

ASX Announcement – 8 August 2023

WTL FY2023 FULL-YEAR INDICATIVE RESULTS

REVENUE UP 57% - NPBT AND NPAT MORE THAN DOUBLE – BASIC EPS 1.31 CPS

WT Financial Group Limited (“WTL”, “the Company” or “the Group”) is pleased to provide indicative results for the full year to 30 June 2023 (FY23) showing a 57% increase in revenue and other income over the prior period to \$162.49M (FY22 \$103.63), and a more than doubling of both net profit before tax (NPBT) - up 115% to \$5.04M (FY22 \$2.35M); and net profit after tax (NPAT) - up 130% to \$4.31M (FY22 \$1.87M).

The Company’s CEO, Keith Cullen, said, “Our strategic acquisitions - the methodical rationalisation of our network and operations - and restructuring of legacy processes and paradigms - to place advice, and our advisers and their clients, at the centre of our relationship with the practices we support, are delivering results”.

Summary of indicative results

- Revenue & Other Income was up **57% to \$162.49M** (FY22 \$103.63M). Direct Cost of Sales were **\$145.40M** (FY22 \$92.56M), resulting in an expected gross profit increase of **54% to \$17.08M** (FY22 \$11.07M).
- Earnings before interest & tax (EBIT) is expected to be up **99% to \$5.59M** (FY22 \$2.80M) after Total Operating Expenses increased just **49% to \$10.62M** (FY22 \$7.15M); and Depreciation & Amortisation (inclusive of Right-of-Use Assets and Lease Liability Finance Costs) totalled **\$862k** (FY22 \$1.12M, inclusive of one-off expenses of \$472k).
- NPBT is expected to be up **115% to \$5.04M** (FY22 \$2.35M), after Net Interest Expense of **\$552k** (FY22 \$477k).
- NPAT is expected to be up **130% to \$4.31M** (FY22 \$1.87M), after an indicative statutory tax calculation of **\$736k** (FY2022 \$477k). However, with the benefit of carried-forward tax losses no cash tax liability will arise. Notwithstanding carried-forward tax losses, the Company has a franking credit balance in excess of **\$1.4M**.

During the period the Company cash-settled \$735k of upside performance payments associated with its July 2021 acquisition of Sentry Group Pty Ltd (Sentry); and \$1.71M of prior period acquired liabilities associated with its March 2022 acquisition of Synchron Advice Pty Ltd (Synchron). It also settled upside payments of \$735k associated with its Sentry acquisition; and \$651k associated with its Synchron acquisition, via the issuance of 9.47M and 8.68M new shares respectively.

Volume-weighted shares-on-issue for the period were 327.65M - with a total of 339.23M shares and 1.5M options on issue on 30 June 2023. Accordingly, basic EPS is indicated at 1.31 CPS; and diluted EPS at 1.26 CPS.

The Company’s cash balance on 30 June 2023 was \$5.3M (FY22 \$3.38M).

“At a time when others have turned their backs on wealth advice and personal risk insurance advice, we have recognised the incredible importance of the profession in supporting Australian families. We will continue to drive paradigm shifts in the licensee-adviser relationship to improve outcomes for practitioners, their clients, and our shareholders”, said Mr Cullen.

He added, “Our results are not only reflective of our performance, but of the positive outlook for advice practices and licensees in Australia. Demand for quality financial and personal risk insurance advice continues to grow as millions more Australians plan for and reach retirement – at a time when adviser supply has been reduced and barriers-to-entry set high - and net superannuation assets are growing at an incredible \$2Bn each week”.

Mr Cullen concluded, *“The outlook for our profession has never been stronger for those who embrace the modernisation of the profession, and we believe that outlook has been boosted thanks to the positive manner with which the government is approaching important reforms aimed at opening up accessibility of advice to more Australians”*.

Appendix 4E and audited financial statements

The Company said it expects to lodge its financial statements and Appendix 4E on or before 31 August 2023 and its audited financial statements and annual report by mid-September 2023. It said it does not anticipate any material variances to the indicative results provided today.

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 privately-owned advice practices whose advisers operate as authorised representatives under its Wealth Today, Sentry Group, and Synchron 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 offers market-leading services and solutions to advisers and their clients 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.

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