

Netwealth FY2021 Annual General Meeting

1



27th October 2021

Today's presenters and agenda



Davyd Lewis
Chairman



Matt Heine
Joint Managing
Director



Grant Boyle
Chief Financial Officer
Today's Moderator

1. Chairman's address
2. Joint Managing Directors' address
3. Formal business of Meeting

Chairman's address

Davyd Lewis



Conduct of Meeting

- Questions
- Voting
- Technical difficulties

Netwealth's Board of Directors



Tim Antonie

Chairman and Non-Executive Director (joined 2000)

- Commenced his career at Price Waterhouse (now PwC). Subsequently worked at a number of investment banks, including Managing Director at UBS
- Director of Breville Group Limited, Premier Investments Limited, and a principal of Stratford Advisory



Michael Heine

Joint Managing Director (Executive Director)

- Founded Netwealth in 1999
- Previously founded Heine Investment Management which was sold to Mercantile Mutual (now ING) in 1999



Sally Freeman

Non-Executive Director (joined Oct 2019)

- Has over 25 years' experience as a Risk Consulting and Corporate Governance executive and was head of KPMG's National Risk Consulting Practice
- Director of Eastern Health and independent expert on the audit committee of Commonwealth Games Australia and Royal Children's Hospital



Davyd Lewis

Non-Executive Director (joined 2009)

- Was a partner of Mallesons Stephen Jaques (now King & Wood Mallesons) for 20 years', specialising in M&A and Equity Capital Markets, until his retirement in 2008



Matt Heine

Joint Managing Director (Executive Director) (joined 2001)

- Has 20 years' experience in the wealth management industry
- Appointed as a Director in 2004 and Joint Managing Director in January 2015

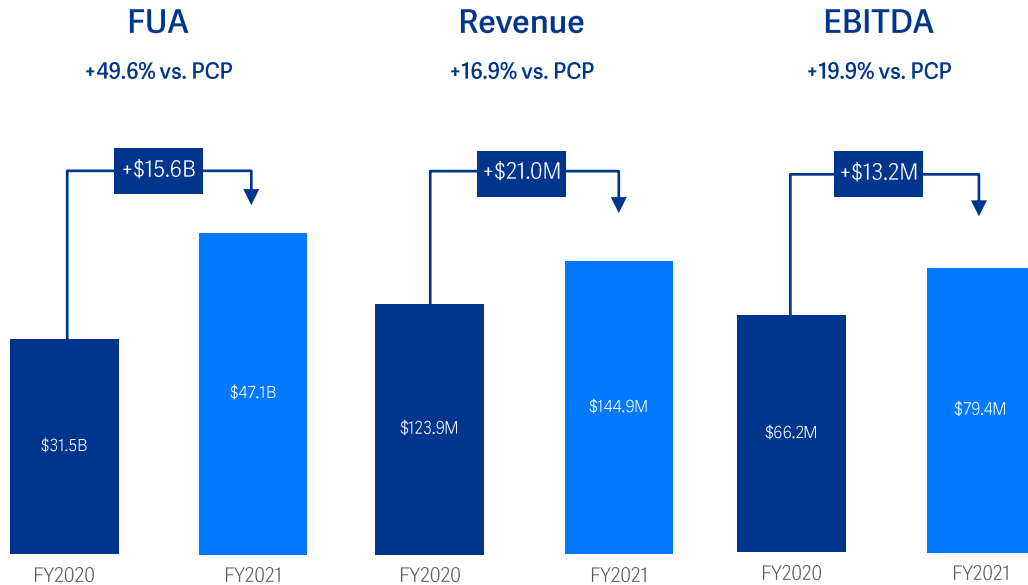


Kate Temby

Non-Executive Director (joined Feb 2021)

- Has worked in global roles as a Managing Director at Goldman Sachs Asset Management and a Consultant at PwC.
- Currently a partner with Affirmative Investment Management, member of Investment Committees for Conscious Investment Management and Melbourne Grammar School

FY2021 Performance and Netwealth Team



Netwealth Executive Team

- Chief Financial Officer – Grant Boyle
- Chief Governance Officer – Rachel Axton
- Chief Information Officer – John Hanrahan
- Head of Distribution – Damian Holland
- General Manager Product – Philip Coldwell
- General Manager Service & Delivery – Amanda Atkinson
- General Manager Operations – Alistair Densley

Corporate Governance and NSS

- Sound governance is fundamental to success
- Netwealth Superannuation Services established with separate board



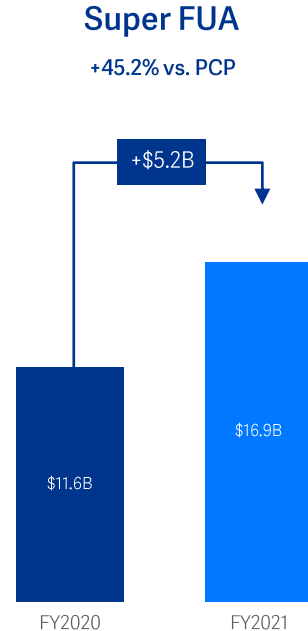
Rita Harris
Independent Chairman of Netwealth Superannuation Services

- Previously Senior Partner at Mercer
- Extensive experience in the Financial Services industry and as a trustee director
- Bachelor of Laws and Bachelor of Economics



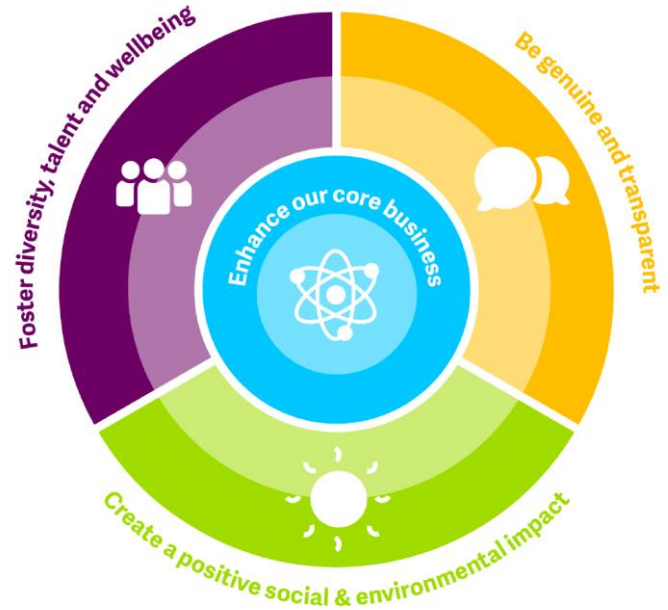
Jack Diamond
Non Executive Director

- Over 25 years experience as a trustee director of ESSB, Ansett Superfund, Australian Retirement Fund and a number of other entities
- Extensive experience in superannuation commencing in the late 1980s



Corporate Sustainability Framework

- We protect and enhance our core business
- We are ethical, genuine, and transparent in our dealings
- We promote diversity and talent and believe all people have a right to wellbeing
- We partner with and financially support organisations that create lasting positive social and environmental impacts



Joint Managing
Directors' address
Matt Heine



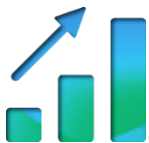
Our culture is value-driven

Curious
Optimistic
Collaborative
Agile
Genuine
Courageous



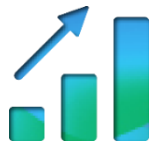
Financial and Business Highlights FY2021

Very strong Q1 and have increased Net FUA Inflow guidance from \$10 Billion to \$12.5 Billion



\$144.9M

Total Income



\$54.1M

NPAT



\$52.0B FUA

Growth PCP of \$17.9B (+52.7%)



\$12.6B FUM

Growth PCP of \$4.6B (+56.9%)



22.1 cents¹

EPS



Dividend 18.56 cps

Interim Dividend 9.06 cps
Final Dividend 9.50 cps



\$10.7B MA

Growth PCP of \$4.1B (+63.6%)



\$1.6B GSS

Growth PCP of \$0.4B (+37.2%)

1. EPS has been calculated on a dilutive basis to include all ordinary shares and have assumed all options currently on issue will vest in full
EPS – Earnings per share CPS – Cents per share

Reference; Growth PCP – prior comparative period Sep 2020 quarter

Our strategy is to deliver



Specialist technology

Market leading, home grown platform, agile and tailored to client needs



Broad investment solutions

Asset class diversity, global specialists, investment vehicle options



Dedicated service team

Award winning, nimble and highly responsive – ‘we make advisers look good’

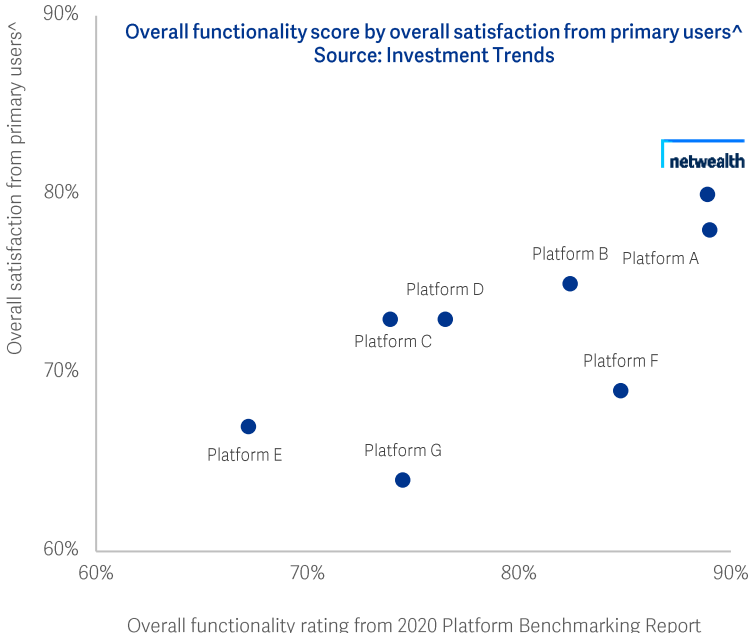


Insights that matter

Provide deep insights to our clients to help them spot change that matters

Ranked number 1 by advisers

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

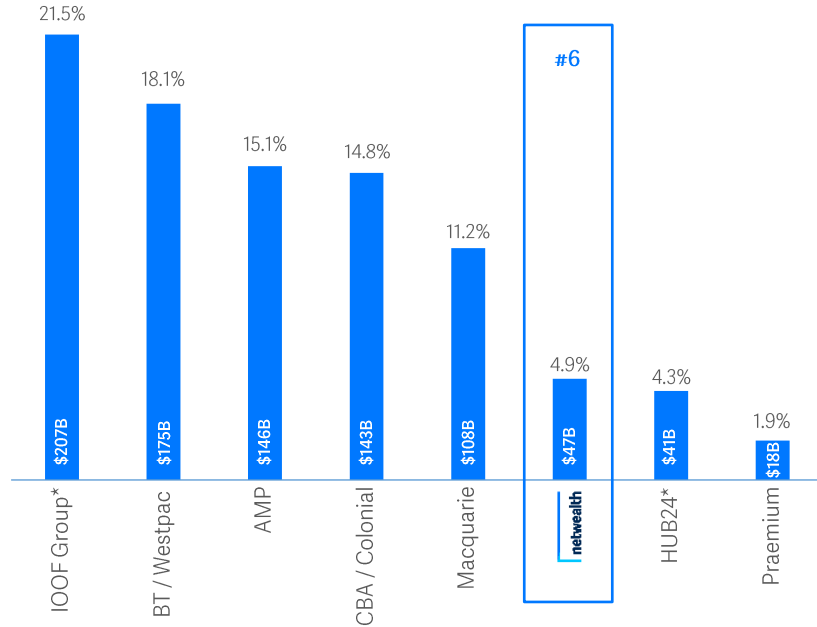


- Ranked 1st for Product Offering, Reporting, Decision Support Tools and Transaction Tools by Investment Trends December 2020 Competitive Analysis and Benchmarking Report
- In the Investment Trends, May 2021 Adviser Technology Needs Report Netwealth retained its number 1 rating in the industry for overall satisfaction among primary users for the tenth year, in addition to being rated No.1 for “Value for Money”
- Netwealth Super Accelerator product won Chant West Best Advised Product of the year for the 4th year in a row

[^]Based on planner rating in May 2021. Composite score: Weighted average using Very good=100%, Good=67%, Average=50%, Poor=17%, Very poor=0%
Source: Investment Trends – December 2020 Platform Competitive Analysis and Benchmarking Report & Investment Trends – May 2021 Adviser Technology Needs Report

Disruption = Opportunity

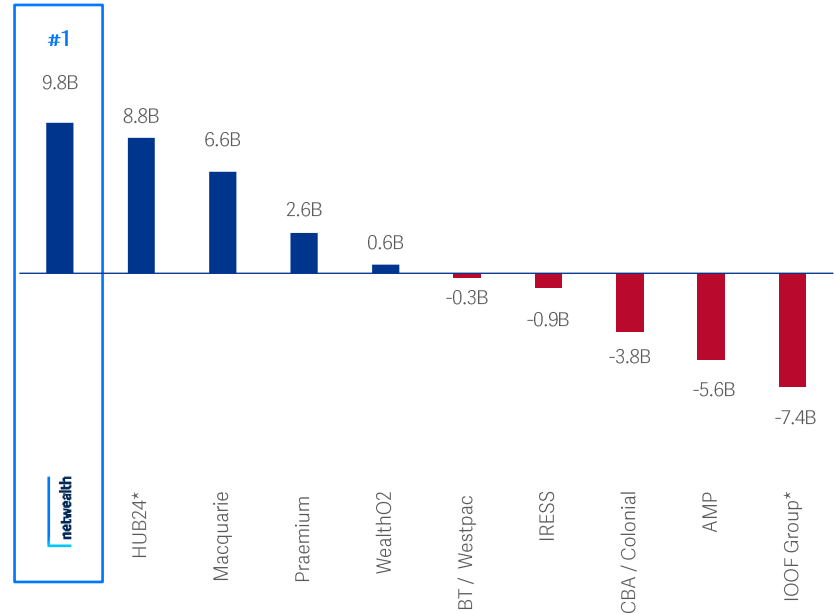
Platform providers by FUA market share
% market share (Jun 2021)



Source: Plan For Life, Analysis of Wrap, Platform and Master Trust Managed Funds as at Jun 2021
Total industry retail FUA of \$965.7B (as at Jun 2021)

*IOOF Group includes acquisition of MLC, HUB 24 Includes acquisition of Xplore Wealth

Platform provider net funds flows
\$'Billions (12 months to Jun 2021)



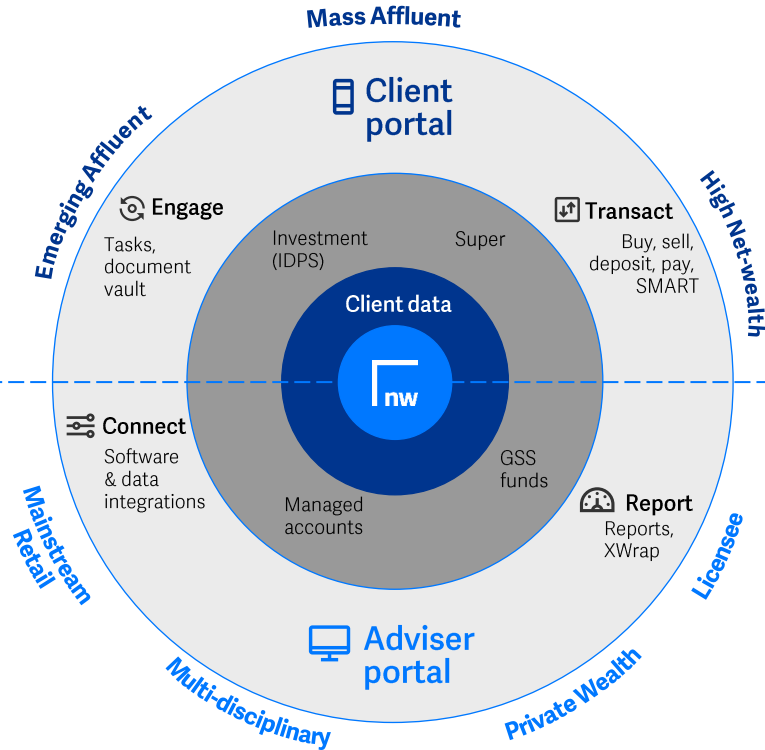
Source: Plan For Life, Analysis of Wrap, Platform and Master Trust Managed Funds as at Jun 2021
Total net flows of +\$11.2B (Not included above: Others of -\$0.7B)

*IOOF Group includes acquisition of MLC, HUB 24 Includes acquisition of Xplore Wealth

A single ecosystem for investors and wealth professionals

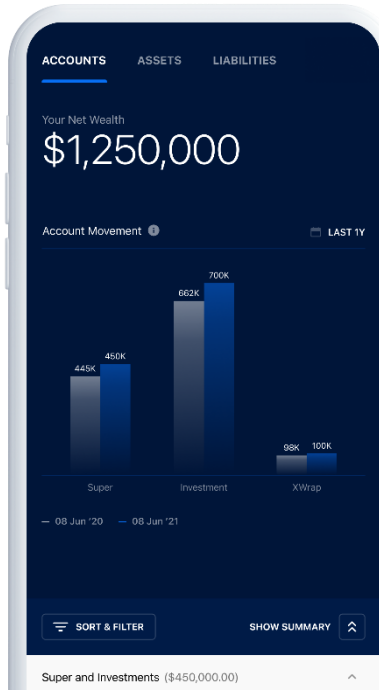


Investors

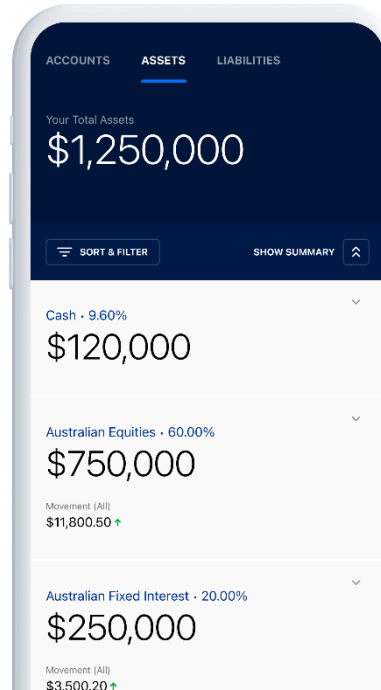


Introducing Netwealth's enhanced client experience

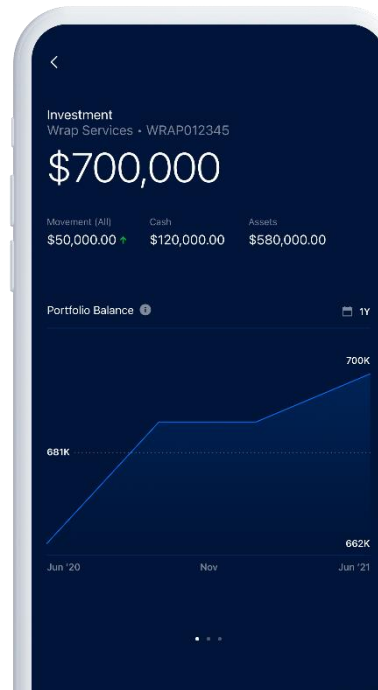
Keep track of Netwealth accounts and assets on the go



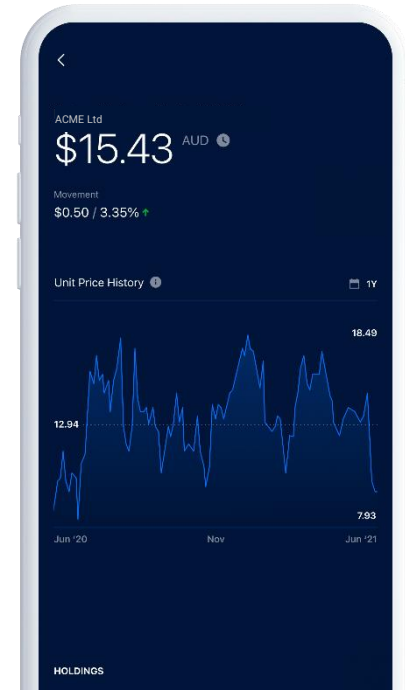
Get a complete view of portfolio asset allocations across multiple accounts



Track overall portfolio performance with simple to understand charts



Monitor Individual asset performance, including daily price information



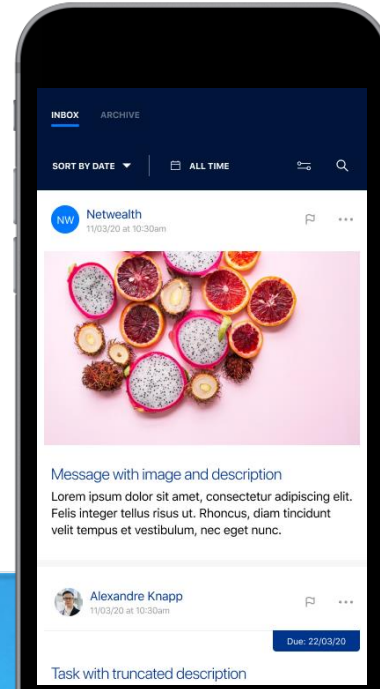
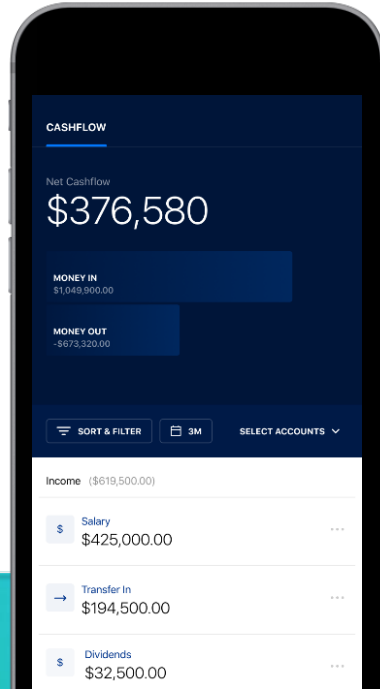
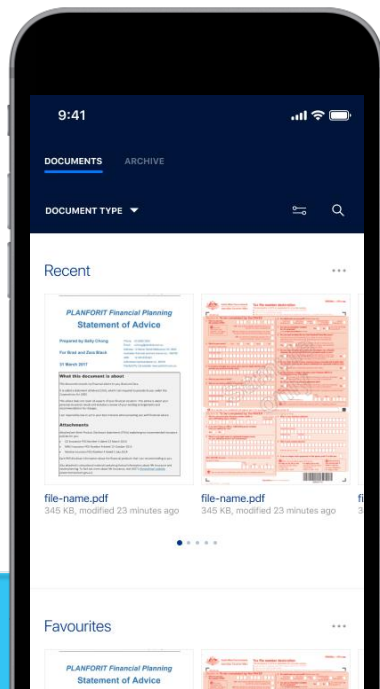
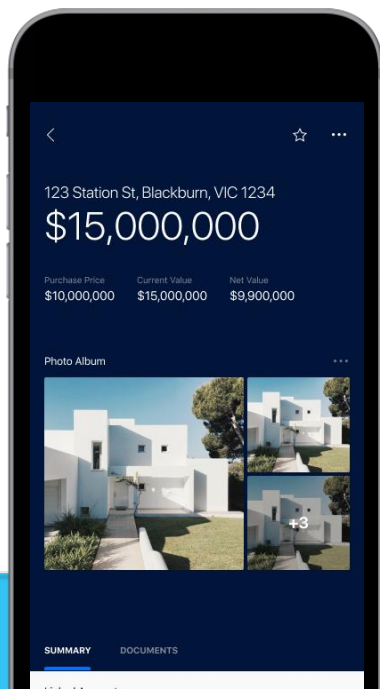
Roadmap: Next generation mobile app releases

Whole of wealth reporting that include bank and property feeds, integration with Xeppo

Document vault to securely store and manage wealth related documents

Cashflow tools to help analyse income and expenses


Inbox for clients tasks and messages, like ROAs, payment approval and fee opt in.



XWrap

Major enhancements to XWrap to help client's report on their off platform assets

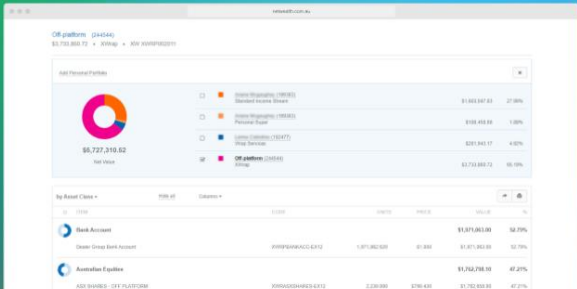
- Internal reporting and billing
- Introduction of fees to XWrap subscription
- Automated invoicing of XWrap subscription fees as a deduction from Adviser Remuneration
- Ability to offer flexible subscription fees to subscribers
- Netwealth will be offering a "Managed" solution this FY



XWrap
Powered by Netwealth

[+ Subscribe](#)

Easily track your clients' external assets and transactions with their Netwealth holdings



XWrap Fees

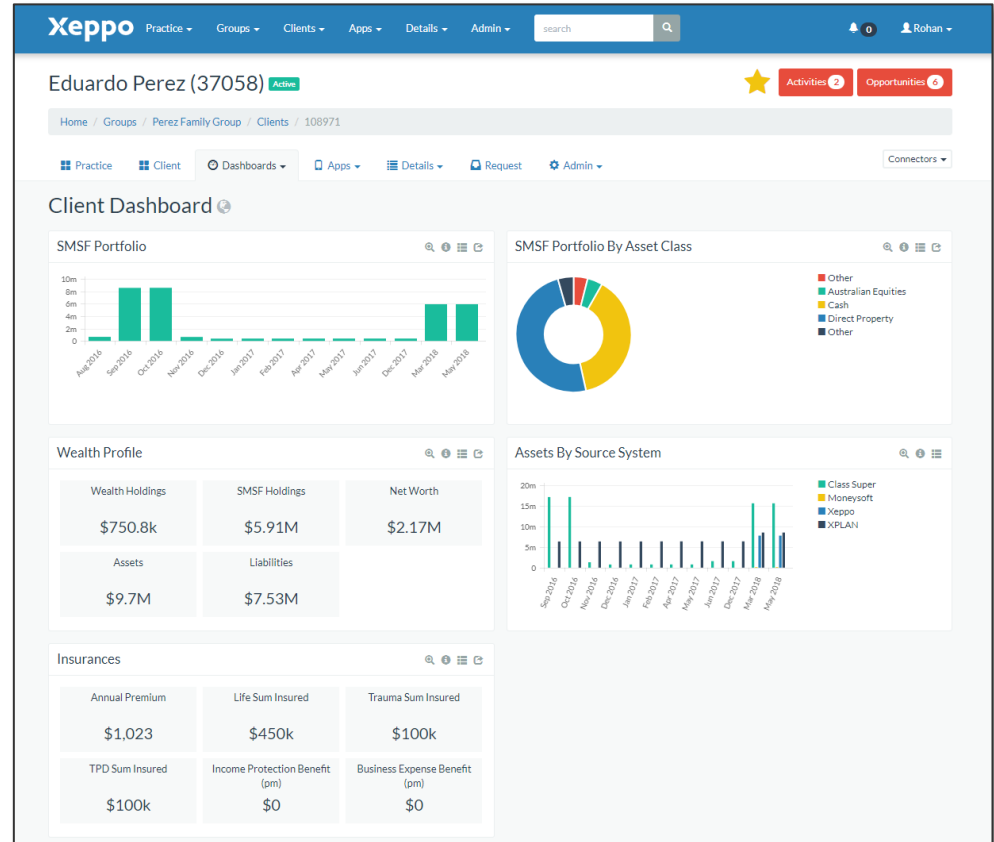
Up to 10 XWrap accounts	\$150 + GST / month
For every additional XWrap account	\$15 + GST per XWrap account / month

- Fees are payable on a monthly basis in arrears.
- The first payment will be due on the first day of the month following the month in which you activate one or more XWrap accounts.
- Fees will be paid from your Adviser Remuneration¹ and will be debited prior to its payment to you.
- A statement detailing the fees paid will be provided to you for each month in which XWrap is used.
- If Netwealth is unable to debit the fees due and payable, Netwealth may limit or suspend your access to XWrap in accordance with the Wealth Exchange T&Cs.

¹ Alternative payment methods including direct debit may be offered in future releases.

Single view of clients

- Xeppo continually collects information from multiple sources for both external and internal systems – and brings them together into a single view of a client.
- This information can then be used in a range of ways – to add value to clients, identify business development opportunities for the firm or manage relationships through CRMs.
- This data will be available via netwealth mobile and web portals progressively from next calendar year.



Summary of business and financial highlights

1

Track record of growth in FUA, FUM, revenue and profitability

- Record \$9.8B FUA net inflows for FY2021
- FUA of \$47.1B, up \$15.6B (+49.6%) for FY2021
- FUM \$11.7B, up \$4.5B (+64.4%) for FY2021
- Total income of \$144.9M, up \$21.0M (+16.9%) for FY2021
- EBITDA of \$79.3M, up \$13.2M (+19.9%)
- EBITDA margin of 54.8%
- NPAT of \$54.1M and margin 37.3%
- FY2022 net flows outlook increased from \$10B to \$12.5B after \$4.0B flows in Q1 of FY2022

2

“Whole of wealth” offering

- Focusing on a new digital client engagement mobile first offering
- Developing and evolving our revenue streams by expanding our product and service offering
- Provide our premium offering for sophisticated and HNW clients for greater investment flexibility and functionality

3

New pricing launched

- All accounts transferred to new pricing by 1 January 2021
- Average Account size is increasing
- Platform revenue per Account stable
- A reduction in annualised platform revenue over average FUA to 36.8bps

4

Favourable industry trends

- Total addressable market has grown rapidly and continues to grow
- The highest 12-month net funds flow in the industry for the 14th consecutive quarter¹
- Market share position increased to 6th overall¹
- Ranked 1st for overall satisfaction score among primary users by Investment Trends²
- Ranked 1st for Product Offering, Reporting, Decision Support Tools and Transaction Tools³

5

Strategic investment for the future

- Continue to invest in IT infrastructure, people and software
- Enhancing reporting, transactional capabilities and client service tools and channels
- Offer a range of services that are not widely available such as bonds, international trading with multi-currency trading and wholesale funds



Exceptional cash generation

- Debt free
- Internal software and product maintenance and enhancement costs expensed

Return to shareholders

- Dividend per share increased by 26.3%
- Annual dividend of 18.56 cents per share

1. Strategic Insight: Master Trusts, Platforms & Wraps (Jun 2021)
 2. Investment Trends – December 2020 Platform Competitive Analysis and benchmarking Report & Investment Trends – May 2021 Advisor Technology Needs Report (Primary users of the platform)
 3. Adviser Ratings 2020 Financial Advice Landscape Report December 2020

Questions

Formal business



Item 1

Consideration of Netwealth Annual Reports

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2021.

The Financial Report, Directors' Report and Auditor's Report (the "Reports") for the year ended 30 June 2021 will be laid before the AGM. There is no requirement for a formal resolution on this item. However, the Chairman will allow reasonable opportunity to answer questions or review comments that have been made online by the shareholders on the operations and management with regard to the Reports. Shareholders can also raise questions online to ask the appointed Auditor representative questions about the content and conduct of the audit.

Item 2

Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That the Remuneration Report, which forms part of the Director’s Report for the year ended 30 June 2021, be adopted”

Item 2

Adoption of the Remuneration Report

Proxy Votes Received

For	Open	Against	Abstain
75,190,972	46,782	193,123	65,533
99.68%	0.06%	0.26%	

*Open votes totalling 29,332 (0.04%) in favour of the Chairman (whether by election or default) will be voted in favour of Item 2.

Item 3

Joint Managing Director Long Term Incentive Award

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.14, approval is given to grant 75,000 Options and 23,825 Performance Rights to Mr. Matthew Heine, on the terms set out in the Explanatory Notes to the Notice of Meeting.”

Item 3

Joint Managing Director Long Term Incentive Award

Proxy Votes Received

For	Open	Against	Abstain
75,213,643	48,190	170,510	64,067
99.71%	0.06%	0.23%	

*Open votes totalling 29,400 (0.04%) in favour of the Chairman (whether by election or default) will be voted in favour of Item 3.

Item 4

Increase in the Non Executive Directors' Aggregate Fee Pool

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"To increase the Non Executive Directors' Aggregate Fee Pool to \$1,000,000 p.a. under ASX Listing Rule 10.17"

Item 4

Increase in the Non Executive Directors' Aggregate Fee Pool

Proxy Votes Received

For	Open	Against	Abstain
75,315,382	47,690	69,271	64,067
99.84%	0.06%	0.09%	

*Open votes totalling 28,900 (0.04%) in favour of the Chairman (whether by election or default) will be voted in favour of Item 4.

Item 5

Election of Ms Kate Temby

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Ms. Kate Temby be elected as a director of Netwealth."

Item 5

Election of Ms Kate Temby

Proxy Votes Received

For	Open	Against	Abstain
205,063,793	48,190	134,815	64,067
99.91%	0.02%	0.07%	

*Open votes totalling 29,400 (0.01%) in favour of the Chairman (whether by election or default) will be voted in favour of Item 5.

Questions

Thank you

Important notice and disclaimer

General Information only

Information provided is general information presented in a summary format as at 27 October 2021, and is therefore not necessarily complete. This presentation is for informational purposes only and is not to be relied upon as advice to investors or potential investors. This presentation does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. Investors should not rely on this presentation to make any investment decision, and should make their own assessment, conduct their own research of Netwealth and the Netwealth Group and consider these factors with their legal, tax, business and/or financial adviser before making any investment decision.

Forward-looking statements

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.

No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved, or that there is a reasonable basis for any of these statements or forecasts. Forward-looking statements speak only as at the date of this presentation and to the full extent permitted by law, Netwealth, the Netwealth Group, and their respective affiliates and related bodies corporate and each of their respective related parties and intermediaries disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this presentation (including, but not limited to, any assumptions or expectations set out in the presentation).

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 CFO and Company Secretary, Mr Grant Boyle.

For further information please contact:

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