

ASX Announcement – 4 February 2025

WTL HALF-YEAR INDICATIVE RESULTS UNDERLYING REVENUE UP 33.5% AND UNDERLYING NPBT UP 35.8% ON PRIOR CORRESPONDING PERIOD (PCP)

WT Financial Group Limited (“WTL” or “the Company”) is pleased to provide indicative results for the half year to 31 December 2024 (**H1 FY25**), with the Company expecting to report a 33.5% increase in revenue & other income for the underlying business over the prior corresponding period (**PCP**) to \$106.30M (PCP \$79.60M) and a 35.8% increase in underlying net profit before tax to \$2.45M (PCP \$1.81M).

Summary of indicative results for the Underlying Business

- *Revenue & Other Income* for the underlying business up **33.5% to \$106.30M** (PCP \$79.60M). *Direct Cost of Sales* were **\$96.13M** (PCP \$71.57M), resulting in an expected gross profit increase of **26.7% to \$10.17M** (PCP \$8.03M).
- *Earnings before interest & tax (EBIT)* for the underlying business is expected to be up **19.6% to \$2.79M** (PCP \$2.33M) after *Total Operating Expenses* of **\$6.95M** (PCP \$5.38M); and *Depreciation & Amortisation* of **\$268k** (PCP \$320k).
- *Net profit before tax (NPBT)* for the underlying business is expected to be up **35.8% to \$2.45M** (PCP \$1.80M), after *Net Interest Expense* of **\$334k** (PCP \$523k).
- *Cash and cash equivalents* were **\$7.06M** on 31 December 2024 (\$5.3M on 31 December 2023) net of cash payments of \$1.02M in July 2024 related to a prior acquisition (the final of all such deferred acquisition payments) and cash dividend payments of \$1.46M in October 2024.
- The Board anticipates declaring a **fully franked interim dividend of 0.20 cents per share**, bringing dividends declared in the past 12 months to 0.70 cents.

One-off income and expenses impact on Statutory Results

There will be a **nil net impact from one-off income/expenses**, resulting in an expected **Statutory NPBT of \$2.45M**, in line with the *underlying NPBT* (PCP Statutory NPBT of \$2.26M included a net positive impact from one-off income/expenses of \$452k relating to the sale and purchase of business assets).

The Company is yet to finalise its expected tax position 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 which will enable the anticipated interim dividend to be fully franked.

The Company had a total of 342.19M shares, 1.5M options, and 1M performance rights on issue on 31 December 2024, having issued 2.91M shares under its dividend reinvestment plan, and 1M performance rights under its employee equity incentive scheme during the period.

WTL founder and CEO, Keith Cullen, said, “The results are reflective of our disciplined approach to growth and integration. Successfully aligning all our networks under a unified framework has provided operational efficiency while enabling the practices we support to access an even broader range of services”.

“We’re committed to rewarding shareholders as our business grows. The expected interim dividend underscores our confidence in the future and delivers on our capital management objective of balancing reinvestment needs with attractive returns to investors”, added Mr Cullen.

Commenting further on the indicative results and outlook Mr Cullen said, *“The outlook for the advice profession and the Company is very positive as growing demand for quality financial and personal risk insurance advice continues to see revenue and profitability increase. While adviser numbers remain constricted through high barriers to entry, increasingly practices are embracing advancements in technology to enable them to achieve further growth by serving more clients more efficiently.*

We are also experiencing increasing demand from practices for us to provide them with advice and support for M&A initiatives to enable them to achieve scale and drive operational efficiencies, margins, and asset values.

With our corporate experience in capital markets and M&A, and our track record of success in business integrations we’re very well placed to respond to that demand which we expect will further improve the outlook and outcomes for practices, their clients, and our shareholders”, **concluded Mr Cullen.**

Appendix 4D and audit reviewed Interim Report

The Company expects to lodge its audit reviewed Interim Report and Appendix 4D on or before 28 February 2025. It does not anticipate any material variances to the indicative results provided today.

Investor Webinar

The Company will hold an investor webinar later this week to discuss its indicative results. Details below.

WT Financial Group Half Year Indicative Results Webinar

12.30pm AEDT (9.30am AWST)

Thursday 6 February 2025

Presenter: Keith Cullen, founder and CEO

Please register using the following link:

https://janemorganmanagement-au.zoom.us/webinar/register/WN_cMrHnegYTOmY5PF9xFjvDQ

Those registering will receive a confirmation email with information about joining the webinar. Questions will be able to be submitted throughout the presentation, however registrants are encouraged to send through questions via email beforehand to: info@janemorganmanagement.com.au

ENDS

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 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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