

Media Release

25 February 2014
Company Announcement Office
ASX Limited
(via ASX Online)

HUB24 hits \$1.4bn FUA from record growth

HUB24 Limited (ASX:HUB) today announced the release of its results for half year ended 31 December 2014.

- First half FY15 FUA growth of 46% to \$1.25bn, up 102% from prior corresponding period.
- Platform gross profit margin up 54% with expectation of positive monthly Operating EBITDA¹ during second half FY15.
- Total revenue of \$11.86m up 625% including 4 months of Paragem.
- Platform revenue up 135%.
- Increase in advisers using the platform of 37% from prior corresponding period.

HUB24 has continued to grow strongly with funds under administration (FUA) increasing by 46% during the half year ended 31 December 2014 to \$1.25bn. Further growth in the current half has already increased FUA to \$1.4bn and the company continues to be a leader in the rapidly growing SMA and managed portfolios market with 45% of FUA invested via these options.

Adviser uptake is increasing and the company continues to innovate having recently refreshed its already award winning online interfaces to provide an even better experience for advisers and customers. This follows the recent significant expansion of the platform's product choices across investments, term deposits and insurance providers to underpin HUB24's truly open architecture approach to offering unrivalled choice for independently minded advisers.

Chairman of HUB24 Mr Bruce Higgins, in commenting on the result said "HUB24 continues to grow rapidly due to our market leading investment and superannuation platform which has been recognised as one of the top three platforms in Australia in the recent Investment Trends report². We are now ranked as the sixth highest in annual net inflows for wrap providers and have the highest net inflow growth rate among our peers according to Plan for Life research³".

During the half year HUB24 acquired the Paragem boutique advice licensee with some 50 advisers located across the country. Integration of the business is complete and strategic benefits are starting to arise. The entry into the advice space is expected to result in a further enhancement of HUB24's rapid growth, diversification of the company's revenue streams and continued improvements to platform functionality, which will be highly valued by the broader independently minded financial advice market.

¹ Operating EBITDA represents Revenue less all Operating Expenses incurred in servicing the current FUA. It excludes Growth Investment expenses and other significant items.

² Investment Trends December 2014 Platform Benchmarking Report based upon extensive analyst reviews of 22 Platforms across 466 functional points.

³ Plan for Life data released December 2014 for the period ended 30 September 2014. Net inflow growth rate calculated as net inflows/FUA.



Mr Higgins continued, “by the end of 2016 we are expecting to pass \$3B in FUA and approach \$8B to 10B by the end of the decade. Our Managing Director, Andrew Alcock and our highly credentialed team are driving industry innovation as demonstrated by the Investment Trends award to HUB24 as ‘Best Tablet/Smartphone Access’ and strong growth across superannuation, IDPS and SMA products on the platform”.

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About HUB24

HUB24 is a financial services company listed on the Australian Stock Exchange (ASX: HUB). The business is focused on the delivery of the HUB24 platform and the growth of its wholly owned subsidiary Paragem. The HUB24 platform supports the achievement of superior superannuation and investment outcomes for investors. It is a next-generation service with state-of-the-art portfolio management, transaction and reporting solutions for licensees, financial advisers, accountants, stockbrokers and institutions. HUB24 is not aligned to any major bank, manager or institution. HUB24 is an independent organisation with award winning technology and a growing number of respected and high profile financial services companies as its customers.

Paragem is a boutique licensee comprising 19 high-value fees based practices across Australia who advise on more than \$2.5 billion in client assets. Paragem has developed a clearly differentiated and open architecture position, ensuring their firms have access to the most advanced technology and product solutions possible to enable the provision of the highest possible quality of financial advice.