

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: February 22, 2024

Date of Earliest Event Reported: February 22, 2024



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 February 22, 2024, Envestnet, Inc. ("Envestnet" or the "Company") issued a press release regarding Envestnet's financial results for its fourth quarter and year ended December 31, 2023 and its fourth 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.

Item 7.01. Regulation FD Disclosure

As of October 1, 2023, Envestnet changed 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 Envestnet Data & Analytics segment to the Envestnet Wealth Solutions segment. The segment change does not impact nonsegment results and the Company's audited consolidated balance sheets, consolidated statements of operations or consolidated statements of cash flows.

The revised historical unaudited segment financial information for the fiscal years ended December 31, 2021 and 2022 and the first, second and third quarters of 2023 are attached in Exhibit 99.3. Beginning with the quarter and full year ended December 31, 2023, our consolidated financial statements will reflect the new reportable segment structure with prior periods adjusted accordingly.

Our chief operating decision maker uses certain Non-GAAP financial measures, including "adjusted EBITDA", to assess the performance of operating segments and allocate resources. Exhibit 99.3 also includes these historical unaudited supplemental performance measures revised to reflect the new reportable segment structure for the aforementioned periods. The Company's Non-GAAP financial measures should not be viewed as a substitute for GAAP financial measures.

The information in Items 2.02 and 7.01 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

Exhibit No.	Description
99.1	Press Release dated February 22, 2024
99.2	Fourth Quarter 2023 Supplemental Presentation
99.3	Historical Recast of Segment Information
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: February 22, 2024

ENVESTNET, INC.

By: */s/ Joshua B. Warren*

Name: **Joshua B. Warren**

Title: Chief Financial Officer

Investnet Reports Fourth Quarter 2023 Financial Results

Berwyn, PA — February 22, 2024 — Investnet (NYSE: ENV), a leading provider of intelligent systems for wealth management and financial wellness, today reported financial results for the quarter and year ended December 31, 2023.

Key Financial Metrics (in millions, except per share data) (unaudited)	Three Months Ended December 31,			Year Ended December 31,		
	2023	2022	% Change	2023	2022	% Change
GAAP:						
Total revenue	\$ 317.6	\$ 292.9	8 %	\$ 1,245.6	\$ 1,239.8	— %
Net loss attributable to Investnet, Inc.	\$ (183.2)	\$ (36.5)	*	\$ (238.7)	\$ (80.9)	*
Net loss attributable to Investnet, Inc., per diluted share	\$ (3.35)	\$ (0.85)	*	\$ (4.38)	\$ (1.59)	*
Non-GAAP:						
Adjusted revenue ⁽¹⁾	\$ 317.6	\$ 292.9	8 %	\$ 1,245.7	\$ 1,240.0	— %
Adjusted EBITDA ⁽¹⁾	\$ 75.5	\$ 52.4	44 %	\$ 250.9	\$ 215.4	16 %
Adjusted net income ⁽¹⁾	\$ 43.0	\$ 29.9	44 %	\$ 140.2	\$ 122.5	14 %
Adjusted net income per diluted share ⁽¹⁾	\$ 0.65	\$ 0.45	44 %	\$ 2.12	\$ 1.86	14 %

*Not meaningful

“For 25 years it has been a privilege to be a part of and lead the amazing journey that is Investnet — how foundational it is to the industry, our clients and the advisors who grow, serve and enrich the lives of millions of families,” said Bill Crager, Chief Executive Officer.

“The foundation of the business is strong and Investnet has the right strategy and people to continue delivering for clients and the industry.”

Financial Results for the Fourth Quarter 2023 Compared to the Fourth Quarter 2022:

Total revenue increased 8% to \$317.6 million for the fourth quarter of 2023 from \$292.9 million for the fourth quarter of 2022. Asset-based recurring revenue increased 13% and represented 59% of total revenue for the fourth quarter of 2023, compared to 57% of total revenue for the fourth quarter of 2022. Subscription-based recurring revenue decreased 3% and represented 37% of total revenue for the fourth quarter of 2023, compared to 41% of total revenue for the fourth quarter of 2022. Professional services and other non-recurring revenue increased 115% for the fourth quarter of 2023 from the fourth quarter of 2022.

Total operating expenses increased 55% to \$496.3 million for the fourth quarter of 2023 from \$319.4 million for the fourth quarter of 2022. Direct expense increased 11% to \$118.7 million for the fourth quarter of 2023 from \$107.2 million for the fourth quarter of 2022. Employee compensation decreased 17% to \$100.2 million for the fourth quarter of 2023 from \$121.3 million for the fourth quarter of 2022. Employee compensation was 32% of total revenue for the fourth quarter of 2023, compared to 41% of total revenue for the fourth quarter of 2022. General and administrative expense decreased 13% to \$51.3 million for the fourth quarter of 2023 from \$59.0 million for the fourth quarter of 2022. General and administrative expense was 16% of total revenue for the fourth quarter of 2023,

compared to 20% of total revenue for the fourth quarter of 2022. A goodwill impairment charge of \$191.8 million was recognized for the fourth quarter of 2023.

Loss from operations was \$178.7 million for the fourth quarter of 2023 compared to \$26.5 million for the fourth quarter of 2022. Net loss attributable to Envestnet, Inc. was \$183.2 million, or \$3.35 per diluted share, for the fourth quarter of 2023 compared to \$36.5 million, or \$0.85 per diluted share, for the fourth quarter of 2022.

Adjusted revenue⁽¹⁾ increased 8% to \$317.6 million for the fourth quarter of 2023 from \$292.9 million for the fourth quarter of 2022. Adjusted EBITDA⁽¹⁾ increased 44% to \$75.5 million for the fourth quarter of 2023 from \$52.4 million for the fourth quarter of 2022. Adjusted net income⁽¹⁾ increased 44% to \$43.0 million, or \$0.65 per diluted share, for the fourth quarter of 2023 from \$29.9 million, or \$0.45 per diluted share, for the fourth quarter of 2022.

Financial Results for the Full Year 2023 Compared to the Full Year 2022:

Total revenue remained consistent at \$1.2 billion for the years ended December 31, 2023 and 2022. Asset-based recurring revenue increased 1% and represented 60% of total revenue for the years ended December 31, 2023 and 2022. Subscription-based recurring revenue decreased 3% and represented 37% of total revenue for the year ended December 31, 2023 compared to 39% of total revenue for the year ended December 31, 2022. Professional services and other non-recurring revenue increased 50% for the year ended December 31, 2023 from the year ended December 31, 2022.

Total operating expenses increased 11% to \$1.5 billion for the year ended December 31, 2023 from \$1.3 billion for the year ended December 31, 2022. Direct expense increased 1% to \$473.0 million for the year ended December 31, 2023 from \$470.4 million for the year ended December 31, 2022. Employee compensation decreased 9% to \$444.8 million for the year ended December 31, 2023 from \$490.7 million for the year ended December 31, 2022. Employee compensation was 36% of total revenue for the year ended December 31, 2023, compared to 40% of total revenue for the year ended December 31, 2022. General and administrative expense decreased 4% to \$210.1 million for the year ended December 31, 2023 from \$218.8 million for the year ended December 31, 2022. General and administrative expense was 17% of total revenue for the year ended December 31, 2023, compared to 18% for the year ended December 31, 2022. A goodwill impairment charge of \$191.8 million was recognized for the year ended December 31, 2023.

Loss from operations was \$204.5 million for the year ended December 31, 2023 compared to \$66.0 million for the year ended December 31, 2022. Net loss attributable to Envestnet, Inc. was \$238.7 million, or \$4.38 per diluted share, for the year ended December 31, 2023 compared to \$80.9 million, or \$1.59 per diluted share, for the year ended December 31, 2022.

Adjusted revenue⁽¹⁾ remained consistent at \$1.2 billion for the years ended December 31, 2023 and 2022. Adjusted EBITDA⁽¹⁾ increased 16% to \$250.9 million for the year ended December 31, 2023 from \$215.4 million for the year ended December 31, 2022. Adjusted net income⁽¹⁾ increased 14% to \$140.2 million, or \$2.12 per diluted share, for the year ended December 31, 2023 from \$122.5 million, or \$1.86 per diluted share, for the year ended December 31, 2022.

Balance Sheet and Liquidity

As of December 31, 2023, Envestnet had \$91.4 million in cash and cash equivalents and \$892.5 million in outstanding debt. Debt as of December 31, 2023 consisted of \$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 December 31, 2023.

Segment Reporting

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 Envestnet Data & Analytics segment to the Envestnet 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 Exhibit 99.1 for the quarter and full year ended December 31, 2023 is presented in conjunction with the current organizational structure, with prior periods adjusted accordingly.

Correction of Immaterial Error

During the fourth quarter of 2023, the Company identified that the arrangement with a third-party for the use of cloud hosted virtual servers which was previously accounted for as a finance lease transaction and included as a component of property and equipment, net in the consolidated balance sheets should have been recognized as a prepayment included within prepaid expenses and other current assets and other assets in the consolidated balance sheets. The Company concluded that the classification of these transactions was immaterial in prior period financial statements and that amendment of previously filed reports was not required. However, the Company corrected this immaterial error in the prior periods reported within this Exhibit 99.1.

Outlook

Envestnet provided the following outlook for the first quarter ending March 31, 2024. This outlook is based on the market value of assets under management or administration on December 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	1Q 2024			
GAAP:				
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)	
Non-GAAP:				
Adjusted EBITDA ⁽¹⁾	\$	64.0	-	\$ 69.0
Adjusted net income per diluted share ⁽¹⁾	\$	0.52	-	\$ 0.57

(a) Envestnet does not forecast net income (loss) and net income (loss) 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 fourth quarter and full year 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 insight are delivered. Our mission is to empower financial advisors and service providers with innovative technology, solutions and intelligence. Envestnet's clients include more than 108,000 advisors, 16 of the 20 largest U.S. banks, 48 of the 50 largest wealth management and brokerage firms, over 500 of the largest RIAs and hundreds of FinTech companies, all of which 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 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, goodwill impairment, non-cash compensation expense, restructuring charges and transaction costs, severance expense, fair market value adjustment on investment in private company, litigation, regulatory and other governance related expenses, foreign currency, 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, fair market value adjustment to investment in private company, litigation, regulatory and other governance related expenses, foreign currency, 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.

For further information see reconciliations of Non-GAAP Financial Measures on pages 11-16 of this press release, and the section entitled "Non-GAAP Financial Measures" in the most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) which are available on the SEC’s website at www.sec.gov or our Investor Relations website at <http://investor.envestnet.com/>. 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 first quarter and full year of 2024, 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 our 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, 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 SEC which are available on the SEC's website at 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 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 press release or to report the occurrence of unanticipated events.

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

	December 31,	
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 91,378	\$ 162,173
Fees receivable, net	120,958	101,696
Prepaid expenses and other current assets	51,472	47,422
Total current assets	263,808	311,291
Property and equipment, net	48,223	48,481
Internally developed software, net	224,713	184,558
Intangible assets, net	338,068	379,995
Goodwill	806,563	998,414
Operating lease right-of-use assets, net	69,154	81,596
Other assets	126,723	107,830
Total assets	<u>\$ 1,877,252</u>	<u>\$ 2,112,165</u>
Liabilities and equity		
Current liabilities:		
Accounts payable, accrued expenses and other current liabilities	\$ 241,424	\$ 233,866
Operating lease liabilities	12,909	11,949
Deferred revenue	38,201	36,363
Current portion of debt	—	44,886
Total current liabilities	292,534	327,064
Debt	876,612	871,769
Operating lease liabilities, net of current portion	100,830	110,652
Deferred tax liabilities, net	16,568	16,196
Other liabilities	16,202	18,880
Total liabilities	1,302,746	1,344,561
Equity:		
Total stockholders' equity, attributable to Envestnet, Inc.	568,191	754,567
Non-controlling interest	6,315	13,037
Total liabilities and equity	<u>\$ 1,877,252</u>	<u>\$ 2,112,165</u>

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

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Revenue:				
Asset-based	\$ 188,643	\$ 166,408	\$ 745,238	\$ 738,228
Subscription-based	117,753	121,243	464,730	477,844
Total recurring revenue	306,396	287,651	1,209,968	1,216,072
Professional services and other revenue	11,236	5,223	35,652	23,712
Total revenue	317,632	292,874	1,245,620	1,239,784
Operating expenses:				
Direct expense	118,729	107,179	473,038	470,424
Employee compensation	100,182	121,272	444,828	490,725
General and administrative	51,297	59,048	210,113	218,831
Depreciation and amortization	34,319	31,909	130,304	125,828
Goodwill impairment	191,818	—	191,818	—
Total operating expenses	496,345	319,408	1,450,101	1,305,808
Loss from operations	(178,713)	(26,534)	(204,481)	(66,024)
Other income (expense), net	(8,810)	(2,704)	(28,516)	(12,395)
Loss before income tax provision (benefit)	(187,523)	(29,238)	(232,997)	(78,419)
Income tax provision (benefit)	(2,586)	8,603	12,777	7,061
Net loss	(184,937)	(37,841)	(245,774)	(85,480)
Add: Net loss attributable to non-controlling interest	1,766	1,336	7,050	4,541
Net loss attributable to Envestnet, Inc.	\$ (183,171)	\$ (36,505)	\$ (238,724)	\$ (80,939)
Net loss attributable to Envestnet, Inc., per share:				
Basic	\$ (3.35)	\$ (0.66)	\$ (4.38)	\$ (1.47)
Diluted	\$ (3.35)	\$ (0.85)	\$ (4.38)	\$ (1.59)
Weighted average common shares outstanding:				
Basic	54,689,559	55,119,075	54,457,365	55,199,482
Diluted	54,689,559	56,076,261	54,457,365	56,842,125

Envestnet, Inc.
Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Year Ended December 31,	
	2023	2022
Cash flows from operating activities:		
Net loss	\$ (245,774)	\$ (85,480)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	130,304	125,828
Deferred income taxes	(1,479)	(3,490)
Goodwill impairment	191,818	—
Non-cash compensation expense	71,031	80,333
Non-cash interest expense	5,037	7,445
Fair market value adjustment to investment in private company	(804)	(400)
Dilution gain on equity method investee share issuance	(546)	(9,517)
Loss allocations from equity method investments	10,579	8,874
Lease related impairments	5,120	15,750
Loss on extinguishment of Convertible Notes due 2023	—	13,421
Gain on extinguishment of Convertible Notes due 2025	—	(15,089)
Loss on property and equipment disposals	—	5,097
Other	1,781	1,266
Changes in operating assets and liabilities:		
Fees receivable, net	(20,584)	(5,031)
Prepaid expenses and other assets	(11,573)	(16,090)
Accounts payable, accrued expenses and other liabilities	19,229	(24,257)
Deferred revenue	729	(305)
Net cash provided by operating activities	<u>154,868</u>	<u>98,355</u>
Cash flows from investing activities:		
Purchases of property and equipment	(18,995)	(16,172)
Capitalization of internally developed software	(94,307)	(89,153)
Acquisitions of businesses, net of cash acquired	—	(104,100)
Investments in private companies	(4,175)	(16,351)
Acquisition of proprietary technology	(17,000)	(19,000)
Issuance of loan receivable to private company	(20,000)	—
Issuance of note receivable to equity method investees	—	(6,350)
Other	414	—
Net cash used in investing activities	<u>(154,063)</u>	<u>(251,126)</u>

-continued-

Envestnet, Inc.
Consolidated Statements of Cash Flows (continued)
(in thousands)
(unaudited)

	Year Ended December 31,	
	2023	2022
Cash flows from financing activities:		
Proceeds from borrowings on Revolving Credit Facility	55,000	—
Payments related to Revolving Credit Facility	(55,000)	—
Settlement of Convertible Notes due 2023	(45,000)	—
Proceeds from issuance of Convertible Notes due 2027	—	575,000
Convertible Notes due 2027 issuance costs	—	(16,323)
Repurchase of Convertible Notes due 2023	—	(312,422)
Repurchase of Convertible Notes due 2025	—	(181,772)
Payments related to Capped Call Transactions	—	(79,585)
Proceeds from exercise of stock options	1,608	2,620
Payments related to tax withholdings for stock-based compensation	(19,022)	(23,516)
Payments related to share repurchases	(9,289)	(85,750)
Purchase of non-controlling units from third-party shareholders	(1,008)	—
Proceeds from capital contributions of non-controlling shareholders	—	16,037
Payments of contingent consideration	—	(743)
Other	5	(1,866)
Net cash used in financing activities	<u>(72,706)</u>	<u>(108,320)</u>
Effect of exchange rate on changes on cash, cash equivalents and restricted cash	1,106	(6,164)
Net change in cash, cash equivalents and restricted cash	<u>(70,795)</u>	<u>(267,255)</u>
Cash, cash equivalents and restricted cash, beginning of period	162,173	429,428
Cash, cash equivalents and restricted cash, end of period	<u>\$ 91,378</u>	<u>\$ 162,173</u>

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

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Total revenue	\$ 317,632	\$ 292,874	\$ 1,245,620	\$ 1,239,784
Deferred revenue fair value adjustment ^(a)	—	54	69	216
Adjusted revenue	<u>\$ 317,632</u>	<u>\$ 292,928</u>	<u>\$ 1,245,689</u>	<u>\$ 1,240,000</u>
Net loss	\$ (184,937)	\$ (37,841)	\$ (245,774)	\$ (85,480)
Add (deduct):				
Deferred revenue fair value adjustment ^(a)	—	54	69	216
Interest income ^(b)	(1,721)	(1,911)	(6,288)	(4,184)
Interest expense ^(b)	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 ^(d)	12,890	17,750	71,031	80,333
Restructuring charges and transaction costs ^(c)	3,897	7,874	16,263	35,141
Severance expense ^(d)	9,495	18,738	35,399	30,117
Litigation, regulatory and other governance related expenses ^(c)	1,159	722	6,982	6,055
Foreign currency ^(b)	107	806	437	1,419
Non-income tax expense adjustment ^(c)	(168)	914	(392)	802
Fair market value adjustment to investment in private company ^(b)	2,000	(400)	(804)	(400)
Dilution gain on equity method investee share issuance ^(b)	—	(2,583)	(546)	(9,517)
Loss allocations from equity method investments ^(b)	2,339	3,542	10,579	8,874
Loss attributable to non-controlling interest	838	663	3,920	2,300
Adjusted EBITDA	<u>\$ 75,535</u>	<u>\$ 52,376</u>	<u>\$ 250,913</u>	<u>\$ 215,408</u>

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

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

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

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

(e) For the three months ended December 31, 2023 and 2022, \$3.3 million and \$7.9 million, respectively, were included within general and administrative expense in the consolidated statements of operations. For the three months ended December 31, 2023 and 2022, \$0.6 million and \$0.0 million, respectively, were included within employee compensation in the consolidated statements of operations. For the years ended December 31, 2023 and 2022, \$13.5 million and \$35.1 million, respectively, were included within general and administrative expense in the consolidated statements of operations. For the years ended December 31, 2023 and 2022, \$2.8 million and \$0.0 million, respectively, were included within employee compensation in the consolidated statements of operations.

Envestnet, Inc.
Reconciliation of Non-GAAP Financial Measures (continued)
(in thousands, except share and per share information)
(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) ^(a)	(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 ^(b)	—	54	69	216
Non-cash interest expense ^(c)	1,397	(239)	5,655	4,678
Cash interest - Convertible Notes ^(c)	4,369	3,458	17,845	10,897
Amortization of acquired intangibles ^(e)	15,143	18,087	62,927	71,901
Goodwill impairment	191,818	—	191,818	—
Non-cash compensation expense ^(f)	12,890	17,750	71,031	80,333
Restructuring charges and transaction costs ^(e)	3,897	7,874	16,263	35,141
Severance expense ^(f)	9,495	18,738	35,399	30,117
Litigation, regulatory and other governance related expenses ^(d)	1,159	722	6,982	6,055
Foreign currency ^(c)	107	806	437	1,419
Non-income tax expense adjustment ^(d)	(168)	914	(392)	802
Fair market value adjustment to investment in private company ^(c)	2,000	(400)	(804)	(400)
Dilution gain on equity method investee share issuance ^(c)	—	(2,583)	(546)	(9,517)
Loss allocations from equity method investments ^(c)	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 ^(h)	(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

(a) For the three months ended December 31, 2023 and 2022, the effective tax rate computed in accordance with GAAP equaled 1.4% and (29.4)%, respectively. For the years ended December 31, 2023 and 2022, the effective tax rate computed in accordance with GAAP equaled (5.5)% and (9.0)%, respectively.

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

(c) Included within other income (expense), net in the consolidated statements of operations.

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

(e) For the three months ended December 31, 2023 and 2022, \$3.3 million and \$7.9 million, respectively, were included within general and administrative expense in the consolidated statements of operations. For the three months ended December 31, 2023 and 2022, \$0.6 million and \$0.0 million, respectively, were included within employee compensation in the consolidated statements of operations. For the years ended December 31, 2023 and 2022, \$13.5 million and \$35.1 million, respectively, were included within general and administrative expense in the consolidated statements of operations. For the years ended December 31, 2023 and 2022, \$2.8 million and \$0.0 million, respectively, were included within employee compensation in the consolidated statements of operations.

(f) Included within employee compensation in the consolidated statements of operations.

(g) Included within depreciation and amortization in the 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 and years ended December 31, 2023 and 2022.

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

	Three Months Ended December 31, 2023			
	Investnet Wealth Solutions	Investnet Data & Analytics	Nonsegment	Total
Revenue	\$ 278,988	\$ 38,644	\$ —	\$ 317,632
Deferred revenue fair value adjustment ^(a)	—	—	—	—
Adjusted revenue	<u>\$ 278,988</u>	<u>\$ 38,644</u>	<u>\$ —</u>	<u>\$ 317,632</u>
Revenue:				
Asset-based	\$ 188,643	\$ —	\$ —	\$ 188,643
Subscription-based	84,184	33,569	—	117,753
Total recurring revenue	272,827	33,569	—	306,396
Professional services and other revenue	6,161	5,075	—	11,236
Total revenue	<u>\$ 278,988</u>	<u>\$ 38,644</u>	<u>\$ —</u>	<u>\$ 317,632</u>
Operating expenses:				
Direct expense:				
Asset-based	\$ 110,030	\$ —	\$ —	\$ 110,030
Subscription-based	1,367	6,893	—	8,260
Professional services and other	439	—	—	439
Total direct expense	111,836	6,893	—	118,729
Employee compensation	77,520	9,938	12,724	100,182
General and administrative	29,822	13,641	7,834	51,297
Depreciation and amortization	26,631	7,688	—	34,319
Goodwill impairment	—	191,818	—	191,818
Total operating expenses	<u>\$ 245,809</u>	<u>\$ 229,978</u>	<u>\$ 20,558</u>	<u>\$ 496,345</u>
Income (loss) from operations	\$ 33,179	\$ (191,334)	\$ (20,558)	\$ (178,713)
Add:				
Deferred revenue fair value adjustment ^(a)	—	—	—	—
Depreciation and amortization	26,631	7,688	—	34,319
Goodwill impairment	—	191,818	—	191,818
Non-cash compensation expense ^(c)	9,763	1,136	1,991	12,890
Restructuring charges and transaction costs ^(d)	2,883	1	1,013	3,897
Severance expense ^(c)	6,679	586	2,230	9,495
Litigation, regulatory and other governance related expenses ^(b)	—	1,159	—	1,159
Non-income tax expense adjustment ^(b)	(167)	(1)	—	(168)
Loss attributable to non-controlling interest	838	—	—	838
Adjusted EBITDA	<u>\$ 79,806</u>	<u>\$ 11,053</u>	<u>\$ (15,324)</u>	<u>\$ 75,535</u>

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

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

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

(d) For the three months ended December 31, 2023, \$3.3 million was included within general and administrative expense and \$0.6 million was included within employee compensation in the consolidated statements of operations.

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

	Three Months Ended December 31, 2022			
	Investnet Wealth Solutions	Investnet Data & Analytics	Nonsegment	Total
Revenue	\$ 251,101	\$ 41,773	\$ —	\$ 292,874
Deferred revenue fair value adjustment ^(a)	54	—	—	54
Adjusted revenue	<u>\$ 251,155</u>	<u>\$ 41,773</u>	<u>\$ —</u>	<u>\$ 292,928</u>
Revenue:				
Asset-based	\$ 166,408	\$ —	\$ —	\$ 166,408
Subscription-based	81,026	40,217	—	121,243
Total recurring revenue	247,434	40,217	—	287,651
Professional services and other revenue	3,667	1,556	—	5,223
Total revenue	<u>\$ 251,101</u>	<u>\$ 41,773</u>	<u>\$ —</u>	<u>\$ 292,874</u>
Operating expenses:				
Direct expense:				
Asset-based	\$ 98,207	\$ —	\$ —	\$ 98,207
Subscription-based	1,593	6,791	—	8,384
Professional services and other	588	—	—	588
Total direct expense	100,388	6,791	—	107,179
Employee compensation	80,796	27,034	13,442	121,272
General and administrative	37,693	13,787	7,568	59,048
Depreciation and amortization	25,511	6,398	—	31,909
Total operating expenses	<u>\$ 244,388</u>	<u>\$ 54,010</u>	<u>\$ 21,010</u>	<u>\$ 319,408</u>
Income (loss) from operations	\$ 6,713	\$ (12,237)	\$ (21,010)	\$ (26,534)
Add:				
Deferred revenue fair value adjustment ^(a)	54	—	—	54
Depreciation and amortization	25,511	6,398	—	31,909
Non-cash compensation expense ^(c)	11,397	2,118	4,235	17,750
Restructuring charges and transaction costs ^(d)	4,762	1,717	1,395	7,874
Severance expense ^(c)	8,251	9,330	1,157	18,738
Litigation, regulatory and other governance related expenses ^(b)	—	722	—	722
Non-income tax expense adjustment ^(b)	930	(16)	—	914
Loss attributable to non-controlling interest	663	—	—	663
Other	283	3	—	286
Adjusted EBITDA	<u>\$ 58,564</u>	<u>\$ 8,035</u>	<u>\$ (14,223)</u>	<u>\$ 52,376</u>

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

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

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

(d) For the three months ended December 31, 2022, \$7.9 million was included within general and administrative expense and \$0.0 million was included within employee compensation in the consolidated statements of operations.

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

	Year Ended December 31, 2023			
	Investnet Wealth Solutions	Investnet Data & Analytics	Nonsegment	Total
Revenue	\$ 1,094,704	\$ 150,916	\$ —	\$ 1,245,620
Deferred revenue fair value adjustment ^(a)	69	—	—	69
Adjusted revenue	<u>\$ 1,094,773</u>	<u>\$ 150,916</u>	<u>\$ —</u>	<u>\$ 1,245,689</u>
Revenue:				
Asset-based	\$ 745,238	\$ —	\$ —	\$ 745,238
Subscription-based	325,398	139,332	—	464,730
Total recurring revenue	1,070,636	139,332	—	1,209,968
Professional services and other revenue	24,068	11,584	—	35,652
Total revenue	<u>\$ 1,094,704</u>	<u>\$ 150,916</u>	<u>\$ —</u>	<u>\$ 1,245,620</u>
Operating expenses:				
Direct expense:				
Asset-based	\$ 434,123	\$ —	\$ —	\$ 434,123
Subscription-based	6,851	23,963	—	30,814
Professional services and other	8,091	10	—	8,101
Total direct expense	449,065	23,973	—	473,038
Employee compensation	313,338	69,414	62,076	444,828
General and administrative	120,247	55,250	34,616	210,113
Depreciation and amortization	103,301	27,003	—	130,304
Goodwill impairment	—	191,818	—	191,818
Total operating expenses	<u>\$ 985,951</u>	<u>\$ 367,458</u>	<u>\$ 96,692</u>	<u>\$ 1,450,101</u>
Income (loss) from operations	\$ 108,753	\$ (216,542)	\$ (96,692)	\$ (204,481)
Add (deduct):				
Deferred revenue fair value adjustment ^(a)	69	—	—	69
Depreciation and amortization	103,301	27,003	—	130,304
Goodwill impairment	—	191,818	—	191,818
Non-cash compensation expense ^(c)	44,510	8,193	18,328	71,031
Restructuring charges and transaction costs ^(d)	10,868	215	5,180	16,263
Severance expense ^(c)	17,232	11,813	6,354	35,399
Litigation, regulatory and other governance related expenses ^(b)	—	5,322	1,660	6,982
Non-income tax expense adjustment ^(b)	(320)	(72)	—	(392)
Loss attributable to non-controlling interest	3,920	—	—	3,920
Adjusted EBITDA	<u>\$ 288,333</u>	<u>\$ 27,750</u>	<u>\$ (65,170)</u>	<u>\$ 250,913</u>

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

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

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

(d) For the year ended December 31, 2023, \$13.5 million was included within general and administrative expense and \$2.8 million was included within employee compensation in the consolidated statements of operations.

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

	Year Ended December 31, 2022			
	Investnet Wealth Solutions	Investnet Data & Analytics	Nonsegment	Total
Revenue	\$ 1,065,244	\$ 174,540	\$ —	\$ 1,239,784
Deferred revenue fair value adjustment ^(a)	216	—	—	216
Adjusted revenue	<u>\$ 1,065,460</u>	<u>\$ 174,540</u>	<u>\$ —</u>	<u>\$ 1,240,000</u>
Revenue:				
Asset-based	\$ 738,228	\$ —	\$ —	\$ 738,228
Subscription-based	310,217	167,627	—	477,844
Total recurring revenue	1,048,445	167,627	—	1,216,072
Professional services and other revenue	16,799	6,913	—	23,712
Total revenue	<u>\$ 1,065,244</u>	<u>\$ 174,540</u>	<u>\$ —</u>	<u>\$ 1,239,784</u>
Operating expenses:				
Direct expense:				
Asset-based	\$ 430,345	\$ —	\$ —	\$ 430,345
Subscription-based	6,681	25,896	—	32,577
Professional services and other	7,421	81	—	7,502
Total direct expense	444,447	25,977	—	470,424
Employee compensation	321,277	101,300	68,148	490,725
General and administrative	143,597	42,256	32,978	218,831
Depreciation and amortization	98,600	27,228	—	125,828
Total operating expenses	<u>\$ 1,007,921</u>	<u>\$ 196,761</u>	<u>\$ 101,126</u>	<u>\$ 1,305,808</u>
Income (loss) from operations	\$ 57,323	\$ (22,221)	\$ (101,126)	\$ (66,024)
Add (deduct):				
Deferred revenue fair value adjustment ^(a)	216	—	—	216
Depreciation and amortization	98,600	27,228	—	125,828
Non-cash compensation expense ^(c)	47,891	9,891	22,551	80,333
Restructuring charges and transaction costs ^(d)	22,871	3,731	8,539	35,141
Severance expense ^(c)	13,237	10,745	6,135	30,117
Litigation, regulatory and other governance related expenses ^(b)	—	6,055	—	6,055
Non-income tax expense adjustment ^(b)	878	(76)	—	802
Loss attributable to non-controlling interest	2,300	—	—	2,300
Other	635	5	—	640
Adjusted EBITDA	<u>\$ 243,951</u>	<u>\$ 35,358</u>	<u>\$ (63,901)</u>	<u>\$ 215,408</u>

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

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

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

(d) For the year ended December 31, 2022, \$35.1 million was included within general and administrative expense and \$0.0 million was included within employee compensation in the consolidated statements of operations.

Envestnet, Inc.
Historical Assets, Accounts and Advisors
(in millions, except accounts and advisors)
(unaudited)

Envestnet Wealth Solutions Segment

	As of				
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
(in millions, except accounts and advisors data)					
Platform Assets					
Assets under management ("AUM")	\$ 341,144	\$ 363,244	\$ 384,773	\$ 375,408	\$ 416,001
Assets under administration ("AUA")	367,412	379,843	394,078	398,082	430,846
Total AUM/A	708,556	743,087	778,851	773,490	846,847
Subscription	4,382,109	4,566,971	4,643,313	4,579,248	4,959,514
Total platform assets	<u>\$ 5,090,665</u>	<u>\$ 5,310,058</u>	<u>\$ 5,422,164</u>	<u>\$ 5,352,738</u>	<u>\$ 5,806,361</u>
Platform Accounts					
AUM	1,547,009	1,571,862	1,609,677	1,614,873	1,640,879
AUA	1,135,026	1,142,166	1,144,375	1,257,094	1,254,962
Total AUM/A	2,682,035	2,714,028	2,754,052	2,871,967	2,895,841
Subscription	15,665,020	15,779,980	15,916,955	16,072,848	16,248,598
Total platform accounts	<u>18,347,055</u>	<u>18,494,008</u>	<u>18,671,007</u>	<u>18,944,815</u>	<u>19,144,439</u>
Advisors					
AUM/A	38,025	38,611	38,809	38,078	38,697
Subscription	67,520	67,843	68,439	69,318	69,973
Total advisors	<u>105,545</u>	<u>106,454</u>	<u>107,248</u>	<u>107,396</u>	<u>108,670</u>

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

	Asset Rollforward - Three Months Ended December 31, 2023					
	As of September 30, 2023	Gross Sales	Redemptions	Net Flows	Market Impact	As of December 31, 2023
(in millions, except account data)						
AUM	\$ 375,408	\$ 26,612	\$ (19,064)	\$ 7,548	\$ 33,045	\$ 416,001
AUA	398,082	30,342	(30,019)	323	32,441	430,846
Total AUM/A	<u>\$ 773,490</u>	<u>\$ 56,954</u>	<u>\$ (49,083)</u>	<u>\$ 7,871</u>	<u>\$ 65,486</u>	<u>\$ 846,847</u>
<i>Fee-Based Accounts</i>	<i>2,871,967</i>			<i>23,874</i>		<i>2,895,841</i>

The above AUM/A gross sales figures include \$17.7 billion in new client conversions. The Company onboarded an additional \$73.1 billion in subscription conversions during the fourth quarter, bringing total conversions for the quarter to \$90.8 billion.

The following table summarizes the changes in AUM and AUA for the year ended December 31, 2023:

Asset Rollforward - Year Ended December 31, 2023							
	As of December 31, 2022	Gross Sales	Redemptions	Net Flows	Market Impact	Reclass to Subscription	As of December 31, 2023
(in millions, except account data)							
AUM	\$ 341,144	\$ 101,305	\$ (71,217)	\$ 30,088	\$ 47,360	\$ (2,591)	\$ 416,001
AUA	367,412	127,906	(99,468)	28,438	48,868	(13,872)	430,846
Total AUM/A	<u>\$ 708,556</u>	<u>\$ 229,211</u>	<u>\$ (170,685)</u>	<u>\$ 58,526</u>	<u>\$ 96,228</u>	<u>\$ (16,463)</u>	<u>\$ 846,847</u>
<i>Fee-Based Accounts</i>	2,682,035			312,915		(99,109)	2,895,841

The above AUM/A gross sales figures include \$72.3 billion in new client conversions. We onboarded an additional \$169.7 billion in subscription conversions during 2023, bringing total conversions for the year to \$242.0 billion.

Asset and account figures in the “Reclass to Subscription” columns for the three months and year ended December 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 Data & Analytics Segment

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

	As of				
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
(in millions, except number of firms data)					
Number of paid end-users	38.8	37.5	38.0	42.3	38.3
Number of firms	1,286	1,310	1,339	1,322	1,324



Envestnet 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 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 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.

Investnet 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

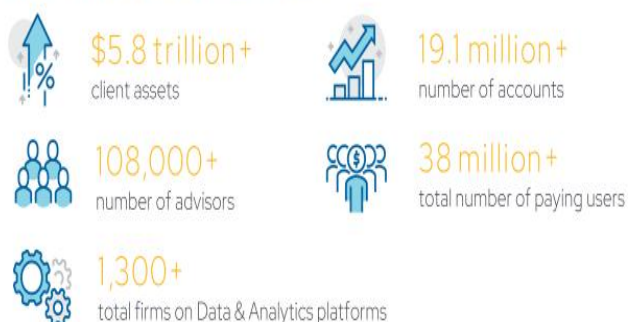
KEY FINANCIAL METRICS

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



Market Scale with Industry Leading Solutions

48 of 50
of the largest wealth
management and
brokerage firms

Metrics as of December 31, 2023.

© 2024 Envestnet, Inc. All rights reserved.

\$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

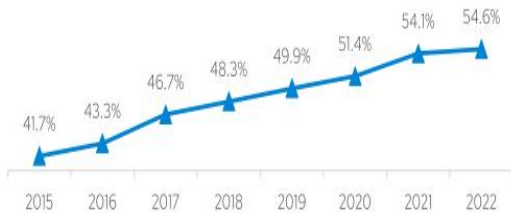
500+
of the largest RIAs

19,000+
data sources

38 million+
paid users

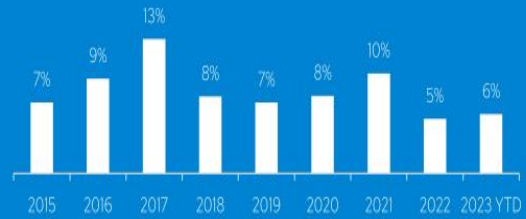
Secular Tailwinds → Growth Opportunity

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

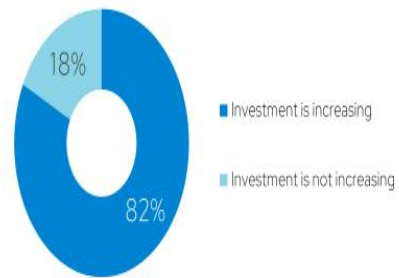
Source: Cerulli Lodestar

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 ⁽²⁾	5.6%	5.6%	5.7%	6.2%	6.5%	7.1%	7.4%	7.2% ⁽³⁾
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. ⁽¹⁾ Represents an Envestnet estimate, given 2023 industry fee-based asset data is not yet available. ⁽²⁾ Calculated as Envestnet AUM divided by total managed account industry assets, excluding the wirehouse and direct channels; ⁽³⁾ 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%.

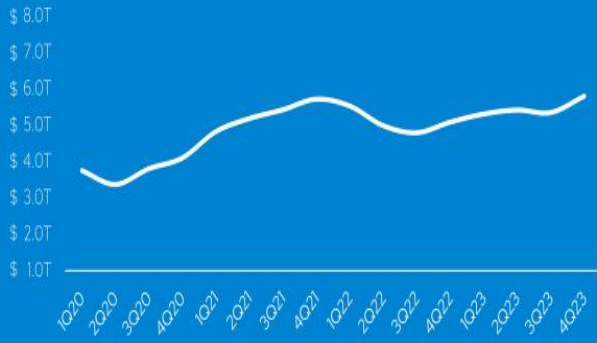


Well Positioned for Industry Trends

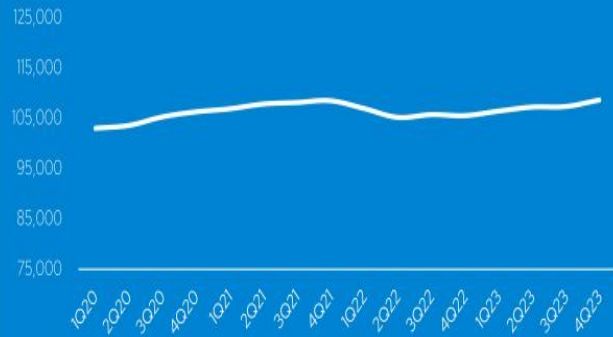
				
Industry trends	The push to achieve greater scale	The demand for personalization	Technology integration & consolidation	Evolving practice management
Envestnet as an industry leader	<ul style="list-style-type: none"> • Unmatched breadth & depth of capabilities • Multi-channel leader across B/D and RIA • Ultra-configurable with scaled support and compliance 	<ul style="list-style-type: none"> • Modern UMA chassis • Direct indexing 10-year track record • Variety of capabilities including tax overlay, high-net-worth consulting, and more 	<ul style="list-style-type: none"> • Stronger platform connectivity, from financial planning through execution • Next-gen proposal and new client portal • Custodial integrations 	<ul style="list-style-type: none"> • Vast array of analytics to strengthen business intelligence • Pioneer in holistic wealth management
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 th consecutive year, ranked #1 financial planning software

Investnet Key Metrics

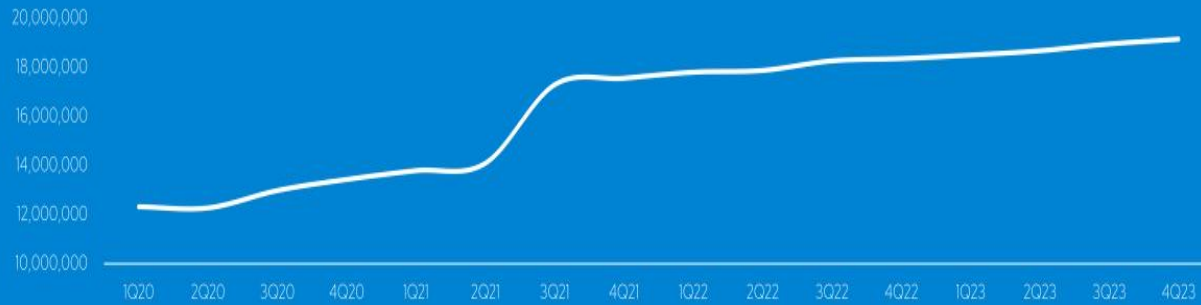
ENDING ASSETS OVER TIME



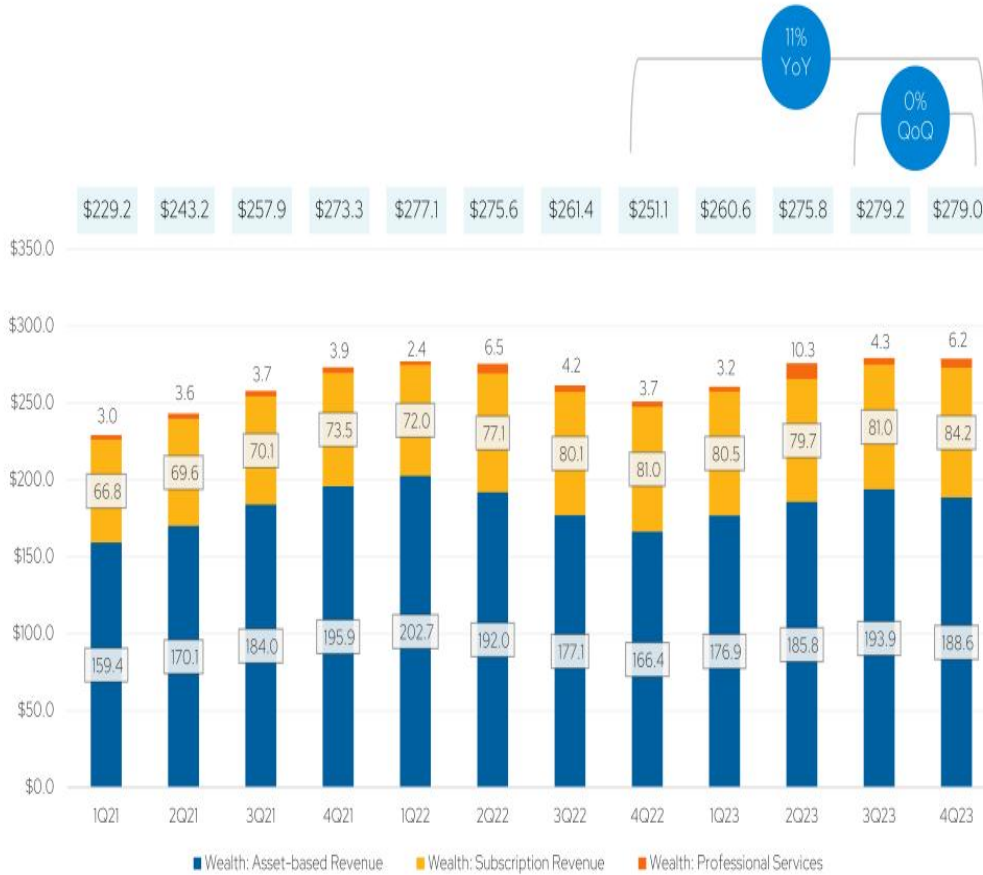
ADVISOR COUNT OVER TIME



ENDING ACCOUNTS OVER TIME



Wealth Solutions Revenue Trend



KEY DRIVERS

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

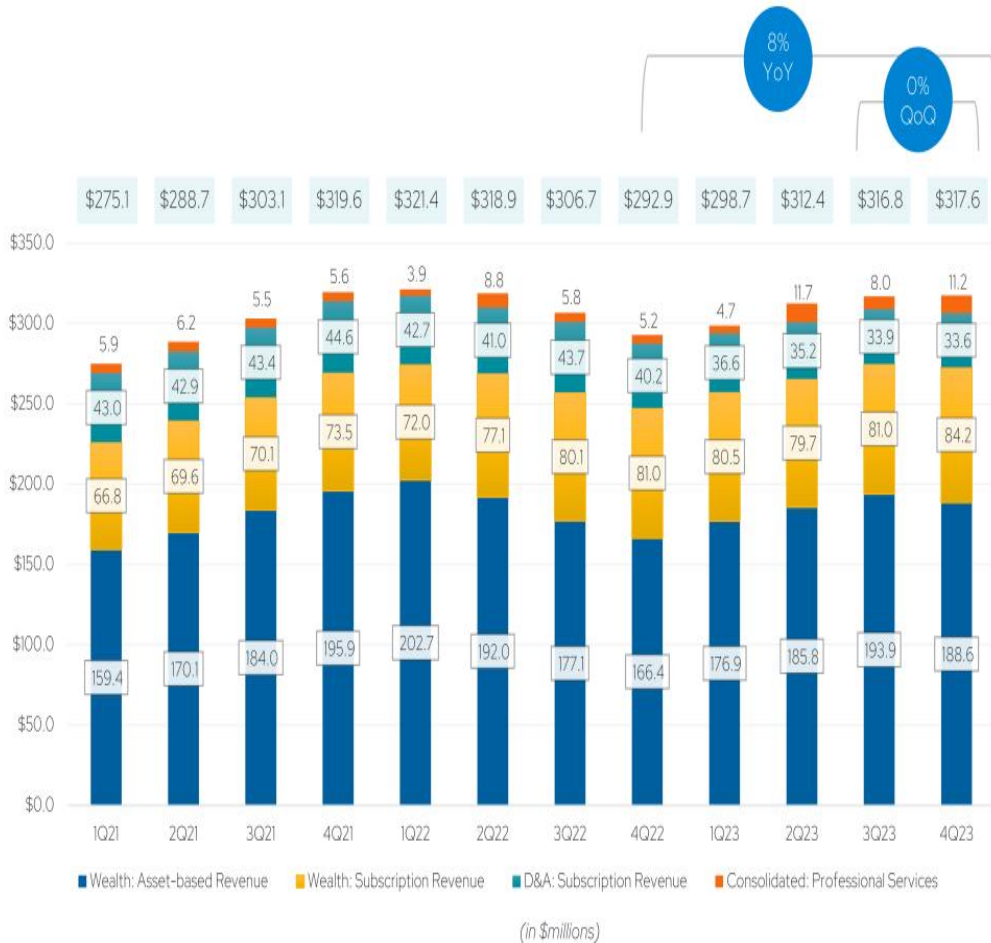
Data & Analytics Revenue Trend



KEY DRIVERS

- Market Environment
- Bookings
- Open Banking Pipeline

Total Company Revenue Trend



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 ⁽¹⁾	27%
AUM	22%
AUA	17%
Subscription	13%

Accounts (M)



Growth by Segment

Accounts	Q4 2023 YoY Growth
1st Party Managed ⁽¹⁾	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

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

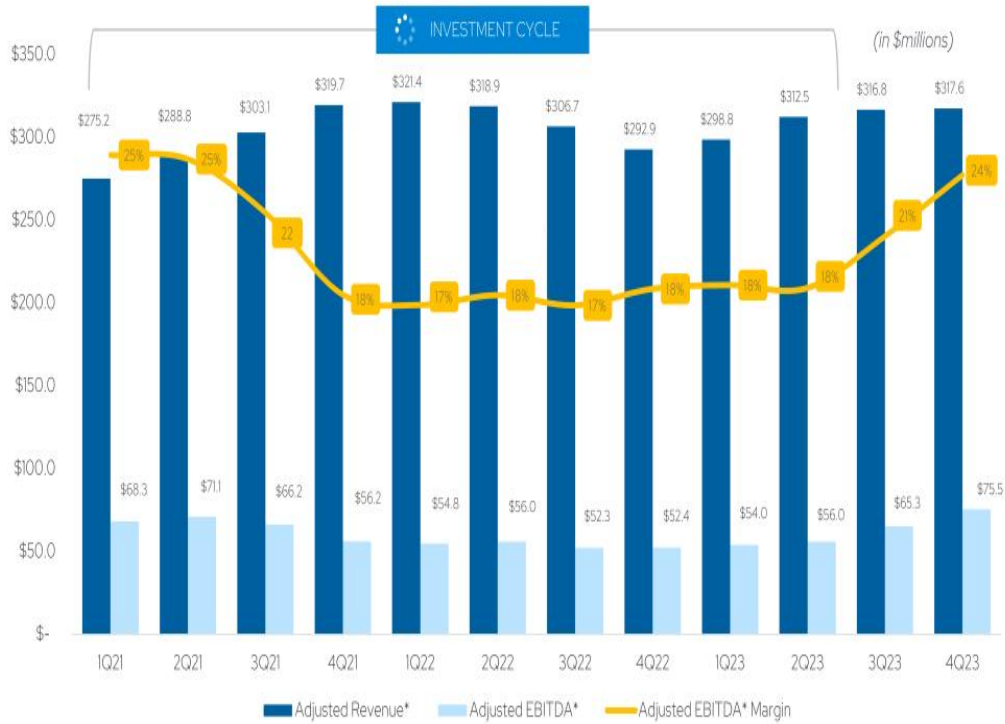
1. Non-GAAP financial measure. See Non-GAAP Disclosure Statement and Appendix for definitions and reconciliations of non-GAAP measures.
2. YoY change represents 4Q23 results vs. 4Q22 results for Adjusted Results.

2023 Full Year Results

<i>(in \$millions except for per share amounts)</i>	FY23 GAAP Results	FY23 Adjusted Results ⁽¹⁾	YoY Change % ⁽²⁾
Revenue	\$1,245.6	\$1,245.7	0%
Adjusted EBITDA ⁽¹⁾	--	\$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 & Expense Reduction Opportunities</p> <ul style="list-style-type: none"> • Automation • Integration • Platform Modernization 	<ul style="list-style-type: none"> • Organization • Outsourcing • Real Estate 	<p>Organic Revenue Growth + Accelerants</p>	<p>AUM/A</p> <ul style="list-style-type: none"> • RIA Managed Accounts • Retirement • Insurance <p>Subscription</p> <ul style="list-style-type: none"> • Wealth Data Platform • Retirement 	<ul style="list-style-type: none"> • High Net Worth • Brokerage to Managed • Personalized Inv Solutions • Agg & Verification • Asset Mgr. Partnerships
--	--	---	---	---

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 ⁽¹⁾
---------------------------	--------	------------------------------	-----------------------

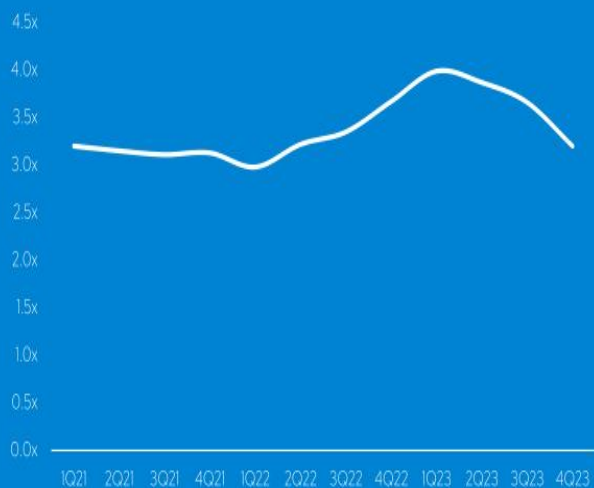
Debt

Outstanding on Revolving Line of Credit (\$500)	\$0.0	Revolving Line of Credit	SOFR + spread ⁽²⁾
Convertible Debt Maturing 2025	\$317.5	Convertible Debt 2025	0.75% coupon
Convertible Debt Maturing 2027	\$575.0	Convertible Debt 2027	2.625% coupon

Net Leverage Ratio 3.2x⁽³⁾

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

	1Q24 Outlook (2/22/24)	Outlook midpoint compared to 1Q23
<i>(in \$millions except for per share amounts)</i>		
Revenue	\$320.0 - \$326.0	+8%
Adjusted EBITDA ⁽¹⁾	\$64.0 - \$69.0	+250 bps of margin improvement
Adjusted Net Income per Diluted Share ⁽¹⁾	\$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

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.

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⁽¹⁾

(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

Illustrative Market Impact Model <i>(\$ in millions)</i>	Assumptions	
Total Revenue	4Q23 revenue, annualized	\$1,270
x % asset-based	~60% of total revenue	60%
x % Blended Market Change ^(a)	See below calculation	<u>-5%</u>
= Revenue impact		<u>(\$38)</u>
- Impact on asset-based direct expenses	~60% of asset-based revenue	<u>(\$23)</u>
= Impact on Adjusted EBITDA ^(*)	Unmitigated impact	<u><u>(\$15)</u></u>
^(a) 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	<u>-5%</u>
= Blended Market Change		<u>-5%</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
Total Revenue	\$ 278,988	\$ 38,644	\$ 317,632	\$ 251,101	\$ 41,773	\$ 292,874
YoY % Growth	11%	(7)%	8%	(8)%	(10)%	(8)%

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		
GAAP:			
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)	
Non-GAAP:			
Adjusted EBITDA ⁽¹⁾	\$ 64.0	-	\$ 69.0
Adjusted net income per diluted share ⁽¹⁾	\$ 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	2022	March 31, 2023	June 30, 2023	September 30, 2023
GAAP:					
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)
Non-GAAP:					
Adjusted EBITDA ⁽¹⁾					
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		Year Ended	
	December 31,		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

© 2024 Envestnet, Inc. All rights reserved.



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



Historical Recast of Segment Information

As of October 1, 2023, Envestnet, Inc. (the "Company") has changed 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 Envestnet Data & Analytics segment to the Envestnet Wealth Solutions segment. The segment change does not impact nonsegment results and the Company's audited consolidated balance sheets, consolidated statements of operations or consolidated statements of cash flows.

The revised historical unaudited segment financial information for the fiscal years ended December 31, 2021 and 2022 and the first, second and third quarters of 2023 are below. Beginning with the quarter and full year ended December 31, 2023, our consolidated financial statements will reflect the new reportable segment structure with prior periods adjusted accordingly.

Our chief operating decision maker uses certain Non-GAAP financial measures, including "adjusted EBITDA", to assess the performance of operating segments and allocate resources. The table below also includes these historical unaudited supplemental performance measures revised to reflect the new reportable segment structure for the aforementioned periods. The Company's Non-GAAP financial measures should not be viewed as a substitute for GAAP financial measures.

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

(1) Non-GAAP Financial Measure

"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.

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.

(2) Correction of Immaterial Error

During the fourth quarter of 2023, the Company identified that the arrangement with a third-party for the use of cloud hosted virtual servers which was previously accounted for as a finance lease transaction and included as a component of property and equipment, net in the consolidated balance sheets should have been recognized as a prepayment included within prepaid expenses and other current assets and other assets in the consolidated balance sheets. The Company concluded that the classification of these transactions was immaterial in prior period financial statements and that amendment of previously filed reports was not required. However, the Company corrected this immaterial error in the prior periods reported within this Exhibit 99.3.