



ASX Announcement

2 November 2023

The Manager
Market Announcements Office
Australian Securities Exchange Ltd
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

2023 AGM - Presentation

Please find attached for immediate release in relation to AUB Group Limited (**AUB**) the following document:

- 2023 Annual General Meeting Presentation.

The release of this announcement was authorised by the AUB Board.

For further information, contact Richard Bell, Chief Legal and Risk Officer, on +61 2 9935 2222 or richardb@aubgroup.com.au.

About AUB Group

AUB Group Limited (ASX: AUB) is an ASX200 listed group of retail & wholesale insurance brokers and underwriting agencies operating in ~570 locations globally. Over 5,000 team members work with ~950,000 clients to place ~AUD 9.5bn in insurance premiums with local and foreign insurers.

AUB Group Limited

Level 14, 141 Walker Street
North Sydney NSW 2060

ABN 60 000 000 715
ACN 000 000 715

aubgroup.com.au



AUB Group Limited

Annual General Meeting

2 November 2023



Agenda

- 3 Chair's Address
- 6 CEO's Address
- 16 Formal Business

Chair's Address



David Clarke

Chair

FY23 FINANCIAL HIGHLIGHTS

Continued Revenue growth, margin expansion and accretive acquisitions delivering strong Profit and EPS growth



	FY23	FY22 ⁴	Performance Highlights
Underlying Revenue¹	\$1,111.4mn (+61.2%)	\$689.5mn (+12.2%)	<ul style="list-style-type: none"> Growth in Underlying Revenue of 61.2% in FY23, CAGR of 34.4% since FY21⁴
Underlying EBIT Margin ex Tysers¹	35.6% (+160bps)	34.0% (+240bps)	<ul style="list-style-type: none"> Strong expansion in EBIT margin of 160bps to 35.6% in FY23 ex Tysers, up 400bps since FY21⁴
Underlying NPAT²	\$129.1mn (+74.4%)	\$74.0mn (+22.2%)	<ul style="list-style-type: none"> Revenue growth, margin expansion and accretive acquisitions (particularly Tysers) enabled Underlying NPAT growth of 74.4% in FY23, 46.0% CAGR since FY21⁴
Underlying Earnings per Share³	129.3 cents (+33.7%)	96.7 cents (+21.1%)	<ul style="list-style-type: none"> Underlying EPS growth in FY23 of 33.7%, 27.3% CAGR since FY21⁴
Dividend per Share	64.0 cents (+16.4%)	55.0 cents (+0.0%)	<ul style="list-style-type: none"> Dividend payout ratio of 52.8% in line with AUB's payout ratio policy of 50-70% of Underlying NPAT

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. Excludes AUB Group Corporate Revenue and Expenses. Results shown in AUD

2. 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. Results shown in AUD

3. Underlying EPS calculation = (Underlying NPAT) / (weighted average number of shares). The Underlying EPS in prior periods have been adjusted by the theoretical ex-rights price factor (TERP) resulting from the number of new shares issued following a non-renounceable entitlement offer. The TERP adjustment factor applied to the EPS values previously reported is 0.9794

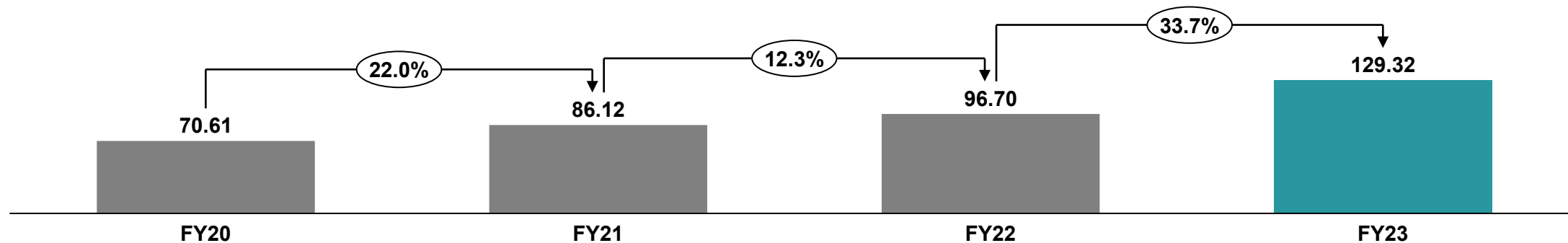
4. Comparisons to FY21 exclude JobKeeper receipts & Health & Rehab (Sold) in that period

SHAREHOLDER RETURNS

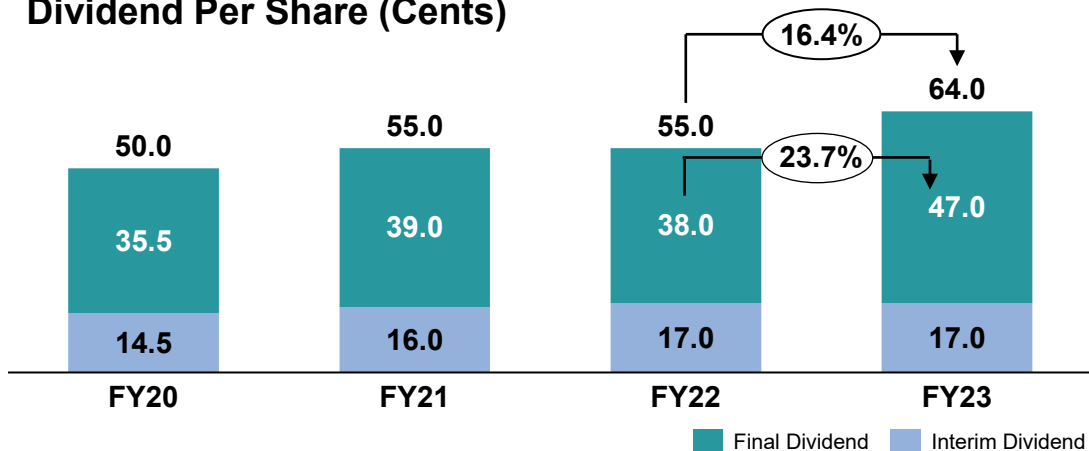
33.7% uplift in Underlying EPS and FY23 final dividend of 47.0 cents



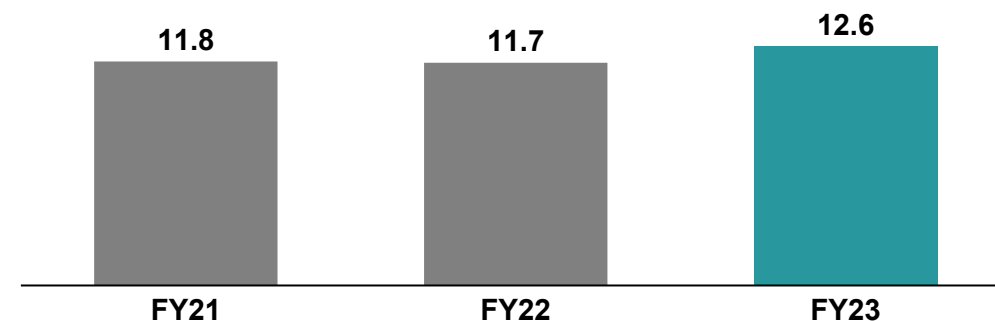
Underlying Earnings Per Share^{1, 2} (Cents per share)



Dividend Per Share (Cents)



Return on Invested Capital (ROIC) (%) – 3 Year Average



1. Underlying EPS calculation = (Underlying NPAT) / (weighted average number of shares). The Underlying EPS in prior periods have been adjusted by the theoretical ex-rights price factor (TERP) resulting from the number of new shares issued following a non-renounceable entitlement offer. The TERP adjustment factor applied to the EPS values previously reported is 0.9794

2. FY21 and FY20 include JobKeeper receipts and Health and Rehab (Sold)

REGULATORY INVESTIGATION - UPDATE

Tysers has reached a resolution with the U.S. DOJ in connection with the investigation into conduct of business in Ecuador between 2013 and 2017



Context

- As announced at the time of the acquisition of Tysers, the United States Department of Justice (DOJ) has been investigating Integro Insurance Brokers Limited (now known as Tysers) and/or its employees, agents and associated persons in relation to conduct of business in Ecuador between 2013 and 2017.
- As previously disclosed, the UK Serious Fraud Office communicated that it has decided not to take any action against Integro Insurance Brokers Limited / Tysers in respect of the alleged conduct.

Update

- Tysers has agreed to resolve the ongoing investigation by the DOJ, pending the negotiated agreement (Proposed Resolution) being entered into record by the U.S. District Court for the Southern District of Florida.
- The terms of the Proposed Resolution have been finalised and agreed in-principle by the parties.
- Under the terms of the Proposed Resolution, Tysers has agreed to pay the DOJ a total of USD\$46.589 million.
- Additionally, Tysers has invested in a full compliance and control review and uplift to ensure an effective and best-in-class compliance program is both implemented and maintained

Impact

- As a result of the previously reported contractual protections and amounts provided for upon acquisition of Tysers in AUBs financial report for the financial year ended 30 June 2023, the Proposed Resolution has no material impact or change to AUB's expected FY24 Net Profit After Tax.

CEO's Address



Mike Emmett

CEO and Managing Director



FY23 DIVISIONAL PERFORMANCE

Strong performance across all divisions



<i>Vs. FY22 comparative period</i>	AUSTRALIAN BROKING	BIZCOVER	AGENCIES	NEW ZEALAND	OPERATING BUSINESSES EX TYERSERS ^{1,2}	TYERSERS (9 Months since acq only)	ALL OPERATING BUSINESSES
Underlying¹ Revenue	\$519.7mn ↑ 13.7%	\$80.0mn ↑ 14.8%	\$139.3mn ↑ 34.3%	\$70.7mn ↑ 20.0%	\$809.8mn ↑ 17.4%	\$301.6mn	\$1,111.4mn ↑ 61.2%
Underlying¹ EBIT Margin	35.1% ↑ 140bps	40.1% ↑ 230bps	38.4% ↑ 140bps <small>+520bps Ex. Profit Comms³</small>	29.1% ↑ 290bps <small>+310bps Ex. NZ Tech Investment⁴</small>	35.6% ↑ 160bps	26.1%	33.0%
Underlying¹ EBIT	\$182.3mn ↑ 18.2%	\$32.1mn ↑ 21.6%	\$53.5mn ↑ 39.5%	\$20.6mn ↑ 33.5%	\$288.5mn ↑ 23.1%	\$78.7mn	\$367.2mn ↑ 56.7%
PBT attributable to equity holders of parent company	\$104.8mn ↑ 21.6%	\$12.5mn ↑ 18.9%	\$35.1mn ↑ 53.9%	\$14.3mn ↑ 59.4%	\$166.6mn ↑ 29.7%	\$76.9mn	\$243.5mn ↑ 89.7%

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. Results shown in AUD

2. Excludes Tyasers and AUB Group Corporate Revenue & Expenses

3. Excludes profit commissions in FY23 and FY22

4. Excludes FY23 and FY22 Project Lola costs incurred to transform the NZ broking experience via a new platform

AUSTRALIAN BROKING

Network optimisation, disciplined acquisitions and favourable market conditions have enabled continuing revenue growth & margin expansion



Key Metrics FY23 Performance

AUD 519.7mn Revenue¹

+13.7% on FY22

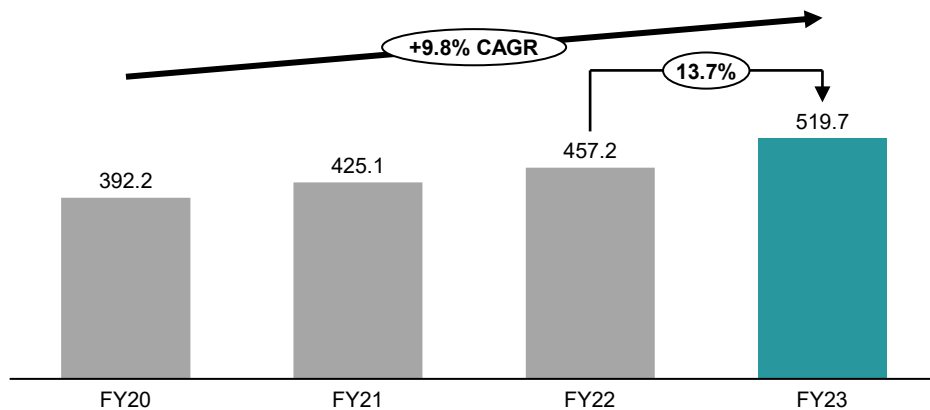
35.1% EBIT Margin¹

+140bps on FY22

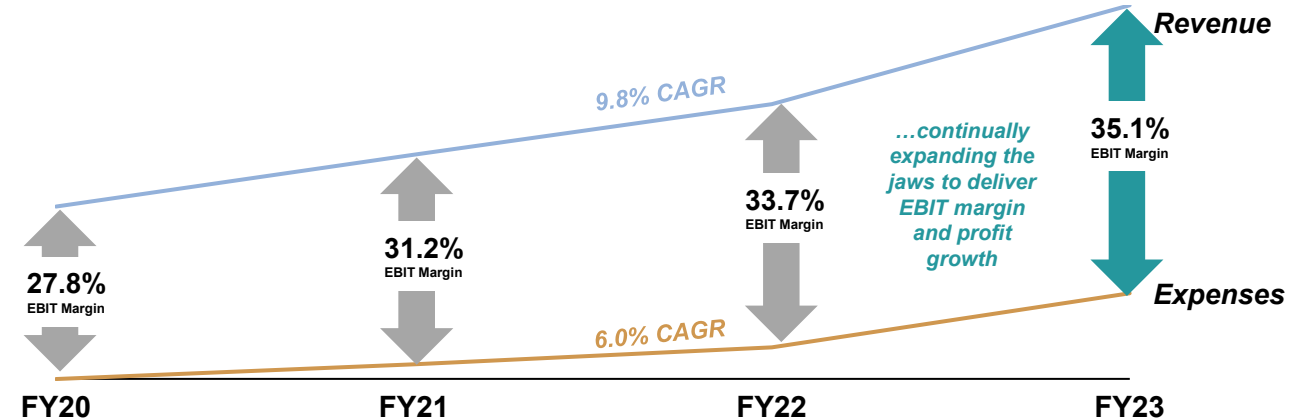
AUD 182.3mn EBIT¹

+18.2% on FY22

Australian Broking Revenue^{1,2}: FY20-FY23 (AUD mn)



Australian Broking EBIT Margin^{1,2}: FY20-FY23 (%)



FY23 Highlights

THREE ACQUISITIONS AND PORTFOLIO BOLT-ONS

FOUR EQUITY STEP-UPS TO CAPITALISE ON GROWTH OPPORTUNITIES

SIX EQUITY STEP-DOWNS TO ENABLE BUSINESS SUCCESSION

FIVE DIVESTMENTS TO REALIGN THE PORTFOLIO

TWO PORTFOLIO CONSOLIDATIONS AND MULTIPLE RESTRUCTURES

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. Excludes JobKeeper receipts in FY21 and FY20

BIZCOVER

Good continuing growth and margin expansion with initiatives under way to enhance products, insurer panel and lead sources



Key Metrics FY23 Performance

AUD 80.0mn Revenue
+14.8% on FY22

40.1% EBIT Margin
+230bps on FY22

AUD 32.1mn EBIT
+21.6% on FY22

Revenue Growth – Direct v Intermediated

Direct Channel

The established market-leader in the segment

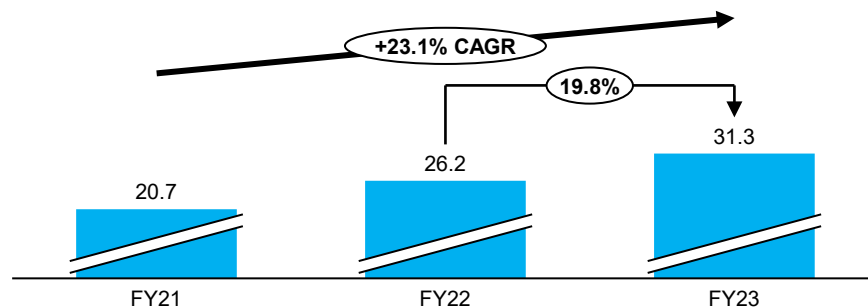
~**18.3%** from
FY22

Intermediated Channel

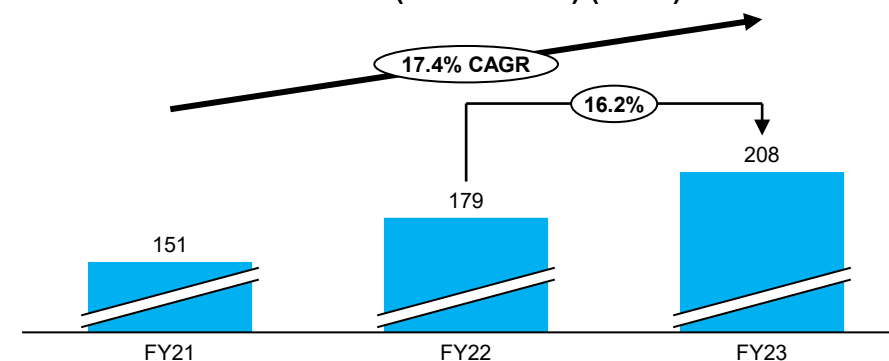
Underserved market segment presenting material growth opportunity

~**10.1%** from
FY22

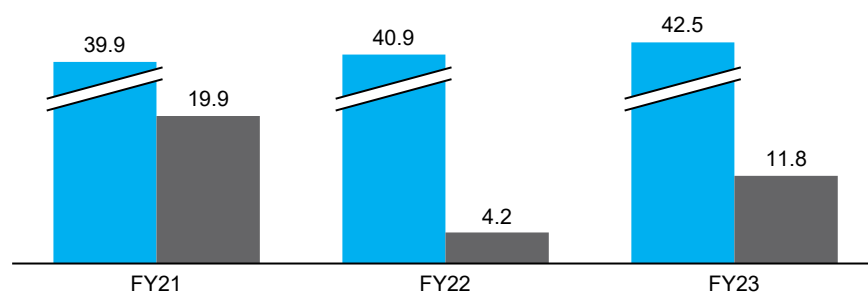
EBIT Australia (AUD mn)^{1,2}



Australian Active Clients (all channels) (000's)



EBIT Margin – Australia¹ v Non-AU (%)



Highlights

- New Cyber product with 3 insurers
- New Insurer added to platform
- Market leading NPS score of +71
- Strongly cash flow positive

1. Excluding JobKeeper receipts in FY21

2. Based on BizCover Australia financial information only. Does not tie to BizCover slide 31 and Appendix slides 36-39

AU¹ Non-AU

AGENCIES

General Commercial, Specialty and Strata continue to deliver growth and profit improvement with the original \$1bn GWP goal now within reach



Key Metrics FY23 Performance

AUD 139.3mn Revenue¹

+34.3% on FY22

38.4% EBIT Margin¹

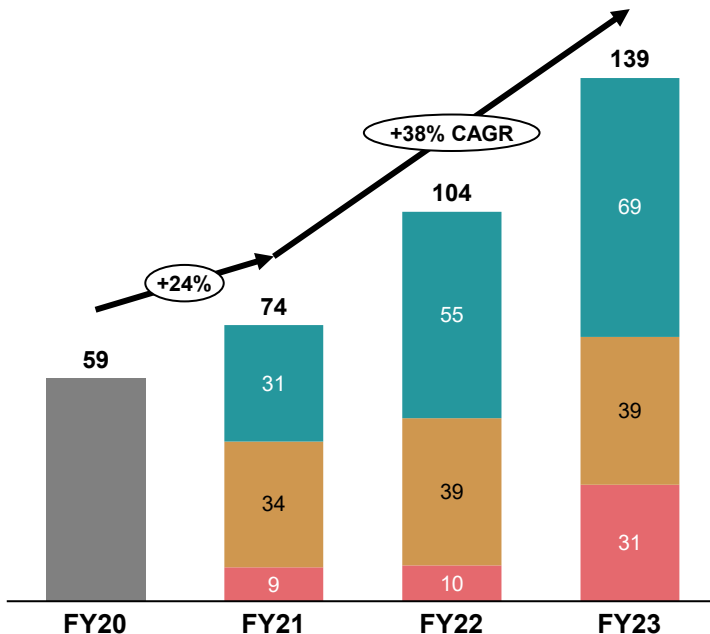
+520bps Ex. Profit Comms³

140bps on FY22

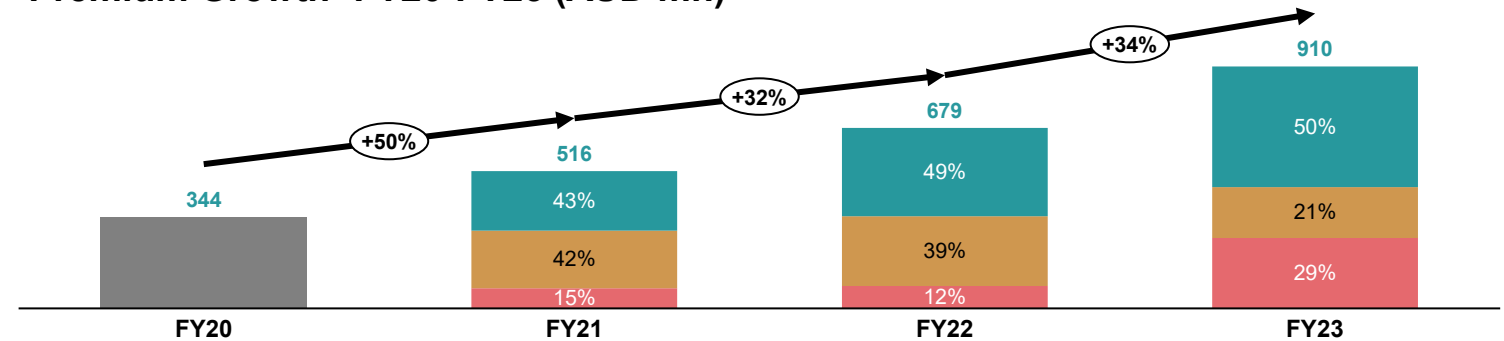
AUD 53.5mn EBIT¹

+39.5% on FY22

Revenue Growth FY20-FY23 (AUD mn)



Premium Growth² FY20-FY23 (AUD mn)



Highlights

- Strata Unit Underwriters (SUU) acquisition performing very well
- Strong revenue growth in Specialty, particularly Construction, Professional Risks and Technology Risks
- Growth and performance across the General Commercial '360' portfolio of agencies continues at pace
- Underlying EBIT margin (excluding Profit Commissions) has improved strongly by 520bps
- FY22 margins were elevated by record Profit Commissions
- FY23 Profit Commissions impacted by record prior year flood claims

General Commercial Specialty Strata

**AUB Retail Broker
placements into
AUB Agencies**

>300mn FY23
(~200mn FY21)

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. FY21 was a part year ownership of 360 Underwriting from 1 December 2020
3. Excludes profit commissions in FY23 and FY22

NEW ZEALAND

Revenue and profit growth in all businesses with 290bps EBIT margin expansion



Key Metrics FY23 Performance

AUD 70.7mn Revenue¹

+20.0% on FY22

29.1% EBIT Margin¹

+290bps on FY22

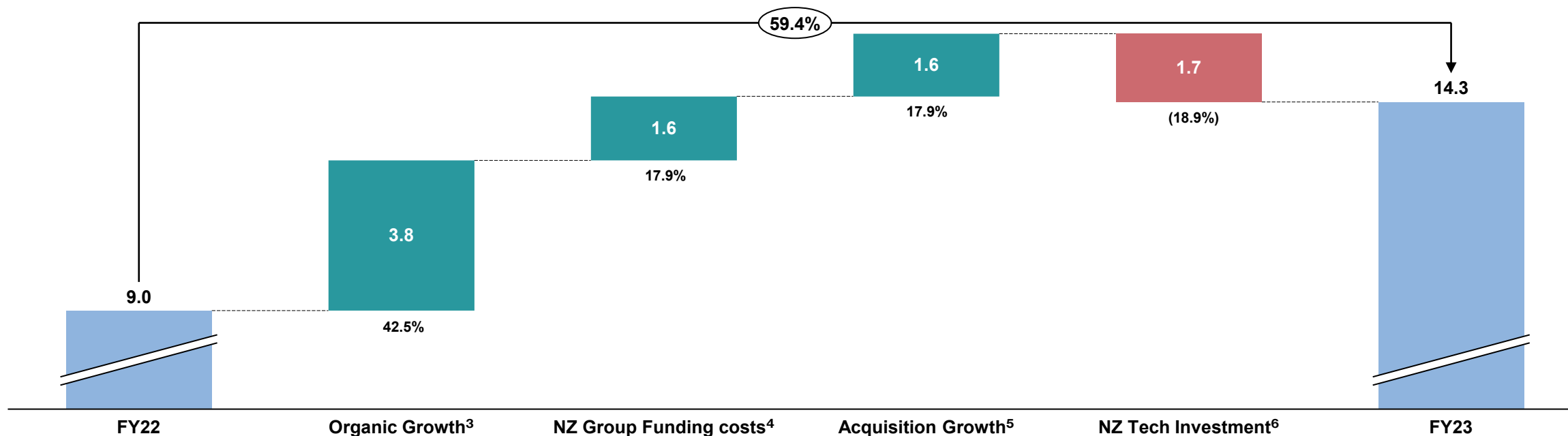
38.0% Excl. NZ Tech Inv⁷
+310bps Excl. NZ Tech Inv⁷

AUD 20.6mn EBIT¹

+33.5% on FY22

AUD 26.9mn Excl. NZ Tech Inv⁷
+30.9% Excl. NZ Tech Inv⁷

FY22 to FY23 AUB Share PBT (AUD mn)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. Net profit before tax attributable to equity holders of parent entity
 3. Organic growth attributable to equity holders of parent entity excludes Acquisitions growth, NZ Group Funding Costs, and NZ Tech Investment spend in FY23 and FY22
 4. Represents NZ Group funding costs previously recognised within NZ Broking, now eliminated against Corporate revenue from 1 July 2022
 5. Acquisition growth includes the net effect of acquisitions, divestments, bolt-ons and increased equity stakes in FY23 vs FY22
 6. Represents the year on year change in Project Lola costs incurred to transform the NZ broking experience via a new platform
 7. Excludes FY23 and FY22 Project Lola costs incurred to transform the NZ broking experience via a new platform

TYSERS FINANCIAL PERFORMANCE UPDATE

Stronger revenue growth combined with the benefit of cost reduction actions has delivered EBIT margins ahead of forecast (for 9 months to Jun'23)



Key Metrics 9M to Jun'23 Performance

AUD 301.6mn Revenue¹

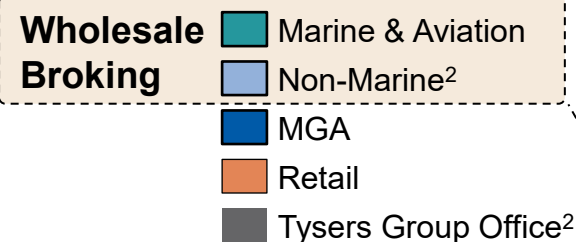
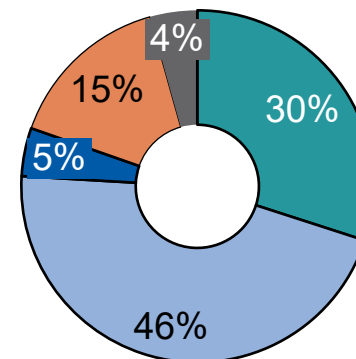
26.1% EBIT Margin¹
(forecast 23.7%)

AUD 78.7mn EBIT¹

9M to Jun'23 (AUD mn)	Actual	Actual using 30 Sep'22 GBP:AUD FX ³	Variance	Initial Forecast using 30 Sep'22 GBP:AUD FX ³	Constant Currency Outperformance
Revenue	301.6	284.4	17.2	273.7	10.7
EBIT	78.7	74.2	4.5	65.0	9.2

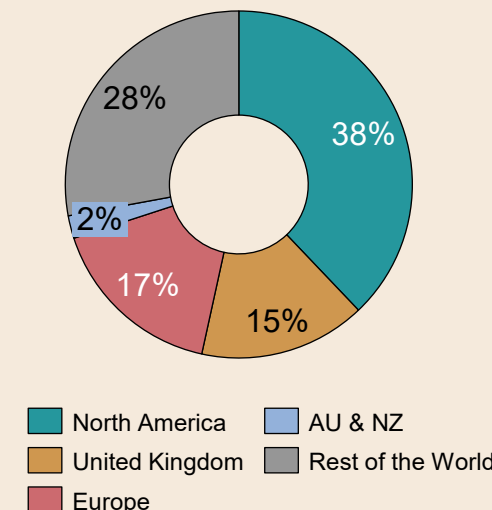
9M to Jun'23 (GBP mn)	Actual (Hedged)	Actual ex hedge income	Variance
Revenue	165.9	163.0	2.9
EBIT	43.3	40.4	2.9

Tysers Income Mix (9M to 30 Jun 23)



Wholesale Broking Income Mix

Client Geography (9M to 30 Jun 23)



Recent Announcement: Launch of Tysers Live

- New Global business to service the insurance needs of the Entertainment, Live Events, Film and Television industries

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. Tysers Group Office shown separately, previously shown as part of Non-Marine and Wholesale Broking. Tysers Group Office includes interest earned on trust accounts, balance sheet revaluations, in addition to gains / losses realised on FX forward contracts
 3. 30 Sep'22 GBP:AUD FX 1.7138

STRONG START TO Q1FY24

Reaffirming FY24 guidance



Q1FY24 UPDATE

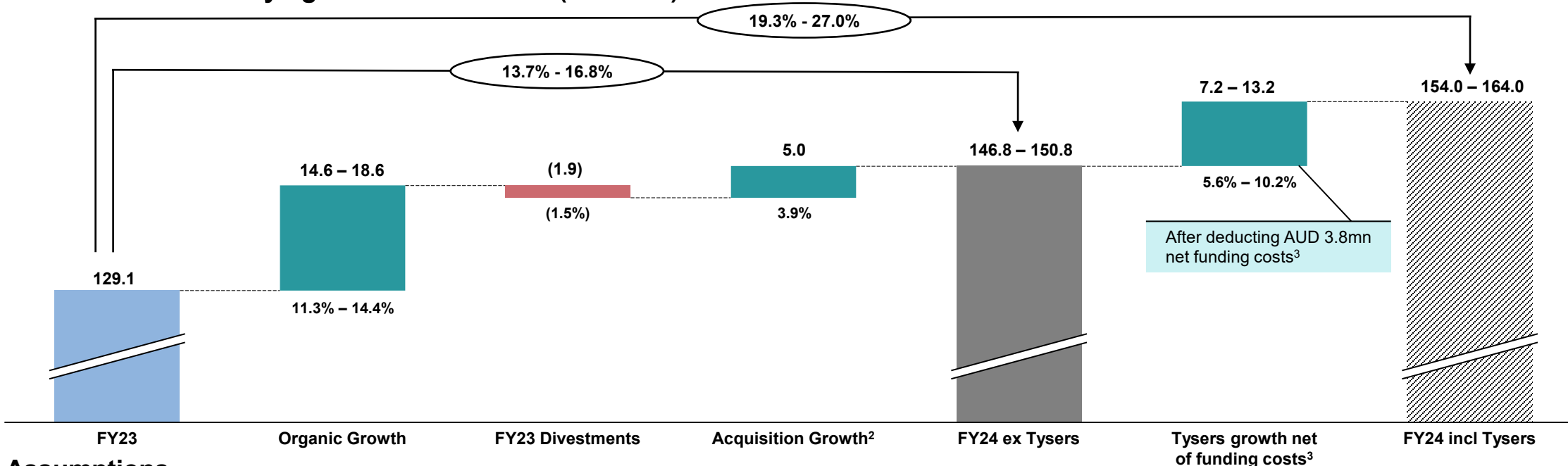
- AUB Group's strong momentum from FY23 has continued into the first quarter of FY24
- Particularly pleasing performance in Agencies and New Zealand
- As a result, we confidently reaffirm our full-year guidance range previously communicated of Underlying NPAT for FY24 of between AUD 154.0-164.0mn

FY24 OUTLOOK

Underlying NPAT for FY24 is forecast to be between AUD 154.0 -164.0mn, representing growth of 19.3% - 27.0% over FY23



FY23 to FY24 Underlying NPAT¹ Breakdown (AUD mn)



Assumptions

- Continued strong premium rate rises
- No account is made for acquisitions not currently known about. Forecast includes impact of acquisitions and disposals made in FY23 or those already completed in FY24
- Renewal periods are assumed to perform in line with historical performance
- FX rates for the 12 months to 30 June 2024: GBP:AUD 1.87, GBP:USD 1.2568
- USD:GBP hedging program in place for ~65% of USD operational flows

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, bolt-ons and increased equity stakes in FY24 vs FY23. Excludes Tysers and FY23 divestments

3. Net funding costs includes the year on year change in corporate interest income and interest expense, with corporate debt fully repaid in 1Q23 prior to the Tysers acquisition on 1 October 2022

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.

NOT AN OFFER

This document does not constitute an offer, invitation, solicitation, recommendation, advice or recommendation with respect to issue, purchase, or sale of any shares or other financial products in AUB. This document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any "US person" (as defined in Regulation S under the US Securities Act of 1933, as amended (Securities Act) (US Person)). Securities may not be offered or sold in the United States or to US Persons absent registration or an exemption from registration. AUB shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or jurisdiction of the United States.