

ASX Release: 25th August 2020

FY20 Results: HUB24 delivers strong growth and increasing profitability

HUB24 (ASX:HUB) today announced its results for the year ended 30 June 2020 (FY20) reporting Underlying NPAT of \$10.1 million (up 49% on FY19), Underlying EBITDA of \$24.7 million (up 60% on FY19) and Underlying Platform EBITDA of \$28.7 million (up 59% on FY19).

Key company highlights for FY20 are:

- Record platform net inflows of \$4.95 billion up 27% on FY19¹
- Funds Under Administration (FUA) up 34% on FY19 to \$17.4 billion (\$18.5 billion as at 21 August 2020)
- Platform Revenue of \$74.3 million up 37% on FY19
- Underlying Group EBITDA of \$24.7 million up 60% on FY19
- Second half fully franked dividend of 3.5 cps (full year dividend of 7.0cps up 52% on FY19)

The Group recorded a statutory NPAT of \$8.2 million in FY20 including one-off items aligning the business for future growth (\$7.2 million in FY19). HUB24's platform market share has continued to grow to 1.9% up from 1.3% in June FY19 as the company's innovative solutions continue to resonate with licensees, advisers and brokers.² Given the Group's strong performance the directors have determined a second half fully franked dividend of 3.5cps (up 35% on pcp) to be paid on 16th October 2020.

HUB24's leadership in the growing managed portfolio space has continued, maintaining 1st place for managed accounts functionality for the 4th year running, and this year adding another 108 new managed portfolios to the platform.³ The company also signed 105 new licensee agreements during FY20, and 441 advisers started using the platform an increase of 27.1% pcp.

FY20 has been a successful year for HUB24 even though the COVID-19 pandemic has impacted customers, staff, shareholders, and the community. HUB24 remains in a solid financial position, operating profitably and generating strong operating cash flows. Cash reserves remain significantly above regulatory capital requirements. Whilst net inflows were softer in April, as advisers adjusted to the COVID-19 environment, momentum improved towards the end of the year with the company achieving net inflows of \$4.95 billion for FY20. Given the ongoing opportunities for growth the company remains focused on investing for the future and delivering on strategic objectives.

Commenting on the results HUB24 Managing Director Andrew Alcock said "HUB24 has delivered strong results in FY20 with record annual net inflows of \$4.95 billion, a 60% increase in Group underlying EBITDA to \$24.7 million and a fully franked final dividend of 3.5c per share. We've achieved this in the context of COVID-19 without receiving any government or third-party concessions. Our business is well-positioned for further growth and we would like to thank our customers, team and shareholders for their continued support."

Moving forward HUB24 expects ongoing strong net inflows to the platform, and the company is now targeting a FUA range of \$28-\$32 billion by 30 June 2022.⁴

CFO Appointment

HUB24 also announces the appointment of Ms Kitrina Shanahan as Chief Financial Officer (CFO) and Joint Company Secretary commencing at HUB24 on 7th September 2020.

Ms Shanahan brings over 20 years of experience in finance, governance and risk most recently as Chief Financial Officer Insurance at Westpac. Prior to that, Ms Shanahan held roles across BTFG as Deputy Chief Financial Officer and as Group Financial Controller at Westpac. With deep experience in platforms, advice and broader financial services, Kitrina has executive leadership experience delivering large strategic transformation projects.

Ms Debbie Last, who joined the company in March as interim CFO and Joint Company Secretary, will continue in these roles until the commencement of Ms Shanahan and remain with the company throughout September to ensure a smooth transition of responsibilities.

The Board wishes to thank Debbie for her valuable contribution and the skills and experience that she has brought to the business, together with her leadership of the finance function. Debbie has assisted the company successfully navigate this period of change and build new foundations for the future during her tenure as interim CFO.

¹ Net Inflows represent gross inflows less outflows and do not include market movement.

² Strategic Insights Master Funds Platforms and Wraps March 2020

³ Investment Trends December 2019 Platform Competitive Analysis and Benchmarking Report

⁴ The company expects strong growth and increasing profitability moving forward, subject to consistent and stable investment markets, HUB24 terms of business, and further significant unexpected or ongoing impacts arising from the COVID-19 pandemic that may affect platform FUA & revenue.

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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 investment 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, Agility Applications Pty Ltd and HUBconnect Pty Ltd which provide data, reporting and software services to the Australian stockbroking and wealth management market. HUB24's award-winning investment and superannuation platform provides broad product choice and a market-leading experience for advisers and their clients. 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.

This announcement was authorised for release to the market by the HUB24 Limited Board.

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