

ASX Release: 20 August 2024

HUB24 delivers record FY24 financial results with \$118 million Underlying EBITDA

HUB24 Limited (ASX: HUB) today announced its results for the year ended 30 June 2024 (FY24), reporting Underlying Group EBITDA of \$118.0 million (up 15% on FY23), Underlying Platform EBITDA of \$103.0 million (up 21% on FY23), and Underlying Tech Solutions EBITDA of \$22.1 million (up 1% on FY23).

The HUB24 Group recorded Statutory NPAT of \$47.2 million (up 24% on FY23) and Underlying NPAT of \$67.8 million (up 15% on FY23). Given the company's strong performance the Directors have determined a final dividend, fully franked, of 19.5 cents per share (cps), to be paid on 11 October 2024.

Total Funds Under Administration (FUA) of \$104.7 billion (up 30% on FY23) with Platform FUA increasing to \$84.4 billion (up 35% on FY23) (\$87.1 billion as at 14 August 2024) and Portfolio, Administration and Reporting Services (PARS) FUA increasing to \$20.3 billion (up 15% on FY23).

Key highlights for FY24:

- Record annual Platform net inflows of \$15.8 billion (up 62% on FY23)¹
- 1st for overall platform quarterly and annual net inflows²
- Platform segment revenue of \$252.8 million (up 21% on FY23) and UEBITDA of \$103.0 million (up 21% on FY23)
- Tech Solutions segment revenue of \$70.7 million (up 5% on FY23) and UEBITDA of \$22.1 million (up 1% on FY23)
- HUB24 Platform ranked first across major adviser and industry surveys³
- Final dividend, fully franked of 19.5 cps, bringing the full year dividend to 38.0 cps, fully franked (up 17% on FY23)

Total revenue for FY24 was \$327.3 million (up 17% on FY23), driven by strong growth in the Platform segment and consistent growth in Tech Solutions. Operating expenses of \$209.3 million (up 18% on FY23), largely driven by lower employee vacancy rates and the myprosperity acquisition.

The UEBITDA margin of 36.1% (FY23: 36.6%) benefitted from operating leverage (1.2%) that was offset by lower deposit spreads (-0.8%), and the purchase of myprosperity (-0.9%).

HUB24 Platform

During FY24, HUB24 delivered record net inflows of \$15.8 billion including large migrations (up 62% on FY23) and was ranked 1st for both quarterly and annual net inflows. The HUB24 Platform had the largest quarterly and annual organic market share gains of all platform providers, increasing market share to 7.3% (up from 6.1% in FY23), and is ranked 7th overall.²

In FY24, the number of active advisers using the Platform increased to 4,525 (up 13% on FY23) with 141 new distribution agreements signed.



During the year, the HUB24 Platform continued to receive industry recognition for delivering innovative platform functionality and customer service excellence, consolidating its position as Australia's #1 platform across all major industry and adviser surveys.³

To increase productivity and provide advisers with a range of solutions to service needs across the customer lifecycle, HUB24 delivered a number of enhancements during the year.

This included the launch of Discover on the HUB24 Platform, providing a cost-effective solution for advised clients with less complex needs, and the addition of AGILE (Allianz Guaranteed Income For Life), an innovative retirement income solution.

To support the needs of advised high-net-worth (HNW) clients, HUB24 Invest was enhanced with the addition of non-custodial administration and reporting capability.

The integration program for Xplore Wealth was finalised during the year, with the majority of migrations to the HUB24 Platform now complete and synergy benefits realised.

Class

During FY24, Class and NowInfinity have delivered consistent, above system growth whilst continuing to focus on enhancing the customer experience and delivering product enhancements that drive productivity and value for customers. Class Super was recognised as SMSF Software Provider of the Year in the 2023 SMSF Adviser Awards.⁴

Class has also commenced the first phase of a program of significant enhancements for customers. Recently, direct share registry data feeds were added, making it easier for auditors and accountants to service SMSF clients by reducing manual processing and enhancing accuracy.

In addition, a new customer interface for Class is in development, which leverages myprosperity capabilities, enabling improved customer experience for Class customers and their clients. The new client portal will be rolled out progressively from FY25.

myprosperity

During FY24, the HUB24 Group has remained focused on integrating and leveraging its unique combined capabilities to enhance our core propositions and extend market leadership.

Demand for secure client portal capability is driving strong interest from financial professionals for myprosperity. During FY24, a myprosperity enterprise offer was launched providing national advice networks with a customised solution for advisers. This has been well received, with two large national advice networks (covering >1,800 advisers) signed in early FY25 providing opportunities to increase adoption of myprosperity.

Outlook

The HUB24 Group has continued to progress its strategic objectives, consolidating its market leadership in core propositions, investing to build products and solutions for emerging client needs, and collaborating with other industry participants to shape the future of the wealth industry.

As the wealth industry continues to transform, HUB24 is uniquely positioned with combined Group capabilities to capitalise on emerging opportunities and lead the wealth industry as the best provider of integrated platform, data and technology solutions. With positive momentum across the Group moving into FY25 HUB24 is well-positioned for ongoing success.



Moving forward, based on our expectations for ongoing strong net inflows on to the HUB24 Platform, the company is now targeting a Platform FUA range of \$115-123 billion by FY26 (excluding PARS FUA).⁵

Andrew Alcock, HUB24's CEO and Managing Director commented "Our strong financial performance during FY24 has delivered Underlying Group EBITDA of \$118 million – up 15%, Underlying NPAT of \$67.8 million – up 15%, and a fully franked final dividend of 19.5 cps resulting in total FY24 dividends of 38 cps, up 17%.

We're proud to have consolidated our position as Australia's best platform and are committed to empowering better financial futures for more Australians. As a result of our focus on delivering innovative products and solutions and customer service excellence, we've achieved industry-leading and record platform net inflows and increased market share. As we move into FY25, we're well positioned to extend our market leadership in our core propositions, whilst maximising our unique capabilities to leverage opportunities to deliver strong growth and value for our customers and shareholders".

¹ Excludes Xplore Super Admin discontinued operations in FY23.

² Latest available data, Strategic Insights Master Trusts, Platforms & Wraps, March 2024. Based on Administrator View. Ranking of net inflows and organic market share gains are adjusted to exclude the \$33.6 billion merger of BT Super to Mercer in the June 2023 quarter.

³ Best Overall Platform, Adviser Ratings Financial Advice Landscape Report 2024, Best Overall Platform Investment Trends 2023 Platform Competitive Analysis and Benchmarking Report.

⁴ SMSFs administered on Class software growing at 1.5x system, based on ATO SMSF statistics and using first reported data, 12 months to 31 March 2024. NowInfinity growing companies on Corporate Messenger at 2.0x system, excluding companies transitioned from an exiting provider. Based on ASIC company registration statistics, 12 months to June 2024.

⁵ HUB24 expects strong growth moving forward subject to consistent and stable investment markets and HUB24 terms of business that may affect Platform FUA and revenue.

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About HUB24

HUB24 Limited is listed on the Australian Securities Exchange, and includes the award-winning HUB24 Platform, HUBconnect, 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 SMSF administration, 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