directly invalidates the Base combination of 4.78% total ICS CAGR and 21.4% terminal EBT margin. A simultaneous diluted-share increase above 1% year over year or funded net leverage above 2.5x would make the signal more severe, but is not required for the thesis break.

10. Conviction at the end of red team

Conditional. The business thesis survives: regulated networks, switching costs, recurring workflows, clean statutory normalization, and cash conversion remain real. The investment thesis does not improve beyond WATCH at USD 168.62, and it is fragile to one common-cause ICS outcome that leaves the business healthy but compresses Base return to 7.59% gross USD and 6.13% net SGD. The synthesis should be read around that tension, not around tokenization upside. The repaired sensitivity has now passed the complete B/S/VP/CS/CSA chain with hash-valid artifacts, so RT clears with `RETURN_MODEL_OBJECTION_STATUS: MATERIAL_RESOLVED`. No audited score or primary return is revised directly by RT.

Appendix D - Data Package

Broadridge Financial Solutions (BR) — Production ER2 Data Package

Run ID: `pulse-cio-20260909T100339+0800` Action: `CIO-20260908-BR-ER2-REFRESH` Information date: 2026-09-09 Fiscal year end: June 30 Reporting currency and scale: USD millions unless stated otherwise TTM: Q1 + Q2 + Q3 + Q4 FY2026, ending 2026-06-30 Five-year horizon: 2031-06-30 `trade_execution_authorized=false`

Evidence rule: every historical figure, recent-growth statement, transcript quotation, and guidance item below was re-pulled live in this D stage from FMP `/stable/`, Broadridge IR, or SEC EDGAR. The local investing warehouse was not read as evidence. The current-run QF/QFR sealed packets are used only where explicitly identified. D-stage raw evidence is archived under `C:\Users\Admin\OneDrive\GPT\ER 2.0\Broadridge Financial Solutions\raw\pulse-cio-20260909T100339+0800\d_live`. DR independently re-fetched the statements, product data, all four FY2026 transcripts, the FY2024/FY2026 10-Ks, and all four FY2026 releases live; that review evidence is archived under `C:\Users\Admin\OneDrive\GPT\ER 2.0\Broadridge Financial Solutions\raw\pulse-cio-20260909T100339+0800\dr_live`. New FMP datasets were copied without overwrite to the corresponding `-d-live` and `-dr-live` folders under `C:\Users\Admin\OneDrive\Cowork\Investing\data warehouse\fmp\BR` solely for future warehouse retention, not consumed here.

0a. Industry classification and disclosure inventory

Broadridge is a U.S. domestic filer and financial-market infrastructure / technology-enabled outsourcing company. It is not an insurer, bank, REIT, asset manager, commodity producer, or foreign private issuer. Its economics nevertheless require an ad hoc industry checklist because ordinary FMP segment data are thin: the FMP product-segmentation endpoint returns revenue-type totals, not the issuer's full product-line table or segment profit. The controlling sources are the FY2026 Form 10-K Notes 3 and 22, prior live 10-Ks for historical backfill, the four FY2026 SEC-filed earnings releases, the four live FMP transcripts, and the December 2023 Investor Day deck.

Search inventory used on the live official documents: `reportable segments`, `Earnings (loss) before income taxes`, `Disaggregation of Revenue`, `geographic area`, `Regulatory`, `Data-driven fund solutions`, `Issuer`, `Customer communications`, `Capital markets`, `Wealth and investment management`, `Recurring revenue`, `Event-driven`, `Distribution revenue`, `position growth`, `trade volumes`, `closed sales`, `retention`, `free cash flow conversion`, `share repurchase`, `stock-based compensation`, `Canton`, `digital assets`, and `acquisitions`.

Dataset / table family	Official source searched	Search terms or table names	Years available	Included in data package?	If excluded, why	Downstream relevance
Segment economics	FY2022-FY2026 SEC 10-Ks, Note 22	Financial Data by Segment; Earnings (loss) before income taxes	FY2022-FY2026; Q1-Q4 FY2026	Yes	—	Segment forecasts and statutory bridge
Product revenue	FY2024 and FY2026 SEC 10-Ks, Note 3	Disaggregation of Revenue; product line; revenue type	FY2022-FY2026	Yes	—	Product mix, recurring-revenue durability
Geographic revenue and assets	FY2024 and FY2026 SEC 10-K segment notes	Revenues and assets by geographic area	FY2022-FY2026	Yes	—	Geographic concentration and asset footprint
Industry KPIs	FY2026 releases and transcripts	positions, trade volume, closed sales, retention, digital delivery	Last four FY2026 quarters	Yes, when disclosed	No consistent quarterly dollar series for each fine-grained product	Moat and recency
Capital and balance sheet	FY2026 10-K, FMP statements	debt, leases, cash, goodwill, intangibles, shares	FY2022-FY2026	Yes	—	ROIC, leverage, dilution, valuation
Recent trend and guidance	Q1-Q4 FY2026 filed releases and FMP transcripts	guidance, recurring growth, margin, free cash flow conversion	Q1-Q4 FY2026 and FY2027 outlook	Yes	—	Forecast anchor
Investor-day objectives	December 7, 2023 IR deck	FY24-FY26 growth objectives	FY2024-FY2026	Yes	Historical framework, now completed	Management accountability

The official industry KPI history is primarily a revenue-mix and activity-growth history; Broadridge does not publish ARR, NRR, RPO, backlog dollars by segment, or transaction units for every platform in one stable table. The most comparable long-run disclosed KPI is Recurring revenue. Closed sales and retention are management KPIs, while position and trading-volume changes are activity drivers rather than revenue.

KPI family	Granularity	FY2022	FY2023	FY2024	FY2025	FY2026	Latest interim / TTM	Source path
Recurring revenue	Consolidated, $m	3,722.7	3,986.7	4,222.6	4,507.9	4,878.0	Same as FY2026	FY2024 and FY2026 10-K Note 3
Recurring revenue share	Consolidated	65.2%	65.8%	64.9%	65.4%	65.2%	Same as FY2026	Calculated from official revenue
ICS recurring revenue	Segment, $m	2,270.3	2,461.4	2,573.6	2,731.8	2,962.1	Same as FY2026	FY2024 and FY2026 10-K Note 3
GTO recurring revenue	Segment, $m	1,452.4	1,525.2	1,648.9	1,776.1	1,916.0	Same as FY2026	FY2024 and FY2026 10-K Note 3
Diluted shares	Consolidated, m	118.5	119.0	119.1	118.3	117.1	115.6m in Q4 weighted average	Live FMP income statements and Q4 release
Free cash flow conversion	FCF / net income	68.7%	118.6%	135.1%	125.8%	109.7% issuer-definition	Same as FY2026	Live FMP cash flow; FY2026 official adjustment

Source-path shorthand in this package always resolves inside the D live folder. Key raw names are `fmp_income_annual.json`, `fmp_cashflow_annual.json`, `fmp_balance_annual.json`, `fmp_product_annual.json`, `fmp_product_quarter.json`, `fmp_transcript_fy2026_q1.json` through `q4.json`, `sec_2022_10k_live.htm` through `sec_2026_10k_live.htm`, `sec_q1_fy2026_release_live.htm` through `sec_q4_fy2026_release_live.htm`, and `ir_2023_investor_day.pdf`.

1. Reporting structure and taxonomy

Broadridge has two reportable segments. Investor Communication Solutions (ICS) provides governance, regulatory communications, data-driven fund solutions, issuer services, customer communications, event-driven communications, and related distribution. Global Technology and Operations (GTO) provides capital-markets and wealth / investment-management technology and operations. `Corporate and Other` is a reconciliation category and not a reportable segment.

FY2026 segment	Revenue $m	Share of total	Exact sealed profit metric $m	Profit-metric margin	Description
Investor Communication Solutions	5,560.8	74.4%	1,103.5	19.8%	Governance and investor / customer communications, including distribution
Global Technology and Operations	1,916.0	25.6%	297.8	15.5%	Capital-markets and wealth technology / operations
Total reportable segments	7,476.8	100.0%	1,401.3	18.7%	Corporate and Other is excluded from segment sum

The reporting structure is stable across FY2022-FY2026: ICS and GTO remain the two reportable segments. FY2025 adopted expanded ASU 2023-07 segment-expense disclosure retrospectively for the periods presented, but it did not change the segment perimeter. The FY2023 filing removed the separate Foreign Currency Exchange column that appeared in the FY2022 filing and recast FY2022 segment revenue from ICS $4,262.1m / GTO $1,474.4m / FX $(27.4)m to ICS $4,256.6m / GTO $1,452.4m / consolidated $5,709.1m. This is a taxonomy presentation boundary; this package uses the later recast FY2022 values for comparability.

The 10-K does not cross-tabulate geography by ICS/GTO, but it does disclose consolidated revenue and assets by geographic area. The five-year history below comes from the live [FY2024 SEC 10-K](https://www.sec.gov/Archives/edgar/data/1383312/000138331224000039/br-20240630.htm) and [FY2026 SEC 10-K](https://www.sec.gov/Archives/edgar/data/1383312/000162828026052243/br-20260630.htm) segment notes; the FY2024 overlap ties exactly.

Geographic disclosure ($m)	FY2022	FY2023	FY2024	FY2025	FY2026
U.S. revenue	4,880.1	5,260.0	5,620.1	5,907.0	6,374.6

Geographic disclosure ($m)	FY2022	FY2023	FY2024	FY2025	FY2026
Canada revenue	398.1	367.4	393.9	463.8	544.4
Europe revenue	386.0	392.2	445.9	464.7	493.6
Other revenue	44.8	41.3	46.8	53.6	64.1
Total revenue	5,709.1	6,060.9	6,506.8	6,889.1	7,476.8
U.S. assets	5,282.3	5,514.3	5,620.1	5,667.4	5,947.3
Canada assets	495.4	448.4	457.2	619.2	609.4
Europe assets	2,152.1	2,024.3	1,926.7	2,000.9	2,088.6
Other assets	239.0	246.2	238.4	257.5	299.8
Total assets	8,168.8	8,233.2	8,242.4	8,545.0	8,945.3

The FY2026 10-K Note 19 separately discloses pretax earnings by tax jurisdictional location: U.S. $1,281.9m and foreign $163.9m, totaling $1,445.8m. That tax-note view is not substituted for segment or geographic revenue.

2. Consolidated historicals — five years

Official FY2026 revenue is $7,476.8m; live FMP returns $7,476.9m because of a $0.1m provider rounding difference. The official number controls. FY2026 FMP free cash flow of $1,278.4m omits $45.4m of software purchases; issuer-definition FCF of $1,233.0m controls for cash-conversion work.

Metric	FY2022	FY2023	FY2024	FY2025	FY2026	Source
Revenue ($B)	5.709	6.061	6.507	6.889	7.477	Live FMP annual; FY2026 SEC override
Operating income ($B)	0.760	0.936	1.017	1.189	1.301	Live FMP annual; FY2026 10-K
Operating margin	13.3%	15.4%	15.6%	17.3%	17.4%	Calculated
Net income ($B)	0.539	0.631	0.698	0.840	1.124	Live FMP annual; SEC tie
Diluted EPS ($)	4.55	5.30	5.86	7.10	9.60	Live FMP annual; SEC tie
Diluted shares (m)	118.5	119.0	119.1	118.3	117.1	Live FMP annual; SEC tie
Issuer-definition capital investment ($B)	0.073	0.075	0.113	0.115	0.113	Live SEC FCF reconciliations; includes PP&E capex plus software purchases
FCF ($B)	0.370	0.748	0.943	1.056	1.233	Live FMP; FY2026 issuer definition
Derived ROIC	10.6%	13.0%	14.6%	17.1%	17.6%	NOPAT / average invested capital below

ROIC is calculated consistently as statutory operating income multiplied by one minus the effective tax rate, divided by average beginning/end invested capital. Invested capital is total debt plus stockholders' equity less cash and short-term investments. FY2022 uses FY2021 beginning values from the same live FMP pulls. This derived series differs from FMP's provider-computed ROIC because the denominator convention is explicit here.

ROIC bridge	FY2022	FY2023	FY2024	FY2025	FY2026
Statutory OI $m	759.9	936.4	1,017.1	1,188.6	1,300.6
Effective tax rate	19.8%	20.7%	20.4%	20.7%	22.2%
NOPAT $m	609.4	742.6	809.6	942.6	1,011.9
Average invested capital $m	5,743.2	5,700.8	5,540.8	5,496.7	5,754.0
Derived ROIC	10.6%	13.0%	14.6%	17.1%	17.6%

3. Segment historicals — five years

Investor Communication Solutions

Investor Communication Solutions	FY2022	FY2023	FY2024	FY2025	FY2026	Source
Revenue ($B)	4.257	4.536	4.858	5.113	5.561	Live SEC 10-K Note 22
YoY	—	6.6%	7.1%	5.3%	8.8%	Calculated
Earnings (loss) before income taxes ($B)	0.725	0.811	0.950	1.054	1.104	Live SEC 10-K Note 22
Margin on Earnings (loss) before income taxes	17.0%	17.9%	19.6%	20.6%	19.8%	Calculated

Global Technology and Operations

Global Technology and Operations	FY2022	FY2023	FY2024	FY2025	FY2026	Source
Revenue ($B)	1.452	1.525	1.649	1.776	1.916	Live SEC 10-K Note 22
YoY	—	5.0%	8.1%	7.7%	7.9%	Calculated
Earnings (loss) before income taxes ($B)	0.139	0.184	0.173	0.201	0.298	Live SEC 10-K Note 22
Margin on Earnings (loss) before income taxes	9.6%	12.1%	10.5%	11.3%	15.5%	Calculated

The exact common segment-profit basis is issuer-disclosed `Earnings (loss) before income taxes`. It includes segment-level pretax economics and must not be relabeled operating income. The reportable-segment sum excludes Corporate and Other, which moved from a $196.7m loss in FY2025 to $44.5m earnings in FY2026 largely because of non-cash digital-asset gains.

3a. Historical statutory-profit bridge and forecast-driver ledger

Sealed packet SHA-256: `88abe1e83bdfc566a818243ce3488853b6b4034d72a05d80d7b5637bf1b84a43`. The values, labels, signs, classifications, source IDs, USD currency, and million scale below reproduce the sealed packet. Displayed running-subtotal differences of $0.1m are permitted source rounding and not plugs.

FY2026 bridge

Bridge line	Classification	Value	Source ID	Running subtotal
Investor Communication Solutions	segment profit	1,103.5	BR_FY2026_10K	1,103.5
Global Technology and Operations	segment profit	297.8	BR_FY2026_10K	1,401.3
Sum of reportable segment profit	segment profit	1,401.3	calculated	1,401.3
Corporate and Other	corporate_unallocated	44.5	BR_FY2026_10K	1,445.8
Consolidated segment profit metric	subtotal	1,445.8	BR_FY2026_10K	1,445.8
Reverse Interest expense, net embedded in consolidated segment EBT	operating	99.9	BR_FY2026_10K	1,545.7
Reverse Other non-operating income (expenses), net embedded in consolidated segment EBT	operating	-245.2	BR_FY2026_10K	1,300.5
Statutory operating income	statutory subtotal	1,300.6	BR_FY2026_10K	1,300.6
Interest expense, net	interest	-99.9	BR_FY2026_10K	1,200.7
Other non-operating income (expenses), net	other_non_operating	245.2	BR_FY2026_10K	1,445.9
Pretax income	statutory subtotal	1,445.8	BR_FY2026_10K	1,445.8
Provision for income taxes	tax	-321.6	BR_FY2026_10K	1,124.2
Net income	statutory subtotal	1,124.3	BR_FY2026_10K	1,124.3

TTM ended 2026-06-30 bridge

Bridge line	Classification	Value	Source ID	Running subtotal
Investor Communication Solutions	segment profit	1,103.5	BR_TTM_WORKPAPER	1,103.5
Global Technology and Operations	segment profit	297.8	BR_TTM_WORKPAPER	1,401.3
Sum of reportable segment profit	segment profit	1,401.3	calculated	1,401.3
Corporate and Other	corporate_unallocated	44.4	BR_TTM_WORKPAPER	1,445.7
Consolidated segment profit metric	subtotal	1,445.8	BR_TTM_WORKPAPER	1,445.8
Reverse Interest expense, net embedded in quarterly segment EBT	operating	100.0	BR_TTM_WORKPAPER	1,545.8
Reverse Other non-operating income (expenses), net embedded in quarterly segment EBT	operating	-245.2	BR_TTM_WORKPAPER	1,300.6
Statutory operating income	statutory subtotal	1,300.5	BR_TTM_WORKPAPER	1,300.5
Interest expense, net	interest	-100.0	BR_TTM_WORKPAPER	1,200.5
Other non-operating income (expenses), net	other_non_operating	245.2	BR_TTM_WORKPAPER	1,445.7
Pretax income	statutory subtotal	1,445.8	BR_TTM_WORKPAPER	1,445.8
Provision for income taxes	tax	-321.6	BR_TTM_WORKPAPER	1,124.2
Net income	statutory subtotal	1,124.3	BR_TTM_WORKPAPER	1,124.3

Forecast-driver ledger

Historical bridge line	FY value	TTM value	Forecast treatment	Driver and source	Bear / base / bull rule
Corporate and Other	44.5	44.4	Independently forecast components; do not trend headline	FY2026 10-K identifies $227.0m digital-asset gains and higher technology spending	Bear excludes gains and keeps elevated cost; base excludes gains and normalizes cost; bull allows operating leverage but no recurring mark-to-market gain
Reverse Interest expense, net embedded in consolidated segment EBT	99.9	100.0	Mirror of debt-interest schedule	Sealed bridge; funded debt and rate schedule	Exact negative of below-line interest in every scenario
Reverse Other non-operating income (expenses), net embedded in consolidated segment EBT	-245.2	-245.2	Mirror of separately forecast other non-operating line	Sealed bridge; primarily digital-asset gain in FY2026	Exact negative of below-line other income; no extrapolation of FY2026 gain
Interest expense, net	-99.9	-100.0	Debt / interest-rate schedule	FY2026 10-K; funded debt $3,254.6m	Bear slower deleveraging; base modest reduction; bull cash-led reduction
Other non-operating income (expenses), net	245.2	245.2	Component schedule	FY2026 10-K; digital assets and investment items	Bear/base set unsupported fair-value gain to zero; bull may use zero unless separately evidenced
Provision for income taxes	-321.6	-321.6	Effective-tax-rate schedule	FY2026 statutory 22.2%	Bear/base/bull use sourced sustainable range; do not treat discrete benefits as recurring

`STATUTORY_BRIDGE_STATUS: VERIFIED — CLEARED FOR FORECASTING`

4. Product and sub-segment historicals — disclosed dollars

Broadridge separately discloses all of the following product lines in dollars. No back-solved dollar figures are used. FY2022-FY2024 come from the live FY2024 10-K Note 3; FY2024-FY2026 come from the live FY2026 10-K Note 3, with FY2024 overlap tying exactly.

Segment	Product	What it is	Dollar disclosure?	Last three years revenue and source
ICS	Regulatory	Proxy, regulatory, and fund communications	Yes, annual	$1,195.6m / $1,280.6m / $1,434.9m; FY2026 10-K Note 3
ICS	Data-driven fund solutions	Fund data, retirement, workplace, and related processing	Yes, annual	$435.2m / $459.2m / $479.5m; FY2026 10-K Note 3
ICS	Issuer	Disclosure and shareholder-engagement solutions	Yes, annual	$259.8m / $273.2m / $294.8m; FY2026 10-K Note 3
ICS	Customer communications	Omnichannel investor and customer communications	Yes, annual	$683.1m / $718.8m / $752.8m; FY2026 10-K Note 3
ICS	Equity and other event-driven	Special equity and other corporate communications	Yes, annual	$151.0m / $115.5m / $143.5m; FY2026 10-K Note 3
ICS	Mutual funds event-driven	Special mutual-fund proxy and transaction events	Yes, annual	$134.2m / $203.8m / $204.6m; FY2026 10-K Note 3
ICS	Distribution	Postage, physical mailing, fulfillment, and fund-processing administration	Yes, annual	$1,999.0m / $2,062.0m / $2,250.6m; FY2026 10-K Note 3
GTO	Capital markets	Front-, middle-, and back-office trading technology and operations	Yes, annual	$1,049.2m / $1,115.3m / $1,184.2m; FY2026 10-K Note 3
GTO	Wealth and investment management	Wealth-platform and investment-management technology / operations	Yes, annual	$599.7m / $660.8m / $731.8m; FY2026 10-K Note 3

Segment	Product	FY2022 $m	FY2023 $m	FY2024 $m	FY2025 $m	FY2026 $m
ICS	Regulatory	1,075.4	1,141.4	1,195.6	1,280.6	1,434.9
ICS	Data-driven fund solutions	363.7	404.3	435.2	459.2	479.5
ICS	Issuer	215.9	242.6	259.8	273.2	294.8
ICS	Customer communications	615.4	673.1	683.1	718.8	752.8
ICS	Total ICS Recurring revenues	2,270.3	2,461.4	2,573.6	2,731.8	2,962.1
ICS	Equity and other event-driven	115.0	116.5	151.0	115.5	143.5
ICS	Mutual funds event-driven	154.4	94.5	134.2	203.8	204.6
ICS	Total ICS Event-driven revenues	269.4	211.0	285.2	319.3	348.1
ICS	Distribution revenues	1,717.0	1,863.1	1,999.0	2,062.0	2,250.6
GTO	Capital markets	902.7	965.2	1,049.2	1,115.3	1,184.2
GTO	Wealth and investment management	549.7	560.1	599.7	660.8	731.8
GTO	Total GTO Recurring revenues	1,452.4	1,525.2	1,648.9	1,776.1	1,916.0

FMP's annual product endpoint discloses only Distribution, Event-Driven, and consolidated Recurring Fee revenue for recent years. It cannot assign consolidated recurring revenue to ICS versus GTO. The official Note 3 table is therefore controlling for the product-to-segment taxonomy.

Revenue type	FY2022 $m	FY2023 $m	FY2024 $m	FY2025 $m	FY2026 $m	FY2022-FY2026 CAGR
Recurring revenues	3,722.7	3,986.7	4,222.6	4,507.9	4,878.0	7.0%
Event-driven revenues	269.4	211.0	285.2	319.3	348.1	6.6%
Distribution revenues	1,717.0	1,863.1	1,999.0	2,062.0	2,250.6	7.0%

Fine-grained product dollar revenue is annual only. The filed releases disclose quarterly YoY product growth rates, activity measures, and segment-level recurring revenue dollars. Those rate-only disclosures are preserved here rather than back-solving unaudited product dollars.

Segment	Product	Displayed rate basis	Q1 / Q2 / Q3 / Q4 FY2026 YoY growth	Source
ICS	Regulatory	GAAP reported growth; CC companion also disclosed	4% / 18% / 9% / 14%	Filed FY2026 releases
ICS	Data-driven fund solutions	GAAP reported growth; CC companion also disclosed	3% / -2% / 9% / 7%	Filed FY2026 releases
ICS	Issuer	GAAP reported growth; CC companion also disclosed	6% / 8% / 8% / 8%	Filed FY2026 releases
ICS	Customer communications	GAAP reported growth; CC companion also disclosed	8% / 6% / 5% / 1%	Filed FY2026 releases
GTO	Capital Markets	GAAP reported growth; CC companion also disclosed	8% / 8% / 2% / 8%	Filed FY2026 releases
GTO	Wealth and Investment Management	GAAP reported growth; CC companion also disclosed	22% / 12% / 10% / 1%	Filed FY2026 releases

5. Most recent quarterly trend — last four quarters

Company FY ends June 30. Most recently completed fiscal quarter at time of writing: FY2026 Q4, covering April-June 2026, reported on 2026-08-04 via https://www.sec.gov/Archives/edgar/data/1383312/000138331226000022/ex991earningsrelease4q2026.htm.

Quarter	ICS revenue $m	ICS YoY	ICS EBT margin	GTO revenue $m	GTO YoY	GTO EBT margin	Source date
Q1 FY2026	1,130.0	11%	11.2%	459.5	13%	14.6%	2025-11-04
Q2 FY2026	1,233.3	7%	11.1%	480.6	9%	16.1%	2026-02-03
Q3 FY2026	1,465.3	9%	21.1%	488.3	5%	17.5%	2026-04-30
Q4 FY2026	1,732.3	8%	30.6%	487.5	5%	13.8%	2026-08-04

ICS is seasonal because proxy and distribution activity is concentrated in the June quarter. GTO is less seasonal, but software term-license timing can move quarterly growth and margin. Segment margin is the exact disclosed EBT margin, not operating margin.

Quarter	Recurring revenue $m	YoY	Event-driven $m	YoY	Distribution $m	YoY	Source
Q1 FY2026	977.5	8.6%	113.8	80.6%	498.1	8.4%	Live FMP product quarter; filed release
Q2 FY2026	1,070.1	9.2%	90.6	-27.3%	553.2	14.2%	Live FMP product quarter; filed release
Q3 FY2026	1,288.1	7.0%	72.7	38.0%	592.8	6.8%	Live FMP product quarter; filed release
Q4 FY2026	1,542.3	8.3%	71.0	-10.1%	606.5	7.7%	Live FMP product quarter; filed release

FMP's Q4 consolidated statement revenue is $2,222.2m, while the filed release reports $2,219.9m. The +$2.3m / +10.36bp provider gap is above the QF tolerance; official revenue controls and ties $5,256.9m nine-month revenue plus $2,219.9m Q4 to $7,476.8m FY2026.

6. Management commentary on forward growth — verified quotations

Transcript dates were checked against requested fiscal periods: Q1 FY2026 on 2025-11-04, Q2 on 2026-02-03, Q3 on 2026-04-30, and Q4 on 2026-08-04. Quotations are short verbatim excerpts from the live FMP transcript payloads; interpretations are D-stage modeling notes.

Investor Communication Solutions

Fiscal call	Speaker	Verbatim excerpt	Topic	Modeling implication
Q1 FY2026, 2025-11-04	Tim Gokey, CEO	“we continue to see fund positions growing in the mid-single digits”	Governance activity	Use mid-single-digit fund positions as a durable driver, not Q1 timing noise
Q1 FY2026, 2025-11-04	Tim Gokey, CEO	“tokenized securities are still securities”	Tokenized governance	New formats still require governance and corporate-action infrastructure

Fiscal call	Speaker	Verbatim excerpt	Topic	Modeling implication
Q1 FY2026, 2025-11-04	Ashima Ghei, CFO	“we expect ICS recurring revenue at the high end of our 5% to 7%”	FY2026 segment outlook	Supports mid/high-single-digit recurring growth, subsequently achieved
Q2 FY2026, 2026-02-03	Tim Gokey, CEO	“Revenue position growth was 11%, driven by growth in managed accounts.”	Equity positions	Managed-account proliferation remains the stronger internal-growth leg
Q2 FY2026, 2026-02-03	Tim Gokey, CEO	“fund position growth for the year trending in the mid to high single digits”	Fund positions	Avoid extrapolating the 15% Q2 spike
Q3 FY2026, 2026-04-30	Tim Gokey, CEO	“900 funds with assets under management of more than $8 trillion”	Pass-through voting	Evidence of scaled distribution for shareholder-engagement tools
Q3 FY2026, 2026-04-30	Tim Gokey, CEO	“our new standing voting instruction solution is also off to a strong start”	New governance products	Upside option, but no separate dollar revenue disclosed
Q4 FY2026, 2026-08-04	Tim Gokey, CEO	“Digitalization rates in our proxy communications are now nearing 95%”	Digital delivery	Print displacement is paired with digital platform participation
Q4 FY2026, 2026-08-04	Tim Gokey, CEO	“customer communications, digital revenues grew more than 10% for the fourth consecutive year”	Customer communications	Digital growth can offset pressure in physical communications
Q4 FY2026, 2026-08-04	Tim Gokey, CEO	“Wealth InFocus solution continues to gain momentum”	Digital communications	Keep as qualitative pipeline support because dollars are not disclosed

Global Technology and Operations

Fiscal call	Speaker	Verbatim excerpt	Topic	Modeling implication
Q1 FY2026, 2025-11-04	Tim Gokey, CEO	“we processed over $300 billion in tokenized equity -- excuse me, tokenized trades per day”	DLR scale	Platform activity is material, but revenue is still a small disclosed contribution
Q1 FY2026, 2025-11-04	Tim Gokey, CEO	“tokenization as a megatrend over the next 10 years”	Capital markets	Long-duration opportunity; avoid near-term hockey-stick revenue
Q1 FY2026, 2025-11-04	Ashima Ghei, CFO	“We expect these digital asset revenues to contribute approximately 1 point”	FY2026 Capital Markets	Quantifies a modest, not dominant, growth contribution
Q2 FY2026, 2026-02-03	Tim Gokey, CEO	“tokenization continues to gain steam across capital markets, wealth, and asset management”	Cross-platform adoption	Supports investment, but is not segment guidance
Q2 FY2026, 2026-02-03	Tim Gokey, CEO	“another year of 100% plus free cash flow conversion”	Funding flexibility	Supports simultaneous tuck-ins and returns, subject to working-capital volatility
Q3 FY2026, 2026-04-30	Tim Gokey, CEO	“create an institutional-grade, end-to-end trading suite for global futures and options”	CQG strategy	CQG expands front-office capability; integration assumptions should remain bounded
Q3 FY2026, 2026-04-30	Tim Gokey, CEO	“recurring revenue rose 8% constant currency, powered by strong growth in Canada”	Wealth	SIS contributes to reported growth and becomes organic after anniversary
Q4 FY2026, 2026-08-04	Tim Gokey, CEO	“we expect the evolution to tokenized markets will be a significant tailwind”	Tokenization	Strategic tailwind without a separately guided revenue quantum
Q4 FY2026, 2026-08-04	Tim Gokey, CEO	“Fiscal '26 revenues rose 5% to $1.2 billion”	Capital Markets	Anchors recent underlying growth below the total GTO result
Q4 FY2026, 2026-08-04	Tim Gokey, CEO	“we continue to see our shares as a strong value”	Capital allocation	Supports repurchases but is not independent valuation evidence

Consolidated guidance and investor-day framework

The December 7, 2023 Investor Day set FY2024-FY2026 objectives of 5-8% organic recurring-revenue CAGR, 7-9% recurring-revenue growth constant currency, 50+ basis points of annual adjusted operating-margin expansion excluding float and distribution effects, and 8-12% adjusted EPS growth. The FY2026 release says the recurring-revenue and adjusted EPS objectives were achieved for a fifth consecutive three-year cycle.

Guidance item	FY2027 guidance	Source and date	Forecast use
Recurring revenue growth constant currency	6-8%	Q4 FY2026 filed release, 2026-08-04	First forward-year recurring-revenue anchor
Adjusted operating income margin	Approximately 21%	Q4 FY2026 filed release	Non-GAAP reference; bridge to statutory required
Adjusted EPS growth	8-12%	Q4 FY2026 filed release	First-year earnings cadence, not five-year CAGR
Free cash flow conversion	100%+	Q4 FY2026 filed release	Cash-conversion floor on adjusted net earnings definition
Closed sales	$290-$330m	Q4 FY2026 filed release	Pipeline / future onboarding indicator

CEO Tim Gokey's filed-release statement was: “Our fiscal year 2027 guidance calls for another year of strong financial performance.” He then specified 6-8% recurring growth, 8-12% adjusted EPS growth, free cash flow conversion greater than 100%, and $290-$330m of closed sales. These are issuer guidance figures, not D estimates.

7. Capital allocation history — five years

R&D is not separately disclosed in FMP or the official income-statement table. Technology and product investment is embedded in operating expenses and capitalized software. Recording FMP's zero R&D field as economic zero would be false; therefore the table marks it not separately disclosed.

Year	Issuer-definition capital investment $m	Investment / revenue	R&D $m	R&D / revenue	Buybacks $m	Dividends $m	M&A cash $m	Source
FY2022	73.1	1.3%	n/d	n/d	22.8	290.7	13.3	Live FMP cash flow
FY2023	75.2	1.2%	n/d	n/d	24.3	331.0	0.0	Live FMP cash flow
FY2024	113.0	1.7%	n/d	n/d	485.4	368.2	34.3	Live FMP cash flow
FY2025	114.9	1.7%	n/d	n/d	134.9	402.3	193.5	Live FMP cash flow
FY2026	112.6	1.5%	n/d	n/d	603.7	443.5	282.7	Live FY2026 10-K FCF reconciliation

The capital-investment series is the issuer's FCF deduction and consistently includes PP&E capex plus software purchases. FY2026 comprised $67.2m of PP&E capex and $45.4m of software purchases, totaling $112.6m. Cash returned through buybacks and dividends totaled $1,047.2m. FMP reports $22.3m of common-stock issuance and $93.9m of stock-based compensation; net common-stock issuance after repurchases was $(581.4)m. The Board authorized a new $1.5bn repurchase program on 2026-08-03 and increased the annual dividend 12% to $4.36 per share.

8. Balance sheet snapshot — FY2026

Item	$B	Source
Cash and equivalents	0.403	FY2026 10-K; live FMP tie
Short-term investments	0.000	Live FMP balance sheet
Funded debt	3.255	FY2026 10-K
Lease obligations	0.263	FY2026 10-K / sealed QF
FMP total debt including leases	3.518	Live FMP balance sheet
Funded net debt	2.852	Calculated
Net debt including leases	3.115	Calculated
Funded net debt / FMP EBITDA	2.19x	Calculated
Net debt including leases / FMP EBITDA	2.39x	Live FMP key metrics cross-check

Item	$B	Source
Goodwill	3.788	Live FMP balance sheet
Statutory intangible assets, net	1.200	FY2026 10-K
Deferred client conversion and start-up costs	0.819	FY2026 10-K
Goodwill plus statutory intangibles	4.988	Calculated
FMP broad goodwill and intangibles	5.807	Includes deferred client conversion and start-up costs
Stockholders' equity	2.841	Live FMP balance sheet
Statutory tangible book value	-2.147	Equity less goodwill and statutory intangible assets
FMP tangible asset value	-2.966	Broader provider definition also deducts deferred client conversion/start-up costs

Current assets were $1,748.1m and current liabilities $1,414.8m at FY2026. Statutory goodwill and intangibles exceed equity because Broadridge has used acquisitions to build its platforms. FMP's broader tangible-asset definition also treats $819.3m of deferred client conversion and start-up costs as intangible; both definitions are shown rather than mislabeled as the same balance-sheet line. Book-value valuation is therefore inappropriate without a separate asset-quality case; earnings and cash flow remain the more natural denominators.

8a. Later-results, cash-conversion, recurring-revenue, dilution, and valuation inputs

The latest complete period is FY2026 / TTM ended 2026-06-30. The material later-result is the non-cash $227.0m FY2026 gain on digital assets within Other non-operating income, which drove Corporate and Other from a $196.7m loss to $44.5m earnings. It must not be projected as recurring. FY2026 adjusted EPS was also $9.60 because issuer adjustments add back amortization and acquisition-related items while removing digital-asset gains; downstream normalization must replay the full issuer reconciliation rather than subtracting only one item.

Cash-conversion input	FY2022	FY2023	FY2024	FY2025	FY2026
Net income $m	539.1	630.6	698.1	839.5	1,124.3
Operating cash flow $m	443.5	823.3	1,056.2	1,171.3	1,345.6
FCF $m	370.4	748.2	943.2	1,056.4	1,233.0 issuer-definition
FCF / net income	68.7%	118.6%	135.1%	125.8%	109.7%
CFO / net income	82.3%	130.6%	151.3%	139.5%	119.7%

FY2022 cash conversion was depressed by working-capital requirements following major acquisitions. FY2023-FY2026 conversion averaged comfortably above 100%, but the working-capital profile remains seasonal and distribution pass-through revenue is low margin.

Dilution / share input	FY2022	FY2023	FY2024	FY2025	FY2026	Interpretation
Diluted weighted-average shares m	118.5	119.0	119.1	118.3	117.1	Net decline since FY2024
Stock-based compensation $m	68.4	73.1	70.6	73.4	93.9	Rising economic cost
Cash repurchases $m	22.8	24.3	485.4	134.9	603.7	Capital return, not EPS-free
Common-stock issuance $m	n/d	n/d	n/d	n/d	22.3	FY2026 FMP cash-flow disclosure

Valuation input at sealed anchor	Value	Calculation / source
XNYS:BR close, 2026-09-08	$168.62	QFR-sealed quote packet
FY2026 diluted shares	117.1m	Sealed quote packet / FY2026 10-K
Equity value	$19.75bn	Price times diluted shares
Funded net debt	$2.85bn	Funded debt less cash
Enterprise value using funded debt	$22.60bn	Equity value plus funded net debt
Reported FY2026 diluted EPS	$9.60	FY2026 10-K
Reported P/E	17.56x	Price / reported EPS
Enterprise value / revenue	3.02x	EV / $7.4768bn

Valuation input at sealed anchor	Value	Calculation / source
Enterprise value / statutory OI	17.38x	EV / $1.3006bn
Enterprise value / issuer-definition FCF	18.33x	EV / $1.2330bn
Issuer-definition FCF yield	6.24%	FCF / equity value

The quote packet is common-share, USD/USD, with split, depositary, and class factors all 1.0. The $168.62 price therefore maps directly to financial-statement EPS. Provider FY-end P/E ratios are native historical-price observations and are not substituted for the sealed current-price P/E. No valuation output in this package authorizes a trade.

9. Recent corporate actions — last 12 months

- August 2025: acquired Signal Agency Limited in ICS for $25.0m cash plus $2.7m deferred consideration, expanding European omnichannel customer communications. Source: FY2026 10-K Note 6.
- September 2025: acquired iJoin in ICS for $31.9m cash plus $3.5m deferred and $8.5m fair-value contingent consideration, adding retirement-plan onboarding and analytics. Source: FY2026 10-K Note 6.
- January 2026: acquired Acolin in ICS for $70.2m cash plus $2.4m deferred and $16.9m fair-value contingent consideration, adding European cross-border fund distribution and regulatory services. Source: FY2026 10-K Note 6.
- April 2026: acquired CQG in GTO for $173.0m cash plus $12.0m deferred and up to $50.0m contingent consideration, expanding futures and options execution, analytics, and connectivity. Source: FY2026 10-K Note 6.
- FY2026: four acquisitions totaled $300.2m cash consideration, or $282.8m net of cash acquired. Source: FY2026 10-K.
- FY2026: recognized $227.0m of non-cash digital-asset gains; contributed Canton Coins in exchange for warrants representing an interest in the Canton Digital Asset Treasury. Source: FY2026 10-K Notes 2 and 8.
- FY2026: repurchased $603.7m of shares; Q4 included 1.664m shares at an average $150.22. Source: FY2026 10-K.
- August 3, 2026: Board authorized a new $1.5bn repurchase program and replaced the remaining 3.5m-share authorization. Source: Q4 FY2026 filed release.
- August 3, 2026: Board raised annual dividend 12% from $3.90 to $4.36 per share. Source: Q4 FY2026 filed release.
- FY2027 outlook issued August 4, 2026: 6-8% recurring revenue growth constant currency, approximately 21% adjusted OI margin, 8-12% adjusted EPS growth, 100%+ FCF conversion, and $290-$330m closed sales. Source: Q4 FY2026 filed release.

10. Open data gaps and classifications

Gap	Classification	Searches performed	Treatment / downstream consequence
R&D expense as a separate statutory line	True non-disclosure	FY2022-FY2026 10-Ks; FMP income statements; `research and development`, `R&D`, technology expense	Do not treat FMP zero as economic zero; model technology spend within operating expense
Quarterly dollars for each fine-grained product	True non-disclosure	Q1-Q4 FY2026 releases and transcripts; Note 3; each product name	Use disclosed quarterly YoY rates and annual dollar bases; no back-solving used
Segment operating income	Not applicable	Note 22 and CODM metric description	Issuer uses Earnings (loss) before income taxes; preserve EBT and statutory bridge
Reportable-segment revenue cross-tabulated by geography	True non-disclosure	FY2024 and FY2026 10-K segment and geographic tables	Use the disclosed consolidated geographic history above; do not infer an ICS/GTO-by-geography allocation
ARR, NRR, RPO, or cRPO	Not applicable	10-K and releases; `ARR`, `NRR`, `RPO`, `remaining performance obligations`	Broadridge manages recurring revenue, closed sales, retention, positions, and volumes instead
FY2027 segment-specific revenue guidance	True non-disclosure	Q4 release and Q4 transcript; `ICS`, `GTO`, `guidance`	Consolidated guidance controls; segment forecasts require conservative allocation

Gap	Classification	Searches performed	Treatment / downstream consequence
Normalized treatment of digital-asset gains	Estimated only if analyst-derived	FY2026 10-K, Q4 release, adjusted reconciliation	Do not extrapolate $227.0m; downstream VP/S must replay full reconciliation
Historical FMP quarterly product anomalies before FY2025	Not applicable to controlling history	Live annual and quarterly product endpoints compared line by line	Official annual Note 3 controls; anomalous cumulative or missing quarterly rows are archived but not decision inputs

No open gap exists in the segment-profit-to-statutory-income bridge. Every operating, below-line, tax, and post-tax classification is present in the sealed packet, with maximum $0.1m residual below the $0.7229m tolerance. The single-segment fallback is not used. Broadridge is not a P&C insurer or reinsurer, so the ownership-perimeter and fee-count-once schedules are not applicable.

Load-bearing live self-checks

- Largest segment latest-quarter growth: the live Q4 FY2026 SEC release reports ICS revenue $1,732.3m, up 8%, and ICS EBT $530.8m. URL: https://www.sec.gov/Archives/edgar/data/1383312/000138331226000022/ex991earningsrelease4q2026.htm.
- Management quote recency: the live FMP Q4 FY2026 transcript is dated 2026-08-04, within the expected call window. The excerpt “we expect the evolution to tokenized markets will be a significant tailwind” appears in the CEO's prepared remarks.
- Full fiscal-year revenue: live FMP `/stable/income-statement?symbol=BR&period=annual&limit=6` returns FY2026 revenue $7,476.9m; the live SEC 10-K controls at $7,476.8m, a 0.001% rounding difference and well within 1%.

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STATUTORY_BRIDGE_STATUS: VERIFIED — CLEARED FOR FORECASTING
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