

FY22 Results Presentation

—
23 August 2022

HUB²⁴





Empowering better financial futures, together

Supporting over
300,000¹
customers to meet their
investment and
retirement goals

1. Customer accounts across Platform and Class service offerings

Record financial results and growth delivered for FY22¹



\$192.5m

76%

Total Group Revenue³



\$70.4m

92%

Group Underlying EBITDA³



\$160.5m

59%

Platform Revenue



\$62.3m

64%

Platform Underlying EBITDA

Statutory NPAT

\$14.7m

Up 50%

Including \$17.9m of strategic transaction & project costs (pre tax)

Underlying NPAT²

\$35.9m

Up 133%

Full Year Dividends

20cps

Up 100%

Fully franked (12.5 cps Final Dividend)

EPS (diluted)³

19.5cps

Up 37%

Total FUA
\$65.6bn

Platform FUA
\$49.7bn⁴
\$54.1bn as at 18 August⁵

PARS FUA
\$15.9bn

HUB24 Group

Platform

HUB²⁴

XPLORE
WEALTH

PLATFORM

Custodial administration



Platform FUA
\$49.7bn



3,486 Advisers
using the platform



Managed Portfolio
& MDA FUA
\$22bn

PARS

Non-custodial administration



PARS FUA
\$15.9bn



PARS accounts
8,341

Total FUA \$65.6bn

Annual net inflows \$11.7bn

Tech Solutions

HUB^{CONNECT}



92
Financial Services Clients

Technology & Data Services

HUBconnect Broker

Customer management & operational support for stockbrokers

HUBconnect Licensee

Database insights to support advice licensees with business management & compliance obligations

CLASS



7,000+
Unique Clients¹

Cloud-based software

Class Super

SMSF administration

Class Trust

Trust administration

Class Portfolio

Investment Reporting & Administration

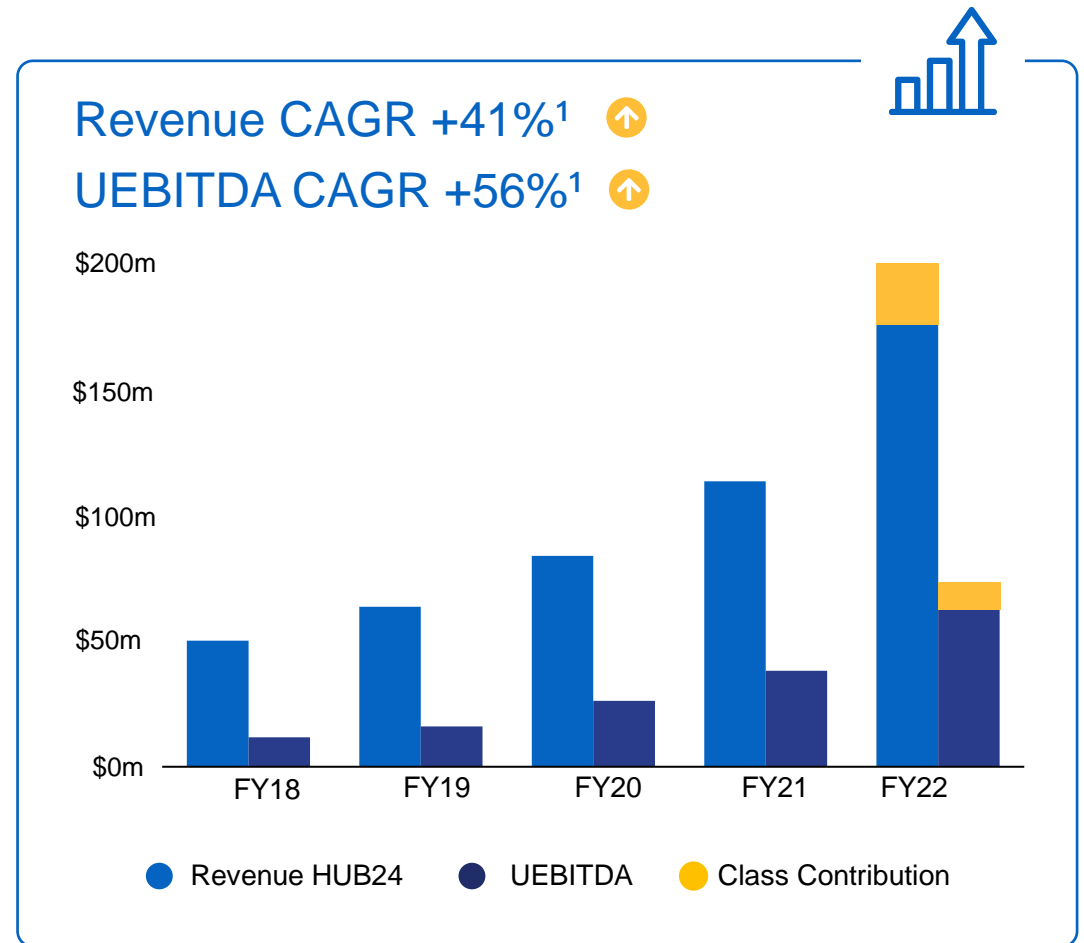
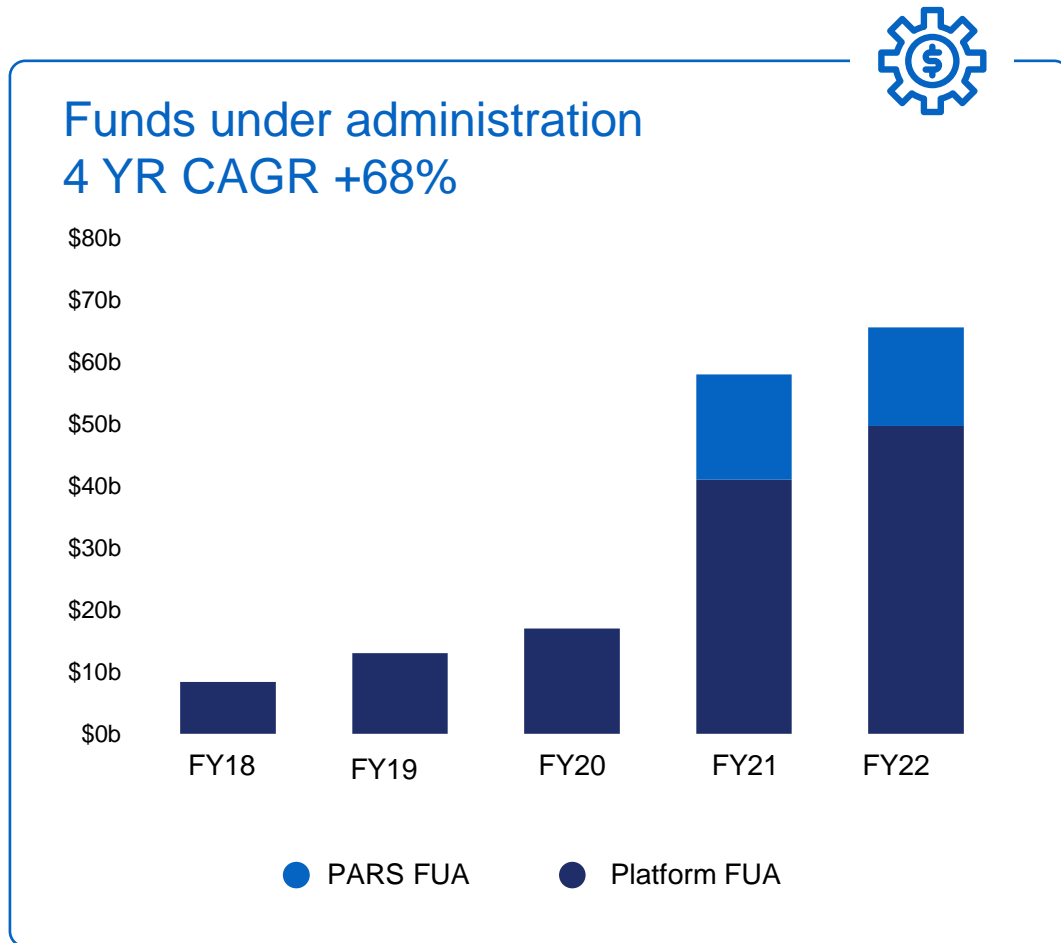
NowInfinity

Corporate compliance & documentation

No. of
accounts
198,397

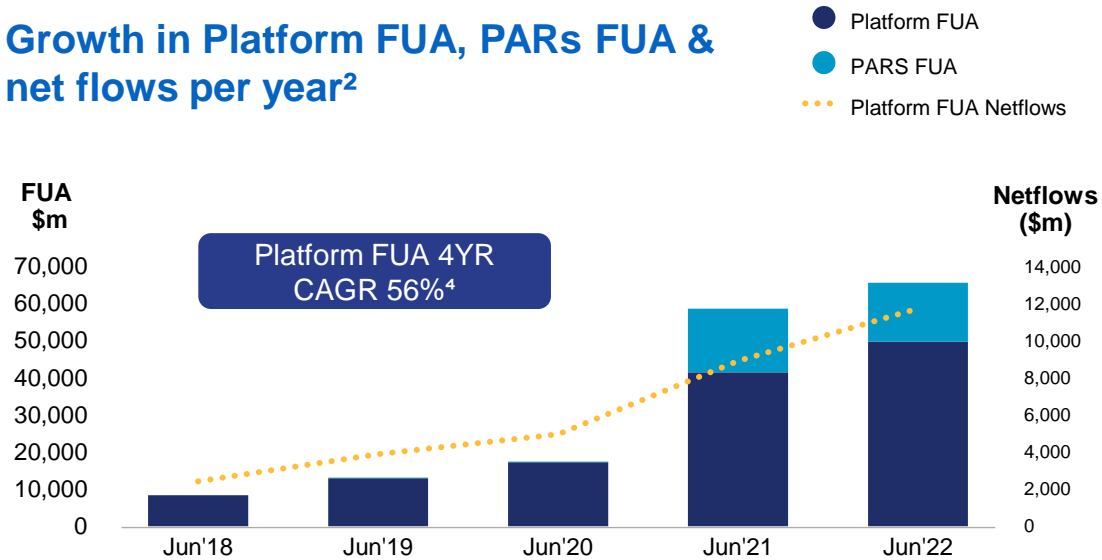
Document
orders
171,309

Consistently delivering record growth



HUB24 Group – Growth & market share

Growth in Platform FUA, PARs FUA & net flows per year²



Ranked 2nd for annual net inflows²



HUB24 market share has grown from 3.9% to 5.1%²

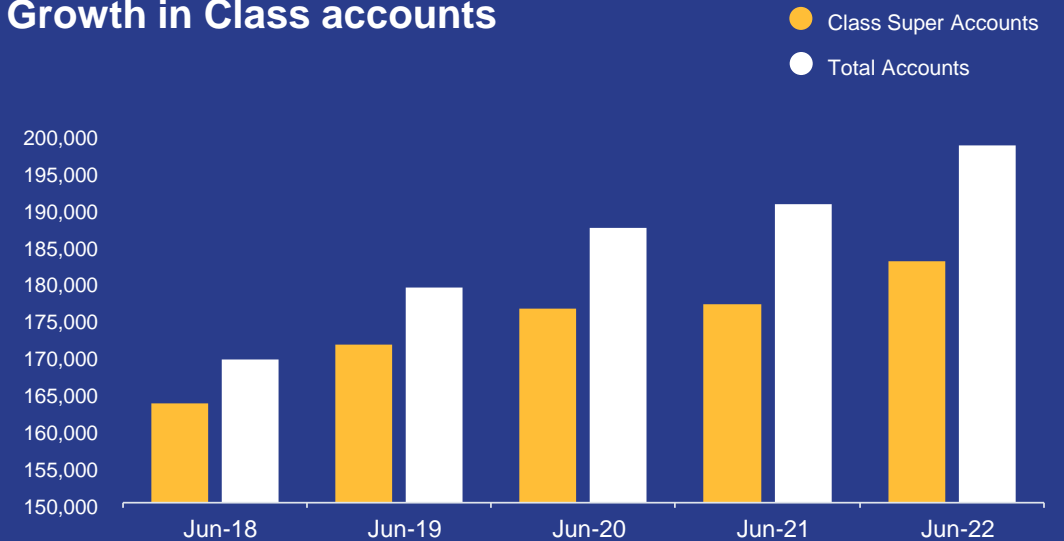


7th largest platform provider from 8th place by market share²



Fastest growing platform in % terms²

Growth in Class accounts



Class Super market share has grown from 24% (FY18) to 30% (Mar 2022)³



Strongest Q4 FY22 for total account growth since 2019

FY22 continuing strong growth & delivering on our strategy



Record annual platform net inflows



Growing customer advocacy



Completed acquisition of Class



Increasing profitability



Continued integration XPL

Innovating to enhance customer value



- HUB24 Present - market-leading digital reporting functionality launched
- HUBconnect Licensee - enabling licensees with dashboards & insights, reducing inefficiency
- HUB24 SMSF Access - growing the SMSF market

Shaping the future of the industry



- Collaborating with 'think tank' licensees on data & technology solutions to reduce cost of advice
- Working with industry partners to support transformation

FY22 continuing customer & industry recognition

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CLASS

Nº.1



2022 Adviser Technology Needs Report
Value for Money: Platform
HUB24

Value for Money¹

Nº.1



2021 Platform Competitive Analysis and Benchmarking Report
Best Platform Managed Accounts Functionality
HUB24

Managed portfolios –
6th year running²

Nº.1



2022 Australian Financial Advice Landscape Report
Platforms: Overall Best Platform
HUB24

Best Platform³

Nº.1



SMSF Administration Provider⁴

Nº.1



2022 Australian Financial Advice Landscape Report
Platforms: Best Adviser Experience
HUB24

Best Adviser Experience³

Nº.1



2021 Platform Competitive Analysis and Benchmarking Report
Product Offering
HUB24

Product Offer²

Nº.1



2022 Australian Financial Advice Landscape Report
Platforms: Overall Best Investment Options
HUB24

Best Investment Options³

Nº.1



SMSF Platform⁴

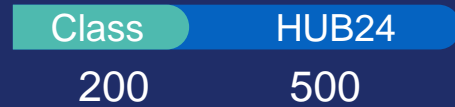
HUB²⁴

1. Investment Trends Adviser Technology Needs Report 2022
2. Investment Trends 2021 Platform Competitive Analysis & Benchmarking Report
3. Adviser Ratings Financial Advice Landscape Report 2022
4. SMSF Adviser SMSF Awards 2021

FY22 Continuing to invest in our people

Creating the right environment for our people to thrive

700 
employees



Attracting, retaining and developing talented people:

- Creating a strong client focused culture
- Investing in leadership development & providing career opportunities
- Prioritising employee wellbeing
- Continuing to support a diverse and inclusive workplace
- Supporting flexible working

HUB24 Employee Engagement

72%

Recruitment of four new experienced executives



Chesne Stafford
Chief Growth Officer



Deborah Latimer
Chief Risk Officer



Tim Steele
Class CEO



Chief People Officer
(Recruiting)

Our Values



Integrity
Do the right thing



Collaboration
Act as one team, one company



Client Focus
Be easy to deal with



Excellence
Go above and beyond



Passion
Invest energy to make a difference



Innovation
Think big and outside the square



Financial results

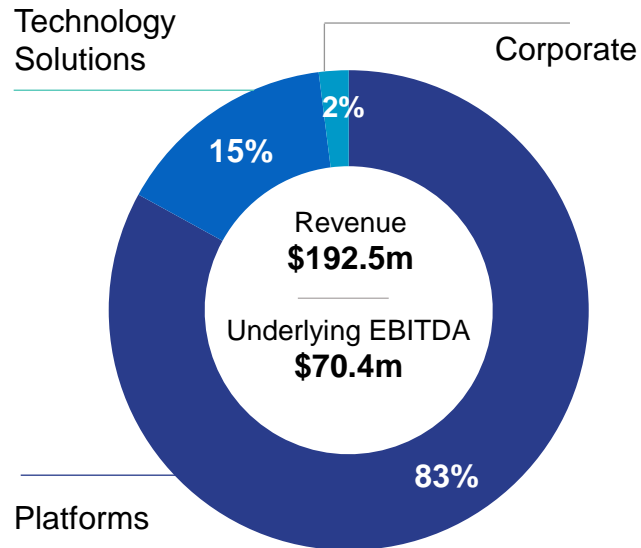
Kitrina Shanahan

Chief Financial Officer

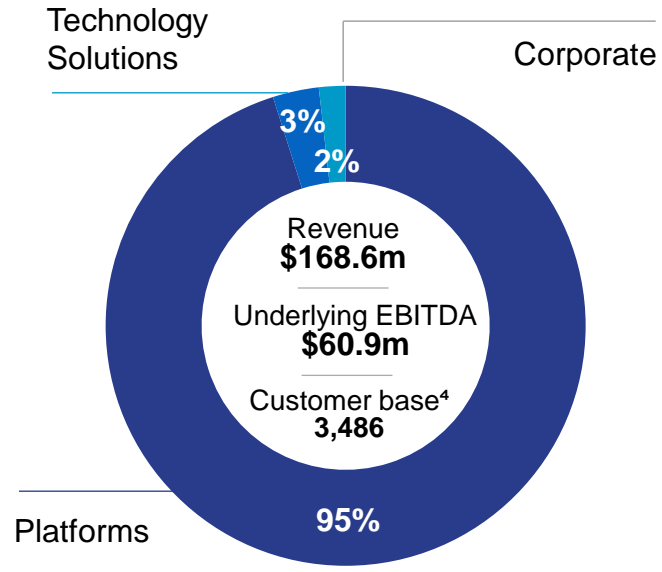


Combined group snapshot as at 30 June 2022¹

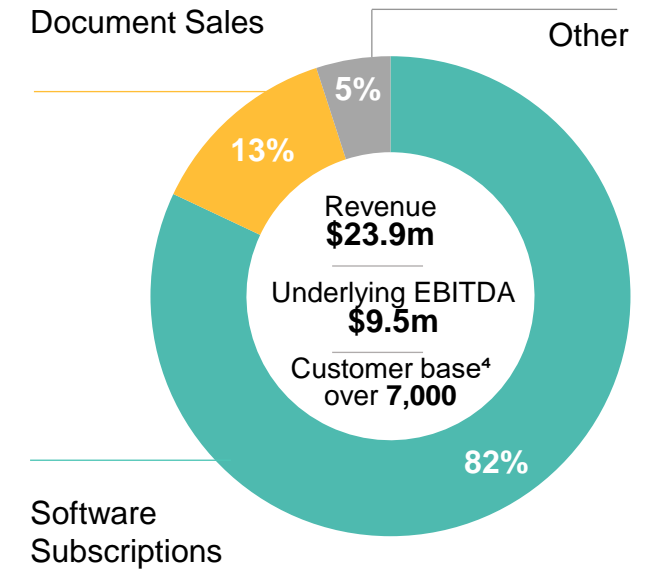
Consolidated Group Result²



HUB24



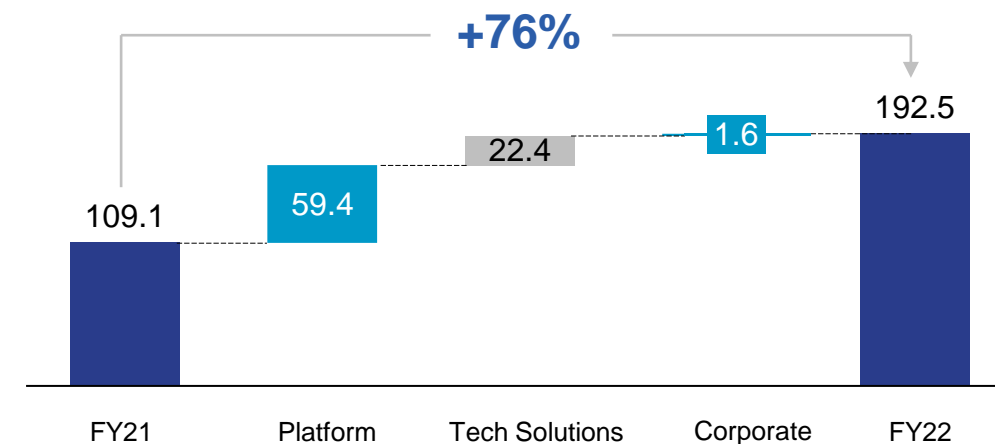
Class³



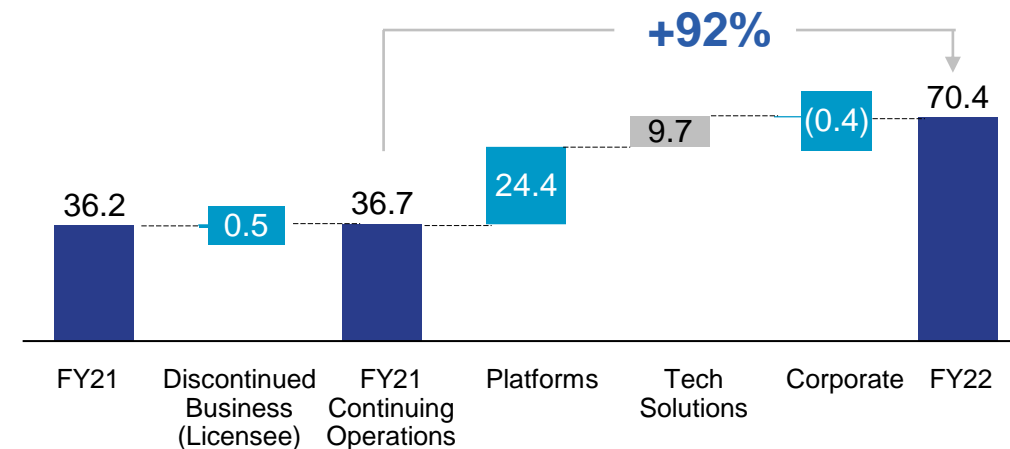
Group financial results¹

	FY22	FY21	Change
	\$m	\$m	%
Operating Revenue	192.5	109.1	76%
Operating Expenses	(122.1)	(72.4)	69%
Underlying EBITDA from Continuing Operations ²	70.4	36.7	92%
Underlying EBITDA margin² (%)	36.6	33.7	2.9
Cost to income ratio (%)	63.4	66.3	(2.9)
EBITDA from Discontinued Business (Licensee)	-	(0.5)	(100)%
Underlying EBITDA (including discontinued)	70.4	36.2	94%
EBITDA	59.6	30.2	97%
Underlying NPAT ³	35.9	15.4	133%
Statutory NPAT	14.7	9.8	50%

Operating Revenue (\$m)



Underlying EBITDA (\$m)

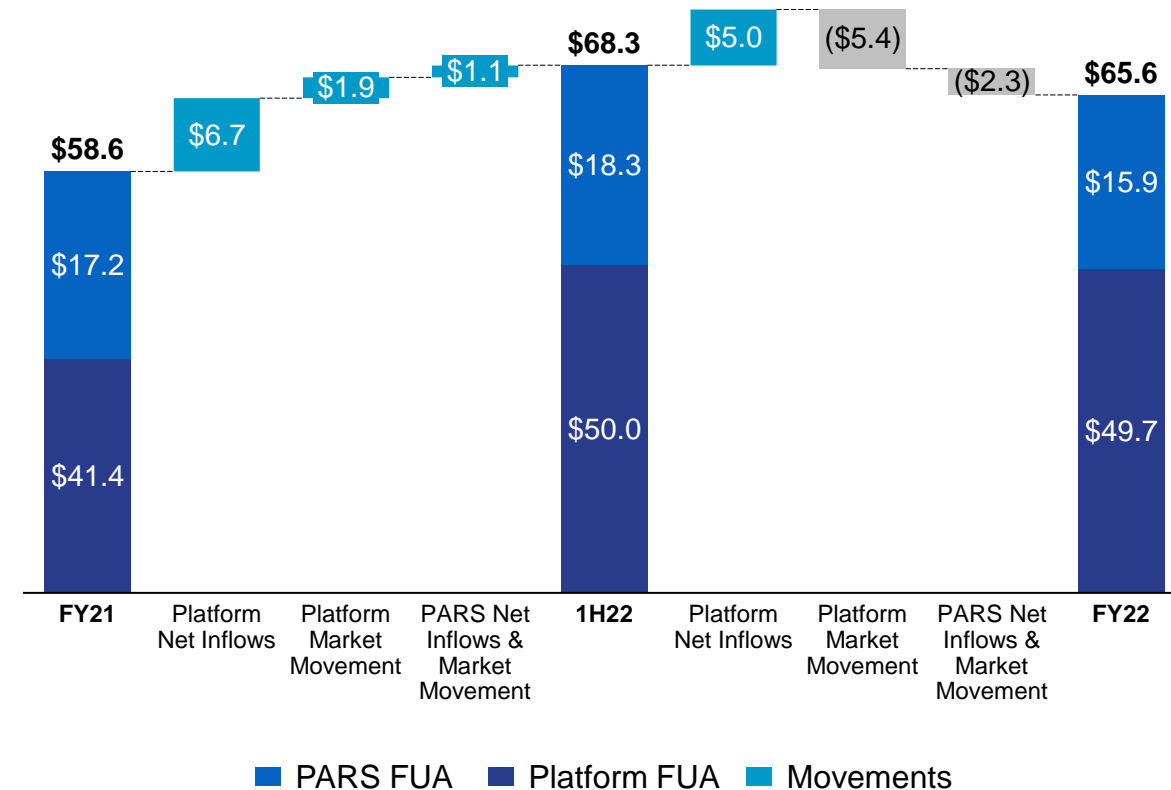


Platform segment results

Benefits of strategic transactions and continued FUA growth leading to expanding UEBITDA margins

	FY22	FY21	Change
	\$m	\$m	%
Platform FUA	49.7bn	41.4bn	20%
PARS FUA	15.9bn	17.2bn	(8)%
Total FUA	65.6bn	58.6bn	12%
Platform Net Inflows	11.7bn	8.9bn	32%
Revenue	160.5	101.1	59%
Operating Expenses	(98.2)	(63.2)	55%
Underlying EBITDA¹	62.3	37.9	64%
Underlying EBITDA margin¹ (%)	38.8	37.5	1.3

Funds Under Administration (\$bn)

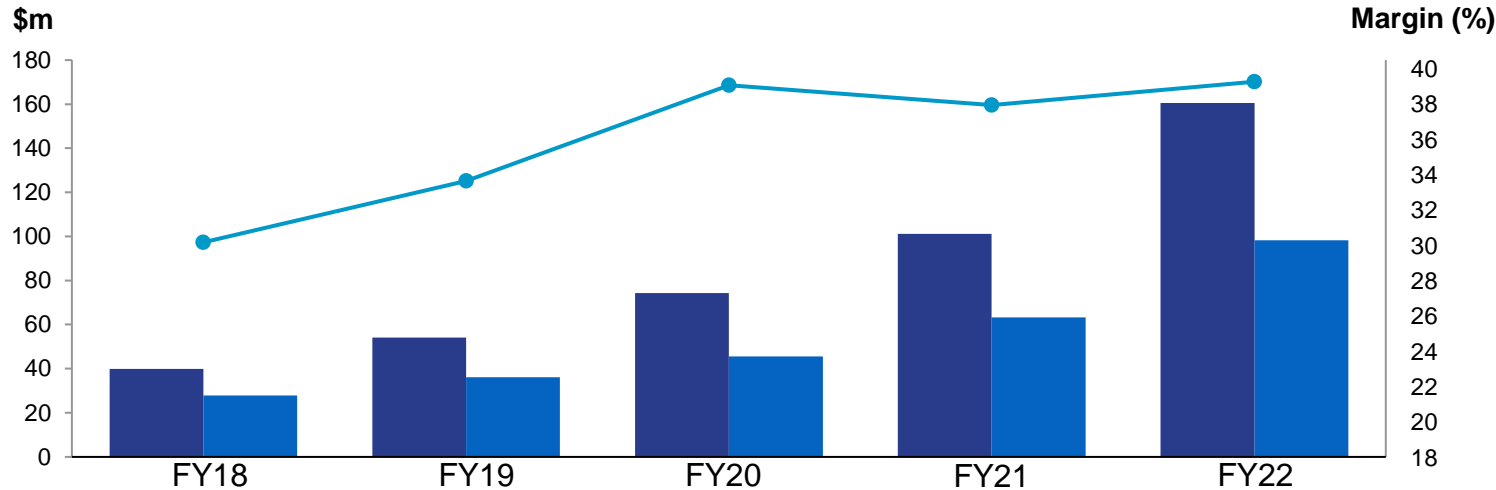


Platform segment results

FUA growth delivering scale benefits

Revenue and Expenses (\$m)

● Revenue ● Expenses ● UEBITDA Margin (RHS)



Platform UEBITDA margin (%)

29.9	33.3	38.6	37.5	38.8
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Platform Underlying EBITDA \$m

11.9	18.0	28.7	37.9	62.3
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Platform UEBITDA margin improved 1.3% compared to FY21. Remained flat 2HFY22 compared to 1HFY22, in the context of global inflation concerns and negative market sentiment impacting FUA



\$62.3m Platform UEBITDA for the year represents a 51% 4-year CAGR



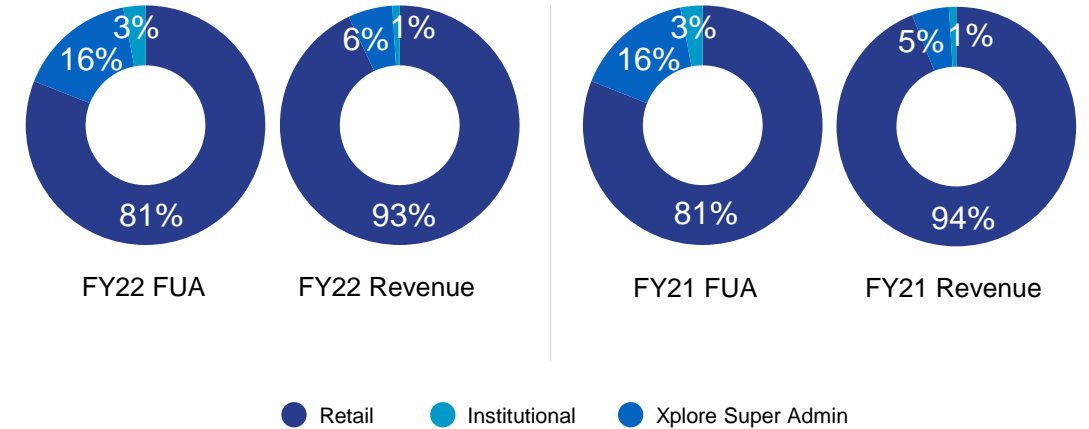
Revenue margin of 32bps for FY22 with the benefit of RBA rate increases partially offset by admin fee tiering impacts

Composition of platform FUA

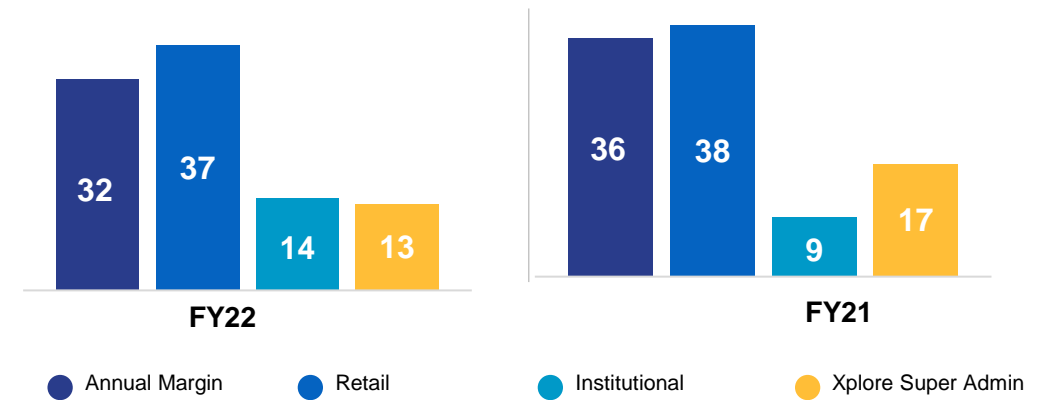
The acquisition of Xplore and launch of private labels in FY21 has broadened our reach and increased market share

- Retail clients represent 81% of Platform FUA (81% FY21) and 93% of revenue (94% FY21)
- Institutional includes High-Net-Wealth clients and Private Labels which attract high value portfolios at wholesale pricing reflecting scale efficiencies
- FY22 revenue margin movements reflect a full period impact of the Xplore acquisition, institutional client mix and recognising a full 12 months of private label impacts

Portfolio Composition of Platform FUA and Revenue (\$m)



Portfolio Composition of Revenue Margin (bps)

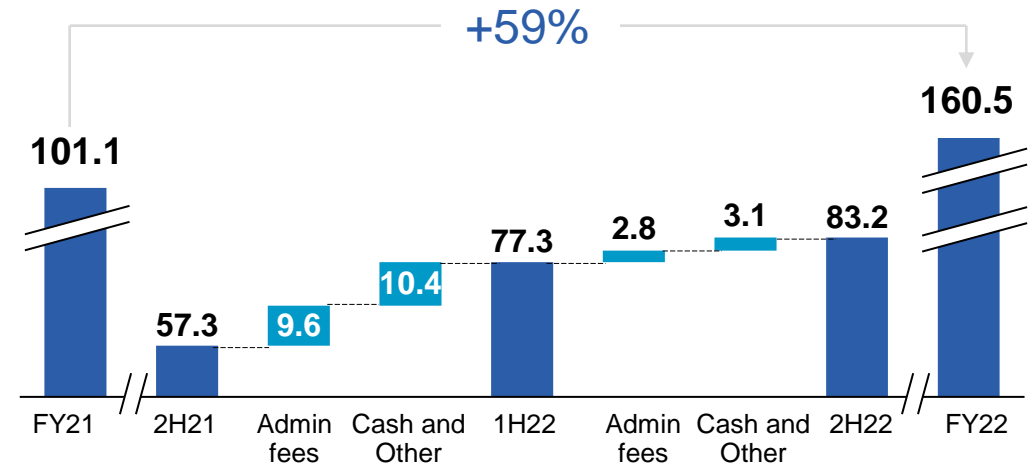


Platform revenue

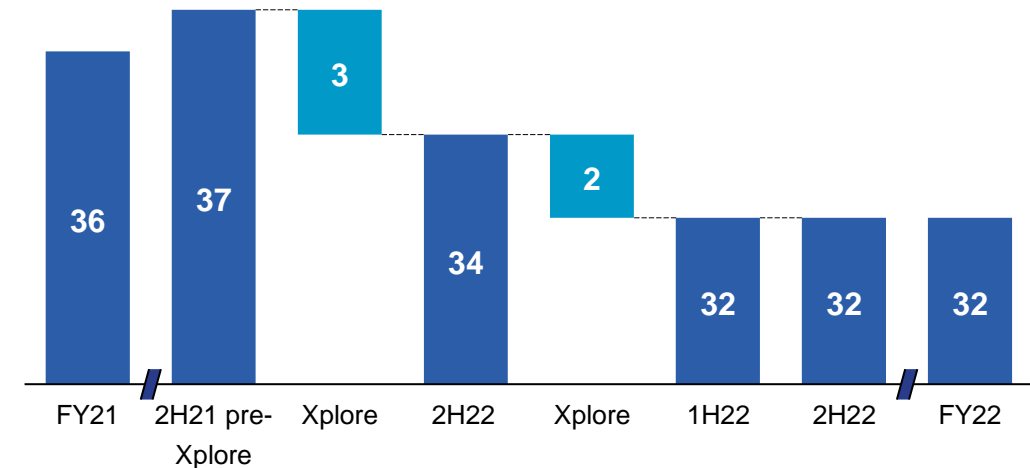
Platform revenue growth of 59% reflecting record net inflows and benefits from acquisitions

- ➔ Platform revenue increased to \$160.5 million (up 59%)
- ➔ Revenue continues to increase with the scale of the business, platform revenue margin remained stable at 32 bps driven by:
 - Revenue from cash management fees benefitting from RBA rate increases of 25 bps in May 2022 and 50 bps in June 2022
 - Partly offset by lower-than-normal admin fee margin compression
 - The number of accounts on the Platform for FY22 increased by 39% and PARS accounts by 11%

Platform Revenue (\$m)¹



Platform Revenue Margin (bps)²

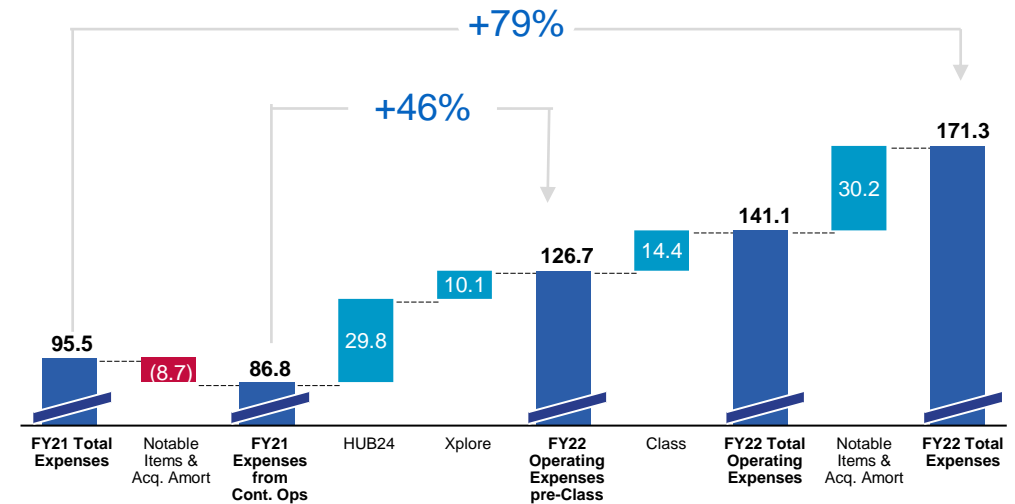


Group expenses

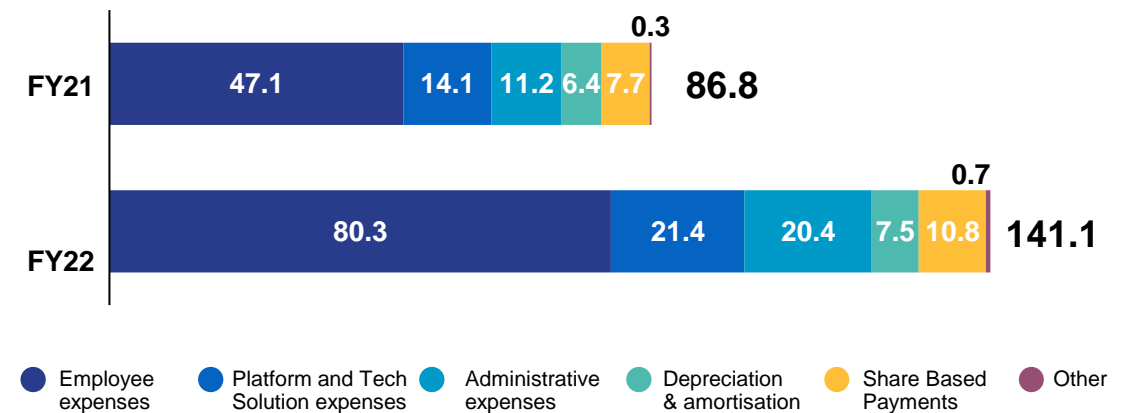
Investing for scale while delivering improvements to the Group's cost to income ratio

- Group expenses increased by \$39.9 million or 46% before the addition of Class and costs associated with strategic transactions and other notable items. This included \$10.1 million uplift from Xplore for an additional 8 months
- Group cost to income ratio improved 2.9% to 63.4% (FY21 66.3%)
- Employee expenses contributed \$33.2 million to the increase, with FTE of 486 pre-Class and Class increasing FTE by a further 211 to a total of 697 (FY21 391)

Group Expenses by function (\$m)¹



Group Expenses by category (\$m)¹



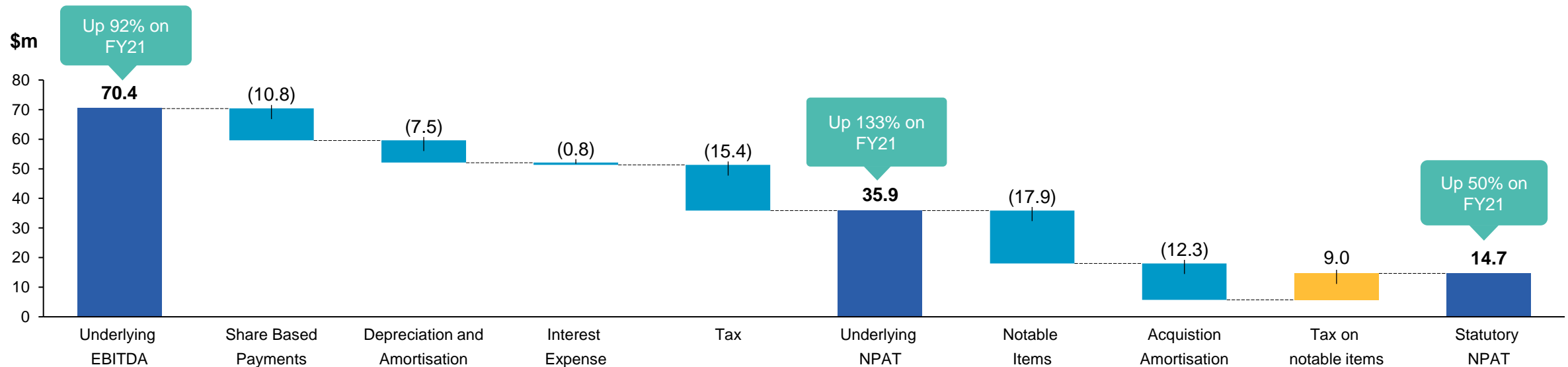
Increasing profitability

Statutory NPAT up 50% representing strong growth

Share based payments of \$10.8 million in FY22 in relation to the Employee Share Plans. This follows record FUA growth and the increased probability of vesting particularly relevant for the FY21 SPARS¹

\$17.9 million of strategic transaction and project costs related to the Class transaction of \$11.0 million, Xplore and Ord Minnett implementation related costs of \$5.0 million, and \$1.9 million for other projects

Higher amortisation, as development and capitalisation of IT assets continues, and acquisition related amortisation on the Class, Xplore and Ord Minnett strategic transactions





Corporate Sustainability

Andrew Alcock

Managing Director



Enhancing our approach to sustainability

ESG materiality assessment undertaken with stakeholders identified the following focus areas



Business ethics
& Integrity



Diversity &
inclusion



Climate
Risks &
Opportunities



Community
contribution
& Investment



Data Privacy
& Security



Employee
engagement



Customer
experience

We are committed to managing the business considering the broader community, customer, environmental and shareholder interests



Releasing our first sustainability report in Q1 FY23



Supporting our advisers and clients with education & over 150 ESG investment options



Reducing our environmental impact with digital first customer engagement



Supporting the broader community

- Pro Bono Financial Advice Network
- Save a Child's Heart
- Red Cross
- Solar Buddy
- Cancer Council
- Jawun Cape York



Class Update



Class progress update

Consolidating market leadership position and focusing on growth



Transition phase

- Appointed experienced leadership team including CEO
- Redesigned operating model around customer propositions
- Development underway on joint SMSF initiative with HUB24 to grow the SMSF market



Growth phase

- Focus on core products, services and market leadership
- Leverage existing relationships with financial professionals and develop new opportunities
- Deliver on our commitment to increase customer engagement and provide customer service excellence
- Develop new market opportunities leveraging Class and HUB24 capabilities

Strategic priorities



Grow the SMSF market and market share



Collaborate with HUB24 on the platform of the future



Consolidate leadership position



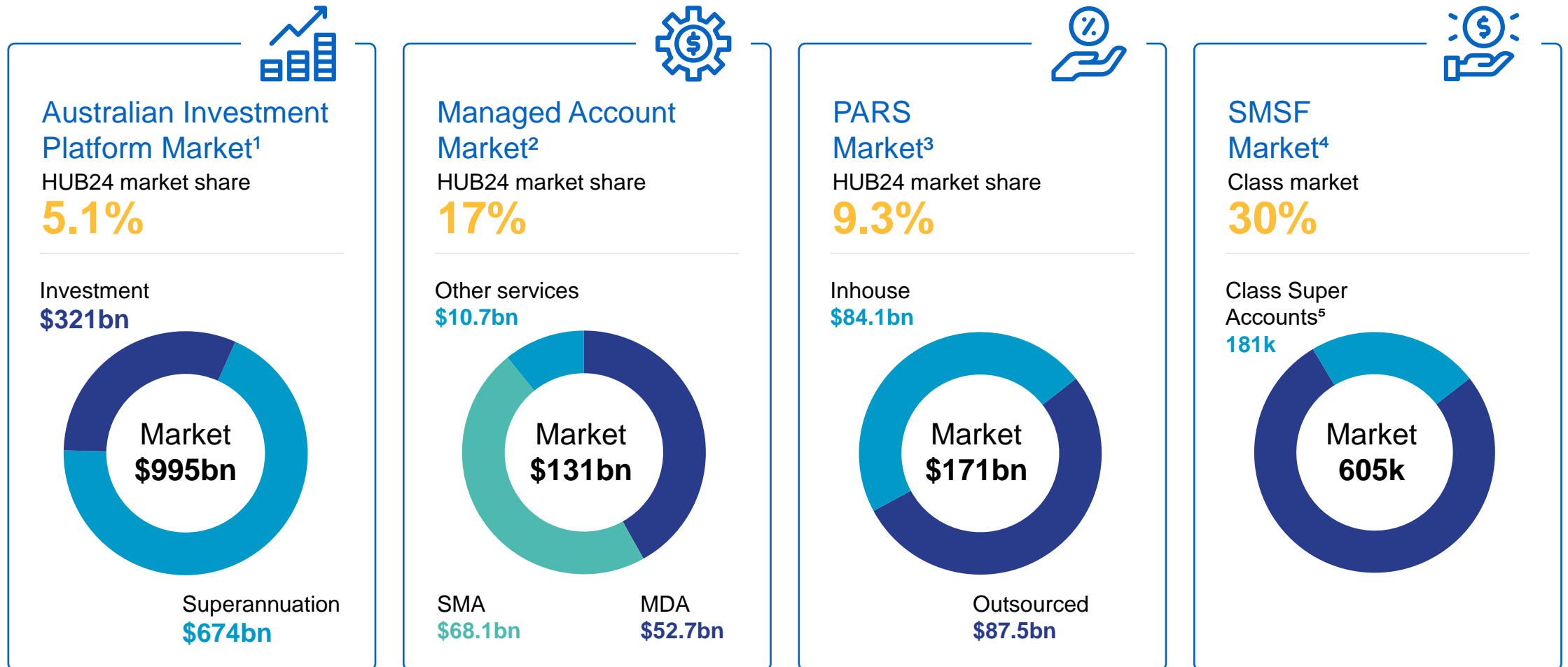
Strategy & Outlook

Andrew Alcock

Managing Director



HUB24 well positioned to grow market share



Our strategic pillars



Lead the wealth industry as the best provider of integrated platform, technology & data solutions



Deliver customer value & growth

Continue to develop our core product propositions to meet evolving customer needs, extend our market-leadership and grow market share

Enhancing our current proposition & extending our competitive advantage



Continue to build the platform of the future

Deliver an integrated customer experience that supports financial professionals to implement investment, tax and strategic advice

Positioning for growing segments & customer need

Single view of wealth

Seamless integration between Custody & non-Custody solutions

Product solutions that improve retirement outcomes for all client segments



Collaborate to shape the future of the wealth industry

Leverage our technology & data expertise, collaborate with industry participants & build solutions that enable the evolution of our industry and the delivery of cost-effective financial advice

Develop a blueprint for the future of advice, together with industry participants

We're building the platform of the future



Single view of wealth
for advisers and their clients



One way of doing business
Incorporating custody & non custody



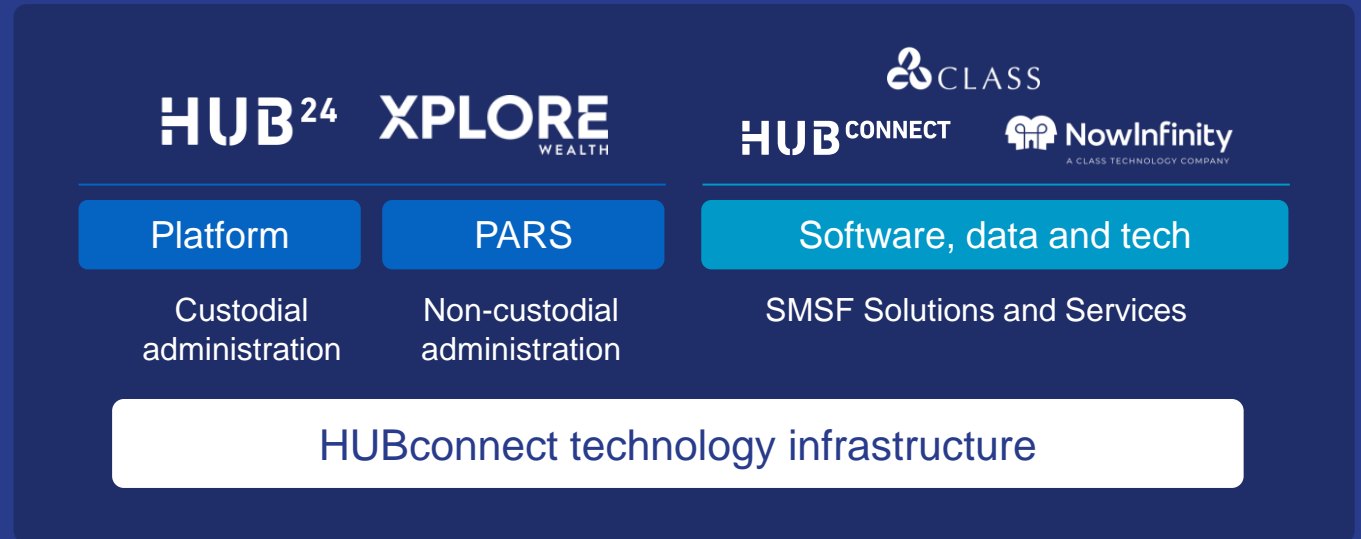
Efficient access
to investment manager IP



Flexibility for advisers &
Visibility for licensees



Reporting & insights
for businesses



Integration with other financial services and software providers

>300 data integrations¹

Empowering better financial futures through innovation

HUB24 Present



Producing client reports for reviews are time consuming & inefficient

HUB24 Present leverages HUBconnect capability to seamlessly integrate client portfolio data to deliver a customised, easy to understand reports

HUB24 SMSF Access



Traditional SMSF solutions seen as cost-prohibitive for clients with lower balances

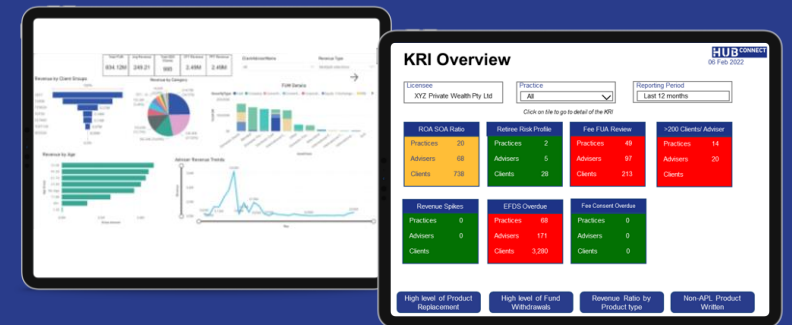
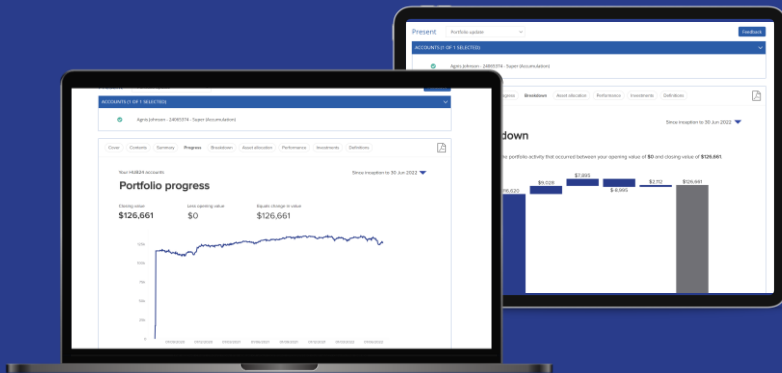
HUB24 SMSF Access leverages the capability of HUB24, Class and NowInfinity to provide cost-effective, integrated SMSF establishment, administration & investment solution

HUBconnect Licensee



Access to quality, integrated data a challenge for Licensees

HUBconnect leverages AI and machine learning to extract data from unstructured sources and deliver it via dashboards and alerts for reporting and insights reducing manual processes and inefficiency



Outlook



Continue to invest for ongoing success

- Continued investment in product innovation and customer service excellence
- Continue developing our platform of the future
- Complete XPL product integrations
- Collaborate with industry participants and advocate on behalf of our customers for industry transformation



Pursue Growth

- Leverage existing relationships with financial professionals and develop new opportunities
- Leverage expanded product features across customer segments
- Develop new market opportunities leveraging Group capabilities
- Continue to evaluate strategic growth opportunities to lead change in the wealth industry



Continuing strong financial results

- Leverage operating scale to drive shareholder value
- Increased profitability and enhanced margins
- Continue to grow strong operating cashflows and reserves
- Deliver expected synergy benefits and EPS growth from the strategic transactions



Platform FUA target (excluding PARS FUA) revised to

\$80bn-
\$89bn
for FY24¹



Lead the wealth industry as the best provider of integrated platform, technology & data solutions

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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This presentation was authorised for release to the market by the HUB24 Limited Board of Directors.





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