

ASX Announcement – 5 March 2024

WTL HALF YEAR INVESTOR WEBINAR

Financial advice network operator, WT Financial Group Limited (“WTL”, “the Company” or “the Group”) will hold an investor webinar to provide a Company and industry update and discuss the Company’s half year results. The associated presentation deck is provided here for release to the market.

Details for the webinar 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

ENDS

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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WT | FINANCIAL GROUP

The Future Of Quality Advice

WTL H1 FY2024 Results Webinar

5 March 2024

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 5 March 2024.

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 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.

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.

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.

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.

Our brands and their services

WTL is a “pure play” wealth management and financial advice group with B2B scale and real world B2C experience and expertise – Advice is at the heart of everything we do

ASX LISTED PARENT
COMPANY

WT | FINANCIAL GROUP

B2B LICENSING
SOLUTIONS FOR
ADVICE PRACTICES

 SENTRY  Synchron

 wealthtoday  millennium3*
leadership | advice | community

B2B ADVISER HUB
AND LICENSEE
SERVICES

 WealthAdviser

B2C FINANCIAL
ADVICE SERVICES
FOR CONSUMERS

 spring' FINANCIAL GROUP

* Acquired 8 December 2023

Operational efficiency

Our operating model has enabled us to retain our strong legacy brands and cohorts while gaining efficiencies through centralised supports



CENTRALISED ADVISER SUPPORT AND SERVICES HUB

APL | Policy suite | Adviser education and training | Consumer engagement and marketing tools

PI insurance | Remuneration management | Risk management framework | Estate planning

Adviser recruitment | Practice management and support



B2C financial advice | Accounting & tax | Our “R&D lab”

spring' FINANCIAL GROUP

Revenue Drivers

WTL's revenue generation is derived from diverse avenues:

Base Fees

All advice practices pay WTL minimum base fees.

Licensee & Adviser Services

Services for self-licensed practices under the Wealth Adviser banner

Adviser Revenue

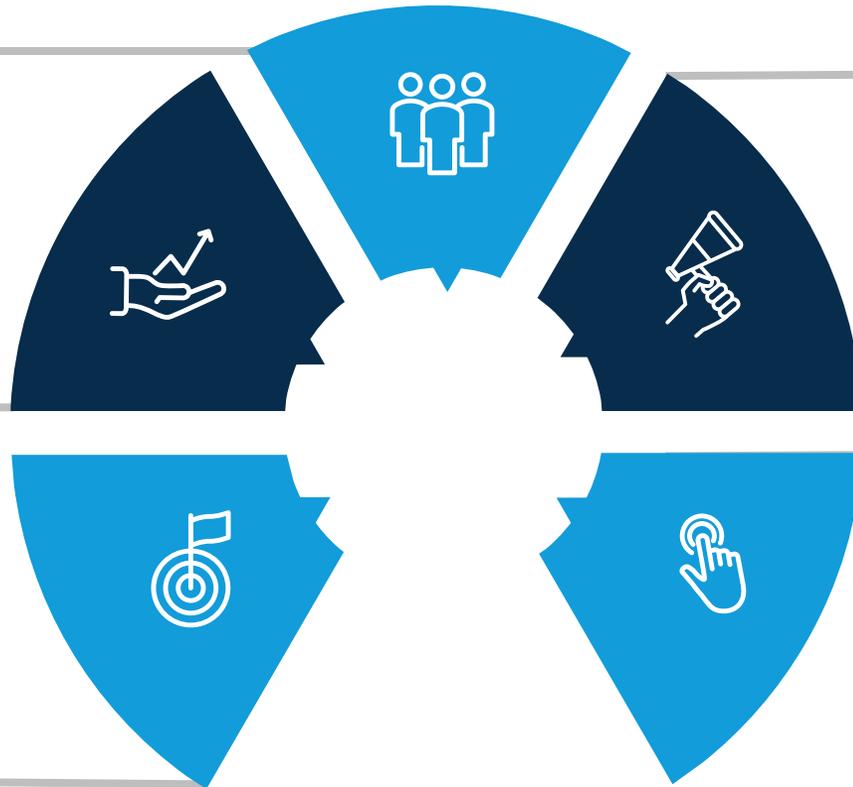
Advice fees & insurance commissions of which WTL retains a %.

User Pays Services

A range of user pays services for practices

B2C Revenue

Advice, accounting and mortgage brokerage



Half-year EBITDA and NPBT growth

Disciplined operating cost containment has contributed to 8% EBITDA and 7% NPBT increases on a 4% reduction in gross revenue and other income. Slight reduction in NPAT is due to a tax benefit in that period, against a tax expense for this period.

	H1FY2024	PCP	Variance
Revenue	79,603,754	82,066,863	-3%
Other income	527,100	1,385,157	-62%
Total revenue and other income	80,130,854	83,452,020	-4%
Direct cost of revenue	(71,573,880)	(74,885,660)	-4%
Gross profit	8,556,974	8,566,360	0%
Total expenses	(5,454,749)	(5,681,942)	-4%
EBITDA	3,102,225	2,884,418	8%
Depreciation & amortisation	(320,397)	(457,701)	-30%
Finance costs	(522,909)	(312,513)	67%
Total depreciation/amort and finance	(843,306)	(770,214)	9%
Profit/(Loss) before income tax	2,258,919	2,114,204	7%
Income tax benefit/(expense)	(67,800)	170,801	-140%
Total comprehensive income for the half-year	2,191,119	2,285,005	-4%

**EBITDA
growth**

up 8% to \$3.1m

**NPBT
higher**

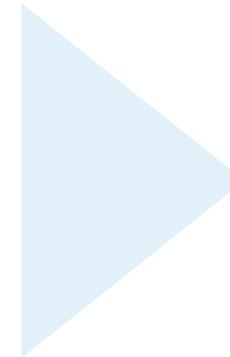
up 7% to \$2.26m

Costs contained and reduced

The benefits of scale and the successful integration of disparate acquired business operations are enabling costs to be contained.



Operating expenses	H1FY2024	PCP	Variance
Employee benefits expense	(3,688,144)	(3,972,563)	-7%
Advertising & marketing expenses	(874,428)	(433,379)	102%
Consulting & professional fee expenses	(180,139)	(176,960)	2%
Rental expenses	(28,018)	(147,033)	-81%
Other operating expenses	(684,019)	(952,007)	-28%
Total expenses	(5,454,749)	(5,681,942)	-4%



Costs controlled
down 4% to \$5.45m

Source: WTL HY2023 audit reviewed financial statements

Balance sheet stabilised and ROE 15.8% pa

Net assets have increased by 20% - net current asset turnaround as assumed liabilities from previous acquisitions and backend acquisition payments satisfied.

	H1FY2024	PCP	Variance
Current assets	16,239,004	13,093,118	24%
Non-current assets	36,695,547	36,501,872	1%
Total Assets	52,934,551	49,594,990	7%
Current liabilities	15,620,563	16,055,760	-3%
Non-current liabilities	9,545,733	10,469,635	-9%
Total liabilities	25,166,296	26,525,395	-5%
Net Assets	27,768,255	23,069,595	20%
Issued capital	33,749,103	33,098,136	2%
Reserves	26,659	26,659	0%
Accumulated dividends	(6,827,069)	(6,827,069)	0%
Accumulated profit/losses	819,562	(3,228,131)	-125%
Total equity	27,768,255	23,069,595	20%
Net Current Assets	618,441	(2,962,642)	
Shares on issue			339,234,358
Half year ROE			7.9%
Annualised ROE			15.8%

**Increased
Net Assets**

up 20% to \$27.77m

**Net Current
Assets**

At \$618,441

**Annualised
ROE**

of 15.8% pa

Strong operating cashflow - up 72% on PCP

Operating cashflow significantly improved, with cash at hand \$5.23M despite the Company having settled its acquisition of M3 with cash just prior to the period end.

	H1FY2024	PCP	Variance
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	76,442,674	83,532,396	-8%
Payments to suppliers and employees	(73,367,278)	(80,971,142)	-9%
Payments for prior period accruals	(748,689)	(1,225,452)	-39%
Net interest received / (paid)	(522,909)	(287,463)	82%
Net cash provided by operating activities	1,803,798	1,048,339	72%
CASH FLOWS FROM INVESTING ACTIVITIES:			
Loans to third-party advice practices	-	(262,500)	
Acquisition of Sentry Group	-	(722,864)	
Acquisition of Millennium 3	(2,014,951)	-	
Sale of B2C mortgage book and other	527,100	-	
Net cash used in investing activities	(1,487,851)	(985,364)	51%
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net movement in borrowings	-	940,500	
Repayment of lease liabilities	(396,732)	(348,313)	14%
Net cash provided by / (used in) financing activities	(396,732)	592,187	-167%
Cash and cash equivalents at beginning of period	5,313,022	3,384,884	57%
Cash and cash equivalents at end of period	5,232,237	4,040,046	30%
Net increase/(decrease) in cash	(80,785)	655,162	-112%

Operating Cashflow

up 72% to \$1.80m

Cash and Cash Equivalents

up 30% to \$5.23m

Core Advice Network (B2B) operations

NPBT up 20% on PCP

Rationalisation of advice networks last financial year is now being rewarded with significantly improved operating profit for the Group's core advice network operations.

H1FY2024	Advice networks	B2C*	Corporate	Total
Total segment revenue	78,823,473	1,158,945	155,154	80,137,572
EBITDA	3,767,920	958,598	(1,617,574)	3,108,944
Net profit before tax	3,513,779	958,598	(2,213,458)	2,258,919

PCP	Advice networks	B2C	Corporate**	Total
Total segment revenue	81,255,073	800,955	1,395,992	83,452,020
EBITDA	3,160,994	334,744	(611,319)	2,884,419
Net profit before tax	2,934,054	334,744	(1,154,594)	2,114,204

Revenue variance	-3%	45%	-89%	-4%
EBITDA variance	19%	186%	165%	8%
NPBT variance	20%	186%	92%	7%

**B2B Network
NPBT**

up 20% to \$3.51m

**B2B Network
EBITDA**

up 19% to \$3.77m

* Included \$448k gain on contract
** Included \$1.2M gain on contract

Source: WTL HY2023 audit reviewed financial statements

Alignment between network practices and WTL is key

Variable fee components are a key differentiator and strongly align our interests with those of the practices we support - revenue share now contributes 38% of net revenue, up from 30%.

	H1FY2024	PCP		
Total advice network revenue	78,738,209	80,770,361	(2,032,153)	-3%
Total advice network direct costs	71,551,018	75,030,398	(3,479,380)	-5%
Advice network gross margin	7,187,191	5,739,963	1,447,228	25%
Adviser revenue component of gross revenue	72,383,843	74,124,304	(1,740,461)	-2%
Adviser split component of direct costs	68,862,660	71,339,082	(2,476,422)	-3%
WTL revenue share retained	3,521,184	2,785,223	735,961	26%
WTL revenue share as % adviser revenue component	4.9%	3.8%		



Advice Network Gross Margin
up 25% to \$7.19m

WTL Revenue Share
up 26% to \$3.52m

Share as % Adviser Revenue
4.9% (up from 3.8%)

Source: WTL HY2023 audit reviewed financial statements

Network rationalisation delivering improved outcomes

Significant improvement in all aspects of advice network and individual adviser metrics have resulted from rationalisation across FY2023. Annualised per adviser gross revenue, WTL net revenue per adviser, and WTL GP per adviser all up strongly.

Net adviser movements	Start	End	Net	Weighted No.
PCP	526	468	(58)	497
H2 FY2023	468	426	(42)	447
H1FY2024 (ex M3)	426	427	1	427
H1FY2024 (add M3)	426	561	135	443

Advice network metrics	Gross Rev	Net Rev	Gross margin	Weighted No.
PCP	80,770,361	9,031,279	5,739,963	497
H1FY2024	78,738,209	9,116,599	7,187,191	443
Variance	-2.5%	0.9%	25.2%	-10.8%

Per adviser annualised	Gross Rev	Net Rev	Gross margin	Weighted No.
PCP	325,032	36,343	23,098	497
H1FY2024	355,129	41,118	32,416	443
Variance	9.3%	13.1%	40.3%	

Per adviser (annualised)

Adviser Gross Revenue

up 9.3% to \$355,129 pa

WTL Net Revenue

up 13.1% to \$41,118 pa

WTL Gross Margin

up 40.3% to \$32,416 pa

WTL board

The WTL board has a strong record of success in financial services, and in mergers and acquisitions in private and public companies



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.



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.



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.



Chelsea Pottenger

Non-Executive Director

Chelsea Pottenger is one of Australia's most popular keynote speakers and corporate presenters and the author of The Mindful High Performer. She is the founder of EQ MINDS, a corporate performance and wellbeing coaching platform that works with leading global brands to train thousands of executives and staff each year across many industries including financial services.

Senior executive team

WTL has a hands-on senior executive team with extensive experience in financial services in both B2B and B2C roles enabling it to add real value to the practices the group supports



David Newman

Joint COO, Group Head of Adviser Services

David is a significant WTL shareholder with 35yrs in financial services, specialising in strategic planning and execution. As joint-COO his focus is business development and west-coast operations.



Frank Paul

Joint COO, Group Head of Risk

Frank is a significant WTL shareholder and has 25yrs in financial advice, as a practice principal and senior executive including 8yrs with WTL in head of advice and COO roles. His focus is group risk management.



Jack Standing

Group Head of Advice

Jack has served 12yrs with WTL in key B2B and B2C advice roles and heads adviser training & education and oversees advice creation within WTL's innovative peer review and risk management framework.



Ricton Jones

Group Head of Finance

Ricton has broad experience in financial accounting, treasury, audit coordination and tax in technology and financial services, and heads finance functions across the Group. CIMA and CPA qualified.

Contact

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