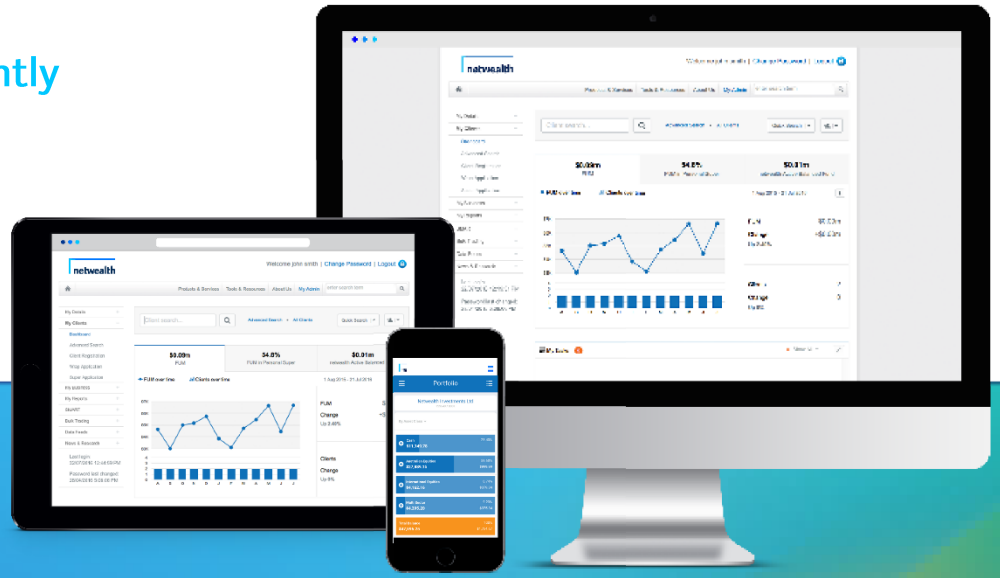
Netwealth
1H 2018 Results Presentation

See Wealth Differently

27th February 2018



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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



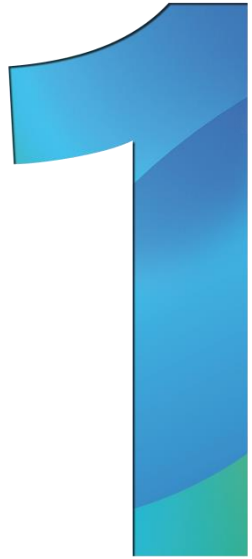
Matt Heine
Joint Managing Director



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



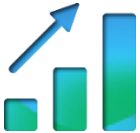
$2.4B FUM

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



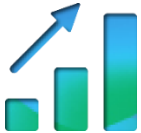
2,190

Financial Intermediaries using the Platform



$1.8B

Net FUA flows



$0.7B

Net FUM flows



#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 – 6 months to December 2017.
CY2017 – 12 months to December 2017

1H 2018 Pro forma financial highlights

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



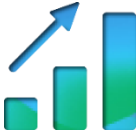
$40.5M

Revenue



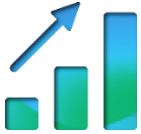
$20.5M[1]

EBITDA



50.5%[1]

EBITDA MARGIN %



$14.1M[1]

NPAT



$18.9M[1]

OPERATING CASH FLOW PRE-TAX



5.9 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

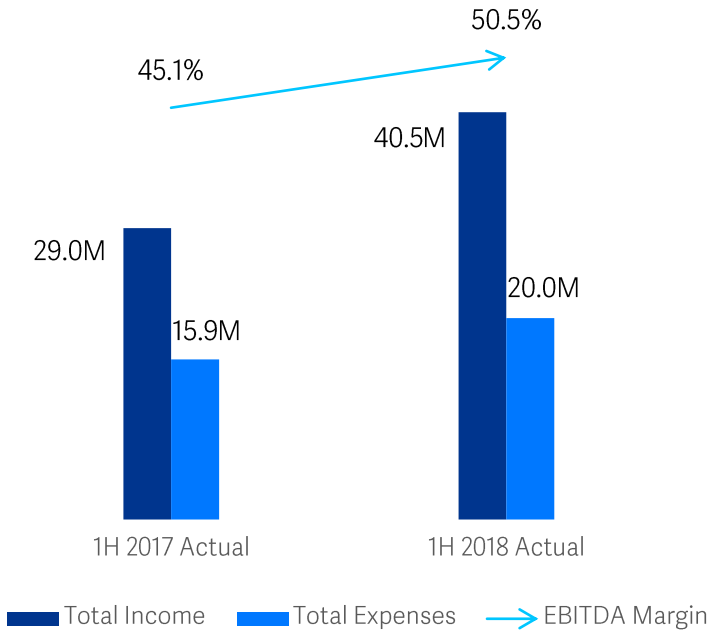
- Platform revenue for 1H 2018 was $39.8M, up $11.2M or 38.9% versus PCP and 24.5% versus 2H 2017, driven by the strong FUA growth in 2H 2017 and 1H 2018 and improved margins on ancillary revenue.
- Administration fees, transaction fees, management fees and ancillary fees were either on track or ahead 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.

(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

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 Actual	1H 2017 Actual	FY 2017 Actual	FY 2018 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.

(1) FY 2018 forecast as per Netwealth IPO Prospectus 2017

Operating update



Delivered increased functionality

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

Launched

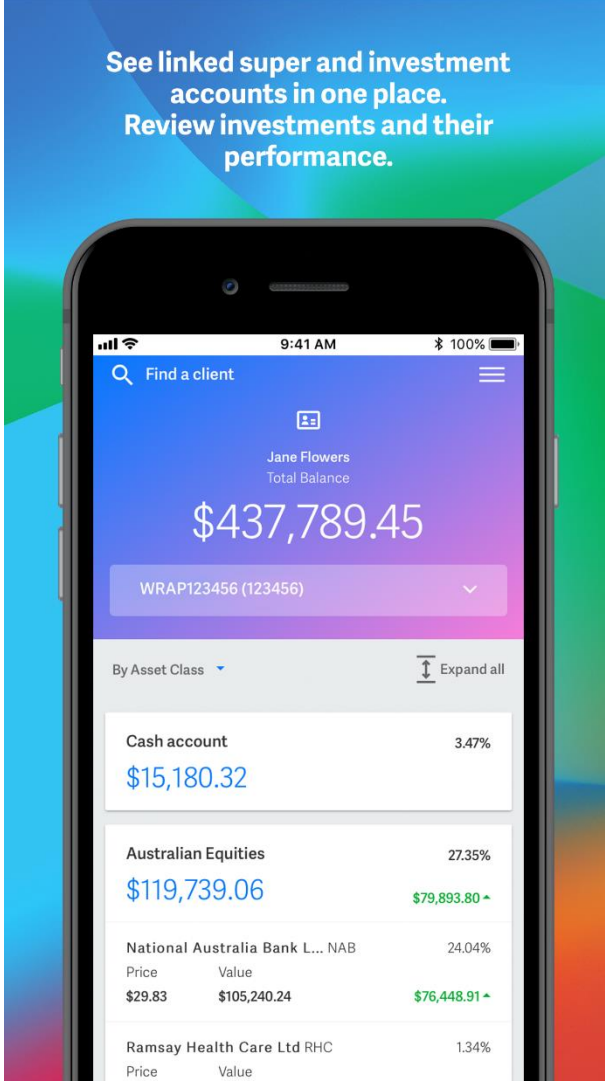
- New mobile phone app for IOS and Android
- SMART, automated ROA (Record of Advice) service
- Integrated banking feeds to enhance client portal
- Bulk trading for managed funds
- Managed account tax and transition tools
- Enhancements to xWrap reporting for "off platform" assets

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

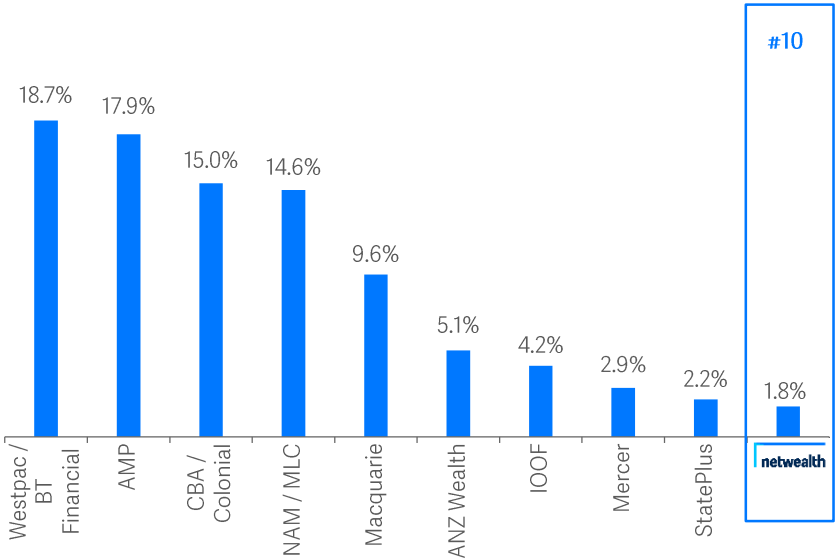
Investment Trends Planner Technology Report (May 17)

- Ranked equal #1 for overall satisfaction

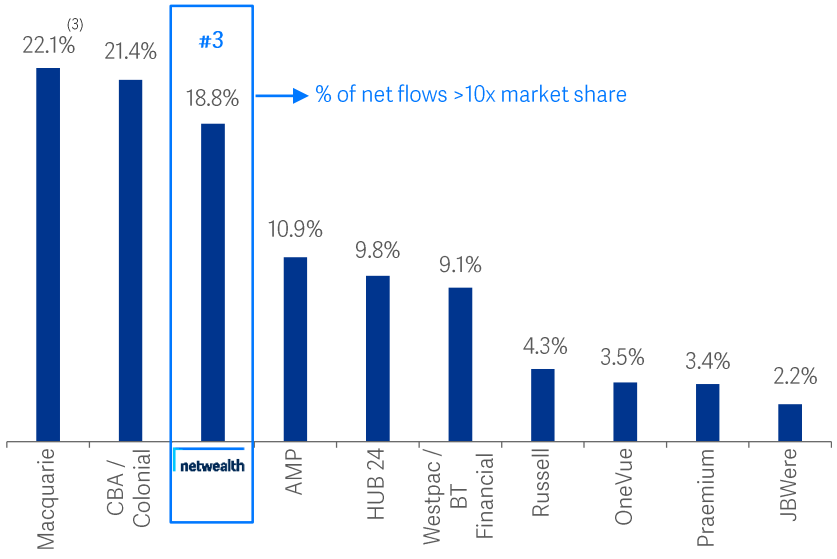


Significant market opportunity for growth

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



Platform provider net funds flows[2]
% market share (12 months to 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

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 classifiec	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