

ASX Release

Monday, 27 February 2017

HUB24 records maiden profit

Leading investment platform provider HUB24 (ASX: HUB) today announced its results for the half year ended 31 December 2016, reporting Net Profit After Tax (NPAT) of \$1.3 million (underlying NPAT of \$0.9 million). Net inflows into the company's highly scalable business model of \$1.6 billion over calendar year 2016 have driven these strong results.

Key highlights for the company are:

- Increase in FUA over the 2016 calendar year of 75%
- EBITDA of \$1.5 million and NPAT of \$1.3 million with underlying EBITDA¹ of \$1.7m and NPAT² of \$0.9m
- Operating cashflows of \$1.5 million, cash and cash equivalents of \$10.5 million³
- Platform revenue growth of 70% while platform direct and operating expenses increased by 36% compared with the prior corresponding period
- Acquisition of Agility Applications Pty Ltd which completed on 3 January 2017
- Release of product developments including direct international shares and interfaces to facilitate online account opening from any customer system.

Momentum is continuing into the third quarter with retail FUA increasing a further \$255 million to \$4.4 billion (from 1 January to 23 February 2017) and with the average monthly netflow trend for 1HFY17 continuing into January and February. Netflows for the months of January and February 2017 are at record levels compared to prior years.

HUB24 Managing Director Andrew Alcock said: "Our focus on delivering superior full-function platform capabilities is really resonating with advisers and their clients. Our smart technology enables us to nimbly respond to adviser demand, and is underpinning us as the platform with the highest growth rate in the market⁴.

"HUB24 was the first platform to launch International Managed Portfolio capabilities last year, in direct response to growing demand for greater access to global diversification.

"Our acquisition of Agility Applications also signalled an expanded direction for the company as well as bolstering our offering for the growing number of wealth managers and stockbrokers expanding their advice offering.

"Our ongoing investment in product and service innovation has driven our business growth trajectory. This has now translated into profitability which we also expect to have a strong trajectory moving

¹ Earnings before interest, tax, depreciation, amortisation and other significant items

² Net profit after tax excluding non-recurring items

³ Prior to the acquisition of Agility Applications Pty Ltd on 3 January 2017

⁴ Source: Plan For Life. Analysis of Wrap, Platform and Master Trust Managed Funds at September 2016.

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forward. This significant milestone for HUB24 is a testament to our team, our leading product solutions and the valuable support of our clients,” added Mr Alcock.

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About HUB24

HUB24 is a financial services company listed on the Australian Stock Exchange (ASX: HUB). The business is focused on the delivery of the HUB24 platform and the growth of its wholly owned subsidiary Paragem and Agility Applications which provides data, reporting and software services to the Australian stockbroking and wealth management market. The HUB24 platform supports the achievement of superior superannuation and investment outcomes for investors. It is a next-generation service with state-of-the-art portfolio management, transaction and reporting solutions for licensees, financial advisers, accountants, stockbrokers and institutions. HUB24 is not aligned to any major bank, manager or institution. HUB24 is an independent organisation with award winning technology and a growing number of respected and high profile financial services companies as its customers.

For further information, please visit: www.hub24.com.au

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