

Steadfast Group

FY23 Results

Investor Presentation

2023

16 August



Table of contents

FY23 Results Investor Presentation

03	FY23 Highlights
16	FY23 Financial Summary
24	Outlook
26	Appendices

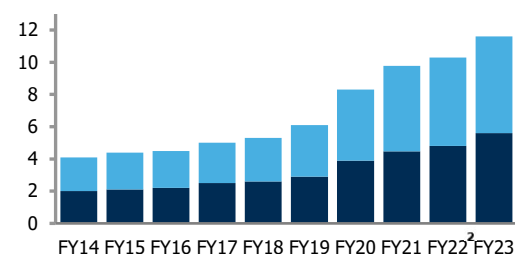


FY23 Highlights

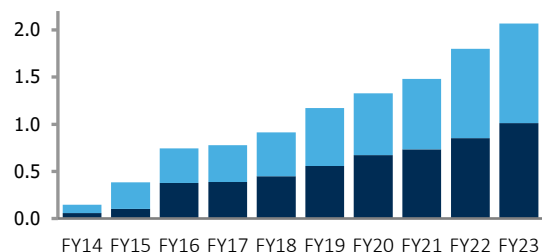
Continued strong track record since listing on ASX

Steadfast Group

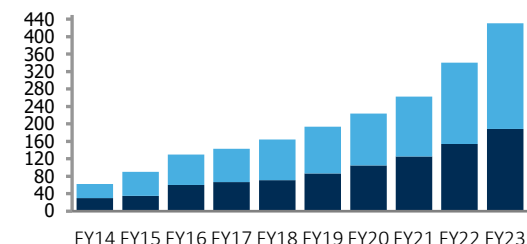
Steadfast Network GWP (\$b)



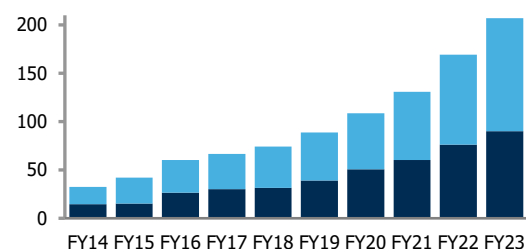
Steadfast Underwriting Agencies GWP (\$b)



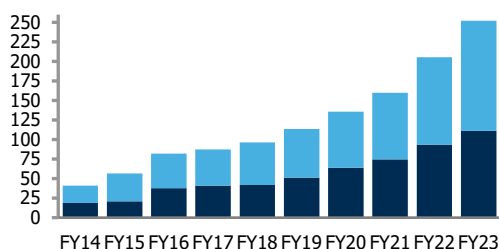
Underlying EBITA (\$m)



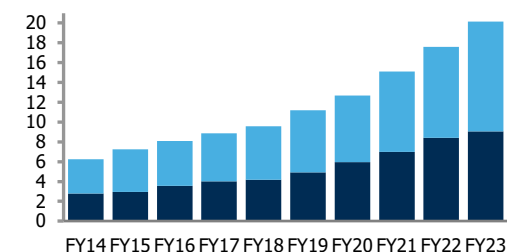
Underlying NPAT (\$m)



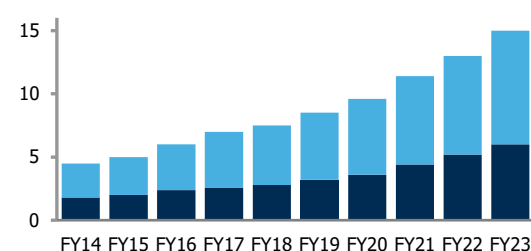
Underlying NPATA (\$m)



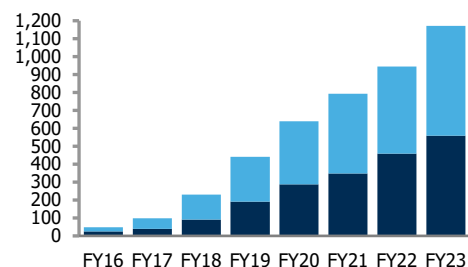
Underlying diluted EPS (NPAT) (cents per share)



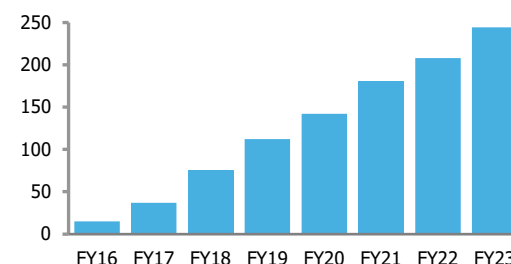
Dividend per share (cents per share)



Steadfast Client Trading Platform GWP (\$m)



Brokers migrated to INSIGHT¹



■ H1 ■ H2

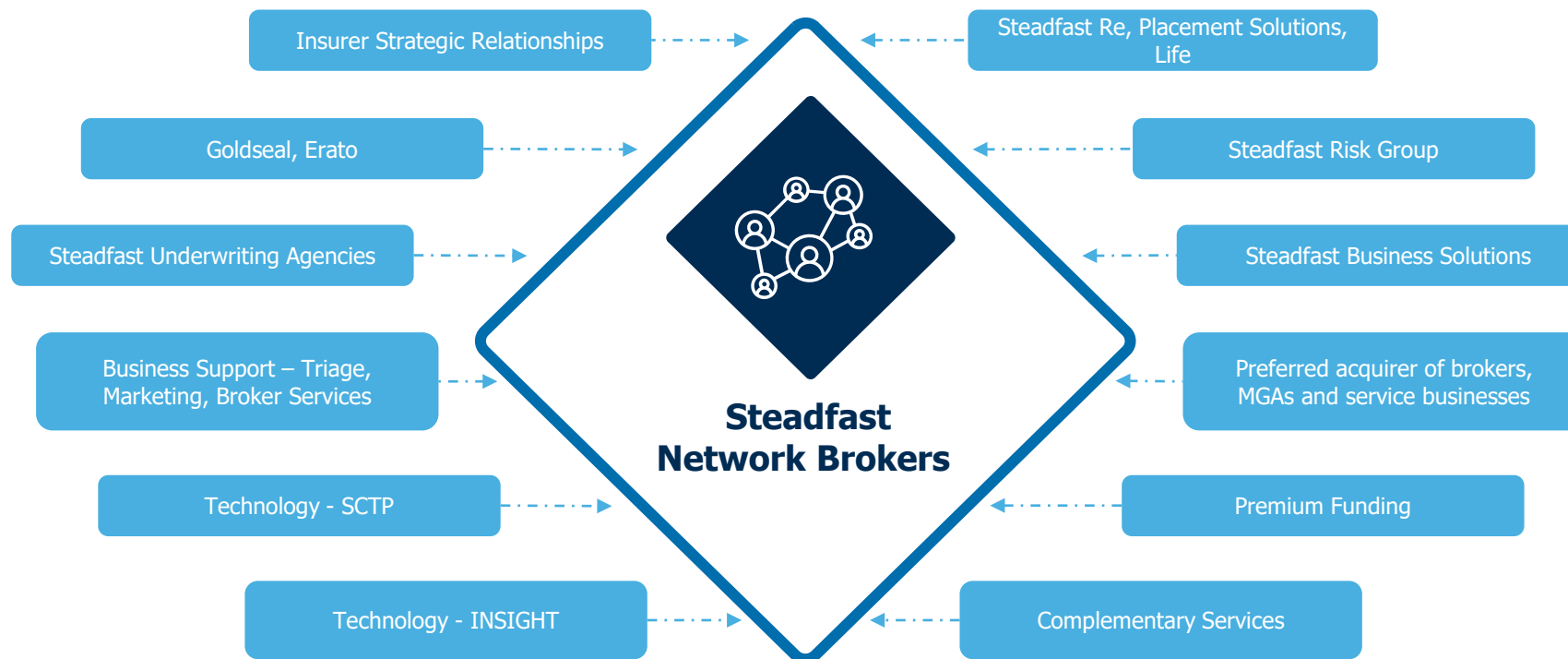
Reflection – how did we achieve this and deliver 498% TSR since listing?

Our long-term strategy of focusing on being the best broker network and providing an exit mechanism to unlock trapped capital

Our Australasian success can be attributed to a genuine focus on improving the value our network broker provides to their clients and helping them grow their own business.

By providing recognised high quality and differentiated products and services to our members, we built a network scale that provided SDF the opportunity and credibility to grow rapidly when the timing was right.

This success and lessons learned will continue to drive our domestic strategy and inform/guide our strategies internationally.



Steadfast Group

Increase in underlying NPAT of **22.5%** pc

Underlying earnings (refer slide 18)

- EBITA **+26.5%** to **\$430.7m** (FY22 \$340.4m)
- NPAT **+22.5%** to **\$207.0m** (FY22 \$169.0m)
- NPATA **+22.7%** to **\$252.1m** (FY22 \$205.4m)
- Diluted EPS (NPAT) **+14.6%** to **20.15 cps** (FY22 17.58 cps)
- Diluted EPS (NPATA) **+14.9%** to **24.55 cps** (FY22 21.37 cps)
- Final dividend **+15.4%** to **9.0 cps** fully franked (total dividend **+15.4%** to **15.0 cps**)

Statutory earnings

- NPAT of **\$189.2m** (FY22 \$171.6m) (refer slide 17)

Broker and underwriting agency growth

- Equity brokers (including Network) aggregate underlying EBITA **+27.7%** (refer slide 20)
- Underwriting agencies' aggregate underlying EBITA **+15.7%** (refer slide 21)

Diluted EPS growth

- Diluted EPS growth driven by organic and acquisition growth

Acquisition growth

- Completed EPS accretive acquisitions for an outlay of **\$574.2m¹** including IBA (refer slide 7)

Future growth

- As at today, debt facility capacity of **\$378.5m** available to fund acquisitions (plus free cash flow)

¹ \$574.2m is the actual outlay of cash and/or shares to buy economic interests in businesses.

Steadfast Group

Targeting \$280 million of acquisitions in FY24 (funded by debt and free cash flow)

FY23 acquisitions	Annualised EBITA	Acquisition cost	
IBA acquisition ¹	\$21.2m	\$286.4m	}
57 completed Trapped Capital acquisitions	\$30.1m	\$287.8m	
			\$574.2m total FY23 acquisitions
Current pipeline	Estimated Annualised EBITA	Estimated Acquisition cost	
3 completed acquisitions	\$0.7m	\$6.7m	}
13 term sheets signed and due diligence commenced	\$11.0m	\$116.8m	
13 term sheets issued	\$10.4m	\$101.3m	
23 other opportunities	\$23.7m	\$226.4m	
			\$445m pipeline of active acquisition opportunities

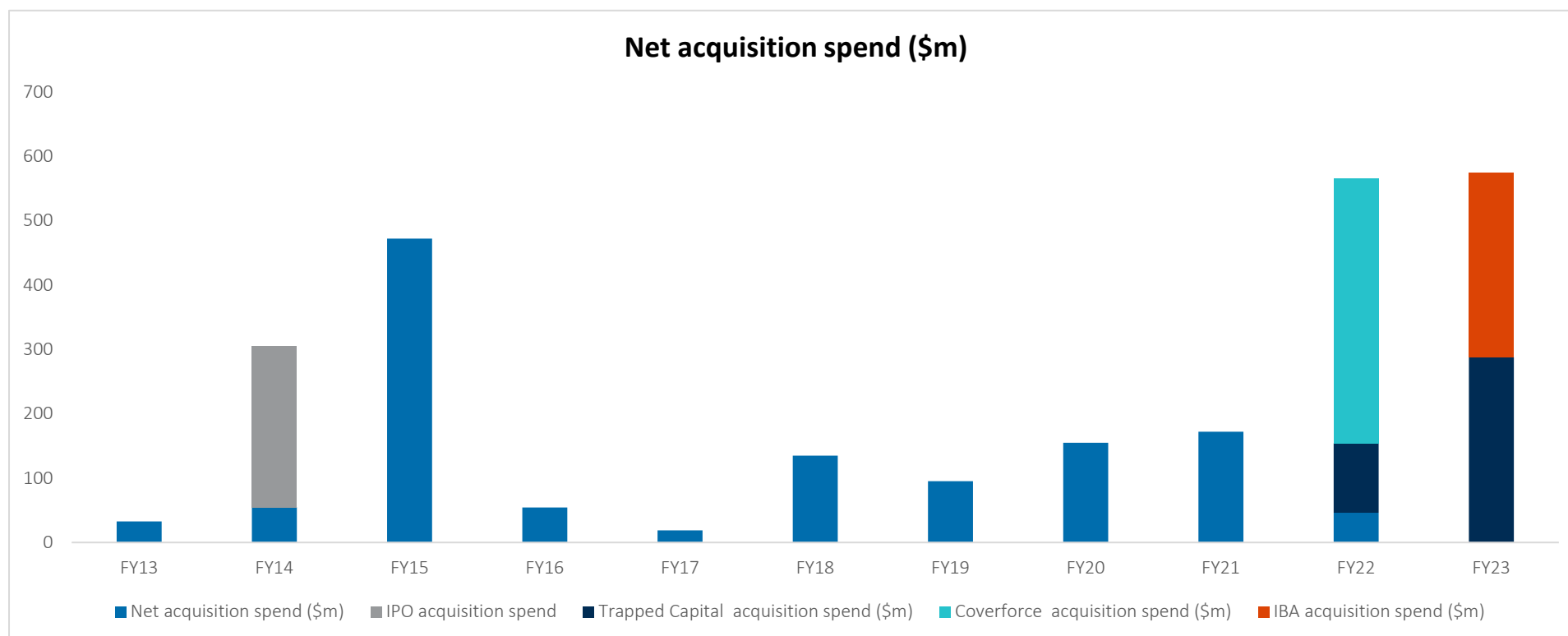
\$574.2m total
FY23 acquisitions

\$445m pipeline of
active acquisition
opportunities

Steadfast's acquisition track record

Steadfast has a proven track record of successfully completing earnings accretive acquisitions

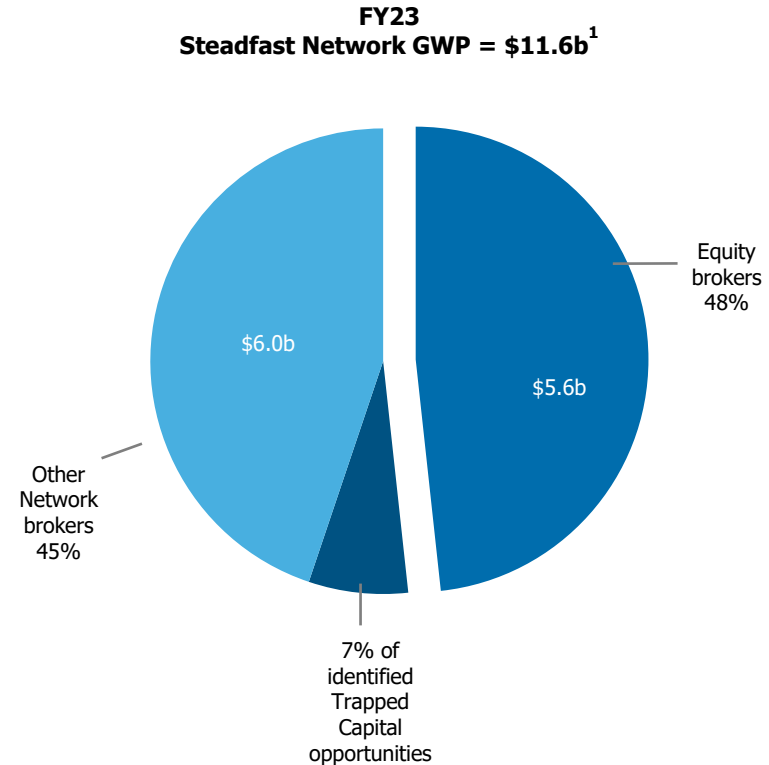
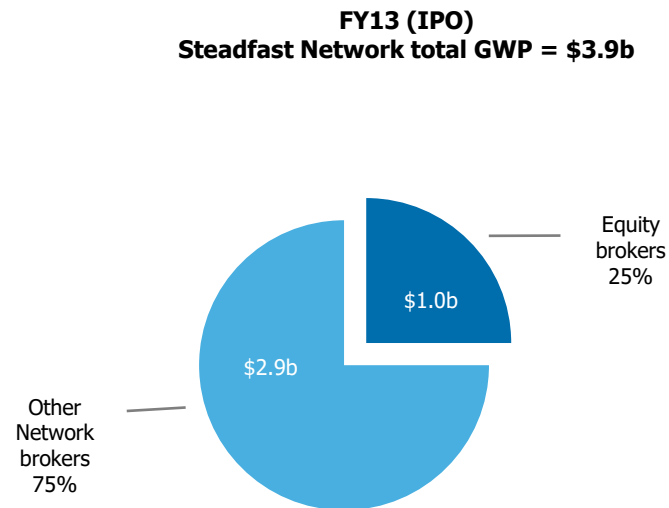
- Established track record of evaluating, executing and integrating M&A opportunities
- Longstanding and dedicated internal acquisitions team
- Due diligence is undertaken by our experienced Steadfast team to satisfy all acquisition criteria
- Due diligence criteria include cultural and strategic fit as well as financial outcomes
- Steadfast acquisition growth has been complemented by a track record of continued organic growth
- In aggregate, the substantial majority of our acquisitions have delivered or exceeded the expected EBITA at the time of acquisition



Increasing Steadfast Group's share of growing Network GWP

Steadfast Network

- Since IPO, Steadfast has successfully implemented the dual strategies of growing our Network as well as increasing equity stakes in the Network
- Trapped Capital Project will continue to increase Steadfast's equity holdings



FY23 operating update

Insurance and reinsurance markets

- Attritional claims in the second and third quarters of FY23 have been above the prior year pcg.
- The impact of non-catastrophe claims has not had any effect on the increasing of retention and/or premium reductions by worldwide reinsurance buyers.
- Capital markets are reviewing the impact of deploying capacity that is supported by letters of credit. This may further increase the cost of reinsurance if actual capital has to be deployed rather than letter of credit guarantees.
- The potential impact of El Nino around the world is likely to be first evident in the southern hemisphere summer; with a dry run up to the wildfire season, there may be a decline in capacity for wildfires areas and, if cover is available, pricing will continue to harden.
- There are still some sections of the market that reinsurers are declining to price, thus putting pressure on the insurer's capital needed to support various risk locations that are subject to increasing claims frequency.

Regulation

- Commission has been accepted by most regulators, worldwide, as the most efficient way to distribute general insurance products that are intermediated.
- Volume based incentives in the Australian market are not acceptable as they induce the distributor to place more product with an insurer offering this inducement.
- The definition of retail client has been confirmed as the one contained in current legislation.
- The issue of general advice compared with personal advice remains a grey area and is subject to interpretation by the seller of the policy at the time of sale.
- The overall result of Hayne Royal Commission and the independent Michelle Levy report to Treasury is that the consumer should be well informed at any time about the total cost of remuneration for any insurance product they buy and in broad terms the industry supports this proposition.

Steadfast Technologies

- The Steadfast Client Trading Platform (SCTP) continues to dominate automated comparative quoting over a wide range of insurance products and their relevant insurers.
- The insurers' back-office inability to adapt to API connectivity still holds back parts of the insurTech efficiency that is available to insurance distribution.
- Our collaboration with ACORD on a universal API continues through the later part of 2023.
- Cyber protection for Steadfast Group and its subsidiaries is supported by a team continually working on monitoring, defence and rectification of potential vulnerabilities in the Steadfast Group and subsidiaries' information technology systems. This is supported by a robust risk transfer to a market leading insurer's cyber policy.
- The sale of Underwriter Central to JAVLN allows for future development of our underwriting agency systems and a cooperative pool of talent for future projects between JAVLN and Steadfast Technologies.

FY23 operating update

Succession

- We continue to review and add to our executive bench strength to ensure adequate succession plans are in place.
- New appointments have now commenced in the business.
- Training has been increased, promotions have been made, and new efficiencies have been gained.

International expansion strategy

- A five-year investigation has been completed:
 - targets evaluated
 - budgets set
- Our plan is close to a “reveal” to the market at or before the Steadfast 2023 Annual General Meeting.
- Any expansion of our international footprint will be very measured.

Environmental, Social and Governance

- In FY23, Steadfast implemented the first phase of its Carbon Neutral Transition Plan that was published in December 2022.
- The Group-wide employee engagement score was 80% this year, as we continue to focus on a culture grounded in integrity and accountability and leadership development that ensures Steadfast is a first-choice employer.
- Our women in leadership roles was stable at 44% this year; as part of our ongoing commitment to improve our gender diversity, Steadfast previously set an aspirational target for Women in Leadership of 45% by 2024.
- Steadfast will roll out further ESG support to our Network brokers and underwriting agencies during FY24.

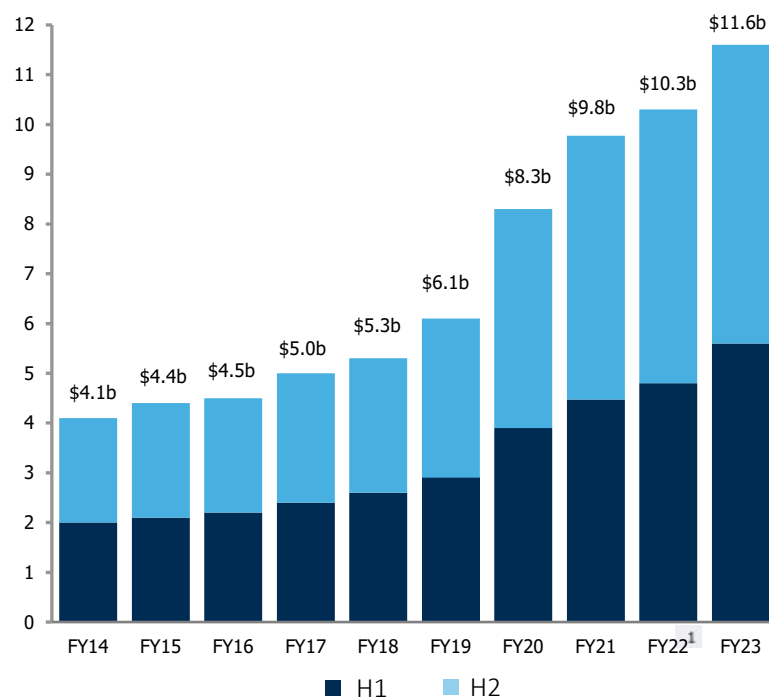
Steadfast broking

Sustained growth and further Network acquisitions

Financial highlights – FY23

- Steadfast Network GWP **+12.8%** to **\$11.6b** is driven by **9.8%** organic growth for the period:
 - Price increases across most non-statutory lines
 - Volume increase of c.2%
- Network GWP is 87% commercial lines (predominantly SME), 13% retail

Network gross written premium



FY23 vs FY22¹

GWP of **\$11.6b vs \$10.3b**

+9.8% organic growth

+2.6% AR network

+0.4% new brokers

+12.8% total growth

Operational highlights

- Change in Steadfast Network with new brokers joining and numerous mergers and sales; network brokers now at **426** (refer slide 33)
 - 337** brokers in the Australian Network
 - 63** brokers in the New Zealand Network
 - 26** brokers in the Singapore Network
- Investment activity in Steadfast Network brokers in FY23
 - 38** new equity holdings including bolt-ons, and **9** step downs in equity holdings, and **18** step ups in equity holdings
 - Steadfast now has equity interests in **68** brokers after several acquisitions and hubbing
- SCTP GWP **\$1.2b, +24%**
- Steadfast equity brokers (including network) underlying aggregate EBITA of **\$344.4m, +27.7%** (refer slide 20)

¹ Restated for comparison purposes, with GWP from PSC excluded from 1 July 2021.

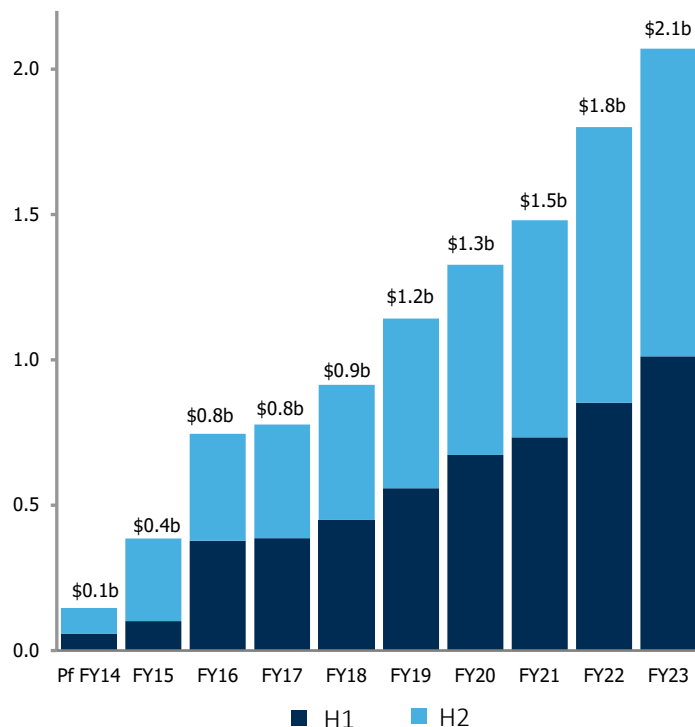
Steadfast Underwriting Agencies

Sustained growth driven by price and volume

Financial highlights – FY23

- Steadfast Underwriting Agencies GWP **+16.7%** to **\$2.1b**
 - Driven by price and volume uplift
 - Property line pricing remains strong
 - Capacity constraints in certain lines
- Opportunities for agencies as insurers are repositioning product lines and approach to distribution
- Underlying aggregate EBITA of **\$169.5m, +15.7%** (refer page 21)

Gross written premium



FY23 vs FY22

GWP of **\$2.1b vs \$1.8b**
+13.7% organic growth
+3.0% acquisition growth

+16.7% total growth

Operational highlights

- Use of robotics across five underwriting agencies to improve efficiency in the administration of policy renewals
- Long-term strategy of closely aligning capacity providers, technology and strong service ethic
- Benefited from higher premium pricing from strategic partners and market share gains
- Participating on the SCTP across four product lines – Commercial Property & ISR, Strata, Liability and Professional Indemnity
- Enhanced in-house data and analytics capabilities for underwriting agencies and insurers
- 29 agencies offering over 100 niche products (refer slide 39). All agencies are available to the entire intermediated insurance market; none are exclusive to Steadfast

Our insurTech

Continued broker take-up of our technology platforms

Steadfast Client Trading Platform

- SCTP delivers strong client outcomes
 - Genuine contestable marketplace, generating improved pricing competition, coverage and marketing each time a policy is quoted or renewed
 - Provides alignment of client and broker interests given fixed commission rates
- Tailored policy wording based on claim dispute (triage) results
- Steadfast remains focused on improving SCTP by adding more product lines, new insurers and the expansion of auto-rating capabilities. Latest developments include:
 - Continued development of auto-rating capability for insurers for Liability and PI
 - Next commercial product line under development is Farm, expected to launch in FY24
- **9** insurance lines and **17** insurer and underwriting agency partners currently live on SCTP

INSIGHT (broker management system)

- **205** brokers live (after merging of brokers) on INSIGHT, with over **6,000** users
- Additional **16** brokers committed to migrate onto INSIGHT; ongoing discussions with another **28** brokers

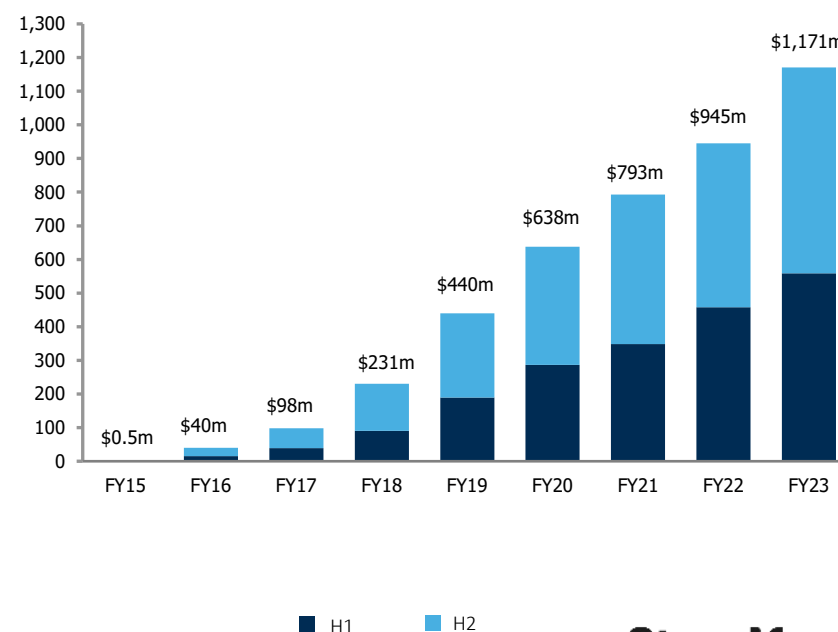
\$1.2b

GWP transacted through SCTP in FY23

+24%

FY23 growth in GWP transacted through SCTP

Steadfast Client Trading Platform Gross Written Premium

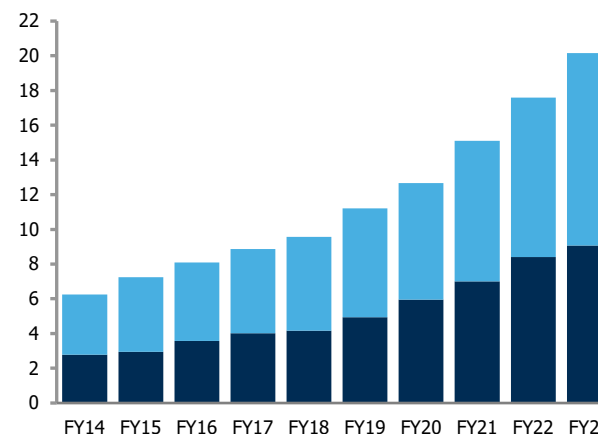


FY23 dividends up 15.4% to 15.0 cps

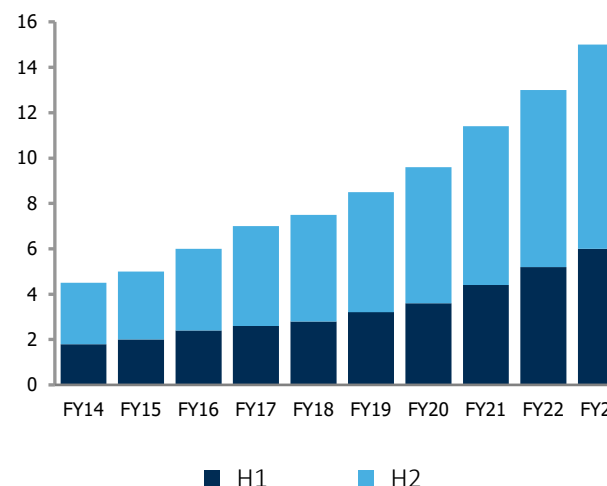
Final FY23 dividend

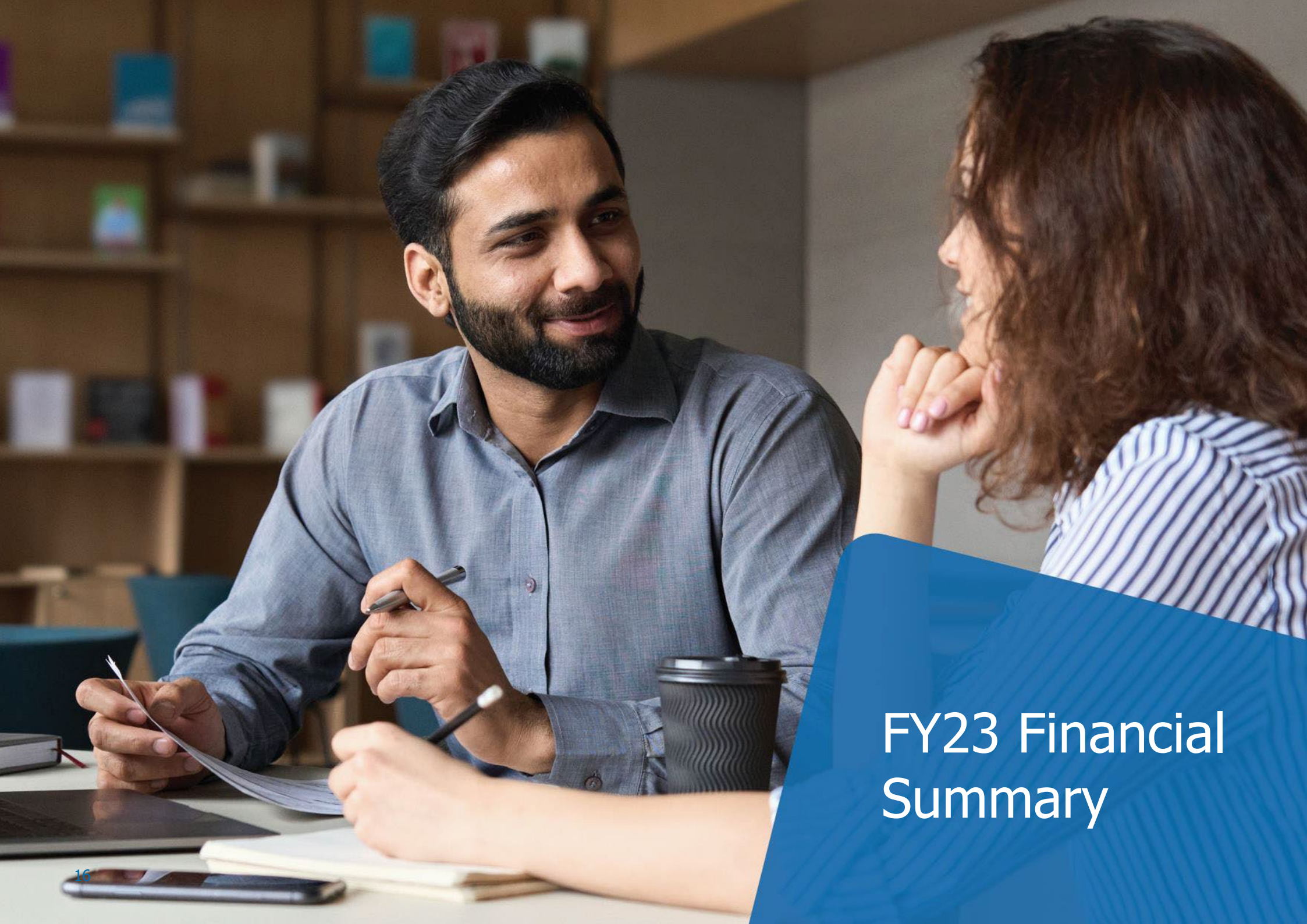
- Final FY23 dividend of **9.0 cps** (fully franked), up from 7.8 cps in FY22, **+15.4%**
- Dividend Reinvestment Plan (DRP) to apply to the final FY23 dividend
 - The DRP will operate by the on-market purchase of shares. No discount will apply.
- Key dates for final FY23 dividend:
 - Ex dividend date: 21 August 2023
 - Dividend record date: 22 August 2023
 - DRP record date: 23 August 2023
 - Payment date: 21 September 2023

Underlying diluted EPS (NPAT) (cents per share)



Dividend per share (cents per share)





FY23 Financial Summary

Reconciliation of underlying NPAT to statutory NPAT

12 months to 30 June \$ million	FY23	FY22
Underlying net profit after tax (NPAT)	207.0	169.0
Adjustments for non-trading items (net of tax and non-controlling interests):		
Deferred consideration expense (where actual earnout was more than expected)	(17.8)	(18.0)
Deferred consideration income (where actual earnout was less than expected, excluding IBA)	1.4	5.5
Net adjustment relating to IBA acquisition (refer note 7F in the audited financial statements)	0.5	-
Impairment of non-IBA investments	(1.9)	(3.5)
Mark-to-market (losses)/gains from revaluation of listed investments	(1.7)	1.6
Net gain from change in value or sale of businesses and other movements	1.7	17.0
Statutory NPAT	189.2	171.6

Group financial performance

Strong underlying earnings growth

Underlying earnings

12 months to 30 June \$ million	Underlying FY23 ¹	Underlying FY22 ¹	Period-on-period growth %
Revenue (\$m)	1,409.5	1,135.9	24.1%
EBITA (\$m)	430.7	340.4	26.5%
NPAT (\$m)	207.0	169.0	22.5%
Diluted EPS ² (NPAT) (cents)	20.15	17.58	14.6%
NPATA (\$m)	252.1	205.4	22.7%
Diluted EPS ² (NPATA) (cents)	24.55	21.37	14.9%

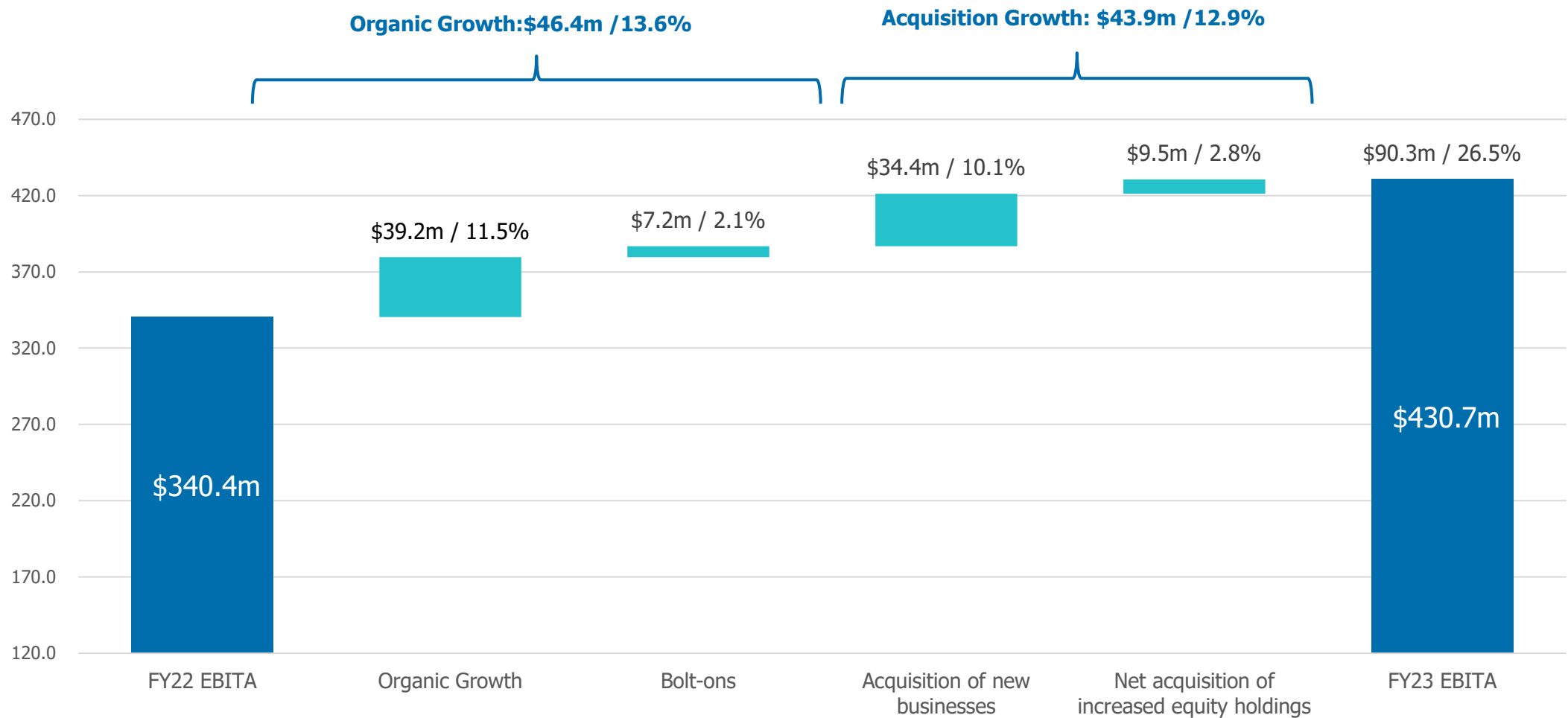
- Growth across Steadfast Group driven by:
 - Organic growth from insurance broking and underwriting agencies – price and volume
 - Continuation of hardening premium rates
 - Acquisition growth particularly in insurance broking from the IBA acquisition at the end of August 2022 and the Trapped Capital Project
- Diluted EPS growth impacted by new shares issued to fund new acquisitions

¹ Underlying financial data reconciled to statutory data on slides 17 and 45.

² Weighted average share count used to calculate diluted EPS FY23 1,027.1m (FY22 961.2m).

Drivers of 26.5% growth in underlying EBITA

Organic and acquisition growth



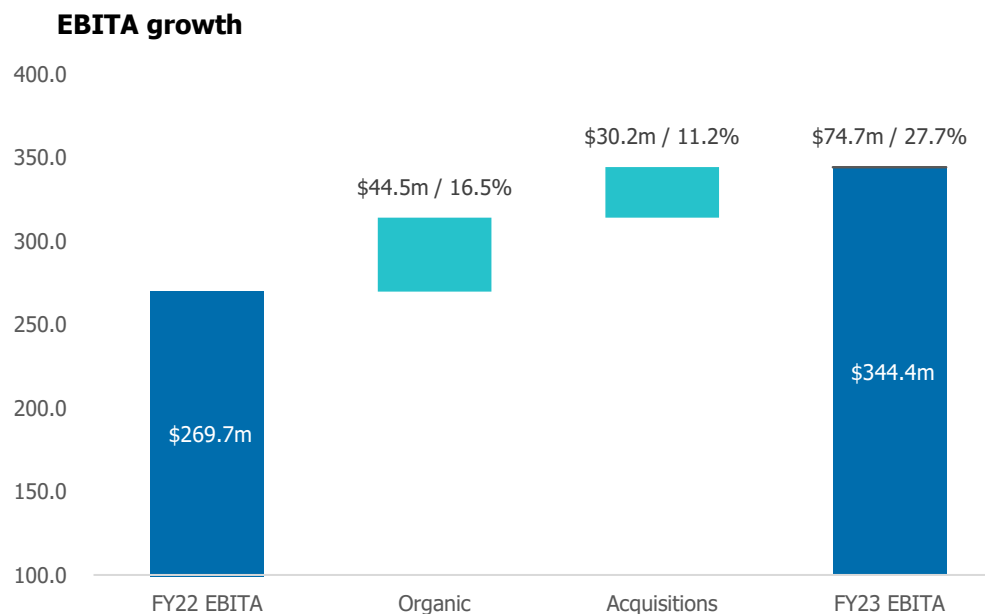
Steadfast broking

Organic and acquisition growth

Equity brokers and network - consolidated & equity accounted (assuming 100% ownership)

12 months to 30 June 2023 \$ million	Underlying FY23	Underlying FY22	Period-on-period growth %	Organic growth %	Growth from acquisitions %
Net revenue	891.6	716.1	24.5%	12.7%	11.8%
EBITA	344.4	269.7	27.7%	16.5%	11.2%

- Underlying aggregate EBITA of **\$344.4m (+27.7%)** from all equity brokers and Network
 - Driven by strong organic growth and supported by acquisitions (IBA & Trapped Capital)
 - 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
 - Fee & commission split of ~30%/70% in-line with historic average
 - Actual equity ownership of FY23 EBITA is 77% (FY22 75%)



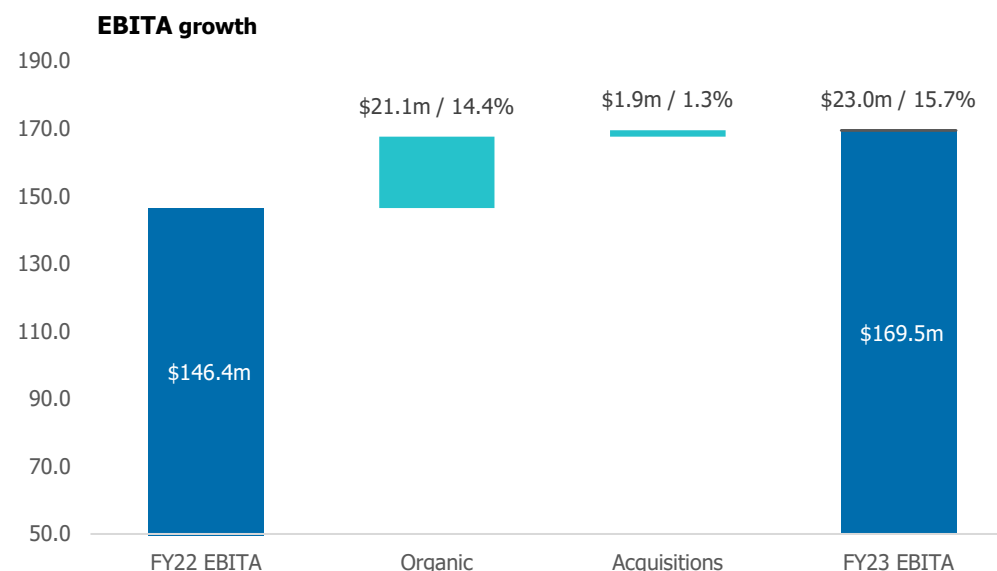
Steadfast Underwriting Agencies

Organic growth driven by price and volume

Steadfast Underwriting Agencies – consolidated & equity accounted (assuming 100% ownership)

12 months to 30 June 2023 \$ million	Underlying FY23 ¹	Underlying FY22 ¹	Period-on-period growth %	Organic growth %	Growth from acquisitions %
Net revenue	340.3	282.4	20.5%	17.0%	3.5%
EBITA	169.5	146.4	15.7%	14.4%	1.3%

- Underlying aggregate EBITA of **\$169.5m (+15.7%)** from all underwriting agencies
 - Continued strong performance across the agency business driven by organic growth
 - Continued increase in premiums by insurers and volume uplift
 - Invested in additional compliance and claims staff, further investment in people and systems into FY24
 - Actual equity ownership of FY23 EBITA is 90% (FY22: 92%)



¹ Excludes additional income to underwriting agencies for performance.

Strong conversion of profits to cash

FY23 cash flow statement

Cash flow summary¹		
\$ million	FY23	FY22
Statutory operating cash flow ²	318.2	261.0
Less lease obligation payments	(18.5)	(14.0)
Adjusted operating cashflow	299.7	247.0
> 100% conversion of underlying NPATA \$252.1m into cash		

\$ million	FY23	FY22
Adjusted net cash from operating activities	299.7	247.0
Cash used for dividends, net of DRP	(131.4)	(107.9)
Free cash flow	168.3	139.1

**> 100% conversion
of underlying NPATA to cash**

- Free cash flow fully utilised in further acquisitions
- Maintained strong working capital position

Conservatively geared balance sheet

Statutory balance sheet

\$ million	30 Jun 23	30 Jun 22
Cash and cash equivalents	259	280
Cash held on trust	879	665
Premium funding receivables	662	576
Trade & other receivables	281	217
Total current assets	2,081	1,738
Goodwill	1,986	1,494
Identifiable intangibles	347	266
Equity accounted investments	223	210
Other (including PPE, deferred tax assets)	248	209
Total non-current assets	2,804	2,179
Total assets	4,885	3,917
Trade & other payables	1,030	770
Borrowings	4	10
Premium funding borrowings and payables	252	172
Deferred consideration	87	52
Other (including tax payable, provisions)	125	91
Total current liabilities	1,498	1,095
Borrowings	515	409
Premium funding borrowings	407	435
Deferred consideration	26	16
Deferred tax liabilities – customer relationships	91	66
Remaining deferred tax liability & other	103	82
Total non-current liabilities	1,142	1,008
Total liabilities	2,640	2,103
Net assets	2,245	1,814
Non-controlling interests	204	129
Shareholders equity	2,041	1,685

Corporate debt facility (excludes premium funding) increased and extended August 2023 as follows: \$ million

	Maturity	Total
Revolving	Aug 2026	385
Term	Aug 2026	175
Term	Nov 2026	200
Term	Aug 2028	100
Total available		860

- Interest rate position positively geared as cash held on trust exceeds borrowings
- Significant headroom in corporate debt covenants
- Corporate debt capacity of \$216.6m available as at 30 June 2023 (\$378.5m as of today) for future growth
- Ability to access accordion facility for a further \$300m
- Total Group gearing excluding premium funding within Board approved maximum:

Gearing ratio ¹	Actual	Max
Total Group	19.0%	30%

Total borrowings and lines of credit \$ million

	Total
Group facility borrowings	443
Subsidiary borrowings	82
Total	525

- IQumulate premium funding Australian facilities were increased to \$660m and extended to mature in July 2024 (one year term is standard industry practice)

¹ Gearing calculated as debt/(debt + equity). Debt defined as corporate debt + subsidiary debt excluding premium funding debt.



Outlook

FY24 guidance

Steadfast FY24 guidance range

	FY24 guidance range
Underlying EBITA	\$500 million - \$510 million
Underlying NPAT	\$230 million - \$240 million
Underlying diluted EPS (NPAT) growth	10% - 15%
Underlying NPATA	\$277 million - \$287 million

- The guidance is subject to:
 - Insurers to continue to increase premium rates as anticipated
 - Completion of \$280m 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)



Appendices

[Steadfast Group \(slide 27\)](#)

[Steadfast Network \(slide 31\)](#)

[Steadfast Underwriting Agencies \(slide 38\)](#)

[Our insurTech \(slide 40\)](#)

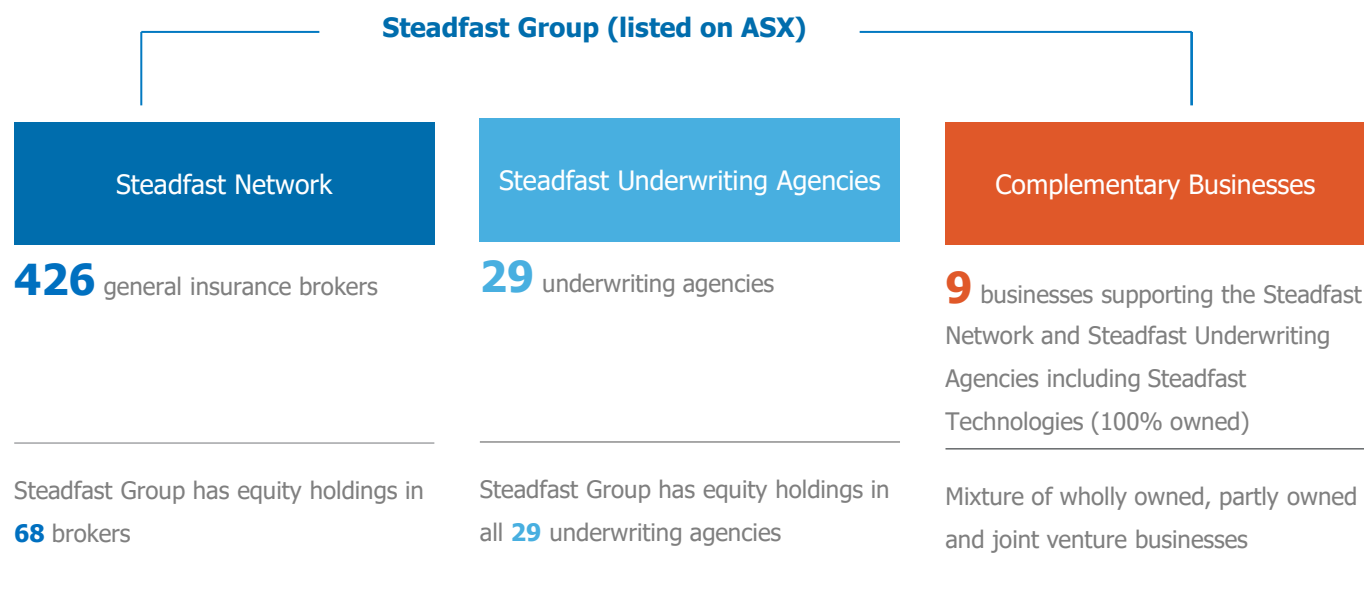
[FY23 detailed financials \(slide 44\)](#)



Steadfast
Group

Business units focused on the intermediated general insurance market

Steadfast Group as at 30 June 2023



Size and scale

Steadfast Group as at 30 June 2023

Largest general insurance broker network in Australasia

\$11.6_b

Annual GWP¹

426

Steadfast Network brokers

Largest group of underwriting agencies in Australasia

\$2.1_b

Annual GWP¹

29

Underwriting agencies

Steadfast Network collects professional services and other fees

Complementary businesses

IQumulate
Premium Funding

90% owned Premium Funder

Steadfast Life

Specialist life insurance broker, 50% owned

Steadfast
BUSINESS SOLUTIONS

Back-office service provider, 100% owned

Steadfast
TECHNOLOGIES

Technology service arm, 100% owned

Steadfast
WORKPLACE RISK

Work health consultancy, 57% owned

Steadfast Re
Reinsurance Brokers

Reinsurance broker, 50% owned

MERIDIAN
LAWYERS

Legal practice, 25% owned

Steadfast
RISK GROUP

Risk consulting, 85% owned

goldseal

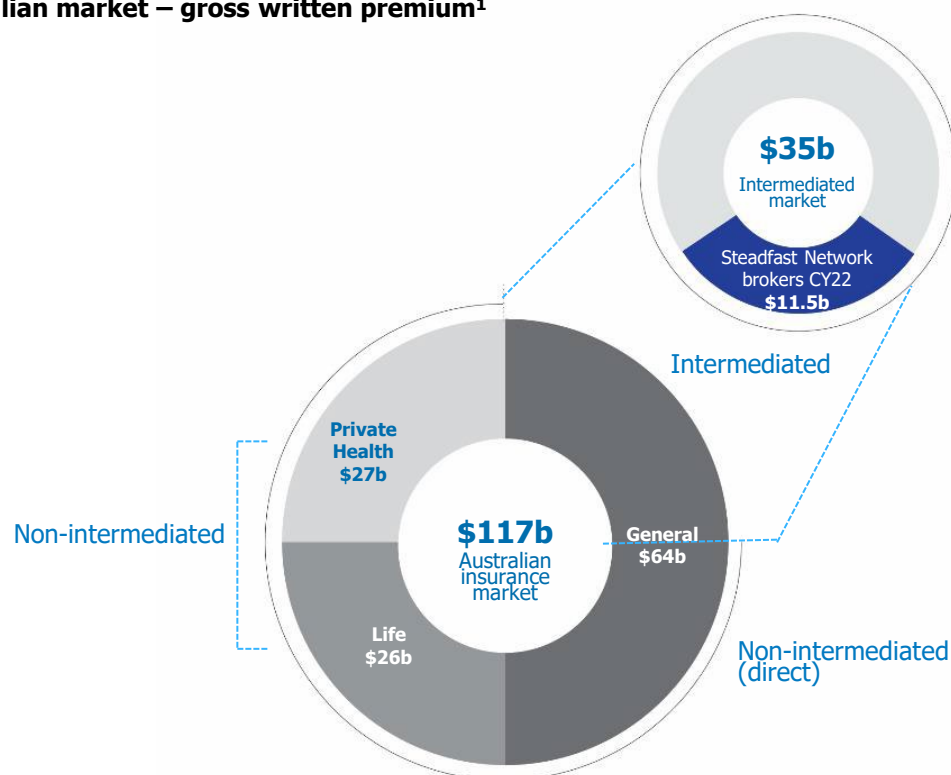
Compliance, Training, Customer Experience and HR Management, 100% owned

¹ For financial year 2023. Excludes PSC from 1 July 2022.

Our market

\$35b of intermediated general insurance GWP written in CY22

Australian market – gross written premium¹



Steadfast Group is focused on the intermediated general insurance market, with a primary focus on SME

¹ APRA Quarterly General Insurance Performance Statistics for year ended December 2022 (released March 2023), APRA Quarterly Private Health and Life Performance Statistics for year ended March 2023 (released May 2023), Steadfast Group and APRA Intermediated General Insurance Performance Statistics for year ended December 2022 (released March 2023).



Steadfast
Network

Largest general insurance broker network in Australasia

Steadfast Network

Steadfast Network

The Steadfast Network has 426 general insurance brokers in Australia, New Zealand and Singapore who receive superior market access, exclusive products and services backed by the size and scale of the Steadfast Group. Brokers in the Network have access to over 160 products and services which support their business and allow them to focus on their clients' insurance and risk management needs. Key benefits of being a Steadfast Network broker include improved policy wordings, broker services, exclusive access to Steadfast's technology and triage support for challenging claims.

Insurer partners have access to around \$12b of GWP from the small-to-medium enterprise market through the Steadfast Network.

Steadfast Group also holds a 60% stake in UnisonSteadfast which is separate from the Steadfast Network. UnisonSteadfast broker numbers are disclosed separately to the Steadfast Network (see slide 37 for more detail).

Exclusive to Steadfast Network brokers



Scale and strength

Size gives us strong relationships with insurer partners.



Products and services

Access to over 160 services supporting their business & clients.



Technology

Specialised technology services.



Helplines

Legal, contractual liability, compliance, human resources & technical.



Steadfast triage

Provides expert support across claims, ethics & placement.



Training and networking events

Market-leading professional development through face-to-face & webinars.



Erato PI program

Professional indemnity cover for Steadfast Network brokers.



Marketing

Sales and marketing support.



Policy wordings

Market-leading wordings utilising broker & triage input.



Market access

Access to the leading insurance providers from Australia & around the world.

Strategy

- Be the best solution for our Network brokers clients' needs
- Operate a network that is stronger together and the network of choice for brokers
- Build and develop strong relationships with insurers and other strategic partners
- Develop leading technology solutions to enable brokers to obtain competitive pricing and terms to retain and attract clients
- Grow international presence

Major insurer partners



Steadfast Network

\$11.6b¹

GWP in FY23

426

brokers in the Network

Premium funding partners



Other strategic partners

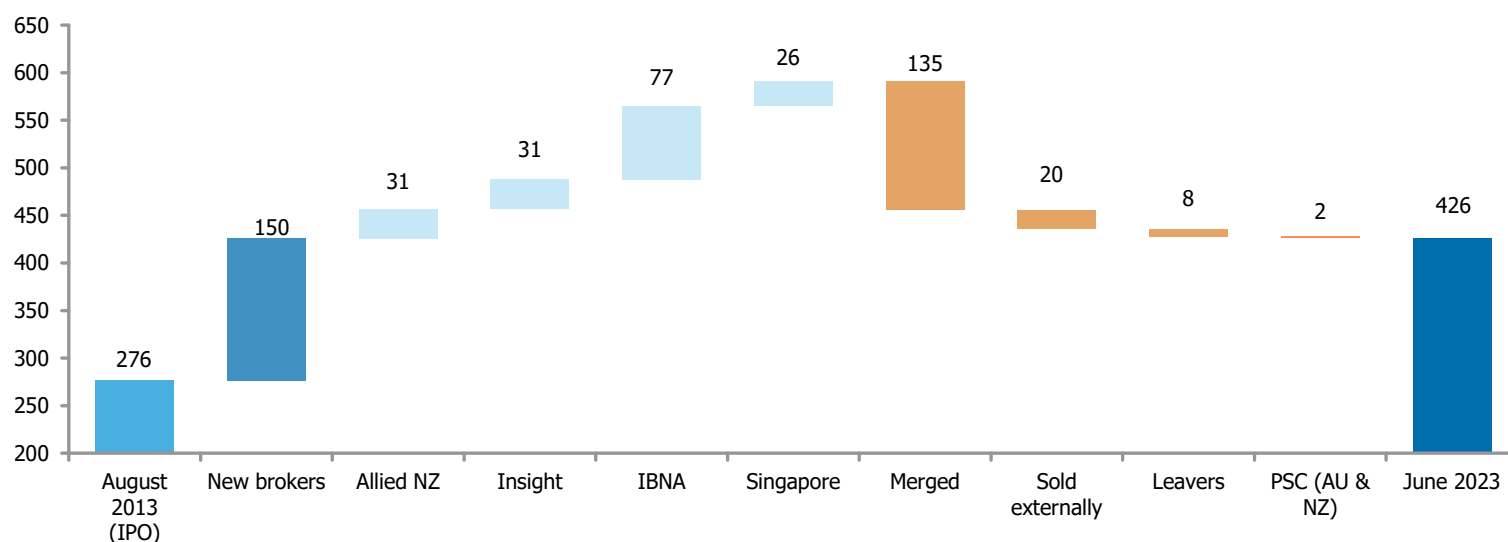


¹ For financial year 2023, excludes PSC from 1 July 2022.

Steadfast Network

315 brokers have joined the Steadfast Network since IPO

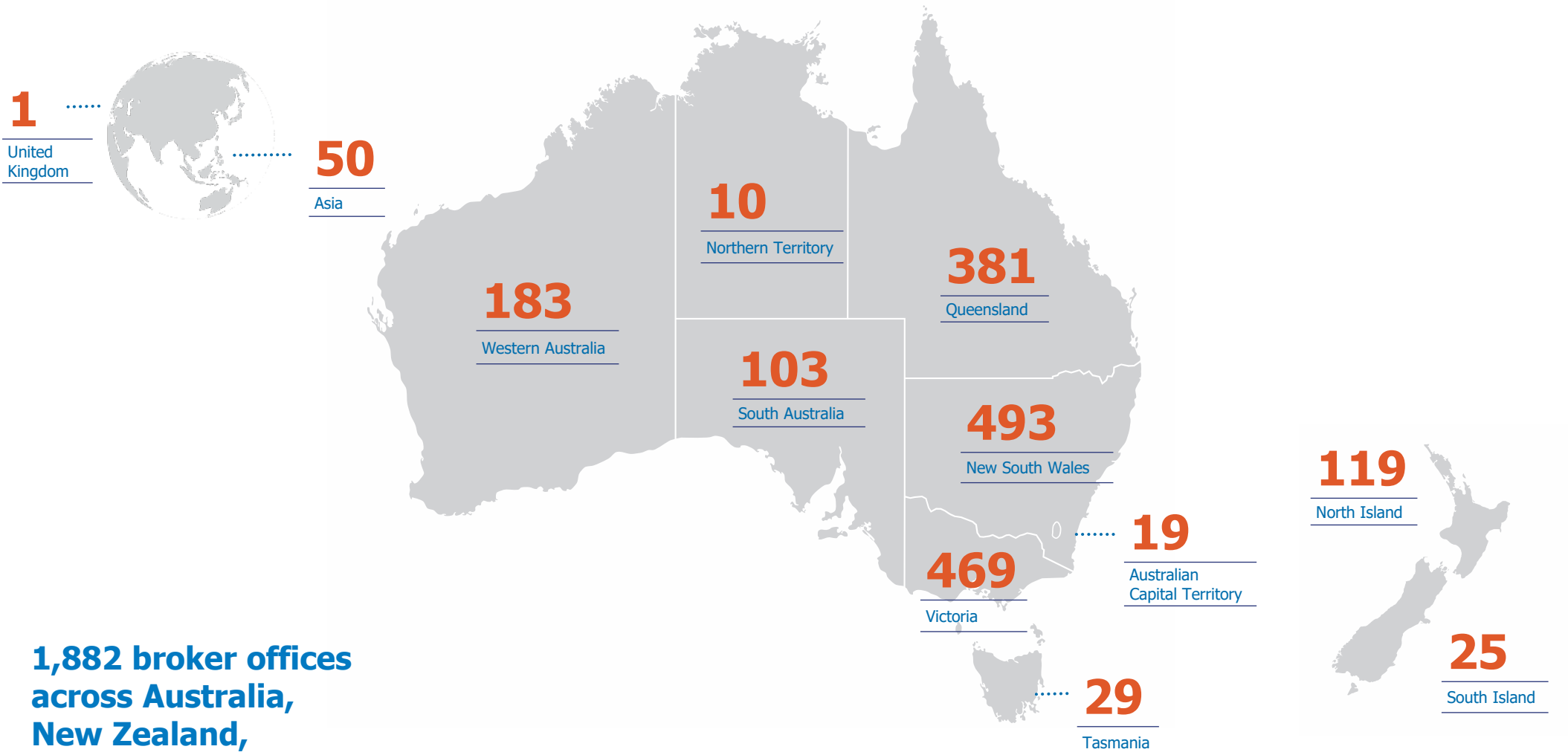
Number of Steadfast Network brokers



- In FY23, 31 brokers joined, 22 brokers merged, 4 brokers have been sold and 6 brokers have left (including PSC AU and NZ)
- 315 brokers joined and 10 brokers have left the Network since the IPO (including PSC AU and NZ)
- 135 brokers merged and 20 brokers were sold to third parties since the IPO
- Over 160 products and services available to the Network
- SCTP and INSIGHT initiatives generating heightened interest in Network value proposition worldwide

Steadfast Network

Worldwide broker offices (excluding UnisonSteadfast)

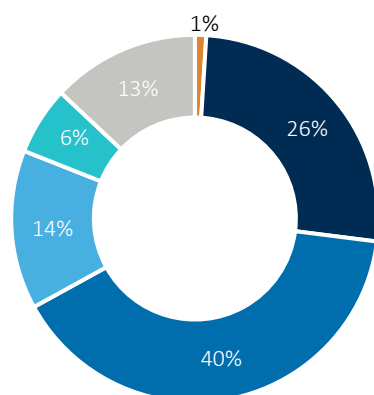


**1,882 broker offices
across Australia,
New Zealand,
Asia and United Kingdom**

Steadfast Network

Australia – resilient SME client base

GWP mix¹



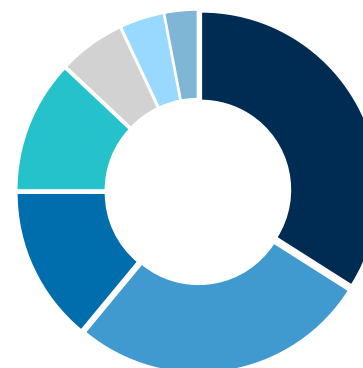
- Micro (Policy size <\$650)
- Small Enterprise (Policy size \$650 - \$5,000)
- Small Enterprise (Policy size \$5,000 - \$50,000)
- Medium Enterprise (Policy size \$50,000 - \$250,000)
- Corporate (Policy size >\$250,000)
- Retail

Diversified by product line



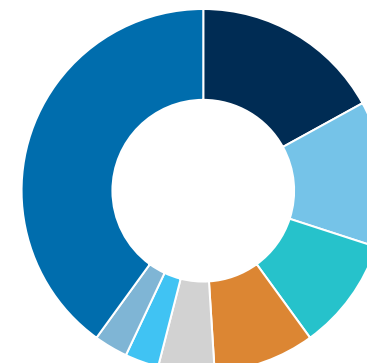
- Business pack 17%
- Commercial motor 12%
- Retail 11%
- Strata 10%
- ISR 9%
- Liability 9%
- Professional Risks 9%
- Statutory Covers 8%
- Rural & Farm 5%
- Construction & Engineering 5%
- Other 5%

Diversified by geography



- VIC 34%
- NSW 27%
- QLD 14%
- WA 12%
- NZ 6%
- SA 4%
- TAS 3%
- ACT/NT 0%

Diversified by insurer



- QBE 17%
- CGU 13%
- Allianz 10%
- Vero 9%
- Chubb 5%
- Zurich 3%
- AIG 3%
- Various underwriting agencies, small insurers, Lloyd's and other small brokers 40%

¹ Based on FY23 GWP.

International footprint

Steadfast Network model replication

1. New Zealand

- 63 brokers in the Network
- NZ\$690m of GWP in FY23
- Steadfast Underwriting Agencies building market presence utilising Network distribution
- Strong buy-in from insurer partners
- SCTP introduced

2. Asia

- Targeted Singapore initially
- 26 brokers in the Singapore network
- Two equity investments in Network brokers by Steadfast Group
- Seven insurer partners have agreed to:
 - pay Professional Services fees
 - issue improved policy wordings

3. London

- Office expanded to meet demand for Lloyd's products
 - risks suited to Lloyd's market
 - London 'super' binder



International footprint

UnisonSteadfast

- Steadfast Group has an equity ownership stake of **60%** in UnisonSteadfast
 - One of the world's largest global general insurance broker networks, offering multi-jurisdictional coverage
 - Supervisory board contains three Steadfast Group representatives



600+

Referrals between the Steadfast Network and UnisonSteadfast

UnisonSteadfast global network





Steadfast Underwriting Agencies

Steadfast Underwriting Agencies

29 agencies, over 100 niche products



Solutions for novated lease, motor fleet and motor vehicle financing



Marine hull and other marine industry



Residential real estate vendor financing



Liability specialists



Professional liability specialists



Complete farm package



Specialised and exotic motorcar and motorcycle



High-value homes



Art and jewellery specialists



Strata insurance



Caravans, campervans, cabins, trailers and horse floats



Emerging risks



Building and construction industry



Professionals including engineers, architects and doctors



Sports and leisure-related businesses



Commercial and residential strata



Bare essentials strata policies



SME insurance programs



Professionals, medical malpractice, liability, PA, management liability & marine



Hard-to-place and complex risks including environmental liability



Accident and health



Heavy motor transport



On and off road motorcycle insurance



Specialised equipment, tradesmen, small business and marine transit



Mobile plant and equipment



Residential and commercial strata



Business interruption focused on SMEs



Marine Insurance



Marine hull, cargo and transit

Steadfast aims to highlight each agency's specialised service by preserving its brand and unique offering which is important as approximately half of our agencies' business is placed on behalf of non-Steadfast Network brokers

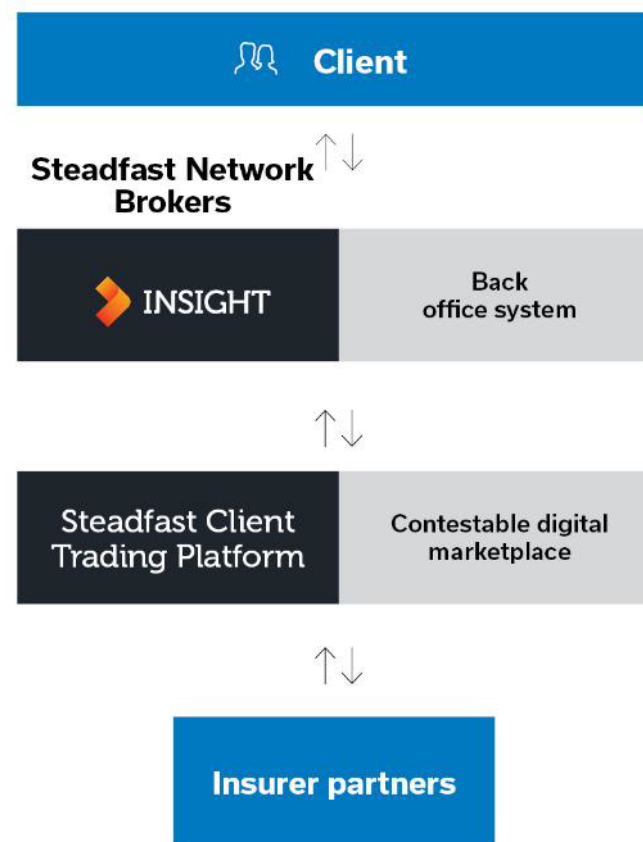


Our insurTech

Our insurTech

Steadfast Client Trading Platform – benefits for clients, brokers and insurers

- Market-leading technology – exclusive to Steadfast Network brokers, clients and participating insurers
- **Benefits for clients:**
 - Genuine contestable marketplace generating improved pricing, competition and coverage, and alignment of client and broker interests through fixed commission rates
 - Market-leading policy wordings
 - Instant policy issue, maintenance and renewal – all on a market contestable basis
 - Supported by Steadfast claims triage
- **Benefits for brokers:**
 - Automated market access to leading insurers at no access cost
 - Bespoke market-leading policies
 - Fixed commission rates, same for all insurers
 - In-depth data analytics
 - Stimulates advisory discussions with clients
- **Benefits for insurers:**
 - Automated access to Steadfast Network for all policies placed on the platform
 - Significantly reduced technology and distribution costs
 - Data analytics and market insights, live 24/7
 - Updated policy wordings, based on prior claims scenarios



Our insurTech

Insurer and underwriting agency partners on the SCTP

Business pack	      
	 
Professional risks	    
Liability	  
Commercial property & ISR	    
Commercial motor	      
Domestic home, motor & landlords	   
Strata	    

Key:  indicates insurers joining SCTP product lines

Our insurTech

Steadfast Technologies

Steadfast Client Trading Platform

SCTP is a digital marketplace which provides Steadfast Network insurance brokers with access to a variety of insurance products based on a single agreed question set. The system is integrated with a group of leading insurers and provides an efficient way to rapidly receive a range of insurance quotes in a single view.

It displays a comprehensive, side-by-side comparison showing the differences in each insurer's terms, products and services for each quote.

The SCTP has been seamlessly integrated with insurer and broker back-office management systems, including Steadfast's INSIGHT broker platform. This eliminates costly, time consuming and error prone data re-entry into multiple systems.

Key advantages:

- **Rapidly generates and compares quotes from different insurer partners without re-keying data into multiple insurer systems**
 - **Real-time, straight-through processing throughout the life of a policy**
 - **Increased client insights from data analytics**
-



INSIGHT is an insurance broking platform with a powerful search engine which gives brokers a single view of their clients and an instant view of their business at any time. It is cloud-based, accessible from anywhere and designed as an open platform to enable connectivity to other business applications if required.

There has been strong interest from Steadfast Network brokers wanting to utilise INSIGHT to help manage their business. Steadfast Group is making a significant investment to roll out the platform as it will deliver substantial efficiencies and cost savings for brokers who will be able to remove their dependency on legacy systems.

Key advantages:

- **Controls, analyses and reports all data**
 - **Automated data recovery and back up**
 - **Open to interface with other business systems, accounting or other software packages**
-



FY23 Detailed Financials

FY23 detailed financials

Reconciliation of statutory to underlying earnings

12 months ended 30 June 2023 \$ million	Total statutory	Reclassifications	Non-trading items	Total underlying
Net fee and commissions income	1,008.4	203.2	-	1,211.6
Premium funding interest income	92.9	-	-	92.9
Share of profits from associates and joint ventures	30.7	(6.0)	(0.3)	24.4
Fair value gain/loss on listed investment	(2.4)	-	2.4	-
Net gain from other investments	23.4	-	(23.4)	-
Other income	27.0	80.8	(2.8)	105.0
Revenue	1,180.0	278.0	(24.1)	1,433.9
Less: share of profits from associates and joint ventures	(30.7)	6.0	0.3	(24.4)
Revenue – consolidated entities	1,149.3	284.0	(23.8)	1,409.5
Employment expenses	(484.0)	30.3	-	(453.7)
Occupancy expenses	-	(30.3)	-	(30.3)
Operating, brokers' support service and other expenses including Corporate Office	(264.5)	(293.4)	24.1	(533.8)
Expenses – Consolidated entities	(748.5)	(293.4)	24.1	(1,017.8)
EBITA – Consolidated entities	400.8	(9.4)	0.3	391.7
Share of EBITA from associates and joint ventures	43.5	(4.2)	(0.3)	39.0
Total EBITA	444.3	(13.6)	-	430.7
Finance costs – consolidated entities	(31.0)	2.9	-	(28.1)
Finance costs – associates and joint ventures	(1.9)	(0.3)	-	(2.2)
Amortisation expense – consolidated entities	(62.9)	12.5	-	(50.4)
Amortisation expense – associates and joint ventures	(2.4)	0.2	-	(2.2)
Income tax benefit/(expense) – consolidated entities	(109.8)	-	17.0	(92.8)
Income tax benefit/(expense) – associates and joint ventures	(8.5)	(1.7)	-	(10.2)
Net profit after tax	227.8	-	17.0	244.8
Non-controlling interests	(38.6)	-	0.8	37.8
Net profit after tax attributable to owners of Steadfast Group Limited (NPAT)	189.2	-	17.8	207.0

FY23 detailed financials

Statement of underlying income (IFRS view)

12 months ended 30 December 2023 \$ million	Underlying FY23	Underlying FY22	Period-on-period growth %	Organic growth % ²	Acquisitions & hubbing growth % ³
Fees and commissions ¹	1,211.6	993.3	21.9%	9.5%	12.5%
Interest Income	23.4	3.9	498.9%	447.2%	51.7%
Other revenue	174.5	138.4	26.0%	21.3%	4.8%
Revenue – Consolidated entities	1,409.5	1,135.9	24.1%	12.4%	11.7%
Employment expenses	(453.7)	(350.5)	29.4%	13.7%	15.8%
Occupancy expenses	(30.3)	(25.2)	20.7%	5.1%	15.6%
Other expenses including Corporate Office ¹	(533.8)	(447.8)	19.2%	13.1%	6.1%
Expenses – Consolidated entities	(1,017.8)	(823.5)	23.6%	13.1%	10.5%
EBITA – Consolidated entities	391.7	312.4	25.4%	10.7%	14.6%
Share of EBITA from associates and joint ventures	39.0	28.0	39.3%	46.2%	(6.9%)
EBITA	430.7	340.4	26.5%	13.6%	12.9%
Net financing expense	(30.3)	(16.4)	82.5%		
Amortisation expense – consolidated entities	(50.4)	(40.3)	25.5%		
Amortisation expense – associates	(2.2)	(2.0)	6.1%		
Income tax expense	(103.0)	(86.1)	20.0%		
Net profit after tax	244.8	195.6	25.1%		
Non-controlling interests	(37.8)	(26.6)	41.9%		
Net profit attributable to Steadfast members (NPAT⁴)	207.0	169.0	22.5%		
Amortisation expense – consolidated entities ⁵	43.0	34.4	24.9%		
Amortisation expense – associates ⁶	2.1	2.0	6.1%		
Net Profit after Tax and before Amortisation (NPATA^{4, 7})	252.1	205.4	22.7%		

¹ Wholesale broker and agency commission expense (paid to brokers) is included in revenues and other expenses so impact to EBITA is nil (\$268.0m in FY23; \$232.8m in FY22).

² Includes bolt-on acquisitions.

³ Acquisition growth includes the net effect of acquisitions, divestments and increased equity stakes. Includes growth from associates converted to consolidated entities.

⁴ Excludes impact from mark-to-market adjustments of \$2.4m losses (pre tax) FY23 and \$2.3m gain (pre tax) FY22 for the Johns Lyng Group investment.

⁵ For controlled entities, the amortisation of customer list add back is before 30% tax but after non-controlling interests, to reflect Steadfast Group's proportional share. The balance sheet includes a deferred tax liability to reflect the future non-tax deductibility of amortisation expense.

⁶ For associates, amortisation of customer list is not tax effected (per Accounting Standards).

⁷ Calculated on a consistent basis since IPO.

FY23 detailed financials

Statement of income (underlying IFRS view)

\$ million	Underlying 2H23	Underlying 1H23	Underlying 2H22	Underlying 1H22	Underlying 2H21	Underlying 1H21
Fees and commissions ¹	638.1	573.5	540.7	452.9	410.4	381.5
Interest Income	14.8	8.6	2.2	1.7	1.6	2.1
Other revenue	93.8	80.7	72.1	66.3	50.1	54.2
Revenue – Consolidated entities	746.7	662.8	615.0	520.9	462.1	437.8
Employment expenses	(240.9)	(212.8)	(185.2)	(165.3)	(145.6)	(139.7)
Occupancy expenses	(15.9)	(14.4)	(13.2)	(12.0)	(11.7)	(11.0)
Other expenses including Corporate Office ¹	(268.0)	(265.8)	(244.4)	(203.4)	(180.1)	(174.7)
Expenses – Consolidated entities	(524.8)	(493.0)	(442.8)	(380.7)	(337.4)	(325.4)
EBITA – Consolidated entities	221.9	169.8	172.2	140.2	124.7	112.4
Share of EBITA from associates and joint ventures	20.2	18.8	14.3	13.7	12.6	13.0
EBITA³	242.1	188.6	186.5	153.9	137.3	125.4
Net financing expense	(18.2)	(12.1)	(9.3)	(7.1)	(5.4)	(6.8)
Amortisation expense – consolidated entities	(26.8)	(23.6)	(21.3)	(19.0)	(16.3)	(15.3)
Amortisation expense – associates	(1.2)	(1.0)	(1.0)	(1.0)	(1.0)	(1.1)
Income tax expense	(56.5)	(46.5)	(45.8)	(40.3)	(32.4)	(32.7)
Net profit after tax	139.4	105.4	109.1	86.5	82.2	69.5
Non-controlling interests	(22.6)	(15.2)	(16.4)	(10.2)	(11.9)	(9.1)
Net profit attributable to Steadfast members (NPAT⁴)	116.8	90.2	92.7	76.3	70.3	60.4
Amortisation expense – consolidated entities ²	23.1	19.9	18.1	16.3	14.0	13.2
Amortisation expense – associates ²	1.1	1.0	1.0	1.0	1.0	1.1
Net Profit after Tax and before Amortisation (NPATA^{3,4})	141.0	111.1	111.8	93.6	85.3	74.6
Weighted average share #	1,027.1	996.1	961.2	907.6	866.1	865.2
Underlying diluted EPS (NPAT) (cents per share)	11.09	9.06	9.17	8.41	8.11	6.98
Underlying diluted EPS (NPATA) (cents per share)	13.39	11.16	11.06	10.31	9.85	8.63

¹ Wholesale broker and agency commission expense (paid to brokers) is included in revenues and other expenses so impact to EBITA is nil ((\$268.0m in FY23; \$232.8m in FY22).

² For controlled entities, the amortisation of customer list add back is before 30% tax but after non-controlling interests, to reflect Steadfast Group's proportional share. The balance sheet includes a deferred tax liability to reflect the future non-tax deductibility of amortisation expense. For associates, amortisation of customer list is not tax effected per Accounting Standards.

³ Calculated on a consistent basis since the IPO.

⁴ Excludes the impact from mark-to-market adjustments for the Johns Lyng Group investment.

FY23 detailed financials

Statutory cash flow statement

\$ million	FY23	FY22
Cash flows from operating activities		
Net cash from operating activities before customer trust account and premium funding movements	318.2	261.0
Net movement in customer trust accounts	128.7	67.0
Net movement in premium funding	(22.3)	(80.3)
Net cash from operating activities	424.6	247.7
Cash used in acquisitions of subsidiaries and business assets	(405.9)	(258.0)
Cash acquired in acquisitions	106.3	103.7
Cash used in other investing activities	(48.6)	(108.1)
Net cash used in investing activities	(348.2)	(262.4)
Proceeds from issue of shares	233.4	253.1
Dividends paid	(131.4)	(107.9)
Other	15.6	78.2
Net cash from financing activities	117.6	223.4
Net increase in cash and cash equivalents	194.0	208.7
Cash and cash equivalents	1,138.5	945.0
split into: Cash held in trust	879.3	665.2
Cash on hand (net of overdraft)	259.2	279.8

¹ Excludes movement in trust accounts and premium funding.

\$168.3m free cash flow in FY23 \$ million	
Cash from operations ¹	318.2
Less lease obligation payments	(18.5)
Adjusted operating cashflow	299.7
Dividends paid, net of DRP	(131.4)
Free cash flow	168.3

**> 100% conversion
of underlying NPATA to cash**

Australian General Insurance Statistics¹

Premiums and claims by class of business

Premiums and claims by class of business	Houseowners/householders		Domestic motor vehicle		CTP motor vehicle	
	Year End Mar 2022	Year End Mar 2023	Year End Mar 2022	Year End Mar 2023	Year End Mar 2022	Year End Mar 2023
Gross written premium (\$m)	11,108	12,599	12,015	13,381	3,365	3,490
Number of risks ('000)	12,813	+1.8% 13,046	17,558	-0.5% 17,465	18,182	+5.9% 19,253
Average premium per risk (\$)	867	+11.4% 966	684	+12.0% 766	185	-2.1% 181
Outwards reinsurance expense (\$m)	3,986	4,087	2,256	2,398	1,104	746
Gross earned premium (\$m)	11,083	12,274	11,580	12,644	3,351	3,432
Cession ratio	36%	33%	19%	19%	33%	22%
Gross incurred claims (current and prior years) net of non-reinsurance recoveries revenue (\$m)	9,688	9,410	8,393	9,290	2,130	2,572
Gross earned premium (\$m)	11,083	12,274	11,580	12,644	3,351	3,432
Gross loss ratio	87%	77%	72%	73%	64%	75%
Net incurred claims (current and prior years) (\$m)	5,383	6,362	6,749	7,851	1,325	2,073
Net earned premium (\$m)	7,096	8,187	9,324	10,247	2,247	2,686
Net loss ratio	76%	78%	72%	77%	59%	77%
Underwriting expenses (\$m)	1,989	2,145	1,886	1,987	345	343
Net earned premium (\$m)	7,096	8,187	9,324	10,247	2,247	2,686
U/W expense ratio	28%	26%	20%	19%	15%	13%
Net U/W combined ratio	104%	104%	93%	96%	74%	90%

Australian General Insurance Statistics¹

Premiums and claims by class of business

Premiums and claims by class of business	Commercial motor vehicle		Fire and ISR		Public and product liability		Professional indemnity	
	Year End Mar 2022	Year End Mar 2023	Year End Mar 2022	Year End Mar 2023	Year End Mar 2022	Year End Mar 2023	Year End Mar 2022	Year End Mar 2023
Gross written premium (\$m)	3,298	3,780	6,713	7,736	3,279	3,657	3,739	3,730
Number of risks ('000)	1,992	+4.0% 2,071	1,866	-5.1% 1,771	9,761	-4.5% 9,318	747	-3.1% 724
Average premium per risk (\$)	1,656	+10.2% 1,825	3,598	+21.4% 4,368	336	+16.8% 392	5,005	+2.9% 5,152
Outwards reinsurance expense (\$m)	596	631	2,962	3,388	952	980	1,210	1,328
Gross earned premium (\$m)	3,156	3,565	6,695	7,666	3,117	3,451	3,325	3,618
Cession ratio	19%	18%	44%	44%	31%	28%	36%	37%
Gross incurred claims (current and prior years) net of non-reinsurance recoveries revenue (\$m)	2,129	2,427	4,738	2,273	1,771	2,429	2,142	2,638
Gross earned premium (\$m)	3,156	3,565	6,695	7,666	3,117	3,451	3,325	3,618
Gross loss ratio	68%	68%	71%	30%	57%	70%	64%	73%
Net incurred claims (current and prior years) (\$m)	1,669	2,001	2,092	939	1,429	1,803	1,190	1,488
Net earned premium (\$m)	2,559	2,934	2,092	939	2,165	2,471	2,114	2,290
Net loss ratio	65%	68%	56%	22%	66%	73%	56%	65%
Underwriting expenses (\$m)	626	675	1,281	1,389	603	649	301	336
Net earned premium (\$m)	2,559	2,934	3,733	4,278	2,165	2,471	2,114	2,290
U/W expense ratio	24%	23%	34%	32%	28%	26%	14%	15%
Net U/W combined ratio	90%	91%	90%	54%	94%	99%	71%	80%

Important notice

This presentation has been prepared by Steadfast Group Limited ACN 073 659 677 ("Steadfast").

This presentation contains information in summary form which is current as at 16 August 2023. This presentation is not a recommendation or advice in relation to Steadfast or any product or service offered by Steadfast or its subsidiaries and associates. It is not intended to be relied upon as advice to investors or potential investors, and does not contain all information relevant or necessary for an investment decision or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act 2001 (Cth). It should be read in conjunction with Steadfast's other continuous and periodic disclosure announcements filed with ASX Limited, in particular the Steadfast Group 2023 Annual Report, available at investor.steadfast.com.au.

To the maximum extent permitted by law, Steadfast, its subsidiaries and associates and their respective directors, employees and agents disclaim all liability for any direct or indirect loss which may be suffered by any recipient through use of or reliance on anything contained in or omitted from this presentation. No recommendation is made as to how investors should make an investment decision. Investors must rely on their own examination of Steadfast, including the merits and risks involved. Investors should consult with their own professional advisors in connection with any acquisition of securities.

The information in this presentation remains subject to change without notice. Steadfast assumes no obligation to provide any recipient of this presentation with any access to any additional information or to notify any recipient or any other person of any other matter arising or coming to its notice after the date of this presentation.

To the extent that certain statements contained in this presentation may constitute "forward-looking statements" or statements about "future matters", the information reflects Steadfast's intent, belief or expectations at the date of this presentation. Steadfast may update this information over time. Any forward-looking statements, including projections or guidance on future revenues, earnings and estimates, are provided as a general guide only and should not be relied upon as guarantee of future performance. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside Steadfast's control and may cause Steadfast's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Any forward-looking statements, opinions and estimates in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Neither Steadfast, nor any other person, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur. In addition, please note that past performance is no guarantee or indication of future performance. Possible factors that could cause results or performance to differ materially from those expressed in forward-looking statements include the key risks on pages 49 - 51 of Steadfast's 2023 Annual Report.

Certain non-IFRS financial information has been included within this presentation to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Steadfast uses these measures to assess the performance of the business and believes that the information is useful to investors. Non-IFRS information, including underlying income statement items, pro forma income statement items, underlying earnings before interest expense (after premium funding interest income and expense), tax and amortisation of acquired intangibles (EBITA), underlying NPAT, underlying net profit after tax but before (pre tax) amortisation (NPATA), underlying EPS (NPAT) (NPAT per share) and underlying EPS (NPATA) (NPATA per share), have not been subject to review by the auditors. FY13 and FY14 results are pro forma and assume the Pre-IPO Acquisitions and the IPO Acquisitions were included for the full reporting period (all of the IPO Acquisitions completed on 7 August 2013). Prior period underlying EPS (NPAT) and underlying EPS (NPATA) have been adjusted to reflect the re-basing of EPS post the February/March 2015 1:3 rights issue. All references to Aggregate refer to the 100% aggregation of all investees' results regardless of Steadfast's ownership interest. Underlying EPS (NPAT) and underlying EPS (NPATA) for FY20 have been calculated as if all shares issued in FY20 pursuant to the IBNA acquisition and PSF Rebate acquisition were issued on 1 July 2019. To ensure comparability, underlying EBITA also deducts the interest expense on lease liabilities and depreciation of right-of-use assets from 1 July 2019.

This presentation does not constitute an offer to issue or sell securities or other financial products in any jurisdiction. The distribution of this presentation outside Australia may be restricted by law. Any recipient of this presentation outside Australia must seek advice on and observe any such restrictions. This presentation may not be reproduced or published, in whole or in part, for any purpose without the prior written permission of Steadfast.

Prevailing current exchange rates have been used to convert local currency amounts into Australian dollars, where appropriate. All references starting with "FY" refer to the financial year ended 30 June. All references starting with "1H" refers to the financial half year ended 31 December. "2H" refers to the financial half year ended 30 June.



Questions

