



FY21 RESULTS PRESENTATION



24 AUGUST 2021

HUB²⁴

HUB24 FY21 OVERVIEW

HUB²⁴

is a leading Australian provider of wealth management products & services.

HUB24's investment platforms offer superior functionality, market-leading managed portfolio capability and a comprehensive range of investment options. The company also provides data & technology solutions for the financial services industry.

HUB²⁴ XPLORE_{WEALTH}

PLATFORM

Custodial administration



Platform FUA
\$41.4BN



3,063 ADVISERS
using the platform



Managed Portfolio
& MDA FUA
\$18BN

PARS

Non-custodial administration



PARS FUA
\$17.2BN



PARS accounts
7,538

Total FUA \$58.6BN

HUB^{CONNECT}



92 FINANCIAL
SERVICES CLIENTS

HUBconnect Broker

Customer management & operational support for stockbrokers

HUBconnect Insight

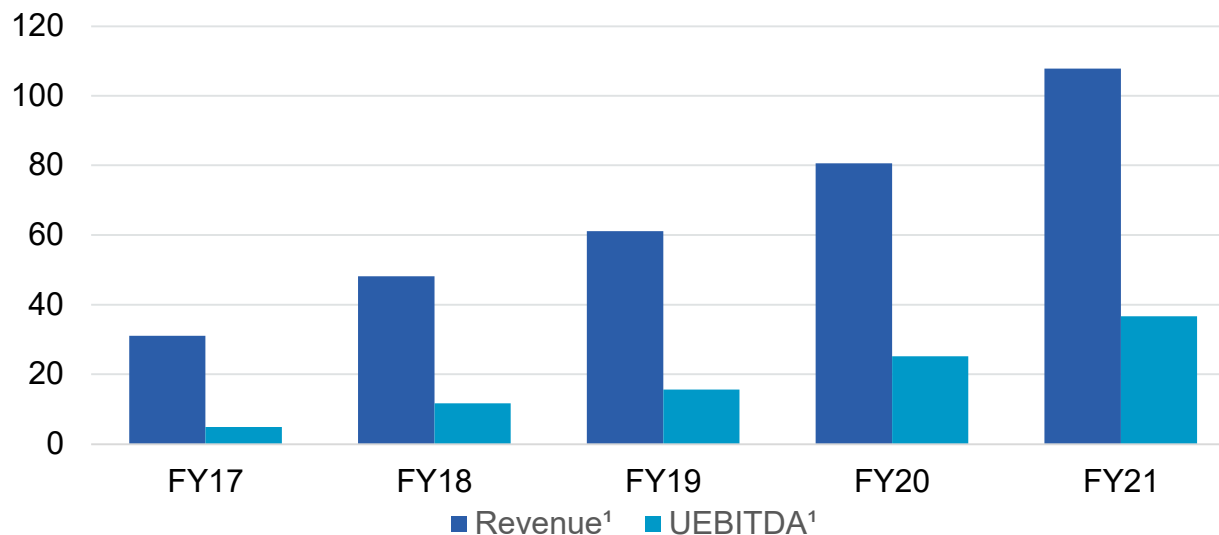
Data insights to support advice licensees with business management & compliance obligations

STRONG TRACK RECORD OF SUSTAINABLE GROWTH

\$m

REVENUE 5YR CAGR 36%

UEBITDA 5YR CAGR 57%



Australia's Best Platform Overall²

Growing rapidly with 3.9% market share and significant opportunity for further growth³

FY21 FINANCIAL HIGHLIGHTS¹



\$110.9m

34%

Total Group Revenue³



\$36.2m

47%

Group Underlying
EBITDA



\$101.1m

36%

Platform Revenue³



\$37.9m

32%

Platform Underlying
EBITDA³

Total FUA at 30 June 2021 **\$58.6bn**

Platform FUA **\$41.4bn** (now \$44.2bn)⁴ | PARS FUA **\$17.2bn**

Statutory NPAT

\$9.8m Up 20%

Including \$7.5m of transaction
& implementation costs

Underlying NPAT²

\$15.0m Up 53%

Full Year Dividend

10cps Up 43%

Fully franked

Final Dividend of 5.5cps

EPS (diluted)

14.3cps Up 11%

EMPOWERING BETTER FINANCIAL FUTURES, TOGETHER.

Strategic pillars

DELIVER CUSTOMER VALUE & GROWTH



Continue to develop our platform proposition to meet evolving customer needs, extend our market-leadership and grow market share

CONTINUE TO BUILD THE PLATFORM OF THE FUTURE



Deliver new innovative solutions and an integrated customer experience across platform services and PARS

COLLABORATE TO SHAPE THE FUTURE OF THE WEALTH INDUSTRY



Leverage our technology & data expertise, collaborate with industry participants & build solutions that enable the evolution of our industry

Lead the wealth industry as the best **provider** of integrated **platform, technology & data solutions**

A YEAR OF GROWTH, INNOVATION & DELIVERING ON STRATEGY



Record platform
annual net
inflows
\$8.9bn



PARS FUA
\$17.2bn across
7,538 accounts



997
new advisers up
48%¹



Completed
\$1.4bn bulk
FUA transition



Launched new
private label
offers with 2
large national
licensees



Strengthening financial
position, increasing
dividends & positive
underlying operating
cashflow of \$26.4m

Completed three strategic transactions

Acquisition of Xplore & Ord
Minnett PARS delivering
FUA growth, HNW & PARS
capabilities

Divestment of Paragem,
strategic investment in
Easton & agreement to
collaborate on data &
technology solutions

Continued to enhance our offer

Delivered platform customer
service enhancements,
increased investment
options & supported
advisers and licensees with
flexible solutions to manage
regulatory change

Streamlined our managed
portfolios into MIS scheme
to build the foundations for
future innovation

Collaborated with licensees
to build & pilot HUBconnect
Insight

HUB24 - AUSTRALIA'S BEST PLATFORM OVERALL & VOTED NO.1 BY ADVISERS

1st

Best Platform
Overall¹



1st

Platform
Service²



1st

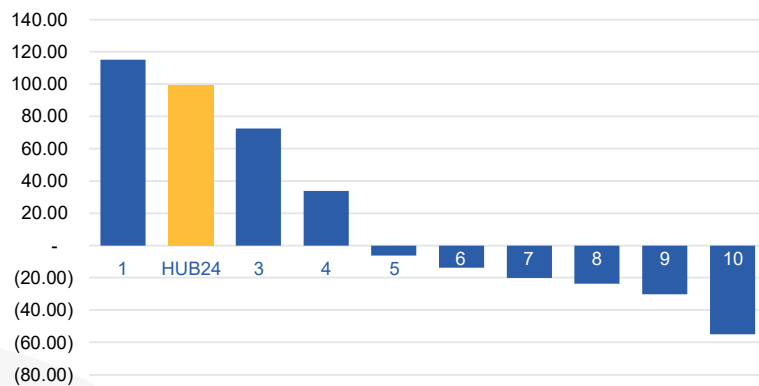
Managed Accounts
Functionality 2016, 2017,
2018, 2019, 2020¹



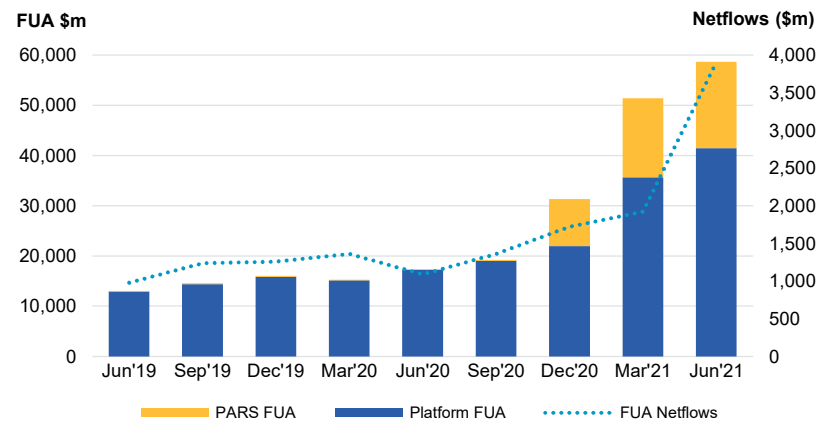
- ➔ HUB24 has the **highest adviser consideration** when choosing a new platform³
- ➔ HUB24 achieved the **highest increase in number of adviser relationships³**
- ➔ Advisers who use HUB24 are the **least likely to look for a replacement platform** in the next 12 months³

GROWING FUA AND MARKET SHARE

Netflow share to underlying market share ratio¹



Growth in Platform FUA, PARs FUA & net flows per quarter pcp²



- ➔ HUB24 market share has grown from 2.3% to 3.9%³
- ➔ Now 8th largest platform by market share up from 9th³

- ➔ Maintaining our No.2 position for annual net inflows³
- ➔ Platform FUA 5-year CAGR 66%

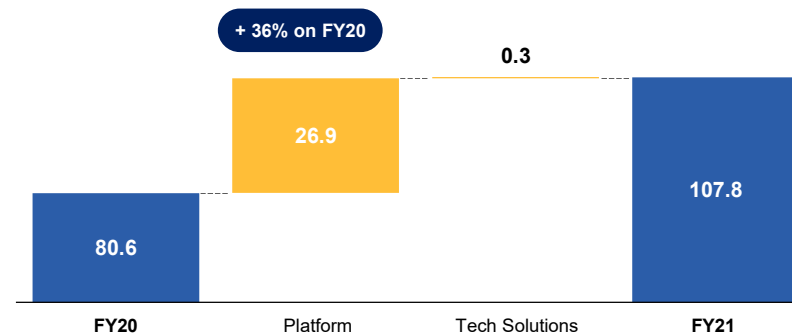
FINANCIAL RESULTS

KITRINA SHANAHAN
Chief Financial Officer

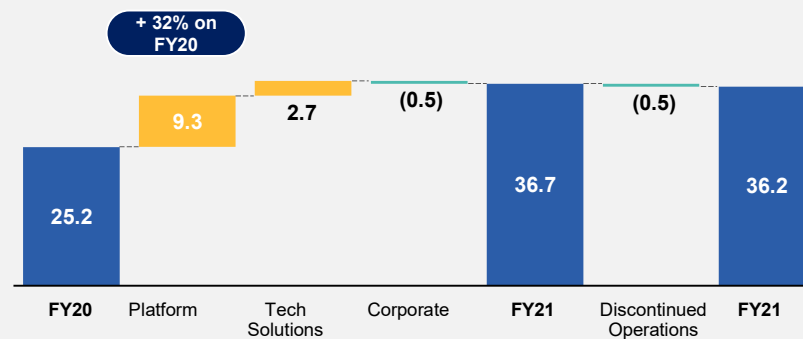
GROUP FINANCIAL RESULTS⁽¹⁾

	FY21	FY20	Change
	\$m	\$m	%
Group Operating Revenue	107.8	80.6	34%
Interest Income	1.3	0.6	117%
Direct and Operating Expenses	(72.4)	(56.0)	29%
Underlying EBITDA from Continuing Operations ²	36.7	25.2	46%
Underlying EBITDA margin² (%)	34.1	31.3	2.8%
Cost to income ratio (%)	67.1	69.5	(2.4)%
EBITDA from Discontinued Business (Licensee)	(0.5)	(0.5)	-
Underlying EBITDA (including discontinued)	36.2	24.7	47%
EBITDA	30.2	20.4	48%
Underlying NPAT ³	15.0	9.8	53%
Statutory NPAT	9.8	8.2	20%

Operating Revenue (\$m)



Underlying EBITDA (\$m)

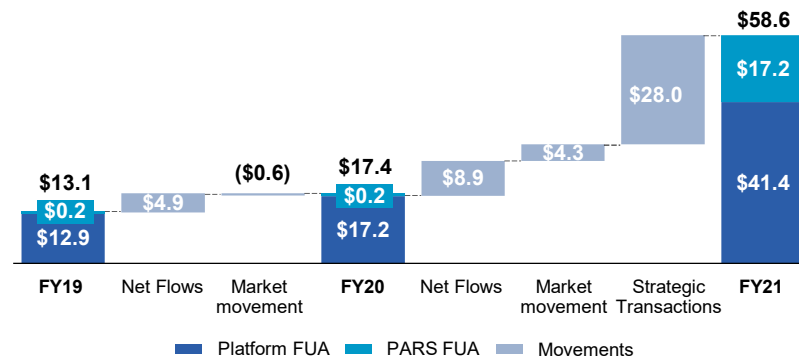


PLATFORM SEGMENT RESULTS

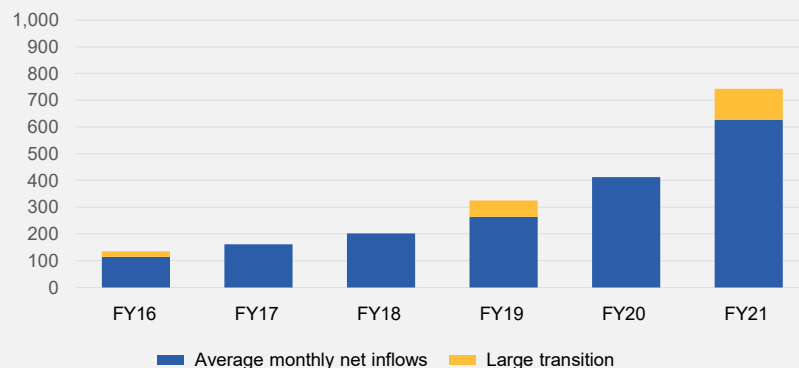
STRONG FUA AND NETFLOW GROWTH DRIVING INCREASED REVENUE, OFFSET BY RBA RATE CUTS, LOWER CASH BALANCES AND LOWER TRADING VOLUMES.

	FY21	FY20	Change
	\$m	\$m	%
Platform FUA	41.4bn	17.2bn	141%
PARS FUA	17.2bn	0.2bn	Large
Total FUA	58.6bn	17.4bn	237%
Platform Net Flows	8.9bn	4.9bn	82%
Revenue	101.1	74.3	36%
Total Direct and Operating Expenses	(63.2)	(45.6)	39%
Cost to income ratio (%)	62.5	61.4	1.1%
Underlying EBITDA ¹	37.9	28.7	32%
Underlying EBITDA margin ¹ (%)	37.5	38.6	(1.1)%
Profit before tax	23.1	21.9	5%

Funds under Administration (\$bn)

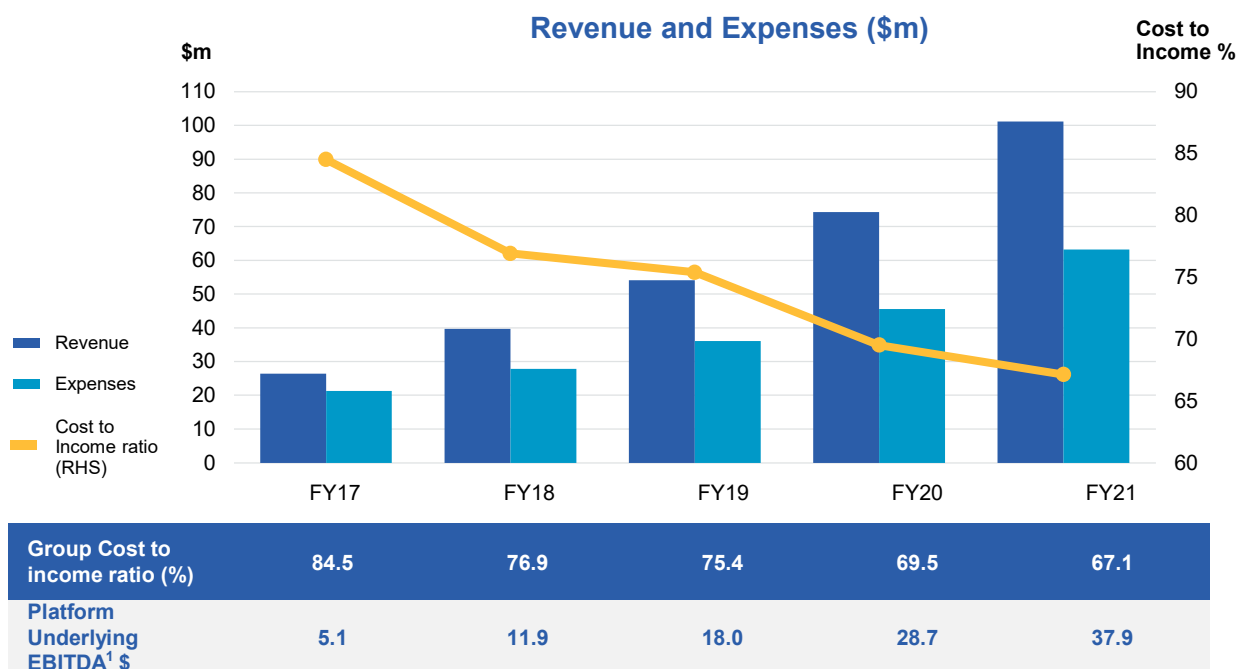


Platform FUA Average Monthly Net flows (\$m)



PLATFORM SEGMENT RESULTS CONT...

FUA GROWTH DELIVERING SCALE BENEFITS



Revenue growth of 36% driven by Netflow momentum, partially offset by RBA rate cuts and 2HFY21 lower trading volumes returning to pre-COVID levels



2H21 uplift in investment for growth given business momentum and confidence



Record net flows are the foundation for future revenue and EBITDA growth



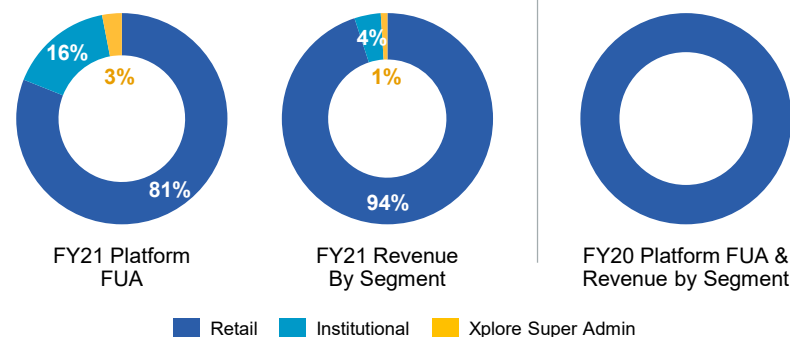
5 year Platform UEBITDA CAGR of 65%

COMPOSITION OF PLATFORM FUA

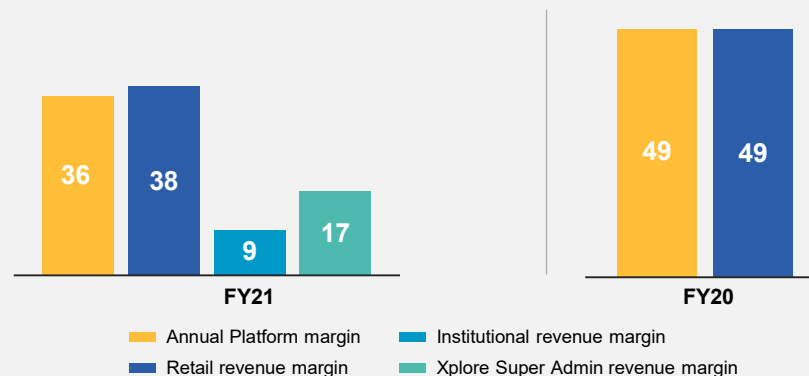
THE ACQUISITION OF XPLORE AND LAUNCH OF PRIVATE LABELS HAS DIVERSIFIED FUA

- ➔ Retail clients now represent 81% of Platform FUA and 94% of revenues (100% FY20)
- ➔ Diversification into HNW & Private Client segments increases HUB24's market reach²
- ➔ Institutional includes Private and High-Net-Wealth clients and Private Labels. High value portfolios at wholesale pricing reflecting scale efficiencies
- ➔ Xplore acquisition completed in March 2021 with four months revenue margin impacts reflected in FY21

Composition of Platform FUA and Revenue (\$m)



Revenue Margin by Customer Segment (bps)



1. From FY21 onwards, revenue margin is calculated on the monthly average of each month's opening and closing FUA balances

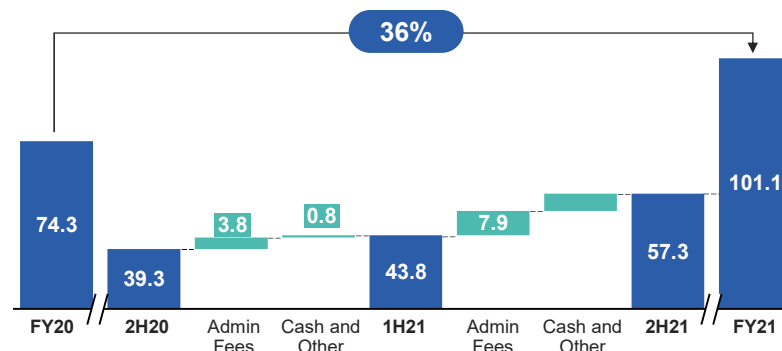
2. HNW & Private Clients typically have greater than \$1 million in liquid assets, and are typically serviced by private bankers & specialist advisers and require a more sophisticated product offering including bonds & international assets

PLATFORM REVENUE

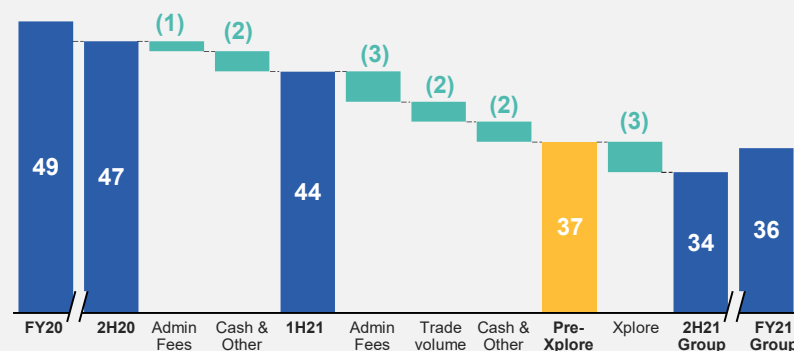
PLATFORM REVENUE GROWTH OF 36% DRIVEN BY ACQUISITIONS AND RECORD NET FLOWS

- ➔ Platform revenue increased to \$101.1 million (up 36% on pcp) with the combined contribution of the acquisitions being \$10.4 million during FY21
- ➔ Revenue continues to increase with the scale of the business, however platform revenue margin reduced 13bps on pcp driven by:
 - RBA official cash rate cuts reduced cash fee income in FY21 by ~ \$9m¹
 - Average account balances grew organically and as a result of positive markets leading to increased revenue at a lower margin due to fee tiering
 - Trading volumes returned to pre COVID levels in 2HFY21 leading to slightly lower transaction fee income
 - Revenue differential on Xplore business due to customer and product profile

Platform Revenue (\$m)²



Platform Revenue Margin (bps)²

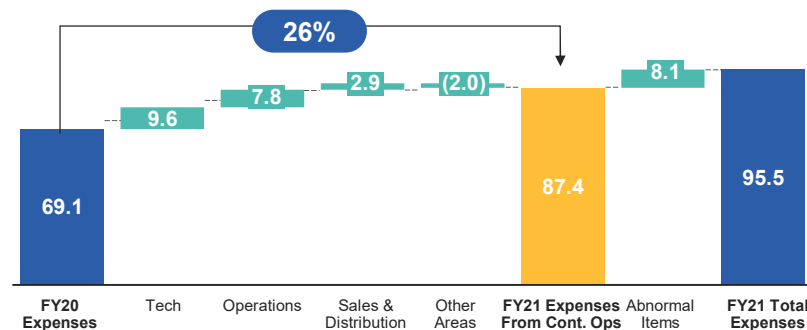


GROUP EXPENSES

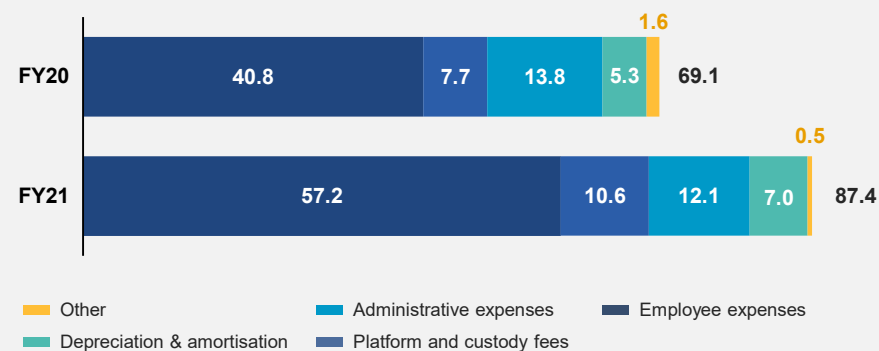
INVESTING FOR FUTURE GROWTH AND PRODUCT INNOVATION

- Group expenses grew \$18.3 million or 26% before costs associated with strategic transactions and other abnormal items
- Employee expenses contributed \$16.4 million to the increase, with headcount increasing 49% to 391 including acquisition headcount of 85
- Investment in IT infrastructure of \$9.6 million driven by acquisitions, supporting Platform growth and developing new capabilities including HUBconnect
- Investment in Sales and Distribution team delivered growth in net flows throughout the year
- \$8.1m abnormal items largely relating to strategic transaction and implementation costs

Group Underlying Expenses from continuing operations by function (\$m)



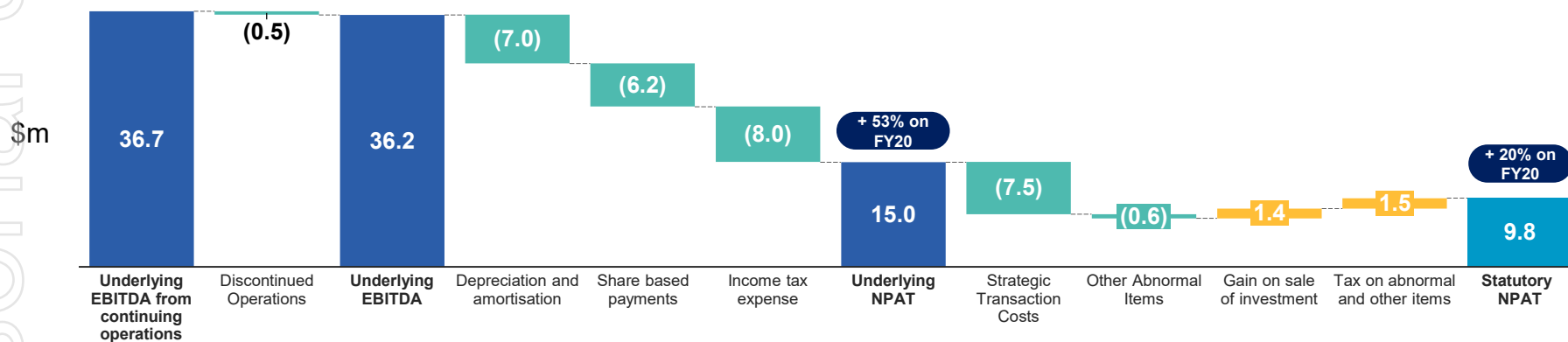
Group Expenses from continuing operations by category (\$m)



NPAT

STRONG GROWTH BEFORE STRATEGIC TRANSACTION COSTS

- ➔ \$7.5 million of non-recurring corporate costs supporting strategic growth related to the transaction, due diligence and implementation costs for Xplore, Ord Minnett and Easton, partially offset by a \$1.4 million gain on sale for Paragem.
- ➔ Share based payments of \$6.2 million in FY21 in relation to the Employee Share Options Plans. This follows record FUA growth and the increased probability of vesting
- ➔ Slightly higher amortisation, as development and capitalisation of IT assets continues, and amortisation of the acquired client books from the strategic transactions



STRATEGY AND OUTLOOK

ANDREW ALCOCK

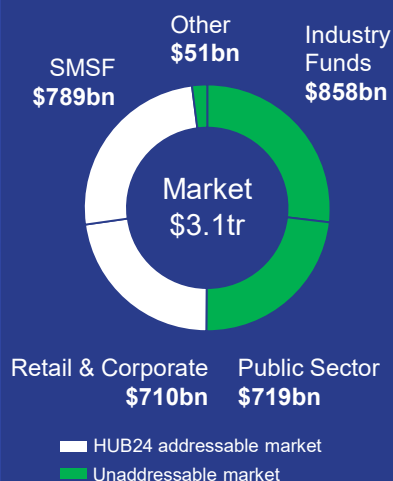
Managing Director



HUB24 WELL POSITIONED TO CAPTURE MARKET OPPORTUNITIES

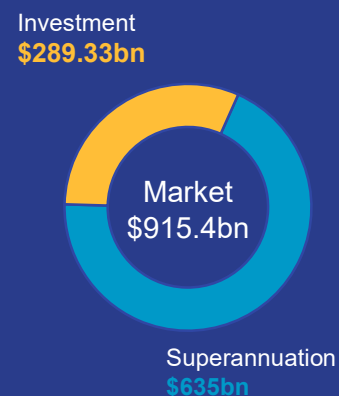
Superannuation Market¹

Growing at
11.3%⁵



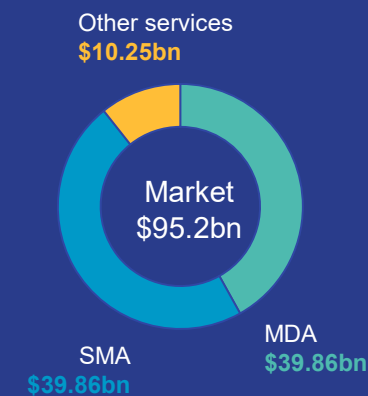
Australian Investment Platform Market²

HUB24 market share
3.9%



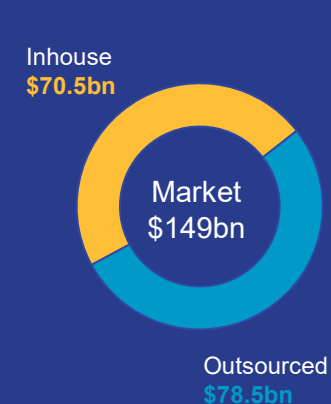
Managed Account Market³

HUB24 market share
19%



PARS Market⁴

HUB24 market share
12%



KEY TRENDS SHAPING THE INDUSTRY



Specialist platforms continue to grow market share with CAGR of 44% over the last 10 years whilst institutional platforms experience net outflows⁴



The use of managed accounts is accelerating with 44% of advisers now using them to manage clients' investments²



The privately owned and self-licensed advice segment is growing with 69.6% of the adviser market now either self-licensed or licensed by a privately owned licensee¹



Managing the compliance burden continues to be the greatest challenge for advisers⁵



There is increasing demand for financial advice with 2.6 million non-advised Australians seeking financial advice³

WE CONTINUE TO DELIVER ON OUR STRATEGY

CUSTOMER VALUE & GROWTH



- Completed strategic transactions to increase scale, enhance product capability and deliver new customer relationships
- Delivered record organic Platform FUA growth & completed bulk transition from ClearView
- Increased brand awareness
- Launched Managed Portfolio Academy to maintain market leadership & educate advisers
- Launched 2 private labels for strategic distribution relationships
- Strong profit growth, positive cash flow & significant cash reserves

CONTINUE TO BUILD THE PLATFORM OF THE FUTURE



- Completed Xplore acquisition to consolidate platform leadership position & deliver HNW product capability
- Acquired Ord Minnett PARS which, combined with Xplore, facilitated entry to this segment
- Transitioned Ord Minnett PARS & Xplore teams to HUB24
- Streamlined our managed portfolio capability to MIS structure
- Expanded platform options with new retirement solutions

COLLABORATE TO SHAPE THE FUTURE OF THE WEALTH INDUSTRY



- Strategic investment & technology partnership agreement with Easton
- Collaborated with licensees to deliver reporting, commissions and compliance monitoring solutions
- Developed machine learning models to support licensee compliance obligations & operations

PRIORITISING FUTURE GROWTH OPPORTUNITIES

CUSTOMER VALUE & GROWTH



- Create further value for clients by enhancing our managed portfolio offer
- Expand executive team to capitalise on emerging market opportunities
- Expand our distribution team to build new relationships
- Increase brand recognition & industry influence
- Develop value propositions for new customer segments
- Continuous improvement of adviser & client experience & delivery of customer service excellence

CONTINUE TO BUILD THE PLATFORM OF THE FUTURE



- Complete integration of strategic transactions & develop combined customer offer to expand and build market share
- Invest in technology infrastructure to support scale & ongoing innovation
- Develop integrated solutions for reporting & transacting between Platforms & PARS
- Develop product solutions to enable advisers to improve retirement outcomes for clients

COLLABORATE TO SHAPE THE FUTURE OF THE WEALTH INDUSTRY



- Collaborate with licensees to develop tech & data solutions to enable cost effective advice
- Expand HUBconnect data sources to deliver best of breed integrated solutions for licensees and advisers
- Extend our 'single view of wealth' capabilities improving client connectivity and experience
- Leverage machine learning & AI capability to deliver solutions to enable cost effective advice

Lead the wealth industry as the best **provider** of integrated **platform, technology & data solutions**

OUTLOOK



POSITION HUB24 FOR ONGOING SUCCESS

- Continued investment in product innovation & customer service excellence
- Complete integration of new capabilities
- Collaborate with industry participants to solve key advice challenges



PURSUE GROWTH

- Leverage current licensee and adviser relationships and develop new opportunities
- Leverage new product capability for new customer segments



CONTINUING STRONG FINANCIAL RESULTS

- Leverage FUA growth and business scalability to deliver shareholder value
- Increase profitability



Platform FUA target
(excluding PARS FUA)
increased to

\$63bn-\$70bn
for FY23¹



DISCLAIMER

→ SUMMARY INFORMATION

The material herein is a presentation of general background information about HUB24 Limited's ('HUB') activities current as at date of presentation. This information given in summary form does not purport to be complete and should be read in conjunction with previous ASX filings, Half Year Report and the audited Annual Report as applicable. Any arithmetic inconsistencies are due to rounding.

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