



**HUB**<sup>24</sup>

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# Analyst and Investor Pack

**HUB24** | ANALYST AND INVESTOR PACK 1HFY24

# HUB24

# Analyst and Investor Pack

HALF YEAR ENDED 31 DECEMBER 2023

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# 1HFY24 Financial Highlights and Key Metrics



## GROUP

Total revenue

**\$156.7m** ▲ 14%

Underlying EBITDA<sup>1</sup>

**\$55.0m** ▲ 10%

Underlying NPAT<sup>2</sup>

**\$30.4m** ▲ 14%

Cost to income ratio

**64.9%** ▲ 110bps

Diluted earnings per share

**25.7¢** ▲ 36%

Fully franked interim dividend

**18.5¢ per share** ▲ 32%

1HFY23 dividend: 14.0 cents per share



## PLATFORM

Platform revenue

**\$120.0m** ▲ 17%

Platform net inflows<sup>3</sup>

**\$7.2b** ▲ 26%<sup>3</sup>

Platform FUA of

**\$72.4b** ▲ 30%<sup>4</sup>

PARS FUA of

**\$18.8b** ▲ 9%<sup>5</sup>

Number of active advisers

**4,297** ▲ 16%



## TECH SOLUTIONS

Tech Solutions revenue

**\$34.8m** ▲ 4%

Class number of accounts<sup>6</sup>

**203,860** ▲ 3%

Class document orders<sup>7</sup>

**182,204** ▲ 2%

Companies on Class corporate messenger<sup>8</sup>

**697,573** ▲ 12%

All percentage changes shown above are relative to 1HFY23, unless stated otherwise.

1. Refer to Note 2.1 in the 1HFY24 Interim Report for more information.

2. Refer to Director's Report in the 1HFY24 Interim Report for more information on Group Underlying NPAT.

3. Platform net inflows of \$7.2 billion from continuing business operations (including a \$1.8 billion migration from Insignia Financial's incumbent administrator to the Insignia Financial private label (Rhythm) administered on the HUB24 platform).

4. Custodial FUA Administration Services.

5. Non-custodial FUA as Portfolio Administration and Reporting Services (PARS).

6. Number of Class accounts as at 31 December 2023 consists of Class Super, Class Portfolio and Class Trust licenses.

7. Documents paid for by PAYG and subscription customers for the last 12 months. Prior periods have been adjusted to reflect an updated methodology.

8. Number of active companies as at 31 December 2023.

# Market overview and outlook

## ABOUT HUB24

HUB24 Limited ('the Company') is a financial services company that was established in 2007 and is a leading provider of integrated platform, technology and data solutions to the Australian wealth industry.

HUB24 Limited is listed on the Australian Securities Exchange (ASX) under the code 'HUB' and includes the award-winning HUB24 platform, the Xplore platform, the Class businesses, HUBconnect and myprosperity. As at 16 February 2024, HUB24 Group's market capitalisation was approximately \$3.0 billion.

The HUB24 Group's purpose is to *"empower better financial futures, together."* To fulfil this purpose, the HUB24 Group delivers platform and technology solutions that allow financial professionals to deliver superior outcomes for their clients.

The HUB24 Group's head office is based in Sydney and it provides its products and services across all Australian states and territories. As at 31 December 2023, the HUB24 Group employed 883 people on a full-time equivalent (FTE) basis.

## HUB24'S VISION AND STRATEGY

The HUB24 Group's vision is to lead the wealth industry as the best provider of integrated platform, technology and data solutions. The HUB24 Group is focused on three strategic priorities:



### Lead today

Delivering customer value and growth



### Create tomorrow

Continuing to build the platform of the future



### Build together

Collaborating to shape the future of the wealth industry

## PARTNERING WITH THE WEALTH INDUSTRY

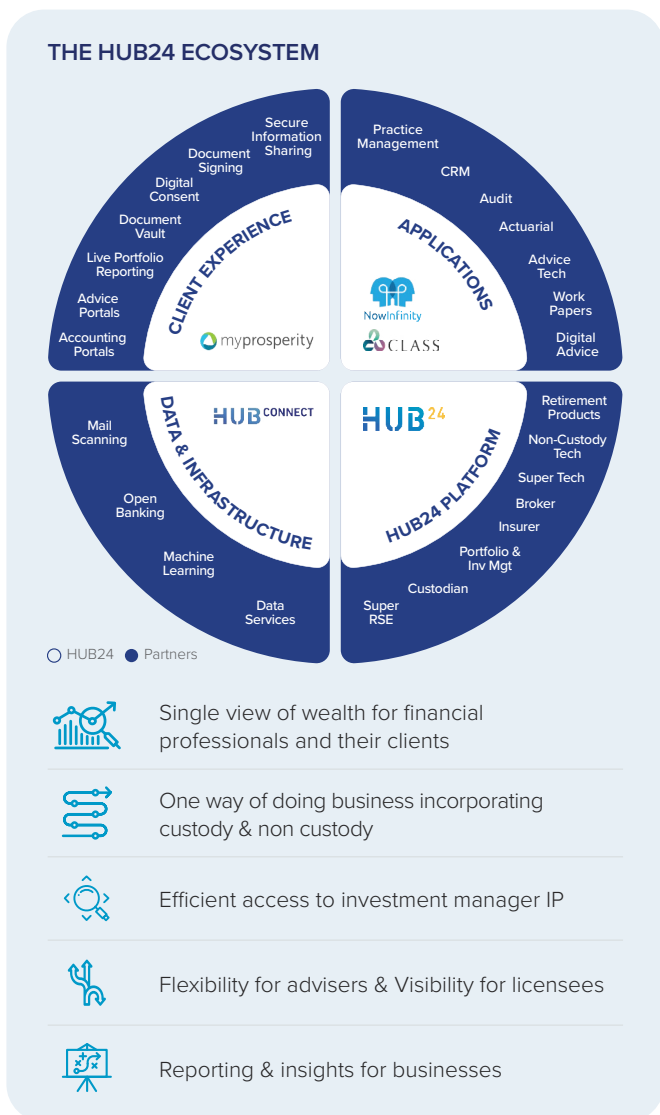
HUB24's vision is to lead the wealth industry as the best provider of integrated platform, technology and data solutions to financial advisers and their licensees, accountants, stockbrokers and a range of other participants operating within the wealth management value chain.

The wealth management landscape in Australia is changing. Regulatory changes including the ban on conflicted remuneration and introduction of client best interest duties are encouraging greater choice of platform and lowering the barriers to switching providers. There has been a move away from vertically integrated wealth models to independent ones which is growing the share of advisers whom have choice over platform.

Demographic shifts are driving intergenerational wealth transfer and seeing Australians retiring with larger superannuation balances as the superannuation system, which was only established in the early 1990s, matures. These trends see the wealth industry facing opportunities, but also challenges, from significant unmet advice needs, high cost of advice, staff shortages, changing business models, inefficient and manual processes, a greater focus on clients' best interests, higher regulatory burdens and increased cyber security risks. Technology, data and open architecture can play a key role in aiding the industry to evolve and capitalise on these opportunities and overcome the challenges.

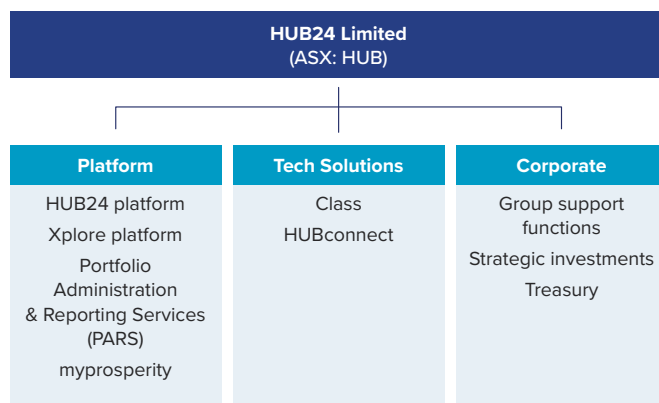
HUB24 partners with participants in the wealth industry to design, develop and deliver innovative and leading solutions that offer great value for customers, an excellent customer experience and improve productivity across the industry.

HUB24's integrated and open architecture solutions across platform (HUB24), non-custody administration and reporting (PARS), SMSF and trust administration (Class), corporate compliance solutions (NowInfinity), technology and data services (HUBconnect) and client portals (myprosperity) are supported by over 300 data integrations and provide HUB24 with a combined capability that is unparalleled. Through these capabilities HUB24 is uniquely positioned to continue to lead and innovate across the wealth industry. This provides HUB24 with the opportunity to build deep and long-term relationships with industry participants to help them deliver enhanced service and benefit from improved productivity. It also provides HUB24 with the opportunity to grow the number of products per customer and create new products for underserved and emerging segments of the market.



## OPERATING SEGMENTS AND PRINCIPAL ACTIVITIES

The HUB24 Group operates two core revenue generating segments, and a Corporate segment as shown in the diagram below:



### PLATFORM

The Platform segment comprises the HUB24 investment and superannuation platform (HUB24 platform), the Xplore Wealth investment and superannuation platform (Xplore Wealth platform), Portfolio Administration & Reporting Services (PARS) and myprosperity.

The HUB24 and Xplore platforms are used by financial professionals to efficiently administer their clients' investments held through a superannuation or investment product under custodial arrangements.

As one of the fastest growing platform providers in the market, the HUB24 platform is recognised for providing choice and innovative product solutions. It offers financial professionals and their clients a comprehensive range of investment options, including market-leading managed portfolio solutions, and enhanced transaction and reporting functionality.

The Xplore platforms provide complementary capabilities including high net worth product features, managed accounts, superannuation services and PARS capability. Xplore's products and services are being migrated to the HUB24 platform in phases. The Xplore Wrap (XPW), Xplore Super Funds and Administration business were migrated to the HUB24 platform or discontinued during FY23. Moving forward, the migration of the Xplore Managed Accounts (XMA) and Managed Discretionary Accounts (MDA) products to the HUB24 technology platform will substantially be completed in FY24. The MDA migration to the HUB24 platform will be finalised in 1HFY25. Generally most of these products will be closed to new licensees after the migrations are completed. However in some circumstances, where relevant, licensees currently utilising these products will continue to have access to the Xplore products via the HUB24 platform.

In addition, the HUB24 Group also offers PARS, a non-custody portfolio services which provides administration, corporate action management and tax reporting services for financial professionals and their clients.

# Market overview and outlook

continued

## myprosperity

myprosperity is a leading provider of client portals for financial professionals. The all-in-one secure portal delivers a total view of household wealth, making it easier for households to collaborate with their financial professionals across all aspects of their financial lives. myprosperity's client portal is used by over 460 accounting and financial advisory firms, as well as circa 72,000 households<sup>1</sup>.

## TECH SOLUTIONS

The Tech Solutions segment comprises Class and HUBconnect.

### Class

Class delivers trust accounting, portfolio management, legal documentation, corporate compliance and SMSF administration solutions to over 6,000 service providers<sup>2</sup> across Australia who depend on Class to drive business automation, increase profitability and deliver quality client service.

Class's core offering is self-managed superannuation fund (SMSF) administration software. Its solutions have gained industry recognition for product innovation and customer service excellence.

Customers using the Class Super, Class Portfolio and Class Trust solutions represented over 203,000 accounts as at 31 December 2023.

Class also operates in the document and corporate compliance segment through the service offerings provided under the NowInfinity brand<sup>3</sup>.

NowInfinity is a leading cloud-based entity management and corporate compliance solution. In the Investment Trends 2023 SMSF Adviser & Accountant Report, it was recognised as the most used legal document provider for SMSF related legal compliance.

### HUBconnect

HUBconnect provides technology and data services to the wealth industry, delivering an innovative range of products and services solutions to enable financial professionals and licensees to efficiently run their businesses and service their clients.

HUBconnect leverages data and technology capabilities to provide solutions that solve common challenges faced by stockbrokers, licensees and professional advisers in the delivery of financial advice.

HUBconnect Broker has a long history of working with stockbrokers to deliver innovative business reporting and support tools. HUBconnect Broker streamlines and integrates client data and connects to a range of broking business reporting and back-office support tools that provide key insights and enable the efficient delivery of stockbroking operations.

For financial advisers and licensees HUBconnect utilises innovative technology such as machine learning, artificial intelligence, and natural language processing. HUBconnect integrates, refines, stores and supplies structured and unstructured data. Through integrated data feeds, automated reporting and analytics, HUBconnect delivers efficiencies for some of the time-consuming and costly processes that increase the cost of delivering advice. HUBconnect serves a growing number of respected and high-profile financial services companies and their clients.

## Corporate

The HUB24 Group is a strategic shareholder in Diverger Limited (Diverger), which is a diversified financial services business providing integrated accounting and wealth management services to the Australian Market. Under a Technology Partnership and Distribution agreement Diverger is a cornerstone client for HUBconnect's data and technology services.

In September 2023, Diverger and Count Limited (Count) entered into a Scheme Implementation Agreement under which Count will acquire 100% of the issued shares in Diverger by way of a Scheme of Arrangement (Scheme) between Diverger and its shareholders. On 23 January 2024 Diverger shareholders approved the Scheme of Arrangement and following Court approval on 15 February 2024 the Scheme became effective on 16 February 2024.

Implementation of the Scheme is scheduled for 1 March 2024, when the HUB24 Group will become a shareholder in Count. Indicative financial impacts of the transaction for the HUB24 Group are a ~12% shareholding in Count and an accounting gain on sale between \$3 - 4 million (pre tax) which will be reflected as a notable item in 2HFY24. Further details of the HUB24 Group's investment in Count and financial impacts of the transaction will be provided in the Full Year 2024 Financial Reporting.

1. HUB24 data as at December 2023.

2. Class service providers represents practices of accountants, administrators and advisers as at 31 December 2023.

3. NowInfinity is a wholly owned subsidiary of Class.

# Market overview and outlook

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## KEY MARKETS

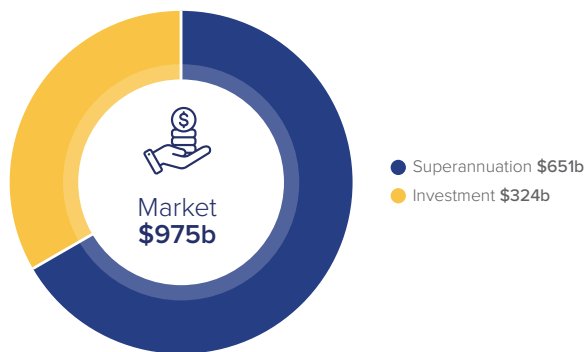
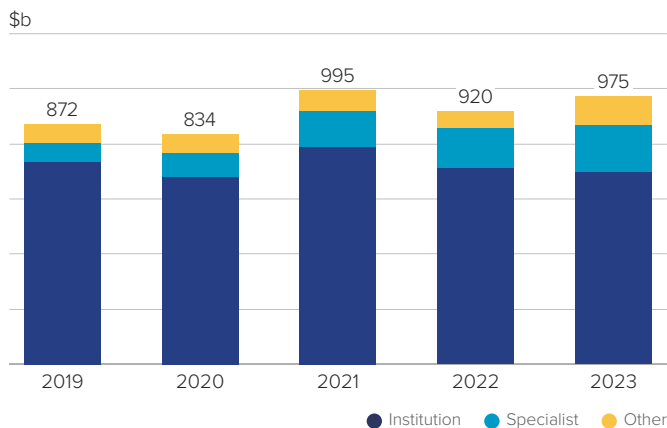
The HUB24 Group is building scale in large addressable markets with a focus on the Australian Investment Platform market, the PARS market and the SMSF market.

### Australian Investment Platform Market<sup>1</sup>

**The HUB24 Group has 6.7% market share (September 2023)**

The Australian Investment Platform market had funds under administration of \$975bn at 30 September 2023 and has grown at a CAGR of 5% since September 2014<sup>1</sup>. The HUB24 Group's market share is currently 6.7%<sup>1</sup> (at 30 September 2023).

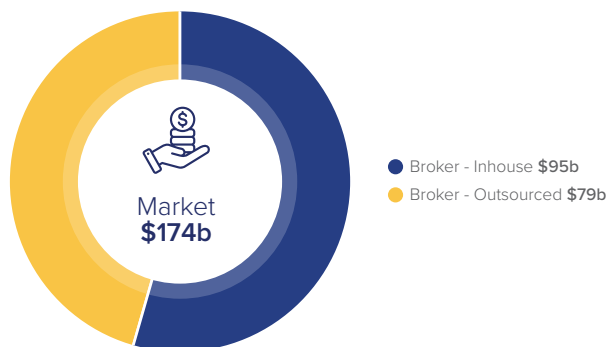
### Total Australian Investment platform market size by FUA (September 2023)<sup>1</sup>



### PARS Market<sup>2</sup>

**The HUB24 Group has 10% market share (as at June 2023)**

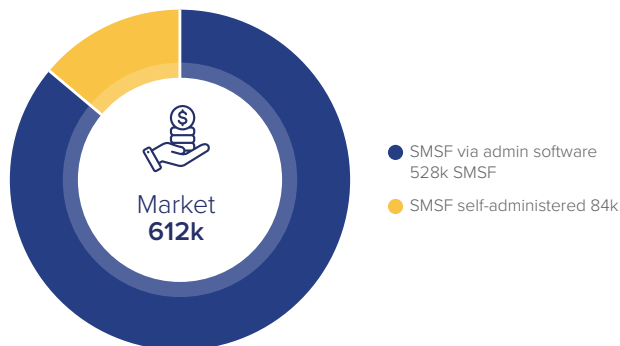
The HUB24 Group estimates the PARS market in Australia to be worth \$174 billion. At June 2023, the HUB24 Group had an estimated 10% share (\$17.6bn) of this segment.



### SMSF Market<sup>3</sup>

**Class has 30% market share (as at September 2023)**

The SMSF market as at September 2023 had 612 thousand funds, over 1.1 million members and over \$880 billion total assets. In the 5 years since September 2018 assets have grown by 31%<sup>3</sup>.



1. Strategic Insights Analysis of Wrap, Platform and Master Trust Managed Funds, September 2023. Historic quarterly data revised to include any updated or new data received since prior release  
 2. HUB24 estimates the Private Client PARS market to be \$174 billion based on readily identifiable participants. HUB24 analysis – June 2023.  
 3. Based on latest confirmed ATO figures for September 2023, SMSF fund numbers on Class Super, total members of SMSFs and total Australian and overseas assets. Admin software vs self-administered split based on internal estimates. Annual metrics are updated to align to the latest ATO release.

# Market overview and outlook

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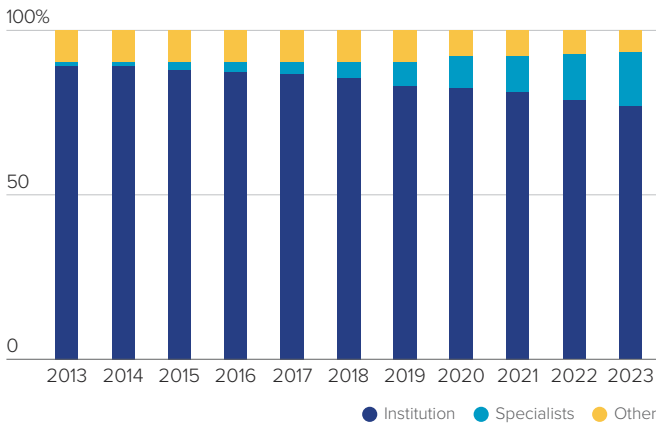
### KEY MARKET TRENDS

#### DISRUPTION CONTINUES IN THE PLATFORM MARKET

The transformation of the wealth management industry continues as large financial institutions divest or reevaluate their strategies and specialist platforms (such as HUB24), continue to grow.

Specialist platforms now represent 17.5% of the Australian investment platform market and account for over \$18 billion in annual net inflows. Specialist platforms' FUA have grown at a CAGR of 32% over the last ten years<sup>1</sup>.

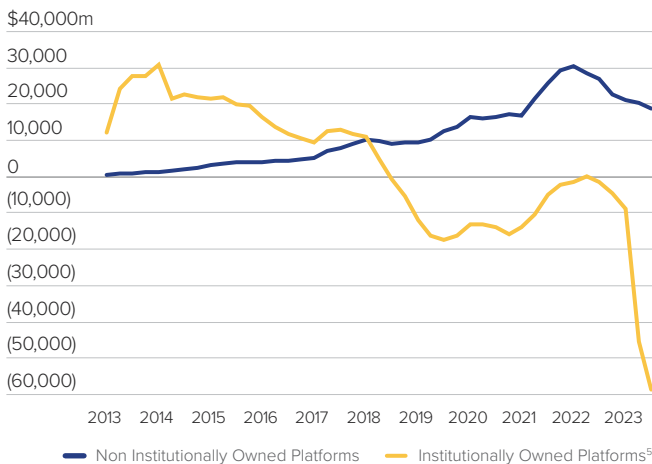
#### Australian investment platform market participants market share (September 2023)<sup>2</sup>



The HUB24 Group has been a beneficiary of this trend. In the context of current market dynamics and macroeconomic events for the 12 months to 31 December 2023, the HUB24 platforms experienced strong net inflows of \$11.2 billion<sup>3</sup>.

As a result, HUB24's custodial FUA reached \$72.4 billion at December 2023, in addition to \$18.8 billion of off-platform PARS FUA.

#### Institutionally owned v specialist platform annual net inflows \$m<sup>4</sup>



A key driver of success for specialist platforms has been an industry wide shift from vertically integrated institutions to independent contemporary platforms that provide innovative product solutions, in particular Managed Accounts, which deliver efficiency for financial professionals and solutions that can be tailored to the best interest of their clients.

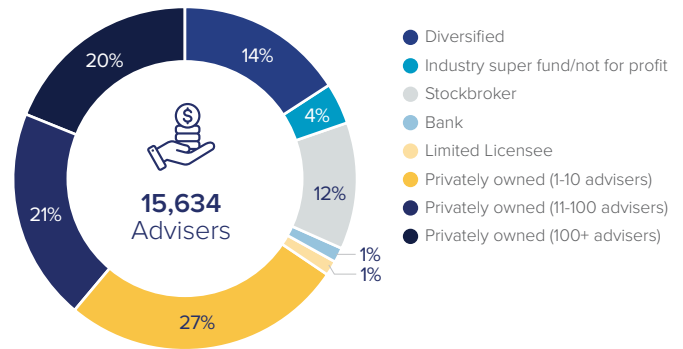
As a recognised market leader of platform services with continued focus on operational robustness, customer service excellence and the delivery of innovative product solutions that enhance outcomes for clients, The HUB24 Group is well positioned to continue to benefit from the trend towards specialist platforms.

#### ADVICE INDUSTRY COMPOSITION AND INCREASING DEMAND FOR FINANCIAL ADVICE

As an intermediated business, the HUB24 Group relies on the support of financial professionals to provide its platform services to end consumers.

The financial adviser landscape is dominated by advisers who are part of privately owned businesses. This segment represents 65% of the adviser market<sup>6</sup>. These groups are increasingly embracing the use of specialist platforms.

#### Industry overview by segment<sup>6</sup>



The HUB24 Group has built strong relationships in the privately-owned segment by collaborating with licensees to develop solutions that deliver efficiency for their advisers and create value for their clients. The HUB24 Group has grown the number of active advisers using its platforms to 4,297 (28% of total advisers) at 31 December 2023 from 1,456 (5.2% of total advisers) at 31 December 2018<sup>7</sup>.

1. HUB24 analysis based on Strategic Insights Analysis of Wrap, Platform and Master Trust Managed Funds, September 2023.

2. Strategic Insights Analysis of Wrap, Platform and Master Trust Managed Funds as at September 2023.

3. HUB24 Q2 FY24 market update, January 2024.

4. HUB24 analysis of Strategic Insights Analysis of Wrap, Platform and Master Trust Managed Funds as at September 2023.

5. The large decline in Institutional Owned flows was predominantly driven by a \$33 billion Super Fund transfer which occurred within the June 2023 quarter.

6. ARdata, Adviser Ratings, Musical Chairs Q4 2023 Report.

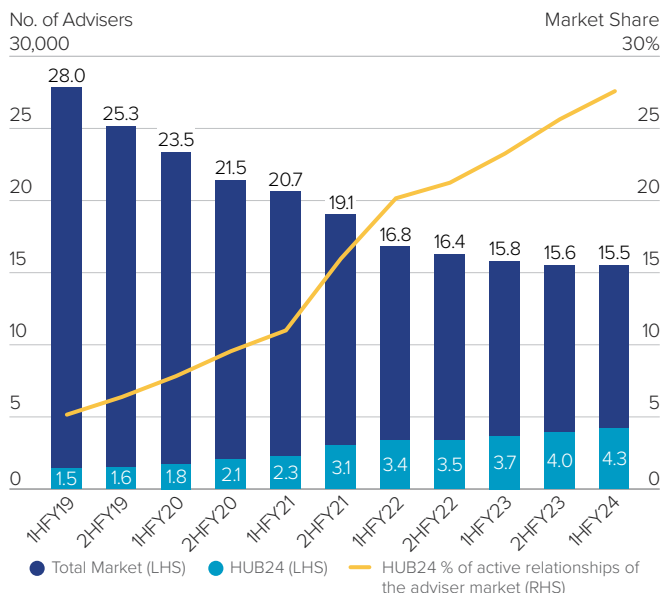
7. HUB24 analysis based on Adviser Ratings data – December 2023.



# Market overview and outlook

continued

## Total Industry Advisers and Active Advisers<sup>1</sup>



The HUB24 Group active advisers has grown to 28% of the total adviser population. This is in the context of total advisers reducing over the last 5 years. The HUB24 Group net adviser growth each half has been approximately 230.

Strong net adviser growth in 1HFY24 was supported by continued momentum with more advisers seeking to use the HUB24 platform and new advisers from the \$1.8 billion migration of FUA to Insignia Financial's private label (Rhythm) administered on the HUB24 platform, which contributed to just over half of the net new advisers in the half.

### Consumer demand for financial advice

Demand for financial advice is strong with 29% of unadvised Australians looking to seek help from an adviser<sup>3</sup>. The impacts of generational change mean that this demand is likely to continue in the medium term.

Firstly, Baby Boomers have started to move into retirement in considerable numbers. It is projected that around \$1.3 trillion will move into the retirement phase by 2030<sup>4</sup>. Potential and recent retirees seek advice in order to maintain their desired standard of living throughout retirement, and to ensure good decisions are made regarding downsizing, intergenerational planning and the like.

Furthermore, a report from the Financial Planning Services Board reveals that two out of every three Gen Y individuals and 60% of Gen X individuals who are not currently working with a financial planner would consider paying for advice. Half of those considering it intend to do so in less than three years<sup>5</sup>.

Meanwhile, Millennials (currently aged 27–42 years<sup>6</sup>) are about to overtake Baby Boomers as the largest generational group in Australia. According to researchers from Griffith University, they are set to inherit an estimated \$3.5 trillion over the next twenty years, growing at 7% a year. Each recipient will inherit an average of \$320,000<sup>7</sup>.

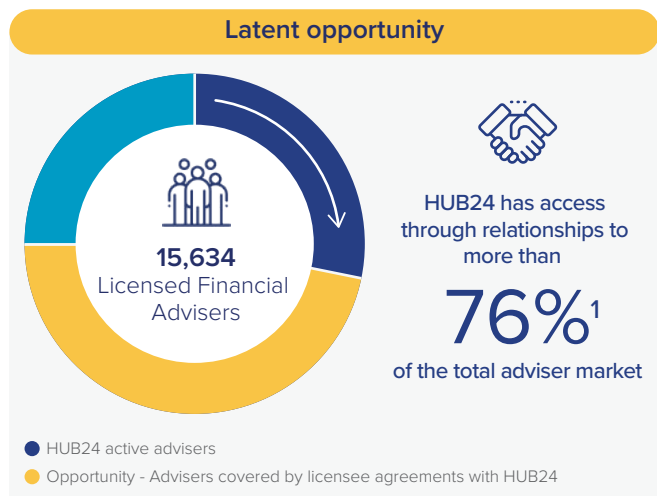
These are the next generation of advice clients. They are interested in financial matters and recognise the importance of making sound financial decisions. Recent research from Investment Trends shows that 78% of 18 to 34 year-olds have unmet advice needs<sup>8</sup>.

Affordability however remains a significant barrier to Australians seeking advice.

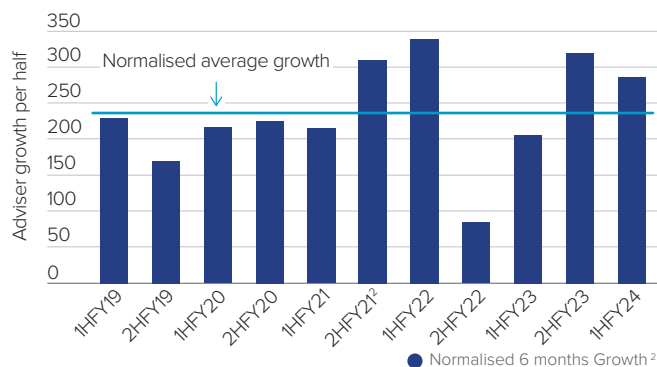
The cost of delivering financial advice continues to increase with the median advice fee per client rising 48% in 4 years to \$3,710, making it inaccessible for many<sup>9</sup>.

Furthermore, financial advisers are limited by capacity with each financial adviser servicing an average of 120 clients according to Investment Trends 2023 Adviser Technology Needs report.

## A solid platform for future growth<sup>1</sup>



## Net Adviser Growth 1HFY19 to 1HFY24<sup>1</sup>



- Adviser Ratings, Adviser Musical Chairs Report 4Q 2023, 76% of the market based on Adviser Ratings data and HUB24 analysis.
- Normalised to remove the one-off uplift from the Xplore acquisition.
- Adviser Ratings, 2022 Australian Financial Advice Landscape Report.
- Challenger Limited Pre-Budget Submission to Treasury 2022/2023.
- Professional planner article 2023 "millennials-open-to-financial-planning-benefits"
- Pew Research Centre May 2020 (updated for 2023).
- Intergenerational Wealth Transfer: The Opportunity of Gen X & Y in Australia Report, Griffith University Queensland.
- Investment Trends 2023 Financial Advice Report.
- Adviser Ratings, 2023 Australian Financial Advice Landscape Report.

## Market overview and outlook

### continued

In March 2022, the Government commenced a review into the quality of financial advice (known as the Quality of Advice Review (QAR)) to consider how the regulatory framework for financial advice could be enhanced so that more Australians are able to access high quality affordable financial advice when they need it and in the form they want it. In December 2023, the Government issued its final response to the QAR following engagement and consultation with industry and consumer stakeholders. This followed the government's announcement in June 2023 which outlined three reform streams aimed at improving access to financial advice and addressing 14 of the 22 recommendations made by the QAR. The government's final response includes several key measures including:

- implementation of a modernised and flexible best interests duty applicable to all advice providers, ensuring the delivery of high-quality advice that aligns with consumers' needs;
- establishment of a new category of financial advice provider, intended to facilitate an augmentation in the accessibility and affordability of straightforward personal financial advice;
- introduction of a comprehensive framework for superannuation advice; and
- replacement of Statements of Advice with a more fitting, principles-based advice record.

Legislation to implement the measures continues to be developed. Implementation of these recommendations is expected to mean that advisers will be able to use their professional judgement when deciding how to deliver advice, and the cost and time involved in providing should fall. Consequently, the capacity of advisers and the number of Australians receiving advice should increase.

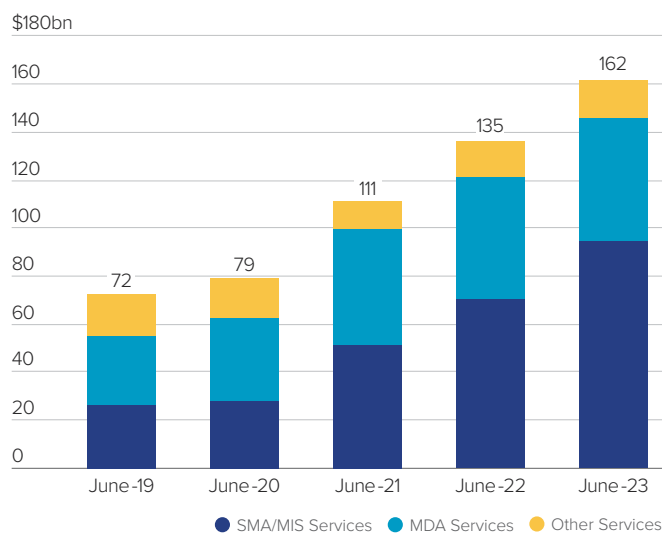
The HUB24 Group believes in the value of advice and is collaborating with advisers and licensees to develop innovative solutions to reduce the cost of advice and make it accessible to more Australians. We are developing an array of solutions and services aimed at optimising the productivity of financial professionals and empowering them to expand their client base. This in turn increases HUB24's contestable market and creates a mutually beneficial relationship. For example, in November 2023, HUB24 introduced a new solution known as HUB24 Discover. HUB24 Discover is a low cost streamlined menu consisting of a select range of managed portfolios, aimed to suit clients with simple investment needs.

The HUB24 Group is working with industry bodies, advocating for change to enable greater access to advice. During the year, the HUB24 Group has proactively engaged with the QAR including making a stand-alone submission and participating in an Financial Services Council (FSC) delegation to Parliament House. The HUB24 Group has also actively advocated for the tax deductibility of advice fees working with the ATO and the FSC. As a full FSC member we maintain a proactive stance with respect to relevant issues impacting the value of advice.

### GROWTH OF MANAGED ACCOUNTS

Funds Under Management in Managed Accounts in Australia has grown to more than \$162 billion<sup>1</sup> as advisers increasingly recognise the benefits of using them to access professional investment management for their clients<sup>2</sup>. The HUB24 Group estimates that it has 18% market share of this segment at June 2023.

#### Managed Account FUM growth (\$ billions) Jun-19 to Jun-23<sup>3</sup>



1. IMAP / Milliman Managed Accounts FUM Census September 2023. Data as at June 2023. Note: Number of participants in the Census fluctuates.

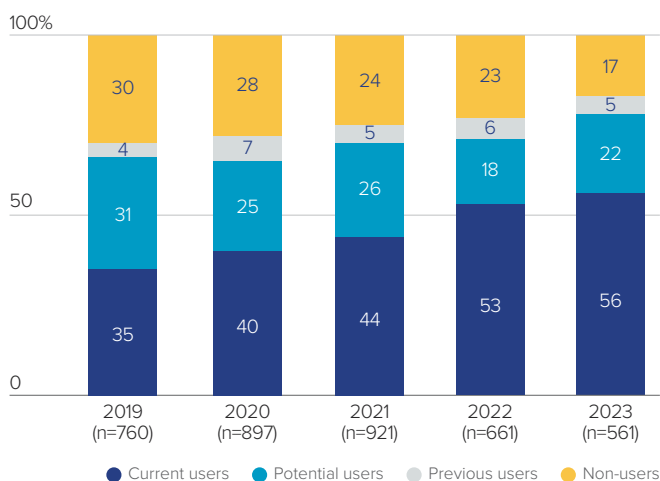
2. Adviser Ratings, 2023 Financial Advice Landscape Report.

3. IMAP / Milliman Managed Accounts FUM Census September 2023. Data as at June 2023. Note: Number of participants in the Census fluctuates.

# Market overview and outlook

## continued

### Managed Account adoption continues to accelerate<sup>1</sup>



As a leading provider of Managed Accounts functionality the HUB24 Group expects to continue to benefit from the growth in popularity of Managed Accounts.

In the most recent Investment Trends Platform Competitive Analysis and Benchmarking survey, HUB24 was ranked 1<sup>st</sup> for its Managed Accounts Functionality. Furthermore, HUB24 consolidated its leadership position by share of relationships with advisers who recommend managed accounts (43% overall reach in 2023, up from 36% in 2021)<sup>1</sup>.

The use of Managed Accounts over the last 5 years accelerated with 56% of financial advisers now using them to manage their clients’ investments (up from 30% in 2018). Allocations of new client inflows into managed accounts have also increased to 24% up from an average of 10% in 2018<sup>1</sup>.

### RISK OF CYBER ATTACKS DRIVING ADOPTION OF SECURE ONLINE PORTALS

Cyber security has become a growing issue for organisations of all sizes. During the past year, Australia saw large-scale data breaches affect some of the country’s most prominent corporations and their clients. Smaller companies are increasingly being impacted as well. According to the Australian Cyber Security Centre Small Business Survey 2020, 62% of Australian small to medium businesses have experienced a cyber incident<sup>2</sup>.

As such, cyber security has become an increasing focus for financial professionals and now ranks as one of the biggest concerns for advice and accounting practices of all sizes<sup>3</sup>.

The importance of data security and protection of sensitive client information is accelerating the use of secure online client portals by financial advisers and accountants.

Client portals are transforming client engagement by delivering a holistic view of household wealth, providing secure digital engagement and facilitating collaboration between clients and the financial professionals they have a relationship with. Furthermore, they are fast becoming critical in business operating models with functionality to exchange data, documents, e-signatures, and support the client onboarding and review process<sup>4</sup>.

myprosperity is a leading provider of client portals and the only provider offering a solution across financial advice and accounting services. The HUB24 Group is now uniquely positioned to capture the increasing adoption of client portals by accountants, financial advisers and multidisciplinary firms. Since the HUB24 Group’s acquisition of myprosperity there has been strong demand from large licensees for a customised portal solution for their advisers. Consequently, an enterprise offer for large advice licensees and accounting firms has been developed and rollout has commenced.

Furthermore, HUB24 and Class have been collaborating with myprosperity to further extend integration capabilities towards a single client portal for the entire the HUB24 Group portfolio of products and services. This is expected to extend HUB24’s market-leadership position and deliver both increased customer advocacy and new opportunities to further grow market share across the HUB24 Group. Together with HUB24, myprosperity will provide an improved client experience, streamline service delivery, and increase productivity, enabling financial professionals to empower a better financial future for more clients.

1. Investment Trends Managed Accounts Report January 2023.  
 2. Australian Cyber Security Centre Small Business Survey 2020.  
 3. Finura 2023 Wealth Tech Predictions.  
 4. Adviser Ratings, 2022 Financial Advice Landscape Report.

# Market overview and outlook

## continued

### TECHNOLOGY, DATA AND REPORTING SOLUTIONS KEY TO FUTURE OF ADVICE

Access to quality data has become critical for clients, wealth professionals and licensees.

Consumers are looking for innovative solutions that provide an integrated view of their wealth, with advisers stating it was the second most valued feature for client portals after performance reporting<sup>1</sup>.

HUB24 Present is HUB24 platform’s market leading digital reporting feature that enables advisers to efficiently deliver and customise client presentations in real-time. This allows the provision of tailored reporting aligned with the language used in client advice documentation and reduces manual intervention.

Advisers using the HUB24 Present feature have advised it has allowed them to reduce report preparation time by 95% on average for client meetings<sup>2</sup>.

Access to Class’ enriched data aggregation services from more than 200 data integrations, together with NowInfinity’s corporate and entity data, provides a step change to HUB24’s wealth reporting ambitions. HUB24 is leveraging the data infrastructure and capabilities of Class to accelerate the depth and breadth of the HUB24 Group’s “whole of wealth” offer.

Furthermore, given financial professionals are limited by capacity, HUB24 is focused on helping increase productivity of advice practices so that more Australians can access advice.

The HUB24 Group continues to collaborate with licensees to develop and deliver solutions that leverages the HUB24 Group data and technology expertise to reduce friction in the advice delivery process and assist in reducing the cost of advice delivery.

A significant challenge for licensees is the cost of compliance and the complexities associated with delivering the core functions of running an Australian Financial Services license, such as governance, revenue processing, monitoring fee disclosure statements and ongoing fee consents. Advisers cite the compliance burden as one of their biggest challenges.

HUBconnect is leveraging machine learning and artificial intelligence to support licensees with their compliance obligations, providing access to quality data and real time insights that enable proactive compliance and improve efficiencies in their advice practices.

The objective is to provide advisers with the flexibility they require to choose best of breed tools and technology to help clients meet their goals and run sustainable businesses. At the same time, licensees are provided with the visibility they require to fulfil core tasks efficiently and effectively.

### AUSTRALIAN SUPERANNUATION SYSTEM

Australia’s superannuation system is the fifth largest pension system globally<sup>3</sup> and is forecast to grow from over \$3.5 trillion today<sup>4</sup> to almost \$9 trillion over the next 20 years<sup>5</sup>.

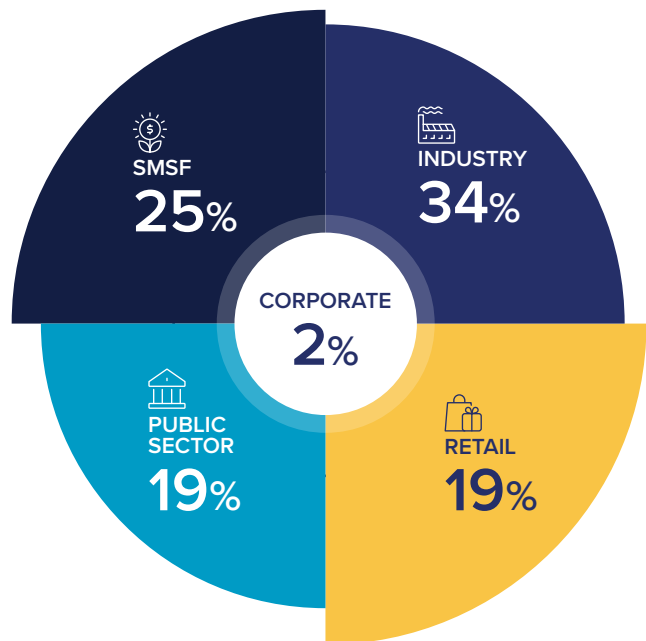
Growth of the superannuation system has been driven by member contribution inflows as well as robust investment returns. This growth is expected to continue with the Australian Government mandated superannuation guarantee contribution rate progressively increasing to 12% by July 2025.

The HUB24 Group’s Platform and Tech Solutions businesses are expected to benefit from the long-term growth in Australia’s superannuation system.

The HUB24 platform is attracting more flows into retail superannuation/pension products than all the competing platforms. At September 2023, the HUB24 platform was ranked number one for quarterly and annual netflows into superannuation/ pension products on platforms<sup>6</sup>.

Self-Managed Superannuation Funds (SMSFs) account for around one-quarter of all superannuation assets<sup>7</sup>.

#### Proportion of super assets by market segment by AUM<sup>7</sup>



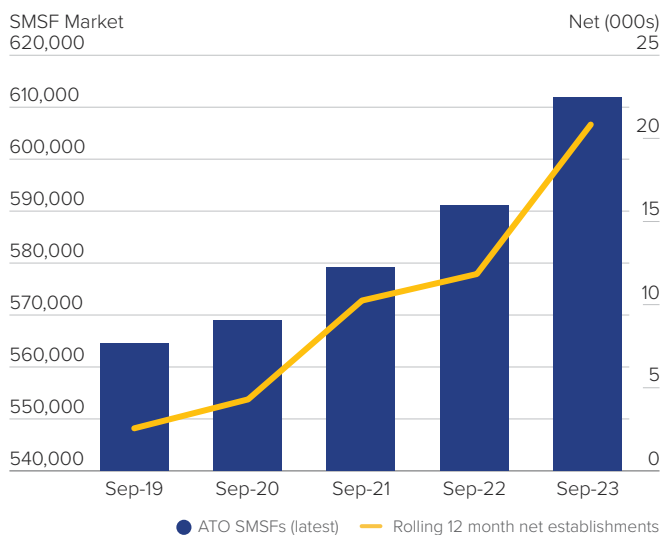
In the 5 years to September 2023, the number of SMSFs grew by 8.8% to approximately 612 thousand, with over 1.1 million members, and assets grew by 31% to over \$880 billion<sup>8</sup>.

1. Investment Trends 2023 Adviser Technology Needs Report.  
 2. HUB24 analysis – June 2023.  
 3. Mercer CFA Institute Global Pension Index 2023  
 4. ASFA Superannuation Statistics, September Qtr 2023.  
 5. Deloitte Dynamics of the Australian Superannuation System, The Next 20 Years to 2041.  
 6. HUB24 analysis based on Strategic Insights Analysis of Wrap, Platform and Master Trust Managed Funds, September2023. The rankings and growth relate to HUB24’s continuing business operations, excluding HUB24’s discontinuation of the Xplora Wealth Super Admin business during FY23.  
 7. ASFA Superannuation Statistics, September Qtr 2023.  
 8. ATO Self-managed super fund statistical report – September2023.

# Market overview and outlook

continued

**Total SMSF accounts and rolling 12 month net establishments Sep-19 to Sep-23<sup>1</sup>**



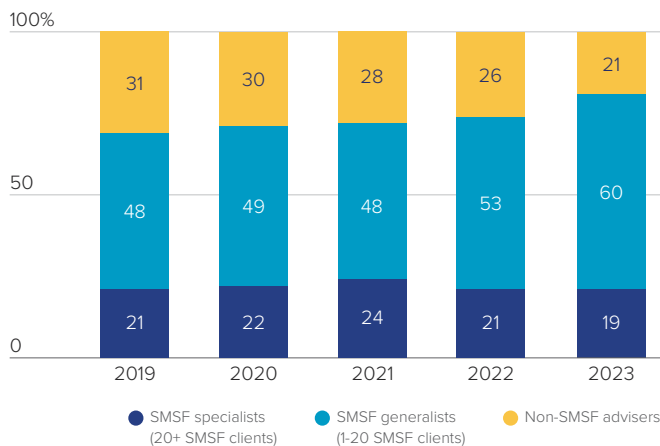
### Growth in the SMSF market

Class is a dominant player within the SMSF administration software market having grown at a CAGR of 2.3% over the last five years, compared to a market CAGR of 1.7%<sup>2</sup> At September 2023, Class had a 30% share of the market which has grown from 28% five years ago.

Class continued to focus on enhancing customer experience, delivering additional training and education, uplifting the service proposition, and developing product enhancements that deliver efficiency and value for customers.

In the context of the current macroeconomic environment, the number of SMSFs administered on Class grew by 2% during the last 12 months, in line with the industry annual net SMSF establishment rate<sup>1</sup>.

**Portion of advisers advising on SMSFs<sup>3</sup>**



Much of this growth is being driven by a cohort of younger trustees seeking control of their superannuation. According to Vanguard/Investment Trends research, the average age at establishment has fallen from 51 years between 2006 and 2014 to 46 years between 2020 and 2022<sup>4</sup>.

In the most recent Investment Trends SMSF Adviser & Accountant Report, 79% of advisers are now advising on SMSFs (up from 69% in 2018). With circa 187,000 SMSFs now administered using Class, the business is well positioned to continue to deliver market-leading software solutions to enable financial professionals to provide superior service to their clients and continue to grow its market share.

1. Based on latest confirmed ATO figures for September 2023, raw SMSF fund numbers, total members of SMSFs and total Australian and overseas assets.  
 2. ATO SMSF quarterly statistical report September 2023, quarterly population data. ATO SMSFs are restated each quarter to take account of closures relating to that quarter.  
 3. 2023 SMSF Adviser Report, Investment Trends.  
 4. Vanguard/Investment Trends 2022 SMSF Investor Report

# Market overview and outlook

## continued

### INDUSTRY RECOGNITION

The HUB24 Group continues to be recognised by financial professionals and the industry for delivering market-leading products and services.

HUB24 was awarded Best Platform Overall, Best Managed Accounts Functionality, Best Mobile Platform, Best Online Business Management and Best in Reporting in the Investment Trends Platform Competitive Analysis and Benchmarking Report 2023.

In the Adviser Ratings Financial Advice Landscape Report 2023, which asks advisers to rate their experience across several categories including adviser and client experience, product offer, service and support, HUB24 ranked first in all seven categories including Best Advice Platform, Best Client Experience, Best Adviser Experience, Ease of Onboarding, Best Functionality, Best Adviser Support and Best Investment Options.

In addition, the HUB24 platform was awarded SMSF Advice Platform of the Year in the 2023 SMSF Adviser Awards, which acknowledges excellence in the SMSF segment and Class Super awarded SMSF Software Platform of the Year in the 2023 SMSF Adviser awards.

In the 2023 Wealth Insights Platform Service Level Report which measures adviser satisfaction, HUB24 was ranked equal first for Overall Satisfaction, and first for Ease of doing Business and IT/Web functionality. In addition, in the 2023 Investment Trends Adviser Technology Needs Report, HUB24 ranked first for adviser advocacy, tax optimisation tools, and client reporting tools amongst primary platform users.

HUB24 platform was also recognised by advisers as Best SMSF Investment Platform in the CoreData SMSF Service Provider Awards 2022 which ranks platforms for service quality and adviser preference.



#### Investment Trends Platform Competitive Analysis and Benchmarking Report 2023

HUB24 was awarded:

- #1 Best Platform Overall
- #1 Best Platform Managed Accounts Functionality
- #1 Best Mobile Platform
- #1 Best in Reporting
- #1 Best in Online Business Management

#### Investment Trends 2023 Adviser Technology Needs Report

- #1 NPS for primary platform users (equal first)
- #1 Primary Platform Advocacy
- #1 Tax Optimisation tools
- #1 Client Reporting



#### Adviser Ratings Financial Advice Landscape Report 2023

HUB24 ranked first in all seven categories including:

- #1 Overall Best Platform
- #1 Best Adviser Experience
- #1 Best Client Experience
- #1 Best Overall Functionality
- #1 Best Ease of Onboarding
- #1 Best Investment Options
- #1 Best Adviser Support



#### 2023 Wealth Insights Platform Service Level Report

- #1 Overall Satisfaction (equal first)
- #1 Ease of Doing Business
- #1 IT/Web Functionality



#### SMSF Adviser Awards 2023

- Class awarded SMSF Software provider of the Year
- HUB24 awarded SMSF Advice Platform of the Year

#### CoreData SMSF Service Provider Awards 2022

HUB24 was awarded Best SMSF Investment Platform

# Market overview and outlook

continued

## OUTLOOK

### Pursuing profitable growth and maintaining leadership



Strong and reliable growth pipeline across both existing and new adviser relationships



Highly scalable, profitable and capital light business with significant recurring revenue across a diverse customer base



Strong balance sheet, net cash and cash flows supporting ongoing investment, shareholder dividends and share buy-back



Invest to extend our market leadership and create tomorrow's integrated wealth solutions



Leverage tech & data to meet evolving customer & industry needs, support adviser efficiency and create future growth opportunities



Capitalise on unique Group capabilities for innovation, competitive advantage & ongoing growth



### Platform FUA target (excluding PARS FUA)

# \$92bn-\$100bn

for FY25<sup>1</sup>

FUA target comprises

- Net flows \$10-12bn p.a. ex large migrations
- Opportunities for large migrations (\$4 billion from EQT in 2HFY24 and FY25)
- Range of market growth assumptions

The outlook is subject to the business risks, which have been identified through the HUB24 Group's risk management framework. The framework supports the identification, assessment, and reporting of both financial and non-financial risk across the business, these risks have been organised into nine key risk categories:

- Strategic;
- Operational;
- Compliance and Conduct;
- Reputation and Sustainability;
- Financial;
- Distribution;
- People;
- Financial Crime and Fraud; and
- Cyber, Data and Technology.

Please refer to the HUB24 Annual Report for more information on these risks and the key exposures to the business.

1. 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.

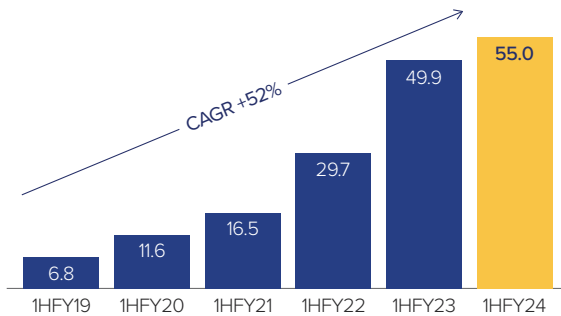
# Review of financial results

The HUB24 Group operating revenue increased by 14% to \$156.7 million (1HFY23: \$137.7 million). Platform revenue increased by 17% to \$120.0 million (1HFY23: \$102.7 million), and Tech Solutions revenue increased by 4% to \$34.8 million (1HFY23: \$33.4 million).

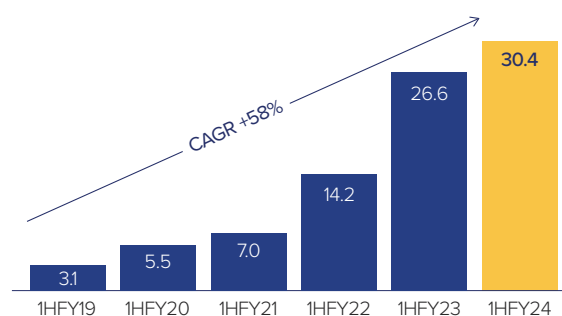
The HUB24 Group’s preferred measure of profitability is Underlying Earnings Before Interest Expense, Tax, Depreciation, Amortisation and Notable Items (UEBITDA), which increased by 10% to \$55.0 million (1HFY23: \$49.9 million).

## GROUP (5 YEAR TREND)

Group Underlying EBITDA (\$m) \$55.0m (up 10%)

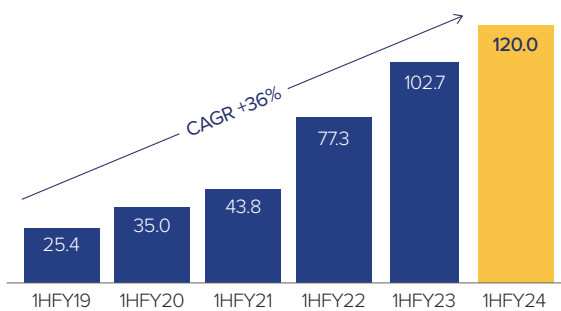


Group Underlying NPAT (\$m) \$30.4m (up 14%)

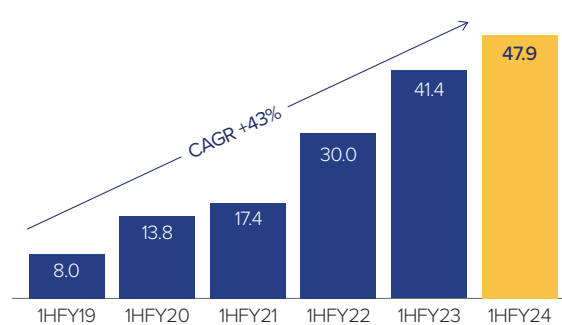


## PLATFORM (5 YEAR TREND)

Platform revenue (\$m) \$120.0m (up 17%)

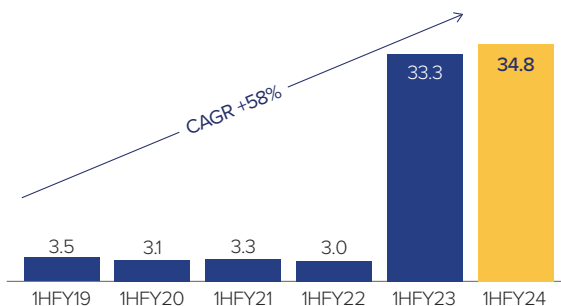


Platform Underlying EBITDA (\$m) \$47.9m (up 16%)

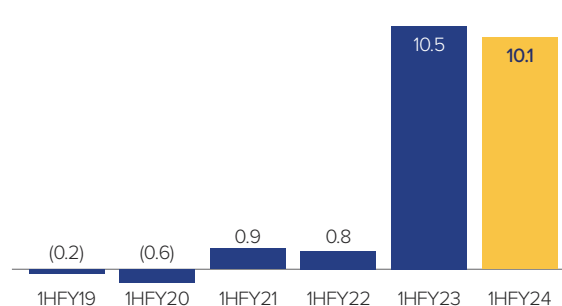


## TECH SOLUTIONS (5 YEAR TREND)

Tech Solutions revenue<sup>1</sup> (\$m) \$34.8m (up 4%)



Tech Solutions Underlying EBITDA<sup>1</sup> (\$m) \$10.1m (down 4%)



1. Class purchased on 16 February 2022 and consolidated from this date.





Group operating revenue

\$156.7M ▲ 14%

1HFY23: \$137.7 million



Platform revenue

\$120.0M ▲ 17%

1HFY23: \$102.7 million

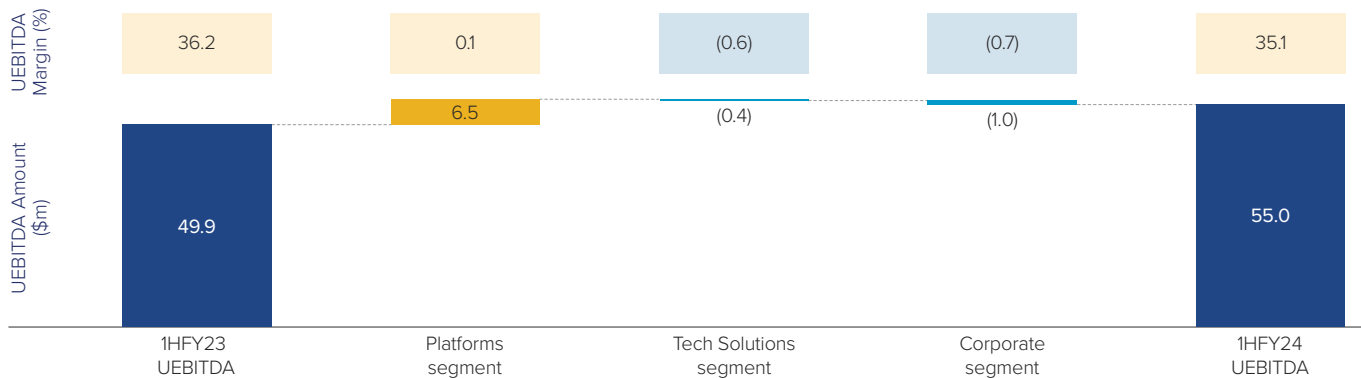


Tech Solutions revenue

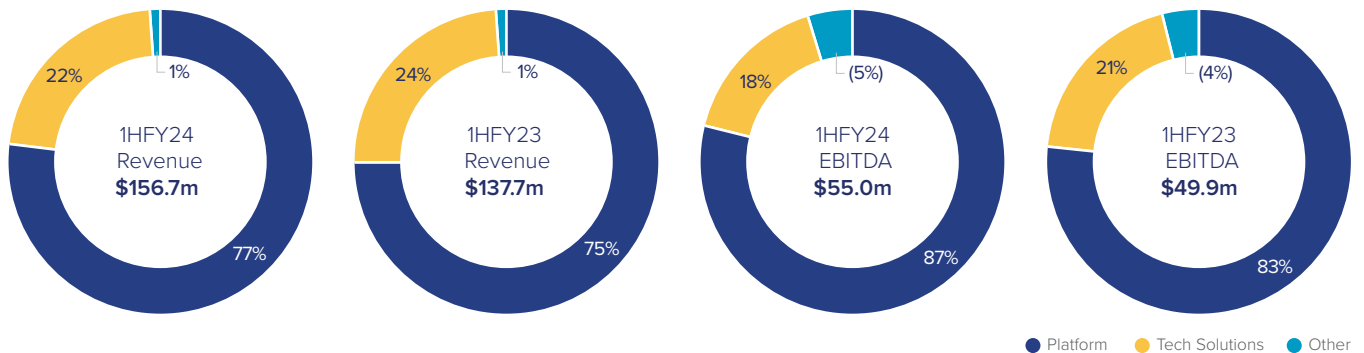
\$34.8M ▲ 4%

1HFY23: \$33.4 million

1HFY24 Group UEBITDA margin was 35.1% (1HFY23: 36.2%).



Composition of Revenue and UEBITDA



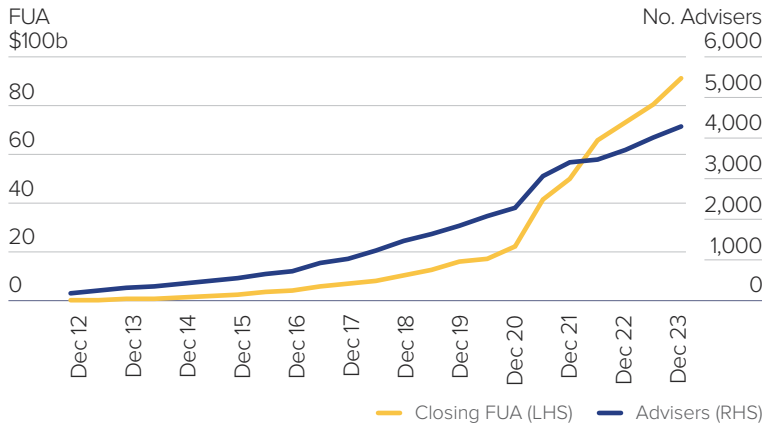
The key drivers of the HUB24 Group's UEBITDA performance were the growth in platform FUA and increasing revenue, partly offset by a reduction in cash management fees from 2HFY23 onwards following the change in ADI provider and a reduction across the platform industry in deposit spreads. Expenses in 1HFY24 have seen an increase in employment related costs due to an uplift in FTE to 883 and includes six months from the acquisition of myprosperity in May 2023.

- Total Funds Under Administration (FUA) increased by 25% to \$91.2 billion (1HFY23: \$73.0 billion);
- Platform FUA increased by 30% to \$72.4 billion (1HFY23: \$55.8 billion) and PARS FUA increased by 9% to \$18.8 billion (1HFY23: \$17.2 billion), driven by of \$2.5 billion with the ASX300 increasing 5.6% between 1 July and 31 December 2023. FUA on the Platform is not fully correlated to movements in equity markets given the portfolio construction includes non- equity assets and client trading activities
- In the context of current market dynamics and macroeconomic events, the business has achieved a strong 1HFY24 with \$7.2 billion of net inflows as at 31 December 2023 (up 26% on pcp). This includes \$1.8 billion migration from Insignia Financial's incumbent administrator to the Insignia Financial private label (Rhythm) administered on the HUB24 Platform;
- Platform revenue increased by 17% to \$120.0 million (1HFY23: \$102.7 million) driven by:
  - Platform FUA and net flows growth as noted above, growth in trading activity partly offset by lower returns on deposits following a change in ADI provider at the end of 1HFY23;
  - The PARS revenue contribution increased \$0.1m in line with the growth in customer account numbers
- Tech Solutions revenue increased to \$34.8 million (1HFY23: \$33.4 million);
- The HUB24 Group continues to invest in the business to support its strategic growth objectives.
  - Platform expenses increased by 18% to \$72.1 million (1HFY23: \$61.3 million). This includes the acquisition of myprosperity and the investment in people within technology and operations, to support growth in FUA, expand distribution capabilities and continue product and technology innovation;
  - Tech Solutions expenses increased by 8% to \$24.7 million (1HFY23: \$22.9 million).
- FTE at 31 December 2023 of 883 increased by 147 or 20% (1HFY23: 736). The increase was driven by the continued investment in the business (102 FTE) and the acquisition of myprosperity (45 FTE). Average FTE increased by approximately 80 FTE 1HFY24 compared to FY23 given the timing of hiring tilted towards Q4FY23 and 1HFY24. In conjunction with salary inflation and the acquisition of myprosperity this has seen a \$10 million increase in employment related expenses compared to 1HFY23.

# Review of financial results

continued

## PLATFORM FUA AND ADVISERS



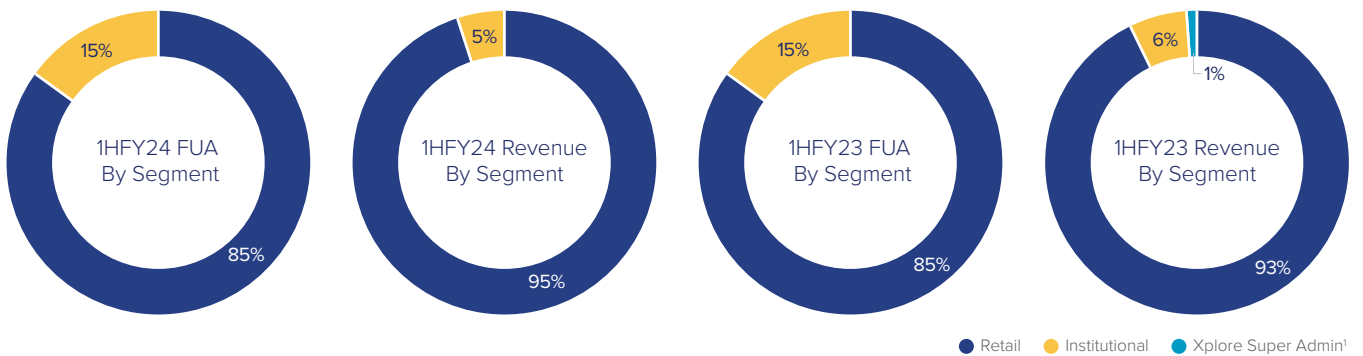
- HUB24’s market leadership position and focus on delivering innovative solutions continues to resonate with our clients, with growth from net inflows across all customer segments including large national licensees, brokers, boutique advice practices and self-licensed advisers. HUB24’s new business pipeline has continued to grow with the number of active advisers using the platform increasing to 4,297 (28% of total advisers), up 16% from 3,692 advisers (23% of total advisers) at 31 December 2022.

## CUSTOMER PROPOSITION AND THE COMPOSITION OF FUA

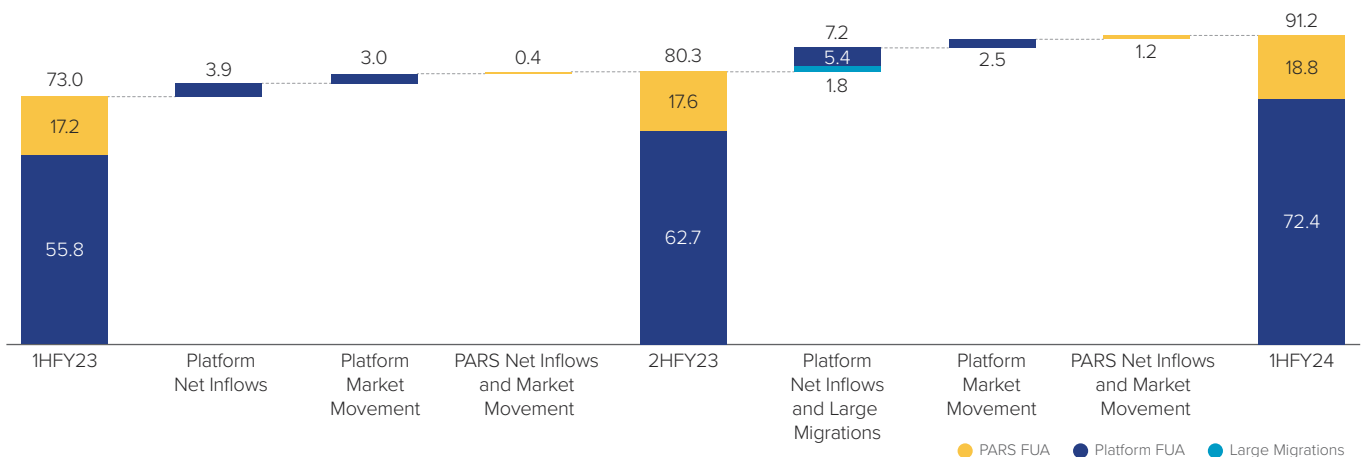
The HUB24 Group categorises its Platform FUA into two distinct client segments, being Retail and Institutional following the migrations for the discontinuation of the ‘Xplore Super Admin’ business in FY23<sup>1</sup>. The HUB24 Group is committed to organically growing the FUA from both new and existing advisers, as well as reviewing inorganic opportunities.

The dynamics of the institutional market mean customers typically access wholesale pricing, and operationally higher efficiencies are achieved from the scale of their portfolios. Margins will fluctuate based on the mix of institutional and retail FUA composition however revenue should continue to increase as the HUB24 Group FUA continues to grow over time.

### Composition of Platform FUA and revenue



## FUA MOVEMENTS (\$B)



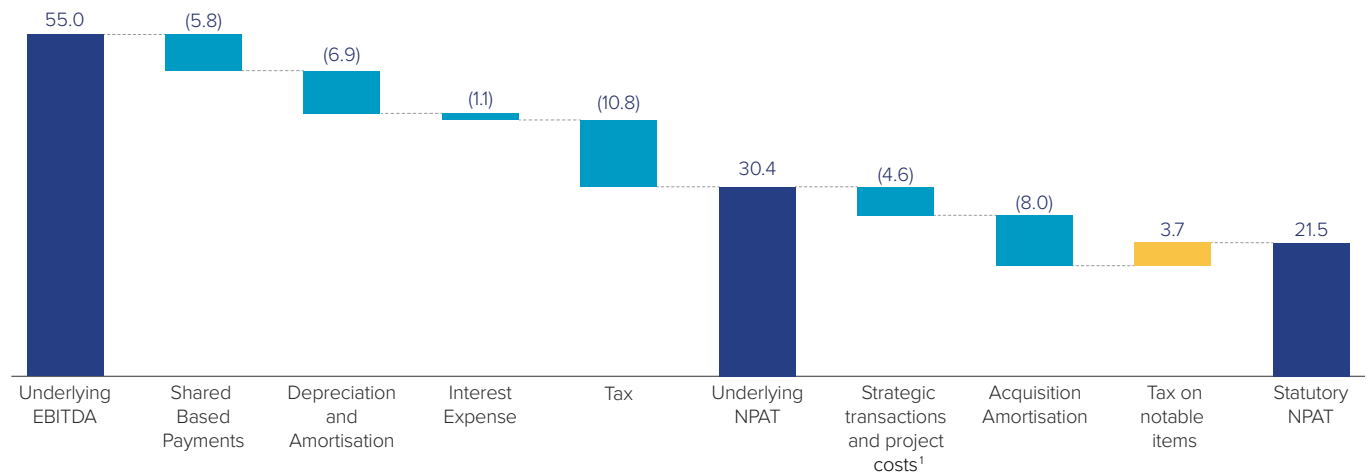
1. SFTs completed in FY23 with the revenue for the Xplore Super Admin ceasing in FY23 with no impact to UEBITDA.

# Review of financial results

continued

## RECONCILIATION OF 1HFY24 UNDERLYING NPAT TO STATUTORY NPAT (\$M)

- The HUB24 Group’s Underlying Net Profit after Tax increased by 14% to \$30.4 million (1HFY23: \$26.6 million);
- Below the line impacts of \$12.6m includes:
  - Strategic transactions and project costs of \$4.6 million includes Xplore integration and costs related to large migrations; and
  - Acquisition amortisation of \$8.0 million includes Xplore of \$1.9 million, Class of \$4.9 million, Ord Minnett of \$0.5 million and myprosperity of \$0.7 million.
- The HUB24 Group’s Statutory Net Profit after Tax increased by 39% to \$21.5 million (1HFY23: \$15.5 million);



1. Includes administrative and resourcing costs related to strategic transactions and project costs including Xplore integration related costs and costs related to large migrations.

# Review of financial results

## continued

### GROUP GROWTH INDICATORS AND FINANCIAL METRICS

HUB24 Group Growth Indicators	1HFY24	2HFY23	1HFY23	1HFY24 v 2HFY23	1HFY24 v 1HFY23
Total Funds under administration (\$m)	91,228	80,346	72,994	14%	25%
Platform Funds under administration (\$m)	72,438	62,710	55,822	16%	30%
PARS Funds under administration (\$m)	18,790	17,636	17,172	7%	9%
Spot Custodial Fee Paying FUA %	78.9	79.3	80.8	(0.4)	(1.9)
Platform Net Inflows (\$m)	7,248	3,963	5,759	83%	26%
Active Advisers on the platform (#)	4,297	4,011	3,692	7%	16%
PARS accounts (#)	8,262	8,154	7,989	1%	3%
Number of accounts (Class)	203,860	202,149	198,619	1%	3%
Document orders (Class) <sup>1</sup>	182,204	178,644	178,638	2%	2%
Companies on Corporate Messenger (Class)	697,573	645,190	621,478	8%	12%
<b>Group Financial Metrics</b>					
Operating Revenue (\$m)	156.7	141.8	137.7	11%	14%
<b>Underlying EBITDA (\$m)</b>	<b>55.0</b>	<b>52.5</b>	<b>49.9</b>	<b>5%</b>	<b>10%</b>
<b>Underlying NPAT (\$m)</b>	<b>30.4</b>	<b>32.2</b>	<b>26.6</b>	<b>(6%)</b>	<b>14%</b>
Underlying EBITDA margin (%)	35.1	37.0	36.2	(1.9)	(1.1)
Cost to income ratio (%)	64.9	63.0	63.8	1.9	1.1
Statutory NPAT (\$m)	21.5	22.7	15.5	(5%)	39%
Effective tax rate (statutory) (%)	24.8	11.0	33.4	1.3	(0.3)
Operating cashflows (\$m)	35.1	45.4	30.0	(23%)	17%
Employee benefits expense (\$m) <sup>2</sup>	(76.2)	(68.8)	(64.7)	11%	18%
Total staff at period end (# FTE)	883	838	736	5%	20%
<b>Earnings per share (cents)</b>					
Basic – underlying	37.33	40.16	33.32	(7%)	12%
Basic – statutory	26.53	28.22	19.47	(6%)	36%
Diluted – underlying	36.17	38.81	32.32	(7%)	12%
Diluted – statutory	25.70	27.26	18.89	(6%)	36%
<b>Dividends</b>					
Dividend (cents per share)	18.5	18.5	14.0	—	32%
Dividend franking (%)	100	100	100	—	—
Underlying NPAT annual payout ratio (%)	49	47	42	2	7
<b>Share Capital</b>					
Number of ordinary shares (closing) (m)	81.2	81.5	80.1	0%	1%
Weighted average number of ordinary shares (basic) (m)	81.1	80.2	79.8	1%	2%
Weighted average number of shares (diluted) (m)	83.8	83.0	82.2	1%	2%
Share Price – closing (\$)	35.99	25.45	26.59	41%	35%
<b>Capital management</b>					
Cash & cash equivalents (\$m)	60.8	72.7	67.1	(16%)	(9%)
Net assets – average (\$m)	507.5	488.4	461.0	4%	10%
Net assets – closing (\$m)	504.6	510.4	466.3	(1%)	8%
Net assets per basic share (\$)	6.21	6.26	5.82	(1%)	7%
Net tangible assets (\$m)	46.6	51.2	41.4	(9%)	13%
Net tangible assets per basic share (\$)	0.57	0.63	0.52	(10%)	10%
Borrowings (\$m)	30.0	30.0	36.3	0%	(17%)
Net cash and cash equivalents (\$m)	30.8	42.7	30.7	(28%)	0%

1. Documents paid for by PAYG and subscription customers during the last 12 months. Prior periods have been adjusted to reflect an updated methodology.

2. Employee benefits expenses includes share based payments and excludes impact of strategic transactions and project costs including Xplore integration related costs and costs related to large migrations.

# Review of financial results

continued

## GROUP FINANCIAL PERFORMANCE

Profit & Loss (\$m)	1HFY24	2HFY23	1HFY23	1HFY24 v 2HFY23	1HFY24 v 1HFY23
Platforms Revenue	120.0	106.1	102.7	13%	17%
Tech Solutions Revenue	34.8	34.1	33.4	2%	4%
Corporate Revenue	1.9	1.6	1.6	19%	19%
<b>Total Revenue</b>	<b>156.7</b>	<b>141.8</b>	<b>137.7</b>	<b>11%</b>	<b>14%</b>
Platform and Tech Solution Expenses	(12.2)	(11.3)	(12.6)	8%	(3%)
Employee Related Expenses	(70.4)	(62.1)	(60.3)	13%	17%
Administrative Expenses	(19.1)	(15.9)	(14.9)	20%	28%
<b>Total Operating Expenses</b>	<b>(101.7)</b>	<b>(89.3)</b>	<b>(87.8)</b>	<b>14%</b>	<b>16%</b>
<b>Underlying EBITDA</b>	<b>55.0</b>	<b>52.5</b>	<b>49.9</b>	<b>5%</b>	<b>10%</b>
<b>Underlying EBITDA by segment</b>					
Platform EBITDA	47.9	43.7	41.4	10%	16%
Tech Solutions EBITDA	10.1	11.3	10.5	(11%)	(4%)
Corporate EBITDA	(3.0)	(2.5)	(2.0)	20%	50%
<b>Underlying EBITDA</b>	<b>55.0</b>	<b>52.5</b>	<b>49.9</b>	<b>5%</b>	<b>10%</b>
<b>Other items</b>					
Share Based Payments	(5.8)	(6.7)	(4.4)	(13%)	32%
<b>EBITDA (before Notable Items)</b>	<b>49.2</b>	<b>45.8</b>	<b>45.5</b>	<b>7%</b>	<b>8%</b>
Depreciation & Amortisation	(6.9)	(5.9)	(5.6)	17%	23%
Interest Expense - Lease	(0.2)	(0.2)	(0.1)	0%	100%
Interest Expense - Other	(0.9)	(0.8)	(0.8)	13%	13%
<b>Profit Before Tax (before Notable Items)</b>	<b>41.2</b>	<b>38.9</b>	<b>39.0</b>	<b>6%</b>	<b>6%</b>
Income Tax Expense	(10.8)	(6.7)	(12.4)	61%	(13%)
<b>Underlying NPAT</b>	<b>30.4</b>	<b>32.2</b>	<b>26.6</b>	<b>(6%)</b>	<b>14%</b>
<b>Notable items</b>					
Strategic transactions and project costs <sup>1</sup>	(4.6)	(5.7)	(4.0)	(19%)	15%
Acquisition Amortisation	(8.0)	(7.7)	(8.5)	4%	(6%)
Impairments <sup>2</sup>	—	—	(3.3)	—	(100%)
Tax effect on Notable Items	3.7	3.9	4.7	(5%)	(21%)
<b>Net Profit/(Loss) After Tax</b>	<b>21.5</b>	<b>22.7</b>	<b>15.5</b>	<b>(5%)</b>	<b>39%</b>

1. Includes administrative and resourcing costs related to strategic transactions and project costs including Xplore integration related costs and costs related to large migrations.

2. Impairment charge of \$3.3 million in relation to the carrying value of investment in Diverger Limited (ASX:DVR).

# Review of financial results

## continued

### REVENUE

The HUB24 Group operating revenue increased by 14% to \$156.7 million (1HFY23: \$137.7 million).

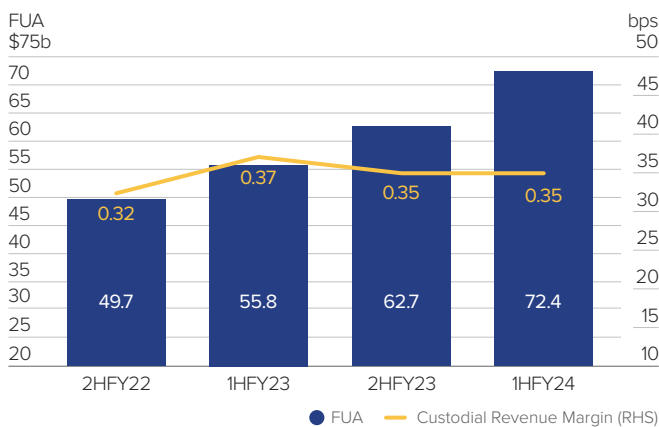
Key drivers include:

- Platform revenue increased by 17% to \$120.0 million (1HFY23: \$102.7 million). Revenue growth driven by Custodial FUA increasing by 30% to \$72.4 billion at 31 December 2023 (1HFY23: \$55.8 billion);
- Tech Solutions revenue increasing to \$34.8 million (1HFY23: \$33.4 million) from software licensing and consulting services; and
- Corporate revenue was \$1.9 million, reflecting interest income and equity accounted profits from the investment in Diverger.

### PLATFORM REVENUE AND MARGINS

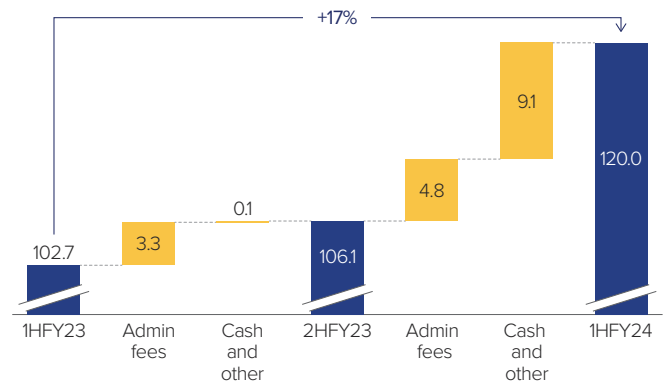
Platform revenue comprises a mix of FUA based fees, including tiered administration fees, cash management fees and transaction fees such as trading in equities.

#### Platform margin and FUA

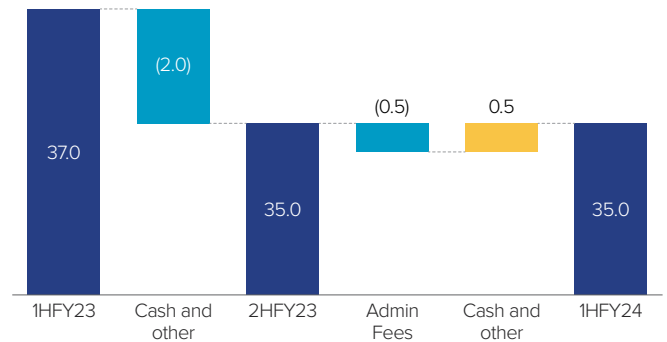


For 1HFY24, Platform revenue margin was 0.35% of average FUA (1HFY23: 0.37%), calculated as the average of opening and closing FUA of each month.

#### Platform operating revenue (\$m)



#### Platform revenue margin (BPS)



As shown in the chart above, 1HFY24 Platform revenue margin held flat to 2HFY23 (decreased 2 bps to 1HFY23). During the half-year we have experienced normal admin fee margin compression from fee tiering and capping, which was offset by higher trading activity.

The revenue margin may fluctuate from period to period depending upon cyclical market conditions, the level of trading activity, shifts in the mix of client portfolios or variations in the average account balance on the Platform.

Generally, as average account balances on the Platform increase over time, the tiered administration fee paid by clients will tend to decrease as a percentage of FUA while fees will generally increase in absolute dollar terms. The percentage of FUA custody paying as at 1HFY24 was 78.9% which was slightly down on 1HFY23 which was 80.8%.

The accounts on the Platform for 1HFY24 were up 24% on the prior year, and PARS accounts up 3%.

# Review of financial results

continued

## GROUP EXPENSES

Consolidated HUB24 Group expenses increased by 15% to \$128.1 million (1HFY23: \$111.2 million).

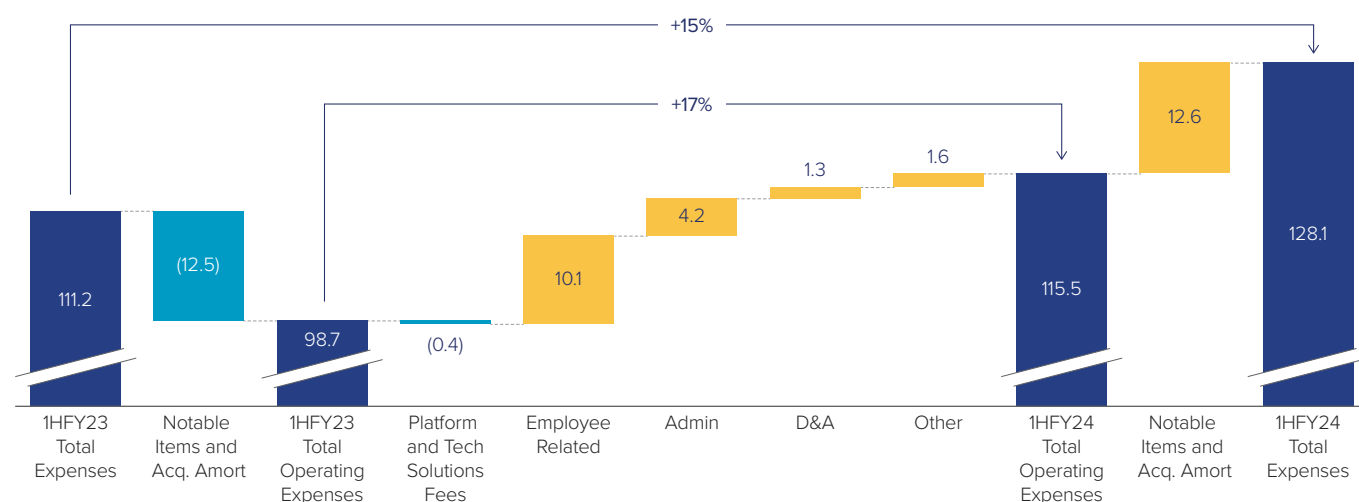
The HUB24 Group's operating expenses<sup>1</sup> increased by \$16.8 million or 17% to \$115.5 million (1HFY23: \$98.7 million) with the acquisition of myprosperity and the investment made in headcount resources dedicated to technology, future Platform development and business strategy to drive future growth. The investment in headcount will continue to be leveraged in future periods.

The HUB24 Group FTE increased by 20% to 883 as at 31 December 2023 from 736 as at 31 December 2022. Continued investment in the business increased FTE by 102 and with the acquisition of myprosperity FTE increased an additional 45.

The HUB24 Group's cost to income ratio increased 1.1% to 64.9% (1HFY23: 63.8%) reflecting strategic investment costs from increased headcount mentioned above partially offset by strong revenue growth from the increasing Platform scale.

In addition, the HUB24 Group incurred notable items of \$12.6 million (1HFY23: \$12.5 million), due to acquisition amortisation, strategic transactions and project costs<sup>2</sup>.

### Group expenses (\$m)



1. Consolidated Group expenses include total operating expenses, share based payments, depreciation & amortisation and interest expenses.

2. Includes Xplore integration related costs and costs related to large migrations.

# Review of financial results

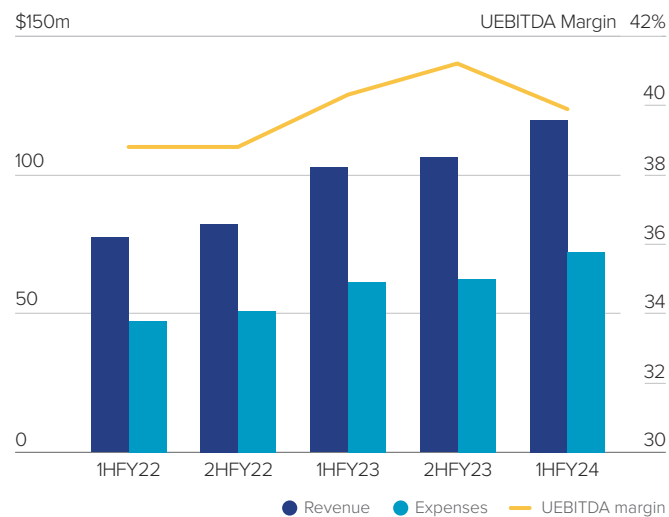
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## UNDERLYING EBITDA

The HUB24 Group Underlying EBITDA (UEBITDA) before Notable Items increased by 10% to \$55.0 million (1HFY23: \$49.9 million) due to:

- Growth in Platform FUA to \$72.4 billion as at 31 December 2023, compared to \$55.8 billion in 1HFY23, and higher PARS number of customers accounts at 8,262 (1HFY23: 7,989); and
- The HUB24 Group UEBITDA margin was 35.1% (1HFY23: 36.2%), lower on 1HFY23 with platform revenue and volume benefits offset by increased investment in people resources for future growth and scalability and the acquisition of myprosperity.
- myprosperity UEBITDA loss of \$0.5 million in 1HFY24 was in line with expectations with a slower ramp up in revenue offset by expense management.

### Platform revenue and expense trends



## GROUP UNDERLYING NPAT

The HUB24 Group Underlying NPAT represents NPAT before Notable Items. Underlying NPAT increased 14% to \$30.4 million (1HFY23: \$26.6 million).

The key drivers impacting the movement between Underlying EBITDA and Underlying NPAT in 1HFY24 were:

- Employee share based payments increased to \$5.8 million (1HFY23: \$4.4 million). The increase on 1HFY23 relates to the grant of Special Performance Awards Rights (SPARs) in FY21 to the Managing Director and a small number of key senior people with the SPARs probability of vesting increasing in 2HFY23 and continuing into 1HFY24, the Employee Share Scheme issued in 1HFY24 and the increase of the probability of vesting for myprosperity rights as we continue to deliver integration milestones;
- The HUB24 Group has a policy of capitalising investment in its assets, which is then amortised over its useful life. During the first half, \$6.9 million of Platform segment and \$4.0 million of Tech Solutions software cost were capitalised;
- Depreciation and amortisation expenses increased by 23% to \$6.9 million (1HFY23: \$5.6 million) driven by higher levels of investment in IT;
- Strategic transactions and project costs of \$4.6 million includes Xplore integration related costs and costs related to large migrations;
- Acquisition amortisation of \$8.0 million has been recognised in 1HFY24 (1HFY23: \$8.5 million). This includes Xplore of \$1.9 million, Class of \$4.9 million, Ord Minnett of \$0.5 million and myprosperity of \$0.7 million.



# Review of financial results

continued

## INCOME TAX

Income tax expense decreased by 8% to \$7.1 million (1HFY23: \$7.7 million). The effective tax rate for 1HFY24 was 24.8% (1HFY23: 33.4%), with the decrease due to movements in deferred tax balances.

## CAPITAL MANAGEMENT

The HUB24 Group has access to a \$5 million working capital facility, which remained undrawn during the period.

The HUB24 Group has in place a revolving line of credit facility with CBA which covers the whole Group totaling \$31 million. \$1 million remained undrawn during the period.

In addition, the HUB24 Group has access to an accordion<sup>1</sup> facility of \$50 million specifically for strategic transactions, which remained undrawn during the period.

The HUB24 Group, through its licensed subsidiaries, fully complied with the minimum regulatory capital requirements for IDPS Operators and providers of custodial services for the period ended 31 December 2023.

During 1HFY24, the HUB24 Group purchased \$10 million of treasury shares on market to service the HUB24 Group's Employee Share Plans (1HFY23: \$nil).

During 1HFY24, the HUB24 Group purchased 302,929 HUB24 shares on market as part of the share buy-back announced in August 2023 at an average price of \$33.00 for total consideration of \$10 million (1HFY23: \$nil). All shares purchased have been cancelled. The on market share buy-back has a targeted maximum value of \$50m.

The HUB24 Group recorded a 17% increase in net cash flow from operating activities to \$35.1 million (1HFY23: \$30.1 million). Underlying operating cash flows were \$39.7 million (an increase of 16% on 1HFY23) when adjusted for Strategic transactions and project costs<sup>2</sup> of \$4.6 million (1HFY23: \$4.1 million); and

Net cash and cash equivalents after deducting borrowings was \$30.8 million at 31 December 2023 (\$30.7 million at 31 December 2022).

## DIVIDENDS

The Board has previously announced its intention to target a dividend payout ratio between 40% and 60% of the HUB24 Group's annual Underlying Net Profit After Tax.

Subsequent to 31 December 2023, the Directors have determined a fully franked interim dividend of 18.5 cents per share. This represents an increase of 32% and a payout ratio of 49%.

The payment of a dividend by the HUB24 Group is at the discretion of the Board and will be a function of a number of factors, including the general business environment, financial condition of the HUB24 Group, capital management initiatives and any other factors the Board may consider relevant.

Dates for the Final dividend are as follows:

- Ex-date: 18 March 2024;
- Record date: 19 March 2024; and
- Dividend payment date: 16 April 2024.

## FINANCIAL IMPACTS OF THE STRATEGIC TRANSACTIONS

The myprosperity PPA has been completed with the allocation of the purchase price to the fair market value ("FMV") of the assets acquired and liabilities assumed reflected in 1HFY24 financial statements. Refer to section 6.1 of the financial statements.

Total transaction costs for the myprosperity acquisition were \$0.4m and recorded in FY23.

### Financial Impacts of the Strategic Transactions

\$m	FY21 Actuals	FY22 Actuals	FY23 Actuals	1HFY24 Actuals	2HFY24 Expected	FY24 Expected <sup>5</sup>	Total
<b>Xplore and Ord Minnett Acquisitions</b>							
Implementation and integration Costs <sup>3</sup>	(4)	(5)	(6)	(3)	(2)	(5)	<b>(20)</b>
Synergies Benefits <sup>4</sup>	1	4	9	10	10	10	<b>n/a</b>
Earnings Per Share Growth	—	13%+	—	—	—	—	<b>—</b>

1. Subject to standard lending terms and conditions.

2. Includes administrative and resourcing costs related to strategic transactions and project costs including Xplore integration related costs and costs related to large migrations.

3. Recognised through strategic transactions below underlying NPAT.

4. \$9m synergies FY23 and \$10m+ in FY24

5. FY24 final year of Xplore integration costs related to the completion of the MDA migration in 1HFY25 reflected in the normal operating expenses of the HUB24 platform segment.

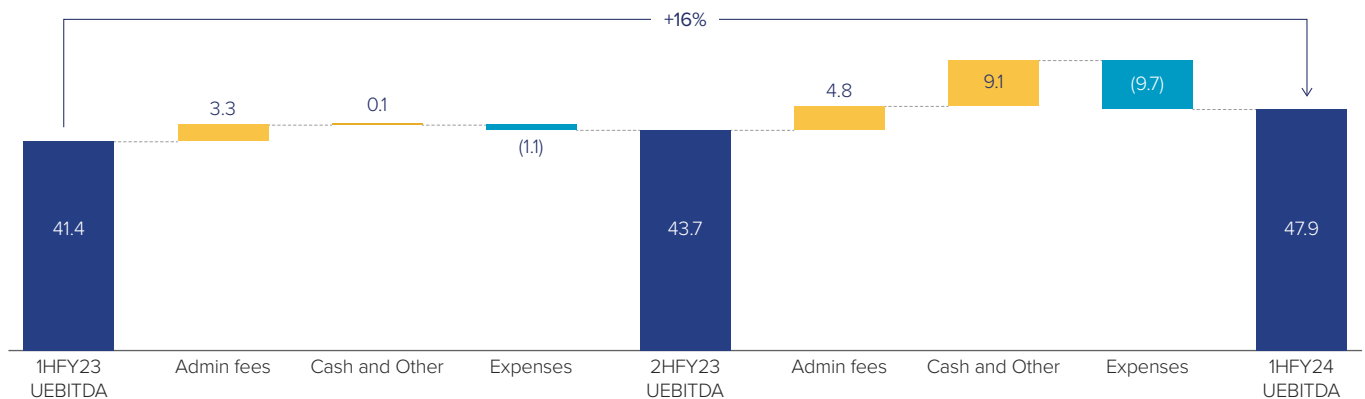
# Segment results

## PLATFORM SEGMENT

Profit & Loss (\$m)	1HFY24	2HFY23	1HFY23	1HFY24 v 2HFY23	1HFY24 v 1HFY23
<b>Total Revenue</b>	<b>120.0</b>	<b>106.1</b>	<b>102.7</b>	<b>13%</b>	<b>17%</b>
Platform and Custody Expenses	(11.1)	(10.1)	(11.7)	10%	(5%)
Employee Related Expenses	(50.3)	(44.2)	(42.2)	14%	19%
Administrative Expenses	(10.7)	(8.1)	(7.4)	32%	45%
<b>Total Operating Expenses</b>	<b>(72.1)</b>	<b>(62.4)</b>	<b>(61.3)</b>	<b>16%</b>	<b>18%</b>
<b>Underlying EBITDA</b>	<b>47.9</b>	<b>43.7</b>	<b>41.4</b>	<b>10%</b>	<b>16%</b>
<b>Below UEBITDA Items</b>					
Depreciation & Amortisation	(4.5)	(3.7)	(3.6)	22%	25%
Interest Expense - Lease	—	—	—	—	—
<b>Profit Before Tax (before Notable Items)</b>	<b>43.4</b>	<b>40.0</b>	<b>37.8</b>	<b>9%</b>	<b>15%</b>
Strategic transactions and project costs <sup>1</sup>	(4.6)	(5.7)	(4.0)	(19%)	15%
Acquisition Amortisation	(3.1)	(2.8)	(3.6)	11%	(14%)
<b>Profit Before Tax (after Notable Items)</b>	<b>35.7</b>	<b>31.5</b>	<b>30.2</b>	<b>13%</b>	<b>18%</b>
Platform Capex	6.9	5.8	2.6	19%	165%
<b>Key margins (%)</b>					
UEBITDA margin	39.9	41.2	40.3	(1.3)	(0.4)
<b>Platform Segment Statistics</b>					
Total FUA (\$m)	91,228	80,346	72,994	14%	25%
<b>Platform FUA (\$m)</b>	<b>72,438</b>	<b>62,710</b>	<b>55,822</b>	<b>16%</b>	<b>30%</b>
Net Inflows (from continuing operations) <sup>2</sup> (\$m)	7,248	3,963	5,759	83%	26%
Gross Flows (excluding strategic transactions) (\$m)	11,740	7,773	9,342	51%	26%
Active Advisers	4,297	4,011	3,692	7%	16%
Retail revenue margin (bps)	38	38	41	0%	(7%)
Institutional revenue margin (bps)	13	14	16	(7%)	(19%)
Xplore Super Admin revenue margin (bps)	—	—	12	—	(100%)
<b>Platform revenue margin (bps)<sup>3</sup></b>	<b>35</b>	<b>35</b>	<b>37</b>	<b>0%</b>	<b>(5%)</b>
<b>PARS FUA (\$m)</b>	<b>18,790</b>	<b>17,636</b>	<b>17,172</b>	<b>7%</b>	<b>9%</b>
PARS Accounts (#)	8,262	8,154	7,989	1%	3%

1HFY24 Platform UEBITDA was \$47.9m (1HFY23: \$41.4m). 1HFY24 benefitted from higher FUA balances and increased trading activity partially offset by the myprosperity acquisition and increased investment in people resource for future platform development and scale.

### UEBITDA Amount (\$m)



1. Includes administrative and resourcing costs related to strategic transactions and project costs.
2. Excludes the Xplore Super Admin discontinued operations.
3. Custodial revenue divided by average custodial FUA

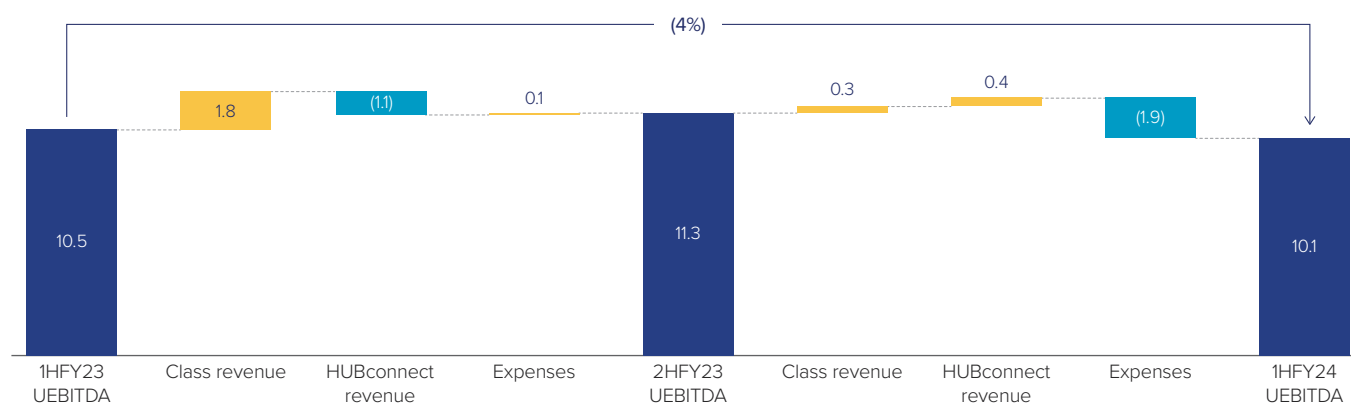
# Segment results

continued

## TECH SOLUTIONS SEGMENT

Profit & Loss (\$m)	1HFY24	2HFY23	1HFY23	1HFY24 v 2HFY23	1HFY24 v 1HFY23
<b>Total Revenue</b>	<b>34.8</b>	<b>34.1</b>	<b>33.4</b>	<b>2%</b>	<b>4%</b>
Tech Solutions Expenses	(1.1)	(1.1)	(0.9)	0%	22%
Employee Related Expenses	(17.2)	(15.8)	(16.7)	9%	3%
Administrative Expenses	(6.4)	(5.9)	(5.3)	8%	21%
<b>Total Operating Expenses</b>	<b>(24.7)</b>	<b>(22.8)</b>	<b>(22.9)</b>	<b>8%</b>	<b>8%</b>
<b>Underlying EBITDA</b>	<b>10.1</b>	<b>11.3</b>	<b>10.5</b>	<b>(11%)</b>	<b>(4%)</b>
<b>Below UEBITDA Items</b>					
Depreciation & Amortisation	(2.4)	(2.2)	(2.0)	9%	20%
Interest Expense - Lease	—	0.1	(0.1)	(100%)	(100%)
Interest Expense - Other	—	0.6	(0.6)	(100%)	(100%)
<b>Profit Before Tax (before Notable Items)</b>	<b>7.7</b>	<b>9.8</b>	<b>7.8</b>	<b>(21%)</b>	<b>(1%)</b>
Strategic transactions and project costs <sup>1</sup>	—	—	—	—	—
Acquisition Amortisation	(4.9)	(5.0)	(4.9)	(2%)	0%
<b>Profit/Loss Before Tax (before Notable Items)</b>	<b>2.8</b>	<b>4.8</b>	<b>2.9</b>	<b>(42%)</b>	<b>(3%)</b>
Tech Solutions Capex <sup>2</sup>	4.0	3.5	4.3	14%	(7%)
<b>Key margins (%)</b>					
UEBITDA margin	29.1	33.1	31.4	(4.0)	(2.3)
<b>Tech Solutions Segment Statistics</b>					
Class Super accounts	186,961	186,190	183,239	0%	2%
Class Portfolio accounts	13,834	13,038	12,694	6%	9%
Class Trust accounts	3,065	2,921	2,686	5%	14%
Class accounts <sup>3</sup>	203,860	202,149	198,619	1%	3%
Class Document Orders (rolling 12 months) <sup>4</sup>	182,204	178,644	178,638	2%	2%
Class Companies on Corporate Messenger <sup>5</sup>	697,573	645,190	621,478	8%	12%
Class Super APRU <sup>6</sup> (\$)	232	232	222	0%	5%
Class Portfolio APRU <sup>6</sup> (\$)	124	120	118	3%	5%
Class Trust APRU <sup>6</sup> (\$)	238	238	210	0%	13%

1HFY24 Tech Solutions UEBITDA was \$10.1m (1HFY23: \$10.5m).



- Includes administrative and resourcing costs related to strategic transactions and project costs including Xplore integration related costs and costs related to large migrations.
- Tech Solutions capitalised costs including fixed assets, leasing and software costs was \$4.0m.
- Number of Class accounts at the end of each half and full year consists of Class Super, Class Portfolio and Class Trust licenses.
- Documents paid for by PAYG and subscription customers during the last 12 months. Prior periods have been adjusted to reflect an updated methodology.
- Number of active companies at the end of each half and full year.
- Average Revenue Per Unit.

# Segment results

continued

## CORPORATE SEGMENT

Profit & Loss (\$m)	1HFY24	2HFY23	1HFY23	1HFY24 v 2HFY23	1HFY24 v 1HFY23
<b>Total Revenue</b>	<b>1.9</b>	<b>1.6</b>	<b>1.6</b>	<b>19%</b>	<b>19%</b>
<b>Total Operating Expenses</b>	<b>(4.9)</b>	<b>(4.1)</b>	<b>(3.6)</b>	<b>20%</b>	<b>36%</b>
<b>Underlying EBITDA</b>	<b>(3.0)</b>	<b>(2.5)</b>	<b>(2.0)</b>	<b>20%</b>	<b>50%</b>
<b>Other Items</b>					
Share Based Payments	(5.8)	(6.7)	(4.4)	(13%)	32%
<b>EBITDA (before Notable Items)</b>	<b>(8.8)</b>	<b>(9.2)</b>	<b>(6.4)</b>	<b>(4%)</b>	<b>38%</b>
Interest Expense - Lease	(0.2)	(0.3)	—	(33%)	(100%)
Interest Expense - Other	(0.9)	(1.4)	(0.2)	(36%)	Large
<b>Profit/Loss Before Tax (before Notable Items)</b>	<b>(9.9)</b>	<b>(10.9)</b>	<b>(6.6)</b>	<b>(9%)</b>	<b>50%</b>
Strategic transactions and project costs <sup>1</sup>	—	—	—	—	—
Impairments	—	—	(3.3)	—	(100%)
<b>Loss Before Tax (after Notable Items)</b>	<b>(9.9)</b>	<b>(10.9)</b>	<b>(9.9)</b>	<b>(9%)</b>	<b>0%</b>

1. Includes administrative and resourcing costs related to strategic transactions and project costs including Xplore integration related costs and costs related to large migrations.

# Balance Sheet

Balance Sheet (\$m)	1HFY24	2HFY23	1HFY23	1HFY24 v 2HFY23	1HFY24 v 1HFY23
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	60.8	72.7	67.1	(16%)	(9%)
Trade and other receivables	34.5	29.5	30.6	17%	13%
Current tax receivables	2.9	1.9	1.1	53%	164%
Other current assets	7.3	6.8	5.4	7%	35%
<b>Total current assets</b>	<b>105.5</b>	<b>110.9</b>	<b>104.2</b>	<b>(5%)</b>	<b>1%</b>
<b>Non-current assets</b>					
Investment in associates	13.6	12.2	12.1	11%	12%
Intangible assets (including goodwill)	458.0	459.2	424.8	0%	8%
Loans receivable	2.1	1.3	0.7	62%	Large
Right of use asset	7.8	9.6	9.0	(19%)	(13%)
Deferred tax assets (net of deferred tax liability)	—	0.5	—	(100%)	n/a
Property, plant and equipment	2.7	3.0	3.0	(10%)	(10%)
<b>Total non-current assets</b>	<b>484.2</b>	<b>485.8</b>	<b>449.6</b>	<b>0%</b>	<b>8%</b>
<b>Total Assets</b>	<b>589.7</b>	<b>596.7</b>	<b>553.8</b>	<b>(1%)</b>	<b>6%</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	14.0	16.7	13.6	(16%)	3%
Provisions	21.8	24.4	20.9	(11%)	4%
Current tax liabilities	—	—	—	n/a	n/a
Borrowings	—	—	21.3	n/a	(100%)
Lease liabilities	3.3	3.8	3.3	(13%)	n/a
Deferred tax liabilities (net of deferred tax assets)	—	—	3.4	n/a	(100%)
Other current liabilities	0.3	0.1	0.3	Large	n/a
<b>Total current liabilities</b>	<b>39.4</b>	<b>45.0</b>	<b>62.8</b>	<b>(12%)</b>	<b>(37%)</b>
<b>Non-current liabilities</b>					
Lease liabilities	5.1	6.4	6.4	(20%)	(20%)
Provisions	3.7	4.5	2.9	(18%)	28%
Borrowings	30.0	30.0	15.1	0%	99%
Deferred income	0.3	0.4	0.3	(25%)	n/a
Deferred tax liabilities (net of deferred tax assets)	5.8	—	—	n/a	n/a
Other non-current liabilities	0.8	—	—	n/a	n/a
<b>Total non-current liabilities</b>	<b>45.7</b>	<b>41.3</b>	<b>24.7</b>	<b>11%</b>	<b>85%</b>
<b>Total liabilities</b>	<b>85.1</b>	<b>86.3</b>	<b>87.5</b>	<b>(1%)</b>	<b>(3%)</b>
<b>Net assets</b>	<b>504.6</b>	<b>510.4</b>	<b>466.3</b>	<b>(1%)</b>	<b>8%</b>
<b>EQUITY</b>					
Issued capital	478.4	491.5	464.3	(3%)	3%
Profit reserve	73.6	67.2	55.8	10%	32%
Share based payment reserves	27.6	26.7	21.2	3%	30%
Retained earnings	(75.0)	(75.0)	(75.0)	n/a	n/a
<b>Total equity</b>	<b>504.6</b>	<b>510.4</b>	<b>466.3</b>	<b>(1%)</b>	<b>8%</b>

# Cashflow

Cashflow (\$m)	1HFY24	2HFY23	1HFY23	1HFY24 v 2HFY23	1HFY24 v 1HFY23
<b>Cash flows from operating activities</b>					
Receipts from customers (inclusive of GST)	148.4	141.8	131.9	5%	13%
Payments to suppliers and employees (inclusive of GST)	(108.0)	(86.8)	(89.6)	24%	21%
Interest received	1.5	1.1	1.0	36%	50%
Interest paid on lease liability	(0.2)	(0.1)	(0.2)	100%	0%
Short term lease payments	(0.1)	(0.1)	(0.1)	0%	0%
<b>Net cash inflow from operating activities prior to strategic costs and tax</b>	<b>41.6</b>	<b>55.9</b>	<b>43.0</b>	<b>(26%)</b>	<b>(3%)</b>
Strategic transaction and project costs	(4.6)	(5.6)	(4.1)	(18%)	12%
Income tax payment	(1.9)	(4.9)	(8.8)	(61%)	(78%)
<b>Net cash inflow from operating activities</b>	<b>35.1</b>	<b>45.4</b>	<b>30.1</b>	<b>(23%)</b>	<b>17%</b>
<b>Cash flows from investing activities</b>					
Payments for acquisitions net of cash acquired	—	(0.4)	—	(100%)	n/a
Payments for office equipment	(0.4)	(0.8)	(0.8)	(50%)	(50%)
Payments for intangible assets	(10.8)	(9.3)	(6.9)	16%	57%
Investment in joint venture	(1.4)	—	—	n/a	n/a
Dividends from associate	0.4	0.7	—	(43%)	n/a
<b>Net cash (outflow) from investing activities</b>	<b>(12.2)</b>	<b>(9.8)</b>	<b>(7.7)</b>	<b>24%</b>	<b>58%</b>
<b>Cash flows from financing activities</b>					
Loan facility (advance)/repayment	—	(0.5)	14.9	(100%)	(100%)
Payments for capital raising costs	—	(0.1)	—	(100%)	n/a
Proceeds from share options exercised by employees	2.2	0.1	1.1	Large	100%
Repayment of borrowings	—	(6.3)	(3.0)	(100%)	(100%)
Payments for treasury share buy-backs	(10.0)	(10.0)	—	0%	n/a
Payments for on-market share buy-backs	(10.0)	—	—	n/a	n/a
Repayment of lease principal payments	(1.9)	(1.9)	(1.8)	0%	6%
Dividends paid	(15.1)	(11.2)	(10.0)	35%	51%
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(34.8)</b>	<b>(29.9)</b>	<b>1.2</b>	<b>16%</b>	<b>(Large)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(11.9)</b>	<b>5.7</b>	<b>23.6</b>	<b>(Large)</b>	<b>(150%)</b>
Cash and cash equivalents at the beginning of the period	72.7	67.0	43.5	9%	67%
<b>Cash and cash equivalents at end of the period</b>	<b>60.8</b>	<b>72.7</b>	<b>67.1</b>	<b>(16%)</b>	<b>(9%)</b>

The HUB24 Group continues to generate strong operating cashflows, with 1HFY24 net cash inflow from operating activities prior to strategic costs and tax of \$41.6 million (1HFY23: \$43.0 million).

The HUB24 Group maintains cash reserves significantly above regulatory capital requirements.

Cash and cash equivalents at 31 December 2023 were \$60.8 million (1HFY23: \$67.1 million), and the HUB24 Group recorded positive cashflow from operating activities of \$35.1 million (1HFY23: \$30.1 million). Net cash and cash equivalents after deducting borrowings was \$30.8 million (1HFY23: \$30.7 million).

The increase in receipts from customers mainly driven by higher FUA balances and increased trading activity.

The increase in payments to suppliers reflects the acquisition of myprosperity and increased investment in people resource for future platform development and scale.

Cash outflows from financing activities of \$34.8 million includes \$15.1 million of dividends, \$10 million for the purchase of Treasury Shares to service the long term incentive schemes, \$10 million for on-market share buy backs, partly offset by \$2.2 million proceeds from the exercising of employee options.

# Glossary

<b>ARPU</b>	Average Revenue Per Unit
<b>Cost to income ratio (%)</b>	Total operating expenses divided by total revenue
<b>EBITDA</b>	Earnings before interest, tax, depreciation, amortisation
<b>Funds under administration (FUA)</b>	The value of customer portfolios invested onto the Platform
<b>Net tangible assets per basic share</b>	Total Assets less Total Liabilities adjusted for Intangible Assets, divided by the number of outstanding ordinary paid shares
<b>Notable Items</b>	Includes administrative and resourcing costs related to strategic transactions and project costs, and Amortisation relating to the acquisition of Xplore, Class and Ords Minnett
<b>ORFR</b>	Operational Risk Financial Requirement relates to the HUB24 Superannuation Fund's requirement to hold adequate reserves against operational losses in accordance with APRA Prudential Standard SPS114
<b>PARS FUA</b>	Portfolio And Reporting Services – refers to the non-custodial portfolio
<b>Platform FUA</b>	Refers to the custodial portfolio
<b>PPA</b>	The purchase price accounting for the Xplore, Class and myprosperity acquisitions
<b>PPU</b>	Pay Per Unit
<b>Revenue margin (bps)</b>	Custodial revenue divided by average custodial FUA
<b>SMSF</b>	Self-managed super fund
<b>STI/LTI</b>	Short term incentive/Long term incentive
<b>Underlying EBITDA</b>	Refers to EBITDA excluding notable items
<b>Underlying EBITDA margin from continuing operations (%)</b>	Underlying EBITDA divided by total revenue

# Corporate information

## HUB24 LIMITED

ACN 124 891 685

## PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

Level 2, 7 Macquarie Place  
Sydney NSW 2000 Australia

## DIRECTORS

Mr Paul Rogan (Chairman and Independent Non-Executive Director)  
Mr Andrew Alcock (Managing Director)  
Mr Anthony McDonald (Independent Non-Executive Director)  
Ms Catherine Kovacs (Independent Non-Executive Director)  
Ms Rachel Grimes AM (Independent Non-Executive Director)  
Mr Bruce Higgins (Chairman and Independent Non-Executive Director retired on 16 November 2023)

## COMPANY SECRETARIES

Ms Kitrina Shanahan  
Mr Andrew Brown

## AUDITOR

### Deloitte Touche Tohmatsu

Quay Quarter Tower, 50 Bridge St,  
Sydney NSW 2000

## SHARE REGISTRY

### Link Market Services Limited

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Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

HUB24 Limited shares are listed on the  
Australian Securities Exchange (ASX: **HUB**)

## ELECTRONIC COMMUNICATIONS

HUB24 encourages our shareholders to receive investor  
communications electronically, including the Annual Report.

These reports are available on our website at [www.HUB24.com.au](http://www.HUB24.com.au).

To register for electronic investor communications, please go to  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) and register for online services.

## WEBSITE

[hub24.com.au](http://hub24.com.au)

## LINKEDIN

<https://www.linkedin.com/company/hub-24/>



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[HUB24.COM.AU](https://HUB24.COM.AU)