

ASX Announcement – 16 August 2022

WTL FY2022 INDICATIVE RESULT AND INVESTOR WEBINAR

Successful integration of Synchron and Sentry acquisitions deliver strong profitability

WT Financial Group Limited (“WTL”, “the Company” or “the Group”) today provides indicative (unaudited) results (set out below) for the full-year to 30 June 2022 (FY2022) showing strong profitability following the successful integration of both its Sentry Group Pty Ltd (“Sentry”) acquisition (completed on 19 July 2021) and Synchronised Business Services Pty Ltd (“Synchron”) acquisition (completed 15 March 2022). An investor webinar to discuss the result will be held at 11.00am on Wednesday 17 August 2022 (registration link provided below).

The Company’s CEO, Keith Cullen, said, “*The indicative results demonstrate the success of our restructure and acquisition strategy. Our revenue of more than \$103M includes a nearly \$35M contribution from Synchron from just three and a half months of the financial year – setting the stage for a very strong FY2023 with the benefit of a full year contribution from the acquisition*”.

The Company said FY2021 comparisons should be read in the context of its transformational restructure to a predominately business-to-business focus which has included the aforementioned material acquisitions.

Summary of indicative results

Total Revenue & Other Income is indicated at \$103.61M (FY2021 \$13.56M), with *Direct Cost of Sales* of \$92.56M (FY2021 \$9.05M).

Total Operating Expenses (excluding depreciation, amortisation, interest and tax) are indicated at \$7.15M (FY2021 \$4.47M), resulting in an *Operating Profit* (EBITDA) of \$3.90M (FY2021 \$36K), underscoring the success of the Group’s transformational restructure and acquisition strategy.

Lease Liability Finance Costs, and *Depreciation & Amortisation* (inclusive of *Depreciation of Right-of-Use Assets*) total \$648k (FY2021 \$470k) resulting in an expected operating *EBIT* of \$3.26M (FY2021 EBIT loss of \$434k excluding restructuring costs).

Underlying *Net Interest Expense* (excluding acquisition-related debt restructuring) was \$442k (FY2021 \$565k) indicating an underlying operating *NPBT* of \$2.81M (FY2021 NPBT a loss of \$998k).

After accounting for one-off debt restructuring of \$472k (associated with the Synchron acquisition), statutory *NPBT* is indicated at \$2.34M (FY2021 NPBT loss of \$3.89M after accounting for \$2.89M of restructuring costs).

With the benefit of carried-forward tax losses of more than \$9M no *cash* tax liability will arise, however the Company’s *statutory* tax calculation (which is yet to be finalised) is expected to be circa \$400k.

Notwithstanding it’s carried-forward tax losses, the Company has a franking credit balance in excess of \$1.4M which will enable it to pay future franked dividends in advance of any cash tax liability arising.

The Company’s cash balance on 30 June 2022 was \$3.38M, with additional undrawn facilities of \$2.12M available to it.

Mr Cullen added, “*Importantly, the efficiencies we have gained through the acquisition and integration of both Sentry and Synchron are not only resulting in highly-accretive outcomes for shareholders; they are enabling us to continue to expand our critical support and service offerings to advisers as our industry continues to modernise and as consumer demands for advice grows*”.

Appendix 4E and audited financial statements

The Company said it expects to lodge its financial statements and Appendix 4E on or before 29 August 2022 and its audited financial statements and annual report by early to mid-September 2022. It said it does not anticipate any material variances to the indicative results provided today.

Indicative results presentation and company update

WT Financial Group Investor Webinar

11.00am AEST (9.00am AWST)

Wednesday 17th August 2022

Presenter: Keith Cullen, founder, and CEO

Register using the following link:

https://janemorganmanagement-au.zoom.us/webinar/register/WN_Wf-FgzzaRNGFnnSAZf77FA

ENDS

About WT Financial Group Limited

WT Financial Group Limited has established itself as the largest non-institutionally-owned, non-product producing financial adviser network in Australia. Its advisory services are delivered primarily through a group of privately-owned financial 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 services, encompassing financial planning, accounting & tax services and mortgage finance services, directly to wholesale and retail clients through the Spring Financial Group brand.

The Group offers market-leading financial education services for advisers and consumers through regular seminar programs and the publication of its Wealth Adviser library of more than 100 financial literacy handbooks and manuals on a broad range of financial and investment market topics.

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