

25 February 2020

ASX Announcement

NWL Presentation

Attached is a presentation that is being delivered by Mr Michael Heine, Joint Managing Director of Netwealth Group Limited at the ASX Connect, in Sydney at 11:00 am today.

About Netwealth

Netwealth is a financial services company listed on the Australian Stock Exchange (ASX: NWL). Netwealth was created with an entrepreneurial spirit to challenge the conventions of Australia's financial services.

We are a technology company, a superannuation fund and an administration business. Above all we exist to inspire people to see wealth differently and discover a brighter future.

Founded in 1999, Netwealth is one of the fastest growing wealth management businesses in Australia. We are rated No.1 by our clients for providing exceptional service and independent researchers continue to rate our technology as best in class*.

Our financial products are:

- Superannuation including accumulation and retirement income products;
- Investor directed portfolio services for self-managed super and non-super investments
- Managed Accounts and
- Managed Funds

Netwealth's digital platform supports how our financial products are delivered to market. For instance, via the platform, financial intermediaries and clients can invest and manage a wide array of domestic and international products.

The platform is built, developed and maintained by Netwealth's technology team. It is continuously enhanced using feedback from financial intermediaries, clients and other users and receives wide industry recognition as having market-leading functionality.

Supporting our financial products and technology platform is a significant investment in our people and resources to administer support, risk and governance and our custodial services.

Netwealth Group Ltd
ABN 84 620 145 404

Level 8/52 Collins Street
Melbourne VIC 3000

PO Box 336
South Melbourne VIC 3205

***Investment Trends; December 2018 Platform Competitive Analysis and Benchmarking Report & Investment Trends, April 2019 Planner Technology Report.**

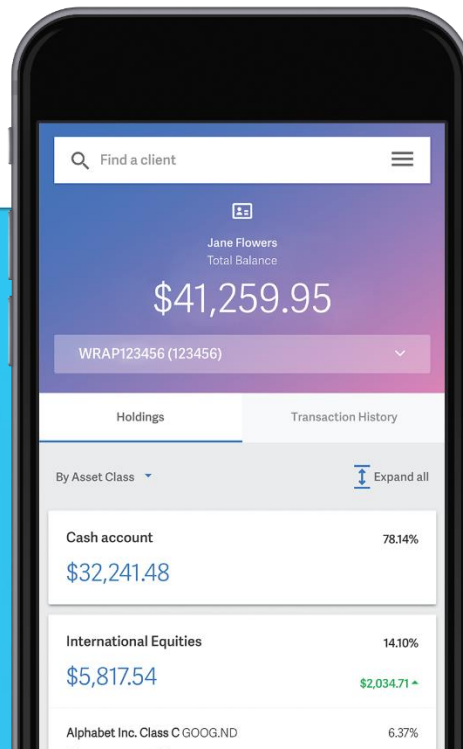
This document has been authorised for release by Mr Grant Boyle.
For further information please contact:

Grant Boyle
Chief Financial Officer
grant@netwealth.com.au
03 9657 1488

Netwealth

An introduction

See wealth differently



Our purpose is

**To enable people to
see wealth differently
and discover a brighter
future**



Our culture is value-driven

Curious
Optimistic
Collaborative
Agile
Genuine
Courageous



Our strategy is to deliver



Best-in-class technology

Market leading, home grown platform, agile and tailored to client needs



Best-in-class service

Award winning, nimble and highly responsive – ‘we make our clients look good’



Insights that matter

Provide deep insights to our clients and spot change that matters

Financial highlights 1H2020

Further revenue and profit growth



\$58.7M

Revenue



\$30.5M¹

EBITDA



52.0%¹

EBITDA margin



\$20.6M¹

NPAT



\$30.5M¹

Operating net cashflow
pre tax



\$0

Debt



275+

Staff



ASX 200

NWL in the S&P ASX200 index
from 23 September 2019

1. Underlying EBITDA, EBITDA margin, NPAT, NPAT margin, Operating net cashflow and EPS prepared applying accounting standard AASB117 Leases. Accounts have been stated in accordance with the new accounting standard AASB 16 Leases adopted from 1 July 2019. A reconciliation is provided in the 1H2020 results presentation. Underlying EPS has been calculated including all of the ordinary shares, performance shares and options currently on issue at the end of the period.

Financial highlights 1H2020

Continued...



\$28.5B FUA

Growth \$5.2B (+22.2%)
Growth \$9.5B (+50.2%) CY2019



\$4.4B

FUA net inflows
UP \$2.4B (+124.9%)



\$5.7B FUM

Growth \$1.8B (+45.7%)
Growth \$2.6B (+83.2%) CY2019

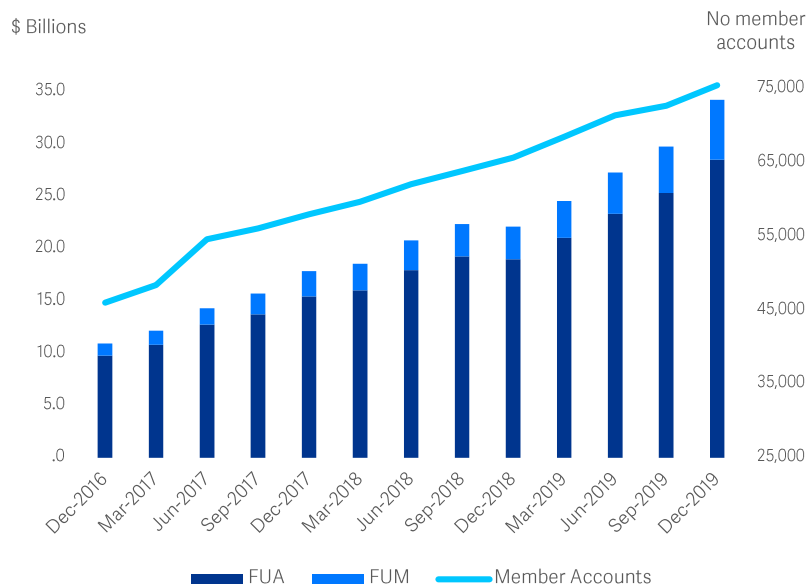


\$1.7B

FUM net inflows
UP \$1.3B (+306.8%)

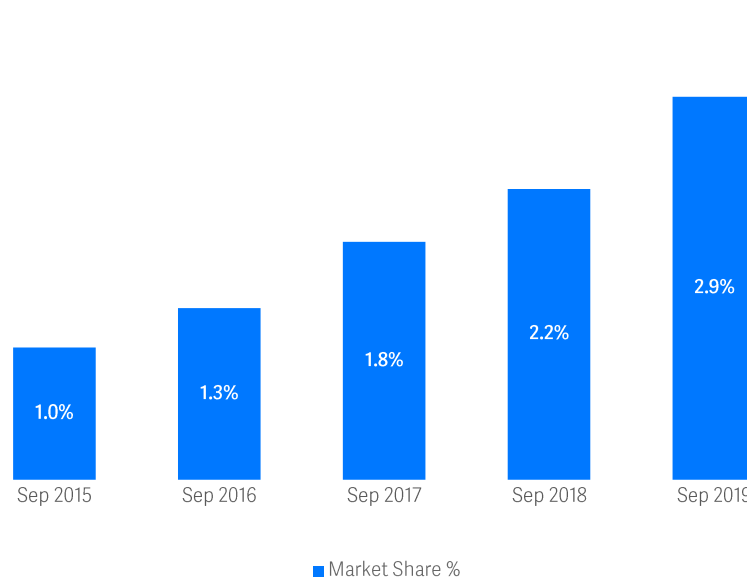
Accelerating growth

Continuous quarters of FUA, FUM and member account growth



Source: Netwealth

Gaining market share, up 0.7% for the year to Sep 2019



Source: Strategic Insight: Master Trusts, Platforms & Wraps

Business Highlights 1H2020



Recognised by the industry

- Ranked 1st for net promoter score, adviser experience, ongoing adviser support, overall functionality and client experience by Adviser Ratings¹
- Ranked 1st for digital wealth application/service among wealth institutions²
- Ranked 1st platform for overall functionality by Investment Trends³
- Ranked 1st platform for overall satisfaction by Investment Trends⁴
- SMSF platform provider of the year⁵

Whole of wealth solution

- Leader in solutions for high net-worth (HNW) and private wealth clients
- New “premium” product option provides greater investment flexibility and functionality for sophisticated and HNW clients
- Software as a Service (SaaS) revenue for “Xwrap” progressively rolled out

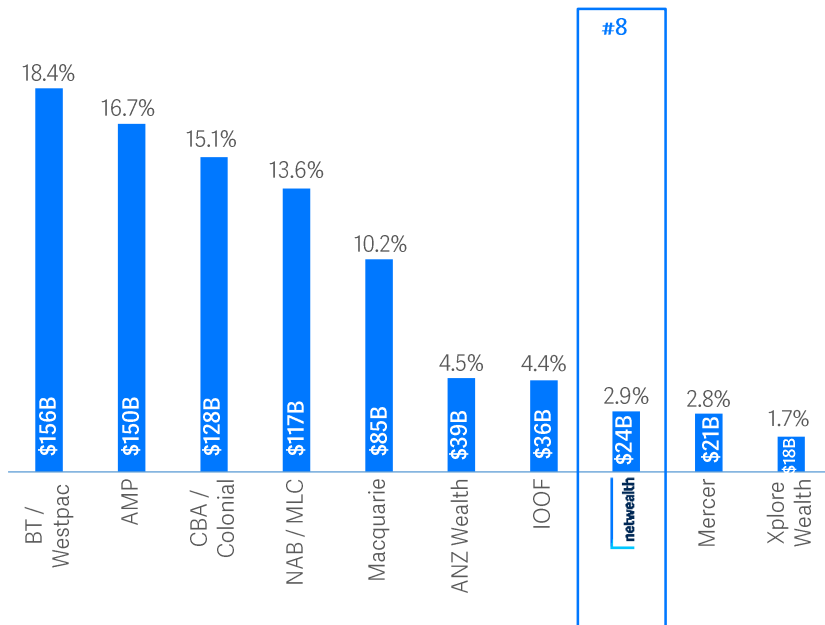
Leading industry flows

- Recorded the highest rolling 12-month FUA net inflows for the sixth consecutive quarter⁶
- Increased overall platform market position by 1 place to 8th overall⁶
- Material uplift in FUA for both new and existing clients
- 2,711 Financial Intermediaries using the platform

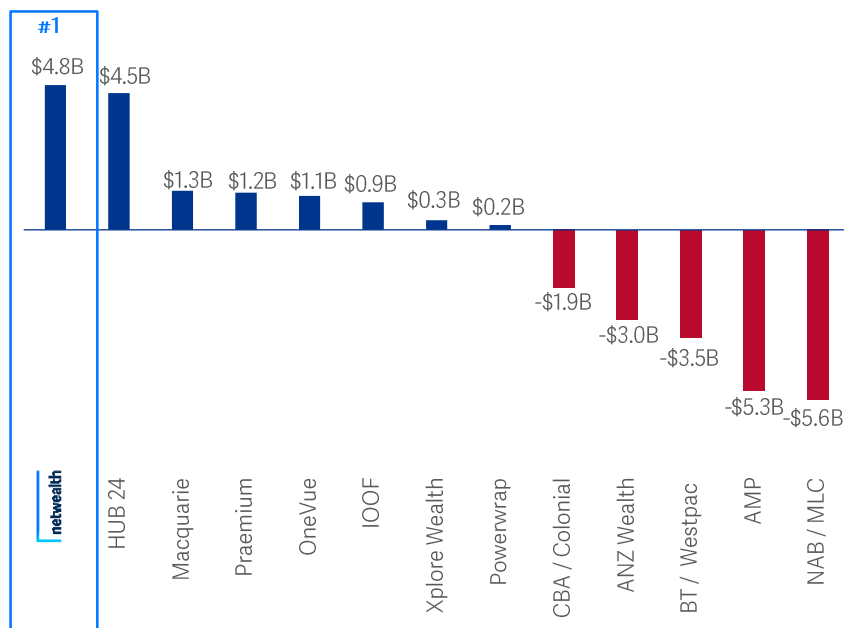
1. Adviser Ratings 2019 Financial Advice Landscape Report December 2019
2. Investment Trends - Digital Wealth Report January 2020
3. Investment Trends - December 2019 Platform Competitive Analysis and Benchmarking Report
4. Investment Trends - April 2019 Planner Technology Report (Primary users of the platform)
5. Momentum Media SMSF awards July 2019
6. Strategic Insight: Master Trusts, Platforms & Wraps (Sep 2019)

Significant market opportunity for growth

Platform providers by FUA market share¹
% market share (Sep 2019)



Platform provider net funds flows²
\$'Billions (12 months to Sep 2019)



Source: Strategic Insight: Master Trusts, Platforms & Wraps (Sep 2019)

Source: Strategic Insight: Master Trusts, Platforms & Wraps (Sep 2019)

1. Total industry retail FUA of \$887.8B (as at Sep 2019)
2. Total net flows of negative \$-6.7B (12 months to Sep 2019) (Not included above - Others of -\$1.7B)

The evolution of wealth...

NETFLIX

did not kill...

Blockbuster

what did?

Ridiculous late fees did.

UBER

Taxis

Poor customer service
and experience did.

amazon

Retail

Limited range and
options did.



The music
industry

Being forced to buy full-
length albums did.



Hotels

Limited availability and
pricing options did.

NETFLIX

amazon

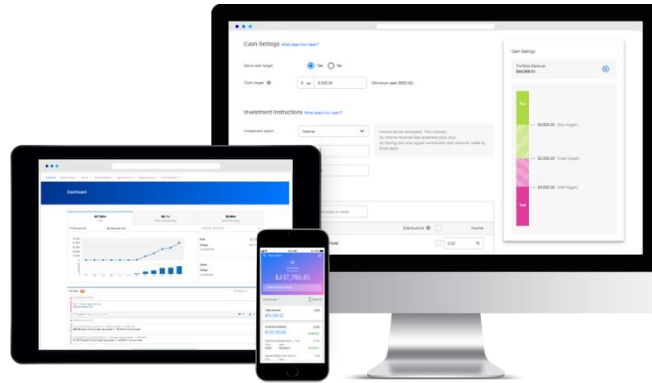
 **airbnb**



**“The last best
experience that
anyone has anywhere,
becomes the minimum
expectation for the
experience they want
everywhere.”**

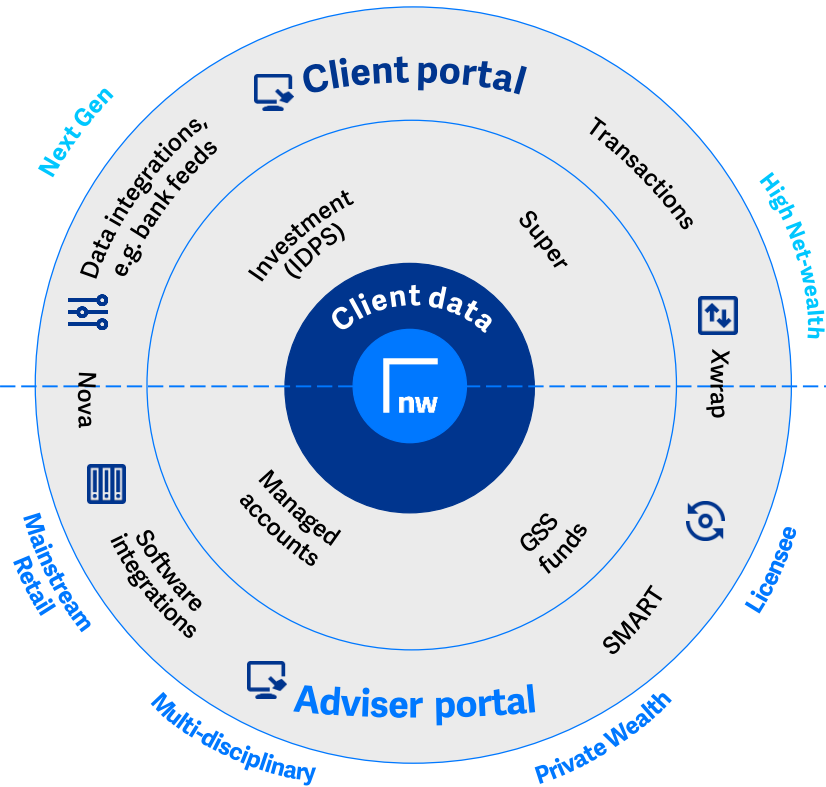
- Bridget van Kralingen

How are we going to keep up?





Investors

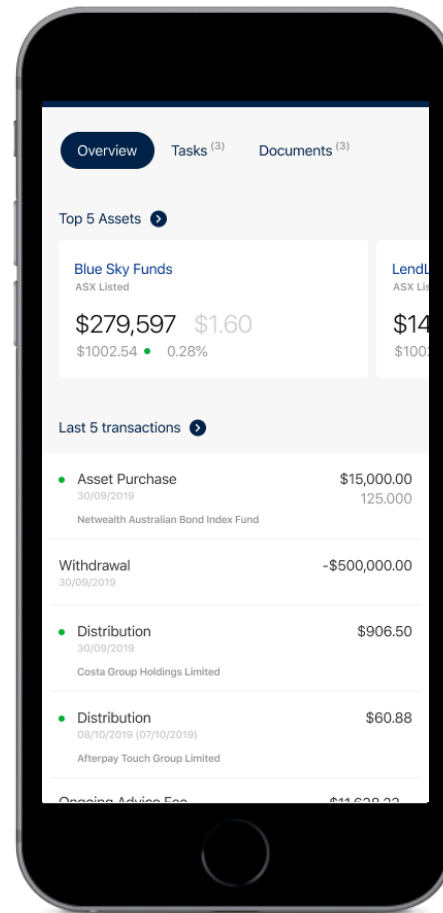
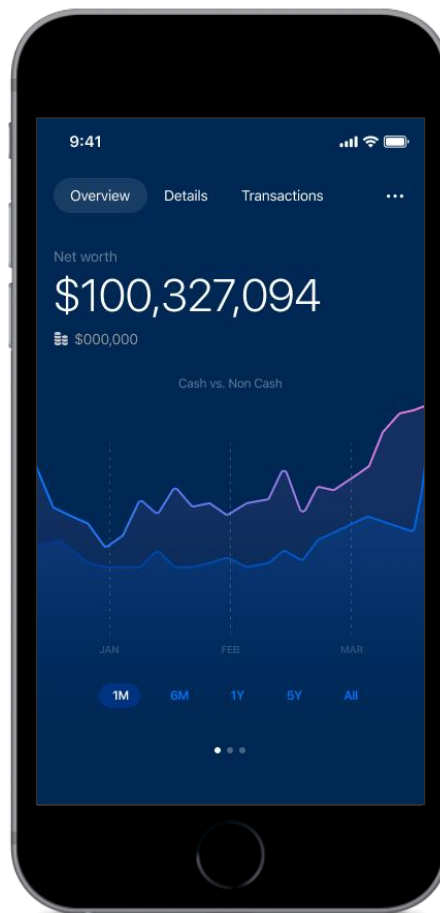


Wealth professionals

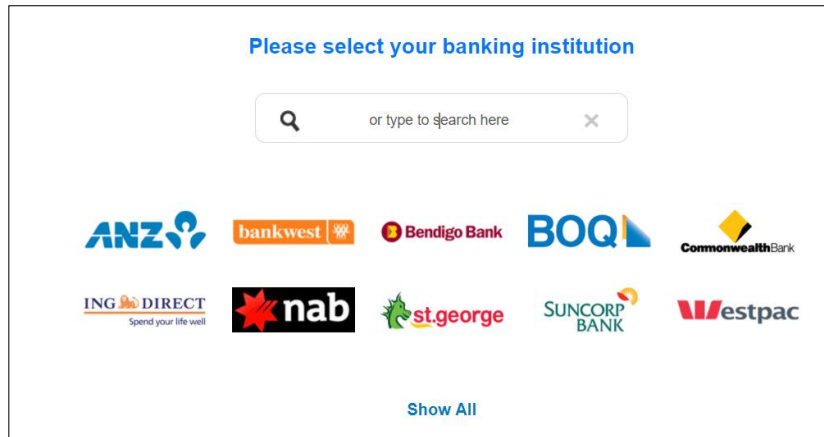
See wealth differently

Secure mobile access to your most important wealth information

- 'Whole of wealth' portfolio
- Document vault
- Charts, performance against goals

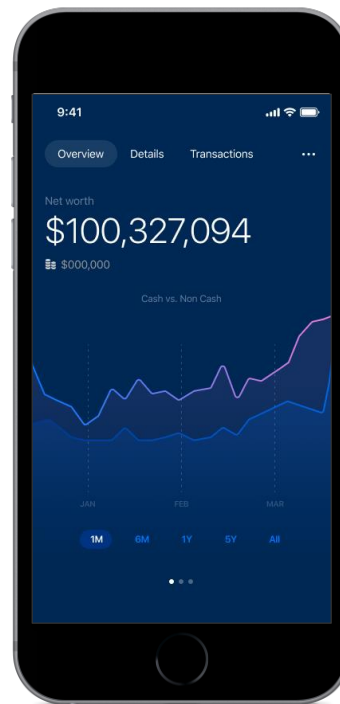


A 'whole of wealth' portfolio



Data feeds from financial institutions

In addition to 170 banks and credit union, we now also super funds, credit unions, broking accounts and super funds.



Investing plus bank-like features in one place

"Bank-like" features

[illegible]

netwealth

TP

Search for a client...

...

Portfolio

Reports & Statements

Transactions ▾

Client Details ▾

Activities & Tasks ▾

Forms & Research ▾

Pay a Bill

Turdanen Pension Fund129550
Investment Wrap 129550 / WRAP032422

BPAY

Billers code

Required

Customer reference number

Required

Amount

\$ 0.00

Description

Optional

Important note:

Please ensure the payment details, including the customer reference number and biller code are correct. Incorrect details may result in your payment being incorrectly accepted or rejected. Incorrect payments may not be recoverable.

Cancel

Submit

© Registered to Bivw Pty Ltd ABN 69 079 137 518

Intuitive reporting with insights

Portfolio valuation report



Portfolio performance report



Summary of business and financial highlights

Track record of growth in FUA, FUM, revenue and profitability

1

- \$4.4B FUA net inflows for 1H2020
- FUA of \$28.5B, up \$5.2B (+22.2%) for 1H2020
- FUM \$5.7B, up \$1.8B (+45.7%) for 1H2020
- Total revenue of \$58.7M, up \$10.4M (+21.7%) compared to PCP
- Underlying EBITDA¹ of \$30.5M, up \$5.7M (+22.8%)
- Underlying EBITDA margin¹ of 52.0%
- Underlying NPAT¹ of \$20.6M. NPAT margin 36.0%

2

Expanding whole of wealth solution

- Leader in solutions for HNW and private wealth clients
- Continue to develop and evolve SaaS based revenue model in addition to expanding our range of funds
- A new “premium” option which provides greater investment flexibility and functionality for sophisticated and HNW clients

3

Our pricing remains competitive

- Clients won in recent years have been onboarded at fee rates below those disclosed in our PDS and historical average fee rates
- Clients have been progressively moving from back book to front book fee rates
- Average account size is increasing
- A reduction in annualised platform revenue over average FUA to 44.6 bps

Favourable industry trends

4

- NWL has the highest industry netflows for the 6th consecutive quarter²
- Market share position up one to 8th overall²
- Ranked 1st for net promoter score, adviser experience, ongoing adviser support, overall functionality and client experience by Adviser Ratings³
- Ranked No1 platform for functionality and overall satisfaction by Investment Trends⁴
- All grandfathered commissions to end by 31 December 2020

5

Strategic investment for the future

- Netwealth has accelerated its investment in technology and distribution teams to maintain its scalability and efficiency as growth accelerates
- Netwealth is leading the market in moving towards a user-pay model and building the platform to provide different product options
- Offer a range of services that are not widely available such as bonds, international trading with multi-currency trading and wholesale funds



Exceptional cash generation

- Debt free
- Internal software and product maintenance and enhancement costs expensed

Return to shareholders

- Interim dividend of 6.9 cents per share
- Payable 26 Mar 2020
- Ex-dividend date 25 Feb 2020

1. Underlying EBITDA, EBITDA margin, NPAT and NPAT margin prepared applying accounting standard AASB117 Leases. Accounts have been stated in accordance with the new accounting standard AASB 16 Leases adopted from 1 July 2019. A reconciliation is provided in the 1H2020 results presentation.

2. Strategic Insight: Master Trusts, Platforms & Wraps (Sep 2019)

3. Adviser Ratings 2019 Financial Advice Landscape Report December 2019

4. Investment Trends – December 2019 Platform Competitive Analysis and benchmarking Report & Investment Trends – April 2019 Planner Technology Report (Primary users of the platform)

PDS – Product Disclosure Statements

The background features a light blue field with two large, overlapping curved shapes. A green shape enters from the top left, and a darker blue shape enters from the right, both curving towards the bottom center.

Thank you

Important notice and disclaimer

General Information only

Information provided is general information presented in a summary format as at 18 February 2020, and is therefore not necessarily complete. This presentation is for informational purposes only and is not to be relied upon as advice to investors or potential investors. This presentation does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. Investors should not rely on this presentation to make any investment decision, and should make their own assessment, conduct their own research of Netwealth and the Netwealth Group and consider these factors with their legal, tax, business and/or financial adviser before making any investment decision.

Forward-looking statements

This presentation may contain certain forward-looking statements with respect to the financial condition, operations and business of the Netwealth Group and certain plans and objectives of the management of Netwealth. Forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms “believes”, “estimates”, “anticipates”, “expects”, “predicts”, “intends”, “plans”, “goals”, “targets”, “aims”, “outlook”, “guidance”, “forecasts”, “may”, “will”, “would”, “could” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which because of their nature may cause the actual results or performance of the Netwealth Group to be materially different from the results or performance expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Netwealth Group’s present and future business strategies, the political and economic environment in which the Netwealth Group will operate in the future and financial market conditions, which may not be reasonable, and are not guarantees or predictions of future performance.

No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved, or that there is a reasonable basis for any of these statements or forecasts. Forward-looking statements speak only as at the date of this presentation and to the full extent permitted by law, Netwealth, the Netwealth Group, and their respective affiliates and related bodies corporate and each of their respective related parties and intermediaries disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this presentation (including, but not limited to, any assumptions or expectations set out in the presentation).

Past performance

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Financial data

All figures in the presentation are provided in Australian dollars. Financial data may be subject to rounding.

This document has been authorised for release by CFO and Company Secretary, Mr Grant Boyle

For further information please contact:

Grant Boyle, Chief Financial Officer

grant@netwealth.com.au

T: 03 9657 1488