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HUB 24

AGM PRESENTATION 11TH NOVEMBER 2019

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MANAGING DIRECTOR

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

HUB²⁴

CONNECT **-HUB**

agility
APPLICATIONS

PARAGEM

KEY MESSAGES

- Continued strong growth in platform net flows and Funds Under Administration (FUA) in FY19 & Q1 FY20
- Continued strong growth in underlying profitability
- Continuing to invest in innovation and growth whilst controlling expenses
- Increasing market opportunity as the future of wealth management takes shape
- Our strategic focus is delivering results
 - Leading market position
 - FUA growth
 - Industry recognition

Target FUA for FY21 now \$22bn - \$26bn¹
(upgraded from \$19bn - \$23bn)

FY19 GROUP FINANCIAL HIGHLIGHTS

↑ **\$54.1m**

36% Platform Revenue

↑ **\$6.8m**

27% Group Underlying NPAT¹

↑ **\$18.0m**

52% Platform Underlying EBITDA

↑ **33.3%**

Up from **30.0%** in FY18
Platform Underlying EBITDA margin (35.1% in 2H19)

FUA
\$12.9bn
up 54%

Statutory NPAT
\$7.2m

Full year dividend² 4.6cps
up 31%

FY19 BUSINESS HIGHLIGHTS

Industry Position



- Maintained our position as 1st in Managed Accounts for the 3rd year running
- Ranked 2nd in Annual & Quarterly Net Inflows²
- 1st for Decision Support Tools¹
- Rated No. 1 for Platform Offering and IT/Web Functionality³

Product Innovation



- Multi-currency now available in managed portfolios
- Leveraging ConnectHUB to launch
 - Annuities on platform
 - Historical performance reporting
- Launch of MIS portfolios
 - Now 69 available

Growth



- Our focus on growth has ensured momentum in a dynamic market
- Secured new opportunities
 - Brokers
 - Self-licensed advisers
 - New advice models
 - Mid-tier licensees
- Strong pipeline in place for further growth

FUA
\$12.9bn
up 54%

Net flows
\$3.9bn
up 61%

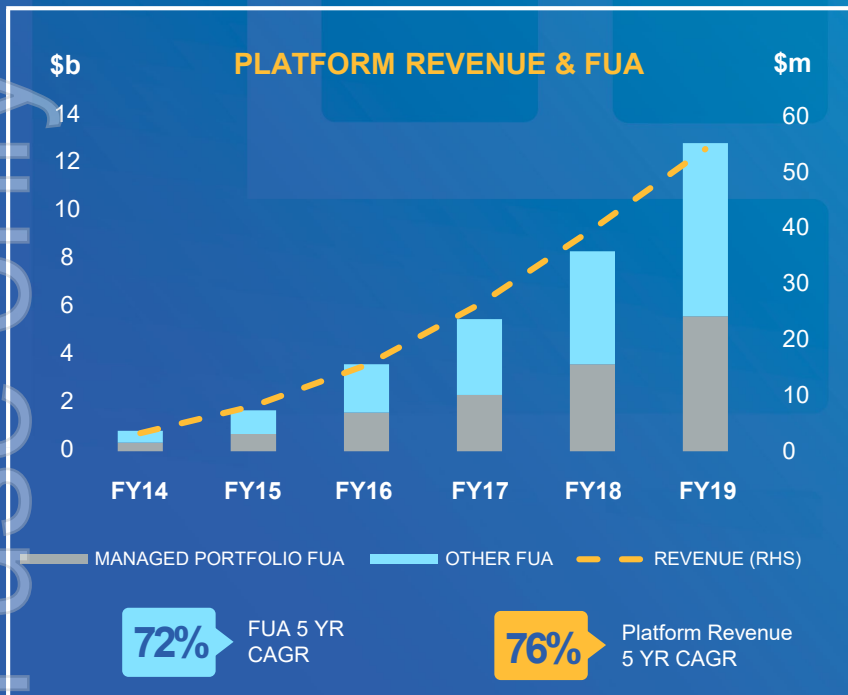
2nd place
for annual net flows²
up from 3rd place

1,625 advisers⁴
up 32%

Comparisons are from FY18, unless stated otherwise

1. Results from Investment Trends December 2018 Platform Competitive Analysis and Benchmarking Report.
2. Strategic Insights Analysis of Wrap, Platform and Master Trust Managed Funds at June 2019 2nd in dollar terms
3. Results from the 2019 Wealth Insights Service Level Report
4. Advisers using HUB24 platform

LEADING CHANGE IN WEALTH MANAGEMENT

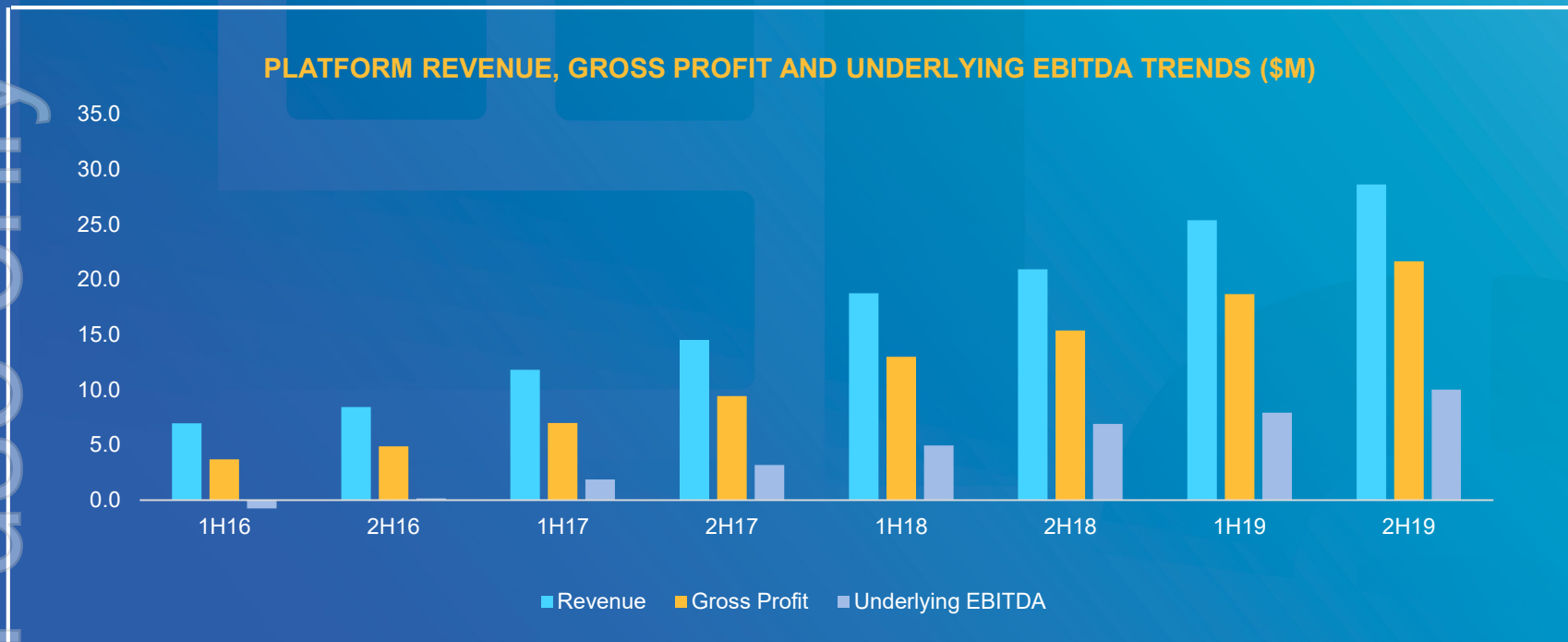


- Delivering shareholder returns, improved financial performance and superior client outcomes
- Maintaining our position as the fastest growing platform provider¹
- Our Agility Applications expertise is delivering new client relationships and enhancing our product offer
- Paragem is attracting new advisers from institutional licensees
- Our investment in ConnectHUB is enhancing our strategic offer and delivering growth

Multi-currency extending our managed portfolios leadership
Managed portfolios represent \$5.6bn FUA² and 44% of FY19 FUA growth (\$2bn)

PLATFORM SEGMENT RESULTS (CONT'D...)

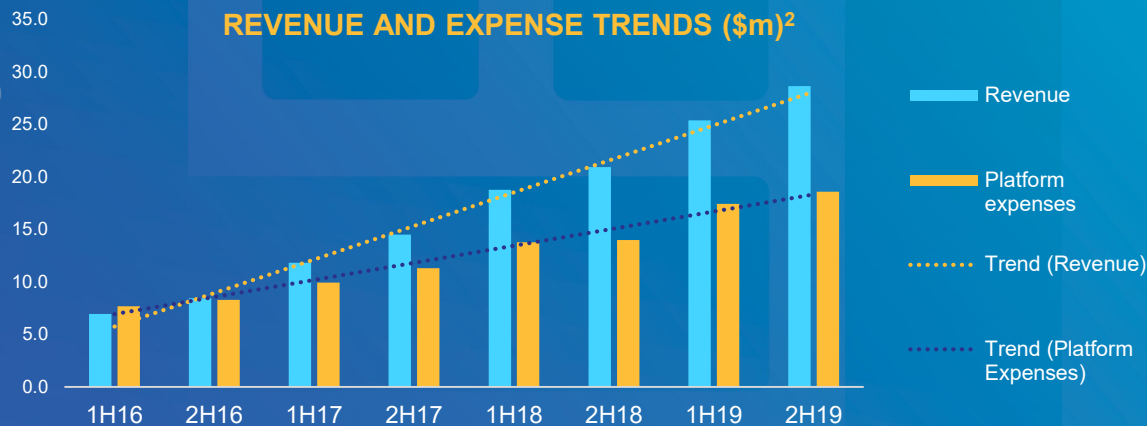
FUA GROWTH DELIVERING SCALE BENEFITS



1. Underlying EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items. See HUB24 Analyst Pack for a reconciliation.

PLATFORM SEGMENT RESULTS (CONT'D...)

FUA GROWTH DELIVERING SCALE BENEFITS



→ Platform EBITDA margin continues to expand with scale

→ Investment made in 1H19 has delivered returns in the second half

→ Facilitating total FY19 dividends of 4.6cps, up 31%

GROSS PROFIT & UNDERLYING EBITDA AS % OF REVENUE

PROFIT LINES	1HFY16	2HFY16	1HFY17	2HFY17	1HFY18	2HFY18	1HFY19	2HFY19
Gross profit	53%	58%	59%	65%	69%	74%	74%	76%
Underlying EBITDA ¹	(11%)	2%	16%	22%	26%	33%	31%	35%

1. Underlying EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items. See HUB24 Analyst Pack for a reconciliation.
2. Platform expenses are the total of direct and operating expenses relating to the Platform Segment.

AWARDED AND RECOGNISED

We're rated

#1

for...

- Managed Accounts Functionality¹ (for 3rd year running)
- Decision Support Tools¹
- Portfolio Management tools²
- Helping demonstrate value to clients²
- Client Portal/login²
- Range of Investments²

Our commitment to innovation and service has built strong customer advocacy



Highest Net Promoter Score from primary platform users²



Rated No. 1 for Platform Offering and IT/Web Functionality
Top 2 in 6 of 9 categories³



Moved up to 2nd Place for overall adviser satisfaction²

PROGRESS IN Q1 FY20



FUA
\$14.4b

57%
on pcp

30 September
2019



Net Inflows¹
\$1,238m

94%
on pcp



2nd
place

for annual & quarterly
Net Inflows²



Strategic investment

for Distribution team and managed
portfolios development team well
underway



11 new practices

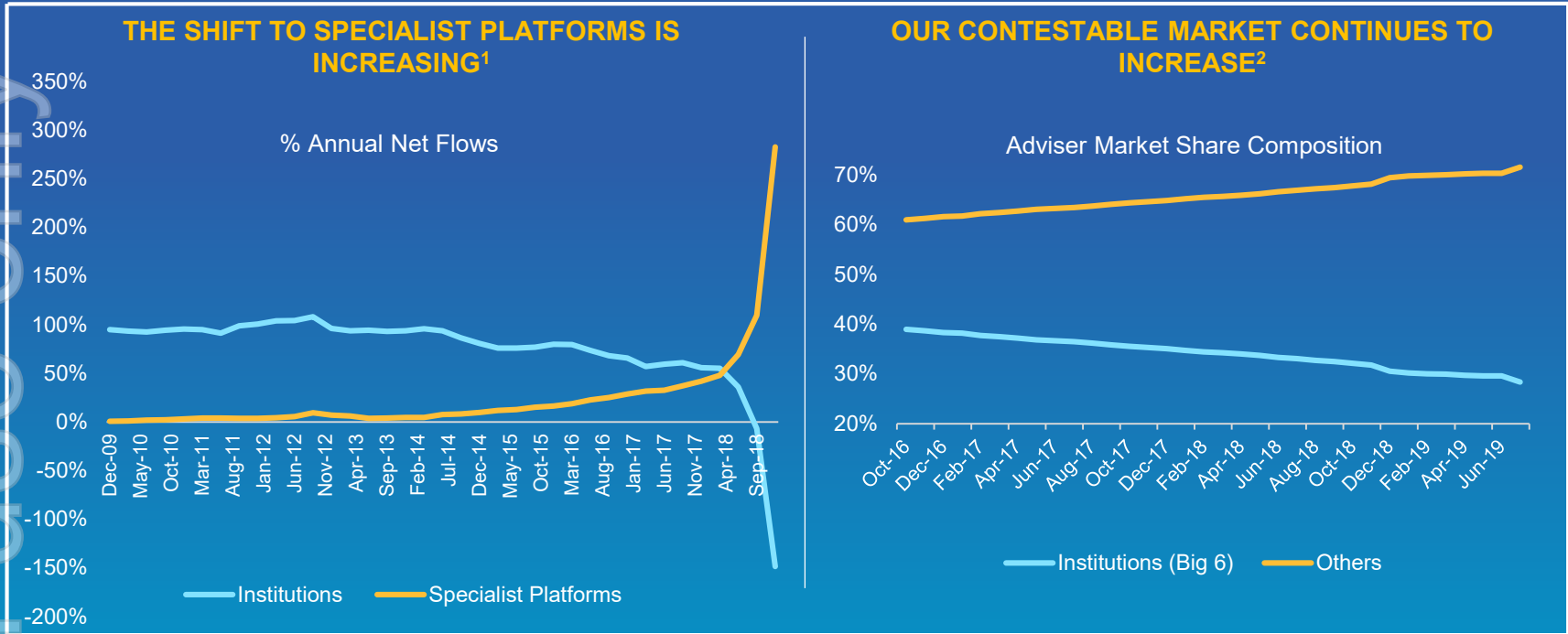
onboarded to Paragem



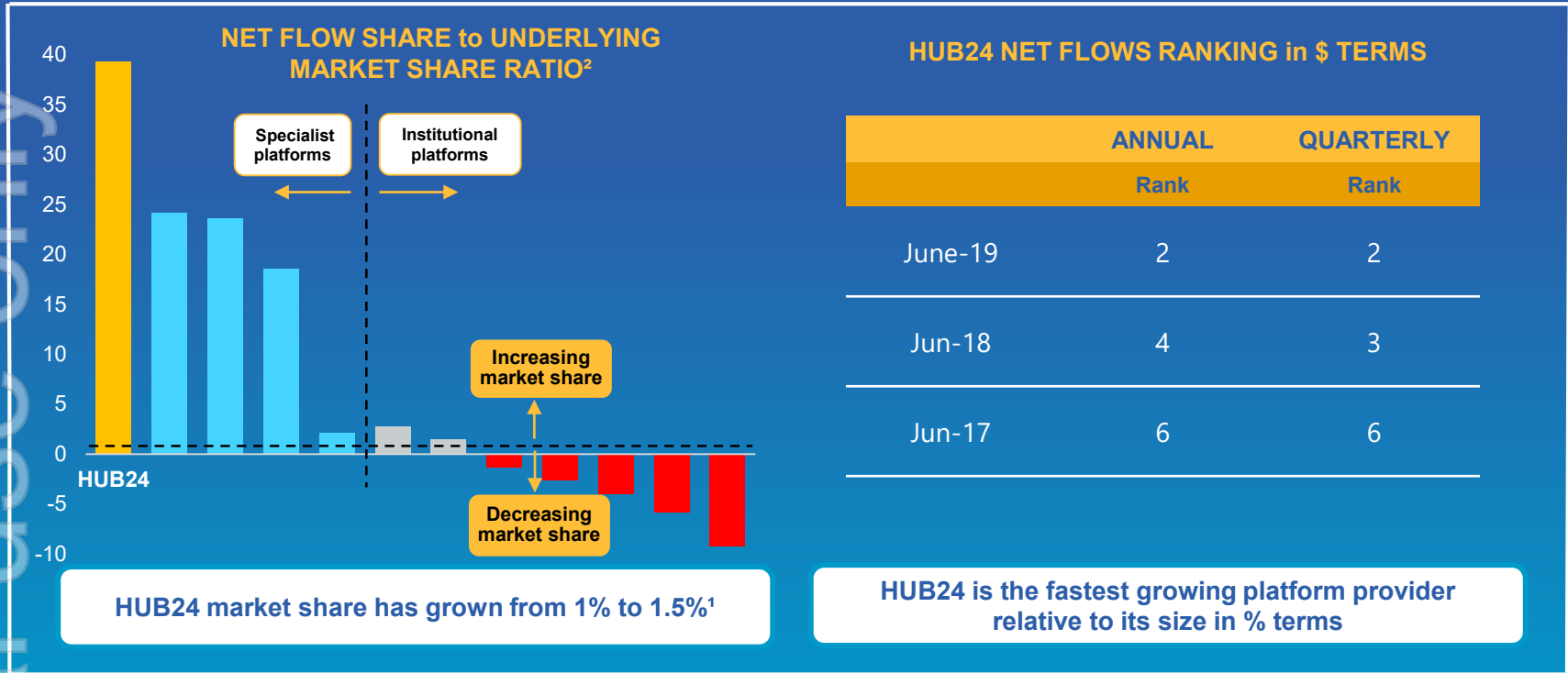
STRATEGY AND OUTLOOK



THE MARKET CONTINUES TO SHIFT



THE MARKET CONTINUES TO CREATE OPPORTUNITIES



1. Based on Strategic Insights. Analysis of Wrap, Platform and Master Trust Managed Funds at June 2019. HUB24 is the fastest growing platform provider relative to its size in percentage terms on an annual basis, 2nd highest in terms of annual Net Inflows and 2nd in terms of quarterly Net Inflows.
 2. Market share increase in previous 12 months

HUB24 IS WELL POSITIONED

INDUSTRY TREND



Demand for Managed Account solutions continues to grow



The non-aligned advice segment continues to grow



Platform FUA is in transition as advisers separate from institutions and grandfathering is phased out



Increasing focus on best in class product choice and business efficiency - integrated and accessed via a single interface



Institutions are reshaping/exiting financial advice driving dislocation in the licensee segment

HUB24 OPPORTUNITY

We are the market-leader in managed accounts and can build market share by leveraging this position

New licensee agreements provide access to ~1,400 new advisers and our pipeline continues to expand

We have built bulk FUA migration capabilities to support large scale platform transitions and migrations

HUB24 delivers productivity and efficiency benefits for advisers. ConnectHUB is winning business and positioning HUB24 as the open architecture platform of the future

Paragem is attracting advisers previously aligned with incumbent platforms focused on positioning their business for the future

STRATEGY & OUTLOOK

LEVERAGE OUR FOUNDATIONS FOR GROWTH

Continuing **FUA growth**

- From existing relationships and new opportunities won in FY19 across financial advisers and stockbrokers
- Conversion of current strong pipeline
- Leveraging our market leading product capability
 - Managed Portfolios
 - ConnectHUB
 - Core and Choice platform offer

Constant **innovation that delivers** customer and shareholder value

- Services and products to support the transformation of advice
- Continued development and roll-out of ConnectHUB and Agility solutions to advisers, brokers and their clients
- Customer satisfaction improvements from enhanced platform efficiency, simplicity and service
- Enhanced portfolio reporting, research and comparison tools for advisers and clients

Continue to **grow and develop** **Paragem**

- New leadership team building momentum
- Refreshed strategy and broadened offer including development of new adviser community program supporting growth, retention and innovation
- Continue onboarding pipeline of new advisers and secure further adviser growth

STRATEGY & OUTLOOK

INVESTING TO SECURE THE OPPORTUNITY

Grow our **distribution footprint** nationally

- Leverage our FY19 success to service and convert existing adviser, broker and licensee opportunity
- Invest in an expanded distribution footprint (~ 8 FTE) to take advantage of the market opportunity

Extend **our leadership** in managed portfolios

- Innovate to further unlock client value, disrupt existing investment paradigms and increase international investment accessibility
- Create new portfolio capabilities and attract new investment managers
- Invest in additional IT development team (~ 8 FTE)

Accelerate **growth** in market share

- Increase FUA by with transitions and growth in organic inflows
- Supported by product innovation and expanded distribution footprint
- Resulting flows expected to emerge 2H FY20
- Full benefits expected in FY21 and beyond

Target FUA for FY21 now \$22bn - \$26bn¹
(upgraded from \$19bn - \$23bn)



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. Any arithmetic inconsistencies are due to rounding.

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