

## **ASX Announcement**

**20 February 2024**

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

### **1H24 Results – Performance Overview**

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

- 1H24 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 ~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.

# 1HFY24 Performance Overview and Guidance Upgrade

## Summary

- Underlying NPAT<sup>1</sup> of AUD 70.2mn (1HFY23: AUD 46.7mn).
- Underlying earnings per share of 64.76 cents per share (1HFY23: 48.18 cps).
- Reported Net Profit After Tax<sup>2</sup> of AUD 53.1mn (1HFY23: AUD 2.2mn).
- Fully franked interim dividend of 20.0 cents per share (1HFY23: 17.0 cps).
- 1HFY24 included 6 months of Tysers profit vs 3 months in 1HFY23. Tysers revenue and profit performed in line with expectations.
- Australian Broking delivered revenue growth & margin expansion from ongoing network optimisation, disciplined acquisitions and enhanced broker propositions.
- 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.
- FY24 Underlying NPAT guidance upgraded to AUD 161.0mn – AUD 171.0mn (previously AUD 154 – 164mn), representing growth of 24.7% - 32.5% over FY23.

AUB Group CEO and Managing Director, Michael Emmett, said: “I’m very proud of all that we as a Group have achieved not only over the past year but over several years. Specifically, I’d like to acknowledge the Agency and New Zealand teams who have delivered another very strong set of results. These, along with the strong performance in Australian Broking and BizCover, have ensured that these AUB Group results are some of our strongest ever. I’d also like to acknowledge the Tysers team and some of the recent additions to our International Businesses.”

<sup>1</sup> Underlying Net Profit After Tax excluding adjustments to carrying values of associates, profit on sale and deconsolidation of controlled entities, contingent consideration adjustments, acquisition costs, impairment charges, and amortisation of intangibles. Performance measure used by management and the Board to assess underlying business performance.

<sup>2</sup> 1HFY23 Reported Net Profit After Tax previously reported as AUD 0.4mn. Restated by amortisation reduction of AUD 1.8mn after tax, resulting from the Tysers acquisition purchase price allocation having been provisionally accounted for during the prior comparative period.

## Highlights by operating division

### Australian Broking

- Underlying pre-tax profit for the period increased by 18.3% to AUD 59.1mn (1HFY23: AUD 49.9mn).
- EBIT Margin of 36.9% up 170bps from 1HFY23.
- Driven by organic growth from increased commercial lines premiums, supported by bolt-on acquisitions.

### BizCover

- Underlying pre-tax profit for the period increased by 17.3% to AUD 6.7mn (1HFY23: AUD 5.7mn).
- This increase was due to organic profit growth assisted by operating leverage and scalability of the platform.
- EBIT Margin of 39.7% up 130bps from 1HFY23.

### Agencies

- Underlying pre-tax profit for the period increased by 102.3% to AUD 24.9mn (1HFY23: AUD 12.3mn).
- Strong organic growth in gross written premium (GWP) across most agencies complimented by acquisitions including Strata Unit Underwriters (1 September 2022).
- EBIT margin of 40.3% up 380bps from 1HFY23 excluding profit commissions in both periods.

### New Zealand Broking

- Underlying pre-tax profit for the period increased by 128.7% to AUD 10.9mn (1HFY23: AUD 4.8mn).
- Revenue and profit growth for all businesses, supported by increased commercial lines premiums, and reduced technology spend.
- EBIT Margin of 36.6% up 1390bps from 1HFY23.

### Tysers

- Underlying pre-tax profit contributed by Tysers for the 6 months to 31 December 2023 was AUD 38.2mn vs AUD 18.0mn for 3 months of 1HFY23.

## Capital Management

- Leverage ratio of 2.02 at 31 December 2023.
- AUB Group refinanced its debt facility in January 2024 and at 31 January 2024 had accessible cash and undrawn debt facilities of AUD 267.7mn.

## Dividends

- Fully franked interim dividend of 20.0 cents per share (1HFY23: 17.0 cps).
- The interim dividend is payable on 5 April 2024 to shareholders on the register at 5:00pm on 1 March 2024 (record date).
- The Dividend Reinvestment Plan (DRP) remains suspended.

## Guidance

- FY24 Underlying NPAT guidance upgraded to AUD 161.0mn – AUD 171.0mn (previously AUD 154 – 164mn), representing growth of 24.7% - 32.5% over FY23.
- In estimating FY24 Underlying NPAT, the Group has assumed the following:
  - Profit split represents usual seasonality / renewal cycle (42% / 58% 1H/2H) (at mid-point of range);
  - FX rates for the 6 months to 30 June 2024: GBP:AUD 1.8897, GBP:USD 1.2731;
  - USD:GBP hedging program in place for ~60% of USD operational flows for the 6 months to 30 June 2024;
  - Guidance assumes neither interest rate rises nor cuts in key jurisdictions.