

## SelfWealth Ltd – Continued profitability, strong cashflow and new leadership team in place

**Melbourne, Australia – 27 February 2024:** SelfWealth Ltd (ASX: SWF) (“Selfwealth” or “the Company”), leading Australian fixed-cost low-cost broker, today announced its half year financial results for the six months ended 31 December 2023 ('H1 24').

Selfwealth achieved continued profitability, after its maiden profit in FY23, with Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of \$3.5 million, up 45% from \$2.4 million in the previous corresponding period (pcp) and Net Profit After Tax (NPAT) of \$1.6 million, compared to \$0.1 million pcp.

Key highlights:	H1 24	H1 23	pcp %
Operating revenue	\$13.6 m	\$14.5 m	-6%
Gross profit	\$9.8 m	\$10.0 m	-3%
Underlying EBITDA	\$3.5 m	\$2.4 m	+45%
NPAT	\$1.6 m	\$0.1 m	+1,521%
Net operating cash flow	\$1.3 m	\$0.6 m	+125%
Cash at bank	\$12.0 m	\$10.8 m	+11%
Funds under administration <sup>1</sup>	\$10.1 bn	\$8.9 bn	+14%
Number of active traders	128,609	128,383	+0%

### H1 24 overview:

Commenting on the result, Selfwealth’s Chair Christine Christian AO said:

*“As we reported last August, FY23 was a year of turnaround and change for Selfwealth and it is pleasing to see that because of this action, the positive momentum in profitability has continued. And importantly, we have now achieved five consecutive quarters of positive cashflow and reduced our operating cost base by 20.7%<sup>2</sup>.”*

*“These results are testament to the focus and drive of the renewed Board and Selfwealth team”*

<sup>1</sup> Aggregate customer assets held on the Selfwealth platform including cash balances and securities with ASX, NYSE, Nasdaq & HKEX exchanges, with all financial amounts expressed in Australian Dollars.

<sup>2</sup> Operating Cost Base excludes non-recurring expenses, which include impairment and cost reduction implementation expenses.



*“During the period, we appointed a new CEO and continued our Board renewal with the appointment to the Board in November 2023 of Adam Lewis, ex-partner of McKinsey & Company.*

*“Craig Keary, a highly experienced financial services leader, was appointed CEO in October 2023, and has quickly brought together a new Leadership team. The new team are highly experienced industry executives and have the expertise and know-how Selfwealth needs to scale the business for long-term, sustainable growth.”*

#### **H1 24 financial results overview:**

Underlying EBITDA was \$3.5 million, up 45% from \$2.4 million in the previous corresponding period (pcp) and Net Profit After Tax (NPAT) of \$1.6 million, compared to \$0.1 million pcp.

Total Funds Under Administration (FUA) was up 14% to \$10.1 billion, from \$8.9 billion pcp, notwithstanding a significant decline in broader market equity trading volumes.

Operating expenses (excluding non-recurring expenses) were down 20.7% pcp or \$1.7m from \$8.2m to \$6.5m. The reduction was largely attributed to lower selling and marketing costs, reduced headcount, and lower supplier expenses.

Operating cash flow was up 125% to \$1.3 million from \$0.6 million pcp.

Cash Balance was up 11% to \$12.0 million from \$10.8 million pcp and the company continues to have no debt.

#### **Operational overview:**

Selfwealth experienced a surge in new customers and trading activity during the COVID-19 pandemic years, particularly in FY21 and FY22. It is pleasing to note that the Company has been able to successfully retain its loyal customer base in a time of intense market competition. While active trader numbers have remained steady, the composition of high value customers has increased compared to last year.

The transformation program currently underway focuses on platform review and optimisation, a streamlining of operations to increase efficiencies, as well as measures to reduce cost-to-serve.

*Craig Keary, Selfwealth’s Chief Executive Officer, commented:*

*“Since taking on the role of CEO, I have been working with the Board and the Executive team to deliver on the transformation program in order to be fit for purpose and scale the business so it is well positioned for growth.*



*“Growing profitably and maintaining the strong financial position of the company is fundamental to our long-term strategy, as is retaining our loyal active traders and focussing on the development of High-Net-Worth traders, particularly through our efforts in developing an elevated customer experience.*”

*“We have been ‘right-sizing’ the business to do this, and it is pleasing that during the last half, we have reduced our operating cost base by 20.7%<sup>3</sup>.*”

*“Selfwealth is focusing on its core business activities, including supporting our strong customer base and particularly, attracting and retaining High Net Worth customers. As well, we are actively seeking out opportunities for diversification to support growth through market cycles and changing customer preferences.”*

#### **Outlook:**

While the period saw subdued trading conditions with the ASX market trading volumes down compared to pcp, January saw a noticeable uptick.

*Craig Keary, Selfwealth’s Chief Executive Officer, commented:*

*“Selfwealth’s recent performance combined with the Leadership and operational changes made over the last half have delivered a stronger and more focussed business. This will support the company to take further advantage of its competitive position as a leading retail, ‘fixed-cost, low-cost’ broker with a trusted brand.*”

*“Together with the new Leadership team, I look forward to better serving our clients and taking advantage of the potential market and industry opportunities that the prevailing environment presents.”*

Selfwealth Chair Christine Christian AO commented on the Company’s outlook:

*“The Board and Leadership team remain focused on acting decisively and in a disciplined manner, working to maximise the Company’s value, unlock future potential, and deliver growing returns for our shareholders.”*

The Board of SelfWealth Limited has authorised the release of this announcement to the market.

**ENDS**

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<sup>3</sup> Operating Cost Base excludes non-recurring expenses, which include impairment and cost reduction implementation expenses.





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