

## ASX Release

Monday, 26 February 2018

### HUB24 reports strong profit growth into FY18

Leading investment platform provider HUB24 (ASX: HUB) today announces its results for the half year ended 31 December 2017 (1HFY18), reporting underlying Net Profit After Tax (NPAT)<sup>1</sup> of \$2.1m (statutory NPAT of \$2.3m) and underlying EBITDA<sup>2</sup> of \$4.9m (statutory EBITDA of \$4.3m). Funds Under Administration (FUA) increased by 66% over the prior corresponding period (1HFY17) growing from \$4.1b to \$6.9b (currently \$7.2b).

Key Company highlights for 1HFY18 are:

- Underlying EBITDA of \$4.9m (\$1.7m for 1HFY17 an increase of 185%) and underlying NPAT<sup>3</sup> of \$2.1m (\$1.2m for 1HFY17 an increase of 75%)
- Operating cashflows of \$4.6 million (\$1.5m for 1HFY17 an increase of 207%), cash and cash equivalents of \$13.6 million<sup>4</sup>
- Record half yearly and annual increases in FUA of \$1.4b and \$2.75b respectively
- HUB24 maintained its position as market-leader in managed accounts, best in class in terms of mobile access and best navigation and user interface<sup>5</sup>
- Platform revenue growth of 59% while platform expenses increased by 39% over pcp
- Paragem recruited 2 new advice practices increasing funds under advice to circa \$4.4b
- Significant new product development including joint HUB24 and Agility initiatives currently in pilot with 2 new clients.

During 1HFY18, HUB24 increased its investment in technology development to maximise opportunities presented by the acquisition of Agility and favourable trends in the financial services industry. These trends, such as movement of advisers away from the institutionally-aligned licensees towards their own AFSL or more flexible licensees, the adoption of managed accounts and the convergence of stockbroking and financial advice, together with HUB24's increasing market presence and brand recognition, present the Company with a number of growth opportunities. Momentum is continuing into 2HFY18 with strong net inflows to date and continued conversion of Hub24's growing opportunity pipeline.

HUB24 Managing Director Andrew Alcock commented, "our investment in people, product and technology is delivering shareholder returns, financial results, customer growth and market recognition. We will continue to invest to position the business for expanding market opportunities and to leverage the changing market dynamics to create superior client and adviser solutions".

<sup>1</sup> Underlying NPAT is a non-IFRS measure used to assess the operating performance of the business. Underlying NPAT represents NPAT after excluding non-recurring items.

<sup>2</sup> Earnings before interest, tax, depreciation, amortisation and other significant items

<sup>3</sup> Net profit after tax excluding non-recurring items

<sup>4</sup> Prior to deferred consideration payment of \$1.5m paid on 3 January 2018

<sup>5</sup> 2017 Investment Trends Competitive Analysis and Benchmarking report

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**About HUB24**

HUB24's award-winning investment and superannuation platform connects customers to innovative solutions that create wealth. HUB24 is leading the change in the wealth management industry which is in the midst of significant disruption. A market leader in managed portfolio functionality and adviser satisfaction, HUB24 already serves a growing number of respected and high profile financial services companies, and is now the fastest growing platform in the market.

For further information, please visit: [www.hub24.com.au](http://www.hub24.com.au)

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