

HUB²⁴

26
Feb
2019

1HFY19 RESULTS PRESENTATION

HUB²⁴

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

HUB²⁴

CONNECT **HUB**

agility
APPLICATIONS

 **PARAGEM**

KEY MESSAGES



Continued strong growth in platform net flows and Funds Under Administration (FUA)



Well positioned to leverage enhanced opportunities in a post Royal Commission world and lead change with product and service innovation



Investing in compliance, risk management, technology, distribution and strengthening executive team as foundations for further growth



Highly regarded by our customers and industry – the fastest growing platform provider¹

1. Source: Strategic Insights. Analysis of Wrap, Platform and Master Trust Managed Funds at September 2018. HUB24 is the fastest growing platform provider relative to its size in percentage terms, 3rd highest in terms of annual dollar based net inflows and 2nd highest in terms of quarterly net inflows.



Business highlights



Financial results



Outlook



Additional information

OVERVIEW

A blue-tinted background image showing a close-up of hands pointing at a document with a bar chart. The image is split into two vertical panels by a curved line.

BUSINESS HIGHLIGHTS

ANDREW ALCOCK - MD

BUSINESS HIGHLIGHTS



Net flows for
1HFY19 of
\$2.1b

31 Dec FUA of
\$10.0b

Now \$11.0b¹



Executed our
largest FUA transition
whilst maintaining
ongoing flows in a
challenged market



2 new large
National Broker
wins with HUB24/Agility
combined offering
Launched 6 new branded
licensee solutions



Launched 94 new managed
portfolios (65 under new MIS
structure)

ConnectHUB development -
winning business

Challenger Annuity
development progressing

Launched new Core offer for
simpler investment needs



1st
Overall Platform
Offering²

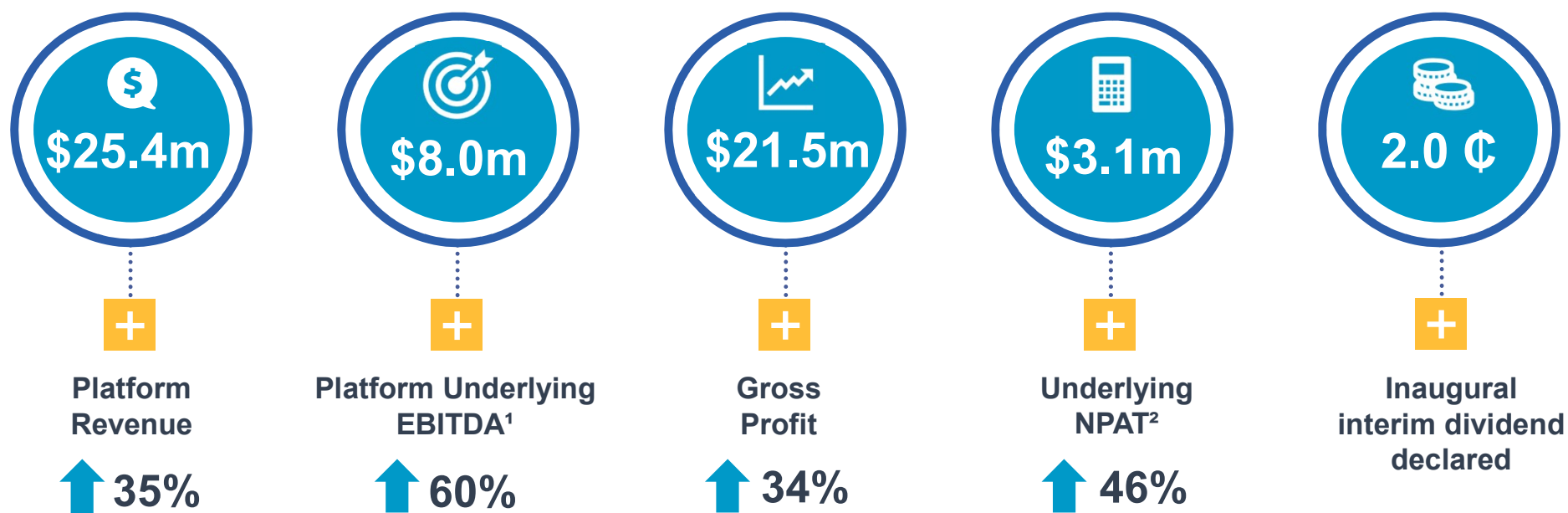
IT/Web Functionality²

Managed Accounts
2016, 2017, 2018³

Decision support tools³

1. Unaudited as at 22 February 2019
2. Results from Wealth Insights Platform Service Level Report 2018
3. Results from Investment Trends December 2018 Platform Competitive Analysis and Benchmarking Report based on extensive analyst reviews of 20 platforms across 492 functional points

FINANCIAL HIGHLIGHTS



Comparison period is 1HFY18

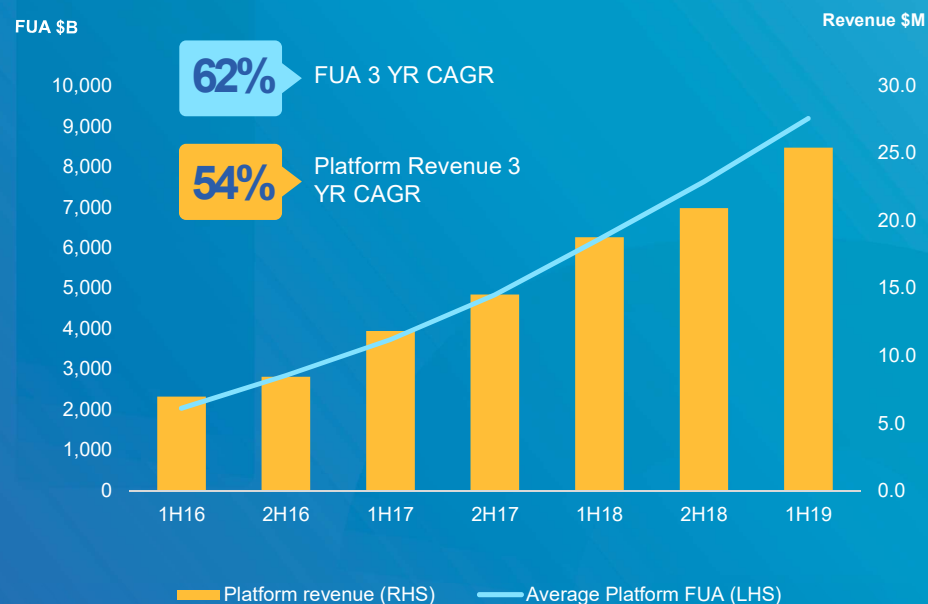
1. Underlying EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items. See HUB24 Analyst Pack for a reconciliation.

2. Underlying NPAT is a non-IFRS measure which is used to assess the operating performance of the business. Underlying NPAT represents Net Profit After Tax excluding non-recurring items. See HUB24 Analyst Pack for a reconciliation.

CONSISTENTLY DELIVERING GROWTH & PERFORMANCE

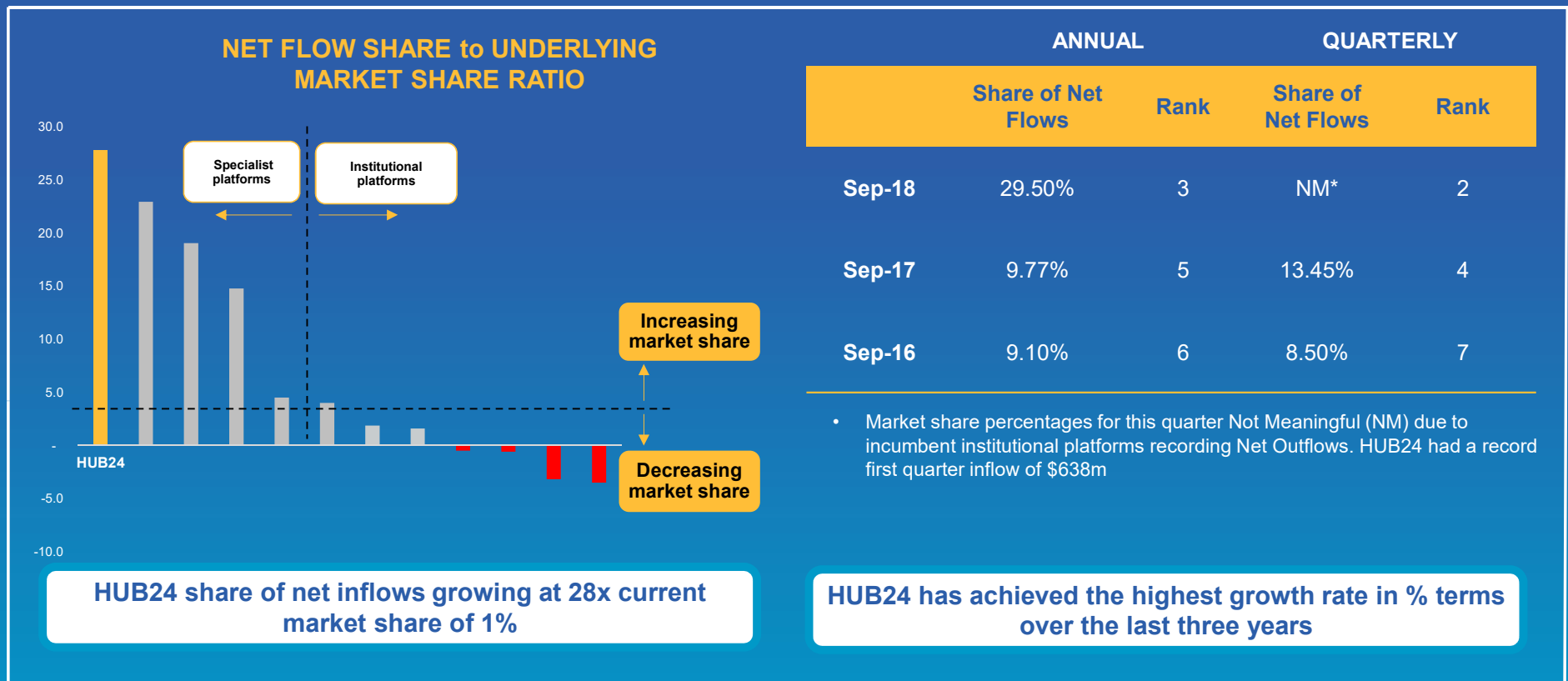
- The fastest growing platform¹ leveraging industry transformation
- Leading change in wealth management and investing in product innovation to capture emerging opportunities
- Our focus is delivering shareholder returns, improved financial performance and superior client outcomes
- Leveraging ConnectHUB technology to win clients
- Continued revenue & underlying EBITDA growth driven by increasing Funds Under Administration (FUA)
- Well positioned to help advisers adjust and define their value proposition post Royal Commission

Platform FUA and Revenue



1. Source: Strategic Insights. Analysis of Wrap, Platform and Master Trust Managed Funds at September 2018. HUB24 is the fastest growing platform provider relative to its size in percentage terms, 3rd highest in terms of annual dollar based net inflows and 2nd highest in terms of quarterly net inflows.

THE FASTEST GROWING PLATFORM PROVIDER



INDUSTRY DYNAMICS PRESENTING UNPRECEDENTED OPPORTUNITY FOR HUB24



Traditional role of platforms has been disrupted by Specialist Platform Providers harnessing technology & innovation to create customer value



Advisers exiting institutions to access product choice & the best solutions for their clients



Product developments by incumbents has been impacted by ownership structures, legacy issues and regulatory change



Royal Commission recommendations providing enhanced opportunities for HUB24's growth



Innovation and the need to satisfy clients best interest is increasing selection of market leading solutions



Demand for Managed Account solutions is increasing and HUB24 is the market leader²

FUA target range of \$19bn - \$23bn by June 2021¹

1. Assumes consistent investment markets and net flow growth trends
2. Results from Investment Trends 2018 Platform Competitive Analysis and Benchmarking Report based on extensive analyst reviews of 20 platforms across 492 functional points

INVESTING TO CAPTURE THIS OPPORTUNITY

We have continued to invest in order to capture opportunities and build foundations for the future, with additional expenses incurred across:



Governance

- New CFO & New Paragem MD
- New Head of Risk
- Strengthened legal and compliance function



Distribution

- New Head of Strategic Sales
- New Head of Key Accounts
- Increased national sales footprint



Infrastructure

- Occupied new head office premises for full half
- Technology infrastructure upgrade



Service & Innovation

- ConnectHUB
- FUA bulk transition capability
- MIS Managed Portfolio offering

This investment will be leveraged over growing FUA base in future periods

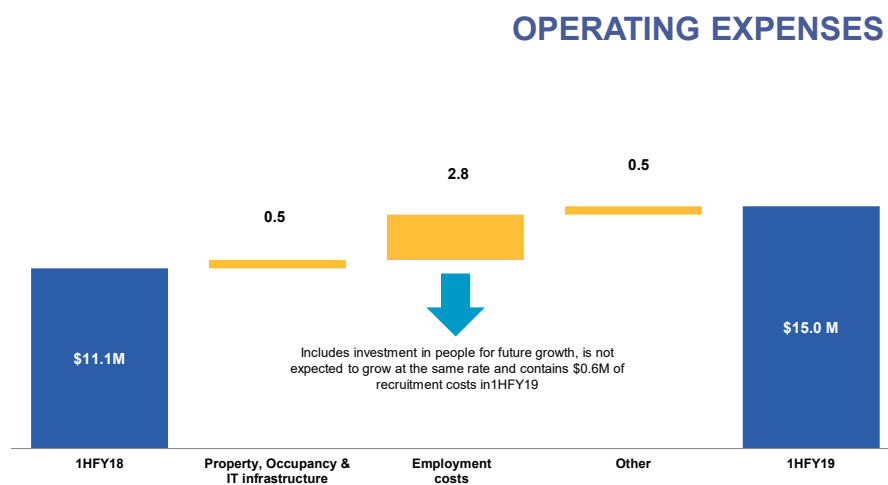
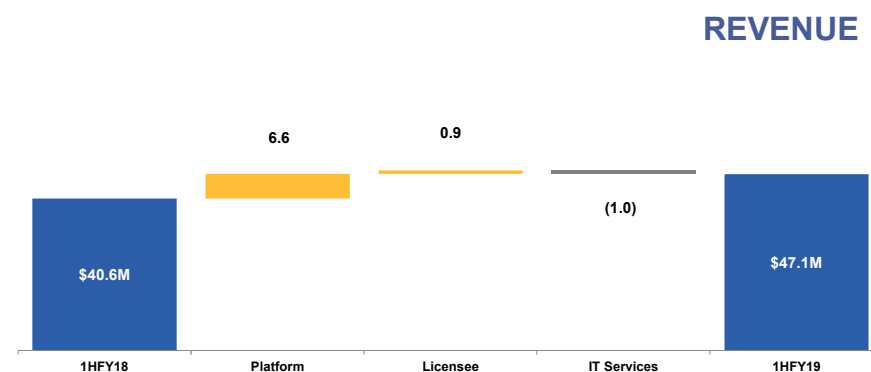
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FINANCIAL RESULTS

MARK GOODRICK - CFO

GROUP FINANCIAL RESULTS

	1HFY19	1HFY18	Change
	\$m	\$m	%
Group revenue ¹	47.1	40.6	16%
Direct costs	(25.7)	(24.5)	5%
Gross profit	21.5	16.1	34%
Gross profit margin (%)	46%	40%	6%
Operating expenses	(15.0)	(11.1)	34%
Underlying EBITDA ²	6.5	4.9	32%
Underlying EBITDA margin (%)	14%	12%	2%
EBITDA	5.4	4.1	33%
Underlying NPAT ³	3.1	2.1	46%
Statutory NPAT	3.2	2.3	39%



1. Group revenue excludes interest & other income, 1HFY19 \$0.4m (1HFY18 \$0.2m), which is reported below underlying EBITDA

2. Underlying EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items. See HUB24 Analyst Pack for a reconciliation.

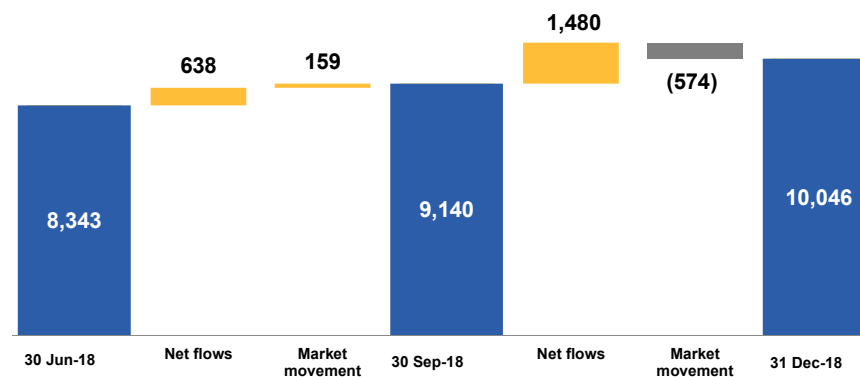
3. Underlying NPAT is a non-IFRS measure which is to assess the operating performance of the business. Underlying NPAT represents Net Profit After Tax excluding non-recurring items. See HUB24 Analyst Pack for a reconciliation.

PLATFORM SEGMENT RESULTS

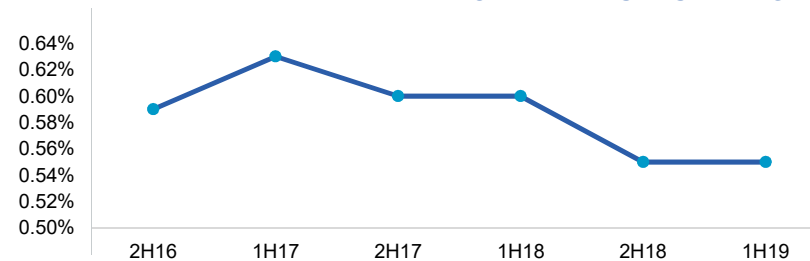
STRONG FUA GROWTH DRIVING INCREASED PROFITABILITY

PLATFORM	1HFY19 \$m	1HFY18 \$m	change %
FUA (Now 11.0b ¹)	10.0b	6.9b	46%
Revenue	25.4	18.8	35%
Direct costs	(6.7)	(5.8)	16%
Gross profit	18.7	13.0	44%
Gross profit margin (%)	74%	69%	5%
Operating expenses	(10.8)	(8.0)	34%
Underlying EBITDA ²	8.0	5.0	60%
Underlying EBITDA margin (%)	31%	26%	5%
Profit Before Tax	6.8	4.5	53%
Total platform expenses	(17.5)	(13.8)	27%

FUNDS UNDER ADMINISTRATION (\$M)



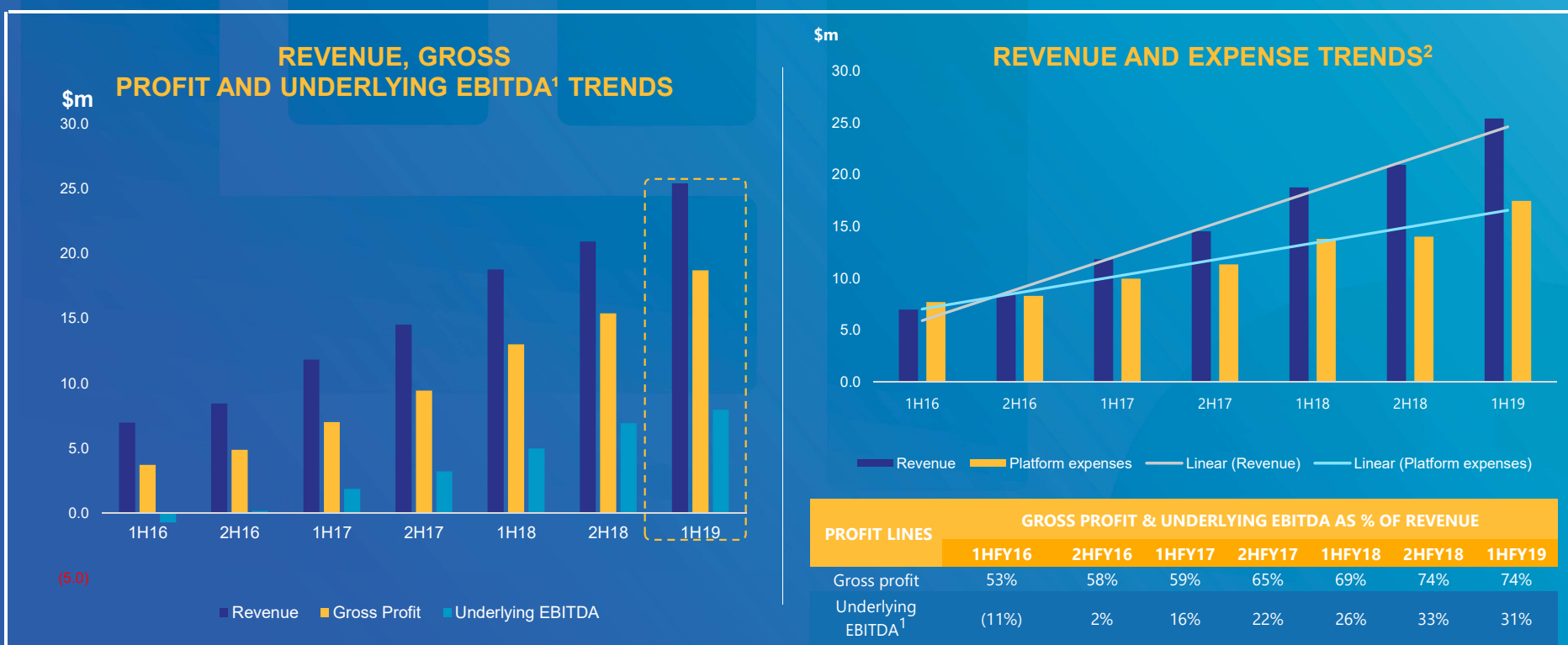
PLATFORM REVENUE FUA MARGIN



1. Unaudited as at 22 February 2019
 2. Underlying EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items. See HUB24 Analyst Pack for a reconciliation.

PLATFORM SEGMENT RESULTS

PROFIT LINES REFLECTING SCALE BENEFITS OF INCREASING FUA



1. Underlying EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items. See HUB24 Analyst Pack for a reconciliation.
 2. Platform expenses are the total of direct and operating expenses relating to the Platform Segment.



OUTLOOK

ANDREW ALCOCK

SUPPORTING CLIENTS POST ROYAL COMMISSION



Focus on clients needs and Best Interests expected to open up institutional Approved Product Lists



Removal of grandfathering is expected to release FUA from incumbent platforms¹



Requirement for annual client engagement via opt-in expected to create additional release of FUA from incumbent platforms



Well positioned to provide technology solutions to support advisers in servicing their clients, adopting regulatory change and redefining their value proposition

Further supporting the shift to specialist platform providers

1. HUB24 has no platform FUA with grandfathered fees.

OUR CUSTOMER COMMITMENT

OUR COMMITMENT TO INNOVATION AND SERVICE HAS BUILT STRONG CUSTOMER ADVOCACY



89% of advisers who use us as their main platform say we are the best available¹



Advisers using HUB24 have the lowest intention to change platform compared to the users of all other platforms



HUB24 continues to win industry recognition as the leading platform in managed accounts²

AND WE ARE COMMITTED TO DELIVERING EVEN MORE



Enhancing our platform functionality with foreign currency assets, further managed portfolio functionality and expanding our investment menu



Focusing on customer service excellence through investment in our people, capability and service technology



Leveraging ConnectHUB to integrate Challenger Annuities, support bulk FUA transitions, and improve customer experience with a single view of client wealth



Committed to enabling the transformation of advice through collaboration between Paragem and HUB24

1. Investment Trends Planner Tech Report published in 2018
2. Investment Trends Competitive analysis and benchmarking Report 2018 based on extensive analyst reviews of 20 platforms across 492 functional points

OUTLOOK



Leverage our current foundations

- Consistent growth and performance translating into improved financial results and scale based profit margin expansion
- Support our clients transition to a post Royal Commission world through innovation, technology and our expertise
- Secure new valuable client relationships for the platform, Paragem and Agility
- Leverage group capabilities & ConnectHUB to win new business whilst continuing to transform the role of platforms
- Capitalise on our strong foundations and investment to maximise growth in the context of unprecedented market opportunity



...and lay foundations for future growth

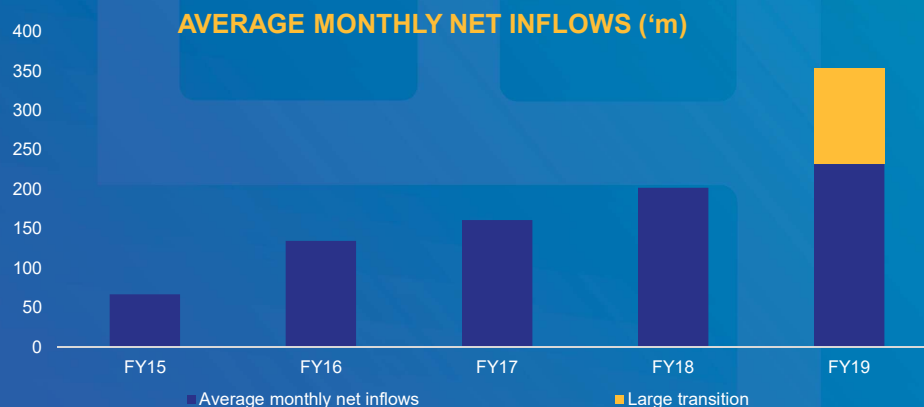
- Continue to lead change and create new opportunities for clients and advisers through constant innovation
- Improve customer experience through service, data integration and product enhancement
- Pursue appropriate corporate activity that creates shareholder value

**FUA target range of \$19bn - \$23bn
by June 2021¹**

A blue-tinted photograph showing a close-up of hands pointing at a document with a bar chart. The image is split into two vertical panels. The left panel shows a hand pointing at a bar chart on a document. The right panel is a solid blue background with the text 'ADDITIONAL INFORMATION' in white. A small yellow horizontal bar is located below the text.

ADDITIONAL INFORMATION

FURTHER PLATFORM SEGMENT RESULTS



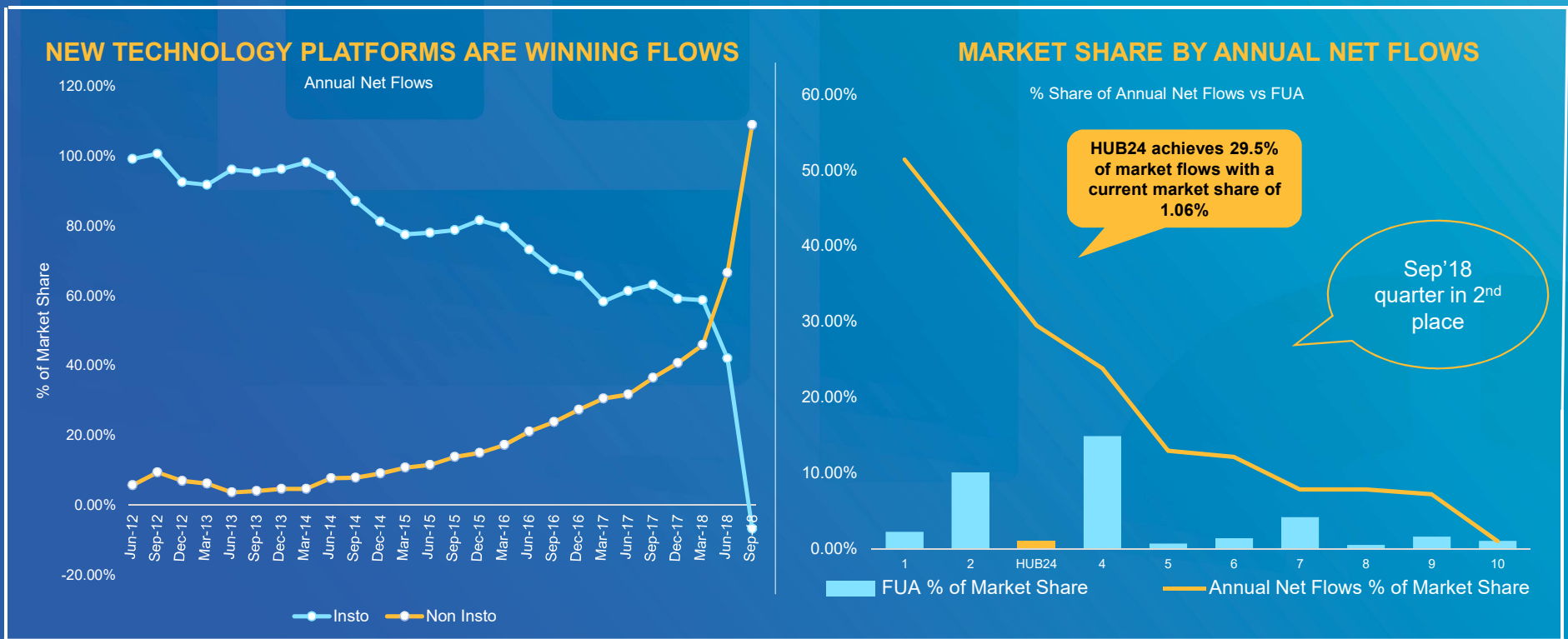
	1HFY19 \$m	INCREASE ON PCP
FUA	10,046*	46%
Net inflows	2,119	95%
Gross inflows	2,696	79%
Number of advisers	1,456	40%

* Now \$11.0b¹

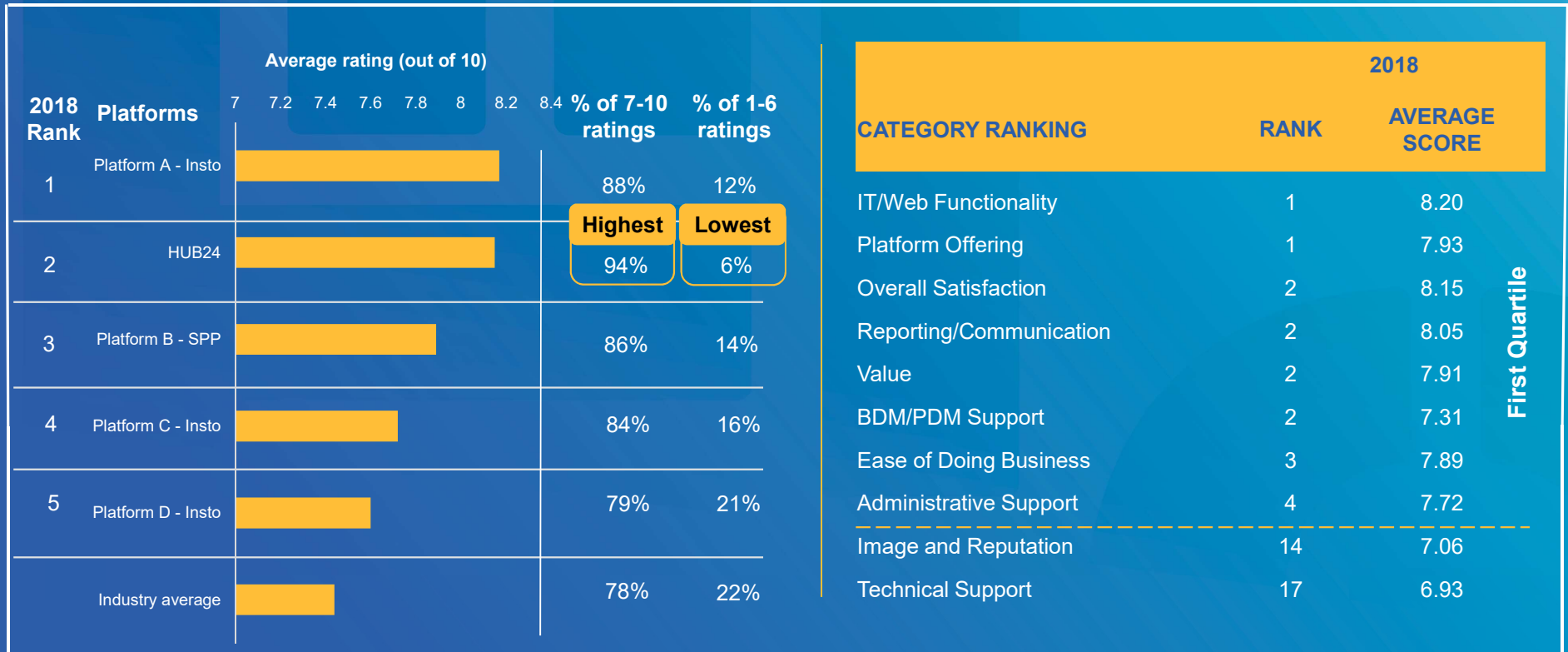
BROADENING DISTRIBUTION BASE

- ➔ 221 active licensees
- ➔ No of advisers 1,456
- ➔ 18 white labels in total, 1 new in 1HFY19
- ➔ 29 new licensees to the platform in 1HFY19

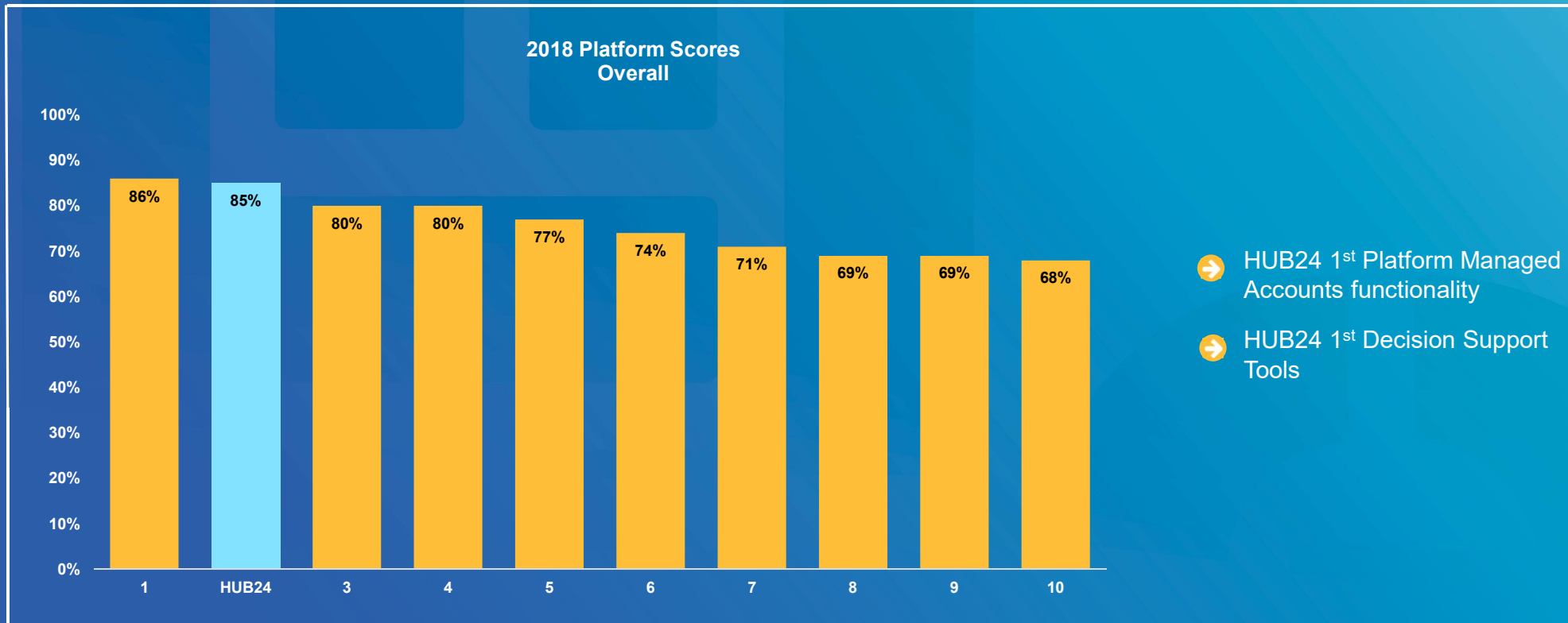
STRATEGIC INSIGHTS MARKET SHARE ANALYSIS



WEALTH INSIGHTS PLATFORM SATISFACTION



INVESTMENT TRENDS OVERALL PLATFORM SCORES





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. Any arithmetic inconsistencies are due to rounding.

→ NOT INVESTMENT ADVICE

This presentation is not a prospectus or a product disclosure statement under the Corporations Act 2001 (Cth) and has not been lodged with ASIC. The information provided in this presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

→ RISK OF INVESTMENT

An investment in HUB shares is subject to investment and other known and unknown risks, some of which are beyond the control of HUB. HUB does not guarantee any particular

rate of return or the performance of HUB nor does it guarantee the repayment of capital from HUB or any particular tax treatment.

→ FORWARD LOOKING STATEMENTS

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.

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