

ASX Release: 16 July 2024

## HUB24 posts record \$15.8 billion net inflows for FY24

### Q4 FY24 Highlights

- Record quarterly Platform net inflows of \$5.0 billion (up 138% on pcp) including large migrations of \$1.8 billion from the Equity Trustees (EQT)
- Record annual Platform FY24 net inflows of \$15.8 billion (up 62% on pcp)
- Total Funds Under Administration (FUA) reached \$104.7 billion as at 30 June 2024 (up 30% on pcp), comprising Platform FUA of \$84.4 billion (up 35% on pcp) and Portfolio, Administration and Reporting Services (PARS) FUA of \$20.3 billion (up 15% on pcp)
- HUB24 Platform ranked first for quarterly and annual net inflows<sup>1</sup>
- HUB24 awarded Best Overall Platform in the Adviser Ratings Financial Advice Landscape Report 2024
- HUB24 ranked first for Overall Satisfaction in the 2024 Wealth Insights Platform Service Level Report

### **Platform net inflows and FUA**

HUB24 continued to deliver strong growth during Q4 FY24 achieving Platform FUA of \$84.4 billion as at 30 June 2024, up 6% over the quarter (up 35% on pcp). This was driven by record quarterly net inflows of \$5.0 billion (up 138% on pcp) including \$1.8 billion from EQT. Excluding large migrations, Q4 FY24 net inflows were \$3.2 billion (up 50% on pcp) and negative market movement of \$0.3 billion for the quarter.

This strong June quarter rounds out a record year of net inflows for FY24 of \$15.8 billion (up 62% on pcp) reflecting HUB24's continued market leadership, strong customer relationships and proven ability to successfully deliver large, complex migrations. Excluding large migrations, record net inflows of \$11.4 billion were achieved (in line with FY22).

HUB24's proposition continues to resonate with advisers and licensees delivering a strong pipeline of opportunities. During the quarter, 29 new distribution agreements were signed and the total number of advisers using the platform increased to 4,525 (up 13% on pcp).

In the latest available Plan for Life data, HUB24 ranked first for quarterly and annual net inflows and had the largest quarterly and annual organic market share gains of all platform providers. HUB24's market share increased to 7.3% (up from 6.1% as at 31 March 2023) and is ranked in seventh place overall.<sup>2</sup>

The EQT migration is progressing to plan with \$1.8 billion migrated during the quarter and \$2.6 billion in total to date. The scope of EQT migrations has increased and HUB24 expects total migrations of approximately \$5 billion (previously approximately \$4 billion), with the remainder scheduled to migrate in 1HFY25.<sup>3</sup>

The percentage of FUA held as cash was broadly stable during 2HFY24, which was below the average during 1HFY24. The lower average percentage of cash in 2HFY24 will result in a reduction in the custody revenue margin in 2HFY24.

With record net inflows in FY24, market-leading solutions and a strong pipeline of opportunities from both new and existing adviser relationships, we remain confident in meeting our FY25 Platform FUA target of \$92 – \$100 billion and are well-positioned for future growth.<sup>3</sup>

## PARS FUA

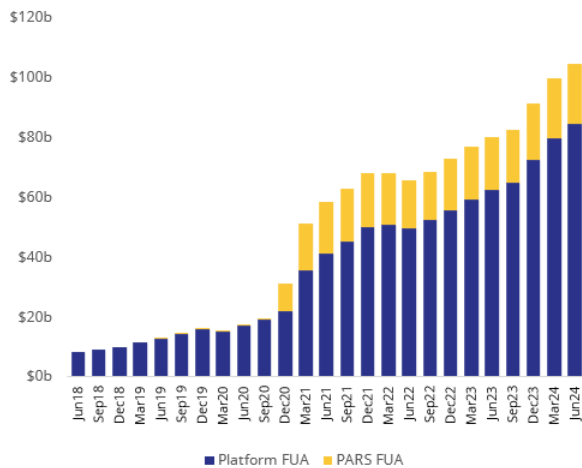
At 30 June 2024, PARS FUA was \$20.3 billion (up 15% on pcp) with the number of PARS accounts at 8,362 (up 3% on pcp).

Platform statistics*	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Growth on pcp
Platform FUA	\$62,710m	\$65,085m	\$72,438m	\$79,727m	\$84,407m	35%
PARS FUA	\$17,636m	\$17,638m	\$18,790m	\$20,303m	\$20,322m	15%
Total FUA	\$80,346m	\$82,723m	\$91,228m	\$100,030m	\$104,729m	30%
<b>Platform Flows</b>						
Platform net inflows**	\$2,092m	\$2,798m	\$4,451m	\$3,546m	\$4,974m	138%
Platform gross inflows	\$4,586m	\$4,979m	\$6,761m	\$5,812m	\$8,202m	79%
<b>Platform FUA composition</b>						
Retail	86%	86%	85%	85%	84%	
Institutional	14%	14%	15%	15%	16%	
<b>Platform advisers</b>						
Number of advisers	4,011	4,026	4,297	4,382	4,525	13%

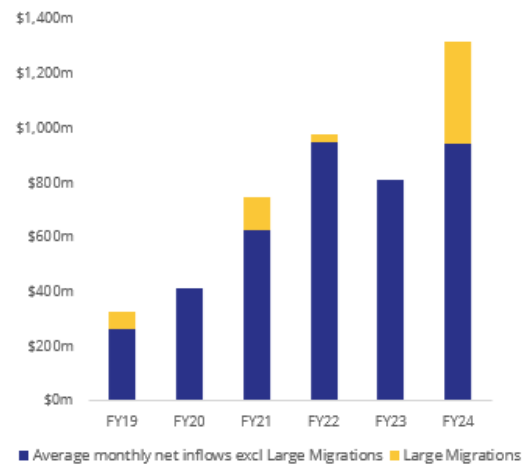
\* Statistics are for each quarter, have been rounded and are not audited. Platform FUA refers to custodial administration services and PARS FUA refers to non-custodial administration services.

\*\* Platform net inflows in June 2023 quarter of \$2,092 million are from continuing operations and exclude \$15 million of net outflows relating to the Successor Fund Transfer from Xplore Super Admin discontinued operations.

Total FUA (\$ billions)



Platform average monthly flows (\$ millions)



## Class statistics

The number of accounts across Class Super, Class Portfolio and Class Trust products increased during the quarter to 207,669 (up 3% on pcp), with Document Orders on NowInfinity increasing to 191,094 (up 7% on pcp). The number of companies using Corporate Messenger increased to 792,922 during the quarter (up 23% on pcp).

Strong growth in companies on Corporate Messenger in FY24 was supported by ~82,000 new companies onboarded during the year, which transitioned from another provider retiring their Corporate Compliance solution. The majority of new clients were onboarded in Q2 and Q3 with ~7,000 in early Q4.

Metrics	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Growth on pcp
No. of accounts*	202,149	203,153	203,860	205,416	207,669	3%
Document orders**	178,644	179,420	182,204	184,653	191,094	7%
Companies on Corporate Messenger***	645,190	666,432	697,573	770,732	792,922	23%

\* Number of Class accounts at the end of each quarter consists of Class Super, Class Portfolio and Class Trust licenses.

\*\* Documents paid for by PAYG and subscription customers during the last 12 months.

\*\*\* Number of active companies at the end of each quarter.

## Business update

During the quarter, HUB24 has been recognised by advisers and the industry for customer service excellence and continued customer advocacy.

In the Adviser Ratings Financial Advice Landscape Report 2024, which asks advisers to rate their experience across several categories, HUB24 was awarded Overall Best Platform, ranking first in eight out of nine categories including Overall Functionality, Adviser Experience, Client Experience, Ease of Onboarding, Investment Options, Online/Call Centre Support and Business Development Manager (BDM) Support.

Additionally, in the 2024 Wealth Insights Platform Service Level Report, which measures customer satisfaction, HUB24 ranked first place for Overall Satisfaction, Platform Offering, BDM Support, Reporting and Communication, IT/Web Functionality, and Brand Image and Reputation.

HUB24 also achieved the highest Net Promoter Score (NPS) in the latest Investment Trends 2024 Adviser Technology Needs Report. HUB24 ranked amongst the top two platforms in 23 out of 29 categories and ranked first for Platform Advocacy, Tax Optimisation Tools, Range of Investment Options, Contact Centre Support and Online Transaction Capabilities.

As part of our commitment to continued investment in our platform offer, HUB24 delivered several enhancements during the quarter to further enable productivity for advisers and create value for their clients.

In April, HUB24 delivered new capability which enables advisers to implement client recontribution strategies more efficiently, mitigating the impact of having to sell down assets and potentially saving on transaction fees. This capability was recognised by advisers using HUB24 in the recent Investment Trends 2024 Planner Technology Needs Report as being one of the most beneficial enhancements delivered during FY24.<sup>4</sup>

HUB24's Rollover dashboard capability was extended to include the ability to enable advisers to efficiently manage and track Rollover Out requests. In addition, HUB24 Present, our market-leading reporting feature, was enhanced to enable greater customisation for investment performance and account grouping, providing advisers with flexibility to deliver personalised client reports.

During the quarter, Class has continued to focus on delivering innovative functionality and efficiency, launching the first of its share registry data feeds to a select group of clients. The new data feed, which will be available to all clients during Q1 FY25, automates the retrieval and reconciliation of data directly from the share registry, reducing manual processing required by auditors, and ensuring accuracy. Further share registry data feeds are scheduled for 1HFY25.

## Notable items

During the quarter, HUB24 completed the product migration of Xplore Managed Accounts to the HUB24 Platform. As a result from FY25, expenses relating to migration programs (including EQT), will be included in operating expenses within Earnings Before Interest, Tax, Depreciation and Amortisation, rather than reported as Notable items.

During 2HFY24, the HUB24 Group completed a review of the useful life of acquired software intangibles, which predominantly relate to Class and myprosperity, and has determined to align them with the useful life of internally developed software intangibles. This change in useful life estimates will be applied prospectively from 2HFY24 and will increase acquisition related

amortisation by \$7 million in the half. The change is expected to have an immaterial impact on Underlying NPAT with acquisition related amortisation reported within Notable items. Acquisition amortisation (pre-tax) in FY24 is expected to be around \$23 million.

## Board update

As previously announced, Ms Michelle Tredenick was appointed as Non-Executive Director in June 2024. Ms Tredenick brings extensive experience as a company director across a broad range of industries and has over 30 years' experience in financial services, having held senior executive leadership roles at National Australia Bank, MLC and Suncorp.

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<sup>1</sup> Plan for Life. Data for period ended 31 March 2024 and based on Administrator View. Ranking of net inflows and organic market share gains are adjusted to exclude the \$33.6bn merger of BT Super and Mercer Super Trust in the June 2023 quarter.

<sup>2</sup> The FUA from the EQT migration is predominantly classified as institutional with \$0.4 billion classified as retail in Q4 FY24.

<sup>3</sup> The FY25 Platform FUA target of \$92 – \$100 billion excludes PARS FUA.

<sup>4</sup> In the Investment Trends 2024 Planner Technology Needs Report, HUB24's in-specie recontribution capabilities were recognised by advisers using HUB24 as being one of the most beneficial enhancements delivered in the last 12 months.

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

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