

ASX Announcement - 25 Feb 2022**Half-year to 31 December 2021 – Indicative Results and Update**

Successful integration of Sentry acquisition delivers strong first-half profitability

WT Financial Group Limited (ASX: WTL) (the “Company”, or the “Group”) today announced indicative results for the half-year to 31 December 2021 of Group EBITDA of \$1.67M (H1FY2021 \$169K) and consolidated net profit after tax of \$1.12M (H1FY2021: loss \$333K), following the successful integration of its Sentry Group Pty Ltd (Sentry) acquisition (which was completed on 17 July 2021).

Key components of the results, which are subject to final audit review, are provided below. All comparisons are to the prior corresponding period (PCP) of the six months to 31 December 2020.

Summary of results

- Total revenue and other income increased **417%** to **\$34.97M** (H1FY2021: \$7.13M)
- Operating expenses were contained to a **16%** increase to **\$2.88M** (H1FY2021: \$2.48M) reflective of the success of the Group’s integration and restructuring programs
- Cost of goods sold increased **577%** to **\$30.41M** (H1FY2021 \$4.49M) in line with expectations and reflective of increased revenue contribution from non-salaried advisers
- The Group’s consolidated EBITDA profit was up **886%** to **\$1.67M** (H1FY2021 \$169K)
- Inclusive of **\$53K** of financing charges associated with premises leases (in line with the mandatory adoption of AASB16 – Leases), finance costs were down 24% on the PCP to \$189K
- Depreciation and amortisation were also down by **33%** on the PCP to **\$252K** (H1FY2021 \$376K) aided by balance sheet restructuring in FY2021
- Statutory income tax expense was **\$106K** (H1FY2021: benefit \$122K) resulting in a consolidated profit after tax of **\$1.12M**, up **436%** on the PCP (H1FY2021: loss of \$333K) which is in line with the Company’s expectations and with market guidance

Commenting on the results, the Company’s CEO, Keith Cullen, said:

“We’re delighted with the success of the integration of the Sentry operations, particularly in light of the challenges presented by travel and other restrictions imposed by governments in response to Covid-19. We are in line with - or ahead of - key metrics for the half year, so remain on track to achieve or better our guidance of \$70M plus revenue and \$2M plus NPAT for the full year”.

Mr Cullen said that the completion of the Sentry acquisition represented the conclusion of the first stage of a very deliberate strategy by WTL to shift from its previous direct to consumer (or B2C) focus to a dealer group (or B2B) focus to capitalise on industry disruption.

“The scale and depth of skills and assets created through the acquisition has seen WTL emerge as an industry leader with an offering for modernised advice practices that is second to none, positioning us to achieve organic growth through the recruitment of more leading advisers”, said Mr Cullen.

He concluded, “As industry disruption continues these same attributes create a compelling proposition for further acquisitions - which we continue to consider on their merits as and when they arise.

Appendix 4D and financial statements

The Company is finalising its financial statements and 4D which it expects to release on 28 February 2022. It does not anticipate any material variations to the indicative results provided today.

ENDS

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 and investment market topics.

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