

1H21 Results Investor Presentation

23 February 2021



Mike Emmett

CEO and Managing Director



Mark Shanahan

CFO



KEY MESSAGES

1

Very strong 1H21 result, underlying NPAT growth of 44.2% from 1H20

- Underlying NPAT of \$30.7mn
- Austbrokers growth initiatives delivering strongly

2

Strong progress with Execution Priorities

- Technology rollout underway
- Brokerage consolidation progressing well
- Cost reduction ahead of plan
- Experien acquisition

3

Ongoing growth in BizCover, leading Insurtech with strong unit economics

- 29% revenue and 67% profit growth since investment
- Potential Growth Drivers include expansion into new geographies, adjacent products and segments

4

Underwriting Agencies restructured, acquired 360 Underwriting to accelerate outcomes

- Underwriting agencies re-organised into 3 subdivisions
- 360 Underwriting the key lever to drive outperformance for 'General Commercial'

5

Strategic Exit from Health & Rehabilitation, sale of Altius agreed

- Strong price outcome realised including \$10m post-tax profit on disposal
- Enables improved focus on core Broking and Agency businesses

6







Upgrade to profit guidance reflecting execution of growth strategies

- Upgraded FY21 Underlying NPAT guidance of \$63.0mn - \$65.0mn (17.9% - 21.7% growth on PY)
- Previous guidance \$60.0mn - \$62.0mn

FINANCIAL HIGHLIGHTS 1H21

Underlying NPAT growth and EBIT Margin expansion underpinned by strong revenue growth


















	1H21	1H20	Movement
Underlying Revenue ¹	\$310.9mn	\$272.1mn	 14.3%
Underlying Expenses ¹	\$213.6mn	\$204.4mn	 4.5%
Underlying EBIT Margin ¹	31.3%	24.9%	 640bps
Underlying NPAT ²	\$30.7mn	\$21.3mn	 44.2%
Underlying Earnings per Share ³	41.47 cents	28.96 cents	 43.2%
Dividend per Share (interim)	16.0 cents	14.5 cents	 10.3%

1H21 FINANCIAL PERFORMANCE: DIVISIONAL

Excellent results in Australian Broking with a 740bps improvement in margins as benefits of strategic initiatives begin to be realised



*Vs. 1H20
comparative period*

	AUSTRALIAN BROKING ²	NEW ZEALAND	AUSTRALIAN AGENCIES ⁴	HEALTH AND REHABILITATION (Strategic exit)	OPERATING BUSINESSES ³
Underlying ^{1,3} Revenue	 \$233.4mn 24.2 %	 \$27.3mn (0.5 %)	 \$29.3mn 0.5 %	 \$20.9mn (23.9 %)	 \$310.9mn 14.3 %
Underlying ^{1,3} EBIT Margin	 32.9 % 740bps	 30.0 % (40bps)	 28.7 % 90bps	 19.1 % 690bps	 31.3 % 640bps
PBT attributable to equity holders of parent company ^{1,3}	 \$39.3mn 60.1 %	 \$5.2mn 5.9 %	 \$5.3mn (4.8 %)	 \$2.8mn 58.4 %	 \$52.6mn 43.0 %

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. Includes benefits of acquisitions mainly 40% of BizCover effective 1 February 2020 and 73% of Experien effective 1 August 2020

3. Excludes AUB Group Corporate Revenue & Expenses

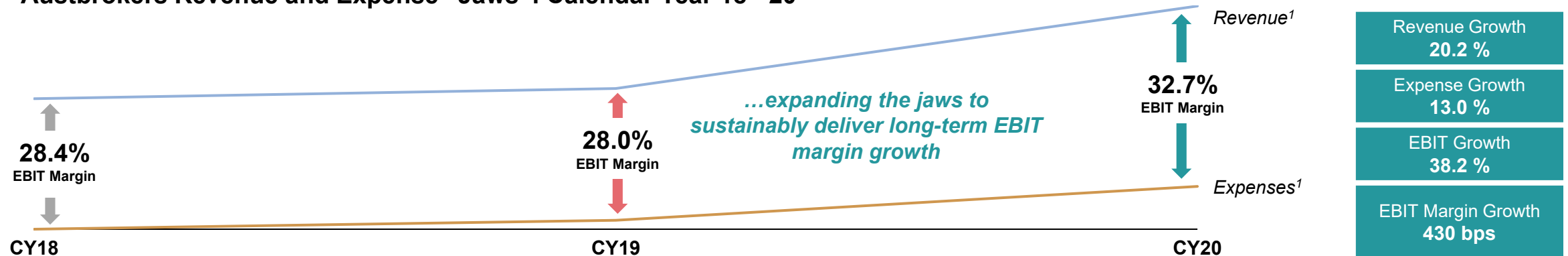
4. 360 Underwriting results are included within Australian Agencies from 1 December 2020

AUSTRALIAN BROKING: REAPING REWARDS

The performance in Australian Broking is a result of recent initiatives that will continue to drive sustainable improvement in revenue and underlying cost drivers



Austbrokers Revenue and Expense “Jaws”: Calendar Year 18 - 20

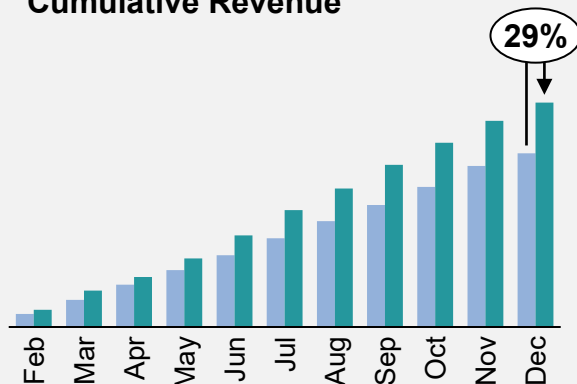


Area of Focus	Grow Revenue	Optimise Expense	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Strategic high-performing acquisitions				Acquired Bestmark	Acquired BizCover		Acquired Experien	Partnership with KPG
Improve insurance commercials						Renegotiated major insurer agreements		
Create specialty segments to drive new growth					Jan'20: Austbrokers Corporate and Austbrokers Hospitality		Sep'20: CityCover, Comsure, Bestmark Merger	
Technology						Launched ExpressCover	Sentinel roll-out and ExpressCover expansion	
Consolidate and scale underperforming portfolio					Feb'20: Central Coast to Markey		July'20: InterRISK SME to MGA	Dec'20: Austbrokers HCI to MGA
Streamline costs					Streamlined Head-office costs resulting in reduced partner recharges		Continued cost reduction	

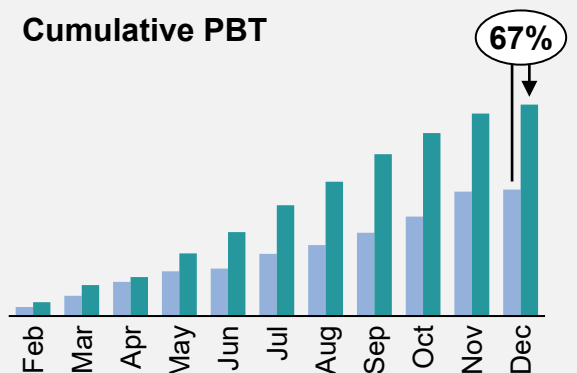
Strong growth trajectory: 29% revenue & 67% profit growth since investment with significant potential for further growth via expansion into growth markets

Since AUB Group's investment in Feb'20 (excludes JobKeeper)

Cumulative Revenue



Cumulative PBT



- 1H21 AUB PBT share \$4.3mn, less \$1.2mn Interest expense¹, net PBT share \$3.1mn
- Profit growth outpacing revenue growth due to operating leverage and scalability of the platform
- Revenue growth outpacing market benchmarks.
- Exceptional customer NPS scores

■ Prior Year 2019 ■ Current Year 2020

New Growth Opportunities



Geographic footprint

NZ is priority focus – large parallel market and significant opportunity to grow at pace



Customer segment expansion

Target SME customers in their personal capacity for personal insurance such as Householders, Motor-Private and Landlords



Product offering scope

New products that expand on existing SME commercial proposition e.g. Motor-Commercial, and new domestic offerings



Insurer partnerships

Expanding insurer suite as market penetration gains traction



Channel penetration

Continue leveraging omni-channel by expanding offering to digital e-commerce players, brokers and insurers

VISION: TO BE THE WAY SMEs INSURE THEIR BUSINESS

MISSION: TAKE THE HASSLE OUT OF BUSINESS INSURANCE

- 1** Leading full lifecycle SME insurance platform in AU and NZ – operates across entire value chain, no underwriting risk
- 2** Massive addressable market, strong growth tailwinds in the Direct SME space
- 3** Purpose-built proprietary platform, highly automated processes maximise scale and transferability across markets
- 4** Integration with leading global and domestic insurers developed over a decade of investment in: technology, underwriting redesign and user experience
- 5** Client focused design and service mindset enables brilliant customer journeys – market leading NPS scores
- 6** Underpinned by data analytics capabilities with structured insight into client purchasing, retention, claims and service experience

Lifetime
Value/Customer
Acquisition Cost

>3

Client growth²

28%

NPS Score

+71

*Over a decade of
investment to create a
highly scalable market-
leading platform and
business model*

BizCover

Channel

Multi-channel market penetration leverages market leading platform while investment in brand drives operational leverage

BizCover Direct



White-label



BizCover for Brokers



ExpressCover



Products

Multi-product offerings across all major Commercial insurance risks provide comprehensive SME insurance offerings

Business Pack <ul style="list-style-type: none"> Business Interruption Employee fraud & dishonesty Tax Audit Commercial Property 	Professional Indemnity	Public Liability	Management Liability (D&O)	Households
	Personal Accident	Cyber Liability	Motor – Private and Commercial	Landlords
Available			To-be-launched in 2021	

Insurer



Partnerships with leading global and domestic insurers deliver on shared objectives of efficiency and client satisfaction



REINVIGORATING THE AGENCIES DIVISION

Restructure will deliver growth while acquisition of 360 Underwriting will accelerate outcomes and unlock synergy benefits



Sub-division	Austagencies (Underwriting Agencies)		
	General Commercial Underwriting	Specialty	Strata
#	14 Agencies	13 Agencies	3 Agencies
GWP	~270mn	~112mn	~82mn
Focus	General insurance products operating primarily under the 360 Underwriting Solutions brand 	Specialty products, industry expertise driven operating under the SURA brand 	Provides scale to Strata portfolio products and offerings

- Restructure of Austagencies aligns capabilities to better support Austbrokers and other broking clients
- Acquisition of 360 Underwriting Solutions in December 2020 will accelerate growth:
 - 360 is an established partner of Austbrokers with ten agencies and total GWP of \$170mn
 - Four existing Austagencies incorporated with 360 adding GWP of \$100mn
 - Marginally accretive to EPS in H2, increased benefits in FY22
- The strategic focus of the division shifts to:
 - Maximising binder utility and expanding binder capacity for growth
 - Optimising underlying cost base
 - Better leveraging scale and expertise

EXIT FROM HEALTH & REHABILITATION ON TRACK

Sale of Altius completes exit from non-core division enabling increased focus on Broking & Agencies



Transaction Overview

Cash proceeds from sale
(net of tax, transaction and other relevant costs)

\$57mn

Expected Completion

April 2021

Post-tax profit on disposal
(excluded from UNPAT)

\$10mn

Financial Impacts

2H21 share of profits – impact on
guidance

**Included in
Market Guidance**

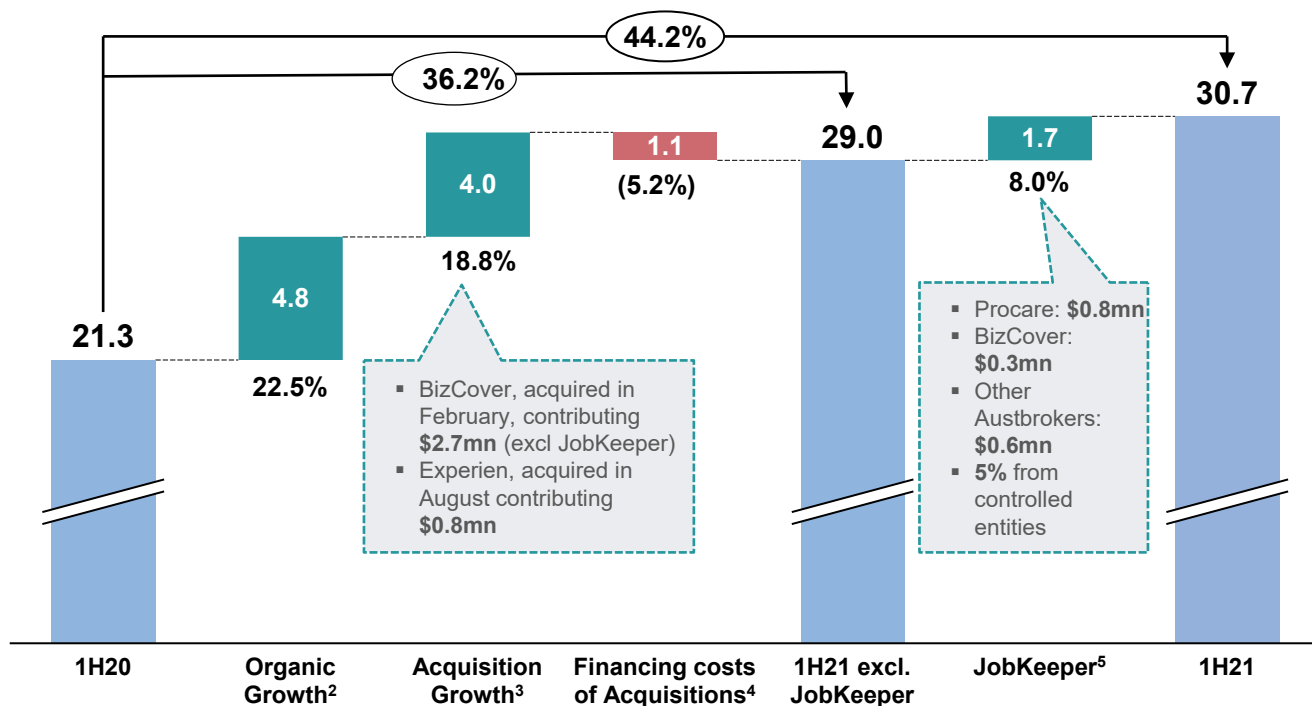
- AUB Group agreed on 20 January 2021 to sell its shareholding in Altius Group Holdings to The Riverside Company
- Implications of the sale on UNPAT Guidance for FY21 already factored into forecasts
- With both Allied Health (April 2020) and Altius sold, the Health and Rehab division will be discontinued by April 2021
- Proceeds from the sale of Altius will be used to reduce AUB Group corporate borrowings and provide headroom for future M&A and strategic investments

1H21 FINANCIAL PERFORMANCE: OVERVIEW

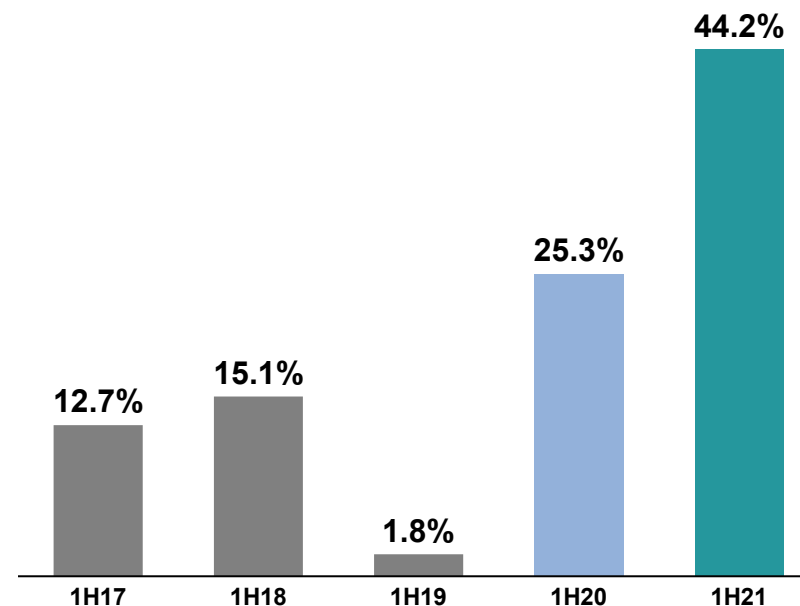
UNPAT growth in 1H21 underpinned by strong organic growth complemented by healthy profits from acquisitions



1H20 to 1H21 Underlying NPAT¹ Breakdown (\$mns)



1H17 to 1H21 Underlying NPAT¹ Growth vs Prior Comparative Periods (%)



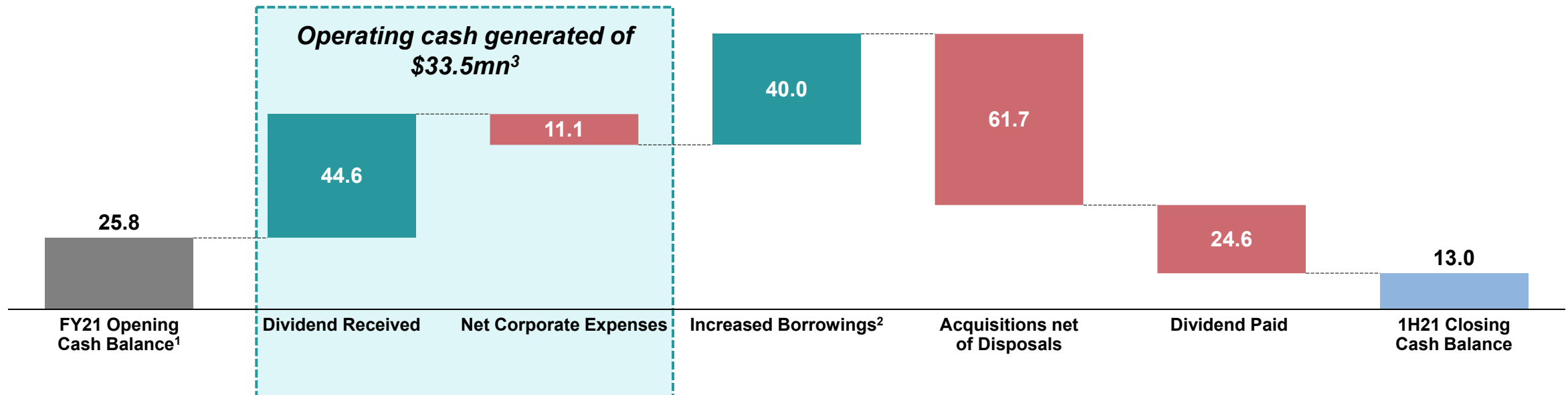
1. Underlying NPAT is used by management and the board to assess operational performance and excludes non-operational items, such as profits and losses on sale of equity interests, fair value adjustments to carrying values on ownership changes, changes to estimates or payments of deferred contingent consideration amounts, impairment adjustments and amortisation of intangible assets
2. Organic growth excludes acquisitions growth, financing costs of acquisitions, and JobKeeper receipts
3. Acquisition growth includes the net effect of acquisitions, divestments, bolt-ons and increased equity stakes in 1H21 vs 1H20
4. Represents the interest paid on borrowings to fund acquisitions and interest received on proceeds from divestments
5. 1H21 JobKeeper receipts excluded from the calculation of Staff and Executive Bonuses. Immaterial JobKeeper receipts to be received in 2H21

AUB CORPORATE CASHFLOW OVERVIEW

Operating cash generated of \$33.5mn (excluding impact of Altius sale)



AUB Corporate Entity Cash Movement (\$mns)



Covenants	Limit at 31 Dec-20	Actual at 31 Dec-20
Gearing Ratio	≤ 45.0%	34.0%
Leverage Ratio	≤ 3.00:1	2.30:1

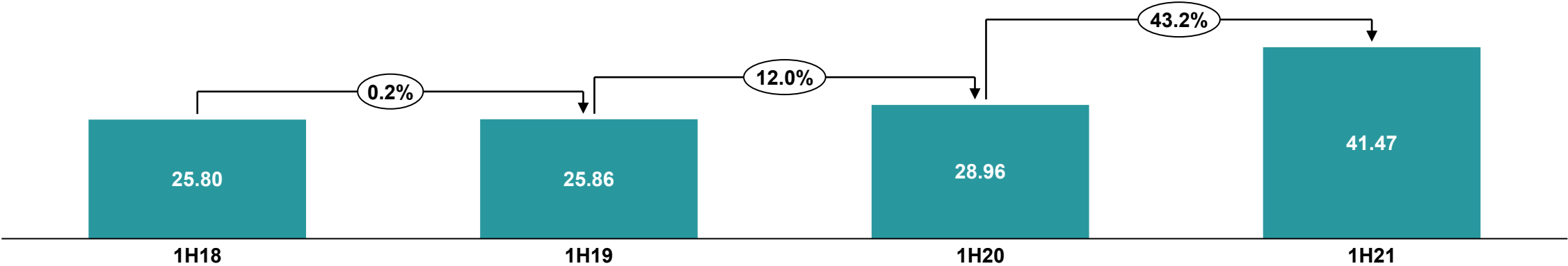
Head Entity Cash and Debt Headroom at 31 Dec-20
\$30mn

SHAREHOLDER RETURNS

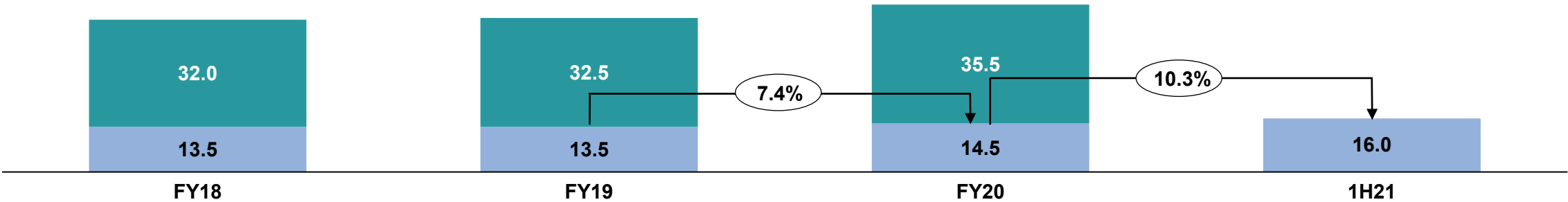
Strong uplift of 43.2% in underlying EPS underpinned by excellent organic and acquisition growth



Underlying Earnings Per Share¹ (Cents per share)



Dividend Per Share (Cents)



Final Dividend Interim Dividend

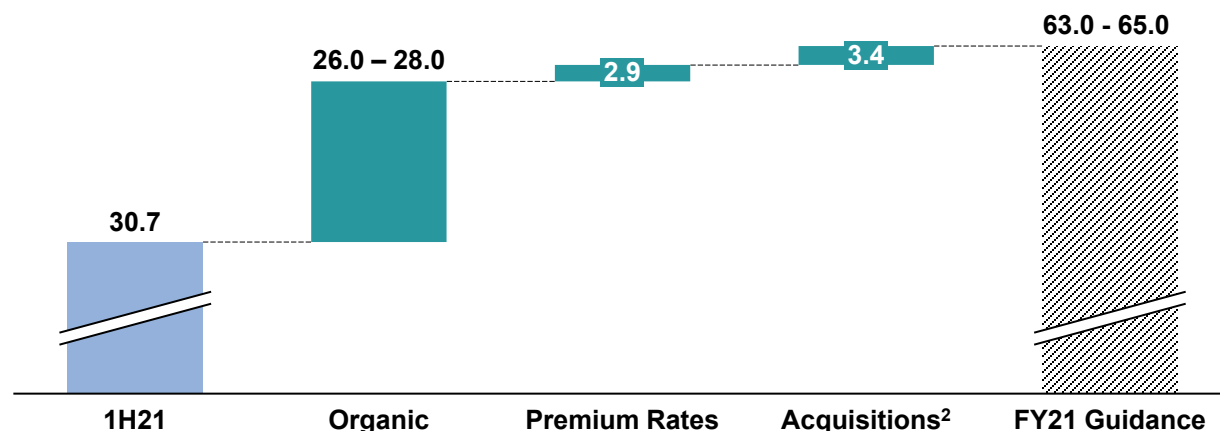
1. 1HY18 EPS includes a TERP adjustment of 98.6%. Underlying EPS calculation = (Underlying NPAT) / (weighted average number of shares)

FY21 GUIDANCE: UPGRADE

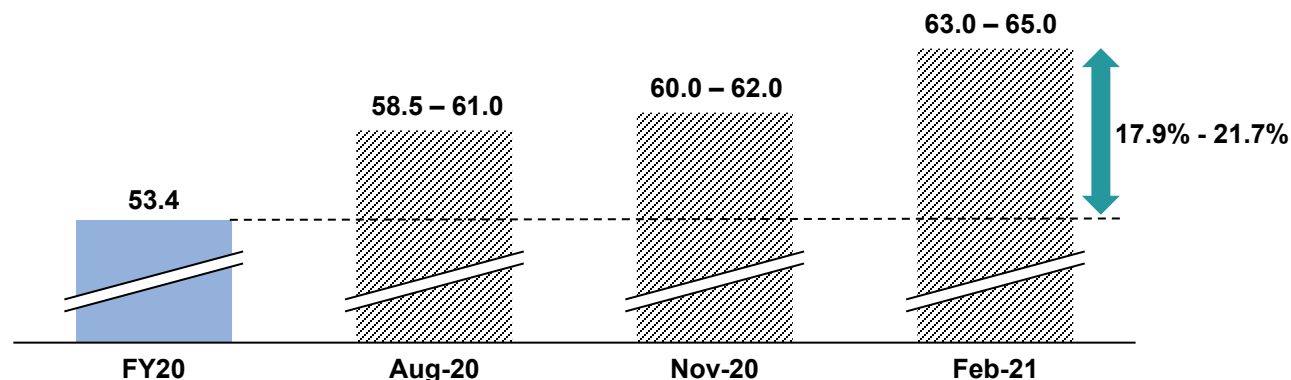
Guidance: Underlying NPAT for FY21 in the range of \$63.0mn - \$65.0mn, representing growth of 17.9% - 21.7% over FY20



FY21 Underlying NPAT¹ by Half (\$mns)



FY21 Guidance restatements – Underlying NPAT¹ (\$mns)



- Guidance upgrade driven largely by 1H21 outperformance, previous 2H21 forecast maintained given potential headwinds post government stimulus roll-off in April 2021
- Outlook assumes premium rate rises for Australia in the range of 5% to 6%
- Currently anticipated small bolt-on acquisitions and shareholding changes in network members are included in forecasts
- Estimates exclude the impact of major acquisitions - if these occur, the Group will provide updated guidance
- Broking renewals in March and June are assumed to perform in line with historical performance

...we exited 1H21 with strong momentum and are seeing evidence of this continuing in 2H21



Thank You

A large teal circle that frames the word 'Appendices'.

Appendices

17 A. 1H21 Financial Results Detail

29 B. AUB Group Portfolio Overview

37 C. AUB Group Business Overview

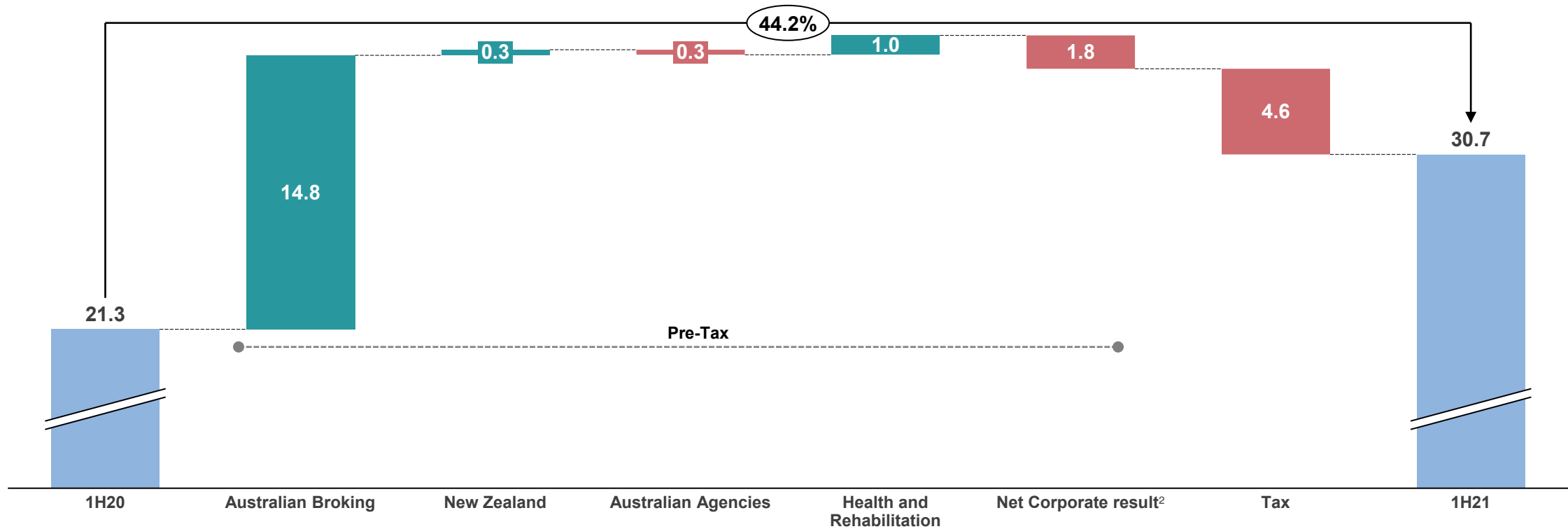


Appendices

A. 1H21 Financial Results Detail

1H21 Divisional Performance Breakdown

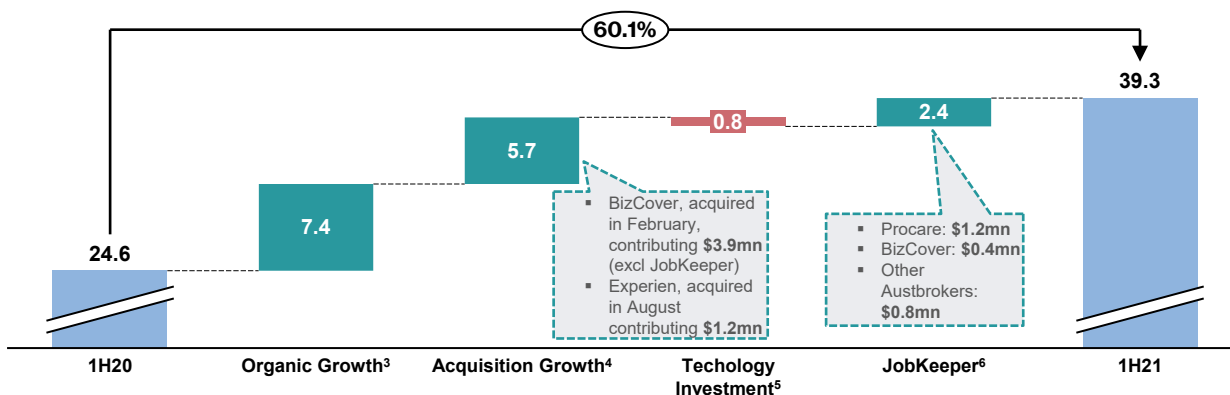
1H20 to 1H21 Underlying NPAT¹ (\$mns)



Australian Broking

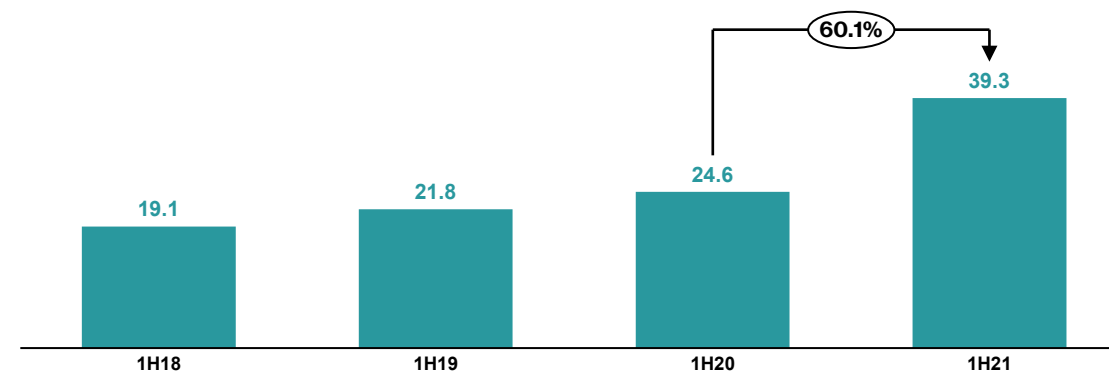
Profit contribution to AUB Group – Pre-tax (\$mns)	1H21	1H20	Movement (\$)	Movement (%)
Commission and fee income (net)	201.4	163.3	38.1	23.3%
Premium Funding	17.7	17.3	0.4	2.3%
Interest	1.3	3.0	(1.7)	(56.7%)
Other Income	13.0	4.4	8.6	195.5%
Total Underlying Revenue ¹	233.4	188.0	45.4	24.2%
Underlying Expenses ¹	(156.7)	(140.0)	(16.6)	11.9%
Underlying EBIT ¹	76.7	47.9	28.8	60.1%
Profit before tax & non-controlling interests (PBT&NCI)	75.2	44.9	30.2	67.3%
Net profit before tax attributable to equity holders of parent entity	39.3	24.6	14.8	60.1%
Underlying EBIT margin	32.9%	25.5%	n/a	740bps

1H20 to 1H21 AUB Share PBT (\$mns)²



- 60.1% increase in pre-tax profit contribution from Australian Broking to \$39.3mn (1H20: \$24.6mn), underpinned by excellent organic and acquisition growth
- Organic growth assisted by:
 - increased Commercial Lines premiums averaging 7.4% over the period
 - ongoing cost reductions due to network rationalisations
- Acquisition related profit growth included strong contributions as a result of investments in BizCover (1 February 2020) and Experien (1 August 2020)
- EBIT margin 32.9% up 740bps from 1H20

PBT attributable to parent equity holders² (\$mns)



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

3. Organic growth attributable to equity holders of parent entity excludes Acquisitions growth, Technology investment and JobKeeper receipts

4. Acquisition growth includes the net effect of acquisitions, divestments, bolt-ons and increased equity stakes in 1H21 vs 1H20. Financing costs of Acquisitions are currently being held in Corporate Head Office

5. Technology Investment includes Austbrokers Express Cover

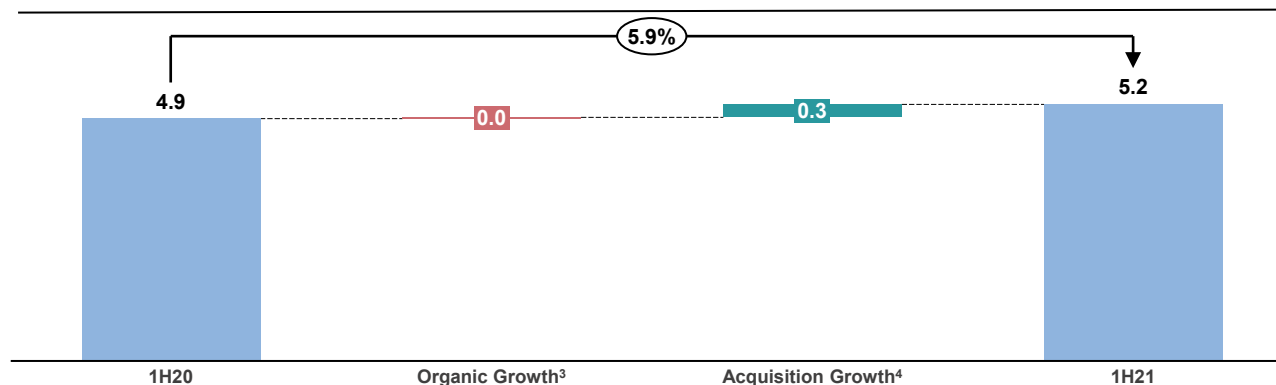
6. JobKeeper receipts excluded from the calculation of Staff and Executive Bonuses

New Zealand

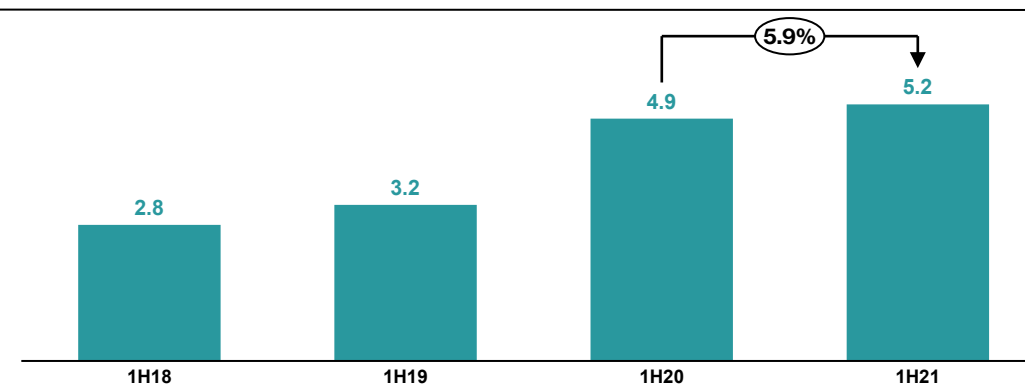
Profit contribution to AUB Group – Pre-tax (\$mns)	1H21	1H20	Movement (\$)	Movement (%)
Commission and fee income (net)	25.1	24.8	0.3	1.2%
Premium Funding	1.9	2.0	(0.1)	(5.3%)
Interest	0.1	0.3	(0.2)	(66.7%)
Other Income	0.2	0.3	(0.1)	(33.3%)
Total Underlying Revenue ¹	27.3	27.4	(0.1)	(0.5%)
Underlying Expenses ¹	(19.1)	(19.1)	(0.0)	0.0%
Underlying EBIT ¹	8.2	8.3	(0.1)	(1.8%)
Profit before tax & non-controlling interests (PBT&NCI)	7.1	6.6	0.4	6.8%
Net profit before tax attributable to equity holders of parent entity	5.2	4.9	0.3	5.9%
Underlying EBIT margin	30.0%	30.4%	n/a	(40bps)

- Pre-tax profit contribution \$5.2mn, an increase of 5.9% on 1H20
- Flat premium rates observed towards the end of 1H21
- NZbrokers continues to perform well with growth in members and continually enhanced membership proposition including in the technology space

1H20 to 1H21 AUB Share PBT (\$mns)²



PBT attributable to parent equity holders² (\$mns)



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

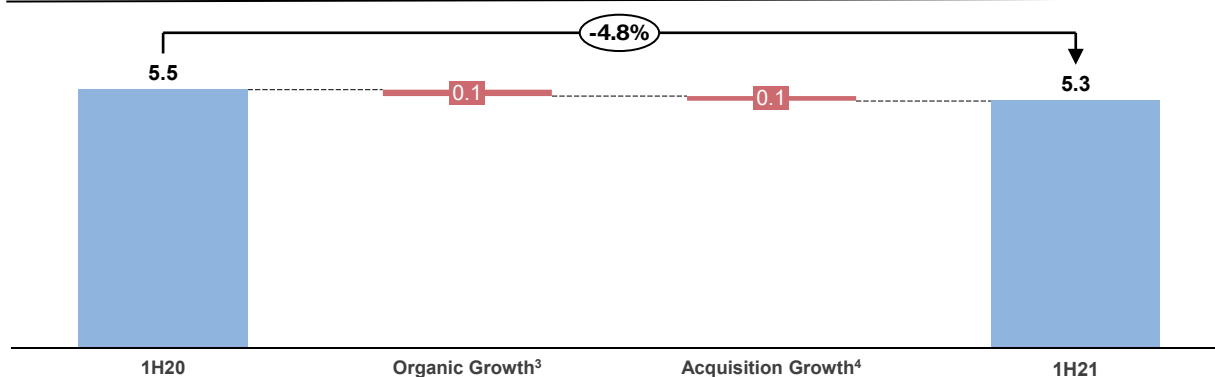
3. Organic growth attributable to equity holders of parent entity excludes Acquisitions growth

4. Acquisition growth includes the net effect of acquisitions, divestments, bolt-ons and increased equity stakes in 1H21 vs 1H20

Australian Agencies

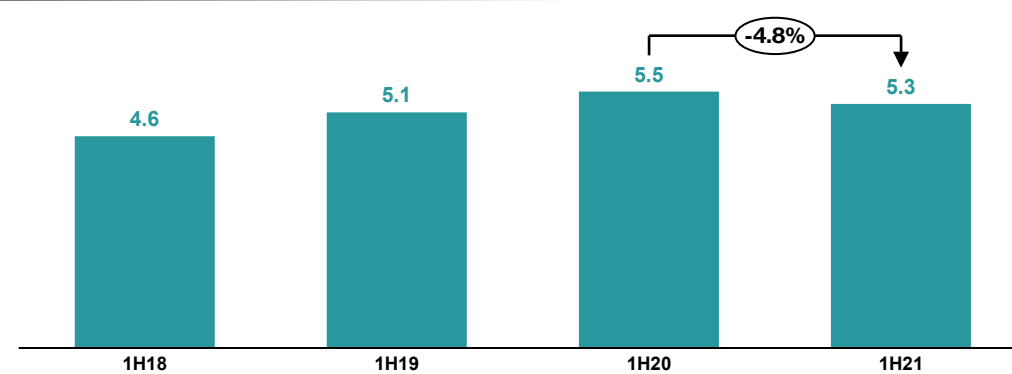
Profit contribution to AUB Group – Pre-tax (\$mns)	1H21	1H20	Movement (\$)	Movement (%)
Commission and fee income (net)	28.1	28.4	(0.3)	(1.1%)
Interest	0.2	0.4	(0.2)	(50.0%)
Other income	1.0	0.4	0.6	150.0%
Total Underlying Revenue ¹	29.3	29.2	0.1	0.5%
Underlying Expenses ¹	(20.9)	(21.1)	0.2	(0.8%)
Underlying EBIT ¹	8.4	8.1	0.3	3.8%
Profit before tax & non-controlling interests (PBT&NCI)	7.5	7.1	0.3	4.8%
Net profit before tax attributable to equity holders of parent entity	5.3	5.5	(0.3)	(4.8%)
Underlying EBIT Margin	28.7%	27.8%	n/a	90bps

1H20 to 1H21 AUB Share PBT (\$mns)²



- 4.8% decrease in pre-tax profit contribution from Australian Agencies to \$5.3mn (1H20: \$5.5mn)
- COVID-19 impacted our clients in the Hospitality, Bus and Coach and Film & Entertainment industries during a transitional year
- The restructuring of Australian Agencies into General Commercial Underwriting, SURA Specialty and Strata Agencies has commenced, complemented by the investment in 360 Underwriting Solutions in December 2020, which accelerates AUB Group's scale in Agencies

PBT attributable to parent equity holders² (\$mns)



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

3. Organic growth attributable to equity holders of parent entity excludes Acquisitions growth

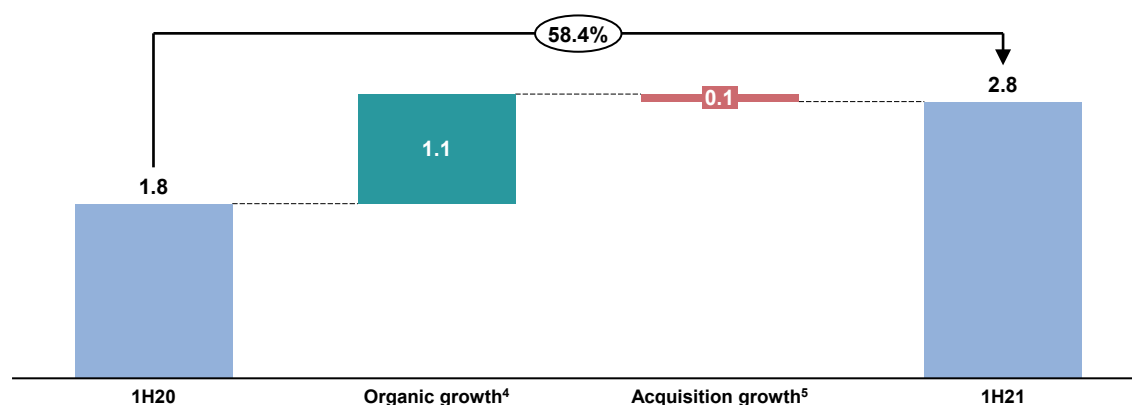
4. Acquisition growth includes the net effect of acquisitions, divestments and increased equity stakes in 1H21 vs 1H20

Health and Rehabilitation

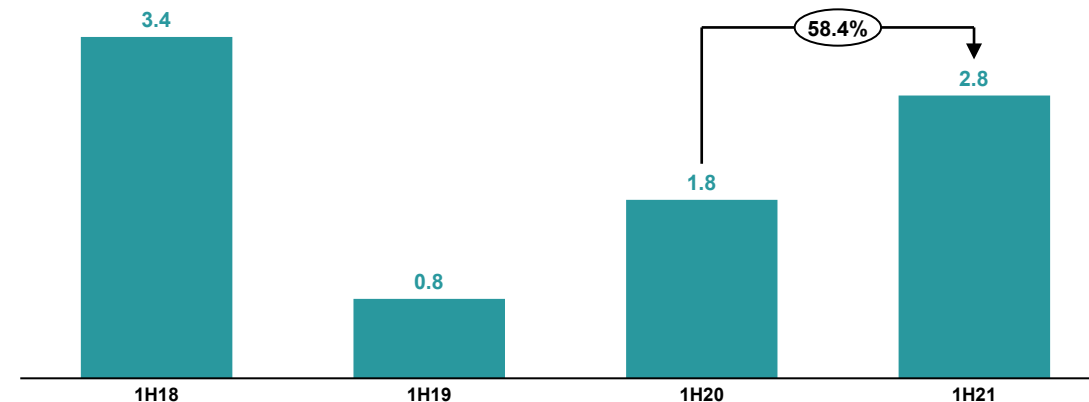
Profit contribution to AUB Group – Pre-tax (\$mns) ³	1H21	1H20	Movement (\$)	Movement (%)
Underlying Revenue ¹	20.9	27.5	(6.6)	(23.9%)
Underlying Expenses ¹	(17.0)	(24.2)	7.2	(29.9%)
Underlying EBIT ¹	4.0	3.4	0.6	19.0%
Profit before tax & non-controlling interests (PBT&NCI)	4.0	3.2	0.8	26.4%
Net profit before tax attributable to equity holders of parent entity	2.8	1.8	1.0	58.4%
Underlying EBIT margin	19.1%	12.2%	n/a	690bps

- 58.4% increase in pre-tax profit from Health and Rehabilitation to \$2.8mn (1H20: \$1.8mn)
- The improved performance was the result of increased revenue and reduced costs in Altius Group
- On 20 January 2021, AUB Group entered into an agreement to dispose its interest in Altius Group for cash proceeds of approximately \$57mn. The transaction is expected to complete by April 2021. The sale will result in a post-tax profit on disposal of \$10mn – this will not be reflected in Underlying Net Profit After Tax

1H20 to 1H21 AUB Share PBT (\$mns)^{2,3}



PBT attributable to parent equity holders^{2,3} (\$mns)



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

3. Allied Health sold 1 April 2020

4. Organic growth attributable to equity holders of parent entity excludes Acquisitions growth

5. Acquisition growth includes the net effect of acquisitions, divestments and increased equity stakes in 1H21 vs 1H20

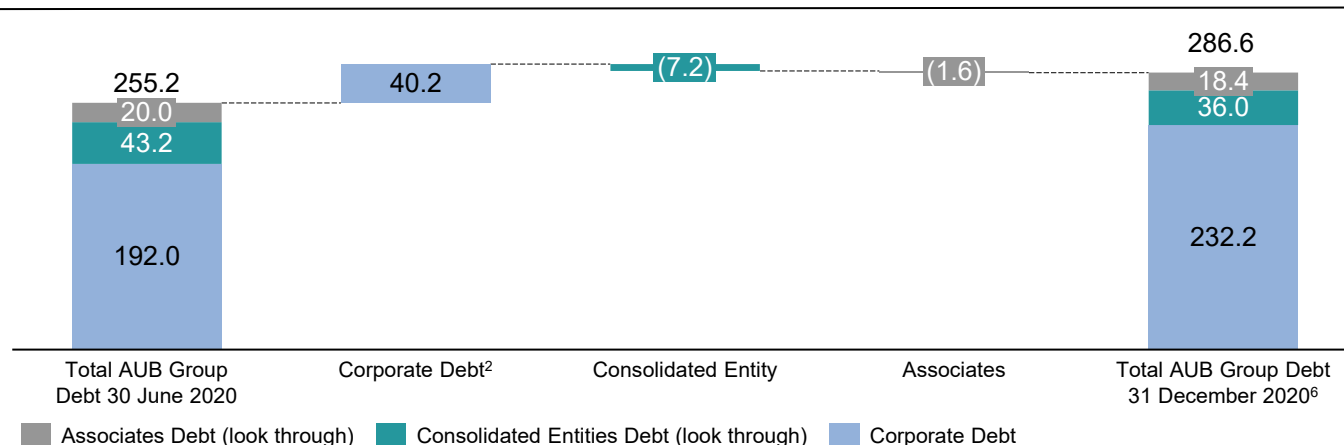
Strong Balance Sheet and Capital Position

Consolidated Balance Sheet Overview (\$mns)	1H21	FY20	Movement
Cash – Corporate	13.0	36.1	(23.1)
Cash – Consolidated	66.3	84.4	(18.1)
Cash – Trust (Consolidated)	159.8	158.8	1.0
Interest-bearing loans and borrowings – Corporate	232.2	192.0	40.2
Interest-bearing loans and borrowings – Consolidated	263.0	231.8	31.2
Investment in Associates	267.3	271.0	(3.7)
Intangible assets and goodwill	510.7	385.5	125.2
Total Assets	1,115.3	1,022.0	93.3
Total Liabilities	560.0	530.0	30.0
Total Equity	555.3	492.0	63.3

- The business continues to be strongly cash-generative. Cash generated from operations, together with Corporate debt facilities have been invested in quality growth assets
- Intangible assets and goodwill increased due to 360 and Experien acquisitions

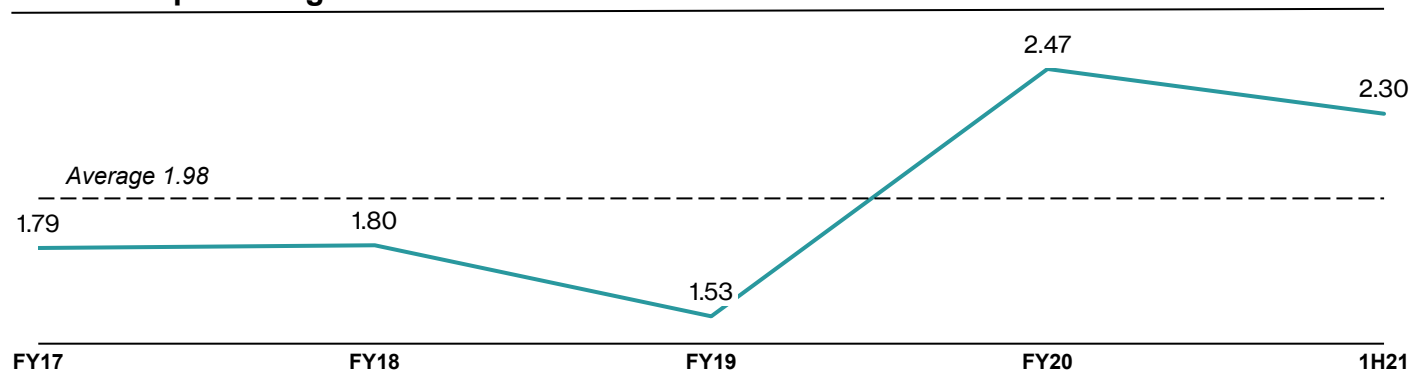
AUB Group Debt

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



34.0%
1H21 AUB Group Gearing
Ratio⁴
(FY20 34.2%)

AUB Group Leverage Ratio³



15.4:1
1H21 AUB Group Interest
Cover Ratio⁵
(FY20 12.4:1)

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 6 of the Financial Statements

A1.0 Reconciliation of Reporting NPAT to Underlying NPAT¹

	1H21 (\$000)	1H20 (\$000)	Movement (%)
Net Profit after tax attributable to equity holders of the parent	23,981	16,596	44.5%
Add back non controlling interest as per financial statements	5,273	2,325	
Add back tax expense as per financial statements	7,635	7,040	
Profit before income tax	36,889	25,961	42.1%
Add back/(less):			
Add back associate share of taxes	7,509	4,338	
Amortisation of broking registers ⁸	8,505	4,894	
Interest Unwind on put option liability ⁵	98	187	
Adjustments to carrying value ^{2,3,7}	1,207	4,476	
Profit from sale or dilution of interests in associates, controlled entities and broking portfolios ^{4,6}	(1,046)	(2,531)	
Impairment of the Right of Use Asset and Onerous Lease Expense	592	-	
Group share of associate profit from sale or dilution of interests in associates, controlled entities and broking portfolios ^{4,6}	913	(609)	
Legal, due diligence and facility costs	763	1,254	
Non-Controlling Interests pre-tax on underlying results	(10,612)	(7,178)	
Underlying Net Profit Before Tax	44,818	30,792	45.6%
Tax effects of the above items	(14,071)	(9,465)	
Underlying Net Profit After Tax	30,747	21,327	44.2%

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

6. Broking portfolios may be sold from time to time and any gains/loss from sale are excluded from Underlying NPAT

7. 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

8. Amortisation expense is a non-cash item

A2.1 Management Presentation of Results¹

	1H21 (\$'000)	1H20 (\$'000)	Movement (\$'000)	Movement (%)
Australian Broking revenue	233,407	187,952	45,455	24.2%
Australian Broking expenses	(156,676)	(140,036)	(16,640)	11.9%
EBIT - Australian Broking	76,731	47,916	28,815	60.1%
New Zealand revenue	27,288	27,428	(140)	(0.5%)
New Zealand expenses	(19,106)	(19,097)	(9)	0.0%
EBIT - New Zealand	8,182	8,331	(149)	(1.8%)
Australian Agencies revenue	29,287	29,153	134	0.5%
Australian Agencies expenses	(20,883)	(21,059)	176	(0.8%)
EBIT - Australian Agencies	8,404	8,094	310	3.8%
Health & Rehabilitation revenue	20,944	27,533	(6,589)	(23.9%)
Health & Rehabilitation expenses	(16,951)	(24,178)	7,227	(29.9%)
EBIT - Health & Rehabilitation	3,993	3,355	638	19.0%
Total revenue - operating entities	310,926	272,066	38,860	14.3%
Total expenses - operating entities	(213,616)	(204,370)	(9,246)	4.5%
EBIT - operating entities	97,310	67,696	29,614	43.7%
Corporate revenue	2,138	2,457	(319)	(13.0%)
Corporate expenses	(7,407)	(7,043)	(364)	5.2%
EBIT - Corporate	(5,269)	(4,586)	(683)	14.9%
Total - Group revenue	313,064	274,523	38,541	14.0%
Total - Group expenses	(221,023)	(211,413)	(9,610)	4.5%
Total - EBIT before NCI	92,041	63,110	28,931	45.8%
Interest expense - Operating entities	(3,609)	(5,859)	2,250	(38.4%)
Interest expense - Corporate	(2,542)	(1,429)	(1,113)	77.9%
Total - Interest expense²	(6,151)	(7,288)	1,137	(15.6%)
Profit before NCI	85,890	55,822	30,068	53.9%
Non - Controlling Interest (NCI)	(41,072)	(25,030)	(16,042)	64.1%
Underlying Net profit before tax	44,818	30,792	14,026	45.6%
Income tax expense	(14,071)	(9,465)	(4,606)	48.7%
Underlying NPAT	30,747	21,327	9,420	44.2%

A2.2 Management Presentation of Results¹

	1H21 (\$'000)	1H20 (\$'000)	Movement (\$'000)	Movement (%)
Australian Broking revenue	233,407	187,952	45,455	24.2%
Australian Broking expenses	(158,247)	(143,033)	(15,214)	10.6%
Net profit - Australian Broking	75,160	44,919	30,241	67.3%
Profit attributable to other equity interests	(35,846)	(20,363)	(15,483)	76.0%
Australian Broking net profit	39,314	24,556	14,758	60.1%
New Zealand revenue	27,288	27,428	(140)	(0.5%)
New Zealand expenses	(20,203)	(20,792)	589	(2.8%)
Net profit - New Zealand	7,085	6,636	449	6.8%
Profit attributable to other equity interests	(1,846)	(1,690)	(156)	9.2%
New Zealand net profit	5,239	4,946	293	5.9%
Australian Agencies revenue	29,287	29,153	134	0.5%
Australian Agencies expenses	(21,821)	(22,028)	207	(0.9%)
Net profit - Agencies	7,466	7,125	341	4.8%
Profit attributable to other equity interests	(2,203)	(1,596)	(607)	38.0%
Australian Agencies net profit	5,263	5,529	(266)	(4.8%)
Health & Rehabilitation revenue	20,944	27,533	(6,589)	(23.9%)
Health & Rehabilitation expenses	(16,954)	(24,376)	7,422	(30.4%)
Net profit - Health & Rehabilitation	3,990	3,157	833	26.4%
Profit attributable to other equity interests	(1,177)	(1,381)	204	(14.8%)
Health & Rehabilitation net profit	2,813	1,776	1,037	58.4%
Net profit before corporate income / expenses	52,629	36,807	15,822	43.0%
Corporate expenses	(7,403)	(7,042)	(361)	5.1%
Acquisition expenses	(4)	-	(4)	-
Corporate finance costs	(2,542)	(1,430)	(1,112)	77.8%
Corporate income	2,138	2,457	(319)	(13.0%)
Net corporate result	(7,811)	(6,015)	(1,796)	29.9%
Net profit before tax	44,818	30,792	14,026	45.6%
Income tax expense	(14,071)	(9,465)	(4,606)	48.7%
Underlying NPAT	30,747	21,327	9,420	44.2%

A3.0 Consolidated Cash flow Statement

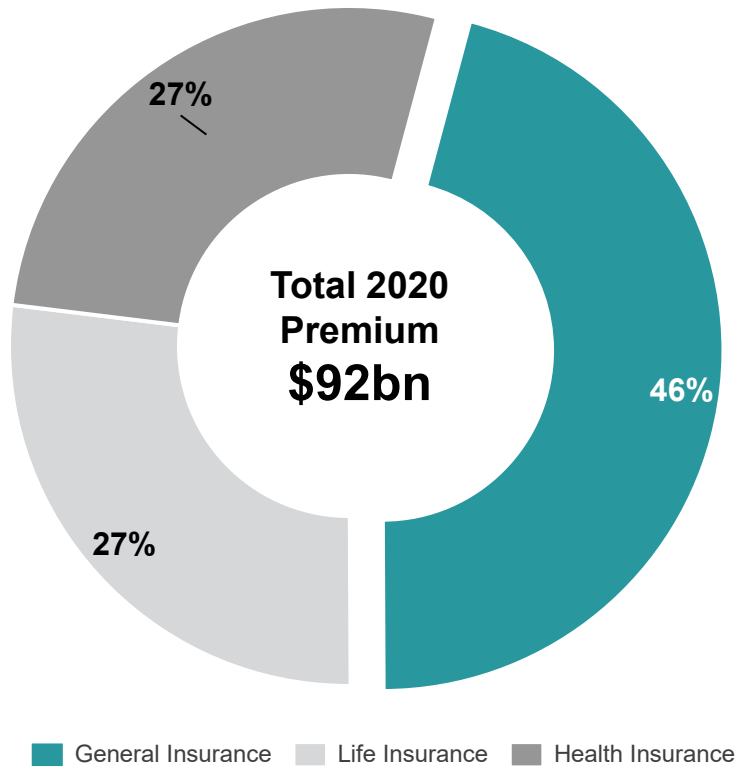
	1H21 (\$'000)	1H20 (\$'000)
Cash flows from operations	50,643	32,861
Cash flows from investing activities		
Acquisitions	(35,324)	(8,929)
Net Sales proceeds (net of cash reduced on deconsolidation)	2,395	3,184
Plant equipment / Other	(1,895)	(1,421)
Payments for deferred settlements	(1,407)	(2,251)
	(36,231)	(9,417)
Cash flows from financing activities		
Dividends	(40,610)	(25,244)
Proceeds from share capital & DRP	-	-
Net borrowings	30,979	(14,889)
Repayment of lease liabilities	(4,602)	(3,545)
	(14,233)	(43,678)
Net decrease in broker trust account cash	(17,323)	(15,176)
Net increase/(decrease) in cash	(17,144)	(35,410)
Cash and cash equivalents at beginning of the period	243,151	219,997
Impact as a result of foreign exchange	143	190
Total cash	226,150	184,777



Appendices B. AUB Group Portfolio Overview

Market Sizing and AUB Group Share

Australian Insurance Market

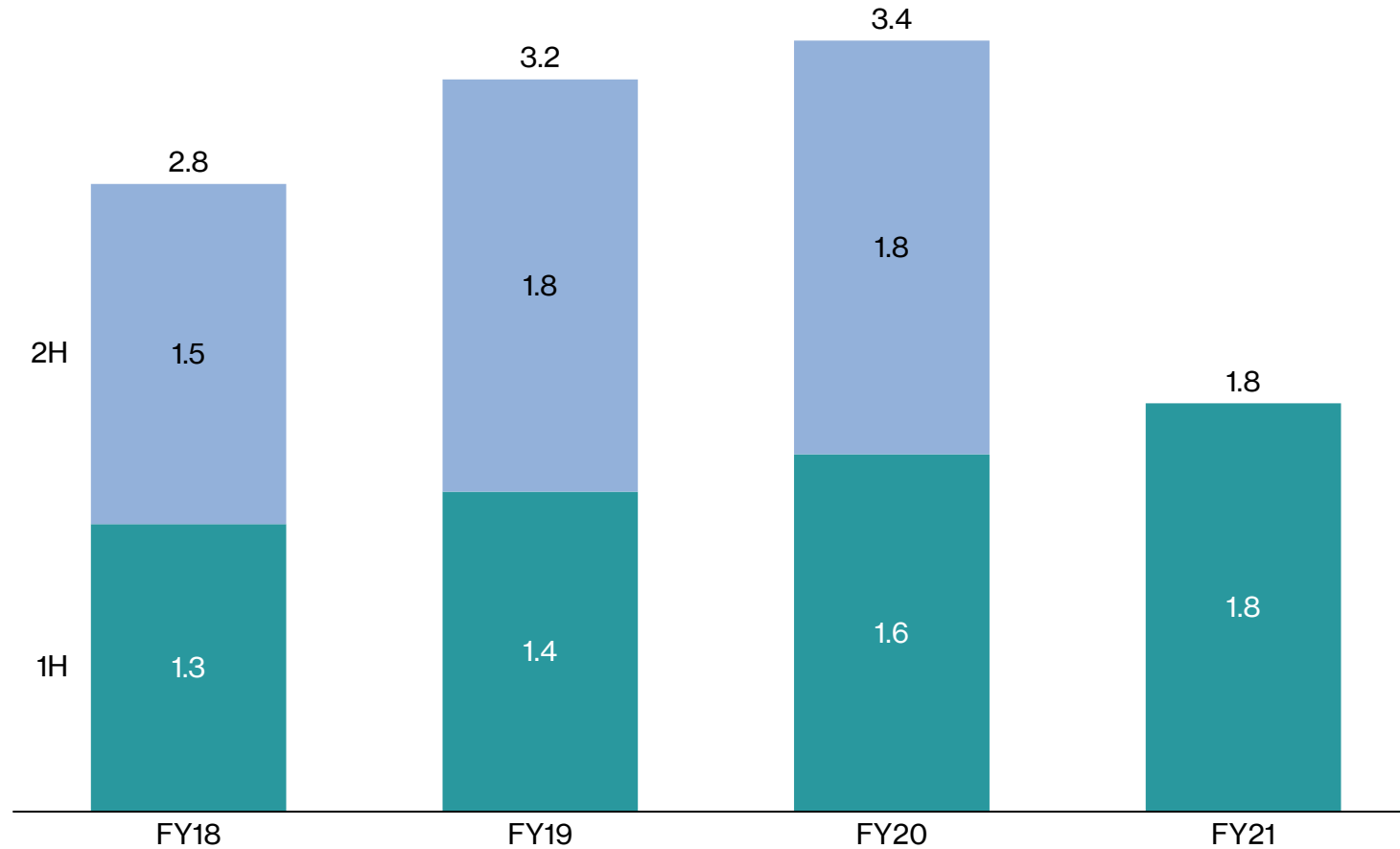


~11%
AUB Share of the
Intermediated GI Market

~22%
AUB Share of the GI SME
Segment

Insurance Portfolio – Premium and Size

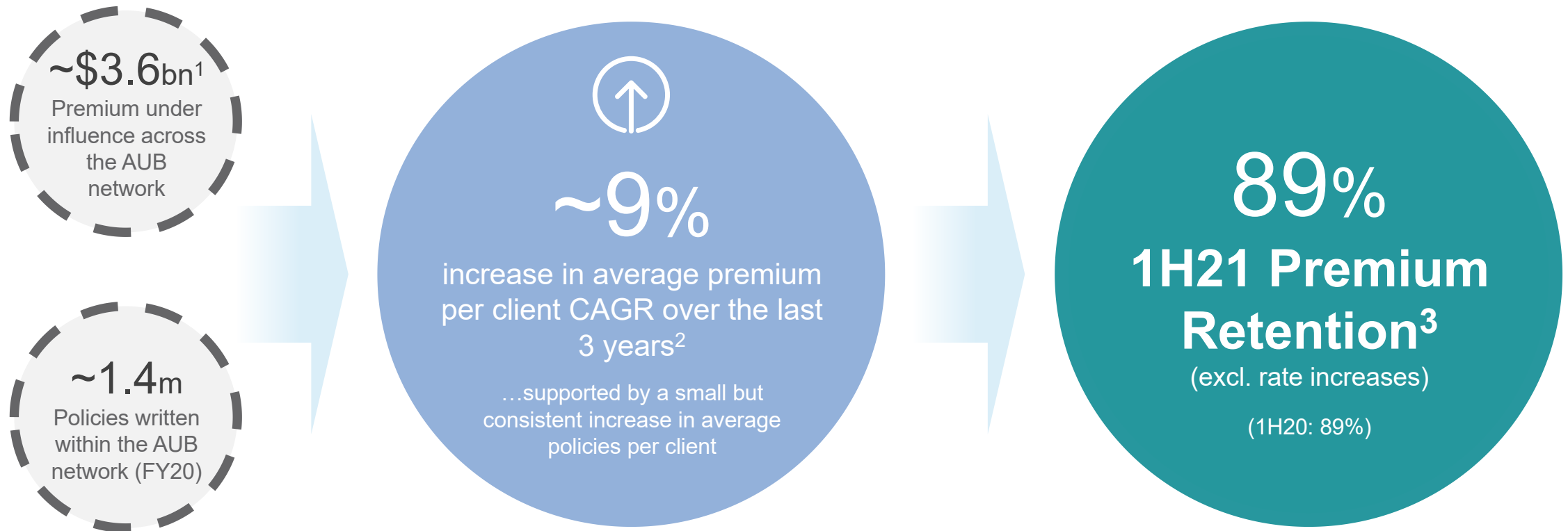
Annual Premium¹ (\$bns)



~\$3.6bn²
Premium under
influence across
the AUB
network

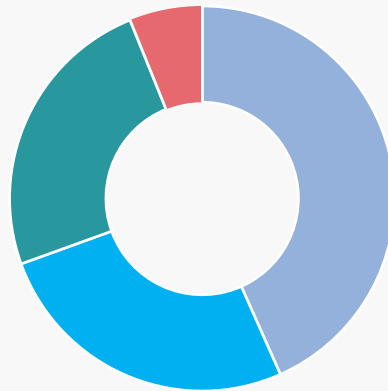
~1.4mn
Policies written
within the AUB
network (FY20)

Stable and Predictable Operational Drivers



Diversified Australian Broking Portfolio Mix¹

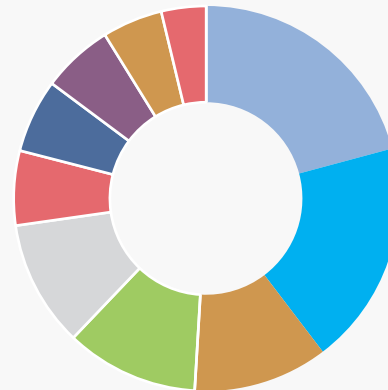
Client Segment Mix



■ Corporate 26%
■ Medium Enterprise 25%
■ Small Enterprise 43%
■ Personal 6%

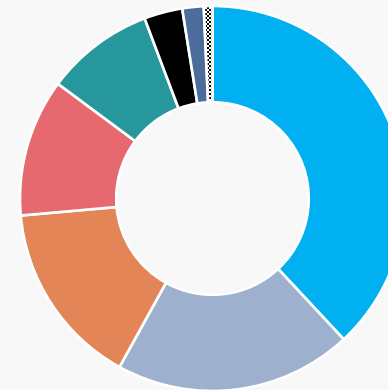
- Retail = Retail / Personal Lines clients
- Small Enterprise = Client account size <50k
- Medium Enterprise = Client account size 50k-250k
- Corporate = Client account size 250k+

Product Line Mix



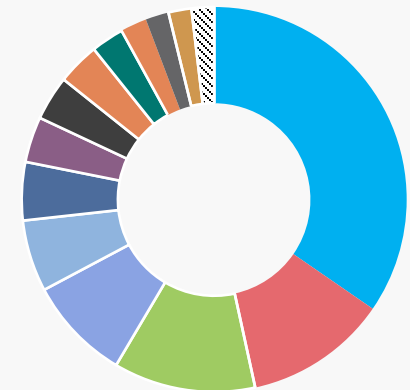
■ Business 19%
■ Liability 11%
■ Personal 11%
■ ISR 11%
■ Motor - Commercial 6%
■ Workers Comp 6%
■ PI 6%
■ Motor - Fleet 5%
■ Farm 4%
■ Other 21%

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%

~11%

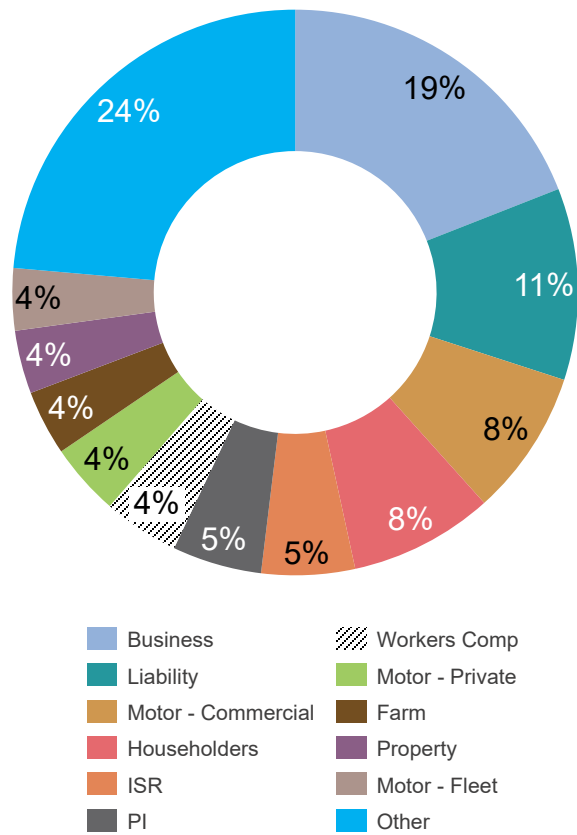
AUB Share of the Intermediated GI Market

~22%

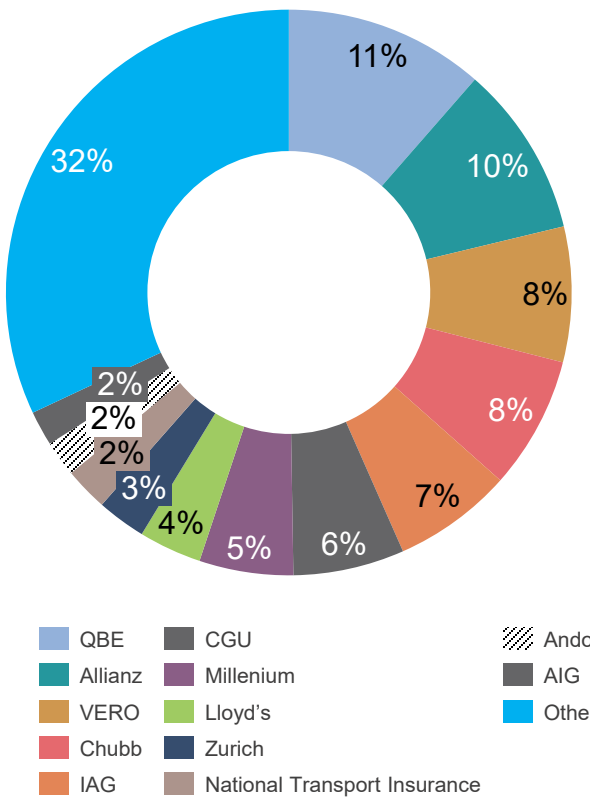
AUB Share of the GI SME Segment

Group Insurance Portfolio Mix: Product and Insurer

Portfolio Mix – Premium by Product / Risk Line

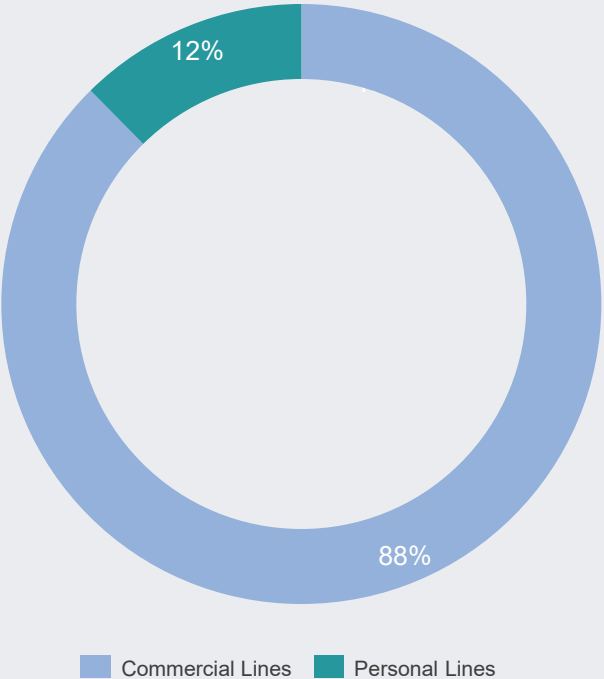


Portfolio Mix – Premium by Insurer

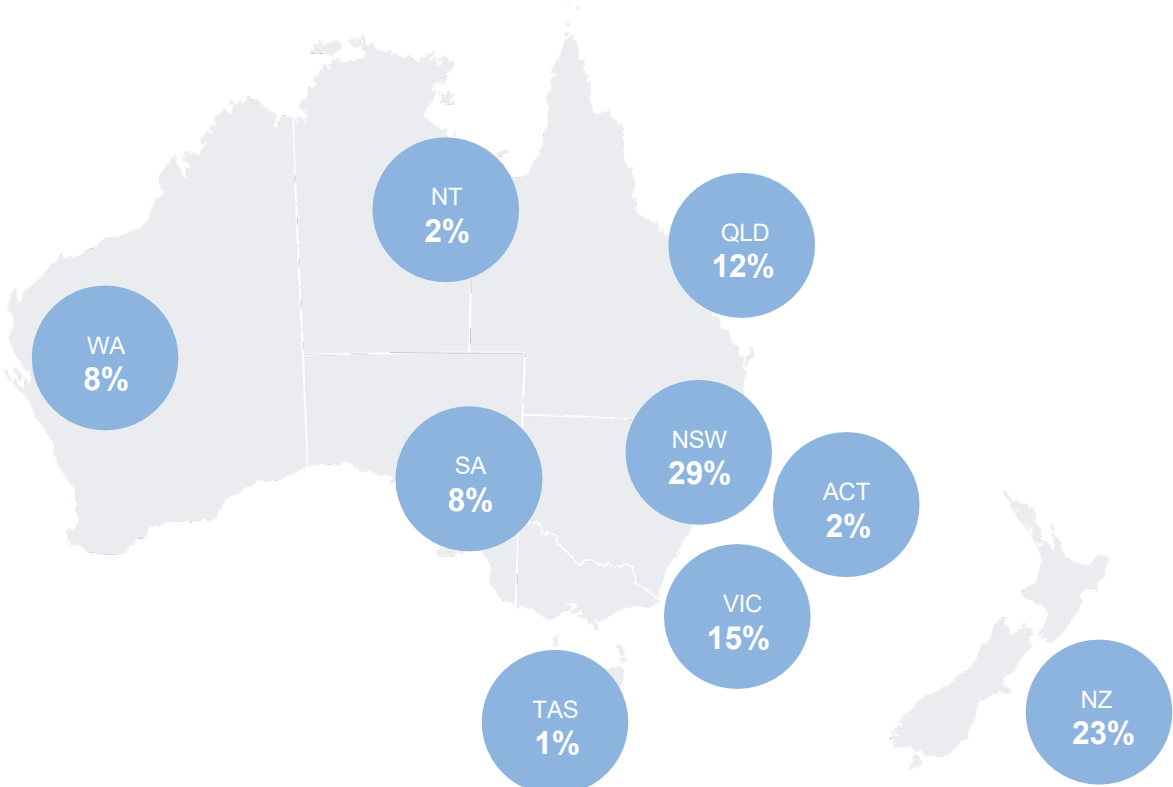


Insurance Portfolio Mix: Category and Geography

Portfolio Mix – by Category (%)



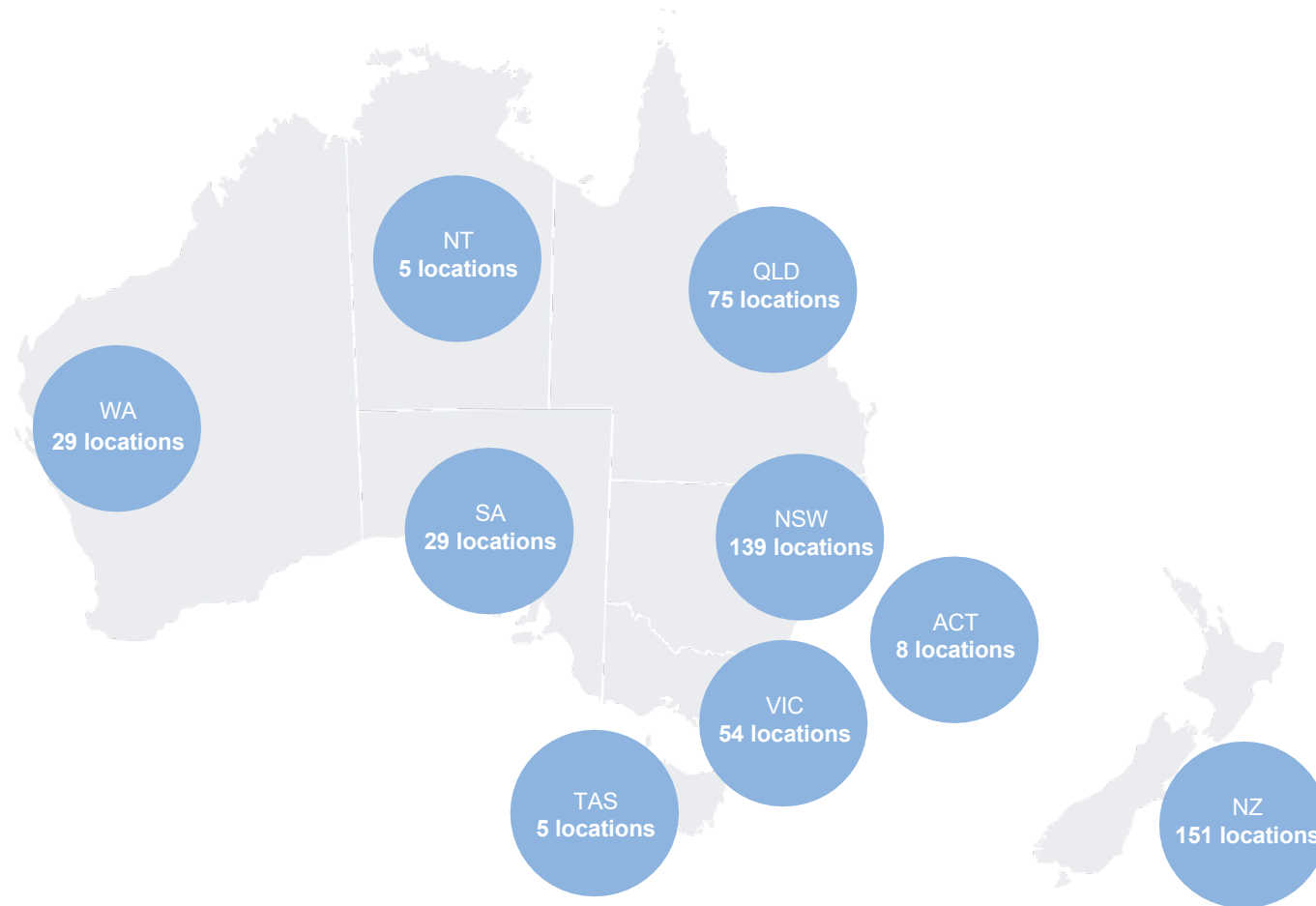
Portfolio Mix – by Geography (%)



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)



Appendices C. AUB Group Business Overview

AUB Group – An Overview¹



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 AGENCIES²

- Design, distribute and manage specific niche insurance products and portfolios via 19 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.

\$3.6BN+ GWP²

INSURANCE BROKING OF \$3.0BN VIA EQUITY
AND NETWORK PARTNERS | SPECIALIST
AGENCIES \$545MN

17

STRATEGIC INSURANCE
PARTNERSHIPS

~700K
CLIENTS

~1.4MN
POLICIES

>450
LOCATIONS

34YRS

OF ACTIVE PARTNERSHIP
EXPERIENCE

>3,000
STAFF



LARGEST EQUITY BASED
BROKING GROUP IN
AUSTRALASIA

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

Our Board of Directors



David Clarke

Non-Executive Chair, Chair of the Nominations Committee



- 40 years experience in investment banking, funds management, property and retail banking
- Chair 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 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, Sax Institute, 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, Chair of the 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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