

ASX Announcement - 28 Feb 2022

Half-year to 31 December 2021 Results and Appendix 4D

Successful integration of Sentry acquisition delivers strong first-half profitability

WT Financial Group Limited (ASX: WTL) (the “Company”, or the “Group”) today released its Appendix 4D and Audit Reviewed Interim Financial Statements for the half-year to 31 December 2021 showing Revenue & Other Income up 389% to \$34.9M (H1FY2021 \$7.13M), EBITDA up 886% to \$1.67M (H1FY2021 \$169K) and consolidated net profit after tax up 438% to \$1.12M (H1FY2021: loss \$333K).

The Company said that the results, which are in line with indicative results announced last week, are reflective of its success in integrating the operations of Sentry Group Pty Ltd (Sentry), following its acquisition by WTL in July 2021.

The Company will provide access details for a series of upcoming investor presentations in coming days.

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

“The result sees us in line with or ahead of all key metrics for the half year, so we remain on track for our previous market guidance of more than \$70M in revenue and a net profit after tax in excess of \$2M for the full year”.

Mr Cullen added, *“With our restructure from our previous direct to consumer (or B2C) focus to a dealer group (or B2B) focus now complete we are well placed to continue to capitalise on the ongoing disruption in our industry, at a time when demand for advice continues to grow”.*

“We expect to achieve organic growth through the recruitment of more leading advisers and of course we continue to consider acquisition opportunities on their merits as and when they arise”, concluded Mr Cullen.

Summary of results

- Total revenue and other income increased **389%** 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

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.

Authorised for release by:

Keith Cullen
Managing director
(02) 9248 0422

For further information:

Jane Morgan
Investor and Media Relations
+ 61 (0) 405 555 618
jm@janemorganmanagement.com.au