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ASX Announcement

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

FY23 Guidance Upgrade Tysers UK Retail JV Update Equity Raising

- **AUB Group Limited (AUB) is pleased to provide upgraded guidance for the year ending 30 June 2023 (FY23). FY23 UNPAT is now expected to be AUD 120mn – AUD 124mn (previous guidance range AUD 112.9mn – AUD 121.4mn).**
- **AUB has decided not to proceed with the previously announced joint venture of Tysers UK Retail (JV) with PSC Insurance Group Ltd (ASX:PSI) (PSC). AUB will retain 100% of Tysers UK Retail which has demonstrated strong performance and momentum in the first six months of ownership.**
- **AUB is undertaking an underwritten AUD 150mn Placement and non-underwritten Share Purchase Plan in lieu of the proceeds that would have been received from the JV, as well as to increase financial flexibility to capitalise on its attractive bolt-on M&A pipeline.**

FY23 Guidance Upgrade

Following continuing strong performance across all divisions, AUB upgrades FY23 UNPAT guidance to be in the range of AUD 120mn – AUD 124mn (previously AUD 112.9mn – AUD 121.4mn) including 9 months of Tysers profit from 1 October 2022.

The core business in Australia and New Zealand continues to perform strongly and Tysers is continuing to perform ahead of expectations with strong business momentum.

Tysers UK Retail JV Update

Following considerable discussions and progress with PSC in relation to the JV, AUB has decided not to proceed with the JV. Accordingly, AUB will continue to own 100% of the entire Tysers business, including Tysers UK Retail.

Tysers UK Retail is a highly attractive business with meaningful scale, deep client relationships and strong organic and inorganic growth potential. Owning 100% will enhance AUB's strategic alignment with the rest of Tysers and AUB, with increased cross-sell opportunities.

Equity Raising

AUB was due to receive AUD 100mn from PSC under the JV. Given the JV is not proceeding, AUB is undertaking an Equity Raising as a result of not receiving these proceeds and to increase financial flexibility and balance sheet strength to allow AUB to capitalise on its attractive and value accretive bolt-on acquisition pipeline, having spent / committed to spend an expected AUD 149mn on bolt-on acquisitions in FY23.

Assuming net proceeds of AUD 150mn, AUB expects its net leverage ratio to be under 2.0x by 30 Jun 2023. The impact of the Equity Raising is EPS neutral before deployment of the amount raised towards bolt-on acquisitions, taking into account retention of 100% of Tysers UK Retail.

Commenting on today's announcement, Mike Emmett, AUB Group CEO and Managing Director said: *"We are extremely pleased to provide updated profit guidance, which is reflective of the continued excellent performance of all parts of AUB. Tysers continues to perform ahead of expectation with cost synergy delivery on track and revenue synergies to flow in FY24. The business is pleased to be retaining 100% of Tysers UK Retail. It is a high performance business which continues to demonstrate attractive profitability and is strategically aligned with AUB's Retail broking expertise. I would also like to compliment PSC for the professional and accommodating approach it has adopted throughout the process, respecting that the parties have been unable to reach an outcome that aligns to each Group's strategic objectives."*

Details of the Equity Raising

AUB has today launched a fully underwritten AUD 150mn Institutional Placement (Placement) and non-underwritten Share Purchase Plan (Share Purchase Plan). Approximately 6.25 million new fully paid ordinary shares (New Shares) will be issued under the Placement, which represents 6.2% of AUB's current ordinary shares on issue under AUB's existing placement capacity under ASX listing rule 7.1.

New Shares under the Equity Raising will be issued at a price of AUD 24.00 per New Share, which represents a:

- 7.2% discount to the last close price of AUD 25.86 per share on 17 May 2023
- 9.3% discount to the 5 day volume weighted average trading price (VWAP) of AUD 26.45 per share on 17 May 2023

New Shares will rank equally with existing AUB shares from the date of issue.

AUB shares will be in trading halt until completion of the Placement.

AUB will offer eligible Australian and New Zealand shareholders on the AUB register as at 7:00pm on Wednesday, 17 May 2023 the ability to participate in a non-underwritten Share Purchase Plan targeting up to AUD 15mn.

Eligible shareholders can provide a maximum application of AUD 30k per holder with applications under the Share Purchase Plan subject to scale back at AUB's absolute discretion¹.

The Share Purchase Plan offer period will commence on Friday, 26 May 2023 and close on Thursday, 8 June 2023.

Shares offer under the Share Purchase Plan will be issued at AUD 24.00 per New Share being the Placement price.

Key Offer Dates

Event	Date
Institutional placement	
Trading halt and announcement of the Offer	Thursday, 18 May 2023
Institutional Placement opens	Thursday, 18 May 2023
Institutional Placement closes	Friday, 19 May 2023
Announcement of results of Institutional Placement	Friday, 19 May 2023
Trading halt lifted and shares recommence trading	Friday, 19 May 2023
Settlement of New Shares issued under the Placement	Tuesday, 23 May 2023
Allotment of New Shares issued under the Placement	Wednesday, 24 May 2023
Share purchase plan (SPP)	
Record date for SPP	Wednesday, 17 May 2023
SPP Offer opens, and SPP Offer Booklet made available	Friday, 26 May 2023
SPP offer closes	Thursday, 8 June 2023

¹ The Share Purchase Plan is not underwritten and there is no guarantee that the Company will raise the targeted amount of AUD 15 million. In the event the Company receives valid applications under the Share Purchase Plan in excess of the targeted amount, the Company may, in its absolute discretion, raise more than the target or may scale back the number of New Shares issued under the Share Purchase Plan.

Announcement of results of SPP	Thursday, 15 June 2023
Allotment of New Shares under the SPP	Friday, 16 June 2023
Commencement of trading of New Shares issued under the SPP	Monday, 19 June 2023
Holding statements in respect of New Shares issued under the SPP dispatched	Monday, 19 June 2023

Note: The timetable (and each reference in this announcement to a date or time specified in the timetable) is indicative only and AUB may, at its discretion, vary any of the above dates and times by lodging a revised timetable with the ASX subject to the Corporations Act, ASX Listing Rules and other applicable laws.

Macquarie Capital is acting as sole lead manager, bookrunner and underwriter to the Equity Raising. Allens is acting as legal adviser to AUB.

Investor Call

An investor call has been scheduled regarding today's announcement:

Thursday 18 May 2023, 11:00 am

Webcast: <https://www.webcasts.com.au/13323/>

Teleconference: <https://s1.c-conf.com/diamondpass/10030885-b5u2fx.html>

END

This release is authorised by the AUB Board.

For further information, contact Michael Emmett, AUB Group CEO and Managing Director, on +61 2 9935 2255 or michael.emmett@aubgroup.com.au

About AUB Group

AUB Group Limited (ASX:AUB) is an ASX200 listed group comprising brokers and underwriting agencies operating across ~540 locations across Australia and New Zealand. Over 4,000 team members work with our 950,000 clients to place more than AUD 8.7bn in insurance premiums with local and foreign insurers.

IMPORTANT NOTICES

This announcement is not financial product or investment advice, a recommendation to acquire securities or accounting, legal or tax advice. It does not constitute an invitation or offer to apply for securities. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek legal and taxation advice appropriate for their jurisdiction. AUB is not licensed to provide financial product advice in respect of an investment in securities.

Future Performance

This announcement may contain certain forward-looking statements. The words “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “outlook”, “should”, “could”, “may”, “target”, “plan” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings, financial position, dividends and performance are also forward-looking statements as are statements regarding AUB’s future operations and projects, the outcome of the Equity Raising and the use of proceeds. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks (including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, certain geopolitical tensions such as the hostility between Russia and Ukraine and the risks set out in Appendix A: Key Risks section of the investor presentation released on ASX on 18 May 2023), uncertainties and other factors, many of which are beyond the control of AUB, its officers, employees, agents and advisors, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and their differences may be material.

Investors are strongly cautioned not to place undue reliance on forward-looking statements, including in respect of AUB’s future financial performance and outlook, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19 and certain geopolitical tensions such as the hostility between Russia and Ukraine. Neither AUB, nor the underwriter, nor any other person, gives any representation, warranty or assurance, nor will guarantee that the occurrence of the events expressed or implied in any forward-looking statement will occur.

Not an offer in the United States

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