

ASX Release

Monday, 29 August 2016

Record growth drives HUB24's transition to profitability

HUB24 (ASX: HUB) today announces its results for the year ended 30 June 2016. Record net inflows of \$1.61 billion (an increase of 102% over the prior corresponding period) has driven the company to a positive EBITDA¹ result for 2HFY16.

Key highlights for the year are:

- 94% growth in Retail Funds under Administration (FUA) to \$3.31 billion as at 30 June 2016 driven by four consecutive quarters of record gross inflows.
- Total FUA of \$3.78bn at 30 June 2016 comprising Retail FUA \$3.31bn and new revenue streams for Wholesale FUA of \$313m and Reporting Services of \$150m FUA.
- Platform segment revenue growth of 91% while direct costs have risen only 40% demonstrating continuing margin expansion with increasing scale.
- Gross profit up 125% to \$10.9m.
- Positive EBITDA for the group for 2HFY16, positive EBIT² for 4QFY16 and positive monthly profit before tax (PBT) for June and July 2016³.
- Platform awards received for 'Best Navigation and User Interface' and 'Best Tablet/Smartphone Access'⁴. First ranking received in 'Value for Money'⁵ category.

The company has increasing positive cash flows with no debt having achieved an Operating EBITDA⁶ of \$3.7m for the period up from (\$0.4m) for FY2015. Momentum is continuing into FY17 with retail FUA increasing a further \$320 million to \$3.63 billion (as at 25 August 2016) and with strong sales activity underway for new white label clients.

With the launch during FY2016 of market leading functionality for International Managed Portfolios and Individually Managed Accounts HUB24 has again proven the company's ability to deliver new features whilst growing rapidly.

HUB24 Managing Director Andrew Alcock said: "Our hard work over the last 3 years and our strong track record of growth has resulted in HUB24's transition to profitability. We are very proud of this achievement and have created a foundation for further growth with our capacity to transition large clients, deliver exceptional client service and launch new features concurrently.

¹ EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items

² EBIT represents earnings before interest, tax and other significant items

³ PBT for the month of July 2016 was not subject to audit

⁴ Investment Trends December 2015 Platform Benchmarking Report based upon extensive analyst reviews of 22 platforms across 506 functional points

⁵ Investment Trends May 2016 Planner Technology report derived from a survey of over 878 financial planners.

⁶ Operating EBITDA represents earnings before interest, tax, depreciation, amortisation, growth resources expensed and other significant items.



We have recorded our first half year of positive EBITDA and have delivered positive monthly profit before tax for both June and July 2016. These significant milestones for HUB24 are a testament to our team, leading product solutions and the valuable support of our clients. Accordingly, we expect positive PBT for 1HFY17.”

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About HUB24

HUB24 is a financial services company listed on the Australian Stock Exchange (ASX: HUB). The business is focused on the delivery of the HUB24 platform and the growth of its wholly owned subsidiary Paragem. The HUB24 platform supports the achievement of superior superannuation and investment outcomes for investors. It is a next-generation service with state-of-the-art portfolio management, transaction and reporting solutions for licensees, financial advisers, accountants, stockbrokers and institutions. HUB24 is not aligned to any major bank, manager or institution. HUB24 is an independent organisation with award winning technology and a growing number of respected and high profile financial services companies as its customers.

For further information, please visit: www.hub24.com.au