

## MARKET RELEASE

16 August 2023

### **Steadfast Group delivers its tenth consecutive record underlying result with underlying EBITA up 26.5% and underlying NPAT up 22.5%**

#### **FY23 financial highlights**

- Underlying revenue of \$1,409.5m, up 24.1%
- Underlying EBITA of \$430.7m, up 26.5%
- Underlying NPAT of \$207.0m, up 22.5%
- Underlying EPS (NPAT) of 20.15 cents per share (cps), up 14.6%
- Underlying NPATA of \$252.1m, up 22.7%
- Final dividend (fully franked) of 9.0 cps, up 15.4%
- Total dividend (fully franked) of 15.0 cps, up 15.4%

Statutory net profit after tax, including non-trading net losses mainly due to actual earnout payments for businesses acquired being more than expected, was \$189.2 million compared with \$171.6 million for FY22.

Managing Director & CEO Robert Kelly commented "Our enduring long-term strategy and quality team have enabled us to report the tenth consecutive record underlying earnings since listing in 2013. The FY23 result is at the top end of our upgraded earnings range advised in February 2023.

Our underlying earnings growth was again driven by sustained organic growth from price and volume increases in the Group's insurance broking and underwriting agencies, and acquisitions made in FY22 and FY23.

We outlaid \$574.2 million on EPS accretive acquisitions, including the major acquisition of Insurance Brands Australia.

We also continued to deliver on our active acquisition pipeline, where the Group is seeking to increase its equity positions in Network brokers."

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

The Steadfast Group increased underlying EBITA in FY23 by 26.5% to \$430.7m driven by:

- Organic growth of 13.6% from further increases in premiums by insurers and some volume uplift.
- Acquisition growth of 12.9%.

#### **Steadfast Network Brokers deliver 12.8% of GWP growth**

The Steadfast Network achieved record gross written premium (GWP) of \$11.6 billion in FY23, up 12.8%. Our brokers increased volumes over FY22 and experienced further premium price rate increases from our strategic partners.

Growth in revenue driven by hardening market and solid volume growth more than mitigated expected cost increases flagged when issuing the initial guidance for FY23. This resulted in our equity owned brokers reporting excellent underlying EBITA growth of 27.7%.

## **Steadfast Underwriting Agencies delivers \$2.1b of GWP**

Steadfast Underwriting Agencies continue to perform strongly with sustained organic growth, generating \$2.1 billion of GWP, a 16.7% uplift over FY22.

GWP continued to grow and this, combined with further premium price increases by insurers, led to underlying EBITA growth of 15.7%, reflecting the ability of our agencies to provide sustainable profit margins. This strong performance was assisted by the quality of our products and services, and the diligence and underwriting expertise of our team.

## **Balance sheet**

Steadfast Group's balance sheet remains well positioned. At 30 June 2023, the corporate gearing ratio was 19.0%. As of 16 August 2023, the Group had \$378.5 million of unutilised capacity available to fund acquisitions and not exceed the maximum board approved gearing of 30%.

The corporate debt facilities were uplifted to \$860.0 million in August 2023 and maturity dates extended. This facility, combined with free cash flow, will allow us to fund further acquisitions in our pipeline.

## **Total dividend up 15.4% year-on-year**

The Board has declared a fully franked final dividend of 9.0 cps, up from 7.8 cps (+15.4%) in FY22. The FY23 total dividend (fully franked) of 15.0 cps is up from 13.0 cps (+15.4%) for the previous year, equating to a dividend payout ratio of approximately 75% of underlying NPAT.

The final dividend dates are as follows:

- Ex-dividend date of 21 August 2023
- Record date of 22 August 2023
- Dividend Reinvestment Plan (DRP) record date of 23 August 2023
- Payment date of 21 September 2023

The final dividend is eligible for Steadfast Group's DRP at no discount. For more information on the final dividend and the DRP, please refer to Steadfast Group's Appendix 3A.1: Notification of dividend, lodged with the ASX on 16 August 2023 and available on the investor website.

## **FY24 guidance**

Steadfast Group provides FY24 guidance of:

- Underlying EBITA of between \$500 million and \$510 million
- Underlying NPAT of between \$230 million and \$240 million
- Underlying diluted EPS (NPAT) growth of 10 - 15%
- Underlying NPATA of between \$277 million and \$287 million

This guidance is subject to:

- Insurers to continue to increase premium rates as anticipated.
- Completion of \$280 million of the current pipeline of acquisitions.
- No material adverse impacts from current global uncertainties.
- Key risks as set out in the 2023 Annual Report (pages 49 – 51).

## 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 (AEST) Thursday, 17 August 2023.

### Conference call details

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

### Webcast details

To access the live webcast, please either click [here](#) or visit Steadfast's investor website.

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.

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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. As of June 2023, Steadfast Network brokers and underwriting agencies generated billings of more than \$13 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 271 brokers in 115 countries. For further information, please visit [investor.steadfast.com.au](http://investor.steadfast.com.au)