



AGM PRESENTATION 26TH NOVEMBER 2020

ANDREW ALCOCK
MANAGING DIRECTOR

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

HUB²⁴

HUBCONNECT

agility
APPLICATIONS

Paragem

FINANCIAL HIGHLIGHTS FY20



\$74.3m

37%

Platform Revenue



\$28.7m

59%

Platform Underlying EBITDA³



\$24.7m

60%

Group Underlying EBITDA



38.6%

Up from
33.3%
in FY19

Platform Underlying EBITDA margin³

Underlying NPAT³

\$10.1m Up 49%

Statutory NPAT³

\$8.2m Up 15%

FUA at 30 June 2020

\$17.2bn Up 34%

FUA now \$19bn as at 30 September 2020⁴

FY20 dividend

7.0cps up 52% on FY19⁵

BUSINESS HIGHLIGHTS FY20



Maintaining focus on our customers and our people during COVID-19



Industry awarded & recognised



Continued strong pipeline

- Institutions
- Boutiques
- Aggregators



Maintaining 2nd place quarterly & annual net flows



Market-leader in managed portfolios¹



Maintaining momentum and progressing strategic acquisitions & initiatives



\$4.95bn Record annual net inflows



Expanded distribution footprint



Launched HUBconnect enhanced adviser experience & investor app to pilot



13 new Paragem Practices onboarded



Advice documentation compliance tool in pilot

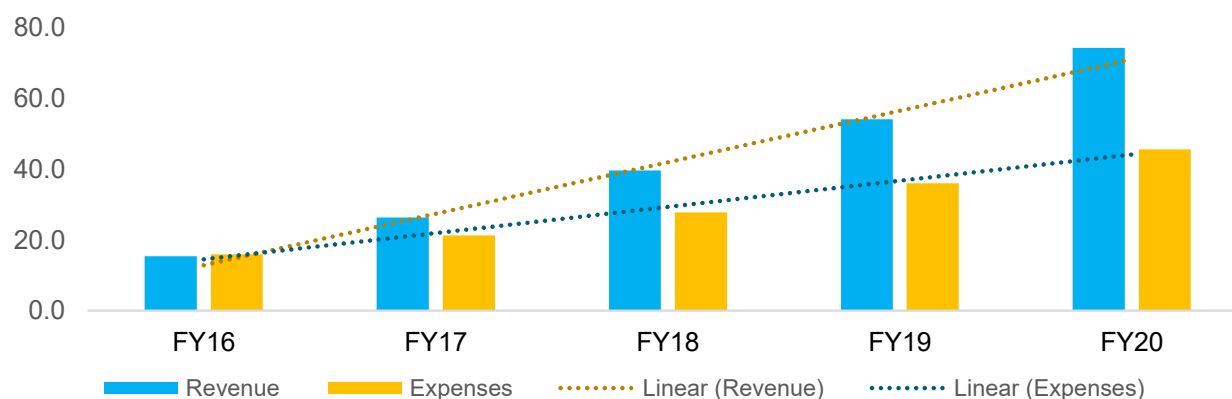


2066 advisers using the platform
105 new licensee agreements signed

PLATFORM SEGMENT RESULTS

FUA GROWTH DELIVERING SCALE BENEFITS

Platform Revenue and Expenses (\$m)²



Profit lines	FY16	FY17	FY18	FY19	FY20
Gross profit	56%	62%	72%	75%	75%
Underlying EBITDA ²	-4%	19%	30%	33%	39%



Platform EBITDA margin continued to expand with scale



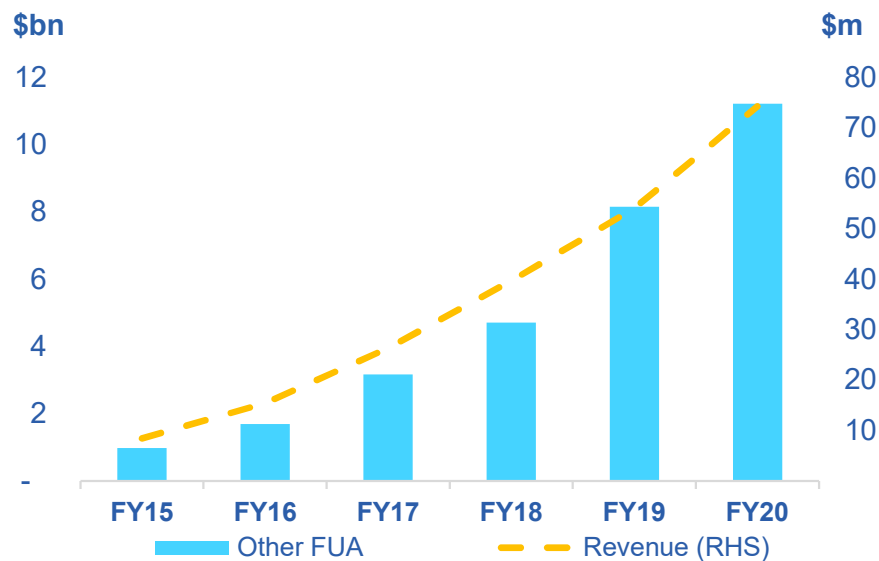
Investment made in FY19 was leveraged



Funding Group FY20 dividend of 7.0cps, up 52% on FY19

PLATFORM REVENUE, FUA & FLOWS

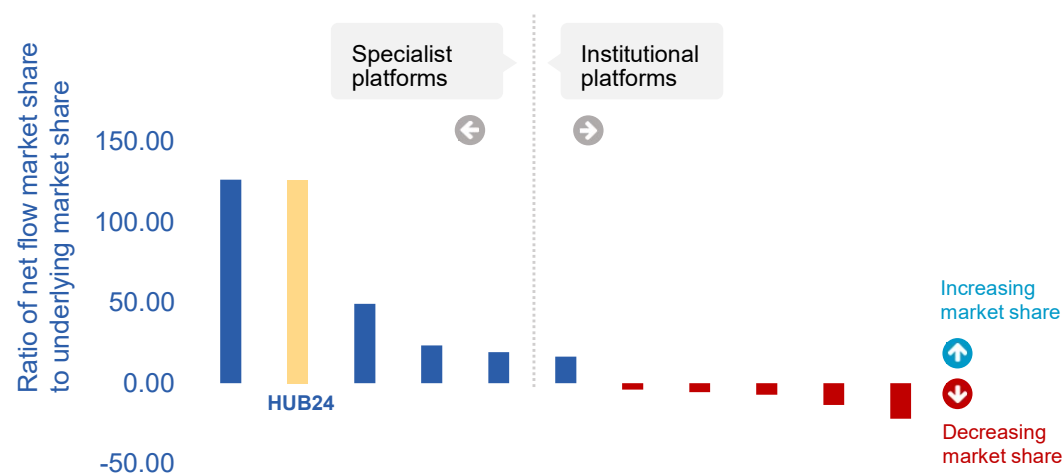
Platform Revenue & FUA¹



59% FUA 5 YR CAGR

55% Platform Revenue 5 YR CAGR

Platform providers net flow share to underlying market share ratio



➔ HUB24 market share has grown from 1.5% to 2.1%²

Source: Strategic Insights. Analysis of Wrap, Platform and Master Trust Managed Funds at June 2020.

DELIVERING YOY GROWTH IN THE CONTEXT OF COVID-19



Incumbents continue to divest wealth management businesses. Licensees and advisers looking for stability and continued commitment to wealth



Seamlessly transitioned to remote working without customer impact



HUB24's managed portfolios delivered tangible benefits for clients during market volatility



Market volatility has highlighted need for robust infrastructure and scale



Lower interest rates have impacted revenue, offset partially by higher trading volumes



Organic growth has continued with Q1 FY20 FUA up 10%



Delivered two record quarters of net inflows²

HUB24 is robust and has continued to grow as a result of strong customer advocacy and market leadership

HUB24 CONTINUES TO BE RECOGNISED BY THE INDUSTRY FOR FUNCTIONALITY & CUSTOMER SERVICE



1st Managed Accounts Functionality 2016, 2017, 2018, 2019¹



1st Product Offer & integration²



Equal 1st Platform Service²



2nd Adviser satisfaction³



2nd Adviser advocacy³



Ranked Top 2 in 17 out of 25 categories³



2nd Platform Net Promoter Score⁴

HUB24 LEADS THE MARKET IN MANAGED PORTFOLIOS, AND IS CONTINUING TO INNOVATE

Industry awarded & recognised



- 1st Managed Accounts Functionality¹
- 1st Managed Account reach²
- 1st Managed Accounts Primary relationships²
- Highest Adviser Satisfaction Managed Accounts functionality²

Demonstrating value in current market conditions



- Efficient & consistent portfolio rebalancing
- Tax optimisation delivering real benefits
- Transaction cost savings
- Delivering new research which demonstrates the power of HUB24 capability
- Commencing market campaign to quantitatively highlight the client benefits of HUB24's managed portfolios

We're providing the market's leading solution



- Extensive choice with 108 new managed portfolios added in FY20
- Investing to unlock further client value & extend market leadership
- Increased trading security in ManagerHUB
- Enhanced portfolio research for advisers & investors
- Streamlined managed portfolio structure to a managed investment scheme (MIS)



STRATEGIC ACQUISITIONS

OVERVIEW

→ POSITION HUB24 FOR ONGOING SUCCESS

- Strengthening position as leading Specialist Platform Provider
- Market leader in non-custody, direct HIN solutions
- Enhanced capabilities including bonds and international domiciled managed funds
- Strategic partnership with a leading financial services provider to enable a transformation of financial advice leveraging HUB24 data and technology solutions

→ PURSUE GROWTH

- FUA more than doubles from \$19bn to \$42bn³
- New key strategic client relationships

→ CONTINUING STRONG FINANCIAL RESULTS

- For total consideration of \$93m including integration and transaction costs, transactions expected to result in approximately 13% EPS accretion in FY22⁴
- Expected synergies of \$10m per annum from FY24

HUB²⁴



XPLORE
WEALTH

Proposed Acquisition of XPL¹ for \$60m



ORD MINNETT

Acquisition of PARS for \$10.5m



 **easton**

Investment of up to 40% in EAS inc. divestment of Paragem²

HUB²⁴

1. Subject to Xplore Wealth shareholder approval and Court approval

2. Subject to Easton Investment shareholder approval

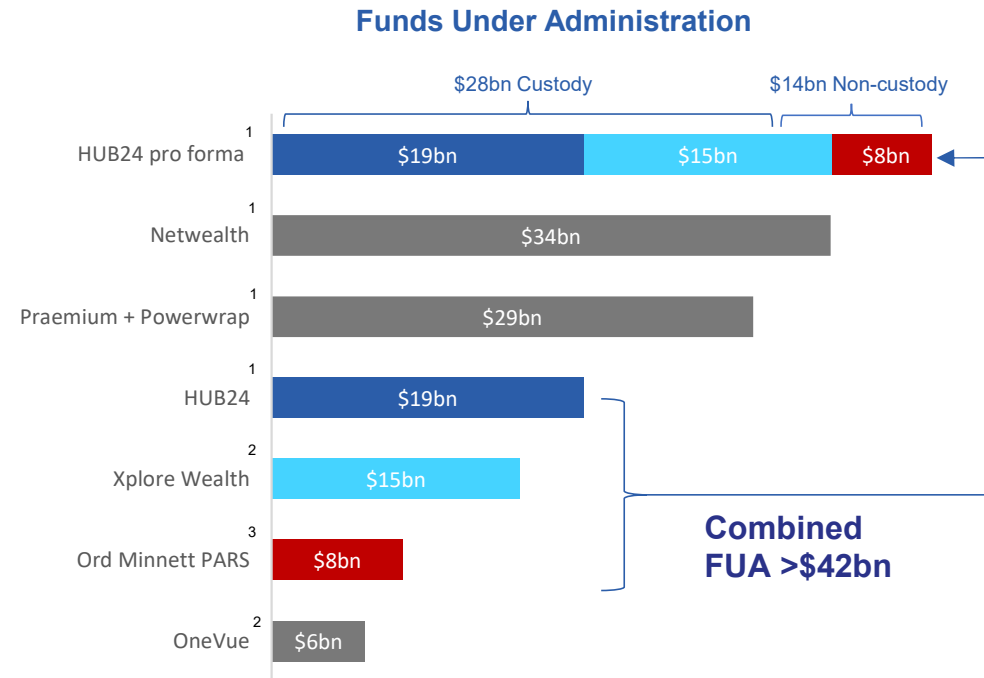
3. As at 30 Sept 20

4. Including a full year contribution from the transactions, realisation of synergies (pre-tax) and excludes one-off implementation and non-recurring costs. Integration to be completed June 2023

A SERIES OF COMPELLING ACQUISITIONS

- 1 A significant increase in FUA to \$42bn comprising \$28bn in custody and \$14bn in non-custody
 - Provides scale, capabilities, synergies and new client relationships
- 2 Creates market-leading non-custody platform service provider
 - Delivers capability and scale in non-custody platform services (Direct HIN)
 - Complements HUB24's existing leading specialist platform position, adding new revenue streams and building the foundations for growth
- 3 Additional growth through strong combined proposition for marquee clients
 - Broadens HNW/Private Bank client capability and value proposition with ability to offer domestic and global bonds and international domiciled managed funds
- 4 Delivers innovation, opportunities and synergies across the client base
 - Strengthens commitment to solving common challenges through integrated platform, data and technology solutions for wealth managers, stockbrokers, financial advisers, licensees and accountants
 - Opportunity to leverage HUB24's data and technology expertise to enable the transformation of advice and increase client advocacy

CONSOLIDATING HUB24'S LEADERSHIP IN THE SPECIALIST PLATFORM SECTOR



REPOSITIONING HUB24 BRANDING TO ALIGN WITH OUR CUSTOMER PROPOSITIONS

TODAY

HUB²⁴

HUB²⁴ HUB^{CONNECT}

agility
APPLICATIONS

Brand retirement
Agility solutions
continue under
HUBconnect

Paragem

Proposed
divestment
to Easton
Investments

MOVING FORWARD ¹

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**PLATFORM
SOLUTION FOR
LICENSEES,
ADVISERS &
THEIR CLIENTS**

HUB24 Invest
HUB24 Super
HUB24 Managed
Portfolio Service

HUB^{CONNECT}

**TECHNOLOGY
SOLUTIONS FOR
LICENSEES ,
BROKERS,
ADVISERS & THEIR
CLIENTS**

Broker (Agility Connect)
Licensee solutions
Non-custody admin
(Ord Minnett's PARS)
Easton Technology
Partnership

TIMETABLE

These dates are indicative and subject to change

EVENT	DATE
Completion of Ord Minnett's PARS acquisition	27 November 2020
XPL First Court Hearing	18 December 2020
EAS Share Placement and Divestment of Paragem complete ¹	29 January 2021
XPL Securityholders meetings to approve the Share Scheme and the Option Scheme	12 February 2021
XPL Second Court Hearing	19 February 2021
XPL Schemes implementation date ²	3 March 2021

A blue-tinted photograph showing a close-up of two hands pointing at a document with a bar chart. The background is a blurred office setting with papers and a laptop. The word 'OUTLOOK' is overlaid in white text with a yellow underline.

OUTLOOK

DELIVER ON OUR STRATEGIC INITIATIVES

STRATEGIC INITIATIVE

ACTIVITY



Continued platform enhancement

- Continued investment in our platform proposition to deliver choice and efficiency
- Proposed Xplore Wealth acquisition to provide High Net Worth capabilities
- Enhanced digital onboarding to be rolled out end of Q2 FY21
- Solution for customer advice-fee opt-in to be launched Q3 FY21



Managed Portfolio market leadership

- Leverage our market-leading position in managed portfolio solutions and continue to build market share
 - HUB24 Invest & HUB24 Super Portfolios moved to non-registered MIS structure
 - “Platform alpha” research quantifying the benefits of HUB24’s managed portfolio capability
 - Extend market leadership with new capability
 - Enhanced managed portfolio education series to be rolled out during Q3 FY21



Technology, innovation and greater data connectivity

- Consolidating our position as leading provider of “data as a service”
 - Extension of HUBconnect functionality for whole of wealth reporting with new product/data sources
 - Continuing to build data management and integration solutions that benefit the broader licensee and adviser market
 - Creating additional revenue leveraging our technology and data expertise

DELIVER ON OUR STRATEGIC INITIATIVES

STRATEGIC INITIATIVE

ACTIVITY



Leader in non-custody administration services & reporting

- Delivering capability and scale in non-custody platform services with seamless integration and market leadership in Direct HIN services
 - Acquisition of Ord Minnett's PARS business to be completed imminently
 - Acquisition of Xplore Wealth (subject to shareholder approval)



Growth

- Continuing platform growth across all segments, expanding distribution team to capture increasing opportunities
- Transition of ClearView Wealth Solutions
- Leverage new relationships and capabilities arising from acquisition of Xplore



Advice transformation

- Enabling the delivery of cost-effective advice
- New self-service and 'bionic' advice platform "HUB24 Access" designed for clients with simpler needs, in collaboration with Aberdeen Standard Investments. Rollout preparation underway in order to support new adviser business models
- Consolidate our position as a strategic technology provider for licensees through proposed investment in Easton Investments
 - Strategic partnership provides an anchor technology client for our data and technology services

MOVING FORWARD

Create customer & shareholder value

→ PURSUE GROWTH

- Leverage existing adviser and licensee opportunities to underpin platform growth and convert new opportunities from strong pipeline
- Seek new opportunities across our current and emerging segments

→ COMPLETE PROPOSED TRANSACTIONS AND COMMENCE INTEGRATION

- Leverage new non-custodial admin capability
- Reposition and grow HUBconnect business in line with strategy

→ POSITION HUB24 FOR ONGOING SUCCESS

- Support customers with service excellence
- Showcase our capabilities and build long-term relationships
- Innovation to support ongoing growth

→ CONTINUE STRONG FINANCIAL RESULTS

- Leverage FUA growth and business scalability to deliver shareholder value
- Increase profitability

We are positioning HUB24 as the leading provider of integrated platform, data and technology services to Australian wealth advisory businesses

Organic growth FUA target of
\$28-32 billion
for FY22¹



QUESTIONS



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.

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