

ASX Release: 20 February 2024

## HUB24 delivers strong financial results and record net inflows for 1HFY24

HUB24 Limited (ASX: HUB) today announced the results for the half year ended 31 December 2023 (1HFY24), reporting Group Underlying EBITDA (UEBITDA) of \$55.0 million (up 10% on 1HFY23) and Group Underlying Net Profit After Tax (NPAT) of \$30.4 million (up 14% on 1HFY23).

The company reported statutory NPAT of \$21.5 million in 1HFY24, an increase of 39% and Underlying Diluted Earnings per share increased by 12% to 36.2 cents per share, reflecting the Group's ongoing strong performance. The Directors have determined a fully franked interim dividend of 18.5 cents per share (up 32% on 1HFY23) to be paid on 16th April 2024.

Total Funds Under Administration grew to \$91.2 billion, with Platform Funds Under Administration (FUA) increasing to \$72.4 billion (\$74.8 billion as at 15<sup>th</sup> February 2024) and PARS FUA of \$18.8 billion.

### Key highlights for 1HFY24:

- Record half year net inflows of \$7.2 billion (up 26% on 1HFY23)
- 1st for overall platform quarterly and annual net inflows<sup>1</sup>
- Platform segment revenue of \$120 million (up 17% on 1HFY23) and UEBITDA of \$47.9 million (up 16% on 1HFY23)
- Tech Solutions segment revenue of \$34.8 million (up 4% on 1HFY23) and UEBITDA of \$10.1 million (down 4% on 1HFY23)
- Awarded Best Platform Overall for the 2nd year running<sup>2</sup>
- Reclaimed the Best Platform Managed Accounts Functionality and awarded Best Mobile Platform, Best in Online Business Management and Best Reporting in the recent Investment Trends report<sup>2</sup>

Total revenue of \$156.7 million was up 14% on 1HFY23, driven by strong growth in the Platform segment and consistent growth in Tech Solutions.

There was continued investment to support strong growth and to position HUB24 for the future, with Group operating expenses of \$101.7 million (up 16% on 1HFY23), with the increase largely driven by the investment in our people and the myprosperity acquisition.

The UEBITDA margin was 35.1% (down 110 bps on 1HFY23) with the benefits of scale offset by previously advised lower deposit spreads, lower vacancy rates and the impact of the myprosperity acquisition.

During 1HFY24, HUB24 delivered record net inflows of \$7.2 billion (including a large migration of \$1.8 billion from Insignia Financial), up 26% on 1HFY23 and was ranked 1<sup>st</sup> for both quarterly and annual net inflows. HUB24 is the 7<sup>th</sup> largest platform and continues to gain market share, which increased to 6.7% (up from 5.7%).<sup>1</sup>

The number of advisers using the Platform increased during 1HFY24 to 4,297 (up 16% on 1HFY23) and 70 new distribution agreements were signed.

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In the recent Investment Trends Platform Competitive Analysis and Benchmarking Report, the HUB24 Platform was awarded Best Platform Overall for the second year running, and reclaimed Best Platform Managed Accounts Functionality, as well as being awarded Best Mobile Platform, Best in Online Business Management and Best in Reporting.<sup>2</sup>

During 1HFY24, there was continued investment in developing and launching new products and solutions, including HUB24 Discover, a cost-effective solution for advised clients with less complex needs, AGILE (Allianz Guaranteed Income for Life, in collaboration with Allianz Retire+), an innovative longevity product designed to support the growth of clients' retirement assets and deliver a guaranteed retirement income stream, and enhanced high-net-wealth (HNW) capabilities.

In recognition of Class's continued focus on delivering innovative functionality and customer service excellence, Class Super was awarded SMSF Software Provider of the Year in the 2023 SMSF Adviser Awards. Additionally, Class Super was ranked equal 1<sup>st</sup> place with an improved Net Promoter Score of 48 for primary users in the most recent Investment Trends SMSF Accountant Report 2023.

To support the integration of Group capabilities and 'whole of wealth' offer, further investment was made in building data infrastructure, leveraging HUBconnect capability.

Demand for secure client portal capability is driving strong interest from financial professionals for myprosperity. During 1HYFY24, an enterprise licensing offer was launched, and work has commenced on a new Class client portal leveraging myprosperity capability.

Moving forward, HUB24's strong pipeline across both existing and new advisers is expected to continue to deliver growth in market share and we remain on track to meet our Platform custody FUA target range of \$92 billion to \$100 billion for FY25.<sup>3</sup>

HUB24 CEO and Managing Director Andrew Alcock commented, "We've delivered strong financial results for 1HFY24 with an increase of 14% in Group Revenue to \$156.7 million and 14% in Underlying NPAT to \$30.4 million over the prior corresponding period. Given this strong performance, we have announced a fully franked interim dividend of 18.5 cents per share (up 32% on pcp)."

"As well as achieving record net inflows, we have continued to deliver innovative products and solutions that enable financial professionals to empower better financial futures for their clients. We are delighted to have once again been recognised as Australia's Best Platform and reclaimed the Best Platform Managed Accounts Functionality award".

With significant opportunities from existing and new customers across the Group, we expect strong growth and increasing profitability going forward. By leveraging our Group capabilities and strong relationships, we are in a unique position to continue to drive industry transformation while enhancing value for our customers and shareholders."

<sup>1</sup> Strategic Insights Master Trusts, Platforms & Wraps, September 2023

<sup>2</sup> Investment Trends Platform Competitive Analysis & Benchmarking Report 2023

<sup>3</sup> The company expects strong growth and increasing profitability moving forward, subject to consistent and stable investment markets and HUB24 terms of business that may affect platform FUA and revenue

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**About HUB24**

HUB24 Limited is listed on the Australian Securities Exchange, and includes the award-winning HUB24 Platform, HUBconnect, the Xplore Wealth platform, Class and myprosperity.

The HUB24 Platform offers advisers and their clients a comprehensive range of investment options, including market-leading managed portfolio solutions, and enhanced transaction and reporting functionality. As one of the fastest growing platforms in the market, the Platform is recognised for providing choice and innovative product solutions that create value for advisers and their clients. HUBconnect focuses on leveraging data and technology to provide solutions to common challenges for stockbrokers, licensees and advisers and enable the delivery of professional advice to more Australians.

Class is a pioneer in cloud-based wealth accounting software and is recognised as one of Australia's most innovative technology companies. Class delivers trust accounting, portfolio management, legal documentation and corporate compliance solutions to financial professionals across Australia who depend on Class to drive business automation, increase profitability and deliver better client service.

myprosperity is a leading provider of client portals for accountants and financial advisers, enabling streamlined service delivery, increased productivity and enhanced customer experience for finance professionals and their clients.

This release is not financial product advice. Past performance is not indicative of future performance and any forward- looking statements in this release are not representations or guarantees as to future performance.

This announcement was authorised for release to the market by the Managing Director.

For further information, please visit [www.hub24.com.au](http://www.hub24.com.au)