



Empowering better  
financial futures, together




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FY23 Results  
Presentation

22 August 2023

**HUB** 24

# Continuing momentum with significant uplift in financial results<sup>1</sup>

	Revenue	Underlying EBITDA <sup>2</sup>
 <b>Total Group</b>	<b>\$279.5m</b> ↑ 45%	<b>\$102.4m</b> ↑ 45%
 <b>Platform</b>	<b>\$208.8m</b> ↑ 30%	<b>\$85.1m</b> ↑ 37%
 <b>Tech Solutions</b>	<b>\$67.5m</b> ↑ 133%	<b>\$21.8m</b> ↑ 91%

Total FUA  
**\$80.3bn**  
 ↑ 23%

Platform FUA  
**\$62.7bn<sup>3</sup>** ↑ 26%  
 \$64.5bn as at 17 August<sup>4</sup>

PARS FUA  
**\$17.6bn**  
 ↑ 11%

Statutory NPAT **\$38.2m** Up 160%

Underlying NPAT<sup>2</sup> **\$58.8m** Up 64%

Final Dividend **18.5cps** Up 48%  
 Fully franked<sup>5</sup>

EPS (diluted) **46.1cps** Up 136%

# Leading the wealth industry as the best provider of integrated platform, technology & data solutions



Australia's best platform<sup>1</sup>



Australia's third fastest growing super fund<sup>2</sup>



Market-leading SMSF administration software



Market-leading Managed Portfolio capability



SMSF documents provider of choice<sup>3</sup>



Data-led solutions leveraging emerging technologies



Comprehensive institutional non-custody reporting solution



Secure online client portal technology for finance professionals and their clients

**HUB**<sup>24</sup>

**CLASS**

**HUB**CONNECT

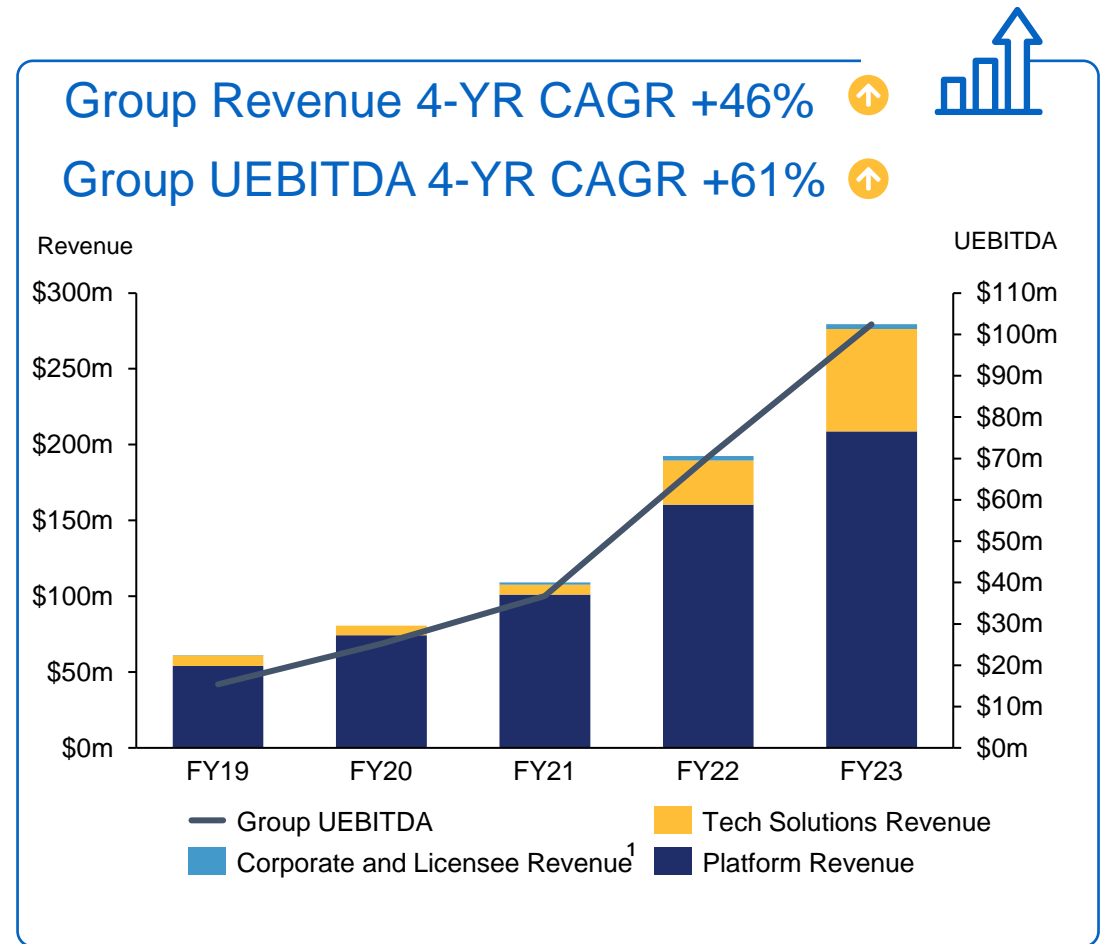
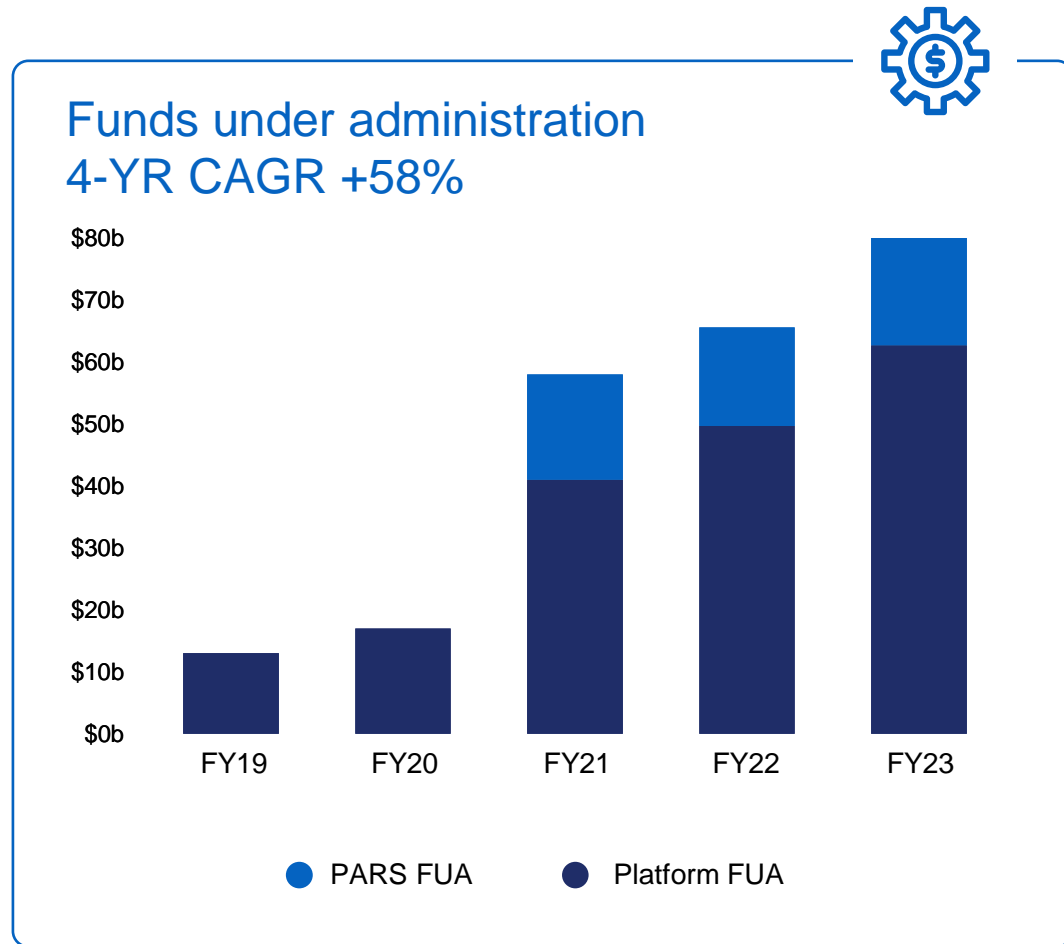
**myprosperity**

**NowInfinity**  
A CLASS TECHNOLOGY COMPANY

**HUB**<sup>24</sup>

1. Investment Trends Platform Competitive Analysis and Benchmarking Report 2022
2. In 2022, HUB24 Super had the third fastest annual growth rate of net flows and members of Australian superannuation funds, KPMG Super Insights 2023
3. 28% of all SMSF establishments are made on NowInfinity - for the 12 months ending 31 March 2023 using latest available ATO SMSF establishment data

# Consistently delivering growth and shareholder value



# FY23 highlights – market leadership, growth & enhancing our customer proposition



Industry leading net inflows and FUA growth



Strong pipeline of opportunities across the Group (including \$4 billion migration from EQT), increasing adviser relationships



Acquired myprosperity



Increasing profitability and operating cashflows



Consolidated our platform leadership position & increased customer advocacy



Xplore Wealth superannuation integration complete



Class is building momentum and positioned for further growth

## Delivering on our strategic objectives

**Lead today**

**Delivering customer value and growth**



**Create tomorrow**

**Continuing to build the platform of the future**



**Build together**

**Collaborating to shape the future of the wealth industry**



# Recognised as Australia's best platform<sup>1</sup>



- 🏆 Overall Best Advice Platform<sup>1</sup>
- 🏆 Best Client Experience<sup>1</sup>
- 🏆 Ease of Onboarding<sup>1</sup>
- 🏆 Best Functionality<sup>1</sup>
- 🏆 Best Adviser Support<sup>1</sup>
- 🏆 Best Investment Options<sup>1</sup>



- 🏆 #1 Overall Satisfaction (equal first)<sup>4</sup>
- 🏆 #1 Ease of doing Business<sup>4</sup>
- 🏆 #1 IT/Web functionality<sup>4</sup>
- 🏆 Best SMSF Investment Platform – Adviser Choice<sup>7</sup>



- 🏆 #1 Best Overall Platform<sup>5</sup>
- 🏆 #1 Best Reporting<sup>5</sup>
- 🏆 #1 Best Online Business Management<sup>5</sup>
- 🏆 #1 Best Managed Portfolio Product Offer<sup>5</sup>

- 🏆 #1 primary platform advocacy<sup>6</sup>
- 🏆 #1 NPS for primary platform users (equal first)<sup>6</sup>
- 🏆 #1 Tax Optimisation tools<sup>6</sup>
- 🏆 #1 Client Reporting<sup>6</sup>

# Continuing to lead the market with innovative managed portfolio capability and \$27 billion in FUA

## Engaging and educating advisers

Building clear differentiation in our Managed Portfolios proposition

### General benefits:

- Client directed customisation
- Transparency
- Portability
- Speed of implementation
- Individual tax outcomes

### Unique benefits of HUB24 'Platform Alpha':

- Tax optimisation (whole of account)
- Trade execution – in house
- Portfolio Implementation
  - ManagerHUB
  - Progressive Portfolio Implementation

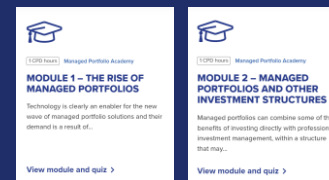
Helping to grow the Managed Portfolio market



Platform Alpha – Whitepapers



Managed Portfolio Academy



Managed Portfolio Education Guides

Extending our managed portfolio leadership position



**No. 1**

Best managed portfolio product offer<sup>1</sup>



**No. 1**

**Overall satisfaction** with platform managed portfolio functionality<sup>2</sup>



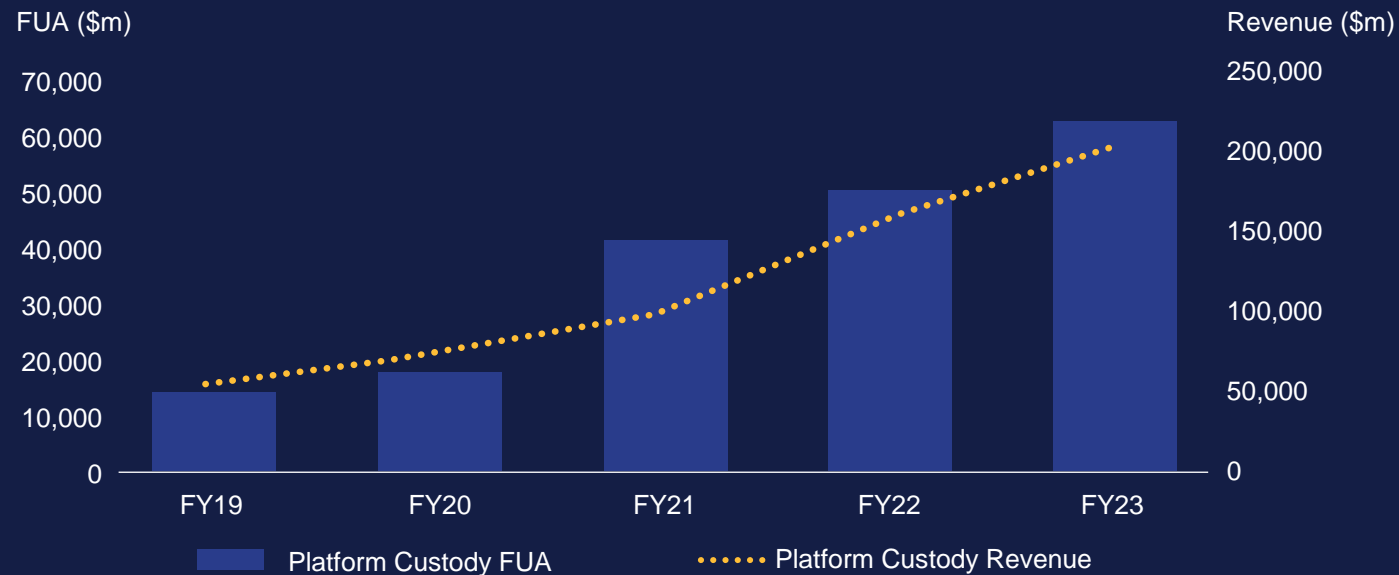
**HUB24**

**the Platform of choice** for access to Managed Accounts<sup>2</sup>

# HUB24 Platform growth and market share<sup>1</sup>

## Growth in Platform Custody FUA & revenue

Platform Custody FUA 4YR CAGR 48%

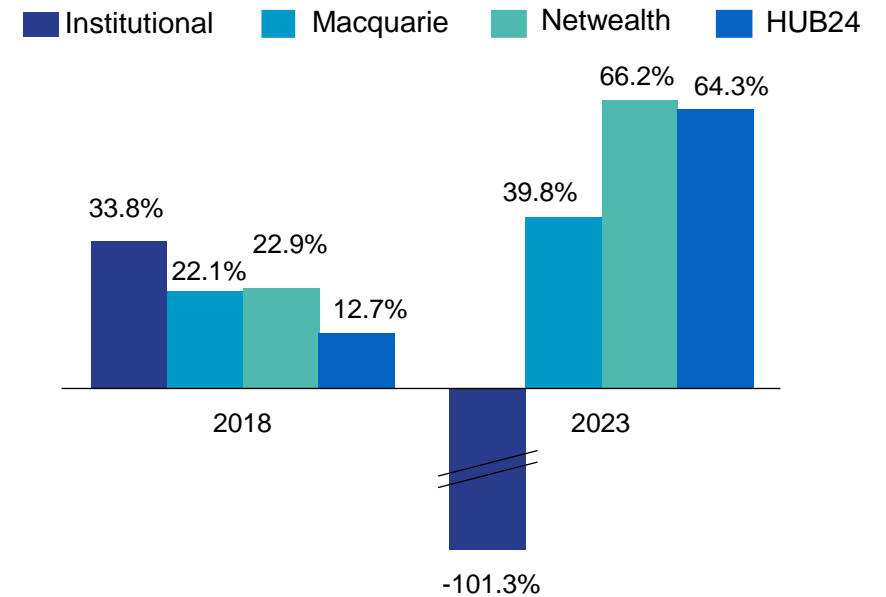



 Ranked #1 quarterly and annual net inflows<sup>2</sup>


 7<sup>th</sup> largest platform provider by market share<sup>2</sup>

 HUB24 market share has grown from 5.1% to 6.1%<sup>2</sup>

## Fastest growing platform by market share of flows<sup>2</sup>



 HUB24's market share has grown from 0.9% to 6.1% over the last five years<sup>2</sup>

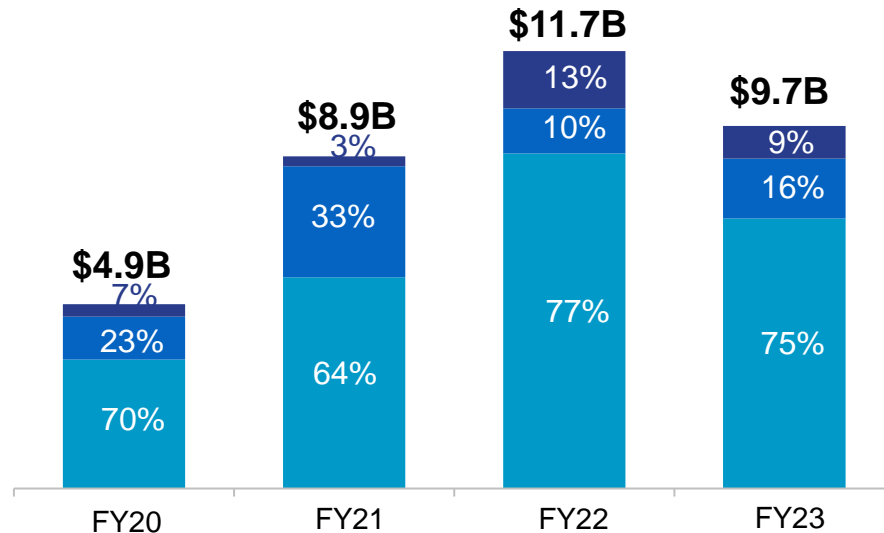
 Institutional platform market share has decreased by 75.5% to 64.4% over the last five years<sup>2</sup>



# Strong inflows from existing and new relationships with significant opportunity to grow market share

## Yearly FUA net inflows analysis

## Latent opportunity



- New Licensee Relationship
- Existing Licensee but new Adviser relationship
- Existing Licensee and existing Adviser relationship



HUB24 has relationships with access to more than **74%** of the total adviser market<sup>1</sup>



- 4,011 active advisers up 15% (26% of the market)
- Access to ~7,500 Advisers covered by HUB24 licensee agreements who are not using the platform (48% of the market)

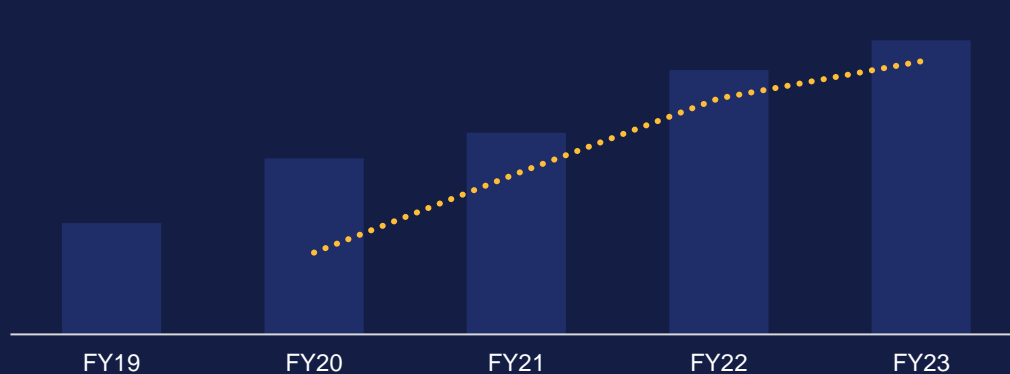
- ➔ Since June 2020, average adviser FUA on HUB24 platform has grown by 88% to \$16 million<sup>3</sup>
- ➔ 7% of advisers on HUB24 have more than \$50m FUA on HUB24<sup>2</sup>
- ➔ Industry average FUA per adviser estimated to be \$65m per adviser, providing further opportunity for growth<sup>4</sup>
- ➔ New adviser relationships deliver transition/flow benefits for up to 6 years<sup>3</sup>

# Class - building momentum and positioned for growth

## Growth in Class accounts

Class Super accounts

205,000  
200,000  
195,000  
190,000  
185,000  
180,000  
175,000  
170,000  
165,000



■ Class Super accounts    ..... Companies on Corporate Messenger (CM)

Companies on CM

700,000  
650,000  
600,000  
550,000  
500,000  
450,000  
400,000  
350,000  
300,000

- Class SMSF market share 30.5% and ranked #2<sup>1</sup>
- Total Class accounts up 13% since June 2019
- 28% of all SMSFs established on NowInfinity<sup>2</sup>
- Companies on Corporate Messenger up 60% since June 2020



Refreshed Growth team & continued **focus on customer service excellence** resulting in increased engagement customer satisfaction



**Access to ~ 6,000 financial professionals** providing opportunities to expand footprint across the Group



Continued enhancement to **core product suite** to deliver efficiencies and reduce manual processes



Engaging the industry, delivering thought leadership & education to **grow the SMSF market**

Supporting over **200,000** accounts on Class and over **640,000** companies on Corporate Messenger

# Our talented and growing team

838

FTE

86%

Dedicated to product innovation, technology, business development and customer service

74% ↑ 2%

HUB24 Group Employee Engagement<sup>1</sup>

## Enhancing our employee value proposition to attract, retain and develop our people

- New Chief People Officer focused on enhancing our employee brand and strengthening HUB24 as a great place to work
- Attracting talent through diverse channels including Graduate & Intern programs and STEM returners
- Investing in learning and development pathways to enhance capabilities at all levels
- Enabling a purpose-driven, diverse and inclusive high-performance culture supporting employee retention and advocacy

## Our Values:



### Integrity

Do the right thing



### Collaboration

Act as one team, one company



### Client Focus

Be easy to deal with



### Excellence

Go above and beyond



### Passion

Invest energy to make a difference



### Innovation

Think big and outside the square



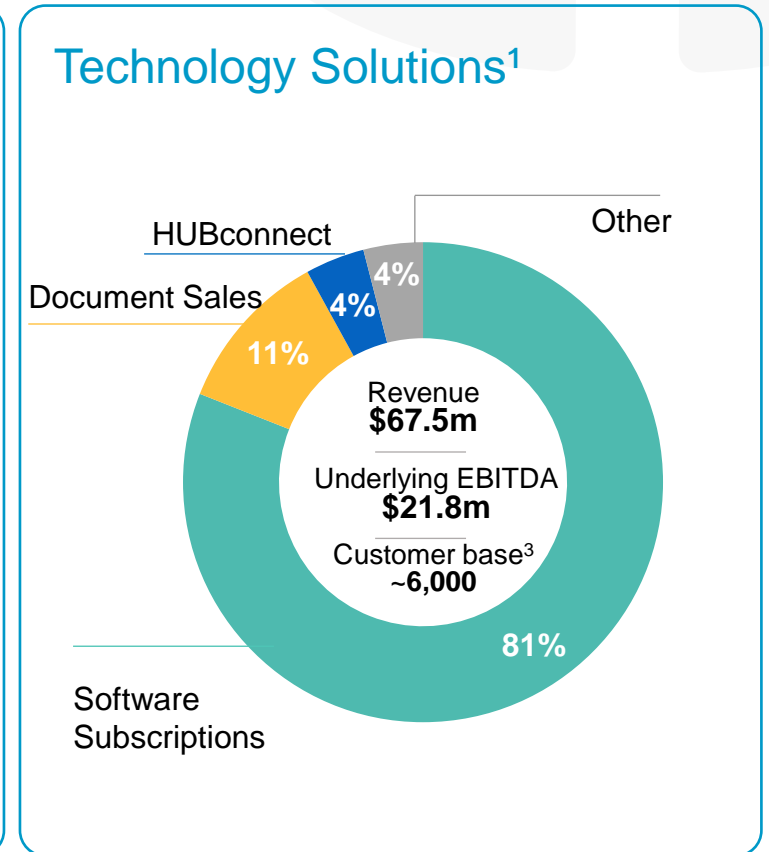
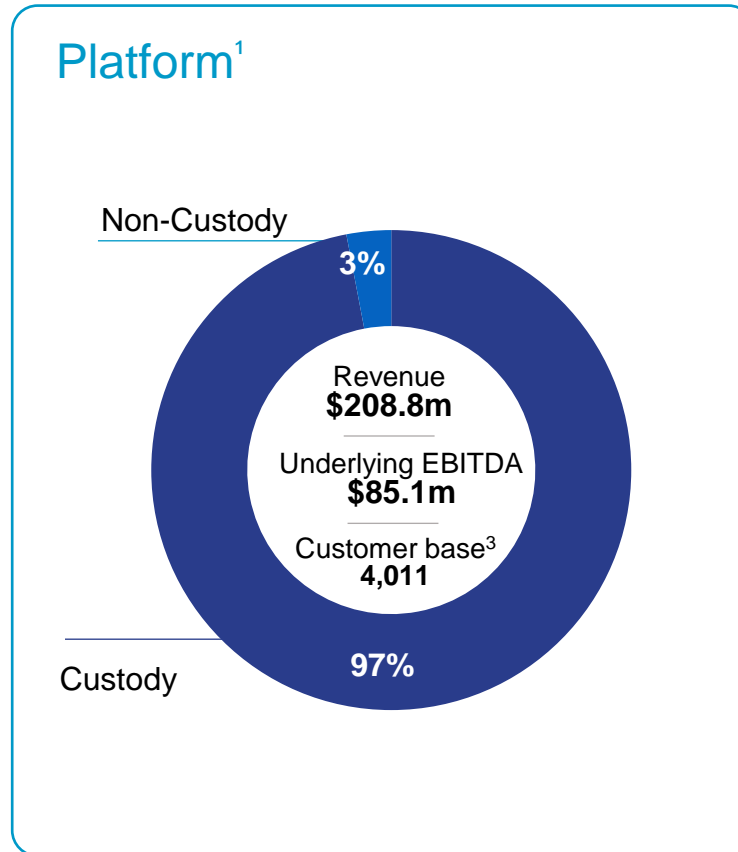
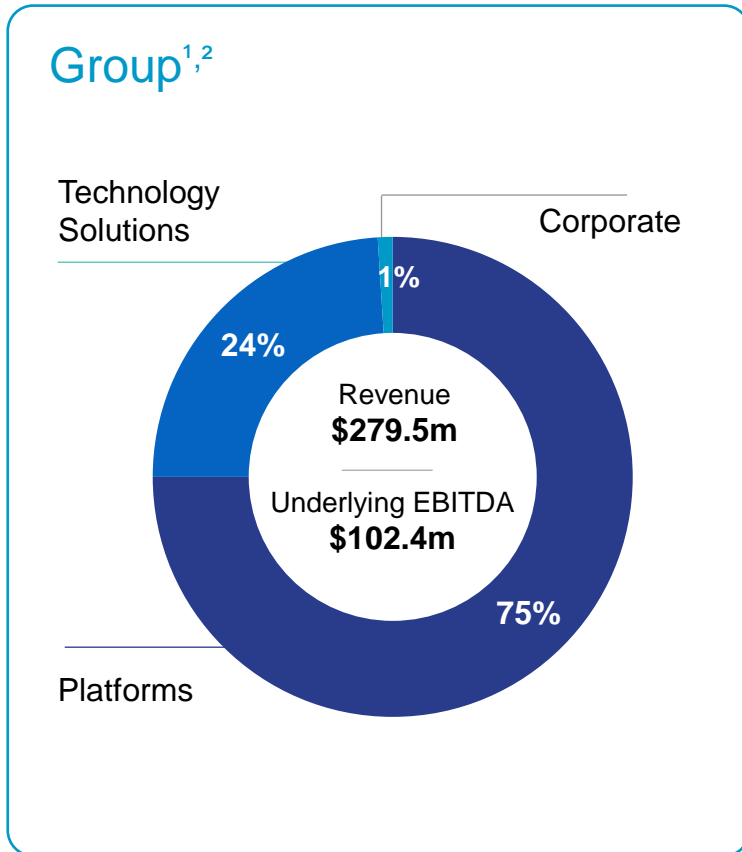
# Financial results

**Kitrina Shanahan**

Chief Financial Officer



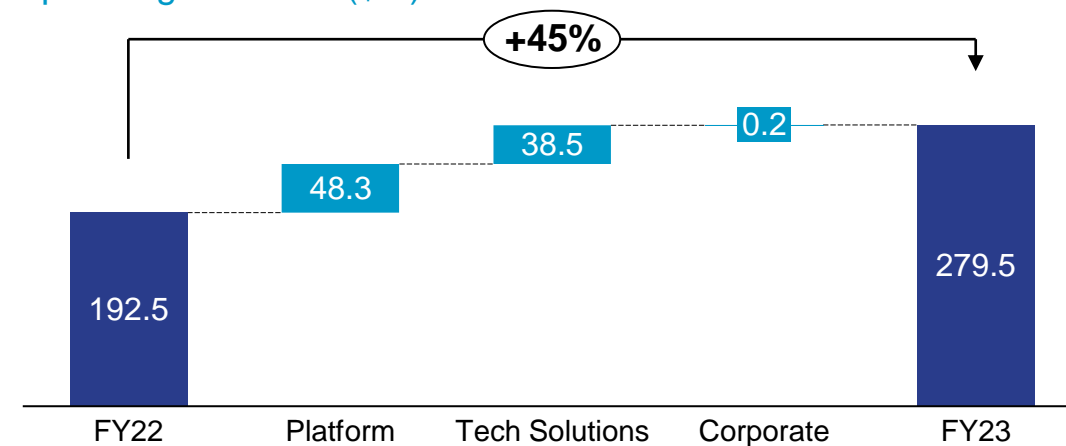
# Group snapshot as at 30 June 2023<sup>1</sup>



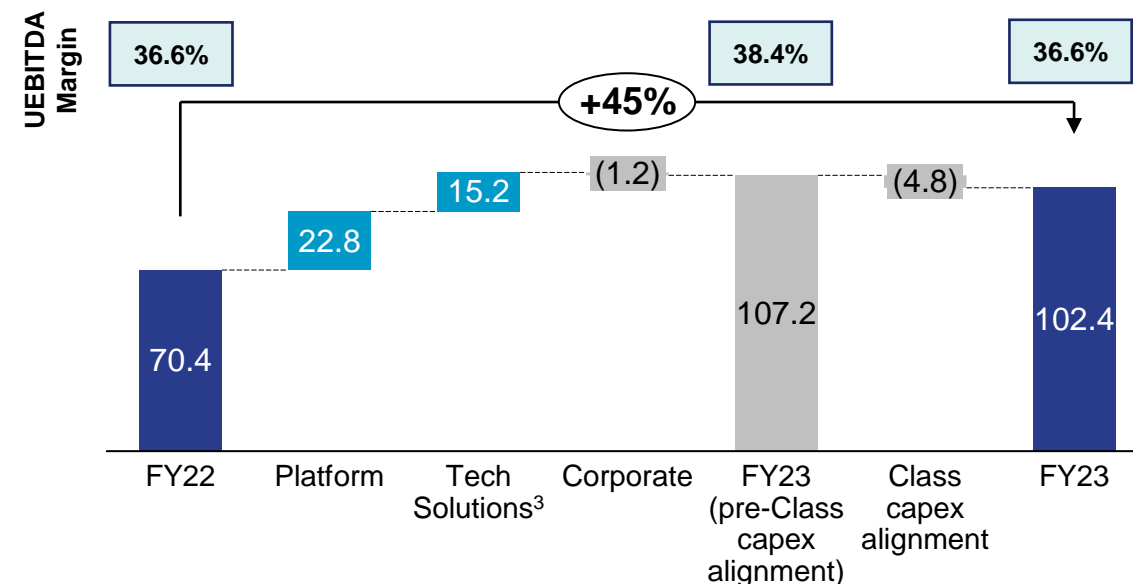
# Group financial results

	FY23	FY22	Change
	\$m	\$m	%
Operating Revenue	279.5	192.5	45%
Operating Expenses	(177.1)	(122.1)	45%
Underlying EBITDA <sup>1</sup>	102.4	70.4	45%
<b>Underlying EBITDA margin<sup>1</sup> (%)</b>	<b>36.6</b>	<b>36.6</b>	<b>(0.0)</b>
<b>Cost to income ratio (%)</b>	<b>63.4</b>	<b>63.4</b>	<b>0.0</b>
EBITDA	91.3	59.6	53%
Underlying NPAT <sup>2</sup>	58.8	35.9	64%
Statutory NPAT	38.2	14.7	160%
<b>Full Year Dividends (cents per share, fully franked)</b>	<b>32.5</b>	<b>20.0</b>	<b>63%</b>
<b>Diluted Earnings per share</b>	<b>46.1</b>	<b>19.5</b>	<b>136%</b>

Operating Revenue (\$m)



Underlying EBITDA (\$m)

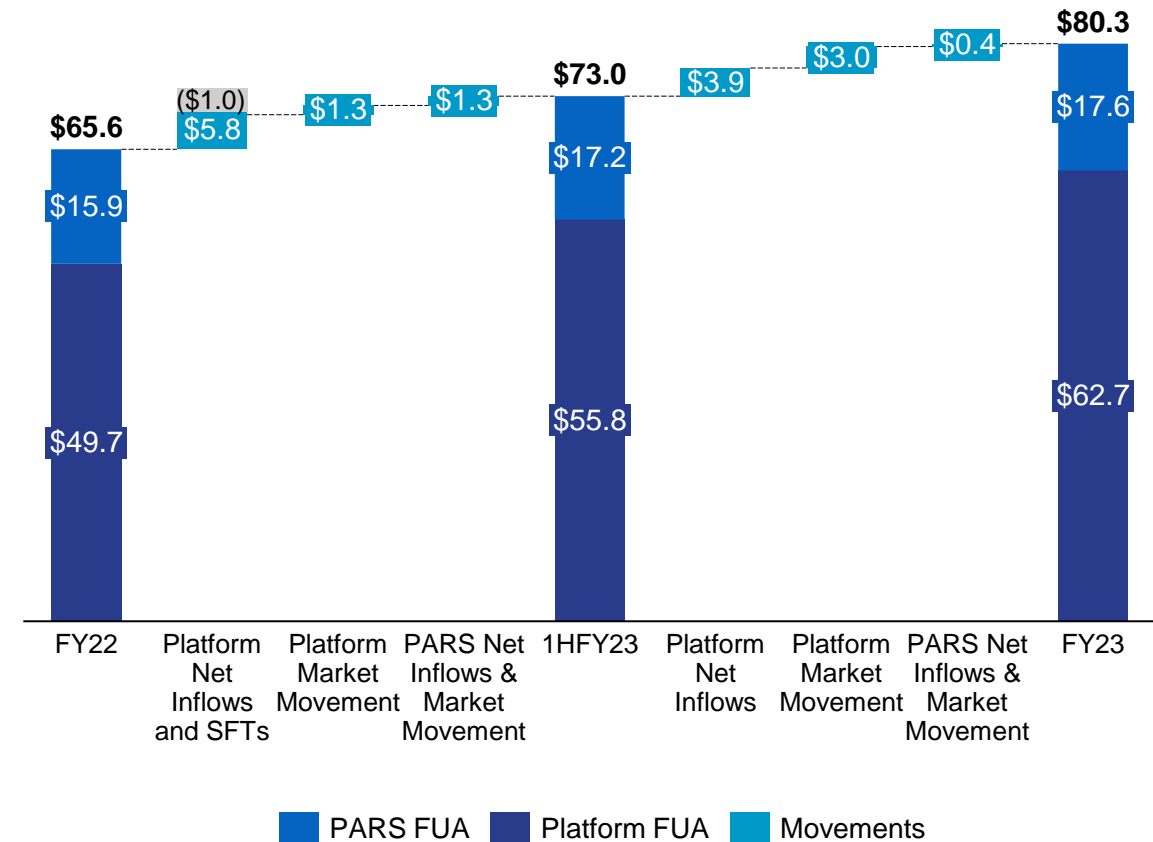


# Platform results

Continued FUA growth, higher interest rates and disciplined cost management leading to expanding UEBITDA margins

	FY23	FY22	Change
	\$m	\$m	%
Platform FUA	62.7bn	49.7bn	26%
PARS FUA	17.6bn	15.9bn	11%
Total FUA	80.3bn	65.6bn	23%
Platform Net Inflows <sup>1</sup>	9.7bn	11.7bn	(17%)
<b>Revenue</b>	<b>208.8</b>	<b>160.5</b>	<b>30%</b>
<b>Operating Expenses</b>	<b>(123.7)</b>	<b>(98.2)</b>	<b>26%</b>
<b>Underlying EBITDA<sup>1</sup></b>	<b>85.1</b>	<b>62.3</b>	<b>37%</b>
<b>Underlying EBITDA margin<sup>2</sup> (%)</b>	<b>40.8</b>	<b>38.8</b>	<b>2.0</b>

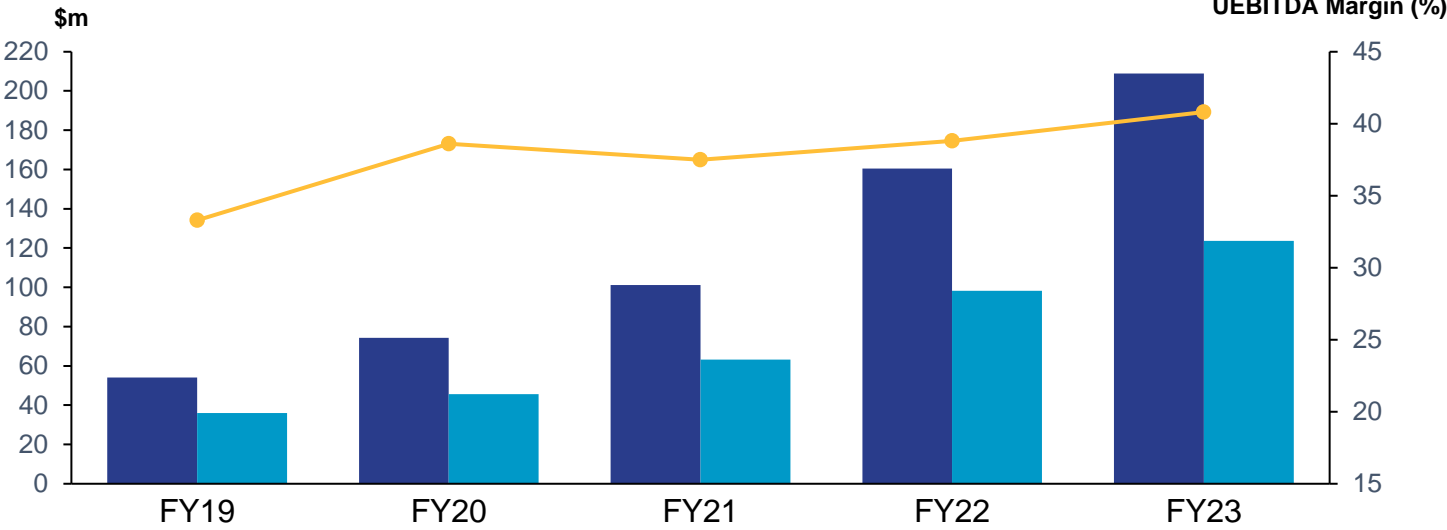
Funds Under Administration (\$b)



# Platform segment results

## Platform delivering scale benefits

Revenue and Expenses (\$m) Revenue Expenses UEBITDA margin (RHS)



Platform UEBITDA margin (%)

33.3	38.6	37.5	38.8	40.8
------	------	------	------	------

Platform Underlying EBITDA \$m

18.0	28.7	37.9	62.3	85.1
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\$9.7b of net inflows and \$4.3b positive market movements during FY23 driving continued growth in the platform segment<sup>1</sup>



Scale benefits delivering platform UEBITDA margin improvement of 2% compared to FY22



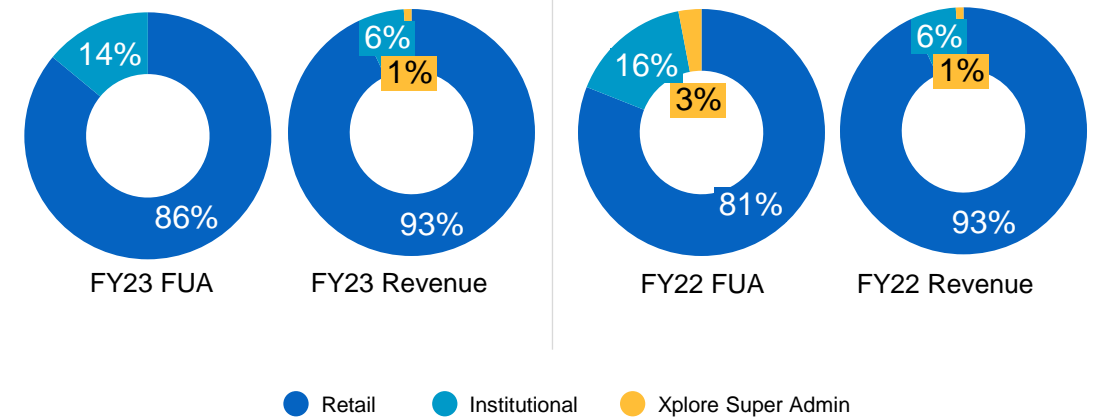
\$85.1m Platform UEBITDA for the year represents a 47% 4-year CAGR



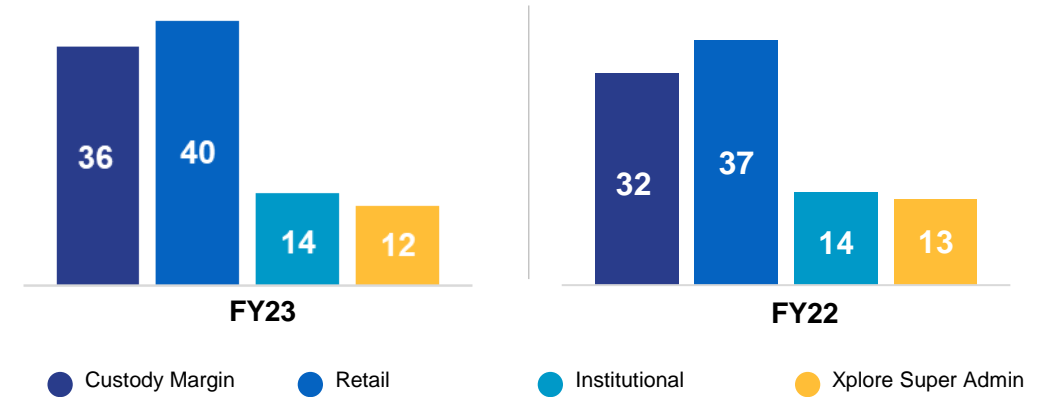
# Composition of platform custody FUA and revenue margins

- Xplore Super Admin successor fund transfers (SFTs) completed in FY23. No impact to UEBITDA with the removal of associated costs
- Retail clients represent 86% of Platform FUA (81% FY22) and 93% of revenue (93% FY22)
- Institutional includes High-Net-Wealth clients and Private Labels which attract high value portfolios at wholesale pricing reflecting scale efficiencies<sup>2</sup>

Portfolio Composition of Platform custody FUA and Revenue (\$m)



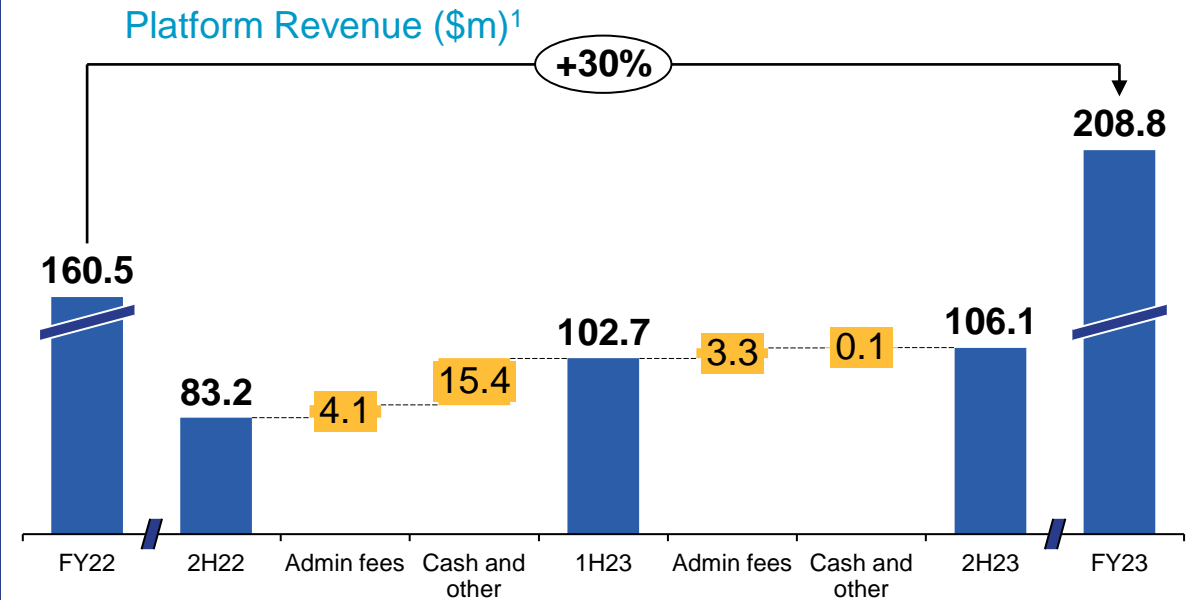
Portfolio Composition of Custody Revenue Margin<sup>1</sup> (bps)



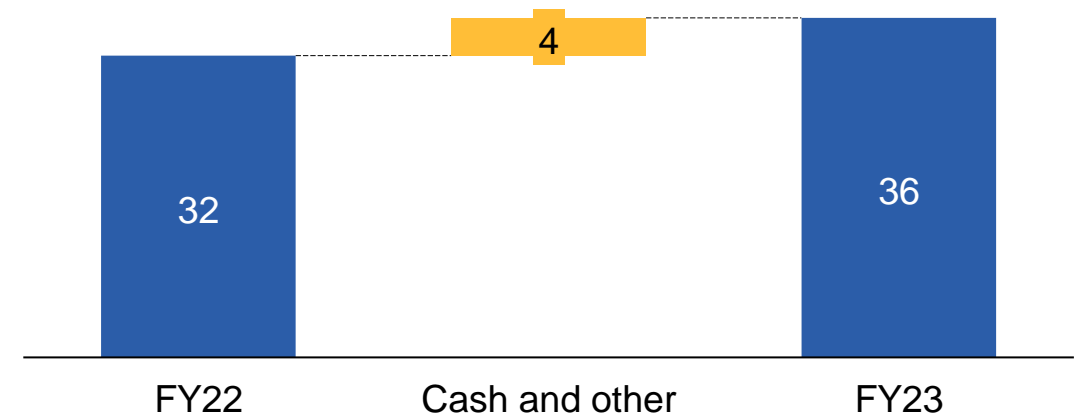
# Platform revenue

Platform revenue growth of 30% reflecting growth in FUA and interest rates

- ➔ Platform revenue increased to \$208.8 million (up 30%)
- ➔ Revenue continues to increase with the scale of the business, platform revenue margin increased to 36 bps driven by:
  - Custody FUA increasing by 26% to \$62.7 billion at 30 June 2023 (FY22 \$49.7 billion); and
  - Higher cash management fees due to the RBA Official Rate and higher cash balances as a percentage of average FUA partly offset by a change in ADI provider in December 2023 and a reduction across the platform industry in deposit spreads.



Platform Custody FUA Revenue Margin (bps)

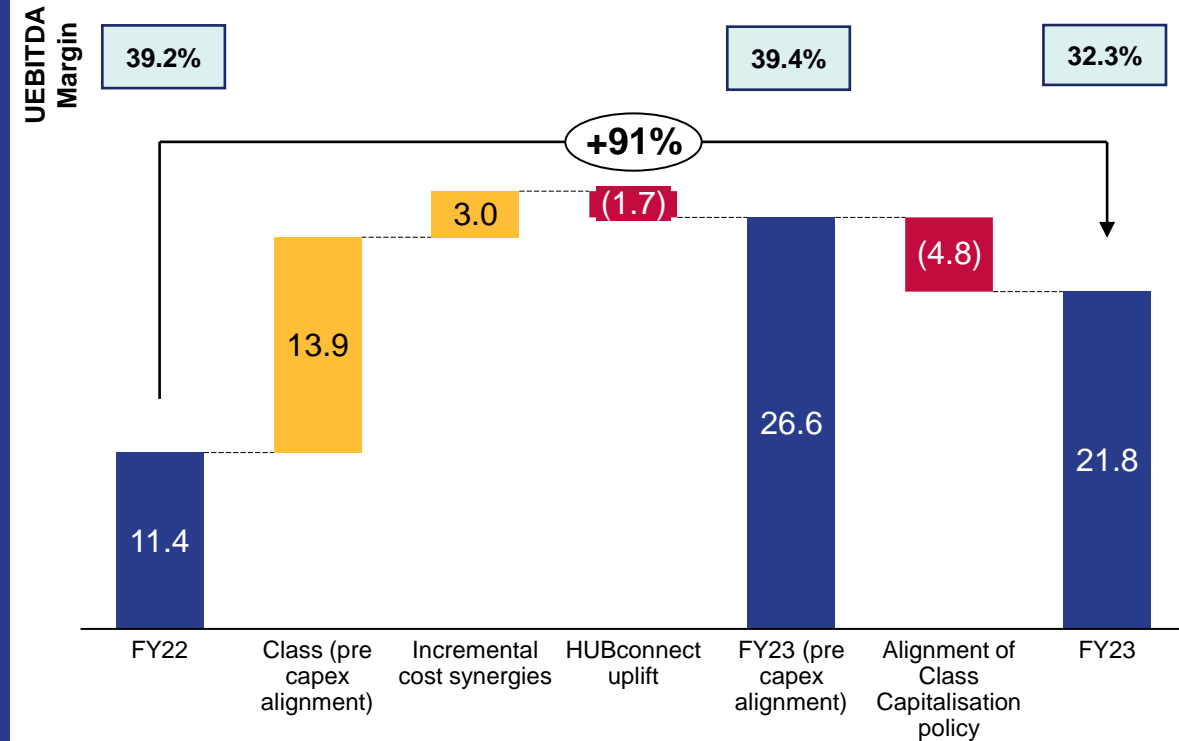


# Tech Solutions results

Class acquisition driving growth in the Tech Solutions segment. Class software capitalisation policy aligned to HUB24 policy reducing UEBITDA by \$4.8 million in FY23

	FY23	FY22	Change
	\$m	\$m	%
Class accounts <sup>1</sup>	202,149	198,397	2%
Class Document Orders <sup>2</sup>	173,148	171,309	1%
Companies on Class Corporate Messenger <sup>3</sup>	645,190	597,989	8%
<b>Revenue</b>	<b>67.5</b>	<b>29.0</b>	<b>133%</b>
<b>Operating Expenses</b>	<b>(45.7)</b>	<b>(17.6)</b>	<b>160%</b>
<b>Underlying EBITDA<sup>4</sup></b>	<b>21.8</b>	<b>11.4</b>	<b>91%</b>
<b>Underlying EBITDA margin<sup>4</sup> (%)</b>	<b>32.3%</b>	<b>39.2%</b>	<b>(6.9)</b>

## Underlying EBITDA (\$m)

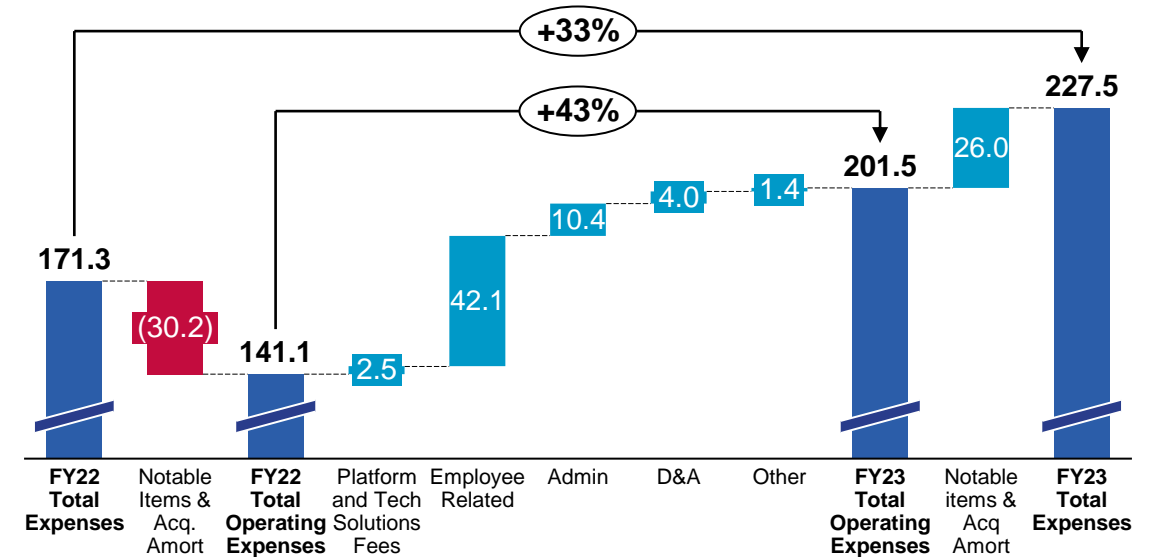


# Group expenses

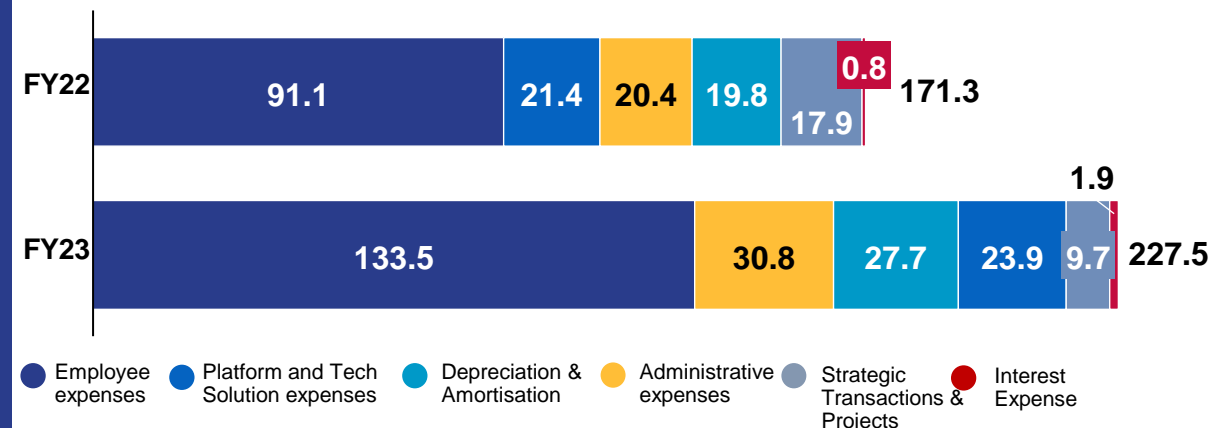
Investing to support scale and deliver growth. Class included for 4.5 months in FY22, with the acquisition completed in February 2022.

- Group expenses (excluding strategic transactions and other notable items) increased by \$60.4 million or 43% with the acquisition of Class and increase in employee expenses.
- Employee expenses increased to \$133.5 million (FY22 \$91.1 million) reflecting a full period of Class expenses and the investment made in headcount resources dedicated to distribution and marketing, future Platform development and business strategy to drive future growth. The investment in headcount will continue to be leveraged in future periods.
- Group FTE increased by 20% to 838 as at 30 June 2023 from 697 as at 30 June 2022. The continued investment in the business increased FTE by 108 and the acquisition of myprosperity increased FTE by 33.

Group Expenses by function (\$m)



Group Expenses by category (\$m)



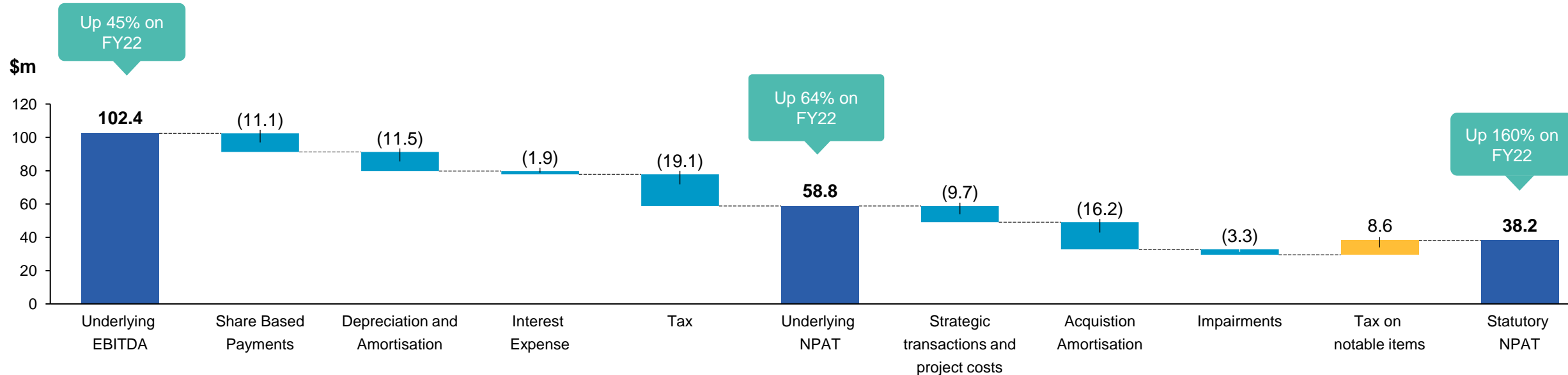
# Increasing profitability

Statutory NPAT up 160% and Underlying NPAT up 64%

\$9.7 million of strategic transaction and project costs in relation to Xplore integration, the product development costs for SMSF Access, costs related to large transitions and myprosperity acquisition costs

Higher amortisation, as development and capitalisation of IT assets continues, and acquisition related amortisation for Class

Impairment charge of \$3.3 million in relation to the carrying value of the investment in Diverger Limited

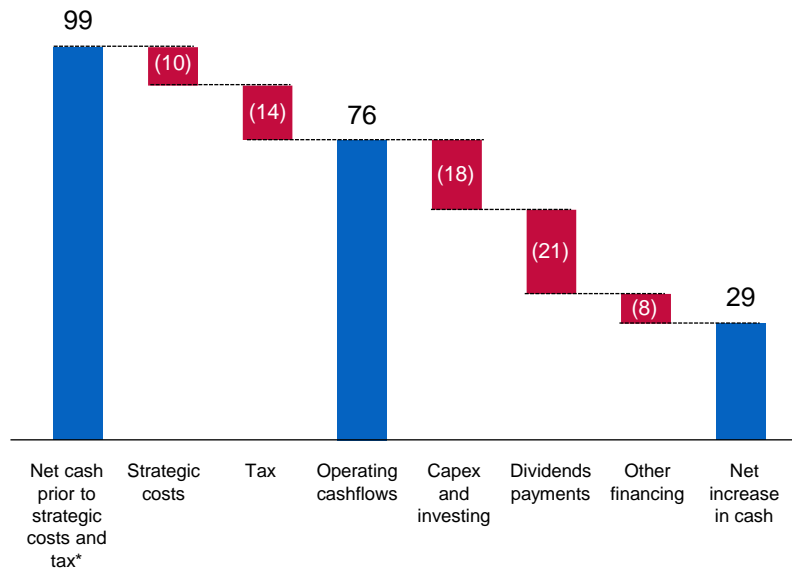


# Strong capital position supporting on-market share buy-back

Increasing shareholder returns whilst retaining flexibility to take advantage of strategic growth opportunities.

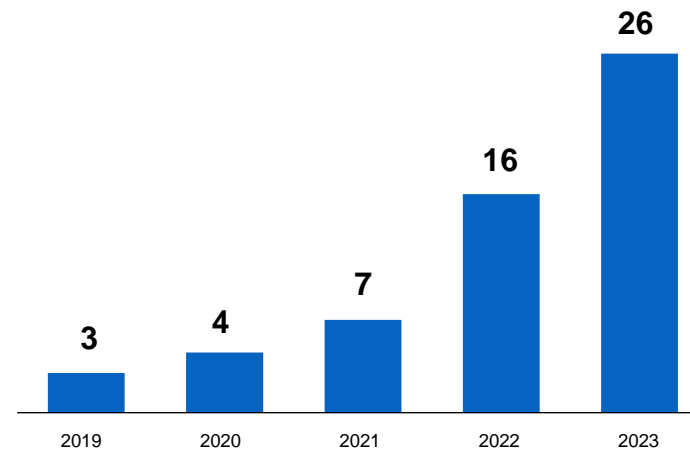
HUB24 delivered strong operating cash flows

HUB24 Group cashflow (\$'m)



HUB24 dividends continue to grow with earnings.

Total dividends paid and payable (\$'m)



## Share buy-back program announced

To commence 11 September 2023 with shares bought back over a 12-month period

Maximum value of shares bought back will be \$50 million

Funded from existing cash reserves, with \$73 million cash at 30 June 2023



# Strategy & Outlook

**Andrew Alcock**

Managing Director



# With change comes opportunity



**Specialist platforms are extending their lead** while institutional platforms remain challenged



**Licensee model evolving** with new aggregators and disaggregation from institutions



**Quality of Advice Review** should improve adviser productivity



**Data integration and quality** continue to challenge licensees, advisers and accountants



**Demand for integrated technology solutions** in this new era



**Cyber-security** driving demand for secure online portal solutions<sup>1</sup>



Increasing demand from advisers and their clients for **complete view of wealth**<sup>5</sup>



Ageing population driving need for **effective retirement product solutions**



**\$3.5 trillion inter-generational wealth transfer** driving need for strategies & solutions<sup>2</sup>



**Growth in SMSFs** continuing, driven by increasing demand from Millennials<sup>3</sup>



**Increasing adoption of managed portfolio solutions**<sup>4</sup>



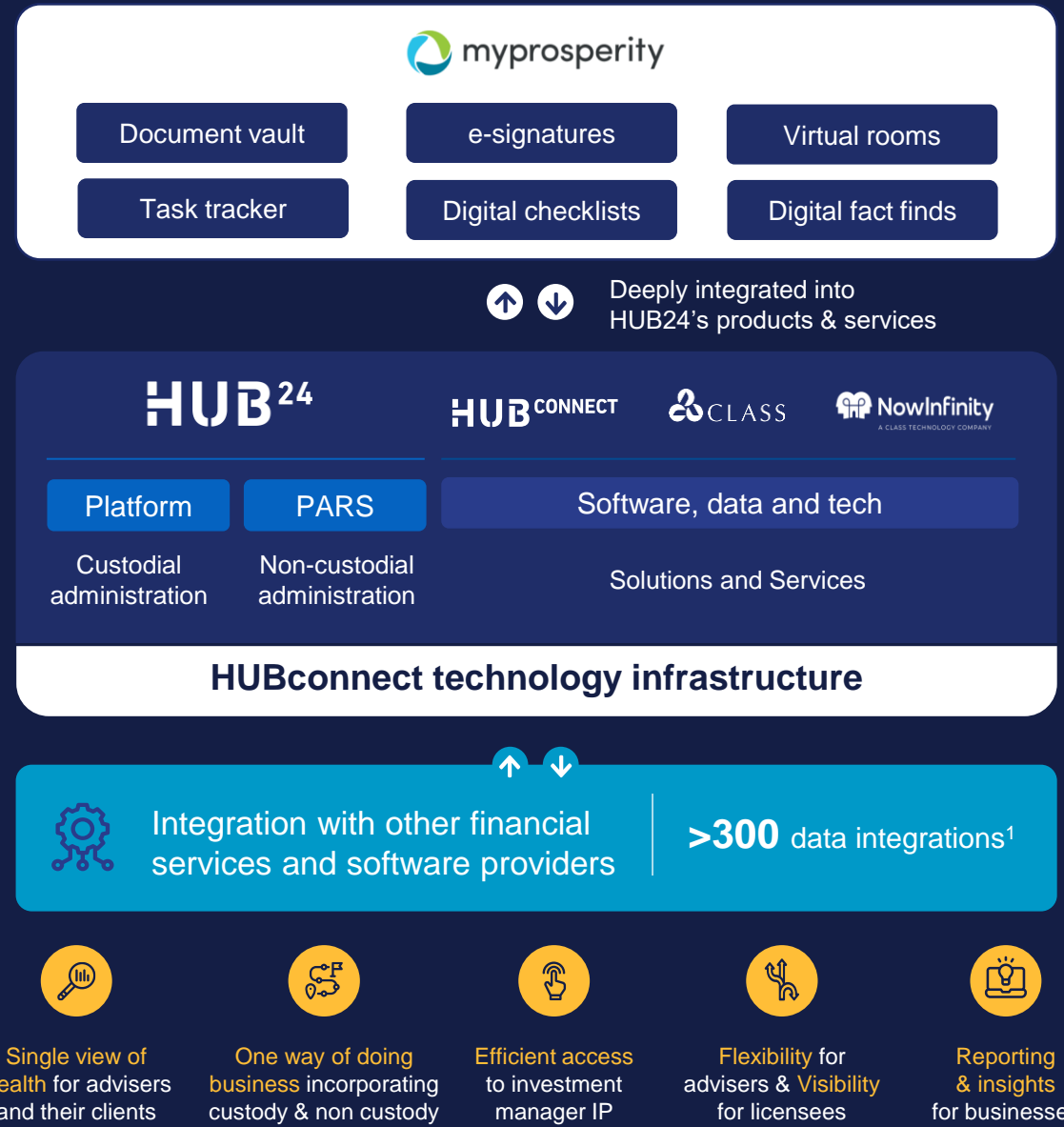
**Client demand for personalisation** requiring efficient, customised solutions<sup>5</sup>



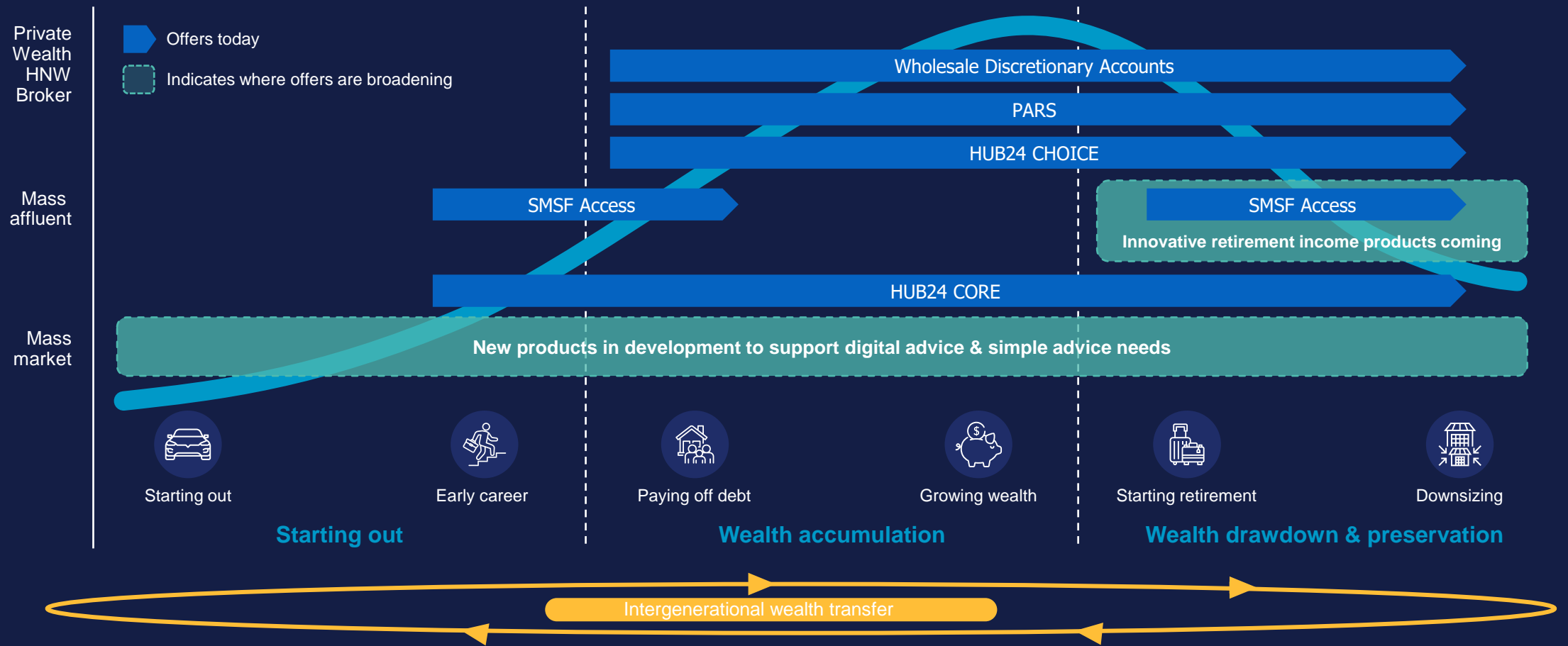
# Our strategy positions us to capture these opportunities for growth

## Leveraging our Group capability and delivering

- Enhanced client portal experience with myprosperity and HUB24
- Evolving non-custody reporting to also provide administration on the HUB24 platform
- Unlisted fixed interest and currency options for high-net-worth clients
- Collaborating with leading retirement solution providers to deliver innovative product options for retirement needs
- Increasing selection of alternative investments across our platforms
- Ongoing enhancements to SMSF access
- Continued investment in data and technology solutions to support licensees and advisers



# Continuing to deliver integrated platform and technology solutions for the client lifecycle



HUB<sup>24</sup>

CLASS

HUB<sup>CONNECT</sup>

myprosperity

NowInfinity  
A CLASS TECHNOLOGY COMPANY

# Outlook – growth momentum delivering customer and shareholder value



Coherent strategy driving competitive advantage



Strong growth from existing & new relationships whilst evaluating strategic opportunities



Strong balance sheet & capital position, increasing profitability & financial results



Integrate Group capabilities to accelerate platform growth, extend leadership & access new markets



Updating Platform FUA target (excluding PARS FUA)

**\$92b-**  
**\$100b**  
for FY25<sup>1</sup>



Market leadership in our core propositions with ongoing product & service development



Delivering scale through investment in technology and operations



Enable industry transformation & advice delivery with technology & data solutions



Enhance customer experience including complete view of wealth & client portal capability

# 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.

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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. Past performance is not indicative of future performance.

## Forward looking statements

This presentation contains certain forward-looking statements. The words 'anticipate', 'will', '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.

This presentation was authorised for release to the market by the HUB24 Limited Board of Directors.



**HUB<sup>24</sup>**

**HUB<sup>24</sup>**

# HUB24 Group at a glance

## Platform

HUB<sup>24</sup>

XPLORE  
WEALTH

myprosperity

PLATFORM

Custodial  
administration

Platform FUA  
**\$62.7bn**

**4,011**  
Advisers using  
the platform

Managed  
Portfolio &  
MDA FUA  
**\$29bn**

PARS

Non-custodial  
administration

PARS FUA  
**\$17.7bn**

PARS  
accounts  
**8,154**

**Total FUA \$80.3bn**

**Annual net inflows \$9.7bn**

myprosperity

Client  
portal

Advice/  
accounting firms  
**440+**

Households<sup>3</sup>  
**~7,000**

## Tech Solutions

HUB<sup>CONNECT</sup>

**92**  
Financial Services Clients

Technology & Data Services

### HUBconnect Broker

Customer management &  
operational support for  
stockbrokers

### HUBconnect Licensee

Database insights to support  
advice licensees with business  
management & compliance  
obligations

CLASS

**6000+**  
Unique Clients<sup>1</sup>

Cloud-based software

### Class Super

SMSF administration

### Class Trust

Trust administration

### Class Portfolio

Investment Reporting  
& Administration

No. of  
accounts  
**202,149**

### NowInfinity

Corporate compliance  
& documentation

Document  
orders  
**173,148**  
  
No. of  
companies  
**645,190**

HUB<sup>24</sup>

Data as at 30 June 2023 unless otherwise stated

1. As at 30 June 2023
2. Class customer base represents practices as at FY23
3. myprosperity internal data as at April 2023

# Delivering on our sustainability objectives

