



# Investnet 4Q 2023 Earnings

February 22, 2024



# Disclaimers

## Cautionary Statement Regarding Forward-Looking Statements

The forward-looking statements made in this presentation concerning, among other things, Envestnet, Inc.'s expected financial performance and outlook for the first quarter of 2023, its strategic and operational plans and growth strategy, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties, and the Company's actual results could differ materially from the results expressed or implied by such forward-looking statements. Furthermore, reported results should not be considered as an indication of future performance. The potential risks, uncertainties and other factors that could cause actual results to differ from those expressed by the forward-looking statements in this presentation include, but are not limited to, our ability to recruit and retain senior executive leadership and other key employees and to successfully manage transitions, including the transition of our chief executive officer; adverse economic or global market conditions, including periods of rising inflation and market interest rates, and governmental responses to such conditions; the conflicts in the Middle East and between Russia and Ukraine, including related sanctions and their impact on the global economy and capital markets; the concentration of our revenue from the delivery of our solutions and services to clients in the financial services industry; our reliance on a limited number of clients for a material portion of our revenue; the renegotiation of fees by our clients; changes in the estimates of fair value of reporting units or of long-lived assets, particularly goodwill and intangible assets; the amount of our debt, our ability to service our debt and risks associated with derivative transactions associated with our debt; limitations on our ability to access information from third parties or charges for accessing such information; the targeting of some of our sales efforts at large financial institutions and large financial technology companies which prolongs sales cycles, requires substantial upfront sales costs and results in less predictability in completing some of our sales; changes in investing patterns on the assets on which we derive revenue and the freedom of investors to redeem or withdraw investments generally at any time; the impact of fluctuations in market conditions and interest rates on the demand for our products and services and the value of assets under management or administration; increased geopolitical unrest and other events outside of our control that could adversely affect the global economy or specific international, regional and domestic markets; our ability to keep up with rapid technological change, evolving industry standards or changing requirements of clients; risks associated with our international operations; the competitiveness of our solutions and services as compared to those of others; liabilities associated with potential, perceived or actual breaches of fiduciary duties and/or conflicts of interest; harm to our reputation; the failure to protect our intellectual property rights; our reliance on outsourcing arrangements; activist shareholders hindering the execution of our business strategy, diverting board and management attention and resources and causing us to incur substantial expenses; public health crises, pandemics or similar events; our ability to successfully identify potential acquisition candidates, complete acquisitions and successfully integrate acquired companies; our ability to successfully execute the conversion of clients' assets from their technology platform to our technology platforms in a timely and accurate manner; our ability to introduce new solutions and services and enhancements; regulatory compliance failures; our ability to maintain the security and integrity of our systems and facilities and to maintain the privacy of personal information and potential liabilities for cybersecurity breaches; the effect of privacy laws and regulations, industry standards and contractual obligations and changes to these laws, regulations, standards and obligations on how we operate our business and the negative effects of failure to comply with these requirements; failure by our customers to obtain proper permissions or waivers for our use of disclosure of information; adverse judicial or regulatory proceedings against us; failure of our solutions, services or systems, or those of third parties on which we rely, to work properly; potential liability for use of inaccurate information by third parties provided by us; the occurrence of a deemed "change of control"; the uncertainty of the application and interpretation of certain tax laws; issuances of additional shares of common stock or issuances of shares of preferred stock or convertible securities on our existing stockholders; general economic, political and regulatory conditions; global events, natural disasters, environmental disasters, terrorist attacks and pandemics, including their impact on the economy and trading markets; management's response to these factors. More information regarding these and other risks, uncertainties and factors is contained in our filings with the Securities and Exchange Commission ("SEC") which are available on the SEC's website at [www.sec.gov](http://www.sec.gov) or our Investor Relations website at <http://investor.envestnet.com/>. You are cautioned not to unduly rely on these forward-looking statements, which speak only as of the date of this presentation. All information in this presentation is as of February 22, 2024, and, unless required by law, we undertake no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this presentation or to report the occurrence of unanticipated events.

# Disclaimers

## Non-GAAP Financial Disclosure Statement

This presentation contains the non-GAAP financial measures, “adjusted revenue”, “adjusted EBITDA”, “adjusted net income” and “adjusted net income per diluted share”.

- “Adjusted revenue” excludes the effect of purchase accounting on the fair value of acquired deferred revenue. On January 1, 2022, the Company adopted ASU 2021-08 whereby it now accounts for contract assets and contract liabilities obtained upon a business combination in accordance with ASC 606. Prior to the adoption of ASU 2021-08, we recorded at fair value the acquired deferred revenue for contracts in effect at the time the entities were acquired. Consequently, revenue related to acquired entities for periods subsequent to the acquisition did not reflect the full amount of revenue that would have been recorded by these entities had they remained stand-alone entities. Adjusted revenue has limitations as a financial measure, should be considered as supplemental in nature and is not meant as a substitute for revenue prepared in accordance with GAAP.
- “Adjusted EBITDA” represents net income (loss) before deferred revenue fair value adjustment, interest income, interest expense, income tax provision (benefit), depreciation and amortization, goodwill impairment, non-cash compensation expense, restructuring charges and transaction costs, severance expense, accretion on contingent consideration and purchase liability, fair market value adjustment to contingent consideration liability, fair market value adjustment on investment in private company, litigation, regulatory and other governance related expenses, foreign currency, gain on settlement of liability, gain on insurance reimbursement, non-income tax expense adjustment, dilution gain on equity method investee share issuance, loss allocations from equity method investments and (income) loss attributable to non-controlling interest.
- “Adjusted net income” represents net income (loss) before income tax provision (benefit), deferred revenue fair value adjustment, non-cash interest expense, cash interest on our Convertible Notes, goodwill impairment, non-cash compensation expense, restructuring charges and transaction costs, severance expense, amortization of acquired intangibles, accretion on contingent consideration and purchase liability, fair market value adjustment to contingent consideration liability, fair market value adjustment to investment in private company, litigation, regulatory and other governance related expenses, foreign currency, gain on settlement of liability, gain on insurance reimbursement, non-income tax expense adjustment, dilution gain on equity method investee share issuance, loss allocations from equity method investments and (income) loss attributable to non-controlling interest. Reconciling items are presented gross of tax, and a normalized tax rate is applied to the total of all reconciling items to arrive at adjusted net income. The normalized tax rate is based solely on the estimated blended statutory income tax rates in the jurisdictions in which we operate. We monitor the normalized tax rate based on events or trends that could materially impact the rate, including tax legislation changes and changes in the geographic mix of our operations.
- “Adjusted net income per diluted share” represents adjusted net income attributable to common stockholders divided by the diluted number of weighted-average shares outstanding. For purposes of the adjusted net income per share calculation, we assume all potential shares to be issued in connection with our convertible notes are dilutive.
- These measures are not calculated in accordance with GAAP and may be calculated differently than similar non-GAAP measures for other companies. Quantitative reconciliations of our non-GAAP financial information to the most directly comparable GAAP information appear in the appendix to this presentation and more information is contained in our filings with the SEC which are available on the SEC’s website at [www.sec.gov](http://www.sec.gov) or our Investor Relations website at <https://investor.envestnet.com/>. Reconciliations are not provided for guidance on such measures as we are unable to predict the amounts to be adjusted, such as the GAAP tax provision. Our non-GAAP financial measures should not be viewed as a substitute for revenue, net income (loss) or net income (loss) per share determined in accordance with GAAP.

## Accounting Presentation

Certain prior period amounts have been adjusted to conform to the current period presentation, for a change in the composition of the Company’s reportable segments and to correct an immaterial error. See “Note 2 – Summary of Significant Accounting Policies” to our consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2023.

# Envestnet at-a-Glance

## MISSION

Our mission is to empower advisors and financial service providers with innovative technology, solutions and intelligence to power the growth of their business.



## STRATEGY

- Deliver the industry leading wealth management platform powered by data and insights
- Leverage our scale and maximize efficiency to serve our clients' needs comprehensively
- Provide more holistic solutions and a more connected environment



## KEY FINANCIAL METRICS

	4Q23	YoY Change <sup>(1)</sup>	FY23	YoY Change <sup>(1)</sup>
Revenue (in \$millions)	\$317.6	8%	\$1,245.6	0%
Adjusted EBITDA <sup>(2)</sup> (in \$millions)	\$75.5	44%	\$250.9	16%
Adjusted Net Income per Diluted Share <sup>(2)</sup>	\$0.65	44%	\$2.12	14%

1. YoY change represents 4Q23 results vs. 4Q22 and 2023 vs 2022 results for Adjusted Results.

2. Non-GAAP financial measure. See Non-GAAP Disclosure Statement and Appendix for definitions and reconciliations of non-GAAP measures.

## KEY BUSINESS METRICS



**\$5.8 trillion+**  
client assets



**19.1 million+**  
number of accounts



**108,000+**  
number of advisors



**38 million+**  
total number of paying users



**1,300+**  
total firms on Data & Analytics platforms

# Market Scale with Industry Leading Solutions

\$5.8+  
Trillion  
in assets

19.1+  
million  
investor accounts

108,000+  
advisors

400  
million+  
linked consumer  
accounts

16 of 20  
of the largest  
U.S. Banks

700+  
fintech companies

48 of 50  
of the largest wealth  
management and  
brokerage firms

500+  
of the largest RIAs

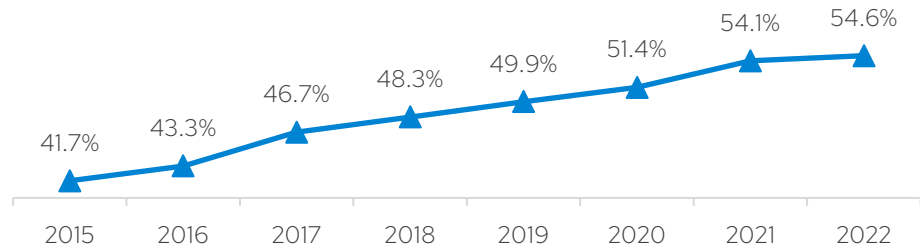
19,000+  
data sources

38 million+  
paid users

Metrics as of December 31, 2023.

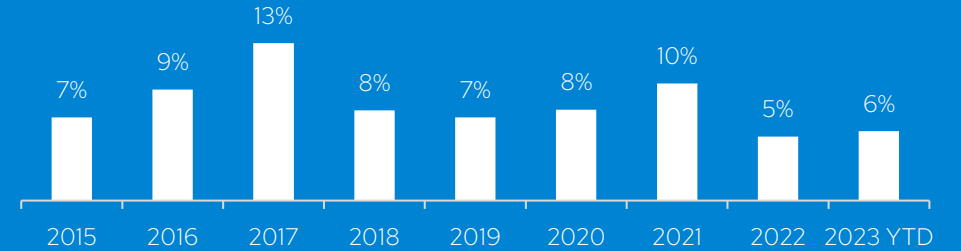
# Secular Tailwinds → Growth Opportunity

Fee-Based Assets as a Percentage of Total Advisor-Managed Assets



Source: Cerulli Associates, "U.S. Broker/Dealer Marketplace 2023"

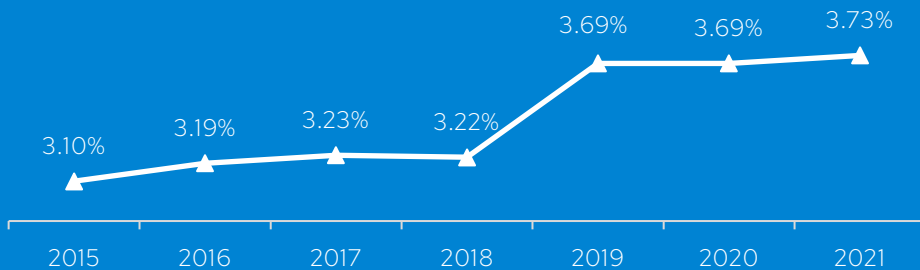
Organic Asset Growth Rates for the Managed Accounts Industry



2023 YTD represents annualized data for the first 9 months of 2023 and excludes certain flows that Cerulli included in its industry figures for the first time in Q3 2023

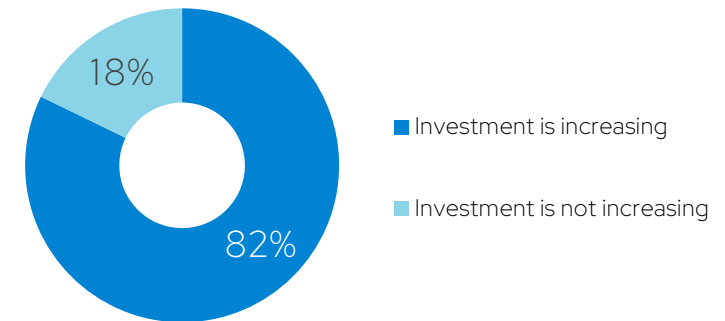
Source: Cerulli Lodestar

Wealth Management Firm Tech Expenditure as a Percentage of Revenue (median)



Source: InvestmentNews, "2022 InvestmentNews Adviser Technology Study"

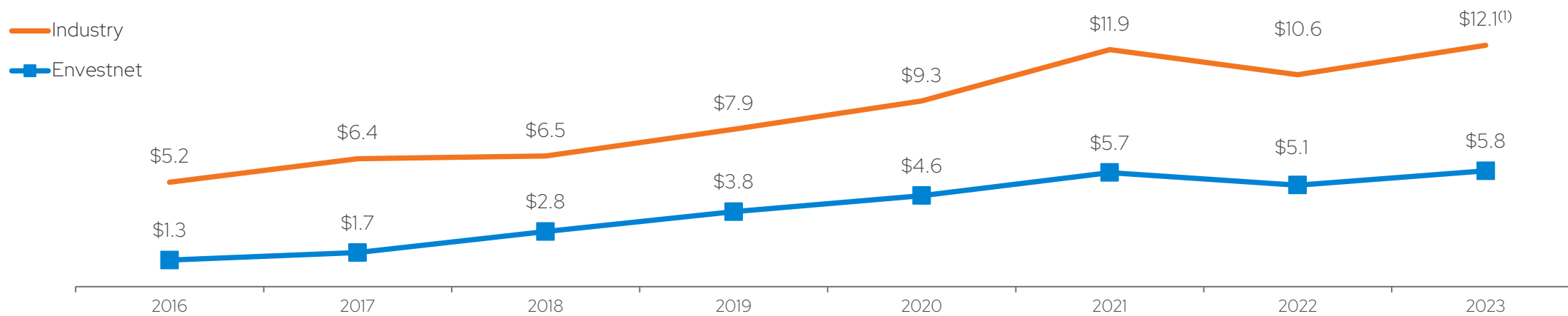
Percentage of Organizations Reporting an Increase in Data and Analytics Investments



Source: Wavestone, "2024 Data and AI Leadership Executive Survey"; survey of senior executives at financial services (51%), healthcare/life sciences (15%), and other (34%) companies

# Enabling our Clients' Growth

## Total Assets on Envestnet's Platform vs. Advice Industry Fee-Based Assets Excluding Wirehouses (\$T)







### Envestnet Metrics

Managed Acct Market Share <sup>(2)</sup>	5.6%	5.6%	5.7%	6.2%	6.5%	7.1%	7.4%	7.2% <sup>(3)</sup>
AUM/A Net Flows (\$B)	\$37	\$59	\$68	\$60	\$64	\$89	\$57	\$59
Platform Accounts (M)	6.1	7.0	10.9	11.9	13.4	17.5	18.3	19.1

Industry data was sourced from Cerulli U.S. Broker/Dealer Marketplace 2023 and Cerulli Lodestar. <sup>(1)</sup> Represents an Envestnet estimate, given 2023 industry fee-based asset data is not yet available. <sup>(2)</sup> Calculated as Envestnet AUM divided by total managed account industry assets, excluding the wirehouse and direct channels; <sup>(3)</sup> Represents a market share figure as of Q3 2023. Note, in Q3 2023, Cerulli included certain assets in its industry managed account figures for the first time, which reduced Envestnet's calculated market share by 0.08%.

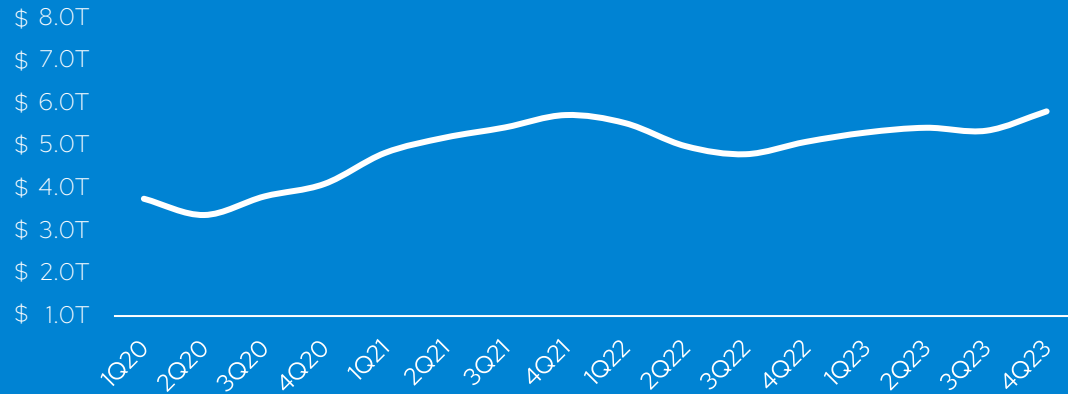
# Well Positioned for Industry Trends

				
Industry trends	The push to achieve greater scale	The demand for personalization	Technology integration & consolidation	Evolving practice management
Investnet as an industry leader	<ul style="list-style-type: none"> <li>• Unmatched breadth &amp; depth of capabilities</li> <li>• Multi-channel leader across B/D and RIA</li> <li>• Ultra-configurable with scaled support and compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Modern UMA chassis</li> <li>• Direct indexing 10-year track record</li> <li>• Variety of capabilities including tax overlay, high-net-worth consulting, and more</li> </ul>	<ul style="list-style-type: none"> <li>• Stronger platform connectivity, from financial planning through execution</li> <li>• Next-gen proposal and new client portal</li> <li>• Custodial integrations</li> </ul>	<ul style="list-style-type: none"> <li>• Vast array of analytics to strengthen business intelligence</li> <li>• Pioneer in holistic wealth management</li> </ul>
Proof points	\$5.8T of assets; 19M accounts; top 3 in 13 different industry categories*	AUM net inflows in 2022-2023 were 4x that of #2 and #3 TAMPs combined	Planning to execution, insights to proposal, Tamarac to managed account opening	MoneyGuide 17 <sup>th</sup> consecutive year, ranked #1 financial planning software

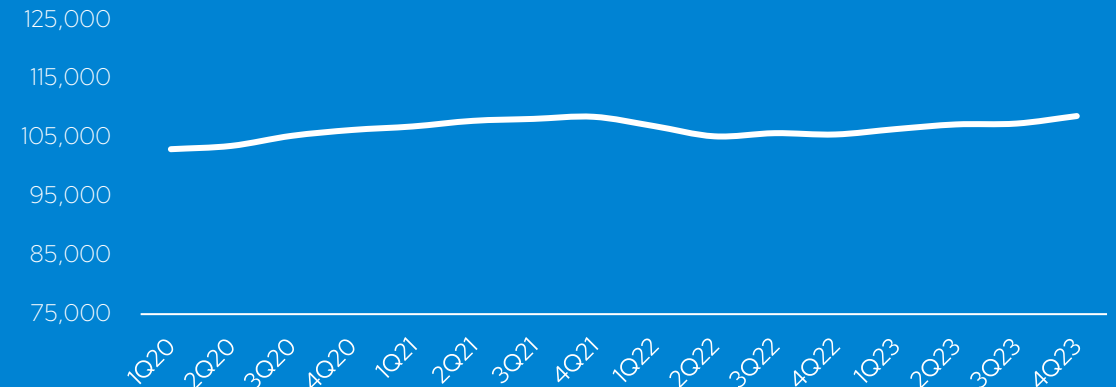


# Investnet Key Metrics

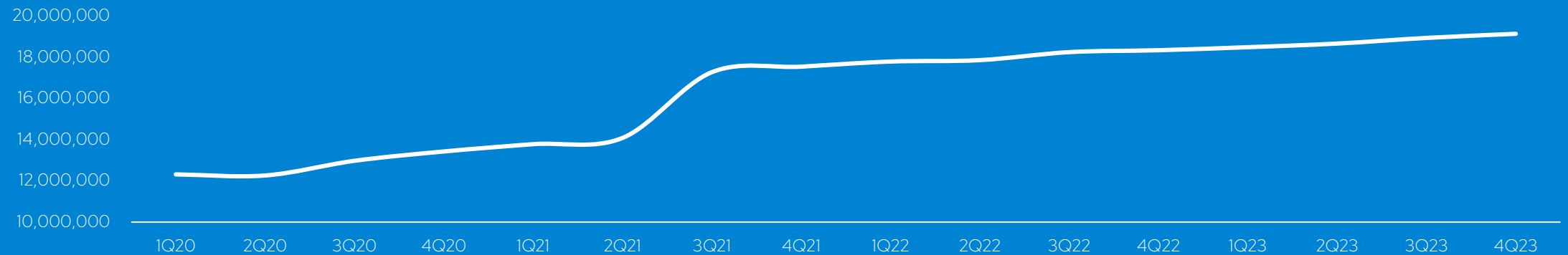
## ENDING ASSETS OVER TIME



## ADVISOR COUNT OVER TIME

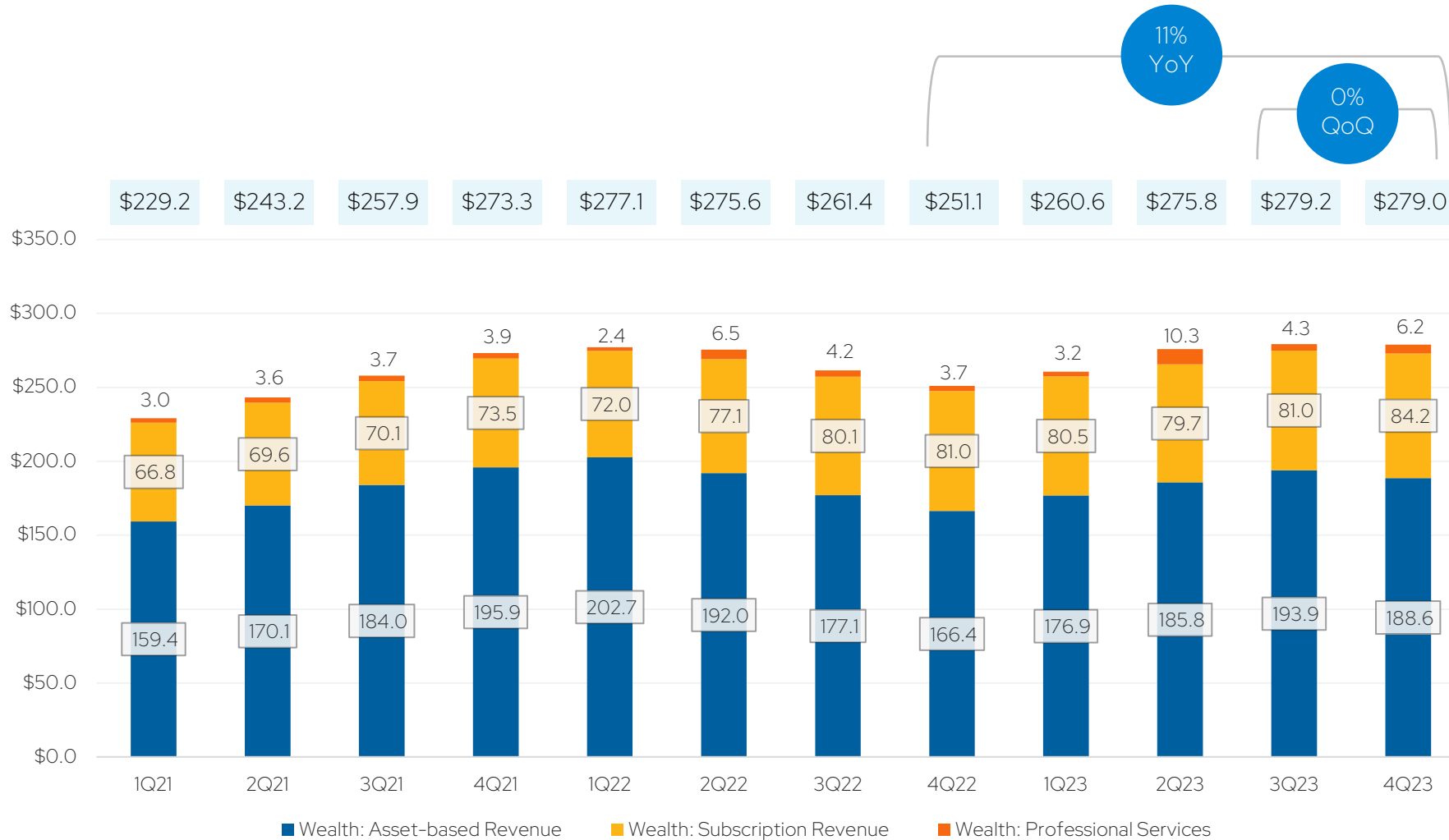


## ENDING ACCOUNTS OVER TIME



All data is quarterly.

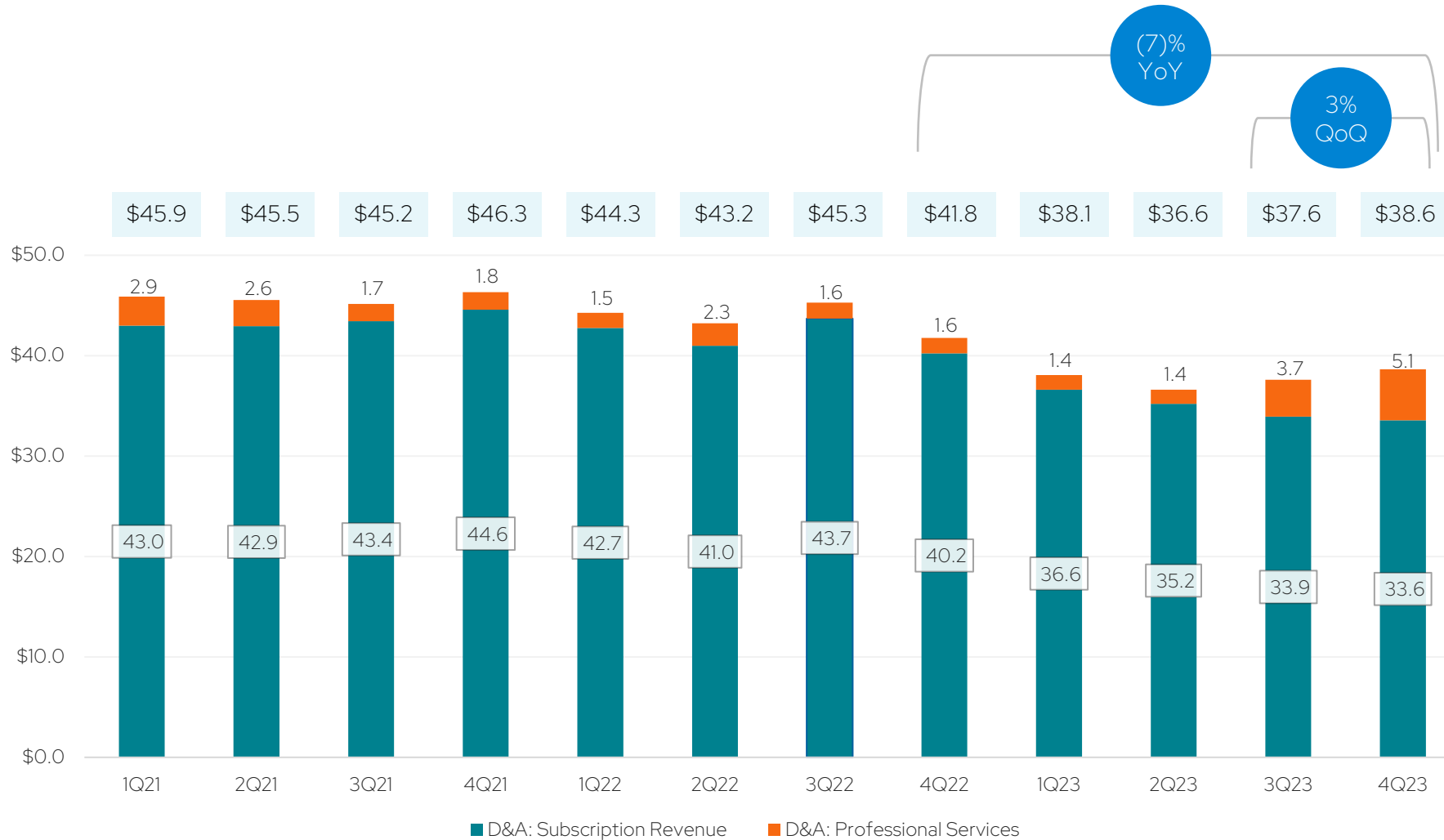
# Wealth Solutions Revenue Trend



## KEY DRIVERS

- Market Performance
- AUM/A Net Flows
- Net New Logos
- Account & Advisor growth

# Data & Analytics Revenue Trend

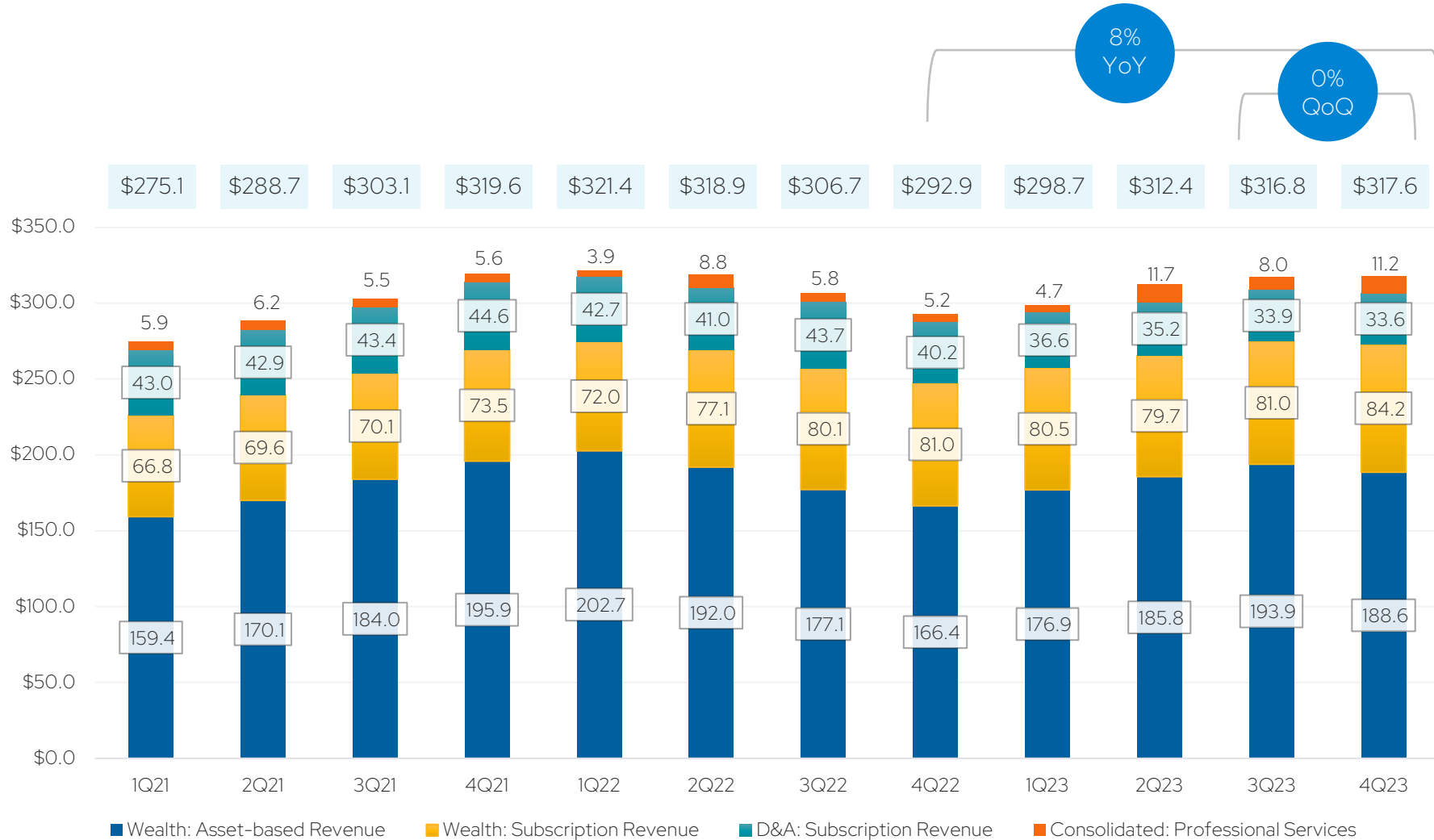


(in \$millions)

### KEY DRIVERS

- Market Environment
- Bookings
- Open Banking Pipeline

# Total Company Revenue Trend

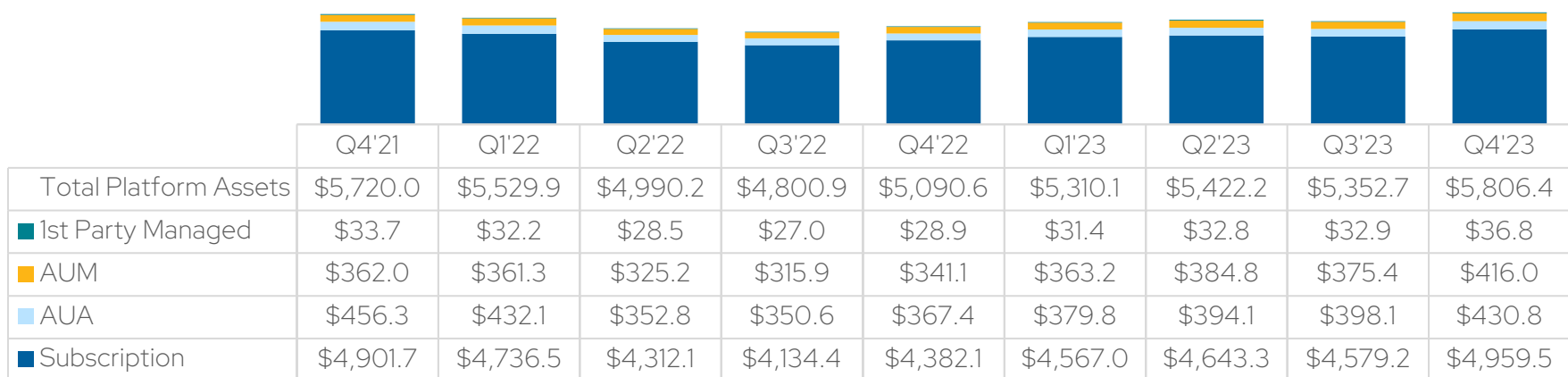


(in \$millions)

97%  
of Investnet's  
2023 Revenue  
is Recurring

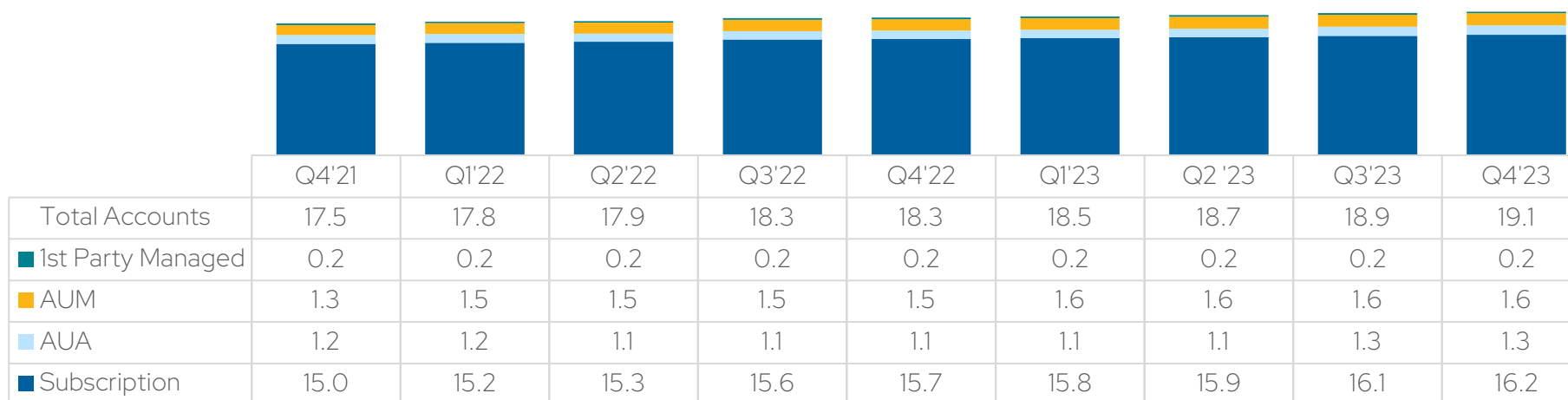
# Total Platform Assets and Accounts

## Assets (\$B)



Growth by Segment	
Assets	Q4 2023 YoY Growth
1st Party Managed <sup>(1)</sup>	27%
AUM	22%
AUA	17%
Subscription	13%

## Accounts (M)



Growth by Segment	
Accounts	Q4 2023 YoY Growth
1st Party Managed <sup>(1)</sup>	2%
AUM	6%
AUA	11%
Subscription	4%

1. 1st party managed represents assets directly managed, and overlay services provided, by Envestnet Asset Management. These accounts and assets are a component of AUM.

# 2023 Fourth Quarter Results

*(in \$millions except for per share amounts)*

	4Q23 GAAP Results	4Q23 Adjusted Results <sup>(1)</sup>	YoY Change % <sup>(2)</sup>
Revenue	\$317.6	\$317.6	8%
Adjusted EBITDA <sup>(1)</sup>	--	\$75.5	44%
Net income (loss) per diluted share	\$(3.35)	\$0.65	44%

1. Non-GAAP financial measure. See Non-GAAP Disclosure Statement and Appendix for definitions and reconciliations of non-GAAP measures.

2. YoY change represents 4Q23 results vs. 4Q22 results for Adjusted Results.

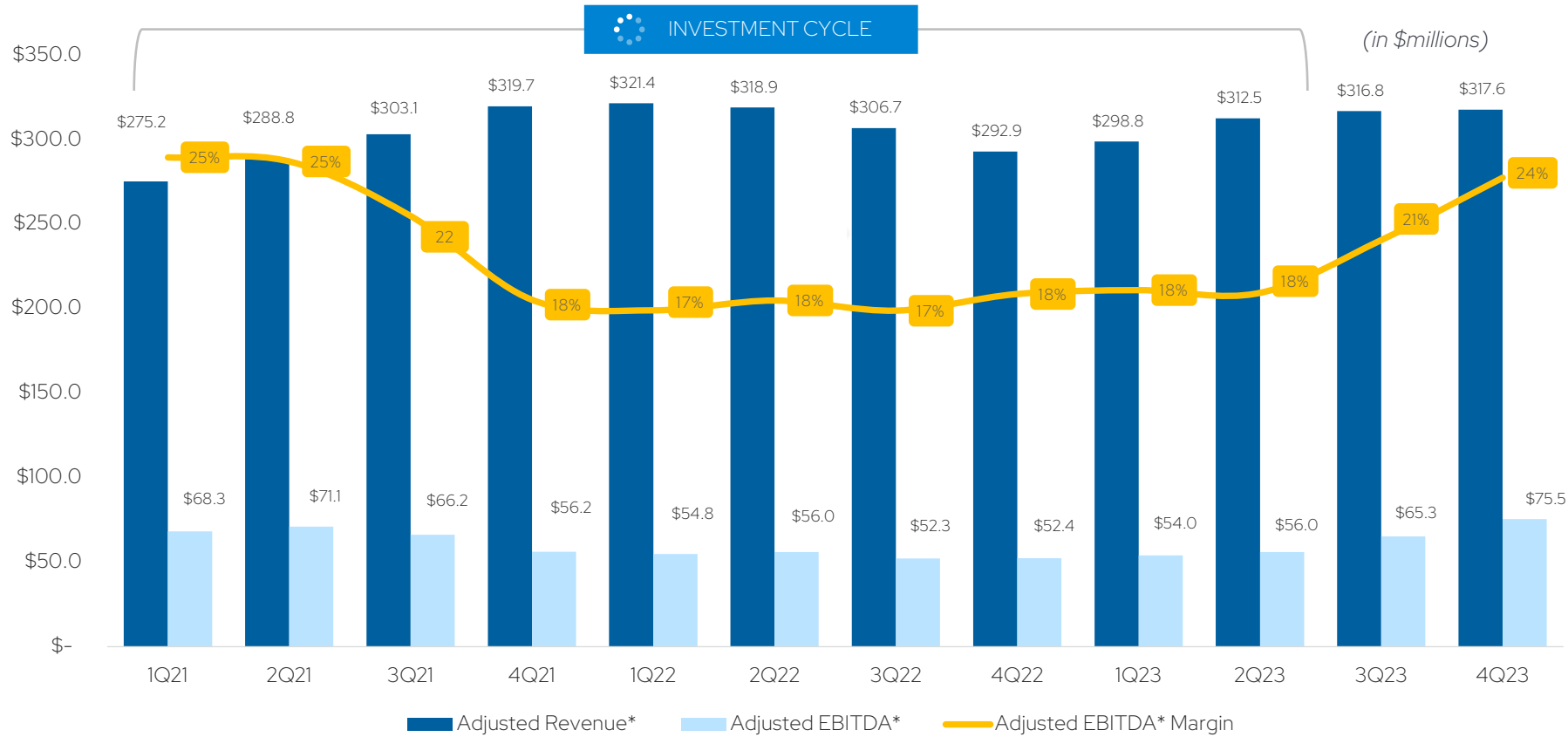
# 2023 Full Year Results

*(in \$millions except for per share amounts)*

	FY23 GAAP Results	FY23 Adjusted Results <sup>(1)</sup>	YoY Change % <sup>(2)</sup>
Revenue	\$1,245.6	\$1,245.7	0%
Adjusted EBITDA <sup>(1)</sup>	--	\$250.9	16%
Net income (loss) per diluted share	\$(4.38)	\$2.12	14%

1. Non-GAAP financial measure. See Non-GAAP Disclosure Statement and Appendix for definitions and reconciliations of non-GAAP measures.  
 2. YoY change represents 2023 results vs. 2022 results for Adjusted Results.

# Adjusted EBITDA\*



### ADDITIONAL OPPORTUNITIES

- Custody
- UMA Enhancements
- Scale from Revenue Growth and Operational Efficiency

<p>Creating Efficiency &amp; Expense Reduction Opportunities</p> <ul style="list-style-type: none"> <li>• Automation</li> <li>• Integration</li> <li>• Platform Modernization</li> </ul>	<ul style="list-style-type: none"> <li>• Organization</li> <li>• Outsourcing</li> <li>• Real Estate</li> </ul>	<p>Organic Revenue Growth + Accelerants</p>	<p>AUM/A</p> <ul style="list-style-type: none"> <li>• RIA Managed Accounts</li> <li>• Retirement</li> <li>• Insurance</li> </ul> <p>Subscription</p> <ul style="list-style-type: none"> <li>• Wealth Data Platform</li> <li>• Retirement</li> </ul> <ul style="list-style-type: none"> <li>• High Net Worth</li> <li>• Brokerage to Managed</li> <li>• Personalized Inv Solutions</li> <li>• Agg &amp; Verification</li> <li>• Asset Mgr. Partnerships</li> </ul>
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# Balance Sheet and Liquidity

## CAPITAL POSITION AS OF DECEMBER 31, 2023 (in \$millions)

Cash and Cash Equivalents	\$91.4	Annual Cash Interest Expense	\$18.7 <sup>(1)</sup>
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### Debt

Outstanding on Revolving Line of Credit (\$500)	\$0.0	Revolving Line of Credit	SOFR + spread <sup>(2)</sup>
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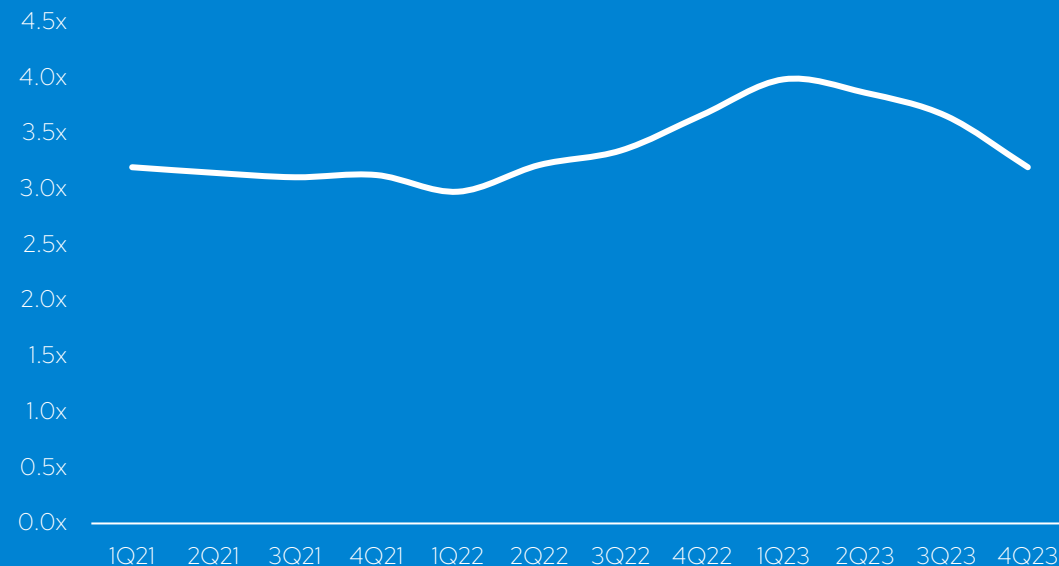
Convertible Debt Maturing 2025	\$317.5	Convertible Debt 2025	0.75% coupon
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Convertible Debt Maturing 2027	\$575.0	Convertible Debt 2027	2.625% coupon
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Net Leverage Ratio 3.2x<sup>(3)</sup>

1. Annual Cash Interest Expense reflects 2024 forecast based on current debt and includes bank facility fees
2. We estimate the spread to be Adjusted SOFR + 225 bps based on our current leverage ratio
3. Net Leverage Ratio is calculated as of the end of the quarter as Net Debt (Total Debt less Cash)/TTM Adj EBITDA. Net leverage ratio is provided for illustrative purposes only.

## NET LEVERAGE RATIO



# Q1 2024 Outlook

(in \$millions except for per share amounts)

	1Q24 Outlook (2/22/24)	Outlook midpoint compared to 1Q23
Revenue	\$320.0 - \$326.0	+8%
Adjusted EBITDA <sup>(1)</sup>	\$64.0 - \$69.0	+250 bps of margin improvement
Adjusted Net Income per Diluted Share <sup>(1)</sup>	\$0.52 - \$0.57	+18%

1. Non-GAAP financial measure. See Non-GAAP Disclosure Statement and Appendix for definitions and reconciliations of non-GAAP measures.

# Appendix

# Proven Record of Innovation and Growth



# Committed to Corporate Social Responsibility

Envestnet is committed to empowering **Financial Wellness** for our communities, our employees, our advisors, and their clients



## Social & Human Rights

Envestnet conducts our business in a responsible manner for our communities, our employees, our advisors and their clients. We fully support the basic rights of all individuals, follow fair and ethical labor practices and provide meaningful opportunities for development for our employees, promote giving back to the communities where we live and work and offer access to responsible investing.



## Commitment to the Environment

We recognize that a healthy, sustainable future requires environmental stewardship, and we are committed to being mindful of the resources we consume. We continue to explore ways to further improve operational effectiveness and decrease our energy usage and carbon emissions.



## Strong Corporate Governance

We are committed to the long-term success of Envestnet, as well as our shareholders, customers and employees, through strong corporate governance and ethical business practices.

# Key factors to our success

01

Leading competitive market position – WealthTech, Solutions, and Data & Analytics

02

Secular tailwinds and opportunities to seize growth

03

Vast market opportunity with organic growth potential

04

Our investments deepen client engagement and expand addressable market

05

Compelling business model with recurring revenue and operating leverage

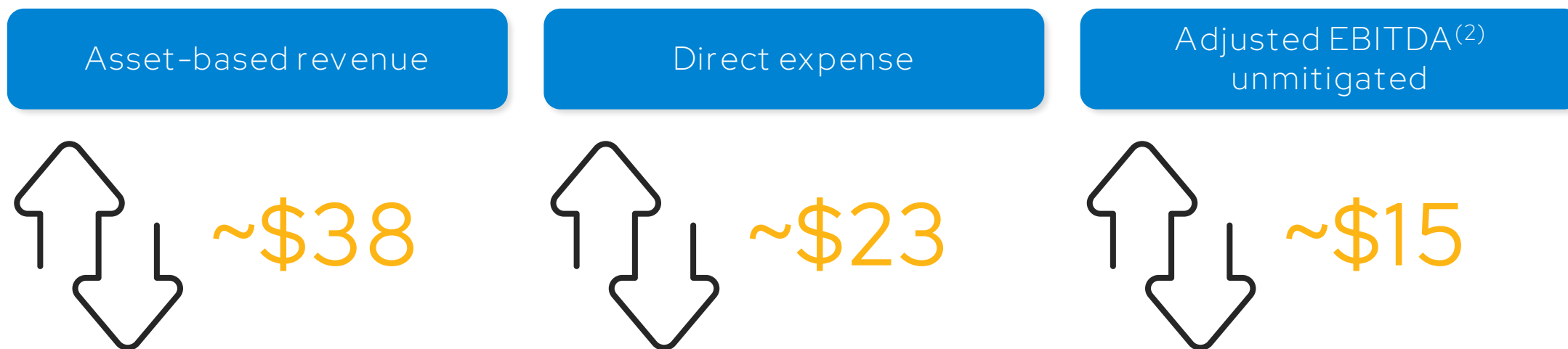
06

Integrated offering with partnership and acquisition opportunity

# Illustrative Market Impact on Annualized Financials

- Assuming +/-5% market change<sup>(1)</sup>

(in \$millions)



Management has visibility into expected performance allowing operating decisions that may impact hiring plans, variable compensation and other spending initiatives.

1. Amounts represent annualized impact applicable to a 5% change in asset values on 4Q23 Annualized Revenue

2. Non-GAAP financial measure. See Non-GAAP Disclosure Statement and Appendix for definitions and reconciliations of non-GAAP measures.

# Illustrative Market Impact Calculations

<b>Illustrative Market Impact Model</b> <i>(\$ in millions)</i>	<b>Assumptions</b>	
Total Revenue	4Q23 revenue, annualized	\$1,270
x % asset-based	~60% of total revenue	60%
x % Blended Market Change <sup>(a)</sup>	See below calculation	-5%
= Revenue impact		<u>(\$38)</u>
- Impact on asset-based direct expenses	~60% of asset-based revenue	<u>(\$23)</u>
= Impact on Adjusted EBITDA <sup>(*)</sup>	Unmitigated impact	<u><u>(\$15)</u></u>
<sup>(a)</sup> Blended Market Change		
% exposure to equity	60% equity allocation	60%
x % equity market performance	Assuming 5% equity market decline	-5%
+ % exposure to bond market	40% bond allocation	40%
x % bond market performance	Assuming 5% bond market decline	-5%
= Blended Market Change		<u><u>-5%</u></u>

- Approximately 75% of our asset-based revenue is billed quarterly, in advance. As such, the majority of any market impact would be seen in future quarters.
- More than half of our asset-based revenue is paid to third party managers and strategists. This naturally reduces the impact on our profit from a market decline.
- This represents the unmitigated impact. Depending on the severity of the impact, management may choose to offset a portion of this impact through lower variable compensation and changing its discretionary hiring and spending plans.

(a) Blended Market Change refers to the weighted performance of an equity/bond portfolio. The above calculation assumes a 60/40 portfolio in a situation where both markets decline 5%.

\*Non-GAAP financial measure. See Non-GAAP Disclosure Statement and Appendix for definitions and reconciliations of non-GAAP measures.



# Revenue Mix – Q4

This chart shows Q4 2023 and Q4 2022 with Wealth Analytics as a part of the Wealth Solutions Segment.

	Three Months Ended December 31					
	2023			2022		
	Investnet Wealth Solutions	Investnet Data & Analytics	Total	Investnet Wealth Solutions	Investnet Data & Analytics	Total
	<i>(in thousands)</i>					
Revenue:						
Asset-based	\$ 188,643	\$ –	\$ 188,643	\$ 166,408	\$ –	\$ 166,408
Subscription-based	84,184	33,569	117,753	81,026	40,217	121,243
Total recurring revenue	272,827	33,569	306,396	247,434	40,217	287,651
Professional services and other revenue	6,161	5,075	11,236	3,667	1,556	5,223
<b>Total Revenue</b>	<b>\$ 278,988</b>	<b>\$ 38,644</b>	<b>\$ 317,632</b>	<b>\$ 251,101</b>	<b>\$ 41,773</b>	<b>\$ 292,874</b>
<b>YoY % Growth</b>	<b>11%</b>	<b>(7)%</b>	<b>8%</b>	<b>(8)%</b>	<b>(10)%</b>	<b>(8)%</b>

# Historically Reported Revenue Mix – Full Year 2023

This chart shows FY 2022 with Wealth Analytics as a part of Data & Analytics Segment.  
 FY 2023 shows Wealth Analytics as a part of Data & Analytics Segment for Q1-Q3 and Wealth Analytics as a part of the Wealth Solutions Segment in Q4.

	Full Year					
	2023			2022		
	Investnet Wealth Solutions	Investnet Data & Analytics	Total	Investnet Wealth Solutions	Investnet Data & Analytics	Total
	<i>(in thousands)</i>					
Revenue:						
Asset-based	\$ 745,238	\$ –	\$ 745,238	\$ 738,228	\$ –	\$ 738,228
Subscription-based	312,991	151,739	464,730	294,997	182,847	477,844
Total recurring revenue	1,058,229	151,739	1,209,968	1,033,225	182,847	1,216,072
Professional services and other revenue	24,027	11,625	35,652	16,568	7,144	23,712
Historically Reported Revenue	\$ 1,082,256	\$ 163,364	\$ 1,245,620	\$ 1,049,793	\$ 189,991	\$ 1,239,784
YoY % Growth	3%	(14)%	0%	6%	(3)%	4%

# Recasted Revenue Mix – Full Year 2023

This chart shows both FY 2022 and FY 2023 with Wealth Analytics as a part of the Wealth Solutions Segment.

	Full Year					
	2023			2022		
	Investnet Wealth Solutions	Investnet Data & Analytics	Total	Investnet Wealth Solutions	Investnet Data & Analytics	Total
	<i>(in thousands)</i>					
Revenue:						
Asset-based	\$ 745,238	\$ –	\$ 745,238	\$ 738,228	\$ –	\$ 738,228
Subscription-based	325,398	139,332	464,730	310,217	167,627	477,844
Total recurring revenue	1,070,636	139,332	1,209,968	1,048,445	167,627	1,216,072
Professional services and other revenue	24,068	11,584	35,652	16,799	6,913	23,712
Recasted Revenue	\$ 1,094,704	\$ 150,916	\$ 1,245,620	\$ 1,065,244	\$ 174,540	\$ 1,239,784
YoY % Growth	3%	(14)%	0%	6%	(5)%	4%

# Outlook Table

The Company provided the following outlook for the quarter ending March 31, 2024. This outlook is based on the market value of assets on December 31, 2023. We caution that we cannot predict the market value of our assets on any future date. See slide 2 for more information.

(in \$millions, except Adjusted EPS)	1Q 2024		
<b>GAAP:</b>			
Revenue:			
Asset-based	\$ 200.0	-	\$ 203.0
Subscription-based	117.0	-	119.0
Total recurring revenue	317.0	-	322.0
Professional services and other revenue	3.0	-	4.0
Total revenue	\$ 320.0	-	\$ 326.0
Asset-based direct expense	\$ 117.5	-	\$ 119.0
Total direct expense	\$ 125.5	-	\$ 127.0
Net income (loss)	(a)		
Diluted shares outstanding	66.3		
Net income (loss) per diluted share	(a)		
<b>Non-GAAP:</b>			
Adjusted EBITDA <sup>(1)</sup>	\$ 64.0	-	\$ 69.0
Adjusted net income per diluted share <sup>(1)</sup>	\$ 0.52	-	\$ 0.57

(a) The Company does not forecast net income and net income per diluted share due to the unpredictable nature of various items adjusted for non-GAAP disclosure purposes, including the periodic GAAP income tax provision.

(1) Non-GAAP financial measure. Reconciliations are not provided for guidance on such measures as the Company is unable to predict the amounts to be adjusted, such as the GAAP tax provision.

# Reconciliation of Non-GAAP Financial Measures

(in \$thousands) (unaudited)	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2023	2022	2023	2022
Total revenue	\$ 317,632	\$ 292,874	\$ 1,245,620	\$ 1,239,784
Deferred revenue fair value adjustment	–	54	69	216
Adjusted revenue	\$ 317,632	\$ 292,928	\$ 1,245,689	\$ 1,240,000
Net loss	\$ (184,937)	\$ (37,841)	\$ (245,774)	\$ (85,480)
Add (deduct):				
Deferred revenue fair value adjustment	–	54	69	216
Interest income	(1,721)	(1,911)	(6,288)	(4,184)
Interest expense	6,085	3,536	25,138	16,843
Income tax provision (benefit)	(2,586)	8,603	12,777	7,061
Depreciation and amortization	34,319	31,909	130,304	125,828
Goodwill impairment	191,818	–	191,818	–
Non-cash compensation expense	12,890	17,750	71,031	80,333
Restructuring charges and transaction costs	3,897	7,874	16,263	35,141
Severance expense	9,495	18,738	35,399	30,117
Litigation, regulatory and other governance related expenses	1,159	722	6,982	6,055
Foreign currency	107	806	437	1,419
Non-income tax expense adjustment	(168)	914	(392)	802
Fair market value adjustment on investment in private company	2,000	(400)	(804)	(400)
Dilution gain on equity method investee share issuance	–	(2,583)	(546)	(9,517)
Loss allocations from equity method investments	2,339	3,542	10,579	8,874
Loss attributable to non-controlling interest	838	663	3,920	2,300
Adjusted EBITDA	\$ 75,535	\$ 52,376	\$ 250,913	\$ 215,408

# Historical Recast of Segment Information

(in thousands) (unaudited)	Year Ended		Three Months Ended		
	December 31, 2021	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023
<b>GAAP:</b>					
Total revenue:					
Investnet Wealth Solutions	\$ 1,003,642	\$ 1,065,244	\$ 260,649	\$ 275,824	\$ 279,243
Investnet Data & Analytics	\$ 182,875	\$ 174,540	\$ 38,058	\$ 36,610	\$ 37,604
Total operating expenses:					
Investnet Wealth Solutions	\$ 874,355	\$ 1,007,921	\$ 238,051	\$ 253,119	\$ 248,972
Investnet Data & Analytics	\$ 185,478	\$ 196,761	\$ 44,973	\$ 46,909	\$ 45,598
Income (loss) from operations:					
Investnet Wealth Solutions	\$ 129,287	\$ 57,323	\$ 22,598	\$ 22,705	\$ 30,271
Investnet Data & Analytics	\$ (2,603)	\$ (22,221)	\$ (6,915)	\$ (10,299)	\$ (7,994)
<b>Non-GAAP:</b>					
Adjusted EBITDA <sup>(1)</sup>					
Investnet Wealth Solutions	\$ 274,846	\$ 243,951	\$ 65,223	\$ 68,891	\$ 74,413
Investnet Data & Analytics	\$ 47,258	\$ 35,358	\$ 5,256	\$ 4,030	\$ 7,411

On October 1, 2023, the Company changed the composition of its reportable segments to reflect the way that the Company's chief operating decision maker reviews the operating results, assesses performance and allocates resources. As a result, the advisor-focused Wealth Analytics business has been reclassified from the Investnet Data & Analytics segment to the Investnet Wealth Solutions segment. The segment change does not impact nonsegment results or the Company's consolidated balance sheets, consolidated statements of operations or consolidated statements of cash flows. All segment information presented within this presentation for the quarter and full year ended December 31, 2023 is presented in conjunction with the current organizational structure, with prior periods adjusted accordingly.

# Reconciliation of Non-GAAP Financial Measures

(in \$thousands, except share and adjusted EPS) (unaudited)	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net loss	\$ (184,937)	\$ (37,841)	\$ (245,774)	\$ (85,480)
Income tax provision (benefit)	(2,586)	8,603	12,777	7,061
Loss before income tax provision (benefit)	(187,523)	(29,238)	(232,997)	(78,419)
Add (deduct):				
Deferred revenue fair value adjustment	–	54	69	216
Non-cash interest expense	1,397	(239)	5,655	4,678
Cash interest - Convertible Notes	4,369	3,458	17,845	10,897
Amortization of acquired intangibles	15,143	18,087	62,927	71,901
Goodwill impairment	191,818	–	191,818	–
Non-cash compensation expense	12,890	17,750	71,031	80,333
Restructuring charges and transaction costs	3,897	7,874	16,263	35,141
Severance expense	9,495	18,738	35,399	30,117
Litigation, regulatory and other governance related expenses	1,159	722	6,982	6,055
Foreign currency	107	806	437	1,419
Non-income tax expense adjustment	(168)	914	(392)	802
Fair market value adjustment to investment in private company	2,000	(400)	(804)	(400)
Dilution gain on equity method investee share issuance	–	(2,583)	(546)	(9,517)
Loss allocations from equity method investments	2,339	3,542	10,579	8,874
Loss attributable to non-controlling interest	838	663	3,920	2,300
Adjusted net income before income tax effect	57,761	40,148	188,186	164,397
Income tax effect	(14,729)	(10,238)	(47,987)	(41,921)
Adjusted net income	\$ 43,032	\$ 29,910	\$ 140,199	\$ 122,476
Basic number of weighted-average shares outstanding	54,689,559	55,119,075	54,457,365	55,199,482
Effect of dilutive shares:				
Convertible Notes	10,811,884	10,667,509	11,084,413	10,092,369
Non-vested RSUs and PSUs	252,597	265,187	413,734	390,270
Options to purchase common stock	19,509	70,947	47,388	111,327
Diluted number of weighted-average shares outstanding	65,773,549	66,122,718	66,002,900	65,793,448
Adjusted net income per share - diluted	\$ 0.65	\$ 0.45	\$ 2.12	\$ 1.86

# Reconciliation of Non-GAAP Financial Measures

(in \$millions) (unaudited)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net income (loss)	\$13.98	\$4.44	\$(55.57)	\$(3.28)	\$4.01	\$(17.20)	\$(2.64)	\$12.69	\$(85.48)	\$(245.77)
Deferred revenue fair value adjustment	-	0.32	1.27	0.13	0.12	9.27	0.69	0.28	0.22	0.07
Interest income	(0.14)	(0.34)	(0.04)	(0.20)	(2.36)	(3.35)	(1.11)	(0.83)	(4.18)	(6.29)
Interest expense	0.63	10.27	16.60	16.35	25.20	32.52	31.50	16.93	16.84	25.14
Income tax provision (benefit)	8.53	4.55	15.08	1.59	(13.17)	(30.89)	(5.40)	7.67	7.06	12.78
Depreciation and amortization	18.65	27.96	64.00	62.82	77.63	101.27	113.66	117.77	125.83	130.30
Goodwill impairment	-	-	-	-	-	-	-	-	-	191.82
Non-cash compensation expense	11.42	15.16	33.28	31.33	40.25	60.44	57.11	68.02	80.33	71.03
Restructuring charges and transaction costs	2.67	13.50	5.78	13.67	15.58	26.56	19.38	18.49	35.14	16.26
Severance	0.74	1.70	4.34	2.32	8.32	15.37	25.11	11.35	30.12	35.40
Litigation, regulatory and other governance related expenses	0.02	0.07	5.59	1.03	-	2.88	7.83	7.59	6.06	6.98
Foreign currency	-	-	(0.72)	0.49	(0.59)	(0.07)	0.12	(0.01)	1.42	0.44
Non-income tax expense adjustment	-	-	6.23	0.35	(0.59)	0.37	0.42	(1.35)	0.80	(0.39)
Accretion on contingent consideration and purchase liability	-	0.89	0.15	0.51	0.22	1.77	1.69	0.73	-	-
Fair market value adjustment on contingent consideration liability	(1.43)	(4.15)	1.59	-	-	(8.13)	(3.11)	(1.07)	-	-
Imputed interest expense on contingent consideration	1.47	-	-	-	-	-	-	-	-	-
Fair market value adjustment to investment in private company	-	-	-	-	-	-	-	(0.76)	(0.40)	(0.80)
Gain on sale of interest in private company	-	-	-	-	-	-	(1.65)	-	-	-
Gain on settlement of liability	-	-	-	-	-	-	-	(1.21)	-	-
Gain on insurance reimbursement	-	-	-	-	-	-	-	(0.97)	-	-
Dilution gain on equity method investee share issuance	-	-	-	-	-	-	-	-	(9.52)	(0.55)
Loss allocation from equity method investments	-	-	1.42	1.47	1.15	2.36	5.40	7.09	8.87	10.58
Gain on acquisition of equity method investment	-	-	-	-	-	-	(4.23)	-	-	-
Impairment of equity method investment	-	-	0.73	-	-	-	-	-	-	-
(Income) loss attributable to non-controlling interest	1.23	1.64	1.08	0.32	1.79	0.11	(1.83)	(0.70)	2.30	3.92
Non-recurring gains	-	-	-	-	-	-	(5.88)	-	-	-
Other	(1.83)	0.07	(1.38)	-	-	-	-	-	-	-
Adjusted EBITDA	\$55.94	\$76.07	\$99.44	\$128.89	\$157.55	\$193.29	\$242.94	\$261.73	\$215.41	\$250.91





**ENVESTNET**