



10 November 2021

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

FOR RELEASE TO THE MARKET

Annual General Meeting Presentation

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

- Annual General Meeting Presentation.

ENDS

This release has been authorised by the AUB Board.

For further information, contact Richard Bell, Group General Counsel and Company Secretary, on +61 2 9935 2222 or richardb@aubgroup.com.au.

About AUB Group

AUB Group Limited is an ASX200 listed group comprising insurance brokers and underwriting agencies operating in ~500 locations across Australia and New Zealand. Over 3,000 team members work with our 850,000 clients to place more than \$4.0bn 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

10 November 2021



Chair's Address



David Clarke

Chairman

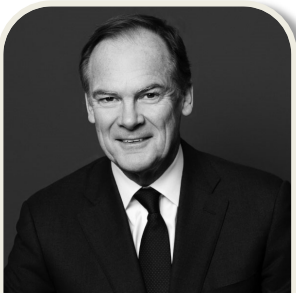


Directors



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

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 the Gold Coast Suns FC
- Mike is a former director of 1stGroup (ASX:1ST)

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 and Sax Institute
- Former Deputy Chair of the Auditing and Assurance Standards Board
- Former director of CSG Limited

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 Inc, 86400 Holdings Pty Ltd and Harmoney Corp Limited
- Member of the Enterprise Ireland Business Advisory Panel

Peter Harmer

Non-Executive Director



- Over 40 years' experience in the insurance industry including reinsurance and insurance broking
- Previous CEO roles include IAG Limited, CGU, Aon Limited UK, Aon Risk Services Australia Pacific, and Aon Re Australia
- Non-Executive Director of Commonwealth Bank of Australia and nib Holdings Limited
- Member of Bain & Company's Advisory Council
- Appointment of Peter Harmer confirmed by the Board of AUB Group Limited on 22 July 2021, after the reporting period, subject to shareholder approval at the Annual General Meeting in Nov 2021

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

CEO's Address



Mike Emmett

CEO and Managing Director

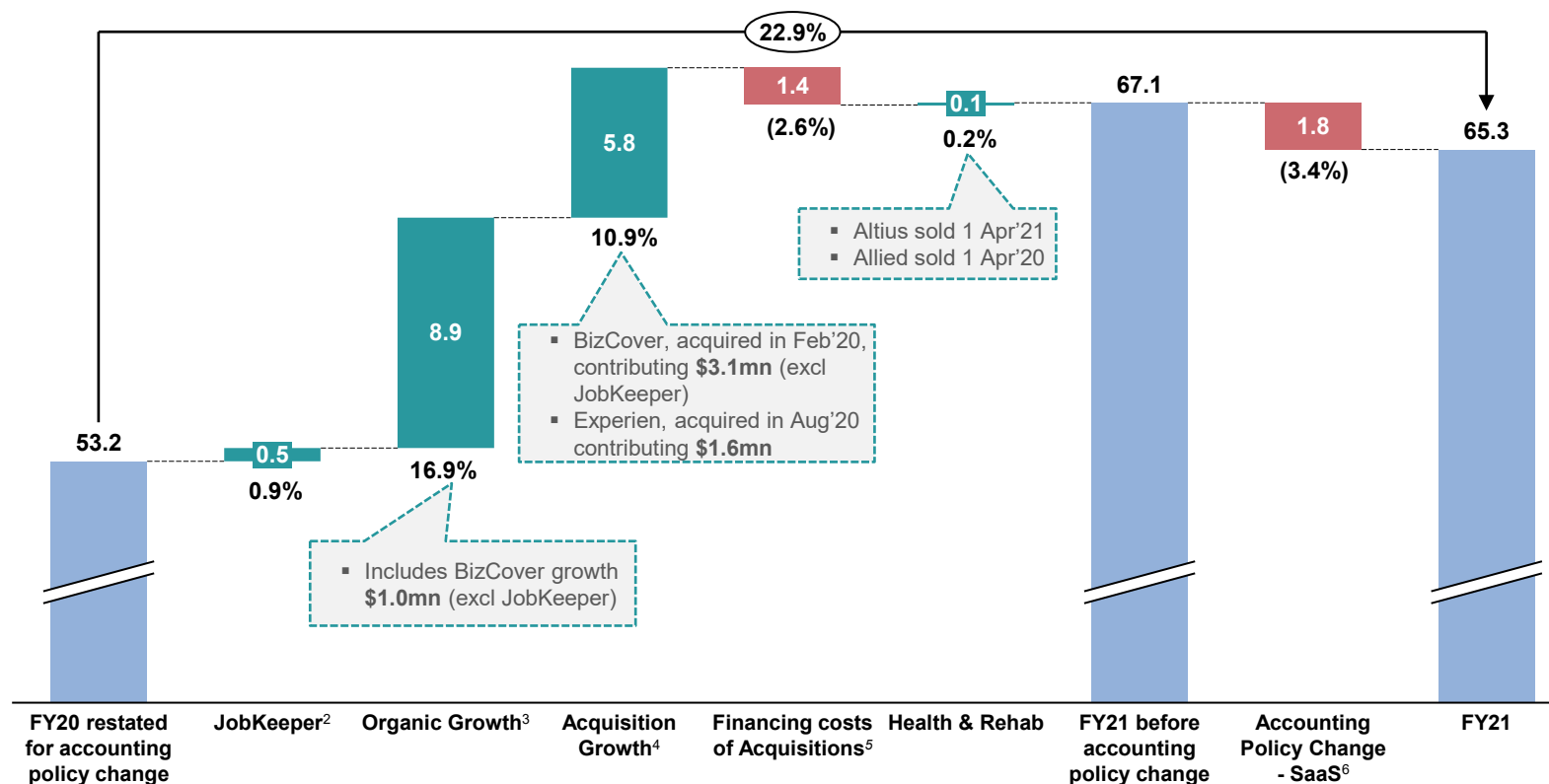


FY20 & 21 PERFORMANCE: INCLUDING SaaS IMPACT

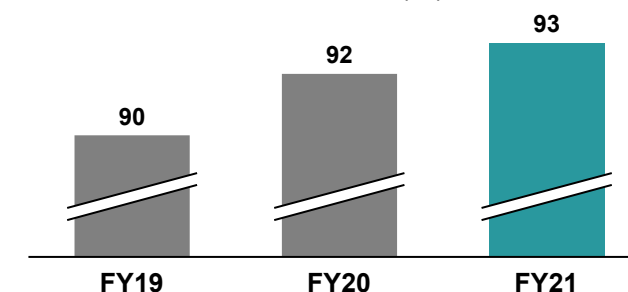
UNPAT adjusted for the Accounting Policy change for Software as a Service (SaaS) configuration costs



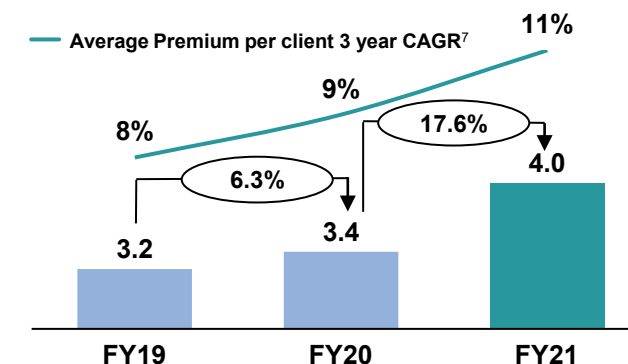
FY20 to FY21 Underlying NPAT^{1,6} Breakdown (\$mns)



Premium Retention^{7,8} (%)



Strong Premium expansion (GWP \$bn FY19-FY21)



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. JobKeeper receipts in FY21 and FY20 are excluded from the calculation of Staff and Executive Bonuses

3. Organic growth excludes acquisition growth, financing costs of acquisitions, JobKeeper receipts, Health & Rehab, and the Accounting Policy Change - SaaS

4. Acquisition growth includes the net effect of acquisitions, divestments, bolt-ons and increased equity stakes in FY21 vs FY20, excludes Health & Rehab

5. Represents the interest paid on borrowings to fund acquisitions net of interest received on proceeds from divestments

6. AUB Group has complied with IFRIC's latest change in accounting policy interpretation with respect to configuration costs of Software as a Service (SaaS) arrangements. FY21 impact -\$1.8mn Underlying NPAT, FY20 impact -\$0.2mn Underlying NPAT, YoY impact -\$1.6mn Underlying NPAT

7. Analysis is based on available data from key Australian Broking businesses as at 30 June 2021

8. Premium retention is based on individual clients, regardless of policy size

FY21 DIVISIONAL PERFORMANCE

Excellent results in Australian Broking with a 360bps improvement in margins as benefits of strategic initiatives flow through



*Vs. FY20
comparative period*

	AUSTRALIAN BROKING ²	BIZCOVER ^{2,3}	AUSTRALIAN AGENCIES ⁴	NEW ZEALAND	CONTINUING OPERATIONS	HEALTH AND REHABILITATION (Exited) ⁵	OPERATING BUSINESSES ⁶
<i>Underlying^{1,3} Revenue</i>	\$429.2mn 8.7%	\$58.7mn *FY20: \$19.6mn	\$73.5mn 24.0%	\$58.6mn 0.1%	\$620.0mn 16.5%	\$31.8mn (38.2%)	\$651.8mn 11.6%
<i>Underlying EBIT Margin pre-SaaS Adj^{1,3,7}</i>	31.9% 360bps	37.5%	33.0% 100bps	32.2% (50bps)	32.6% 300bps	18.4% 420bps	31.9% 360bps
<i>PBT attributable to equity holders of parent company pre- SaaS Adj^{1,3,7}</i>	\$72.0mn 21.8%	\$8.9mn *FY20: \$3.1mn	\$15.6mn 15.0%	\$12.5mn 3.6%	\$109.0mn 24.1%	\$4.3mn 2.5%	\$113.3mn 23.1%
<i>PBT after SaaS impact^{1,3,7}</i>		*Compared to prior partial period after AUB investment in Feb 2020	\$14.8mn	\$10.6mn	\$106.2mn		\$110.5mn

- 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
- Australian Broking has been restructured with BizCover moving to a stand-alone operating business. Comparative information has been restated to conform with the presentation in the current period. Refer to Appendix – A4.0
- The prior comparative period for BizCover reflects results effective from 1 February 2020
- 360 Underwriting results are included within Australian Agencies from 1 December 2020
- Altius sale effective 1 April 2021, Allied sale effective 1 April 2020
- Excludes AUB Group Corporate Revenue & Expenses
- AUB Group has complied with IFRIC's latest change in accounting policy interpretation with respect to configuration costs of Software as a Service (SaaS) arrangements. FY21 New Zealand impact -\$1.9mn PBT reduction (FY20: \$0.1mn PBT increase), FY21 Australian Agencies impact -\$0.8mn PBT reduction (FY20: -\$0.6mn PBT reduction)

STRATEGIC PRIORITIES UPDATE

Significant driver for the acceleration of underlying revenue, margin, and profit growth



FY19 – Total Partner Business Count

~105

Purpose	Consolidate <i>Merge portfolios and businesses for scale, market leadership and efficiency</i>	Portfolio Realignment <i>Strategically 're-home' underperforming portfolios across the network</i>	Specialty <i>Segment and acquire expertise-driven portfolios to align, scale and expand expertise</i>	Disposals / Exits <i>Strategic disposals of non-core assets</i>	Entity Rationalisation <i>Operational rationalisation of entities and licences</i>
		<p>4</p> <p>major portfolio realignments</p> <p>via a variety of transactions models including x-network sales, business model redesign including AR, portfolio leases</p>			<p>Multiple</p> <p>entity rationalisation and simplification transactions</p> <p>to reduce / optimise portfolio management efforts, drive increased accountability and improve reporting transparency across the portfolio</p>

FY21 – Total Partner Business Count

75

Fewer, bigger, better-run, more profitable operations

STRATEGICALLY ALIGNED ACQUISITIONS

Accretive acquisitions are accelerating strategy



Increase market-share
in core Broking and
Agencies

Expand capabilities in
specialist and/or
complementary
markets

Entry into growth
market segments



August 2020

- Leading broker with scale in specialist focus of life and general insurance for doctors, dentists and other professions



November 2020

- Specialist accident management, assessment & repair in heavy motor
- Opportunity to increase partnership with key Austbroker clients



April 2021

- Led by 360 as a signal for growth and expansion in New Zealand
- Enhances capability in the mobile plant and equipment segment



August 2020

- Acquired portfolio and leadership capability to drive growth in the newly merged Comsure business



December 2020

- 10 high-performing and market-leading agencies and established partner of Austbrokers
- Core to unlocking latent potential and drive growth in our wider-Agencies portfolio









April 2021

- Managing large, complex claims requiring specialist legal, commercial, scientific, engineering, and surveying expertise
- Opportunity to leverage across Austbrokers

TECHNOLOGY INITIATIVES

The AUB technology landscape has rapidly transformed, delivering cost-effective solutions for clients and network partners



Initiative			Uplift process and operational efficiency	Improve sales effectiveness	Enhance user experience (clients, brokers)
	- Share system enhancements across the network	September 2019	✓		
	- Efficient quote to bind system	March 2020	✓	✓	✓
	- Agency management platform	March 2020	✓	✓	✓
	- Analytics tools and team to optimise partner performance	June 2020	✓	✓	
	- Simplify and automate low-value processes	October 2020	✓		
	- Digital insurance platform	January 2021	✓	✓	✓

Targeted initiatives designed to implement best-practice data and technology solutions to uplift efficiency, drive sales effectiveness for our brokers and agencies, while improving client and broker experience for the benefit of our brokers, clients and underwriting partners

DEFINING OUR STRATEGIC PRIORITIES

Grow networks of pre-eminent brokerages to maximise our share of income arising from the Risk Premiums placed through these networks in target geographies



Our overarching market focus...



Leading group of Insurance Brokers and Agents...



...offering General and Specialist products and industry solutions...



...to Commercial customers of all sizes...



...across all target geographies.

Prioritising investment to deliver on growth ambitions...

1

Create a portfolio of Agencies offering risk products relevant to our clients and their insurance needs

2

Central services leveraging our scale and reach to optimise margins for network members

3

Expand our portfolio of risk assessment and loss adjustment services that support clients and brokers

4

Partner with and/or invest in wholesale brokerages, to assist with complex placements *(particular focus in relevant foreign jurisdictions)*

FY22 STRATEGIC PRIORITIES

Continue the momentum



FY22 Priority

1

REINVIGORATE INSURANCE AGENCIES

2

OPTIMISE OUR NETWORK

3

EXECUTE ON STRATEGICALLY ALIGNED ACQUISITIONS

4

DELIVER MARKET LEADING TECHNOLOGY CAPABILITIES

5

ENHANCE PARTNER PROPOSITION

Overview

Capitalise on FY21 momentum in Agencies by increasing focus on expanded binder capacity, enhanced offering proposition, increased penetration into the Austbrokers network and leveraging synergies

Continue to optimise our network to deliver outperformance

Disciplined approach to acquisitions, including increased investments in current network businesses, new complementary bolt-ons and new external investments

Drive adoption of ExpressCover and Sentinel in Australia and implementation of technology solution for New Zealand

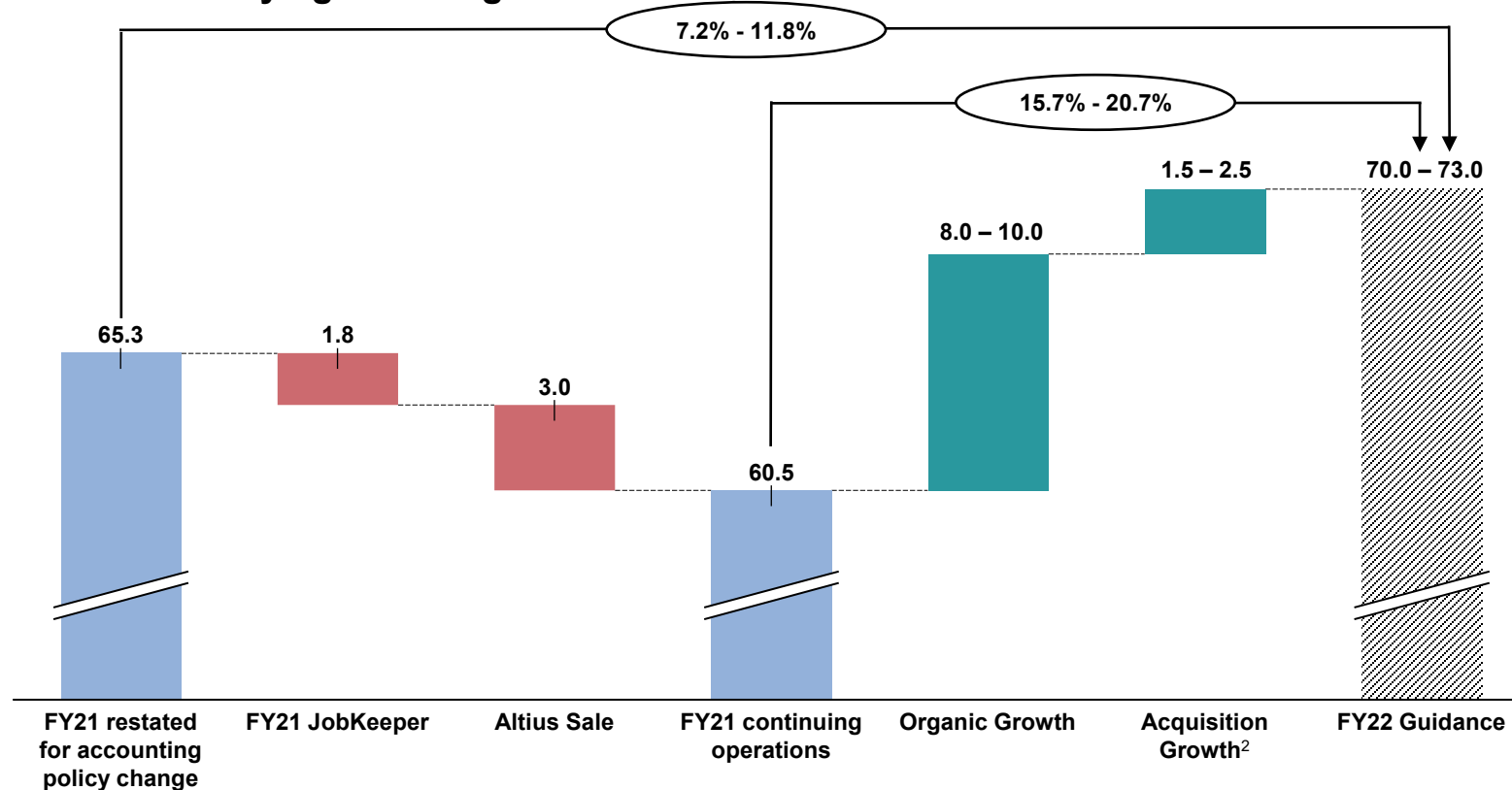
Continue to enhance our partner and client value proposition by leveraging the Group's scale and expertise to source market-leading offerings for our clients and allow our partners to 'win' in market

FY22 OUTLOOK

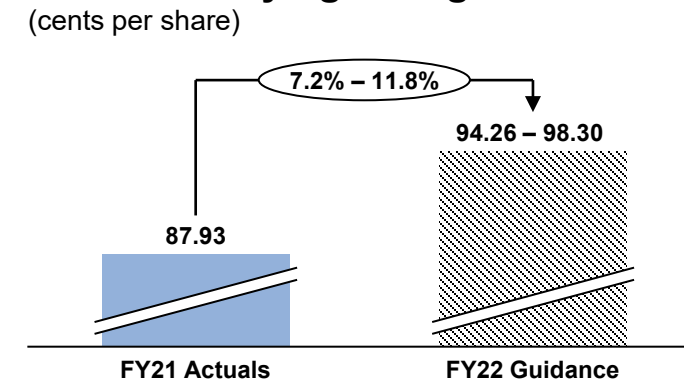
Underlying NPAT for FY22 in the range of \$70.0mn - \$73.0mn, representing growth of 15.7% - 20.7% over FY21 continuing operations



FY22 Underlying NPAT^{1,3} growth on PY \$mns



FY22 Underlying EPS growth on PY (cents per share)



The EPS hurdle for the FY22 LTI grant will be measured by calculating the average annual growth rate of Underlying EPS from FY21 to the Underlying EPS for FY24. FY21 Underlying EPS was 87.93 cents per share.

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, divestments, bolt-ons and increased equity stakes in FY22 vs FY21. Excludes major acquisitions and the Altius Sale

3. AUB Group has complied with IFRIC's latest change in accounting policy interpretation with respect to configuration costs of Software as a Service (SaaS) arrangements. FY21 impact -\$1.8mn Underlying NPAT, FY22 forecast impact -\$1.8mn Underlying NPAT, YoY impact flat



Questions?

Thank You



David Clarke

Chairman



Mike Emmett

CEO and Managing Director



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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