

ASX Release: 19<sup>th</sup> January 2022

## HUB24 consistently delivering record growth

### December Quarter FY22 Highlights

- Record second quarter platform net inflows of \$3.6 billion bringing 1HFY22 net inflows to \$6.7 billion<sup>1</sup>
- Total Funds Under Administration (FUA) as at 31 December 2021 has grown to \$68.3 billion, with Platform FUA of \$50 billion as at 31 December 2021 (up 128% on pcp) and Portfolio, Administration and Reporting Services (PARS) FUA of \$18.3 billion (up 97% on pcp)
- Xplore Wealth (Xplore) integration tracking to plan
- The proposed acquisition of Class Ltd (Class) continues to progress with the Scheme booklet distributed and the first court hearing completed on 15 December 2021

### Net Inflows and Growth in FUA

#### **Platform Net Inflows and FUA**

HUB24 has achieved another strong quarter of growth delivering record platform net inflows of \$3.6 billion, including \$349 million transitioned from externally administered legacy IOOF private labels to Rhythm Super, IOOF's private label administered by HUB24. These net inflows (excluding the IOOF transition and previous large client transitions) are a record result for both a December quarter as well as overall. Average monthly net inflows for FY22 to date of \$1.1 billion are up 68% from \$627 million for FY21.<sup>2</sup>

HUB24 has delivered consistent growth with this result following three consecutive record quarters for net inflows and record FY21 net inflows. Our market leadership position and focus on delivering innovative solutions to support the needs of our customers continues to resonate with advisers and their clients.

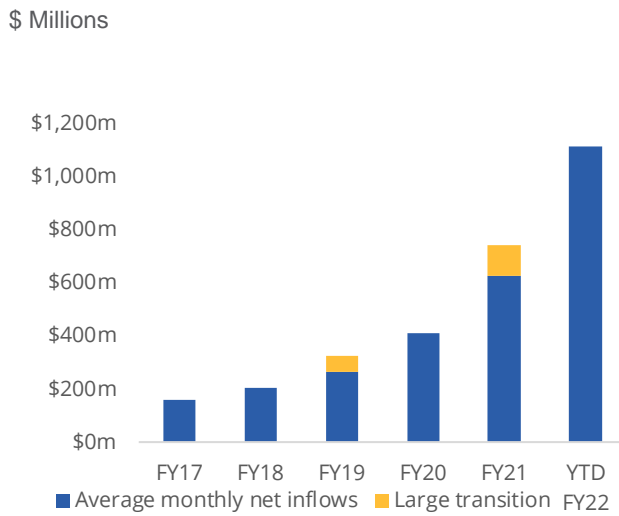
This quarter 28 new distribution agreements were signed, including new agreements with self-licensed advisers and practices that are part of advice aggregators.

In the latest available Strategic Insights data, HUB24 achieved second place for both annual and quarterly net inflows and HUB24's market share has increased to 4.6% as at September 2021 (up from 4.3% at June 2021), and is ranked in 7<sup>th</sup> place.<sup>3</sup>

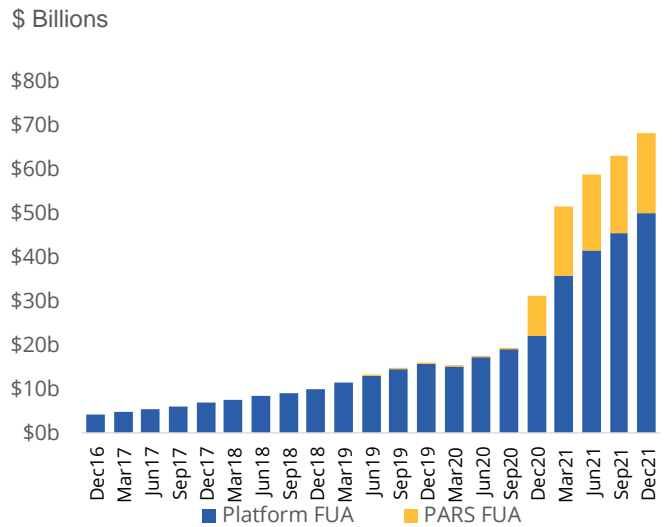
#### **PARS FUA**

PARS FUA is now \$18.3 billion up from \$17.8 billion as at 30 September 2021, with the number of accounts increasing by 4% during the quarter.

## Platform Average Monthly Net Inflows



## Total FUA

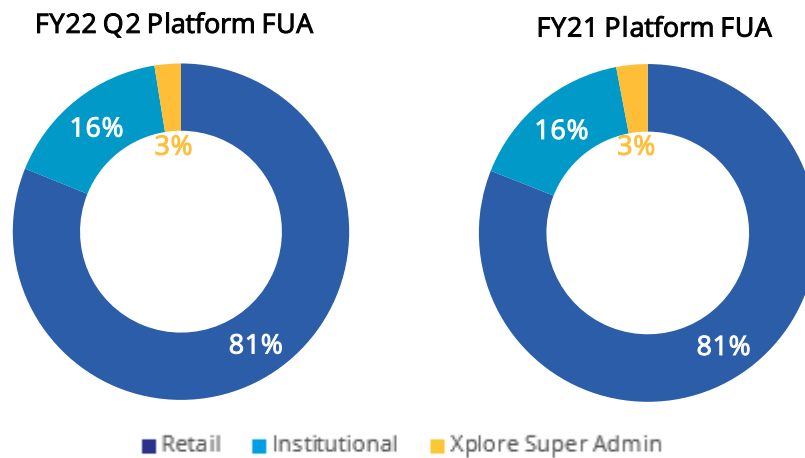


Platform Statistics*	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Growth on pcp
Platform FUA	\$21,966m	\$35,613m	\$41,446m	\$45,364m	\$49,992m	127.6%
PARS FUA	\$9,322m	\$15,774m	\$17,197m	\$17,756m	\$18,329m	96.6%
<b>Total FUA</b>	<b>\$31,288m</b>	<b>\$51,387m</b>	<b>\$58,643m</b>	<b>\$63,120m</b>	<b>\$68,321m</b>	<b>118.4%</b>
<b>Platform Flows and Xplore Custody Acquisition</b>						
Platform Net Inflows	\$1,722m	\$1,920m	\$3,908m	\$3,034m	\$3,630m	110.8%
Platform Gross Inflows	\$2,225m	\$2,592m	\$5,102m	\$4,314m	\$4,937m	121.9%
Xplore custody acquisition		\$11,209m				N/A
<b>PARS transition</b>						
Ord Minnett PARS	\$9,008m					N/A
Xplore non-custody		\$5,963m				N/A
<b>Platform Advisers</b>						
Number of Advisers	2,280	2,758**	3,063	3,221	3,402	49.2%

\*Statistics are for each quarter, have been rounded and are not audited. Inflows exclude market movements

\*\*includes 293 as part of the Xplore acquisition

## Composition of Platform FUA



## 1HFY22 Financial Reporting Update

The 1HFY22 financial accounts due to be released shortly will include adjustments below underlying earnings before interest, tax, depreciation and amortisation (UEBITDA) for the following items:

- The continued strong momentum in net flows and FUA growth has increased the probability of the Special Performance Rights issued during FY21 reaching the stretch target FUA hurdles by FY25. To reflect this a \$3.5 million expense for this tranche of share-based payments will be included in the 1HFY22 financial accounts (which includes a life to date catch up since the date they were issued).
- HUB24 has now finalised the acquisition accounting for Xplore Wealth which occurred in March 2021. This has resulted in the following amendments to the provisional Purchase Price Accounting (PPA) booked in the FY21 Financial Reporting.

\$m	Provisional PPA	Final PPA
	30-Jun-21	31-Dec-21
Cash balances acquired	3.2	3.2
Net Assets acquired	4.9	1.3
Software Intangibles identified	4.5	26.6
Goodwill recognised on acquisition	47.3	27.3
<b>Total purchase consideration*</b>	<b>59.9</b>	<b>58.4</b>

\* Total purchase consideration has reduced by \$1.5m in line with AASB3 requirements when calculating the fair value of the HUB24 shares issued as consideration.

The software intangibles reflect the Xplore customer relationships and technology which will amortise through the profit and loss between 2 and ten years (depending on the underlying asset's useful life). The 1HFY22 financial reporting will reflect a life to date catch up of \$4.5 million through amortisation expense.

## Business Update

The COVID-19 pandemic continues to impact our customers and team as well as the broader community. Throughout this challenging period, HUB24 has continued to deliver seamless operational and customer support, whilst ensuring the well-being of our team and continuing to deliver record growth.

The business continues to focus on delivering product solutions which support advisers to meet their regulatory obligations, as well as deliver efficiencies for their businesses. This quarter HUB24 released a further enhancement to support advisers with advice fee opt-in requirements which now enables existing advised clients as well as new clients to opt-in to their advice fees online and also provides tracking and reporting of client consent. Additionally, the enhanced Record of Advice (ROA) generator was released enabling advisers to efficiently generate multiple client ROAs following portfolio changes, at the same time as placing trades on the platform.

The Xplore integration is tracking to plan with the transition of Super FUA from Xplore to HUB24 planned to be completed during Q4 FY22 and further product migrations planned to follow during FY23.

In December, the business launched the new HUB24.com.au website providing an enhanced user experience, dedicated information pages for customer audiences, access to product information, professional development, insights and the new Managed Portfolio Academy. The new website also includes an enhanced shareholder centre enabling shareholders to more easily access company information, announcements, and financial reporting.

Following the announcement in October, the proposed acquisition of Class Limited (Class) by way of scheme of arrangement continues to progress with Class shareholders being sent the scheme booklet and scheduled to consider and vote on the proposal on 31<sup>st</sup> January 2022. The Class Board of Directors has unanimously recommended that Class shareholders vote in favour of the Scheme, subject to an independent expert continuing to conclude that the Scheme is in the best interests of Class shareholders and in the absence of a superior proposal. Once completed, this transaction 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 advisers, accountants, private banks, licensees, stockbrokers and their clients, and enhance the Group's purpose of empowering better financial futures together.

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1 Record for any quarter, not including Q4 FY21 which included a large client transition

2 Excluding the IOOF transition and previous large client transitions

3 Strategic Insights Master Funds Platforms and Wraps September 2021, market share includes Xplore Wealth

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## About HUB24

HUB24 Limited is a company listed on the Australian Securities Exchange. The company consists of the award-winning HUB24 platform, HUBconnect business and Xplore platform. HUB24 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 licensees and advisers and enable the delivery of professional advice to more Australians.

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](http://www.HUB24.com.au)