

HUB 24

23
FEB
2021

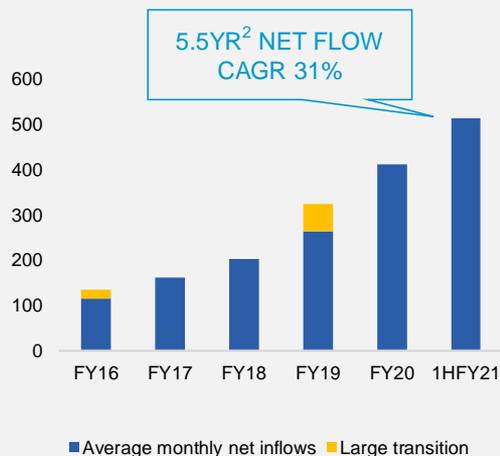
1HFY21 RESULTS PRESENTATION

At HUB24 we make a difference in our **customers'** lives by connecting them to innovative solutions that create better investment outcomes

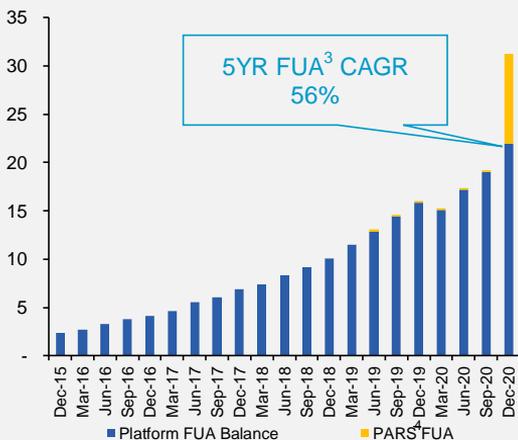
HUB24 - AWARDED BEST OVERALL PLATFORM

INVESTMENT TRENDS 2020¹

HUB24 average monthly Platform net flows \$BN



HUB24 FUA \$BN



POSITIONED FOR SCALE & GROWTH



Record net flows



A strong pipeline and continued momentum

- Launch of new institutional private labels
- Finalising strategic transactions
- Entering new segments



Disciplined expense management has offset low interest rate environment resulting in EBITDA increase



BUSINESS HIGHLIGHTS

ANDREW ALCOCK
Managing Director

GROUP FINANCIAL HIGHLIGHTS 1HFY21



\$43.8m

25%

Platform Revenue



\$17.4m

26%

Platform Underlying EBITDA³



\$7.5m

39%

Underlying NPAT²



39.7%

Up from
37.9%
in 2HFY20

Platform Underlying EBITDA margin (39.4% in 1HFY20)

Statutory NPAT

\$6.1m up 1%

Total FUA³ at 31 Dec 2020

\$31.3bn up 95%

Including Platform FUA of \$22bn up to 39%

Total FUA now \$33bn including Platform FUA of \$24bn⁵

1H Dividend⁴

4.5cps up 29%

AUSTRALIA'S BEST OVERALL PLATFORM¹

1st



Overall Platform
Functionality

Investment Trends
Platform Competitive
Analysis &
Benchmarking Report
2020

1st



→ Managed
Accounts Solution¹

1st Equal



→ Platform Service³

2nd



→ Annual net inflows²

Ranked in
the Top 2



→ 30 out of 44 best
practice sub-
categories¹

\$3.1bn



→ Record net
inflows

2,280



→ Advisers using the
platform up 24%⁴



Finalising strategic
transactions announced in
October 2020

- Acquisition of Ord Minnett PARS completed & team onboarded to HUB24
- EAS proportional offer & divestment of Paragem complete
- XPL all approvals received
- Capital raising and ANZ debt facility completed

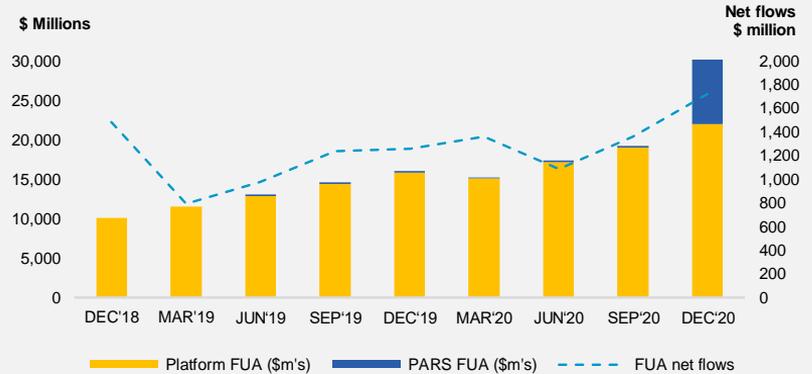
GROWING FUA AND MARKET SHARE

Specialist & Institutional Platform providers net flow share to underlying market share ratio



- ➔ HUB24 market share has grown from 1.6% to 2.3%¹
- ➔ Now in 9th position up from 11th ¹

Platform FUA, PARs FUA & net flows per quarter²



- ➔ Maintaining our No.2 position for annual net inflows¹
- ➔ Platform FUA 2-year CAGR 48%



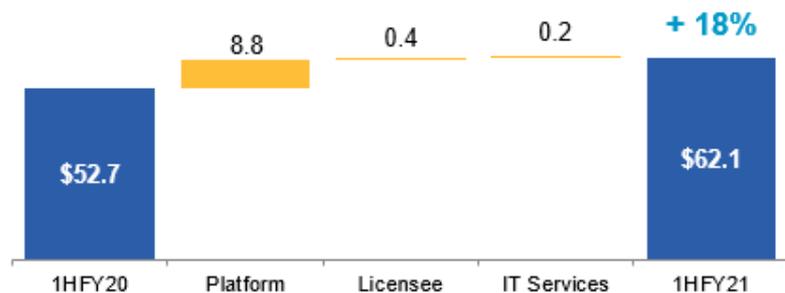
FINANCIAL RESULTS

KITRINA SHANAHAN
Chief Financial Officer

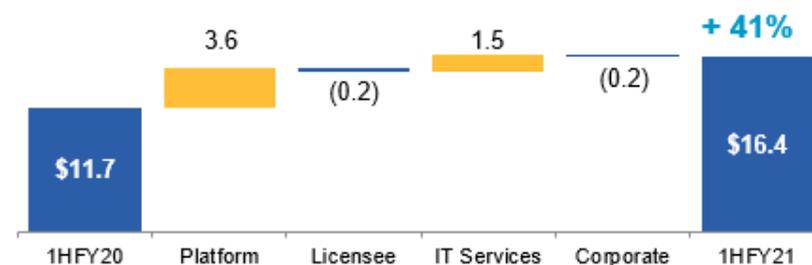
GROUP FINANCIAL RESULTS

	1H21	1H20	Change
	\$m	\$m	%
Group operating revenue	62.1	52.7	18%
Interest income	0.4	0.3	41%
Direct costs	(26.0)	(24.9)	(4%)
Gross profit	36.4	28.0	30%
Gross profit margin (%)	59%	53%	6%
Operating expenses	(20.0)	(16.4)	(22%)
Underlying EBITDA ¹	16.4	11.7	41%
Underlying EBITDA margin (%)	26%	22%	4%
EBITDA	13.5	10.6	27%
Underlying NPAT ²	7.5	5.4	39%
Statutory NPAT	6.1	6.0	1%

OPERATING REVENUE (\$m)



UNDERLYING EBITDA (\$m)

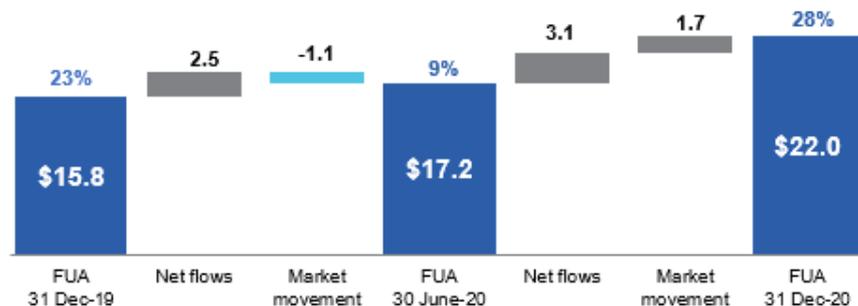


PLATFORM SEGMENT RESULTS

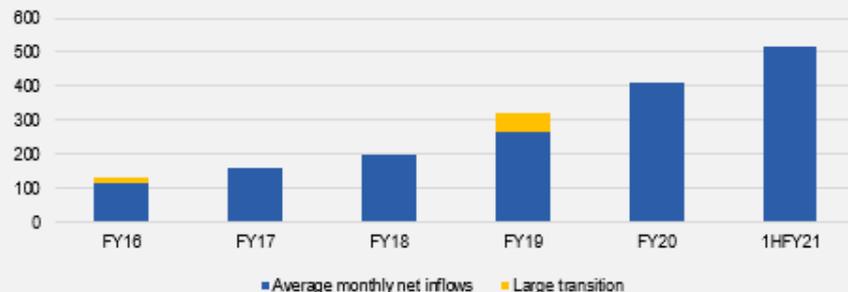
Strong FUA growth driving increased profitability

PLATFORM	1HFY21	1HFY20	change
	\$m	\$m	%
Total FUA (Now 33b ¹)	31.3b	16.0b	95%
Platform FUA (Now 24b ¹)	22.0b	15.8b	39%
Platform Net Flows	3.1bn	2.5b	24%
Revenue	43.8	35.0	25%
Direct costs	(10.8)	(9.2)	18%
Gross profit	33.0	25.8	28%
Gross profit margin (%)	75%	74%	1%
Operating expenses	(15.6)	(12.1)	30%
Underlying EBITDA ²	17.4	13.8	26%
Underlying EBITDA margin (%)	40%	39%	1%
Profit before tax	14.8	11.4	29%
Total platform expenses ²	(26.4)	(21.2)	24%

PLATFORM FUNDS UNDER ADMINISTRATION (\$b)



AVERAGE MONTHLY NET INFLOWS (\$m)

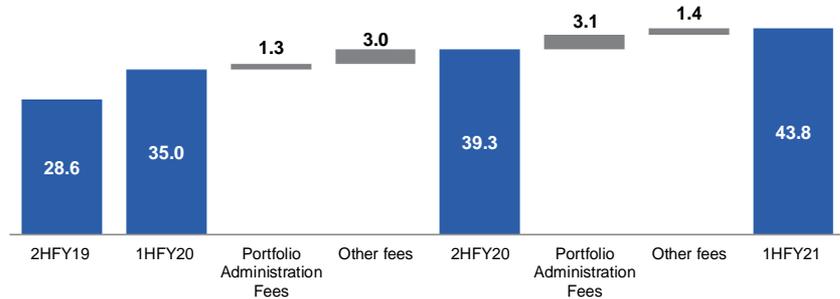


PLATFORM REVENUE

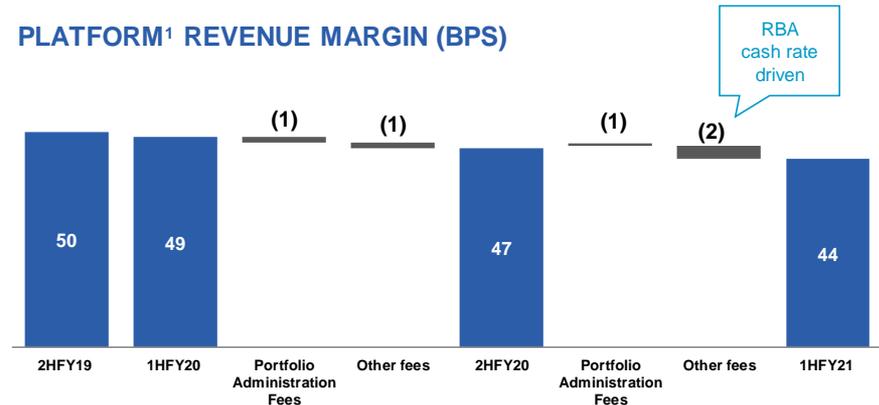
Revenue increase driven by 39% FUA Growth on PCP¹

- Platform revenue increased by 25% to \$43.8 million driven by record net flows and strong equity markets leading to growth in FUA balances
- Market volatility saw increased trading volumes resulting in higher transaction fee income
- Average account balances continue to grow leading to increased revenue but at a lower margin
- The margins have been negatively impacted by the RBA official cash rates cuts to 10bps in 1HFY21 which reduced cash margin income²

PLATFORM REVENUE PERFORMANCE (\$m)

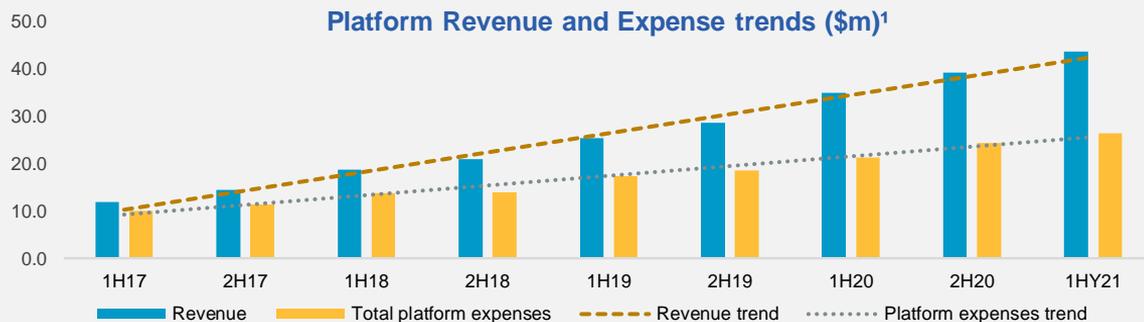


PLATFORM¹ REVENUE MARGIN (BPS)



PLATFORM SEGMENT RESULTS

FUA GROWTH DELIVERING SCALE BENEFITS



Profit Lines	Gross profit & underlying EBITDA as % of revenue						
	1HFY18	2HFY18	1HFY19	2HFY19	1HFY20	2HFY20	1HFY21
Gross profit	69%	74%	74%	76%	74%	76%	75%
Underlying EBITDA ²	26%	33%	31%	35%	39%	38%	40%



Investment for growth expected given business momentum and confidence



Disciplined expense management has offset low interest rate environment resulting in expanded EBITDA



Investment made in prior years driving momentum in net flows and revenue growth

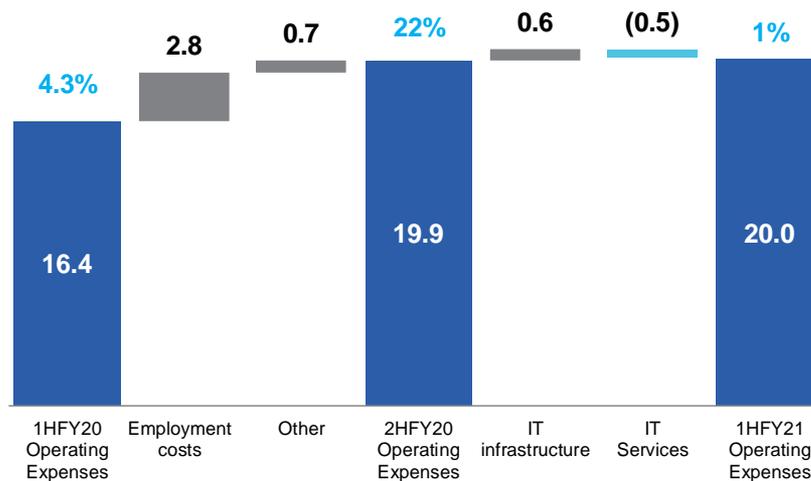


Record net flows driving revenue

OPERATING EXPENSES

- Group operating expenses held flat to 2HFY20. Disciplined focus on expense management.
- Investment in IT infrastructure to support Platform growth has increased 1HFY21.
- As a result of the strategic review of IT Services the cost base for this business has reduced.
- Headcount increased 7% to 281 FTE at the 31 December 2020, with the associated costs largely reflected in direct expenses.

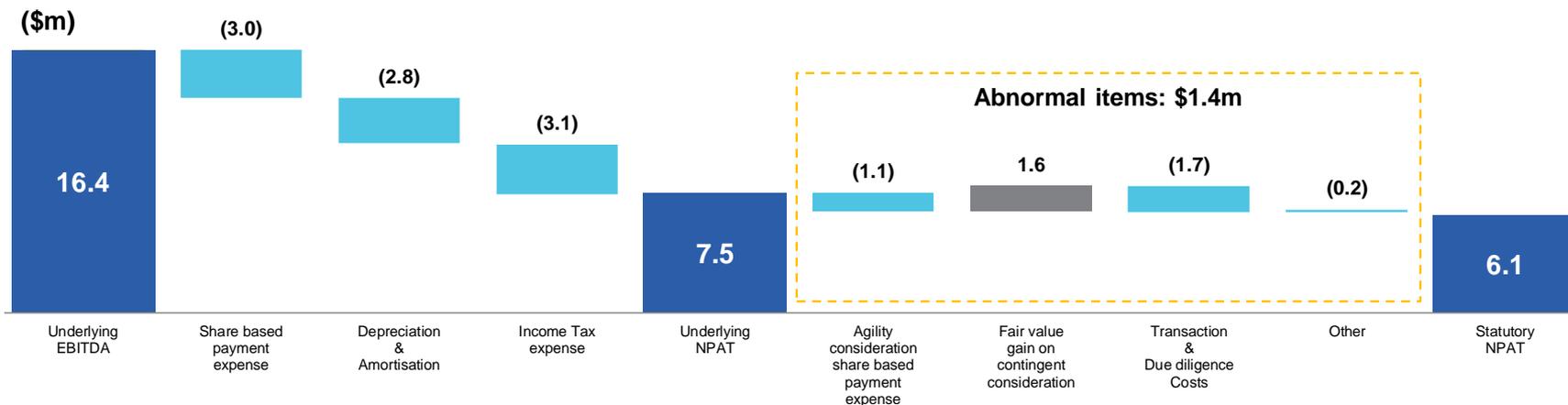
OPERATING EXPENSES (\$m)



UNDERLYING NPAT

IMPACTED BY ONE OFF ITEMS POSITIONING THE BUSINESS FOR GROWTH

- Share based payments increased by \$3.0m including the Special LTI grants in 2018 and December 2020
- Amortisation and depreciation includes \$0.9m of lease depreciation in accordance with AASB16 and \$1.3m Platform IT development
- Release of Agility deferred consideration of \$1.6m is offset by \$1.1m of share based payment expense (with \$0.5 to be booked in future periods), reflecting shares issued in Oct-20 to replace the deferred consideration for the purchase of Agility¹
- Transaction and due diligence costs of \$1.7m are in respect of strategic transactions announced at the end of Oct-20





UPDATE ON STRATEGIC TRANSACTIONS

ANDREW ALCOCK
Managing Director

M&A TRANSACTIONS UPDATE



Acquisition of XPL for \$60m
FUA \$16.6bn (as at 31 December 2020)

ORD MINNETT

Acquisition of PARS for \$10.5m
FUA \$9.1bn (as at 31 December 2020)



Investment of up to 40% in EAS
including divestment of Paragem
to EAS

Progress

- ✓ All necessary approvals received
- ➔ Completion on track for 2nd Mar 21

Next Steps Q3/Q4

- ➔ Engage with XPL team and transition to HUB24
- ➔ Embed interim operating model
- ➔ Customer engagement
- ➔ Define growth opportunities leveraging enhanced group capabilities
- ➔ Commence integration

- ✓ Transaction completed & PARS team onboarded

- ➔ Determine future product development
- ➔ Ord Minnett system separation
- ➔ Grow market share

- ✓ **Easton Investment:**
 - Offer closed 22nd February
 - 31.18% holding as at 19th February 2020

- ➔ Identify market opportunities under Technology Partnership & Distribution Agreement and finalise scope of key deliverables

- ✓ **Paragem Divestment:**
 - Completion of the Share Sale Agreement
 - Paragem team & business transfer to Easton

- ➔ Finalise 2nd new director recommendation

FINALISING STRATEGIC TRANSACTIONS

LEADING PROVIDER OF INTEGRATED PLATFORM, DATA AND TECHNOLOGY SERVICES

Total FUA: **\$48bn¹**

Strong combined proposition for retail and High Net Worth clients serviced by stockbrokers, private banks, boutiques and mid-tier licensees

Platform

FUA \$33bn²

Market leading Platform

#1 Platform Overall⁴

#1 Managed Portfolio solution⁴

Broad investment choice

Innovative capability that unlocks value for advisers & their clients

HUB²⁴

Technology solutions & other services

Market leader in non-custodial administration services with

FUA \$15bn³

Data integration & technology services for stockbrokers, licensees, advisers and other market participants

HUB^{CONNECT}

Strategic transactions positioning HUB24 for ongoing success:

- ➔ Strengthening our market leadership as Specialist Platform Provider
- ➔ Enhanced capabilities for high-net-worth client segment
- ➔ New key strategic client relationships
- ➔ Extending “single view of wealth” capabilities
- ➔ Creating a leadership position in Portfolio Administration & Reporting Services (PARS)
- ➔ Significant revenue and scale to support ongoing investment and secure further growth
- ➔ Investing in the evolution and enablement of low-cost financial advice



STRATEGY AND OUTLOOK

ANDREW ALCOCK

Managing Director

KEY INDUSTRY TRENDS PRESENTING OPPORTUNITIES FOR HUB24



Increasing demand for managed portfolios solutions¹



Increasing retirement savings⁴



Continued shift to specialist platforms driven by product innovation & WEXIT



Cost of advice increasing creating advice gap⁵



Growing high-net-worth & affluent segment²



Increasing demand for integrated solutions and single view of wealth



Cost of core Licensees functions continue to rise³



Evolution of adviser and licensee business models⁶

MAXIMISING OPPORTUNITIES AND POSITIONING FOR FURTHER GROWTH

Consolidating our market-leading platform position & expanding into new segments



Continuing to grow platform market share

- By leveraging current relationships, securing new clients and continued investment in platform capability and customer service excellence



Consolidating our managed portfolios market leadership position

- Through continued investment to deliver adviser and client benefits



Expanding our offer and targeting new segments

- Investing in new product solutions by leveraging group product capabilities to expand and build market share in new segments



Collaborating with licensees and advisers to deliver solutions that solve key advice delivery challenges

- Building integrated data and technology solutions leveraging AI and machine learning



Delivering an integrated view of wealth for licensees, stockbrokers, advisers and their clients

- Developing seamless transacting and reporting capability across both Platform and Portfolio Administration and Reporting Services

MOVING FORWARD

CREATE CUSTOMER & SHAREHOLDER VALUE



Continued market share & FUA growth



Commence integration of acquisitions, leverage new product capability and transition to future operating model



Position HUB24 for ongoing success through innovation and customer service excellence



Continued growth in financial results

Platform FUA target increased to

\$43b-\$49b

for FY22¹



We are positioning HUB24 as the leading provider of integrated platform, data and technology services.

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.

→ NOT INVESTMENT ADVICE

This presentation is not a prospectus or a product disclosure statement under the Corporations Act 2001 (Cth) and has not been lodged with ASIC. The information provided in this presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

→ RISK OF INVESTMENT

An investment in HUB shares is subject to investment and other known and unknown risks, some of which are beyond

the control of HUB. HUB does not guarantee any particular rate of return or the performance of HUB nor does it guarantee the repayment of capital from HUB or any particular tax treatment.

→ FORWARD LOOKING STATEMENTS

This presentation contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of HUB, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should not place reliance on forward-looking statements and neither HUB nor any of its directors, employees, consultants, contractors, advisers or agents assume any obligation to update such information.

HUB²⁴