

September 2022 Quarterly business update and outlook

ASX Release – 13 October 2022

FUA net inflows of \$2.9 billion for Sep quarter

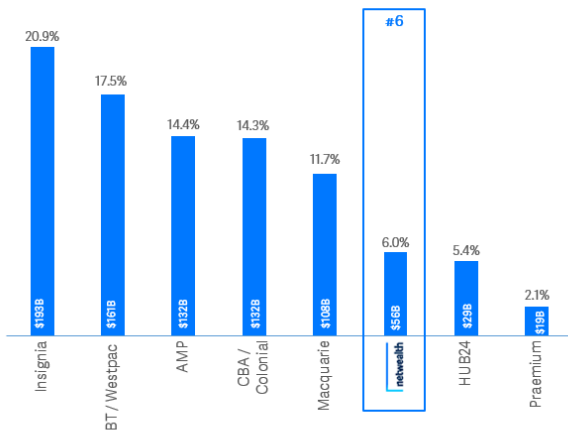
Quarterly Highlights

- Funds Under Administration (FUA) at 30 September 2022 of \$58.1 billion, an increase of \$2.5 billion (4.4% increase) for the September quarter despite negative market movement of \$0.5 billion.
- FUA had an increase of \$6.1 billion (11.8% increase) for the 12 months to 30 September 2022 despite negative market movement of \$5.7 billion.
- FUA net inflows of \$2.9 billion for the September quarter, an increase of \$0.2 billion (8.1% increase) to prior quarter.
- Funds Under Management (FUM) at 30 September 2022 of \$13.5 billion, an increase of \$0.4 billion (3.2% increase) to prior quarter.
- FUM net inflows of \$0.8 billion for the September quarter.
- Managed Account balance of \$11.5 billion at 30 September 2022, an increase of \$0.3 billion (2.8% increase) to prior quarter.
- Netwealth has won the Advice Platform Provider category in this year's SMSF awards. The award recognises our team's effort in creating a platform that meets the evolving needs of financial advisers and investors.

Platform growth and performance

- Netwealth continues to lead the industry for FUA net inflows, as reported in the *Plan for Life* June 2022 quarter platform market update, recording the largest FUA net inflows of \$13.0 billion for the 12-month rolling period to 30 June 2022.
- Netwealth's market share increased to 6% at 30 June 2022, up 1.1% for the 12 months to 30 June 2022.
- Netwealth is the fastest growing platform provider by net funds flows in Australia, accounting for 45% of industry net funds flows for the 12 months to June 2022.

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



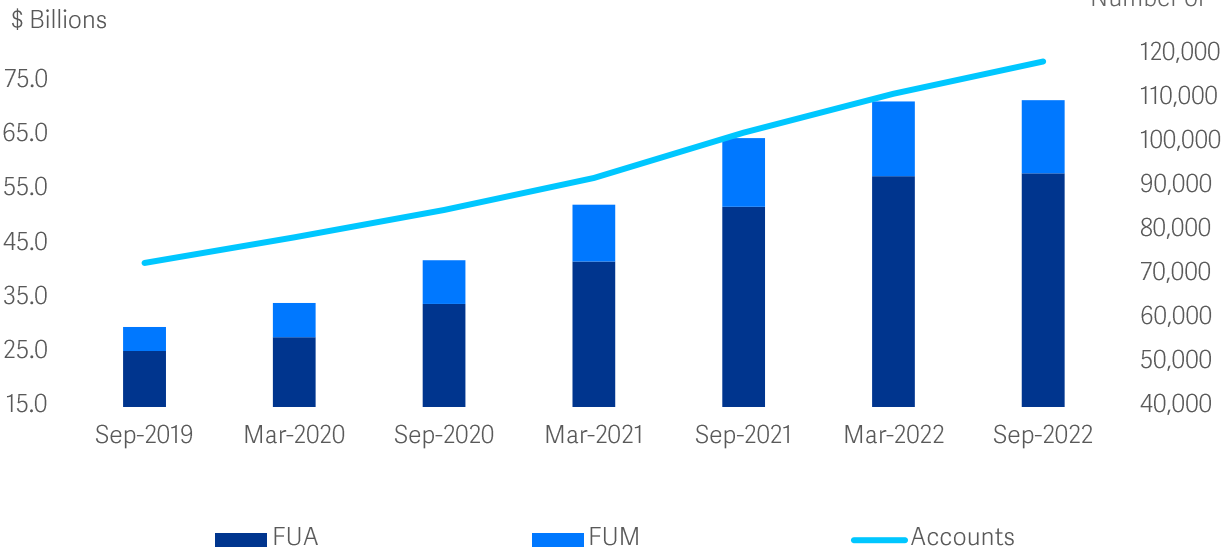
Source: Plan For Life, Analysis of Wrap, Platform and Master Trust Managed Funds as at Jun 2022
Total industry retail FUA of \$922.9B (as at Jun 22)

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 +\$29.1B (Not included above: Others of -\$0.2B)

Growth in FUA, FUM & Accounts



Source: Netwealth

Quarterly platform statistics

	Sep-2021	Dec-2021	Mar-2022	Jun-2022	Sep-2022	Growth*
Funds Under Administration						
Funds Under Administration	51,959	56,654	57,585	55,652	58,103	11.8%
Fee Paying FUA %	64.2%	63.5%	64.0%	65.4%	65.0%	
FUA net inflows	4,035	3,601	2,636	2,717	2,937	(27.2%)
Market movement	785	1,095	(1,705)	(4,650)	(486)	
Funds Under Management						
Managed Account	10,653	11,703	11,747	11,170	11,479	7.8%
Managed Funds	1,994	2,114	2,047	1,908	2,020	1.3%
Total FUM	12,647	13,817	13,794	13,079	13,499	6.7%
Managed Account net inflows	730	779	437	376	624	(14.4%)
Managed Funds net inflows	159	62	25	18	208	31.1%
FUM net inflows	888	841	462	394	832	(6.3%)
Accounts (number)	102,304	107,103	111,130	115,642	118,464	15.8%

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 7.5% of FUA at 30 September 2022.
- Member accounts at 30 September 2022 were 118,464, an increase of 2,822 accounts (2.4% increase) for the quarter.
- There was a large institutional client win with \$570 million transitioned during the quarter.

Outlook

- During the quarter, Netwealth continued to on-board clients who are piloting our new "Multi Asset Portfolio service" ("MAPs") and we are on track to formally launch the product to broader market in Q2 of FY2023. The level of interest from potential clients is very strong.
- The Netwealth mobile integration with Xeppo is on track for launch in Q2 of FY2023. The service, which already includes bank feeds and property data, will allow financial advisers who are using multiple platforms to provide their clients with a consistent and consolidated digital experience.
- Our pipeline and win rate for new business remains very strong across all key market segments including high net worth (HNW) clients, mid-market & small institutions with a number of large endowment funds and trusts transitioning.

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 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.

We are rated No.1 by our clients for overall satisfaction*.

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 built, developed and maintained by our 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, execute both custodial and non-custodial services and manage risk and governance.

*Investment Trends May 2022 Adviser Technology Needs Report

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

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