

# Netwealth Investor Presentation

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**Chief Financial Officer**



Score Value in the Vines  
18 November 2022

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Our culture is value-driven

**Curious**  
**Optimistic**  
**Collaborative**  
**Agile**  
**Genuine**  
**Courageous**



# Netwealth #1 specialist investment platform

## Award winning platform

2022 Adviser Technology Needs Report  
Overall Satisfaction: Platform  
**WINNER** Netwealth

2022 Australian Financial Advice Landscape Report  
Platforms: Best Overall Functionality  
**WINNER** Netwealth

2021 Platform Competitive Analysis and Benchmarking Report  
Best Platform Overall  
**WINNER** Netwealth

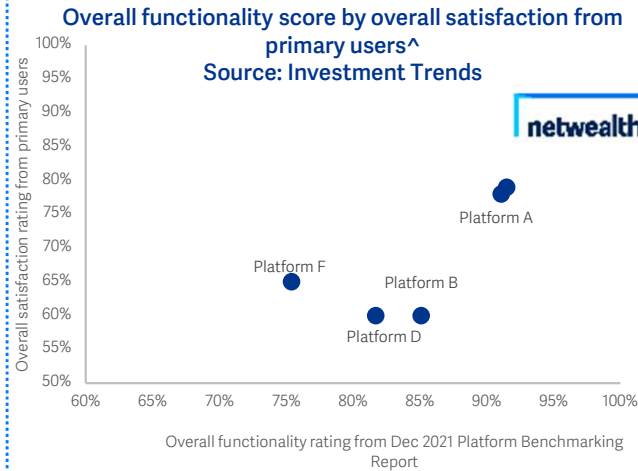
2022 Australian Financial Advice Landscape Report  
Platforms: Best Client Experience  
**WINNER** Netwealth

2022 Adviser Technology Needs Report  
Adviser Satisfaction with Mobile Access for Clients  
**WINNER** Netwealth

Chant West award medals for Best Product of the Year (2018-2022)

Rated by Investment Trends as number 1 in Overall Satisfaction by users for the tenth consecutive year and again rated number 1 by Investment Trends for Best Platform Overall in 2021. 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.

Ranked number 1 for overall satisfaction among primary users for the tenth year in a row, according to research by Investment Trends.



Source: Investment Trends – December 2021 Platform Competitive Analysis and Benchmarking Report & Investment Trends – May 2022 Adviser Technology Needs Report

Top 4 institutions are losing market share and represent 67.1% of market share

Platform providers by FUA / % market share / market share movement Jun 21 to Jun 22

Insignia*	\$193B	20.9%	-0.5%
BT/Westpac	\$161B	17.5%	-0.6%
AMP	\$133B	14.4%	-0.7%
CBA/Colonial	\$132B	14.3%	-0.5%
Macquarie	\$108B	11.7%	+0.8%
Netwealth	\$56B	6.0%	+1.2%
Hub24**	\$50B	5.4%	+1.1%
Praemium	\$19B	2.1%	-0.7%

Source: Plan For Life, Analysis of Wrap, Platform and Master Trust Managed Funds as at Jun 2022

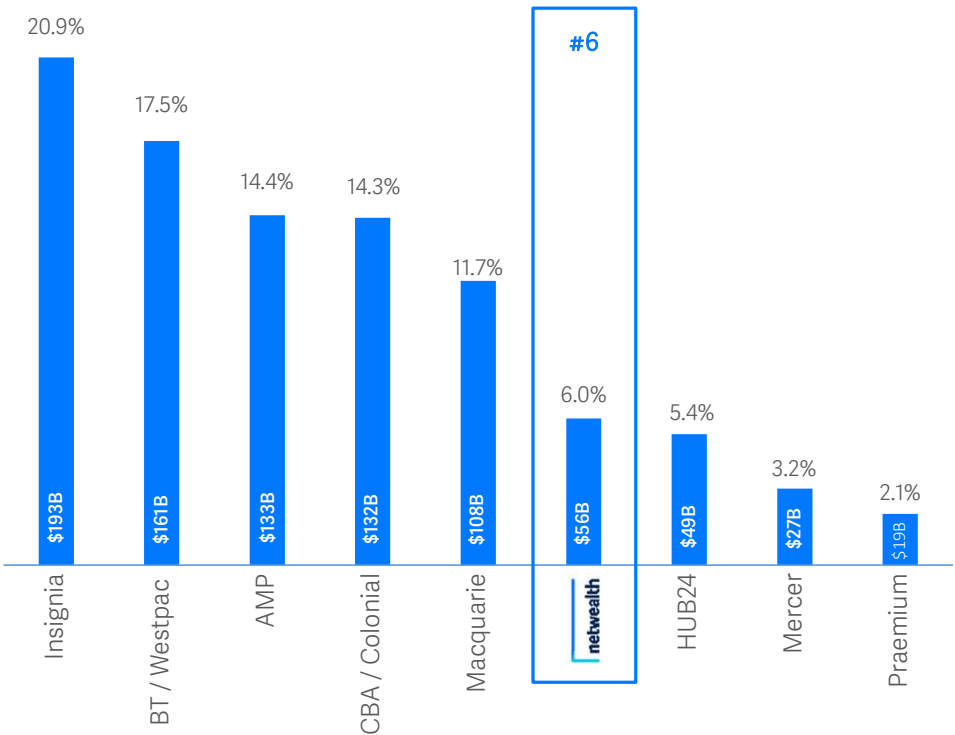
Total industry retail FUA of \$922.9B (as at Jun 22)

\*Insignia includes acquisition of MLC at Jun 21 and Jun 22

\*\*HUB24 +1.2% increase includes acquisition of Xplore Wealth at Mar 22

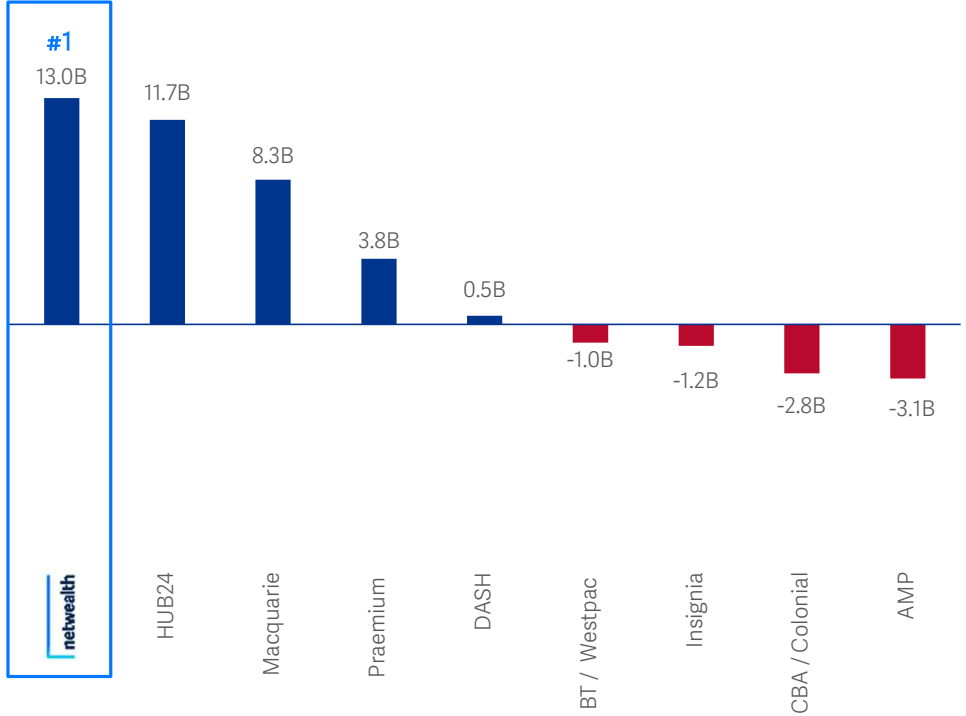
# Disruption = Opportunity

Platform providers by FUA market share  
% market share (Jun 2022)



Source: Plan For Life, Analysis of Wrap, Platform and Master Trust Managed Funds as at Jun 2022  
Total industry retail FUA of \$922.9B (as at Jun 2022)

Platform provider net funds flows  
\$'Billions (12 months to Jun 2022)



Source: Plan For Life, Analysis of Wrap, Platform and Master Trust Managed Funds as at Jun 2022  
Total net flows of +\$28.9B (Not included above: Others of -\$0.1B)

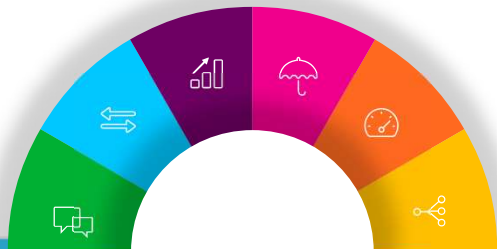
# Supporting wealth professionals and investors to see wealth differently

# 1

## A focus on technology and platform innovation

We have a home grown market leading investment platform that connects clients and advisers. It is agile and flexible to provide choice and remove barriers.

200+ IT staff dedicated to platform development, maintenance and security, accounting for ~30% of headcount expenses.



# 2

## A values-driven team focused on customer support and service

We are real people who are guided by our values and understand the critical importance of client service and support.



# 3

## Insights that provide new perspectives

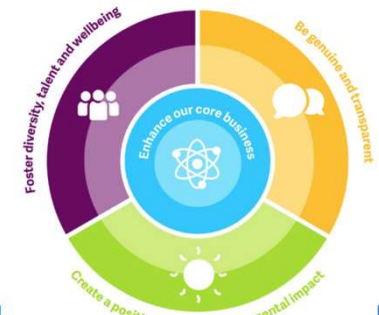
We provide deep insights to help clients to see the world in a new light, to help clients to spot the changes that matter today and tomorrow.



# 4

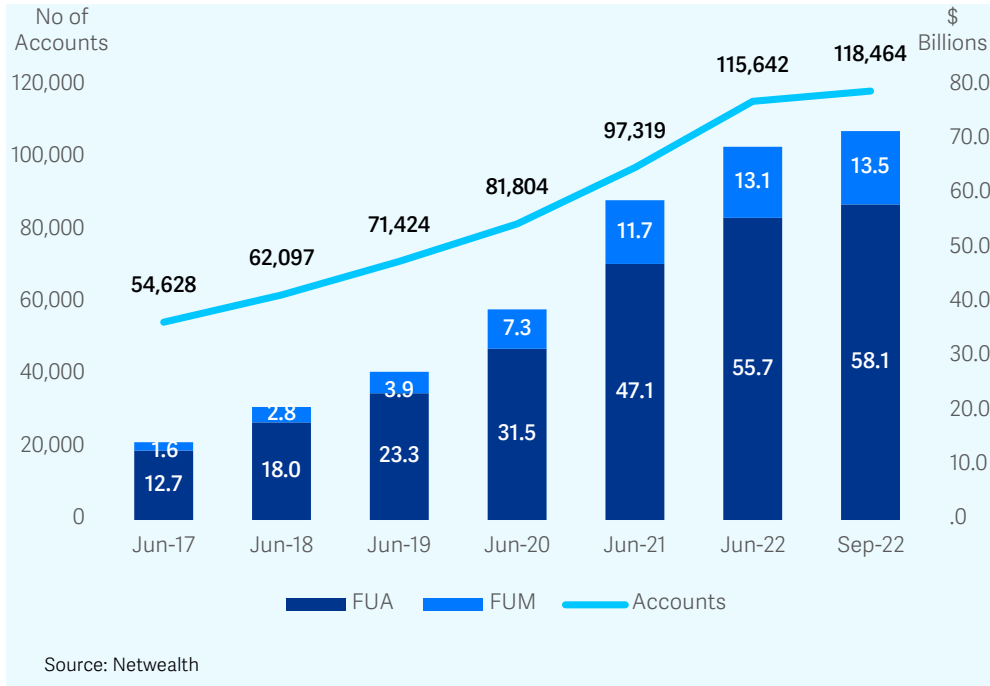
## A focus on sustainability and social impact

Wealth takes time to accumulate. Being sustainable and here for the long-term custody of our clients' assets is very important to us. We have a range of initiatives that support this vision.

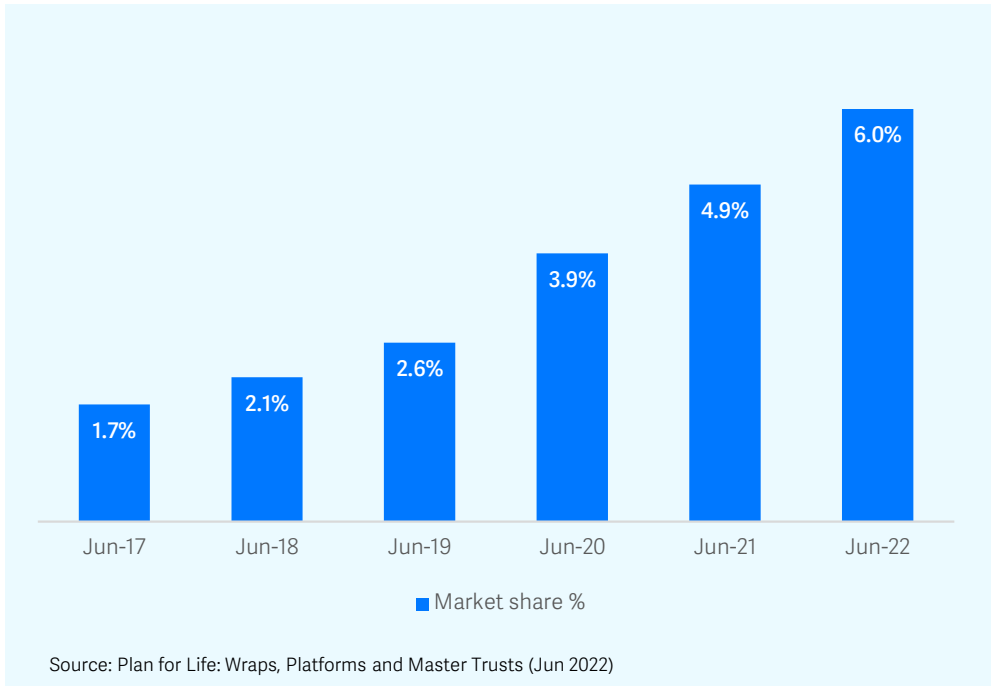


# Business growth drives market share gains

Growth in FUA, FUM and Accounts



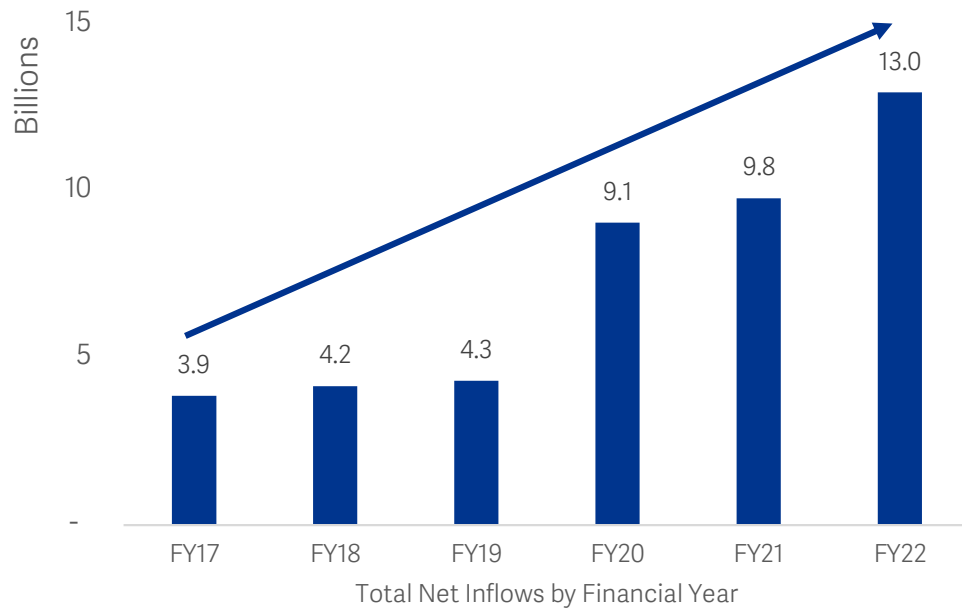
Market share increased to 6.0% for the year to Jun 22



# Net Inflows and FUA

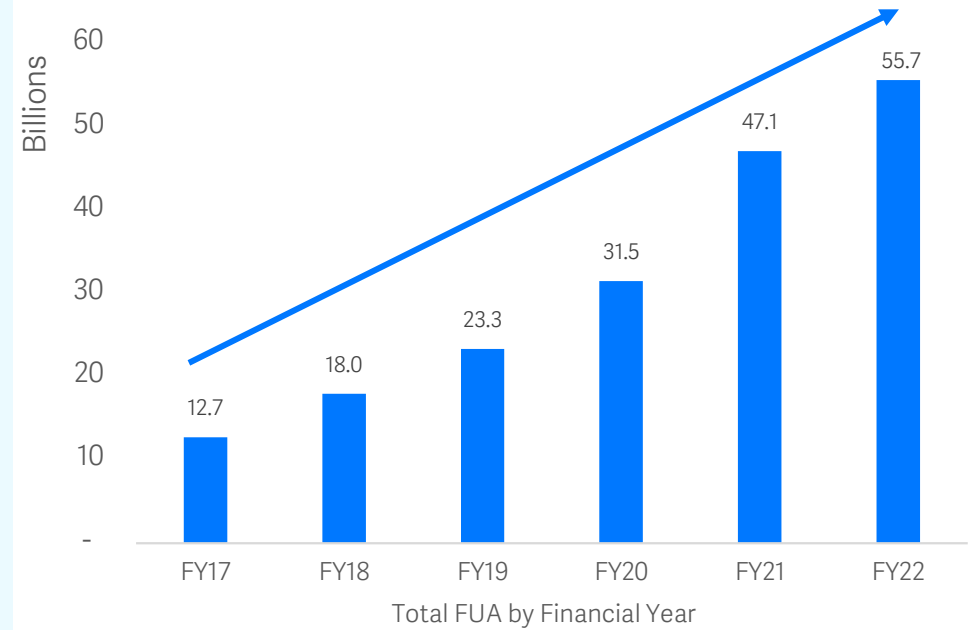
FY22 Net Inflows of \$13.0B

+32.4% vs FY21  
+27.3% 5 year CAGR



FY22 FUA at \$55.7B

+18.1% vs FY21  
+34.3% 5 year CAGR

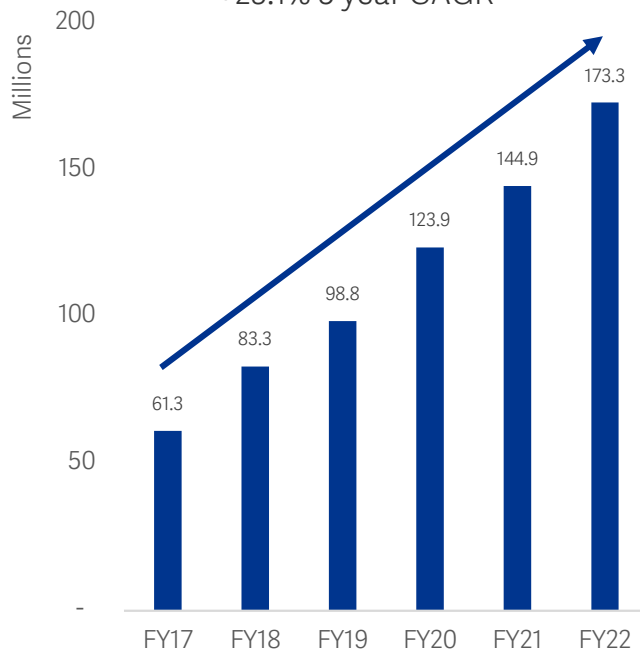


Sep 22 FUA at \$58.1B, +4.4% vs FY22

# Group FY22 Financial Highlights

## FY22 Total Income\* \$173.3M

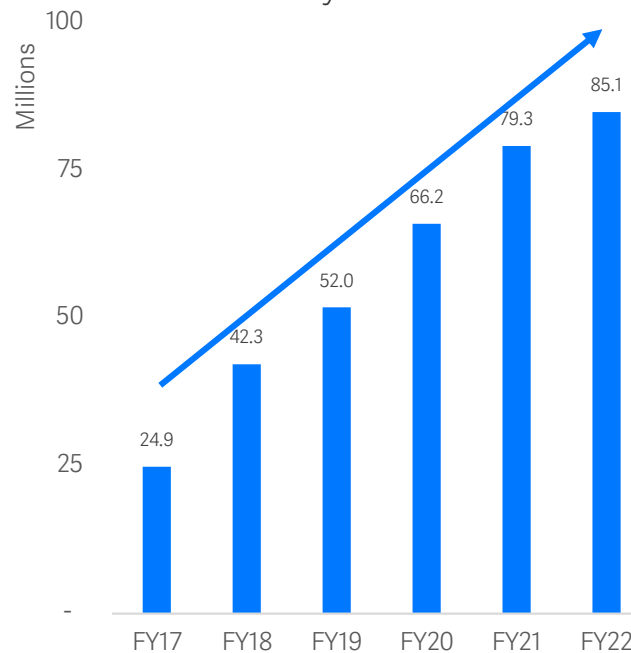
+19.6% vs FY21  
+23.1% 5 year CAGR



Total Income by Financial Year

## FY22 EBITDA\* \$85.1M

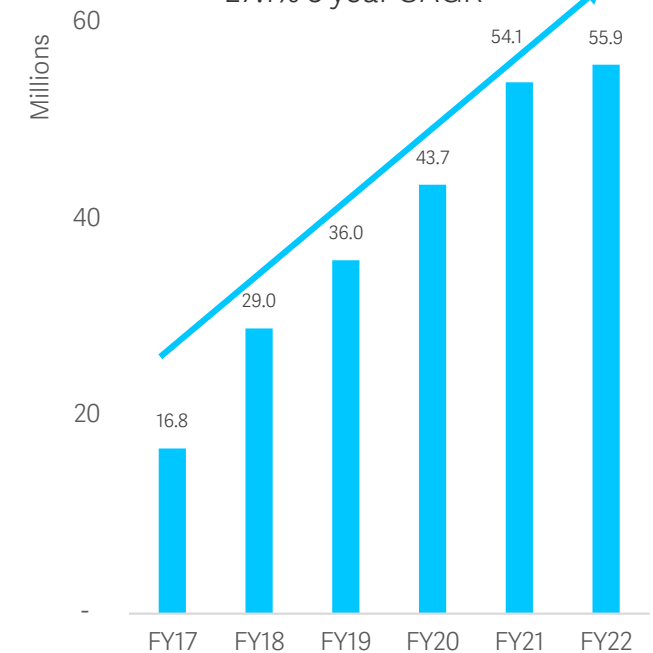
+7.2% vs FY21  
+27.8% 5 year CAGR



EBITDA by Financial Year

## FY22 NPAT\* \$55.9M

+3.3% vs FY21  
+27.1% 5 year CAGR



NPAT by Financial Year

\*All results are on continuing operations whilst all non-recurring transactions are excluded

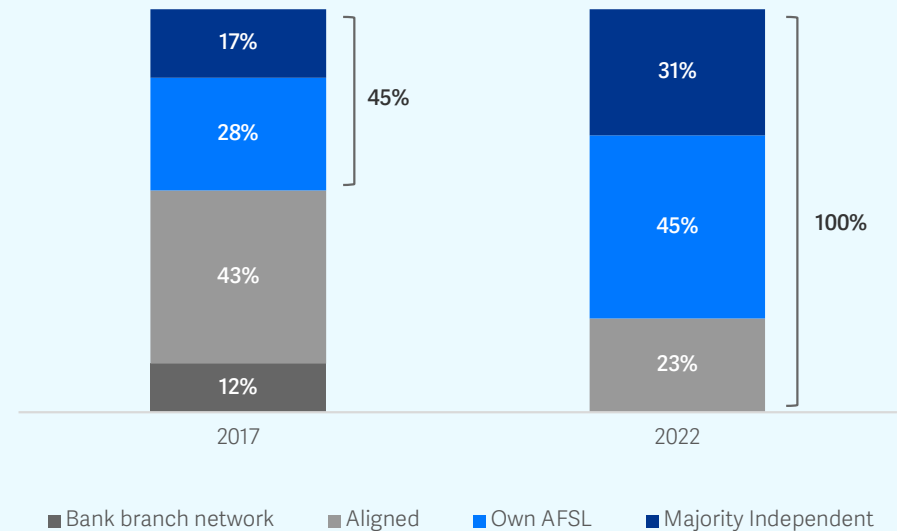


# Growing addressable market

Objective is to continue to increase our penetration of financial intermediaries by increasing their efficiency and productivity and continuing to add new features for the end customer

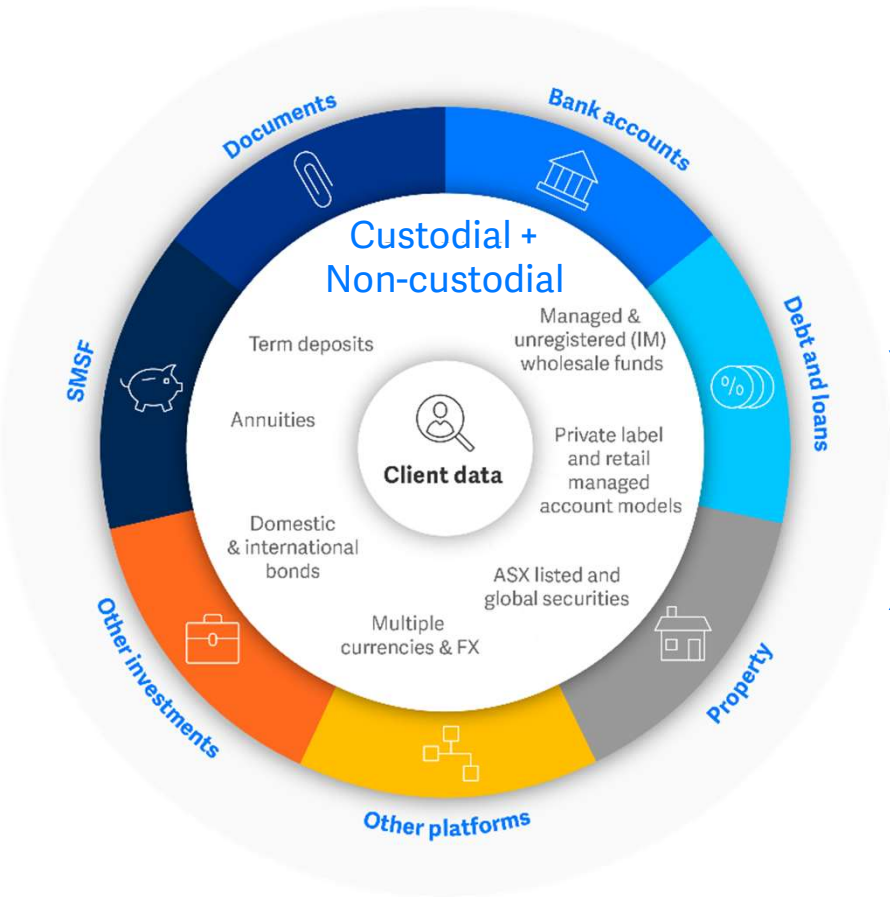
- The proportion of advisers that have their own AFSL or are majority independent increased from 45% of the market to 76% since the Royal Commission
- Netwealth now wins business across all segments of the Adviser market
- Continued fraction/disruption in the market provides opportunity for organic growth for Netwealth
- We are now an approved platform for use in Aligned networks.

**Changing structure of adviser market, so 100% of the market is now contestable**



Source: Investment Trends May 2022 Adviser Technology Needs Report

# Netwealth's whole of wealth platform



### Introducing Wealth Accelerator MAPs (Multi-asset portfolio service)

● 20.5% non-custodial assets

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**86.1% in-house**  
 Advice firm who use in-house resources for data entry and administration of the off-platform assets

- Netwealth assisted applications
- Timely update of information
- Tax Reporting & Annual Statements
- Advice fee calculation

Source: 2022 Netwealth AdvisorTech Report

# Wealth Accelerator Multi-asset portfolio service (MAPs)

## For investors looking for a centralised account and reporting solution

Wealth Accelerator accounts can access an outsourced administration solution for assets which cannot be held in custody.

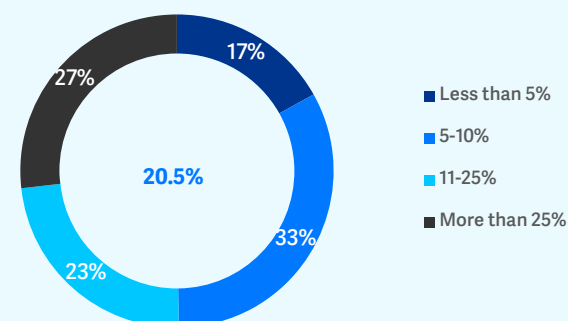
## The service offering

- Submit investment instructions on client behalf
- Transfer cash in and out of the client's platform cash account to facilitate investments
- Act as the mailing house for all correspondence
- Maintain records of holdings and income
- Administer assets for reporting and tax statement purposes
- Charge a percentage based admin fee plus a flat dollar fee per asset, per annum

## Benefits for advisers & clients

- Liaise with Netwealth to manage non-custodial investments (including initial application and AML)
- Timely updates of information with Netwealth acting as the mail house
- Visibility alongside custodial assets on client portal
- Inclusion in both Tax and Annual Statements
- Calculation of advice fees over assets which form part of this service

On average, what percentage of your clients super and investment is held off-platform (e.g. in property or in a direct share portfolio)?



## 86.1% in-house

Advice firm who use in-house resources for data entry and administration of the off-platform assets

Source: 2022 Netwealth AdviceTech Report



39%

improved transparency

- ✓ total household balance sheet
- ✓ performance on investments
- ✓ track spending



35%

improved collaboration

- ✓ sign & approve financial documents
- ✓ securely store documents



37%

improved communication

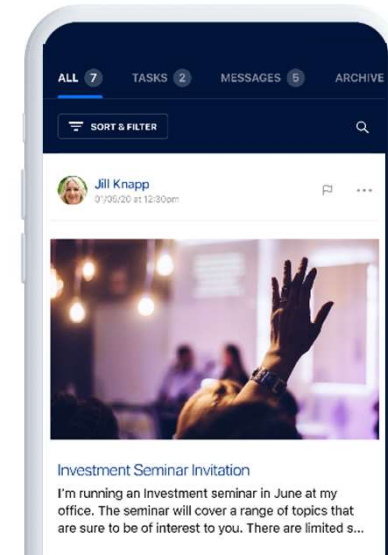
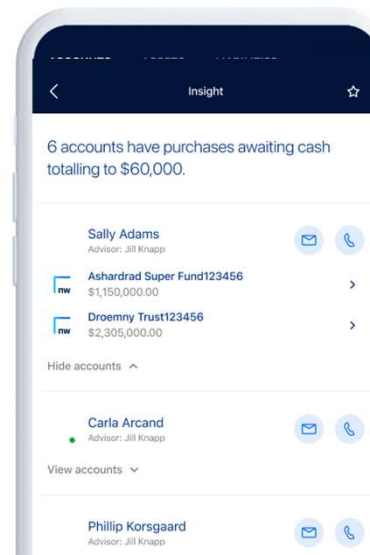
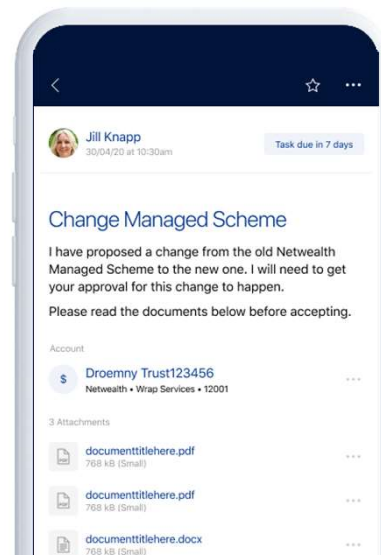
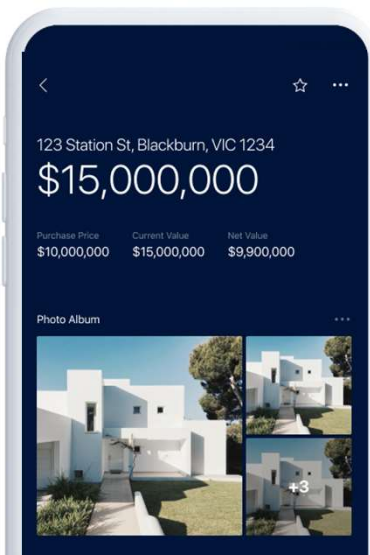
- ✓ chat/meet with planner via the portal



23%

improved client education

- ✓ access to news, insights, research
- ✓ calculators
- ✓ webinars, podcasts

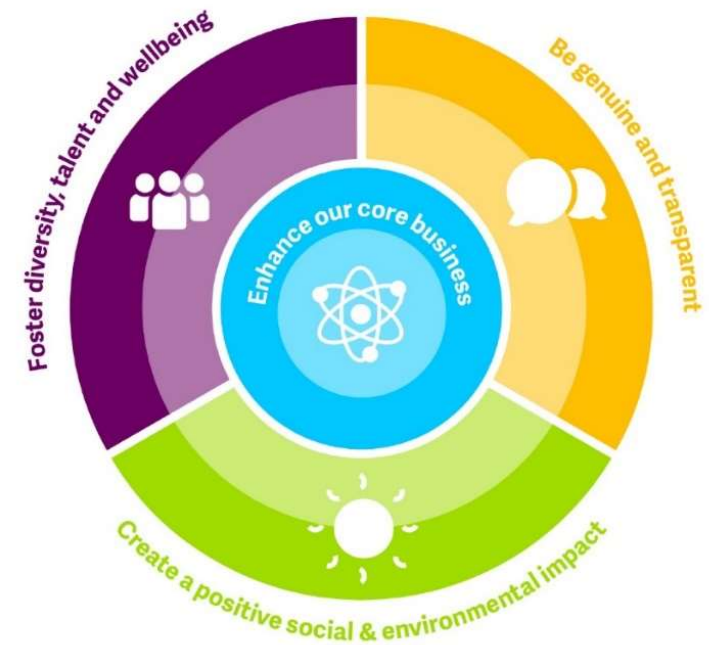


# Corporate sustainability

## Looking forward

- Enhance our core business
  - Continue to invest in system scalability and security, product and technology, service and leveraging data
- Be genuine, and transparent
  - Incorporate corporate sustainability targets into Executive performance metrics and seek opportunities to increase transparency in annual reporting
  - Engage stakeholders on corporate sustainability strategy and future strategic direction
  - Understand and measure Netwealth's carbon emissions and develop framework and strategy on carbon emission reduction
- Foster diversity, talent and wellbeing
  - Invest in talent development and retention, inclusion and diversity initiatives and social and wellbeing initiatives
- Create a lasting positive social and environmental impact
  - Continue to financially support our Impact Partners through fundraising into Netwealth Impact Fund
  - Financially support Banquer Primary and the Centre for Women's Economic Safety
  - Partner with Swinburne University to run a tertiary program on design sprint techniques

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



# Summary Strong financial and market position



## Strong balance sheet

- low capital expenditure
- no debt
- significant cash reserves



## Exceptional correlation between EBITDA and Cash Flow



## High level of recurring and growing revenue



## Ongoing strategic investment across IT infrastructure, people and software



## A leader in mass affluent, high net-worth and private wealth solutions



## #1 Platform

1. Rated by Investment Trends as number 1 in Overall Satisfaction by users for the tenth consecutive year and rated number 1 by Investment Trends for Best Platform Overall in 2017-2019 and 2021-2022.

# Questions