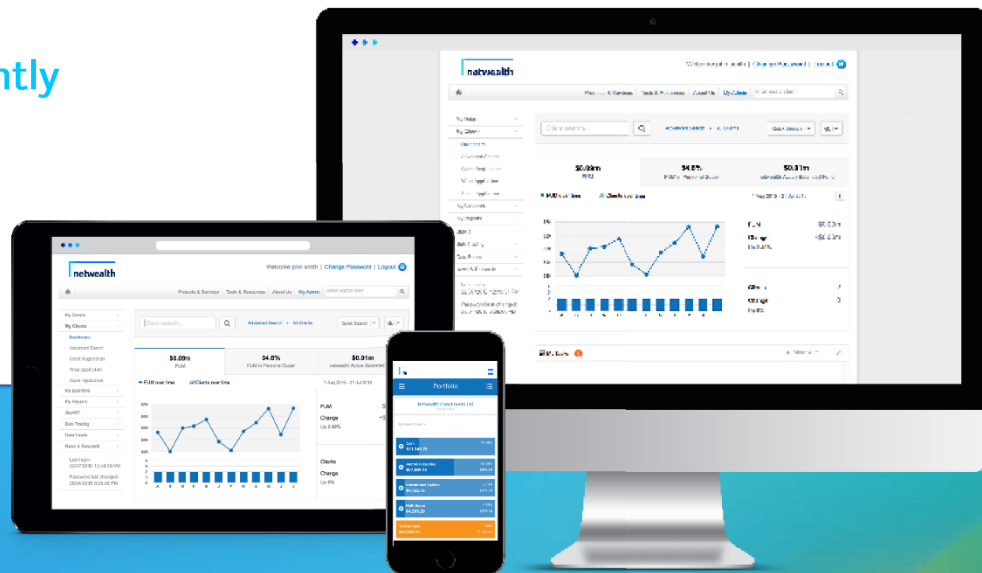


Netwealth 1H 2018 Results Presentation



See Wealth Differently

27th February 2018



Important notice and disclaimer

General Information only

Information provided is general information presented in a summary format as at 27 February 2018, 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.

Our purpose is

To enable people to
see wealth differently
and discover a brighter future

Today's presenters and agenda



Michael Heine
Joint Managing Director



Matt Heine
Joint Managing Director



Grant Boyle
Chief Financial Officer

1. 1H 2018 Business and financial highlights
2. 1H 2018 Financial performance
3. Operating update
4. Q&A
5. Appendix additional financial information

1H 2018 Business and financial highlights



1H 2018 Business highlights

Continued strong growth in 1H 2018



\$15.4B FUA

Growth \$2.7B (+21%) 1H 2018
Growth \$5.7B (+58%) CY 2017



\$1.8B

Net FUA flows



\$2.4B FUM

Growth \$0.9B (+55%) 1H 2018
Growth \$1.3B (+109%) CY 2017



\$0.7B

Net FUM flows



2,190

Financial Intermediaries
using the Platform



#1 platform⁽²⁾

Investment Trends

⇒ Successful listing on the
ASX - 20 Nov 2017⁽¹⁾

⇒ Management alignment
with performance

⇒ Number 1 ranked
platform for 3rd year in a
row by Investment
Trends⁽²⁾

(1) IPO of the year - Finance Asia – Australia / New
Zealand Achievement Awards 2017

(2) Investment Trends - December 2017 Platform
Competitive Analysis and Benchmarking Report

1H 2018 Pro forma financial highlights

Growing profits and current NPAT forecast is 3% to 5% ahead of prospectus⁽¹⁾⁽²⁾



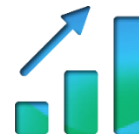
\$40.5M

Revenue



\$20.5M⁽¹⁾

EBITDA



50.5%⁽¹⁾

EBITDA MARGIN %



\$14.1M⁽¹⁾

NPAT



\$18.9M⁽¹⁾

OPERATING CASH FLOW PRE-TAX



7.2 cents⁽¹⁾

EPS

(1) Pro forma EBITDA, NPAT, Operating Cashflow and EPS have been prepared consistently with the IPO Prospectus, adjusted for the impact of the transactions fees and discontinued operations, refer appendices.

(2) Subject to the continuation of current economic and financial market conditions, including netflows, transaction volumes and size of cash pool.

1H 2018 Financial performance



1H 2018 Pro forma financial results

Strong financial performance

	1H 2018 Actual	1H 2017 Actual	Change 1H 2017	% Change 1H 2017	FY 2018 F'cast ⁽¹⁾
Platform revenue	39.8	28.7	11.2	38.9%	80.2
Other income	0.7	0.3	0.3	100.3%	1.3
Total income	40.5	29.0	11.5	39.7%	81.6
Employee benefits expenses	13.6	10.9	2.8	25.3%	27.8
Other costs & expenses	6.4	5.1	1.3	26.7%	13.8
Total expenses	20.0	15.9	4.1	25.7%	41.6
EBITDA	20.5	13.1	7.4	56.7%	39.9
EBITDA margin	50.5%	45.1%	5.5%		49.0%
NPAT	14.1	8.8	5.2	59.3%	27.3
NPAT margin	34.7%	30.4%	4.3%		33.5%
Operating cash flow - before tax	18.9	12.0	6.9	57.8%	38.7
Cash conversion ratio to EBITDA	93%	92%	1%		97%

\$'M unless otherwise stated

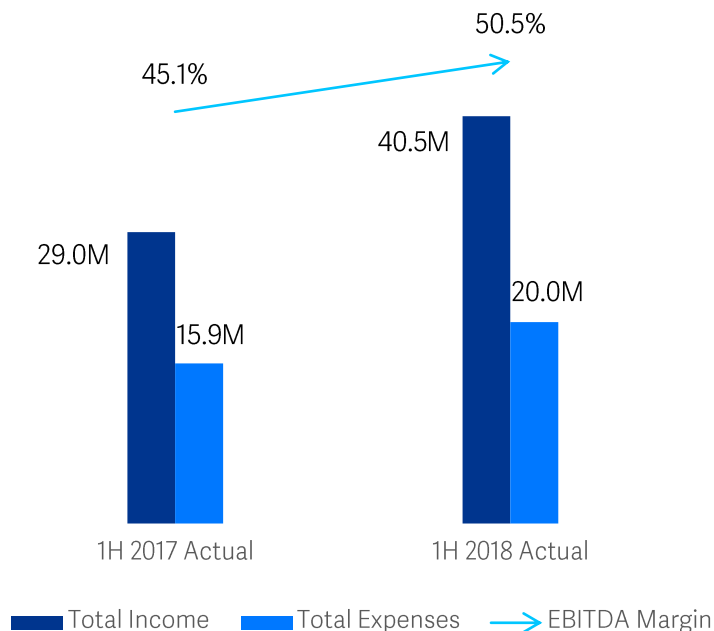
- (1) FY 2018 pro forma forecast as per Netwealth IPO Prospectus 2017
 (2) Pro forma EBITDA, NPAT and Operating cashflow before tax have been prepared consistently with the IPO Prospectus, adjusted for the impact of the IPO transactions fees and the company's discontinued operations
 (3) PCP = prior comparative period

- Platform revenue for 1H 2018 was \$39.8M, up \$11.2M or 38.9% versus PCP and 24.5% versus 2H 2017, driven by the strong FUA growth in 2H 2017 and 1H 2018 and improved margins on ancillary revenue.
- Administration fees, transaction fees, management fees and ancillary fees were either on track or ahead of prospectus forecast.
- Expenses for 1H 2018 up by \$4.1M or 25.7% on PCP.
- These results combined to produce EBITDA of \$20.5M for 1H 2018, which is up 56.7% on PCP.
- Continued improvement in EBITDA margin during 1H 2018 to 50.5%.
- NPAT for the half year was \$14.1M at a NPAT Margin of 34.7%.
- Pre-tax Operating cashflow of \$18.9M which is 93% of EBITDA.
- Statutory 1H 2018 results included \$12.1M of costs associated with listing (\$8.5M after tax) refer to appendix for reconciliation of pro forma to statutory.
- Strong balance sheet position and debt free.
- Consistent with the prospectus the first dividend is expected to be paid in October 2018. The policy is currently to pay 60 – 80% of Pro forma NPAT.

Margin analysis

Strong cost management, demonstrated operating leverage & continued investment in the platform

EBITDA margin growth



- Netwealth has a track record of strong cost management, scalable cost base and has demonstrated operating leverage, with an EBITDA margin improving in 1H 2018 to 50.5%.
- Continued margin improvement provided the scope to bring forward the hiring of an additional IT scrum team, enabling Netwealth to accelerate development to our core platform and maintain our leading position.
- Operating expenses will also increase in 2H due to the annual pay review cycle, seasonal marketing activity and other budgeted head count increases.
- Sales bonuses will exceed the prospectus forecast due to higher than forecast net FUA flows.

Other key performance metrics

	1H 2018	1H 2017	FY 2017	FY 2018
	Actual	Actual	Actual	F'cast ⁽¹⁾
Funds Under Administration				
FUA (eop)	15,436	9,772	12,747	15,247
Fee Paying FUA %	65.2%	71.3%	69.3%	66.8%
Net FUA flows	1,847	1,210	3,880	2,500
Funds Under Management				
Managed Accounts	1,406	342	679	1,334
Managed Funds	1,020	816	884	1,139
Total FUM (eop)	2,426	1,158	1,563	2,473
Managed Accounts net flows	562	197	534	655
Managed Funds net flows	131	(26)	23	255
Net FUM flows	692	171	557	910
Key Stats				
Platform Revenue / average FUA (bps)	56.5	63.6	60.9	57.3
EBITDA / average FUA (bps)	29.0	28.7	25.0	28.5
Platform Revenue / average number of accounts (\$)	1,406	1,308	1,288	1,404
Member Accounts (eop, number)	58,012	46,000	54,628	59,662
Financial Intermediaries (eop, number)	2,190	1,634	2,106	2,458

\$M unless otherwise stated

- The 31 December 2017 \$15.4B FUA balance exceeds the full year prospectus forecast, due to strong flows and favourable equity markets.
- Net FUA flows were \$1.8B for the 1H 2018 and \$4.5B for the calendar year.
- The platform revenue per account increased from \$1,308 to \$1,406, which reflects a larger average account size and additional ancillary revenue.
- Administration fee paying FUA % has decreased from 71.3% to 65.2% and our Platform Revenue / average FUA is 56.5bps. These reductions are driven primarily by:
 - higher proportion of inflows into wrap
 - higher value account transfers and the effect of tiered fee structure and fee caps
 - the impact of increases in FUA due to rising equity markets
- EBITDA/Average FUA had increased to 29.0bps in the 1H 2018, which shows the profitability for each dollar on the platform has improved, despite headline revenue bps decreasing.
- Managed Accounts continue to be a significant driver of our FUM growth.
- The % of FUA in cash reduced to 8.5% at 31 December. We believe this was primarily due to:
 - clients increased exposure to equities
 - increased 1H inflows into wrap which typically holder lower cash balances
- The trend since 31 December has been for a modest improvement in the total cash balance, which is currently approximately \$1.4B.

Operating update



Delivered increased functionality

We continue to provide market leading, award winning technology and customer service

Launched

- New mobile phone app for IOS and Android
- SMART, automated ROA (Record of Advice) service
- Integrated banking feeds to enhance client portal
- Bulk trading for managed funds
- Managed account tax and transition tools
- Enhancements to xWrap reporting for “off platform” assets

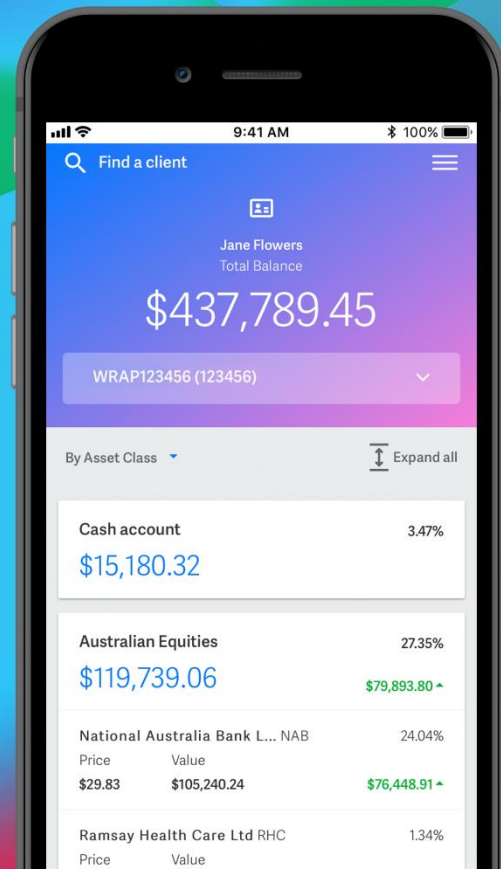
Investment Trends Platform Competitive Analysis & Benchmarking Report (Dec 17)

- Ranked #1 for overall full functionality
- Awarded best reporting
- Awarded best new functionality in 2017
- Awarded best client portal
- Awarded best transaction tools

Investment Trends Planner Technology Report (May 17)

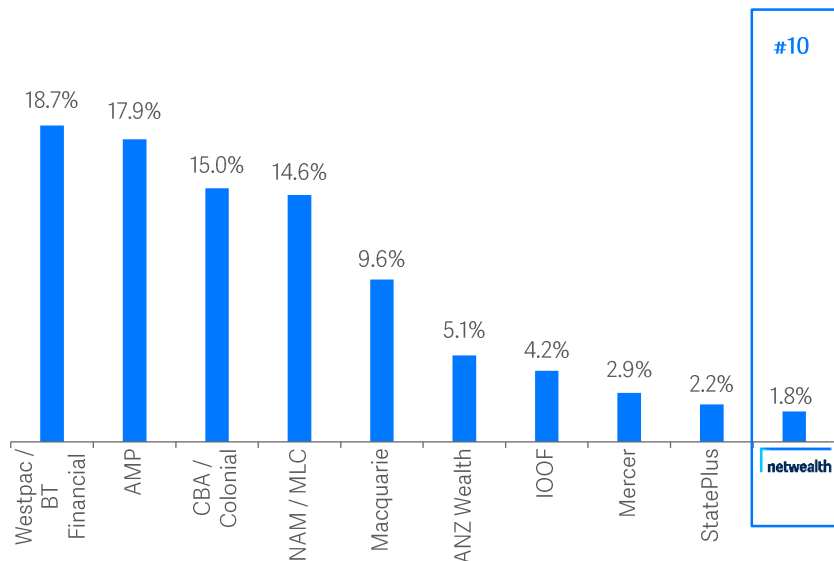
- Ranked equal #1 for overall satisfaction

See linked super and investment accounts in one place.
Review investments and their performance.



Significant market opportunity for growth

Platform providers by FUA market share⁽¹⁾
% market share (September 2017)



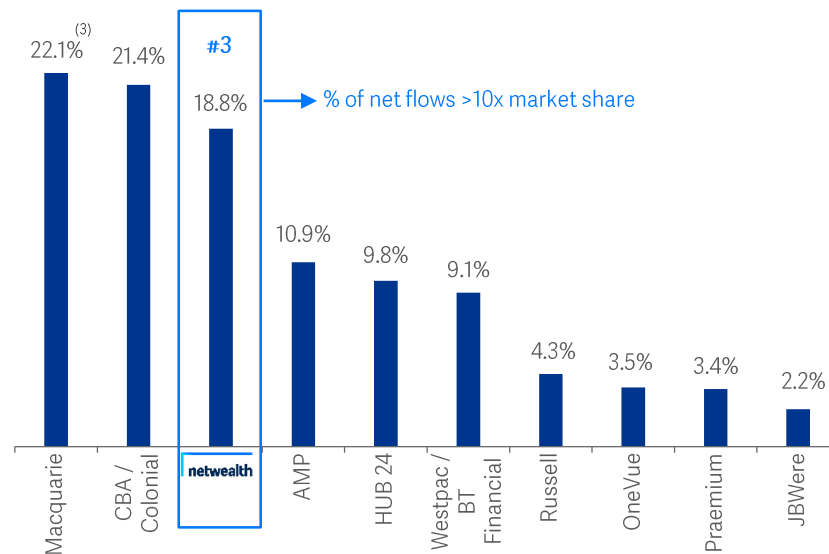
Source: Strategic Insight: Master Trusts, Platforms & Wraps (Sept 2017)

(1) Total industry retail FUA of A\$774bn (as at Sept 2017)

(2) Total net flows of A\$24.0bn (12 months to Sept 2017)

(3) Includes transition from Oasis (ANZ) to Macquarie

Platform provider net funds flows⁽²⁾
% market share (12 months to September 2017)



Source: Strategic Insight: Master Trusts, Platforms & Wraps (Sept 2017)

Summary and outlook

Growing profits and current NPAT forecast is 3 to 5% ahead of prospectus⁽¹⁾⁽²⁾

1

Track record of growth in FUA and profitability continues to improve

- FUA has grown from \$12.7B to \$15.4B
- Pro forma EBITDA of \$20.5M

2

Strong predictable Platform Revenue growth

- Very high proportion of recurring revenue
- Existing Financial Intermediaries are very “sticky”
- The Managed Account continues to be a key driver of growth

3

Scalable cost base, but continuing to invest in technology

- EBITA Margin improved to 50.5% in 1H, demonstrating operational leverage
- Continuing to invest in technology by bringing forward additional Scrum team

4

Continue to investigate opportunities to improve margin on revenue and diversify revenue

- Improvement in brokerage rates and transaction revenue

5

Exceptional cash generation

- Low working capital and capex requirements
- Internal software and product maintenance and enhancement costs are expensed
- Average pre-tax cash conversion ratio 93% on pro forma basis

6

Robust earnings with strong sales pipeline

- Well-diversified client base with no Licensee contributing >6% of total FUM
- Strong new sales prospects, driven by favourable structural tailwinds and market leading technology platform

(1) Pro forma EBITDA, NPAT, Operating Cashflow and EPS have been prepared consistently with the IPO Prospectus, adjusted for the impact of the transactions fees and discontinued operations, refer appendices.

(2) Subject to the continuation of current economic and financial market conditions, including netflows, transaction volumes and size of cash pool

Q&A



Additional information



Appendix 1 – Results reconciliation

Reconciliation of pro forma adjustments to the statutory income statement

	Half Year Ended	
	31 December 2017	31 December 2016
	\$000s	\$000s
NPAT pro forma	14,064	8,826
Adjust for: IPO transaction costs	(12,075)	-
Income tax effect of IPO Transaction	3,623	
Loss from discontinued operations	(794)	(164)
NPAT on continuing operations	4,818	8,662
Add Back: Loss from discontinued operations	794	164
Income tax expense	2,451	3,937
Depreciation and amortisation	330	303
EBITDA on continuing operations	8,393	13,066
Adjust for: IPO transaction costs	12,075	-
EBITDA proforma	20,468	13,066

Appendix 2 – Cash flow reconciliation

Reconciliation of pro forma adjustments to the consolidated statement of cash flow

	Half Year Ended	
	31 December 2017	31 December 2016
	\$000s	\$000s
Net cash flow from operating activity	2,603	9,436
Income tax paid	4,739	4,383
IPO transaction costs	12,075	-
IPO transaction costs - accruals and prepayments	586	-
Operating cash flow relating to discontinued operations	(161)	(1,481)
Capital expenditure	(662)	(300)
Net (purchases) / sale proceeds on investments	(243)	(34)
Operating cashflow pro forma - before tax	18,937	12,005

Appendix 3 – Balance sheet

Debt free with \$31 million in cash

Regulatory capital required:

- ASIC NTA
\$10.0m
- Operating Risk Financial Requirement
\$16.6m

Consolidated statement of financial position as at 31 December 2017

	Consolidated Group Half Year Ended	
	31 December 2017	31 December 2016
	\$000s	\$000s
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	31,187	34,340
Trade and other receivables	6,563	5,398
Other current assets	2,235	1,242
Financial assets	1,154	912
Assets classified as held for sale	12,566	14,757
TOTAL CURRENT ASSETS	53,705	56,649
NON CURRENT ASSETS		
Property, plant and equipment	2,940	2,613
Intangible assets	73	107
Deferred tax assets	5,952	4,168
TOTAL NON CURRENT ASSETS	8,965	6,888
TOTAL ASSETS	62,670	63,537
CURRENT LIABILITIES		
Trade and other payables	6,008	5,225
Provisions	3,259	3,494
Current tax liabilities	190	710
Liabilities directly associated with assets classified as held for sale	1,683	2,242
TOTAL CURRENT LIABILITIES	11,140	11,671
NON CURRENT LIABILITIES		
Provisions	536	429
Deferred tax liability	57	42
TOTAL NON CURRENT LIABILITIES	593	471
TOTAL LIABILITIES	11,733	12,142
NET ASSETS	50,937	51,395
EQUITY		
Issued capital	23,194	20,205
Reserves	747	712
Retained earnings	26,996	30,478
TOTAL EQUITY	50,937	51,395