

21 February 2019

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

PSC INSURANCE GROUP LTD (PSI) – INVESTOR PRESENTATION

Please find following a copy of our investor presentation to supplement the FY19 Half Year 31 December 2018 Results Announcement and Financial Report for the Half Year Ended 31 December 2018.

Please direct any queries to Joshua Reid, Chief Financial Officer, on (03) 8593 8303.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S. Abbott', written over a horizontal line.

Stephen Abbott

Company Secretary



2019 HALF YEAR RESULTS

Paul Dwyer – Managing Director

John Dwyer – Executive Director

Joshua Reid – Chief Financial Officer



SUMMARY INFORMATION

This document has been prepared by PSC Insurance Group Limited (ACN 147 812 164) (PSC). It is a presentation of general financial and commercial information about PSC's activities current as at 21st February 2019. It is information in a summary form and does not purport to be complete. It is to be read in conjunction with PSC'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 NPATA and Underlying EBITDA and other related measures to present a clear view of the underlying profit from operations. Underlying NPATA comprises consolidated profit after tax and before amortisation expense adjusted for value adjustments for the carrying value of assets or associates, contingent consideration adjustments, and other revenue and costs considered non-recurring in nature or related to acquisition activities. It is used consistently and without bias year on year for comparability. These measures are not audited by the Group's auditors. A reconciliation to statutory profit is provided in 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 PSC, 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 PSC 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, PSC 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.

NOT AN OFFER

This document does not constitute an offer, invitation, solicitation, recommendation, advice or recommendation with respect to issue, purchase, or sale of any shares or other financial products in PSC. This document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any "US person" (as defined in Regulation S under the US Securities Act of 1933, as amended (Securities Act) (US Person)). Securities may not be offered or sold in the United States or to US Persons absent registration or an exemption from registration. PSC shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or jurisdiction of the United States.

FINANCIAL HIGHLIGHTS

We continue to drive growth with a strong half year result

UP 26%

Underlying operational revenue

UP 29%

Underlying operational EBITDA

UP 16%

Underlying EBITDA

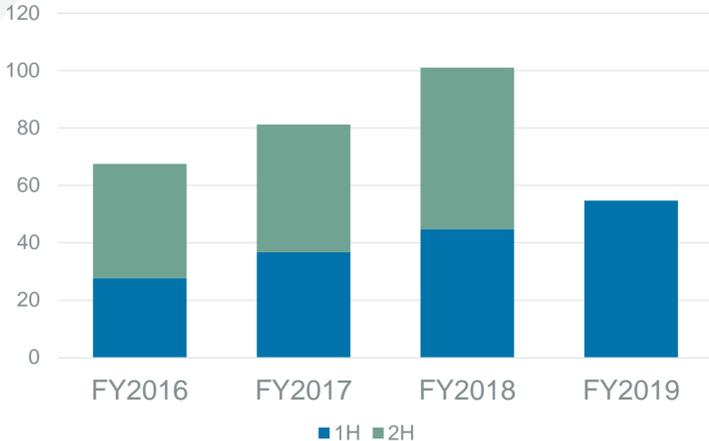
15%

Fully franked interim dividend increase to 3.1 cps

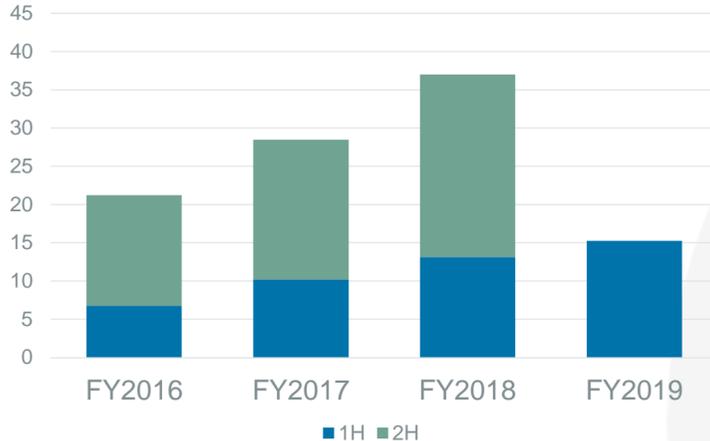
\$43M

Re-confirmed full year guidance of greater than \$43m underlying EBITDA

TRACK RECORD OF GROWTH



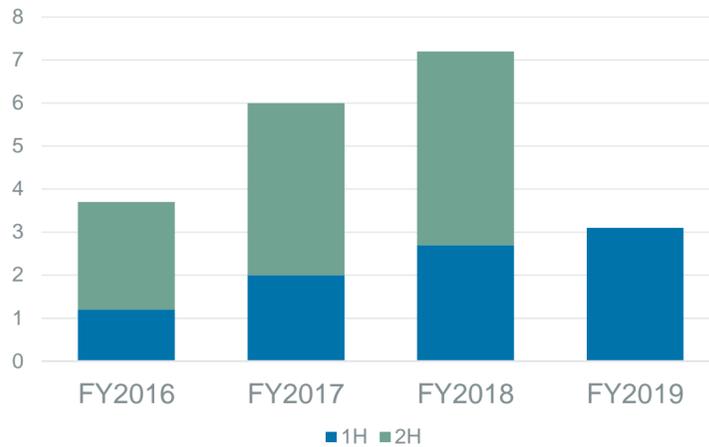
UNDERLYING REVENUE



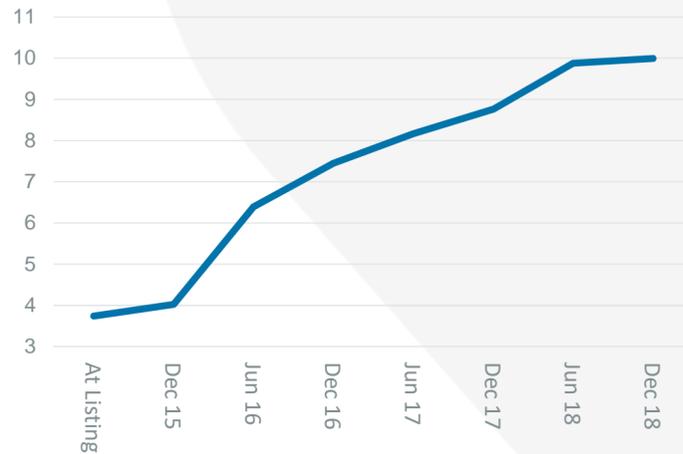
UNDERLYING EBITDA



UNDERLYING NPATA



DIVIDENDS - CPS



ROLLING EPS

WHAT MAKES PSC UNIQUE?

- Alignment: between management and the shareholders. Key executives own ~ 63% with ~ \$410,000,000 at risk
- Remuneration: lower levels of base remuneration, nominal STI and LTI plan with key management
- Strong growth rates and margins
- Diversity: portfolio of over 40 businesses. Australian focused, UK presence
- Decentralised businesses, centralised administration (finance, treasury, governance)
- Long term: acquisitions to have improvement focus, start new businesses where we add-value
- Managed by operators, entrepreneurial culture, non-bureaucratic
- Wholly Owned Group: majority of operating businesses owned 100%, allowing better control of costs and financing

BALANCE SHEET CAPACITY

Total available funding plus liquid assets ~\$100m

Balance sheet funding capacity \$38m

BP Marsh \$38m

Johns Lyng Group \$16m

Property \$4m

OPERATIONAL HIGHLIGHTS

Good Performance from Acquisitions

Completed WCS and life broking expansion. Incremental contributions across a number of acquisitions in the Distribution businesses and the UK businesses, principally Turner Insurance.

BP Marsh & Partners

Investment completed in July 2018.



Organic Growth

Organic revenue growth of 11% and underlying EBITDA growth of 14%.

OPERATING SEGMENTS



DISTRIBUTION

Insurance Broking, including Broker Networks, life broking and workers compensation consulting



AGENCY

Underwriting Agencies including Chase, Breeze, Online Travel, Medical, and claims services



UNITED KINGDOM

The UK businesses including Carroll Holman, Breeze (UK), APG, Turner, EBOL and Chase



GROUP

Group income and investments

DISTRIBUTION

MID-MARKET/CORPORATE BROKING



BROKING NETWORKS



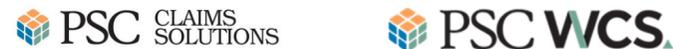
SPECIALITY BROKING



ONLINE DELIVERY



ADJACENT SERVICES



LIFE BROKING



- The Distribution businesses account for ~ \$560m GWP.
- Highly diversified across > 90,000 clients.
- Customer focused and national footprint.
- 17 broking businesses and 12 broking offices.
- 200 authorised representatives, partners and member brokers (NZ).
- A range of specialty insurance broking brands covering key industries and risks.
- Claims, workers compensation and life broking are complementary to the core broking businesses.
- Three year national affinity peak body appointments to underpin growth profile of business.

AGENCY

CHASE UNDERWRITING



Services exclusively to the construction sector in Australia & UK.

BREEZE UNDERWRITING



Specialist insurance products for niche industries in accommodation, hospitality, professional risks and hire and rental.

MEDISURE



Specialist insurance products for the healthcare and allied health sector.

ONLINE TRAVEL INSURANCE



JOLIMONT UNDERWRITING



Specialist underwriting for hard-to-place property risks via the London market.

- The Agency division accounts for ~ \$90m GWP.
- Focus on niche and growth industries.
- Supported by a variety of strong international and domestic insurance partners.

UNITED KINGDOM

CARROLL HOLMAN



Independent Lloyd's and London market wholesale broker with a focus on UK and Australian business. Core classes are Property, Casualty, Household, Motor and PI.

BREEZE UNDERWRITING



Property & Liability underwriting agency writing UK based risks. Breeze highly service driven giving UK retail broker a consistently high service with competitive products.

ALSFORD PAGE & GEMS



Lloyd's and London market insurance and reinsurance broker with a focus on international business.

TURNER INSURANCE



UK retail (direct) broker for commercial businesses as well as life and pensions for connected clients.

CHASE INTERNATIONAL



Services exclusively to the construction sector in Australia & UK.

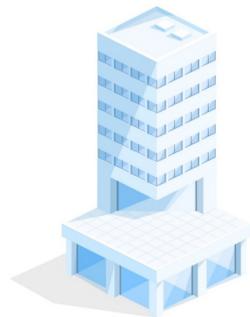
EASY BROKING ONLINE



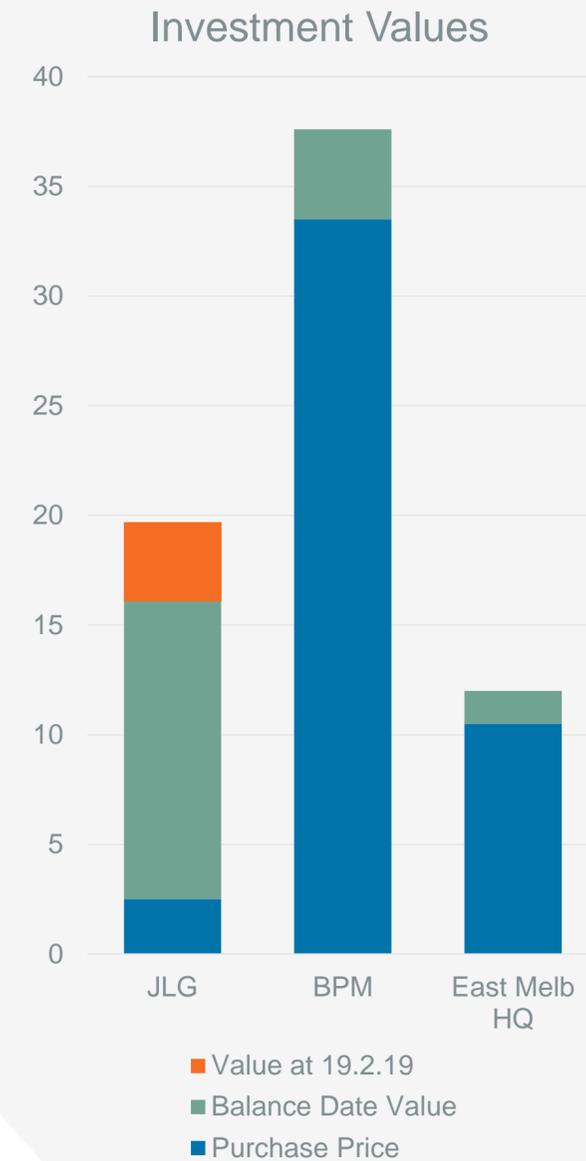
An electronic only Underwriting agency offering solutions for leisure, Retail, Takeaways, Offices, Property Owners and Commercial Combined

- The UK businesses account for ~ \$350m GWP.
- Carroll Holman Insurance Brokers – wholesale Lloyds & London Markets broker, 3 offices, 1000 supporting brokers.
- Breeze Underwriting – agency specialising in property & liability classes.
- Alsford Page & Gems – reinsurance broker, increasing presence in US MGA.
- Turner Insurance – 70% ownership – SME broker based in Leicester.
- Easy Broking Online – agency specialising in SME property class.
- Chase Underwriting – start up construction agency.

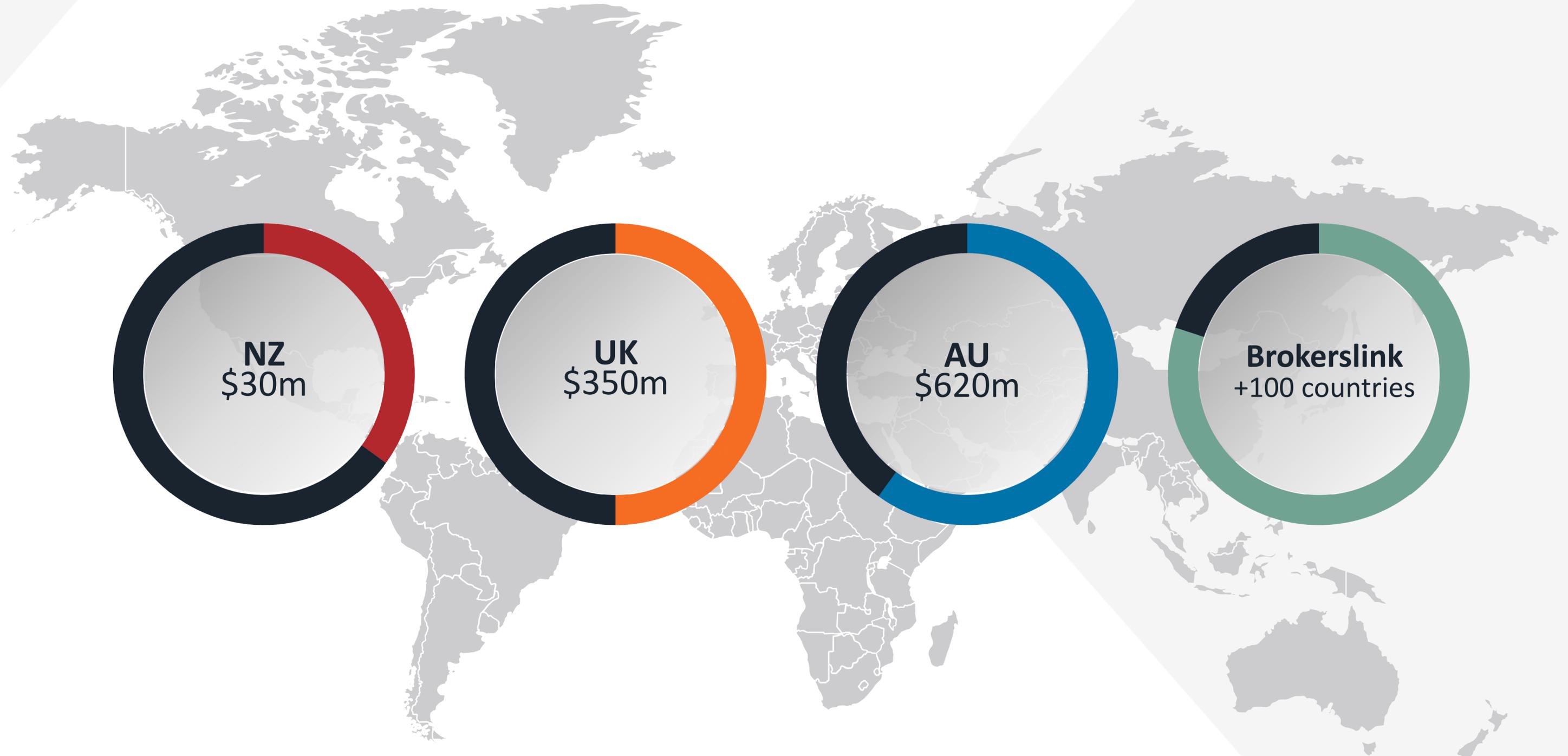
GROUP



- BP Marsh & Partners plc – 19.6% strategic long term investment.
- Johns Lyng Group - ~ 7% investment in JLG.
- East Melbourne premises – owner occupied.
- BCS Broking – 30% investment in specialist construction broker.



OUR GLOBAL REACH



FINANCIAL RESULTS SUMMARY

(\$m)	Dec-18	Dec-17	%	Change
Underlying Revenue (Operational)	53.7	42.7	26%	+11.0
Underlying Costs	-39.4	-31.7	25%	
Underlying EBITDA (Operational)	14.3	11.0	29%	+3.3
Interest	-1.5	-1.3		
Depreciation	-0.6	-0.5		
Amortisation	-0.8	-0.5		
1 off Revenue	0.6	17.2		
1 off Costs	-2.0	-0.5		
Net Profit Before Tax	10.0	25.5		
Investment Income	1.0	2.1		-1.1
Net Profit Before Tax	11.0	27.6		
Tax	3.3	7.3		
NPAT	7.7	20.3		
Underlying EBITDA (Group)	15.3	13.1	16%	+2.2
Underlying NPATA	9.5	9.1	5%	
Underlying NPATA, excl investment income	8.5	7.6	12%	
Average Tax Rate	30%	26%		

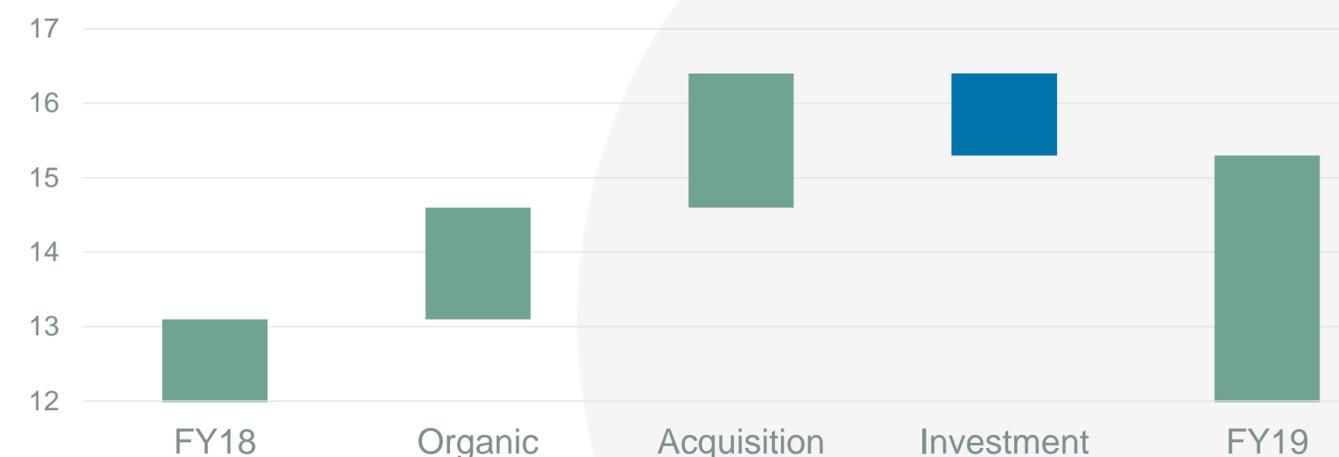
- Strong underlying operational revenue growth of 26% and underlying operational EBITDA growth of 29%.
- Organic and acquisition based growth across the 3 key operating segments.
- Underlying EBITDA growth of 16%.
- Lower investment income as prior period had final JLG income distribution prior to IPO.
- Prior period had > \$17 million fair value gain from JLG IPO which materially distorts reported statutory results.

GROWTH DRIVERS

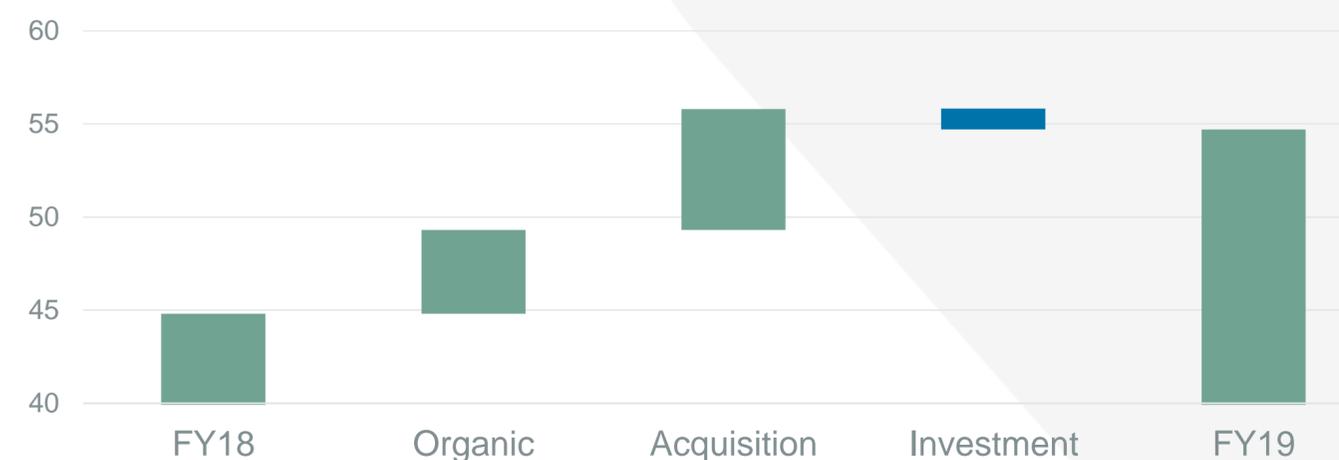
Incremental Contributions from Acquisition and Organic Sources and Investment Income

- Acquisitions contributed \$6.5m in incremental revenue and \$1.8m incremental EBITDA.
- Across 9 smaller acquisitions in the Distribution businesses and the UK businesses, principally Turner Insurance.
- Organic revenue growth of 11% and underlying EBITDA growth of 14%.
- Lower contribution from investment dividends.

Underlying EBITDA



Underlying Revenue



SEGMENT RESULTS

First reporting period with expanded operating segments; Distribution, Agency, UK, Group.



DISTRIBUTION

Distribution up 28%. Combination of acquired (\$1.1m) and organic growth (\$1.2-1.3m). Impact of higher premiums evident.



AGENCY

Agency up 16% (+\$0.3m). Largely organic growth. Strong performance from Chase Underwriting and good signs for Medisure.



UNITED KINGDOM

UK up \$0.9-1.0m. Largely driven by contributions from acquisitions. Organic growth lower given the planned reduction in APG contribution. The majority of the one-off costs related to the UK.



GROUP

Investment dividends lower by \$1.1m after JLG IPO, slightly lower EAI result and small increase in unrecovered Group costs.

SEGMENT RESULTS

(\$m) - FY19	Distribution	Agency	UK	Group	TOTAL
Underlying Revenue	31.7	8.0	13.7	1.3	54.7
	58%	15%	25%	2%	
Reported NPAT	7.0	1.4	-0.3	-0.3	7.7
Reported EBITDA	10.5	2.2	0.5	0.7	13.9
Underlying EBITDA	10.8	2.2	1.9	0.4	15.3
	71%	15%	12%	2%	
<hr/>					
(\$m) - FY18	Distribution	Agency	UK	Group	TOTAL
Underlying Revenue	25.1	6.5	10.5	2.7	44.8
	56%	15%	23%	6%	
Reported NPAT	5.0	1.2	1.0	13.2	20.3
Reported EBITDA	8.0	1.9	0.8	19.2	29.9
Underlying EBITDA	8.4	1.9	0.9	1.9	13.1
	64%	15%	7%	14%	

STATUTORY NPAT RECONCILIATION



Non-recurring revenue relates to fair value adjustments on listed investments, predominantly Johns Lyng Group and BP Marsh (and fair value adjustments on deferred consideration). Small net gains in current period; BPM well up on investment, offset by FV reduction on JLG. Prior year had large one-off gain after JLG IPO.



Average tax rate of 30% in line with full year 2018, however higher than half year 2018.



Non-recurring costs up in the period, largely due to UK legal costs from acquisitions and costs relating to the APG restructure.



AASB15 – implemented, immaterial impact in the period. Per standard requirements, the prior period claims adjustment made via retained profits adjustment.

STATUTORY NPAT RECONCILIATION

(\$m)	Dec-18	Dec-17	%	Change
Statutory NPAT	7.7	20.3		
Amortisation	0.8	0.5		
Non-Recurring Revenue - Tax Adjusted	-0.4	-12.0		
Non-Recurring Costs - Tax Adjusted	1.4	0.3		
Underlying NPATA	9.5	9.1	5%	+0.4
Dividends - Tax Adjusted	-1.0	-1.5		
Underlying NPATA - Operational	8.5	7.6	12%	+0.9

SUMMARY

Strong first half continues to lay the foundation for growth in future periods

- We have numerous unique attributes that combine to be the pillars of our success.
- Financial and operational performance has been good in the first half.
- Continued strong contribution from organic growth and acquisitions perform well.
- All operating segments performing well, with the diversity of the Group's operations evident.
- The balance sheet positions the Group well for future expansion and growth.
- Strong history of dividend payments – for investors since the IPO (~ 3 years), 20% of their capital has been returned via dividend.
- Full year guidance re-affirmed with underlying EBITDA of greater than \$43 million.