

HUB 24

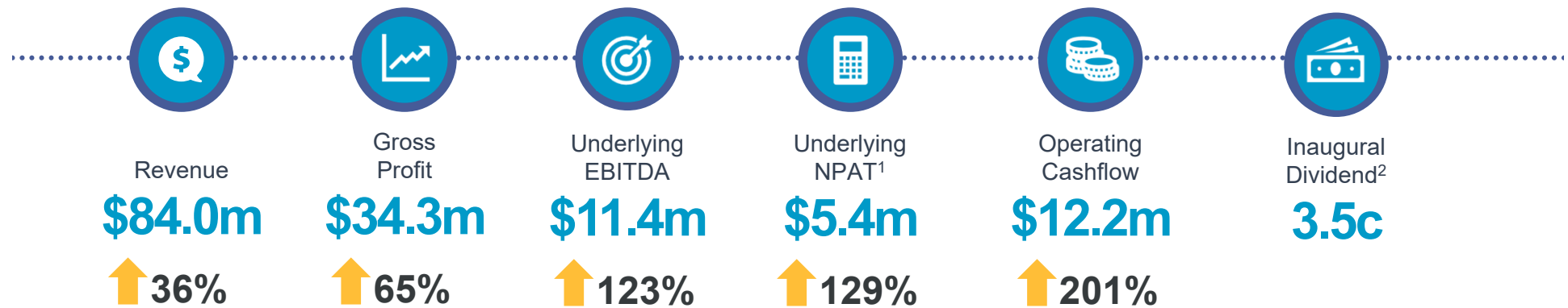
19
NOV
2018

HUB24

ANNUAL GENERAL MEETING
MANAGING DIRECTOR'S ADDRESS

HUB²⁴

GROUP FINANCIAL HIGHLIGHTS FY18



1. 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. Underlying NPAT for FY17 has been restated from \$3.9m to \$2.4m due to the misallocation of the initial recognition of the deferred tax asset. There is no impact on statutory NPAT.
2. Unfranked
NOTE: % increases represent increase on pcp since 30 June 2017



Highlights



Financial results



Market & growth opportunities



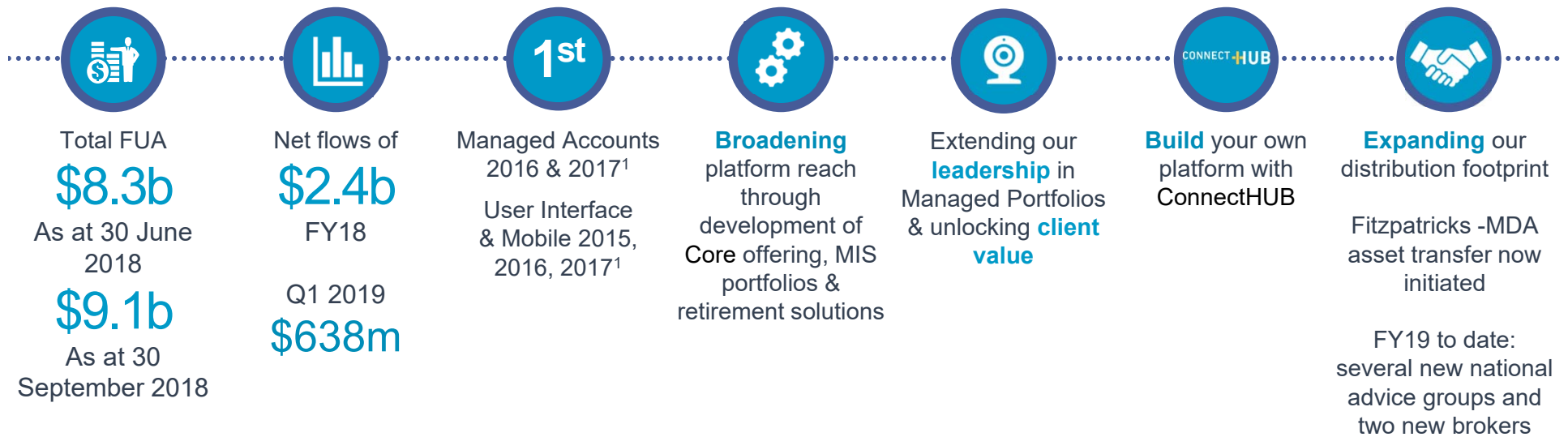
Outlook



Additional information

OVERVIEW

BUSINESS HIGHLIGHTS

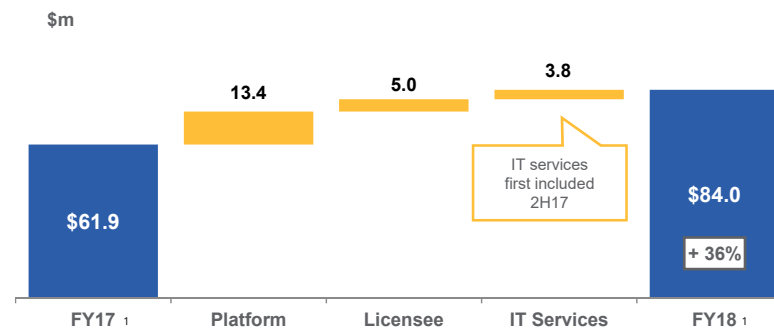


FY18 GROUP FINANCIAL RESULTS

STRONG FUA GROWTH DRIVING INCREASED PROFITABILITY

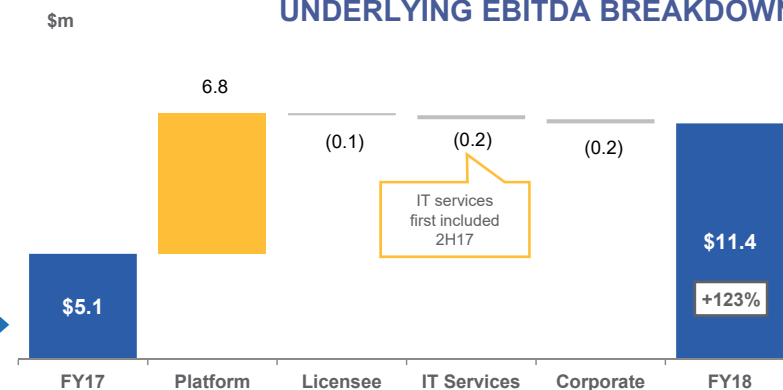
	FY18	FY17 ³	Change
	\$m	\$m	%
Group revenue	84.0	61.9	36%
Direct costs	(49.7)	(41.1)	21%
Gross profit	34.3	20.8	65%
Gross profit margin (%)	41%	34%	7%
Operating expenses ¹	(22.9)	(15.7)	46%
Underlying EBITDA	11.4	5.1	123%
Underlying EBITDA margin (%)	14%	8%	5%
EBITDA	9.9	4.3	130%
Underlying NPAT ²	5.4	2.4	129%
Statutory NPAT	7.4	18.9	(61%)

REVENUE BREAKDOWN



1. Group revenue excludes interest & other income \$0.6m and fair value gains \$2.4m (FY17 \$0.5m and \$0.9m) which is reported below underlying EBITDA

UNDERLYING EBITDA BREAKDOWN



1. Operating expenses include \$2.7m for IT Services (\$1.5m pcp for the period 3 January 2017 to 30 June 2017), investment in growth of \$7.6m (FY17: \$5.2m) represented by headcount (product and development, sales & marketing, FUA transition), branding and office facilities.

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.

3. Underlying NPAT for FY17 has been restated from \$3.9m to \$2.4m due to the misallocation of the initial recognition of the deferred tax asset. There is no impact on statutory NPAT.

4. FY17 includes the first time recognition of deferred tax assets of \$15.9m

5. Refer FY18 Annual Report and FY18 Analyst Pack for detailed financial disclosures.

FY18 PLATFORM SEGMENT RESULTS

	FY18	FY17	change
	\$m	\$m	%
FUA (Now \$9.1b as at 30 Sept)	\$8.3b	\$5.5b	51%
Revenue	39.7	26.3	51%
Direct costs	(11.3)	(9.9)	14%
Gross profit	28.4	16.4	73%
Gross Profit margin %	72%	62%	10%
Operating expenses	(16.5)	(11.4)	45%
Underlying EBITDA	11.9	5.1	135%
Underlying EBITDA margin %	30%	19%	11%
PBT	10.9	4.4	148%
Total platform expenses (direct & operating ¹)	(27.8)	(21.3)	31%

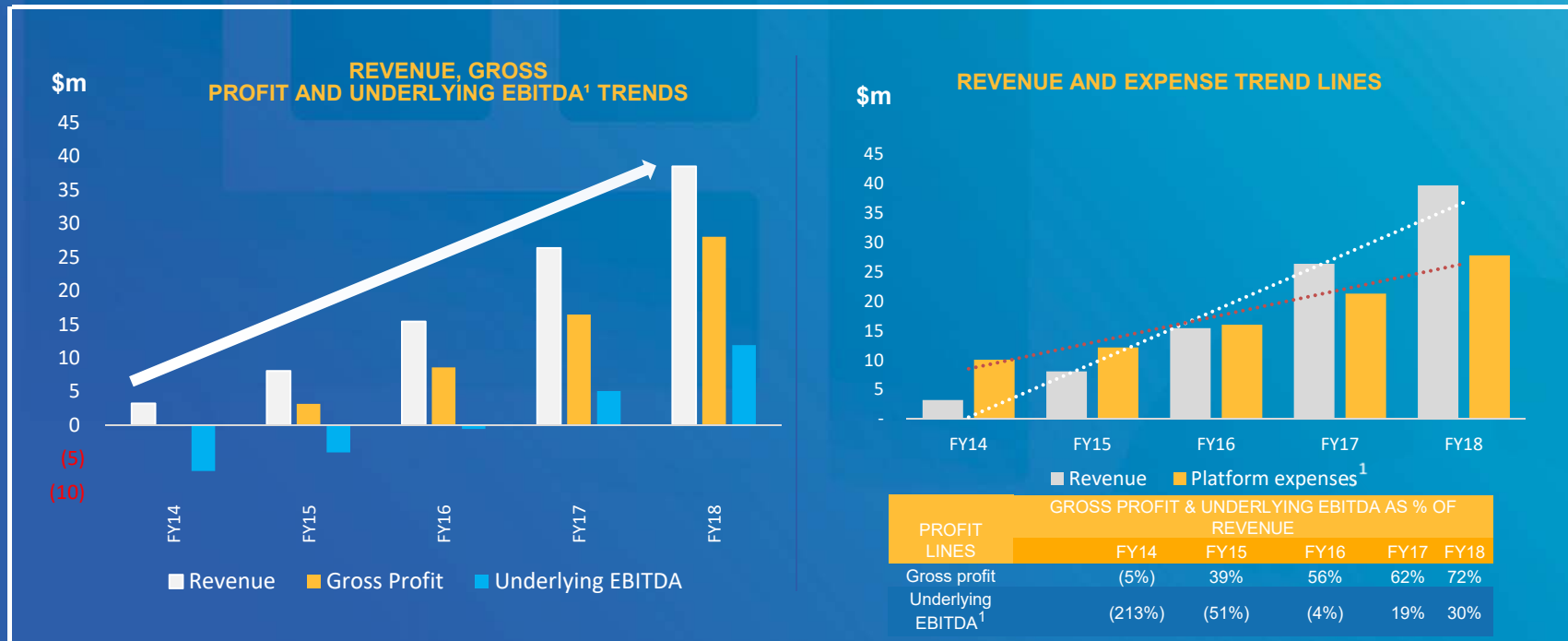
¹ Operating expenses include: investment in growth of \$7.6m (FY17: \$5.2m) representing headcount (product and development, sales & marketing, FUA transition), branding and office facilities.

Continuing investment and solid execution is being rewarded with growth in FUA and revenue whilst delivering expanding profit margins

- ➔ Revenue increase of 51% driven by net inflows from a broadening client base and distribution footprint
- ➔ Gross profit margin expansion driven by increased scale
- ➔ Operating expenses includes investment to support accelerating growth
- ➔ EBITDA margin continues to increase with scale

PLATFORM SEGMENT RESULTS

PROFIT LINES REFLECTING SCALE BENEFITS OF INCREASING FUA



1. Platform expenses are the total of direct and operating expenses relating to the Platform Segment.

THE MARKET

KEY TRENDS SHAPING OUR INDUSTRY

Australian platform market

\$809bn

Projected to reach \$1.55 trillion by 2026¹

Superannuation pool in Australia expected to be

\$4tn

in next 10 years and \$9.5 trillion by 2035²

In 2018 platform net inflows of

49%

went to non-aligned platforms (5.6% of the industry)³

Stockbrokers and financial advisers both seeking managed direct investments



Managed Accounts industry estimated to be

\$115bn

by 2020

Annual Managed Accounts growth of

45%

YOY 2016–2017⁴

1. CLSA Australian investment platforms – Royal Decree August 2018
2. Deloitte 2015
3. Strategic Insights March 2018
4. IMAP/Milliman Managed Account FUM Census 31 Dec 2017
5. Rainmaker Advantage Report

ADVISER TRENDS



Non-institutionally owned advisers are 41%⁵ of the market, having increased by 8% from 33% in Dec 2015



Advisers are increasingly seeking best of breed solutions to meet their clients needs with uncompromised product choice



Advisers remain challenged by compliance and are seeking new business efficiencies to improve client service and increase business profitability

REGULATORY OPPORTUNITIES



Potential regulation around grandfathering, product choice and fee for service providing opportunities for specialist platform providers who offer choice and the latest technology

MEETING THE MARKET NEEDS

OUR CUSTOMER COMMITMENT, INNOVATION AND SERVICE IS BUILDING STRONG ADVOCACY



89% of advisers who use us as their main platform say we are the best available*



Advisers using HUB24 have the lowest intention to change platform compared to the users of all other platforms*



HUB24 continues to win industry recognition as the leading platform in the managed accounts space

AND WE ARE COMMITTED TO DELIVERING EVEN MORE



Enhancing our platform functionality with foreign currency assets, further managed portfolio functionality and expanding our investment menu



Focusing on customer service excellence



Leveraging ConnectHUB to provide Challenger Annuities, additional banking feeds and allowing advisers to open multiple external accounts at once



Enhancing our relationship management for key accounts, institutional partners and broker clients

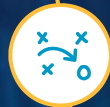
At HUB24 we make a difference in our **customers'** lives by connecting them to innovative solutions that create wealth



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



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



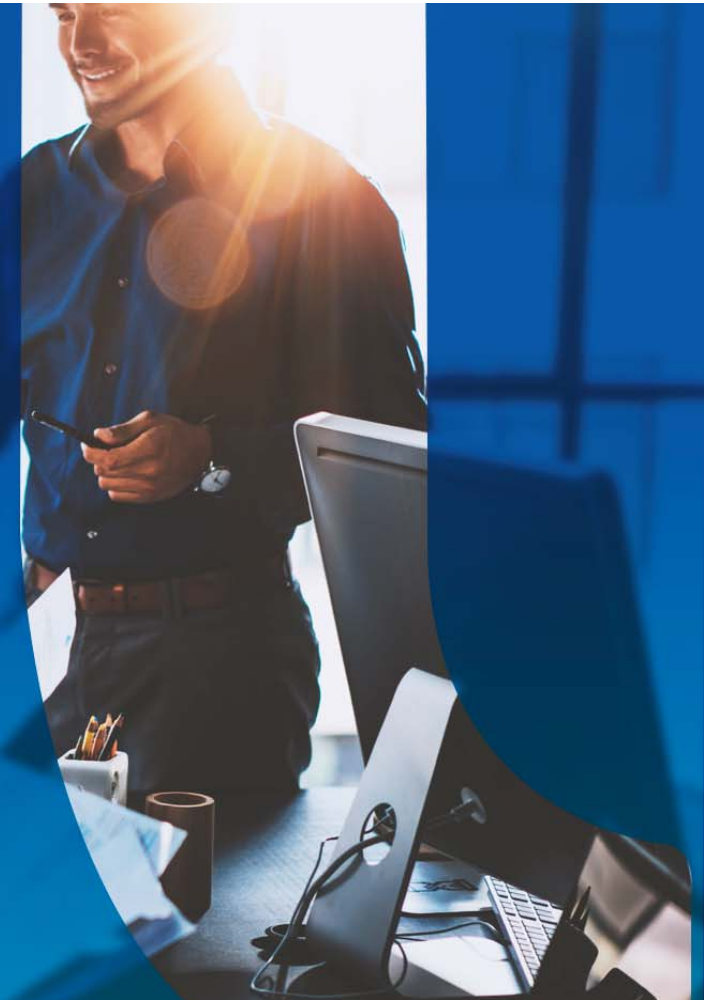
Providing **investors** with the right solutions for their wealth needs



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

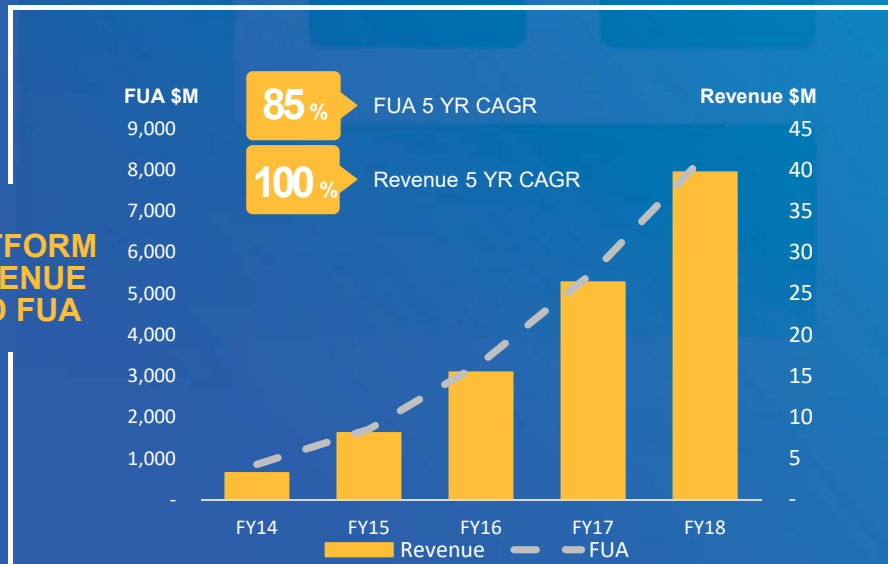


Allowing **investment professionals** access to new distribution channels and innovative technology to seamlessly execute their investment strategies



HUB24 | LEADING CHANGE IN WEALTH MANAGEMENT

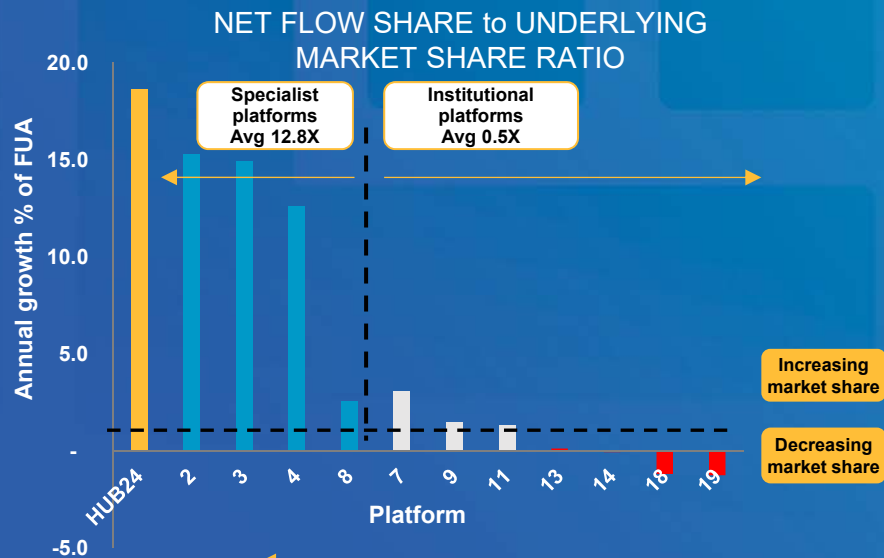
PLATFORM REVENUE AND FUA



- The fastest growing platform¹ leveraging industry transformation
- Investing in the future of wealth management leveraging the expertise of Agility Applications, HUB24 and Paragem
- Our clear focus is delivering shareholder returns, financial results and growth
- Unique opportunity to harness Agility Applications technology for financial advisers and HUB24 platform for broker relationships
- Increasing financial results with scalability driving margin expansion
- Opportunities continue to increase with rapid and structural market shifts favouring choice, innovation and value

1. Source: Strategic Insights. Analysis of Wrap, Platform and Master Trust Managed Funds at March 2018. HUB24 is the fastest growing wrap platform provider relative to its size in percentage terms, 4th fastest in dollar terms of net inflows.

THERE'S A REASON WE'RE THE FASTEST GROWING PLATFORM



- HUB24 share of annual net inflows at 18.36% / share of market FUA of 0.98% i.e. growing at 18 x current market share.
- HUB24 has achieved the highest growth rate in % terms.

- We are constantly innovating and leading change
- The traditional 'asset administration' role of platforms has been disrupted, HUB24 is creating value in investment selection, tax management and portfolio construction
- Technology, data and connectivity are transforming the industry
- Advisers and clients are seeking this value, unconstrained choice, functionality and efficiency

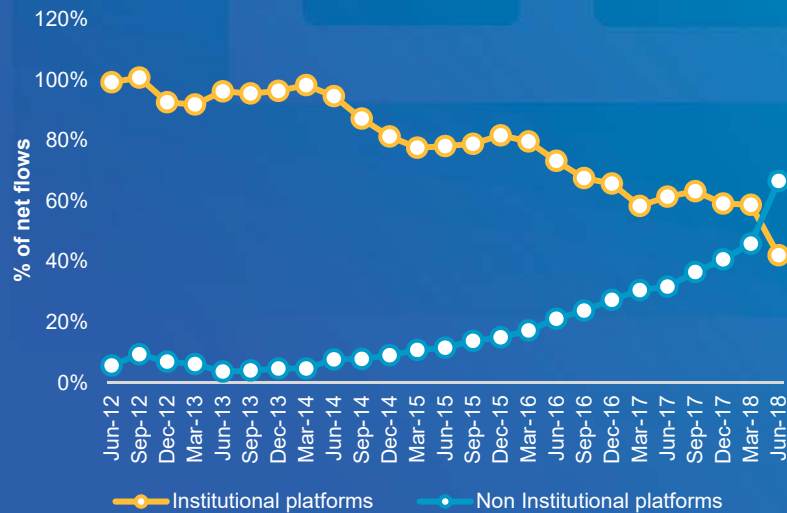
#notjustanotherplatform

1. Source: Strategic Insights. Analysis of Wrap, Platform and Master Trust Managed Funds at June 2018.

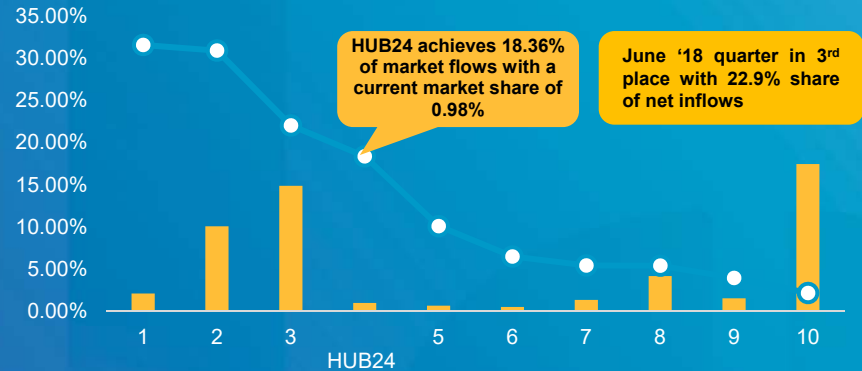
June '18 quarter in 3rd place with 22.9% share of net inflows

HUB24 IS WELL POSITIONED FOR FURTHER GROWTH

NEW TECHNOLOGY PLATFORMS ARE WINNING FLOWS¹



MARKET SHARE BY ANNUAL NETFLOWS (Top 10 net flow platforms)

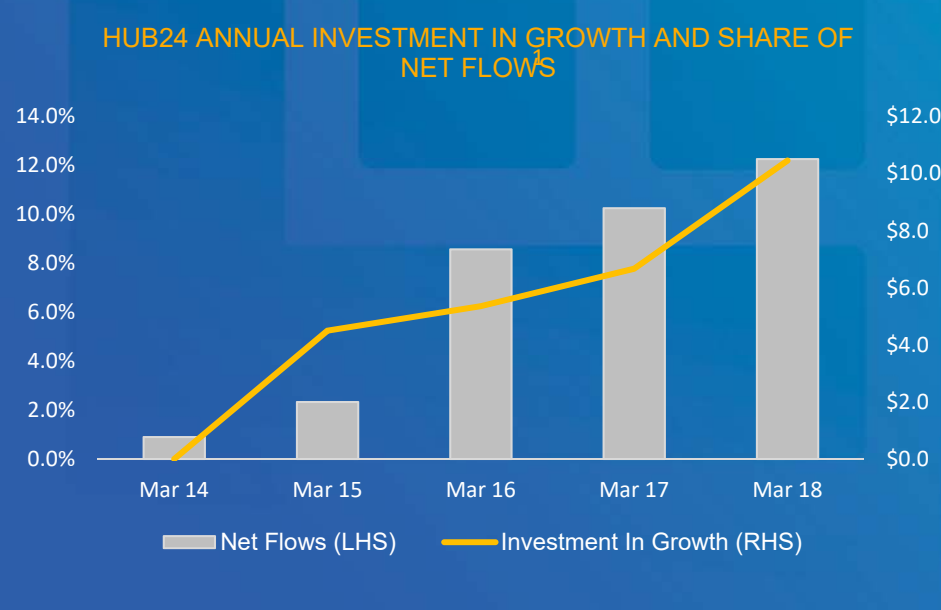


- HUB24 has 0.98% share of Wrap, Platform & Master Trusts at 30 June 2018 with 18.36% share of annual net flows
- Specialist platforms account for 5.8% of FUA and 70.5% of net flows annually
- HUB24 has the highest growth rate in % terms, 4th in \$ terms annually

1. Source: Strategic Insights. Analysis of Wrap, Platform and Master Trust Managed Funds at June 2018. HUB24 is the fastest growing wrap platform provider relative to its size in percentage terms.

AND WE'VE ONLY JUST BEGUN

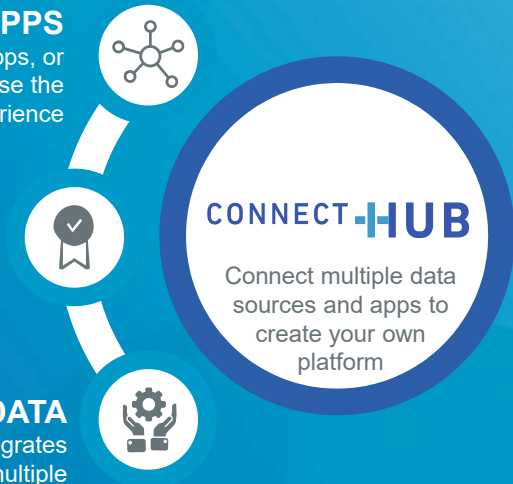
HUB24 ANNUAL INVESTMENT IN GROWTH AND SHARE OF NET FLOWS



MY APPS
Bring your own apps, or use ours, to optimise the client experience





ADVISERHUB + AGILITY CONNECT
Leverage our collective expertise

MY DATA
It seamlessly integrates data from multiple sources



1. Source: Strategic Insights and company data. Analysis of Wrap, Platform and Master Trust Managed Funds at March 2018. Annual investment in growth includes investment in sales, platform development and associated capitalized project costs and client transition

CONNECT HUB

-  Customise your own platform
-  BYO data & link your chosen products, providers & technology
-  Get a complete view of your clients' wealth
-  Leverage the expertise of HUB24 & Agility Applications

3 Pilot groups

Very positive feedback received from broker and adviser pilot groups using Macquarie CMT and Australian Money Markets and non-custody

Distinguishing HUB24 in the market

ConnectHUB a key factor in recent client wins including Fitzpatrick's, national advice groups and national broking houses

Strong pipeline

Growing pipeline of both stockbroker and financial planning clients for full market launch in 2019

agility

APPLICATIONS



Leveraging new technology partnerships & building for the future

New partnerships with leading technology providers



New Connect Web services allowing seamless integration of data from multiple sources



Providing technology, infrastructure, data & connectivity for HUB24,

CONNECT-HUB
and clients



Ongoing product development to create for client opportunities

QRUNCH data mining tool for Agility CONNECT clients to enhance client experience, (now in beta with 5 clients)

Raise – digital solution supporting brokers with capital raising

Established “Machine Learning” lab
(client pilot underway)



Winning new clients & investing in our team

Agreements signed to provide technology and software solutions to OpenMarkets

New sales director hired

OUTLOOK



Leverage our current foundations

- Deliver increasing financial results & scale-based profit margin expansion
- Continued strong growth in platform net flows expected for the medium term
- New relationships for the platform, Paragem and Agility expected in FY19 and beyond
- Extend our lead in managed portfolios, increase our platform product range and enhance Agility services



...and lay foundations for future growth

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

FUA target range of \$19bn - \$23bn by June 2021¹

1. Assumes consistent investment markets and net flow growth trends

A blue-tinted background image showing a close-up of hands pointing at a document with a bar chart. The image is partially obscured by a dark blue circular shape on the left side.

ADDITIONAL INFORMATION

APPENDIX A - CORPORATE INFORMATION



CAPITAL STRUCTURE AT 16 NOVEMBER '18



Shares on issue	62.03m
Share price	\$13.14
Market capitalisation	\$815m

SUBSTANTIAL SHAREHOLDERS



Thorney Holdings Ltd	12.79%
The Capital Group Companies Inc	6.23%
Hyperion Asset Management Ltd	7.09%
Ian Litster	5.88%
FMR LLC	5.49%

BALANCE SHEET AS AT 30 JUNE 18

Cash and cash equivalents	\$16.96
Other current assets	\$5.86
Non-current assets	\$49.61
Total assets	\$72.42
Current liabilities	\$9.73
Non-current liabilities	\$4.83
Total liabilities	\$14.56
Net assets	\$57.87



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.

→ NOT INVESTMENT ADVICE

This presentation is not a prospectus or a product disclosure statement under the Corporations Act 2001 (Cth) and has not been lodged with ASIC. The information provided in this presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

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An investment in HUB shares is subject to investment and other known and unknown risks, some of which are beyond the control of HUB. HUB does not guarantee any particular rate of return or the performance of HUB nor does it guarantee the repayment of capital from HUB or any particular tax treatment.

→ FORWARD LOOKING STATEMENTS

This presentation contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of HUB, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should not place reliance on forward-looking statements and neither HUB nor any of its directors, employees, consultants, contractors, advisers or agents assume any obligation to update such information.

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