



ASX Release: 27 August 2019

FY19 Results: HUB24 delivers strong growth and upgrades FUA guidance

HUB24 (ASX: HUB) today announced its results for the year ended 30 June 2019 (FY19), reporting Underlying NPAT of \$6.8 million (up 27% on FY18), Underlying EBITDA of \$14.8 million (up 30% on FY18) and Underlying Platform EBITDA of \$18.0 million (up 52% on FY18).

Key company highlights for FY19 are:

- Funds Under Administration (FUA) up 54% to \$12.9 billion (\$13.6 billion as at 23 August 2019)
- Platform Revenue of \$54.1 million up 36%
- Underlying Platform EBITDA of \$18.0 million up 52%
- Maintained position as the fastest growing platform provider in percentage terms¹
- Second half dividend of 2.6cps (full year dividends of 4.6cps up 31%)

The company recorded a statutory NPAT of \$7.2 million for FY19 (\$7.4 million in FY18 which included a material non-cash fair value gain). Given the company's strong performance the directors have declared a second half dividend of 2.6cps (full year dividends of 4.6cps up 31%) to be paid on 18 October 2019.

HUB24 has maintained its position as the fastest growing platform provider in percentage terms during FY19. Growth in FUA continues to be driven by organic opportunities from both existing and new adviser relationships as well as transition opportunities from other platforms. Advisers and their clients are seeking the benefits of value and choice from using HUB24's market-leading platform.

Investment in growing HUB24's distribution footprint has resulted in 84 new agreements signed with licensees, 398 new advisers introduced to the platform and record annual net inflows of \$3.9 billion during FY19. The company has been successful across a broad section of the market including self-licensed advisers, boutique licensees and noteworthy mid-tier licensees. Additionally, our strategy to support stockbrokers is resonating, with HUB24 having signed agreements with two large national brokers during the year.

As the market-leader in Managed Accounts², HUB24 continued to innovate, launching foreign currency capabilities and providing additional flexibility for licensees and investment managers to work with a range of third-party Responsible Entities to deliver Managed Investment Scheme (MIS) portfolios to their clients via the platform.

HUB24 is continuing to build ConnectHUB which provides seamless integration of data from external providers. ConnectHUB has been leveraged to add annuities to the platform and to deliver new historical performance reporting, which aims to remove a significant barrier to changing platforms for advisers and their clients. There are plans for further ConnectHUB launches in FY20.

As more financial advisers move away from institutions and the demand for choice, value and market-leading platforms increases, the contestable market for HUB24 is expanding. The opportunity

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for growth is now significantly larger and in FY20 HUB24 will be making further strategic investments to capture growth. The company intends to grow its distribution footprint nationally, by recruiting approximately eight new staff to take advantage of this unprecedented opportunity. HUB24 also plans to extend its leadership in Managed Portfolios by investing in an additional IT scrum team, which will deliver innovative solutions that provide enhanced accessibility and outcomes for clients.

These investments are expected to increase net flows to the platform and generate ongoing FUA growth. As a result, the company is now targeting a FUA range of \$22-\$26 billion by the end of FY21³. This is a \$3 billion uplift on our previous FY21 target FUA range.

HUB24 Managing Director Andrew Alcock commented “the future Australian Wealth Management landscape is now taking shape and we are continuing to move forward with positive momentum and an unprecedented growth opportunity. We are continuing to invest and based on our growth to date and strong pipeline, have upgraded our target FUA range for 30 June 2021.”

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¹ Strategic Insights Analysis of Wrap, Platform and Master Trust Managed Funds at March 2019

² Investment Trends April 2019 Platform Competitive Analysis and Benchmarking Report

³ 30 June 2021, assumes consistent and stable investment markets throughout the period

About HUB24

The Australian Securities Exchange-listed HUB24 Ltd ABN 87 124 891 685 (ASX: HUB) connects advisers and their clients through innovative solutions that create opportunities. The business is focussed on the delivery of the HUB24 platform and the growth of its wholly owned subsidiaries Paragem Pty Ltd, a financial advice licensee, and Agility Applications Pty Ltd and ConnectHUB Pty Ltd which provide data, reporting and software services to Australian stockbroking and wealth management market. HUB24’s award-winning investment and superannuation platform provides broad product choice and an innovative experience for advisers and investors. Its flexible technology allows advisers and licensees to customise their platform solution to fit their individual business so they can move faster and smarter. It serves a growing number of respected and high-profile financial services companies.

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

For further information, please visit: www.HUB24.com.au