

1HFY23 Results Presentation

—
21 February 2023

HUB²⁴



Empowering better financial futures, together

Supporting over

300,000¹

customers to meet their investment and retirement goals

HUB²⁴

XPLORE
WEALTH

CLASS

NowInfinity
A CLASS TECHNOLOGY COMPANY

HUB CONNECT

1. Customer accounts across Platform and Class service offerings as at 31 December 2022

Financial highlights 1HFY23¹

	Revenue	Underlying EBITDA ²
 Total Group	\$137.7m ↑ 69%	\$49.9m ↑ 68%
 Platform	\$102.7m ↑ 33%	\$41.4m ↑ 38%
 Tech Solutions	\$33.4m ↑ Large	\$10.5m ↑ Large

Total FUA \$73.0bn	Platform FUA \$55.8bn³ \$58.5bn as at 17 February ⁴	PARS FUA \$17.2bn
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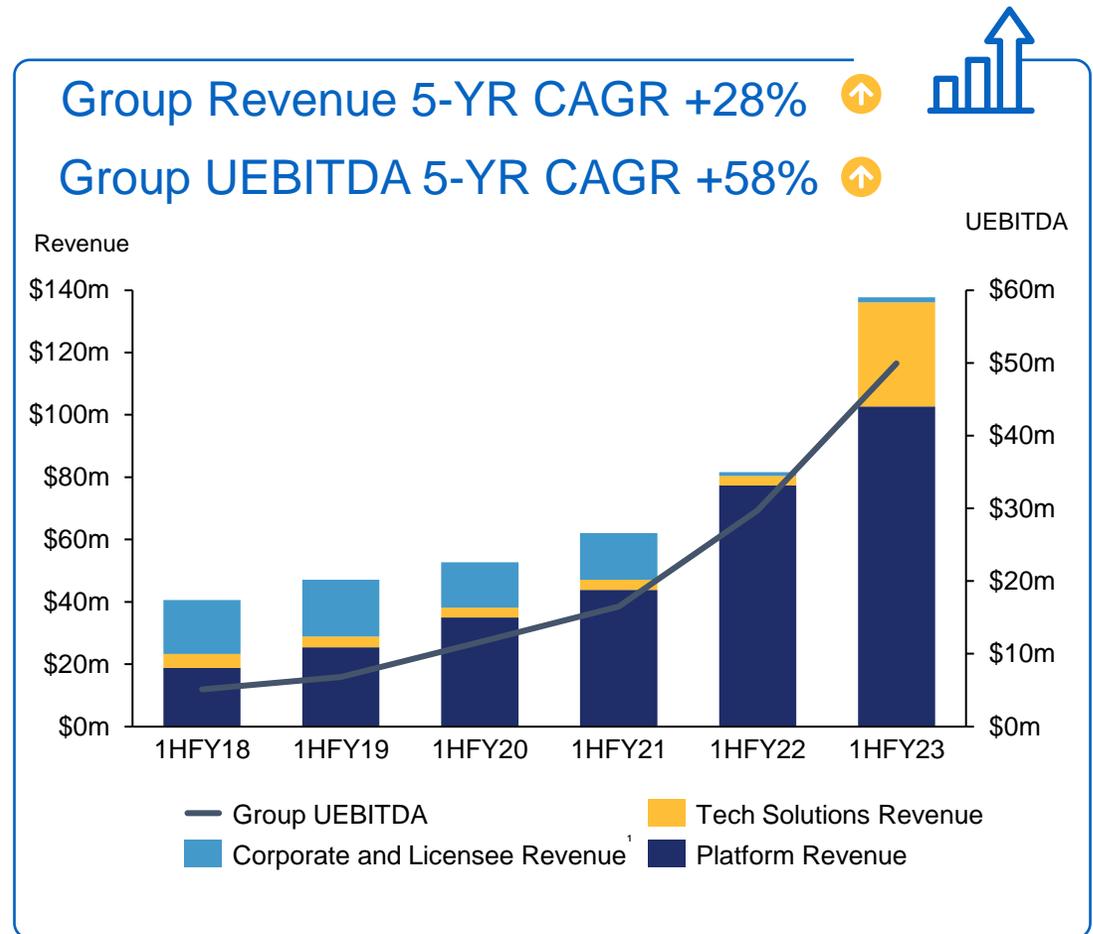
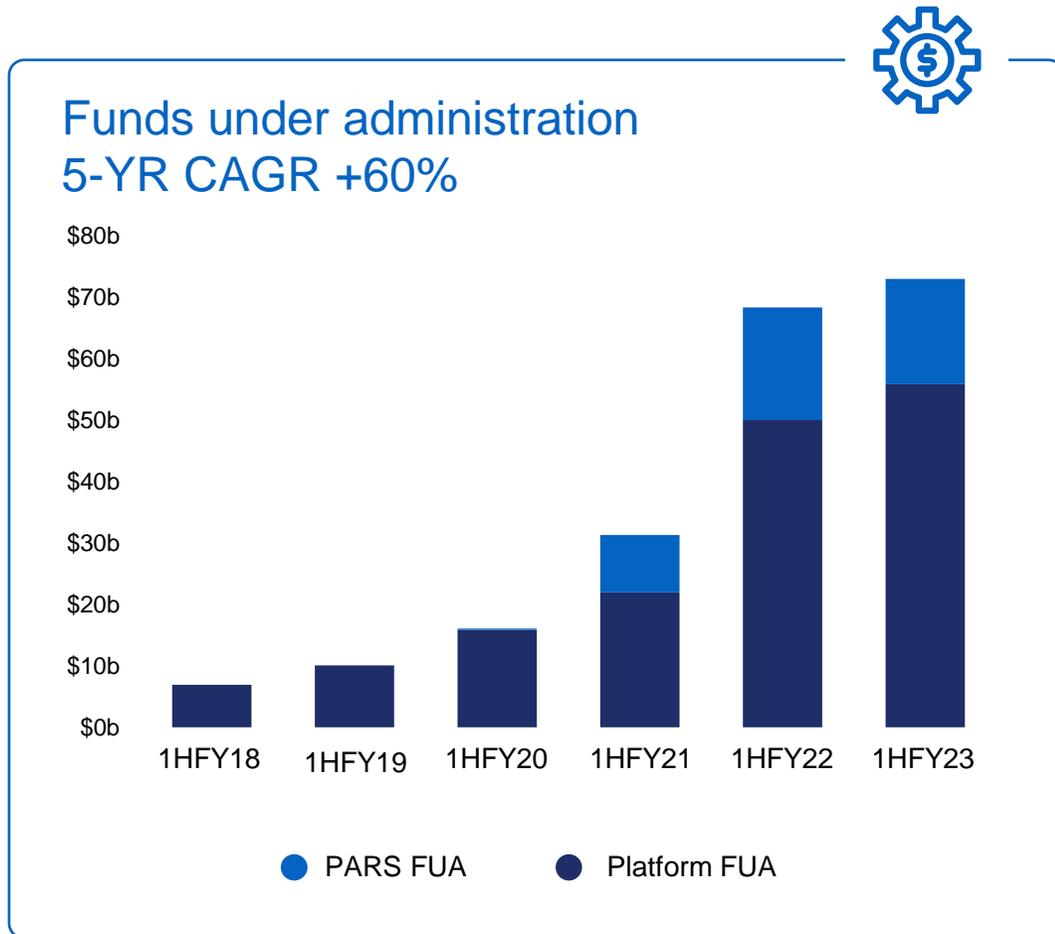
Statutory NPAT **\$15.5m** Up 85%

Underlying NPAT² **\$26.6m** Up 87%

Interim Dividend **14.0cps** Up 87%
Fully franked

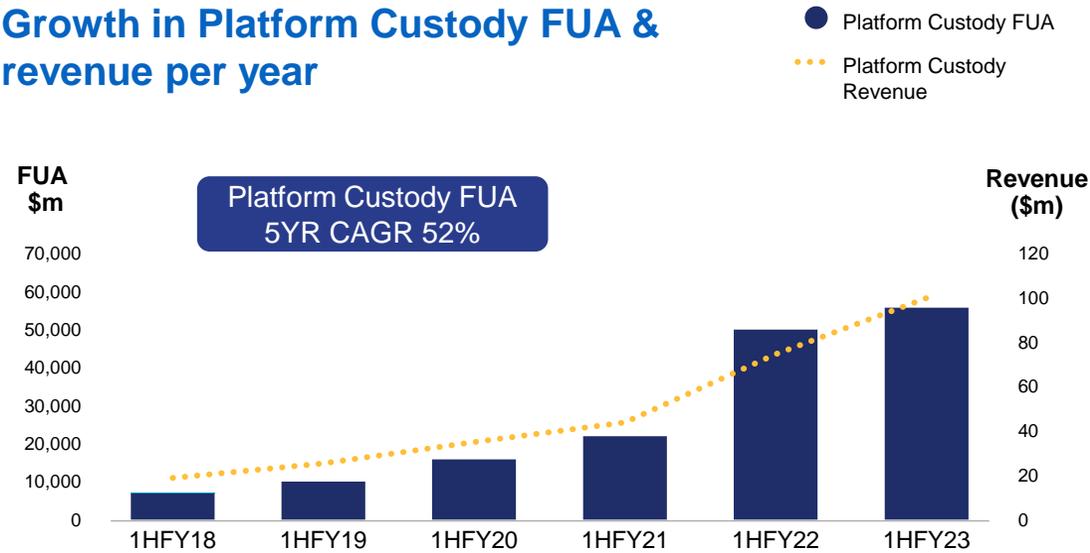
EPS (diluted) **18.9cps** Up 59%

Consistently delivering growth and results



Growth and market share¹

Growth in Platform Custody FUA & revenue per year



Ranked #1 net inflows two quarters in a row²



Fastest growing platform in % terms²

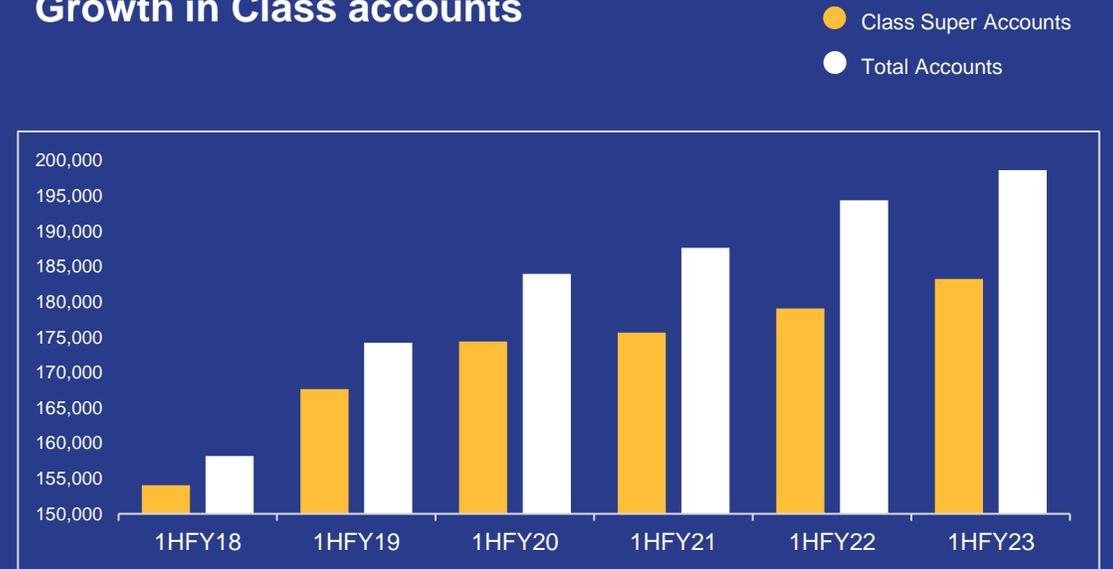


7th largest platform provider by market share²



HUB24 market share has grown to 5.7%²

Growth in Class accounts



Class SMSF market share 30%³



Class SMSF ranked #2 for number of SMSFs³



Total Class accounts have grown by 26% since 1HFY18

Australia's Best Platform - well positioned for future growth¹

1st for quarterly net inflows



two quarters in a row²

1st for net inflows into super



on a quarterly and annual basis³

#1

Best Overall Platform¹

#1

Managed Portfolio Product Offer¹

#1

for adviser advocacy⁴



#1

Value for Money⁵

#1

Adviser Experience⁴

#1

Reporting¹

#1

Best Investment Options⁴

#1

SMSF Investment Platform⁶

#1

Online Business Management¹



Leveraging the combined capabilities of HUB24, Class and NowInfinity to expand the SMSF market with the launch of HUB24 SMSF Access



Continued investment in platform enhancements to deliver adviser efficiency, flexibility and choice

- ESG ratings capability

- Enhanced Model Portfolio capability

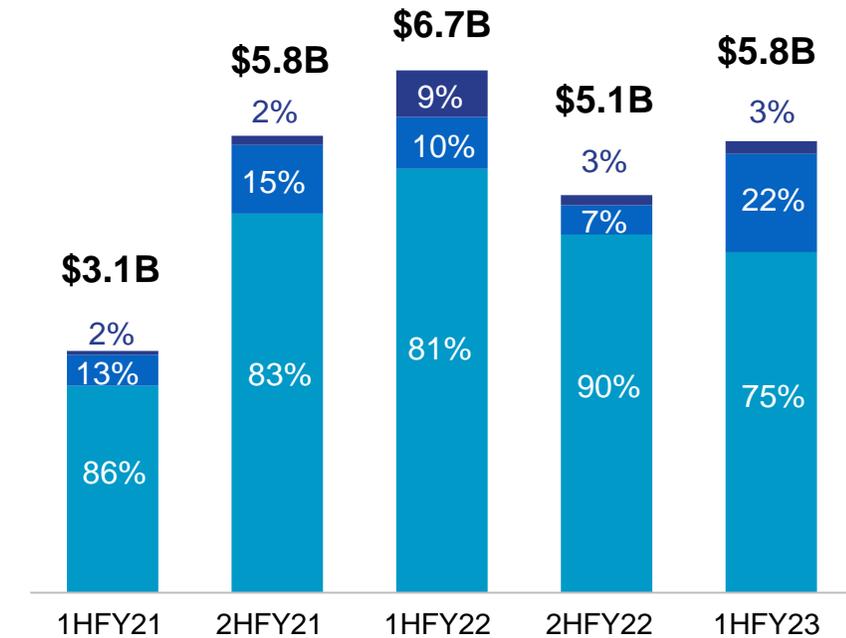
- Ongoing enhancements to HUB24 Present



Progressing Xplore Wealth migrations including the discontinuation of Super Admin business is substantively complete

Growing HUB24 adviser base and pipeline of opportunity

Half yearly FUA net inflows analysis



- New Licensee Relationship
- Existing Licensee but new Adviser relationship
- Existing Licensee and existing Adviser relationship

Latent opportunity



HUB24 has relationships with access to more than **71%** of the total adviser market¹



- HUB24 3,692 active advisers (23% of the market)
- Opportunity – ~7500 Advisers covered by HUB24 licensee agreements who are not using the platform (47% of the market)

- ➔ Average number of active advisers on HUB24 growing by 200 each half (net)²
- ➔ Since December 2020 average adviser FUA on HUB24 platforms has grown from \$10m to \$15m²
- ➔ Industry average FUA per adviser estimated to be \$50m per adviser providing further opportunity for growth²
- ➔ Demand for financial advice continues to grow³
- ➔ Superannuation system growth underpinned by SGC increases

Class – Consolidating market leadership and positioning for growth



Consolidate

New experienced leadership team established

Strengthened customer engagement, service and education

Delivering product enhancements to improve customer experience and drive efficiencies



Grow

Enhanced focus on sales and growth with realigned distribution team

Further enhancing strategic partnerships to drive customer advocacy

Enabling innovation by leveraging Class and NowInfinity capabilities to deliver HUB24 SMSF Access



Innovate

Continuing to leverage Class capabilities to develop the platform of the future to create a single view of wealth on HUB24

Collaborating with industry participants to deliver education, insights & best practice

Investing in our people and the community

Creating the right environment for our people to thrive

736 employees

65% dedicated to product innovation, technology and customer service

72% HUB24 Employee Engagement

New Chief People Officer

Amy Rixon



Attracting, retaining and developing talented people through:



- Embedding **flexibility** through hybrid working and employee policies
- Prioritising employee **wellbeing** with support programs and online tools
- Investing in **leadership** development and learning programs
- Enhancing **recognition** and reward programs
- **Attracting talent** through Graduate, Intern and STEM Returners programs
- Continuing to build a client-focused culture that is **diverse and inclusive**

Supporting the community and engaging our people



HUBempower, our community and corporate giving program, supporting our ESG objectives and engaging our people through:

- Corporate giving partnerships
- Employee volunteering program
- Employee gift-matching

Our Values:



Integrity

Do the right thing



Collaboration

Act as one team, one company



Client Focus

Be easy to deal with



Excellence

Go above and beyond



Passion

Invest energy to make a difference



Innovation

Think big and outside the square



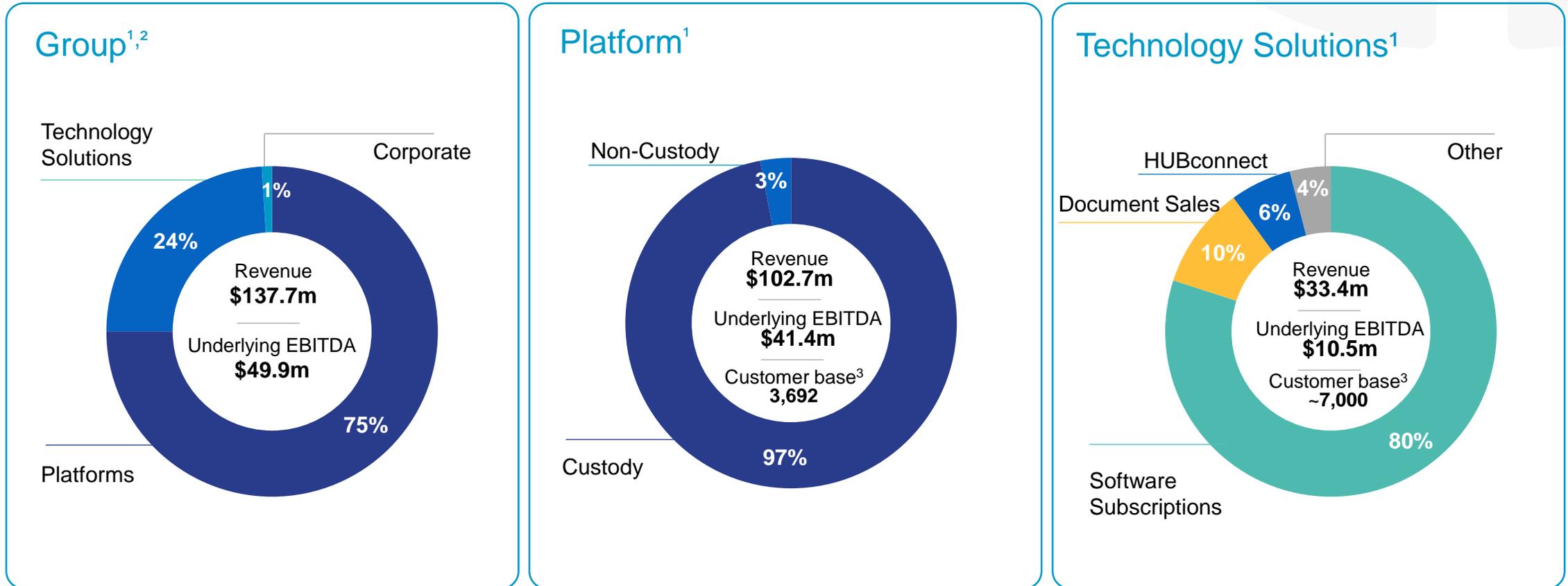
Financial results

Kitrina Shanahan

Chief Financial Officer



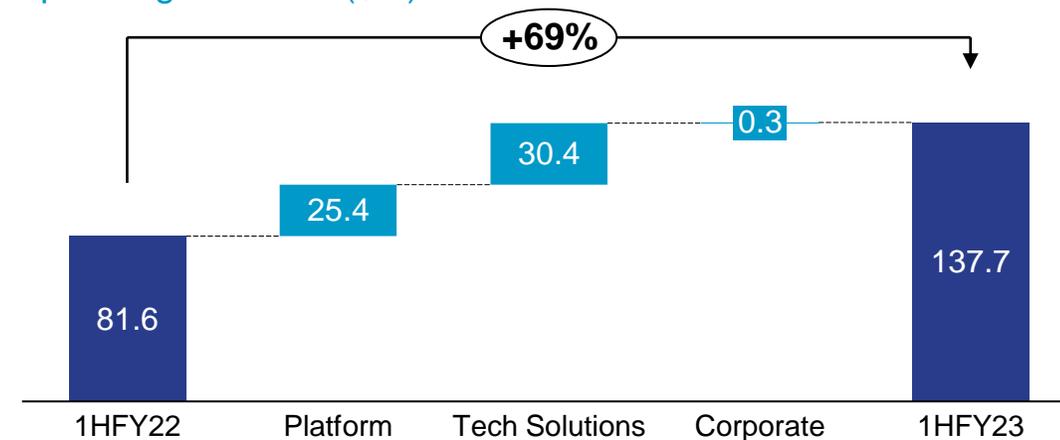
Group snapshot as at 31 December 2022¹



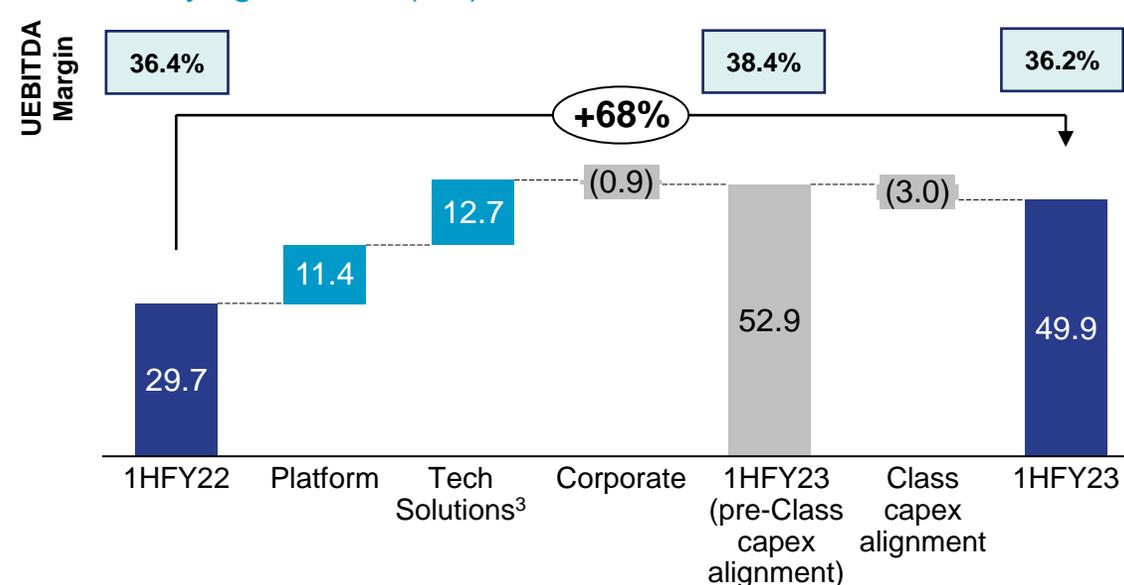
Group financial results

	1HFY23	1HFY22	Change
	\$m	\$m	%
Operating Revenue	137.7	81.6	69%
Operating Expenses	(87.8)	(51.9)	69%
Underlying EBITDA ¹	49.9	29.7	68%
Underlying EBITDA margin¹ (%)	36.2	36.4	(0.2)
Cost to income ratio (%)	63.8	63.6	0.2
EBITDA	45.5	23.7	92%
Underlying NPAT ²	26.6	14.2	87%
Statutory NPAT	15.5	8.4	85%
Fully Franked Interim Dividend (cents per share)	14.0	7.5	87%
Diluted Earnings per share	18.89	11.86	59%

Operating Revenue (\$m)



Underlying EBITDA (\$m)

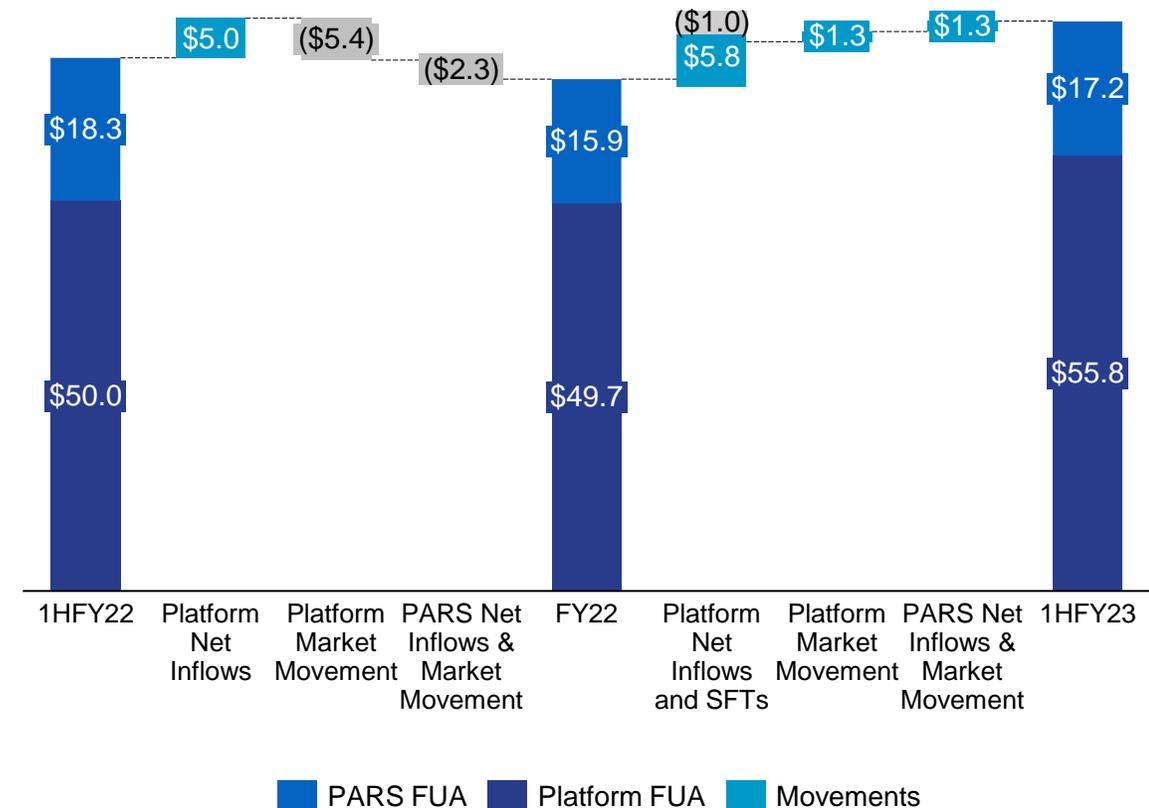


Platform segment results

Continued FUA growth, higher interest rates and disciplined cost management leading to expanding UEBITDA margins

	1HFY23	1HFY22	Change
	\$m	\$m	%
Platform FUA	55.8bn	50.0bn	12%
PARS FUA	17.2bn	18.3bn	(6%)
Total FUA	73.0bn	68.3bn	7%
Platform Net Inflows	5.8bn	6.7bn	(14%)
Revenue	102.7	77.3	33%
Operating Expenses	(61.3)	(47.3)	30%
Underlying EBITDA¹	41.4	30.0	38%
Underlying EBITDA margin¹ (%)	40.3	38.8	1.5

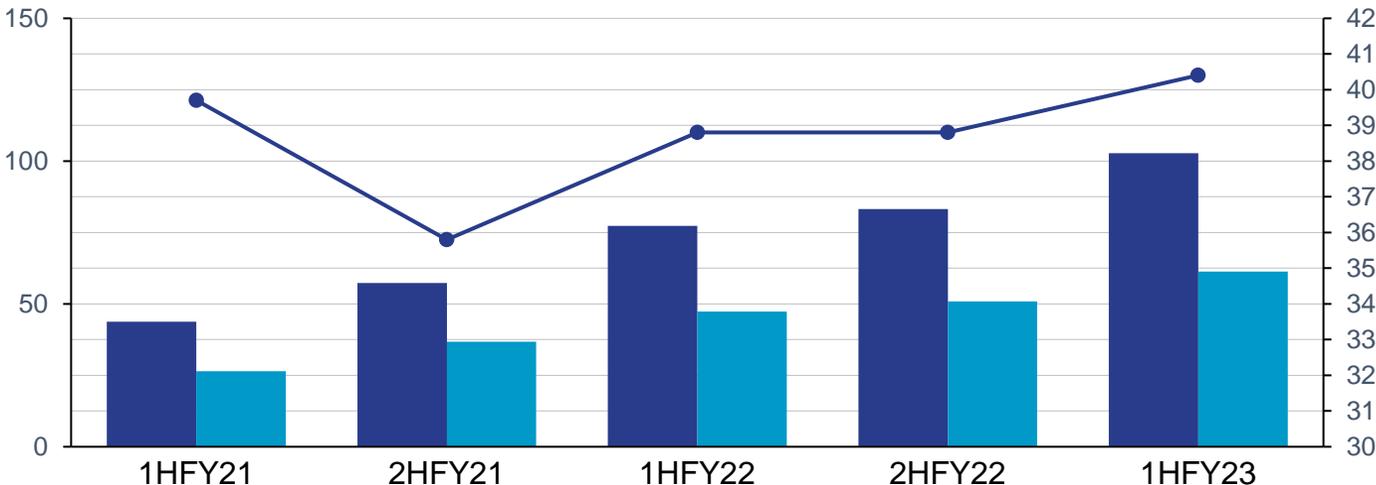
Funds Under Administration (\$bn)



Platform segment results

Platform segment delivering scale benefits

Revenue and Expenses (\$m) Revenue Expenses UEBITDA margin UEBITDA Margin (%)



Platform UEBITDA margin (%)

39.7	35.8	38.8	38.8	40.3
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Platform Underlying EBITDA \$m

17.4	20.5	30.0	32.3	41.4
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\$5.8bn of net inflows and \$1.3bn positive market movements during 1HFY23 driving continued growth in the platform segment



Scale benefits delivering platform UEBITDA margin improvement of 1.5% compared to both 1HFY22 and 2HFY22

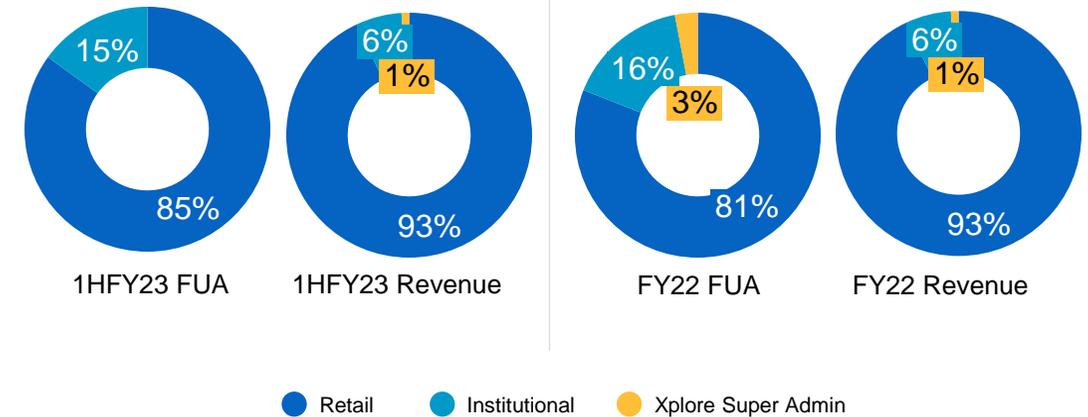


\$41.4m Platform UEBITDA for the year represents a 53% 5-year CAGR

Composition of platform custody FUA and revenue margins

- Xplore Super Admin successor fund transfers (SFTs) substantively completed in 1HFY23. No impact to UEBITDA with the removal of associated costs
- Retail clients represent 85% of Platform FUA (81% 1HFY22) and 93% of revenue (92% 1HFY22)
- Institutional includes High-Net-Wealth clients and Private Labels which attract high value portfolios at wholesale pricing reflecting scale efficiencies²

Portfolio Composition of Platform custody FUA and Revenue (\$m)



Portfolio Composition of Revenue Margin¹ (bps)

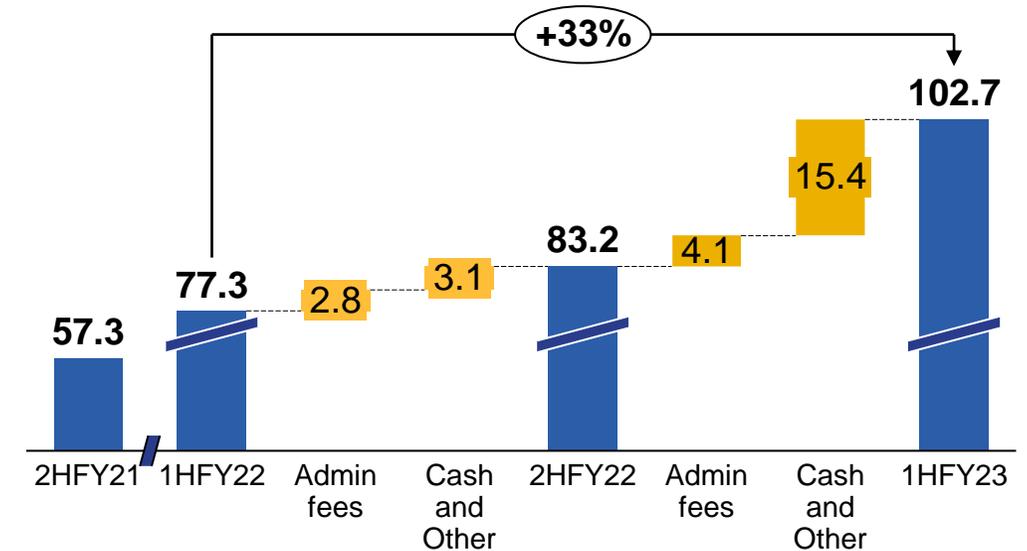


Platform revenue

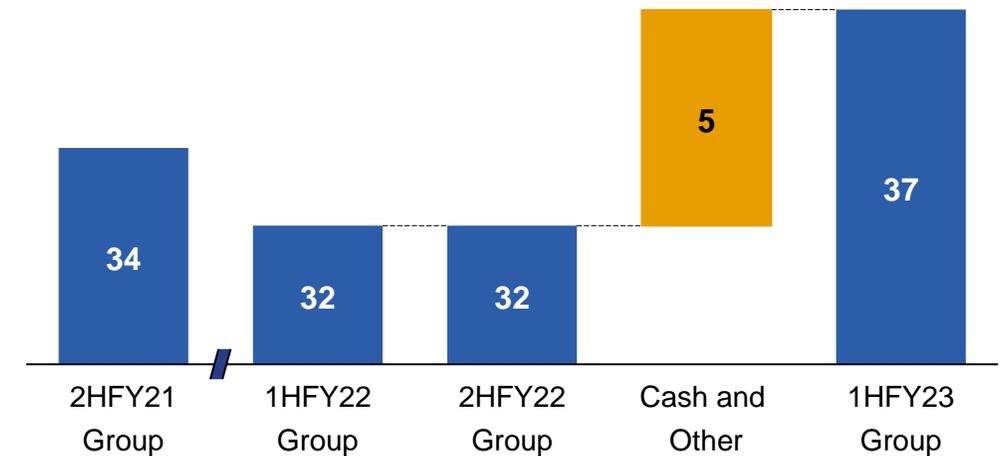
Platform revenue growth of 33% reflecting growth in FUA and the RBA Official Cash Rate.

- ➔ Platform revenue increased to \$102.7 million (up 33%)
- ➔ Revenue continues to increase with the scale of the business, platform revenue margin increased to 37 bps driven by:
 - Increased cash management fees driven by the RBA official rate together with an increase in cash balances as a % of FUA
 - Immaterial admin fee margin compression from fee tiers and caps
 - The number of accounts on the Platform for 1HFY23 were up 33% on the prior year, and PARS accounts were stable with prior year

Platform Revenue (\$m)¹



Platform Revenue Margin (bps)²

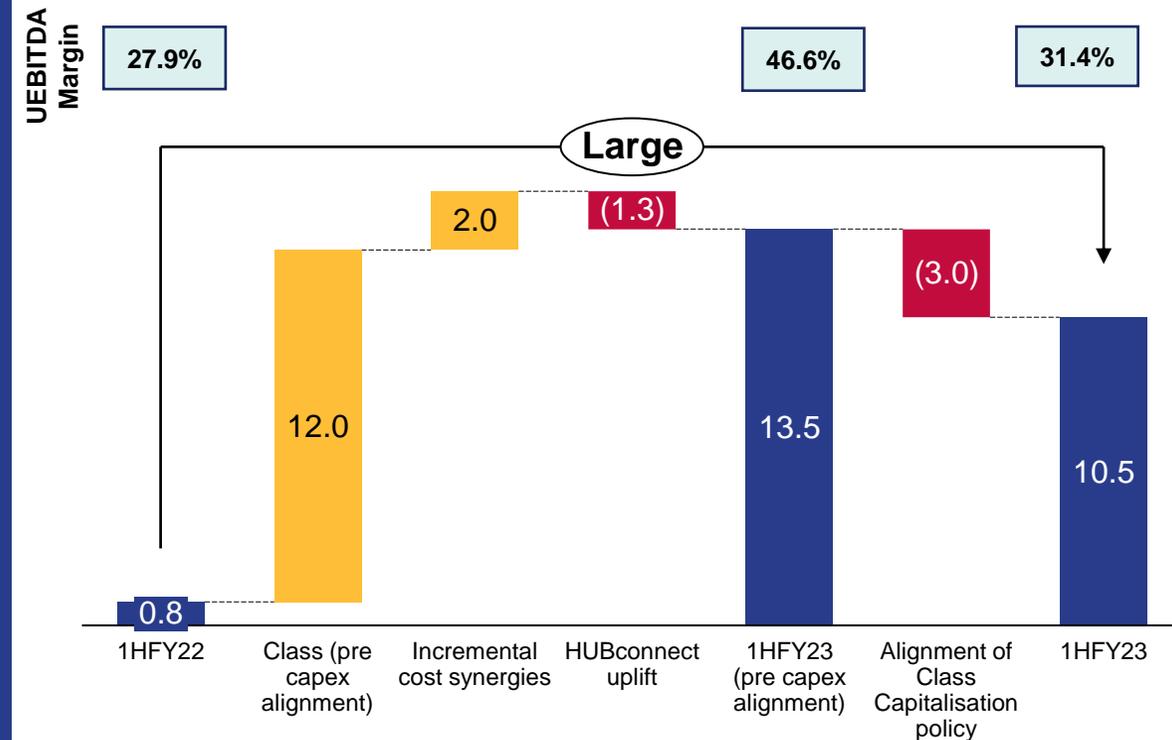


Tech Solutions results

Class acquisition driving growth in the Tech Solutions segment. Class software capitalisation policy aligned to HUB24 policy reducing UEBITDA by \$3 million

	1HFY23	1HFY22	Change
	\$m	\$m	%
Class accounts ¹	198,619	-	n/a
Class Document Orders ²	173,142	-	n/a
Companies on Class Corporate Messenger ³	621,478	-	n/a
Revenue	33.4	3.0	Large
Operating Expenses	(22.9)	(2.2)	Large
Underlying EBITDA⁴	10.5	0.8	Large
Underlying EBITDA margin⁴ (%)	31.4%	27.9%	3.5

Underlying EBITDA (\$m)

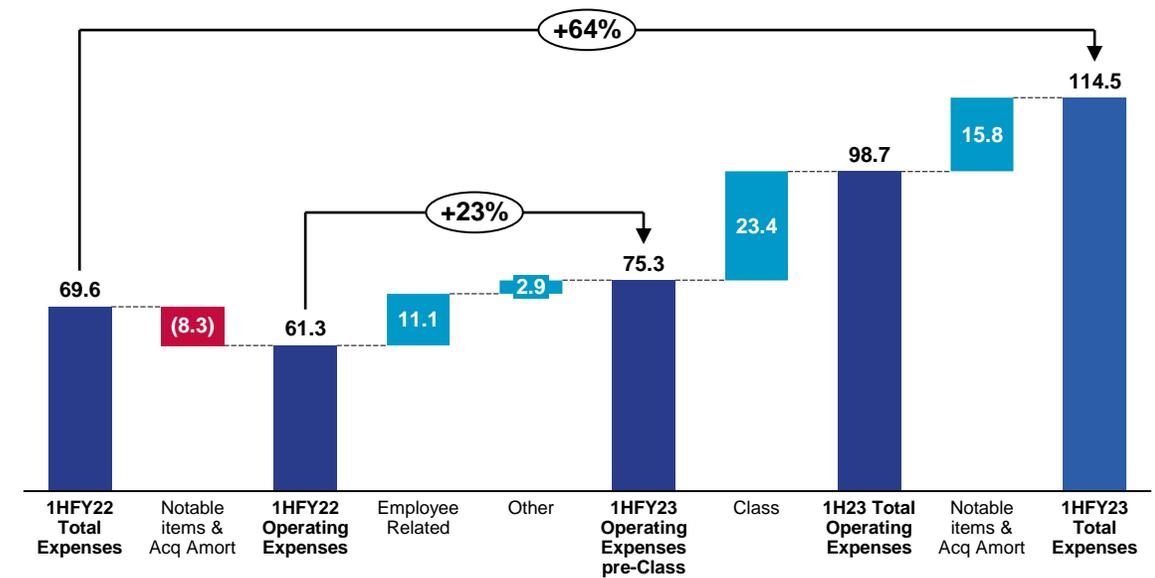


Group expenses

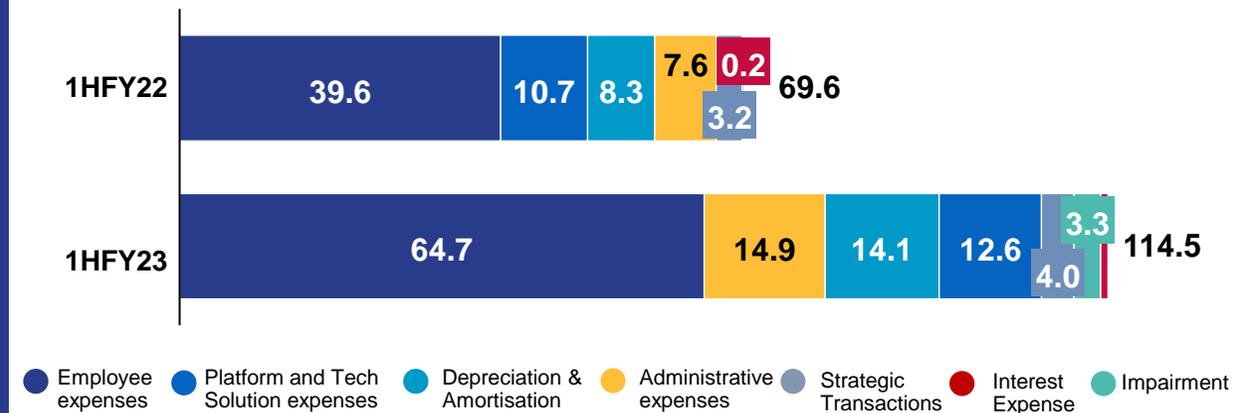
Investing to support scale and deliver growth, whilst delivering underlying operating leverage

- Group expenses increased by \$14.0 million or 23% before the addition of Class and costs associated with strategic transactions and other notable items
- Group cost to income ratio was stable at 63.8% (1HFY22 63.6%) including the alignment of the Class software capitalisation policy
- Employee expenses contributed \$25.1 million to the increase. Group FTE increased by 60% to 736 as at 31 December 2022 from 460 as at 31 December 2021. The acquisition of Class increased FTE by 211

Group Expenses by function (\$m)



Group Expenses by category (\$m)



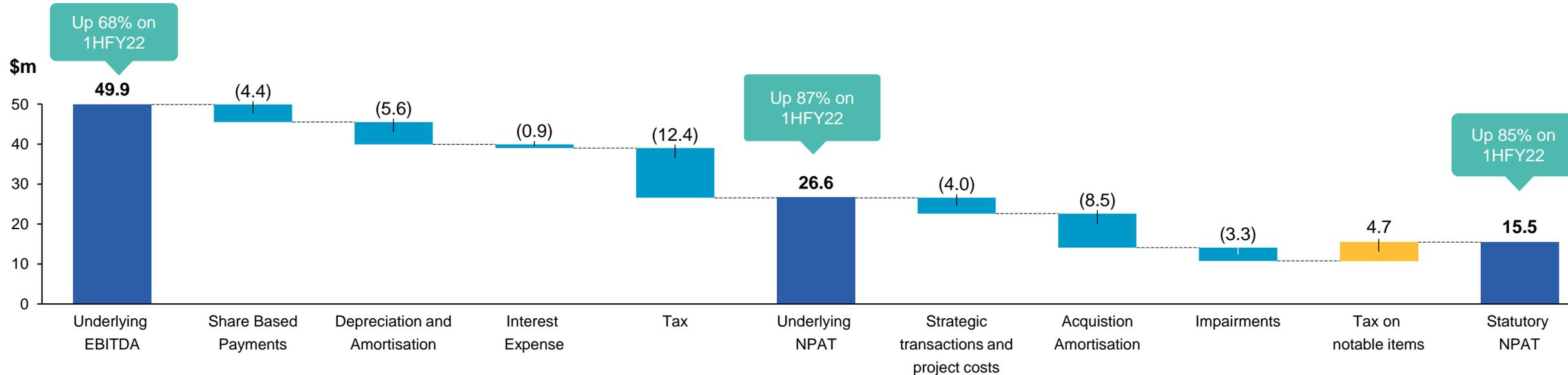
Increasing profitability

Statutory NPAT up 85% and Underlying NPAT up 87%

\$4.0 million of strategic transaction and project costs in relation to Xplore integration and the product development costs for SMSF Access pilot launch

Impairment charge of \$3.3 million in relation to the carrying value of the investment in Diverger Limited

Higher amortisation, as development and capitalisation of IT assets continues, and acquisition related amortisation for Class





Strategy & Outlook

Andrew Alcock

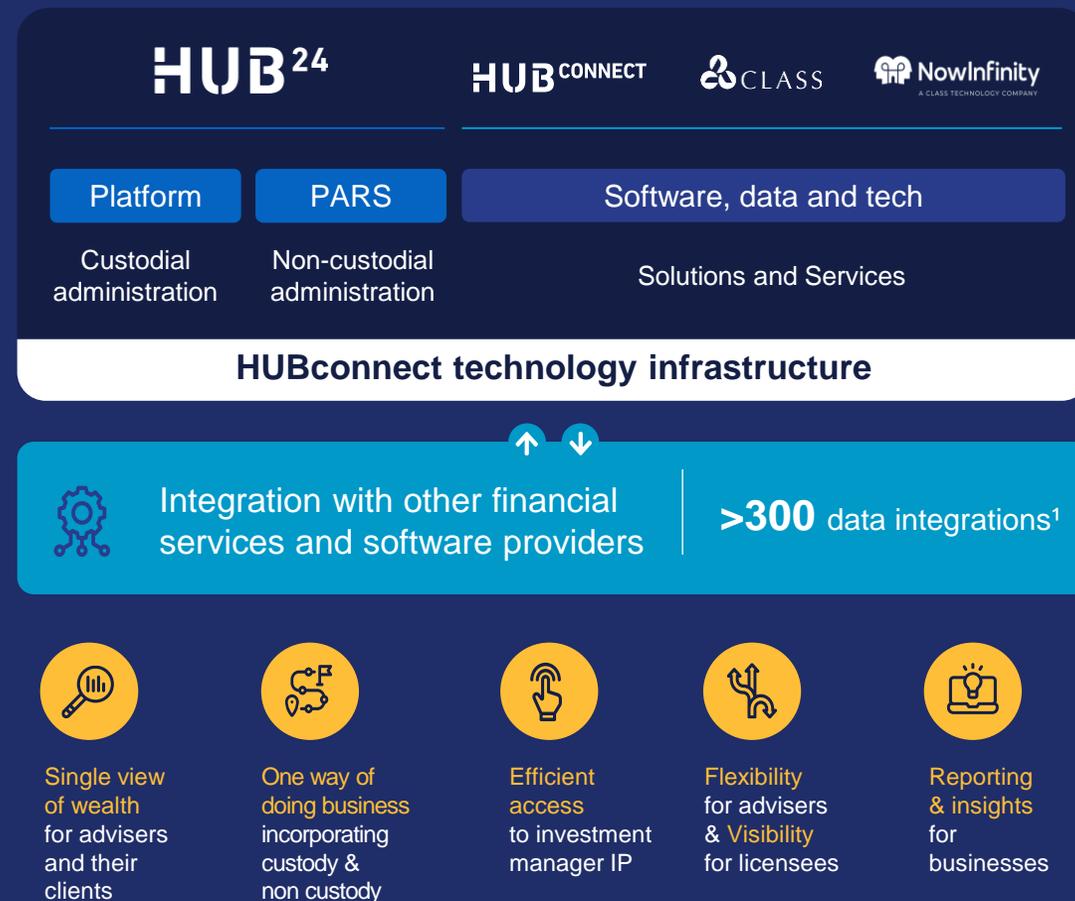
Managing Director



Group capabilities creating shareholder value and growth

Our strategic pillars

- ➔ **Deliver customer value and growth**
Market-leading functionality, innovative solutions and customer service excellence driving growth in the core products and services
- ➔ **Continue to build the platform of the future**
Acquired capabilities enabling the delivery of the platform of the future
- ➔ **Collaborate to shape the future of the wealth industry**
Growing existing market share and expanding our core markets by leveraging Group capabilities



HUBconnect enhancing strategic relationships to deliver growth

Licensee challenge

Access to quality, integrated data is critical for Licensee efficiency

HUBconnect Licensee

- Leveraging AI and machine learning
- Extracting data from unstructured sources
- Creating dashboards and alerts for reporting and insights

HUBCONNECT

Delivering licensee efficiencies and scalable industry solutions



Enabling licensees to improve efficiency and reduced manual tasks by 40% over 12 months¹

Creating insights to increase advice practice value and identify growth opportunities

Delivers a scalable solution for the advice industry

Source documents and data



Machine Learning



Document Classifier



Data Extractor



Combine Cleanse Enrich



Daily insights

- Dashboards
- Alerts
- Reports

1. Licensee reported that Compliance and Practice Management teams reducing manual tasks by 60% over a 12-month period

HUBconnect enabling platform growth and customer advocacy

Adviser challenge

Producing client reports for reviews is time consuming & inefficient

HUB24 Present

- ➔ Leverages HUBconnect capability - Seamlessly integrates client portfolio data
- ➔ Delivers customised, easy to understand reports, aligned to advice documentation

HUB²⁴



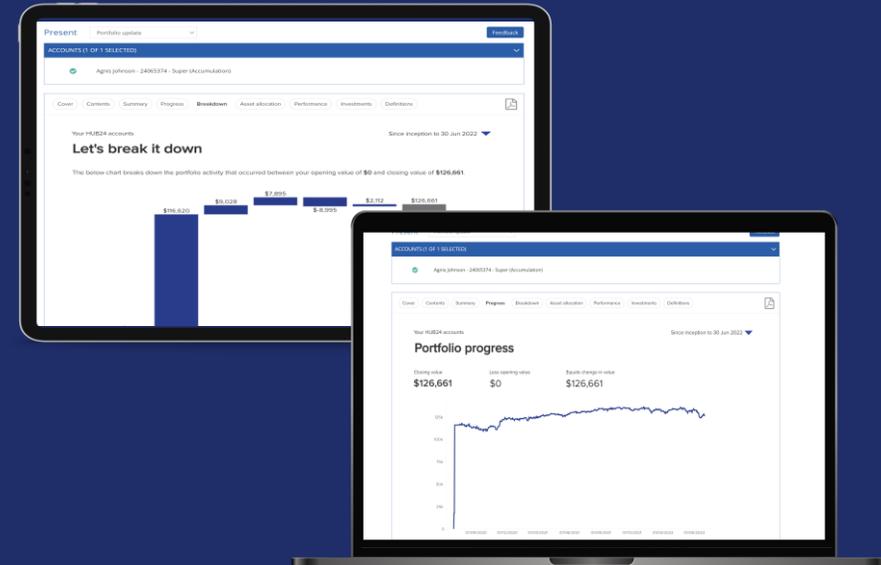
Delivering adviser efficiency, advocacy and client experience

Reducing report preparation time by 95% on average for client meetings

Deepening adviser-client relationships

Building HUB24 customer advocacy

Ongoing enhancements building towards single view of wealth



Pursuing growth and delivering results



Market leadership
in our core
propositions



Leverage investment
in operations and
technology to support
future scale and
deliver customer
service excellence



Ongoing investment
to develop platform
of the future and
enable industry
growth



Leverage acquired
capabilities to
accelerate platform
growth, access new
markets and innovate



Platform
FUA target
(excluding PARS
FUA)



\$80bn-
\$89bn
for FY24¹



Continue to
evaluate strategic
growth
opportunities that
create value



Continuing strong
growth and delivering
shareholder value



Leveraging data and
technology enabled
solutions
to deliver adviser
efficiencies



Deliver platform
innovation that
enhances customer
experience including
single view of wealth
capability

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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