

MARKET RELEASE  
22 February 2022

## **STEADFAST GROUP DELIVERS 26.4% INCREASE IN UNDERLYING NPAT, HIGHER DIVIDEND FOR 1H22 AND UPGRADES FY22 GUIDANCE**

### **1H22 financial highlights<sup>1,2</sup>**

- Underlying revenue of \$520.9m, up 19.0%
- Underlying EBITA of \$153.9m, up 22.7%
- Underlying NPAT of \$76.3m, up 26.4%
- Underlying EPS (NPAT) of 8.41 cents per share (cps), up 20.5%
- Interim dividend (fully franked) of 5.2 cents per share (cps), up 18.2%

Statutory Net Profit after tax was up 42.9% to \$104.9m compared to \$73.4m in the prior comparable period (pcp).

Managing Director & CEO Robert Kelly commented "Steadfast's business has grown strongly since listing on the ASX in 2013, and I am pleased to report Steadfast has again delivered a record financial and operating result for the six months to 31 December 2021.

Our underlying earnings growth for the period was again driven by sustained organic growth in the Group's insurance broking and underwriting agencies and our prudent acquisition strategy.

The Coverforce acquisition in late August and other network broker acquisitions, including those from our Trapped Capital Project, are performing in line with expectations.

The cash conversion of earnings continues to be strong, with more than 100% of underlying NPATA converting into cash during the period."

### **Strong growth in Group underlying EBITA**

The strong underlying EBITA growth of 22.7% to \$153.9m for the Group was primarily driven by:

- Organic growth of 10.1% from further increases in premiums by insurers and volume uplift; and
- Acquisition growth of 12.6%.

### **Balance sheet**

Steadfast Group's balance sheet remains well positioned, with a consolidated gearing ratio of 19.7% which is below the Board's maximum limit of 30%. As of today, the Group has \$315 million of unutilised capacity available to fund future corporate activity. There is significant headroom in the debt covenants.

<sup>1</sup> Unless otherwise denoted, all comparisons are referenced to the six month period ended 31 December 2020.

<sup>2</sup> Statutory P&L results have been adjusted to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Underlying P&L results exclude non-trading items.

## Steadfast Network Brokers deliver 15.6% of growth in GWP

The Steadfast Network delivered gross written premium (GWP) of \$5.2 billion in 1H22, growth of 15.6%. Brokers continued to benefit from the hardening market and solid volume growth.

The Group's equity owned brokers delivered underlying EBITA growth of 16.0% that was driven by strong organic growth and further network broker acquisitions.

## Steadfast Underwriting Agencies deliver 16.3% growth in GWP

Steadfast Underwriting Agencies continue to perform strongly with sustained organic growth generating a GWP uplift of 16.3% and EBITA growth of 21.5%. The results benefited from higher premium pricing from strategic partners and market share gains.

## Interim dividend up 18.2%

The Board has declared a fully franked interim dividend of 5.2 cents per share (cps), up from 4.4 cps (+18.2%) in 1H21. FY22 target dividend payout ratio is between 65% and 85% of underlying NPAT.

The final dividend dates are as follows:

- Ex-dividend date of 28 February 2022
- Record date of 1 March 2022
- Dividend Reinvestment Plan (DRP) record date of 2 March 2022
- Payment date of 23 March 2022

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 22 February 2022 and also available on the investor website.

## FY22 guidance upgrade

Given the strong start to FY22 the Group has upgraded guidance range to:

	<b>Upgraded FY22 Guidance Range<sup>2</sup></b>
Underlying EBITA	\$330 million - \$340 million
Underlying NPAT	\$163 million - \$170 million
Underlying diluted EPS (NPAT) growth	12.5% - 17.5%

Key assumptions include:

- Strategic partners continue moderate premium price increases
- Total acquisition EBITA targets being achieved
- Organic growth expected to exceed original guidance
- Further technology spend envisaged in 2H22
- No negative consequences from Covid

## Conference call and webcast

Robert Kelly, Managing Director & CEO, and Stephen Humphrys, Chief Financial Officer, will host a conference call and webcast at 10.00am (AEDT) on 23 February 2022.

To participate in the call, please pre-register for dial in details [here](#) or using the link <https://s1.conf.com/diamondpass/10018568-s0up12.html>

To access the live webcast, please click [here](#) or visit <https://investor.steadfast.com.au/investor-centre/>

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

This announcement is authorised by the Steadfast Board of Directors.

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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. In 2021, Steadfast Network brokers and underwriting agencies generated billings of more than AUD\$10 billion. 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 an 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](http://investor.steadfast.com.au)