

March 2025 Quarterly Business Update

ASX Release – 10 April 2025

\$12 Billion FUA net flows sets new record for Financial Year to Date (FYTD)

Quarterly highlights

Netwealth Group Limited (Netwealth), a leading Australian wealth management and technology company, is pleased to provide our business update for the March 2025 quarter.

- Funds Under Administration (FUA) net flows of \$3.5B for the quarter, an increase of 29% to the prior corresponding period ('PCP'), and a new third-quarter record.
- Record net flows of \$12.0B for the FYTD (61% increase to PCP), and \$15.8B for the last 12 months (49% increase to PCP).
- Total FUA at 31 March 2025 of \$104.1B, an increase of \$2.5B for the quarter, including \$3.5B of FUA net flows and \$1.0B of negative market movement.
- Total FUA grew \$19.4B in 12 months to 31 March 2025, an increase of 23%.
- The total number of accounts increased by 4,301 for the quarter to 155,738 at 31 March 2025, a 13% increase over the preceding 12 months.
- High level of recurring and well diversified revenue, with complementary correlations that provide stability and resilience in volatile markets.

Quarterly performance

Netwealth is on track for a record year of FUA net flows, having delivered \$3.5B of FUA net flows in the March quarter, following strong growth in the first half year with net flows FYTD of \$12.0B.

FUA net flows continue to be driven by consistently high transition rates from existing financial intermediaries, and strong conversion rates of new business from a broad range of client groups and tiers. Net flows have continued to remain strong in April, despite market volatility.

Total FUA at 31 March 2025 of \$104.1B, an increase of \$2.5B during the quarter. Despite volatile market movements towards the end of the quarter, the negative impact from FUA market movement was only 1% of total FUA, or \$1.0B.

Notwithstanding the ongoing market volatility and market conditions, the impact on Netwealth's revenue remains limited with income remaining stable. This resilience is attributed to several factors, including:

- Our high levels of recurring revenue;

- The diversified nature of our revenue sources with complementary correlations to market movements, including recent elevated trading volumes and balance in the cash transaction account;
- Portfolio diversification across various asset classes and asset types (including managed models, fixed income and private market funds) and enhanced trading features; and
- A large spread of customers across all segments (high net worth, mass and emerging-affluent).

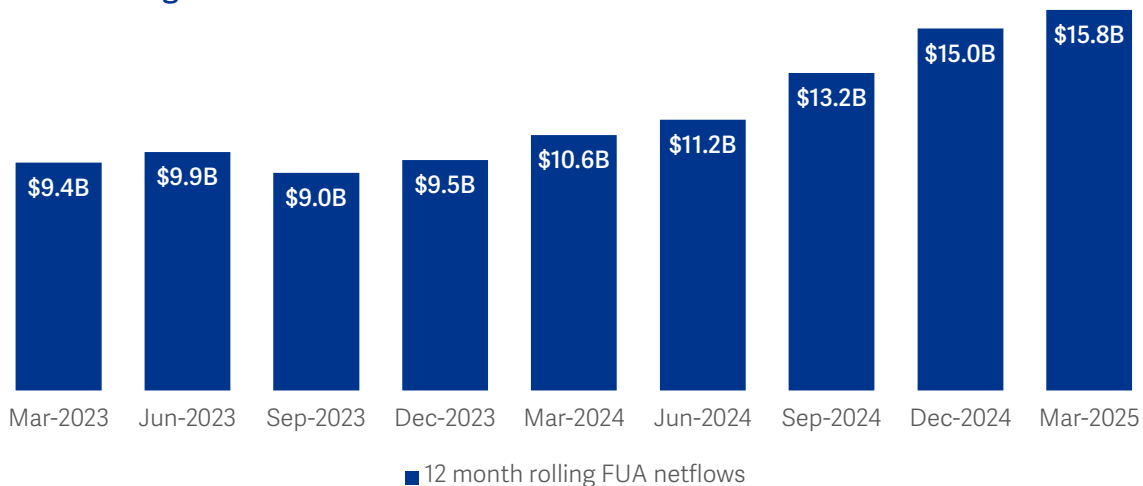
Funds Under Management (FUM) net flows of \$1.0B for the quarter was 51% higher than PCP. FUM increased to \$24.8B, an increase of \$0.7B for the quarter, including \$0.3B negative market movement.

Managed Account net flows of \$0.9B was 42% higher than PCP, with a closing balance of \$21.4B, an increase of \$0.6B for the quarter, including \$0.3B of negative market movement.

The Netwealth cash transaction account balance averaged 5.6% of custodial FUA over the quarter and closed at 5.8% and has increased further in the first weeks of April.

Highlighted in the chart below is our 12-month rolling FUA net flows, representing an increase for each of the last six consecutive quarters.

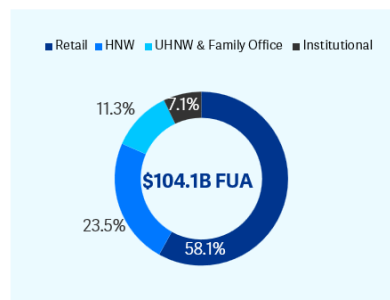
12 month rolling FUA net flows



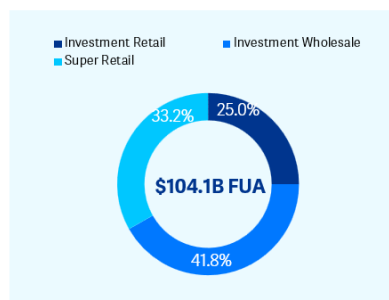
Composition of FUA

The charts below highlight our broad-based success in servicing key customer tiers through the delivery of a diversified product suite and award-winning technology.

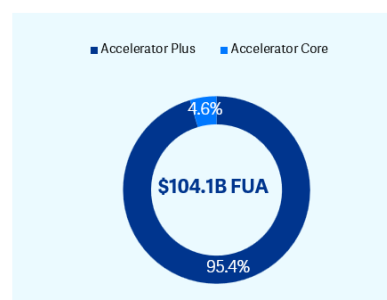
Customer tier



Client type



Product type



FUA as at 31 March 2025

Source: Netwealth, HNW: high net worth, UHNW: Ultra high net worth,

HNW client holdings generally between \$2.5M & \$10M, UHNW & Family office client holdings generally between \$10M & \$100M,

Institutional client holdings generally greater than \$100M

Quarterly platform statistics

	Mar-2024	Jun-2024	Sep-2024	Dec-2024	Mar-2025	Growth*
FUA						
FUA – Custodial	84,443	87,555	94,861	100,878	103,295	22.3%
FUA – Non-custodial	281	448	560	694	782	178.4%
Total FUA	84,724	88,003	95,422	101,572	104,076	22.8%
FUA - Custodial fee paying FUA %	62.2%	62.5%	61.6%	61.1%	60.8%	-
FUA Inflows – Custodial	5,081	6,931	7,119	7,663	6,351	25.0%
FUA Outflows – Custodial	(2,391)	(3,299)	(3,224)	(3,262)	(2,898)	21.2%
FUA Net flows Custodial	2,690	3,632	3,895	4,401	3,454	28.4%
FUA Net flows – Non-custodial	39	154	116	71	55	41.0%
Total FUA Net flows	2,729	3,786	4,011	4,472	3,509	28.6%
FUM						
Managed Account	16,950	17,587	19,418	20,771	21,420	26.4%
Managed Funds	2,749	2,898	3,050	3,243	3,335	21.3%
Total FUM	19,700	20,485	22,467	24,014	24,755	25.7%
Net flows – Managed Account	612	790	1,255	1,107	871	42.2%
Net flows – Managed Funds	60	154	132	126	148	145.3%
Total FUM Net flows	672	944	1,386	1,233	1,018	51.4%
Accounts EOP (number)	137,958	143,251	147,165	151,437	155,738	12.9%
Market Movement						
Market movement FUA – Custodial	3,980	(520)	3,411	1,615	(1,037)	-
Market movement FUA – Non-custodial	14	14	(4)	63	32	-
Total FUA market movement	3,994	(507)	3,407	1,678	(1,005)	-
Total FUM market movement	954	(159)	596	314	(277)	-

All figures in \$millions unless otherwise stated.

All figures provided are unaudited and net flows do not include market movement.

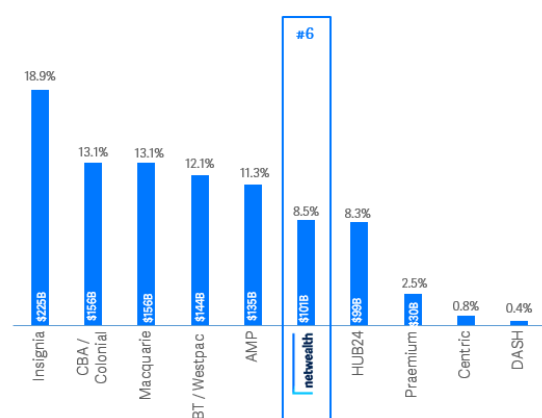
Growth is the percentage increase on prior year corresponding period

Platform growth and performance

In the latest Plan for Life industry analysis at 31 December 2024:

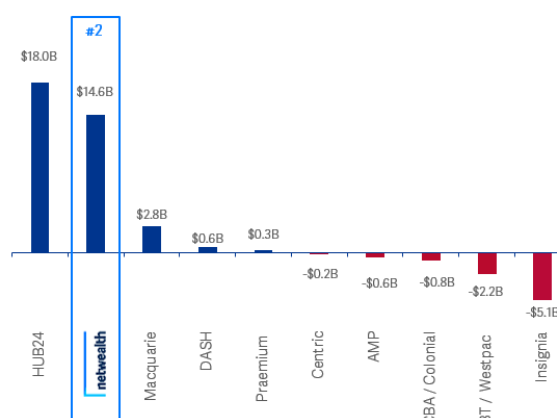
- Netwealth had the second highest platform 12-month net flows for the 12 months to 31 December 2024; and
- Netwealth is the 6th largest platform with 8.5% market share, up 1.0% for the 12 months to 30 December 2024. During this period, legacy platforms (with 55.5% of market share) lost market share due to net outflows, as illustrated in the graph below.

Platform providers by FUA market share
% market share (Dec 24)



Source: Plan For Life, Analysis of Wrap, Platform and Master Trust Managed Funds as at 31 Dec 24. Total industry retail FUA of \$1.2T (as at 31 Dec 24)

Platform provider net funds flows
\$'Billions (12 months to Dec 24)



Source: Plan For Life, Analysis of Wrap, Platform and Master Trust Managed Funds as at Dec 24. Total net fund flows of +\$30.4B. Not included above: Others circa \$3.1B.

Outlook

- We expect our FUA net flows to be seasonally strong in the June quarter. Net flows have continued to remain strong in April, despite market volatility.
- We remain confident in our net flows outlook for FY26 and beyond, which is supported by a robust transition pipeline and new client wins.
- Our revenue base is highly recurring and well diversified across customer segments (high net worth, mass and emerging-affluent) products and revenue sources (administration, cash, transaction, management, and other ancillary fees). These revenue sources have complementary correlations, providing stability and resilience in volatile markets.
- We continue to invest in broadening our revenue sources, having actively diversified these over the last two years with fixed income products, a 31-day notice cash fund, an expanded range of term deposit providers and annuities, a strategic partnership with iCapital and new trading functionality on the platform.

- We expect the strong adoption of managed accounts to continue as advisers focus on efficiency and automation. The benefits of managed accounts, and ability to rebalance portfolios quickly and at scale in response to volatile market conditions allows advisers to focus on new and existing client relationships.
- To capitalise on both existing and emerging market opportunities, and to drive sustainable profit growth and innovation, we will continue to invest in our people, products, security and technology capabilities. This level of investment will continue into FY26.
- As previously noted, as part of this investment, we are reducing our reliance on third-party systems for core platform functionality. Consequently, in 2H25 compared to 1H25, we expect:
 - Headcount growth to increase, and total operational expenses (inclusive of Xeppo and Flux headcount and costs) to grow by approximately 5%; and
 - Investment in capitalised software to increase by approximately \$2M (and increase approximately a further \$0.5M in 1H26).
- Netwealth remains in a strong financial position:
 - Highly profitable, with strong EBITDA margin;
 - A very high correlation between EBITDA and operating cashflow, resulting in strong cash generation;
 - Very high levels of predictable, recurring, and diversified revenue; and
 - Debt free and significant cash reserves.

About Netwealth

Netwealth is a financial services company listed on the Australian Securities 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 trustee, 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.

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;
- managed funds;
- self-managed superannuation funds administration; and

- non-custodial administration and reporting services.

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

The platform is created, developed, and maintained by our technology team. It is continuously enhanced based on feedback from financial intermediaries, clients and other users and is widely acknowledged for its industry-leading capabilities.

To ensure the effective operation of our financial products and technology platform, Netwealth invests heavily in its people and resources for support, custodial and non-custodial services, and risk and governance management.

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This document has been authorised for release by Hayden Stockdale, Chief Financial Officer.

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