

BROADRIDGE FINANCIAL SOLUTIONS, INC.
Form 10-Q
May 05, 2016

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

FORM 10-Q

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

For the quarterly period ended March 31, 2016

OR

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

For the transition period from _____ to _____
Commission File Number 001-33220

BROADRIDGE FINANCIAL SOLUTIONS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware 33-1151291
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification No.)

5 Dakota Drive 11042
Lake Success, NY
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code (516) 472-5400

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

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

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

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

The number of shares outstanding of the registrant's common stock, \$0.01 par value, as of April 29, 2016 was 118,215,334.

Table of Contents

TABLE OF CONTENTS	PAGE
ITEM	
PART I. <u>FINANCIAL INFORMATION</u>	<u>3</u>
Item 1. <u>FINANCIAL STATEMENTS</u>	<u>3</u>
Item 2. <u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>20</u>
Item 3. <u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>34</u>
Item 4. <u>CONTROLS AND PROCEDURES</u>	<u>34</u>
PART II. <u>OTHER INFORMATION</u>	<u>35</u>
Item 1. <u>LEGAL PROCEEDINGS</u>	<u>35</u>
Item 1A. <u>RISK FACTORS</u>	<u>35</u>
Item 2. <u>UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	<u>35</u>
Item 3. <u>DEFAULTS UPON SENIOR SECURITIES</u>	<u>35</u>
Item 4. <u>MINE SAFETY DISCLOSURES</u>	<u>35</u>
Item 5. <u>OTHER INFORMATION</u>	<u>35</u>
Item 6. <u>EXHIBITS</u>	<u>36</u>

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Broadridge Financial Solutions, Inc.

Condensed Consolidated Statements of Earnings

(In millions, except per share amounts)

(Unaudited)

	Three Months		Nine Months	
	Ended		Ended	
	March 31,		March 31,	
	2016	2015	2016	2015
Revenues	\$688.8	\$634.2	\$1,922.5	\$1,764.6
Operating expenses:				
Cost of revenues	486.5	452.6	1,389.6	1,273.1
Selling, general and administrative expenses	101.7	92.6	303.0	286.3
Total operating expenses	588.2	545.2	1,692.6	1,559.4
Operating income	100.6	89.0	229.9	205.2
Non-operating expenses, net	7.2	7.1	23.5	21.7
Earnings before income taxes	93.4	81.9	206.4	183.5
Provision for income taxes	29.7	27.9	68.9	62.3
Net earnings	\$63.7	\$54.0	\$137.4	\$121.2
Basic earnings per share	\$0.54	\$0.45	\$1.16	\$1.01
Diluted earnings per share	\$0.52	\$0.43	\$1.13	\$0.97
Weighted-average shares outstanding:				
Basic	118.2	120.6	118.3	120.2
Diluted	121.7	125.0	121.8	124.4
Dividends declared per common share	\$0.30	\$0.27	\$0.90	\$0.81

Amounts may not sum due to rounding.

See Notes to Condensed Consolidated Financial Statements.

3

Table of Contents

Broadridge Financial Solutions, Inc.
 Condensed Consolidated Statements of Comprehensive Income
 (In millions)
 (Unaudited)

	Three Months Ended March 31, 2016		Nine Months Ended March 31, 2015	
Net earnings	\$63.7	\$54.0	\$137.4	\$121.2
Other comprehensive income (loss), net:				
Foreign currency translation adjustments	(9.4)	(16.7)	(26.3)	(32.6)
Net unrealized losses on available-for-sale securities, net of taxes of \$1.4 and \$0.0 for the three months ended March 31, 2016 and 2015, respectively; and \$1.6 and \$0.0 for the nine months ended March 31, 2016 and 2015, respectively	(0.4)	—	(0.7)	—
Pension and post-retirement liability adjustment, net of taxes of \$(0.1) and \$(0.1) for the three months ended March 31, 2016 and 2015, respectively; and \$(0.2) and \$(0.2) for the nine months ended March 31, 2016 and 2015, respectively	0.1	—	0.2	0.1
Total other comprehensive loss, net	(9.7)	(16.7)	(26.8)	(32.5)
Comprehensive income	\$54.0	\$37.3	\$110.7	\$88.7

Amounts may not sum due to rounding.

See Notes to Condensed Consolidated Financial Statements.

4

Table of Contents

Broadridge Financial Solutions, Inc.
 Condensed Consolidated Balance Sheets
 (In millions, except per share amounts)
 (Unaudited)

	March 31, 2016	June 30, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 354.4	\$ 324.1
Accounts receivable, net of allowance for doubtful accounts of \$3.2 and \$3.8, respectively	503.8	444.5
Other current assets	145.6	92.8
Total current assets	1,003.8	861.4
Property, plant and equipment, net	108.2	97.3
Goodwill	973.3	970.5
Intangible assets, net	181.6	195.7
Other non-current assets	257.0	243.2
Total assets	\$2,524.0	\$2,368.1
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 123.8	\$ 115.9
Accrued expenses and other current liabilities	291.5	320.4
Deferred revenues	166.0	72.6
Total current liabilities	581.3	508.9
Long-term debt	819.5	689.4
Deferred taxes	41.4	61.7
Deferred revenues	76.3	75.2
Other non-current liabilities	103.1	105.1
Total liabilities	1,621.5	1,440.3
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock: Authorized, 25.0 shares; issued and outstanding, none	—	—
Common stock, \$0.01 par value: Authorized, 650.0 shares; issued, 154.5 and 154.5 shares, respectively; outstanding, 117.5 and 118.2 shares, respectively	1.6	1.6
Additional paid-in capital	901.3	855.5
Retained earnings	1,163.2	1,132.0
Treasury stock, at cost: 37.0 and 36.3 shares, respectively	(1,115.8)	(1,040.4)
Accumulated other comprehensive loss	(47.7)	(20.9)
Total stockholders' equity	902.6	927.8
Total liabilities and stockholders' equity	\$2,524.0	\$2,368.1

Amounts may not sum due to rounding.

See Notes to Condensed Consolidated Financial Statements.

Table of Contents

Broadridge Financial Solutions, Inc.
Condensed Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Nine Months Ended March 31,	
	2016	2015
Cash Flows From Operating Activities		
Net earnings	\$137.4	\$121.2
Adjustments to reconcile Net earnings to Net cash flows provided by operating activities:		
Depreciation and amortization	39.2	36.5
Amortization of acquired intangibles	24.0	17.8
Amortization of other assets	19.5	23.1
Stock-based compensation expense	34.5	29.9
Deferred income taxes	(20.6)	(28.7)
Excess tax benefits from stock-based compensation awards	(11.1)	(21.4)
Other	1.6	8.8
Changes in operating assets and liabilities:		
Current assets and liabilities:		
Increase in Accounts receivable, net	(56.0)	(57.6)
Increase in Other current assets	(51.9)	(18.0)
Increase in Accounts payable	6.8	1.5
Decrease in Accrued expenses and other current liabilities	(13.9)	(43.7)
Increase in Deferred revenues	90.9	97.4
Non-current assets and liabilities:		
Increase in Other non-current assets	(44.3)	(36.0)
Increase in Other non-current liabilities	5.0	25.8
Net cash flows provided by operating activities	161.1	156.6
Cash Flows From Investing Activities		
Capital expenditures	(43.1)	(22.9)
Software purchases and capitalized internal use software	(13.0)	(7.7)
Equity method investment	(3.3)	(5.5)
Acquisitions, net of cash acquired	(15.4)	(64.9)
Other investing activities	(3.4)	—
Net cash flows used in investing activities	(78.2)	(101.0)
Cash Flows From Financing Activities		
Proceeds from Long-term debt	210.0	120.0
Repayments on Long-term debt	(80.0)	(15.0)
Excess tax benefits from stock-based compensation awards	11.1	21.4
Dividends paid	(103.0)	(90.1)
Purchases of Treasury stock	(97.0)	(156.0)
Proceeds from exercise of stock options	21.0	50.3
Payment of contingent consideration liabilities	(1.0)	—
Costs related to amendment of revolving credit facility	—	(1.9)
Net cash flows used in financing activities	(38.9)	(71.3)
Effect of exchange rate changes on Cash and cash equivalents	(13.7)	(21.8)
Net change in Cash and cash equivalents	30.4	(37.5)
Cash and cash equivalents, beginning of period	324.1	347.6

Edgar Filing: BROADRIDGE FINANCIAL SOLUTIONS, INC. - Form 10-Q

Cash and cash equivalents, end of period	\$354.4	\$310.1
Supplemental disclosure of cash flow information:		
Cash payments made for interest	\$22.1	\$19.7
Cash payments made for income taxes, net of refunds	\$89.2	\$45.4
Non-cash investing and financing activities:		
Increase in dividends payable	\$3.3	\$6.9
Property, plant and equipment	\$1.8	\$0.1
Acquisition related obligations	\$2.6	\$—
Amounts may not sum due to rounding.		

See Notes to Condensed Consolidated Financial Statements.

6

Table of Contents

Broadridge Financial Solutions, Inc.

Notes to Condensed Consolidated Financial Statements

(Unaudited)

NOTE 1. BASIS OF PRESENTATION

A. Description of Business. Broadridge Financial Solutions, Inc. (“Broadridge” or the “Company”), a Delaware corporation, is a leading global provider of investor communications and technology-driven solutions to banks, broker-dealers, mutual funds and corporate issuers. Our services include investor communications, securities processing, and data and analytics solutions. In short, we provide the infrastructure that helps the financial services industry operate. With over 50 years of experience, we provide financial services firms with advanced, dependable, scalable and cost-effective integrated systems. Our systems help reduce the need for clients to make significant capital investments in operations infrastructure, thereby allowing them to increase their focus on core business activities. The Company classifies its operations into the following two reportable segments:

Investor Communication Solutions—Broadridge offers Bank/Broker-Dealer Investor Communication Solutions, Corporate Issuer Solutions, Advisor Solutions and Mutual Fund and Retirement Solutions in this segment. A large portion of Broadridge’s Investor Communication Solutions business involves the processing and distribution of proxy materials to investors in equity securities and mutual funds, as well as the facilitation of related vote processing. ProxyEdge®, Broadridge’s innovative electronic proxy delivery and voting solution for institutional investors and financial advisors, helps ensure the participation of the largest stockholders of many companies. Broadridge also provides the distribution of regulatory reports and corporate action/reorganization event information, as well as tax reporting solutions that help its clients meet their regulatory compliance needs.

In addition, Broadridge provides financial information distribution and transaction reporting services to both financial institutions and securities issuers. These services include the processing and distribution of account statements and trade confirmations, traditional and personalized document fulfillment and content management services, marketing communications, and imaging, archival and workflow solutions that enable and enhance Broadridge’s clients’ communications with investors. All of these communications are delivered through paper or electronic channels. In addition, Broadridge provides corporate issuers with registered proxy services as well as registrar, stock transfer and record-keeping services.

Broadridge’s advisor solutions enable financial and wealth advisors, and insurance agents to better support their customers through the creation of sales and educational content, including seminars and a library of financial planning topics as well as customer communications solutions such as customizable advisor websites, search engine marketing and electronic print newsletters. Broadridge’s advisor solutions also help advisors optimize their practice management through customer data aggregation, reporting and cloud-based marketing tools.

Broadridge’s mutual fund and retirement solutions are a full range of tools for mutual funds, exchange traded fund (“ETF”) providers, and asset management firms. They include data-driven technology solutions for data management, analytics, investment accounting, marketing and customer communications. In addition, Broadridge provides mutual fund trade processing services for retirement providers, third party administrators, financial advisors, banks and wealth management professionals through its subsidiary, Matrix Financial Solutions, Inc.

In November 2015, Broadridge acquired QED Financial Systems, Inc. (“QED”), a provider of investment accounting solutions that serves public sector institutional investors.

Global Technology and Operations—Broadridge offers a suite of advanced computerized real-time transaction processing services that automate the securities transaction lifecycle, from desktop productivity tools, data aggregation, performance reporting, and portfolio management to order capture and execution, trade confirmation, settlement, and accounting. Broadridge’s services help financial institutions and investment managers efficiently and cost-effectively consolidate their books and records, gather and service assets under management, focus on their core

businesses, and manage risk. Broadridge's multi-currency solutions support real-time global trading of equity, fixed income, mutual fund, foreign exchange and exchange traded derivative securities in established and emerging markets. In addition, Broadridge's Managed Services solution allows broker-dealers to outsource certain administrative functions relating to clearing and settlement and asset servicing, while maintaining their ability to finance and capitalize their businesses.

B. Consolidation and Basis of Presentation. The Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America ("U.S."). These financial

Table of Contents

statements present the condensed consolidated position of the Company and include the entities in which the Company directly or indirectly has a controlling financial interest and various entities in which the Company has investments recorded under both the cost and equity methods of accounting. Intercompany balances and transactions have been eliminated. Amounts presented may not sum due to rounding. The results of operations reported for interim periods are not necessarily indicative of the results of operations for the entire year or any subsequent interim period. These Condensed Consolidated Financial Statements should be read in conjunction with the Company's Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2015 (the "2015 Annual Report") filed on August 7, 2015 with the Securities and Exchange Commission (the "SEC"). These Condensed Consolidated Financial Statements include all normal and recurring adjustments necessary for a fair presentation in accordance with GAAP of the Company's financial position at March 31, 2016 and June 30, 2015, the results of its operations for the three and nine months ended March 31, 2016 and 2015, and its cash flows for the nine months ended March 31, 2016 and 2015.

Effective in the first quarter of fiscal year 2016, we have revised our presentation in the Condensed Consolidated Statements of Earnings to separately present Operating expenses, Operating income, and Non-operating expenses, net. Previously, we reported Other expenses, net, as part of Total expenses and did not separately present Operating income in our Condensed Consolidated Statements of Earnings. All prior period information has been conformed to the current period presentation. See Note 4, "Non-Operating Expenses, Net," for details of the Company's Non-operating expenses, net.

C. Use of Estimates. The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the Condensed Consolidated Financial Statements and accompanying notes thereto. Actual results may differ from those estimates.

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

E. Financial Instruments. Substantially all of the financial instruments of the Company other than Long-term debt are carried at fair values, or at carrying amounts that approximate fair values because of the short maturity of the instruments. The carrying value of the Company's long-term fixed-rate senior notes represents the face value of the long-term fixed-rate senior notes net of the unamortized discount. The fair value of the Company's long-term fixed-rate senior notes is based on quoted market prices. See Note 9, "Borrowings," for a further discussion of the Company's long-term fixed-rate senior notes.

F. Subsequent Events. In preparing the accompanying Condensed Consolidated Financial Statements, in accordance with Accounting Standards Codification Topic ("ASC") No. 855, "Subsequent Events," the Company has reviewed events that have occurred after March 31, 2016, through the date of issuance of the Condensed Consolidated Financial Statements. During this period, the Company did not have any subsequent events for disclosure.

NOTE 2. NEW ACCOUNTING PRONOUNCEMENTS

In March 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-09, "Improvements to Employee Share-Based Payment Accounting" ("ASU No. 2016-09"). ASU No. 2016-09 identifies areas for simplification involving several aspects of accounting for share-based payment transactions, including presenting the excess tax benefit or deficit from the exercise or vesting of share-based payments in the income statement, a revision to the criteria for classifying an award as equity or liability, an option to recognize gross stock compensation expense with actual forfeitures recognized as they occur, as well as certain classifications on the statement of cash flows. In addition, ASU No. 2016-09 eliminates the excess tax benefit from the assumed proceeds calculation under the treasury stock method for purposes of calculating diluted shares. ASU No. 2016-09 is effective for the Company beginning in our first quarter of fiscal year 2018, with early adoption permitted. Certain provisions of ASU No. 2016-09 are required to be adopted prospectively, most notably the requirement to recognize the excess tax benefit or deficit in the income statement, while other provisions of ASU No. 2016-09 require modified retrospective application or in some cases full retrospective application. The Company is currently evaluating the impact of the pending adoption of ASU No. 2016-09 on the Company's Consolidated Financial

Statements.

In February 2016, the FASB issued ASU No. 2016-02, "Leases" ("ASU No. 2016-02"). Under ASU No. 2016-02, all lease arrangements exceeding a twelve month term must now be recognized as assets and liabilities on the balance sheet of the lessee by recording a right-of-use asset and corresponding lease obligation generally equal to the present value of the future lease payments over the lease term. Further, the income statement will reflect lease expense for leases classified as operating and amortization/interest expense for leases classified as financing, determined using classification criteria substantially similar to the current lease guidance for distinguishing between an operating and capital lease. ASU No. 2016-02 also contains certain

Table of Contents

additional qualitative and quantitative disclosures to supplement the amounts recorded in the financial statements so that users can understand more about the nature of an entity's leasing activities, including significant judgments and changes in judgments. ASU No. 2016-02 is effective for the Company in the first quarter of fiscal year 2020 and will be adopted on a modified retrospective basis, which will require adjustment to all comparative periods presented in the consolidated financial statements. The Company is currently evaluating the impact of the pending adoption of ASU No. 2016-02 on the Company's Consolidated Financial Statements.

In January 2016, the FASB issued ASU No. 2016-01, "Recognition and Measurement of Financial Assets and Financial Liabilities" ("ASU No. 2016-01"), which provides guidance for the recognition, measurement, presentation, and disclosure of financial assets and liabilities. ASU No. 2016-01 is effective for the Company beginning in our first quarter of fiscal year 2019. The pending adoption of this guidance is not expected to have a material impact on the Company's Consolidated Financial Statements.

In November 2015, the FASB issued ASU No. 2015-17, "Balance Sheet Classification of Deferred Taxes" ("ASU No. 2015-17"). The amendments in ASU No. 2015-17 require entities that present a classified balance sheet to classify all deferred tax liabilities and assets as a noncurrent amount. The amendments in ASU No. 2015-17 are effective for the Company in the first quarter of fiscal year 2018, applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. The pending adoption of this guidance is not expected to have a material impact on the Company's Consolidated Financial Statements.

In September 2015, the FASB issued ASU No. 2015-16, "Simplifying the Accounting for Measurement-Period Adjustments" ("ASU No. 2015-16"), to require that an acquirer in a business combination recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined, including the cumulative effects of any income adjustments calculated as if the accounting had been completed at the acquisition date. The Company has elected to early adopt ASU No. 2015-16 effective as of the beginning of the first quarter of fiscal year 2016 on a prospective basis for any new measurement period adjustments that occur during or subsequent to our first quarter of adoption. The adoption of this guidance did not have a material impact on the Company's Consolidated Financial Statements.

In April 2015, the FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs" ("ASU No. 2015-03"), to require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. ASU No. 2015-03 is effective for the Company in the first quarter of fiscal year 2017. The pending adoption of this guidance is not expected to have a material impact on the Company's Consolidated Financial Statements.

In April 2015, the FASB issued ASU No. 2015-05, "Customer's Accounting for Fees Paid in a Cloud Computing Arrangement" ("ASU No. 2015-05"). ASU No. 2015-05 provides guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. ASU No. 2015-05 does not change the accounting for a customer's accounting for service contracts. Following adoption of ASU No. 2015-05, all software licenses within its scope will be accounted for consistent with other licenses of intangible assets. ASU No. 2015-05 will be effective for the Company beginning in the first quarter of fiscal year 2017. The Company expects to adopt ASU No. 2015-05 prospectively to all arrangements entered into or materially modified after the effective date. The pending adoption of this guidance is not expected to have a material impact on the Company's Consolidated Financial Statements.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers" ("ASU No. 2014-9"), to supersede nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU No. 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. ASU No. 2014-09 defines a five step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the

revenue recognition process than are required under existing U.S. GAAP including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. In August 2015, the FASB issued ASU No. 2015-14, "Revenue from Contracts with Customers - Deferral of the Effective Date," which defers the effective date of ASU No. 2014-09 by one year, with an option that would permit companies to adopt the standard as early as the original effective date. As a result, ASU No. 2014-09 will be effective for the Company as of the first quarter of fiscal year 2019 using either of two methods: (i) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU No. 2014-09; or (ii) retrospective with the cumulative effect of initially applying ASU No. 2014-09 recognized at the date of initial application and providing

Table of Contents

certain additional disclosures as defined per ASU No. 2014-09. In March 2016, the FASB issued ASU No. 2016-08, "Principal versus Agent Considerations (Reporting Revenue Gross versus Net)" ("ASU No. 2016-08"), which provides clarifying implementation guidance to the principal versus agent provisions of ASU No. 2014-09. In April 2016, the FASB issued ASU No. 2016-10 "Identifying Performance Obligations and Licensing" ("ASU No. 2016-10"), which provides clarifying implementation guidance for applying ASU No. 2014-09 with respect to identifying performance obligations and the accounting for licensing arrangements. Both ASU No. 2016-08 and ASU No. 2016-10 have the same effective date as ASU No. 2014-09. The Company is currently evaluating the impact of the pending adoption of ASU No. 2014-09 on its Consolidated Financial Statements.

NOTE 3. EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the Company's Net earnings by the basic Weighted-average shares outstanding for the periods presented.

Diluted EPS reflects the potential dilution that could occur if outstanding stock options at the presented date are exercised and shares of restricted stock units have vested.

The computation of diluted EPS did not include 0.7 million and 0.9 million options to purchase Broadridge common stock for the three months ended March 31, 2016, and 2015, respectively, and 1.6 million and 0.9 million options to purchase Broadridge common stock for the nine months ended March 31, 2016, and 2015, respectively, as the effect of their inclusion would have been anti-dilutive.

The following table sets forth the denominators of the basic and diluted EPS computations (in millions):

	Three Months Ended March 31, 2016		Nine Months Ended March 31, 2015	
Weighted-average shares outstanding:				
Basic	118.2	120.6	118.3	120.2
Common stock equivalents	3.5	4.4	3.5	4.2
Diluted	121.7	125.0	121.8	124.4

NOTE 4. NON-OPERATING EXPENSES, NET

Non-operating expenses, net consisted of the following:

	Three Months Ended March 31, 2016		Nine Months Ended March 31, 2015	
	(\$ in millions)			
Interest expense on borrowings	\$7.4	\$6.4	\$21.1	\$18.8
Interest income	(0.9)	(0.8)	(1.9)	(2.2)
Foreign currency exchange gain	(0.7)	(0.2)	(0.7)	—
Losses from equity method investments	1.4	1.7	5.1	5.1
Non-operating expenses, net	\$7.2	\$7.1	\$23.5	\$21.7

NOTE 5. ACQUISITIONS

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

During the second quarter of fiscal year 2016, the Company acquired one business in the Investor Communication Solutions segment:

QED

In November 2015, the Company acquired QED, a provider of investment accounting solutions that serves public sector institutional investors. The aggregate purchase price was \$15.5 million, consisting of \$13.3 million of cash payments, a \$1.5 million note payable to the sellers that will be settled in the future, as well as a contingent consideration liability with an acquisition date fair value of \$0.7 million that is payable over the next three years upon the achievement by the acquired business of certain revenue and earnings targets. The contingent consideration liability has a maximum potential pay-out of \$3.5 million upon the achievement in full of the defined financial targets by the acquired business. Net liabilities assumed in the transaction were \$0.4 million. This acquisition resulted in \$11.1 million of Goodwill. Intangible assets acquired, which totaled \$4.8 million, consist primarily of customer relationships and software technology, which are being amortized over a ten-year

Table of Contents

life and seven-year life, respectively. The results of QED's operations were included in the Company's Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q from the date of acquisition. Pro forma supplemental financial information is not provided as the impact of the acquisition on the Company's operating results, financial position or cash flows was not material.

NOTE 6. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Level 1 Inputs that are based upon unadjusted quoted prices for identical instruments traded in active markets.

Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

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

The Company holds certain available-for-sale securities in a non-public entity for which the lowest level of significant inputs is unobservable. On a recurring basis, the Company uses pricing models and similar techniques for which the determination of fair value requires significant judgment by management. Accordingly, the Company classifies the available-for-sale securities as Level 3 in the table below.

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

The following tables set forth the Company's financial assets and liabilities at March 31, 2016 and June 30, 2015, respectively, that are measured at fair value on a recurring basis during the period, segregated by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	(\$ in millions)			
Assets:				
Cash and cash equivalents:				
Money market funds (1)	\$72.0	\$ —	\$ —	\$72.0
Other current assets:				
Available-for-sale securities	0.1	—	—	0.1
Other non-current assets:				
Available-for-sale securities	32.7	—	1.1	33.8
Total assets as of March 31, 2016	\$104.7	\$ —	\$ 1.1	\$105.9
Liabilities:				
Contingent consideration obligations	—	—	14.4	14.4
Total liabilities as of March 31, 2016	\$—	\$ —	\$ 14.4	\$14.4

Table of Contents

	Level 1	Level 2	Level 3	Total
	(\$ in millions)			
Assets:				
Cash and cash equivalents:				
Money market funds (1)	\$65.5	\$ —	\$ —	\$65.5
Other current assets:				
Available-for-sale securities	0.1	—	—	0.1
Other non-current assets:				
Available-for-sale securities	24.5	—	1.1	25.6
Total assets as of June 30, 2015	\$90.1	\$ —	\$ 1.1	\$91.2
Liabilities:				
Contingent consideration obligations	—	—	15.7	15.7
Total liabilities as of June 30, 2015	\$—	\$ —	\$ 15.7	\$15.7

(1) Money market funds include money market deposit account balances of \$34.2 million and \$34.0 million as of March 31, 2016 and June 30, 2015, respectively.

The following table sets forth an analysis of changes during the nine months ended March 31, 2016 and 2015, respectively, in Level 3 financial assets of the Company:

	March 31, 2016	March 31, 2015
	(\$ in millions)	
Beginning balance	\$1.1	\$ 1.1
Net realized/unrealized gains (losses)	—	—
Purchases	—	—
Transfers in (out) of Level 3	—	—
Ending balance	\$1.1	\$ 1.1

The Company did not incur any Level 3 fair value asset impairments during the nine months ended March 31, 2016 and 2015, respectively.

The following table sets forth an analysis of changes during the nine months ended March 31, 2016 and 2015, in Level 3 financial liabilities of the Company:

	March 31, 2016	March 31, 2015
	(\$ in millions)	
Beginning balance	\$15.7	\$ 1.3
Additional contingent consideration incurred	0.7	1.9
Decrease in contingent consideration liability	(1.0)	—
Payments	(1.0)	—
Ending balance	\$14.4	\$ 3.2

Changes in economic conditions or model based valuation techniques may require the transfer of financial instruments between levels. The Company's policy is to record transfers between levels, if any, as of the beginning of the fiscal year.

NOTE 7. OTHER NON-CURRENT ASSETS

Other non-current assets consisted of the following:

Table of Contents

	March 31, 2016	June 30, 2015
	(\$ in millions)	
Deferred client conversion and start-up costs	\$133.4	\$137.1
Deferred data center costs	43.1	43.5
Long-term investments	45.1	33.3
Long-term broker fees	11.2	5.4
Other	24.2	23.9
Total	\$257.0	\$243.2

NOTE 8. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following:

	March 31, 2016	June 30, 2015
	(\$ in millions)	
Employee compensation and benefits	\$141.7	\$163.2
Accrued broker fees	50.6	63.4
Accrued taxes	28.6	28.5
Accrued dividend payable	34.7	31.4
Other	35.9	33.9
Total	\$291.5	\$320.4

NOTE 9. BORROWINGS

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

	Expiration Date	March 31, 2016	June 30, 2015	Unused Available Capacity
		(\$ in millions)		
Long-term debt				
Fiscal 2015 Revolving Credit Facility	August 2019	\$295.0	\$165.0	\$455.0
Fiscal 2007 Senior Notes	June 2017	124.9	124.8	—
Fiscal 2014 Senior Notes	September 2020	399.7	399.6	—
Total debt		\$819.5	\$689.4	\$455.0

Fiscal 2015 Revolving Credit Facility: On August 14, 2014, the Company entered into an amended and restated \$750.0 million five-year revolving credit facility (the "Fiscal 2015 Revolving Credit Facility"), which replaced the \$500.0 million five-year revolving credit facility entered into in September 2011 (the "Fiscal 2012 Revolving Credit Facility"). The Fiscal 2015 Revolving Credit Facility is comprised of a \$670.0 million U.S. dollar tranche and an \$80.0 million multicurrency tranche. At March 31, 2016, the Company had \$295.0 million in outstanding borrowings and had unused available capacity of \$455.0 million under the Fiscal 2015 Revolving Credit Facility. The weighted-average interest rate on the Fiscal 2015 Revolving Credit Facility was 1.40% and 1.26%, respectively, for the three and nine months ended March 31, 2016, and 1.14% for both the three and nine months ended March 31, 2015, respectively. The fair value of the variable-rate Fiscal 2015 Revolving Credit Facility borrowings at March 31, 2016 approximates carrying value.

Borrowings under the Fiscal 2015 Revolving Credit Facility initially bear interest at LIBOR plus 100 basis points. In addition, the Fiscal 2015 Revolving Credit Facility has an annual facility fee equal to 12.5 basis points on the entire facility, which totaled \$0.2 million and \$0.7 million for the three and nine months ended March 31, 2016, respectively, and \$0.2 million and \$0.6 million for the three and nine months ended March 31, 2015, respectively. The Company incurred \$1.9 million in debt issuance costs to establish the Fiscal 2015 Revolving Credit Facility. As of March 31, 2016, \$1.6 million of debt issuance costs remain to be amortized (including \$0.3 million of issuance costs from the Fiscal 2012 Revolving Credit Facility). Such costs are capitalized in Other non-current assets in the

Condensed Consolidated Balance Sheets and are being amortized to Non-

13

Table of Contents

operating expenses, net on a straight-line basis, which approximates the effective interest method, over the term of this facility.

The Company may voluntarily prepay, in whole or in part and without premium or penalty, borrowings under the Fiscal 2015 Revolving Credit Facility at any time. The Fiscal 2015 Revolving Credit Facility is subject to covenants, including financial covenants consisting of a leverage ratio and an interest coverage ratio. At March 31, 2016, the Company is in compliance with the financial covenants of the Fiscal 2015 Revolving Credit Facility.

Fiscal 2007 Senior Notes: In May 2007, the Company completed an offering of \$250.0 million in aggregate principal amount of senior notes (the "Fiscal 2007 Senior Notes"). The Fiscal 2007 Senior Notes will mature on June 1, 2017 and bear interest at a rate of 6.125% per annum. Interest on the Fiscal 2007 Senior Notes is payable semi-annually in arrears on June 1st and December 1st each year. The Fiscal 2007 Senior Notes were issued at a price of 99.1% (effective yield to maturity of 6.251%). The indenture governing the Fiscal 2007 Senior Notes contains certain covenants including covenants restricting the Company's ability to create or incur liens securing indebtedness for borrowed money and to enter into certain sale-leaseback transactions. At March 31, 2016, the Company is in compliance with the covenants of the indenture governing the Fiscal 2007 Senior Notes. The indenture also contains covenants regarding the purchase of the Fiscal 2007 Senior Notes upon a change of control triggering event. The Company may redeem the Fiscal 2007 Senior Notes in whole or in part at any time before their maturity. The Company incurred \$1.9 million in debt issuance costs to establish the Fiscal 2007 Senior Notes. These costs have been capitalized and are being amortized to Non-operating expenses, net on a straight-line basis, which approximates the effective interest method, over the ten-year term. As of March 31, 2016, \$0.1 million of debt issuance costs remain to be amortized. During the fiscal year ended June 30, 2009, the Company purchased \$125.0 million principal amount of the Fiscal 2007 Senior Notes (including \$1.0 million unamortized bond discount) pursuant to a cash tender offer for such notes. The fair value of the fixed-rate Fiscal 2007 Senior Notes at March 31, 2016 and June 30, 2015 was \$128.0 million and \$135.8 million, respectively, based on quoted market prices, which represents a Level 1 fair value measurement (as defined in Note 6, "Fair Value of Financial Instruments").

Fiscal 2014 Senior Notes: In August 2013, the Company completed an offering of \$400.0 million in aggregate principal amount of senior notes (the "Fiscal 2014 Senior Notes"). The Fiscal 2014 Senior Notes will mature on September 1, 2020 and bear interest at a rate of 3.95% per annum. Interest on the Fiscal 2014 Senior Notes is payable semi-annually in arrears on March 1st and September 1st each year. The Fiscal 2014 Senior Notes were issued at a price of 99.871% (effective yield to maturity of 3.971%). The indenture governing the Fiscal 2014 Senior Notes contains certain covenants including covenants restricting the Company's ability to create or incur liens securing indebtedness for borrowed money and to enter into certain sale-leaseback transactions. At March 31, 2016, the Company is in compliance with the covenants of the indenture governing the Fiscal 2014 Senior Notes. The indenture also contains covenants regarding the purchase of the Fiscal 2014 Senior Notes upon a change of control triggering event. The Company may redeem the Fiscal 2014 Senior Notes in whole or in part at any time before their maturity. The Company incurred \$4.3 million in debt issuance costs to establish the Fiscal 2014 Senior Notes. These costs have been capitalized and are being amortized to Non-operating expenses, net on a straight-line basis, which approximates the effective interest method, over the seven-year term. As of March 31, 2016, \$2.6 million of debt issuance costs remain to be amortized. The fair value of the fixed-rate Fiscal 2014 Senior Notes at March 31, 2016 and June 30, 2015 was \$427.3 million and \$417.8 million based on quoted market prices, which represents a Level 1 fair value measurement (as defined in Note 6, "Fair Value of Financial Instruments").

The Fiscal 2015 Revolving Credit Facility, Fiscal 2007 Senior Notes, and Fiscal 2014 Senior Notes are senior unsecured obligations of the Company and are ranked equally in right of payment.

In addition, the Company and certain of the Company's subsidiaries established unsecured, uncommitted lines of credit with banks. As of March 31, 2016 and June 30, 2015, there were no outstanding borrowings under these lines of credit.

NOTE 10. STOCK-BASED COMPENSATION

Table of Contents

The activity related to the Company's incentive equity awards for the three months ended March 31, 2016 consisted of the following:

	Stock Options		Time-based Restricted Stock Units		Performance-based Restricted Stock Units	
	Number of Options	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Grant Date Fair Value	Number of Shares	Weighted-Average Grant Date Fair Value
Balances at January 1, 2016	7,177,673	\$ 29.89	2,008,767	\$ 39.30	684,015	\$ 40.44
Granted	593,540	51.95	16,162	49.78	38,073	48.42
Exercise of stock options (a)	(526,750)	20.15	—	—	—	—
Vesting of restricted stock units	—	—	(49,702)	31.03	(4,613)	30.23
Expired/forfeited	(10,036)	18.18	(26,909)	38.84	—	—
Balances at March 31, 2016 (b)(c)	7,234,427	\$ 32.43	1,948,318	\$ 39.60	717,475	\$ 40.93

(a) Stock options exercised during the period of January 1, 2016 through March 31, 2016 had an aggregate intrinsic value of \$17.4 million.

As of March 31, 2016, the Company's outstanding vested and currently exercisable stock options using the March 31, 2016 closing stock price of \$59.31 (approximately 4.4 million shares) had an aggregate intrinsic value (b) of \$145.8 million with a weighted-average exercise price of \$26.06 and a weighted-average remaining contractual life of 5.4 years. The total of all stock options outstanding as of March 31, 2016 have a weighted-average remaining contractual life of 6.6 years.

As of March 31, 2016, time-based restricted stock units and performance-based restricted stock units expected to (c) vest using the March 31, 2016 share price of \$59.31 (approximately 1.9 million and 0.7 million shares, respectively) had an aggregate intrinsic value of \$113.9 million and \$40.7 million, respectively.

The activity related to the Company's incentive equity awards for the nine months ended March 31, 2016 consisted of the following:

	Stock Options		Time-based Restricted Stock Units		Performance-based Restricted Stock Units	
	Number of Options	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Grant Date Fair Value	Number of Shares	Weighted-Average Grant Date Fair Value
Balances at July 1, 2015	7,673,947	\$ 29.00	1,526,460	\$ 34.51	547,865	\$ 33.94
Granted	679,995	52.51	567,373	52.19	248,443	50.72
Exercise of stock options (a)	(1,046,961)	20.55	—	—	—	—
Vesting of restricted stock units	—	—	(50,251)	31.13	(4,613)	30.23
Expired/forfeited	(72,554)	29.74	(95,264)	37.47	(74,220)	22.75
Balances at March 31, 2016	7,234,427	\$ 32.43	1,948,318	\$ 39.60	717,475	\$ 40.93

(a) Stock options exercised during the period of July 1, 2015 through March 31, 2016 had an aggregate intrinsic value of \$36.0 million.

The Company has stock-based compensation plans under which the Company annually grants stock option and restricted stock unit awards. Stock options are granted to employees at exercise prices equal to the fair market value of the Company's common stock on the dates of grant, with the measurement of stock-based compensation expense recognized in Net earnings based on the fair value of the award on the date of grant. Stock-based compensation expense of \$12.3 million and \$10.3 million, as well as related tax benefits of \$4.6 million and \$3.9 million, was recognized for the three months ended March 31, 2016 and 2015, respectively. Stock-based compensation expense of \$34.5 million and \$29.9 million, as well as related tax benefits of \$13.0 million and \$11.3 million, was recognized for the nine months ended March 31, 2016 and 2015, respectively.

Table of Contents

As of March 31, 2016, the total remaining unrecognized compensation cost related to non-vested stock options and restricted stock unit awards amounted to \$14.9 million and \$42.5 million, respectively, which will be amortized over the weighted-average remaining requisite service periods of 2.9 years and 1.7 years, respectively.

For stock options issued, the fair value of each stock option was estimated on the date of grant using a binomial option pricing model. The binomial model considers a range of assumptions related to volatility, risk-free interest rate and employee exercise behavior. Expected volatilities utilized in the binomial model are based on a combination of implied market volatilities, historical volatility of the Company's stock price and other factors. Similarly, the dividend yield is based on historical experience and expected future changes. The risk-free rate is derived from the U.S. Treasury yield curve in effect at the time of grant. The binomial model also incorporates exercise and forfeiture assumptions based on an analysis of historical data. The expected life of the stock option grants is derived from the output of the binomial model and represents the period of time that options granted are expected to be outstanding.

NOTE 11. INCOME TAXES

The Provision for income taxes and effective tax rates for the three months ended March 31, 2016 were \$29.7 million and 31.8%, compared to \$27.9 million and 34.1%, for the three months ended March 31, 2015, respectively. The decrease in the effective tax rate for the three months ended March 31, 2016, when compared to the prior year period, is due to (i) larger discrete tax benefits relating to the recognition in the current period for a prior year U.S. federal research and development tax credit and (ii) the prior year tax benefit from the U.S. federal Section 199 domestic production activities deduction recognized in the current period.

The Provision for income taxes and effective tax rates for the nine months ended March 31, 2016 were \$68.9 million and 33.4%, compared to \$62.3 million and 34.0% for the nine months ended March 31, 2015, respectively. The decrease in the effective tax rate for the nine months ended March 31, 2016, when compared to the prior year period, is due primarily to (i) larger discrete tax benefits relating to the recognition in the current period for prior years' U.S. federal research and development tax credits and (ii) the prior year tax benefit from the U.S. federal Section 199 domestic production activities deduction recognized in the current period.

NOTE 12. CONTRACTUAL COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS

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

In March 2010, the Company and International Business Machines Corporation ("IBM") entered into an Information Technology Services Agreement (the "IT Services Agreement"), under which IBM provides certain aspects of the Company's information technology infrastructure. Under the IT Services Agreement, IBM provides a broad range of technology services to the Company including supporting its mainframe, midrange, open systems, network and data center operations, as well as providing disaster recovery services. The Company has the option of incorporating additional services into the agreement over time. The migration of data center processing to IBM was completed in August 2012. The IT Services Agreement expires on June 30, 2024. The Company has the right to renew the term of the IT Services Agreement for up to one additional 12-month term. Commitments remaining under this agreement at March 31, 2016 are \$463.3 million through fiscal year 2024, the final year of the contract.

In March 2014, the Company and IBM United Kingdom Limited ("IBM UK") entered into an Information Technology Services Agreement (the "EU IT Services Agreement"), under which IBM UK provides data center services supporting the Company's technology outsourcing services for certain clients in Europe and Asia. The EU IT Services Agreement expires in October 2023. The Company has the right to renew the initial term of the EU IT Services Agreement for up to one additional 12-month term or one additional 24-month term. Commitments remaining under this agreement at March 31, 2016 are \$34.5 million through fiscal year 2024, the final year of the contract.

In July 2014, the Company entered into an agreement providing for a capital commitment of \$7.5 million to be made by the Company into an equity method investment. During fiscal year 2015, the Company contributed \$7.5

million to this investment. In June 2015, the Company entered into an agreement to provide an additional capital commitment of \$1.8 million to this investment through December 31, 2015. In February 2016, the Company entered into an agreement to provide an

Table of Contents

additional capital commitment of \$3.0 million to this investment through June 30, 2016. The Company contributed \$3.3 million to this investment during the nine months ended March 31, 2016, and has a remaining commitment of \$1.5 million at March 31, 2016.

In December 2015, the Company and Computer Associates, Inc. (“CA”) entered into a Mainframe Software License agreement extension (“the CA Software License Agreement”), under which CA provides software that the Company uses in support of its data center operations. The CA Software License Agreement expires in March 2021.

Commitments remaining under this agreement at March 31, 2016 are \$33.4 million through fiscal year 2021, the final year of the contract.

It is not the Company’s business practice to enter into off-balance sheet arrangements. However, the Company is exposed to market risk from changes in foreign currency exchange rates that could impact its financial position, results of operations, and cash flows. The Company manages its exposure to these market risks through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. The Company may use derivative financial instruments as risk management tools and not for trading purposes. The Company was not a party to any derivative financial instruments at March 31, 2016 or at June 30, 2015.

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

Our business process outsourcing and mutual fund processing services are performed by Broadridge Business Process Outsourcing, LLC (“BBPO”), a wholly-owned indirect subsidiary, which is a broker-dealer registered with the Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”). Although BBPO’s FINRA membership agreement allows it to engage in clearing and the retailing of corporate securities in addition to mutual fund retailing on a wire order basis, BBPO does not clear customer transactions or carry customer accounts. As a registered broker-dealer and member of FINRA, BBPO is subject to the Uniform Net Capital Rule 15c3-1 of the Securities Exchange Act of 1934, as amended (“Rule 15c3-1”), which requires BBPO to maintain a minimum net capital amount that is not material to the Company's financial position. At March 31, 2016, BBPO was in compliance with this capital requirement.

BBPO, as a “Managing Clearing Member” of the Options Clearing Corporation (the “OCC”), is also subject to OCC Rule 309(b) with respect to the business process outsourcing services that it provides to other OCC “Managed Clearing Member” broker-dealers. OCC Rule 309(b) requires that BBPO maintain a minimum net capital amount that is not material to the Company's financial position. At March 31, 2016, BBPO was in compliance with this capital requirement.

In addition, MG Trust Company, a wholly-owned indirect subsidiary, is a Colorado State non-depository trust company and National Securities Clearing Corporation trust member, whose primary business is to provide cash agent, custodial and directed or non-discretionary trust services to institutional customers. As a result, MG Trust Company is subject to various regulatory capital requirements administered by the Colorado Division of Banking and other state regulators where it does business, as well as the National Securities Clearing Corporation. Specific capital guidelines that involve quantitative measures of assets, liabilities, and certain off-balance sheet items, when applicable, must be met, which are not material to the Company's financial position. At March 31, 2016, MG Trust Company was in compliance with its capital requirements.

NOTE 13. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS) BY COMPONENT

The following tables summarize the changes in the accumulated balances for each component of accumulated other comprehensive income/(loss) for the three months ended March 31, 2016, and 2015, respectively:

Table of Contents

	Foreign Currency Translation	Available- for-Sale Securities	Pension and Post- Retirement Liabilities	Total
	(\$ in millions)			
Balances at January 1, 2016	\$ (33.5)	\$ 1.7	\$ (6.2)	\$ (38.0)
Other comprehensive loss before reclassifications	(9.4)	(0.4)	—	(9.8)
Amounts reclassified from accumulated other comprehensive income	—	—	0.1	0.1
Balances at March 31, 2016	\$ (42.9)	\$ 1.3	\$ (6.1)	\$ (47.7)

	Foreign Currency Translation	Available- for-Sale Securities	Pension and Post- Retirement Liabilities	Total
	(\$ in millions)			
Balances at January 1, 2015	\$ (2.3)	\$ 1.9	\$ (5.1)	\$ (5.5)
Other comprehensive loss before reclassifications	(16.7)	—	—	(16.7)
Amounts reclassified from accumulated other comprehensive income	—	—	—	—
Balances at March 31, 2015	\$ (19.0)	\$ 1.9	\$ (5.1)	\$ (22.2)

The following tables summarize the changes in the accumulated balances for each component of accumulated other comprehensive income/(loss) for the nine months ended March 31, 2016, and 2015, respectively:

	Foreign Currency Translation	Available- for-Sale Securities	Pension and Post- Retirement Liabilities	Total
	(\$ in millions)			
Balances at July 1, 2015	\$ (16.6)	\$ 2.0	\$ (6.3)	\$ (20.9)
Other comprehensive loss before reclassifications	(26.3)	(0.7)	—	(27.0)
Amounts reclassified from accumulated other comprehensive income	—	—	0.2	0.2
Balances at March 31, 2016	\$ (42.9)	\$ 1.3	\$ (6.1)	\$ (47.7)

	Foreign Currency Translation	Available- for-Sale Securities	Pension and Post- Retirement Liabilities	Total
	(\$ in millions)			
Balances at July 1, 2014	\$ 13.6	\$ 1.9	\$ (5.2)	\$ 10.3
Other comprehensive loss before reclassifications	(32.6)	—	—	(32.6)
Amounts reclassified from accumulated other comprehensive income	—	—	0.1	0.1
Balances at March 31, 2015	\$ (19.0)	\$ 1.9	\$ (5.1)	\$ (22.2)

The following table summarizes the reclassifications out of accumulated other comprehensive income/(loss):

Table of Contents

	Three Months Ended March 31, 2016 2015		Nine Months Ended March 31, 2016 2015	
	(\$ in millions)			
Pension and Post-retirement liabilities:				
Amortization of loss reclassified into Selling, general and administrative expenses	\$0.1	\$0.1	\$0.4	\$0.3
Tax income	(0.1)	(0.1)	(0.2)	(0.2)
Amortization of loss net of tax	\$0.1	\$—	\$0.2	\$0.1

NOTE 14. INTERIM FINANCIAL DATA BY SEGMENT

The Company classifies its operations into the following two reportable segments: Investor Communication Solutions and Global Technology and Operations.

The primary components of “Other” are the elimination of intersegment revenues and profits as well as certain unallocated expenses. Foreign currency exchange is a reconciling item between the actual foreign currency exchange rates and the constant foreign currency exchange rates used for internal management reporting.

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

Segment results:

	Revenues			
	Three Months Ended March 31, 2016 2015		Nine Months Ended March 31, 2016 2015	
	(\$ in millions)			
Investor Communication Solutions	\$515.4	\$466.1	\$1,416.8	\$1,264.4
Global Technology and Operations	191.3	178.0	548.3	514.9
Foreign currency exchange	(17.8)	(9.9)	(42.6)	(14.7)
Total	\$688.8	\$634.2	\$1,922.5	\$1,764.6
	Earnings (Loss) before Income Taxes			
	Three Months Ended March 31, 2016 2015		Nine Months Ended March 31, 2016 2015	
	(\$ in millions)			
Investor Communication Solutions	\$67.1	\$63.0	\$147.1	\$135.4
Global Technology and Operations	40.2	33.6	100.0	91.7
Other	(14.8)	(16.4)	(44.3)	(53.5)
Foreign currency exchange	0.9	1.7	3.6	9.9
Total	\$93.4	\$81.9	\$206.4	\$183.5

* * * * *

Table of Contents

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our Condensed Consolidated Financial Statements and accompanying Notes thereto included elsewhere herein.

Forward-Looking Statements

This Quarterly Report on Form 10-Q may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not historical in nature and which may be identified by the use of words such as "expects," "assumes," "projects," "anticipates," "estimates," "we believe," "could be" and other words of similar meaning, are forward-looking statements. In particular, information appearing under "Business," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" includes

forward-looking statements. These statements are based on management's expectations and assumptions and are subject to risks and uncertainties that may cause actual results to differ materially from those expressed. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include: the success of Broadridge Financial Solutions, Inc. ("Broadridge" or the "Company") in retaining and selling additional services to its existing clients and in obtaining new clients;

Broadridge's reliance on a relatively small number of clients, the continued financial health of those clients, and the continued use by such clients of Broadridge's services with favorable pricing terms;

changes in laws and regulations affecting Broadridge's clients or the services provided by Broadridge;

declines in participation and activity in the securities markets;

any material breach of Broadridge security affecting its clients' customer information;

the failure of our outsourced data center services provider to provide the anticipated levels of service;

a disaster or other significant slowdown or failure of Broadridge's systems or error in the performance of Broadridge's services;

overall market and economic conditions and their impact on the securities markets;

Broadridge's failure to keep pace with changes in technology and demands of its clients;

the ability to attract and retain key personnel;

the impact of new acquisitions and divestitures; and

competitive conditions.

There may be other factors that may cause our actual results to differ materially from the forward-looking statements.

Our actual results, performance or achievements could differ materially from those expressed in, or implied by, the forward-looking statements. We can give no assurances that any of the events anticipated by the forward-looking statements will occur or, if any of them do, what impact they will have on our results of operations and financial condition. You should carefully read the factors described in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended June 30, 2015 (the "2015 Annual Report") for a description of certain risks that could, among other things, cause our actual results to differ from these forward-looking statements.

All forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and are expressly qualified in their entirety by the cautionary statements included in this Quarterly Report on Form 10-Q and the 2015 Annual Report. We disclaim any obligation to update or revise forward-looking statements that may be made to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events, other than as required by law.

Overview

Broadridge is a leading global provider of investor communications and technology-driven solutions to banks, broker-dealers, mutual funds and corporate issuers. Our services include investor communications, securities processing, and data and analytics solutions. In short, we provide the infrastructure that helps the financial services industry operate. With over 50 years

Table of Contents

of experience, we provide financial services firms with advanced, dependable, scalable and cost-effective integrated systems. Our systems help reduce the need for clients to make significant capital investments in operations infrastructure, thereby allowing them to increase their focus on core business activities. Our operations are classified into two reportable segments: Investor Communication Solutions and Global Technology and Operations.

Investor Communication Solutions

Our Bank/Broker-Dealer Investor Communication Solutions, Corporate Issuer Solutions, Advisor Solutions and Mutual Fund and Retirement Solutions are provided by the Investor Communication Solutions segment. A large portion of our Investor Communication Solutions business involves the processing and distribution of proxy materials to investors in equity securities and mutual funds, as well as the facilitation of related vote processing. ProxyEdge®, our innovative electronic proxy delivery and voting solution for institutional investors and financial advisors, helps ensure the participation of the largest stockholders of many companies. We also provide the distribution of regulatory reports and corporate action/reorganization event information, as well as tax reporting solutions that help our clients meet their regulatory compliance needs.

In addition, we provide financial information distribution and transaction reporting services to both financial institutions and securities issuers. These services include the processing and distribution of account statements and trade confirmations, traditional and personalized document fulfillment and content management services, marketing communications, and imaging, archival and workflow solutions that enable and enhance our clients' communications with investors. All of these communications are delivered through paper or electronic channels. In addition, we provide corporate issuers with registered proxy services as well as registrar, stock transfer and record-keeping services.

Our advisor solutions enable financial and wealth advisors, and insurance agents to better support their customers through the creation of sales and educational content, including seminars and a library of financial planning topics as well as customer communications solutions such as customizable advisor websites, search engine marketing and electronic print newsletters. Our advisor solutions also help advisors optimize their practice management through customer data aggregation, reporting and cloud-based marketing tools.

Our mutual fund and retirement solutions are a full range of tools for mutual funds, exchange traded fund ("ETF") providers, and asset management firms. They include data-driven technology solutions for data management, analytics, investment accounting, marketing and customer communications. In addition, we provide mutual fund trade processing services for retirement providers, third party administrators, financial advisors, banks and wealth management professionals through our subsidiary, Matrix Financial Solutions, Inc.

In November 2015, Broadridge acquired QED Financial Systems, Inc. ("QED"), a provider of investment accounting solutions that serves public sector institutional investors.

Global Technology and Operations

Our Global Technology and Operations business offers a suite of advanced computerized real-time transaction processing services that automate the securities transaction lifecycle, from desktop productivity tools, data aggregation, performance reporting, and portfolio management to order capture and execution, trade confirmation, settlement, and accounting. Our services help financial institutions and investment managers efficiently and cost-effectively consolidate their books and records, gather and service assets under management, focus on their core businesses, and manage risk. Our multi-currency solutions support real-time global trading of equity, fixed income, mutual fund, foreign exchange and exchange traded derivative securities in established and emerging markets. In addition, our Managed Services solution allows broker-dealers to outsource certain administrative functions relating to clearing and settlement and asset servicing, while maintaining their ability to finance and capitalize their businesses.

Consolidation and Basis of Presentation

The Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America ("U.S."). These financial statements present the condensed consolidated position of the Company and include the entities in which the Company directly or indirectly has a controlling financial interest and various entities in which the Company has investments recorded under both the cost and equity methods of accounting. Intercompany balances and transactions have been eliminated. Amounts presented may not sum due to rounding. The results of operations reported for interim periods are not necessarily

indicative of the results of operations for the entire year or any subsequent interim period. These Condensed Consolidated Financial Statements should be read in conjunction with the Company's Consolidated Financial Statements for the fiscal year ended June 30, 2015 in the 2015 Annual Report on Form 10-K filed with the SEC on August 7, 2015.

Table of Contents

Effective in the first quarter of fiscal year 2016, we have revised our presentation in the Condensed Consolidated Statements of Earnings to separately present Operating expenses, Operating income, and Non-operating expenses, net. Previously, we reported Other expenses, net, as part of Total expenses and did not separately present Operating income in our Condensed Consolidated Statements of Earnings. All prior-period information has been conformed to the current period presentation.

Critical Accounting Policies

In presenting the Condensed Consolidated Financial Statements, management makes estimates and assumptions that affect the amounts reported and related disclosures. Management continually evaluates the accounting policies and estimates used to prepare the Condensed Consolidated Financial Statements. The estimates, by their nature, are based on judgment, available information, and historical experience and are believed to be reasonable. However, actual amounts and results could differ from these estimates made by management. In management's opinion, the Condensed Consolidated Financial Statements contain all normal recurring adjustments necessary for a fair presentation of results reported. The results of operations reported for the periods presented are not necessarily indicative of the results of operations for subsequent periods. Certain accounting policies that require significant management estimates and are deemed critical to our results of operations or financial position are discussed in the "Critical Accounting Policies" section of Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 2015 Annual Report on Form 10-K.

Results of Operations

The following discussions of Analysis of Condensed Consolidated Statements of Earnings and Analysis of Reportable Segments refer to the three and nine months ended March 31, 2016 compared to the three and nine months ended March 31, 2015. The Analysis of Condensed Consolidated Statements of Earnings should be read in conjunction with the Analysis of Reportable Segments, which provides a more detailed discussion concerning certain components of the Condensed Consolidated Statements of Earnings.

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

"Acquisition Amortization and Other Costs" represents amortization charges associated with acquired intangible assets as well as other transaction costs associated with the Company's acquisition activities.

"Net New Business" refers to recurring revenue from closed sales less recurring revenue from client losses.

The following definitions describe the Company's Revenues:

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

Mutual Fund Proxy: The proxy and related services we provide to mutual funds when certain events occur requiring a shareholder vote including changes in directors, sub-advisors, fee structures, investment restrictions, and mergers of funds.

Mutual Fund Communications: Mutual fund communications services consist primarily of the distribution on behalf of mutual funds of supplemental information required to be provided to the annual mutual fund prospectus as a result of certain triggering events such as a change in portfolio managers. In addition, mutual fund communications consist of notices and marketing materials such as newsletters.

Proxy Contests and Specials, Corporate Actions, and Other: The proxy services we provide in connection with shareholder meetings driven by special events such as proxy contests, mergers and acquisitions, and tender/exchange offers.

Event-driven fee revenues are based on the number of special events and corporate transactions we process.

Event-driven activity is impacted by financial market conditions and changes in regulatory compliance requirements, resulting in fluctuations

Table of Contents

in the timing and levels of event-driven fee revenues. As such, the timing and level of event-driven activity and its potential impact on revenues and earnings is difficult to forecast.

Generally, mutual fund proxy activity has been subject to a greater level of volatility than the other components of event-driven activity. For the nine months ended March 31, 2016, mutual fund proxy fee revenues were 28% higher than the nine months ended March 31, 2015. During fiscal year 2015, mutual fund proxy fee revenues were 2% lower than the prior fiscal year while during fiscal years 2014 and 2013, mutual fund proxy revenues were 31% and 54% higher, respectively, than the prior fiscal year. Although it is difficult to forecast the levels of event-driven activity, we expect that the portion of fee revenues derived from mutual fund proxy activity may continue to experience volatility in the future.

Distribution revenues primarily include revenues related to the physical mailing of proxy materials, interim communications, transaction reporting, and fulfillment services as well as Matrix Financial Solutions, Inc. ("Matrix") administrative services.

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

Closed sales represent the expected recurring annual revenue for new client contracts that were signed by Broadridge during the periods referenced. These types of sales were previously described by the Company as recurring revenue closed sales. Closed sales are a key indicator of Broadridge's expected future revenue growth. The amount of the closed sale is an estimate of annual revenues based on client volumes or activity, it excludes distribution revenues. The inherent variability of transaction volumes and activity levels can result in some variability of amounts reported as closed sales. Larger closed sales can take up to 12 to 24 months or longer to convert to revenues, particularly for the services provided by our Global Technology and Operations segment.

The Company tracks actual revenues achieved during the first year that the client contract is fully implemented and compares this to the amount that was included in the Company's previously reported closed sales amount. The Company adjusts the current year closed sales amount for differences between the prior years' reported closed sales amount and the actual revenues achieved in the first year of the applicable contract. Closed sales were adjusted by \$0.4 million and \$0.7 million for the three months ended March 31, 2016 and 2015, respectively. Closed sales were adjusted by \$(9.8) million and \$0.2 million for the nine months ended March 31, 2016 and 2015, respectively.

Table of Contents

Analysis of Condensed Consolidated Statements of Earnings

Three Months Ended March 31, 2016 versus Three Months Ended March 31, 2015

The table below presents Condensed Consolidated Statements of Earnings data for the three months ended March 31, 2016 and 2015, and the dollar and percentage changes between periods:

	Three Months Ended March 31,		Change		
	2016	2015	\$	%	
	(\$ in millions, except per share amounts)				
Revenues	\$ 688.8	\$ 634.2	\$ 54.6	9	
Cost of revenues	486.5	452.6	33.9	7	
Selling, general and administrative expenses	101.7	92.6	9.1	10	
Total operating expenses	588.2	545.2	43.0	8	
Operating income	100.6	89.0	11.6	13	
Margin	14.6	% 14.0	%	0.6	pts
Non-operating expenses, net	7.2	7.1	0.1	1	
Earnings before income taxes	93.4	81.9	11.5	14	
Provision for income taxes	29.7	27.9	1.8	6	
Effective tax rate	31.8	% 34.1	%	(2.3)	pts
Net earnings	\$ 63.7	\$ 54.0	\$ 9.7	18	
Basic earnings per share	\$ 0.54	\$ 0.45	\$ 0.09	20	
Diluted earnings per share	\$ 0.52	\$ 0.43	\$ 0.09	21	

Nine Months Ended March 31, 2016 versus Nine Months Ended March 31, 2015

The table below presents Condensed Consolidated Statements of Earnings data for the nine months ended March 31, 2016 and 2015, and the dollar and percentage changes between periods:

	Nine Months Ended March 31,		Change		
	2016	2015	\$	%	
	(\$ in millions, except per share amounts)				
Revenues	\$ 1,922.5	\$ 1,764.6	\$ 157.9	9	
Cost of revenues	1,389.6	1,273.1	116.5	9	
Selling, general and administrative expenses	303.0	286.3	16.7	6	
Total operating expenses	1,692.6	1,559.4	133.2	9	
Operating income	229.9	205.2	24.7	12	
Margin	12.0	% 11.6	%	0.4	pts
Non-operating expenses, net	23.5	21.7	1.8	8	
Earnings before income taxes	206.4	183.5	22.9	12	
Provision for income taxes	68.9	62.3	6.6	11	
Effective tax rate	33.4	% 34.0	%	(0.6)	pts
Net earnings	\$ 137.4	\$ 121.2	\$ 16.2	13	
Basic earnings per share	\$ 1.16	\$ 1.01	\$ 0.15	15	
Diluted earnings per share	\$ 1.13	\$ 0.97	\$ 0.16	16	

Table of Contents

Three Months Ended March 31, 2016 versus Three Months Ended March 31, 2015

Revenues. Revenues for the three months ended March 31, 2016 were \$688.8 million, an increase of \$54.6 million, or 9%, compared to \$634.2 million for the three months ended March 31, 2015. The \$54.6 million increase was driven by: (i) higher recurring fee revenues of \$48.5 million, or 12% increase; (ii) higher distribution revenues of \$13.3 million, or 7% increase; and (iii) higher event-driven fee revenues of \$0.9 million, or 2% increase, partially offset by (iv) fluctuations in foreign currency denominated revenues that negatively impacted revenues by \$7.9 million. The higher recurring fee revenues of \$48.5 million reflected gains from Net New Business (6pts), contributions from acquisitions (4pts) and internal growth (2pts). The higher distribution revenues of \$13.3 million include \$0.5 million from acquisitions.

Closed sales for the three months ended March 31, 2016 were \$28.6 million, an increase of \$1.9 million, compared to \$26.7 million for the three months ended March 31, 2015.

Total Operating Expenses. Total operating expenses for the three months ended March 31, 2016 were \$588.2 million, an increase of \$43.0 million, or 8%, compared to \$545.2 million for the three months ended March 31, 2015. Cost of revenues were higher by \$33.9 million, or 7%, and Selling, general and administrative expenses were higher by \$9.1 million, or 10%.

Cost of revenues for the three months ended March 31, 2016 were \$486.5 million, an increase of \$33.9 million, or 7%, compared to \$452.6 million for the three months ended March 31, 2015. The increase primarily reflects: (i) higher costs related to acquisitions of \$12.5 million; (ii) higher distribution cost of revenues of \$12.2 million driven by the increase in distribution revenues; and (iii) higher operating expenses driven mostly by the increase in recurring and event-driven fee revenues, partially offset by (iv) fluctuations in foreign currency exchange rates that decreased cost of fee revenues by \$6.8 million. The higher distribution cost of revenues of \$12.2 million includes \$0.5 million from acquisitions.

Selling, general and administrative expenses for the three months ended March 31, 2016 were \$101.7 million, an increase of \$9.1 million, or 10%, compared to \$92.6 million for the three months ended March 31, 2015. The increase was primarily due to: (i) higher performance-based compensation expense of \$3.9 million; (ii) higher costs related to acquisitions of \$3.8 million; and (iii) higher selling and marketing expenses of \$1.7 million.

Operating income. Operating income for the three months ended March 31, 2016 was \$100.6 million, an increase of \$11.6 million, or 13%, compared to \$89.0 million for the three months ended March 31, 2015. The increase is due to higher revenues, partially offset by higher operating expenses including \$1.6 million of increased amortization from acquired intangibles. Operating income margins increased to 14.6% for the three months ended March 31, 2016, compared to 14.0% for the three months ended March 31, 2015.

Non-operating expenses, net. Non-operating expenses, net for the three months ended March 31, 2016 were \$7.2 million, an increase of \$0.1 million, or 1%, compared to \$7.1 million for the three months ended March 31, 2015.

Earnings before Income Taxes. Earnings before income taxes for the three months ended March 31, 2016 were \$93.4 million, an increase of \$11.5 million, or 14%, compared to \$81.9 million for the three months ended March 31, 2015. The increase is due to higher revenues, partially offset by higher operating expenses.

Provision for Income Taxes. The Provision for income taxes and effective tax rates for the three months ended March 31, 2016 were \$29.7 million and 31.8%, compared to \$27.9 million and 34.1% for the three months ended March 31, 2015. The decrease in the effective tax rate is due to: (i) larger discrete tax benefits recognized for the three months ended March 31, 2016, primarily for a prior year U.S. federal research and development tax credit, and (ii) the prior year tax benefit from the U.S. federal Section 199 domestic production activities deduction recognized in the current period.

Net Earnings and Basic and Diluted Earnings per Share. Net earnings for the three months ended March 31, 2016 were \$63.7 million, an increase of \$9.7 million, or 18%, compared to \$54.0 million for the three months ended March 31, 2015. The increase was primarily driven by the impact of higher revenues as discussed above.

Basic and Diluted earnings per share for the three months ended March 31, 2016 were \$0.54 and \$0.52, respectively, an increase of \$0.09 and \$0.09, or 20% and 21%, respectively, compared to \$0.45 and \$0.43 for the three months ended March 31, 2015, respectively.

Nine Months Ended March 31, 2016 versus Nine Months Ended March 31, 2015

Table of Contents

Revenues. Revenues for the nine months ended March 31, 2016 were \$1,922.5 million, an increase of \$157.9 million, or 9%, compared to \$1,764.6 million for the nine months ended March 31, 2015. The \$157.9 million increase was driven by: (i) higher recurring fee revenues of \$111.7 million, or 10% increase; (ii) higher distribution revenues of \$50.8 million, or 10% increase; and (iii) higher event-driven fee revenues of \$23.3 million, or 19% increase, partially offset by (iv) fluctuations in foreign currency denominated revenues that negatively impacted revenues by \$27.9 million. The higher recurring fee revenues of \$111.7 million reflected gains from Net New Business (5pts), contributions from acquisitions (4pts) and internal growth (1pt). The higher distribution revenues of \$50.8 million include \$19.3 million from acquisitions.

Closed sales for the nine months ended March 31, 2016 were \$94.3 million, a decrease of \$13.3 million, or 12%, compared to \$107.6 million for the nine months ended March 31, 2015. The decrease is the result of two large sales that were signed during the three month period ended September 30, 2014 which elevated the prior period total, partially offset by a large sale that was signed during the three month period ended December 31, 2015. The \$94.3 million of closed sales for the nine months ended March 31, 2016 were consistent with management's expectations for the period.

Total Operating Expenses. Total operating expenses for the nine months ended March 31, 2016 were \$1,692.6 million, an increase of \$133.2 million, or 9%, compared to \$1,559.4 million for the nine months ended March 31, 2015. Cost of revenues were higher by \$116.5 million, or 9%, and Selling, general and administrative expenses were higher by \$16.7 million, or 6%.

Cost of revenues for the nine months ended March 31, 2016 were \$1,389.6 million, an increase of \$116.5 million, or 9%, compared to \$1,273.1 million for the nine months ended March 31, 2015. The increase primarily reflects: (i) higher distribution cost of revenues of \$44.0 million driven by the increase in distribution revenues; (ii) higher cost of fee revenues related to acquisitions of \$39.5 million; and (iii) higher operating expenses driven mostly by the increase in recurring and event-driven fee revenues, partially offset by (iv) fluctuations in foreign currency exchange rates that decreased cost of fee revenues by \$21.4 million. The higher distribution cost of revenues of \$44.0 million includes \$19.3 million from acquisitions.

Selling, general and administrative expenses for the nine months ended March 31, 2016 were \$303.0 million, an increase of \$16.7 million, or 6%, compared to \$286.3 million for the nine months ended March 31, 2015. The increase was primarily due to: (i) higher costs related to acquisitions of \$13.8 million and (ii) higher selling and marketing expenses of \$3.7 million, partially offset by (iii) lower professional services fees of \$7.1 million.

Operating income. Operating income for the nine months ended March 31, 2016 was \$229.9 million, an increase of \$24.7 million, or 12%, compared to \$205.2 million for the nine months ended March 31, 2015. The increase is due to higher revenues, partially offset by higher operating expenses including \$6.2 million of increased amortization from acquired intangibles. Operating income margins increased to 12.0% for the nine months ended March 31, 2016, compared to 11.6% for the nine months ended March 31, 2015.

Non-operating expenses, net. Non-operating expenses, net for the nine months ended March 31, 2016 were \$23.5 million, an increase of \$1.8 million, or 8%, compared to \$21.7 million for the nine months ended March 31, 2015, primarily due to an increase in interest expense from higher borrowings related to our revolving credit facility.

Earnings before Income Taxes. Earnings before income taxes for the nine months ended March 31, 2016 were \$206.4 million, an increase of \$22.9 million, or 12%, compared to \$183.5 million for the nine months ended March 31, 2015. The increase is primarily due to higher revenues, partially offset by higher operating and non-operating expenses.

Provision for Income Taxes. The Provision for income taxes and effective tax rates for the nine months ended March 31, 2016 were \$68.9 million and 33.4%, compared to \$62.3 million and 34.0% for the nine months ended March 31, 2015. The decrease in the effective tax rate is due to (i) larger discrete tax benefits recognized for the nine months ended March 31, 2016, primarily for prior years' U.S. federal research and development tax credits, and (ii) the prior year tax benefit from the U.S. federal Section 199 domestic production activities deduction recognized in the current period.

Net Earnings and Basic and Diluted Earnings per Share. Net earnings for the nine months ended March 31, 2016 were \$137.4 million, an increase of \$16.2 million, or 13%, compared to \$121.2 million for the nine months ended March 31, 2015. The increase was primarily driven by the impact of higher revenues as discussed above.

Basic and Diluted earnings per share for the nine months ended March 31, 2016 were \$1.16 and \$1.13, increase of \$0.15 and \$0.16, or 15% and 16%, respectively, compared to \$1.01 and \$0.97 for the nine months ended March 31, 2015, respectively.

Table of Contents

Analysis of Reportable Segments

The Company classifies its operations into the following two reportable segments: Investor Communication Solutions and Global Technology and Operations.

The primary components of “Other” are the elimination of intersegment revenues and profits as well as certain unallocated expenses. Foreign currency exchange is a reconciling item between the actual foreign currency exchange rates and the constant foreign currency exchange rates used for internal management reporting.

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

Revenues

	Three Months Ended March 31,				Nine Months Ended March 31,			
	2016	2015	Change		2016	2015	Change	
	(\$ in millions)				(\$ in millions)			
Investor Communication Solutions	\$515.4	\$466.1	\$49.3	11	\$1,416.8	\$1,264.4	\$152.4	12
Global Technology and Operations	191.3	178.0	13.3	7	548.3	514.9	33.4	6
Foreign currency exchange	(17.8)	(9.9)	(7.9)	*	(42.6)	(14.7)	(27.9)	*
Total	\$688.8	\$634.2	\$54.6	9	\$1,922.5	\$1,764.6	\$157.9	9

* Not Meaningful

Earnings (Loss) Before Income Taxes

	Three Months Ended March 31,				Nine Months Ended March 31,			
	2016	2015	Change		2016	2015	Change	
	(\$ in millions)				(\$ in millions)			
Investor Communication Solutions	\$67.1	\$63.0	\$4.1	7	\$147.1	\$135.4	\$11.7	9
Global Technology and Operations	40.2	33.6	6.6	20	100.0	91.7	8.3	9
Other	(14.8)	(16.4)	1.6	10	(44.3)	(53.5)	9.2	17
Foreign currency exchange	0.9	1.7	(0.8)	(47)	3.6	9.9	(6.3)	(64)
Total	\$93.4	\$81.9	\$11.5	14	\$206.4	\$183.5	\$22.9	12

Investor Communication Solutions

	Three Months Ended March 31,				Nine Months Ended March 31,			
	2016	2015	Change		2016	2015	Change	
	(\$ in millions)				(\$ in millions)			
Recurring fee revenues	\$263.3	\$228.1	\$35.2	15	\$697.8	\$619.5	\$78.3	13
Event-driven fee revenues	48.5	47.6	0.9	2	143.3	120.0	23.3	19
Distribution revenues	203.7	190.4	13.3	7	575.7	524.9	50.8	10
Total	\$515.4	\$466.1	\$49.3	11	\$1,416.8	\$1,264.4	\$152.4	12

Table of Contents

Revenues. Investor Communication Solutions segment's Revenues for the three months ended March 31, 2016 were \$515.4 million, an increase of \$49.3 million, or 11%, compared to \$466.1 million for the three months ended March 31, 2015. The increase was attributable to higher recurring fee revenues of \$35.2 million, higher event-driven fee revenues of \$0.9 million and higher distribution revenues of \$13.3 million.

Higher recurring fee revenues of 15% were driven by: (i) contributions from our recent acquisitions (7pts); (ii) Net New Business primarily driven by increases in revenues from closed sales (8pts), and (iii) positive internal growth (1pt). Position growth compared to the same period in the prior year, which is a component of internal growth, was 9% for annual equity proxy communications and 4% for mutual fund interims. Higher event-driven fee revenues were the result of increased mutual fund proxy and corporate actions communications activity.

Investor Communication Solutions segment's Revenues for the nine months ended March 31, 2016 were \$1,416.8 million, an increase of \$152.4 million, or 12%, compared to \$1,264.4 million for the nine months ended March 31, 2015. The increase was attributable to higher recurring fee revenues of \$78.3 million, higher event-driven fee revenues of \$23.3 million and higher distribution revenues of \$50.8 million.

Higher recurring fee revenues of 13% were driven by: (i) contributions from our recent acquisitions (7pts); and (ii) Net New Business primarily driven by increases in revenues from closed sales (6pts). Position growth compared to the same period in the prior year, which is a component of internal growth, was 4% for annual equity proxy communications and 5% for mutual fund interims. Although these indicators were positive, the first nine months' results are not necessarily indicative of our full-year results due to the seasonality of our business. Higher event-driven fee revenues were the result of increased mutual fund proxy and corporate actions communications activity.

Earnings before Income Taxes. Earnings before income taxes for the three months ended March 31, 2016 were \$67.1 million an increase of \$4.1 million, or 7%, compared to \$63.0 million for the three months ended March 31, 2015.

Pre-tax margins decreased by 0.5 percentage points to 13.0% primarily due to (i) higher operating expenses, and (ii) incremental operating and intangible amortization costs related to acquisitions, partially offset by (iii) earnings from higher recurring and event-driven revenues.

Earnings before income taxes for the nine months ended March 31, 2016 were \$147.1 million, an increase of \$11.7 million, or 9%, compared to \$135.4 million for the nine months ended March 31, 2015. Pre-tax margins decreased by 0.3 percentage points to 10.4% primarily due to (i) higher operating expenses, and (ii) incremental operating and intangible amortization costs related to acquisitions, partially offset by (iii) earnings from higher recurring and event-driven revenues.

Global Technology and Operations

Revenues. Global Technology and Operations segment's Revenues for the three months ended March 31, 2016 were \$191.3 million, an increase of \$13.3 million, or 7%, compared to \$178.0 million for the three months ended March 31, 2015. The increase was attributable to: (i) higher Net New Business from closed sales (3 pts) and (ii) positive internal growth (4 pts) due to higher trade activity levels and revenues associated with a contract modification, partially offset by contract renewals at lower rates.

Global Technology and Operations segment's Revenues for the nine months ended March 31, 2016 were \$548.3 million, an increase of \$33.4 million, or 6%, compared to \$514.9 million for the nine months ended March 31, 2015. The increase was attributable to: (i) higher Net New Business from closed sales (3 pts); (ii) positive internal growth from higher non-trade activity levels (2 pts); and (iii) revenue from our acquisition of TwoFour Systems (1 pt).

Earnings before Income Taxes. Earnings before income taxes for the three months ended March 31, 2016 were \$40.2 million, an increase of \$6.6 million, or 20%, compared to \$33.6 million for the three months ended March 31, 2015.

Pre-tax margins increased by 2.1 percentage points to 21.0% primarily as a result of positive internal growth slightly offset by incremental operating costs related to new business.

Earnings before income taxes for the nine months ended March 31, 2016 were \$100.0 million, an increase of \$8.3 million, or 9%, compared to \$91.7 million for the nine months ended March 31, 2015. Pre-tax margins increased by 0.4 percentage points to 18.2% primarily due to positive internal growth slightly offset by incremental operating costs related to new business and acquired intangible amortization related to the acquisition of TwoFour Systems.

Other

Table of Contents

Loss before Income Taxes. Loss before income taxes was \$14.8 million for the three months ended March 31, 2016, a decrease of \$1.6 million, compared to \$16.4 million for the three months ended March 31, 2015. The decreased loss was mainly due to lower compensation expenses and a gain on the sale of an asset, partially offset by an increase in interest expense.

Loss before income taxes was \$44.3 million, a decrease of \$9.2 million, compared to \$53.5 million for the nine months ended March 31, 2015. The decreased loss was mainly due to lower compensation expenses and a gain on the sale of an asset, partially offset by an increase in interest expense.

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

The Company's results in this Quarterly Report on Form 10-Q are presented in accordance with U.S. GAAP except where otherwise noted. In certain circumstances, results have been presented that are not generally accepted accounting principles measures ("Non-GAAP"). These Non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the Company's reported results.

With regard to statements in this Quarterly Report on Form 10-Q that include certain Non-GAAP financial measures, the adjusted operating income and adjusted earnings measures are adjusted to exclude the impact of certain costs, expenses, gains and losses and other specified items that management believes are not indicative of our ongoing performance.

We provide free cash flow information because we believe this helps investors understand the amount of cash available for dividends, share repurchases, acquisitions and other discretionary investments. Free cash flows is a Non-GAAP measure and is defined by the Company as net cash flows provided by operating activities less capital expenditures, software purchases and capitalized internal use software.

The Company believes Non-GAAP financial information helps investors understand the effect of these items on our reported results and provides a better representation of our operating performance. These Non-GAAP measures are indicators that management uses to provide additional meaningful comparisons between our current results and prior reported results, and as a basis for planning and forecasting for future periods.

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

Table of Contents

	Three Months Ended March 31, 2016		Nine Months Ended March 31, 2015	
	2016	2015	2016	2015
	(\$ in millions)			
Adjusted Operating income (Non-GAAP)	\$109.8	\$96.3	\$257.9	\$226.7
Adjustment:				
Acquisition Amortization and Other Costs	(9.1)	(7.3)	(28.0)	(21.6)
Operating income (GAAP)	\$100.6	\$89.0	\$229.9	\$205.2

	Three Months Ended March 31, 2016		Nine Months Ended March 31, 2015	
	2016	2015	2016	2015
	(\$ in millions)			
Adjusted Net earnings (Non-GAAP)	\$70.0	\$58.8	\$156.1	\$135.4
Adjustment:				
Acquisition Amortization and Other Costs	(9.1)	(7.3)	(28.0)	(21.6)
Tax impact of adjustment	2.8	2.5	9.4	7.3
Net earnings (GAAP)	\$63.7	\$54.0	\$137.4	\$121.2

	Three Months Ended March 31, 2016		Nine Months Ended March 31, 2015	
	2016	2015	2016	2015
Adjusted Diluted earnings per share (Non-GAAP)	\$0.58	\$0.47	\$1.28	\$1.09
Adjustment:				
Acquisition Amortization and Other Costs	(0.07)	(0.06)	(0.23)	(0.17)
Tax impact of adjustment	0.02	0.02	0.08	0.06
Diluted earnings per share (GAAP)	\$0.52	\$0.43	\$1.13	\$0.97

	Nine Months Ended March 31, 2016		2015	
	2016	2015	2016	2015
	(\$ in millions)			
Free cash flows (Non-GAAP)	\$105.0	\$126.0		
Capital expenditures, software purchases and capitalized internal use software	56.1	30.6		
Net cash flows provided by operating activities (GAAP)	\$161.1	\$156.6		

Financial Condition, Liquidity and Capital Resources

At March 31, 2016, Cash and cash equivalents were \$354.4 million and Total stockholders' equity was \$902.6 million. At March 31, 2016, working capital was \$422.5 million, compared to \$352.5 million at June 30, 2015. At the current time, and in future periods, we expect cash generated by our operations, together with existing cash and cash equivalents, short-term investments and borrowings to be sufficient to cover cash needs for working capital, capital expenditures, strategic acquisitions, dividends and common stock repurchases.

As of March 31, 2016, \$224.5 million of the \$354.4 million of Cash and cash equivalents were held by our foreign subsidiaries, and \$53.1 million of Cash and cash equivalents were held by regulated entities. We expect existing domestic cash

Table of Contents

and cash equivalents, short-term investments, borrowings available under credit facilities and cash flows from operations to continue to be sufficient to fund our domestic operating activities and cash commitments for investing and financing activities, such as regular quarterly dividends, debt repayment schedules, and material capital expenditures, for at least the next 12 months and thereafter for the foreseeable future. In addition, we expect existing foreign cash and cash equivalents, short-term investments, and cash flows from operations to continue to be sufficient to fund our foreign operating activities and cash commitments for investing activities, such as material capital expenditures, for at least the next 12 months and thereafter for the foreseeable future. If these funds are needed for our operations in the U.S., we would be required to accrue and pay U.S. taxes to repatriate these funds. However, our current plans do not demonstrate a need to repatriate them to fund our U.S. operations, as we consider these funds to be permanently reinvested outside the U.S.

The Company has a \$750.0 million five-year revolving credit facility (the “Fiscal 2015 Revolving Credit Facility”), which is comprised of a \$670.0 million U.S. dollar tranche and an \$80.0 million multicurrency tranche. Borrowings under the Fiscal 2015 Revolving Credit Facility bear interest at LIBOR plus 100 basis points. In addition, the Fiscal 2015 Revolving Credit Facility has an annual facility fee equal to 12.5 basis points on the entire facility, which totaled \$0.2 million and \$0.7 million for the three and nine months ended March 31, 2016, respectively, and \$0.2 million and \$0.6 million for the three and nine months ended March 31, 2015, respectively. As of March 31, 2016, the Company had \$295.0 million outstanding borrowings and had unused available capacity of \$455.0 million under the Fiscal 2015 Revolving Credit Facility. The facility is scheduled to expire in August 2019.

At March 31, 2016, the carrying value of the Company’s outstanding Long-term debt was \$819.5 million, consisting of: (i) borrowings on the Fiscal 2015 Revolving Credit Facility of \$295.0 million, (ii) senior notes of \$124.9 million (\$125.0 million principal amount less \$0.1 million bond discount) due June 2017, and (iii) senior notes of \$399.7 million (\$400.0 million principal amount less \$0.3 million bond discount) due September 2020. The Fiscal 2015 Revolving Credit Facility and the senior notes are senior unsecured obligations of the Company and are ranked equally in right of payment. Interest on the senior notes due 2017 is payable semiannually on June 1st and December 1st each year based on a fixed per annum rate equal to 6.125%. Interest on the senior notes due 2020 is payable semiannually on March 1st and September 1st each year based on a fixed per annum rate equal to 3.95%. Our liquidity position may be negatively affected by changes in general economic conditions, regulatory requirements and access to the capital markets, which may be limited if we were to fail to renew any of the credit facilities on their renewal dates or if we were to fail to meet certain ratios.

Cash Flows

Net cash flows provided by operating activities were \$161.1 million for the nine months ended March 31, 2016 compared to \$156.6 million in Net cash flows provided by operating activities during the nine months ended March 31, 2015. The increase in cash provided by operating activities of \$4.5 million is primarily due to a decrease in working capital primarily driven by the timing of accounts receivable collections and vendor payments, partially offset by the receipt by a Canadian subsidiary of a \$26.1 million tax refund in the nine months ended March 31, 2015 that resulted from the prior settlement and execution of the Advanced Pricing Agreement with the Internal Revenue Service and the Canadian Revenue Authority.

Free cash flows provided by operating activities were \$105.0 million for the nine months ended March 31, 2016 compared to \$126.0 million in Free cash flows provided by operating activities during the nine months ended March 31, 2015. The decrease of \$21.0 million was driven by increased capital expenditures, software purchases and capitalized internal use software of \$25.5 million for the nine months ended March 31, 2016 compared to the nine months ended March 31, 2015 slightly offset by a increase in Net cash flows provided by operating activities of \$4.5 million for the nine months ended March 31, 2016 compared to the nine months ended March 31, 2015.

Net cash flows used in investing activities for the nine months ended March 31, 2016 were \$78.2 million, a decrease of \$22.8 million compared to \$101.0 million in Net cash flows used in investing activities for the nine months ended March 31, 2015. The decrease primarily reflects lower spending of \$49.5 million on acquisitions during the nine months ended March 31, 2016 compared to the nine months ended March 31, 2015 partially offset by higher capital expenditures and software purchases of \$25.5 million during the nine months ended March 31, 2016 compared to the nine months ended March 31, 2015.

Net cash flows used in financing activities for the nine months ended March 31, 2016 were \$38.9 million, a decrease of \$32.4 million compared to \$71.3 million in Net cash flows used in financing activities for the nine months ended March 31, 2015. The decrease in cash used in the nine months ended March 31, 2016 is primarily due to a decrease in the repurchases of common stock of \$59.0 million, and an increase in net proceeds from borrowings on the revolving credit facility of \$25.0 million, partially offset by a decrease of \$29.3 million in proceeds from the exercise of stock options, a \$12.9 million increase

Table of Contents

in dividend payments in the current year period compared to the prior year and a decrease of \$10.3 million in excess tax benefits from the issuance of stock-based compensation awards in the current year period compared to the prior year.

Seasonality

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

Income Taxes

Our effective tax rates for the three and nine months ended March 31, 2016 were 31.8% and 33.4%, respectively, compared to 34.1% and 34.0% for the three and nine months ended March 31, 2015, respectively.

The decrease in the effective tax rate for the three months ended March 31, 2016, when compared to the prior year period, is due to (i) larger discrete tax benefits relating to the recognition in the current period for a prior year U.S. federal research and development tax credit and (ii) the prior year tax benefit from the U.S. federal Section 199 domestic production activities deduction recognized in the current period.

The decrease in the effective tax rate for the nine months ended March 31, 2016, when compared to the prior year period, is due primarily to (i) larger discrete tax benefits relating to the recognition in the current period for prior years' U.S. federal research and development tax credits and (ii) the prior year tax benefit from the U.S. federal Section 199 domestic production activities deduction recognized in the current period.

Contractual Obligations

In March 2010, the Company and International Business Machines Corporation ("IBM") entered into an Information Technology Services Agreement (the "IT Services Agreement"), under which IBM provides certain aspects of the Company's information technology infrastructure. Under the IT Services Agreement, IBM provides a broad range of technology services to the Company including supporting its mainframe, midrange, open systems, network and data center operations, as well as providing disaster recovery services. The Company has the option of incorporating additional services into the agreement over time. The migration of data center processing to IBM was completed in August 2012. The IT Services Agreement expires on June 30, 2024. The Company has the right to renew the term of the IT Services Agreement for up to one additional 12-month term. Commitments remaining under this agreement at March 31, 2016 are \$463.3 million through fiscal year 2024, the final year of the contract.

In March 2014, the Company and IBM United Kingdom Limited ("IBM UK") entered into an Information Technology Services Agreement (the "EU IT Services Agreement"), under which IBM UK provides data center services supporting the Company's business process outsourcing services for certain clients in Europe and Asia. The EU IT Services Agreement expires in October 2023. The Company has the right to renew the initial term of the EU IT Services Agreement for up to one additional 12-month term or one additional 24-month term. Commitments remaining under this agreement at March 31, 2016 are \$34.5 million through fiscal year 2024, the final year of the contract.

In July 2014, the Company entered into an agreement providing for a capital commitment of \$7.5 million to be made by the Company into an equity method investment. During fiscal year 2015, the Company contributed \$7.5 million to this investment. In June 2015, the Company entered into an agreement to provide an additional capital commitment of \$1.8 million to this investment through December 31, 2015. In February 2016, the Company entered into an agreement to provide an additional capital commitment of \$3.0 million to this investment through June 30, 2016. The Company contributed \$3.3 million to this investment during the nine months ended March 31, 2016, and has a remaining commitment of \$1.5 million at March 31, 2016.

In December 2015, the Company and Computer Associates, Inc. ("CA") entered into a Mainframe Software License agreement extension ("the CA Software License Agreement"), under which CA provides software that the Company uses in

32

Table of Contents

support of its data center operations. The CA Software License Agreement expires in March 2021. Commitments remaining under this agreement at March 31, 2016 are \$33.4 million through fiscal year 2021, the final year of the contract.

Other Commercial Agreements

At March 31, 2016, the Company had \$295.0 million of outstanding borrowings and unused available capacity of \$455.0 million under the Fiscal 2015 Revolving Credit Facility.

The Company and certain of the Company's subsidiaries established unsecured, uncommitted lines of credit with banks. There were no outstanding borrowings under these lines of credit at March 31, 2016.

Off-balance Sheet Arrangements

It is not the Company's business practice to enter into off-balance sheet arrangements. However, the Company is exposed to market risk from changes in foreign currency exchange rates that could impact its financial position, results of operations and cash flows. The Company manages its exposure to these market risks through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. The Company may use derivative financial instruments as risk management tools and not for trading purposes. The Company was not a party to any derivative financial instruments at March 31, 2016 or at June 30, 2015. In the normal course of business, the Company also enters into contracts in which it makes representations and warranties that relate to the performance of the Company's products and services. The Company does not expect any material losses related to such representations and warranties or collateral arrangements.

Recently-issued Accounting Pronouncements

Please refer to Note 2. "New Accounting Pronouncements" to our Financial Statements under Item 1. of Part I of this Quarterly Report on Form 10-Q for a discussion on the impact of new accounting pronouncements.

Table of Contents

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes related to market risk from the disclosures in the Company's Annual Report on Form 10-K for the year ended June 30, 2015.

Item 4. CONTROLS AND PROCEDURES

Management's Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our President and Chief Executive Officer, and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2016. The President and Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures as of March 31, 2016 were effective to provide reasonable assurance that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our President and Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding disclosure.

Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the three months ended March 31, 2016 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

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

Item 1A. RISK FACTORS

In addition to the information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the “Risk Factors” disclosed under Item 1A. to Part I in our Annual Report on Form 10-K for the fiscal year ended June 30, 2015, filed on August 7, 2015. You should be aware that these risk factors and other information may not describe every risk facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. There have been no material changes to the risk factors we have disclosed in the “Risk Factors” section of our 2015 Annual Report on Form 10-K.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table contains information about our purchases of our equity securities for each of the three months during our third fiscal quarter ended March 31, 2016:

Period	Total Number of Shares Purchased(1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans (2)	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans
January 1, 2016 - January 31, 2016	—	\$ —	—	9,847,794
February 1, 2016 - February 29, 2016	1,113,593	54.01	1,113,176	8,734,618
March 1, 2016 - March 31, 2016	462,015	56.77	438,338	8,296,280
Total	1,575,608	\$ 54.82	1,551,514	

(1) Includes 24,094 shares purchased from employees to pay taxes related to the vesting of restricted stock units.

(2) During the fiscal quarter ended March 31, 2016, the Company repurchased 1,551,514 shares of common stock at an average price per share of \$54.80. At March 31, 2016, the Company had 8,296,280 shares available for repurchase under its share repurchase program. The share repurchases will be made in the open market or privately negotiated transactions in compliance with applicable legal requirements and other factors.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

None.

Table of Contents

Item 6. EXHIBITS

The following exhibits are being filed as part of this Quarterly Report on Form 10-Q:

- 31.1 Certification of the President and Chief Executive Officer of Broadridge Financial Solutions, Inc., pursuant to Rule 13a-14 of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of the Chief Financial Officer of Broadridge Financial Solutions, Inc., pursuant to Rule 13a-14 of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of the President and Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of the Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

The following financial statements from the Broadridge Financial Solutions, Inc. Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, formatted in eXtensible Business Reporting Language (XBRL):

- 101 (i) condensed consolidated statements of earnings for the three and nine months ended March 31, 2016 and 2015,
- (ii) condensed consolidated statements of comprehensive income for the three and nine months ended March 31, 2016 and 2015, (iii) condensed consolidated balance sheets as of March 31, 2016 and June 30, 2015,
- (iv) condensed consolidated statements of cash flows for the nine months ended March 31, 2016 and 2015, and
- (v) the notes to the condensed consolidated financial statements.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned hereunto duly authorized.

BROADRIDGE FINANCIAL SOLUTIONS,
INC.

Date: May 5, 2016 By: /s/ James M. Young
James M. Young
Vice President, Chief Financial Officer
(Principal Financial and Accounting Officer)

Table of Contents

INDEX TO EXHIBITS

Exhibit
Number Description of Exhibit

- 31.1 Certification of the President and Chief Executive Officer of Broadridge Financial Solutions, Inc., pursuant to Rule 13a-14 of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of the Chief Financial Officer of Broadridge Financial Solutions, Inc., pursuant to Rule 13a-14 of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of the President and Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of the Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

The following financial statements from the Broadridge Financial Solutions, Inc. Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, formatted in eXtensible Business Reporting Language (XBRL):

- 101 (i) condensed consolidated statements of earnings for the three and nine months ended March 31, 2016 and 2015, (ii) condensed consolidated statements of comprehensive income for the three and nine months ended March 31, 2016 and 2015, (iii) condensed consolidated balance sheets as of March 31, 2016 and June 30, 2015, (iv) condensed consolidated statements of cash flows for the nine months ended March 31, 2016 and 2015, and (v) the notes to the condensed consolidated financial statements.