

24 August 2016

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir

STEADFAST ANNOUNCES FY16 RESULTS

Please refer to the following information in relation to Steadfast Group Limited's results for the year ended 30 June 2016:

- Part 1: Market Release
- Part 2: Appendix 4E & 2016 Annual Report
- Part 3: Investor Presentation
- Part 4: Appendix 4G & Corporate Governance Statement

Also lodged this morning is Appendix 3A.1: Notification of dividend.

Yours faithfully



Linda Ellis
Group Company Secretary & Corporate Counsel

Steadfast Group Limited

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STRENGTH WHEN YOU NEED IT



MARKET RELEASE

24 August 2016

Steadfast announces FY16 underlying NPATA growth of 45% and provides underlying NPATA guidance of \$85m to \$90m for FY17

Steadfast Group Limited ("Steadfast") (ASX: SDF) announces its full year results for the 2016 financial year which show strong revenue and earnings growth.

FY16 vs FY15 financial highlights¹

- Underlying revenue of \$459.5m, up 54%
- Underlying EBITA of \$129.6m, up 43%
- Underlying NPATA of \$82.0m, up 45%
- Underlying Cash EPS² of 11.00 cents per share, up 12%
- Gross written premium placed by Steadfast Network Brokers of \$4.5b, up 4.2%
- Final dividend (fully franked) of 3.6 cents per share, up 20%
- Statutory NPAT of \$73.5m, up 75%

Managing Director & CEO Robert Kelly commented "We are pleased with the solid performance of our brokers, agencies and complementary businesses in a flat pricing environment and have progressed with initiatives to improve their top and bottom line performance."

"The acquisitions made in FY15 overall are performing in line with expectations, with the two transformational agency acquisitions performing ahead of expectations. Steadfast Underwriting Agencies now contribute 45% of our earnings, compared to 18% two years ago."

"There are two new strategic initiatives that we have been working on this year which we believe will generate upside to our Network and to the Group's profitability. The first is the Steadfast Client Trading Platform. This platform operates on the Virtual Underwriter (Steadfast's online market platform) and is expected to deliver improved product, service and efficiency with a panel of strategically aligned insurer partners. The second is the Steadfast Underwriting Agencies London 'super' binder, which rationalises and consolidates our Lloyd's market placements into a single binder with a select number of carriers."

"Based on a continued flat pricing environment and no material acquisitions, we expect underlying NPATA of \$85 million to \$90 million for FY17³. The majority of this expected growth is organic and includes projected returns from the two new strategic initiatives."

Steadfast Network

The Steadfast Network has seen 99 brokers join and only one broker leave since our ASX listing in August 2013. We now have 343 brokers in 1,146 offices across Australia, New Zealand, Singapore and London.

GWP placed by Steadfast Network Brokers in FY16 was \$4.5 billion, an increase of 4.2% compared to FY15. The growth was driven by organic growth and new brokers including the 31 Insight brokers that joined the Network. Organic GWP growth was up 1.5% due to relatively flat pricing and higher volumes.

¹ Statutory P&L results have been adjusted to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Underlying P&L results exclude non-trading items.

² Cash EPS represents NPATA (net profit after tax and before amortisation) per share.

³ Also refer to the key risks on pages 29-31 of Steadfast's 2016 Annual Report.

GWP placed by Steadfast Underwriting Agencies was \$745 million in FY16, up 94% compared to FY15, enhanced by the Calliden and QBE agency acquisitions made in FY15. These acquisitions have transformed Steadfast Underwriting Agencies into the largest agency group in Australia with 22 specialist underwriting agencies.

Strong balance sheet

At the end of June 2016, net assets were \$898 million, up from \$842 million at the end of June 2015. The corporate gearing ratio was 16.0% with significant headroom in financial debt covenants. Including the additional 5% leverage limit set by the Board for subsidiary borrowings, the total gearing ratio is 18.4%. Based on a 25% Board approved gearing ratio limit and corporate debt facilities of \$285 million, Steadfast had balance sheet capacity of \$114 million for future corporate activity.

Dividend

The Board has declared a fully franked FY16 final dividend of 3.6 cents per share, an increase of 20% compared to the final FY15 dividend. This results in a total fully franked FY16 dividend of 6.0 cents per share, also up 20% year-on-year. The total FY16 dividend payout ratio is in line with the target payout ratio of between 65% and 85% of net profit after tax, after adjusting for non-trading items.

The FY16 final dividend dates are as follows: an ex-dividend date of 12 September 2016, a record date of 13 September 2016, a dividend reinvestment plan (DRP) record date of 14 September 2016 and a payment date of 14 October 2016. The FY16 final dividend is eligible for Steadfast's DRP at no discount. For more information on the FY16 final dividend and the DRP, please refer to Steadfast's Appendix 3A.1: Notification of dividend, lodged with the ASX on 24 August 2016 and on our investor website.

Conference call and webcast

Robert Kelly, Managing Director & CEO, and Stephen Humphrys, Chief Financial Officer, will host a conference call and webcast today (24 August 2016) at 11.00am (Sydney time).

- To participate in the call, please dial 1800 123 296 (toll free Australia), 0800 452 782 (toll free New Zealand) or +61 2 8038 5221 and quote the conference ID 5809 4430
- To access the live webcast, please click onto investor.steadfast.com.au or <http://www.openbriefing.com/OB/2231.aspx>
- A replay of the webcast will be available on our investor website under "Results Centre"

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About Steadfast

Steadfast, established in 1996, is the largest general insurance broking network and the largest underwriting agency group in Australia and New Zealand. Our network provides services to over 340 broker businesses across Australia, New Zealand, Singapore and London. Steadfast Network Brokers and Steadfast Underwriting Agencies generated billings of more than \$6 billion for the 12 months ended 30 June 2016. Steadfast also operates as a co-owner and consolidator through its equity interests in a number of broker businesses, underwriting agencies and other complementary businesses. For further information, please visit investor.steadfast.com.au