

ASX Release: 16 November 2023

Chairman's Address and Presentation to the HUB24 Limited Annual General Meeting

Slide 1 - Chairman's address

FY23 was another successful year for the HUB24 Group with strong growth in funds under administration and operational scale, which has delivered a significant uplift in our financial results including increased profitability.

The Company remained focused on delivering on our strategic objectives, increasing market share and enhancing value for our customers in alignment with our purpose of empowering better financial futures, together.

Slide 2- FY23 Financial Highlights

In FY23, the Company achieved strong growth which is reflected in our key financial metrics, with Group Revenue up 45% to \$279.5 million.

Our Group's preferred measure of profitability – Underlying Earnings Before Interest, Tax, Depreciation and Amortisation, or Underlying EBITDA, increased by 45% to \$102.4 million, while the Group's Statutory Net Profit After Tax, or NPAT, increased by 160% to \$38.2 million.

Slide 3 - Share Price & Dividend History

Given the Company's strong performance, the Board announced a fully franked final dividend of 18.5 cents, which brought the total FY23 dividend to 32.5 cents, an increase of 63% on the prior year.

The strong HUB24 share price trend over many years has rewarded long term shareholders. Over the past 11 years has seen an increase from a low of 35 cents to over \$33 today and more recently over the past three years a total shareholder return of 179%.

As a result of our strong capital position and earnings growth, we announced an on-market share buy-back program which commenced on 11 September. The buy-back program delivers shareholder returns while enabling the Company to retain flexibility to take advantage of strategic growth opportunities.



Slide 4 – Consistently delivering growth and shareholder value

During FY23, the HUB24 platform continued to make a significant contribution to the Company's growth and cashflow, while at the same time, consolidating its market-leadership position and continuing to deliver innovative product solutions and customer service excellence.

Overall, our total Platform Funds under Administration has achieved a compound annual growth rate over four years of 58%.

The 4 Year CAGR of revenue was 46% and the UEBITDA was 61% over the same period. That means that underlying cashflow has grown 33% faster than revenue growth, a result management are proud to achieve. And I might say, achieved in an environment of winning 21 awards as either the best or #1 in a wide range of leadership categories such as Best Overall Platform, Best For Adviser Support and Best Primary Platform Advocacy. The Managing Director will speak in detail on the giant strides the Company has made in our improving our leadership position and benefits to our clients.

As part of our Tech Solutions division, Class also made a significant contribution over the year. Since acquiring Class in February 2022, the Company has made substantial progress integrating the business, while continuing to deliver an enhanced product suite and customer experience - further positioning Class for growth and leveraging its capabilities across the Group.

Additionally, the acquisition of myprosperity, a leading provider of client portal technology for finance professionals and their clients, was completed in May 2023, providing further opportunity to accelerate our Group strategy and consolidate our market leadership position.

Slide 5 – FY23 highlights – Market leadership, growth and enhancing our customer proposition

Over the year, our market-leading products and solutions enabled us to leverage opportunities and deliver on our strategic objectives - demonstrating strength and resilience during a period of ongoing market and economic uncertainty.

The HUB24 Platform in FY23 achieved industry leading net inflows of \$9.7 billion while total funds under administration, including both our custody and portfolio, administration and reporting segments increased by 23% to \$80.3 billion. Overall, the HUB24 Platform remains well placed to increase market share with a growing pipeline of new opportunities across customer segments.

Integrating and leveraging HUB24's acquired capabilities has remained a priority over FY23. As I mentioned earlier, the acquisition of myprosperity was finalised in May this year and



the business is now operating as part of our Platforms segment. myprosperity's market leading client portal solutions have generated strong interest from licensees and advisers looking to streamline client engagement and provide secure online interactions, and over time, we will look to extend myprosperity's capabilities to support customers across the HUB24 Group.

In addition, the Xplore Wealth superannuation integration was substantively completed during the year and is on track to achieve synergies. The remaining Xplore integrations for the non-super parts of the business will continue over FY24.

During FY23, Class remained focused on consolidating its market leadership and positioning for growth, while leveraging opportunities across the HUB24 Group. Over the year, account numbers increased and the business continued to focus on enhancing the customer experience, uplifting the service proposition, and delivering product enhancements that provide efficiency and value for customers. This has been reflected by an increase in customer advocacy, and recently being awarded Best SMSF Software provider of the year.

Overall, the HUB24 Group is uniquely positioned to continue to seek to take advantage of market dynamics and grow market share. Our broad range of capabilities across the Group, together with disciplined financial management has enabled us to deliver a significant uplift in profitability and achieve a strong cashflow position.

Our customer focus, our talented people and success in executing on our strategy have positioned us as an industry leader, and moving forward we will continue to seek to enhance our customer propositions, improve customer engagement and deliver further value for our shareholders.

Slide 6- HUB24

The HUB24 Group continues to grow and evolve and HUB24's Board of Directors and Management remain committed to the ongoing review and enhancement of our corporate governance practices.

At HUB24, we recognise the importance of sustainability for the long-term prosperity of our customers, people, shareholders and communities, and have provided an update on the Company's activities in our FY23 Sustainability Report. This details HUB24's environmental, social and governance (ESG) focus areas and how we progressed towards our targets over the year. This includes our commitment to the ongoing review of corporate governance practices such as reporting, diversity and expanding the skillset of the Board.

As part of these initiatives, the Board continued to seek feedback from employees about their experiences in working here, and the day-to-day conduct and culture of our business.

In addition, Management reviewed and enhanced the Group Risk Management Framework to align with the progress we have made on executing our strategy.

During the year, Ms. Ruth Stringer retired from the Board in April, and we would like to thank her for her contribution as a Non-Executive Director during her tenure. Later in May, we welcomed Ms. Rachel Grimes AM as a Non-Executive Director, bringing wide-ranging experience and skills which are complementary to those of our other Board members.

As I mentioned earlier, I have made the decision to take a career break for six months, and consequently, resign from the HUB24 Board at the following this meeting today. It has been a great pleasure to work with the talented team at HUB24 to deliver innovative products and solutions to our customers, and provide growth and value to you, our shareholders. I became Chairman in 2012 and I am extremely proud of what HUB24 has achieved during that time. The Company has evolved from a platform business with Funds under Administration of around \$150 million to a market-leading provider of integrated platform, technology and data solutions with now over \$80 billion of Funds under Administration, and with a compound annual growth rate of 62% in revenue over the last decade.

I will take this opportunity to recognise a few people whose focus and belief in HUB24 and strong support for me as Chair in the early part of my 11 year tenure as Chair during a very challenging time for HUB24 that resulted in strong business trajectory we are on today:

- Alex Waislitz Executive Chairman Thorney Investments, a giant of small cap high conviction investing who had the vision and unremitting support of HUB24 to help build the company we are today through shareholder support.
- Mr Anthony (Tony) Davis currently at Unified Capital Partners Head of syndication and an institutional broker who believed and supported the injection of capital at key times during the rapid growth of our business.
- Mr Hugh Robertson Institutional broker and principle in equity markets at Bell Potter who believed in the company and supported raising capital in difficult times and served as a director of HUB24 for many years.
- Mr Vaughan Webber Equity markets specialist at Bell Potter who also used his financial skills to support and raise capital and also served as Director and Chair of Audit Risk and Compliance for many years.

And of course all shareholders along the journey, both institution and retail. I thank you all. I am grateful for the support of all of our employees over many years and in particular our Managing Director Andrew Alcock and the Director Strategic Development Jason Entwistle for their guidance, infinite talent and sound working relationships with all executives that have delivered for our customers and shareholders over a very long time of dedicated service.



Over the past few years, the Company has completed a number of acquisitions, including Agility Applications, Xplore Wealth, Class Limited and most recently, myprosperity. This has enabled the Company to expand its customer base from licensees and financial advisers to now also support a broad range of financial professionals including brokers and accountants, and provide further opportunity to grow market share and deliver value.

It has been a privilege to serve the Company and I depart today leaving the HUB24 Group in a strong position with an experienced Board, led by Mr Paul Rogan as the newly appointed Chairman, and strong management team led by Mr Andrew Alcock as Managing Director.

Conclusion

HUB24 is proud to have delivered strong FY23 results with industry-leading platform net inflows and FUA growth and delivering a significant uplift in financial results with increasing profitability.

The Group's strong financial and operating performance has delivered further value to our shareholders, with increased profits allowing us to declare our highest dividend to date.

These strong results are underpinned by the long-standing investment in our technology, the strength of our offerings and our talented teams who are focused on delivering better outcomes for our customers and shareholders.

Given the ongoing opportunities for growth, and by leveraging the collective capability of HUB24, Class and myprosperity, the HUB24 Group remains focused on maintaining our market-leadership, creating the platform of tomorrow and collaborating with the industry to shape the future.

We enter FY24 with positive momentum across all our businesses and we believe that we remain well positioned for ongoing success.

I wish to thank HUB24's shareholders and customers for your continued support, as well as HUB24's talented team for your ongoing commitment to both our customers and HUB24.

On a personal note, I wish you all the best and I look forward to following the progress of HUB24.

Bruce Higgins
Chairman
HUB24 Limited



For further information please contact:

Kitrina Shanahan
Chief Financial Officer
HUB24 Limited
0478 474 590

Natalie Pennisi
Senior Manager Media & Public Relations
HUB24 Limited
03 9275 7835

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 software 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