

WTL FY2024 FULL YEAR INDICATIVE RESULTS**UNDERLYING NPBT UP MORE THAN 50% FOR FOURTH STRAIGHT YEAR
STRONG OPERATING CASHFLOW PROVIDES FOR A RETURN TO DIVIDENDS****HIGHLIGHTS****Summary of indicative results for the underlying business**

- *Revenue & Other Income* for the underlying business is expected to increase by **15.3% to \$185.1M** (FY23 \$160.5M). *Direct Cost of Sales* were **\$167.4M** (FY23 \$145.4M), resulting in an expected gross profit increase of **17.4% to \$17.7M** (FY23 \$15.1M).
- *Earnings Before Interest and Tax (“EBIT”)* for the underlying business is expected to be up **41.5% to \$5.2M** (FY23 \$3.7M) after *Total Operating Expenses* of the underlying business increased just **12.4% to \$11.9M** (FY23 \$10.6M); and *Depreciation & Amortisation* fell to **\$624K** (FY23 \$832K).
- Underlying net profit before tax (“NPBT”) is expected to be up **51.4% to \$4.4M** (FY23 \$2.9M), after *Net Interest Expense* of **\$774K** (FY23 \$751K).
- *Cash and Cash Equivalents* increased **50.8% to \$8.0M** at year end (30 June 2023 \$5.3M) net of a \$2.0M cash payment in December 2023 related to the acquisition of Millennium3 (“M3”).
- The strong result represents **the fourth consecutive year of compounding growth** for the underlying business and provides for **a return to dividends**. The Board anticipates being able to declare a **fully franked dividend of 0.4 cents** on release of the Company’s Audited Financial Statements and has reinstated its policy to pay dividends biannually (subject to available cash).

WT Financial Group Limited (“WTL” or “the Company”) is pleased to provide indicative results for the full year to 30 June 2024 (“FY24” or “Period”), with the Company’s underlying business operations recording a 15.3% increase in revenue to \$185.1M (FY23 \$160.5M) and a 51.4% increase in underlying net profit before tax (“NPBT”) to \$4.4M (FY23 \$2.5M). Solid operating cashflow resulted in a more than 50% increase in year-end cash to \$8.0M, providing for a return to a policy of paying dividends biannually.

A summary of the indicative results is provided herein, including details of the expected positive impact on the underlying business results in the Company’s statutory accounts from one-off income and expenses.

The Company’s founder and managing director, Keith Cullen, commented:

“Revenue for the underlying business increased nearly 33% and NPBT was up 43% on the first half of the year, which contributed to an increase of more than 50% in full year underlying NPBT.”

“Significantly, in addition to enabling us to cash fund our \$2M acquisition of Millennium3 in December, consistent positive operating cashflow has enabled us to return to a dividend cycle.”

“We’ve seen compounding growth in underlying NPBT above 50% for four straight years now, which underscores and validates the success of our commitment to the modernisation of the advice profession, and certainly bodes well for the Company’s future.”

“More broadly, our results are not only reflective of our network’s performance, but of a positive future for all advice practices and advice network operators who embrace and drive change”.

One-off income and expenses to (positively) impact Statutory Results

Adding to the result of the underlying business, net *one-off income and expenses* relating to the sale of assets (B2C mortgage book) and purchase of assets (M3) during the Period are expected to positively impact profit by \$357K. The impact is expected to increase the *Statutory NPBT* to \$4.8M (FY23 result was \$4.9M, after a positive impact on the underlying business of \$2.0M from *gains on contracts* related to prior acquisitions).

The Company is yet to finalise its tax position but anticipates a *Statutory Tax Expense* of circa \$900K (FY2023 \$736K) resulting in a *Statutory NPAT* of circa \$3.9M (FY23 \$4.3M). However, with the benefit of carried-forward tax losses no cash tax liability will arise. Notwithstanding carried-forward tax losses, the Company has a franking credit balance more than \$1.4M, which will enable a dividend to be fully franked.

Net assets as at 30 June 2024 increased 14.9% to \$29.4M (30 June 2023 \$25.6M), and the Company had a total of 339.2M shares and 1.5M options on issue as at 30 June 2024. No shares or options were issued during the Period.

Commenting further on the indicative results, Mr Cullen said:

“We’ve remained confident that the outlook for the advice profession has never been stronger for those who embrace its ongoing modernisation. The demand for quality financial and personal risk insurance advice continues to grow as millions more Australians plan for and reach their retirement – at the same time, adviser supply has been reduced and barriers-to-entry remain high”.

“We intend to continue to drive paradigm shifts in the licensee-adviser relationship to further improve outcomes for practitioners, their clients, and our shareholders, including working with practices to further modernise through technology solutions and corporatisation initiatives”.

Appendix 4E and Audited Financial Statements

The Company is expected to lodge its Financial Statements and Appendix 4E on or before 31 August 2024 and its Audited Financial Statements and Annual Report by mid-September 2024. The Company does not anticipate any material variances to the indicative results reported today.

Investor Webinar

The Company will hold an investor webinar to discuss the Company’s indicative results. Details for the webinar and a registration link are provided below.

WT Financial Group Investor Webinar

10.30am AEST (8.30am AWST)

Wednesday 14th August 2024

Presenter: Keith Cullen, Founder and Managing Director

Register using the following link:

https://janemorganmanagement-au.zoom.us/webinar/register/WN_OYmZixNNRX6JrwgyluTNg

After registering your interest, you will receive a confirmation email with information about joining the webinar. Participants will be able to submit questions via the panel throughout the presentation, however we encourage shareholders and investors to send through questions via email beforehand to:

info@janemorganmanagement.com.au

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About WT Financial Group Limited

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 around 400 privately-owned advice practices whose advisers operate as authorised representatives under its Wealth Today, Sentry Advice, Synchron Advice, and Millennium3 subsidiaries.

The Group's B2C division delivers a range of financial advice services directly to wholesale and retail clients through its Spring Financial Group brand.

The Group's Wealth Adviser division is the Company's central services and support hub and also offers market-leading services and solutions to advisers and their clients outside of WTL's subsidiary cohorts including through regular in-person and livestreamed seminar and professional development programs and the publication of a library of more than 100 financial literacy handbooks and manuals in both digital and printed formats.

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