

ASX Announcement – 29 February 2024

WTL HALF YEAR AND INVESTOR WEBINAR

Financial advice network operator, WT Financial Group Limited (“WTL”, “the Company” or “the Group”) today lodged its Appendix 4D and Interim Report (audit reviewed) for the half-year to 31 December 2023, and is pleased to report that the Group’s consolidated EBITDA profit was 8% up on the prior corresponding period (PCP) to \$3.11M (H1FY2023 \$2.88M), while net profit before tax increased 7% to \$2.26M (H1FY2023 \$2.11M).

Statutory income tax expense was \$68K, in contrast to the PCP when the Company recorded an income tax benefit of \$171K, resulting in consolidated profit after tax of \$2.19M (H1FY2023: \$2.28M). The result is in line with the Company’s expectations and market guidance provided by the Company.

Operating cashflow was up 72% to \$1.80M (PCP: \$1.05M), with cash at hand \$5.23M on 31 December, despite the Company having settled its acquisition of Millennium3 Financial Services Pty Ltd (**Millennium3**) with cash just prior to the period end.

WTL CEO, Keith Cullen, said, “Our focus is to ensure strong alignment in culture, values and upside with the advice practices we support. That focus led to some rationalisation of our networks last financial year which is now being rewarded with significantly improved profit for our advice network operations - with our core B2B segment recording a 19% improvement in EBITDA to \$3.78M (H1FY2023: \$2.93M)”.

“Along with disciplined operating cost containment, this has contributed to consolidated EBITDA profit being up 8% to \$3.11M, and NPBT up similarly on a 4% reduction in gross revenue and other income. The slight reduction in NPAT on the PCP being due to a tax benefit in that period, against a tax expense for this period”, added Mr Cullen.

“We are delighted with the results and expect continued growth in profitability as we integrate our Millennium3 acquisition into the broader group and start to explore new revenue opportunities”, concluded Mr Cullen.

Summary of the results:

- Total revenue and other income in the period decreased marginally on the PCP to \$80.14M (H1FY2023: \$83.45M) following some advice network rationalisation in the last financial year, while direct costs of revenue decreased to \$71.75M (H1FY2023 \$74.88M).
- Significantly improved gross profit (and EBITDA) of the Group’s advice network operations contributed to EBITDA profit being up 8% to \$3.11M (H1FY2023 \$2.88M).
- Continued success of the Group’s integration programs contributed to the improvement in EBITDA profit with operating expenses contained (and slightly decreased) to \$5.45M (H1FY2023: \$5.68M).
- Drawing on corporate facilities in early-mid 2023 to settle deferred acquisition payments resulted in an increase in finance costs to \$522K (H1FY2023 \$313K), while depreciation and amortisation declined to \$320K (H1FY2023 \$458K).
- The combination of improvements in gross profit margin, and a reduction in operating costs saw the Group’s consolidated NPBT increase 7% to \$2.26M (H1FY2023 \$2.11M).
- Statutory income tax expense was \$68K (H1FY2023 tax benefit of \$171K). This resulted in consolidated profit after tax being down slightly on the PCP to \$2.19M (H1FY2023: \$2.28M), notwithstanding the improvements in EBITDA and NPBT.

Half Year results presentation and company update

An investor webinar to provide a Company and industry update and discuss the results and will be held at 11.00am AEDT (8.00am AWST) on Tuesday 5th March 2024. Details and a registration link are provided below.

WT Financial Group Investor Webinar

11.00am AEDT (8.00am AWST)

Tuesday 5th March 2024

Presenter: Keith Cullen, founder, and CEO

Register using the following link:

https://janemorganmanagement-au.zoom.us/webinar/register/WN_6kqmhZamS5OMK12DCyh7VQ

After registering your interest, you will receive a confirmation email with information about joining the webinar. Participants will be able to submit questions via the panel throughout the presentation, however we encourage shareholders and investors to send through questions via email beforehand to:

info@janemorganmanagement.com.au

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About WT Financial Group Limited

WT Financial Group Limited has established itself as amongst the very largest financial adviser networks in Australia. Its wealth management, retirement planning and personal risk insurance advice services are delivered primarily through a group of more than 400 privately-owned advice practices whose advisers operate as authorised representatives under its Wealth Today, Sentry Advice, Synchron Advice, and Millennium3 subsidiaries.

The Group's B2C division delivers a range of financial advice services directly to wholesale and retail clients through its Spring Financial Group brand.

The Group's Wealth Adviser division is the Company's central services and support hub and also offers market-leading services and solutions to advisers and their clients outside of WTL's subsidiary cohorts including through regular in-person and livestreamed seminar and professional development programs and the publication of a library of more than 100 financial literacy handbooks and manuals in both digital and printed formats.

Authorised for release by:

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