

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report: May 4, 2023

Date of Earliest Event Reported: May 4, 2023



**ENVESTNET, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-34835**  
(Commission  
File Number)

**20-1409613**  
(I.R.S. Employer  
Identification Number)

**1000 Chesterbrook Boulevard, Suite 250, Berwyn, Pennsylvania**  
(Address of principal executive offices)

**19312**  
(Zip Code)

**(312) 827-2800**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240-13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of exchange on which registered
Common Stock, par value \$0.005 per share	ENV	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition**

On May 4, 2023, Envestnet, Inc. (“Envestnet”) issued a press release regarding Envestnet’s financial results for its first quarter ended March 31, 2023 and its first quarter 2023 supplemental presentation. The full text of Envestnet’s press release and supplemental presentation are furnished herewith as Exhibit 99.1 and Exhibit 99.2, respectively.

The information in this Item 2.02 and the attached exhibits are being furnished to the Securities and Exchange Commission and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing of Envestnet under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits**

**(d) Exhibits**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated May 4, 2023
99.2	First Quarter 2023 Supplemental Presentation

**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press Release dated May 4, 2023</a>
99.2	<a href="#">First Quarter 2023 Supplemental Presentation</a>
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 4, 2023

ENVESTNET, INC.

By: /s/ Peter H. D’Arrigo

Name: Peter H. D’Arrigo

Title: Chief Financial Officer

### Envestnet Reports First Quarter 2023 Financial Results

Berwyn, PA — May 4, 2023 — Envestnet (NYSE: ENV), a leading provider of intelligent systems for wealth management and financial wellness, today reported financial results for the three months ended March 31, 2023.

Key Financial Metrics (in millions, except per share data)	Three months ended		% Change
	March 31,		
	2023	2022	
<b>GAAP:</b>			
Total revenue	\$ 298.7	\$ 321.4	(7)%
Net loss attributable to Envestnet, Inc.	\$ (41.2)	\$ (13.9)	*
Net loss attributable to Envestnet, Inc. per diluted share	\$ (0.76)	\$ (0.25)	*
<b>Non-GAAP:</b>			
Adjusted revenue <sup>(1)</sup>	\$ 298.8	\$ 321.4	(7)%
Adjusted EBITDA <sup>(1)</sup>	\$ 55.4	\$ 55.7	(1)%
Adjusted net income <sup>(1)</sup>	\$ 30.1	\$ 31.0	(3)%
Adjusted net income per diluted share <sup>(1)</sup>	\$ 0.46	\$ 0.47	(2)%

\*Not meaningful

“Envestnet is paving the way for the future of advice- providing more services and solutions through integrated technology, data and digital tools. This is the growth strategy for Envestnet and the industry. We are thriving in the unparalleled change and embracing innovation all while modernizing our breadth of offering,” said Bill Crager, Chief Executive Officer.

“At a time when markets face headwinds, our first quarter results prove the strength of our business and our engaged clients are playing back to us the benefits of what we do,” concluded Mr. Crager.

## Financial Results for the First Quarter of 2023

Asset-based recurring revenue decreased 13% during the first quarter of 2023, representing 59% of total revenue compared to 63% for the first quarter of 2022. Subscription-based recurring revenue increased 2% from the first quarter of 2022, and represented 39% of total revenue for the first quarter of 2023, compared to 36% for the first quarter of 2022. Professional services and other non-recurring revenue increased 20% from the prior year period. Total revenue decreased 7% to \$298.7 million for the first quarter of 2023 from \$321.4 million for the first quarter of 2022.

Total operating expenses for the first quarter of 2023 decreased 6% to \$309.8 million from \$328.1 million in the prior year period. Direct expense decreased to \$109.0 million for the first quarter of 2023 from \$125.3 million for the prior year period. Employee compensation decreased 10% to \$114.2 million for the first quarter of 2023 from \$126.8 million for the prior year period. Employee compensation was 38% of total revenue for the first quarter of 2023, compared to 39% for the prior year period. General and administrative expenses increased 21% to \$53.6 million for the first quarter of 2023 from \$44.3 million for the prior year period. General and administrative expenses were 18% of total revenue for the first quarter of 2023, compared to 14% for the prior year period.

Loss from operations was \$11.1 million for the first quarter of 2023 compared to a loss of \$6.7 million for the first quarter of 2022. Net loss attributable to Envestnet, Inc. was \$41.2 million for the first quarter of 2023 compared to net loss attributable to Envestnet, Inc. of \$13.9 million for the first quarter of 2022. Net loss attributable to Envestnet, Inc. per diluted share was \$0.76 for the first quarter of 2023 compared to net loss attributable to Envestnet, Inc. per diluted share of \$0.25 for the first quarter of 2022.

Adjusted revenue<sup>(1)</sup> for the first quarter of 2023 decreased 7% to \$298.8 million from \$321.4 million for the prior year period. Adjusted EBITDA<sup>(1)</sup> for the first quarter of 2023 decreased to \$55.4 million from \$55.7 million for the prior year period. Adjusted net income<sup>(1)</sup> decreased 3% for the first quarter of 2023 to \$30.1 million from \$31.0 million for the prior year period. Adjusted net income per diluted share<sup>(1)</sup> for the first quarter of 2023 decreased 2% to \$0.46 from \$0.47 in the first quarter of 2022.

## Balance Sheet and Liquidity

As of March 31, 2023, Envestnet had \$52.7 million in cash and cash equivalents and \$937.5 million in outstanding debt. Debt as of March 31, 2023 results from \$45.0 million in convertible notes maturing in June 2023, \$317.5 million in convertible notes maturing in 2025 and \$575.0 million in convertible notes maturing in 2027. Envestnet's \$500.0 million revolving credit facility was undrawn as of March 31, 2023.

## Outlook

Envestnet provided the following outlook for the second quarter and full year ending December 31, 2023. This outlook is based on the market value of assets under management or administration as of March 31, 2023. We caution that we cannot predict the market value of these assets on any future date. See “Cautionary Statement Regarding Forward-Looking Statements.”

In Millions, Except Adjusted EPS	2Q 2023		FY 2023	
<b>GAAP:</b>				
Revenue:				
Asset-based	\$ 186.0	-	\$ 187.5	
Subscription-based	117.5	-	118.0	
Total recurring revenue	303.5	-	305.5	
Professional services and other revenue	8.5	-	9.5	
Total revenue	\$ 312.0	-	\$ 315.0	\$ 1,260.0 - \$ 1,270.0
Asset-based direct expense	\$ 109.0	-	\$ 109.5	
Total direct expense	\$ 123.5	-	\$ 124.0	
Net income	(a)	-	(a)	(a) - (a)
Diluted shares outstanding		66.5		66.2
Net income per diluted share	(a)	-	(a)	(a) - (a)
<b>Non-GAAP:</b>				
Adjusted revenue <sup>(1)</sup> :				
Asset-based	\$ 186.0	-	\$ 187.5	
Subscription-based	117.5	-	118.0	
Total recurring revenue	303.5	-	305.5	
Professional services and other revenue	8.5	-	9.5	
Total revenue	\$ 312.0	-	\$ 315.0	\$ 1,260.0 - \$ 1,270.0
Adjusted EBITDA <sup>(1)</sup>	\$ 55.0	-	\$ 57.0	\$ 253.0 - \$ 260.0
Adjusted net income per diluted share <sup>(1)</sup>	\$ 0.45	-	\$ 0.46	\$ 2.11 \$ 2.19

(a) Envestnet 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.

## Conference Call

Envestnet will host a conference call to discuss first quarter 2023 financial results today at 5:00 p.m. ET. The live webcast and accompanying presentation can be accessed from Envestnet’s investor relations website at <http://investor.envestnet.com/>. A replay of the webcast will be available on the investor relations website following the call.

## About Envestnet

Envestnet, Inc. (NYSE: ENV) is transforming the way financial advice and wellness are delivered. Our mission is to empower advisors and financial service providers with innovative technology, solutions and intelligence to make financial wellness a reality for everyone. Approximately 106,000 advisors and approximately 6,900 companies including: 16 of the 20 largest U.S. banks, 47 of the 50 largest wealth management and brokerage firms, over 500 of the largest RIAs and hundreds of FinTech companies, leverage Envestnet technology and services that help drive better outcomes for enterprises, advisors and their clients.

For more information on Envestnet, please visit [www.envestnet.com](http://www.envestnet.com) and follow us on Twitter @ENVintel.

---

### (1) Non-GAAP Financial Measures

“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, non-cash compensation expense, restructuring charges and transaction costs, severance, litigation, regulatory and other governance related expenses, foreign currency, non-income tax expense adjustment, loss allocations from equity method investments and (income) loss attributable to non-controlling interest.

“Adjusted net income” represents net income (loss) before deferred revenue fair value adjustment, non-cash interest expense, cash interest on our convertible notes, non-cash compensation expense, restructuring charges and transaction costs, severance, amortization of acquired intangibles, litigation, regulatory and other governance related expenses, foreign currency, non-income tax expense adjustment, 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 (loss) attributable to common stockholders divided by the diluted number of weighted-average shares outstanding.

See reconciliations of Non-GAAP Financial Measures on pages 9-12 of this press release. 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. The Company’s 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.

## Cautionary Statement Regarding Forward-Looking Statements

The forward-looking statements made in this press release and its attachments concerning, among other things, Envestnet, Inc.'s expected financial performance and outlook for the second quarter and full year 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 press release include, but are not limited to, 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; the amount of our debt and our ability to service 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 ("FinTech") 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; 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; 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; the failure to protect our intellectual property rights; our ability to introduce new solutions and services and enhancements; 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 data security 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; regulatory compliance failures; 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; changes in the level of inflation; general economic, political and regulatory conditions; changes in trade, monetary and fiscal policies and laws; global events, natural disasters, environmental disasters, terrorist attacks and pandemics or health crises, including their impact on the economy and trading markets; social, environmental and sustainability concerns that may arise, including from our business activities; and 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 press release. All information in this press release and its attachments is as of May 4, 2023 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 press release or to report the occurrence of unanticipated events.

### Contacts

Investor Relations  
[investor.relations@envestnet.com](mailto:investor.relations@envestnet.com)  
(312) 827-3940

Media Relations  
[mediarelations@envestnet.com](mailto:mediarelations@envestnet.com)

**Envestnet, Inc.**  
**Condensed Consolidated Balance Sheets**  
(in thousands)  
(unaudited)

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 52,664	\$ 162,173
Fees receivable, net	122,704	101,696
Prepaid expenses and other current assets	47,391	41,363
Total current assets	222,759	305,232
Property and equipment, net	64,144	62,443
Internally developed software, net	196,874	184,558
Intangible assets, net	377,055	379,995
Goodwill	998,428	998,414
Operating lease right-of-use-assets, net	79,553	81,596
Other assets	117,644	99,927
Total assets	<u>\$ 2,056,457</u>	<u>\$ 2,112,165</u>
<b>Liabilities and equity</b>		
Current liabilities:		
Accounts payable, accrued expenses and other current liabilities	\$ 195,983	\$ 233,866
Operating lease liabilities	12,270	11,949
Deferred revenue	44,445	36,363
Current portion of debt	44,954	44,886
Total current liabilities	297,652	327,064
Debt, net of current portion	872,968	871,769
Operating lease liabilities, net of current portion	108,568	110,652
Deferred tax liabilities, net	21,445	16,196
Other liabilities	18,644	18,880
Total liabilities	1,319,277	1,344,561
Equity:		
Total stockholders' equity, attributable to Envestnet, Inc.	725,614	754,567
Non-controlling interest	11,566	13,037
Total liabilities and equity	<u>\$ 2,056,457</u>	<u>\$ 2,112,165</u>



**Investnet, Inc.**  
**Condensed Consolidated Statements of Operations**  
(in thousands, except share and per share information)  
(unaudited)

	Three Months Ended	
	March 31,	
	2023	2022
Revenue:		
Asset-based	\$ 176,932	\$ 202,717
Subscription-based	117,079	114,734
Total recurring revenue	294,011	317,451
Professional services and other revenue	4,696	3,912
Total revenue	<u>298,707</u>	<u>321,363</u>
Operating expenses:		
Direct expense	108,989	125,282
Employee compensation	114,215	126,849
General and administrative	53,619	44,335
Depreciation and amortization	32,941	31,618
Total operating expenses	<u>309,764</u>	<u>328,084</u>
Loss from operations	(11,057)	(6,721)
Other expense, net	(7,935)	(5,967)
Loss before income tax provision	(18,992)	(12,688)
Income tax provision	23,769	2,020
Net loss	(42,761)	(14,708)
Add: Net loss attributable to non-controlling interest	1,533	849
Net loss attributable to Investnet, Inc.	<u>\$ (41,228)</u>	<u>\$ (13,859)</u>
Net loss attributable to Investnet, Inc. per share:		
Basic and diluted	<u>\$ (0.76)</u>	<u>\$ (0.25)</u>
Weighted average common shares outstanding:		
Basic and diluted	<u>54,143,259</u>	<u>54,903,677</u>

**Investnet, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
(in thousands)  
(unaudited)

	Three Months Ended March 31,	
	2023	2022
Cash flows from operating activities:		
Net loss	\$ (42,761)	\$ (14,708)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	32,941	31,618
Provision for doubtful accounts	571	(1,747)
Deferred income taxes	5,221	(18,955)
Non-cash compensation expense	19,453	21,814
Non-cash interest expense	4,498	2,599
Loss allocations from equity method investments	2,940	1,545
Other	(103)	(59)
Changes in operating assets and liabilities:		
Fees receivable, net	(21,579)	8,661
Prepaid expenses and other assets	(9,858)	(9,491)
Accounts payable, accrued expenses and other liabilities	(32,917)	(29,113)
Deferred revenue	8,073	11,097
Net cash (used in) provided by operating activities	(33,521)	3,261
Cash flows from investing activities:		
Purchases of property and equipment	(4,402)	(3,896)
Capitalization of internally developed software	(23,664)	(21,671)
Acquisition of proprietary technology	(10,000)	(15,000)
Investments in private companies	(950)	(3,000)
Issuance of loan receivable to private company	(20,000)	—
Other	260	(2,500)
Net cash used in investing activities	(58,756)	(46,067)
Cash flows from financing activities:		
Proceeds from exercise of stock options	367	658
Payments related to tax withholdings for stock-based compensation	(10,732)	(12,570)
Payments on finance lease obligations	(152)	(12,454)
Payments related to revolving credit facility	—	(1,869)
Payments related to share repurchases	(9,289)	—
Purchases of non-controlling units from third-party shareholders	(1,008)	—
Other	2	3
Net cash used in financing activities	(20,812)	(26,232)
Effect of exchange rate on changes on cash, cash equivalents and restricted cash	3,580	(627)
Net change in cash, cash equivalents and restricted cash	(109,509)	(69,665)
Cash, cash equivalents and restricted cash, beginning of period	162,173	429,428
Cash, cash equivalents and restricted cash, end of period	\$ 52,664	\$ 359,763

(a) The following table reconciles amounts from the condensed consolidated balance sheets to cash, cash equivalents and restricted cash reported within the condensed consolidated statements of cash flows:

	March 31, 2023	March 31, 2022
Cash and cash equivalents	\$ 52,664	\$ 359,614
Restricted cash included in prepaid expenses and other current assets	—	149
Total cash, cash equivalents and restricted cash	\$ 52,664	\$ 359,763

**Investnet, Inc.**  
**Reconciliation of Non-GAAP Financial Measures**  
(in thousands)  
(unaudited)

	Three Months Ended	
	March 31,	
	2023	2022
Total revenue	\$ 298,707	\$ 321,363
Deferred revenue fair value adjustment <sup>(a)</sup>	52	54
Adjusted revenue	<u>\$ 298,759</u>	<u>\$ 321,417</u>
Net loss	\$ (42,761)	\$ (14,708)
Add (deduct):		
Deferred revenue fair value adjustment <sup>(a)</sup>	52	54
Interest income <sup>(b)</sup>	(1,358)	(321)
Interest expense <sup>(b)</sup>	6,320	4,853
Income tax provision	23,769	2,020
Depreciation and amortization	32,941	31,618
Non-cash compensation expense <sup>(d)</sup>	19,453	21,814
Restructuring charges and transaction costs <sup>(c)</sup>	4,163	2,346
Severance <sup>(d)</sup>	6,188	3,106
Litigation, regulatory and other governance related expenses <sup>(c)</sup>	3,074	3,077
Foreign currency	33	(108)
Non-income tax expense adjustment <sup>(c)</sup>	(168)	24
Loss allocations from equity method investments <sup>(b)</sup>	2,940	1,545
Loss attributable to non-controlling interest	778	377
Adjusted EBITDA	<u>\$ 55,424</u>	<u>\$ 55,697</u>

(a) Included within subscription-based revenue in the condensed consolidated statements of operations.

(b) Included within other expense, net in the condensed consolidated statements of operations.

(c) Included within general and administrative expense in the condensed consolidated statements of operations.

(d) Included within employee compensation expense in the condensed consolidated statements of operations.

(e) For the three months ended March 31, 2023 and 2022, \$4.1 million and \$2.5 million were included within general and administrative expense, respectively, in the condensed consolidated statements of operations. For the three months ended March 31, 2023 and 2022, \$0.1 million and \$(0.2) million were included within employee compensation expense, respectively, in the condensed consolidated statements of operations.

**Investnet, Inc.**  
**Reconciliation of Non-GAAP Financial Measures**  
(in thousands, except share and per share information)  
(unaudited)

	Three Months Ended	
	March 31,	
	2023	2022
Net loss	\$ (42,761)	\$ (14,708)
Income tax provision <sup>(a)</sup>	23,769	2,020
Loss before income tax provision	(18,992)	(12,688)
Add (deduct):		
Deferred revenue fair value adjustment <sup>(b)</sup>	52	54
Non-cash interest expense <sup>(d)</sup>	1,442	2,059
Cash interest - Convertible Notes <sup>(d)</sup>	4,565	2,480
Non-cash compensation expense <sup>(e)</sup>	19,453	21,814
Restructuring charges and transaction costs <sup>(g)</sup>	4,163	2,346
Severance <sup>(e)</sup>	6,188	3,106
Amortization of acquired intangibles <sup>(f)</sup>	16,940	17,520
Litigation, regulatory and other governance related expenses <sup>(c)</sup>	3,074	3,077
Foreign currency <sup>(d)</sup>	33	(108)
Non-income tax expense adjustment <sup>(c)</sup>	(168)	24
Loss allocations from equity method investments <sup>(d)</sup>	2,940	1,545
Loss attributable to non-controlling interest	778	377
Adjusted net income before income tax effect	40,468	41,606
Income tax effect <sup>(h)</sup>	(10,319)	(10,610)
Adjusted net income	<u>\$ 30,149</u>	<u>\$ 30,996</u>
Basic number of weighted-average shares outstanding	54,143,259	54,903,677
Effect of dilutive shares:		
Options to purchase common stock	88,323	156,349
Unvested restricted stock units	463,719	568,914
Convertible notes	11,470,645	9,898,549
Warrants	—	51,764
Diluted number of weighted-average shares outstanding	<u>66,165,946</u>	<u>65,579,253</u>
Adjusted net income per share - diluted	<u>\$ 0.46</u>	<u>\$ 0.47</u>

(a) For the three months ended March 31, 2023 and 2022, the effective tax rate computed in accordance with GAAP equaled (125.2)% and (15.9)%, respectively.

(b) Included within subscription-based revenue in the condensed consolidated statements of operations.

(c) Included within general and administrative expense in the condensed consolidated statements of operations.

(d) Included within other expense, net in the condensed consolidated statements of operations.

(e) Included within employee compensation expense in the condensed consolidated statements of operations.

(f) Included within depreciation and amortization expense in the condensed consolidated statements of operations.

(g) For the three months ended March 31, 2023 and 2022, \$4.1 million and \$2.5 million were included within general and administrative expense, respectively, in the condensed consolidated statements of operations. For the three months ended March 31, 2023 and 2022, \$0.1 million and \$(0.2) million were included within employee compensation expense, respectively, in the condensed consolidated statements of operations.

(h) An estimated normalized effective tax rate of 25.5% has been used to compute adjusted net income for the three months ended March 31, 2023 and 2022.

**Envestnet, Inc.**  
**Reconciliation of Non-GAAP Financial Measures**  
**Segment Information**  
**(in thousands)**  
**(unaudited)**

	<b>Three Months Ended March 31, 2023</b>			
	<b>Envestnet Wealth Solutions</b>	<b>Envestnet Data &amp; Analytics</b>	<b>Nonsegment</b>	<b>Total</b>
Revenue	\$ 256,660	\$ 42,047	\$ —	\$ 298,707
Deferred revenue fair value adjustment <sup>(a)</sup>	52	—	—	52
Adjusted revenue	<u>\$ 256,712</u>	<u>\$ 42,047</u>	<u>\$ —</u>	<u>\$ 298,759</u>
<b>Revenue:</b>				
Asset-based	\$ 176,932	\$ —	\$ —	\$ 176,932
Subscription-based	76,485	40,594	—	117,079
Total recurring revenue	253,417	40,594	—	294,011
Professional services and other revenue	3,243	1,453	—	4,696
Total revenue	<u>\$ 256,660</u>	<u>\$ 42,047</u>	<u>\$ —</u>	<u>\$ 298,707</u>
<b>Operating expenses:</b>				
<b>Direct expense</b>				
Asset-based	\$ 102,623	\$ —	\$ —	\$ 102,623
Subscription-based	1,422	4,940	—	6,362
Professional services and other	4	—	—	4
Total direct expense	104,049	4,940	—	108,989
Employee compensation	76,883	21,406	15,926	114,215
General and administrative	28,127	14,678	10,814	53,619
Depreciation and amortization	24,138	8,803	—	32,941
Total operating expenses	<u>\$ 233,197</u>	<u>\$ 49,827</u>	<u>\$ 26,740</u>	<u>\$ 309,764</u>
Income (loss) from operations	\$ 23,463	\$ (7,780)	\$ (26,740)	\$ (11,057)
<b>Add (deduct):</b>				
Deferred revenue fair value adjustment <sup>(a)</sup>	52	—	—	52
Depreciation and amortization	24,138	8,803	—	32,941
Non-cash compensation expense <sup>(c)</sup>	11,242	2,662	5,549	19,453
Restructuring charges and transaction costs <sup>(d)</sup>	1,138	244	2,781	4,163
Severance <sup>(c)</sup>	3,576	2,428	184	6,188
Litigation, regulatory and other governance related expenses <sup>(b)</sup>	—	1,324	1,750	3,074
Non-income tax expense adjustment <sup>(b)</sup>	(102)	(66)	—	(168)
Loss attributable to non-controlling interest	778	—	—	778
Adjusted EBITDA	<u>\$ 64,285</u>	<u>\$ 7,615</u>	<u>\$ (16,476)</u>	<u>\$ 55,424</u>

(a) Included within subscription-based revenue in the condensed consolidated statements of operations.

(b) Included within general and administrative expense in the condensed consolidated statements of operations.

(c) Included within employee compensation expense in the condensed consolidated statements of operations.

(d) \$4.1 million was included within general and administrative expense and \$0.1 million was included within employee compensation expense in the condensed consolidated statements of operations.

**Investnet, Inc.**  
**Reconciliation of Non-GAAP Financial Measures**  
**Segment Information (continued)**  
(in thousands)  
(unaudited)

	Three Months Ended March 31, 2022			
	Investnet Wealth Solutions	Investnet Data & Analytics	Nonsegment	Total
Revenue	\$ 273,568	\$ 47,795	\$ —	\$ 321,363
Deferred revenue fair value adjustment <sup>(a)</sup>	54	—	—	54
Adjusted revenue	<u>\$ 273,622</u>	<u>\$ 47,795</u>	<u>\$ —</u>	<u>\$ 321,417</u>
<b>Revenue:</b>				
Asset-based	\$ 202,717	\$ —	\$ —	\$ 202,717
Subscription-based	68,537	46,197	—	114,734
Total recurring revenue	271,254	46,197	—	317,451
Professional services and other revenue	2,314	1,598	—	3,912
Total revenue	<u>\$ 273,568</u>	<u>\$ 47,795</u>	<u>\$ —</u>	<u>\$ 321,363</u>
<b>Operating expenses:</b>				
<b>Direct expense:</b>				
Asset-based	\$ 117,428	\$ —	\$ —	\$ 117,428
Subscription-based	1,365	6,446	—	7,811
Professional services and other	15	28	—	43
Total direct expense	118,808	6,474	—	125,282
Employee compensation	78,644	30,166	18,039	126,849
General and administrative	27,360	8,611	8,364	44,335
Depreciation and amortization	23,487	8,131	—	31,618
Total operating expenses	<u>\$ 248,299</u>	<u>\$ 53,382</u>	<u>\$ 26,403</u>	<u>\$ 328,084</u>
Income (loss) from operations	\$ 25,269	\$ (5,587)	\$ (26,403)	\$ (6,721)
<b>Add (deduct):</b>				
Deferred revenue fair value adjustment <sup>(a)</sup>	54	—	—	54
Depreciation and amortization	23,487	8,131	—	31,618
Non-cash compensation expense <sup>(c)</sup>	11,290	3,535	6,989	21,814
Restructuring charges and transaction costs <sup>(d)</sup>	284	(3)	2,065	2,346
Severance <sup>(c)</sup>	1,410	1,642	54	3,106
Litigation, regulatory and other governance related expenses <sup>(b)</sup>	—	3,077	—	3,077
Non-income tax expense adjustment <sup>(b)</sup>	107	(83)	—	24
Loss attributable to non-controlling interest	377	—	—	377
Other	—	2	—	2
Adjusted EBITDA	<u>\$ 62,278</u>	<u>\$ 10,714</u>	<u>\$ (17,295)</u>	<u>\$ 55,697</u>

(a) Included within subscription-based revenue in the condensed consolidated statements of operations.

(b) Included within general and administrative expense in the condensed consolidated statements of operations.

(c) Included within employee compensation expense in the condensed consolidated statements of operations.

(d) \$2.5 million was included within general and administrative expense and \$(0.2) million was included within employee compensation expense in the condensed consolidated statements of operations.

**Investnet, Inc.**  
**Key Metrics**  
(in millions, except accounts and advisors data)  
(unaudited)

**Investnet Wealth Solutions Segment**

The following table provides information regarding the amount of assets utilizing our platforms, financial advisors and investor accounts in the periods indicated:

	As of				
	March 31, 2022 <sup>(1)</sup>	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
<b>Platform Assets</b>					
Assets under Management (“AUM”)	\$ 361,251	\$ 325,209	\$ 315,883	\$ 341,144	\$ 363,244
Assets under Administration (“AUA”)	432,141	352,840	350,576	367,412	379,843
Total AUM/A	793,392	678,049	666,459	708,556	743,087
Subscription	4,736,537	4,312,114	4,134,414	4,382,109	4,566,971
Total Platform Assets	<u>\$ 5,529,929</u>	<u>\$ 4,990,163</u>	<u>\$ 4,800,873</u>	<u>\$ 5,090,665</u>	<u>\$ 5,310,058</u>
<b>Platform Accounts</b>					
AUM	1,459,093	1,491,861	1,522,968	1,547,009	1,571,862
AUA	1,186,180	1,061,484	1,135,302	1,135,026	1,142,166
Total AUM/A	2,645,273	2,553,345	2,658,270	2,682,035	2,714,028
Subscription	15,151,569	15,312,144	15,596,403	15,665,020	15,779,980
Total Platform Accounts	<u>17,796,842</u>	<u>17,865,489</u>	<u>18,254,673</u>	<u>18,347,055</u>	<u>18,494,008</u>
<b>Advisors</b>					
AUM/A	39,800	38,394	38,417	38,025	38,611
Subscription	67,168	66,838	67,348	67,520	67,843
Total Advisors	<u>106,968</u>	<u>105,232</u>	<u>105,765</u>	<u>105,545</u>	<u>106,454</u>

<sup>(1)</sup> Certain assets and accounts have been reclassified from AUA to AUM to better reflect the nature of the services provided to certain customers.

The following table summarizes the changes in AUM and AUA for the three months ended March 31, 2023:

	As of December 31, 2022	Gross Sales	Redemptions	Net Flows	Market Impact	Reclass to Subscription	As of March 31, 2023
AUM	\$ 341,144	\$ 24,657	\$ (15,677)	\$ 8,980	\$ 14,259	\$ (1,139)	\$ 363,244
AUA	367,412	32,551	(21,547)	11,004	14,529	(13,102)	379,843
Total AUM/A	<u>\$ 708,556</u>	<u>\$ 57,208</u>	<u>\$ (37,224)</u>	<u>\$ 19,984</u>	<u>\$ 28,788</u>	<u>\$ (14,241)</u>	<u>\$ 743,087</u>
<b>Fee-Based Accounts</b>	<b>2,682,035</b>			<b>116,249</b>		<b>(84,256)</b>	<b>2,714,028</b>

The above AUM/A gross sales figures include \$17.1 billion in new client conversions. The Company onboarded an additional \$48.8 billion in subscription conversions during the three months ended March 31, 2023, bringing total conversions for the quarter to \$65.9 billion.

Asset and account figures in the “Reclass to Subscription” column for the three months ended March 31, 2023 represent enterprise customers whose billing arrangements in future periods are subscription-based, rather than asset-based. Such amounts are included in Subscription metrics at the end of the quarter in which the reclassification occurred, with no impact on total platform assets or accounts.

**Envestnet, Inc.**  
**Key Metrics**  
(in millions, except firm data)  
**(unaudited)**

*Envestnet Data & Analytics Segment*

The following table provides information regarding the amount of paid-end users and firms using the Envestnet Data & Analytics platform in the periods indicated:

	As of				
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
Number of paying users	31.4	37.2	38.1	38.8	37.5
Number of firms	1,649	1,731	1,815	1,827	1,851



# 1Q 2023 Earnings

Supplemental Presentation

May 4, 2023



# Safe Harbor Disclosure

The forward-looking statements made in this presentation concerning, among other things, Envestnet, Inc.'s expected financial performance and outlook for the second quarter and full year 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, 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; the amount of our debt and our ability to service 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 ("FinTech") 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; 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; 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; the failure to protect our intellectual property rights; our ability to introduce new solutions and services and enhancements; 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 data security 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; regulatory compliance failures; 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; changes in the level of inflation; general economic, political and regulatory conditions; changes in trade, monetary and fiscal policies and laws; global events, natural disasters, environmental disasters, terrorist attacks and pandemics or health crises, including their impact on the economy and trading markets; social, environmental and sustainability concerns that may arise, including from our business activities; and 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 May 4, 2023, 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.

# Non-GAAP 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, non-cash compensation expense, restructuring charges and transaction costs, severance, litigation, regulatory and other governance related expenses, foreign currency, non-income tax expense adjustment, loss allocations from equity method investments and (income) loss attributable to non-controlling interest.
- "Adjusted net income" represents net income (loss) before deferred revenue fair value adjustment, non-cash interest expense, cash interest on our convertible notes, non-cash compensation expense, restructuring charges and transaction costs, severance, amortization of acquired intangibles, litigation, regulatory and other governance related expenses, foreign currency, non-income tax expense adjustment, 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 (loss) attributable to common stockholders divided by the diluted number of weighted-average shares outstanding.

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. 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.

# Investnet Key Metrics



## MISSION

Our mission is to empower advisors and financial service providers with innovative technology, solutions, and intelligence to make financial wellness a reality for everyone.



## STRATEGY

- Capture more of the addressable market
- Modernize the digital engagement marketplace
- Open the platform to the ecosystem

## Key Financial Metrics

	1Q23	YoY Change
Adjusted Revenue* (\$ millions)	\$298.8	-7.0%
Adjusted EBITDA* (\$ millions)	\$55.4	-0.5%
Adjusted EPS* per diluted share	\$0.46	-2.1%

## Key Business Metrics

Client Assets	\$5.3 trillion
Number of Advisors	+106,000
Number of Accounts	~18.5 million
Total Number of Paying Users	+37 million
Total Firms on D&A Platforms	+1,800

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

© 2023 Investnet, Inc. All rights reserved.



# Investnet is orchestrating the ecosystem that makes possible a connected, Intelligent Financial Life™

Data drives actionable intelligence

Scaled, cloud-native technology

The widest and growing universe of solutions

Financial Planning, Education, and Behavioral Coaching

Get out of debt

Start saving

Start investing

Accumulating

Decumulating

Estate planning

RIAs, Broker-dealers, Fintechs, Embedders



Investing



Alternatives



Insurance



Credit



Retirement



Trust



Health



# 2023 First Quarter Results

*(in millions except for per share amounts)*

	1Q23 GAAP Results	1Q23 Adjusted Results**	YoY Change (%)*
<b>Revenue</b>	\$298.7	\$298.8	-7.0%
<b>Adjusted EBITDA**</b>	--	\$55.4	-0.5%
<b>EPS per diluted share</b>	\$(0.76)	\$0.46	-2.1%

\*YoY change represents 1Q23 results vs. 1Q22 results for Adjusted Results.

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

# 2023 Full Year Outlook

*(in millions except for per share amounts)*

	Initial FY23 Outlook (2/23/23)	Updated FY23 Outlook	Updated increase vs. initial midpoint
Adjusted revenue*	\$1,240 - \$1,260	\$1,260 - \$1,270	1.2%
Adjusted EBITDA*	\$242 - \$252	\$253 - \$260	3.8%
Adjusted EBITDA* Margin	19.5% - 20.0%	20.1% - 20.5%	2.8%
Normalized effective tax rate	25.5%	25.5%	n/a
Diluted shares outstanding	66.3	66.2	n/a
Adjusted EPS per diluted share*	\$1.95-\$2.05	\$2.11 - \$2.19	7.5%

\*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.

# Path to Accelerating Revenue to Mid-Teens Growth



**AUM/A Revenue**  
**2025 Target Growth Rate**

**13-17%**

- RIA Managed Accounts
- Retirement
- Insurance
- High Net Worth Solutions
- Brokerage to Managed
- Personalized Investment Solutions

**2025**

- Wealth Data Platform
- Retirement
- Aggregation & Verification
- Asset Manager Partnerships



**Subscription Revenue**  
**2025 Target Growth Rate**

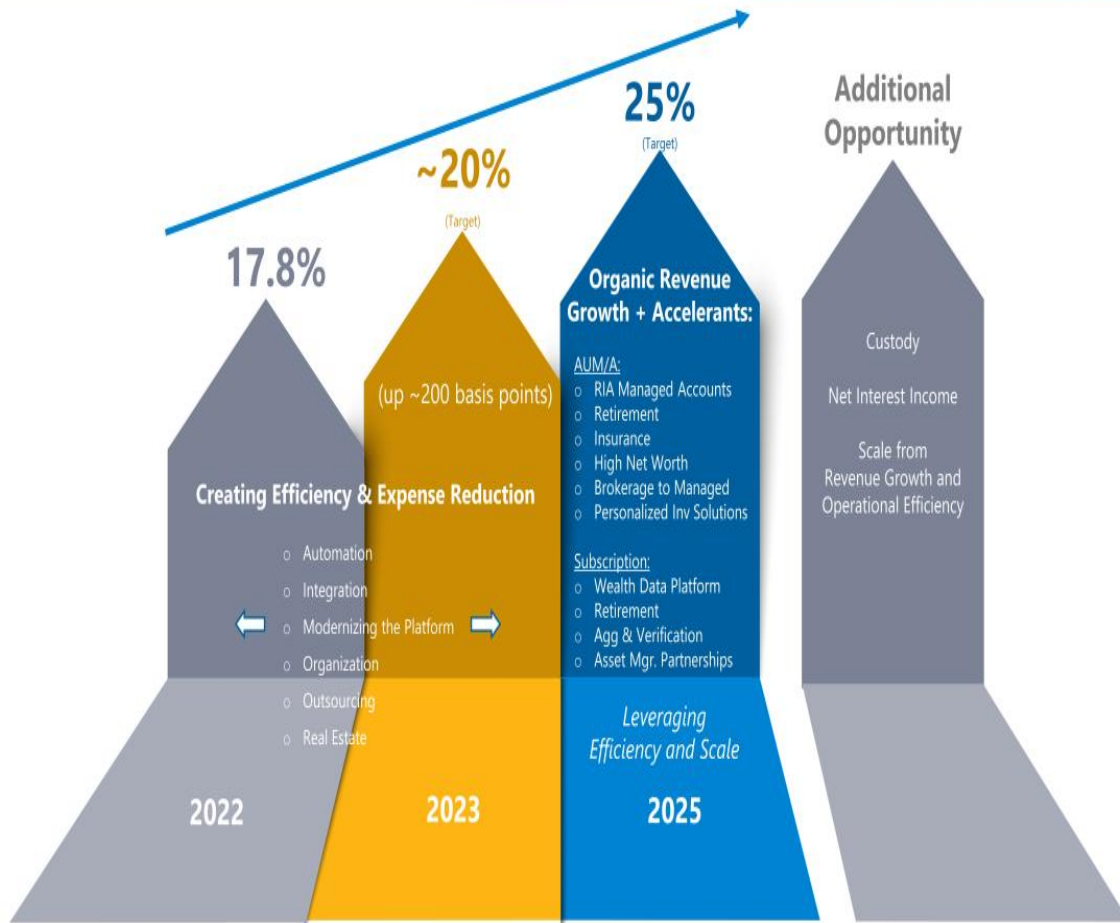
**12-16%**

**AUM/A**

**Subscription**



# Path to Adjusted EBITDA\* Margin Expansion



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

© 2023 Investnet, Inc. All rights reserved.

# Market and Industry Leading Footprint



**\$5.3 trillion**  
in assets



**~18.5 million**  
investor accounts



**+106,000**  
advisors



**~17,000** data sources



**400 million+**  
linked consumer accounts



**37 million+**  
Paid Users



**700+**  
Fintech Companies



**16 of 20**  
of the largest  
U.S. Banks



**47 of 50**  
of the largest  
wealth management and  
brokerage firms



**500+**  
of the largest Registered  
Investment Advisers

# Total Platform Assets & Accounts

## Assets (\$B)



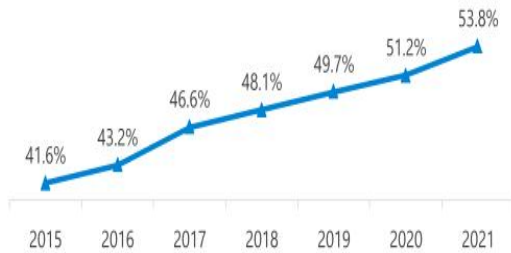
## Accounts (M)



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

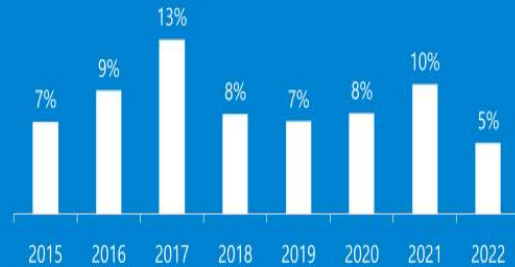
# Secular Tailwinds → Growth Opportunity

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



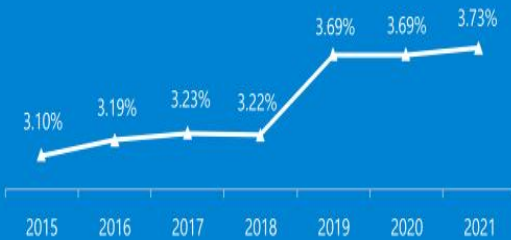
Source: Cerulli Associates, "U.S. Broker/Dealer Marketplace 2022"

Organic Asset Growth Rates for the Managed Accounts Industry



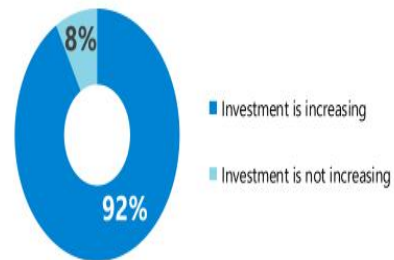
Source: Cerulli Lodestar

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 AI Investments for 2022



Source: NewVantage Partners, "Data and AI Leadership Executive Survey 2022"; survey of senior executives at financial services (60%), healthcare/life sciences (21%), and other (19%) companies

# Enabling our Clients' Growth

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



### Investnet Metrics:

Managed Acct Market Share <sup>(1)</sup>	5.6%	5.6%	5.7%	6.2%	6.5%	7.1%	7.4%	N/A
AUM/A Net Flows (\$B)	\$37	\$59	\$68	\$60	\$64	\$89	\$57	\$20
Platform Accounts (M)	6.1	7.0	10.9	11.9	13.4	17.5	18.3	18.5

<sup>(1)</sup> Calculated as Investnet AUM divided by total managed account industry assets, excluding the wirehouse and direct channels.

Industry data was sourced from Cerulli U.S. Broker/Dealer Marketplace 2022 and Cerulli Lodestar, 2022 and Q1 2023 industry fee-based asset data are Investnet estimates.



## Strong Balance Sheet and Liquidity

### Capital Position as of March 31, 2023

<b>Cash and Cash Equivalents</b>	\$52.7M	<b>Annual Cash Interest Expense</b>	\$19.1M <sup>(1)</sup>
----------------------------------	---------	-------------------------------------	------------------------

#### Debt

Outstanding on Revolving Line of Credit (\$500M)	\$0.0M	Revolving Line of Credit	SOFR + spread <sup>(2)</sup>
Convertible Debt Maturing 2023	\$45.0M	Convertible Debt 2023	1.75% coupon
Convertible Debt Maturing 2025	\$317.5M	Convertible Debt 2025	0.75% coupon
Convertible Debt Maturing 2027	\$575.0M	Convertible Debt 2027	2.625% coupon

### Net Leverage Ratio < 4.0x

(1) Annual Cash Interest Expense reflects 2023 forecast; based on 1Q23 debt and includes bank facility fees.

(2) We estimate the spread to be Adjusted SOFR + 225 bps based on our current leverage ratio.



# Key Factors To Our Success

1

A leading competitive market position with scale across WealthTech, Solutions, and Data & Analytics

2

Secular tailwinds including fee-based advice, managed accounts, personalization, holistic advice, investment outsourcing, and spending on technology and data

3

Vast market opportunity provides significant organic growth potential featuring net inflows and improving effective fee rate

4

Investments are deepening client engagement and further expanding addressable market

5

Compelling business model with high level of recurring revenue and operating leverage aided by expense management and scalability investments

6

Comprehensive, integrated offering that provides compelling growth opportunities via partnership and acquisition

# Proven Record of Innovation and Growth





# ENV Committed to Corporate Social Responsibility

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



## Social & Human Rights

Investnet 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

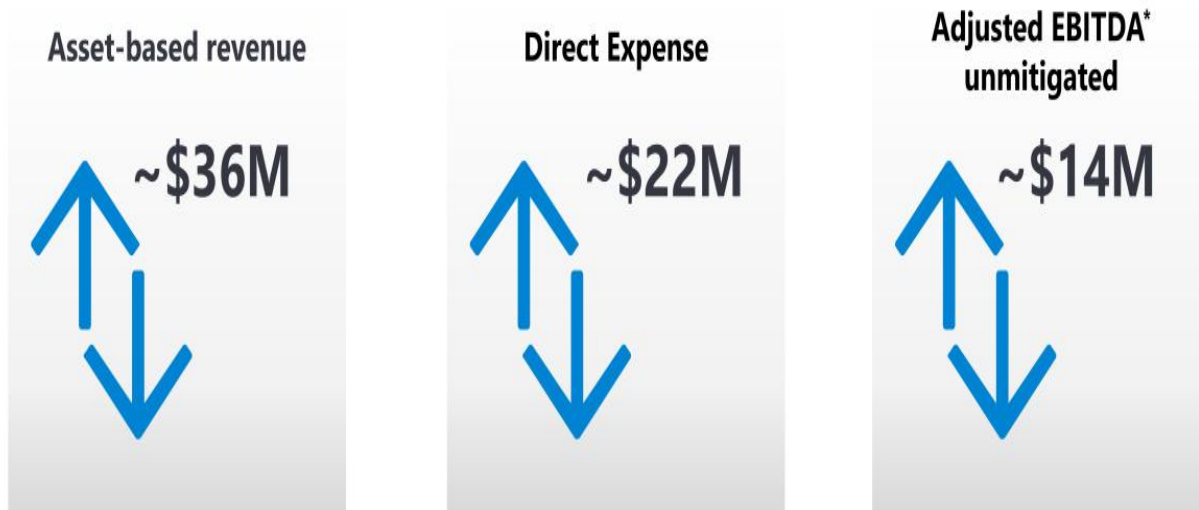
We are committed to the long-term success of Investnet, as well as our shareholders, customers and employees, through strong corporate governance and ethical business practices.

# Appendix

---

# Illustrative Market Impact on Annualized Financials

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



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

<sup>(1)</sup>Amounts represent annualized impact applicable to a 5% change in asset values on 1Q23 Annualized Revenue.

\*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	1Q23 revenue, annualized	\$1,196
x % asset-based	~60% of total revenue	60%
x % Blended Market Change <sup>(a)</sup>	See below calculation	-5%
= Revenue impact		<u>(\$36)</u>
- Impact on asset-based direct expenses	~60% of asset-based revenue	(\$22)
= Impact on Adjusted EBITDA <sup>(1)</sup>	Unmitigated impact	<u><u>(\$14)</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>-5%</u>

- Approximately 80% 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.

# Outlook Table

The Company provided the following outlook for the quarter ending June 30, 2023, and full year ending December 31, 2023. This outlook is based on the market value of assets on March 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	2Q 2023	FY 2023
<b>GAAP:</b>		
Revenue:		
Asset-based	\$ 186.0 – 187.5	
Subscription-based	\$ 117.5 – 118.0	
Total recurring revenue	\$ 303.5 – 305.5	
Professional services and other revenue	\$ 8.5 – 9.5	
Total Revenue:	\$ 312.0 – 315.0	\$ 1,260 – 1,270
Asset-based cost of revenue	\$ 109.0 – 109.5	
Total cost of revenue	\$ 123.5 – 124.0	
Net income	(a)	(a)
Diluted shares outstanding	66.5	66.2
Net income per diluted share	(a)	(a)
<b>Non-GAAP:</b>		
Adjusted revenue <sup>(1)</sup> :		
Asset-based	\$ 186.0 – 187.5	
Subscription-based	\$ 117.5 – 118.0	
Total recurring revenue	\$ 303.5 – 305.5	
Professional services and other revenue	\$ 8.5 – 9.5	
Total Adjusted Revenue:	\$ 312.0 – 315.0	\$ 1,260.0 – 1,270.0
Adjusted EBITDA <sup>(1)</sup>	\$ 55.0 – 57.0	\$ 253.0 – 260.0
Adjusted Net Income per Diluted Share <sup>(1)</sup>	\$ 0.45 – 0.46	\$ 2.11 – 2.19

(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 March 31,	
	2023	2022
Total revenue	\$ 298,707	\$ 321,363
Deferred revenue fair value adjustment	52	54
Adjusted revenue	<u>\$ 298,759</u>	<u>\$ 321,417</u>
Net loss	\$ (42,761)	\$ (14,708)
Add (deduct):		
Deferred revenue fair value adjustment	52	54
Interest income	(1,358)	(321)
Interest expense	6,320	4,853
Income tax provision	23,769	2,020
Depreciation and amortization	32,941	31,618
Non-cash compensation expense	19,453	21,814
Restructuring charges and transaction costs	4,163	2,346
Severance	6,188	3,106
Litigation, regulatory and other governance related expenses	3,074	3,077
Foreign currency	33	(108)
Non-income tax expense adjustment	(168)	24
Loss allocations from equity method investments	2,940	1,545
Loss attributable to non-controlling interest	778	377
Adjusted EBITDA	<u>\$ 55,424</u>	<u>\$ 55,697</u>

# Reconciliation of Non-GAAP Financial Measures

(in thousands, except share and per share information) (unaudited)	Three Months Ended March 31,	
	2023	2022
Net loss	\$ (42,761)	\$ (14,708)
Income tax provision	23,769	2,020
Loss before income tax provision	(18,992)	(12,688)
Add (deduct):		
Deferred revenue fair value adjustment	52	54
Non-cash interest expense	1,442	2,059
Cash interest - Convertible Notes	4,565	2,480
Non-cash compensation expense	19,453	21,814
Restructuring charges and transaction costs	4,163	2,346
Severance	6,188	3,106
Amortization of acquired intangibles	16,940	17,520
Litigation, regulatory and other governance related expenses	3,074	3,077
Foreign currency	33	(108)
Non-income tax expense adjustment	(168)	24
Loss allocations from equity method investments	2,940	1,545
Loss attributable to non-controlling interest	778	377
Adjusted net income before income tax effect	40,468	41,606
Income tax effect	(10,319)	(10,610)
Adjusted net income	\$ 30,149	\$ 30,996
Basic number of weighted-average shares outstanding	54,143,259	54,903,677
Effect of dilutive shares:		
Options to purchase common stock	88,323	156,349
Unvested restricted stock units	463,719	568,914
Convertible notes	11,470,645	9,898,549
Warrants	—	51,764
Diluted number of weighted-average shares outstanding	66,165,946	65,579,253
Adjusted net income per share - diluted	\$ 0.46	\$ 0.47

# Reconciliation of Non-GAAP Financial Measures

(in millions) (unaudited)	Year ended December 31,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net income (loss)	\$0.47	\$3.66	\$13.98	\$4.44	(\$55.57)	(\$3.28)	\$4.01	(\$17.20)	(\$2.64)	\$12.69	(\$85.48)
Accretion on contingent consideration and purchase liability	-	-	-	0.89	0.15	0.51	0.22	1.77	1.69	0.73	-
Deferred revenue fair value adjustment	1.25	0.16	-	0.32	1.27	0.13	0.12	9.27	0.69	0.28	0.22
Depreciation and amortization	12.40	15.33	18.65	27.96	64.00	62.82	77.63	101.27	113.66	117.77	130.55
Fair market value adjustment to investment in private company	-	-	-	-	-	-	-	-	-	(0.76)	(0.40)
Fair market value adjustment on contingent consideration liability	-	0.50	(1.43)	(4.15)	1.59	-	-	(8.13)	(3.11)	(1.07)	-
Foreign currency	-	-	-	-	(0.72)	0.49	(0.59)	(0.07)	0.12	(0.01)	1.42
Impairment of equity method investment	-	-	-	-	0.73	-	-	-	-	-	-
Imputed interest expense on contingent consideration	-	0.79	1.47	-	-	-	-	-	-	-	-
Income tax provision (benefit)	2.60	2.05	8.53	4.55	15.08	1.59	(13.17)	(30.89)	(5.40)	7.67	7.06
Interest expense	-	-	0.63	10.27	16.60	16.35	25.20	32.52	31.50	16.93	16.84
Interest income	(0.03)	(0.02)	(0.14)	(0.34)	(0.04)	(0.20)	(2.36)	(3.35)	(1.11)	(0.83)	(4.18)
Litigation related expense	0.27	0.01	0.02	0.07	5.59	1.03	-	2.88	7.83	7.59	6.06
Loss allocation from equity method investments	-	-	-	-	1.42	1.47	1.15	2.36	5.40	7.09	8.87
(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
Non-cash compensation expense	4.04	8.92	11.42	15.16	33.28	31.33	40.25	60.44	57.11	68.02	80.33
Non-income tax expense adjustment	-	-	-	-	6.23	0.35	(0.59)	0.37	0.42	(1.35)	0.80
Non-recurring gains	-	-	-	-	-	-	-	-	(5.88)	-	-
Other	-	-	(1.83)	0.07	(1.38)	-	-	-	-	-	-
Re-audit related expenses	-	3.11	-	-	-	-	-	-	-	-	-
Restructuring charges and transaction costs	2.72	3.30	2.67	13.50	5.78	13.67	15.58	26.56	19.38	18.49	35.14
Severance	0.28	0.79	0.74	1.70	4.34	2.32	8.32	15.37	25.11	11.35	30.12
Gain on acquisition of equity method investment	-	-	-	-	-	-	-	-	(4.23)	-	-
Gain on settlement of liability	-	-	-	-	-	-	-	-	-	(1.21)	-
Gain on insurance reimbursement	-	-	-	-	-	-	-	-	-	(0.97)	-
Gain on sale of interest in private company	-	-	-	-	-	-	-	-	(1.65)	-	-
Dilution gain on equity method investee share issuance	-	-	-	-	-	-	-	-	-	-	(9.52)
<b>Adjusted EBITDA</b>	<b>\$23.99</b>	<b>\$38.59</b>	<b>\$55.94</b>	<b>\$76.07</b>	<b>\$99.44</b>	<b>\$128.89</b>	<b>\$157.55</b>	<b>\$193.29</b>	<b>\$242.94</b>	<b>\$261.73</b>	<b>\$220.13</b>





