



ASX Release: 23 February 2021

HUB24 reports record first half

Financial services provider HUB24 (ASX: HUB) today announced its results for the half year ended 31 December 2021 (1HFY21), reporting Group Underlying Net Profit After Tax (NPAT) of \$7.5m (up 39% on 1HFY20) and Group Underlying EBITDA of \$16.4m (up 41% on 1HFY20).¹

Platform Funds Under Administration (FUA) increased by 39% to \$22 billion (currently \$24 billion) from 1HFY20 and the Group set a new half year record for Platform net inflows of \$3.1bn, up 24% on 1HFY20.² Total FUA, including the recently acquired Portfolio Administration and Reporting Service (PARS) from Ord Minnett, reached \$31 billion for the half.

Other key highlights for 1HFY21

- Awarded Best Overall Platform (up from 2nd place in 2020)³
- Awarded Best Platform Managed Accounts functionality for the 5th year running³
- Platform segment Revenue of \$43.8 million, up 25% on 1HFY20
- Platform segment Underlying EBITDA of \$17.4 million, up 26% on 1HFY20⁴
- First half dividend of 4.5 cents per share, fully franked, a 29% increase from 1HFY20
- Finalising strategic transactions announced in October 2020 and commenced transition and integration activities.

The abnormal costs related to the strategic transactions this half impacted Statutory NPAT by \$1.7 million, with HUB24 recording a Statutory NPAT of \$6.1 million. Underlying NPAT was up 39% to \$7.5 million, after adjusting for one-off strategic transactions costs and final consideration for the acquisition of Agility Applications Limited.

During 1HFY21 HUB24 has continued its growth momentum posting record net inflows of \$3.1 billion for the half as well as maintaining 2nd place for annual net inflows.⁵ The company has moved to 9th place with a FUA market share of 2.3% (up from 11th place and 1.6% as at September 2019).⁵

As a result of the company's commitment to constant innovation and customer service excellence HUB24 has won Best Platform Overall in the recent Investment Trends survey, and for the 5th year running was awarded Best Platform Managed Accounts functionality.³

The strategic transactions announced in October 2020, strengthen the company's position as the leading provider of integrated platforms, data and technology services for financial advisers, stockbrokers, private banks, licensees, accountants and their clients.



The acquisition of Ord Minnett (PARS) was completed at the end of November 2020, with the PARS team moving across to HUB24. In addition, HUB24's off-market proportional offer for 1 out of every 3 Easton Investments Limited (Easton) shares has now closed. As a result of this offer and the divestment of Paragem Pty Limited to Easton, HUB24 now owns 31% of Easton.

Finally, the proposed acquisition of Xplore Wealth Limited (Xplore) by Scheme of Arrangement is on track to complete on 2nd March 2021.

The company expects to continue its growth momentum and with the inclusion of the Xplore acquisition has increased the FY22 target Platform FUA range to \$43-\$49 billion⁶.

HUB24 Managing Director Andrew Alcock commented "HUB4 continues to set new records with Platform FUA up 39% and underlying EBITDA up 41% on 1HFY20. Our continued investment in innovation and focus on customer service excellence has been recognised this week with the company being awarded Australia's Best Platform Overall by Investment Trends. Given the acceleration of our organic growth and the completion of our M&A transactions, HUB24's growth targets have been upgraded significantly to a target Platform FUA range of \$43-\$49 billion from \$28-\$32 billion by the end of FY22"

1. Underlying NPAT is a non IFRS measure used internally by management and the investment community to assess the operating performance of the business. Underlying NPAT represents NPAT after excluding abnormal items. See the HUB24 Analyst Pack for a reconciliation to Statutory NPAT. Underlying NPAT includes the statutory tax value. If the tax value was normalised for the abnormal items the Underlying NPAT is \$7.0m 1HFY21, \$5.6m 1HFY20 (25% growth).

2. Unaudited as at 19 February 2021

3. Best Platform Overall & Best Platform Managed Accounts Functionality - Investment Trends Platform Competitive Analysis & Benchmarking Report 2020

4. Underlying EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items. See HUB24 Analyst Pack for further details.

5. Strategic Insights Analysis of Wrap, Platform and Master Trust Managed Funds at September 2020

6. Target for Platform FUA, does not include Portfolio Administration and Reporting Services FUA

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About HUB24

HUB24 Limited is a company listed on the Australian Securities Exchange. The company consists of the award-winning HUB24 platform and HUBconnect business. The HUB24 platform offers advisers and their clients a comprehensive range of investment options, including market-leading managed portfolio solutions, and enhanced transaction and reporting functionality. As one of the fastest growing platforms in the market, the

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platform is recognised for providing choice and innovative product solutions that create value for advisers and their clients. HUBconnect focuses on leveraging data and technology to provide solutions to common challenges for stockbrokers, licensees and advisers and enable the delivery of professional advice to more Australians.

This release is not financial product advice. Past performance is not indicative of future performance and any forward- looking statements in this release are not representations or guarantees as to future performance.

This announcement was authorised for release to the market by the **HUB24 Managing Director**.

For further information, please visit www.HUB24.com.au