

ASX Announcement

25 February 2025

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

1H25 Results – Performance Overview

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

- 1H25 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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1HFY25 Performance Overview

Summary

- Underlying NPAT¹ of AUD 79.3mn (1HFY24: AUD 70.2mn).
- Underlying earnings per share of 68.07 cents (1HFY24: 64.76 cents).
- Reported Net Profit After Tax of AUD 26.4mn (1HFY24: AUD 53.1mn)².
- Fully franked interim dividend of 25.0 cents per share (1HFY24: 20.0 cps).
- Australian Broking delivered revenue growth & margin expansion.
- International revenue growth and margin expansion after normalising for bonus cycle re-alignment and legacy team restructures.
- Agency growth in revenue and profit as a result of continued scale and capability expansion.
- New Zealand growth in revenue and profit.
- Continued track record of growth and profitability in BizCover.
- FY25 Underlying NPAT guidance re-affirmed 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: “We are making outstanding progress to build a multi-country Insurance Services Group, strategically establishing a portfolio of retail and wholesale brokers, underwriting agencies, and businesses that provide essential risk advisory and technology services to our clients and partners.

Our owner-driver model, which has been a proven success in Australia and New Zealand, continues to resonate strongly in international markets, reinforcing our competitive advantage.

We have constructed a portfolio of complementary businesses that enhance both performance and value across the AUB family. While our individual divisions continue to deliver strong results, our investment in Tysers has already driven a substantial uplift in the value of Retail Broking and Underwriting Agencies. Additionally, our expanding portfolio of Agencies is creating significant synergies and enhancing the value of our broking network.

Although we are still in the early stages of replicating our successful Australian model internationally, we now have a diverse set of strategic levers to drive revenue, margin expansion and sustained earnings growth for AUB Group shareholders.”

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.

² 1HFY24 included the positive impact of a reduction in contingent consideration estimate.

Highlights by operating division

Australian Broking

- Pre-tax profit for the period increased by 11.5% to AUD 65.9m (1H24: AUD 59.1m).
- These increases were driven by organic and bolt-on acquisition growth.
- Organic drivers included:
 - Average commission and fee income per client increased 9.2%.
 - Increased Commercial Lines premiums.

International

- On a normalised basis, pre-tax profit for the period increased by 18.2% to AUD 38.6mn.
- Including one-off items ie impacts of previously departed/restructured teams and a one-off bonus period re-alignment, pre-tax profit for the period decreased 20.0% to AUD 30.5mn (1HFY24: AUD 38.2mn).
- Agreed in February 2025 with the vendors of Tysers the contingent consideration payable. Revenue during the earn-out period was 95% of the maximum amount. The final payment was reduced by contractual rights of set off, GBP 57.4mn will be paid in March'25.

Agencies

- Pre-tax profit for the period increased by 32.3% to AUD 32.9mn (1HFY24: AUD 24.9mn).
- Strong organic growth in gross written premium (GWP) across most agencies complemented by the acquisition of Pacific Indemnity.
- EBIT margin of 40.4% up 10bps from 1HFY24 (excluding profit commissions from both periods up 320bps).

New Zealand Broking

- Pre-tax profit for the period increased by 11.6% to AUD 12.2mn (1HFY24: AUD 10.9mn).
- Revenue and profit growth from acquisitions, supported by increased commercial lines premiums.
- Average commission and fee income per client has increased 9.5%.
- EBIT Margin of 36.3% down 30bps from 1HFY24 due to investment in ICIB Brokerweb resources for future growth.

BizCover

- Pre-tax profit for the period increased by 28.5% to AUD 8.6mn (1HFY24: AUD 6.7mn).
- This increase was due to continued revenue growth and margin expansion from operating leverage, with initiatives ongoing to enhance products, the insurer panel and sources of new business.
- EBIT Margin of 43.3% up 360bps from 1HFY24.

Capital Management

- Leverage ratio of 1.90x at 31 December 2024.
- At 31 December 2024, AUB Group had accessible cash and undrawn debt facilities of AUD 208.3mn.

Dividends

- Fully franked interim dividend of 25.0 cents per share (1HFY24: 20.0 cps).
- The interim dividend is payable on 4 April 2025 to shareholders on the register at 5:00pm on 7 March 2025 (record date).
- The Dividend Reinvestment Plan (DRP) remains suspended.

Guidance

- AUB Group confirms its profit expectations for the full year to 30 June 2025 continue to be as set out at the company's Annual General Meeting and accompanying market announcement on 31 October 2024. Specifically, FY25 Underlying NPAT is forecast to be in the range of AUD 190.0mn – AUD 200.0mn, representing growth of 11.1% - 16.9% over FY24.
- In estimating FY25 Underlying NPAT, AUB 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 at the midpoint of guidance (40.7% / 59.3% 1H/2H split);
 - FX rates for the 6 months to 30 June 2025: GBP:AUD 1.9974, GBP:USD 1.2513;
 - USD:GBP hedging program in place for ~69% of USD operational flows for the 6 months to 30 June 2025.