

ASX Announcement – 26 August 2022

WTL FY2022 APPENDIX 4E PRELIMINARY FINAL REPORT

Revenue exceeds \$103M, with \$34.9M contribution from Synchron in just 3 ½ months

Primary B2B operations record operating profit before tax of \$3.34M – up 260% on prior year

WT Financial Group Limited (“WTL”, “the Company” or “the Group”) today released its Appendix 4E Preliminary Final Report (unaudited) for the full-year to 30 June 2022 (“FY2022”) confirming its indicative results which were released last week.

The Company said its results reflect 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). The Company said prior year (“FY2021”) comparisons should be read in the context of those material acquisition and its transformational restructure to a predominately business-to-business (“B2B”) focus from its previous direct to consumer (or “B2C”) focus.

Summary of results

Total Revenue & Other Income was up 664% to \$103.63M (FY2021 \$13.56M), with *Direct Cost of Sales* of \$92.56M (FY2021 \$9.05M).

Total Operating Expenses (excluding depreciation, amortisation, interest and tax) were \$7.15M (FY2021 \$4.77M), resulting in an *Operating Profit* (EBITDA) of \$3.92M (FY2021 \$36K).

Depreciation & Amortisation totalled \$503k (FY2021 \$419k), and underlying *Net Interest Expense* (excluding acquisition-related debt restructuring) was \$598k (FY2021 \$615k) resulting in an *Underlying Operating Net Profit Before Tax* of \$2.82M (FY2021 underlying before tax loss of \$998K).

After accounting for one-off debt restructuring of \$472k (associated with the Synchron acquisition), statutory *Net Profit Before Tax* was \$2.35M (FY2021 before tax loss of \$3.89M after \$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 was \$477k (FY2021 tax benefit of \$605k) resulting in a statutory *Net Profit After Tax* of \$1.87M (FY2021 after tax loss of \$3.29M).

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

The Company’s CEO, Keith Cullen, said, “As indicated in our 4E Segment Reporting our primary B2B operations recorded an operating profit before tax of \$3.34M, up considerably from last year’s B2B before tax profit result of \$927k, underscoring the success of our acquisition and renovation strategy.”

Mr Cullen added, “With Synchron contributing nearly \$35M of the B2B division’s revenue of nearly \$100M from just three and a half months of the financial year we are looking forward to a very positive FY2023 with the benefit of a full year contribution from the acquisition”.

Mr Cullen concluded, “Our acquisitions have delivered the right scale to enable us to continue to expand our range of services to our advisers to support their own growth at a time when the demand for advice continues to grow.”

Audited financial statements

The Company’s financial report is in the process of being audited. The Company expects to lodge its audited financial statements and Annual Report on or around 23 September 2022. It said it does not anticipate any material variances to the Preliminary Final Report provided today.

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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