

FY20 Results Investor Presentation

25 August 2020



Mike Emmett

CEO and Managing Director



Mark Shanahan

CFO



KEY MESSAGES

Pleasing result and momentum positioning AUB Group for sustained growth



1

A strong FY20 result, strongest UNPAT growth since FY13

Underlying NPAT of \$53.4mn, up 15.2% from FY19, exceeding reinstated guidance

2

Executed acquisition of BizCover

Since acquisition, performance in-line with expectations and added \$1.8mn to FY20 Underlying NPAT (pre corporate funding costs and excl JobKeeper)

3

Resilient business performance in-light of COVID-19

Increasing premium retention and income yields vs prior year, underpinned by a diversified client portfolio

4

Strong progress against FY20 Execution Priorities

Launch of ExpressCover and enhanced insurer arrangements, improving the Group's long-term earnings potential

5

Continued focus to deliver on upgraded growth ambitions

Providing guidance: FY21 Underlying NPAT of \$58.5mn - \$61.0mn, representing 9.5%-14.2% growth on FY20

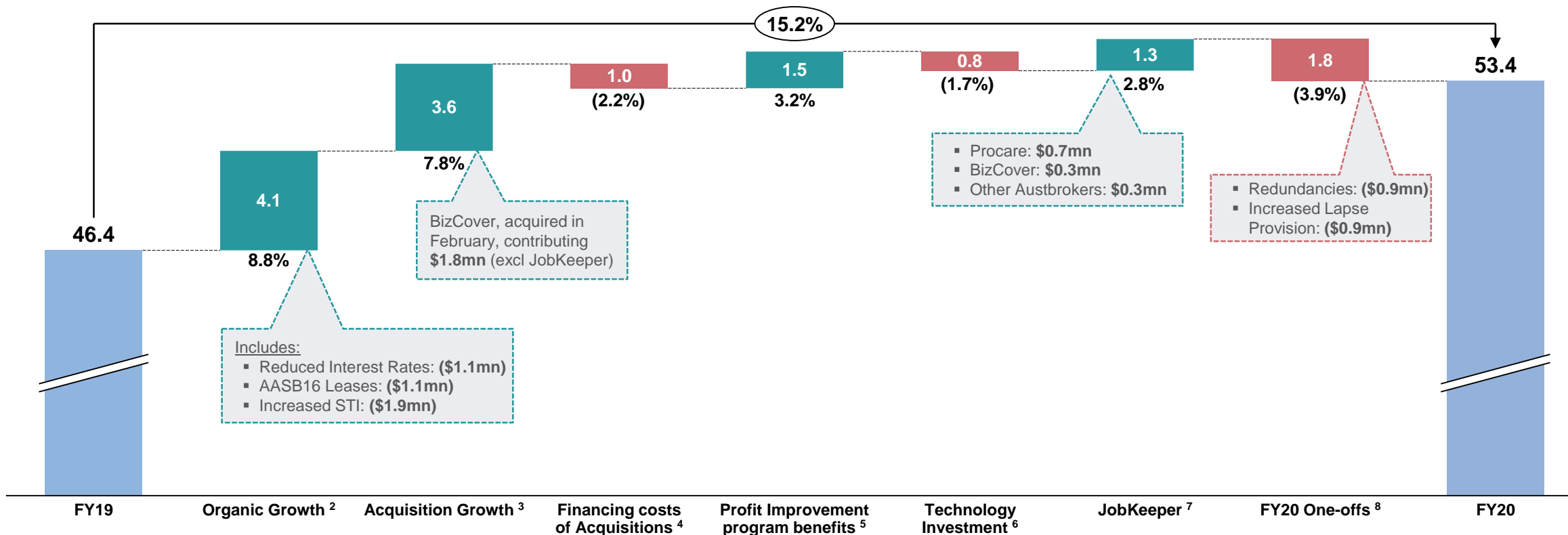
During this time of uncertainty, AUB Group continues to prioritise customer well-being and employee security

FY20 FINANCIAL PERFORMANCE: OVERVIEW

Performed above guidance and delivered an Underlying NPAT of \$53.42mn, an increase of 15.2% from FY19 – our best year-on-year growth since FY13



FY19 to FY20 Underlying NPAT¹ Breakdown (\$mns)


















- Underlying NPAT is used by management and the board to assess operational performance and excludes non-operational items, such as profits and losses on sale of equity interests, fair value adjustments to carrying values on ownership changes, changes to estimates or payments of deferred contingent consideration amounts, impairment adjustments and amortisation of intangible assets.
- Organic growth excludes FY20 acquisitions growth, financing costs of acquisitions, profit improvement program benefits, technology investment, JobKeeper and FY20 one-offs.
- Acquisition growth includes the net effect of acquisitions, divestments, bolt-ons and increased equity stakes in FY20 vs FY19.
- Represents the interest paid on borrowings to fund acquisitions and interest received on proceeds from divestments.
- Profit Improvement program benefits reflect staff leavers in FY20 vs FY19.
- Technology Investment includes Austbrokers Express Cover and NZ Javin spend.
- JobKeeper receipts were excluded from the calculation of Staff and Executive Bonuses.
- FY20 One-offs include an increased lapse provision and redundancies FY20 vs FY19.

FY20 FINANCIAL PERFORMANCE: DIVISIONAL

Strong results in Australian Broking and New Zealand, a significant turnaround in Health and Rehabilitation and reduced revenue in Australian Agencies



*Vs. FY19
comparative period*

	AUSTRALIAN BROKING ²	NEW ZEALAND ³	AUSTRALIAN AGENCIES	HEALTH AND REHABILITATION ²	OPERATING BUSINESSES ⁴
Underlying ^{1,3} Revenue	 \$409.1mn 8.1 %	 \$58.5mn 15.6 %	 \$59.3mn (3.4 %)	 \$51.4mn 0.5 %	 \$578.4mn 6.8 %
Underlying ^{1,3} EBIT Margin	 29.2 % 130bps	 32.6 % (100bps)	 32.0 % (180bps)	 14.2 % 970bps	 28.5 % 160bps
PBT attributable to equity holders of parent company ^{1,3}	 \$62.1mn 14.6 %	 \$12.1mn 31.9 %	 \$13.6mn (12.2 %)	 \$4.2mn 330.3 %	 \$92.0mn 15.2 %

1. Underlying Results: In order to give a more comprehensive view of performance, figures include results from 'associates' (not consolidated in the financial statements) at an aggregate 100% of all business revenues, expenses and profits with those of the consolidated businesses before deducting outside shareholder interests.

2. The Risk Services division has been restructured with Procure moving to Australian Broking and the remaining businesses servicing the Health & Rehabilitation market. Comparative information has been restated to conform with the presentation in the current period. The cost of AUB Corporate staff overseeing Australian Broking and Health & Rehabilitation was previously captured in Corporate Expenses. These costs have been reclassified to the respective divisions. Refer to Appendix - A5.0.

3. Includes benefits of acquisitions announced in FY19 and FY20, mainly 40% of BizCover effective 1 February 2020 and 50% of BWRS (NZ) effective 1 January 2019.

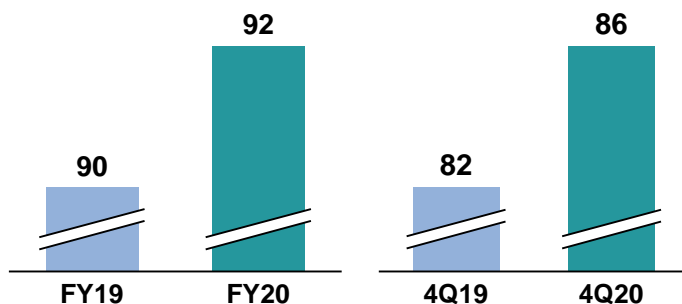
4. Excludes AUB Group Corporate Revenue & Expenses.

COVID-19 IMPACT & RESPONSE

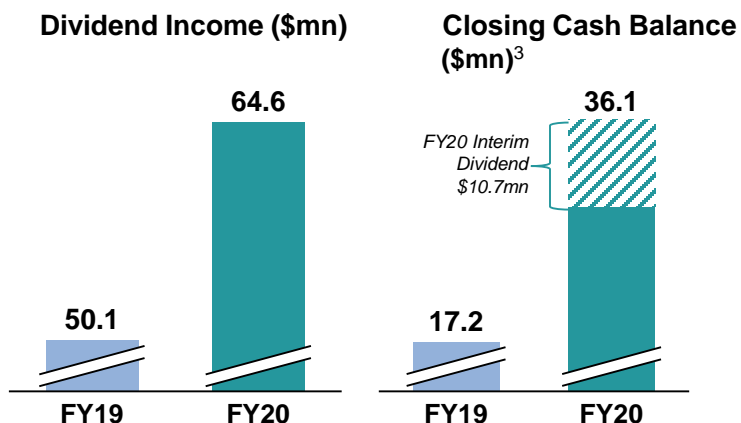
The diversity of our portfolio and a relatively defensive business model combined with our financial strength has underpinned the resilience of AUB Group



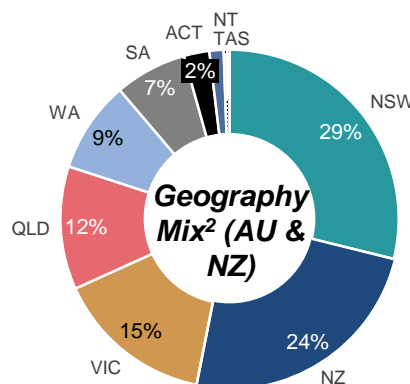
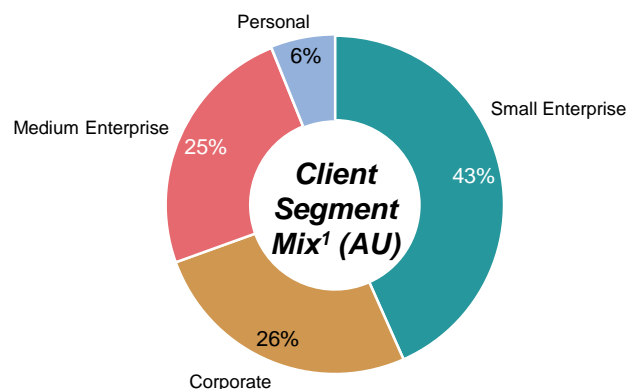
Premium Retention (%)¹



AUB Group Cash (FY19 & FY20)



Portfolio Premium Mix



Impact

- Diversity of our portfolio and a relatively defensive business model combined with our financial strength has underpinned a resilient response thus far
- Despite the uncertainty, clients continue to place trust in our brokers - achieved a historically high premium retention rate of 92%
- Contribution from Government support programs - net receipts of ~\$1.3mn after tax

Business Response

- Monitoring and insight across our portfolio, as well as ongoing portfolio reviews and stress testing, allows us to adequately anticipate and prepare for potential risks
- Prudent capital management including the deferral of payment of interim dividend
- Diligent focus on debtors and dividend receipts
- Engagement with underwriting partners to support clients and brokers with hardship assistance programs
- Office space rationalisation and investment in a range of technologies and dynamic staff engagement tools to support work from home arrangements

1. Based on available data from key Australian Broking businesses as at 30 June 2020.

2. Geography mix is based on available data from key Australian Broking and New Zealand Broking businesses as at 30 June 2020.

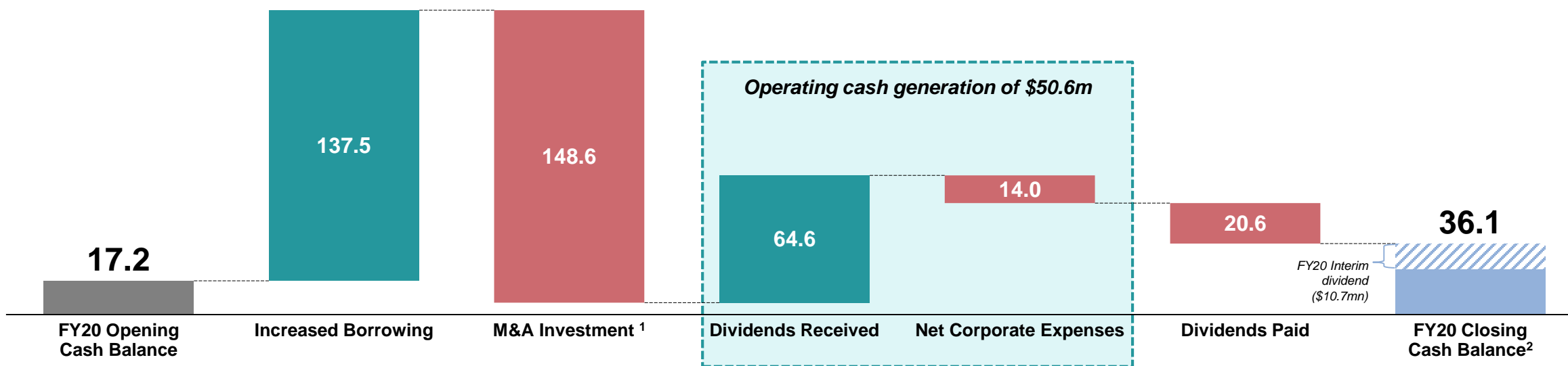
3. Payment of the FY20 interim dividend (\$10.7mn) was deferred and will be paid on 3 September 2020.

AUB CORPORATE CASHFLOW OVERVIEW

Generated an operating cash flow of \$50.6m, as strong dividend receipts resulted in an improved cash position in comparison to prior year



AUB Corporate Entity Cash Movement (\$mns)



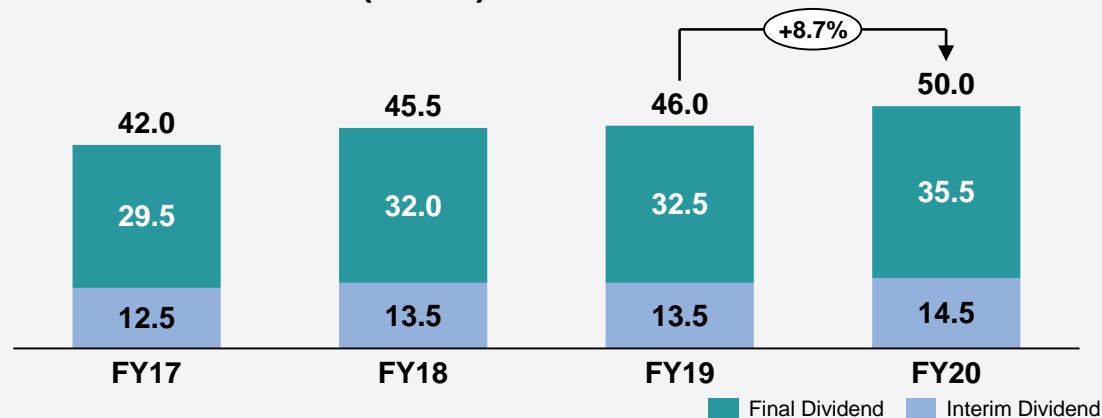
- Operating cash generation of \$50.6mn
- Total Corporate entity cash and undrawn facilities of \$94.0mn
- The Corporate debt facility increased by \$100mn to \$250mn
- Payment of the FY20 interim dividend (\$10.7mn) was deferred and will be paid on 3 September 2020

SHAREHOLDER RETURNS

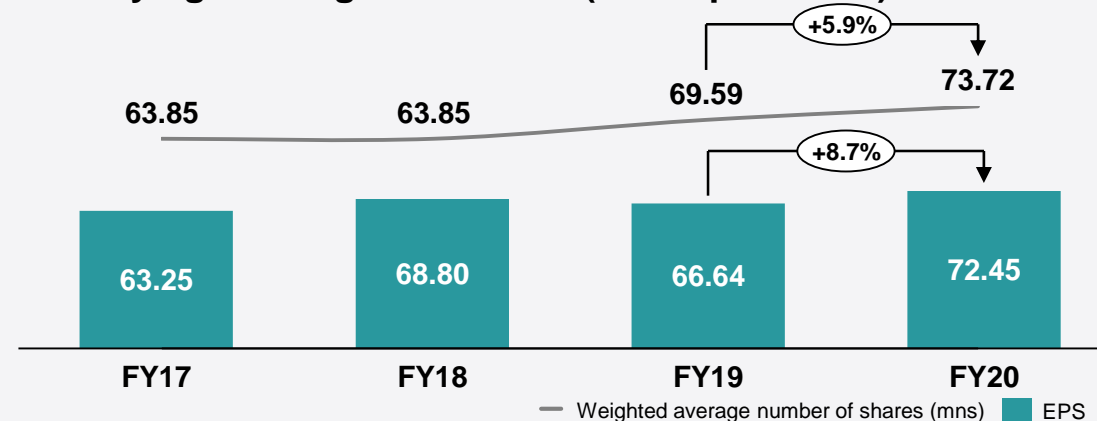
Achieved an uplift of 8.7% in EPS in comparison to FY19, despite the full-year dilutionary impact of equity issued in FY19



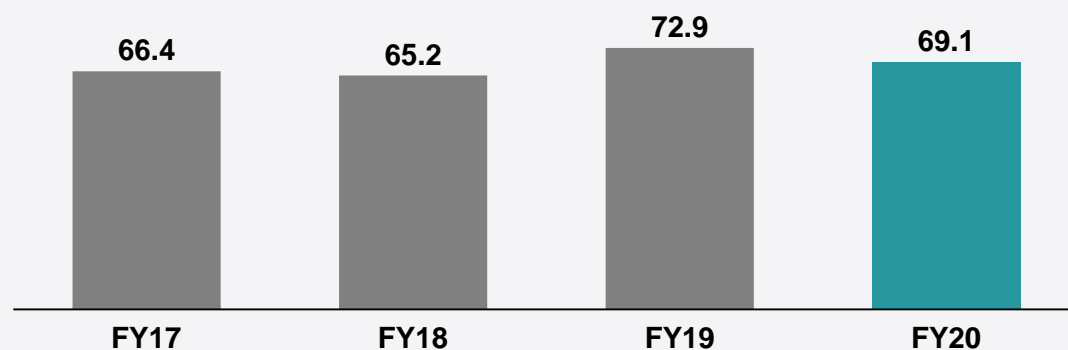
Dividend Per Share (Cents)



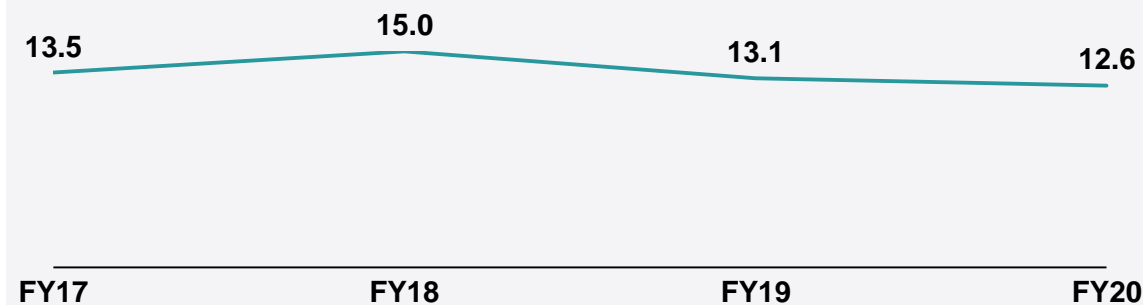
Underlying Earnings Per Share¹ (Cents per share)



Dividend Payout Ratio² (%)



Return on Equity – ROE³ (%)



FY20 EXECUTION PRIORITIES UPDATE

Strong progress with execution priorities identified at the start of FY20 has built momentum in the business



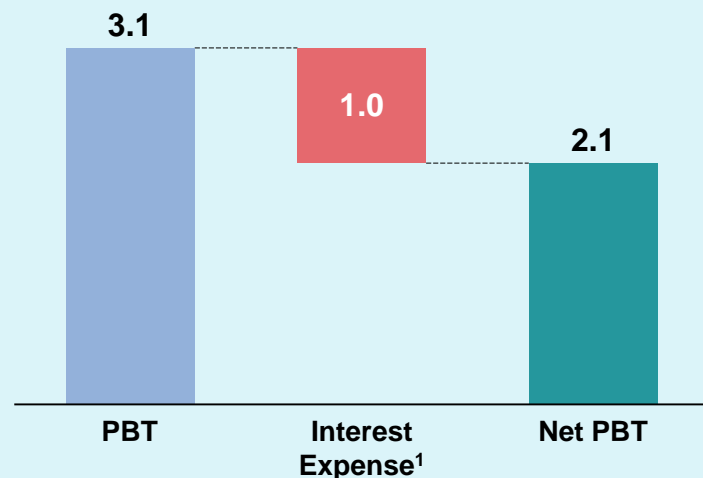
1	EXECUTE ON STRATEGICALLY ALIGNED ACQUISITIONS	✓ EPS accretive acquisition of 40% of BizCover	✓ Expanded market share and scale through multiple bolt-ons across the network
2	DELIVER MARKET LEADING TECHNOLOGY CAPABILITIES	✓ Launched ExpressCover with >25 brokerages now processing policies online	✓ Sentinel agency system launched in 3 agencies ✓ Multiple Core Broking System enhancements delivered
3	REDUCE COSTS AND STREAMLINE HEAD-OFFICE	✓ Programs that deliver full year savings of ~\$2.8mn after tax	✓ Restructured operating model to simplify management layers and improve focus
4	OPTIMISE OUR PORTFOLIO	✓ Merged multiple strategically aligned businesses & portfolios; target to reduce from 94 to 75 businesses by end of FY21	✓ Launched several Specialist broking capabilities
5	REDEFINE RISK SERVICES STRATEGY	✓ Successfully exited Allied Health	✓ Transformed Altius and re-aligned Procure into Australian Broking to support core Claims proposition
6	ENHANCE PARTNER PROPOSITION	✓ 6 new ExpressCover insurer agreements ✓ 2 refreshed Austbrokers major insurer agreements	✓ Renewed AMS mandate ✓ Enhanced analytics support for network

ACQUISITIONS OVERVIEW – BIZCOVER

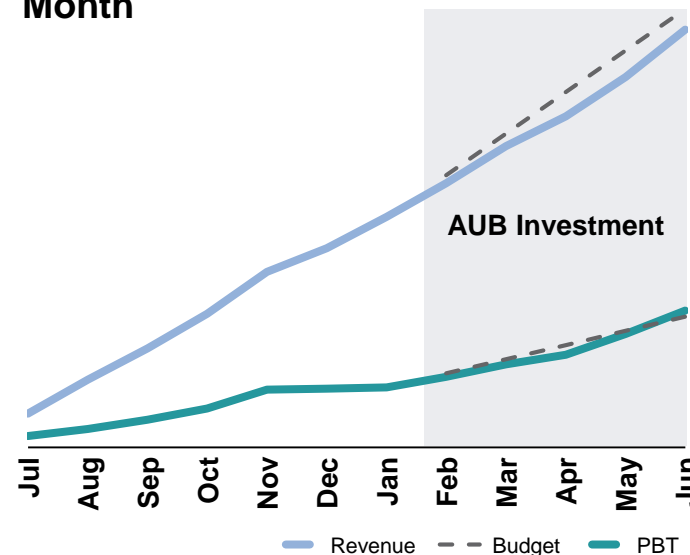
Our investment in BizCover expands AUB Group's market scale, opportunity and accretes underlying earnings



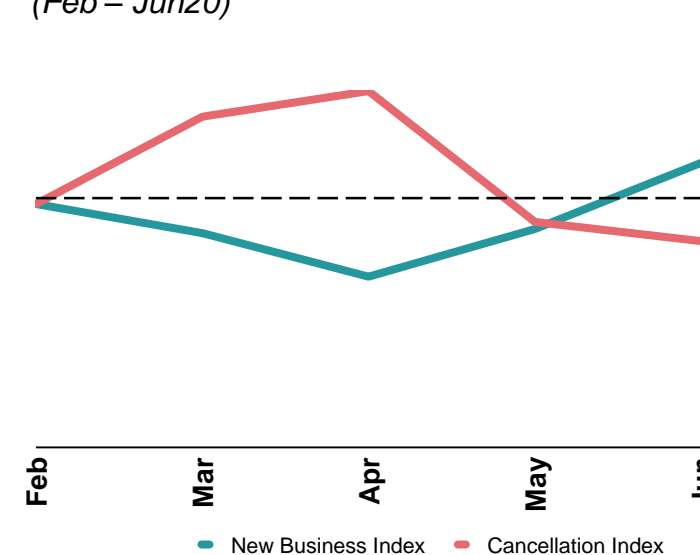
Contribution to AUB Group PBT \$mns
(post-acquisition, Feb-Jun20)



FY20 YTD Performance Overview by Month



New Business & Cancellation Index
(Feb – Jun20)



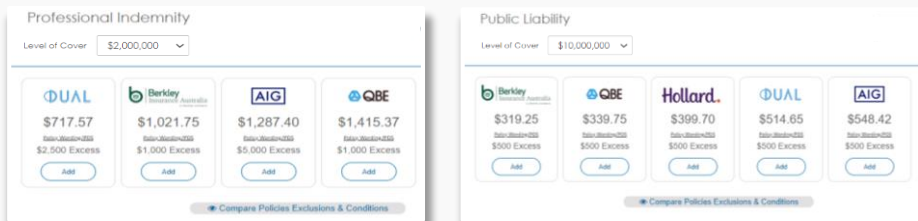
FY21 opportunities and areas of focus

- Expand insurer panel
- Grow New Zealand footprint and scale
- Enhance tech integration across existing and new partners
- Identify opportunities to scale globally through technology licensing

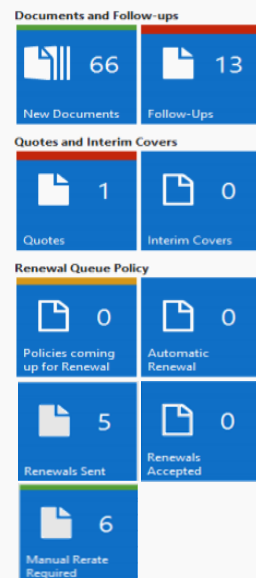


EXPANDING OUR TECHNOLOGY AGENDA

Launched ExpressCover, our high-volume broking platform; Launched Sentinel, our agency management system; delivered enhancements to core broking system



- Broking platform that quotes and binds easily and quickly across multiple insurers and products for our SME clients
- Targeted at high volume, low premium-value policies to complement broking business which will remain on Sunrise
- Good momentum in July & August - July was first full month of use with access for all brokerages
- >25 brokerages have already bound multiple policies using the platform and many more are currently using the platform to generate quotes
- Working closely with 6 insurance partners to enhance and tailor their offerings
- Building interface into the Core Broking System



- Customised agency management platform with end-to-end policy life cycle capability leveraging significant automation, allowing agencies to receive risk information generate quotes, refer to underwriters, bind, service and manage claims
- Enable us to respond rapidly to the vast majority of quote requests
- Technology alignment with ExpressCover will allow us to offer quotes from our own agencies to brokers
- System implemented in two agencies in the past few months; third in pilot
- Further roll-outs across our agency network will continue over the near future



- Successfully leveraged enhancements that members of our network have developed and rolled these out to the benefit of other members of the network to optimise tech capabilities across the network
- Process is ongoing with a number of similar initiatives currently underway

Enhanced client experience

Improved broker efficiency

Enriched analytics and business insight

FY21 PRIORITIES - EVOLVING OUR FOCUS

Our strategic focus is to exploit the portfolio's potential for organic growth while strategically leveraging M&A to accelerate growth



Priority

- 1 EXECUTE ON STRATEGICALLY ALIGNED ACQUISITIONS
- 2 DELIVER MARKET LEADING TECHNOLOGY CAPABILITIES
- 3 REDUCE COSTS AND STREAMLINE HEAD-OFFICE
- 4 OPTIMISE OUR PORTFOLIO
- 5 REINVIGORATE INSURANCE AGENCIES
- 6 ENHANCE PARTNER PROPOSITION

FY21 Evolution

Includes increased investments in current network businesses, new complementary bolt-ons as well as the potential for material strategic investments

✓ *Effective 1 August 2020, AUB Group acquired 73.15% of Experien Insurance Services, a specialty Life and General Insurance Brokerage focused on the Medical and Dental professions*

Drive adoption of ExpressCover and Sentinel in Australia as well as commencing implementation of technology solution for New Zealand

Increase focus on business improvement initiatives at network businesses to drive stronger organic growth and efficiency

Execute on consolidation plans currently underway

Restructure the Insurance Agencies Division to enhance value proposition for customers and improve profitability

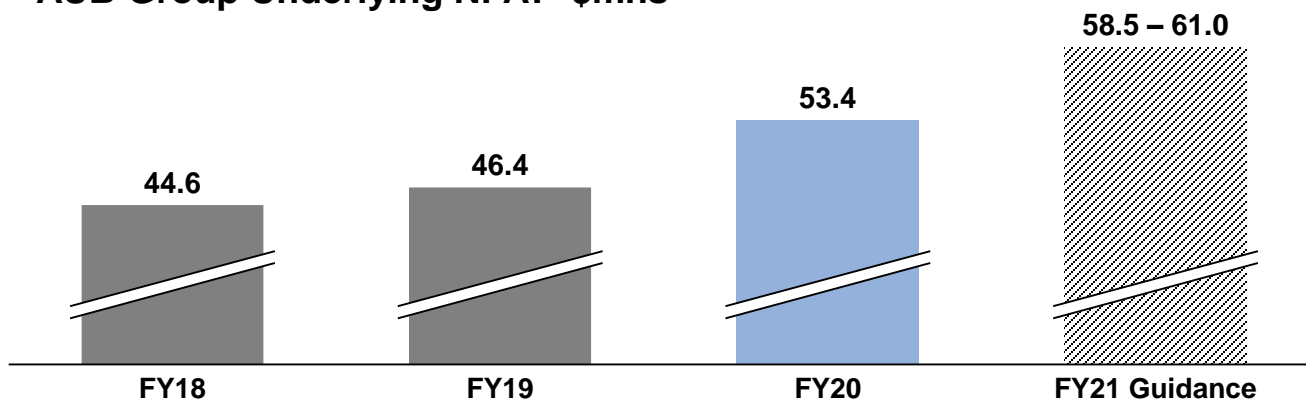
Continue to enhance our partner and client value proposition working with Insurer Partners, insource and outsource providers and our network partners

FY21 – OUTLOOK & GUIDANCE

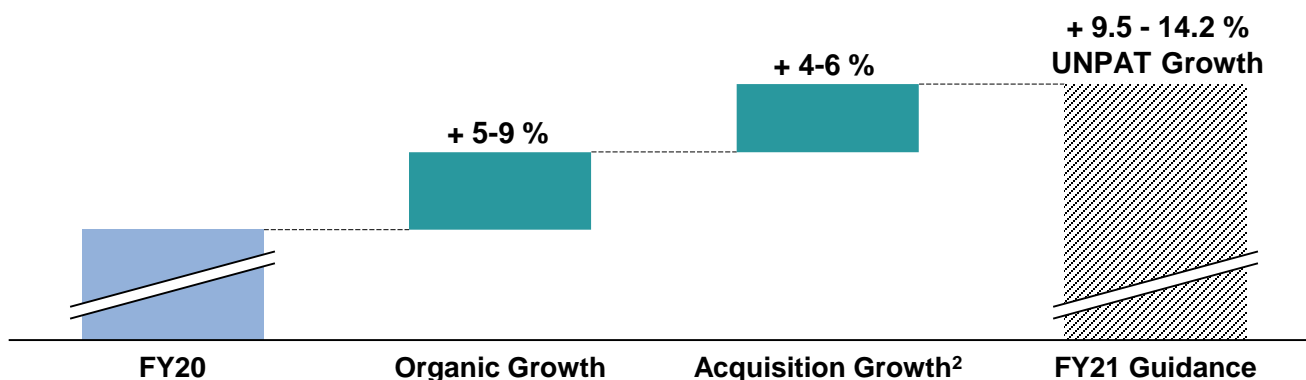
Guidance: Underlying NPAT for FY21 in the range of \$58.5mn - \$61.0mn, representing growth of 9.5% - 14.2% over FY20



AUB Group Underlying NPAT¹ \$mns



FY21 Underlying NPAT¹ % growth on PY



- Premium rates for Australia are expected to increase in the range of 5% to 6%
- Impacts of COVID-19 on the economy and on AUB Group will approximate those experienced in the past six months
- Continued small bolt-on acquisitions and shareholding changes in existing network members are assumed and included in the outlook provided
- Guidance excludes the impact of major acquisitions. If these were to occur, the Group would provide updated guidance at that stage
- The seasonally important Australian Broking June renewal cycle to perform in line with historical performance
- Case allocations for NSW Workers Compensation will approximate those experienced in the past six months (although the divestment of Allied means that these are now a much smaller component of the Groups' revenues)

...we exited FY20 with strong momentum and are seeing early evidence of this continuing in FY21

1. Underlying NPAT is used by management and the board to assess operational performance and excludes non-operational items, such as profits and losses on sale of equity interests, fair value adjustments to carrying values on ownership changes, changes to estimates or payments of deferred contingent consideration amounts, impairment adjustments and amortisation of intangible assets.

2. Acquisition growth includes the net effect of acquisitions, divestments, bolt-ons and increased equity stakes in FY21 vs FY20. Excludes major acquisitions.

Questions?



Mike Emmett

CEO and Managing Director



Mark Shanahan

CFO

Closing

Appendices

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39 C. FY20 AUB Group Overview

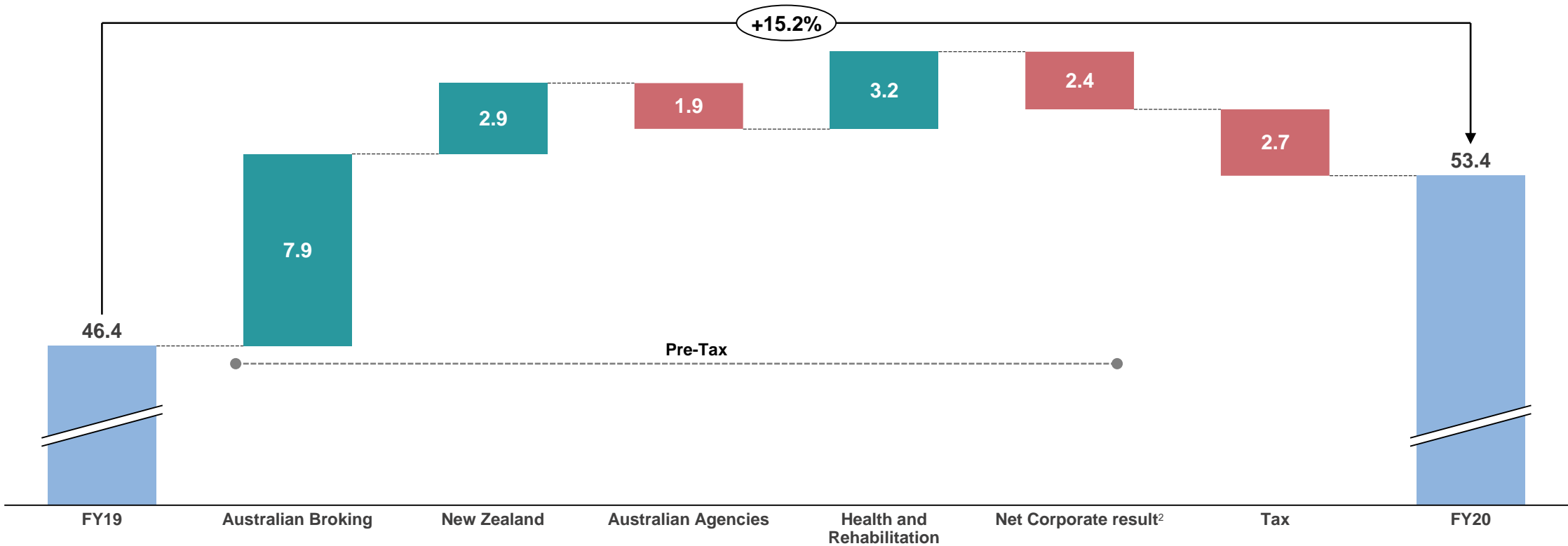


FY20 Appendices

A. FY20 Financial Results Detail

FY20 Divisional Performance Breakdown

FY19 to FY20 Underlying NPAT¹ Divisional Breakdown (\$mns)



1. Underlying NPAT is used by management and the board to assess operational performance and excludes non-operational items, such as profits and losses on sale of equity interests, fair value adjustments to carrying values on ownership changes, changes to estimates or payments of deferred contingent consideration amounts, impairment adjustments and amortisation of intangible assets.
2. Net Corporate result includes corporate income and interest expense, excludes FY20 acquisition expenses.

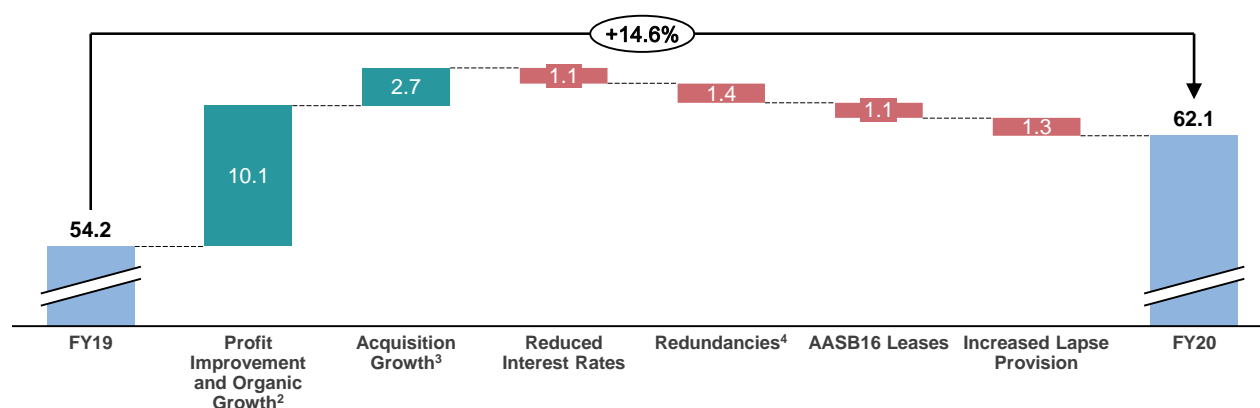
Australian Broking



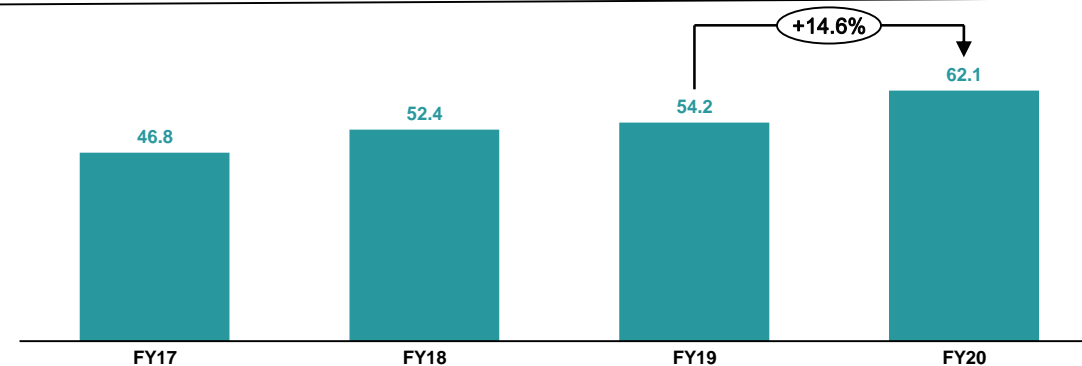
Profit contribution to AUB Group – Pre-tax (\$mns)	FY20	FY19	Movement (\$)	Movement (%)
Commission and fee income (net)	354.4	333.3	21.1	6.3%
Premium Funding	30.9	27.6	3.3	12.0%
Interest	5.3	7.0	(1.7)	(24.3%)
Other Income	18.4	10.4	8.0	77.2%
Total Underlying Revenue ^{1,5}	409.1	378.3	30.8	8.1%
Underlying Expenses ^{1,5}	(289.5)	(272.8)	(16.7)	6.1%
Underlying EBIT ^{1,5}	119.6	105.5	14.1	13.4%
Profit before tax & non-controlling interests (PBT&NCI)	115.4	100.9	14.5	14.4%
Net profit before tax attributable to equity holders of parent entity	62.1	54.2	7.9	14.6%
Underlying EBIT margin	29.2%	27.9%	n/a	130bps

- Pre-tax profit contribution to AUB Group of \$62.1mn, an increase of 14.6% from FY19.
- Profit Improvement and Organic growth was assisted by an increase in Commercial Lines insurance premiums averaging 6.3% and higher average premium per policy from new business.
- Included in FY20 were \$1.4mn of redundancy costs, an increased lapse provision \$1.3mn as well as the combined impact of reduced interest rates and lease accounting changes of \$2.2mn.
- EBIT margin 29.2% up 130bps from FY19.
- 40% share of BizCover acquired effective 1 February 2020.

FY19 to FY20 AUB Share PBT (\$mns)^{1,6}



PBT attributable to parent equity holders^{1,6} (\$mns)



1. The Risk Services division has been restructured with Procure moving to Australian Broking. The cost of AUB Corporate staff overseeing Australian Broking was previously captured in Corporate Expenses. These costs have been reclassified to Australian Broking. Comparative information has been restated to conform with the presentation in the current period. Refer to Appendix - A5.0.

2. Profit improvement and organic growth attributable to equity holders of parent entity excludes acquisitions growth in the current period, reduced interest rates, lease accounting changes, redundancies FY20 vs FY19, and the increased lapse provision.

3. Acquisition growth includes the net effect of acquisitions, divestments, bolt-ons and increased equity stakes in FY20 vs FY19. Financing costs of Acquisitions are currently being held in Corporate Head Office.

4. Represents the net impact of material FY20 redundancies vs FY19.

5. In order to give a more comprehensive view of performance, figures include results from 'associates' (not consolidated in the financial statements) at an aggregate 100% of all business revenues, expenses and profits with those of the consolidated businesses before deducting outside shareholder interests.

6. Net profit before tax attributable to equity holders of parent entity.

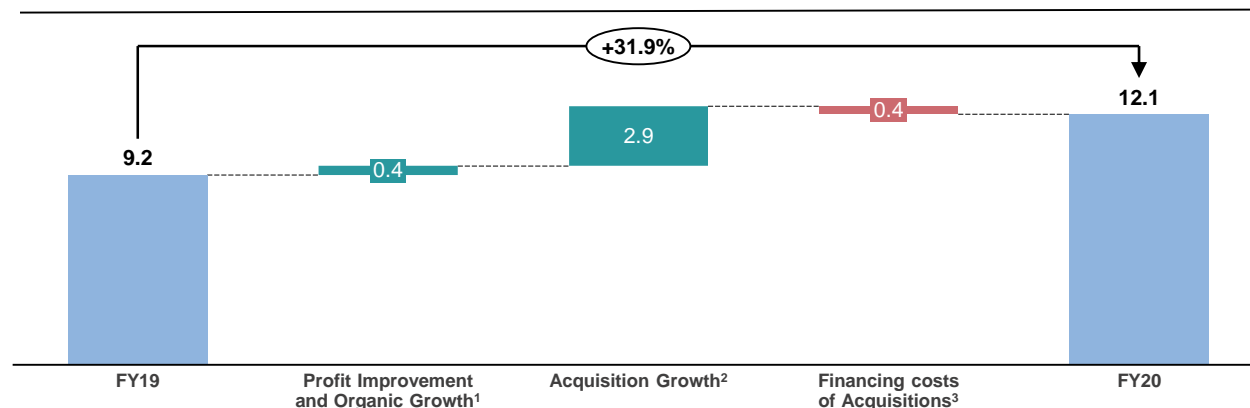
New Zealand



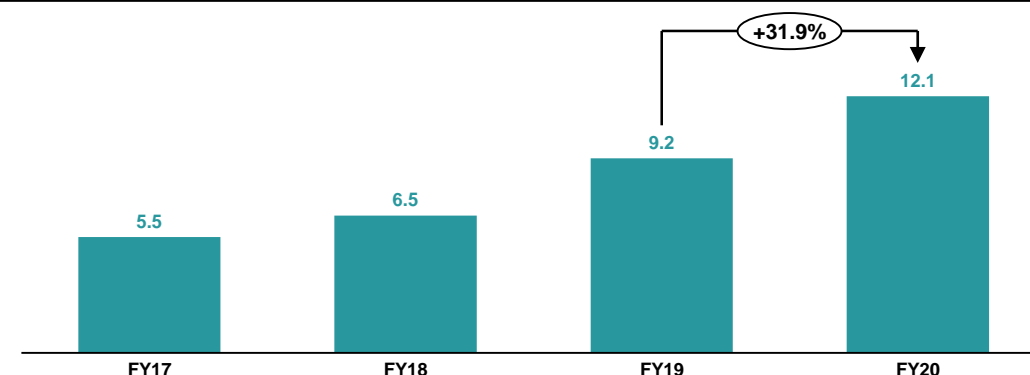
Profit contribution to AUB Group – Pre-tax (\$mns)	FY20	FY19	Movement (\$)	Movement (%)
Commission and fee income (net)	53.4	45.8	7.6	16.6%
Premium Funding	3.8	3.4	0.4	11.7%
Interest	0.5	0.8	(0.2)	(28.2%)
Other Income	0.8	0.7	0.1	14.2%
Total Underlying Revenue ⁴	58.5	50.6	7.9	15.6%
Underlying Expenses ⁴	(39.4)	(33.6)	(5.8)	17.3%
Underlying EBIT ⁴	19.1	17.0	2.1	12.2%
Profit before tax & non-controlling interests (PBT&NCI)	16.0	14.0	2.0	14.5%
Net profit before tax attributable to equity holders of parent entity	12.1	9.2	2.9	31.9%
Underlying EBIT margin	32.6%	33.6%	n/a	(100bps)

- Pre-tax profit contribution \$12.1mn, an increase of 31.9% on FY19.
- Significant portion of profit growth arising from the acquisition of a further 50% of BWRS (effective 1 January 2019).
- Flattening premium rate growth and reduced interest income observed towards the end of FY20.
- Investment in NZ group management and infrastructure (including technology) was made in order to support an expanded business.
- NZbrokers continues to perform well with growth in members and improved membership proposition including enhanced technology.

FY19 to FY20 AUB Share PBT (\$mns)⁵



PBT attributable to parent equity holders⁵ (\$mns)



1. Profit improvement and organic growth attributable to equity holders of parent entity excludes acquisitions growth in the current period and financing costs of acquisitions.

2. Acquisition growth includes the net effect of acquisitions, divestments, bolt-ons and increased equity stakes in FY20 vs FY19.

3. Represents the interest paid on borrowings to fund acquisitions and interest received on proceeds from divestments.

4. Underlying Results: In order to give a more comprehensive view of performance, figures include results from 'associates' (not consolidated in the financial statements) at an aggregate 100% of all business revenues, expenses and profits with those of the consolidated businesses before deducting outside shareholder interests.

5. Net profit before tax attributable to equity holders of parent entity.

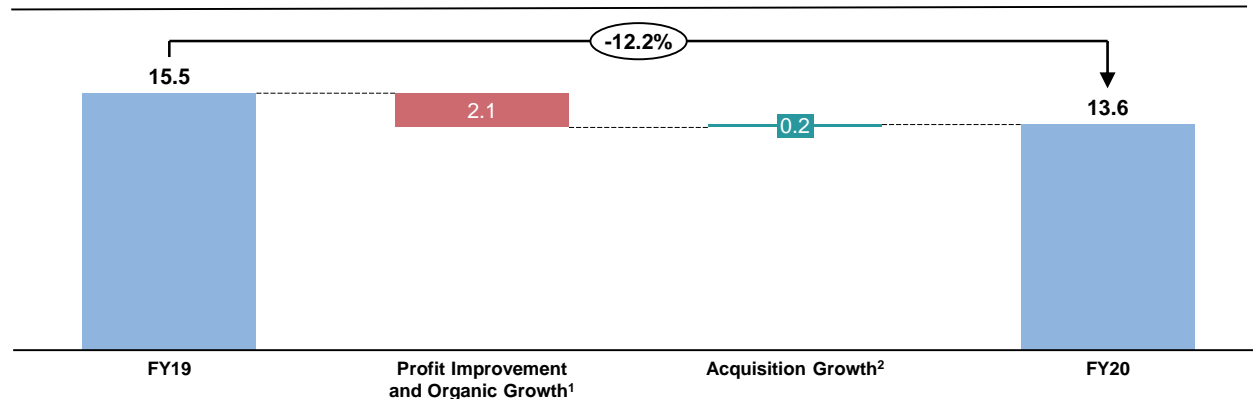
Australian Agencies



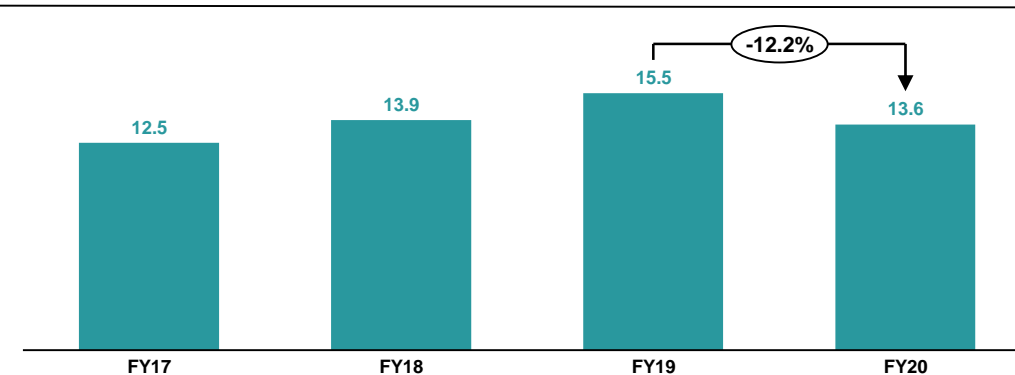
Profit contribution to AUB Group – Pre-tax (\$mns)	FY20	FY19	Movement (\$)	Movement (%)
Commission and fee income (net)	55.8	57.7	(2.0)	(3.4%)
Interest	0.5	0.8	(0.2)	(30.9%)
Other income	3.0	2.9	0.1	4.4%
Total Underlying Revenue ³	59.3	61.4	(2.1)	(3.4%)
Underlying Expenses ³	(40.4)	(40.7)	0.3	(0.8%)
Underlying EBIT ³	19.0	20.7	(1.8)	(8.6%)
Profit before tax & non-controlling interests (PBT&NCI)	17.1	18.9	(1.8)	(9.4%)
Net profit before tax attributable to equity holders of parent entity	13.6	15.5	(1.9)	(12.2%)
Underlying EBIT Margin	32.0%	33.8%	n/a	(180bps)

- Pre-tax profit contribution to AUB Group of \$13.6mn, a decline of 12.2% on FY19. This was partially due to the impact of COVID-19 on the hospitality industry as well as ongoing process and pricing changes in strata. The latter are being remedied by the implementation of the new agency system, cost reductions and fine tuning arrangements with insurers.
- Expenses decreased 0.8% from FY19 (but up 1.1% excl. last year's agency system cost over-run) largely reflecting savings on discretionary spend.

FY19 to FY20 AUB Share PBT (\$mns)⁴



PBT attributable to parent equity holders⁴ (\$mns)



1. Profit improvement and organic growth attributable to equity holders of parent entity excludes acquisitions growth in the current period.

2. Acquisition growth includes the net effect of acquisitions, divestments and increased equity stakes in FY20 vs FY19.

3. Underlying Results: In order to give a more comprehensive view of performance, figures include results from 'associates' (not consolidated in the financial statements) at an aggregate 100% of all business revenues, expenses and profits with those of the consolidated businesses before deducting outside shareholder interests.

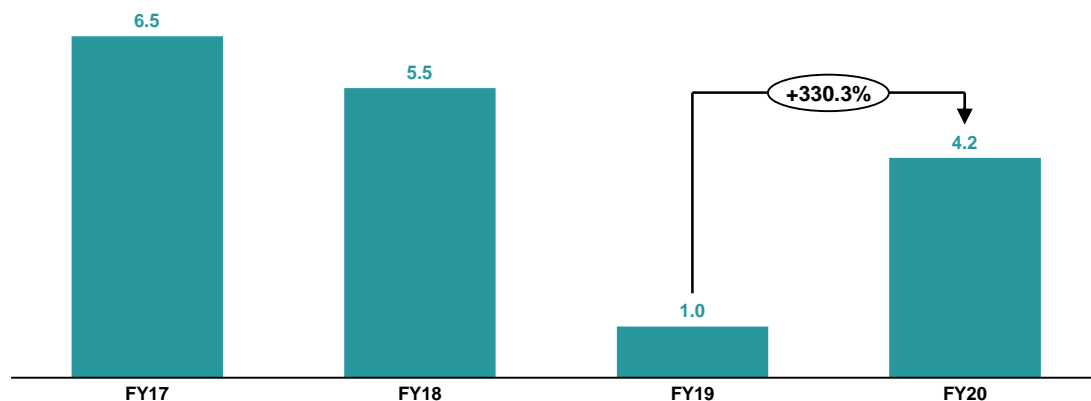
4. Net profit before tax attributable to equity holders of parent entity.

Health and Rehabilitation



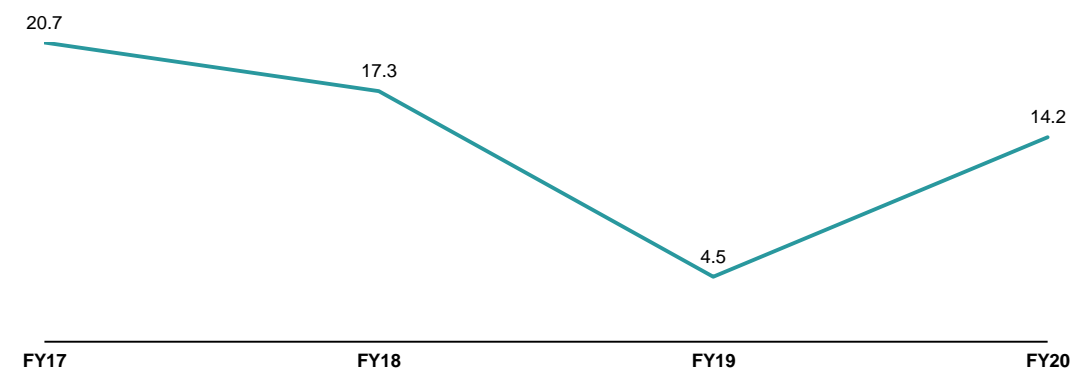
Profit contribution to AUB Group – Pre-tax (\$mns)	FY20	FY19	Movement (\$)	Movement (%)
Underlying Revenue ^{1,2}	51.4	51.2	0.2	0.5%
Underlying Expenses ^{1,2}	(44.1)	(48.9)	4.7	(9.7%)
Underlying EBIT ^{1,2}	7.3	2.3	5.0	215.7%
Profit before tax & non-controlling interests (PBT&NCI)	7.2	2.1	5.0	236.0%
Net profit before tax attributable to equity holders of parent entity	4.2	1.0	3.2	330.3%
Underlying EBIT margin	14.2%	4.5%	n/a	970bps

PBT attributable to parent equity holders^{1,3} (\$mns)



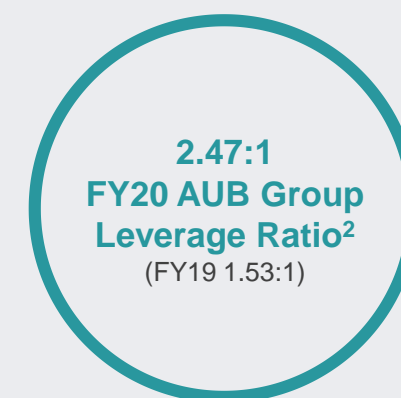
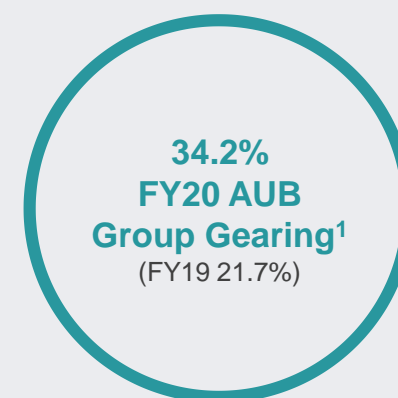
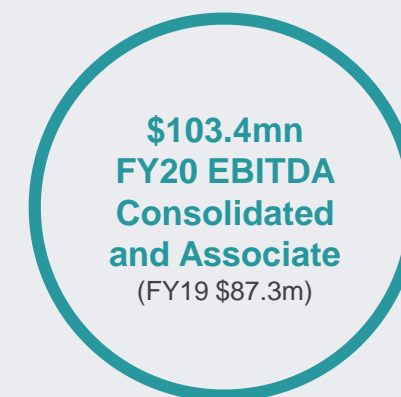
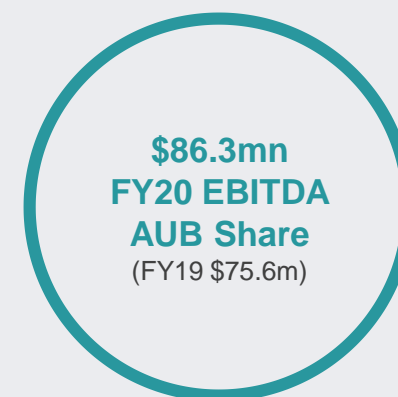
- Pre-tax profit contribution to AUB Group of \$4.2mn increased by 330.3% on FY19, as a result of improved utilisation, reduced costs and a more diverse set of services.
- The Procure business which provides diversified services to insurers and insurance broking clients was moved to the Austbrokers division effective 1 July 2019. The remaining businesses comprise Health & Rehabilitation Services.
- On 1 April 2020, AUB Group sold its entire ownership interest in the Allied Health business.

Underlying EBIT Margin^{1,3} (%)



Strong Balance Sheet and Capital Position

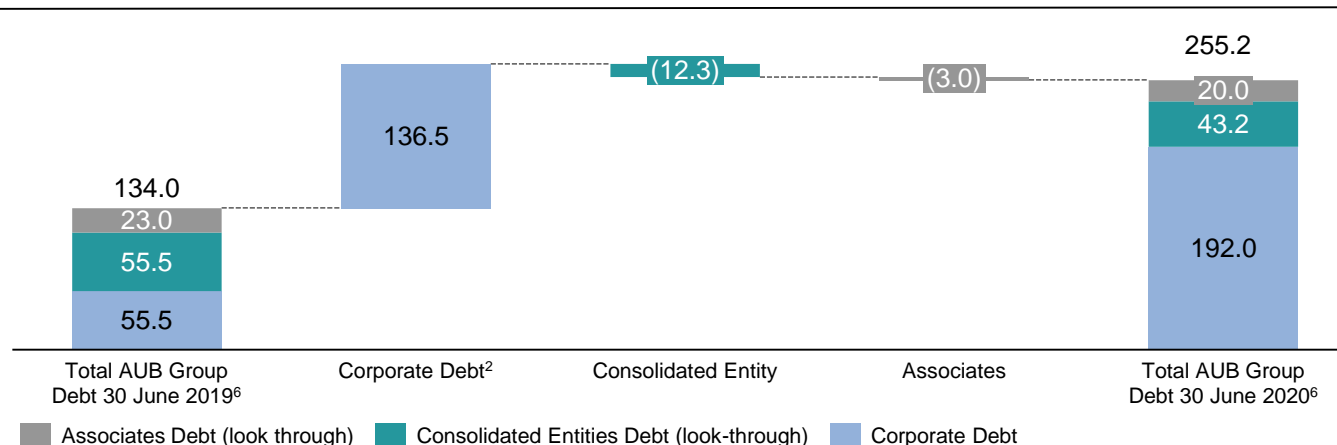
Consolidated Balance Sheet Overview (\$mns)	FY20	FY19	Movement
Cash – Corporate	36.1	17.2	18.9
Cash – Consolidated	84.4	70.0	14.4
Cash – Trust (Consolidated)	158.8	150.0	8.8
Interest-bearing loans and borrowings – Corporate	192.0	55.5	136.5
Interest-bearing loans and borrowings – Consolidated	231.8	104.5	127.3
Investment in Associates	271.0	127.5	143.5
Intangible assets and goodwill	385.5	401.1	-15.6
Total Assets	1,022.0	856.0	166.0
Total Liabilities	530.0	372.5	157.5
Total Equity	492.0	483.4	8.6



AUB Group Debt

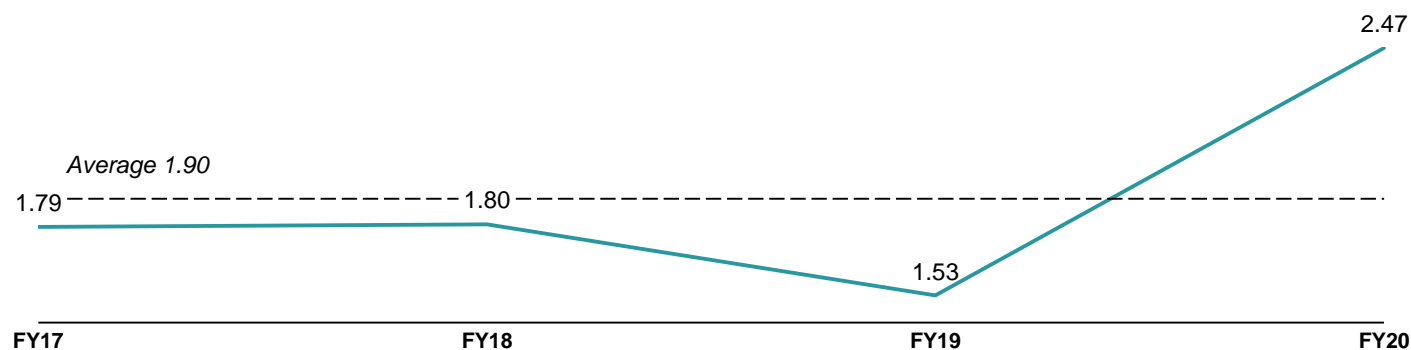


Total AUB Group Debt on a look-through basis¹ (\$mns)



34.2%
FY20 AUB Group Gearing
Ratio⁴
(FY19 21.7%)

AUB Group Leverage Ratio³



12.4:1
FY20 AUB Group Interest
Cover Ratio⁵
(FY19 10.5:1)

1. Look through basis = 100% consolidated debt + AUB share of Associates debt

2. Corporate debt includes borrowings, repayments and translation differences

3. Leverage ratio = Debt / (EBITDA at Group + EBITDA of Associates AUB Group's share). Debt includes share of associates. Leverage ratio maximum 3.0:1.

4. Gearing ratio = Debt / (Debt + Equity). Includes AUB Group's percentage share of associates total debt. Gearing ratio maximum 45%.

5. Interest Cover ratio = (Look through debt / debt + equity) / (Group interest expense plus share of associates interest expense). Debt includes share of associates. Interest Cover ratio minimum 4.0:1.

6. Includes contingent considerations payables as shown on Note 15 of the Financial Statements

AASB16 Leases – FY20 Impact of Underlying NPAT

The new lease standard (AASB16) has become effective for the Group commencing 1 July 2019.

All leases are now recognised on the balance sheet at inception of the lease, with the exception of short-term leases and leases of low-value assets.

The lessee must recognise a right-of-use asset and a corresponding lease liability totalling the present value of the remaining lease payments.

Interest expense and a straight-lined amortisation expense have replaced rental expense from leases in scope of AASB16.

Over the life of any lease, the total expense to the income statement is the **same** as the total cash rental paid pre and post AASB16.

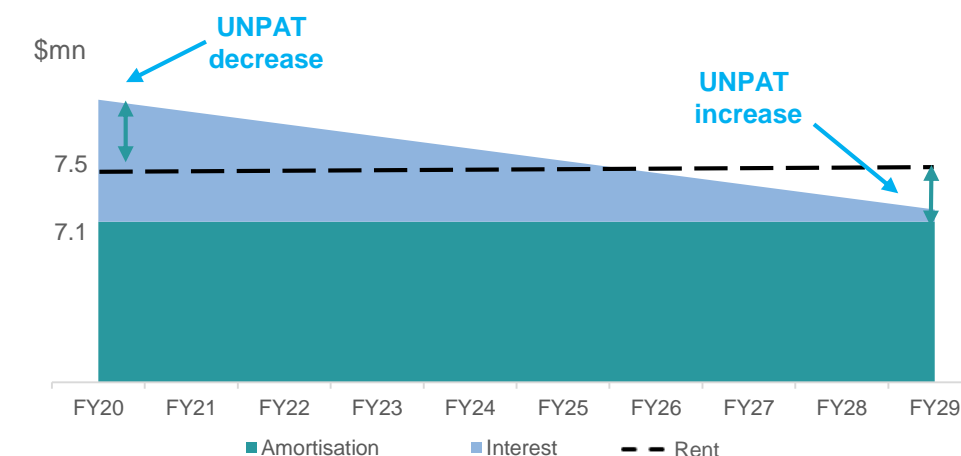
AASB16 decreases UNPAT (relative to pre AASB16) towards the beginning of the lease and increases UNPAT towards the end of the lease. The longer the lease period the greater the impact.

EBITDA increases as the rental expense is removed.

EBIT increases as the rental expense is removed and only partially offset by increased amortisation.

FY20 Impact:

	OLD	NEW	NEW	NEW
	Rent	Interest	Amortisation	Impact
\$mn After tax impact				
Consolidated entities ¹	5.7	1.3	5.2	0.8
Share of associates	2.1	0.3	2.1	0.3
	7.8	1.6	7.3	1.1



A1.0 Reconciliation of Reporting NPAT to Underlying NPAT¹



	FY20 (\$000)	FY19 (\$000)	Movement (%)
Net Profit after tax attributable to equity holders of the parent	47,254	48,361	(2.3%)
Add back non controlling interest as per financial statements	8,846	811	
Add back tax expense as per financial statements	11,299	12,958	
Profit before income tax	67,399	62,130	8.5%
Add back/(less):			
Add back associate share of taxes	9,926	8,562	
Amortisation of broking registers ⁹	11,132	8,937	
Interest Unwind on put option liability ⁶	353	696	
Adjustments to carrying value of associates, estimates for contingent consideration and movements in put option liability ^{2,3,8}	(1,790)	(5,424)	
Profit/(loss) from sale/dilution of interests in controlled entities, associates and insurance portfolios ^{4,7}	2,739	(1,155)	
Impairment of the Right of Use Asset and Onerous Lease Expense	2,550	-	
Group share of associate profit on sale of from sale/dilution of interests in controlled entities, associates and insurance portfolios ⁴	(1,228)	-	
Legal, due diligence and facility costs	1,709	-	
Canberra remediation ⁵	-	3,189	
Non-Controlling Interests	(16,176)	(10,099)	
Underlying Net Profit Before Tax	76,614	66,836	14.6%
Tax impact on underlying revenues and expenses excluding non controlling interests	(23,199)	(20,457)	
Underlying Net Profit After Tax	53,415	46,379	15.2%

1. The financial information in this table has been derived from the audited financial statements. The Underlying NPAT is non-IFRS financial information and as such has not been audited in accordance with Australian Accounting Standards.

2. The Group's acquisition policy is to defer a component of the purchase price, which is determined by future financial results. An estimate of the contingent consideration is made at the time of acquisition and is reviewed and varied at balance date if estimates change, or payments are made. This adjustment can be a loss (if increased) or a profit (if reduced). Where an estimate or payment is reduced, an offsetting adjustment (impairment) may be made to the carrying value.

3. Where the carrying value of a controlled entity exceeds the fair value an impairment expense is recognised during the period.

4. Gain/loss on deconsolidation are excluded from Underlying NPAT. Such adjustments will only occur in future if further sales of this type are made.

5. The costs associated with the misconduct by the former Managing Director of Austbrokers Canberra incurred from 1 January 2019 to 30 June 2019 have been excluded from Underlying NPAT.

6. Interest expense on movement in value of the put option liability

7. Insurance broking portfolios may be sold from time to time and any gains/loss from sale are excluded from Underlying NPAT.

8. The adjustments to carrying values of associates or controlled entities arise where the Group increases its equity in associates whereupon they became controlled entities or decreases its equity in a controlled entity and it becomes an associate (deconsolidated). As required by accounting standards the carrying values for the existing investments have been adjusted to fair value and the increase included in net profit. Such adjustments will only occur in future if further acquisitions or sales of this type are made.

9. Amortisation expense is a non-cash item.

A2.1 Management Presentation of Results^{1,2}



	FY20 (\$'000)	FY19 (\$'000)	Movement (\$'000)	Movement (%)
Australian Broking revenue	409,091	378,339	30,752	8.1%
Australian Broking expenses	(289,488)	(272,823)	(16,665)	6.1%
EBIT - Australian Broking	119,603	105,516	14,087	13.4%
New Zealand revenue	58,537	50,642	7,895	15.6%
New Zealand expenses	(39,429)	(33,611)	(5,818)	17.3%
EBIT - New Zealand	19,108	17,031	2,077	12.2%
Australian Agencies revenue	59,322	61,419	(2,097)	(3.4%)
Australian Agencies expenses	(40,367)	(40,682)	315	(0.8%)
EBIT - Australian Agencies	18,955	20,737	(1,782)	(8.6%)
Health & Rehabilitation revenue	51,418	51,183	235	0.5%
Health & Rehabilitation expenses	(44,142)	(48,878)	4,736	(9.7%)
EBIT - Health & Rehabilitation	7,276	2,305	4,971	215.7%
Total revenue - operating entities	578,368	541,583	36,785	6.8%
Total expenses - operating entities	(413,426)	(395,994)	(17,432)	4.4%
EBIT - operating entities	164,942	145,589	19,353	13.3%
Corporate revenue	4,487	4,545	(58)	(1.3%)
Corporate expenses	(16,004)	(13,837)	(2,167)	15.7%
EBIT - Corporate	(11,517)	(9,292)	(2,225)	23.9%
Total - Group revenue	582,855	546,128	36,727	6.7%
Total - Group expenses	(429,430)	(409,831)	(19,599)	4.8%
Total - EBIT before NCI	153,425	136,297	17,128	12.6%
Interest expense - Operating entities	(9,224)	(9,672)	448	(4.6%)
Interest expense - Corporate	(3,886)	(3,732)	(154)	4.1%
Total - Interest expense³	(13,110)	(13,404)	294	(2.2%)
Profit before NCI	140,315	122,893	17,422	14.2%
Non - Controlling Interest (NCI)	(63,701)	(56,057)	(7,644)	13.6%
Underlying Net profit before tax	76,614	66,836	9,778	14.6%
Income tax expense	(23,199)	(20,457)	(2,742)	13.4%
Underlying NPAT	53,415	46,379	7,036	15.2%

1. The financials in this table show a management view of the underlying performance of all investments, regardless of ownership level. Revenue and expenses includes all revenue and expenses of the underlying businesses, before considering non-controlling interests. This information is used by management and the board to review business performance.
2. The Risk Services division has been restructured with Procure moving to Australian Broking and the remaining businesses servicing the servicing the Health & Rehabilitation market. The cost of AUB Corporate staff overseeing Australian Broking and Health & Rehabilitation was previously captured in Corporate Expenses. These costs have been reclassified to the respective divisions. Comparative information has been restated to conform with the presentation in the current period. Refer to Appendix – A5.0.
3. Includes interest unwind on adoption of AASB16 Lease liabilities.

A2.2 Management Presentation of Results^{1,2}



	FY20 (\$'000)	FY19 (\$'000)	Movement (\$'000)	Movement (%)
Australian Broking revenue	409,091	378,339	30,752	8.1%
Australian Broking expenses	(293,684)	(277,427)	(16,257)	5.9%
Net profit - Australian Broking	115,407	100,912	14,495	14.4%
Profit attributable to other equity interests	(53,260)	(46,694)	(6,566)	14.1%
Australian Broking net profit	62,147	54,218	7,929	14.6%
New Zealand revenue	58,537	50,642	7,895	15.6%
New Zealand expenses	(42,496)	(36,631)	(5,865)	16.0%
Net profit - New Zealand	16,041	14,011	2,030	14.5%
Profit attributable to other equity interests	(3,956)	(4,852)	896	(18.5%)
New Zealand net profit	12,085	9,159	2,926	31.9%
Australian Agencies revenue	59,322	61,419	(2,097)	(3.4%)
Australian Agencies expenses	(42,232)	(42,562)	330	(0.8%)
Net profit - Agencies	17,090	18,857	(1,767)	(9.4%)
Profit attributable to other equity interests	(3,460)	(3,339)	(121)	3.6%
Australian Agencies net profit	13,630	15,518	(1,888)	(12.2%)
Health & Rehabilitation revenue	51,418	51,183	235	0.5%
Health & Rehabilitation expenses	(44,238)	(49,046)	4,808	(9.8%)
Net profit - Health & Rehabilitation	7,180	2,137	5,043	236.0%
Profit attributable to other equity interests	(3,025)	(1,171)	(1,854)	158.2%
Health & Rehabilitation net profit	4,155	966	3,189	330.3%
Net profit before corporate income / expenses	92,017	79,860	12,157	15.2%
Corporate expenses	(15,843)	(13,154)	(2,689)	20.4%
Acquisition expenses	(161)	(683)	522	(76.4%)
Corporate finance costs	(3,886)	(3,732)	(154)	4.1%
Corporate income	4,487	4,545	(58)	(1.3%)
Net corporate result	(15,403)	(13,024)	(2,379)	18.3%
Net profit before tax	76,614	66,836	9,778	14.6%
Income tax expense	(23,199)	(20,457)	(2,742)	13.4%
Underlying NPAT	53,415	46,379	7,036	15.2%

A3.0 Consolidated Cash flow Statement

	FY20 (\$'000)	FY19 (\$'000)
Cash flows from operations	79,190	54,271
Cash flows from investing activities		
Acquisition	(151,971)	(33,022)
Net Sales proceeds (net of cash reduced on deconsolidation)	(2,147)	4,773
Plant equipment / Other	2,021	(4,633)
Payments for deferred settlements	(5,398)	(3,935)
	(157,495)	(36,817)
Cash flows from financing activities		
Dividends	(28,975)	(40,323)
Proceeds from share capital & DRP	-	113,197
Net borrowings	127,941	(44,592)
Repayment of lease liabilities	(9,168)	-
	89,798	28,282
Net increase in broker trust account cash	12,114	15,257
Net increase/(decrease) in cash	23,607	60,993
Cash and cash equivalents at beginning of the period	219,997	158,657
Impact as a result of foreign exchange	(454)	347
Total cash	243,151	219,997

A4.0 Reconciliation of Operating Segments

	30 June 2020					30 June 2019				
	Australian Broking ³ (\$'000)	Australian Agencies (\$'000)	New Zealand (\$'000)	Support Services (\$'000)	Total (\$'000)	Australian Broking ³ (\$'000)	Australian Agencies (\$'000)	New Zealand (\$'000)	Support Services (\$'000)	Total (\$'000)
Segment Financial Performance										
Inter-segment revenue ¹	2,160	-	-	6,969	9,129	1,691	-	-	7,464	9,155
Revenue from external customers	160,599	46,960	46,623	51,602	305,784	147,470	48,761	30,947	52,633	279,811
Total revenue and other income	162,759	46,960	46,623	58,571	314,913	149,161	48,761	30,947	60,097	288,966
Share of Net Underlying Profits of Associates accounted for using the equity method before amortisation on broking registers and income tax expense	35,976	2,223	1,442	-	39,641	31,782	2,054	2,374	-	36,210
Total income	198,735	49,183	48,065	58,571	354,554	180,943	50,815	33,321	60,097	325,176
Less: Expenses										
Total underlying cost to provide services and administrative expenses ²	(118,130)	(32,729)	(32,025)	(63,045)	(245,929)	(113,934)	(32,875)	(18,851)	(67,526)	(233,186)
Inter-segment expenses ¹	(4,630)	(2,352)	(2,147)	-	(9,129)	(4,211)	(2,327)	(2,617)	-	(9,155)
Interest paid and other borrowing costs	(1,372)	-	(750)	(4,584)	(6,706)	(1,485)	(74)	(516)	(3,825)	(5,900)
Non controlling interest	(12,456)	(472)	(1,058)	(2,190)	(16,176)	(7,095)	(21)	(2,178)	(805)	(10,099)
Underlying Profit Before Tax	62,147	13,630	12,085	(11,248)	76,614	54,218	15,518	9,159	(12,059)	66,836

A5.0 Realignment of Corporate Expenses and Risk Services restructure

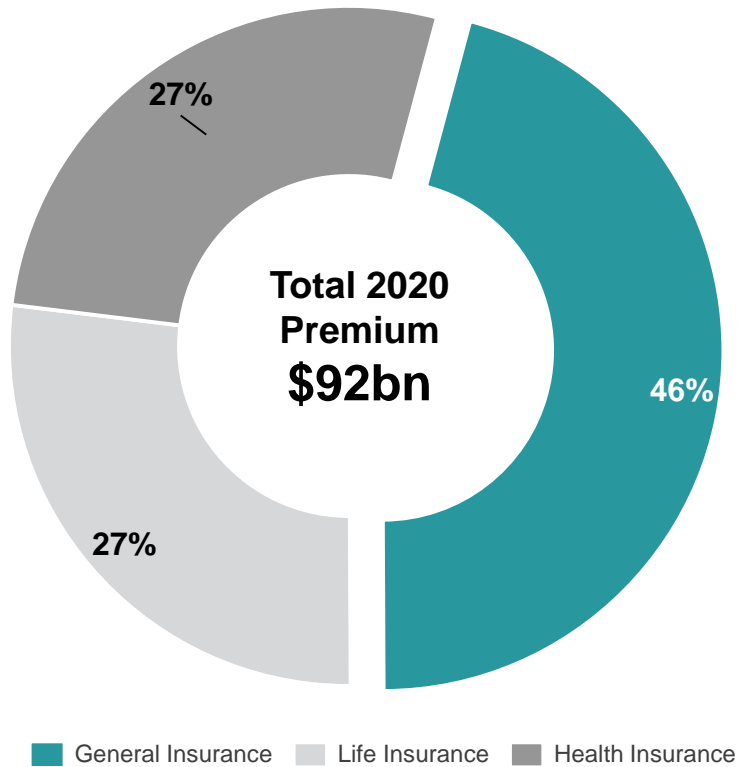
Post-alignment NPBT attributable to equity holders of parent entity	FY19 (\$000)	FY18 (\$000)	FY17 (\$000)	FY16 (\$000)
Australian Broking	55,411	53,458	49,166	47,955
Risk Services	3,252	7,753	7,520	7,158
Corporate Expenses re-alignment for Operating entities and Risk Services Restructure ²	FY19 (\$000)	FY18 (\$000)	FY17 (\$000)	FY16 (\$000)
Australian Broking	(1,193)	(1,022)	(2,394)	(619)
Health and Rehabilitation	(2,287)	(2,278)	(1,068)	(2,433)
Post-alignment NPBT attributable to equity holders of parent entity	FY19 (\$000)	FY18 (\$000)	FY17 (\$000)	FY16 (\$000)
Australian Broking	54,218	52,436	46,773	47,336
Health and Rehabilitation	966	5,475	6,453	4,725



FY20 Appendices B. FY20 Portfolio Overview

Market Sizing and AUB Group Share

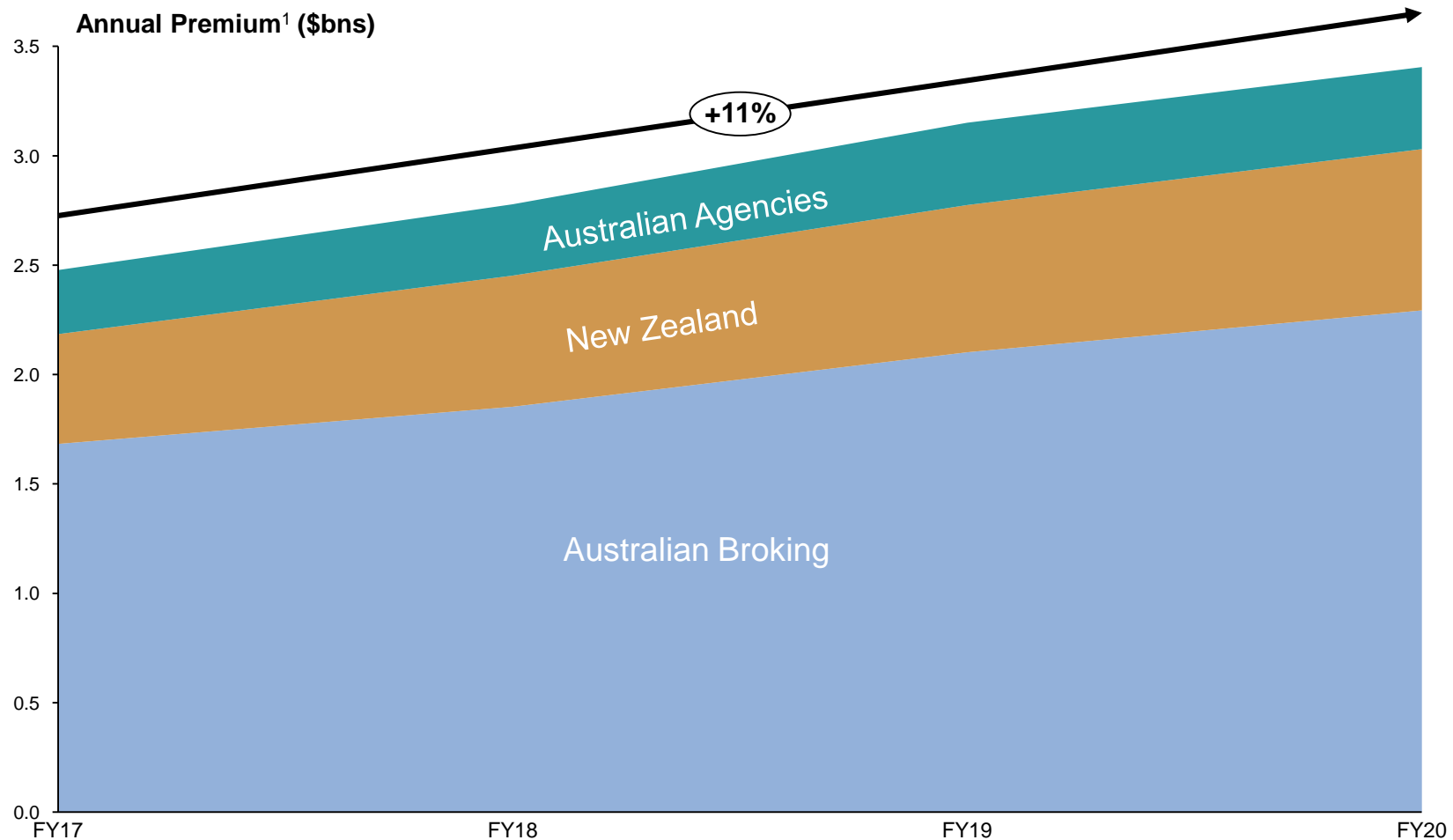
Australian Insurance Market



~11%
AUB Share of the
Intermediated GI Market

~22%
AUB Share of the GI SME
Segment

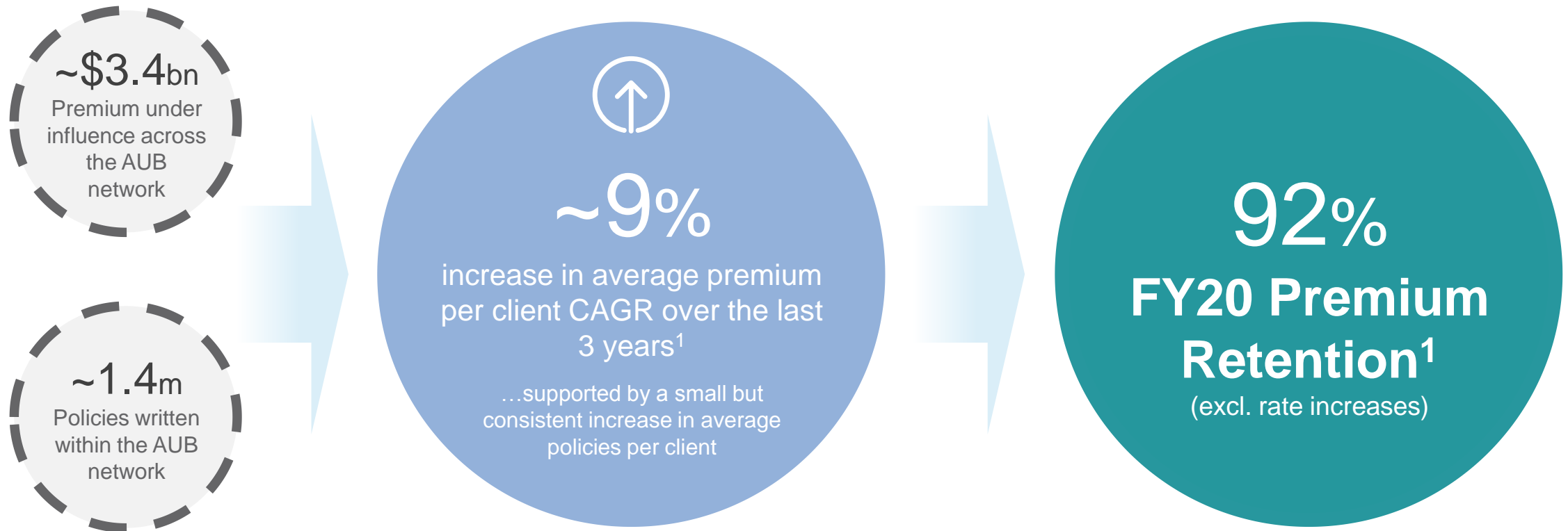
Insurance Portfolio – Premium and Size



~\$3.4bn
Premium under
influence across
the AUB
network

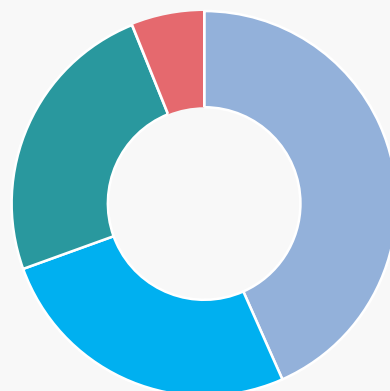
~1.4mn
Policies written
within the AUB
network

Stable and Predictable Operational Drivers



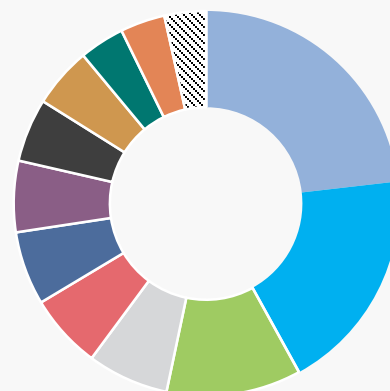
Diversified Australian Broking Portfolio Mix¹

Client Segment Mix



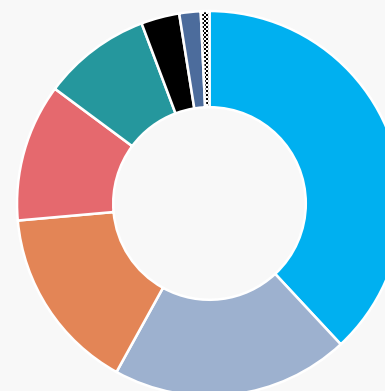
- Corporate 26%
 - Medium Enterprise 25%
 - Small Enterprise 43%
 - Personal 6%
- Retail = Retail / Personal Lines clients
 ○ Small Enterprise = Client account size <50k
 ○ Medium Enterprise = Client account size 50k-250k
 ○ Corporate = Client account size 250k+

Product Line Mix



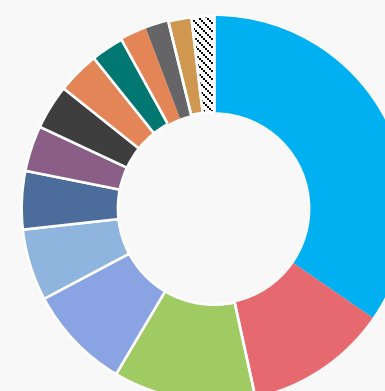
- Business 19%
- Liability 11%
- ISR 7%
- Motor - Commercial 6%
- Workers Comp 6%
- PI 6%
- Householders 5%
- Motor - Fleet 5%
- Property 4%
- Farm 4%
- Commercial Insurance 4%
- Other 23%

Geography Mix



- NSW 38%
- VIC 20%
- QLD 15%
- WA 12%
- SA 9%
- ACT 3%
- NT 2%
- TAS 1%

Insurer Mix



- Allianz 12%
- QBE 12%
- CGU 8%
- Chubb 6%
- VERO 5%
- Millenium 4%
- Zurich 4%
- National Transport Insurance 3%
- SURA 3%
- AIG 2%
- 360 2%
- Global Transport & Automotive Insurance 2%
- SwissRe 2%
- Other 35%

~11%

AUB Share of the Intermediated GI Market

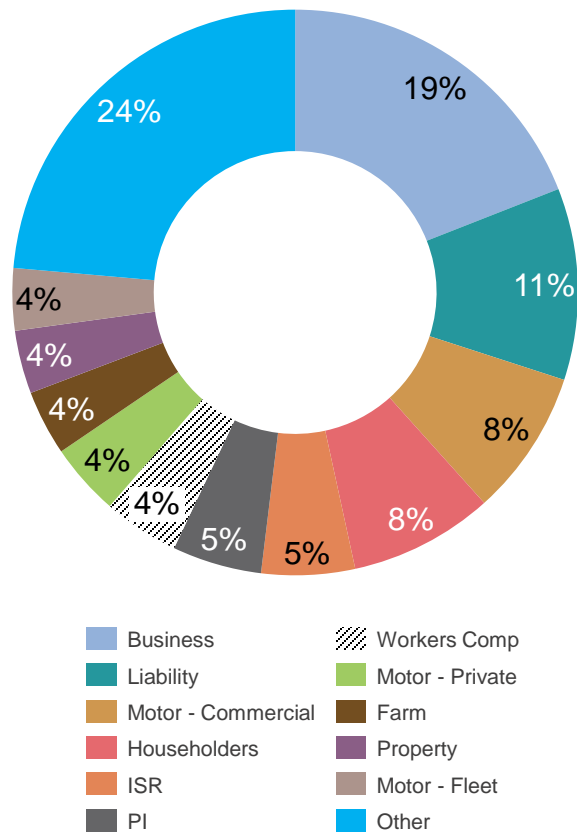
~22%

AUB Share of the GI SME Segment

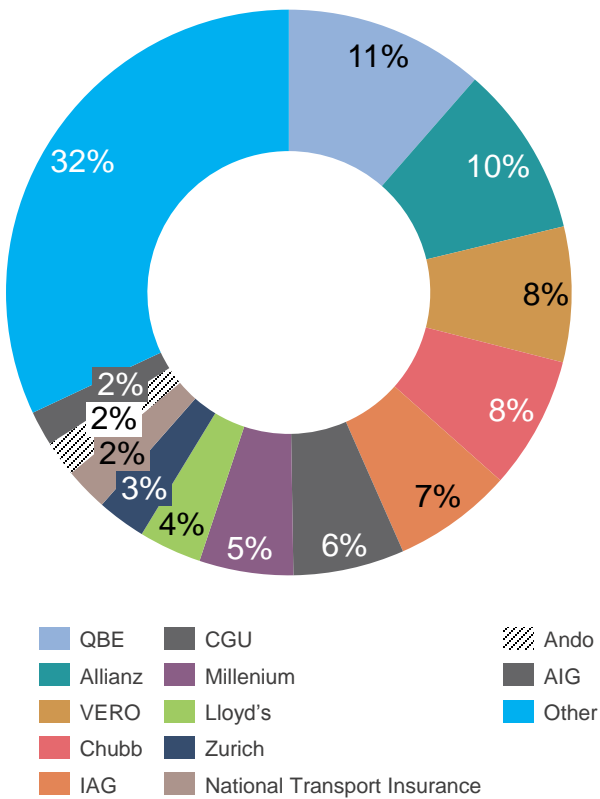
Group Insurance Portfolio Mix: Product and Insurer



Portfolio Mix – Premium by Product / Risk Line



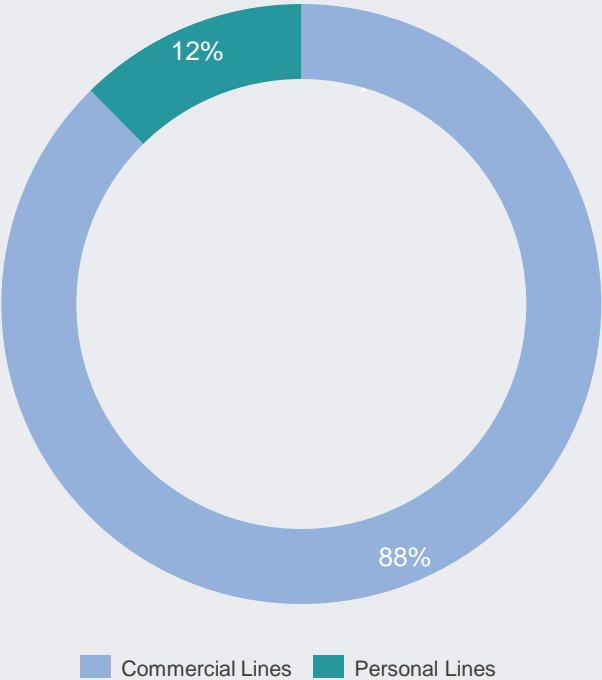
Portfolio Mix – Premium by Insurer



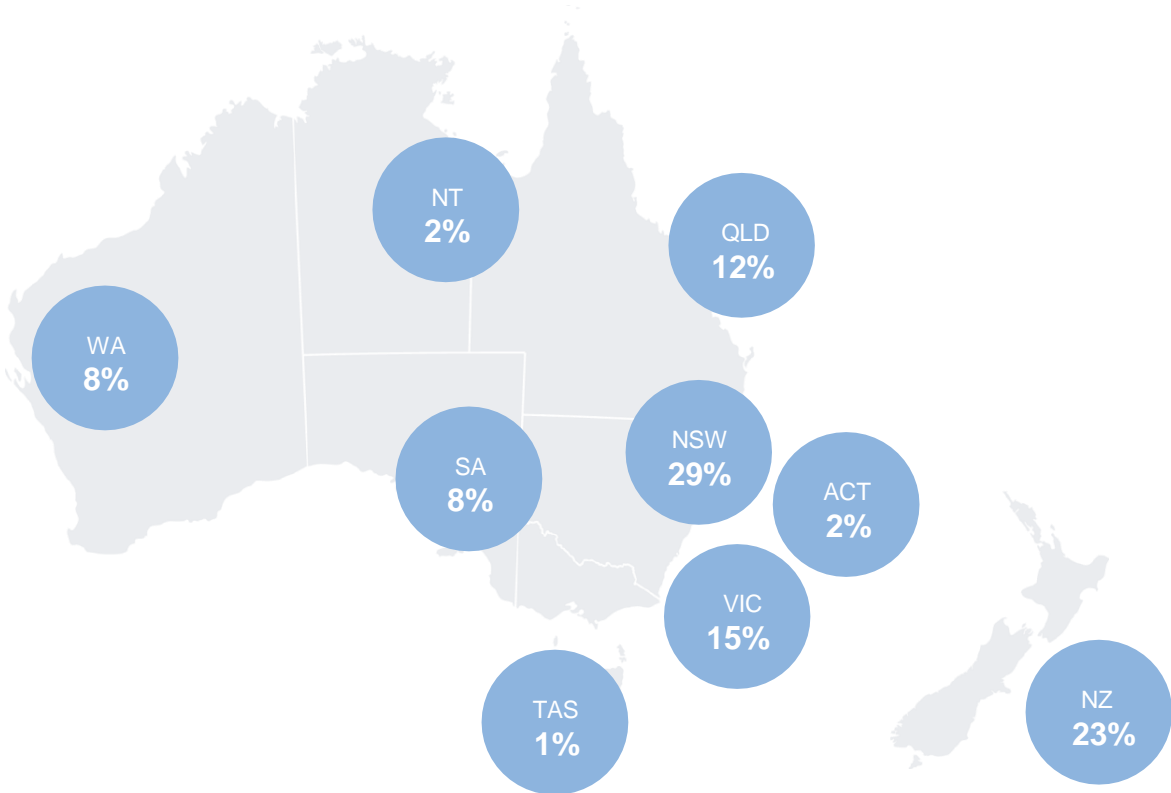
Portfolio mix is based on available data from key Australian Broking, New Zealand and Australian Agencies businesses as at 30 June 2020

Insurance Portfolio Mix: Category and Geography

Portfolio Mix – by Category (%)



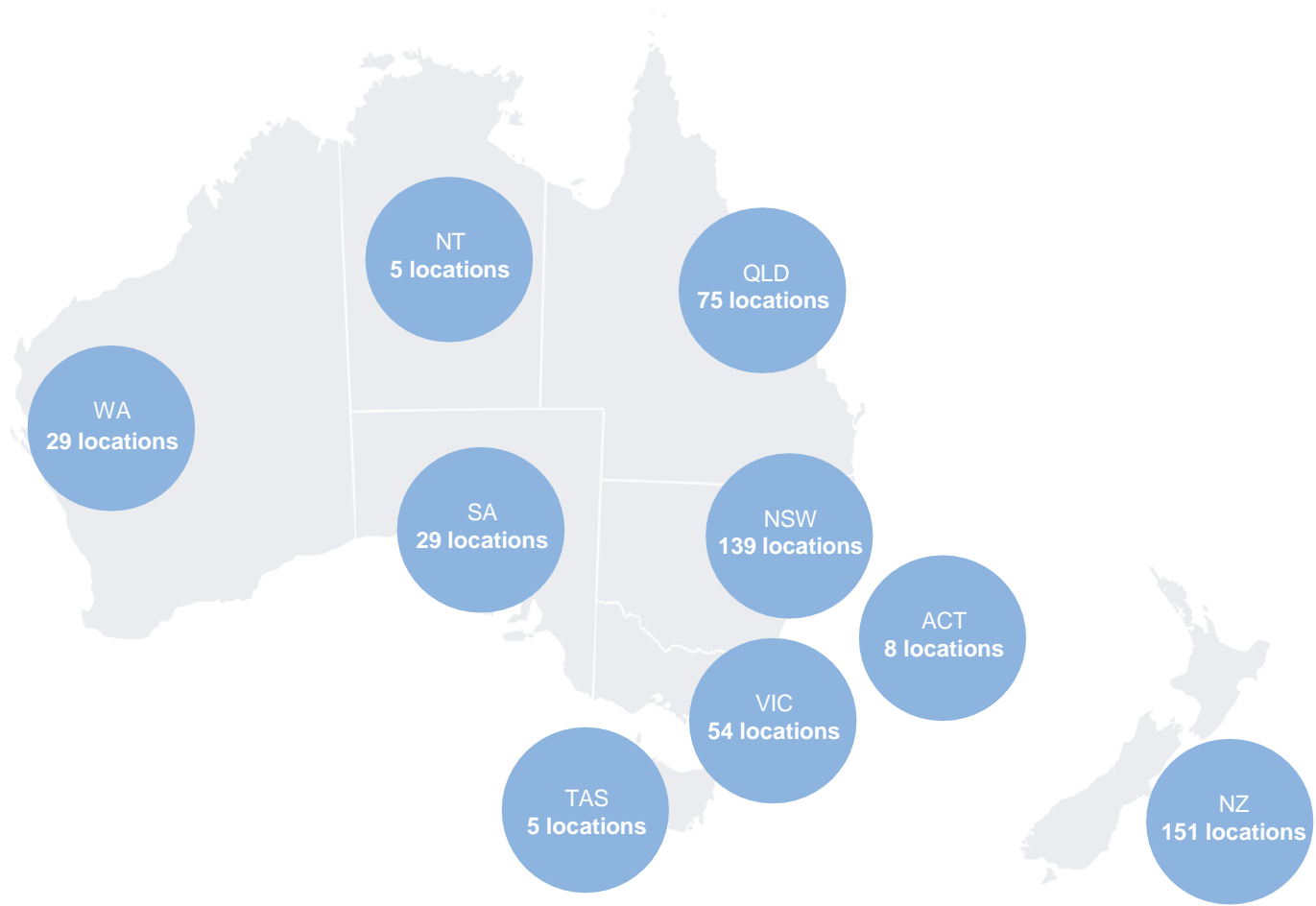
Portfolio Mix – by Geography (%)



Insurance Operations: Reach and Scale

>450
locations

>3,000
staff



~11%
AUB Share of the
Intermediated GI
Market (AU)

~22%
AUB Share of the GI
SME Segment (AU)



FY20 Appendices C. AUB Group Business Overview



AUB Group – An Overview



AUSTRALIAN BROKING

- 64 broking partner businesses.
- Established complementary capabilities in Life Insurance Broking, Premium Funding, Claims Management, Legal Services, Loss Adjustment, and Investigations.

NEW ZEALAND

- 9 partner businesses including 7 major broker partners, an underwriting agency, and the largest broking management group in NZ, with presence in 151 locations.

AUSTRALIAN AGENCIES

- Design, distribute and manage specific niche insurance products and portfolios via 18 agencies on behalf of locally licensed insurers and Lloyd's.

GROUP SERVICES

- Delivering to our partners' product, capacity, technology and claims needs through AMS.
- Provision of partner services through AMS Finance and Accounting.

HEALTH AND REHABILITATION

- Adjacent market equity investments in businesses with capabilities in health and rehabilitation services.

\$3.4B+ GWP

INSURANCE BROKING OF \$3.0B VIA EQUITY
AND NETWORK PARTNERS | SPECIALIST
AGENCIES \$375M

17

STRATEGIC INSURANCE
PARTNERSHIPS

~700K

CLIENTS

~1.4MN

POLICIES

>450

LOCATIONS

94

BUSINESSES

34YRS

OF ACTIVE PARTNERSHIP
EXPERIENCE

>3,000

STAFF



LARGEST EQUITY BASED
BROKING GROUP IN
AUSTRALASIA

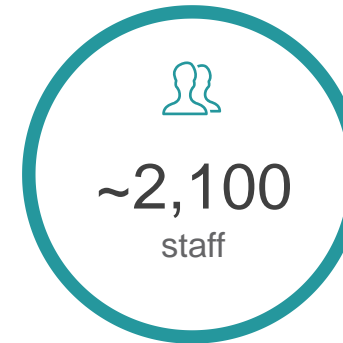
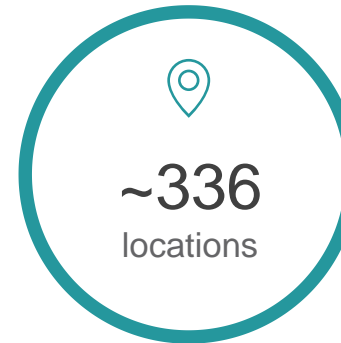
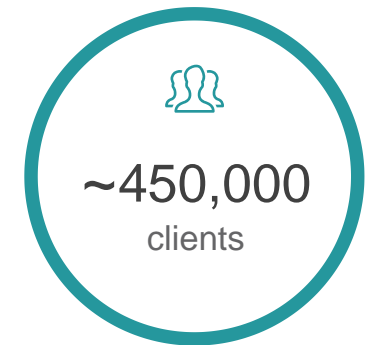
Helping our clients to safeguard a stronger, protected future...

As at June 2020

Divisional Overview: Australian Broking



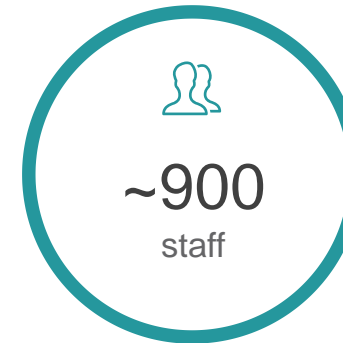
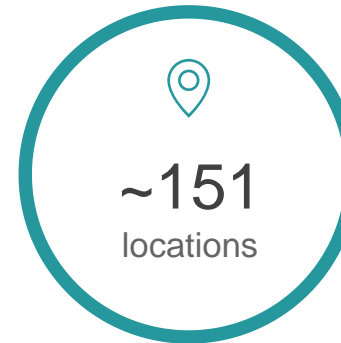
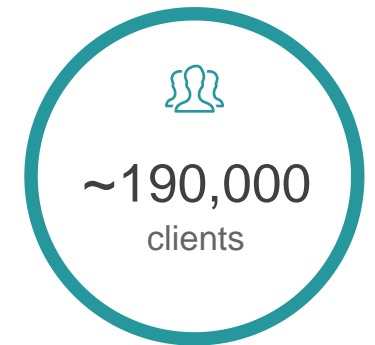
- Our Australian broking business encompasses some of Australia's largest and most reputable brokerage business, with specialist expertise, market penetration and quality client portfolios.
- The portfolio consists of ~ 2,100 staff with capabilities across a broad spectrum of insurance and risk management services.
- Our business model is driven by a partnership mindset, and we work to build and expand on partnership that will drive sustainable growth and profitability for the benefit of the Group and our broker network.
- The division encompasses 64 'brands' in the market and generates over \$2.3bn in premium across the network.
- With more than 30 years in the industry and a national footprint, Australian Broking is uniquely placed to provide clients with market leading insurance broking and risk management services.



Divisional Overview: New Zealand



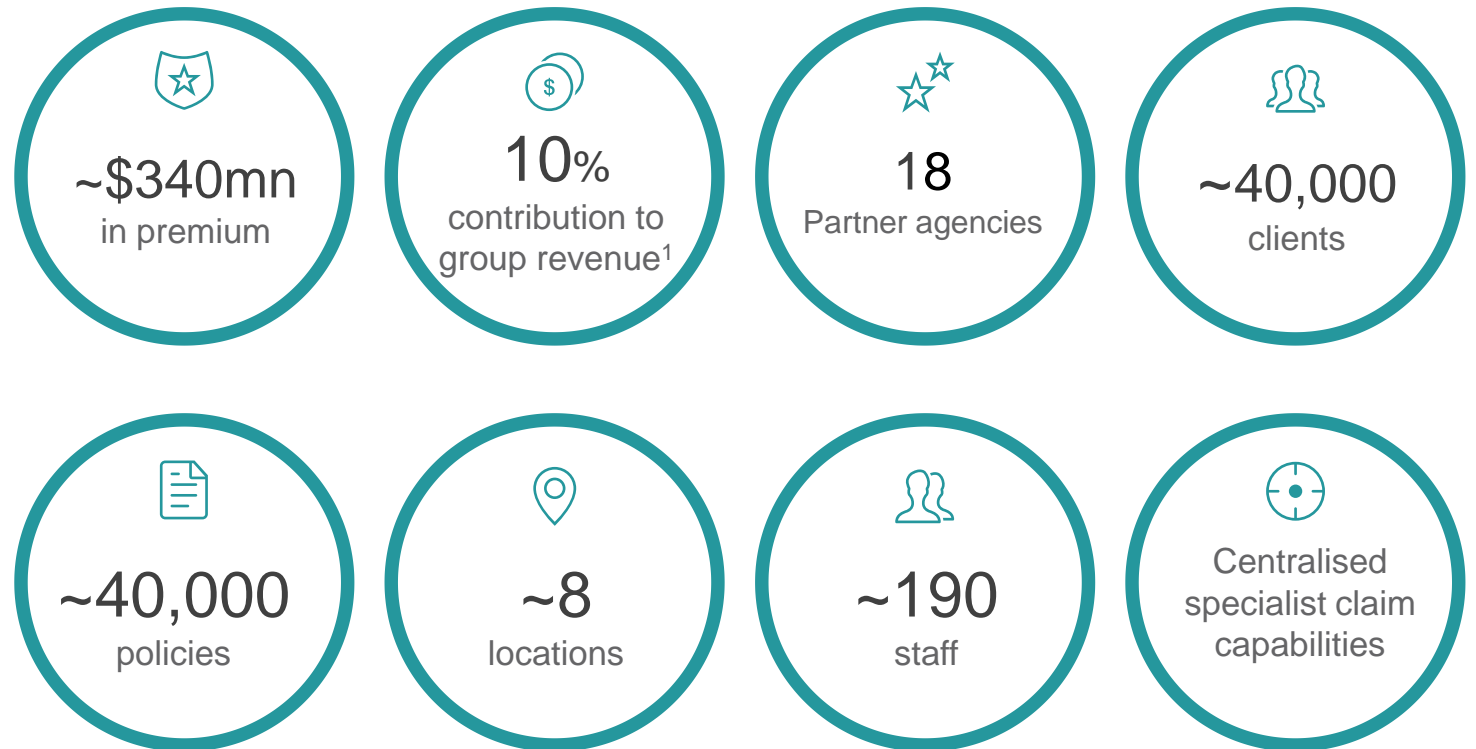
- AUB Group New Zealand has grown significantly since commencement in 2015, providing a key source of growth opportunities for the Group.
- AUB Group New Zealand, selectively invests in high-performing broking and underwriting agency businesses and also owns NZbrokers Management, serving a network of independent brokers consolidating to achieve scale.
- AUB Group's holdings include:
 - 7 Broking companies including Insurance Advisernet NZ
 - The NZbrokers network
 - An underwriting agency
- NZbrokers is New Zealand's largest insurance broking collective, representing over 88 independent businesses across the country. Each member leverages the strength and capability of our national group, while retaining their successful formula of local knowledge and long-standing relationships.



Divisional Overview: Australian Agencies



- Our Australian Agencies division comprises some of Australia's leading specialist underwriters who distribute and manage niche insurance products on behalf of domestic and internationally licensed insurers, including Lloyd's.
- The business includes 18 partner agencies, driving ~\$340mn in premium, ~40,000 policies to ~40,000 clients.
- The business consists of organically developed industry-led capabilities under the SURA brand as well as reputable and established businesses including Millennium, Longitude, Fleetsure, AustRe and Tasman Underwriting.
- Our agency partner underwriters are experts in their chosen domain and hence are able to build, tailor and supply purpose-built insurance cover that caters to the specific and bespoke needs of our broad client-base.
- The business also include relevant support services, particularly in claims, to provide an unparalleled end-to-end client service.

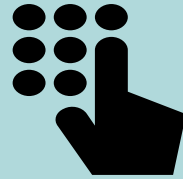


Austbrokers Member Services

Deliver market-leading products, services and business support to AUB Group's partner brokers



**Insurance
Placements**



**Technology
Services**



**Claims and Loss
Adjusting**



**Business
Services**



**Education,
Training &
Advocacy**

Australian Agencies – Portfolio Overview

SURA

Plant & Equipment

Specialty

Construction

Film and Entertainment

Australian Bus and Coach

Marine

Professional Risks

Motor Dealers

Engineering

Labour Hire

Hospitality

Strata

Expert Strata



Farm and residential strata



SME commercial motor vehicle fleet

longitude^o
INSURANCE

Residential, Commercial and Mixed-
Use Strata

AUSTRE
BROKERS

Schemes, facilities and single one-
off risks

tasman
underwriting

Professional indemnity

Our Board of Directors



David Clarke

Non-Executive Chairman, Chair of the Nomination



- 40 years experience in investment banking, funds management, property and retail banking
- Chairman of Charter Hall Group, Resolution Life Australia and Fisher Funds Management Limited
- Former CEO of Investec Bank, Allco Finance Group and MLC Limited
- Former director of AMP Limited and Westpac's Wealth Management Business, BT Financial Group

Robin Low

Non-Executive Director, Chair of the Audit & Risk Management Committee



- Former PwC partner with over 30 years experience in financial services
- Director of Appen, IPH, Marley Spoon, The Australian Reinsurance Pool Corporation, Gordian Runoff, Guide Dogs NSW/ACT, Public Education Foundation and Primary Ethics
- Former Deputy Chair of the Auditing and Assurance Standards Board
- Former director of CSG Limited

Cath Rogers

Non-Executive Director



- Previously held senior roles in leading investment and financial services organisations in Sydney and overseas including AirTree Ventures, Anchorage Capital Partners, Masdar Capital and Credit Suisse
- Director of Digital Wallet (Beem It)
- Director and co-founder of Digital Receipt Exchange Limited
- Former Director of McGrath Limited and Heart Research Institute

Mike Emmett

CEO & Managing Director



- Previously held senior roles in Australia as Group CEO for Cover-More, previously an ASX-listed global travel insurer and now part of the Zurich Group, at QBE as Group Executive, Operations and at EY leading the Financial Services Advisory business.
- International roles include leading Insurance and Banking consulting teams at IBM, Accenture and PwC in London and South Africa
- Mike is also currently a Non-Executive Director of 1stGroup (ASX:1ST) and the Gold Coast Suns FC

Ray Carless

Non-Executive Director



- Over 40 years' experience in the insurance industry experience based in Australia, but with management responsibilities throughout the Pacific rim
- Former Managing Director of reinsurance brokers Benfield Greig in Australia, involved in the Australian insurance industry

Paul Lahiff

Non-Executive Director, Remuneration & People Committee



- Former Managing Director of Mortgage Choice, Executive Director of Heritage Bank and Permanent Trustee and held senior roles in Westpac in Sydney and London.
- Director of NESS Super, Sezzle Ltd, 86400 Holdings
- Member of the Enterprise Ireland Business Advisory Panel

SUMMARY INFORMATION

This document has been prepared by AUB Group Limited (ABN 60 000 000 715) (AUB). It is a presentation of general background information about AUB's activities current at the date of the presentation. It is information in a summary form and does not purport to be complete. It is to be read in conjunction with AUB's other announcements released to ASX (available at www.asx.com.au). It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with professional advice, when deciding if an investment is appropriate.

TERMINOLOGY

This presentation uses Underlying NPAT to present a clear view of the underlying profit from operations. Underlying NPAT comprises consolidated profit after tax adjusted for value adjustments for the carrying value of associates, after tax profits on the sale of portfolios, interests in associates and controlled entities, contingent consideration adjustments, and income tax credits arising from the recognition of deferred tax assets. It is used consistently and without bias year on year for comparability. A reconciliation to statutory profit is provided in the appendix to this Presentation.

FORWARD LOOKING STATEMENTS

This document contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention has been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of AUB, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that the actual outcomes will not differ materially from these statements. Neither AUB nor any other person gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Except as required by applicable law or the ASX Listing Rules, AUB disclaims any obligation or undertaking to publicly update any forward looking statements, whether as a result of new information or future events.

Statements about past performance are not necessarily indicative of future performance.

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