

ASX Announcement - 16 March 2022

WTL SYNCHRON ACQUISITION INVESTOR WEBINAR

WT Financial Group Limited (**ASX:WTL**) (**WTL**, the **Company**) is pleased to invite shareholders and investors to the WT Financial Group Investor Webinar to be held on Thursday 17 March 2022 at 1:00 pm AEDT / 10:00 am AWST. WTL Founder and Managing Director, Keith Cullen, will expand on the recently announced Synchronised Business Services Pty Ltd (**Synchron**) acquisition (**Acquisition**), along with providing a Company update and engaging in a Q&A.

The Acquisition is highly synergistic and accretive to earnings. On settlement of the Acquisition (**Completion**), which is scheduled to occur this week, the Company's B2B operations will encompass Wealth Today; Sentry Group; and Synchron - making WTL the largest independent (non-institutionally-owned, non-product producing) advice network in Australia.

Highlights

- Established in 1998 and headquartered in Melbourne, Synchron is Australia's largest privately-owned national financial adviser group.
- The Acquisition is highly synergistic and accretive to earnings, with WTL providing FY2023 guidance of EBITDA of \$7M+ and NPAT of \$4M+.
- WTL will emerge as the largest independent (non-institutionally-owned, non-product producing) financial adviser network in Australia - creating significant combined metrics:
 - 600+ total advisers
 - \$16Bn+ funds under advice
 - \$360M+ in-force annual insurance premium
 - \$25M+ new insurance premium sales per annum
- The total vendor consideration for the Acquisition is up to \$7.96M, payable over two-years in a combination of cash and shares, and subject to various terms and conditions.
- WTL will assume liabilities of circa \$3M and expects to incur transaction and integration costs of between \$1-2M bringing the anticipated total value of the acquisition to \$12-13M.

Details of the event are as follows:

Event: WT Financial Group Investor Webinar

Presenter: Founder and Managing Director, Keith Cullen

Time: Thursday 17 March 2022 at 1:00 pm AEDT / 10:00 am AWST

Where: Zoom webinar, details to be provided upon registration.

To register, shareholders and investors can click or copy the following link in to a web browser:

https://janemorganmanagement-au.zoom.us/webinar/register/WN_ryncmiqYSmS3e3l8jK6Fiw

After registering, participants will receive a confirmation email with information about joining the webinar. Attendees will be able to submit questions via the panel throughout the presentation, and the Company encourages shareholders and investors to submit questions via email beforehand to jm@janemorganmanagement.com.au

Ends

About WT Financial Group Limited

WT Financial Group Limited has established itself as the largest independent – or non-institutionally-owned, non-product producing financial adviser network in Australia. Its advice and product offerings are delivered primarily through a group of independent financial advisers operating as authorised representatives under its Wealth Today, Sentry Group, and now Synchron subsidiaries.

The Group's B2C division delivers a range of services directly to wholesale and retail clients through the Spring Financial Group brand, encompassing financial planning, accounting & tax services, mortgage finance services, and investment and asset management.

The Group offers market-leading financial education services for advisers and consumers through regular seminar programs and the publication of its Wealthadviser library of more than 100 financial literacy handbooks and manuals on a broad range of financial and investment market topics.

Authorised for release by:

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CREATING AUSTRALIA'S LARGEST INDEPENDENT* FINANCIAL ADVICE GROUP

ACQUISITION OF SYNCHRON

Investor Presentation

March 2021

*Non-institutionally-owned, non-product producing

IMPORTANT INFORMATION

Issuer and Date

This investor presentation (**Presentation**) has been prepared by WT Financial Group Limited (ACN 169 037 058) (**WTL**) and is dated 16 March 2022 for presentation to Investors at a webinar on 17 March 2022

Summary Information

This Presentation contains summary information about WTL and its subsidiaries (the **Group**) and their respective activities which is current as at the date of this Presentation. Information contained herein is of a general nature and does not purport to be complete, nor does it contain all the information which a prospective investor may require in evaluating a possible investment in WTL or that would be required in a prospectus, or other disclosure document prepared in accordance with the Corporations Act. This Presentation should be read in conjunction with WTL's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

Not an offer

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with ASIC) and is not and should not be considered an invitation or offer to acquire shares in WTL or any other financial products and does not and will not form any part of any contract for the acquisition of the shares.

Not for release or distribution in the United States

This Presentation may not be released to US wire services or distributed in the United States. It does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, nor will be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States or to persons that are acting for the account or benefit of persons in the United States. The distribution of this Presentation in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed.

Not financial product advice

This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) nor a recommendation to acquire New Shares. Recipients of the Presentation should make their own enquiries and investigations regarding information herein, which is not intended to be relied upon as advice and has been prepared without taking account of any person's individual investment objectives, financial situation or needs. Before making an investment decision, investors should have regard to their own objectives, financial situation and needs and seek appropriate financial, legal, accounting and taxation advice.

Investment Risk

An investment in WTL shares is subject to known and unknown risks, some of which are beyond the control of the Group. WTL does not guarantee any particular rate of return or the performance of the Group, nor does it guarantee any particular tax treatment.

Financial data

All references to dollar values, cents, \$, AUD, or A\$ in this Presentation are to Australian dollars (\$), unless otherwise stated.

Certain financial information included in this Presentation are (i) "non IFRS financial information" as allowed under ASIC Regulatory Guide 230: "Disclosing non IFRS financial information" and (ii) "non GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934, as amended - and do not have a prescribed definition under AAS or IFRS and therefore may not be directly comparable to similarly titled measures presented by other entities. These should not be construed as an indication of, or an alternative to, corresponding financial measures determined in accordance with AAS or IFRS. Although WTL believes these non IFRS financial measures provide useful information for measuring the financial performance and condition of the business, readers are cautioned not to place undue reliance on any non IFRS financial measures included in this Presentation.

Several figures, amounts, percentages, estimates and calculations of value in this Presentation are subject to the effect of rounding.

IMPORTANT INFORMATION

Forward-looking statements and forecasts

This Presentation contains certain “forward-looking statements” that are based on management's beliefs, assumptions and expectations on information currently available to management. Forward looking statements can generally be identified by the use of forward looking words such as, “expect”, “anticipate”, “likely”, “plan”, “propose”, “believe”, “forecast”, “estimate”, “target”, “guidance” and similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Offer and the use of proceeds thereof, statements about the plans, objectives and strategies of the Group and about the markets in which the Group operates and about future performance. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements.

You should not place undue reliance on forward looking statements, which are provided as a general guide only and are not indications, guarantees or predictions of future performance. The success of any of WTL's business strategies is subject to uncertainties and contingencies beyond its control, and no assurance can be given that they will be effective or the anticipated benefits will be realised in the period for which the forward looking statements may have been prepared or otherwise.

Other risks may materially affect the future performance of WTL and the price of WTL's shares including risks and uncertainties not presently known to management or that management currently believe not to be material may also affect WTL's business.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including WTL or any of its advisers). Except as required by law or regulation (including the ASX Listing Rules), WTL disclaims any obligation or undertaking to update forward looking statements in this Presentation to reflect any changes in expectations in relation to any forward looking statement or change in events, circumstances or conditions on which any statement is based.

Past performance

Historical financial information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Group's views on its future financial performance or condition. Investors should note that past performance, including past share price performance, of WTL cannot be relied upon as an indicator of (and provides no guidance as to) future WTL performance including future share price performance.

Disclaimer

None of WTL nor any of their respective advisers nor any of their respective affiliates, related bodies corporate, directors, officers, partners, employees or agents (together, the **Beneficiaries**), have authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation and, except to the extent referred to in this Presentation, none of them makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by any of them.

To the maximum extent permitted by law, WTL and its advisers, and each of their respective Beneficiaries: (i) exclude and disclaim all responsibility and liability, including, without limitation, for negligence or for any expenses, losses, damages or costs incurred by you as a result of the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise; and (ii) make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation, and with regards to each of its advisers, and each of their respective Beneficiaries, take no responsibility for any part of this Presentation.

To the maximum extent permitted by law, you agree to release and indemnify WTL their advisers from and against all claims, actions, damages, remedies or other matters, whether in tort, contract or under law or otherwise, arising from or which may arise from or in connection with the provision of, or any purported reliance on, this Presentation and you covenant that no claim or allegations will be made against any of the them in relation to this Presentation.

Statements made in this Presentation are made only as at the date of this Presentation. None of WTL or its advisers nor any of their respective Beneficiaries have any obligation to update statements in this Presentation. The information in this Presentation remains subject to change without notice.

All references to time are to AEST, unless otherwise indicated.

Acknowledgement and representation and warranty

By attending or receiving this Presentation you acknowledge and agree that you understand the contents of this notice and that you agree to abide by its terms and conditions. By attending or receiving this Presentation you further agree, irrevocably and unconditionally, to submit to the non-exclusive jurisdiction of the courts of New South Wales, in respect of any disputes, actions, suits or proceedings arising out of, or relating to, this Presentation.

INTRODUCTION TO WTL

Founded in 2010 and listed in 2015 with a direct to consumer (B2C) focus offering financial advice and related services



Strong dividend history – circa \$7M in dividend payments before industry disruption caused a hiatus and rethink of strategy



Successful transformational restructure to switch to B2B focus underpinned by the acquisition of Wealth Today 2018 and Sentry Group in 2021 and now Synchron



Through Wealth Today and Sentry, WTL provides a **comprehensive range of “dealer group” services to financial advisers**



Advisers are independent business operators acting as authorised representatives of WTL

Services include:

- 1 Licensing
- 2 Compliance
- 3 Education
- 4 Training and technical support
- 5 Practice management
- 6 Development services



More than **220 advisers across 190 practices** – up from 42 when Wealth Today was acquired in 2018



Significant revenue increases, concurrently rationalised B2C operations and achieved significant cost reductions

WTL is capitalising on industry disruption created by the unravelling of institutional advice models and industry rationalisation driven by increased compliance and education standards.

CREATING AUSTRALIA'S LARGEST FINANCIAL ADVICE GROUP

Through the acquisition of its industry peer Synchron Business Services Pty Ltd (Synchron), WT Financial Group Limited (ASX: WTL) will emerge as the largest independent (non-institutional, non-product-producing) financial adviser network in Australia – headed only by institutional operators AMP and Insignia (formerly IOOF).

Combined group key metrics are forecast as follows thanks to significant integration benefits:



600+

Total Advisers



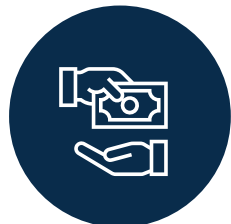
\$16Bn+

Funds Under Advice



\$360M+

In-Force Annual
Insurance Premium



\$25M+

Annual New Insurance
Premium Sales



\$170M+

Gross revenue pa

\$18M+

Gross profit pa

ABOUT SYNCHRON

Established in 1998, the Melbourne-headquartered group is Australia's largest privately-owned financial adviser group.

**Synchron advisers
specialise in:**



Risk management



Asset allocation



Aged care advice



**Financial
planning**



Budgeting



Investing



**Retirement
planning**

The sale to WTL represents a succession planning and “sell in” opportunity for the founders who will emerge as significant shareholders of WTL as they eventually move towards retirement.



KEY TERMS OF THE ACQUISITION

WTL has raised a total of \$4.05M in cash and vendor shares at a 22% premium to its 30-day VWAP - underscoring investor confidence in the acquisition and in WTL.

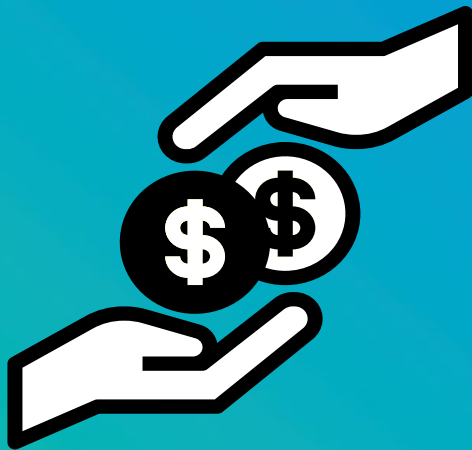


Summary of acquisition	\$	Funding method
To vendors at settlement – cash	\$2.46M	placement @ \$0.10
To vendors at settlement – shares*	\$1.02M	vendor shares @ \$0.10
Deferred payment at 12 months - cash	\$1.02M	from cashflow
Retention at 12 months	up to \$2.46M	various options
Total vendor consideration*	up to \$6.96M	
Deal and integration costs	\$0.53M	from cashflow
Additional integration costs	\$0.41M	from cashflow
Assumption of liabilities	\$3.05M	from drawn line of credit
Acquisition total	up to \$10.95M	
Warranty buffer/lockup *	up to \$2.0M	backed by undrawn line of credit
Total booked to goodwill	\$12.95M	

- A warranty buffer/lockup to mitigate unforeseen liabilities has been costed into the transaction by WTL. The vendors will be entitled to 50% of any warranty buffer/lockup that remains uncalled after 2 years, up to a maximum amount of \$1M, increasing total vendor consideration to up to \$7.96M.
- Vendor shares will be subject to 2-year escrow.
- Vendor shares for retention payment will be issued at the election (but not obligation) of WTL..

KEY TERMS OF THE ACQUISITION

An innovative secured debt facility from Altor Capital has enabled WTL to minimise dilution to shareholders and maximise EPS accretion



Circa \$12.95M goodwill value booked on the acquisition



Settlement date target of 16 March 2022



In addition to vendor shares, WTL has raised a total of \$3.05M for settlement and other costs at an issue price of \$0.10



Existing debt facilities have been refinanced at settlement with total drawn and undrawn debt of \$6.7M post settlement



Following completion WTL will an update to its FY2022 guidance

A COMPLEMENTARY AND HIGHLY ACCRETIVE ACQUISITION



Following the acquisition, WTL's B2B operations will encompass Wealth Today; Sentry Group; and Synchron - making it the largest non-institutionally owned advice group in Australia



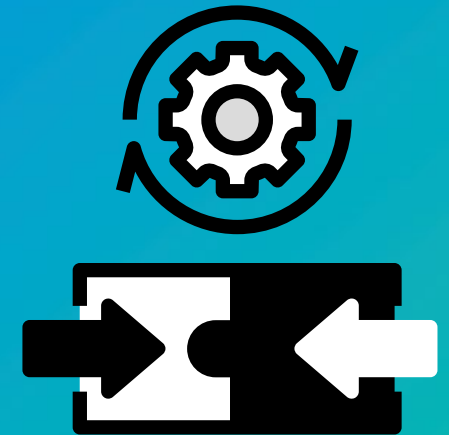
Each brand utilises a B2B business model, with advisers in networks operating under their own independent brand names



The acquisition is significant and highly transformational for both WTL and the industry as a whole



The acquisition is highly synergistic and significantly accretive to earnings - and sets the course for future expansion

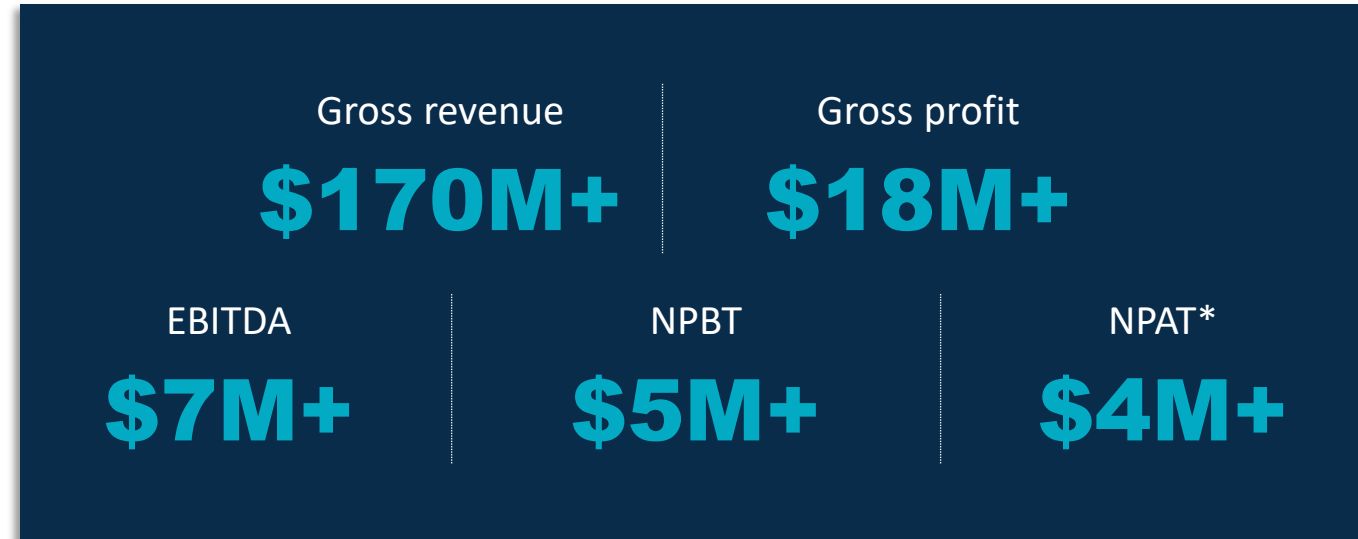


FY2023 PRELIMINARY GUIDANCE

PRELIMINARY FY2023 GUIDANCE* (assuming zero growth)



The complementary nature of the acquisition will expand WTL's offering to advisers and enable significant cost synergies that will result in a highly-accretive outcome for shareholders.



Based on this guidance market indicators for WTL peers (of 16-20 times NPAT) suggest the company will emerge with a market cap of circa **\$70-80M+**.

Based on synergies the \$12.95M fully-booked goodwill value of the acquisition represents multiples of circa **1 times net revenue; 4 times EBIT; and 5.5 times NPAT contribution to WTL from Synchron.**

Notes:

- Assumed tax will be statutory only as the company has significant carried-forward tax losses. Notwithstanding these carry-forward tax losses, WTL has a franking credit balance of circa \$1M. Hence, WTL will be able to pay fully franked dividends in excess of \$3M before it is required to pay income tax on a cash basis.
- The above guidance assumes zero organic growth and no further acquisition growth. There is significant opportunity for both.
- Post acquisition total shares on issue will be circa 322M on a fully-diluted basis.

A STRATEGIC AND SYNERGISTIC TRANSACTION

WTL's management ranks will be further strengthened through the acquisition, enhancing adviser support across all states and territories.



Founders Don Trapnell and John Prossor will continue to work within the business whilst Synchron is integrated into WTL's existing operational structure, helping support retention and growth of the existing adviser base. Over time they will transition to non-executive roles as they head towards eventual retirement



WTL joint-COO's David Newman and Frank Paul will assume day-to-day responsibility for the Synchron operations and will work with Mr Trapnell and Mr Prossor to steer integration and expansion



WTL will retain Synchron's line of state managers who will add significant value to the overall group structure and assume broader responsibilities across the group in their respective states



The Synchron founders will maintain investment exposure to Synchron by holding a significant number of shares in WTL



OLD BIG 6 BEING REPLACED BY NEW INDEPENDENT HEAVYWEIGHTS



Big Six down 61%

Group	Advisers 2018	Advisers 2022
Insignia (IOOF) ₁	1,604	1,756
AMP	2,607	1,356
NAB	1,506	99
ANZ	398	94
CBA	1,501	0
WBC	957	0
Big 6	8,573	3,304



Top Ten Independents up 62%

Rank	Group	Advisers 2018	Advisers 2022
-	Synchron	460	-
1	WT Financial Group (ASX: WTL)₁	59	610
2	Diverger Limited (ASX: DVR) ₂ (formerly EAS)	295	529
3	Centrepont Alliance (ASX: CAF) ₃	351	490
4	Sequoia (ASX: SEQ)	250	405
5	Capstone Financial Planning	163	274
6	Lifespan Financial Planning	148	259
7	Countplus Limited (ASX: CUP)	91	251
8	Fortnum Private Wealth Ltd	102	201
9	Morgans Financial Limited ₄	166	190
10	Infocus	N/A	178
Total Top Ten		2,085	3,387

Sources: Money Management Top 100 Dealer Groups reports, company annual reports and ASIC FAR and AR registers.

Note: Brands under common ownership are merged. Numbers are fluid and may have varied from publication and are therefore indicative only.

1. WTL approximate number of advisers post acquisition of Synchron.

2. EAS acquired Paragem and changed name to Diverger 2021 – numbers exclude limited license accountants.

3. CAF acquired Clearview advice operations in 2021 - numbers exclude "licensee services" clients.

4. Morgans numbers exclude stockbrokers.

DEMAND FOR ADVICE CONTINUES TO GROW

\$3.5 Trillion

The largest inter-generational wealth transfer in our history is upon us



Largest cohort ever to enter aged care



Superannuation assets to double by 2029

The nature and complexity of advice required for this wealth transfer is forcing advisers to upskill to address increased demand for:

- Estate and legacy planning
- Retirement income advice
- Aged care advice
- Strategic investment advice for the recipients

The financial advice industry has a bright future as demand continues to grow – WTL's scale is enabling it to provide the critical supports advisers need and demand.

Australian Household Assets, 2020



Residential property
\$5,498Bn



Funds under Advice
\$962Bn



Non-advised investments
\$3,648Bn



Non-advised superannuation
\$2,049Bn



Other
\$1,492Bn

Millennial inheritance
2020-2040:
\$3,500Bn

Source: Oliver Wyman, Citi, FirstLinks

BOARD & MANAGEMENT TEAM



Keith Cullen **Managing Director and CEO**

WTL founder and largest (non-institutional) WTL shareholder. 37yrs experience as a corporate executive and entrepreneur across the broadcast media, technology and financial services sectors. Successfully conceived and implemented the strategy to pivot WTL to B2B through acquisition of Wealth Today, Sentry - and now Synchron.



Guy Hedley **Non-Executive Chairman**

15yrs as head of Macquarie Bank global private banking unit and BNP Private Banking, now Chair at Stoic Asset Management and Atlas Advisors Australia. Has helped steer WTL through industry upheaval and supported management team with its transformation to a B2B focussed enterprise.



Michael Harrison **Non-Executive Director**

Significant WTL shareholder and director. 20yrs industry experience. Chairman of leading financial services growth consultant Peloton Partners. Chairman of Mainstream, one of the world's largest barramundi breeders and suppliers. Played a key role in the formation and growth of ASX-listed Shadforth's ahead of its acquisition by IOOF in 2014.



Chris Kelesis **Non-Executive Director**

Foundation director and significant shareholder of WTL with 15yrs experience as an equities trader and technical analyst. Private and wholesale client adviser roles with Spring Equities, Ark Equities and the Rivkin Group. Has helped steer WTL through its transformation to a B2B focussed enterprise.



Rob Jones **Advisory Committee Chair**

Significant WTL shareholder and director. MD at Peloton Partners and an accomplished industry executive with more than 20yrs experience. Was CEO of The Money Managers when sold into ASX-listed Shadforth's where he headed M&A ahead of its acquisition by IOOF. Chairs the group's internal advisory committee in a non-executive capacity.

BOARD & MANAGEMENT TEAM

**David Newman****Joint COO, MD of Sentry subsidiary**

Significant WTL shareholder and MD of Sentry subsidiary. 35yrs in financial services, specialising in strategic planning and execution incl 8yrs at Sentry in key roles. Joint-COO focussing on business development operations and management of west-coast operations. Will assume a lead role in overseeing Synchron Integration.

**Frank Paul****Joint COO, Group Head of Risk**

Significant WTL shareholder. 25yrs in financial advice, as a practice principal and senior executive including 8yrs with WTL in head of advice and COO roles. Joint-COO of the expanded group, focussing on east coast operations and group risk management processes. Will assume a lead role in overseeing Synchron Integration.

**Jack Standing****Group Head of Advice, Responsible Manager**

9yrs with WTL in key B2B and B2C advice roles. Responsible for adviser training and education, and oversight of advice creation within WTL's innovative peer review and risk management framework. Responsible manager, and member of compliance and investment committees.

**Ricton Jones****Group Head of Finance**

Broad experience in financial accounting, treasury, audit coordination and tax in technology and financial services, including 7yrs with Sentry Group prior to its acquisition by WTL. Regulatory reporting and HR management experience for public and private companies in the UK and Australia. CIMA and CPA qualified.

**Danny Maher****Regional Head, East Coast**

Industry executive with a broad range of experience across 40yrs in financial services in GM, RM and head of distribution roles with Tower (TAL) and Netwealth – and most recently 9yrs as at Sentry Group with responsibility for eastern seaboard advisory network.

BOARD & MANAGEMENT TEAM



Don Trapnell

Chairman of Synchron subsidiary

50yrs in financial services, and an Honorary Lifetime Member of the Australian and NZ institute of Insurance and Finance. Has been a principal of financial services distribution organisations since 1989. Will remain as a director (and chairman) of the Synchron subsidiary and will become a significant WTL shareholder.



John Prossor

Director of Synchron subsidiary

Financial adviser for more than 35yrs and has worked in financial services for over 50yrs. He hold responsibilities across compliance, regulatory and professional indemnity insurance matters. Will remain as a director of the Synchron subsidiary and will become a significant WTL shareholder.



Sarah Congdon

State Manager, Victoria and Tasmania

20yrs experience in financial services in roles including insurance adviser for MLC Insurance before joining Synchron as State Manager. Has built a career on initiating, managing, strengthening and maintaining strong client relationships, and a drive for new challenges. Will hold broader responsibilities in the expanded group.



Bernie Fernandes

State Manager, Western Australia

20+yrs experience as an underwriter, in business development, and in risk and funds management – has won multiple awards for new-business inflows and retention. Joined Synchron in 2012 and has grown the WA network from 14 to around 100 advisers. Will hold broader responsibilities in the expanded group.

BOARD & MANAGEMENT TEAM



Ben Donohue
State Manager, Queensland

Commenced in financial services in 2005. Experience across retail life insurance, retirement income and aged care, with the majority of his professional life spent at Asteron Life and Challenger. Was appointed to the position of QLD State Manager for Synchron in 2021 and will now hold broader responsibilities in the expanded group.



Matt Wallis
State Manager, New South Wales and ACT

Following a successful cricket career established his own financial planning business which he built over 6 years before joining Synchron in 2015 as State Manager, NSW/ACT. Face-to-face client experience adds real value to the role of supporting advisers in growing their own practices. Will hold broader responsibilities in the expanded group.



Emma Crothers
State Manager, South Australia and NT

Extensive background in financial services having held a variety of project management, sales and support roles. A graduate of Synchron's coveted Next Gen professional development program and Money Management BDM of the Year finalist. Appointed State Manager of SA and NT in early 2022 will now hold a broader responsibilities across the group.

CONTACT

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