

ASX Announcement

21 August 2024

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

FY24 Results – Performance Overview

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

- FY24 Performance Overview.

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 ~595 locations globally. Over 5,500 team members work with our ~1,000,000 clients to place more than AUD 10.0bn in insurance premiums with local and foreign insurers

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FY24 Performance Overview

Summary

- Underlying NPAT¹ of AUD 171.0mn (FY23: AUD 129.1mn).
- Underlying earnings per share of 156.78 cents (FY23: 129.32 cents).
- Reported Net Profit After Tax of AUD 137.1mn (FY23: AUD 65.3mn).
- Fully franked final dividend of 59.0 cents per share (FY23: 47.0 cps).
- Total FY24 Dividend 79.0 cents per share, an increase of 23.4% compared to FY23.
- FY24 included 12 months of Tysers profit vs 9 months in FY23. Tysers revenue and profit performed in line with expectations.
- Australian Broking delivered revenue growth & margin expansion from ongoing network optimisation, disciplined acquisitions and favourable market conditions.
- Agency growth progressed well with improvements in revenue, and profit as a result of continued scale and capability expansion.
- New Zealand revenue and profit increased across all businesses.
- Growth in BizCover continues.
- FY25 Underlying NPAT guidance in the range of AUD 190.0mn – AUD 200.0mn, representing growth of 11.1% - 16.9% over FY24.

AUB Group CEO and Managing Director, Michael Emmett, said: “Financial Year 2024 was a milestone year for AUB Group. The first full year of Tysers ownership, bolstered by other international investments, exceptional growth in our managing agencies division, and continued strong performance in Australia and New Zealand, all contributed to outstanding results for our shareholders. This success was further highlighted by our recognition by AM Best as one of the top 20 leading Insurance Broking Groups in the world.

In the past few months, we have rapidly expanded our scale and presence as a retail broker in the UK so that we can leverage our wholesale capabilities and build on our successful retail experiences in Australia and New Zealand. With our talented team and diverse portfolio of businesses, we are well-positioned to capitalise on the many opportunities that lie ahead and are truly excited about what the future holds for AUB Group.”

¹ Underlying NPAT is after non-controlling interests and excludes the cost of amortisation of intangibles, fair value adjustments of entities on consolidation or deconsolidation, movements in contingent consideration, impacts of reduction in interest in associates and disposals of controlled entities, and debt restructuring and acquisition related costs.

Highlights by operating division

Australian Broking

- Underlying pre-tax profit for the period increased by 14.7% to AUD 120.2mn (FY23: AUD 104.8mn).
- EBIT Margin of 36.8% up 170bps from FY23.
- Driven by:
 - organic growth from increased premiums and growth in client and policy count.
 - disciplined bolt-on acquisitions.

BizCover

- Underlying pre-tax profit for the period increased by 20.9% to AUD 15.1mn (FY23: AUD 12.5mn).
- This increase was due to revenue growth and margin expansion, with initiatives underway to further enhance products, the insurer panel and sources of new business.
- EBIT Margin of 42.0% up 190bps from FY23.

Agencies

- Underlying pre-tax profit for the period increased by 57.9% to AUD 55.4mn (FY23: AUD 35.1mn).
- Strong organic growth in gross written premium (GWP) across most agencies complemented by the establishment of new agencies as well as acquisitions such as Strata Unit Underwriters.
- EBIT margin of 42.6% up 420bps from FY23 (up 220bps excluding profit commissions in both periods).

New Zealand Broking

- Underlying pre-tax profit for the period increased by 59.2% to AUD 22.7mn (FY23: AUD 14.3mn).
- Revenue and profit growth for all businesses, supported by increased commercial lines premiums, and reduced technology spend.
- EBIT Margin of 36.5% up 740bps from FY23 (up 200bps excluding Lola technology platform spend in both periods).

Tysers / International

- Underlying pre-tax profit contributed by International for the 12 months to 30 June 2024 was AUD 96.8mn vs AUD 76.9mn for 9 months of FY23.
- Revenue and profit on track with changes to operating model and portfolio mix underway to position Tysers for future growth and margin expansion.
- Tysers constant currency revenue for the 12 months to 30 June 2024 was up 1.0% vs pcp.

Capital Management

- Leverage ratio of 1.28x at 30 June 2024.
- AUB Group refinanced its debt facility in January 2024 and at 30 June 2024 had accessible cash and undrawn debt facilities of AUD 471.3mn.

Dividends

- Fully franked final dividend of 59.0 cents per share (FY23: 47.0 cps), an increase of 25.5% compared to FY23.
- Total FY24 dividend 79.0 cents per share, an increase of 23.4% compared to FY23.
- The final dividend is payable on 27 September 2024 to shareholders on the register at 5:00pm on 9 September 2024 (record date).
- The Dividend Reinvestment Plan (DRP) remains suspended.

Guidance

- FY25 Underlying NPAT guidance in the range of AUD 190.0mn – AUD 200.0mn, representing growth of 11.1% - 16.9% over FY24.
- In estimating FY25 Underlying NPAT, the Group has assumed the following:
 - No account is made for acquisitions not currently known about;
 - Renewal periods and income split to perform in line with historical experience (39% / 61% 1H/2H split);
 - FX rates for the 12 months to 30 June 2025: GBP:AUD 1.9060, GBP:USD 1.2737;
 - USD:GBP hedging program in place for ~65% of USD operational flows for the 12 months to 30 June 2025.