



26 August 2015

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

STEADFAST ANNOUNCES FY15 RESULTS

Please refer to the following information in relation to Steadfast Group Limited's results for the year ended 30 June 2015.

- Part 1: FY15 results market release
- Part 2: FY15 Appendix 4E and the 2015 Annual Report
- Part 3: FY15 results investor presentation
- Part 4: FY15 Appendix 4G and the Corporate Governance Statement

Also lodged this morning is Appendix 3A.1: Notification of dividend.

Yours faithfully

A handwritten signature in blue ink that reads "Linda Ellis".

Linda Ellis
Group Company Secretary & Corporate Counsel

Steadfast Group Limited

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STRENGTH WHEN YOU NEED IT



MARKET RELEASE

26 August 2015

Steadfast announces a 23% increase in underlying cash EPS for FY15 and provides cash EPS growth guidance for FY16 of 10-14%

FY15 financial highlights

- Consolidated revenue of \$298.7m, up 72%
- EBITA post Corporate Office of \$90.4m, up 45%
- Underlying NPATA^{1,2} of \$56.7m, up 38%
- Underlying Cash EPS^{1,2} of 9.79 cents per share, up 23%
- Gross written premium placed by Steadfast Network Brokers of \$4.4b, up 8%
- Increased final dividend of 3.0 cents per share, fully franked

Steadfast Group Limited ("Steadfast") (ASX: SDF) announces its full year results for the 2015 financial year which show strong revenue and earnings growth.

Year end 30 June, IFRS view (\$m)	FY15	FY14	Change
Consolidated revenue (\$m) ^{1,2}	298.7	173.4	72%
EBITA post Corporate Office (\$m) ^{1,2}	90.4	62.3	45%
Statutory NPAT attributable to shareholders (\$m)	42.1	25.1	68%
Statutory NPATA (\$m)	56.8	33.9	68%
Underlying NPATA (\$m)^{1,2}	56.7	41.2	38%
Underlying Cash EPS (cents)^{1,2}	9.79	7.94	23%

Managing Director & CEO Robert Kelly commented "Acquisitions transacted during the financial year enabled us to achieve strong growth despite soft market conditions. Each acquisition met our criteria for cultural and strategic fit as well as being cash EPS accretive. Most acquisitions came from within our network or from our long-term strategic partnerships, where Steadfast played a major role in the distribution of their niche products."

Mr Kelly added "While we have taken advantage of acquisition opportunities during the year, we remain focused on delivering synergies, in particular back office cost savings, to our brokers and underwriting agencies. These savings should materialise in a more meaningful way when the market hardens."

Gross Written Premium (GWP)

GWP placed by Steadfast Network Brokers was \$4.4 billion, up 8.4% year-on-year. The growth came from new brokers joining the network, mainly through acquisitions, while organic GWP was essentially flat (as price reductions were matched by volume increases).

GWP placed by Steadfast Underwriting Agencies was \$385 million, up 165% compared to pro-forma FY14 enhanced by the Calliden and QBE agency acquisitions. The annual run rate GWP of our agencies is estimated to be around \$765 million, making Steadfast Underwriting Agencies the largest agency group in Australia.

¹ FY15 and FY14 results have been adjusted to exclude non-trading items including stamp duty, due diligence and restructure costs.

² FY14 results are pro-forma as they assume the Pre-IPO Acquisitions and the IPO Acquisitions have been included for the full reporting period. FY14 cash EPS has been adjusted to reflect the 1:3 rights issue in March 2015.

Strategic initiatives

Our strategic initiatives during FY15 revolved around enhancing the value of Steadfast-aligned businesses via revenue opportunities and back office cost savings.

On the revenue side, we have added two important new product offerings to the network – Steadfast Direct and an exclusive suite of MetLife products tailored to the SME market.

Since our pilot with a small group of brokers in May 2015 and the launch in July 2015, we have generated ~\$4 million in premiums through Steadfast Direct, and are excited about the prospect of being able to sell competitive retail home and motor products to clients.

Since the MetLife strategic partnership was announced in November 2014, our brokers are selling MetLife products either directly or through our life broker, Steadfast Life.

Steadfast is benefiting from cost savings through our hubbing and common back office service initiatives. We have created eight hubs in six states by merging 26 brokers together and are very close to achieving our goal of extracting a total 7% cost saving for each hub over a two year period. Cost savings have also been made with a number of our brokers taking advantage of back office services provided by our subsidiary, White Outsourcing. Furthermore, we are starting to generate savings and improved service levels from offshoring in Vietnam and the Philippines. All of these initiatives mean we are well positioned for margin improvements when the market hardens.

Margins for our underwriting agencies have improved significantly, from 26% in FY13 to 37% in FY15. Although the majority of this increase is due to recent acquisitions, some of the uplift is a result of cost initiatives, which have included a common back office platform, and shared marketing and management resources.

We have made significant progress in New Zealand, building a similar platform to that of Steadfast Australia. The Allied Insurance Group, acquired in July 2014, provided us with a local vehicle to provide services to brokers in New Zealand and has increased our share of the general insurance intermediary market to 10% and improved our negotiating position. This places us in a strong position to negotiate with Strategic Partners on behalf of our brokers to fund enhancements to their service offering as well as to drive top line growth for both parties.

We are starting to build a meaningful presence in Asia with affiliated brokers based in China, Hong Kong, Malaysia, Philippines, Singapore, Thailand and Vietnam. These brokers are assisting our Australian and New Zealand broker networks to place business in Asia. The next 12 months will see a focus on developing an Asian broker network and exploring the portability of our underwriting agencies, reinsurance broker and life broker into Asia.

Strong balance sheet

The Group expended over \$400 million on acquisitions during FY15 which were funded by the \$300 million 1:3 rights issue and placement and our debt facilities. Net assets at the end of June 2015 were \$842 million, up from \$525 million at the end of June last year. A stronger balance sheet, combined with a 25% target gearing ratio, allowed Steadfast to lock in three and five year debt facilities of \$285 million earlier this month and generate capacity of \$110 million for future acquisitions and deferred settlements (after funding \$20 million of deferred settlements by the end of September 2015).

Dividend

The Board has declared a final dividend of 3.0 cents per share (fully franked), which along with the interim dividend results in a full year dividend of 5.0 cents per share (fully franked). The final dividend is in line with the Board's target dividend payout range of between 65% and 85% of net profit after tax and represents an increase of 11% year-on-year.

The final dividend has an ex-dividend date of 11 September 2015, a record date of 15 September 2015, a payment date of 14 October 2015 and is eligible for Steadfast's dividend reinvestment plan (DRP) based on a 2.5% discount. For more information on the final dividend and the DRP, please refer to Steadfast's Appendix 3A.1: Notification of dividend lodged with the ASX on 26 August 2015 and on our website.

Outlook

Management is providing FY16 cash EPS growth guidance of between 10% and 14% based in particular on flat market conditions and no material acquisitions³. This equates to an NPATA of between \$80.0 million and \$83.0 million, an increase of between 41% and 46%. The growth is driven by the benefit of a full year from FY15 acquisitions and organic growth. The first half/second half profit split is expected to be similar to the split in FY14 of 47%/53% assuming no material acquisitions.

Conference call and webcast

Robert Kelly, Managing Director & CEO, and Stephen Humphrys, Chief Financial Officer, will host a conference call and webcast on 26 August 2015 at 11.00am (Sydney time).

- To participate in the call, please dial 1800 123 296 (toll free Australia), 0800 452 782 (toll free New Zealand) or +61 2 8038 5221 (international) and quote the conference ID 8536 7713.
- To access the live webcast, please click onto investor.steadfast.com.au or <http://www.openbriefing.com/OB/1872.aspx>

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About Steadfast

Steadfast, established in 1996, is the largest general insurance broking network and the largest underwriting agency group in Australia and New Zealand. Our network provides services to over 300 broker businesses across Australia, New Zealand and Singapore. Steadfast network brokers and underwriting agencies generated billings of more than \$6 billion for the 12 months ended 30 June 2015. Steadfast also operates as a co-owner and consolidator through its equity interests in a number of broker businesses, underwriting agencies and other complementary businesses. For further information, please visit investor.steadfast.com.au

³ Also refer to the key risks on pages 26-27 of Steadfast's 2015 Annual Report.