Steadfast Group Limited and controlled entities

Appendix 4D (rule 4.3A)
Preliminary final report for the half year ended 31 December 2023

Results for announcement to the market
(All comparisons to half year ended 31 December 2022)

	31 Dec 2023 $'m	Up/Down $'m	Movement %
Revenues from ordinary activities	653.1	106.9	20
Underlying EBITA before non-trading items	229.0	40.4	21
Underlying net profit after tax (NPAT) attributable to shareholders (Note 1)	106.0	15.8	18
Statutory NPAT attributable to shareholders (Note 1)	100.4	15.7	19
Total comprehensive income attributable to shareholders	95.7	8.5	10

Note 1:

The table below reconciles underlying to statutory NPAT, identifying non-trading items:

	31 Dec 2023 $'m	31 Dec 2022 $'m
Underlying NPAT	106.0	90.2
Adjustments for non-trading items (net of tax and non-controlling interests):		
Deferred/contingent consideration expense (where actual earnout was more than expected)	(11.6)	(9.7)
Deferred/contingent consideration income (where actual earnout was less than expected)	2.4	1.4
Mark-to-market gains from revaluation of listed investment	3.3	1.8
Impairment of investments in associates and joint ventures	(0.4)	-
Other non-trading items	0.7	1.0
Statutory NPAT	100.4	84.7

Some of the financial data in the table above is disclosed on an underlying basis to provide a more meaningful analysis of the Group's financial results from normal operating activities. The adjustments to statutory NPAT have been extracted from the books and records that have been reviewed. Underlying NPAT has been disclosed in accordance with ASIC's Regulatory Guide RG230.

Dividend information

	Amount per share Cents	Franked amount per share Cents	Tax rate for franking credit %
Interim 2024 dividend per share	6.75	6.75	30

Interim dividend dates	
Ex-dividend date	4 March 2024
Record date	5 March 2024
Payment date	28 March 2024

The Company's Dividend Reinvestment Plan (DRP) will operate by purchasing ordinary shares on market. No discount will be applied. The last election notice for participation in the DRP in relation to this interim dividend is 6 March 2024.

A copy of the full terms and conditions for the DRP is available at http://investor.steadfast.com.au/Investor-Centre/?page=Dividends.

	31 Dec 2023 $	30 Jun 2023 $
Net tangible (liabilities)/assets per ordinary share*	(0.07)	0.01

* Net tangible (liabilities)/assets per ordinary share are based on 1,106,290,675 shares on issue at 31 December 2023. There has been an increase of 67,728,780 in ordinary shares on issue since 30 June 2023.

Other information

As at the end of the reporting period, Steadfast Group Limited held an interest in the following associates and joint ventures:

	Ownership interest %
Associates	
Ausure Group Pty Ltd - associates thereof	20.8%
Baileys Premium Funding Limited	40.0%
Blackburn (Insurance Brokers) Pty Ltd and Liability Brokers Pty Ltd	40.0%
Calliden Group Pty Ltd – associates thereof	45.0%
Collective Insurance Brokers Pty Ltd	49.0%
Community Broker Network Pty Ltd – associates thereof	41.1%
Covercorp Pty Ltd	49.0%
Coverforce HoldCo Pty Ltd – associates thereof	25.0%
Flame Security International Pty Ltd	26.3%
HJS Unit Trust	33.3%
Insurance Brands Australia Pty Ltd – associates thereof	22.4%
J.D.I (YOUNG) Pty Ltd	25.0%
Johansen Insurance Brokers Pty Ltd	48.4%
Listsure Pty Ltd	29.8%
McKillops Insurance Brokers Pty Ltd	49.0%
McLardy McShane Partners Pty Ltd and McLardy McShane Insurance Brokers Pty Ltd	37.0%
Meridian Lawyers Limited	25.0%
Origin Insurance Brokers Pty Ltd	49.0%
QUS Pty Ltd	45.0%
Rothbury Group Limited and its subsidiaries and associates	43.2%
RSM Group Pty Ltd	49.0%
Sapphire Star Pty Ltd	30.0%
Seneca Insurance Brokers Limited	40.0%
Southside Insurance Brokers Pty Ltd	49.0%
Steadfast Life Pty Ltd and its subsidiary	50.0%
Sterling Insurance Pty Limited	39.5%
UnisonSteadfast AG – associates thereof	30.0%
Watkins Insurance Brokers Pty Ltd and D&E Watkins Unit Trust	35.0%
Joint ventures	
Abbott NZ Holdings Limited – joint ventures thereof	50.0%
Ausure Group Pty Ltd – joint ventures thereof	22.4%
BAC Insurance Brokers Pty Ltd and its subsidiary	50.0%
Blend Insurance Solutions Pty Ltd and its subsidiary	50.0%
Coverforce HoldCo Pty Ltd – joint ventures thereof	35.9%
Network Insurance Group Hospitality Pty Ltd – joint ventures thereof	32.5%
Steadfast Risk Group Pty Ltd – joint ventures thereof	50.0%

The aggregate share of profits after tax of associates and joint ventures accounted for using the equity method is $17.9 million. (Per Note 11 Share of associated & joint ventures' profit after income tax)

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 31 December 2023 financial statements and accompanying notes.

This report is based on the consolidated financial statements which have been reviewed by KPMG.

Attachment A

Steadfast Group Limited
Half Year Report – 31 December 2023

Steadfast Group

Half Year Report 2024

Contents

Directors' Report

The Directors present their report together with the consolidated financial statements of Steadfast Group Limited (Steadfast or the Company), its subsidiaries and interests in associates and joint ventures (collectively Steadfast Group or the Group) for the half year ended 31 December 2023 (1H24) and the Independent Auditor's Review Report thereon.

Directors

The Directors of the Company in office at any time during or since the end of the half year are as follows:

Name	Date of appointment
Chair	
Frank O'Halloran, AM	21 October 2012
Managing Director & CEO	
Robert Kelly, AM	18 April 1996
Other Directors	
David Liddy, AM (Deputy Chair)	1 January 2013
Vicki Allen	18 March 2021
Andrew Bloore	15 November 2023
Joan Cleary	28 July 2022
Gai McGrath	1 June 2018
Greg Rynenberg	10 August 1998

Directors' Report continued

Operating and financial review

A. Operating results for the half year

The trading results for the half year are summarised as follows (refer Note 4 and Note 5):

	31 Dec 2023 $'m	31 Dec 2022 $'m
Underlying net profit after income tax (NPAT) attributable to owners of Steadfast Group Limited	**106.0**	90.2
Adjustments for non-trading items (net of tax and non-controlling interests):		
Deferred/contingent consideration expense (where actual earnout was more than expected)	**(11.6)**	(9.7)
Deferred/contingent consideration income (where actual earnout was less than expected)	**2.4**	1.4
Mark-to-market gains from revaluation of listed investment	**3.3**	1.8
Impairment of investments in associates and joint ventures	**(0.4)**	-
Other non-trading items	**0.7**	1.0
Statutory NPAT attributable to owners of Steadfast Group Limited	**100.4**	84.7
Underlying diluted earnings per share (EPS) (cents per share)	**10.2**	9.1
Statutory diluted EPS (cents per share)	**9.6**	8.5

The underlying NPAT was $106.0 million compared with $90.2 million for the period to 31 December 2022. The increase was mainly due to:

- organic growth including revenue growth from price increases by insurers as well as volume increases;
- acquisition of Sure Insurance, ISU Group and interests in other Network brokers, including from the Trapped Capital project; and
- full period contribution from Insurance Brands Australia (IBA) and other businesses acquired in the financial year ended 30 June 2023 (FY23).

The underlying NPAT reflects the basis upon which performance is measured and monitored by the Board and management. Underlying NPAT has been disclosed in accordance with ASIC's Regulatory Guide RG230. The adjustments to profit have been extracted from the reviewed books and records. Underlying NPAT is disclosed to provide a more meaningful analysis of the Group's financial results from normal operating activities.

B. Review of financial condition

I. Financial position

During the half year net equity increased by $291.1 million, primarily due to capital raises in November and December 2023 and the retention of profits in excess of dividends paid. These increases were partly offset by reductions in other reserves due to changes in equity interests in subsidiaries ($48.1 million), predominantly relating to step-up transactions where the price paid to acquire additional interests exceeded the original book value, driven by growth in the underlying businesses. There was also a reduction due to the issue of new put options and the revaluation of previous put options granted.

Capital raises and debt drawdowns were deployed on acquisitions throughout the financial period. As a result, goodwill increased by $333.1 million and identifiable intangibles increased by $85.6 million as detailed in Note 10 to the financial statements.

II. Cash from operations

Net cash inflows from operating activities of $122.2 million (excluding trust account and premium funding movements) reflected continued full conversion of profits into cash flows. After funding dividends to shareholders, the remaining free cash flow is available for corporate activities, including acquisitions of further business interests.

III. Capital management

At 31 December 2023, the Company had 1,106.3 million ordinary shares on issue, up from the 1,038.6 million ordinary shares on issue at 30 June 2023, principally as a result of the institutional and retail share placement of 67.7 million shares ($348.1 million) in

November and December 2023 respectively to fund acquisitions. The Company continues to acquire shares on market to provide for future share issues to employees, including Key Management Personnel (KMP), under equity-based incentive schemes.

The Group leverages its equity, adopting a maximum 30.0% total gearing ratio (excluding premium funding borrowings). At 31 December 2023, the Group's gearing ratio was 18.8% (30 June 2023: 19.0%). Refer Note 9C.

At 31 December 2023, the Group had an $860.0 million multibank syndicated facility with a combination of three year and five year tranches, with the Group able to borrow a further $351.5 million from this facility.

At 31 December 2023, the Warehouse Trust limit for IQumulate Premium Funding Pty Ltd was $660.0 million (including a $60.0 million overdraft facility) with an availability period to July 2024. The premium funding borrowings, secured primarily by the premium funding receivables, have a one-year term (renewed on an annual basis) to attract a lower cost of borrowing which is standard commercial practice for this sector. Whilst the contractual availability period ends in July 2024, the premium funding borrowings have been classified as non-current in the statement of financial position as the contractual maturity date includes an amortisation period of up to 12 months to repay from the date of the last maturing premium funding loan in the Warehouse Trust.

The corporate debt and premium funding facilities are not cross collateralised.

Events after the reporting period

Subsequent to 31 December 2023, the Board declared an interim dividend of 6.75 cents per share, fully franked. The dividend will be paid on 28 March 2024.

Likely developments

The Group's strategy is to grow shareholder value through maintaining and growing its market position in the provision of insurance and related services, with a core focus on general insurance intermediation.

The Board reaffirms the following FY24 upgraded guidance advised in November 2023:

- Underlying EBITA of $520.0 million to $530.0 million
- Underlying NPAT of $240.0 million to $250.0 million
- Underlying NPATA of $290.0 million to $300.0 million
- Underlying diluted EPS (NPAT) growth of 11% to 16%

This is subject to the following key assumptions:

- insurers maintaining current premium rate increases;
- completion of a further $65.0 million of Trapped Capital acquisitions from the date of this report to 30 June 2024; and
- no material adverse impacts from current global uncertainties.

Key risks are set out in the 2023 Annual Report (pages 49 to 51).

Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 10 and forms part of the Directors' Report for the half year ended 31 December 2023.

Rounding

The Group is of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities & Investments Commission. In accordance with that Instrument, amounts in the Directors' Report and financial report have been rounded to the nearest hundred thousand dollars, unless otherwise stated.

Signed at Sydney on 27 February 2024 in accordance with a resolution of the Directors.

Frank O'Halloran, AM	**Robert Kelly, AM**
Chair	Managing Director & CEO

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Steadfast Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Steadfast Group Limited for the half-year ended 31 December 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

David Kells
Partner

Sydney
27 February 2024

Steadfast's purpose is to create business solutions designed to help our Steadfast businesses and Network achieve better outcomes for their clients and the communities we serve.

Consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2023

	Notes	31 Dec 2023 $'m	31 Dec 2022 $'m
Fee and commission income		**701.3**	605.1
Less: brokerage commission paid		**(151.6)**	(144.5)
Net fee and commission income		**549.7**	460.6
Premium funding interest income		**60.3**	47.1
Share of profits of associates and joint ventures	11	**17.9**	14.8
Fair value gain on listed investment		**4.7**	2.6
Net (loss)/gain from change in ownership in equity businesses and deferred/ contingent consideration		**(7.4)**	9.2
Interest income		**23.8**	8.6
Other income		**4.1**	3.3
		653.1	546.2
Employment expense		**(285.6)**	(227.3)
Operating, brokers' support service and other expenses		**(93.4)**	(74.9)
Selling expense		**(36.5)**	(30.5)
Amortisation expense	7	**(33.6)**	(30.2)
Depreciation expense		**(13.4)**	(12.2)
Impairment expense	11	**(0.4)**	-
Finance cost		**(21.9)**	(12.8)
		(484.8)	(387.9)
Profit before income tax expense		**168.3**	158.3
Income tax expense		**(48.7)**	(58.0)
Profit after income tax expense for the financial period		**119.6**	100.3
PROFIT FOR THE FINANCIAL PERIOD IS ATTRIBUTABLE TO:			
Non-controlling interests		**19.2**	15.6
Owners of Steadfast Group Limited	4	**100.4**	84.7
		119.6	100.3

	Notes	31 Dec 2023 $'m	31 Dec 2022 $'m
OTHER COMPREHENSIVE (LOSS)/INCOME			
Items that may be reclassified subsequently to profit or loss			
Net movement in foreign currency translation reserve		**(3.7)**	2.5
Cash flow hedge effective portion of change in fair value		**(1.4)**	-
Income tax benefit on other comprehensive loss		**0.4**	-
Total other comprehensive (loss)/income for the financial period, net of tax		**(4.7)**	2.5
Total comprehensive income for the financial period, net of tax		**114.9**	102.8
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD IS ATTRIBUTABLE TO:			
Non-controlling interests		**19.2**	15.6
Owners of Steadfast Group Limited		**95.7**	87.2
		114.9	102.8
EARNINGS PER SHARE			
Basic earnings per share (cents per share)	5	**9.6**	8.5
Diluted earnings per share (cents per share)	5	**9.6**	8.5

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements.

Steadfast Group Limited

Consolidated statement of financial position

As at 31 December 2023

	Notes	31 Dec 2023 $'m	30 Jun 2023 $'m
ASSETS			
Current assets			
Cash and cash equivalents		**273.4**	259.2
Cash held on trust		**975.2**	879.3
Trade and other receivables	12	**249.9**	261.3
Premium funding receivables	12	**833.8**	662.2
Other		**31.1**	19.5
Total current assets		**2,363.4**	2,081.5
Non-current assets			
Goodwill	7	**2,319.2**	1,985.7
Intangible assets	7	**406.5**	346.6
Investments in associates and joint ventures	11	**224.4**	222.6
Property, plant and equipment		**63.8**	64.0
Right-of-use assets		**61.1**	58.7
External shareholder loans		**43.1**	36.1
Loans to associates and joint ventures		**5.7**	5.9
Other financial assets		**52.0**	41.9
Deferred tax assets		**39.0**	35.5
Other		**11.0**	6.6
Total non-current assets		**3,225.8**	2,803.6
Total assets		**5,589.2**	4,885.1

	Notes	31 Dec 2023 $'m	30 Jun 2023 $'m
LIABILITIES			
Current liabilities			
Payables on broking/underwriting agency operations		**946.8**	868.3
Trade and other liabilities		**173.9**	161.8
Premium funding payables		**166.5**	206.4
Corporate and subsidiary borrowings	8	**3.7**	4.3
Premium funding borrowings	8	**52.8**	45.7
Bank overdrafts	8	**0.2**	0.5
Lease liabilities		**18.7**	19.4
Deferred/contingent consideration	10	**120.0**	86.5
Provisions		**59.7**	57.8
Income tax payable		**29.2**	47.5
Total current liabilities		**1,571.5**	1,498.2
Non-current liabilities			
Corporate and subsidiary borrowings	8	**575.7**	514.5
Premium funding borrowings	8	**593.0**	406.5
Deferred tax liabilities		**151.5**	134.3
Lease liabilities		**49.4**	46.5
Provisions		**15.6**	14.0
Deferred/contingent consideration	10	**96.1**	25.8
Other		**0.4**	0.4
Total non-current liabilities		**1,481.7**	1,142.0
Total liabilities		**3,053.2**	2,640.2
Net assets		**2,536.0**	2,244.9
EQUITY			
Share capital	9	**2,293.4**	1,949.0
Treasury shares held in trust	9	**(15.7)**	(15.9)
Revaluation reserve		**12.1**	12.1
Other reserves		**(137.8)**	(46.5)
Retained earnings		**149.6**	142.7
Equity attributable to the owners of Steadfast Group Limited		**2,301.6**	2,041.4
Non-controlling interests		**234.4**	203.5
Total equity		**2,536.0**	2,244.9

The above consolidated statement of financial position should be read in conjunction with the notes to the financial statements.

Consolidated statement of changes in equity

For the half year ended 31 December 2023

	Equity attributable to owners of Steadfast Group Limited							
31 Dec 2023	Share capital $'m	Treasury shares held in trust $'m	Reval-uation reserve $'m	Other reserves $'m	Retained earnings $'m	Total $'m	Non-controlling interests $'m	Total equity $'m
Balance at 1 July 2023	1,949.0	(15.9)	12.1	(46.5)	142.7	2,041.4	203.5	2,244.9
Profit after income tax expense	-	-	-	-	100.4	100.4	19.2	119.6
Other comprehensive loss, net of tax	-	-	-	(4.7)	-	(4.7)	-	(4.7)
Total comprehensive income	-	-	-	(4.7)	100.4	95.7	19.2	114.9
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:								
Issue of share capital (Note 9)	344.4	-	-	-	-	344.4	-	344.4
Shares acquired and held in trust (Note 9)	-	(8.2)	-	-	-	(8.2)	-	(8.2)
Share-based payments	-	-	-	3.7	-	3.7	-	3.7
Shares allocated/(allotted) (Note 9)	-	8.4	-	(8.4)	-	-	-	-
Non-controlling interests of acquired entities (Note 10)	-	-	-	-	-	-	13.2	13.2
Additions to/revaluations of put options over non-controlling interests (Note 10G)	-	-	-	(33.8)	-	(33.8)	-	(33.8)
Change in equity interests in subsidiaries without loss of control	-	-	-	(48.1)	-	(48.1)	19.5	(28.6)
Final dividend declared and paid (Note 6)	-	-	-	-	(93.5)	(93.5)	(21.0)	(114.5)
Balance at 31 December 2023	2,293.4	(15.7)	12.1	(137.8)	149.6	2,301.6	234.4	2,536.0

31 Dec 2022	Share capital $'m	Treasury shares held in trust $'m	Reval-uation reserve $'m	Other reserves $'m	Retained earnings $'m	Total $'m	Non-controlling interests $'m	Total equity $'m
	Equity attributable to owners of Steadfast Group Limited							
Balance at 1 July 2022	**1,638.9**	**(15.9)**	**12.1**	**(42.7)**	**92.1**	**1,684.5**	**129.4**	**1,813.9**
Profit after income tax expense	-	-	-	-	**84.7**	**84.7**	**15.6**	**100.3**
Other comprehensive income, net of tax	-	-	-	**2.5**	-	**2.5**	-	**2.5**
Total comprehensive income	-	-	-	**2.5**	**84.7**	**87.2**	**15.6**	**102.8**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:								-
Issue of share capital	**310.2**	-	-	-	-	**310.2**	-	**310.2**
Shares acquired and held in trust	-	**(5.4)**	-	-	-	**(5.4)**	-	**(5.4)**
Share-based payments	-	-	-	**3.6**	-	**3.6**	-	**3.6**
Shares allocated/(allotted)	-	**5.6**	-	**(5.6)**	-	-	-	-
Non-controlling interests of acquired entities	-	-	-	-	-	-	**4.4**	**4.4**
Revaluation of put options over non-controlling interests	-	-	-	**(0.1)**	-	**(0.1)**	-	**(0.1)**
Change in equity interests in subsidiaries without loss of control	-	-	-	**(1.7)**	-	**(1.7)**	**19.9**	**18.2**
Final dividend declared and paid (Note 6)	-	-	-	-	**(76.3)**	**(76.3)**	**(17.3)**	**(93.6)**
Balance at 31 December 2022	**1,949.1**	**(15.7)**	**12.1**	**(44.0)**	**100.5**	**2,002.0**	**152.0**	**2,154.0**

The above consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

Consolidated statement of cash flows

For the half year ended 31 December 2023

	Note	31 Dec 2023 $'m	31 Dec 2022 $'m
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**710.1**	594.2
Payments to suppliers and employees, and Network Broker rebates		**(513.7)**	(410.4)
Dividends received from associates and joint ventures		**14.0**	13.6
Interest received		**22.9**	8.1
Interest and other finance costs paid		**(19.6)**	(10.6)
Net cash from operating activities before tax, customer trust account and premium funding movements		**213.7**	194.9
Income taxes paid		**(91.5)**	(56.2)
Net cash from operating activities before customer trust account and premium funding movements		**122.2**	138.7
Net cash outflow to premium funding customers		**(213.9)**	(109.8)
Net movement in customer trust accounts (net cash receipts/payments on behalf of customers)		**77.4**	106.9
Net cash (used in)/from operating activities	15	**(14.3)**	135.8
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisitions of subsidiaries and business assets		**(262.9)**	(334.9)
Cash acquired from acquisitions of subsidiaries and business assets	10	**30.2**	86.6
Payments for investments in associates and joint ventures	11	**(8.3)**	(9.3)
Payments for step-up investment in subsidiaries on hubbing arrangements		**(56.0)**	(7.8)
Dividends received from listed investment		**0.3**	0.2
Payments for investments in other financial assets		**(5.4)**	(3.0)
Payments of deferred/contingent consideration for subsidiaries, associates and business assets	10	**(59.5)**	(26.9)
Proceeds from part disposal of investment in subsidiaries on hubbing arrangements		**16.3**	16.1
Proceeds from disposal of investment in associates		**1.6**	2.2
Payments for property, plant and equipment		**(3.0)**	(5.3)
Payments for intangible assets		**(0.5)**	(4.4)
Net cash used in investing activities		**(347.2)**	(286.5)

	Note	31 Dec 2023 $'m	31 Dec 2022 $'m
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**348.1**	233.4
Payments for transaction costs on issue of shares		**(5.3)**	(4.5)
Dividends paid to owners of Steadfast, net of Dividend Reinvestment Plan		**(93.5)**	(69.1)
Dividends paid to non-controlling interests		**(21.0)**	(17.3)
Proceeds from borrowings (excluding premium funding)	8	**533.6**	103.3
Repayment of borrowings (excluding premium funding)	8	**(469.4)**	(22.2)
Net cash inflow from premium funding borrowings	8	**193.6**	95.0
Payments for purchase of treasury shares	9	**(8.2)**	(5.4)
Repayment of related party loans		**4.1**	7.1
Payments for related party loans		**(4.3)**	(11.2)
Repayment of non-related party loans		**4.6**	1.1
Payments for non-related party loans		**-**	(2.4)
Payment of lease liabilities		**(10.9)**	(9.1)
Net cash from financing activities		**471.4**	298.7
Net increase in cash and cash equivalents		**109.9**	148.0
Cash and cash equivalents at the beginning of the financial period		**1,138.0**	945.0
Effect of movements in exchange rates on cash held		**0.5**	0.5
Cash and cash equivalents at the end of the financial period		**1,248.4**	1,093.5

The above consolidated statement of cash flows should be read in conjunction with the notes to the financial statements.

Notes to the financial statements

For the half year ended 31 December 2023

Note 1. General information

This condensed consolidated interim financial report is for the half year ended 31 December 2023 and comprises the consolidated financial statements for Steadfast Group Limited (Steadfast or the Company) and its subsidiaries and the Group's interests in associates and joint ventures (Steadfast Group or the Group). These financial statements are presented in Australian dollars, which is Steadfast's functional and presentation currency.

The Company is a for-profit listed public company limited by shares, which is incorporated and domiciled in Australia. Its registered office and principal place of business is Level 4, 99 Bathurst Street, Sydney NSW 2000.

This interim financial report was authorised for issue by the Board on 27 February 2024.

This report should be read in conjunction with the Annual Report for the year ended 30 June 2023 and any public announcements made by the Company during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Note 2. Material accounting policies

A. Statement of compliance

This interim financial report is a general purpose financial report prepared in accordance with AASB 134 Int*erim Financial Reporting* and the *Corporations Act 2001*, the Australian Securities Exchange (ASX) Listing Rules, and with IAS 34 Interim Financial Reporting.

It does not include all of the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2023.

B. Basis of preparation of the interim financial report

The material accounting policies adopted in the preparation of this interim financial report have been applied consistently by all entities in the Group and are the same as those applied for the previous reporting period unless otherwise noted. These interim financial statements have been prepared under the historical cost convention modified, where applicable, by the measurement at fair value of certain non-current assets, financial assets and financial liabilities.

I. Rounding

The Group is of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission. In accordance with that Instrument, amounts in this interim financial report have been rounded to the nearest hundred thousand dollars, unless otherwise stated.

C. Australian Accounting Standards issued and not yet effective

The Group has not early adopted nor applied any new, revised or amending Australian Accounting Standards and Interpretations that are not yet mandatory for the half year ended 31 December 2023. None of these are expected to have a material impact when adopted.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses. Management bases its judgements, estimates and assumptions on historical experience and on various other factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates may differ from the actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) subsequent to the half year ended 31 December 2023 are discussed below.

The Group has considered the impact of economic conditions such as inflation and the higher interest rate environment when preparing the consolidated financial statements and related note disclosures, including the impact on the Group's forecast cash flows and liquidity. While the effects of these uncertainties do not change the significant estimates, judgements and assumptions considered by management in the preparation of the consolidated financial statements, they increase the level of estimation uncertainty and the application of further judgement within these identified areas.

A. Goodwill

Goodwill is not amortised but assessed for impairment annually or more frequently when there are indicators of impairment.

The recoverable amount of goodwill is estimated using the higher of fair value or the value in use of the relevant cash-generating unit (CGU) deducting the carrying amount of the identifiable net assets of the CGU. Key assumptions used in the calculation of recoverable amounts are the discount rates, terminal value growth rates and inputs to revenue and expense growth assumptions.

B. Intangible assets

The carrying amounts of intangible assets with finite lives are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated on the same basis as goodwill above. An impairment loss is recognised if the carrying amount of the intangible asset exceeds its recoverable amount.

C. Investments in associates and joint ventures

Investments in associates and joint ventures are carried at the lower of the equity-accounted amount and the recoverable amount.

The carrying amounts of investments in associates and joint ventures are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated on the same basis as goodwill above.

An impairment loss is recognised if the carrying amount of the investment in associates and joint ventures exceeds its recoverable amount.

D. Fair value of assets acquired

The Group measures the net assets acquired in a business combination at their fair value at the date of acquisition. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the fair value, then the amounts recognised at the acquisition date will be retrospectively revised.

Fair value is estimated with reference to market transactions for similar assets or discounted cash flow analysis.

E. Expected credit loss provision

The expected credit loss (ECL) provision is estimated based on the analysis of aged receivables, as the Group assumes that the credit risk on fee and commission receivables increases significantly if it is more than 90 days past due, as well as based on assumptions made on forward-looking information. For the premium funding businesses, the ECL provision is based on historical analysis of credit losses for loans in arrears, having considered whether this remains appropriate.

F. Hedge accounting

The Group may utilise derivative financial instruments such as forward currency contracts to mitigate its exposure to foreign currency risk. The Group designates and documents the hedge relationship at its inception and the intial recognition on the date of entering into a derivative contract is measured at fair value, followed by subsequent remeasurement at fair value. Derivatives are categorised as other assets or other liabilities based on whether their fair value is positive or negative, respectively. In the cash flow hedge reserve, the gain or loss on the hedging instrument is recognised as other comprehensive income for the effective portion, while the ineffective portion is recognised directly in profit or loss.

G. Fair value of assets and liabilities

The Group's assets and liabilities are measured at fair value (including costs to dispose) at balance date. The following table gives information about how the fair value of assets and liabilities is determined, including the valuation techniques and inputs used. For the Group's assets and liabilities where a fair value methodology is not noted below, their carrying amounts provide a reasonable approximation of their fair values.

Fair values are categorised into different levels in a fair value hierarchy, based on the inputs used in the valuation techniques, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data.

Notes to the financial statements continued

Asset or liability	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Deferred/contingent consideration	Level 3	The fair value is calculated based on a contracted multiple, typically of forecast EBITA or fees and commissions. Where extended payment terms are offered and the amount is deemed material, the amount is discounted to present value	Forecast EBITA or fees and commissions Discount rate	The estimated fair value would increase/decrease if the forecast EBITA or fees and commissions were higher/lower The estimated fair value would decrease/increase if the discount rate used was higher/lower
Land and buildings	Level 3	The fair value is determined using an independent appraisal by qualfied property valuers. An appraisal was performed for the year ended 30 June 2023. The valuation is based on the capitalisation of net income (discounted cash flow) and direct comparison approaches.	Forecast cash flows and market value are driven largely by market yield. Yield is impacted by numerous factors including rental growth, occupancy rates and rental incentives which are all driven by supply and demand forces. Forecast cash flows are discounted to present value at current risk-free rates.	The estimated fair value would increase/decrease if market yields were higher/lower The estimated fair value would decrease/increase if the discount rate used was higher/lower
Interest rate swaps (other assets)	Level 2	The fair value is calculated using the present value of the estimated future cash flow based on observable yield curves.	Not applicable	Not applicable
Foreign currency forward contract (other assets)	Level 2	The fair value is calculated using the present value of the estimated future cash flow based on observable yield and forward rates.	Not applicable	Not applicable
Investment in listed shares (other financial assets)	Level 1	The fair value is calculated based on the number of shares multiplied by the quoted price on the ASX at balance date.	Not applicable	Not applicable

H. Climate change

Climate change is a global risk that is material for the insurance industry including insurers' operations, customers and the whole economy. Climate change may increase the frequency and severity of acute weather-related events such as floods, bushfire and storms, as well as giving rise to changes such as rising sea levels, increased heat waves and droughts.

The principal activities of the Group are the provision of services to Steadfast Network brokers, the distribution of insurance policies via insurance brokerages and underwriting agencies, and related services. As such the Group is not exposed to climate change risk to the same extent as insurers that underwrite the risk of an insurance policy. Whilst the potential risks (including availability of insurance coverage for clients) and related opportunities from climate change are considered as part of the Group's asset impairment review methodology and processes, based on what is currently known, it is not expected that climate risks will have a significant impact on the Group's principal activities, particularly from an asset impairment standpoint.

Note 4. Operating segments

The Group's corporate structure includes equity investments in insurance intermediary entities (insurance broking and underwriting agencies), premium funders and complementary businesses. Discrete financial information about each of these service lines is reported to management on a regular basis and, accordingly, management considers each service line to be a discrete business operation.

The Group distributes insurance and issues premium funding products primarily in Australia and New Zealand. The Group is also expanding its footprint in the United States of America (USA), United Kingdom and Singapore, and has a controlling interest in ISU Group and UnisonSteadfast, networks headquartered in USA and Germany respectively. The revenue and non-current assets attributed to geographies outside of Australasia are currently immaterial to the Group and hence no separate geographical disclosure has been provided.

The financial performance of the Group's operating segments is regularly provided to the Chief Operating Decision Maker (considered to be the Managing Director & CEO) for each discrete business operation. The table below presents the financial performance for the Group's insurance intermediaries and premium funders on an aggregated basis as each discrete business operation within these operating segments is considered to have similar economic characteristics. The financial performance of each of these operating segments is presented on an unconsolidated basis, that is, gross of transactions between reportable segments. Intercompany eliminations between insurance intermediaries and premium funders are disclosed separately below.

Half year to 31 Dec 2023	Insurance intermediary $'m	Premium funding $'m	Other $'m	Intercompany eliminations $'m	Total underlying $'m	Re-classifications $'m[1]	Non-trading items $'m[2]	Total statutory $'m
Total revenue	**726.2**	**59.2**	**11.2**	**(6.2)**	**790.4**	**(134.4)**	**(2.9)**	**653.1**[3]
Total expenses	**(567.9)**	**(52.4)**	**(17.6)**	**6.2**	**(631.7)**	**149.2**	**(2.3)**	**(484.8)**
Share of EBITA from associates and joint ventures	**22.5**	**0.1**	**(0.1)**	**-**	**22.5**	**(23.5)**	**0.9**	**(0.1)**
Financing expense - associates	**(1.3)**	**-**	**-**	**-**	**(1.3)**	**1.3**	**-**	**-**
Amortisation expense - associates	**(0.7)**	**-**	**(0.3)**	**-**	**(1.0)**	**1.1**	**-**	**0.1**
Net profit/(loss) before income tax	**178.8**	**6.9**	**(6.8)**	**-**	**178.9**	**(6.3)**	**(4.3)**	**168.3**
Income tax (expense)/benefit	**(52.1)**	**(1.8)**	**0.4**	**-**	**(53.5)**	**6.3**	**(1.5)**	**(48.7)**
Net profit/(loss) after income tax	**126.7**	**5.1**	**(6.4)**	**-**	**125.4**	**-**	**(5.8)**	**119.6**
Non-controlling interests	**(19.4)**	**(0.5)**	**0.5**	**-**	**(19.4)**	**-**	**0.2**	**(19.2)**
Net profit/(loss) after income tax attributable to owners of Steadfast Group Limited	**107.3**	**4.6**	**(5.9)**	**-**	**106.0**	**-**	**(5.6)**	**100.4**

[1] Much of the reclassification relates to commissions paid by the Group's underwriting agencies. Such commissions are netted off against fee and commission income in the statutory numbers, and are disclosed as expenses in the underlying numbers.
[2] Refer Note 5B for a breakdown of non-trading item adjustments.
[3] Total statutory revenue includes all income net of brokerage commission, as set out in the statement of profit or loss and other comprehensive income.

Notes to the financial statements continued

Half year to 31 Dec 2022	Insurance intermediary $'m	Premium funding $'m	Other $'m	Intercompany eliminations $'m	Total underlying $'m	Re-classifications $'m	Non-trading items $'m	Total statutory $'m
Total revenue	615.9	46.3	5.5	(4.9)	662.8	(129.6)	13.0	546.2
Total expenses	(480.1)	(40.5)	(12.3)	4.9	(528.0)	141.7	(1.6)	(387.9)
Share of EBITA from associates and joint ventures	17.5	0.1	1.2	-	18.8	(18.8)	-	-
Financing expense - associates	(0.6)	(0.1)	-	-	(0.7)	0.7	-	-
Amortisation expense - associates	(0.6)	(0.1)	(0.3)	-	(1.0)	1.0	-	-
Net profit/(loss) before income tax	152.1	5.7	(5.9)	-	151.9	(5.0)	11.4	158.3
Income tax (expense)/benefit	(45.2)	(1.7)	0.4	-	(46.5)	5.0	(16.5)	(58.0)
Net profit/(loss) after income tax	106.9	4.0	(5.5)	-	105.4	-	(5.1)	100.3
Non-controlling interests	(15.4)	0.2	-	-	(15.2)	-	(0.4)	(15.6)
Net profit/(loss) after income tax attributable to owners of Steadfast Group Limited	91.5	4.2	(5.5)	-	90.2	-	(5.5)	84.7

Note 5. Earnings per share

A. Reporting period value

	Half year to 31 Dec 2023 Cents	Half year to 31 Dec 2022 Cents
Basic earnings per share	**9.6**	8.5
Diluted earnings per share	**9.6**	8.5
Excluding non-trading items, the underlying earnings per share would be as follows:		
Basic earnings per share	**10.2**	9.1
Diluted earnings per share	**10.2**	9.1

B. Reconciliation of earnings used in calculating earnings per share

	Half year to 31 Dec 2023 $'m	Half year to 31 Dec 2022 $'m
Profit after income tax	**119.6**	100.3
Non-controlling interests	**(19.2)**	(15.6)
Profit after income tax attributable to the owners of Steadfast Group Limited for calculation of statutory basic and diluted earnings per share	**100.4**	84.7
Adjustments for non-trading items (net of tax and non-controlling interest):		
Deferred/contingent consideration expense (where actual earnout was more than expected)	**11.6**	9.7
Deferred/contingent consideration income (where actual earnout was less than expected)	**(2.4)**	(1.4)
Mark-to-market gains from revaluation of listed investment	**(3.3)**	(1.8)
Impairment of investments in associates and joint ventures	**0.4**	-
Other non-trading items	**(0.7)**	(1.0)
Underlying net profit after income tax attributable to the owners of Steadfast Group Limited for calculation of underlying basic and diluted earnings per share	**106.0**	90.2

C. Reconciliation of weighted average number of shares used in calculating earnings per share

	Half year to 31 Dec 2023 Number of shares 'm	Half year to 31 Dec 2022 Number of shares 'm
I. Weighted average number of ordinary shares issued		
Weighted average number of ordinary shares issued	**1,044.7**	998.2
Weighted average number of treasury shares held in trust	**(3.1)**	(3.6)
Weighted average number of ordinary shares used in calculating basic earnings per share	**1,041.6**	994.6
II. Weighted average number of dilutive potential ordinary shares		
Weighted average number of ordinary shares	**1,041.6**	994.6
Dilutive potential ordinary shares issuable under share-based payments arrangements	**1.4**	1.5
Weighted average number of ordinary shares used in calculating diluted earnings per share	**1,043.0**	996.1

The weighted average number of ordinary shares or dilutive potential ordinary shares is calculated by taking into account the period from the issue date of the shares to the reporting date unless otherwise stated as below.

Steadfast operates share-based payment arrangements (being an employee rights scheme, a short-term incentive plan and a long-term incentive plan) where eligible employees may receive conditional rights (rights) instead of cash. One right will convert to one ordinary share subject to vesting conditions being met. These share-based payment arrangements are granted to employees free of cost and no consideration is payable on conversion to Steadfast's ordinary shares. These arrangements have a dilutive effect on the basic EPS.

Note 6. Dividends

A. Dividends on ordinary shares

	Cents per share	Total amount $'m	Payment date	Tax rate for franking credit	Percentage franked
31 Dec 2023					
2023 final dividend	**9.0**	**93.5**	**21 September 2023**	**30%**	**100%**
31 Dec 2022					
2022 final dividend	7.8	76.3	9 September 2022	30%	100%

It is standard practice that the Board declares the dividend for a period after the relevant reporting date. A dividend is not accrued until it is declared and so the dividends for a period are generally recognised and measured in the financial reporting period following the period to which the dividends relate.

B. Dividend policy

The Company targets a dividend payout ratio in the range of 65% to 85% of underlying NPAT attributable to shareholders of the Company with a minimum dividend payout ratio of 50% of net profit after tax and before amortisation, impairment and other non-trading items (NPATA).

C. Dividend Reinvestment Plan

A Dividend Reinvestment Plan (DRP) allows equity holders to elect to receive their dividend entitlement in the form of the Company's ordinary shares. The price of DRP shares is the average share market price calculated over the pricing period (which is at least five trading days) less any discount as determined by the Board for each dividend payment date.

D. Dividend not recognised at reporting date

On 27 February 2024 the Board resolved to pay the following dividend. As this occurred after the reporting date, the dividends declared have not been recognised in this financial report.

	Cents per share	Total amount $'m	Expected payment date	Tax rate for franking credit	Percentage franked
2024 interim dividend	**6.75**	**74.7**	**28 March 2024**	**30%**	**100%**

The Company's DRP will operate by the on-market purchase of shares. No discount will be applied. The last election notice for participation in the DRP in relation to this final dividend is 6 March 2024.

Note 7. Intangible assets

A. Composition

31 Dec 2023	Identifiable intangible assets Customer relationships $'m	 Capitalised software $'m	 Other intangible assets $'m	 Total $'m	Goodwill $'m
At cost	**654.8**	**101.1**	**5.2**	**761.1**	**2,385.7**
Accumulated amortisation and impairment	**(291.4)**	**(58.3)**	**(4.9)**	**(354.6)**	**(66.5)**
	363.4	**42.8**	**0.3**	**406.5**	**2,319.2**

B. Movements

31 Dec 2023	Identifiable intangible assets Customer relationships $'m	 Capitalised software $'m	 Other intangible assets $'m	 Total $'m	Goodwill $'m
Balance at the beginning of the financial period	**303.9**	**41.8**	**0.9**	**346.6**	**1,985.7**
Additions	**0.4**	**8.0**[1]	**0.1**	**8.5**	**-**
Additions through business combinations	**85.6**	**-**	**-**	**85.6**	**333.1**
Reduction upon loss of control	**-**	**(0.1)**	**(0.6)**	**(0.7)**	**-**
Amortisation expense	**(26.6)**	**(7.0)**	**-**	**(33.6)**	**-**
Net foreign currency exchange difference	**0.1**	**0.1**	**(0.1)**	**0.1**	**0.4**
Balance at the end of the financial period	**363.4**	**42.8**	**0.3**	**406.5**	**2,319.2**

[1] *Comprises $7.9 million of internally developed software and $0.1 million of acquired software.*

C. Composition

30 Jun 2023	Identifiable intangible assets Customer relationships $'m	 Capitalised software $'m	 Other intangible assets $'m	 Total $'m	Goodwill $'m
At cost	568.7	93.1	5.0	666.8	2,052.5
Accumulated amortisation and impairment	(264.8)	(51.3)	(4.1)	(320.2)	(66.8)
	303.9	41.8	0.9	346.6	1,985.7

D. Movements

30 Jun 2023	Identifiable intangible assets Customer relationships $'m	Capitalised software $'m	Other intangible assets $'m	Total $'m	Goodwill $'m
Balance at the beginning of the financial year	225.9	38.8	0.8	265.5	1,494.1
Additions	3.5	13.5[1]	0.1	17.1	-
Additions through business combinations	126.7	2.6	-	129.3	515.3
Reduction upon loss of control	(0.9)	(0.3)	(0.1)	(1.3)	(8.3)
Amortisation expense	(49.9)	(13.0)	-	(62.9)	-
Impairment expense	(1.6)	-	-	(1.6)	(16.2)
Net foreign currency exchange difference	0.2	0.2	0.1	0.5	0.8
Balance at the end of the financial year	303.9	41.8	0.9	346.6	1,985.7

[1] Comprises $13.0 million of internally developed software and $0.5 million of acquired software.

Note 8. Borrowings

The Group has two types of borrowings, as follows:

I. Corporate and subsidiary borrowings - Bank loans and lines of credit in corporate and subsidiaries for the purpose of carrying out the Group's principal activities including the distribution of insurance policies through insurance brokerages and underwriting agencies and related services, as well as acquisitions. These loans are secured against the Group's assets, excluding IQumulate Premium Funding Pty Ltd (IQumulate).

II. Premium funding borrowings - Borrowings and issuance of notes to finance only the premium funding businesses (predominantly IQumulate). These loans have recourse only to the assets of that premium funding business.

These two types of borrowings are not cross-collateralised, and therefore are shown separately.

The Group complied with all debt covenants during the reporting period.

A. Corporate and subsidiary borrowings

I. Bank loans

	31 Dec 2023 $'m	30 Jun 2023 $'m
Proceeds from loans and borrowings		
Current	**3.7**	4.3
Non-current	**578.5**	513.7
Net proceeds	**582.2**	518.0
Accrued interest	**0.3**	2.6
Capitalised transaction costs	**(3.1)**	(1.8)
Carrying amount of liability at end of financial period	**579.4**	518.8

II. Bank facilities available

	31 Dec 2023 $'m	30 Jun 2023 $'m
a. Bank facilities drawn down or applied		
Bank loans - corporate facility	**502.0**	437.0
Bank loans - subsidiaries	**80.2**	81.0
Total bank loans	**582.2**	518.0
Lines of credit - corporate facility[1]	**6.5**	6.4
Lines of credit - subsidiaries[2]	**0.2**	0.5
	588.9	524.9
b. Bank facilities not drawn down or applied		
Bank loans - corporate facility	**348.0**	213.0
Bank loans - subsidiaries	**7.6**	10.0
Lines of credit - corporate facility	**3.5**	3.6
Lines of credit - subsidiaries	**2.2**	61.5
	361.3	288.1
c. Total bank facilities available		
Bank loans	**937.8**	741.0
Lines of credit	**12.4**	72.0
	950.2	813.0

[1] Lines of credit represent bank guarantees granted by the Company on behalf of controlled entities, principally in respect of their contractual obligations on commercial leases. They are contingent liabilities and therefore sit outside the Group balance sheet.
[2] Lines of credit represent bank overdrafts for subsidiaries.

III. Corporate facility details

At 31 December 2023:

- the Company had a $860.0 million multibank syndicated facility (corporate facility) (30 June 2023: $660.0 million);
- $502.0 million of the $860.0 million facility had been drawn down which, together with $6.5 million for bonds and rental guarantees, leaves $351.5 million available in the corporate facility for future drawdowns (30 June 2023: $216.6 million).

IV. Key terms and conditions of corporate facility

The $860.0 million corporate facility includes the following tranches:

- two revolving tranches totalling $385.0 million, maturing August 2026;
- two fixed-term tranches totalling $175.0 million, maturing August 2026;
- a $200.0 million fixed-term tranche, maturing November 2026; and
- a $100.0 million fixed-term tranche, maturing August 2028.

Other key terms of the corporate facility are:

- variable interest rate – based on BBSY plus an applicable margin for all tranches of the corporate facility; and
- the facility is guaranteed by certain wholly-owned subsidiaries and is secured over all of the present and future acquired property of the Company and the guarantors (other than certain excluded property), which is standard in facilities of this nature.

The Company has an interest rate swap with a face value of $62.5 million, where the Company swaps the floating rate payment into fixed rate payments, which will mature in January 2025. The swap is designed to hedge interest costs associated with the underlying corporate debt obligations.

Notes to the financial statements continued

B. Premium funding borrowings

	31 Dec 2023 $'m	30 Jun 2023 $'m
I. Premium funding borrowings		
Current	**52.8**	45.7
Non-current	**593.0**	406.5
	645.8	452.2
II. Premium funding borrowings available		
Premium funding borrowings drawn down or applied	**645.8**	452.2
Premium funding borrowings not drawn down or applied	**71.5**	130.7
	717.3	582.9

The most significant premium funding borrowing is the borrowing facility for the Group's premium funding subsidiary, IQumulate. It has a Warehouse Trust to finance its Australian lending operation through the issuance of notes. The Warehouse Trust is a secured lending facility whereby the collateral is a pool of insurance premium loans receivable rather than an individual property or asset. During the financial period, the Warehouse Trust limit increased to $660.0 million (including a $60.0 million overdraft facility) from $570.0 million with an availability period to July 2024. Whilst the contractual availability period ends in July 2024, the premium funding borrowings have been classified as non-current in the statement of financial position as the contractual maturity date includes an amortisation period of up to 12 months to repay from the date of the last maturing premium funding in the Warehouse Trust.

IQumulate continues to hold trade credit insurance coverage, and recourse to the assets is limited to IQumulate only and is not cross-collateralised with other borrowings in the Group.

C. Reconciliation of movements of liabilities and cash flows arising from financing activities

	Bank loans - corporate facility $'m[1]	Bank loans - subsidiaries $'m	Bank loans - corporate facility and subsidiaries $'m	Premium funding borrowings $'m	Total borrowings $'m
31 Dec 2023					
Balance at the beginning of the financial period	**437.8**	**81.0**	**518.8**	**452.2**	**971.0**
Proceeds from borrowings	**523.9**	**9.7**	**533.6**	**193.6**	**727.2**
Repayment of borrowings	**(458.9)**	**(10.5)**	**(469.4)**	**-**	**(469.4)**
Accrued interest	**(2.3)**	**-**	**(2.3)**	**-**	**(2.3)**
Capitalised transaction costs	**(1.3)**	**-**	**(1.3)**	**-**	**(1.3)**
Balance at the end of the financial period (net of capitalised transaction costs and accrued interest)	**499.2**	**80.2**	**579.4**	**645.8**	**1,225.2**

[1] *The opening balance comprises $437.0 million drawn down less capitalised transaction costs of $1.8 million plus accrued interest of $2.6 million. The closing balance comprises $502.0 million drawn down less capitalised transaction costs of $3.1 million plus accrued interest of $0.3 million.*

Note 9. Notes to the statement of changes in equity

A. Share capital

	Half year to 31 Dec 2023 Number of shares 'm	Year to 30 Jun 2023 Number of shares 'm	Half year to 31 Dec 2023 $'m	Year to 30 Jun 2023 $'m
Balance at the beginning of the financial period	**1,038.6**	977.6	**1,949.0**	1,638.9
Shares issued for:				
Institutional and retail share placement	**67.7**	45.5	**348.1**	233.4
Scrip issued to vendors for acquisitions	**-**	14.1	**-**	72.8
Dividend Reinvestment Plan	**-**	1.4	**-**	7.2
Less: Transaction costs, net of income tax	**-**	-	**(3.7)**	(3.3)
Balance at the end of the financial period	**1,106.3**	1,038.6	**2,293.4**	1,949.0

The following ordinary shares were issued during the financial period:

- 54.4 million ordinary shares were issued under the Institutional Placement.
- 13.3 milion ordinary shares were issued under the Share Purchase Plan.

Ordinary shares in the Company have no par value and entitle the holder to participate in dividends as declared from time to time. All ordinary shares rank equally with regard to the Company's residual assets.

B. Treasury shares held in Trust

	Half year to 31 Dec 2023 Number of shares 'm	Year to 30 Jun 2023 Number of shares 'm	Half year to 31 Dec 2023 $'m	Year to 30 Jun 2023 $'m
Balance at the beginning of the financial period	**3.3**	3.9	**15.9**	15.9
Shares acquired	**1.5**	1.0	**8.2**	5.4
Shares allocated to employees	**(1.9)**	(1.6)	**(8.4)**	(5.8)
Shares allotted through the Dividend Reinvestment Plan	**-**	-	**-**	0.4
Balance at the end of the financial period	**2.9**	3.3	**15.7**	15.9

Treasury shares are ordinary shares of the Company bought on market by the trustee (a wholly-owned subsidiary of the Group) of an employee share plan to meet future obligations under that plan when rights vest and shares are allocated to participants.

C. Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, maintain an optimal capital structure to minimise the cost of capital and continue its listing on the ASX, within the risk appetite approved by the Board.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, take on borrowings or sell assets to reduce debt.

The Group monitors capital on the basis of its total gearing ratio excluding premium funding borrowings, as these borrowings are secured only against the assets of the premium funder. The total gearing ratio is calculated as total borrowings of the Company and its subsidiaries (excluding premium funding borrowings) divided by total equity and total borrowings of the Company and its subsidiaries (excluding premium funding borrowings). Currently the total gearing ratio excluding premium funding borrowings is 18.8% compared with the maximum gearing ratio determined by the Board of 30.0%.

The total gearing ratio has been calculated both including and excluding the premium funding borrowings as follows:

	Note	31 Dec 2023 $'m	30 Jun 2023 $'m	Maximum Board approved
Total borrowings of the Company and its subsidiaries (excluding premium funding borrowings)	8	**588.9**	524.9	
Total Group equity		**2,536.0**	2,244.9	
Total Group equity and total borrowings of the Company and its subsidiaries		**3,124.9**	2,769.8	
Total gearing ratio excluding premium funding borrowings		**18.8%**	19.0%	**30.0%**
Total borrowings of the Company and its subsidiaries (including premium funding borrowings)	8	**1,234.7**	977.1	
Total Group equity		**2,536.0**	2,244.9	
Total Group equity and total borrowings of the Company and its subsidiaries		**3,770.7**	3,222.0	
Total gearing ratio including premium funding borrowings		**32.7%**	30.3%	

Note 10. Business combinations

Acquisitions

During the half year ended 31 December 2023, the Group completed a number of acquisitions in accordance with its strategy. The following disclosures provide the financial impact to the Group at the acquisition date. Only significant acquisitions are disclosed separately. Other acquisitions are disclosed in aggregate.

Acquisition of subsidiaries

The following tables provide:

- detailed information on the acquisition of Combined Agency Group Pty Ltd and its subsidiaries (Sure Insurance) on 16 November 2023; and
- aggregated information for nine other acquired businesses (Other acquisitions).

Note 10F includes the ownership interest in businesses acquired which became subsidiaries of the Group.

A. Consideration paid/payable

	Half year to 31 Dec 2023			Year to 30 Jun 2023
	Sure Insurance $'m	Other acquisitions $'m	Total $'m	$'m
Cash	148.8	107.0	255.8	417.2
Consideration shares	-	0.6	0.6	105.6
Deemed consideration(i)	-	12.9	12.9	31.5
Deferred/contingent consideration(ii)	104.8(iii)	10.5	115.3	65.1
	253.6	131.0	384.6	619.4

Table notes

i. This amount represents the fair value of the original investments at the date the Group gained control of an entity which was previously an associate of the Group.

ii. Pursuant to the Share Purchase Agreements, some of the consideration will be settled based on future years' actual financial performance and thus was recognised as deferred/contingent consideration by the Group. The deferred/contingent consideration is estimated based on a multiple of forecast revenue and/or earnings and discounted to present value where extended payment terms are offered and the amount is deemed material. Any variations at the time of settlement will be recognised as an expense or income in the consolidated statement of profit or loss and other comprehensive income. The deferred/contingent consideration shown above represents:
- $109.6 million of deferred/contingent consideration for which the maximum payment is variable and not capped;
- $5.7 million of deferred/contingent consideration which is fixed.

iii. The present values of the FY24 and FY25 earnouts for Sure Insurance are subject to their future performance and will be calculated based on their FY24 and FY25 EBITA respectively, less all acquisition payments already made, with a clawback of the FY24 tranche applicable if the earn out calculation is negative in FY25.

iv. The non-controlling interests in Sure Insurance also hold a put option exercisable between 1 September 2026 and 31 October 2026, which will be satisfied with Steadfast scrip if exercised. Steadfast holds a call option over a portion of the non-controlling interests. The options are recognised at fair value based on the accounting policy choice available in accordance with AASB 132 *Financial Instruments: Presentation.*

B. Identifiable assets and liabilities acquired

	31 Dec 2023			Year to 30 Jun 2023
	Sure Insurance $'m	Other acquisitions $'m	Total $'m	$'m
Cash and cash equivalents[1]	18.7	11.5	30.2	106.3
Trade and other receivables[2]	7.6	2.0	9.6	32.3
Identifiable intangibles[3]	58.5	27.1	85.6	129.3
Investment in associates and joint ventures	-	-	-	1.0
Property, plant and equipment	0.1	0.2	0.3	1.0
Right-of-use assets	0.4	1.6	2.0	8.1
Deferred tax assets	1.0	0.5	1.5	4.6
Other assets	0.2	0.1	0.3	3.8
Trade and other payables	(17.3)	(8.2)	(25.5)	(92.8)
Lease liabilities	(0.4)	(1.6)	(2.0)	(8.7)
Provisions	(0.5)	(1.5)	(2.0)	(13.7)
Income tax payable	(3.0)	(0.7)	(3.7)	(2.4)
Deferred tax liabilities	(19.2)	(6.9)	(26.1)	(44.0)
Other liabilities	(2.2)	(3.3)	(5.5)	(14.8)
Total identifiable net assets acquired	43.9	20.8	64.7	110.0

[1] Includes cash held on trust.
[2] Trade receivables comprise contractual amounts and are expected to be fully recoverable.
[3] Identifiable intangibles are measured at fair value by reference to a discounted cash flow model.

If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, then the acquisition accounting will be revised. In the current financial period, there were no revisions relating to prior year acquisitions.

C. Goodwill on acquisition

	Half year to 31 Dec 2023			Year to 30 Jun 2023
	Sure Insurance $'m	Other acquisitions $'m	Total $'m	$'m
Total consideration paid/payable	253.6	131.0	384.6	619.4
Total identifiable net assets acquired	(43.9)	(20.8)	(64.7)	(110.0)
Non-controlling interests	13.2	-	13.2	5.9
Goodwill on acquisition[1]	222.9	110.2	333.1	515.3

[1] The majority of goodwill relates to acquired subsidiaries' ability to generate future profits with the skills and technical talent of their work force as well as the benefits from the combination of synergies. None of the goodwill recognised is expected to be deductible for tax purposes.

D. Financial performance of acquired subsidiaries

The contribution to the financial performance of the Group by acquired subsidiaries for the financial period since acquisition is outlined in the table below.

	Half year to 31 Dec 2023		
	Sure Insurance $'m	Other acquisitions $'m[1]	Total $'m
Revenue	5.1	4.9	10.0
EBITA[2]	2.4	(1.0)	1.4
NPAT	1.2	(1.2)	-

[1] *Other acquisitions are heavily weighted in the second half of FY24 due to the seasonality of key revenue streams.*
[2] *The average EBITA multiple paid for the acquisitions in 1H24 was 10.1x.*

If the acquisitions of subsidiaries occurred on 1 July 2023, the Group's underlying revenue from acquisitions for the half year ended 31 December 2023 would have further increased by $18.4 million to $808.8 million, underlying EBITA would have further increased by $8.1 million to $237.1 million and underlying NPAT would have further increased by $3.8 million to $109.8 million.

E. Acquisition-related costs

The Group incurred acquisition-related costs of $0.7 million on legal, accounting and consulting with respect to acquisitions in the financial period. These costs have been included in 'Operating, brokers' support service and other expenses'.

F. Subsidiaries acquired

The table below outlines the subsidiaries acquired during the half year ended 31 December 2023. Some acquisitions represent portfolio or business purchases by subsidiaries and are therefore not included in this table.

		Ownership interest	
Name of subsidiaries acquired	Table note	31 Dec 2023 %	30 Jun 2023 %
A.I.S. Coverforce Pty Ltd	(i)	100.00	30.00
Ausure Protect Pty Ltd	(i)	50.07	25.35
BRM Risk Management Pty Ltd		100.00	-
CIIG (VIC) Pty Ltd		100.00	-
Combined Agency Group Pty Ltd and its subsidiaries (Sure Insurance)		70.00	-
IFS Insurance Solutions Pty Ltd	(ii)	75.00	-
ISU Group, Inc.		100.00	-
Riskcom Pty Ltd		100.00	-

Table note

i. A.I.S. Coverforce Pty Ltd (AIS) and Ausure Protect Pty Ltd (Ausure Protect) were previously an associate and joint venture of Coverforce HoldCo Pty Ltd and Ausure Group Pty Ltd, both subsidiaries of the Group. During the financial period, the respective subsidiaries acquired additional shares in AIS and Ausure Protect, which became subsidiaries of the Group as a result.
ii. In July 2023, the Group acquired 100.00% of IFS Insurance Solutions Pty Ltd. The Group subsequently sold 25% of its interest in IFS Insurance Solutions Pty Ltd immediately thereafter, resulting in an ownership interest of 75%. The consideration paid/payable disclosed in section A relates to the initial purchase of 100%.

Notes to the financial statements continued

G. Deferred/contingent consideration reconciliation

	31 Dec 2023 $'m	30 Jun 2023 $'m
Balance at the beginning of the financial period	112.3	67.6
Settlement of deferred/contingent consideration	(59.5)	(33.7)
Non-cash settlement of deferred/contingent consideration	(0.3)	-
Net loss/(gain) in profit or loss on settlement or reassessment	9.9	(1.0)
Additions from acquisitions in business combinations	115.3	65.1
Additions from subsidiary business combinations and step up investments	1.6	1.2
Additions/revaluations of put options over non-controlling interests	33.8	1.1
Additions from acquisitions of associates and joint ventures	3.0	11.5
Additions from acquisitions of identifiable intangibles	-	0.5
Balance at the end of the financial period	216.1	112.3
Comprises:		
Deferred/contingent consideration current:		
Put options over non-controlling interests (cash)[1]	60.7	26.9
Other	59.3	59.6
	120.0	86.5
Deferred/contingent consideration non-current:		
Other	96.1	25.8
	96.1	25.8
Balance at the end of the financial period	216.1	112.3

[1] *This deferred/contingent consideration will only be payable if the put option is exercised by the minority shareholder. If the option remains unexercised, the financial liability will be derecognised against equity through other reserves at the expiry date.*

The balance of deferred/contingent consideration at the end of the financial period represents:

	31 Dec 2023 $'m	30 Jun 2023 $'m
Amount payable is variable and capped	1.4	8.7
Amount payable is variable and not capped	199.3	91.9
Amount payable is fixed	15.4	11.7
	216.1	112.3

Note 11. Investments in associates and joint ventures

	31 Dec 2023 $'m	30 Jun 2023 $'m
Balance at the beginning of the financial period	**222.6**	210.3
Additions - cash	**8.3**	13.1
Additions - deferred/contingent consideration	**3.0**	10.0
Additions - non-cash	**2.2**	6.9
Step-up investment to subsidiaries	**(13.0)**	(13.2)
Disposals	**(2.3)**	(3.3)
Other adjustments	**-**	(3.0)
	220.8	220.8
Share of EBITA from associates and joint ventures	**25.9**	43.6
Less share of:		
Finance cost	**(1.3)**	(2.0)
Amortisation expense	**(1.2)**	(2.4)
Income tax expense	**(5.5)**	(8.5)
Share of associates and joint ventures' profit after income tax	**17.9**	30.7
Dividends received/receivable	**(14.0)**	(27.3)
Impairment expense	**(0.4)**	(1.9)
Net foreign exchange movements	**0.1**	0.3
Balance at the end of the financial period	**224.4**	222.6

Note 12. Trade and other receivables

Trade and other receivables	31 Dec 2023 $'m	30 Jun 2023 $'m
Fee and commission receivables	**148.1**	183.0
Less: expected credit loss provision	**(6.4)**[1]	(4.9)
Net fee and commission receivables	**141.7**	178.1
Other receivables and accrued income	**108.2**	83.2
	249.9	261.3

[1] *$1.0 million of the increase in the ECL provision during the financial period is attributable to business acquisitions.*

Premium funding receivables	31 Dec 2023 $'m	30 Jun 2023 $'m
Premium funding receivables	**835.0**	663.4
Less: expected credit loss provision	**(1.2)**	(1.2)
	833.8	662.2

Notes to the financial statements continued

Note 13. Contingencies

Put options

The Group has granted options to various banks to enable them to put shares held by other shareholders in associates and controlled entities of the Group at fair value if the bank enforces its security over those shares. These have been granted in relation to shares held by other shareholders in associates and controlled entities over which the bank holds a security interest to secure indebtedness by those shareholders. The Group expects no material net exposure from this arrangement as the contingent liabilities have contingent assets (being rights to shares held by the relevant shareholders) of similar values.

Bank guarantee

In the normal course of business, certain controlled entities in the Group have provided security for bank guarantees principally in respect of their contractual obligations on commercial leases.

Ongoing disputes

Steadfast may from time to time be involved in legal, regulatory and other proceedings and disputes arising from its businesses. These may cause Steadfast to incur significant costs, delays and other disruptions to its business and operations.

In particular, PSC Reliance Pty Limited (PSC) has commenced court proceedings against Steadfast and Robert Kelly AM, alleging breach of contract, misleading or deceptive conduct and estoppel (PSC Matter). The present claim is for up to $28.3 million in damages, interest on damages and its costs of proceedings. A defence to the proceedings has been lodged. No liability (or any potential insurance recoveries) has been recognised for the PSC Matter.

In addition, regulatory disputes may result in fines, payments, penalties and other administrative sanctions. Involvement in any such dispute may adversely impact the reputation and the financial position and performance of Steadfast. The Group continues to review any exposures as a result of heightened regulatory focus on the insurance industry, including pricing promises.

The Board has determined that any outflow of resources in relation to these matters would be considered a "non-trading" item and not impact the calculation of underlying earnings. Any outflow of resources would reduce net assets and decrease statutory profits.

Other

In the normal course of business, the Group is also exposed to contingent liabilities (net of any recoveries) in relation to litigation arising out of its activities. The Group may also be exposed to the possibility of contingent liabilities in relation to litigation including but not limited to regulatory test cases and class actions, taxation and compliance matters which may result in legal or regulatory penalties and financial or non-financial losses and other impacts.

Note 14. Events after the reporting period

On 27 February 2024, the Board declared an interim dividend for FY24 of 6.75 cents per share, fully franked. The dividend will be paid on 28 March 2024. The Company's DRP will operate by purchasing ordinary shares on market. No discount will be applied. The last election notice for participation in the DRP in relation to this interim dividend is 6 March 2024.

Note 15. Notes to the statement of cash flows

A reconciliation of profit after income tax to net cash from operating activities is set out in the table below.

	Half year to 31 Dec 2023 $'m	Half year to 31 Dec 2022 $'m
Profit after income tax expense for the financial period	**119.6**	100.3
Adjustments for		
Depreciation, amortisation and (gain)/loss on disposal of property, plant and equipment	**47.0**	42.4
Share of profits of associates and joint ventures	**(17.9)**	(14.8)
Income tax paid	**(91.5)**	(56.2)
Dividends received from associates and joint ventures	**14.0**	13.6
Fair value gain on listed investments	**(4.7)**	(2.6)
Net loss/(gain) from change in ownership in equity businesses and deferred/ contingent consideration	**7.4**	(9.2)
Share-based payments and incentives accruals	**(6.3)**	(6.1)
Impairment expense	**0.4**	-
Interest income on loans	**(0.9)**	(0.4)
Capitalised interest on loans	**2.3**	2.1
Change in operating assets and liabilities		
Decrease in trade and other receivables	**21.8**	20.1
Decrease in deferred tax assets	**3.1**	2.8
Increase in other assets	**(15.6)**	(14.9)
(Decrease)/increase in trade and other payables	**(140.0)**	5.1
Increase in income tax payable	**58.1**	64.4
Decrease in deferred tax liabilities	**(12.5)**	(9.2)
Decrease in other liabilities	**(0.1)**	-
Increase/(decrease) in provisions	**1.5**	(1.6)
Net cash (used in)/from operating activities	**(14.3)**	135.8

Notes to the financial statements continued

Note 16. Related party transactions

A. Transactions with subsidiaries

All transactions that have occurred among the subsidiaries within the Group have been eliminated on consolidation.

B. Transactions with other related parties

The following transactions occurred with related parties:

	Half year to 31 Dec 2023 $'000	Half year to 31 Dec 2022 $'000
I. Sale of goods and services		
Professional service fees received from associates and joint ventures on normal commercial terms	**116**	43
Commission income received/receivable from associates and joint ventures on normal commercial terms	**176**	150
Professional service fees received by Directors' related entities on normal commercial terms	**19**	8
II. Payment for goods and services		
Commission expense paid/payable to associates on normal commercial terms	**11,309**	11,850
Professional service fees paid to associates and joint ventures	**361**	1,061
III. Receivable from and payable to related parties		
The following balances are outstanding at the reporting date in relation to transactions with related parties:		
a. Current receivables		
Receivables from associates and joint ventures	**140**	639
Dividend receivable from associates and joint ventures	**-**	194
Trade receivables from Directors' related entities	**10**	9
b. Current payables		
Payables to associates and joint ventures	**4,183**	3,298
IV. Loans to/from related parties		
Loans to associates and joint ventures - current	**133**	-
Loans to associates and joint ventures - non-current	**5,730**	9,609

Note 17. Parent entity information

The financial information provided in the table below is only for Steadfast Group Limited, the parent entity of the Group.

A. Statement of comprehensive income

	Half year to 31 Dec 2023 $'m	Half year to 31 Dec 2022 $'m
Profit after income tax	**80.1**	129.6
Other comprehensive income	**2.0**	3.0
Total comprehensive income	**82.1**	132.6

B. Statement of financial position

	31 Dec 2023 $'m	31 Dec 2022 $'m
Current assets	**418.9**	116.1
Total assets	**2,999.3**	2,617.7
Current liabilities	**30.3**	53.5
Total liabilities	**548.7**	490.1
Net assets	**2,450.6**	2,127.6
Total equity of the parent entity comprising:		
Share capital	**2,293.4**	1,949.1
Share-based payments reserve	**8.8**	9.4
Retained earnings	**134.3**	157.0
Revaluation reserve	**12.1**	12.1
Other reserves	**2.0**	-
Total equity	**2,450.6**	2,127.6

Directors' declaration

1. In the opinion of the Directors of Steadfast Group Limited (the Company):
   a. the consolidated financial statements and notes that are set out on pages 12 to 41 are in accordance with the *Corporations Act 2001*, including:
      i. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the six months period ended on that date; and
      ii. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed at Sydney on 27 February 2024 in accordance with a resolution of the Directors:

Frank O'Halloran, AM
Chair

Robert Kelly, AM
Managing Director & CEO

Independent Auditor's Review Report

To the shareholders of Steadfast Group Limited

Conclusion

We have reviewed the accompanying ***Half Year Financial Report*** of Steadfast Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half Year Financial Report of Steadfast Group Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Half Year Financial Report*** comprises:

- Consolidated Statement of Financial Position as at 31 December 2023;
- Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half year ended on that date;
- Notes 1 to 17 including selected explanatory notes; and
- The Directors' Declaration.

The ***Group*** comprises Steadfast Group Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half Year Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Half Year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half Year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Half Year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half Year Financial Report

Our responsibility is to express a conclusion on the Half Year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half Year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half Year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

David Kells
Partner

Sydney
27 February 2024

Glossary of terms

Term	Explanation
CGU	Cash-generating unit
DRP	Dividend Reinvestment Plan
EBITA	Earnings before interest (including premium funding interest income and expense), tax and amortisation. To ensure comparability, underlying EBITA also deducts the interest expense on lease liabilities and depreciation of right-of-use assets
ECL	Expected credit loss
EPS	Earnings per share
EPS (NPAT)	Earnings per share that reference NPAT
Group	Steadfast Group Limited (ABN 98 073 659 677, AFSL 254928) and its controlled entities, associates and joint ventures
Hubbing	The merger of two or more insurance intermediary businesses
IFRS	International Financial Reporting Standards
KMP	Key management personnel
Network broker	An insurance broker who is a member of the Steadfast Network, where Steadfast has no equity interest
Non-trading items	Includes revenue and/or expense items that are typically one-off in nature and are not reflective of the Group's normal operating activities
NPAT	Net profit after tax
NPATA	Net profit after tax (post non-controlling interests) excluding amortisation of customer relationships and any related taxation impact
Rebate	An annual payment made to Steadfast Network brokers, at the discretion of the Board
Trapped Capital	A project initiated by the Group to offer Network members the ability to sell equity in their business to the Group
Underlying earnings	Underlying earnings refers to statutory earnings adjusted for non-trading items
Underlying NPAT	Underlying NPAT refers to statutory NPAT adjusted for non-trading items
Underwriting agency	Underwriting agencies act on behalf of general insurers to design, develop and provide specialised insurance products and services for specific market segments
Warehouse Trust	A Warehouse Trust is a secured lending facility whereby the collateral is a pool of loans receivable rather than an individual property or asset

Corporate directory

Directors

Frank O'Halloran, AM (Chair)
Robert Kelly, AM (Managing Director & CEO)
David Liddy, AM (Deputy Chair)
Vicki Allen
Andrew Bloore
Joan Cleary
Gai McGrath
Greg Rynenberg

Company secretaries

Duncan Ramsay
Peter Roberts

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Stock Listing

Steadfast Group Limited ordinary shares are listed on the Australian Securities Exchange (ASX code: SDF).