

March 2022 Quarterly business update and outlook

ASX Release – 14 April 2022

March quarter net flows of \$2.6 billion, an increase of 16% on prior year

Quarterly highlights

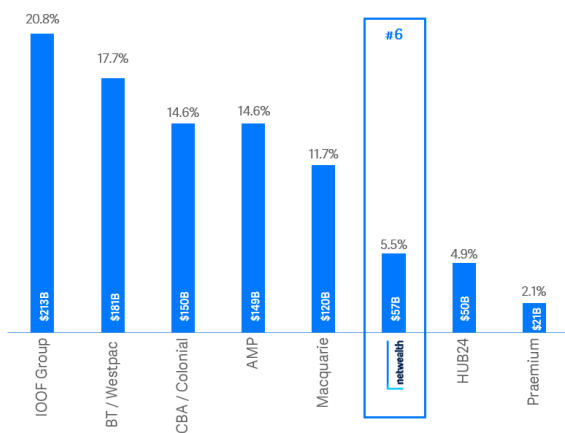
- Funds Under Administration (FUA) at 31 March 2022 of \$57.6 billion, an increase of \$0.9 billion (1.6% increase) for the March quarter after negative market movement of -\$1.7 billion and an increase of \$15.7 billion (37.6% increase) from 31 March 2021 including positive market movement of \$2.4 billion.
- FUA net inflows of \$2.6 billion for the March quarter, an increase of 16% to PCP¹
- Funds Under Management (FUM) at 31 March 2022 of \$13.8 billion.
- FUM net inflows of \$0.5 billion for the March quarter.
- Managed Account balance of \$11.7 billion as at 31 March 2022, an increase of \$3.0 billion (34.5% increase) to PCP.
- In the Investment Trends, December 2021 Platform Competitive Analysis and Benchmarking Report Netwealth ranked first for platform overall. Netwealth also ranked number 1 for the important categories of Reporting and Transaction Tools

¹ PCP – Prior comparative period – Quarter ended 31 March 2021

Platform growth and performance

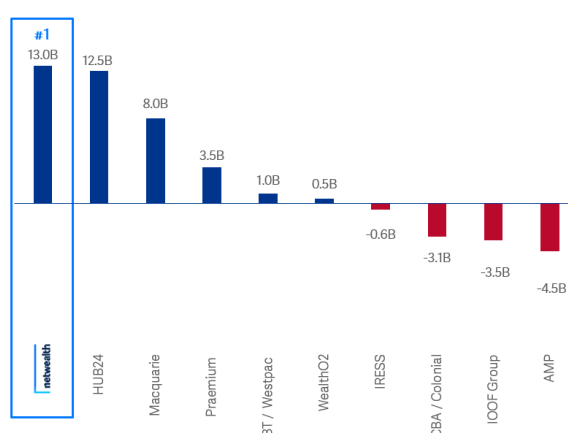
- Netwealth continues to lead the industry for FUA net inflows, as reported in the *Plan for Life* December 2021 quarter platform market update, recording the largest FUA net inflows of \$13.0 billion for the 12-month rolling period to 31 December 2021.
- Netwealth’s market share increased to 5.5% at 31 December 2021 up 1.1% for the 12 months to 31 December 2021.
- Netwealth is the fastest growing platform provider by net funds flows in Australia.

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



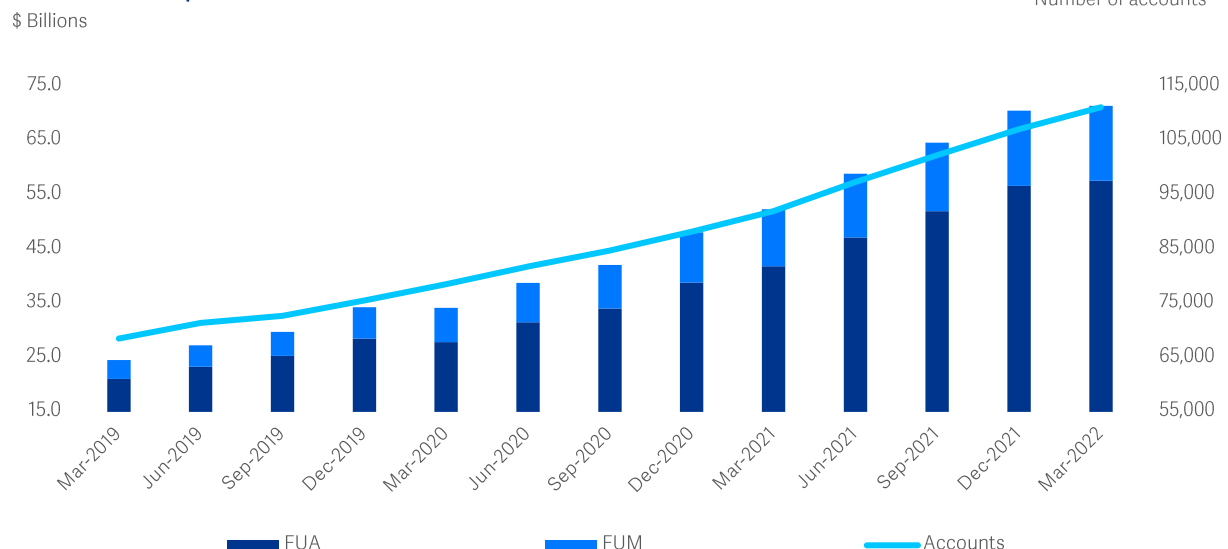
Source: Plan For Life, Analysis of Wrap, Platform and Master Trust Managed Funds as at Dec 2021
Total industry retail FUA of \$1,024.1B (as at Dec 2021)

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



Source: Plan For Life, Analysis of Wrap, Platform and Master Trust Managed Funds as at Dec 2021
Total net flows of +\$29.0B (Not included above: Others of +\$2.2B)

Growth in FUA, FUM & Accounts



Source: Netwealth

Quarterly platform statistics

	Mar-2021	Jun-2021	Sep-2021	Dec-2021	Mar-2022	Growth*
Funds Under Administration						
Funds Under Administration	41,840	47,138	51,959	56,654	57,585	37.6%
Fee Paying FUA %	66.4%	65.6%	64.2%	63.5%	64.0%	
FUA net inflows	2,266	3,077	4,035	3,601	2,636	16.3%
Market movement	775	2,221	785	1,095	(1,705)	
Funds Under Management						
Managed Account	8,730	9,835	10,653	11,703	11,747	34.5%
Managed Funds	1,768	1,911	1,994	2,114	2,047	15.7%
Total FUM	10,499	11,746	12,647	13,817	13,794	31.4%
Managed Account net inflows	889	741	730	779	437	(50.9%)
Managed Funds net inflows	32	56	159	62	25	(21.5%)
FUM net inflows	921	796	888	841	462	(49.8%)
Accounts (number)	92,008	97,319	102,304	107,103	111,130	20.8%

All figures in \$millions unless otherwise stated

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

* Growth is the percentage increase on prior year corresponding quarter

- The balance of the Netwealth Cash transaction account was 6.8% of FUA at 31 March 2022.
- The percentage of admin fee paying FUA was 64.0% at 31 March 2022, an increase of 0.5% over the quarter, primarily due to decrease in equity markets.
- Member accounts at 31 March 2022 were 111,130, an increase of 4,027 accounts (3.8% increase) for the quarter.

Outlook

- Our pipeline and win rate for new business remains very strong across all market segments.
- In Q4 we will be launching our new non-custodial administration service further enhancing our capability in the key High Net Worth and Ultra High Net Worth market segments.
- We remain confident in our FUA net inflows guidance for FY2022 forecast to exceed \$13.5 billion, subject to timing of client transitions and no deterioration in market conditions.
- Netwealth remains in a strong financial position:
 - Highly profitable, with strong EBITDA margin;
 - A very high correlation between EBITDA and operating cashflow, resulting in exceptional cash generation;
 - Very high levels of recurring revenue, which results in predictable revenue; and
 - Very low capital expenditure, debt free and significant cash reserves.

About Netwealth

Netwealth is a financial services company listed on the Australian Stock 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.

We are rated No.1 by our clients for providing exceptional service*.

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; and
- managed funds.

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

The platform is built, developed and maintained by Netwealth's technology team. It is continuously enhanced using feedback from financial intermediaries, clients and other users and receives wide industry recognition as having market-leading functionality.

Supporting our financial products and technology platform is a significant investment in our people and resources to administer support, risk and governance and our custodial services.

This document has been authorised for release by CFO and Company Secretary, Mr Grant Boyle.

For further information please contact:

Grant Boyle
Chief Financial Officer
shareholder@netwealth.com.au

*Investment Trends June 2021 Adviser Technology Needs Report