

ASX Release: 28 November 2024

## HUB24 Investor Strategy Day

HUB24 Limited (ASX: HUB) is holding its Investor Strategy Day today at 10.00am (AEDT) where the Group Executive team will provide an update on our strategy. A copy of the presentation is attached.

The presentation will be streamed live and can be accessed by registering at:

<https://webcast.openbriefing.com/hub-id-2024/>

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**About HUB24**

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

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)

ersonal use only

# Investor Strategy Day

28 November 2024

## HUB<sup>24</sup>

Empowering better  
financial futures, together



# Welcome

**Andrew Alcock**

Managing Director & Chief Executive Officer



# Leading the wealth industry as the best provider of integrated platform, technology & data solutions



Australia's best platform<sup>1</sup>



#1 for annual platform and retail superannuation net inflows<sup>2,3</sup>



#2 net inflows across all super funds from member switching incl industry funds<sup>3</sup>



#1 managed accounts capability<sup>1</sup>



SMSF Software provider of the year<sup>4</sup>



#2 SMSF software market share<sup>5</sup>



#2 market share for corporate compliance software<sup>6</sup>



Leading client portal solution

HUB<sup>24</sup>

CLASS

myprosperity

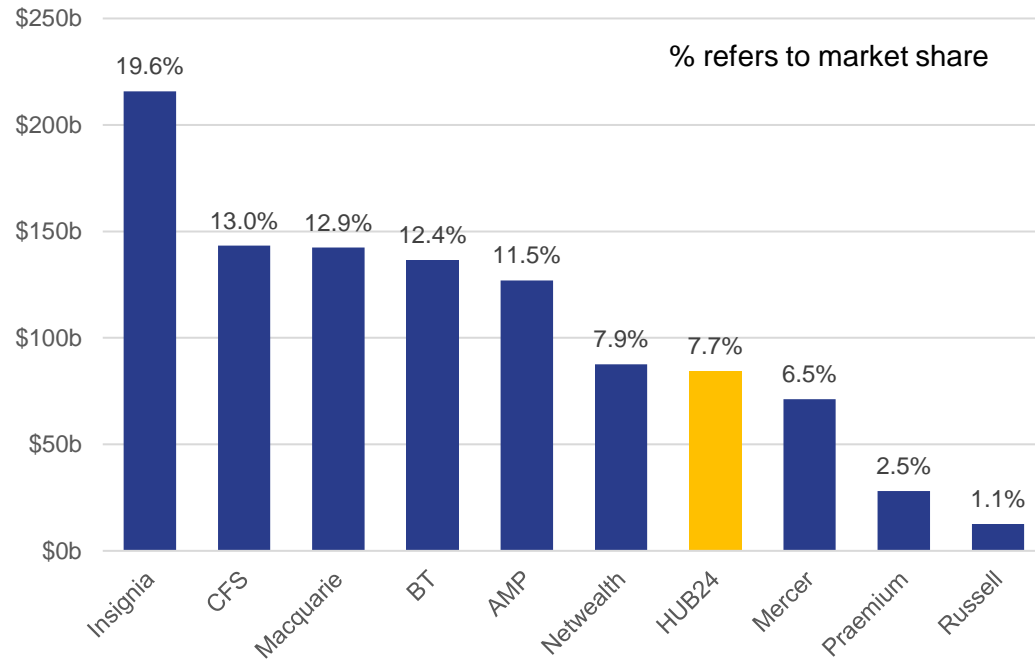
HUB<sup>CONNECT</sup>

NowInfinity

# HUB24 gaining market share

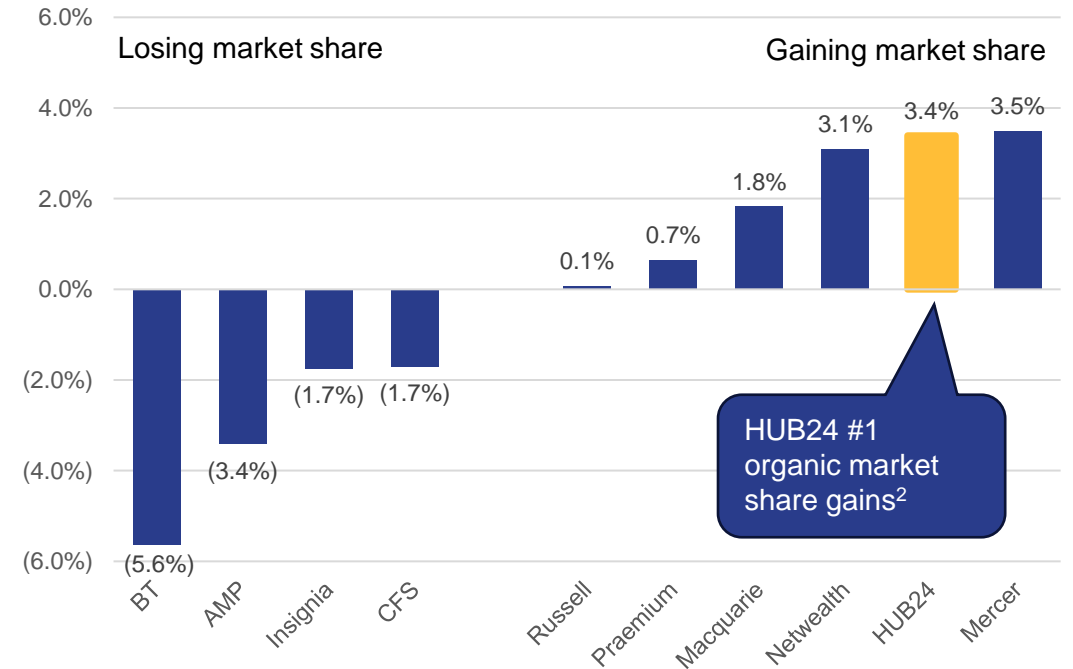
HUB24 ranked #7 with \$84b of FUA at June 2024

Top 10 platforms by FUA as at June 2024<sup>1</sup>

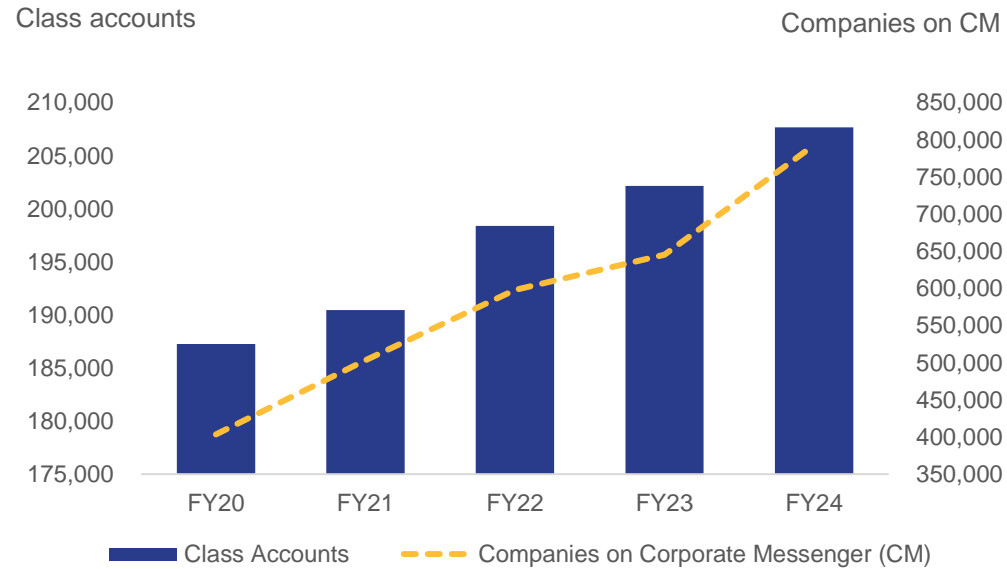


HUB24 increased market share from 4.3% to 7.7% over last 3 years<sup>1</sup>

3-year change in market share of top 10 platforms<sup>1</sup>



# Tech Solutions & myprosperity – delivering consistent growth



Class SMSF market share 31% and growing at 1.1x system<sup>1</sup>

More than 207,000 total Class accounts

More than 792,000 Companies on Corporate Messenger and growing at 2.0x system<sup>2</sup>



**~75k households**

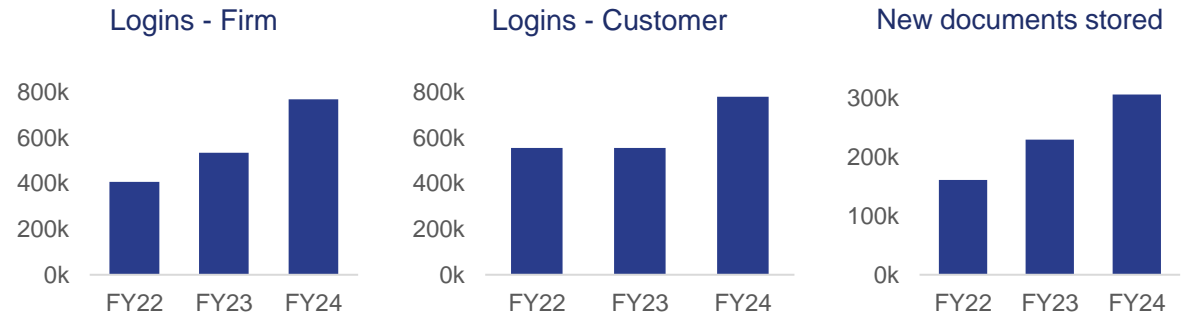
+12k households in FY24



**497 wealth practices**

+57 practices in FY24

**Increased engagement and usage**  
as value proposition resonates with financial professionals



# HUB24 is uniquely positioned to capture significant opportunity arising from new wave of transformation

## Industry continues to transform, driving need for innovative wealth solutions

- Demand for advice is increasing, supply is limited
- Inefficiency & regulation is increasing the cost of advice delivery
- Client demographics driving need for new products and single view of wealth
- Data integration & quality alongside disparate tech solutions driving inefficiency

- Emergence of advice networks to leverage scale and build sustainable business models
- Separation of aligned advisers to privately owned groups
- Lack of investment in advice infrastructure following WEXIT
- Continued uncertainty of ownership and strategy of institutionally owned platforms
- Cyber security risks driving demand for secure client solutions

## HUB24 position

- Market-leading platform and managed accounts capability
- Strong relationships in key client segments
- Tech & data expertise to drive productivity, deliver reporting & insights and single view of wealth
- Leading SMSF software & Corporate Compliance solutions
- Leading client portal technology to enable secure collaboration
- HUB24 investing to solve industry challenges

# Leveraging our combined capabilities to lead industry change



## Lead today

Delivering customer value and growth



## Create tomorrow

Creating integrated wealth technology and platform solutions



## Build together

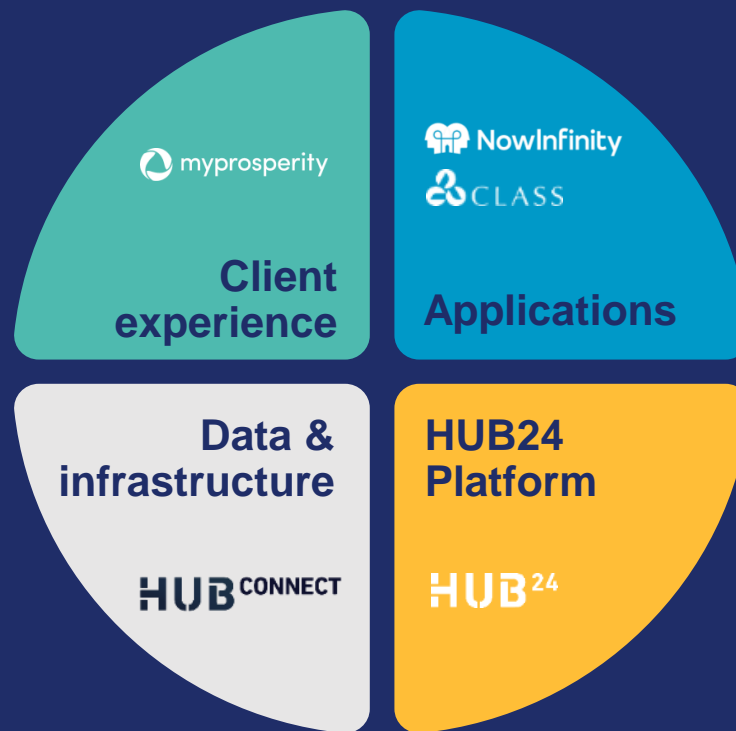
Collaborating to shape the future of the wealth industry



## Be future ready

Developing our people, capabilities and infrastructure to support our future growth strategies

Be the best provider of integrated platform, technology and data solutions



To enhance productivity for financial professionals

- One way of doing business with access to market-leading solutions
- Single view of wealth for financial professionals and their clients
- Efficient access to ecosystem partners
- Flexibility for advisers and insights for networks
- Reporting and insights for businesses



And deliver solutions to meet needs across the customer lifecycle



# Growing market leadership while transforming the industry and enhancing shareholder value



**Strong growth outlook in existing established businesses**



**Create additional shareholder value through tech solutions**

## HUB24 Platform

Market leadership with significant opportunity to capture further market share

- Market leading platform, managed accounts and client portal capability
- Ranked #1 for net inflows in FY24
- Strong and growing relationships with advisers including privately owned groups
- Well positioned to increase market share from current ~8%
- Continue to benefit from industry transformation

## Class & NowInfinity

Delivering consistent and sustainable growth

- Leading SMSF and Corporate Compliance solutions
- Class and NowInfinity growing above system, supported by structurally growing markets (SMSFs and Company registrations)
- Ongoing investment in customer solutions to enable market share gains and ARPU growth<sup>1</sup>

## Technology & data solutions

Building solutions that create value and strengthen competitive advantage

- Leveraging Group capabilities to build solutions that drive efficiencies for financial professionals and their clients - HUBconnect, client portals, Engage
- Harnessing Group footprint to deliver more products to more customers
- Strengthening customer relationships and driving advocacy for HUB24 and Class

Creating growth synergies

# Agenda



## Group Strategy

**Jason Entwistle**

Director, Strategic Development



## Break

10 minutes



## Innovation & Technology

**Paul Biggs**

Chief Product and Technology Officer



## Class & NowInfinity

**Tim Steele**

Class Chief Executive Officer



## Platform

**Jason Entwistle**

Director, Strategic Development



## CFO Update

**Kitrina Shanahan**

Chief Financial Officer



## Operational Excellence

**Craig Lawrenson**

Chief Operating Officer



## Wrap Up & Q&A

**Andrew Alcock**

Managing Director & Chief Executive Officer

01

# Group Strategy

**Jason Entwistle**

Director, Strategic Development



# Technology can deliver productivity and create sustainable market leadership and growth



## Industry reconstructing around advice

- **Licensee model is evolving** with new aggregators and separation from institutions
- **Emergence of advice networks** – large professional advice and multi-disciplinary businesses



## More demand for advice than the industry can deliver

- **2.3m individuals thinking of seeking financial advice<sup>1</sup>**
- **15,415 financial advisers in Australia serving an average of 99 active clients each<sup>2,3</sup>**



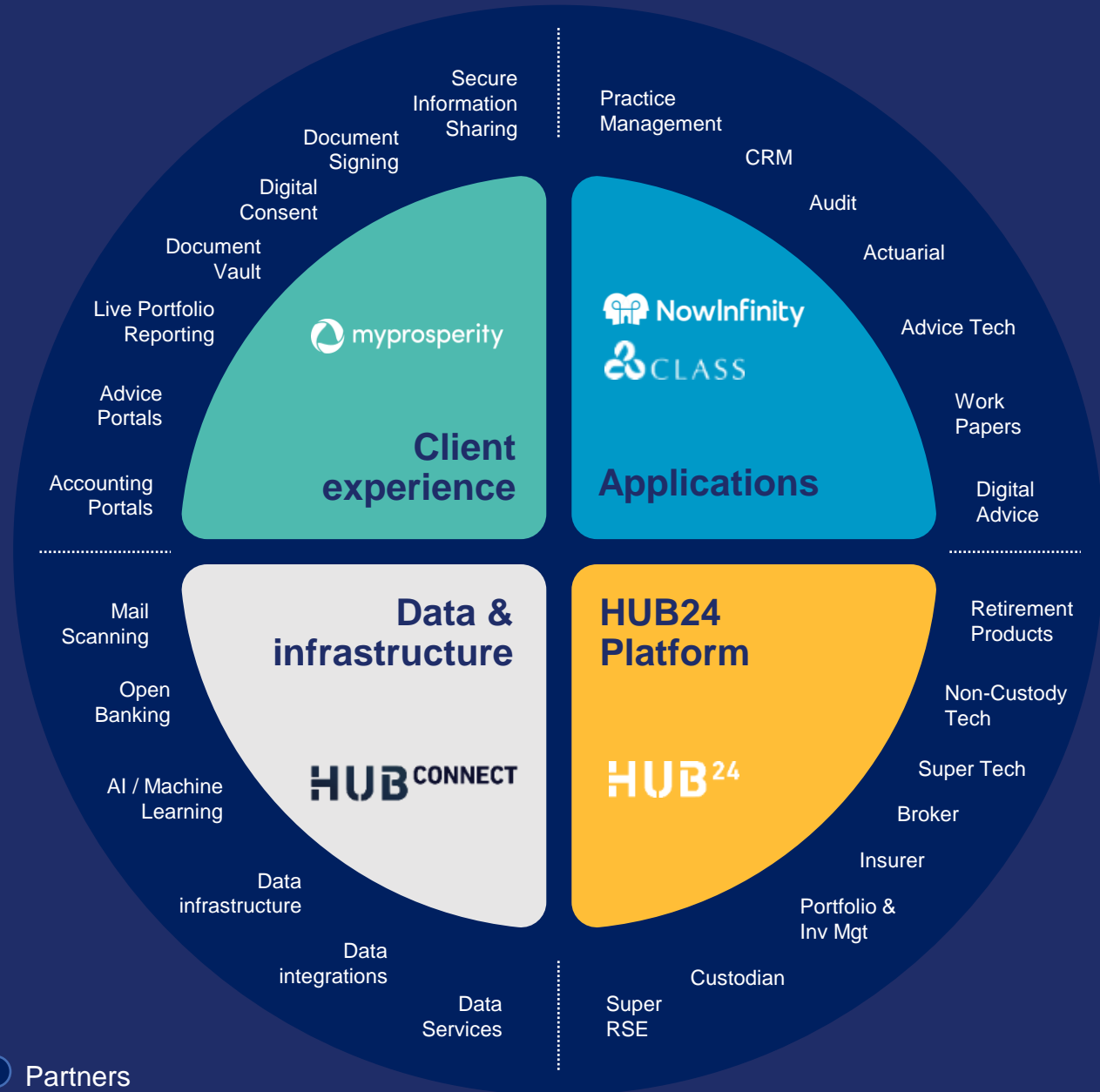
## Lack of integrated technology

- Data integration and quality **continue to challenge licensees, advisers and accountants**
- **Disparate advice technology solutions** – significant industry inefficiency
- **Willingness to spend on technology** – advisers intend to spend 48% more than they currently do<sup>4</sup>

# The HUB24 ecosystem is deepening customer relationships



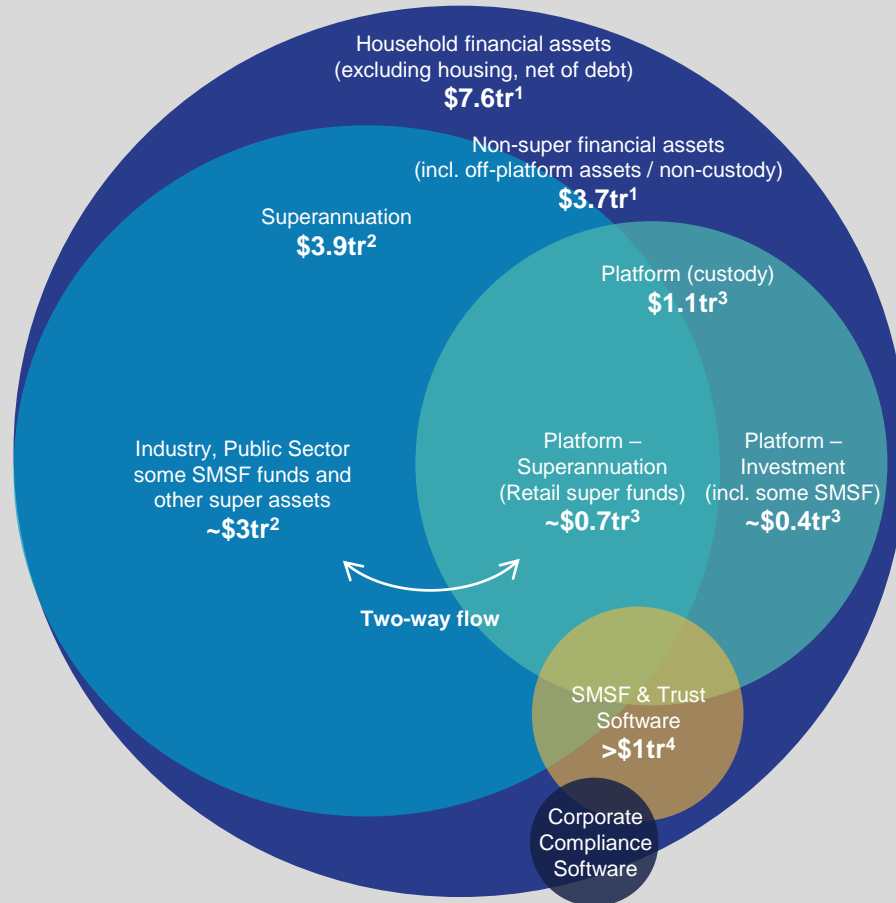
We are collaborating with financial professionals and other providers to create accounting and advice technology infrastructure



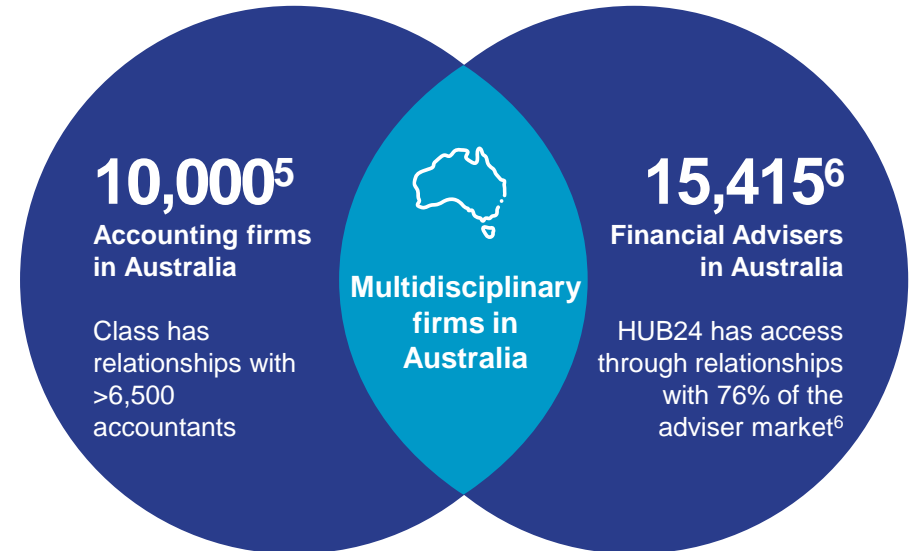
# The addressable market is bigger than just the "Platform market"



**Significant growth opportunity –** with assets coming to financial professionals from baby boomers retiring and intergenerational wealth transfer



**HUB24 is uniquely positioned to provide market-leading, integrated solutions to financial professionals and their clients**



# Key drivers for a client portal



Client engagement



Security



Efficiency



Ecosystem

## 53%

of financial customers say they would switch providers for better digital experiences<sup>1</sup>



The use of digital signatures reduces customer onboarding times by **41%** and the time to contract completion by **68%**<sup>2</sup>

## 74%

of businesses still email sensitive client documents direct to clients (such as SOAs)<sup>3</sup>



**Email compromise** and **business email compromise** are the top sources of cybercrime in Australia<sup>4</sup>

# myprosperity transforming client engagement & experience

Bringing more solutions to existing clients to drive further revenue growth



## One platform, two interfaces:

- Client services
- Partner services



Single access point for HUB24 Group solutions for clients of over 4,700 advisers and 6,500 accounting firms



Class client portal pilot launched 1HFY25  
HUB24 client portal pilot to be launched 2HFY25

HUB<sup>24</sup>

CLASS

HUB<sup>CONNECT</sup>

NowInfinity



Client engagement



Security



Efficiency



Ecosystem



# Clear strategy for growth



HUB24 ecosystem driving competitive advantage and enabling industry transformation



Delivering innovative solutions that help solve productivity challenges for financial professionals



Transforming client engagement and experience



Well positioned to benefit from industry trends

# 02

## Innovation & Technology

**Paul Biggs**

Chief Product & Technology Officer



# Innovation that delivers: opening up new growth opportunities

## The Innovation Lab



AI/ML



Low-code



RPA



### Innovation Lab

- **Started early 2018**
- **Innovative technologies**  
Research and trial ideas/technologies
- **Ideas for products**



**For solutions that don't exist yet**



### Delivering

- **Client solutions**  
Innovative and best-in-class solutions
- **Productivity**  
Supporting scale and efficiency
- **Data security**  
Safeguarding client and shareholder interests

# Innovation delivering client solutions and efficiency



## Client solutions

Delivering best-in-class innovative solutions and experiences for customers

### Examples

- Engage
- HUBconnect
- Virtual mail room
- Advice fee consent automation
- Advice delivery
- Automated forms processing
- Enhanced voice services



## Productivity

Leveraging innovative technologies to drive efficiency and operational scale

### Examples

- GenerativeAI data insights
- Automated testing
- Integrated AI tools & Robotic Process Automation
- Edge-based data distribution



## Data security

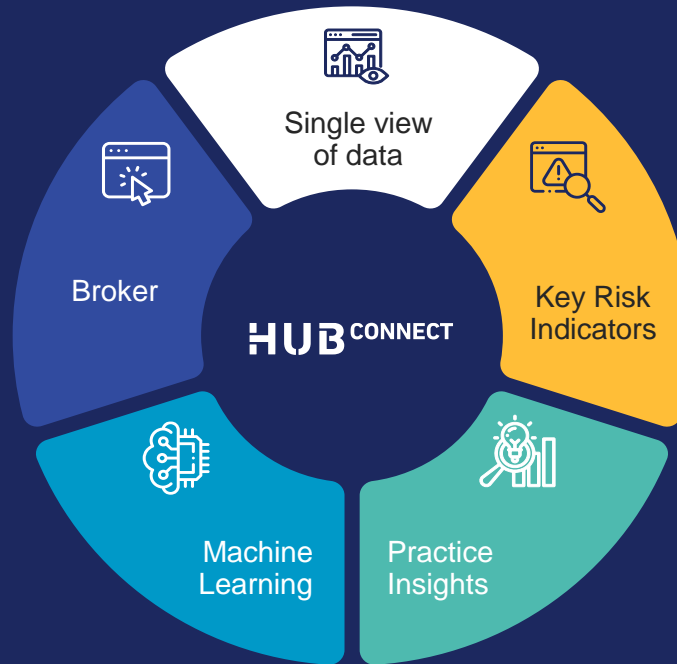
Managing cyber risk to safeguard customer and shareholder interests

### Examples

- Redaction / de-identification
- Email analysis / Nudge tool
- Mastering client data

HUBconnect  
gives us  
competitive  
advantage  
driving long  
term growth

One data store,  
many applications



- Connectivity gateway with other financial services and software providers
- >300 data integrations

Powering a range of services  
& solutions and providing  
access to quality data

**HUB**CONNECT



**Delivering efficiencies and  
scalable industry solutions**

Improving efficiency and reducing  
manual tasks

Creating insights to increase advice  
practice value and identify growth  
opportunities

Delivers a scalable solution for the  
advice industry

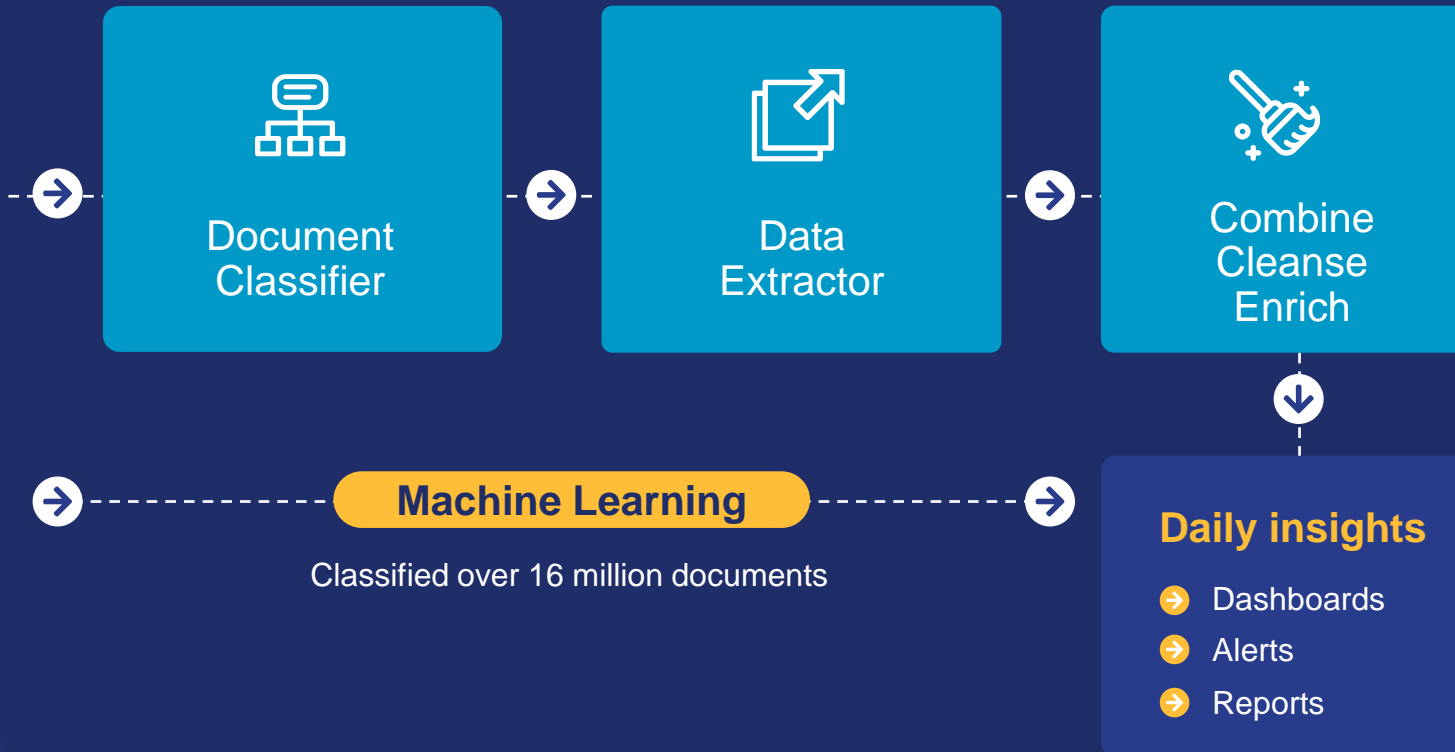
# Client solutions: HUBconnect for licensees

Delivering licensee efficiencies and scalable industry solutions

**HUB24's unique capability:** providing access to quality data

## Documents and Data from:

- Planning software
- Revenue Management Software
- Platforms
- CRMs
- Files
- ASX
- ASIC



**Flexibility and visibility** for advisers & licensees



**Reporting and insights** for businesses

# Client solutions: Engage

Leveraging HUBconnect for market-leading reporting

## Present



Tools to craft, customise and present content that will engage clients

## Publish



A team workspace to efficiently publish content to multiple clients at a time

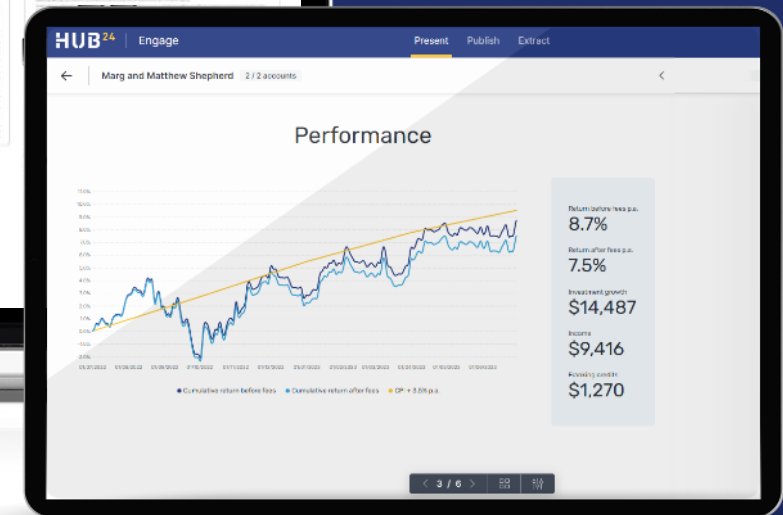
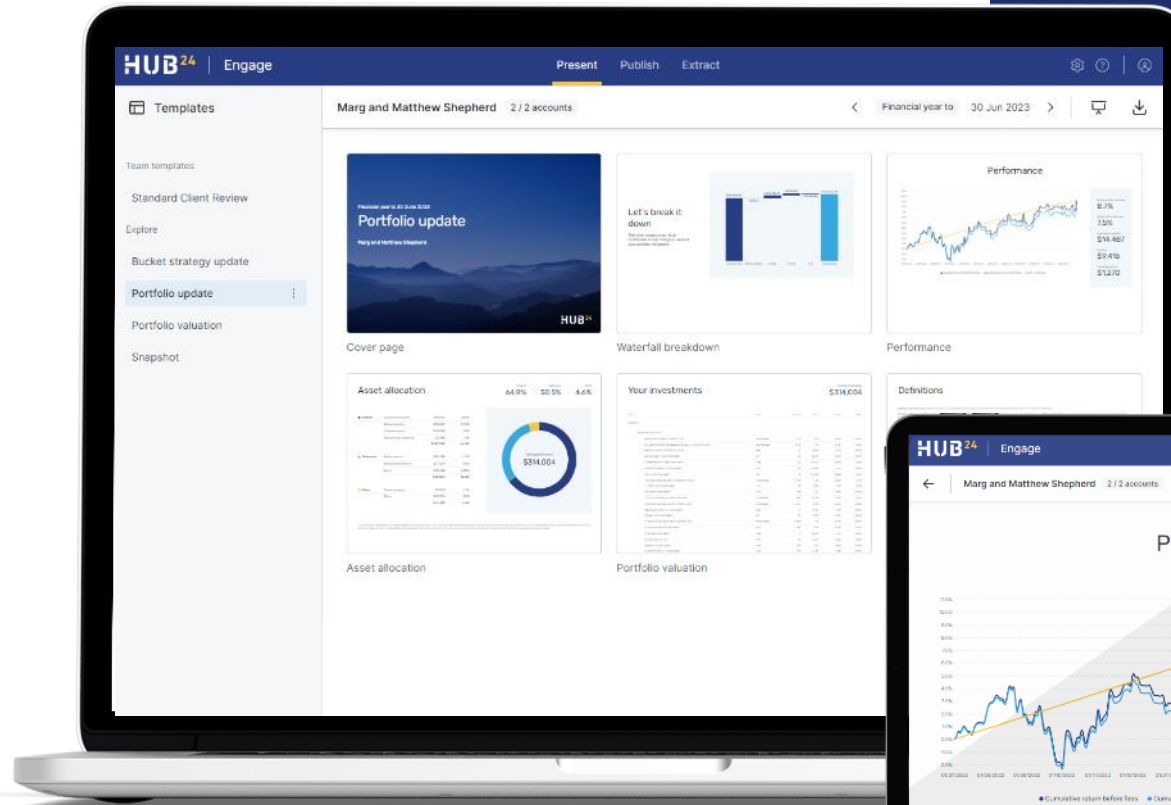
## Extract



A way to securely access underlying data to fit different needs



Delivering adviser efficiency, advocacy and client experience



Live on HUB24 Platform and coming soon to myprosperity

# Productivity: Engineering enablement

AI powered automated testing

New capability accelerating our testing processes...



Natural language test case descriptions



Pseudo-code

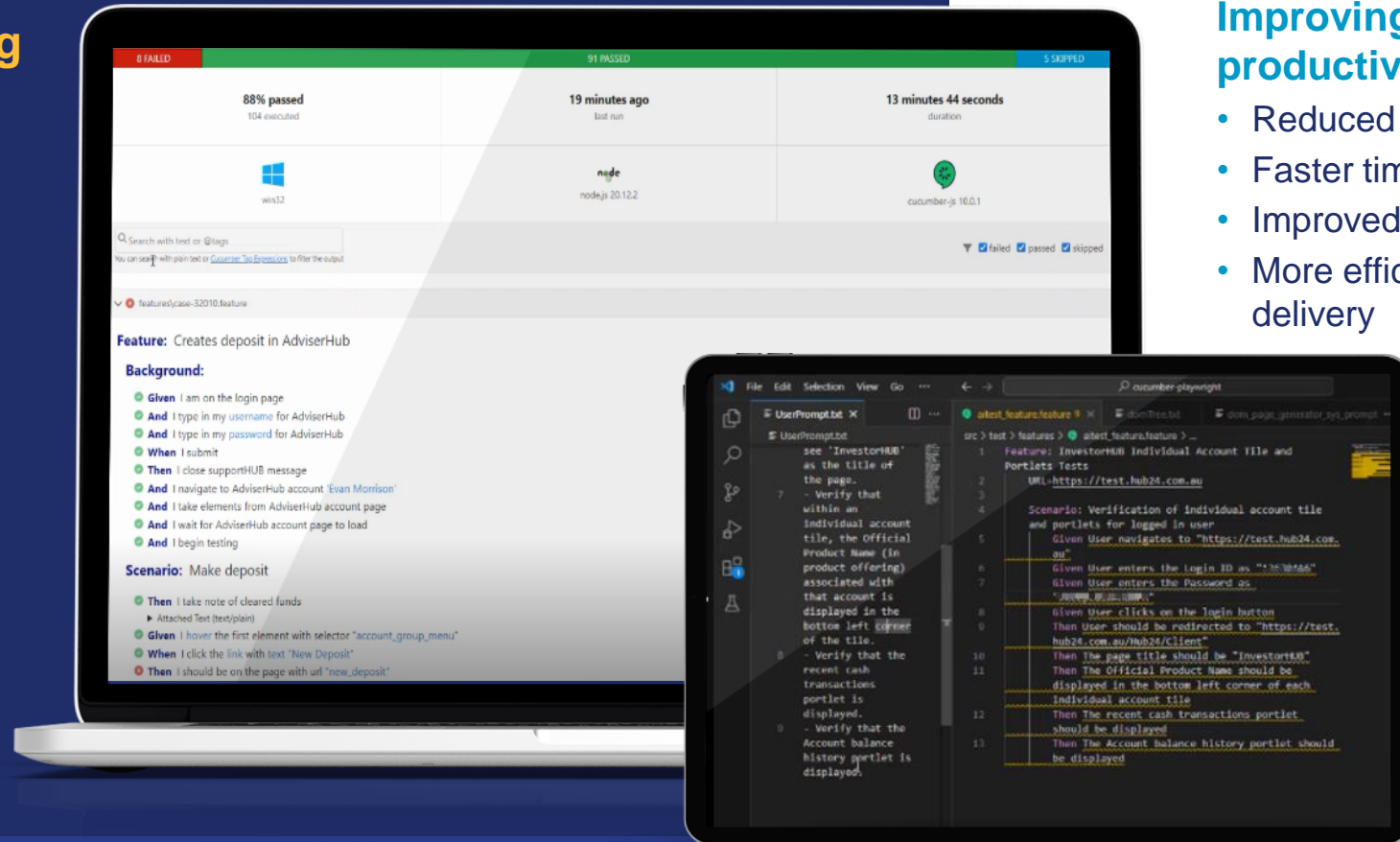


Automated test code



Improving engineering productivity

- Reduced testing time
- Faster time to market
- Improved speed and quality
- More efficient feature delivery



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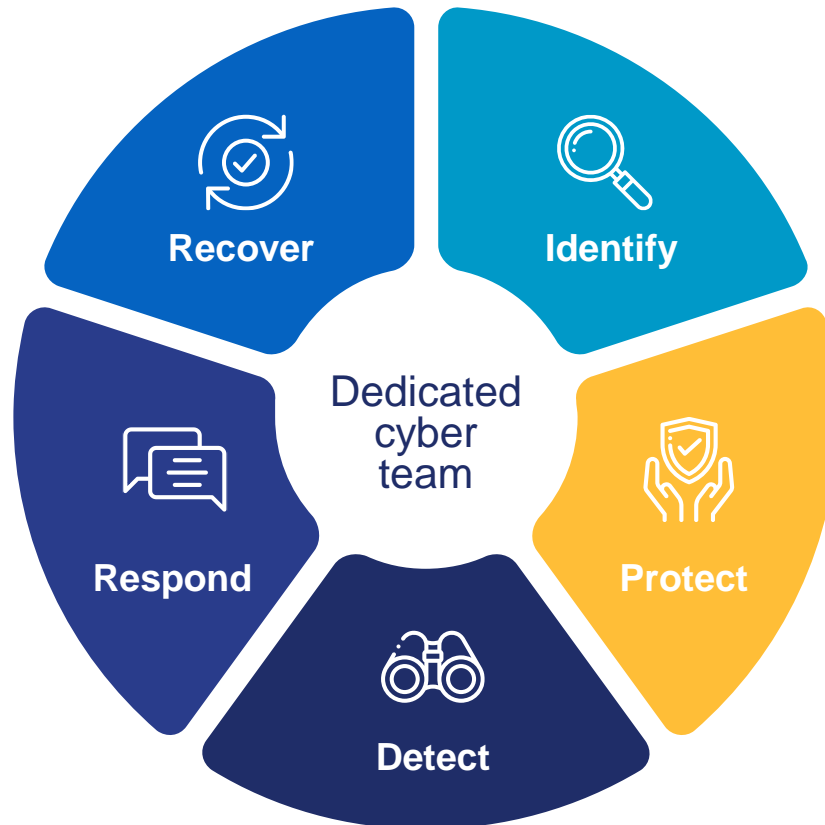


# Data security: Continuing to evolve our cyber capabilities

## Best practice cyber framework

## Strategic Partners

- ✓ Security Operations Centre
- ✓ Professional Services and Advice
- ✓ External auditing



## Strategic priorities

- Identity & vulnerability management
- AI governance, data retention & privacy
- Zero-Trust



## Policy & governance enhancements

- Responsible use AI governance framework
- Structured AI maturity model and controls aligned to regulations



## New capability: Data redaction tool

- Automatically redacts sensitive information within documents
- Improves compliance with data privacy requirements
- Increases efficiency and accuracy
- Scalable solution

# We are continuing to invest in innovative technology to leverage and sustain our competitive position



Delivering best-in-class innovative solutions and experiences for customers



Leveraging technology to drive operational scale and support efficiency for HUB24 and the industry



Unlocking the power of data with AI/Machine Learning



Managing cyber risk to safeguard our customers and shareholders

03

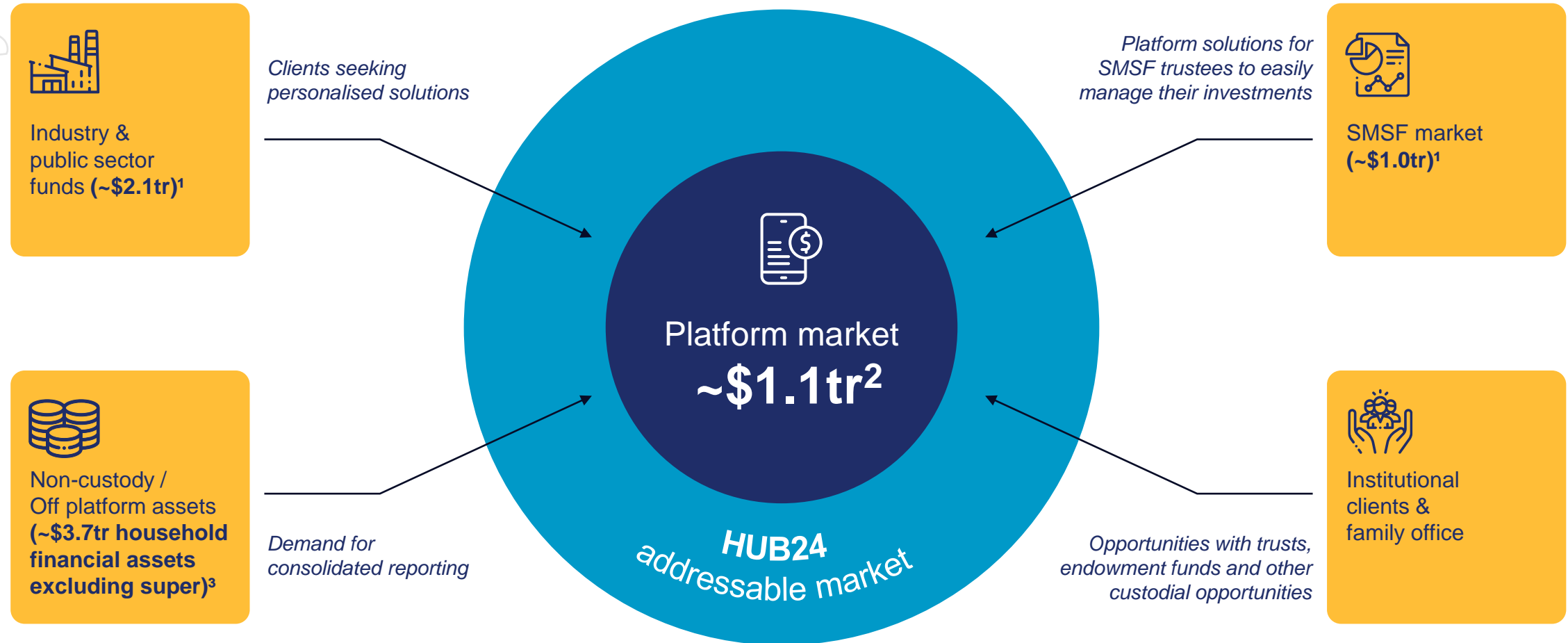
# Platform

**Jason Entwistle**

Director, Strategic Development



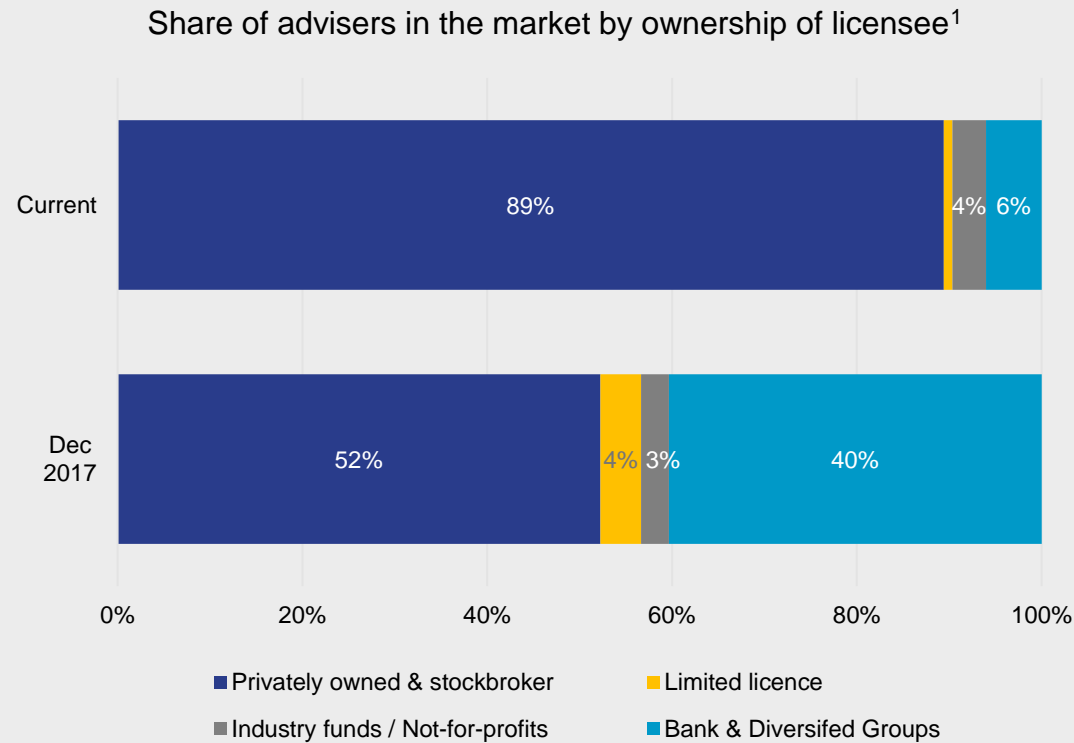
# Opportunity bigger than the "Platform market"



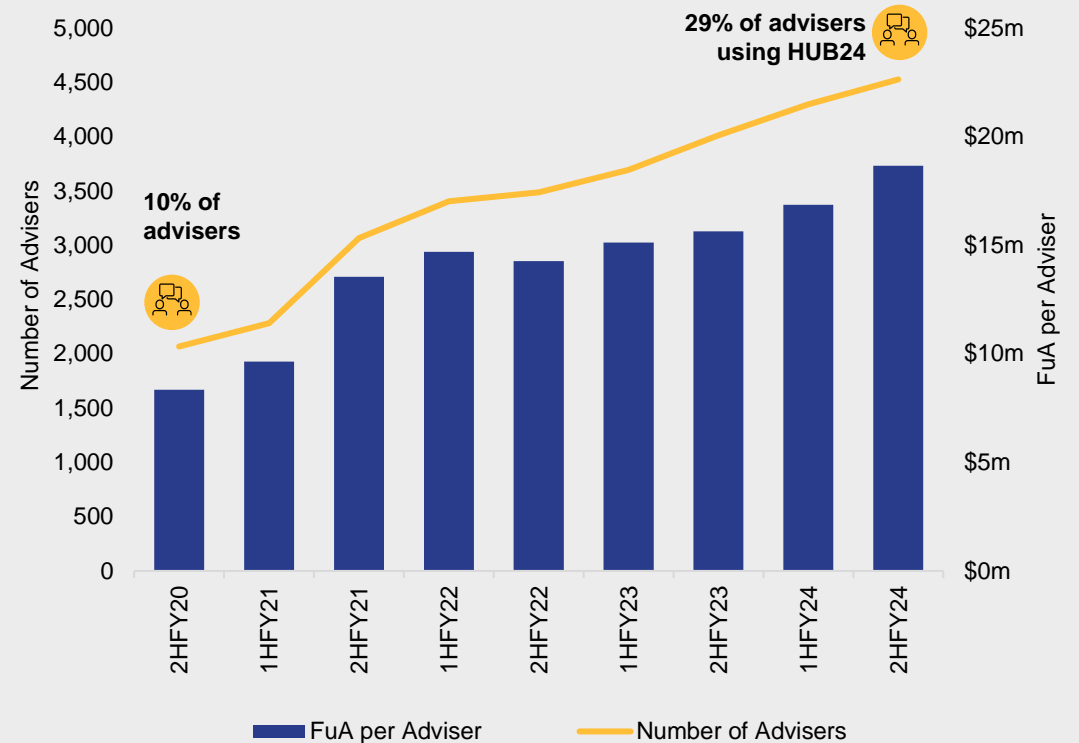
1. APRA Quarterly superannuation statistics. As at 30 June 2024. Includes exempt public sector schemes  
2. Plan for Life. Platform & Wrap Report. As at 30 June 2024  
3. ABS, Australian National Accounts: Finance and Wealth, Table 35. As at 30 June 2024

# Industry transformation delivering opportunities for growth

## HUB24 has strong relationships with privately owned advisory groups



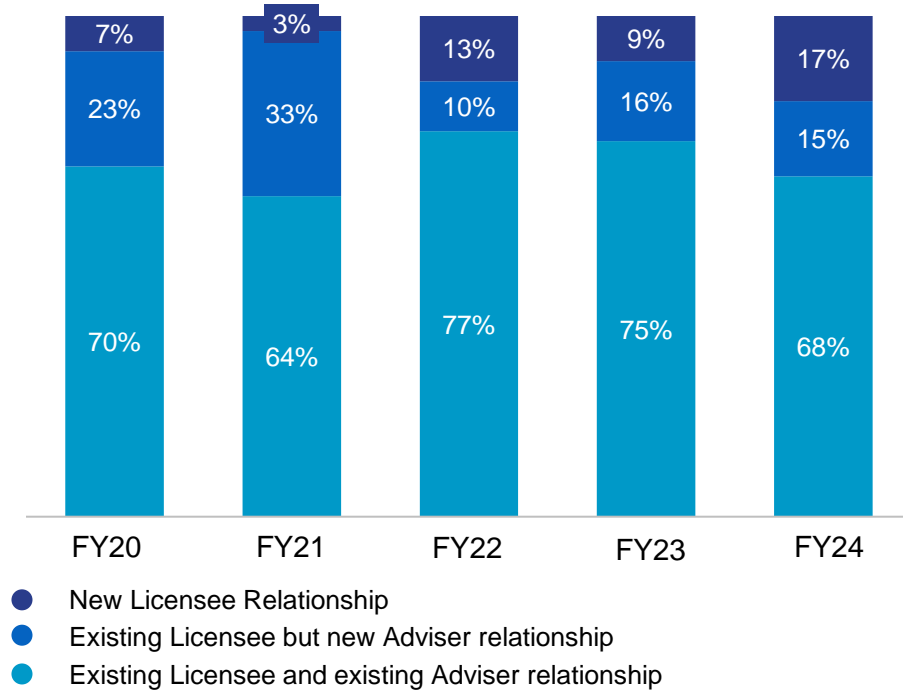
## Growing adviser base using HUB24 coupled with increased penetration (growth in FUA per adviser)



# Significant growth opportunity from both existing & new advisers

## Net inflows from new and existing advisers

Composition of net inflows by tenure of adviser relationship



## Latent opportunity



HUB24 has access through relationships to more than **76%** of the total adviser market<sup>1</sup>



HUB24 FUA per adviser at FY24 was \$19m, up from \$8m in FY20

Industry average FUA per adviser estimated to be \$71m, providing further opportunity for growth<sup>3</sup>

10% of advisers using platform at FY24 have more than \$50m of FUA on HUB24, up from 8% in FY23

New adviser relationships deliver transition/flow benefits for up to 6 years<sup>4</sup>

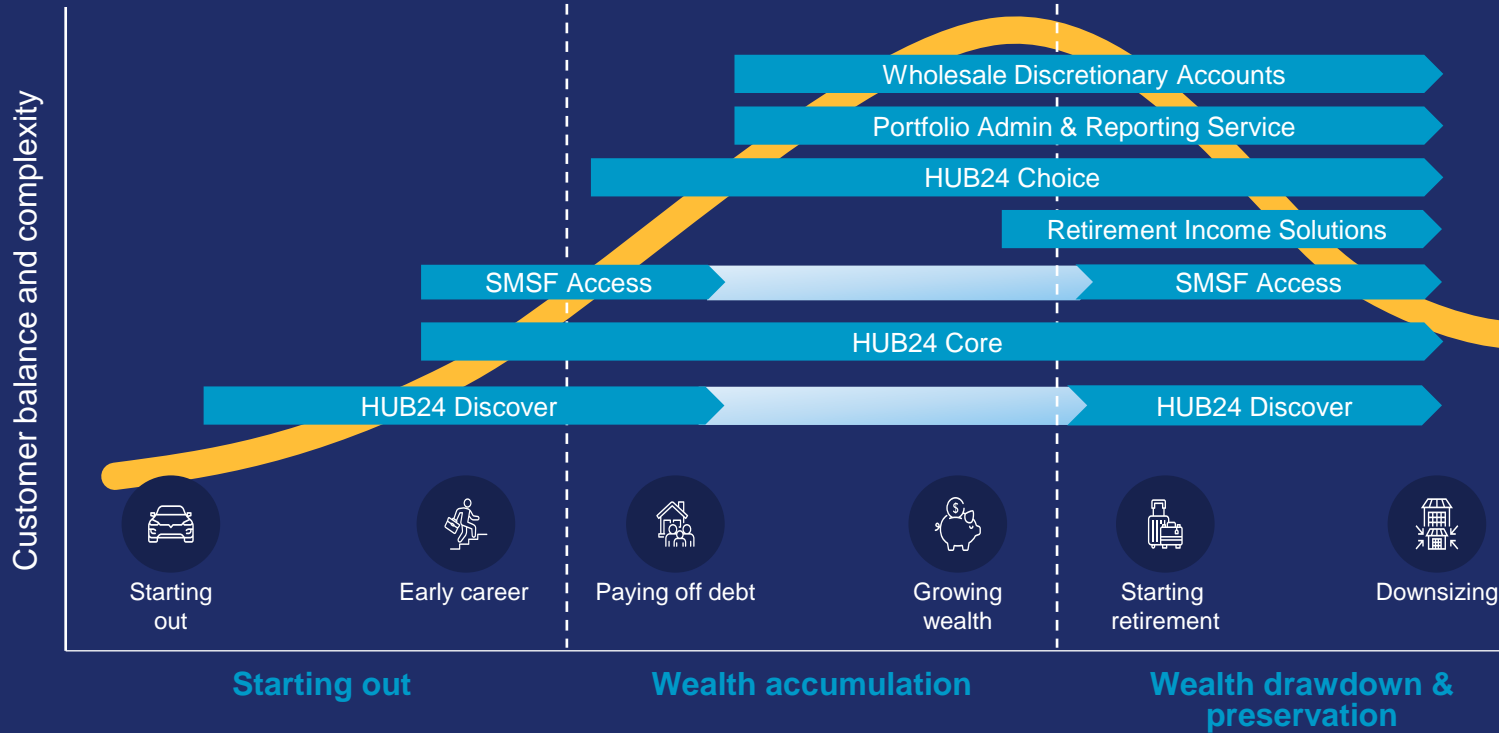
1. Share of market based on HUB24 internal analysis, ASIC Financial Adviser Register as at 8 August 2024 and Adviser Ratings Musical Chairs Q2 2024. Includes access to private label products

2. Adviser Ratings Musical Chairs Q2 2024. As at 30 June 2024

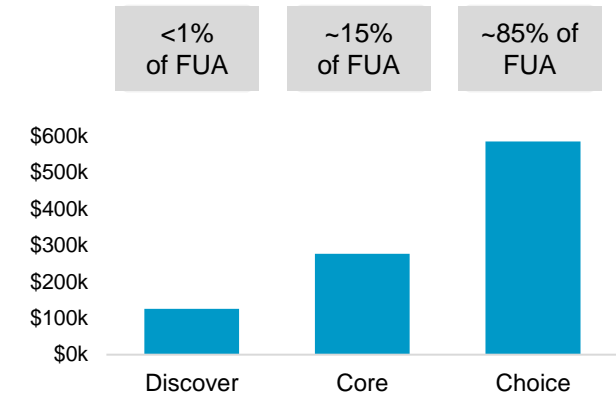
3. Industry average FUA per adviser as at 30 June 2024 based on total platform market and total number of advisers. Plan for Life Master Trusts, Platforms & Wraps data, June 2024. Adviser Ratings Adviser Musical Chairs Report Q2 2024

4. Based on HUB24 analysis

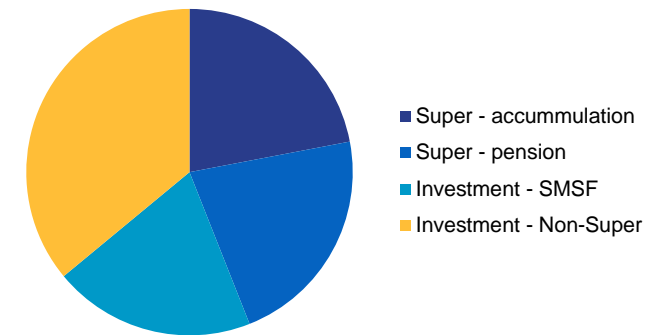
# Platform for the client's lifecycle: Suite of offerings deepening relationships



Average account size by menu<sup>1</sup>



Composition of FUA by product<sup>1</sup>



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# Extending our market leadership by enhancing customer proposition



## HUB24 Discover growing strongly

- Menu within HUB24 platform designed for advised clients with less complex needs
- Powered by HUB24 managed account capability
- Launched November 2023 with strong uptake in first year
- Large addressable market



## HUB24 SMSF Access enhancements

- Simplified application and setup process
- Faster access to Super Guarantee contributions through streamlined EFT processing
- Claim Reduced Input Tax Credit on Advice fees
- Expedited rollovers with the introduction of new Cash Statement report



## Non-custody capability expanding

- Non-custodial administration and reporting capability within HUB24 platform for assets that cannot be held on-platform
- Pilot launched in 2HFY24
- Supports 'whole of wealth' view
- Complements existing PARS capability<sup>1</sup>
- Strong interest in HNW market



## Alternative asset classes becoming more accessible through HUB24

- Strategic alliance with Reach Alternative Investments
- Minority investment and agreement to collaborate with Reach and other industry participants to deliver broader access to alternative investment options

Responding to client needs

Opening up new markets



# Strategic investment in Reach Alternative Investments

Expands range of alternative solutions available through HUB24



Financial advisers allocate on average **5% of client portfolios** to alternative investments<sup>1</sup>

Research indicates this could increase to **15%-20%**<sup>2</sup>

## REACH ALTERNATIVE INVESTMENTS



Alternative Asset Administration provider



### Facilitating access to:

- High quality private market opportunities which have traditionally been difficult to access in Australia
- Top-20 Global Asset Managers



Typical Reach fund \$15,000 minimum

### Live:



Reach funds now available on HUB24 custody platform & non-custodial service

### 2HFY25:



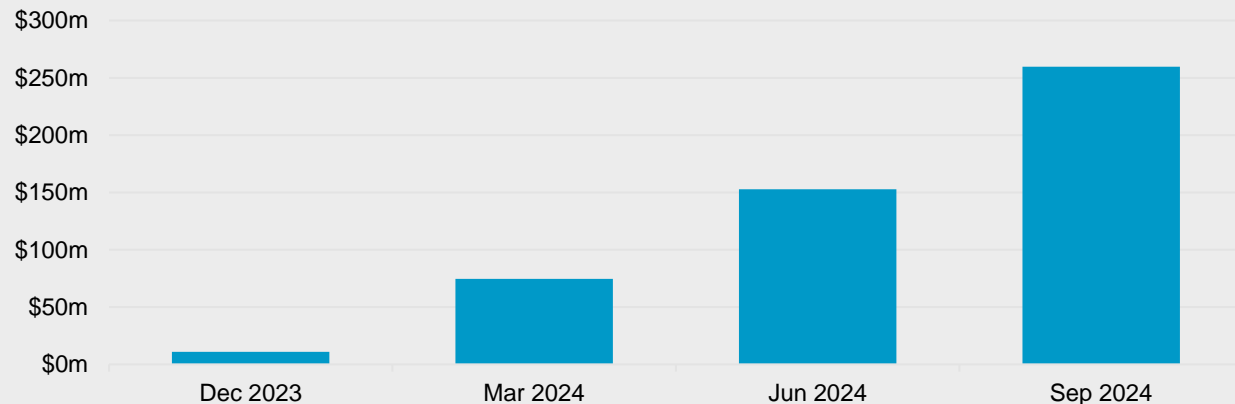
Collaborate with Reach and other providers to co-design innovative solutions that enable financial professionals to meet emerging client needs

# Discover: Strong initial uptake with significant growth runway

## HUB24 Discover menu

- Low cost streamlined menu consisting of a select range of managed portfolios
- Launched November 2023
- Designed for advised clients with less complex needs

## HUB24 Discover FUA



## Strong growth since launch



FUA of ~\$260m as at September 2024



Average balances lower than Core and Choice menu



Skewed towards superannuation (88% super)



**Net flows capturing FUA from different markets:**

- ~50% of superannuation rollovers from industry funds
- Superannuation rollovers from other platforms include flows from corporate super and non-wrap products

# Market leading platform driving customer value and growth



Strong inflows with significant opportunity to continue growing market share



Continued enhancements to HUB24 Platform proposition



Leveraging HUB24's ecosystem to deliver new solutions to service growing customer needs



Competitive advantage driving long-term growth

04

# Operational Excellence

**Craig Lawrenson**

Chief Operating Officer



# HUB24 has significant scale

Total FUA<sup>1</sup>

**\$113b**



Transactions<sup>2</sup>

**>\$50b**



Interactions<sup>2</sup>

**765k**



Platform FUA

**\$92b**

Gross inflows

**\$26b**

Calls

**98k**

PARS FUA

**\$21b**

Gross outflows

**\$10b**

Chats

**47k**

Managed  
Account FUM

**\$37b**

Direct equity  
trades

**>\$14b**

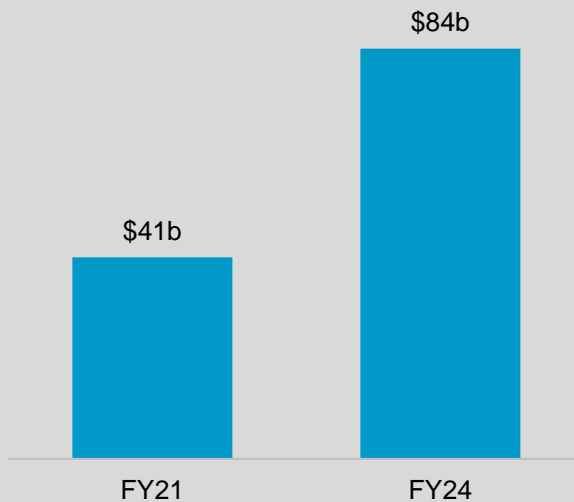
Tasks

**620k**

# Scaling safely while delivering service excellence

HUB24 has more than doubled over the last 3 years...

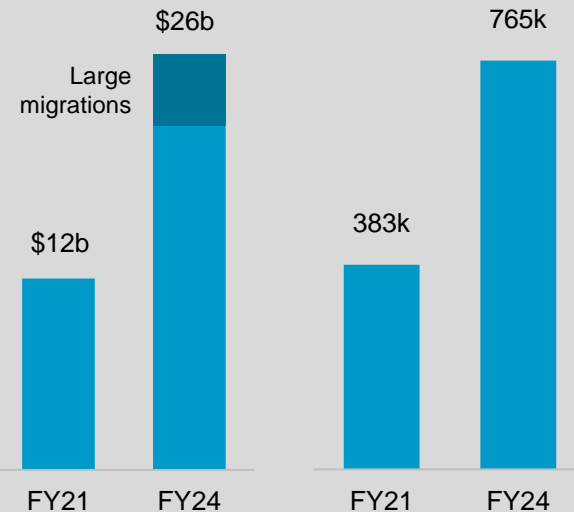
Platform FUA  
+104%



...so too have our operational volumes...

Gross inflows  
+117%

Service interactions  
+100%



...but we have scaled safely with customer satisfaction remaining at strong levels

+53

Industry leading NPS<sup>1</sup>



- Overall Best Advice Platform<sup>2</sup>
- Overall Satisfaction<sup>2</sup>
- Best Adviser Experience<sup>2</sup>
- Best Client Experience<sup>2</sup>
- Ease of Onboarding<sup>2</sup>
- Best Investment Options<sup>2</sup>
- Best Online/Call Centre Support<sup>2</sup>
- Best BDM Support<sup>2</sup>



- #1 Overall Satisfaction<sup>3</sup>
- #1 Platform Offering<sup>3</sup>
- #1 BDM Support<sup>3</sup>
- #1 Reporting & Communication<sup>3</sup>
- #1 IT/Web functionality<sup>3</sup>
- #1 Brand Image and Reputation<sup>3</sup>

# Innovation and technology supporting better client solutions and efficiency

## Client Solutions



Delivering best-in-class innovative solutions and experiences for customers

### Examples:

- Advice fee consent automation

## Productivity



Leveraging innovative technologies to drive efficiency and operational scale

### Examples:

- Superannuation rollovers
- Virtual Mail Room
- AI supporting proactive servicing

↑ Client satisfaction

↑ Operating leverage

↑ Quality & speed

↓ Cost to serve

↓ Operational risk

# Client solutions: Advice fee consent tool

## Driving increased efficiency for clients and HUB24



### Challenge - Inefficient fee consent process:

- >100,000 fee consents p.a. across HUB24 client base
- Lack of integration with advice CRM tools

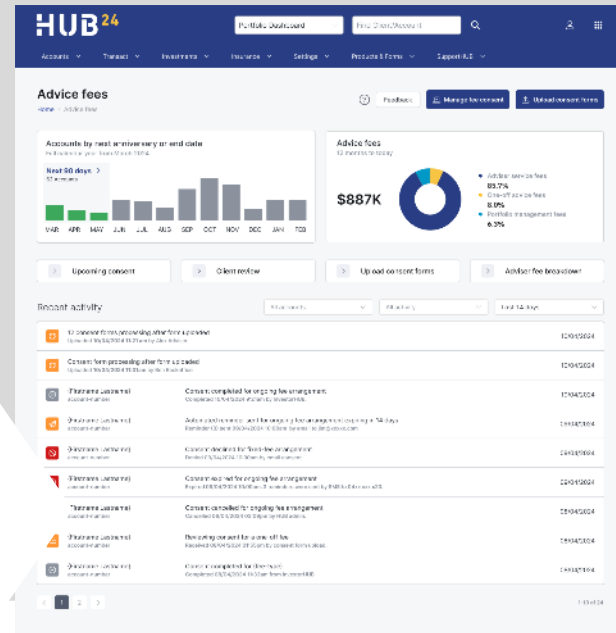


### Innovative solution - Advice fee consent tool:

- Integrated digital advice fee consent dashboard to increase flexibility and visibility of consent process
- Launched August 2024

CRM

Advice software



## Streamlined advice fee consent process

>80% adoption rate within three months of launch

Reducing administrative burden for Licensees

Supporting platform advocacy with strong adviser feedback on new tools



# Productivity: Supporting more efficient superannuation operations



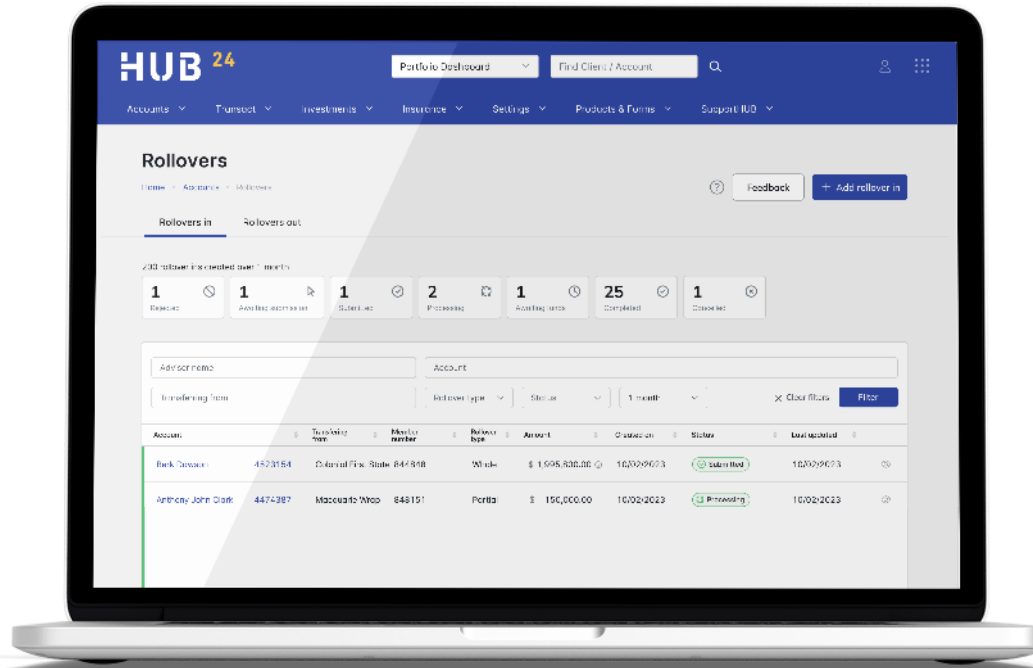
Significant growth in superannuation flows:

**\$11.5b**

of superannuation inward roll overs in FY24

**#2**

for net inflows across all super funds for switching (rollovers)<sup>1</sup>



**Automating super rollovers and benefit payments**

Shifting from a paper-based to an online and automated process



Significant automation leading to efficiency benefits

Superannuation Inward Rollovers

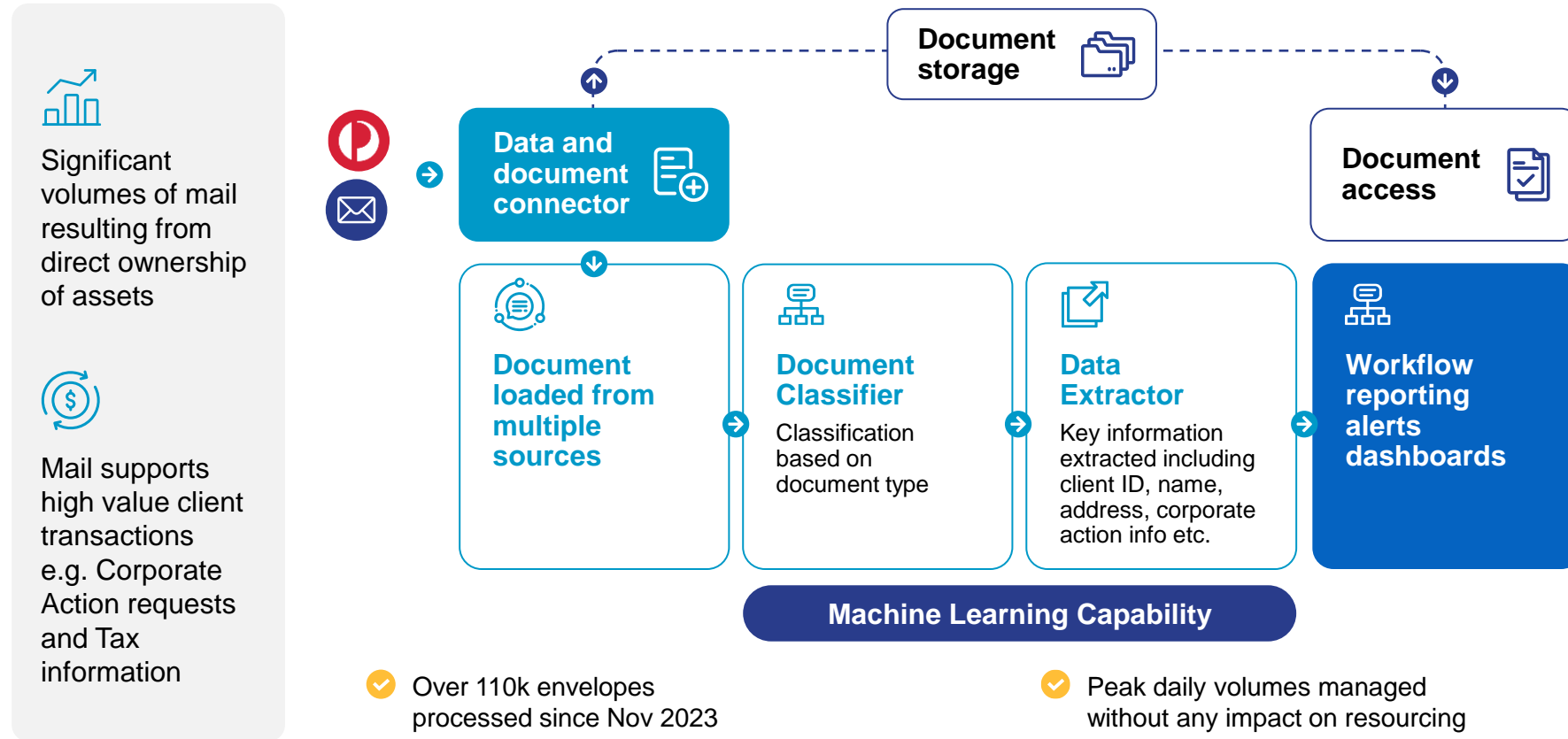
**94%**

Straight through processing

# Productivity: Virtual Mail Room

## Revolutionising document management:

Leveraging machine learning removes human interaction with mail received



Driving improved productivity across operations and non-custody services



Time savings supporting improved investor outcomes

# Productivity: AI augmenting proactive servicing

## Client service outcomes driven through multiple channels



**98K<sup>1</sup>**



**47K<sup>1</sup>**



**620K<sup>1</sup>**

## Building capability leveraging LLM & AI to better serve clients



Over 500,000 service interactions analysed



Leveraging LLM and AI to analyse key drivers – quality, speed and advocacy



Generate prompted responses for top 50 service interactions



Reduce average transaction handling time supporting more efficient operations



Better customer experience with faster resolution

# Leveraging technology to drive customer advocacy and efficiency



Delivering leading customer satisfaction levels through innovation, technology and operational excellence



Scaling safely while delivering service excellence



Leveraging technology to reduce cost to serve and support expanding UEBITDA margins



Further opportunities to leverage our investment in technology to support efficiency across the industry

Break

10 minutes

|

05

# Class & NowInfinity

**Tim Steele**

Class CEO



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# Market leading software solutions for accountants with significant market share and growing above system

## Class: A leading SMSF software provider

Premium offer underpinned by **direct data feeds**

**209k** accounts<sup>1</sup>

**31%** share of SMSF market (#2 provider)<sup>2</sup>

Growing above system at **1.1x** in FY24<sup>3</sup>

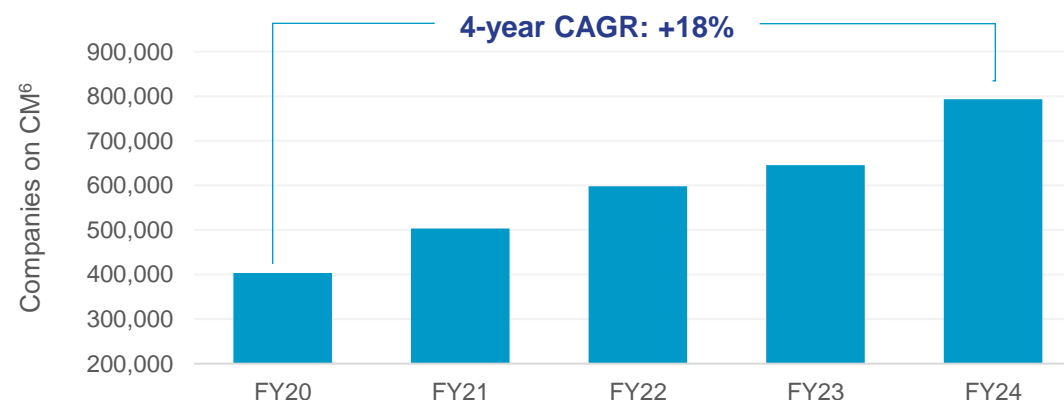
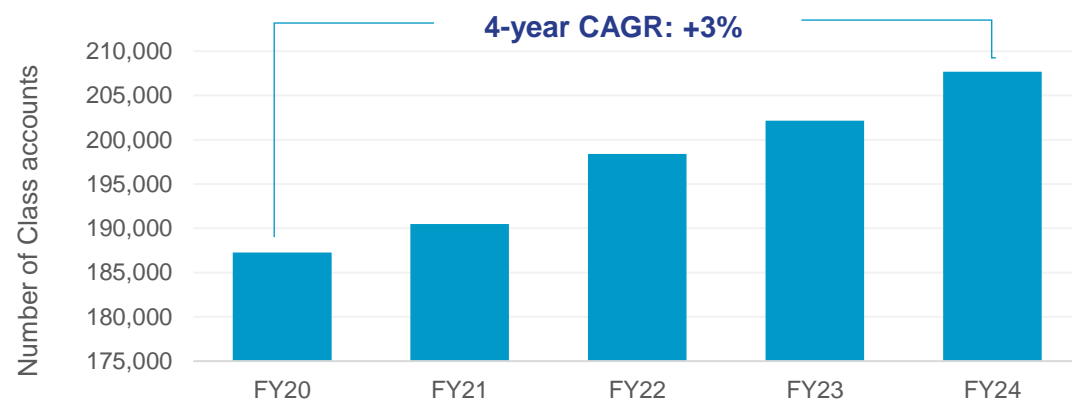
## NowInfinity: Fast growing corporate compliance solution

Used by 1 in 4 ASIC agents<sup>4</sup>

**809k** entities managed on Corporate Messenger<sup>1</sup>

**23%** market share (#2 provider)<sup>5</sup>

Growing above system at **2.0x** in FY24<sup>5</sup>



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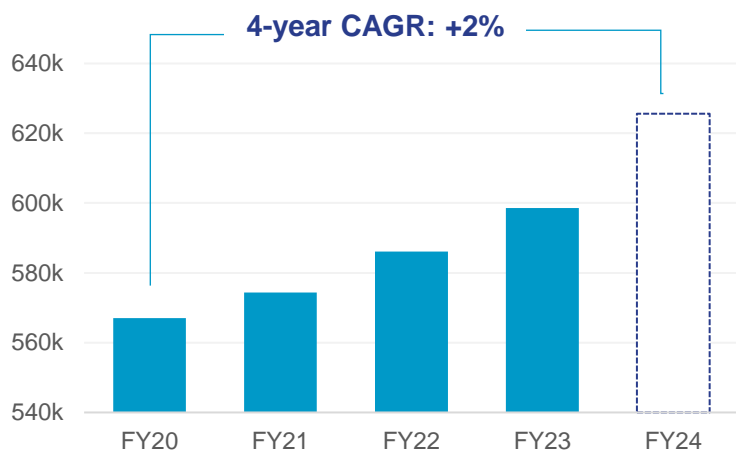
1. As at 30 September 2024  
 2. Class market share of SMSFs as at 30 June 2024. ATO SMSF statistics  
 3. ATO SMSF statistics. System growth based on ATO first reported SMSFs

4. Number of accounting firms using NowInfinity compared to all accounting firms using a corporate compliance solution. As at 31 December 2023. ASIC data  
 5. ASIC company registration statistics. System growth multiple for NowInfinity excludes clients transitioning from an existing provider  
 6. Corporate Messenger (CM)

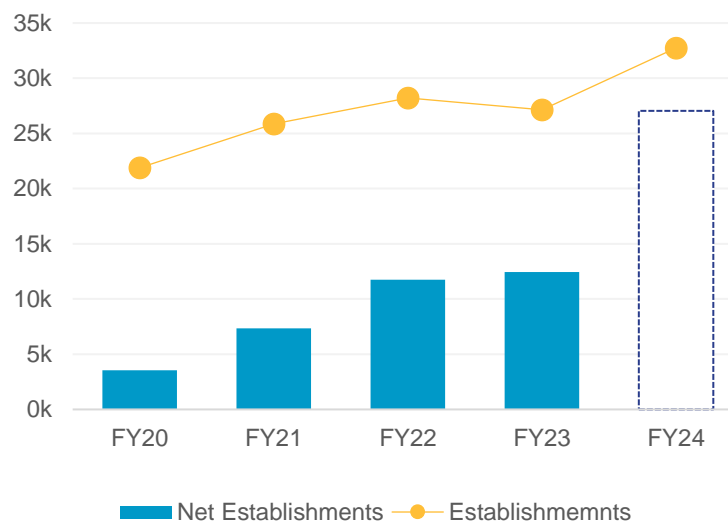
# SMSFs are a significant and growing segment within superannuation market

SMSF industry delivering consistent growth with establishments accelerating in FY24

Number of SMSFs<sup>1</sup>



SMSF Establishments<sup>1</sup>



Australians establishing SMSFs earlier and with higher balances

Key insights from the **Class 2024 Annual Benchmark Report**

- ➔ Rising portion of Generation X and Millennials establishing Class SMSFs – FY24: 81% up from FY23: 76%<sup>2</sup>
- ➔ Median age of members for establishments is falling – FY22: 46 down from FY11: 54<sup>3</sup>
- ➔ Size of newly established funds increasing – 9% increase in Class average balance to \$537k in FY24<sup>4</sup>

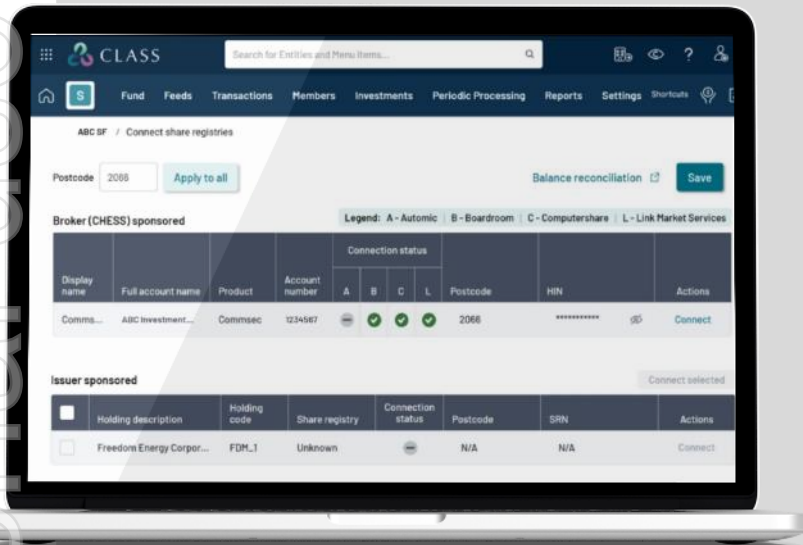
1. ATO SMSF statistics. Based on last reported data. FY24 SMSFs and net establishments expected to revised lower following lodgment of SMSF wind-ups  
 2. Class 2024 Annual Benchmark Report. Utilising ABS generational cohorts for Gen X (aged 43-57) and Millennials (aged 28-42)  
 3. FY22 based on ATO SMSF: A statistical overview 2021-22. FY11 based on ATO SMSF: A statistical overview 2013-14  
 4. Class 2024 Annual Benchmark Report



# Multi-year program of product enhancements commenced to support accountant productivity and value proposition



## Direct feeds from share registries



Automated retrieval and reconciliation of data

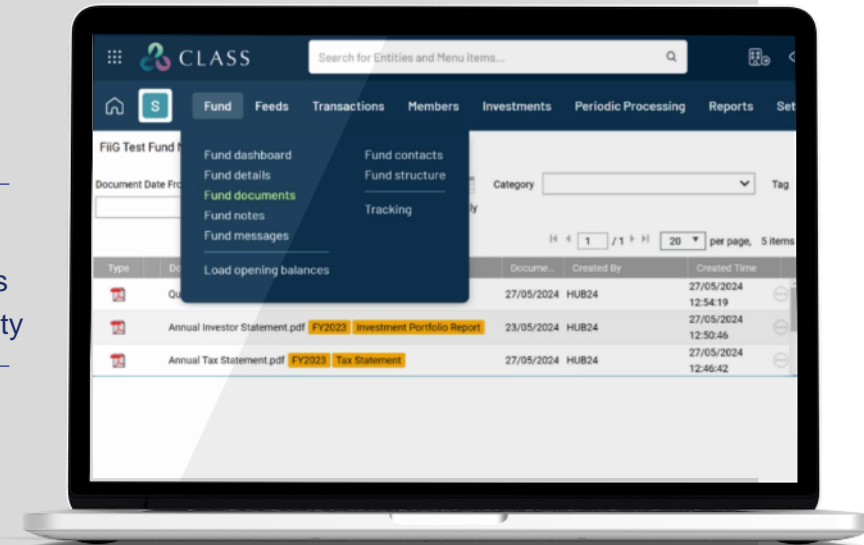
Benefits include:

- Reduced manual processing
- Improved accuracy

Launched Q1 FY25



## Directly sourced document feeds from major financial institutions



Automated retrieval of documents including investor, tax and bank statements

Benefits include:

- Simplified processes
- Increased productivity

First feed from external provider launched in Q1 FY25

# Class delivering consistent growth & leveraging Group footprint

## Class revenue growth underpinned by new and existing solutions

### Volume growth

- Exposed to structurally growing markets
- Opportunities for market share gains through leading offering
- Grow products per customer

### Growing ARPU<sup>1</sup>

- Supported by value-enhancing product features and innovation (eg Compliance of the Future)
- Opportunity for subscription upgrades

### New solutions and partnerships

- Creating new products and markets (eg Virtual Mail Room)
- Capturing additional value of customer relationships
- myprosperity and associated data services

## Leveraging HUB24 Group's large & diverse footprint<sup>2</sup>



>1,600 firms | >200,000 entities



>5,600 firms | >800,000 entities



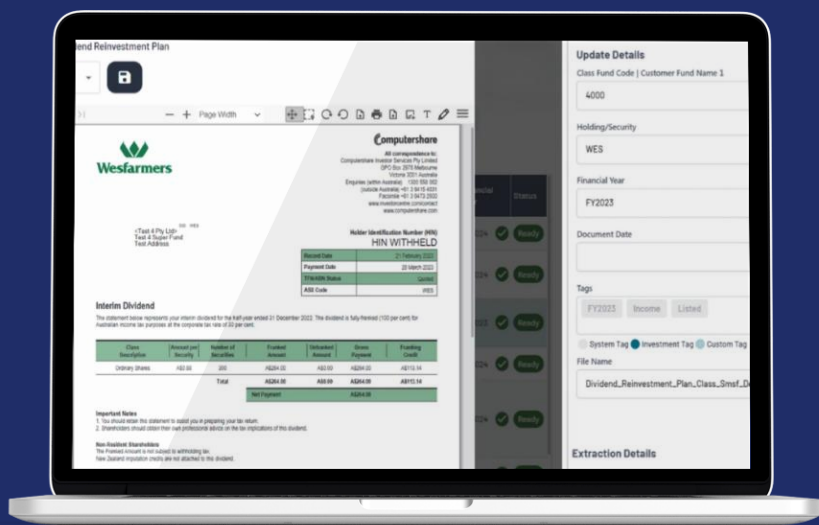
>4,700 advisers | >900 licensees



>500 firms | >86,000 households

# Leveraging Group capability to launch new solutions to deliver value to clients and create new revenue streams

## Virtual Mail Room



Leveraging capability developed in HUB24 Innovation Lab

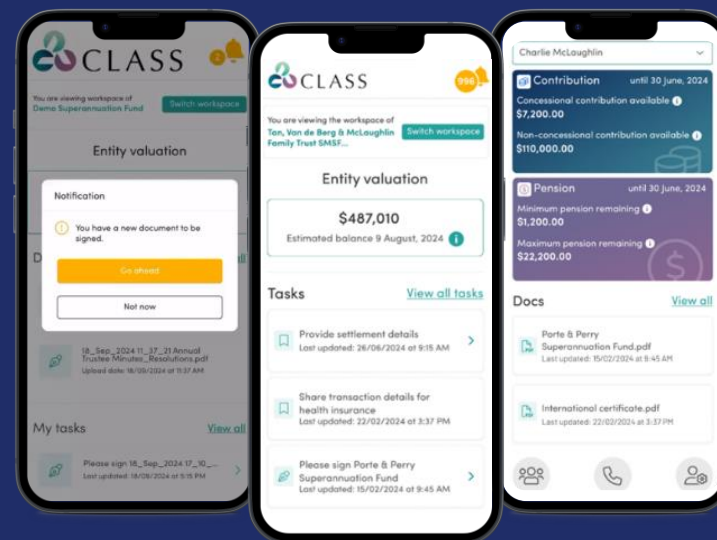


Comprehensive & efficient physical mail management system



Pilot with select group of clients commenced 1HFY25

## New Class client portal



Leveraging myprosperity capability



Safe, efficient and holistic data, access and communication



Pilot with select group of clients commenced 1HFY25

Personal use only

# Next generation of solutions leveraging Group capability and footprint

## Leveraging Group capability

### myprosperity

- Enhances whole of wealth view
- Secure communication



### Class Portfolio

- Access to data through >200 feeds
- Portfolio balance service
- Tax reporting service
- Enhances whole of wealth view for existing myprosperity clients



### Engage

- Comprehensive reporting
- Efficiency tool

## Enhanced client portal solutions leveraging Group capability being rolled out from 2HFY25 onwards



- Integrate Class Portfolio data with myprosperity

- Phased rollout of Class client portal across customer base
- Extend client portal to NowInfinity customer base

- New features and capabilities
- Access to HUB24 Group solutions

# Class is innovating and extending products to differentiate and grow market share



Creating the future of wealth accounting administration through technology, data and seamless experiences



Product enhancements supporting accountant productivity



Collaborating with clients, partners and HUB24 to deliver innovative new solutions and drive competitive advantage



Leveraging Group capability and footprint to create opportunities and drive further revenue growth

06

# CFO Update

**Kitrina Shanahan**

Chief Financial Officer



# Delivering sustainable and scalable growth



## Delivering sustainable growth

- Strong FUA growth translating into revenue growth
- High level of recurring revenues across a diverse customer base
- Significant opportunity to grow market share in Platform



## Ongoing investment

- Investing across the business to maintain leadership and capitalise on the current market opportunity

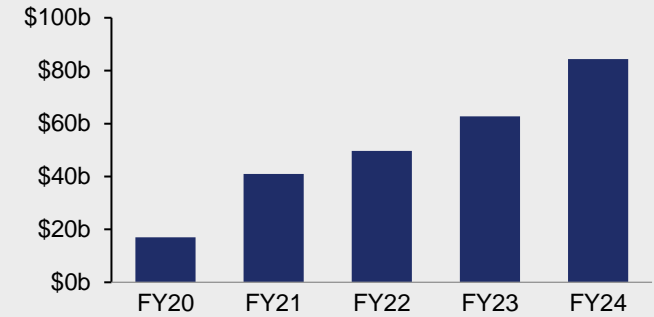


## Scalable business model

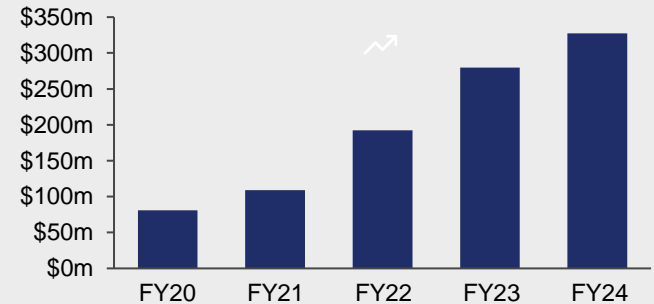
- UEBITDA margins expanding
- Disciplined management of costs facilitates investment alongside UEBITDA margin expansion
- Scalable operations leveraging innovative technologies to drive further efficiencies



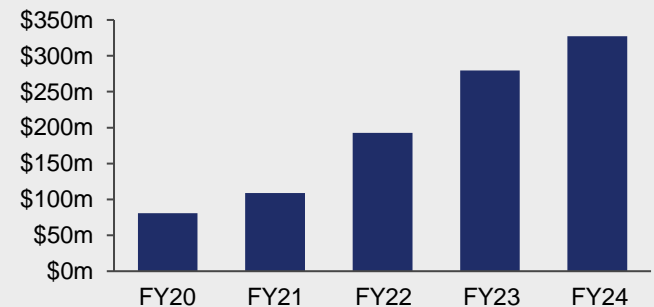
**Platform Custody FUA**  
4-YR CAGR +49%



**Group Revenue<sup>1</sup>**  
4-YR CAGR +42%



**Group UEBITDA<sup>1</sup>**  
4-YR CAGR +47%



# Strong start to FY25 with pipeline of opportunities



## Record quarter of net inflows excluding large migrations in Q1 FY25

- Q1 FY25 Platform FUA \$91.6b
- Q1 FY25 net inflows of \$4.0b (no large migrations in the quarter)
- Q1 FY25 44 new distribution agreements
- Q1 FY25 195 net new advisers taking total advisers to ~4,700



## Large migrations

- \$1.5b of EQT FUA migrated in early October 2024
- Approximately \$5b of EQT FUA to be migrated with \$4.1b migrated to date and the remainder expected in 2HFY25



## FY26 FUA target

- FY26 Platform FUA target of \$115-123b (excluding PARS FUA)
  - Net inflows >\$11b p.a. excluding large migrations
  - Opportunities for large migrations (e.g. EQT)
  - Range of market growth assumptions
- Q1 FY25 net inflows and market movements tracking ahead of FY26 FUA target assumptions



# Strong balance sheet with capital flexibility

## Capital management considerations



### Strong operating cashflows

- 92% correlation between UEBITDA and operating cashflows in FY24<sup>1</sup>



### Target dividend payout ratio 40-60%

- Fully franked dividends



### Opportunities for small bolt on acquisitions

- Minority investment in Reach Alternatives



### Mitigating dilution from Employee Share Schemes through purchasing treasury shares on market

- \$10m of purchases in FY24
- Expect increase in purchases in FY25



### Potential for Operational Risk Financial Requirement (ORFR) changes to require loan from HUB24 to trustee



### Ongoing investment with ~\$20m of capex expected in FY25

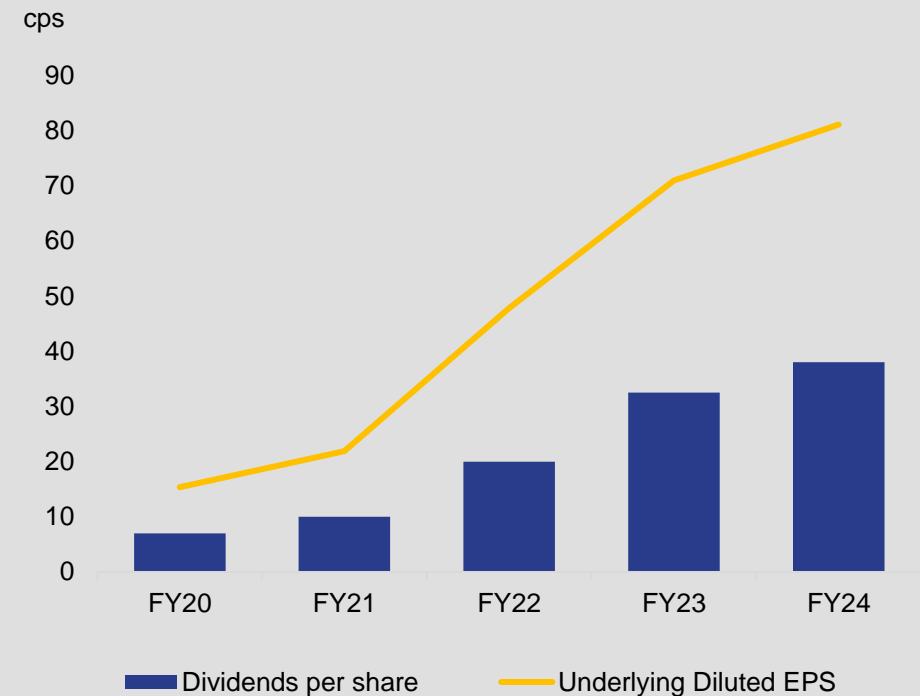
- Broadly stable with FY24



### Strong balance sheet with net cash position of \$58m at June 2024

- \$30m debt maturing in June 2026

## Dividends (cps) | 4-YR CAGR +53% Underlying Diluted EPS (cps) | 4-YR CAGR +52%



# Update on depreciation & amortisation



**Underlying D&A expected to be \$19-21m in FY25 (up from \$14m in FY24)**

- Amortisation tracking towards capex levels
- Increase in amortisation also reflects new Sydney premises (Nov 2024)



**Acquisition related amortisation expected to be \$26m in FY25**

- Excluded from Underlying NPAT

## Acquisition related amortisation schedule - Pre-tax (\$m)

FY25	FY26	FY27	FY28	FY29	FY30+	Total
26.1	24.5	18.5	8.3	6.1	24.0	107.5

# 07

## Wrap Up & Q&A

**Andrew Alcock**

Managing Director & Chief Executive Officer



# Positioned to capitalise on significant growth opportunity creating long term value for customers and shareholders



Operate in large structurally growing markets with strong demand for integrated solutions



HUB24 Platform positioned to significantly grow market share



Leveraging group capability and footprint to deepen customer relationships and build new tech solution revenue streams



Scalable operations and growth enabling both UEBITDA margin expansion and ongoing investment



# Questions?



# 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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## About HUB24

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HUB24 Limited is listed on the Australian Securities Exchange, and includes the award-winning HUB24 Platform, HUBconnect, 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.

For further information, please visit [www.HUB24.com.au](http://www.HUB24.com.au)