

ASX Release

Monday, 28 August 2017

HUB24 records first full year profit

Leading investment platform provider HUB24 (ASX: HUB) today announced its results reporting an underlying Net Profit After Tax¹ (NPAT) of \$3.9m (statutory NPAT of \$18.9m) with an underlying EBITDA² of \$5.1m (statutory EBITDA of \$4.7m) for the year ended 30 June 2017. Funds Under Administration (FUA) increased by 66% over the period growing from \$2.2b to \$5.5b (currently \$5.8b).

Key highlights for the company are:

- HUB24 is now ranked first in overall platform satisfaction³ amongst advisers and has been recognised as the best platform for managed accounts⁴
- Record gross inflows of \$2.6b and net inflows of \$2.0b
- Underlying EBITDA of \$5.1m and underlying NPAT of \$3.9m (statutory EBITDA of \$4.7m and NPAT of \$18.9m after recognising prior period tax losses)
- Positive operating cashflows of \$4.1m, cash and cash equivalents of \$10.8m
- Platform revenue growth of 71% with platform expense growth of 33% compared to the prior period
- Continued strong FUA growth expected and targeting to more than double FUA in the next 3 years to greater than \$12b
- Acquisition of Agility Applications Pty Ltd to progress the company's expansion strategy
- Strong growth in Paragem with the recruitment of 5 new advice practices during the year
- Product launch of direct international share trading and the release of application interfaces to facilitate online account opening from any customer front end system

As the industry continues to acknowledge HUB24, our market presence and brand recognition is increasing within our target client segments. This is generating additional opportunities and strengthening our already solid pipeline that is expected to support ongoing growth. Momentum has continued in the new financial year with FUA increasing a further \$275m to \$5.8b as at 24th August 2017.

HUB24 Managing Director Andrew Alcock said: "We are excited to report our first full year of profit for the company at the same time as delivering record growth. As our industry continues to shift we believe HUB24 has a great opportunity to lead change, connect customers with innovative solutions and create increasing value for our shareholders.

"Our acquisition of Agility Applications earlier in the year signalled an expanded direction for HUB24 and is a strategic investment in the future of our industry. We are already seeing improved delivery for our existing customers as well as significant new client activity.

¹ 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 NPAT after excluding non-recurring items.

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

³ 2017 Investment Trends Planner Technology Report, HUB24 ranked equal first in overall platform satisfaction

⁴ 2106 Investment Trends Platform Competitive Analysis and Benchmarking report

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“We will continue to move quickly, innovate and invest in our market leading technology to make a real and positive difference for our customers and our business partners”.

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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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