

WT Financial Group Limited (ASX: WTL)
Appendix 4E - Preliminary Final Report FY2023
31 August 2023

1. Company Details

Name of entity:	WT Financial Group Limited
ABN:	87 169 037 058
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

2. Results of announcement to the market

		\$'000
Revenue from ordinary activities	up 57% to	162,487
Operating profit (before depreciation, amortisation, interest and tax)	up 65% to	6,461
Statutory net profit before tax (prior year loss)	up 107% to	4,877
Profit after tax from ordinary activities attributable to the owners of WT Financial Group Limited (prior year loss)	up 110% to	4,142

This report should be read in conjunction with any public announcements made in the period by WT Financial Group Limited in accordance with ASX Listing Rules and its audited Consolidated Financial Statements accompanying this Appendix 4E.

2.1 Commentary

WT Financial Group Limited has established itself as amongst the very largest financial adviser networks in Australia. Its wealth management, retirement planning and personal risk insurance advice services are delivered primarily through a group of privately-owned advice practices whose advisers operate as authorised representatives under its Wealth Today Pty Ltd (Wealth Today), Sentry Group Pty Ltd (Sentry) (acquired 19 July 2022) and Synchron Advice Pty Ltd (Synchron) (acquired 15 March 2023) subsidiaries collectively operating as its business-to-business (B2B) division.

The Group's B2B operations contribute more than 95% of Revenue from Ordinary Activities and are the engine-room for growth.

A summary of FY2023 results is provided in the commentary below.

2.2 FY2023 Audited Results

The Company's FY2023 *Consolidated Statement of Profit & Loss and Other Comprehensive Income* is included in its audited Consolidated Financial Statements accompanying this Appendix 4E.

Total Revenue & Other Income was up 57% to \$162.49M (FY2022 \$103.63M), with Direct Cost of Sales of \$145.40M (FY2022 \$92.56M).

Total Operating Expenses (excluding depreciation, amortisation, interest and tax) were \$10.62M (FY2022 \$7.15M), resulting in an Operating Profit (EBITDA) of \$6.46M (FY2022 \$3.92M).

Depreciation & Amortisation (inclusive of Depreciation of Right-of-Use Assets) totalled \$666k (FY2022 \$503k), and underlying Net Interest Expense (including Lease Liability Finance Costs but excluding acquisition-related debt restructuring) was \$833k (FY2022 \$598k) resulting in an underlying operating Net Profit Before Tax of \$4.88M (FY2022 \$2.82M).

With the benefit of carried-forward tax losses no cash tax liability will arise; however, the Company's statutory tax calculation was \$736k (FY2022 \$477k) resulting in a statutory Net Profit After Tax of \$4.14M (FY2022: \$1.87M).

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2.3 Cashflow

The Company's FY2023 *Consolidated Statement of Cash Flows* is included its audited Consolidated Financial Statements accompanying this Appendix 4E.

Cashflow from operating activities was \$2.90M (FY2022 cash outflow of \$2.85M), inclusive of the payment of more than \$2.34M of prior period acquired liabilities associated with its March 2022 acquisition of Synchron, and restructuring costs that were expensed in the prior year.

During the period the Company also cash-settled \$735k of upside performance payments associated with its July 2021 acquisition of Sentry; and cash paid a \$1.05M deferred consideration associated with its acquisition of Synchron.

The Company's cash balance on 30 June 2023 was \$5.31M (FY2022 \$3.38M).

2.4 Balance Sheet

The Company's FY2023 *Consolidated Statement of Financial Position* is included in its audited Consolidated Financial Statements accompanying this Appendix 4E.

The Company's Net Asset position as at 30 June 2023 was \$25.57M (FY2022 \$20.06M).

2.5 Changes in Equity

The Company's FY2023 *Consolidated Statement of Retained Earning and Changes in Equity* is included in its audited Consolidated Financial Statements accompanying this Appendix 4E.

As at 30 June 2023 there were a total of 339,234,358 fully-paid ordinary shares on issue (30 June 2022 321,080,842).

2.6 Dividends

No dividend will be declared for the period as the Directors consider it prudent to retain cash due to its payments during the period that were made to satisfy components of upside, retention and deferred payments associated with its Sentry and Synchron acquisitions. However, the Company retains its policy to pay fully-franked dividends at least annually, as and when available profit and cashflow provide.

Notwithstanding its carried-forward tax losses, the Company has a franking credit balance of \$1.49M which will enable it to pay future franked dividends in advance of any cash tax liability arising.

2.7 Audited financial statements

The Company's Consolidated Financial Statements were released today and accompany this Appendix 4E.

Authorised for release by:

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