

ASX Release: 24th August 2021

HUB24 delivers strong FY21 profit growth

HUB24 (ASX:HUB) today announced its results for the year ended 30 June 2021 (FY21) reporting Underlying NPAT of \$15 million (up 53% on FY20), Underlying Group EBITDA of \$36.2 million (up 47% on FY20) and Underlying Platform EBITDA of \$37.9 million (up 32% on FY20).

Key company highlights for FY21 are:

- Record platform net inflows of \$8.9 billion up 82% on FY20¹
- Total Funds Under Administration (FUA) \$58.6 billion up 237% on FY20
- Platform FUA \$41.4 billion up 141% on FY20 (\$44.2 billion as at 20 August 2020)²
- Platform Revenue of \$101.1 million up 36% on FY20
- Final fully franked dividend of 5.5 cps (full year dividends of 10cps up 43% on FY20)
- Platform market share of 3.9% (up from 2.5% in FY20 and 1.3% in FY19)³

The company recorded a statutory NPAT of \$9.8 million in FY21 after \$7.5 million of transaction and implementation costs related to the strategic transactions announced in October 2020. Given the company's strong performance the directors have determined a final fully franked dividend of 5.5cps (up 57% on pcp) to be paid on 15 October 2021.

HUB24's platform market share has continued to grow to 3.9% up from 2.5% last year highlighting HUB24's industry leadership and continued development of strong relationships.³ HUB24's footprint in financial services has grown considerably through FY21, as the company completed a series of strategic transactions which delivered increased scale, provided new key client relationships and enhanced product capability to access new client segments.

Following the completion of these transactions, integration activities are well-progressed with the Xplore Wealth and Ord Minnett teams having transitioned across to HUB24 and the teams are leveraging our collective capability to progress the development of product solutions for existing and new clients.

HUB24 has continued to be recognised by financial advisers and the industry for customer service and product excellence having been awarded Best Platform Overall in Investment Trends 2020 Platform Benchmarking and Competitive Analysis Report, 1st for Overall Satisfaction by advisers in the 2021 Wealth Insights Platform Service Level Report and maintaining 1st place for Platform Managed Accounts functionality for the 5th year running.⁴

The company achieved record levels of organic growth during FY21. Our distribution team, whilst actively pursuing new relationships, is also focussed on working with large national licensees and their advisers to leverage existing strong growth opportunities within their network. During FY21 the number of advisers using the platforms increased by 997, up 48.3% on the prior comparative period, and 117 new distribution agreements were signed.

FY21 has been an extremely successful year for HUB24. Whilst the COVID-19 pandemic has continued to impact our customers, staff, shareholders, and the community, HUB24 has strengthened its financial position, operating profitably with a strong balance sheet, and generating

strong operating cash flows. Cash reserves remain significantly above regulatory capital requirements.

The market conditions continue to be favourable for HUB24 given the ongoing transformation of the Australian wealth management landscape. HUB24 is well-placed to pursue further growth opportunities as the leading provider of integrated wealth platform, technology and data solutions.

Moving forward we expect ongoing strong net inflows to the platforms and are now targeting a Platform FUA) range of \$63–\$70 billion by 30 June 2023 (excluding PARS FUA).⁵

Andrew Alcock, HUB24's Managing Director commented "FY21 has been an extremely successful year for HUB24, delivering record platform net inflows of \$8.9 billion, a 47% increase in Group Underlying EBITDA to \$36.2 million, and fully franked dividends totalling 10 cents per share for the year. I am proud that HUB24 has been recognised as Australia's Best Platform Overall with the highest level of adviser satisfaction. We have tripled our platform market share to 3.9% over the last two years, and the current market dynamics provide significant opportunities for further growth. HUB24 is well-positioned for ongoing success."

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

² Unaudited

³ Strategic Insights Master Funds Platforms and Wraps March 2020

⁴ Investment Trends December 2019 Platform Competitive Analysis and Benchmarking Report, Wealth Insights Platform Service Level report 2021

⁵ 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 may affect platform FUA & revenue

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About HUB24

HUB24 Limited is a company listed on the Australian Securities Exchange. The company consists of the award-winning HUB24 platform, HUBconnect business and Xplore platform. HUB24 offers advisers and their clients a comprehensive range of investment options, including market-leading managed portfolio solutions, and enhanced transaction and reporting functionality. As one of the fastest growing platforms in the market, the platform is recognised for providing choice and innovative product solutions that create value for advisers and their clients. HUBconnect focuses on leveraging data and technology to provide solutions to common challenges for licensees and advisers and enable the delivery of professional advice to more Australians.

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 Board of Directors.

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