

ASX Announcement | 28 January 2025 Q2 FY25 Quarterly Business Update Strong performance in growth drivers

Raiz Invest Limited (ASX:RZI) (Raiz), a leading investment app, is pleased to present its business update for the quarter ending 31 December 2024 (Q2 FY25).¹

Key Highlights

- **Active Customers² up 8.5% YOY to 317,995:** Active Customers grew further to 322,219 at 25 January 2025.
- **ARPU³ up 6.4% YOY to \$75.68:** Driven by changing product mix to higher revenue products.
- **Strong growth in Funds Under Management (FUM):** Total FUM of \$1.61bn up 32.4% YOY (QOQ: +6.3%), driven by strong growth in netflows of \$183m in Calendar Year 2024 (CY24) (CY23: \$57m) and positive investment markets. FUM increased to \$1.67bn at 25 January 2025.
- **Raiz Super Moderately Aggressive Option rated #1 by SuperRatings⁴:** Ranked against other balanced super options over 12 months to 31 December 2024.
- **Continued product innovation:**
 - Raiz Jars finalised for launch in January 2025
 - Winner of Finder Awards 2024 for Investment Innovation
- **Strong cash position:** Positive operating cash flow of \$700k and \$12m cash balance.

Quarterly business update overview: To watch an accompanying overview of the quarterly business update, and ask any questions, please visit the [Raiz Investor Hub](#).

Q2 FY25 Commentary

Revenue in Q2 FY25 was \$5.95m, up 13.5% YOY (+5.1% QOQ), driven by an 8.5% increase in Active Customers YOY and an increase in ARPU of 6.4% YOY to \$75.68 (+3.2% QOQ).

Raiz has continued to accelerate customer growth with 7,395 new Active Customers in Q2, compared to 3,824 in Q1, and average quarterly additions of 2,708 in FY24. This positive trend reflects a significant improvement in our marketing systems and processes which has seen the implementation of a customised approach to target customers with the right message at the right time. This positive trend is continuing with Active Customers growing to 322,219 at 25 January 2025.

The ARPU has steadily increased over the past year, driven by a strong uptake of higher revenue Raiz Plus and Raiz Super products, higher account balances and increased engagement with the customer base through product innovation and cross promotion.

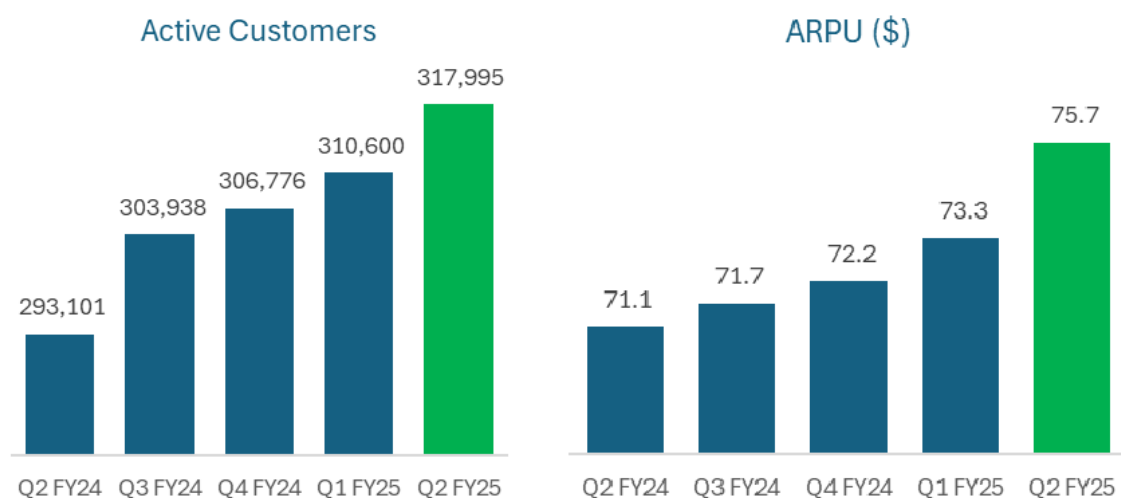
¹ The results presented in this report pertain solely to Australia and have not been audited

² Active Customers are fee paying accounts

³ Annualised Revenue Per User (ARPU) is calculated as (quarterly revenue x 4)/(average Active Customers in the quarter)

⁴ Top performers revealed by SuperRatings - [AdviserVoice](#)

Strong growth in core revenue drivers



Raiz Plus customers increased by 48.9%, and Super customers are up by 25.8% in the past year.

Kids portfolios increased by 41.8% representing a growing pipeline of the next generation of customers and the opportunity for Raiz to build long-term, positive customer relationships.

Customer Segments

	Q2 FY25	Q1 FY25	QOQ %	Q2 FY24	YOY %
Active Customers	317,995	310,600	2.4%	293,101	8.5%
Super Customers	12,588	12,097	4.1%	10,004	25.8%
Plus Portfolios	35,767	32,218	11.0%	24,025	48.9%
Kids Portfolios	47,966	44,263	8.4%	33,818	41.8%

Strong fund inflows and increasing diversification of FUM across the product suite

Funds Under Management increased across all products in Q2 FY25 with Total FUM increasing 32.4% YOY to \$1.61bn (+6.3% QOQ).

Funds Under Management (FUM)

FUM	Q2 FY25	Q1 FY25	QOQ %	Q2 FY24	YOY %
Total FUM	\$1.61b	\$1.51b	6.3%	\$1.21b	32.4%
Super FUM	\$331.1m	\$314.1m	5.4%	\$249.0m	33.0%
Plus FUM	\$246.2m	\$200.7m	22.7%	\$130.2m	89.1%
Kids FUM	\$60.6m	\$52.4m	15.7%	\$29.8m	103.4%
Property FUM	\$28.2m	\$27.6m	2.2%	\$23.8m	18.6%

In Q1 FY25, Raiz released the Plus portfolio option in the Raiz Invest Super product, which saw FUM in this portfolio more than double to over \$15m in Q2 contributing to the strong growth in Plus FUM, up 22.7% QOQ.

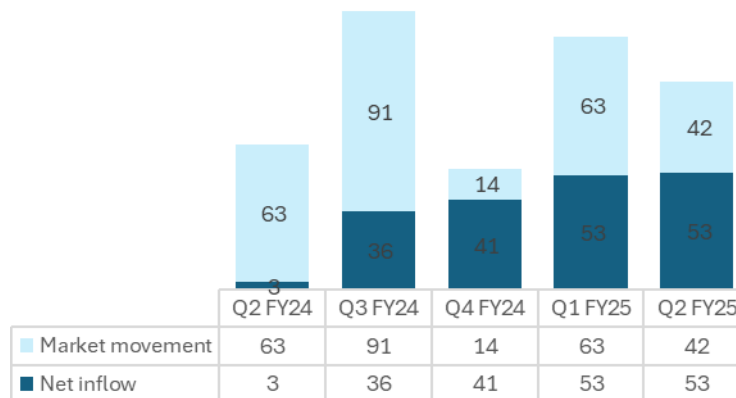
Strong net inflows: Transition from transaction savings to long-term savings

Raiz customers are changing the way that they engage with the platform, as they transition from a transaction-based savings approach to a longer-term wealth creation focus.

Over the past year, Raiz's strategy has been focused on enhanced customer engagement and improving customer retention rates through new product development and to increase the life-time value of customers as they use different Raiz products throughout their wealth journey. This momentum is evidenced by Raiz generating netflows of \$183m during CY24 which is a significant increase on the prior year's \$57m.

Net inflows and market movement

FUM Quarterly Growth (\$ million)



In Q2 FY25, Raiz achieved a net gain of 7,395 customers. Over the past year, the customer base has increasingly utilised the Raiz suite of products for longer-term investing.

The average account balance increased by 22.1% YOY (3.8% QOQ) to \$5,054.

Product innovation: Raiz Rewards tracking well and launch of Raiz Jars

With the successful launch of automated Raiz Rewards to our rewards platform in July 2024, one of the first in Australia, we have seen an increase in overall rewards activity over the period. Raiz invested nearly \$500k cash back rewards on behalf of customers in Q2 FY25, which is a 28% increase YOY, demonstrating that customers are engaging with this new feature.

Raiz Jars was launched early January 2025. This product feature gives customers added control and the ability to manage numerous investment goals within one account. With over 5,350 active Jar portfolios created since release, we are pleased to see early evidence of strong customer engagement which will in turn deliver improved retention rates.

We continue to work with State Street Global Advisors and have progressed the build out of our Knowledge Hub and future portfolio opportunities, including developing a retirement phase offering within Raiz Invest Super.



Two new Non-Executive Directors

On 13 January 2025, Raiz announced that Ms Juliana Nguyen and Mr Paul Rogan joined the Board. They both bring considerable skills and experience, and we look forward to their contribution to the Raiz growth strategy over the years ahead.

Brendan Malone, Raiz Invest Managing Director and CEO said:

"I am proud of these results which demonstrate our growth strategy is on target as evidenced by accelerating customer growth, strong net inflows across all products driving steadily increasing ARPU. Key initiatives driving these positive results are our enhanced marketing systems and processes, a changing product mix focused on higher revenue products, and increased customer retention and engagement, which is a key strength and point of difference that Raiz continues to deliver.

The team have been working hard and the strong performance in growth drivers reflects this. We continue to innovate and deliver for our customers, receiving recognition from SuperRatings and the Finder Awards for Investment Product Innovation was outstanding.

With the momentum we are experiencing in customer growth and engagement driving revenue growth along with our scalable technology and operations we are well positioned to generate further growth.

Ends

Authorised for release by The Board of Directors.

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About Raiz Invest Limited

Raiz Invest Limited (ASX: RZI) is a multi-award-winning micro-investing and fintech platform to help all Australians create wealth. Raiz pioneered the 'Round-Up' concept in Australia – where everyday purchases are rounded-up to the next dollar and the difference is invested into a Raiz Invest account – opening opportunities for first-time investors.

Since launching in 2016, Raiz has led the market by offering innovative products and features alongside an advanced user experience and exceptional customer service. With 9 diverse portfolios to choose from, users of the Raiz platform can invest in up to 99 of the most recognised stocks on the ASX, up to 51 ETFs, Bitcoin, and the Raiz Residential Property Fund, from as little as \$5. Products range from Raiz Kids to Raiz Invest Super with a product to suit every life stage.

Raiz has also launched sophisticated products, like the customisable Plus portfolio to accommodate investors at all levels of experience and risk appetite. Raiz remains the number one investment app. To find out more, please visit www.raizinvest.com.au or the Investor Hub <https://investorhub.raizinvest.com.au/>.