



See wealth differently

Results Presentation 1H25

20 February 2025

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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:

Hayden Stockdale, Chief Financial Officer

Hayden@netwealth.com.au

T: +61 435 461 630

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



Hayden Stockdale
Chief Financial Officer

Discover

1. 1H25 business and financial highlights
2. Strategy and product update
3. Corporate sustainability
4. 1H25 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 Melbourne is on the lands of the traditional owners, the Wurundjeri people of the Kulin 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 and present.

This statement is made by Netwealth Group Limited (Netwealth) on behalf of its reporting entities for 1H25






1H25 Business & financial highlights

1

1H25 Highlights





Record growth across key metrics including net flows, income, and profit.

Total FUA as at 18 February 2025 was \$105.4B, with net inflows for 3Q25 to date of \$1.5B

 FUA	\$101.6B	+\$23.6B	+30.2%
 FUA net flows	\$8.5B	+\$3.8B	+80.2%
 Total income	\$155.4M	+\$32.0M	+26.0%
 EBITDA	\$78.0M	+\$19.3M	+32.8%
 EBITDA Margin	50.2%	+260bps	+5.4%

+ Changes compared to 1H24

1H25 Highlights

 NPAT	\$57.6M	+\$18.3M	+46.6%
 No. of accounts	151,437	+18,611	+14.0%
 Cash transaction account - average	\$5.7B	+\$1.1B	+22.6%
 FUM	\$24.0B	+\$5.9B	+32.9%

+ Changes compared to 1H24

Consistent growth and operational efficiency

Conversion of FUA to EBITDA

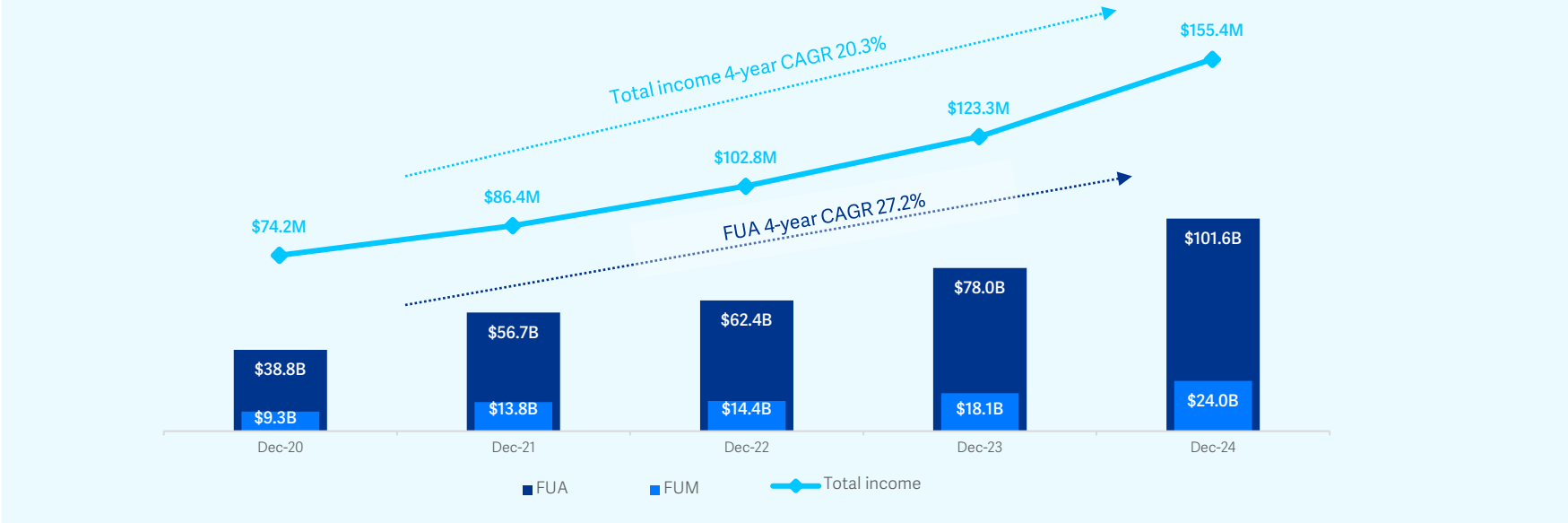


1H25	+30.2%	+26.0%	50.2%	+32.8%
1H24	+24.9%	+20.0%	47.6%	+27.2%
1H23	+10.2%	+18.9%	44.9%	+10.0%

+ Changes compared to prior year 1H

Consistent track record of growth

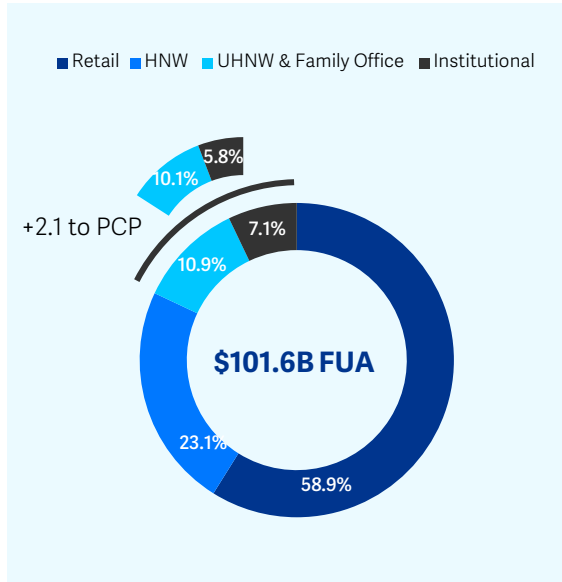
Growth in FUA, FUM and Income



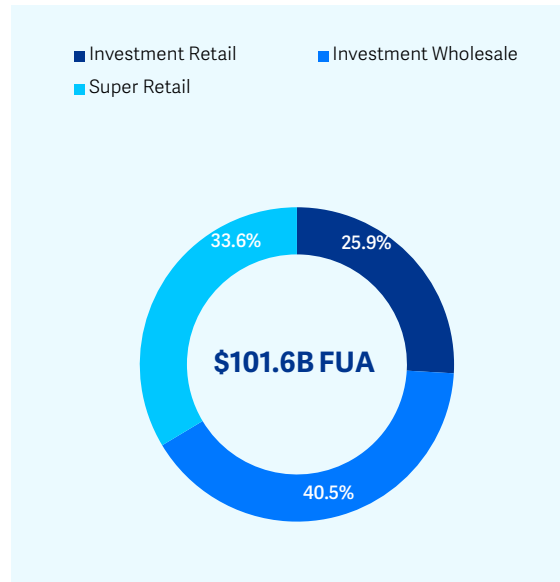
Broad-based growth across customer tiers

Successful strong expansion in key high-value segments

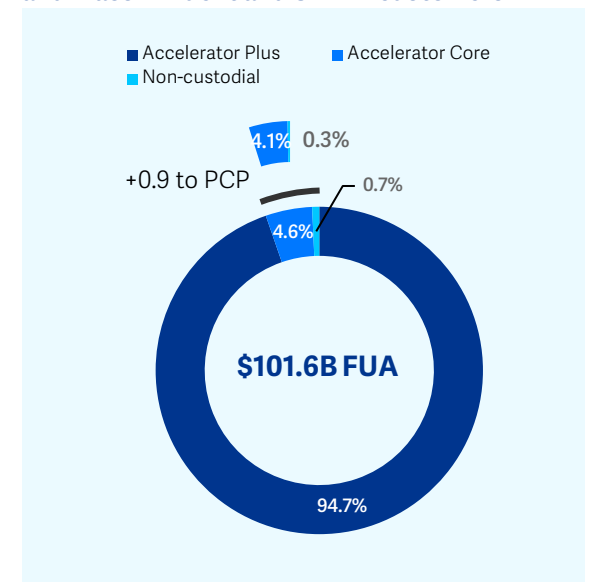
Strong expansion of high-value customer tiers



Client type



Growth in new products targeting Emerging and Mass Affluent and UHNW customers



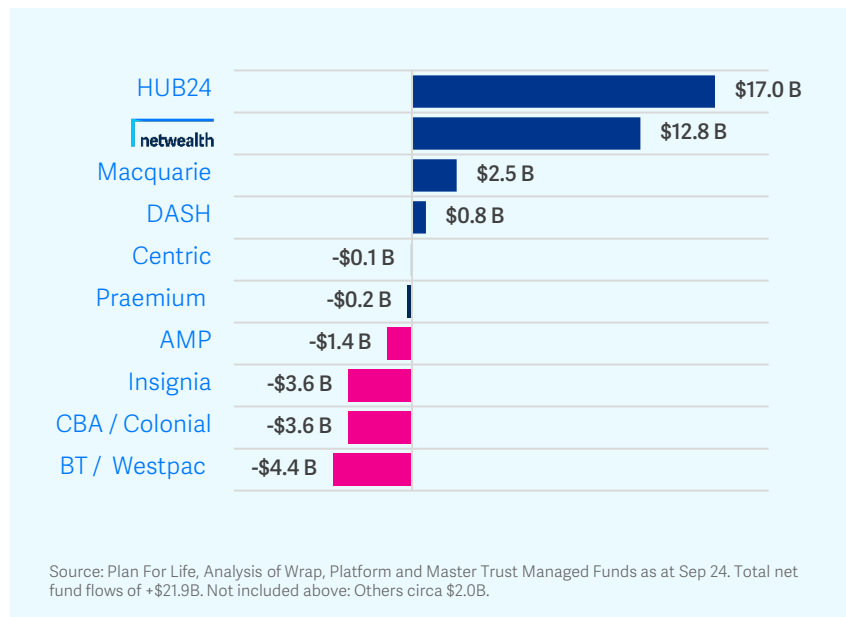
Source: Netwealth, FUA as at 31 Dec 24, comparisons to 31 Dec 23. PCP – Prior corresponding period being 31 Dec 23

HNW: high net worth, UHNW: Ultra high net worth, HNW – clients holdings generally between \$2.5M & \$10M, UHNW & Family office - client holdings generally between \$10M & \$100M, Institutional – client holdings generally greater than \$100M

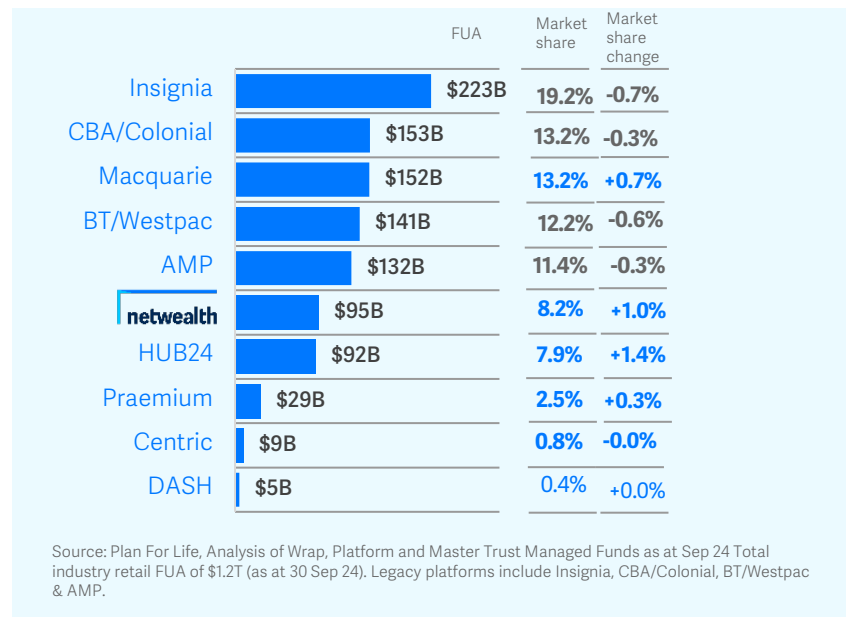
Consistent track record of growth and market share gains

Netwealth is a leading specialist investment platform, increasing market share by 13.9% (100 bps) to 8.2%. Legacy platforms (with 56.1% of the market) are losing market share

Platform providers net funds flows 12 months to Sep 24



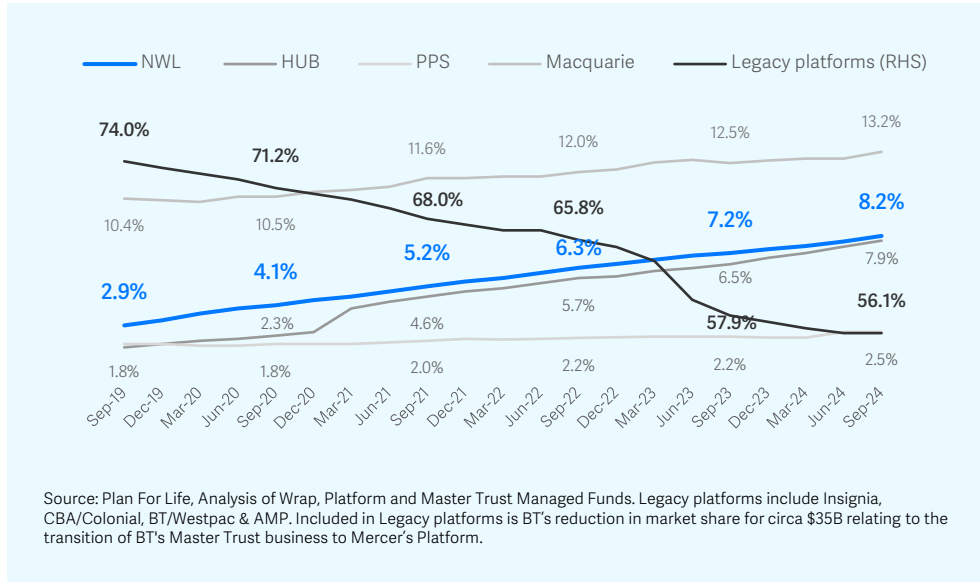
Platform providers by FUA and market share % at 30 Sep 24 and market share movement Sep 23 to Sep 24



Structural shift continues and shows no signs of slowing down

Significant beneficiary of structural change leading to increased market share; +13.9% (100 bps) in 1 year; +183% (530 bps) in 5 years.

Quarterly market share analysis (Sep 19 to Sep 24)



Rotation from legacy platforms

Technology change & AI

- Adoption of rapid technology advancements, including AI.

Changing customer needs

- Extensive data integrations for whole of wealth solutions.

Shifting advice landscape

- Efficient technologies and ingrained service culture.

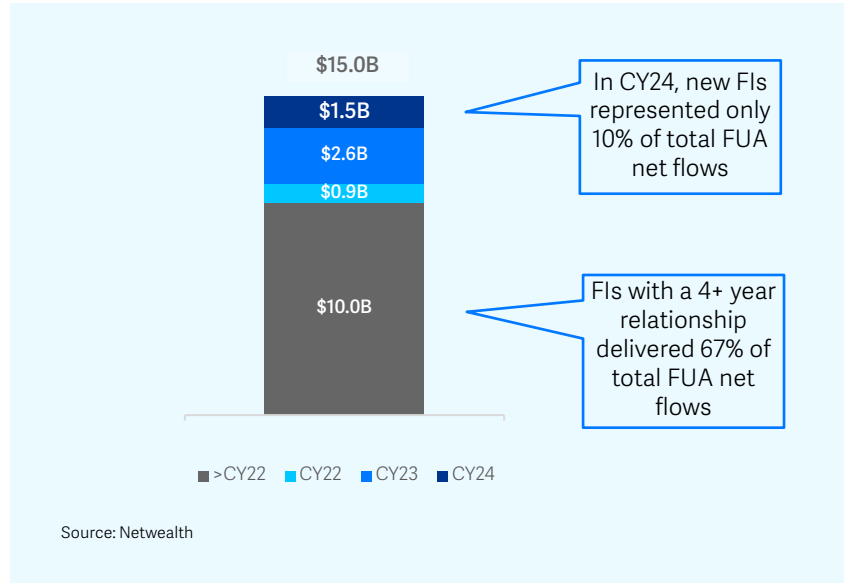
Sophisticated investment needs

- Wide array of investment options, partners, and integration solutions.

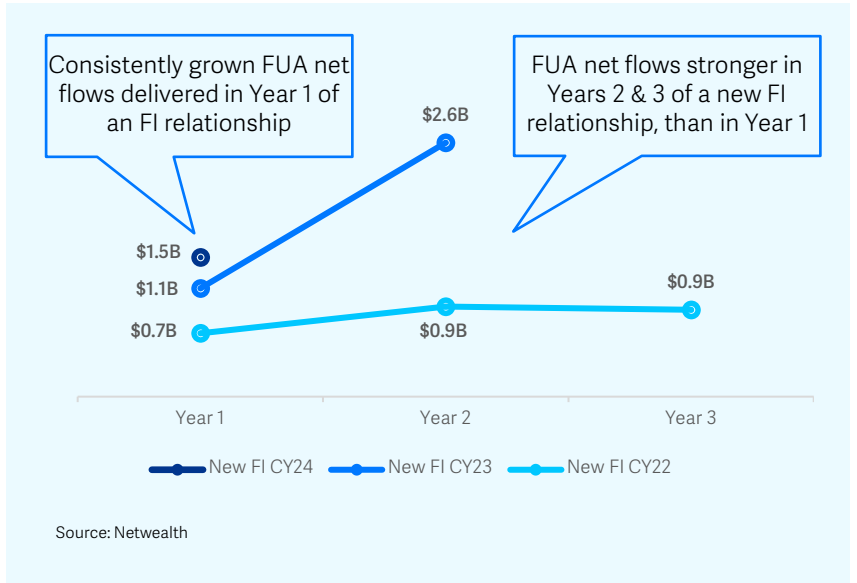
Transition pipeline underpins continued growth

Track record of growing FUA from existing and new financial intermediaries, over multiple years

FUA net flows in CY24 by cohort year of Financial Intermediary (FI)



FUA net flows by cohort year of new FIs (CY22 – 24)



Strategy and product update

2

Our strategic advantage

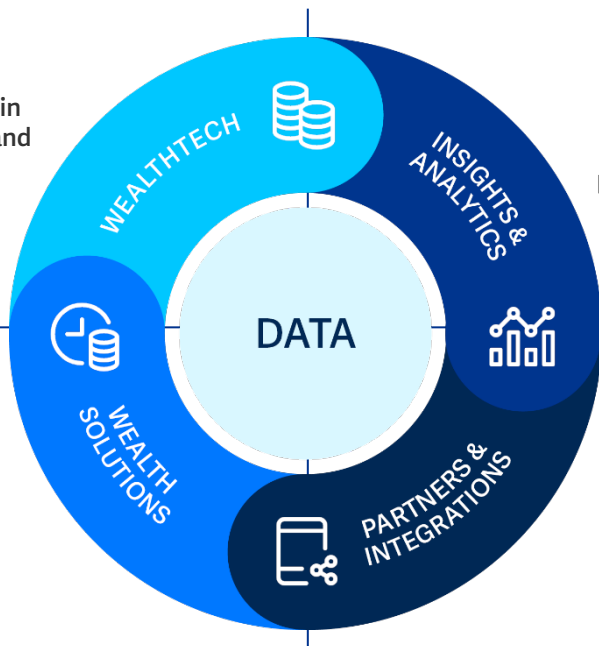
We seek to drive change that matters by delivering innovative products and service that leverage data, technology and connectivity

WEALTHTECH

Powerful transaction, advice enablement, admin and client engagement and management tools

WEALTH SOLUTIONS

A range of investment products, options and solutions



INSIGHTS & ANALYTICS

Advanced business, & client reporting and a programme of publications & insights

PARTNERS & INTEGRATIONS

An extensive, growing range of integrations with specialist providers

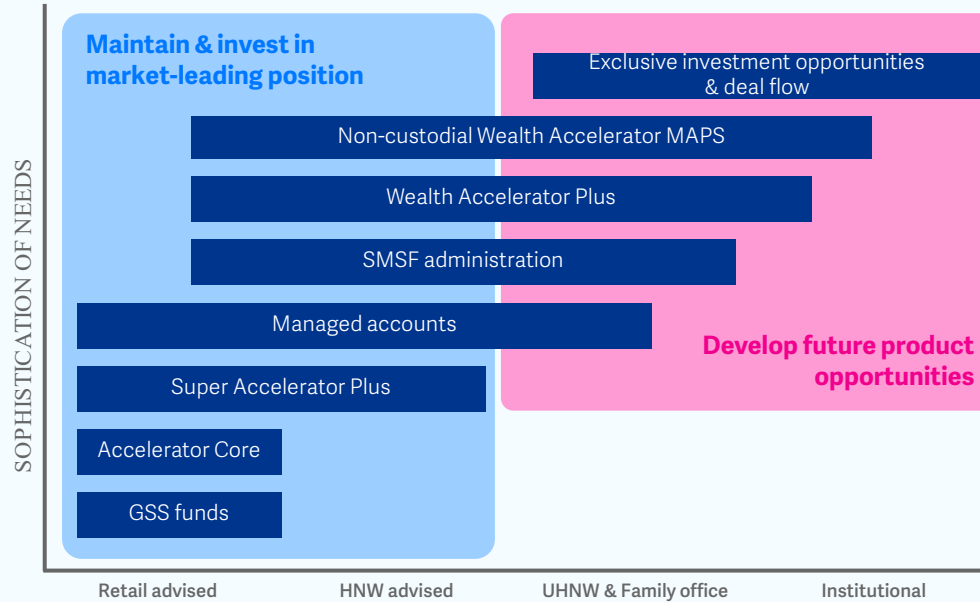


Our advantage is that we drive change that matters by delivering innovative products and services that leverage data, technology and connectivity

- Data is at the heart of what we do, supporting an AI-driven future
- Our people are empowered to innovate and deliver a high-quality and responsive service
- Solutions are predominantly developed in-house but we will look to acquire or partner where it makes sense

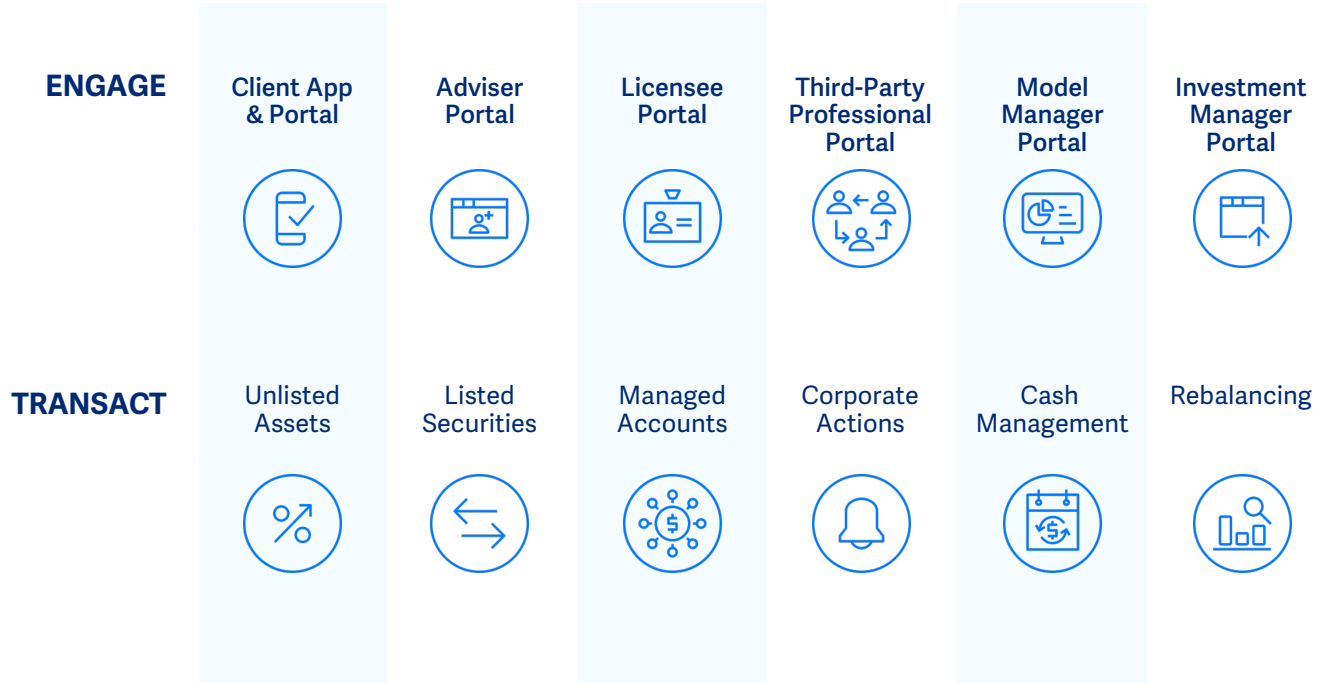
Netwealth's advantage | Wealth solutions

Our value proposition supports key market segments and levels of sophistication



Netwealth's Advantage | WealthTech

Our tech stack provides powerful transaction tools and efficient and engaging adviser & client solutions



Netwealth's advantage | Partners & integrations

Netwealth integrates deeply with a broad and growing range of specialist technology providers



DATA, TECHNOLOGY & PLATFORM FUNCTIONALITY

Xeppo	InvestmentLink
Microsoft	Iguana2
Domain/APM	Citi
Illion	Basiq
OSKO	

Just released

Coming soon



INVESTMENT, RESEARCH & PORTFOLIO TOOLS

PIMS	SS&C
Morningstar	Zenith
IAM	Refinitiv
Investsense	Factset
MSCI	Philo
Capterra	Lumiant
Briefcase	iCapital

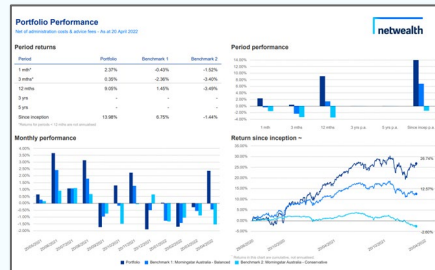


WEALTHTECH

Class	Financial Simplicity
Plutosoft	Intelliflo
Myprosperity	SuperMate
Adviser Logic	Capterra
Complii	ProductRex
Fin365	Asora
IRESS Xplan	Hero360
BGL	Lumiant
Platformplus	m2Wealth
WealthConnect	Masttro
Swissquant	

Netwealth's advantage | Insights & analytics

Powerful insights & analytical tools help licensees, advisers & their clients better understand their business & investments



50+
practice reports

19
client reports

30+
annual publications, podcasts,
webinars and events

Daily
business & market updates

Keppo
Practice & licensee
management dashboard



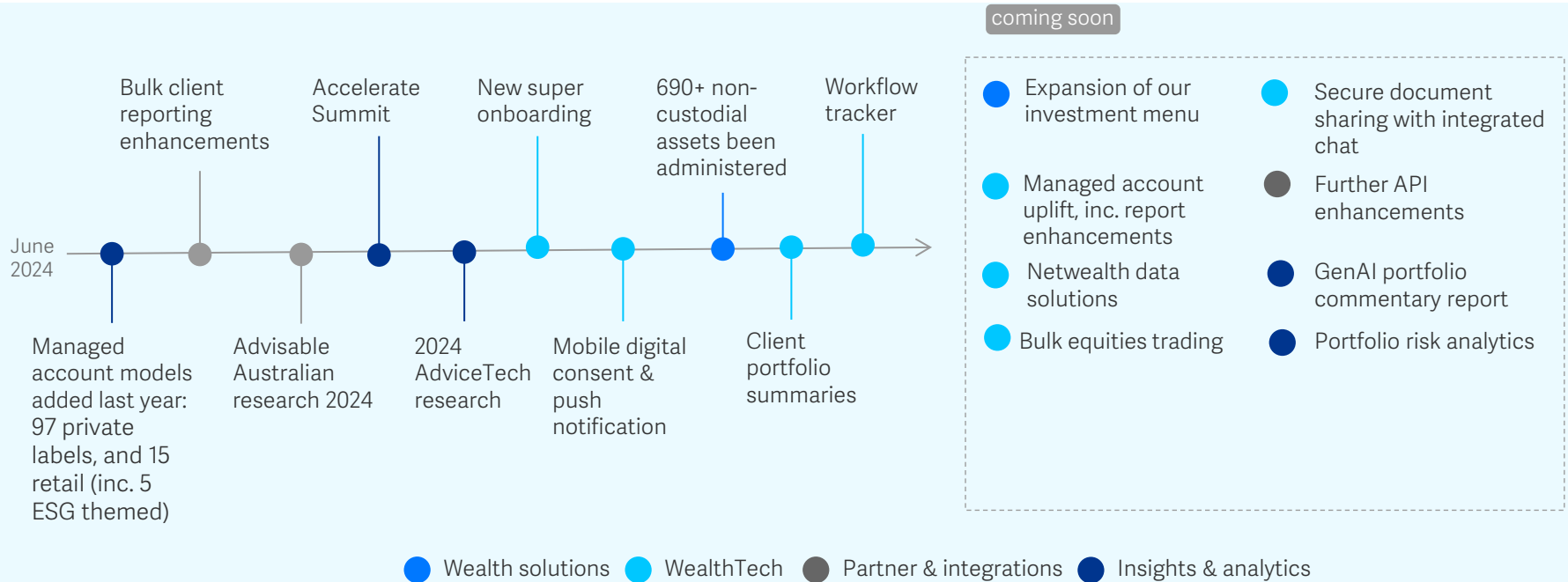
COMING SOON: Sophisticated
practice-level portfolio insights



In development: AI tools for
advisers

Delivering on our strategic roadmap

Netwealth continues to extend our strategic advantage, building on our leading capabilities and addressing emerging opportunities



Netwealth's advice enablement strategy

Growing numbers of pre-retirees and a persistent advice gap mean demand will continue to outstrip supply. Netwealth's advice enablement strategy multiplies the efforts of our advisers, allowing them to serve more clients

129

Number of clients advisers see¹

1:5

For every 1 Australian receiving advice, 5 have unmet advice needs¹

7.2m

Australians with more complex financial circumstances & increased advice needs by 2050²

Source:

1. 2024 Australian Financial Advice Landscape

2. A new framework for regulating Choice products, NMG for FSC, 2024

Corporate Sustainability

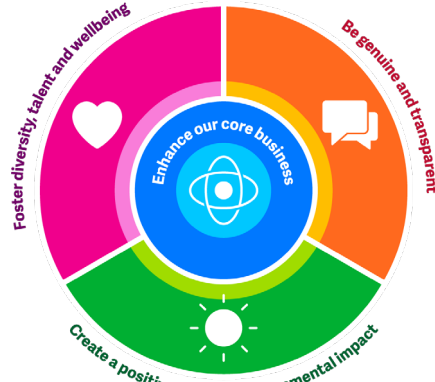
3

Netwealth's corporate sustainability

Core business supported by a genuine and transparent commitment

Foster diversity, talent and wellbeing

- Employee engagement score = 7.9, top half of our industry peers
- Met Board 40/40/20 gender diversity target in FY24
- Rolled out our inaugural three-year inclusion and diversity roadmap



Create a positive social and environmental impact

- 99 ESG themed funds
- 192 funds with Sustainability Rating of 'Above Average' or 'High'
- Committed carbon neutrality for operational emissions by 2030 and net zero by 2050
- Inaugural reporting of scope 1 and scope 2 emissions, total of 69.26 tCO₂e for FY24
- Granted \$151,000 to Australian not-for-profit organisations since 2021

Be genuine and transparent in our dealings

- SOC 2 reasonable assurance from our Auditors
- Remuneration framework aligns with APRA Prudential Standard CPS511
- On track for the incoming Financial Accountability Regime
- Internal training on human rights and modern slavery

125,000+ 
Primary school kids sponsored in Australia

 **OWS** CENTRE FOR WOMEN'S ECONOMIC SAFETY

 Bridges

 ALL THINGS

 Girls in Tech

*Sustainability Rating by Morningstar available: <https://www.netwealth.com.au/web/resources-and-tools/esg-investments/>

1H25 Financial performance

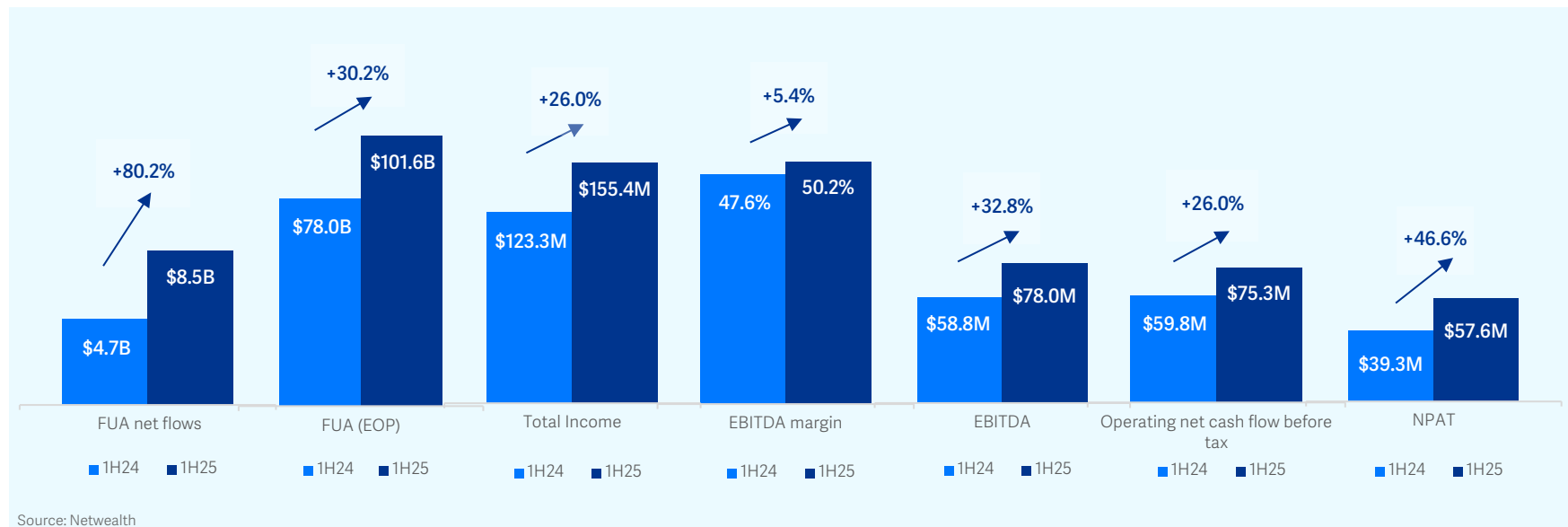
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Improving growth and efficiency driving profit

Record half of FUA net flows, revenue growth and profit growth

- Achieved a Rule of 40 score¹ of 76.2

Growth percentage increase in FUA net flows, FUA, total income, EBITDA margin, EBITDA, operating net cash flow before tax and NPAT 1H24 to 1H25



Source: Netwealth

¹Total income growth percentage of 26.0% plus EBITDA margin percentage of 50.2%

Strong financial performance

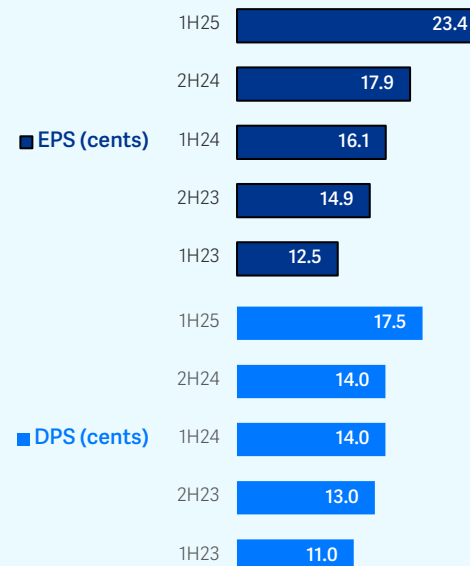
Financials	1H25	1H24	Change	% Change
Platform Revenue	150.8	120.7	30.1	24.9%
Other Income	4.6	2.6	2.0	76.2%
Total Income	155.4	123.3	32.0	26.0%
Employee Benefits Expenses	52.3	44.6	7.7	17.3%
Share Based Payment Expenses	1.0	1.5	(0.5)	(35.4%)
Other Costs & Expenses	24.1	18.5	5.6	30.3%
Total Operating Expenses	77.4	64.6	12.8	19.8%
EBITDA	78.0	58.8	19.3	32.8%
EBITDA Margin %	50.2%	47.6%	260bps	5.4%
EBITDA excluding non-cash share-based payments	79.0	60.3	18.7	31.1%
EBITDA Margin excluding non-cash share-based payments %	50.9%	48.9%	200bps	4.1%
NPAT	57.6	39.3	18.3	46.6%
NPAT margin %	37.1%	31.9%	520bps	16.3%
Operating net cash flow before tax	75.3	59.8	15.5	26.0%
Earnings per share (EPS) –fully diluted (cents)	23.4	16.1	7.3	45.6%
Dividend per share (DPS) (cents)	17.5	14.0	3.5	25.0%
Capitalised software	2.5	2.0	0.5	23.9%

\$M unless otherwise stated

Note: Cost of capital recovery on Operational Risk Financial Requirement (ORFR) classification and disclosure has been revised and presented as platform revenue. Prior periods have been reclassified to be consistent with current period disclosure and all key metrics include this classification for platform revenue.

PCP prior year corresponding period, 1H24

EPS is fully diluted (end of period)



Substantial callouts:

Other Income includes a gain on revaluation of investment of \$1.2M related to Netwealth's pre-existing 25% investment in Xeppo, that was revalued on the date the remaining 75% was acquired, 12 Aug 24.

Xeppo and Flux combined total operating costs of \$1.2M.

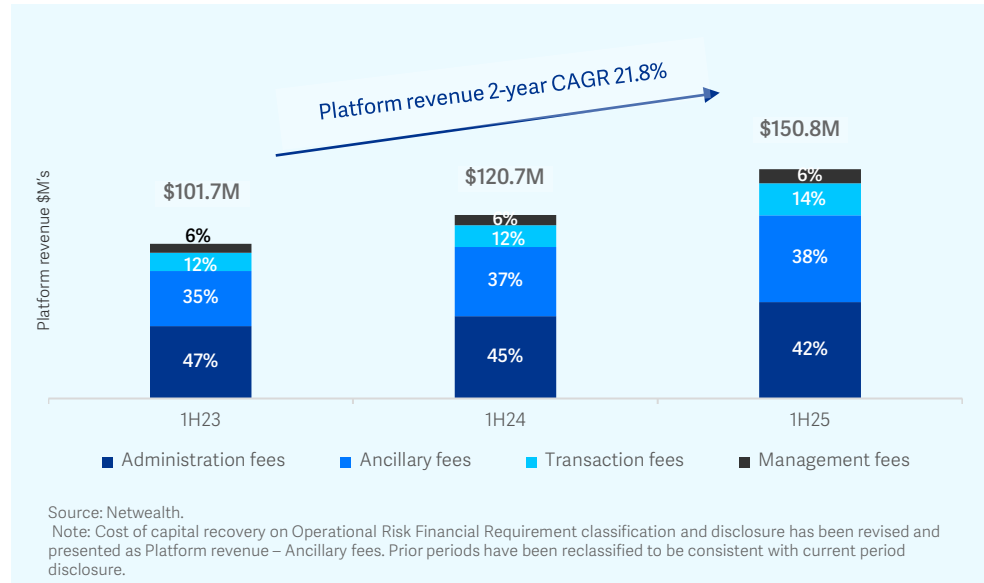
Tax credits, reducing effective tax rate to 23.6% in 1H25, including a \$2.8M tax credit relating to the establishment of an employee share scheme trust and a FY23 R&D tax incentive of \$1.6M.

\$EPS is fully diluted (end of period)

Platform revenue is diversified in its nature and sources

Platform revenue of \$150.8M, up 24.9%, with a 2-year CAGR of 21.8%

Platform revenue split 1H23 to 1H25

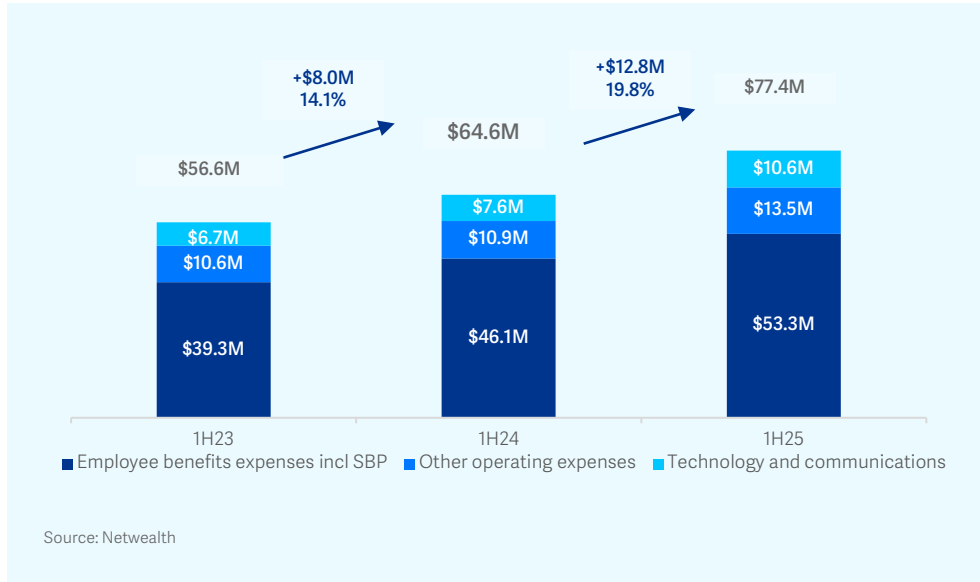


- Further improved the diversification of revenue base to 1H24
 - Transaction fee income increased by 48.2% to represent 14.1%, up 220 bps
 - Management fee income increase to 6.1%, up 40 bps
- Predominately recurring revenue
- Increase annualised platform revenue per account to \$2,032, up 9.9% to 1H24

Operating leverage delivered

While continuing to invest in our people, product, security and technology capabilities.

Total operating expenses for 1H23 to 1H25



Operational leverage delivered with expenses up 19.8% (620 bps less than total income).

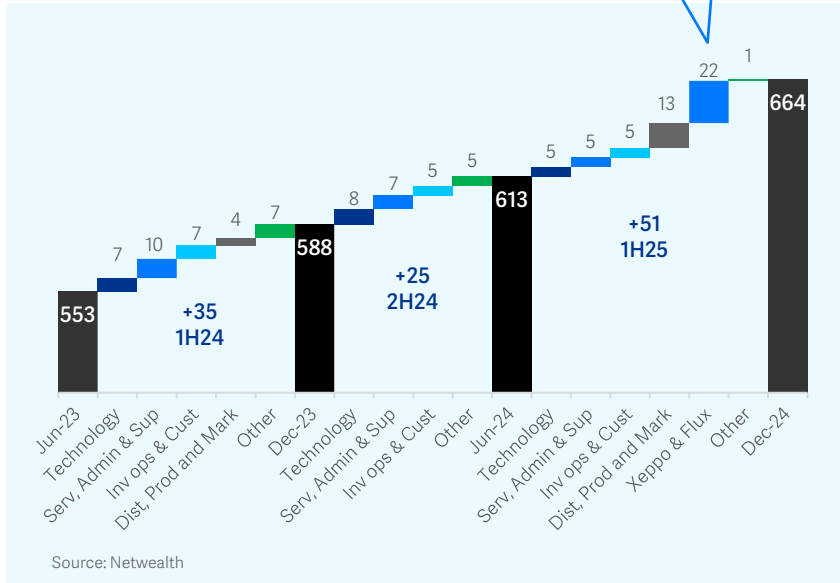
Main source of operational leverage was headcount scale efficiencies across our delivery, general and administrative, and technology functions.

- Employee benefits expenses including SBP, increased by 15.5% to \$53.3M
- Other operating expenses grew by 23.6% to \$13.5M
- Technology and communication expenses grew by 40.0% to \$10.6M as we invested in our platform enhancement, data integration, and AI technologies plus above inflation cost increases

Investing in people to support growth

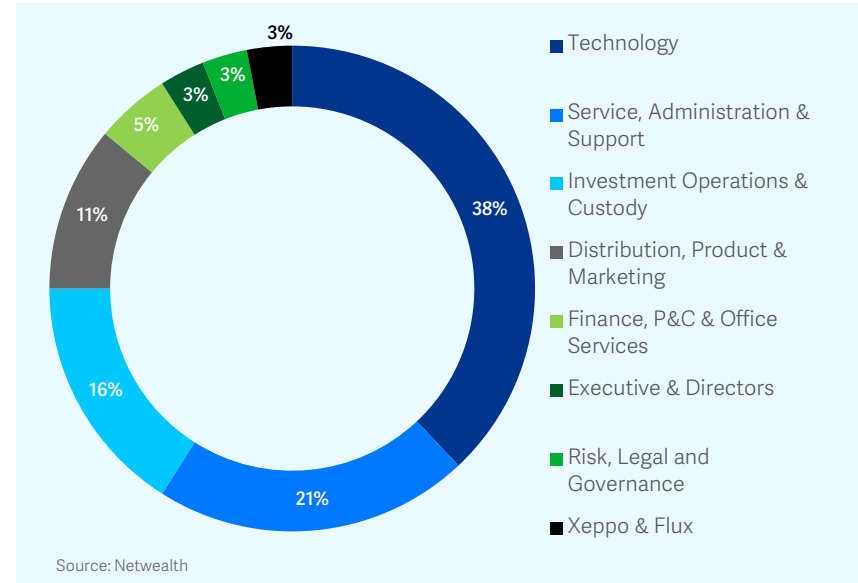
51 additional roles to support growth, service, innovation and technology, including 22 from the acquisitions of Xeppo and Flux.

Operational headcount of 664 people at 31 Dec 24



Xeppo and Flux acquisition

Headcount by function 31 Dec 24



Strong operational performance

Platform statistics	1H25	1H24	Change	% Change
Funds Under Administration (FUA)				
FUA - Custodial	100,878	77,772	23,106	29.7%
FUA - Non-custodial	694	228	466	204.2%
Total FUA	101,572	78,000	23,572	30.2%
FUA – Custodial fee paying FUA (EOP)	61.1%	63.1%	(200bps)	-
FUA Inflows - Custodial	14,783	9,636	5,147	53.4%
FUA Outflows - Custodial	(6,486)	(5,020)	(1,466)	(29.2%)
FUA Net flows Custodial	8,297	4,616	3,681	79.7%
FUA Net flows - Non-custodial	187	91	96	105.2%
Total FUA Net flows	8,484	4,707	3,777	80.2%
Funds Under Management (FUM)				
Managed Account	20,771	15,513	5,258	33.9%
Managed Funds	3,243	2,560	683	26.7%
Total FUM	24,014	18,073	5,941	32.9%
Net flows – Managed Account	2,362	1,341	1,021	76.1%
Net flows - Managed Funds	258	168	90	53.7%
Total FUM net flows	2,619	1,509	1,110	73.6%
Accounts EOP (number)	151,437	132,826	18,611	14.0%
Financial Intermediaries EOP (number)	3,811	3,633	178	4.9%
Cash transaction account as a % of custodial FUA (EOP)	5.5%	5.6%	(10bps)	-
Market Movement				
Market movement FUA - Custodial	5,027	3,010	2,017	67.0%
Market movement FUA - Non-custodial	59	11	2948	437.6%
Total FUA market movement	5,086	3,021	2,065	68.4%
Total FUM market movement	910	604	305	50.5%

\$M unless otherwise stated
 EOP – End of Period
 net flows exclude market movement

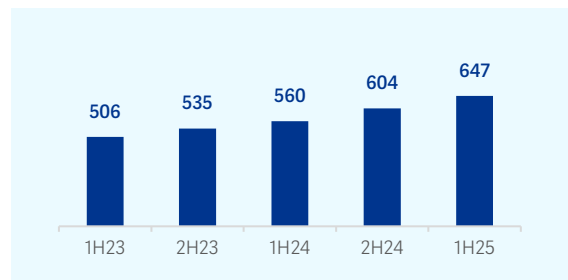
Platform metrics and highlights 1H25 (increase to 1H24)

- Record FUA net flows of \$8.5B, up 80.2% and both quarters were a record
- Record FUA inflows of \$15.0B
- FUA \$101.6B, up \$23.6B or 30.2%
- 151,437 client accounts, up 14.0%
- Cash transaction account balance was 5.5% of custodial FUA at 31 Dec 24
- FUM of \$24.0, up \$5.9 billion, or 32.9%

Key performance metrics

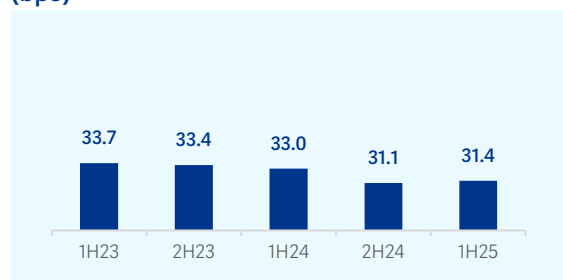
Focused on delivering a market leading innovative platform is delivering growth in the size and value of customer accounts

Average FUA/average no. of accounts (\$'000)



- Average account size grew 15.5% from 1H24 to \$647,000 of FUA

Annualised platform Revenue/average FUA (bps)



- Earn rate relatively flat overall
- Earn rate on admin fees contracted, muted impact of fee tiers and caps, market movement and institutional flows
- Earn rates on cash and transactions improved to 2H24

Annualised platform Revenue/average no. of accounts (\$)



- Annualised platform revenue per account grew 9.9% from 1H24

Summary | Strong financial and market position



Strong FUA growth and momentum

- Two consecutive record quarters of FUA net inflows
- Total FUA growth of +30%
- Installed base of advisers driving vast majority of FUA net flows



Strong operating leverage

- Expenses growing at 620 bps lower than revenue
- EBITDA margin expanding to >50%
- EBITDA growing 33%



Investing for the future

- Ongoing strategic investment across technology infrastructure, people and software



High quality revenue

- Total income growth of 26%
- Total income is broad-based, highly recurring, and expanding into growth and high-value segments



Extremely high conversion of EBITDA to cash

- Expensing of most tech spend
- Highly cash generative



High growth and highly efficient

- Rule of 40 score of 76.2 (26.0% revenue growth, 50.2% EBITDA margin)

Outlook

5

AI @ Netwealth

Leverage the capabilities of AI to create innovative solutions and optimise processes across the following key areas



Back office

- Automation of repetitive and routine Tasks
- Document Automation and Data extraction
- Data Processing and Analysis
- Risk Management



Customer service

- Call transcription, monitoring and summarisation
- Knowledge base management
- Sentiment analysis and quality control
- Self Service and Automated responses



Client products and services

- Portfolio reporting and analysis



Engineering and developer efficiency

- Code writing (human review)
- Add to and improve quality of automated tests



Cybersecurity

Outlook

Invest to capitalise on both existing and emerging market opportunities, to drive sustainable profit growth and benefits to our customers and members



Our advice enablement strategy multiplies the efforts of our advisers, allowing them to serve more clients as demand continues to outstrip supply.



Provide greater practice management, business management tools and access to data for advisers and licensees.



Advanced several planned initiatives and continue to invest in our people, product, security and technology capabilities.



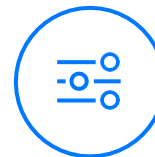
Strong growth in new accounts and advisers for 1H25

Conversion rates remained very strong and diversified across all customer tiers

New adviser and licensee relationships have expanded our new business pipeline



FUA inflows for the remainder of FY25 are also supported by a transition pipeline of recent and new customer wins



Total FUA as at 18 February 2025 was \$105.4B, with net inflows for 3Q25 to date of \$1.5B

Outlook

Invest to capitalise on both existing and emerging market opportunities, to drive sustainable profit growth and benefits to our customers and members



We continue to broaden the functionality of our platform, reduce reliance on 3rd party systems for core platform functionality, and refresh our technology infrastructure.

Consequently, in 2H25 compared to 1H25, we expect:

- Headcount growth to increase;
- Total operational expenses (inclusive of Xeppo and Flux headcount and costs as noted earlier) to grow by approximately 5%; and
- Investment in capitalised software to increase by approximately \$2M.



On 1 March 2025 there will be an update to product disclosure documents which will include the following:

- For Netwealth Super Accelerator, the introduction of a \$300 annual cap per account on the operational risk financial requirement (ORFR) cost. This will reduce costs for certain members, with negligible impact to revenue; and
- For Netwealth Super Accelerator and Wealth Accelerator, a reduction in the interest rate paid on funds held in the Cash transaction account from RBA Cash Rate Target less up to 65 bps, to RBA Cash Target Rate less up to 80 bps (at current RBA rates, 3.30%).



From 1 July 2025, changes to APRA's superannuation ORFR requirements will reduce Netwealth's target reserve from 25 bps to 20 bps.

- Based on our current superannuation fund size, this will reduce the level of regulatory capital required to be held by approximately \$17M.

Outlook

Invest to capitalise on both existing and emerging market opportunities, to drive sustainable profit growth and benefits to our customers and members

- Netwealth remains in an excellent financial position:
- Highly profitable, with strong EBITDA margin;
- An exceptional correlation between EBITDA and operating cash flow, resulting in strong cash generation;
- Very high levels of predictable recurring revenue; and
- Significant cash reserve, debt free and low levels of capital expenditure.



Questions



1H25 Appendix and additional information



Cash Flow

The table below sets out the summary of the consolidated statement of cash flows for 1H25 and 1H24

Consolidated Group for Period Ended

	1H25	1H24	Change	Change
	\$'M	\$'M	\$'M	%
Receipts from customers	156.5	122.9	33.6	27.3%
Payments to suppliers and employees	(84.4)	(65.7)	(18.7)	(28.4%)
Dividends and interest received	3.2	2.6	0.6	22.4%
Operating net cash flows before tax	75.3	59.8	15.5	26.0%
Investing activities (excluding acquisition of subsidiaries)	(3.1)	(2.3)	(0.8)	(35.4%)
Payments and Interest on lease	(1.2)	(1.0)	(0.2)	(19.6%)
Free cash flows before tax	70.9	56.4	14.5	25.7%

Operational Risk Financial Requirement (ORFR)

Cost of capital recovery on ORFR classification and disclosure has been revised and presented as Platform revenue. Prior periods have been reclassified to be consistent with current period disclosure;

Consolidated Group for Period Ended

	1H25	1H24	1H23
Cost of capital recovery on ORFR	\$'M	\$'M	\$'M
Platform revenue as reported previously	147.2	117.8	99.8
Add back: cost of capital recovery on ORFR	3.6	2.9	1.9
Revised Platform revenue disclosure	150.8	120.7	101.7