

26 February 2020

Dear Shareholder

**IMPORTANT NOTICE - HALF YEAR RESULTS 31 DECEMBER 2019**

On behalf of our board of directors, management and the entire Steadfast team, I am pleased to report that Steadfast Group continued its strong performance since listing in 2013. We continue our record of consistently increasing shareholder value by delivering a strong underlying result for the half year with a 29.6% increase in revenue and a 39.1% increase in underlying net profit after tax. These excellent underlying results allowed the board to increase the interim dividend by 12.5% to 3.6 cents per share.

Our underlying results for 1H20 was another record in which Steadfast Group delivered strong revenue and profit growth. In particular:

- Underlying revenue of \$414.4m, up 29.6%
- Underlying earnings before tax and amortisation (EBITA) of \$108.9m, up 27.5%
- Underlying net profit after tax (NPAT) of \$53.2m, up 39.1%
- Underlying earnings per share (EPS) (NPAT) of 6.26 cents per share (cps), up 29.7%

However, we consider it important to remind our shareholders that at our 2019 results announcement in August 2019 and our AGM in October 2019 we advised that the Group would report a statutory net loss for the half year and full year due to the expensing, in accordance with Australian Accounting Standards, of the cost of the two significant strategic and earnings accretive transactions in recent months. The cost of these two transactions, namely the IBNA acquisition and the purchase of the rights to future Professional Services Fees rebates (PSF Rebate) from a large number of our Steadfast Network, expensed in the half year were \$72.7m and \$60.2m respectively. The \$132.9m total post tax expense of these two transactions is the key reason our strong underlying net profit after tax of \$53.2m was reduced to a statutory net loss after tax of \$71.9m. More detail is contained in our half year report released today.

We have reconfirmed our guidance at the 2019 AGM for the full year that we expect to report underlying profit after tax for the full year at the top end of our guidance. However, we have upgraded our underlying EPS growth for the year from the previous range of 5% to 10% to 10% to 15%. For more detail on the assumptions and the guidance please refer to our Investor Presentation and half year report delivered to the ASX on 25 February 2020, and available on our investor website [www.investor.steadfast.com.au/investor-centre/](http://www.investor.steadfast.com.au/investor-centre/).

We thank you for your ongoing support of Steadfast Group. Your board and management team will continue its focus on growing your investment in Steadfast Group whilst acting in a transparent and ethical way.

Yours faithfully



**Frank O'Halloran, AM**  
**Non-Executive Chairman**