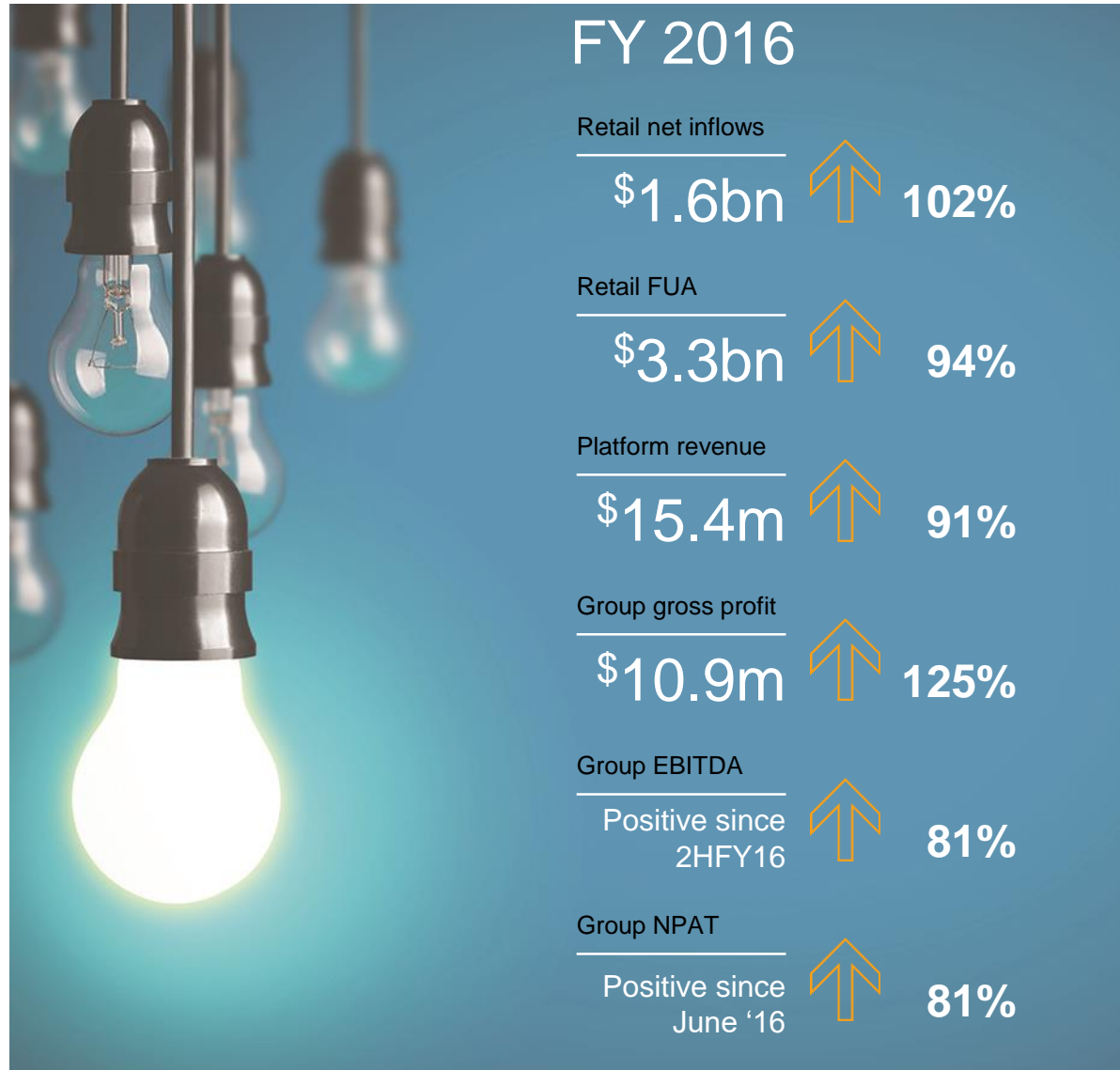




## 7<sup>th</sup> Annual Australian Microcap Investment Conference

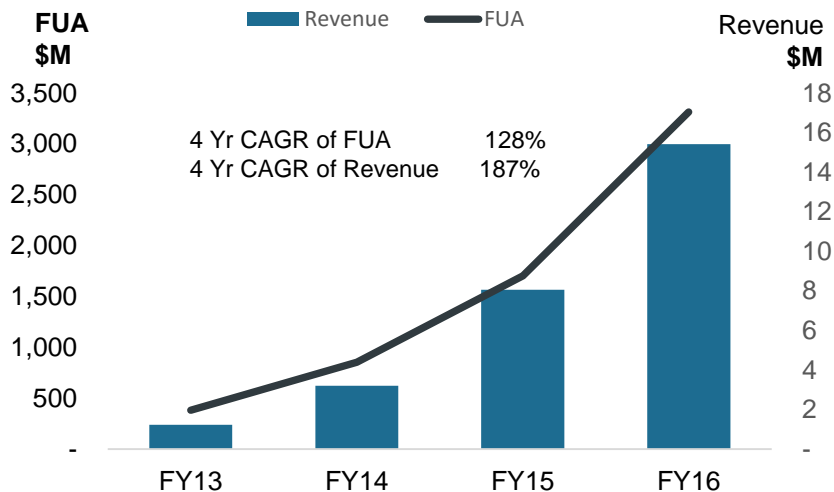
October 2016



# HUB24 – Investment platform of choice

## HUB24 IS A LEADER IN WEALTH MANAGEMENT PLATFORMS UNDERPINNED BY MARKET LEADING TECHNOLOGY

### PLATFORM REVENUE AND RETAIL FUA



- ✓ The fastest growing wrap platform\* capitalising on significant disruption in the wealth management industry
- ✓ Four consecutive quarters of record gross inflows for FY16
- ✓ Now PBT positive on a monthly basis\*\*
- ✓ Margin expansion occurring at increasing scale
- ✓ Includes Paragem (Licensee with a national adviser network) with greater than \$3 billion in funds under advice

**Leading**  
independent platform  
provider

**Industry**  
recognised  
and awarded



\* Source: Plan For Life. Analysis of Wrap, Platform and Master Trust Managed Funds at March 2016. HUB24 is the fastest growing wrap platform relative to its size in percentage terms, 5<sup>th</sup> fastest in dollar terms of net inflows.

\*\* PBT positive on a monthly basis since June 2016, not subject to audit.

HUB24 is capitalising on key market trends at a time of favourable market disruption



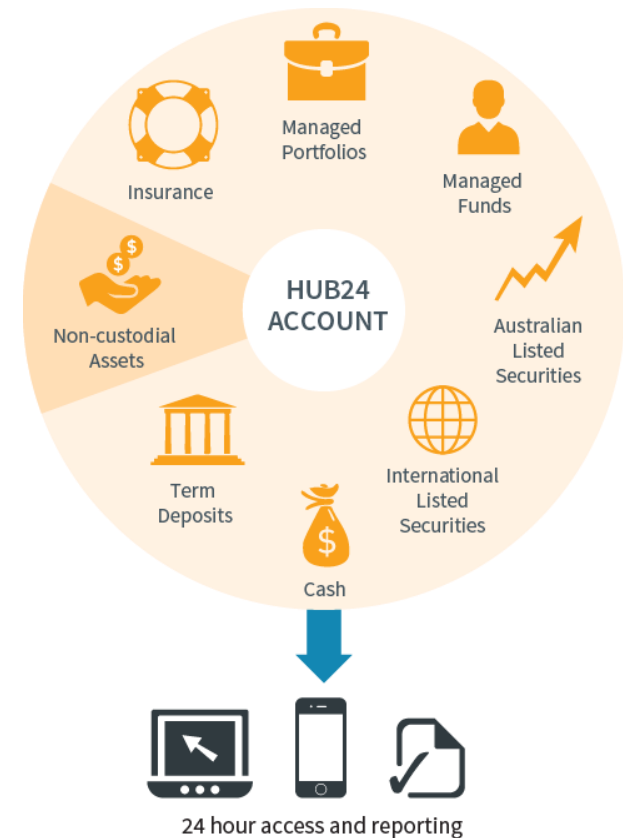
# The new world of managed portfolios

## A BROAD AND NON-ALIGNED INVESTMENT MENU

HUB24 seamlessly integrates managed portfolios with managed funds, TDs, equities and ETFs in the one account. Your clients will benefit from simpler and cheaper trading, plus transparent reporting on all direct and managed assets

- ✓ Over 200 professionally managed portfolios
- ✓ Over 900 managed funds
- ✓ All ASX listed equities, ETFs and LICs
- ✓ Access to international listed securities
- ✓ An array of term deposit providers, insurers and margin lenders
- ✓ Non-custodial asset integration
- ✓ Connection with almost any external cash facility

All the features of a traditional wrap platform combined with the new world of managed portfolios



# Creating real value for our clients

## HUB24 OFFERS THE MOST FUNCTIONAL MANAGED PORTFOLIO TECHNOLOGY WITHIN A FULL SERVICE PLATFORM

### KEY FEATURES THAT SET HUB24 APART INCLUDE:

- ✓ Depth of managed portfolio functionality, now including IMAs
- ✓ Tax optimisation features & portfolio construction tools
- ✓ International managed portfolios across 15 major exchanges traded daily
- ✓ Delivery across multiple legal structures – IDPS, Super, MDA, Wholesale, Reporting Services
- ✓ Unique proprietary technology with ongoing innovation
- ✓ Industry leading team with compelling experience

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Enabling **licensees** to innovate, improve revenues and manage risk

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Helping **advisers** to efficiently improve their value proposition and profitability

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Making a real difference for **investors** by supporting better financial outcomes with greater transparency and flexibility

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# HUB24 is well positioned for further growth

## INDUSTRY GROWTH FORECASTS

Sector	Predicting	By Year	CAGR
Superannuation assets	\$9.5 tn	2035	8.1%
Deloitte Dynamics of Superannuation Report 2015			
Wrap Platforms	\$315 bn	2030	10.4%
Rice Warner's Personal Investment Market Projections Report 2015.			
Managed portfolio (SMAs)	\$60 bn	2020	32%
Morgan Stanley Research Asia Insight June 22, 2016. Disruptors: Australia Financials			

## NEWLY RELEASED MORGAN STANLEY RESEARCH REVEALED THAT:

- Incumbent business models face disruption from managed accounts/SMAs
- Managed portfolios are a 'better mousetrap' – delivering higher flows and market share to modern industry players.
- Business models are realigning around the customer, managed portfolios are inverting the traditional value chain
- Impetus for managed portfolios is from financial planners seeking to grow revenue, and the value of their practices

Wrap platforms: fourfold increase next 15 years the fastest growing personal investment sector\*

Managed portfolios could account for 75% of platform net inflows\*\*

Abundant room for growth HUB24 has 0.97% of the market\*\*\* with fastest FUA growth with CAGR of 128% over the past 4 years



\* Rice Warner's Personal Investment Market Projections Report 2015.

\*\* Morgan Stanley Research Asia Insight June 22, 2016. Disruptors: Australia Financials

\*\*\* Source: Plan For Life. Analysis of Wrap, Platform and Master Trust Managed Funds at March 2016

# Recognised by our market

## HUB24 IS RECOGNISED AS A LEADER IN OUR MARKET AHEAD OF TRADITIONAL ESTABLISHED PLATFORM PROVIDERS

### INVESTMENT TRENDS PLANNER TECHNOLOGY REPORT\*

Ranked first for Value for Money the most important driver of platform satisfaction

Ranked first for Mobile access | Pricing flexibility | Tax optimisation tools

Top 2 for Overall planner satisfaction



### INVESTMENT TRENDS PLATFORM BENCHMARKING REPORT\*

Awarded Best Navigation and User Interface

Awarded Best Tablet/Smartphone Access

In the top 3 platforms for overall functionality

Ranked first for managed accounts functionality within the top 3 overall platforms



# FY2016 Results





# FY16 highlights



## 102%

growth in retail net flows to \$1.6bn



Retail FUA growth of 94% to

## \$3.3bn

(Now \$3.75bn)



## Launch

of international managed portfolios



## 1<sup>st</sup>

in categories for value for money, mobile access & tax optimisation tools\*

## Transition to profitability



Increase in Platform segment revenue of

## 91%



Positive group

## EBITDA

for 2HFY16\*\*



Positive group

## EBIT

for 4QFY16\*\*\*



Positive monthly group

## PBT

Since June 2016\*\*\*\*

\* Results from Investment Trends December 2016 Planner Technology Report based on extensive analyst reviews of 22 platforms across 506 functional points.

\*\* EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items.

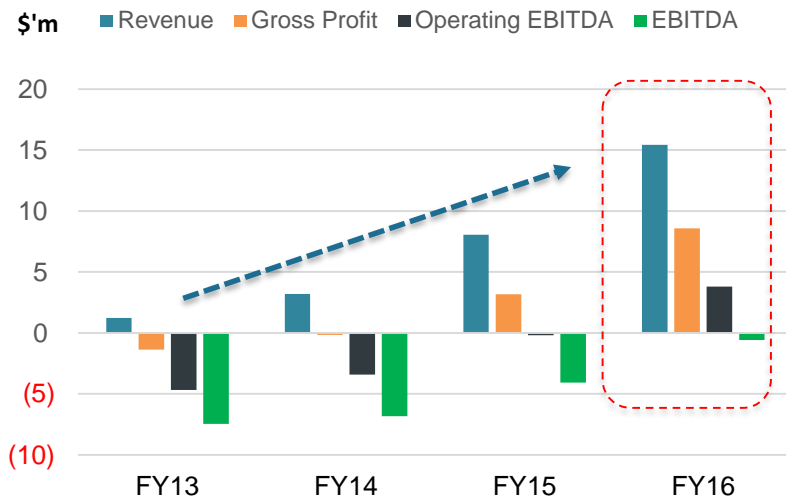
\*\*\* EBIT represents earnings before interest, tax and other significant items

\*\*\*\* PBT represents profit before tax. Monthly results have not been subject to audit.

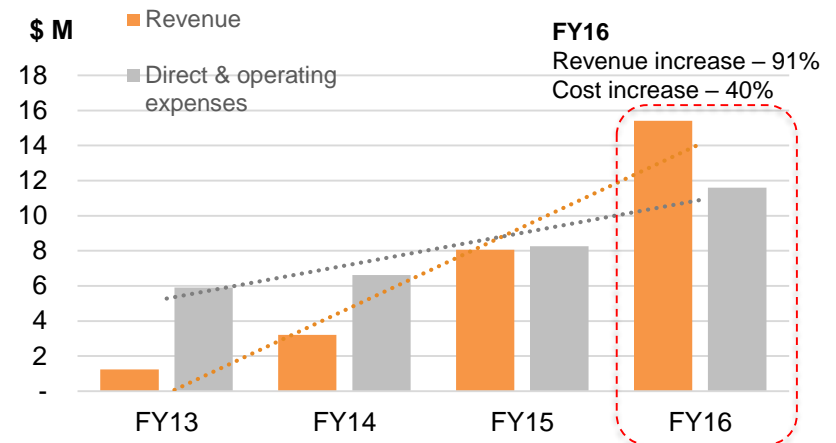
# Platform segment results

## MARGIN EXPANSION AT INCREASING SCALE

### PLATFORM – REVENUE, GROSS PROFIT, OPERATING EBITDA\* AND EBITDA\*\* TRENDS



## PLATFORM REVENUE AND COSTS



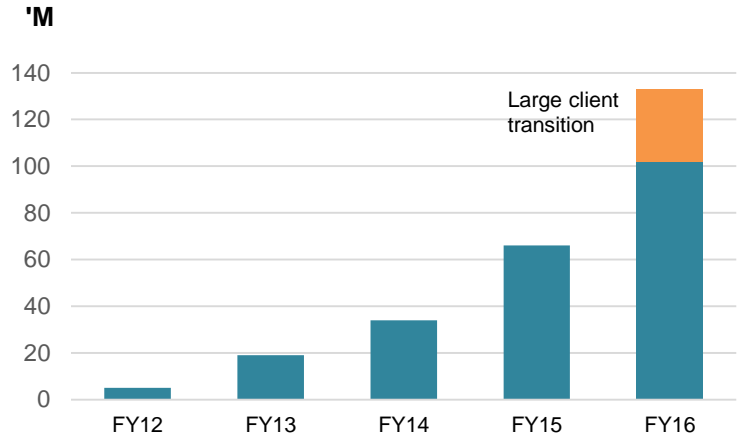
PLATFORM PROFIT LINES	PROFIT MARGINS AS A % OF REVENUE			
	FY13	FY14	FY15	FY16
Gross profit	(111%)	(5%)	39%	56%
Segment operating EBTDA	(381%)	(106%)	(2%)	25%
Segment EBITDA	(606%)	(213%)	(51%)	(4%)



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

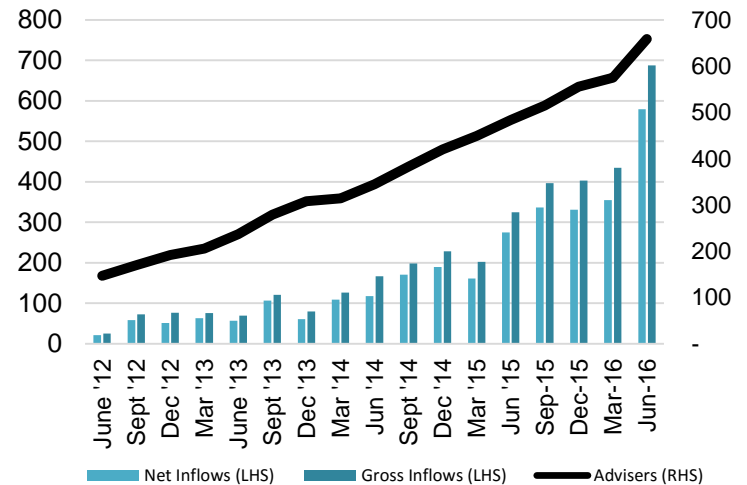
# Platform segment results

## AVERAGE MONTHLY NET INFLOWS



	FY16 \$M	INCREASE ON PCP
Retail FUA (now \$3,750m)	3,313	94%
Net inflows	1,610	102%
Gross inflows	1,930	102%
Number of advisers	659	32%

## INFLOWS AND NUMBER OF ADVISERS



**BROADENING**  
distribution base with 71 active licensees, 11 white labels, 29 new licensees to the platform in FY16

New White labels announced for Fortnum, Lifespan and Infocus / Patron

**NOW OFFERING**  
international managed portfolios and IMAs

**DELIVERING**  
across multiple legal structures

- ✓ IDPS
- ✓ Super
- ✓ MDA
- ✓ Wholesale
- ✓ Reporting service



# Outlook

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Strengthening profitability  
and corporate activity

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Ongoing business development  
and growth

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Extend industry leadership position  
through product innovation

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Continue to leverage changing  
industry dynamics

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# FY2016 Results Appendix



# Group financial results



GROUP FINANCIAL RESULTS	FY15 \$m	FY16 \$m	% CHANGE
Group revenue	28.3	42.7	51%
Direct costs	(23.5)	(31.8)	36%
Gross profit	4.8	10.9	125%
Operating expenses	(5.3)	(7.2)	37%
Operating EBITDA	(0.4)	3.7	977%
Growth resources expensed	(4.0)	(4.5)	14%
EBITDA*	(4.4)	(0.8)	81%
NPAT	(6.5)	(1.2)	81%

- ⇒ includes Platform (\$15.4m) and Licensee segments (\$27.3m)
- ⇒ include trustee, administration and transaction services for Platform and adviser remuneration for Licensee.
- ⇒ includes compliance, facilities, marketing, IT infrastructure and professional services
- ⇒ Includes costs for platform development, strategic development (inclusive of M&A) and other costs to accelerate FUA onto the platform
- ⇒ Deferred tax asset for temporary differences of \$1m recognised in FY16 given proximity to profitability

**EBITDA**  
positive for 2HFY16\*

**EBIT**  
positive for Q4FY16\*\*

**PBT**  
positive since June 2016\*\*\*



Other significant items reported in NPAT include interest, share based payments, non-recurring corporate costs, amortisation and tax expense. (refer Appendix B)

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

\*\* EBIT represents earnings before interest, tax and other significant items

\*\*\* Profit before tax. Monthly results have not been subject to audit.

# Platform segment results

GROUP FINANCIAL RESULTS	FY15 \$m	FY16 \$m	% CHANGE
<b>Retail FUA (now \$3,750m)</b>	<b>\$1,701</b>	<b>\$3,313</b>	<b>94%</b>
Revenue	8.1	15.4	91%
Direct costs	(4.9)	(6.8)	40%
Gross profit	3.2	8.6	171%
%	39%	56%	44%
Operating expenses	(3.4)	(4.8)	42%
Operating EBITDA	(0.2)	3.8	n/a
%	(2%)	25%	n/a
Growth resources expensed *	(3.9)	(4.4)	13%
EBITDA**	(4.1)	(0.6)	86%
%	(51%)	(3.7%)	93%
<b>PBT</b>	<b>(4.0)</b>	<b>(0.6)</b>	<b>85%</b>

⇒ Revenue growth driven by:  
Net inflows of \$1.6 billion from a broadening client base, an increase of 102% on FY15

⇒ Gross profit growth driven by:  
Improved margins from increased scale & negotiated reductions in platform transaction costs

⇒ Investment in fixed cost base brought forward to support recent contracts and strong pipeline. Negligible growth in opex from 1HFY16 to 2HFY16.

⇒ EBITDA margin continues to expand with increasing scale

## EBITDA

positive for 2HFY16\*\*

## EBIT

positive for Q4FY16\*\*\*

## PBT

positive since June 2016\*\*\*\*



Other significant items reported in PBT include interest, share based payments, non-recurring corporate costs, amortisation and tax expense. (refer Appendix B)

\* Growth resources expensed are costs for platform development, strategic development (inclusive of M&A activity) and to accelerate additional FUA onto the platform

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

\*\*\* EBIT represents earnings before interest, tax and other significant items

\*\*\*\* Profit before tax. Monthly results have not been subject to audit.

# Disclaimer

## SUMMARY INFORMATION

The material herein is a presentation of general background information about HUB24 Limited's ('HUB') activities current as at date of presentation. This information given in summary form does not purport to be complete and should be read in conjunction with previous ASX filings, Half Year Report and the audited Annual Report as applicable.

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