

ASX:WTL

WT | FINANCIAL GROUP

JMM Chinese New Year 2025

Investor Lunch

31 January 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 31 January 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.

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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.

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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

 SENTRY  Synchron

 **wealthtoday**  **millennium3**^{*}
leadership | advice | community

B2B ADVISER HUB
AND LICENSEE
SERVICES

 **WealthAdviser**

B2C FINANCIAL
ADVICE SERVICES
FOR CONSUMERS

 **spring**' FINANCIAL GROUP

* Acquired 8 December 2023

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

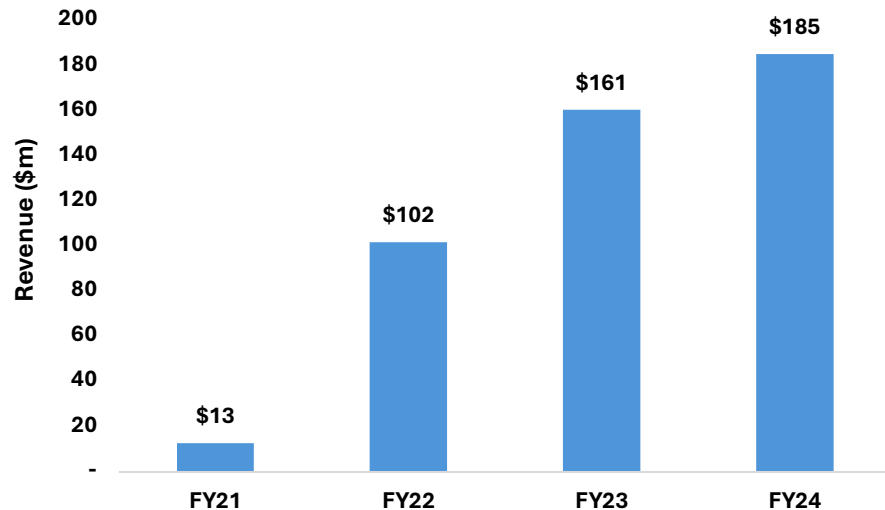


B2C financial advice | Accounting & tax | Our “R&D lab”

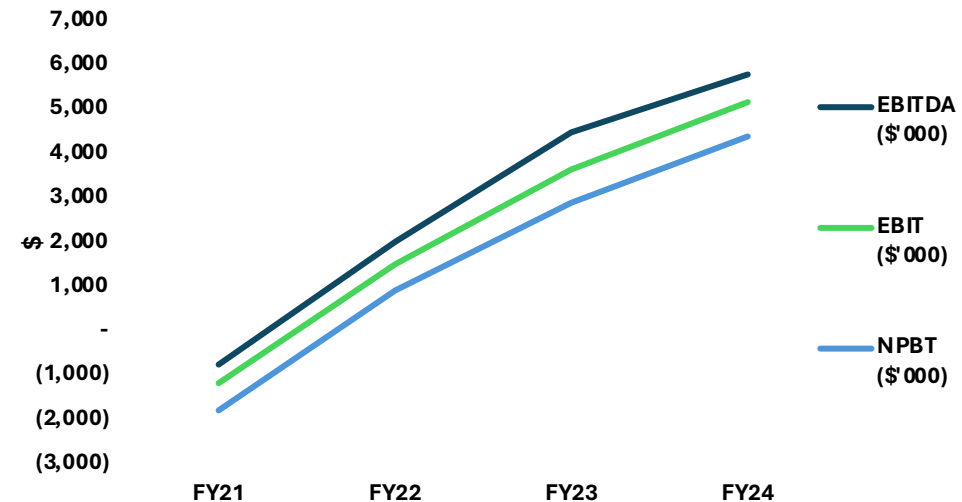
Underlying business delivering consistent growth

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.

Annual Revenue of Underlying Business



Annual Profit Growth of Underlying Business



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 deliver 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

Consistent positive operating cashflow funding acquisitions and dividends

Cash and cash equivalents increased 50.8% to \$8.0M at year end, net of a \$2.0M cash payment in December 2023 related to the acquisition of Millennium3.

CASH FLOWS FROM OPERATING ACTIVITIES	2023	2024
Receipts from customers	154,709,185	182,371,334
Payments to suppliers and employees	(148,716,592)	(176,492,873)
Net interest paid	(746,346)	(770,754)
Payment for prior period restructuring and acquisition costs	(2,344,235)	-
Net cash provided by / (used in) operating activities	2,902,012	5,107,707
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash payments for acquisitions	(1,784,423)	(2,014,951)
Proceeds from sale of intangible assets		527,100
Acquisition of plant and equipment		(185,520)
Net cash provided by / (used in) investing activities	(1,784,423)	(1,673,371)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,979,490	-
Repayment of lease liabilities	(717,941)	(625,681)
Loans to corporate authorised representatives	(451,000)	(54,509)
Net cash provided by financing activities	810,549	(680,190)
Net increase/(decrease) in cash and cash equivalents held	1,928,138	2,754,146
Cash and cash equivalents at beginning of year	3,384,884	5,313,022
Cash and cash equivalents at end of financial year	5,313,022	8,067,168



Operating Cashflow
at \$5.1M

Net Investing Cashflow
at \$(1.7M)

Cash Balance
up 50.8% to \$8.0M

Re-cap of FY2024 Results

In addition to enabling cash funding of its \$2M acquisition of Millennium3 in December, consistent positive operating cashflow enabled WTL to return to a dividend cycle.

- ❖ Underlying **Revenue & Other Income up 15.3% to \$185.1M** (FY23 \$160.5M). Direct Cost of Sales \$167.4M (FY23 \$145.4M), resulting in an expected GP increase of 17.4% to \$17.7M (FY23 \$15.1M).
- ❖ Underlying **EBIT up 41.5% to \$5.2M** (FY23 \$3.7M) after **Total Operating Expenses increased just 12.4% to \$11.9M** (FY23 \$10.6M); and Dep. & Amort. fell to \$624K (FY23 \$832K).
- ❖ Underlying **NPBT 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.
- ❖ The strong result represented the **fourth consecutive year of compounding growth** for the underlying business and provided for **a fully franked dividend of 0.5 cents**.
- ❖ **Consistent strong operating cashflow** has enabled the Board to reinstate its **policy to pay dividends biannually** (subject to available cash) now that acquisition strategy completed.

Re-cap of FY2024 Results (continued)

The Company had a positive impact on the underlying business results in the statutory accounts from one-off income and expenses.

- ❖ **Net one-off income and expenses** relating to the sale of assets (B2C mortgage book) and purchase of assets (M3) during the Period are **positively impacted profit by \$357K**.
- ❖ The impact **increased 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).
- ❖ Statutory Tax Expense of \$952K (FY2023 \$736K) resulted in a **Statutory NPAT of \$3.85M** (FY23 \$4.14M).
- ❖ With carried-forward tax losses **no cash tax liability arose**, and the Company had a **franking credit balance more than \$1.4M**, which enabled its dividend to be fully franked.
- ❖ The Company had a total of 339.2M shares and 1.5M options on issue as at 30 June 2024 and **no shares or options were issued during the Period**.

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

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 that are driving M&A deals and foreign interest

- ❖ Regulatory complexity **favours larger, well-capitalized firms** that can spread compliance costs.
- ❖ **Scale efficiencies** in technology, administration, and compliance are **key competitive advantages**.
- ❖ Smaller practices increasingly **joining or selling** to larger groups to stay viable.
- ❖ Consolidation is creating **market leaders** with stronger brand recognition.
- ❖ **Private equity** firms targeting Australian advice groups (e.g., global funds acquiring local platforms).
- ❖ **Global players** see Australia as a **stable, high-growth** wealth management opportunity.
- ❖ Recent deals emphasize **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 (ASX: WTL): 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 client and adviser 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.
- ❖ Positioned to scale further as **industry consolidation** continues.
- ❖ WTL working with practices to further modernise their businesses through technology solutions and corporatisation initiatives, including **playing a key role in facilitating M&A activity**.

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 **invest** in 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.



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.



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.



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		
UIL Limited (ICM)	81,186,172	23.93%
Keith Cullen (founder & CEO)	35,433,540	10.45%
Chris Kelesis (board) and related entities	25,338,646	7.47%
IFM Pty Limited and related entities	22,943,311	6.76%
David Newman (executive) and related entities	22,141,867	6.47%
Ariadne Limited	20,564,308	6.06%
Mr Michael Harrison and related entities	19,286,735	5.69%
Llenpart Insurance and Investment	8,485,091	2.50%
Prossor and related entities	8,485,091	2.50%
Pelosi (management) related entities	7,200,000	2.10%
Other board and management	5,308,693	1.56%
Total these holders	256,373,454	75.49%
Total on issue	339,234,358	
Total board and management	95,422,746	28.13%



Board and management
hold 95M shares

Top 10 holders
hold 251M shares

Shares on issue
total 339M shares

Thanks for joining

Contact us for further information

WT | FINANCIAL GROUP

Keith Cullen
Founder and Managing Director
(02) 9248 0422

JMM
JANE MORGAN MANAGEMENT

Jane Morgan
Investor and Media Relations
jm@janemorganmanagement.com.au