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HUB 24

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1HFY18 RESULTS PRESENTATION

26
Feb
2018

HUB²⁴

KEY MESSAGES



Continued strong growth in platform net flows and FUA



Well positioned to capture market opportunity resulting from industry trends



Increasing scale driving operating leverage and expanding margins



Highly regarded by our customers and industry



Delivering enhanced shareholder returns



Investing in new growth opportunities and operational capability



Highlights



Financial results



Market & growth opportunities



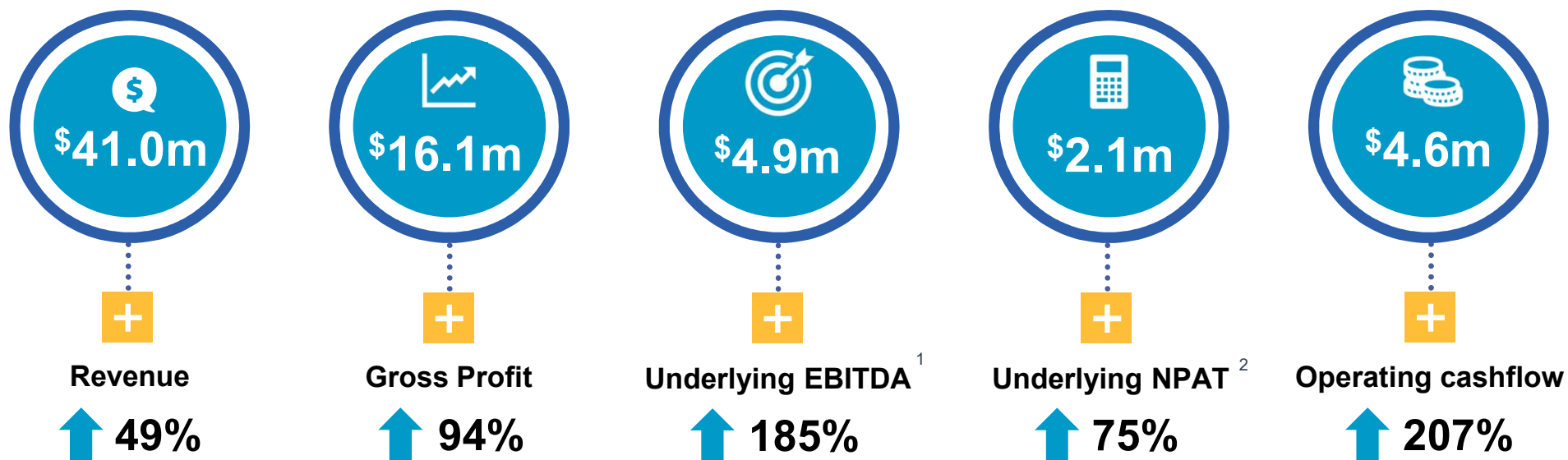
Outlook



Additional information

OVERVIEW

FINANCIAL RESULTS 1HFY18



Comparison period is 1HFY17

¹ Underlying EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items.
² Underlying NPAT is a non-IFRS measure which is used to assess the operating performance of the business. Underlying NPAT represents Net Profit After Tax excluding non-recurring items.

BUSINESS HIGHLIGHTS



Net flows of
\$1.1b
Now \$1.43b¹
\$6.9b
Now \$7.2b¹



Significant new
product development
including HUB24/Agility
integration



6 new client
wins with
HUB24/Agility
combined offering



2 new practices
& 6 new advisers
joined
Paragem
with Funds
Under Advice
increasing to
circa \$4.4bn



1st
Managed Accounts
2016 & 2017²
User Interface & Mobile
2015, 2016, 2017²
Overall platform satisfaction
2017³

Unaudited
1. Results from Investment Trends December 2017 Platform Competitive Analysis and Benchmarking Report based on extensive analyst reviews of 19 platforms across 526 functional points.
2. Equal first from 2017 Investment Trends Planner Technology Report for platform satisfaction.
3.

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At HUB24 we make a difference in our **customers'** lives by connecting them to innovative solutions that create wealth



Connecting **brokers** to new ways to grow their business



Supporting wealth management **licensees** by connecting them to new ways to create value



Providing **investors** with the right solutions for their wealth needs



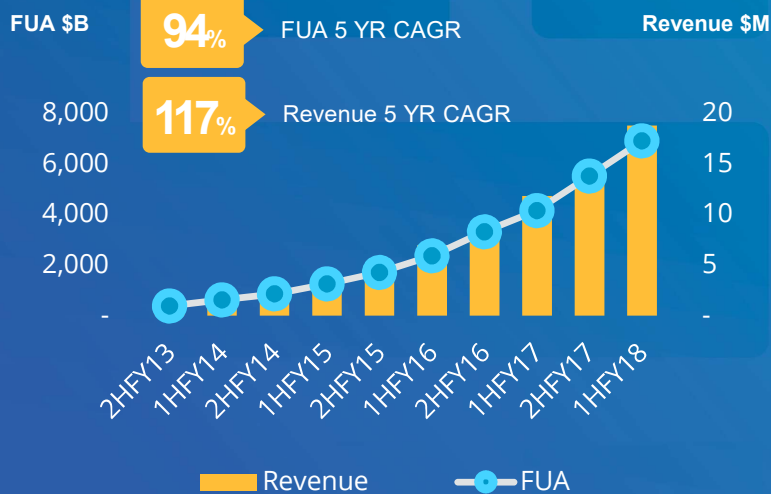
Providing **advisers** with the freedom to choose their preferred investment options and way of doing business



Allowing **investment professionals** access to new distribution channels and innovative technology to seamlessly execute their investment strategies



HUB24 | LEADING CHANGE IN WEALTH MANAGEMENT



PLATFORM REVENUE AND FUA

- The fastest growing platform¹ leveraging industry transformation
- Accelerating platform investment to capture increasing market opportunity
- Our focus is delivering shareholder returns, financial results and growth
- Paragem well positioned for changing market dynamics benefitting from shift away from institutional licensees
- Gross profit & underlying EBITDA² expansion driven by increasing scale
- Agility benefitting from convergence of stockbroking and financial advice with a strong pipeline of client opportunities

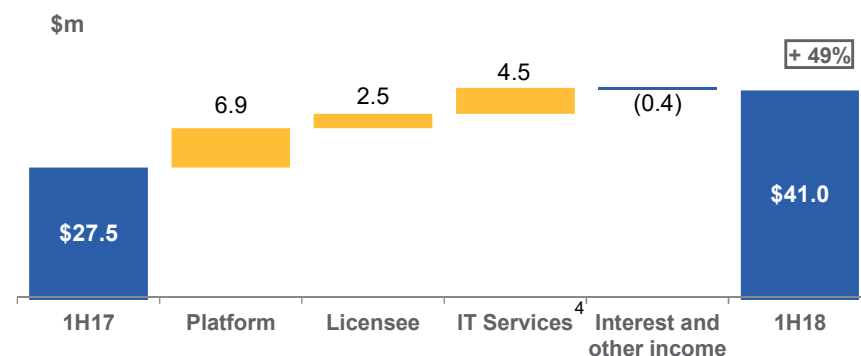
Source: Strategic Insights. Analysis of Wrap, Platform and Master Trust Managed Funds at September 2017. HUB24 is the fastest growing wrap platform relative to its size in percentage terms, 5th fastest in dollar terms of net inflows. Underlying EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items.

FINANCIAL RESULTS

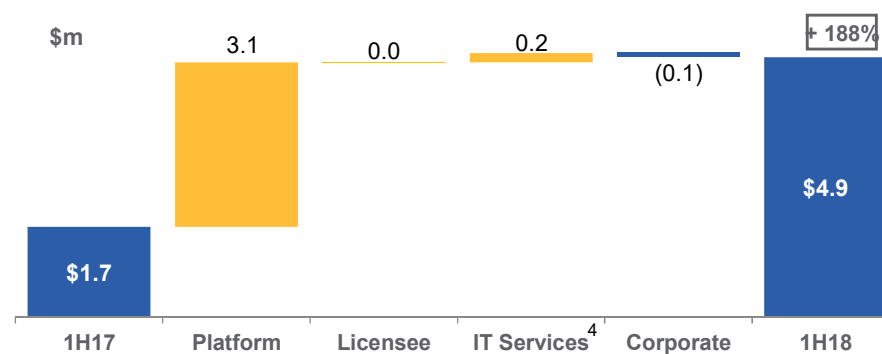
STRONG FUA GROWTH DRIVING INCREASED PROFITABILITY

	1H18	1H17	Change
	\$m	\$m	%
Group revenue	41.0	27.6	49%
Direct expenses	(24.5)	(18.4)	33%
%	60%	67%	(7%)
Gross profit	16.5	9.2	79%
Gross profit margin (%)	40%	33%	7%
Operating expenses ¹	(11.2)	(6.6)	70%
Underlying EBITDA ²	5.3	2.6	(104%)
Underlying EBITDA margin (%)	13%	9%	4%
EBITDA	4.4	1.9	(132%)
NPAT	2.3	1.3	(77%)
Underlying NPAT ³	2.1	1.2	(75%)

REVENUE BREAKDOWN



UNDERLYING EBITDA BREAKDOWN



¹ Operating expenses include \$1.4m for IT Services (\$Nil pcp), investment in growth headcount (product and development, sales & marketing, FUA transition), branding and office facilities.

² Underlying EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items.

³ Underlying NPAT is a non-IFRS measure which is to assess the operating performance of the business. Underlying NPAT represents Net Profit After Tax excluding non-recurring items.

⁴ IT Services not included in 1HFY17.

PLATFORM SEGMENT RESULTS

	1H18	1H17	change
	\$m	\$m	%
Retail FUA (Now \$7.2b) ²	6.9b	4.2b	66%
Revenue	18.8	11.8	59%
Direct expenses*	(5.8)	(4.8)	19%
%	31%	41%	(10%)
Gross profit	13.0	7.0	86%
Gross profit margin %	69%	59%	10%
Operating expenses*	(8.0)	(5.1)	57%
Underlying EBITDA¹	5.0	1.9	166%
Underlying EBITDA margin %	26%	16%	10%
PBT	4.5	1.7	164%
* Total platform expenses	(13.8)	(9.9)	39%

Operating expenses include investment in growth headcount (product and development, sales & marketing, FUA transition), branding and office facilities.

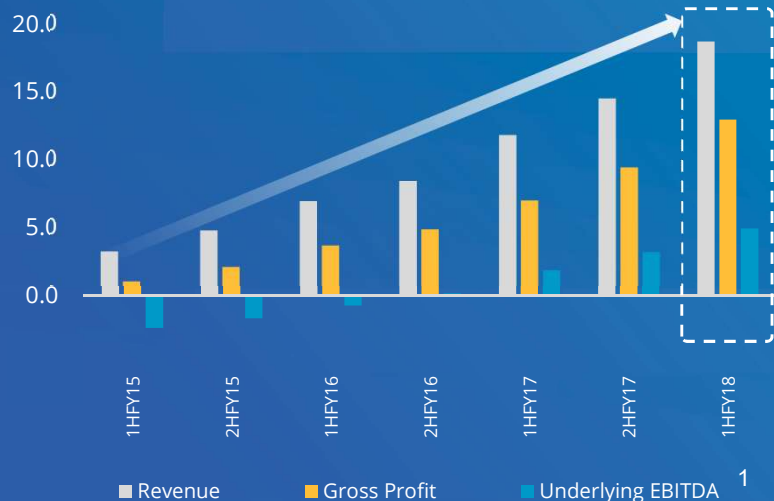
CONTINUING INVESTMENT AND SOLID EXECUTION IS BEING REWARDED WITH FUA GROWTH, INDUSTRY RECOGNITION AND EXPANDING PROFIT MARGINS

- ➔ Revenue increase of 59% driven by net inflows from a broadening client base
- ➔ Gross profit margin expansion driven by increased scale.
- ➔ Opex includes investment to support accelerating growth
- ➔ EBITDA margin continues to increase with scale

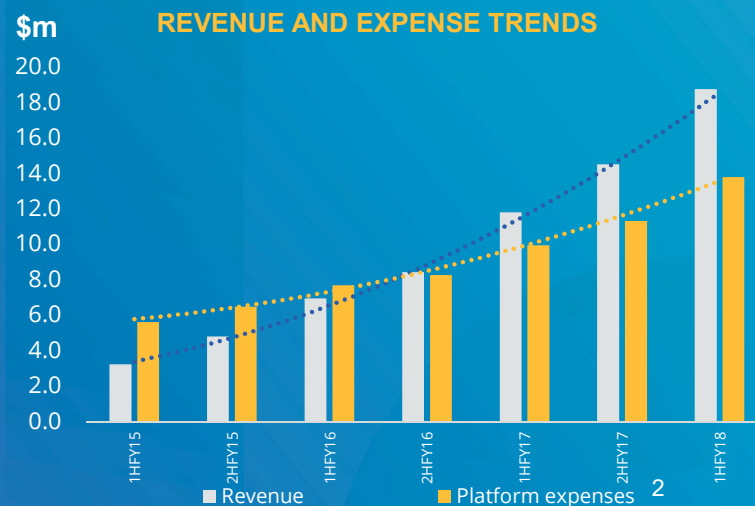
PLATFORM SEGMENT RESULTS

PROFIT LINES REFLECTING SCALE BENEFITS OF INCREASING FUA

REVENUE, GROSS PROFIT AND UNDERLYING EBITDA¹ TRENDS



REVENUE AND EXPENSE TRENDS



GROSS PROFIT & UNDERLYING EBITDA AS % OF REVENUE

PROFIT LINES	1HFY15	2HFY15	1HFY16	2HFY16	1HFY17	2HFY17	1HFY18
Gross profit	32%	44%	53%	57%	59%	65%	69%
Underlying EBITDA ¹	(74%)	(35%)	(11%)	2%	16%	22%	26%

1. Underlying EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items
 2. Platform expenses are the total of direct and operating expenses relating to the Platform Segment.

THE MARKET

Personal Investments



Current Status

\$2.3tr
(30 June 2016)

Forecast Growth

CAGR 10%
(platforms to 2031)

Superannuation



\$2.3tr

CAGR 6% to \$4.1tr
(to 2027)

Platform



\$774bn

CAGR 11%
(historical)

Managed Accounts



\$25bn

CAGR 35%
(to 2020)

Advisers



1/3 independent,
2/3 aligned to
institutions

Independents accounting for 2/3 of adviser growth

Source: Personal Investments – Rice Warner Personal Investment Market Projections 2016

Superannuation – ASFA statistics (August 2017) & DEXX&R

Platform – Strategic Insights Platform Wrap Report September 2017

Managed Accounts – Morgan Stanley 'Disruptors – Australian Financials' (June 2016) / IMAP

Advisers – Rainmaker Advantage March 2017

THE FORCES SHAPING OUR INDUSTRY

Rise of the new technology platforms



- New technology platforms 3.9% market share with 36.3% of netflows¹
- Top 3 platforms in terms of functionality are now non-institutional⁴

Advisers are voting with their feet



- 1 in 10 advisers changed their licensee during 2016-2017²

Managed accounts are becoming mainstream



- 51% of advisers either using managed accounts or intending to in the future³

Traditional financial services segments are converging



- Stockbrokers embracing annuity based income models to better service clients (e.g. financial advice using platforms & managed accounts)



¹ Source: Strategic Insights, Analysis of Wrap, Platform and Master Trust Managed Funds at September 2017. New technology platforms include netwealth, HUB24, OneVue, Praemium, and managedaccounts. Institutional platforms include major banks, AMP, Macquarie, IOOF
² Rainmaker Advantage Report 2018
³ Investment Trends April 2017 Planner Direct Equities & Managed Accounts Report
⁴ Investment trends 2017 Platform Competitive Analysis and Benchmarking Report

HUB24 CONTINUES TO WIN AWARDS

1ST PLACE MANAGED ACCOUNT FUNCTIONALITY (2016 & 2017)
1ST PLACE BEST NAVIGATION & USER INTERFACE (2015, 2016, 2017)
1ST PLACE BEST MOBILE PLATFORM (2015, 2016, 2017)



1ST PLACE OVERALL PLATFORM SATISFACTION
1ST PLACE FOR EASE OF USE/NAVIGATION

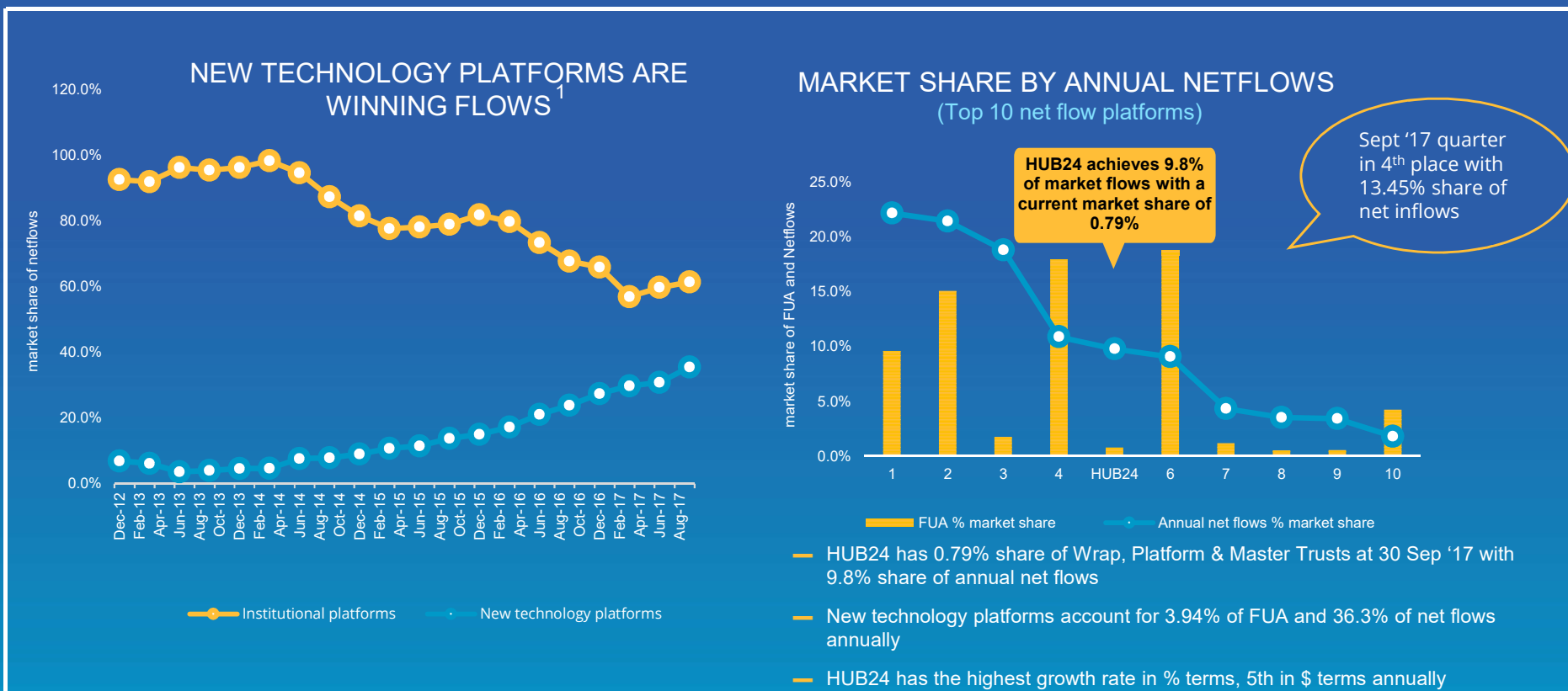


RECOGNISED FOR OUTSTANDING DECISION SUPPORT TOOLS, REPORTING AND ONLINE BUSINESS MANAGEMENT

1ST PLACE IN 16 OUT OF 24 CATEGORIES INCLUDING;

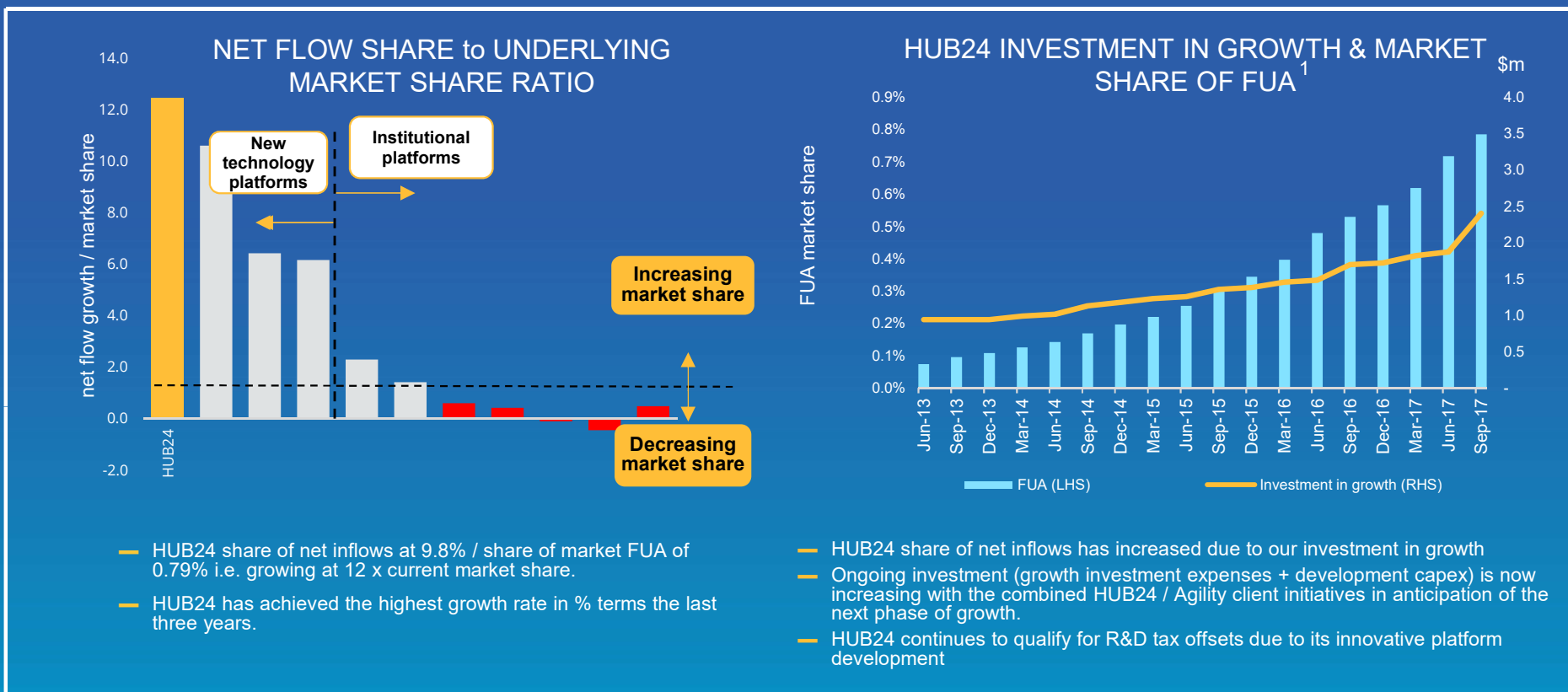
- Relationship support
- Mobile app
- Investment range
- Tax optimisation tools
- Reporting functionality

HUB24 IS WELL POSITIONED FOR FURTHER GROWTH



1. Source: Strategic Insights. Analysis of Wrap, Platform and Master Trust Managed Funds at September 2017. HUB24 is the fastest growing wrap platform relative to its size in percentage terms, 5th fastest in dollar terms of net inflows.

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INVESTING TO CAPTURE THE OPPORTUNITY



Products & Services



Growing our team

- ✓ HUB24 will shortly launch our next generation managed portfolio capability incorporating mass customisation. This will enable asset managers to further leverage their expertise and deliver enhanced investment returns for clients.
- ✓ Further integrating HUB24 and Agility products to deliver seamless user experience.
- ✓ Building next generation portfolio reporting incorporating multiple product providers and leveraging Agility core data integration capability.

- ✓ Attracting industry talent to increase growth and continue innovating.
- ✓ Investing in operational scale and customer service expertise.
- ✓ New dedicated development lab based in Melbourne.
- ✓ Sydney team now in new expanded Head Office premises

OUTLOOK



Leverage our current foundations

- ✓ Deliver increasing financial results & scale-based profit margin expansion
- ✓ Continued strong growth in platform net flows expected for 2H18 and beyond
- ✓ New relationships for the platform & Paragem expected in 2H18 and beyond
- ✓ Increase momentum in the stockbroking segment
- ✓ Product & services growth in Agility leading to further platform opportunities



...and lay foundations for future growth

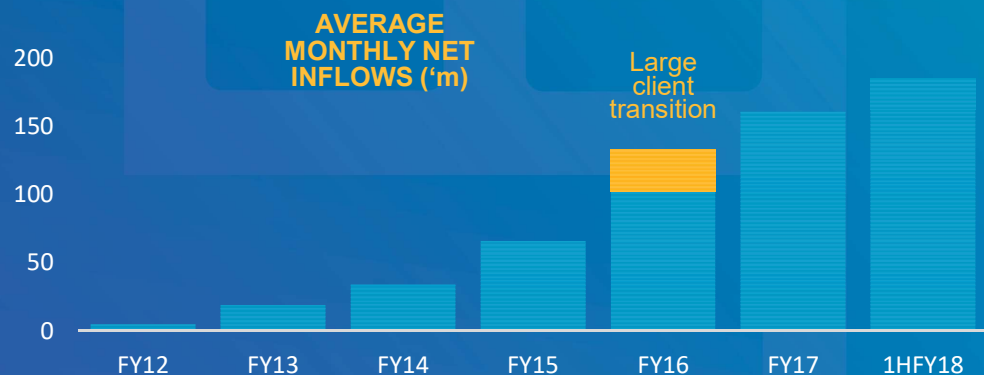
- ✓ Continue to lead change & leverage market dynamics
- ✓ Create new opportunities for clients & advisers through innovation
- ✓ Transform customer experience through service, products & data integration
- ✓ Invest in people, product & technology to capture increasing market opportunity
- ✓ Pursue appropriate corporate activity that creates shareholder value



ADDITIONAL INFORMATION



FURTHER PLATFORM SEGMENT RESULTS



	1HFY18 \$M	INCREASE ON PCP
Retail FUA	6,899*	66%
Net inflows	1,089	57%
Gross inflows	1,504	55%
Number of advisers	1,040	41%

* Now \$7.2bn

BROADENING DISTRIBUTION BASE

- ➔ 110 active licensees
- ➔ No of advisers 1,040
- ➔ 15 white labels in total, 1 new in 1HFY18
- ➔ 22 new licensees to the platform in 1HFY18

LICENSEE SEGMENT RESULTS

Licensee	1H18	1H17	change
	\$m	\$m	%
Revenue	17.3	14.8	17%
Direct expenses	(15.8)	(13.5)	17%
Gross profit	1.5	1.3	15%
% of revenue	9%	9%	0%
Operating expenses	(1.4)	(1.2)	17%
Underlying EBITDA ¹	0.1	0.1	0%
% of revenue	1%	1%	0%
PBT	0.1	0.1	

PARAGEM ADVISERS CONTINUE TO EMBRACE HUB24's PLATFORM TO DEVELOP BETTER OUTCOMES FOR THEIR CLIENTS

- ➔ Revenue increase of 17% over prior corresponding period
- ➔ Recruitment of 2 practices during 1HFY18
- ➔ Addition of 6 individual advisers
- ➔ Licensee now has circa \$4.4b in funds under advice

1. Underlying EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items

IT SERVICES SEGMENT RESULTS

IT Services	1H18	1H17	change
	\$m	\$m	%
Revenue	4.5	-	-
Direct costs	(3.0)	-	-
Gross profit	1.5	-	-
Operating expenses	(1.4)	-	-
Underlying EBITDA ¹	0.2	-	-
PBT	0.0	-	-

AGILITY'S MARKET LEADING CONNECT DESKTOP HAS OVER 2,500 USERS, REPORTING ON OVER \$200 BILLION OF CLIENT ASSETS

- An increase of 200 users of the Connect software (to 2,553) over the 1HFY18
- Investment in an account management capability to support sales opportunities
- Integration with the HUB24 platform to support delivery of strategic outcomes

CORPORATE SEGMENT RESULTS

Corporate	1H18	1H17	change
	\$m	\$m	%
Operating expenses	(0.3)	(0.3)	32%
Underlying EBITDA¹	(0.3)	(0.3)	32%
Interest revenue	0.1	0.2	(29%)
Fair value gain - contingent consideration	0.2	0.5	(63%)
Share based payment expense - Employees	(0.7)	(0.4)	75%
Non-recurring corporate costs	(0.1)	(0.4)	(76%)
Other Operating Expenses	(0.6)	(0.1)	500%
PBT	(1.5)	(0.5)	200%
Tax Expense	(0.8)	0.0	n/a
NPAT	(2.3)	(0.5)	360%

- ➔ Fair value gain - Contingent consideration of \$0.2m relating to the finalisation of Paragem earnout
- ➔ Share based payment expenses includes include \$0.7 million due to the issue of options and performance rights to executives and staff during the past three years
- ➔ Other Operating expenses include \$0.2 million depreciation and \$0.3 million discount on contingent consideration for the Agility acquisition.

1. Underlying EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items.

APPENDIX A - CORPORATE INFORMATION

HUB24 SHARE PRICE



CAPITAL STRUCTURE AT 23 FEBRUARY '18



Shares on issue	61.59m
Share price	\$11.30
Market capitalisation	\$696m

SUBSTANTIAL SHAREHOLDERS



Thorney Holdings Ltd	14.94%
Ian Litster	5.90%

BALANCE SHEET AS AT 31 DEC 17



Cash and cash equivalents	\$13.62
Other current assets	\$5.49
Non-current assets	\$48.31
Total assets	\$67.42
Current liabilities	\$8.10
Non-current liabilities	\$7.87
Total liabilities	\$15.97
Net assets	\$51.45

APPENDIX B - FINANCIAL RESULTS RECONCILIATION

Segment Results	Platform \$m	Licensee \$m	IT Services \$m	Corporate \$m	1H18 \$m	1H17 \$m	change %
Revenue	18.8	17.3	4.5		40.6	26.6	52%
Direct costs	(5.8)	(15.8)	(3.0)		(24.6)	(18.4)	34%
Gross profit	13.0	1.5	1.5	0.0	16.0	8.3	93%
Operating expenses ¹	(8.0)	(1.4)	(1.4)	(0.3)	(11.1)	(6.6)	69%
Underlying EBITDA	5.0	0.1	0.1	(0.3)	4.9	1.7	188%
Non-operating revenue	0.0				0.0	0.1	(100%)
Fair value gain - contingent consideration				0.2	0.2	0.5	Lge
Payroll tax - employee options				(0.2)	(0.2)	0.0	Lge
Share based payment expense - Employees				(0.7)	(0.7)	(0.4)	85%
Share based payment expense - Paragem Option holders				0.1	0.1	0.0	151%
Non-recurring corporate costs				(0.1)	(0.1)	(0.4)	(76%)
EBITDA	5.0	0.1	0.1	(1.0)	4.2	1.5	181%
Interest revenue	0.1			0.1	0.2	0.3	(41%)
Discount on consideration				(0.3)	(0.3)	(0.0)	864%
Depreciation and amortisation	(0.7)	0.0	(0.1)	(0.2)	(1.0)	(0.5)	102%
Profit before Tax	4.4	0.1	0.0	(1.4)	3.1	1.3	137%
Tax Benefit / (Expense)		0.0	0.0	(0.8)	(0.8)	0.0	n/a
NPAT	4.4	0.1	0.0	(2.2)	2.3	1.3	76%
Fair value gain - contingent consideration				(0.2)	(0.2)	(0.5)	Lge
Share based payment expense - Paragem Option holders				(0.1)	(0.1)	(0.0)	151%
Non-recurring corporate costs				0.1	0.1	0.4	(75%)
Underlying NPAT ²	4.4	0.1	0.0	(2.4)	2.1	1.2	76%

DISCLAIMER

→ SUMMARY INFORMATION

The material herein is a presentation of general background information about HUB24 Limited's ('HUB') activities current as at date of presentation. This information given in summary form does not purport to be complete and should be read in conjunction with previous ASX filings, Half Year Report and the audited Annual Report as applicable.

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