



25 February 2020

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

FOR RELEASE TO THE MARKET

Dear Sir / Madam

AUB Group Limited 1H20 Results - Analyst Pack

Attached for immediate release in relation to AUB Group Limited's (ASX:AUB) 1H20 results are the following documents:

- Analyst Presentation.

This release has been authorised by the AUB Board.

Yours faithfully

A handwritten signature in blue ink that reads 'Freya Smith'.

Freya Smith
Group General Counsel & Company Secretary

For further information, contact Freya Smith Tel: (02) 9935 2224 or 0401 916 431
freyas@aubgroup.com.au

About AUB | AUB Group Limited is Australasia's largest equity-based insurance broker network driving approximately A\$3.2 billion GWP across its network of 93 businesses, servicing 600,000 clients and over one million policies across more than 450 locations.

AUB Group Limited

Level 10, 88 Phillip Street,
Sydney, NSW, 2000.

ABN 60 000 000 715
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aubgroup.com.au

1H20 Results Analyst Pack

25 February 2020

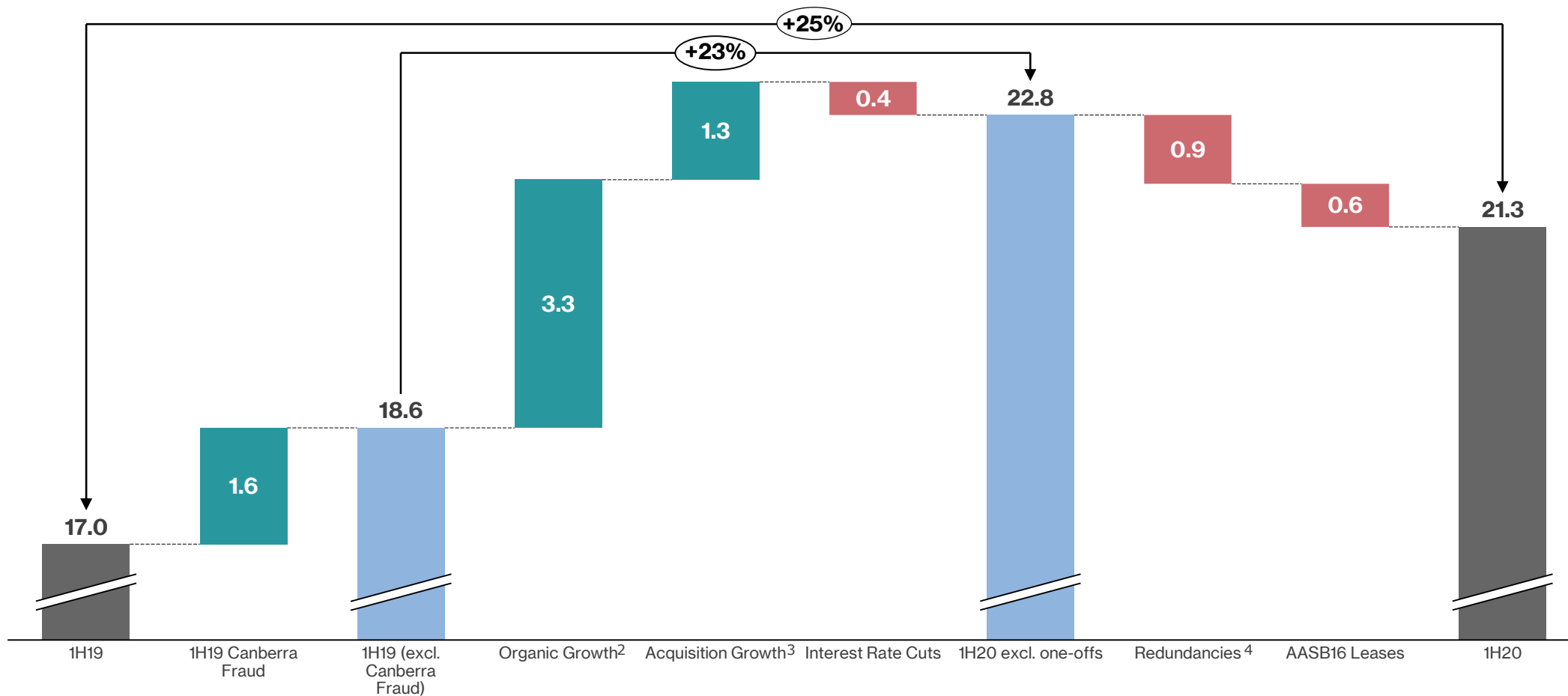
1H20 GROUP PERFORMANCE

	1H20	1H19		Movement
Underlying Revenue ¹	\$272.1mn	\$256.8mn	↑	5.9%
Underlying EBIT Margin ²	23.0%	22.1%	↑	90bps
Adjusted NPAT ³	\$21.3mn	\$17.0mn	↑	25.3%
Adjusted Earnings per Share	28.96 cents	25.86 cents	↑	12.0%
Dividend per Share	14.5 cents	13.5 cents	↑	7.4%
Gearing Ratio ^{4,5}	19.9%	16.4%	↑	
Leverage Ratio ^{4,6}	1.3:1	1.1:1	↑	

- 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
- Figures include results from 'associates' (not consolidated in the financial statements) at an aggregate 100% of all business and corporate revenues, expenses including AUB Group corporate and profits with those of the consolidated businesses before deducting outside shareholder interests
- Adjusted 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
- Excludes impact of the 2 acquisitions announced; MGA Whittles and BizCover
- Gearing ratio = Look through debt / (debt + equity). Debt includes share of associates
- Leverage ratio = Debt / (EBITDA at Group + EBITDA of Associates AUB Group's share). Debt includes share of associates

1H20 PERFORMANCE BREAKDOWN

1H19 to 1H20 Adjusted NPAT¹ Breakdown (\$mns)



- Adjusted 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 1H20 acquisitions growth and the 1H19 Canberra fraud event. Excludes the impact of 1H20 redundancies \$0.9mn, Interest Rate Cuts \$0.4mn, and AASB 16 Leases \$0.6mn.
- Acquisition growth includes the net effect of acquisitions, divestments and increased equity stakes in 1H20 vs 1H19.
- Represents the net impact of material 1H20 redundancies vs 1H19.

1H20 DIVISIONAL PERFORMANCE

Vs. 1H19
comparative
period

AUSTRALIAN BROKING²

NEW ZEALAND BROKING³

AGENCIES

HEALTH AND REHAB²

OPERATING BUSINESSES⁴

Underlying^{1,3}
Revenue

\$188.0mn



4.7 %

\$27.4mn



22.9 %

\$29.2mn



1.5 %

\$27.5mn



5.2 %

\$272.1mn



5.9 %

Underlying^{1,3}
EBIT Margin

25.5%



50bps

30.4%



(220bps)

27.8%



(50bps)

12.2%



570bps

24.9%



70bps

PBT attributable
to equity holders
of parent
company^{1,3}

\$24.6mn



12.6 %

\$4.9mn



55.2 %

\$5.5mn



8.8 %

\$1.8mn



124.8 %

\$36.8mn

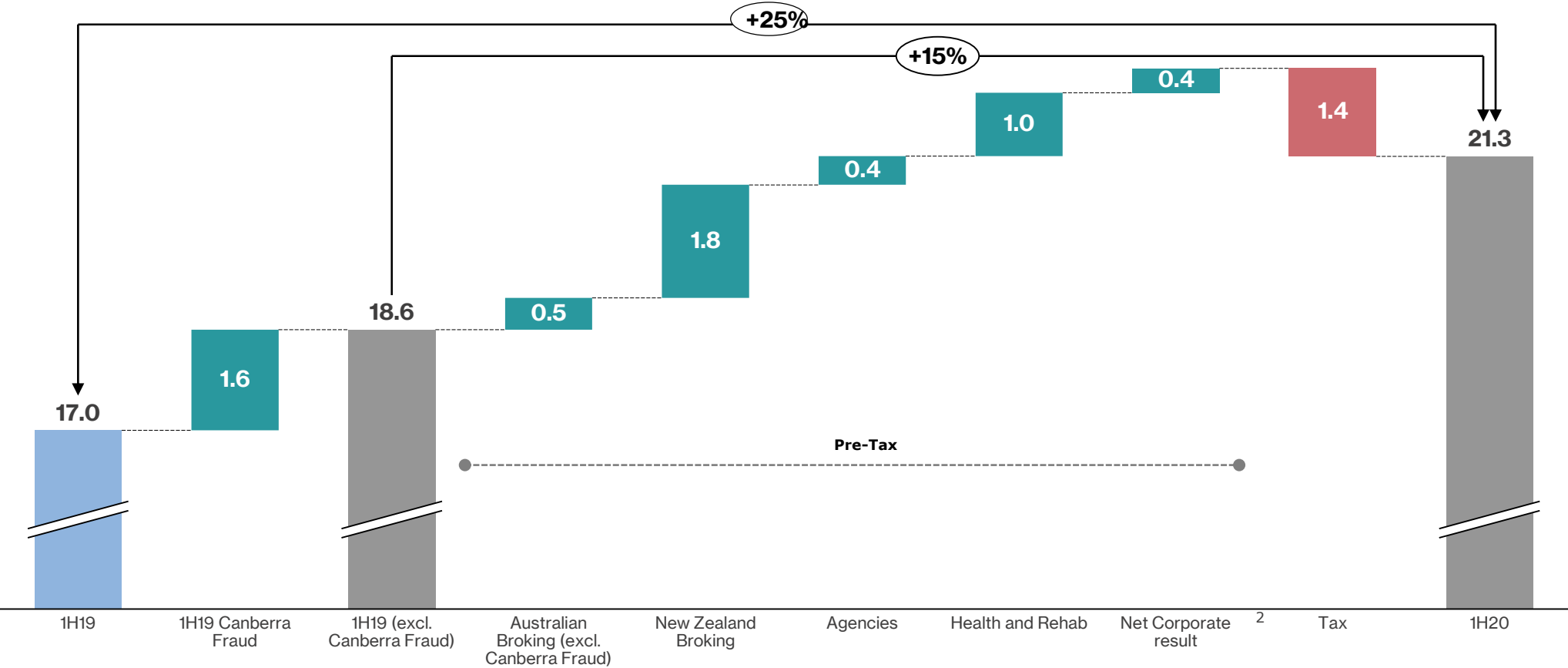


19.2 %

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 forming Health & Rehabilitation Services. 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 Analyst Pack - A5.0
3. Includes benefits of acquisitions announced in FY19, particularly 50% of BWRS effective 1 January 2019
4. Excludes AUB Group Corporate Revenue & Expenses

1H20 DIVISIONAL PERFORMANCE BREAKDOWN

1H19 to 1H20 Adjusted NPAT¹ Divisional Breakdown (\$mns)



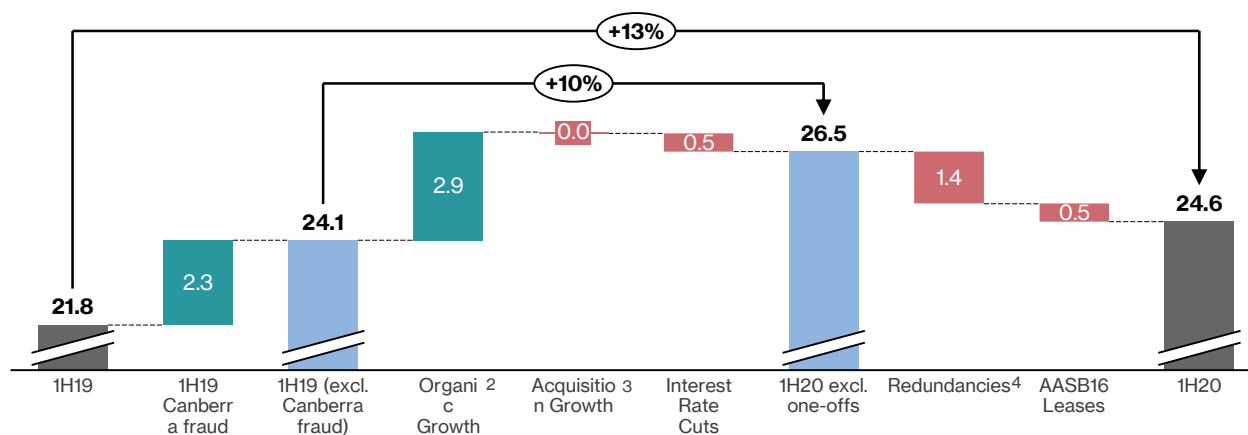
1. Adjusted NPAT is used by management and the board to assess operational performance and excludes non-operational items, such as profits and losses on sale of equity interests, fair value adjustments to carrying values on ownership changes, changes to estimates or payments of deferred contingent consideration amounts, impairment adjustments and amortisation of intangible assets.
2. Net Corporate result includes corporate income and interest expense, excludes 1H20 acquisition expenses.

AUSTRALIAN BROKING – 1H20

Profit contribution to AUB Group – Pre-tax (\$mns)	1H20	1H19	Movement (\$)	Movement (%)
Commission and fee income (net)	180.6	171.6	8.9	5.2%
Other Income	7.4	7.9	(0.5)	(6.9%)
Total Underlying Revenue ^{1,5}	188.0	179.6	8.4	4.7%
Underlying Expenses ^{1,5}	(140.0)	(134.6)	(5.4)	4.0%
Underlying EBIT ^{1,5}	47.9	45.0	2.9	6.5%
Profit before tax & non-controlling interests (PBT&NCI)	44.9	42.8	2.1	4.9%
Net profit before tax attributable to equity holders of parent entity	24.6	21.8	2.7	12.6%

- Pre-tax profit contribution to AUB Group of \$24.6mn, an increase of 12.6% from 1H19.
- Included in 1H20 were \$1.4mn of redundancy costs.
- 6.2% average commercial premium rate increases and higher average premium per policy from new business.
- 1H20 Interest income impacted by RBA rate cuts.
- New AASB16 changes resulted in an increased charge of \$0.5mn.
- EBIT margin improved to 25.5%.

1H19 to 1H20 AUB Share PBT (\$mns)⁶



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 Analyst Pack – A5.0

2. Organic growth attributable to equity holders of parent entity excludes acquisitions growth in the current period and the 1H19 Canberra fraud. Also excludes interest rate cuts -\$0.5mn, Lease accounting changes -\$0.5mn, and Redundancies -\$1.4mn

3. Acquisition growth includes the net effect of acquisitions, divestments and increased equity stakes in 1H20 vs 1H19

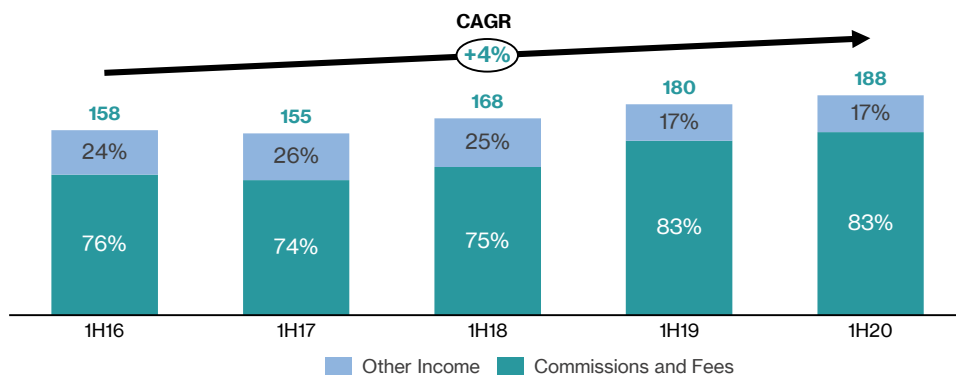
4. Represents the net impact of material 1H20 redundancies vs 1H19

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

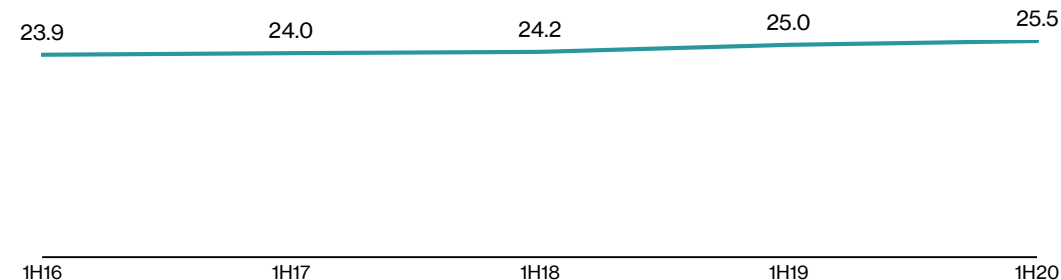
6. Net profit before tax attributable to equity holders of parent entity. 1H19 includes \$2.3mn costs relating to Austbrokers Canberra Fraud

AUSTRALIAN BROKING – HISTORICAL PERFORMANCE

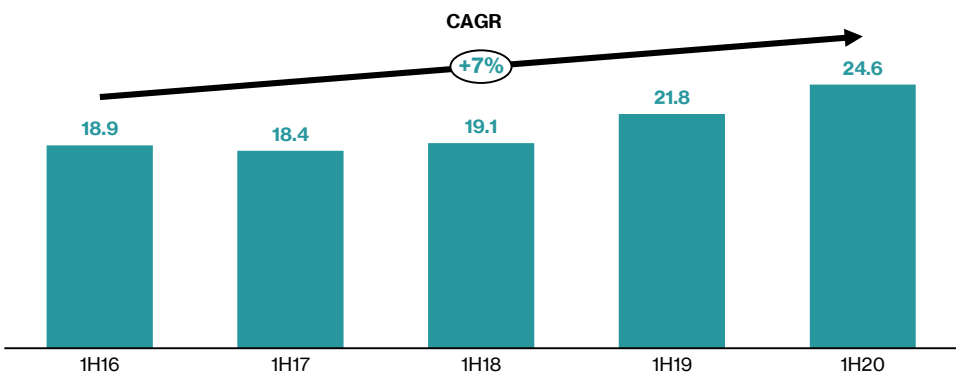
Underlying Revenue^{1,2} (\$mns and %)



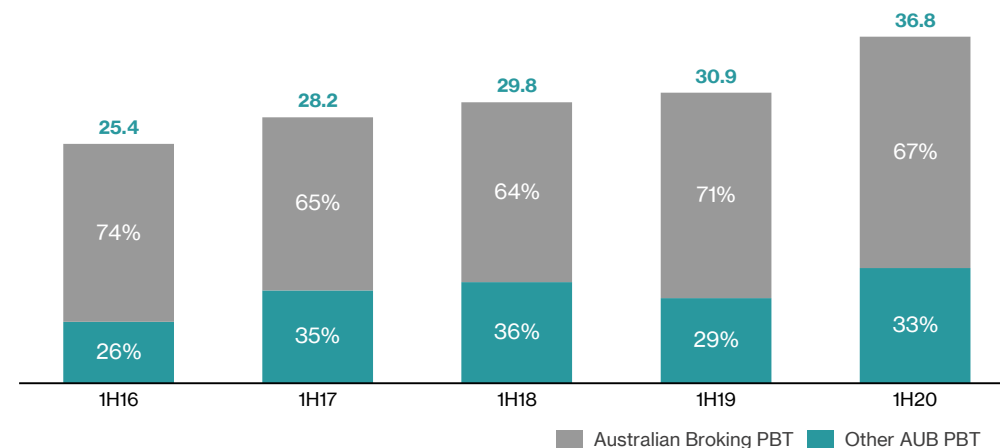
Underlying EBIT Margin^{1,2} (%)



PBT attributable to parent equity holders² (\$mns)



PBT attributable to parent equity holders² – Contribution (\$mns & %)



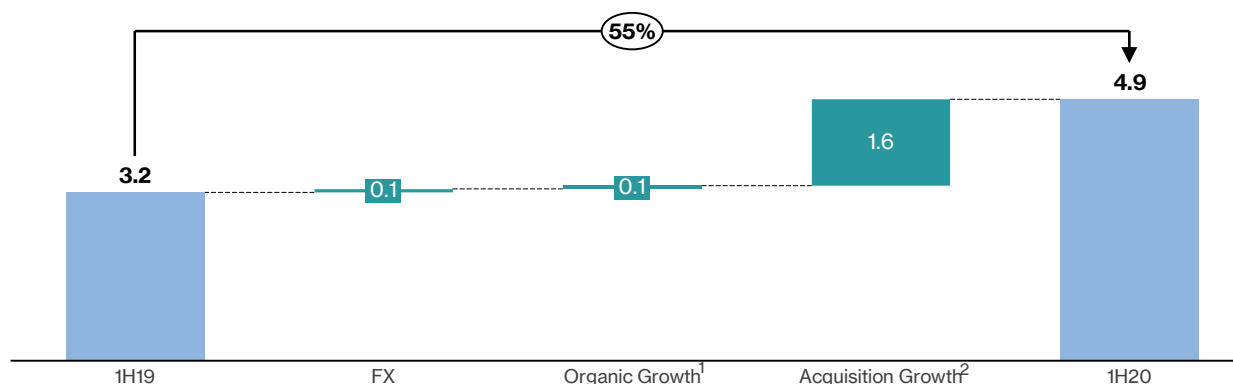
1. Underlying Results: In order to give a more comprehensive view of performance, figures include results from 'associates' (not consolidated in the financial statements) at an aggregate 100% of all business revenues, expenses and profits with those of the consolidated businesses before deducting outside shareholder interests
2. 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 Analyst Pack – A5.0.

NEW ZEALAND BROKING – 1H20

Profit contribution to AUB Group – Pre-tax (\$mns)	1H20	1H19	Movement (\$)	Movement (%)
Commission and fee income (net)	26.8	21.6	5.2	24.1%
Other Income	0.6	0.7	(0.1)	(13.8%)
Total Underlying Revenue ³	27.4	22.3	5.1	22.9%
Underlying Expenses ³	(19.1)	(15.0)	(4.1)	27.0%
Underlying EBIT ³	8.3	7.3	1.0	14.4%
Profit before tax & non-controlling interests (PBT&NCI)	6.6	6.1	0.5	9.0%
Net profit before tax attributable to equity holders of parent entity	4.9	3.2	1.8	55.2%

- Pre-tax profit contribution \$4.9mn, an increase of 55.2% on 1H19.
- Significant portion of profit growth arising from the acquisition of a further 50% of BWRS (effective 1 January 2019).
- Flattening premium rate growth observed towards the end of 1H20.
- Underlying expenses increased for management and infrastructure (including technology) to support an expanding business.
- NZbrokers performing well with continued member growth and an enhanced member proposition.

1H19 to 1H20 AUB Share PBT (\$mns)⁴



1. Organic growth attributable to equity holders of parent entity excludes acquisitions growth in the current period and FX

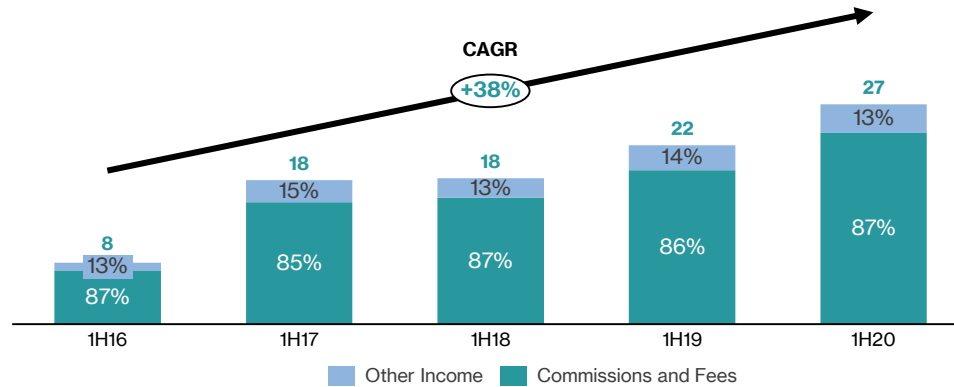
2. Acquisition growth includes the net effect of acquisitions, divestments and increased equity stakes in 1H20 vs 1H19

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

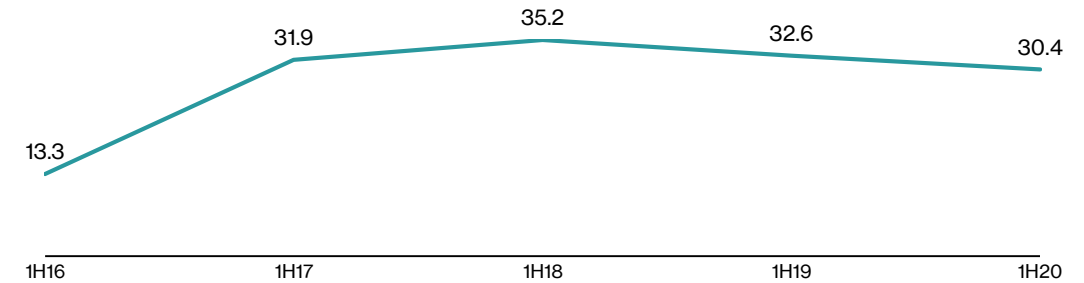
4. Net profit before tax attributable to equity holders of parent entity

NEW ZEALAND BROKING – HISTORICAL PERFORMANCE

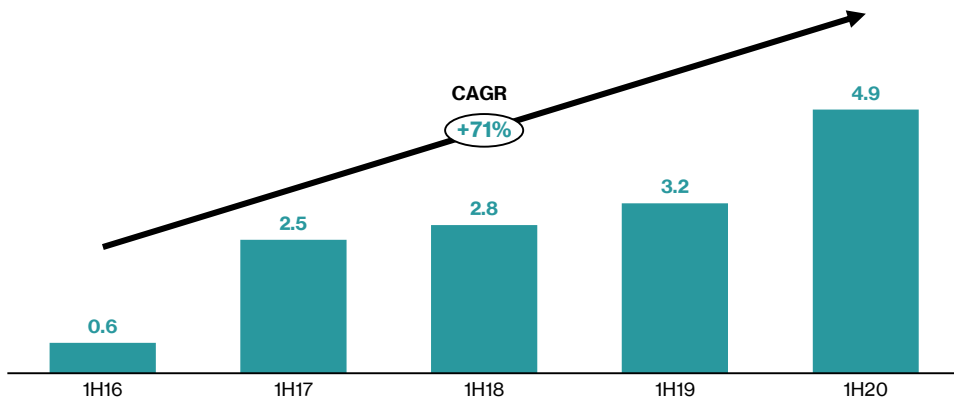
Underlying Revenue¹ (\$mns and %)



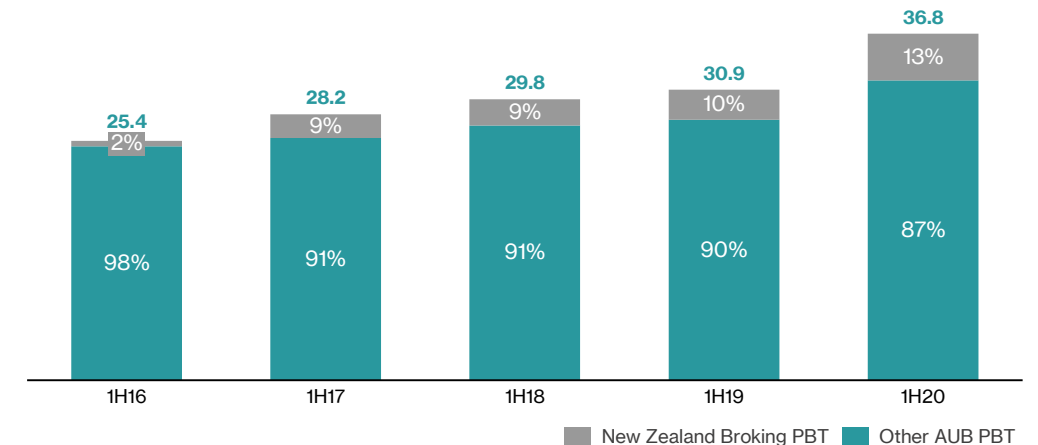
Underlying EBIT Margin¹ (%)



PBT attributable to parent equity holders (\$mns)



PBT attributable to parent equity holders – Contribution (\$mns & %)



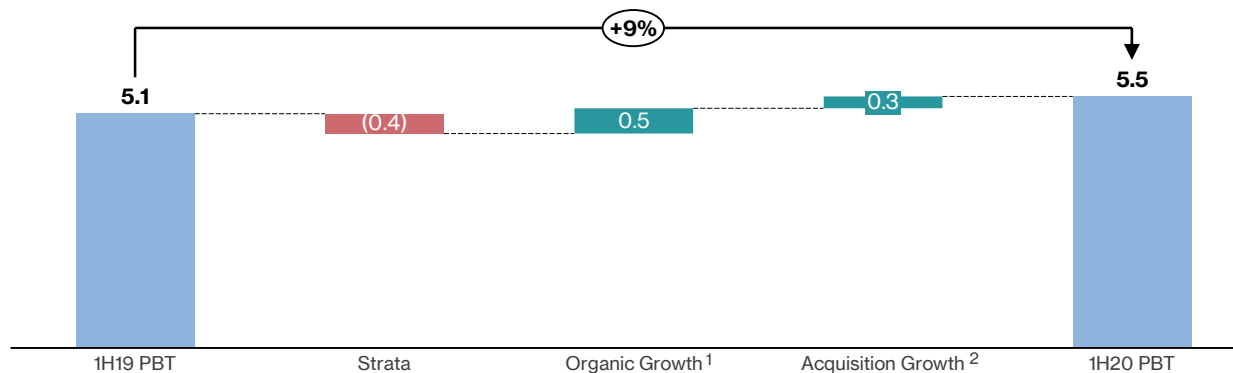
1. Underlying Results: In order to give a more comprehensive view of performance, figures include results from 'associates' (not consolidated in the financial statements) at an aggregate 100% of all business revenues, expenses and profits with those of the consolidated businesses before deducting outside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

AGENCIES – 1H20

Profit contribution to AUB Group – Pre-tax (\$mns)	1H20	1H19	Movement (\$)	Movement (%)
Commission and fee income (net)	28.4	27.9	0.5	1.9%
Other income	0.8	0.8	(0.1)	(10.1%)
Total Underlying Revenue ³	29.2	28.7	0.4	1.5%
Underlying Expenses ³	(21.1)	(20.6)	(0.5)	2.3%
Underlying EBIT ³	8.1	8.1	(0.0)	(0.4%)
Profit before tax & non-controlling interests (PBT&NCI)	7.1	7.2	(0.1)	(0.8%)
Net profit before tax attributable to equity holders of parent entity	5.5	5.1	0.4	8.8%

- Pre-tax profit contribution to AUB Group of \$5.5mn, an increase of 8.8% on 1H19.
- Strong premium growth contributing to overall revenue growth in commission and fees in most agencies, tempered by the impact of performance in the strata businesses.

1H19 to 1H20 AUB Share PBT (\$mns)⁴



1. Organic growth attributable to equity holders of parent entity excludes acquisitions growth in the current period and the Strata binder transition

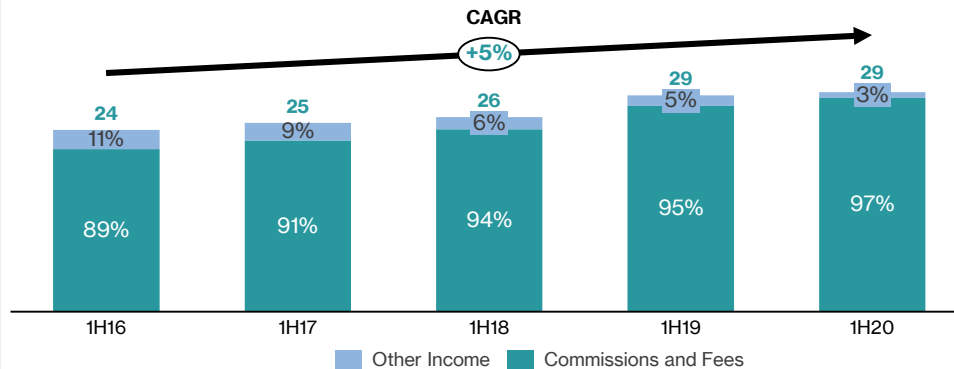
2. Acquisition growth includes the net effect of acquisitions, divestments and increased equity stakes in 1H20 vs 1H19

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

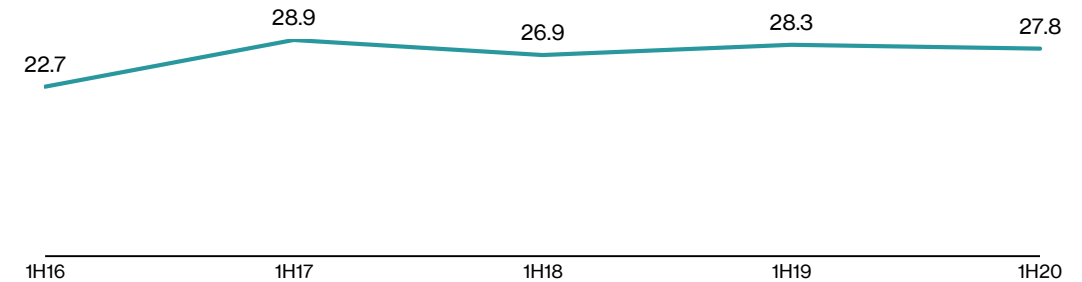
4. Net profit before tax attributable to equity holders of parent entity

AGENCIES – HISTORICAL PERFORMANCE

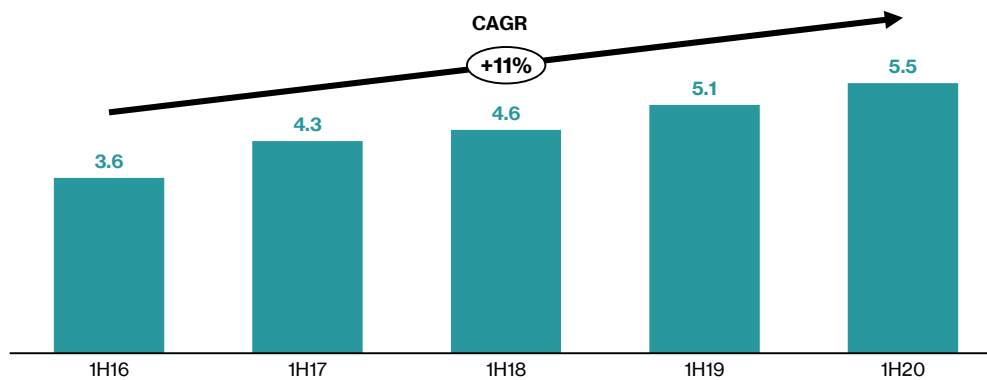
Underlying Revenue¹ (\$mns and %)



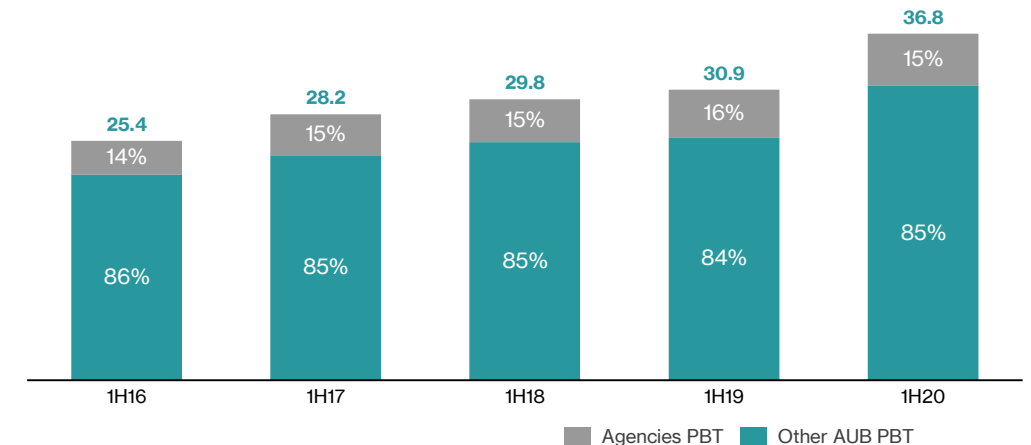
Underlying EBIT Margin¹ (%)



PBT attributable to parent equity holders (\$mns)



PBT attributable to parent equity holders – Contribution (\$mns & %)



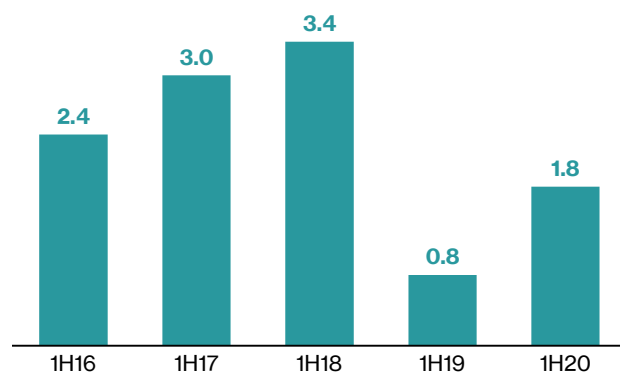
1. Underlying Results: In order to give a more comprehensive view of performance, figures include results from 'associates' (not consolidated in the financial statements) at an aggregate 100% of all business revenues, expenses and profits with those of the consolidated businesses before deducting outside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

HEALTH AND REHABILITATION – 1H20

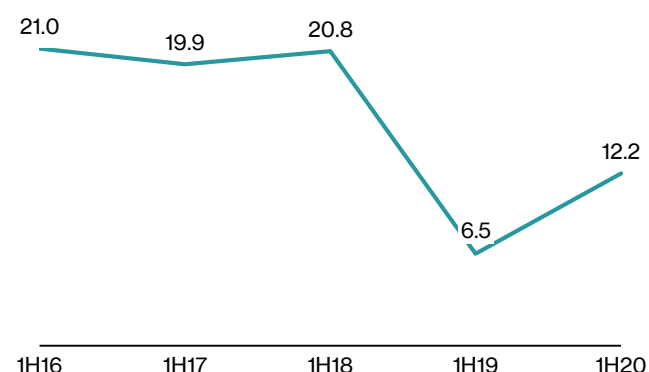
Profit contribution to AUB Group – Pre-tax (\$mns)	1H20	1H19	Movement (\$)	Movement (%)
Underlying Revenue ^{1,2}	27.5	26.2	1.4	5.2%
Underlying Expenses ^{1,2}	(24.2)	(24.5)	0.3	(1.2%)
Underlying EBIT ^{1,2}	3.4	1.7	1.7	96.9%
Profit before tax & non-controlling interests (PBT&NCI)	3.2	1.6	1.5	93.3%
Net profit before tax attributable to equity holders of parent entity	1.8	0.8	1.0	124.8%

- Pre-tax profit contribution to AUB Group of \$1.8mn increased by 124.8% on 1H19, as a result of improved utilisation, cost management and diversified 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 two remaining businesses now comprise Health & Rehabilitation Services.

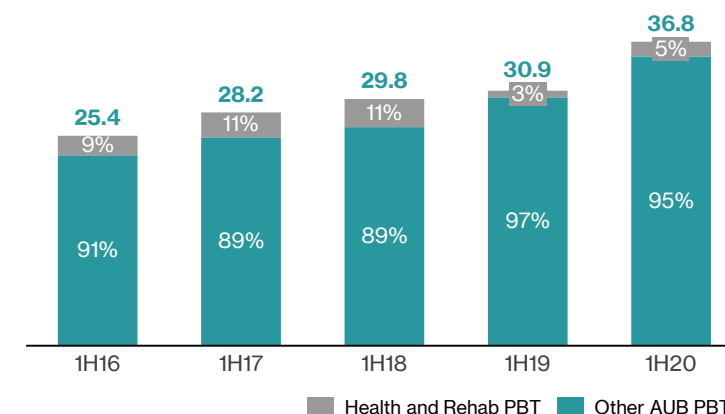
PBT attributable to parent equity holders¹ (\$mns)



Underlying EBIT Margin^{1,2} (%)



PBT attributable to parent equity holders¹ – Contribution (\$mns & %)



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

2. 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

STRONG BALANCE SHEET AND CAPITAL POSITION

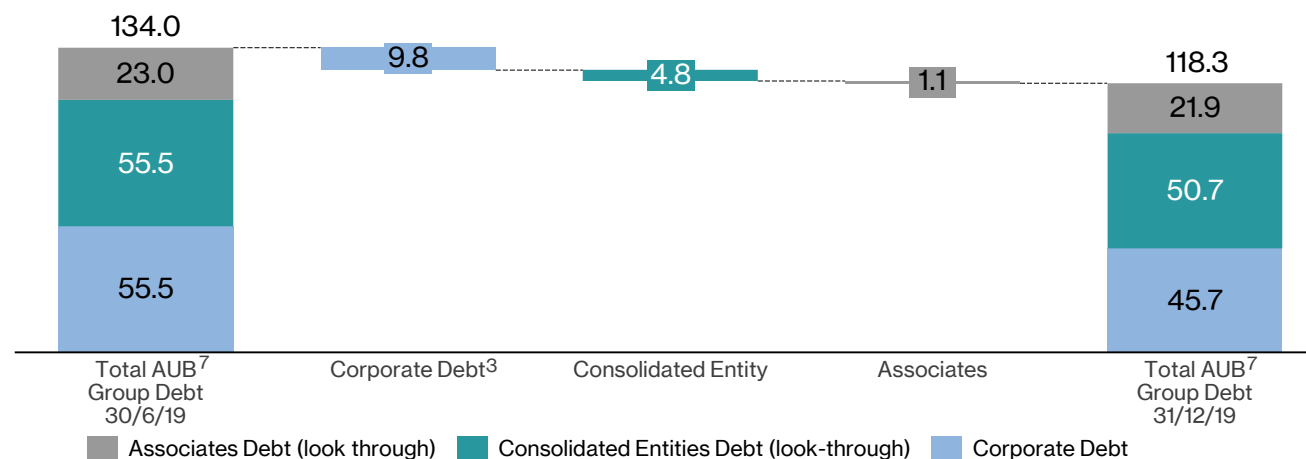
Consolidated Balance Sheet Overview (\$mns)	31 Dec 19	30 Jun 19	Movement (\$mns)	Movement (%)
Cash	50.0	70.0	(20.0)	-29%
Cash - Trust	135.0	150.0	(15.0)	-10%
Interest-bearing loans and borrowings	89.8	104.5	(14.7)	-14%
Investment in Associates	127.3	127.5	(0.2)	-0%
Intangible assets and goodwill	395.7	401.1	(5.4)	-1%
Total Assets¹	836.5	855.9	(19.4)	-2%
Total Liabilities¹	361.4	372.5	(11.1)	-3%
Total Equity	475.1	483.4	(8.3)	-2%

- Cash reduced mainly due to repayment of group interest-bearing loans and borrowings.
- Cash in Trust and associated fiduciary receivables and liabilities have reduced due to the cyclical nature of policy renewals.

1. The comparative balances (FY19) have been restated, refer to the Financial Statements Note 2

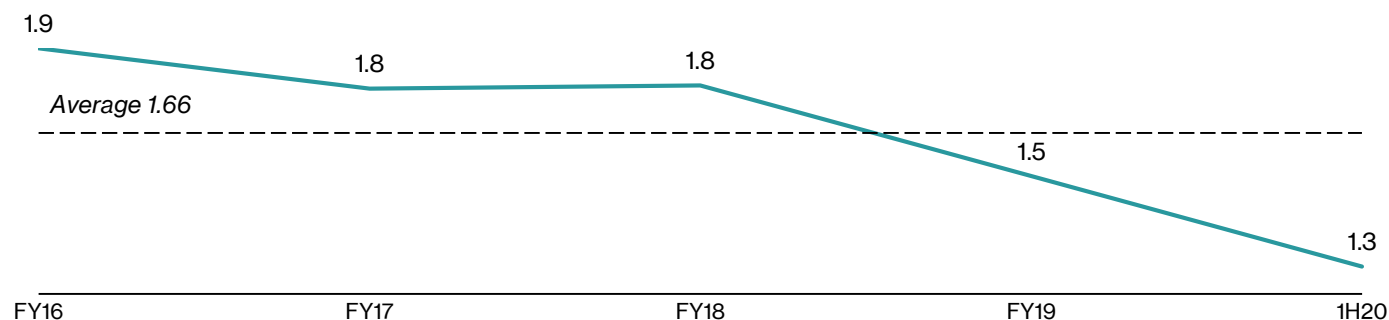
GROUP DEBT¹

Total Group Debt on a look-through basis² (\$mns)



19.9%
1H20 AUB Group Gearing⁵
(FY19 21.7%)

Group Leverage Ratio⁴



10.4:1
1H20 AUB Group Interest
Cover Ratio⁶
(FY19 10.5:1)

1. Excludes impact of the 2 acquisitions announced; MGA Whittles and BizCover.

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

3. Corporate debt includes borrowings, repayments and translation differences.

4. Leverage ratio = Debt / (EBITDA at Group + EBITDA of Associates AUB Group's share). Debt includes share of associates.

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

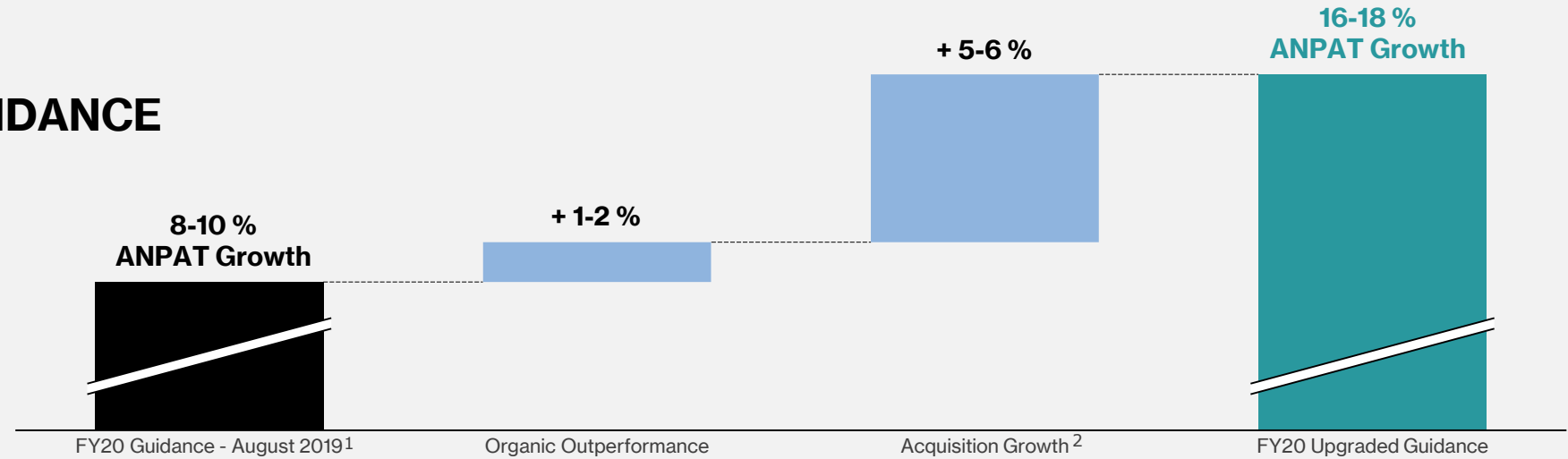
6. Interest Cover ratio = (Look through debt / debt + equity) / (Group interest expense plus share of associates interest expense). Debt includes share of associates.

7. Includes contingent considerations payables as shown on Note 16 of the Financial Statements.

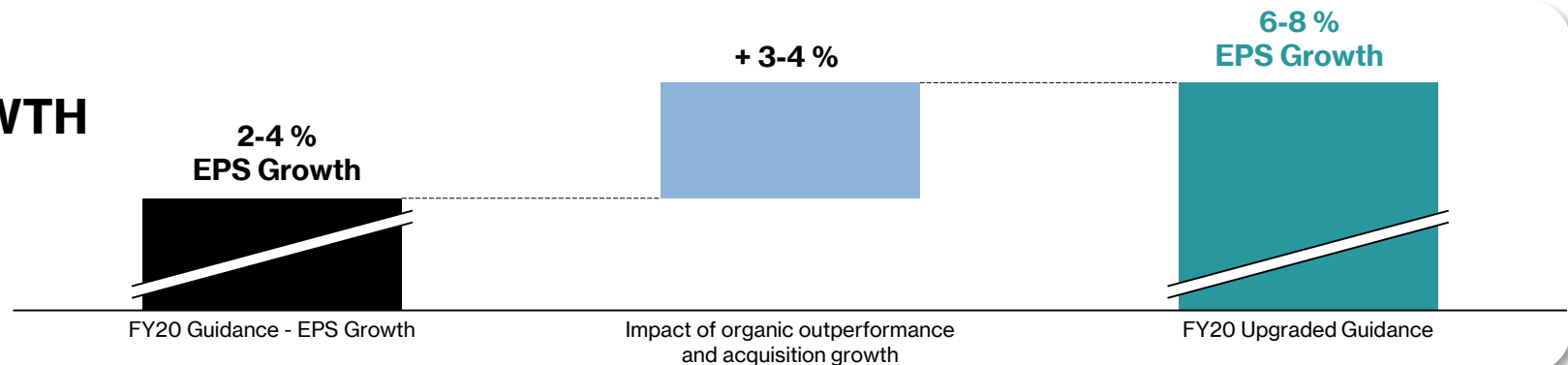
FY20 GUIDANCE UPGRADED



FY20 GUIDANCE



EPS GROWTH



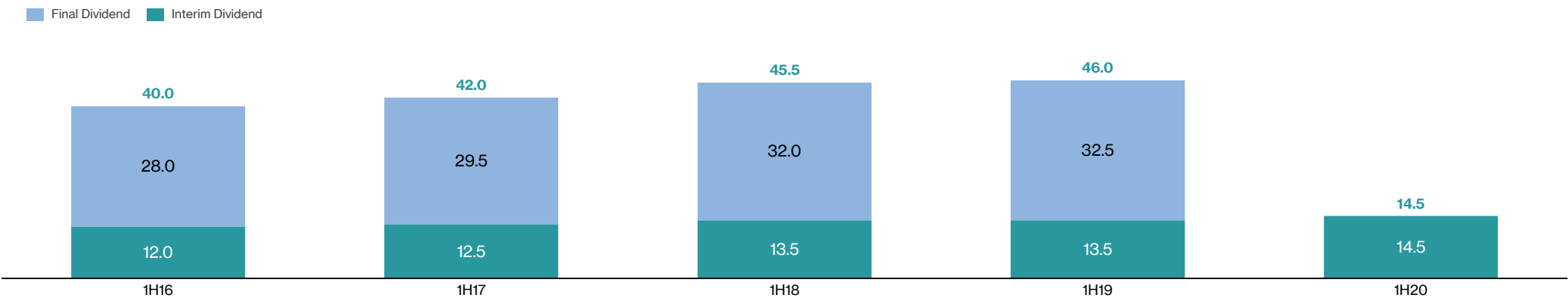
1. On 28 January 2020, the Group reaffirmed guidance, expecting to deliver towards the top of the previously announced guidance range of 8-10% growth in Adjusted NPAT in FY20 excluding major acquisition
2. Acquisitions of; MGA Whittles and BizCover, as announced on 17 February 2020

FY20 GUIDANCE OVERVIEW

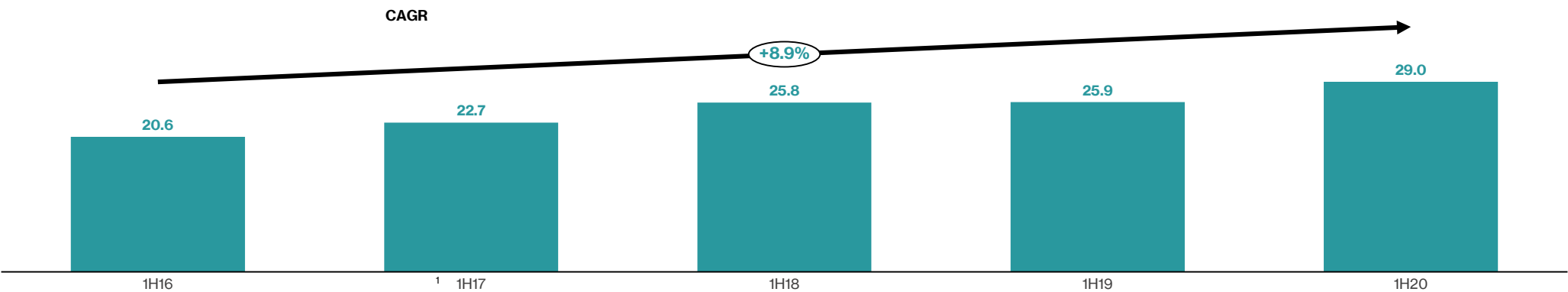
- The AUB Group expects Adjusted NPAT growth of 16-18% for FY20
- 1H20 performance has been strong and significant progress has been made to realise internal efficiencies and implement strategic initiatives. This improved outlook together with recent major acquisitions has resulted in the Group's upgraded view.
- In estimating 2H20 Adjusted NPAT the Group has factored in:
 - Performance from Australian Broking continuing in line with the original forecast at the beginning of the financial year. Premium rates in 1H20 increased by 6.2% and we anticipate rate increases in 2H20 to be in the range of 5-6%.
 - We've observed the flattening of New Zealand premium growth rates and have assumed these remain flat in determining 2H20 performance for AUB New Zealand.
 - The outlook for Health & Rehabilitation Services is potentially volatile including the possibility for further outperformance.
 - The seasonally important Australian Broking June renewal cycle being in line with expectations.

IMPROVING SHAREHOLDER RETURNS A PRIORITY

Dividend Per Share (Cents)



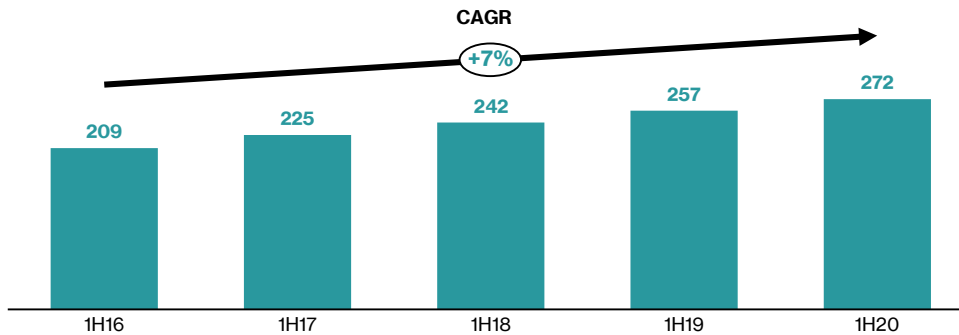
Adjusted EPS (\$ cents per share)



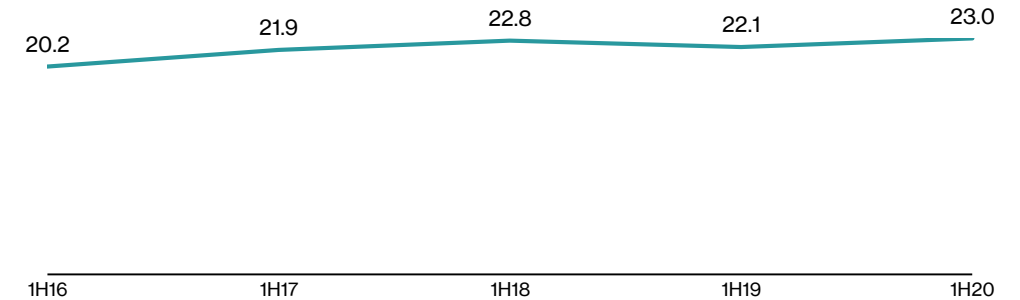
1. 1H18 EPS includes a TERP adjustment of 98.6%. Adjusted EPS = (Adjusted NPAT) / (weighted average number of shares on issue).

TRACK RECORD OF DELIVERING GROWTH

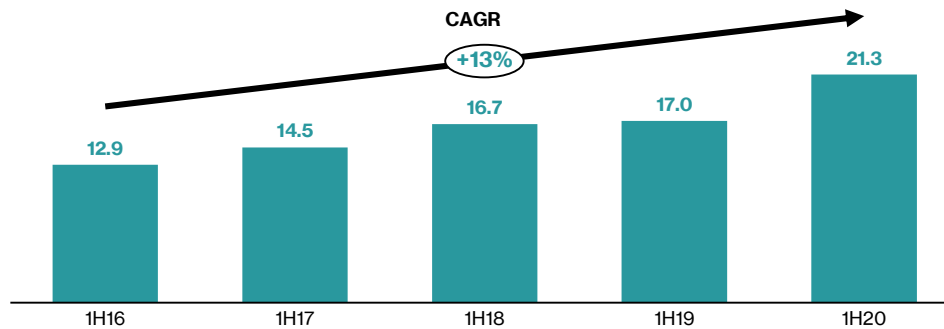
Underlying Revenue¹ (\$mns)



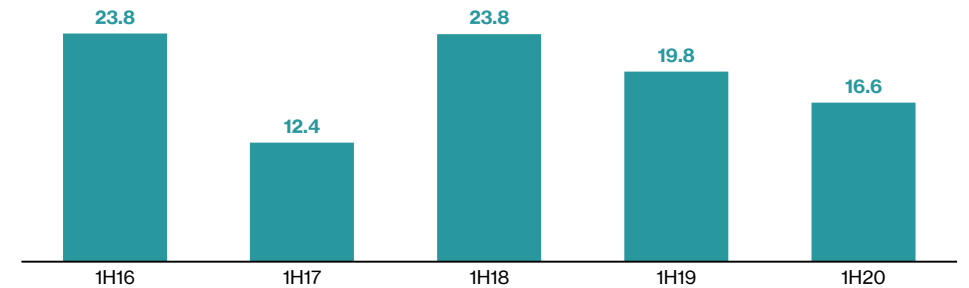
Underlying EBIT Margin² (%)



Adjusted NPAT³ (\$mns)



Reported NPAT³ (\$mns)



- 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.
- Figures include results from 'associates' (not consolidated in the financial statements) at an aggregate 100% of all business and corporate revenues, expenses including AUB Group corporate and profits with those of the consolidated businesses before deducting outside shareholder interests.
- Adjusted NPAT is used by management and the board to assess operational performance. Reported NPAT are profits that include 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.

AASB16 LEASES – 1H20 IMPACT ON ANPAT

The new lease standard (AASB 16) 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 in the amount of 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 AASB 16.

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.

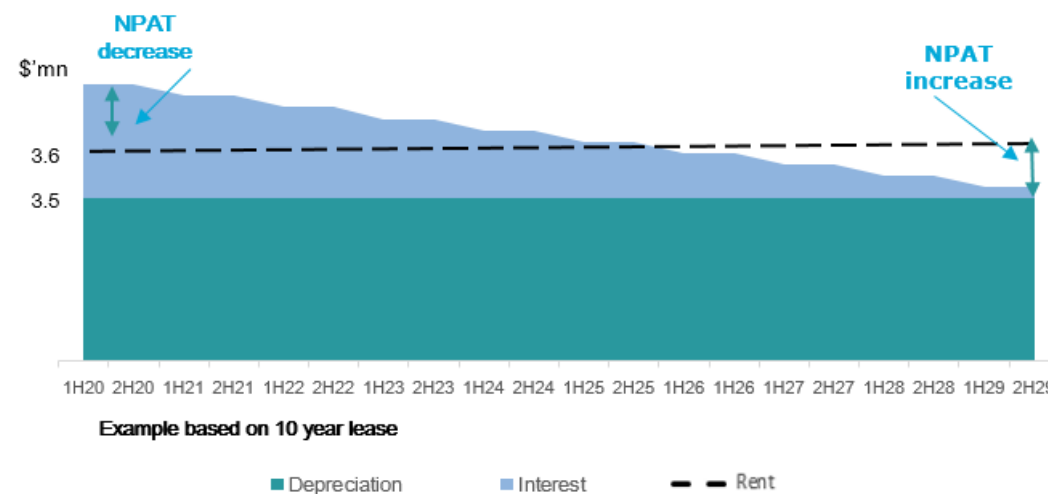
AASB16 decreases ANPAT (relative to pre AASB16) at lease commencement and increases ANPAT towards the end of the lease. The longer the lease period the greater the impact.

EBITDA increases as the rental expense is removed.

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

1H20 Estimated Impact:

	OLD	NEW	NEW	NEW
\$'mn After tax impact	Rent	Interest	Depreciation	Impact
Consolidated entities	2.8	0.4	2.8	0.4
Share of associates	0.8	0.3	0.7	0.2
	3.6	0.7	3.5	0.6



A1.0 RECONCILIATION OF REPORTED NPAT TO ADJUSTED NPAT

	1H20 (\$000)	1H19 (\$000)	Movement (%)
Net Profit after tax ¹ attributable to equity holders of the parent	16,596	19,826	-16.3%
Reconciling items net of tax and non controlling interest adjustments for:			
Adjustments to contingent consideration relating to acquisitions of controlled entities and associates - net of non controlling interests ²	(12)	(22)	
Add back impairment charge to the carrying value of associate ³	-	1,400	
Add back impairment charge to the carrying value of controlled entity - net of non controlling interests ³	3,239	22	
Net adjustment	3,227	1,400	
Less / plus profit on sale or deconsolidation of controlled entities net of tax ⁴	-	(794)	
Movement in fair value of put option liability	(762)	269	
Less profit on sale of associates/insurance broking portfolios net of tax ⁵	(1,704)	(1,221)	
Plus acquisition expenses costs relating to increase in borrowing facility, net of tax	878	-	
Adjustment to carrying value of entities (to fair value) on date they became controlled or deconsolidated ⁶	-	(4,548)	
Net Profit from operations	18,235	14,932	22.1%
Add back amortisation of intangibles net of tax ⁷	3,092	2,082	48.5%
Adjusted NPAT	21,327	17,014	25.3%

1. The financial information in this table has been derived from the audited financial statements. The Adjusted NPAT is non-IFRS financial information and 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 recognized during the period.

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

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

6. The adjustments to carrying values of associates or controlled entities arise where the Group increases its equity in associates whereupon they become 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.

7. Amortisation expense is a non-cash item.

A2.1 MANAGEMENT PRESENTATION OF RESULTS^{1,2}

	1H20 (\$000)	1H19 (\$000)	Movement (\$)	Movement (%)
Australian Broking revenue	187,952	179,594	8,358	4.7%
Australian Broking expenses	(140,036)	(134,612)	(5,424)	4.0%
EBIT - Australian Broking	47,916	44,982	2,934	6.5%
New Zealand Broking revenue	27,428	22,318	5,110	22.9%
New Zealand Broking expenses	(19,097)	(15,035)	(4,062)	27.0%
EBIT - New Zealand Broking	8,331	7,283	1,048	14.4%
Agencies revenue	29,153	28,718	435	1.5%
Agencies expenses	(21,059)	(20,594)	(465)	2.3%
EBIT - Agencies	8,094	8,124	(30)	-0.4%
Health & Rehabilitation revenue	27,533	26,167	1,366	5.2%
Health & Rehabilitation expenses	(24,178)	(24,463)	285	-1.2%
EBIT - Health & Rehabilitation	3,355	1,704	1,651	96.9%
Total revenue - operating entities	272,066	256,797	15,269	5.9%
Total expenses - operating entities	(204,370)	(194,704)	(9,666)	5.0%
EBIT - operating entities	67,696	62,093	5,603	9.0%
Corporate revenue	2,457	1,236	1,221	98.8%
Corporate expenses	(7,043)	(6,216)	(827)	13.3%
EBIT - Corporate	(4,586)	(4,980)	394	-7.9%
Total - Group revenue	274,523	258,033	16,490	6.4%
Total - Group expenses	(211,413)	(200,920)	(10,493)	5.2%
Total - EBIT before NCI	63,110	57,113	5,997	10.5%
Interest expense - Operating entities	(5,859)	(4,364)	(1,495)	34.3%
Interest expense - Corporate	(1,429)	(1,416)	(13)	0.9%
Total - Interest expense³	(7,288)	(5,780)	(1,508)	26.1%
Profit before NCI	55,822	51,333	4,489	8.7%
Non - Controlling Interest (NCI)	(25,030)	(26,860)	1,830	-6.8%
Adjusted Net profit before tax	30,792	24,473	6,319	25.8%
Income tax expense	(9,465)	(7,459)	(2,006)	26.9%
Adjusted NPAT	21,327	17,014	4,313	25.3%

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 Analyst Pack - A5.0.
3. Includes interest unwind on adoption of AASB16 Lease liabilities.

A2.1 MANAGEMENT PRESENTATION OF RESULTS^{1,2}

	1H20 (\$'000)	1H19 (\$'000)	Movement (\$)	Movement (%)
Australian Broking revenue	187,952	179,594	8,358	4.7%
Australian Broking expenses	(143,033)	(136,766)	(6,267)	4.6%
Net profit - Australian Broking	44,919	42,828	2,091	4.9%
Profit attributable to other equity interests	(20,363)	(21,018)	655	-3.1%
Australian Broking net profit	24,556	21,810	2,746	12.6%
New Zealand Broking revenue	27,428	22,318	5,110	22.9%
New Zealand Broking expenses	(20,792)	(16,229)	(4,563)	28.1%
Net profit - New Zealand Broking	6,636	6,089	547	9.0%
Profit attributable to other equity interests	(1,690)	(2,902)	1,212	-41.7%
New Zealand Broking net profit	4,946	3,187	1,759	55.2%
Agencies revenue	29,153	28,718	435	1.5%
Agencies expenses	(22,028)	(21,539)	(489)	2.3%
Net profit - Agencies	7,125	7,179	(54)	-0.8%
Profit attributable to other equity interests	(1,596)	(2,097)	501	-23.9%
Agencies net profit	5,529	5,082	447	8.8%
Health & Rehabilitation revenue	27,533	26,167	1,366	5.2%
Health & Rehabilitation expenses	(24,376)	(24,534)	158	-0.6%
Net profit - Health & Rehabilitation	3,157	1,633	1,524	93.3%
Profit attributable to other equity interests	(1,381)	(843)	(538)	63.8%
Health & Rehabilitation net profit	1,776	790	986	124.8%
Net profit before corporate income / expenses	36,807	30,869	5,938	19.2%
Corporate expenses	(7,042)	(5,710)	(1,332)	23.3%
Acquisition expenses	-	(506)	506	-100.0%
Corporate finance costs	(1,430)	(1,416)	(14)	1.0%
Corporate income	2,457	1,236	1,221	98.8%
Net corporate result	(6,015)	(6,396)	381	-6.0%
Net profit before tax	30,792	24,473	6,319	25.8%
Income tax expense	(9,465)	(7,459)	(2,006)	26.9%
Adjusted NPAT	21,327	17,014	4,313	25.3%

1. The financials in this table show a management view of the underlying performance of all investments, after adjusting for 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 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 Analyst Pack – A5.0.

A3.0 CONSOLIDATED CASH FLOW STATEMENT

	1H20 (\$'000)	1H19 (\$'000)
Cash flows from operations	33,051	20,978
Cash flows from investing activities		
Net cash inflow/(outflow) on consolidation or increase in interest of controlled entities ¹	(5,413)	(5,538)
Acquisition of associate	(3,516)	(1,291)
Net cash inflow/(outflow) on deconsolidation of controlled entity	-	(1,501)
Sales proceeds from disposal or dilution of interest in associates and controlled entities	3,184	5,209
Other	(2,227)	(2,554)
	(7,972)	(5,675)
Cash flows from financing activities		
Dividends paid	(25,244)	(26,923)
Proceeds from share capital raising	-	113,270
Net borrowings/(repayments)	(14,083)	(68,397)
Payments of principal for operating lease liabilities	(3,545)	-
Payments for deferred settlements	(2,251)	(2,594)
	(45,123)	15,356
Net decrease in broker trust account cash	(15,176)	(3,888)
Net increase/(decrease) in cash	(35,220)	26,771
Note:		
¹ Net cash inflow/(outflow) on consolidation or increase in interest of controlled entities is made up of the following:		
Cash payment for acquisitions	(5,413)	(32,169)
Cash acquired (including trust)	-	26,631
	(5,413)	(5,538)

A4.0 RECONCILIATION OF OPERATING SEGMENTS

	Consolidated 1H20			Consolidated 1H19		
	Insurance Intermediary	Risk Services	Total	Insurance Intermediary	Risk Services	Total
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Profit before tax and after non-controlling interests from:						
Insurance broking - Australia	24,556	-	24,556	21,810	-	21,810
Insurance broking - New Zealand	4,946	-	4,946	3,187	-	3,187
Underwriting agencies	5,529	-	5,529	5,082	-	5,082
Risk Services	0	1,776	1,776	-	790	790
Profit after tax and after non-controlling interests	35,031	1,776	36,807	30,079	790	30,869
Corporate income	2,457	-	2,457	1,236	-	1,236
Corporate expenses	(7,042)	-	(7,042)	(6,216)	-	(6,216)
Corporate interest expense and borrowing costs	(1,430)	-	(1,430)	(1,416)	-	(1,416)
	29,016	1,776	30,792	23,683	790	24,473
Tax	(8,949)	(516)	(9,465)	(7,203)	(256)	(7,459)
Adjusted NPAT	20,067	1,260	21,327	16,480	534	17,014
Realignment of operations between Insurance Intermediary and Risk Services segments	(440)	440	-	(742)	742	-
Less amortisation expense (net of tax and non controlling interests)	(3,092)	-	(3,092)	(2,082)	-	(2,082)
Plus acquisition expenses costs relating to increase in borrowing facility, net of tax	(878)	-	(878)	-	-	-
Profit on sale of portfolios by associates net of tax ¹	427	-	427	202	-	202
Non controlling interests on adjustments to contingent consideration relating to previous year acquisitions of controlled entities and associates ²	(12)	-	(12)	-	-	-
Fair value adjustment included in profit from associates	-	-	-	81	-	81
Non controlling interests on profit on sale of insurance broking portfolios	(41)	-	(41)	(368)	-	(368)
Less capital gains tax on deconsolidation of controlled entities	-	-	-	(406)	-	(406)
Less capital gains tax adjustments relating to sales of associates and insurance broking portfolios ²	(1,212)	-	(1,212)	(559)	-	(559)
Profit after income tax and non controlling interests (refer December 19 Financial Statements - note 16 Operating Segments)	14,819	1,700	16,519	12,606	1,276	13,882

1. This includes adjustments to profits on portfolio sales net of tax expense and contingent consideration adjustments booked by associates and included in note 4 (iii) of financial statements.

2. This includes tax expense adjustments on portfolio sales, net of non controlling interests.

A5.0 REALIGNMENT OF CORPORATE EXPENSES & RISK SERVICES RESTRUCTURE²

Corporate Expenses re-alignment for Operating entities and Risk Services Restructure ² (\$000)	1H19	1H18	1H17	1H16
AUSTRALIAN BROKING	22,609	20,389	19,085	19,000
RISK SERVICES	1,792	4,268	3,534	3,188

Corporate Expenses re-alignment for Operating entities and Risk Services Restructure ² (\$000)	1H19	1H18	1H17	1H16
AUSTRALIAN BROKING	(799)	(1,285)	(696)	(97)
HEALTH AND REHABILITATION	(1,002)	(873)	(516)	(832)

Post-alignment NPBT attributable to equity holders of parent entity (\$000)	1H19	1H18	1H17	1H16
AUSTRALIAN BROKING	21,810	19,104	18,389	18,903
HEALTH AND REHABILITATION	790	3,395	3,018	2,356

1. The financials in this table show a management view of the underlying performance of all investments, after adjusting for 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 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.

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Business Overview

AUB GROUP – AN OVERVIEW

AUSTRALIAN BROKING

- 62 Partner businesses, with ~20% Commercial Insurance Market Share with primary SME focus
- Established complementary capabilities in Life Insurance Broking, Premium Funding, Claims Management, Legal Services, Loss Adjustment, Investigations and Claims Management

NEW ZEALAND BROKING

- 8 major broker partners, an underwriting agency, and the largest broking management group in NZ with presence in 140 locations

AGENCIES

- 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 AUB Group's Business Centre

HEALTH AND REHABILITATION

- Adjacent market equity investments in 2 businesses with capabilities in health and rehabilitation services

\$3.2B+ GWP

INSURANCE BROKING OF \$2.8B VIA EQUITY
AND NETWORK PARTNERS | SPECIALIST
AGENCIES \$350M

15

STRATEGIC INSURANCE
PARTNERSHIPS

~600K
CLIENTS

>1MN
POLICIES

>450
LOCATIONS

93
BUSINESSES

33YRS
OF ACTIVE PARTNERSHIP
EXPERIENCE

>3,000
STAFF



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

OUR VALUE PROPOSITION



Comprehensive Product Offerings

Our partners have access to a comprehensive suite of >100 insurance and risk management offerings



Exclusive products, wording and arrangements

Our partners have been able to access market leading wordings and product exclusivity as a result of our scale and reach



Ongoing investment in technology

The Group leverages the consolidated pool of funding to deliver major IT change programs across the network



Partnerships with leading local and global insurers

AMS, a wholly owned AUB subsidiary, negotiates capacity with Australian and global insurers (including Lloyds) for our partners



Leading market share and network scale

Our partners are able to leverage the combined scale, reach and reputation of the Group to deliver a common shopfront for market leadership



Corporate support in driving inorganic growth

Our partners have access to AUB Group's consolidated balance sheet strength to drive inorganic M&A growth



Broad client coverage

Our offering suite and partner expertise allows coverage of all major market segments with a strong focus on the SME market



Suite of business support services and capabilities

Centralised partner support services including HR, Payroll, Finance & Accounting, Legal, Risk Management & Compliance and Technology support



Partner support and training

Dedicated Partner Development Managers to support businesses analysis and growth strategy, partner learning and development services, and access to preferential PI cover



Captive Underwriting Agency capabilities

Our captive Underwriting Agencies provide Austbrokers with preferential access to a suite of highly tailored products that meet the bespoke needs of our clients



Access to a wide-range of complementary insurance offerings

Access to premium funding, claims management, technology, legal and loss adjustment services



Data and Analytics driven BI capabilities

Data and analytics driven approach to business analysis and ongoing management

MARKET RECOGNISED CAPABILITIES

Authorised Representative Group of the Year

ANZIIF 2018 and 2019

Best Community Engagement Program – Broker

Insurance Business Australia – May 2019



Insurance Brokerage of the Year (>20 Staff)

Insurance Business Australia – May 2019

Insurance Business Australian Brokerage of the Year

Insurance Business Australia – May 2019



Best Digital Strategy – Brokerage

Insurance Business Australia – May 2019



Elite Brokers 2019

- Dale Hansen, Austbrokers Coast to Coast
 - Lara Morgan, Allinsure
 - Dave Stott, Adroit
- Insurance Business Australia – May 2019



Broker of the Year, John Duncan

NIBA – September 2018

JMD ROSS
INSURANCE BROKERS

Young Professional Broker of the Year, Craig Anderson

NIBA – September 2018



Insurance Business Global 100 Leaders - 2020

Insurance Business Australia – November 2019

Dale Hansen
Austbrokers Coast to Coast

Rod Fitzgerald
SRG Group



Broker of the Year – Authorised Representative Lisa Carter

Insurance Business Australia – May 2019

NIBA – September 2019



Authorised Brokerage of the Year (6-20 Staff)

Insurance Business Australia – May 2019



Insurance Leader of the Year, Tim Wedlock

ANZIIF – August 2018



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 over 1,900 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 62 'brands' in the market and generates over \$2.1bn in premium across the network.

With more than 30 years in the industry, a national footprint, Austbrokers is uniquely placed to provide clients with market leading insurance broking and risk management services.



~\$2.1 billion in premium



63% contribution to group revenue



62 partner businesses with equity ownership



~400,000 clients



~800,000 policies



~300 locations



~1,900 staff



~21% GI SME Market Share

All data as at June 2019

DIVISIONAL OVERVIEW – NEW ZEALAND BROKING

AUB Group's expansion into New Zealand in 2015 has grown significantly, providing a key source of growth opportunities for the Group.

AUB Group New Zealand, which selectively invests into high-performing broking and underwriting agency businesses also owns NZbrokers Management, serving a network of independent brokers consolidating to achieve scale.

AUB Group's equity holdings includes 7 Broking companies, Insurance Advisernet NZ, an underwriting agency and equity within NZbrokers.

NZbrokers is New Zealand's largest insurance broking collective, representing over 87 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.



**~\$700 million
in premium**



**10% contribution
to group revenue**



**10 businesses
with equity
ownership**



~160,000 clients



**~400,000
policies**



~140 locations



~800 staff



**87 businesses
within NZbrokers
network**

DIVISIONAL OVERVIEW – AGENCIES

Our 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 19 partner agencies, driving over ~\$350mn in premium, via 40,000 policies to over 35,000 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.



**~\$350 million
in premium**



**11% contribution
to group revenue**



**19 Partner
agencies**



~35,000 clients



**~40,000
policies**



10 locations



~200 staff



**Centralised
specialist claim
capabilities**

All data as at June 2019

PARTNER SERVICES: AMS

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**



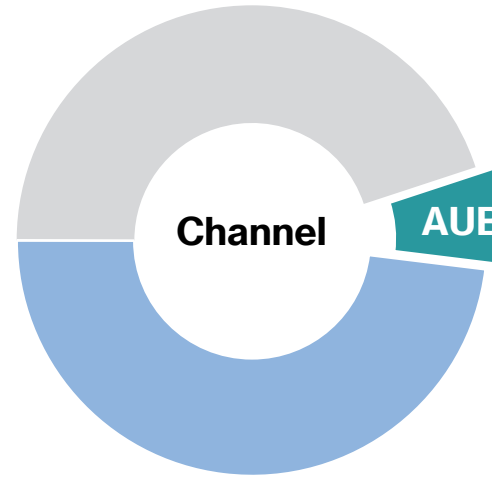
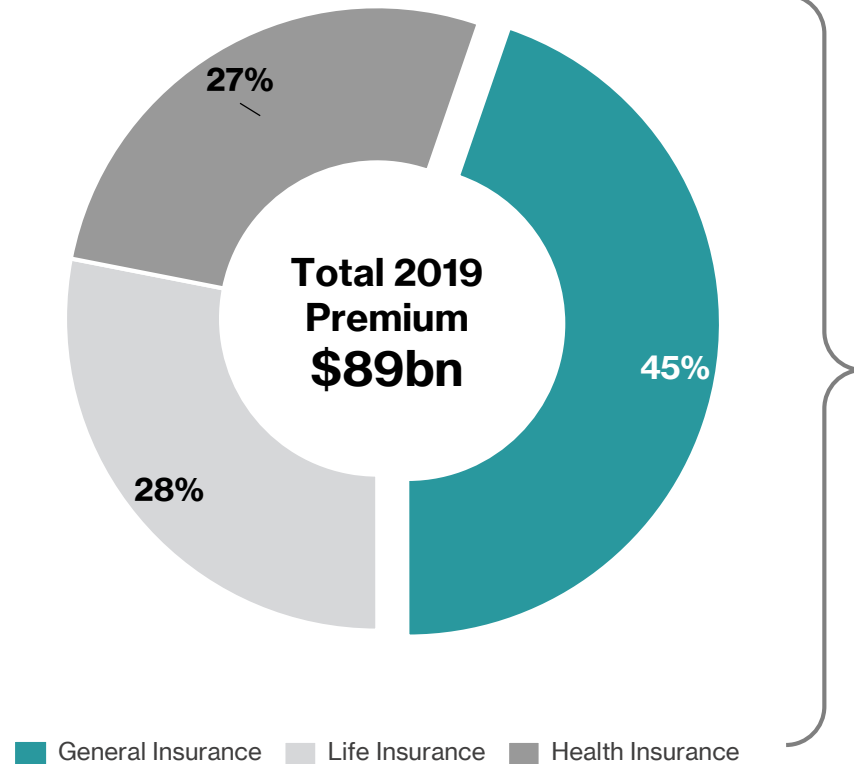
**Business
Services**



**Education,
Training &
Advocacy**

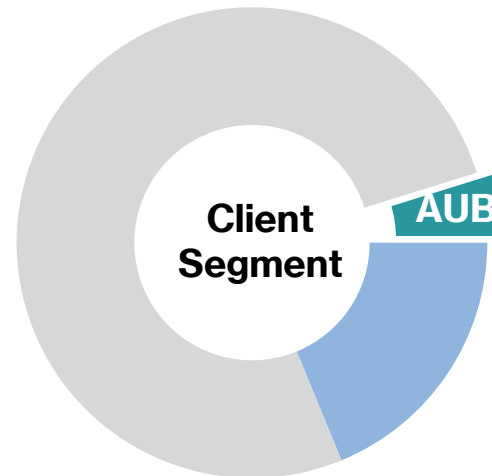
MARKET SIZING AND AUB GROUP SHARE

Australian Insurance Market



~11%
AUB Share of the
Intermediated GI Market

■ Intermediated ■ Non-Intermediated

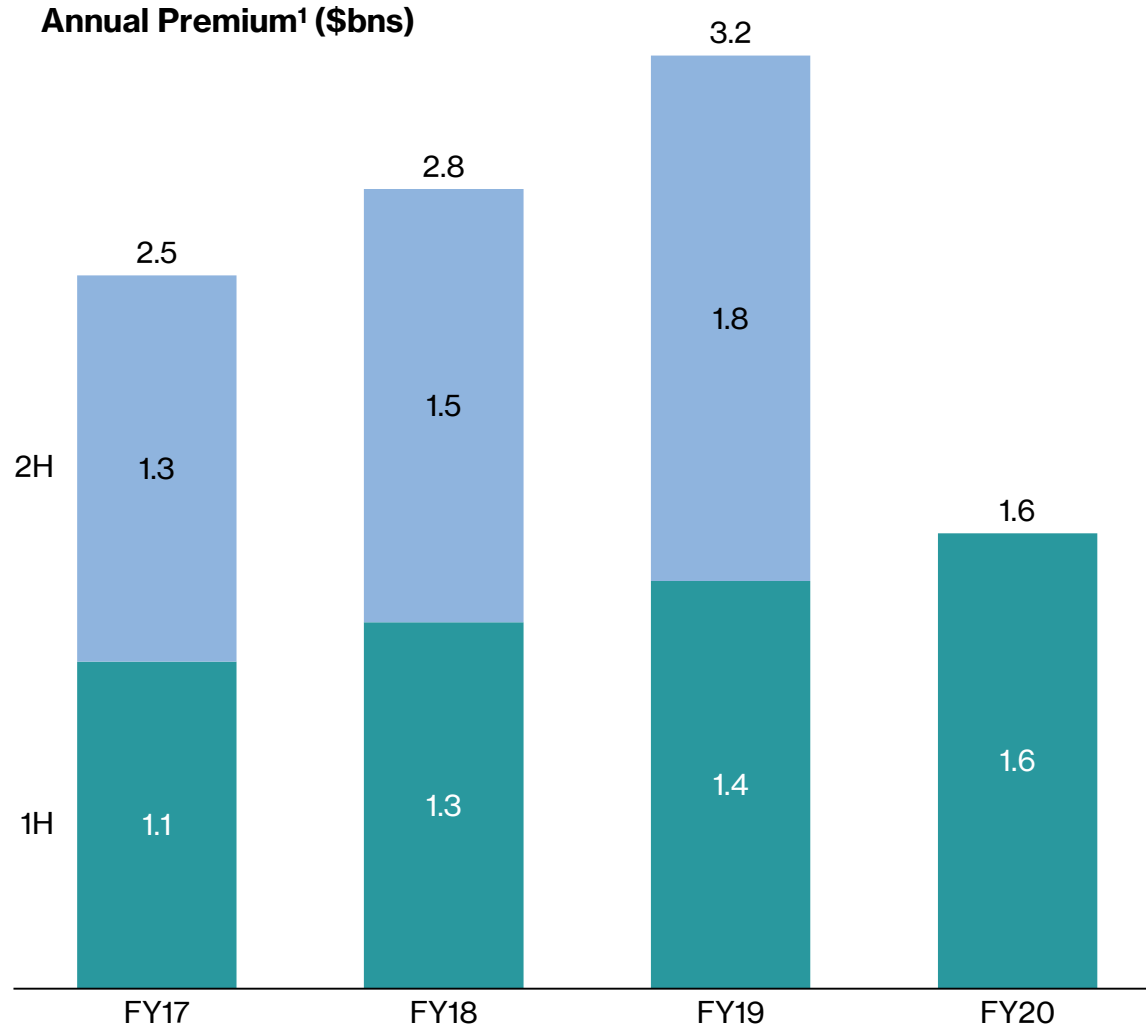


~21%
AUB Share of the GI SME
Segment

■ SME ■ Corporate and Personal Lines

Data sources: APRA Quarterly General Insurance Performance Statistics (March 2019), APRA Intermediated General Insurance Performance Statistics (December 2018), AIMS Broker view (April 2019) and McKinsey & Company (October 2017).

AUB INSURANCE PORTFOLIO – GROWTH AND SIZE

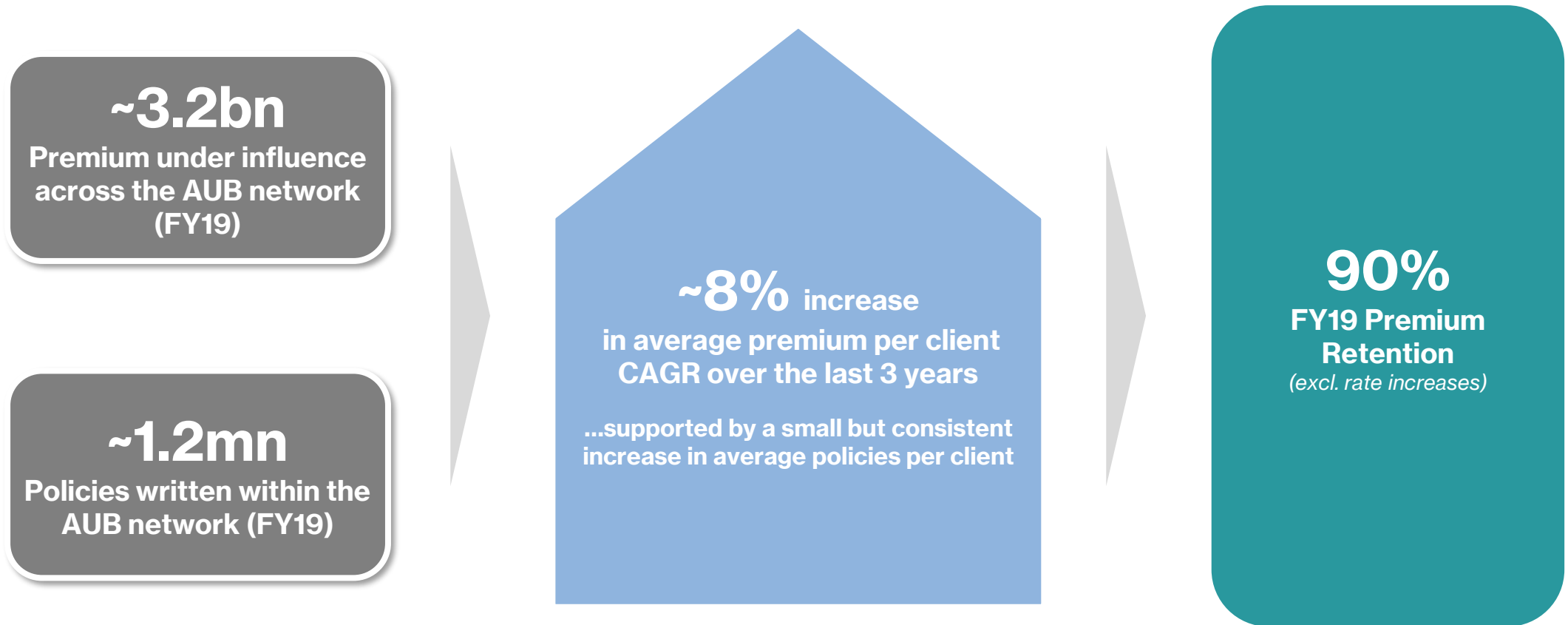


~3.2bn
Premium under influence
across the AUB network (FY19)

~1.2mn
Policies written within the
AUB network (FY19)

1. Defined as Premium as charged by the underwriter inclusive of commissions – excludes all charges (Fees, Taxes and Levies). Total includes premium from Australian and NZ Broking, and Agencies.

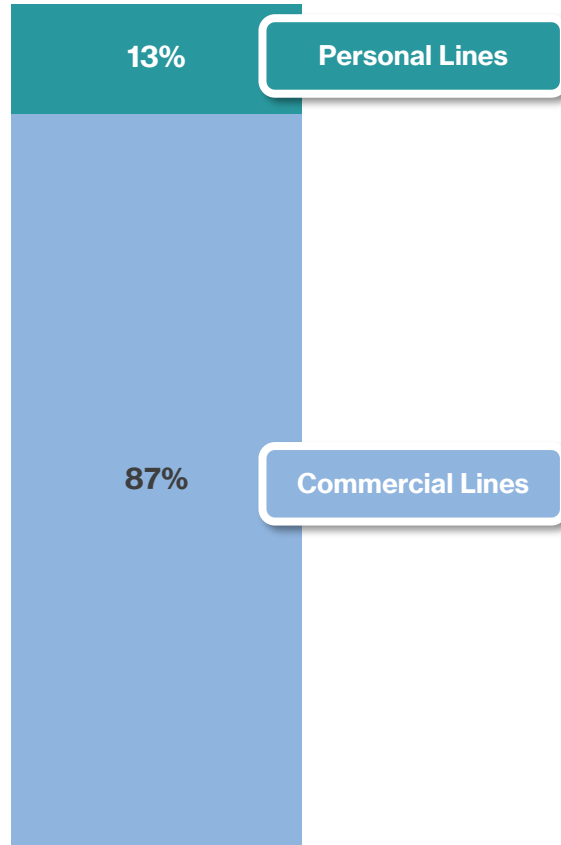
STABLE AND PREDICTABLE GROWTH DRIVERS



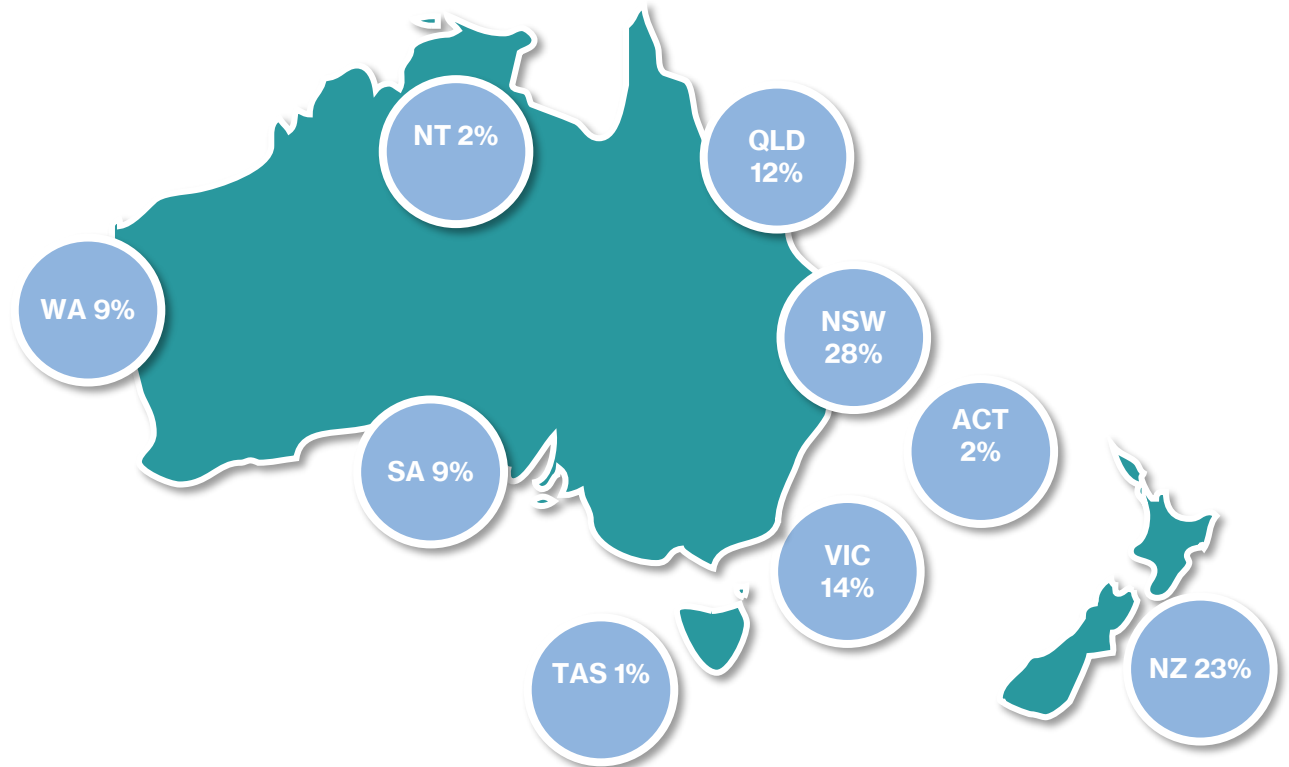
- Analysis is based on available data from key Australian Broking business portfolio.
- Client retention is based on individual clients, regardless of policy size.
- Data as at June 2019

INSURANCE PORTFOLIO MIX: CATEGORY AND GEO

Portfolio Mix – By Category (%)



Portfolio Mix – By Geography (%)

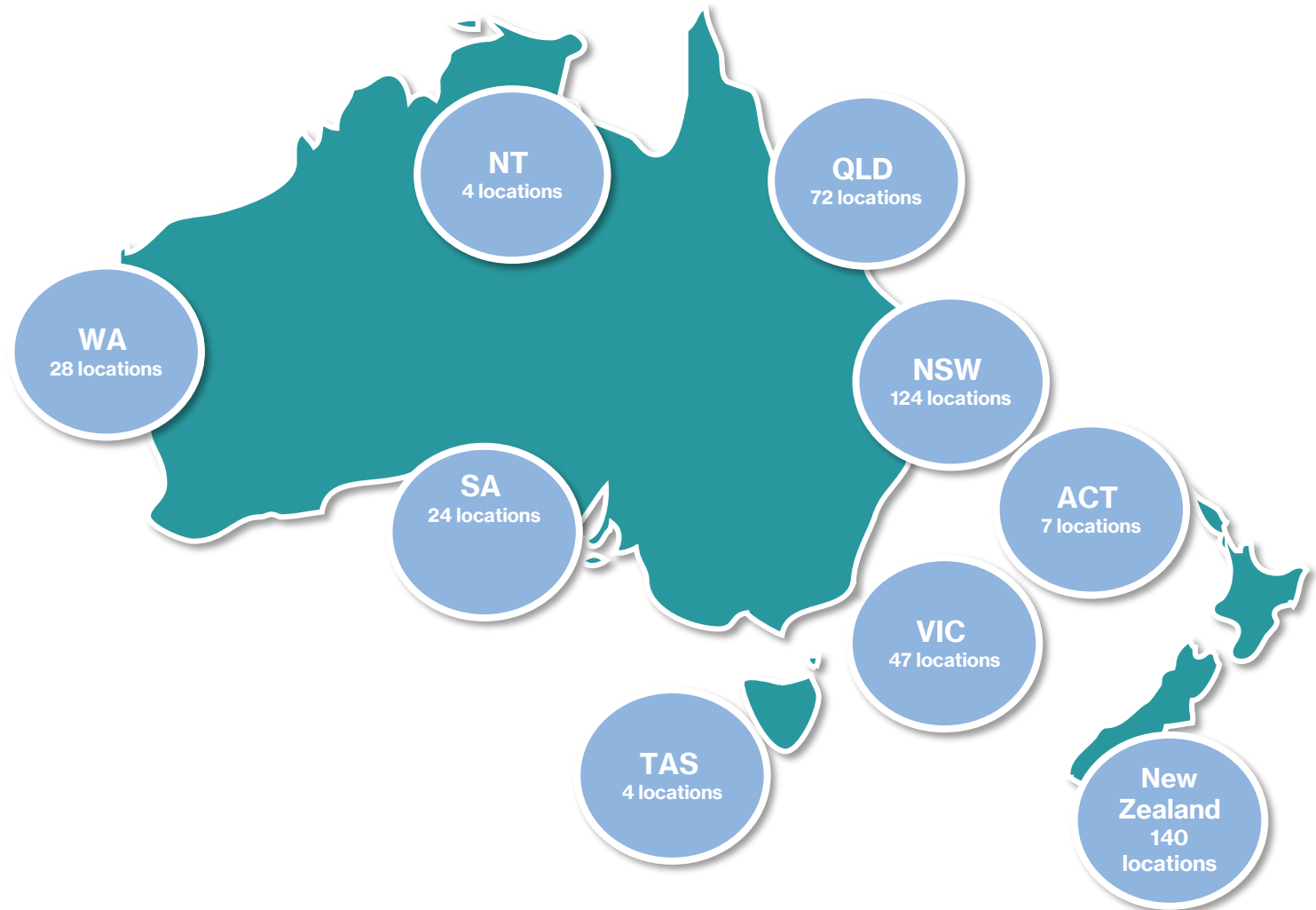


Portfolio mix is based on available data from key Australian and New Zealand Broking and Underwriting businesses

INSURANCE OPERATIONS: REACH AND SCALE

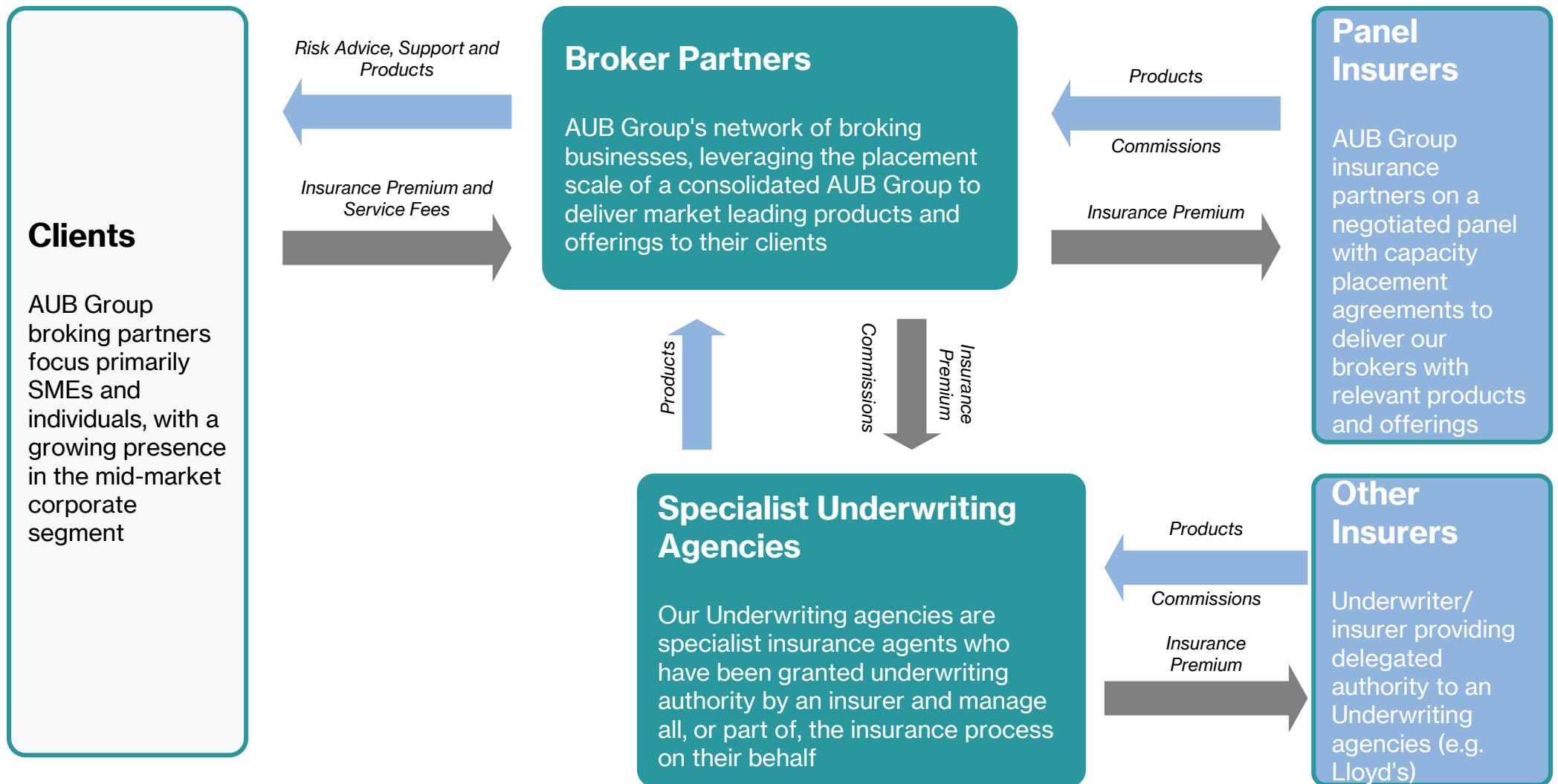
~450 Locations

>3,000
staff



All data as at June 2019

INSURANCE VALUE CHAIN AND BUSINESS MODEL



OUR BOARD OF DIRECTORS

David Clarke

Non-Executive Chairman, Chair of the Nomination and Remuneration & People Committee



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

Robin Low

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



- Former PwC partner with 28 years experience in financial services,
- Director of Appen, IPH, The Australian Reinsurance Pool Corporation, Gordian Runoff, Marley Spoon, Guide Dogs NSW/ACT, Sydney Medical School Foundation, Public Education Foundation and Primary Ethics

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 35 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



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

A large teal circle with a thick border, centered on the page, containing the text 'Thank You'.

Thank You

NOTICE

SUMMARY INFORMATION

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TERMINOLOGY

This presentation uses Adjusted NPAT to present a clear view of the underlying profit from operations. Adjusted 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.

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