



ASX Release: 22 February 2022

HUB24 reports record first half

Financial services provider HUB24 Limited (ASX: HUB) today announced its results for the half year ended 31 December 2021 (1HFY22), reporting Group Underlying Net Profit After Tax (NPAT) of \$14.2m (up 103% on 1HFY21) and Group Underlying EBITDA of \$29.7m (up 80% on 1HFY21).

The company reported statutory NPAT of \$8.4 million in 1HFY22 including \$5.8 million (after tax) of implementation costs and acquisition amortisation related to the Xplore Limited (Xplore) and Ord Minnett PARS acquisitions. Given the Group's strong performance the directors have determined a fully franked half year dividend of 7.5 cents per share (up 67% on pcp) to be paid on 18th April 2022.

Total Funds Under Administration has grown to \$68.3 billion, with Platform Funds Under Administration (FUA) increasing by 128% to \$50 billion from 1HFY21 and the Group set a new half year record for Platform net inflows of \$6.7 billion.¹ PARS FUA increased to \$18.3 billion.

Key highlights for 1HFY22

- Awarded Best Platform Managed Accounts functionality for the 6th year running²
- Awarded 1st place for Product Offering²
- Ranked 2nd for Best Overall Platform and top 2 in 5 out of 6 functional categories²
- Platform segment Revenue of \$77.3 million, up 76% on 1HFY21
- Platform segment Underlying EBITDA of \$30 million, up 72% on 1HFY21
- First half dividend of 7.5 cents per share, fully franked, a 67% increase on 1HFY21
- Acquisition of Class Limited (Class) announced in October 2021 and completed on 16 February 2022

During 1HFY22 HUB24 has continued its growth momentum posting record net inflows of \$6.7 billion for the half as well as maintaining 2nd place for annual net inflows. HUB24 has moved to 7th place with a FUA market share of 4.6% (up from 9th place and 2.3% as at September 2020).³

HUB24 continues to be recognised for innovative product solutions that deliver choice, value and efficiency for advisers and their clients. In the most recent Investment Trends Platform Competitive Analysis and Benchmarking survey HUB24 was awarded Best Platform Managed Accounts functionality for the 6th year running and was ranked 2nd place for Best Platform Overall. Additionally, HUB24 was ranked 1st for product offering and top 2 in 5 out of 6 functional categories.²

During 1HFY22 the Group announced the proposed acquisition of Class Limited which is expected to accelerate HUB24's platform of the future strategy, consolidating the Group's position as a leading provider of integrated platforms, technology and data solutions for financial professionals and their clients as well as enhance the Group's purpose of empowering better financial futures together. As per the announcement on 16th February 2022 the Scheme of Arrangement between Class and their shareholders for the acquisition of Class by HUB24 has now been implemented with HUB24 now holding 100% of Class shares on issue.



The Group expects to continue its growth momentum and has updated the target Platform FUA range to \$83-\$92 billion for FY24 which is an increase from the previous target range of \$63 -\$70 billion for FY23.⁴

Given the opportunities available for further growth, HUB24 is investing for the future and continuing to expand the executive team. The appointment of a Chief Growth Officer is planned who will be responsible for leading the company's distribution and marketing functions and working with the team to develop integrated growth strategies across the broader group.

HUB24 would also like to announce that Ms. Deborah Latimer will be joining the executive team in March 2022 as Chief Risk Officer. Ms. Latimer will join HUB24 following 4 years at Deloitte as a partner and lawyer in the Governance, Regulation and Conduct Practice, and brings a depth of expertise in corporate governance and risk management from over 25 years' experience in financial services and wealth management, across superannuation, insurance, managed funds and financial advice. Ms. Latimer is a Fellow of the Governance Institute of Australia (FGIA) and the GRC Institute (FGRCI) and a Graduate of the Australian Institute of Company Directors (GAICD).

HUB24 CEO and Managing Director Andrew Alcock commented "We've delivered record net inflows and strong financial results including an increase of 80% in Group underlying EBITDA, whilst continuing to deliver on our strategic objectives and ensuring we are well-positioned to capitalise on emerging opportunities. We are very excited about the recent acquisition of Class and how together we can lead change in the wealth industry and enhance value for our customers and shareholders."

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1. FUA as at 17th February 2022 remains stable at \$50 billion with net inflows for 2HFY22 to date offsetting negative market movements (unaudited)
 2. Investment Trends Platform Competitive Analysis & Benchmarking Report 2021
 3. Strategic Insights Analysis of Wrap, Platform and Master Trust Managed Funds at September 2021
 4. The company expects strong growth and increasing profitability moving forward subject to consistent and stable investment markets, HUB24 terms of business and further significant unexpected or ongoing impacts arising from the COVID-19 pandemic that may affect platform FUA and revenue

For further information please contact

Kitrina Shanahan
Chief Financial Officer
HUB24 Limited
0478474590

Fiona Harris
Media & Public Relations
HUB24 Limited
0466012434

About HUB24

HUB24 Limited is listed on the Australian Securities Exchange, and consists of the award-winning HUB24 platform, HUBconnect, Xplore Platform and Class Limited. 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.

HUB24 Limited | ABN 87 124 891 685 | ACN 124 891 685

GPO Box 529, Sydney, NSW 2001 Level 2, 7 Macquarie Place, Sydney, NSW 2000 Australia
T +61 2 8274 6000 F 1300 781 689 W hub24.com.au



Class Limited 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 over 3,500 financial professionals across Australia who depend on Class to drive business automation, increase profitability and deliver better client service.

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 HUB24 Board.

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