

HUB²⁴



17
OCT
2017



AUSTRALIAN MICROCAP INVESTOR CONFERENCE



FUNDS UNDER ADMINISTRATION



\$100m

\$1b

\$2b

\$3b

\$4b

\$5b

\$6b

June 2012

Sept 2014
27 months

Oct 2015
13 months

May 2016
7 months

Dec 2016
7 months

May 2017
5 months

Sep 2017
4 Months



FY17 Highlights



Opportunities for growth



Outlook



Additional information

OVERVIEW

FY17 HIGHLIGHTS



OUR FOCUS ON
INVESTING IN
PLATFORM
INNOVATION
& GROWTH...



Net flows of
\$2.0b

FUA increase
of 66% since
30 June 2016,
now \$6.2bn



Acquisition of
Agility Applications



Launch
of direct
investing in
international
shares across 15
exchanges



1st
in categories
for Managed
Accounts, User
Interface and
Smartphone/
Tablet Access¹



Underlying
EBITDA¹ of
\$5.1m



Underlying
NPAT² of
\$3.9m



Positive operating
cashflows of
\$4.1m



1st
in overall
platform
satisfaction³



....HAS DELIVERED
OUR FIRST YEAR
OF PROFIT



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

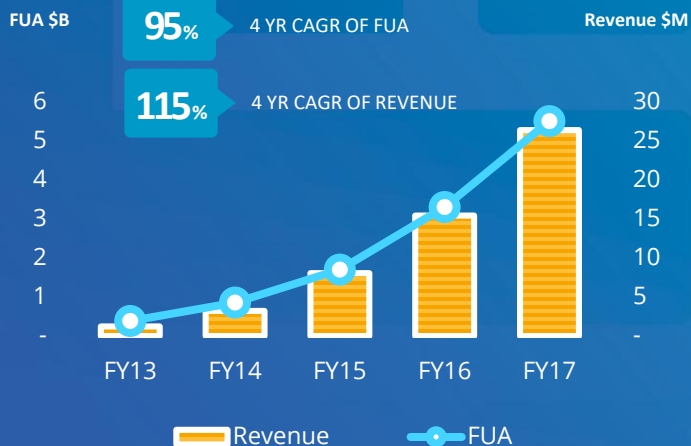
2. Underlying NPAT is a non-IFRS measure used internally by management and by some in the investment community to assess the operating performance of the business. Underlying NPAT represents Net Profit After Tax excluding non-recurring items.

3. Equal first from 2017 Investment Trends Planner Technology Report for platform satisfaction.

HUB24

LEADING CHANGE IN WEALTH MANAGEMENT UNDERPINNED BY MARKET LEADING TECHNOLOGY

PLATFORM REVENUE AND RETAIL FUA



- The fastest growing platform¹ at a time of significant change for wealth management in Australia
- Includes Paragem (Licensee with a national adviser network) which advises on client funds of circa \$3.8b
- Now profitable and Funds Under Administration (FUA) of \$6.2b (as at 13 September 2017)
- Acquisition of Agility Applications (specialist provider of technology and application products to the financial services industry)
- Margin expansion occurring at increasing scale




Fastest growing platform¹



Best managed accounts platform²



1st for overall platform satisfaction³



Connecting **brokers** to new ways to grow their business

Supporting our **licensees** through connecting them to new ways to create value

Providing **investors** with the right solutions for their wealth needs

Providing **advisers** with the freedom to choose their preferred investment options and way of doing business

Allowing **investment professionals** access to new distribution channels and innovative technology to seamlessly execute their investment strategies

At HUB24 we make a difference in our **customers'** lives by connecting them to innovative solutions that create wealth



HUB24 CONTINUES TO WIN AWARDS

1ST PLACE IN OVERALL PLATFORM SATISFACTION



1ST PLACE FOR EASE OF USE/NAVIGATION



1ST PLACE FOR EASE OF USE/NAVIGATION



RECOGNISED FOR GROWTH



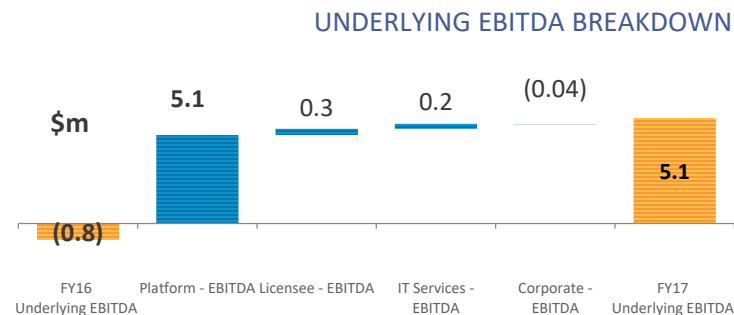
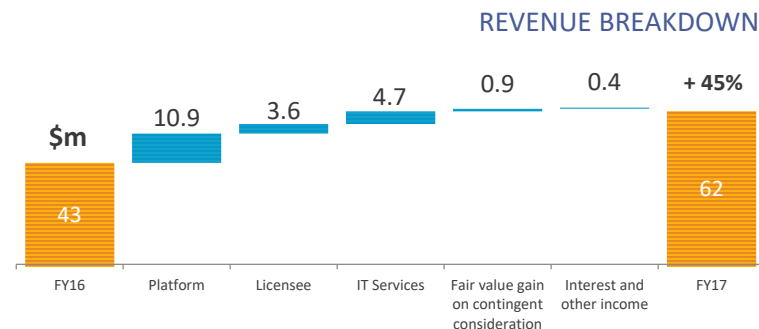
1ST PLACE
IN 16 OUT OF
24 CATEGORIES,
INCLUDING

- Relationship support
- Mobile app
- Investment range
- Tax optimisation tools
- Reporting functionality

GROUP FINANCIAL RESULTS

FIRST REPORTING PERIOD WHERE ALL GROUP PROFIT LINES ARE POSITIVE – REFLECTING THE BENEFITS OF GROWTH AND SCALABILITY

GROUP FINANCIAL RESULTS	FY17	FY16	FY17 v FY16
	\$m	\$m	%
Group revenue	61.9	42.7	45%
Direct costs	(41.1)	(31.8)	29%
Gross profit	20.8	10.9	91%
Operating expenses	(10.5)	(7.2)	46%
Growth resources expense ¹	(5.2)	(4.5)	14%
Underlying EBITDA²	5.1	(0.8)	
EBITDA	4.7	(1.7)	
NPAT*	18.9	(1.2)	
Underlying NPAT³	3.9	(1.5)	



* Other significant items reported in NPAT include interest, share based payments, non-recurring corporate costs, amortisation and income tax benefit associated with the recognition of prior period tax losses. (refer Annexure 5)

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

2. Underlying EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items

3. Underlying NPAT is a non-IFRS measure used internally by management and by some in the investment community to assess the operating performance of the business. Underlying NPAT represents Net Profit After Tax excluding non-recurring items.

PLATFORM SEGMENT RESULTS

PLATFORM FINANCIAL RESULTS	FY17	FY16	Var %
	\$m	\$m	%
Retail FUA (Now 6.2b)	5.5b	3.3b	
Revenue	26.3	15.4	71%
Direct costs	(9.9)	(6.8)	
Gross profit	16.4	8.6	92%
% margin	62%	56%	7%
Operating expenses	(6.3)	(4.8)	
Growth resources expense ¹	(5.0)	(4.4)	
Underlying EBITDA ²	5.1	(0.6)	
% margin	19%	-4%	23%
EBITDA	5.2	0.0	
% margin	20%	0%	19%
PBT	4.4	(0.6)	

CONTINUING INVESTMENT AND SOLID EXECUTION IS BEING REWARDED WITH FUA GROWTH, INDUSTRY RECOGNITION AND EXPANDING PROFIT MARGINS

- Revenue increase of 71% driven by net inflows from a broadening client base
- Gross profit growth driven by improved margins from increased scale
- Combined Operating and Growth resource expenses increase 23% to support record growth and future investment
- EBITDA margin continues to expand with increasing scale

Other significant items reported in NPAT include interest, share based payments, non-recurring corporate costs, amortisation and income tax benefit associated with the recognition of prior period tax losses. (refer Appendix B)

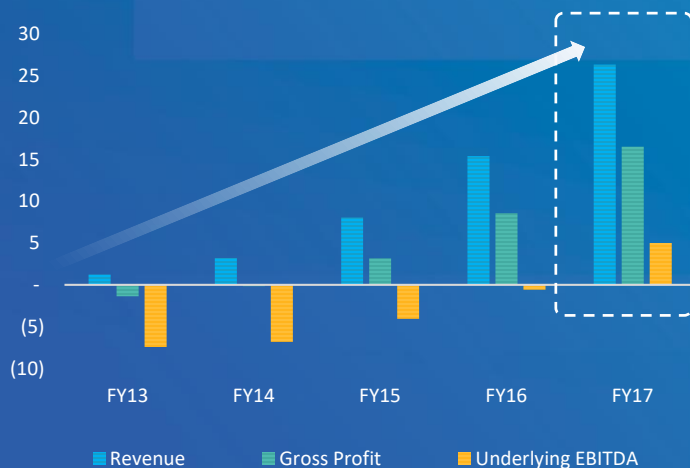
1. Growth resource expenses are costs for platform development, strategic development (inclusive of M&A activity) and to accelerate additional FUA onto the platform

2. Underlying EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items

PLATFORM SEGMENT RESULTS

MARGIN EXPANSION ACROSS PROFIT LINES AT INCREASING SCALE

PLATFORM
REVENUE, GROSS
PROFIT AND
UNDERLYING
EBITDA¹ TRENDS



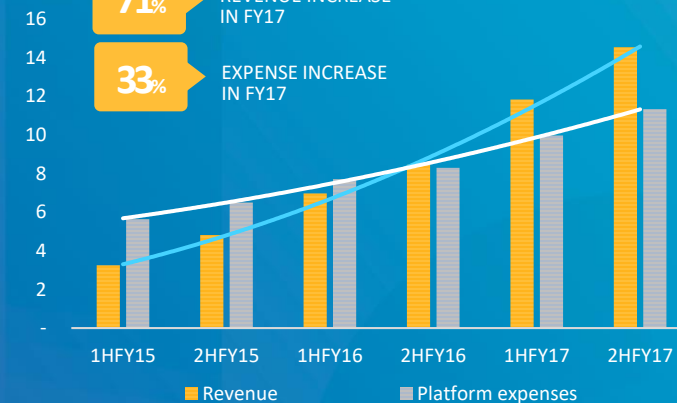
\$m

71%

REVENUE INCREASE
IN FY17

33%

EXPENSE INCREASE
IN FY17



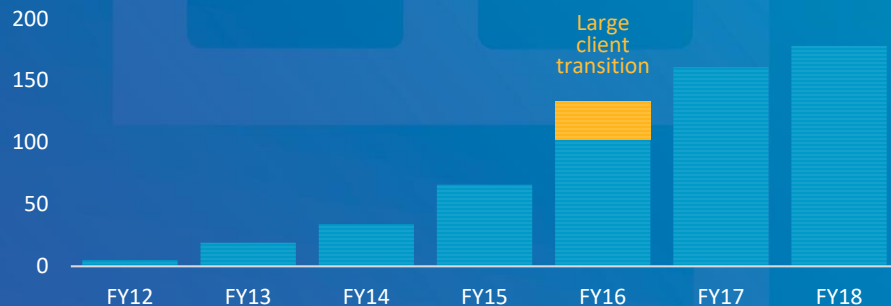
PLATFORM
REVENUE AND
EXPENSES

PLATFORM PROFIT LINES	PROFIT MARGINS AS A % OF REVENUE			
	FY14	FY15	FY16	FY17
Gross profit	(5%)	39%	56%	63%
Underlying EBITDA ¹	(213%)	(51%)	(4%)	19%

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

PLATFORM SEGMENT RESULTS

AVERAGE MONTHLY NET INFLOWS ('m)



	FY17 \$M	INCREASE ON PCP
Retail FUA	5,515	66%
Net inflows	1,953	21%
Gross inflows	2,629	36%
Number of advisers	917	39%



BROADENING DISTRIBUTION BASE

- 108 active licensees
- 15 white labels
- 37 new licensees to the platform in FY17
- 3 new white labels



DELIVERING ACROSS MULTIPLE LEGAL STRUCTURES

- IDPS
- Super
- MDA
- Wholesale
- Reporting service



NOW OFFERING

- International managed portfolios
- International direct shares
- Interfaces including online account opening from client systems

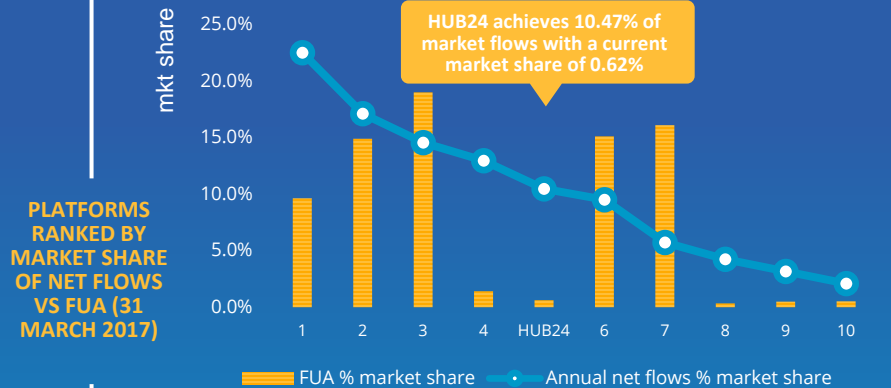
1. Underlying EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items

A blue-tinted photograph of a business meeting. In the foreground, a person's hand points to a bar chart on a document. In the background, another person is visible, also looking at the document. The overall scene is professional and focused on data analysis.

OPPORTUNITIES FOR GROWTH

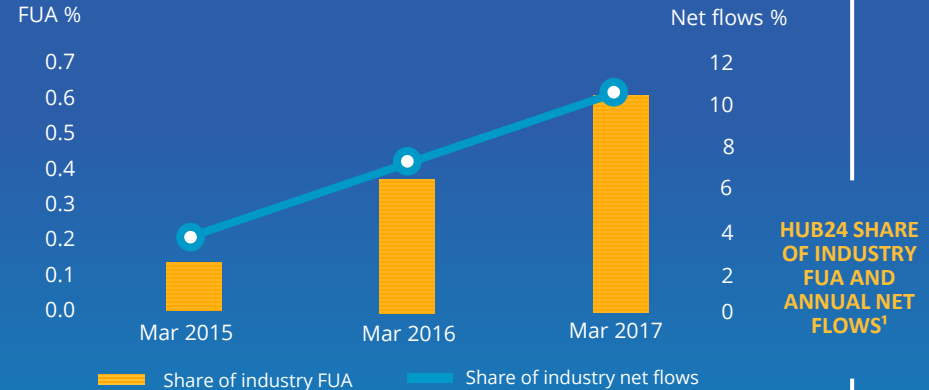
HUB24 IS WELL POSITIONED FOR FURTHER GROWTH

MARKET SHARE BY NET FLOWS: TOP 10 PLATFORMS¹



- HUB24 has 0.62% share of Wrap, Platform & Master Trusts at 31 Mar '17 with 10.47% share of annual net flows
- Non-institutional platforms (disruptors) account for 3.05% of FUA and 28.7% of net flows annually
- Highest growth rate in % terms, 5th in \$ terms annually

FUA AND NUMBER OF ADVISERS



- 17 new licensees signed in 4QFY17
- Growth in adviser numbers of 39% for the year
- Av FUA per adviser at \$6m against industry average of approx. \$40m per adviser – demonstrating significant potential for further growth within existing client base

1. Source: Strategic Insights. Analysis of Wrap, Platform and Master Trust Managed Funds at March 2017. HUB24 is the fastest growing wrap platform relative to its size in percentage terms, 5th fastest in dollar terms of net inflows.

THE CHANGING LANDSCAPE

TREND

Adoption of Managed Portfolios across Dealer Group, Advisers

- Usage by advisers has increased for fifth consecutive year, highest growth in the last 12 months¹

Market share continues to shift to new / non-institutional platforms

- New non-institutionally owned platforms are growing market share and two of these, including HUB24 are ranked ahead of all traditional platforms in terms of product offering and platform satisfaction by advisers.
- Dec 2016 saw the first net outflow quarter across bank and institutional platforms³

Convergence occurring across advisory, stockbroking and financial advice

- Stockbrokers exploring annuity based income models to better service clients
- Accountants and financial advisers collaborating to provide holistic financial advice
- The Stockbrokers association changed its name to Stockbrokers and Financial Advisers Association (Nov 2016)

Australians increasing use of international shares

- Low international investment exposure for self directed / unadvised SMSFs.
- Direct international share ownership (directly through foreign exchanges) has doubled from 4% to 8% since 2010

HUB24 POSITIONING

- HUB24 is the leading² provider of Platform Managed Portfolio capability.
- Increase of 83 across 24 portfolio managers to 295 – the most in the market

Year to March 2017:

- New non-institutional platforms have a market share of 3.05% and net flow share of 28.7%
- HUB24 has a market share of 0.62% and net flow share of 10.47%³ (up from 6.4% for the prior year)

- HUB24 designing product and solutions to support this convergence
- Agility acquisition is an investment to support this shift
- HUB24 is providing white labels to licensees & groups with strong accountancy heritage
- HUB24 has secured 2 new relationships with brokers in FY17

- HUB24 has a licensee and platform offer to increase exposure
- HUB24 provides direct access to 15 International share exchanges and provides 12 international share managed portfolios

1. Financial Observer – 'Managed Accounts uptake sees broader appeal'

2. 2016 Investment Trends Platform Competitive Analysis and Benchmarking Report.

3. Strategic Insights - Analysis of Wrap, Platform and Master Trust Managed Funds at March 2017.

AGILITY APPLICATIONS

AGILITY ACQUIRED 3 JANUARY 2017, IS A SUCCESSFUL SPECIALIST TECHNOLOGY SERVICES PROVIDER TO THE FINANCIAL SERVICES INDUSTRY, PARTICULARLY STOCKBROKERS

THE OPPORTUNITY

- Non-institutional advisers, brokers and accountants want to leverage new technology to improve client engagement, increase efficiency and reduce costs
- Together, HUB24 and Agility can deliver an integrated solution that meets these needs through our award winning proprietary platform and integration to best of breed 3rd party applications
- Currently Agility licenses over 2,600 users from within 165 firms, reporting on over \$250 billion of client assets

ACTIVITY TO DATE

- Integration of data and reporting of HUB24 and Agility resulting in improved user experience and back office efficiency for clients
- A dedicated development team has been established to deliver on connectivity and integration projects between HUB24 and Agility technology
- Two joint client wins with products already launched to market. Significant new client opportunities in the pipeline'



MARGIN
LENDERS

BANKS

BACK-OFFICE
SETTLEMENT
SYSTEMS

CHI-X

TRADING
PARTICIPANTS
(BROKERS)

ASX

PLATFORMS
& VENDORS

EXECUTION &
CLEARING
SERVICE PROVIDERS



OUTLOOK



Continued strong FUA growth expected and targeting to more than double FUA in the next 3 years to >\$12b



Increasing distribution footprint by accessing current advisers and targeting new relationships



Extend industry leadership position by connecting our customers to innovative solutions



Pursue appropriate corporate activity & strengthening profitability



Continue to lead change and leverage industry dynamics



Growing our investment in:

Platform innovation
Agility/HUB24 joint technology initiatives – several projects already underway with joint clients

Further open architecture interfaces for advisers, licensees, broker and financial product providers

CORPORATE INFORMATION

HUB24 SHARE PRICE



CAPITAL STRUCTURE AT 12 OCTOBER '17



Shares on issue	60.69m
Share price	\$8.76
Market capitalisation	\$532m

SUBSTANTIAL SHAREHOLDERS



Thorney Holdings Ltd	14.94%
Acorn Capital Ltd	8.18%
Ian Litster	5.90%

BALANCE SHEET AS AT 30 JUNE '17



Cash and cash equivalents	\$10.84m
Other current assets	\$7.51m
Non-current assets	\$44.76m
Total assets	\$63.11m
Current liabilities	\$11.94m
Non-current liabilities	\$7.56m
Total liabilities	\$19.50m
Net assets	\$43.61m
Equity	\$43.61m



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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