

ASX Announcement – 6 February 2025

WTL HALF-YEAR INDICATIVE RESULTS WEBINAR AND DECK

WT Financial Group Limited (“WTL”, “the Company” or “the Group”) is pleased to provide a copy of the presentation deck for today’s Investor Webinar to discuss its indicative results for the half-year to 31 December 2024 (H1 FY2025) attached here for immediate release.

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.

Authorised for release by:

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ASX:WTL

WT | FINANCIAL GROUP

The Future of Quality Advice

WTL H1 FY2025 Results Webinar

6 February 2025

Important Information

Issuer and Date

This investor presentation (Presentation) has been prepared by WT Financial Group Limited (ACN 169 037 058) (WTL) and is dated 6 February 2025.

Summary Information

This Presentation contains summary information about WTL and its subsidiaries (the Group) and their respective activities which is current as at the date of this Presentation. Information contained herein is of a general nature and does not purport to be complete, nor does it contain all the information which a prospective investor may require in evaluating a possible investment in WTL or that would be required in a prospectus, or other disclosure document prepared in accordance with the Corporations Act. This Presentation should be read in conjunction with WTL's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

Not financial product advice

This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) nor a recommendation to acquire New Shares. Recipients of the Presentation should make their own enquiries and investigations regarding information herein, which is not intended to be relied upon as advice and has been prepared without taking account of any person's individual investment objectives, financial situation or needs. Before making an investment decision, investors should have regard to their own objectives, financial situation and needs and seek appropriate financial, legal, accounting and taxation advice.

Forward-looking statements and forecasts

This Presentation contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations on information currently available to management. Forward looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "plan", "propose", "believe", "forecast", "estimate", "target", "guidance" and similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Offer and the use of proceeds thereof, statements about the plans, objectives and strategies of the Group and about the markets in which the Group operates and about future performance. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements.

You should not place undue reliance on forward looking statements, which are provided as a general guide only and are not indications, guarantees or predictions of future performance. The success of any of WTL's business strategies is subject to uncertainties and contingencies beyond its control, and no assurance can be given that they will be effective, or the anticipated benefits will be realised in the period for which the forward-looking statements may have been prepared or otherwise.

Investment Risk

An investment in WTL shares is subject to known and unknown risks, some of which are beyond the control of the Group. WTL does not guarantee any particular rate of return or the performance of the Group, nor does it guarantee any particular tax treatment.

Other risks may materially affect the future performance of WTL and the price of WTL's shares including risks and uncertainties not presently known to management or that management currently believe not to be material may also affect WTL's business.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including WTL or any of its advisers). Except as required by law or regulation (including the ASX Listing Rules), WTL disclaims any obligation or undertaking to update forward looking statements in this Presentation to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.

Past performance

Historical financial information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Group's views on its future financial performance or condition. Investors should note that past performance, including past share price performance, of WTL cannot be relied upon as an indicator of (and provides no guidance as to) future WTL performance including future share price performance.

Disclaimer

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WT Financial Group Limited

brands and services

WTL is a “pure play” wealth management and financial and personal risk insurance advice group with B2B scale and real-world B2C experience and expertise. Advice is at the heart of everything we do.

ASX LISTED
PARENT COMPANY

WT | FINANCIAL GROUP

B2B LICENSING
SOLUTIONS FOR
ADVICE PRACTICES



B2B ADVISER HUB
AND LICENSEE
SERVICES



B2C FINANCIAL
ADVICE SERVICES
FOR CONSUMERS



Centralised hub delivers operational efficiency

Our operating model has enabled us to retain our strong legacy brands and cohorts while gaining efficiencies through centralised supports.



CENTRALISED ADVISER SUPPORT AND SERVICES HUB

APL | Policy suite | Adviser education and training | Consumer engagement and marketing tools

PI insurance | Remuneration management | Risk management framework | Estate planning



Adviser recruitment | Practice management and support | M&A and succession planning support



B2C financial advice | Accounting & tax | Our “R&D lab”

H1FY2025 – Strong revenue and profit growth

WTL is expecting to report a 33.5% increase in revenue & other income and a 35.8% increase in underlying net profit before tax for the underlying business over the prior corresponding period (PCP)

	H1 FY2025	H1 FY2024	Variance
Total Underlying Revenue and Other Income	106,303,717	79,603,755	33.5%
Direct cost of revenue	(96,130,654)	(71,573,880)	34.3%
Underlying Gross Profit	10,173,063	8,029,875	26.7%
Total Underlying Expenses	(7,118,108)	(5,379,748)	32.3%
Underlying EBITDA	3,054,955	2,650,127	15.3%
Depreciation & amortisation of plant & equip.	(17,798)	(32,965)	-46.0%
Depreciation of right-of-use assets (leases)	(249,808)	(287,433)	-13.1%
Underlying EBIT	2,787,349	2,329,730	19.6%
Finance costs on lease liabilities	(120,945)	(133,765)	-9.6%
Net interest income/(expense)	(213,487)	(389,146)	-45.1%
Underlying NPBT	2,452,917	1,806,819	35.8%
Statutory P&L adjustments			
One-off income	-	527,100	-100.0%
One-off expenses	-	(75,000)	-100.0%
Statutory NPBT	2,452,917	2,258,919	8.6%

Underlying revenue

up 33.5% to \$106.3M

Underlying EBIT

up 19.6% to \$2.79M

Underlying NPBT

up 35.8% to \$2.45M

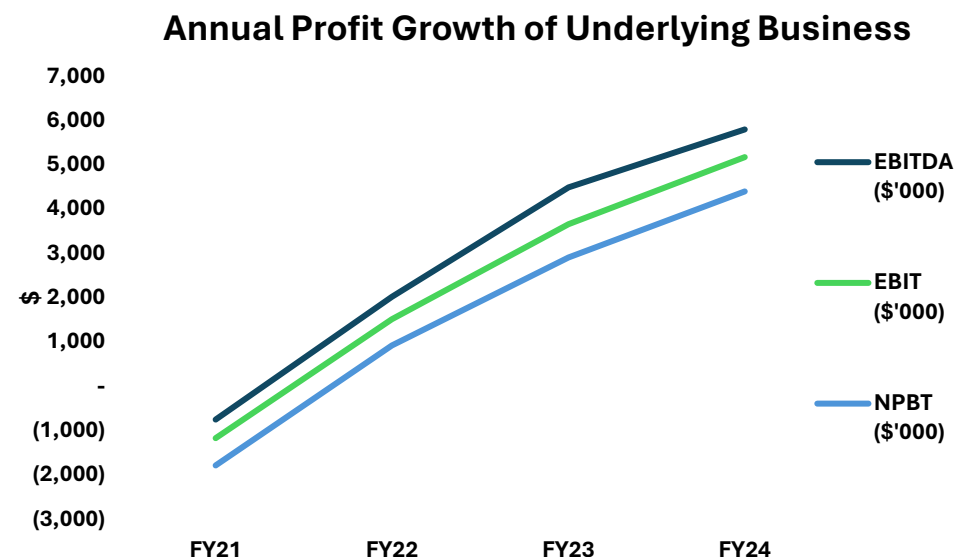
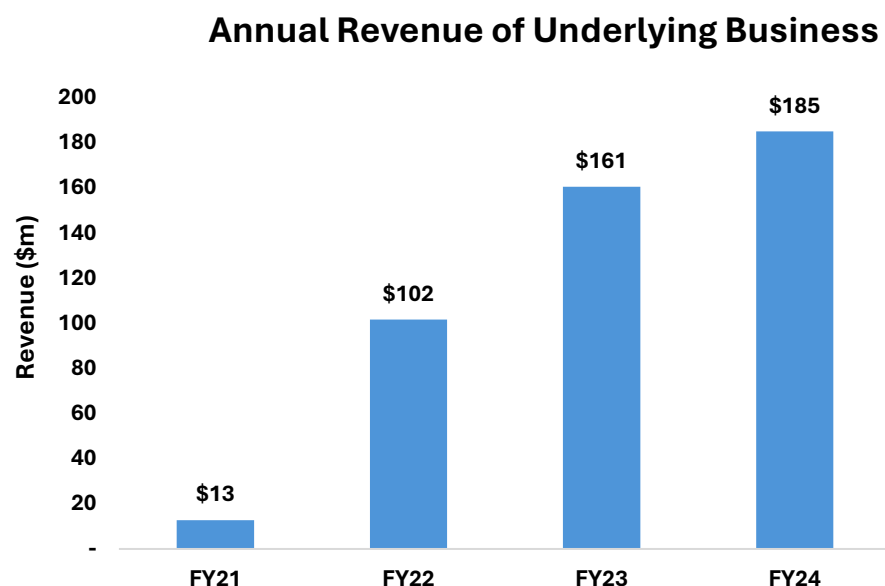
Re-cap of indicative Half Year results

Underlying revenue up 33.5% and underlying NPBT up 35.8%
on prior corresponding period (PCP)

- ❖ 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.

Underlying business delivering consistent growth

Underlying business has delivered four consecutive years of revenue and profit growth as the Company executed its acquisition and renovation strategies to redefine the adviser-licensee relationship and rationalized operations and its networks.



The strong result for FY2024 and compounding growth for the underlying business provided for a return to dividends. Policy now for twice yearly dividends subject to profits and cashflow.

Acquisitions and new paradigms have delivered balance sheet turnaround

Net assets increased by 394% from FY2021 to FY2024, against an increase in issued capital of just 68%.

Assumed liabilities and backend payments related to acquisitions satisfied. Corporate debt at very manageable \$6.7M.

Balance Sheet	2021	2022	2023	2024	PCP variance
Current assets	2,176,550	12,526,039	13,158,709	19,162,795	45.6%
Non-current assets	9,475,131	36,243,861	34,688,640	35,401,044	2.1%
Total Assets	11,651,681	48,769,900	47,847,349	54,563,839	14.0%
Current liabilities	3,218,330	17,889,080	13,141,222	17,299,551	31.6%
Non-current liabilities	2,477,712	10,819,093	9,128,991	7,871,777	-13.8%
Total Liabilities	5,696,042	28,708,173	22,270,213	25,171,329	13.0%
Net Assets	5,955,639	20,061,727	25,577,136	29,392,511	14.9%
Issued capital	20,142,712	32,375,273	33,749,103	33,749,103	0.0%
Current year earnings	(3,287,497)	1,873,527	4,141,579	3,815,375	-7.9%
Reserves	26,659	26,659	26,659	26,659	0.0%
Accumulated Dividends	(6,827,069)	(6,827,069)	(6,827,069)	(6,827,069)	0.0%
Accumulated Profit/Loss	(4,099,166)	(7,386,663)	(5,513,136)	(1,371,557)	124.9%
Total Equity	5,955,639	20,061,727	25,577,136	29,392,511	14.9%



Net

Assets

up 394% to \$29.4M

Issued

Capital

up 13.8% to \$7.9M

Non-current

Debt

at \$6.7M

Industry tailwinds and supply-demand imbalance provide for significant upside

The Company's results are not only reflective of the performance of its own team and network practices, but of a very positive future for all advice practices and advice network operators in Australia.

- ❖ Adviser numbers have declined to little more than 15,000 while estimates suggest it will be 2026 before new entrant numbers get close to matching natural outflow.
- ❖ While decline in the supply of financial advisers is occurring, the number of consumers in core cohorts seeking advice and their capacity to pay continues to grow – retiree market up 19% between last two years' Census.
- ❖ The core asset pool of superannuation that consumers seek advice regarding is on a relentless, statutorily-mandated growth trend of circa \$2B each week.
- ❖ The mass-market industrial model has been replaced with a narrower professional services model with advisers able to generate more revenue, dealing with less clients – considerable upside remains.
- ❖ WTL will continue to drive paradigm shifts in the licensee-adviser relationship to further improve outcomes for practitioners, their clients, and our shareholders.

Australia's wealth management boom continues

A rapidly expanding market backed by mandatory superannuation contributions and demographic tailwinds with a wall of people and a wall of capital nearing retirement

- ❖ 5th largest pension pool globally, with over A\$4.0 trillion in superannuation assets.
- ❖ Forecast to reach A\$9 trillion by 2038, driving sustained capital growth.
- ❖ Mandatory superannuation contributions ensure a steady inflow of funds.
- ❖ Ageing population and rising wealth levels increase demand for financial advice.
- ❖ Around 3 million Australians will become eligible to draw from their superannuation in the next 10 years, with at least \$750 billion of funds shifting from the accumulation phase to the retirement phase.
- ❖ As more members enter the retirement phase, they will have more frequent, and more complex, advice needs
- ❖ Consumers are seeking holistic advice (retirement, tax, estate planning).
- ❖ Result: Significant unmet demand and pricing power for quality advice firms.

Forces driving industry consolidation

Scale and resources are becoming critical success factors for advice practices and that is driving demand for M&A activity and attracting significant foreign interest and capital

- ❖ Regulatory complexity and a chokehold on supply of new human resources favours larger, well capitalised firms that can leverage resources.
- ❖ Scale efficiencies in technology, administration, marketing, and risk management are key competitive advantages.
- ❖ Smaller practices are increasingly joining or selling to larger practices to maximise outcomes.
- ❖ Private equity firms targeting Australian advice wealth management assets including advice practices.
- ❖ Global players see Australia as a stable, high-growth wealth management opportunity with valuations at a discount to international markets.
- ❖ Recent deals emphasise attractive valuations in the mid-market advice sector.

Why invest in Australian financial advice and wealth management

The compelling economics of a high-growth sector with baked-in statutory growth with high barriers to entry provide for significant potential upside

- ❖ **Recurring revenue models** from ongoing client fees – in many cases linked to asset values.
- ❖ Strong **industry fundamentals** underpinned by superannuation growth fueled by statutory contributions, wages growth and asset growth.
- ❖ **Attractive valuations** compared to global peers continue to attract local and global capital.
- ❖ Opportunities to **scale swiftly** via mergers and acquisitions in what remains a relatively fragmented market.

WT Financial Group is in a unique strategic position

Proven track record of success in M&A with a model that has been fine-tuned for scale in an increasingly consolidating market

- ❖ **Multi-brand strategy** serving a broad adviser (and client) base from a centralised support hub that provides efficiency in service delivery and consistency in outcomes.
- ❖ Proven track record in **integrating acquisitions** and driving synergies.
- ❖ Focus on **mid-market acquisitions** with attractive returns on capital and when opportunities present, we are positioned to scale further.
- ❖ WTL working with practices to further modernise their businesses through **technology and corporatisation initiatives**, to help them serve more clients more efficiently to maximise the supply-demand imbalance.
- ❖ Increasing demand from practices both within our networks and external for **support and advice in facilitating M&A activity** including accessing debt and equity markets and supporting legal and due diligence programs.
- ❖ WTL well positioned to play a key role which presents new revenue and profit opportunities.

Conclusion: capturing the upside

WTL is positioned for growth in a transforming industry

- ❖ Demand for advice is rising; supply of advisers is constrained.
- ❖ M&A momentum is set to continue, driving strong sector returns.
- ❖ WT Financial Group is well-positioned to harness growth and consolidation.
- ❖ Now is the time to consider investing in or increasing exposure to the sector and share in the future upside.

WT Financial Group Limited

Board of Directors

The WTL Board includes significant shareholder founders and has a strong record of success in financial services, and in mergers and acquisitions in private and public companies.



Guy Hedley

Non-Executive Chairman

15 years as head of Macquarie Bank global private banking unit and BNP Private Banking. Now Chair at Stoic Asset Management. Has helped steer WTL through industry upheaval and supported executive and management team with WTL's transformation to a B2B focussed enterprise, to emerge as one of the largest advice networks in Australia.



Chris Kelesis

Non-Executive Director

Foundation director and significant shareholder of WTL with 15 years' experience as an equities trader and technical analyst. Private and wholesale client adviser roles with Spring Equities, Ark Equities and the Rivkin Group. Has helped steer WTL through its transformation to a B2B focussed enterprise.



Keith Cullen

Founder and Managing Director

WTL founder and largest (non-institutional) WTL shareholder. 39 years' experience as a corporate executive and entrepreneur across the broadcast media, technology and financial services sectors. Successfully conceived and implemented the strategy to pivot WTL to B2B through acquisition of Wealth Today, Sentry, Synchron and Millennium3.



Chelsea Pottenger

Non-Executive Director

One of Australia's most popular keynote speakers and corporate wellbeing presenters and the author of The Mindful High Performer. Founder of EQ MINDS, a corporate performance and wellbeing platform that works with leading global brands to train thousands of executives and staff each year across many industries including financial services.

WT Financial Group Limited

Executive Team

WTL has a hands-on senior executive team with significant shareholdings and extensive experience in financial services in both B2B and B2C roles enabling it to add real value to the practices the group supports.



Frank Paul

Joint COO, Group Head of Risk

Frank is a significant WTL shareholder and has 25 years in financial advice, as a practice principal and senior executive including 10 years with WTL in head of advice and COO roles. His focus is group risk management and key operational matters.



David Newman

Joint COO, Group Head of Adviser Services

David is a significant WTL shareholder with 35 years in financial services, specialising in strategic planning and execution. As joint-COO his focus is leading the regional management team in business development and supporting growth of the Group's network practices.



Jack Standing

Group Head of Advice

Jack has served 12 years with WTL in key B2B and B2C advice roles and heads adviser professional development, training & education, and oversees advice creation within WTL's innovative peer review and risk management framework.



Ricton Jones

Group Head of Finance

Ricton has broad experience in financial accounting, treasury, audit coordination and tax in technology and financial services, and heads finance functions across the Group. CIMA and CPA qualified.

WT Financial Group Limited

Top shareholders

WTL is founder led with board and management having significant holdings. Additionally, WTL has a strong register of experienced financial services investors who share its vision, including UIL, Ariadne and IFM and leading financial services executives.

Top shareholders	No.	%
UIL Limited (ICM Limited)	79,787,329	23.32%
Keith Cullen (founder & CEO)	35,871,040	10.48%
Chris Kelesis (board) and related entities	25,341,146	7.41%
David Newman (executive) and related entities	22,579,367	6.60%
IFM Pty Limited and related entities	21,693,311	6.34%
Ariadne Limited	20,564,308	6.01%
Michael Harrison and related entities	17,836,735	5.21%
Llenpart Insurance and Investment	8,485,091	2.48%
Prossor and related entities	8,485,091	2.48%
Pelosi (management) and related entities	7,200,000	2.10%
Other board and management	5,843,471	1.71%
Total these holders	253,686,889	74.14%
Total on issue	342,185,796	
Board and management	96,835,024	28.30%

**Board and
management**
hold 96.8M shares

**Top 10
holders**
hold 247.8M shares

**Shares
on issue**
total 342M shares

Thanks for joining

Contact us for further information

WT | FINANCIAL GROUP

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