

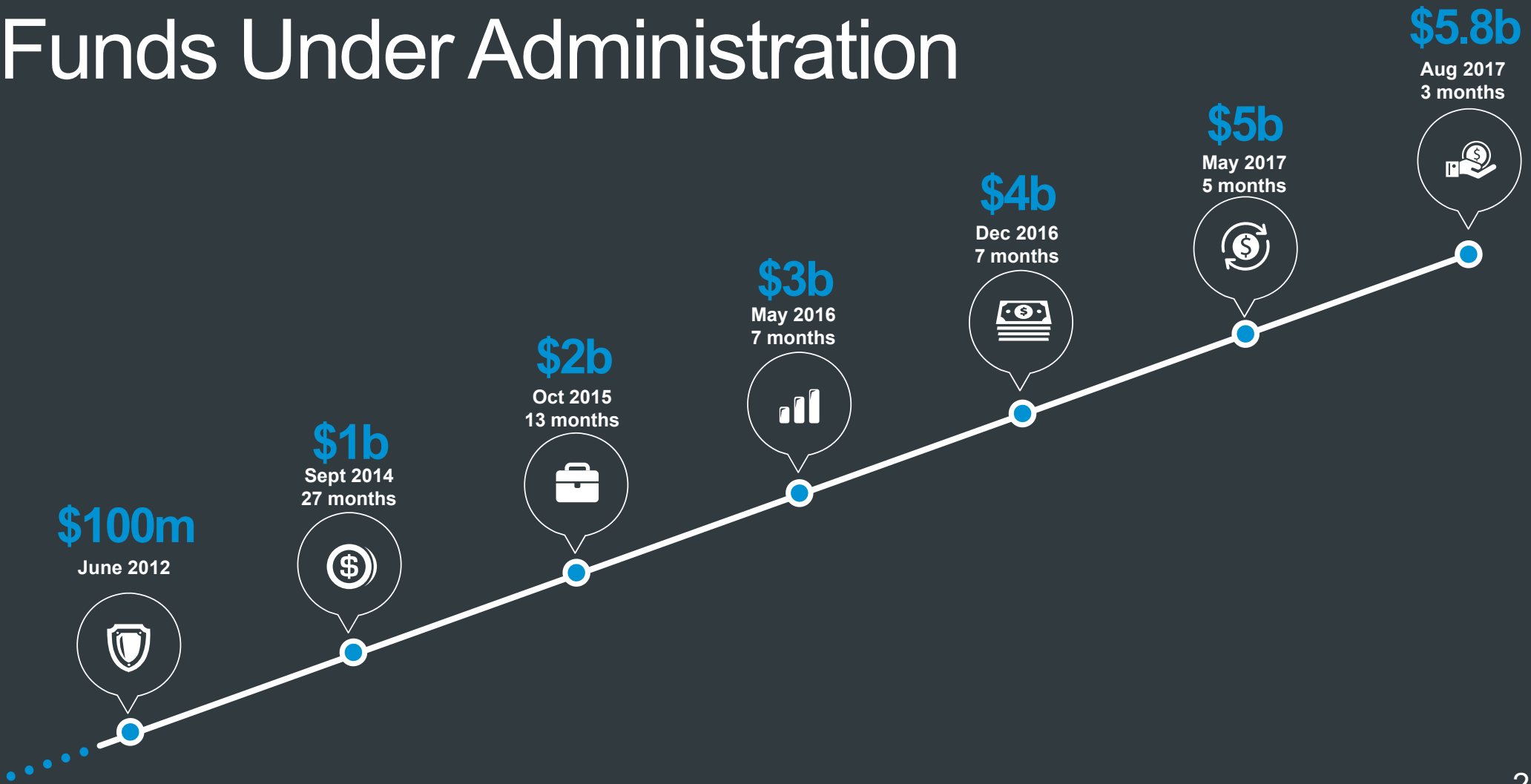


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Annual Report Presentation

28 August 2017

Funds Under Administration



Overview



**FY17
Highlights**



**Opportunities
for growth**



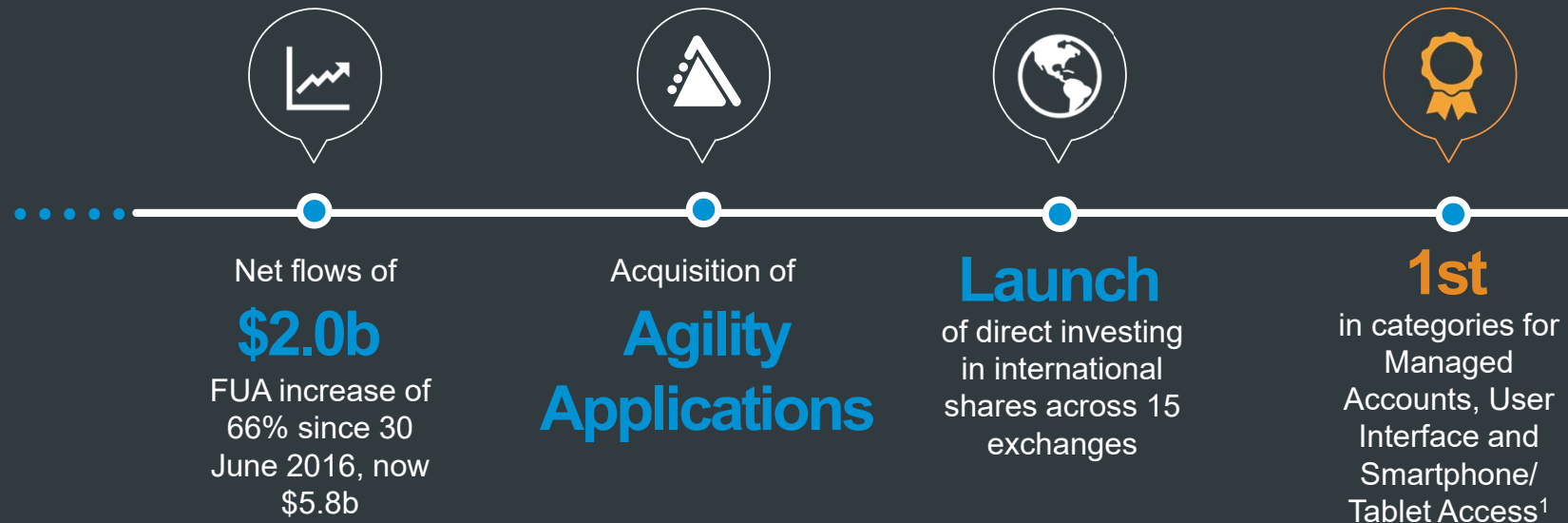
Outlook



**Additional
information**

FY17 Highlights

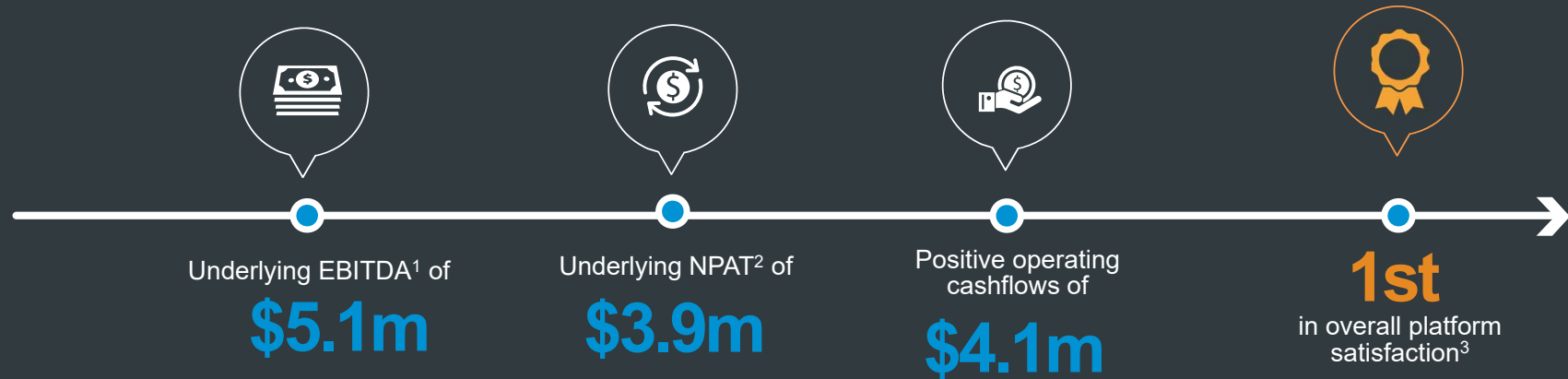
Our focus on investing in platform innovation & growth.....



1. Results from Investment Trends December 2016 Platform Competitive Analysis and Benchmarking Report based on extensive analyst reviews of 19 platforms across 526 functional points.

FY17 Highlights

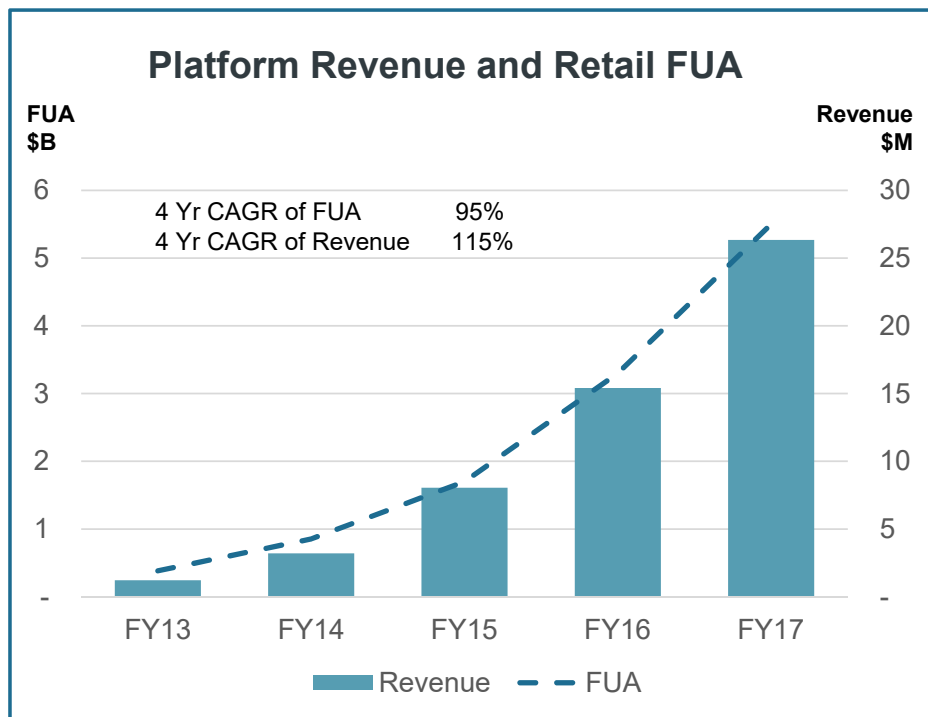
....has delivered our first year of profit



1. Underlying EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items.
2. Underlying NPAT is a non-IFRS measure used internally by management and by some in the investment community to assess the operating performance of the business. Underlying NPAT represents Net Profit After Tax excluding non-recurring items.
3. Equal first from 2017 Investment Trends Planner Technology Report for platform satisfaction.

HUB24 - leading change in wealth management

Underpinned by market leading technology



- ✓ The fastest growing platform¹ at a time of significant change for wealth management in Australia
- ✓ Now profitable and Funds Under Administration (FUA) of \$5.8b (as at 24 August 2017)
- ✓ Margin expansion occurring at increasing scale
- ✓ Includes Paragem (Licensee with a national adviser network) which advises on client funds of circa \$3.8b
- ✓ Acquisition of Agility Applications (specialist provider of technology and application products to the financial services industry)

Fastest growing platform¹

Best managed accounts platform²

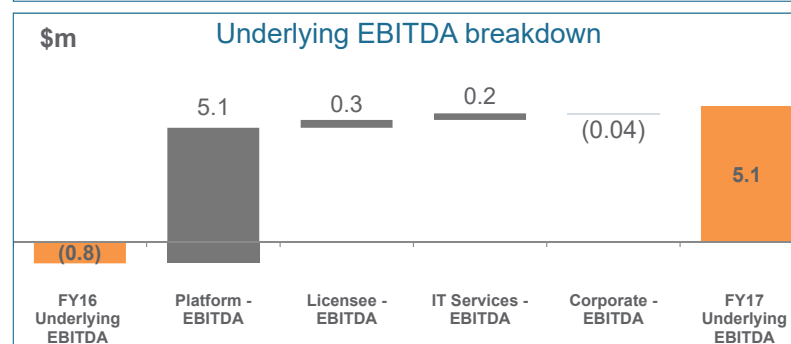
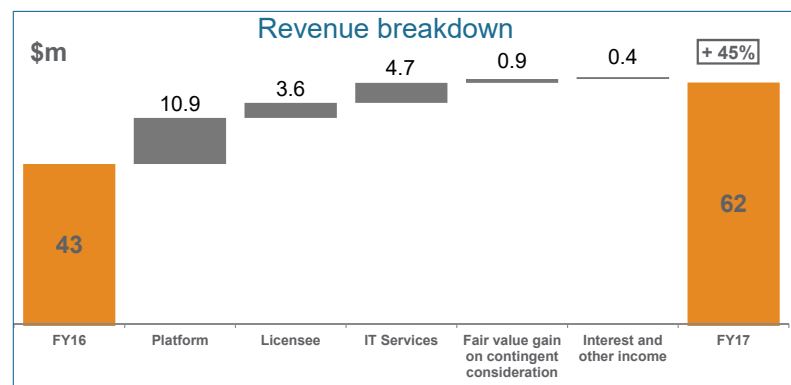
1st for overall platform satisfaction³

1. Source: Strategic Insights. Analysis of Wrap, Platform and Master Trust Managed Funds at March 2017. HUB24 is the fastest growing wrap platform relative to its size in percentage terms, 5th fastest in dollar terms of net inflows.
2. Results from Investment Trends December 2016 Platform Competitive Analysis and Benchmarking Report based on extensive analyst reviews of 19 platforms across 526 functional points.
3. Equal first from Investment Trends 2017 Planner Technology Report for platform satisfaction.

Group financial results

First reporting period where all group profit lines are positive – reflecting the benefits of growth and scalability

GROUP FINANCIAL RESULTS	FY17	FY16	FY17 v FY16
	\$m	\$m	
Group revenue	61.9	42.7	45%
Direct costs	(41.1)	(31.8)	29%
Gross profit	20.8	10.9	91%
Operating expenses	(10.5)	(7.2)	46%
Growth resources expense ¹	(5.2)	(4.5)	14%
Underlying EBITDA²	5.1	(0.8)	
EBITDA	4.7	(1.7)	
NPAT*	18.9	(1.2)	
Underlying NPAT³	3.9	(1.5)	



* Other significant items reported in NPAT include interest, share based payments, non-recurring corporate costs, amortisation and income tax benefit associated with the recognition of prior period tax losses. (refer Annexure 5)

1. Growth resources expensed are costs for platform development, strategic development (inclusive of M&A activity) and to accelerate additional FUA onto the platform

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

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Platform segment results

Continuing investment and solid execution is being rewarded with FUA growth, industry recognition and expanding profit margins

PLATFORM FINANCIAL RESULTS	FY17	FY16	Var %
	\$m	\$m	%
Retail FUA (Now 5.8b)	5.5b	3.3b	66%
Revenue	26.3	15.4	71%
Direct costs	(9.9)	(6.8)	45%
Gross profit	16.4	8.6	92%
% margin	62%	56%	7%
Operating expenses	(6.3)	(4.8)	33%
Growth resources expense ¹	(5.0)	(4.4)	15%
Underlying EBITDA²	5.1	(0.6)	
% margin	19%	-4%	23%
EBITDA	5.2	0.0	515%
% margin	20%	0%	19%
PBT	4.4	(0.6)	

- ⇒ Revenue increase of 71% driven by net inflows from a broadening client base
- ⇒ Gross profit growth driven by improved margins from increased scale
- ⇒ Combined Operating and Growth resource expenses increase 23% to support record growth and future investment
- ⇒ EBITDA margin continues to expand with increasing scale

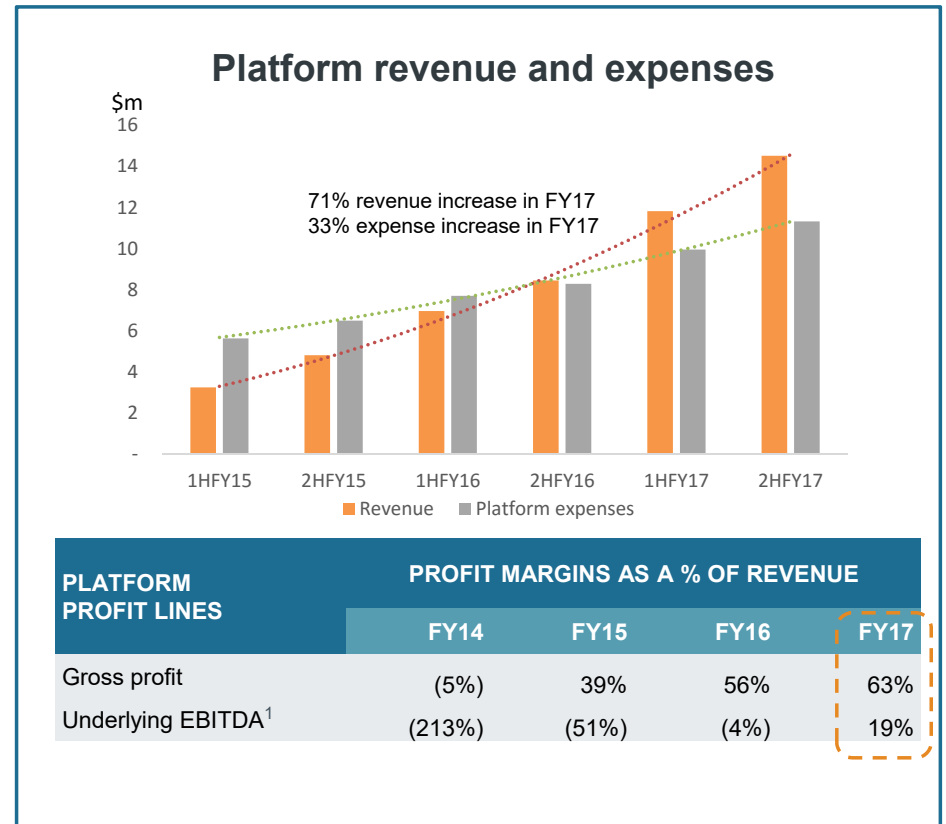
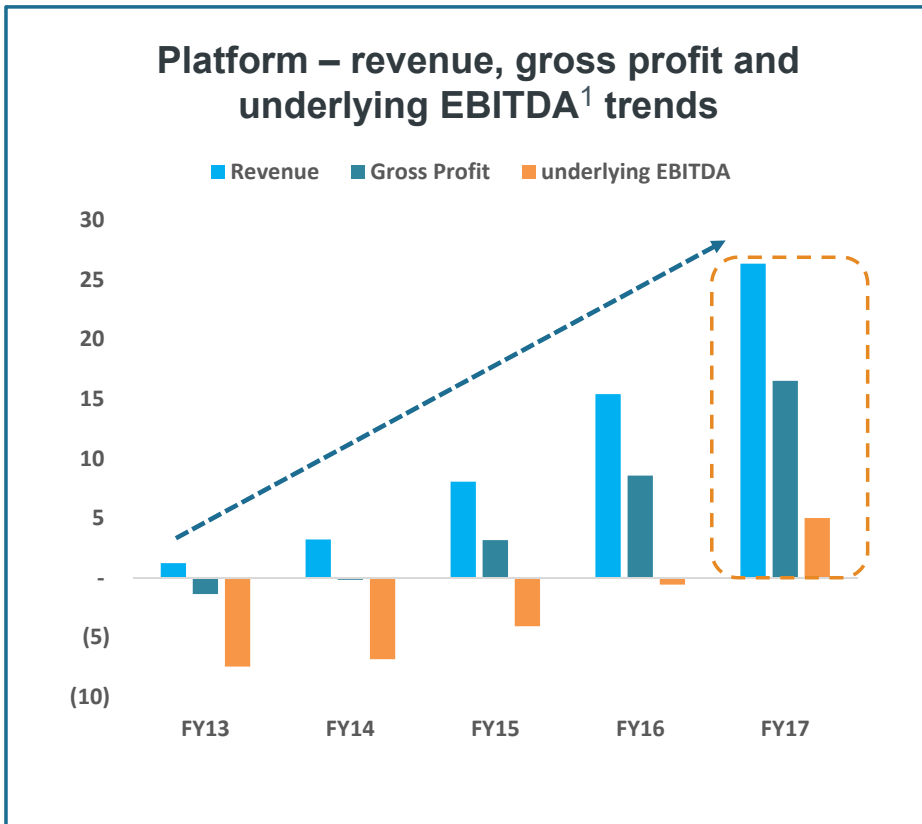
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Platform segment results

Margin expansion across profit lines at increasing scale



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

Platform segment results

Broadening distribution base

- ✓ 108 active licensees
- ✓ 15 white labels
- ✓ 37 new licensees to the platform in FY17
- ✓ 3 new white labels

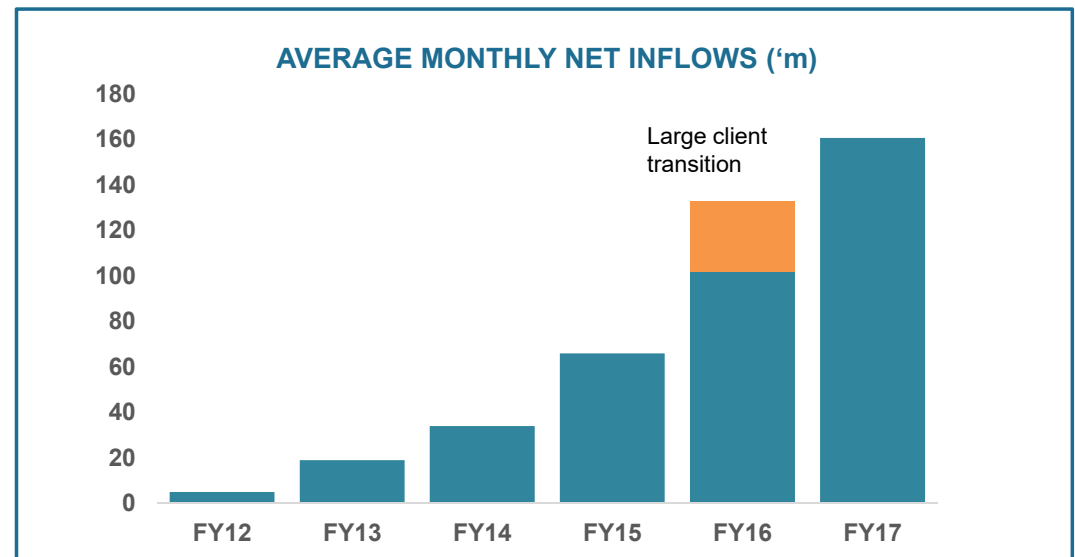
Delivering across multiple legal structures

- ✓ IDPS
- ✓ Super
- ✓ MDA
- ✓ Wholesale
- ✓ Reporting service

Now offering

- ✓ International managed portfolios
- ✓ International direct shares
- ✓ Interfaces including online account opening from client systems

	FY17 \$M	INCREASE ON PCP
Retail FUA	5,515	66%
Net inflows	1,953	21%
Gross inflows	2,629	36%
Number of advisers	917	39%



Opportunities for growth





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



“ We go the extra mile, move fast and get it right. We are innovative, driven, brave, creative, real and positive.



“ We believe every customer has the right to choose how they do business and connect. It’s not about our world leading technology, it’s about the freedom that gives our customers.



“ We make our customers’ lives simpler and better by doing business their way. Businesses get better by change, not by chance and we are the creators of that positive change.



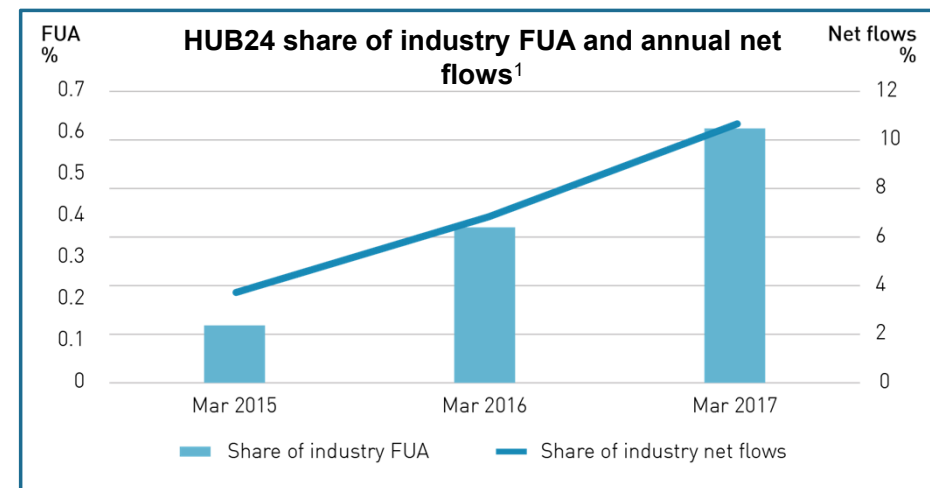
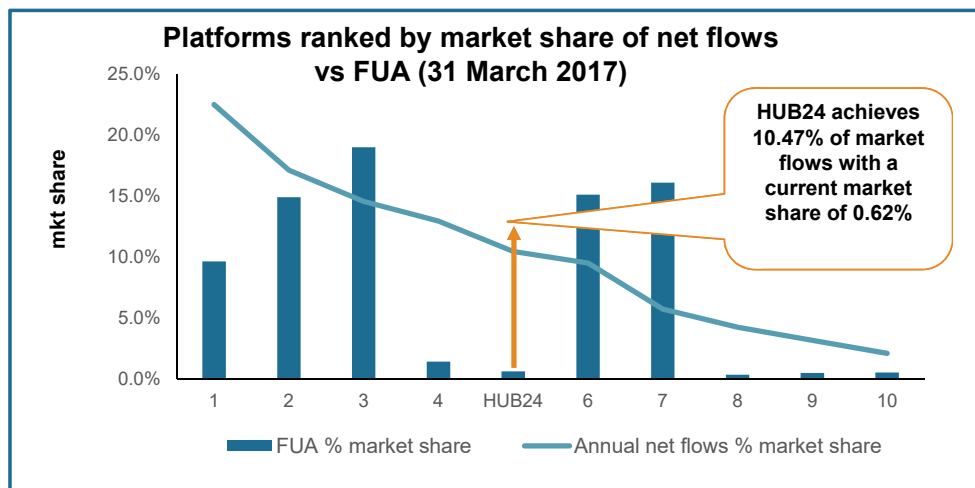
HUB24 is well positioned for further growth

Market share by Net flows: top 10 platforms¹

- ✓ HUB24 has 0.62% share of Wrap, Platform & Master Trusts at 31 Mar '17 with 10.47% share of annual net flows
- ✓ Non-institutional platforms (disruptors) account for 3.05% of FUA and 28.7% of net flows annually
- ✓ Highest growth rate in % terms, 5th in \$ terms annually

FUA and number of advisers

- ✓ 17 new licensees signed in 4QFY17
- ✓ Growth in adviser numbers of 39% for the year
- ✓ Av FUA per adviser at \$6m against industry average of approx. \$40m per adviser – demonstrating significant potential for further growth within existing client base



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

The changing landscape

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Trend



1. Adoption of Managed Portfolios across Dealer Group, Advisers

- Usage by advisers has increased for fifth consecutive year, highest growth in the last 12 months¹

2. Market share continues to shift to new / non-institutional platforms

- New non-institutionally owned platforms are growing market share and two of these, including HUB24 are ranked ahead of all traditional platforms in terms of product offering and platform satisfaction by advisers.
- Dec 2016 saw the first net outflow quarter across bank and institutional platforms³

3. Convergence occurring across advisory, stockbroking and financial advice

- Stockbrokers exploring annuity based income models to better service clients
- Accountants and financial advisers collaborating to provide holistic financial advice
- The Stockbrokers association changed its name to Stockbrokers and Financial Advisers Association (Nov 2016)

4. Australians increasing use of international shares.

- Low international investment exposure for self directed / unadvised SMSFs.
- Direct international share ownership (directly through foreign exchanges) has doubled from 4% to 8% since 2010

HUB24 positioning



- HUB24 is the leading² provider of Platform Managed Portfolio capability.
- Increase of 83 across 24 portfolio managers to 295 – the most in the market

Year to March 2017:

- New non-institutional platforms have a market share of 3.05% and net flow share of 28.7%
- HUB24 has a market share of 0.62% and net flow share of 10.47%³ (up from 6.4% for the prior year)

- HUB24 designing product and solutions to support this convergence
- Agility acquisition is an investment to support this shift
- HUB24 is providing white labels to licensees & groups with strong accountancy heritage
- HUB24 has secured 2 new relationships with brokers in FY17

- HUB24 has a licensee and platform offer to increase exposure
- HUB24 provides direct access to 15 International share exchanges and provides 12 international share managed portfolios

1. Financial Observer – 'Managed Accounts uptake sees broader appeal'
2. 2016 Investment Trends Platform Competitive Analysis and Benchmarking Report.
3. Strategic Insights - Analysis of Wrap, Platform and Master Trust Managed Funds at March 2017

HUB24 continues to win awards

1st place in Overall Platform Satisfaction



1st place for Ease of Use/Navigation



1st place in 16 out of 24 categories, including

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

Recognised for growth



Recognised for platform functionality



Agility Applications

Agility acquired 3 January 2017, is a successful specialist technology services provider to the financial services industry, particularly stockbrokers

The opportunity

- ✓ Non-institutional advisers, brokers and accountants want to leverage new technology to improve client engagement, increase efficiency and reduce costs
- ✓ Together, HUB24 and Agility can deliver an integrated solution that meets these needs through our award winning proprietary platform and integration to best of breed 3rd party applications
- ✓ Currently Agility licenses over 2,600 users from within 165 firms, reporting on over \$250 billion of client assets

Activity to date

- ✓ Integration of data and reporting of HUB24 and Agility resulting in improved user experience and back office efficiency for clients
- ✓ A dedicated development team has been established to deliver on connectivity and integration projects between HUB24 and Agility technology
- ✓ First joint client win has materialised with significant new client opportunities in the pipeline



Outlook

Continued strong FUA growth expected and targeting to more than double FUA in the next 3 years to >\$12b



Increasing distribution footprint by accessing current adviser relationships and targeting new



Extend industry leadership position by connecting our customers to innovative solutions



Pursue appropriate corporate activity & strengthening profitability



Continue to lead change and leverage industry dynamics



Growing our investment in:

- Platform innovation
- Agility/HUB24 joint technology initiatives – several projects already underway with joint clients
- Further open architecture interfaces for advisers, licensees, broker and financial product providers

Additional Information

Annexure 1 – Licensee segment

Annexure 2 – IT Services segment

Annexure 3 – Corporate segment

Annexure 4 - Corporate Information

Annexure 5 - Financial results reconciliation

ANNEXURE 1

Licensee segment results

Licensee	FY17	FY16	VAR %
	\$m	\$m	%
Revenue	30.8	27.3	13%
Direct costs	(28.2)	(24.9)	13%
Gross profit	2.7	2.3	15%
%	9%	8%	0%
Operating expenses	(2.3)	(2.1)	11%
Underlying EBITDA¹	0.3	0.2	11%
%	1%	1%	0%
PBT	0.3	0.2	

- ✓ Licensee now has circa \$3.8b in funds under advice
- ✓ Recruitment of 5 practices during FY17 to 30
- ✓ Addition of 10 individual advisers to 70
- ✓ Revenue increase of 13% over prior corresponding period

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

ANNEXURE 2

IT Services segment results

IT Services	Period from 3 Jan 17 to 30 Jun 17
	\$m
Revenue	4.7
Direct costs	(3.0)
Gross profit	1.7
%	36%
Operating expenses	(1.5)
Underlying EBITDA¹	0.2
%	5%
PBT	0.1

- ✓ An increase of 250 users of the Connect software over the period
- ✓ Investment in headcount to support new business and new client initiatives
- ✓ Corporate integration activities completed during initial reporting period and expensed
- ✓ Joint development and sales initiatives with the platform business are generating a strong pipeline of opportunities

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

ANNEXURE 3

Corporate segment results

Corporate	FY17	FY16	VAR %
	\$m	\$m	%
Operating expenses	(0.4)	(0.3)	11%
Growth resources expenses	(0.1)	(0.1)	3%
Underlying EBITDA¹	(0.5)	(0.5)	9%
Interest revenue	0.4	0.2	96%
Fair value gain - contingent consideration	0.9	0.0	
Share based payment expense - Employees	(0.8)	(0.7)	6%
Payroll tax - employee options	(0.3)		
Share based payment expense - Paragem Option holders	0.2	(0.6)	
Transaction costs & other non-recurring	(0.5)	(0.2)	149%
Other Operating Expenses	(0.4)	(0.1)	165%
PBT	(1.0)	(1.9)	(47%)
Tax Benefit / (Expense)	15.1	1.1	1244%
NPAT	14.1	(0.8)	

⇒ Corporate overhead expenses allocated to the corporate segment

⇒ Fair value gain - Contingent consideration of \$0.9m due to revised estimate for Paragem earnout

⇒ Issue of options during the year to employees

⇒ Due diligence expenses for the Agility acquisition and other costs relating to the evaluation of potential business opportunities

⇒ Interest costs relating to the discount on the present value of deferred and contingent consideration

⇒ Recognition of deferred tax asset relating to prior period tax losses and R&D offsets

Other significant items reported in NPAT include interest, share based payments, transaction costs, amortisation and tax expense. (refer Appendix B)

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

ANNEXURE 4

Corporate Information

CAPITAL STRUCTURE AT 24 AUGUST '17

Shares on issue	55.97m
Share price	\$6.50
Market capitalisation	\$364m

SUBSTANTIAL SHAREHOLDERS

Thorney Holdings Ltd	17.16%
Acorn Capital Ltd	8.18%
Ian Litster	6.50%

BALANCE SHEET AS AT 30 JUNE '17

Cash and cash equivalents	\$10.84m
Other current assets	\$7.51m
Non-current assets	\$44.76m
Total assets	\$63.11m
Current liabilities	\$11.94m
Non-current liabilities	\$7.56m
Total liabilities	\$19.50m
Net assets	\$43.61m
Equity	\$43.61m

HUB24 Share price



ANNEXURE 5

Financial Results Reconciliation

Segment Results	Platform	Licensee	IT Services	Corporate	FY17	FY16	FY17 v FY16
	\$m	\$m	\$m	\$m	\$m	\$m	%
Revenue	26.3	30.8	4.7		61.9	42.7	45%
Direct costs	(9.9)	(28.2)	(3.0)		(41.1)	(31.8)	29%
Gross profit	16.4	2.7	1.7	0.0	20.8	10.9	91%
Operating expenses	(6.3)	(2.3)	(1.5)	(0.4)	(10.5)	(7.2)	46%
Growth resources expense ¹	(5.0)			(0.1)	(5.2)	(4.5)	14%
Underlying EBITDA²	5.1	0.3	0.24	(0.5)	5.1	(0.8)	740%
Non-recurring revenue	0.1				0.1	0.6	(82%)
Fair value gain - contingent consideration				0.9	0.9	0.0	n/a
Share based payment expense - Employees				(1.1)	(1.1)	(0.8)	51%
Share based payment expense - Paragem Option holders				0.2	0.2	(0.6)	(140%)
Non-recurring corporate costs				(0.5)	(0.5)	(0.2)	149%
EBITDA	5.2	0.3	0.2	(1.0)	4.7	(1.7)	
Interest revenue	0.5			0.4	0.9	0.4	128%
Other interest expense	0.0			(0.4)	(0.4)	(0.1)	166%
Depreciation and amortisation	(1.2)		(0.2)		(1.4)	(0.8)	81%
Profit before Tax	4.4	0.3	0.1	(1.0)	3.8	(2.3)	265%
Tax Benefit / (Expense)	0.0	0.0	0.0	15.1	15.1	1.1	1244%
NPAT	4.4	0.3	0.1	14.1	18.9	(1.2)	1690%
Fair value gain - contingent consideration				(0.9)	(0.9)	0.0	
Share based payment expense - Paragem Option holders				(0.2)	(0.2)	0.6	
Non-recurring corporate costs				0.5	0.5	0.2	149%
Recognition of deferred tax asset				(14.3)	(14.3)	(1.2)	1133%
Underlying NPAT³	4.4	0.3	0.1	-0.9	3.9	-1.6	

Other significant items reported in NPAT include interest, share based payments, non-recurring corporate costs, amortisation and income tax benefit associated with the recognition of prior period tax losses.

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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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