



**Steadfast Group
1H21 Results
Investor Presentation**

23 February 2021

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A woman with long brown hair, wearing a grey blazer, is smiling and looking towards two men in a meeting. The man on the left is wearing a white shirt and has his back to the camera. The man on the right is wearing a light blue shirt and is looking at a laptop. They are sitting at a white table with a small potted plant and a green mug. The background shows a large window with a view of a city and hills. A large, stylized 'X' graphic is overlaid on the image, with a grey diagonal line and a blue diagonal line.

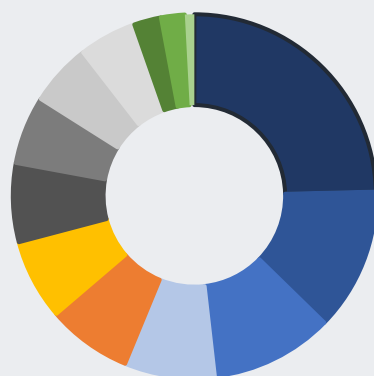
1H21 Highlights

Increase in underlying NPAT of 19.3%

Underlying earnings¹

- EBITA **+19.3%** to **\$125.4m**
- NPAT **+19.3%** to **\$60.4m**
- NPATA² **+16.5%** to **\$74.6m**
- Diluted EPS (NPAT) **+17.1%** to **6.98 cps**
- Interim dividend **+22.2%** to **4.4 cps**

Steadfast Group Fee & Commission diversification



- Strata
- Business Pack
- Machinery & Plant
- Retail Home & Motor
- Other
- Commercial Motor
- Trade Credit
- Professional Risks
- Liability
- Commercial Property & ISR
- Construction
- Rural & Farm

Statutory earnings¹

- NPAT of **\$73.4m** (1H20 loss of \$71.9m)

Broker and underwriting agency growth

- Equity brokers and network aggregate underlying EBITA **+22.9%** (refer slide 15)
- Underwriting agencies' aggregate underlying EBITA **+15.6%** (refer slide 16)
- A majority of Australian and New Zealand brokers are using SCTP

Acquisition growth

- Completed **\$162m** in EPS accretive acquisitions
- Additional broker acquisitions in ordinary course of business

Future growth

- Unutilised debt facility of **\$97m** available as at today (plus free cash flow)

Our resilient business model and the stability of our executive team have driven Steadfast's consistent strong financial performance

Strategic Initiatives	1H21 COVID-19 Impact	Industry Update
<ul style="list-style-type: none"> All insurer partners have adopted our Professional Service Fee model Project Trapped Capital – Broker acquisitions within the Steadfast Network, providing opportunities to unlock trapped capital by partial sale initiative Formation of our strategic partnership with Howden Group Holdings to support Steadfast's London Market broking footprint Howden's Australian broking operation joined the Steadfast Network to expand Steadfast Network's corporate business capability over various niche areas Acquisition of Gold Seal businesses to further strengthen Steadfast's capabilities in Compliance, Training, Customer Experience and HR Management within our Compliance and Customer Experience division 	<ul style="list-style-type: none"> Provided opportunities to be adaptable and innovative, including the use of Robotic Processing Automation (RPA) Our employees have returned to working in the office three days per week from February 2021 Continuing to observe cost savings across the business No impact on collection of cash Insurance broking continued to benefit from premium rises by insurers and volumes were consistent with prior year Steadfast Underwriting Agencies continued to benefit from premium rises by insurers and market share gains IQumulate experiencing improvements over historical arrears rates during 1H21 	<ul style="list-style-type: none"> NIBA has released its discussion paper with proposed amendments to NIBA's Insurance Brokers Code of Practice. Steadfast welcomes the proposed enhancements to compliance, risk management and disclosure obligations of brokers Coverage available under clients' Business Interruption Insurance policies for the impact of COVID-19 continues to be uncertain. Differences in policy coverage provided by various insurers, combined with individual client circumstances, means we are no closer to a definitive answer

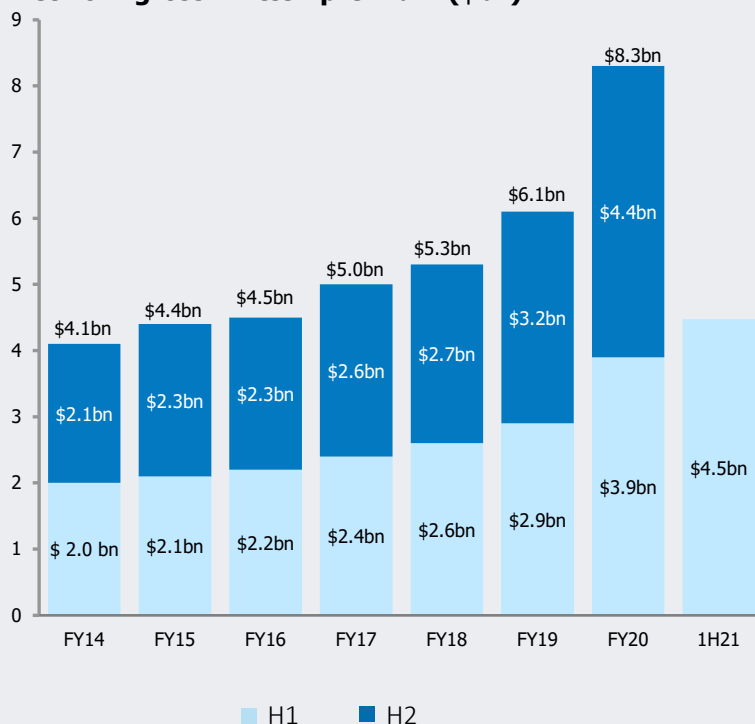
Steadfast broking

Continued moderate price increases from strategic partners

Financial highlights

- Steadfast Network GWP **+13.9%** to **\$4.5 billion** driven by:
 - **7.7%** organic growth for the period (excludes statutory classes)
 - ❖ Price increases in business pack, professional risks, home & contents, private motor and liability
- Network GWP is 88% commercial lines, 12% retail

Network gross written premium (\$bn)



1H21 vs 1H20

GWP of \$4.5bn vs \$3.9bn

+7.7% organic growth

+5.7% AR network

+0.5% new brokers

+13.9% total growth

Operational highlights

- Change in Steadfast Network with new brokers joining and numerous mergers and sales; network brokers now at **454** (refer slide 27)
 - **382** brokers in the Australian Network
 - **53** brokers in the New Zealand Network
 - **19** brokers in the Singapore Network
- Investment activity in Steadfast Network brokers in 1H21
 - **7** new equity holdings including bolt-ons, and **7** changes in equity holdings
 - Steadfast now has equity interests in **59** brokers
- Steadfast Client Trading Platform GWP **\$348.2 million, +21.3%**, trading towards **\$800+ million** for FY21
- Steadfast equity brokers (assuming 100% ownership) and network underlying EBITA of **\$106.7 million, +22.9%**

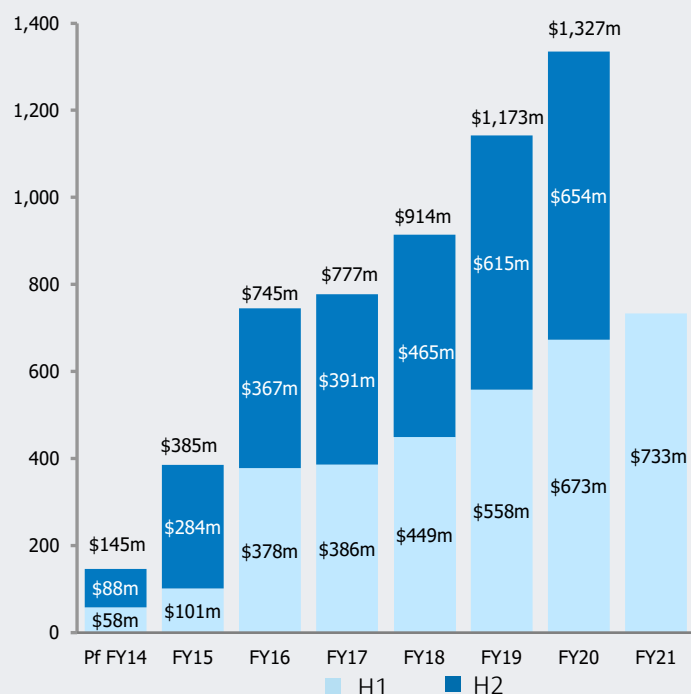
Steadfast Underwriting Agencies

Organic GWP growth of 8.9% driven by price and volume

Financial highlights

- Steadfast Underwriting Agencies GWP **+8.9%** to **\$733 million**
 - Driven by price and volume uplift
 - Property lines continue to remain strong
- Opportunities for agencies as insurers are repositioning product lines and approach to distribution
- Underlying EBITA of **\$56.8 million, +15.6%**

Gross written premium (\$m)



1H21 vs 1H20

GWP of \$733m vs \$673m

+8.9% total organic growth

Operational highlights

- 25 agencies offering over 100 niche products
- Property lines remain strong again this period
- Implementation of the use of robotics across six underwriting agencies, automating the administration of the policy renewal process. Expect to roll out RPA across all underwriting agencies
- Excellent performance also due to 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
- Pressure on remuneration for London 'super' binders was offset by increased volume generated from the addition of four new products being added to Steadfast Client Trading Platform (SCTP)
- Capacity constraints in certain lines
- All 25 agencies are available to the entire intermediated insurance market, none are exclusive to Steadfast

Our insurTech

Steadfast Client Trading Platform and INSIGHT

Steadfast Client Trading Platform (SCTP)

- Steadfast remains focused on improving SCTP by adding more product lines, new insurers and the expansion of auto-rating capabilities. Latest developments include:
 - Development of auto-rating capability for insurers for Liability and PI
 - SCTP Commercial Motor live and offer continues to be expanded, agreements with 6 insurers, and insurer integration continues to roll-out over CY21
 - NZ roll-out continues
- 9 business lines and 14 insurer and underwriting agency partners currently live on SCTP
- 10,425 active users of SCTP, of which 3,619 access the SCTP through INSIGHT, 5,286 users access SCTP through Winbeat, and 1,520 users through other broking systems
- SCTP delivers strong client outcomes, addressing several issues raised by the Hayne Royal Commission
 - 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

INSIGHT (broker management system)

- 159 brokers live on INSIGHT, with over 3,000 licenced users
- Additional 33 brokers committed to migrate onto INSIGHT, ongoing discussions with another 92 brokers

\$348.2m

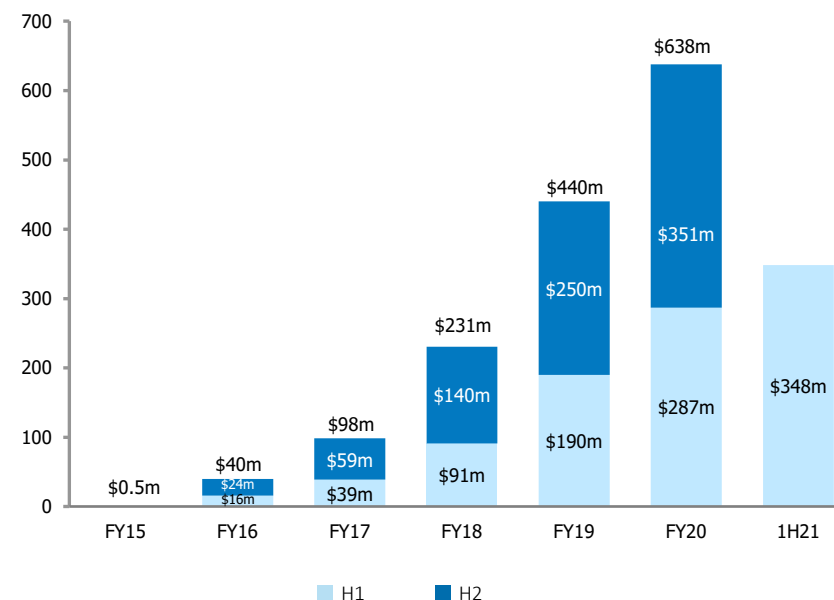
GWP transacted through SCTP in 1H21

+21.3%

Period-on-period growth in GWP transacted through SCTP

Steadfast Client Trading Platform (SCTP)

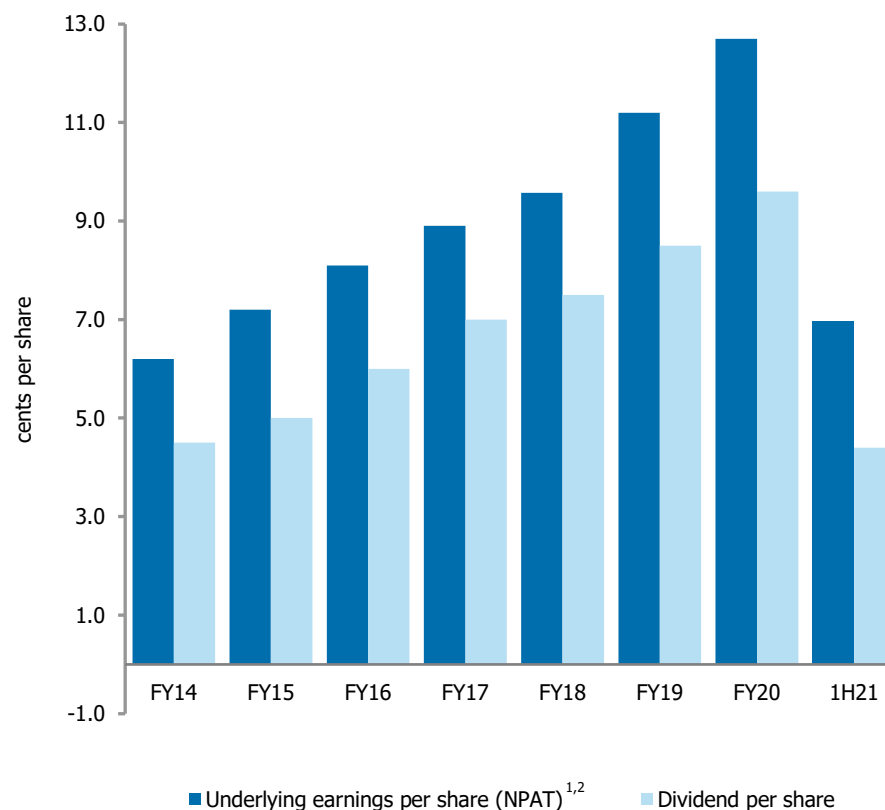
Gross Written Premium (\$m)



Interim dividend up 22.2%

Interim 1H21 dividend

- Interim 1H21 dividend of **4.4** cps (fully franked), up from 3.6 cps in 1H20, **+22.2%**
- Dividend Reinvestment Plan (DRP) to apply to interim 1H21 dividend
 - The DRP will operate by the issue of new shares. A 2.0% discount will be applied
- Key dates for final 1H21 dividend:
 - Ex dividend date: 1 March 2021
 - Dividend record date: 2 March 2021
 - DRP record date: 3 March 2021
 - Payment date: 25 March 2021

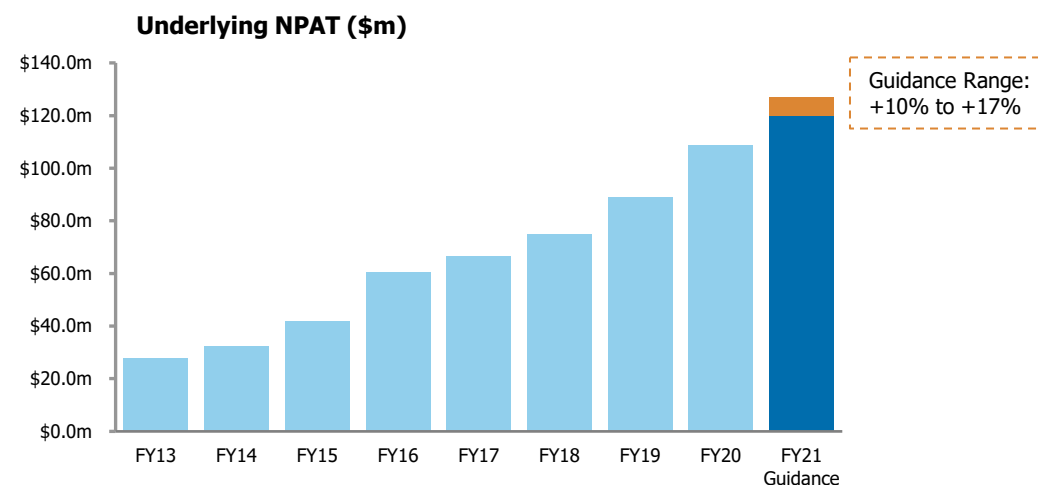
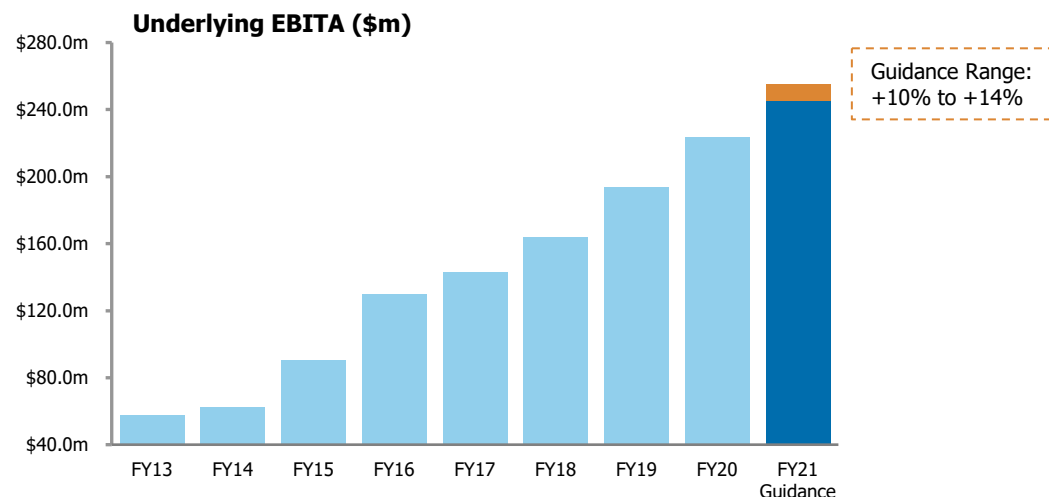



FY21 guidance

Now expecting top end of FY21 guidance based on strong first half trading performance and acquisitions

FY21 Guidance Range ¹	
Underlying EBITA	\$245m - \$255m
Underlying NPAT	\$120m - \$127m
Underlying diluted EPS (NPAT) growth	10% - 15%

The outlook and guidance are subject to ongoing review and the uncertainty surrounding the impact of COVID-19 pandemic on the global economy and the impact of any government stimulus measures on the Australasian economy, and other risks outlined in the FY2020 Annual Report¹.





1H21 Financial Summary

Reconciliation of statutory NPAT to underlying NPAT

Reconciliation of statutory NPAT to underlying NPAT

6 months to 31 December \$ million	Statutory vs underlying reconciliation 1H21	Statutory vs underlying reconciliation 1H20
Statutory profit/(loss) ¹	73.4	(71.9)
Adjusted for non-trading items (net of tax and non-controlling interest):		
Net gain from change in value or sale of investments	(10.1)	(1.6)
Net gain on deferred consideration estimates	(0.6)	(4.7)
Mark-to-market gains from revaluation of investment in JLG (net of tax)	(2.8)	(2.6)
IBNA acquisition expense	-	72.7
PSF rebate expense	-	60.2
Impairment of investments	-	0.2
Other non-trading items	0.5	(1.7)
Underlying NPAT	60.4	50.6

Group financial performance

Strong underlying earnings growth

Underlying earnings

6 months to 31 December \$ million	Underlying 1H21 ¹	Underlying 1H20 ¹	Period-on-period growth %
Revenue (\$m)	437.8	410.7	6.6%
EBITA (\$m)	125.4	105.2	19.3%
NPAT (\$m)	60.4	50.6	19.3%
Diluted EPS ² (NPAT) (cents)	6.98	5.96	17.1%
NPATA ³ (\$m)	74.6	64.0	16.5%
Diluted EPS ^{2,3} (NPATA) (cents)	8.63	7.54	14.4%

- Growth across Steadfast Group driven by:
 - Strong organic growth from insurance broking and underwriting agencies
 - Acquisition growth from insurance broking
 - Continuation of hardening premium market
 - Expense savings achieved

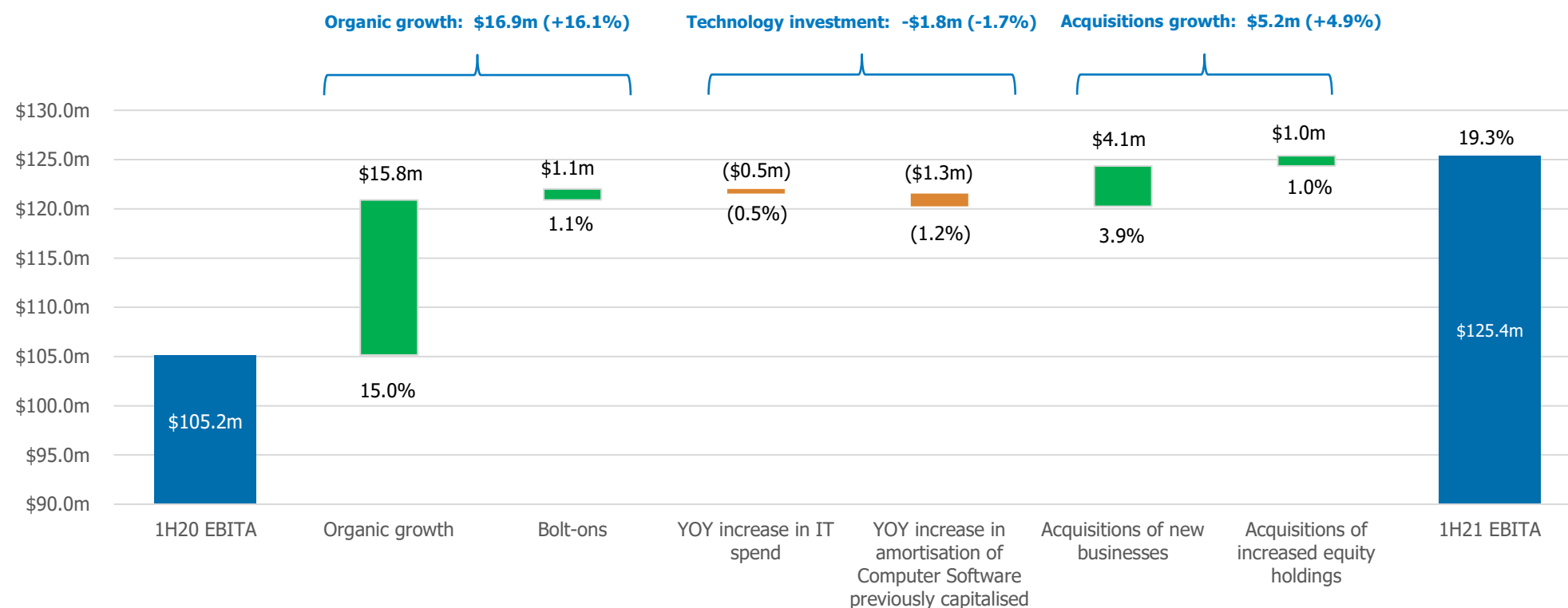
¹ Underlying financial data reconciled to statutory data on slides 12 and 40.

² 1H20 EPS share count of c.849.5m assumes 1 July 2019 commencement for IBNA and Steadfast PSF Rebate offer.

³ Calculated on a consistent basis since IPO.

Drivers of 19.3% growth in underlying EBITA¹

Organic and acquisition growth



Steadfast broking

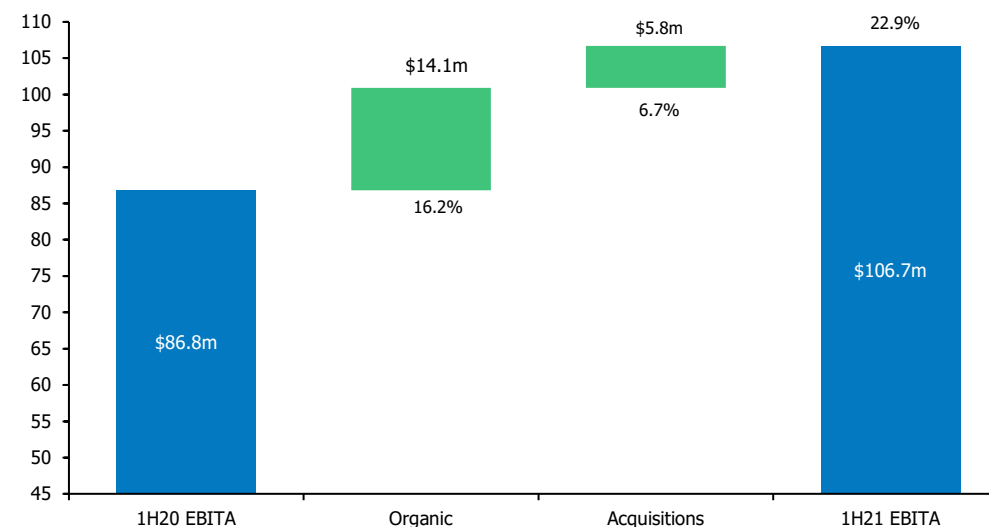
Organic and acquisition growth

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

6 months to 31 December \$ million	Underlying 1H21 ¹	Underlying 1H20 ¹	Period-on-period growth %	Organic growth %	Growth from acquisitions %
Net revenue	285.3	265.4	7.5%	4.2%	3.3%
EBITA	106.7	86.8	22.9%	16.2%	6.7%

- Underlying EBITA of **\$106.7m (+22.9%)** from all equity brokers and network
 - Driven by organic growth and supported by acquisitions
 - Growth in revenue driven by hardening market and volume growth
 - Fee & commission split of ~30%/70% in-line with historic average

EBITA growth: 1H20 – 1H21



¹ Excludes profit share and rebates from broker results. Now includes network results for both current and prior periods.

Steadfast Underwriting Agencies

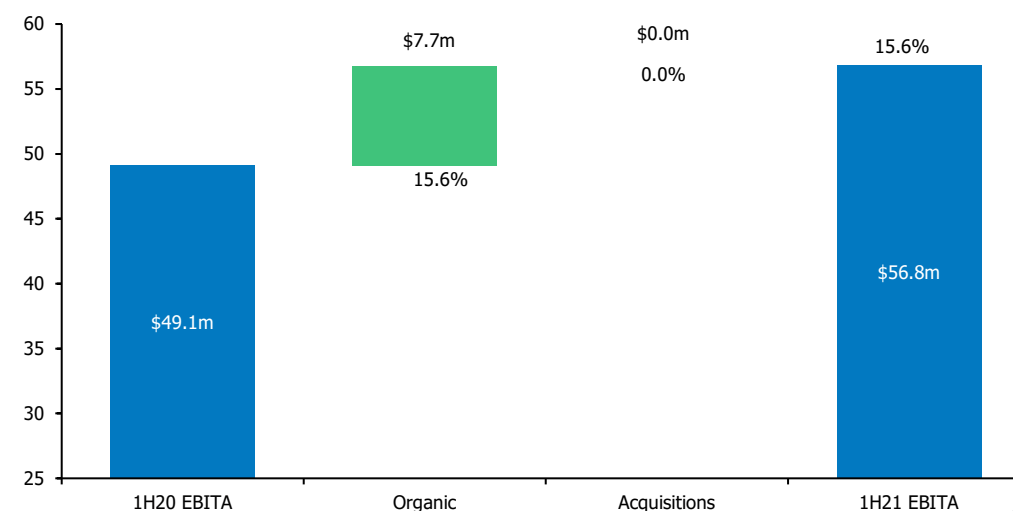
Organic growth driven by price and volume

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

6 months to 31 December \$ million	Underlying 1H21 ¹	Underlying 1H20 ¹	Period-on-period growth %	Organic growth %	Growth from acquisitions %
Net revenue	113.8	104.6	8.8%	8.8%	0.0%
EBITA	56.8	49.1	15.6%	15.6%	0.0%

- Strong uplift across the agency business driven by organic growth
- Continued increase in premiums by insurers and volume uplift
- Strong performance led to underlying EBITA growth of **15.6%**

EBITA growth: 1H20 – 1H21



¹ Excludes profit share.

Strong conversion of profits to cash

1H21 cash flow statement

\$ million	1H21	1H20
Adjusted net cash from operating activities	\$86.0m	\$82.8m
Cash used for dividends, net of DRP	(\$34.6m)	(\$36.9m)
Free cash flow	\$51.4m	\$45.9m

- Free cash flow fully utilised in further acquisitions
- Maintained strong working capital position
- Maintained debtor days at pre-COVID-19 levels

Cash flow summary ¹ \$ million	1H21	1H20
Statutory operating cash flow ²	\$127.4m	\$109.3m
Less premium funding movements	(\$34.6m)	(\$20.6m)
Less lease obligation payments	(\$6.8m)	(\$5.9m)
Adjusted operating cashflow	\$86.0m	\$82.8m

Full conversion of underlying NPATA \$74.6m into cash

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

Conservatively geared balance sheet

Statutory balance sheet

\$ million	31 Dec 20	30 Jun 20
Cash and cash equivalents	248	211
Cash held on trust	549	449
Premium funding receivables	526	537
Trade & other receivables	150	155
Total current assets	1,473	1,352
Goodwill	1,069	930
Identifiable intangibles	213	182
Equity accounted investments	115	119
Other (including PPE, deferred tax assets)	156	172
Total non-current assets	1,553	1,403
Total assets	3,026	2,756
Trade & other payables	619	535
Borrowings	6	3
Premium funding borrowings and payables	128	543
Deferred consideration	44	8
Other (including tax payable, provisions)	62	60
Total current liabilities	859	1,149
Borrowings	415	318
Premium funding borrowings	439	-
Deferred consideration	23	4
Deferred tax liabilities – customer relationships	50	42
Remaining deferred tax liability & other	53	45
Total non-current liabilities	980	409
Total liabilities	1,838	1,558
Net assets	1,188	1,197
Non-controlling interests	76	77

Corporate debt facilities (excludes premium funding)		
\$ million	Maturity	Total
Facility A - Revolving	Jan 2023	260
Facility B - Revolving	Jan 2025	75
Facility C – Term	Jan 2025	62.5
Facility D - Term	Jan 2027	62.5
Total available		460

- Significant headroom in corporate debt covenants
- Unutilised corporate debt facility of **\$97m** available at 23 February 2021 for future growth
- Total Group gearing excluding premium funding within Board approved maximum:

Gearing ratio ¹	Actual	Max
Total Group	26%	30%

Total borrowings \$ million	Total
Group facility borrowings	371
Subsidiary borrowings	51
Total	422

- IQmulate premium funding Australian facilities of \$470m maturity - July 2022

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



Appendices

[Steadfast Group \(slide 20\)](#)

[Steadfast Network \(slide 25\)](#)

[Steadfast Underwriting Agencies \(slide 33\)](#)

[Our InsurTech \(slide 35\)](#)

[1H21 detailed financials \(slide 39\)](#)

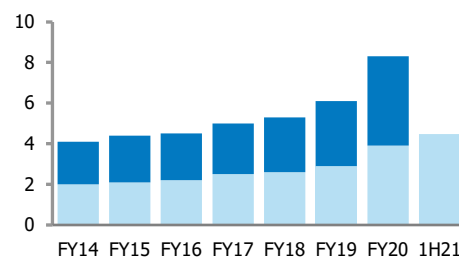


Steadfast Group

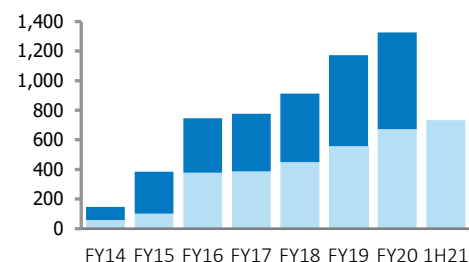
Our track record since listing on the ASX

Steadfast Group

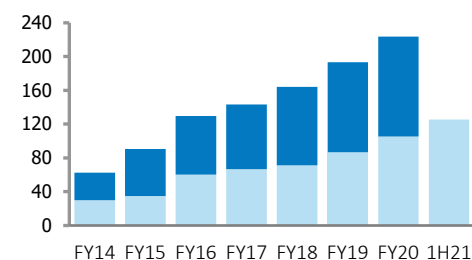
Steadfast Network GWP (\$bn)



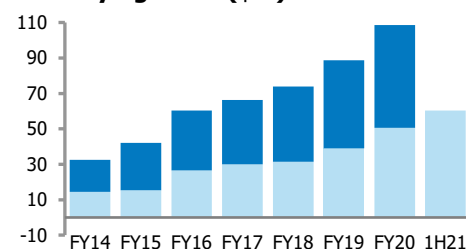
Steadfast Underwriting Agencies GWP (\$m)



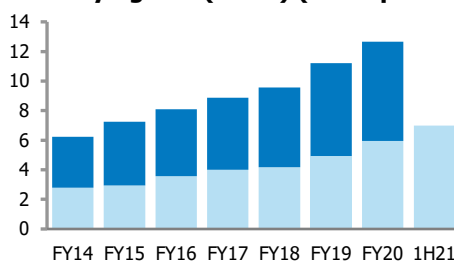
Underlying EBITA (\$m)¹



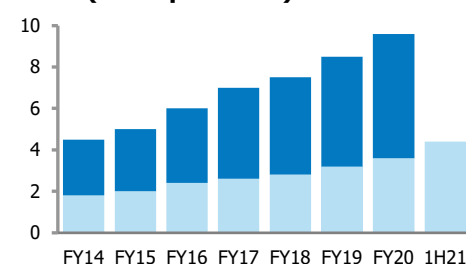
Underlying NPAT (\$m)¹



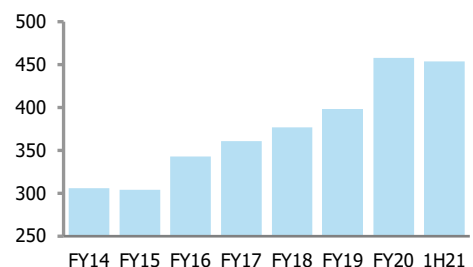
Underlying EPS (NPAT) (cents per share)¹



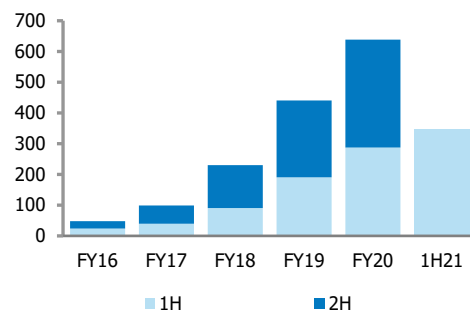
DPS (cents per share)



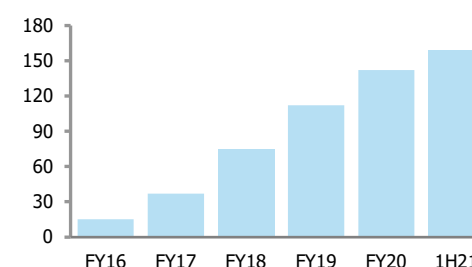
Steadfast Network brokers (refer slide 27)



Steadfast Client Trading Platform GWP (\$m)



Brokers on INSIGHT



Three business units focused on the intermediated general insurance market

Steadfast Group

Steadfast Group (listed on ASX)

Steadfast Network

454 general insurance brokers

Steadfast Group has equity holdings in **59** brokers

Steadfast Underwriting Agencies

25 underwriting agencies

Steadfast Group has equity holdings in all **25** underwriting agencies

Complementary Businesses

9 businesses supporting the Steadfast Network and Steadfast Underwriting Agencies including Steadfast Technologies (100% owned)

Mixture of wholly owned, partly owned and joint venture businesses

Size and scale

Steadfast Group

Largest general insurance broker network in Australasia

\$8.9 billion

Annual GWP¹

454

Steadfast Network brokers

Largest group of underwriting agencies in Australasia

\$1.4 billion

Annual GWP¹

25

Underwriting agencies

Steadfast Network collects professional services and other fees

Complementary businesses

IQumulate
Premium Funding

100% 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

WHO
WORK HEALTH OPTIONS
SUPPORT WHEN YOU NEED IT

Work health consultancy, 57% owned

Steadfast Re
Reinsurance Brokers

Reinsurance broker, 50% owned

MERIDIAN
LAWYERS

Legal practice, 25% owned

Steadfast
RISK SERVICES

Risk consulting, 50% owned

goldseal

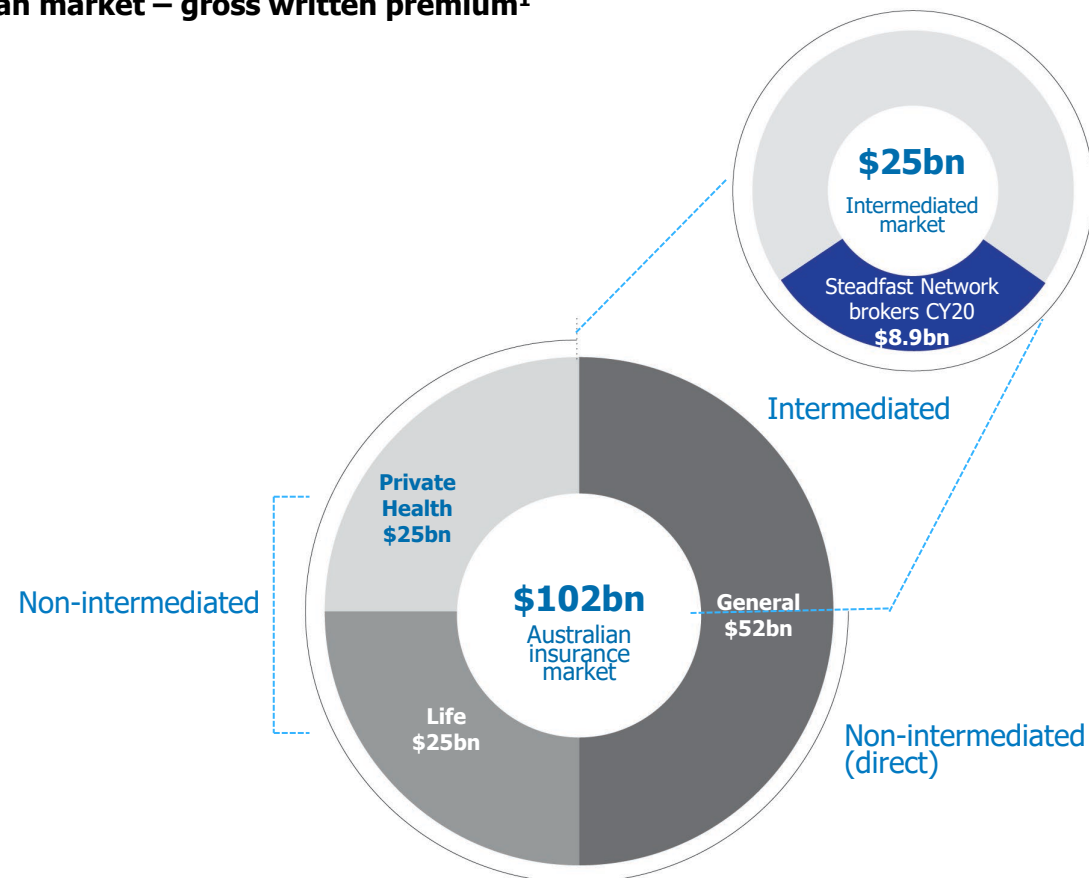
Compliance, Training, Customer Experience and HR Management, 100% owned

¹ For calendar year 2020

Our market

\$25 billion of intermediated general insurance GWP written in FY20

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 end September 2020 (released November 2020), Steadfast Group and APRA Intermediated General Insurance Performance Statistics for FY20 (released September 2020).



Steadfast Network

Largest general insurance broker Network in Australasia

Steadfast Network

Steadfast Network

The Steadfast Network has 454 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 over \$8.9 billion of gross written premium from the small-to-medium enterprise market through the Steadfast Network.

Steadfast Group also holds a 40% stake in unisonSteadfast which is separate from the Steadfast Network. unisonSteadfast broker numbers are disclosed separately to the Steadfast Network (see slide 32 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 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

\$8.9bn

gross written premium in CY20

454

brokers in the Network

Premium funding partners



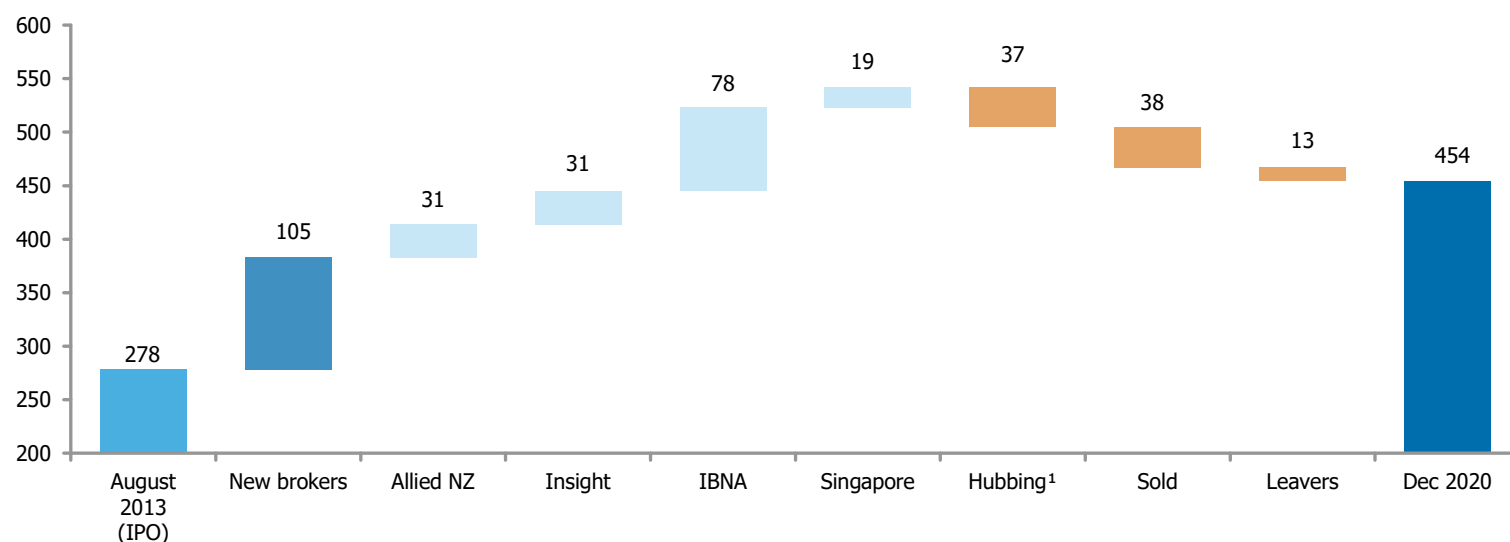
Strategic partner



Steadfast Network

264 brokers have joined the Steadfast Network since IPO

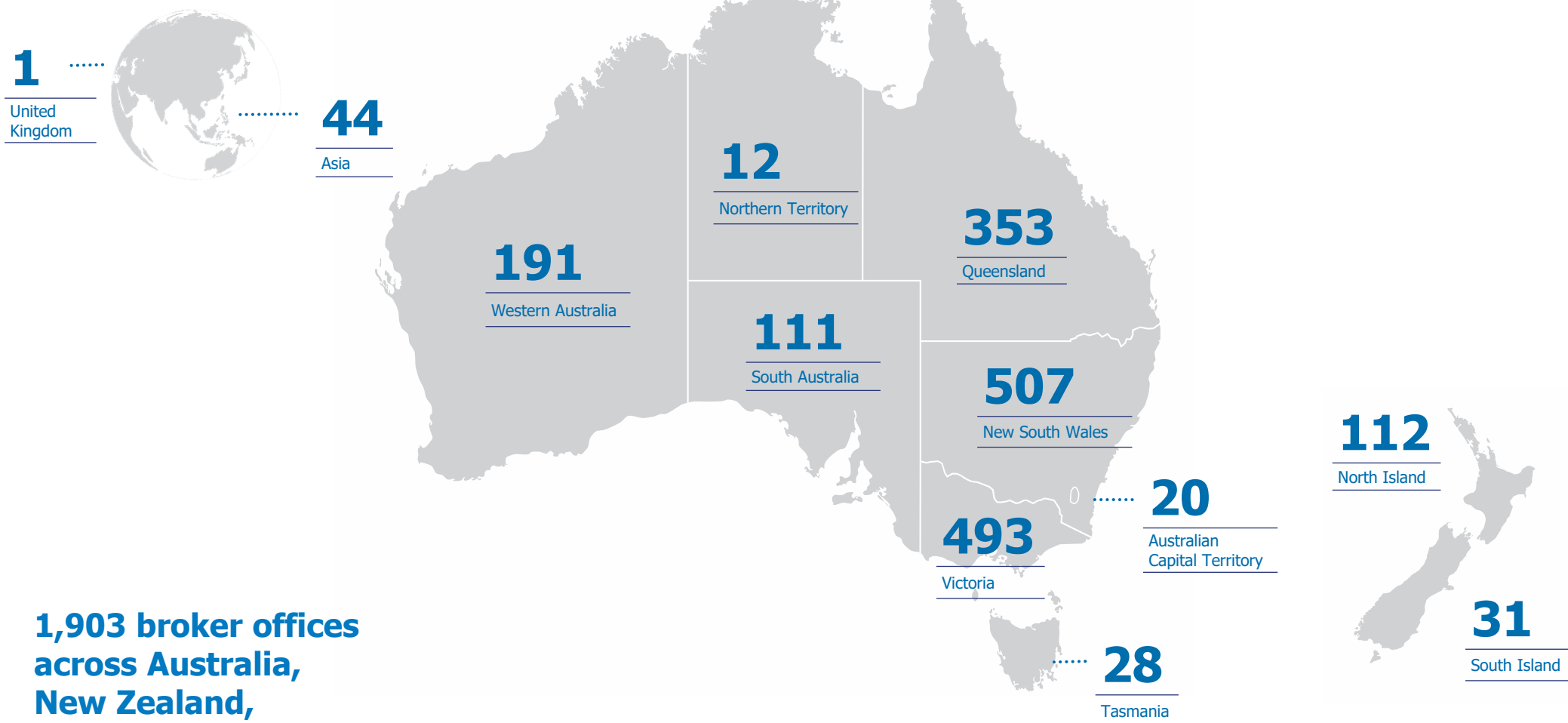
Number of Steadfast Network brokers



- 264 brokers have joined and 13 brokerages have left the Network since the IPO
- 37 brokers have merged, 6 brokers were sold within network and 32 brokers were sold to third parties
- Over 160 products and services available to the Network
- Steadfast Client Trading Platform and INSIGHT initiatives generating heightened interest in Network value proposition worldwide

Steadfast Network

Worldwide broker offices (excluding unisonSteadfast)

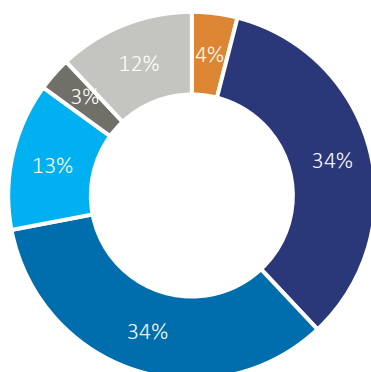


**1,903 broker offices
across Australia,
New Zealand,
Asia and Europe**

Steadfast Network

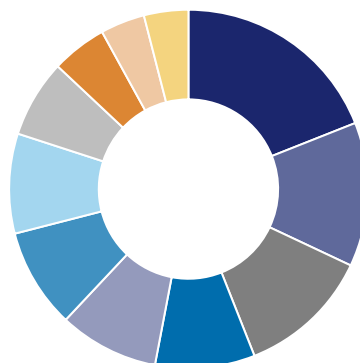
Australia – resilient SME client base

GWP mix¹



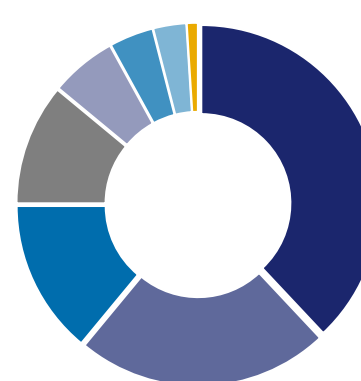
- Micro (Policy size <\$650)
- Small Enterprise (Policy size \$650 - \$5,000)
- Small Enterprise (Policy size \$5,000 - \$50,000)
- Medium Enterprise (Policy size \$50,000 - \$250,000)
- Corporate (Policy size >\$250,000)
- Retail

Diversified by product line



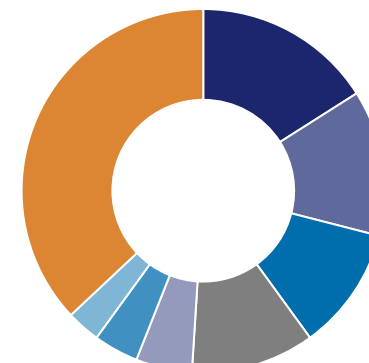
- Business pack 19%
- Commercial motor 13%
- Retail 12%
- ISR 9%
- Professional risks 9%
- Strata 9%
- Liability 9%
- Statutory covers 7%
- Construction & engineering 5%
- Rural & Farm 4%
- Other 4%

Diversified by geography



- VIC 38%
- NSW 23%
- QLD 14%
- WA 11%
- NZ 6%
- SA 4%
- TAS 3%
- ACT 1%

Diversified by insurer



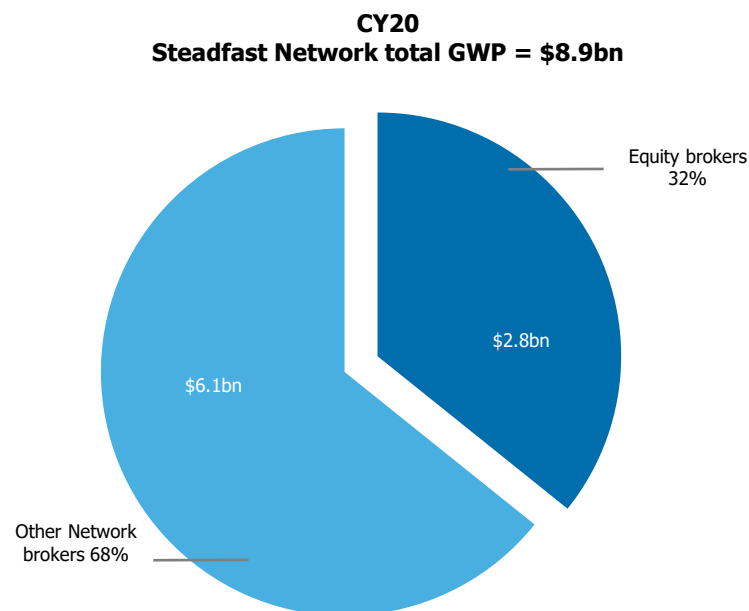
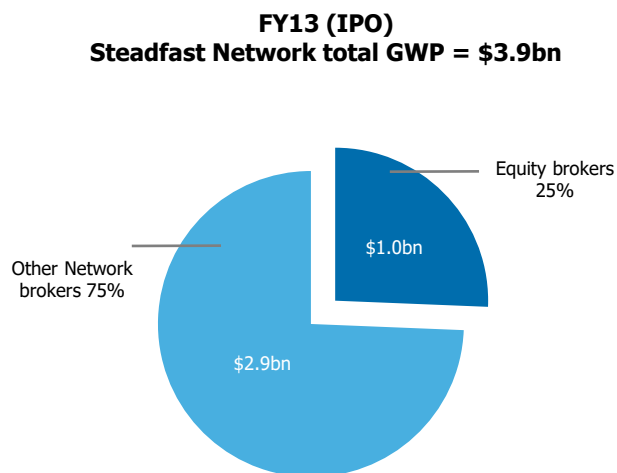
- QBE 16%
- CGU 13%
- Allianz 11%
- Vero 11%
- Chubb 5%
- AIG 4%
- Zurich 3%
- Various underwriting agencies, small insurers, Lloyd's and other small brokers 37%

¹ Based on 1H21 GWP.

Increasing Steadfast Group's share of growing Network GWP

Steadfast Network

- The Steadfast Network is a key driver of Steadfast Group
 - Steadfast Group earns professional service fees (PSF) from insurer partners which are used as a revenue stream to provide products and services to the Steadfast Network
 - Steadfast Group has equity holdings in 59 (after hubbing) of the 454 brokerages in the Steadfast Network and receives an ongoing share of dividends from these brokerages
 - Steadfast Group continues to be a natural acquirer of Steadfast Network brokerages



International footprint

Steadfast Network model replication

1. New Zealand

- 53 brokers in the Network
- NZ\$542m of gross written premium in CY20
- Steadfast Underwriting Agencies building market presence utilising Network distribution
- Strong buy-in from insurer partners
- SCTP introduced

2. Asia

- Target Singapore initially
- 19 brokers in the Singapore network
- Local CEO in place
- Two equity investments in Network brokers by Steadfast Group
- Five 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
- Granted licence to operate as a broker in the UK and a Lloyd's broker internationally
 - Improve Lloyd's access for all agencies and brokers, particularly the unisonSteadfast network



International footprint

unisonSteadfast

- Steadfast Group holds a **40%** equity stake in unisonSteadfast
 - One of the world's largest global general insurance broker networks, offering multi-jurisdictional coverage
 - Supervisory board contains two Steadfast Group representatives
 - Medium to long-term strategy

Recent developments

- Access to London market for unisonSteadfast brokers
 - Creation of first revenue stream for Steadfast Group
 - Leveraging London 'super' binder to improve access to key markets
- Seeking to increase professional indemnity cover for unisonSteadfast brokers
 - Creation of first new product for unisonSteadfast brokers
 - Leveraging Steadfast's relationship with PI provider

600+

Referrals between the Steadfast Network and unisonSteadfast

unisonSteadfast global network





Steadfast Underwriting Agencies

Steadfast Underwriting Agencies

25 agencies, over 100 niche products



Complete farm package



Caravans, cabins and trailers



Commercial and residential strata



Accident and health



Base essentials strata



Residential and commercial strata



Home and contents for owner-occupied homes



Specialised and exotic motorcar and motorcycle



Emerging risks



Heavy vehicles



Mobile plant and equipment



Business interruption focused on SMEs



Pet Care Made Easy
Pet wellness and pet insurance



High-value homes



Building and construction industry



SME insurance programs



Recreational hull insurance



Motorcycle insurance



Specialised equipment, tradesmen, small business and marine transit



Marine hull, cargo and transit



Property insurance



Sports and leisure-related businesses



Professionals including engineers, architects and doctors



Hard-to-place and complex risks including environmental liability



Marine hull and other marine industry

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 with non-Steadfast Network brokers

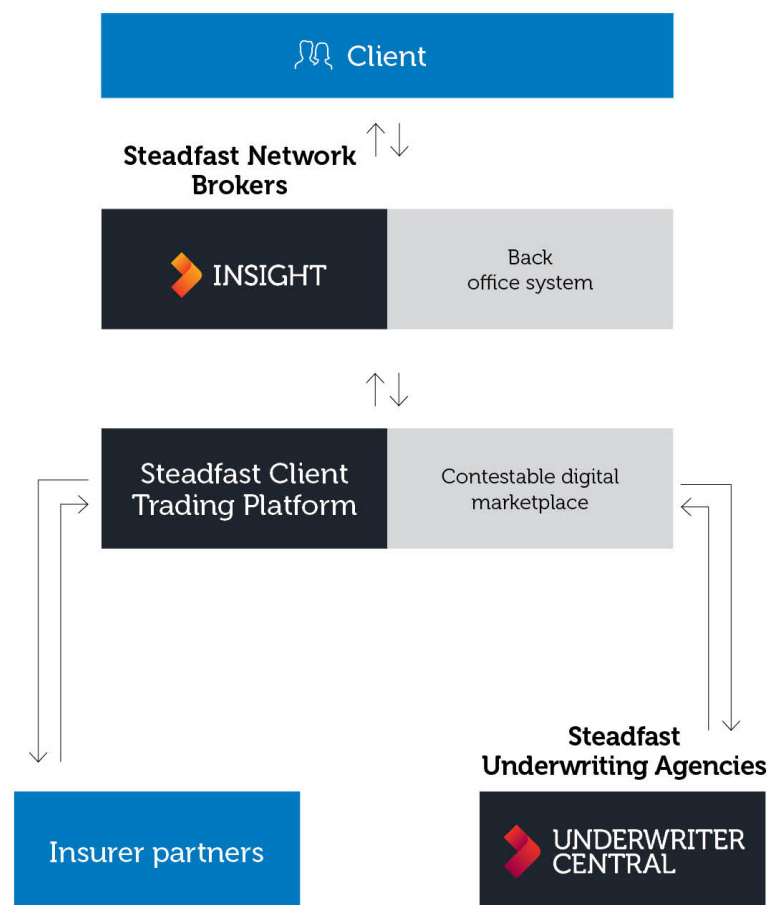


Our insurTech

Our insurTech





































Steadfast Client Trading Platform (SCTP) – 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
         	     <div>  2H FY21 </div>	   	    	   <div>  2H FY21 </div> <div>  2H FY21 </div> <div>  2H FY21 </div> <div>  2H FY21 </div>	 	 

Key:  indicates new insurers joining SCTP product lines

Our insurTech

Steadfast Technologies

Steadfast Client Trading Platform (SCTP)

The Steadfast Client Trading Platform 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**



UnderwriterCentral is a cloud-based agency management system designed specifically for services to underwriting agencies. It is an effective, flexible and affordable software solution that allows underwriting agencies to manage the full policy lifecycle, as well as implement underwriting rules, rating and claims management.

UnderwriterCentral is the first platform in the world to electronically interface with Lloyd's of London. This allows underwriting agencies to easily deliver data into the London market adding further efficiencies to the underwriting agency process.

UnderwriterCentral is available to Steadfast Underwriting Agencies and other underwriting agencies.

Key advantages:

- **Turnkey solution for underwriting agencies to manage clients, policies and claims**
- **Supports multiple, customised insurance products through its powerful configuration capability**
- **Built-in document management**
- **eCommerce portal capability**



1H21 Detailed Financials

1H21 detailed financials

Reconciliation of statutory to underlying earnings

6 months ended 31 December 2020 \$ million	Total statutory	Reclassifications	Non-trading items	Total underlying
Fees and commissions income	315.1	31.7	-	346.8
Professional Services and other fees	-	34.7	-	34.7
Premium funding income	37.2	-	-	37.2
Interest income	-	2.0	-	2.0
Share of profits from associates and joint ventures	8.5	(0.7)	(0.1)	7.7
Mark-to-market of investment in Johns Lyng Group	4.1	-	(4.1)	-
Other revenue	13.7	14.1	(10.7)	17.1
Revenue	378.6	81.8	(14.9)	445.5
Less: share of profits from associates and joint ventures	(8.5)	0.7	0.1	(7.7)
Revenue – consolidated entities	370.1	82.5	(14.8)	437.8
Employment expenses	(151.7)	12.0	-	(139.7)
Occupancy expenses	(3.5)	(7.5)	-	(11.0)
Other expenses including Corporate Office	(81.7)	(93.5)	0.5	(174.7)
Expenses – Consolidated entities	(236.9)	(89.0)	0.5	(325.4)
EBITA – Consolidated entities	133.1	(6.4)	(14.3)	112.4
Share of EBITA from associates and joint ventures	13.1	-	(0.1)	13.0
Total EBITA	146.2	(6.4)	(14.4)	125.4
Finance costs – consolidated entities	(7.8)	1.2	-	(6.6)
Finance costs – associates and joint ventures	(0.2)	-	-	(0.2)
Amortisation expense – consolidated entities	(20.4)	5.1	-	(15.3)
Amortisation expense – associates and joint ventures	(1.2)	0.1	-	(1.1)
Income tax benefit/(expense) – consolidated entities	(30.5)	0.7	1.1	(28.7)
Income tax benefit/(expense) – associates and joint ventures	(3.3)	(0.7)	-	(4.0)
Net profit after tax	82.8	-	(13.3)	69.5
Non-controlling interests	(9.4)	-	0.3	(9.1)
Net profit after tax attributable to owners of Steadfast Group Limited (NPAT)	73.4	-	(13.0)	60.4

1H21 detailed financials

Statement of underlying income (IFRS view)

6 months ended 31 December 2020 \$ million	Underlying 1H21	Underlying 1H20	Period-on-period growth %	Organic growth % ³	Acquisitions & hubbing growth % ⁴
Fees and commissions ^{1, 2}	381.5	349.5	9.2%	5.9%	3.3%
Other revenue	56.3	61.3	(8.0%)	(8.7%)	0.6%
Revenue – Consolidated entities	437.8	410.7	6.6%	3.7%	2.9%
Employment expenses	(139.7)	(131.1)	6.6%	2.5%	4.1%
Occupancy expenses	(11.0)	(11.0)	(0.6%)	(4.8%)	4.2%
Other expenses including Corporate Office ¹	(174.7)	(173.2)	0.9%	1.0%	(0.1%)
Expenses – Consolidated entities	(325.4)	(315.3)	3.2%	1.4%	1.8%
EBITA – Consolidated entities	112.4	95.4	17.8%	11.3%	6.5%
Share of EBITA from associates and joint ventures	13.0	9.7	33.3%	44.3%	(11.0%)
EBITA	125.4	105.2	19.3%	14.4%	4.9%
Net financing expense	(6.8)	(6.5)	5.1%		
Amortisation expense – consolidated entities	(15.3)	(14.2)	7.9%		
Amortisation expense – associates	(1.1)	(1.2)	(10.0%)		
Income tax expense	(32.7)	(25.5)	28.3%		
Net profit after tax	69.5	57.7	20.3%		
Non-controlling interests	(9.1)	(7.1)	27.4%		
Net profit attributable to Steadfast members (NPAT⁵)	60.4	50.6	19.3%		
Amortisation expense – consolidated entities ⁶	13.2	12.3	7.7%		
Amortisation expense – associates ⁷	1.1	1.2	(9.2%)		
Net Profit after Tax and before Amortisation (NPATA^{5, 8})	74.6	64.0	16.5%		

¹ Wholesale broker and agency commission expense (paid to brokers) included in revenues and other expenses so impact to EBITA is nil (\$85.7m in 1H20; \$88.3m in 1H21).

² 1H20 PSF income has been reallocated to the Fee and commission line. There is no change to the final result.

³ Includes bolt-on acquisitions.

⁴ Acquisition growth includes the net effect of acquisitions, divestments and increased equity stakes. Includes growth from associates converted to consolidated entities.

⁵ Excludes impact from mark-to-market adjustments of \$4.050m (pre tax) 1H21 and \$3.725m (pre tax) 1H20 for Johns Lyng Group investment.

⁶ 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.

⁷ For associates, amortisation of customer list is not tax effected (per Accounting Standards).

⁸ Calculated on a consistent basis since IPO.

1H21 detailed financials

Statement of income (underlying IFRS view)

\$ million	Underlying 1H21	Underlying 2H20	Underlying 1H20	Underlying 2H19	Underlying 1H19	Underlying 2H18
Fees and commissions ^{1, 2}	381.5	357.4	349.5	328.9	302.9	286.4
Other revenue	56.3	58.1	61.3	38.5	18.1	18.8
Revenue – Consolidated entities	437.8	415.6	410.7	367.4	321.0	305.3
Employment expenses	(139.7)	(131.1)	(131.1)	(117.1)	(105.7)	(96.8)
Occupancy expenses	(11.0)	(11.4)	(11.0)	(10.0)	(8.9)	(8.7)
Other expenses including Corporate Office ¹	(174.7)	(166.7)	(173.2)	(145.5)	(132.7)	(120.2)
Expenses – Consolidated entities	(325.4)	(309.1)	(315.3)	(272.7)	(247.2)	(225.7)
EBITA – Consolidated entities	112.4	106.4	95.4	94.7	73.7	79.6
Share of EBITA from associates and joint ventures	13.0	11.9	9.7	12.1	12.9	13.2
EBITA⁴	125.4	118.3	105.2	106.8	86.6	92.7
Net financing expense	(6.8)	(5.1)	(6.5)	(8.4)	(6.2)	(5.2)
Amortisation expense – consolidated entities	(15.3)	(14.3)	(14.2)	(13.3)	(12.4)	(11.7)
Amortisation expense – associates	(1.1)	(1.1)	(1.2)	(1.4)	(1.5)	(1.6)
Income tax expense	(32.7)	(29.5)	(25.5)	(24.0)	(19.8)	(23.6)
Net profit after tax	69.5	68.3	57.7	59.7	46.7	50.7
Non-controlling interests	(9.1)	(10.2)	(7.1)	(10.1)	(7.6)	(8.2)
Net profit attributable to Steadfast members (NPAT⁵)	60.4	58.1	50.6	49.6	39.1	42.5
Amortisation expense – consolidated entities ³	13.2	12.3	12.3	11.5	10.5	10.2
Amortisation expense – associates ³	1.1	1.1	1.2	1.4	1.5	1.6
Net Profit after Tax and before Amortisation (NPATA^{4,5})	74.6	71.6	64.0	62.5	51.1	54.3
Weighted average share # ⁶	865.2	855.7	849.5	791.6	792.0	772.0
Underlying diluted EPS (NPAT) (cents per share)	6.98	6.74	5.96	6.27	4.93	5.40
Underlying diluted EPS (NPATA) (cents per share)	8.63	8.30	7.54	7.90	6.46	6.90

¹ Wholesale broker and agency commission expense (paid to brokers) included in revenues and other expenses so impact to EBITA is nil (\$85.7m in 1H20; \$88.3m in 1H21).

² FY20, FY19 & FY18 PSF income has been reallocated to the Fee and commission line. There is no change to the final result.

³ 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.

⁴ Calculated on a consistent basis since IPO.

⁵ Excludes the impact from mark-to-market adjustments for Johns Lyng Group investment.

⁶ FY20 includes shares issued in relation to IBNA acquisition and Steadfast PSF Rebate offer, with assumed commencement date 1 July 2019.

1H21 detailed financials

Statutory cash flow statement

\$ million	1H21	1H20
Cash flows from operating activities		
Net cash from operating activities before customer trust accounts movement	127.4	109.3
Net movement in customer trust accounts	67.3	43.8
Net cash from operating activities	194.7	153.1
Cash used in PSF Rebate offer	-	(38.2)
Cash used in other investing activities	(161.9)	(23.9)
Cash acquired in acquisitions	39.2	7.6
Net cash used in investing activities	(122.7)	(54.5)
Cash used for dividends	(34.6)	(36.9)
Other	99.5	71.8
Net cash from financing activities	64.9	34.9
Net increase/(decrease) in cash and cash equivalents	136.9	133.5
Cash and cash equivalents at 31 December	796.4	673.8
split into: Cash held in trust	548.7	477.1
Cash on hand (net of overdraft)	247.7	196.7

\$51.4m free cash flow in 1H21	
Cash from operations ¹	\$127.4m
Less premium funding movement	(\$34.6m)
Less lease obligation payments	(\$6.8m)
Adjusted operating cashflow	\$86.0m
Dividends paid, net of DRP	(\$34.6m)
Free cash flow	\$51.4m

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

¹ Excludes movement in trust accounts.

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 Sept 2019	Year End Sept 2020	Year End Sept 2019	Year End Sept 2020	Year End Sept 2019	Year End Sept 2020
Gross written premium (\$m)	9,172	9,742	10,324	10,617	3,387	3,349
Number of risks ('000)	12,059	12,267	16,065	16,476	15,190	16,861
Average premium per risk (\$)	761	+4.3% 794	643	+0.2% 644	223	-10.8% 199
Outwards reinsurance expense (\$m)	2,878	3,149	2,076	2,112	762	602
Gross earned premium (\$m)	9,305	9,888	10,145	10,485	3,544	3,381
Cession ratio	31%	32%	20%	20%	21%	18%
Gross incurred claims (current and prior years) net of non-reinsurance recoveries revenue (\$m)	6,435	8,724	7,694	6,867	2,086	2,498
Gross earned premium (\$m)	9,305	9,888	10,145	10,485	3,544	3,381
Gross loss ratio	69%	88%	76%	65%	59%	74%
Net incurred claims (current and prior years) (\$m)	4,234	4,998	5,877	5,282	1,953	2,198
Net earned premium (\$m)	6,427	6,738	8,070	8,372	2,782	2,779
Net loss ratio	66%	74%	73%	63%	70%	79%
Underwriting expenses (\$m)	1,711	1,846	1,601	1,686	294	414
Net earned premium (\$m)	6,427	6,738	8,070	8,372	2,782	2,779
U/W expense ratio	27%	27%	20%	20%	11%	15%
Net U/W combined ratio	92%	102%	93%	83%	81%	94%

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 Sept 2019	Year End Sept 2020	Year End Sept 2019	Year End Sept 2020	Year End Sept 2019	Year End Sept 2020	Year End Sept 2019	Year End Sept 2020
Gross written premium (\$m)	2,755	2,886	4,878	5,381	2,545	2,747	2,269	2,711
Number of risks ('000)	1,673	1,817	1,656	1,638	9,621	9,492	716	666
Average premium per risk (\$)	1,646	-3.5% 1,588	2,945	+11.5% 3,284	265	+9.1% 289	3,169	+28.5% 4,071
Outwards reinsurance expense (\$m)	494	545	2,163	2,434	645	722	648	876
Gross earned premium (\$m)	2,702	2,853	4,864	5,458	2,453	2,615	2,007	2,459
Cession ratio	18%	19%	44%	45%	26%	28%	32%	36%
Gross incurred claims (current and prior years) net of non-reinsurance recoveries revenue (\$m)	1,921	1,776	3,397	4,605	2,051	2,260	1,977	2,589
Gross earned premium (\$m)	2,702	2,853	4,864	5,458	2,453	2,615	2,007	2,459
Gross loss ratio	71%	62%	70%	84%	84%	86%	98%	105%
Net incurred claims (current and prior years) (\$m)	1,526	1,402	1,914	2,355	1,244	1,494	992	1,264
Net earned premium (\$m)	2,208	2,308	2,701	3,024	1,808	1,892	1,359	1,584
Net loss ratio	69%	61%	71%	78%	69%	79%	73%	80%
Underwriting expenses (\$m)	547	558	1,048	1,132	534	537	259	293
Net earned premium (\$m)	2,208	2,308	2,701	3,024	1,808	1,892	1,359	1,584
U/W expense ratio	25%	24%	39%	37%	30%	28%	19%	18%
Net U/W combined ratio	94%	85%	110%	115%	98%	107%	92%	98%

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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 (NPATA¹), 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.

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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.

