

HUB<sup>24</sup>



Empowering  
better financial  
futures, **together.**

# HUB24

HALF YEAR ENDED 31 DECEMBER 2024

# Analyst and Investor Pack

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# 1HFY25 Financial Highlights and Key Metrics

## GROUP



Total revenue<sup>1</sup>

**\$195.2m** ▲ 25%

Underlying EBITDA<sup>2</sup>

**\$77.6m** ▲ 41%

Underlying NPAT<sup>3</sup>

**\$42.6m** ▲ 40%

Underlying EBITDA margin

**39.8%** ▲ 470bps

Underlying diluted earnings per share

**51.0c** ▲ 41%

Fully franked interim dividend

**24.0¢** per share ▲ 30%

1HFY24 fully franked interim dividend:  
18.5 cents per share

## PLATFORM



Platform revenue

**\$154.2m** ▲ 29%

Number of active advisers

**4,886** ▲ 14%

Platform net inflows<sup>4</sup>

**\$9.5b** ▲ 31%<sup>4</sup>

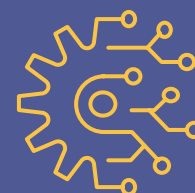
Platform FUA of

**\$98.9b** ▲ 36%<sup>5</sup>

PARS FUA of

**\$22.0b** ▲ 17%<sup>6</sup>

## TECH SOLUTIONS



Tech Solutions revenue

**\$38.0m** ▲ 9%

Class number of accounts<sup>7</sup>

**210,414** ▲ 3%

Companies on Class corporate messenger<sup>8</sup>

**818,486** ▲ 17%

Class document orders<sup>9</sup>

**200,440** ▲ 10%

All percentage changes shown above are relative to 1HFY24, unless stated otherwise.

1. Includes revenue from customers, interest and income from investments. Refer to Note 2.1 in the 1HFY25 Interim Report for more information.

2. Refer to Note 2.1 in the 1HFY25 Interim Report for more information.

3. Refer to Director's Report in the 1HFY25 Interim Report for more information on Group Underlying NPAT.

4. Platform net inflows of \$9.5 billion (including \$1.5 billion large migrations).

5. Custodial FUA Administration Services.

6. Non-custodial FUA as Portfolio Administration and Reporting Services (PARS).

7. Number of Class accounts as at 31 December 2024 consists of Class Super, Class Portfolio and Class Trust licenses.

8. Number of active companies as at 31 December 2024.

9. Documents paid for by PAYG and subscription customers for the last 12 months.

# Overview of HUB24, our markets and outlook

## 1HFY25 IN REVIEW

1HFY25 has been a successful half-year for the HUB24 Group with strong financial results and progress on our strategic objectives.

HUB24 delivered strong growth in revenue, Underlying EBITDA and Underlying NPAT supported by FUA growth. Alongside strong top line growth, our UEBITDA margins are expanding demonstrating our scalable operating model and the benefits of our investment in automation.

Net inflows increased to \$9.5 billion (including \$1.5 billion of large migrations), a record for a half-year, and reflects our strong customer relationships, and leading products and service. The trends within the industry have improved over the last year with buoyant financial markets, higher net inflows across the platform industry and continued disruption which is supportive of financial advisers switching platform. Our platform market share continued to increase driven by growth from both new and existing licensees and advisers, while we reported high rates of growth in new advisers using the platform which will support future growth.

Within Tech Solutions, Class continued to deliver consistent growth, with Class growing the number of SMSFs using its software at around system, maintaining its position as the second largest SMSF software provider in Australia, while NowInfinity grew the number of companies administered on its platform above system.

HUB24's commitment to delivering customer service excellence and innovative solutions that create value for financial professionals and their clients continues to be recognised by the industry, consolidating HUB24's market leadership. A key highlight was our recognition as Australia's best platform for the third year running.<sup>1</sup>

HUB24 progressed its strategy to leverage its Group capabilities and footprint to deepen customer relationships and build new revenue streams. Class launched a pilot for its new client portal, powered by myprosperity, while a number of new myprosperity enterprise agreements were signed. HUB24 also leveraged its HUBconnect capability to launch a pilot for Engage, the next evolution of our market leading Present reporting capability.

HUB24 continued to invest in its product offerings to maintain its leadership and expand into new markets. HUB24 announced a strategic alliance with Reach Alternative Investments (including a minority investment) to deliver Australians with broader access to alternative asset classes. Within the Platform new advice fee consent tools have received strong feedback and adoption rates, while the Discover menu (launched in FY24) continued to gain momentum with strong inflows in its first year and a strong pipeline supported by a large migration expected in 2HFY25. HUB24 progressed the pilot for its non-custodial administration and reporting functionality which strengthens the Group's High Net Wealth capability and compliments the existing PARS offering. The Group also delivered significant enhancements to Class products including its direct registry feeds, directly sourced document feeds and property valuation & title search integrations.

These strong results are underpinned by the continued

investment in our technology, the strength of our client offerings and a strong team of people who are focused on delivering better outcomes for clients and shareholders and empowering better financial futures, together.

The Group remains focused on delivering our strategic objectives to continue to lead the industry as the best provider of integrated platform, technology and data solutions. There is positive momentum across our business and we remain well positioned for ongoing success in both our existing businesses, HUB24 Platform, Class and NowInfinity, as well as our emerging technology and data solutions offerings, which will create shareholder value and strengthen our competitive advantages.

## ABOUT HUB24

HUB24 Limited ('the Company', 'the Group') is a financial services company that was established in 2007 and is a leading provider of integrated platform, technology and data solutions to the Australian wealth industry.

HUB24 Limited is listed on the Australian Securities Exchange (ASX) under the code 'HUB' and includes the award-winning HUB24 platform, the Class businesses, HUBconnect and the myprosperity business. In September 2024 HUB24 Limited was admitted into the S&P/ASX100 index and as at 14 February 2025 had a market capitalisation of approximately \$6.6 billion.

The HUB24 Group's purpose is to "*empower better financial futures, together.*" To fulfil this purpose, the HUB24 Group delivers platform and technology solutions that empower financial professionals to deliver better financial futures for their clients.

The HUB24 Group's head office is based in Sydney and it provides its products and services across all Australian states and territories.

As at 31 December 2024, the HUB24 Group employed 882 people on a full-time equivalent (FTE) basis.

## HUB24'S VISION AND STRATEGY

The HUB24 Group's vision is to lead the wealth industry as the best provider of integrated platform, technology and data solutions. The HUB24 Group is focused on four strategic priorities:



### Lead today

Delivering customer value and growth



### Create tomorrow

Creating integrated wealth technology and platform solutions



### Build together

Collaborating to shape the future of the wealth industry



### Be future ready

Developing our people, capabilities and infrastructure to support our future growth strategies

1. HUB24 ranked #1 for Best Platform Overall in the Investment Trends Platform Competitive Analysis and Benchmarking Report 2024.

# Overview of HUB24, our markets and outlook

## PARTNERING WITH THE WEALTH INDUSTRY

HUB24's vision is to lead the wealth industry as the best provider of integrated platform, technology and data solutions to financial advisers and their licensees, accountants, stockbrokers and a range of other participants operating within the wealth management value chain.

There is significant demand for financial advice in Australia underpinned by structural demographic shifts which is driving intergenerational wealth transfer and the transition of superannuation from the accumulation phase to pension phase, the natural point to seek advice. While creating a significant opportunity for financial professionals, there is undersupply, underinvestment in technology and a high cost of advice, which is leaving many Australians with unmet advice needs.

The advice industry has undergone significant disruption. Regulatory changes including the banning of conflicted remuneration and introducing client best interest duties is providing financial professionals with greater choice but also significantly disrupting their business models. Thousands of advisers have exited the industry in conjunction with a large shift of advisers from aligned advice groups to independent advice groups. Many large vertically integrated institutional financial services groups, whom owned platforms, exited or internalized the management of their advice businesses with some also selling their platforms.

This has led to underinvestment in the advice industry, particularly in technology where many processes remain inefficient and manual, and the technology infrastructure relies on unintegrated solutions and products. The client experience could be improved with many Australians unable to easily access a 'whole of wealth' view and communication often relying on email, increasing cyber security risks.

Following a period of significant disruption there is investment returning to the advice industry and business models are evolving. There is the emergence of a new category of mid-to-large sized independent advice firms, who see an opportunity to invest and grow.

Independent advice, accounting and multidisciplinary firms are more willing to invest in technology and data solutions that provide them access to best of breed solutions and empower them to grow and operate sustainable businesses.

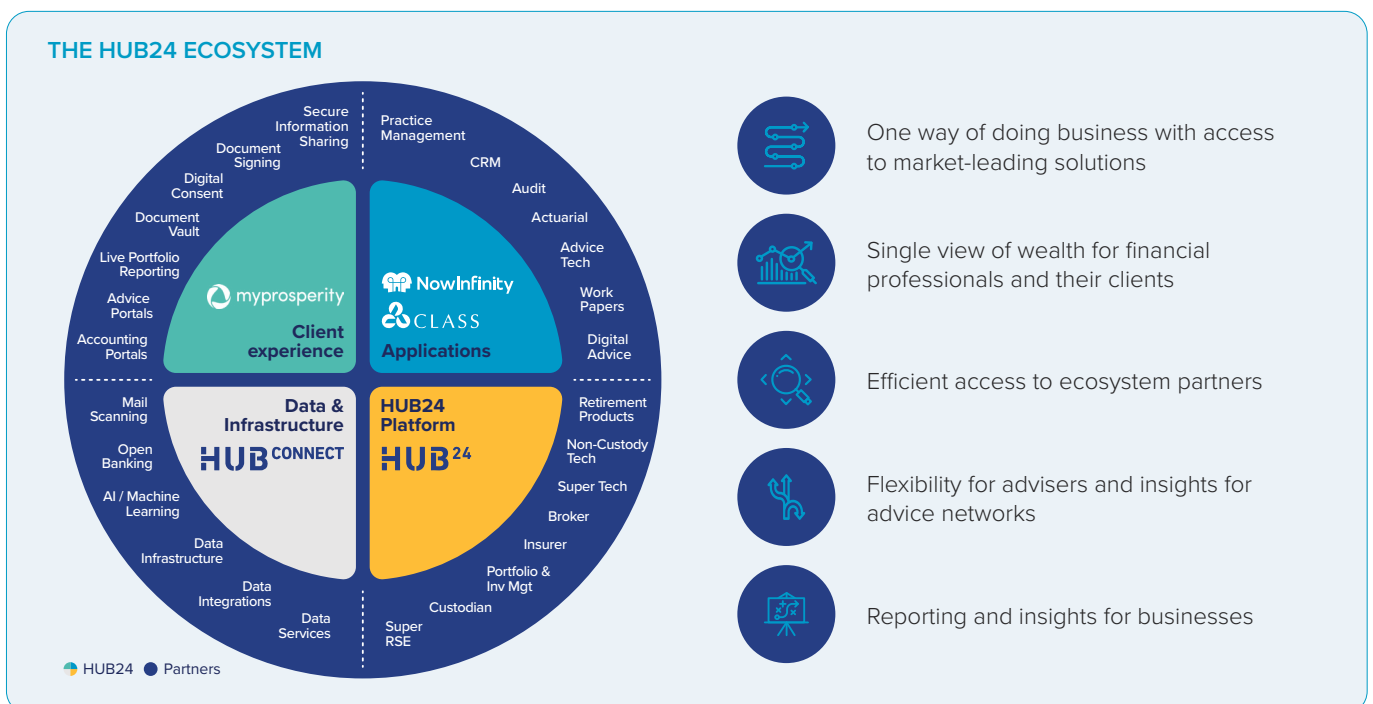
The HUB24 Group is partnering with these firms to design, develop and deliver innovative and leading solutions that offer great value for customers, an excellent customer experience and improve productivity across the industry.

HUB24 Group is building an ecosystem of integrated and open architecture solutions across platform (HUB24), non-custody administration and reporting (PARS), SMSF and trust software (Class), corporate compliance solutions (NowInfinity), technology and data services (HUBconnect) and client portals (myprosperity) which are supported by over 300 data integrations and provide HUB24 with a combined capability that is unparalleled.

Through these capabilities HUB24 is uniquely positioned to continue to lead and innovate across the wealth industry. This provides HUB24 with the opportunity to lead, disrupt and transform the industry by creating a common technology spine, unlocking value to help wealth firms deliver enhanced service and grow through increased productivity and expanded markets.

Australians will have greater access to affordable advice, a secure channel for storage, access and communication of data and documents and a 'whole of wealth' view.

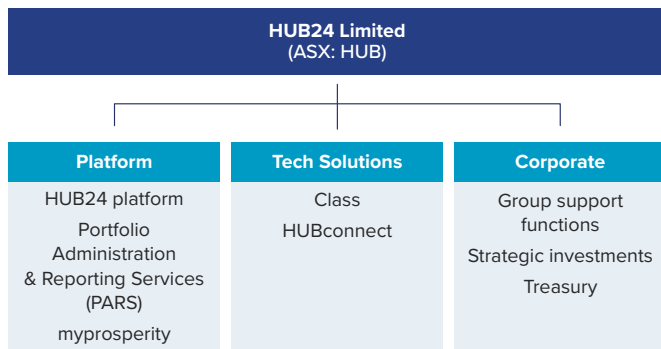
This provides the HUB24 Group with the opportunity to grow its addressable markets while increasing penetration through broader relationships and an increase in the number of products per customer.



# Overview of HUB24, our markets and outlook

## OPERATING SEGMENTS AND PRINCIPAL ACTIVITIES

The HUB24 Group operates two revenue generating segments, and a Corporate segment as shown in the diagram below:



### PLATFORM

The Platform segment comprises the HUB24 investment and superannuation platform (HUB24 platform), Portfolio Administration & Reporting Services (PARS) and myprosperity.

#### HUB24 platform

The HUB24 Group is an issuer of financial services products including the HUB24 platform, which is used by financial professionals to efficiently administer, invest and report on their clients' assets. The HUB24 platform offers superannuation or investment products to suit a range of client needs.

As one of the fastest growing platform providers in the market, the HUB24 platform is recognised for providing choice and innovative product solutions. It offers financial professionals and their clients a comprehensive range of investment options, including market-leading managed portfolio solutions, and enhanced transaction and reporting functionality.

#### PARS

The HUB24 Group also offers PARS, a non-custody portfolio service which provides administration, corporate action management and tax reporting services for financial professionals and their clients. PARS enables financial professionals and their clients with a 'whole of wealth' view of their assets.

#### myprosperity

myprosperity is a leading provider of client portals for accountants and financial professionals. The all-in-one secure portal delivers a total view of household wealth, making it easier for households to collaborate with their financial professionals across all aspects of their financial lives. myprosperity's client portal is used by 520 accounting and financial advisory firms, representing circa 93,000 households<sup>1</sup>.

## TECH SOLUTIONS

The Tech Solutions segment comprises Class and HUBconnect.

### Class

Class delivers trust accounting, portfolio management, legal entity documentation, corporate compliance and SMSF administration solutions to around 6,500 customers<sup>2</sup> across Australia who utilise Class to drive business automation, increase profitability and deliver quality client service.

Class's core offering is self-managed superannuation fund (SMSF) administration software. Its solutions have gained industry recognition for product innovation and customer service excellence.

Customers using the Class Super, Class Portfolio and Class Trust solutions represented circa 210,000 accounts as at 31 December 2024.

Class also operates in the legal entity document and corporate compliance segment through the service offerings provided under the NowInfinity brand<sup>3</sup>.

### HUBconnect

HUBconnect provides technology and data services to the wealth industry, delivering innovative solutions to enable financial professionals to efficiently run their businesses and service their clients.

HUBconnect leverages data and technology capability to provide solutions that solve common challenges faced by stockbrokers, licensees and professional advisers in the delivery of financial advice.

HUBconnect Broker has a long history of working with stockbrokers to deliver innovative business reporting and support tools. HUBconnect Broker streamlines and integrates client data and connects to a range of broking business reporting and back-office support tools that provide key insights and enable the efficient delivery of stockbroking operations.

For financial advisers and licensees HUBconnect utilises innovative technology such as machine learning, artificial intelligence, and natural language processing. HUBconnect integrates, refines, stores and supplies structured and unstructured data.

Through integrated data feeds, automated reporting and analytics, HUBconnect delivers efficiencies for some of the time-consuming and costly processes that increase the cost of delivering advice.

HUBconnect serves a growing number of respected and high-profile financial services companies and their clients.

### CORPORATE

The Corporate segment comprises Group support functions together with strategic investments.

The HUB24 Group is a strategic shareholder in Count, a diversified financial services business providing integrated accounting and wealth management services to the Australian market.

On 26 September 2024, the HUB24 Group became a strategic shareholder in Reach Alternative Investments (Reach), an alternatives-focused platform that provides access to global private equity and credit funds. The HUB24 Group has a minority shareholding of 11.33% in Reach.

1. HUB24 data as at December 2024.

2. Class service providers represent practices of accountants, administrators and advisers as at 31 December 2024.

3. NowInfinity is a wholly owned subsidiary of Class.

# Overview of HUB24, our markets and outlook

## OUR MARKETS

The HUB24 Group operates in large addressable markets. Our solutions are designed to enable the circa 15,500 advisers<sup>1</sup> and 10,000 accounting firms<sup>2</sup> in Australia to manage and administer the wealth of the 2.0 million Australians who have a relationship with a financial adviser<sup>3</sup> and the 6.0 million Australians who have a relationship with an accountant<sup>4</sup>.

Australian households had \$16.9 trillion of net assets as at 30 September 2024 which includes \$7.8 trillion of financials assets<sup>5</sup>.

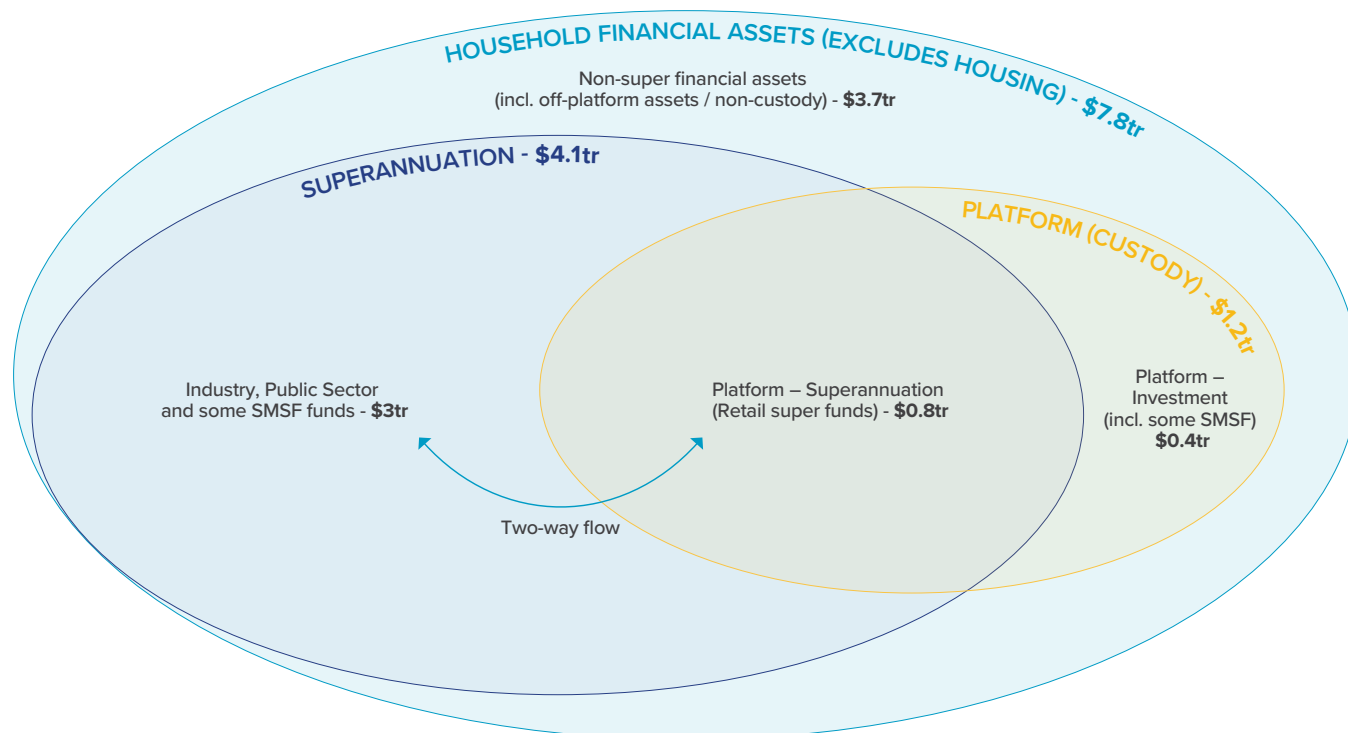
Financial advisers, accountants and their clients utilise a range of financial products and solutions to help them manage their assets and achieve their financial objectives and HUB24 Group operates in many of these markets. This includes the platform (comprising both superannuation and investment assets), non-custody reporting and the Self Managed Super Fund (SMSF) markets.

Financial professionals are using a growing number of products, solutions and technologies but underinvestment has resulted in inefficient and unintegrated systems and data providing a poor customer experience. At the same time, demand for wealth services is high with the supply of providers constrained, limiting the ability for Australians to access wealth services. The business models of advice licensees continue to evolve following a period of significant disruption from regulations and adviser movements. Licensees are also working more closely with accounting firms which is resulting in more multidisciplinary practices.

HUB24 Group is delivering innovative products and solutions that drive productivity for financial professionals and create value for their clients. By leveraging our data and technology expertise, HUB24 Group is building an ecosystem that integrates data, products, solutions and technologies to create efficiencies across the industry and provide financial professionals with choice and flexibility to meet their clients' needs. This is intended to increase the accessibility of wealth services to Australians and provide them with a 'whole of wealth' view, together with scaled advice solutions for more Australians, while also empowering financial professionals to operate sustainable businesses and benefit from 'one way of doing business.'

HUB24 Group is redefining the platform market with new products and solutions that expand the addressable markets, and its integrated ecosystem of solutions are designed to provide advisers with a step change in productivity that will empower them to provide more Australians with access to advice. Combined with structural growth from intergenerational wealth transfer and maturing of the superannuation system, the outlook in the HUB24 Group's target markets is strong.

## HUB24 Group addressable markets<sup>6</sup>



1. Adviser Ratings Q3 2024 Adviser Musical Chairs Report. As at September 2024.

2. HUB24 and myprosperity internal estimates.

3. Adviser Ratings, 2024 Australian Financial Advice Landscape.

4. HUB24 estimate using ABS data (2021 Census, Projected Households) and ATO data (Taxation Statistics 2021-22). Estimate for 2024.

5. ABS data, Australian National Accounts: Finance and Wealth, Table 35.

6. All values as at September 2024. Sources include (1) ABS data, Australian National Accounts: Finance and Wealth, Table 35; (2) APRA Quarterly Superannuation Statistics; and (3) Plan for Life.

# Overview of HUB24, our markets and outlook

## Adviser growth and increased use of HUB24 platform underpin a significant growth opportunity

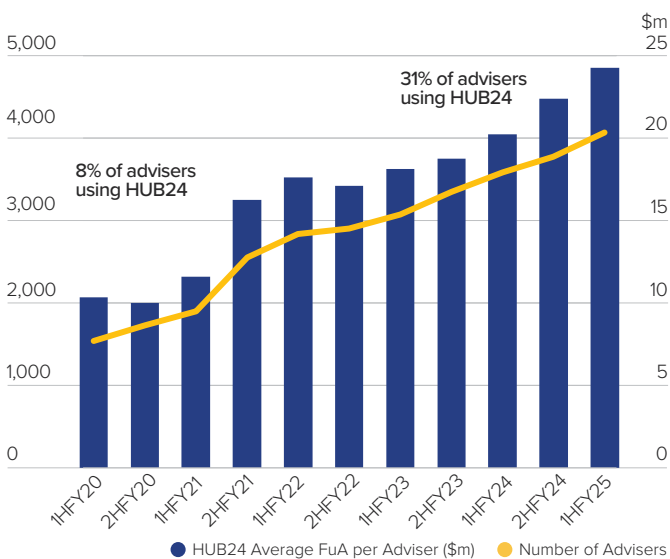
The HUB24 Group has built strong relationships within the advice industry by collaborating with licensees to develop solutions that deliver efficiency for their advisers and create value for their clients. This has led to a significant increase in the number of advisers using the HUB24 platform. As at December 2024 there were 4,886 (31% of total advisers) who were actively using the HUB24 platform which has grown from 1,841 (8% of total advisers) as at December 2019.<sup>1</sup> Net adviser growth over this period has averaged more than 600 per annum.

The HUB24 Group expects to continue to grow its adviser footprint and has signed distribution agreements providing it with access to 77% of the total adviser market.<sup>2</sup> This share continues to grow with HUB24 Group signing 84 new distribution agreements in 1HFY25 providing significant opportunity to continue to grow the number of advisers using the HUB24 platform.

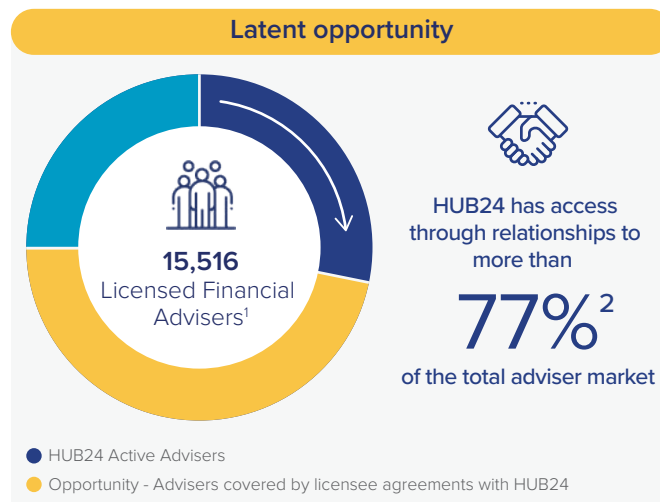
Advisers who are using HUB24 continue to increase their usage of the HUB24 platform. The average FUA per adviser has increased to \$20 million in December 2024 from \$9 million in December 2019. In addition, 86% of net inflows in 1HFY25 (excluding Equity Trustees migrations) were from advisers who begun using the HUB24 platform prior to 1HFY25 with new adviser relationships historically delivering transition benefits for up to six years which are incremental to ongoing BAU net flows. The HUB24 Group is delivering solutions that will increase adviser productivity and potentially grow the number of clients each adviser can serve, supporting further growth in FUA per adviser.

The combination of growth in advisers using the HUB24 platform and increased usage of the platform by those advisers is expected to support continued net inflows onto the HUB24 platform.

**Number of advisers using HUB24 platform and FUA per adviser<sup>1</sup>**



**Share of advisers either using HUB24 or covered by a licensee agreement with HUB24<sup>2</sup>**



For further information on our markets please see pages 24 to 31 'Background on our Markets'.

1. Market share of advisers based on Adviser Ratings data.

2. HUB24 analysis based on ASIC - Financial Adviser dataset and number of advisers based on Adviser Ratings, Musical Chairs Report Q3 2024.



# Overview of HUB24, our markets and outlook

## INDUSTRY RECOGNITION

The HUB24 Group continues to be recognised by financial professionals and the industry for delivering market-leading products, customer service excellence and continued customer advocacy.

In the Investment Trends Platform Competitive Analysis and Benchmarking Report 2024, the HUB24 Platform was awarded Best Platform Overall for the third year running, as well as being awarded Best Platform Managed Accounts Functionality, Best in Product Offering, Best in Online Business Management, Best in Decision Support Tools and Most improved platform.

In the Adviser Ratings Financial Advice Landscape Report 2024, which asks advisers to rate their experience across several categories, HUB24 was awarded Overall Best Platform, ranking first in eight out of nine categories including Overall Functionality, Adviser Experience, Client Experience, Ease of Onboarding, Investment Options, Online/Call Centre Support and Business Development Manager (BDM) Support.

In the 2024 Wealth Insights Platform Service Level Report, which measures customer satisfaction, HUB24 ranked first place for Overall Satisfaction, Platform Offering, BDM Support, Reporting and Communication, IT/Web Functionality, and Brand Image and Reputation.

In addition, HUB24 also achieved the highest Net Promoter Score (NPS) in the latest Investment Trends 2024 Adviser Technology Needs Report. HUB24 ranked amongst the top two platforms in 24 out of 29 categories and ranked first for Actual adviser advocacy of platforms, Tax Optimisation Tools, Range of Investment Options, Contact Centre Support and Online Transaction Capabilities.

HUB24 has also been recognised for excellence in the SMSF market winning SMSF Advice Platform of the Year in the SMSF Adviser Awards 2023 (most recent award). In the same awards, Class Super was awarded SMSF Software Platform of the Year.



### SMSF Adviser Awards 2023<sup>1</sup>

- Class awarded SMSF Software provider of the Year
- HUB24 awarded SMSF Advice Platform of the Year



#1

### Investment Trends Platform Competitive Analysis and Benchmarking Report 2024

HUB24 was awarded:

- #1 Best Platform Overall
- #1 Best Platform Managed Accounts Functionality
- #1 Best Product Offering
- #1 Best in Online Business Management
- #1 Best in Decision Support Tools
- Most improved platform in 2024



#1

### Investment Trends 2024 Adviser Technology Needs Report

HUB24 rated first in the following categories:

- #1 NPS for all platform users
- #1 Actual adviser advocacy of platforms
- #1 Overall Satisfaction: Wrap Platforms
- #1 Tax Optimisation Tools
- #1 Contact Centre Support
- #1 Practice Management Reporting
- #1 Regulatory Support Tools
- #1 Online Transaction Capabilities



#1

### Adviser Ratings Financial Advice Landscape Report 2024

HUB24 ranked first in the following categories:

- #1 Best Overall Advice Platform
- #1 Overall Satisfaction
- #1 Best Adviser Experience
- #1 Best Client Experience
- #1 Ease of Onboarding
- #1 Best Investment Options
- #1 Online/Call Centre Support
- #1 BDM Support



#1

### 2024 Wealth Insights Platform Service Level Report

- #1 Overall Satisfaction
- #1 Platform Offering
- #1 Brand Image and Reputation
- #1 BDM Support
- #1 Reporting/Communication
- #1 IT/Web Functionality

# Overview of HUB24, our markets and outlook

## HUB24 GROUP'S STRATEGIC PROGRESS AND OUTLOOK

HUB24 is uniquely positioned to capture significant opportunity arising from new wave of transformation



### Industry continues to transform, driving need for innovative wealth solutions

- Emergence of advice networks to leverage scale and build sustainable business models
- Separation of aligned advisers to privately owned groups
- Lack of investment in advice infrastructure following WEXIT
- Continued uncertainty of ownership and strategy of institutionally owned platforms
- Cyber security risks driving demand for secure client solutions
- Demand for advice is increasing, supply is limited
- Inefficiency & regulation is increasing the cost of advice delivery
- Client demographics driving need for new products and single view of wealth
- Data integration & quality alongside disparate tech solutions causing inefficiency
- Increasing demand for managed portfolios to deliver productivity & customer value

Growing market leadership while transforming the industry and enhancing shareholder value



### Strong growth outlook in existing established businesses



### Create additional shareholder value through tech solutions

<p><b>HUB24 Platform</b></p> <p>Market leadership with significant opportunity to capture further market share</p> <ul style="list-style-type: none"> <li>• Market leading platform, managed accounts and client portal capability</li> <li>• Ranked #1 for net inflows<sup>1</sup></li> <li>• Strong and growing relationships with advisers including privately owned groups</li> <li>• Well positioned to increase market share from current ~8%</li> <li>• Continue to benefit from industry transformation</li> </ul>	<p><b>Class &amp; NowInfinity</b></p> <p>Delivering consistent and sustainable growth</p> <ul style="list-style-type: none"> <li>• Leading SMSF and Corporate Compliance solutions</li> <li>• Class growing with system with NowInfinity growing above system, supported by structurally growing markets (SMSFs and company registrations)</li> <li>• Ongoing investment in customer solutions to enable market share gains and ARPU growth<sup>2</sup></li> </ul>	<p><b>Technology &amp; data solutions</b></p> <p>Building solutions that create value and strengthen competitive advantage</p> <ul style="list-style-type: none"> <li>• Leveraging Group capabilities to build solutions that drive efficiencies for financial professionals and their clients - HUBconnect, client portals, Engage</li> <li>• Harnessing Group footprint to deliver more products to more customers</li> <li>• Strengthening customer relationships and driving advocacy for HUB24 and Class</li> </ul>
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↑ ↑ ↑  
Creating growth synergies

1. 12 months to September 2024. Latest available data, Plan for Life Master Trusts, Platforms & Wraps, September 2024. Based on Administrator View.  
2. Average Revenue Per Unit (ARPU).

# Overview of HUB24, our markets and outlook

## Significant opportunity for growth and value creation for customers and shareholders



Leverage structurally growing markets and demand for integrated solutions



Strong and reliable growth from both existing and new customer relationships



HUB24 Platform positioned to significantly grow market share



Capitalise on unique Group capabilities to unlock value for customers and shareholders



Scalable operations and growth enabling both UEBITDA margin expansion and ongoing investment



Strong balance sheet, increasing profitability and cash flows supporting ongoing investment and shareholder returns



### Platform FUA target (excluding PARS FUA)

# \$123b-\$135b

for FY26<sup>1</sup>

#### Platform FUA target comprises

- Strong start to 1HFY25 (flows & markets)
- Net inflows ~\$11-15b p.a. excluding large migrations
- Known large migrations (e.g. Equity Trustees, ClearView)<sup>2</sup>
- Potential outflows from Xplore MDA discontinuation<sup>3</sup>
- Range of market growth assumptions

## OUTLOOK

The outlook is subject to the business risks, which have been identified through the HUB24 Group's risk management framework. The framework supports the identification, assessment, and reporting of both financial and non-financial risk across the business, these risks have been organised into nine key risk categories:

- Strategic;
- Operational;
- Compliance and Conduct;
- Reputation and Sustainability;
- Financial;
- Distribution;
- People;
- Financial Crime and Fraud; and
- Cyber, Data and Technology.

Please refer to the HUB24 FY24 Annual Report for more information on these risks and the key exposures to the business.

1. The company expects strong growth and increasing profitability moving forward subject to consistent and stable investment markets and HUB24 terms of business that may affect platform FUA and revenue.

2. HUB24 expects total migrations of approximately \$5b from Equity Trustees with \$2.6b in FY24 and the remainder expected to migrate in FY25 (\$1.5b migrated in 1HFY25). HUB24 Super has been selected as the successor fund for ClearView WealthFoundations, with up to \$1.3 billion of FUA (subject to client retention and market movements) planned to be migrated to Discover on HUB24 Super in 2HFY25.

3. Following a review, HUB24 has announced the planned closure of the Xplore Wealth Managed Discretionary Account (MDA) services, by 31 March 2026. There is approximately \$2 billion of FUA within Xplore Wealth MDA and given the nature of this solution there is potential for outflows as a result of the closure. The contribution of Xplore Wealth MDA to Underlying EBITDA is immaterial.

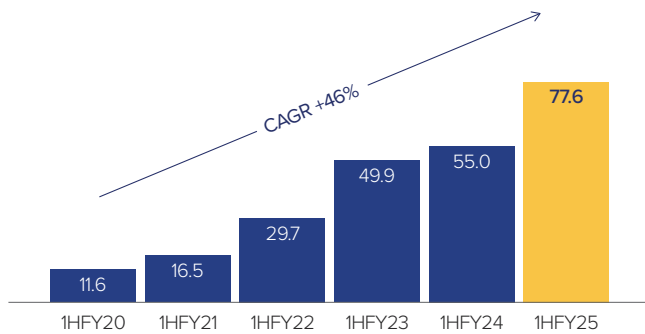
# Review of financial results

The HUB24 Group operating revenue increased by 25% to \$195.2 million (1HFY24: \$156.7 million). Platform revenue increased by 29% to \$154.2 million (1HFY24: \$120.0 million), and Tech Solutions revenue increased by 9% to \$38.0 million (1HFY24: \$34.8 million).

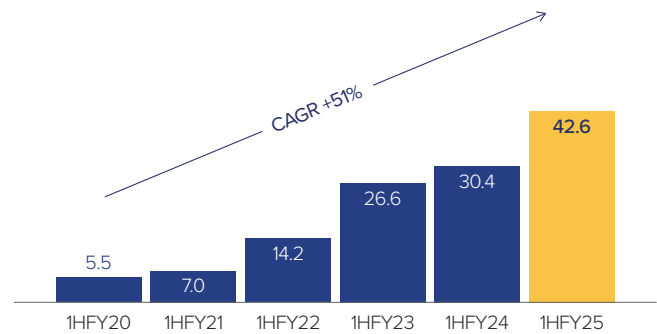
The HUB24 Group's preferred measure of profitability is Underlying Earnings Before Interest Expense, Tax, Depreciation, Amortisation and Notable Items (UEBITDA), which increased by 41% to \$77.6 million (1HFY24: \$55.0 million).

## GROUP (5 YEAR TREND)

**Group Underlying EBITDA (\$m) \$77.6m (up 41%)**

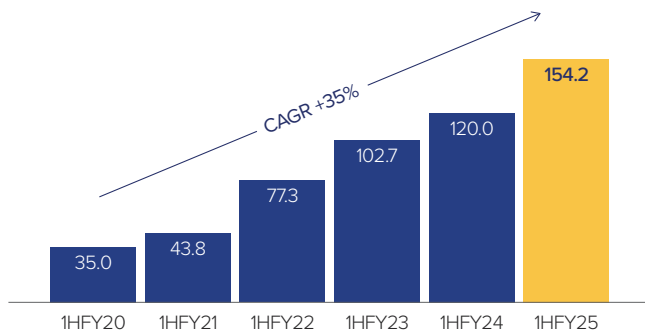


**Group Underlying NPAT (\$m) \$42.6m (up 40%)**

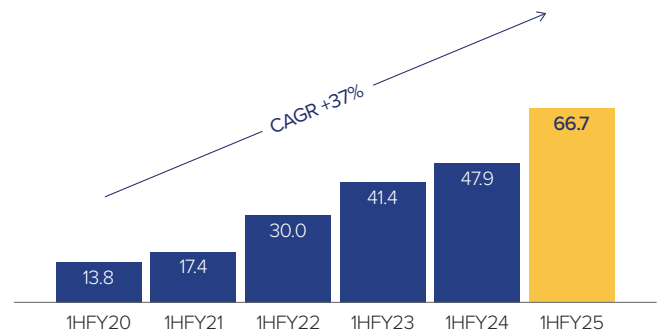


## PLATFORM (5 YEAR TREND)

**Platform revenue (\$m) \$154.2m (up 29%)**

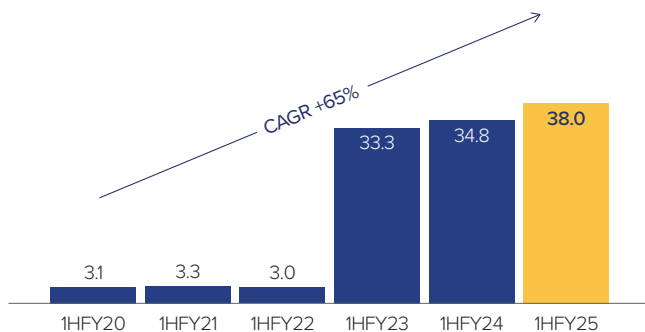


**Platform Underlying EBITDA (\$m) \$66.7m (up 39%)**

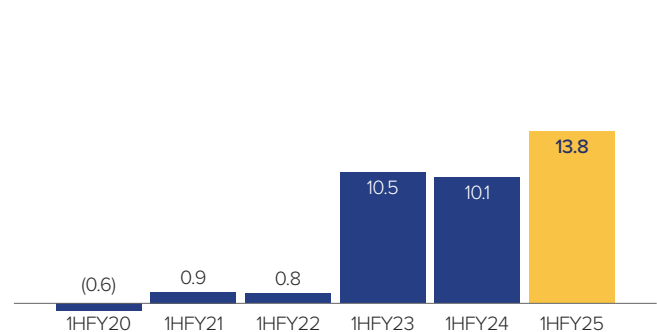


## TECH SOLUTIONS (5 YEAR TREND)

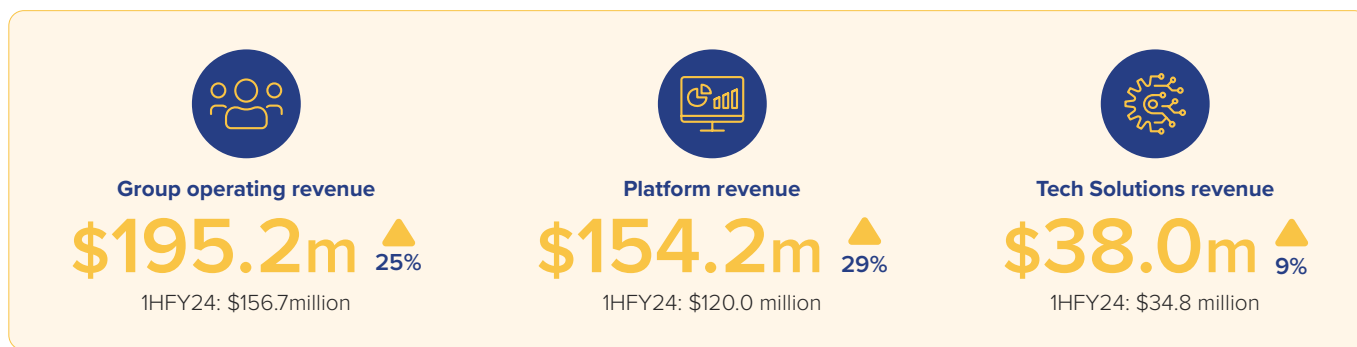
**Tech Solutions revenue<sup>1</sup> (\$m) \$38.0m (up 9%)**



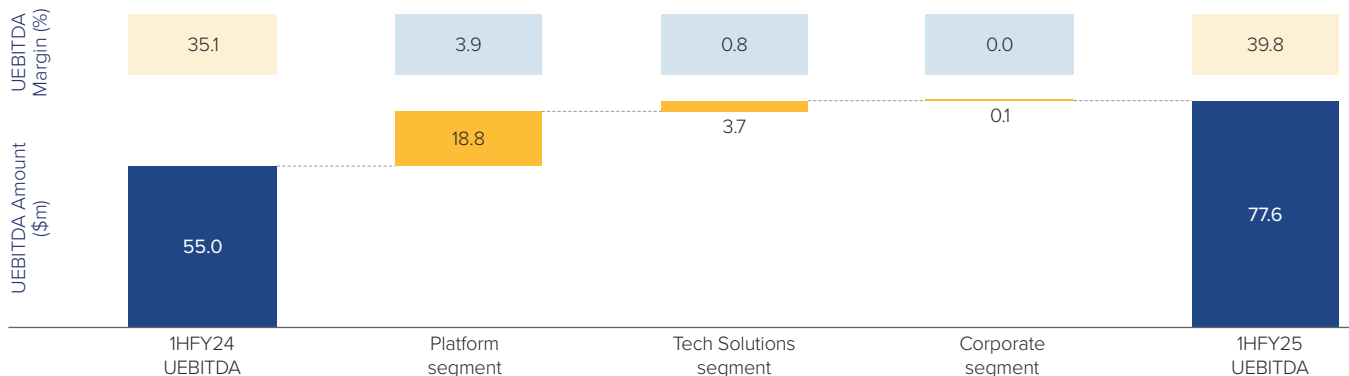
**Tech Solutions Underlying EBITDA (\$m) \$13.8m (up 37%)**



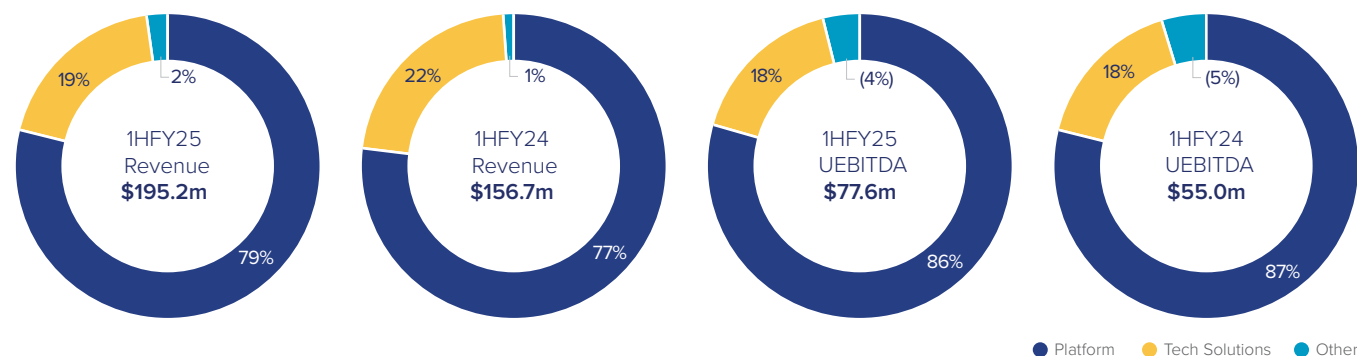
1. Class acquired on 16 February 2022 and consolidated from this date.



**1HFY25 Group UEBITDA margin was 39.8% (1HFY24: 35.1%).**



**Composition of Revenue and UEBITDA**



The key drivers of the HUB24 Group’s UEBITDA performance was increasing revenue driven by platform FUA growth, partly offset by admin fee tiering and capping, and a reduction in the cash management fees margin<sup>1</sup> due to a reduction in average cash as a % of FUA held on platform in 2HFY24 and 1HFY25. Operating expenses in 1HFY25 have seen an increase in both Platform and Tech Solutions driven by higher FUA, higher employment related costs due to continued investment in people within product and operations, and higher administration costs driven by business growth.

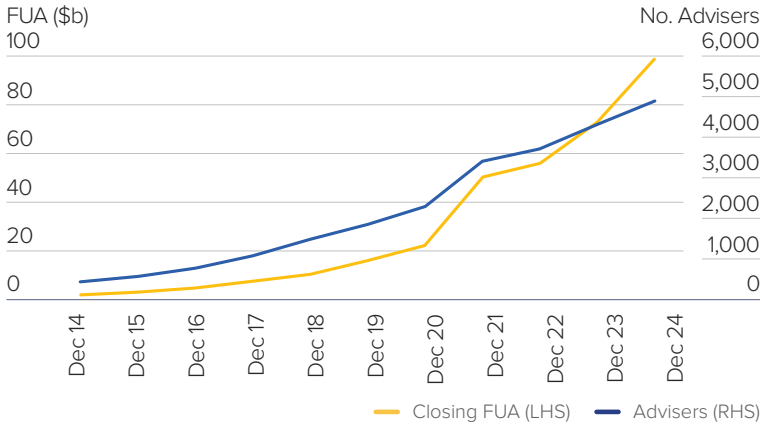
- Total Funds Under Administration (FUA) increased by 33% to \$120.9 billion (1HFY24: \$91.2 billion).
- Platform FUA increased by 36% to \$98.9 billion (1HFY24: \$72.4 billion) driven by record half year net inflows of \$9.5 billion together with positive market movements of \$5.0 billion. FUA on the Platform is not fully correlated to movements in equity markets given the portfolio construction includes non- equity assets and client trading activities. PARS FUA increased by 17% to \$22.0 billion (1HFY24: \$18.8 billion) supported by both account growth and positive market movements.
- Platform revenue increased by 29% to \$154.2 million (1HFY24: \$120.0 million) driven by:
  - Platform FUA growth, which was partly offset by a decline in the custody revenue margin as a result of admin fee tiering and capping and a lower revenue margin contribution from cash management fees; and
  - The PARS revenue contribution increased \$0.2m in line with the growth in customer account numbers.
- Tech Solutions revenue increased by 9% to \$38.0 million (1HFY24: \$34.8 million) driven by price increases, growth in the number of Class accounts and companies utilising NowInfinity.
- The HUB24 Group continues to invest in the business to support both increased scale and its strategic growth objectives.
  - Platform expenses increased by 21% to \$87.5 million (1HFY24: \$72.1 million). This includes investment in people within product and operations, to support growth in FUA, expand distribution capabilities and continue product and technology innovation; and
  - Tech Solutions expenses decreased by 2% to \$24.2 million (1HFY24: \$24.7 million).

FTE at 31 December 2024 of 882 flat to 1HFY24 (1HFY24: 883) with an additional 20 customer facing roles and 9 corporate roles offset by the removal of circa 30 project and contractor roles related to the completion of the Xplore integration. Average FTE increased by approximately 36 FTE 1HFY25 compared to 1HFY24 given the timing of hiring.

1. Cash management fees margin is cash management fees divided by average FUA.

# Review of financial results

## Platform FUA and advisers



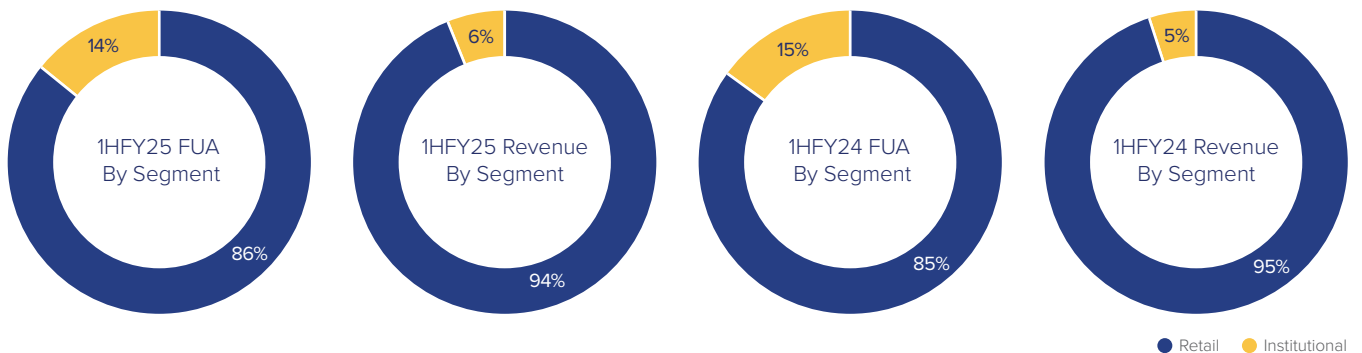
HUB24 Group's market leadership position and focus on delivering innovative solutions continues to resonate with our clients, with growth in net inflows across all customer segments including large national licensees, brokers, boutique advice practices and self-licensed advisers. HUB24 Group's new business pipeline has continued to grow with the number of Active Advisers using the platform increasing to 4,886 (31% of total advisers), up 14% from 4,297 advisers (28% of total advisers) at 31 December 2023.

## Customer proposition and the composition of FUA

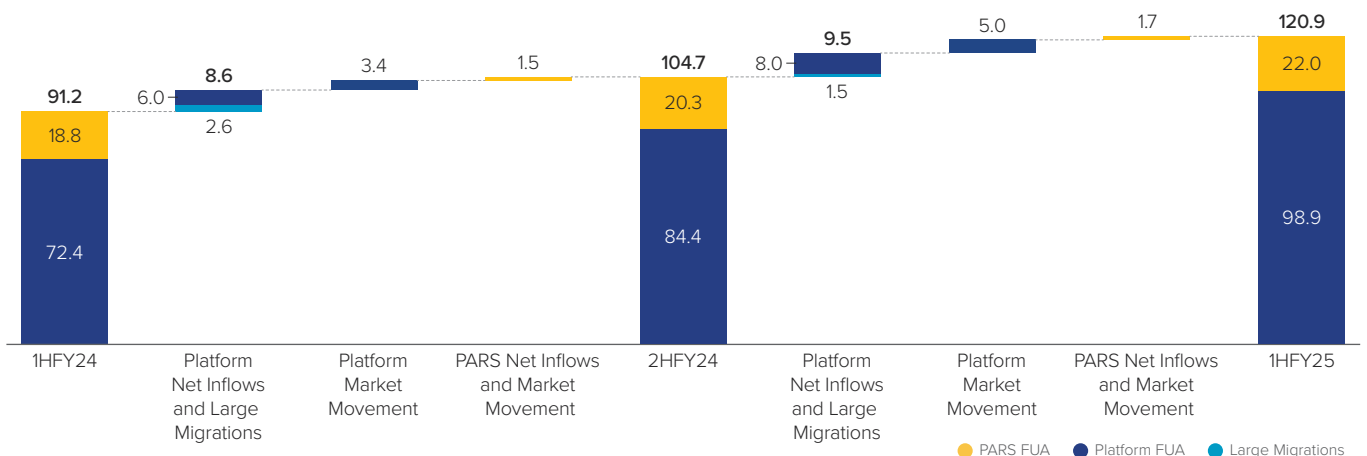
The HUB24 Group categories its Platform FUA into two distinct client segments, being Retail and Institutional. The HUB24 Group is committed to organically growing the FUA from existing advisers, new advisers and institutional relationships, as well as reviewing inorganic opportunities.

The dynamics of the institutional market mean customers typically access wholesale pricing, and operationally higher efficiencies are achieved from the scale of their portfolios. Margins will fluctuate based on the mix of Institutional and Retail FUA composition however revenue should continue to increase as the HUB24 Group FUA continues to grow over time.

## Composition of Platform FUA and revenue



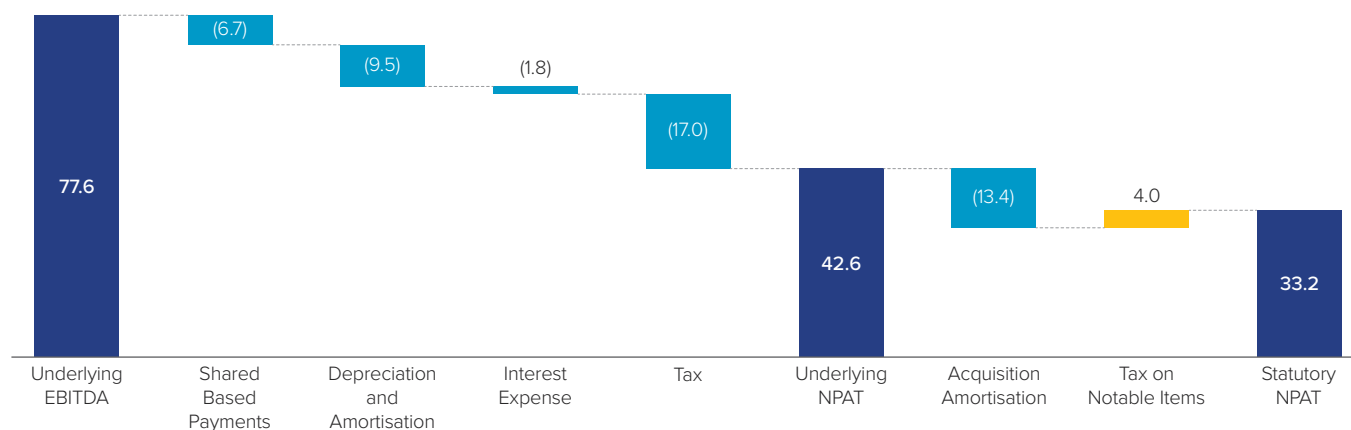
## FUA movements (\$b)



## Review of financial results

### Reconciliation of 1HFY25 Underlying NPAT to statutory NPAT (\$m)

- The HUB24 Group's Underlying Net Profit after Tax increased by 40% to \$42.6 million (1HFY24: \$30.4 million).
- Notable Items include Acquisition amortisation of \$13.4 million includes Class of \$9.9 million, Xplore of \$1.8 million, myprosperity of \$1.2 million and Ord Minnett PARS servicing rights of \$0.5 million.
- The HUB24 Group's Statutory Net Profit after Tax increased by 54% to \$33.2 million (1HFY24: \$21.5 million).



# Review of financial results

## GROUP GROWTH INDICATORS AND FINANCIAL METRICS

HUB24 Group Growth Indicators	1HFY25	2HFY24	1HFY24	1HFY25 v 2HFY24	1HFY25 v 1HFY24
Total Funds under administration (\$m)	120,902	104,729	91,228	15%	33%
Platform Funds under administration (\$m)	98,868	84,407	72,438	17%	36%
PARS Funds under administration (\$m)	22,034	20,322	18,790	8%	17%
Spot Custodial Fee Paying FUA %	80.8	80.8	78.9	0.0	1.9
Platform Net Inflows (\$m)	9,477	8,521	7,248	11%	31%
Active Advisers on the platform (#)	4,886	4,525	4,297	8%	14%
PARS accounts (#)	8,634	8,362	8,262	3%	5%
Number of accounts (Class)	210,414	207,669	203,860	1%	3%
Document orders (Class) <sup>1</sup>	200,440	191,094	182,204	5%	10%
Companies on Corporate Messenger (Class)	818,486	792,922	697,573	3%	17%
<b>Group Financial Metrics</b>					
Operating Revenue (\$m)	195.2	170.6	156.7	14%	25%
<b>Underlying EBITDA (\$m)</b>	<b>77.6</b>	<b>63.0</b>	<b>55.0</b>	<b>23%</b>	<b>41%</b>
<b>Underlying NPAT (\$m)</b>	<b>42.6</b>	<b>37.4</b>	<b>30.4</b>	<b>14%</b>	<b>40%</b>
Underlying EBITDA margin (%)	39.8	36.9	35.1	2.9	4.7
Cost to income ratio (%)	60.2	63.1	64.9	(2.9)	(4.7)
Statutory NPAT (\$m)	33.2	25.7	21.5	29%	54%
Effective tax rate (statutory) (%)	28.2	15.2	24.8	13.0	3.4
Operating cashflows (\$m)	66.5	53.1	35.1	25%	89%
Employee benefits expense (\$m) <sup>2</sup>	(86.4)	(78.9)	(76.2)	10%	13%
Total staff at period end (# FTE)	882	893	883	(1%)	(0%)
<b>Earnings per share (cents)</b>					
Basic – underlying	52.42	46.12	37.33	14%	40%
Basic – statutory	40.92	31.62	26.53	29%	54%
Diluted – underlying	51.03	44.89	36.17	14%	41%
Diluted – statutory	39.75	30.68	25.70	30%	55%
<b>Dividends</b>					
Dividend (cents per share)	24.0	19.5	18.5	23%	30%
Dividend franking (%)	100	100	100	0%	0%
Underlying NPAT annual payout ratio (%)	46	42	49	4.0	(3.0)
<b>Share Capital</b>					
Number of ordinary shares (closing) (m)	81.2	81.2	81.2	0%	0%
Weighted average number of ordinary shares (basic) (m)	81.0	81.0	81.1	0%	(0%)
Weighted average number of shares (diluted) (m)	83.4	83.6	83.8	(0%)	(0%)
Share Price – closing (\$)	69.60	46.50	35.99	50%	93%
<b>Capital management</b>					
Cash & cash equivalents (\$m)	103.1	88.0	60.8	17%	70%
Net assets – average (\$m)	524.1	512.2	507.5	2%	3%
Net assets – closing (\$m)	528.5	519.7	504.6	2%	5%
Net assets per ordinary share (\$)	6.51	6.40	6.21	2%	5%
Net tangible assets (\$m)	88.7	70.3	46.6	26%	90%
Net tangible assets per ordinary share (\$)	1.09	0.87	0.57	25%	91%
Borrowings (\$m)	30.0	30.0	30.0	0%	0%
Net cash and cash equivalents (\$m)	73.1	58.0	30.8	26%	137%

1. Documents paid for by PAYG and subscription customers during the last 12 months. Prior periods have been adjusted to reflect an updated methodology.

2. Employee benefits expenses includes share based payments and excludes impact of strategic transactions and project costs including Xplore integration and large migrations.



# Review of financial results

## GROUP FINANCIAL PERFORMANCE

Profit & Loss (\$m)	1HFY25	2HFY24	1HFY24	1HFY25 v 2HFY24	1HFY25 v 1HFY24
Platform Revenue	154.2	132.8	120.0	16%	29%
Tech Solutions Revenue	38.0	35.9	34.8	6%	9%
Corporate Revenue	3.0	1.9	1.9	58%	58%
<b>Total Revenue</b>	<b>195.2</b>	<b>170.6</b>	<b>156.7</b>	<b>14%</b>	<b>25%</b>
Platform and Tech Solution Fees	(16.7)	(15.9)	(12.2)	5%	37%
Employee Related Expenses	(79.7)	(71.2)	(70.4)	12%	13%
Administrative Expenses	(21.2)	(20.5)	(19.1)	3%	11%
<b>Total Operating Expenses</b>	<b>(117.6)</b>	<b>(107.6)</b>	<b>(101.7)</b>	<b>9%</b>	<b>16%</b>
<b>Underlying EBITDA</b>	<b>77.6</b>	<b>63.0</b>	<b>55.0</b>	<b>23%</b>	<b>41%</b>
<b>Underlying EBITDA by segment</b>					
Platform EBITDA	66.7	55.1	47.9	21%	39%
Tech Solutions EBITDA	13.8	12.0	10.1	15%	37%
Corporate EBITDA	(2.9)	(4.1)	(3.0)	(29%)	(3%)
<b>Underlying EBITDA</b>	<b>77.6</b>	<b>63.0</b>	<b>55.0</b>	<b>23%</b>	<b>41%</b>
<b>Other Items</b>					
Share Based Payments	(6.7)	(7.7)	(5.8)	(13%)	16%
<b>EBITDA (before Notable Items)</b>	<b>70.9</b>	<b>55.3</b>	<b>49.2</b>	<b>28%</b>	<b>44%</b>
Depreciation & Amortisation	(9.5)	(7.0)	(6.9)	36%	38%
Interest Expense Lease	(0.8)	(0.2)	(0.2)	Large	Large
Interest Expense Other	(1.0)	(1.0)	(0.9)	0%	11%
<b>Profit Before Tax (before Notable Items)</b>	<b>59.6</b>	<b>47.1</b>	<b>41.2</b>	<b>27%</b>	<b>45%</b>
Income Tax Expense	(17.0)	(9.7)	(10.8)	75%	57%
<b>Underlying NPAT</b>	<b>42.6</b>	<b>37.4</b>	<b>30.4</b>	<b>14%</b>	<b>40%</b>
<b>Notable Items</b>					
Strategic transactions and project costs <sup>1</sup>	—	(4.9)	(4.6)	(100%)	(100%)
Acquisition Amortisation <sup>2</sup>	(13.4)	(14.9)	(8.0)	(10%)	68%
Gain on sale of investment in associate <sup>3</sup>	—	3.0	—	(100%)	—
Tax effect on Notable Items	4.0	5.1	3.7	(22%)	8%
<b>Net Profit After Tax</b>	<b>33.2</b>	<b>25.7</b>	<b>21.5</b>	<b>29%</b>	<b>54%</b>

1. FY24 included administrative and resourcing costs related to strategic transactions and project costs including Xplore integration and large migrations.

2. During 2HFY24, the HUB24 Group completed a review of the useful life of acquired software intangibles. This change in useful life estimates will be applied prospectively from 2HFY24 and has increased acquisition related amortisation by \$5.4 million in the half.

3. Count completed the acquisition of Diverger Limited (ASX:DVR) on 1 March 2024 resulting in an accounting gain on sale of \$3.0 million.

# Review of financial results

## GROUP REVENUE

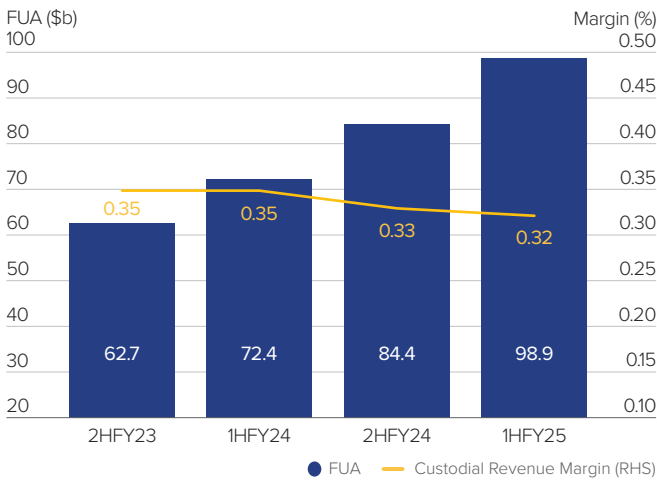
The HUB24 Group operating revenue increased by 25% to \$195.2 million (1HFY24: \$156.7 million). Key drivers include:

- Platform revenue increased by 29% to \$154.2 million (1HFY24: \$120.0 million). Revenue growth was driven by Custodial FUA increasing by 36% to \$98.9 billion at 31 December 2024 (1HFY24: \$72.4 billion);
- Tech Solutions revenue increased to \$38.0 million (1HFY24: \$34.8 million) from growth in software licensing and Pay As You Go services; and
- Corporate revenue was \$3.0 million, reflecting interest income and dividend income from Count<sup>1</sup>.

### Platform revenue and margins

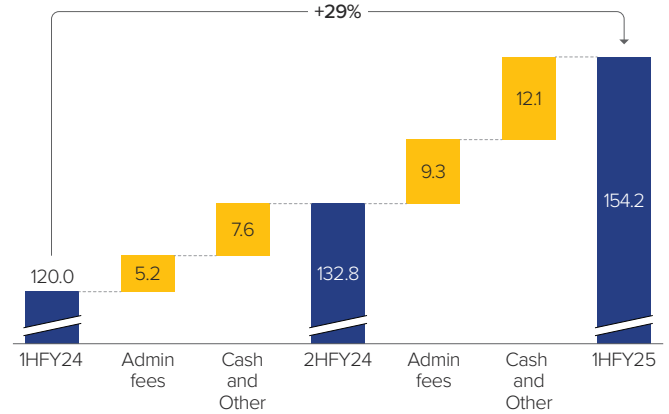
Platform revenue comprises a mix of FUA based fees, including tiered administration fees, cash management fees and transaction fees such as trading in equities.

### Platform revenue margin and FUA

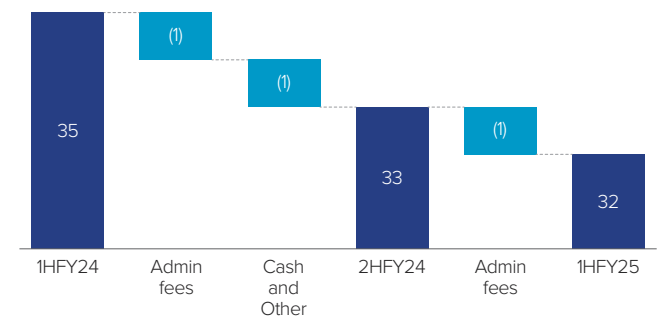


For 1HFY25, the Platform revenue margin was 0.32% (1HFY24: 0.35%) which is calculated using average monthly closing FUA.

## Platform operating revenue (\$m)



## Platform revenue margin (bps)



As shown in the chart above, 1HFY25 Platform revenue margin decreased 3 bps to 32 bps (1HFY24: 35 bps) driven by lower admin fee margins due to tiering and capping impacts and lower cash management fee margin driven by lower average cash as a % of FUA.

The revenue margin may fluctuate from period to period depending upon cyclical market conditions, the level of trading activity, shifts in the mix of client portfolios or variations in the average account balance on the Platform.

Generally, as average account balances on the Platform increase over time, the tiered administration fee paid by clients will tend to decrease as a percentage of FUA while fees will generally increase in absolute dollar terms.

The number of accounts on the Platform for 1HFY25 were up 23% on 1HFY24, and the number of PARS accounts was up 5%.

1. On 1 March 2024 the HUB24 Group became a strategic shareholder in Count with an 11.55% holding.

# Review of financial results

## GROUP EXPENSES

The HUB24 Group's Total Expenses increased by 16% to \$149.0 million (1HFY24: \$128.1 million).

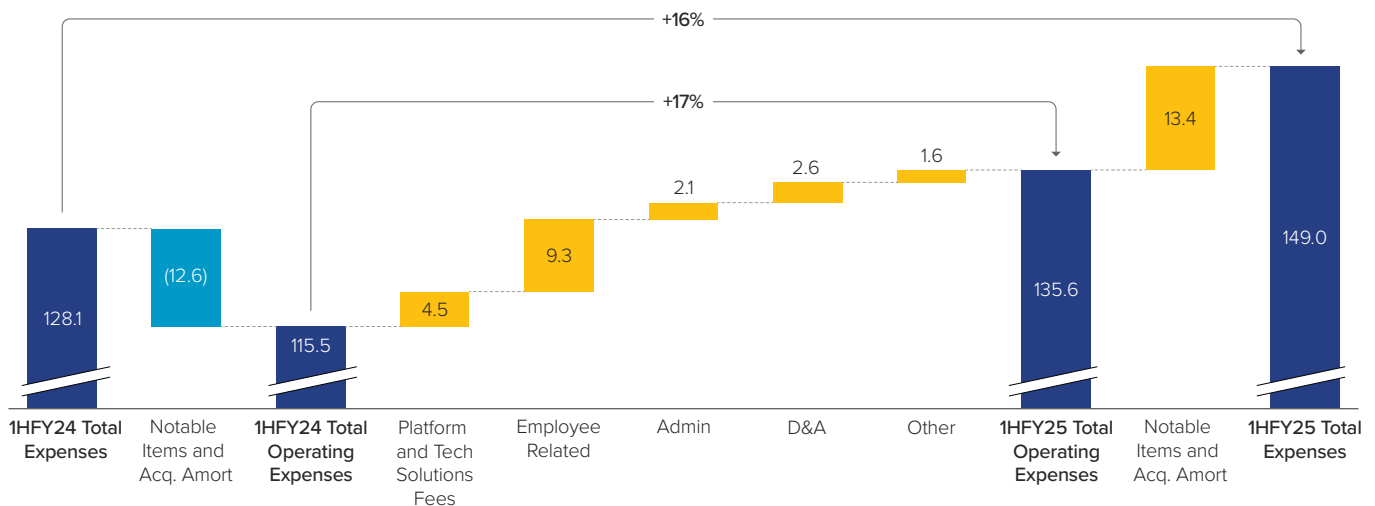
The HUB24 Group's Total Expenses excluding Notable Items & Acquisition Amortisation<sup>1</sup> increased by \$20.1 million or 17% to \$135.6 million (1HFY24: \$115.5 million) driven by higher FUA, higher employment related costs due to continued investment in people in product and operations to support growth in FUA and higher administration costs driven by HUB24 business growth.

The HUB24 Group's FTE remains flat at 882 as at 31 December 2024 from 883 as at 31 December 2023, with an additional 20 customer facing roles and 9 corporate roles offset by the removal of circa 30 project and contractor roles related to the Xplore integration.

The HUB24 Group's cost to income ratio decreased 4.7% to 60.2% (1HFY24: 64.9%) driven by higher FUA balances and associated revenue, partially offset by increased investment in people to support both increased scale and its strategic growth objectives.

In addition, the HUB24 Group incurred Notable Items of \$13.4 million (1HFY24: \$12.6 million), due to acquisition amortisation<sup>2</sup>.

### Group expenses (\$m)



1. Group Total Expenses include total operating expenses, share based payments, depreciation & amortisation and interest expenses.

2. Acquisition amortisation includes Class of \$9.9 million, Xplore of \$1.8 million, myprosperity of \$1.2 million and Ord Minnett PARS servicing rights of \$0.5 million.

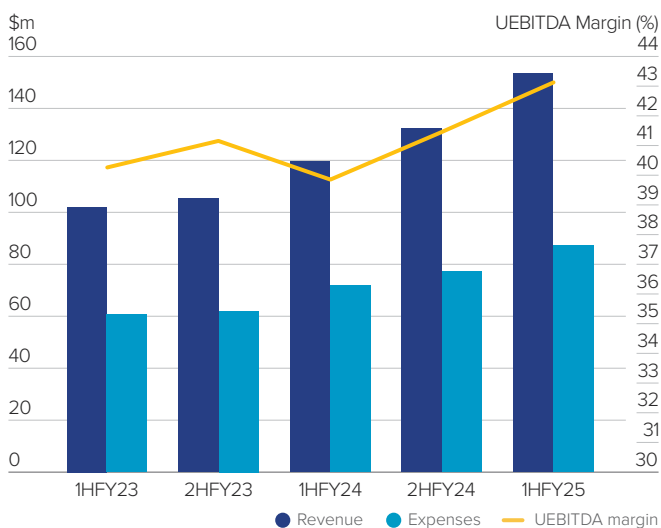
# Review of financial results

## UNDERLYING EBITDA

The HUB24 Group Underlying EBITDA (UEBITDA) increased by 41% to \$77.6 million (1HFY24: \$55.0 million) due to:

- Growth in Platform FUA to \$98.9 billion as at 31 December 2024, compared to \$72.4 billion in 1HFY24, and higher PARS number of customers accounts at 8,634 (1HFY24: 8,262);
- The HUB24 Group UEBITDA margin was 39.8% (1HFY24: 35.1%) driven by higher Platform FUA and associated revenue and volume benefits offset by increased investment in people and resources to support growth; and
- myprosperity UEBITDA loss of \$1.0 million in 1HFY25 (1HFY24 loss of \$0.5 million) was in line with expectations with a slower ramp up in revenue offset by expense management.

### Platform revenue and expense trends



## GROUP UNDERLYING NPAT

The HUB24 Group Underlying NPAT represents NPAT before Notable Items. Underlying NPAT increased 40% to \$42.6 million (1HFY24: \$30.4 million).

The key drivers impacting the movement between Underlying EBITDA and Underlying NPAT in 1HFY25 were:

- Employee share based payments increased to \$6.7 million (1HFY24: \$5.8 million). The increase on 1HFY24 primarily relates to the increase in probability of vesting for the FY23 and FY24 Performance Awards Rights (PARs). The increased probability of PARs vesting resulted in an additional \$1.5 million expense in 1HFY25 partially offset by a \$0.6 million reduction in amortisation from plans that were fully amortised in FY24;
- The HUB24 Group has a policy of capitalising investment in its assets, which are then amortised over their useful life. During the first half, \$6.4 million of Platform and \$3.6 million of Tech Solutions software development cost were capitalised;
- Depreciation and amortisation expenses increased by 38% to \$9.5 million (1HFY24: \$6.9 million) driven by higher levels of investment in IT and fixed asset investment associated with new premises; and
- Acquisition amortisation of \$13.4 million has been recognised in 1HFY25 (1HFY24: \$8.0 million). This includes Class of \$9.9 million, Xplore of \$1.8 million, myprosperity of \$1.2 million and Ord Minnett PARS servicing rights of \$0.5 million.

1. Subject to standard lending terms and conditions.

## INCOME TAX

Income tax expense increased by 83% to \$13 million (1HFY24: \$7.1 million). The effective tax rate for 1HFY25 was 28.2% (1HFY24: 24.8%), with the increase due to movements in deferred tax balances.

## CAPITAL MANAGEMENT

The HUB24 Group has access to a \$5 million working capital facility, which remained undrawn during the period.

The HUB24 Group has in place a revolving line of credit facility with CBA which covers the whole Group totaling \$31 million. \$1 million remained undrawn during the period.

In addition, an accordion facility of \$50 million is available to the HUB24 Group specifically for strategic transactions<sup>1</sup>, which remained undrawn during the period.

The HUB24 Group, through its licensed subsidiaries, fully complied with the minimum regulatory capital requirements for IDPS Operators and providers of custodial services for the period ended 31 December 2024.

During 1HFY25, the HUB24 Group purchased \$20 million of treasury shares on market to service the HUB24 Group's Employee Share Plans (1HFY24: \$10 million).

During 1HFY25, no on market share buy-back purchases occurred (1HFY24: \$10 million) and the 12-month share buy-back program completed in September 2024.

The HUB24 Group generated strong operating cashflows of \$66.5 million, 89% up from \$35.1 million (\$39.7 million before strategic transaction and project costs) in 1HFY24. Net cash and cash equivalents after deducting borrowings was \$73.1 million at 31 December 2024 (\$30.8 million at 31 December 2023).

## DIVIDENDS

Subsequent to 31 December 2024, the Directors have determined an interim dividend of 24.0 cents per share fully franked to be paid on 15 April 2025.

The fully franked interim dividend of 24.0 cents per share represents a 30% increase in interim dividends for shareholders (1HFY24: 18.5 cents per share) and a payout ratio of 46% of Underlying NPAT (1HFY24: 49%).

The Board's dividend policy targets a payout ratio between 40% and 60% of the HUB24 Group's annual underlying net profit after tax over the medium term subject to prevailing market conditions and alternate uses of capital.

The payment of a dividend by the HUB24 Group is at the discretion of the Board and will be a function of a number of factors, including the general business environment, financial condition of the HUB24 Group, capital management initiatives and any other factors the Board may consider relevant.

Dates for the Final dividend are as follows:

- Ex-date: 17 March 2025.
- Record date: 18 March 2025; and
- Dividend payment date: 15 April 2025.

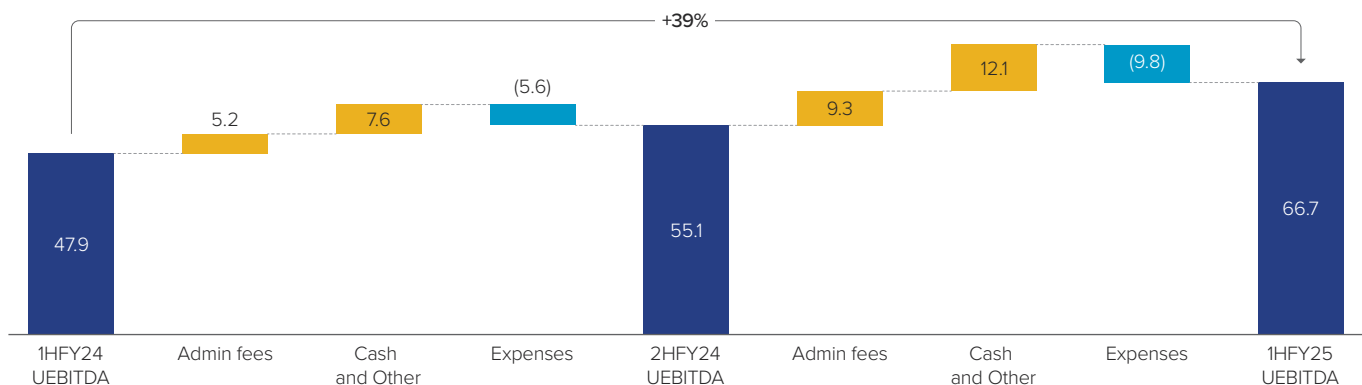
# Segment Results

## PLATFORM SEGMENT

Profit & Loss (\$m)	1HFY25	2HFY24	1HFY24	1HFY25 v 2HFY24	1HFY25 v 1HFY24
<b>Total Revenue<sup>1</sup></b>	<b>154.2</b>	<b>132.8</b>	<b>120.0</b>	<b>16%</b>	<b>29%</b>
Platform and Custody Fees	(15.1)	(14.6)	(11.1)	3%	36%
Employee Related Expenses	(60.2)	(52.4)	(50.3)	15%	20%
Administrative Expenses	(12.2)	(10.7)	(10.7)	14%	14%
<b>Total Operating Expenses</b>	<b>(87.5)</b>	<b>(77.7)</b>	<b>(72.1)</b>	<b>13%</b>	<b>21%</b>
<b>Underlying EBITDA</b>	<b>66.7</b>	<b>55.1</b>	<b>47.9</b>	<b>21%</b>	<b>39%</b>
<b>Below UEBITDA Items</b>					
Depreciation & Amortisation	(6.5)	(4.6)	(4.5)	41%	44%
<b>Profit Before Tax (before Notable Items)</b>	<b>60.2</b>	<b>50.5</b>	<b>43.4</b>	<b>19%</b>	<b>39%</b>
Strategic transactions and project costs <sup>2</sup>	-	(4.9)	(4.6)	(100%)	(100%)
Acquisition Amortisation <sup>3</sup>	(3.6)	(5.0)	(3.1)	(28%)	16%
<b>Profit Before Tax (after Notable Items)</b>	<b>56.6</b>	<b>40.6</b>	<b>35.7</b>	<b>39%</b>	<b>59%</b>
Platform Capex	6.4	6.5	6.9	(2%)	(7%)
<b>Key margins (%)</b>					
UEBITDA margin	43.2	41.5	39.9	1.7	3.3
<b>Platform Segment Statistics</b>					
Total FUA	120,902	104,729	91,228	15%	33%
<b>Platform FUA (\$m)</b>	<b>98,868</b>	<b>84,407</b>	<b>72,438</b>	<b>17%</b>	<b>36%</b>
Net Inflows (\$m)	9,477	8,521	7,248	11%	31%
Gross Flows (excluding strategic transactions) (\$m)	14,858	14,015	11,740	6%	27%
Advisers (#)	4,886	4,525	4,297	8%	14%
Retail revenue margin (bps)	36	37	38	(1)	(2)
Institutional revenue margin (bps)	13	13	13	(0)	(0)
<b>Platform revenue margin (bps)<sup>4</sup></b>	<b>32</b>	<b>33</b>	<b>35</b>	<b>(1)</b>	<b>(3)</b>
Cash as % of FUA	7.0	7.0	7.8	0.0	(0.8)
<b>PARS FUA (\$m)</b>	<b>22,034</b>	<b>20,322</b>	<b>18,790</b>	<b>8%</b>	<b>17%</b>
PARS Accounts (#)	8,634	8,362	8,262	3%	5%
myprosperity partners (#)	520	497	467	5%	11%
# of households ('000)	93	75	72	24%	30%

**1HFY25 Platform UEBITDA was \$66.7m (1HFY24: \$47.9m). 1HFY25 benefitted from higher FUA balances and associated revenue, partially offset by increased investment in people and resources to support growth and strategic objectives.**

### UEBITDA Amount (\$m)



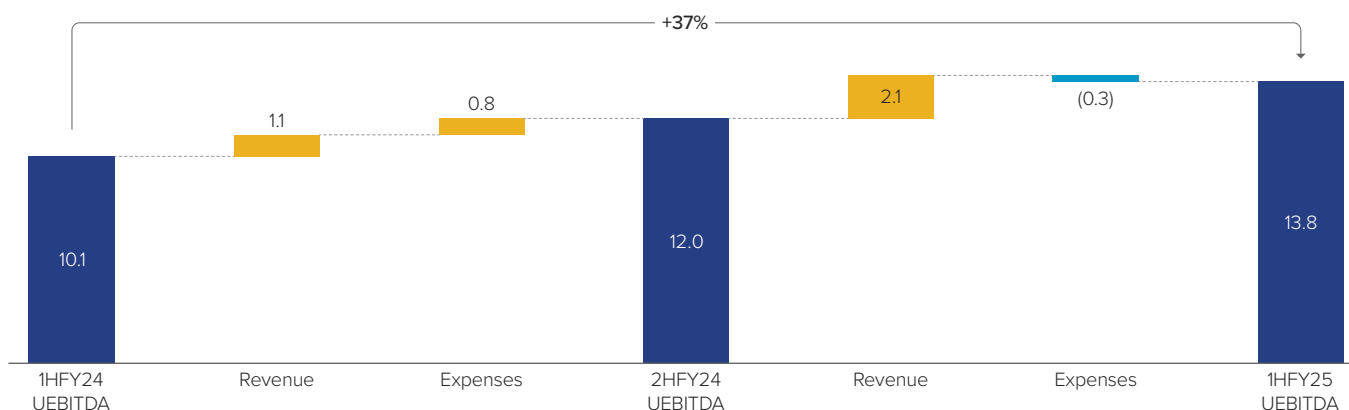
- Total Revenue includes myprosperity revenue of \$1.7m in 1HFY25, \$1.8m in 2HFY24 and \$1.8m in 1HFY24.
- Strategic transactions and project costs associated with the Xplora integration were effectively concluded in 2HFY24.
- Acquisition related amortisation decreased on 2HFY24, given software acquired from the Xplora acquisition has fully amortised.
- Custodial revenue divided by average custodial FUA.

# Segment Results

## TECH SOLUTIONS SEGMENT

Profit & Loss (\$m)	1HFY25	2HFY24	1HFY24	1HFY25 v 2HFY24	1HFY25 v 1HFY24
<b>Total Revenue</b>	<b>38.0</b>	<b>35.9</b>	<b>34.8</b>	<b>6%</b>	<b>9%</b>
Tech Solutions Fees	(1.6)	(1.3)	(1.1)	23%	45%
Employee Related Expenses	(16.4)	(15.6)	(17.2)	5%	(5%)
Administrative Expenses	(6.2)	(7.0)	(6.4)	(11%)	(3%)
<b>Total Operating Expenses</b>	<b>(24.2)</b>	<b>(23.9)</b>	<b>(24.7)</b>	<b>1%</b>	<b>(2%)</b>
<b>Underlying EBITDA</b>	<b>13.8</b>	<b>12.0</b>	<b>10.1</b>	<b>15%</b>	<b>37%</b>
<b>Below UEBITDA Items</b>					
Depreciation & Amortisation	(3.0)	(2.4)	(2.4)	25%	25%
<b>Profit Before Tax (before Notable Items)</b>	<b>10.8</b>	<b>9.6</b>	<b>7.7</b>	<b>12%</b>	<b>40%</b>
Acquisition Amortisation <sup>1</sup>	(9.8)	(9.9)	(4.9)	(1%)	100%
<b>Profit/Loss Before Tax (after Notable Items)</b>	<b>1.0</b>	<b>(0.3)</b>	<b>2.8</b>	<b>(Large)</b>	<b>(64%)</b>
Tech Solutions Capex	3.6	3.9	4.0	(8%)	(10%)
<b>Key margins (%)</b>					
UEBITDA margin	36.4	33.4	29.1	3.0	7.3
<b>Tech Solutions Segment Statistics</b>					
Class Super accounts	192,483	190,088	186,961	1%	3%
Class Portfolio accounts	14,660	14,446	13,834	1%	6%
Class Trust accounts	3,271	3,135	3,065	4%	7%
Class accounts <sup>2</sup>	210,414	207,669	203,860	1%	3%
Class Document Orders (rolling 12 months) <sup>3</sup>	200,440	191,094	182,204	5%	10%
Class Companies on Corporate Messenger <sup>4</sup>	818,486	792,922	697,573	3%	17%
Class Super ARPU <sup>4</sup>	241	231	232	4%	4%
Class Portfolio ARPU <sup>4</sup>	148	123	124	20%	19%
Class Trust ARPU <sup>4</sup>	238	236	238	1%	(0%)

**1HFY25 Tech Solutions UEBITDA was \$13.8m (2HFY24: \$12.0m).**



1. During 2HFY24, the HUB24 Group completed a review of the useful life of acquired software intangibles. This change in useful life estimates has been applied prospectively from 2HFY24 and has increased acquisition related amortisation by \$5.0 million per half.
2. Number of Class accounts at the end of each half and full year consists of Class Super, Class Portfolio and Class Trust licenses.
3. Documents paid for by PAYG and subscription customers during the last 12 months. Prior periods have been adjusted to reflect an updated methodology.
4. Average Revenue Per Unit.

# Segment Results

## CORPORATE SEGMENT

Profit & Loss (\$m)	1HFY25	2HFY24	1HFY24	1HFY25 v 2HFY24	1HFY25 v 1HFY24
<b>Total Revenue</b>	<b>3.0</b>	<b>1.9</b>	<b>1.9</b>	<b>58%</b>	<b>58%</b>
<b>Total Operating Expenses</b>	<b>(5.9)</b>	<b>(6.0)</b>	<b>(4.9)</b>	<b>(2%)</b>	<b>20%</b>
<b>Underlying EBITDA</b>	<b>(2.9)</b>	<b>(4.1)</b>	<b>(3.0)</b>	<b>(29%)</b>	<b>(3%)</b>
<b>Other Items</b>					
Share Based Payments	(6.7)	(7.7)	(5.8)	(13%)	16%
<b>EBITDA (before Notable items)</b>	<b>(9.6)</b>	<b>(11.8)</b>	<b>(8.8)</b>	<b>(19%)</b>	<b>9%</b>
Interest Expense - Lease	(0.8)	(0.2)	(0.2)	Large	Large
Interest Expense - Other	(1.0)	(1.1)	(0.9)	(9%)	11%
<b>Profit/Loss Before Tax (before Notable Items)</b>	<b>(11.4)</b>	<b>(13.1)</b>	<b>(9.9)</b>	<b>(13%)</b>	<b>15%</b>
Gain on sale of investment in associate <sup>1</sup>	—	3.0	—	(100%)	—
<b>(Loss) Before Tax (after Notable items)</b>	<b>(11.4)</b>	<b>(10.1)</b>	<b>(9.9)</b>	<b>13%</b>	<b>15%</b>

1. Count completed the acquisition of Diverger Limited (ASX:DVR) on 1 March 2024 resulting in an accounting gain on sale of \$3.0 million.

# Balance Sheet

Balance Sheet (\$m)	1HFY25	2HFY24	1HFY24	1HFY25 v 2HFY24	1HFY25 v 1HFY24
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	103.1	88.0	60.8	17%	70%
Trade and other receivables	42.8	37.8	34.5	13%	24%
Current tax receivables	—	8.1	2.9	(100%)	(100%)
Other current assets	9.5	8.1	7.3	17%	30%
<b>Total current assets</b>	<b>155.4</b>	<b>142.0</b>	<b>105.5</b>	<b>9%</b>	<b>47%</b>
<b>Non-current assets</b>					
Investment in associates	—	—	13.6	—	(100%)
Equity securities	17.3	11.1	—	56%	Large
Intangible assets (including goodwill)	439.8	449.4	458.0	(2%)	(4%)
Right of use asset	31.3	14.6	7.8	114%	Large
Property, plant and equipment	6.2	3.0	2.7	107%	130%
Other non-current assets	2.8	2.6	2.1	8%	33%
<b>Total non-current assets</b>	<b>497.4</b>	<b>480.7</b>	<b>484.2</b>	<b>3%</b>	<b>3%</b>
<b>Total Assets</b>	<b>652.8</b>	<b>622.7</b>	<b>589.7</b>	<b>5%</b>	<b>11%</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	16.7	14.6	14.0	14%	19%
Current tax payables	0.1	—	—	Large	Large
Provisions	26.2	30.2	21.8	(13%)	20%
Lease liabilities	2.9	2.6	3.3	12%	(12%)
Other current liabilities	0.3	0.3	0.3	0%	0%
<b>Total current liabilities</b>	<b>46.2</b>	<b>47.7</b>	<b>39.4</b>	<b>(3%)</b>	<b>17%</b>
<b>Non-current liabilities</b>					
Lease liabilities	29.5	12.6	5.1	134%	Large
Provisions	5.8	5.0	3.7	16%	57%
Borrowings	30.0	30.0	30.0	0%	0%
Deferred tax liabilities (net of deferred tax assets)	11.9	6.6	5.8	80%	105%
Deferred income	0.2	0.3	0.3	(33%)	(33%)
Other non-current liabilities	0.7	0.8	0.8	(13%)	(13%)
<b>Total non-current liabilities</b>	<b>78.1</b>	<b>55.3</b>	<b>45.7</b>	<b>41%</b>	<b>71%</b>
<b>Total liabilities</b>	<b>124.3</b>	<b>103.0</b>	<b>85.1</b>	<b>21%</b>	<b>46%</b>
<b>Net assets</b>	<b>528.5</b>	<b>519.7</b>	<b>504.6</b>	<b>2%</b>	<b>5%</b>
<b>EQUITY</b>					
Issued capital	463.6	477.0	478.4	(3%)	(3%)
Profit reserve	68.4	84.2	73.6	(19%)	(7%)
Share based payment reserves	35.7	34.2	27.6	4%	29%
Equity securities at FVOCI <sup>1</sup> reserve	2.7	(0.7)	—	(Large)	Large
Retained earnings	(41.9)	(75.0)	(75.0)	(44%)	(44%)
<b>Total equity</b>	<b>528.5</b>	<b>519.7</b>	<b>504.6</b>	<b>2%</b>	<b>5%</b>

1. Fair Value through Other Comprehensive Income (FVOCI).



# Cashflow

Cashflow (\$m)	1HFY25	2HFY24	1HFY24	1HFY25 v 2HFY24	1HFY25 v 1HFY24
<b>Cash flows from operating activities</b>					
Receipts from customers	187.7	165.1	148.4	14%	26%
Payments to suppliers and employees	(122.0)	(99.7)	(108.0)	22%	13%
Interest received	2.3	1.8	1.5	28%	53%
Interest paid on lease liability	(0.8)	(0.2)	(0.2)	Large	Large
Short-term lease payments	(0.1)	(0.1)	(0.1)	0%	0%
<b>Net cash inflow from operating activities prior to strategic costs and tax</b>	<b>67.1</b>	<b>66.9</b>	<b>41.6</b>	<b>0%</b>	<b>61%</b>
Strategic transaction and project costs	—	(4.7)	(4.6)	(100%)	(100%)
Income tax payment	(0.6)	(9.1)	(1.9)	(93%)	(68%)
<b>Net cash inflow from operating activities</b>	<b>66.5</b>	<b>53.1</b>	<b>35.1</b>	<b>25%</b>	<b>89%</b>
<b>Cash flows from investing activities</b>					
Payments for office equipment	(3.8)	(0.9)	(0.4)	Large	Large
Payments for intangible assets	(10.0)	(10.6)	(10.8)	(6%)	(7%)
Payment for further investment in associates	—	—	(1.4)	—	(100%)
Payment for investment in equity securities	(1.7)	—	—	(Large)	(Large)
Proceeds on sale of investment in an associate	—	3.4	—	(100%)	—
Dividends received from investment in equity securities	0.4	—	—	Large	Large
Dividends received from investment in associate	—	1.6	0.4	(100%)	(100%)
<b>Net cash outflow from investing activities</b>	<b>(15.1)</b>	<b>(6.5)</b>	<b>(12.2)</b>	<b>132%</b>	<b>24%</b>
<b>Cash flows from financing activities</b>					
Payment for issuance of shares	(0.1)	—	—	(Large)	(Large)
Proceeds from issues of shares	1.5	—	2.2	Large	(32%)
Repayment of borrowings	—	—	—	—	—
Treasury shares purchased on-market	(20.0)	—	(10.0)	(Large)	100%
On-market share buy back	—	(2.5)	(10.0)	(100%)	(100%)
Repayment of lease liabilities	(1.9)	(1.9)	(1.9)	0%	0%
Dividends paid	(15.8)	(15.0)	(15.1)	5%	5%
<b>Net cash outflow from financing activities</b>	<b>(36.3)</b>	<b>(19.4)</b>	<b>(34.8)</b>	<b>87%</b>	<b>4%</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>15.1</b>	<b>27.2</b>	<b>(11.9)</b>	<b>(44%)</b>	<b>(Large)</b>
Cash and cash equivalents at the beginning of the period	88.0	60.8	72.7	45%	21%
<b>Cash and cash equivalents at end of the period</b>	<b>103.1</b>	<b>88.0</b>	<b>60.8</b>	<b>17%</b>	<b>70%</b>

The HUB24 Group continues to generate strong operating cashflows, with 1HFY25 net cash inflow from operating activities prior to strategic costs and tax of \$67.1 million (1HFY24: \$41.6 million). Strong correlation between operating cashflows, prior to strategic costs and tax, and UEBITDA with 1HFY25 at 86% (1HFY24: 76%).

The HUB24 Group maintains cash reserves significantly above regulatory capital requirements.

Cash and cash equivalents at 31 December 2024 were \$103.1 million (1HFY24: \$60.8 million), and the HUB24 Group recorded positive cashflow from operating activities of \$66.5 million (1HFY24: \$35.1 million). Net cash and cash equivalents after deducting borrowings of \$30 million was \$73.1 million (1HFY24: \$30.8 million).

The increase in both receipts from customers and payments to suppliers reflects mainly the increased size of the Platform business.

Cash outflows from financing activities of \$36.3 million includes \$15.8 million of dividends, \$20 million for the purchase of Treasury Shares to service the long term incentive schemes, \$1.9 million repayment of lease liabilities partly offset by \$1.5 million proceeds from the exercising of employee options.

# Background on our Markets

## THE AUSTRALIAN SUPERANNUATION SYSTEM

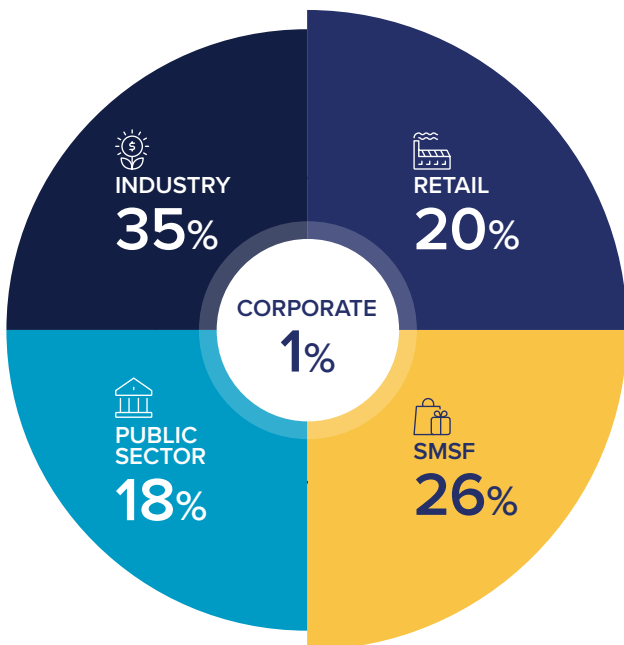
Australia’s superannuation system had \$4.1 trillion of assets as at September 2024<sup>1</sup> and is underpinned by a Government mandated contribution system requiring employers to contribute an amount equivalent to 11.5% of an employee’s salary to superannuation. These member contributions combined with robust investment returns have seen the superannuation assets grow at a ten-year CAGR of 8%.<sup>2</sup>

The HUB24 Group’s Platform and Tech Solutions businesses are expected to benefit from the continued structural growth in Australia’s superannuation system. Deloitte forecast the superannuation system will grow to \$11.2 trillion by 2043, representing a 20- year CAGR of 6.5%.<sup>3</sup>

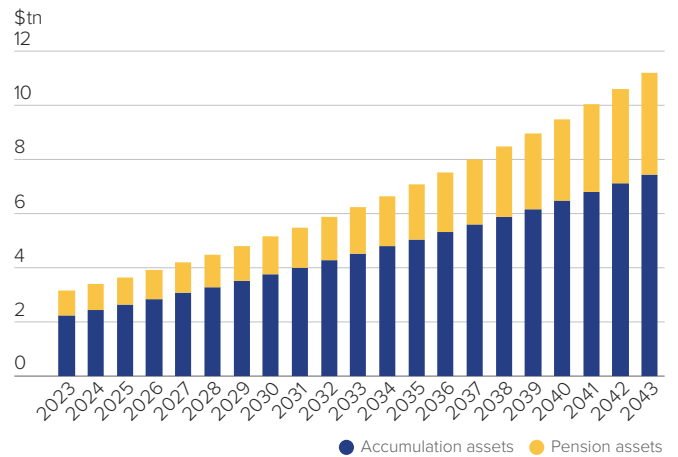
The HUB24 platform solutions are largely advised products. HUB24 Group’s superannuation products are classified as retail, with this segment accounting for 20% of superannuation assets, although it also operates in the SMSF segment which accounts for 26% of superannuation assets.<sup>4</sup> Advisers who use the HUB24 platform may also source new clients from other segments of the superannuation industry including industry and public sector funds which also represent an opportunity for the HUB24 Group.

Within the Tech Solutions division, Class provides software to accountants to assist them administer and report on SMSF assets.

Composition of superannuation assets by market segment<sup>4</sup>



Forecast growth in superannuation assets<sup>5</sup>



1. APRA September 2024 Quarterly Superannuation Statistics.  
 2. Based on APRA Quarterly Superannuation Statistics excluding Life Office Statutory Funds and ATO SMSF statistics. CAGR is to September 2024.  
 3. Deloitte, Dynamics of the Australian Superannuation System, March 2024.  
 4. APRA September 2024 Quarterly Superannuation Statistics. Excludes Life Office Statutory Funds.  
 5. Deloitte, Dynamics of the Australian Superannuation System, March 2024.

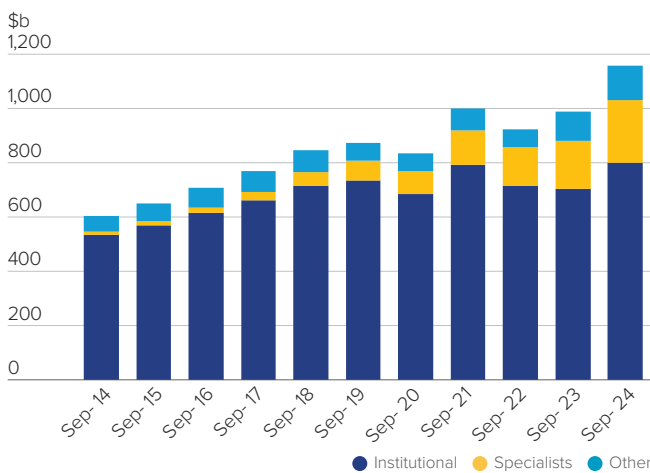
# Background on our Markets

## THE AUSTRALIAN PLATFORM MARKET (CUSTODY ASSETS)

The Australian Platform market had FUA of \$1,158 billion as at September 2024 and has grown at a CAGR of 7% over the last 10 years.<sup>1</sup> Superannuation assets regulated by the Australian Prudential Regulation Authority (APRA) comprise 66% of the platform market while investment assets comprise 34%.<sup>2</sup> A portion of investment assets held on platform are sourced from SMSFs which are regulated by the Australian Tax Office (ATO).

The HUB24 Group had custodial FUA of \$99 billion as at December 2024. HUB24 platform's market share as at September 2024 was 7.9% which has increased from 1.6% as at September 2019.<sup>1</sup>

### Australian platform industry FUA<sup>3</sup>

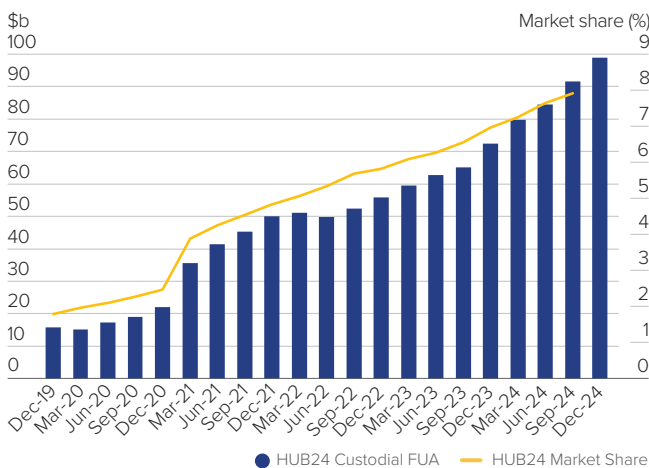


The platform market has seen a transformational shift over the last decade with the rise of specialist platforms, such as HUB24, who have increased their market share from 2% in September 2014 to 20% in September 2024. There has been a corresponding decrease in the market share of the institutionally owned platforms who have seen a decrease in their market share from 88% to 69% over the same period.<sup>3</sup>

In the year to September 2024 specialist platforms attracted net inflows of \$30 billion while the institutionally owned platforms experienced net outflows of \$10 billion.<sup>3</sup>

The shift towards specialist platforms is being driven by product leadership, regulatory reforms and a structural shift in the advice market. Innovative products and tools, especially managed accounts, provide greater choice, improve the client experience and outcomes, and increase adviser productivity. An open architecture approach provides licensees with greater choice, improving adviser productivity and client experience. Regulatory reforms including the introduction of a best interest duty for financial advisers and a ban on conflicted remuneration in 2012 (and cessation of grandfathered conflicted remuneration in 2021) encouraged greater choice of platform and lowered the barriers to switching. There has also been a structural shift of advisers from aligned licensees to independent licensees which provide advisers with greater choice of platform and increased the addressable market of specialist platforms.

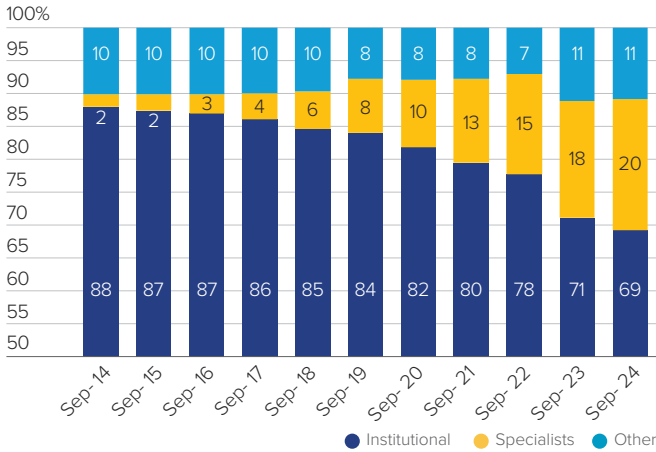
### HUB24 platform FUA and market share<sup>4</sup>



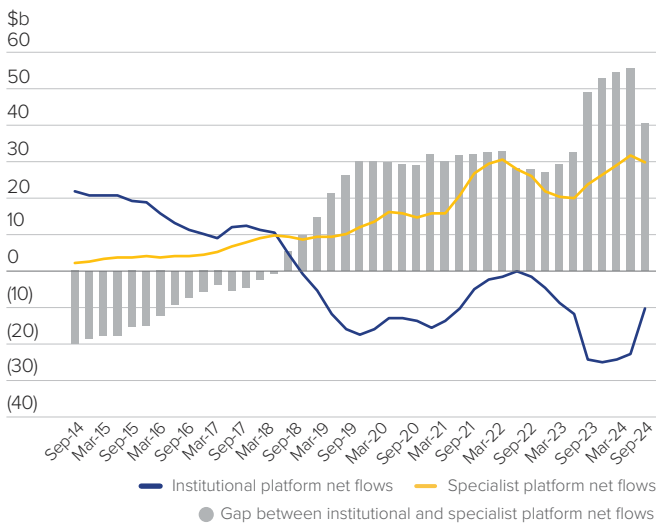
1. Plan for Life data, Administrator View.
2. Plan for Life data, Administrator View. As at September 2024.
3. Plan for Life data, Administrator View. Specialist platforms include HUB24, Centric, DASH, Mason Stevens, Netwealth, OneVue, Powerwrap, Praemium and Xplore Wealth. Institutional platforms include AMP, ANZ Wealth, BT, Colonial First State, Insignia Financial, Macquarie and MLC.
4. Market share based on Plan for Life data, Administrator View.

# Background on our Markets

## Australian platform industry FUA composition<sup>1</sup>



## Specialist vs Institutionally owned platform flows (12-month rolling)<sup>2</sup>



With a leading product, strong service and open architecture, the HUB24 platform is attracting significant net inflows. In 12 months to December 2024 the HUB24 platform captured net inflows of \$18 billion which drove strong custodial FUA growth of 36%. In the year to September 2024 the HUB24 platform was ranked #1 for platform net inflows and increased market share by 1.3%, more than any other platform.<sup>3</sup>

In the 2024 Investment Trends Platform Competitive Analysis and Benchmarking survey, the HUB24 platform was awarded Best Platform Overall. As a recognised market leader of platform services with continued focus on operational robustness, customer service excellence and the delivery of innovative product solutions that enhance outcomes for clients, the HUB24 Group is well positioned to continue to attract significant net inflows.

## Managed accounts

Funds Under Management (FUM) in managed accounts in Australia have grown to \$206 billion as at June 2024, reflecting a five year CAGR of 24%<sup>4</sup>. This strong growth is driven by the increased adoption of managed accounts as advisers recognise the benefits of using them to access professional investment management for their clients.

The use of Managed Accounts over the last 5 years has increased with 56% of financial advisers now using them to manage their clients' investments, up from 35% in 2019.<sup>5</sup> A further 19% of advisers indicated that they intend to use managed accounts in the future.<sup>5</sup> Allocations of new client inflows into managed accounts have also increased to 25% up from 12% in 2019.<sup>5</sup>

The HUB24 Group had managed account FUM as at December 2024 of \$42 billion (including managed portfolios and managed discretionary accounts) which has grown at a five year CAGR of 43%. HUB24 Group's market share of managed accounts was 18% as at June 2024.<sup>6</sup>

1. Plan for Life data, Administrator View. Specialist platforms include HUB24, Centric, DASH, Mason Stevens, Netwealth, OneVue, Powerwrap, Praemium and Xplore Wealth. Institutional platforms include AMP, ANZ Wealth, BT, Colonial First State, Insignia Financial, Macquarie and MLC.

2. Plan for Life data, Administrator View. Excludes the \$33.6 billion migration from BT Super to Mercer in the June 2023 quarter. Specialist platforms include HUB24, Centric, DASH, Mason Stevens, Netwealth, OneVue, Powerwrap, Praemium and Xplore Wealth. Institutional platforms include AMP, ANZ Wealth, BT, Colonial First State, Insignia Financial, Macquarie and MLC.

3. Plan for Life data, Administrator View.

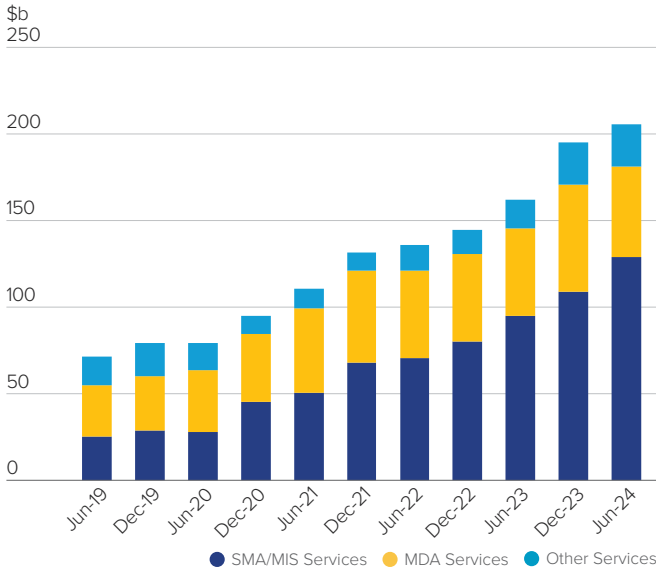
4. IMAP / Millman Managed Accounts FUM Census, October 2024. Data as at June 2024. Note that the number of participants in the census fluctuates.

5. Investment Trends, Managed Accounts Report, March 2024.

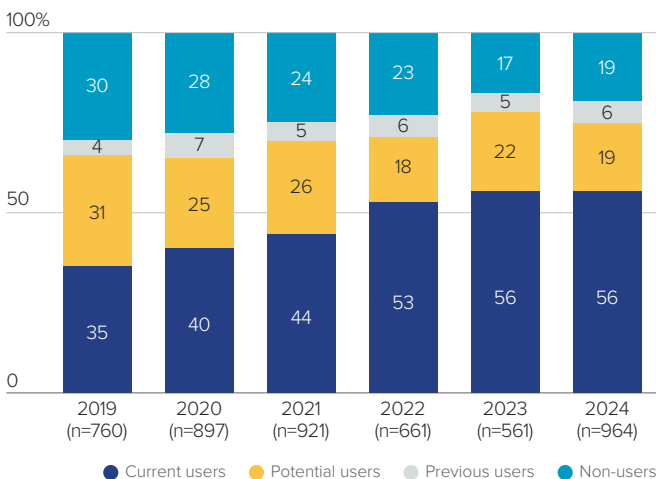
6. Market share based on IMAP / Millman Managed Accounts FUM Census, October 2024. Data as at June 2024. Note that the number of participants in the census fluctuates.

# Background on our Markets

## Australian industry wide managed account FUM<sup>1</sup>



## Adoption of managed accounts across the advice industry<sup>2</sup>



In the 2024 Investment Trends Platform Competitive Analysis and Benchmarking survey, the HUB24 platform was ranked 1<sup>st</sup> for its Managed Accounts Functionality. As a leading provider of Managed Accounts functionality the HUB24 Group expects to continue to benefit from the growth in popularity of Managed Accounts which should support net inflows onto the platform.

## NON-CUSTODY

HUB24 Group’s strategy is to create a ‘whole of wealth’ view for financial advice professionals and their clients. This includes assets that are held both on- and off-platform. HUB24 Group non-custody capability includes the Portfolio Administration and Reporting Service (PARS) and an in-platform non-custody functionality, particularly suited to the needs of High Net Worths (HNW).

HUB24 Group non-custody capability is in pilot phase and targets to enhance HUB24 Group’s whole of wealth offering, creating advocacy and flows for the HUB24 platform.

### Portfolio Administration and Reporting Service (PARS)

HUB24 Group’s PARS provides stockbrokers with reporting and administration services on HIN-based equity portfolios that are held off platform. The HUB24 Group estimates the PARS market in Australia was \$181 billion as at June 2024 with 51% of assets administered through an outsourced service and 49% of assets administered inhouse.<sup>3</sup>

As at December 2024, the HUB24 Group’s PARS FUA was \$22 billion with estimated market share as at June 2024 of 11%.

### Other Non-Custody Assets

During FY24 HUB24 Group launched a pilot for non-custodial administration and reporting functionality integrated into HUB24 Invest. The new functionality delivers streamlined administration for directly held client assets and enables a ‘whole of wealth’ view.

According to the 2024 Investment Trends Adviser Technology Needs Report, 31% of advisers are either providing advice on or administering off-platform or non-custody assets.

This non-custody capability will target customers with more complex needs, especially HNW investors. In Australia there are approximately 690,000 HNW investors (\$3.4 trillion in assets) with around 150,000 of these advised (\$0.8 trillion in assets).<sup>4</sup>

1. IMAP / Millman Managed Accounts FUM Census, October 2024. Data as at June 2024. Note that the number of participants in the census fluctuates.  
 2. Investment Trends, Managed Accounts Report, March 2024.  
 3. Based on internal estimates.  
 4. Investment Trends, 2024 High Net Worth Investor Report.

# Background on our Markets

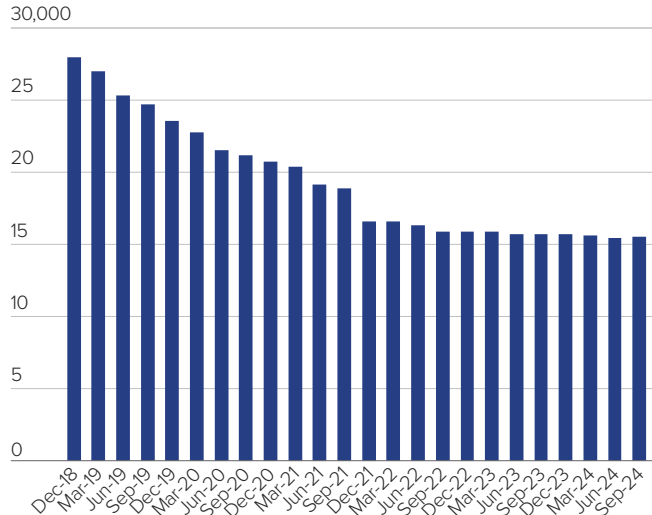
## THE FINANCIAL ADVICE INDUSTRY

HUB24 Group partners with financial advisers and their licensees who provide the HUB24 platform to end consumers and use the platform to invest, administer and report on their clients' assets.

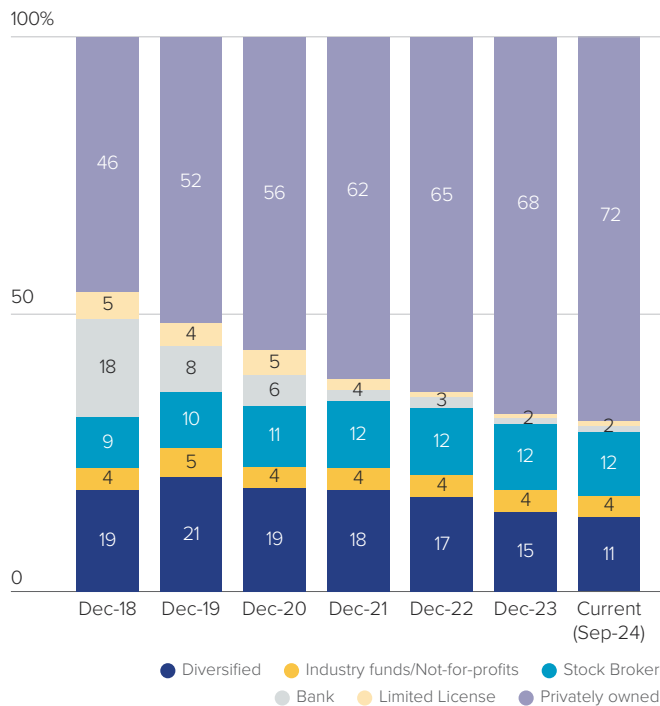
There are around ~15,500 financial advisers registered in Australia as at September 2024.<sup>1</sup> The number of financial advisers has reduced significantly over the last five years in response to adviser education standards, regulatory changes, evolving business models and the break-up of many vertically integrated businesses. More recently the pace of decline in adviser numbers has slowed and a point of stability is approaching.

The financial adviser landscape is dominated by advisers who are part of privately owned businesses. This segment represented 72% of the adviser market as at September 2024 and has increased from 46% of advisers as at December 2018.<sup>2</sup> These independent advice groups are increasingly embracing the use of specialist platforms. The HUB24 platform is also used by and available to advisers who are within stockbrokers (12% of advisers) and diversified advice groups (11% of advisers).

Total number of advisers within industry<sup>2</sup>



Composition of total industry advisers by ownership of licensee<sup>2</sup>



1. Adviser Ratings, Adviser Musical Chairs Report, Q3 2024.  
 2. Adviser Ratings data.

# Background on our Markets

## Demand for financial advice

According to Adviser Ratings, there are currently 2.0 million or 10.4% Australians who receive advice which has increased from 10.0% in 2023.<sup>1</sup> There is also significant demand for advice with 2.3 million or 24% of unadvised Australians thinking of getting advice, which has increased from 22% in 2023.<sup>1</sup>

The maturing superannuation system and intergenerational wealth transfer are key drivers of growing demand for advice, however, reducing adviser numbers across the industry and the high cost of advice mean that Australians continue to have significant unmet advice needs.

Deloitte estimate that 3.6 million Australians will transition from accumulation phase to retirement phase over the next decade.<sup>2</sup> This transition and the years in the lead up to the transition can be a catalyst for superannuants to seek advice as the superannuants objectives change from capital growth during the accumulation phase to income generation and cash flow management during pension phase.

There are also significant amounts of wealth expected to transfer between generations which can create the need for the recipients to seek advice. To illustrate the size of the wealth transfer opportunity, CoreData Research estimates the Baby Boomers hold \$4.9 trillion of wealth which could be transferred across generations.<sup>3</sup>

The cost of advice is relatively high with affordability a significant barrier to Australians seeking advice. According to Adviser Ratings' 2024 Australian Financial Landscape Report, the median advice fee in 2023 was \$3,960, which has increased 58% over the last five years from \$2,510 in 2018.

## Reforming financial advice

In 2022 the Government commenced the Quality of Advice Review (QAR) to consider how the regulatory framework for financial advice could be enhanced so that more Australians are able to access high quality affordable financial advice when they need it and in the form they want it.

Responses from the Government in 2023 and 2024 outlined plans to implement a modernised and flexible best interests duty, establish a new category of advice (and class of adviser) to increase availability and affordability of simple personal advice, replace Statements of Advice with a more fitting principles-based advice record and simplify the ongoing fee renewal process.

The first tranche of legislation was passed in July 2024 and included provisions to streamline ongoing fee renewal and consent requirements. The broader second tranche of legislation is under development.

The reforms will likely reduce the cost and time to provide advice, increasing the capacity of advisers and number of Australians receiving advice.

## HUB24 is building solutions with the financial advice industry

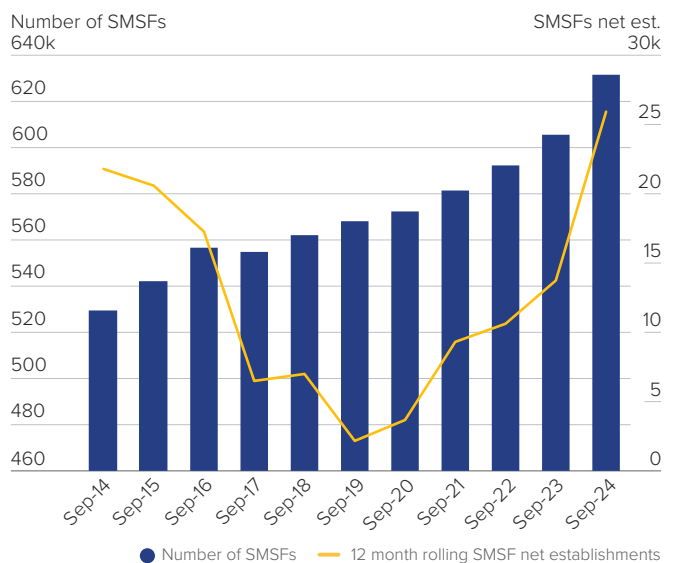
The HUB24 Group believes in the value of advice and is collaborating with advisers and licensees to develop innovative platform, data and technology solutions to reduce the cost of advice and make it accessible to more Australians. We are developing an array of solutions and services aimed at optimising the productivity of financial professionals and empowering them to expand their client base. This in turn increases HUB24 Group's contestable market and creates a mutually beneficial relationship.

## THE SELF MANAGED SUPER FUND (SMSF) MARKET

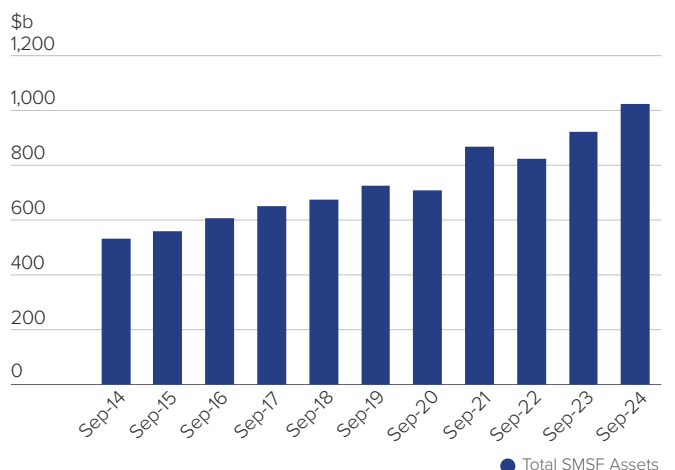
SMSFs are private super funds run for the benefit of a small group of members who retain full control over their investments.

As at September 2024 the SMSF market had ~632,000 funds, 1.2 million members and \$1,024 billion of assets representing 26% of all superannuation assets.<sup>4</sup> The number of SMSFs has grown at a 10- year CAGR of 1.8% while the total assets in SMSFs have grown at a CAGR of 6.7% over the same period.<sup>5</sup>

### Number of SMSFs and SMSF net establishments<sup>5</sup>



### SMSF total assets<sup>5</sup>



1. Adviser Ratings: Australian Financial Advice Landscape 2024.  
 2. Deloitte, Dynamics of the Australian Superannuation System, March 2024.  
 3. JBWere, The growth of Women and Wealth, March 2024.  
 4. ATO data on SMSFs, APRA Quarterly Superannuation Statistics.  
 5. ATO data on SMSFs.

# Background on our Markets

## Platform usage amongst SMSFs

While many SMSFs are independently run, Investment Trends 2024 SMSF Adviser & Accountant Report shows that 23% of SMSFs use an adviser and that 79% of advisers are now advising on SMSFs, (up from 69% in 2019).

When advised, a portion of the SMSF assets may be invested and administered through a platform, although the assets will be reported as non-super or investment assets. Research by Investment Trends reports that SMSF advisers invest 57% of SMSF inflows via a platform. The continued growth in the SMSF industry will be supportive of net inflows onto the HUB24 platform.

HUB24 Group is working with advisers and accountants to introduce innovative new products targeting to grow the SMSF industry. SMSF Access was launched in FY23 and provides access to a more cost effective SMSF solution, leveraging the combined capability of the HUB24 platform and Class's SMSF software.

## The SMSF software market

Unlike most superannuation funds which are regulated by the Australian Prudential Regulation Authority (APRA), SMSFs are regulated by the Australian Tax Office (ATO). Each year SMSFs must lodge their annual return with the ATO, which is typically completed by the SMSF's accountant. This means that most SMSFs have a relationship with an accountant, while not all SMSFs have a relationship with a financial adviser.

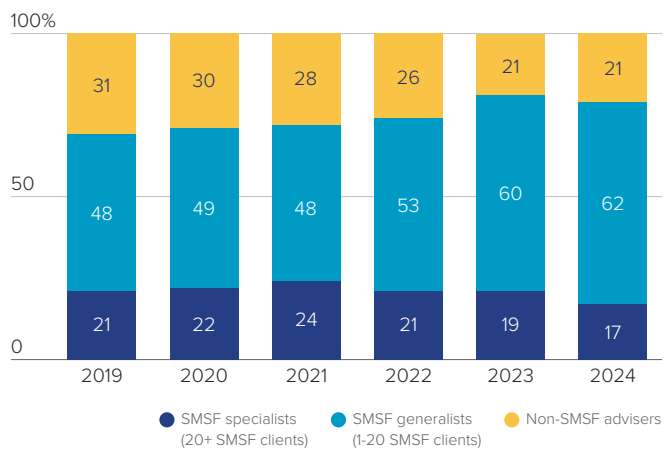
The HUB24 Group estimates that around 86% or ~543,000 SMSFs use external SMSF administration software to assist administer and lodge returns while 14% or ~89,000 SMSFs are self administered.

Class is a dominant player within the SMSF administration software market with ~194,000 SMSFs administered using Class as at December 2024, which has grown at a CAGR of 2.2% over the last five years.

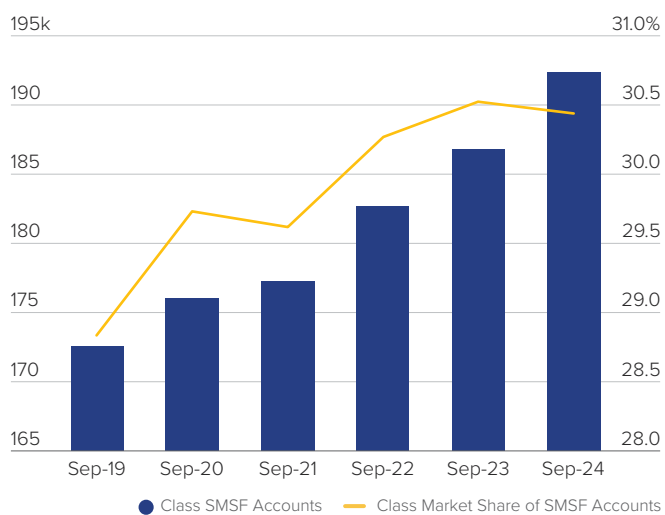
Class is the second largest provider of SMSF software, with 30.4% of all SMSFs administered on Class's SMSF software as at September 2024, which has increased from 28.8% five years ago. Over the 12 months to September 2024 the number of SMSFs administrated on Class software grew broadly in line with system growth.

Class is a market- leading software solution, recently being awarded the SMSF Software provider of the year at the SMSF Adviser Awards 2023 (most recent year), and is well positioned to continue to enable financial professionals to provide superior service to their clients and grow market share.

## Portion of advisers using SMSFs<sup>2</sup>



## Class SMSFs accounts and market share



1. Based on ATO SMSF statistics. Market share and system growth calculated using first reported SMSFs.  
 2. Investment Trends 2024 SMSF Adviser & Accountant Report.



# Background on our Markets

## THE CORPORATE COMPLIANCE MARKET

NowInfinity is a leading cloud-based entity management and corporate compliance solution. NowInfinity's flagship product, Corporate Messenger, provides accountants with a platform to administer ASIC registered companies and establish entities, trusts and SMSFs.

There were 3.5 million ASIC registered companies as at December 2024 which has grown at a five year CAGR of 4.8%.<sup>1</sup> Approximately 57% of ASIC registered companies are administered using an external software provider, such as NowInfinity, while the remainder are administered manually through the ASIC portal.<sup>2</sup>

NowInfinity administered ~818,000 companies on Corporate Messenger as at December 2024 which represented a market share of 23.6% of all companies registered with ASIC, increasing from 21.1% market share at December 2023.

In the Investment Trends 2024 SMSF Adviser & Accountant Report, NowInfinity was recognised as the most used legal document provider for SMSF related legal compliance.

## CLIENT PORTALS

Client portals are transforming client engagement by delivering a holistic view of household wealth, providing secure digital engagement, and facilitating collaboration between clients and the financial professionals they have a relationship with. Furthermore they are being incorporated into business operating models with functionality to exchange data, documents, e-signatures, and support the client onboarding and review process.

The importance of data security and protection of sensitive client information is accelerating the use of secure online client portals by financial advisers and accountants. Email compromise and business email compromise are the two top sources of cybercrime for businesses in Australia.<sup>3</sup> Within the wealth industry there is an increased focus by financial professionals on cybersecurity, ranking it as one of their biggest concerns.<sup>4</sup> Despite this, 74% of businesses still email sensitive client documents direct to clients.<sup>5</sup>

myprosperity is a leading provider of client portals and the only provider offering a solution across financial advice and accounting services. HUB24 and Class have been collaborating with myprosperity to further extend integrated capabilities towards a single client portal for the entire HUB24 Group portfolio of products and services. In 1HFY25 a pilot of a new Class client portal, powered by myprosperity, was launched. This is expected to extend HUB24 Group's market- leadership position and deliver both increased customer advocacy and new opportunities to further grow market share across the HUB24 Group.

## TECHNOLOGY, DATA AND REPORTING SOLUTIONS

Access to quality data has become critical for clients, wealth professionals and licensees. Consumers are looking for innovative solutions that provide an integrated view of their wealth, with advisers stating it was the fourth most valued feature for client portals (behind performance reporting, mobile app and multi-factor authentication).<sup>6</sup> Advisers and licensees are also looking to leverage technology and data to improve productivity and streamline compliance reporting.

HUB24 Present is HUB24 platform's market leading digital reporting feature that enables advisers to efficiently deliver and customise client presentations in real-time. Advisers using the HUB24 Present feature have advised that it has allowed them to reduce report preparation time by 95% on average for client meetings.<sup>7</sup>

During 1HFY25 HUB24 launched a pilot of Engage, which is the next evolution of HUB24 Present, and leverages HUBconnect capability, enabling advisers to efficiently deliver increasingly customised and engaging client reporting.

Access to Class's enriched data aggregation services from more than 200 data integrations, together with NowInfinity's corporate and entity data, provides a step change to HUB24's wealth reporting ambitions. HUB24 Group is leveraging the data infrastructure and capabilities of Class to accelerate the depth and breadth of our "whole of wealth" offer and increase productivity of wealth professionals by reducing friction in their processes.

HUBconnect is also leveraging machine learning and artificial intelligence to support licensees with their compliance obligations, providing access to quality data and real time insights that enables proactive compliance and improves efficiencies.

1. ASIC company registration statistics.

2. ASIC EDGE data, ASIC company registration statistics. As at December 2023.

3. Australian Signals Directorate Cyber Threat Report 2022-2023.

4. Finura 2023 Wealth Tech Predictions.

5. Statistics collected via responses to Finura Advice Tech Health Check, 2024.

6. Investment Trends 2024 Advisor Technology Needs Report.

7. HUB24 analysis, June 2023.

# Glossary

<b>Active Advisers</b>	Number of registered advisers with a FUA balance on the HUB24 platform
<b>ARPU</b>	Average Revenue Per Unit
<b>Cost to income ratio (%)</b>	Total operating expenses divided by total revenue
<b>EBITDA</b>	Earnings before interest, tax, depreciation, amortisation
<b>Funds under administration (FUA)</b>	The value of customer portfolios invested onto the Platform
<b>Net tangible assets per ordinary share</b>	Total Assets less Total Liabilities adjusted for Intangible Assets, divided by the number of outstanding ordinary paid shares
<b>Notable Items</b>	Includes administrative and resourcing costs related to strategic transactions and project costs, and Amortisation relating to the acquisition of Class, Xplore, myprosperity and Ord Minnett PARS servicing rights
<b>ORFR</b>	Operational Risk Financial Requirement relates to the HUB24 Superannuation Fund's requirement to hold adequate reserves against operational losses in accordance with APRA Prudential Standard SPS114
<b>PARS FUA</b>	Portfolio And Reporting Services – refers to the non-custodial portfolio
<b>Platform FUA</b>	Refers to the custodial portfolio
<b>PPA</b>	The purchase price accounting for the Xplore, Class and myprosperity acquisitions
<b>PPU</b>	Pay Per Unit
<b>Revenue margin (BPS)</b>	Custodial revenue divided by average custodial FUA
<b>SMSF</b>	Self-managed super fund
<b>STI/LTI</b>	Short term incentive/Long term incentive
<b>Underlying EBITDA</b>	Refers to EBITDA excluding Notable Items
<b>Underlying EBITDA margin (%)</b>	Underlying EBITDA divided by total revenue

# Corporate Information

## HUB24 LIMITED

ACN 124 891 685

## PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

Level 17, 5 Martin Place  
Sydney NSW 2000

## DIRECTORS

Mr Paul Rogan (Chair and Independent Non-Executive Director)  
Mr Andrew Alcock (Managing Director)  
Ms Rachel Grimes AM (Independent Non-Executive Director)  
Ms Catherine Kovacs (Independent Non-Executive Director)  
Mr Anthony McDonald (Independent Non-Executive Director)  
Ms Michelle Tredenick (Independent Non-Executive Director)

## COMPANY SECRETARIES

Mr Andrew Brown  
Ms Kitrina Shanahan

## AUDITOR

### Deloitte Touche Tohmatsu

Quay Quarter Tower, 50 Bridge St,  
Sydney NSW 2000

## SHARE REGISTRY

### Automic Group

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Telephone: 1300 288 664  
Outside Australia: +61 2 9698 5414  
Email: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)  
Website: <https://automicgroup.com.au>  
HUB24 Limited shares are listed on the Australian Securities Exchange (ASX: HUB)

## ELECTRONIC COMMUNICATIONS

HUB24 encourages our shareholders to receive investor communications electronically, including the Annual Report.

These reports are available on our website at [www.HUB24.com.au](http://www.HUB24.com.au).  
To register for electronic investor communications, please go to <https://automicgroup.com.au> and register for online services.

## WEBSITE

[hub24.com.au](http://hub24.com.au)

## LINKEDIN

<https://www.linkedin.com/company/hub-24/>

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