

MARKET RELEASE

21 February 2023

Steadfast Group is pleased to announce the 1H23 result with underlying EBITA up 22.5% and underlying NPAT up 18.2%

1H23 financial highlights^{1,2}

- Underlying revenue of \$662.8m, up 27.2%
- Underlying EBITA of \$188.6m, up 22.5%
- Underlying NPAT of \$90.2m, up 18.2%
- Underlying diluted EPS (NPAT) of 9.06 cents per share (cps), up 7.7%
- Underlying NPATA of \$111.1m, up 18.8%
- Interim dividend (fully franked) of 6.0 cps, up 15.4%

Statutory net profit after tax was \$84.7m compared with \$104.9m in 1H22. The reduction in statutory earnings was due to non-trading items.

Managing Director & CEO Robert Kelly commented "Our underlying earnings growth for the half year was again driven by sustained organic growth from price and volume increases in the Group's insurance broking and underwriting agencies, and our prudent acquisition strategy.

The IBA acquisition in late August and other Network broker acquisitions, including our Trapped Capital Project, are performing in line with expectations. We are on track to complete our targeted \$220m of Trapped Capital acquisitions in FY23."

Strong growth in the Group's underlying EBITA

The Group delivered strong underlying EBITA growth in 1H23 of 22.5% to \$188.6m driven by:

- acquisition growth which contributed +13.2%; and
- organic growth of 9.3% from the continued uplift in premiums by insurers and increased volume.

Balance sheet

Steadfast Group's balance sheet remains well positioned, with a consolidated gearing ratio (excluding premium funding borrowings) of 19.1%, well below the Board's maximum of 30%. As of today, the Group has \$227m of available capacity to fund future corporate activity, with significant headroom in its debt covenants.

Steadfast Network brokers delivers growth of 14.7% in gross written premium (GWP)

The Steadfast Network delivered a GWP increase of 14.7% to \$5.6b in 1H23 on a like for like basis.

Growth in revenue resulted in excellent underlying EBITA growth of 21.9% from equity brokers.

Steadfast Underwriting Agencies deliver \$1.0b of GWP in 1H23

Steadfast Underwriting Agencies continue to perform strongly with sustained organic growth, generating \$1.0b of GWP, an uplift of 18.8% over 1H22.

GWP growth led to underlying EBITA growth of 19.1%, demonstrating the ability of our agencies to produce sustainable profit margins despite expenses returning to normal after the easing of Covid

¹ Unless otherwise denoted, all comparatives are for the six month period ended 31 December 2021.

² Statutory results have been adjusted to exclude non-trading items in order to present a more meaningful analysis of the operating performance of the business.

restrictions, and increased spend on compliance and claims staff.

Interim dividend up 15.4% period-on-period

The Board has declared a fully franked interim dividend of 6.0 cps, up from 5.2 cps (+15.4%) in 1H22.

The interim dividend dates are as follows:

- Ex-dividend date of 27 February 2023
- Record date of 28 February 2023
- Dividend Reinvestment Plan (DRP) record date of 1 March 2023
- Payment date of 22 March 2023

The interim dividend is eligible for Steadfast Group's DRP at no discount. For more information on the interim dividend and the DRP, please refer to Steadfast Group's Appendix 3A.1: Notification of dividend, lodged with the ASX on 21 February 2023 and available on the investor website.

Trapped Capital acquisitions update

- Steadfast anticipates completing \$220m of Trapped Capital acquisitions (excluding IBA) in FY23, of which \$177.7m have been completed to date
- The Trapped Capital Project will continue to increase Steadfast's equity holdings in the Steadfast Network
- For further information, please refer to the Investor Presentation lodged with the ASX today

FY23 guidance upgrade

On 16 February 2023, Steadfast upgraded its FY23 guidance range based on strong financial performance in the seven months to 31 January 2023. In particular, Steadfast is trading ahead of original organic growth expectations, with acquisition growth expected to be at least in line with original assumptions.

	Previous FY23 guidance range	Upgraded FY23 guidance range
Underlying EBITA	\$400m - \$420m	\$420m - \$430m
Underlying NPAT	\$190m - \$202m	\$198m - \$208m
Underlying diluted EPS (NPAT) growth	5% - 11%	10% - 15%
Underlying NPATA	\$233m - \$245m	\$242m - \$252m

The upgraded FY23 guidance (at the mid-point) represents underlying EBITA growth of 24.9%, underlying NPAT growth of 20.1% and underlying NPATA growth of 20.3% against FY22 financial results.

The guidance is subject to:

- Expectation of continued premium rate increases by insurers
- Completion of a further \$43m of Trapped Capital acquisitions in FY23
- No material economic impacts from current global uncertainties
- Key risks as set out in the 2022 Annual Report (pages 48 – 49)

Conference call and webcast

Robert Kelly, Managing Director & CEO, and Stephen Humphrys, Chief Financial Officer, will host a conference call and webcast at 10:30am (AEDT) 22 February 2023.

To participate in the call, please pre-register for dial in details [here](#).

To access the live webcast, please click [here](#).

A replay of the webcast will be made available on the investor website approximately 48 hours after the initial broadcast.

This announcement is authorised by the Steadfast Board of Directors.

For more information, please contact:

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All references in this announcement to either dollars or \$ are to Australian dollars.

Steadfast Group, established in 1996, is the largest general insurance broking network and the largest underwriting agency group in Australasia. The network provides services to broker businesses across Australia, New Zealand, Asia and London. As of June 2022, Steadfast Network brokers and underwriting agencies generated billings of more than \$13b. 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. Steadfast Group also has a majority equity stake in UnisonSteadfast, a global general insurance broker network with 272 brokers in 140 countries.

For further information, please visit investor.steadfast.com.au