



Results Presentation FY2023

See wealth differently

16 August 2023

FY
20
23

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General Information only

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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.

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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 the Board.

For further information please contact:

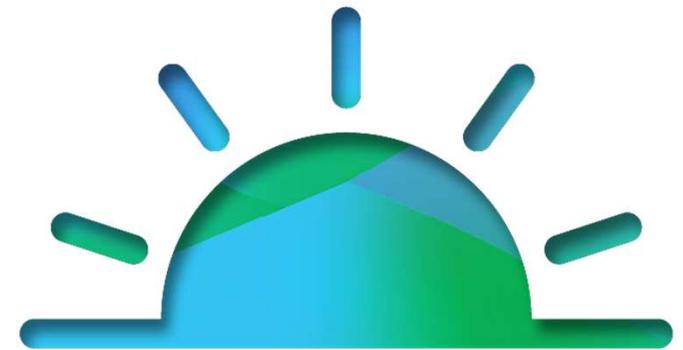
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Our purpose is

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



Today's presenters and agenda

Meet



Matt Heine
CEO & Managing Director



Grant Boyle
Chief Financial Officer

Discover

1. FY2023 business and financial highlights
2. Strategy and product update
3. Corporate sustainability
4. FY2023 financial performance
5. Outlook
6. Questions
7. Appendix and additional information

Acknowledgement of Country

We acknowledge the traditional owners of the lands that we work and live on.

Our office here in Sydney is on the lands of the traditional owners of the Gadigal people of the Eora Nation.

We celebrate the stories, culture and traditions of the Aboriginal and Torres Strait Islander people of all nations, and pay our respects to Elders past, present and future.

This statement is made by Netwealth Group Limited (Netwealth) on behalf of its reporting entities for the financial year ending 30 June 2023.



FY2023 Business highlights

1

Business and financial highlights FY2023



\$214.7M

Total Income
Growth \$38.1M (+21.6%)



\$70.3B FUA

(Current FUA \$72.2B)²



507

Average phone calls per day



\$100.7M

EBITDA
Growth¹ \$15.7M (+18.4%)



\$9.9B

FUA net inflows



84 seconds

Avg. speed of answer by contact centre



\$67.2M

NPAT
Growth \$11.6M (+20.9%)



\$16.0B FUM



9 mins

Average handle time per call



127,507

No. of Accounts
12 month growth of 11,865 (+10.3%)



\$2.0B

FUM net inflows FY2023



#1 Platform*

For Service and Managed Account



\$13.6B MA

Current MA \$14.1B²

100,000+

Primary school kids sponsored in Australia

1. Growth in EBITDA is comparative to underlying EBITDA for FY2022

2. Current FUA and Current MA as at 11 August 2023 (unaudited)

*Rated by Investment Trends as number 1 in Overall Satisfaction by users for the 11th consecutive year Adviser Technology Needs Report May 2023 and rated number 1 for Managed Account Transaction Tools by Investment Trends Platform Competitive Analysis and Benchmarking Report Dec 2022.

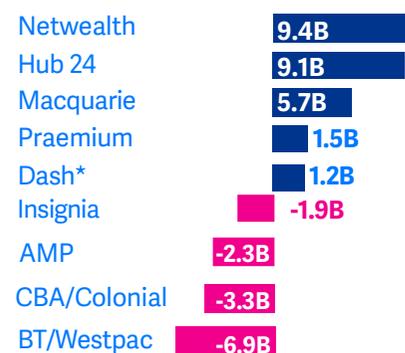
Netwealth is the leading specialist investment platform

Award winning platform



Rated by Investment Trends as number 1 in Overall Satisfaction by users for the eleventh consecutive year and rated number 1 by Investment Trends for Best Platform Overall in 2017, 2018, 2019 and 2022. Rated number 1 for Managed Account Transaction Tools by Investment Trends Platform Competitive Analysis and Benchmarking Report 2023. Rated by ChantWest as best Advised Product of the Year for five consecutive years (2018-2022). Rated by Adviser Ratings Best Overall functionality and Best client experience In 2022.

Fastest growing platform by net funds flow with increasing market share to 6.7% - Platform providers net funds flows (\$) (12 months to Mar 23)



Source: Plan For Life, Analysis of Wrap, Platform and Master Trust Managed Funds as at Mar 2023
Total net flows of +\$14.2B (Not included above: Others of \$1.7B)
*previously WealthO2

Top 4 institutions (with 64.4% of the market) are losing market share

Platform providers by FUA / % market share / market share movement Mar 22 to Mar 23

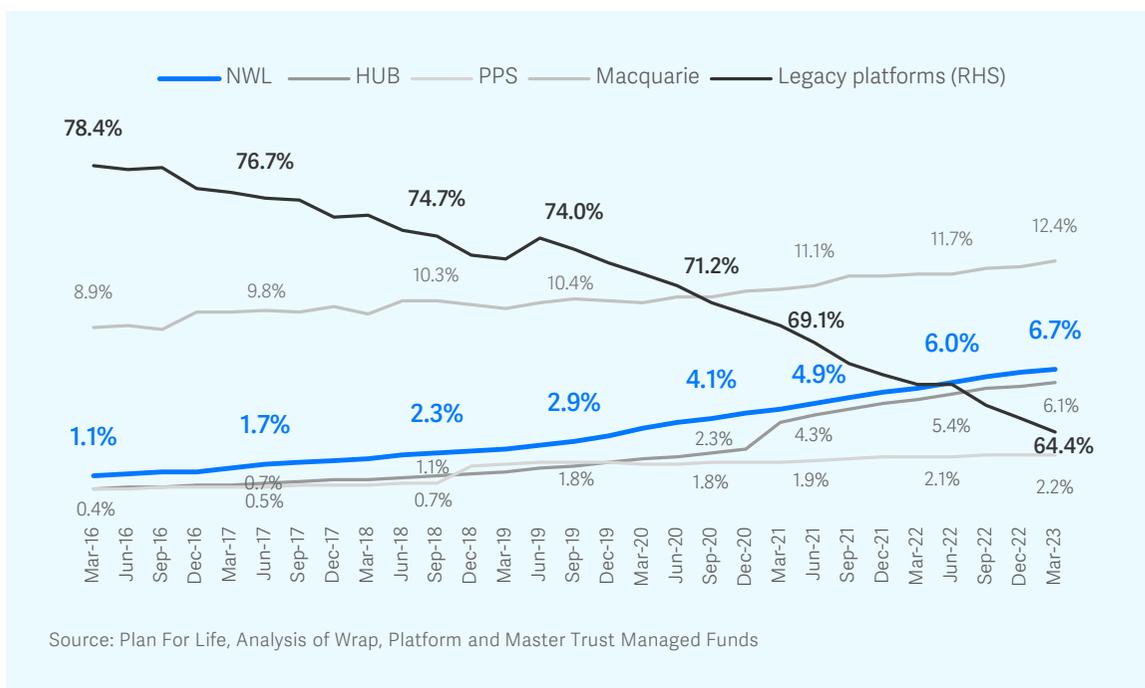
Insignia	\$199B	20.2%	-0.5%
BT/Westpac	\$163B	16.6%	-0.9%
CBA/Colonial	\$137B	14.0%	-0.4%
AMP	\$134B	13.6%	-0.8%
Macquarie	\$122B	12.4%	+0.7%
Netwealth	\$66B	6.7%	+1.0%
Hub 24	\$59B	6.1%	+1.0%
Praemium	\$22B	2.2%	+0.1%

Source: Plan For Life, Analysis of Wrap, Platform and Master Trust Managed Funds as at Mar 2023
Total industry retail FUA of \$982.5B (as at Mar 23)

Structural shift continues and shows no signs of slowing down

Netwealth remains a significant beneficiary of structural change with growth all organic

Quarterly Market Share analysis from March 2016 to March 2023



Market share increased to 6.7%

Market Share for 1 year to 31 March 2023

- Netwealth gained 1.0%
- Legacy platforms lost 2.5%

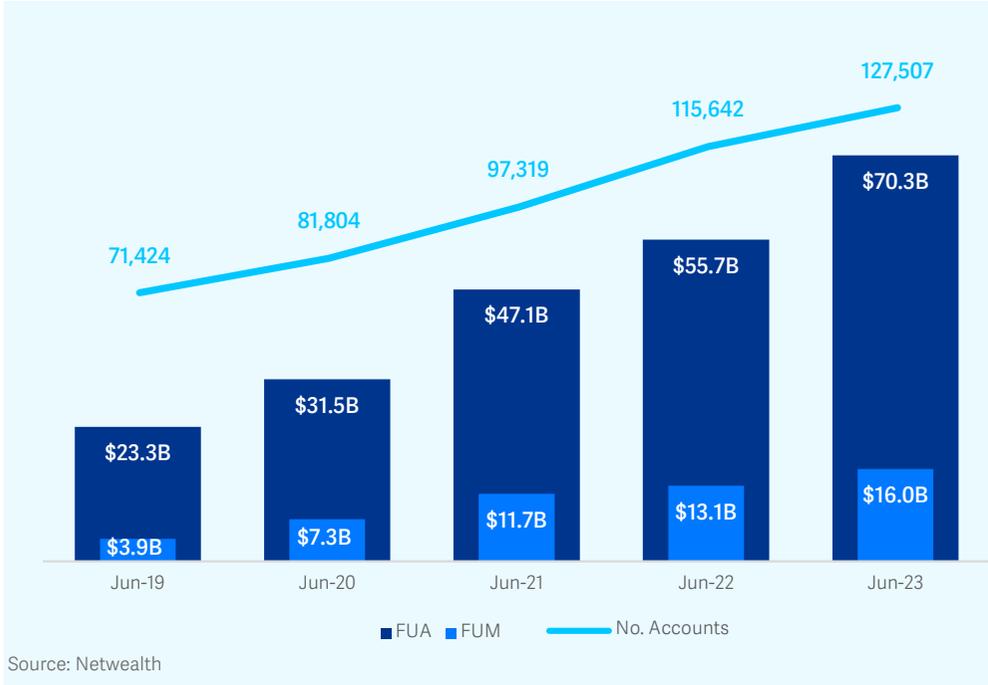
Market Share for 7 years to 31 March 2023

- Netwealth gained 5.6%
- Legacy platforms lost 14.0%

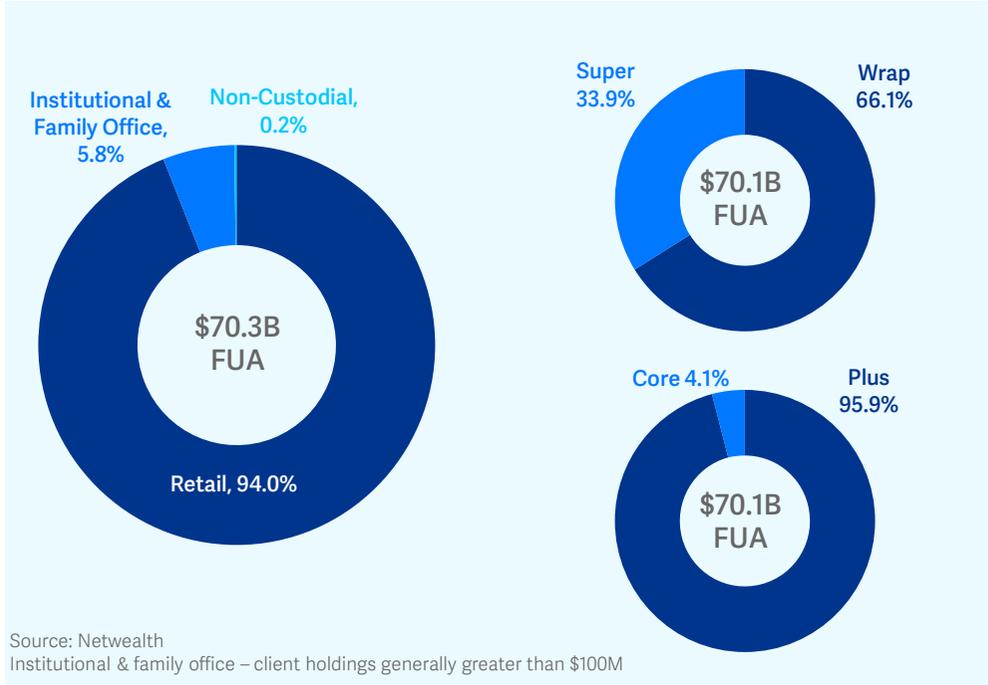
For the 12 months to March 2023 Netwealth represented 66.2% of total industry net inflows, compared to 45.6% in prior year.

Business growth and composition

Growth in FUA, FUM and Accounts



Composition of FUA



Transition pipeline remains strong

Both existing and new Financial Intermediaries contribute to yearly FUA net inflows

FY2023 FUA net inflows analysis

- New Financial Intermediaries from 1 July 2022 contributed approximately 9% of net inflows, lower than historical contributions, due to delays in transitions.
- Continued migration of accounts from our existing Financial Intermediaries accounted for approximately 91% of net inflows.

The ageing of FUA shows a diverse and loyal client base with strong upside

- New Financial Intermediaries typically transition their clients over a number of years. For example, Financial Intermediaries who began using Netwealth in FY2021 had FUA of \$1.3 billion at 30 June 2021, increased to \$3.6 billion FUA at 30 June 2023.

Several important new licensee relationships will begin transitioning and funding new accounts for years to come.

FUA net inflows analysis



Vintage analysis

New Financial Intermediaries (FI) per year	FI %	FUA %	FUA \$'B
FY2023	6.5%	23%	0.7 6.7
FY2022	7.7%	3.4%	2.4
FY2021	8.6%	5.2%	3.6
FY2020	9.0%	12.8%	9.0
FY2019	9.0%	8.2%	5.8
FY2014 to FY2018	33.4%	37.0%	26.0
Prior to FY2014	25.8%	32.4%	22.7

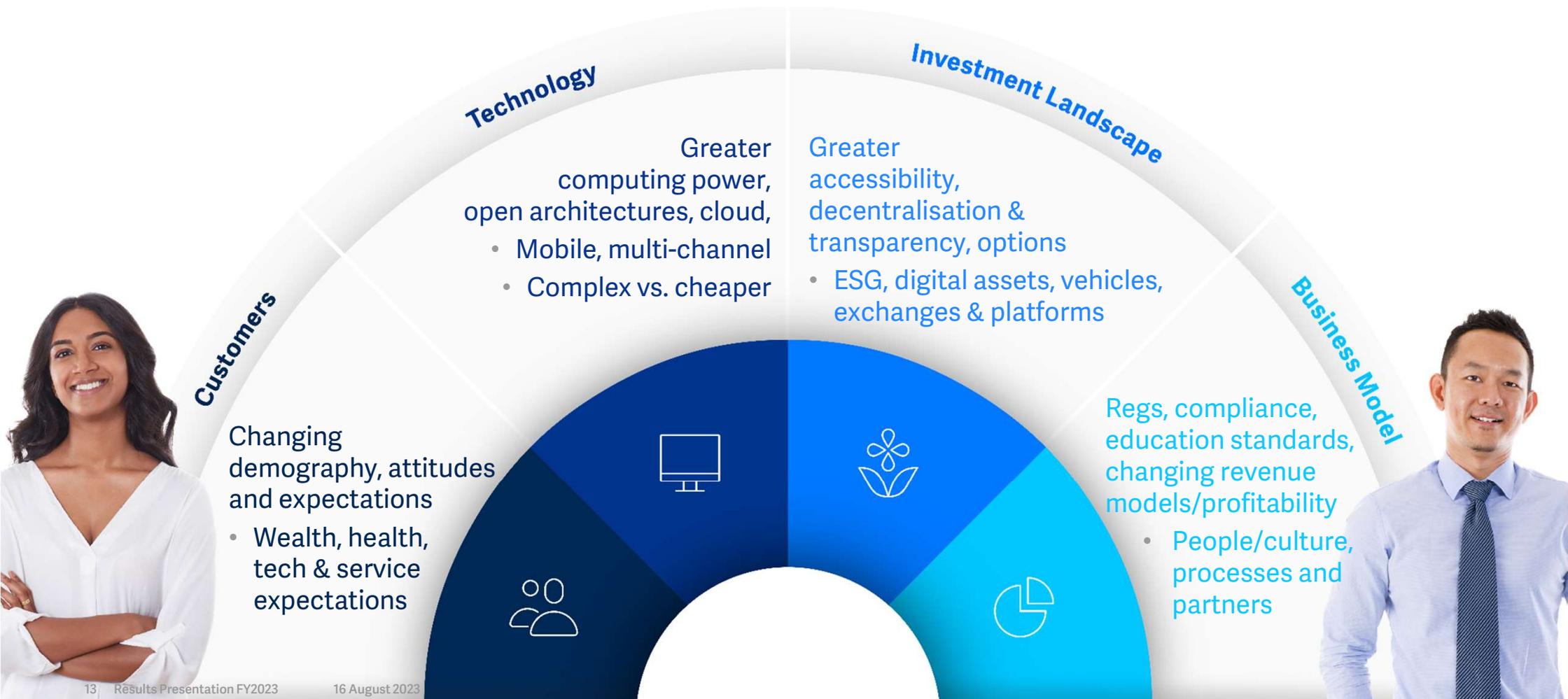
Source: Netwealth



Strategy and product update

2

Accelerating change = Opportunity



Building solutions for 65% of Australian adults

Emerging Affluent (under 45 years)



14%

Australian population 18+



\$1.32m

Total avg. household wealth

\$232k

Avg. household income



44%

Currently advised

31%

Considering advice

Established Mass (over 45 years)



40%

Australian population 18+



\$0.83m

Total avg. household wealth

\$63k

Avg. household income



26%

Currently advised

17%

Considering advice

Established Affluent (over 45 years)



10%

Australian population 18+



\$2.70m

Total avg. household wealth

\$202k

Avg. household income



38%

Currently advised

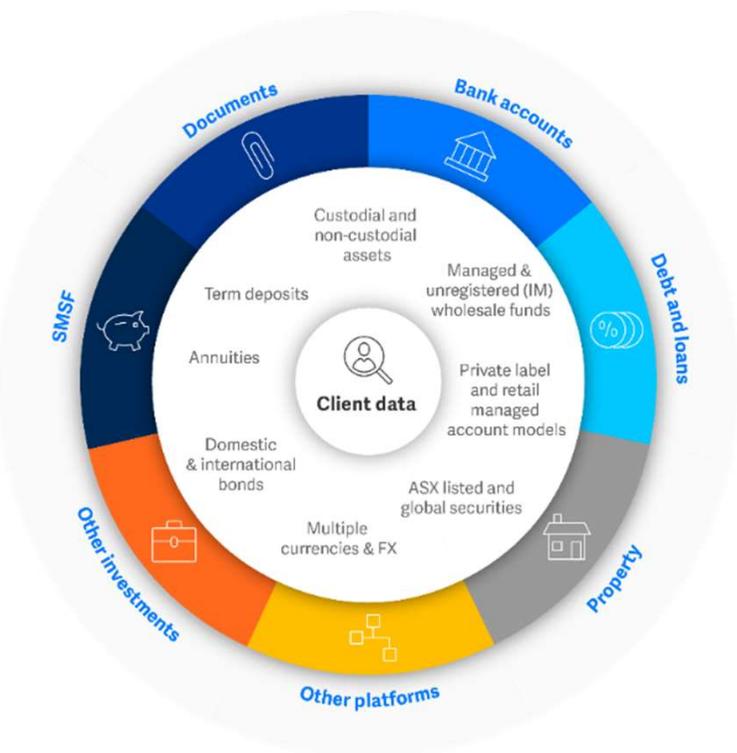
19%

Considering advice

A world of opportunities

Netwealth's whole of wealth platform

A world of investment access



A world of technology & administration

-  Client Access and Engagement
-  Client management tools
-  Advanced client and business reporting & analytics
-  External platform connectors including open API, Xeppo, 3rd parties
-  Enhanced security

A world of opportunities

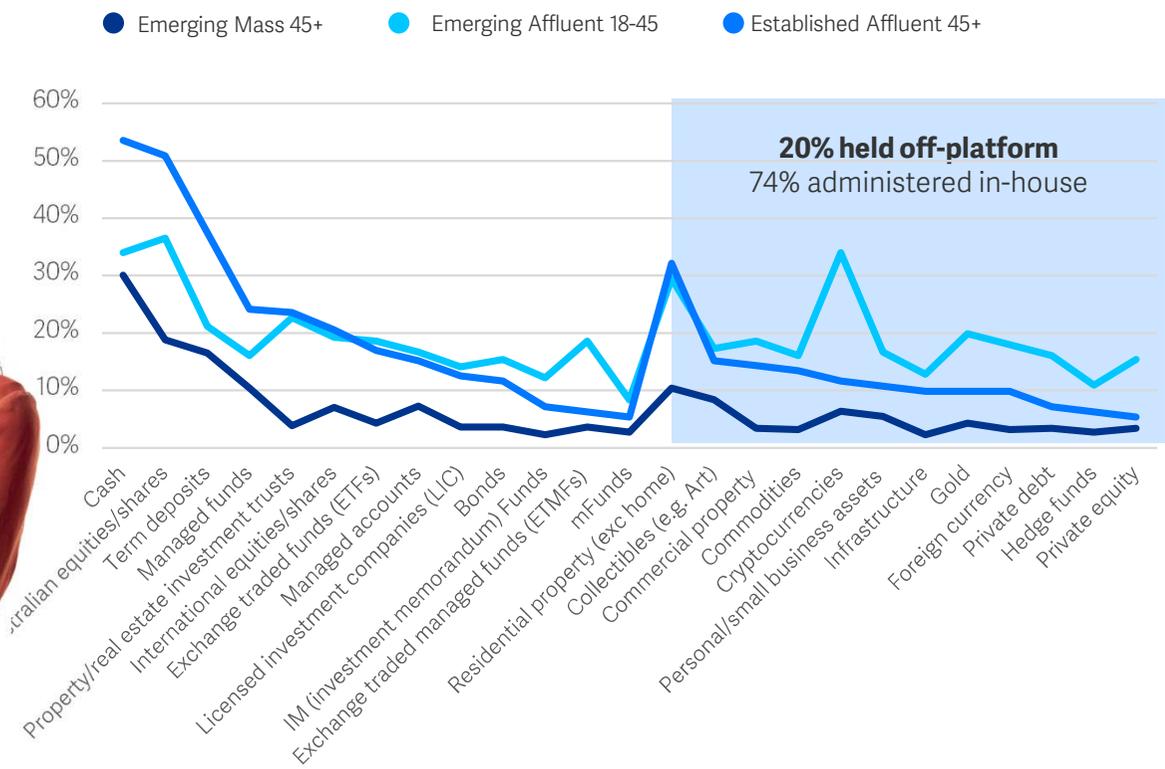
- 1** Improved customer engagement and satisfaction
- 2** Greater staff satisfaction and productivity
- 3** Increased operational efficiency and profitability

A world of investments

Australians invest in a range of assets and their age/wealth influence their decision making. Advisers need the tools to support these investments.



Which do you currently invest in?



A world of investments and portfolio management

- 1 CORE enhancements
- 2 MAPS - Global markets and alternatives and non-custodial administration
- 3 Data connectivity for a whole of wealth view
- 4 Domestic & international trading capabilities
- 5 Managed accounts



The continued adoption of Managed Accounts

IMAP Managed Account FUM (\$'B)

Netwealth market share 8.5%

Industry CAGR of 22%



Netwealth Managed Account FUM (\$'B)

Netwealth CAGR 33%



Netwealth Managed Accounts enhancement



Progressive release of Managed Account cash



Integrated MDA service



Strengthening the core - new model options

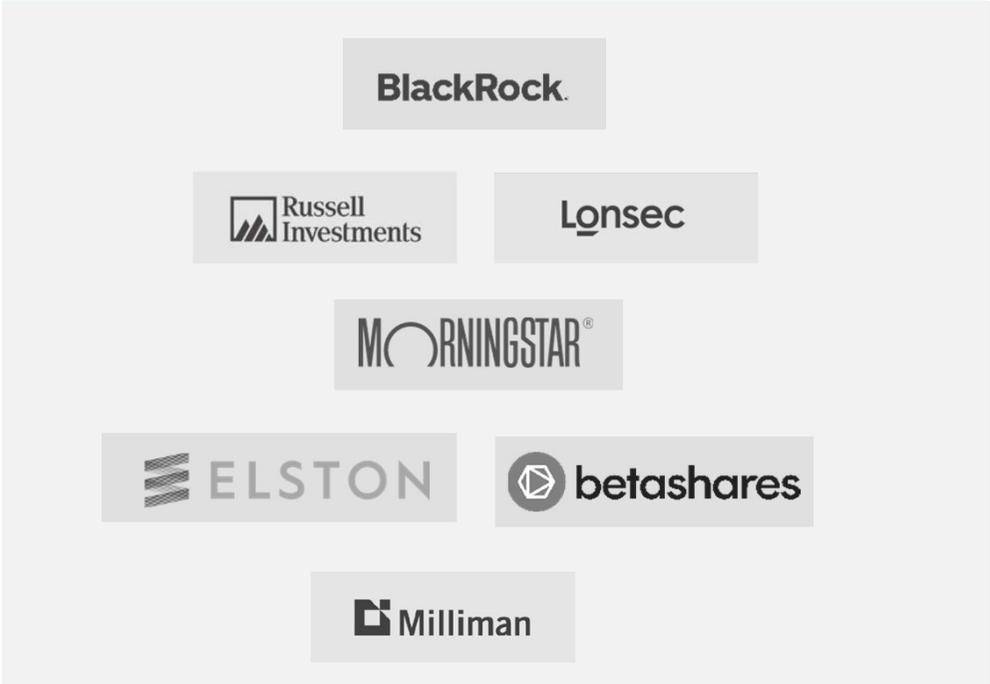


Liquidity management

Core enhancements

An expanded menu helps Netwealth service the Mass Affluent

Expansion of investment universe

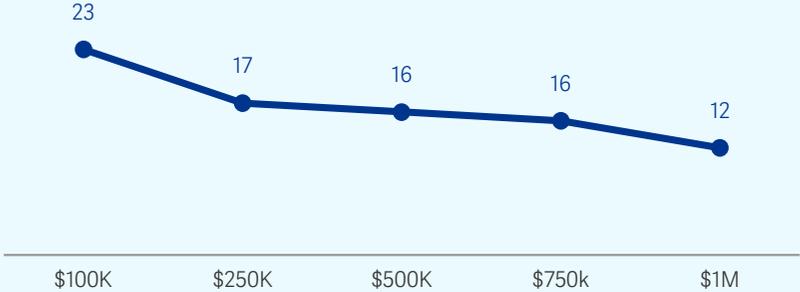


Cost effective pricing

15 bps*

* \$60 fixed, 15 bps capped at \$750K FUA (min \$225 pa)

Administration fees (bps) by account balance



Source: Netwealth
Pricing described is inclusive of GST and net of RITC

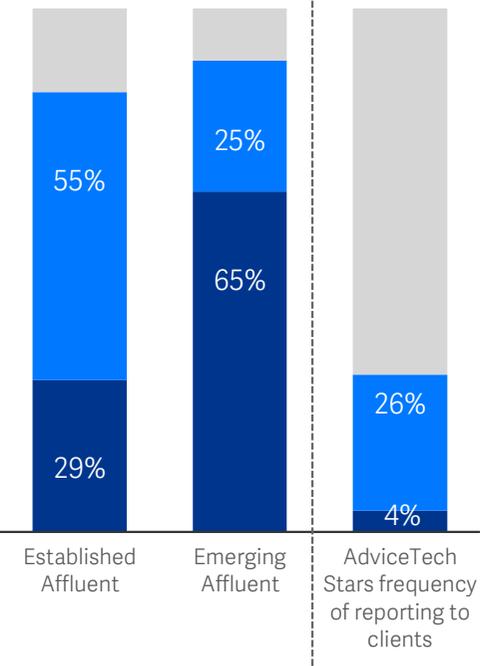
Client portfolio reporting

Australians have high expectations from their financial advisers when it comes to portfolio reporting, which is not always being met, even from our AdviceTech Stars firms.



How regularly would you like to receive investment-related information from your financial planner?

● Weekly or monthly ● Quarterly



Source: 2022 Advisable Australian Survey | 2023 AdviceTech Survey

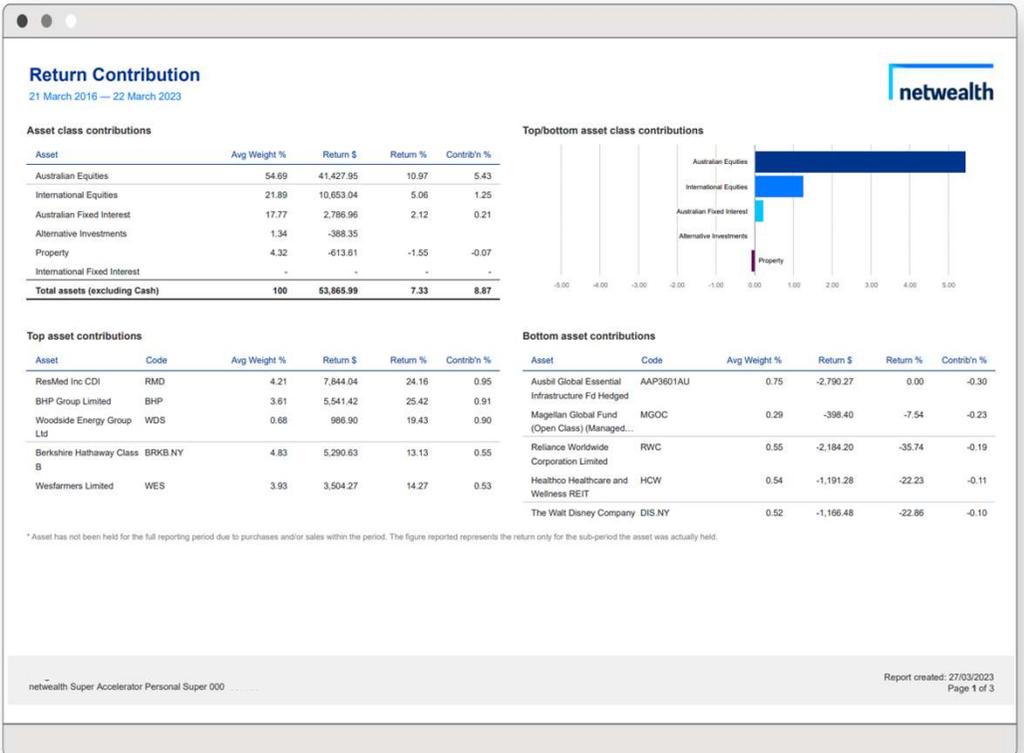
A world of reporting and analytics

- 1 Benchmarks
- 2 Global settings
- 3 Customised templates
- 4 Bulk reporting
- 5 Historical stitching for performance reporting
- 6 External data sets

Benchmarks

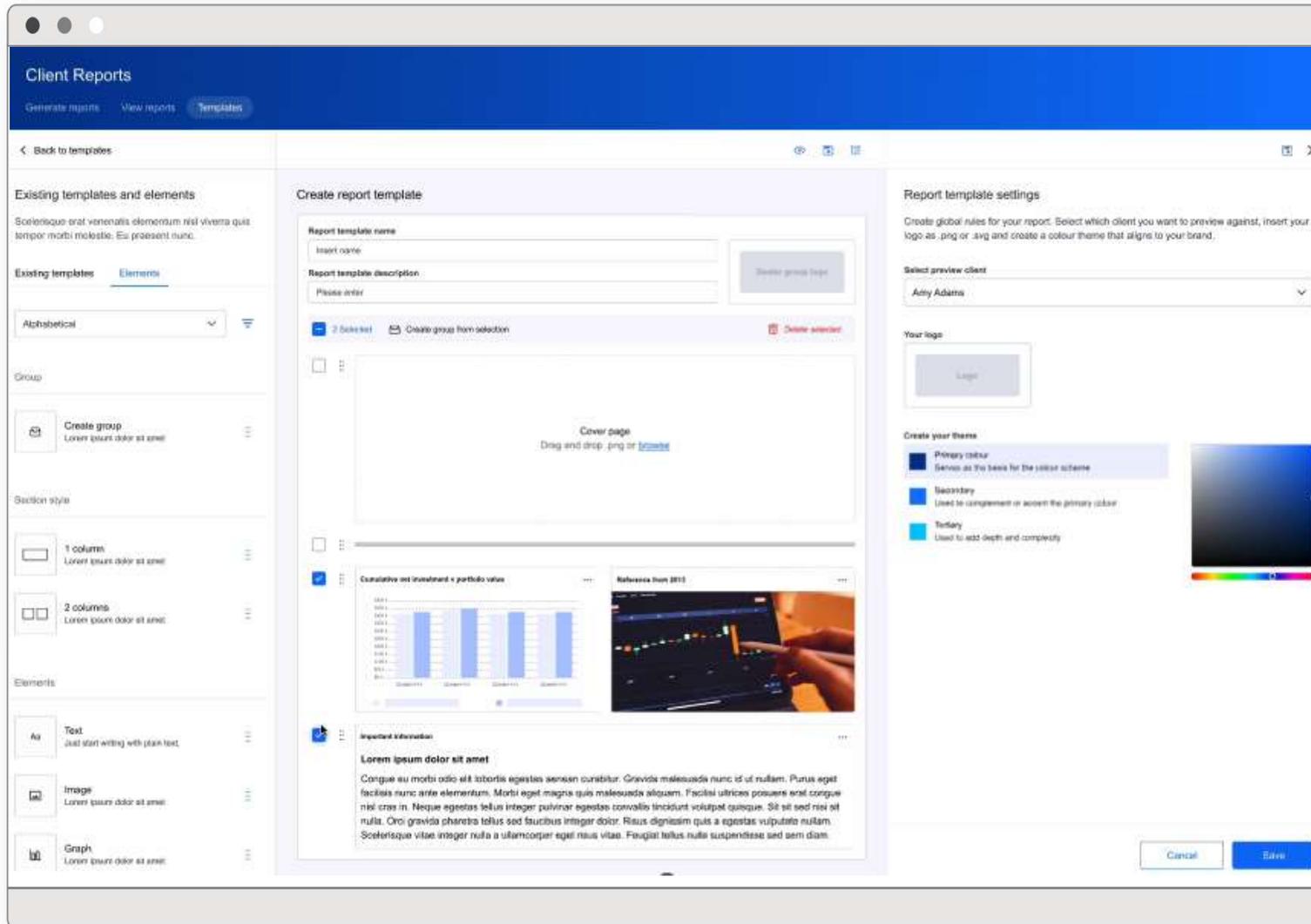


Return contribution



Report and review builder

Prototype only



Using Advicetech to improve adviser and business efficiency

Which of the following business goals do you hope to achieve with AdviceTech in the next 24 months?



Source: 2023 AdviceTech Survey

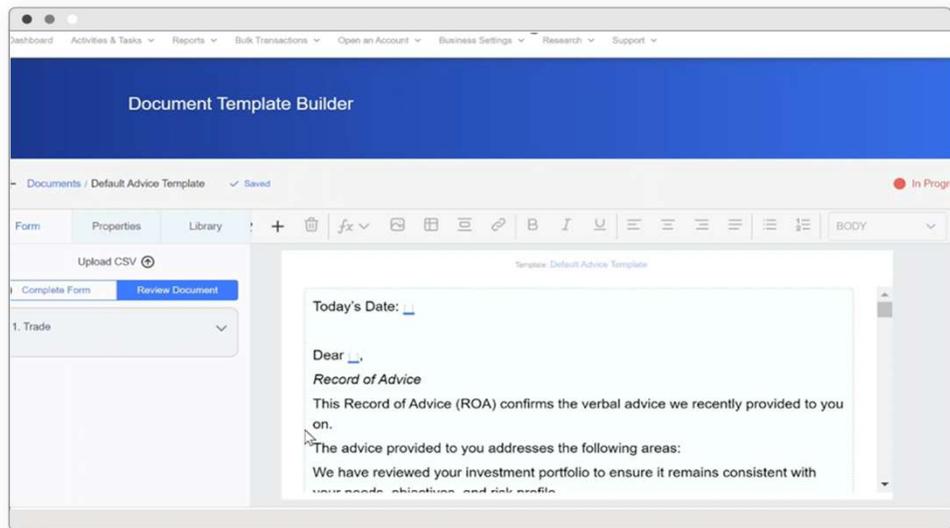
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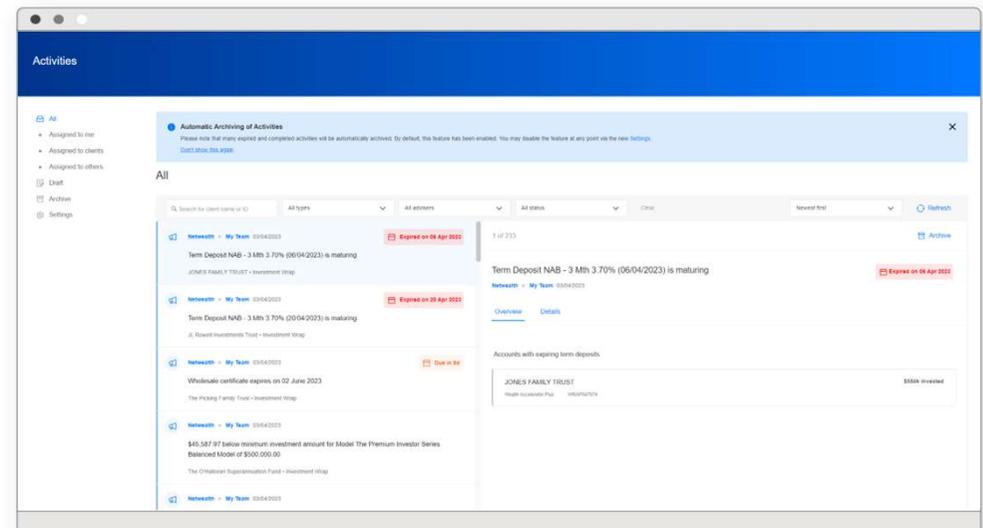
A world of adviser efficiency

- 
- 1 Ecosystem of partners with API and deep system integration
 - 2 SoA, RoA and advice automation
 - 3 Tasks and notifications
 - 4 Practice management reporting
 - 5 Cash management tools
 - 6 3rd party (e.g. accountant) access

Automated RoA enhancements



Activities

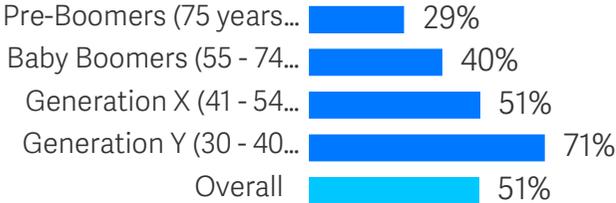


Using AdviceTech to improve customer satisfaction is a significant business opportunity

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

- Bridget van Kralingen, SVP IBM Global Markets

How many rate a firm’s digital or online capabilities (e.g. their app, client portal, website and social media presence) as a major or critical role in delivering a positive customer experience?



Source: 2022 Netwealth Advisable Australian Survey

To deliver on this your business will need to evolve to offer a customer 1st, digital 1st, mobile 1st experience.

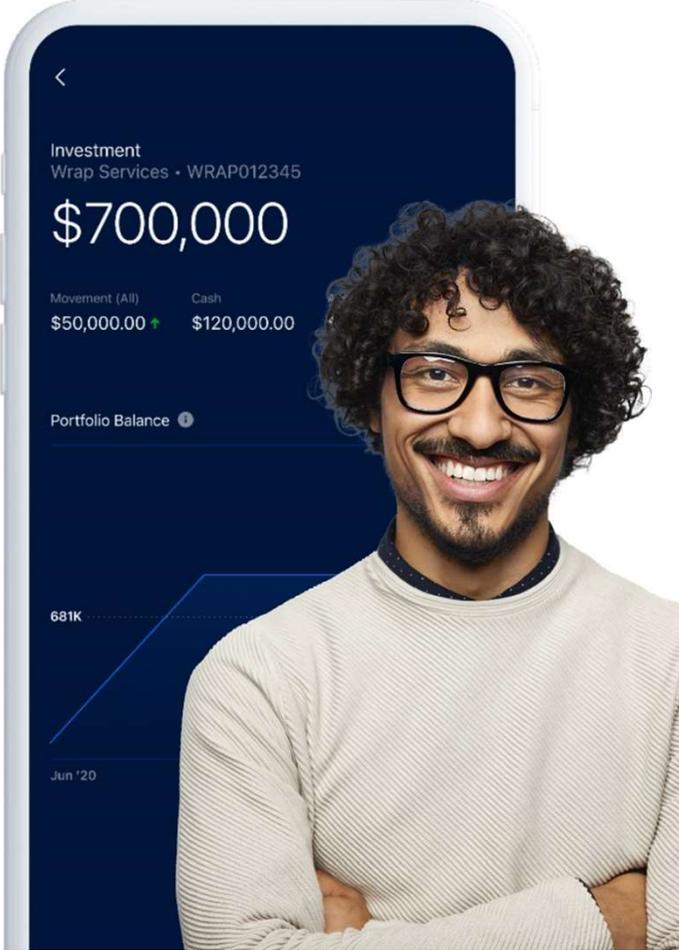


38% Use today

38% Intend to use in the next 24 months

79% Better client engagement 61% Better client satisfaction

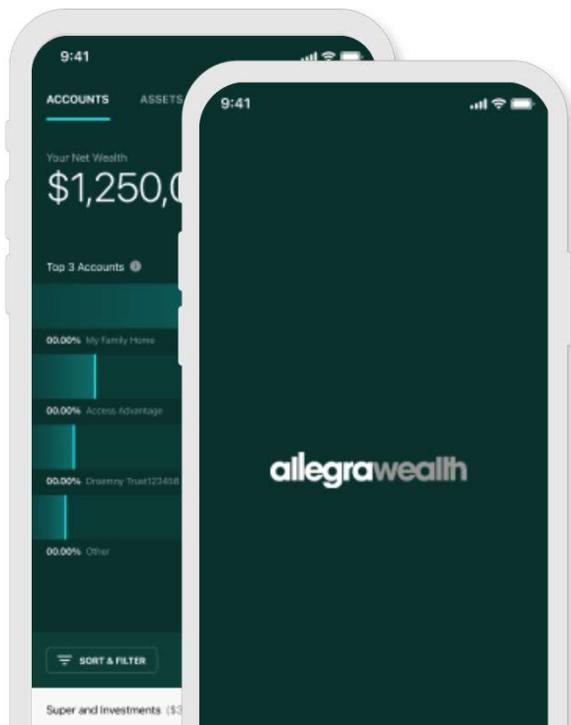
Source: 2023 Netwealth AdviceTech Survey



Netwealth mobile app

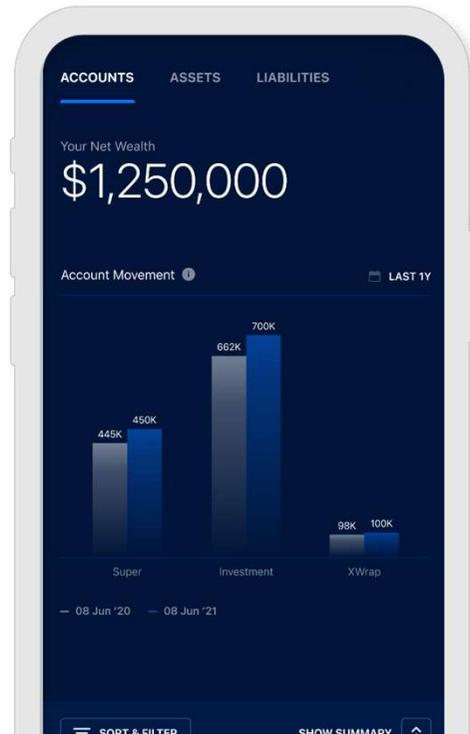
White labelling

Mobile app plus browser-based desktop configured to the brand



Visualise portfolios

Get a complete view of your asset allocation across your entire portfolio

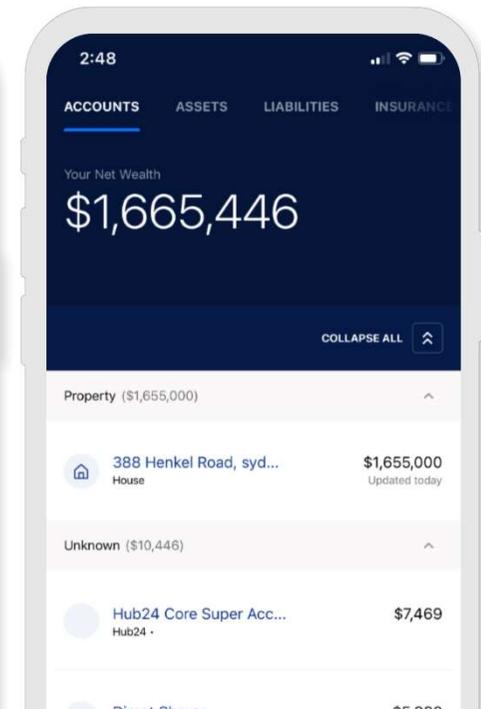
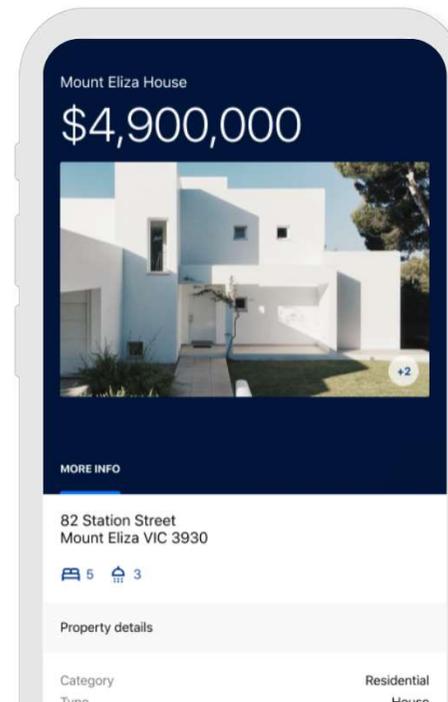


Mobile 'whole of wealth'

Bank and property feeds

Xeppo Connect

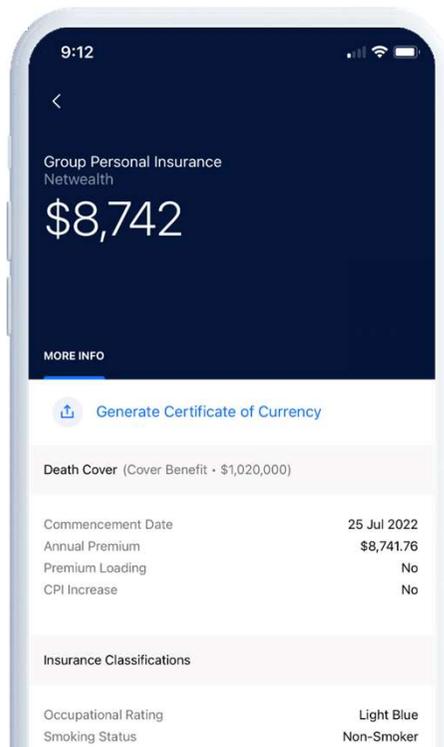
- Xplan and other 3rd party integrations
- No Netwealth account required



Netwealth mobile app

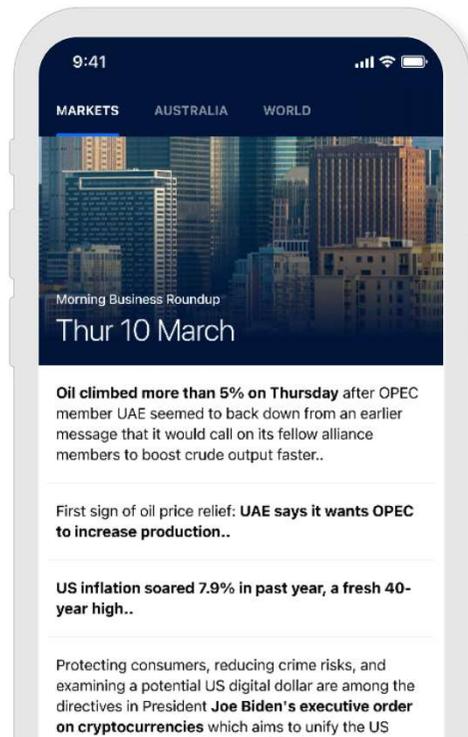
Insurance on the go

View details of group and retail insurance products held with Netwealth



Daily business & finance news

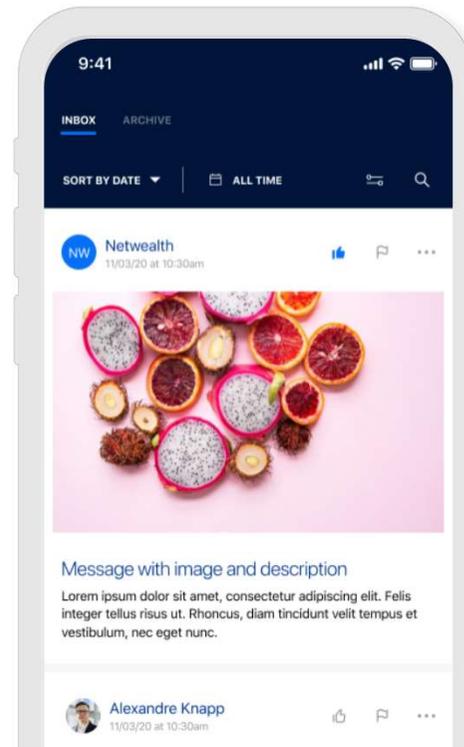
A daily feed of our morning business roundup business and finance news



Activities on mobile

Clients can view tasks and approve or action Netwealth or adviser originated activities, e.g. fee proposals

Prototype only



A world of insights that matter

Events, white papers, videos, webinars and podcasts.



The Advisable Australian

A content series that analyses the wealth behaviours of Australians with an examination of their financial literacy, investing attitudes, saving habits, wellbeing, technology usage and their propensity to use financial advisers.



Advice Foundations

A content series that looks to provide wealth professionals a unique perspectives in advice and technical advice strategies that deliver client best interest. Topics include the Federal Budget and legislative themes.



Portfolio Construction Megatrends

A content series that examines the investing and portfolio construction themes, and pays attention to upcoming trends, societal and cultural shifts and technology advancements that can impact portfolio construction.



AdviceTech Report

A content series that analyses the adoption trends of AdviceTech by wealth professionals, and pays special attention to the needs of advisers, their clients as well as the popular suppliers driving the industry.



colab

Netwealth's colab is an invite-only community of like-minded wealth professionals, brought together to learn, to be inspired, to support each other and collaborate!



Between Meetings podcast series

Matt Heine, Joint Managing Director of Netwealth, chats to industry professionals and thought leaders on what opportunities and challenges they see for financial advisers and the wealth industry.



Portfolio Construction podcast series

Paul O'Connor, Netwealth's Head of Investment Management & Research, picks the brains of wealth management professionals to uncover unique insights on the investment areas they are passionate about.



Innovation toolkits

We've worked with some of Australia's leading innovation experts to create a collection of workshops & tools to inspire creativity in your team. These simple, team exercises have been designed to help your business see innovation differently.



Business IQ magazine & newsletter

Gain insights from the industry's brightest minds and discover ways to grow your business. Explore articles that not only food for thought, but concrete actions that can deliver additional value to your business and clients.



Morning business roundup daily newsletter

Netwealth's curated daily roundup of local and international market and economic news read by over 8,000 readers.

Corporate Sustainability

3

Corporate sustainability

Enhance our core business

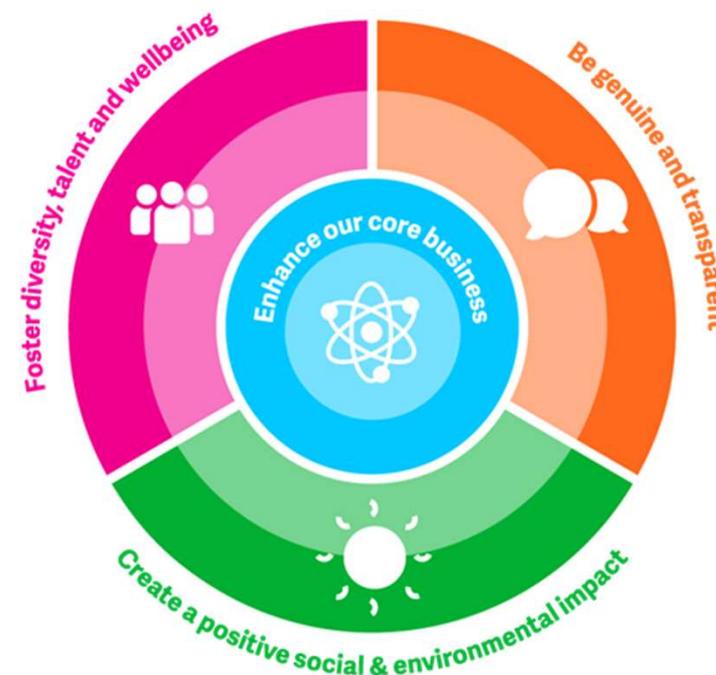
- Continued to be the market leading platform for the High Net Worth sector by expanding its whole of wealth offering.
- Supported existing adviser base with functionality to drive adviser efficiency.
- Maintained market-leading technology position and constantly leverage technology advantages for operational efficiency and superior adviser experience.

Be genuine and transparent in our dealings

- Focused on the quality and transparency of investment options.
- Sustainalytics - specialised ESG investor research is available for all clients.
- Begun estimating our base Scope 1 and 2 emissions and are in the process of creating a carbon reduction plan to enable us to take a proactive approach on our environmental impact.

Foster diversity, talent and wellbeing

- Attained Work180 and Best Place to Work accreditations and ranked 6th in the Top 10 Best Places to Work for Women by Work 180 in March 2023.
- Achieved 77% employee engagement score, top quartile in our industry.
- Proactively addressed psychosocial safety risks and promoted an inclusive work environment free from harassment and discrimination.



For more detail on our achievements and our goals, visit our website:
<https://www.netwealth.com.au/web/about-netwealth/corporate-sustainability/>

Corporate sustainability

● Create a positive social and environmental impact

- Impact Partners; Live4Life, People & Parks Foundation and Food for Change through employee workplace giving, fundraising and Netwealth matched donations into the Netwealth Impact Fund.
- Over 575 employee volunteering hours recorded for the following opportunities: Go Girl, People and Parks Foundation, Eat Up, RSPCA and Food Bank.
- By supporting Banquer Primary, the Centre for Women's Economic Safety and Go Girl Go for IT Expo Netwealth provides financial literacy education and financial wellness opportunities in our community.
- At July 2023, Netwealth supported Banquer Primary in delivering a financial literacy programme to over 100,000 Australian primary school students.

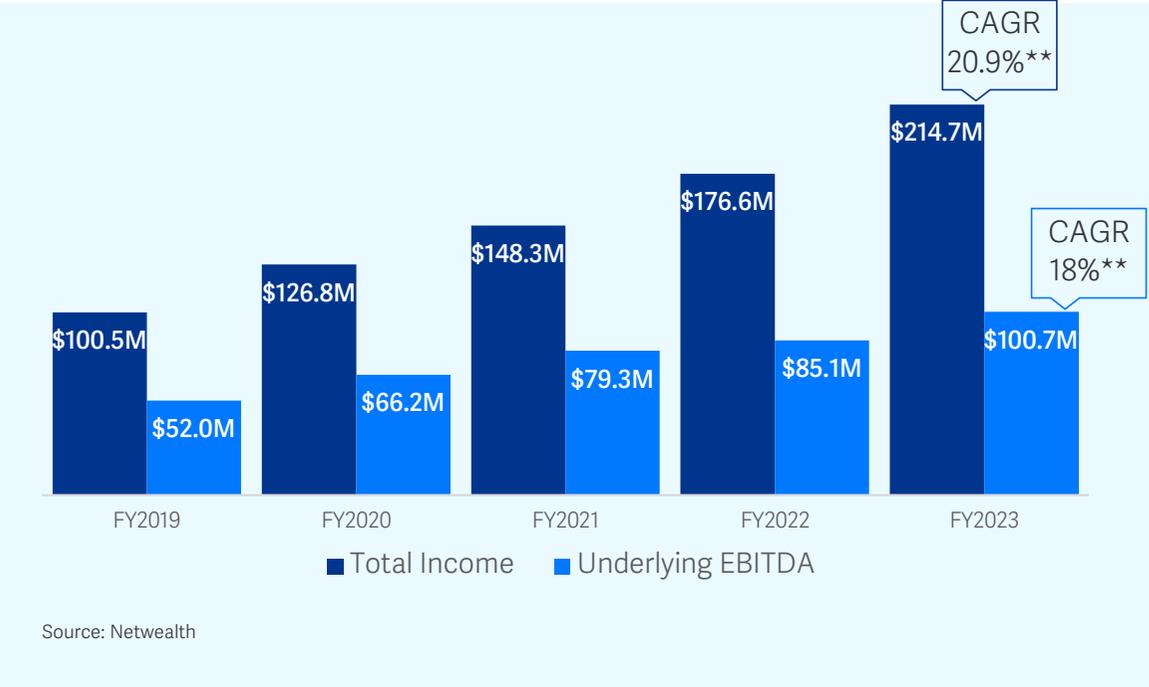


FY2023 Financial performance

4

Consistent momentum reflects macro resilience

Total income and underlying EBITDA FY2019 to FY2023



- EBITDA exceeded \$100 million for the first time at an impressive EBITDA margin of 48%*
- EBITDA growth momentum with significant investment in platform roadmap, system scalability, security and service capability
- Operating net cash flow conversion rate remains very high

* EBITDA margin % excludes share based payment expense

** 4 year CAGR 2019 - 2023



Strong operating performance

Financials	FY2023	FY2022	Change	% Change
Platform Revenue	207.0	173.0	34.1	19.8%
Other Income	7.7	3.8	4.0	105.5%
Total Income	214.7	176.6	38.1	21.6%
Employee Benefits Expenses	(77.9)	(63.8)	14.0	22.0%
Share Based Payment Expenses	(2.4)	(3.1)	(0.7)	(22.0%)
Other Costs & Expenses ²	(33.7)	(24.6)	9.1	36.9%
Total Operating Expenses²	(114.0)	(91.5)	22.5	24.5%
Underlying EBITDA²	100.7	85.1	15.7	18.4%
Underlying EBITDA Margin %²	46.9%	48.2%	(1.3%)	-
Underlying EBITDA excluding non-cash share-based payments ²	103.1	88.1	15.0	17.0%
Underlying EBITDA Margin excluding non-cash share-based payments % ²	48.0%	49.9%	(1.9%)	-
Underlying NPAT²	67.2	55.9	11.3	20.1%
Underlying NPAT margin %²	31.3%	31.6%	(0.3%)	-
Statutory NPAT	67.2	55.6	11.6	20.9%
Statutory NPAT margin %	31.3%	31.5%	(0.2%)	-
Underlying Operating net cash flow before tax ²	106.3	83.7	22.6	26.9%
Underlying EPS – fully diluted (cents) ²	27.2	22.7	4.5	20.2%
Annual Dividend (DPS)	24.0	20.0	4.0	20.0%

\$M unless otherwise stated

- \$3.2M brokerage expenses (\$3.3M FY2022), previously included "Net" in Platform revenue, have been reclassified as expenses under other costs and expenses in the table.
- Operating Expense and Underlying EBITDA, NPAT, Operating net cash flow before tax and EPS excludes non-recurring cash flow items for FY2022 - \$0.5 million of legal and consulting costs related to acquisitions no longer pursued. No non-recurring costs in FY2023.

Increasing returns to investor

EPS (cents)



DPS (cents)



Source: Netwealth

Growth in challenging environment

Platform Statistics	FY2023	FY2022	Change	% Change
Funds Under Administration (FUA)				
FUA - Custodial	70,146	55,652	14,494	26.0%
FUA - Non-custodial	126	-	126	100%
Total FUA	70,272	55,652	14,620	26.3%
FUA Inflows - Custodial	18,609	18,679	(70)	(0.4%)
FUA Outflows - Custodial	(8,844)	(5,690)	(3,154)	(55.4%)
FUA Net Inflows Custodial	9,765	12,989	(3,224)	(24.8%)
FUA Net Inflows - Non-custodial	117	-	117	100%
Total FUA Net Inflows	9,882	12,989	(3,107)	(23.9%)
Funds Under Management (FUM)				
Managed Account	13,592	11,170	2,422	21.7%
Managed Funds	2,368	1,908	460	24.1%
Total FUM	15,960	13,078	2,882	22.0%
Net Inflows – Managed Account	1,590	2,321	(730)	(31.5%)
Net Inflows - Managed Funds	369	264	105	39.8%
Total FUM Net Inflows	1,959	2,585	(626)	(24.2%)
Accounts EOP (number)	127,507	115,642	11,865	10.3%
Financial intermediaries EOP (number)	3,512	3,327	185	5.6%
Cash transaction account as a % of FUA (EOP)	6.4%	7.9%	-	-
Market Movement				
Market movement FUA - Custodial	4,730	(4,476)	9,206	-
Market movement FUA - Non-custodial	9	0	9	-
Total FUA market movement	4,739	(4,476)	9,215	-
Total FUM market movement	922	(1,253)	2,175	-

\$M unless otherwise stated

EOP – End of Period

Net Inflows exclude market movement

FY2023 commentary

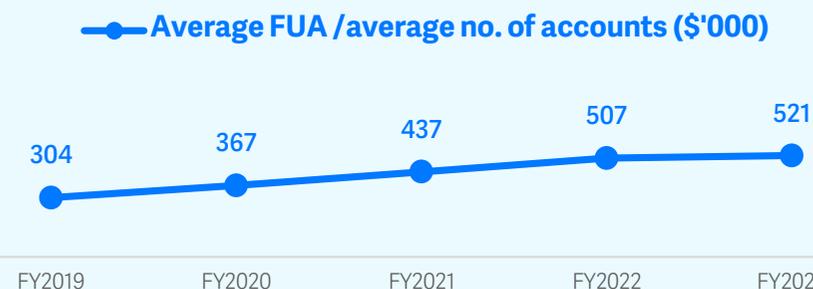
- FUA at 30 June 2023 of \$70.3 billion, an increase of \$14.6 billion, 26.3% increase.
- Record annual FUA Inflows of \$18.7 billion for FY2023.
- The new Wealth Accelerator - Multi-asset Portfolio Services was successfully launched in April 2023 with \$126 million of non-custodial FUA onboarded at 30 June 2023.
- Funds Under Management (FUM) at 30 June 2023 of \$16.0 billion an increase of \$2.9 billion.
- Managed Account balance of \$13.6 billion at 30 June 2023, an increase of \$2.4 billion, 21.7% increase.
- Cash transaction account as a % of FUA at 30 June 2023 reduced to 6.4%, reflecting;
 - increases in term deposits held by clients on the platform which increased to \$1.9 billion at 30 June 2023 from \$0.4 billion at 30 June 2022; and
 - a significant number of clients may have also chosen to hold their term deposit holdings or fixed income products off platform.
- Client Accounts where 127,507 an increase of 11,865 accounts (10.3% increase) to FY2022.

Improved revenue margins

Revenue per account and bps both improved in FY2023

Key Performance Statistics	FY2023	FY2022	Change
Average FUA /average No. of Accounts (\$'000)	521	507	14
Platform Revenue /average No. of Accounts (\$)	1,710	1,621	89
Platform Revenue /average FUA (bps)	32.8	32.0	0.8
EBITDA/average FUA (bps)	16.0	15.7	0.3

- Average account size increased to \$521,000 for FY2023.
- Platform revenue per account of \$1,710 for FY2023, an increase of \$89 per account for FY2023.
- Platform revenue/average FUA of 32.8 bps for FY2023, an increase of 0.8 bps, primarily driven by a higher cash margin rate and partially offset by lower transaction fee income.
- EBITDA/average FUA of 16 bps for FY2023 and increase of 0.3 bps from FY2022.



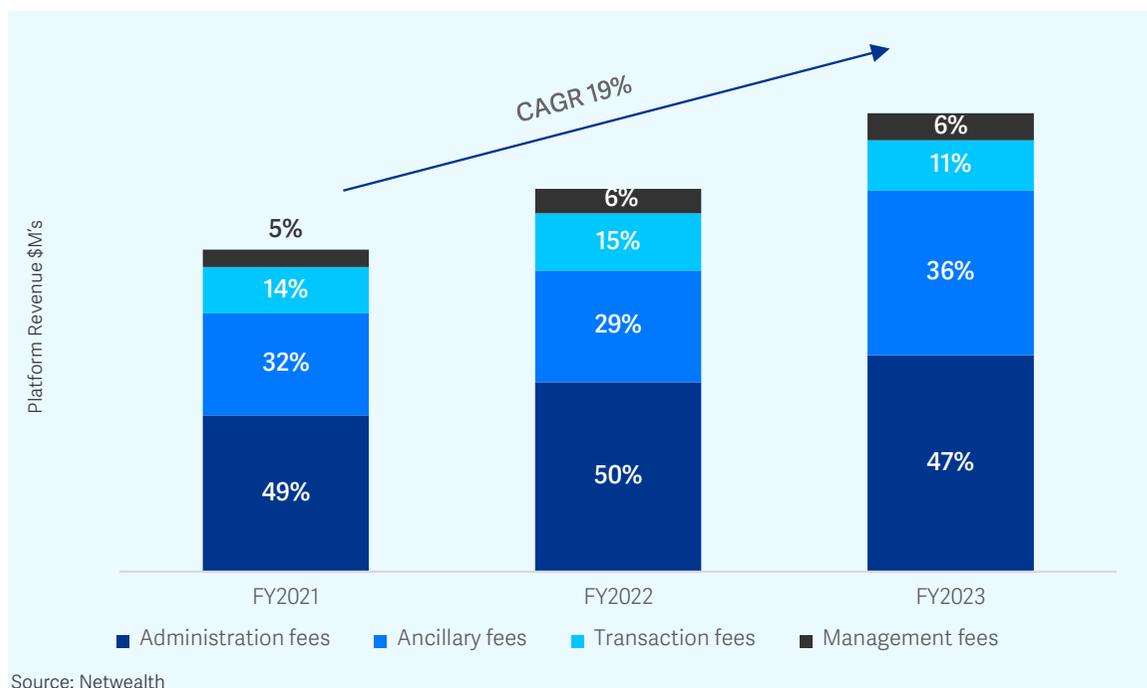
Source: Netwealth



Core components of Platform revenue

A high level of recurring revenue and a focus on revenue diversification has delivered strong growth despite challenging economic environment

Platform revenue split FY2021 to FY2023



Source: Netwealth

Brokerage expenses, previously included "Net" in Platform revenue, have been reclassified as expenses under other costs and expenses in the graph above.

Administration fees

- Wrap
- Super

Ancillary fees

- Pool cash interest retained
- Netcash
- International equities admin
- Managed model service
- Fund manager service
- Insurance admin
- SMSF admin
- Annuities
- Non-custodial administration
- Premium assets

Transaction fees

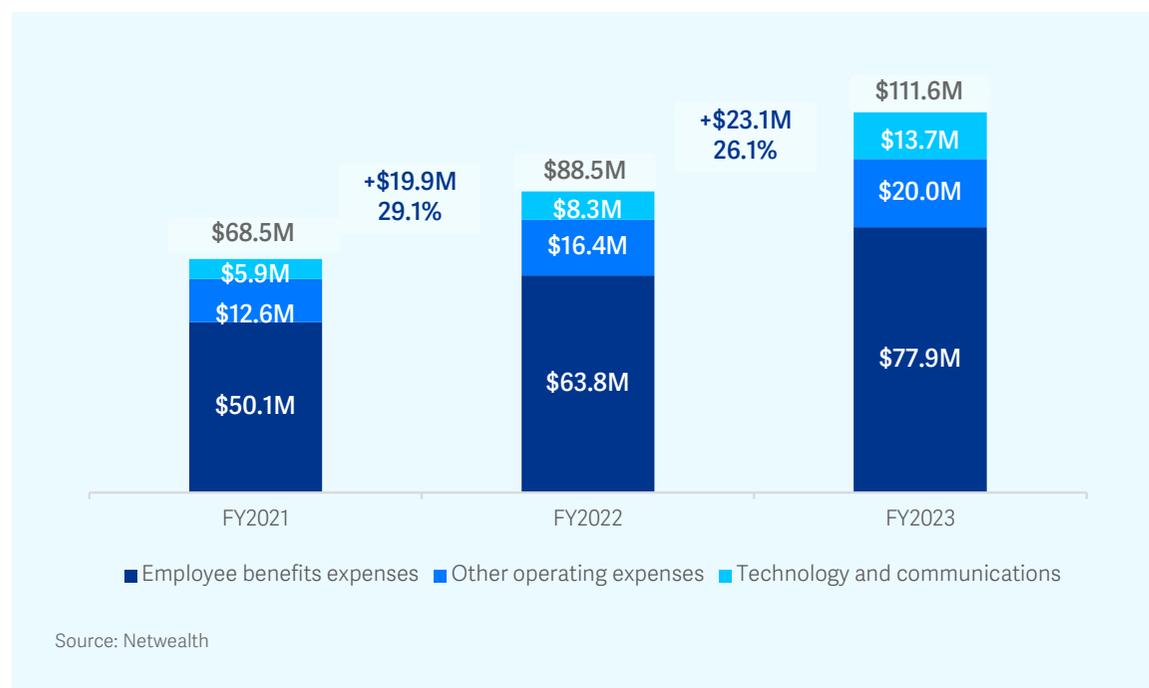
- Brokerage
- Share settlement
- Managed account brokerage
- FX margins
- International
- Offline transactions
- IPO & Broker handling

Management fees

- NWL Funds
- Managed Account

A disciplined approach to long term investment

Total underlying operating expenses



FY2023 commentary (comparisons FY2022)

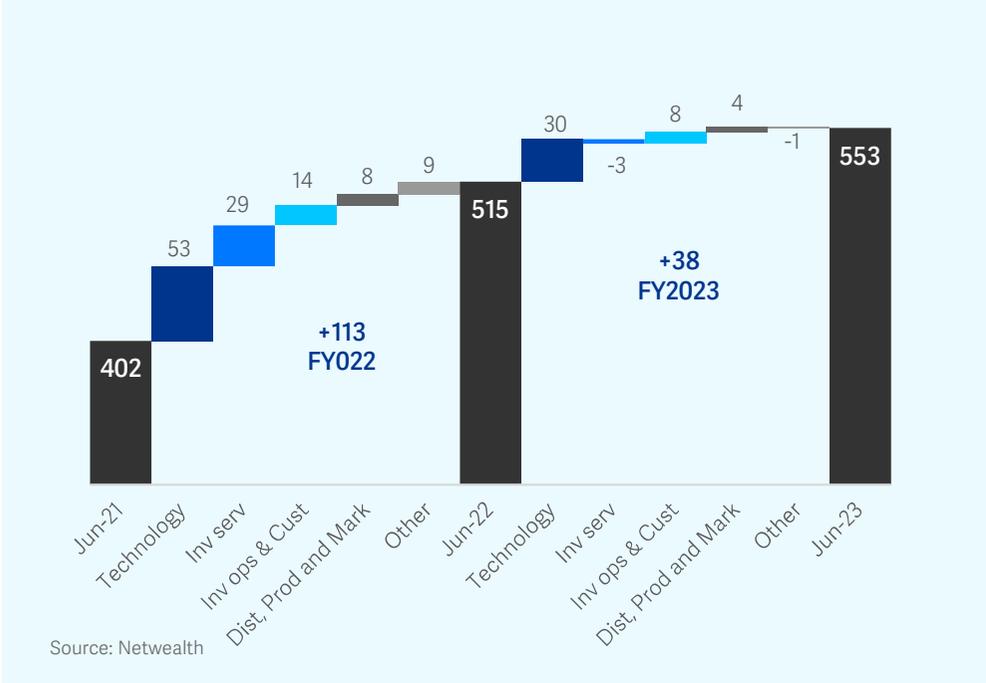
- Total underlying operating expenses of \$111.6 million (\$88.5 million), an increase of \$23.1 million, 26.1% increase.
- Employee benefits expenses of \$77.9 million (63.8 million) an increase of \$14.0 million, 22.0% increase.
- Headcount at 30 June 2023 of 553 with an additional 38 roles added in FY2023.
- Employee benefits expenses account for 70% of total operating expenses, a decrease of 2% compared to FY2022. This reduction is offset by a 3% increase in investment in technology and communications, which accounted for 12% of total operating expenses during the same period.
- Technology and communication expense of \$13.7 million (\$8.3 million) an increase of \$5.4 million, 65.3% increase to FY2022 due to the strategic step-up in investment into platform infrastructure, scalability and cyber security.

Excluding share based payments expenses and recognised transaction fee revenue on a "gross" basis by recording cost of execution as a direct cost and reflected this change in the comparative period.

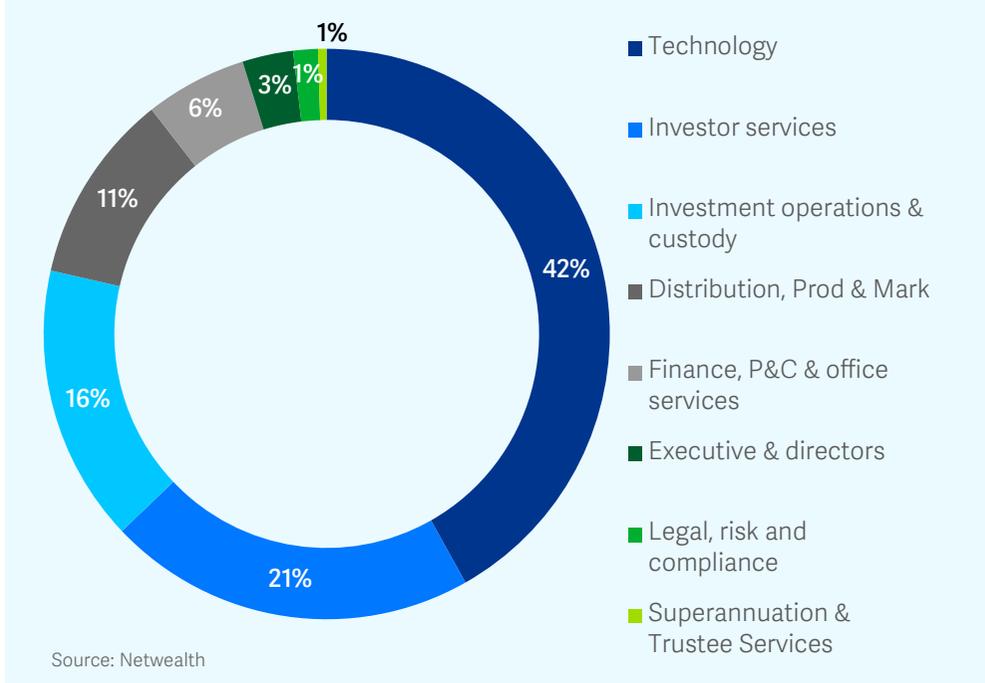
An increased focus on expense management

Of the 38 additional roles, 30 were in technology, reflecting our ongoing investment in enhancing the platform capability

A team of 553 at 30 June 2023



Headcount by function 30 June 2023



At 30 June 2023 there were 38 vacant open roles, an unusually high number (16 vacancies at 30 June 2022).



Summary | Strong financial and market position



Highly profitable, with strong EBITDA margin

- Revenue growth
- High level of predictable recurring revenue



An extremely high correlation between EBITDA and operating cash flow, resulting in strong cash generation



Strong balance sheet

- Low capital expenditure
- Debt free
- Significant cash reserves



Ongoing strategic investment across technology infrastructure, people and software



A leader in High Net Worth and private wealth solutions and increasing focus on mass affluent and emerging affluent segments



#1 Platform¹

- Annual net inflows
- For customer satisfaction
- Managed Accounts

1. Rated by Investment Trends as number 1 in Overall Satisfaction by users for the 11th consecutive year (2014-2023) Adviser Technology Needs Report May 2023 and rated number 1 for Managed Account Transaction Tools by Investment Trends Platform Competitive Analysis and Benchmarking Report Dec 2022.

Outlook

5

Outlook

Update on strategic initiatives

Core product relaunch

- Relaunching an upgraded Core product in September 2023.
- The enhanced Core product is expected to:
 - Significantly boost market presence in both the mass affluent & emerging affluent segments.
 - Generate new streams of revenue & increase FUA net inflows.
- The enhanced Core product will feature:
 - Significantly expanded investment menu of 48 Multi Asset managed models; and
 - Highly competitive pricing structure providing client value and incremental revenue for Netwealth.

Key initiatives

- Continuing development of our client web and mobile portal offering Financial Intermediaries the ability to interact online with all clients, including non-Netwealth clients:
 - Provide a seamless user experience; and
 - Incorporate features that encourage regular and meaningful interactions between clients and their advisers.
- Market leading platform for High Net Worth sector and continue to enhance our whole of wealth offering including building scale in our non-custodial administration services.
- Enhancements to our domestic and international trading technology.
- Market leading customizable reporting and advice illustration solution.
- A series of generative artificial intelligence (AI) experiments and potential platform features which leverage the capabilities of AI to create innovative solutions, optimise processes, and deliver exceptional value to its clients; and
- Continuing to invest into platform infrastructure, scalability and cyber security.

Outlook

Commentary

- Netwealth enters FY2024 with a strong pipeline and high win rate for new business across all key segments.
- We have successfully secured several important new licensee relationships that have begun transitioning and funding new accounts.
- Netwealth remains in an excellent financial position:
 - Highly profitable, with strong EBITDA margin;
 - An extremely high correlation between EBITDA and operating cash flow, resulting in strong cash generation;
 - Predictable recurring revenue ;
 - Scalable and predictable expense base: and
 - Significant cash reserve, debt free and low levels of capital expenditure.

A world of opportunity awaits

Wealth is about tomorrow and progress. With Netwealth - a world of opportunity awaits you.

Show me →

netwealth

A world of investment awaits.

Discover more →

netwealth

A world of engagement awaits.

Discover more →

netwealth

A world of discovery awaits.

Discover more →

netwealth

FY2023 Questions

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Thank you

See wealth differently
Discover the possibilities

The logo for netwealth, featuring a blue horizontal line above the word "netwealth" in a lowercase, sans-serif font.

FY2023 **Appendix and** **additional information**



Underlying EBITDA and NPAT for FY2023

Reconciliation from EBITDA to underlying EBITDA and NPAT for FY2023 to reflect an adjustment on non-recurring costs

Consolidated Group for Period Ended

	30 Jun 23	30 Jun 22	Variance	Variance
	\$'M	\$'M	\$'M	%
EBITDA	100.7	84.6	16.2	19.1%
Add back: Non-recurring expense	-	0.5	(0.5)	(100.0%)
Underlying EBITDA	100.7	85.1	15.7	18.4%
Underlying EBITDA margin	46.9%	48.2%	(1.3%)	-
Interest on leases	(0.5)	(0.5)	(0.0)	(9.5%)
Depreciation and amortisation	(3.3)	(3.0)	0.3	9.9%
Income tax expense	(29.9)	(25.6)	4.3	16.8%
Addback: Tax impact from non-recurring expense	-	(0.2)	0.2	100.0%
Underlying NPAT	67.2	55.9	11.2	20.1%
Underlying NPAT margin	31.3%	31.6%	(0.3%)	-
Underlying EPS excluding non-cash share-based payment– fully diluted (cents)	27.2	22.7	4.5	20.2%

Underlying profit for FY2023

Consolidated Group for Period Ended

	30 Jun 23	30 Jun 22	Variance	Variance
	\$'M	\$'M	\$'M	%
Underlying EBITDA	100.7	85.1	15.7	18.4%
Add back: non-cash share-based payment	2.4	3.1	(0.7)	(22.0%)
Underlying EBITDA excluding non-cash share-based payment	103.1	88.1	15.0	17.0%
Underlying EBITDA margin excluding non-cash share-based payment	48.0%	49.9%	(1.9%)	-
Interest on leases	(0.5)	(0.5)	(0.0)	(9.5%)
Depreciation and amortisation	(3.3)	(3.0)	0.3	9.9%
Income tax expense	(29.9)	(25.6)	4.3	16.8%
Addback: Tax impact from non-recurring expense	-	(0.2)	(0.2)	(100.0%)
Underlying NPAT excluding non-cash share-based payment	69.5	59.0	10.6	17.9%
Underlying NPAT margin excluding non-cash share-based payment	32.4%	33.4%	(1.0%)	-
Underlying EPS excluding non-cash share-based payment– fully diluted (cents)	28.2	23.9	4.3	20.2%

Underlying Cash Flow

The table below sets out the summary of the underlying consolidated statement of cash flows for FY2023 and FY2022

Consolidated Group for Period Ended

	30 Jun 23	30 Jun 22	Variance	Variance
	\$'M	\$'M	\$'M	%
Receipts from customers	223.4	186.4	37.0	19.9%
Payments to suppliers and employees	(120.3)	(96.4)	(23.9)	(24.8%)
Dividends and interest received	3.2	0.3	2.8	885.0%
Adjustment for proceeds in relation to once-off leasehold incentives received	-	(3.1)	3.1	100.0%
Adjustment for proceeds of non-recurring deposit	-	(4.0)	4.0	100.0%
Adjustment for legal and consulting costs*	-	0.5	(0.5)	(100.0%)
Underlying operating net cash flows before tax	106.3	83.7	22.5	26.9%
Investing activities	(5.0)	(3.7)	(1.3)	(35.0%)
Payments and interest on lease	(2.0)	(1.9)	(0.0)	(21.0%)
Adjustment for seed funding for Managed Funds	0	1.0	(1.0)	(100.0%)
Free cash flows before tax	99.3	79.1	20.2	25.6%

*Adjusted to exclude \$0.5 million of non-recurring legal and consulting costs in FY2022 as they relate to acquisitions no longer actively being pursued.