

ASX Release: 22 August 2023

HUB24 delivers strong financial results with Underlying EBITDA up 45%

HUB24 (ASX: HUB) today announced its results for the year ended 30 June 2023 (FY23) reporting Underlying NPAT of \$58.8 million (up 64%), Underlying Group EBITDA of \$102.4 million (up 45%), Underlying Platform EBITDA of \$85.1 million (up 37%), and Underlying Tech Solutions EBITDA of \$21.8 million (up 91%).

Key highlights for FY23 include:

- Total Funds Under Administration (FUA) of \$80.3 billion (up 23%) comprising Platform FUA of \$62.7 billion (up 26%) and Portfolio, Administration and Reporting Services (PARS) FUA of \$17.6 billion (up 11.1%). Platform FUA increased to \$64.5 billion as at 17 August 2023¹
- Industry-leading Platform net inflows of \$9.7 billion (down 17%)^{2 3}
- Platform revenue of \$208.8 million (up 30%) and Tech Solutions revenue of \$67.5 million (up 133%)
- Awarded Australia's Best Platform⁴
- Final dividend, fully franked of 18.5 cents per share (cps), bringing the full year dividend to 32.5 cps fully franked (up 63%)
- Number of active advisers using the Platform increased to 4,011 (up 15%)

The HUB24 Group recorded a statutory NPAT of \$38.2 million in FY23 (up 160%). Given the company's strong performance the Directors have determined a final dividend, fully franked, of 18.5 cps to be paid on 13 October 2023.

FY23 has been another successful year for the HUB24 Group with strong FUA growth and operational scale, delivering a significant uplift in financial results and increasing profitability. The HUB24 Platform achieved industry-leading net inflows in the context ongoing market volatility and uncertainty in the macroeconomic environment, and there has been a strong start to FY24 with net inflows ahead of Q4 FY23 run-rate.

Comparisons are from FY22 unless otherwise stated

¹ Unaudited

² From continuing operations

³ Plan for Life Masterfunds, Platforms & Wraps March 2023

⁴ Investment Trends Platform Competitive Analysis & Benchmarking Report 2022, Adviser Ratings Financial Landscape Report 2023

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During FY23 the Group progressed the delivery of its strategic initiatives, growing its market footprint and positioning for future growth. This included the acquisition of myprosperity to further progress the Group's 'platform of the future' strategy and consolidate our market leadership position. As a leading provider of client portal solutions to financial professionals and their clients, the acquisition further expands HUB24's capability, providing opportunities to continue to enhance our customer proposition.

HUB24's commitment to delivering innovative product solutions and customer service excellence continued to be recognised by advisers and the broader industry in FY23, consolidating our position as Australia's Best Platform, and increasing our market share to 6.1% (up from 5.1%).^{3 4}

In FY23, the number of active advisers using the Platform increased to 4,011 up 15% on the prior year, with 113 new distribution agreements signed. The previously announced transition with Equity Trustees Limited (EQT) of approximately \$4 billion of FUA over the next 18 months is progressing with planning well underway for the phased transitions.

Since acquiring Class in February 2022, the business has performed in line with expectations, with enhanced engagement with customers and increased industry advocacy to position for further growth. Class capabilities have also been leveraged across HUB24 to enable innovative product and service development.

As a result of our strong capital position and earnings growth, we are pleased to announce an on-market share buy-back program which will commence on 11 September 2023 with shares to be bought back over a 12-month period. The buy-back will be funded from existing cash reserves and the current intention is that the maximum value of shares bought back will be approximately \$50 million. The buy-back program delivers shareholder returns whilst retaining flexibility to take advantage of strategic growth opportunities.

Given the ongoing opportunities for growth, the HUB24 Group remains focused on maintaining our market-leadership today, whilst creating the platform of tomorrow and together with other industry participants build the future of the wealth industry. With positive momentum across the Group moving into FY24 we remain well-positioned for ongoing success.

Moving forward, based on the expectation of ongoing strong net inflows to the Platform we are targeting a revised Platform FUA range of \$92-100 billion by FY25 (excluding PARS FUA).⁵

Andrew Alcock, HUB24's Managing Director commented "Our strong financial and operating performance during FY23 has delivered Underlying Group EBITDA of \$102.4 million – up 45%, Underlying NPAT of \$58.8 million – up 64%, and a fully franked final dividend of 18.5 cents, resulting in total FY23 dividends of 32.5 cps, up 63%. The HUB24 Platform has achieved market-leading net inflows, increased market share and continues to

⁵ The company expects strong growth and increasing profitability moving forward subject to consistent and stable investment markets and HUB24 terms of business that may affect platform FUA and revenue. Updated FUA guidance replaces the previous FY24 guidance of \$80 – 89b.



be recognised by both advisers and the industry as Australia's Best Platform. The acquisition of myprosperity will enhance our Group capabilities, further consolidate our market-leadership position and provide opportunities to continue to deliver innovative products and solutions that create value, efficiency and choice for financial professionals and their clients."

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About HUB24

HUB24 Limited is listed on the Australian Securities Exchange, and includes the award-winning HUB24 platform, HUBconnect, the Xplore Wealth platform, Class and myprosperity.

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 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.

Class is a pioneer in cloud-based wealth accounting and is recognised as one of Australia's most innovative technology companies. Class delivers trust accounting, portfolio management, legal documentation and corporate compliance solutions to financial professionals across Australia who depend on Class to drive business automation, increase profitability and deliver better client service.

myprosperity is a leading provider of client portals for accountants and financial advisers, enabling streamlined service delivery, increased productivity and enhanced customer experience for finance professionals and their clients.

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 Managing Director.

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

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