

WT FINANCIAL GROUP LIMITED (ASX: WTL)

ASX Release – 31 August 2021

FY2021 Results and Annual Report

WT Financial Group Limited (the Company or WTL) has today released its Appendix 4E and its FY2021 Annual Report and audited consolidated financial statements with the results in line with previous market guidance of EBITDA breakeven (marginally positive) ahead of a series one-off write-downs and provisions.

Despite the impact of the COVID-19 pandemic tempering growth and momentum, the Company continued to grow revenue across FY2021, with Revenue & Other Income up 6% to \$13.56M. Significantly, B2B revenue was up nearly 24% to \$10.45M (FY2020: \$8.41M), with recurring and repeat revenue representing 86% of that at \$9.01M (FY2020 \$8.65M).

As restructuring continued Operating Profit (EBITDA) was in line with previous guidance, being marginally positive at \$36k, as compared to an EBITDA of \$1.02M for FY2020.

As was also detailed in previous announcements and market guidance, WTL has taken significant steps to restructure its balance sheet as at June 30 2021 to ensure that it has a clear runway to deliver in FY2022. After accounting for these one-off write-downs and provisions totalling \$2.89M the NPAT result was a loss of \$3.28M (FY2020 loss of \$594k).

With the acquisition of Sentry Group Pty Ltd (Sentry) now completed, the Company said that FY2022 revenue guidance is for a significant increase in revenue to \$70M+ and net profit after tax guidance is for in excess of \$2M.

Commenting on the results, WTL managing director Keith Cullen said, “In large part the past three and a half years of restructuring has meant short-term financial outcomes have had to take a back seat to more strategic long-range thinking to ensure we recapture long-term value from our IP and assets”.

“Adopting this approach has however seen us emerge as a disrupter - rather than simply being ourselves disrupted by the incredible structural shifts in the financial advice sector as the profession modernises”, said Mr Cullen.

He added, “With this backdrop it is encouraging therefore that, in addition to the support of our long-term shareholders, we have been able to welcome so many new institutional and direct investors to our share register, including those who so confidently backed the placement of new shares to support our acquisition of Sentry”.

Mr Cullen concluded, “This is a highly complementary and transformational acquisition that brings great scale and efficiencies and delivers an expanded board and management team as we have explained in more detail in this Annual Report”.

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 and Sentry Group Pty Ltd 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 an investment market topics.

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