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FY2020 Annual General Meeting - Chairman's address

The following is a transcript of an address by Mr Guy Hedley, non-executive chairman of WT Financial Group Limited to its annual general meeting of members today, 12 November 2020.

Ladies and gentlemen thank you for your attendance today.

We have seen an extraordinary couple of years in the financial advice industry. Just as we came off the back of the Royal Commission findings and the impact that had on both the industry and the Company, we were confronted by the COVID-19 environment.

I am very pleased therefore to be able to report the early success of the strategic transformation of the Company through this period, in delivering on our strategic goals of a return to profitable operations and positive cashflows.

Our managing director Keith Cullen will provide a more detailed explanation of the results in his address today but in summary we have achieved a 20% increase in total revenue & other income to just over \$12M and - what is perhaps most pleasing is that - B2B revenue was up nearly 70% to \$8.4M with recurring revenue up more than 30% to nearly \$8.7M.

This revenue growth married with further reductions in expenses delivered a more than 330% improvement in EBITDA to \$1.21M, as compared to an EBITDA loss of \$524k for FY2019.

This result is a reflection of a very deliberate strategy including our acquisition of Wealth Today in 2018 to shift the business to a dealer group B2B focus and a corresponding shift to predominately recurring revenue lines. It also recognises a very disciplined approach to cost management and efficiently leveraging the business resources across the dealer group network.

Our view that the shift away from institutionally-owned financial advice networks would continue to accelerate over the coming years, has proven to be sound.

We are seeing ongoing fragmentation of many previously strong aligned financial advice networks, as their owners are either forced or elect to exist the industry. We have benefited from this trend and we see significant further opportunities to add to the adviser network in the immediate future.

While the ongoing operational and economic challenges from the COVID-19 pandemic will no doubt continue to present headwinds, we are confident of our ability to execute our core business strategy of growing a profitable financial adviser B2B network. There is no doubt that the need for consumers to seek out prudent financial advice will be even more pressing than before COVID-19.

We all accept that the last few years for the Company have presented an enormous challenge for shareholders. Having successfully executed the initial stage of the turnaround your Board and Management will continue to focus on growing the dealer group network as we shift the Company back to sustainable profitability.

We thank you for your support to date and we look forward to it continuing and to you being a part of our future.

About WT Financial Group Limited

WT Financial Group Limited is a diversified financial services group. Its advice and product offerings are delivered primarily through a group of independent financial advisers operating as authorised representatives under its Wealth Today Pty Ltd subsidiary.

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 and market information services for advisers and consumers through that includes the publication of its Wealthadviser library of more than 100 financial literacy manuals and handbooks on a broad range of financial and investment market topics which are available in both digital and printed form.

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